

Illinois Metropolitan Investment Fund

Comprehensive Annual Financial Report

Year ended September 30, 2013



**Illinois Metropolitan
Investment Fund**

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Comprehensive Annual Financial Report

Year ended September 30, 2013

**Laura F. Allen
Executive Director**

ILLINOIS METROPOLITAN INVESTMENT FUND

Comprehensive Annual Financial Report
Year Ended September 30, 2013

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ILLINOIS METROPOLITAN INVESTMENT FUND

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INTRODUCTORY SECTION



Illinois Metropolitan Investment Fund

Investing together for
our communities

Jerry Ducay
Village Administrator
Village of Frankfort
Chairman

January 6, 2014

Dear IMET Participants:

Christy Powell
Superintendent of Finance
& Personnel
Geneva Park District
Vice Chairman

We hereby submit to you the seventeenth Comprehensive Annual Financial Report of the Illinois Metropolitan Investment Fund (IMET), which covers the fiscal year of October 1, 2012 through September 30, 2013. In accordance with the Illinois Compiled Statutes and the Illinois Metropolitan Investment Fund Second Amended and Restated Declaration of Trust, dated as of January 20, 2012, 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, 2013. 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

Chris Minick
Director of Finance
City of St. Charles
Secretary

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. Management is responsible for maintaining a system of adequate internal accounting controls designed to provide reasonable assurance that transactions are executed in accordance with management's general or specific authorization, and are recorded as necessary to maintain accountability of assets and to permit preparation of financial statements in accordance with GAAP. We believe the internal controls in effect during the fiscal year ended September 30, 2013, adequately safeguard IMET's assets and provide reasonable assurance regarding the proper recording of financial transactions. All disclosures necessary to enable the reader to gain an understanding of IMET's financial activities have been included. The data presented in the Investment Section is prepared on a basis consistent with the other sections of the report using data provided by reliable third party sources.

Scott Anderson
Director of Finance/Treasurer
Village of Buffalo Grove
Trustee

Kevin Barr
Village Manager
Village of Schiller Park
Trustee

John Harrington
Director of Finance/Treasurer
Village of Minooka
Trustee

Eileen Santschi
Accounting Manager
South Suburban Mayors and
Managers Association
Trustee

Laura F. Allen
Executive Director

Miller, Cooper & Co., Ltd., Certified Public Accountants, have issued an unmodified opinion on IMET's financial statements, for the fiscal year ended September 30, 2013. The independent auditors' report is located at the front of the financial section of this report.

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 U.S. government backed securities (Treasuries and agencies). Each of the five founding COGs secured commitments from at least one of their respective members for an initial deposit into the fund. In September 2003, a second investment option was developed for IMET members. This second investment option, called the Convenience Series (CVF), was created to provide members with another asset allocation option for their public funds. The Convenience Series is invested in FDIC-insured deposits and CDs, collateralized CDs, liquid bank deposits collateralized by the Federal Home Loan Bank (FHLB) LOC program, overnight repurchase agreements collateralized by Federally-guaranteed loan pools, U.S. government agency securities, and liquid bank deposits collateralized at 110% with government securities. 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 272 members, as of September 30, 2013.

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.

For fiscal year 2013, the 1-3 Year Series provided a yield of .39% on a gross of fees basis (.14% net of fees) and the Convenience Series yield was .34% net to members. 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 in this prolonged and painfully slow economic recovery. IMET's challenges for the next fiscal year remain the same as this fiscal year: how to continue to add value to our members in a historically low interest rate environment. According to recent Federal Open Market Committee (FOMC) comments, the Federal Funds Target Rate (FFTR) will remain at or near zero until the unemployment rate falls to 6.5% and other aspects of the economy show strength or the inflation rate exceeds 2.5%. The timeframe for this potential rate increase is predicted to be mid-2015 or later. All economic data suggest that conditions will not change anytime soon. 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 diversification and long-term investment performance on the 1-3 Year Series.

The 1-3 Year Series had a decrease in assets during FY 2013 due to declining yields in the bond market. The monthly returns to members have generally been positive in FY 2013, but the first two months of the fiscal year provided a negative net 1 year return. The continued low interest rate environment has been challenging for the investment manager. The Convenience Series continues to perform well, providing returns that are significantly higher when compared to the other Illinois investment pools and, at minimum, very competitive to local bank rates. In some cases, IMET's competitive advantage when compared to local bank offers, is the ability to invest in the Convenience Series without restriction where some banks will offer higher rates, but restrict the investment to a maximum dollar limit. We are pleased to report that these successes resulted in the achievement of an asset-balance milestone as we completed FY 2013 with combined assets exceeding \$1.6 billion. IMET also welcomed 11 new members in fiscal 2013 and now serves more than 270 units of government, including municipalities, pension funds, park districts, library districts, school districts, and other public agencies.

IMET had a productive FY 2013, successfully accomplishing many current goals and objectives. One of the major objectives completed in fiscal year 2013 was the creation of a "member finder" map on our website to assist current participants in referring potential members to IMET staff. The IMET Board of Trustees would like to encourage members to visit the member finder map under the Membership/Participants link on the IMET website. The 3rd biennial member outreach program was also completed in FY 2013. We thank all of our members who took the time to ensure the accurate member information on file with IMET and its record keeper. Finally, the 2013 fiscal year also brought operational change and improvement as IMET completed its transition to Associated 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 via the FHLB LOC program and government securities at 110% on the liquid deposits in the fund.

IMET's goals for FY 2014 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, while continuously looking for opportunities to enhance member yields without compromising the safety of our investments. In so doing, the IMET Board of Trustees will establish a new business partner relationship to develop and implement a money market type investment within the Convenience Series portfolio to ensure growth remains sustainable and to provide capacity for in-house investments when needed.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Illinois Metropolitan Investment Fund for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2012. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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



Jerry Ducay
IMET Chair



Laura F. Allen
IMET Executive Director

ILLINOIS METROPOLITAN INVESTMENT FUND

Board of Trustees
September 30, 2013

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

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Village of Frankfort

Vice Chair: Christy Powell
Geneva Park District

Treasurer: Gary Szott
Village of Bloomingdale

Secretary: Chris Minick
City of St. Charles

Trustee: Scott Anderson
Village of Buffalo Grove

Trustee: Kevin Barr
Village of Schiller Park

Trustee: John Harrington
Village of Minooka

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, 2013

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

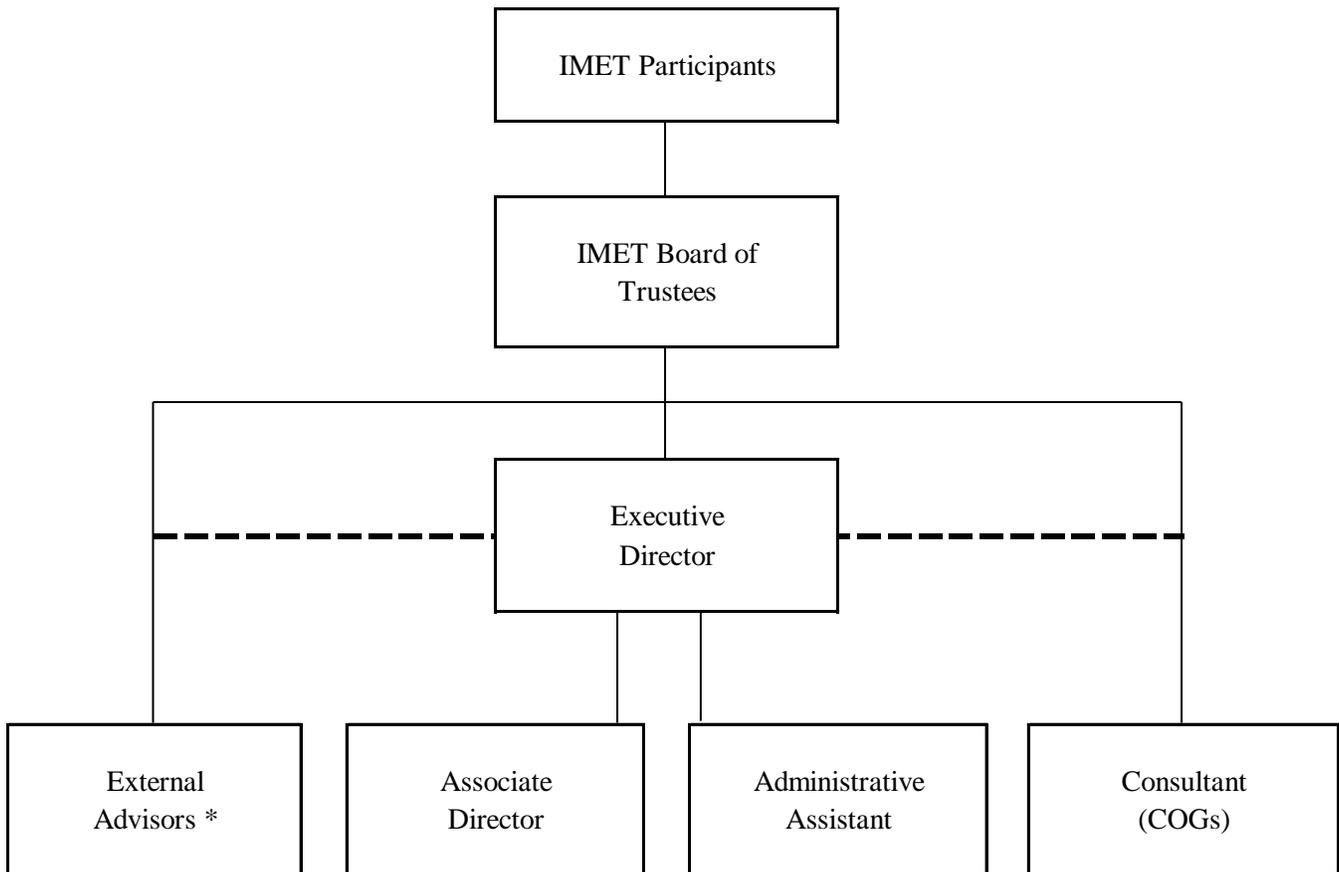
The Consulting Group of Smith Barney
Deerfield, Illinois

LEGAL COUNSEL

Chapman and Cutler LLP
Chicago, Illinois

ILLINOIS METROPOLITAN INVESTMENT FUND

Organizational Chart
September 30, 2013



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



Government Finance Officers Association

**Certificate of
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for Excellence
in Financial
Reporting**

Presented to

**Illinois Metropolitan
Investment Fund**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

Executive Director/CEO

FINANCIAL SECTION

MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying combining statement of net position and the related combining statement of changes in net position of the Illinois Metropolitan Investment Fund (IMET), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise IMET's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

(Continued)

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of IMET, as of September 30, 2013, and the respective changes in financial position thereof, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8, and the Illinois Municipal Retirement Fund historical data on page 22, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise IMET's basic financial statements. The other information, listed in the table of contents, including the introductory, investment, and statistical sections, and the other supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

(Continued)

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

Other Matters (Continued)

Other Information

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

MILLER, COOPER & CO., LTD.

Miller, Cooper & Co., Ltd.

Certified Public Accountants

Deerfield, Illinois
January 6, 2014

ILLINOIS METROPOLITAN INVESTMENT FUND

Management's Discussion and Analysis

Year ended September 30, 2013

Management is pleased to provide this discussion and analysis of the financial activities of the Illinois Metropolitan Investment Fund (IMET), for the year ended September 30, 2013. Readers are encouraged to consider the information presented here, in conjunction with the additional information that is furnished in the letter of transmittal. Further, this correspondence is intended to serve as an introduction to IMET's basic financial statements, which are comprised of the fund financial statements and notes to the financial statements. The Comprehensive Annual Financial Report (CAFR) also contains other information in addition to the basic financial statements. The financial statements begin on page 9 of the report.

Financial Highlights

The 2013 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 \$287,599,518 to a balance of \$1,673,283,907 as of September 30, 2013. Total assets of the IMET 1-3 Year Series decreased by \$53,463,123 to a balance of \$280,982,943 during fiscal year 2013; total assets of the IMET Convenience Series increased by \$340,895,062 to a balance of \$1,390,548,844, as of September 30, 2013; while total assets of the IMET Administration Fund increased by \$167,579 to a balance of \$1,752,120, as of September 30, 2013.

During fiscal year 2012, total assets of IMET (including the IMET 1-3 Year Series, the IMET Convenience Series, and the IMET Administration Fund) increased by \$409,764,042 to a balance of \$1,385,684,389, as of September 30, 2012. Total assets of the IMET 1-3 Year Series increased by \$22,223,240 to a balance of \$334,446,066 during fiscal year 2012, total assets of the IMET Convenience Series increased by \$386,129,418 to a balance of \$1,049,653,782, as of September 30, 2012, while total assets of the IMET Administration Fund increased by \$1,411,384 to a balance of \$1,584,541, as of September 30, 2012.

Participants' equity in IMET was \$1,385,205,009 (\$334,346,520 in the IMET 1-3 Year Series, \$1,049,300,081 in the IMET Convenience Series, and \$1,558,408 in the IMET Administration Fund), as of September 30, 2012, and \$1,672,650,486 (\$280,917,840 in the IMET 1-3 Year Series, \$1,390,063,626 in the IMET Convenience Series, and \$1,669,020 in the IMET Administration Fund), as of September 30, 2013.

During fiscal year 2013, IMET's 1-3 Year Series successfully accomplished its investment objective of meeting or exceeding the return on the benchmark Barclay's 1-3 Year Government Bond Index on a gross-of-fees basis, while also outperforming the 90-Day Treasury Bill rate, providing a gross return to members of 0.39 percent. 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 2012, nor did it outperform the 90-Day Treasury Bill rate, providing a gross return to members of .16 percent. While the nation continued to struggle to shake off the effects of the deep recession and an extended sluggish recovery in fiscal 2013, the IMET Convenience Series provided an excellent investment option for members with a net 12-month return of 0.34 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, 2013

Overview of the Financial Statements

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

The *Combining Statement of Net Position* is a measure of each fund's assets, liabilities, and net position at the close of the fiscal year. Total assets less total liabilities equal net position held in trust for IMET participants. The following table is a Condensed Statement of Net Position, for the years ended September 30, 2013 and September 30, 2012.

Condensed Statement of Net Position

	IMET 1-3 Year Series 2013	IMET 1-3 Year Series 2012	IMET Convenience Series 2013	IMET Convenience Series 2012	IMET Administration Fund 2013	IMET Administration Fund 2012	Total 2013	Total 2012
Total assets	\$ 280,982,943	\$ 334,446,066	\$ 1,390,548,844	\$ 1,049,653,782	\$ 1,752,120	\$ 1,584,541	\$ 1,673,283,907	\$ 1,385,684,389
Total liabilities	65,103	99,546	485,218	353,701	83,100	26,133	633,421	479,380
Total net position	<u>\$ 280,917,840</u>	<u>\$ 334,346,520</u>	<u>\$ 1,390,063,626</u>	<u>\$ 1,049,300,081</u>	<u>\$ 1,669,020</u>	<u>\$ 1,558,408</u>	<u>\$ 1,672,650,486</u>	<u>\$ 1,385,205,009</u>

The *Combining Statement of Changes in Net Position* shows purchases to and redemptions (withdrawals) from each fund, as well as additions and deductions due to operations during the fiscal year. The net increase or decrease in net position is the change in net position owned by participants since the end of the previous fiscal year. The following table is a Condensed Statement of Changes in Net Position, for the years ended September 30, 2013 and September 30, 2012.

ILLINOIS METROPOLITAN INVESTMENT FUND

Management's Discussion and Analysis

Year ended September 30, 2013

Condensed Statement of Changes in Net Position

	IMET 1-3 Year Series 2013	IMET 1-3 Year Series 2012	IMET Convenience Series 2013	IMET Convenience Series 2012	IMET Administration Fund 2013	IMET Administration Fund 2012	Total 2013	Total 2012
Total additions from operations	\$ 1,138,828	\$ 1,895,139	\$ 4,897,189	\$ 2,913,789	\$ 691,107	\$ 699,069	\$ 6,727,124	\$ 5,507,997
Total operating expenses (net reimbursements)	739,735	879,308	1,108,142	797,263	580,495	530,786	2,428,372	2,207,357
Net additions from operations	399,093	1,015,831	3,789,047	2,116,526	110,612	168,283	4,298,752	3,300,640
Total distributions	-	-	(3,789,047)	(2,116,526)	-	-	(3,789,047)	(2,116,526)
Net additions (deductions) from capital share and individual account transactions	(53,827,773)	21,185,867	340,763,545	385,995,156	-	1,335,368	286,935,772	408,516,391
Net increase (decrease)	(53,428,680)	22,201,698	340,763,545	385,995,156	110,612	1,503,651	287,445,477	409,700,505
Net position held in trust for participants:								
Beginning of year	334,346,520	312,144,822	1,049,300,081	663,304,925	1,558,408	54,757	1,385,205,009	975,504,504
End of year	\$ 280,917,840	\$ 334,346,520	\$ 1,390,063,626	\$ 1,049,300,081	\$ 1,669,020	\$ 1,558,408	\$ 1,672,650,486	\$ 1,385,205,009

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

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

ILLINOIS METROPOLITAN INVESTMENT FUND

Management's Discussion and Analysis

Year ended September 30, 2013

Financial Statement Analysis

Net Position

Fiscal year 2012 saw a continuation of historically low interest rates along with the effects of federal stimulus programs, "Operation Twist" and QE3, in a campaign to revive the U.S. economy. Total net position of IMET increased by \$409,700,505 to an ending balance of \$1,385,205,009 during fiscal year 2012. This increase in total net position, 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, IMET's 1-3 Year Series offers diversification to its members with the safety provided by U.S. Government securities. Members continued to see the value of IMET's unique, intermediate-term investment option 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 \$1.3 billion in combined assets.

Although rates remained at historic lows, for the entire year ended September 30, 2013, IMET's total net position increased by \$287,445,477, to a total balance of \$1,672,650,486. Fiscal year 2013 brought a year of continued economic uncertainty and challenges with exceptionally low interest rates for more than four years, and the Federal Open Market Committee (FOMC) announced that a highly accommodative stance of monetary policy will remain appropriate for a considerable time after the economic recovery strengthens. The FOMC decided to keep the target range for the federal funds rate at 0 to 1/4 percent and anticipates that this exceptionally low range for the federal funds rate will be appropriate at least as long as the unemployment rate remains above 6-1/2 percent, inflation between one and two years ahead is projected to be no more than a half percentage point above the Committee's 2 percent longer-run goal, and longer-term inflation expectations continue to be well anchored. During this modest recovery, IMET members have benefited from its proactive and strong leadership in the continued negotiation of our enhanced yield on the Convenience Series, along with additional government intervention efforts 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 fully collateralized. IMET's strong returns in the 1-3 Year Series (0.39%) and the Convenience Series (0.34%) resulted in IMET proudly achieving another milestone in asset balances to end fiscal year 2013 with over \$1.6 billion in combined assets.

Operations

During the current fiscal year ended September 30, 2013, total additions from operations consisted of \$6,468,759 in interest income, net depreciation in the fair value of investments of (\$427,635), charges for administrative services of \$685,900, and other income of \$100. These amounts may be compared with \$5,914,076 of interest income, net depreciation in the fair value of investments of (\$1,099,843), charges for administrative services of \$692,576 and other income of \$1,188 during the prior fiscal year, for total income of \$6,727,124, in fiscal year 2013, compared to \$5,507,997, in fiscal year 2012.

ILLINOIS METROPOLITAN INVESTMENT FUND

Management's Discussion and Analysis

Year ended September 30, 2013

Investment Performance

Operating expenses of IMET were \$2,428,372 (comprising \$1,161,977 of investment expenses and \$1,266,395 of administrative expenses) for the current fiscal year compared with \$2,207,357 for the prior fiscal year. This increase in operating expenses was almost entirely due to the increase in Convenience Series assets, because of transfer agent and fund accounting fees that are calculated as a percentage of IMET's fund assets. IMET's administrative expenses were approximately 4 percent higher than the prior year while total assets increased by more than 20 percent, in fiscal year 2013.

During fiscal year 2012, IMET's 1-3 Year Series was unable to outperform the benchmark Barclay's Capital 1-3 Year Government Bond Index, on a gross-of-fees basis, due to the 1-3 Year Series' slightly shorter duration and the one-time accounting change in the 1-3 Year Series (see Note H to the financial statements). IMET ended the fiscal year with a gross one-year return of .16 percent, versus a one-year return of .65 percent for the Barclay's Index. Absent the accounting change, the gross one-year return on the 1-3 Year series would have been .60 percent. The IMET Convenience Series outperformed the 90-Day Treasury Bill rate with a return of .28 percent to participants for the fiscal year ended September 30, 2012 versus a one-year return of .07 percent for the 90-Day Treasury Bill rate.

In fiscal year 2013, the IMET 1-3 Year Series outperformed both the benchmark and the 90-Day Treasury Bill rate, and provided a gross return of 0.39 percent versus 0.37 percent for the Barclay's Capital 1-3 Year Government Bond Index, 0.14 percent for IMET's *net* 12-month return, and 0.10 percent for 90-Day Treasury Bills. The IMET Convenience Series outperformed the 90-Day Treasury Bill rate as well, with a return of 0.34 percent to participants for the fiscal year ended September 30, 2013.

For additional information regarding performance returns of IMET and asset allocation, please refer to the Investment section beginning on page 24 of this report.

Requests for Information

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

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

BASIC FINANCIAL STATEMENTS

Illinois Metropolitan Investment Fund

Combining Statement of Net Position

September 30, 2013

	IMET 1 - 3 Year Series	IMET Convenience Series	IMET Administration Fund	Total
ASSETS				
Cash and short-term investments	\$ -	\$ 1,139,595,944	\$ 1,692,279	\$ 1,141,288,223
Interest receivable	1,632,238	952,900	-	2,585,138
Securities sold receivable	20,489	-	-	20,489
Other receivables	-	-	58,968	58,968
Investments:				
U.S. Treasury obligations	206,115,375	-	-	206,115,375
U.S. Government agency and agency-guaranteed obligations	62,521,370	250,000,000	-	312,521,370
Mortgage-backed securities	9,144,673	-	-	9,144,673
Money market mutual funds	1,548,798	-	-	1,548,798
Other assets	-	-	873	873
Total assets	280,982,943	1,390,548,844	1,752,120	1,673,283,907
LIABILITIES				
Payables:				
Dividends payable to participants	-	367,426	-	367,426
Management fees	49,932	63,020	-	112,952
Consultant fee	-	-	60,597	60,597
Administrative fee	15,171	43,797	-	58,968
Other	-	10,975	22,503	33,478
Total liabilities	65,103	485,218	83,100	633,421
NET POSITION				
Net position held in trust for participants (units outstanding: 14,757,571 and 1,390,063,626 at September 30, 2013 for IMET 1-3 Year Series and IMET Convenience Series, respectively; equivalent to \$19.04 and \$1.00 per unit outstanding at September 30, 2013 for IMET 1-3 Year Series and IMET Convenience Series, respectively)				
Total net position	\$ 280,917,840	\$ 1,390,063,626	\$ 1,669,020	\$ 1,672,650,486

The accompanying notes are an integral part of this statement.

Illinois Metropolitan Investment Fund

Combining Statement of Changes in Net Position

Year ended September 30, 2013

	IMET 1 - 3 Year Series	IMET Convenience Series	IMET Administration Fund	Total
Additions				
Investment income				
Interest	\$ 1,566,463	\$ 4,897,189	\$ 5,107	\$ 6,468,759
Net depreciation in fair value of investments	(427,635)	-	-	(427,635)
Charges for administrative services	-	-	685,900	685,900
Other income	-	-	100	100
Total income	1,138,828	4,897,189	691,107	6,727,124
Expenses				
Investment advisory fees	302,676	-	-	302,676
Transfer agent and fund accounting fees	178,221	650,812	-	829,033
Custodial fees	30,268	-	-	30,268
Total expenses	511,165	650,812	-	1,161,977
Net income	627,663	4,246,377	691,107	5,565,147
Unit transactions				
Proceeds from sale of units to participants	28,402,479	1,275,361,156	-	1,303,763,635
Distributions reinvested by participants	-	3,686,415	-	3,686,415
Total unit transactions	28,402,479	1,279,047,571	-	1,307,450,050
Total additions	29,030,142	1,283,293,948	691,107	1,313,015,197
Deductions				
Administrative expenses:				
Management and administrative services	228,570	457,330	67,193	753,093
Compensation and related expenses	-	-	290,129	290,129
Professional services	-	-	34,364	34,364
Insurance	-	-	52,669	52,669
Audit	-	-	21,500	21,500
Marketing	-	-	21,637	21,637
Administrative and other	-	-	93,003	93,003
Total administrative expenses	228,570	457,330	580,495	1,266,395
Distributions of income to participants	-	3,789,047	-	3,789,047
Cost of units redeemed by participants	82,230,252	938,284,026	-	1,020,514,278
Total deductions	82,458,822	942,530,403	580,495	1,025,569,720
Net increase (decrease) in net position held in trust for participants	(53,428,680)	340,763,545	110,612	287,445,477
Net position held in trust for participants:				
Beginning of year	334,346,520	1,049,300,081	1,558,408	1,385,205,009
End of year	<u>\$ 280,917,840</u>	<u>\$ 1,390,063,626</u>	<u>\$ 1,669,020</u>	<u>\$ 1,672,650,486</u>

The accompanying notes are an integral part of this statement.

Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2013

NOTE A - NATURE OF OPERATIONS

The Illinois Metropolitan Investment Fund (IMET) is an actively managed investment fund for Illinois units of local government and for other official custodians of public funds. IMET offers two investment options, the 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.

Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2013

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. New Accounting Pronouncement

The Governmental Accounting Standards Board (GASB) has issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* (GASB 63), which was adopted by IMET as of the fiscal year ended September 30, 2013. IMET is now required to report five elements on the statement of net position (formerly known as the statement of net assets), assets, deferred outflow of resources, liabilities, deferred inflows of resources, and net position (formerly known as net assets). The types of deferred outflows and inflows of resources to be reported currently consist of service concession arrangements and derivative instruments. As of September 30, 2013, IMET had no deferred outflows or deferred inflows of resources.

3. 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.

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 investments.

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.

Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2013

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

NOTE C - DEPOSITS AND INVESTMENTS

1. Cash and Short-Term Investments

At September 30, 2013, the deposits of the IMET Convenience Series and the IMET 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 Convenience Series	\$ 1,139,680,932	\$ 1,139,595,944
IMET Administration Fund	<u>1,692,869</u>	<u>1,692,279</u>
	<u>\$ 1,141,373,801</u>	<u>\$ 1,141,288,223</u>

Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2013

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

1. Cash and Short-Term Investments (Continued)

The following table presents a summarization of the cash and short-term investments in the IMET Convenience Series at September 30, 2013.

	<u>Fair Value</u>
Certificates of deposit	\$ 348,635,454
Other interest-bearing bank deposits	623,797,748
Repurchase agreements	<u>167,162,742</u>
 Total cash and short-term investments	 \$ <u><u>1,139,595,944</u></u>

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

Repurchase Agreements

IMET enters into the purchases of securities under agreements to resell consisting of securities specified in a Small Business Administration ("SBA") and US Department of Agriculture ("USDA") Master Repurchase Agreements. The amount advanced under these agreements represents short-term investments of \$167,162,724 as of September 30, 2013, and is presented as cash and short-term investments in the combining statement of net position. The securities underlying the agreements are the guaranteed portion of SBA pools and loans, and USDA loan certificates. The repurchase agreements are collateralized by the full faith and credit of the SBA and USDA pool and loan certificates at no less than 102.5% of the estimated market value of the underlying collateral. Such government sponsored collateral would be distributed in the event of counterparty default. Such repurchase agreements mature daily.

Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2013

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

2. Investments

The following table presents a summarization of the fair values and average maturity of the IMET 1-3 Year Series investments at September 30, 2013.

	<u>Fair Value</u>	<u>Average Maturity (in years)</u>
U.S. Treasury obligations	\$ 206,115,375	1.57
U.S. Government agency and agency-guaranteed obligations	62,521,370	1.29
Mortgage-backed securities	9,144,673	4.09
Money market mutual funds	<u>1,548,798</u>	<u>-</u>
Total investments	<u>\$ 279,330,216</u>	1.59

The following table presents the fair value and average maturity of the IMET Convenience Series investments at September 30, 2013.

	<u>Fair Value</u>	<u>Average Maturity (in years)</u>
U.S. Government agency obligations	<u>\$ 250,000,000</u>	2.00

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 1.89 years, as of September 30, 2013.

Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2013

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

2. Investments (Continued)

Credit Risk

The investments in U.S. Treasury and agency and agency-guaranteed obligations carry the explicit guarantee of the United States Government, and are rated AAA by Moody's and AA by Standard & Poor's at September 30, 2013. The investments in mortgage-backed securities are rated in the top rating category issued by nationally recognized rating organizations. The Fidelity Institutional Money Market was rated AAA-mf by Moody's and AAAM by Standard & Poor's, at September 30, 2013.

Concentration of Credit Risk

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

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

The total expenses, including consulting fees, for the IMET 1-3 Year Series were approximately 0.24% of the average daily net position, for the year ended September 30, 2013. The average daily net position of the IMET 1-3 Year Series was approximately \$302.9 million, for the year ended September 30, 2013. 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. The management fee is calculated each day and paid monthly based upon the average daily net position of the fund as follows:

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

Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2013

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

1. Fund Management (Continued)

IMET has an agreement with PMA Financial Network, Inc. to provide administrative services including fund accounting and transfer agent services. The fee is calculated each day and paid monthly based upon the combined average daily net position of the IMET 1-3 Year Series and the IMET Convenience Series, as follows:

	<u>Fee Rate</u>
Average daily net position:	
First \$1 billion	0.060%
Next \$500 million	0.055%
Amount over \$1.5 billion	0.050%

IMET has an agreement with Harris Bank to provide custody services. The fee associated with these services is calculated at an annual rate of 0.01% of the average daily net position within the fund.

For the year ended September 30, 2013, the IMET 1-3 Year Series incurred expenses of \$302,676 for services provided by JP Morgan Asset Management, \$178,221 for services provided by PMA Financial Network, Inc., and \$30,268 for services provided by Harris Bank.

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 position for each fiscal year, not to exceed \$125,000 in any fiscal year. No annual fee shall be payable for any fiscal year unless the assets of the IMET 1-3 Year Series exceed \$100 million for at least 31 consecutive calendar days during such fiscal year and the total return to fund participants for such fiscal year equals or exceeds the average 90-day Treasury bill rate during such fiscal year. For fiscal year 2013, the IMET 1-3 Year Series' return exceeded the average 90-day Treasury bill rate. Accordingly, IMET incurred consulting fees expense of \$60,597, for the year ended September 30, 2013, which was accrued in the IMET Administration Fund.

Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2013

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 0.065% (0.105% from October 1, 2012 through December 31, 2012), applied to the Series' net position. The amounts accrued are paid, on a monthly basis, to the IMET Administration 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 2013 totaled \$228,570.

NOTE E - FUND EXPENSES - IMET CONVENIENCE SERIES

The total expenses, including consulting fees, for the IMET Convenience Series, were approximately 0.10% of the average daily net position for the year ended September 30, 2013. The average daily net position of the IMET Convenience Series were approximately \$1.104 billion, for the year ended September 30, 2013. The contractually obligated expenses are described below.

1. Fund Management

IMET has 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 as described in Note D-1, above.

For the year ended September 30, 2013, the IMET Convenience Series incurred expenses of \$650,812 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 0.05%, applied to various portions of the Series' net position. The amounts accrued are paid, on a monthly basis, to the IMET Administration 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 2013 totaled \$457,330.

Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2013

NOTE F - UNIT TRANSACTIONS

A summary of participants' unit transactions for the year ended September 30, 2013 is as follows:

	IMET 1 - 3 Year Series	IMET Convenience Series
Unit transactions:		
Issued	1,494,091	1,275,361,156
Distributions reinvested	-	3,686,415
Redeemed	<u>(4,325,668)</u>	<u>(938,284,026)</u>
Change in units	<u>(2,831,577)</u>	<u>340,763,545</u>
Unit outstanding:		
Beginning of year	<u>17,589,148</u>	<u>1,049,300,081</u>
End of year	<u><u>14,757,571</u></u>	<u><u>1,390,063,626</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.

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 and actual rate of contribution for calendar year 2012 was 13.70%. 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.

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, 2013.

Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2013

NOTE G - RETIREMENT FUND COMMITMENTS - ILLINOIS MUNICIPAL RETIREMENT FUND

(Continued)

Fiscal IMRF Pension Cost and Net IMRF Pension Obligation (Continued)

		September 30, 2013
Annual Required Contribution (ARC)	\$	30,086
Interest on net IMRF pension obligation		235
Adjustment to annual required contribution		(376)
Annual IMRF cost		29,945
Contributions made		(33,226)
Decrease in IMRF pension obligation		(3,281)
Net IMRF pension obligation at October 1, 2012		3,140
Net IMRF pension benefit at September 30, 2013	\$	(141)

Annual Pension Cost Information related to IMET's contributions are on a fiscal year basis. The required contribution for fiscal year 2013 was \$30,086. The actuarial information is on a calendar year basis as that is the IMRF plan year.

	<u>Trend Information</u>		
	Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed
9/30/2013	\$ 29,945	111%	\$ (141)
9/30/2012	27,684	101%	3,140
9/30/2011	26,133	97%	3,287

Illinois Metropolitan Investment Fund

Notes to the Financial Statements

September 30, 2013

NOTE G - RETIREMENT FUND COMMITMENTS - ILLINOIS MUNICIPAL RETIREMENT FUND

(Continued)

Annual Pension Cost The required contribution for 2012 was determined as part of the December 31, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010 included: (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, 2010 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Policy As of December 31, 2012, the most recent actuarial valuation date, the plan was 73.92% funded. The actuarial accrued liability for benefits was \$487,894 and the actuarial value of assets was \$360,638, resulting in an underfunded actuarial accrued liability (UAAL) of \$127,256. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$205,902 and the ratio of the UAAL to the covered payroll was 62%.

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 6, 2014, 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 position that require disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)

Illinois Metropolitan Investment Fund
 Required Supplementary Information - Schedule of Funding Progress
 Illinois Municipal Retirement Fund
September 30, 2013

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)
12/31/2012	\$ 360,638	\$ 487,894	\$ 127,256	73.92%	\$ 205,902	61.80%
12/31/2011	299,783	405,533	105,750	73.92%	199,904	52.90%
12/31/2010	258,903	353,158	94,255	73.31%	194,107	48.56%

On a market value basis, the actuarial value of assets as of December 31, 2012 was \$367,971. On a market value basis, the funded ratio would be 75.42%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the Illinois Metropolitan Investment Fund. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

OTHER SUPPLEMENTARY INFORMATION

Illinois Metropolitan Investment Fund
Schedule of Operations - IMET Administration Fund - Budget and Actual
Year Ended September 30, 2013

	Original and Final Budget	Actual	Variance from Final Budget
Additions from operations			
1-3 Year Fund income	\$ 315,974	\$ 228,570	\$ (87,404)
Convenience Fund income	311,256	457,330	146,074
Longer duration fund income	10,395	-	(10,395)
Interest income	4,687	5,107	420
Other revenue	-	100	100
	<u>642,312</u>	<u>691,107</u>	<u>48,795</u>
Deductions from operations			
Payroll			
Pension expense	30,056	30,086	(30)
Wages	-	7,947	(7,947)
Salary expense	210,621	210,620	1
Benefit expense	30,840	25,313	5,527
Tax	14,996	16,163	(1,167)
	<u>286,513</u>	<u>290,129</u>	<u>(3,616)</u>
Administrative			
Accounting services	6,600	6,596	4
Administrative assistance	15,914	6,135	9,779
Asset monitoring	27,300	15,000	12,300
Audit expense	21,500	21,500	-
COG repayment	63,950	60,597	3,353
Conferences	14,180	8,256	5,924
Consulting fee - third fund	7,500	-	7,500
Dues & publications	11,780	10,589	1,191
Fund rating	28,000	18,500	9,500
Insurance	56,221	52,669	3,552
Legal services	35,000	12,992	22,008
Legislative consulting	6,000	6,372	(372)
Marketing	34,285	21,637	12,648
Office expense	19,000	18,270	730
Participant outing	15,500	15,282	218
Rent expense	6,000	6,000	-
Travel	12,000	9,401	2,599
Web site maintenance	10,650	570	10,080
	<u>391,380</u>	<u>290,366</u>	<u>101,014</u>
	<u>677,893</u>	<u>580,495</u>	<u>97,398</u>
	<u>677,893</u>	<u>580,495</u>	<u>97,398</u>
Net additions (deductions) from operations	<u>\$ (35,581)</u>	<u>\$ 110,612</u>	<u>\$ 146,193</u>

INVESTMENT SECTION (Unaudited)

Illinois Metropolitan Investment Fund

Report on Investment Activity

September 30, 2013

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 was established concurrently with IMET's formation, and 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 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 is comprised of fully collateralized and FDIC Insured liquid bank deposits with same day or next day liquidity, collateralized certificates of deposit, U.S. government securities, collateralized overnight repurchase agreements, and FDIC Insured certificates of deposit. The Convenience Series 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.

Market Review

Global equity and credit markets were volatile in the quarter ended December 31, 2012, as investors shifted their focus from the ongoing credit concerns in Europe to the U.S. elections and the potential economic implications of the "fiscal cliff". Aside from events in the U.S., market sentiment was also influenced by economic and political changes in China. U.S. equity markets and short-term interest rates fell as the "fiscal cliff" took center stage. Markets swung back and forth on news about a potential for a deal or lack thereof.

(Continued)

Illinois Metropolitan Investment Fund

Report on Investment Activity (Continued)

September 30, 2013

Market Review (Continued)

U.S. economic data was generally a bit better in the fourth quarter 2012, with housing showing the strongest improvement. Labor market measurements were slightly weaker, largely due to Hurricane Sandy as initial jobless claims hit their peak in November, averaging 408,250. The unemployment rate held steady at 7.8% (November's rate was revised to 7.8% from 7.7%) after declining significantly in 2012 from 8.5% in the previous year.

As events in the quarter ended March 31, 2013, in both the U.S. and Europe, threatened to derail the rally in risk assets, accommodative support from central banks benefited U.S. stock markets, which reached multi-year highs. The Standard & Poor's 500 Index gained 10.6% for the quarter and closed at a record high for the first time since 2007. As demand for risk assets increased, U.S. Treasuries weakened slightly but remained well bid, with the curve between the two and five-year maturities steepening by 4 basis points (bps) on the quarter, as the spread increased from 48 bps to 52 bps.

In the U.S., lawmakers were able to avert the potential cliff in fiscal spending at the beginning of the year and markets were resilient despite additional concerns regarding automatic spending cuts, referred to as sequestration. U.S. markets experienced some weakness when minutes of the January Fed meeting revealed that the current \$85 billion in monthly bond purchases may be scaled back earlier than anticipated. However, markets rebounded again when Fed Chairman Bernanke made several statements during the quarter that defended the asset purchase program and maintained the Fed's accommodative policy dependence on economic data. While the pace of asset purchases may not remain at \$85 billion per month all year, the Fed made it clear that policy will stay accommodative for a very long time.

In the second quarter of 2013, global risk markets were largely driven by the actions of central banks during the quarter. The Bank of Japan provided a boost to markets early in the quarter through its quantitative easing program, while the Federal Reserve disappointed investors with hints of scaling back asset purchases. Market participants reacted to the Federal Reserve Chairman Bernanke's testimony to Congress in May during which he indicated that the Fed could begin reducing its \$85 billion in monthly asset purchases at one of its next few meetings if improvements in economic growth seemed sustainable. U.S. Treasury rates, credit markets and equities weakened. The sell-off in Treasuries and risk markets was even more aggressive after the June 19th FOMC meeting when the Fed reiterated the possibility of scaling back asset purchases later in the year and added that purchases may end in mid-2014 if incoming data is consistent with the Fed's "rosy" forecasts. All fixed income sectors suffered during the sell-off, with emerging markets and high yield bonds getting hit especially hard.

Overall portfolio duration of the 1-3 Year Series remained shorter than the benchmark, which was a benefit to performance relative to the benchmark, as rates moved higher during the quarter.

(Continued)

Illinois Metropolitan Investment Fund

Report on Investment Activity (Continued)

September 30, 2013

Market Review (Continued)

Equity and bond markets were volatile in the third quarter of 2013 as investors focused on the Federal Reserve meeting in mid-September and the risks associated with the fiscal-policy negotiations in Washington. The Federal Reserve's decision to delay tapering was a notable surprise to the markets. Markets also reacted to positive economic data in Europe and tensions in the Middle East, specifically a possible U.S. strike against Syria.

The majority of market participants had predicted that the Fed would announce a reduction in its monthly asset purchase program, at its September meeting. Instead, the Fed shocked markets with its dovish comments, maintaining its current monetary policy and leaving monthly asset purchases of Treasuries and mortgage-backed securities at \$85 billion per month. Markets reacted positively, with two-, five- and ten- year U.S. Treasury note yields falling significantly from highs of 0.52%, 1.85%, and 2.99% prior to the meeting to end the quarter at 0.32%, 1.38% and 2.61% respectively.

Overall portfolio duration of the 1-3 Year Series remained shorter than the benchmark, which was a positive to performance on the quarter.

Risk Profile

In the context of the broad fixed income market the 1-3 Year Series 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 U.S. government and related entities.

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

Basis of Presentation

The Investment Section has been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The basis of presentation of data in the investment section is a time-weighted rate of return based on the market rate of return, which is consistent with the CFA Institute's global investment performance standards.

(Concluded)

Illinois Metropolitan Investment Fund
 Schedule of Investment Results - IMET 1-3 Year Series
 September 30, 2013

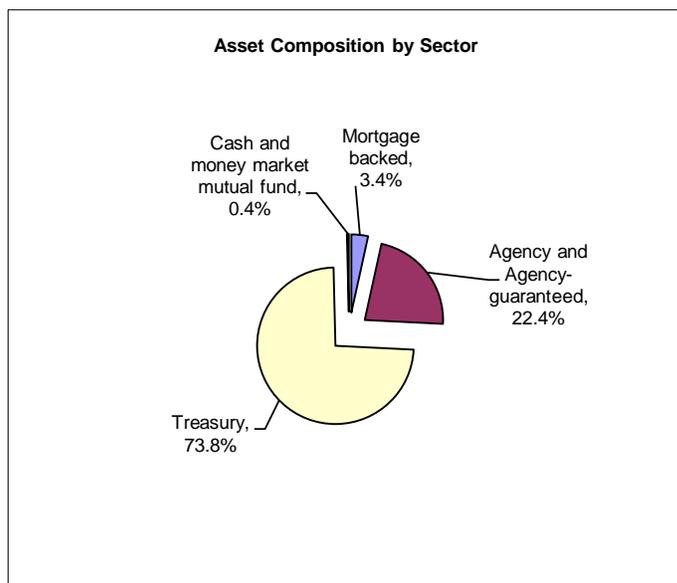
	One Year *	Three Year *	Five Year *
IMET 1-3 Year Series Net Return	0.14%	0.27%	1.46%
IMET 1-3 Year Series Gross Return**	0.39%	0.54%	1.74%
Barclays Capital 1-3 Year Government Bond Index	0.37%	0.75%	1.84%
Merrill Lynch 3-Month Treasury Bill Index	0.10%	0.10%	0.17%

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

** Returns exclude expenses of the fund.

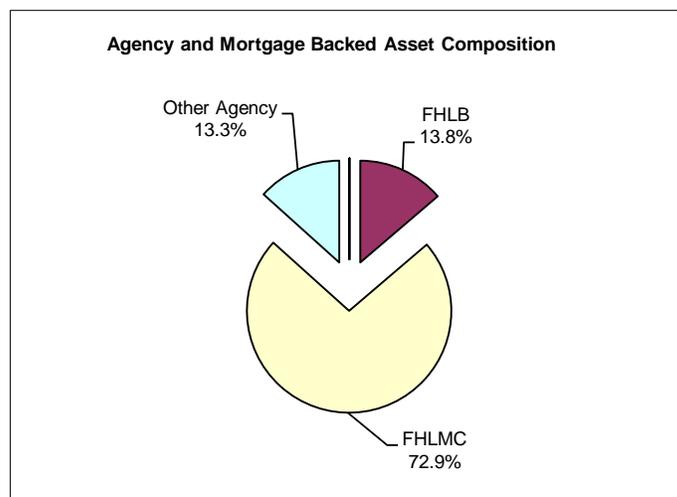
	Fund Profile	Index Profile
Gross yield to maturity	0.34%	0.35%
Duration	1.50 years	1.89 years
Average maturity	1.59 years	1.95 years

Sectors	Fund Profile	Index Profile
Treasury	73.8%	87.8%
Agency and Agency-guaranteed	22.4%	12.2%
Mortgage-backed	3.4%	-
Cash and money market mutual fund	0.4%	-



Quality***	Fund Profile	Index Profile
AAA	100%	100%
AA	-	-

***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.



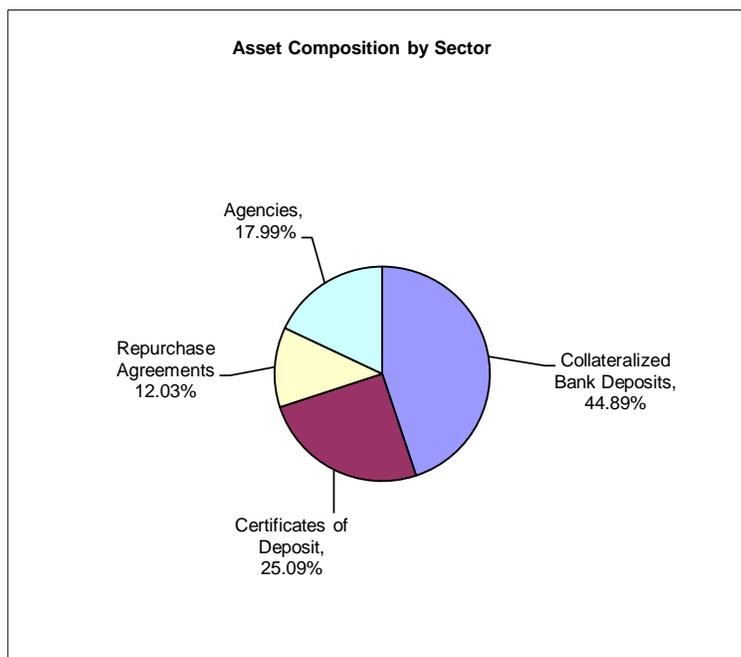
Illinois Metropolitan Investment Fund
 Schedule of Investment Results - IMET Convenience Series
September 30, 2013

	<u>One Year *</u>	<u>Three Year *</u>	<u>Five Year*</u>
IMET Convenience Series	0.34%	0.31%	0.42%
IL Funds Money Market Fund - Index	0.05%	0.07%	0.15%

* Annualized return. An internal rate of return based on the average annualized monthly yield is the basis for the calculations.

	<u>Fund Profile</u>	<u>Index Profile</u>
Average maturity	249 days	43 days

<u>Sectors</u>	<u>Fund Profile</u>	<u>Index Profile</u>
Collateralized Bank Deposits	44.89%	-
Certificates of Deposit	25.09%	-
Repurchase Agreements	12.03%	47.47%
Money Market Funds	-	8.39%
Commercial Paper	-	29.03%
Agencies	17.99%	4.37%
Treasuries	-	10.74%



Illinois Metropolitan Investment Fund

Schedule of Investments

IMET 1-3 Year Series

September 30, 2013

Units/ par value	Description	Rate	Maturity	Market value
U.S. Treasury Obligations: 73.8%				
\$ 1,082,550	U.S. Treasury Note	1.250 %	4/15/2014	\$ 1,091,351
5,000,000	U.S. Treasury Note	4.750	5/15/2014	5,144,750
2,000,000	U.S. Treasury Note	4.750	5/15/2014	2,057,900
1,000,000	U.S. Treasury Note	2.250	5/31/2014	1,014,260
8,000,000	U.S. Treasury Note	2.250	5/31/2014	8,114,080
5,000,000	U.S. Treasury Note	0.750	6/15/2014	5,023,050
1,500,000	U.S. Treasury Note	0.750	6/15/2014	1,506,915
5,000,000	U.S. Treasury Note	2.625	6/30/2014	5,094,350
5,000,000	U.S. Treasury Note	2.625	7/31/2014	5,104,500
2,000,000	U.S. Treasury Note	2.625	7/31/2014	2,041,800
2,500,000	U.S. Treasury Note	4.250	8/15/2014	2,589,850
2,000,000	U.S. Treasury Note	4.250	8/15/2014	2,071,880
4,625,000	U.S. Treasury Note	4.250	8/15/2014	4,791,223
3,000,000	U.S. Treasury Strip	None	8/15/2014	2,997,030
5,000,000	U.S. Treasury Note	0.250	9/15/2014	5,006,650
2,000,000	U.S. Treasury Note	2.375	9/30/2014	2,044,760
3,000,000	U.S. Treasury Note	2.375	10/31/2014	3,072,060
6,000,000	U.S. Treasury Note	2.375	10/31/2014	6,144,120
2,000,000	U.S. Treasury Strip	None	11/15/2014	1,996,540
3,000,000	U.S. Treasury Note	2.125	11/30/2014	3,068,670
3,000,000	U.S. Treasury Note	2.125	11/30/2014	3,068,670
2,600,000	U.S. Treasury Note	2.625	12/31/2014	2,679,534
2,000,000	U.S. Treasury Note	2.250	1/31/2015	2,054,840
2,000,000	U.S. Treasury Note	2.250	1/31/2015	2,054,840
1,000,000	U.S. Treasury Note	2.250	1/31/2015	1,027,420
3,400,000	U.S. Treasury Note	2.250	1/31/2015	3,493,228
1,000,000	U.S. Treasury Note	2.250	1/31/2015	1,027,420
5,000,000	U.S. Treasury Note	4.000	2/15/2015	5,259,550
5,000,000	U.S. Treasury Note	4.000	2/15/2015	5,259,550
2,000,000	U.S. Treasury Strip	None	2/15/2015	1,993,940
1,000,000	U.S. Treasury Strip	None	2/15/2015	996,970
3,000,000	U.S. Treasury Strip	None	2/15/2015	2,990,910
4,000,000	U.S. Treasury Note	2.375	2/28/2015	4,122,200
1,000,000	U.S. Treasury Note	2.375	2/28/2015	1,030,550
800,000	U.S. Treasury Note	2.500	3/31/2015	827,184
2,000,000	U.S. Treasury Note	2.500	4/30/2015	2,071,180
5,000,000	U.S. Treasury Note	2.500	4/30/2015	5,177,950
2,700,000	U.S. Treasury Note	4.125	5/15/2015	2,869,074
2,000,000	U.S. Treasury Note	4.125	5/15/2015	2,125,240
1,150,000	U.S. Treasury Note	4.125	5/15/2015	1,222,013
1,150,000	U.S. Treasury Note	4.125	5/15/2015	1,222,013
3,000,000	U.S. Treasury Note	4.125	5/15/2015	3,187,860
5,000,000	U.S. Treasury Note	1.875	6/30/2015	5,138,300

(Continued)

Illinois Metropolitan Investment Fund

Schedule of Investments (Continued)

IMET 1-3 Year Series

September 30, 2013

Units/ par value	Description	Rate	Maturity	Market value
U.S. Treasury Obligations (Continued)				
\$ 4,000,000	U.S. Treasury Note	1.750 %	7/31/2015	\$ 4,105,800
2,000,000	U.S. Treasury Note	1.750	7/31/2015	2,052,900
2,350,000	U.S. Treasury Note	4.250	8/15/2015	2,522,866
2,000,000	U.S. Treasury Note	4.250	8/15/2015	2,147,120
2,350,000	U.S. Treasury Note	4.250	8/15/2015	2,522,866
3,300,000	U.S. Treasury Note	4.250	8/15/2015	3,542,748
1,000,000	U.S. Treasury Note	4.500	11/15/2015	1,087,420
2,000,000	U.S. Treasury Note	4.500	11/15/2015	2,174,840
5,000,000	U.S. Treasury Note	4.500	11/15/2015	5,437,100
2,000,000	U.S. Treasury Note	4.500	11/15/2015	2,174,840
2,000,000	U.S. Treasury Note	1.375	11/30/2015	2,042,820
3,000,000	U.S. Treasury Note	1.375	11/30/2015	3,064,230
5,000,000	U.S. Treasury Note	2.000	1/31/2016	5,183,600
3,000,000	U.S. Treasury Note	2.000	1/31/2016	3,110,160
5,000,000	U.S. Treasury Note	4.500	2/15/2016	5,480,850
5,000,000	U.S. Treasury Note	2.625	4/30/2016	5,273,050
2,000,000	U.S. Treasury Note	2.000	4/30/2016	2,077,340
2,000,000	U.S. Treasury Note	1.750	5/31/2016	2,064,220
3,000,000	U.S. Treasury Note	1.750	5/31/2016	3,096,330
2,000,000	U.S. Treasury Note	1.750	5/31/2016	2,064,220
3,000,000	U.S. Treasury Note	1.750	5/31/2016	3,096,330
3,500,000	U.S. Treasury Note	1.500	6/30/2016	3,589,425
3,500,000	U.S. Treasury Note	1.500	7/31/2016	3,588,585
3,500,000	U.S. Treasury Note	3.000	8/31/2016	3,739,540
				206,115,375
U.S. Government Agency and Agency-Guaranteed Obligations: 22.4%				
2,000,000	Federal Home Loan Mortgage Corp.	4.500	1/15/2014	2,025,420
2,600,000	Federal Home Loan Mortgage Corp.	1.375	2/25/2014	2,613,468
140,000	Federal Home Loan Bank	3.470	3/10/2014	140,013
2,000,000	Federal Home Loan Mortgage Corp.	2.500	4/23/2014	2,027,200
2,000,000	Federal Home Loan Mortgage Corp.	1.350	4/29/2014	2,014,340
1,500,000	Federal Home Loan Mortgage Corp.	1.350	4/29/2014	1,510,755
3,000,000	Federal Home Loan Bank	1.375	5/28/2014	3,024,630
3,000,000	Federal Home Loan Bank	2.500	6/13/2014	3,049,650
2,000,000	Federal Home Loan Mortgage Corp.	5.000	7/15/2014	2,076,540
2,000,000	Federal Home Loan Mortgage Corp.	3.000	7/28/2014	2,046,160
1,745,000	Federal Home Loan Mortgage Corp.	1.000	8/20/2014	1,757,721
2,255,000	Federal Home Loan Mortgage Corp.	1.000	8/20/2014	2,271,439
2,000,000	Federal Home Loan Mortgage Corp.	0.500	9/19/2014	2,006,440
2,600,000	Federal Home Loan Mortgage Corp.	0.750	9/22/2014	2,614,742
2,000,000	Federal Home Loan Mortgage Corp.	0.750	11/25/2014	2,013,000

(Continued)

Illinois Metropolitan Investment Fund

Schedule of Investments (Continued)

IMET 1-3 Year Series

September 30, 2013

Units/ par value	Description	Rate	Maturity	Market value
U.S. Government Agency and Agency-Guaranteed Obligations (Continued)				
\$ 2,000,000	Federal Home Loan Mortgage Corp.	0.750	% 11/25/2014	\$ 2,013,000
350,000	Federal Home Loan Mortgage Corp.	0.350	12/5/2014	350,550
1,650,000	Federal Home Loan Bank	2.750	12/12/2014	1,700,457
2,000,000	Federal Home Loan Mortgage Corp.	0.625	12/29/2014	2,009,960
2,000,000	Federal Home Loan Mortgage Corp.	0.625	12/29/2014	2,009,960
2,600,000	Federal Home Loan Mortgage Corp.	2.875	2/9/2015	2,692,326
2,000,000	Federal Home Loan Mortgage Corp.	0.500	4/17/2015	2,007,040
2,000,000	Federal Home Loan Mortgage Corp.	4.375	7/17/2015	2,145,500
2,000,000	Federal Home Loan Mortgage Corp.	0.450	9/4/2015	2,000,840
2,000,000	Federal Home Loan Mortgage Corp.	1.750	9/10/2015	2,052,740
2,000,000	Federal Home Loan Mortgage Corp.	1.750	9/10/2015	2,052,740
4,000,000	Federal Home Loan Mortgage Corp.	0.450	11/24/2015	3,995,680
2,000,000	Federal Home Loan Mortgage Corp.	5.250	4/18/2016	2,237,240
2,000,000	Federal Home Loan Bank	0.375	6/24/2016	1,989,460
2,000,000	Federal Home Loan Mortgage Corp.	2.000	8/25/2016	2,072,360
				62,521,370
Mortgage Backed Securities: 3.3%				
4,251	Federal Home Loan Mortgage Corp.	4.000	11/1/2013	4,255
7,024	Federal Home Loan Mortgage Corp.	5.000	4/1/2014	7,431
3,413	Federal Home Loan Mortgage Corp.	6.500	7/1/2014	3,455
10,439	Federal Home Loan Mortgage Corp.	7.000	12/1/2014	10,716
18,020	Federal Home Loan Mortgage Corp.	7.000	3/1/2016	18,766
206,100	Federal Home Loan Mortgage Corp.	5.500	2/1/2018	217,151
183,889	Federal Home Loan Mortgage Corp.	5.000	11/1/2020	195,376
174,338	Federal Home Loan Mortgage Corp.	5.000	12/1/2020	185,138
40,613	Federal Home Loan Mortgage Corp.	7.000	9/1/2021	45,088
246,631	Federal Home Loan Mortgage Corp.	5.500	12/1/2021	266,591
212,947	Federal Home Loan Mortgage Corp.	5.500	10/1/2022	230,132
312,081	Federal Home Loan Mortgage Corp.	6.500	3/1/2023	345,963
149,396	Federal Home Loan Mortgage Corp.	5.000	7/1/2023	161,336
677,032	Federal Home Loan Mortgage Corp.	5.500	10/1/2023	730,606
143,189	Federal Home Loan Mortgage Corp.	4.500	6/1/2024	151,407
321,559	Federal Home Loan Mortgage Corp.	4.500	9/1/2024	340,126
18,479	Government National Mortgage Assoc.	9.500	12/15/2024	20,275
345,525	Federal Home Loan Mortgage Corp.	4.500	4/1/2025	368,299
195,478	Federal Home Loan Mortgage Corp.	4.500	5/1/2025	209,508
16,376	Government National Mortgage Assoc.	8.500	5/20/2025	19,072
992,790	Federal Home Loan Mortgage Corp.	4.000	6/1/2026	1,051,791
5,179	Government National Mortgage Assoc.	8.000	11/20/2026	6,301
431,534	Federal Home Loan Mortgage Corp.	6.000	9/1/2027	470,912
143,845	Federal Home Loan Mortgage Corp.	6.000	9/1/2027	156,971

(Continued)

Illinois Metropolitan Investment Fund

Schedule of Investments (Continued)

IMET 1-3 Year Series

September 30, 2013

Units/ par value	Description	Rate	Maturity	Market value
Mortgage Backed Securities (Continued)				
\$ 289,108	Federal Home Loan Mortgage Corp.	6.000 %	11/1/2027	\$ 314,657
23,773	Government National Mortgage Assoc.	8.000	11/20/2027	29,015
98,432	Federal Home Loan Mortgage Corp.	6.549	12/1/2027	104,444
287,858	Federal Home Loan Mortgage Corp.	5.500	12/1/2027	312,207
412	Government National Mortgage Assoc.	8.000	3/20/2028	417
2,214	Government National Mortgage Assoc.	8.000	8/20/2028	2,551
6,862	Government National Mortgage Assoc.	8.000	9/20/2028	7,909
159,056	Federal Home Loan Mortgage Corp.	6.500	1/1/2029	175,943
560,393	Federal Home Loan Mortgage Corp.	5.500	2/1/2029	609,170
54,119	Federal Home Loan Mortgage Corp.	5.140	1/1/2030	57,514
913,461	Federal Home Loan Mortgage Corp.	4.000	8/1/2031	963,693
314,196	Federal Home Loan Mortgage Corp.	4.311	12/1/2034	333,013
349,033	Federal Home Loan Mortgage Corp.	4.660	3/1/2035	369,538
93,784	Federal Home Loan Mortgage Corp.	5.144	1/1/2036	99,442
123,430	Federal Home Loan Mortgage Corp.	5.618	5/1/2037	132,046
113,874	Federal Home Loan Mortgage Corp.	5.457	7/1/2037	121,367
268,346	Government National Mortgage Assoc.	6.000	9/1/2038	295,079
				9,144,673
Money Market Mutual Funds: 0.6%				
1,548,798	Fidelity Institutional Money Market	0.010%	None	1,548,798
				\$ 279,330,216

(Concluded)

Illinois Metropolitan Investment Fund

Schedule of Cash and Investments

IMET Convenience Series

September 30, 2013

Institution	City and State	Amount	Maturity
Certificates of Deposit: 25.1% ¹			
FDIC-Insured			
1st United Bank	Boca Raton, FL	\$ 76,044	12/12/2013
1st United Bank	Boca Raton, FL	83,715	12/19/2013
1st United Bank	Boca Raton, FL	84,741	1/2/2014
Amalgamated Bank	New York, NY	241,000	7/3/2014
Amarillo National Bank	Amarillo, TX	195,499	12/19/2013
Amarillo National Bank	Amarillo, TX	49,001	1/9/2014
American Bank	Allentown, PA	233,000	5/29/2014
American National Bank	Oakland Park, FL	248,500	10/24/2013
Ameris Bank	Moultrie, GA	228,500	5/15/2014
Anchor D Bank	Texhoma, OK	238,500	5/1/2014
Apollo Trust Company	Apollo, PA	241,000	5/15/2014
Armstrong Bank	Muskogee, OK	13,546	5/1/2014
Arvest Bank	Fayetteville, AR	246,000	12/12/2013
AVB Bank	Broken Arrow, OK	244,500	12/19/2013
Avenue Bank	Nashville, TN	240,000	6/5/2014
Banco Popular de Puerto Rico	Hato Rey, PR	246,000	12/12/2013
Banco Popular North America	New York, NY	244,500	1/2/2014
Bangor Savings Bank	Bangor, ME	81,000	5/15/2014
Bank First National	Manitowoc, WI	248,500	10/24/2013
Bank North	Crivitz, WI	240,000	5/8/2014
Bank of Akron	Akron, NY	238,500	5/1/2014
Bank of America, N. A.	Charlotte, NC	246,000	12/12/2013
Bank of Blue Valley	Overland Park, KS	26,986	7/10/2014
Bank of Cape Cod	Hyannis, MA	143,500	12/19/2013
Bank of Central Florida	Lakeland, FL	244,500	1/2/2014
Bank of China	New York, NY	243,500	6/26/2014
Bank of Glen Ullin	Glen Ullin, ND	244,500	12/19/2013
Bank of Jackson Hole	Jackson, WY	238,500	5/1/2014
Bank of Nevada	Las Vegas, NV	246,000	12/12/2013
Bank of North Carolina	Thomasville, NC	246,000	12/12/2013
Bank of Star Valley	Afton, WY	361	1/9/2014
Bank of the Cascades	Bend, OR	248,500	10/24/2013
Bank of the West	San Francisco, CA	248,500	10/24/2013
Bank of Wisconsin Dells	Wisconsin Dells, WI	244,500	1/9/2014
BankUnited	Miami Lakes, FL	200,000	5/15/2014
Banner Capital Bank	Harrisburg, NE	204,043	12/12/2013
Barrington Bank & Trust Company	Barrington, IL	246,667	8/8/2014
BB&T	Winston Salem, NC	217,686	12/12/2013

(Continued)

Illinois Metropolitan Investment Fund
Schedule of Cash and Investments (Continued)
IMET Convenience Series
September 30, 2013

Institution	City and State	Amount	Maturity
Certificates of Deposit (Continued)			
FDIC-Insured (Continued)			
BB&T	Winston Salem, NC	\$ 26,814	12/19/2013
BBCN Bank	Los Angeles, CA	246,000	12/12/2013
Beacon Bank	Shorewood, MN	246,000	12/12/2013
Beverly Bank & Trust Company	Chicago, IL	246,667	8/8/2014
Blue Ridge Bank	Luray, VA	248,500	10/24/2013
BNC National Bank	Glendale, AZ	41,374	12/19/2013
BNC National Bank	Glendale, AZ	80,944	1/9/2014
Boston Private Bank & Trust Company	Boston, MA	244,500	1/9/2014
Britton & Koontz Bank, N.A.	Natchez, MS	244,500	1/2/2014
Byron Bank	Byron, IL	12,500	5/22/2014
Capital One, NA	McLean, VA	248,500	10/24/2013
Capital Pacific Bank	Portland, OR	244,500	12/19/2013
CapStar Bank	Nashville, TN	238,500	5/1/2014
Cardinal Bank	McLean, VA	244,500	12/19/2013
Carolina Alliance Bank	Spartanburg, SC	243,500	6/26/2014
Carolina Trust Bank	Lincolnton, NC	244,500	1/9/2014
Catskill Hudson Bank	Monticello, NY	14,250	12/12/2013
Catskill Hudson Bank	Monticello, NY	230,250	12/19/2013
CCB COMMUNITY BANK	Andalusia, AL	78,500	5/15/2014
Centennial Bank	Centennial, CO	241,000	7/17/2014
Central Bank and Trust Company	Hutchinson, KS	155,839	12/19/2013
Centrix Bank & Trust	Bedford, NH	246,000	12/12/2013
Century Bank and Trust Company	Somerville, MA	243,500	6/26/2014
Champlain National Bank	Elizabethtown, NY	248,500	10/24/2013
Chickasha Bank & Trust Company	Chickasha, OK	241,000	5/15/2014
Citizens Bank of Florida	Oviedo, FL	60,731	7/3/2014
Citizens Bank of Oklahoma	Pawhuska, OK	77,656	1/9/2014
Citizens Bank of Oklahoma	Pawhuska, OK	13,495	5/1/2014
Citizens Business Bank	Ontario, CA	69,064	12/19/2013
Citizens Business Bank	Ontario, CA	37,153	1/2/2014
Citizens Business Bank	Ontario, CA	137,283	6/26/2014
Citizens Community Bank	Mascoutah, IL	244,500	12/19/2013
Citizens National Bank of Meridian	Meridian, MS	167,415	7/17/2014
Citizens Savings Bank and Trust Co.	Nashville, TN	243,500	6/26/2014
Citizens Security Bank & Trust Co.	Bixby, OK	244,500	12/19/2013
Citizens State Bank	Lena, IL	72,516	5/15/2014
Citizens Trust Bank	Atlanta, GA	241,000	7/3/2014

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Illinois Metropolitan Investment Fund
Schedule of Cash and Investments (Continued)
IMET Convenience Series
September 30, 2013

Institution	City and State	Amount	Maturity
Certificates of Deposit (Continued)			
FDIC-Insured (Continued)			
City First Bank of D.C., NA	Washington, DC	\$ 238,500	5/1/2014
Clear Mountain Bank	Bruceton Mills, WV	42,700	5/15/2014
CoBiz Bank	Denver, CO	243,500	6/26/2014
Colony Bank	Fitzgerald, GA	241,000	7/10/2014
Commonwealth Bank and Trust Company	Louisville, KY	240,000	5/8/2014
Community Bank	Pasadena, CA	244,500	12/19/2013
Community Bank of Tri-County	Waldorf, MD	153,966	10/24/2013
Community Bank, Coast	Biloxi, MS	60,958	1/2/2014
Community Business Bank	West Sacramento, CA	238,500	5/1/2014
Community Development Bank, FSB	Ogema, MN	101,104	5/1/2014
Community First Bank	Boscobel, WI	244,500	12/19/2013
Community First National Bank	Manhattan, KS	86,294	5/1/2014
Community Mutual Savings Bank	Mount Vernon, NY	244,500	12/19/2013
Cornerstone Bank	Eureka Springs, AR	81,084	12/19/2013
Coulee Bank	La Crosse, WI	244,500	1/2/2014
CrossFirst Bank	Leawood, KS	241,000	7/3/2014
Crystal Lake Bank & Trust Company	Crystal Lake, IL	246,667	8/8/2014
Customers Bank	Wyomissing, PA	241,000	5/15/2014
Decatur County Bank	Decaturville, TN	100,000	5/1/2014
Delta Trust & Bank	Parkdale, AR	238,500	5/1/2014
Denali State Bank	Fairbanks, AK	241,000	7/10/2014
EagleBank	Bethesda, MD	238,396	5/1/2014
East West Bank	Pasadena, CA	138,339	12/19/2013
East West Bank	Pasadena, CA	56,424	5/22/2014
East West Bank	Pasadena, CA	42,737	6/26/2014
EVB	Tappahannock, VA	241,000	7/10/2014
EverBank	Jacksonville, FL	246,000	12/12/2013
F&M Community Bank, N.A.	Preston, MN	233,000	5/29/2014
Farm Bureau Bank FSB	Sparks, NV	248,500	10/24/2013
Farmers and Merchants State Bank	Langdon, ND	241,000	5/15/2014
Farmers and Merchants Union Bank	Columbus, WI	139,770	10/24/2013
Farmers Bank & Trust	Great Bend, KS	241,000	7/3/2014
Federation Bank	Washington, IA	228,500	5/15/2014
Fidelity Bank	Wichita, KS	241,000	7/17/2014
Fieldpoint Private Bank & Trust	Greenwich, CT	244,500	12/19/2013
FineMark National Bank & Trust	Fort Myers, FL	238,500	5/1/2014
First American Bank	Elk Grove Village, IL	241,000	7/10/2014

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Illinois Metropolitan Investment Fund
Schedule of Cash and Investments (Continued)
IMET Convenience Series
September 30, 2013

Institution	City and State	Amount	Maturity
Certificates of Deposit (Continued)			
FDIC-Insured (Continued)			
First Bank & Trust	Brookings, SD	\$ 103,325	6/26/2014
First Bank & Trust Company	Lubbock, TX	10,937	5/15/2014
First Bank Blue Earth	Blue Earth, MN	244,500	12/19/2013
First Bankers Trust Company, N.A.	Quincy, IL	69,500	12/19/2013
First Business Bank	Madison, WI	105,700	7/3/2014
First Business Bank-Milwaukee	Brookfield, WI	237,500	5/22/2014
First Century Bank, Inc.	Bluefield, WV	165,000	1/2/2014
First Choice Bank	Lawrenceville, NJ	238,500	5/1/2014
First Citizens National Bank	Mason City, IA	102,000	5/8/2014
First Citizens National Bank	Dyersburg, TN	219,772	5/29/2014
First Clover Leaf Bank, FSB	Edwardsville, IL	16,272	1/2/2014
First Clover Leaf Bank, FSB	Edwardsville, IL	224,728	7/3/2014
First Commerce Bank	Lewisburg, TN	244,500	1/9/2014
First Commonwealth Bank	Indiana, PA	238,500	5/1/2014
First Community Bank	Bluefield, VA	29,842	12/12/2013
First Community Bank	Bluefield, VA	214,658	1/2/2014
First Community Bank	Batesville, AR	244,500	1/9/2014
First Community Bank	Beemer, NE	241,000	5/15/2014
First Community Bank and Trust	Beecher, IL	238,500	5/1/2014
First Community Financial Bank	Plainfield, IL	241,000	7/3/2014
First County Bank	Stamford, CT	244,500	12/19/2013
First Federal Bank of Florida	Lake City, FL	152,086	5/1/2014
First Federal Savings Bank of Iowa	Fort Dodge, IA	50,000	5/15/2014
First Fidelity Bank, NA	Oklahoma City, OK	18,500	5/15/2014
First Fidelity Bank, NA	Oklahoma City, OK	115,120	7/10/2014
First Financial Bank	El Dorado, AR	244,500	1/9/2014
First Foundation Bank	Irvine, CA	241,000	7/10/2014
First Freedom Bank	Lebanon, TN	241,000	5/15/2014
First Merchants Bank, NA	Muncie, IN	244,500	1/9/2014
First Natl Bank & Tr Co of Vinita	Vinita, OK	244,500	1/2/2014
First NBC Bank	New Orleans, LA	244,500	12/19/2013
First Niagara Bank, N.A.	Buffalo, NY	237,557	12/19/2013
First Security Bk of Owensboro, Inc.	Owensboro, KY	199,943	5/29/2014
First Sentry Bank, Inc.	Huntington, WV	44,848	5/1/2014
First Service Bank	Greenbrier, AR	244,500	12/19/2013
First State Bank	Graham, TX	244,500	1/2/2014
First State Bank	Union City, TN	244,500	1/9/2014

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Illinois Metropolitan Investment Fund
Schedule of Cash and Investments (Continued)
IMET Convenience Series
September 30, 2013

Institution	City and State	Amount	Maturity
Certificates of Deposit (Continued)			
FDIC-Insured (Continued)			
First State Bank of Forsyth	Forsyth, MT	\$ 100,416	12/19/2013
First State Bk & Trust Co. of Larned	Larned, KS	241,000	5/15/2014
First Trust and Savings Bank	Coralville, IA	248,500	10/24/2013
First United Bank	Park River, ND	233,000	5/29/2014
First United Bank and Trust Company	Durant, OK	241,000	7/10/2014
First United Security Bank	Thomasville, AL	119,175	1/9/2014
First Western Trust Bank	Denver, CO	244,500	12/19/2013
First Westroads Bank, Inc.	Omaha, NE	238,500	5/1/2014
FirstCapital Bank of Texas, N.A.	Midland, TX	246,000	12/12/2013
Five Star Bank	Warsaw, NY	244,500	12/19/2013
Five Star Bank	Rocklin, CA	144,160	5/8/2014
Five Star Bank	Rocklin, CA	95,840	7/3/2014
Flagstar Bank, FSB	Troy, MI	237,500	5/22/2014
Florida Shores Bank - Southwest	Venice, FL	74,708	5/1/2014
Fortune Bank	Seattle, WA	244,500	1/9/2014
Freedom Bank	Overland Park, KS	243,500	6/26/2014
Freedom Financial Bank	West Des Moines, IA	246,000	12/12/2013
Fremont Bank	Fremont, CA	239,247	10/24/2013
Fresno First Bank	Fresno, CA	241,000	5/15/2014
Gateway State Bank	Clinton, IA	100,000	5/15/2014
Genesee Regional Bank	Rochester, NY	248,500	10/24/2013
Gibraltar Private Bank & Trust Co.	Coral Gables, FL	248,500	10/24/2013
Glacier Bank	Kalispell, MT	244,500	1/2/2014
Gold Coast Bank	Chicago, IL	241,000	5/15/2014
Great Southern Bank	Reeds Spring, MO	11,000	12/19/2013
Great Southern Bank	Reeds Spring, MO	233,500	1/9/2014
Greater Rome Bank	Rome, GA	38,377	5/1/2014
Guaranty State Bank and Trust Co	Beloit, KS	83,000	1/9/2014
Hawthorn Bank	Jefferson City, MO	241,000	7/3/2014
Henderson State Bank	Henderson, NE	26,134	5/15/2014
Herget Bank, National Association	Pekin, IL	30,808	5/1/2014
Heritage Bank	Olympia, WA	40,000	6/5/2014
Heritage Bank National Association	Spicer, MN	233,000	5/29/2014
Heritage Bank of Commerce	San Jose, CA	47,398	5/1/2014
Heritage Bank of Nevada	Reno, NV	86,143	5/1/2014
Heritage Bank of the South	Albany, GA	54,402	10/24/2013
Heritage Bank of the South	Albany, GA	190,098	1/2/2014

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Illinois Metropolitan Investment Fund
Schedule of Cash and Investments (Continued)
IMET Convenience Series
September 30, 2013

Institution	City and State	Amount	Maturity
Certificates of Deposit (Continued)			
FDIC-Insured (Continued)			
Heritage Bank, Inc.	Erlanger, KY	\$ 243,500	6/26/2014
High Point Bank and Trust Company	High Point, NC	143,577	1/2/2014
Hinsdale Bank & Trust Company	Hinsdale, IL	246,667	8/8/2014
HNB National Bank	Hannibal, MO	60,670	7/10/2014
Home Federal Bank	Sioux Falls, SD	122,577	5/1/2014
Hopewell Valley Community Bank	Pennington, NJ	238,500	5/1/2014
Horizon Community Bank	Lake Havasu City, AZ	100,000	5/1/2014
Houston Community Bank, NA	Houston, TX	244,500	12/19/2013
Iberiabank	Lafayette, LA	240,000	6/5/2014
Illinois National Bank	Springfield, IL	228,500	5/15/2014
Ind & Comm Bank of China (USA), NA	New York, NY	241,000	7/3/2014
Industrial Bank	Washington, DC	244,500	1/9/2014
Inland Bank & Trust	Oak Brook, IL	240,000	5/8/2014
Inland Northwest Bank	Spokane, WA	84,701	5/15/2014
Integrity Bank & Trust	Monument, CO	171,110	12/19/2013
Integrity Bank & Trust	Monument, CO	27,000	7/3/2014
InterBank	Oklahoma City, OK	238,500	5/1/2014
John Marshall Bank	Reston, VA	240,000	6/5/2014
Kanabec State Bank	Mora, MN	14,361	5/22/2014
Kansas State Bank of Manhattan	Manhattan, KS	209,000	1/9/2014
Katahdin Trust Company	Patten, ME	238,500	5/1/2014
KleinBank	Big Lake, MN	100,000	5/15/2014
Labette Bank	Altamont, KS	147,500	5/1/2014
Lake City Bank	Warsaw, IN	72,000	1/2/2014
Lake Forest Bank & Trust Company	Lake Forest, IL	246,667	8/8/2014
Landmark Bank, National Association	Columbia, MO	246,000	12/12/2013
Lapeer County Bank & Trust Co.	Lapeer, MI	56,857	1/9/2014
Liberty Bank	Middletown, CT	238,500	5/1/2014
Liberty Bank and Trust Company	New Orleans, LA	246,000	12/12/2013
Liberty Bank of Arkansas	Jonesboro, AR	243,500	6/26/2014
Libertyville Bank & Trust Company	Libertyville, IL	246,667	8/8/2014
Litchfield Bancorp	Litchfield, CT	100,801	5/1/2014
Lusk State Bank	Lusk, WY	98,704	5/1/2014
Machias Savings Bank	Machias, ME	236,063	10/24/2013
Machias Savings Bank	Machias, ME	8,437	1/2/2014
Main Bank	Albuquerque, NM	238,500	5/1/2014
MainStreet Bank	Fairfax, VA	184,257	12/19/2013

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Illinois Metropolitan Investment Fund
Schedule of Cash and Investments (Continued)
IMET Convenience Series
September 30, 2013

Institution	City and State	Amount	Maturity
Certificates of Deposit (Continued)			
FDIC-Insured (Continued)			
Mainstreet Community Bank of Florida	Deland, FL	\$ 23,035	5/1/2014
Mainstreet Community Bank of Florida	Deland, FL	74,569	5/15/2014
Metropolitan Bank	Crystal Springs, MS	139,128	1/2/2014
Metropolitan Capital Bank	Chicago, IL	223,096	5/15/2014
MidFirst Bank	Oklahoma City, OK	174,501	5/15/2014
MidFirst Bank	Oklahoma City, OK	66,499	6/26/2014
MidSouth Bank	Murfreesboro, TN	1,112	1/9/2014
MidSouth Bank	Murfreesboro, TN	87,977	5/1/2014
MidWestOne Bank	Iowa City, IA	80,366	5/8/2014
MidWestOne Bank	Iowa City, IA	148,134	5/15/2014
Missouri Bk & Tr Co of Kansas City	Kansas City, MO	244,500	1/9/2014
Mutual of Omaha Bank	Omaha, NE	237,500	5/22/2014
National Bank of St. Anne	St. Anne, IL	100,000	10/24/2013
NATIONAL PENN BANK	Boyertown, PA	244,500	1/9/2014
Native American Bank, N.A.	Denver, CO	241,000	7/10/2014
Naugatuck Savings Bank	Naugatuck, CT	244,500	12/19/2013
NCB, FSB	Hillsboro, OH	22,808	1/2/2014
Nebraska State Bank and Trust Co.	Broken Bow, NE	61,500	5/1/2014
New Mexico Bank & Trust	Albuquerque, NM	44,958	12/19/2013
New Peoples Bank, Inc.	Honaker, VA	74,727	5/1/2014
Nicolet National Bank	Green Bay, WI	240,000	5/8/2014
North Shore Community Bank & Trust Co.	Wilmette, IL	246,667	8/8/2014
Northbrook Bank & Trust Company	Northbrook, IL	246,667	8/8/2014
Nuvo Bank & Trust Company	Springfield, MA	174,689	1/2/2014
Nuvo Bank & Trust Company	Springfield, MA	69,811	1/9/2014
Oakstar Bank	Springfield, MO	243,500	6/26/2014
Old Line Bank	Bowie, MD	238,500	5/1/2014
Old Plank Trail Community Bank	Mokena, IL	246,667	8/8/2014
ONB Bank and Trust Company	Tulsa, OK	244,500	12/19/2013
One PacificCoast Bank, FSB	Oakland, CA	241,000	7/10/2014
Orange Savings Bank, SSB	Orange, TX	21,399	5/15/2014
Pacific Western Bank	San Diego, CA	244,500	12/19/2013
Penn Security Bank and Trust Company	Scranton, PA	16,715	5/22/2014
Penn Security Bank and Trust Company	Scranton, PA	216,285	5/29/2014
Peoples National Bank, N.A.	Mt. Vernon, IL	244,500	1/9/2014
Peoples State Bank	Prairie Du Chien, WI	244,500	1/9/2014
PeoplesBank, A Codorus Valley Co.	Glen Rock, PA	237,500	5/22/2014

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Illinois Metropolitan Investment Fund
Schedule of Cash and Investments (Continued)
IMET Convenience Series
September 30, 2013

Institution	City and State	Amount	Maturity
Certificates of Deposit (Continued)			
FDIC-Insured (Continued)			
Pinnacle Bank	Lincoln, NE	\$ 56,449	12/19/2013
Pinnacle Bank	Nashville, TN	244,500	1/9/2014
Pinnacle Bank	Elberton, GA	238,500	5/1/2014
Pinnacle Bank	Gilroy, CA	238,500	5/1/2014
Pinnacle Bank	Lincoln, NE	187,051	6/26/2014
Planters Bank, Inc.	Hopkinsville, KY	241,000	5/15/2014
Portage Community Bank	Ravenna, OH	228,500	5/15/2014
Premier Community Bank	Marion, WI	216,220	7/10/2014
Premier Valley Bank	Fresno, CA	125,390	5/15/2014
ProAmerica Bank	Los Angeles, CA	243,500	6/26/2014
Providence Bank	Rocky Mount, NC	244,500	1/2/2014
Randolph Bank & Trust Company	Asheboro, NC	110,755	5/1/2014
Redwood Capital Bank	Eureka, CA	119,580	1/2/2014
Regent Bank	Davie, FL	138,500	5/1/2014
Regents Bank, National Association	La Jolla, CA	244,500	1/9/2014
Renasant Bank	Tupelo, MS	238,500	5/1/2014
Rhinebeck Bank	Rhinebeck, NY	246,000	12/12/2013
Riverview Community Bank	Vancouver, WA	241,000	5/15/2014
Rockland Trust Company	Rockland, MA	248,500	10/24/2013
S&T Bank	Indiana, PA	244,500	12/19/2013
Saco & Biddeford Savings Institution	Saco, ME	185,500	10/24/2013
Saco & Biddeford Savings Institution	Saco, ME	55,500	5/15/2014
San Diego Private Bank	Coronado, CA	238,500	5/1/2014
SCBT	Columbia, SC	244,500	12/19/2013
Schaumburg Bank & Trust Company	Schaumburg, IL	246,667	8/8/2014
Seacoast National Bank	Stuart, FL	501	12/19/2013
Seaside National Bank & Trust	Orlando, FL	238,500	5/1/2014
Seaway Bank and Trust Company	Chicago, IL	241,000	7/3/2014
Security Bank	Tulsa, OK	238,500	5/1/2014
Settlers Bank	Windsor, WI	240,000	5/8/2014
Signature Bank	Chicago, IL	248,500	10/24/2013
Signature Bank	New York, NY	238,500	5/1/2014
Signature Bank, National Association	Toledo, OH	23,247	7/10/2014
Simmons First Bank of NW Arkansas	Rogers, AR	238,500	5/1/2014
Skagit State Bank	Burlington, WA	241,000	7/3/2014
South Central Bank, N.A.	Chicago, IL	289	10/24/2013
Southwest National Bank	Wichita, KS	50,000	12/19/2013

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Illinois Metropolitan Investment Fund
Schedule of Cash and Investments (Continued)
IMET Convenience Series
September 30, 2013

Institution	City and State	Amount	Maturity
Certificates of Deposit (Continued)			
FDIC-Insured (Continued)			
Southwest National Bank	Wichita, KS	\$ 138,000	6/26/2014
Southwest National Bank	Wichita, KS	53,000	7/3/2014
Sovereign Bank	Wilmington, DE	246,000	12/12/2013
St. Charles Bank & Trust Company	St. Charles, IL	246,667	8/8/2014
St. Louis Bank	Town and Country, MO	169,500	10/24/2013
St. Louis Bank	Town and Country, MO	75,000	12/19/2013
STAR Financial Bank	Fort Wayne, IN	186,128	12/19/2013
State Bank	Spencer, IA	244,500	1/9/2014
State Bank Financial	La Crosse, WI	241,000	5/15/2014
State Bank of Florence	Florence, WI	240,000	5/8/2014
State Bank of Southern Utah	Cedar City, UT	113,988	1/9/2014
State Bank of The Lakes	Antioch, IL	246,667	8/8/2014
StellarOne Bank	Christiansburg, VA	244,500	12/19/2013
Sterling Bank	Barron, WI	26,000	6/26/2014
Steuben Trust Company	Hornell, NY	243,500	6/26/2014
Stockmans Bank	Altus, OK	138,500	12/19/2013
Stockmans Bank	Altus, OK	100,000	5/1/2014
Stonegate Bank	Fort Lauderdale, FL	246,000	12/12/2013
Suffolk County Natl Bnk of Riverhead	Riverhead, NY	218	10/24/2013
Summit Bank	Tulsa, OK	232,607	1/9/2014
Summit Community Bank, Inc	Moorefield, WV	167,608	10/24/2013
Sunwest Bank	Irvine, CA	100,000	5/1/2014
Sunwest Bank	Irvine, CA	18,000	7/10/2014
Susquehanna Bank	Lititz, PA	241,000	7/3/2014
Team Capital Bank	Bethlehem, PA	244,500	1/2/2014
Texas Champion Bank	Alice, TX	38,500	5/8/2014
Texas Community Bank, N.A.	Laredo, TX	244,500	12/19/2013
Texas National Bank of Jacksonville	Jacksonville, TX	105,965	5/15/2014
TexStar National Bank	Universal City, TX	155,500	1/9/2014
The Bank of Edwardsville	Edwardsville, IL	95,563	5/15/2014
The Bank of Holland	Holland, MI	248,500	10/24/2013
The Biltmore Bank of Arizona	Phoenix, AZ	241,000	5/15/2014
The Business Bank of Saint Louis	Clayton, MO	244,500	12/19/2013
The Citizens Banking Company	Sandusky, OH	241,000	7/3/2014
The Delaware County Bank and Trust	Lewis Center, OH	241,000	7/17/2014
The Dime Bank	Honesdale, PA	248,500	10/24/2013
The F&M Bank & Trust Company	Tulsa, OK	246,000	12/12/2013

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Illinois Metropolitan Investment Fund
Schedule of Cash and Investments (Continued)
IMET Convenience Series
September 30, 2013

Institution	City and State	Amount	Maturity
Certificates of Deposit (Continued)			
FDIC-Insured (Continued)			
The Farmers & Merchants Bank	Stuttgart, AR	\$ 54,826	1/9/2014
The Fidelity Deposit and Discount Bank	Dunmore, PA	237,500	5/22/2014
The First Bank and Trust Company	Lebanon, VA	77,000	7/3/2014
The First National Bank - Fox Valley	Neenah, WI	241,000	5/15/2014
The First National Bank in Creston	Creston, IA	244,500	1/2/2014
The First National Bank of Syracuse	Syracuse, KS	125,000	1/9/2014
The First National Bank of Wamego	Wamego, KS	244,500	1/2/2014
The First, A Natl Banking Association	Hattiesburg, MS	223,000	5/15/2014
The First, N.A.	Damariscotta, ME	244,500	1/2/2014
The FNB of Lawrence County at Walnut Rdg	Walnut Ridge, AR	237,500	5/22/2014
The Leaders Bank	Oak Brook, IL	241,000	7/3/2014
The Lorain National Bank	Lorain, OH	241,000	7/3/2014
The Milford National Bank & Trust Co	Milford, MA	121,898	12/19/2013
The Milford National Bank & Trust Co	Milford, MA	122,602	1/2/2014
The Old Fort Banking Company	Old Fort, OH	238,500	5/1/2014
The Park Bank	Madison, WI	233,000	5/29/2014
The Park National Bank	Newark, OH	240,000	6/5/2014
The Pauls Valley National Bank	Pauls Valley, OK	18,209	12/12/2013
The Pauls Valley National Bank	Pauls Valley, OK	226,291	1/9/2014
The State Bank and Trust Company	Defiance, OH	241,000	7/3/2014
The Union Bank Company	Columbus Grove, OH	214,974	5/8/2014
The Union Bank Company	Columbus Grove, OH	13,526	5/15/2014
The Washington Trust Company of Westerly	Westerly, RI	246,000	12/12/2013
Town And Country Bank	Springfield, IL	238,500	5/1/2014
Towne Bank	Portsmouth, VA	241,000	7/3/2014
Traditional Bank, Inc.	Mount Sterling, KY	220,214	10/24/2013
Traditional Bank, Inc.	Mount Sterling, KY	23,286	6/26/2014
Treynor State Bank	Treynor, IA	62,056	12/12/2013
Treynor State Bank	Treynor, IA	182,444	1/2/2014
Tri Counties Bank	Chico, CA	37,681	10/24/2013
Tri Counties Bank	Chico, CA	100,819	12/19/2013
Tri Counties Bank	Chico, CA	100,000	5/1/2014
Tri-State Bank of Memphis	Memphis, TN	243,500	6/26/2014
TriState Capital Bank	Pittsburgh, PA	237,500	5/22/2014
Trustmark National Bank	Jackson, MS	244,500	1/9/2014
Tulsa National Bank	Tulsa, OK	244,500	1/9/2014
Umpqua Bank	Roseburg, OR	244,500	12/19/2013

(Continued)

Illinois Metropolitan Investment Fund
Schedule of Cash and Investments (Continued)
IMET Convenience Series
September 30, 2013

Institution	City and State	Amount	Maturity
Certificates of Deposit (Continued)			
FDIC-Insured (Continued)			
Union Bank and Trust Company	Lincoln, NE	\$ 233,000	5/29/2014
Union Center National Bank	Union, NJ	84,000	7/10/2014
Union First Market Bank	Richmond, VA	203,000	5/1/2014
Union Savings Bank	Albuquerque, NM	10,530	12/19/2013
Union Savings Bank	Albuquerque, NM	93,700	5/1/2014
Union State Bank	Florence, TX	241,000	5/15/2014
Union State Bank of Hazen	Hazen, ND	238,500	5/1/2014
United Bank	Fairfax, VA	244,500	12/19/2013
United Bank	Parkersburg, WV	93,132	1/9/2014
United Bank	Parkersburg, WV	27,758	7/10/2014
United Bank	Parkersburg, WV	120,111	7/17/2014
United Community Bank	Perham, MN	155,000	5/15/2014
United Security Bank	Fresno, CA	244,500	12/19/2013
United State Bank	Lewistown, MO	200,000	5/1/2014
Unity Bank	Clinton, NJ	248,500	10/24/2013
Unity National Bank of Houston	Houston, TX	238,500	5/1/2014
Urban Partnership Bank	Chicago, IL	91,076	12/19/2013
Urban Partnership Bank	Chicago, IL	152,424	6/26/2014
Valley Bank	Roanoke, VA	244,500	1/9/2014
Valley Green Bank	Philadelphia, PA	243,500	6/26/2014
VantageSouth Bank	Cary, NC	2,500	12/12/2013
ViewPoint Bank	Plano, TX	233,000	5/29/2014
Virginia Heritage Bank	Vienna, VA	241,000	5/15/2014
Virginia National Bank	Charlottesville, VA	244,500	1/9/2014
Washington Federal	Seattle, WA	244,500	1/9/2014
Washington Financial Bank	Washington, PA	85,151	12/19/2013
Washington Financial Bank	Washington, PA	159,349	1/2/2014
WashingtonFirst Bank	Reston, VA	233,000	5/29/2014
Waterford Bank, N.A.	Toledo, OH	237,500	5/22/2014
Welch State Bank of Welch, Okla.	Welch, OK	244,500	1/9/2014
Western Alliance Bank	Phoenix, AZ	241,000	7/3/2014
Western Bank	St. Paul, MN	244,500	12/19/2013
Westfield Bank, FSB	Westfield Center, OH	240,000	5/8/2014
Wheaton Bank & Trust Company	Wheaton, IL	246,667	8/8/2014
White Rock Bank	Cannon Falls, MN	240,000	5/8/2014
Wilmington Savings Fund Society, FSB	Wilmington, DE	130,066	10/24/2013
Wilmington Savings Fund Society, FSB	Wilmington, DE	114,434	12/19/2013

(Continued)

Illinois Metropolitan Investment Fund
Schedule of Cash and Investments (Continued)
IMET Convenience Series
September 30, 2013

Institution	City and State	Amount	Maturity
Certificates of Deposit (Continued)			
FDIC-Insured (Continued)			
Worthington National Bank	Arlington, TX	\$ <u>2,000</u>	5/15/2014
		73,778,078	
Unallocated interest		<u>39,925</u>	
Total FDIC-Insured		<u>73,818,003</u>	
Collateralized			
BMO Harris Bank	Chicago, IL	30,286,427	5/24/2014
BMO Harris Bank	Chicago, IL	23,219,650	5/31/2014
BMO Harris Bank	Chicago, IL	20,191,000	6/7/2014
Chase Bank	Chicago, IL	171,120,374	8/16/2015
Popular Community Bank	Rosemont, IL	10,000,000	8/13/2014
Popular Community Bank	Rosemont, IL	10,000,000	9/14/2014
Popular Community Bank	Rosemont, IL	<u>10,000,000</u>	10/30/2014
Total Collateralized		<u>274,817,451</u>	
Total Certificates of Deposit		<u>348,635,454</u>	
Other Interest-Bearing Bank Deposits			
Money Market Accounts: 41.3%			
FDIC-Insured			
Interbank Deposit Network - IDN	Various Banks	17,500,000	
Insured Cash Sweep - ICS	Various Banks	<u>75,032,059</u>	
Total FDIC-Insured		<u>92,532,059</u>	
Collateralized			
Associated Bank	Janesville, WI	<u>481,237,057</u>	
Total Money Market Accounts		<u>573,769,116</u>	

(Continued)

Illinois Metropolitan Investment Fund
Schedule of Cash and Investments (Continued)
IMET Convenience Series
September 30, 2013

Institution	City and State	Amount	Maturity
Other Interest-Bearing Bank Deposits (Continued)			
Collateralized NOW Deposits: 3.6%			
Cole Taylor Bank	Rosemont, IL	45,024,932	
BMO Harris Bank	Chicago, IL	<u>5,003,700</u>	
Total Collateralized NOW Deposits		<u>50,028,632</u>	
Total Other Interest-Bearing Bank Deposits		<u>623,797,748</u>	
Repurchase Agreements: 12.0%			
Pennant Management, Inc.	Milwaukee, WI	\$ <u>167,162,742</u>	Overnight
Total cash and short-term investments		<u>\$ 1,139,595,944</u>	

¹ Funds are placed in certificates of deposit with the institutions listed above under *Certificate of Deposit Account Registry Service* (CDARS) and *MaxSafe* FDIC-insured certificate of deposit arrangements with the following institutions:

Institution	City and State	Amount
Cole Taylor Bank	Rosemont, IL	\$ 10,039,925
Old Plank Trail Community Bank	Frankfort, IL	3,206,667
The Private Bank	Chicago, IL	<u>60,571,411</u>
		<u>\$ 73,818,003</u>

Other Investments

U.S. Government Agency Obligations: 18.0%			
Federal Home Loan Mortgage Corp.		200,000,000	9/24/2015
Federal Home Loan Mortgage Corp.		<u>50,000,000</u>	10/16/2015
Total other investments		<u>250,000,000</u>	

(Concluded)

Illinois Metropolitan Investment Fund
 Schedule of Management Fees
Year Ended September 30, 2013

Type	IMET 1-3 Year Series	IMET Convenience Series	Total
Internal fees	\$ 228,570	\$ 457,330	\$ 685,900
External fees	511,165	650,812	1,161,977
	\$ 739,735	\$ 1,108,142	\$ 1,847,877

Illinois Metropolitan Investment Fund
 Schedule of Participants by Concentration
September 30, 2013

Type	Number of Participants	IMET 1-3 Year Series ²	IMET Convenience Series ²	Total ²
Municipal entities	147	77.5 %	54.9 %	58.7 %
Pension funds	52	1.5	1.0	1.1
Other entities ¹	73	21.0	44.1	40.2
	272	100.0 %	100.0 %	100.0 %

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

² Percentages are based on the dollar amounts invested with IMET by its participants.

Illinois Metropolitan Investment Fund

Investment Policy - IMET 1-3 Year Series

September 30, 2013

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 government-backed securities (Treasuries, agencies, and municipals) that are permissible under the IL Public Funds Investment Act..

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, 2013

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, 2013

7.0 Authorized Financial Dealers and Institutions

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.

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, and/or (iii) interest bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois, or any other state, or of any political subdivision or agency of the State of Illinois or of any other state, whether the interest earned thereon is taxable or tax-exempt under federal law. 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 or obligations of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois or any other state, or of any political subdivision or agency of the State of Illinois or of any other state) 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, 2013

8.0 Authorized and Suitable Investments (Continued)

- (ii) All interest bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois, or any other state, or any political subdivision or agency of the State of Illinois or any other state, whether the interest earned thereon is taxable or tax-exempt under federal law at the time of purchase shall be rated within the four highest general classifications (i.e. obligations rated A or higher by Standard & Poor's or A or higher by Moody's, without regard to any refinement or gradation of rating category by numerical modifier or otherwise) established by a rating service of nationally recognized expertise in rating bonds of states and their political subdivisions.

- (iii) 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.

- (iv) All investments are required to be made in compliance with the Investment Act, including, without limitation, the definition of "agency" contained therein.

Illinois Metropolitan Investment Fund

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

September 30, 2013

8.0 Authorized and Suitable Investments (Continued)

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.
- 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.

Illinois Metropolitan Investment Fund

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

September 30, 2013

8.0 Authorized and Suitable Investments (Continued)

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 a broker or bank acting as custodian. The custodian 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.
- 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.

Illinois Metropolitan Investment Fund
Investment Policy - IMET 1-3 Year Series (Continued)
September 30, 2013

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.

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.

Illinois Metropolitan Investment Fund
Investment Policy - IMET 1-3 Year Series (Continued)
September 30, 2013

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)

Last amended June 19, 2013 and adopted August 22, 2013

Illinois Metropolitan Investment Fund

Investment Policy - IMET Convenience Series

September 30, 2013

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, 2013

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, 2013

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 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.

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, or (v) interest bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois, or any other state, or of any political subdivision or agency of the State of Illinois or of any other state, whether the interest earned thereon is taxable or tax-exempt under federal law. 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, 2013

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 or obligations of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois or any other state, or of any political subdivision or agency of the State of Illinois or of any other state) 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) All interest bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois, or any other state, or of any political subdivision or agency of the State of Illinois or of any other state, whether the interest earned thereon is taxable or tax-exempt under federal law at the time of purchase shall be rated within the four highest general classifications (i.e. obligations rated A or higher by Standard & Poor's or A or higher by Moody's, without regard to any refinement or gradation of rating category by numerical modifier or otherwise) established by a rating service of nationally recognized expertise in rating bonds of states and their political subdivisions.
- (iii) Mortgage pass-through securities must be issued by an agency of the United States government and must have a liquid market with a readily determinable market value. 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.
- (iv) All investments are required to be made in compliance with the Investment Act, including, without limitation, the definition of "agency" contained therein.

Illinois Metropolitan Investment Fund
Investment Policy - IMET Convenience Series (Continued)
September 30, 2013

8.0 Authorized and Suitable Investments (Continued)

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.
- 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.

Illinois Metropolitan Investment Fund
Investment Policy - IMET Convenience Series (Continued)
September 30, 2013

8.0 Authorized and Suitable Investments (Continued)

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

The obligations of financial institutions with respect to the Convenience Fund's deposits which exceed the sum of the Federal Deposit Insurance Corporation's insurance limitation (the "Overage Amounts") that are collateralized by government securities will be collateralized by such financial institutions in an amount equal to at least 105% of such Overage Amount.

Other collateral used by financial institutions for such purposes shall be in a form and amount (but not less than 100%) deemed acceptable by the Board, including, but not limited to, letters of credit, guaranteed loan pools and FDIC insurance. The financial institution will monitor the collateral on at least a daily basis, and make adjustments as necessary.

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 a broker or bank acting as custodian. The custodian 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.

Illinois Metropolitan Investment Fund
Investment Policy - IMET Convenience Series (Continued)
September 30, 2013

11.0 Diversification (Continued)

- 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.

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.

Illinois Metropolitan Investment Fund
Investment Policy - IMET Convenience Series (Continued)
September 30, 2013

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.

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)

Last amended June 19, 2013 and adopted August 22, 2013

STATISTICAL SECTION (Unaudited)

Illinois Metropolitan Investment Fund

Index for Statistical Section

September 30, 2013

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.

Schedule of net position	65 - 66
Schedule of changes in net position - IMET 1-3 Year Series	67 - 68
Schedule of changes in net position - IMET Convenience Series	69 - 70
Schedule of changes in net position - IMET Administration Fund	71

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

These schedules offer demographic and economic indicators to help the reader understand the environment in which IMET's activities take place.

Principal employers - State of Illinois - fiscal years 2012 and 2003	72
Demographic and economic statistics - State of Illinois - calendar years 2002-2011	73

Operating Information

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

Illinois Metropolitan Investment Fund
SCHEDULE OF NET POSITION
Last Ten Fiscal Years

<u>Fiscal Year Ended September 30th</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Net position held in trust for participants				
IMET 1-3 Year Series ¹	\$ 280,917,840	\$ 334,346,520	\$ 312,144,822	\$ 375,985,312
IMET Convenience Series	1,390,063,626	1,049,300,081	663,304,925	508,709,545
IMET Administration Fund ¹	<u>1,669,020</u>	<u>1,558,408</u>	<u>54,757</u>	<u>-</u>
Total net position	<u>\$ 1,672,650,486</u>	<u>\$ 1,385,205,009</u>	<u>\$ 975,504,504</u>	<u>\$ 884,694,857</u>
Number of units outstanding				
IMET 1-3 Year Series ¹	14,757,571	17,589,148	16,400,694	19,910,917
IMET Convenience Series	<u>1,390,063,626</u>	<u>1,049,300,081</u>	<u>663,304,925</u>	<u>508,709,545</u>
Total units outstanding	<u>1,404,821,197</u>	<u>1,066,889,229</u>	<u>679,705,619</u>	<u>528,620,462</u>
Price per unit				
IMET 1-3 Year Series ¹	\$ 19.036	\$ 19.009	\$ 19.032	\$ 18.883
IMET Convenience Series	1.000	1.000	1.000	1.000

¹ IMET's operations activities were included in the 1-3 Year Series in fiscal years 2004 - 2010 and, in fiscal year 2011, 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

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 319,459,941	\$ 181,920,272	\$ 132,424,610	\$ 130,764,704	\$ 170,651,850	\$ 285,110,546
330,874,968	221,126,359	254,508,762	218,964,199	118,389,298	12,325,078
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 650,334,909</u>	<u>\$ 403,046,631</u>	<u>\$ 386,933,372</u>	<u>\$ 349,728,903</u>	<u>\$ 289,041,148</u>	<u>\$ 297,435,624</u>
17,300,260	10,279,838	7,877,633	8,213,887	11,118,439	18,743,658
<u>330,874,968</u>	<u>221,126,359</u>	<u>254,508,762</u>	<u>218,964,199</u>	<u>118,389,298</u>	<u>12,325,078</u>
<u>348,175,228</u>	<u>231,406,197</u>	<u>262,386,395</u>	<u>227,178,086</u>	<u>129,507,737</u>	<u>31,068,736</u>
\$ 18.466	\$ 17.697	\$ 16.810	\$ 15.920	\$ 15.349	\$ 15.211
1.000	1.000	1.000	1.000	1.000	1.000

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

Fiscal Year Ended September 30th	2013 ¹	2012 ¹	2011 ^{1,2}	2010 ²
Additions				
Investment income				
Interest	\$ 1,566,463	\$ 2,994,982	\$ 4,742,901	\$ 6,584,917
Net appreciation (depreciation) in fair value of investments	(427,635)	(1,099,843)	(1,550,493)	1,486,358
Total income	1,138,828	1,895,139	3,192,408	8,071,275
Expenses				
Investment advisory fees	302,676	319,746	-	-
Transfer agent and fund accounting fees	178,221	191,848	-	-
Custodial fees	30,268	31,977	-	-
Total expenses	511,165	543,571	-	-
Net investment income	627,663	1,351,568	3,192,408	8,071,275
Unit transactions				
Proceeds from sale of units to participants	28,402,479	59,105,373	52,098,847	161,712,850
Total additions	29,030,142	60,456,941	55,291,255	169,784,125
Deductions				
Administrative expenses:				
Management and administrative services	228,570	335,737	845,008	679,686
Compensation and related expenses	-	-	58,276	256,891
Professional services	-	-	9,684	43,279
Insurance	-	-	7,500	30,049
Audit	-	-	7,200	20,500
Marketing	-	-	5,615	21,623
Administrative and other	-	-	20,163	78,911
Less reimbursement for operating expenses	-	-	(223,096)	(743,221)
Total administrative expenses	228,570	335,737	730,350	387,718
Cost of units redeemed by participants	82,230,252	36,584,138	118,401,395	112,871,036
Total deductions	82,458,822	36,919,875	119,131,745	113,258,754
Transfers out	-	(1,335,368)	-	-
Net increase (decrease) in net position held in trust for participants	(53,428,680)	22,201,698	(63,840,490)	56,525,371
Net position held in trust for participants:				
Beginning of year	334,346,520	312,144,822	375,985,312	319,459,941
End of year	\$ <u>280,917,840</u>	\$ <u>334,346,520</u>	\$ <u>312,144,822</u>	\$ <u>375,985,312</u>

¹ IMET's operations activities were included in the 1-3 Year Series in fiscal years 2004 - 2010 and, in fiscal year 2011, through December 31, 2010. Effective January 1, 2011, those activities were reported separately in the Administration

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

Data Source: Illinois Metropolitan Investment Fund Comprehensive Annual Financial Reports

<u>2009²</u>	<u>2008²</u>	<u>2007²</u>	<u>2006²</u>	<u>2005²</u>	<u>2004²</u>
7,077,345 \$	6,752,159 \$	5,884,703 \$	5,266,639 \$	6,424,115 \$	8,665,283
<u>3,023,693</u>	<u>1,771,280</u>	<u>1,646,788</u>	<u>21,150</u>	<u>(4,237,413)</u>	<u>(5,133,777)</u>
<u>10,101,038</u>	<u>8,523,439</u>	<u>7,531,491</u>	<u>5,287,789</u>	<u>2,186,702</u>	<u>3,531,506</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>10,101,038</u>	<u>8,523,439</u>	<u>7,531,491</u>	<u>5,287,789</u>	<u>2,186,702</u>	<u>3,531,506</u>
<u>185,947,494</u>	<u>59,565,003</u>	<u>9,505,793</u>	<u>15,678,873</u>	<u>1,568,103</u>	<u>25,179,747</u>
<u>196,048,532</u>	<u>68,088,442</u>	<u>17,037,284</u>	<u>20,966,662</u>	<u>3,754,805</u>	<u>28,711,253</u>
495,909	331,965	254,613	402,435	278,609	474,154
199,779	161,919	222,580	210,777	203,018	190,126
34,920	15,000	44,818	18,442	28,284	22,704
30,241	33,127	32,836	32,542	32,041	31,613
22,150	18,867	16,400	15,900	24,750	17,500
31,872	35,648	38,013	33,135	27,920	7,816
110,532	81,516	68,194	58,399	44,316	11,305
<u>(295,558)</u>	<u>(245,204)</u>	<u>(271,353)</u>	<u>(363,527)</u>	<u>-</u>	<u>-</u>
<u>629,845</u>	<u>432,838</u>	<u>406,101</u>	<u>408,103</u>	<u>638,938</u>	<u>755,218</u>
<u>57,879,018</u>	<u>18,159,942</u>	<u>14,971,277</u>	<u>60,445,705</u>	<u>117,574,563</u>	<u>43,292,389</u>
<u>58,508,863</u>	<u>18,592,780</u>	<u>15,377,378</u>	<u>60,853,808</u>	<u>118,213,501</u>	<u>44,047,607</u>
-	-	-	-	-	-
<u>137,539,669</u>	<u>49,495,662</u>	<u>1,659,906</u>	<u>(39,887,146)</u>	<u>(114,458,696)</u>	<u>(15,336,354)</u>
<u>181,920,272</u>	<u>132,424,610</u>	<u>130,764,704</u>	<u>170,651,850</u>	<u>285,110,546</u>	<u>300,446,900</u>
<u><u>319,459,941</u></u> \$	<u><u>181,920,272</u></u> \$	<u><u>132,424,610</u></u> \$	<u><u>130,764,704</u></u> \$	<u><u>170,651,850</u></u> \$	<u><u>285,110,546</u></u>

Illinois Metropolitan Investment Fund
SCHEDULE OF CHANGES IN NET POSITION - IMET CONVENIENCE SERIES
Last Ten Fiscal Years

Fiscal Year Ended September 30th	2013	2012	2011 ¹	2010 ¹
Additions				
Investment income				
Interest	\$ 4,897,189	\$ 2,913,789	\$ 2,409,716	\$ 2,577,858
Expenses				
Transfer agent and fund accounting fees	650,812	443,705	-	-
Net investment income	4,246,377	2,470,084	2,409,716	2,577,858
Unit transactions				
Proceeds from sale of units to participants	1,275,361,156	1,097,507,758	737,235,175	553,727,334
Distributions reinvested by participants	3,686,415	2,003,950	1,544,472	1,486,176
Total unit transactions	1,279,047,571	1,099,511,708	738,779,647	555,213,510
Total additions	1,283,293,948	1,101,981,792	741,189,363	557,791,368
Deductions				
Administrative expenses:				
Management and administrative services	457,330	353,558	827,559	977,919
Audit	-	-	-	-
Total administrative expenses	457,330	353,558	827,559	977,919
Distributions of income to participants	3,789,047	2,116,526	1,582,157	1,599,939
Cost of units redeemed by participants	938,284,026	713,516,552	584,184,267	377,378,933
Total deductions	942,530,403	715,986,636	586,593,983	379,956,791
Net increase (decrease) in net position held in trust for participants	340,763,545	385,995,156	154,595,380	177,834,577
Net position held in trust for participants:				
Beginning of year	1,049,300,081	663,304,925	508,709,545	330,874,968
End of year	\$ 1,390,063,626	\$ 1,049,300,081	\$ 663,304,925	\$ 508,709,545

¹ For fiscal years 2011 and prior, transfer agent and fund accounting fees were included in management and administrative services expense.

Data Source: Illinois Metropolitan Investment Fund Comprehensive Annual Financial Reports

<u>2009¹</u>	<u>2008¹</u>	<u>2007¹</u>	<u>2006¹</u>	<u>2005¹</u>	<u>2004¹</u>
\$ <u>1,687,833</u>	\$ <u>7,628,873</u>	\$ <u>12,907,429</u>	\$ <u>8,925,306</u>	\$ <u>1,851,089</u>	\$ <u>106,268</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,687,833</u>	<u>7,628,873</u>	<u>12,907,429</u>	<u>8,925,306</u>	<u>1,851,089</u>	<u>106,268</u>
267,401,336	104,123,895	90,392,635	133,578,647	132,774,312	20,454,952
<u>1,246,570</u>	<u>7,241,234</u>	<u>12,494,649</u>	<u>8,469,957</u>	<u>1,724,801</u>	<u>96,905</u>
<u>268,647,906</u>	<u>111,365,129</u>	<u>102,887,284</u>	<u>142,048,604</u>	<u>134,499,113</u>	<u>20,551,857</u>
<u>270,335,739</u>	<u>118,994,002</u>	<u>115,794,713</u>	<u>150,973,910</u>	<u>136,350,202</u>	<u>20,658,125</u>
438,182	387,639	412,780	455,349	126,288	3,745
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,618</u>
<u>438,182</u>	<u>387,639</u>	<u>412,780</u>	<u>455,349</u>	<u>126,288</u>	<u>9,363</u>
<u>1,249,651</u>	<u>7,241,234</u>	<u>12,494,649</u>	<u>8,469,957</u>	<u>1,724,801</u>	<u>96,905</u>
<u>158,899,297</u>	<u>144,747,532</u>	<u>67,342,721</u>	<u>41,473,703</u>	<u>28,434,893</u>	<u>9,676,779</u>
<u>160,587,130</u>	<u>152,376,405</u>	<u>80,250,150</u>	<u>50,399,009</u>	<u>30,285,982</u>	<u>9,783,047</u>
109,748,609	(33,382,403)	35,544,563	100,574,901	106,064,220	10,875,078
<u>221,126,359</u>	<u>254,508,762</u>	<u>218,964,199</u>	<u>118,389,298</u>	<u>12,325,078</u>	<u>1,450,000</u>
\$ <u><u>330,874,968</u></u>	\$ <u><u>221,126,359</u></u>	\$ <u><u>254,508,762</u></u>	\$ <u><u>218,964,199</u></u>	\$ <u><u>118,389,298</u></u>	\$ <u><u>12,325,078</u></u>

Illinois Metropolitan Investment Fund
SCHEDULE OF CHANGES IN NET POSITION - IMET ADMINISTRATION FUND
 Last Three Fiscal Years

Fiscal Year Ended September 30th	2013	2012	2011 ¹
Additions			
Charges for administrative services	\$ 685,900	\$ 692,576	\$ 540,903
Interest	5,107	5,305	3,776
Other income	100	1,188	166
Total additions	<u>691,107</u>	<u>699,069</u>	<u>544,845</u>
Deductions			
Administrative expenses:			
Management and administrative services	67,193	6,503	54,910
Compensation and related expenses	290,129	275,452	205,887
Professional services	34,364	47,544	59,198
Insurance	52,669	51,110	44,341
Audit	21,500	20,000	14,800
Marketing	21,637	29,723	24,784
Administrative and other	93,003	100,454	86,168
Total deductions	<u>580,495</u>	<u>530,786</u>	<u>490,088</u>
Transfers in	<u>-</u>	<u>1,335,368</u>	<u>-</u>
Net increase in net position held in trust for participants	110,612	1,503,651	54,757
Net position held in trust for participants:			
Beginning of year	<u>1,558,408</u>	<u>54,757</u>	<u>-</u>
End of year	<u>\$ 1,669,020</u>	<u>1,558,408</u>	<u>\$ 54,757</u>

¹ IMET's operations activities were included in the 1-3 Year Series 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

Illinois Metropolitan Investment Fund
PRINCIPAL EMPLOYERS - STATE OF ILLINOIS
FISCAL YEARS 2012 AND 2003

2012 *

Employer	Employees	% of Total Employment
State of Illinois	64,328	1.09%
Jewel Food Stores	55,161	0.93%
U.S. Government	52,800	0.89%
Wal-Mart	50,008	0.84%
Chicago School Board	39,667	0.67%
City of Chicago	36,448	0.62%
U.S. Postal Service	29,500	0.50%
University of Illinois	28,532	0.48%
Sears	26,433	0.45%
AON PLC	24,877	0.42%
	<u>407,754</u>	<u>6.89%</u>

2003

Employer	Employees	% of Total Employment
State of Illinois	75,246	1.26%
U.S. Government	50,500	0.85%
Chicago School Board	43,299	0.73%
U.S. Postal Service	41,500	0.70%
City of Chicago	38,900	0.65%
Wal-Mart	31,460	0.53%
Caterpillar Inc.	30,060	0.50%
Sears	30,030	0.50%
Jewel Food Stores	27,350	0.46%
Motorola	25,480	0.43%
	<u>393,825</u>	<u>6.61%</u>

* 2012 information is the most recent information available.

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

Data Source: State of Illinois Comprehensive Annual Financial Report June 30, 2012

Illinois Metropolitan Investment Fund
 DEMOGRAPHIC AND ECONOMIC STATISTICS - STATE OF ILLINOIS
 CALENDAR YEARS 2002 - 2011

Year	(a) Population	(b) Per Capita Income	(a) x (b) Personal Income	Unemployment Rate
2011 *	12,869,000	\$ 43,722	\$ 562,662,480,000	9.70%
2010	12,842,000	42,025	539,680,018,000	10.5%
2009	12,797,000	40,865	522,945,597,000	10.0%
2008	12,747,000	43,502	554,521,494,000	6.4%
2007	12,696,000	41,949	532,587,009,000	5.1%
2006	12,644,000	39,900	504,493,021,000	4.6%
2005	12,610,000	37,436	472,072,676,000	5.8%
2004	12,590,000	36,163	455,290,572,000	6.2%
2003	12,556,000	34,717	435,900,840,000	6.7%
2002	12,526,000	33,792	423,278,085,000	6.5%

* 2011 information is the most recent information available.

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

Data Source: State of Illinois Comprehensive Annual Financial Report June 30, 2012