

Illinois Metropolitan Investment Fund

Comprehensive Annual Financial Report

Year ended September 30, 2019



**Illinois Metropolitan
Investment Fund**

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Comprehensive Annual Financial Report

Year ended September 30, 2019

**Sofia Anastopoulos
Executive Director
Chief Investment Officer**

ILLINOIS METROPOLITAN INVESTMENT FUND

Comprehensive Annual Financial Report
Year Ended September 30, 2019

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ILLINOIS METROPOLITAN INVESTMENT FUND

Comprehensive Annual Financial Report
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INTRODUCTORY SECTION (Unaudited)



Illinois Metropolitan Investment Fund

Investing together for
our communities

March 11, 2020

Christy Powell

Superintendent of Finance
& Personnel
Geneva Park District
Chairman

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Village Administrator
Village of Plainfield
Vice Chairman

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Village of Lake Zurich
Trustee

Chris Minick

Director of Finance
City of St. Charles
Trustee

Gary Szott

Director of Finance/Treasurer
Village of Bloomingdale
Trustee

Betty Zigras

Director of Finance
Village of Olympia Fields
Trustee

Sofia Anastopoulos, CFA

Executive Director

Emlyn Bertsche

Public Funds Marketing Associate

Dear IMET Participants:

We hereby submit to you the twenty third Comprehensive Annual Financial Report of the Illinois Metropolitan Investment Fund (IMET), which covers the fiscal year of October 1, 2018 through September 30, 2019. 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, 2019. 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, 2019 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, 2019. 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, a quasi-governmental entity 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 for public funds managers. 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, as a not-for-profit investment fund under the Intergovernmental Cooperation Act and the Illinois Municipal Code, on July 1, 1996. The 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 members. 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. IMET is 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. IMET had approximately 210 members, as of September 30, 2019.



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

Growth in assets of the IMET 1-3 Year Series partially offset the decrease in assets in the IMET Convenience Series for the one year ending September 30, 2019. 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 to each other. The asset trends of fiscal year 2019 confirm that the Series continue to behave as intended.

Over the course of fiscal year 2019, the economy continued to be buoyed by the Tax Reform Act while simultaneously being tethered by trade and tariff headwinds. The volatility that had emerged in the prior fiscal year continued into 2019. The positive effects of the Tax Reform Act, including stronger Gross Domestic Product (GDP) growth, enhanced productivity, and lower unemployment rates were tempered by persistent global tensions, trade unease and fractured politics. The year started with a 25 basis point rate increase in the fourth quarter of 2018 with expectations of two more rate hikes for calendar year 2019. These expectations gave way to a rate cut of 25 basis points in July, 2019 followed by another 25 basis point interest rate cut in September of the third quarter of 2019.

A major accomplishment for 2019 was undertaking a competitive procurement process for a custodian that resulted in the engagement of U.S. Bank National Association, Minneapolis, MN as the custodian for the IMET 1-3 Year Series and the IMET Convenience Series. Our selection process was comprehensive and included a thorough evaluation of all proposals.

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 its benchmark, the Bloomberg Barclay’s 1-3 Year Government Total Return Index. For fiscal year 2018, the 1-3 Year Series had a total return of 0.33% on a gross of fees basis (0.06% net of fees). 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 (95.4%). Treasuries benefited in the volatility caused by trade unease in the markets, as investors flocked to the safe-haven security.



Over the course of the fiscal year, as interest rate increases were replaced with cuts, IMET's investment adviser, Meeder extended the duration of the 1-3 Year Series, which was partially achieved by reducing the portfolio's commercial paper exposure.

For fiscal year 2019, the Convenience Series had an annualized yield of 2.03%. Over the one year ending September 30, 2019, the target Federal Funds Rate ranged between 2.25% to 2.50% and 1.75% to 2.00%. The interest rate environment during the fiscal year ending September 30, 2019 was challenging as the market switched markedly from increasing interest rates to falling interest rates.

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

During fiscal year 2019, total assets of the 1-3 Year Series increased by 7.7% to \$158,243,727 at September 30, 2019 from \$146,950,699 at September 30, 2018. This increase in assets for the 1-3 Year Series was a reversal of the net redemptions that had characterized the preceding two fiscal years, as participants had been redeeming shares in the IMET 1-3 Year Series. During fiscal year 2019, the Federal Reserve reversed course on interest rates and started decreasing interest rates. Securities in the IMET 1-3 Year Series enjoyed positive movements in Net Asset Values (NAVs) that tend to accompany interest rate decreases.

Total assets of the IMET Convenience Series decreased by 8.1% to \$493,241,643 from \$536,836,363 at September 30, 2018.

Historic fund behaviors continue to overtake any remaining impact of the FFF fraud. The FFF fraud refers to the fraudulent investment transactions IMET was victimized by in 2014. IMET continues to work diligently with the court appointed Overall Receiver, the other investors and its legal counsel to explore all avenues to recover assets for fund participants.

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 2020 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, and the newly added Cash Flow Forecast Model available on a complimentary basis.

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, 2018. This was the eighth consecutive year that IMET has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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, volunteer audit standing committee 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, 2019

ILLINOIS METROPOLITAN INVESTMENT FUND

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

BOARD OF TRUSTEES

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Geneva Park District

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Trustee: Betty Zigras
Village of Olympia Fields (SSMMA)

Executive Director: Sofia Anastopoulos

ILLINOIS METROPOLITAN INVESTMENT FUND

Supporting Chicago Area Councils of Government
and External Advisers
September 30, 2019

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

ALPS Fund Services, Inc.
Denver, Colorado

CUSTODIAN

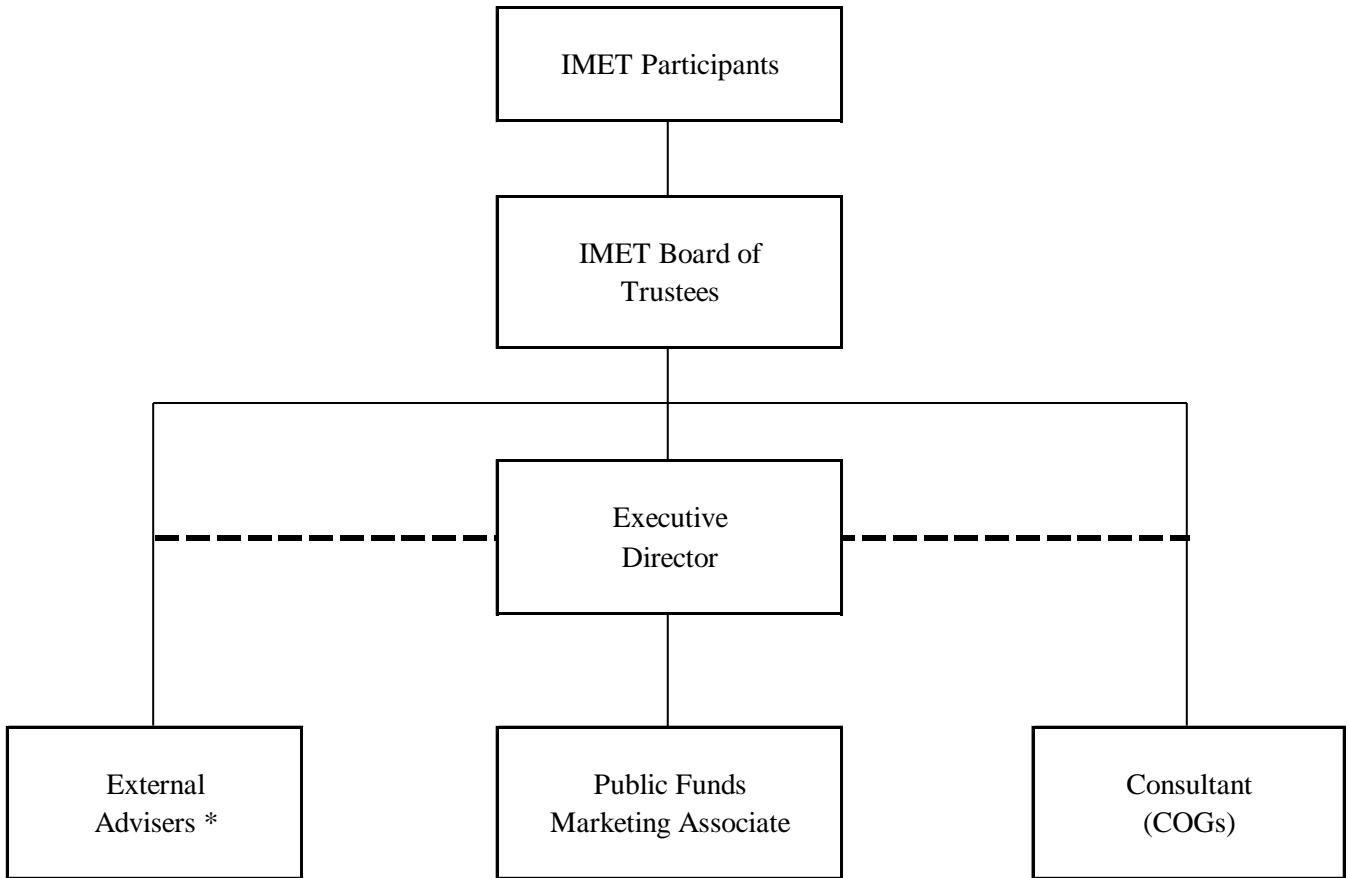
US Bank National Association
Minneapolis, MN

LEGAL COUNSEL

Vedder Price
Chicago, Illinois

ILLINOIS METROPOLITAN INVESTMENT FUND

Organizational Chart
September 30, 2019



* 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
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in Financial
Reporting

Presented to

Illinois Metropolitan Investment Fund

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morill

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, 2019, 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 an opinion 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. 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, 2019, 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

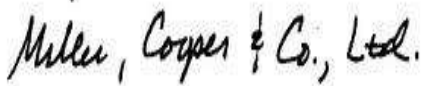
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise IMET's basic financial statements. The other information listed in the table of contents, including the introductory section, the investment section, the other supplementary information, 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.



Certified Public Accountants

Deerfield, Illinois
March 11, 2020

ILLINOIS METROPOLITAN INVESTMENT FUND

Management's Discussion and Analysis (Unaudited)

Year ended September 30, 2019

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, 2019. 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) also contains other information in addition to the basic financial statements. The financial statements begin on page 9 of the report.

Financial Highlights

Total assets, which include the IMET 1-3 Year Series, the IMET Convenience Series, and the IMET FFF Account Liquidating Trust, declined 4.5% at September 30, 2019, to \$673,763,737 from \$705,108,984 at the prior year end, September 30, 2018. Total assets of the 1-3 Year Series increased by 7.7% to \$158,243,727 at September 30, 2019 from \$146,950,699 at September 30, 2018. This increase in assets for the 1-3 Year Series was a reversal of the trend that was reflected in the preceding two fiscal years when participants redeemed shares of the IMET 1-3 Year Series, resulting in net redemptions for each year. During fiscal years 2018 and 2017, the interest rate environment was characterized by rising interest rates and a flattening yield curve. Securities in the IMET 1-3 Year Series enjoyed higher income, but the higher income was not large enough to offset the negative movements in NAVs that tend to accompany interest rate increases. The interest rate environment reversed during fiscal year 2019 with interest rates starting to fall, resulting in NAV appreciation for the IMET 1-3 Year Series. This encouraged subscriptions in the IMET 1-3 Year Series.

Total assets of the IMET Convenience Series decreased by 8.1% to \$493,241,643 at September 30, 2019 from \$536,836,363 at September 30, 2018. The decrease in assets in the Convenience Series was partially offset by the increase in assets in the IMET 1-3 Year Series for the year ended September 30, 2019. 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 to each other. The asset trends of fiscal year 2018 and the reversal of those trends over fiscal year 2019 are confirmation that the Series continue to behave as intended.

Total assets of the IMET FFF Account Liquidating Trust increased by 4.5% to \$22,278,367 at September 30, 2019 from \$21,321,922. This increase in the IMET FFF Account Liquidating Trust is attributable primarily to a settlement with the Internal Revenue Service.

For the preceding fiscal year ending September 30, 2018, total assets, including assets of the IMET 1-3 Year Series, the IMET Convenience Series, and the IMET FFF Account Liquidating Trust, had remained relatively flat at \$705,108,984, compared to \$698,267,116 at September 30, 2017. Total assets of the 1-3 Year Series had decreased meaningfully by 16.3% to \$146,950,699 at September 30, 2018 from \$175,476,138 at September 30, 2017, as a result of the interest rate environment in which the higher income from rising interest rates did not offset the movements in the NAV of the IMET 1-3 Year Series, resulting in net participant redemptions. Total assets of the IMET Convenience Series had increased by 8.1% to \$536,836,363 at September 30, 2018, an increase of \$40,340,060 over total assets of \$496,496,303 at September 30, 2017.

Total assets of the IMET FFF Account Liquidating Trust had decreased 18.9% to \$21,321,922 at September 30, 2018 from \$26,294,675 as of September 30, 2017.

ILLINOIS METROPOLITAN INVESTMENT FUND

Management's Discussion and Analysis (Unaudited)

Year ended September 30, 2019

Financial Highlights (Continued)

Participants' net position in IMET was \$672,093,457 (\$157,958,375 in the IMET 1-3 Year Series, \$491,856,715 in the Convenience Fund Series and \$22,278,367 in the IMET FFF Liquidating Trust) at September 30, 2019. This compares to a net position of \$703,967,431 (\$146,739,051 in the IMET 1-3 Year Series, \$535,906,458 in the IMET Convenience Series, and \$21,321,922 in the IMET FFF Account Liquidating Trust) at September 30, 2018.

For fiscal year 2019, the IMET 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 its benchmark, the Bloomberg Barclay's 1-3 Year Government Total Return Index. The IMET 1-3 Year 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 (95.4%). Treasuries benefited in the volatility caused by trade unease in the markets, as investors flocked to the safe haven security. During the preceding fiscal year 2018, IMET's 1-3 Year Series had a one-year gross return of 0.33% (0.06% net of fees). This was in comparison to a (0.01%) return for its benchmark, the Bloomberg Barclay's 1-3 Year Government Total Return Index.

For fiscal year 2019, the IMET Convenience Series had an annualized yield of 2.03%. Over the same year ending September 30, 2019, the target Federal Funds Rate ranged between 2.25% to 2.50% and 1.75% to 2.00%. This compares to a return of 2.33% for the Bloomberg Barclay's US Treasury Bills 1-3 Month Index and 1.40% for the Standard & Poor's Government Index Pool Index, two comparable liquidity alternatives. The interest rate environment during the fiscal year ending September 30, 2019 was challenging for liquidity portfolios as the market switched markedly from rising rates to falling interest rates.

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 Series' 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, for the years ended September 30, 2019 and September 30, 2018.

ILLINOIS METROPOLITAN INVESTMENT FUND
Management's Discussion and Analysis (Unaudited)
Year ended September 30, 2019

Overview of the Financial Statements (Continued)

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

	IMET 1-3 Year Series 2019	IMET 1-3 Year Series 2018	IMET Convenience Series 2019	IMET Convenience Series 2018	IMET FFF Account Liquidating Trust 2019	IMET FFF Account Liquidating Trust 2018	Total 2019	Total 2018
Assets	\$ 158,243,727	\$ 146,950,699	\$ 493,241,643	\$ 536,836,363	\$22,278,367	\$21,321,922	\$ 673,763,737	\$ 705,108,984
Deferred Outflows of Resources	126,477	112,911	-	-	-	-	126,477	112,911
Total Assets & Deferred	158,370,204	147,063,610	493,241,643	536,836,363	22,278,367	21,321,922	673,890,214	705,221,895
Liabilities	403,986	252,735	1,384,928	929,905	-	-	1,788,914	1,182,640
Deferred Inflows of Resources	7,843	71,824	-	-	-	-	7,843	71,824
Total Liabilities & Deferred	411,829	324,559	1,384,928	929,905	-	-	1,796,757	1,254,464
Total net position	\$ 157,958,375	\$ 146,739,051	\$ 491,856,715	\$ 535,906,458	\$22,278,367	\$21,321,922	\$ 672,093,457	\$ 703,967,431

The *Combining Statement of Changes in Fiduciary Net Position* shows purchases to and redemptions (withdrawals) from each Series, as well as additions and deductions due to operations 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, 2019 and September 30, 2018.

Condensed Statement of Changes in Fiduciary Position
For period ending September 30,
(\$)

	IMET 1-3 Year Series 2019	IMET 1-3 Year Series 2018	IMET Convenience Series 2019	IMET Convenience Series 2018	IMET FFF Account Liquidating Trust 2019	IMET FFF Account Liquidating Trust 2018	Total 2019	Total 2018
Additions - income (loss)	\$ 6,061,178	\$ 546,027	\$ 11,109,111	\$ 8,067,213	\$ 956,445	\$ (472,753)	\$ 18,126,734	\$ 8,140,487
Total operating expenses	376,379	356,093	696,367	765,596	-	-	1,072,746	1,121,689
Net additions from operations	5,684,799	189,934	10,412,744	7,301,617	956,445	(472,753)	17,053,988	7,018,798
Distributions to participants	-	-	10,451,869	7,363,765	-	4,500,000	10,451,869	11,863,765
Net additions (deductions) from capital share and individual account transactions	5,534,525	(28,524,095)	(44,010,618)	40,011,063	-	-	(38,476,093)	11,486,968
Net increase (decrease)	11,219,324	(28,334,161)	(44,049,743)	39,948,915	956,445	(4,972,753)	(31,873,974)	6,642,001
<i>Net position held in trust for participants:</i>								
Beginning of year	146,739,051	175,073,212	535,906,458	495,957,543	21,321,922	26,294,675	703,967,431	697,325,430
End 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

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.

ILLINOIS METROPOLITAN INVESTMENT FUND

Management's Discussion and Analysis (Unaudited)

Year ended September 30, 2019

Financial Statement Analysis

Net Position

Over the course of fiscal year 2019, the economy continued to be buoyed by the Tax Reform Act while simultaneously be tethered by trade and tariff headwinds. The volatility that had emerged in the prior fiscal year continued into 2019. The positive effects of the Tax Reform Act, including stronger Gross Domestic Product (GDP) growth, enhanced productivity, and lower unemployment rates were tempered by persistent global tensions, trade unease and fractured politics. The year started with a 25 basis point rate increase in the target Federal Funds Rate, in the fourth quarter of 2018, with expectations of two more rate hikes for calendar year 2019. These expectations gave way to a rate cut of 25 basis points in July, 2019 followed by another 25 basis point interest rate cut in September of the third quarter of calendar year 2019.

The net position of the IMET FFF Account Liquidating Trust represents the net realizable value of the Trust 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 recoveries of IMET is \$29,245,041, which includes 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 also includes monies IMET received in connection with a settlement of its claims against Pennant as well as a settlement of its fidelity bond claim against Federal Insurance Company. The \$29,245,041 value is approximately 58% of the original value of the FFF Investment of \$50,442,143.

The amount IMET ultimately receives may be different than the estimated net realizable value of \$29,245,041.

Operations

During fiscal year ended September 30, 2019, additions from operations totaled \$18,126,734, consisting of \$14,363,612 in interest, net change in the fair value of investment of \$3,760,351, and other income of \$2,771. These amounts may be compared with \$10,570,167 in interest, net depreciation in the fair value of investment of (\$2,447,038), and other income of \$17,358 for the fiscal year ended September 30, 2018. Total income for 2019 amounted to \$18,126,734 compared to total income of \$8,140,487 for 2018. Total income between fiscal year 2019 and fiscal year 2018 increased primarily due to higher interest rates and a swing from a negative to a positive net change in fair value (\$2,821,145 net change in value for the IMET 1-3 Year Series and \$939,206 net change in the fair value of investments in the IMET FFF Account Liquidating Trust).

Operating expenses of IMET for fiscal year ending September 30, 2019 were \$1,072,746 (comprised of \$479,078 investment expenses and \$593,668 administrative expenses). Operating expenses of IMET for fiscal year ending September 30, 2018 were \$1,121,689 (comprised of \$496,699 investment expenses and \$624,990 administrative expenses). The 4.4% decrease in operating expenses between 2019 and 2018 was due to the decrease in assets in the IMET Convenience Series somewhat offset by the increase in assets of the IMET 1-3 Year Series. Custody fees, and investment advisory fees (for the IMET 1-3 Year Series) are calculated as a percentage of fund assets.

ILLINOIS METROPOLITAN INVESTMENT FUND

Management's Discussion and Analysis (Unaudited)

Year ended September 30, 2019

Investment Performance

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 is 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 the year, Treasuries performed well as investors rushed to this safe haven, resulting in price appreciation. (In the interest of providing further context, the performance of an additional index is provided. The IMET 1-3 Year Series outperformed the Bloomberg Barclay's US Treasury Bills 3-6 Month Index, which had a performance of 2.52% for the year ended September 30, 2019).

During fiscal year 2018, the IMET 1-3 Year Series had outperformed its benchmark on a gross of fees basis, performing 0.33% versus (0.01%) for the benchmark, the Bloomberg Barclay's 1-3 Year Government Total Return Index. The IMET 1-3 Year Series underperformed the Bloomberg Barclay's US Treasury Bills 3-6 Month Index which had a performance of 1.57% for the year ended September 30, 2018.

The return for the IMET Convenience Series for the year ended September 30, 2019 was 2.24%. Comparable liquidity benchmarks such as the Bloomberg Barclay's US Treasury Bills 1-3 Month Index and the Standard & Poor's Government Investment Pool Index, respectively, had a total return of 2.33% and 2.17% over the year ended September 30, 2019. For the month of September 2019, the IMET Convenience Series had an annualized yield of 2.03%. Over 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 interest rate environment during the fiscal year ended September 30, 2019 was challenging as the market switched markedly from increasing interest rates to falling interest rates.

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:

The Illinois Metropolitan Investment Fund (IMET)
ATTN: Executive Director
1220 Oak Brook Road
Oak Brook, IL 60523

BASIC FINANCIAL STATEMENTS

Illinois Metropolitan Investment Fund
Combining Statement of Fiduciary Net Position
September 30, 2019

	IMET 1 - 3 Year Series	IMET Convenience Series	IMET FFF Account Liquidating Trust	Total
ASSETS				
Cash and short-term investments	\$ 7,362,072	\$ 425,490,459	\$ 723,827	\$ 433,576,358
Interest receivable	652,853	268,868	-	921,721
Other receivables	88,401	1,272,446	-	1,360,847
Investments:				
U.S. Treasury obligations	68,107,915	-	-	68,107,915
U.S. Government agency and agency-guaranteed obligations	69,596,142	42,498,034	-	112,094,176
Asset and mortgage- backed securities	7,077,605	-	-	7,077,605
Commercial paper	5,240,573	-	-	5,240,573
Negotiable certificates of deposit	-	23,711,836	-	23,711,836
FFF investment	-	-	21,554,540	21,554,540
Prepaid items	118,166	-	-	118,166
Total assets	158,243,727	493,241,643	22,278,367	673,763,737
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	126,477	-	-	126,477
LIABILITIES				
Current liabilities:				
Payables:				
Dividends payable to participants	-	822,446	-	822,446
Management fees	27,126	44,763	-	71,889
Consultant fee	18,050	-	-	18,050
Administrative fee	-	48,773	-	48,773
Accounts payable and other	92,186	468,946	-	561,132
Non-current liabilities:				
IMRF net pension liability	266,624	-	-	266,624
Total liabilities	403,986	1,384,928	-	1,788,914
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	7,843	-	-	7,843
NET POSITION				
Net position held in trust for participants (units outstanding: 7,796,625, 492,072,967, and 43,432,859 at September 30, 2019 for IMET 1-3 Year Series, IMET Convenience Series, and IMET FFF Account Liquidating Trust, respectively, equivalent to \$20.26, \$1.00, and \$0.51 per unit outstanding at September 30, 2019 for IMET 1-3 Year Series, IMET Convenience Series, and IMET FFF Account Liquidating Trust, respectively				
Total net position	\$ 157,958,375	\$ 491,856,715	\$ 22,278,367	\$ 672,093,457

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, 2019

	IMET 1 - 3 Year Series	IMET Convenience Series	IMET FFF Account Liquidating Trust	Total
Additions				
Investment income				
Interest	\$ 3,237,262	\$ 11,109,111	\$ 17,239	\$ 14,363,612
Net change in fair value of investments	2,821,145	-	939,206	3,760,351
Other income	2,771	-	-	2,771
Total income	6,061,178	11,109,111	956,445	18,126,734
Investment expenses				
Investment advisory fees	132,493	-	-	132,493
Transfer agent and fund accounting fees	77,179	248,008	-	325,187
Custodial fees	14,566	6,832	-	21,398
Total investment expenses	224,238	254,840	-	479,078
Net investment income	5,836,940	10,854,271	956,445	17,647,656
Unit transactions				
Proceeds from sale of units to participants	15,899,926	609,574,432	-	625,474,358
Total additions	21,736,866	620,428,703	956,445	643,122,014
Deductions				
Administrative and other expenses:				
Management services	19,625	4,725	-	24,350
Compensation and related expenses	82,028	246,081	-	328,109
Professional services	6,405	19,215	-	25,620
Insurance	15,724	47,172	-	62,896
Audit	6,500	19,500	-	26,000
Marketing	3,099	9,298	-	12,397
Administrative and other	18,760	56,282	-	75,042
Legal and other costs, net of insurance reimbursements	-	39,254	-	39,254
Total administrative and other expenses	152,141	441,527	-	593,668
Distributions to participants	-	10,451,869	-	10,451,869
Cost of units redeemed by participants	10,365,401	653,585,050	-	663,950,451
Total deductions	10,517,542	664,478,446	-	674,995,988
Net increase (decrease) in net position held in trust for participants	11,219,324	(44,049,743)	956,445	(31,873,974)
Net position held in trust for participants:				
Beginning of year	146,739,051	535,906,458	21,321,922	703,967,431
End of year	\$ 157,958,375	\$ 491,856,715	\$ 22,278,367	\$ 672,093,457

The accompanying notes are an integral part of this statement.

Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2019

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 and returns generally greater than those for money market instruments. The IMET Convenience Series provides a short-term investment option with total 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 IMET'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 at-large 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.

Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Reporting Entity (Continued)

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

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 with maturities of less than one year, which 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.

The IMET FFF Account Liquidating Trust's investments are reported at the estimated net realizable value of assets seized for the purpose of liquidating the related investments (see Note C).

4. Security Transactions and Income

Security transactions are accounted for 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.

Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2019, 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, 2019, IMET had deferred inflows of resources related to pensions.

6. Subscriptions and Redemptions

Participants may subscribe to either of the series on any business day. For the 1-3 Year Series, purchase requests received by IMET before noon 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 also must be made before 3:00 pm CT. Participants may redeem shares of the 1-3 Year Series with three business days' notice at the net asset value as of the close of business on the third business day following the day of notification. 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. Compensated Absences

Permanent full-time employees earn vacation at a rate of ten days per year in the first year of service, fifteen days in the second through fifth years, and twenty days in the sixth and subsequent years. No more than one year's vacation may be carried over to the following year. Upon voluntary or involuntary termination, the employee is entitled to be paid out for all earned but unpaid vacation, subject to the foregoing limitation.

Permanent full-time employees also earn sick leave at a rate of twelve days per year. No more than one hundred and thirty days of sick leave may be accumulated. One third of accrued, unused sick days may be paid, at the employee's option, at the time of retirement. Remaining unpaid sick days may be applied towards IMRF credit upon retirement or the death of the employee, if surviving spouse benefits are payable.

Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. 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.

9. 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.

10. 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.

Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Fair Value Measurements (Continued)

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.

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.

FFF investment: As described in Note C.

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.

Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2019

NOTE C - IMET FFF ACCOUNT LIQUIDATING TRUST (Continued)

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.

The IMET Board of Trustees has estimated the net realizable value of the anticipated recoveries from its FFF Investment. This estimate is 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 is also based on monies IMET received in connection with a settlement of its claims against Pennant as well as a settlement of its fidelity bond claim against Federal Insurance Company. The IMET Board of Trustees estimates a recovery of \$29,245,041, which includes partial distributions which have already been made to Participants. As a result, the IMET Board of Trustees has written down IMET's investment in the FFF Investment to \$29,245,041, which is approximately 58% of the original value of the FFF Investment of \$50,442,143.

The amount IMET ultimately receives may be different than the estimated net realizable value of \$29,245,041.

Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2019

NOTE D - DEPOSITS AND INVESTMENTS

At September 30, 2019, 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 *	\$ 7,362,072	\$ 425,490,459	\$ 723,827	\$ 433,576,358
Investments	150,022,235	66,209,870	21,554,540	237,786,645
	\$ 157,384,307	\$ 491,700,329	\$ 22,278,367	\$ 671,363,003

* 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 **	\$ 430,765,733
First American Treasury Obligation Money Market Fund	2,810,625
FFF investment (Note C)	21,554,540
Other investments	216,232,105
	\$ 671,363,003

** 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, 2019

NOTE D - DEPOSITS AND INVESTMENTS (Continued)

At September 30, 2019, 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 \$	68,107,915	\$ 4,691,004	\$ 63,416,911	\$ -	\$ -
FFCB ¹	50,043,188	5,000,000	36,090,216	8,952,972	-
FHLB ²	18,564,814	6,984,712	9,732,417	1,847,685	-
FHLMC ³	34,796,711	-	30,049,381	4,747,330	-
FNMA ⁴	2,921,569	-	2,921,569	-	-
RefCorp ⁵	5,767,894	5,424,569	343,325	-	-
Asset and mortgage- backed securities	7,077,605	10,887	172,690	6,271,581	622,447
Commercial paper	5,240,573	5,240,573	-	-	-
Negotiable certifi- cates of deposit	23,711,836	3,589,000	20,122,836	-	-
	<u>\$ 216,232,105</u>	<u>\$ 30,940,745</u>	<u>\$ 162,849,345</u>	<u>\$ 21,819,568</u>	<u>\$ 622,447</u>

¹ Federal Farm Credit Bank

² Federal Home Loan Bank

³ Federal Home Loan Mortgage Corporation

⁴ Federal National Mortgage Association

⁵ Resolution Funding Corporation

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 Barclays 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, 2019, the durations of the IMET 1-3 Year Series and the Bloomberg Barclays 1-3 Year Government Total Return Index were 1.92 years and 1.82 years, respectively.

Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2019

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, 2019, 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, 2019, the First American Treasury Obligation Money Market was rated Aaa by Moody's, AA+ by Standard & Poor's, and AAA by Fitch.

At September 30, 2019, the commercial paper was rated P-1 by Moody's, A-1+ by Standard & Poor's, and F1+ by Fitch.

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, mortgage pass-through securities, or commercial paper.

Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2019

NOTE D - DEPOSITS AND INVESTMENTS (Continued)

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, 2019, the bank balances of IMET's deposits with financial institutions totaled \$430,707,103, all of which was either FDIC-insured, collateralized, or secured in accordance with IMET's investment policies.

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.

Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2019

NOTE D - DEPOSITS AND INVESTMENTS (Continued)

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, 2019:

	Level 1	Level 2	Level 3	Total
First American Treasury				
Obligation Money Mkt. Fund	\$ 2,810,625	\$ -	\$ -	\$ 2,810,625
Debt securities				
U.S. Treasury	-	68,107,915	-	68,107,915
FFCB	-	50,043,188	-	50,043,188
FHLB	-	18,564,814	-	18,564,814
FHLMC	-	34,796,711	-	34,796,711
FNMA	-	2,921,569	-	2,921,569
RefCorp	-	5,767,894	-	5,767,894
Asset and mortgage-				
backed securities	-	7,077,605	-	7,077,605
Commercial paper	5,240,573	-	-	5,240,573
Negotiable certificates of				
deposit	-	23,711,836	-	23,711,836
FFF investment	-	-	21,554,540	21,554,540
	<u>\$ 8,051,198</u>	<u>\$ 210,991,532</u>	<u>\$ 21,554,540</u>	<u>\$ 240,597,270</u>

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

The total expenses, including consulting fees, for the IMET 1-3 Year Series were approximately 0.26% of the average daily net position, for the year ended September 30, 2019. The average daily net position of the IMET 1-3 Year Series was approximately \$144.9 million, for the year ended September 30, 2019. The contractually obligated expenses are described below.

Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2019

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

1. Fund Management

IMET pays a management fee to 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 ALPS Fund Service, to provide administrative services including fund accounting and transfer agent services. 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%

IMET had an agreement with BMO to provide custody services through December 31, 2018. Effective January 1, 2019, IMET has an agreement with US Bank to provide custody services. The fees associated with these services were calculated at an annual rate of 0.01% of the average daily net position within the 1-3 Year Series.

For the year ended September 30, 2019, the IMET 1-3 Year Series incurred expenses of \$132,493 for services provided by its investment adviser, \$77,179 for services provided by its fund accountant/transfer agent, and \$14,566 for services provided by its custodians.

In addition, for the year ended September 30, 2019, IMET management administrative and operating expenses of \$152,141 were charged to the IMET 1-3 Year Series.

Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2019

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

2. Consultant

The DuPage Mayors and Managers Conference, Northwest Municipal Conference, South Suburban Mayors and Managers Association, and the Will County Governmental League act collectively as the IMET 1-3 Year Series' Consultant. Services provided by the Consultant typically include identification and solicitation of potential investors. IMET pays the Consultant an annual fee in arrears equal to 0.02% of the Consultant's share of the IMET 1-3 Year Series' average daily net position for each fiscal year, not to exceed \$125,000 in any fiscal year. No annual fee shall be payable for any fiscal year unless the assets of the IMET 1-3 Year Series exceed \$100 million for at least 31 consecutive calendar days during such fiscal year and the total return to fund participants for such fiscal year equals or exceeds the average 90-day Treasury bill rate during such fiscal year. Annual fees of \$18,050 were incurred and accrued for the year ended September 30, 2019.

NOTE F - FUND EXPENSES - IMET CONVENIENCE SERIES

The total expenses, including consulting fees, for the IMET Convenience Series, were approximately 0.15% of the average daily net position for the year ended September 30, 2019. The average daily net position of the IMET Convenience Series was approximately \$452.1 million, for the year ended September 30, 2019. The contractually obligated expenses are described below.

1. Fund Management

IMET has an agreement with ALPS Fund Services, to provide administrative services including fund accounting and transfer agent services. The fees associated with these services are calculated at annual rates as described in Note E-1, above.

For the year ended September 30, 2019, the IMET Convenience Series incurred expenses of \$248,008 for services provided by ALPS Fund Services.

IMET had an agreement with BMO to provide custody services through December 31, 2018. Effective January 1, 2019, IMET has an agreement with US Bank to provide custody services. The fees associated with these services were 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, 2019, the IMET Convenience Series incurred expenses of \$6,832 for services provided by the custodians.

In addition, for the year ended September 30, 2019, IMET management administrative and operating expenses of \$441,527 were charged to the IMET Convenience Series.

Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2019

NOTE G - UNIT TRANSACTIONS

A summary of participants' unit transactions for the year ended September 30, 2019 is as follows:

	IMET 1 - 3 Year Series	IMET Convenience Series	IMET FFF Account Liquidating Trust
Unit transactions:			
Issued	796,344	609,574,432	-
Redeemed	(526,197)	(653,585,050)	-
Change in units	270,147	(44,010,618)	-
Unit outstanding:			
Beginning of year	<u>7,526,478</u>	<u>536,083,585</u>	<u>43,432,859</u>
End of year	<u><u>7,796,625</u></u>	<u><u>492,072,967</u></u>	<u><u>43,432,859</u></u>

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.

Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2019

NOTE H - IMRF NET PENSION LIABILITY (Continued)

Benefits Provided

IMRF has three benefit plans. 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.

Employees Covered by Benefit Terms

As of December 31, 2018, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	2
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>2</u>
Total	<u><u>4</u></u>

Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2019

NOTE H - IMRF NET PENSION LIABILITY (Continued)

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 2018 was 18.88%. For the fiscal year ended September 30, 2019, IMET contributed \$34,814 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, 2018. 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, 2018:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of A
Price Inflation	2.50%
Salary Increases	3.39% to 14.25%
Investment Rate of Return	7.25%
Projected Retirement Age	Experience-based table of rates, specific to the type of eligibility condition, last updated for the 2018 valuation pursuant to an experience study of the period 2014-2017.

Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2019

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, 2019

NOTE H - IMRF NET PENSION LIABILITY (Continued)

Actuarial Assumptions (Continued)

Long-term Expected Rate of Return (Continued)

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Equities	37%	(6.08%)
International equities	18%	(14.16%)
Fixed income	28%	(0.28%)
Real estate	9%	8.36%
Alternative investments	7%	4.75% - 12.40%
Cash equivalents	1%	2.50%
Total	100%	

Single Discount Rate

A Single Discount Rate of 7.23% 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 3.71%, and the resulting single discount rate is 7.23%.

Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2019

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, 2018:

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2017	\$ 931,489	\$ 758,918	\$ 172,571
Changes for the year:			
Service cost	16,893	-	16,893
Interest on the total pension liability	68,889	-	68,889
Difference between expected and actual experience of the total pension liability	(542)	-	(542)
Changes of assumptions	28,303	-	28,303
Benefit payments, including refunds of employee contributions	(40,373)	(40,373)	-
Contributions - employer	-	39,403	(39,403)
Contributions - employees	-	9,392	(9,392)
Net investment income	-	(47,442)	47,442
Other (net transfer)	-	18,137	(18,137)
Net changes	<u>73,170</u>	<u>(20,883)</u>	<u>94,053</u>
Balances at December 31, 2018	<u>\$ 1,004,659</u>	<u>\$ 738,035</u>	<u>\$ 266,624</u>

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 7.23%, 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 (6.23%)	Current Discount Rate (7.23%)	1% Higher (8.23%)
Net pension liability	<u>\$ 388,231</u>	<u>\$ 266,624</u>	<u>\$ 164,206</u>

Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2019

NOTE H - IMRF NET PENSION LIABILITY (Continued)

Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended September 30, 2019, IMET recognized pension expense of \$51,321. At September 30, 2019, 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	\$ 24,761	\$ 366
Change of assumptions	19,236	7,477
Net difference between projected and actual earnings on pension plan investments	<u>54,720</u>	<u>-</u>
 Total deferred amounts to be recognized in pension expense in the future periods	 <u>98,717</u>	 <u>7,843</u>
 Pension contributions made subsequent to the measurement date	 <u>27,760</u>	 <u>-</u>
 Total deferred amounts related to pensions	 <u>\$ 126,477</u>	 <u>\$ 7,843</u>

Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2019

NOTE H - IMRF NET PENSION LIABILITY (Continued)

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

IMET reported \$27,760 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, 2019. 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>
2019	\$ 39,655
2020	22,798
2021	7,348
2022	21,073
2023	-
Thereafter	<u>-</u>
Total	<u>\$ 90,874</u>

NOTE I - CONTINGENCIES

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.

REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability			
Service cost	\$ 16,893	\$ 17,559	\$ 30,349
Interest on the total pension liability	68,889	66,470	58,794
Difference between expected and actual experience of the total pension liability	(542)	8,006	65,677
Assumption changes	28,303	(20,761)	-
Benefit payments and refunds	(40,373)	(39,276)	(52,338)
Net change in total pension liability	<u>73,170</u>	<u>31,998</u>	<u>102,482</u>
Total pension liability, beginning	931,489	899,491	797,009
Total pension liability, ending	<u>\$ 1,004,659</u>	<u>\$ 931,489</u>	<u>\$ 899,491</u>
Plan fiduciary net position			
Contributions, employer	\$ 39,403	\$ 39,811	\$ 38,466
Contributions, employee	9,392	9,202	9,144
Net investment income	(47,442)	120,189	29,008
Benefit payments and refunds	(40,373)	(39,276)	(52,338)
Other (net transfer)	18,137	(13,820)	57,835
Net change in plan fiduciary net position	<u>(20,883)</u>	<u>116,106</u>	<u>82,115</u>
Plan fiduciary net position, beginning	758,918	642,812	560,697
Plan fiduciary net position, ending	<u>\$ 738,035</u>	<u>\$ 758,918</u>	<u>\$ 642,812</u>
Net pension liability	<u>\$ 266,624</u>	<u>\$ 172,571</u>	<u>\$ 256,679</u>
Plan fiduciary net position as a percentage of the total pension liability	73.46 %	81.47 %	71.46 %
Covered Valuation Payroll	\$ 208,703	\$ 204,479	\$ 203,200
Net pension liability as a percentage of covered valuation payroll	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>
<u>16,491</u>	<u>71,553</u>
<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
Five Most Recent Fiscal Years

Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2019	\$ 34,814	\$ 34,814	-	\$ 241,577	14.41 %
2018	39,741	39,741	-	234,406	16.95
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, 2019

1. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2018 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): 25-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 21 years for most employers (three employers were financed over 29 years).
Asset Valuation Method	5-year smoothed market; 20% corridor
Wage Growth	3.50%
Price Inflation	2.75% - approximate; no explicit price inflation assumption is used in this valuation.
Salary Increases	3.75% to 14.50%, 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 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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-2014 (base year 2012). 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-2014 (base year 2012). 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, 2016 actuarial valuation.

OTHER SUPPLEMENTARY INFORMATION

Illinois Metropolitan Investment Fund
Schedule of Net Position - IMET Administrative Operations
September 30, 2019

ASSETS		
Cash	\$	683,510
Receivables		
Investment fund fees		61,809
Other		39,628
Prepaid items		<u>118,166</u>
Total assets		<u>903,113</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions		<u>126,477</u>
LIABILITIES		
Current liabilities:		
Accounts payable		41,263
COGs payable		18,050
Non-current liabilities:		
IMRF net pension liability		<u>266,624</u>
Total liabilities		<u>325,937</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions		<u>7,843</u>
NET POSITION	\$	<u><u>695,810</u></u>

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, 2019

Additions	
Fee income	
IMET 1-3 Year Series	\$ 153,740
IMET Convenience Series	566,281
Interest	15,685
Other income	<u>2,771</u>
Total additions	<u>738,477</u>
Deductions	
Administrative and other expenses:	
Management and administrative services	24,350
Compensation and related expenses	328,109
Professional services	25,620
Insurance	62,896
Audit	26,000
Marketing	12,397
Administrative	75,042
Legal and other costs, net of insurance reimbursements	<u>39,254</u>
Total deductions	<u>593,668</u>
Net increase in net position held in trust for participants	144,809
Net position held in trust for participants:	
Beginning of year	<u>551,001</u>
End of year	<u>\$ 695,810</u>

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, 2019

	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	\$ 1,575	\$ 4,725	\$ 6,300	\$ 550
Consultant repayment	29,000	18,050	-	18,050	10,950
Total	<u>35,850</u>	<u>19,625</u>	<u>4,725</u>	<u>24,350</u>	<u>11,500</u>
Compensation and related expenses					
Salary expense	241,030	52,746	158,238	210,984	30,046
Wages	12,147	2,923	8,768	11,691	456
Taxes	18,488	4,561	13,681	18,242	246
Insurance benefits	34,399	8,670	26,008	34,678	(279)
IMRF pension	35,280	12,829	38,485	51,314	(16,034)
Other	1,200	300	900	1,200	-
Total	<u>342,544</u>	<u>82,028</u>	<u>246,081</u>	<u>328,109</u>	<u>14,435</u>
Professional services					
Consulting	27,000	6,056	18,169	24,225	2,775
Legal services	9,000	349	1,046	1,395	7,605
Professional services	1,500	-	-	-	1,500
Total	<u>37,500</u>	<u>6,405</u>	<u>19,215</u>	<u>25,620</u>	<u>11,880</u>
Insurance	<u>63,780</u>	<u>15,724</u>	<u>47,172</u>	<u>62,896</u>	<u>884</u>
Audit	<u>26,000</u>	<u>6,500</u>	<u>19,500</u>	<u>26,000</u>	<u>-</u>
Marketing	<u>22,000</u>	<u>3,099</u>	<u>9,298</u>	<u>12,397</u>	<u>9,603</u>
Administrative					
Conferences	7,675	339	1,018	1,357	6,318
Dues and publications	13,575	4,201	12,602	16,803	(3,228)
Fund rating	18,000	4,500	13,500	18,000	-
Office expense	12,000	1,884	5,651	7,535	4,465
Rent expense	6,500	1,590	4,770	6,360	140
Travel	17,000	4,931	14,793	19,724	(2,724)
Web site maintenance	2,400	292	877	1,169	1,231
Other	-	1,023	3,071	4,094	(4,094)
Total	<u>77,150</u>	<u>18,760</u>	<u>56,282</u>	<u>75,042</u>	<u>2,108</u>
Legal and other costs, net of insurance reimbursements	<u>61,340</u>	<u>-</u>	<u>39,254</u>	<u>39,254</u>	<u>22,086</u>
Total administrative and other expenses	<u>\$ 666,164</u>	<u>\$ 152,141</u>	<u>\$ 441,527</u>	<u>\$ 593,668</u>	<u>\$ 72,496</u>

INVESTMENT SECTION (Unaudited)

Illinois Metropolitan Investment Fund
Report on Investment Activity (Unaudited)
September 30, 2019

Description of the Investment Funds

The Illinois Metropolitan Investment Fund (IMET) is a quasi-governmental 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. As well, 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. 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 (high current yield). 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 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.

Market Review

Fiscal year 2019 was characterized by an economy continuing to be buoyed by the Tax Reform Act while simultaneously tethered by trade and tariff headwinds. The volatility that had emerged in the prior fiscal year continued into 2019. The year started with a 25 basis point rate increase in the fourth quarter of 2018 with expectations of two more rate hikes for calendar year 2019, only to see the first rate cut, 0.25%, in July, followed by another 25 basis point cut in September 2019.

Illinois Metropolitan Investment Fund
Report on Investment Activity (Unaudited)
September 30, 2019

Market Review (Continued)

4Q 2018

During the final quarter of calendar year 2018, the U.S. economy growth momentum began to show signs of slowing. GDP growth for the 2018 was 2.9%, which was just shy of the administration's 3.0% growth expectations. Consumer spending as well as government expenditures at the state and national levels were revised downward and removed from the GDP results. In addition to the waning GDP growth, corporate profits edged lower in the fourth quarter but finished the year up 7.8%, compared with 3.2% in 2017. Most companies benefited from the tax cuts that slashed the corporate tax rate to 21%.

The Federal Open Market Committee (FOMC) announced a fourth rate hike of 0.25% during the fourth quarter 2018, setting the range for the federal funds rate to 2.25%-2.50%. Fed Chairman Powell spoke very highly of current economic conditions and expressed his continued optimism for 2019. However, during the quarter, Powell also stated that there was a "high degree of uncertainty" regarding the decision for future rate hikes.

The Institute for Supply Management reported during the quarter that its non-manufacturing index rose to a seasonally adjusted level of 60.7%, marking the second strongest reading in 13 years. Production, new orders, inventories, prices paid, and order backlogs were the positive factors that helped drive this increase. Meanwhile, employment, supplier deliveries, and new export orders all had negative effects for the index.

1Q 2019

The U.S. economy regained its strength in the first quarter of calendar year 2019. The labor market shattered expectations, with nonfarm payrolls surging by 304,000 in January. At the start of the first quarter 2019, the unemployment rate ticked slightly higher to 4.0%, which was a likely economic repercussion of the longest government shutdown in history. The federal government ceased operations for 35 days between late December and Jan. 25 due to a standoff between the Trump administration and congressional Democrats over funding for a wall along the U.S.-Mexico border.

Gross domestic product grew at a faster pace in the first quarter than had been expected and posted its best growth to start a year in four years. GDP expanded by 3.2% and marked the first time since 2015 that GDP topped 3.0% in the first quarter.

Exports rose 3.7%, while imports decreased by 3.7%. Economic growth also got a lift from strong investments in intellectual property products. Disposable personal income increased by 3.0%, while prices increased by 1.3% when excluding food and energy.

During the FOMC meeting that took place in January 2019, Fed Chairman Powell announced that the Fed planned to reduce the size of its balance sheet and stated that the Fed estimated two rate hikes for 2019.

2Q19

Growth decelerated in the second quarter of 2019, as tariffs and a global slowdown weighed on the economy. GDP increased at a rate of 2.1%, which was the weakest reading since the first quarter of 2017.

The few factors that prevented GDP from being lower, were consumer and government spending. Personal consumption expenditures rose 4.3%, the best performance since the fourth quarter of 2017. Government consumption expenditures rose 5.0%, which was the fastest pace since the second quarter of 2009.

Illinois Metropolitan Investment Fund
Report on Investment Activity (Unaudited)
September 30, 2019

Market Review (Continued)

2Q 2019 (Continued)

However, a 5.5% decline in gross private domestic investments ultimately pulled a full percentage point from the GDP number.

Despite a slow period of growth and a lack of inflation, the Federal Reserve decided to ultimately leave the benchmark Federal Funds Rate (FFR) target range unchanged at 2.25%-2.50%.

While GDP numbers remained somewhat weak, the labor market continued to flourish. Nonfarm payrolls rose at a strong number of 263,000, shattering the Dow Jones estimate of 177,000. Unemployment also improved to a rate of 3.6%, the lowest it had been in 49 years.

3Q 2019

Due to the continued weak global growth and inflation levels below the 2.0% benchmark, the Federal Reserve issued its first 0.25% interest rate cut since the financial crisis of 2008 in July. Later that month, the Consumer Confidence Index climbed to its highest level for the year and was also just shy of an 18-year high record set in the fourth quarter of 2018.

In the month of September, the FOMC met for the sixth time for the year and implemented yet another 0.25% interest rate cut, citing weakening business investments and exports, as well as the lack of inflation pressure and weakening global economic outlook as drivers.

Overall portfolio duration for the IMET 1-3 Year Series, transitioned from being shorter than that of the benchmark to becoming longer over the course of the year. With the lengthening of duration taking place over a few months, the portfolio's return trailed that of the index in the fourth quarter of 2018, but since then contributed to positive performance relative to the benchmark during 2019.

Risk Profile of the IMET Convenience Series and the IMET 1-3 Year Series

The IMET Convenience Series is managed against the target FFR. 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.

The IMET 1-3 Year Series is managed versus the Bloomberg Barclays 1-3 Year Government Total Return Index. At September 30, 2019, the IMET 1-3 Year Series portfolio had an interest rate duration of approximately 1.92 years, compared to duration of 1.82 years for the benchmark. Meeder has positioned the 1-3 Year Series to be more sensitive to interest rate decreases than its benchmark. 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.

Illinois Metropolitan Investment Fund
Report on Investment Activity (Unaudited)
September 30, 2019

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, 2019

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	0.65%	4.12%	1.33%	1.06%
IMET 1-3 Year Series Gross Return**	0.72%	3.83%	1.61%	1.34%
Bloomberg Barclays 1-3 Year Government Total Return Index	0.59%	4.42%	1.54%	1.34%

* 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

Portfolio Statistics

	1-3 Year Series Profile	Index Profile
Weighted Average Maturity	2.09	1.88
Duration	1.92 years	1.82 years
Weighted Average Yield	1.76%	1.69%

Sector Distribution

<u>Sectors</u>	1-3 Year Series Profile	Index Profile
Treasuries	45.1%	95.4%
US Agencies	45.9%	4.6%
Mortgage-backed securities	4.7%	0.0%
Commercial paper	3.5%	0.0%
Cash and MMFs	<u>0.9%</u>	<u>0.0%</u>
	100.0%	100.0%

Quality Distribution

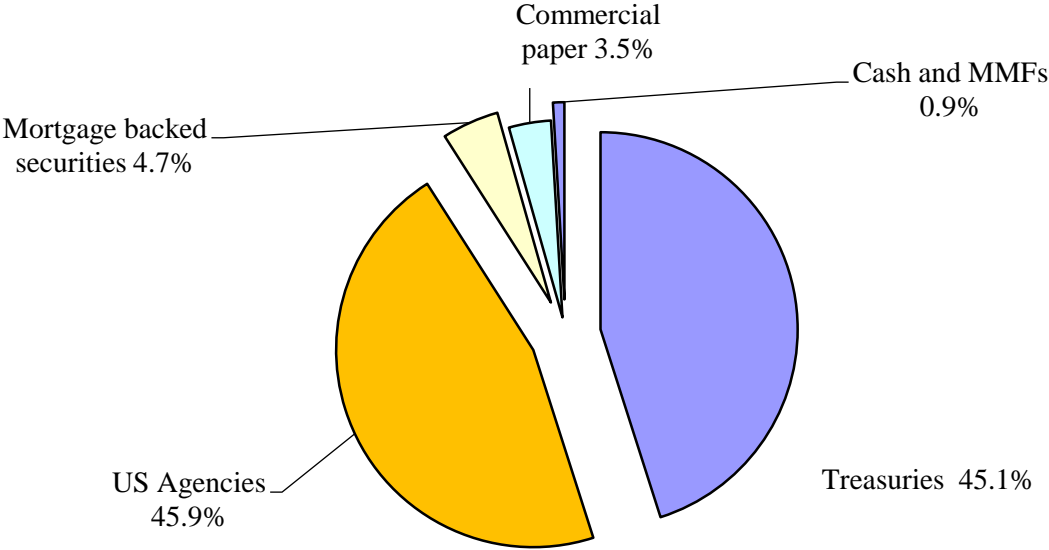
	1-3 Year Series Profile	Index Profile
AAA	100%	100%

Illinois Metropolitan Investment Fund
 Select Comparative Data – IMET 1-3 Year Series
September 30, 2019

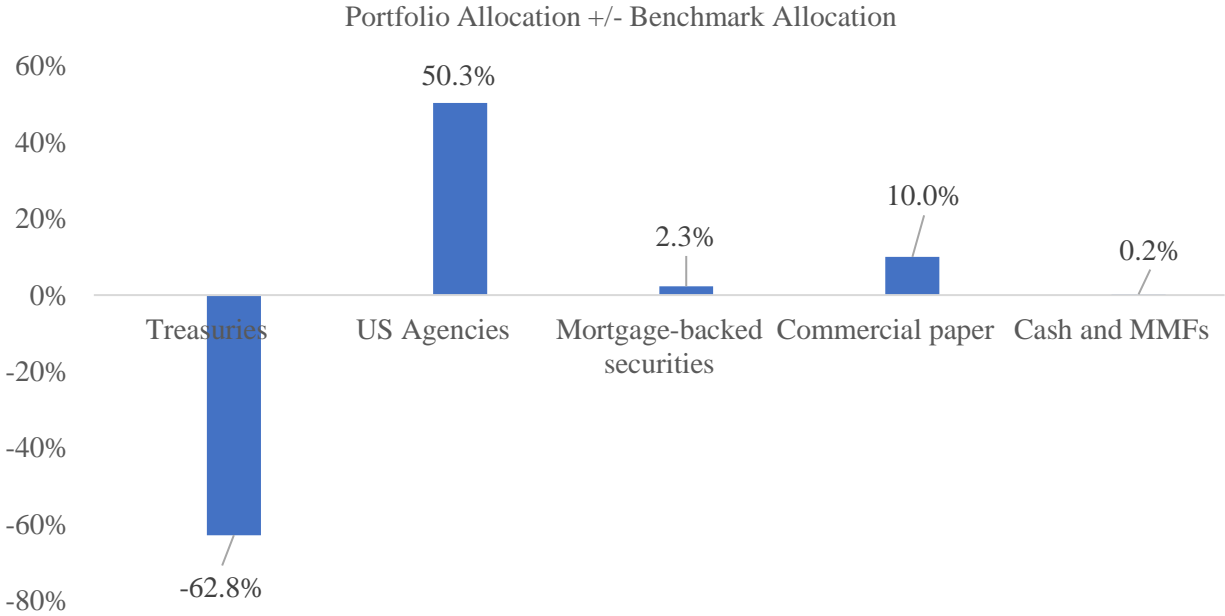
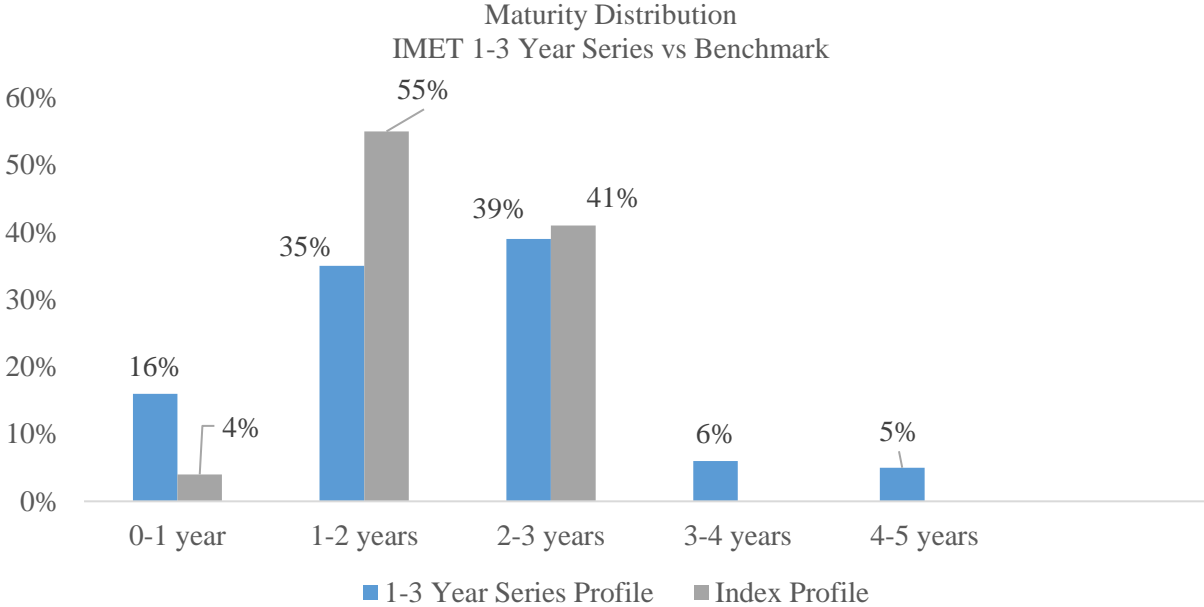
Quality Distribution

	IMET 1-3 Year Series	1-3 Year Government Benchmark
Government / Agency	96.5%	100.0%
Commercial Paper	<u>3.5%</u>	<u>0%</u>
A-1+/F1	100.0%	100.0%

Asset Allocation by Sector
 IMET 1-3 Year Series



Illinois Metropolitan Investment Fund
 Select Comparative Data – IMET 1-3 Year Series
September 30, 2019

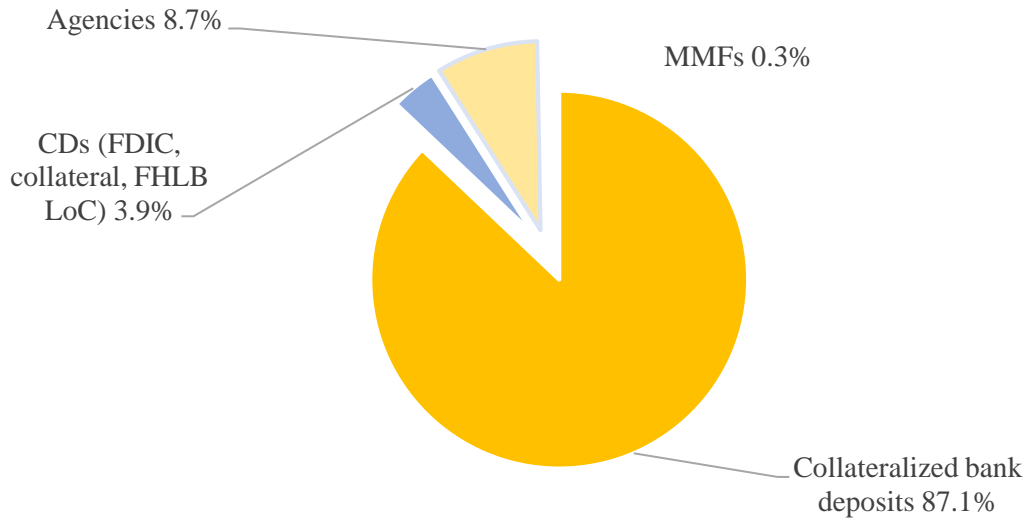


Illinois Metropolitan Investment Fund
 Select Comparative Data – IMET Convenience Series
September 30, 2019

Select Return Data

	Annualized	Total Returns		
	<u>Yield</u>	<u>One Month</u>	<u>One Year</u>	<u>Inception (ann)</u>
Convenience Series, net	2.03%	0.17%	2.24%	2.01%
Bloomberg Barclays US T-Bills, 1-3 Month Index		0.17%	2.33%	1.30%
Bloomberg Barclays US T-Bills, 3-6 Month Index		0.17%	2.52%	1.49%

Allocation by Sector



Illinois Metropolitan Investment Fund

Schedule of Investments

IMET 1-3 Year Series

September 30, 2019

Units/ par value	Description	Rate	Maturity	Fair value
U.S. Treasury Obligations: 45.4%				
\$ 4,700,000	U.S. Treasury	1.625 %	07/31/2020	\$ 4,691,004
6,150,000	U.S. Treasury	2.375	03/15/2021	6,204,772
6,000,000	U.S. Treasury	2.375	04/15/2021	6,056,952
3,250,000	U.S. Treasury	8.125	05/15/2021	3,580,460
1,595,000	U.S. Treasury	1.125	06/30/2021	1,579,174
2,500,000	U.S. Treasury	2.000	08/31/2021	2,515,430
4,750,000	U.S. Treasury	1.125	08/31/2021	4,701,944
7,220,000	U.S. Treasury	1.125	09/30/2021	7,146,110
4,750,000	U.S. Treasury	2.000	10/31/2021	4,783,212
1,800,000	U.S. Treasury	8.000	11/15/2021	2,036,180
1,600,000	U.S. Treasury	2.875	11/15/2021	1,640,626
5,000,000	U.S. Treasury	2.500	02/15/2022	5,100,975
3,000,000	U.S. Treasury	1.875	02/28/2022	3,017,577
2,200,000	U.S. Treasury	1.875	05/31/2022	2,216,157
3,000,000	U.S. Treasury	2.125	06/30/2022	3,043,476
5,000,000	U.S. Treasury	7.250	08/15/2022	5,790,430
4,000,000	U.S. Treasury	1.625	08/31/2022	4,003,436
Total U.S. Treasury Obligations				68,107,915
U.S. Government Agency and Agency-Guaranteed Obligations: 46.4%				
500,000	RefCorp Strip	None	10/15/2019	499,624
5,000,000	RefCorp Strip	None	07/15/2020	4,924,945
7,000,000	Federal Home Loan Bank	1.625	09/11/2020	6,984,712
350,000	RefCorp Strip	None	10/15/2020	343,325
3,700,000	Federal Farm Credit Bank	1.950	03/17/2021	3,707,326
1,340,000	Federal Farm Credit Bank	2.540	04/05/2021	1,356,716
1,433,000	Federal National Mortgage Assoc.	1.650	05/14/2021	1,429,648
2,750,000	Federal Home Loan Bank	2.250	06/11/2021	2,776,518
850,000	Federal Home Loan Bank	2.125	06/11/2021	856,092
3,000,000	Federal Farm Credit Bank	1.875	07/19/2021	3,005,283
1,500,000	Federal National Mortgage Assoc.	1.375	08/24/2021	1,491,921
3,000,000	Federal Home Loan Mortgage Corp.	2.500	08/25/2021	3,042,360
1,585,000	Federal Farm Credit Bank	1.660	09/20/2021	1,582,074
1,000,000	Federal Home Loan Mortgage Corp.	2.070	09/28/2021	1,007,021

(Continued)

Illinois Metropolitan Investment Fund

Schedule of Investments (Continued)

IMET 1-3 Year Series

September 30, 2019

Units/ par value	Description	Rate	Maturity	Fair value
U.S. Government Agency and Agency-Guaranteed Obligations (Continued)				
\$ 270,000	Federal Farm Credit Bank	3.050 %	11/15/2021	\$ 277,753
1,000,000	Federal Farm Credit Bank	1.610	11/23/2021	997,342
1,460,000	Federal Farm Credit Bank	2.530	02/14/2022	1,488,899
3,000,000	Federal Farm Credit Bank	2.550	03/01/2022	3,062,289
3,000,000	Federal Home Loan Bank	2.500	03/11/2022	3,061,806
1,800,000	Federal Farm Credit Bank	2.150	03/15/2022	1,820,902
1,000,000	Federal Farm Credit Bank	2.030	03/18/2022	1,008,788
2,291,000	Federal Farm Credit Bank	1.920	04/19/2022	2,291,030
4,000,000	Federal Farm Credit Bank	1.550	06/01/2022	3,993,780
3,000,000	Federal Home Loan Bank	2.125	06/10/2022	3,038,001
1,500,000	Federal Farm Credit Bank	1.875	12/12/2022	1,512,488
3,500,000	Federal Farm Credit Bank	1.770	06/26/2023	3,520,538
3,750,000	Federal Farm Credit Bank	2.800	09/05/2023	3,919,946
1,750,000	Federal Home Loan Bank	2.875	06/14/2024	1,847,685
1,750,000	Federal Home Loan Mortgage Corp.	2.550	06/17/2024	1,751,029
3,000,000	Federal Home Loan Mortgage Corp.	2.000	09/09/2024	2,996,301
Total U.S. Government Agency and Agency-Guaranteed Obligations				69,596,142
Asset/Mortgage-Backed Securities: 4.7%				
1	Federal Home Loan Mortgage Corp.	5.500	12/01/2019	1
292	Federal Home Loan Mortgage Corp.	5.000	02/01/2020	302
1,008	Federal Home Loan Mortgage Corp.	5.500	04/01/2020	1,009
2,969	Federal Home Loan Mortgage Corp.	6.000	06/01/2020	2,976
6,395	Federal Home Loan Mortgage Corp.	5.000	08/01/2020	6,599
5,671	Federal Home Loan Mortgage Corp.	5.000	11/01/2020	5,851
6,987	Federal Home Loan Mortgage Corp.	5.000	12/01/2020	7,210
4,353	Federal Home Loan Mortgage Corp.	5.500	12/01/2020	4,389
13,042	Federal Home Loan Mortgage Corp.	5.500	01/01/2021	13,238
10,173	Federal Home Loan Mortgage Corp.	5.000	03/01/2021	10,497
6,930	Federal Home Loan Mortgage Corp.	5.000	06/01/2021	7,150
3,082	Federal Home Loan Mortgage Corp.	7.000	09/01/2021	3,097
10,391	Federal Home Loan Mortgage Corp.	5.500	10/01/2021	10,544
16,425	Federal Home Loan Mortgage Corp.	5.500	12/01/2021	16,724
18,328	Federal Home Loan Mortgage Corp.	5.500	12/01/2021	18,760

(Continued)

Illinois Metropolitan Investment Fund

Schedule of Investments (Continued)

IMET 1-3 Year Series

September 30, 2019

Units/ par value	Description	Rate	Maturity	Fair value
Asset/Mortgage-Backed Securities (Continued)				
\$ 46,103	Federal Home Loan Mortgage Corp.	5.000	% 04/01/2022	\$ 47,714
21,221	Federal Home Loan Mortgage Corp.	5.500	06/01/2022	21,748
5,629	Federal Home Loan Mortgage Corp.	6.000	06/01/2022	5,766
18,060	Federal Home Loan Mortgage Corp.	5.500	10/01/2022	18,552
43,639	Federal Home Loan Mortgage Corp.	5.500	10/01/2022	44,919
19,624	Federal Home Loan Mortgage Corp.	5.500	02/01/2023	20,106
23,849	Federal Home Loan Mortgage Corp.	5.500	02/01/2023	24,413
35,175	Federal Home Loan Mortgage Corp.	6.500	03/01/2023	36,021
20,534	Federal Home Loan Mortgage Corp.	5.000	07/01/2023	21,318
88,264	Federal Home Loan Mortgage Corp.	5.500	10/01/2023	91,909
28,236	Federal Home Loan Mortgage Corp.	6.000	11/01/2023	29,315
16,691	Federal Home Loan Mortgage Corp.	4.500	06/01/2024	17,394
12,262	Federal Home Loan Mortgage Corp.	4.500	07/01/2024	12,749
72,003	Federal Home Loan Mortgage Corp.	4.500	09/01/2024	75,008
18,016	Federal Home Loan Mortgage Corp.	5.500	12/01/2024	18,566
4,003	Government National Mortgage Assoc.	9.500	12/15/2024	4,050
20,824	Federal Home Loan Mortgage Corp.	4.500	03/01/2025	21,700
62,361	Federal Home Loan Mortgage Corp.	4.500	04/01/2025	65,033
34,726	Federal Home Loan Mortgage Corp.	4.500	05/01/2025	36,658
5,621	Government National Mortgage Assoc.	8.500	05/20/2025	6,059
47,873	Federal Home Loan Mortgage Corp.	4.500	08/01/2025	50,658
215,390	Federal Home Loan Mortgage Corp.	4.000	06/01/2026	225,194
1,631	Government National Mortgage Assoc.	8.000	11/20/2026	1,849
223,715	Federal Home Loan Mortgage Corp.	3.000	12/01/2026	230,106
350,556	Federal Home Loan Mortgage Corp.	2.500	02/01/2027	354,213
134,793	Federal Home Loan Mortgage Corp.	6.000	09/01/2027	149,004
70,180	Federal Home Loan Mortgage Corp.	6.000	11/01/2027	77,521
8,652	Government National Mortgage Assoc.	8.000	11/20/2027	9,640
23,894	Federal Home Loan Mortgage Corp.	4.734	12/01/2027	23,947
61,376	Federal Home Loan Mortgage Corp.	5.500	12/01/2027	66,336
1,742,221	Federal Home Loan Mortgage Corp.	3.000	01/01/2028	1,789,154
2,212,470	Federal Home Loan Mortgage Corp.	2.500	02/01/2028	2,233,616
354,926	Federal Home Loan Mortgage Corp.	2.000	03/01/2028	355,322
270	Government National Mortgage Assoc.	8.000	03/20/2028	270
906	Government National Mortgage Assoc.	8.000	08/20/2028	935

(Continued)

Illinois Metropolitan Investment Fund

Schedule of Investments (Continued)

IMET 1-3 Year Series

September 30, 2019

Units/ par value	Description	Rate	Maturity	Fair value
Asset/Mortgage-Backed Securities (Continued)				
\$ 1,029	Government National Mortgage Assoc.	8.000 %	09/20/2028	\$ 1,049
41,527	Federal Home Loan Mortgage Corp.	6.500	01/01/2029	46,286
104,178	Federal Home Loan Mortgage Corp.	5.500	02/01/2029	112,713
12,015	Federal Home Loan Mortgage Corp.	4.721	01/01/2030	12,197
275,905	Federal Home Loan Mortgage Corp.	4.000	08/01/2031	292,399
96,022	Federal Home Loan Mortgage Corp.	4.685	12/01/2034	100,200
88,270	Federal Home Loan Mortgage Corp.	4.660	03/01/2035	91,361
18,804	Federal Home Loan Mortgage Corp.	4.810	01/01/2036	19,832
33,132	Federal Home Loan Mortgage Corp.	4.781	05/01/2037	34,802
12,002	Federal Home Loan Mortgage Corp.	4.681	07/01/2037	12,534
51,421	Government National Mortgage Assoc.	6.000	09/20/2038	59,122
Total Asset/Mortgage-Backed Securities				<u>7,077,605</u>
Commercial Paper: 3.5%				
5,250,000	Toyota Motor Credit Corp	None	11/01/2019	<u>5,240,573</u>
Total Commercial Paper				<u>5,240,573</u>
Total investments, other than short-term				<u>\$ 150,022,235</u>

(Concluded)

Illinois Metropolitan Investment Fund

Schedule of Cash and Investments

IMET Convenience Series

September 30, 2019

Institution	Amount	Maturity
Cash and short-term investments		
Collateralized Demand Deposit Account: 86.4%		
Associated Bank	\$ 367,494,901	None
Collateralized Money Market Accounts: 13.6%		
Chemical Bank	101,856	None
First American Treasury Obligation Money Market	1,401,916	None
First Bank of Highland Park	41,328,671	None
Inland Bank	15,163,115	None
	<u>57,995,558</u>	
Total cash and short-term investments	<u>\$ 425,490,459</u>	
<p>Note: Accounts for which the maturity date is listed as "None" have immediate liquidity, and may be withdrawn at any date without penalty.</p>		
Other investments		
U.S. Government Agency Obligations: 64.2%		
Federal Farm Credit Bank	\$ 5,000,000	10/19/2020
Federal Farm Credit Bank	5,000,000	7/20/2020
Federal Farm Credit Bank	5,000,000	1/19/2021
Federal Farm Credit Bank	500,000	9/6/2022
Federal Farm Credit Bank	998,034	9/9/2022
Federal Home Loan Mortgage Corp.	25,000,000	12/9/2021
Federal Home Loan Mortgage Corp.	1,000,000	9/12/2022
	<u>42,498,034</u>	
Total U.S. Government Agency Obligations	<u>42,498,034</u>	
Negotiable certificates of deposit: 35.8%		
Abacus Federal	245,000	2/22/2022
Access National Bank	245,000	7/26/2021
Ally Bank Midvale	245,000	8/16/2021
Amalgamated Bank	245,000	4/18/2022
American Express Bank	245,000	5/18/2020
Amex Centurion	245,000	11/25/2019
American	245,000	4/4/2022
Atlantic	245,000	11/22/2021

(Continued)

Illinois Metropolitan Investment Fund

Schedule of Cash and Investments

IMET Convenience Series

September 30, 2019

Institution	Amount	Maturity
Negotiable certificates of deposit (Continued):		
Bank Of Buffalo	\$ 245,000	12/21/2020
Bank Forward	245,000	3/18/2022
Bank Of Lake	248,000	3/12/2021
Bank Of Princeton	248,000	4/27/2021
Bar Harbor	248,000	3/29/2021
Barclays Bank	200,000	7/27/2020
Belmont Saving	245,000	11/23/2020
Berkshire Bank	245,000	2/28/2020
Bristol County	248,000	4/19/2021
Capital One Natl	247,253	6/20/2022
Capital One Bank	247,253	6/20/2022
Capitol Bank	248,000	11/27/2020
Cathay Bank	248,000	11/10/2020
Central Fed Svgs	248,000	6/28/2021
Cfbank	245,000	5/16/2022
Charter Bank	248,000	11/3/2020
Citibank Na	248,000	3/29/2021
Citizens Deposit	245,000	2/14/2022
Comenity Cap Bank	245,000	2/15/2022
Commercial Bank	248,000	2/26/2021
Connectone Bank	245,000	3/15/2021
Covenant Bank	248,000	1/30/2020
Crossfirst Bank	245,000	2/28/2020
Dnb First Natl	245,000	3/29/2021
Dollar Bank Fed	245,000	2/18/2022
Eagle Bank	245,000	5/10/2022
Empire State	248,000	2/23/2021
Enerbank USA	245,000	3/16/2021
Enterprise Bank	245,000	8/17/2021
Evergreen Bank	245,000	7/26/2021
First Bank Of Hi	248,000	8/17/2020
First Farmers	245,000	2/28/2022
Fnb Of McGregor	245,000	2/22/2022
First National	248,000	2/28/2022
First Priority	248,000	1/10/2020
Firsttrust	248,000	3/12/2021
First Bank	245,000	9/6/2022
Gold Coast	248,000	1/9/2020

(Continued)

Illinois Metropolitan Investment Fund

Schedule of Cash and Investments

IMET Convenience Series

September 30, 2019

Institution	Amount	Maturity
Negotiable certificates of deposit (Continued):		
Goldman Sachs	\$ 245,000	2/14/2022
Guaranty Bank Tr	245,000	3/18/2021
Hsbc Bank USA	245,253	7/14/2022
Haricon State	245,000	5/17/2021
Horizon Bank	248,000	5/4/2021
Intercredit	211,000	2/22/2022
Investors	248,000	5/28/2020
Investors Bank	245,000	12/28/2020
Jackson County	245,000	8/31/2020
Jefferson Bank	248,000	3/8/2021
Jp Morgan Chase	245,000	8/30/2021
Kearny Bank	248,000	11/16/2020
Lakeside Bank	245,000	5/14/2020
Live Oak Banking	248,000	3/9/2021
Mb Financial	245,000	8/28/2020
Mahopac	245,000	4/29/2022
Marlin Business	245,000	11/13/2020
Medallion Bank	245,000	5/2/2022
Mercantil Bank	248,000	3/2/2020
Merrick Bank	245,000	7/20/2021
Morgan Stanley	248,520	6/13/2022
Morgan Stanley	206,098	7/11/2022
Mountainone Bank	248,000	2/16/2021
Northfield Bank	248,000	2/16/2021
Pacific Premier	248,000	2/22/2021
Pinnacle Bank	245,000	8/31/2020
Pioneer Bank Ssb	245,000	11/26/2021
Providence Bank	245,000	11/15/2021
Randolph Svgs	248,000	3/9/2021
Sallie Mae Bank	245,000	3/7/2022
Security Btok	245,000	9/28/2021
Security First	248,000	4/26/2021
Security State	248,000	3/29/2021
Southwest Natl	248,000	4/19/2021
State Bank India	248,000	2/16/2021
Stearns County	248,000	11/3/2020
Steuben Trust	248,000	5/3/2021
Stock Yds Bank Tr	245,000	8/6/2021

(Continued)

Illinois Metropolitan Investment Fund

Schedule of Cash and Investments

IMET Convenience Series

September 30, 2019

<u>Institution</u>	<u>Amount</u>	<u>Maturity</u>
Negotiable certificates of deposit (Continued):		
Suntrust Bank	\$ 243,459	2/28/2022
Synchrony Bank	245,000	5/26/2020
Tiaa FSB	245,000	2/22/2022
Third Fed	240,000	9/15/2020
Tompkins Trust	245,000	4/29/2022
Towne Bank	248,000	4/27/2021
Tristate Capital	248,000	3/29/2021
Two River	248,000	2/26/2021
Ubs Bank USA	245,000	6/14/2021
Vist Bank	245,000	4/29/2022
Washington	245,000	3/14/2022
Wells Fargo Bank	245,000	2/28/2022
Worlds Foremost	200,000	2/10/2020
Total negotiable certificates of deposit	<u>23,711,836</u>	
Total other investments	<u>\$ 66,209,870</u>	

(Concluded)

Illinois Metropolitan Investment Fund
 Schedule of Management Fees
Year Ended September 30, 2019

Type	IMET 1-3 Year Series	IMET Convenience Series	Total
Investment advisory	\$ 132,493	\$ -	\$ 132,493
Transfer agent and fund accounting	77,179	248,008	325,187
Custodial	14,566	6,832	21,398
	<u>\$ 224,238</u>	<u>\$ 254,840</u>	<u>\$ 479,078</u>

Illinois Metropolitan Investment Fund
Schedule of Participants by Concentration
September 30, 2019

Type	Number of Participants	IMET 1-3 Year Series ²	IMET Convenience Series ²	Total ²
Municipal entities	116	82.5 %	61.5 %	66.6 %
Pension funds	21	2.1	1.3	1.5
Other entities ¹	61	15.4	37.2	31.9
	198	100.0 %	100.0 %	100.0 %

¹ Includes townships, school districts, park districts, public library districts, and various local agencies and special districts.

² 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, 2019

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, 2019

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, 2019

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, 2019

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, 2019

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, 2019

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

Illinois Metropolitan Investment Fund

Investment Policy - IMET Convenience Series

September 30, 2019

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, 2019

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, 2019

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, 2019

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, 2019

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, 2019

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

STATISTICAL SECTION (Unaudited)

Illinois Metropolitan Investment Fund

Index for Statistical Section

September 30, 2019

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.	70 - 76
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.	77

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net position held in trust for participants				
IMET 1-3 Year Series ¹	\$ 157,958,375	\$ 146,739,051	\$ 175,073,212	\$ 181,977,415
IMET Convenience Series	491,856,715	535,906,458	495,957,543	496,820,064
IMET Administration Fund ¹	-	-	-	-
Total	<u>\$ 649,815,090</u>	<u>\$ 682,645,509</u>	<u>\$ 671,030,755</u>	<u>\$ 678,797,479</u>
Number of units outstanding				
IMET 1-3 Year Series ¹	7,796,625	7,526,478	9,001,127	9,373,943
IMET Convenience Series	<u>492,072,967</u>	<u>536,083,585</u>	<u>496,072,521</u>	<u>496,805,311</u>
Total	<u>499,869,592</u>	<u>543,610,063</u>	<u>505,073,648</u>	<u>506,179,254</u>
Price per unit				
IMET 1-3 Year Series ¹	\$ 20.260	\$ 19.496	\$ 19.450	\$ 19.413
IMET Convenience Series	1.000	1.000	1.000	1.000

¹ IMET's operations activities were included in the IMET 1-3 Year Series in fiscal year 2010 and, in fiscal year 2011, through December 31, 2010. 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.

² 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>2015</u>	<u>2014²</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$	174,805,471	\$ 232,311,616	\$ 280,917,840	\$ 334,346,520	\$ 312,144,822	\$ 375,985,312
	530,275,021	1,768,754,593	1,390,063,626	1,049,300,081	663,304,925	508,709,545
	-	1,774,377	1,669,020	1,558,408	54,757	-
	<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>	<u>884,694,857</u>
	9,050,005	12,158,529	14,757,571	17,589,148	16,400,694	19,910,917
	<u>530,226,456</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>539,276,461</u>	<u>1,780,913,122</u>	<u>1,404,821,197</u>	<u>1,066,889,229</u>	<u>679,705,619</u>	<u>528,620,462</u>
\$	19.316	\$ 19.107	\$ 19.036	\$ 19.009	\$ 19.032	\$ 18.883
	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

	2019 ¹	2018 ¹	2017 ¹	2016 ¹
Additions				
Investment income				
Interest	\$ 3,237,262	\$ 2,502,954	\$ 2,147,534	\$ 1,802,512
Net change in fair value of investments	2,821,145	(1,957,915)	(1,401,886)	(227,527)
Other	2,771	988	1,517	1,011
Total income	<u>6,061,178</u>	<u>546,027</u>	<u>747,165</u>	<u>1,575,996</u>
Investment expenses				
Investment advisory fees	132,493	149,080	180,426	179,112
Transfer agent and fund accounting fees	77,179	79,443	97,757	90,700
Custodial fees	14,566	15,001	17,872	17,911
Total investment expenses	<u>224,238</u>	<u>243,524</u>	<u>296,055</u>	<u>287,723</u>
Net investment income	<u>5,836,940</u>	<u>302,503</u>	<u>451,110</u>	<u>1,288,273</u>
Unit transactions				
Proceeds from sale of units to participants	<u>15,899,926</u>	<u>5,200,000</u>	<u>10,301,773</u>	<u>16,135,420</u>
Other additions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total additions	<u>21,736,866</u>	<u>5,502,503</u>	<u>10,752,883</u>	<u>17,423,693</u>
Deductions				
Administrative and other expenses:				
Management and administrative services	19,625	1,350	1,471	23,471
Compensation and related expenses	82,028	71,785	70,054	187,377
Professional services	6,405	1,356	2,683	48,779
Insurance	15,724	12,756	19,360	43,921
Audit	6,500	5,100	5,335	12,681
Marketing	3,099	3,046	1,992	7,220
Administrative	18,760	17,176	15,284	33,458
Less reimbursement for operating expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total administrative and other expenses	<u>152,141</u>	<u>112,569</u>	<u>116,179</u>	<u>356,907</u>
Cost of units redeemed by participants	<u>10,365,401</u>	<u>33,724,095</u>	<u>17,540,907</u>	<u>9,894,842</u>
Total deductions	<u>10,517,542</u>	<u>33,836,664</u>	<u>17,657,086</u>	<u>10,251,749</u>
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in net position held in trust for participants	<u>11,219,324</u>	<u>(28,334,161)</u>	<u>(6,904,203)</u>	<u>7,171,944</u>
Net position held in trust for participants:				
Beginning of year	<u>146,739,051</u>	<u>175,073,212</u>	<u>181,977,415</u>	<u>174,805,471</u>
End of year	<u>\$ 157,958,375</u>	<u>\$ 146,739,051</u>	<u>\$ 175,073,212</u>	<u>\$ 181,977,415</u>

¹ IMET's operations activities were included in the IMET 1-3 Year Series in fiscal year 2010 and, in fiscal year 2011, through December 31, 2010. 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.

² For fiscal years 2010 and 2011, investment advisory fees, transfer agent and fund accounting fees, and custodial fees were included in management and administrative services expense.

³ As restated for the implementation of GASB Statements No. 68 and 71.

Data Source: Illinois Metropolitan Investment Fund Comprehensive Annual Financial Reports

	2015 ¹	2014 ¹	2013 ¹	2012 ¹	2011 ^{1,2}	2010 ²
\$	1,528,234	\$ 1,597,291	\$ 1,566,463	\$ 2,994,982	\$ 4,742,901	\$ 6,584,917
	313,318	(101,243)	(427,635)	(1,099,843)	(1,550,493)	1,486,358
	501	-	-	-	-	-
	<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>	<u>8,071,275</u>
	181,915	246,961	302,676	319,746	-	-
	104,912	141,907	178,221	191,848	-	-
	14,845	24,696	30,268	31,977	-	-
	<u>301,672</u>	<u>413,564</u>	<u>511,165</u>	<u>543,571</u>	<u>-</u>	<u>-</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>	<u>8,071,275</u>
	29,842,015	8,902,659	28,402,479	59,105,373	52,098,847	161,712,850
	887,188	-	-	-	-	-
	<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>	<u>169,784,125</u>
	23,551	136,853	228,570	335,737	845,008	679,686
	182,776	-	-	-	58,276	256,891
	25,367	-	-	-	9,684	43,279
	35,100	-	-	-	7,500	30,049
	12,300	-	-	-	7,200	20,500
	7,347	-	-	-	5,615	21,623
	48,682	-	-	-	20,163	78,911
	-	-	-	-	(223,096)	(743,221)
	<u>335,123</u>	<u>136,853</u>	<u>228,570</u>	<u>335,737</u>	<u>730,350</u>	<u>387,718</u>
	<u>89,368,346</u>	<u>58,454,514</u>	<u>82,230,252</u>	<u>36,584,138</u>	<u>118,401,395</u>	<u>112,871,036</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>	<u>113,258,754</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,335,368)</u>	<u>-</u>	<u>-</u>
	(57,433,885)	(48,606,224)	(53,428,680)	22,201,698	(63,840,490)	56,525,371
	<u>232,239,356</u> ³	<u>280,917,840</u>	<u>334,346,520</u>	<u>312,144,822</u>	<u>375,985,312</u>	<u>319,459,941</u>
\$	<u>174,805,471</u>	<u>232,311,616</u>	<u>280,917,840</u>	<u>334,346,520</u>	<u>312,144,822</u>	<u>375,985,312</u>

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

	2019	2018	2017	2016
Additions				
Investment income				
Interest	\$ 11,109,111	\$ 8,067,213	\$ 4,135,840	\$ 2,526,589
Investment expenses				
Fund accounting and custodial fees	254,840	253,175	222,154	234,964
Net investment income	10,854,271	7,814,038	3,913,686	2,291,625
Proceeds from sale of units to participants	609,574,432	645,388,210	422,379,146	490,842,971
Other additions	-	-	-	-
Total additions	620,428,703	653,202,248	426,292,832	493,134,596
Deductions				
Administrative and other expenses	441,527	512,421	557,942	317,195
Distributions to participants	10,451,869	7,363,765	3,485,475	2,008,242
Cost of units redeemed by participants	653,585,050	605,377,147	423,111,936	524,264,116
Total deductions	664,478,446	613,253,333	427,155,353	526,589,553
Transfer to Liquidating Trust	-	-	-	-
Net increase (decrease) in net position held in trust for participants	(44,049,743)	39,948,915	(862,521)	(33,454,957)
Net position held in trust for participants:				
Beginning of year	535,906,458	495,957,543	496,820,064	530,275,021
End of year	\$ 491,856,715	\$ 535,906,458	\$ 495,957,543	\$ 496,820,064

¹ For fiscal years 2010 and 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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011¹</u>	<u>2010¹</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>2,577,858</u>
<u>403,367</u>	<u>826,690</u>	<u>650,812</u>	<u>443,705</u>	<u>-</u>	<u>-</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>2,577,858</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>555,213,510</u>
<u>887,189</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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>557,791,368</u>
<u>1,118,792</u>	<u>577,512</u>	<u>457,330</u>	<u>353,558</u>	<u>827,559</u>	<u>977,919</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>1,599,939</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>377,378,933</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>379,956,791</u>
<u>-</u>	<u>(50,442,143)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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>177,834,577</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>330,874,968</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>	\$ <u><u>508,709,545</u></u>

Illinois Metropolitan Investment Fund
PRINCIPAL EMPLOYERS - STATE OF ILLINOIS
STATE'S FISCAL YEAR 2018 AND NINE YEARS AGO

2018 *

Employer	Employees	% of Total Employment
State of Illinois	63,027	1.06%
U.S. Government	50,800	0.85%
Wal-Mart	46,725	0.78%
Albertson's Companies	42,209	0.71%
Chicago School Board	36,059	0.61%
City of Chicago	35,034	0.59%
University of Illinois	29,821	0.50%
U.S. Postal Service	28,000	0.47%
AHS Midwest Region Health	27,053	0.45%
US Foods Holding Corp.	26,421	0.44%
	385,149	6.46%

2009

Employer	Employees	% of Total Employment
State of Illinois	69,029	1.11%
U.S. Government	52,600	0.84%
Chicago School Board	44,021	0.71%
City of Chicago	39,921	0.64%
U.S. Postal Service	34,600	0.55%
University of Illinois	30,028	0.48%
Cook County	24,666	0.40%
	294,865	4.73%

* 2018 information is the most recent information available.

Note: Information presented is representative of the State of Illinois as a whole. Information for the top ten principal employers was not available for the State's fiscal year ended June 30, 2018.

Data Source: State of Illinois Comprehensive Annual Financial Report June 30, 2018

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

Year	(a) Population	(b) Personal Income	(b) / (a) Per Capita Income	Unemployment Rate
2017 *	12,802,000	\$ 693,913,981,000	\$ 54,204	5.0%
2016	12,836,000	673,528,927,000	52,472	5.8%
2015	12,862,000	664,296,212,000	51,648	6.0%
2014	12,882,000	638,061,366,000	49,531	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%
2008	12,747,000	552,435,750,000	43,338	6.3%

* 2017 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, 2018