



IMET UPDATE

Issued August 2017

EMAIL REMINDER

When emailing IMET, please remember to use the address IMET.Purchase.Redeem@investimet.com.

This address reaches the entire IMET staff and ensures that your request is addressed timely.

IMET'S INVESTMENT FUNDS

IMET's Convenience Fund currently consists of bank deposits supported by FDIC Insurance or collateralized at a margin of at least 110%, and U.S. Government securities. During July, the average daily yield was 1.16%.

We invite you to review holdings and applicable collateral at [IMET Financial Reports](#).

The **1-3 Year Fund** is comprised exclusively of U.S. Government securities including Treasuries, Agencies, and Agency mortgage backed securities, only the safest investments permissible under the IL Public Funds Investment Act.

ECONOMIC UPDATE

Many of the themes from recent months persisted in July. While political turmoil in Washington continued and the GOP failed to repeal and replace the Affordable Care Act, strong corporate earnings helped insulate risk assets, which continued to move upwards. Economic data released during the month continue to point to broad-based, above-trend growth globally. Oil prices rallied 9% as OPEC sought to more actively enforce production cuts. Nonetheless, the inflation gains witnessed earlier this year – against a backdrop of steady economic growth and labor market strength – have reversed course. Inflation data surprised to the downside for the fourth consecutive month.

As anticipated, the Fed kept the Federal Funds Rate unchanged at its July meeting. The Fed continued to offer an optimistic reading of the U.S. economy and

suggested that balance sheet normalization would begin “relatively soon”, which the market took to mean that balance sheet reduction would formally be announced in September and commence shortly after. A rate hike in December is likely, though may be dependent on whether inflation data begins to trend up again.

SOFIA'S SPOT

In mid-July, it dawned on me I can no longer introduce myself as the “new Executive Director” of IMET. I cannot believe how quickly the year flew by. I am glad to have met so many of you in person, and as I have mentioned here before, I have been heartened by the warm reception I have enjoyed. The goal of meeting as many of you in person as I can, continues to be my self-imposed mandate. I want all participants to get a chance to meet me and to realize they have an open door welcome. Our visits have not all been “happy”, but I have heard your frustrations. I appreciate the positive feedback of what IMET has helped you achieve through the years. I will continue to seek meetings in your offices and at conferences and gatherings throughout the state with the goals of updating and informing you. I look forward to continuing to ensure IMET implements best practices and upholds our commitment to being your steward, earning your trust and deserving your confidence in all we do and offer.

I look forward to the years ahead!

IMET STAFF CONTACT INFORMATION

Please feel free to email or call:

Executive Director, Sofia Anastopoulos
sofia.ana@investimet.com
(312) 519-1637

Associate Director, Deb Zimmerman
dazimmerman@investimet.com
(618) 665-IMET(4638)



Illinois Metropolitan Investment Fund

IMET 1-3 Yr Fund Performance Compared to Index			
7/31/2017	Net 1-3 Year Fund Returns	Gross 1-3 Year Fund Returns*	Barclays 1-3 Yr Govt Index
Month	0.16	0.18	0.21
Latest 1 yr.	0.05	0.32	0.19
Since Inception**	3.19	3.51	3.50
Yield to Maturity	1.42	1.42	1.38
Wtd. Avg. Mat.	1.83 yrs	1.83 yrs	1.98 yrs
Duration	1.79	1.79	1.93
<p>* IMET returns are calculated based on beginning period and ending period of NAVs. ** Since inception returns are calculated from July 1996 through the most recent month end.</p>			
IMET Convenience Fund Performance			
7/31/17	MET Convenience Fund	S&P GIP Index*, **	Illinois Funds
Month	0.10	0.85	0.08
Avg Daily Yield for Mth	1.16	0.85	0.96
Latest 1 yr	0.77	0.49	0.39
Since Inception	2.13	N/A	1.31
Wtd Avg Maturity	149 days	71 days	47 days
<p>The IMET Convenience Fund was established in September 2003 * S&P GIP Index GOVT rate as disclosed is the 7-day net yield ** Since Inception returns are based on the inception of the Convenience Fund and are calculated from September 2003 through the most recent month end</p>			