

Michigan Liquid Asset Fund Plus *Information Statement* *March 27, 2009*

A Comprehensive Cash Management Program
exclusively for Michigan school districts
and public agencies.



MILAF+ Portfolio
Cash Management Class
MAX Class

MILAF+ Term



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THIS INFORMATION STATEMENT PROVIDES DETAILED INFORMATION ABOUT THE INVESTMENT OBJECTIVES, ORGANIZATION, STRUCTURE AND OPERATIONS OF MILAF+ AND ITS INVESTMENT OPPORTUNITIES. PROSPECTIVE INVESTORS SHOULD READ IT CAREFULLY BEFORE INVESTING AND RETAIN IT FOR FUTURE REFERENCE.

No person or entity has been authorized to give any information or to make any representations other than those contained in this Information Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by MILAF+, its Trustees, the Advisor, the Administrator, the Marketing Agent, the Custodian or any agent of MILAF+ or of the Trustees.

THE FUND

The Michigan Liquid Asset Fund Plus ("MILAF+" or the "Fund") is a trust organized and existing under the laws of the State of Michigan, including the Revised School Code of the State of Michigan, the Investment of Surplus Funds of Political Subdivisions, Act 20 of 1943, as amended, and the Urban Cooperation Act of 1967, as amended. The Fund was established for the purpose of allowing Michigan public agencies to pool their investment funds to seek the highest possible investment yield, while maintaining liquidity and preserving capital. The Fund was established on May 22, 1987 with the adoption of a declaration of trust (the "Declaration of Trust") by the initial Participants of the Fund. The Declaration of Trust was amended and restated as of November 1, 2006 by a vote of the majority of the existing Participants.

The address of the Fund is c/o PFM Asset Management LLC, 305 East Eisenhower Parkway, Suite 305, Ann Arbor, MI 48108.

The Fund answers inquiries at any time during business hours from a Participant concerning the status of its account (number of shares, etc.) and the current yields available through MILAF+'s investment programs. Such inquiries can be made through PFM Asset Management LLC, as the Fund's administrator (the "Administrator"), by calling toll-free, 1-877-GO-MILAF (1-877-466-4523), or by writing the Administrator at P.O. Box 11760, Harrisburg, PA 17108-1760. Confirmations and monthly statements are also available through EON (Easy Online Network), the Fund's Internet-based information system. To access EON please visit the Fund's website at www.MILAF.org and click on the link "Online Access." If a Fund Participant does not have an EON account, contact the Administrator, at 1-877-466-4523.

INVESTMENTS IN THE FUND INVOLVE CERTAIN RISKS WHICH SHOULD BE CONSIDERED BY EACH POTENTIAL PARTICIPANT BEFORE INVESTING. AN INVESTMENT IN THE FUND IS NOT INSURED OR GUARANTEED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY. FOR FURTHER INFORMATION REGARDING CERTAIN RISKS ASSOCIATED WITH INVESTMENTS IN THE FUND, SEE "CERTAIN RISKS OF INVESTMENT IN THE FUND" ON PAGES 16 TO 18.

ELIGIBLE PARTICIPANTS

In accordance with the Declaration of Trust and applicable law, all Michigan public agencies are eligible to participate in the Fund. These include general powers school districts as defined by the Revised School Code, school districts of the first class and local or special act school districts as defined by the Revised School Code, intermediate school districts as defined by the Revised School Code, and any other type of classification of school, including a public school academy or educationally related entity or organization deemed by the Trustees to be suitable and appropriate for participation in this Trust as a Participant and determined by the Trustees, with the advice of counsel, to be eligible to participate as a Participant in accordance with the pertinent provisions of law, including, to the extent applicable, the Intergovernmental Cooperation Act and the Revised School Code (collectively, "School Entities").

In addition to school districts, public agencies may become Participants in the Fund. As set forth in the Declaration of Trust, public agencies are those entities as defined in Section 2 of the Michigan Urban Cooperation Act of 1967, Act 7 of 1967, M.C.L.A. Sec. 124.502(e), and a political subdivision of the State of Michigan, including, but not limited to, a county, city, township, charter township, single or multipurpose special district, or single or multi-purpose public authority, as approved by the Trustees.

Under the Declaration of Trust, a general powers school district, first class school district, local or special act school district, intermediate school district or public school academy may not become a Participant unless it is a member in good standing with the Michigan Association of School Boards (the "MASB"). The board of directors of the MASB shall determine whether a school district is a member in good standing for this purpose. In the event the Fund is notified that a Participant has ceased to be a member in good standing of the MASB, the Participant shall no longer be considered eligible to participate in the Fund and the administrator shall, upon notification and request by the Trustees, redeem all of the shares of the Participant at their net asset value as of the day the Fund is notified by the MASB.

Under the Declaration of Trust, it is necessary for a Participant to place and maintain a \$1.00 balance in the MILAF+ Portfolio's Cash Management Class in order to become and remain a Participant.

INVESTMENT OBJECTIVES AND POLICIES

General Objective. The investment objective of the Fund is to seek a competitive yield for the Participants while maintaining liquidity and preserving capital by investing only in instruments authorized by Michigan law which governs the temporary investment of funds by school districts and public agencies.

No assurance can be given that the Fund will achieve its investment objective or that any benefits described in this Information Statement will result from the investment of monies in the Fund by a public agency that becomes a Participant. However, the Trustees and PFM Asset Management LLC, as investment advisor for the Fund (the “Advisor”) intend to make all reasonable efforts to attain the Fund's investment objectives.

The Fund seeks its investment objective by pursuing a professionally managed investment program consistent with the policies and restrictions described below.

Permitted Investments. The Fund is specifically designed for school districts and public agencies. Accordingly, its portfolios (each also described as a “Series” herein) invest solely in instruments in which school districts and public agencies are permitted to invest under Michigan statutes (“Permitted Investments”). Such instruments include the following:

- (a) Bonds, bills, or notes of the United States; obligations, the principal and interest of which are fully guaranteed by the United States; or obligations of the State of Michigan; provided, however, that in the case of any series with respect to General Powers school districts that are Participants, any such bonds, bills or notes shall be payable, at the option of the holder, upon not more than 90 days’ notice, or if not so payable, shall have maturity dates not more than five years after the purchase dates;
- (b) Certificates of deposit (“CDs”) issued by a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in the State of Michigan under the laws of the State of Michigan or the United States and CDs issued in accordance with the following requirements:
 - (i) The funds are initially invested through a financial institution that is not ineligible to be a depository of surplus funds belonging to the State of Michigan under section 6 of 1855 PA 105, MCL 21.146;
 - (ii) The financial institution arranges for investment of the funds in CDs at one or more insured depository institutions, as defined in 12 USC 1813, for the account of the Participant;
 - (iii) The full amount of the principal and any accrued interest of each CD is insured by an agency of the United States;
 - (iv) The financial institution acts as a custodian for the Participant with respect to each CD; and
 - (v) At the same time that the funds of the Participant are deposited and the CDs are issued, the financial institution receives an amount of deposits from customers of other insured depository institutions equal to or greater than the amount of the funds initially invested by the public corporation through the financial institution;

INVESTMENT OBJECTIVES AND POLICIES - continued

- (c) Commercial paper rated prime at the time of purchase and maturing not more than 270 days after the date of purchase;
- (d) Securities issued or guaranteed by agencies or instrumentalities of the United States Government;
- (e) United States government or federal agency obligation repurchase agreements, subject to the following restriction:
 - (i) Security in the form of collateral, surety bond, or another form may be taken for the deposits or investments of a school district in a financial institution. However, an investment under this section shall be secured by the transfer of title and custody of the obligations to which the repurchase agreements relate and an undivided interest in those obligations must be pledged to the school district for these agreements;
- (f) Bankers' acceptances issued by a bank that is a member of the Federal Deposit Insurance Corporation (the "FDIC");
- (g) Mutual funds composed entirely of investments that are legal for direct investment by a public agency; and
- (h) Any other investments presently permitted by applicable statutes or permitted in the future by reason of the enactment or amendment of applicable statutes.

For information regarding certain risks associated with investments by the Fund in various Permitted Investments, see "Certain Risks of Investment in the Fund" on Pages 14 to 16.

Investment Restrictions. The Fund may buy and sell, and enter into agreements to buy and sell, Permitted Investments subject to the restrictions described below. These restrictions are considered to be fundamental to the operation and activities of the Fund and may not be changed without the affirmative vote of a majority of the Participants. The Fund:

- (a) May not make any investment other than investments authorized by the provisions of Law applicable from time to time to the investment of funds by Participants (including MCLA Sections 380.622, 380.1221 and 380.1223 to the extent applicable) or any other provisions of law applicable to the investment of funds by the Participants, as the same may be amended from time to time;
- (b) May not purchase any Permitted Investment which has a maturity date more than 397 days from the date of the Fund's purchase thereof, unless subject at the time of such purchase by the Fund to an irrevocable agreement on the part of a Responsible Person (as such term is defined in the Declaration of Trust) to purchase such Permitted Investment from the Fund within 397 days, provided, however, that the Trustees may, in their discretion, by an action set forth by resolution of the Trustees and included in this Information Statement, as amended from time to time, waive such maturity limitation with respect to any one or more Series;

INVESTMENT OBJECTIVES AND POLICIES - continued

(c) May not purchase any Permitted Investment if the effect of such purchase by the Fund should be to make the average dollar weighted maturity of an investment portfolio of the Fund greater than the period designated by the Trustees with respect to the Series to which such purchase of such Permitted Investment relates;

(d) May not borrow money or incur indebtedness whether or not the proceeds thereof are intended to be used to purchase Permitted Investments, except to facilitate as a temporary measure, but only to the extent permitted by law:

(i) withdrawal requests which might otherwise require unscheduled dispositions of portfolio investments;

(ii) for a period not to exceed one business day, withdrawal requests pending receipt of the collected funds from investments sold on the date of the withdrawal requests or withdrawal requests from Participants who have notified the Fund of their intention to deposit funds in their accounts on the date of the withdrawal request; or

(iii) for a period not to exceed one business day, the purchase of Permitted Investments pending receipt of collected funds from Participants who have notified the Fund of their intention to deposit funds in their accounts on the date of the purchase of the Permitted Investments;

(e) May not make loans, provided that the Fund may make Permitted Investments; and

(f) May not pledge assets except to secure indebtedness permitted by subparagraph (d) above; however in the case of indebtedness secured under subsection (d) (ii) or (iii) above, it may pledge assets only to the extent of the actual funds in the account of a Participant on whose behalf the permitted indebtedness was incurred plus an amount equal to that amount which that Participant has notified the Fund that it intends to deposit in its account on that date.

Debt obligations purchased by the Fund may have interest rates that are periodically adjusted at specified intervals or whenever a benchmark rate or index changes. These floating-rate and variable-rate instruments may include certificates of participation in such instruments. These securities may have demand features which give the Fund the right to demand repayment of principal on specified dates or after giving a specified notice. Variable-rate securities and securities with demand features may be deemed by the Fund to have maturities shorter than their stated maturity dates for purposes of applicable investment restrictions.

Any percentage limitation or rating requirement described under “Investment Objectives and Policies” will be applied **at the time of purchase**.

The Trustees of the Fund have adopted certain additional investment criteria related to commercial paper, certificates of deposit and repurchase agreements. Copies of these additional criteria are available upon request by contacting the Administrator at 1-877-466-4523.

TRUSTEES AND OFFICERS

Powers and Duties. The Trustees have full, exclusive and absolute control and authority over the business and affairs of the Fund and its assets, subject to the rights of the Participants as provided in the Declaration of Trust. The Trustees may perform such acts as in their sole judgment and discretion are necessary and proper for conducting the business and affairs of the Fund or promoting the interests of the Fund or its Participants. The Trustees oversee, review, and supervise the activities of all service providers and advisers to the Fund.

Number. There are currently 12 positions on the Board of Trustees. This number may be changed from time to time by resolution of the Trustees; however, the number of Trustees may never be less than three or more than 15.

Term. Each Trustee serves a term of three years and, as long as eligible, may be re-elected to any number of successive terms. In order to facilitate the smooth working of the Board of Trustees, the Trustees have been divided into three classes, as equal in number as practicable, and arranged so that the term of office for one class will expire at each annual meeting of the Participants. At each annual meeting, the Participants elect Trustees to fill the class whose term then expires.

Eligibility. Pursuant to the Declaration of Trust, individuals eligible to be a Trustee include school board members or officers, superintendents of schools, or business officials whose respective school districts are Participants in the Fund, as well as public agency executives, or treasurers whose respective public agencies are Participants in the Fund.

Composition. The Declaration of Trust requires that at least one school board member, one superintendent of a school district and one school business official, be members of the Board of Trustees at all times. The Declaration of Trust further requires that the Executive Directors of the Michigan Association of School Boards, the Michigan School Business Officials and the Michigan Association of School Administrators (or their respective designee(s)) be members of the Board of Trustees at all times, so long as those organizations or their successors exist. The remaining positions on the Board of Trustees are filled by other individuals eligible to be Trustees.

Elections. Election of the Trustees is by the affirmative vote of a majority of the Participants at an annual meeting of Participants.

Vacancies. From time to time a vacancy may occur on the Board of Trustees. In this event, the remaining Trustees will, by a majority vote, elect an appropriate individual to serve until the next annual meeting of Participants. At this next meeting, the Participants will, by majority vote, elect an appropriate individual to serve the remainder of the term of office applicable to that vacancy.

Officers. The Trustees elect two members of the Board of Trustees to serve as Chairperson and Vice Chairperson of the Fund. They may also elect one or more individuals, who need not be a Trustee, to serve as Treasurer and Secretary of the Fund. These officers (the "Officers") are elected annually by a majority vote of the Trustees.

Compensation. The Trustees serve without compensation, but they are reimbursed by the Fund for reasonable travel and other out-of-pocket expenses incurred in connection with their duties as Trustees.

TRUSTEES AND OFFICERS - continued

Duties. The Trustees are responsible for the general policies and programs of the Fund and its Series, including but not limited to the investment policies of each Series. They are also responsible for the general supervision and administration of the business and affairs of the Fund. However, the Trustees are not required to devote their entire time to the affairs of the Fund and are not required to personally conduct all of the business of the Fund. Accordingly, consistent with their ultimate responsibility, the Trustees have appointed the Administrator, the Advisor, a marketing agent, and a custodian bank to which the Trustees have assigned such duties as they deem to be appropriate.

THE INVESTMENT ADVISOR

Investment Advisor; Agreement. The Advisor is PFM Asset Management LLC, a Delaware limited liability company, with an office at 305 East Eisenhower Parkway, Suite 305, Ann Arbor, MI 48108. The Advisor is registered as an investment advisor under the Investment Advisers Act of 1940, as amended and is under common ownership with Public Financial Management, Inc. The Advisor has been appointed by the Trustees to act as the Fund's investment advisor, to provide investment advice and, in general, to implement and carry out the investment program of the Fund. The Fund's agreement with the Advisor remains in effect until June 30, 2012, and thereafter renews automatically for one-year terms, subject to annual approval by the Trustees. The agreement is not assignable, without written consent, and may be terminated without penalty on thirty (30) days' written notice at the option of the Trustees or upon one hundred and fifty (150) days' written notice by the Advisor.

Duties. The Advisor continuously supervises the investment program of the Fund, subject to the supervision of the Trustees; determines what investment instruments shall be purchased or sold by the Fund; and arranges for the purchase and sale of investment instruments held by the Fund. From time to time the Advisor and others may, at the request or with the approval of the Trustees, make other services or programs available to Participants of the Fund. In performing these and other duties, the Advisor must act in conformity with the Declaration of Trust, the By-laws, this Information Statement of the Fund and with the instructions and directions of the Trustees. The Advisor must also conform to and comply with all applicable Federal and State laws, rules and regulations.

THE ADMINISTRATOR

Administrator; Agreement. The Trustees have appointed as Administrator PFM Asset Management LLC. The Fund's agreement with the Administrator remains in effect until June 30, 2012, and thereafter renews automatically for one-year terms, subject to annual approval by the Trustees. The agreement is not assignable, without written consent, and may be terminated without penalty on thirty (30) days' written notice at the option of the Trustees or upon one hundred and fifty (150) days' written notice by the Administrator.

Administrative Duties. The Administrator, subject to the supervision of the Trustees, supervises all aspects of the Fund's operations (other than those operations to be managed by the Advisor, the Marketing Agent (hereinafter defined) or the Custodian (hereinafter defined)); maintains the books and records of the Fund; coordinates operations activities with those of the Custodian; services all Participant accounts in the Fund, including the processing of applications and registrations for participation in the Fund and account inquiries; determines the per share net asset value of each Participant's account; provides written confirmation of each investment and withdrawal of funds by Participants; furnishes each Participant with a monthly statement of its account in the Fund and a quarterly copy of the Fund's financial statements for the fiscal quarter most recently ended; arranges for the preparation of all required Fund tax returns; assists in preparing and updating the Fund's Information Statement; and facilitates the preparation of the annual financial statements and related audit of the Fund by the Fund's independent accountants.

Additional Program Duties.

From time to time the Advisor and Administrator may, at the request or with the approval of the Trustees, make other services or programs available to Participants of the Fund. Participants are advised that these additional services and programs are separate from the Fund, and the Trustees of the Fund take no responsibility for such services or programs. The parties offering such programs are solely responsible for them, and questions regarding any such service or program should be directed to the party offering it. The interests held under any additional program are in the name of the respective Participants and are not part of the assets of any Series.

THE MARKETING AGENT

The Marketing Agent; Agreement. The Trustees have appointed PFM Fund Distributors, Inc., a Pennsylvania corporation and an affiliate of PFM Asset Management LLC, as the marketing agent of the Fund (the “Marketing Agent”). The Fund's agreement with the Marketing Agent remains in effect until June 30, 2012, and thereafter automatically renews for one-year terms, subject to annual approval by the Trustees. The agreement is not assignable without written consent, and may be terminated without penalty on thirty (30) days’ written notice at the option of the Trustees or upon one hundred and fifty (150) days’ written notice by the Marketing Agent.

Marketing Agent Duties. To provide strategic marketing plan and development of new products and service as needed. The Marketing Agent, subject to the supervision of the Trustees, advises the Trustees regarding methods of seeking and obtaining additional Participants for the Fund; distributes the Fund’s Information Statement to Participants and other school districts and public agencies eligible to join the Fund; assists in the preparation and dissemination of other information with respect to the existence and operation of the Fund; and bears certain Fund marketing expenses. The Marketing Agent is also responsible for creating and maintaining the Fund’s website and development of marketing material.

THE CUSTODIAN & CASH MANAGEMENT SERVICES PROVIDER, LEGAL COUNSEL AND INDEPENDENT ACCOUNTING FIRM

THE CUSTODIAN & CASH MANAGEMENT SERVICES PROVIDER

Custodian & Cash Management services provider; Agreement. Fifth Third Bank, serves as custodian and cash management bank for the Fund pursuant to a Custodian Agreement (the “Custodian”) and Treasury Management Agreement. The Fund's agreement with FifthThird Bank remains in effect until terminated by either the Bank upon one hundred and eighty (180) days’ notice, or by the Fund upon thirty (30) days’ written notice. The agreement is not assignable by the Fund without prior written consent of the Custodian.

Duties. The Bank acts as a safekeeping agent for the Fund's investment portfolio. The Bank does not participate in the Fund's investment decision-making process. The Fund may invest in obligations of the Bank and buy and sell Permitted Investments from and to it. In addition to custodial services, the Bank also provides cash management services to the Fund and to Participants. These services include, but are not limited to, processing of Fund transactions and wire transfers on behalf of Participants, and processing of Participant checks.

Additional Custodians. The Trustees may in their discretion employ one or more custodians in addition to the Custodian referred to above. Any such additional custodians must be institutions and entities as specified in Michigan law. Such additional custodians shall perform such safekeeping duties (including duties applicable only to a designated Portfolio) as may be set forth in an agreement between the Fund and the additional custodian. An additional custodian need not have an office in the State of Michigan.

LEGAL COUNSEL AND INDEPENDENT ACCOUNTING FIRM

Legal Counsel. Thrun Law Firm, P.C. serves as legal counsel to the Fund.

Independent Accounting Firm. PricewaterhouseCoopers LLP serves as the Fund's independent accounting firm and audits the financial statements of the Fund.

THE SPONSORS

The Sponsors; Agreement. The Trustees have arranged with the Michigan Association of School Boards (“MASB”), the Michigan School Business Officials (“MSBO”) and the Michigan Association of School Administrators (“MASA” and collectively with MASB and MSBO the "Sponsors") to serve as the Sponsors of the Fund pursuant to agreements for services (the "Sponsor Agreements") and licensing agreements for use of the Sponsors' names and logos by the Marketing Agent (the "Licensing Agreements"). The Sponsor Agreements and the Licensing Agreements remain in effect for one year terms, subject to annual approval by the Trustees. The Sponsor Agreements and Licensing Agreements may be terminated without penalty upon sixty (60) days' written notice by either party.

Sponsor Duties. The Sponsors provide consulting services to the Fund, as specified in each of the separately executed agreements, and assist in the preparation and dissemination of Fund information through the Fund's various publications. Under the Licensing Agreements, the Fund has the right to use the Sponsors' names and logos in Fund materials, subject to the Sponsors' right to approve the quality and style of materials on which their names and logos appear. The Sponsors are paid fees for services to the Fund, as more fully described on Page 20 of the Information Statement.

THE SERIES OF THE FUND

Overview. The Declaration of Trust provides for the creation of one or more investment series and classes of the Fund and sets forth the manner in which such series may be created and managed. At present, the Fund consists of the MILAF+ Portfolio Series (“MILAF+ Portfolio”), which includes Cash Management Class Shares and MAX Class Shares, and multiple MILAF+ Term Series (“MILAF+ Term”).

Each series is a separate portfolio of Permitted Investments. The Trustees determine when and what types of series are made available to Participants. A Participant may participate in as few or as many series as it chooses, provided that all Participants must invest in the MILAF+ Portfolio.

MILAF+ Portfolio. The assets of the MILAF+ Portfolio are invested in Permitted Investments in such a manner as to result in an average dollar weighted maturity for the Series of no greater than ninety (90) days. In addition, the MILAF+ Portfolio seeks to maintain a constant net asset value per share of \$1.00. The Permitted Investments in which the MILAF+ Portfolio invests are selected by the Advisor and consist of money market instruments permitted by applicable Michigan law. Participants may purchase either Cash Management Class Shares or MAX Class Shares of the MILAF+ Portfolio.

Cash Management Class. The MILAF+ Portfolio’s Cash Management Class has a minimum balance requirement of \$1.00 and no minimum investment deposits or redemption requirements. A Participant may redeem shares of the Cash Management Class in any amount not in excess of its account balance in such Class. Upon request, a Participant may have check writing privileges in its Cash Management Class account(s).

MAX Class. Investments in the MILAF+ Portfolio’s MAX Class may not be redeemed for at least 14 calendar days, with the exception of direct investments of funds distributed by the State of Michigan. Redemptions made prior to the end of the applicable 14 day period (a premature redemption) are subject to a penalty equal to 15 days’ interest on the amount so redeemed. Such penalty will be calculated on the basis of the MAX Class dividend rates in effect for the 15 day period immediately preceding the redemption date. The penalty has been calculated to substantially equal the dividend that would have been paid on the amount had it not been prematurely redeemed.

If a penalty relating to premature redemption is assessed and sufficient interest has not been earned with respect to the investment so that such penalty can be paid by reducing the dividends that would otherwise have been paid to the Participant, the principal amount of the redemption paid to the Participant will be reduced to the extent necessary to cover the penalty.

In determining whether an amount is eligible for redemption from a particular MAX Class account, the first-in/first-out method will be used. If a Participant has more than one MAX Class account, only the dates on which investments were made in the particular account to which a redemption request relates will be taken into consideration when making this determination.

THE SERIES OF THE FUND - continued

MILAF+ Term Series. MILAF+ provides a fixed rate, fixed-term investment with a minimum maturity of 60 days and a maximum maturity of one year. MILAF+ Term requires a minimum investment of \$100,000 and seeks to obtain a high rate of return. A projected dividend rate is determined when the shares are purchased and the dividend is declared and paid on the redemption date. MILAF+ Term seeks to return all invested principal at a Planned Early Redemption (as defined hereafter) or upon termination. Withdrawal from MILAF+ Term at any time other than on a Planned Early Redemption date may result in a substantial early redemption penalty. The penalty for a Premature Redemption (as defined hereafter) is further described on Page 33 of this Information Statement.

Each series of MILAF+ Term is a portfolio of Permitted Investments and has a series-specific termination date. The Board of Trustees has approved the creation of multiple series of MILAF+ Term with staggered maturity dates.

The investment strategy of MILAF+ Term is to match the cash flows required to meet Participants' planned redemptions, including the projected dividend, with the cash flows from the portfolio. Consistent with this strategy trading of securities held by the portfolio will be practiced with the objective of enhancing the overall yield of the portfolio.

Funds of a Participant are invested in MILAF+ Term through same day wire or transfer from the Participant's account in the Cash Management Class. Upon redemption of a MILAF+ Term investment, funds are transferred to the Participant's Cash Management Class account or transferred by bank wire to a pre-authorized Participant bank account.

A Participant only receives dividends from the specific MILAF+ Term portfolio in which it has invested. At the termination date of any series of MILAF+ Term, any excess net income of the series after providing for accrued expenses will be distributed pro rata in the form of a supplemental dividend only to shares of the series.

The investment portfolio of each MILAF+ Term series is accounted for independent of the investment portfolio of any other series of the Fund. In the event a MILAF+ Term portfolio were to realize a loss (whether of principal or interest), no contribution would be made to such series of MILAF+ Term from any other series to offset such loss. No series constitutes security or collateral for any other series.

CERTAIN RISKS OF INVESTMENT IN THE FUND

There are risks associated with investment in the Fund which should be considered carefully by Participants and potential Participants in light of their particular circumstances as they may exist from time to time. The Fund may not be an appropriate investment in certain situations for some Participants and potential Participants. Although the Fund has been designed and is operated with the goal of minimizing risk, Participants and potential Participants should carefully consider the factors described in this section in light of their particular circumstances. The risks specified in this section may also be applicable to certain investments in the Individual Portfolios.

Income, Market and Credit Risk. Investments in the Fund are subject to income, market and credit risk. Income risk is the potential for a decline in current income of an investment portfolio of the Fund. The current income of the MILAF+ Portfolio is based on short-term interest rates, which can fluctuate substantially over short periods. Accordingly, investments in the MILAF+ Portfolio are subject to current income volatility. Market risk is the potential for a decline in the market value of fixed-income securities held in an investment portfolio of the Fund as a result of a rise in prevailing interest rates. This could result in the incurrence of a loss with respect to a security in the event that such a security were to be sold for a market price less than its amortized value. Credit risk is the possibility that an issuer of securities held in an investment portfolio of the Fund fails to make timely payments of principal or interest. The credit risk of a portfolio is a function of the credit quality of its underlying securities. A discussion of the credit risks associated with certain Permitted Investments is set forth below.

Repurchase Agreements. The Fund may invest in Permitted Investments which may include repurchase agreements. In a repurchase agreement, securities which consist of obligations of the United States government or federal agencies are sold to the Fund at which time the seller agrees to repurchase the securities from the Fund at a specified time and at an agreed upon price. The yield on the repurchase agreement is determined at the time of sale. This yield may be more or less than the interest rate on the underlying securities.

Although the Fund enters into such repurchase agreement arrangements only with recognized and established securities firms designated as Responsible Persons from time to time by the Trustees acting with the advice and counsel of the Advisor, there can be no assurance that such a Responsible Person will pay the agreed upon repurchase amount on the designated date. In the event that such a Responsible Person fails to pay the agreed upon price at the specified time, the Fund might suffer a loss resulting from (i) diminution of the value of the underlying securities to an amount below the amount of the anticipated repurchase price, (ii) the costs associated with the resale of the securities, and (iii) a delay experienced in foreclosing upon and selling the securities.

Although at the time the Fund enters into a repurchase agreement the underlying collateral has a market value which is equal to 102% of the price paid by the Fund and equal to or greater than the anticipated repurchase price, there can be no assurance that such market value will continue to equal or exceed the repurchase price. In the event the market value of the underlying collateral falls below the agreed upon repurchase price, the Responsible Person with which the Fund has entered into the repurchase agreement is required to deliver additional collateral to the Fund.

CERTAIN RISKS OF INVESTMENT IN THE FUND - continued

There can be no assurance that such deliveries of additional collateral will be made in all circumstances. In the event that such a delivery is not made and the Responsible Person does not pay the repurchase price on the specified date, the amount of the Fund's loss will be increased as a consequence of such failure of delivery.

Obligations of United States Government Agencies and Instrumentalities. Participants should be aware that not all obligations issued by agencies and instrumentalities of the United States government are guaranteed by the full faith and credit of the United States government. The obligations of some agencies and instrumentalities of the United States government that may be purchased by the Fund from time to time are obligations only of the applicable agency or instrumentality and are not full faith and credit obligations of the United States. The creditworthiness of such obligations relates only to the credit of the issuing agency or instrumentality. No assurance can be given that the agency or instrumentality will under all circumstances be able to obtain funds from the United States government or other sources to support all of its obligations.

Certificates of Deposit. Although the Advisor uses the investment criteria established by the Trustees in order to reduce risk when determining which institutions will be used for such investments, no assurance can be given that such an institution will not become insolvent during the life of an investment in it. Certificates of deposit in amounts above FDIC insurance limits are not insured, and in determining FDIC insurance limits Federal regulations provide that all amounts deposited by a depositor, including amounts deposited directly, through brokers or through other means in a financial institution regardless of the source will be combined in determining the insurance limit. The FDIC insurance limits are set forth in the Federal Deposit Insurance Act, 12 U.S.C. §1811, *et seq.*, and in the related regulations found in Part 330 of Title 12 of the code of Federal regulations (12 C.F.R. Part 330). Each Participant is responsible for ensuring that its deposits do not exceed FDIC insurance limits. Additional information regarding FDIC coverage limits and requirements can be found on the FDIC web site: www.myFDICinsurance.gov.

FDIC Insured Certificates of Deposit. Some of the assets of the Fund may be invested in certificates of deposit subject to FDIC insurance. Under these regulations Participants' deposits in each institution are insured, up to the applicable insurance limit currently in place regardless of whether the deposits are made through the Fund or directly by a Participant.

In the event that an institution issuing an insured certificate of deposit in which the Fund has invested becomes insolvent, or in the event of any other default with respect to such a certificate of deposit, an insurance claim will be filed with the FDIC by the Fund, if appropriate. In such a case, there may be delays before the FDIC, or other financial institution to which the FDIC has arranged for the deposit to be transferred, makes the relevant payments. Such delays may be occasioned by requirements relating to the filing and processing of insurance claims, including requests for additional information by the FDIC. Furthermore, if the defaulted deposit is transferred to another institution, the transferee institution may, instead of paying the insured amount, elect to keep the deposit in existence with or without changing its original terms. Such changes of terms may include a reduction of the original interest rate paid on the deposit.

The amount insured by the FDIC is the principal of the relevant deposit and the interest accrued on the deposit to the date of default, up to applicable insurance limit in the aggregate. There is no insurance with respect to interest on a deposit between the date of the default and the date of the payment of insurance by the FDIC. Accordingly, a default by an institution might result in a delay in the receipt of invested principal and pre-default accrued interest by an affected Participant and a loss of interest related to the period between the date of the default and the payment of the insurance.

CERTAIN RISKS OF INVESTMENT IN THE FUND - continued

In addition, the FDIC could deny any claim that it does not deem to be valid. Any such denial might have to be challenged in judicial or administrative proceedings brought by the Fund and any affected Participant. In the event that funds are not made available to it by the United States or other sources, Participants could experience a loss due to a full or partial non-payment of insurance claims by the FDIC.

Collateralized Certificates of Deposit. From time to time, the Fund may invest in collateralized certificates of deposit as permitted by Michigan Law. In the event of a default on such a certificate of deposit, it may be necessary to foreclose on the collateral. Such foreclosure will entail certain risks for the Participants participating in the Fund. These risks include losses resulting from a diminution in the value of the collateral before it can be sold, procedural delays relating to the foreclosure, costs of foreclosure and a failure to realize an amount in the foreclosure equal to the principal of and interest on the defaulted certificate of deposit.

Payments after Maturity Date. In the event that monies are received with respect to a fixed income investment as a result of a deposit insurance claim, foreclosure of collateral or for any other reason after the maturity date of such fixed income investment, the amounts of such payments will not be distributed to the Participants participating in such fixed income investment until after the maturity date of such fixed income investment. Accordingly, care should be exercised by Participants in determining whether or not investment in a particular fixed term investment is appropriate if all of the money that would be invested by the Participant in such investment is required by it in full and without delay on the maturity date of the fixed income investment.

Commercial Paper. The Fund may purchase commercial paper which qualifies as a Permitted Investment. Commercial paper is a debt instrument that is issued by a company and is secured only by the assets, if any, of that company. The creditworthiness of such an obligation relates only to the creditworthiness of the issuing company. Although the Advisor uses the criteria established by the Trustees when determining which companies' commercial paper will be purchased, no assurance can be given that a company will not become insolvent before it repays said commercial paper. In the event of such insolvency or in the event of any other default with respect to such commercial paper, a claim will be filed by the Fund against the company, if appropriate. However, there is no assurance that the Fund will receive any recovery as a result of filing a claim.

Bankers' Acceptances. Bankers' acceptances are credit instruments evidencing the obligation of a bank to pay a draft drawn on it by a customer. These instruments reflect the obligations both of the bank and of the drawer to pay the face amount of the instrument upon maturity. They are not subject to FDIC insurance, but rather their creditworthiness relates only to the creditworthiness of the issuing bank.

EXPENSES OF THE FUND

Advisor Fee.

MILAF+ Portfolio. Under its agreement with the Fund, the Advisor is paid a fee for its services as Advisor for the MILAF+ Portfolio at an annual rate applied to the total average daily net assets of all Fund Participants invested in the MILAF+ Portfolio. That fee is determined as follows:

<u>MILAF+ Portfolio Average Daily Net Assets</u>	<u>Fee</u>
first \$500,000,000	.080%;
next \$250,000,000	.075%;
next \$250,000,000	.070%;
Over \$1,000,000,000	.065%.

The applicable rate is applied to the average daily net assets of the MILAF+ Portfolio. This fee is computed daily and paid monthly.

MILAF+ Term. Under its agreement with the Fund, each MILAF+ Term series pays the Advisor a monthly fee for investment advisory, administration and marketing services at the annual rate of 0.15% of average daily net assets. At its discretion, the Advisor may waive some or all of its fees for MILAF+ Term, and such waiver may be discontinued at any time. In addition to the aforementioned fees, each MILAF+ Term series is responsible for its own associated expenses such as insurance costs, the fees of the Custodian, audit, rating agency, trustee expenses and legal fees.

Administrator Fee.

MILAF+ Portfolio

Cash Management Class. Under its Agreement with the Fund, the Administrator of the Fund's Cash Management Class is paid a fee which is calculated daily and paid monthly at an annual rate equal to the annual percentage specified below of the specified amount of the average daily net assets of the Cash Management Class:

<u>Cash Management Class Average Daily Net Assets</u>	<u>Fee</u>
first \$100,000,000	0.19%
next \$150,000,000	0.18%
next \$250,000,000	0.17%
over \$500,000,000	0.16%

EXPENSES OF THE FUND - continued

MAX Class. Under its Agreement with the Fund, the Administrator of the Fund's MAX Class is paid a fee which is calculated daily and paid monthly at an annual rate equal to the annual percentage specified below of the specified amount of the average daily net assets of the MAX Class:

<u>MAX Class Average Daily Net Assets</u>	<u>Fee</u>
first \$250,000,000	0.10%
next \$250,000,000	0.09%
over \$500,000,000	0.08%

Marketing Agent Fee.

MILAF+ Portfolio. Under its Agreement with the Fund the Marketing Agent is paid a fee for the provision of marketing services to the Fund at the applicable annual percentage specified below multiplied by the total average daily net assets in the Cash Management Class and the MAX Class.

<u>Combined Monthly Average Daily Net Assets</u>	<u>Percentage</u>
first \$500,000,000	0.050%
next \$500,000,000	0.040%
next \$500,000,000	0.030%
over \$1,500,000,000	0.025%

For purposes of determining the breakpoints in calculating the Marketing Agent Fee the average daily net assets are the combined daily net assets of the Cash Management Class, the MAX Class, the MILAF+ Term Series, the Separate Account Management (SAM) accounts, and the Bond Account Management (BAM) accounts for the month plus the par value of the Fixed Income Investment Program on the last day of the month. The fee is computed daily and payable monthly. The fee so determined is allocated between and is paid from the Fund's Cash Management Class and the Fund's MAX Class based on the combined average assets as described above during the calendar month preceding accrual of the daily fee.

Custodian Fee.

Under its agreement with the Fund, the Bank is paid a fee for its services as custodian of the Fund at an annual rate equal to the applicable annual percentage specified below multiplied by the net market value of the Fund's assets, as of each month end.

<u>Combined Month End Net Market Value of Assets</u>	<u>Percentage</u>
first \$200,000,000	0.0100%
next \$300,000,000	0.0050%
over \$500,000,000	0.0025%

The fee is computed and payable monthly. The fee so determined is allocated between and is paid from the Fund's Cash Management Class and MAX Class based on the net assets of each class.

EXPENSES OF THE FUND - continued

For its services as custodian with respect to MILAF+ Term, SAM accounts, BAM accounts and Fixed Income Investment Program accounts, the Custodian is paid a fee at an annual rate equal to 0.01% of the applicable account's net market value. The fee is computed monthly, based on the account's month-end net market value, and is payable monthly from the applicable account.

Sponsorship Fee.

The Sponsors receive fees from the Fund which are calculated daily and payable monthly, in equal amounts to each Sponsor, at the rates and based on the net assets as set forth below:

	Fee
Cash Management Class	.03%
MAX Class	.0183%
MILAF+ Term and other Additional Fund Programs	3.333%*

*Percentage of all net fees paid to Advisor relating to any MILAF+ Term series, individual portfolio (such as a SAM or BAM account) or fixed income investment program offered by the Advisor in connection with the Fund.

Expenses. Except as otherwise noted herein with respect to certain expenses paid or reimbursed by the Administrator, or the Marketing Agent, the Fund pays the reasonable out-of-pocket expenses incurred by the Trustees and officers in connection with the discharge of their duties, and other expenses including brokerage commissions, the fees of the Advisor, the Administrator and the Marketing Agent under the respective agreements, the fees of the Custodian, the Sponsor fees, the legal fees of the Fund, the fees of the Fund's independent accountants, the costs of appropriate insurance for the Fund and its Trustees and officers, and various other expenses.

All funds received by the Fund from Participants with respect to a particular series, together with all assets in which such funds are invested or reinvested, all income, earnings, profits and proceeds thereof, including any proceeds derived from the sale, exchange or liquidation of such assets, and (except to the extent otherwise determined by the Trustees) any funds or payments derived from any reinvestment of such proceeds in whatever form the same may be, irrevocably belong to that series, as applicable, for all purposes, subject only to the rights of creditors, and will be so recorded upon the books of account of the Fund. In the event that there are any assets, income, earnings, profits, and proceeds thereof, funds, or payments received which are not readily identifiable as belonging to any particular series, the Trustees shall allocate them among any one or more of the series (or to a reserve) established and designated from time to time in such manner and on such basis as they, in their sole discretion, deem fair and equitable. Each such allocation by the Trustees shall be conclusive and binding upon the Participants of all series for all purposes.

EXPENSES OF THE FUND - continued

The assets belonging to each particular series are charged with the liabilities of the Fund in respect to that series and all expenses, costs, charges and reserves attributable to that series or class in such manner and on such basis as the Trustees in their sole discretion deem fair and equitable. Any general liabilities, expenses, costs, charges or reserves of the Fund which are not readily identifiable as attributable to any particular series or class are allocated and charged by the Trustees to and among any one or more of the series or classes established and designated from time to time in such manner and on such basis as the Trustees in their sole discretion deem fair and equitable. Each allocation of liabilities, expenses, costs, charges, and reserves by the Trustees is conclusive and binding upon the Participants of all series or class for all purposes. The Trustees have full discretion to determine which asset items will be treated as income and which as funds placed in the Fund by Participants and each such determination and allocation shall be conclusive and binding upon the Participants of all series or classes.

The Advisor, Administrator, Marketing Agent, Sponsors and Fifth Third Bank may, but shall not be obligated to, reduce a portion of their fees to assist the Fund in an attempt to maintain a positive yield. In the event that a party elects to initiate a fee reduction, such fee reduction shall be applicable to the computation of the net asset value (“NAV”) of the Fund on the business day immediately following the date on which a party gives notice to the Fund on the rate of the respective fee reduction to be applied in calculating the NAV. A fee reduction shall remain in effect until notice is provided to the Fund by a party regarding its intent to terminate its fee reduction or revise the rate of its fee reduction.

At any time after a fee reduction has been initiated by a party, the party may elect to have the amount of its accumulated reduced fees restored in whole or in part under the conditions described in its respective Fee Reduction Agreement with the Fund. Such reduced fees shall be restored to a party by way of a payment of fees in excess of the rate it was respectively entitled to, prior to any fee reduction, all as set forth in the respective Fee Reduction Agreement and as permitted by applicable law.

DAILY INCOME ALLOCATIONS

MILAF+ Portfolio. All net income of the MILAF+ Portfolio, including the Cash Management Class and MAX Class (the “Classes”) is determined as of the close of business on each Business Day (and at such other times as set forth in the Fund’s agreements with the Custodian, Advisor or Administrator or as the Trustees may determine). “Business Day” is a day on which the Custodian and the Federal Reserve Bank of New York are open. Net income is converted as of the close of business of the last Business Day of each calendar month into additional shares of beneficial interest which are credited to and are held in each Participant's account. Such net income is converted into full and fractional shares of beneficial interest at the rate of one share for each one dollar (\$1.00) paid. Although income is not automatically transmitted in cash, Participants may obtain cash by withdrawing shares at their net asset value without charge.

For the purpose of calculating MILAF+ Portfolio dividends, net income shall consist of interest earned plus any discount ratably amortized to the maturity date plus or minus all realized gains and losses on the sale of securities prior to maturity, less ratable amortization of any premium and, for each class in the portfolio, less all accrued expenses of the class, including the fees payable to the Advisor, the Administrator, the Marketing Agent, the Custodian and others who provide services to the MILAF+ Portfolio.

MILAF+ Term. Dividends on shares of MILAF+ Term are declared and paid on the termination date of each series, except for dividends on shares redeemed pursuant to a Planned Early Redemption or a Premature Redemption before the termination date of such series, which will be declared and paid when such shares are redeemed. Dividends will be paid from net income, which will consist of interest earned, plus any discount ratably amortized to the date of maturity, plus or minus all realized gains and losses on the sale of securities prior to maturity, less ratable amortization of any premium and all accrued expenses of the series.

Dividends on shares which are declared and paid on a Planned Early Redemption Date are equal to the projected yield for such shares to the Planned Early Redemption Date, less any losses attributable to such shares. Dividends on shares declared and paid on a Premature Redemption Date are equal to the projected yield for such shares to the Premature Redemption Date, less any losses affecting projected yield attributable to such shares. Dividends on shares declared and paid on a termination date for a series are equal to the projected yield for such shares to the termination date, less any losses attributable to such shares, plus an additional dividend, if any, equal to any excess net income of the series attributable to such shares. Any excess net income of a series on the termination date of the series, will be allocated on a pro rata basis to all shares then outstanding. Dividends are deposited into a Participant’s Cash Management Class account unless a separate wire transfer has been pre-authorized.

Distribution of Securities in Lieu of Cash. Investment securities may be distributed to the Participants in any series in lieu of cash whenever the Trustees determine that such distributions would be in the best interest of the Participants in the series.

COMPUTATION OF YIELD

MILAF+ Portfolio. Cash Management Class and MAX Class. Current yield information for the Cash Management Class and the MAX Class may, from time to time, be quoted in reports, literature and advertisements published by the Fund. The current yield of each Class, which is also known as the current annualized yield or the current seven-day yield, represents the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical account with a balance of one share (normally valued at \$1.00 per share) over a seven-day base period expressed as a percentage of the value of one share at the beginning of the seven-day period. This resulting net change in account value is then annualized by multiplying it by 365 and dividing the result by 7.

The Fund may also quote a current effective yield of each Class from time to time. The current effective yield represents the current yield compounded to assume reinvestment of dividends. The current effective yield is computed by determining the net change in account value over a seven-day base period (exclusive of capital changes and income other than investment income), over a seven-day period in the value of a hypothetical account with a balance of one share at the beginning of the period, dividing the difference by the value of the account at the beginning of the period to obtain the base period return, then compounding the base period return by adding 1, raising the sum to a power equal to 365 divided by 7, and subtracting 1 from the result. The current effective yield will normally be slightly higher than the current yield because of the compounding effect of the assumed reinvestment.

The Fund also may publish a “monthly distribution yield” on each Participant’s month-end account statement.

The monthly distribution yield represents the net change in the value of one share (normally valued at \$1.00 per share) resulting from all dividends declared during a month by a Class expressed as a percentage of the value of a hypothetical account with a balance of one share at the beginning of the month. This resulting net change is then annualized by multiplying it by 365 and dividing it by the number of calendar days in the month.

At the request of the Trustees or Participants, the Fund may also quote the current yield of a Class from time to time on bases other than seven days for the information of its Participants.

MILAF+ Term. The yield quoted for any investment in a series of MILAF+ Term is determined by dividing the expected net income per share for the period from the settlement date to the termination date or Planned Early Redemption Date, as applicable, by the purchase price per share, dividing this result by the actual number of days between the settlement date and the termination date or Planned Early Redemption Date, as applicable, and multiplying the result by 365.

The yields quoted by the Fund or any of its representatives should not be considered a representation of the yield of the Cash Management Class, the MAX Class or MILAF+ Term in the future, since the yield is not fixed. Actual yields will depend on the type, quality, yield and maturities of securities held by the portfolios, changes in interest rates, market conditions and other factors.

DETERMINATION OF NET ASSET VALUE

MILAF+ Portfolio. Cash Management Class and MAX Class. The net asset value per share for the purpose of calculating the price at which shares are issued and redeemed is determined by the Administrator as of the close of business of each Business Day or at such other time or times as set forth in the Fund's agreements with the Custodian, Advisor and Administrator or as the Trustees by resolution may determine. Such determination is made by subtracting from the value of the assets of the MILAF+ Portfolio the amount of its liabilities and dividing the remainder by the number of outstanding shares of all Classes.

In making these computations, the Administrator values the MILAF+ Portfolio's investments by using the amortized cost method. The amortized cost method of valuation involves valuing an investment instrument at its cost at the time of purchase and thereafter assuming a constant amortization to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the market value of the instrument. While this method provides certainty in valuation, it may result in periods during which value, as determined by amortized cost, is higher or lower than the value the MILAF+ Portfolio would receive if it sold the instrument. During such periods, the yield to Participants may differ somewhat from that which would be obtained if the MILAF+ Portfolio used the market value method for valuing all its portfolio investments as discussed below.

The Trustees have adopted certain procedures with respect to the MILAF+ Portfolio's use of the amortized cost method to value its investment portfolio. These procedures are designed and intended (taking into account market conditions and the Fund's investment objectives) to stabilize net asset value per share as computed for the purpose of investment and redemption at one dollar (\$1.00) per share, though there can be no assurance that the net asset value of the shares will not vary from \$1.00 per share.. The procedures include a valuation of the MILAF+ Portfolio by the Administrator using the market value method and a periodic review by the Trustees, in such manner as they deem appropriate and at such intervals as are reasonable in light of current market conditions, of the relationship between net asset value per share based upon the amortized cost value of the MILAF+ Portfolio's investments and the net asset value per share based upon available indications of market value with respect to such portfolio investments.

The market value basis net asset value per share for the portfolio may be affected by general changes in interest rates resulting in increases or decreases in the value of securities held by the MILAF + Portfolio. The market value of such securities will tend to vary inversely to changes in prevailing interest rates. Thus, if interest rates rise after a security is purchased, such a security, if sold, might be sold at a price less than its amortized cost. Similarly, if interest rates decline, such a security, if sold, might be sold at a price greater than its amortized cost. If a security is held to maturity, no loss or gain is normally realized as a result of these price fluctuations; however, withdrawals by Participants could require the sale of portfolio securities prior to maturity. In the event that the difference between the amortized cost basis net asset value per share and market value basis net asset value per share exceeds 1/2 of 1 percent, the Advisor and the Trustees will consider what, if any, corrective action should be taken to minimize any material dilution or other unfair results which might arise from differences between the two.

DETERMINATION OF NET ASSET VALUE – continued

This action may include the reduction of the number of outstanding shares by having each Participant proportionately contribute shares to the portfolio's capital, suspension or rescission of dividends, declaration of a special capital distribution, sales of portfolio securities prior to maturity to reduce the average maturity or to realize capital gains or losses, transfers of portfolio securities to a separate account, or redemptions of shares in kind in an effort to maintain the net asset value at \$1.00 per share. If the number of outstanding shares is reduced in order to maintain a constant net asset value of \$1.00 per share, Participants will contribute proportionately to the portfolio's capital the number of shares which represent the difference between the amortized cost valuation and market valuation of the portfolio. Each Participant will be deemed to have agreed to such contribution by its investment in the portfolio.

MILAF+ Term

Premature Redemption. The redemption value per share for shares redeemed on a Premature Redemption Date is equal to the original purchase price for such share, plus dividends thereon, less such share's allocation of any losses incurred by the series, less a Premature Redemption penalty if any. The Premature Redemption penalty will be calculated by the Trust's Advisor and will be equal to (i) all penalty charges, losses and other costs (including, without limitation, interest paid on funds borrowed to pay the redemption) associated with amending, terminating, selling or otherwise affecting any of the investments in the series in order to pay the Premature Redemption and (ii) an amount sufficient to maintain the projected yield on the remaining shares to the stated termination date for the series or to the Planned Early Redemption Date, as the case may be, less any losses attributable to such shares. Thus, a Premature Redemption of shares may result in a penalty which could reduce the return and the principal value of the investment in amounts not ascertainable at the time shares of MILAF+ Term are issued. The redemption value per share could be lower than the purchase price of the share, and the return could be lower than the projected yield quoted at the time of issuance of the share.

Planned Early Redemption. The redemption value per share for shares being redeemed on a Planned Early Redemption Date is equal to the original purchase price for such shares plus dividends thereon, less such share's allocation of any losses incurred by the series (other than losses resulting from Premature Redemption of shares of the Series). Each series of MILAF+ Term provides for a fixed-rate, fixed-term investment by Participants, but the market value of the underlying assets will, prior to their maturity, tend to fluctuate inversely with the direction of interest rates. It is the intent of the Fund to manage MILAF+ Term in a manner that produces a share price of at least \$1.00 on the termination date and on each Planned Early Redemption Date for the Participant that redeems on said date. However, there can be no guarantee that this objective will be achieved.

Termination. The redemption value per share on the termination date of a series will be equal to the original purchase price for such share, plus dividends thereon (including any excess net income), less such share's allocation of any losses incurred by the series (other than losses resulting from Premature Redemption of shares of a series).

The Advisor, on behalf of the Trust, determines the net asset value of the shares of MILAF+Term at the close of each business day for purpose of computing fees. For this purpose, the net asset value per share for MILAF+ Term is calculated by dividing the total value of investments and other assets less any liabilities by the total outstanding shares of a series of MILAF+ Term as of the day the calculation is made.

PORTFOLIO TRANSACTIONS

Subject to the general supervision of the Trustees, the Advisor is responsible for the investment decisions and for placing the orders for portfolio transactions for the Fund. The Fund's portfolio transactions occur primarily with major dealers in money market and government instruments acting as principals. Such transactions are normally on a net basis which do not involve payment of brokerage commissions. Transactions with dealers normally reflect the spread between bid and asked prices.

Although the Fund does not ordinarily seek, but may nonetheless make, profits through short-term trading, the Advisor may, on behalf of the Fund, dispose of any portfolio investment prior to its maturity if it believes such disposition is advisable. The Fund's policy of generally investing in instruments with maturities of less than one (1) year will result in high portfolio turnover. However, since brokerage commissions are not normally paid on the types of investments which the Fund makes, any turnover resulting from such investments should not adversely affect the net asset value or net income of the Fund.

The Advisor seeks to obtain the best net price (yield basis) and most favorable execution of orders for the purchase and sale of portfolio securities. Where price and execution offered by more than one dealer are comparable, the Advisor may, in its discretion allocate the order to a dealer that has provided research advice (including quotations on investments). By allocating transactions to obtain research services, the Fund enables the Advisor to supplement its own research and analyses with the views and information of others. Such supplemental information received from a dealer is in addition to the services required to be performed by the Advisor under its agreement with the Fund, and the expenses of the Advisor will not necessarily be reduced as a result of the receipt of such information.

Portfolio investments will not be purchased from or sold to the Advisor or any affiliate of the Advisor.

REPORTS TO PARTICIPANTS AND TAXES

Reports to Participants.

Each Participant receives quarterly and annual reports providing financial information regarding the Fund. The annual report includes audited financial statements of the Fund. The Fund's fiscal year ends on September 30 of each year. In addition, a Participant receives a daily statement listing each investment and withdrawal that it makes that day and a monthly statement detailing the entire month's activity. Participants and potential Participants are advised to review the financial reports of the Fund that are made available to them.

Taxes.

Counsel to the Fund is of the opinion that the Fund is not subject to Federal or Michigan income tax upon the income realized by it, and that the Participants are likewise not taxable upon distributions to them of such income, provided that the Participants are political subdivisions of the State of Michigan for Federal tax purposes. Counsel to the Fund is further of the opinion that neither the Fund nor the Participants are subject to taxation as a result of their investment of school district or public agency monies in the Fund.

DECLARATION OF TRUST

Each potential Participant in the Fund is given a copy of the Declaration of Trust before becoming a Participant. Certain portions of the Declaration of Trust are summarized in this Information Statement. However, these summaries are qualified in their entirety by reference to the text of the Declaration of Trust.

Recording. The Declaration of Trust, and amendments thereto, are filed with the Michigan Secretary of State's office and the County Clerks of all Michigan counties.

Description of Shares. The Declaration of Trust authorizes the issuance of an unlimited number of non-transferable shares that may be used to represent the proportionate allocation among Participants of beneficial interest in the Fund. These shares do not entitle Participants to any preference, conversion, exchange or preemptive rights. No shares may be assigned or transferred to any person other than the Fund itself at the time of redemption. Furthermore, shares may not be pledged, hypothecated or otherwise encumbered by a Participant.

The Trustees, in their discretion, from time to time, may authorize the division of shares into two or more separate series and the division of any series into two or more separate classes of shares, as they deem necessary and desirable. The different series or classes shall be established and designated, and the variations in the relative rights and preferences as between the different series or classes, shall be fixed and determined, by the Trustees, without the requirement of Participant approval. Each series shall relate to a separate portfolio of investments.

A Participant only receives earnings from the investments of the series in which it invests. The investment portfolio of each series is independent of the investment portfolio of each other series. In the event of the incurrence of a loss with respect to any series (whether of principal or interest), no contribution will be made to such series from the portfolio of any other series to offset such loss. No series constitutes security or collateral for any other series.

Voting. For all matters requiring a vote of Participants, each Participant who holds a full Share shall be entitled to one vote with respect to each matter. Each Participant who holds fractional Shares shall be entitled to a vote of such fraction. Participants are not entitled to cumulative voting or voting on a series-by-series or class-by-class basis.

Initiating a Vote of the Participants. As to any matter with regard to which the Participants have a right to vote, any Participant may initiate a vote of the Participants by delivering to the Board of Trustees a written instrument signed by at least 10% of the Participants.

Redemptions. Pursuant to a request for redemption of shares from a Participant, in accordance with the procedures set forth in the Declaration of Trust, the Fund shall cause to be delivered to the Custodian a certificate signed on behalf of the Fund specifying the amount to be paid for the shares redeemed. A withdrawal request made by a Participant in the form of a check drawn upon its Fund account with the Custodian is deemed to constitute the presentation of a certificate. Participants also may make redemptions by written, telephonic or facsimile request in accordance with the procedures set forth in this Information Statement.

DECLARATION OF TRUST - continued

Distributions. In addition to distributions made pursuant to redemptions by Participants, the Trustees may from time to time declare and pay to the Participants in those series or class, in proportion to their respective ownership of shares, such supplementary distributions as they may determine necessary, out of the earnings, profits or assets in the hands of the Trustees. The declaration and payment of such supplementary distributions and the determinations of earnings, profits, and other funds available for such supplementary distributions or other purposes, shall lie wholly in the discretion of the Trustees and may be made at such time and in such manner as they, in their sole discretion, determine.

The Trustees may also allocate to the Participants in the Cash Management Class and MAX Class, in proportion to their respective ownership of shares, additional shares in such manner and on such terms as they may deem proper.

Any or all supplementary distributions will be made among the Participants of record at the time of declaring such distribution or among the Participants of record at such other date as the Trustees shall determine. Subject to the foregoing, a Participant may only receive such supplementary distribution from the investments of the series and/or class in which it participates.

Borrowing. The Fund may not borrow money, except as a temporary measure to facilitate redemption requests that would otherwise require unscheduled dispositions of a series' investments. If any such borrowing is done, the borrowing may be done only with a commercial bank located in Michigan which (i) is not an affiliate of any of the Participants or Trustees, (ii) is not a bank in which the Trust has deposited funds or holds certificates of deposit which were issued by that bank and (iii) is not a bank which at the time and during the pendency of any such borrowing is a party to a repurchase agreement held by the Fund or any of its series. Furthermore, in connection with such borrowing, the Fund may pledge only the assets of that series or class which is seeking to fund redemption requests.

Participant Liability. The Declaration of Trust provides that Participants shall not be subject to any individual liability for the acts or obligations of the Fund, and it provides that every written undertaking made by the Fund shall contain a provision that such undertaking is not binding upon any of the Participants individually. With respect to all tort claims or contract claims where the provision referred to above is omitted from the undertaking, and with respect to all claims for taxes and certain statutory liabilities in other jurisdictions, a Participant may be held individually liable to the extent that claims are not satisfied by the Fund. However, upon the payment of such liability, the Participant will be entitled to reimbursement from the general assets of the Fund. The Trustees intend to conduct the operations of the Fund, with advice of legal counsel, in such a manner as to avoid imposing Fund liabilities upon Participants.

Responsibility of Trustees, Officers and Agents. No Trustee, Officer, employee of the Fund or other person who might be designated by the Trustees is individually liable to the Fund, a Participant(s), Officer(s), employee(s) or agent(s) for any action unless such action constitutes willful misconduct, reckless disregard of duty, gross negligence or bad faith.

The Declaration of Trust provides that the name "Michigan Liquid Asset Fund Plus" is the designation of the Fund and that this designation refers to the Trustees collectively in such capacity and not personally or as

DECLARATION OF TRUST - continued

individuals. All persons dealing with the Fund must look solely to the Fund property for the enforcement of any claims against the Fund since neither the Trustees, Officers, employees, nor Participants assume any personal liability for obligations entered into on behalf of the Fund.

Indemnification. Subject to certain conditions and limitations, the Fund will indemnify its Trustees, Officers, employees and agents and any other persons who might be designated by the Trustees to receive such indemnification, against all liabilities and expenses (including, without limitation, amounts paid in satisfaction of judgments, in compromise or as fines and penalties, and counsel fees) reasonably incurred by such individual in connection with the defense or disposition of any action, suit or other proceeding by the Fund or any other person, in which he may be involved or with which he may be involved or threatened with, while in office or thereafter, by reason of being or having been such a Trustee, Officer, employee, agent or otherwise designated person. However, such indemnification does not apply to any action taken by such individual which constitutes bad faith, willful misconduct, reckless disregard of duty, or gross negligence.

Termination of the Declaration of Trust. The Fund may be terminated at any meeting of the Participants by the affirmative vote of a majority of the Participants entitled to vote or in lieu of a meeting, by a written instrument signed by a majority of the Trustees and consented to by a majority of the Participants entitled to vote. Following such termination the Trustees will pay, or adequately provide for the payment of, all of the Fund's liabilities, and upon receipt of such releases, indemnities and refunding agreements as they deem necessary for their protection, the Trustees will distribute the remaining Fund property, in cash or in kind or partly in cash and partly in kind, among the Participants in proportion to their shares of beneficial interest.

Amendment of the Declaration of Trust. The Declaration of Trust may be amended by the affirmative vote of two-thirds of the Participants entitled to vote or, in lieu of a meeting, by a written instrument signed by a majority of the Trustees and consented to by a majority of the Participants entitled to vote.

Upon 15 days' written notice to the Participants, the Trustees may, from time to time, by a two-thirds vote, amend the Declaration of Trust without the vote or consent of the Participants, to the extent they deem necessary to conform the Declaration of Trust to the requirements of applicable laws or regulations, or any interpretation thereof by a court or other governmental agency. However, the Trustees shall not be liable for failing to do so.

ACCOUNT OPERATIONS AND DIRECTIONS TO PARTICIPANTS

Shareholder Accounts. The Fund does not issue share certificates. Instead, an account is maintained for each shareholder by the Fund's Administrator acting as transfer agent. Each Participant's account will reflect the full and fractional shares of the Fund that it owns. A Participant will be sent confirmations of each transaction in shares and monthly statements showing account balances.

Sub-Account Services. A Participant may open sub-accounts with the Fund for accounting convenience or to meet requirements regarding the segregation of funds. Sub-accounts can be established at any time. A Participant may call 1-877-466-4523 for further information and to request the necessary forms.

To Open an Account.

To open an account, please call the Administrator at 1-877-466-4523 or contact:

Michigan Liquid Asset Fund Plus
c/o PFM Asset Management LLC
P.O. Box 11760
Harrisburg, PA 17108-1760

Upon approval of a new account application, an account number will be provided to the Participant within twenty-four hours.

Shares of the Fund may be purchased on any Business Day through the Administrator. A Business Day is any day that the Custodian, and the Federal Reserve Bank of New York are open.

The Fund reserves the right to reject any investment and to limit the size of a Participant's account.

How to Invest: Cash Management Class and MAX Class

Participants may invest in the Cash Management Class and MAX Class using EON, by telephone or by mail. Once an account has been opened, shares may be purchased by same day wire, Automated Clearing House transfer, direct deposit or check as follows:

Same Day Wire. Investments in the Cash Management Class and MAX Class may be made by the Participant arranging for its bank to wire funds to the Custodian. A Federal Reserve wire is preferred since it permits the investment of funds immediately upon receipt.

ACCOUNT OPERATIONS AND DIRECTIONS TO PARTICIPANTS - continued

Participants making investments by wire must follow *both* of the following steps:

Step 1. Instruct their bank to wire funds (Federal Reserve wire, if possible) to:

Fifth Third Bank
Cincinnati, OH
ABA # 042000314
Credit to: MILAF a/c 7166383831

Further Credit to: (Name of your Entity and Fund Account number)

Step 2. Initiate a transaction on EON or call the Fund (**1-877-466-4523**) and give the following information:

Name of Participant's Account and Account Number
Name of Portfolio
Amount being wired
Name of bank sending wire

Important: Participants must initiate an EON transaction or call the Fund before 2:00 p.m. Eastern Time on a Business Day, and a wire convertible to Federal Funds on a same-day basis must be received that day by the Fund if the investment is to begin earning income that day.

The Fund does not charge a fee for receipt of these wires. However, a Participant's bank may charge for wiring funds. Please consider using Next Day Transfer, described below, to avoid wire charges. If the Fund does not receive a wire on the date it was to be transmitted, the Fund will pass any overdraft fee that is imposed by the Custodian on to the purchaser.

Automatic Clearing House (ACH) Transfer.

Participant Initiated ACH Purchases. Shares may be purchased by requesting that the Administrator initiate an ACH transfer from a Participant's local bank account. All ACH requests must be reported to the Fund by 2:00 p.m. Eastern Time in order for the share purchase to be effective and to begin earning interest the next Business Day. Requests received after 2:00 p.m. Eastern Time will be initiated the second Business Day and a Participant's account will begin to earn interest two Business Days after the notice. Participants can contact the Administrator by calling 1-877-466-4523 or by entering the request on EON. ACH's will only be initiated if the instructions for authorizing ACH transfers from the bank have been submitted, in writing, to the Administrator prior to the request.

Third-Party Initiated ACH Purchases. Shares may be purchased by a Participant arranging to allow third parties to directly deposit funds to the Participant's account by ACH. Participants who want to permit such a purchase must submit certain information regarding the third-party, in writing, to the Fund's

ACCOUNT OPERATIONS AND DIRECTIONS TO PARTICIPANTS - continued

Administrator prior to the third-party initiating the ACH. Third-party initiated ACH purchases, reported by the Custodian to the Administrator by 2:00 p.m. Eastern Time will begin earning interest that same day. Third-party initiated ACH purchases reported by the Custodian to the Administrator after 2:00 p.m. Eastern Time will begin earning interest the next Business Day. Banks that originate ACH transactions cause the ACH to be initiated at least one Business Day prior to its being reported by the Custodian to the Administrator. To arrange for third-party ACH purchases Participants may contact the Administrator by calling 1-877-466-4523 or by entering the required third-party information on EON.

Internal Transfer of Funds. The Participant may move funds from one Cash Management Class account or MAX Class account to another account. Requests for transfer which are received by telephone or by using EON prior to 2:00 p.m. Eastern Time will be made at the net asset value as next determined. Transfers requested after 2:00 p.m. Eastern Time will be credited the next Business Day.

Purchase by Check. Shares may also be purchased by check. Shares will be issued at the net asset value next determined after the check is credited to an account in the form of Federal Funds. Normally this occurs on the Business Day following receipt of a check by the Custodian. Checks to purchase shares should be endorsed as follows:

For deposit only
MILAF
Further credit: (Entity name & Account number)

If you have deposit tickets reflecting your entity name and all or part of your Fund account number, or generic Fund deposit tickets sent to you by the Fund, you may bring your deposit to a Fifth Third Bank, N.A. branch.

You should notify the Fund by calling the Administrator at **1-877-466-4523** to report your check purchase, especially if you are using a generic deposit slip, for proper credit. Checks deposited by the Fund will take one or more Business Days to be converted into Federal Funds.

How to Redeem: *Cash Management Class and MAX Class*

Participants may redeem all or any portion of their shares of their Cash Management Class account at any time. **It is intended that investments in the MILAF+ Portfolio's MAX Class must be held for at least 14 calendar days, with the exception of direct investments of funds distributed by the State of Michigan.** Redemptions made prior to the end of an applicable 14-day period are subject to a penalty as described in page 12 of this Information Statement. Shares will be redeemed at the net asset value per share next determined after receipt of a request for redemption. Shares may be redeemed in any of the following ways:

Same Day Wire. Participants may initiate an online transaction through EON or call the Administrator on any Business Day at **1-877-466-4523**, to request a withdrawal.

ACCOUNT OPERATIONS AND DIRECTIONS TO PARTICIPANTS - continued

Online Redemption Requests Via EON.

Shares may be redeemed by a Participant via EON. This method of redemption is available to Participants who complete and submit an “EON Internet Service Authorization Form.” These forms can be obtained by visiting www.milaf.org and clicking on “Open an Account” and “Forms” or by calling the Fund’s Administrator at 1-877-466-4523.

If the call or EON transaction is received before 2:00 p.m. Eastern Time, the Administrator will wire the amount that same day to the bank account specified on the Participant’s Account Registration Form. Requests received after 2:00 p.m. Eastern Time will be processed on the following Business Day. Changes to redemption instructions must be received in writing by the Administrator in proper form.

Check Redemption Privilege. A Participant may make arrangements to redeem shares by check by filling out a checkwriting authorization form and signing the Custodian’s signature card. Checks may be written in any dollar amount not exceeding the balance of the Participant’s account and may be made payable to any person. Checks will be honored only if they are properly signed by a person authorized on the signature card. Redemption checks will not be honored if there is an insufficient share balance to pay the check or if the check requires the redemption of shares recently purchased by a check, which has not cleared. Although the Fund provides checkwriting privileges, there is a charge for redemption checks that cannot be honored due to insufficient funds or other valid reasons. Checkwriting privileges may be modified or terminated at any time. Information regarding additional cash management services, including a description of services and fees, can be provided by the Administrator upon request.

Redemption by Automated Clearing House (ACH).

Participant Initiated ACH Redemptions. Shares may be redeemed by requesting that the Administrator initiate an ACH transfer to a Participant’s specified bank or vendor account. All ACH requests must be made to the Administrator by 2:00 p.m. Eastern Time to be available in the Participant’s specified bank or vendor account the following Business Day and shares will be redeemed at the net asset value next determined. Requests received after 2:00 p.m. Eastern Time will be initiated the next Business Day and be available in the specified bank or vendor account two Business Days after the notice. A Participant can contact the Administrator by calling 1-877-466-4523 or by entering the request on EON. ACH’s will only be initiated if the instructions authorizing ACH transfers to the specified bank or vendor account have been submitted in writing to the Administrator prior to the request.

Third-Party Initiated ACH Redemptions. Shares may be redeemed by Participants arranging to allow third-parties to directly withdraw from their Participant account by ACH. Participants who want to permit such a redemption must submit certain information regarding the third party, in writing, to the Administrator prior to the third-party initiating the ACH. Third-party initiated ACH redemptions, reported by the Custodian to the Administrator by 2:00 p.m. Eastern Time will effectuate a redemption of shares and transfer from the Participant’s account that same day and shares will be redeemed at the net asset value next determined. Third-party initiated ACH redemptions reported by the Custodian to the Administrator after 2:00 p.m. Eastern Time will be available in the specified bank or vendor account the next Business Day. The third-party

ACCOUNT OPERATIONS AND DIRECTIONS TO PARTICIPANTS - continued

initiator must generally cause the ACH to be initiated one Business Day before the ACH is reported by the Custodian to the Administrator. To arrange for third-party ACH redemptions Participants can contact the Administrator by calling 1-877-466-4523 or by entering the required third-party information on EON.

Withdrawal By Mail. A Participant may write to the Administrator requesting a withdrawal. The letter should be on the Participant's letterhead and signed by the person(s) who is (are) authorized on the Account Registration Form. Shares will be redeemed at the net asset value next determined, after receipt of the letter. A check for the withdrawn proceeds will be mailed to the address on the Account Registration Form. Written requests for withdrawal should be sent to the Administrator's address.

Withdrawal of All Funds in Account. If at any time a Participant wishes to withdraw all of the funds in an account, the proceeds including accrued interest to date will be sent to the Participant by a Same Day Wire, Redemption by ACH, or Withdrawal by Mail according to the Participant's instructions.

Accounts will remain open for future deposits and investments, unless otherwise instructed.

How to Invest: MILAF+ Term

Once Cash Management Class and MILAF+ Term accounts have been opened, shares in MILAF+ Term may be purchased by Same Day Wire or by requesting a transfer from a Cash Management Class account. Unlike MILAF+ MAX Class and Cash Management Class, orders must be executed before the wire is sent to MILAF+ Term. To place an order for MILAF+ Term the following steps must be taken:

Step 1. Execution.

Call the Fund (**1-877-466-4523**) and ask for a MILAF+ Term account representative. Indicate whether the redemption is expected to be on a date prior to the termination date of the series (a "Planned Early Redemption"). The account representative will provide the following information:

- a) the projected yield,
- b) the termination date or the Planned Early Redemption date, and
- c) the settlement date.

To place an order, inform the MILAF+ Term account representative that the terms are acceptable and provide the account representative with the following information:

Name of Participant's Account
Participant's Account Number
Method of Settlement (Wire or Transfer from a Cash Management Class account)
Name of bank sending wire
Amount being wired

ACCOUNT OPERATIONS AND DIRECTIONS TO PARTICIPANTS - continued

Each investment by a Participant in MILAF+ Term will be given its own projected yield based on the timing of its participation in the series, and it is expected that the projected yields will not be the same for all Participant investments in a series.

MILAF+ Term requires a minimum investment of \$100,000 and a minimum term of 60 days and a maximum maturity of one year.

Step 2. Settlement.

On settlement date, funds in the amount to be invested may be sent to the Custodian via Same Day Wire or payment from the Participant's Cash Management Class account.

It is the responsibility of the Participant to insure that immediately available funds are received by the Fund on settlement date.

Same Day Wire. Investments in MILAF+ Term may be made by having the Participant arrange for its bank to wire funds to the Custodian. A Federal Reserve wire is preferred since it permits the investment of funds immediately upon receipt.

Participants making investments by wire must:

Instruct their bank to wire funds (Federal Reserve wire, if possible) to:

MILAF+ Term

Fifth Third Bank

Cincinnati, OH

ABA # 042000314

Credit to: MILAF a/c [7166384136]

Further Credit to: (Name of your Entity and Fund Account number)

Important: For MILAF+ Term, Participants must call the Fund before 12:00 p.m. Eastern Time on a Business Day, and a wire convertible to Federal Funds on a same-day basis must be received that day by the Fund if the investment is to begin earning income that day.

The Fund does not charge a fee for receipt of these wires. However, a Participant's bank may charge for wiring funds. If the Fund does not receive a wire on the date it was to be transmitted, the Fund will pass any overdraft fee that is imposed by the Custodian onto the purchaser.

Internal Transfer of Funds. The Participant may move funds from a Cash Management Class account to a MILAF+ Term account. Requests for transfer which are received by telephone prior to 12:00 p.m. Eastern Time provide same day credit of funds. Transfers requested after 12:00 p.m. Eastern Time will be credited the next Business Day.

ACCOUNT OPERATIONS AND DIRECTIONS TO PARTICIPANTS - continued

How to Redeem: MILAF+ Term

Termination: Each series will terminate on the last Business Day of March or September.

On the termination date, the Fund will wire funds representing the redemption value of the Participant's shares, including dividends, to the Participant's pre-authorized bank account or transfer the funds to a pre-authorized Cash Management Class account. The Participant may also designate a second pre-authorized bank account. In the absence of instructions from the Participant, these funds will be transferred to a previously designated Cash Management Class account of the Participant.

Planned Early Redemption. At the time an order for shares is placed, Participants may submit a request for redemption on a Planned Early Redemption Date prior to the termination date for the series without the imposition of a penalty.

Premature Redemption. A Participant may withdraw funds pursuant to a Premature Redemption request prior to the termination date for the series or prior to the Participant's Planned Early Redemption Date, as the case may be, by redeeming a minimum of 100,000 shares and multiples thereof. Notice of Premature Redemption must be given seven (7) days prior to redeeming shares in MILAF+ Term. Participants can place a redemption order by calling a MILAF+ Term account representative at **1-877-466-4523**, or send a redemption notice by mail to the Fund's address. The date for determining the seven (7) day minimum notification for a Premature Redemption shall be the date on which notice is received by the Administrator.

On the withdrawal date of a Planned Early Redemption or a Premature Redemption, the Fund will wire funds representing the value of the Participant's shares and dividends to the Participant's pre-authorized bank account, or funds will be transferred to the Participant's Cash Management Class account. In the absence of instructions from the Participant, these funds will be credited to a previously designated Cash Management Class account of the Participant.

Allocation of Losses. Any losses incurred by a MILAF+ Term series (other than losses resulting from Premature Redemption of shares of the series) shall be allocated among all shares of the series outstanding at the time such loss is incurred. Such a loss may result from a default on an investment or from a sale of an investment. If such a loss occurs, the redemption value per share could be lower than that on which the projected yield was quoted at the time of issuance of the share.

ADDITIONAL FUND PROGRAMS

Overview. From time to time the Advisor may, at the request or with the approval of the Board of Trustees, make other services or programs available to Participants of the Fund. Participants are advised that these additional services and programs (“Additional Programs”) are separate from the investment programs encompassed by the Fund, and the Board of Trustees of the Fund takes no responsibility for such services or programs. The parties offering such Additional Programs are solely responsible for them, and questions regarding any such Additional Program should be directed to the party offering it. The interests held under any Additional Program are in the name of the respective Participants and are not part of the assets of any series of the Fund.

Individual portfolios (“Individual Portfolios”) are designed to offer Participants a comprehensive solution to their investment needs and enable them to invest in fixed rate and longer-term investments in a manner that is coordinated by the Advisor with their investment in the Fund. Individual Portfolios may be appropriate for certain operating funds and reserves or for bond proceeds. They are created pursuant to a separate agreement between a Participant and the Advisor. The Custodian will hold assets other than certificates of deposit evidenced by safekeeping receipts of the issuing banking institution in an Individual Portfolio in a separate account in the Participant’s name.

Current Individual Portfolio arrangements are:

Fixed Income Investment Program. The Fixed Income Investment Program allows Participants to individually invest in fixed income investments permitted under Michigan law. The Advisor will offer investment advice on a non-discretionary basis and assist Participants in the purchase of these investments for an advisory fee, based upon factors such as the amount and complexity of the transaction.

Included in the instruments permitted under Michigan law, Participants may purchase certificates of deposit (“CDs”) through the Fixed Income Investment Program. Participants select from among CDs of varying maturities issued by a variety of financial institutions.

In order to simplify recordkeeping requirements for Participants in the Fixed Income Investment Program, all CD principal and interest is credited when received by the Custodian for the Fund to a Participant’s Fund account at maturity. Because interest is credited in the manner described above, a Participant who purchases a CD will not have use of the interest earned on the CD, including the opportunity for reinvestment of interest earned, until maturity.

Generally, CDs available through the Fixed Income Investment Program are issued by Michigan institutions whose deposits are insured by the Federal Deposit Insurance Corporation (“FDIC”) within limits prescribed by law. For each depositor that otherwise qualifies, interest and principal are fully insured, up to the applicable insurance limit. In order to maintain FDIC insurance coverage of both principal and interest on CDs purchased through the Fixed Income Investment Program, CDs may only be purchased amounts so that the total value of the CD and all interest thereon will not exceed the applicable insurance limit. For purposes of providing advice on CDs, the Advisor will assume, unless the Participant informs the Advisor to the contrary, that the Participant is entitled to FDIC insurance up to the applicable insurance limit on all CDs purchased through the Program.

ADDITIONAL FUND PROGRAMS - continued

Separate Account Management (SAM). In the SAM program, the Advisor works closely with each Participant to create a comprehensive investment strategy and Individual Portfolio for the Participant. Each SAM account is created by the Advisor following a review of budget and cash flow projections and schedules of the Participant. SAM accounts can be managed on either a discretionary or non-discretionary basis. Participants participating in the SAM program receive a cash flow review, investment policy review and assistance in determining acceptable benchmarks, in addition to other cash management services (during the term of the investment advisory agreement). SAM is designed to apply to all or a substantial portion of a Participant's cash flow on an annual basis.

Bond Account Management (BAM). In the BAM program, the Advisor works closely with the Participant to create a comprehensive investment strategy and Individual Portfolio for the Participant while focusing on the bond-financed project's disbursement needs. In addition, the Advisor offers arbitrage rebate services, investment policy review and development, cash flow modeling, and cash management services.

Additional Program Compensation.

The fees for the Additional Programs are negotiated directly by the Advisor with the Participant and determined after a review of various factors. The Advisor has agreed with the Fund that fees for the SAM program shall not exceed 12 basis points (0.12%) of the daily net assets under management of each SAM portfolio, subject to a minimum fee of \$15,000 for all SAM accounts. The Advisor has agreed with the Fund that fees for the BAM program shall not exceed 25 basis points (0.25%) of the daily net assets under management of each BAM portfolio. The Advisor has further agreed with the Fund that fees for the Fixed Income Investment Program shall not exceed the following:

- Certificates of Deposit: 0.25% annualized of the principal amount of each Certificate of Deposit.
- Commercial paper in minimum amounts of \$100,000 with minimum maturities of 30 days and maximum maturities of 270 days: 0.15% annualized of the principal amount.
- Bankers acceptances in minimum amounts of \$100,000 with minimum maturities of 30 days: 0.15% annualized of the principal amount.
- Government bonds, notes, bills, mortgages (excluding high risk mortgage-backed securities), and other securities, which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an Act of Congress: 0.15% annualized of the principal amount.

OTHER INFORMATION

The Name. The name "Michigan Liquid Asset Fund Plus" is the designation of the Fund under its Declaration of Trust. The Declaration of Trust provides that the name of the Fund refers to the Trustees collectively in such capacity and not personally or as individuals. All persons dealing with the Fund must look solely to the Fund property for the enforcement of any claims against the Fund since neither the Trustees, Officers, agents, nor Participants assume any personal liability for obligations entered into on behalf of the Fund.

SERVICE PROVIDER INFORMATION

INVESTMENT ADVISOR

PFM Asset Management LLC
305 East Eisenhower Parkway, Suite 305
Ann Arbor, MI 48108

ADMINISTRATOR

PFM Asset Management LLC
One Keystone Plaza, Suite 300
North Front & Market Streets
Harrisburg, PA 17101

CUSTODIAN

Fifth Third Bank
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Cincinnati, OH 45263

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