



January 6, 2020

The Executive Committee of the Iowa Public Agency Investment Trust ("IPAIT"), is requesting proposals for audit and tax services for IPAIT for the fiscal year beginning July 1, 2020, and ending June 30, 2021, and the four subsequent fiscal years. Included with this letter is a detailed RFP document, a proposed agreement, and the June 30, 2019 financial report.

Proposals are due back to Miles Capital no later than 2:00 pm February 21, 2020. Specific instructions are included in the RFP document. In-person meetings or presentations may be requested. It is anticipated that an award recommendation will be delivered to the IPAIT Board of Directors at their April 22, 2020 board meeting.

Miles Capital is the administrator for IPAIT and will be managing the issuance and responses to this RFP. Please contact me, as a representative of IPAIT, if you have any questions. I can be reached at 515-224-2720 or amitchell@miles-capital.com.

Respectfully,

A handwritten signature in blue ink, which appears to read 'Amy Mitchell', is placed above the printed name.

Amy Mitchell
Miles Capital
Managing Director, Head of Government Entities

Enc.



**IOWA PUBLIC AGENCY INVESTMENT TRUST
REQUEST FOR PROPOSAL
FOR AUDIT AND TAX SERVICES**

I. INTRODUCTION

Iowa Public Agency Investment Trust (“IPAIT”) is requesting proposals from qualified certified public accounting firms, familiar with local governments, to provide audit and tax reporting services for the fiscal year beginning July 1, 2020 and the four subsequent fiscal years.

IPAIT was created pursuant to Iowa Code Chapter 28E in 1987 to enable eligible Iowa public agencies to safely and effectively invest their available operating and reserve funds. IPAIT contracts with Miles Capital to provide investment advisory and administrator services and with US Bank N.A. for custody services. IPAIT’s Diversified portfolio follows established money market parameters designed to maintain a \$1 per unit net asset value utilizing the amortized cost method of accounting.

IPAIT is focused on its investment objectives as stated in the IPAIT Investment Policy. These goals, in order of priority, are: safety of invested principal, maintenance of adequate liquidity, then yield. Within these objectives, the Fund strives to provide Participants with the best available rates of return for legally authorized investments per Iowa Code 12B.10. IPAIT is an S&P Global Ratings AAAm rated money market fund.

We have included a copy of IPAIT’s Annual Report for fiscal year 2019 with this RFP. Visit www.IPAIT.org for additional reference.

In addition to tax and audit engagement letters provided by the qualified firm, IPAIT will require the execution of the attached agreement, in such form as is agreed upon by both parties.

II. REQUEST FOR PROPOSALS

Proposals will be accepted until 2:00 pm on February 21, 2020 at the office of Miles Capital in West Des Moines, Iowa. The proposal should be sent electronically to funds@miles-capital.com in addition to eight (8) hardcopy proposals addressed to:

IPAIT AUDIT SERVICES
c/o Miles Capital, Amy Mitchell
1415 - 28th Street, Suite 200
Century II Building
West Des Moines, IA 50266-1450

IPAIT reserves the right to reject any and all proposals in whole or in part, to waive irregularities and to accept proposals which appear to be in the best interest of IPAIT. IPAIT will not pay for any information herein requested nor is IPAIT liable for any costs incurred by the offeror.

The successful proposal is subject to approval by the Board of Trustees of IPAIT and will be effective only when such approval is received.

Only proposals received at the location described above and in the time frame given will be considered. The original proposal should be completed and manually signed by a partner of the firm submitting the proposal.

Failure to supply any information requested to accompany proposals may be cause for rejection of the proposal as non-compliant. IPAIT reserves the right to request additional information if clarification is needed. Both the request and the response shall be in writing.

All proposals shall be firm for a period of ninety (90) days to allow the committee to fully evaluate all proposals and to make an award deemed in the best interest of IPAIT.

The laws of Iowa require that the contents of all proposals be placed in the public domain and be open to inspection by interested parties. Trade secrets or proprietary information that are recognized as such and are protected by law may be withheld if clearly identified as such in the proposal. All proposals become the property of IPAIT and will not be returned to the offeror until award has been made if requested by offeror.

III. SCOPE OF SERVICES

IPAIT is soliciting the services of qualified certified public accounting firms to provide audit and tax preparation and reporting services for the fiscal year beginning July 1, 2020 and the four subsequent years. The selected firm will express an opinion on the fair presentation of IPAIT's financial statements based on their audits. They will conduct the audits in accordance with auditing standards generally accepted in the United States of America and in accordance with the requirements of the Code of Iowa relating to local government entities, and shall include IPAIT's fiscal year 2019 comparative data in the fiscal year 2020 audited report.

The audit should be conducted in accordance with generally accepted auditing standards; Chapter 11 of the Code of Iowa; financial audit standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and if applicable, the requirements of the Single Audit Act of 1996 and Office of Management and Budget (OMB) Circular A133, Audits of State and Local Governments and Non-Profit Organizations.

The audit reports should conform to reporting formats specified by the State of Iowa Auditors office; AICPA Audit Guidelines; Governmental Accounting Standards Board reporting requirements; and the requirements of the Single Audit Act of 1996 and Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments and Non-Profit Organizations.

The tax returns should be completed and filed per Internal Revenue Service regulations, notices and rules.

The audit report should include a management letter, if appropriate, which includes recommendations affecting the financial statements, internal control, accounting systems, and legality of actions.

In the past, IPAIT has requested and received the Certificate of Achievement for Excellence in Financial Reporting (CAFR) from the Government Finance Officers Association (GFOA). This includes supplementary information which is presented in the annual financial report for the purpose of additional analysis and is not a required part of the financial statements. The audit

engagement may include expressing an opinion as to whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The auditors' services currently anticipated include:

1. Annual audit of the individual financial statements of IPAIT as of June 30 of each year.
2. Presentation of audit results to the Board's Executive Committee and subsequent attendance of the Board's regular meeting in August of each year. At that same time, in addition to presenting the results of the annual audit, also present a report on current events in the auditing industry as they apply to IPAIT.
3. Complete work necessary to allow IPAIT to include the combined IPAIT financial statements included in the Annual Report to Participants as of June 30 of each year.
4. Prepare and file all tax returns as required by the Internal Revenue Service.

The auditors' reporting responsibilities will include preparing the following:

1. The "Independent Auditors' Report" which expresses an opinion on the financial statements, including assessing the accounting principles used and significant estimates made by management.
2. A report on the design and operation of the internal control structure, which includes (a) the scope of work in obtaining an understanding of the internal control and in assessing the control risk and (b) any reportable conditions which could adversely affect the processing and recording of financial data consistent with the assertions of management.
3. A report on any material misstatements presented in the financial statements.
4. A report on compliance with federal and/or state laws and regulations.
5. A copy of the letter to the Auditor of State enclosing a copy of the audit report and stating the total hours worked on the audit.
6. A copy of the letter to the Internal Revenue Service enclosing a copy of tax return filed.
7. Notification to IPAIT whenever service requests by IPAIT are deemed to be out-of-scope for the auditing engagement. Said notification shall include cost for performing the additional services and request for approval prior to proceeding.

IV. SCHEDULE FOR THE AUDIT

It is anticipated that a pre-audit meeting with IPAIT's administrator will take place each year in advance of the audit to introduce the team, develop a work plan and make determinations relative to what tasks can be performed prior to the final field work to optimize IPAIT's adviser and administrator staff and the auditor's resources in completing the audit.

Miles Capital will have the audit work papers completed no later than July 10 of each year in order for the auditors' field work to begin. The final report is presented to the Executive Committee and the Board at the August meeting. Audit reports should be delivered on or before August 15, of each year. In addition to the audit report, the annual report, presented to the Board at the August meeting, will need to be reviewed prior to August 20, of each year.

V. TERM OF ENGAGEMENT

A potential five (5) year engagement is contemplated. The Board of Trustees reserves the right to terminate the engagement at any time by giving sixty (60) days written notice as stated in the attached agreement, and IPAIT reserves the right to request proposals for audit services at any time.

VI. QUESTIONS REGARDING THIS REQUEST

Questions concerning the Request for Proposal should be directed to:

Amy Mitchell
Miles Capital
1415 - 28th Street, Suite 200
Century II Building
West Des Moines, IA 50266-1450
Phone: 515-224-2720
amitchell@miles-capital.com

VII. PROPOSAL CONTENT

In order to evaluate your firm's qualifications to perform this service, proposals shall include the following information in the response to this RFP:

1. Resources and expertise for serving us, both locally and nationally.
 - A. Locally:
 - i. The resources and organization of the office that would serve IPAIT.
 - ii. That office's experience in providing audit and tax services for an Iowa government entity.
 - iii. Depth of your office that would serve IPAIT.
 - iv. Size of government practice.
 - v. Three client references, including contact names, addresses, phone numbers, email addresses, and length of engagement. (Include government clients similar to IPAIT)
 - B. Nationally:
 - i. Size of U.S. practice
 - ii. Size of U.S. government practice.
 - iii. Three client references, including contact names, addresses, phone numbers, email addresses, and length of engagement. (Include government clients similar to IPAIT served.)
 - iv. Governmental industry support and expertise.
2. Identify the individuals (partner, manager, and senior) who would serve IPAIT for audit services. Provide a summary of each individual's background, government experience, role in the proposed engagement, office location, etc.
3. Identify the individuals (partner, manager, and senior) who would serve IPAIT for tax services. Provide a summary of each individual's background, government experience, role in the proposed engagement, office location, etc.
4. Describe the availability of individuals within the firm who are primarily involved in governmental auditing and reporting and with whom the audit team may consult.

5. Describe your recommended scope of services to be provided, and your proposed audit and tax process including a proposed timeline for completion of the work.
6. Describe the approach that would be followed in conducting the audit. The number of hours required to complete the audit by partner, manager, senior, etc. should be provided.
7. Describe the continuity of the audit team year-over-year IPAIT can expect.
8. Describe liability coverage and the firm's ability to cover claims, as well as any actions taken by oversight bodies within the last 5 years against the office who would provide services.
9. Indicate your firm's registration status with the PCAOB and share the results of your most recent peer review.
10. Describe your approach to reviewing operational controls including manually-calculated and entered transactions.

VIII. Proposed Fees

Please provide your proposed fees for the annual audit and tax engagements. Indicate any additional expenses such as out-of-pocket or travel expenses that may be charged to IPAIT. Also list hourly fees for work outside of the regular annual audit.

AGREEMENT BETWEEN IOWA PUBLIC AGENCY INVESTMENT TRUST AND _____

THIS AGREEMENT made and entered into this _____ day of _____, by and between Iowa Public Agency Investment Trust ("IPAIT"), and _____, ("Auditor.")

1. Auditor Duties

Auditor shall:

- A. Provide qualified auditors of various classifications to provide the services as outlined and in the format specified in the Request for Proposal for Audit Services dated January 2020 ("RFP"). The terms of the RFP and Auditor's response to the RFP are hereby incorporated by reference.
- B. Begin work on the audit no later than June 15 of each year and deliver the completed audit report no later than August 20 of each year.
- C. Perform all work in accordance with U.S. generally accepted auditing standards, Chapter 11 of the Code of Iowa, Government Auditing Standards, applicable stated federal requirements, and as stated in the RFP.
- D. Immediately inform IPAIT if the audit discloses any irregularity in the collection or disbursement of public funds.

2. Payment

IPAIT shall pay the fees as outlined in Exhibit A for the fiscal years ending June 30, 2021 - 2025.

3. Termination of Agreement

- A. IPAIT may terminate the agreement by giving Auditor written notice of the termination not less than sixty (60) days prior to the effective date of termination.
- B. Auditor shall be paid for all work satisfactorily performed to the date of termination.

4. Regulatory Compliance

Auditor shall comply with all federal and state laws, rules, and regulations and all IPAIT policies, rules, and regulations at all time. Auditor shall comply with Iowa laws, regulations, and IPAIT policy to insure that no employee or applicant for employment with the firm is discriminated against because of race, religion, color, sex, national origin, age, or disability.

5. Audit or Examination of Records

- A. Auditor shall agree that any authorized auditor or any representative of the United States Government, shall have access to and the right to examine, audit, excerpt and transcribe any directly pertinent books, documents, papers and records of the firm relating to orders, invoices, or payments of this contract.
- B. All records relating to this engagement shall be retained for such period of time as required by law and IPAIT policy and procedure.

6. Gratuities

Chapter 722 of the Code of Iowa provides that it is a felony to offer, promise or give anything of value or benefit to a person serving in a public capacity with the intent to influence that employee's acts, opinion, judgment or exercise of discretion with respect to the employee's duties.

7. Independent Contractor

Auditor will be an independent contractor and not an employee of IPAIT. Auditor is responsible for all withholding taxes, social security, unemployment, worker's compensation and other taxes and shall hold IPAIT harmless for any claim for the same.

8. Contractor Personnel

IPAIT reserves the right to require replacement of any Auditor personnel believed unable to carry out responsibilities, or those who exhibit unsuitability for work.

9. Compliance with Professional Standards

Auditor shall perform all services required by this Agreement in accordance with the applicable professional standards. Except as otherwise explicitly noted in this Agreement, nothing herein contained, however, shall be construed to protect Auditor against any liability to IPAIT by reason of Auditor's failure to comply with federal or state law, rule, or regulation or any misfeasance, bad faith or negligence in the performance of its obligations and duties under this Agreement, nor shall anything herein contained constitute a waiver or limitation on any rights which IPAIT may have. In no event will Auditor be liable for the acts or omissions of IPAIT, its employees, contractors or vendors.

10. Applicable Law

This Agreement shall be construed, enforced, and administered according to the laws of the State of Iowa.

11. Severability

If any provision of this Agreement shall be held invalid under any applicable statute or regulation or decision of a court of competent jurisdiction, such invalidity shall not affect any other provision of this Agreement that can be given effect without the invalid provision, and, to this end, the provisions hereof are severable.

12. Entire Agreement

This Agreement, the RFP, and Auditor's response to the RFP, constitute the entire agreement between the parties hereto with respect to the subject matter hereof. This Agreement amends and supersedes all prior agreements between the parties and shall supersede the terms of any Engagement Letter proposed by the Auditor.

13. Enforcement and Waiver

Each party has the right at all times to enforce the provisions of this Agreement in strict accordance with their terms, notwithstanding any conduct or custom on the part of such party in refraining from so doing at any time or times. The failure of a party hereto at any time or times to enforce its rights under such provisions, strictly in accordance with the same, shall not be construed as having created a custom in any way or manner contrary to specific provisions of this Agreement or as having in any way or manner modified or waived the same. All rights and remedies of the respective parties hereto are cumulative and concurrent and the exercise of one right or remedy shall not be deemed a waiver or release of any other right or remedy.

14. Authorization

This Agreement has been duly authorized, executed and delivered by the parties hereto and constitutes a legal, valid and binding obligation of such parties, enforceable in accordance with the terms. Each individual signatory hereto represents and warrants that such person is duly authorized to execute this Agreement on behalf of their respective principal.

15. Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their authorized representatives as of the date set forth in the first paragraph of this Agreement.

16. Additional Terms for Engagements Involving Tax Services

- A. Notwithstanding anything to the contrary set forth herein, no provision in the Agreement is or is intended to be construed as a condition of confidentiality within the meaning of IRC sections 6011, 6111, 6112 or the regulations thereunder, or under any similar or analogous provisions of the laws of a state or other jurisdiction. In Particular, IPAIT (and each employee, representative, or other agent of IPAIT) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of any transaction within the scope of this engagement and all materials of any kind (including opinions and other tax analyses) that are provided to IPAIT relating to such tax treatment and tax structure. IPAIT also agrees to use commercially reasonable efforts to inform Auditor of any conditions of confidentiality imposed by third party advisors with respect to any transaction on which Auditor advice is requested. Such notification must occur prior to Auditor providing any advice with respect to the transaction.
- B. Treasury regulations under IRC section 6011 require taxpayers to disclose to the IRS their participation in reportable transactions and IRC section 6707A imposes strict penalties for noncompliance. IPAIT agrees to use commercially reasonable efforts to inform Auditor if IPAIT is required to disclose any transaction covered by the Engagement Letter as a reportable transaction to the IRS or to any state or other jurisdiction adopting similar or analogous provisions. IRC section 6111 requires a material advisor with respect to a reportable transaction to disclose information on the transaction to the IRS by a prescribed date, and IRC section 6112 requires the material advisor to maintain, and make available to the IRS upon request, a list of persons and other information with respect to the transaction. Auditor will use commercially reasonable efforts to inform IPAIT if Auditor provides IPAIT's identifying information to the IRS under IRC section 6111 or 6112, or to any state or other jurisdiction adopting similar or analogous provisions.
- C. Unless expressly provided for, Auditor's services do not include representing IPAIT in the event of a challenge by the IRS or other tax or revenue authorities.
- D. In rendering tax advice, Auditor may consider, for example, the applicable provisions of the Internal Revenue Code of 1986, and the Employee Retirement Income Security Act of 1974, each as amended, and the relevant state, local and foreign statutes, the regulations thereunder, income tax treaties, and judicial and administrative interpretations, thereof. These authorities are subject to change, retroactively or prospectively, and any such changes could affect the validity of Auditor's advice.
- E. Information relating to advice Auditor provides to IPAIT, including communications between Auditor and IPAIT and material Auditor creates in the course of providing advice, may be privileged and protected from disclosure to the IRS or other governmental authority in

certain circumstances. As Auditor is not able to assert the privilege on IPAIT's behalf with respect to any communications for which privilege has been waived, IPAIT agrees to promptly notify Auditor of any such waivers, whether resulting from communications with Auditor or third parties in the same or a related matter. IPAIT also understands that privilege may not be available for communications with an audit client and that Auditor personnel providing audit and non-audit services will discuss matters that may affect the audit to the extent required by applicable professional standards. IPAIT agrees that Auditor will not assert on IPAIT's behalf any claim of privilege unless IPAIT specifically instructs Auditor in writing to do so after discussing the specific request and the grounds on which such privilege claim would be made. Notwithstanding the foregoing, IPAIT acknowledges that in no event will Auditor assert any claim of privilege that Auditor concludes, after exercising reasonable judgment, is not valid.

- F. Except for the respective indemnification obligations of IPAIT and Auditor set forth herein, to the extent allowed by Law, the liability of the IPAIT parties and the Auditor Parties to one another, on account of any actions, damage, claims, liabilities, costs, expenses or losses in any way arising out of or relating to the services performed under this engagement letter shall be limited to the amount of fees paid or owing to Auditor under this engagement letter during the preceding twelve (12) month period. In no event shall contractor be liable for consequential, special, indirect, incidental, punitive or exemplary damages, costs, expenses, or losses (including, without limitation, lost profits and opportunity costs). This section shall apply regardless of the form of action, damage, claim, liability, cost, expense, or loss asserted, whether in contract, statute, tort (including but not limited to negligence) or otherwise.
- G. Any advice, recommendations, information, deliverables or other work product provided to IPAIT by the Auditor under this Contract is for the sole use of IPAIT, and is not intended to be, and may not be, relied upon by any third party. Except for disclosures that are required by law or that are expressly permitted by this Agreement, IPAIT will not disclose or permit access to such advice, recommendations, information, deliverables, or other work product to any third party without the Contractor's prior written consent.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their authorized representatives as of the date set forth in the first paragraph of this Agreement.

IOWA PUBLIC AGENCY INVESTMENT TRUST

AUDITOR

Signature

Signature

Name

Name

Exhibit A
Audit and Tax Fees for Fiscal Years Ending June 30, 2021 - 2025

**2019
ANNUAL
REPORT**

IOWA PUBLIC AGENCY INVESTMENT TRUST

**DIVERSIFIED PORTFOLIO COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

FISCAL YEAR ENDING JUNE 30, 2019

Shares of the Fund are NOT INSURED BY THE FDIC. Investment products involve investment risk, including the possible loss of principal. Past performance is not predictive of future results, and the composition of the Fund's portfolio is subject to change.

This annual report is not authorized for distribution unless accompanied or preceded by a current Information Statement also known as a prospectus. An investor should consider the Fund's investment objectives, risks, and charges and expenses carefully before investing or sending money. This and other important information about the investment company can be found in the Fund's Information Statement. To obtain more information, please call 800-872-4024 or visit the website IPAIT.org. Please read the Information Statement carefully before investing.

Iowa Public Agency Investment Trust
Diversified Portfolio
Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2019

www.IPAIT.org

Prepared by the
Iowa Public Agency Investment Trust
Board of Trustees

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August 28, 2019

Dear Fellow IPAIT Participants:

The Iowa Public Agency Investment Trust ("IPAIT") is pleased to submit the Diversified Portfolio Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2019.

IPAIT is a common law trust established under Iowa law pursuant to Chapter 28E, Iowa Code (1987), as amended, which authorizes Iowa public agencies to jointly invest monies pursuant to a joint investment agreement following the requirements of Iowa Code 12B.10. IPAIT was established by the adoption of a Joint Powers Agreement and Declaration of Trust as of October 1, 1987, and commenced operations on November 13, 1987. The Joint Powers Agreement and Declaration of Trust was amended September 1, 1988, May 1, 1993, September 1, 2005, and again on September 1, 2017. The objective of the portfolio is to maintain a high degree of liquidity and safety of principal through investment in short-term securities as permitted for Iowa public agencies under Iowa law.

IPAIT enables eligible Iowa public agencies to effectively invest their available operating and reserve funds in a competitive rate environment that focuses on safety of principal and liquidity. The Diversified Portfolio follows money market mutual fund investment parameters per GASB 79 and has maintained a \$1 per unit net asset value since inception.

IPAIT is a 'AAAm' rated Fund and obtains an annual rating from S&P Global Ratings ("S&P"). According to S&P, a fund rated 'AAAm' demonstrates extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. 'AAAm' is the highest principal stability fund rating assigned by S&P. This is accomplished through conservative investment practices and strict internal controls. The portfolio is monitored on a weekly basis by S&P.

ABOUT THE REPORT

While IPAIT's financial statements and the related financial data contained in this report have been prepared in conformity with U.S. generally accepted accounting principles and have been audited by IPAIT's Independent Auditor, KPMG LLP, the ultimate accuracy and validity of this information is the responsibility of IPAIT's Board of Trustees. To carry out this responsibility, the Board of Trustees maintains financial policies, procedures, accounting systems and internal controls which the Board believes provide reasonable, but not absolute, assurance that accurate financial records are maintained and investment assets are safeguarded.

In addition, the three ex-officio non-voting Trustees meet with the Program's service providers and legal counsel to review all aspects of IPAIT performance each month. The Board of Trustees meets quarterly to similarly review Program performance and compliance. In addition, the IPAIT Board of Trustees regularly subjects IPAIT to a comprehensive review of all services and costs of operation.

In the Board's opinion, IPAIT's internal controls are adequate to ensure that the financial information in this report presents fairly the IPAIT Diversified Portfolio operations and financial condition.

INVESTMENT SAFEGUARDS

The Diversified Portfolio continues to be focused on the investment objectives as stated in the IPAIT Investment Policy. These goals, in order of priority are: safety of invested principal, maintenance of liquidity, and maximum yield. Within these objectives, the Fund strives to provide participants with the best available rate of return for legally authorized investments. All security settlements within the Fund are settled on a delivery-versus-payment (DVP) basis. DVP settlements greatly reduce the possibility of inappropriate transmission of funds or securities.

RELIABILITY OF INVESTMENT SECTION

All commentary and displays in the Investment Section were prepared by IPAIT's service provider, Miles Capital, the program's Investment Adviser and Administrative Services provider. Miles Capital has provided services to the IPAIT program since the program's inception in 1987. All services provided by IPAIT to participants are subject to rigorous and regular verification.

Miles Capital and IPAIT have designed internal controls and procedures to ensure that material information is made known to the principal executive officers, David Miles (Chief Executive Officer), Gwen Gosselink (Chief Compliance Officer), and Amy Mitchell (Chief Financial Officer), respectively during the reporting period for the semi-annual and annual report to shareholders. These individuals are required to report any deficiencies and any actual or alleged fraud to the Fund Auditor and to the Executive Committee immediately upon discovery.

STATEMENTS OF CHANGES IN NET POSITION

For the fiscal year ending June 30, 2019 (FY 19) and the fiscal year ending June 30, 2018 (FY 18) total interest earned, total operating expenses, and net investment income were as follows:

	<u>Interest Earned</u>	<u>Expenses</u>	<u>Net Investment Income</u>
FY 19	\$9,623,230	\$1,377,193	\$8,246,037
FY 18	\$5,312,787	\$1,338,364	\$3,974,423

The increase in year-over-year interest earned and net investment income is primarily attributed to higher portfolio yields in FY 19. The higher fund balances contributed to the slight increase in year-over-year expenses.

IPAIT operates pursuant to Service Provider agreements for all aspects of operation. Every agreement specifies the fees to be charged for each component of IPAIT services based on average daily net position. Average net positions were \$406,056,830 in FY 19 up from \$377,865,880 in the previous fiscal year. More financial analysis and detailed information is included in the Management Discussion & Analysis section of this report.

OUR ECONOMY

The Federal Reserve ("Fed") raised rates four times during 2018. They initially indicated they would raise interest rates twice in 2019, but then put the increases on "pause" due to mixed economic signals. In June they shifted position again and indicated they would do whatever it took to support the continued economic expansion. They stated there are uncertainties in the U.S. economic outlook, including some "cross currents" between trade developments and growth and are now indicating a more accommodative posture. At their most recent meeting on July 31, 2019, the Fed cut the Fed Funds Rate by 0.25 percent and indicated they will continue to monitor these and other factors when considering whether to lower rates later this year. The economy overall continues to show strength – consumer spending remains strong and unemployment remains low at around 3.7 percent. There is more detail on the economic environment relative to the IPAIT portfolio in the Investment Commentary from our registered investment adviser found later in this report.

SUMMARY

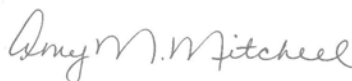
On behalf of the Board of Trustees, sponsoring associations and service providers, we thank you for your continued support of IPAIT. We encourage you to contact us with comments and suggestions regarding any improvements to the operation of IPAIT. Your involvement in IPAIT is essential in its ability to provide a competitive investment alternative, and ongoing program opportunities for association members.

As we begin Fiscal Year 2019-2020, IPAIT will continue to be guided by its objectives of safety of principal, liquidity, and competitive return. In addition, IPAIT will be an excellent resource as a user-friendly investment alternative and also an educational resource. The IPAIT.org website provides monthly updates as well as access to the secure IPASonline system. We collectively pledge to continue working together to provide a viable investment option for every participant.

Respectfully,



Craig Anderson
Chair, Board of Trustees



Amy Mitchell
IPAIT Chief Financial Officer



Alan Kemp
Executive Director,
Iowa League of Cities
IPAIT Secretary to the Board



William Peterson
Executive Director,
Iowa State Association of Counties
IPAIT Treasurer to the Board



Troy DeJoodé
Executive Director,
Iowa Association of Municipal Utilities
IPAIT Assistant Secretary to the Board



Brent Hinson
City Administrator
City of Washington



Michelle Weidner
Chief Financial Officer
City of Waterloo



Tim Stiles
Finance Director
City of West Des Moines



Craig Anderson
Board of Supervisors
Plymouth County



Randy Jacobsma
County Treasurer
Sioux County



Steven Pick
General Manager
Spencer Municipal Utilities



Greg Fritz
Chief Executive Officer
NIMECA



Jerry Gowey
Director, Finance and Administrative Services
Muscatine Power and Water



Jarret Heil
County Treasurer
Marshall County

The trustees and officers are not compensated for Board service. Expenses incurred in attending meetings are paid by the Trust.

Name	Address	Age	Position held with IPAIT	Term of Office	Length of Time Served	Principal Occupation During Past Five Years	Number of Portfolios Overseen by Trustee	Outside Directorships Past 5 Years
Craig Anderson	215 4th Avenue SE LeMars, IA 51031	65	Trustee Chair	Term Ending 2021	Since 2013	Plymouth County Board of Supervisors Self-employed Farmer	1	None
Greg Fritz	1011 12th Ave. North Humboldt, IA 52353	47	Trustee Vice Chair	Term Ending 2020	Since 2013	Chief Executive Officer, NIMECA	1	None
Michelle Weidner	715 Mulberry Street Waterloo, IA 50703	57	Trustee Second Vice Chair	Term Ending 2020	Since 2013	Chief Financial Officer, City of Waterloo	1	None
Brent Hinson	215 E Washington St Washington, IA 52353	41	Trustee	Term Ending 2019	Since 2010	City Administrator City of Washington	1	None
Randy Jacobsma	104 1st Street SE Orange City, IA 51041	54	Trustee	Term Ending 2019	Since 2015	Sioux County Treasurer	1	None
Jerry Gowey	3205 Cedar Street Muscatine, IA 52761	58	Trustee	Term Ending 2021	Since 2018	Director, Finance & Administrative Services Muscatine Power & Water	1	None
Steven Pick	520 2nd Ave E Suite 1 Spencer, IA 51301	45	Trustee	Term Ending 2019	Since 2014	General Manager, Spencer Municipal Utilities	1	None
Tim Stiles	4200 Mills Civic Pkwy West Des Moines, IA 50265	51	Trustee	Term Ending 2021	Since 2015	Finance Director, City of West Des Moines	1	None
Jarret Heil	1 E Main Street Marshalltown, IA 50158	41	Trustee	Term Ending 2020	Since 2019	Marshall County Treasurer	1	None
Alan Kemp Ex Officio Non-Voting Trustee	500 SW 7th St Suite 101 Des Moines, IA 50309	58	IPAIT Secretary		Since 2007	Iowa League of Cities Executive Director		
William Peterson Ex Officio Non-Voting Trustee	5500 Westown Pkwy Ste 190 West Des Moines, IA 50266	69	IPAIT Treasurer		Since 1994	Iowa State Association of Counties Executive Director		
Troy DeJooode Ex Officio Non-Voting Trustee	1735 NE 70th Ave Ankeny, IA 50021	48	IPAIT Assistant Secretary		Since 2014	Iowa Association of Municipal Utilities Executive Director		

The trustees and officers are not compensated for Board service. Expenses incurred in attending meetings are paid by the Trust.

Sponsoring Associations



**IOWA
ASSOCIATION OF MUNICIPAL
UTILITIES**

Iowa Association of Municipal Utilities
1735 NE 70th Avenue
Ankeny, IA 50021-9353
Troy DeJooode, Executive Director
tdejooode@iamu.org
515-289-1999



Iowa State Association of Counties
5500 Westown Parkway, Suite 190
West Des Moines, IA 50266-8202
William Peterson, Executive Director
bpeterson@iowacounties.org
515-244-7181



Iowa League of Cities
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Des Moines, IA 50309
Alan Kemp, Executive Director
alankemp@iowaleague.org
515-244-7282



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Investment Adviser | Administrator

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Custodian

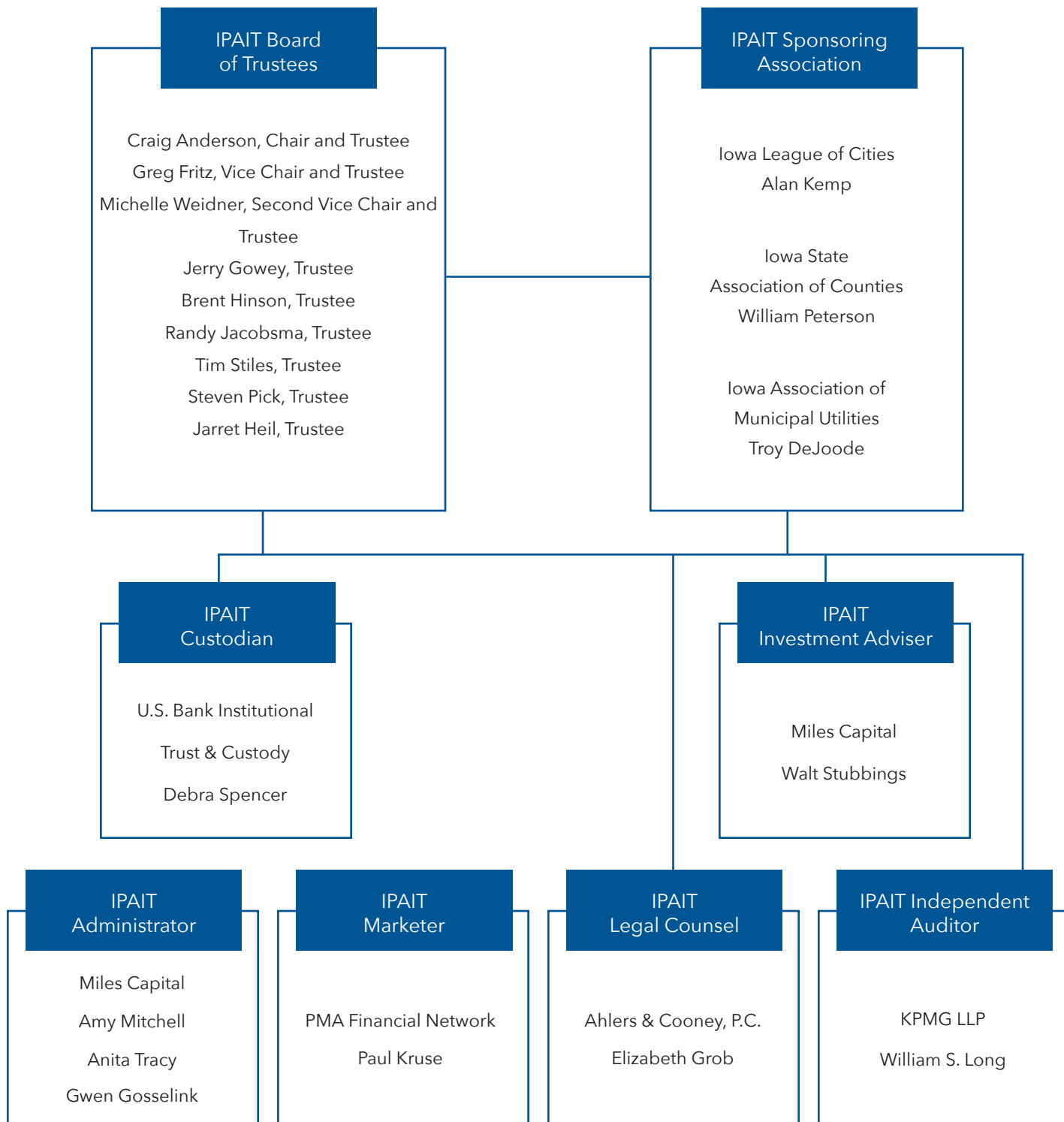


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Independent Auditor



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KPMG LLP
2500 Ruan Center
666 Grand Avenue
Des Moines, IA 50309

Independent Auditors' Report

The Board of Trustees and Participants
Iowa Public Agency Investment Trust:

Report on the Financial Statements

We have audited the accompanying financial statements of Iowa Public Agency Investment Trust (the Fund), which comprise the statement of net position, and the schedule of investments, as of June 30, 2019, the statements of changes in net position for each of the years in the two-year period then ended, the financial highlights for each of the years in the five-year period 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 and financial highlights in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements and financial highlights that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 and financial highlights. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements and financial highlights, 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 and financial highlights referred to above present fairly, in all material respects, the financial position of Iowa Public Agency Investment Trust as of June 30, 2019, the results of its operations for each of the years in the two-year period then ended, and the financial highlights for each of the years in the five-year period then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 13–15 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Fund's basic financial statements. The Introductory Section, Investment Section and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2019 on our consideration of the Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Fund's internal control over financial reporting and compliance.

KPMG LLP

Des Moines, Iowa
August 28, 2019

This section of the Iowa Public Agency Investment Trust (IPA IT) Diversified Portfolio's Comprehensive Annual Financial Report presents Management's Discussion and Analysis of the financial position and results of operations for the fiscal years ended June 30, 2019 (FY 19) and 2018 (FY 18). This information is being presented to provide additional information regarding the activities of IPA IT's Diversified Portfolio, pursuant to the requirements of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*, and Statement No. 38, *Certain Financial Statement Note Disclosures* (Statements Nos. 34, 37, and 38). This discussion and analysis should be read in conjunction with the Independent Auditor's Report, KPMG LLP, the Financial Statements, and the accompanying notes.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis provides an introduction to and overview of the basic financial statements of IPA IT's Diversified Portfolio. The following components comprise the financial statements: 1) Statement of Net Position, 2) Statements of Changes in Net Position, and 3) Notes to Financial Statements.

- The Statement of Net Position shows the financial position (assets and liabilities) of the portfolio as of the date of the current fiscal year end.
- The Statements of Changes in Net Position display the results of operations (income and expenses), additions (net investment income, unit sales, and reinvestments) and deductions (dividends and unit redemptions) of the portfolio for the two most recent fiscal years.
- The Notes to Financial Statements describe significant accounting policies and disclose summary security transaction amounts and fund expenses of the portfolio.

CONDENSED FINANCIAL INFORMATION AND FINANCIAL ANALYSIS

Year-over-year changes in most financial statement amounts reported in IPA IT's Diversified Portfolio are most significantly impacted by the level of average net position (which fluctuates based on the overall levels of pool participant/unitholder invested balances). The pool is the portfolio. Additionally, changes in the short-term interest rate environment (which follows the general trend established by monetary policy set by the Federal Reserve) contribute to year-over-year variances in the amount of investment income earned by the portfolio. Over the twelve months ended June 30, 2019, the Federal Reserve's Federal Open Market Committee increased the Fed Funds rate by 0.25 percent two times. The Fed Funds rate increases were on September 26, 2018 to 2.25 percent and December 18, 2018 to 2.50 percent.

Condensed financial information and variance explanations for FY 19, as compared to FY 18, follow.

Net Position	June 30, 2019	Percent Change	June 30, 2018
Total Investments	\$ 442,402,523	20%	\$ 368,044,114
Excess of other assets over total liabilities	(7,775,066)	-29762%	26,212
Net position held in trust for pool participants	434,627,457	18%	368,070,326
Average Net Position	\$ 406,056,830	7%	\$ 377,865,880

Total investments increased 20 percent, comparing June 30, 2019 and June 30, 2018 amounts due to higher participant investments in the Diversified Portfolio at the end of FY 19. During FY 19, participant investments were significantly higher in March through June compared to the same period in FY 18 resulting in a 7 percent increase in average net position in FY 19. The decrease in other assets over liabilities during FY 19 was due to an increase in the dividends payable to participants and a payable for an investment purchase that had not settled at June 30, 2019.

Change in Net Position for the years ended	June 30, 2019	Percent Change	June 30, 2018
Investment Income	\$ 9,623,230	81%	\$ 5,312,787
Total Expenses	(1,377,193)	3%	(1,338,364)
Dividends to unitholders from net investment income	(8,246,037)	107%	(3,974,423)
Net increase (decrease) in assets derived from unit transactions	66,557,131	1125%	(6,496,412)
Net position held in trust for pool participants at the beginning of the period	368,070,326	-2%	374,566,738
Net position held in trust for pool participants at the end of the period	\$ 434,627,457	18%	\$ 368,070,326

During the 12-month periods in FY 19 and FY 18, the Fed Funds target rate increased from 2.00 to 2.50 percent along with a 7 percent increase in the average net position resulting in increases in investment income of 81 percent and dividends to unitholders of 107 percent. The Fed Funds target rate is an economic indicator for short-term investments which significantly impacts the investment income earned by the Diversified Portfolio. Total expenses are derived based on the net position of the Diversified Portfolio. These expenses increased 3 percent during FY 19 compared to FY 18 due to the increase in the average net position.

Condensed financial information and variance explanations for FY 18, as compared to FY 17, follow.

Net Position	June 30, 2018	Percent Change	June 30, 2017
Total Investments	\$ 368,044,114	-2%	\$ 374,276,378
Excess of other assets over total liabilities	26,212	-91%	290,360
Net position held in trust for pool participants	368,070,326	-2%	374,566,738
Average net position	\$ 377,865,880	20%	\$ 315,551,694

Total investments and net position decreased 2 percent, comparing June 30, 2018 and June 30, 2017 amounts due to lower participant investments in the Diversified Portfolio at the end of FY 18. During FY 18, participant investments were significantly higher in January through March compared to the same period in FY 17 resulting in a 20 percent increase in average net position in FY 18. The decrease in other assets over liabilities during FY 18 was due to an increase in the dividends payable to participants at June 30, 2018.

Change in Net Position for the years ended	June 30, 2018	Percent Change	June 30, 2017
Investment Income	\$ 5,312,787	158%	\$ 2,059,919
Total Expenses	(1,338,364)	16%	(1,151,653)
Dividends to unitholders from net investment income	(3,974,423)	338%	(908,266)
Net increase (decrease) in assets derived from unit transactions	(6,496,412)	-106%	119,087,120
Net position held in trust for pool participants at the beginning of the period	374,566,738	47%	255,479,618
Net position held in trust for pool participants at the end of the period	\$ 368,070,326	-2%	\$ 374,566,738

During the 12-month periods in FY 18 and FY 17, the Fed Funds target rate increased from 1.25 to 2.00 percent along with a 20 percent increase in the average net position resulting in increases in investment income of 158 percent and dividends to unitholders of 338 percent. The Fed Funds target rate is an economic indicator for short-term investments which significantly impacts the investment income earned by the Diversified Portfolio. Total expenses are derived based on the net position of the Diversified Portfolio. These expenses increased 16 percent during FY 18 compared to FY 17 due to the increase in the average net position.

Iowa Public Agency Investment Trust - Diversified Portfolio Statement of Net Position - June 30, 2019

ASSETS

Investments in securities, at amortized cost

U.S. Treasury Notes	\$	59,865,153
U.S. Government Agency Obligations		85,784,470
Deposit Accounts		135,922,037
Repurchase Agreements		160,830,863
Total investments in securities		442,402,523

Cash

-

Interest receivable

1,097,051

Total assets

443,499,574

LIABILITIES

Payable to brokers for investments purchased		8,001,564
Investment advisory fees payable		25,123
Administrative fees payable		31,009
Marketing fees payable		21,355
Custody fees payable		12,578
Sponsorship fees payable		26,694
Dividends payable		753,794
Total liabilities		8,872,117

NET POSITION HELD IN TRUST FOR POOL PARTICIPANTS

\$ 434,627,457

Units of beneficial interest outstanding

434,627,457

Net asset value - offering and redemption price per share

\$ 1.00

Iowa Public Agency Investment Trust - Diversified Portfolio
Statements of Changes in Net Position for the Years Ended June 30,

	2019	2018
ADDITIONS		
Investment Income:		
Interest	\$ 9,623,230	\$ 5,312,787
Expenses:		
Investment advisory fees	290,831	275,326
Administrative fees	357,043	335,899
Marketing fees	243,634	226,720
Custody fees	77,483	113,360
Sponsorship fees	304,543	283,399
Audit and tax expenses	26,546	27,114
Insurance expense	21,137	21,288
Legal fees	30,062	27,606
Rating fees	21,390	22,692
Other fees and expenses	4,524	4,960
Total expenses	1,377,193	1,338,364
Net increase in net position from operations	8,246,037	3,974,423
Unitholder transaction additions:		
(at constant net asset value of \$1 per unit)		
Units sold	1,295,266,058	921,202,171
Units issued in reinvestment of dividends from net investment income	7,973,601	3,666,977
Total participant transaction additions	1,303,239,659	924,869,148
Total additions	1,311,485,696	928,843,571
DEDUCTIONS		
Dividends to unitholders from:		
Net investment income	(8,246,037)	(3,974,423)
From unit transactions		
Units redeemed	(1,236,682,528)	(931,365,560)
Total deductions	(1,244,928,565)	(935,339,983)
Change in net position	66,557,131	(6,496,412)
Net position held in trust for pool participants at beginning of period	368,070,326	374,566,738
Net position held in trust for pool participants at end of period	\$ 434,627,457	\$ 368,070,326

See accompanying notes to financial statements.

Iowa Public Agency Investment Trust - Diversified Portfolio Notes to Financial Statements Years ended June 30, 2019 and 2018

(1) ORGANIZATION

Iowa Public Agency Investment Trust (the "Trust") is a common law trust established under Iowa law pursuant to Chapter 28E and Sections 331.555 and 384.21, Iowa Code (1987), as amended, which authorizes Iowa public agencies to jointly invest monies pursuant to a joint investment agreement. IPAIT is an S&P Global Ratings 'AAAm' rated money market fund pursuant to the requirements of Iowa Code 12B.10. IPAIT was established by the adoption of a Joint Powers Agreement and Declaration of Trust as of October 1, 1987, and commenced operations on November 13, 1987. The Joint Powers Agreement and Declaration of Trust was amended on August 1, 1988, and May 1, 1993, and September 1, 2005; and further amended as of September 1, 2017. The accompanying financial statements include activities of the Diversified Portfolio. The objective of the Diversified Portfolio is to maintain a high degree of liquidity and safety of principal through investment in short-term securities as permitted for Iowa public agencies under Iowa law. U.S. Bank Institutional Trust & Custody (US Bank) serves as the Custodian. PMA Financial Network serves as the Marketer. Miles Capital, Inc. (Miles Capital) serves as the Investment Adviser and Administrator.

In 2010, the Board of Trustees approved a resolution ceasing the investment operations of the Direct Government Obligation Portfolio and transferring assets to the Diversified Portfolio. The transfer was facilitated through SEC Rule 17a-7 at fair value. The Direct Government Obligation Portfolio remains available for future investment if IPAIT participants should request it in the future.

(2) SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by IPAIT are as follows:

BASIS OF ACCOUNTING

An investment trust fund, which is a type of fiduciary fund, is used to account for the investment pool and accounts of the Trust. The Trust holds the assets in a custodial capacity. Because fiduciary funds are custodial in nature, they do not measure the results of operations or have a measurement focus. Fiduciary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Fiduciary fund equity is reported as net position held in the Trust for pool participants.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increase (decrease) in net assets resulting from operations during the reporting period. Actual results could differ from those estimates.

INVESTMENTS IN SECURITIES

The Diversified Portfolio measures its investments at amortized cost on the Statement of Net Position pursuant to criteria established in Governmental Accounting Standards Board (GASB) Statement No. 79, ***Certain External Investment Pools and Pool Participants***. The criteria in GASB Statement No. 79 specifies that an external investment pool must transact with their participants at a stable net asset value per share and meet requirements for portfolio maturity, portfolio quality, portfolio diversification, portfolio liquidity, and shadow pricing. The Diversified Portfolio meets all of the necessary criteria in GASB Statement No. 79 to measure all of the investments in the Diversified Portfolio at amortized cost, which does approximate fair value. This involves valuing a portfolio security at its original cost on the date of purchase, and thereafter amortizing any premium or discount on the interest method. The net asset value of the Diversified Portfolio is calculated daily. Investment policies are followed to maintain a constant net asset value of \$1.00 per unit for the portfolio.

Security transactions are accounted for on the trade date. Interest income, including the accretion of discount and amortization of premium, is accrued daily as earned. Purchases of portfolio securities for the Diversified Portfolio aggregated \$30,305,779,336 and \$25,281,839,647 for the years ended June 30, 2019 and 2018, respectively. Proceeds

from the maturity and sale of securities for the Diversified Portfolio aggregated \$30,231,660,682 and \$25,287,097,690 for the years ended June 30, 2019 and 2018, respectively.

The Diversified Portfolio is authorized by investment policy and statute to invest public funds in obligations of the U.S. government, its agencies and instrumentalities; certificates of deposit and other evidences of deposit at federally insured Iowa depository institutions approved and secured pursuant to Chapter 12B of the Code of Iowa; federally insured depository institutions through the Insured Cash Sweep (ICS) service regardless of location pursuant to Chapter 12C of the Code of Iowa; and repurchase agreements, provided that the underlying collateral consists of obligations of the U.S. government, its agencies and instrumentalities and that the Diversified Portfolio's custodian takes delivery of the collateral either directly or through an authorized custodian.

In connection with transactions in repurchase agreements, it is the Diversified Portfolio's policy that the value of the underlying collateral securities exceeds the principal amount of the repurchase transaction, including accrued interest at all times. If the seller were to default on its repurchase obligation and the value of the collateral declines, realization of the collateral by the Diversified Portfolio may be delayed or limited. At June 30, 2019 and 2018, the securities purchased under repurchase agreements to resell were collateralized by U.S. Government Agency Securities with a fair value of \$164,047,481 and of \$134,436,801, respectively with maturities ranging from 06/01/26 to 06/15/54.

ICS is a network of banks offering demand deposit accounts below the standard FDIC insurance maximum so that principal and interest are eligible for full FDIC insurance. As of June 30, 2019, the portfolio held \$135,922,037 in the ICS program.

INCOME TAX STATUS

The Trust is exempt from both state and federal incomes taxes pursuant to Section 115 of the Internal Revenue Code.

DISTRIBUTIONS TO PARTICIPANTS

Dividends declared and accrued daily from net investment income and net realized gains, if any, are paid in cash or reinvested in the Trust based upon each participants pro rata participation in the pool.

INVESTMENT AND REDEMPTION PROVISIONS

The Diversified Portfolio allows participants to purchase and redeem units on a daily basis, subject to limitations whereby liquidity of the fund may require redemptions to be delayed until applicable investments have matured or are liquidated.

(3) FEES AND EXPENSES

Miles Capital receives 0.190 percent of the average daily net asset value up to \$150 million, 0.160 percent from \$150 to \$250 million, and 0.130 percent exceeding \$250 million for investment adviser and administrative fees. For the years ended June 30, 2019 and 2018, the Diversified Portfolio paid \$647,874 and \$611,225, respectively, to Miles Capital for services provided.

PMA Financial Network receives 0.060 percent of the average daily net asset value of the portfolio for marketing fees. For the years ended June 30, 2019 and 2018, the Diversified Portfolio paid \$243,634 and \$226,720, respectively, to PMA for services provided.

Wells Fargo received 0.030 percent of the average daily net asset value of the portfolio for custody fees through December 31, 2018. For the years ended June 30, 2019 and 2018, the Diversified Portfolio paid \$57,650 and \$113,360, respectively, to Wells Fargo for services provided.

Effective January 1, 2019, US Bank started receiving approximately 0.010 percent of the average daily net asset value of the portfolio for custody fees. For the year ended June 30, 2019, the Diversified Portfolio paid \$19,833 to US Bank for services provided.

Under a distribution plan, the public agency associations collectively receive an annual fee of 0.075 percent of the average daily net asset value for sponsorship fees. For the years ended June 30, 2019 and 2018, the Diversified Portfolio paid \$120,462 and \$118,133 to the Iowa League of Cities, \$133,989 and \$116,423 to the Iowa State Association of Counties, and \$50,092 and \$48,843 to the Iowa Association of Municipal Utilities, respectively.

In addition, the Trust is responsible for other operating expenses incurred directly by the Trust. The estimated annual other operating expenses are accrued and have averaged between 0.02 and 0.03 percent of the average daily net asset value, and totaled \$103,659 and \$103,660 for the years ended June 30, 2019 and 2018, respectively.

All fees are computed daily and paid monthly. Fees waived in prior periods cannot be recovered in future periods.

(4) INVESTMENTS

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Trust limits the exposure to credit risk in the Diversified Portfolio by investing only in obligations issued or guaranteed by the U.S. Government and collateralized perfected repurchase agreements. The following table provides information on the credit ratings of the Diversified Portfolio investments as of June 30, 2019 and 2018:

Security Type	Credit Rating		June 30, 2019	
	Moody's	S&P	Carrying Value	Percent of Investments
U.S. Government agencies	Aaa	AA+	\$ 85,784,470	19.39%
U.S. Treasury notes and bills *	Aaa	AA+	59,865,153	13.53
Repurchase agreements (underlying securities)				
U.S. Government agencies	Aa3	AA-	83,915,432	18.97
U.S. Government agencies	A1	A+	76,915,431	17.39
FDIC insured deposit accounts	Not rated	Not rated	135,922,037	30.72
			<u>\$ 442,402,523</u>	<u>100.00%</u>

Security Type	Credit Rating		June 30, 2018	
	Moody's	S&P	Carrying Value	Percent of Investments
U.S. Government agencies	Aaa	AA+	\$ 11,001,531	2.99%
U.S. Treasury notes and bills *	Aaa	AA+	130,929,584	35.57
Repurchase agreements (underlying securities)				
U.S. Government agencies	Aa3	AA-	66,300,785	18.01
U.S. Government agencies	A1	A+	65,500,000	17.80
FDIC insured deposit accounts	Not rated	Not rated	94,312,214	25.63
			<u>\$ 368,044,114</u>	<u>100.00%</u>

* U.S. Treasury issues are explicitly guaranteed by the United States government and are not considered to have credit risk.

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Trust will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Repurchase agreements are required to be collateralized by at least 102 percent of their value, and the collateral is held in the name of the Diversified Portfolio. The Diversified Portfolio or its agent does not release cash or securities until the counterparty delivers its side of the transaction.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Management attempts to limit the Diversified Portfolio's exposure to interest rate risk and believes this is addressed by the fact that securities are limited by S&P Global guidelines as well as by investment policy to investments of high quality with durations not to exceed 397 days. Significant changes in market interest rates are not expected to present long-term risks to the Diversified Portfolio.

The following table provides information on the weighted average maturities for various asset types of the Diversified Portfolio as of June 30, 2019 and 2018:

Security Type	June 30, 2019		June 30, 2018	
	Carrying Value	WAM (Days)	Carrying Value	WAM (Days)
U.S. Government agencies	\$ 85,784,470	45	\$ 11,001,531	6
U.S. Treasury notes and bills	59,865,153	60	130,929,584	20
Repurchase agreements	160,830,863	6	131,800,785	2
FDIC insured deposit accounts	135,922,037	2	94,312,214	4
	<u>\$ 442,402,523</u>	<u>19</u>	<u>\$ 368,044,114</u>	<u>9</u>

Concentration credit risk is the risk of loss attributed to the magnitude of the Trust's investments in a single issuer. Management does not believe the Diversified Portfolio has concentration risk. Securities are limited by investment policy to obligations issued or guaranteed by the U.S. Government. The Diversified Portfolio investments at June 30, 2019 included 19.4 percent in U.S. Government agencies, 13.5 percent in U.S. Treasury notes, 36.4 percent in repurchase agreements collateralized by U.S. Government Agency securities and 30.7 percent in bank deposit accounts fully insured by the Federal Deposit Insurance Corporation (FDIC).

Foreign currency risk is the risk that changes in exchange rates will adversely affect the value of an investment or deposit. The Diversified Portfolio does not hold interests in foreign currency of interests valued in foreign currency.

(5) RISK MANAGEMENT

The Trust is exposed to various risks of loss related to torts; theft of, damage to, and destructions of assets; errors and omissions; and natural disasters.

The Trust maintains insurance coverage for fidelity and errors and omissions exposures. There have been no claims or settlements under the Trust insurance coverage since its organization in 1987.

(6) SUBSEQUENT EVENTS

IPA IT has evaluated the effects of events that occurred subsequent to June 30, 2019, and there have been no material events that would require recognition in the financial statements or disclosure in the notes to the financial statements.

Iowa Public Agency Investment Trust - Diversified Portfolio
Schedule of Investments - June 30, 2019

Name of Issuer	Yield at Time of Purchase	Due Date	Par Value	Amortized Cost
U.S. Government Securities - 32.92%				
Federal Farm Credit Bank - 5.65%	2.50%	09/23/19	\$ 25,000,000	\$ 25,015,991
Federal Home Loan Bank - 11.48%	2.45%	07/05/19	25,000,000	25,000,238
	2.40%	08/27/19	8,000,000	7,999,520
	2.24%	09/13/19	17,800,000	17,768,600
				<u>50,768,358</u>
Freddie Mac - 2.26%	2.58%	07/05/19	10,000,000	10,000,121
Treasury Securities - 13.53%	2.59%	08/31/19	30,000,000	29,947,887
	2.58%	08/31/19	30,000,000	29,917,266
				<u>59,865,153</u>
Total U.S. Government Securities (amortized cost \$145,649,623)				<u>145,649,623</u>
Deposit Accounts - 30.72%				
Community State Bank ICS - Savings - 1.17%	2.57%		5,173,359	5,173,359
FNB Omaha ICS - Savings - 7.40%	2.35%		32,748,975	32,748,975
FNB Omaha ICS - Demand - 22.15%	2.35%		97,999,703	97,999,703
Total Deposit Accounts (amortized cost \$135,922,037)				<u>135,922,037</u>
Repurchase Agreements - 36.36%				
RBC Capital Markets LLC - 18.97%	2.46%	07/01/19	44,915,432	44,915,432
	2.53%	07/01/19	39,000,000	39,000,000
				<u>83,915,432</u>
BMO Capital Markets LLC - 17.39%	2.46%	07/01/19	44,915,431	44,915,431
	2.40%	07/26/19	32,000,000	32,000,000
				<u>76,915,431</u>
Total Repurchase Agreements (amortized cost \$160,830,863) (Purchased on 6/26/19 & 6/28/19; proceeds at maturity \$160,926,982; collateralized by \$1,387,229,065 U.S. Government Agencies with maturities ranging from 06/01/26 to 06/15/54, collateral worth \$164,047,481)				<u>160,830,863</u>
Total Investments - 100.00% (amortized cost \$442,402,523)				<u>\$442,402,523</u>

Selected Data for Each Unit of Portfolio Outstanding Through Each Year Ended June 30,

	2019	2018	2017	2016	2015
Net Asset Value, Beginning of Period	\$1.0000	\$1.0000	\$1.0000	\$1.0000	\$1.0000
Net Investment Income	0.0203	0.0105	0.0029	0.0002	0.0001
Dividends Distributed	(0.0203)	(0.0105)	(0.0029)	(0.0002)	(0.0001)
Net Asset Value, End of Period	\$1.0000	\$1.0000	\$1.0000	\$1.0000	\$1.0000
Total Return*	2.04%	1.06%	0.26%	0.02%	0.01%
Ratio of Expenses to Average Net Position, After Waivers	0.34%	0.35%	0.36%	0.29%	0.18%
Ratio of Net Investment Income to Average Net Position, After Waivers	2.03%	1.05%	0.29%	0.02%	0.01%
Ratio of Expenses to Average Net Position, Before Waivers	0.34%	0.35%	0.37%	0.36%	0.36%
Ratio of Net Investment Income to Average Net Position, Before Waivers	2.03%	1.05%	0.29%	(0.05%)	(0.17%)
Net Position, End of Period (000 Omitted)	\$434,627	\$368,070	\$374,567	\$255,480	\$297,197

* Total return is calculated by taking the ending value of an initial \$1,000 investment including monthly reinvested dividends, minus the initial investment, divided by the initial \$1,000 investment.

Diversified Portfolio Facts as of June 30, 2019 (unaudited)

Investment Strategy/Goals: To provide a safe, liquid, effective investment alternative for the operating funds, reserve funds, and bond proceeds for Iowa's municipalities, counties, municipal utilities and other eligible public agencies by jointly investing participant funds in a professionally managed portfolio of short-term, high-quality, legally authorized, marketable securities.

Date of Inception: November 13, 1987

Total Net Assets: \$435 million

Benchmarks: Money Market Index, Iowa Code Chapter 74A 32-89 day Public Funds Rates, and Iowa Code Chapter 74A 90-179 day Public Funds Rates.

Performance Objective: To provide the highest level of current income from investment in a portfolio of U.S. government and agency securities, certificates of deposit in Iowa financial institutions, and other authorized securities collateralized by U.S. government and agency securities as is consistent with, in order of priority, preservation of principal and provision of necessary liquidity.

Investment Adviser: Miles Capital

Management Fees:

Sliding scale from nine basis points (0.09%) to five and one-half basis points (0.055%)

Total Expense Ratio:

Sliding scale from thirty-eight basis points (0.38%) to thirty-two basis points (0.32%)

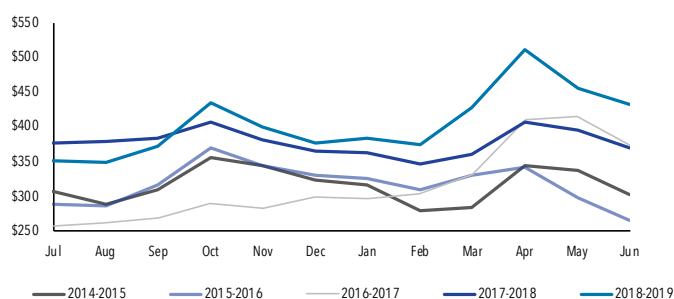
Actual Expense Ratio FYE 2019: The actual fee ratio charged during FYE 2019 was thirty four basis points (0.34%).

INTRODUCTION

The IPAIT Diversified Portfolio (the “Fund”) is a short-term investment pool of high-quality money market instruments. In 2016, the Fund began obtaining an annual rating from S&P Global Ratings (“S&P”) and has maintained a rating of ‘AAAm’ since that time.

The Fund is made up of a professionally managed portfolio of FDIC-insured demand deposits, U.S. government and federal agency securities, and fully collateralized repurchase agreements, the latter collateralized by U.S. government and federal agency securities. The Fund is typically used for the investment of public funds subject to the Iowa public funds statutory provisions invested by a participant unless other participant-specific investment restrictions exist.

HISTORICAL PORTFOLIO CASH FLOW (expressed in millions) IPAIT DIVERSIFIED PORTFOLIO



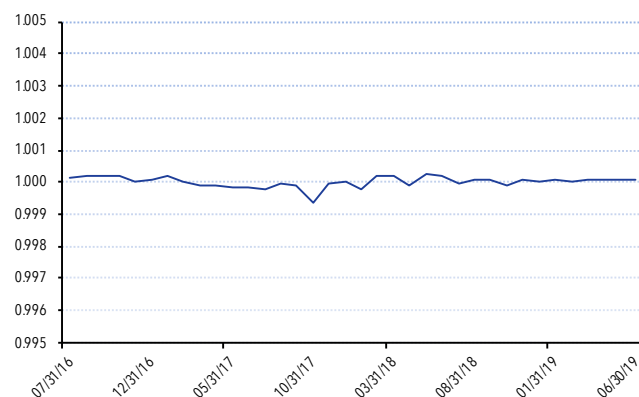
The Fund has been managed by Miles Capital, IPAIT’s West Des Moines, Iowa-based investment adviser, since inception. Aggregate cash flows are monitored daily and compared to respective Fund cash flow patterns of previous periods. Fund cash flow patterns throughout the fiscal period, as compared to previous years, have traditionally been repetitive. Over thirty years of operating history create a very helpful tool to gauge necessary pool liquidity needs.

The investment objective of the Fund is to provide as high a level of current income as is consistent with preservation of invested principal and provision of adequate liquidity to meet participants’ daily cash flow needs. As a general policy, all purchased securities will be held until they mature. Summaries of all security trades for the Fund are provided quarterly to the IPAIT Board of Trustees for review.

AMORTIZED COST VS. MARKET VALUE PER SHARE

JULY 1, 2016 - JUNE 30, 2019

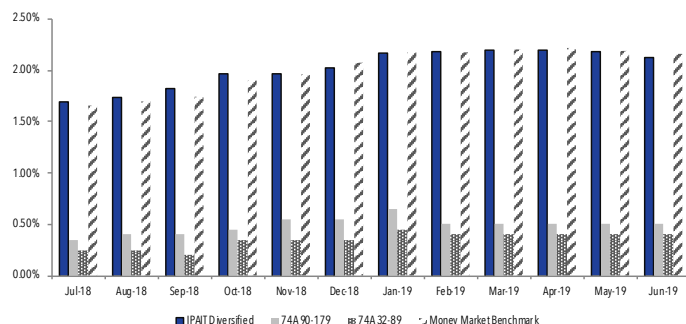
IPAIT DIVERSIFIED PORTFOLIO



The Fund accrues interest income daily and pays accrued income monthly to participant accounts. Interest is paid on the first business day of the month following accrual. Daily income amounts and investment returns are calculated using the interest method. Under this method, a security is initially valued at cost on the date of purchase and, thereafter, any premium or discount is amortized using the interest method.

The IPAIT Adviser values the Fund’s portfolio weekly at current fair value, based upon actual market quotations. The Fund’s current market valuation is compared to that Fund’s current amortized cost basis. IPAIT uses the Amortized Cost Method of Valuation along with IPAIT’s internal controls and procedures, any deviation in net asset value based upon available market quotations from the Fund’s \$1.00 amortized cost per unit is carefully monitored. Deviations may never exceed 0.5 percent. Illustrated above is the amortized cost versus market value per unit comparison for the past three fiscal years.

IPA IT DIVERSIFIED PORTFOLIO VS. IOWA CHAPTER 74A (90-179 & 32-89 DAY) & MONEY MARKET BENCHMARK US GOVERNMENT & AGENCY JULY 2018 - JUNE 2019



The Fund's investment performance is regularly compared to three established benchmarks, the Money Market Benchmark average rate for money market funds investing in U.S. government securities and the Iowa Code Chapter 74A rate for 32-89, and 90-179 day certificates of deposit issued by Iowa financial institutions for public funds in the state.

The Iowa Code Chapter 74A rates are distributed monthly by the state Treasurer's office for various investment periods and are intended to be the minimum rates at which Iowa financial institutions can accept public funds for timed deposits. While a public body must commit funds for minimum periods of time to access Chapter 74A rates, IPA IT may offer rates at or above the Chapter 74A benchmarks with complete daily liquidity.

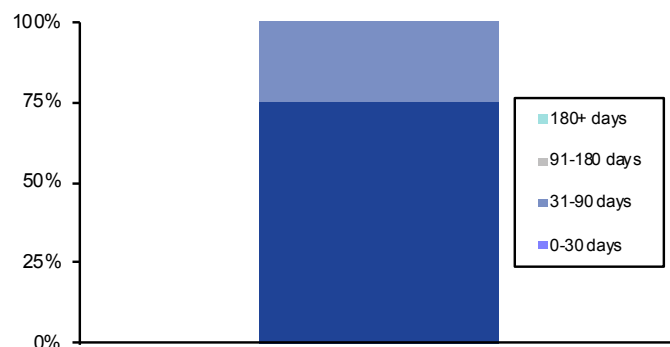
RISK PROFILE

The Fund is low in risk profile. Portfolio investments are limited to:

1. No single portfolio investment may exceed the 397 days to maturity as outlined in GASB Statement No. 79.
2. The weighted average maturity (WAM) of the portfolio may never exceed 60 days.

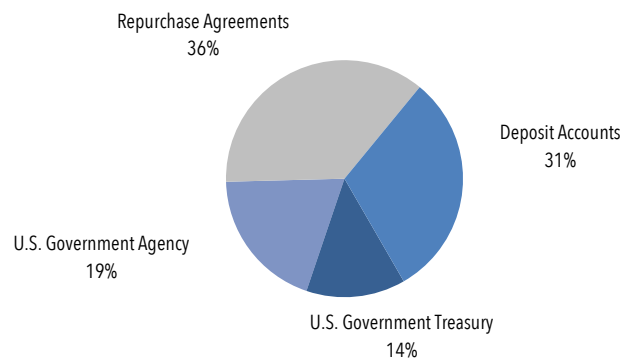
In addition to the above investment maturity restrictions, the Fund limits itself to U.S. government and federal agency securities, perfected repurchase agreements collateralized by U.S. government and federal agency securities, Iowa financial institution certificates of deposit and other evidences of deposit, and shares of an SEC-registered government money market fund. This combination of those average maturities and high-quality credit instruments provides eligible Iowa public fund investors with a safe, effective investment alternative.

MATURITY ANALYSIS AS OF JUNE 30, 2019
IPA IT DIVERSIFIED PORTFOLIO



As noted previously, the Fund carefully limits itself to high credit-quality securities. In addition, IPA IT monitors a broad array of economic indicators as well as activities of the Federal Open Market Committee to be able to position the Fund's WAM to take advantage of projected interest rate environments.

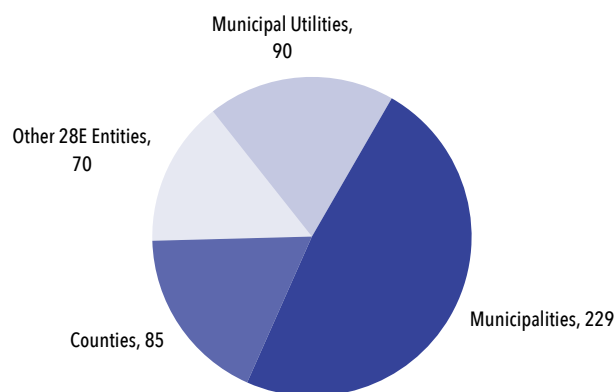
DISTRIBUTION BY SECURITY TYPE AS OF JUNE 30, 2019
IPA IT DIVERSIFIED PORTFOLIO



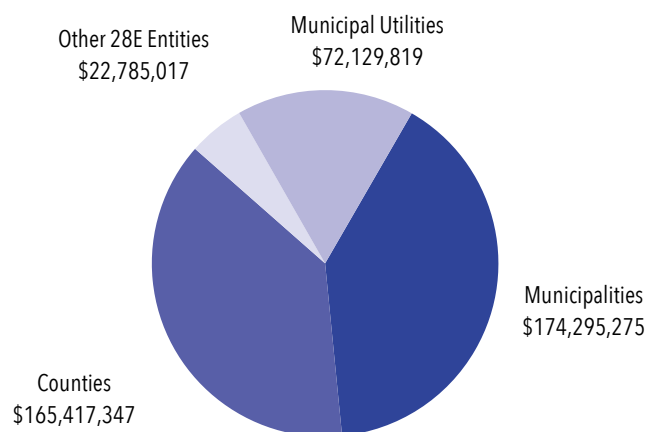
It is important to note that portfolio liquidity needs for IPA IT must control evaluation of alternative portfolio management opportunities at all times. For example, if historical cash flow analysis indicates that participants will need to withdraw funds, material extension of the Fund's portfolio is not a viable alternative.

Participation membership by entity type is illustrated in the following graph.

PARTICIPANT MEMBERSHIP AS OF JUNE 30, 2019
IPA IT DIVERSIFIED PORTFOLIO



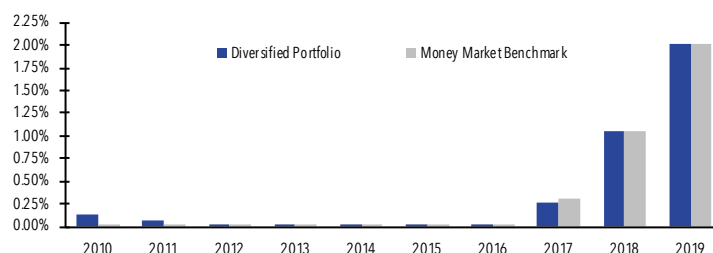
OWNERSHIP ANALYSIS AS OF JUNE 30, 2019
IPA IT DIVERSIFIED PORTFOLIO



PERFORMANCE SUMMARY

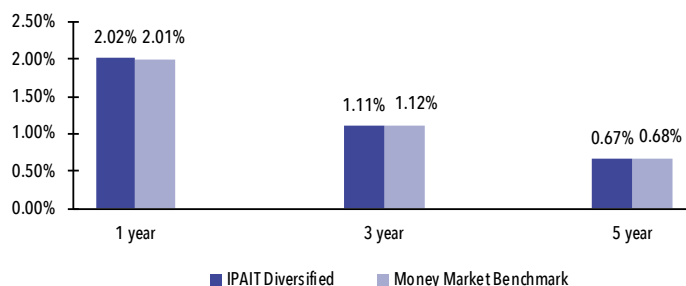
For the one-year period ended June 30, 2019, the Fund reported a ratio of net investment income to average net assets of 2.04 percent, net of all operating expenses. These figures compare relative to the money market benchmark average, which returned 2.03 percent for the fiscal period.

ANNUAL TOTAL RETURNS
IPA IT DIVERSIFIED PORTFOLIO VS.
MONEY MARKET BENCHMARK



Also illustrated below are the historical yields for the Fund for the most recent one, three, and five year periods.

ANNUALIZED TOTAL YIELDS
IPA IT DIVERSIFIED PORTFOLIO VS.
MONEY MARKET BENCHMARK



FUND EXPENSES

It is important for you to understand the impact of costs on your investment. All mutual funds have operating expenses. As a shareholder of the fund, you incur ongoing costs, including management fees, distribution and service fees, and other fund expenses. Expenses, which are deducted from a fund's investment income, directly reduce the investment return of the fund.

A fund's expenses are expressed as a percentage of its average net assets. This figure is known as the expense ratio. The following examples are intended to help you understand the ongoing costs (in dollars) of investing in your fund and compare these costs with those of other mutual funds. The examples are based on an investment of \$1,000 made at the beginning of the period and held for the entire period from January 1, 2019 to June 30, 2019. The table illustrates your fund's costs in two ways:

1. BASED ON ACTUAL FUND RETURN.

This section helps you to estimate the actual expenses that you paid over the period. The "Ending Account Value" shown is derived from the fund's actual return, and the third column shows the dollar amount that would have been paid by an investor who started with \$1,000 in the fund. You may use the information here, together with the amount you invested, to estimate the expenses that you paid over the period.

2. BASED ON HYPOTHETICAL 5 PERCENT RETURN.

This section is intended to help you compare your fund's costs with those of other mutual funds. It assumes that the fund had a return of 5 percent before expenses during the period shown, but that the expense ratio is unchanged. In this case, because the return used is not the fund's actual return, the results do not apply to your investment. The example is useful in making comparisons because the Securities and Exchange Commission requires all mutual funds to calculate expenses based on a 5 percent return. You can assess your fund's costs by comparing this hypothetical example with the hypothetical examples that appear in shareholder reports of other funds.

Your fund does not carry a "sales load" or transaction fee. The calculations assume no shares were bought or sold during the period. Your actual costs may have been higher or lower, depending on the amount of your investment and timing of any purchases or redemptions.

You can find more information about the fund's expenses, including annual expense ratios for the past five years, in the Financial Highlights section of this report. For additional information on operating expenses and other shareholder costs, please refer to the Information Statement.

Example	Beginning Account Value 1/01/2019	Ending Account Value 6/30/19	Expenses Paid During Period 1/01/19 to 6/30/19	Annualized Expense Ratio
<i>Based on Actual Fund Return</i>				
IPAIT Diversified Portfolio	\$1,000.00	\$1,010.82	\$1.63	0.33%
<i>Based on Hypothetical 5 Percent Return</i>				
IPAIT Diversified Portfolio	\$1,000.00	\$1,023.17	\$1.64	0.33%

Expenses are equal to the fund's annualized expense ratio listed in the table above, multiplied by the average account value over the period, multiplied by 181, the number of days in the most recent fiscal half-year, divided by 365, to reflect the one-half year period.

FEES AND EXPENSES
as of June 30, 2019

All fees are calculated by basis points per net assets.

Entity	Fee Type	Fee
Miles Capital, Inc.	Advisor	0.090% up to \$150MM; 0.070% on \$150 - \$250MM; 0.055% on assets exceeding \$250MM
Miles Capital, Inc.	Administrator	0.100% up to \$150MM; 0.090% on \$150 - \$250MM; 0.075% on assets exceeding \$250MM
PMA Financial Network, Inc. (PMA)	Marketer	0.060%
Sponsoring Associations ¹	Sponsoring Associations	0.075%
Wells Fargo (7/1/18-12/31/18)	Custody	0.030%
US Bank (1/1/19-6/30/19)	Custody	0.010% estimate (includes fixed & variable fees)
Administration Fund	Other fees & expenses	0.028% estimate (includes fixed & variable fees)

¹Includes Iowa League of Cities, Iowa State Association of Counties, Iowa Association of Municipal Utilities

This fiscal year's actual expense ratio for the IPA IT Diversified portfolio was 0.35 percent of average net assets based on a sliding fee scale.

ACTUAL:

For the fiscal year ended June 30, 2019, the following actual expenses were incurred by the Fund:

	Diversified Portfolio
Adviser	\$ 290,831
Administrator	357,043
Marketing	243,634
Sponsoring Associations	304,543
Custody	77,483
Other fees and expenses	103,659
Total	<u>\$ 1,377,193</u>

OTHER INFORMATION

Units of IPAIT's Diversified Portfolio are not insured by the FDIC or the U.S. Government. Investment products involve investment risk, including the possible loss of principal. Past performance is not predictive of future results, and the composition of the Fund's portfolio is subject to change.

PARTICIPANT MEETING RESULTS

No participant meetings were held during the fiscal year ended June 30, 2019 for proposals requiring participant approval.

Federal Funds Rate Decreases After Several Increases

The Federal Reserve (Fed) raised the Federal Funds rate in September 2018 and December 2018 which drove short-term rates higher. Short term rates as represented by the 3 month Treasury bill increased for the second half of calendar year 2018 by .44 percent to 2.35 percent respectively at December 31, 2019. For calendar year 2018, the Fed raised rates 4 times and by .25 percent each raise. This was part of their sequence of raising rates nine times since December 2015 after effectively lowering rates to zero after the global financial crisis of 2007-2008.

The last quarter of calendar year 2018 ended with increased concerns about trade and growth uncertainties which increased volatility and negatively impacted the financial markets. Weaker economic indicators, especially overseas, drove more investors into the U.S. fixed income markets and into what may be viewed as the safety of U.S. Treasury securities. This pushed longer term interest rates down to levels not seen since early 2018.

During the first quarter of calendar year 2019, the Fed changed their tone and indicated a more "patient posture" to raising rates due to the uncertainties. The financial markets rebounded strongly, delivering one of the best quarterly performances in nearly six years. Interest rates changed very little on the short end of the curve, but intermediate and long-term interest rates continued to drop. The ten year Treasury yield decreased .28 percent to 2.40 percent.

Gross Domestic Product (GDP) growth for calendar year 2018 was 2.9 percent compared to 2.4 percent in 2017. The economy showed continued strength through the first half of calendar 2019. Corporate earnings and sales remained solid, labor markets remained tight, home sales still increased (albeit at a slower rate), and consumer spending remained strong. GDP for the first half of calendar year 2019 was 2.5 percent, in line with the full year forecast but slower than 2018. Interest rates ended the one year period as of June 30, 2019 with the one month and three month Treasury bills at 2.13 percent, up .38 percent, and 2.09 percent, up .175 percent, respectively.

During the calendar year 2019 the Fed changed their tone and posture indicating they are now more concerned about the "Cross Currents" of increased uncertainties towards trade, global growth, and low inflation. As a result they cut their Fed Funds Rate by 0.25 percent at their most recent meeting on July 31, 2019 and indicated they will monitor these and other factors when considering if they choose to lower rates again later this year. The market is assuming multiple rate cuts. We believe that perhaps one more cut may occur before December 31, 2019 depending on how the economy evolves.

Looking forward, Miles Capital anticipates slower, but potentially still solid economic activity for the upcoming quarters. We will however have to navigate through the cross-currents of economic uncertainties particularly related to trade and growth. We appreciate the opportunity to manage the IPAIT Diversified Portfolio and look forward to serving your investment needs in the new fiscal year.



Walt Stubbings, CFA
Senior Fixed Income Portfolio Manager
Miles Capital, Inc.

The views expressed herein are provided for informational purposes only and are believed to be correct, but accuracy and completeness cannot be guaranteed and should not be relied upon for legal or investment decision purposes. All expressions of opinion and predictions presented are subject to change without notice. Neither the information presented nor any opinion expressed constitutes a solicitation for the purchase or sale of any security. Past performance is not a guarantee of future results.

SECTION 1 - SCOPE OF INVESTMENT POLICY

The Investment Policy of the Iowa Public Agency Investment Trust (IPA IT) shall apply to all funds invested on behalf of participants accounted for in the IPA IT financial statements. Each investment made pursuant to this Investment Policy must be authorized by applicable law and this written Investment Policy.

This Investment Policy is intended to comply with Iowa Code chapters 28E, 12B, 12C and sections 331.555 and 384.21.

Upon passage and upon future amendment, if any, copies of this Investment Policy shall be delivered to all of the following:

1. The IPA IT Board of Trustees.
2. All IPA IT depository institutions or fiduciaries.
3. The auditor engaged to audit any fund of IPA IT.

SECTION 2 - FUNDAMENTAL INVESTMENT RESTRICTIONS

A. Unless otherwise specified below, none of the portfolios will:

1. Invest more than 5 percent of the value of their total assets in the securities of any one federally insured Iowa depository institution (other than securities of the U.S. government or its agencies or instrumentalities).
2. Invest 25 percent or more of the value of their total assets in the securities of issuers conducting their principal business activities in any one industry, including financial institutions. This restriction does not apply to securities of the U.S. Government or its agencies and instrumentalities and repurchase agreements relating thereto.
3. Mortgage, pledge or hypothecate their assets.
4. Make short sales of securities or maintain a short position.
5. Purchase any securities on margin.
6. Write, purchase or sell puts, calls or combinations thereof.
7. Purchase or sell real estate or real estate mortgage loans.
8. Invest in restricted securities or invest more than 10 percent of the Portfolio's net assets in repurchase agreements with a maturity of more than seven days, and other liquid assets, such as securities with no readily available market quotation.
9. Underwrite the securities of other issuers.

B. Prohibited Investments

Assets of IPA IT shall not be invested in the following:

1. Reverse repurchase agreements.
2. Futures and options contracts.
3. Any security with a remaining maturity exceeding 397 days.

C. Prohibited Investment Practices

The following investment practices are prohibited:

1. Trading of securities for speculation or the realization of short-term trading gains.
2. Investing pursuant to a contract providing for the compensation of an agent or fiduciary based upon the performance of the invested assets.

3. If a fiduciary or other third party with custody of public investment transaction records of IPAIT fails to produce requested records when requested by IPAIT or its agents within a reasonable time, IPAIT shall make no new investment with or through the fiduciary or third party and shall not renew maturity investments with or through the fiduciary or third party.

D. Management Policies and Procedures

Following are the fundamental management policies and procedures for IPAIT. All investments shall be maintained in separate IPAIT custodial accounts, segregated by Portfolio on behalf of IPAIT Participants.

1. Each purchase or sale of a security must be handled on a delivery versus payment (DVP) basis. Funds for the purchase of an investment shall not be released to the seller until the security is delivered to the IPAIT Custodian. Conversely, a sold security shall not be released to the buyer until funds for the purchase price of the security have been received by the IPAIT Custodian.
2. "Free delivery" transactions are prohibited. The Custodian shall never release assets from the IPAIT custodial accounts until the funds for the investment are delivered.
3. Any material deviation (greater than 0.5 percent) from the amortized cost of investments shall be promptly reported by the Adviser to the Board of Trustees. If such deviation exceeds 0.5 percent, the Adviser will consider what action, if any, should be initiated to reasonably eliminate or reduce material dilution or other unfair results to Participants. Such action may include redemption of Trust Units in kind, selling portfolio securities prior to maturity, withholding distributions or utilizing a net asset value per Trust Unit based upon available market quotations.
4. The frequent trading of securities, including day trading for the purpose of realizing short-term gains, the purchase and sale of futures and options to buy or sell authorized investments, reverse repurchase agreements, and other similar speculative transactions are expressly prohibited.
5. IPAIT may not make any investment other than Permitted Investments authorized by the provisions of the law applicable to the investment of funds by the Participants, as such laws may be amended from time to time.
6. IPAIT may not purchase any Permitted Investment if the effect of such purchase by IPAIT would be to make the average dollar weighted maturity of a portfolio greater than sixty (60) days.
7. IPAIT may not borrow money or incur indebtedness whether or not the proceeds thereof are intended to be used to purchase Permitted Investments.
8. IPAIT may not make loans, provided that IPAIT may make Permitted Investments.

The restrictions set forth above are fundamental to the operation and activities of IPAIT and may not be changed without the affirmative approval, in writing, of a majority of the Participants entitled to vote, except that such restrictions may be changed by the Trustees so as to make them more restrictive when necessary to confirm the investment program and activities of IPAIT to the laws of the State of Iowa and the United States of America as they may from time to time be amended.

The above investment restrictions shall not be changed without the vote of a majority of the Participants in a Portfolio. "Majority" means the lesser of (a) 67 percent of the Trust's or a Portfolio's outstanding Trust Units voting at a meeting of the Participants at which more than 50 percent of the outstanding Trust Units are represented in person or by proxy or (b) a majority of the Trust's or a Portfolio's outstanding Trust Units.

Provided, however, the Trust may invest Portfolio assets pursuant to the maximum extent possible by Iowa law governing investments by public agencies and any change in the restrictions of the Iowa law governing investments by public agencies shall be deemed to be adopted by the Trust, and such change shall not require the approval of the Participants.

Any investment restrictions or limitations referred to above which involves a maximum percentage of securities or assets shall not be considered to be violated unless an excess over the percentage occurs immediately after an acquisition of securities or utilization of assets and results there from.

SECTION 3 – DELEGATION OF AUTHORITY

The responsibility for conducting IPAIT investment transactions resides with the IPAIT Board of Trustees. Certain responsibilities have been delegated to the Administrator(s), the Adviser(s), and the Custodian (the “Service Providers”) pursuant to the Administrator Agreement(s), the Adviser Agreement(s), the Custodian Agreement, with amendments as may be adopted from time to time, and the current Information Statement (the “Documents”).

Each Service Provider shall individually notify the IPAIT Board of Trustees in writing within thirty days of receipt of all communications from the auditor of any Service Provider or any regulatory authority of the existence of a material weakness in internal control structure of the Service Provider or regulatory orders or sanctions regarding the type of services being provided to IPAIT by the Service Provider.

The records of investment transactions made by or on behalf of IPAIT are public records and are the property of IPAIT whether in the custody of IPAIT or in the custody of a fiduciary or other third party.

SECTION 4 – OBJECTIVES OF INVESTMENT POLICY

The primary objectives, in order of priority, of all investment activities involving the financial assets of IPAIT shall be the following:

1. **Safety:** Safety and preservation of principal in the overall portfolio is the foremost investment objective.
2. **Liquidity:** Maintaining the necessary liquidity to match expected liabilities is the second investment objective.
3. **Return:** Obtaining a reasonable return is the third investment objective.

SECTION 5 – PRUDENCE

The Board of Trustees, when providing for the investment of deposit of public funds in the IPAIT program, shall exercise the care, skill, prudence, and diligence under the circumstances then prevailing that a person acting in a like capacity and familiar with such matters would use to attain the Section 4 investment objectives.

SECTION 6 – INSTRUMENTS ELIGIBLE FOR INVESTMENT

Assets of IPAIT may be invested in the following, all as more fully described in the IPAIT Information Statement:

- Obligations of the United States government, its agencies and instrumentalities.
- Certificates of deposit (“CDs”) and other evidences of deposit at federally insured Iowa depository institutions approved and secured pursuant to chapter 12C.
- Repurchase agreements, provided that the underlying collateral consists of obligations of the United States government, its agencies and instrumentalities and that the Custodian takes delivery of the collateral either directly or through a third party custodian.
- Insured deposits or certificates of deposit, invested pursuant to Iowa Code Section 12B10(7), in an amount above any insured portion of the public funds on deposit at a federally insured Iowa depository institution approved and secured pursuant to Iowa Code chapter 12C.
- Shares of a “government only” open-end management investment company registered with the federal securities and exchange commission under the federal investment Company Act of 1940, 15 U.S.C. §80a-1, and operating in accordance with 17 C.F.R. §270.2a-7.

All instruments eligible for investment are further qualified by all other provisions of this Investment Policy, including Section 7, Diversification and Investment Maturity Limitations.

SECTION 7 - DIVERSIFICATION AND INVESTMENT MATURITY LIMITATIONS

It is the policy of IPAIT to diversify portfolio investments in the Diversified Portfolio. As described in the Information Statement, portfolio investments in the Diversified Portfolio are limited to the following:

1. No individual investment with maturity in excess of 397 days.
2. The maximum average maturity of all portfolio investments may not exceed 60 days. Pursuant to IPAIT policies as disclosed in the Documents, Participants may also individually invest in Fixed Term Program investments.

SECTION 8 - SAFEKEEPING AND CUSTODY

All invested assets of Participants in the Portfolios or in the Fixed Term Program shall be held in accordance with the Custodian Agreement.

All invested assets eligible for physical delivery shall be secured by having them held at a third party custodian. All purchased investments shall be held pursuant to a written third party custodial agreement requiring delivery versus payment. No assets may be delivered out of the IPAIT account without full payment (no "free deliveries" shall be permitted).

SECTION 9 - REPORTING

The Service Providers shall submit all reports required in the Documents.

SECTION 10 - INVESTMENT POLICY REVIEW AND AMENDMENT

This Investment Policy shall be reviewed annually or more frequently as appropriate. Notice of amendments to the Investment Policy shall be promptly given to all parties noted in Section 1.

SECTION 11 - EFFECTIVE DATE

This Investment Policy shall be effective as of September 1, 2017.
Passed and approved this 30th day of August, 2017.

Amended effective November 1, 2003, August 26, 2009, August 25, 2010, August 28, 2013, and August 30, 2017.

\$0-\$50,000 Assets Invested

Cascade Municipal Utilities
Cass County Memorial Hospital
City of Afton
City of Badger
City of Bellevue
City of Breda
City of Cedar Rapids
City of Clarinda
City of Coralville
City of Davenport
City of Des Moines
City of Earlville
City of Elk Horn
City of Grundy Center
City of Lovilia
City of Manchester
City of Marengo
City of Martensdale
City of Melcher-Dallas
City of Monroe
City of New London
City of New Virginia
City of Panora
City of Polk City
City of Springbrook
City of Walnut
City of Wellman
City of Wesley
City of West Liberty
City Utility of Eagle Grove
City Utility of Lake Mills
City Utility of Martensdale
City Utility of New Hampton
City Utility of Orient
City Utility of Pella
County of Cedar
County of Dickinson
County of Fremont
County of Howard
County of Mills
County of Monona
County of Scott
Dallas County Hospital
Durant Municipal Electric Plant
Fontanelle Municipal Utility
Gowrie Municipal Utilities
Lamoni Municipal Utilities
North Central Iowa Regional SWA
Ottumwa Water Works
Stuart Municipal Utilities
Town of Graf
Webster County Telecommunications Board
Winterset Municipal Utilities

\$50,000-\$250,000 Assets Invested

Central IA Reg Trans Planning Alliance
City of Auburn
City of Boone
City of Clinton
City of Dike
City of Fairbank
City of Grant
City of Grimes
City of Indianola
City of Keystone
City of Lake Mills
City of Lewis
City of Livermore
City of Mason City
City of Maynard
City of Morning Sun
City of Moulton
City of Nora Springs
City of Orange City
City of Parnell
City of Readlyn
City of Red Oak

City of Riverdale
City of Shelby
City of Shenandoah
City Utility of Fredericksburg
City Utility of Melcher-Dallas
City Utility of Middletown
County of Audubon
County of Boone
County of Carroll
County of Crawford
County of Kossuth
Des Moines County Regional Solid Waste C
Fifth Judicial District
Hiawatha Water Department
Iowa County Attorneys Case Management
Project
IPAIT Administration Fund
ISAC Group Unemployment Fund
La Porte City Utility
Lenox Municipal Utilities
Southeast Iowa Regional Planning Commiss
Warren County

\$250,000-\$500,000 Assets Invested

Algona Municipal Utilities
City of Adel
City of Algona
City of Corydon
City of Early
City of Hesperia
City of Montezuma
City of Pella
City of Ringsted
City Utility of Corydon
City Utility of Dike
City Utility of Montezuma
City Utility of Readlyn
City Utility of Traer
County of Butler
Grundy Center Municipal Utilities
Prairie Solid Waste Agency
South Iowa Area Crime Commission
Urbandale Sanitary Sewer District
Villisca Municipal Power Plant

\$500,000-\$1,000,000 Assets Invested

Adair County Memorial Hospital
Adams County
City of Clive
City of Gilmore City
City of Griswold
City of Independence
City of Mitchellville
City of Orleans
City of Sioux Center
City of Windsor Heights
City Utility of Shelby
County of Cerro Gordo
County of Greene
County of Muscatine
County of Page
County of Wright
Dallas County
Iowa Counties Technology Services
Iowa Public Power Agency
Knoxville Utility
Lakewood Benefited Rec. Lake District
Second Judicial Dist Dept. of Correct
SIMECA
South Iowa Detention Service Agency

\$1,000,000-\$5,000,000 Assets Invested

Cedar Falls Utilities
City of Altoona
City of Bondurant
City of Colfax
City of Denison
City of Eagle Grove

City of Ely
City of Jefferson
City of Keokuk
City of Knoxville
City of Mount Pleasant
City of Muscatine
City of Prairie City
City of Storm Lake
City of Traer
City of Washington
City of Waverly
Corning Municipal Utilities
County of Adair
County of Calhoun
County of Cass
County of Clarke
County of Des Moines
County of Emmet
County of Franklin
County of Hardin
County of Henry
County of Louisa
County of Marshall
County of Osceola
County of Plymouth
County of Poweshiek
County of Ringgold
County of Story
County of Tama
County of Wayne
County of Winneshiek
Denison Municipal Utilities
Des Moines Area MPO
Ellsworth Municipal Hospital dba Hansen Family
Hos
Greater Regional Medical Center
Hawarden Regional Healthcare
IAMU Insurance Trust
Ida County
Lucas County
Madison County Memorial Hospital
Montezuma Municipal Light and Power
Mt. Pleasant Municipal Utilities
NIMECA
Northwest Iowa Area Solid Waste Agency
Orange City Area Health System
Resale Power Group of Iowa
Ringgold County Hospital
Shelby County Chris A. Myrtue Memorial
Hospital
Southwest Iowa Planning Council
Spencer Municipal Utility
Sumner Municipal Light Plant
Waterloo Water Works
Xenia Rural Water District

Over \$5,000,000 Assets Invested

Broadlawns Medical Center
Buena Vista Regional Medical Center
City of Bettendorf
City of Council Bluffs
City of Hiawatha
City of Iowa City
City of Johnston
City of Marion
City of Oskaloosa
City of Ottumwa
City of Sioux City
City of Urbandale
City of Waterloo
City Utility of Urbandale
County of Appanoose
County of Black Hawk
County of Buchanan
County of Hamilton
County of Jackson
County of Madison
County of O'Brien

Over \$5,000,000 Assets Invested (cont.)

County of Sioux
County of Union
County of Wapello
County of Washington
IMWCA Group C
Muscatine Power and Water
West Des Moines Water Works

Non-Investing Participants

Alta Municipal Utilities
Anita Municipal Utilities
Audubon County Memorial Hospital
Brooklyn Municipal Utilities
Buena Vista County Solid Waste Commiss
Cass County Environment Control Agency
Cedar Rapids/Linn County SWA
Central IA Juvenile Detention Commission
City of Ackley
City of Agency
City of Albert City
City of Alton
City of Ames
City of Anamosa
City of Ankeny
City of Anthon
City of Atlantic
City of Audubon
City of Bedford
City of Bloomfield
City of Brandon
City of Burlington
City of Burt
City of Bussey
City of Callender
City of Camanche
City of Carlisle
City of Carson
City of Carter Lake
City of Cascade
City of Cedar Falls
City of Center Point
City of Centerville
City of Central City
City of Charles City
City of Cherokee
City of Clear Lake
City of Colo
City of Conrad
City of Corning
City of Correctionville
City of Creston
City of Cumming
City of Dallas Center
City of Dayton
City of Denver
City of DeWitt
City of Dubuque
City of Dunkerton
City of Dyersville
City of Dysart
City of Earlham
City of Eldon
City of Eldridge
City of Elk Run Heights
City of Ellsworth
City of Epworth
City of Evansdale
City of Fairfield
City of Forest City
City of Fort Dodge
City of Fort Madison
City of Garner
City of Gilbertville
City of Grand Mound
City of Grand River
City of Greenfield
City of Grinnell

City of Guttenberg
City of Harlan
City of Hartley
City of Hawarden
City of Hazleton
City of Hudson
City of Humboldt
City of Huxley
City of Inwood
City of La Porte City
City of Lamont
City of Lehigh
City of Lenox
City of Leon
City of Letts
City of Lisbon
City of Lohrville
City of Mallard
City of Manning
City of Maquoketa
City of Marble Rock
City of Marshalltown
City of Massena
City of McCausland
City of Missouri Valley
City of Montezuma Fire Department
City of Mount Ayr
City of Mount Vernon
City of Murray
City of Nevada
City of New Hampton
City of Newton
City of Oelwein
City of Osage
City of Osceola
City of Ossian
City of Parkersburg
City of Peosta
City of Perry
City of Pleasant Hill
City of Pleasantville
City of Pocahontas
City of Prescott
City of Preston
City of Riverside
City of Rockwell City
City of Ruthven
City of Sac City
City of Sageville
City of Sheldon
City of Shueville
City of Slater
City of Spencer
City of Spirit Lake
City of Spragueville
City of St. Charles
City of State Center
City of Stratford
City of Sumner
City of Tiffin
City of Tipton
City of Treynor
City of Underwood
City of Urbana
City of Van Meter
City of Villisca
City of Vinton
City of Webster City
City of West Branch
City of West Burlington
City of West Des Moines
City of Westfield
City of Wilton
City of Woodbine
City Utility of Alton
City Utility of Ames
City Utility of Anamosa
City Utility of Anthon

City Utility of Aplington
City Utility of Bloomfield
City Utility of Coon Rapids
City Utility of Creston
City Utility of Denver
City Utility of Epworth
City Utility of Fairbank
City Utility of Graettinger
City Utility of Harlan
City Utility of Hawarden
City Utility of Laurens
City Utility of LeClaire
City Utility of Lohrville
City Utility of Maquoketa
City Utility of Murray
City Utility of Prairie City
City Utility of Preston
City Utility of Sac City
City Utility of Sanborn
City Utility of Slater
City Utility of St. Charles
City Utility of Story City
City Utility of Vinton
City Utility of Wahpeton
Clay County
Clayton County
Clear Lake Sanitary District
Clinton County Area Solid Waste Agency
Council Bluffs Airport Authority
County of Buena Vista
County of Chickasaw
County of Clinton
County of Davis
County of Decatur
County of Dubuque
County of Floyd
County of Greene-Medical Center
County of Grundy
County of Hancock
County of Harrison
County of Iowa
County of Jasper
County of Johnson
County of Jones
County of Linn
County of Lyon
County of Marion
County of Mitchell
County of Monroe
County of Pocahontas
County of Polk
County of Sac
County of Webster
County of Winnebago
County of Worth
Crawford County Memorial Hospital
Des Moines Metropolitan Transit Authorit
Des Moines Utility
Eighth Judicial Dist. Dept. of Correct.
Evansdale Water Works
Fort Madison Utility
Geode Resource Conserv. & Develp., Inc.
Gilbertville Community Day, Inc.
Greenfield Municipal Utilities
Guthrie County
Heart of Iowa Reg. Transit Agency
Humboldt County
Iowa Agency for Municipal Wind
Iowa Lakes Regional Water
Iowa Northland Reg. Council of Gov.
Jefferson County Hospital
Johnson Township Barnum Community Fire D
Lee County
Manilla Municipal Gas Dept.
Manning Municipal Gas Department
Manning Municipal Utilities
Mid Iowa Regional Housing Authority
Midas Council of Governments

Non-Investing Participants (cont.)

Mid-Iowa Development Association COG
Missouri River Energy Services
Mitchell County Regional Health Center
Monroe County Hospital
Montgomery County
Newton Waterworks
North Central Reg. Emerg. Resp. Com.
North Iowa Area Council of Govts.
Ogden Municipal Utility
Page County Landfill Association
Palo Alto County Hospital
Plymouth County Solid Waste Agency
Pottawattamie County
Poweshiek Water Association
Seventh Judicial District
South Central Iowa Solid Waste Agency
Third Judicial District
Van Buren County Hospital
Washington County Hospital
Waverly Health Center
Waverly Light and Power
Webster County Solid Waste Commission
Wilton Municipal Light and Power

MAJOR PARTICIPANTS

Top Ten Participants			Top Twenty Participants			Top Fifty Participants		
	Percent	Total Assets		Percent	Total Assets		Percent	Total Assets
2019	37%	\$ 161,605,066		54%	\$ 236,539,043		81%	\$ 352,331,979
2018	46%	168,416,226		65%	240,333,289		90%	329,536,816
2017	57%	215,009,724		76%	284,390,898		93%	349,860,884
2016	57%	145,931,857		74%	189,449,434		91%	232,777,667
2015	61%	180,639,805		75%	222,927,515		91%	269,435,729
2014	59%	186,561,809		75%	236,583,802		91%	286,164,072
2013	66%	299,996,375		78%	353,591,054		93%	421,950,854
2012	73%	393,342,100		82%	445,695,043		94%	509,409,879
2011	70%	366,772,444		80%	417,092,754		92%	484,160,277
2010	68%	297,982,346		78%	339,077,179		91%	397,601,718

CHANGES IN PARTICIPANT NET ASSETS UNDER MANAGEMENT

Diversified Portfolio			Annual Change	Diversified Portfolio			Annual Change
06/19	\$	434,627,457	18.08%	06/14	\$	315,577,872	-30.75%
03/19		537,469,738	32.06%	03/14		374,179,071	-27.30%
12/18		387,587,755	4.45%	12/13		458,174,841	-7.39%
09/18		430,643,418	2.98%	09/13		450,571,900	-11.64%
06/18		368,070,326	-1.73%	06/13		455,697,315	-15.97%
03/18		406,990,284	-1.46%	03/13		514,663,471	-0.62%
12/17		371,057,747	22.84%	12/12		494,742,322	-6.04%
09/17		418,190,545	36.70%	09/12		509,924,527	-0.28%
06/17		374,566,738	46.61%	06/12		542,322,659	3.49%
03/17		413,014,790	13.17%	03/12		517,894,507	1.09%
12/16		302,073,072	-7.62%	12/11		526,528,050	17.33%
09/16		305,913,700	-16.02%	09/11		511,342,006	2.58%
06/16		255,479,618	-14.04%	06/11		524,016,990	20.27%
03/16		364,963,704	10.20%	03/11		512,301,188	-8.29%
12/15		326,977,936	1.05%	12/10		448,774,035	-15.38%
09/15		364,276,704	8.96%	09/10		498,458,887	-2.03%
06/15		297,197,204	-5.82%	06/10		435,708,180	-9.49%
03/15		331,184,599	-11.49%	03/10		558,584,374	3.06%
12/14		323,576,257	-29.38%	12/09		530,312,284	37.40%
09/14		334,312,995	-25.80%	09/09		508,783,012	29.70%

MONTHLY AVERAGE YIELD COMPARISON

Date	Diversified Portfolio Net Rate	Money Market Benchmark	Chapter 74A 32-89 Day	Chapter 74A 90-179 Day
06/2019	2.12%	2.16%	0.40%	0.50%
05/2019	2.18%	2.18%	0.40%	0.50%
04/2019	2.19%	2.21%	0.40%	0.50%
03/2019	2.20%	2.20%	0.40%	0.50%
02/2019	2.18%	2.18%	0.40%	0.50%
01/2019	2.16%	2.17%	0.45%	0.65%
12/2018	2.03%	2.07%	0.35%	0.55%
11/2018	1.96%	1.96%	0.35%	0.55%
10/2018	1.96%	1.90%	0.35%	0.45%
09/2018	1.82%	1.74%	0.20%	0.40%
08/2018	1.73%	1.69%	0.25%	0.40%
07/2018	1.69%	1.65%	0.25%	0.35%

AVERAGE ANNUAL YIELD COMPARISON

	Diversified Portfolio Net Rate	Money Market Benchmark
2019	2.03%	2.01%
2018	1.05%	1.05%
2017	0.29%	0.31%
2016	0.02%	0.02%
2015	0.01%	0.01%
2014	0.01%	0.01%
2013	0.01%	0.01%
2012	0.02%	0.01%
2011	0.06%	0.01%
2010	0.13%	0.02%

TOTAL NET INVESTMENT INCOME FOR THE FISCAL YEARS ENDED JUNE 30,

	Diversified Portfolio
2019	\$ 8,246,037
2018	3,974,423
2017	908,266
2016	69,219
2015	31,597
2014	39,545
2013	50,683
2012	81,377
2011	280,265
2010	625,355

FOR THE YEARS ENDED JUNE 30,
(dollars in thousands)

DIVERSIFIED PORTFOLIO	2019	2018	2017	2016	2015
ADDITIONS					
From investment activities					
Net investment income	\$ 8,246	\$ 3,974	\$ 908	\$ 69	\$ 32
From unit transactions:					
Units sold	1,295,266	921,202	826,913	707,855	778,834
Units issued in reinvestment of dividends from net investment income	7,974	3,667	731	60	29
Total additions	1,311,486	928,843	828,552	707,984	778,895
DEDUCTIONS					
Dividends to unitholders from:					
Net investment income	(8,246)	(3,974)	(908)	(69)	(32)
From unit transactions:					
Units redeemed	(1,236,683)	(931,366)	(708,557)	(749,632)	(797,244)
Total deductions	(1,244,929)	(935,340)	(709,465)	(749,701)	(797,276)
Changes in net position	66,557	(6,497)	119,087	(41,717)	(18,381)
Net position at beginning of period	368,070	374,567	255,480	297,197	315,578
Net position at end of period	\$434,627	\$ 368,070	\$ 374,567	\$ 255,480	\$ 297,197

DIVERSIFIED PORTFOLIO	2014	2013	2012	2011	2010
ADDITIONS					
From investment activities:					
Net investment income	\$40	\$ 51	\$ 81	\$ 280	\$ 625
From unit transactions:					
Units sold	794,889	791,827	959,524	1,203,124	1,015,718
Units transferred from DGO on 09/09/2010*	--	--	--	67,592	--
Units issued in reinvestment of dividends from net investment income	40	51	95	279	681
Total additions	794,969	791,929	959,700	1,271,275	1,017,024
DEDUCTIONS					
Dividends to unitholders from:					
Net investment income	(40)	(51)	(81)	(280)	(625)
From unit transactions:					
Units redeemed	(935,048)	(878,504)	(941,313)	(1,182,686)	(1,062,094)
Total deductions	(935,088)	(878,555)	(941,394)	(1,182,966)	(1,062,719)
Changes in net position	(140,119)	(86,626)	18,306	88,309	(45,695)
Net position at beginning of period	455,697	542,323	524,017	435,708	481,403
Net position at end of period	\$315,578	\$ 455,697	\$ 542,323	\$ 524,017	\$ 435,708

*DGO refers to the Direct Government Obligation Portfolio

GLOSSARY OF INVESTMENT TERMS

Accrued interest - interest accumulated on all securities in a portfolio since the most recent payment date for each security.

Administrator - entity that carries out IPAIT policies and provides participant recordkeeping services.

Amortized Cost - method of accounting that gradually reduces a security's discount or premium on a straight-line basis.

Assets - items in financial statement with current market value owned by IPAIT.

Certificate of Deposit - debt instrument issued by a financial institution with an interest rate set by competitive forces in the marketplace.

Collateral - U.S. government or agency securities pledged to IPAIT until investment is repaid. For instance, the security for a collateralized certificate of deposit issued by an Iowa financial institution.

Compound Rate - interest calculation based upon investment of principal plus reinvestment of interest earned from previous period(s). IPAIT portfolio interest is compounded or reinvested monthly.

Custodian - bank that maintains custody of all IPAIT assets.

Discount - the dollar amount by which the par value of a bond exceeds its market price.

Diversified - spreading of risk by investing assets in several different categories of investment and assorted maturities within those categories.

Investment Adviser - Securities and Exchange Commission registered firm that provides investment advice to IPAIT.

Iowa Code Chapter 74A Rates - Minimum rates at which Iowa financial institutions may accept deposits of public funds for various periods.

Liabilities - claims on the assets of IPAIT.

Fair Value - the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Net Investment Income - income from IPAIT investments distributed to participants after payment of program operating expenses.

Nominal Rate - simple interest calculation based only upon the principal amount invested without reinvestment of earned interest.

Par Value - value of IPAIT investments at maturity.

Portfolio - all investments owned by IPAIT.

Premium - the dollar amount by which the market price of a bond exceeds its par value.

Redemptions - withdrawal of funds by participants from IPAIT.

Repurchase Agreement - agreement between IPAIT and a seller of U.S. government securities, whereby the seller agrees to repurchase the securities at an agreed upon price at a stated time. The transaction is collateralized by U.S. government or U.S. agency securities with a market value of at least 102% of the value of the repurchase agreement.

Straight-Line - conservative accounting procedure to reduce a security's premium or discount in equal daily increments over its remaining period to maturity.

U.S. Government Agencies - securities issued by U.S. government sponsored corporations such as the Federal Home Loan Bank and Federal National Mortgage Association.

U.S. Government Securities - direct obligations of the U.S. government, such as Treasury bills, notes and bonds.

Yield Curve - graph plotting yields of securities of similar quality on vertical axis and maturities ranging from shortest to longest on horizontal axis.

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