



IMET
UPDATE Issued March 2019

FINAL REMINDER - ANNUAL PARTICIPANTS' MEETING

Please mark your calendars for the 23rd Annual Participants' Meeting which will be held on **Tuesday, March 19, 2019** from 9:00 AM to 12:00 PM, at Harry Caray's in the Westin Hotel in Lombard, IL.

If you will not be able to join us, please, complete the attached IMET ANNUAL MEETING PROXY APPOINTING OFFICER form to ensure a quorum to conduct IMET business.

After the meeting, presentations will be uploaded and made available on the IMET website. Next month's newsletter will include an overview of the meeting.

We all hope to see you on the 19th and we welcome your input and feedback!

ECONOMIC UPDATE

The release of economic data during the month of February suggests that the U.S. labor market is still growing at a positive rate but is beginning to slow. The Commerce Department released data showing that there was an 18.8% jump in the United States trade deficit in December 2018. The trade deficit for 2018 was the largest it had been since 2008. Much of this was due to a 1.9% drop in exports. Exports are weakening because of a slowing global demand and a stronger U.S. Dollar, which is making American made goods less competitive on the international market.

Noteworthy:

- The Effective Fed Funds Rate is now 2.40% and the Fed Funds Futures market is pricing in 0.0% likelihood of a rate hike at the March FOMC meeting (scheduled for March 19 and 20) as a rate pause remains the base case assumption until at least mid-year. In addition, the Fed Funds market is now pricing in a 2% probability of a rate cut (an easing) vs. a 7% chance of a rate hike by the end of 2019. This contrasts with two additional rate hikes that were signaled by the December FOMC dot-plots graph.
- Federal Reserve Chairman Powell, in prepared remarks, stated it is important for the Fed to evaluate whether to allow inflation to rise above its 2% target more often, but he suggested no changes are imminent.

The urgency is attributable to the possibility the Federal Reserve might have less room to cut interest rates to stimulate the economy in future downturns. The target FFR range is between 2.25% and 2.5%, and the Fed in recent recessions has cut interest rates by nearly twice as much. Lower nominal rates raise the risk the Fed will have less room to cut them than it had in the past. The Fed has struggled to keep inflation at its 2% target until very recently, and other developed economies have been stuck in a slow-growth rut with inflation well below their central banks' targets.

- Job growth appeared to stall out in February. After 311,000 jobs were added in January, just 20,000 payrolls were added in February. Could this be more a sign of a sluggish first quarter than a recession warning. The two-month trend is about 165,000 jobs a month, after all. Not too shabby.

REMINDER – 3 WAYS TO TRANSACT AT IMET

- [IMET online access](#)
- Phone 1-888-288-IMET (4638)
- Email: imet.purchase.redeem@investimet.com

CUT-OFF DEADLINE

Participants are reminded that 3 pm central is the cut-off for same-day redemptions. Requests after this cut-off, will be processed next business day.

IMET STAFF CONTACT INFO:

Please feel free to contact us:

Executive Director, **Sofia Anastopoulos**, at sofia.ana@investIMET.com or (312) 519-1637

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Illinois Metropolitan Investment Fund

IMET 1-3 Year Fund Performance

| 02/28/2019 | Net 1-3 Year Fund Returns* | Gross 1-3 Year Fund Returns* | Bloomberg Barclays 1-3 Yr. Govt Index |
|-------------------|----------------------------------|------------------------------------|---|
| Month | 0.12 | 0.14 | 0.10 |
| Latest 1 yr. | 1.98 | 2.26 | 2.30 |
| Since Inception** | 3.03 | 3.34 | 3.33 |
| Yield to Maturity | 2.61 | 2.61 | 2.53 |
| Wtd. Avg. Mat. | 1.89 yrs | 1.89 yrs | 1.99 yrs |
| Duration | 1.72 | 1.72 | 1.92 |

* IMET returns are calculated based on beginning period and ending period NAVs.

** Since Inception returns are calculated from July 1996 through the most recent month end.

IMET Convenience Fund Performance

| 02/28/2019 | IMET Convenience Fund | S&P GIP Index* | Illinois Funds ** |
|---------------------------|-----------------------------|----------------------|----------------------|
| Month | 0.18 | NA | 0.20 |
| Avg. Daily Yield for Mth. | 2.32 | 2.29 | 2.42 |
| Latest 1 yr. | 1.95 | 1.86 | 1.95 |
| Wtd. Avg. Maturity | 121 days | 75 days | 48 days |

* As of 02/28/2019

** As of 1/31/2019