

COLLECTIVE INVESTMENT TRUST FUND OF
FIRST AMERICAN BANK
FOR CORPORATE RETIREMENT PLANS
BLENDED PORTFOLIOS
CONSERVATIVE GROWTH MODEL PORTFOLIO
FINANCIAL STATEMENTS
with
INDEPENDENT AUDITORS' REPORT
for the year ended December 31, 2016

Weber & Associates CPAs, LLC
Certified Public Accountants

COLLECTIVE INVESTMENT TRUST FUND OF FIRST AMERICAN BANK
FOR CORPORATE RETIREMENT PLANS BLENDED PORTFOLIOS
CONSERVATIVE GROWTH MODEL PORTFOLIO
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Participants
Collective Investment Trust Fund of First American Bank
For Corporate Retirement Plans Blended Portfolios
Conservative Growth Model Portfolio
Elk Grove Village, Illinois

We have audited the accompanying financial statements of the Collective Investment Trust Fund of First American Bank for Corporate Retirement Plans Blended Portfolios - Conservative Growth Model Portfolio, which comprise the statement of assets and liabilities, including the schedule of investments in securities, as of December 31, 2016, and the related statements of operations and changes in net assets for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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 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.

Auditor's Responsibility

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Collective Investment Trust Fund of First American Bank for Corporate Retirement Plans Blended Portfolios - Conservative Growth Model Portfolio as of December 31, 2016, and the results of its operations and changes in its net assets for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Aurora, Illinois
May 2, 2017

COLLECTIVE INVESTMENT TRUST FUND OF FIRST AMERICAN BANK
FOR CORPORATE RETIREMENT PLANS BLENDED PORTFOLIOS
CONSERVATIVE GROWTH MODEL PORTFOLIO
STATEMENT OF ASSETS AND LIABILITIES
December 31, 2016

Assets

Investments in securities, at fair value

Bond funds (cost \$3,917,548)	\$ 3,971,301
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Equity funds (cost \$3,013,191)	3,405,222
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	7,376,523
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Cash and cash equivalents

	239,152
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Accrued income receivable

	3,242
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	7,618,917
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Liabilities

Accrued expenses

	3,241
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Net assets

	\$ 7,615,676
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Net asset value per unit (420,069 units outstanding)

	\$ 18.13
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See accompanying notes to financial statements.

COLLECTIVE INVESTMENT TRUST FUND OF FIRST AMERICAN BANK
FOR CORPORATE RETIREMENT PLANS BLENDED PORTFOLIOS
CONSERVATIVE GROWTH MODEL PORTFOLIO
SCHEDULE OF INVESTMENTS IN SECURITIES
December 31, 2016

	Shares	Fair Value	Percentage of Net Asset Value
Bond Funds			
Fed Total Rtn Bd Sers Instl #328	97,451	\$ 1,050,526	
Pioneer Investments Multi Asset Ultrashort Income Fund Class Y	218,362	2,179,254	
First American Bank Trust for Employee Benefit Plans Michelangelo MXI: Bond Fund	41,912	741,521	
	<u>357,725</u>	<u>3,971,301</u>	<u>52.2%</u>
Equity Funds			
American Beacon Small Cap Value Instl	8,211	226,884	
American Beacon Bridgeway	34,332	895,368	
Brown Capital Mgmt Small Comp Instl	3,058	227,172	
Clearbridge Large Cap Growth	24,003	897,950	
Oppenheimer International Growth Fund Class Y Foreign Equity Series Fund #454	11,127	385,897	
First American Bank High Yield Equity Model Portfolio	41,360	771,951	
	<u>122,091</u>	<u>3,405,222</u>	<u>44.7%</u>
Total investments in securities	<u><u>479,816</u></u>	<u><u>\$ 7,376,523</u></u>	<u><u>96.9%</u></u>

See accompanying notes to financial statements.

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STATEMENT OF OPERATIONS
for the year ended December 31, 2016

Investment income	
Interest and dividend income	\$ 108,843
Expenses	
Investment management fees	<u>60,006</u>
Net investment income	<u>48,837</u>
Realized and unrealized gain (loss) on investments	
Net realized loss from investment transactions	(19,684)
Net change in unrealized appreciation of investments	<u>443,068</u>
Net gain on investments	<u>423,384</u>
Net increase in net assets resulting from operations	<u><u>\$ 472,221</u></u>

See accompanying notes to financial statements.

COLLECTIVE INVESTMENT TRUST FUND OF FIRST AMERICAN BANK
FOR CORPORATE RETIREMENT PLANS BLENDED PORTFOLIOS
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STATEMENT OF CHANGES IN NET ASSETS
for the year ended December 31, 2016

Increase in net assets resulting from operations	
Net investment income	\$ 48,837
Net realized loss from investment transactions	(19,684)
Net change in unrealized appreciation of investments	443,068
Net increase in net assets resulting from operations	472,221
Decrease in net assets resulting from participants' transactions	
Net proceeds from issuance of units (115,986 units)	2,041,275
Cost of units redeemed (503,440 units)	(8,963,925)
Net decrease in net assets resulting from participants' transactions	(6,922,650)
Decrease in net assets	(6,450,429)
Net assets	
Beginning of year	14,066,105
End of year	\$ 7,615,676

See accompanying notes to financial statements.

COLLECTIVE INVESTMENT TRUST FUND OF FIRST AMERICAN BANK
FOR CORPORATE RETIREMENT PLANS BLENDED PORTFOLIOS
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NOTES TO FINANCIAL STATEMENTS
December 31, 2016

1. NATURE OF ACTIVITIES

The Collective Investment Trust Fund of First American Bank for Corporate Retirement Plans Blended Portfolios - Conservative Growth Model Portfolio (Fund) is a collective trust fund established on September 26, 2005, in accordance with the Illinois Common Trust Fund Act. The Fund seeks a high level of income and long term growth of principal through fixed income investments and equity investments. The Fund only accepts qualified corporate retirement plans as participants.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements are presented on the accrual basis of accounting.

Investment in Marketable Securities

Security transactions are recorded on a trade date basis. Investments in securities are recorded at fair value, which is the closing bid price on the business day as of which such value is being determined. The difference between cost and fair value is reflected as unrealized appreciation or depreciation. Realized gains and losses on the sale of investments are determined by comparison of the original cost and proceeds using the specific identification method. Interest income is recorded as earned. Dividend income is recorded on the ex-dividend date.

Units Issued, Redemptions and Distributions

The net asset value of the Fund is determined daily. Units are issued and redeemed only at that time, at the per-unit net asset value. Also, in accordance with the Plan, no periodic distribution of income is made and, accordingly, participants' equity includes income earned. Participant funds realize a gain or loss at the time of withdrawal based on the difference between their admission unit value and the unit value at the time of withdrawal.

Income Taxes

The Fund is a common trust fund exempt from taxation under the Internal Revenue Code and Illinois Income Tax Act.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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3. RELATED PARTY TRANSACTIONS

Management Fees

In accordance with the Plan, the trustee may charge the Fund for expenses incurred. Certain fund expenses may be borne by the trustee. The First American Bank trust department assesses a management fee, computed at an annual rate of 0.60% of the Fund's market value.

4. INVESTMENT TRANSACTIONS

Cost of purchases and proceeds of sales of securities for the year ended December 31, 2016 were \$7,168,224 and \$13,881,641, respectively.

5. FAIR VALUE

The Fund utilizes various methods to measure the fair value of investments on a recurring basis. Accounting principles generally accepted in the United States of America establish a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.
- Level 2: Observable inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.
- Level 3: Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available; representing the Fund's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in level 3.

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5. FAIR VALUE (continued)

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Securities traded on a national securities exchange are stated at the last reported sales price on the day of valuation. To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized in level 1 of the fair value hierarchy. Bond funds and equity funds that are not valued on a national securities exchange are valued at the net asset value of shares held by the Fund at the end of the year.

The following table summarizes the inputs used to value the Fund's assets measured at fair value on a recurring basis as of December 31, 2016:

	Assets at Fair Value as of December 31, 2016			
	Level 1	Level 2	Level 3	Fair Value
Bond funds	\$ 3,229,780	\$ 741,521	\$ -	\$ 3,971,301
Equity funds	2,633,271	771,951	-	3,405,222
	\$ 5,863,051	\$ 1,513,472	\$ -	\$ 7,376,523

6. FINANCIAL HIGHLIGHTS

	December 31,	
	2016	2015
Per Unit Operating Performance		
Net asset value, beginning of year	\$ 17.42	\$ 17.42
Income from investment operations		
Net investment income	0.08	0.07
Net realized and unrealized gain (loss) on investment transactions	0.63	(0.07)
Total from investment operations	0.71	0.00
Net asset value, end of year	\$ 18.13	\$ 17.42
 Total Return	 4.36%	 0.29%

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NOTES TO FINANCIAL STATEMENTS
December 31, 2016

6. FINANCIAL HIGHLIGHTS (continued)

Ratios as a Percentage of Average Net Assets	<u>2016</u>	<u>2015</u>
Investment income	1.00%	0.92%
Realized and unrealized gain (loss)	3.91%	-0.10%
Expenses	0.55%	0.54%

7. SUBSEQUENT EVENTS

The Fund's management has evaluated subsequent events through May 2, 2017, the date the financial statements were available to be issued.