Michigan Liquid Asset Fund Plus

Annual Report

September 30, 2017

MILAF+
MICHIGAN LIQUID ASSET FUND PLUS

Table of Contents

This information is for institutional investor use only, not for further distribution to retail investors, and 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 Michigan Liquid Asset Fund Plus' ("MILAF+" or the "Trust") series. This and other information about the Trust's series is available in the Trust's current Information Statement, which should be read carefully before investing. A copy of the Trust's Information Statement may be obtained by calling 1-877-GO-MILAF or is available on the Trust's website at www.milaf.org. While the Cash Management Class, Max Class, and GovMIC Class seek to maintain a stable net asset value of $1.00 per share and the Michigan 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 Trust. An investment in the Trust is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Shares of the Trust's portfolios are distributed by ***PFM Fund Distributors, Inc.****, member Financial Industry Regulatory Authority (FINRA)(www.finra.org) and Securities Investor Protection Corporation (SIPC) (www.sipc.org). PFM Fund Distributors, Inc. is a wholly owned subsidiary of PFM Asset Management LLC.*

Report of Independent Auditors

To the Board of Trustees of the Michigan Liquid Asset Fund Plus

We have audited the accompanying financial statements of the MILAF+ Portfolio, Michigan Term Series SEPT 2018 and Michigan Term Series SEPT 2019, which comprise the statements of net position as of September 30, 2017, and the related statements of changes in net position for the year or period then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the MILAF+ Portfolio, Michigan Term Series SEPT 2018 and Michigan Term Series SEPT 2019 at September 30, 2017, and the changes in their net position for the year or period then ended, in conformity with U.S. generally accepted accounting principles.

Required Supplementary Information

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis on pages 2 through 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying Schedules of Investments of the MILAF+ Portfolio, Michigan Term Series SEPT 2018 and Michigan Term Series SEPT 2019 as of September 30, 2017 are presented for purposes of additional analysis and are not required parts of the basic financial statements. Such information is the responsibility of management. The information has not been subjected to the auditing procedures applied in the audits of the basic financial statements, and accordingly, we express no opinion on them.

Ernst + Young LLP

Philadelphia, Pennsylvania
January 24, 2018

Management's Discussion and Analysis

We are pleased to present the Annual Report for the Michigan Liquid Asset Fund Plus ("MILAF+" or, the "Trust") for the year ended September 30, 2017. Management's Discussion and Analysis is designed to focus the reader on significant financial items and provide an overview of the Trust's activities for the year ended September 30, 2017. The Trust's financial statements have been prepared in conformity with the reporting framework prescribed by the Governmental Accounting Standards Board ("GASB") for local government investment pools.

Economic Update

The slow, steady expansion of the U.S. economy has continued through the year with September 2017 as the 99th month of continuous expansion since the end of the 2008 financial crisis. This is the third-longest expansion streak in U.S. history, after the tech boom that ended in the early 2000s and the decade of the 1960s. In this recovery, the pace of growth has been modest, ranging around 2%. Consumer spending has been the main driver, accounting for approximately 70% of gross domestic product.

The economy gained unexpected momentum in November 2016 with the U.S. Presidential election results fueling a burst of market optimism. This led to a surprising post-election domestic equity rally and a notable rise in interest rates. As a result, the Federal Reserve (the "Fed") raised the overnight bank rate in December 2016, following an unusually long 12-month period since its first rate hike of this business cycle.

The Fed also laid out a path for additional rate increases in 2017 and by the end of the 3rd quarter, had increased rates twice to breach 1.00% for the first time since 2008. Notably, in mid-September, the Fed announced it would begin to reduce its purchases of open market securities, which have swelled its balance sheet to nearly $4.5 trillion. Higher overnight rates and a shrinking balance sheet should pressure interest rates higher across the entire yield curve, though for reasons described below, we do not expect the increases to be sudden or sharp.

The Fed has a dual mandate: to promote a healthy labor market and keep core inflation around 2%. With the unemployment rate convincingly below 4.5%, there is strong evidence that the first mandate is being successfully addressed. Price stability, defined by the Fed as core prices rising at a rate of 2% a year, remains elusive. This limits the Fed's efforts to tighten monetary policy. Long-term interest rates are strongly influenced by inflation expectations and modest inflation has dampened the effect of the Fed interest rate increases on longer-maturity bonds.

Very low interest rates in other developed economies are another constraint. Ten-year U.S. Treasury rates have been under 2.40% for much of the year. By contrast, ten-year German government bond rates have been below 0.50% and Japanese rates are barely above zero. These levels effectively create a cap on interest rates in the U.S. since investor capital flows freely among countries. The pace of economic growth in non-U.S. developed nations has lagged behind growth in the U.S. for several years, but the balance seems to have changed in recent months and many economists have raised their forecasts for global growth while moderating their outlooks for the U.S.

Reduced tensions in Europe have been a counter-weight to the rising political uncertainty in the U.S. The election of President Donald Trump in November initially led investors to factor in a strong set of pro-growth government policies, including an infrastructure investment plan, reduction in Federal regulation of the economy and large tax cuts. The "Trump trade" dominating markets from November through the first months of 2017 bid equity prices up sharply and pushed long-term interest rates higher. This momentum petered out in the early months of this year because policy changes have yet to be put in place.

In the coming months, instead of leading the global economy ahead, the U.S. economy, particularly U.S.-based global businesses, is likely to depend more heavily on an improved global economy for momentum.

PFM Asset Management LLC's Portfolio Strategy

PFM's asset management team employed active management of the Trust's portfolios throughout the fiscal period to take advantage of opportunities present in the market. In the MILAF+ Portfolio, we maintained the weighted average maturity toward the maximum permitted by the Trust's investment policy for most of the period in order to take advantage of higher yields offered by securities with somewhat longer maturities, especially those offered by high quality money market instruments. However, in the weeks leading up to the Fed rate hikes, we shortened maturities to position the portfolio for higher rates and seek protection from market value erosion. This resulted in the MILAF+ Portfolio yield rising significantly over the period, in tandem with overall rises in short-term rates. We expect to maintain this strategy in coming months, balancing the opportunity for higher yields in longer-maturing investments with the goal of protecting the portfolio's net asset value when rates rise.

In Michigan Term, we sought opportunities to invest funds in commercial paper and negotiable certificates of deposit with maturities of up to one year to benefit from the higher interest rates available in money market securities that mature in two to 12 months. Thus, investors in Michigan Term benefitted from higher rates as well. We believe the combination of investment options available through the MILAF+ Portfolio and Michigan Term represents attractive alternatives to prime money market funds and lower-yielding government money market funds.

As we observed in 2016, outlooks and markets change and we are on alert for indicators showing the pace of rate hikes accelerating due to quickening economic activity or rising inflation — or diminishing due to rising risk. We are ready to adjust our portfolio strategy in either case. As always, our primary objectives are to protect the value of each portfolio's shares and to provide liquidity for investors. We will continue to work hard to achieve these goals and focus on increasing investment yield after more than eight years of near-zero interest rates

Financial Statement Overview

Management's Discussion and Analysis provides an overview of the financial statements of the Trust's MILAF+ Portfolio, Michigan Term Series SEPT 2018 and Michigan Term Series SEPT 2019 (each a "Portfolio" and, collectively, the "Portfolios"). The financial statements for each Portfolio include a Statement of Net Position and Statement of Changes in Net Position. These financial statements are supported by the Notes to Financial Statements. In addition, Schedules of Investments for each Portfolio are included as Supplementary Information following the Notes to Financial Statements.

Condensed Financial Information and Analysis

The Statements of Net Position present the financial position of each Portfolio at September 30, 2017 and include all assets and liabilities of each Portfolio. The difference between total assets and total liabilities, which is equal to the investor's interest in the Portfolio's net position, is shown below for the current and prior fiscal year-end dates, as applicable:

	MILAF+ Portfolio		Michigan Term Series SEPT 2018	Michigan Term Series SEPT 2019
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2017
Total Assets	$ 1,627,465,846	$ 1,659,883,074	$ 76,433,928	$ 263,292,713
Total Liabilities	(14,000,708)	(2,813,470)	(109,797)	(93,909)
Net Position	$ 1,613,465,138	$ 1,657,069,604	$ 76,324,131	$ 263,198,804

Total assets of the Portfolios fluctuate as investable assets rise and fall when capital shares are issued and redeemed. The decrease in total assets of the MILAF+ Portfolio is primarily comprised of a $33,476,771 decrease in cash and cash equivalents with an offsetting increase of $1,031,869 in investments. The decrease in cash and cash equivalents is primarily due to investing cash assets which were earning compensating cash balances into higher yielding investments as interest rates rose over the past fiscal year. The increase in total liabilities of the MILAF+ Portfolio is mainly due to an $11,076,586 increase in subscriptions received in advance, which are investments received at the Portfolio's bank account to purchase shares before notification has been received and share issuance completed.

Michigan Term Series SEPT 2018 commenced operations on September 19, 2016. As of September 30, 2017, its total assets are mostly comprised of $76,149,816 in investments and $283,579 in cash and cash equivalents. Michigan Term Series SEPT 2018's liabilities include accrued fees payable to its service providers, net of any investment advisory or other waivers. Any additional waivers will be determined upon its termination date. On July 24, 2017, the Board of Trustees approved terminating Michigan Term Series SEPT 2018 effective November 24, 2017, prior to its scheduled termination date of September 30, 2018.

Michigan Term Series SEPT 2019 commenced operations on April 13, 2017. As of September 30, 2017, its total assets are comprised of $263,102,148 in investments and $190,565 in cash and cash equivalents. Michigan Term Series SEPT 2019's liabilities include accrued fees payable to its service providers but exclude any investment advisory or other waivers. Any such waivers will be determined upon its scheduled termination date of September 30, 2019.

The Statement of Changes in Net Position presents the Trust's activity during each reporting period. Yearly variances in the gross income generated by the Portfolios are impacted by the overall rate environment described in the preceding paragraphs. Average net assets also impact the net investment income, as well as certain of the expense line items that are based on a percent of portfolio net assets and other fixed costs that are spread over the average net assets. Activity within the Portfolios consists of net investment income, net realized gains on sale of investments – which occur whenever investments are sold for more than their carrying value – and net shares issued and redeemed by investors, as outlined below for the current and prior fiscal periods, as applicable:

	MILAF+ Portfolio		**Michigan Term Series SEPT 2018**	**Michigan Term Series SEPT 2019**
	Year ended September 30, 2017	**Year ended September 30, 2016**	**September 19, 2016[1] through September 30, 2017**	**April 13, 2017[1] through September 30, 2017**
Investment Income	$ 18,412,297	$ 7,895,155	$ 2,831,743	$ 738,803
Net Expenses	(4,786,234)	(3,120,445)	(343,407)	(104,512)
Net Investment Income	13,626,063	4,774,710	2,492,836	634,291
Realized Gains on Sale of Investments	79,335	142,463	9,898	-
Net Capital Shares Issued/ (Redeemed)	(57,309,864)	516,798,640	73,825,897	262,564,513
Change in Net Position	$ (43,604,466)	$ 521,715,813	$ 76,324,131	$ 263,198,804

(1) Commencement of operations for each respective Term Series.

The investment income of the Portfolios is driven by a combination of the amount of investable assets and the general short-term interest rate environment that impacts the yields on investments the Portfolios can purchase. On a net basis, there was a 2.6% decrease in the MILAF+ Portfolio's net assets in the current year. However, the average net assets for the current fiscal year were approximately 26.6% higher vs the prior fiscal year. This higher average net asset base, as well as the cumulative 75 basis point increase in the federal funds target rate during the fiscal year, resulted in an increase in investment income year-over-year. Asset-based fees in the MILAF+ Portfolio increased primarily due to the increase in average net assets vs the prior year, as well as a decrease in voluntary waivers of such fees in the amount of $580,336 by the Trust's service providers as compared to the prior year. Additionally, as short-term interest rates rose, some of the cash which was previously left on deposit at the custodian to generate bank earnings credits was instead invested in higher yielding investments. This resulted in a $185,835 reduction in bank earnings credits on cash balances, which are reflected as expenses paid indirectly on the Statement of Changes in Net Position.

Michigan Term Series SEPT 2018 commenced operations on September 19, 2016. Through September 30, 2017, this series issued $499,486,815 worth of shares and earned $2,831,743 of investment income as those assets were invested. The net expenses of Michigan Term Series SEPT 2018 include an investment advisory fee of 0.15% of its average daily net assets, so as assets increase this amount also increases. The net expenses of Michigan Term Series SEPT 2018 include investment advisory fee waivers in the amount of $55,500. The net expenses may be further reduced in the future by any investment advisory or other waivers which will be determined upon Michigan Term Series SEPT 2018's termination date.

Michigan Term Series SEPT 2019 commenced operations on April 13, 2017. Michigan Term Series SEPT 2019 issued $296,944,364 worth of shares in the portion of the current fiscal year it was active and earned $738,803 of investment income as those assets were invested. The net expenses of Michigan Term Series SEPT 2019 include an investment advisory fee of 0.15% of its average daily assets, so as assets increase this amount also increases. However, this amount may be reduced in the future by any investment advisory or other waivers which will be determined upon Michigan Term Series SEPT 2019 scheduled termination date on September 30, 2019.

The total returns of the MILAF+ Portfolio's Cash Management Class, MAX Class and GovMIC Class for the year ended September 30, 2017 were 0.71%, 0.86% and 0.89%, up from 0.31%, 0.37% and 0.38%, respectively, for the year ended September 30, 2016. The return of each investor's investments in a Michigan Term varies based on the timing and rate at which they invest. Select financial highlights for each of the Portfolios for the current fiscal period, as compared to the prior fiscal period, as applicable, are as follows:

	MILAF+ Portfolio		Michigan Term Series SEPT 2018	Michigan Term Series SEPT 2019
	Year Ended September 30, 2017	Year Ended September 30, 2016	September 19, 2016[1] through September 30, 2017	April 13, 2017[1] through September 30, 2017
Ratio of Net Investment Income to Average Net Assets:			1.06%	1.27%
Cash Management Class	0.70%	0.32%		
MAX Class	0.86%	0.37%		
GovMIC Class	0.88%	0.39%		
Ratio of Net Investment Income to Average Net Assets, Before Fee Waivers and Expenses Paid Indirectly:			1.03%	1.27%
Cash Management Class	0.67%	0.17%		
MAX Class	0.83%	0.32%		
GovMIC Class	0.88%	0.38%		
Ratio of Expenses to Average Net Assets:			0.14%	0.21%
Cash Management Class	0.38%	0.27%		
MAX Class	0.23%	0.21%		
GovMIC Class	0.21%	0.22%		
Ratio of Expenses to Average Net Assets, Before Fee Waivers and Expenses Paid Indirectly:			0.17%	0.21%
Cash Management Class	0.41%	0.42%		
MAX Class	0.26%	0.26%		
GovMIC Class	0.21%	0.23%		

(1) Commencement of operations for each respective Term Series.

The ratios above are computed for each Portfolio taken as a whole. For each Michigan Term series, these ratios are calculated on an annualized basis using the period during which shares of each Portfolio were outstanding as noted above. The computation of such ratios for an individual investor in a Michigan Term series and net asset value of each investor's investment in a Michigan Term series may vary based on the timing of capital transactions and rate upon which they invest.

The ratio of net investment income to average net assets for the MILAF+ Portfolio rose due to the increase in investment income noted above. The ratio of expenses to average net assets on a pre-waiver basis did not change significantly year-over-year for the classes of the MILAF+ Portfolio since the bulk of these expenses are calculated as a percentage of net assets. The impact of fee waivers in the current year was 0.03% for the Cash Management and MAX Classes, a decrease from 0.15% and 0.05%, respectively, the prior year. There was not a significant impact of fee waivers in the current year's ratios for the GovMIC Class, which had an impact of 0.01% for that class the prior year.

Since Michigan Term Series SEPT 2018 and Michigan Term Series SEPT 2019 were not reported during the prior fiscal year, they had no prior year ratios for comparison purposes. Both Michigan Term series' net investment income ratios reflect the higher general interest rate environment as their assets were invested. The expense ratios of the each Michigan Term series include an investment advisory fee of 0.15% of its average daily net assets, as well as other operating expenses. However, the expense ratio for Michigan Term Series SEPT 2018, was reduced by 0.03% during the current reporting period as a result of $55,500 of investment advisory fee waivers. There were no such waivers during the current reporting period for Michigan Term Series SEPT 2019. There may be future investment advisory or other waivers which will be determined upon each series' termination date.

Statements of Net Position

September 30, 2017

	MILAF+ Portfolio	Michigan Term Series SEPT 2018	Michigan Term Series SEPT 2019
Assets			
Investments	$ 1,612,245,072	$ 76,149,816	$ 263,102,148
Cash and Cash Equivalents	14,507,887	283,579	190,565
Interest Receivable	709,069	-	-
Prepaid Expenses	3,818	533	-
Total Assets	1,627,465,846	76,433,928	263,292,713
Liabilities			
Subscriptions Received in Advance	13,482,454	-	-
Investment Advisory Fees Payable	95,095	84,061	66,571
Administration Fees Payable:		-	-
Cash Management Class	79,476		
MAX Class	66,591		
GovMIC Class	11,234		
Marketing Fees Payable	42,369	-	-
Sponsorship and Consulting Fees Payable:		-	-
Cash Management Class	40,776		
MAX Class	41,544		
Banking Fees Payable	53,689	440	1,298
Audit Fees Payable	29,656	23,500	23,500
Legal Fees Payable	1,925	100	283
Other Accrued Expenses	55,899	1,696	2,257
Total Liabilities	14,000,708	109,797	93,909
Net Position	$ 1,613,465,138	$ 76,324,131	$ 263,198,804
Net Position Consists of:			
Cash Management Class (applicable to 528,384,896 outstanding shares of beneficial interest; unlimited authorization; no par value; equivalent to $1.00 per share)	$ 528,384,896		
MAX Class (applicable to 903,393,002 outstanding shares of beneficial interest; unlimited authorization; no par value; equivalent to $1.00 per share)	$ 903,393,002		
GovMIC Class (applicable to 181,687,240 outstanding shares of beneficial interest; unlimited authorization; no par value; equivalent to $1.00 per share)	$ 181,687,240		
Michigan Term Series SEPT 2018 (applicable to 76,387,629 outstanding shares of beneficial interest; unlimited authorization; no par value)		$ 76,324,131	
Michigan Term Series SEPT 2019 (applicable to 264,469,494 outstanding shares of beneficial interest; unlimited authorization; no par value)			$ 263,198,804

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

Statements of Changes in Net Position

	MILAF+ Portfolio Year Ended September 30, 2017	Michigan Term Series SEPT 2018 September 19, 2016[1] through September 30, 2017	Michigan Term Series SEPT 2019 April 13, 2017[1] through September 30, 2017
Income			
Investment Income	$ 18,412,297	$ 2,831,743	$ 738,803
Expenses			
Investment Advisory Fees	1,216,410	355,061	75,571
Administration Fees:		-	-
Cash Management Class	1,014,745		
MAX Class	836,402		
GovMIC Class	165,479		
Marketing Fees	541,699	-	-
Sponsorship and Consulting Fees:		-	-
Cash Management Class	522,983		
MAX Class	523,464		
Cash Management Fees:		-	-
Cash Management Class	199,636		
Custody Fees	54,186	7,697	2,072
Audit Fees	30,800	23,500	23,500
Legal Fees	33,593	4,614	1,080
Other Expenses	34,723	8,035	2,289
Total Expenses	5,174,120	398,907	104,512
Less: Investment Advisory Fee Waivers	-	(55,500)	
Administration Fee Waivers	(163,976)	-	-
Sponsorship Fee Waivers	(167,184)	-	-
Expenses Paid Indirectly	(56,726)	-	-
Net Expenses	4,786,234	343,407	104,512
Net Investment Income	13,626,063	2,492,836	634,291
Other Income			
Net Realized Gain on Sale of Investments	79,335	9,898	-
Net Increase from Investment Operations Before Capital Transactions	13,705,398	2,502,734	634,291
Capital Shares Issued:		499,486,815	296,944,364
Cash Management Class	4,351,126,255		
MAX Class	3,389,187,729		
GovMIC Class	784,400,825		
Capital Shares Redeemed:		(425,660,918)	(34,379,851)
Cash Management Class	(4,545,633,890)		
MAX Class	(3,387,098,519)		
GovMIC Class	(649,292,264)		
Net Increase (Decrease) in Net Position	(43,604,466)	76,324,131	263,198,804
Net Position – Beginning of Period	1,657,069,604	-	-
Net Position – End of Period	$ 1,613,465,138	$ 76,324,131	$ 263,198,804

(1) Commencement of operations for each respective Term Series.

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

Notes to Financial Statements

A. Organization and Reporting Entity

The Michigan Liquid Asset Fund Plus ("MILAF+" or the "Trust") 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 the Trust are offered exclusively to Michigan School Districts and municipalities. The purpose of the Trust is to enable such public entities to pool their available funds for investment. The Trust may only invest in instruments as authorized by Sections 622, 1221 and 1223 of the Michigan school code. The Trust has not provided or obtained any legally binding guarantees to support the value of shares. All participation in the Trust is voluntary. The Trust is not required to register with the Securities and Exchange Commission ("SEC") as an investment company.

The Trust currently consists of the MILAF+ Portfolio and the Michigan Term series. The MILAF+ Portfolio has a Cash Management Class of shares, a MAX Class of shares and a GovMIC Class of shares. The financial statements of each individual Michigan Term series are typically prepared at an interim date if the series will be opened for greater than 12 months and following the termination date for each series. These financial statements and related notes encompass the MILAF+ Portfolio; Michigan Term Series SEPT 2018; and Michigan Term Series SEPT 2019 (each a "Portfolio" and, collectively, the "Portfolios"). Michigan Term Series SEPT 2018 commenced operations on September 19, 2016; however, based on its very short window of operations prior to the Trust's prior fiscal year-end, it was not included in the prior year Annual Report. Michigan Term Series SEPT 2018 was originally scheduled to terminate its operations September 30, 2018; however, at its meeting on July 24, 2017, the Trust's Board of Trustees approved terminating its operations effective November 24, 2017 since all shares of the series would be redeemed as of that date. Michigan Term Series SEPT 2019 commenced operations April 13, 2017 and is scheduled to terminate its operations on September 30, 2019.

Michigan Term's shares have planned redemption dates of up to one year. Each Series of Michigan Term is a portfolio of Permitted Investments and will have a Series-specific termination date. Multiple Michigan Term Series are created with staggered termination dates. Michigan Term offers its investors an estimated yield on their investments when the shares are purchased. The investment strategy of Michigan Term is to match, as closely as possible, the cash flows required to meet investors' 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. An investor only receives dividends from the investment of the Michigan Term Series in which it is invested. At the termination date of any Michigan Term Series, any excess net income of the Series may be distributed in the form of a supplemental dividend only to investors 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 investors then outstanding. The investment portfolio of each Michigan Term Series is accounted for independent of the investment portfolio of any other Series or portfolio of the Trust. In the event a Michigan Term Series portfolio were to realize a loss (whether of principal or interest), no contribution would be made to such Michigan Term Series from any other Series or portfolio of the Trust to offset such loss. No Series would constitute security or collateral for any other Series or portfolio.

The Trust's financial statements presented herein have been prepared in conformity with the reporting framework prescribed by the Governmental Accounting Standards Board ("GASB") for local government investment pools.

B. Summary of Significant Accounting Policies

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

Measurement Focus and Basis of Accounting

The Trust reports transactions and balances using the economic resources management focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Cash and Cash Equivalents

The Trust reflects cash on deposit in bank accounts which is available within one business day as cash and cash equivalents. Certificates of deposit are disclosed separately as investments in the financial statements.

Valuation of Investments

In accordance with the authoritative guidance on fair value measurements and disclosures under GASB Statement No. 72, the Trust discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (level 3 measurements). The guidance establishes three levels of the fair value hierarchy as follows:

Level 1 – Quoted prices in active markets for identical assets.

Level 2 – Inputs other than quoted prices that are observable for the asset, including quoted prices for similar investments based on interest rates, credit risk and like factors.

Level 3 – Unobservable inputs for the assets, including the Portfolios' own assumption for determining fair value.

The Trust's investments are assigned a level based upon the observability of the inputs which are significant to the overall valuation. In accordance with GASB Statement No. 79, MILAF+ Portfolio securities are valued at amortized cost, which approximates fair value. GASB Statement No. 79 requires a comparison of the MILAF+ Portfolio's investments on an amortized cost basis to fair values determined on a market value basis at least monthly. The market prices used to determine fair values in this comparison, as well as the fair values for investments held by Michigan Term Series, are derived from closing bid prices as of the last business day of the month as supplied by third-party pricing services. Where prices are not available from these generally recognized sources, the securities are priced using a yield-based matrix system to arrive at an estimated market value. Prices that fall between data points are interpolated. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Since the value is not obtained from a quoted price in an active market, all securities held by the Portfolios at September 30, 2017 are categorized as Level 2.

Investment Transactions

Security transactions are accounted for on the 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. Investment income on the Statement of Changes in Net Position includes a change in unrealized gain (loss) of $3,945 and $14,036 for Michigan Term Series SEPT 2018 and Michigan Term Series SEPT 2019, respectively. These amounts represent the respective increase (decrease) in the unrealized gain or loss on investments held during the reporting period.

Repurchase Agreements

Repurchase agreements entered into with broker-dealers are secured by U.S. government or agency obligations. The Trust's custodian takes possession of the collateral pledged for investments in repurchase agreements. The Trust also enters into tri-party repurchase agreements. Collateral pledged for tri-party repurchase agreements is held for the Trust by an independent third-party custodian bank until the maturity of the repurchase agreement. 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 Trust 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 Trust 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.

Share Valuation and Participant Transactions

The net asset value ("NAV") per share of the MILAF+ Portfolio is calculated as of the close of business each business day by dividing the net position of that Portfolio by the number of its outstanding shares. It is the MILAF+ Portfolio's objective to maintain a NAV of $1.00 per share, however, there is no assurance that this objective will be achieved. The exact price for share transactions will be determined based on the NAV next calculated after receipt of a properly executed order. The number of shares purchased or redeemed will be determined by the NAV.

The NAV per share for each series of Michigan Term is calculated as of the close of business each business day, for purpose of computing fees, by dividing the total value of investments and other assets less any liabilities by the total outstanding shares. The value of an investor's share redemption in Michigan Term will be determined as of the close of business on any day when a share redemption occurs and is equal to the original purchase price for such share, plus dividends thereon at the projected yield, less losses incurred by the series allocable to such share, if any. It is the Trust's intent to manage each series of Michigan Term in a manner that produces a NAV of $1.00 per share on each planned redemption date, however, there is no assurance that this objective will be achieved and shares redeemed prior to their original maturity date may be subject to an early redemption penalty.

Dividends and Distributions

On a daily basis, the MILAF+ Portfolio declares dividends and distributions for its Cash Management, MAX and GovMIC Classes from its net investment income, and net realized gains or losses from securities transactions, if any. Such dividends and distributions are payable to investors of record at the time of the previous computation of the Portfolio's net asset value and are distributed to each investor's account by purchase of additional shares of the Portfolio on the last day of each month. For the year ended September 30, 2017, dividends totaling $4,066,777, $8,170,799 and $1,467,822 were distributed for the Cash Management, MAX and GovMIC Classes, respectively.

Dividends to investors in Michigan Term are declared and paid on the termination date of each Michigan Term 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. For the reporting periods ended September 30, 2017, dividends totaling $2,009,104 and $87,351 were distributed for Michigan Term Series SEPT 2018 and Michigan Term Series SEPT 2019, respectively, and are included in the capital shares redeemed on the Statements of Changes in Net Position.

Redemption Restrictions

Shares of the MILAF+ Portfolio are available to be redeemed upon proper notice without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made as long as an investor has a sufficient number of shares to meet their redemption request. The Trust's Board of Trustees can suspend the right of withdrawal or postpone the date of payment if the Trustees determine that there is an emergency that makes the sale of the Portfolio's securities or determination of its net asset value not reasonably practical.

Shares of Michigan Term Series are redeemed on planned redemption dates selected by the investor at the time of purchase. Should an investor need to redeem shares in a Michigan Term Series prematurely, they must provide notice at least 7 days prior to premature redemption date. The value of a premature redemption is equal to the original price for such share, plus dividends thereon, at the projected yield less such share's allocation of any losses incurred by the series, less a premature redemption penalty, if any. Refer to the Trust's Information Statement for additional information.

Income and Expense Allocations

Income, common expenses and realized gains and losses are allocated to the classes of the MILAF+ Portfolio based on the relative net assets of each class when earned or incurred. Expenses specific to a class of shares of the MILAF+ Portfolio, such as administrative, sponsorship and cash management fees, are allocated to the class of shares to which they relate.

Income, realized gains and losses and expenses specific to a Series of Michigan Term, such as investment advisory, audit, banking and rating fees, are allocated to the Michigan Term Series to which they relate.

Certain expenses of the Trust, such as legal fees, trustee expenses and insurance premiums, are allocated between the MILAF+ Portfolio and each Michigan Term Series based on the relative net assets of each when such expenses are incurred.

Use of Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Income Tax Status

The Trust is not subject to Federal or Michigan income tax upon the income realized by it. Accordingly, no provision for income taxes is required in the financial statements.

Representations and Indemnifications

In the normal course of business, the Trust enters into contracts on behalf of the Portfolios that contain a variety of representations which provide general indemnifications. The Portfolios' maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Portfolios that have not yet occurred. However, based on experience, the Trust expects the risk of loss to be remote.

Subsequent Events Evaluation

The Trust has evaluated subsequent events through January 24, 2018, the date through which procedures were performed to prepare the financial statements for issuance. No events have taken place that meet the definition of a subsequent event requiring adjustment or disclosure in these financial statements.

C. Investment Risks

Under GASB Statement No. 40, state and local governments and other municipal entities are required to disclose credit risk, concentration of credit risk, and interest rate risk for investment portfolios. The following risk disclosures of the MILAF+ Portfolio, Michigan Term Series SEPT 2018 and Michigan Term Series SEPT 2019 portfolios as of September 30, 2017 have been provided for the information of the Portfolios' investors.

Credit Risk

The Portfolios' investment policies, as outlined in the Trust's Information Statement, limit the Portfolios' investments to those which are authorized investments as permitted under Michigan law. As of September 30, 2017, the MILAF+ Portfolio, Michigan Term Series SEPT 2018 and Michigan Term Series SEPT 2019 were comprised of investments which were, in aggregate, rated by Standard and Poor's ("S&P") as follows:

S&P Rating	MILAF+ Portfolio	Michigan Term Series SEPT 2018	Michigan Term Series SEPT 2019
AA+[(1)]	12.19%	-	-
A-1+	41.29%	23.54%	32.41%
A-1	41.26%	76.46%	67.59%
Exempt[(2)]	5.26%	-	-

(1) Represents investments in obligations of the U.S. government or its agencies or instrumentalities, which are rated Aaa and AAA by Moody's Investor Service and Fitch Ratings, Inc., respectively, which are the highest category of credit ratings by each of those statistical rating organizations.

(2) Represents investments in U.S. Treasury securities, which are not considered to be subject to overall credit risk per GASB.

The above ratings of the MILAF+ Portfolio include the ratings of collateral underlying repurchase agreements in effect at September 30, 2017.

Concentration of Credit Risk

As outlined in the Trust's Information Statement, the Portfolios' investment policy establishes certain restrictions on investments and limitations on portfolio composition. At September 30, 2017, the MILAF+ Portfolio, Michigan Term Series SEPT 2018 and Michigan Term Series SEPT 2019 included the following issuers, aggregated by affiliated issuers where applicable, which individually represented greater than 5% of each Portfolio's total investment portfolio:

Issuer	MILAF+ Portfolio	Michigan Term Series SEPT 2018	Michigan Term Series SEPT 2019
Bank of Tokyo Mitsubishi UFJ LTD	<5.00%	<5.00%	9.88%
BNP Paribas (NY)	<5.00%	28.46%	5.90%
Citizens Bank [(2)]	9.30%	-	-
Credit Suisse (NY)	<5.00%	<5.00%	8.74%
Fairway Finance Company LLC	<5.00%	10.63%	<5.00%
Goldman Sachs & Co.[(1)]	7.23%	-	-
ING (US) Funding	<5.00%	-	7.79%
JP Morgan Securities LLC	<5.00%	15.87%	7.79%
Manhattan Asset Funding Co.	<5.00%	-	9.26%
Metlife Short Term Funding	<5.00%	6.56%	<5.00%
Mizuho Bank LTD (NY)	<5.00%	6.86%	<5.00%
Svenska Handelsbanken AB	<5.00%	6.65%	<5.00%
Toronto Dominion Bank (NY)	<5.00%	10.33%	8.17%
U.S. Treasury	5.26%	-	-

(1) This issuer is a counterparty to repurchase agreements entered into by the MILAF+ Portfolio. These repurchase agreements are collateralized by U.S. government agency obligations.

(2) Guaranteed by Federal Home Loan Bank letters of credit.

Interest Rate Risk

The Portfolios' investment policies limit their exposure to market value fluctuations due to changes in interest rates by requiring that: (1) the MILAF+ Portfolio maintain a dollar-weighted average maturity of not greater than sixty days and (2) the Michigan Term Series maintain a weighted average maturity of not greater than 397 days. At September 30, 2017, the weighted average maturities of the MILAF+ Portfolio, Michigan Term Series SEPT 2018, and the Michigan Term Series SEPT 2019, including cash and cash equivalents and non-negotiable certificates of deposit, were 53 days, 31 days and 136 days, respectively.

The range of yields, actual maturity dates, principal values, fair values and weighted average maturities of the types of investments the MILAF+ Portfolio, Michigan Term Series SEPT 2018 and Michigan Term Series SEPT 2019 held at September 30, 2017 are as follows:

MILAF+ Portfolio

Type of Deposits and Investments	Yield Range	Maturity Range	Principal	Fair Value	Weighted Average Maturity
Asset-Backed Commercial Paper	1.31%-1.43%	11/9/17-6/15/18	$ 111,000,000	$ 110,831,417	52 Days
Cash and Cash Equivalents	n/a	n/a	14,507,887	14,507,887	1 Day
Certificates of Deposit – Non-negotiable	1.20%	10/3/17-12/4/17	150,000,000	150,000,000	2 Days
Certificates of Deposit – Negotiable	1.37%-1.48%	11/13/17-7/11/18	105,000,000	104,999,909	32 Days
Commercial Paper	1.13%-1.76%	10/2/17-6/22/18	942,448,000	939,957,503	73 Days
Repurchase Agreements	1.02%-1.07%	10/2/17	166,600,000	166,600,000	2 Days
U.S. Government Agency Bonds	1.26%-1.30%	11/15/17-3/23/18	30,000,000	30,000,078	18 Days
U.S. Government Agency Discount Notes	1.02%	10/16/17	25,000,000	24,989,427	16 Days
U.S. Treasury Notes	1.05%-1.15%	12/28/17-1/2/18	85,000,000	84,866,738	92 Days
			$1,629,555,887	$1,626,752,959	

Michigan Term Series SEPT 2018

Type of Deposits and Investments	Yield Range	Maturity Range	Principal	Fair Value	Weighted Average Maturity
Asset-Backed Commercial Paper	1.27%	10/13/17	$ 8,100,000	$ 8,096,161	13 Days
Cash and Cash Equivalents	n/a	n/a	283,579	283,579	1 Day
Commercial Paper	1.20%-1.44%	10/2/17-11/24/17	68,130,000	68,053,655	33 Days
			$76,513,579	$76,433,395	

Michigan Term Series SEPT 2019

Type of Deposits and Investments	Yield Range	Maturity Range	Principal	Fair Value	Weighted Average Maturity
Asset-Backed Commercial Paper	1.25%-1.52%	10/5/17-5/29/18	$ 51,730,000	$ 51,534,220	97 Days
Cash and Cash Equivalents	n/a	n/a	190,565	190,565	1 Day
Commercial Paper	1.24%-1.61%	10/5/17-6/26/18	212,800,000	211,567,928	146 Days
			$ 264,720,565	$ 263,292,713	

The yields shown in the preceding table represent the yield-to-maturity at original cost except for adjustable rate instruments, for which the rate shown is the coupon rate in effect at September 30, 2017. The weighted average maturities shown in the preceding tables are calculated based on the stated maturity dates with the following exceptions: (1) floating or variable rate securities are assumed to have an effective maturity of the date upon which the securities interest rate next resets; (2) the effective maturity of callable securities is assumed to be its stated maturity unless the security had been called as of the reporting date, in which case the effective maturity would be assumed to be its called date; and (3) the effective maturity of cash and cash equivalents are assumed to be one day. Refer to the Schedules of Investments included in the unaudited Supplementary Information that follows for further information.

D. Fees and Charges

Pursuant to an Investment Advisory, Administration and Marketing Agreement with the Trust dated August 3, 2007 (“Management Agreement”), as amended, PFM Asset Management LLC (“PFMAM”) serves as the Investment Adviser and Administrator of the Trust and PFMAM’s wholly-owned subsidiary, PFM Fund Distributors, Inc., has been delegated the authority to provide marketing services to the Trust.

Investment Advisory Fees

For its advisory services provided to the MILAF+ Portfolio under the Management Agreement, PFMAM is paid a fee at an annual rate which is determined as follows:

MILAF+ Portfolio Average Daily Net Assets	Rate
First $500,000,000	0.080%
$500,000,001 to $750,000,000	0.075%
$750,000,001 to $1,000,000,000	0.070%
Over $1,000,000,000	0.065%

This fee is computed daily and payable monthly.

Under the terms of the Management Agreement, each Michigan Term series pays PFMAM a monthly fee for investment advisory and administration services at the annual rate of 0.15% of average daily net assets. Such fee is calculated daily and paid monthly. At its discretion, PFMAM may waive some or all of its fees for each Michigan Term series, and such waiver may be discontinued at any time.

Administration Fees

Under the Management Agreement, PFMAM is paid a fee for its services as Administrator to the Cash Management Class of the MILAF+ Portfolio at an annual rate which is determined as follows:

Cash Management Class Average Daily Net Assets	Rate
First $100,000,000	0.19%
$100,000,001 to $250,000,000	0.18%
$250,000,001 to $500,000,000	0.17%
Over $500,000,000	0.16%

Under the Management Agreement, PFMAM is paid a fee for its services as Administrator to the MAX Class of the MILAF+ Portfolio at an annual rate which is determined as follows:

MAX Class Average Daily Net Assets	Rate
First $250,000,000	0.10%
$250,000,001 to $500,000,000	0.09%
Over $500,000,000	0.08%

Under the Management Agreement, PFMAM is paid a fee for its services as Administrator to the GovMIC Class of the MILAF+ Portfolio at an annual rate which is determined as follows:

GovMIC Class Average Daily Net Assets	Rate
First $250,000,000	0.10%
$250,000,001 to $500,000,000	0.09%
Over $500,000,000	0.08%

These fees are computed daily and payable monthly. PFMAM is not separately compensated for the administration services it provides to each Michigan Term series.

Marketing Fees

For the marketing services PFM Fund Distributors, Inc. provides to the MILAF+ Portfolio, PFM Fund Distributors, Inc. is paid a fee at an annual rate which is determined as follows:

Total Average Daily Net Assets Breakpoint	Rate
First $500,000,000	0.05%
$500,000,001 to $1,000,000,000	0.04%
$1,000,000,001 to $1,500,000,000	0.03%
Over $1,500,000,000	0.025%

For purpose of calculating breakpoints to determine the applicable rates above, the total average daily net assets of all Trust programs shall be included, including but not limited to: the Cash Management, MAX and GovMIC Classes of the MILAF+ Portfolio, each Michigan Term series, all Separate Account Management (“SAM”), Bond Account Management (“BAM”) or other individual portfolio accounts managed for investors by PFMAM, the Fixed Income Investment Program, or any other investment program approved, endorsed, or otherwise made available to investors by the Trust or PFMAM. The fee is computed daily and payable monthly. PFM Fund Distributors, Inc. is not compensated for the marketing services provided to the Michigan Term series.

Sponsorship and Consulting Fees

The Trust has entered into sponsorship and consulting agreements with the Michigan Association of School Administrators (“MASA”), Michigan Association of School Boards (“MASB”) and Michigan School Business Officials (“MSBO”) (collectively, the “Sponsors”). The Sponsors advise PFM Fund Distributors, Inc., as a representative of the Trust, on applicable and pending state laws affecting the Trust, schedule and announce through their publications informational meetings and seminars at which representatives of the Trust will speak, provide mailing lists of potential investors and permit the use of their logos. The Sponsors are each paid a fee at an annual rate equal to 0.03% and 0.0183% of the average daily net assets for the Cash Management and MAX Classes of the MILAF+ Portfolio, respectively. Such fees are calculated daily and paid monthly. The GovMIC Class of the MILAF+ Portfolio and Michigan Term Series do not pay sponsorship fees.

In addition to investing in the Trust, investors may invest in a fixed income investment program administered by PFMAM, which enables them to purchase certificates of deposit and other permissible fixed-rate investments for their own account. PFMAM has agreed to remit to the Trust 10% of its net investment advisory fees received from investors on fixed income investment transactions. All of the investment advisory fees remitted by PFMAM to the Trust are paid to the Sponsors. The amount of fees remitted by PFMAM to all three of the Sponsors for the year ended September 30, 2017 was $120,944.

Other Trust Expenses

The Trust pays expenses incurred by its Trustees and officers (in connection with the discharge of their duties), insurance for the Trustees, custody fees, audit fees and legal fees. Expenses which are not specifically related to a portfolio or series of the Trust are allocated between the portfolios or series to which they relate. During the year ended September 30, 2017, banking fees of the MILAF+ Portfolio were offset by $56,726 as a result of earnings credits from cash balances.

Fee Reduction Agreements

Effective March 24, 2009, the Trust entered into a Fee Reduction Agreement with PFMAM and effective April 1, 2009, the Trust entered into a Fee Reduction Agreement with each Sponsor (each, collectively with PFMAM, a “Service Provider”) pursuant to which each Service Provider individually may, but shall not be obligated to, temporarily reduce a portion of its fees payable from the Cash Management Class of the MILAF+ Portfolio to assist that class in an attempt to maintain a positive yield. In the event that a Service Provider elects to initiate a fee reduction, such fee reduction shall be applicable to the computation of the net asset value (“NAV”) of the Cash Management Class on the business day immediately following the date on which the Service Provider gives notice to the Trust on the rate of the fee reduction to be applied in calculating the NAV. A fee reduction shall remain in effect until notice is provided to the Trust by the Service Provider regarding its intent to terminate its fee reduction or revise, upward or downward, the rate of its fee reduction.

Effective February 8, 2012, the Trust entered into a Fee Reduction Agreement with PFMAM and effective April 26, 2012 the Trust entered into Fee Reduction Agreements with each Sponsor, pursuant to which each Service Provider may, but shall not be obligated to, temporarily reduce a portion of its fees payable from the MAX Class of the MILAF+ Portfolio to assist that class in an attempt to maintain a positive yield. In the event that a Service Provider elects to initiate a fee reduction, such fee reduction shall be applicable to the computation of the net asset value (“NAV”) of the MAX Class on the business day immediately following the date on which the Service Provider gives notice to the Trust on the rate of the fee reduction to be applied in calculating the NAV. A fee reduction shall remain in effect until notice is provided to the Trust by the Service Provider regarding its intent to terminate its fee reduction or revise, upward or downward, the rate of its fee reduction.

Effective January 20, 2014, the Trust entered into a Fee Reduction Agreement with PFMAM pursuant to which PFMAM may, but shall not be obligated to, temporarily reduce a portion of its fees payable from the GovMIC Class of the MILAF+ Portfolio to assist that class in an attempt to maintain a positive yield. In the event that PFMAM elects to initiate a fee reduction, such fee reduction shall be applicable to the computation of the net asset value (“NAV”) of the GovMIC Class on the business day immediately following the date on which PFMAM gives notice to the Trust on the rate of the fee reduction to be applied in calculating the NAV. A fee reduction shall remain in effect until notice is provided to the Trust by PFMAM regarding its intent to terminate its fee reduction or revise, upward or downward, the rate of its fee reduction.

At any time after a fee reduction has been terminated, and if the monthly distribution yield of the class of the MILAF+ Portfolio making the payment was in excess of 1.00% per annum for the preceeding calendar month, the relevant Service Provider may elect to have the amount of its accumulated reduced fees restored in whole or in part under the conditions described in the Service Provider’s Fee Reduction Agreement with the Trust by way of a payment of fees in excess of the rate it was entitled to, prior to any fee reduction, all as set forth in the respective Fee Reduction Agreement. In all cases, the total fees paid to each Service Provider in a given month, inclusive of the amount of any accumulated reduced fees to be restored, may not exceed 115% of the fees payable under the terms of each Service Provider’s related agreement with the Trust and any fees restored under the Fee Reduction Agreements may only be restored during the three-year period following the calendar month to which they relate.

The charts that follow depict the fees waived by PFMAM, MASA, MASB, and MSBO during the year ended September 30, 2017 and cumulatively since the inception of the Fee Reduction Agreements. The charts also includes the amounts reimbursed and the amounts deemed unrecoverable under the Fee Reduction Agreements both during the year ended September 30, 2017 and cumulatively, as well as the amounts which remain to be recoverable as of September 30, 2017 for each Service Provider.

PFMAM

	MILAF+ Portfolio Investment Advisory Fees	Cash Management Class Administration Fees	MAX Class Administration Fees	GovMIC Class Administration Fees
Waived fees:				
Prior periods	$ 679,944	$ 2,119,688	$ 481,954	$ 5,516
Current period	-	66,742	97,234	-
Total waived fees	679,944	2,186,430	579,188	5,516
Amounts reimbursed	-	-	-	-
Amounts unrecoverable:				
Prior periods	(143,358)	(1,039,687)	(79,654)	-
Current period	(429,498)	(361,387)	(96,171)	(2,908)
Remaining recoverable	$ 107,088	$ 785,356	$ 403,363	$ 2,608
Waivers not reimbursed become unrecoverable in fiscal year-end:				
September 30, 2018	$ 107,088	$ 399,275	$ 169,720	$ 2,608
September 30, 2019	-	319,339	136,409	-
September 30, 2020	-	66,742	97,234	-
	$ 107,088	$ 785,356	$ 403,363	$ 2,608

Sponsors – Cash Management Class

	MASA	MASB	MSBO
Waived fees:			
Prior periods	$ 619,009	$ 619,009	$ 619,009
Current period	22,247	22,247	22,247
Total waived fees	641,256	641,256	641,256
Amounts reimbursed	-	-	-
Amounts unrecoverable:			
Prior periods	(312,737)	(312,737)	(312,737)
Current period	(93,920)	(93,920)	(93,920)
Remaining recoverable	$ 234,599	$ 234,599	$ 234,599
Waivers not reimbursed become unrecoverable in fiscal year-end:			
September 30, 2018	$ 105,906	$ 105,906	$ 105,906
September 30, 2019	106,446	106,446	106,446
September 30, 2020	22,247	22,247	22,247
	$ 234,599	$ 234,599	$ 234,599

Sponsors – MAX Class

	MASA	MASB	MSBO
Waived fees:			
Prior periods	$ 215,301	$ 215,301	$ 215,301
Current period	33,481	33,481	33,481
Total waived fees	248,782	248,782	248,782
Amounts reimbursed	-	-	-
Amounts unrecoverable:			
Prior periods	(36,973)	(36,973)	(36,973)
Current period	(67,504)	(67,504)	(67,504)
Remaining recoverable	$ 144,305	$ 144,305	$ 144,305
Waivers not reimbursed become unrecoverable in fiscal year-end:			
September 30, 2018	$ 65,354	$ 65,354	$ 65,354
September 30, 2019	45,470	45,470	45,470
September 30, 2020	33,481	33,481	33,481
	$ 144,305	$ 144,305	$ 144,305

Supplementary Information

(unaudited)

MILAF+ Portfolio
Schedule of Investments (unaudited)

September 30, 2017

Rate[1]	Maturity Date[2]		Principal	Fair Value[3]
Asset-Backed Commercial Paper (6.87%)				
Bedford Row Funding Corporation				
1.38%[4]	4/2/18		$ 10,000,000	$ 10,000,000
1.43%[4]	6/15/18		15,000,000	15,000,000
Fairway Finance Company LLC				
1.36%[4]	3/12/18		11,000,000	11,000,000
Manhattan Asset Funding Co.				
1.31%	11/9/17		50,000,000	49,929,042
Old Line Funding LLC				
1.43%	1/8/18		25,000,000	24,902,375
Total Asset-Backed Commercial Paper				110,831,417
Certificates of Deposit (15.80%)				
Bank of America				
1.43%[4]	11/13/17		60,000,000	60,000,000
Citizens Bank[5]				
1.20%	10/3/17		20,000,000	20,000,000
1.20%	10/25/17		25,000,000	25,000,000
1.20%	11/13/17		40,000,000	40,000,000
1.20%	12/4/17		65,000,000	65,000,000
Wells Fargo				
1.37%[4]	12/20/17		10,000,000	9,999,909
1.48%[4]	3/29/18		25,000,000	25,000,000
1.44%[4]	7/11/18		10,000,000	10,000,000
Total Certificates of Deposit				254,999,909
Commercial Paper (58.25%)				
American Honda Finance				
1.29%	10/24/17		15,000,000	14,987,637
Australia & New Zealand Banking Group				
1.34%[4]	1/22/18		25,000,000	25,000,000
1.35%[4]	3/22/18		25,000,000	24,997,706
Bank of Montreal Chicago				
1.32%	10/12/17		19,000,000	18,992,366
Bank of Nova Scotia				
1.76%[4]	11/7/17		5,000,000	5,002,021
Bank of Tokyo Mitsubishi UFJ LTD				
1.54%	3/13/18		17,000,000	16,883,002
1.58%	6/1/18		15,000,000	14,842,050
BNP Paribas (NY)				
1.45%	2/14/18		15,000,000	14,918,400
1.52%	3/7/18		30,000,000	29,803,750
1.47%	4/2/18		5,000,000	4,962,892
Canadian Imperial Holding				
1.33%[4]	1/8/18		25,000,000	25,000,000
1.38%[4]	4/13/18		25,000,000	25,000,000
Commonwealth Bank of Australia				
1.70%[4]	10/13/17		1,800,000	1,800,228
1.47%[4]	12/12/17		40,000,000	40,000,000

The notes to the financial statements are an integral part of the schedule of investments.

MILAF+ Portfolio
Schedule of Investments (unaudited)

September 30, 2017

Rate[1]	Maturity Date[2]	Principal	Fair Value[3]
Cooperatieve Rabobank			
1.32%	12/27/17	$ 50,000,000	$ 49,841,467
Credit Agricole Corporate & Investment Bank (NY)			
1.36%	11/15/17	27,000,000	26,954,438
Credit Suisse (NY)			
1.47%	11/20/17	25,000,000	24,949,305
1.54%[4]	1/12/18	20,000,000	20,000,000
1.66%	6/22/18	10,000,000	9,879,733
DNB Bank			
1.13%	10/3/17	50,000,000	49,996,861
ING (US) Funding LLC			
1.51%	10/27/17	6,000,000	5,993,543
1.41%[4]	11/6/17	18,000,000	18,000,781
1.56%	5/1/18	22,000,000	21,800,484
1.46%[4]	5/11/18	5,000,000	5,000,000
JP Morgan Securities LLC			
1.41%	10/20/17	5,000,000	4,996,305
1.50%	12/15/17	8,000,000	7,975,334
1.43%[4]	4/6/18	20,000,000	20,000,000
1.48%[4]	6/22/18	20,000,000	20,000,000
Metlife Short Term Funding			
1.41%	2/5/18	20,000,000	19,901,222
1.40%	2/12/18	30,000,000	29,844,783
Mizuho Bank (NY)			
1.36%	10/3/17	5,000,000	4,999,623
1.41%	1/17/18	30,000,000	29,874,000
National Australia Bank			
1.35%[4]	2/12/18	50,000,000	50,000,000
Pricoa Short Term Funding			
1.41%	2/5/18	15,000,000	14,925,917
1.49%	4/5/18	30,000,000	29,770,600
Skandinaviska Enskilda Bank			
1.41%	2/7/18	5,000,000	4,974,916
Societe Generale			
1.41%	10/2/17	28,648,000	28,646,890
1.44%	1/31/18	20,000,000	19,903,078
Svenska Handelsbanken (NY)			
1.41%	2/8/18	35,000,000	34,823,688
Swedbank (NY)			
1.33%	12/14/17	20,000,000	19,945,733
Toronto Dominion Bank (NY)			
1.42%	2/23/18	15,000,000	14,914,813
Toronto Dominion Holding USA			
1.30%	10/16/17	30,000,000	29,983,750
Toyota Credit Puerto Rico			
1.52%	3/15/18	20,000,000	19,862,500

The notes to the financial statements are an integral part of the schedule of investments.

MILAF+ Portfolio
Schedule of Investments (unaudited)

September 30, 2017

Rate[1]	Maturity Date[2]		Principal	Fair Value[3]
Toyota Motor Credit Corp.				
1.48%[4]	12/4/17		$ 10,000,000	$ 10,000,000
1.33%[4]	1/19/18		20,000,000	20,000,000
Westpac Banking Corp.				
1.55%[4]	3/2/18		10,000,000	10,007,687
Total Commercial Paper				939,957,503
U.S. Government and Agency Obligations (8.67%)				
Federal Home Loan Bank Discount Notes				
1.02%	10/16/17		25,000,000	24,989,427
Federal Home Loan Bank Notes				
1.30%[4]	11/15/17		20,000,000	20,000,000
1.26%[4]	3/23/18		10,000,000	10,000,078
U.S. Treasury Notes				
1.05%	12/28/17		25,000,000	24,936,139
1.15%	1/1/18		40,000,000	39,984,978
1.06%	1/2/18		20,000,000	19,945,621
Total U.S. Government and Agency Obligations				139,856,243
Repurchase Agreements (10.33%)				
Goldman Sachs & Co.				
1.05%	10/2/17		50,000,000	50,000,000
		(Dated 8/21/17, repurchase price $50,061,250, Collateralized by: Fannie Mae certificates, 2.029% to 7.50%, maturing 10/1/18 to 9/1/46, fair value $12,090,080; and Freddie Mac certificates, 3.00% to 7.00%, maturing 3/1/24 to 3/1/47, fair value $38,972,395)		
1.02%	10/2/17		66,600,000	66,600,000
		(Dated 9/29/17, repurchase price $66,605,661, Collateralized by: Fannie Mae certificates, 6.00%, maturing 5/1/33, fair value $46,497; Freddie Mac certificates, 3.00%, maturing 3/1/27, fair value $2,797,701; and Ginnie Mae certificates, 3.50%, maturing 7/20/47, fair value $65,093,577)		
Merrill Lynch Pierce Fenner & Smith Inc.				
1.07%	10/2/17		50,000,000	50,000,000
		(Dated 9/29/17, repurchase price $50,004,458, Collateralized by Ginnie Mae certificates, 4.00%, maturing 4/20/47, fair value $51,004,548)		
Total Repurchase Agreements				166,600,000
Total Investments (99.92%)(Amortized Cost $1,612,245,072)				1,612,245,072
Other Assets in Excess of Other Liabilities (0.08%)				1,220,066
Net Position (100.00%)				$ 1,613,465,138

(1) Yield-to-maturity at original cost unless otherwise noted.

(2) Actual maturity dates.

(3) See Note B to the financial statements.

(4) Adjustable rate instrument. Rate shown is that which was in effect at September 30, 2017.

(5) Guaranteed by Federal Home Loan Bank Letter of Credit and subject to put with 1 day notice.

The notes to the financial statements are an integral part of the schedule of investments.

Michigan Term Series SEPT 2018
Schedule of Investments (unaudited)

September 30, 2017

Rate[1]	Maturity Date[2]		Principal	Fair Value[3]
Asset-Backed Commercial Paper (10.61%)				
Fairway Finance Company LLC				
1.27%	10/13/17		$ 8,100,000	$ 8,096,161
Total Asset-Backed Commercial Paper				8,096,161
Commercial Paper (89.16%)				
Bank of Tokyo Mitsubishi UFJ LTD				
1.42%	10/2/17		950,000	949,908
1.38%	10/13/17		2,850,000	2,848,686
BNP Paribas (NY)				
1.37%	10/17/17		2,000,000	1,998,848
1.37%	10/23/17		2,200,000	2,198,304
1.37%	10/27/17		3,000,000	2,997,297
1.39%	11/14/17		7,000,000	6,989,528
1.40%	11/17/17		2,000,000	1,996,806
1.40%	11/22/17		2,200,000	2,196,119
1.38%	11/24/17		3,300,000	3,293,958
Canadian Imperial Holding				
1.36%	10/2/17		2,250,000	2,249,779
1.26%	11/20/17		505,000	504,114
Cooperatieve Rabobank				
1.20%	10/2/17		2,500,000	2,499,753
Credit Suisse (NY)				
1.42%	11/6/17		2,100,000	2,097,289
JP Morgan Securities LLC				
1.38%	10/17/17		7,000,000	6,995,723
1.44%	11/14/17		5,100,000	5,091,911
Metlife Short Term Funding				
1.28%	11/17/17		5,000,000	4,992,045
Mizuho Bank LTD (NY)				
1.36%	10/13/17		5,225,000	5,222,638
Svenska Handelsbanken (NY)				
1.26%	10/6/17		2,020,000	2,019,531
1.32%	11/1/17		3,050,000	3,046,642
Toronto Dominion Holding USA				
1.29%	11/24/17		7,880,000	7,864,776
Total Commercial Paper				68,053,655
Total Investments (99.77%) (Amortized Cost $76,145,871)				76,149,816
Other Assets in Excess of Other Liabilities (0.23%)				174,315
Net Position (100.00%)				$ 76,324,131

(1) Yield-to-maturity at original cost unless otherwise noted.

(2) Actual maturity dates.

(3) See Note B to the financial statements.

The notes to the financial statements are an integral part of the schedule of investments.

Michigan Term Series SEPT 2019
Schedule of Investments (unaudited)

September 30, 2017

Rate[1]	Maturity Date[2]	Principal	Fair Value[3]
Asset-Backed Commercial Paper (19.58%)			
Bedford Row Funding Corporation			
1.42%	3/26/18	$ 3,700,000	$ 3,673,893
1.47%	5/1/18	2,020,000	2,002,456
1.52%	5/29/18	6,070,000	6,009,367
Fairway Finance Company LLC			
1.29%	12/12/17	6,500,000	6,482,392
Manhattan Asset Funding Co			
1.26%	10/5/17	1,510,000	1,509,701
1.25%	10/16/17	1,600,000	1,599,078
1.30%	10/24/17	1,000,000	999,134
1.25%	10/30/17	3,500,000	3,496,199
1.32%	12/12/17	16,805,000	16,759,475
Old Line Funding LLC			
1.30%	11/28/17	2,000,000	1,995,700
Thunder Bay Funding LLC			
1.29%	11/15/17	2,010,000	2,006,649
1.30%	12/18/17	5,015,000	5,000,176
Total Asset-Backed Commercial Paper			51,534,220
Commercial Paper (80.38%)			
Bank of Tokyo Mitsubishi UFJ LTD			
1.38%	12/26/17	1,300,000	1,295,789
1.44%	1/22/18	1,500,000	1,493,426
1.40%	1/25/18	1,000,000	995,487
1.50%	2/12/18	1,130,000	1,123,994
1.49%	3/6/18	1,000,000	993,667
1.52%	3/9/18	1,200,000	1,192,229
1.50%	3/19/18	7,000,000	6,951,287
1.48%	3/26/18	500,000	496,349
1.54%	4/10/18	1,500,000	1,487,970
1.55%	5/18/18	1,000,000	990,106
1.58%	6/8/18	1,000,000	989,024
1.58%	6/12/18	2,025,000	2,002,348
1.61%	6/26/18	6,050,000	5,977,977
BNP Paribas (NY)			
1.29%	10/18/17	1,260,000	1,259,233
1.36%	11/17/17	1,000,000	998,403
1.43%	1/9/18	2,500,000	2,490,708
1.46%	1/29/18	2,300,000	2,289,595
1.45%	2/20/18	2,000,000	1,988,912
1.44%	2/26/18	1,550,000	1,540,959
1.53%	3/13/18	5,000,000	4,967,460
Canadian Imperial Holding			
1.43%	3/23/18	8,500,000	8,442,481

The notes to the financial statements are an integral part of the schedule of investments.

Michigan Term Series SEPT 2019
Schedule of Investments (unaudited)

September 30, 2017

Rate(1)	Maturity Date(2)	Principal	Fair Value(3)
Cooperatieve Rabobank			
1.35%	12/27/17	$ 2,600,000	$ 2,591,779
Credit Agricole Corporate & Investment Bank (NY)			
1.32%	10/24/17	3,300,000	3,297,334
1.30%	11/15/17	3,150,000	3,145,165
1.33%	11/30/17	2,000,000	1,995,912
1.33%	1/16/18	1,300,000	1,294,872
1.33%	1/17/18	1,000,000	996,019
1.36%	2/12/18	1,000,000	994,949
Credit Suisse (NY)			
1.56%	1/19/18	5,300,000	5,277,295
1.51%	3/14/18	2,020,000	2,006,288
1.49%	3/21/18	2,000,000	1,985,718
1.49%	3/26/18	1,500,000	1,488,905
1.56%	4/12/18	4,000,000	3,966,960
1.52%	4/17/18	1,515,000	1,502,097
1.55%	4/20/18	5,055,000	5,011,158
1.54%	4/27/18	1,760,000	1,744,086
ING (US) Funding LLC			
1.38%	12/8/17	5,000,000	4,987,720
1.55%	5/11/18	5,060,000	5,013,716
1.54%	5/25/18	10,600,000	10,496,141
JP Morgan Securities LLC			
1.41%	12/21/17	2,010,000	2,004,064
1.41%	12/26/17	1,005,000	1,001,838
1.44%	1/5/18	3,700,000	3,686,876
1.44%	1/18/18	4,030,000	4,013,537
1.48%	3/12/18	3,850,000	3,824,640
1.53%	4/26/18	1,015,000	1,006,185
1.56%	5/18/18	5,000,000	4,951,810
Metlife Short Term Funding			
1.36%	12/19/17	5,540,000	5,524,770
1.36%	12/20/17	6,600,000	6,581,599
Mizuho Bank LTD (NY)			
1.30%	10/13/17	1,000,000	999,548
1.36%	11/21/17	1,000,000	998,214
National Australia Bank (NY)			
1.41%	2/13/18	5,560,000	5,532,767
Nordea Bank			
1.32%	10/19/17	825,000	824,462
1.32%	10/24/17	1,500,000	1,498,774
1.43%	4/9/18	9,085,000	9,016,345
Skandinaviska Enskilda Bank			
1.25%	10/13/17	2,250,000	2,248,999
Societe Generale			
1.24%	10/19/17	1,100,000	1,099,275
1.31%	10/31/17	1,400,000	1,398,517
1.44%	1/31/18	5,000,000	4,977,010

The notes to the financial statements are an integral part of the schedule of investments.

Michigan Term Series SEPT 2019
Schedule of Investments (unaudited)

September 30, 2017

Rate[1]	Maturity Date[2]	Principal	Fair Value[3]
Svenska Handelsbanken (NY)			
1.41%	2/8/18	$ 2,525,000	$ 2,512,574
1.41%	2/9/18	1,500,000	1,492,557
1.39%	3/12/18	605,000	601,213
Swedbank NY			
1.33%	11/8/17	2,210,000	2,207,109
1.33%	11/14/17	1,205,000	1,203,182
1.32%	11/16/17	1,100,000	1,098,266
1.33%	12/14/17	2,310,000	2,303,987
Toronto Dominion Bank (NY)			
1.37%	2/9/18	1,000,000	995,171
1.47%	4/25/18	2,000,000	1,983,464
1.47%	5/18/18	5,800,000	5,746,037
Toronto Dominion Holding USA			
1.30%	10/5/17	850,000	849,838
1.38%	1/12/18	6,000,000	5,977,686
1.44%	4/9/18	6,000,000	5,954,592
Toyota Motor Credit Corp.			
1.32%	1/18/18	1,000,000	995,893
1.38%	2/12/18	1,250,000	1,243,487
1.44%	3/13/18	3,500,000	3,477,236
1.47%	3/19/18	4,000,000	3,972,888
Total Commercial Paper			211,567,928
Total Investments (99.96%) (Amortized Cost $263,088,112)			263,102,148
Other Assets in Excess of Other Liabilities (0.04%)			96,656
Net Position (100.00%)			$ 263,198,804

(1) Yield-to-maturity at original cost unless otherwise noted.

(2) Actual maturity dates.

(3) See Note B to the financial statements.

The notes to the financial statements are an integral part of the schedule of investments.

Sponsoring Organizations

Michigan Association of School Administrators
Christopher Wigent, Executive Director

Michigan Association of School Boards
Don Wotruba, Executive Director

Michigan School Business Officials
David Martell, Executive Director
Robert Dwan, Associate Executive Director

Service Providers

Investment Advisor & Administrator
PFM Asset Management LLC
One Keystone Plaza, Suite 300
North Front & Market Streets
Harrisburg, Pennsylvania 17101-2044

222 North LaSalle, Suite 910
Chicago, Illinois 60601

Marketing Agent
PFM Fund Distributors, Inc.
One Keystone Plaza, Suite 300
North Front & Market Streets
Harrisburg, Pennsylvania 17101-2044

305 East Eisenhower Parkway, Suite 112
Ann Arbor, Michigan 48108

Custodian
Fifth Third Bank
38 Fountain Square Plaza
Cincinnati, Ohio 45263

Independent Auditors
Ernst & Young LLP
One Commerce Square, Suite 700
2005 Market Street
Philadelphia, Pennsylvania 19103

Legal Counsel
Thrun Law Firm, P.C.
2900 West Road, Suite 400
Lansing, Michigan 48823

Michigan Liquid Asset Fund Plus
c/o Michigan Association of School Boards
1001 Centennial Way, Suite 400 • Lansing, Michigan 48917
1-877-GO-MILAF
www.milaf.org

5164 • 12/17