

# **Illinois Metropolitan Investment Fund**

**Comprehensive Annual Financial Report**

**Year ended September 30, 2011**



**Illinois Metropolitan  
Investment Fund**

**Illinois Metropolitan Investment Fund**  
**Comprehensive Annual Financial Report**  
**Year ended September 30, 2011**

**Laura F. Allen**  
**Executive Director**

# ILLINOIS METROPOLITAN INVESTMENT FUND

Comprehensive Annual Financial Report  
Year Ended September 30, 2011

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# ILLINOIS METROPOLITAN INVESTMENT FUND

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Year Ended September 30, 2011

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## **INTRODUCTORY SECTION**



# Illinois Metropolitan Investment Fund

Investing together for  
our communities

**Elizabeth Holleb**  
Director of Finance  
City of Highland Park  
*Chairman*

January 4, 2012

Dear IMET Participants:

**Robert Nowak**  
Director of Finance  
Village of Skokie  
*Vice Chairman*

We hereby submit to you the fifteenth Comprehensive Annual Financial Report of the Illinois Metropolitan Investment Fund (IMET), which covers the fiscal year of October 1, 2010 through September 30, 2011. In accordance with the Illinois Metropolitan Investment Fund First Amended and Restated Declaration of Trust, dated as of July 1, 1996 and incorporating amendments dated January 28, 1999, January 27, 2000, March 22, 2002, March 18, 2004, and May 9, 2007, an annual independent audit of all funds and accounts 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, 2011. 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.

**Gary Szott**  
Director of Finance/Treasurer  
Village of Bloomingdale  
*Treasurer*

**Jerry Ducay**  
Village Administrator  
Village of Frankfort  
*Secretary*

**Kevin Barr**  
Village Manager  
Village of Schiller Park  
*Trustee*

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. 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 contained from reliable third party sources.

**Chris Minick**  
Director of Finance  
City of St. Charles  
*Trustee*

**Christy Powell**  
Superintendent of Finance  
& Personnel  
Geneva Park District  
*Trustee*

Miller, Cooper & Co., Ltd., Certified Public Accountants, have issued an unqualified opinion on IMET's financial statements for the fiscal year ended September 30, 2011. The independent auditors' report is located at the front of the financial section of this report.

**Eileen Santschi**  
Accounting Manager  
South Suburban Mayors and  
Managers Association  
*Trustee*

**Laura F. Allen**  
*Executive Director*

**Debra A. Zimmerman**  
*Associate Director*

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 is a local government investment pool created in 1996. 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 then currently available investments 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 Chapman & Cutler 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 designed for funds that could be invested for more than one year. The Series was designed with a fluctuating Net Asset Value and an average maturity of one-to-three years, with investments exclusively in US 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 another asset allocation option for their public funds. The Convenience Series is invested in FDIC insured CDs and liquid bank deposits collateralized at 110%. The CVF is managed so as to maintain a stable \$1.00 share price. 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 has custody. IMET has 238 members as of September 30, 2011.

## **INVESTMENT POLICIES AND PRACTICES**

The primary objectives of the IMET investment pool, as set forth in the 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 which seeks to provide the best return while pursuing the preservation of capital. IMET investment funds will conform to Illinois state statutes governing the investment of public funds. The standard of prudence to be used for all investment activities shall be the following "prudent person" standards and shall be applied while conducting all investment transactions. 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. Please refer to the Investment Section of this CAFR for additional information on investments for each investment fund.

## YEAR END REPORT

The nation continues to struggle to shake off the effects of the deep recession and an extended sluggish recovery. The federal funds interest rate remained at record lows between zero and 0.25 percent for the entire fiscal year, and the Federal Open Market Committee (FOMC) announced that rates are likely to continue at these levels through mid-2013. While IMET members face many uncertainties and challenges, they also continue to benefit from IMET's proactive and strong leadership in the continued negotiation of our enhanced yield on the Convenience Series and the strong performance on the 1-3 Year Series during FY 2011.

The 1-3 Year Series continued to produce strong performance in FY 2011 due to government intervention efforts, such as Quantitative Easing 2 (QE2), that continued to maintain a low interest rate environment, and finished the year with a rate of 1.07% for FY 2011. In addition, the Convenience Series portfolio has outperformed our competition by 30 bps on average for the past 12 months and finished the year with a rate of .31% for FY 2011. We are pleased to report that these successes resulted in the achievement of an asset-balance milestone as we completed FY 2011 with combined assets exceeding \$975 million. IMET also welcomed 23 new members in fiscal 2011 and now serves more than 235 units of government, including municipalities, pension funds, park districts, library districts, school districts, and other public agencies.

IMET had a productive FY 2011 successfully accomplishing many current goals and objectives. IMET completed a third party Information Technology (IT) security audit and is pleased to report that the current controls and procedures are satisfactory and provide a secure IT environment to members for transactions. The 2<sup>nd</sup> biennial member outreach program was also completed in FY 2011. We thank all of our members who took the time to ensure the accurate member information on file with IMET and its record keeper. Additionally, improvements in IMET operations occurred in November 2010 and in March 2011 when IMET's online Governmental Portfolio System (GPS) system was enhanced. The November enhancement provided members with a completely new esthetic, offering a more user-friendly and customer-focused design. Along with supporting the existing options, the new GPS allows IMET Participants the ability to directly export data to Excel and also provides better menu organization and the latest security enhancements. The March enhancement provides members with a more secure and direct manner to receive electronic reports. Finally, the 2011 fiscal year also brought operational change and improvement as IMET completed its transition to Chase Bank as the new provider for the Convenience Series. This new partnership has provided IMET members with continued highly competitive rates in the Convenience Series along with the safety provided by collateralization at 110% on the liquid deposits in the fund.

IMET's goals for FY 2012 challenge us to continue to add value to our members in a historically low interest rate environment. We will strive to maintain stability and strength in the 1-3 Year Series and Convenience Series given current financial instability and the recent federal government turmoil. IMET will initiate efforts to seek out the best option for the Convenience Series following the expiration of IMET's current agreement with Chase Bank on December 31, 2012. We will ensure adequate lead-time is given to this critical initiative so that the membership has a smooth transition to a new provider, if applicable. Additionally, through the expertise and oversight of our Board and staff, IMET will complete its triennial comprehensive strategic planning process and develop a new three-year business plan to lead IMET through the year 2015. The strategic planning process will include a member survey and focus group, which will be critical to ensuring that IMET continues to meet the expectations of participants.

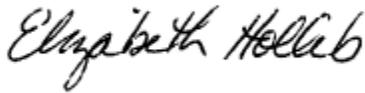
## ACKNOWLEDGEMENTS

Each member of the Board, each volunteer on IMET's standing committees, and each participant make 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 sincerely appreciated.

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 and staff. Each member of the Board of Trustees 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,



Elizabeth Holleb  
IMET Chair



Laura F. Allen  
IMET Executive Director

# ILLINOIS METROPOLITAN INVESTMENT FUND

Board of Trustees  
September 30, 2011

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## ILLINOIS METROPOLITAN INVESTMENT FUND

1220 Oak Brook Road  
Oak Brook, Illinois 60523  
Telephone: (630) 571-0480, ext. 229  
Facsimile: (630) 571-0484

### BOARD OF TRUSTEES

Chairman: Elizabeth Holleb  
City of Highland Park

Vice Chair: Robert Nowak  
Village of Skokie

Treasurer: Gary Szott  
Village of Bloomingdale

Secretary: Jerry Ducay  
Village of Frankfort

Trustee: Kevin Barr  
Village of Schiller Park

Trustee: Chris Minick  
City of St. Charles

Trustee: Christy Powell  
Geneva Park District

Trustee: Eileen Santschi  
South Suburban Mayors and Managers Association

Executive Director: Laura F. Allen

# **ILLINOIS METROPOLITAN INVESTMENT FUND**

Supporting Chicago Area Councils of Government  
and External Advisors  
September 30, 2011

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

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

Mark Baloga  
Executive Director

### **NORTHWEST MUNICIPAL CONFERENCE**

Mark Fowler  
Executive Director

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

Ed Paesel  
Executive Director

### **WEST CENTRAL MUNICIPAL CONFERENCE**

Richard F. Pellegrino  
Executive Director

### **WILL COUNTY GOVERNMENTAL LEAGUE**

Steven Quigley  
Executive Director

## **EXTERNAL ADVISORS**

### **INVESTMENT ADVISOR**

JP Morgan Asset Management  
Chicago, Illinois  
Columbus, Ohio

### **FUND ACCOUNTANT**

PMA Financial Network, Inc.  
Naperville, Illinois

### **EXTERNAL PERFORMANCE MONITORING**

The Consulting Group of Smith Barney  
Deerfield, Illinois

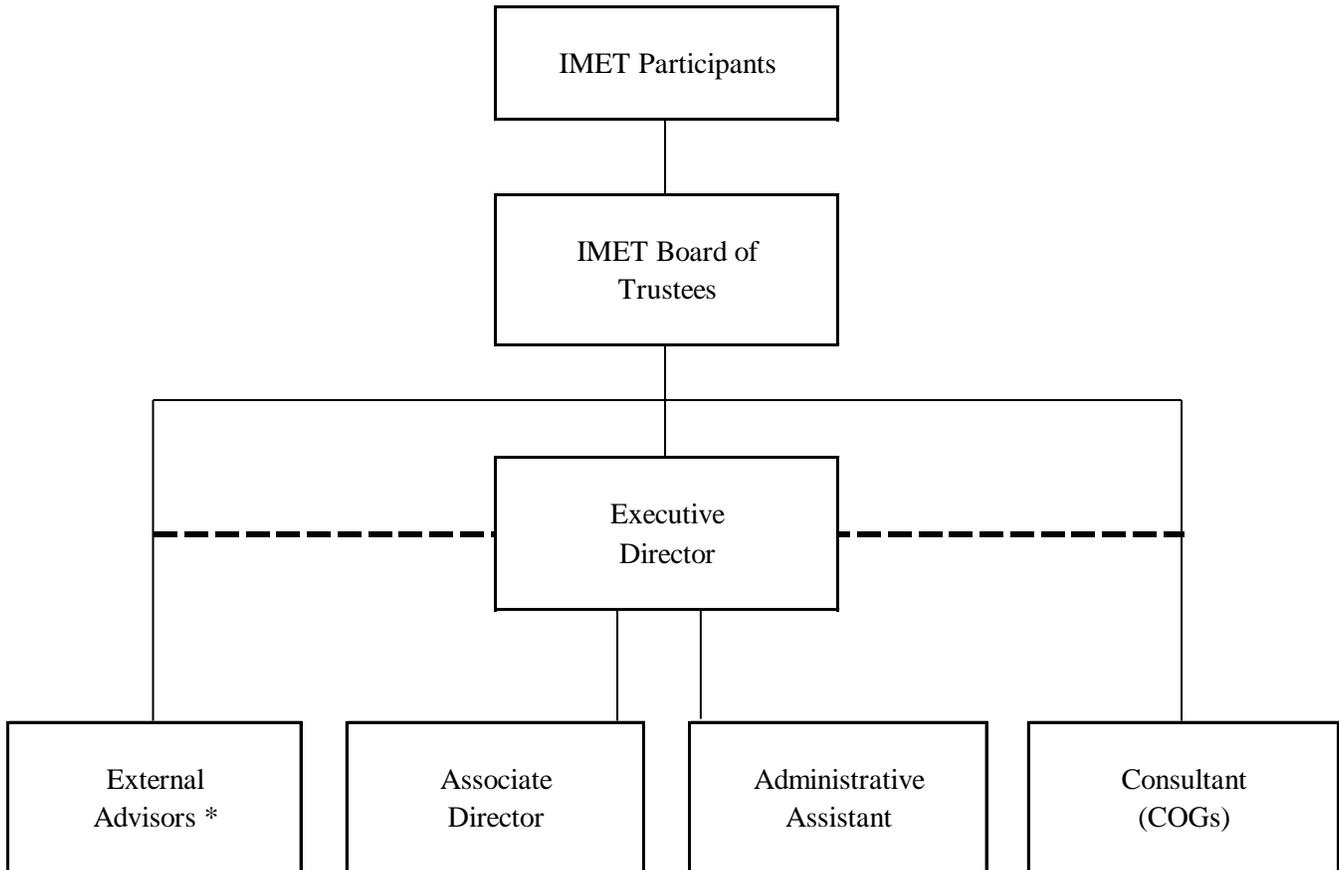
### **LEGAL COUNSEL**

Chapman and Cutler LLP  
Chicago, Illinois

# ILLINOIS METROPOLITAN INVESTMENT FUND

Organizational Chart  
September 30, 2011

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

**FINANCIAL SECTION**

# MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying combining statement of net assets of the Illinois Metropolitan Investment Fund (IMET) as of September 30, 2011, and the related combining statement of changes in net assets for the year then ended. These financial statements are the responsibility of IMET's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Illinois Metropolitan Investment Fund as of September 30, 2011, and the changes in its net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 3 through 7, and the schedule of funding progress on page 19, are not a required part of the financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

(Continued)

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

(Continued)

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Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise IMET's financial statements. The accompanying introductory and investment sections, and the other supplementary information, as listed in the table of contents, are presented for the purposes of additional analysis and are not a required part of the financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

MILLER, COOPER & CO., LTD.

*Miller, Cooper & Co., Ltd.*

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Certified Public Accountants

Deerfield, Illinois  
January 4, 2012

## ILLINOIS METROPOLITAN INVESTMENT FUND

Management's Discussion and Analysis

Year ended September 30, 2011

Management is pleased to provide this discussion and analysis of the financial activities of the Illinois Metropolitan Investment Fund (IMET) for the years ended September 30, 2010 and September 30, 2011. 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 supplementary information in addition to the basic financial statements. The financial statements begin on page 8 of the report.

### *Financial Highlights*

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The 2011 fiscal year saw an increase in assets, as total assets (including the IMET 1-3 Year Series, the IMET Convenience Series, and the IMET Administration Fund) increased by \$90,867,389 to a balance of \$975,920,347 as of September 30, 2011. Total assets of the IMET 1-3 Year Series decreased by \$63,903,177 to a balance of \$312,222,826 during fiscal year 2011, while total assets of the IMET Convenience Series increased by \$154,597,409 to a balance of \$663,524,364 as of September 30, 2011. IMET also instituted an accounting change on January 1, 2011, whereby operating income and expenses are segregated in the Administration Fund. Total assets of the IMET Administration Fund were \$173,157 as of September 30, 2011.

During fiscal year 2010, total assets of IMET (including the IMET 1-3 Year Series and the IMET Convenience Series) increased by \$234,499,507 to a balance of \$885,052,958 as of September 30, 2010. Total assets of the IMET 1-3 Year Series increased by \$56,518,715 to a balance of \$376,126,003, while total assets of the IMET Convenience Series increased by \$177,980,792 to a balance of \$508,926,955 as of September 30, 2010.

Participants' equity in IMET was \$884,694,857 (\$375,985,312 in the IMET 1-3 Year Series and \$508,709,545 in the IMET Convenience Series) as of September 30, 2010 and \$975,504,504 (\$312,144,822 in the IMET 1-3 Year Series, \$663,304,925 in the IMET Convenience Series, and \$54,757 in the IMET Administration Fund) as of September 30, 2011.

Although IMET's 1-3 Year Series did not outperform the benchmark Barclay's 1-3 Year Government Bond Index on a gross-of-fees basis in fiscal year 2010, IMET's 1-3 Year Series did outperform the 90-Day Treasury Bill rate, providing a highly competitive gross return to members of 2.54 percent. The performance measurement of IMET's 1-3 Year Series was similar in fiscal year 2011 as IMET's 1-3 Year Series did not outperform the benchmark Barclay's 1-3 Year Government Bond Index on a gross-of-fees basis in fiscal year 2011, and IMET's 1-3 Year Series did outperform the 90-Day Treasury Bill rate, providing a very competitive gross return to members of 1.07 percent. While the nation continued to struggle to shake off the effects of the deep recession and an extended sluggish recovery in fiscal 2011, the IMET Convenience Series provided an excellent investment option for members with a net 12-month return of 0.31 percent, exceeding the federal funds rate range of zero to 0.25 percent.

**ILLINOIS METROPOLITAN INVESTMENT FUND**

Management's Discussion and Analysis

Year ended September 30, 2011

*Overview of the Financial Statements*

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The two basic financial statements of the Fund are the *Combining Statement of Net Assets* and the *Combining Statement of Changes in Net Assets*. 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 Net Assets* is a measure of the Fund assets and liabilities at the close of the fiscal year. Total assets less liabilities equal net assets held in trust for IMET participants. The following table is a Condensed Statement of Net Assets for the years ended September 30, 2011 and September 30, 2010.

**Condensed Statement of Net Assets**

	IMET	IMET	IMET	IMET	IMET	IMET		
	1-3 Year	1-3 Year	Convenience	Convenience	Administration	Administration	Total	Total
	Series	Series	Series	Series	Fund	Fund	2011	2010
	2011	2010	2011	2010	2011	2010	2011	2010
Total assets	\$ 312,222,826	\$ 376,126,003	\$ 663,524,364	\$ 508,926,955	173,157	-	\$ 975,920,347	\$ 885,052,958
Total liabilities	78,004	140,691	219,439	217,410	118,400	-	415,843	358,101
Total net assets	\$ 312,144,822	\$ 375,985,312	\$ 663,304,925	\$ 508,709,545	54,757	-	\$ 975,504,504	\$ 884,694,857

The *Combining Statement of Changes in Net Assets* shows purchases to and redemptions (withdrawals) from the Fund, as well as additions and deductions due to operations during the fiscal year. The net increase or decrease in net assets is the change in net assets owned by participants since the end of the previous fiscal year. The following table is a Condensed Statement of Changes in Net Assets for the years ended September 30, 2011 and September 30, 2010.

**ILLINOIS METROPOLITAN INVESTMENT FUND**  
Management's Discussion and Analysis  
Year ended September 30, 2011

**Condensed Statement of Changes in Net Assets**

	IMET 1-3 Year Series 2011	IMET 1-3 Year Series 2010	IMET Convenience Series 2011	IMET Convenience Series 2010	IMET Administration Fund 2011	IMET Administration Fund 2010	Total 2011	Total 2010
Total additions from operations	\$ 3,192,408	\$ 8,071,275	\$ 2,409,716	\$ 2,577,858	3,942	-\$	5,606,066	10,649,133
Total operating expenses	730,350	387,718	827,559	977,919	(50,815)	-	1,507,094	1,365,637
Net additions from operations	2,462,058	7,683,557	1,582,157	1,599,939	54,757	-	4,098,972	9,283,496
Total distributions	-	-	(1,582,157)	(1,599,939)	-	-	(1,582,157)	(1,599,939)
Net additions (deductions) from capital share and individual account transactions	(66,302,548)	48,841,814	154,595,380	177,834,577	-	-	88,292,832	226,676,391
Net increase (decrease)	(63,840,490)	56,525,371	154,595,380	177,834,577	54,757	-	90,809,647	234,359,948
Net assets held in trust for participants:								
Beginning of year	375,985,312	319,459,941	508,709,545	330,874,968	-	-	884,694,857	650,334,909
End of year	\$ 312,144,822	\$ 375,985,312	\$ 663,304,925	\$ 508,709,545	\$ 54,757	-\$	\$ 975,504,504	\$ 884,694,857

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.

A *Schedule of Investments* is 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

Year ended September 30, 2011

### *Financial Statement Analysis*

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#### *Net Assets*

Fiscal year 2010 saw a continuation of historically low interest rates along with the effects of several federal stimulus programs in a campaign to revive the U.S. economy. Total net assets of IMET increased by \$234,359,948 to an ending balance of \$884,694,857 during fiscal year 2010. This net increase in total assets, in large part, was the result of IMET's enhanced Convenience Fund yield allowing IMET to offer members the highest rate available in a local government investment pool in the state of Illinois. Additionally, the effects of the economic recovery programs proved beneficial for investors in U.S. Government securities. Bolstered by these federal stimulus programs, IMET's 1-3 Year Series was positioned to take advantage of yield enhancements and continued to offer value to our members, resulting in additional new dollar investments. This significant asset growth resulted in IMET achieving yet another milestone in its investment balances to end the year with over \$880 million in combined assets.

Although rates remained at historic lows for the entire year ended September 30, 2011, IMET's total net assets increased by \$90,809,647, to a total balance of \$975,504,504. Fiscal year 2011 brought a year of continued economic uncertainty and challenges with exceptionally low interest rates for more than two years, and the FOMC announced that rates would likely continue at these levels through mid-2013. The recovery has been sluggish at best, and yet IMET members have benefited from IMET's proactive and strong leadership in the continued negotiation of our enhanced yield on the Convenience Series along with additional government intervention efforts, such as QE2, that contributed to strong performance in the 1-3 Year Series. The IMET Convenience Series return is pegged to the federal funds target rate as a minimum rate guarantee and is comprised of FDIC insured CDs and liquid deposits collateralized at 110%. IMET's strong returns in the 1-3 Year Series (1.07%) and the Convenience Series (.31%) resulted in IMET proudly achieving several milestones in asset balances to end the year with over \$975 million in combined assets.

#### *Operations*

During the current fiscal year ended September 30, 2011, total additions from operations consisted of \$7,156,393 in interest income, net depreciation in the fair value of investments of (\$1,550,493), and other income of \$166. These amounts may be compared with \$9,162,775 of interest income and net appreciation in the fair value of investments of \$1,486,358 during the prior fiscal year, for total additions of \$5,606,066 in fiscal year 2011, compared to \$10,649,133 in fiscal year 2010.

Operating expenses of IMET were \$1,507,094 for the current fiscal year compared with \$1,365,637 for the prior fiscal year. This 10 percent increase in operating expenses was partly due to an increase in investment advisory, record keeping, and custodial fees that are calculated as a percentage of IMET's total assets, along with additional expenses incurred for research of new investment funds and increased insurance coverage limits due to the growth in fund assets. Total assets increased by more than 10 percent in fiscal year 2011.

## ILLINOIS METROPOLITAN INVESTMENT FUND

Management's Discussion and Analysis

Year ended September 30, 2011

### *Investment Performance*

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During fiscal year 2010, IMET was unable to outperform the benchmark Barclay's Capital 1-3 Year Government Bond Index on a gross-of-fees basis due to the benchmark's slightly longer duration and the 1-3 Year Series' conservative position against rising interest rates. However, IMET's 1-3 Year Series did outperform the 90-Day Treasury Bill rate. IMET ended the fiscal year with a gross one-year return of 2.54 percent versus a one-year return of 2.62 percent for the Barclay's Index, 2.26 for IMET's *net* 12-month return, and 0.13 percent for 90-Day Treasury Bills. The IMET Convenience Series outperformed the 90-Day Treasury Bill rate as well, with a return of 0.43 percent to participants for the fiscal year ended September 30, 2010.

IMET's 1-3 Year Series remained slightly shorter in duration compared to the Barclay's Capital 1-3 Year Government Bond Index in fiscal year 2011 resulting in underperformance when compared to the benchmark. However, the IMET 1-3 Year Series outperformed the 90-Day Treasury Bill rate. IMET's 1-3 Year Series ended the fiscal year with a gross one-year return of 1.07 percent versus a one-year return of 1.23 percent for the Barclay's Index, 0.79 percent for IMET's *net* 12-month return, and 0.14 percent for the 90-Day Treasury Bills. The IMET Convenience Series outperformed the 90-Day Treasury Bill rate as well, with a return of 0.31 percent to participants for the fiscal year ended September 30, 2011.

For additional information regarding performance returns of IMET and asset allocation, please refer to the Investment section beginning on page 21 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

## Illinois Metropolitan Investment Fund

Combining Statement of Net Assets

September 30, 2011

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	IMET 1 - 3 Year Series	IMET Convenience Series	IMET Administration Fund	Total
<b>ASSETS</b>				
Cash and short-term investments	\$ 1,335,368	\$ 663,322,051	\$ 120,033	\$ 664,777,452
Interest receivable	1,306,270	202,313	-	1,508,583
Securities sold receivable	22,202	-	-	22,202
Other receivables	-	-	53,124	53,124
Investments at fair value:				
U.S. Treasury obligations	225,481,931	-	-	225,481,931
U.S. Government agency and agency-guaranteed obligations	81,233,757	-	-	81,233,757
Mortgage-backed securities	2,337,994	-	-	2,337,994
Money market mutual funds	505,304	-	-	505,304
	<u>312,222,826</u>	<u>663,524,364</u>	<u>173,157</u>	<u>975,920,347</u>
Total assets				
<b>LIABILITIES</b>				
Payables:				
Dividends payable to participants	-	151,580	-	151,580
Management fees	51,317	30,557	-	81,874
Consultant fee	-	-	66,643	66,643
Administrative fee	26,687	26,437	-	53,124
Other	-	10,865	51,757	62,622
	<u>78,004</u>	<u>219,439</u>	<u>118,400</u>	<u>415,843</u>
Total liabilities				
<b>NET ASSETS</b>				
Net assets held in trust for participants (units outstanding: 16,400,694 and 663,304,925 at September 30, 2011 for IMET 1-3 Year Series and IMET Convenience Series, respectively; equivalent to \$19.03 and \$1.00 per unit outstanding at September 30, 2011 for IMET 1-3 Year Series and IMET Convenience Series, respectively)				
Total net assets	\$ <u>312,144,822</u>	\$ <u>663,304,925</u>	\$ <u>54,757</u>	\$ <u>975,504,504</u>

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The accompanying notes are an integral part of this statement.

## Illinois Metropolitan Investment Fund

Combining Statement of Changes in Net Assets

Year ended September 30, 2011

	IMET 1 - 3 Year Series	IMET Convenience Series	IMET Administration Fund	Total
<b>Additions</b>				
Investment income				
Interest	\$ 4,742,901	\$ 2,409,716	\$ 3,776	\$ 7,156,393
Net depreciation in fair value of investments	(1,550,493)	-	-	(1,550,493)
Other income	-	-	166	166
Total additions from operations	<u>3,192,408</u>	<u>2,409,716</u>	<u>3,942</u>	<u>5,606,066</u>
<b>Deductions</b>				
Operating expenses:				
Management and administrative services	845,008	827,559	54,910	1,727,477
Compensation and related expenses	58,276	-	205,887	264,163
Professional services	9,684	-	59,198	68,882
Insurance	7,500	-	44,341	51,841
Audit	7,200	-	14,800	22,000
Marketing	5,615	-	24,784	30,399
Administrative and other	20,163	-	86,168	106,331
Less reimbursements for operating expenses	(223,096)	-	(540,903)	(763,999)
Total operating expenses	<u>730,350</u>	<u>827,559</u>	<u>(50,815)</u>	<u>1,507,094</u>
Net additions from operations	<u>2,462,058</u>	<u>1,582,157</u>	<u>54,757</u>	<u>4,098,972</u>
<b>Distributions</b>				
Distributions of income to participants	-	(1,582,157)	-	(1,582,157)
Total distributions	<u>-</u>	<u>(1,582,157)</u>	<u>-</u>	<u>(1,582,157)</u>
<b>Capital share and individual account transactions:</b>				
Proceeds from sale of units to participants	52,098,847	737,235,175	-	789,334,022
Distributions reinvested by participants	-	1,544,472	-	1,544,472
Cost of units redeemed by participants	(118,401,395)	(584,184,267)	-	(702,585,662)
Net additions (deductions) from capital share and individual account transactions	<u>(66,302,548)</u>	<u>154,595,380</u>	<u>-</u>	<u>88,292,832</u>
Net increase (decrease) in net assets held in trust for participants	(63,840,490)	154,595,380	54,757	90,809,647
<b>Net assets held in trust for participants:</b>				
Beginning of year	<u>375,985,312</u>	<u>508,709,545</u>	<u>-</u>	<u>884,694,857</u>
End of year	<u>\$ 312,144,822</u>	<u>\$ 663,304,925</u>	<u>\$ 54,757</u>	<u>\$ 975,504,504</u>

The accompanying notes are an integral part of this statement.

# Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2011

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## NOTE A - NATURE OF OPERATIONS

The Illinois Metropolitan Investment Fund (IMET) is an actively managed investment fund for Illinois units of local government, municipal treasurers, finance directors and for other official custodians of public funds. IMET offers two investment options, the 1-3 Year Series and the Convenience Series. IMET's 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 Convenience Series provides a short-term investment option with total liquidity that operates much like a money market account.

IMET is governed by a Board of Trustees comprised of eight Illinois public officials representing the Fund's investors. The Board meets monthly to review goals, objectives, and the direction of the Fund. Participants also benefit from IMET's standing committees, which include Audit, New Products, and Vendor Selection. IMET's committees consist of Trustees as well as at-large participants.

The authority for the creation and continued existence of the Fund comes from the Illinois Municipal Code, the Intergovernmental Cooperation Act of the State of Illinois, and the Debt Reform Act as amended which provides that each official custodian of a governmental unit may jointly invest with other official custodians of other governmental units the funds of the respective governmental unit.

## 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.

### 2. Basis of Accounting

The IMET 1-3 Year Series, Convenience Series, and Administration Fund operate as enterprise funds, which report on the accrual basis of accounting.

# Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2011

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

### 3. Cash and Short-Term Investments

At September 30, 2011, the IMET 1-3 Year Series had a balance in cash and short-term investments of \$1,335,368, which was invested in a money market fund. The balance is included in the net asset value (NAV) of the IMET 1-3 Year Series, but has not been assigned participant units. The September 30, 2011, NAV of the IMET 1-3 Year Series was \$19.032. If participant units were assigned, the NAV of the 1-3 Year Series would be \$18.951.

### 4. Security Valuation

Investments of the IMET 1-3 Year Series are reported at fair value based on market quotations obtained from a third-party provider. If there were securities for which quotations were not available, they would be stated at fair value as determined by the Board of Trustees. Currently there are none.

The IMET Convenience Series' investments are reported at cost, which approximates fair value based on the nature of the investment.

### 5. 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.

### 6. Subscriptions and Redemptions

Participants may subscribe to either of the funds on any business day. Purchase instructions received by IMET before 12:00 noon central time are credited to accounts at the net asset value as of the close of business that day. Participants may redeem shares of the IMET 1-3 Year Series with five days' notice at the net asset value as of the close of business on the third business day following the day of notification. Participants may redeem from the IMET Convenience Series with same day or next day notice at the current value as of the day of redemption. Redemptions from the IMET Convenience Series that are requested by 12:00 noon central time will be completed on the same day.

### 7. Use of Estimates

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

# Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2011

## NOTE C - DEPOSITS AND INVESTMENTS

### 1. Deposits

At September 30, 2011, the deposits of the IMET 1-3 Year Series, Convenience Series, and Administration Fund had the following bank balances and carrying amounts. These deposits are insured, registered, or collateralized by securities recorded in IMET's name and held by IMET's agent.

<u>Fund</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>
IMET 1-3 Year Series	\$ 1,335,752	\$ 1,335,368
IMET Convenience Series	663,322,051	663,322,051
IMET Administration Fund	129,644	120,033
	<u>\$ 664,787,447</u>	<u>\$ 664,777,452</u>

The following table presents a summarization of the cash and short-term investments in the IMET Convenience Series at September 30, 2011.

	<u>Fair Value</u>
Interest-bearing bank accounts	\$ 540,316,563
Certificates of deposit	<u>123,005,488</u>
Total cash and short-term investments	<u>\$ 663,322,051</u>

All cash and short-term investments in the IMET Convenience Series are either collateralized, or insured by the Federal Deposit Insurance Corporation, in accordance with IMET's investment policy.

### 2. Investments

The following table presents a summarization of the fair values and duration of the IMET 1-3 Year Series investments at September 30, 2011.

	<u>Fair Value</u>	<u>Duration (in years)</u>
U.S. Treasury obligations	\$ 225,481,931	1.51
U.S. Government agency and agency-guaranteed obligations	81,233,757	1.29
Mortgage-backed securities	2,337,994	4.97
Money market mutual funds	<u>505,304</u>	-
Total investments	<u>\$ 309,558,986</u>	1.48

# Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2011

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## NOTE C - DEPOSITS AND INVESTMENTS (Continued)

### 2. Investments (Continued)

#### *Interest Rate Risk*

Through its investment policy, IMET manages its exposure to fair value losses of the IMET 1-3 Year Series arising from increasing interest rates by limiting the duration of its investment portfolio to within 25% of that of the Barclay's Capital 1-3 Year Government Bond Index, under normal conditions. The duration for total investments represents the weighted average of the durations for the respective categories of investments. The duration for the Barclay's Capital 1-3 Year Government Bond Fund was 1.85 years as of September 30, 2011.

#### *Credit Risk*

The investments in U.S. Treasury and agency and agency-guaranteed obligations carry the explicit guarantee of the United States Government. The investments in mortgage-backed securities are rated in the top rating category issued by nationally recognized rating organizations. The investment in the Fidelity Institutional Money Market is not subject to credit risk categorization.

#### *Concentration of Credit Risk*

IMET's investment policy for the IMET 1-3 Year Series does not restrict the allowable concentration of total assets invested in the securities of the United States Government, its agencies, or mortgage pass-through securities.

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

The total expenses, including consulting fees, for the IMET 1-3 Year Series were approximately 0.22% of the average daily net assets for the year ended September 30, 2011. The average daily net assets of the IMET 1-3 Year Series were approximately \$333.2 million for the year ended September 30, 2011. The contractually obligated expenses are described below.

### 1. Fund Management

IMET pays a management fee to JP Morgan Asset Management, which acts as the investment advisor.

In accordance with an agreement effective January 1, 2011, the management fee is calculated each day and paid monthly based upon the average daily net assets of the fund as follows:

# Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2011

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

### 1. Fund Management (Continued)

	<u>Fee Rate</u>
Average daily net assets:	
First \$350 million	0.10%
Next \$150 million	0.08%
Amount over \$500 million	0.06%

Effective November 1, 2006, IMET entered into an agreement with PMA Financial Network, Inc. to provide administrative services including fund accounting and transfer agent services. The fee associated with these services is calculated at an annual rate of 0.06% of the average daily net assets within the fund.

Also effective November 1, 2006, IMET entered into an agreement with Harris, N.A. to provide custody services. The fee associated with these services is calculated at an annual rate of 0.01% of the average daily net assets within the fund.

For the year ended September 30, 2011, the IMET 1-3 Year Series incurred expenses of \$339,620 for services provided by JP Morgan Asset Management, \$200,956 for services provided by PMA Financial Network, Inc., and \$33,493 for services provided by Harris, N.A.

### 2. Consultant

The DuPage Mayors and Managers Conference, Northwest Municipal Conference, South Suburban Mayors and Managers Association, West Central Municipal Conference, 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 IMET 1-3 Year Series' average daily net assets 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. For fiscal year 2011, the IMET 1-3 Year Series' return exceeded the average 90-day Treasury bill rate. Accordingly, IMET incurred consulting fees expense of \$66,643 for the year ended September 30, 2011, of which \$16,661 and \$49,982 was charged to management and administrative services expense in the IMET 1-3 Year Series and IMET Administration Fund, respectively.

# Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2011

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

### 3. Administrative Expenses

In accordance with the various agreements, the IMET 1-3 Year Series calculates a daily accrual, at a rate of 0.105%, applied to the Series' net assets. The amounts accrued are deposited monthly in a money market fund and are withdrawn as needed to cover actual administrative expenses incurred to operate and market the IMET 1-3 Year Series, including the cost of the Executive Director and staff of IMET. To the extent that the accrued amounts exceed the actual expenses in any period, IMET may use these amounts to pay future expenses. The amount incurred in fiscal year 2011 totaled \$351,673. Of that amount, \$98,745 was eliminated within the IMET 1-3 Year Series because operations activity was accounted for within the Series through December 31, 2011.

Fund management, consultant, and administrative expenses are included in management and administrative services expense on the combining statement of changes in net assets.

## NOTE E - FUND EXPENSES - IMET CONVENIENCE SERIES

The total expenses, including consulting fees, for the IMET Convenience Series, were approximately 0.16% of the average daily net assets for the year ended September 30, 2011. The average daily net assets of the IMET Convenience Series were approximately \$517.7 million for the year ended September 30, 2011. The contractually obligated expenses are described below.

### 1. Fund Management

Effective November 1, 2006, IMET entered into an agreement with PMA Financial Network, Inc. to provide administrative services including fund accounting and transfer agent services. The fee associated with these services is calculated at an annual rate of 0.06% of the average daily net assets within the Fund.

For the year ended September 30, 2011, the IMET Convenience Series incurred expenses of \$312,820 for services provided by PMA Financial Network, Inc.

### 2. Administrative Expenses

In accordance with the various operating agreements, the IMET Convenience Series calculates a daily accrual, at rates ranging from 0.04% to 0.19%, applied to various portions of the Series' net assets. The amounts accrued are deposited monthly in a separate money market fund and are withdrawn as needed to cover actual administrative expenses incurred to operate and market the IMET Convenience Series, including the cost of the Executive Director and staff of IMET. To the extent that the accrued amounts exceed the actual expenses in any period, IMET may use these amounts to pay future expenses. The amount incurred in fiscal year 2011 totaled \$514,739.

# Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2011

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

Fund management and administrative expenses are included in management and administrative services expense on the Combining Statement of Changes in Net Assets.

## NOTE F - UNIT TRANSACTIONS

A summary of participants' unit transactions for the year ended September 30, 2011 is as follows:

	<u>IMET 1 - 3 Year Series</u>	<u>IMET Convenience Series</u>
Unit transactions:		
Issued	2,750,350	737,235,175
Distributions reinvested	-	1,544,472
Redeemed	<u>(6,260,573)</u>	<u>(584,184,267)</u>
Change in units	(3,510,223)	154,595,380
Unit outstanding:		
Beginning of year	<u>19,910,917</u>	<u>508,709,545</u>
End of year	<u><u>16,400,694</u></u>	<u><u>663,304,925</u></u>

## NOTE G - RETIREMENT FUND COMMITMENTS - ILLINOIS MUNICIPAL RETIREMENT FUND

*Plan Description* IMET's defined benefit pension plan provides retirement and disability benefits, postretirement increases, and death benefits to plan members and beneficiaries. IMET's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

*Funding Policy* As set by statute, plan members are required to contribute 4.5% of their annual covered salary. The statute requires IMET to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. IMET's annual required contribution rate for calendar year 2010 was 11.11%; however, it contributed at a rate of 9.36% of annual covered payroll. IMET's annual required contribution rate and actual rate of contribution for calendar year 2011 is 13.31%. 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

## Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2011

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### NOTE G - RETIREMENT FUND COMMITMENTS - ILLINOIS MUNICIPAL RETIREMENT FUND

(Continued)

*Fiscal IMRF Pension Cost and Net IMRF Pension Obligation* IMET's annual IMRF pension cost is calculated based on the annual required contribution (ARC) of the employer. The following table shows the components of IMET's annual IMRF pension cost for the fiscal year, the amount actually contributed to the plan for the fiscal year, and changes in IMET's net IMRF pension obligation as of September 30, 2011.

	<u>September 30, 2011</u>
Annual Required Contribution (ARC)	\$ 26,243
Interest on net IMRF pension obligation	185
Adjustment to annual required contribution	<u>(295)</u>
Annual IMRF cost	26,133
Contributions made	<u>(25,311)</u>
Increase in IMRF pension obligation	822
Net IMRF pension obligation at October 1, 2010	<u>2,465</u>
Net IMRF pension obligation at September 30, 2011	<u><u>\$ 3,287</u></u>

*Annual Pension Cost* For calendar year ended December 31, 2010, IMET's actual contributions for pension cost were \$18,168. The required contribution for 2010 was \$21,565. The required contribution for 2010 was determined as part of the December 31, 2008 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008 included: (a) a 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) postretirement benefit increases of 3% annually. The actuarial value of plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The plan's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 30 year basis.

# Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2011

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## NOTE G - RETIREMENT FUND COMMITMENTS - ILLINOIS MUNICIPAL RETIREMENT FUND

(Continued)

### Trend Information

<u>Calendar Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/2010	\$ 21,565	84%	\$ 3,397 *
12/31/2009	13,946	100%	-
12/31/2008	23,654	100%	-

\* The net pension obligation was \$3,287 as of September 30, 2011.

*Funded Status and Funding Policy* As of December 31, 2010, the most recent actuarial valuation date, the plan was 73.31% funded. The actuarial accrued liability for benefits was \$353,158 and the actuarial value of assets was \$258,903, resulting in an underfunded actuarial accrued liability (UAAL) of \$94,255. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$194,107 and the ratio of the UAAL to the covered payroll was 49%.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

## NOTE H - SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 4, 2012, the date that these financial statements were available to be issued. Management has determined that no events or transactions have occurred subsequent to the date of the combining statement of net assets that require disclosure in the financial statements, other than the following.

On December 30, 2011, the balance of cash and short-term investments in the IMET 1-3 Year Series, of \$1,335,368, was transferred to the IMET Administration Fund in order to complete the formal establishment of that Fund. This balance represents an accumulation of administrative fee revenues paid to IMET over the course of several years by the IMET 1-3 Year Series and the IMET Convenience Series, to support IMET's administrative operations.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Illinois Metropolitan Investment Fund**  
 Required Supplementary Information - Schedule of Funding Progress  
 Illinois Municipal Retirement Fund  
September 30, 2011

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Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(2) - (1) Unfunded AAL (UAAL)	(1) / (2) Funded Ratio	(3) Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/3)
12/31/2010	\$ 258,903	\$ 353,158	\$ 94,255	73.31%	\$ 194,107	48.56%
12/31/2009	222,470	301,506	79,036	73.79%	163,880	48.23%
12/31/2008	197,559	222,554	24,995	88.77%	113,288	22.06%

On a market value basis, the actuarial value of assets as of December 31, 2010 was \$269,584. On a market value basis, the funded ratio would be 76.34%.

**OTHER SUPPLEMENTARY INFORMATION**

**Illinois Metropolitan Investment Fund**  
Schedule of Administrative Operations - Budget and Actual  
Year Ended September 30, 2011

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Additions from operations</b>			
1-3 Year Fund income	\$ 291,036	\$ 351,673	\$ 60,637
Convenience Fund income	449,178	514,739	65,561
Dividend income	4,026	5,211	1,185
Miscellaneous revenue	-	166	166
Total additions from operations	<u>744,240</u>	<u>871,789</u>	<u>127,549</u>
<b>Deductions from operations</b>			
<b>Payroll</b>			
Pension expense	24,464	28,597	(4,133)
Salary expense	198,530	199,293	(763)
Benefit expense	24,200	20,771	3,429
Tax	14,194	15,502	(1,308)
Total payroll	<u>261,388</u>	<u>264,163</u>	<u>(2,775)</u>
<b>Administrative</b>			
Accounting services	6,325	6,278	47
Administrative assistance	15,000	18,229	(3,229)
Asset monitoring	15,600	15,000	600
Audit expense	21,000	22,000	(1,000)
COG repayment	68,415	66,643	1,772
Conferences	15,600	8,490	7,110
Consulting fee - third fund	7,500	5,000	2,500
Dues & publications	11,470	10,274	1,196
Fund rating	38,000	18,000	20,000
Insurance	54,000	51,841	2,159
Legal services	30,000	37,882	(7,882)
Legislative consulting	6,000	6,000	-
Marketing	45,320	30,399	14,921
Office expense	19,400	20,261	(861)
IT security review	-	5,000	(5,000)
Participant outing	31,250	15,703	15,547
Rent expense	5,500	7,792	(2,292)
Travel	12,000	7,223	4,777
Web site maintenance	10,650	359	10,291
Other	-	3,665	(3,665)
Total administrative	<u>413,030</u>	<u>356,039</u>	<u>56,991</u>
Total deductions from operations	<u>674,418</u>	<u>620,202</u>	<u>54,216</u>
Net additions from operations	<u>\$ 69,822</u>	<u>\$ 251,587</u>	<u>\$ 181,765</u>

Note: The schedule above represents the internal operations of the Illinois Metropolitan Investment Fund for the fiscal year ended September 30, 2011. As described in Note A to the financial statements, the IMET Administration Fund was established on January 1, 2011 to account for IMET's internal operations. Prior to the creation of the Fund, all operations activity was accounted for within the IMET 1-3 Year Series, and certain internal activity was eliminated. As such, the schedule above does not articulate to the combining statement of changes in net assets.

**INVESTMENT SECTION (Unaudited)**

# Illinois Metropolitan Investment Fund

Report on Investment Activity

September 30, 2011

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## Description of the Fund

The Illinois Metropolitan Investment Fund (IMET) is a quasi-governmental investment fund created under the Illinois Municipal Code. IMET, which was formed on July 17, 1996, actively manages two investment funds for municipal treasurers, official custodians of municipal funds, and other public agencies in the state of Illinois. These funds are the IMET 1-3 Year Series and the IMET Convenience Series. IMET also offers arbitrage rebate calculation services for participants whose bond proceeds are subject to federal arbitrage restrictions.

The IMET 1-3 Year Series is designed as an investment vehicle for funds not required for immediate expenditure and which are available for investment in securities with average maturities and returns generally greater than those for money market instruments.

The objectives of the IMET 1-3 Year Series are to provide a high current yield while maintaining safety and liquidity and to offer participation in a diversified portfolio of high-quality fixed income instruments permitted for investment under the Public Funds Investment Act of the State of Illinois. The IMET 1-3 Year Series seeks to ensure the preservation of capital with the objective of obtaining an appropriate market rate of return in relation to the prevailing monetary environment as measured by the Barclay's Capital 1-3 year Government Bond Index.

The IMET Convenience Series was established on September 2, 2003 as an investment alternative exclusively for IMET participants. The IMET Convenience Series comprises a fully collateralized short-term money market instrument with same day or next day liquidity, and FDIC Insured certificates of deposit. It currently provides a return that is pegged to the federal funds target interest rate. It is intended for use as a short-term investment for funds that may or may not be needed for near-term disbursement.

The objective of the IMET Convenience Series is to provide a high current return while maintaining the safety and liquidity of public funds. The IMET Convenience Series serves as a companion vehicle to the IMET 1-3 Year Series and arbitrage rebate calculation service. It provides a money market vehicle for the convenient investment of bond proceeds, for the temporary investment of intermediate funds, and/or for cash management and liquidity purposes.

(Continued)

# Illinois Metropolitan Investment Fund

Report on Investment Activity (Continued)

September 30, 2011

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## Market Review

Even with the continued overhang of slack in the U.S. economy, economic momentum increased in the quarter ended December 31, 2010. Consumption and confidence trajectories were strong despite weak inflation and an increase in the unemployment rate in November. The persistently elevated level of labor market slack continues to be a defining feature of this economy and slow recovery process. Private non-farm payrolls only increased by 50,000 in November, after growing by 160,000 in October, and the unemployment rate increased to 9.8% from 9.6%. Reduced labor market mobility and skill mismatches are likely responsible for the median duration of unemployment remaining elevated. The Federal Reserve announced at the November Federal Open Market Committee (FOMC) meeting that it would purchase an additional \$600 billion in Treasury securities through the middle of 2011. Leading up to the Fed's announcement of Quantitative Easing II (QE2), yields fell and financial market prices rose. However, after these questions were answered, and fears around peripheral European sovereign debt dissipated, Treasury yields began to rise.

With favorable trajectories for inventories and consumer spending coming into 2011, expectations for first quarter growth hovered around 3.5% as optimism was high. Moreover, U.S. fiscal initiatives and the Federal Reserve's asset purchase program were seen as proactive to inflate risk asset prices and promote discretionary spending. On the labor front, the economy made slow and steady improvement in generating private payrolls. March nonfarm payrolls grew by 216,000, with increases in most sectors outside local government and construction. As the Federal Reserve reaffirmed their commitment to completing QE2 and economic news continued to produce the 'somewhat good news is better than bleak news' trend of the previous quarter, yields backed up along the curve. The steepening of the curve that began over the previous quarter continued as the longer end moved higher and the very short end of the curve was stagnant.

The second quarter of 2011 was characterized by a flight to quality as economic data reflected a soft patch in the global recovery and investor concerns heightened again around the finances of peripheral Europe. In particular, markets closely followed developments in Greece, as disagreements among European policy makers brought uncertainty regarding another bailout.

The Federal Reserve ended its \$600 billion Treasury asset purchase program on June 30, 2011. US economic data over the quarter largely disappointed, as employment data continued to drag and global manufacturing surveys pointed toward a slowdown in the recovery, which led economists to downgrade growth expectations.

The 1-3 Year Fund portfolio began the quarter with a shorter duration position, which was maintained throughout the quarter. This was a detractor to performance as rates fell across the curve during the quarter.

(Continued)

## **Illinois Metropolitan Investment Fund**

Report on Investment Activity (Continued)

September 30, 2011

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### Market Review (Continued)

During the third quarter of 2011, investors were on edge as uncertainty over prospects for global economic growth and worries over the inability of policymakers in the U.S. and Europe to tackle sovereign debt woes caused significant volatility in markets. Congress brought the country to the brink of default as both political parties only agreed to increase the debt limit at the last minute. However, this was not enough to keep S&P from downgrading the U.S. sovereign rating one notch, from AAA to AA+.

With U.S. fiscal policy set to tighten further and weigh on growth, markets turned to monetary policymakers to provide some relief. The Fed made important announcements at the August and September FOMC meetings, which were met by dissent. At the August meeting, the Fed explicitly stated that policy rates would be held “exceptionally low” through at least mid-2013. As weak economic data persisted, risk assets continued to sell off as Treasuries rallied. Then in September, the Fed announced “Operation Twist,” in an effort to “put downward pressure on longer-term interest rates and make broader financial conditions more accommodative.” By the end of June 2012, the Fed will purchase \$400 billion of Treasuries with maturities between 6 and 30 years and sell an equal amount of Treasuries with maturities of 3 years or less. The Fed went further, announcing it will reinvest principal payments from its agency debt and agency MBS holdings back into agency MBS in an effort to “support conditions in mortgage markets.”

Overall the 1-3 Year Fund portfolio duration remained slightly shorter than the benchmark, which was a detractor on the quarter as rates continued to rally throughout the quarter.

### Risk Profile

In the context of the broad fixed income market the 1-3 Year Fund portfolio has a low risk profile. Investors should remain aware that the 1-3 Year Fund does have risk to principal when interest rates increase (interest rate risk) and credit risk to the US government and related entities.

The Convenience Fund has a very low risk profile. The Convenience Fund portfolio is restricted to a maximum dollar weighted average maturity of 1 year or less, under normal conditions. The Convenience Fund will be managed as to maintain a stable \$1.00 share price, although there is no guarantee that it will do so. The Convenience Fund is currently invested entirely in bank obligations that are either FDIC Insured or collateralized at 110%.

(Concluded)

**Illinois Metropolitan Investment Fund**  
 Schedule of Investment Results - IMET 1-3 Year Series  
September 30, 2011

	<u>One Year *</u>	<u>Three Year *</u>	<u>Five Year *</u>
IMET 1-3 Year Series Net Return	0.79%	2.45%	3.63%
IMET 1-3 Year Series Gross Return**	1.07%	2.73%	3.91%
Barclays Capital 1-3 Year Government Bond Index	1.23%	2.74%	3.96%
Merrill Lynch 3-Month Treasury Bill Index	0.14%	0.22%	1.73%

\* Annualized return

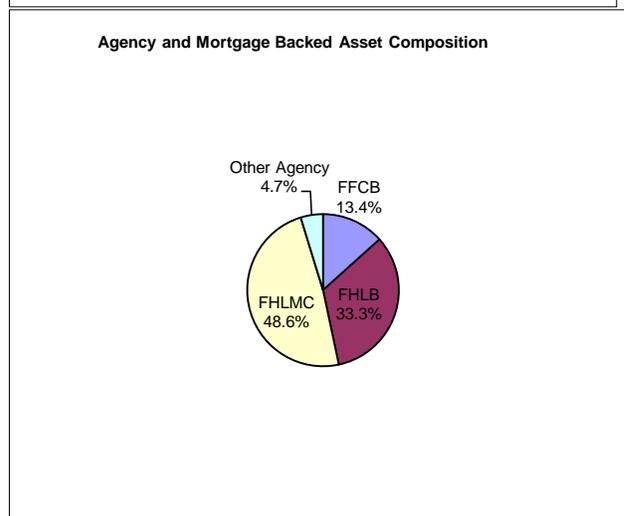
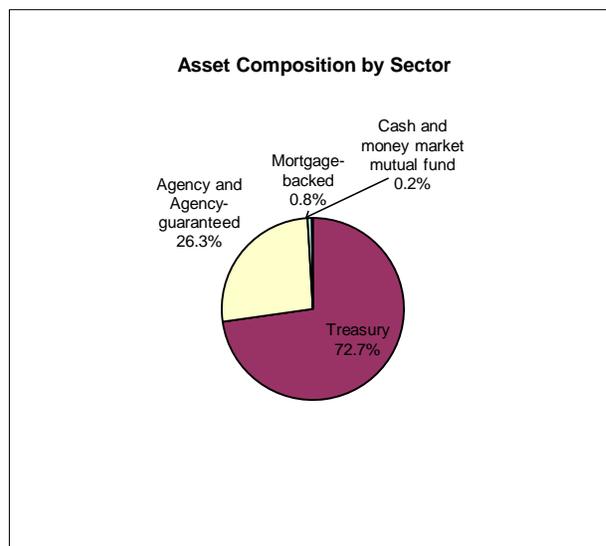
\*\* Returns exclude expenses of the fund

	<u>Fund Profile</u>	<u>Index Profile</u>
Gross yield to maturity	0.31%	0.35%
Duration	1.42 years	1.85 years
Average maturity	1.47 years	1.93 years

<u>Sectors</u>	<u>Fund Profile</u>	<u>Index Profile</u>
Treasury	72.5%	77.1%
Agency and Agency-guaranteed	26.1%	22.9%
Mortgage-backed	0.8%	-
Cash and money market mutual fund	0.6%	-

<u>Quality***</u>	<u>Fund Profile</u>	<u>Index Profile</u>
AAA	100%	93.2%
AA		6.8%

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



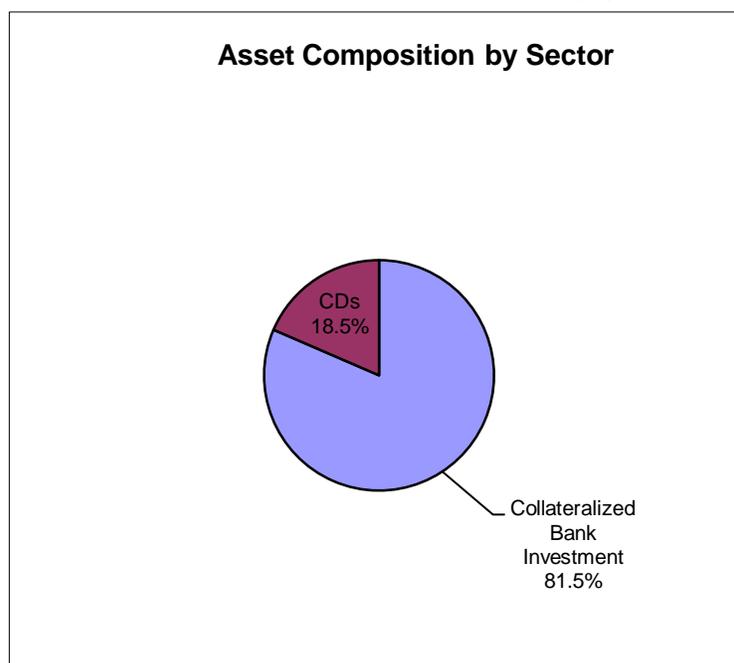
**Illinois Metropolitan Investment Fund**  
 Schedule of Investment Results - IMET Convenience Series  
September 30, 2011

	<u>One Year *</u>	<u>Three Year *</u>	<u>Five Year*</u>
IMET Convenience Series	0.31%	0.49%	1.96%
IL Funds Money Market Fund - Index	0.08%	0.21%	1.69%

\* Annualized return

	<u>Fund Profile</u>	<u>Index Profile</u>
Average maturity	28 days	38 days

<u>Sectors</u>	<u>Fund Profile</u>	<u>Index Profile</u>
Collateralized Bank Deposits	81.5%	-
Certificates of Deposit	18.5%	0.09%
Repurchase Agreements	-	32.18%
Money Market Funds	-	14.43%
Commercial Paper	-	32.60%
Agencies	-	16.16%
Treasuries	-	4.54%



## Illinois Metropolitan Investment Fund

### Schedule of Cash and Investments

IMET 1-3 Year Series

September 30, 2011

Units/ par value	Description	Rate	Maturity	Market value
U.S. Treasury Obligations: 72.5%				
\$ 5,000,000.00	U.S. Treasury Note	1.125%	1/15/2012	\$ 5,015,449
1,000,000.00	U.S. Treasury Strips	None	2/15/2012	999,800
1,000,000.00	U.S. Treasury Strips	None	2/15/2012	999,800
500,000.00	U.S. Treasury Strips	None	2/15/2012	499,900
3,710,000.00	U.S. Treasury Note	1.000%	3/31/2012	3,726,361
539,255.00	U.S. Treasury Inflation-Protected Security	2.000%	4/15/2012	544,184
2,000,000	U.S. Treasury Note	4.500%	4/30/2012	2,050,240
3,500,000	U.S. Treasury Note	1.375%	5/15/2012	3,526,530
5,000,000	U.S. Treasury Note	1.375%	5/15/2012	5,037,900
5,000,000	U.S. Treasury Note	1.375%	5/15/2012	5,037,900
1,500,000	U.S. Treasury Note	1.375%	5/15/2012	1,511,370
2,000,000	U.S. Treasury Note	1.875%	6/15/2012	2,024,060
200,000	U.S. Treasury Note	1.875%	6/15/2012	202,406
2,000,000	U.S. Treasury Note	1.875%	6/15/2012	2,024,060
2,000,000	U.S. Treasury Note	1.875%	6/15/2012	2,024,060
1,800,000	U.S. Treasury Note	1.875%	6/15/2012	1,821,654
2,000,000	U.S. Treasury Note	4.375%	8/15/2012	2,072,740
2,850,000	U.S. Treasury Note	1.750%	8/15/2012	2,888,732
5,000,000	U.S. Treasury Note	1.750%	8/15/2012	5,067,950
1,000,000	U.S. Treasury Note	0.000%	8/15/2012	998,680
500,000	U.S. Treasury Note	0.000%	8/15/2012	499,340
1,500,000	U.S. Treasury Note	1.375%	9/15/2012	1,516,815
3,000,000	U.S. Treasury Note	1.375%	9/15/2012	3,033,630
2,000,000	U.S. Treasury Note	1.375%	9/15/2012	2,022,420
6,300,000	U.S. Treasury Note	1.375%	9/15/2012	6,370,623
3,500,000	U.S. Treasury Note	1.375%	9/15/2012	3,539,235
2,000,000	U.S. Treasury Note	1.375%	9/15/2012	2,022,420
3,000,000	U.S. Treasury Note	1.375%	9/15/2012	3,033,630
1,690,000	U.S. Treasury Note	1.375%	10/15/2012	1,710,669
3,000,000	U.S. Treasury Note	1.375%	10/15/2012	3,036,690
1,000,000	U.S. Treasury Note	1.375%	11/15/2012	1,013,200
1,500,000	U.S. Treasury Note	1.375%	11/15/2012	1,519,800
2,500,000	U.S. Treasury Note	1.375%	11/15/2012	2,533,000
3,735,000	U.S. Treasury Note	1.375%	11/15/2012	3,784,302
1,265,000	U.S. Treasury Note	1.375%	11/15/2012	1,281,698
3,500,000	U.S. Treasury Note	1.125%	12/15/2012	3,538,570
3,000,000	U.S. Treasury Note	1.125%	12/15/2012	3,033,060
1,500,000	U.S. Treasury Note	1.125%	12/15/2012	1,516,530
2,000,000	U.S. Treasury Note	1.125%	12/15/2012	2,022,040
2,000,000	U.S. Treasury Note	1.125%	12/15/2012	2,022,040
3,000,000	U.S. Treasury Note	1.375%	1/15/2013	3,044,190
2,000,000	U.S. Treasury Note	1.375%	1/15/2013	2,029,460

(Continued)

## Illinois Metropolitan Investment Fund

Schedule of Cash and Investments (Continued)

IMET 1-3 Year Series

September 30, 2011

Units/ par value	Description	Rate	Maturity	Market value
U.S. Treasury Obligations (Continued)				
\$ 5,300,000	U.S. Treasury Note	1.375%	1/15/2013	\$ 5,378,069
3,000,000	U.S. Treasury Note	1.375%	1/15/2013	3,044,190
2,000,000	U.S. Treasury Note	1.375%	1/15/2013	2,029,460
5,350,000	U.S. Treasury Note	1.375%	2/15/2013	5,432,979
2,000,000	U.S. Treasury Note	1.375%	2/15/2013	2,031,020
900,000	U.S. Treasury Strips	None	2/15/2013	897,174
750,000	U.S. Treasury Strips	None	2/15/2013	747,645
3,350,000	U.S. Treasury Strips	None	2/15/2013	3,339,481
5,000,000	U.S. Treasury Note	1.375%	3/15/2013	5,082,050
3,000,000	U.S. Treasury Note	1.750%	4/15/2013	3,068,310
3,000,000	U.S. Treasury Note	1.750%	4/15/2013	3,068,310
6,000,000	U.S. Treasury Note	1.750%	4/15/2013	6,136,620
6,000,000	U.S. Treasury Note	1.375%	5/15/2013	6,106,620
2,000,000	U.S. Treasury Note	1.375%	5/15/2013	2,035,540
6,000,000	U.S. Treasury Note	1.125%	6/15/2013	6,086,460
4,000,000	U.S. Treasury Note	1.125%	6/15/2013	4,057,640
2,000,000	U.S. Treasury Note	1.125%	6/15/2013	2,028,820
5,000,000	U.S. Treasury Note	0.750%	9/15/2013	5,044,750
3,000,000	U.S. Treasury Note	0.500%	10/15/2013	3,011,730
3,000,000	U.S. Treasury Note	0.500%	10/15/2013	3,011,730
2,000,000	U.S. Treasury Note	2.000%	11/30/2013	2,072,040
2,000,000	U.S. Treasury Note	2.000%	11/30/2013	2,072,040
2,000,000	U.S. Treasury Note	1.000%	1/15/2014	2,029,840
2,000,000	U.S. Treasury Note	1.250%	2/15/2014	2,041,880
5,000,000	U.S. Treasury Note	1.250%	2/15/2014	5,104,700
1,000,000	U.S. Treasury Note	1.250%	2/15/2014	1,020,940
2,000,000	U.S. Treasury Strips	None	2/15/2014	1,982,680
2,000,000	U.S. Treasury Strips	None	2/15/2014	1,982,680
1,500,000	U.S. Treasury Note	1.875%	2/28/2014	1,553,910
3,000,000	U.S. Treasury Note	1.250%	3/15/2014	3,064,440
2,500,000	U.S. Treasury Note	1.750%	3/31/2014	2,585,350
5,000,000	U.S. Treasury Note	1.250%	4/15/2014	5,109,000
1,500,000	U.S. Treasury Note	0.750%	6/15/2014	1,514,535
3,000,000	U.S. Treasury Strips	None	8/15/2014	2,963,040
2,000,000	U.S. Treasury Note	2.375%	9/30/2014	2,115,160
6,000,000	U.S. Treasury Note	2.375%	10/31/2014	6,351,120
3,000,000	U.S. Treasury Note	2.375%	10/31/2014	3,175,560
2,000,000	U.S. Treasury Strips	None	11/15/2014	1,967,280
3,000,000	U.S. Treasury Strips	None	2/15/2015	2,940,000
				<u>225,481,931</u>

(Continued)

## Illinois Metropolitan Investment Fund

Schedule of Cash and Investments (Continued)

IMET 1-3 Year Series

September 30, 2011

Units/ par value	Description	Rate	Maturity	Market value
U.S. Government Agency and Agency-Guaranteed Obligations: 26.1%				
\$ 1,500,000	Citigroup Inc.	2.125%	4/30/2012	\$ 1,516,575
3,000,000	Citigroup Inc.	2.125%	4/30/2012	3,033,150
2,000,000	Citigroup Inc.	2.125%	7/12/2012	2,029,460
2,000,000	Citigroup Inc.	1.875%	11/15/2012	2,034,160
500,000	Federal Farm Credit Bank	3.875%	6/4/2012	512,045
300,000	Federal Farm Credit Bank	3.875%	6/4/2012	307,227
1,500,000	Federal Farm Credit Bank	3.875%	6/4/2012	1,536,135
1,850,000	Federal Farm Credit Bank	2.125%	6/18/2012	1,873,995
3,000,000	Federal Farm Credit Bank	1.875%	12/7/2012	3,054,240
1,150,000	Federal Home Loan Bank	4.750%	12/9/2011	1,159,545
1,060,000	Federal Home Loan Bank	4.750%	12/9/2011	1,068,798
2,500,000	Federal Home Loan Bank	1.125%	5/18/2012	2,513,400
2,190,000	Federal Home Loan Bank	1.625%	11/21/2012	2,222,543
2,000,000	Federal Home Loan Bank	1.625%	11/21/2012	2,029,720
2,000,000	Federal Home Loan Bank	1.750%	12/14/2012	2,032,960
2,350,000	Federal Home Loan Bank	2.625%	9/13/2013	2,450,063
3,000,000	Federal Home Loan Bank	0.875%	12/27/2013	3,026,100
1,000,000	Federal Home Loan Bank	0.875%	12/27/2013	1,008,700
700,000	Federal Home Loan Bank	3.470%	3/10/2014	749,518
2,000,000	Federal Home Loan Mortgage Corp.	1.350%	4/29/2014	2,039,920
2,000,000	Federal Home Loan Mortgage Corp.	5.000%	7/15/2014	2,248,820
2,000,000	Federal Home Loan Mortgage Corp.	1.000%	8/27/2014	2,021,820
2,000,000	Federal Home Loan Mortgage Corp.	1.000%	8/27/2014	2,021,820
2,000,000	Federal Home Loan Mortgage Corp.	0.500%	9/19/2014	1,991,020
2,600,000	Federal Home Loan Mortgage Corp.	0.750%	9/22/2014	2,607,228
2,800,000	Federal Home Loan Mortgage Corp.	4.625%	10/25/2012	2,929,108
2,000,000	Federal Home Loan Mortgage Corp.	4.500%	1/15/2013	2,106,680
2,000,000	Federal Home Loan Mortgage Corp.	3.500%	5/29/2013	2,103,480
2,000,000	Federal Home Loan Mortgage Corp.	4.500%	7/15/2013	2,147,020
2,000,000	Federal Home Loan Mortgage Corp.	4.125%	9/27/2013	2,146,660
3,000,000	New York Community Bank	3.000%	12/16/2011	3,018,030
1,107,000	Overseas Private Invest	4.050%	11/15/2014	1,133,524
2,000,000	Regions Bank	3.250%	12/9/2011	2,011,060
950,000	Sovereign Bancorp	2.500%	6/15/2012	964,041
2,400,000	Sovereign Bancorp	2.500%	6/15/2012	2,435,472
2,500,000	Tennessee Valley Authority	0.000%	2/15/2012	2,494,525
500,000	USAA Capital Corp	2.240%	3/30/2012	504,235

(Continued)

## Illinois Metropolitan Investment Fund

Schedule of Cash and Investments (Continued)

IMET 1-3 Year Series

September 30, 2011

Units/ par value	Description	Rate	Maturity	Market value
U.S. Government Agency and Agency-Guaranteed Obligations (Continued)				
\$ 3,000,000	USAA Capital Corp	2.240%	3/30/2012	\$ 3,025,410
1,500,000	General Electric Cap Corp	2.250%	3/12/2012	1,514,085
3,000,000	General Electric Cap Corp	2.200%	6/8/2012	3,040,890
2,500,000	General Electric Cap Corp	2.625%	12/28/2012	2,570,575
				<u>81,233,757</u>
Mortgage Backed Securities: 0.8%				
126,713	Federal Home Loan Mortgage Corp.	4.000%	11/1/2013	129,107
55,419	Federal Home Loan Mortgage Corp.	5.000%	4/1/2014	57,624
23,378	Federal Home Loan Mortgage Corp.	6.500%	7/1/2014	24,809
71,185	Federal Home Loan Mortgage Corp.	7.000%	12/1/2014	76,524
53,125	Federal Home Loan Mortgage Corp.	7.000%	3/1/2016	57,575
116,452	Federal Home Loan Mortgage Corp.	7.000%	9/1/2021	127,106
136,099	Federal Home Loan Mortgage Corp.	6.549%	12/1/2027	143,204
155,885	Federal Home Loan Mortgage Corp.	5.140%	1/1/2030	164,167
456,195	Federal Home Loan Mortgage Corp.	4.311%	12/1/2034	479,146
444,275	Federal Home Loan Mortgage Corp.	4.660%	3/1/2035	466,795
170,126	Federal Home Loan Mortgage Corp.	5.144%	1/1/2036	179,015
155,764	Federal Home Loan Mortgage Corp.	5.618%	5/1/2037	164,725
144,470	Federal Home Loan Mortgage Corp.	5.457%	7/1/2037	153,388
25,466	Government National Mortgage Assoc.	9.500%	12/15/2024	30,425
21,680	Government National Mortgage Assoc.	8.500%	5/20/2025	25,932
6,938	Government National Mortgage Assoc.	8.000%	11/20/2026	8,175
29,148	Government National Mortgage Assoc.	8.000%	11/20/2027	34,394
2,417	Government National Mortgage Assoc.	8.000%	3/20/2028	2,858
2,422	Government National Mortgage Assoc.	8.000%	8/20/2028	2,864
7,502	Government National Mortgage Assoc.	8.000%	9/20/2028	8,871
1,091	Government National Mortgage Assoc.	8.000%	11/20/2028	1,290
				<u>2,337,994</u>
Cash and Money Market Mutual Funds: 0.6%				
	Chase Bank	0.350%	None	1,335,368
	Fidelity Institutional Money Market	0.010%	None	505,304
				<u>1,840,672</u>
				<u>\$ 310,894,354</u>

(Concluded)

# Illinois Metropolitan Investment Fund

## Schedule of Cash and Short-Term Investments

### IMET Convenience Series

September 30, 2011

Institution	City and State	Amount	Maturity
Certificates of Deposit: 18.5%			
1st Enterprise Bank	Los Angeles, AC	\$ 243,500	12/1/2011
1st United Bank	Boca Raton, FL	17,908	12/1/2011
1st United Bank	Boca Raton, FL	47,769	12/8/2011
1st United Bank	Boca Raton, FL	100,000	12/22/2011
1st United Bank	Boca Raton, FL	72,822	5/31/2012
Access National Bank	Reston, VA	244,500	12/22/2011
ACNB Bank	Gettysburg, PA	238,500	5/31/2012
Adams Bank & Trust	Ogallala, NE	161,810	1/26/2012
Alarion Bank	Ocala, FL	246,000	11/25/2011
Alerus Financial, National Association	Grand Forks, ND	244,500	1/12/2012
Alpine Bank	Glenwood Springs, CO	71,000	12/1/2011
Alpine Bank	Glenwood Springs, CO	139,211	12/29/2011
Alpine Bank	Glenwood Springs, CO	33,289	1/12/2012
Alva State Bank & Trust Company	Alva, OK	66,859	12/22/2011
Amalgamated Bank	New York, NY	238,500	5/24/2012
Amarillo National Bank	Amarillo, TX	189,500	3/8/2012
Amarillo National Bank	Amarillo, TX	55,000	12/22/2011
American Bank	Bozeman, MT	224,400	12/1/2011
American Bank	Allentown, PA	122,975	5/17/2012
American Bank	Bozeman, MT	10,100	6/7/2012
American Federal Bank	Fargo, ND	246,000	11/25/2011
American National Bank	Wichita Falls, TX	244,500	1/12/2012
American National Bank	Omaha, NE	238,500	5/31/2012
American Savings Bank, FSB	Portsmouth, OH	238,500	5/31/2012
American Security Bank and Trust Company	Hendersonville, TN	238,500	5/24/2012
Anchor Bank, National Association	Saint Paul, MN	39,674	11/25/2011
Androscoggin Savings Bank	Lewiston, ME	238,500	5/31/2012
Apollo Trust Company	Apollo, PA	21,595	12/22/2011
Armstrong Bank	Muskogee, OK	64,500	1/5/2012
Armstrong Bank	Muskogee, OK	149,837	1/19/2012
Arvest Bank	Fayetteville, AR	71,056	12/1/2011
Arvest Bank	Fayetteville, AR	172,444	12/8/2011
Austin County State Bank	Bellville, TX	241,482	1/26/2012
AVB Bank	Broken Arrow, OK	246,000	11/25/2011
Banco Popular de Puerto Rico	Hato Rey, PR	244,500	1/12/2012
Banco Popular North America	New York, NY	244,500	12/22/2011
Bangor Savings Bank	Bangor, ME	164,000	11/25/2011

(Continued)

**Illinois Metropolitan Investment Fund**  
Schedule of Cash and Short-Term Investments (Continued)  
IMET Convenience Series  
September 30, 2011

Institution	City and State	Amount	Maturity
Certificates of Deposit (Continued)			
Bangor Savings Bank	Bangor, ME	\$ 82,000	1/26/2012
Bank 2	Oklahoma City, OK	238,500	5/31/2012
Bank FIRST	Winter Park, FL	238,500	5/17/2012
Bank First National	Manitowoc, WI	107,022	1/5/2012
Bank of American Fork	American Fork, UT	234,500	6/7/2012
Bank of Ann Arbor	Ann Arbor, MI	150,000	5/24/2012
Bank of Ann Arbor	Ann Arbor, MI	84,500	6/7/2012
Bank of Blue Valley	Overland Park, KS	234,500	6/7/2012
Bank of Clarke County	Berryville, VA	61,500	12/1/2011
Bank of Clarke County	Berryville, VA	121,742	12/8/2011
Bank of Colorado	Fort Collins, CO	244,500	12/22/2011
Bank of Georgetown	Washington, DC	243,500	12/1/2011
Bank of Houston	Houston, TX	238,500	5/31/2012
Bank of Jackson Hole	Jackson, WY	246,000	11/25/2011
Bank of Kansas	South Hutchinson, KS	238,500	5/17/2012
Bank of Marin	Novato, CA	246,000	6/14/2012
Bank of Milton	Milton, WI	238,500	5/31/2012
Bank of Montgomery	Montgomery, LA	238,500	5/24/2012
Bank of Nevada	Las Vegas, NV	238,500	5/24/2012
Bank of North Carolina	Thomasville, NC	238,500	5/31/2012
Bank of Oak Ridge	Oak Ridge, NC	246,000	6/14/2012
Bank of Ocean City	Ocean City, MD	238,500	5/24/2012
Bank of Prairie du Sac	Prairie du Sac, WI	246,000	11/25/2011
Bank of Sacramento	Sacramento, CA	171,982	12/22/2011
Bank of Sacramento	Sacramento, CA	72,518	1/26/2012
Bank of St. Augustine	St. Augustine, FL	51,200	1/12/2012
Bank of St. Augustine	St. Augustine, FL	100,000	5/31/2012
Bank of Star Valley	Afton, WY	54,000	1/26/2012
Bank of the Ozarks	Little Rock, AR	246,000	11/25/2011
Bank of the Pacific	Aberdeen, WA	202,294	5/17/2012
Bank of the San Juans	Durango, CO	246,000	6/14/2012
Bank of the Sierra	Porterville, CA	100,539	6/7/2012
Bank of Wisconsin Dells	Wisconsin Dells, WI	244,500	3/8/2012
Bank of Eastern Oregon	Heppner, OR	136,500	5/17/2012
BankAnnapolis	Annapolis, MD	246,000	12/8/2011
Banner Bank	Walla Walla, WA	246,000	11/25/2011
Banner County Bank, Inc.	Harrisburg, NE	246,000	6/14/2012

(Continued)

**Illinois Metropolitan Investment Fund**  
Schedule of Cash and Short-Term Investments (Continued)  
IMET Convenience Series  
September 30, 2011

Institution	City and State	Amount	Maturity
Certificates of Deposit (Continued)			
Bath Savings Institution	Bath, ME	\$ 211,775	12/22/2011
Bay Commercial Bank	Walnut Creek, CA	211,571	12/1/2011
Bay Commercial Bank	Walnut Creek, CA	31,929	12/8/2011
BB&T	Winston Salem, NC	59,640	12/1/2011
BB&T	Winston Salem, NC	60,360	5/31/2012
BB&T	Winston Salem, NC	114,500	6/7/2012
Belmont Bank & Trust Company	Chicago, IL	244,500	3/8/2012
Big Sky Western Bank	Bozeman, MT	31,316	12/8/2011
Big Sky Western Bank	Bozeman, MT	207,184	5/24/2012
BNC National Bank	Glendale, AZ	36,608	11/25/2011
BNC National Bank	Glendale, AZ	17,892	1/5/2012
BNC National Bank	Glendale, AZ	100,000	5/24/2012
BNC National Bank	Glendale, AZ	80,000	6/7/2012
Borrogo Springs Bank, N.A.	La Mesa, CA	234,500	6/7/2012
Boston Private Bank & Trust Company	Boston, MA	230,500	12/29/2011
Boston Private Bank & Trust Company	Boston, MA	10,000	6/14/2012
Brentwood Bank	Bethel Park, PA	234,500	6/7/2012
Bridge Bank, National Association	San Jose, CA	234,500	6/7/2012
Britton & Koontz Bank, N.A.	Natchez, MS	246,000	1/5/2012
Bryant Bank	Tuscaloosa, AL	244,500	12/29/2011
BTC Bank	Bethany, MO	244,500	1/12/2012
Burke & Herbert Bank & Trust Company	Alexandria, VA	238,500	5/31/2012
Business First Bank	Baton Rouge, LA	243,500	12/1/2011
Butte State Bank	Butte, NE	154,622	11/25/2011
California United Bank	Encino, CA	55,500	1/26/2012
Cape Bank	Cape May Court House, NJ	90,000	5/31/2012
Capital Bank of New Jersey	Vineland, NJ	246,000	6/14/2012
Capital Bank, National Association	Rockville, MD	20,000	11/25/2011
Capital Bank, National Association	Rockville, MD	100,112	5/24/2012
Capital One, NA	McLean, VA	244,500	12/22/2011
Capital Pacific Bank	Portland, OR	138,500	12/22/2011
Capital Pacific Bank	Portland, OR	100,000	5/24/2012
Capitol Bank	Madison, WI	246,000	11/25/2011
Capstone Bank	Raleigh, NC	244,500	1/12/2012
Cardinal Bank	McLean, VA	246,000	11/25/2011
Carolina Trust Bank	Lincolnton, NC	12,334	1/12/2012
Carolina Trust Bank	Lincolnton, NC	232,166	6/14/2012
Carrollton Bank	Baltimore, MD	244,500	12/22/2011

(Continued)

**Illinois Metropolitan Investment Fund**  
Schedule of Cash and Short-Term Investments (Continued)  
IMET Convenience Series  
September 30, 2011

Institution	City and State	Amount	Maturity
Certificates of Deposit (Continued)			
Carter County Bank of Elizabethton, TN	Elizabethton, TN	\$ 243,500	12/1/2011
Carver Federal Savings Bank	New York, NY	244,500	12/22/2011
CASS COMMERCIAL BANK	Bridgeton, MO	238,500	5/31/2012
Catskill Hudson Bank	Rick Hill, NY	244,500	12/29/2011
CBC National Bank	Fernandina Beach, FL	238,500	5/24/2012
Centennial Bank	Conway, AR	244,500	3/8/2012
Central Bank and Trust Company	Hutchinson, KS	238,500	5/31/2012
Central Bank of Kansas City	Kansas City, MO	238,500	5/31/2012
Central Bank of Lake of the Ozarks	Osage Beach, MO	238,500	5/31/2012
Central National Bank & Trust Co of Enid	Enid, OK	76,071	12/22/2011
Central Savings Bank	Sault Ste. Marie, MI	238,500	5/24/2012
Central Valley Community Bank	Fresno, CA	52,498	12/22/2011
Central Valley Community Bank	Fresno, CA	192,002	1/26/2012
Centrix Bank & Trust	Bedford, NH	238,500	5/31/2012
Century Bank and Trust Company	Somerville, MA	244,500	12/22/2011
Century Bank of Oklahoma	Pryor, OK	160,195	11/25/2011
Chambers Bank	Danville, AR	135,379	1/5/2012
Chambers Bank	Danville, AR	103,121	5/24/2012
Chemical Bank	Midland, MI	234,500	6/7/2012
Chemung Canal Trust Company	Elmira, NY	209,088	12/1/2011
Chesapeake Bank	Kilmarnock, VA	211,500	12/1/2011
Chesapeake Bank	Kilmarnock, VA	32,000	6/14/2012
Chickasha Bank & Trust Company	Chickasha, OK	246,000	6/14/2012
Choice Bank	Oshkosh, WI	238,500	5/24/2012
ChoiceOne Bank	Sparta, MI	82,312	12/8/2011
Circle Bank	Novato, CA	100,000	1/5/2012
Citizens Bank	Elizabethton, TN	234,500	6/7/2012
Citizens' Bank & Trust Co.	Van Buren, AR	244,500	12/29/2011
Citizens Bank of Florida	Oviedo, FL	234,500	6/7/2012
Citizens Bank of Oklahoma	Pawhuska, OK	224,005	12/1/2011
Citizens Bank of Oklahoma	Pawhuska, OK	19,495	1/12/2012
Citizens Business Bank	Ontario, CA	238,500	5/24/2012
Citizens Community Bank	Pocatello, ID	238,500	5/24/2012
Citizens National Bank of Texas	Waxahachie, TX	173,817	6/7/2012
Citizens Savings Bank and Trust Company	Nashville, TN	234,500	6/7/2012
Citizens Security Bank & Trust Company	Bixby, OK	234,500	6/7/2012
Citizens State Bank	Jasper, TN	246,000	1/26/2012

(Continued)

**Illinois Metropolitan Investment Fund**  
Schedule of Cash and Short-Term Investments (Continued)  
IMET Convenience Series  
September 30, 2011

Institution	City and State	Amount	Maturity
Certificates of Deposit (Continued)			
Citizens Tri-County Bank	Dunlap, TN	\$ 213,500	1/5/2012
Citizens Tri-County Bank	Dunlap, TN	25,000	5/31/2012
City Bank New Mexico	Ruidoso, NM	246,000	12/8/2011
City National Bank	Beverly Hills, CA	238,500	5/24/2012
Citywide Banks	Aurora, CO	238,500	5/24/2012
Claremont Savings Bank	Claremont, NH	30,500	5/17/2012
Claremont Savings Bank	Claremont, NH	159,000	6/7/2012
Clatsop Community Bank	Seaside, OR	159,489	11/25/2011
Clover Community Bank	Clover, SC	166,473	1/12/2012
Clover Community Bank	Clover, SC	29,406	1/26/2012
CNB	Centreville, MD	244,500	1/12/2012
CNB Bank & Trust, N.A.	Carlinville, IL	222,922	3/8/2012
CoastalStates Bank	Hilton Head Island, SC	200,000	5/17/2012
Colony Bank	Fitzgerald, GA	244,500	3/8/2012
Columbia State Bank	Tacoma, WA	11,500	12/22/2011
Commencement Bank	Tacoma, WA	100,000	5/24/2012
Commerce National Bank & Trust	Winter Park, FL	52,000	5/31/2012
CommerceFirst Bank	Annapolis, MD	28,377	5/17/2012
Community Bank	Pasadena, CA	238,500	5/24/2012
Community Bank of Florida, Inc.	Homestead, FL	243,500	12/1/2011
Community Bank of the Bay	Oakland, CA	207,420	1/5/2012
Community Bank of the Bay	Oakland, CA	31,080	5/24/2012
Community Bank of Tri-County	Waldorf, MD	132,862	11/25/2011
Community Bank of Tri-County	Waldorf, MD	105,638	5/24/2012
Community Bank, Coast	Biloxi, MS	225,000	5/31/2012
Community Bank, Destin	Miramar Beach, FL	170,388	11/25/2011
Community Bank, Destin	Miramar Beach, FL	59,905	1/12/2012
Community Bank, Destin	Miramar Beach, FL	14,207	1/26/2012
Community First Bank	Boscobel, WI	246,000	1/5/2012
Community Mutual Savings Bank	Mount Vernon, NY	244,500	1/12/2012
Community National Bank	Great Neck, NY	246,000	11/25/2011
Community National Bank	Monett, MO	95,000	1/5/2012
Cornerstone Bank	Eureka Springs, AR	66,500	5/31/2012
Cornerstone Bank	Eureka Springs, AR	168,000	6/7/2012
Coronado First Bank	Coronado, CA	234,500	6/7/2012
County First Bank	La Plata, MD	238,500	5/31/2012
Covenant Bank	Clarksdale, MS	154,500	12/1/2011
Crescent State Bank	Cary, NC	246,000	12/8/2011

(Continued)

**Illinois Metropolitan Investment Fund**  
Schedule of Cash and Short-Term Investments (Continued)  
IMET Convenience Series  
September 30, 2011

Institution	City and State	Amount	Maturity
Certificates of Deposit (Continued)			
Cross Keys Bank	St. Joseph, LA	\$ 238,500	5/24/2012
Dairy State Bank	Rice Lake, WI	144,498	1/5/2012
Decatur County Bank	Decaturville, TN	20,000	12/29/2011
Decatur State Bank	Decatur, AR	244,500	1/12/2012
Decorah Bank & Trust Company	Decorah, IA	238,500	5/24/2012
Desoto County Bank	Horn Lake, MS	246,000	11/25/2011
East West Bank	Pasadena, CA	181,076	12/22/2011
East West Bank	Pasadena, CA	57,424	5/24/2012
Elk State Bank	Clyde, KS	102,500	11/25/2011
Empire National Bank	Islandia, NY	110,697	6/7/2012
Emprise Bank	Wichita, KS	187,000	12/22/2011
Enterprise Bank	Houston, TX	244,500	1/12/2012
Enterprise Bank and Trust Company	Lowell, MA	238,500	5/24/2012
Enterprise Bank of Florida	North Palm Beach, FL	246,000	1/26/2012
Esquire Bank	Brooklyn, NY	246,000	1/5/2012
EverBank	Jacksonville, FL	27,484	11/25/2011
EverBank	Jacksonville, FL	216,016	12/1/2011
Evergreen Bank Group	Oak Brook, IL	234,500	6/7/2012
F&M Bank	Clarksville, TN	243,500	12/1/2011
F&M Bank and Trust Company	Hannibal, MO	41,500	12/1/2011
F&M Bank and Trust Company	Hannibal, MO	97,000	5/31/2012
Fairfield County Bank	Ridgefield, CT	244,500	12/22/2011
Falcon International Bank	Laredo, TX	238,500	5/31/2012
Farm Bureau Bank FSB	Sparks, NV	234,500	6/7/2012
Farmers & Merchants Bank	Timberville, VA	244,500	12/22/2011
Farmers & Merchants Bank of Central CA	Lodi, CA	246,000	12/8/2011
Farmers & Merchants Bank of Colby	Colby, KS	238,500	5/31/2012
Farmers and Merchants Bank	Piedmont, AL	246,000	11/25/2011
Farmers and Merchants State Bank	Langdon, ND	238,500	5/17/2012
Farmers' and Traders' State Bank	Shabbona, IL	244,500	1/12/2012
Farmers Bank & Trust Company	Magnolia, AR	246,000	11/25/2011
First Bank	Strasburg, VA	160,000	12/1/2011
First Bank	Lexington, TN	159,445	1/26/2012
First Bank	Tomah, WI	234,234	5/17/2012
First Bank	Strasburg, VA	74,500	6/7/2012
First Bank & Trust Company	Wagoner, OK	246,000	11/25/2011
First Bank & Trust Company	Lubbock, TX	81,758	12/8/2011

(Continued)

**Illinois Metropolitan Investment Fund**  
Schedule of Cash and Short-Term Investments (Continued)  
IMET Convenience Series  
September 30, 2011

Institution	City and State	Amount	Maturity
Certificates of Deposit (Continued)			
First Bank & Trust Company	Perry, OK	\$ 246,000	1/5/2012
First Bank & Trust Company	Lubbock, TX	115,920	5/17/2012
First Bank Blue Earth	Blue Earth, MN	246,000	1/5/2012
First Bank of Charleston, Inc.	Charleston, WV	244,500	12/29/2011
First Bank of Georgia	Augusta , GA	244,500	12/22/2011
First Bankers Trust Company, N.A.	Quincy, IL	175,000	1/12/2012
First Century Bank, N.A.	Bluefield, WV	71,500	1/26/2012
First Century Bank, N.A.	Bluefield, WV	163,000	6/7/2012
First Citizens National Bank	Mason City, IA	244,500	1/12/2012
First Clover Leaf Bank, FSB	Edwardsville, IL	37,395	5/31/2012
First Commercial Bank	Jackson, MS	27,000	6/7/2012
First Commonwealth Bank	Indiana, PA	238,500	5/31/2012
First Community Bank	Lees Summit, MO	246,000	11/25/2011
First Community Bank	Santa Rosa, CA	136,880	12/8/2011
First Community Bank	Glasgow, MT	100,300	1/5/2012
First Community Bank	Beemer, NE	90,000	1/12/2012
First Community Bank	Batesville, AR	68,500	5/24/2012
First Community Bank of Eastern Arkansas	Marion, AR	60,935	12/22/2011
First Community Bank of Eastern Arkansas	Marion, AR	183,565	1/19/2012
First Community Bank, NA	Bluefield, VA	226,700	6/14/2012
First Community National Bank	Cuba, MO	238,500	5/17/2012
First County Bank	Stamford, CT	244,500	1/12/2012
First Federal Bank of Florida	Lake City, FL	246,000	1/26/2012
First Federal Bank of the Midwest	Defiance, OH	144,699	1/12/2012
First Federal Bank of the Midwest	Defiance, OH	87,591	5/31/2012
First Federal Bank of the Midwest	Defiance, OH	6,210	6/14/2012
First Federal Savings and Loan Assoc	Charleston, SC	246,000	12/8/2011
First Fidelity Bank, NA	Oklahoma City, OK	216,000	6/7/2012
First Financial Bank	El Dorado, AR	243,500	12/1/2011
First Freedom Bank	Lebanon, TN	238,500	5/17/2012
First International Bank & Trust	Watford City, ND	244,500	1/12/2012
First Merchants Bank, NA	Muncie, IN	246,000	1/5/2012
First Midwest Bank of Poplar Bluff	Poplar Bluff, MO	109,983	5/24/2012
First Montana Bank	Libby, MT	204,029	5/17/2012
First Montana Bank, Inc.	Libby, MT	34,471	5/24/2012
First National Bank	Midwest City, OK	11,000	12/29/2011
First National Bank	North Platte, NE	98,000	6/7/2012

(Continued)

**Illinois Metropolitan Investment Fund**  
Schedule of Cash and Short-Term Investments (Continued)  
IMET Convenience Series  
September 30, 2011

Institution	City and State	Amount	Maturity
Certificates of Deposit (Continued)			
First National Bank of Oklahoma	Ponca City, OK	\$ 246,000	12/8/2011
First National Bank of Omaha	Omaha, NE	246,000	1/5/2012
First National Bank of St. Louis	Clayton, MO	238,500	5/31/2012
First National Bank South Dakota	Yankton, SD	173,360	5/17/2012
First National Bank Texas	Killeen, TX	246,000	1/5/2012
First NBC Bank	New Orleans, LA	5,000	12/1/2011
First NBC Bank	New Orleans, LA	238,500	12/22/2011
First Niagara Bank, National Association	Buffalo, NY	246,000	11/25/2011
First Northern Bank of Dixon	Dixon, CA	204,418	3/8/2012
First Place Bank	Warren, OH	238,500	5/31/2012
First Security Bank	Batesville, MS	238,500	5/24/2012
First Security Bank	Mackinaw, IL	238,500	5/24/2012
First Security Bank	Searcy, AR	238,500	5/24/2012
First Sentry Bank, Inc.	Huntington, WV	234,500	6/7/2012
First Service Bank	Greenbrier, AR	177	12/22/2011
First Service Bank	Greenbrier, AR	244,323	6/14/2012
First Southern Bank	Boca Raton, FL	175,000	5/24/2012
First State Bank	Union City, TN	243,500	12/1/2011
First State Bank	Russellville, AR	200,000	5/24/2012
First State Bank	Mendota, IL	234,500	6/7/2012
First State Bank of Illinois	La Harpe, IL	246,000	1/5/2012
First State Bank of Joplin	Joplin, MO	200,402	5/24/2012
First Tennessee Bank, NA	Memphis, TN	243,500	12/1/2011
First United Bank	Dimmitt, TX	238,500	5/24/2012
First United Bank & Trust	Oakland, MD	244,500	3/8/2012
First United Bank and Trust Company	Durant, OK	211,500	5/24/2012
First United Bank and Trust Company	Durant, OK	27,000	6/14/2012
First Western Trust Bank	Denver, CO	246,000	6/14/2012
First Westroads Bank, Inc.	Omaha, NE	246,000	1/26/2012
Firstbank	Mount Pleasant, MI	246,000	11/25/2011
FirstBank of Puerto Rico	Santurce, PR	100,310	12/22/2011
FirstCapital Bank of Texas, N.A.	Midland, TX	238,500	5/24/2012
First-Citizens Bank & Trust Company	Raleigh, NC	179,326	1/12/2012
Five Star Bank	Rocklin, CA	246,000	1/5/2012
Five Star Bank	Warsaw, NY	246,000	6/14/2012
Flagstar Bank, FSB	Troy, MI	238,500	5/24/2012
Flanagan State Bank	Flanagan, IL	244,500	1/12/2012

(Continued)

**Illinois Metropolitan Investment Fund**  
Schedule of Cash and Short-Term Investments (Continued)  
IMET Convenience Series  
September 30, 2011

Institution	City and State	Amount	Maturity
Certificates of Deposit (Continued)			
Florida Bank of Commerce	Orlando, FL	\$ 244,500	1/12/2012
Florida Shores Bank - Southwest	Venice, FL	201,022	6/7/2012
Florida Shores Bank - Southwest	Venice, FL	33,478	6/14/2012
Forward Financial Bank SSB	Marshfield, WI	175,000	5/31/2012
Freehold Savings Bank	Freehold, NJ	234,500	6/7/2012
Fremont Bank	Fremont, CA	217,500	12/22/2011
Fremont Bank	Fremont, CA	27,000	1/5/2012
Fresno First Bank	Fresno, CA	238,500	5/31/2012
Gateway State Bank	Clinton, IA	88,920	5/17/2012
Gateway State Bank	Clinton, IA	20,664	6/7/2012
GCF Bank	Sewell, NJ	238,500	5/17/2012
Genesee Regional Bank	Rochester, NY	246,000	1/5/2012
Geneva State Bank	Geneva, NE	212,750	5/31/2012
Georgia Bank & Trust Company of Augusta	Augusta, GA	244,500	12/29/2011
Gibraltar Private Bank & Trust Co.	Coral Gables, FL	36,500	3/8/2012
Gibraltar Private Bank & Trust Co.	Coral Gables, FL	198,000	6/7/2012
Glacier Bank	Kalispell, MT	238,500	5/24/2012
Gold Coast Bank	Chicago, IL	6,992	6/7/2012
Gorham Savings Bank	Gorham, ME	244,500	12/22/2011
Grandpoint Bank	Los Angeles, CA	246,000	1/5/2012
Great Midwest Bank, S.S.B.	Brookfield, WI	238,500	5/31/2012
Great Plains National Bank	Elk City, OK	36,500	11/25/2011
Great Southern Bank	Reeds Spring, MO	238,500	5/24/2012
Guaranty State Bank and Trust Company	Beloit, KS	80,500	1/12/2012
GulfShore Bank	Tampa, FL	234,500	6/7/2012
Gulfstream Business Bank	Stuart, FL	175,169	6/7/2012
Habib American Bank	New York, NY	37,857	12/29/2011
Hampshire First Bank	Manchester, NH	238,500	5/24/2012
Happy State Bank	Happy, TX	246,000	1/26/2012
Harford Bank	Aberdeen, MD	234,500	6/7/2012
Heartland Bank and Trust Company	Bloomington, IL	75,612	1/12/2012
Henderson State Bank	Henderson, NE	37,629	5/24/2012
Heritage Bank	Olympia, WA	234,500	6/7/2012
Heritage Bank of Commerce	San Jose, CA	200,000	6/7/2012
Heritage Bank of Nevada	Reno, NV	244,500	12/29/2011
Heritage Bank of the South	Albany, GA	163,631	1/5/2012
Heritage Bank, Inc.	Erlanger, KY	102,500	11/25/2011

(Continued)

**Illinois Metropolitan Investment Fund**  
Schedule of Cash and Short-Term Investments (Continued)  
IMET Convenience Series  
September 30, 2011

Institution	City and State	Amount	Maturity
Certificates of Deposit (Continued)			
High Point Bank and Trust Company	High Point, NC	\$ 244,500	12/29/2011
Hills Bank and Trust Company	Hills, IA	238,500	5/17/2012
Home Federal Bank	Sioux Falls, SD	100,000	5/24/2012
Home State Bank	Jefferson, IA	100,000	5/17/2012
Home State Bank	Jefferson, IA	100,000	5/24/2012
HomeTown Bank	Roanoke, VA	138,500	12/29/2011
HomeTown Bank	Roanoke, VA	100,000	5/24/2012
Hometown Bank of The Hudson Valley	Walden, NY	159,189	12/29/2011
Houston Community Bank, NA	Houston, TX	244,500	12/22/2011
Hyde Park Bank and Trust Company	Chicago, IL	238,500	5/31/2012
Iberiabank	Lafayette, LA	238,500	5/24/2012
Independent Bank	Mckinney, TX	147,293	11/25/2011
Independent Bank	Mckinney, TX	97,207	12/22/2011
InsBank	Nashville, TN	55,500	1/12/2012
Insight Bank	Columbus, OH	238,500	5/31/2012
InterBank	Oklahoma City, OK	238,500	5/24/2012
Intracoastal Bank	Palm Coast, FL	244,500	12/22/2011
Investors National Bank	Chillicothe, MO	246,000	11/25/2011
Inwood National Bank	Dallas, TX	246,000	6/14/2012
Isabella Bank	Mount Pleasant, MI	200,000	5/24/2012
John Marshall Bank	Alexandria, VA	244,500	12/29/2011
Jonestown Bk & Trust Co of Jonestown PA	Jonestown, PA	238,500	5/31/2012
Kansas State Bank of Manhattan	Manhattan, KS	31,809	11/25/2011
Kansas State Bank of Manhattan	Manhattan, KS	61,875	5/24/2012
Kansas State Bank of Manhattan	Manhattan, KS	144,816	5/31/2012
Kanza Bank	Kingman, KS	246,000	11/25/2011
Katahdin Trust Company	Patten, ME	92,106	11/25/2011
Kerndt Brothers Savings Bank	Lansing, IA	238,500	5/24/2012
KeySource Commercial Bank	Durham, NC	234,500	6/7/2012
Kirkpatrick Bank	Edmond, OK	156,902	12/29/2011
Kirkpatrick Bank	Edmond, OK	87,598	1/19/2012
Kishacoquillas Valley Natl Bk Belleville	Belleville, PA	204,233	6/7/2012
Lake City Bank	Warsaw, IN	244,500	1/12/2012
Lakeland Bank	Newfoundland, NJ	238,500	5/24/2012
Landmark Bank, National Association	Columbia, MO	241,394	11/25/2011
Lapeer County Bank & Trust Co.	Lapeer, MI	238,500	5/17/2012
Legends Bank	Clarksville, TN	2,500	12/1/2011

(Continued)

**Illinois Metropolitan Investment Fund**  
Schedule of Cash and Short-Term Investments (Continued)  
IMET Convenience Series  
September 30, 2011

Institution	City and State	Amount	Maturity
Certificates of Deposit (Continued)			
Liberty Bank	North Richland Hills, TX	\$ 238,500	5/31/2012
Liberty Bank and Trust Company	New Orleans, LA	244,500	12/22/2011
Liberty National Bank	Ada, OH	31,571	5/24/2012
Liberty National Bank	Ada, OH	202,929	6/7/2012
Lifestore Bank	West Jefferson, NC	19,377	1/5/2012
Lifestore Bank	West Jefferson, NC	226,623	6/14/2012
Lumbee Guaranty Bank	Pembroke, NC	246,000	1/5/2012
MainStreet Bank	Herndon, VA	238,500	5/24/2012
Malaga Bank F.S.B.	Palos Verdes Peninsula, CA	140,349	12/8/2011
Malaga Bank F.S.B.	Palos Verdes Peninsula, CA	104,151	12/29/2011
Marquette Bank	Chicago, IL	246,000	1/5/2012
Mascoma Savings Bank	Lebanon, NH	202,347	1/5/2012
Mascoma Savings Bank	Lebanon, NH	42,153	1/12/2012
McCook National Bank	Mccook, NE	25,314	5/31/2012
Mechanics & Farmers Bank	Durham, NC	243,500	12/1/2011
Mechanics Bank	Water Valley, MS	238,500	5/17/2012
Merchants & Marine Bank	Pascagoula, MS	244,500	3/8/2012
Merchants and Farmers Bank	Kosciusko, MS	238,500	5/31/2012
Merchants Bank, National Association	Winona, MN	243,500	12/1/2011
Meridian Bank	Paoli, PA	238,500	5/24/2012
Merrimack County Savings Bank	Concord, NH	244,500	1/12/2012
Metropolitan Bank	Crystal Springs, MS	73,500	1/5/2012
Metropolitan Bank	Crystal Springs, MS	165,000	5/24/2012
Metropolitan Capital Bank	Chicago, IL	15,404	5/24/2012
Mid Penn Bank	Millersburg, PA	246,000	1/26/2012
MidFirst Bank	Oklahoma City, OK	238,500	5/17/2012
MidWestOne Bank	Iowa City, IA	35,000	12/8/2011
MidWestOne Bank	Iowa City, IA	95,003	1/12/2012
Millennium Bank	Edwards, CO	143,296	3/8/2012
Millennium Bank	Edwards, CO	101,204	1/12/2012
Mission Community Bank	San Luis Obispo, CA	244,500	1/12/2012
Mission Valley Bank	Sun Valley, CA	238,500	5/24/2012
Missouri Bank & Trust Co of Kansas City	Kansas City, MO	244,500	1/12/2012
Modern Bank, National Association	New York, NY	246,000	11/25/2011
Monarch Bank	Chesapeake, VA	238,500	5/31/2012
Morris Bank	Dublin, GA	244,500	3/8/2012
Mountain Valley Community Bank	Cleveland, GA	238,500	5/31/2012

(Continued)

**Illinois Metropolitan Investment Fund**  
Schedule of Cash and Short-Term Investments (Continued)  
IMET Convenience Series  
September 30, 2011

Institution	City and State	Amount	Maturity
Certificates of Deposit (Continued)			
Mountain West Bank	Coeur D'Alene, ID	\$ 238,500	5/31/2012
Mutual of Omaha Bank	Omaha, NE	238,500	5/24/2012
NAFH National Bank	Miami, FL	243,500	12/1/2011
Nara Bank	Los Angeles, CA	246,000	12/8/2011
National Bank of St. Anne	St. Anne, IL	100,000	11/25/2011
National Bank of St. Anne	St. Anne, IL	38,500	1/5/2012
National Bank of St. Anne	St. Anne, IL	100,000	5/24/2012
National Penn Bank	Boyertown, PA	246,000	11/25/2011
Native American Bank, N.A.	Denver, CO	238,500	5/31/2012
NBC Oklahoma	Oklahoma City, OK	90,378	1/5/2012
NCB, FSB	Hillsboro, OH	125,000	12/22/2011
NCB, FSB	Hillsboro, OH	2,095	12/29/2011
NCB, FSB	Hillsboro, OH	117,405	1/26/2012
Nebraska State Bank and Trust Company	Broken Bow, NE	246,000	1/5/2012
New Peoples Bank, Inc.	Honaker, VA	246,000	12/8/2011
North State Bank	Raleigh, NC	238,500	5/31/2012
Northern Bank & Trust Company	Woburn, MA	238,500	5/24/2012
Northfield Bank	Staten Island, NY	244,500	12/22/2011
Northstar Bank of Texas	Denton, TX	30,000	11/25/2011
Northstar Bank of Texas	Denton, TX	186,690	12/8/2011
Northwest Savings Bank	Warren, PA	238,500	5/24/2012
Norway Savings Bank	Norway, ME	244,500	12/22/2011
Nuvo Bank & Trust Company	Springfield, MA	246,000	1/5/2012
OakStar Bank, National Association	Springfield, MO	246,000	11/25/2011
OBA Bank	Germantown, MD	246,000	1/26/2012
Ohnward Bank & Trust	Cascade, IA	50,000	5/24/2012
Old Line Bank	Bowie, MD	238,500	5/24/2012
ONB Bank and Trust Company	Tulsa, OK	244,500	12/22/2011
Orange County Trust Company	Middletown, NY	151,136	6/7/2012
Orange Savings Bank, SSB	Orange, TX	244,500	12/22/2011
Pacific Capital Bank, NA	Goleta, CA	33,499	12/22/2011
Pacific Capital Bank, NA	Goleta, CA	211,002	6/14/2012
Pacific Commerce Bank	Los Angeles, CA	246,000	12/8/2011
Pacific Western Bank	San Diego, CA	238,500	5/24/2012
Panhandle State Bank	Sandpoint, ID	154,566	1/5/2012
Panhandle State Bank	Sandpoint, ID	91,434	1/26/2012
Paradise Bank	Boca Raton, FL	63,872	12/22/2011

(Continued)

**Illinois Metropolitan Investment Fund**  
Schedule of Cash and Short-Term Investments (Continued)  
IMET Convenience Series  
September 30, 2011

Institution	City and State	Amount	Maturity
Certificates of Deposit (Continued)			
Penn Security Bank and Trust Company	Scranton, PA	\$ 17,715	5/24/2012
Penn Security Bank and Trust Company	Scranton, PA	220,785	5/31/2012
Peoples Bank	Newton, NC	246,000	12/8/2011
Peoples Bank	Berea, KY	246,000	1/26/2012
Peoples Bank	Mendenhall, MS	238,500	5/24/2012
Peoples State Bank	Prairie Du Chien, WI	238,500	5/24/2012
PeoplesBank, A Codorus Valley Company	Glen Rock, PA	198,000	1/5/2012
PeoplesBank, A Codorus Valley Company	Glen Rock, PA	46,500	1/12/2012
Phenix-Girard Bank	Phenix City, AL	244,500	12/22/2011
Pine Bluff National Bank	Pine Bluff, AR	227,714	1/5/2012
Pine Bluff National Bank	Pine Bluff, AR	18,286	1/26/2012
Pinnacle Bank	Gilroy, CA	204,970	3/8/2012
Pinnacle Bank	Gilroy, CA	39,530	12/22/2011
Pinnacle Bank	Elberton, GA	246,000	1/5/2012
Pinnacle Bank	Lincoln, NE	238,500	5/31/2012
Pinnacle Bank of South Carolina	Greenville, SC	117,584	12/1/2011
Pinnacle Bank of South Carolina	Greenville, SC	120,916	5/24/2012
Pinnacle National Bank	Nashville, TN	238,500	5/31/2012
Platte Valley State Bank & Trust Co.	Kearney, NE	238,500	5/24/2012
Port Byron State Bank	Port Byron, IL	6,960	1/5/2012
Port Byron State Bank	Port Byron, IL	32,420	5/24/2012
Post Oak Bank, N. A.	Houston, TX	246,000	11/25/2011
Premier Valley Bank	Fresno, CA	100,156	12/1/2011
Premier Valley Bank	Fresno, CA	143,344	12/22/2011
PriorityOne Bank	Magee, MS	151,971	12/1/2011
PriorityOne Bank	Magee, MS	86,529	5/24/2012
Progressive Savings Bank	Jamestown, TN	244,500	3/8/2012
Providence Bank	Rocky Mount, NC	234,500	6/7/2012
Providence Bank, LLC	South Holland, IL	141,000	1/5/2012
Puget Sound Bank	Bellevue, WA	110,059	12/1/2011
Puget Sound Bank	Bellevue, WA	133,442	12/22/2011
Quad City Bank and Trust Company	Bettendorf, IA	203,521	1/12/2012
Randolph Bank & Trust Company	Asheboro, NC	64,000	1/26/2012
Randolph Bank & Trust Company	Asheboro, NC	128,757	5/31/2012
Range Bank, National Association	Negaunee, MI	181,000	11/25/2011
RBC Bank (USA)	Raleigh, NC	50,000	12/22/2011
RBC Bank (USA)	Raleigh, NC	90,000	1/19/2012

(Continued)

**Illinois Metropolitan Investment Fund**  
Schedule of Cash and Short-Term Investments (Continued)  
IMET Convenience Series  
September 30, 2011

Institution	City and State	Amount	Maturity
Certificates of Deposit (Continued)			
RBC Bank (USA)	Raleigh, NC	\$ 40,000	1/26/2012
RBC Bank (USA)	Raleigh, NC	54,500	6/7/2012
Redding Bank of Commerce	Redding, CA	243,500	12/1/2011
Redwood Capital Bank	Eureka, CA	101,524	3/8/2012
Redwood Capital Bank	Eureka, CA	15,556	1/26/2012
Redwood Capital Bank	Eureka, CA	121,420	5/24/2012
Regent Bank	Davie, FL	63,500	11/25/2011
Regent Bank	Nowata, OK	244,500	1/19/2012
Regent Bank	Davie, FL	75,000	5/24/2012
Regent Bank	Greenville, SC	246,000	6/14/2012
Regents Bank, National Association	La Jolla, CA	244,500	1/12/2012
Regional Missouri Bank	Marceline, MO	134,638	11/25/2011
Regional Missouri Bank	Marceline, MO	103,862	5/17/2012
RelianzBank	Wichita, KS	243,500	12/1/2011
Republic Bank & Trust	Norman, OK	180,000	5/24/2012
Republic Bank & Trust Company	Louisville, KY	234,500	6/7/2012
Resource Bank	Covington, LA	246,000	1/26/2012
Rhinebeck Savings Bank	Rhinebeck, NY	246,000	6/14/2012
River City Bank	Sacramento, CA	234,500	6/7/2012
RiverHills Bank	New Richmond, OH	238,500	5/31/2012
Riverview Community Bank	Vancouver, WA	100,000	6/14/2012
Rock Branch Community Bank, Inc.	Nitro, WV	238,500	5/31/2012
Rockford Bank and Trust Company	Rockford, IL	74,754	1/12/2012
Rockland Trust Company	Rockland, MA	228,033	11/25/2011
S&T Bank	Indiana, PA	125,934	5/24/2012
Sabine State Bank and Trust Company	Many, LA	244,500	1/12/2012
Saco & Biddeford Savings Institution	Saco, ME	90,000	12/1/2011
Saco & Biddeford Savings Institution	Saco, ME	38,500	1/5/2012
Saco & Biddeford Savings Institution	Saco, ME	110,000	5/31/2012
Salisbury Bank and Trust Company	Lakeville, CT	150,000	1/5/2012
Santa Cruz County Bank	Santa Cruz, CA	211	11/25/2011
Savings Bank	Primghar, IA	238,500	5/24/2012
SCBT National Association	Orangeburg, SC	234,500	6/7/2012
Seacoast National Bank	Stuart, FL	246,000	6/14/2012
Seaside National Bank & Trust	Orlando, FL	246,000	1/26/2012
Seaway Bank and Trust Company	Chicago, IL	246,000	1/5/2012
Security Bank	Tulsa, OK	100,169	5/24/2012

(Continued)

**Illinois Metropolitan Investment Fund**  
Schedule of Cash and Short-Term Investments (Continued)  
IMET Convenience Series  
September 30, 2011

Institution	City and State	Amount	Maturity
Certificates of Deposit (Continued)			
Security Bank	Tulsa, OK	\$ 138,331	5/31/2012
Security Financial Bank	Durand, WI	238,500	5/24/2012
Security First Bank	Lincoln, NE	238,500	5/31/2012
Settlers Bank	Windsor, WI	244,500	1/12/2012
Sierra Vista Bank	Folsom, CA	234,500	6/7/2012
Signature Bank	Chicago, IL	246,000	1/5/2012
Signature Bank, National Association	Toledo, OH	212,859	3/8/2012
Signature Bank, National Association	Toledo, OH	21,641	6/7/2012
Simmons First Bank of Searcy	Searcy, AR	33,889	12/22/2011
Simmons First Bank of Searcy	Searcy, AR	87,606	1/5/2012
Simmons First National Bank	Pine Bluff, AR	238,500	5/24/2012
Skagit State Bank	Burlington, WA	208,139	12/1/2011
Skagit State Bank	Burlington, WA	35,361	1/5/2012
SmartBank	Pigeon Forge, TN	246,000	11/25/2011
Solera National Bank	Lakewood, CO	244,500	12/22/2011
Sound Banking Company	Morehead City, NC	244,500	1/12/2012
South Central Bank, National Association	Chicago, IL	4,000	11/25/2011
Southeast National Bank	Davenport, IA	238,500	5/31/2012
Southern Bancorp Bank	Arkadelphia, AR	243,500	12/1/2011
Southern Missouri Bank of Marshfield	Marshfield, MO	234,500	6/7/2012
Southwest Bank	Fort Worth, TX	91,273	12/1/2011
Southwest Bank	Fort Worth, TX	109,727	12/8/2011
Southwest Bank	Fort Worth, TX	42,500	1/26/2012
Sovereign Bank	Wyomissing, PA	26,253	11/25/2011
Sovereign Bank	Dallas, TX	24,500	12/29/2011
Sovereign Bank	Wyomissing, PA	104,663	5/24/2012
Sovereign Bank	Wyomissing, PA	107,585	5/31/2012
SpiritBank	Tulsa, OK	238,500	5/24/2012
St. Louis Bank	Town and Country, MO	1,771	12/1/2011
St. Louis Bank	Town and Country, MO	214,644	12/22/2011
St. Louis Bank	Town and Country, MO	22,085	5/31/2012
Starion Financial	Bismarck, ND	246,000	1/26/2012
State Bank	Spencer, IA	20,113	12/22/2011
State Bank	Spencer, IA	224,387	1/5/2012
State Bank of Herscher	Herscher, IL	244,500	1/12/2012
State Bank of Long Island	New Hyde Park, NY	214,230	1/5/2012
State Bank of Southern Utah	Cedar City, UT	25,000	1/5/2012

(Continued)

**Illinois Metropolitan Investment Fund**  
Schedule of Cash and Short-Term Investments (Continued)  
IMET Convenience Series  
September 30, 2011

Institution	City and State	Amount	Maturity
Certificates of Deposit (Continued)			
State Bank of Southern Utah	Cedar City, UT	\$ 221,000	1/26/2012
State Bank of the Lakes	Antioch, IL	34,000	5/31/2012
Steele Street Bank & Trust	Denver, CO	244,500	12/22/2011
StellarOne Bank	Christiansburg, VA	246,000	1/5/2012
Sterling National Bank	New York, NY	125,000	5/24/2012
Sterling National Bank	New York, NY	113,500	6/14/2012
Steuben Trust Company	Hornell, NY	234,500	6/7/2012
Stock Yards Bank & Trust Company	Louisville, KY	246,000	1/5/2012
Stockmans Bank	Altus, OK	55,000	5/24/2012
Stonegate Bank	Fort Lauderdale, FL	243,500	12/1/2011
Summit Bank	Eugene, OR	244,500	12/22/2011
Summit Community Bank, Inc	Moorefield, WV	152,534	12/29/2011
Summit State Bank	Santa Rosa, CA	5,500	12/22/2011
Superior Bank, National Association	Tampa, FL	50,000	12/22/2011
Surrey Bank & Trust	Mount Airy, NC	246,000	1/5/2012
Susquehanna Bank	Lititz, PA	218,500	12/29/2011
Susquehanna Bank	Lititz, PA	20,000	5/24/2012
Synergy Bank	Houma, LA	100,000	5/31/2012
Texas Brand Bank	Garland, TX	200,000	5/24/2012
Texas Champion Bank	Alice, TX	100,000	5/24/2012
Texas Community Bank, N.A.	Laredo, TX	238,500	5/31/2012
TexStar National Bank	Universal City, TX	179,085	12/8/2011
TexStar National Bank	Universal City, TX	65,415	1/12/2012
The American National Bank of Texas	Terrell, TX	238,500	5/24/2012
The Bank of Edwardsville	Edwardsville, IL	98,063	5/17/2012
The BANK of Edwardsville	Edwardsville, IL	136,437	6/7/2012
The Bank of Fayette County	Moscow, TN	193,203	12/22/2011
The Bank of Hemet	Riverside, CA	244,500	1/12/2012
The Bank of Missouri	Perryville, MO	244,500	12/22/2011
The Bank of New Canaan	New Canaan, CT	244,500	12/29/2011
The Bank of Northern Michigan	Petoskey, MI	238,500	5/31/2012
The Baraboo National Bank	Baraboo, WI	244,500	3/8/2012
The Biltmore Bank of Arizona	Phoenix, AZ	238,500	5/31/2012
The Bridgehampton National Bank	Bridgehampton, NY	238,500	5/24/2012
The Carver State Bank	Savannah, GA	238,500	5/24/2012
The Citizens Bank	Batesville, AR	133,130	11/25/2011
The Citizens Bank	Batesville, AR	112,870	1/5/2012

(Continued)

**Illinois Metropolitan Investment Fund**  
Schedule of Cash and Short-Term Investments (Continued)  
IMET Convenience Series  
September 30, 2011

Institution	City and State	Amount	Maturity
Certificates of Deposit (Continued)			
The Citizens Bank of Clovis	Clovis, NM	\$ 100,000	5/31/2012
The Citizens Bank of Clovis	Clovis, NM	134,500	6/7/2012
The Citizens National Bank of Athens	Athens, TN	100,000	5/17/2012
The Citizens National Bank of Athens	Athens, TN	138,500	5/31/2012
The Citizens National Bank of Meridian	Meridian, MS	638	1/12/2012
The Citizens State Bank	Okemah, OK	5,500	12/22/2011
The Dime Bank	Honesdale, PA	117,408	1/26/2012
The Dime Bank	Honesdale, PA	121,092	5/24/2012
The East Carolina Bank	Engelhard, NC	238,500	5/24/2012
The F&M Bank & Trust Company	Tulsa, OK	234,500	6/7/2012
The Fairfield National Bank	Fairfield, IL	244,500	3/8/2012
The Farmers & Merchants State Bank	Archbold, OH	171,697	5/24/2012
The Farmers & Merchants State Bank	Archbold, OH	10,000	5/31/2012
The Farmers & Merchants State Bank	Archbold, OH	52,803	6/7/2012
The Fauquier Bank	Warrenton, VA	146,539	1/26/2012
The First Bank and Trust Company	Lebanon, VA	243,500	12/1/2011
The First National Bank - Fox Valley	Neenah, WI	244,500	3/8/2012
The First National Bank & Trust Company	Okmulgee, OK	100,000	6/7/2012
The First National Bank in Altus	Altus, OK	234,500	6/7/2012
The First National Bank in Green Forest	Green Forest, AR	238,500	5/31/2012
The First National Bank of Barry	Barry, IL	244,500	1/12/2012
The First National Bank of Fort Smith	Fort Smith, AR	234,500	6/7/2012
The First National Bank of Moody	Moody, TX	238,500	5/24/2012
The First National Bank of Shelby	Shelby, NC	203,365	12/22/2011
The First National Bank of Shelby	Shelby, NC	41,135	1/12/2012
The First National Bank of Syracuse	Syracuse, KS	234,500	6/7/2012
The First National Bank of Texhoma	Texhoma, OK	244,500	1/12/2012
The First State Bank	Canute, OK	244,500	1/12/2012
The First State Bank	Louise, TX	38,500	5/17/2012
The First, N.A.	Damariscotta, ME	246,000	1/26/2012
The First, A National Banking Association	Hattiesburg, MS	8,878	12/22/2011
The FNB of Lawrence County at Walnut Rdg	Walnut Ridge, AR	238,500	5/24/2012
The Frost National Bank	San Antonio, TX	244,500	1/19/2012
The Huntington National Bank	Columbus, OH	100,424	11/25/2011
The Huntington National Bank	Columbus, OH	138,076	5/31/2012
The Leaders Bank	Oak Brook, IL	234,500	6/7/2012
The Lorain National Bank	Lorain, OH	50,000	1/5/2012

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**Illinois Metropolitan Investment Fund**  
Schedule of Cash and Short-Term Investments (Continued)  
IMET Convenience Series  
September 30, 2011

Institution	City and State	Amount	Maturity
Certificates of Deposit (Continued)			
The Middleburg Bank	Middleburg, VA	\$ 181,173	12/1/2011
The Milford National Bank and Trust Co.	Milford, MA	238,500	5/24/2012
The National Bank and Trust Company	Wilmington, OH	85,138	5/31/2012
The Old Fort Banking Company	Old Fort, OH	244,500	1/12/2012
The Old Point National Bank of Phoebus	Hampton, VA	238,500	5/31/2012
The Park National Bank	Newark, OH	238,500	5/24/2012
The Pauls Valley National Bank	Pauls Valley, OK	246,000	11/25/2011
The Peoples Community Bank	Mazomanie, WI	238,500	5/31/2012
The Poca Valley Bank, Inc.	Walton, WV	246,000	1/26/2012
The Queenstown Bank of Maryland	Queenstown, MD	246,000	11/25/2011
The Savannah Bank, National Association	Savannah, GA	246,000	1/26/2012
The Security National Bank of Enid	Enid, OK	112,299	12/29/2011
The Security National Bank of Enid	Enid, OK	126,201	5/24/2012
The Simsbury Bank & Trust Company	Simsbury, CT	94,500	12/22/2011
The Simsbury Bank & Trust Company	Simsbury, CT	150,000	6/14/2012
The Stillwater National Bk and Trust Co.	Stillwater, OK	244,500	12/22/2011
The Talbot Bank of Easton, Maryland	Easton, MD	31,000	12/8/2011
The Union Bank Company	Columbus Grove, OH	246,000	11/25/2011
The Washington Trust Company of Westerly	Westerly, RI	238,500	5/24/2012
Traditional Bank, Inc.	Mount Sterling, KY	238,500	5/31/2012
TransPecos Banks	Pecos, TX	246,000	11/25/2011
Tri Counties Bank	Chico, CA	246,000	6/14/2012
Triad Bank	Frontenac, MO	5,500	1/12/2012
Tri-County Bank	Cheyenne, WY	246,000	11/25/2011
TriStar Bank	Dickson, TN	70,604	1/12/2012
TriState Capital Bank	Pittsburgh, PA	238,500	5/24/2012
Umpqua Bank	Roseburg, OR	34,722	12/22/2011
Umpqua Bank	Roseburg, OR	209,778	1/5/2012
Union Bank	Morrisville, VT	238,500	5/24/2012
Union Bank and Trust Company	Lincoln, NE	238,500	5/31/2012
Union First Market Bank	Richmond, VA	103,690	12/1/2011
Union First Market Bank	Richmond, VA	9,810	1/5/2012
Union First Market Bank	Richmond, VA	125,000	5/31/2012
Union Savings Bank	Danbury, CT	61,980	5/17/2012
Union Savings Bank	Albuquerque, NM	238,500	5/24/2012
Union State Bank	Florence, TX	238,500	5/17/2012
United Bank	Atmore, AL	35,386	11/25/2011

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**Illinois Metropolitan Investment Fund**  
Schedule of Cash and Short-Term Investments (Continued)  
IMET Convenience Series  
September 30, 2011

Institution	City and State	Amount	Maturity
Certificates of Deposit (Continued)			
United Bank	Parkersburg, WV	\$ 55,642	1/5/2012
United Bank	Parkersburg, WV	87,002	1/12/2012
United Bank	Fairfax, VA	110,620	5/31/2012
United Bank	Fairfax, VA	123,880	6/7/2012
United Bank	Parkersburg, WV	52,005	6/14/2012
United Bank & Trust	Ann Arbor, MI	238,500	5/24/2012
United Central Bank	Garland, TX	234,500	6/7/2012
United Community Bank	Perham, MN	152,000	12/8/2011
United Community Bank	Perham, MN	35,000	5/31/2012
United Labor Bank, F.S.B.	Oakland, CA	244,500	12/22/2011
United Security Bank	Fresno, CA	238,500	5/24/2012
University National Bank	St. Paul, MN	132,132	6/7/2012
Univest National Bank and Trust Co.	Souderton, PA	86,500	5/17/2012
Urban Partnership Bank	Chicago, IL	86,076	5/31/2012
Valley Bank	Roanoke, VA	238,500	5/31/2012
Valley Community Bank	Pleasanton, CA	234,500	6/7/2012
Valley Green Bank	Philadelphia, PA	101,507	5/24/2012
Valley Green Bank	Philadelphia, PA	136,993	6/14/2012
VantageSouth Bank	Burlington, NC	238,500	5/24/2012
Vibra Bank	Chula Vista, CA	52,000	1/26/2012
ViewPoint Bank	Plano, TX	238,500	5/31/2012
Village Bank and Trust	Arlington Heights, IL	234,500	6/7/2012
Virginia Commerce Bank	Arlington, VA	238,500	5/24/2012
Virginia Heritage Bank	Fairfax, VA	244,500	1/12/2012
Virginia National Bank	Charlottesville, VA	10,000	11/25/2011
Virginia National Bank	Charlottesville, VA	178,500	1/12/2012
Virginia National Bank	Charlottesville, VA	50,000	5/24/2012
Vision Bank	Panama City, FL	238,500	5/31/2012
Vision Bank, National Association	Ada, OK	120,000	12/1/2011
Vision Bank, National Association	Ada, OK	47,762	12/29/2011
Vision Bank, National Association	Ada, OK	20,738	1/12/2012
Vision Bank, National Association	Ada, OK	50,000	5/31/2012
VIST Bank	Wyomissing, PA	201,514	12/22/2011
VIST Bank	Wyomissing, PA	11,986	5/17/2012
VIST Bank	Wyomissing, PA	25,000	5/31/2012
VistaBank	Aiken, SC	73,809	6/7/2012
Washington Federal Savings & Loan Assoc	Seattle, WA	238,500	5/31/2012

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**Illinois Metropolitan Investment Fund**  
Schedule of Cash and Short-Term Investments (Continued)  
IMET Convenience Series  
September 30, 2011

Institution	City and State	Amount	Maturity
Certificates of Deposit (Continued)			
Waterford Bank, N.A.	Toledo, OH	\$ 238,500	5/24/2012
Waumandee State Bank	Waumandee, WI	244,500	1/12/2012
Welch State Bank of Welch, Okla.	Welch, OK	244,500	1/12/2012
WesBanco Bank, Inc.	Wheeling, WV	211,500	5/24/2012
WesBanco Bank, Inc.	Wheeling, WV	23,000	6/7/2012
West Bank	West Des Moines, IA	243,500	12/1/2011
Western Alliance Bank	Phoenix, AZ	244,500	12/29/2011
Western Bank	St. Paul, MN	238,500	5/31/2012
Western National Bank	Odessa, TX	246,000	1/26/2012
Whidbey Island Bank	Coupeville, WA	244,500	12/22/2011
Willamette Community Bank	Albany, OR	188,842	5/24/2012
Woodsville Guaranty Savings Bank	Woodsville, NH	96,335	1/5/2012
Worthington National Bank	Arlington, TX	238,500	5/17/2012
		<u>123,005,488</u>	
Collateralized Bank Deposit: 81.5%			
JP Morgan Chase Bank, N.A.		<u>540,316,563</u>	
Total cash and short-term investments		<u>\$ 663,322,051</u>	

Funds are placed in certificates of deposit with the institutions listed above under Certificate of Deposit Account Registry Service (CDARS) arrangements with the following institutions:

Institution	City and State	Amount	Rate
Harris Bank	Chicago, IL	\$ 73,005,488	0.550%
The Private Bank	Chicago, IL	<u>50,000,000</u>	0.550%
		<u>\$ 123,005,488</u>	

(Concluded)

# Illinois Metropolitan Investment Fund

Schedule of Management Fees  
Year Ended September 30, 2011

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Type	IMET 1-3 Year Series	IMET Convenience Series	Total
Internal fees	\$ 351,673	\$ 514,739	\$ 866,412
External fees	574,069	312,820	886,889
	\$ 925,742	\$ 827,559	\$ 1,753,301

## Illinois Metropolitan Investment Fund

### Schedule of Participants by Concentration

September 30, 2011

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<u>Type</u>	<u>Number of Participants</u>	<u>IMET 1-3 Year Series</u>	<u>IMET Convenience Series</u>	<u>Total</u>
Municipal entities	143	78.1 %	70.5 %	72.9 %
Pension funds	45	2.9	1.7	2.1
Other entities <sup>1</sup>	<u>50</u>	<u>19.0</u>	<u>27.8</u>	<u>25.0</u>
	<u>238</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>

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

# Illinois Metropolitan Investment Fund

Investment Policy - IMET 1-3 Year Series

September 30, 2011

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The Illinois Metropolitan Investment Fund (“*IMET*” or “*Fund*”) is an actively managed investment fund for Illinois local governments. The IMET 1-3 Year Fund has a fluctuating net asset value and an average maturity of one-to-three years. Designed for public funds that may be invested for more than one year, IMET invests exclusively in U.S. government-backed securities (Treasuries and agencies).

## 1.0 Policy

It is the policy of IMET to invest public funds of Illinois governments in a manner which seeks to provide the best return while pursuing the preservation of capital. IMET is designed as an investment vehicle for funds not required to be spent immediately and available for investment in securities with maturities and returns generally greater than those for money market instruments. IMET will conform to Illinois state statutes governing the investment of public funds.

## 2.0 Funds

Monies invested in this Fund will be those of participating Illinois governments whose treasurers become members of the Fund. Any funds that an Illinois government can invest in under Illinois state statutes are eligible for investment in IMET. This is an intermediate investment fund, however, and short-term cash monies which are needed for immediate liquidity demands will not be encouraged to be invested in this Fund.

## 3.0 Prudence

The standard of prudence to be used for all investment activities shall be the following “prudent person” standards, as stated below, and shall be applied while conducting all investment transactions.

"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 Objective

This actively managed portfolio will be invested in certain fixed income securities and cash equivalents. In summary, the investment objectives of IMET are:

- A. Preservation of Principal: Preservation of principal is the foremost objective of IMET. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

## **Illinois Metropolitan Investment Fund**

Investment Policy - IMET 1-3 Year Series (Continued)

September 30, 2011

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### 4.0 Objective (Continued)

- B. Liquidity: IMET will seek to remain sufficiently liquid to allow for withdrawals by Fund members with five business days' notice of that withdrawal to the Fund, and will otherwise remain sufficiently liquid in accordance with prudent fund management.
- C. Return on Investment: IMET's assets will be invested with the objective of obtaining an appropriate market rate of return in relation to the prevailing monetary environment. See also "Performance Standards" herein.

### 5.0 Delegation of Authority

The Board of Trustees of IMET (the "*Board*") seeks to employ an investment advisor who possesses superior capabilities in the management of assets of the Councils of Governments' governmental bodies. The Board further requires the investment advisor selected and working on its behalf to meet the following set of conditions.

- A. To take, in its discretion, actions which in its best professional judgment are in the best interests of IMET, in accordance with this Investment Policy and the Investment Circular distributed by the Fund, to meet IMET investment objectives. Such actions include but are not limited to (A) the allocation of funds among alternative types of investments; (B) specific investment opportunities regarding the acquisition, retention, or disposition of investments; and (C) the recommendation of the addition, deletion, or modification of authorized investments.
- B. To execute all investment transactions on behalf of the Fund at the best net price, utilizing such brokers and dealers as they deem appropriate to obtain the best execution capabilities and/or valuable information with respect to the economy and the affairs of corporations at the lowest cost to the Fund.
- C. Additional responsibilities as detailed in each investment advisor's agreement with the Board.

### 6.0 Ethics and Conflicts of Interest

Officers and employees of the Fund involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the IMET chairperson any material financial interests in financial institutions that conduct business with IMET, and they shall further disclose any large personal financial/investment positions that could be related to the performance of IMET, particularly with regard to the time of purchases and sales.

**Illinois Metropolitan Investment Fund**  
Investment Policy - IMET 1-3 Year Series (Continued)  
September 30, 2011

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7.0 Authorized Financial Dealers and Institutions

The Board will maintain a list of financial institutions authorized to provide investment advisor, administrative, and distributive investment services. The advisor will make investments only in those investments specifically authorized in the Public Investment Act of the State of Illinois (30 ILCS 235/1) (the “*Investment Act*”). The administrator shall perform its duties in conformance with the Declaration of Trust, By-Laws, and Investment Circular of the Fund. The distributor shall be competent and fully qualified under federal and state securities laws and the rules and regulations of the Comptroller of the Currency or the National Association of Securities Dealers, as applicable, to engage in marketing and sales efforts.

A current audited financial statement is required to be on file for each financial institution which provides the above mentioned services.

8.0 Authorized and Suitable Investments

All investments shall be made in compliance with the Investment Act, including, without limitation, the definition of “agency” contained therein. In seeking to achieve its investment objective, the Fund intends to invest under normal market conditions at least fifty percent (50%) in (i) obligations issued or secured by the U.S. Government and/or its agencies and/or (ii) money market mutual funds that are permitted investments under the Investment Act. In extraordinary circumstances, such as when the investment advisor believes that market conditions indicate that the Fund should adopt a temporary defensive position, the Fund may invest up to one hundred percent (100%) in cash and/or such money market mutual funds.

The Fund portfolio is restricted to a maximum dollar weighted-average maturity of five years or less, under normal conditions. The net asset value will fluctuate on a daily basis according to the change in market value of its underlying portfolio obligations.

The following are additional investment restrictions:

- (i) All fixed income securities (other than obligations of the U.S. or its agencies) at the time of purchase shall be rated at the highest rating classification established by at least two standard rating services (without regard to any refinement or gradation of rating category by numerical modifier or otherwise). However, issues that are reclassified after purchase so that they are no longer at the highest classifications established by at least two standard rating services may be sold by the advisor to the Fund after the date of the security’s reclassification or held to maturity, in either case based on the investment advisor’s discretion.

**Illinois Metropolitan Investment Fund**  
Investment Policy - IMET 1-3 Year Series (Continued)  
September 30, 2011

---

8.0 Authorized and Suitable Investments (Continued)

- (ii) Mortgage pass-through securities must be issued by an agency of the United States government. There are three major types of such agency pass-throughs, guaranteed by three organizations: Government National Mortgage Association (“*Ginnie Mae*”), Federal Home Loan Mortgage Corporation (“*Freddie Mac*”), and Federal National Mortgage Association (“*Fannie Mae*”). Pass-through securities or collateralized mortgage obligations of Fannie Mae are not permitted investments under Illinois law. In addition, privately structured and issued mortgage pass-through securities or collateralized mortgage obligations are not permitted investments.
  
- (iii) All investments are required to be made in compliance with the Investment Act, including, without limitation, the definition of “agency” contained therein.

The following transactions are prohibited in the portfolio managed by the investment advisor.

- 1) Reverse repurchase agreements.
- 2) Common or preferred stocks.
- 3) Futures and options.
- 4) Margin purchases or intentional use of leverage.
- 5) Private or direct placements.
- 6) Commodities.
- 7) Direct ownership of real estate or mortgages.
- 8) Non-U.S. dollar-denominated securities.
- 9) Stripped mortgage-backed securities (*i.e.*, interest-only (IO) and principal-only (PO) securities).
- 10) Convertible notes or bonds.

## Illinois Metropolitan Investment Fund

Investment Policy - IMET 1-3 Year Series (Continued)

September 30, 2011

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### 8.0 Authorized and Suitable Investments (Continued)

- 11) Purchase, participation, or other direct interest in gas, oil, or other mineral exploration or development programs.
- 12) Collateralized mortgage obligations.
- 13) Lending of Fund securities.
- 14) Structured notes—however, the Portfolio may invest in federal government agency securities whose coupon rates are scheduled to “step up” (*i.e.* increase) one or more times before they mature.
- 15) Investments not allowed under the Investment Act.

The advisor shall indemnify and make whole the Fund and its shareholders for any losses incurred by the Fund as a result of the advisor’s own or any subadvisor’s gross negligence or its failure to comply with the provisions of the Investment Act as those provisions are communicated to the investment advisor in writing by IMET or by IMET’s legal counsel.

### 9.0 Safekeeping and Custody

Securities purchased for IMET, as well as collateral for repurchase agreements, shall be delivered against payment and held in a custodial safekeeping account with the trust department of a bank acting as custodian. The bank will be designated by the Board and all transactions will be evidenced by safekeeping receipts or confirmations.

### 10.0 Diversification

Fixed income securities in the Fund will have the following characteristics:

- A) 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 Investment Act, will constitute at least 50% of the portfolio.
- B) Commercial paper investment, pursuant to Illinois law, must mature within 180 days from the date of purchase and cannot exceed 10% of the corporation’s total commercial paper. The Fund will have no more than one-third of its monies invested in commercial paper.

## **Illinois Metropolitan Investment Fund**

Investment Policy - IMET 1-3 Year Series (Continued)

September 30, 2011

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### 10.0 Diversification (Continued)

- C) 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.

### 11.0 Maturities

Portfolio duration is to be maintained within 25% of that of the Barclay's Capital 1-3 Year Government Bond Index under normal conditions; *provided, however*, that the portfolio's dollar weighted-average maturity will not exceed five years under normal conditions. 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.

### 12.0 Internal Control

The advisor shall establish a system of internal controls, which shall be documented in writing. The controls shall be annually reviewed by their auditor and shall be designed to prevent losses of public funds arising from failure to comply with the provisions of the Investment Act, fraud, employee error, misrepresentation by third parties, or imprudent actions by employees and officers of the firm. The advisor shall at all times have in place a fidelity bond or bonds covering the actions of its employees and officers relating to fraud, theft, dishonesty, and other willful acts which may result in the loss of Fund assets. Such bond or bonds shall be maintained in amounts not less than \$5,000,000 per occurrence and \$10,000,000 in the annual aggregate, covering its duties. The advisor will also maintain a fidelity bond against employee theft, dishonesty, and related risk, and cover its duties in an amount not less than \$10,000,000 in the annual aggregate.

### 13.0 Performance Standards

IMET's investment strategy is targeted active management. The performance objective for this portfolio is to meet or exceed the Lehman Brothers 1-3 Year Government Bond Index (the benchmark) prior to payment of Fund expenses.

## **Illinois Metropolitan Investment Fund**

Investment Policy - IMET 1-3 Year Series (Continued)

September 30, 2011

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### 14.0 Reporting

The advisor shall report to the Board at least quarterly on:

- A) Performance as compared to the benchmark.
- B) Asset allocation and duration as compared to the benchmark.
- C) Any deviation from the guidelines herein established.
- D) Significant changes in the portfolio under their management during the quarter.
- E) Economic and investment outlook for the near and long term.
- F) Monthly purchase and sale transactions.
- G) Any change in key personnel.

### 15.0 Investment Policy Adoption

IMET's investment policy shall be adopted by resolution of the Board. The policy shall be reviewed annually by the Board and any modifications made thereto must be approved by the Board.

(Concluded)

# Illinois Metropolitan Investment Fund

Investment Policy - IMET Convenience Series

September 30, 2011

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The Illinois Metropolitan Investment Fund (“*IMET*” or “*Fund*”) is an actively managed investment fund for Illinois local governments. IMET’s Convenience Series (“Convenience Series”) is a short-term vehicle for use exclusively by members of IMET. This policy applies to the investment of Convenience Series funds. The Convenience Series is designed as an investment vehicle for: a) near-term investment of funds intended for eventual placement into the IMET 1-3 Year Series, b) the investment of bond proceeds, and c) any purpose deemed necessary and beneficial by Fund participants.

## 1.0 Governing Authority

It is the policy of IMET to invest public funds of Illinois governments in a manner which seeks to provide the best return while pursuing the preservation of capital. The Convenience Series will conform to Illinois state statutes governing the investment of public funds.

## 2.0 Funds

Monies invested in this Convenience Series will be those of participating Illinois governments whose treasurers are members of the IMET. Any funds that an Illinois government can invest in under Illinois state statutes are eligible for investment in the Convenience Series.

## 3.0 Prudence

The standard of prudence to be used for all investment activities shall be the following “prudent person” standards, as stated below, and shall be applied while conducting all investment transactions.

"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 Objective

This portfolio will be invested in certain fixed income securities and cash equivalents. In summary, the investment objectives of the Convenience Series are:

- A. Preservation of Principal: Preservation of principal is the foremost objective of the Convenience Series. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

**Illinois Metropolitan Investment Fund**  
Investment Policy - IMET Convenience Series (Continued)  
September 30, 2011

---

4.0 Objective (Continued)

- B. Liquidity: The Convenience Series will seek to remain sufficiently liquid to accommodate Convenience Series members and will otherwise remain sufficiently liquid in accordance with prudent fund management.
- C. Return on Investment: The Convenience Series' assets will be invested with the objective of obtaining an appropriate market rate of return in relation to the prevailing monetary environment. See also "Performance Standards" herein.

5.0 Delegation of Authority

The Board of Trustees of IMET and of the Convenience Series (the "*Board*") seeks to employ financial institutions possessing established capabilities in the management of assets of the Councils of Governments' governmental bodies. The Board further requires the financial institution(s) selected and working on its behalf to meet the following set of conditions.

- A. To take, in its discretion, to the extent allowed by the financial institution's agreement with IMET, actions which in its best professional judgment are in the best interests of the Convenience Series, in accordance with this Investment Policy distributed by IMET, to meet Convenience Series investment objectives. Such actions include but are not limited to (A) the allocation of funds among alternative types of investments; (B) specific investment opportunities regarding the acquisition, retention, or disposition of investments; and (C) the recommendation of the addition, deletion, or modification of authorized investments.
- B. To execute all investment transactions on behalf of the Convenience Series at the best net price, utilizing such brokers and dealers as deemed appropriate to obtain the best execution capabilities and/or valuable information with respect to the economy and the affairs of corporations at the lowest cost to the Convenience Series.
- C. Additional responsibilities as detailed in each financial institution's agreement with the Board.

**Illinois Metropolitan Investment Fund**  
Investment Policy - IMET Convenience Series (Continued)  
September 30, 2011

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6.0 Ethics and Conflicts of Interest

Officers and employees of the Convenience Series involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Board chairperson any material financial interests in financial institutions that conduct business with IMET and the Convenience Series, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the Convenience Series, particularly with regard to the time of purchases and sales.

7.0 Authorized Financial Dealers and Institutions

The Board will maintain a list of financial institutions authorized to provide investment advisor, administrative, and distributive investment services. The financial institution(s) will make investments only in those investments specifically authorized by the Public Investment Act of the State of Illinois (30 ILCS 235/1) (the “*Investment Act*”) and by this Investment Policy. The financial institution(s) shall perform its duties in conformance with the IMET Declaration of Trust, the IMET By-Laws, and the Convenience Series Investment Policy. The distributor shall be competent and fully qualified under federal and state securities laws and the rules and regulations of the Comptroller of the Currency or the National Association of Securities Dealers, as applicable, to engage in marketing and sales efforts.

A current audited financial statement is required to be on file for each financial institution which provides the above mentioned services.

8.0 Authorized and Suitable Investments

The investments permitted by this policy are those defined by the Investment Act, including, without limitation, the definition of “agency” contained therein. In seeking to achieve its investment objective, the Convenience Series intends to invest under normal market conditions at least fifty percent (50%) in (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, or (ii) money market mutual funds that are permitted investments under the Investment Act, or (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, or (iv) other similar obligations of the United States of America or its agencies. In circumstances when the investment advisor 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.

**Illinois Metropolitan Investment Fund**  
Investment Policy - IMET Convenience Series (Continued)  
September 30, 2011

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8.0 Authorized and Suitable Investments (Continued)

The Convenience Series portfolio is restricted to a maximum dollar weighted-average maturity of one year or less, under normal conditions. The Convenience Series will be managed so as to maintain a stable \$1.00 share price, although there is no guarantee that it will do so.

The following are additional investment restrictions:

- (i) All fixed income securities (other than obligations of the U.S. or its agencies) at the time of purchase shall be rated at the highest rating classification established by at least two standard rating services (without regard to any refinement or gradation of rating category by numerical modifier or otherwise). However, issues that are reclassified after purchase so that they are no longer at the highest classifications established by at least two standard rating services may be sold by the financial institution(s) maintaining the Convenience Series after the date of the security's reclassification or held to maturity, in either case based on the financial institutions' discretion.
  
- (ii) 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. There are three major types of such agency pass-throughs, guaranteed by three organizations: Government National Mortgage Association ("*Ginnie Mae*"), Federal Home Loan Mortgage Corporation ("*Freddie Mac*"), and Federal National Mortgage Association ("*Fannie Mae*"). Pass-through securities or collateralized mortgage obligations of Fannie Mae are not permitted investments under Illinois law. In addition, privately structured and issued mortgage pass-through securities or collateralized mortgage obligations are not permitted investments.
  
- (iii) All investments are required to be made in compliance with the Investment Act, including, without limitation, the definition of "agency" contained therein.

The following transactions are prohibited in the portfolio:

- 1) Reverse repurchase agreements.
- 2) Common or preferred stocks.
- 3) Futures and options.
- 4) Margin purchases or intentional use of leverage.
- 5) Private or direct placements.

**Illinois Metropolitan Investment Fund**  
Investment Policy - IMET Convenience Series (Continued)  
September 30, 2011

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8.0 Authorized and Suitable Investments (Continued)

- 6) Commodities.
- 7) Direct ownership of real estate or mortgages.
- 8) Non-U.S. dollar-denominated securities.
- 9) Stripped mortgage-backed securities (*i.e.*, interest-only (IO) and principal-only (PO) securities).
- 10) Convertible notes or bonds.
- 11) Purchase, participation, or other direct interest in gas, oil, or other mineral exploration or development programs.
- 12) Collateralized mortgage obligations.
- 13) Lending of Convenience Series securities.
- 14) Structured notes—however, the Portfolio may invest in federal government agency securities whose coupon rates are scheduled to “step up” (*i.e.* increase) one or more times before they mature.
- 15) Investments not allowed under the Investment Act.

The advisor shall indemnify and make whole the Convenience Series and its shareholders for any losses incurred by the Convenience Series as a result of the advisor’s own or any subadvisor’s gross negligence or its failure to comply with the provisions of the Investment Act as those provisions are communicated to the investment advisor in writing by the Convenience Series or by the Convenience Series’ legal counsel.

9.0 Collateralization

Collateral will be pledged to the Convenience Fund with a market value equal to at least 105% of the obligations of the financial institution to the Convenience Fund’s deposits which exceed the sum of the Federal Deposit Insurance Corporation’s insurance limitation. The financial institution will monitor the market value of pledged securities on at least a daily basis, and make adjustments as necessary.

**Illinois Metropolitan Investment Fund**  
Investment Policy - IMET Convenience Series (Continued)  
September 30, 2011

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10.0 Safekeeping and Custody

Securities purchased for the Convenience Series, as well as collateral for repurchase agreements, shall be delivered against payment and held in a custodial safekeeping account with the trust department of a bank acting as custodian. The bank will be designated by the Board and all transactions will be evidenced by safekeeping receipts or confirmations.

11.0 Diversification

Fixed income securities in the Convenience Series will have the following characteristics:

- a) No more than 50 percent of the portfolio may be invested beyond 12 months, and the weighted-average maturity of the portfolio generally shall not exceed one year.
- b) The following instruments may be used without limitation:
  - 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 registered under the Investment Company Act of 1940, provided that the portfolio of any such money market mutual fund is limited to obligations of the U.S. Treasury and its agencies as defined by Illinois law.

12.0 Maturities

At least 50 percent of the Fund's investments are expected to mature in the short-term (397 days or less), and the dollar-weighted average portfolio maturity of the Convenience Series will not exceed 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 Convenience Series' purchase thereof. The remaining life of any agency mortgage pass-through security will be determined based on the weighted-average life of the security.

**Illinois Metropolitan Investment Fund**  
Investment Policy - IMET Convenience Series (Continued)  
September 30, 2011

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13.0 Internal Control

The financial institution(s) shall establish a system of internal controls, which shall be documented in writing. The controls shall be annually reviewed by their auditor and shall be designed to prevent losses of public funds arising from failure to comply with the provisions of the Investment Act, fraud, employee error, misrepresentation by third parties, or imprudent actions by employees and officers of the firm. The financial institution(s) shall at all times have in place a fidelity bond or bonds covering the actions of its employees and officers relating to fraud, theft, dishonesty, and other willful acts which may result in the loss of Convenience Series assets. Such bond or bonds shall be maintained in amounts not less than \$5,000,000 per occurrence and \$10,000,000 in the annual aggregate, covering its duties. The financial institution(s) will also maintain a fidelity bond against employee theft, dishonesty, and related risk, and cover its duties in an amount not less than \$10,000,000 in the annual aggregate.

14.0 Performance Standards

The Convenience Series' investment strategy is designed so that the Convenience Series may maintain a stable \$1.00 per share price, although there is no guarantee that it will do so. The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio shall be designed with the objective of regularly meeting or exceeding the selected performance benchmark of Fed Funds, gross of fees. This index is considered a benchmark for lower risk investment transactions and, therefore, comprises an appropriate standard for the portfolio's rate of return.

15.0 Reporting

The financial institution(s) shall report to the Board at least quarterly on:

- a. Performance as compared to the benchmark.
- b. Asset allocation and duration as compared to the benchmark.
- c. Any deviation from the guidelines herein established.
- d. Significant changes in the portfolio under their management during the quarter.
- e. Economic and investment outlook for the near and long term.
- f. Monthly purchase and sale transactions.
- g. Any change in key personnel.

**Illinois Metropolitan Investment Fund**  
Investment Policy - IMET Convenience Series (Continued)  
September 30, 2011

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16.0 Investment Policy Adoption

The Convenience Series' investment policy shall be adopted by resolution of the Board. The policy shall be reviewed annually by the Board and any modifications made thereto must be approved by the Board.

(Concluded)

**STATISTICAL SECTION (Unaudited)**

# Illinois Metropolitan Investment Fund

Index for Statistical Section

September 30, 2011

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This part of the Illinois Metropolitan Investment Fund's (IMET's) comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about IMET's overall financial health.

## Contents

## Page (s)

### **Financial Trends**

These schedules contain trend information to help the reader understand how IMET's financial performance and well-being have changed over time.

Table 1	Schedule of Net Assets - Last Ten Fiscal Years	68 - 69
Table 2	Schedule of Changes in Net Assets - Last Ten Fiscal Years - IMET 1-3 Year Series	70 - 71
Table 3	Schedule of Changes in Net Assets - Last Eight Fiscal Years - IMET Convenience Series	72 - 73

### **Revenue Capacity**

Revenue capacity information is not applicable to the Illinois Metropolitan Investment Fund.

### **Debt Capacity**

Debt capacity information is not applicable to the Illinois Metropolitan Investment Fund.

### **Demographic and Economic Information**

Demographic and economic information is not applicable to the Illinois Metropolitan Investment Fund.

### **Operating Information**

Operating information is not applicable to the Illinois Metropolitan Investment Fund.

## Illinois Metropolitan Investment Fund

### SCHEDULE OF NET ASSETS

#### Last Ten Fiscal Years

Fiscal Year Ended September 30th	2002	2003	2004	2005
Net assets held in trust for participants				
IMET 1-3 Year Series <sup>1</sup>	\$ 283,768,372	\$ 300,446,900	\$ 285,110,546	\$ 170,651,850
IMET Convenience Series <sup>2</sup>	<u>-</u>	<u>-</u>	<u>12,325,078</u>	<u>118,389,298</u>
Total net assets	<u>\$ 283,768,372</u>	<u>\$ 300,446,900</u>	<u>\$ 297,435,624</u>	<u>\$ 289,041,148</u>
Number of units outstanding				
IMET 1-3 Year Series <sup>1</sup>	19,327,497	19,944,753	18,743,658	11,118,439
IMET Convenience Series <sup>2</sup>	<u>-</u>	<u>-</u>	<u>12,325,078</u>	<u>118,389,298</u>
Total units outstanding	<u>19,327,497</u>	<u>19,944,753</u>	<u>31,068,736</u>	<u>129,507,737</u>
Price per unit				
IMET 1-3 Year Series <sup>1</sup>	\$ 14.682	\$ 15.064	\$ 15.211	\$ 15.349
IMET Convenience Series <sup>2</sup>	N/A	N/A	1.000	1.000

<sup>1</sup> IMET's operations activities were included in the 1-3 Year Series in fiscal years 2002 - 2010 and in fiscal year 2010 through December 31, 2010. Effective January 1, 2011, those activities were reported separately in the Administration Fund.

<sup>2</sup> The IMET Convenience Series was established on September 2, 2003. For the fiscal year ended September 30, 2003, the activities reported for the Illinois Metropolitan Investment Fund consisted solely of the IMET 1-3 Year Series.

#### Data Source

Illinois Metropolitan Investment Fund Comprehensive Annual Financial Reports for the years ended September 30, 2002 through 2011.

Table 1

2006	2007	2008	2009	2010	2011
\$ 130,764,704	\$ 132,424,610	\$ 181,920,272	\$ 319,459,941	\$ 375,985,312	\$ 312,144,822
<u>218,964,199</u>	<u>254,508,762</u>	<u>221,126,359</u>	<u>330,874,968</u>	<u>508,709,545</u>	<u>663,304,925</u>
<u>\$ 349,728,903</u>	<u>\$ 386,933,372</u>	<u>\$ 403,046,631</u>	<u>\$ 650,334,909</u>	<u>\$ 884,694,857</u>	<u>\$ 975,449,747</u>
8,213,887	7,877,633	10,279,838	17,300,260	19,910,917	16,400,694
<u>218,964,199</u>	<u>254,508,762</u>	<u>221,126,359</u>	<u>330,874,968</u>	<u>508,709,545</u>	<u>663,304,925</u>
<u>227,178,086</u>	<u>262,386,395</u>	<u>231,406,197</u>	<u>348,175,228</u>	<u>528,620,462</u>	<u>679,705,619</u>
\$ 15.920	\$ 16.810	\$ 17.697	\$ 18.466	\$ 18.883	\$ 19.032
1.000	1.000	1.000	1.000	1.000	1.000

**Illinois Metropolitan Investment Fund**  
**SCHEDULE OF CHANGES IN NET ASSETS - IMET 1-3 YEAR SERIES**  
Last Ten Fiscal Years

Fiscal Year Ended September 30th	2002	2003	2004	2005
<b>Additions from operations</b>				
Investment income				
Interest	\$ 11,525,440	\$ 10,953,334	\$ 8,665,283	\$ 6,424,115
Net appreciation (depreciation) in fair value of investments	<u>2,960,564</u>	<u>(2,442,396)</u>	<u>(5,133,777)</u>	<u>(4,237,413)</u>
Total additions from operations	<u>14,486,004</u>	<u>8,510,938</u>	<u>3,531,506</u>	<u>2,186,702</u>
<b>Deductions from operations</b>				
Operating expenses				
Management and administrative services	473,725	501,955	474,154	278,609
Compensation and related expenses	152,850	173,000	190,126	203,018
Consulting fee	50,709	59,363	-	-
Professional services	32,061	21,672	22,704	28,284
Insurance	20,358	27,815	31,613	32,041
Audit	14,750	17,000	17,500	24,750
Marketing	14,828	14,265	7,816	27,920
Administrative and other	54,183	22,479	11,305	44,316
Less reimbursement for operating expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deductions from operations	<u>813,464</u>	<u>837,549</u>	<u>755,218</u>	<u>638,938</u>
Net additions from operations	<u>13,672,540</u>	<u>7,673,389</u>	<u>2,776,288</u>	<u>1,547,764</u>
<b>Capital share and individual account transactions</b>				
Proceeds from sale of units to participants	66,463,610	34,648,390	25,179,747	1,568,103
Cost of units redeemed by participants	<u>(30,426,062)</u>	<u>(25,643,251)</u>	<u>(43,292,389)</u>	<u>(117,574,563)</u>
Net additions (deductions) from capital share and individual account transactions	<u>36,037,548</u>	<u>9,005,139</u>	<u>(18,112,642)</u>	<u>(116,006,460)</u>
Net increase (decrease)	49,710,088	16,678,528	(15,336,354)	(114,458,696)
<b>Net assets held in trust for participants</b>				
Beginning of year	<u>234,058,284</u>	<u>283,768,372</u>	<u>300,446,900</u>	<u>285,110,546</u>
End of year	<u>283,768,372</u>	<u>300,446,900</u>	<u>285,110,546</u>	<u>170,651,850</u>

<sup>1</sup> IMET's operations activities were included in the 1-3 Year Series in fiscal years 2002 - 2010 and in fiscal year 2010 through December 31, 2010. Effective January 1, 2011, those activities were reported separately in the Administration Fund.

Data Source

Illinois Metropolitan Investment Fund Comprehensive Annual Financial Reports for the years ended September 30, 2002 through 2011.

Table 2

	2006	2007	2008	2009	2010	2011 <sup>1</sup>
\$	5,266,639	\$ 5,884,703	\$ 6,752,159	\$ 7,077,345	\$ 6,584,917	\$ 4,742,901
	<u>21,150</u>	<u>1,646,788</u>	<u>1,771,280</u>	<u>3,023,693</u>	<u>1,486,358</u>	<u>(1,550,493)</u>
	<u>5,287,789</u>	<u>7,531,491</u>	<u>8,523,439</u>	<u>10,101,038</u>	<u>8,071,275</u>	<u>3,192,408</u>
	402,435	254,613	331,965	495,909	679,686	845,008
	210,777	222,580	161,919	199,779	256,891	58,276
	-	-	-	-	-	-
	18,442	44,818	15,000	34,920	43,279	9,684
	32,542	32,836	33,127	30,241	30,049	7,500
	15,900	16,400	18,867	22,150	20,500	7,200
	33,135	38,013	35,648	31,872	21,623	5,615
	58,399	68,194	81,516	110,532	78,911	20,163
	<u>(363,527)</u>	<u>(271,353)</u>	<u>(245,204)</u>	<u>(295,558)</u>	<u>(743,221)</u>	<u>(223,096)</u>
	<u>408,103</u>	<u>406,101</u>	<u>432,838</u>	<u>629,845</u>	<u>387,718</u>	<u>730,350</u>
	<u>4,879,686</u>	<u>7,125,390</u>	<u>8,090,601</u>	<u>9,471,193</u>	<u>7,683,557</u>	<u>2,462,058</u>
	15,678,873	9,505,793	59,565,003	185,947,494	161,712,850	52,098,847
	<u>(60,445,705)</u>	<u>(14,971,277)</u>	<u>(18,159,942)</u>	<u>(57,879,018)</u>	<u>(112,871,036)</u>	<u>(118,401,395)</u>
	<u>(44,766,832)</u>	<u>(5,465,484)</u>	<u>41,405,061</u>	<u>128,068,476</u>	<u>48,841,814</u>	<u>(66,302,548)</u>
	(39,887,146)	1,659,906	49,495,662	137,539,669	56,525,371	(63,840,490)
	<u>170,651,850</u>	<u>130,764,704</u>	<u>132,424,610</u>	<u>181,920,272</u>	<u>319,459,941</u>	<u>375,985,312</u>
	<u>130,764,704</u>	<u>132,424,610</u>	<u>181,920,272</u>	<u>319,459,941</u>	<u>375,985,312</u>	<u>312,144,822</u>

**Illinois Metropolitan Investment Fund**  
**SCHEDULE OF CHANGES IN NET ASSETS - IMET CONVENIENCE SERIES**  
 Last Eight Fiscal Years

Fiscal Year Ended September 30th	2004 <sup>1</sup>	2005	2006
<b>Additions from operations</b>			
Investment income			
Interest	\$ 106,268	\$ 1,851,089	\$ 8,925,306
Total additions from operations	<u>106,268</u>	<u>1,851,089</u>	<u>8,925,306</u>
<b>Deductions from operations</b>			
Operating expenses			
Management and administrative services	3,745	126,288	455,349
Audit	<u>5,618</u>	<u>-</u>	<u>-</u>
Total deductions from operations	<u>9,363</u>	<u>126,288</u>	<u>455,349</u>
Net additions from operations	<u>96,905</u>	<u>1,724,801</u>	<u>8,469,957</u>
Distributions of income to participants	<u>(96,905)</u>	<u>(1,724,801)</u>	<u>(8,469,957)</u>
<b>Capital share and individual account transactions</b>			
Proceeds from sale of units to participants	20,454,952	132,774,312	133,578,647
Distributions reinvested by participants	96,905	1,724,801	8,469,957
Cost of units redeemed by participants	<u>(9,676,779)</u>	<u>(28,434,893)</u>	<u>(41,473,703)</u>
Net additions (deductions) from capital share and individual account transactions	<u>10,875,078</u>	<u>106,064,220</u>	<u>100,574,901</u>
Net increase (decrease)	10,875,078	106,064,220	100,574,901
<b>Net assets held in trust for participants</b>			
Beginning of year	<u>1,450,000</u>	<u>12,325,078</u>	<u>118,389,298</u>
End of year	<u>\$ 12,325,078</u>	<u>\$ 118,389,298</u>	<u>\$ 218,964,199</u>

<sup>1</sup> The IMET Convenience Series was established on September 2, 2003. The fiscal year ended September 30, 2004 was the first full year of operations for the Series.

Data Source

Illinois Metropolitan Investment Fund Comprehensive Annual Financial Reports for the years ended September 30, 2004 through 2011.

Table 3

	2007	2008	2009	2010	2011
\$	<u>12,907,429</u>	<u>7,628,873</u>	<u>1,687,833</u>	<u>2,577,858</u>	<u>2,409,716</u>
	<u>12,907,429</u>	<u>7,628,873</u>	<u>1,687,833</u>	<u>2,577,858</u>	<u>2,409,716</u>
	412,780	387,639	438,182	977,919	827,559
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>412,780</u>	<u>387,639</u>	<u>438,182</u>	<u>977,919</u>	<u>827,559</u>
	<u>12,494,649</u>	<u>7,241,234</u>	<u>1,249,651</u>	<u>1,599,939</u>	<u>1,582,157</u>
	<u>(12,494,649)</u>	<u>(7,241,234)</u>	<u>(1,249,651)</u>	<u>(1,599,939)</u>	<u>(1,582,157)</u>
	90,392,635	104,123,895	267,401,336	553,727,334	737,235,175
	12,494,649	7,241,234	1,246,570	1,486,176	1,544,472
	<u>(67,342,721)</u>	<u>(144,747,532)</u>	<u>(158,899,297)</u>	<u>(377,378,933)</u>	<u>(584,184,267)</u>
	<u>35,544,563</u>	<u>(33,382,403)</u>	<u>109,748,609</u>	<u>177,834,577</u>	<u>154,595,380</u>
	35,544,563	(33,382,403)	109,748,609	177,834,577	154,595,380
	<u>218,964,199</u>	<u>254,508,762</u>	<u>221,126,359</u>	<u>330,874,968</u>	<u>508,709,545</u>
\$	<u><u>254,508,762</u></u>	<u><u>221,126,359</u></u>	<u><u>330,874,968</u></u>	<u><u>508,709,545</u></u>	<u><u>663,304,925</u></u>