THE LANDSCAPE LOOKS DIFFERENT

We have successfully (for lack of a better word) navigated 10 full years since the financial crisis of 2008. Beginning in 2007 the world markets became rattled with uncertainty and everything culminated with large financial institutions collapsing in fall 2008. Those days led to many new things in our Industry including Build America Bonds, QSCB with direct pay subsidies and no more Aaa/AAA insurance companies in the municipal market. The Dodd Frank Wall Street Reform Act came out of some not so perfect days and as we have told you all before, this changed our landscape as Municipal Advisors (MA).

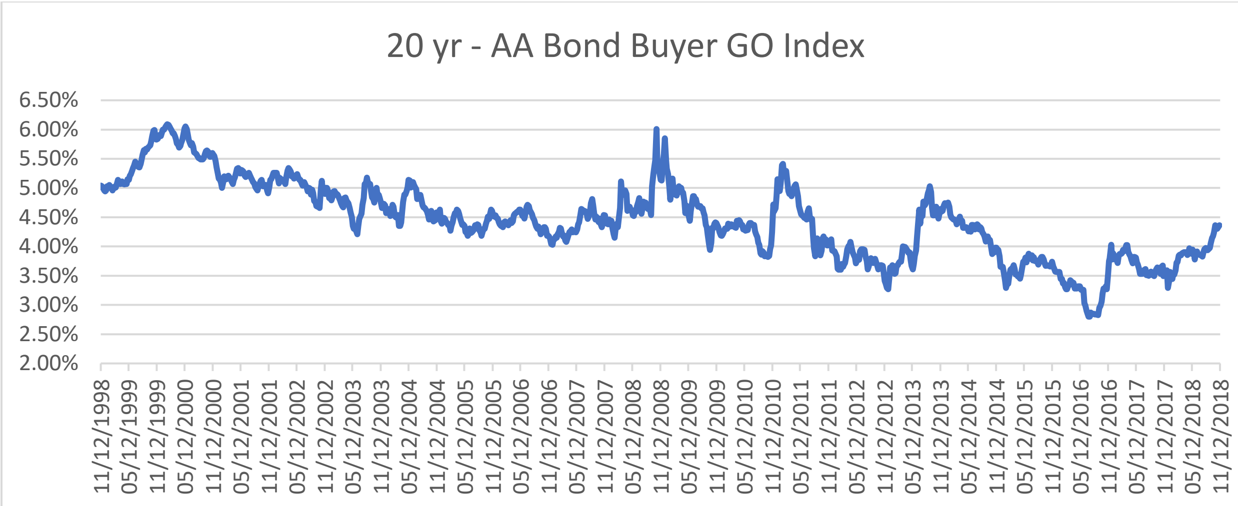
Over the prior 10 years Speer has worked hard to keep up with new Municipal Securities Rulemaking Board (MSRB) rules that regulate us, the MA. You as the Issuers have seen letters, emails and documents that may have been new to you, but were required under our federal regulation. We thank you for bearing with us as we navigated the most effective way to convey certain disclosures to you without overwhelming you with information.

Our days of regulation are far from over and more Rules continue to be made with the MA practice in mind. Most recently Rule G-40 was adopted which limits some of Speer's advertising possibilities. Although we respect the intent of the Rule to not allow any fraudulent or misleading statements about our firm or services, this will lead to some changes on our website, marketing materials and other items to completely comply with the Rule which is very broad.

The Securities and Exchange Commission (SEC) recently published a new change to Rule 15c2-12, commonly referred to as continuing disclosure. This will not only affect our business practices as preparers of official statements and dissemination agents but you the Issuer as well. The Rule covers the correct tracking and disclosing of bank loans that may not have been issued/recorded as Securities. This Rule requires future disclosure to the Electronic Municipal Marketplace Access (EMMA) on all of these types of obligations but also requires disclosure on any current or future obligation of this sort that appears to have any financial distress. As always we are hoping for further guidance on this subject before its February 2019 effective date, from the SEC or other industry resources. Our officers are currently engaged in webinars on both subject matters above and figuring ways to best serve all of you with these new regulations.

The Principals of our firm will also be taking an examination, MA Series 54, to gauge their knowledge of the existing MSRB Rules and how they navigate these Rules in the day to day business operations of Speer. More information on this exam will be provided to us in 2019.

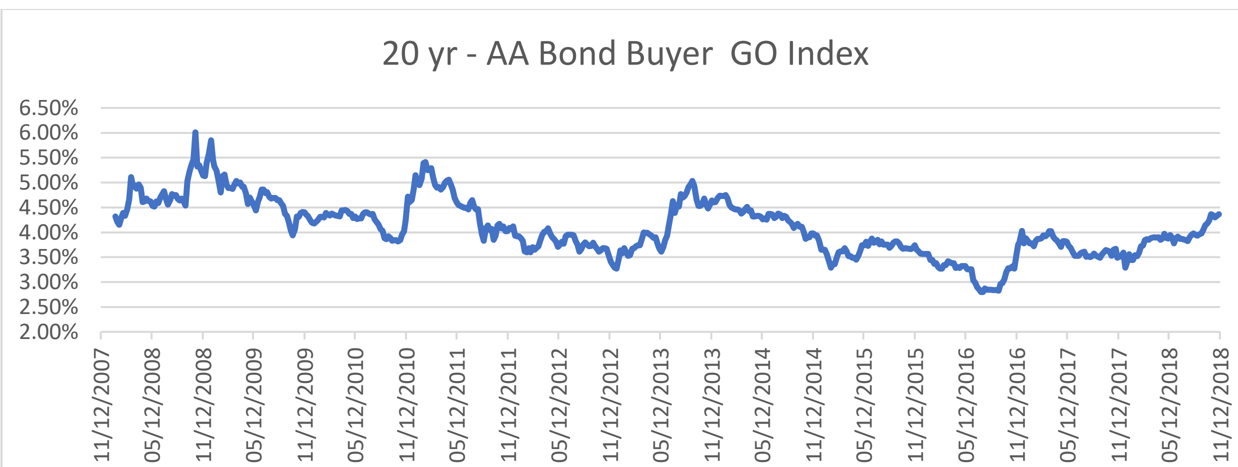
Interest rates are on the rise with the Federal Reserve moving the short term interest rates 0.25% each quarter of 2018 so far with a possible additional movement in December. Rates are higher than where we have seen these past several years; we have provided a view of where rates have been the last 20 years. The chart below represents 20 year GO Bond with AA ratings.



Source: Bond Buyer20 yr Index

You can see we are below the rates of the late 1990's and early 2000's. Early 2000 gave us 20 year bond rates of close to 6.25% and in today's same market we are seeing mid 4%.

The next chart provides us a look at what has happened just over the prior 10 years, since the impact of that financial crisis. Today our mid 4% 20yr rate is lower than rates in 2008, 2010 and even 2013.



Source: Bond Buyer 20 yr Index

In this industry we know there are highs and lows that are not just related to interest rates. Our goal at Speer Financial is to help you navigate those peaks and valleys and come out the other side steady when it comes to your financial needs. We appreciate each and every one of our Issuer clients and look forward to many years to come.