



**Illinois Metropolitan
Investment Fund**

Core Fund

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2021 Headlines

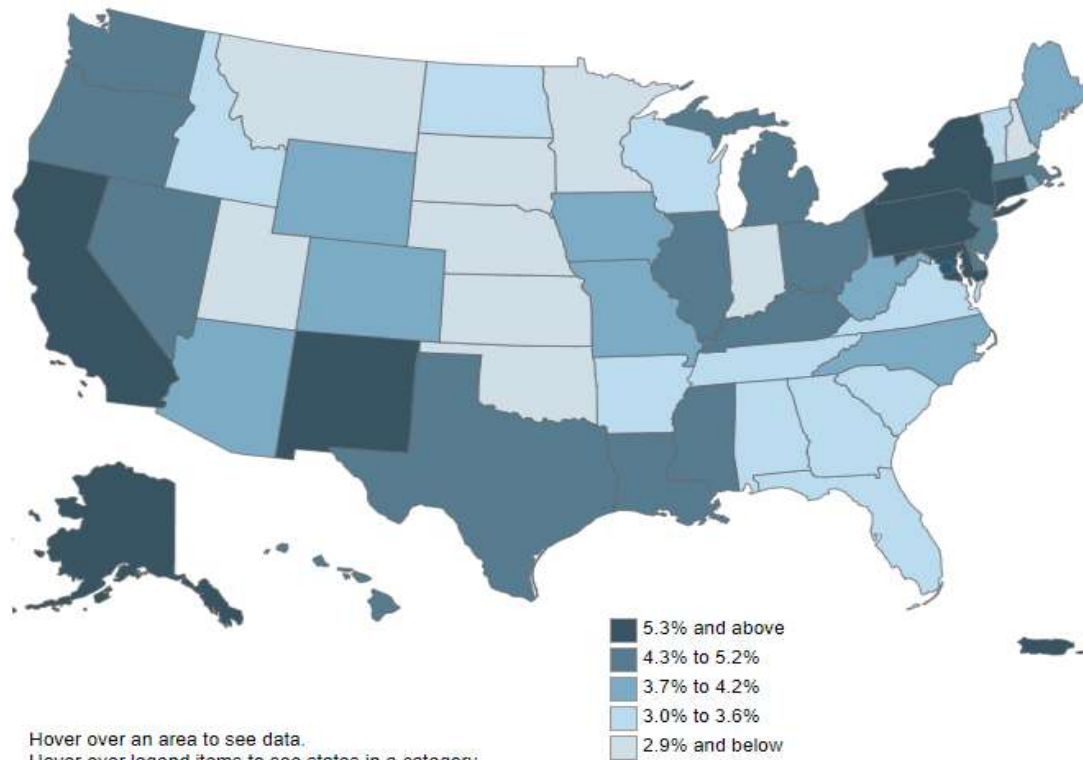
- Economic data remained volatile
- Supply chain disruptions
- Federal Reserve announces tapering
- Powell to remain Chairman
- Powell to retire the “transitory inflation”
- New COVID variants
- S&P 500 up 26.89%



MIXED EMPLOYMENT DATA PERSISTS

Unemployment Rate vs. Total Payrolls

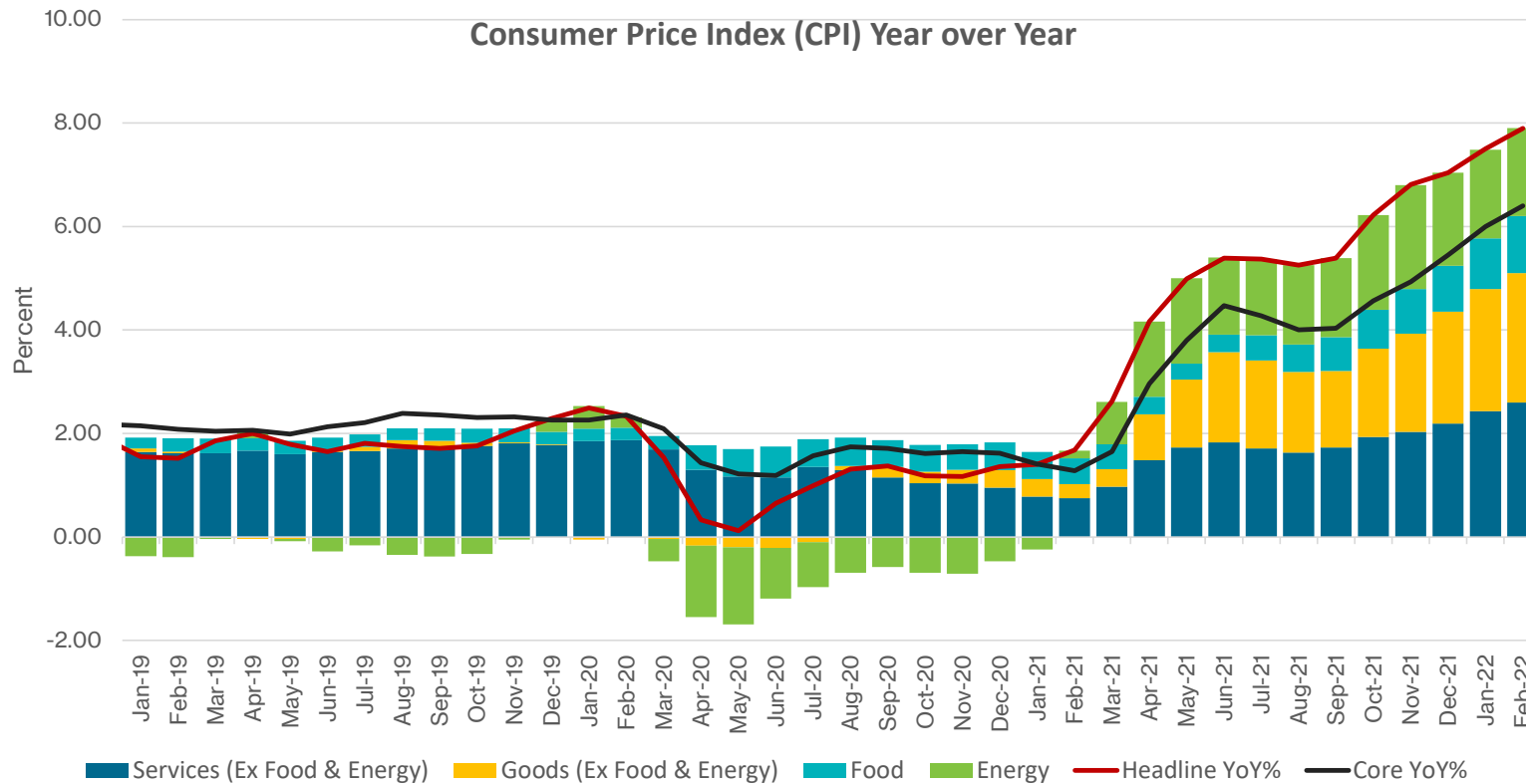
State unemployment rates, January 2022, seasonally adjusted



- February unemployment rate stands at 3.8%, in line with the Fed's target for "full employment."
- Total nonfarm payroll employment rose by 678,000 in February, compared to a median forecast of 400,000.
- Nonfarm employment still down over 2.1 million from its pre-pandemic level in February 2020
- Labor participation rate improved slightly to 62.3%, while average hourly earnings are up 5.1% annually.

INFLATION NOT ABATING

FED Chair Retires use of Transitory

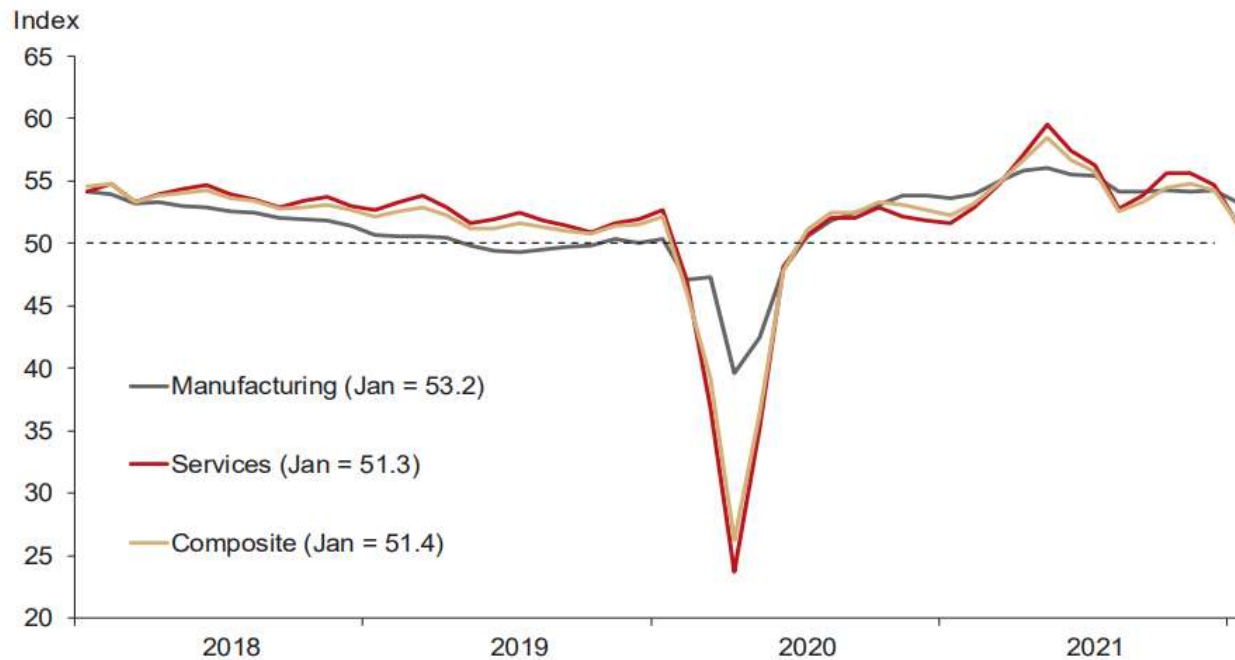


- January PCE inflation measure registered 6.1% increase year over year, 5.2% excluding volatile food and energy
- Increased prices on durable goods have far exceeded increased prices on services
- Fed view shifts to persistent inflation from transitory

ECONOMIC EXPANSION

FED Chair Retires use of Transitory

Global Purchasing Managers Index



NOTE: This index measures purchasing managers' perspectives of current business conditions. An index value greater than 50 indicates economic expansion from the previous month, while a value below 50 indicates contraction.

- Quick rebound in economic growth in 2020
- Explosive growth in 2021
- Signs of a slowing as we enter 2022



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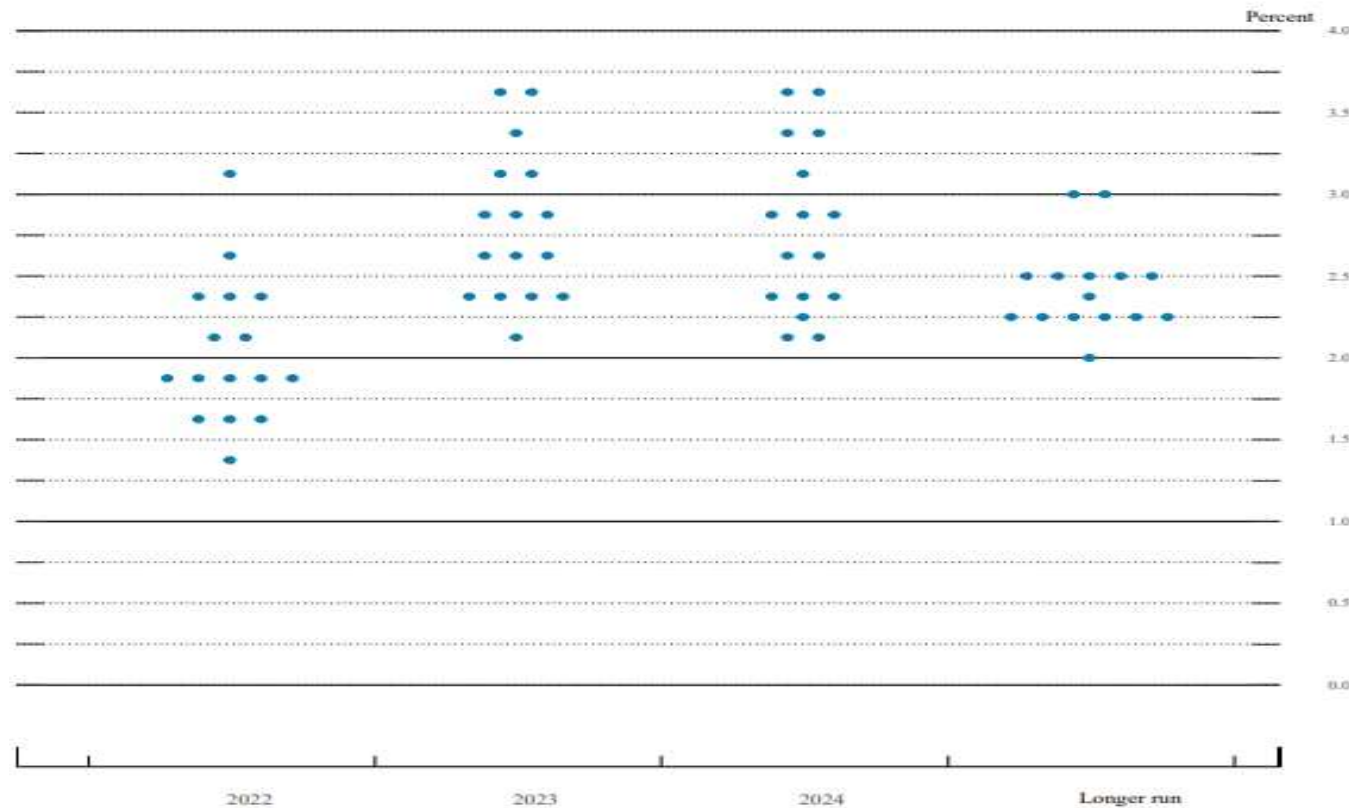
Looking Forward

2022 risks

- Further War Escalation
- Commodity Price Inflation
- European Recession
- Fiscal Cliff
- FED Slows Down Pace of Rate Increases
- China Zero Covid Strategy – Major Manufacturing Cities Under Lockdown Again
- New Covid Variants or Fall/Winter Seasonal Outbreaks

Federal Reserve Outlook

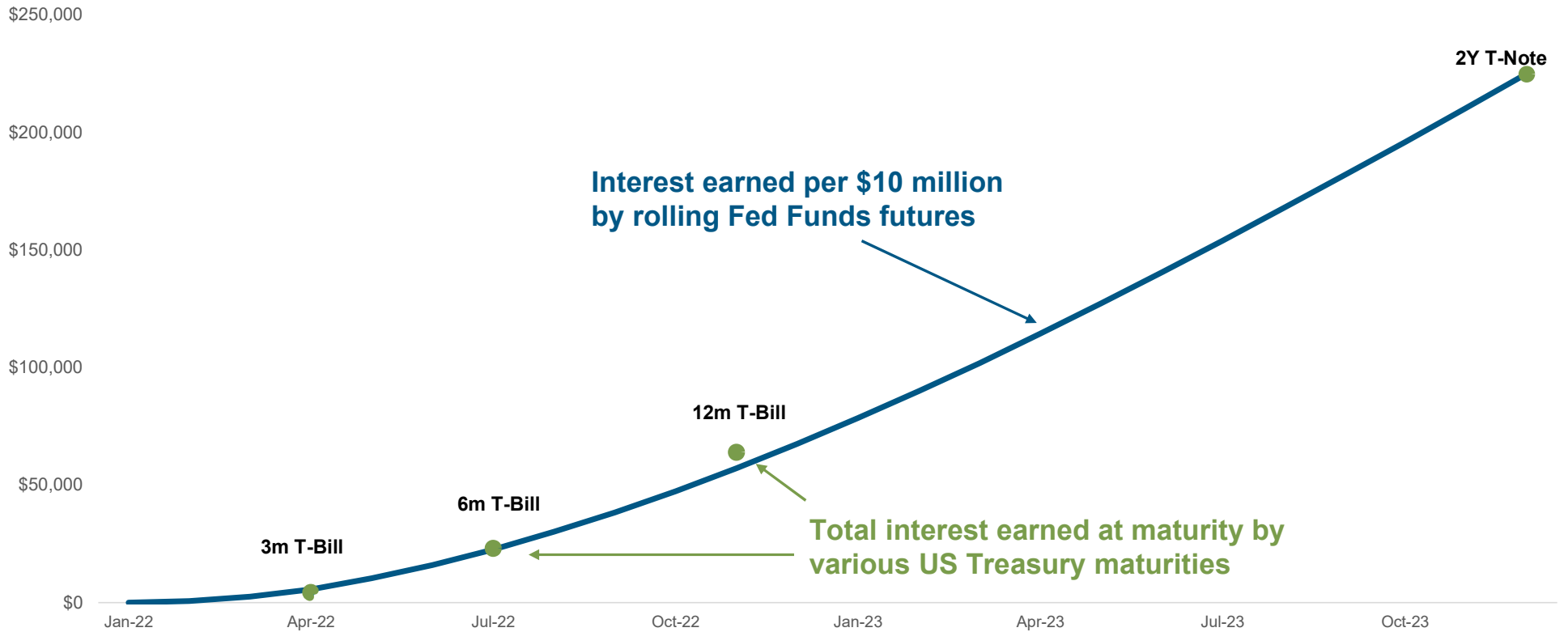
MONETARY POLICY ON THE PATH TO NORMALIZATION



- Effective 3/16/2022, the FOMC raised short-term rates by 0.25% to a range of 0.25%-0.50% citing elevated inflation and strong job gains
- Current geopolitical events are expected to weigh on economic activity and increase inflation pressures
- Disparity amongst officials highlights uncertainty surrounding pace of future rate hikes
- Committee expects to begin reducing its \$9 trillion balance sheet at a “coming meeting”

What's priced in now?

TREASURIES FULLY PRICING IN 7 RATE HIKES



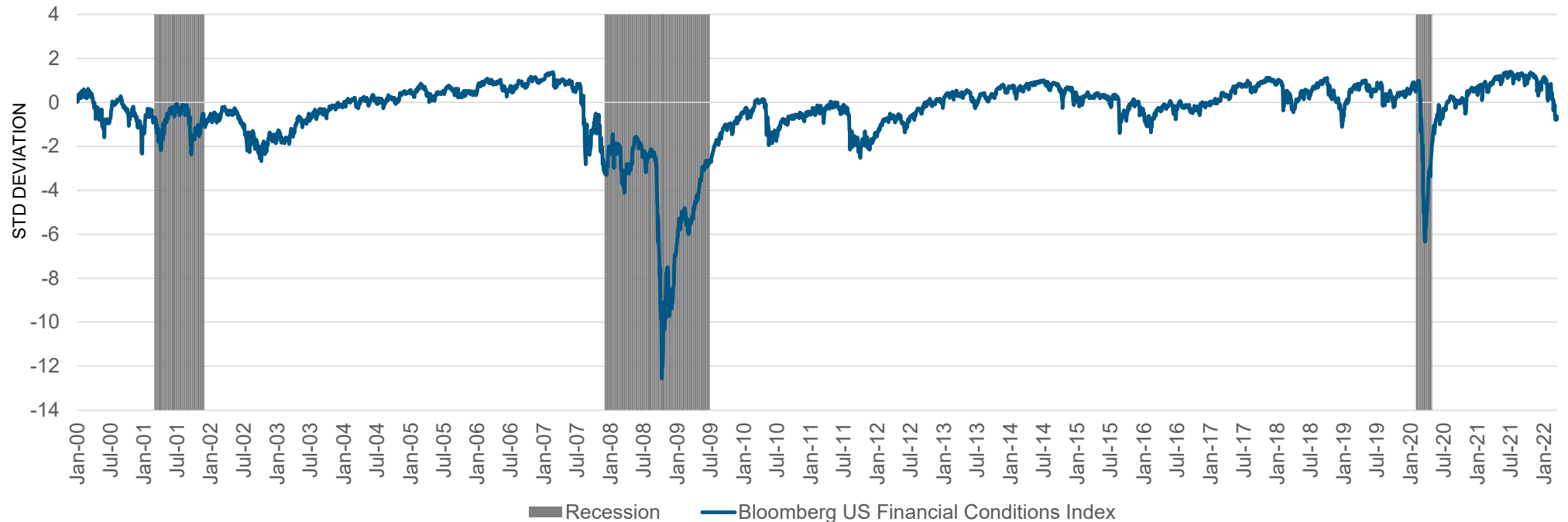
Source: Bloomberg as of 2/2022



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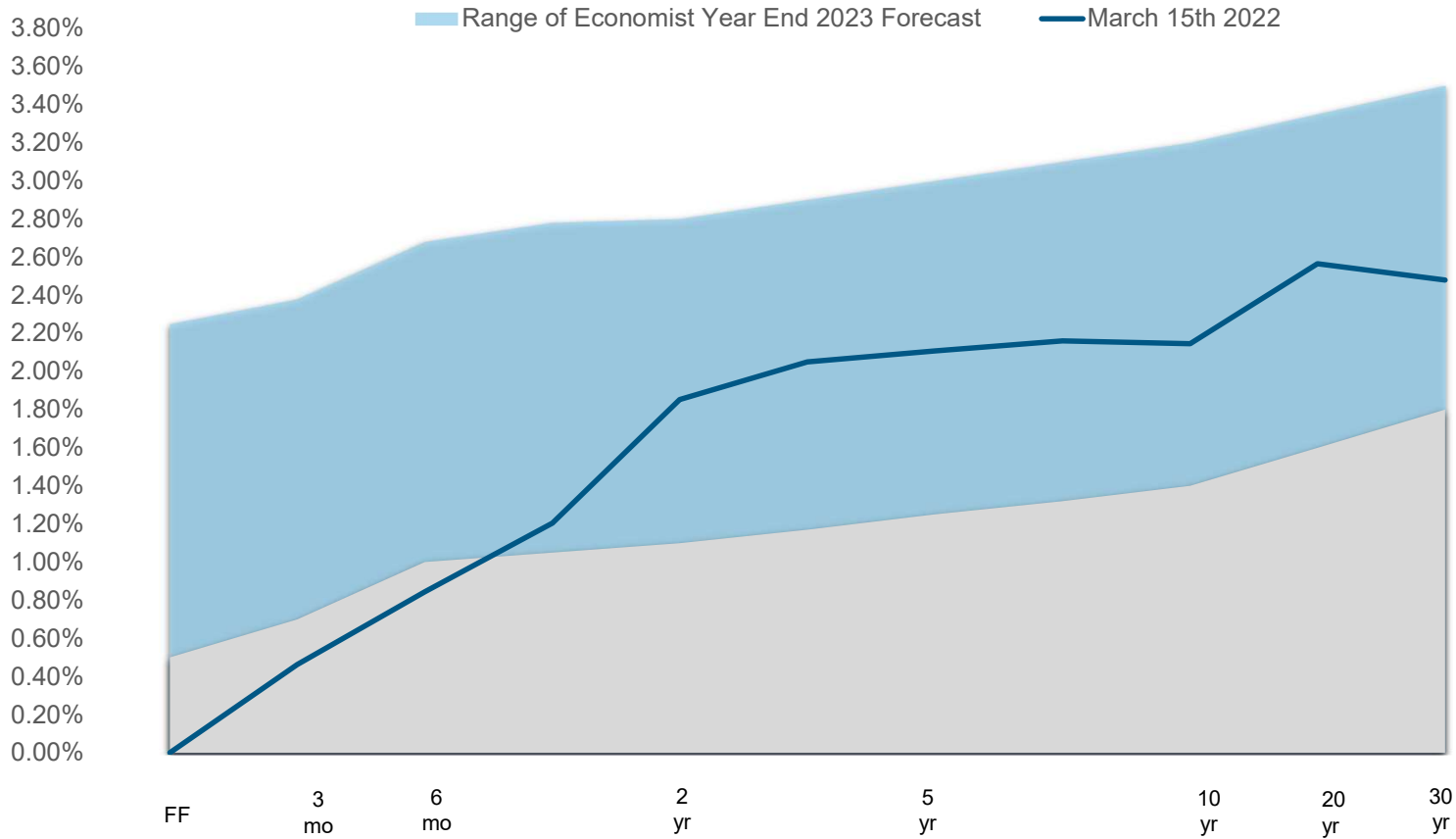
What's priced in now?

TIGHTER U.S. FINANCIAL CONDITIONS



The Bloomberg U.S. Financial Conditions Index Tracks the overall level of financial stress in the U.S. money, bond, and equity markets to help assess the availability and cost of credit. A positive value indicates accommodative financial conditions, while a negative value indicates tighter financial conditions.

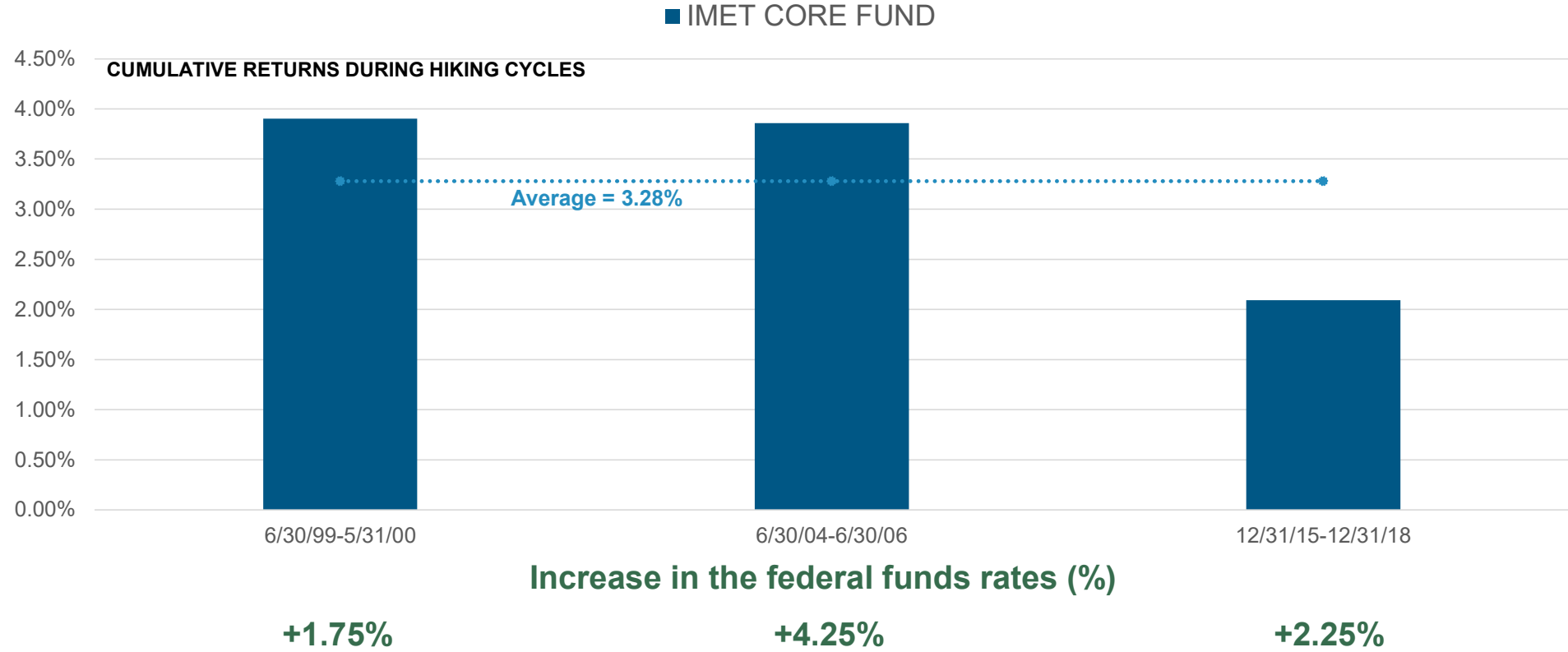
U.S. Treasury Yield Curves



- Yield curve has steepened with improved economic conditions
- Inflationary pressures continue to weigh on the market
- Probability for Fed rate hikes has increased

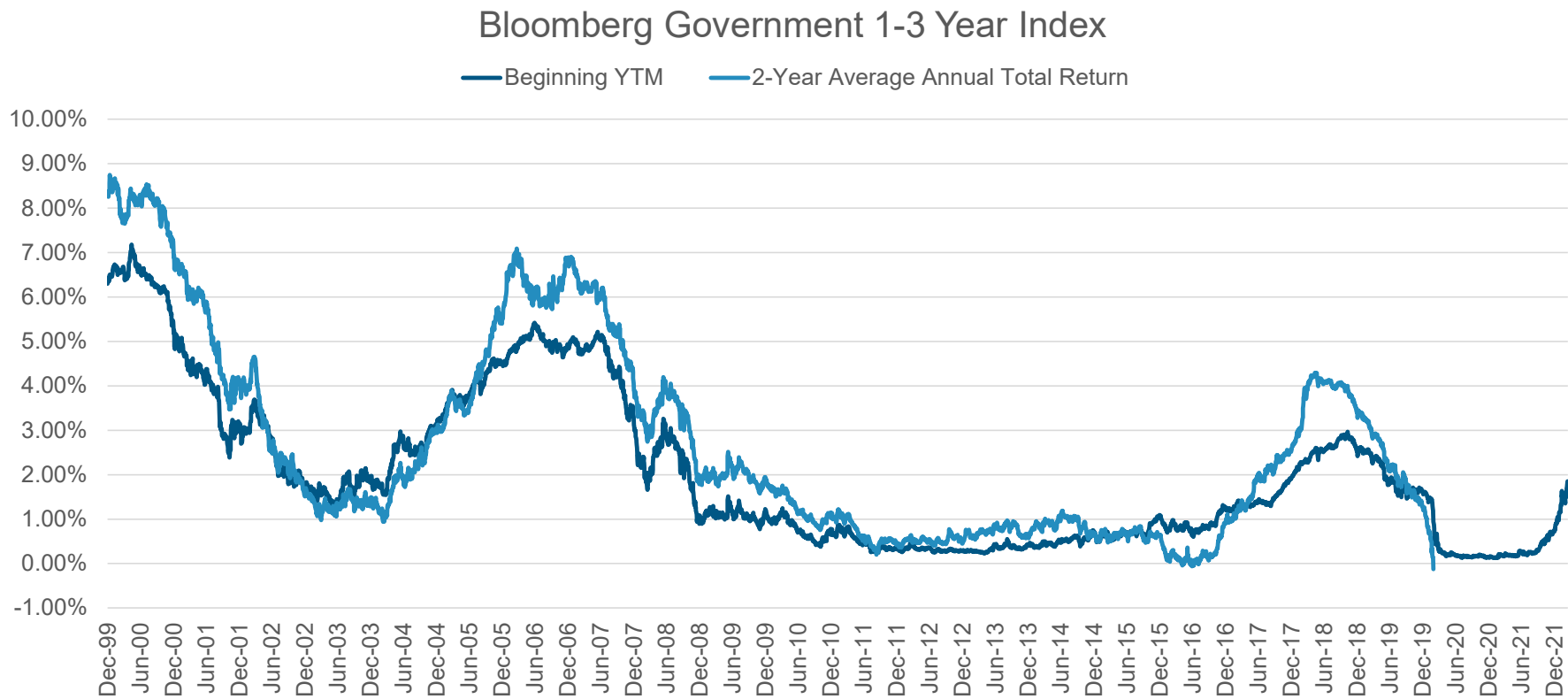
Do fed rate hikes always mean disaster for bonds?

THAT'S NOT WHAT HISTORY SHOWS



Expected future returns increase as yield rise

STARTING YIELD AND SUBSEQUENT 2-YEAR AVERAGE ANNUAL RETURN



Current Portfolio

IMET CORE FUND AS OF 02/28/2022

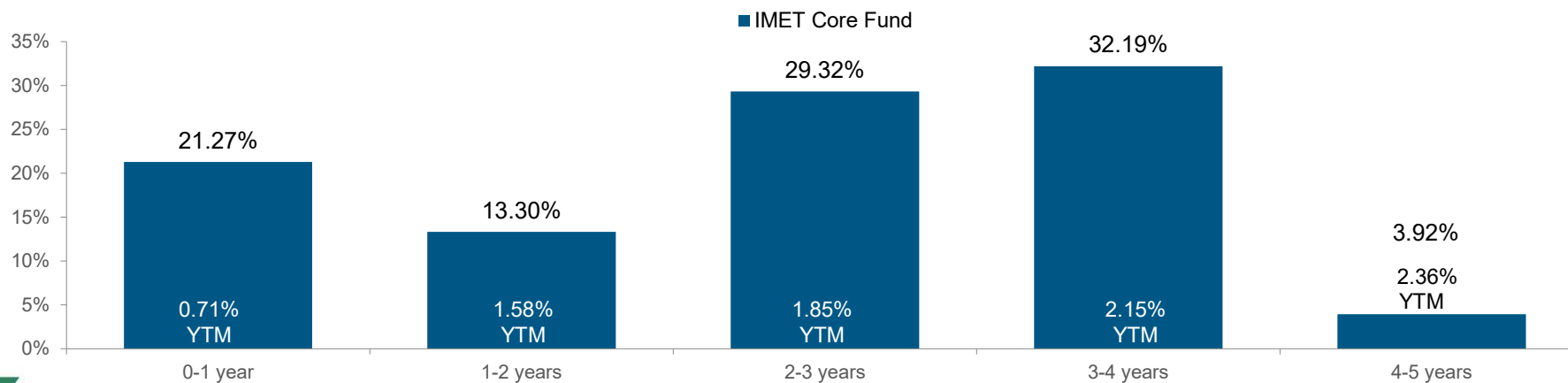
Asset Allocation

Cash	2.45%
Commercial Paper	14.92%
US Agencies	76.22%
Treasuries	6.40%
Total Portfolio	100.00%

Portfolio Statistics

Weighted Average Life	2.37
Effective Duration	2.11
WAY at Market Value	1.72%
Net Asset Value Per Share	20.461

Expected Maturity Distribution



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Yield information is annualized. All yield information is shown gross of any advisory and custody fees and is based on yield to maturity at market. Index is the Bloomberg Barclays 1-3 year Government Total Return Index. Past performance is not a guarantee of future results.



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