

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

Weber & Associates CPAs, LLC  
Certified Public Accountants

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COLLECTIVE INVESTMENT TRUST FUND OF FIRST AMERICAN BANK  
FOR CORPORATE RETIREMENT PLANS BLENDED PORTFOLIOS  
HIGH YIELD EQUITY 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  
High Yield Equity 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 - High Yield Equity 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 - High Yield Equity 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  
HIGH YIELD EQUITY MODEL PORTFOLIO  
STATEMENT OF ASSETS AND LIABILITIES  
December 31, 2016

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Assets	
Investments in securities, at fair value	
Common stocks (cost \$11,450,122)	\$ 14,468,788
Cash and cash equivalents	161,231
Accrued income receivable	23,669
	<u>14,653,688</u>
Liabilities	
Accrued expenses	9,480
	<u>9,480</u>
Net assets	<u>\$ 14,644,208</u>
Net asset value per unit (784,645 units outstanding)	<u>\$ 18.66</u>

See accompanying notes to financial statements.

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

	Shares	Fair Value	Percentage of Net Asset Value
<b>Common Stocks</b>			
<b>Consumer Discretionary</b>			
Cracker Barrel Old Country Store	2,713	\$ 453,017	
Leggett & Platt Inc	9,402	459,570	
Thomson Reuters Corporation	9,068	396,997	
	<u>21,183</u>	<u>1,309,584</u>	<u>8.9%</u>
<b>Consumer Staples</b>			
Diageo Plc Adr	3,400	353,396	
Kraft Heinz Co	4,614	402,894	
Procter & Gamble Co	4,300	361,544	
Wal-Mart Stores Inc	4,632	320,164	
	<u>16,946</u>	<u>1,437,998</u>	<u>9.8%</u>
<b>Energy</b>			
Chevron Texaco Corp	3,002	353,335	
Exxon Mobil Corp Com	4,456	402,199	
Hollyfrontier Corporation	10,209	334,447	
	<u>17,667</u>	<u>1,089,981</u>	<u>7.4%</u>
<b>Financials</b>			
BB&T Corp	8,545	401,786	
Bank of Hawaii Corp	6,200	549,878	
Prudential Financial, Inc	3,999	416,136	
United Bankshares Inc Comm	9,585	443,306	
	<u>28,329</u>	<u>1,811,106</u>	<u>12.4%</u>
<b>Health Care</b>			
Abbvie Inc	5,998	375,595	
AstraZeneca PLC	11,490	313,907	
Johnson & Johnson	3,831	441,370	
Eli Lilly & Co	5,745	422,544	
Merck & Co Inc	6,894	405,850	
Pfizer Inc	13,021	422,922	
	<u>46,979</u>	<u>2,382,188</u>	<u>16.3%</u>

See accompanying notes to financial statements.

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

	Shares	Fair Value	Percentage of Net Asset Value
Common Stocks, continued			
Industrials			
Cummins Inc Comm	3,085	421,627	
Emerson Elec Co	7,007	390,640	
Leidos Holdings Inc	1,497	76,557	
Lockheed Martin Corp	1,646	411,401	
Eaton Corp PLC	5,174	347,124	
	<u>18,409</u>	<u>1,647,349</u>	<u>11.2%</u>
Information Technology			
Cisco Sys Inc	12,885	389,385	
HP Inc	22,980	341,023	
Intel Corp	11,970	434,152	
Maxim Integrated Products Inc	11,040	425,813	
Microsoft Corp Com	5,239	325,551	
Microchip Technology Inc	6,878	441,224	
Qualcomm Inc Com	5,911	385,397	
	<u>76,903</u>	<u>2,742,545</u>	<u>18.7%</u>
Materials			
Domtar Corporation	10,607	413,991	
Dow Chemical Co	9,197	526,252	
Lyondellbasell Ind NV	3,642	312,411	
	<u>23,446</u>	<u>1,252,654</u>	<u>8.6%</u>
Telecommunications Services			
Verizon Telecommunications Serv	8,662	462,378	3.2%
Utilities			
Public Service Enterprise Group Incorporated Com	7,589	333,005	2.3%
Total investments in securities	<u>266,113</u>	<u>\$ 14,468,788</u>	<u>98.8%</u>

See accompanying notes to financial statements.

COLLECTIVE INVESTMENT TRUST FUND OF FIRST AMERICAN BANK  
FOR CORPORATE RETIREMENT PLANS BLENDED PORTFOLIOS  
HIGH YIELD EQUITY MODEL PORTFOLIO  
STATEMENT OF OPERATIONS  
for the year ended December 31, 2016

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Investment income	
Interest and dividend income	\$ 622,275
Expenses	
Investment management fees	145,800
Foreign withholding tax	<u>11,494</u>
	<u>157,294</u>
Net investment income	<u>464,981</u>
Realized and unrealized gain (loss) on investments	
Net realized gain from investment transactions	1,303,544
Net change in unrealized appreciation of investments	<u>684,573</u>
Net gain on investments	<u>1,988,117</u>
Net increase in net assets resulting from operations	<u><u>\$ 2,453,098</u></u>

See accompanying notes to financial statements.



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

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Increase in net assets resulting from operations	
Net investment income	\$ 464,981
Net realized gain from investment transactions	1,303,544
Net change in unrealized appreciation of investments	<u>684,573</u>
Net increase in net assets resulting from operations	<u>2,453,098</u>
Decrease in net assets resulting from participants' transactions	
Net proceeds from issuance of units (137,404 units)	2,377,202
Cost of units redeemed (556,406 units)	<u>(9,992,696)</u>
Net decrease in net assets resulting from participants' transactions	<u>(7,615,494)</u>
Decrease in net assets	(5,162,396)
Net assets	
Beginning of year	<u>19,806,604</u>
End of year	<u><u>\$ 14,644,208</u></u>

See accompanying notes to financial statements.

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

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1. NATURE OF ACTIVITIES

First American Bank (Trustee) Trust Fund for Corporate Retirement Plans Blended Portfolios - High Yield Equity Model Portfolio (Fund) is a collective trust fund established on January 10, 2011, in accordance with the Illinois Common Trust Fund Act. The Fund seeks high dividend income with market level risk and capital appreciation through investing in diversified portfolios consisting primarily of equity investments from domestic markets and foreign developed and emerging markets. 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.

COLLECTIVE INVESTMENT TRUST FUND OF FIRST AMERICAN BANK  
FOR CORPORATE RETIREMENT PLANS BLENDED PORTFOLIOS

HIGH YIELD EQUITY MODEL PORTFOLIO  
NOTES TO FINANCIAL STATEMENTS

December 31, 2016

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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 0.75% 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 \$3,871,244 and \$9,807,803, 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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NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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. The Fund's common stocks are all classified in level 1 of the fair value hierarchy.

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
Common stocks				
Consumer discretionary	\$ 1,309,584	\$ -	\$ -	\$ 1,309,584
Consumer staples	1,437,998	-	-	1,437,998
Energy	1,089,981	-	-	1,089,981
Financials	1,811,106	-	-	1,811,106
Health care	2,382,188	-	-	2,382,188
Industrials	1,647,349	-	-	1,647,349
Information technology	2,742,545	-	-	2,742,545
Materials	1,252,654	-	-	1,252,654
Telecommunications services	462,378	-	-	462,378
Utilities	333,005	-	-	333,005
	<u>\$ 14,468,788</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,468,788</u>

6. FINANCIAL HIGHLIGHTS

	December 31,	
	2016	2015
Per Unit Operating Performance		
Net asset value, beginning of year	\$ 16.46	\$ 17.09
Income from investment operations		
Net investment income	0.47	0.40
Net realized and unrealized gain (loss)		
on investment transactions	1.73	(1.03)
Total from investment operations	2.20	(0.63)
Net asset value, end of year	<u>\$ 18.66</u>	<u>\$ 16.46</u>

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NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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6. FINANCIAL HIGHLIGHTS (continued)

	<u>2016</u>	<u>2015</u>
Total Return	14.24%	-3.63%
Ratios as a Percentage of Average Net Assets		
Investment income	3.61%	3.28%
Realized and unrealized gain (loss)	11.54%	-6.04%
Expenses	0.91%	0.88%

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.