

Michigan Liquid Asset
Fund Plus
Term Series F
Financial Statements
March 31, 2009



Table of Contents

About MILAF+	1
Report of Independent Auditors	4
Statement of Assets and Liabilities	5
Statement of Operations	5
Statement of Changes in Net Assets	6
Financial Highlights	6
Notes to Financial Statements	7

*This information does not represent an offer to sell or a solicitation of an offer to buy or sell any fund or other security. Investors should consider the investment objectives, risks, charges and expenses before investing in any of the Fund's series. This and other information about the Fund's series is available in the Fund's current Information Statement, which should be read carefully before investing. A copy of the Fund's Information Statement may be obtained by calling 1-877-GO-MILAF or is available on the Fund's website at www.milaf.org. While the MILAF+ Cash Management Class and Max Class seek to maintain a stable net asset value of \$1.00 per share and the MILAF+ TERM series seek to achieve a net asset value of \$1.00 per share at its stated maturity, it is possible to lose money investing in the Fund. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. Shares of the Fund's portfolios are distributed by **PFM Fund Distributors, Inc.**, member Financial Industry Regulatory Authority (FINRA) (www.finra.org). PFM Fund Distributors, Inc. is a wholly owned subsidiary of PFM Asset Management LLC. Member SIPC.*

About MILAF+

The Michigan Liquid Asset Fund Plus (“MILAF+”) was established on May 22, 1987 as a common law trust organized in accordance with the school code of the State of Michigan and the Urban Cooperation Act. It was created to provide professional investment services to Michigan school districts and municipalities at a reasonable cost. MILAF+ offers its Participants multiple professionally managed portfolios which offer competitive money market rates. MILAF+ stresses “safety of principal” as the number one objective and each of its portfolios are rated by Standard and Poor’s. Additional fixed income investment products are available through the Investment Adviser to assist MILAF+ Participants in seeking to maximize results.

Public Focus

Since it was established, the single focus of MILAF+ has been serving the investment needs of its Participants. MILAF+ is directed by a Board of Trustees, all of whom are financial or management officials of Michigan schools, municipalities or associations thereof. The MILAF+ Board of Trustees contracts for services with professional service providers who are industry leaders in their fields. As a result, MILAF+ is accountable solely to its Participants.

Investment Options

Currently, MILAF+ offers Participants the Cash Management Class and the MAX Class of the MILAF+ Portfolio, a short-term money market fund rated AAAM* by Standard and Poor’s, and also MILAF+ Term, which offers Participants fixed-term investments with a minimum maturity of 60 days to a maximum maturity of up to one year and is rated AAAF* by Standard and Poor’s. Additionally, fixed-term investments and individually managed portfolios, which are not a part of MILAF+, are available under a separate agreement with the MILAF+ investment adviser.

The Cash Management Class

The Cash Management Class of the MILAF+ Portfolio seeks to provide daily liquidity and earn a high level of income, consistent with its objectives of preserving principal. This class offers Participants daily liquidity, interest earned daily and credited monthly, competitive money market rates and unlimited checkwriting privileges.

The MAX Class

The Max Class of the MILAF+ Portfolio seeks to preserve principal, but provide investors an alternative for funds which don’t need to be as liquid as those in the Cash Management Class.

MILAF+ TERM

The Board of Trustees approved the creation of the MILAF+ Term portfolio in October 2004. Projected earnings rate is determined when the shares are purchased and earnings are declared and paid on a planned withdrawal date. Multiple MILAF+ Term series will be created with staggered maturity dates. Each Series of MILAF+ Term is a

** These ratings are based on Standard & Poor’s (“S&P”) analysis of each portfolio’s credit quality, market price exposure and management. According to S&P rating criteria, the AAAM rating signifies excellent safety of invested principal and a superior capacity to maintain a \$1.00 per share net asset value and the AAAF rating that a fund’s portfolio holdings provide extremely strong protection against losses from credit defaults. However, it should be understood that these ratings are not a “market” rating or a recommendation to buy, hold or sell the securities.*

portfolio of Permitted Investments and will have a Series-specific Scheduled Withdrawal Date. The investment strategy of MILAF+ Term is to match the cash flows required to meet Participants' planned withdrawals, including the projected earnings, with the cash flows from the portfolio. Funds of a Participant would be invested in MILAF+ Term through same day wire or transfers from the Participant's account in the Cash Management Class. Upon withdrawal of a MILAF+ Term investment, funds will be transferred to the Participant's account in the Cash Management Class or upon the request of a Participant, transferred by bank wire to a pre-authorized Participant bank account.

Fixed Income Investment Program

The Board of Trustees has approved the Investment Adviser making available to Participants a fixed income investment program. This program will allow Participants to individually invest in securities issued by the United States Government or agencies or instrumentalities thereof, certificates of deposit and other fixed income investments permitted by Michigan law. The Investment Adviser 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. The CDs available through this program are usually issued in denominations up to the maximum amount insured by the FDIC and are not held as a part of MILAF+, and, within the limits and to the extent of insurance provided by the FDIC, may be separately insured by the FDIC from any certificates of deposit which may be held by MILAF+.

Individually Managed Portfolios

Individualized portfolios ("Individual Portfolios") are designed to offer Participants a comprehensive solution to their investment needs and enable them to invest in longer-term investments in a manner that is coordinated by the Investment Adviser with their investment in MILAF+. The portfolios are created pursuant to a separate agreement between a Participant and MILAF+'s Investment Adviser. The Investment Adviser has agreed with MILAF+ that fees for these programs shall not exceed 25 basis points (0.25%) of the daily net assets under management in each respective portfolio. The Custodian will hold assets in an Individual Portfolio in a separate account in the Participant's name. Individual Portfolios may be appropriate for certain operating funds and reserves ("Separate Account Management") or for bond proceeds ("Bond Account Management"), as further described below:

Separate Account Management (SAM) In the SAM program, the Investment Adviser works with each Participant to create a comprehensive investment strategy and individualized portfolio of fixed income investments for that Participant. Each SAM account is created by the Investment Adviser following a review of budget and cash flow projections and schedules. SAM accounts can be managed on either a discretionary or non-discretionary basis. Participants participating in the SAM program may 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).

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

Services

To simplify investing, MILAF+ also offers a variety of cash management tools to assist public agencies in effectively managing their cash, such as automatic transfers, which help Participants minimize the effort of transferring funds. MILAF+ also provides unlimited sub-accounting, which allows Participants to easily track investments for different funds or entities. As a Participant in MILAF+, you may access your account information 24 hours a day, seven days a week through EON. This on-line service provided by the Investment Adviser offers complete, up-to-date account and investment information, pertinent general information, transaction input up to six months in advance, current and previous monthly statements, and current yield information. MILAF+'s Investment Adviser also provides a number of specialized services for bond proceeds to help Participants comply with complex arbitrage rebate regulations. These services include expenditure tests and arbitrage rebate tracking.

We Value Your Participation

The Board of Trustees is committed to managing MILAF+ in a manner that meets the investment and associated record-keeping and cash management needs of its Participants. We are interested in your feedback. For additional information, please call us at 1-877-GO-MILAF or visit us online at www.milaf.org.

Report of Independent Auditors

To the Board of Trustees of Michigan Liquid Asset Fund Plus and
the Participants of the MILAF+ Term Series F

In our opinion, the accompanying statement of assets and liabilities, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of MILAF+ Term Series F (the "Fund") at March 31, 2009, and the results of its operations, the changes in its net assets and the financial highlights for the period October 11, 2007 (commencement of operations) through March 31, 2009, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these financial statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.



New York, New York

July 24, 2009

MILAF+ Term Series F

Statement of Assets and Liabilities

March 31, 2009

Assets	
Cash	\$ 28,048
Total assets	28,048
Liabilities	
Investment advisory and administration fees payable	11,032
Audit fees payable	15,000
Banking fees payable	766
Legal fees payable	100
Trustee expenses payable	1,150
Total liabilities	28,048
Net Assets	\$ -

Statement of Operations

Period October 11, 2007⁽¹⁾ through March 31, 2009

Investment Income	
Interest income	\$ 1,322,274
Expenses	
Investment advisory and administration fees	73,311
Banking fees	4,762
Audit fees	15,000
Rating fees	3,250
Legal fees	2,247
Trustee expenses	1,492
Liability Insurance premiums	899
Total expenses	100,961
Net Investment Income	1,231,313
Net Realized Gain on Sale of Investments	85,165
Net Increase in Net Assets Resulting from Operations	\$ 1,316,478

(1) Date of commencement of operations.

The accompanying notes are an integral part of these financial statements.

MILAF+ Term Series F

Statement of Changes in Net Assets

Period October 11, 2007⁽¹⁾ through March 31, 2009

INCREASE IN NET ASSETS	
Operations	
Net investment income	\$ 1,231,313
Net realized gain on sale of investments	85,165
Net increase in net assets	1,316,478
Distributions	
Net investment income	(1,231,313)
Net realized gain on sale of investments	(85,165)
Total distributions	(1,316,478)
Capital Transactions	
Issued	136,285,150
Redeemed	(137,596,834)
Distributions reinvested	1,311,684
Net increase	—
Net Assets	
Beginning of period	—
End of period	\$ —

Financial Highlights

Period October 11, 2007⁽¹⁾ through March 31, 2009

Ratio of expenses to average net assets ⁽²⁾	0.21%
Ratio of net investment income to average net assets ⁽²⁾	2.53%
Total return ⁽³⁾	4.61%

(1) Date of commencement of operations.

(2) Ratios are computed on an annual basis using the period during which shares of MILAF+ TERM Series F were outstanding. Shares of MILAF+ TERM Series F were outstanding from October 11, 2007 through March 31, 2009 a period of 538 days.

(3) Unannualized.

The financial highlights are calculated for the Fund taken as a whole. The computation of such ratios and total return for an individual investor may vary based on the timing of capital transactions.

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

A. Description of the Fund

The Michigan Liquid Asset Fund Plus (the “MILAF+”) was established on May 22, 1987 as a common law trust organized in accordance with the school code of the State of Michigan and the Urban Cooperation Act of 1967. Shares of MILAF+’s portfolios are offered exclusively to Michigan School Districts and municipalities. The purpose of MILAF+ is to enable such districts to pool their available funds for investment. MILAF+ may only invest in instruments as authorized by Sections 622, 1221 and 1223 of the school code (“Permitted Investments”).

In its original form, the Fund operated as a single liquid portfolio in a manner similar to a money market fund. On December 24, 1990, the participants in the Fund’s programs approved an amendment to the Fund’s Declaration of Trust to authorize the creation of multiple investment portfolios or “Series” within MILAF+. MILAF+ currently consists of the Cash Management and MAX Classes of the MILAF+ Portfolio, the Government Series, several Fixed Term Series and the MILAF+ Term Series. The MILAF+ Portfolio was previously referred to as the Cash Management Series. The MILAF+ MAX Series commenced on January 14, 1991 and ceased operations on October 31, 2006, at which time its assets were merged into the MAX Class of the MILAF+ Portfolio. The Cash Management Class of the MILAF+ Portfolio commenced operations on July 17, 1987 and the MILAF+ Term Series commenced operations on March 17, 2005. As of March 31, 2009, the Government Series had no assets.

MILAF+ Term’s shares have termination dates of up to one year. Each Series of MILAF+ Term is a portfolio of Permitted Investments and will have a Series-specific termination date. Multiple MILAF+ Term Series are created with staggered maturity dates. MILAF+ Term offers its Participants an estimated yield on their investments when the shares are purchased. The investment strategy of MILAF+ Term is to match as closely as possible the cash flows required to meet Participants’ planned redemptions, including the projected dividend, with the cash flows from the portfolio. Consistent with this strategy, active trading of securities held by the portfolio will be practiced with the objective of enhancing the overall yield of the portfolio. There can be no assurance that the strategy will be successful or that the objective will be achieved. A Participant only receives dividends from the investment of the MILAF+ Term Series in which it is invested. At the termination date of any MILAF+ Term Series, any excess net income of the Series may be distributed in the form of a supplemental dividend only to Participants of the Series that are outstanding on the termination date of the Series, and the excess net income will be allocated on a pro rata basis to all Participants then outstanding. MILAF+ Term Series F terminated operations March 31, 2009. Shares of MILAF+ Term Series F were outstanding from October 11, 2007 through March 31, 2009.

These financial statements and related notes encompass only MILAF+ Term Series F (the “Fund”). The MILAF+ Term Series are issued in series with specified termination dates. The financial statements of each MILAF+ Term Series are prepared following the termination date of each individual MILAF+ Term Series.

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

B. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

Use of estimates in financial statement preparation

The accompanying financial statements of the Fund have been prepared on the basis of accounting principles generally accepted in the United States of America (“GAAP”). The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Valuation of investments

The Fund's portfolio securities are valued at amortized cost, which approximates fair value. The amortized cost method involves valuing a security at its cost on the date of purchase and recording a constant amortization or accretion to maturity of any premium or discount. It is Fund's policy to compare amortized cost and fair values of the securities periodically throughout each month and as of the last business day each month. Fair value is determined by reference to quoted market prices.

Investment transactions

Security transactions are accounted for on trade date (date the order to buy or sell is executed). Costs used in determining realized gains and losses on the sale of investment securities are those of specific securities sold. Interest income is recorded using the accrual method. Discounts and premiums are accreted and amortized, respectively, to interest income over the lives of the respective securities.

Income tax status

Pursuant to Section 115 of the Internal Revenue Code, because the Fund performs an essential governmental function, income generated by the Fund should not be subject to Federal income taxes. Furthermore, income of the Fund also should not be subject to state and local income taxes. Accordingly, no provision for income tax is required in the financial statements.

Repurchase agreements

Repurchase agreements entered into with broker-dealers are secured by U.S. government or agency obligations. The Fund's custodian takes possession of the collateral pledged for investments in repurchase agreements. Repurchase agreements are collateralized at 102% of the obligation's principal and interest value. In the event of default on the obligation to repurchase, the Fund has the right to

liquidate the collateral and apply the proceeds in satisfaction of the obligation. If the seller defaults and the value of the collateral declines, realization of the value of the obligation by the Fund may be delayed. In the event of default or bankruptcy by the other party to the agreement, realization and/or retention of the collateral may be subject to delays from legal proceedings.

Income and expense allocations

Certain expenses of MILAF+, such as legal fees, trustee expenses and insurance premiums are allocated between the MILAF+ Portfolio and each MILAF+ Term Series based on the relative net assets of each when such expense are incurred. Income, realized gains and losses and expense specific to Series of MILAF+ Term, such as investment advisory, administration, audit, banking and rating fees, are allocated to the MILAF+ Term Series to which they relate.

C. Fund Expenses

Investment advisory, administration and distribution services

Pursuant to an Investment Advisory Agreement with MILAF+, PFM Asset Management LLC ("PFM") serves as the Investment Adviser and Administrator of the Fund, and PFM's wholly-owned subsidiary, PFM Fund Distributors, Inc., serves as Distributor of the Fund.

Under the terms of its Investment Advisory Agreement with MILAF+ each MILAF+ Term series pays PFM a monthly fee for investment advisory and administration at the annual rate of 0.15% of average daily net assets. Such fee is calculated daily and paid monthly. At its discretion, PFM may waive some or all of its fees for each MILAF+ Term Series, and such waiver may be discontinued at any time. PFM Fund Distributors, Inc. is not separately compensated for the marketing services it provides to the Fund.

Representations and indemnifications

MILAF+ has entered into agreements with several of its service providers which provide for indemnification against losses, costs, claims and liabilities arising from the performance of their obligations under such agreements, except for gross negligence or bad faith. The Fund has had no claims or payments pursuant to these or prior agreements, and the Fund's management believes the likelihood of a claim being made is remote.

D. Dividends and Distributions

Dividends to Participants 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.



Sponsoring Organizations

Michigan Association of School Administrators

William H. Mayes, Executive Director

Michigan Association of School Boards

Kathleen Hayes, Executive Director

Michigan School Business Officials

David Martell, Executive Director

Service Providers

Investment Adviser & Administrator

PFM Asset Management LLC

One Keystone Plaza, Suite 300
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Harrisburg, Pennsylvania 17101-2044
222 North LaSalle, Suite 910
Chicago, Illinois 60601

Distributor

PFM Fund Distributors, Inc.

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305 Eisenhower Parkway, Suite 305
Ann Arbor, Michigan 48108

Custodian & Cash Management Bank

Fifth Third Bank

38 Fountain Square Plaza
Cincinnati, Ohio 45263

Independent Auditors

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New York, New York 10017

Legal Counsel

Thrun Law Firm, P.C.

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East Lansing, Michigan 48823

Trustees and Officers

Chairperson and Trustee

Mary A. Reynolds

Executive Director of Business Services
Farmington Public Schools

Vice Chairperson and Trustee

Marios Demetriou

Associate Superintendent for
Administrative Services
Muskegon Area Intermediate School District

Secretary and Trustee

Kathleen Hayes

Executive Director
Michigan Association of School Boards

Treasurer and Trustee

Brian Marcel

Assistant Superintendent
of Business Services
Washtenaw Intermediate School District

Kyle Anderson

Director of Business Services
Anchor Bay School District

Robert Colby

Superintendent
Huron Intermediate School District

Michael Cuneo

Executive Director of Business Services
Rockford Public Schools

John Fitzgerald

Financial Services Director
Oakland School District

David Kreager

President of Board of Education
Gull Lake Community Schools

David Martell

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Michigan School Business Officials

William H. Mayes

Executive Director
Michigan Association of
School Administrators

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Michigan Liquid Asset Fund Plus

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