

# **Illinois Metropolitan Investment Fund**

**Comprehensive Annual Financial Report**

**Year ended September 30, 2020**



**Illinois Metropolitan  
Investment Fund**

# **Illinois Metropolitan Investment Fund**

## **Comprehensive Annual Financial Report**

**Year ended September 30, 2020**

**Sofia Anastopoulos  
Executive Director  
Chief Investment Officer**

# ILLINOIS METROPOLITAN INVESTMENT FUND

Comprehensive Annual Financial Report  
Year Ended September 30, 2020

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# ILLINOIS METROPOLITAN INVESTMENT FUND

Comprehensive Annual Financial Report  
Year Ended September 30, 2020

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**INTRODUCTORY SECTION (Unaudited)**



# Illinois Metropolitan Investment Fund

Investing together for  
our communities

February 17, 2021

**Christy Powell**

Superintendent of Finance  
& Personnel  
Geneva Park District  
*Chairman*

**Brian Murphy**

Village Administrator  
Village of Plainfield  
*Vice Chairman*

**Michael Duebner**

Innovation Director  
Village of Lake Zurich  
*Treasurer*

**Kay Nees**

Finance Director  
City of Champaign  
*Secretary*

**John Harrington**

Director of Finance  
Village of Minooka  
*Trustee*

**Chris Minick**

Director of Finance  
City of St. Charles  
*Trustee*

**Gary Szott**

Director of Finance/Treasurer  
Village of Bloomingdale  
*Trustee*

**Sofia Anastopoulos, CFA**

*Executive Director*

**Emlyn Bertsche**

*Public Funds Marketing Associate*

Dear IMET Participants:

We hereby submit to you the twenty fourth annual financial report of the Illinois Metropolitan Investment Fund (IMET), which covers the fiscal year of October 1, 2019 through September 30, 2020. In accordance with the Illinois Compiled Statutes and the Illinois Metropolitan Investment Fund Third Amended and Restated Declaration of Trust, dated as of February 28, 2019, an annual independent audit of all funds of IMET shall be conducted by certified public accountants licensed to practice public accounting in the State of Illinois. This report is published to fulfill that requirement, for the fiscal year ended September 30, 2020. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Board of Trustees and Executive Director, and is based upon a comprehensive framework of internal controls that is established for this purpose.

To the best of our knowledge and belief, the enclosed data are accurate in all material respects, and are reported in a manner designed to present fairly the financial position and changes in financial position of IMET in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America, by a firm of licensed certified public accountants. Because the cost of a control should not exceed the benefits to be derived, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements. Management is responsible for maintaining a system of adequate internal accounting controls designed to provide reasonable assurance that transactions are executed in accordance with management's general or specific authorization and are recorded as necessary to maintain accountability of assets and to permit preparation of financial statements in accordance with GAAP. We believe the internal controls in effect during the fiscal year ended September 30, 2020 adequately safeguard IMET's assets and provide reasonable assurance regarding the proper recording of financial transactions. All disclosures necessary to enable the reader to gain an understanding of IMET's financial activities have been included. The data presented in the Investment Section is prepared on a basis consistent with the other sections of the report using data provided by reliable third-party sources.

Miller, Cooper & Co., Ltd., Certified Public Accountants, has issued an unmodified opinion on IMET's financial statements, for the fiscal year ended September 30, 2020. The independent auditors' report is located at the front of the Financial Section of this report.

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. IMET's MD&A can be found immediately following the report of the independent auditors.

## **IMET PROFILE**

IMET, created under the Intergovernmental Cooperation Act and the Illinois Municipal Code in 1996, is a local government investment pool. In the early 1990's, the idea to develop an intermediate term investment fund was formed out of the discussions of various individuals who were not satisfied with the low returns being earned on the investments then currently available to public funds managers. Changes were occurring on the permissible investments for pension funds and the time seemed appropriate to research and create an investment vehicle to meet the needs of public funds. A committee was formed by five Chicago Metro Councils of Government (COGs) - the Will County Governmental League, West Central Municipal Conference, DuPage Mayors and Managers Conference, South Suburban Mayors and Managers Association, and the Northwest Municipal Conference - to evaluate various strategies for the creation of the investment fund. The newly formed committee received legal assistance and direction from legal counsel, in the creation of the investment fund. After numerous committee meetings over the course of a few years, the Illinois Metropolitan Investment Fund (IMET) was established. The original investment fund, called the IMET 1-3 Year Series, was designed as a pooled, intermediate term investment vehicle intended for funds that could be invested for more than one year. The Series was structured with a fluctuating Net Asset Value (NAV) and an average maturity of one-to-three years, with investments primarily in U.S. government backed securities (Treasuries and agencies). Each of the five founding COGs secured commitments from at least one of their respective members for an initial deposit into the fund. In September 2003, a second investment option was developed for IMET participants. This second investment option, called the Convenience Series (CVF), was created to provide members with an additional asset allocation option for their public funds primarily for liquidity purposes. The IMET Convenience Series is managed to maintain a stable \$1.00 share price and holds deposits and investments authorized by the Illinois Public Funds Investment Act. The two IMET series are available to all governmental units in the State of Illinois for the purpose of jointly investing the funds of which the governmental unit treasurer or finance officer has custody. As of September 30, 2020, IMET had approximately 184 participants.

## **INVESTMENT POLICIES AND PRACTICES**

The primary objectives of the IMET investment funds – the IMET 1-3 Year Series and the IMET Convenience Series, as set forth in their respective Investment Policies included in the Investment Section, are preservation of principal, liquidity, and return on investment. It is the policy of IMET to invest public funds of Illinois governments in a manner that seeks to provide an attractive risk-adjusted return consistent with the preservation of capital. IMET investment funds conform to Illinois state statutes governing the investment of public funds. The standard of prudence used for all investment activities is the “prudent person” standard and is applied in conducting all investment transactions. Investments are made with the judgment and care, under circumstances then prevailing, that persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable preservation of their capital as well as the probable income to be derived thereof.

## **YEAR END REPORT**

Fiscal year 2020 was characterized by an economy battered and wounded by the unexpected new virus, a novel coronavirus, infamously known as COVID-19. An economy that was humming along pre-pandemic with joblessness levels at 3.5%, its lowest level since 1969, and better than expected levels of inflation, had an unemployment rate hovering around 8.4% in August 2020. The United States economy continues to experience an uneven and slowing pace of recovery. The outlook depends on the course of the pandemic, continued monetary help, continuing and additional fiscal relief from the Federal government, and the timeline for a vaccine. Interest rates have returned to lows seen during the Great Recession with a target Federal Funds Rate of 0.00% to 0.25%.

A major accomplishment for 2020 was the undertaking of a competitive procurement for an administrator for fund accounting and transfer agency services. This process resulted in the engagement of Mutual Funds Services Co. d/b/a Public Funds Administrators, a wholly-owned subsidiary of Meeder Investment Management Inc. of Dublin, Ohio. Our selection process, managed by IMET’s Vendor Selection (RFP) committee, was comprehensive and included a thorough evaluation.

For fiscal year 2020, the 1-3 Year Series had a total return 4.07% on a gross of fees basis (3.77% on a net basis). This performance compares to a total return of 3.62% for its benchmark, the Bloomberg Barclay’s 1-3 Year Government Total Return Index, for the year 2020. For fiscal year 2019, the 1-3 Year Series had a total return of 4.12% on a gross of fees basis (3.83% on a net basis). This compared to a return of 4.42% for the benchmark. The Series’ performance divergence from that of its benchmark is a result of its diversification compared to the benchmark portfolio, which was heavily concentrated in Treasury securities, 94.4% on September 30, 2020.



For the fiscal year ended September 30, 2020, the Convenience Series had a total return of 0.97%. Its annualized 30-day yield as of September 30, 2020 was 0.33%. This compares to an annualized 30-day yield at September 30, 2019 of 2.03%. During the year ended September 30, 2020, the target Federal Funds Rate fell from a range of 1.75%-2.00%, to a range of 0.00% - 0.25%, as a result of the FOMC's emergency cuts due to the COVID-19 pandemic. For the preceding fiscal year, fiscal year 2019, the Convenience Series had an annualized yield of 2.03%. During the year ended September 30, 2019, the target Federal Funds Rate ranged between 2.25% to 2.50% and 1.75% to 2.00%. The environment during the fiscal year ended September 30, 2020 was rewarding for the Convenience Series, as bank deposit products, the primary asset class comprising the Convenience Series portfolio, were able to maintain yields compared to money market instruments.

Please refer to the Investment Section of this CAFR for additional information on investments for each investment fund.

During fiscal year 2020, total assets of the 1-3 Year Series increased by 20.6% to \$190,786,709 at September 30, 2020 from \$158,243,727 at September 30, 2019. This robust growth followed growth of 7.7% in 1-3 Year Series assets from \$146,950,699 at September 30, 2018 to \$158,243,727 at September 30, 2019. Decreases in interest rates during the fiscal year resulted in positive movements in NAVs for the 1-3 Year Series. Additionally, a positively-sloped yield curve benefited the 1-3 Year Series over shorter-term alternatives.

Total assets of the IMET Convenience Series modestly increased by 3.3% to \$509,510,146 at September 30, 2020 over \$493,241,643 at September 30, 2019, which followed a decrease of 8.1% from \$536,836,363 at the prior year end, September 30, 2018. Growth of the Convenience Series in fiscal year 2020 was a result of the Series' outperformance relative alternatives available in the state. Because the Convenience Series is comprised primarily of bank deposits which have been able to maintain their rates as the Federal Reserve has decreased interest rates, it has enjoyed outperformance relative competitive offerings in Illinois.

Fiscal year 2020 was unique in that both IMET series, the IMET 1-3 Year and the IMET Convenience Series, saw increases in assets. In establishing the IMET Convenience Series, it was the intention of the Board of Trustees of IMET to offer participants an alternative to the IMET 1-3 Year Series and for the two Series to act as complements or alternatives to each other. 2020 was unique in that both Series outperformed. The IMET 1-3 Year Series enjoyed outperformance due to its asset classes and the sloped yield curve which rewarded longer maturities such as those comprising the IMET 1-3 Year Series. At the same time, the IMET Convenience Series enjoyed outperformance because of the strength of its primary asset class, bank deposits.

The Executive Director and the IMET Board of Trustees, along with IMET's external partners, continue to position both IMET Series for ongoing competitive risk-adjusted rates of return.

IMET's goals for FY 2021 are to continue to find ways to add value to our participants regardless of the interest rate environment. We will strive to maintain stability and strength in the IMET 1-3 Year Series and the IMET Convenience Series. We will seek to identify partners competitively who will help us add value, while continuously looking for opportunities to enhance returns for participants without compromising safety. IMET's Board of Trustees strives to secure sustainable growth for IMET in both its investment Series. IMET will continue to research and develop tools, products and services for participants, adding to the Arbitrage Rebate Calculation Services offered at attractive pricing, the Cash Flow Forecast Model available on a complimentary basis, and the newly added online resource, the *Investing Encyclopedia*:  
<https://www.investimet.com/investing-encyclopedia>.

In everything we do, IMET seeks to be a steward for participants, to earn your trust and deserve your confidence.

## AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Illinois Metropolitan Investment Fund for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2019. This was the ninth consecutive year that IMET has achieved this prestigious award. In order to be awarded a Certificate of Achievement, this CAFR was judged by an impartial panel to meet the high standards of the GFOA award program, which includes demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the CAFR.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Each member of the Board, each volunteer on IMET's standing committees, and each participant makes IMET the strong, creative, and cooperative membership organization that it is today and will continue to be. Your continued participation in this joint endeavor is welcome and sincerely embraced.

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedication and hard work of the Board of Trustees, our audit standing committee, and staff. Each member of the Board of Trustees, audit standing committee volunteer and staff has our sincere appreciation for the contributions made in the preparation of this report. In addition, our appreciation is made to the independent auditors who have contributed to making this report possible.

On behalf of the IMET Board of Trustees and staff, we look forward to continuing to work with participants for the long-term success of IMET. We are proud to offer IMET's services to all units of government in the state of Illinois.

In service with you,



Christy Powell  
IMET Chairman



Sofia Anastopoulos, CFA  
IMET Executive Director

# ILLINOIS METROPOLITAN INVESTMENT FUND

Board of Trustees  
September 30, 2020

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## ILLINOIS METROPOLITAN INVESTMENT FUND

1220 Oak Brook Road  
Oak Brook, Illinois 60523  
Telephone: (630) 571-0480, ext. 229

### BOARD OF TRUSTEES

Chair: Christy Powell  
Geneva Park District

Vice Chair: Brian Murphy  
Village of Plainfield (WCGL)

Treasurer: J. Michael Duebner  
Village of Lake Zurich (NWMC)

Secretary: Kay Nees  
City of Champaign

Trustee: Chris Minick  
City of St. Charles

Trustee: Gary Szott  
Village of Bloomingdale (DMMC)

Trustee: John Harrington  
Village of Minooka

Executive Director: Sofia Anastopoulos

# **ILLINOIS METROPOLITAN INVESTMENT FUND**

Supporting Chicago Area Councils of Government  
and External Advisers  
September 30, 2020

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## **SUPPORTING CHICAGO AREA COUNCILS OF GOVERNMENT**

### **DUPAGE MAYORS AND MANAGERS CONFERENCE**

Suzette Quintell  
Executive Director

### **NORTHWEST MUNICIPAL CONFERENCE**

Mark Fowler  
Executive Director

### **SOUTH SUBURBAN MAYORS AND MANAGERS ASSOCIATION**

Kristi DeLaurentiis  
Executive Director

### **WILL COUNTY GOVERNMENTAL LEAGUE**

Hugh O'Hara  
Executive Director

## **EXTERNAL ADVISERS**

Meeder Public Funds, Inc., an SEC registered adviser, (the "Adviser") and  
Meeder Investment Management (the "Parent")  
Dublin, Ohio

### **FUND ACCOUNTANT/TRANSFER AGENT**

Mutual Funds Service Co. d/b/a Public Funds Administrators (wholly owned  
subsidiary of Meeder Investment Management)  
Dublin, Ohio

### **CUSTODIAN**

US Bank National Association  
Minneapolis, MN

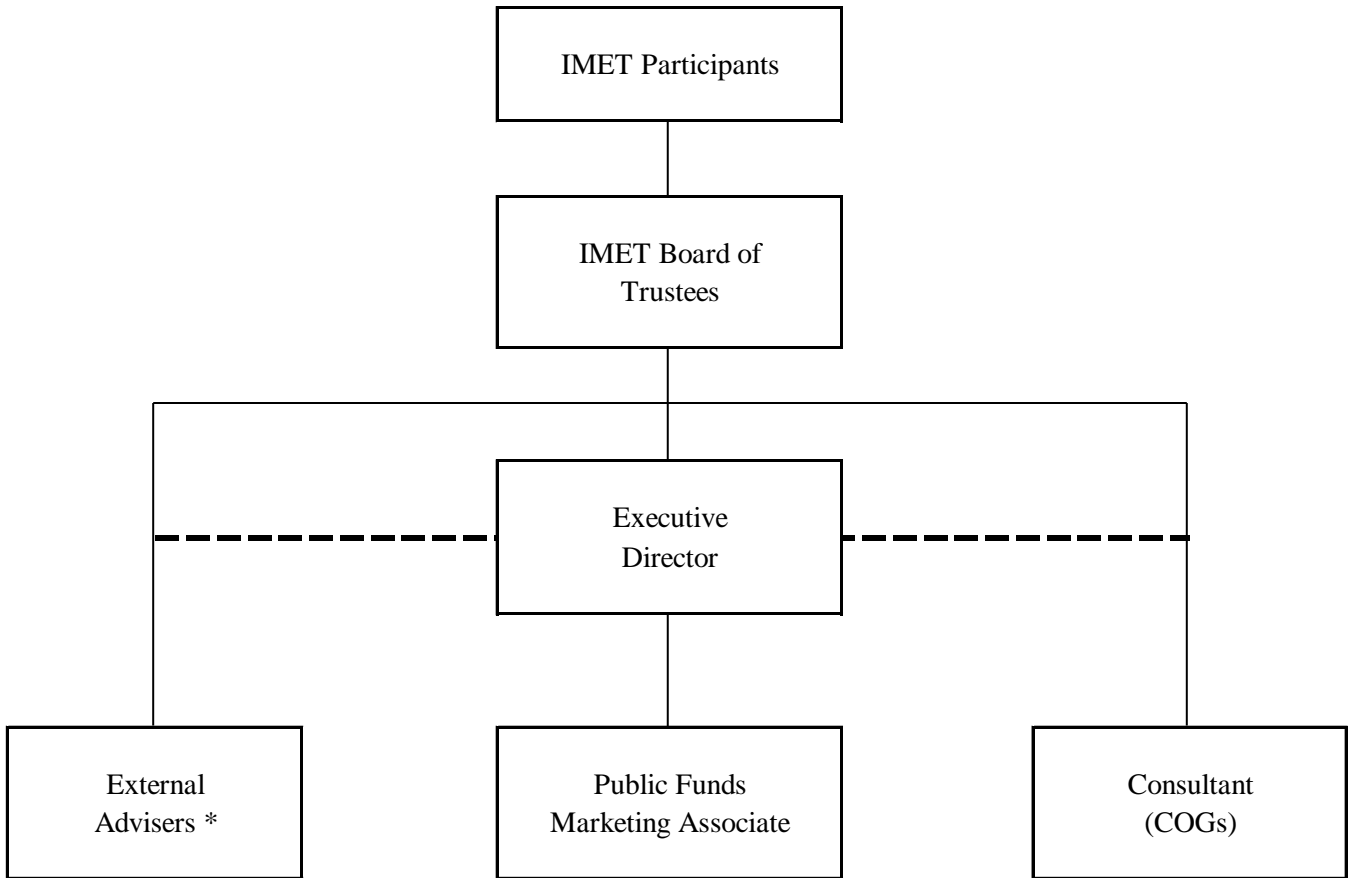
### **LEGAL COUNSEL**

Vedder Price  
Chicago, Illinois

# ILLINOIS METROPOLITAN INVESTMENT FUND

Organizational Chart  
September 30, 2020

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\* Please refer to the Schedule of Fees within the Investment Section of this report for a summary of fees paid both internally and externally.



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Illinois Metropolitan Investment Fund**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

September 30, 2019

*Christopher P. Morrill*

Executive Director/CEO

## **FINANCIAL SECTION**



# MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

## INDEPENDENT AUDITORS' REPORT

The Members of the Board of Trustees  
Illinois Metropolitan Investment Fund  
Oak Brook, Illinois

### **Report on the Financial Statements**

We have audited the accompanying combining statements of fiduciary net position and changes in fiduciary net position of the Illinois Metropolitan Investment Fund (IMET), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise IMET's basic financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

IMET's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(Continued)

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IMET, as of September 30, 2020, and the changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8, the Illinois Municipal Retirement Fund pension data on pages 31 through 33, and notes to the required supplementary information on page 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Our audit for the year ended September 30, 2020 was conducted for the purpose of forming an opinion on the financial statements that collectively comprise IMET's basic financial statements. The other schedules listed in the table of contents, including the introductory section, the investment section, the other supplementary information, and the statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

***Other Information*** (Continued)

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory, investment, and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

MILLER, COOPER & CO., LTD.



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Certified Public Accountants

Deerfield, Illinois  
February 17, 2021

**ILLINOIS METROPOLITAN INVESTMENT FUND**  
Management's Discussion and Analysis (Unaudited)  
Year ended September 30, 2020

Management is pleased to provide this discussion and analysis of the financial activities of the Illinois Metropolitan Investment Fund (IMET) for the year ended September 30, 2020. Readers are encouraged to consider the information presented here in conjunction with the additional information that is furnished in the letter of transmittal. Further, this correspondence is intended to serve as an introduction to IMET's basic financial statements, which are comprised of the fund financial statements and notes to the financial statements. The Comprehensive Annual Financial Report (CAFR) contains other information in addition to the basic financial statements. The financial statements begin on page 9 of the report.

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***Financial Highlights***

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Total assets, which include the IMET 1-3 Year Series, the IMET Convenience Series, and the IMET FFF Account Liquidating Trust, increased by 4.2% to \$702,217,727 as of September 30, 2020 from \$673,763,737 at the prior fiscal year end, September 30, 2019.

Total assets of the 1-3 Year Series increased meaningfully by 20.6% to \$190,786,709 at September 30, 2020 from \$158,243,727 at September 30, 2019. This increase in assets for the IMET 1-3 Year Series was a continuation of the trend that was exhibited during the preceding fiscal year, over which period assets grew from \$146,950,699 at September 30, 2018 to \$158,243,727 at September 30, 2019. Over the course of fiscal year 2020, interest rates continued to fall, maintaining a trend that had emerged during fiscal year 2019. This resulted in net asset value (NAV) appreciation for the IMET 1-3 Year Series which had the effect of encouraging subscriptions in the IMET 1-3 Year Series, resulting in asset growth in both 2020 and 2019.

For fiscal year 2020, total assets of the IMET Convenience Series increased by 3.3% to \$509,510,146 at September 30, 2020 from \$493,241,643 at September 30, 2019. Growth in assets of the IMET Convenience Series resulted from the relative outperformance of the IMET Convenience Series. This outperformance is directly attributable to the composition of the IMET Convenience Series portfolio, as it continues to differentiate itself from peers through IMET's extensive deposit relationships and access. As per the IMET Convenience Series' investment policy, the portfolio consists primarily of deposit products (collateralized, FDIC-insured, and Federal Home Loan Bank Letter of Credit-backed). These deposit products enabled the yield of the IMET Convenience Series to remain elevated, contributing to the relative outperformance.

The increase in asset size of both IMET Series during 2020 was due to the relative and absolute performance of each Series. During the 2020 fiscal year, both funds outperformed alongside each other, rather than divergently.

Total assets of the IMET FFF Account Liquidating Trust decreased by 91.4% to \$1,920,872 from \$22,278,367 at September 30, 2019. This significant decrease in the IMET FFF Account Liquidating Trust is attributable to distribution of the earlier recovery from the Overall Receiver.

Participants' net position in IMET was \$695,906,062 (\$184,686,228 in the IMET 1-3 Year Series, \$509,298,962 in the IMET Convenience Series, and \$1,920,872 in the IMET FFF Account Liquidating Trust) at September 30, 2020. This was a 3.5% increase over the prior fiscal year end net position in IMET of \$672,093,457, comprised of \$157,958,375 in the IMET 1-3 Year Series, \$491,856,715 in the Convenience Series, and \$22,278,367 in the IMET FFF Account Liquidating Trust at September 30, 2019.

**ILLINOIS METROPOLITAN INVESTMENT FUND**  
Management's Discussion and Analysis (Unaudited)  
Year ended September 30, 2020

***Overview of the Financial Statements***

The two basic financial statements of IMET are the *Combining Statement of Fiduciary Net Position* and the *Combining Statement of Changes in Fiduciary Net Position*, which represent the entity-wide financial statements. The statements are prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units.

The *Combining Statement of Fiduciary Net Position* is a measure of each fund's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at the close of the fiscal year. Total assets and deferred outflows of resources less total liabilities and deferred inflows of resources equal net position held in trust for IMET participants. The following table is a Condensed Statement of Fiduciary Net Position, as of September 30, 2020 and 2019.

Condensed Statement of Fiduciary Net Position  
at September 30,  
(\$)

	IMET 1-3 Year Series 2020	IMET 1-3 Year Series 2019	IMET Convenience Series 2020	IMET Convenience Series 2019	IMET FFF Account Liquidating Trust 2020	IMET FFF Account Liquidating Trust 2019	Total 2020	Total 2019
Assets	\$ 190,786,709	\$ 158,243,727	\$ 509,510,146	\$ 493,241,643	\$ 1,920,872	\$ 22,278,367	\$ 702,217,727	\$ 673,763,737
Deferred outflows of resources	104,918	126,477	-	-	-	-	104,918	126,477
Total assets & deferred outflows	190,891,627	158,370,204	509,510,146	493,241,643	1,920,872	22,278,367	702,322,645	673,890,214
Liabilities	6,173,640	403,986	211,184	1,384,928	-	-	6,384,824	1,788,914
Deferred inflows of resources	31,759	7,843	-	-	-	-	31,759	7,843
Total liabilities & deferred inflows	6,205,399	411,829	211,184	1,384,928	-	-	6,416,583	1,796,757
Total net position	\$ 184,686,228	\$ 157,958,375	\$ 509,298,962	\$ 491,856,715	\$ 1,920,872	\$ 22,278,367	\$ 695,906,062	\$ 672,093,457

**ILLINOIS METROPOLITAN INVESTMENT FUND**  
Management's Discussion and Analysis (Unaudited)  
Year ended September 30, 2020

*Overview of the Financial Statements*

The *Combining Statement of Changes in Fiduciary Net Position* shows purchases to and redemptions (withdrawals) from each Series, as well as other additions and deductions during the fiscal year. The net increase or decrease in net position is the change in net position owned by participants since the end of the previous fiscal year. The following table is a Condensed Statement of Changes in Fiduciary Net Position, for the years ended September 30, 2020 and 2019.

Condensed Statement of Changes in Fiduciary Net Position  
For the years ended September 30, 2020 and 2019

	IMET 1-3 Year Series 2020	IMET 1-3 Year Series 2019	IMET Convenience Series 2020	IMET Convenience Series 2019	IMET FFF Account Liquidating Trust 2020	IMET FFF Account Liquidating Trust 2019	Total 2020	Total 2019
<b>Additions</b>								
Investment income	\$ 6,451,578	\$ 6,058,407	\$ 4,906,412	\$ 11,109,111	\$ 697,045	\$ 956,445	\$ 12,055,035	\$ 18,123,963
Other income	15,861	2,771	-	-	-	-	15,861	2,771
Investment expenses	(252,269)	(224,238)	(246,618)	(254,840)	-	-	(498,887)	(479,078)
Proceeds from sale of units to participants	32,327,171	15,899,926	498,929,405	609,574,432	-	-	531,256,576	625,474,358
Total additions	38,542,341	21,736,866	503,589,199	620,428,703	697,045	956,445	542,828,585	643,122,014
<b>Deductions</b>								
Administrative and other expenses	142,299	152,141	493,983	441,527	-	-	636,282	593,668
Distributions to participants	-	-	4,196,735	10,451,869	21,054,540	-	25,251,275	10,451,869
Cost of units redeemed by participants	11,672,189	10,365,401	481,456,234	653,585,050	-	-	493,128,423	663,950,451
Total deductions	11,814,488	10,517,542	486,146,952	664,478,446	21,054,540	-	519,015,980	674,995,988
Net increase (decrease) in net position	26,727,853	11,219,324	17,442,247	(44,049,743)	(20,357,495)	956,445	23,812,605	(31,873,974)
<b>Net position</b>								
Beginning of year	157,958,375	146,739,051	491,856,715	535,906,458	22,278,367	21,321,922	672,093,457	703,967,431
End of year	\$ 184,686,228	\$ 157,958,375	\$ 509,298,962	\$ 491,856,715	\$ 1,920,872	\$ 22,278,367	\$ 695,906,062	\$ 672,093,457

The *Notes to the Financial Statements* are a fundamental part of the financial statements and provide important information to augment the figures in the financial statements. The notes describe accounting policies and other financial information.

Schedules of Investments are included in the Investment Section to detail the types and amounts of investment instruments held by the IMET 1-3 Year Series and the IMET Convenience Series.

*Net Position*

IMET's total net position includes the net position of the IMET 1-3 Year Series, the IMET Convenience Series, and the IMET FFF Account Liquidating Trust. Net position is the difference between total assets and deferred outflows of resources, and total liabilities and deferred inflows of resources.

The IMET FFF Account Liquidating Trust was established on September 30, 2014 by IMET and its Board of Trustees to receive and distribute the recovery of funds on the investments to participants. The total estimated net realizable value of the IMET FFF Account Liquidating Trust is \$29,915,998, which includes recoveries already distributed to IMET, most of which have been distributed to affected participants. At September 30, 2020, after a current year distribution to participants of \$21,054,540, the net position of the IMET FFF Account Liquidating Trust was \$1,920,872.

## ILLINOIS METROPOLITAN INVESTMENT FUND

Management's Discussion and Analysis (Unaudited)

Year ended September 30, 2020

### *Financial Statement Analysis*

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#### *Operations*

The income of IMET is dependent on assets in each IMET Series, and the short-term interest rate environment. During the fiscal year ended September 30, 2020, income totaled \$12,070,896, consisting of \$8,272,204 in interest, net appreciation in the fair value of investments of \$3,782,831, and other income of \$15,861. These amounts may be compared with total income of \$18,126,734 in 2019, which consisted of \$14,363,612 in interest, net appreciation in the fair value of investments of \$3,760,351, and other income of \$2,771. Between fiscal year 2020 and 2019, total income decreased primarily due to lower interest rates. Net change in fair value was comparable in 2020 and 2019.

IMET's expenses for the fiscal year ended September 30, 2020 were \$1,135,169 (comprised of \$498,887 of investment expenses and \$636,282 of administrative and other expenses). This compares to fiscal year 2019 in which IMET's expenses totaled \$1,072,746 (comprised of \$479,078 of investment expenses and \$593,668 of administrative and other expenses). The 5.8% increase in total expenses between 2019 and 2020 was due to the increase in assets in both the IMET 1-3 Year Series and the IMET Convenience Series. Fund accountant, transfer, custody, and investment advisory fees for the IMET 1-3 Year Series are calculated as a percentage of fund assets.

### *Investment Performance*

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While fiscal year 2020 had started off with indication from the Federal Open Market Committee (FOMC) of very little chance of a rate cut or hike for 2020, there were two rate cuts in March 2020, one of which was an emergency 75 basis point slashing of interest rates on a Sunday. As a result, the target Federal Funds Rate range stood at 0.00%-0.25% at September 30, 2020. This volatility and low rate environment served as the backdrop of the performance of both IMET series.

During fiscal year 2020, the IMET 1-3 Year Series had a gross of fees return of 4.07% (3.77% net of fees), compared to 3.62% for the benchmark, the Bloomberg Barclay's 1-3 Year Government Total Return Index. The relative outperformance is attributable to the IMET 1-3 Year Series' diversification of assets as compared to the benchmark's concentration of Treasuries.

During fiscal year 2019, the IMET 1-3 Year Series had a gross of fees return of 4.12% (3.83% net of fees), compared to 4.42% for the benchmark, the Bloomberg Barclay's 1-3 Year Government Total Return Index. The relative underperformance was attributable to the IMET 1-3 Year Series diversification of assets as compared to the benchmark's concentration of Treasuries. While this asset allocation tactic was undertaken to enhance safety and heighten yield, as trade tensions churned during 2019, Treasuries performed well as investors rushed to this safe haven, resulting in price appreciation.

The return for the IMET Convenience Series for the year ended September 30, 2020 was 0.97%. Comparable liquidity benchmarks such as the Bloomberg Barclay's US Treasury Bills 1-3 Month Index and the Standard & Poor's Government Index Pool Index, had a return of 0.96% and 0.89%, respectively. Over fiscal year 2020, the target Federal Funds Rate ranged between 1.75% to 2.00%, to a range of 0.00% to 0.25%. The interest rate environment during 2020 was challenging for liquidity portfolios as interest rates plummeted to near zero.

**ILLINOIS METROPOLITAN INVESTMENT FUND**

Management's Discussion and Analysis (Unaudited)

Year ended September 30, 2020

*Investment Performance (continued)*

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For additional information regarding performance returns of IMET, asset allocation and collateral, please refer to the Investment Section beginning on page 38 of this report.

*Requests for Information*

Questions about any information provided in this report should be addressed to:

Illinois Metropolitan Investment Fund (IMET)

ATTN: Executive Director

1220 Oak Brook Road

Oak Brook, IL 60523

OR by email: [ExecDir@investIMET.com](mailto:ExecDir@investIMET.com)



## **BASIC FINANCIAL STATEMENTS**

## Illinois Metropolitan Investment Fund

Combining Statement of Fiduciary Net Position  
September 30, 2020

	IMET 1 - 3 Year Series	IMET Convenience Series	IMET FFF Account Liquidating Trust	Total
<b>ASSETS</b>				
Cash and short-term investments	\$ 5,691,865	\$ 458,196,111	\$ 1,920,872	\$ 465,808,848
Receivables				
Interest	536,209	239,796	-	776,005
Investments sold pending settlement	2,740,449	-	-	2,740,449
Other	52,647	-	-	52,647
Investments:				
U.S. Treasury obligations	14,774,780	-	-	14,774,780
U.S. Government agency and agency-guaranteed obligations	2,822,448	9,800,000	-	12,622,448
Asset and mortgage- backed securities	149,063,110	-	-	149,063,110
Commercial paper	14,984,035	-	-	14,984,035
Negotiable certificates of deposit	-	41,274,239	-	41,274,239
Prepaid items	121,166	-	-	121,166
Total assets	190,786,709	509,510,146	1,920,872	702,217,727
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	104,918	-	-	104,918
<b>LIABILITIES</b>				
Current liabilities				
Payables				
Investments purchased pending settlement	5,880,272	-	-	5,880,272
Dividends payable to participants	-	131,924	-	131,924
Management fees	23,259	23,183	-	46,442
Consultant fee	10,000	-	-	10,000
Administrative fee	-	43,428	-	43,428
Accounts payable and other	24,593	12,649	-	37,242
Non-current liabilities				
IMRF net pension liability	235,516	-	-	235,516
Total liabilities	6,173,640	211,184	-	6,384,824
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	31,759	-	-	31,759
<b>NET POSITION</b>				
Net position held in trust for participants (units outstanding: 8,784,248, 509,546,138, and 22,378,319 at September 30, 2020 for IMET 1-3 Year Series, IMET Convenience Series, and IMET FFF Account Liquidating Trust, respectively, equivalent to \$21.02, \$1.00, and \$0.09 per unit outstanding at September 30, 2020 for IMET 1-3 Year Series, IMET Convenience Series, and IMET FFF Account Liquidating Trust, respectively				
Total net position	\$ 184,686,228	\$ 509,298,962	\$ 1,920,872	\$ 695,906,062

The accompanying notes are an integral part of this statement.

**Illinois Metropolitan Investment Fund**  
Combining Statement of Changes in Fiduciary Net Position  
Year ended September 30, 2020

	IMET 1 - 3 Year Series	IMET Convenience Series	IMET FFF Account Liquidating Trust	Total
<b>Additions</b>				
Investment income				
Interest	\$ 3,330,448	\$ 4,906,412	\$ 35,344	\$ 8,272,204
Net change in fair value of investments	3,121,130	-	661,701	3,782,831
Other income	15,861	-	-	15,861
Total income	6,467,439	4,906,412	697,045	12,070,896
<b>Investment expenses</b>				
Investment advisory fees	143,854	-	-	143,854
Transfer agent and fund accounting fees	92,228	239,722	-	331,950
Custodial fees	16,187	6,896	-	23,083
Total investment expenses	252,269	246,618	-	498,887
Net investment income	6,215,170	4,659,794	697,045	11,572,009
<b>Unit transactions</b>				
Proceeds from sale of units to participants	32,327,171	498,929,405	-	531,256,576
Total additions	38,542,341	503,589,199	697,045	542,828,585
<b>Deductions</b>				
Administrative and other expenses:				
Management services	11,712	5,138	-	16,850
Compensation and related expenses	76,153	228,459	-	304,612
Professional services	2,143	5,794	-	7,937
Insurance	17,147	51,443	-	68,590
Audit	6,625	19,875	-	26,500
Marketing	1,133	3,398	-	4,531
Administrative and other	27,386	149,080	-	176,466
Legal and other costs, net of insurance reimbursements	-	30,796	-	30,796
Total administrative and other expenses	142,299	493,983	-	636,282
Distributions to participants	-	4,196,735	21,054,540	25,251,275
Cost of units redeemed by participants	11,672,189	481,456,234	-	493,128,423
Total deductions	11,814,488	486,146,952	21,054,540	519,015,980
Net increase (decrease) in net position held in trust for participants	26,727,853	17,442,247	(20,357,495)	23,812,605
<b>Net position held in trust for participants:</b>				
Beginning of year	157,958,375	491,856,715	22,278,367	672,093,457
End of year	\$ 184,686,228	\$ 509,298,962	\$ 1,920,872	\$ 695,906,062

The accompanying notes are an integral part of this statement.

# Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2020

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## NOTE A - NATURE OF OPERATIONS

The Illinois Metropolitan Investment Fund (IMET) is an actively managed investment fund for Illinois units of local government and for other official custodians of public funds. IMET offers two investment options, the IMET 1-3 Year Series and the IMET Convenience Series. The IMET 1-3 Year Series is designed as an investment vehicle for funds not required to be spent in the short term and which are available for investment in securities with average maturities of between one and three years, and returns generally greater than those for money market instruments. The IMET Convenience Series provides a short-term investment option for liquidity. IMET also manages the IMET FFF Account Liquidating Trust (see Note B-1, below).

IMET is governed by a Board of Trustees comprised of eight Illinois public officials representing the Fund's investors. The Board meets no less than ten times during the year to review goals, objectives, and the direction of IMET. Participants also benefit from IMET's standing committees, which include Audit, New Products, Vendor Selection, Personnel, Nominating, and other ad hoc committees. IMET's committees consist of Trustees as well as participants.

The authority for the creation and continued existence of IMET comes from the Illinois Municipal Code, which specifically includes the Intergovernmental Cooperation Act, and the Local Government Debt Reform Act, as amended. These Acts grant the authority to official custodians of governmental unit funds to jointly invest with other official custodians of other governmental units.

## NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Illinois Metropolitan Investment Fund (IMET) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of IMET's accounting policies are described below.

### 1. Reporting Entity

Based upon the required GASB criteria, IMET has no component units and is not a component unit of any other entity. The following is a brief description of IMET's funds:

The IMET 1-3 Year Series portfolio comprises investments in U.S. Treasury obligations, U.S. government agency and agency-backed securities, asset and mortgage-backed securities, and commercial paper. The 1-3 Year Series portfolio also consists of cash and money market mutual funds.

The IMET Convenience Series portfolio consists of deposits with financial institutions, money market funds, and U.S. government agency obligations.

# Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2020

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## NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 1. Reporting Entity (Continued)

The IMET FFF Account Liquidating Trust was established during the fiscal year ended September 30, 2014, for the purpose described in Note C.

### 2. Basis of Accounting

The IMET 1-3 Year Series, IMET Convenience Series, and IMET FFF Account Liquidating Trust operate as fiduciary (trust) funds, and report on the accrual basis of accounting.

### 3. Security Valuation

Investments of the IMET 1-3 Year Series and the IMET Convenience Series are reported at fair value, as disclosed in the related notes, other than investments in commercial paper, which have maturities of less than one year and are reported at amortized cost. All investment income for the IMET 1-3 Year Series and the IMET Convenience Series, including changes in the fair value of investments, has been recognized as income in the combining statement of changes in net position.

### 4. Security Transactions and Income

Security transactions are accounted for on the trade date basis, no later than one business day after the securities are purchased or sold. Gains and losses on investments are realized at the time of the sale, and the cost of securities sold is determined on the first-in, first-out basis. Interest income from fixed income and money market investments is accrued on a daily basis. Discounts and premiums on all fixed income securities are amortized or accreted on a constant-yield basis.

### 5. Deferred Outflows / Deferred Inflows

In addition to assets, the combining statement of fiduciary net position may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period. At September 30, 2020, IMET had deferred outflows of resources related to pensions. In addition to liabilities, IMET may report deferred inflows of resources. Deferred inflows of resources represent the acquisition of resources that is applicable to a future period. At September 30, 2020, IMET had deferred inflows of resources related to pensions.

# Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2020

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## NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 6. Subscriptions and Redemptions

Participants may subscribe to the 1-3 Year Series and Convenience Series on any business day.

For the 1-3 Year Series, purchase requests received by IMET before 3:00 pm Central Time (CT) are credited to accounts at the net asset value as of the close of business that day. Notice of redemptions of the 1-3 Year Series must be made before noon CT. Participants may redeem shares of the 1-3 Year Series with one day's notice at the net asset value as of the close of business on day of notification if notification occurs before noon. For notifications that occur after noon, shares are redeemed at the net asset value as of the close the following business day.

For the Convenience Series, purchase requests made by 3:00 pm CT are credited to accounts at the net asset value as of the close of business that day. Participants may redeem from the Convenience Series with same day notice at the current value as of the day of redemption as long as notice is made by 3:00 pm CT. Redemptions with notice after 3:00 pm CT will be redeemed on the following business day.

### 7. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources related to pensions, deferred inflows of resources, pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are stated at fair value.

### 8. Use of Estimates

In preparing IMET's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, the disclosure of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements, and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

# Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2020

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## NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 9. Fair Value Measurements

Current accounting standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1            Inputs to the valuation methodology are unadjusted quoted market prices for identical assets or liabilities in active markets that the Fund has the ability to access.

Level 2            Inputs to the valuation methodology include the following:

- \* Quoted prices for similar assets or liabilities in active markets;
- \* Quoted prices for identical or similar assets or liabilities in inactive markets;
- \* Inputs other than quoted prices that are observable for the asset or liability;
- \* Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3            Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

# Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2020

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## NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 9. Fair Value Measurements (Continued)

The following is a description of the valuation methodologies used for IMET's investments measured at fair value.

*U.S. Treasury Securities, U.S. Government Agency Obligations, Asset / Mortgage-Backed Securities, and negotiable certificates of deposit:* Valued based on matrix pricing models, maximizing the use of observable inputs for similar securities.

*First American Treasury Obligation Money Market Fund and commercial paper:* Valued at closing price on the active market on which the asset is traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while IMET believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in valuation methodologies from the prior year.

## NOTE C - IMET FFF ACCOUNT LIQUIDATING TRUST

The IMET Convenience Series invested in certain First Farmers Financial, LLC (FFF) repurchase agreement transactions (the FFF Investment) through its investment adviser, Pennant Management Inc. (Pennant) that FFF represented as being backed by guarantees from the United States Department of Agriculture (USDA). On September 29, 2014, IMET was notified by Pennant that the loans underlying the FFF Investment were fraudulently made. IMET later learned that FFF falsified certain documentation pertaining to USDA guarantees and misappropriated the proceeds from the FFF Investment.

On September 29, 2014, Pennant initiated a lawsuit in the United States District Court for the Northern District of Illinois, Case No. 14 cv 07581 (the Litigation) where Pennant froze and later seized certain assets of FFF, its chief executive officer Nikesh Patel, and other interested parties (the Seized Assets). Effective September 30, 2014, IMET and its Trustees executed a liquidating trust agreement, whereby the IMET FFF Account Liquidating Trust was established. Recoveries that IMET receives from the Litigation or from other IMET claims relating to the FFF Investment will be deposited in the IMET FFF Account Liquidating Trust for distribution to IMET Convenience Series participants of record as of September 30, 2014 (Participants) in accordance with the terms of the IMET FFF Account Liquidating Trust. On April 23, 2015, an overall receiver was appointed in the Litigation (Overall Receiver) to, among other things, take possession and oversee the liquidation of the Seized Assets as well as to marshal and monetize other assets of Nikesh Patel and FFF's President, Timothy Fisher, and other entities they own or control for the ultimate benefit of creditors, including IMET.



## Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2020

### NOTE C - IMET FFF ACCOUNT LIQUIDATING TRUST (Continued)

The IMET Board of Trustees estimated the net realizable value of the anticipated recoveries from its FFF Investment. This estimate was based upon recoveries already distributed to IMET as well as information IMET received from the Overall Receiver, including an estimated total recovery by the Overall Receivership Estate less estimated expenses. This estimate was also based on monies IMET received in connection with various settlements. During fiscal year 2020, the receivership was terminated and IMET received final distributions from the Overall Receiver totaling \$22,216,497. IMET's final recoveries totaled \$29,915,542, or 59.3% of the original investment, which represents an increase over the previous year's estimated recovery of 58.0% as of September 30, 2019.

### NOTE D - DEPOSITS AND INVESTMENTS

At September 30, 2020, deposits and investments consisted of the following:

	IMET 1-3 Year Series	IMET Convenience Series	IMET FFF Account Liquidating Trust	Total
Cash and short-term investments *	\$ 5,691,865	\$ 458,196,111	\$ 1,920,872	\$ 465,808,848
Investments	181,644,373	51,074,239	-	232,718,612
	\$ 187,336,238	\$ 509,270,350	\$ 1,920,872	\$ 698,527,460

\* Short-term investments include the First American Treasury Obligation Money Market Fund.

For disclosure purposes, this amount is segregated as follows:

	Total
Deposits with financial institutions **	\$ 454,520,022
First American Treasury Obligation Money Market Fund	11,288,826
Other investments	232,718,612
	\$ 698,527,460

\*\* Includes accounts held in money market and demand accounts, and non-negotiable certificates of deposit.

## Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2020

### NOTE D - DEPOSITS AND INVESTMENTS (Continued)

At September 30, 2020, other investments consisted of the following fixed income holdings:

Investment Type	Fair Value	Investment Maturity			
		Less than One Year	One to Three Years	Three to Ten Years	More than Ten Years
Debt securities					
U.S. Treasury \$	14,774,780	\$ 2,542,675	\$ 12,232,105	\$ -	\$ -
FFCB <sup>1</sup>	6,322,448	-	3,572,448	2,750,000	-
FHLB <sup>2</sup>	250,000	-	250,000	-	-
FHLMC <sup>3</sup>	5,050,000	-	-	5,050,000	-
FNMA <sup>4</sup>	1,000,000	-	500,000	500,000	-
Asset and mortgage- backed securities	149,063,110	4,904	759,694	47,383,505	100,915,007
Commercial paper	14,984,035	14,984,035	-	-	-
Negotiable certify- cates of deposit	41,274,239	15,772,984	12,998,705	12,502,550	-
	<u>\$ 232,718,612</u>	<u>\$ 33,304,598</u>	<u>\$ 30,312,952</u>	<u>\$ 68,186,055</u>	<u>\$ 100,915,007</u>

<sup>1</sup> Federal Farm Credit Bank

<sup>2</sup> Federal Home Loan Bank

<sup>3</sup> Federal Home Loan Mortgage Corporation

<sup>4</sup> Federal National Mortgage Association

#### 1. Interest Rate Risk

For the IMET 1-3 Year Series, IMET manages its exposure to fair value losses arising from increasing interest rates in accordance with its investment policy, by limiting the duration of its investment portfolio to no greater than 25% above or 50% below that of the Bloomberg Barclay's 1-3 Year Government Total Return Index, under normal conditions. The duration for total investments represents the weighted average of the durations for the respective categories of investments. As of September 30, 2020, the durations of the IMET 1-3 Year Series and the Bloomberg Barclay's 1-3 Year Government Total Return Index were 1.91 years and 1.85 years, respectively. The investment maturity table above reflects the stated maturity date of each individual security and may not reflect the impact of earlier call dates or paydowns, upon which the determination of the fund's duration is based.

# Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2020

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## NOTE D - DEPOSITS AND INVESTMENTS (Continued)

### 1. Interest Rate Risk (Continued)

For the IMET Convenience Series, IMET manages interest rate risk in accordance with its investment policy by requiring at least 50 percent of the Series' investments to mature in 397 days or less, and limiting the dollar-weighted average portfolio maturity of the fund to one year under normal conditions. Individual securities may have remaining maturities of greater than one year, but in any event not greater than five years from the date of the IMET Convenience Series' purchase thereof.

### 2. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. IMET's investment policies limit investments to those investments specifically authorized in the Public Investment Act of the State of Illinois (30 ILCS 235/1).

As of September 30, 2020, IMET's investments in asset and mortgage-backed securities were rated Aaa by Moody's, AA+ by Standard & Poor's, and AAA by Fitch.

At September 30, 2020, the First American Treasury Obligation Money Market was rated Aaa by Moody's and is unrated by Standard & Poor's and Fitch.

At September 30, 2020, the commercial paper was rated either P-1 by Moody's, A-1 to A-1+ by Standard & Poor's, or F1 by Fitch. Illinois State Code mandates commercial paper be rated in one of the three highest ratings classifications by at least two Nationally Recognized Statistical Rating Organizations to be a permissible investment.

IMET's investments in negotiable certificates of deposit are unrated.

### 3. Concentration of Credit Risk

IMET's investment policies for the IMET 1-3 Year Series and IMET Convenience Series do not restrict the allowable concentration of total assets invested in the securities of the United States Government, its agencies, or mortgage pass-through securities. IMET's investment policy for the IMET 1-3 Year Series limits commercial paper to one-third of total assets.

### 4. Custodial Credit Risk

With respect to deposits, custodial credit risk is the risk that, in the event of a bank failure, IMET's deposits may not be returned to it. IMET's investment policy for the IMET Convenience Series limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral, in an amount equal to at least 105% of the overage amount or by letters of credit issued by a Federal Home Loan Bank. At September 30, 2020, the bank balances of IMET's deposits with financial institutions totaled \$454,633,829, all of which was either FDIC-insured, collateralized, or secured in accordance with IMET's investment policies.

## Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2020

### NOTE D - DEPOSITS AND INVESTMENTS (Continued)

#### 4. Custodial Credit Risk (Continued)

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, IMET will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. A significant source of credit risk in securities settlement is the principal risk associated with the settlement date. IMET responds to this risk by investing in obligations of the United States Government, its agencies, asset and mortgage-backed securities that are backed by those agencies, and commercial paper. In addition, IMET utilizes the delivery versus payment (DVP) settlement system for all investments whereby the payments for securities coincide with the delivery of such instruments.

#### 5. Fair Value Measurement of Investments

IMET categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. IMET has the following recurring fair value measurements as of September 30, 2020:

	Level 1	Level 2	Level 3	Total
First American Treasury				
Obligation Money Mkt. Fund	\$ 11,288,826	\$ -	\$ -	\$ 11,288,826
Debt securities				
U.S. Treasury	-	14,774,780	-	14,774,780
FFCB	-	6,322,448	-	6,322,448
FHLB	-	250,000	-	250,000
FHLMC	-	5,050,000	-	5,050,000
FNMA	-	1,000,000	-	1,000,000
Asset and mortgage-				
backed securities	-	149,063,110	-	149,063,110
Commercial paper	14,984,035	-	-	14,984,035
Negotiable certificates of				
deposit	-	41,274,239	-	41,274,239
	<u>\$ 26,272,861</u>	<u>\$ 217,734,577</u>	<u>\$ -</u>	<u>\$ 244,007,438</u>

# Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2020

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## NOTE E - FUND EXPENSES - IMET 1-3 YEAR SERIES

The total expenses, including consulting fees, for the IMET 1-3 Year Series were approximately 0.25% of the average daily net position, for the year ended September 30, 2020. The average daily net position of the IMET 1-3 Year Series was approximately \$160.3 million, for the year ended September 30, 2020. The contractually obligated expenses are described below.

### 1. Fund Management

IMET pays a management fee to Meeder Public Funds, Inc., a wholly owned subsidiary of Meeder Investment Management, which acts as the investment adviser. The management fee is calculated each day and paid monthly based upon the average daily net position of the 1-3 Year Series as follows:

	<u>Fee Rate</u>
Average daily net position:	
First \$250 million	0.07%
Next \$250 million	0.05%
Amount over \$500 million	0.03%

IMET has an agreement with Mutual Funds Service Co. d/b/a Public Funds Administrators (PFA), a wholly owned subsidiary of Meeder Investment Management, to provide administrative services including fund accounting and transfer agent services beginning June 8, 2020. The fee is calculated each day and paid monthly based upon the combined average daily net position of the IMET 1-3 Year Series and the IMET Convenience Series, as follows:

	<u>Fee Rate</u>
Average daily net position:	
First \$500 million	0.06%
Next \$500 million	0.03%
Amount over \$1 billion	0.02%

Prior to June 8, 2020, IMET had an agreement with ALPS Fund Service (ALPS) to provide similar services under a similar fee rate structure.

IMET has an agreement with US Bank to provide custody services. The fees associated with these services are calculated at an annual rate of 0.01% of the average daily net position within the 1-3 Year Series.

# Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2020

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## NOTE E - FUND EXPENSES - IMET 1-3 YEAR SERIES (Continued)

### 1. Fund Management (Continued)

For the year ended September 30, 2020, the IMET 1-3 Year Series incurred expenses of \$143,854 for services provided by its investment adviser, \$92,228 for services provided by its fund accountants/transfer agents (PFA and ALPS), and \$16,187 for services provided by its custodian.

In addition, for the year ended September 30, 2020, IMET management administrative and operating expenses of \$142,299 were charged to the IMET 1-3 Year Series (0.105% of the average daily net position of the IMET 1-3 Year Series).

### 2. Consultant

The DuPage Mayors and Managers Conference, South Suburban Mayors and Managers Association, and the Will County Governmental League act collectively as the IMET 1-3 Year Series' Consultant. As Consultant, these organizations avail IMET of opportunities to introduce and promote IMET to their respective members. IMET pays the Consultant in arrears. IMET and these organizations entered into an amendment which stipulates an annual fee for the Consultant. For the year ended September 30, 2020, the fee was \$10,000.

## NOTE F - FUND EXPENSES - IMET CONVENIENCE SERIES

The total expenses, including consulting fees, for the IMET Convenience Series, were approximately 0.18% of the average daily net position for the year ended September 30, 2020. The average daily net position of the IMET Convenience Series was approximately \$416.8 million, for the year ended September 30, 2020. The contractually obligated expenses are described below.

### 1. Fund Management

IMET has an agreement with PFA effective June 8, 2020, to provide administrative services including fund accounting and transfer agent services. Prior to June 8, 2020, IMET had a similar agreement with ALPS. The fees associated with these services are calculated at annual rates as described in Note E-1, above.

# Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2020

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## NOTE F - FUND EXPENSES - IMET CONVENIENCE SERIES (Continued)

### 1. Fund Management (Continued)

For the year ended September 30, 2020, the IMET Convenience Series incurred expenses of \$239,722 for services provided by PFA and ALPS.

IMET has an agreement with US Bank to provide custody services. The fees associated with these services is calculated at an annual rate of 0.01% of the average daily net position of the custodial portion of the Convenience Series. For the year ended September 30, 2020, the IMET Convenience Series incurred expenses of \$6,896 for services provided by the custodian.

In addition, for the year ended September 30, 2020, IMET management administrative and operating expenses of \$493,983 were charged to the IMET Convenience Series (0.11% of the average daily net position of the IMET Convenience Series).

## NOTE G - UNIT TRANSACTIONS

A summary of participants' unit transactions for the year ended September 30, 2020 is as follows:

	<u>IMET 1 - 3 Year Series</u>	<u>IMET Convenience Series</u>	<u>IMET FFF Account Liquidating Trust</u>
Unit transactions:			
Issued / reinvested	1,558,238	498,929,405	-
Redeemed	<u>(570,615)</u>	<u>(481,456,234)</u>	<u>(21,054,540)</u>
Change in units	987,623	17,473,171	(21,054,540)
Unit outstanding:			
Beginning of year	<u>7,796,625</u>	<u>492,072,967</u>	<u>43,432,859</u>
End of year	<u><u>8,784,248</u></u>	<u><u>509,546,138</u></u>	<u><u>22,378,319</u></u>

# Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2020

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## NOTE H - IMRF NET PENSION LIABILITY

### **Plan Description**

IMET's defined benefit pension plan for regular employees provides retirement and disability benefits, postretirement increases, and death benefits to plan members and beneficiaries. IMET's plan is managed with the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent, multiple-employer public pension fund. A summary of IMRF's pension benefits is provided in the Benefits Provided section below. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. That report is available for download at [www.imrf.org](http://www.imrf.org).

### **Benefits Provided**

IMRF has three benefit plans: the Regular Plan, the SLEP Plan, and the ECO Plan. The vast majority of IMRF members participate in the Regular Plan (RP).

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of 3% of the original pension amount, or 1/2 of the increase in the Consumer Price Index of the original pension amount.



# Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2020

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## NOTE H - IMRF NET PENSION LIABILITY (Continued)

### **Employees Covered by Benefit Terms**

As of December 31, 2019, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	3
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>2</u>
Total	<u><u>5</u></u>

### **Contributions**

As set by statute, IMET's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. IMET's annual contribution rate for calendar year 2019 was 15.70%. For the fiscal year ended September 30, 2020, IMET contributed \$31,237 to the plan. IMET also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

### **Net Pension Liability**

IMET's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

### **Actuarial Assumptions**

The following are the methods and assumptions used to determine total pension liability at December 31, 2019:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation Rate	2.50%
Salary Increases	3.35% to 14.25%
Investment Rate of Return	7.24%
Projected Retirement Age	Experience-based table of rates, specific to the type of eligibility condition, last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.

# Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2020

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## NOTE H - IMRF NET PENSION LIABILITY (Continued)

### **Actuarial Assumptions (Continued)**

#### Mortality

For non-disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

#### Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

# Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2020

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## NOTE H - IMRF NET PENSION LIABILITY (Continued)

### **Actuarial Assumptions (Continued)**

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities	37%	5.75%
International equities	18%	6.50%
Fixed income	28%	3.25%
Real estate	9%	5.20%
Alternative investments	7%	3.60% - 7.60%
Cash equivalents	1%	1.85%
Total	<u>100%</u>	

### **Single Discount Rate**

A Single Discount Rate of 7.24% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

- a. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
- b. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 2.75%, and the resulting single discount rate is 7.24%.

## Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2020

### NOTE H - IMRF NET PENSION LIABILITY (Continued)

#### Changes in Net Pension Liability

The following table shows the components of the change in IMET's net pension liability for the calendar year ended December 31, 2019:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2018	\$ 1,004,659	\$ 738,035	\$ 266,624
Changes for the year:			
Service cost	18,249	-	18,249
Interest on the total pension liability	71,413	-	71,413
Difference between expected and actual experience of the total pension liability	91,930	-	91,930
Changes of assumptions	(1,230)	-	(1,230)
Benefit payments, including refunds of employee contributions	(52,102)	(52,102)	-
Contributions - employer	-	32,174	(32,174)
Contributions - employees	-	9,222	(9,222)
Net investment income	-	138,342	(138,342)
Other (net transfer)	-	31,732	(31,732)
Net changes	128,260	159,368	(31,108)
Balances at December 31, 2019	\$ 1,132,919	\$ 897,403	\$ 235,516

#### Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.24%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher than the current rate:

	1% Lower (6.24%)	Current Discount Rate (7.24%)	1% Higher (8.24%)
Net pension liability	\$ 367,759	\$ 235,516	\$ 124,962

# Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2020

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## NOTE H - IMRF NET PENSION LIABILITY (Continued)

### **Pension Expense and Deferred Outflows of Resources Related to Pensions**

For the year ended September 30, 2020, IMET recognized pension expense of \$45,604. At September 30, 2020, IMET reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	\$ 68,182	\$ 190
Change of assumptions	9,913	1,681
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>29,888</u>
 Total deferred amounts to be recognized in pension expense in the future periods	 <u>78,095</u>	 <u>31,759</u>
 Pension contributions made subsequent to the measurement date	 <u>26,823</u>	 <u>-</u>
 Total deferred amounts related to pensions	 <u><u>\$ 104,918</u></u>	 <u><u>\$ 31,759</u></u>

# Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2020

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## NOTE H - IMRF NET PENSION LIABILITY (Continued)

### **Pension Expense and Deferred Outflows of Resources Related to Pensions (Continued)**

IMET reported \$26,823 of deferred outflows of resources related to pensions resulting from IMET's contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the reporting year ending September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u> <u>September 30,</u>	<u>Net Deferred</u> <u>Outflows (Inflows)</u> <u>of Resources</u>
2021	\$ 34,309
2022	18,859
2023	9,984
2024	(16,816)
2025	-
Thereafter	<u>-</u>
Total	<u>\$ 46,336</u>

## NOTE I - CONTINGENCIES

### 1. Litigation

In the normal course of operations, IMET is subject to various claims and potential litigation. The outcome of these matters is not presently determinable.

IMET has entered into various tolling agreements which toll applicable statutes of limitation relating to potential claims against IMET arising out of IMET's investments in the FFF Repo while the parties focus on recovery efforts against FFF, its principals and affiliated entities.

# Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2020

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## NOTE I - CONTINGENCIES (Continued)

### 2. COVID-19

The direct and indirect impacts of the COVID-19 pandemic on IMET's participants, investments, and operations are currently unknown, other than those mentioned below, as is the duration and severity of any impacts that IMET may experience. Various counties in Illinois have extended second installment due dates for property taxes, have waived late fees on property taxes, or have provided other forms of taxpayer relief in response to the COVID-19 crisis, which will affect the timing of IMET's participants receiving those property taxes and, in turn, investing in IMET. IMET is monitoring the situation. While IMET's evaluation is ongoing, management is currently unable to quantify the full effects that the pandemic will have on its participants, investments, and operations; however, they may be significant. No adjustments have been made to these financial statements as a result of this uncertainty.

**REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)**



**Illinois Metropolitan Investment Fund**  
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
Illinois Municipal Retirement Fund  
Six Most Recent Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability				
Service cost	\$ 18,249	\$ 16,893	\$ 17,559	\$ 30,349
Interest on the total pension liability	71,413	68,889	66,470	58,794
Difference between expected and actual experience of the total pension liability	91,930	(542)	8,006	65,677
Assumption changes	(1,230)	28,303	(20,761)	-
Benefit payments and refunds	<u>(52,102)</u>	<u>(40,373)</u>	<u>(39,276)</u>	<u>(52,338)</u>
Net change in total pension liability	128,260	73,170	31,998	102,482
Total pension liability, beginning	1,004,659	931,489	899,491	797,009
Total pension liability, ending	<u>\$ 1,132,919</u>	<u>\$ 1,004,659</u>	<u>\$ 931,489</u>	<u>\$ 899,491</u>
Plan fiduciary net position				
Contributions, employer	\$ 32,174	\$ 39,403	\$ 39,811	\$ 38,466
Contributions, employee	9,222	9,392	9,202	9,144
Net investment income	138,342	(47,442)	120,189	29,008
Benefit payments and refunds	(52,102)	(40,373)	(39,276)	(52,338)
Other (net transfer)	31,732	18,137	(13,820)	57,835
Net change in plan fiduciary net position	159,368	(20,883)	116,106	82,115
Plan fiduciary net position, beginning	738,035	758,918	642,812	560,697
Plan fiduciary net position, ending	<u>\$ 897,403</u>	<u>\$ 738,035</u>	<u>\$ 758,918</u>	<u>\$ 642,812</u>
Net pension liability	<u>\$ 235,516</u>	<u>\$ 266,624</u>	<u>\$ 172,571</u>	<u>\$ 256,679</u>
Plan fiduciary net position as a percentage of the total pension liability	79.21	73.46 %	81.47 %	71.46 %
Covered Valuation Payroll	\$ 204,927	\$ 208,703	\$ 204,479	\$ 203,200
Net pension liability as a percentage of covered valuation payroll	114.93	127.75 %	84.40 %	126.32 %

Note: IMET implemented GASB 68 beginning with its fiscal year ended September 30, 2015; therefore, 10 years of information is not available.

Note: Actuarial valuations are as of December 31, which is nine months prior to the end of the fiscal year.

	<u>2016</u>	<u>2015</u>
\$	28,528	\$ 28,682
	53,222	43,879
	17,815	16,404
	1,136	36,630
	-	-
	<u>100,701</u>	<u>125,595</u>
	<u>696,308</u>	<u>570,713</u>
\$	<u><u>797,009</u></u>	<u><u>696,308</u></u>
\$	39,174	\$ 32,481
	10,543	9,849
	2,845	30,123
	-	-
	<u>(36,071)</u>	<u>(900)</u>
	16,491	71,553
	<u>544,206</u>	<u>472,653</u>
\$	<u><u>560,697</u></u>	<u><u>544,206</u></u>
\$	<u><u>236,312</u></u>	<u><u>152,102</u></u>
	70.35 %	78.16 %
\$	234,294	\$ 218,874
	100.86 %	69.49 %

**Illinois Metropolitan Investment Fund**  
**MULTIYEAR SCHEDULE OF CONTRIBUTIONS**  
 Illinois Municipal Retirement Fund  
Six Most Recent Fiscal Years

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<u>Year</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2020	\$ 31,237	\$ 31,237	\$ -	\$ 188,829	16.54 %
2019	34,814	34,814	-	214,170	16.26
2018	39,741	39,741	-	209,309	18.99
2017	43,988	43,988	-	227,609	19.33
2016	37,130	37,130	-	203,227	18.27
2015	36,840	36,840	-	225,549	16.33

Note: IMET implemented GASB 68 beginning with its fiscal year ended September 30, 2015; therefore, 10 years of information is not available.

**Illinois Metropolitan Investment Fund**  
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
September 30, 2020

1. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2019 IMRF CONTRIBUTION RATE\*

**Valuation Date:**

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

**Methods and Assumptions Used to Determine the 2018 Contribution Rate:**

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP, and ECO groups): 24-year closed period Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 19 years for most employers (three employers were financed over 28 years and four others were financed over 29 years).
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	3.25%
Price Inflation	2.50%
Salary Increases	3.35% to 14.25%, including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period 2014-2016.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**Other Information:**

Notes There were no benefit changes during the year.

\* Based on Valuation Assumptions used in the December 31, 2017 actuarial valuation.

**OTHER SUPPLEMENTARY INFORMATION**

**Illinois Metropolitan Investment Fund**  
Schedule of Net Position - IMET Administrative Operations  
September 30, 2020

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<b>ASSETS</b>		
Cash	\$	832,141
Receivables		
Investment fund fees		58,810
Other		9,219
Prepaid items		<u>121,166</u>
Total assets		<u>1,021,336</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions		<u>104,918</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable		23,226
Consultant payable		10,000
Non-current liabilities:		
IMRF net pension liability		<u>235,516</u>
Total liabilities		<u>268,742</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions		<u>31,759</u>
<b>NET POSITION</b>	<b>\$</b>	<b><u><u>825,753</u></u></b>

Note: The balances presented above are allocated between the IMET 1-3 Year Series and the IMET Convenience Series, for reporting purposes.

## Illinois Metropolitan Investment Fund

Schedule of Changes in Net Position - IMET Administrative Operations  
September 30, 2020

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Additions	
Fee income	
IMET 1-3 Year Series	\$ 170,779
IMET Convenience Series	469,231
Interest	6,858
Other income	15,861
	<hr/>
Total additions	662,729
	<hr/>
Deductions	
Administrative and other expenses:	
Management and administrative services	16,850
Compensation and related expenses	304,612
Professional services	7,937
Insurance	68,590
Audit	26,500
Marketing	4,531
Administrative and other	72,970
Legal and other costs, net of insurance reimbursements	30,796
	<hr/>
Total deductions	532,786
	<hr/>
Net increase in net position held in trust for participants	129,943
Net position held in trust for participants:	
Beginning of year	695,810
	<hr/>
End of year	\$ 825,753
	<hr/> <hr/>

Note: The balances presented above are allocated between the IMET 1-3 Year Series and the IMET Convenience Series, for reporting purposes.

**Illinois Metropolitan Investment Fund**  
Schedule of Administrative and Other Expenses - Budget and Actual  
Year Ended September 30, 2020

	Actual				Variance from Final Budget
	Original and Final Budget	IMET 1-3 Year Series	IMET Convenience Series	Total	
Management and administrative services					
Accounting services	\$ 6,850	\$ 1,712	\$ 5,138	\$ 6,850	\$ -
Consultant payment	30,698	10,000	-	10,000	20,698
Total	<u>37,548</u>	<u>11,712</u>	<u>5,138</u>	<u>16,850</u>	<u>20,698</u>
Compensation and related expenses					
Salary expense	217,026	54,663	163,989	218,652	(1,626)
Wages	-	394	1,181	1,575	(1,575)
Taxes	15,881	4,227	12,682	16,909	(1,028)
Insurance benefits	44,850	5,002	15,006	20,008	24,842
IMRF pension	31,703	11,417	34,251	45,668	(13,965)
Other	1,800	450	1,350	1,800	-
Total	<u>311,260</u>	<u>76,153</u>	<u>228,459</u>	<u>304,612</u>	<u>6,648</u>
Professional services					
Consulting	10,000	-	-	-	10,000
Legal services	8,000	2,086	5,639	7,725	275
Professional services	1,200	57	155	212	988
Total	<u>19,200</u>	<u>2,143</u>	<u>5,794</u>	<u>7,937</u>	<u>11,263</u>
Insurance	<u>64,887</u>	<u>17,147</u>	<u>51,443</u>	<u>68,590</u>	<u>(3,703)</u>
Audit	<u>26,500</u>	<u>6,625</u>	<u>19,875</u>	<u>26,500</u>	<u>-</u>
Marketing	<u>18,865</u>	<u>1,133</u>	<u>3,398</u>	<u>4,531</u>	<u>14,334</u>
Administrative					
Conferences	6,700	525	1,595	2,120	4,580
Dues and publications	12,040	3,065	9,304	12,369	(329)
Fund rating	18,000	4,461	13,539	18,000	-
Office expense	6,750	1,570	4,766	6,336	414
Rent expense	6,900	1,733	5,261	6,994	(94)
Travel	18,000	1,748	5,304	7,052	10,948
Web site maintenance	2,900	857	2,601	3,458	(558)
Other	-	4,124	12,517	16,641	(16,641)
Total	<u>71,290</u>	<u>18,083</u>	<u>54,887</u>	<u>72,970</u>	<u>(1,680)</u>
Legal and other costs, net of insurance reimbursements	<u>42,650</u>	<u>-</u>	<u>30,796</u>	<u>30,796</u>	<u>11,854</u>
Total administrative and other expenses	<u>\$ 592,200</u>	<u>\$ 132,996</u>	<u>\$ 399,790</u>	<u>\$ 532,786</u>	<u>\$ 59,414</u>



**INVESTMENT SECTION (Unaudited)**

**Illinois Metropolitan Investment Fund**  
Report on Investment Activity (Unaudited)  
September 30, 2020

Description of the Illinois Metropolitan Investment Fund

The Illinois Metropolitan Investment Fund (IMET) is an entity created under the Intergovernmental Cooperation Act and the Illinois Municipal Code. IMET was formed on July 17, 1996 to provide Illinois government agencies with safe, liquid, attractive investment alternatives. IMET offers two separate investment funds for municipal treasurers, official custodians of municipal funds, and other local government entities or public agencies in the state of Illinois to meet their investment needs. These funds are: the IMET 1-3 Year Series and the IMET Convenience Series. IMET also offers services that participants may find helpful in their investment process. IMET offers access to arbitrage rebate calculation services for participants whose bond proceeds are subject to federal arbitrage restrictions. Additionally, IMET participants have access to a simplified cash flow forecast model that projects revenues, expenditures and associated balances into the future. This tool helps identify liquid and core segments of portfolios and may help participants enhance investment earnings. During 2020, IMET added to its website a resource for investors of public funds, the [Investing Encyclopedia](#). Organized in eight practical categories, this online tool is available for participants and all public agencies, in general, to help with investing. On an on-going basis, IMET considers and/or develops tools and services that Illinois government entities and public agencies may find of benefit for their investment programs.

The IMET 1-3 Year Series is designed for public funds that may be invested for longer than one year. Portfolios in such a time frame allow for investment in securities with average maturities generally longer than those of money market instruments. Typically, over time, longer maturities have greater returns.

The objectives of the IMET 1-3 Year Series are to provide safety, liquidity and appropriate risk-adjusted return. This is accomplished through a diversified portfolio of investment grade fixed income instruments as permitted under the Public Funds Investment Act of the State of Illinois. The benchmark for the IMET 1-3 Year Series is the Bloomberg Barclay's 1-3 Year Government Total Return Index.

The IMET 1-3 Year Series carries the highest rating (AAAf/bf) assigned by Moody's for funds in this category.

The IMET Convenience Series was established on September 2, 2003 as an investment alternative for IMET participants. It is intended to accommodate funds requiring high liquidity, including short term cash management programs and temporary investment of bond proceeds. It is comprised of collateralized and/or Federal Home Loan Bank Letter of Credit supported bank deposits, FDIC insured certificates of deposit and liquid bank deposits, and U.S. government securities. The return of the IMET Convenience Series is largely pegged to the target Federal Funds Rate (target FFR). The objectives of the IMET Convenience Series are to provide safety, liquidity and appropriate risk-adjusted return. Because of its shorter maturity profile, it serves as a companion vehicle to the IMET 1-3 Year Series.

**Illinois Metropolitan Investment Fund**  
Report on Investment Activity (Unaudited)  
September 30, 2020

Market Review

Fiscal year 2020 was characterized by an economy battered and wounded by the unexpected new virus, a novel coronavirus, infamously known as COVID-19. An economy that was humming along pre-pandemic with joblessness levels at 3.5%, its lowest level since 1969, and better than expected levels of inflation, had an unemployment rate hovering around 8.4% by August 2020. The United States economy continues to experience an uneven and slowing pace of recovery. The outlook depends on the course of the pandemic, continued monetary help, continuing and additional fiscal relief from the Federal government, and the timeline for a vaccine.

In the final quarter of calendar 2019, the United States' economy had a positive outlook as the long trade battle between the United States and China faded. The trade deal, which was due to be signed in mid-January, meant the planned new tariffs between the two countries would not be imposed, while the existing tariffs imposed by United States in September on \$120 billion Chinese goods would be reduced by half. The United States' 25% tariffs on \$250 billion of Chinese goods would remain. China had also agreed to increase purchases of U.S. goods, with agricultural produce highlighted.

The Federal Reserve had cut interest rates only once in the preceding quarter indicating that its then current stance of monetary policy was appropriate. The Federal Reserve Open Markets Committee decided to maintain a target Federal Funds Rate range of 1.50%-1.75%. The FOMC also indicated there was very little chance of a rate cut or hike for 2020. In a press conference during the fourth quarter, Chairman Jerome Powell stated that he needed to see a sustained increase in inflation before considering raising the cost of borrowing. The dramatic shift from the Fed's plans to increase rates at the beginning of 2019, to cut rates three times has eased financial conditions and gave the economy a more positive look for the year.

The U.S. unemployment released in early December 2019 showed that joblessness had declined to 3.5%, which was its lowest point since 1969 with better-than-expected wage inflation. Forward looking data like purchasing managers' indices, which survey the manufacturing and services sectors, continued to indicate a modest expansion going forward.

In February 2020, COVID-19 began wreaking havoc across the globe. Roughly 67 countries had confirmed cases, including 73 confirmed cases in the United States. On February 28, Federal Reserve Chairman Jerome Powell released a statement expressing that the "Federal Reserve is closely monitoring developments and the coronavirus's implications for the economic outlook." Powell also stated the Federal Reserve would "act as appropriate" to support the economy. On the same day, markets were pricing in a 95% chance of a 50-basis point rate cut at the March FOMC meeting.

**Illinois Metropolitan Investment Fund**  
Report on Investment Activity (Unaudited)  
September 30, 2020

Market Review (Continued)

As the quarter went on, Fed Chairman Jerome Powell announced that the Federal Reserve had made an emergency interest rate cut by 75 bps, effectively setting the target benchmark down to 0.00%-0.25%. The Fed also announced a \$700 billion quantitative easing program. The QE program entailed purchasing Treasuries and mortgage-backed securities. Facing highly disrupted financial markets, the Fed also slashed the rate of emergency lending at the discount window for banks by 125 basis points to 0.25% and lengthened the term of loans to 90 days. The proposed package also included \$250 billion worth of direct payments to households, \$500 billion for loans to distressed companies and \$350 billion for small business loans. In the final week of the fiscal quarter, initial jobless claims skyrocketed to a record 3 million.

While the month of April was perhaps the best month in 30 years for the equity market, economic data released in the same month revealed the amount of damage that the COVID pandemic was doing to the economy. By the end of the month, U.S. jobless claims climbed to a total of 30 million since the start of the pandemic. This was unprecedented job loss and unemployment. U.S. gross domestic product for the first quarter had declined by 4.8%, which was the worst decline since 2008. The Information Handling Services IHS Markit's Manufacturing PMI fell to 36.1 from 48.5 in March. Any number below 50 is an indication of contraction. Consumer confidence also plunged to a reading of 86.9, which was the lowest level in nearly six years. On top of this, oil prices hit a new record low of -\$37.63 per barrel. Never before had the commodity dropped into negative territory.

On April 28, 2020, the Federal Reserve announced that it would continue to leave rates unchanged until the economy got back on track and unemployment improved. The Federal Reserve also stated that it was committed to using the full range of tools in the programs that have been previously created, to keep liquidity steady in the market. The Federal Reserve stated that weak demand and record low oil prices continued to keep inflation low.

Once the lockdown restrictions had eased, businesses began opening back up to the public and the economy started its long road to recovery. In the month of May 2020, U.S. manufacturing activity started to rebound from the 11-year low. Overall, GDP had contracted at a rate of -31.4% for the second quarter of the year, marking the worst decline in the country's history.

Throughout the third quarter of calendar year 2020, the U.S. economy showed some signs of recovery. Initial jobless claims dropped below 1 million for the first time since the coronavirus pandemic start. According to the August PMI report, the manufacturing sector increased slightly, compared with the previous month. The PMI index read 56%, which was 1.8% higher than in July. This figure indicated expansion in the overall economy and was evidence of growth for the fourth month in a row after a contraction in April, which ended a period of 131 consecutive months of growth.

**Illinois Metropolitan Investment Fund**  
Report on Investment Activity (Unaudited)  
September 30, 2020

Market Review (Continued)

The Federal Reserve stated that it would use average inflation targeting (AIT) in setting the policy interest rate, allowing for temporary overshoots in inflation. The new policy means that the Federal Reserve is willing to wait until inflation goes above 2% before it responds. Furthermore, the Federal Reserve's latest Dot Plot (a projection of the future path of interest rates) suggested that policymakers saw rates at the zero lower bound through and including 2023.

The United States unemployment rate had dropped to 8.4% in August 2020, down from 10.2% in July and below consensus expectations of 9.8%. The labor force participation rate had also improved but was still far below its pre-pandemic level. Industrial production rose for the fourth consecutive month in August, but at a much lower rate than earlier in the summer, signaling a slowing recovery in manufacturing. Retail sales had increased in August, but again at a slower rate and below consensus expectations.

The duration positioning for the IMET 1-3 Year Series has been consistently longer or neutral to the benchmark during the 2020 fiscal year. This longer or neutral positioning throughout the year has led to outperformance by capitalizing on price appreciation as market interest rates have declined and created opportunities to add higher yielding investments from security selection.

*Risk Profiles of the IMET 1-3 Year Series and the IMET Convenience Series*

The IMET 1-3 Year Series is managed to the Bloomberg Barclays 1-3 Year Government Total Return Index. At September 30, 2020, the IMET 1-3 Year Series portfolio had an interest rate duration of approximately 1.91 years, compared to duration of 1.85 years for the Bloomberg Barclays 1-3 Year Index. In the context of the broad fixed income market, the IMET 1-3 Year Series portfolio has a low risk profile. Investors should remain aware the IMET 1-3 Year Series does have risk to principal when interest rates increase (interest rate risk) and credit risk to the U.S. government, U.S. Government Agencies, and short-term corporate credit, in the form of commercial paper.

The IMET Convenience Series is managed to the target Federal Funds Rate. In the context of the broad fixed income market, the IMET Convenience Series has a low risk profile. Because the Series is short term, under one year, it carries no interest rate risk. Credit risk to the bank deposit providers is mitigated by collateral, FHLB Letters of Credit and FDIC coverage. The U.S. Government Agency bond allocation is subject to credit risk of the U.S. government.

Basis of Presentation

The Investment Section has been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**Illinois Metropolitan Investment Fund**  
**Select Comparative Data – IMET 1-3 Year Series**  
September 30, 2020

Select Return Data

	<u>Three</u> <u>Months</u>	<u>One</u> <u>Year *</u>	<u>Three</u> <u>Year *</u>	<u>Five</u> <u>Year *</u>
IMET 1-3 Year Series Net Return	0.44%	3.77%	2.54%	1.67%
IMET 1-3 Year Series Gross Return**	0.51%	4.07%	2.83%	1.95%
Bloomberg Barclays 1-3 Year Government Total Return Index	0.10%	3.62%	2.65%	1.82%

\* Annualized return. A time-weighted rate of return based on the market rate of return is the basis for the calculations.

\*\* Returns exclude expenses of the fund

Select Portfolio Data

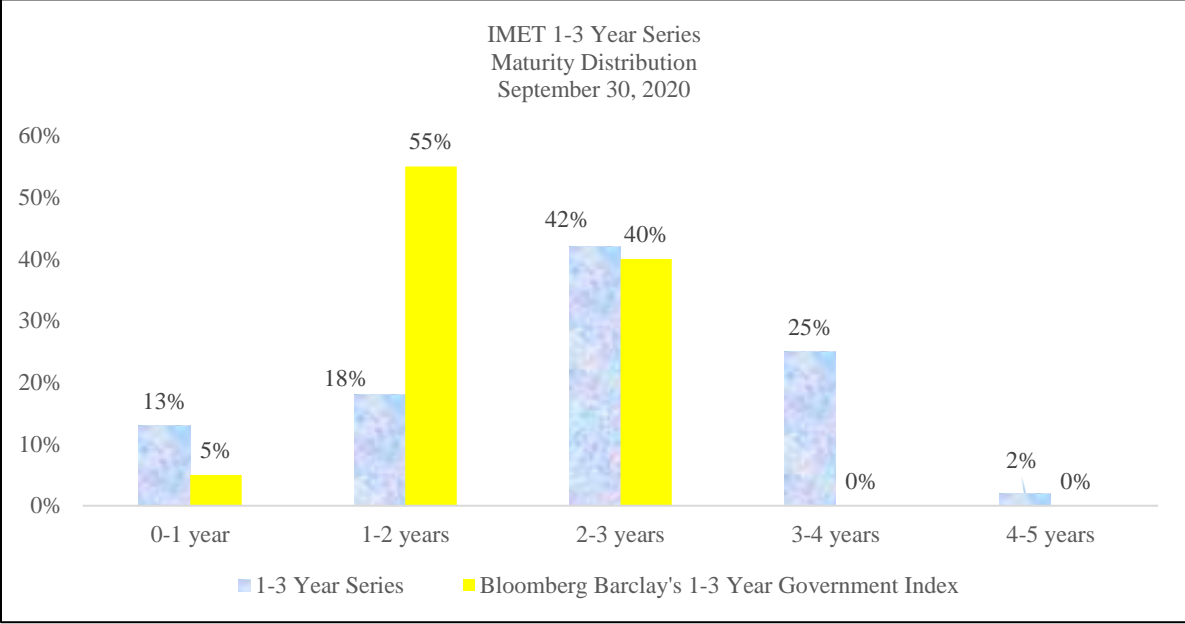
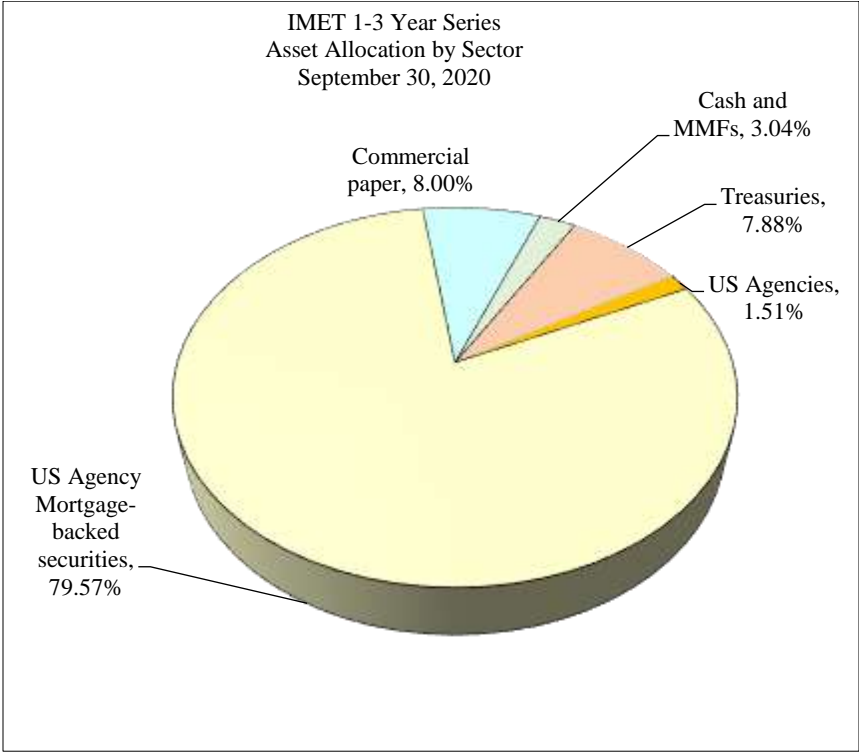
<u>Portfolio Statistics</u>	<u>1-3 Year</u> <u>Series</u>	<u>Bloomberg Barclay's</u> <u>1-3 Year</u> <u>Government Index</u>
Weighted Average Maturity	2.43	1.88
Duration	1.91	1.85
Weighted Average Yield	0.72%	0.14%

<u>Sectors</u>	<u>1-3 Year</u> <u>Series</u>	<u>Bloomberg Barclay's</u> <u>1-3 Year</u> <u>Government Index</u>
Treasuries	8.01%	94.38%
US Agencies	1.52%	5.65%
US Agency Mortgage-backed securities	79.93%	0.00%
Commercial paper	8.05%	0.00%
Cash and MMFs	<u>2.48%</u>	<u>0.00%</u>
	100.0%	100.0%

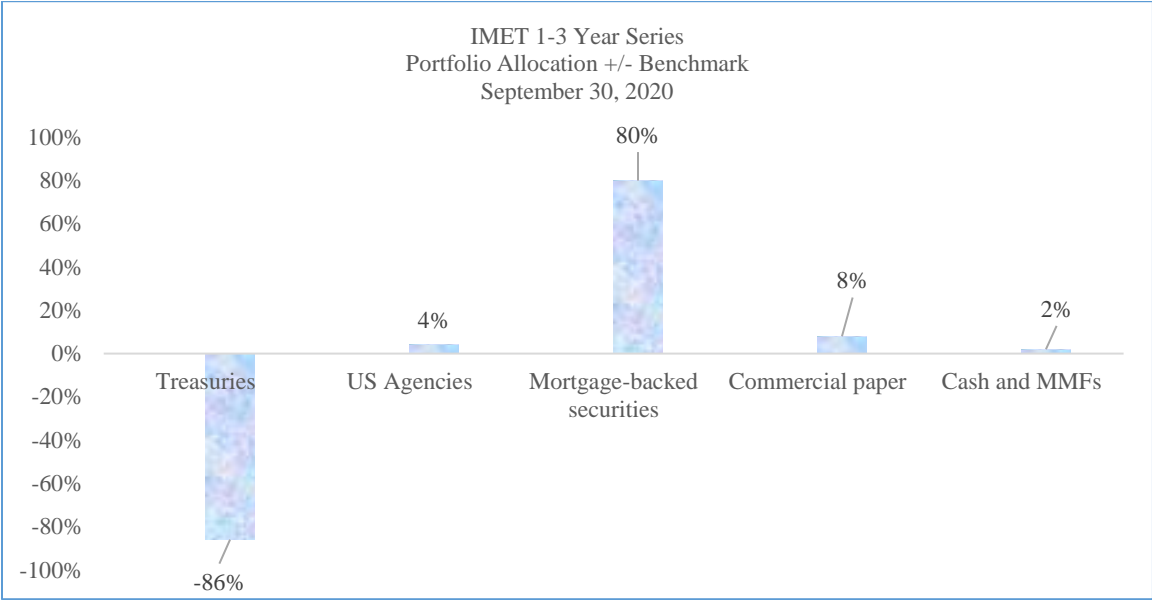
<u>Quality Distribution</u>	<u>1-3 Year</u> <u>Series</u>	<u>Bloomberg Barclay's</u> <u>1-3 Year</u> <u>Government Index</u>
Government / Agency ***	92%	100%
Commercial Paper		
P-1/A-1	3%	
P-1/A-1 +	<u>5%</u>	<u>0%</u>
	100.0%	100.0%

\*\*\*In August 2011, Standard and Poor's downgraded U.S. Government and agency obligations to AA+ while other credit rating agencies maintained a rating of AAA quality.

**Illinois Metropolitan Investment Fund**  
 Select Comparative Data – IMET 1-3 Year Series  
September 30, 2020



**Illinois Metropolitan Investment Fund**  
Select Comparative Data – IMET 1-3 Year Series  
September 30, 2020



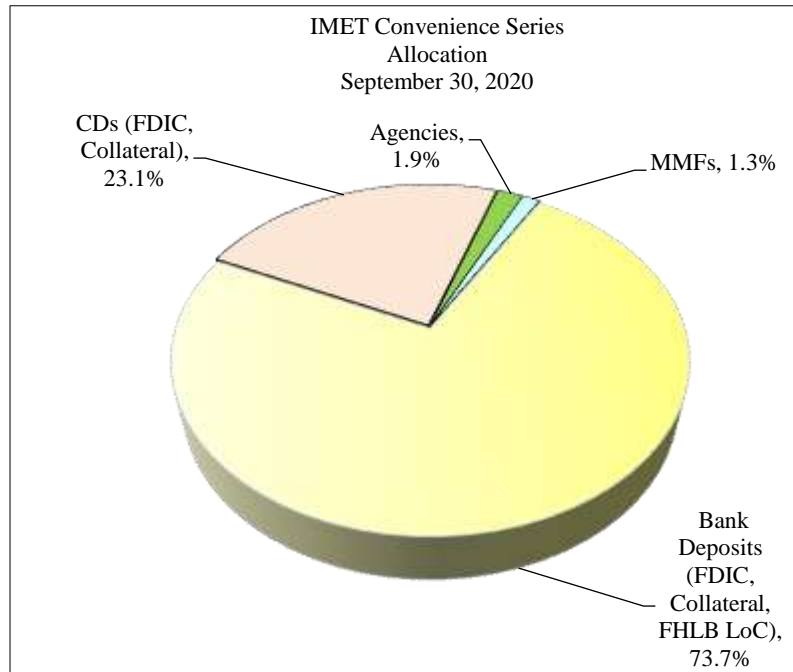


**Illinois Metropolitan Investment Fund**  
 Select Comparative Data – IMET Convenience Series  
September 30, 2020

Select Return Data

	Annualized <u>30-Day Yield</u>	Total Returns***		
		<u>One Month</u>	<u>One Year</u>	<u>Inception</u>
Convenience Series	0.33%	0.03%	0.97%	1.95%
Bloomberg Barclays Treasury Bills, 1-3 Month Index		0.01%	0.96%	1.28%
Bloomberg Barclays Treasury Bills, 3-6 Month Index		0.01%	1.34%	1.48%
Target Federal Funds Range	0.00-0.25%			

\*\*\* Returns are annualized



## Illinois Metropolitan Investment Fund

Schedule of Investments

IMET 1-3 Year Series

September 30, 2020

Units/ par value	Description	Rate	Maturity	Fair value
U.S. Treasury Obligations: 8.1%				
\$ 2,500,000	U.S. Treasury	2.000 %	08/31/2021	\$ 2,542,675
1,220,000	U.S. Treasury	1.125	09/30/2021	1,231,915
4,750,000	U.S. Treasury	2.000	10/31/2021	4,845,371
1,800,000	U.S. Treasury	8.000	11/15/2021	1,958,625
1,600,000	U.S. Treasury	2.875	11/15/2021	1,649,125
2,500,000	U.S. Treasury	1.750	11/30/2021	<u>2,547,069</u>
Total U.S. Treasury Obligations				<u>14,774,780</u>
U.S. Government Agency and Agency-Guaranteed Obligations: 1.6%				
270,000	Federal Farm Credit Bank	3.050	11/15/2021	278,805
1,000,000	Federal Farm Credit Bank	1.610	11/23/2021	1,016,709
1,500,000	Federal Farm Credit Bank	1.600	12/28/2021	<u>1,526,934</u>
Total U.S. Government Agency and Agency-Guaranteed Obligations				<u>2,822,448</u>
Asset/Mortgage-Backed Securities: 82.1%				
1	Federal Home Loan Mortgage Corp.	5.000	11/01/2020	1
166	Federal Home Loan Mortgage Corp.	5.000	12/01/2020	175
28	Federal Home Loan Mortgage Corp.	5.500	12/01/2020	28
1,626	Federal Home Loan Mortgage Corp.	5.500	01/01/2021	1,631
1,044	Federal Home Loan Mortgage Corp.	5.000	03/01/2021	1,100
1,091	Federal Home Loan Mortgage Corp.	5.000	06/01/2021	1,149
815	Federal Home Loan Mortgage Corp.	7.000	09/01/2021	821
1,970	Federal Home Loan Mortgage Corp.	5.500	10/01/2021	1,986
4,377	Federal Home Loan Mortgage Corp.	5.500	12/01/2021	4,430
7,179	Federal Home Loan Mortgage Corp.	5.500	12/01/2021	7,326
23,030	Federal Home Loan Mortgage Corp.	5.000	04/01/2022	24,253
2,922	Federal Home Loan Mortgage Corp.	5.500	06/01/2022	3,000
9,872	Federal Home Loan Mortgage Corp.	6.000	06/01/2022	10,101
19,590	Federal Home Loan Mortgage Corp.	5.500	10/01/2022	20,157
7,066	Federal Home Loan Mortgage Corp.	5.500	10/01/2022	7,252
10,772	Federal Home Loan Mortgage Corp.	5.500	02/01/2023	10,863
7,586	Federal Home Loan Mortgage Corp.	5.500	02/01/2023	7,764
131,589	Federal National Mortgage Assoc.	4.500	02/01/2023	137,816

(Continued)

## Illinois Metropolitan Investment Fund

Schedule of Investments (Continued)

IMET 1-3 Year Series

September 30, 2020

Units/ par value	Description	Rate	Maturity	Fair value
Asset/Mortgage-Backed Securities (Continued)				
\$ 11,325	Federal Home Loan Mortgage Corp.	6.500	% 03/01/2023	\$ 11,645
136,417	Federal National Mortgage Assoc.	4.500	04/01/2023	143,393
141,429	Federal National Mortgage Assoc.	4.500	06/01/2023	149,261
12,778	Federal Home Loan Mortgage Corp.	5.000	07/01/2023	13,469
198,328	Federal National Mortgage Assoc.	5.500	07/01/2023	206,978
53,777	Federal Home Loan Mortgage Corp.	5.500	10/01/2023	56,325
133,222	Federal National Mortgage Assoc.	5.500	10/01/2023	139,275
19,192	Federal Home Loan Mortgage Corp.	6.000	11/01/2023	20,115
260,291	Federal National Mortgage Assoc.	5.500	11/01/2023	273,640
80,837	Federal National Mortgage Assoc.	5.500	05/01/2024	85,158
9,926	Federal Home Loan Mortgage Corp.	4.500	06/01/2024	10,478
7,563	Federal Home Loan Mortgage Corp.	4.500	07/01/2024	7,963
52,475	Federal Home Loan Mortgage Corp.	4.500	09/01/2024	55,527
522,197	Government National Mortgage Assoc.	4.000	11/20/2024	554,632
7,876	Federal Home Loan Mortgage Corp.	5.500	12/01/2024	8,135
2,063	Government National Mortgage Assoc.	9.500	12/15/2024	2,068
13,348	Federal Home Loan Mortgage Corp.	4.500	03/01/2025	14,046
37,719	Federal Home Loan Mortgage Corp.	4.500	04/01/2025	39,660
122,237	Federal National Mortgage Assoc.	5.500	04/01/2025	128,459
23,006	Federal Home Loan Mortgage Corp.	4.500	05/01/2025	24,426
4,199	Government National Mortgage Assoc.	8.500	05/20/2025	4,592
32,639	Federal Home Loan Mortgage Corp.	4.500	08/01/2025	34,705
422,326	Federal Home Loan Mortgage Corp.	3.500	03/01/2026	447,319
1,047,376	Federal Home Loan Mortgage Corp.	4.500	04/01/2026	1,147,573
144,137	Federal Home Loan Mortgage Corp.	4.000	06/01/2026	153,196
143,011	Government National Mortgage Assoc.	4.500	06/15/2026	149,486
479,640	Federal National Mortgage Assoc.	3.500	07/01/2026	508,142
233,697	Federal National Mortgage Assoc.	4.500	08/01/2026	252,483
2,815,945	Federal Home Loan Mortgage Corp.	4.500	08/01/2026	3,062,813
1,014,543	Federal Home Loan Mortgage Corp.	3.000	11/01/2026	1,081,410
1,255	Government National Mortgage Assoc.	8.000	11/20/2026	1,436
263,993	Federal National Mortgage Assoc.	3.500	01/01/2027	280,627
366,157	Federal National Mortgage Assoc.	4.500	01/01/2027	387,619
292,138	Federal Home Loan Mortgage Corp.	4.000	03/01/2027	310,638

(Continued)

## Illinois Metropolitan Investment Fund

Schedule of Investments (Continued)

IMET 1-3 Year Series

September 30, 2020

Units/ par value	Description	Rate	Maturity	Fair value
Asset/Mortgage-Backed Securities (Continued)				
\$ 359,659	Federal National Mortgage Assoc.	4.000	% 03/01/2027	\$ 382,440
1,233,134	Federal Home Loan Mortgage Corp.	3.500	05/01/2027	1,307,326
98,234	Federal Home Loan Mortgage Corp.	4.000	06/01/2027	104,468
106,212	Federal Home Loan Mortgage Corp.	6.000	09/01/2027	118,556
58,252	Federal Home Loan Mortgage Corp.	6.000	11/01/2027	64,936
7,029	Government National Mortgage Assoc.	8.000	11/20/2027	7,906
47,615	Federal Home Loan Mortgage Corp.	3.506	12/01/2027	52,815
15,874	Federal Home Loan Mortgage Corp.	5.500	12/01/2027	16,085
225,560	Federal Home Loan Mortgage Corp.	6.000	12/01/2027	251,726
103,852	Federal National Mortgage Assoc.	3.500	01/01/2028	110,495
931,925	Federal National Mortgage Assoc.	3.500	01/01/2028	1,002,402
271,437	Federal Home Loan Mortgage Corp.	2.000	03/01/2028	283,650
239	Government National Mortgage Assoc.	8.000	03/20/2028	240
241,163	Federal National Mortgage Assoc.	3.000	06/01/2028	254,285
274,252	Federal National Mortgage Assoc.	3.000	08/01/2028	294,503
3,516,392	Federal National Mortgage Assoc.	3.000	08/01/2028	3,737,780
766	Government National Mortgage Assoc.	8.000	08/20/2028	798
791	Government National Mortgage Assoc.	8.000	09/20/2028	807
671,850	Federal Home Loan Mortgage Corp.	4.000	11/01/2028	733,305
2,352,872	Federal Home Loan Mortgage Corp.	3.500	11/01/2028	2,563,106
223,170	Federal National Mortgage Assoc.	4.500	12/01/2028	236,675
32,623	Federal Home Loan Mortgage Corp.	6.500	01/01/2029	36,494
3,929,659	Federal Home Loan Mortgage Corp.	3.000	01/01/2029	4,167,750
78,305	Federal Home Loan Mortgage Corp.	5.500	02/01/2029	86,899
211,385	Federal Home Loan Mortgage Corp.	3.500	07/01/2029	225,223
214,199	Federal National Mortgage Assoc.	4.500	08/01/2029	233,473
2,049,006	Federal Home Loan Mortgage Corp.	3.500	12/01/2029	2,189,123
344,257	Federal National Mortgage Assoc.	3.000	12/01/2029	366,372
287,837	Federal Home Loan Mortgage Corp.	3.500	12/01/2029	313,644
9,470	Federal Home Loan Mortgage Corp.	4.500	01/01/2030	9,493
104,427	Federal Home Loan Mortgage Corp.	4.143	01/01/2030	115,217
749,997	Federal Home Loan Mortgage Corp.	3.000	02/01/2030	789,754
739,681	Federal Home Loan Mortgage Corp.	2.000	03/01/2030	772,968
713,010	Federal Home Loan Mortgage Corp.	3.000	03/01/2030	750,087

(Continued)

## Illinois Metropolitan Investment Fund

Schedule of Investments (Continued)

IMET 1-3 Year Series

September 30, 2020

Units/ par value	Description	Rate	Maturity	Fair value
Asset/Mortgage-Backed Securities (Continued)				
\$ 1,449,247	Federal National Mortgage Assoc.	5.000	% 04/01/2030	\$ 1,628,854
485,350	Federal National Mortgage Assoc.	3.000	05/01/2030	509,670
3,062,039	Federal Home Loan Mortgage Corp.	3.000	05/01/2030	3,293,793
2,274,446	Federal Home Loan Mortgage Corp.	3.000	05/01/2030	2,435,706
365,770	Federal Home Loan Mortgage Corp.	3.000	05/01/2030	389,625
1,776,305	Federal Home Loan Mortgage Corp.	3.000	06/01/2030	1,868,916
108,728	Federal Home Loan Mortgage Corp.	4.500	07/01/2030	119,927
1,812,270	Federal Home Loan Mortgage Corp.	4.000	08/01/2030	1,937,920
195,351	Federal National Mortgage Assoc.	3.000	08/01/2030	215,385
247,637	Federal Home Loan Mortgage Corp.	4.500	08/01/2030	273,527
1,126,452	Federal National Mortgage Assoc.	3.000	09/01/2030	1,184,068
2,531,927	Federal Home Loan Mortgage Corp.	3.000	09/01/2030	2,703,366
1,276,822	Federal Home Loan Mortgage Corp.	3.000	11/01/2030	1,367,792
1,792,397	Federal Home Loan Mortgage Corp.	2.000	01/01/2031	1,872,209
296,988	Federal National Mortgage Assoc.	4.500	01/01/2031	327,463
693,602	Federal Home Loan Mortgage Corp.	4.500	04/01/2031	765,102
512,034	Federal Home Loan Mortgage Corp.	5.000	04/01/2031	575,694
2,442,891	Federal Home Loan Mortgage Corp.	2.500	05/01/2031	2,605,184
353,426	Federal Home Loan Mortgage Corp.	4.500	05/01/2031	389,940
2,516,413	Federal Home Loan Mortgage Corp.	3.000	06/01/2031	2,709,057
1,897,626	Federal National Mortgage Assoc.	3.000	06/01/2031	2,032,175
215,999	Federal Home Loan Mortgage Corp.	4.000	08/01/2031	235,528
2,612,650	Federal Home Loan Mortgage Corp.	3.500	08/01/2031	2,881,831
160,729	Federal National Mortgage Assoc.	3.000	08/01/2031	177,312
937,186	Federal Home Loan Mortgage Corp.	4.500	08/01/2031	996,830
883,613	Federal Home Loan Mortgage Corp.	3.500	09/01/2031	929,644
2,016,027	Federal National Mortgage Assoc.	3.000	09/01/2031	2,202,828
706,202	Federal Home Loan Mortgage Corp.	3.500	09/01/2031	769,528
759,326	Federal National Mortgage Assoc.	2.500	11/01/2031	806,975
1,900,477	Federal Home Loan Mortgage Corp.	3.500	11/01/2031	1,989,695
1,013,010	Federal Home Loan Mortgage Corp.	4.500	12/01/2031	1,065,963
1,831,375	Federal National Mortgage Assoc.	3.000	12/01/2031	1,958,949
643,006	Federal National Mortgage Assoc.	3.000	12/01/2031	709,524
142,729	Federal Home Loan Mortgage Corp.	4.500	12/01/2031	157,498

(Continued)

## Illinois Metropolitan Investment Fund

Schedule of Investments (Continued)

IMET 1-3 Year Series

September 30, 2020

Units/ par value	Description	Rate	Maturity	Fair value
Asset/Mortgage-Backed Securities (Continued)				
\$ 202,200	Federal National Mortgage Assoc.	2.000	% 01/01/2032	\$ 223,090
329,808	Federal Home Loan Mortgage Corp.	4.500	01/01/2032	344,673
1,041,981	Federal Home Loan Mortgage Corp.	2.000	02/01/2032	1,088,920
2,797,477	Federal National Mortgage Assoc.	3.500	02/01/2032	3,111,550
899,883	Federal Home Loan Mortgage Corp.	2.500	02/01/2032	972,441
1,179,036	Federal Home Loan Mortgage Corp.	3.000	02/01/2032	1,234,371
3,176,639	Federal Home Loan Mortgage Corp.	5.000	02/01/2032	3,393,594
1,584,151	Federal Home Loan Mortgage Corp.	3.500	04/01/2032	1,663,066
427,449	Federal Home Loan Mortgage Corp.	3.000	04/01/2032	465,589
1,133,595	Federal National Mortgage Assoc.	3.500	04/01/2032	1,190,558
248,111	Federal Home Loan Mortgage Corp.	3.000	04/01/2032	263,255
2,293,499	Federal Home Loan Mortgage Corp.	3.500	06/01/2032	2,477,871
1,156,336	Federal National Mortgage Assoc.	3.000	06/01/2032	1,212,544
2,668,885	Federal Home Loan Mortgage Corp.	3.000	07/01/2032	2,801,745
508,511	Federal National Mortgage Assoc.	3.000	08/01/2032	537,360
3,431,264	Federal National Mortgage Assoc.	3.500	09/01/2032	3,632,926
2,994,365	Federal National Mortgage Assoc.	4.000	11/01/2032	3,176,722
1,329,883	Federal National Mortgage Assoc.	3.000	11/01/2032	1,448,434
657,676	Federal Home Loan Mortgage Corp.	3.500	11/01/2032	718,421
223,834	Federal Home Loan Mortgage Corp.	3.500	11/01/2032	244,217
859,537	Federal Home Loan Mortgage Corp.	3.000	11/01/2032	934,195
482,361	Federal National Mortgage Assoc.	4.000	12/01/2032	513,541
2,015,959	Federal Home Loan Mortgage Corp.	3.000	03/01/2033	2,116,943
1,717,915	Federal National Mortgage Assoc.	3.000	04/01/2033	1,815,362
1,088,958	Federal Home Loan Mortgage Corp.	3.000	04/01/2033	1,154,798
554,837	Federal Home Loan Mortgage Corp.	4.000	07/01/2033	596,864
528,463	Federal National Mortgage Assoc.	3.000	08/01/2033	560,924
5,907,112	Federal National Mortgage Assoc.	4.000	03/01/2034	6,273,382
172,432	Federal National Mortgage Assoc.	4.500	05/01/2034	191,050
2,184,269	Federal National Mortgage Assoc.	3.500	07/01/2034	2,331,644
1,703,253	Federal National Mortgage Assoc.	3.500	07/01/2034	1,832,574
73,039	Federal Home Loan Mortgage Corp.	3.800	12/01/2034	76,683
83,787	Federal Home Loan Mortgage Corp.	3.584	03/01/2035	84,649
697,681	Federal National Mortgage Assoc.	2.000	06/01/2035	739,539

(Continued)

## Illinois Metropolitan Investment Fund

Schedule of Investments (Continued)

IMET 1-3 Year Series

September 30, 2020

Units/ par value	Description	Rate	Maturity	Fair value
Asset/Mortgage-Backed Securities (Continued)				
\$ 2,927,136	Federal Home Loan Mortgage Corp.	3.500	% 06/01/2035	\$ 3,045,096
2,484,790	Federal Home Loan Mortgage Corp.	2.500	08/01/2035	2,596,742
2,980,933	Federal National Mortgage Assoc.	2.000	09/01/2035	3,101,067
12,707	Federal Home Loan Mortgage Corp.	3.763	01/01/2036	12,841
645,278	Federal National Mortgage Assoc.	3.500	02/01/2037	683,590
20,978	Federal Home Loan Mortgage Corp.	3.684	05/01/2037	22,141
11,517	Federal Home Loan Mortgage Corp.	2.711	07/01/2037	11,662
1,654,780	Federal Home Loan Mortgage Corp.	3.500	05/01/2038	1,743,201
41,697	Government National Mortgage Assoc.	6.000	09/20/2038	47,948
4,237,287	Federal National Mortgage Assoc.	4.500	11/01/2038	4,676,342
3,685,364	Federal National Mortgage Assoc.	4.500	11/01/2038	4,061,588
1,023,525	Federal Home Loan Mortgage Corp.	6.000	07/01/2040	1,233,819
325,876	Federal National Mortgage Assoc.	4.000	04/01/2041	362,144
971,720	Federal Home Loan Mortgage Corp.	2.500	02/01/2043	1,035,397
633,201	Federal National Mortgage Assoc.	5.000	07/01/2045	714,442
537,997	Federal National Mortgage Assoc.	5.000	12/01/2047	616,771
Total Asset/Mortgage-Backed Securities				149,063,110
Commercial Paper: 8.2%				
5,000,000	Exxon Mobil	None	01/12/2021	4,998,135
5,000,000	Toyota Motor Credit	None	04/02/2021	4,992,970
5,000,000	MUFG Bank LTD NY	None	04/13/2021	4,992,930
Total Commercial Paper				14,984,035
Total investments, other than short-term				\$ 181,644,373

(Concluded)

## Illinois Metropolitan Investment Fund

Schedule of Cash and Investments

IMET Convenience Series

September 30, 2020

Institution	Amount	Maturity
Cash and short-term investments		
Collateralized Demand Deposit Account: 36.4%		
Associated Bank	\$ 166,577,745	None
Insured Cash Sweep (ICS): 4.4%		
Israel Discount Bank of New York	20,195,854	None
Collateralized Money Market Accounts: 37.3%		
Cathay Bank	100,207,570	None
First American Treasury Obligation Money Market	6,676,278	None
First Bank of Highland Park	23,887,312	None
Inland Bank	15,319,705	None
OceanFirst Bank	25,000,000	None
	<u>171,090,865</u>	
Non-negotiable Certificates of Deposit: 21.9%		
First Bank of Highland Park	30,000,000	08/18/2021
Israel Discount Bank of NY - CDARS	10,088,535	04/08/2021
Israel Discount Bank of NY - CDARS	1,600,524	10/29/2020
Israel Discount Bank of NY - CDARS	1,500,586	11/05/2020
Israel Discount Bank of NY - CDARS	4,010,056	10/16/2020
Israel Discount Bank of NY - CDARS	4,509,627	10/22/2020
Israel Discount Bank of NY - CDARS	10,009,171	10/01/2020
Israel Discount Bank of NY - CDARS	6,004,871	10/08/2020
Israel Discount Bank of NY - CDARS	4,001,142	02/11/2021
Israel Discount Bank of NY - CDARS	6,001,082	02/18/2021
Israel Discount Bank of NY - CDARS	2,000,150	02/25/2021
Israel Discount Bank of NY - CDARS	1,000,000	03/04/2021
Israel Discount Bank of NY - CDARS	3,000,000	03/11/2021
Israel Discount Bank of NY - CDARS	3,000,000	03/18/2021
Israel Discount Bank of NY - CDARS	3,500,000	03/25/2021
Israel Discount Bank of NY - CDARS	10,105,902	01/09/2021
	<u>100,331,647</u>	
Total cash and short-term investments	<u>\$ 458,196,111</u>	

Note: Accounts for which the maturity date is listed as "None" have immediate liquidity, and may be withdrawn at any date without penalty.



# Illinois Metropolitan Investment Fund

Schedule of Cash and Investments (Continued)

IMET Convenience Series

September 30, 2020

Institution	Amount	Maturity
Other investments		
U.S. Government Agency Obligations: 19.2%		
Federal Farm Credit Bank	\$ 500,000	10/21/2022
Federal Farm Credit Bank	250,000	01/13/2023
Federal National Mortgage Assoc.	500,000	08/10/2023
Federal Home Loan Bank	250,000	09/08/2023
Federal Farm Credit Bank	500,000	10/16/2023
Federal Farm Credit Bank	250,000	12/08/2023
Federal Home Loan Mortgage Corp.	500,000	12/29/2023
Federal Home Loan Mortgage Corp.	500,000	12/29/2023
Federal Home Loan Mortgage Corp.	250,000	02/12/2024
Federal Farm Credit Bank	250,000	03/04/2024
Federal Farm Credit Bank	250,000	06/03/2024
Federal Farm Credit Bank	250,000	08/19/2024
Federal Home Loan Mortgage Corp.	500,000	09/30/2024
Federal Farm Credit Bank	500,000	10/25/2024
Federal Home Loan Mortgage Corp.	500,000	11/04/2024
Federal Home Loan Mortgage Corp.	500,000	11/26/2024
Federal Home Loan Mortgage Corp.	800,000	12/09/2024
Federal Farm Credit Bank	750,000	05/27/2025
Federal Home Loan Mortgage Corp.	1,000,000	07/15/2025
Federal National Mortgage Assoc.	500,000	08/19/2025
Federal Home Loan Mortgage Corp.	500,000	08/20/2025
Total U.S. Government Agency Obligations	<u>9,800,000</u>	

(Continued)

# Illinois Metropolitan Investment Fund

Schedule of Cash and Investments (Continued)

IMET Convenience Series

September 30, 2020

Institution	Amount	Maturity
Other investments (Continued)		
Negotiable certificates of deposit: 80.8%		
1st Financial Bank	\$ 245,000	06/03/2024
Abacus Federal Svgs	245,000	02/22/2022
Access Natl Bk	245,000	07/26/2021
Adirondack Bank	245,000	03/25/2025
Ally Bank	245,000	08/16/2021
Amalgamated Bank	245,000	04/18/2022
Amerant Bank	246,973	01/03/2022
Anchor D Bank	245,000	04/29/2025
Apex Bank	245,000	05/08/2024
Atlantic Stewardship	245,000	11/22/2021
Axos Bank	245,810	03/26/2024
Banc Of California	244,984	12/28/2020
Bank Forward	245,000	03/18/2022
Bank Of Buffalo KY	245,000	12/21/2020
Bank Of India NY	245,000	10/07/2020
Bank Of Lake Mills	248,000	03/12/2021
Bank Of Princeton	248,000	04/27/2021
Bank Of Wisconsin Dells	245,000	07/29/2024
Bank Ozk	245,000	01/15/2021
Bankwest Inc	245,000	10/24/2023
Bar Harbor Bank & Trust	248,000	03/29/2021
Baraboo State Bank	245,000	04/14/2021
Bell Bank Corp	245,000	03/24/2023
Belmont Savings Bank	245,000	11/23/2020
Berkshire Bk/Pittsfi	245,000	04/06/2023
Blue Ridge Bank	245,000	04/14/2022
Bmw Bank North America	245,000	01/24/2023
Bnb Bank	245,000	04/08/2021
Bristol County Svgs	248,000	04/19/2021
Cadence Bank	245,000	04/17/2023
Capital One Bank USA	246,427	06/20/2022
Capital One	246,427	06/20/2022
Capitol Bank	248,000	11/27/2020
Cathay Bank	248,000	11/10/2020
Celtic Bank	247,153	04/17/2025
Centerstate Bank	245,000	03/30/2023

(Continued)

# Illinois Metropolitan Investment Fund

Schedule of Cash and Investments (Continued)

IMET Convenience Series

September 30, 2020

Institution	Amount	Maturity
Other investments (Continued)		
Negotiable certificates of deposit (Continued)		
Central Federal Saving	\$ 248,000	06/28/2021
Cfbank	245,000	05/16/2022
Chambers Bank	245,000	05/22/2025
Charter Bank Eau Claire	248,000	11/03/2020
Chippewa Valley Bank	245,000	07/29/2025
Citibank	248,000	03/29/2021
Citizens Dep Bk	245,000	02/14/2022
Comenity Capital Bank	245,000	02/15/2022
Commerce Bank Geneva	245,000	05/15/2024
Commercial Bk	248,000	02/26/2021
Connectone Bank	245,000	03/15/2021
Crescent Bank & Trust	245,000	03/20/2025
Cullman Savings Bank	245,000	01/23/2023
Currie State Bank	245,000	03/23/2021
Dnb First	245,000	03/29/2021
Dollar Bank Fsb	245,000	02/18/2022
Dundee Bank	248,000	03/29/2021
Eaglebank	245,000	05/10/2022
Empire State Bank	248,000	02/23/2021
Encore Bank	245,000	04/18/2022
Enerbank USA	245,000	03/16/2021
Enterprise Bank	245,000	05/15/2025
Enterprise Bank National Association	245,000	08/17/2021
Evergreen Bank Group	245,000	07/26/2021
First Farmers Bk & Tr	245,000	02/28/2022
First Foundation Bank	245,000	01/15/2021
First Freedom Bank	245,000	04/30/2024
First National Bank	248,000	02/28/2022
First Natl Bank Mich	245,000	10/10/2023
First Natl Bk Of America	245,000	12/13/2024
First Oklahoma Bank	245,000	03/27/2025
First Priority Bank	248,000	11/10/2020
First Source Bank	245,000	10/17/2024
First State Bank	245,000	04/16/2024
Firstbank Puerto Rico	245,000	09/06/2022
Firsttrust Savings	248,000	03/12/2021

(Continued)

# Illinois Metropolitan Investment Fund

Schedule of Cash and Investments (Continued)

IMET Convenience Series

September 30, 2020

Institution	Amount	Maturity
Other investments (Continued)		
Negotiable certificates of deposit (Continued)		
Flagstar Bank Fsb	\$ 245,000	11/15/2022
Flatwater Bank	245,000	04/18/2022
Fnb Of Mcgregor Tx	245,000	02/22/2022
Fortune Bank Arnold	245,000	03/27/2024
Frontier Bank IA	245,000	03/31/2023
Gateway Bank Mh Mn	245,000	04/16/2021
Gold Coast Bank/Chic	248,000	11/09/2020
Goldman Sachs Bank	245,000	02/14/2022
Greenwoods State Bk	245,000	03/20/2025
Guaranty B&T Co Denv	245,000	03/18/2021
Gulf Coast Bank & Tr	245,000	04/08/2025
Haddon Savings Bank	245,588	03/13/2023
Hiawatha National Bank	245,000	05/22/2025
Home Loan Inv Bank	245,000	05/29/2025
Horicon State Bank	245,000	05/17/2021
Horizon Bank	248,000	05/04/2021
Iberiabank	245,000	03/20/2024
Intercredit Bk Miami	211,000	02/22/2022
Investors Bk/Short	245,000	12/28/2020
Iowa State Bank	245,000	04/09/2024
Iowa Trst & Svng/Ems	245,000	03/24/2025
Jefferson Bank	248,000	03/08/2021
Kearny Bank	248,000	11/16/2020
Landmark Community	245,000	12/27/2022
Legends Bank	245,000	09/30/2024
Lincoln 1st Bank	245,000	08/08/2025
Live Oak Banking	248,000	03/09/2021
M1 Bank	245,000	05/08/2025
Malaga Bank Fsb	245,000	05/29/2025
Marlin Business Bank	245,000	11/13/2020
Medallion Bank Utah	245,000	05/02/2022
Merrick Bank	245,000	07/20/2021
Mizrahi Tefahot Bank	245,000	06/30/2022
Morgan Stanley Bank	247,220	06/13/2022
Morgan Stanley Pvt B	205,704	07/11/2022
Nicolet National Bank	245,000	09/27/2022

(Continued)

# Illinois Metropolitan Investment Fund

Schedule of Cash and Investments (Continued)

IMET Convenience Series

September 30, 2020

Institution	Amount	Maturity
Other investments (Continued)		
Negotiable certificates of deposit (Continued)		
Northfield Bank	\$ 248,000	02/16/2021
Northpointe Bank	245,000	03/27/2023
Pacific Enterprise	245,000	04/09/2024
Pacific Premier Bk	248,000	02/22/2021
Pacific Western Bank	245,000	04/17/2023
Pathfinder Bank	245,970	03/10/2025
Penn Community Bank	245,000	03/26/2021
Pioneer Bank Ssb	245,000	11/26/2021
Ponce Bank/Bronx NY	245,000	05/22/2025
Poppy Bank	245,000	03/27/2025
Popular Bank	245,000	04/07/2022
Primebank	245,000	04/10/2023
Providence Bank	245,000	11/15/2021
Queensborough Natl	245,000	11/23/2020
Randolph Savings Bank	248,000	03/09/2021
Rollstone Bank & Trust	248,618	02/12/2024
Safra National Bank	245,000	04/07/2021
Sallie Mae Bank/Salt	245,000	03/07/2022
Savoy Bank	245,000	07/29/2024
Security First Bank	248,000	04/26/2021
Somerset Trust Co	245,000	03/19/2025
Southwest Natl Bank	248,000	04/19/2021
State Bank Of India	248,000	02/16/2021
Stearns Bank	248,000	11/03/2020
Steuben Trust Co	248,000	05/03/2021
Stock Yards Bank	245,000	08/06/2021
Summit State Bank	245,000	05/15/2025
Synovus Bank GA	245,000	01/18/2022
Tab Bank Inc	245,000	12/28/2020

(Continued)

# Illinois Metropolitan Investment Fund

Schedule of Cash and Investments (Continued)

IMET Convenience Series

September 30, 2020

Institution	Amount	Maturity
Other investments (Continued)		
Negotiable certificates of deposit (Continued)		
Texas Bank Financial	\$ 245,000	05/28/2025
Texas Exchange Bank	245,000	03/25/2022
Thomaston Svngs Bk	245,000	04/14/2025
Tiaa Fsb	245,000	02/22/2022
Townebank/Portsmouth	248,000	04/27/2021
Tristate Capital Bank	248,000	03/29/2021
Two River Community	248,000	02/26/2021
Ubs Bank Usa	245,000	06/14/2021
United Fidelity Bk	245,000	06/29/2023
Valley Natl Bk Wayne	245,000	04/16/2021
Wells Fargo Bank	245,000	02/28/2022
Wells Fargo Natl Bk	245,000	12/13/2022
West Town Bank And Trust	245,000	04/30/2025
Wex Bank	245,000	07/09/2021
Williamette Valley	245,000	04/09/2025
Alma Bank	245,000	09/29/2023
Anderson Bros Bank	245,000	01/22/2021
Bank of Baroda	245,000	07/22/2025
Bankwell Bank	245,000	07/28/2023
Covenant Bank	248,000	11/30/2020
Discover Bank	215,026	07/05/2023
First Financial Bank	245,000	12/28/2020
First Keystone Community	245,000	06/28/2024
Gnb Bank	245,000	10/13/2023
Independence Bk Owen	245,000	09/24/2024
Luana Savings Bank	245,000	07/10/2024
Minnwest Bank MV	245,000	06/11/2024
Partners Bank California	245,000	05/15/2024
Plains Capital Bank	245,000	01/15/2021

(Continued)

# Illinois Metropolitan Investment Fund

Schedule of Cash and Investments (Continued)

IMET Convenience Series

September 30, 2020

Institution	Amount	Maturity
Other investments (Continued)		
Negotiable certificates of deposit (Continued)		
Security Fed Bk/Aike	\$ 97,000	07/10/2023
Stockman Bank	245,000	06/10/2025
Synchrony Bank	254,340	04/17/2023
Total negotiable certificates of deposit	<u>41,274,239</u>	
Total other investments	<u>\$ 51,074,239</u>	

(Concluded)

**Illinois Metropolitan Investment Fund**  
 Schedule of Management Fees  
Year Ended September 30, 2020

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Type	IMET 1-3 Year Series	IMET Convenience Series	Total
Investment advisory	\$ 143,854	\$ -	\$ 143,854
Transfer agent and fund accounting	92,228	239,722	331,950
Custodial	16,187	6,896	23,083
	\$ 252,269	\$ 246,618	\$ 498,887



**Illinois Metropolitan Investment Fund**  
 Schedule of Participants by Concentration  
September 30, 2020

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Type	Number of Participants	IMET 1-3 Year Series <sup>2</sup>	IMET Convenience Series <sup>2</sup>	Total <sup>2</sup>
Municipal entities	112	81.3 %	61.1 %	66.5 %
Pension funds	18	1.6	1.5	1.5
Other entities <sup>1</sup>	54	17.1	37.4	32.0
	184	100.0 %	100.0 %	100.0 %

<sup>1</sup> Includes townships, school districts, park districts, public library districts, and various local agencies and special districts.

<sup>2</sup> Percentages are based on the dollar amounts invested with IMET by its participants.

# Illinois Metropolitan Investment Fund

Investment Policy - IMET 1-3 Year Series

September 30, 2020

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## 1.0 Scope

The IMET 1-3 Year Series (“1-3 Year Series”) is an investment fund offered by the Illinois Metropolitan Investment Fund (“IMET”). IMET was formed to provide Illinois public entities with safe, liquid, attractive investment options. This investment policy governs the 1-3 Year Series. The 1-3 Year Series has a fluctuating net asset value (“NAV”) and an average maturity of one-to-three years. Designed for public funds that may be invested for more than one year, the IMET 1-3 Year Series invests primarily in government-backed securities. The 1-3 Year Series invests only in investments that are permissible under the Illinois Public Funds Investment Act (30 ILCS 235) (the “Public Funds Act”).

Monies invested in this Series will be those of participating Illinois public agencies. Any funds that an Illinois public agency can invest under Illinois statutes are eligible for investment in the 1-3 Year Series. This is an intermediate investment fund, however, and short-term monies that are or will be needed for immediate liquidity demands should not be invested in this Series.

## 2.0 Governing Authority

The 1-3 Year Series will conform to Illinois state statutes governing the investment of public funds, including the Public Funds Act.

## 3.0 Prudence

The standard of prudence to be used for all investment activities will be the “prudent person” standard.

“Investments will be made with judgement and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable preservation of their capital as well as the probable income to be derived.”

## 4.0 Objective

The objectives of the 1-3 Year Series are:

- i. Safety: The safety and preservation of principal is the foremost objective of the 1-3 Year Series.
- ii. Liquidity: IMET will seek to remain sufficiently liquid to allow for withdrawals by 1-3 Year Series participants with three business days’ notice of that withdrawal to the Series, and will otherwise remain sufficiently liquid in accordance with prudent fund management.

(Continued)

# Illinois Metropolitan Investment Fund

Investment Policy - IMET 1-3 Year Series

September 30, 2020

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## 4.0 Objective (Continued)

- iii. Return on Investment: The 1-3 Year Series will seek to obtain an appropriate market rate of return in relation to the prevailing environment.

## 5.0 Sustainability

Consistent with achieving the investment objectives set forth in the Objectives herein, IMET will seek to prudently integrate sustainability factors into its investment decision-making, investment analysis, portfolio construction, due diligence and investment ownership in furtherance of the 1- 3 Year Series' goals to fulfill its fiduciary duty, to maximize anticipated financial returns, minimize risk.

IMET will evaluate its sustainability efforts annually, in conjunction with review of this investment policy.

## 6.0 Delegation of Authority

The Board of Trustees of IMET (the "Board") appoints an Executive Director to manage the day-to-day activities of the 1-3 Year Series. The Executive Director serves as the Chief Investment Officer of the Series.

The Board will engage an investment adviser that it deems capable for the management of the 1-3 Year Series. The Board will undertake a rigorous evaluation process periodically to ensure the engagement and retention of an appropriate provider. The investment adviser will be held to the prudent expert standard.

The Board may engage additional financial institutions for various activities as it deems appropriate.

## 7.0 Ethics and Conflicts of Interest

Employees of IMET involved in the investment process of the 1-3 Year Series will refrain from activity that could conflict, or give the appearance of a conflict, with proper execution of the investment program, or which could impair their ability to make impartial decisions affecting the 1-3 Year Series. Employees of IMET will disclose to the Board chairperson any material interests in financial institutions that conduct business with IMET and the 1-3 Year Series, and they will further disclose any personal financial/investment positions that could be related to the performance of the 1-3 Year Series. Employees of IMET will subordinate their personal interests to those of IMET and the 1-3 Year Series when those interests may compete or be in conflict.

(Continued)

# Illinois Metropolitan Investment Fund

Investment Policy - IMET 1-3 Year Series

September 30, 2020

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## 8.0 Authorized Financial Dealers and Institutions

IMET will engage financial institutions that it deems capable for the 1-3 Year Series. The Board will undertake a rigorous evaluation process periodically to ensure the engagement of appropriate financial institutions. Financial institutions may include broker-dealers, banks, investment advisers, and custodians.

The Board will also engage an administrator that will perform its duties in conformance with the Declaration of Trust, By-Laws, and Investment Circular of IMET.

## 9.0 Authorized and Suitable Investments

The investments permitted by this Policy are those defined by the Investment Act. In seeking to achieve its investment objective, the Fund intends to invest under normal market conditions at least fifty percent (50%) in, subject to the Diversification parameters in Section 11, Diversification:

- i. obligations issued or secured by the U.S. Government and/or its agencies,
- ii. U.S. agency mortgage-backed pass-through securities,
- iii. commercial paper,
- iv. money market mutual funds that are permitted investments under the Public Funds Act, and
- v. taxable and tax-exempt municipal obligations

## 10.0 Investment Parameters

- i. In extraordinary circumstances, such as when the investment advisor believes that market conditions indicate that the Series should adopt a temporary defensive position, the Series may invest up to one hundred percent (100%) in cash and/or such money market mutual funds.
- ii. Corporate credit, pursuant to Illinois law, cannot exceed 10% of the issuing corporation's outstanding obligations. Such obligations must be rated, at the time of purchase, no less than A-1/P-1, by at least two Nationally Recognized Statistical Rating Organizations (NRSROs).
- iii. Municipal obligations, at the time of purchase will be rated within the four highest general classifications (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) established by an NRSRO.

(Continued)

# Illinois Metropolitan Investment Fund

Investment Policy - IMET 1-3 Year Series

September 30, 2020

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## 10.0 Investment Parameters (Continued)

- iv. Mortgage pass-through securities must be issued by an agency of the United States government and must have a liquid market with a readily determinable market value. Securities issued by only the Government National Mortgage Association (“Ginnie Mae”), the Federal Home Loan Mortgage Corporation (“Freddie Mac”) and the Federal National Mortgage Association (“Fannie Mae”) are permitted. Privately structured and issued mortgage pass-through securities or collateralized mortgage obligations are not permitted investments.
- v. Portfolio duration of the 1-3 Year Series is to be maintained no greater than 25% above or 50% below that of the Bloomberg Barclay’s 1-3 Year Government Total Return Index.
- vi. Individual securities may have remaining maturities of greater than five years, but in any event not greater than ten years from the date of the Fund’s purchase thereof. The remaining life of any agency mortgage pass-through security will be determined based on the weighted-average life of the security.

## 11.0 Diversification

Fixed income securities in the 1-3 Year Series will have the following characteristics:

- i. United States Treasury, agency and agency mortgage pass-through securities may be used without limitation. Under normal market conditions, such obligations, along with money market mutual funds that are permitted investments under the Public Funds Act, will constitute at least 50% of the portfolio.
- ii. The Fund will have no more than one-third of its monies invested in commercial paper.
- iii. At no time may the portfolio own more than 5% of the outstanding amount of any one fixed income issue (other than securities of the United States Government or its agencies) or have more than 7% of its total assets invested in the securities (including cash equivalents) of any permissible fixed income issuer (other than securities of the United States government or its agencies) without prior notification and approval of the Board.

(Continued)

## **Illinois Metropolitan Investment Fund**

Investment Policy - IMET 1-3 Year Series

September 30, 2020

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### 12.0 Collateralization

All 1-3 Year Series deposits, above amounts insured by the Federal Deposit Insurance Corporation, will be collateralized in an amount equal to at least 105% by securities listed on Section IX with the exception of commercial paper. The collateralizing financial institution will monitor the collateral on, at least, a daily basis, and make adjustments as necessary.

Collateral for deposits of the 1-3 Year Series will be held by a third party safekeeping agent, the agency relationship of which will be evidenced by a third party or tri-party safekeeping agreement.

Other collateral used by financial institutions for such purposes will be in a form and amount (but not less than 100%) deemed acceptable by the Board, including, but not limited to, Federal Home Loan Bank letters of credit.

### 13.0 Safekeeping and Custody

All securities purchased for the 1-3 Year Series will be settled on a delivery-versus-payment basis and held in a custodial safekeeping account by a duly evaluated, selected and engaged custodian. The custodian will be designated by the Board and all transactions will be evidenced by safekeeping receipts or confirmations.

### 14.0 Maturities

Portfolio duration of the 1-3 Year Series is to be maintained no greater than 25% above or 50% below that of the Bloomberg Barclay's 1-3 Year Government Total Return Index. The portfolio's dollar weighted-average maturity will not exceed three years. Individual securities may have remaining maturities of greater than five years, but in any event not greater than ten years from the date of the Fund's purchase thereof. The remaining life of any agency mortgage pass-through security will be determined based on the weighted-average life of the security.

### 15.0 Internal Control

IMET will establish a system of internal controls, that will be documented in writing. The control will be annually reviewed by the firm's auditor and will be designed to prevent losses of public funds.

(Continued)

## **Illinois Metropolitan Investment Fund**

Investment Policy - IMET 1-3 Year Series

September 30, 2020

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### 16.0 Performance Standards

The 1-3 Year Series' investment strategy is targeted active management. The performance objective for the 1-3 Year Series portfolio is to meet or exceed the return of an index similar credit and liquidity characteristics, prior to the payment of Series expenses. The Bloomberg Barclay's 1-3 Year Government Total Return Index meets these requirements and is the benchmark for the 1-3 Year Series.

### 17.0 Reporting

The adviser will provide monthly reports to the Board. The report will include the following statistics:

- i. Performance, compared to the benchmark.
- ii. Asset allocation and duration, compared to the benchmark.
- iii. Any deviation from the guidelines herein established.
- iv. Significant changes in the portfolio under their management during the period.

On a quarterly basis, the report also will include:

- i. Economic and investment outlook for the near and long term.
- ii. Purchase and sale transactions.
- iii. Adviser firm updates, including key personnel changes, firm growth patterns, any litigation.

### 18.0 Investment Policy Adoption

The investment policy of the 1-3 Year Series will be adopted by motion of the Board. The Policy will be reviewed annually by the Board and any modifications made thereto will be approved by the Board.

(Concluded)

*Last amended August 23, 2019*

*Reviewed December 4, 2020*

# Illinois Metropolitan Investment Fund

Investment Policy - IMET Convenience Series

September 30, 2020

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## 1.0 Scope

The IMET Convenience Series (the “Convenience Series”) is an investment fund offered by the Illinois Metropolitan Investment Fund (“IMET”). IMET was formed to provide Illinois public entities with safe, liquid, attractive investment options. This investment policy governs the Convenience Series. The Convenience Series is designed for public funds that may be required in the short-term and for liquidity purposes. The Convenience Series invests primarily in bank deposits and government securities as permissible under the Illinois Public Funds Investment Act (30 ILCS 235) (the “Public Funds Investment Act”), the Illinois Public Deposit Act (30 ILCS 225/) (the “Public Funds Deposit Act”), and the Local Government Debt Reform Act (30 ILCS/350/) (the “Debt Reform Act”).

The Convenience Series will be managed to maintain a stable \$1.00 share price, although there is no guarantee that it will do so.

## 2.0 Governing Authority

The Convenience Series will conform to Illinois state statutes governing public funds, specifically the Public Funds Investment Act, the Public Funds Deposit Act, and the Debt Reform Act.

## 3.0 Prudence

The standard of prudence to be used for all investment activities will be the “prudent person” standard”:

“Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable preservation of their capital as well as the probable income to be derived.”

## 4.0 Objectives

The investment objectives of the Convenience Series are:

- *Safety* The Convenience Series will seek safety and preservation of principal as the foremost objective.
- *Liquidity* The Convenience Series will seek to remain sufficiently liquid to accommodate Convenience Series withdrawals, and to be in accord with prudent fund management.

(Continued)



# Illinois Metropolitan Investment Fund

Investment Policy - IMET Convenience Series

September 30, 2020

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## 4.0 Objectives (Continued)

- *Return on Investment* The Convenience Series will seek to obtain an appropriate market rate of return in relation to the prevailing investment environment.

## 5.0 Sustainability

Consistent with achieving the investment objectives set forth in Section 3. Objectives, IMET will seek to prudently integrate sustainability factors into its investment decision-making, investment analysis, portfolio construction, due diligence and investment ownership in furtherance of the Convenience Series' goals to fulfill its fiduciary duty, to maximize anticipated financial returns and minimize risk.

IMET will evaluate its sustainability efforts annually, in conjunction with review of this investment policy.

## 6.0 Delegation of Authority

The Board of Trustees of IMET (the "Board") appoints an Executive Director to manage the day-to-day activities of the Convenience Series. The Executive Director serves as the Chief Investment Officer of the Convenience Series.

## 7.0 Ethics and Conflicts of Interest

Employees of IMET involved in the investment process of the Convenience Series will refrain from activity that could conflict, or give the appearance of a conflict, with proper execution of the investment program, or which could impair their ability to make impartial decisions affecting the Convenience Series. Employees of IMET will disclose to the Board chairperson any material interests in financial institutions that conduct business with IMET and the Convenience Series, and they will further disclose any personal financial/investment positions that could be related to the performance of the Convenience Series. Employees of IMET will subordinate their personal interests to those of IMET and the Convenience Series when those interests may compete or be in conflict.

(Continued)

# Illinois Metropolitan Investment Fund

Investment Policy - IMET Convenience Series

September 30, 2020

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## 8.0 Authorized Financial Institutions

In pursuing the objectives of the Convenience Series, the Board may engage financial institutions. Such financial institutions will agree to the following conditions:

- i. act in the best interest of the Convenience Series
- ii. execute transactions on a best execution basis
- iii. undertake additional responsibilities as detailed in its agreement with the Board

The Board will undertake a rigorous evaluation process periodically to ensure the engagement of appropriate financial institutions. Financial institutions may include broker-dealers, banks, investment advisers, and custodians.

The Board will also engage an administrator that will perform its duties in conformance with the Declaration of Trust, By-Laws, and Investment Circular of IMET.

## 9.0 Authorized and Suitable Investments

The investments permitted by this policy are those defined by the Public Funds Investment Act.

In seeking to achieve its investment objectives, the Convenience Series will diversify its holdings of the following investments, subject to market conditions:

- i. interest-bearing savings accounts, interest-bearing certificates of deposit, or interest-bearing time deposits, or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act,
- ii. money market mutual funds that are permitted investments under the Public Funds Investment Act,
- iii. securities now or hereafter issued that constitute direct obligations of the U.S. Treasury which are guaranteed by the full faith and credit of the United States of America as to principal and interest,
- iv. other similar obligations of the United States of America or its agencies, and
- v. interest bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois, or any other state, or of any political subdivision or agency of the State of Illinois or of any other state, whether the interest earned thereon is taxable or tax-exempt under federal law.

(Continued)

# Illinois Metropolitan Investment Fund

Investment Policy - IMET Convenience Series

September 30, 2020

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## 10.0 Investment Parameters

- i. In circumstances when the Board believes that market conditions indicate that the Convenience Series should adopt a defensive position, the Convenience Series may invest up to one hundred percent (100%) in bank obligations and/or such money market mutual funds.
- ii. Municipal obligations, at the time of purchase will be rated within the four highest general classifications (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) established by a Nationally Recognized Statistical Rating Organizations (NRSROs).
- iii. Mortgage pass-through securities must be issued by an agency of the United States government and must have a liquid market with a readily determinable market value. Securities issued by only the Government National Mortgage Association (“Ginnie Mae”), the Federal Home Loan Mortgage Corporation (“Freddie Mac”) and the Federal National Mortgage Association (“Fannie Mae”) are permitted. Privately structured and issued mortgage pass-through securities or collateralized mortgage obligations are not permitted investments.

## 11.0 Diversification

The following instruments may be used without limitation:

- i. Interest-bearing savings accounts, interest-bearing certificate of deposit or interest-bearing time deposits, or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act.
- ii. Money market mutual funds registered under the Investment Company Act of 1940, provided that these are government money market mutual funds as defined in this act.

## 12.0 Collateralization

All Convenience Series deposits, above amounts insured by the Federal Deposit Insurance Corporation, will be collateralized. Acceptable collateral are pledges of securities listed in Section 9.0, and Federal Home Loan Bank Letters of Credit. If the collateral is in the form of pledge securities, the market value of the collateral must be at least 105% of the value of the deposits secured. The collateralizing financial institution will monitor the collateral on, at least, a daily basis, and make adjustments as necessary, subject to IMET approval. If the collateral is in the form of a Letter of Credit of a Federal Home Loan Bank, the amount of collateral must be no less than the value of the deposits and accrued interest secured.

Any securities pledged as collateral for deposits of the Convenience Series will be held by a third-party safekeeping agent, the agency relationship of which will be evidenced by a third party or tri-party safekeeping agreement.

(Continued)

# Illinois Metropolitan Investment Fund

Investment Policy - IMET Convenience Series

September 30, 2020

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## 13.0 Safekeeping and Custody

Securities purchased for the Convenience Series, will be delivered against payment and held in a custodial safekeeping account with an independent third-party custodian. The custodian will be designated by the Board, evidenced by a safekeeping agreement, and all transactions will be evidenced by safekeeping receipts or confirmations.

## 14.0 Maturities

The Convenience Series portfolio is restricted to maximum dollar weighted-average maturity of one year or less.

Individual securities may have remaining maturities of greater than one year, but not greater than five years from the date of purchase by the Convenience Series. No more than 50 percent of the portfolio may be invested beyond 12 months. The remaining life of any agency mortgage pass-through security will be determined based on the weighted-average life of the security.

## 15.0 Internal Control

IMET will establish a system of internal controls, that will be documented in writing. The control will be annually reviewed by the firm's auditor and will be designed to prevent losses of public funds.

## 16.0 Performance Standards

The Convenience Series will be managed with the objective of regularly meeting or exceeding the selected performance benchmark of the effective Federal Funds Rate.

## 17.0 Reporting

The Executive Director will provide reports to the Board, the frequency of which will be determined by the Board. The reports will include, at a minimum, the following:

- i. performance as compared to the benchmark
- ii. collateral positions
- iii. asset allocation and duration
- iv. any deviation from the guidelines herein established
- v. significant changes in the portfolio

(Continued)

# **Illinois Metropolitan Investment Fund**

Investment Policy - IMET Convenience Series

September 30, 2020

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## 18.0 Investment Policy Adoption

The investment policy of the Convenience Series will be adopted by motion of the Board. The policy will be reviewed annually by the Board and any modifications made thereto will be approved by the Board.

(Concluded)

*Last amended November 25, 2019*

*Reviewed December 4, 2020*

**STATISTICAL SECTION (Unaudited)**

# Illinois Metropolitan Investment Fund

Index for Statistical Section

September 30, 2020

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This part of the Illinois Metropolitan Investment Fund's (IMET's) comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about IMET's overall financial health. Revenue capacity, debt capacity, and operating information are not applicable to IMET.

<u>Contents</u>	<u>Page (s)</u>
Financial Trends	
These schedules contain trend information to help the reader understand how IMET's financial performance and well-being have changed over time.	75 - 80
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment in which IMET's activities take place.	81 - 82

**Illinois Metropolitan Investment Fund**  
**SCHEDULE OF FIDUCIARY NET POSITION**  
LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Net position held in trust for participants				
IMET 1-3 Year Series <sup>1</sup>	\$ 184,686,228	\$ 157,958,375	\$ 146,739,051	\$ 175,073,212
IMET Convenience Series	509,298,962	491,856,715	535,906,458	495,957,543
IMET Administration Fund <sup>1</sup>	-	-	-	-
Total	<u>\$ 693,985,190</u>	<u>\$ 649,815,090</u>	<u>\$ 682,645,509</u>	<u>\$ 671,030,755</u>
Number of units outstanding				
IMET 1-3 Year Series <sup>1</sup>	8,784,248	7,796,625	7,526,478	9,001,127
IMET Convenience Series	<u>509,546,138</u>	<u>492,072,967</u>	<u>536,083,585</u>	<u>496,072,521</u>
Total	<u>518,330,386</u>	<u>499,869,592</u>	<u>543,610,063</u>	<u>505,073,648</u>
Price per unit				
IMET 1-3 Year Series <sup>1</sup>	\$ 21.025	\$ 20.260	\$ 19.496	\$ 19.450
IMET Convenience Series	1.000	1.000	1.000	1.000

<sup>1</sup> IMET's operations activities were included in the IMET 1-3 Year Series through December 31, 2010 (fiscal year 2011). Effective January 1, 2011 through September 30, 2014, those activities were reported separately in the Administration Fund. Beginning in fiscal year 2015, administrative expenses were allocated between the IMET 1-3 Year Series and the IMET Convenience Series.

<sup>2</sup> As originally stated. These amounts were not restated for the implementation of GASB Statements No. 68 and 71.

Data Source: Illinois Metropolitan Investment Fund Comprehensive Annual Financial Reports

Note: Data pertaining to the IMET FFF Account Liquidating Trust is not presented above, due to the nature of that fund. See Note C in the Notes to the financial statements.



	<u>2016</u>	<u>2015</u>	<u>2014<sup>2</sup></u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$	181,977,415	\$ 174,805,471	\$ 232,311,616	\$ 280,917,840	\$ 334,346,520	\$ 312,144,822
	496,820,064	530,275,021	1,768,754,593	1,390,063,626	1,049,300,081	663,304,925
	<u>-</u>	<u>-</u>	<u>1,774,377</u>	<u>1,669,020</u>	<u>1,558,408</u>	<u>54,757</u>
\$	<u>678,797,479</u>	<u>705,080,492</u>	<u>2,002,840,586</u>	<u>1,672,650,486</u>	<u>1,385,205,009</u>	<u>975,504,504</u>
	9,373,943	9,050,005	12,158,529	14,757,571	17,589,148	16,400,694
	<u>496,805,311</u>	<u>530,275,021</u>	<u>1,768,754,593</u>	<u>1,390,063,626</u>	<u>1,049,300,081</u>	<u>663,304,925</u>
	<u>506,179,254</u>	<u>539,325,026</u>	<u>1,780,913,122</u>	<u>1,404,821,197</u>	<u>1,066,889,229</u>	<u>679,705,619</u>
\$	19.413	\$ 19.316	\$ 19.107	\$ 19.036	\$ 19.009	\$ 19.032
	1.000	1.000	1.000	1.000	1.000	1.000

**Illinois Metropolitan Investment Fund**  
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - IMET 1-3 YEAR SERIES  
LAST TEN FISCAL YEARS

	2020 <sup>1</sup>	2019 <sup>1</sup>	2018 <sup>1</sup>	2017 <sup>1</sup>
<b>Additions</b>				
Investment income				
Interest	\$ 3,330,448	\$ 3,237,262	\$ 2,502,954	\$ 2,147,534
Net change in fair value of investments	3,121,130	2,821,145	(1,957,915)	(1,401,886)
Other	15,861	2,771	988	1,517
Total income	<u>6,467,439</u>	<u>6,061,178</u>	<u>546,027</u>	<u>747,165</u>
Investment expenses				
Investment advisory fees	143,854	132,493	149,080	180,426
Transfer agent and fund accounting fees	92,228	77,179	79,443	97,757
Custodial fees	16,187	14,566	15,001	17,872
Total investment expenses	<u>252,269</u>	<u>224,238</u>	<u>243,524</u>	<u>296,055</u>
Net investment income	<u>6,215,170</u>	<u>5,836,940</u>	<u>302,503</u>	<u>451,110</u>
Unit transactions				
Proceeds from sale of units to participants	32,327,171	15,899,926	5,200,000	10,301,773
Other additions	-	-	-	-
Total additions	<u>38,542,341</u>	<u>21,736,866</u>	<u>5,502,503</u>	<u>10,752,883</u>
<b>Deductions</b>				
Administrative and other expenses:				
Management and administrative services	11,712	19,625	1,350	1,471
Compensation and related expenses	76,153	82,028	71,785	70,054
Professional services	2,143	6,405	1,356	2,683
Insurance	17,147	15,724	12,756	19,360
Audit	6,625	6,500	5,100	5,335
Marketing	1,133	3,099	3,046	1,992
Administrative	27,386	18,760	17,176	15,284
Less reimbursement for operating expenses	-	-	-	-
Total administrative and other expenses	<u>142,299</u>	<u>152,141</u>	<u>112,569</u>	<u>116,179</u>
Cost of units redeemed by participants	<u>11,672,189</u>	<u>10,365,401</u>	<u>33,724,095</u>	<u>17,540,907</u>
Total deductions	<u>11,814,488</u>	<u>10,517,542</u>	<u>33,836,664</u>	<u>17,657,086</u>
Transfers out	-	-	-	-
Net increase (decrease) in net position held in trust for participants	26,727,853	11,219,324	(28,334,161)	(6,904,203)
<b>Net position held in trust for participants:</b>				
Beginning of year	<u>157,958,375</u>	<u>146,739,051</u>	<u>175,073,212</u>	<u>181,977,415</u>
End of year	<u>\$ 184,686,228</u>	<u>\$ 157,958,375</u>	<u>\$ 146,739,051</u>	<u>\$ 175,073,212</u>

<sup>1</sup> IMET's operations activities were included in the IMET 1-3 Year Series through December 31, 2010 (fiscal year 2011). Effective January 1, 2011 through September 30, 2014, those activities were reported separately in the Administration Fund. Beginning in fiscal year 2015, administrative expenses were allocated between the IMET 1-3 Year Series and the IMET Convenience Series.

<sup>2</sup> For fiscal year 2011, investment advisory fees, transfer agent and fund accounting fees, and custodial fees were included in management and administrative services expense.

<sup>3</sup> As restated for the implementation of GASB Statements No. 68 and 71.

Data Source: Illinois Metropolitan Investment Fund Comprehensive Annual Financial Reports

	2016 <sup>1</sup>	2015 <sup>1</sup>	2014 <sup>1</sup>	2013 <sup>1</sup>	2012 <sup>1</sup>	2011 <sup>1,2</sup>
\$	1,802,512	\$ 1,528,234	\$ 1,597,291	\$ 1,566,463	\$ 2,994,982	\$ 4,742,901
	(227,527)	313,318	(101,243)	(427,635)	(1,099,843)	(1,550,493)
	1,011	501	-	-	-	-
	<u>1,575,996</u>	<u>1,842,053</u>	<u>1,496,048</u>	<u>1,138,828</u>	<u>1,895,139</u>	<u>3,192,408</u>
	179,112	181,915	246,961	302,676	319,746	-
	90,700	104,912	141,907	178,221	191,848	-
	17,911	14,845	24,696	30,268	31,977	-
	<u>287,723</u>	<u>301,672</u>	<u>413,564</u>	<u>511,165</u>	<u>543,571</u>	<u>-</u>
	<u>1,288,273</u>	<u>1,540,381</u>	<u>1,082,484</u>	<u>627,663</u>	<u>1,351,568</u>	<u>3,192,408</u>
	16,135,420	29,842,015	8,902,659	28,402,479	59,105,373	52,098,847
	-	887,188	-	-	-	-
	<u>17,423,693</u>	<u>32,269,584</u>	<u>9,985,143</u>	<u>29,030,142</u>	<u>60,456,941</u>	<u>55,291,255</u>
	23,471	23,551	136,853	228,570	335,737	845,008
	187,377	182,776	-	-	-	58,276
	48,779	25,367	-	-	-	9,684
	43,921	35,100	-	-	-	7,500
	12,681	12,300	-	-	-	7,200
	7,220	7,347	-	-	-	5,615
	33,458	48,682	-	-	-	20,163
	-	-	-	-	-	(223,096)
	<u>356,907</u>	<u>335,123</u>	<u>136,853</u>	<u>228,570</u>	<u>335,737</u>	<u>730,350</u>
	9,894,842	89,368,346	58,454,514	82,230,252	36,584,138	118,401,395
	<u>10,251,749</u>	<u>89,703,469</u>	<u>58,591,367</u>	<u>82,458,822</u>	<u>36,919,875</u>	<u>119,131,745</u>
	-	-	-	-	(1,335,368)	-
	7,171,944	(57,433,885)	(48,606,224)	(53,428,680)	22,201,698	(63,840,490)
	<u>174,805,471</u>	<u>232,239,356</u> <sup>3</sup>	<u>280,917,840</u>	<u>334,346,520</u>	<u>312,144,822</u>	<u>375,985,312</u>
\$	<u><u>181,977,415</u></u>	<u><u>174,805,471</u></u>	<u><u>232,311,616</u></u>	<u><u>280,917,840</u></u>	<u><u>334,346,520</u></u>	<u><u>312,144,822</u></u>

**Illinois Metropolitan Investment Fund**  
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - IMET CONVENIENCE SERIES  
LAST TEN FISCAL YEARS

	2020	2019	2018	2017
<b>Additions</b>				
Investment income				
Interest	\$ 4,906,412	\$ 11,109,111	\$ 8,067,213	\$ 4,135,840
Investment expenses				
Fund accounting and custodial fees	246,618	254,840	253,175	222,154
Net investment income	4,659,794	10,854,271	7,814,038	3,913,686
Proceeds from sale of units to participants	498,929,405	609,574,432	645,388,210	422,379,146
Other additions	-	-	-	-
Total additions	503,589,199	620,428,703	653,202,248	426,292,832
<b>Deductions</b>				
Administrative and other expenses	493,983	441,527	512,421	557,942
Distributions to participants	4,196,735	10,451,869	7,363,765	3,485,475
Cost of units redeemed by participants	481,456,234	653,585,050	605,377,147	423,111,936
Total deductions	486,146,952	664,478,446	613,253,333	427,155,353
Transfer to FFF Account Liquidating Trust	-	-	-	-
Net increase (decrease) in net position held in trust for participants	17,442,247	(44,049,743)	39,948,915	(862,521)
<b>Net position held in trust for participants:</b>				
Beginning of year	491,856,715	535,906,458	495,957,543	496,820,064
End of year	\$ 509,298,962	\$ 491,856,715	\$ 535,906,458	\$ 495,957,543

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For fiscal year 2011, transfer agent and fund accounting fees were included in management and administrative services expense.

Data Source: Illinois Metropolitan Investment Fund Comprehensive Annual Financial Reports

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011<sup>1</sup></u>
\$ <u>2,526,589</u>	\$ <u>2,781,255</u>	\$ <u>6,582,520</u>	\$ <u>4,897,189</u>	\$ <u>2,913,789</u>	\$ <u>2,409,716</u>
<u>234,964</u>	<u>403,367</u>	<u>826,690</u>	<u>650,812</u>	<u>443,705</u>	<u>-</u>
<u>2,291,625</u>	<u>2,377,888</u>	<u>5,755,830</u>	<u>4,246,377</u>	<u>2,470,084</u>	<u>2,409,716</u>
<u>490,842,971</u>	<u>487,281,716</u>	<u>1,523,219,269</u>	<u>1,279,047,571</u>	<u>1,099,511,708</u>	<u>738,779,647</u>
<u>-</u>	<u>887,189</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>493,134,596</u>	<u>490,546,793</u>	<u>1,528,975,099</u>	<u>1,283,293,948</u>	<u>1,101,981,792</u>	<u>741,189,363</u>
<u>317,195</u>	<u>1,118,792</u>	<u>577,512</u>	<u>457,330</u>	<u>353,558</u>	<u>827,559</u>
<u>2,008,242</u>	<u>2,097,720</u>	<u>5,178,318</u>	<u>3,789,047</u>	<u>2,116,526</u>	<u>1,582,157</u>
<u>524,264,116</u>	<u>1,725,809,853</u>	<u>1,094,086,159</u>	<u>938,284,026</u>	<u>713,516,552</u>	<u>584,184,267</u>
<u>526,589,553</u>	<u>1,729,026,365</u>	<u>1,099,841,989</u>	<u>942,530,403</u>	<u>715,986,636</u>	<u>586,593,983</u>
<u>-</u>	<u>-</u>	<u>(50,442,143)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(33,454,957)</u>	<u>(1,238,479,572)</u>	<u>378,690,967</u>	<u>340,763,545</u>	<u>385,995,156</u>	<u>154,595,380</u>
<u>530,275,021</u>	<u>1,768,754,593</u>	<u>1,390,063,626</u>	<u>1,049,300,081</u>	<u>663,304,925</u>	<u>508,709,545</u>
\$ <u><u>496,820,064</u></u>	\$ <u><u>530,275,021</u></u>	\$ <u><u>1,768,754,593</u></u>	\$ <u><u>1,390,063,626</u></u>	\$ <u><u>1,049,300,081</u></u>	\$ <u><u>663,304,925</u></u>

**Illinois Metropolitan Investment Fund**  
**PRINCIPAL EMPLOYERS - STATE OF ILLINOIS**  
**STATE'S FISCAL YEAR 2019 AND NINE YEARS AGO**

2019 \*

Employer	Employees	% of Total Employment
State of Illinois	64,303	1.04%
U.S. Government	51,200	0.83%
Wal-Mart	45,896	0.74%
Albertson's Companies	41,511	0.67%
Chicago School Board	37,495	0.61%
City of Chicago	35,397	0.57%
University of Illinois	30,437	0.49%
U.S. Postal Service	27,800	0.45%
AMITA Health	27,276	0.44%
Northwestern Memorial Healthcare	23,894	0.39%
	<u>385,209</u>	<u>6.23%</u>

2010

Employer	Employees	% of Total Employment
State of Illinois	67,742	1.14%
U.S. Government	59,700	1.00%
Chicago School Board	42,942	0.72%
City of Chicago	37,419	0.63%
U.S. Postal Service	32,000	0.54%
University of Illinois	29,589	0.50%
Cook County	24,454	0.41%
	<u>293,846</u>	<u>4.94%</u>

\* 2019 information is the most recent information available.

Note: Information presented is representative of the State of Illinois as a whole. Information for only the top seven principal employers was available for the State's fiscal year ended June 30, 2010.

Data Source: State of Illinois Comprehensive Annual Financial Report June 30, 2019

**Illinois Metropolitan Investment Fund**  
 DEMOGRAPHIC AND ECONOMIC STATISTICS - STATE OF ILLINOIS  
 LAST TEN CALENDAR YEARS

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Year	(a) Population	(b) Personal Income	(b) / (a) Per Capita Income	Unemployment Rate
2018 *	12,741,000	\$ 724,189,100,000	\$ 56,839	4.3%
2017	12,786,000	689,723,800,000	53,944	4.9%
2016	12,827,000	670,504,200,000	52,273	5.8%
2015	12,864,000	662,760,800,000	51,521	6.0%
2014	12,889,000	637,279,300,000	49,444	7.1%
2013	12,890,000	607,909,671,000	47,161	9.0%
2012	12,871,000	587,601,163,000	45,653	9.0%
2011	12,862,000	562,292,466,000	43,717	9.7%
2010	12,840,000	541,261,128,000	42,154	10.4%
2009	12,797,000	531,645,236,000	41,545	10.2%

\* 2018 information is the most recent information available.

Note: Information presented is representative of the State of Illinois as a whole.

Data Source: State of Illinois Comprehensive Annual Financial Report June 30, 2019