



MILAF+

Michigan Liquid
Asset Fund Plus

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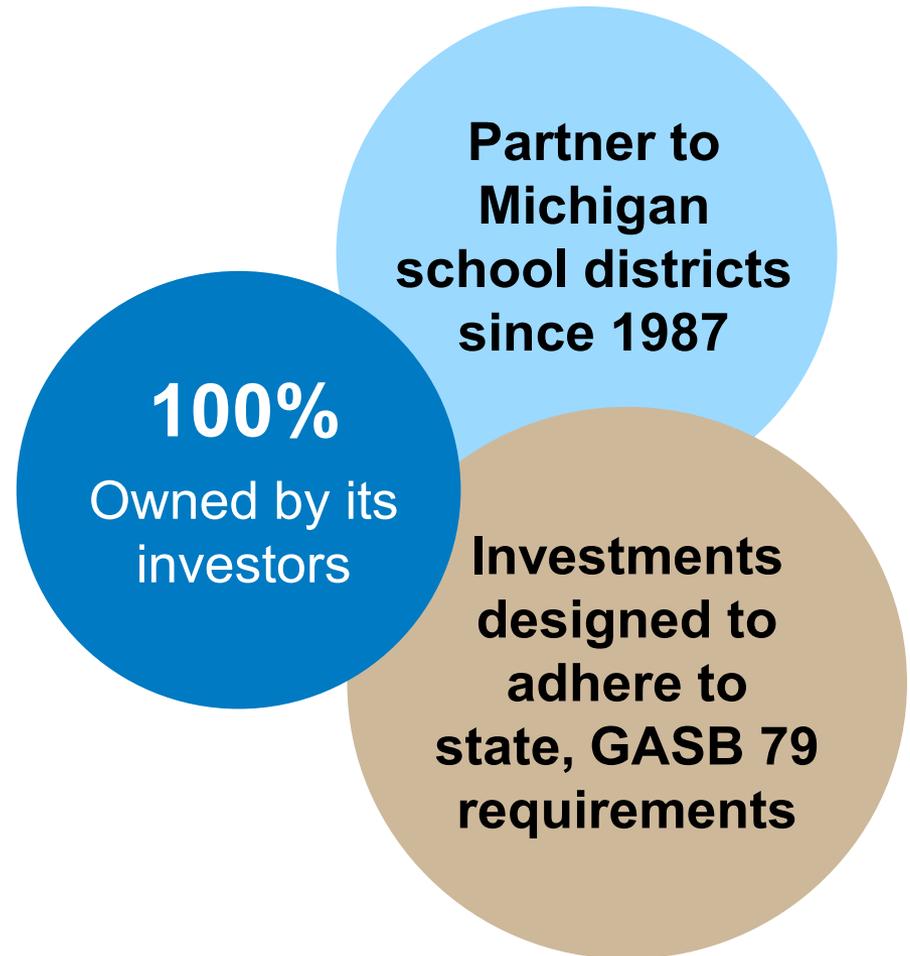
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About MILAF+ (The Michigan Liquid Asset Fund Plus)

MILAF+ is a comprehensive cash management and investment program established for Michigan public schools.

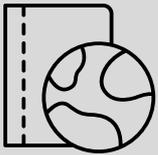
Your Program

- MILAF+ was created in 1987 by the Michigan Association of School Boards.
- Owned and governed by its members
- Seeks to preserve safety of principal, provide liquidity, and earn a competitive yield while minimizing expenses
- Fund offers comprehensive cash management and investment solutions for Michigan government entities



Benefits of Being a MILAF+ Investor

OPTIONS



Array of investment management options designed to help meet investors' cash flow and investment needs

OUR TEAM



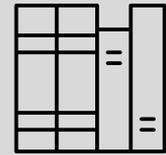
Client service team to support investors in achieving their investment goals

CONVENIENCE



24/7 online account management with Connect

RESOURCES



Access to educational content via MILAF+'s investment adviser, PFM Asset Management LLC (PFMAM)



Portfolio Highlights

The Cash Management Class and MAX Class are part of the MILAF+ Portfolio, which is a short-term portfolio designed to be a cash management vehicle for Michigan public agencies.

- Rated AAAm by Standard & Poor's¹
- 24/7 access to all accounts via Connect, your online portal

Ideal For:



Operating Funds



Bond Proceeds & Debt Service



Separate Accounting



¹ See important disclosures at the end of this presentation.

Investment Options – MILAF+ Portfolio

Cash Management Class

- Designed for flexibility & daily liquidity
- Minimum balance of \$1.00 with no deposit minimum or redemption requirements
- Unlimited accounts
- Unlimited deposits and withdrawals (1 p.m. Eastern Time cut-off)
- ACH, wire, check transactions
- Access to a full array of banking services including check writing, positive pay, check imaging¹

MAX Class

- Immediate liquidity for state aid investments, other investments subject to 14-day hold and may be subject to penalty for early redemption
- No deposit minimum or redemption requirements
- Unlimited deposits and withdrawals until 1:00 p.m. Eastern Time
- Transactions by wire, ACH



¹ Services offered by Fifth Third Bank, MILAF+'s Custodian

Additional Products Offered by MILAF+'s Investment Adviser



Bond Account Management*



Arbitrage Compliance Services



Cash Management and Payment Solutions**



Separate Account Management*



- **Products authorized by the MILAF+ Board of Trustees and administered by PFMAM. Investors wishing to take advantage of these products must enter into a separate Investment Advisory Agreement with PFMAM.*
- *** Provided by PFM Financial Services LLC*

Arbitrage Compliance Services

Evaluation of arbitrage rebate requirements for bond issue to design investment strategy

- Possible exceptions to arbitrage rebate (e.g., 18-month or 2-year spending exception)
- Arbitrage yield
- Yield restriction requirements on investments
- Monitor arbitrage rebate liabilities

Annual financial statements provided

- Rebate amounts may be set aside as liabilities are incurred
- Investment can be optimized in line with rebate status

Offers post issuance compliance

- Gather accurate information
- Discuss any questions with the issuer and / or its legal counsel
- Complete calculations, deliver reports and maintain records





What does GASB 79 compliance mean for your agency?

The program follows the Governmental Accounting Standards Board (GASB) Statement No. 79 requirements for liquidity, maturity, quality, and diversification to help protect investors during adverse market conditions.

Investors in daily net asset value (NAV) pools that follow GASB 79 can use amortized cost in financial reporting and do not need to adjust investments to fair value.¹

The program is designed to meet GASB 79 criteria for:

- Portfolio maturity
- Shadow pricing (*per share price of a portfolio based on the market value of the securities in that portfolio*)
- Credit quality
- Diversification
- Liquidity

The use of the amortized cost method allows pools to maintain a stable \$1 NAV per share.

1. <https://www.gasb.org/page/pageContent?pageId=/standards-guidance/pronouncements/summary--statement-no-79.html>

Utilizing Michigan Term Investments

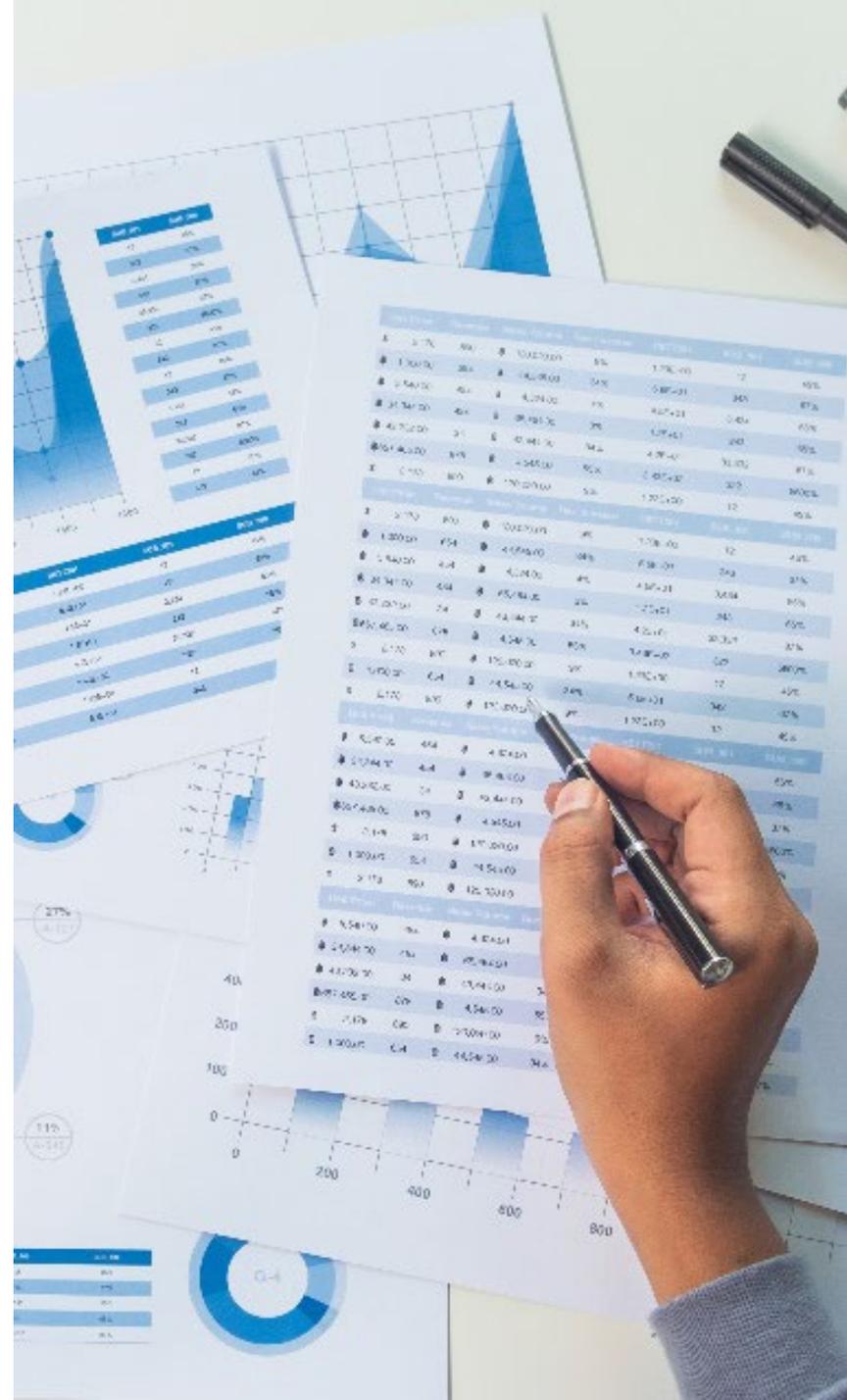
What Is a Term Program?

A Term Program offers multiple fixed-rate, fixed-term investment options with maturities between 60 and 365 days.

The objective is to seek optimized interest earnings on excess liquidity by locking in a known rate over a set time period.

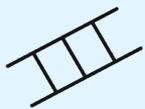
Using longer-maturity investments to complement overnight liquid balances can help:

- Increase earnings over time
- Provide budget certainty



Match Investments with Future Cash Needs

- Offers opportunity to lock in competitive interest rates for a fixed period of time
- Maturities range from 60 days to one year
- Ladder maturities to meet known cash flow needs
- Plan around your interest income stream
- Own shares of a diversified pool, not owning securities from a single issuer
- Minimum investment of \$100,000
- Early withdrawal may result in substantial penalty
- No out-of-pocket fees



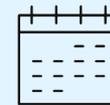
Laddered maturities
to meet known
cash flow needs



Competitive yields
and potentially
optimized earnings



Customization
around your
future outlays



A wide range
of maturity dates
to choose from



Diversified
portfolio maturity
structure

How Is Term Different from the Liquid Portfolio?

MILAF+ Portfolio

- Daily liquidity
- Variable rates
- No account minimum
- One-day minimum investment period
- Stable net asset value (NAV) of \$1.00 per share

Michigan Term Portfolio

- Investor-selected fixed maturity dates
- Fixed rates
- Account minimum of \$100,000
- 60 days to 1-year investment period
- Principal and interest paid to investors at maturity

The MILAF+ Portfolio and Michigan Term Portfolio can work in tandem toward the goal of meeting your daily liquidity and longer-term cash flow needs.



Lifecycle of a Michigan Term Program Investment

Requested

MILAF+ Portfolio Investor reviews cash flow patterns and needs, Information Statement and the current daily Term rates.

Investor communicates investment amount and timing of maturity to Key Account Manager.

Processed

Key Account Manager requests Term purchase in the Investor's account at the stated yield and maturity date.

Funds are transferred from the Investor's MILAF+ Portfolio balance, and Key Account Manager sends confirmation to the Investor.

Purchases and maturities are shown on monthly statements and within online portal, Connect.

Reinvested

When the Term investment matures, principal and interest are automatically reinvested in the Investor's MILAF+ Portfolio account.



What Are the Potential Risks?

As with any investment, there are several factors that could impact the portfolio's performance, cause investors to lose money, or cause the portfolio's performance to trail that of other investments.

Credit risk: Risk of default or decline in security value due to conditions outside investor's control

Purchasing power risk: Loss of purchasing power over time as a result of inflation

Liquidity risk: Inability to sell portfolio holdings at a competitive price

Reinvestment risk: risk that a security's cash flow will be reinvested at a lower rate of return than what is being earned by the security

Interest rate risk: Variability of return/price related to changes in interest rates



Is There An Ideal Time to Invest with Michigan Term?

The top consideration should be your unique cash flow needs.

More importance should be placed on your liquidity and spending needs within a given time period than on the potential movement of rates.

Instead of trying to time the market, develop and stick to an investment strategy. This is a prudent method for navigating market cycles.



Utilizing the Connect Platform

MILAF.org

The MILAF+ online account management system offers:

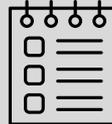
CONVENIENCE

- 24/7 account access
- Document uploading and sharing
- Access to important documents and files to stay up-to-date



TRANSACTIONS

- Current and historical monthly statements
- Trade notifications
- Perform and track transactions (wires, ACHs, automatic transfers)



SECURITY

- Password-protected environment to help mitigate fraud
- Multi-factor authentication
- Custom notifications for account activities



Provides updates and services specific to MILAF+:

- Daily confirms
- Access to online account management system

- Program enrollment information
- Forms and documents

Connect: Online Account Access

MILAF+
Michigan Liquid Asset Fund Plus

SAMPLE ACCOUNT

Accounts Dashboard

Move Funds

Balance Summary as of Jun 28, 2023 ⓘ
\$53,174,509.43

MTD Balance \$ Change
MTD Balance % Change

Account Breakdown ▾
4 Accounts

Investments & Yields

- Liquid >
- TERM >
- CD >

Accounts

Expand All:

Account	Market Value
+ 2022 Construction Account	\$38,102,569.47
+ Food Service Account	\$2,296,569.72
+ PAYROLL	\$667,320.99
+ INVESTMENT ACCOUNT-GENERAL FUND	\$12,108,049.25

Pending Activity



For illustrative purposes only.

Seeking to Optimize Investments in a Changing Interest Rate Environment

Public Agency Challenges and Opportunities

Challenges

- Limited revenue sources
- Unreliable earnings projections
- Excess liquidity
- Changing interest rate environment

Opportunities

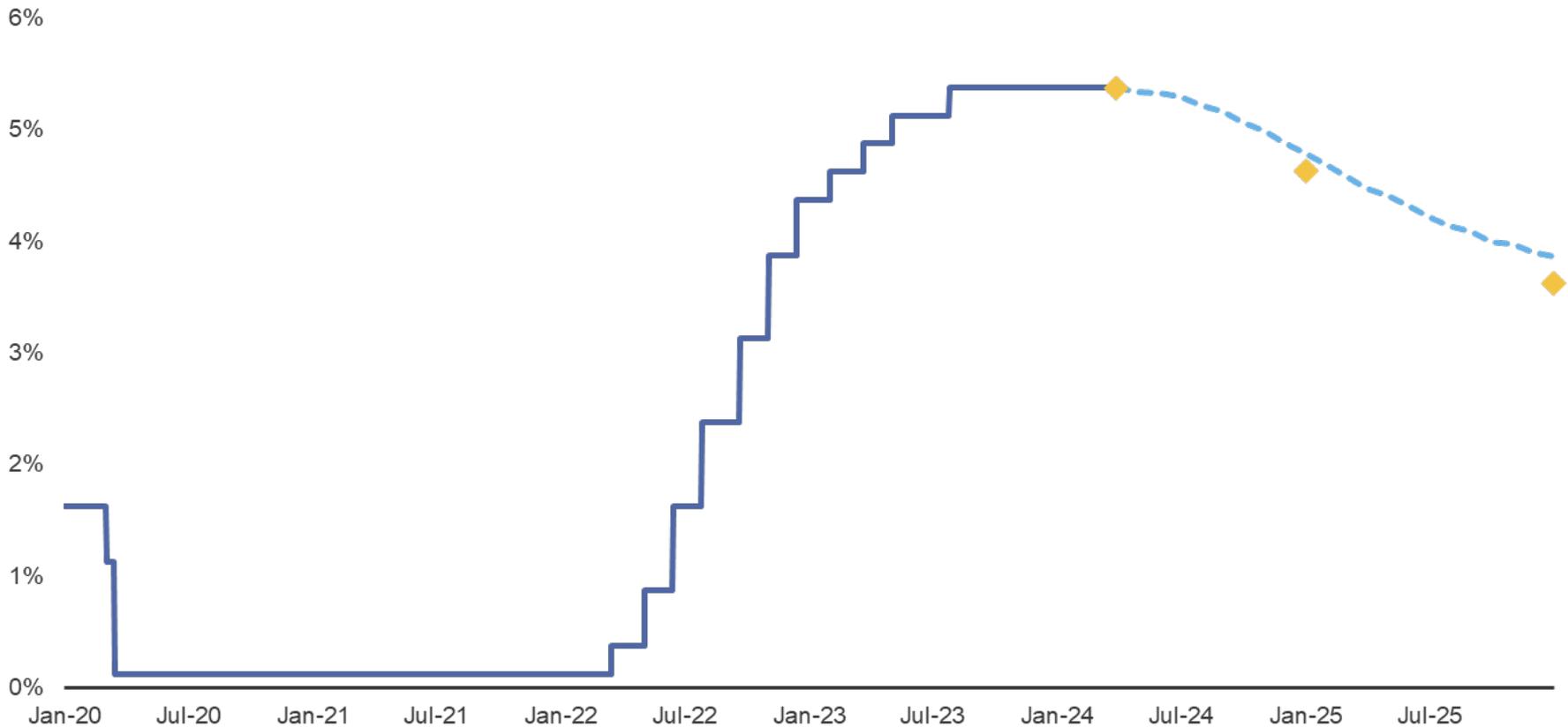
- Known expenses
- Known seasonal inflows and outflows
- Ability to structure maturities
- Changing interest rate environment



Rate Cuts Expected in Next 12 Months

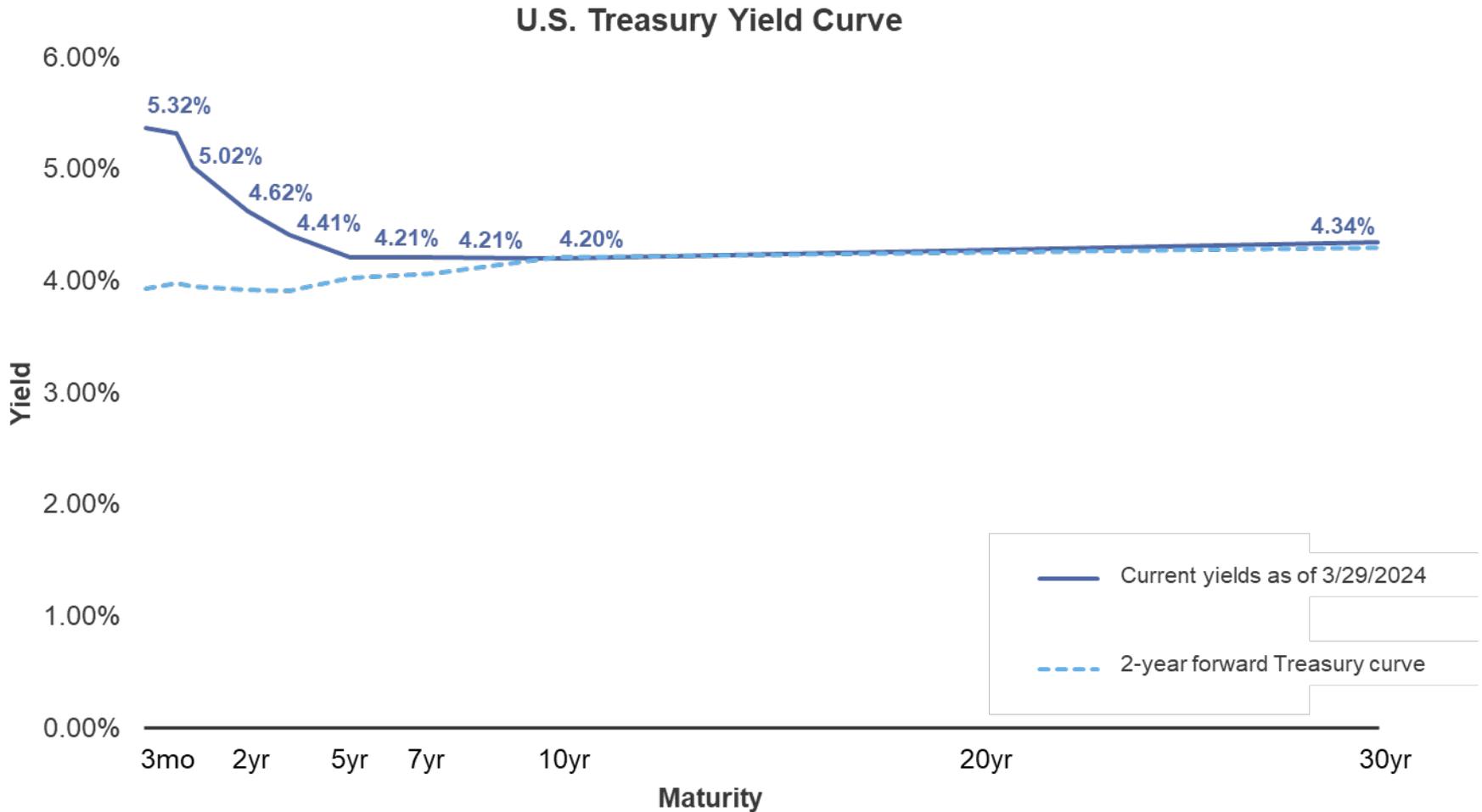
Fed Funds Rate

Federal Funds Rate Market Projections Dot Plot



Sources: The Federal Reserve and FRED, data as of 03/28/2024.

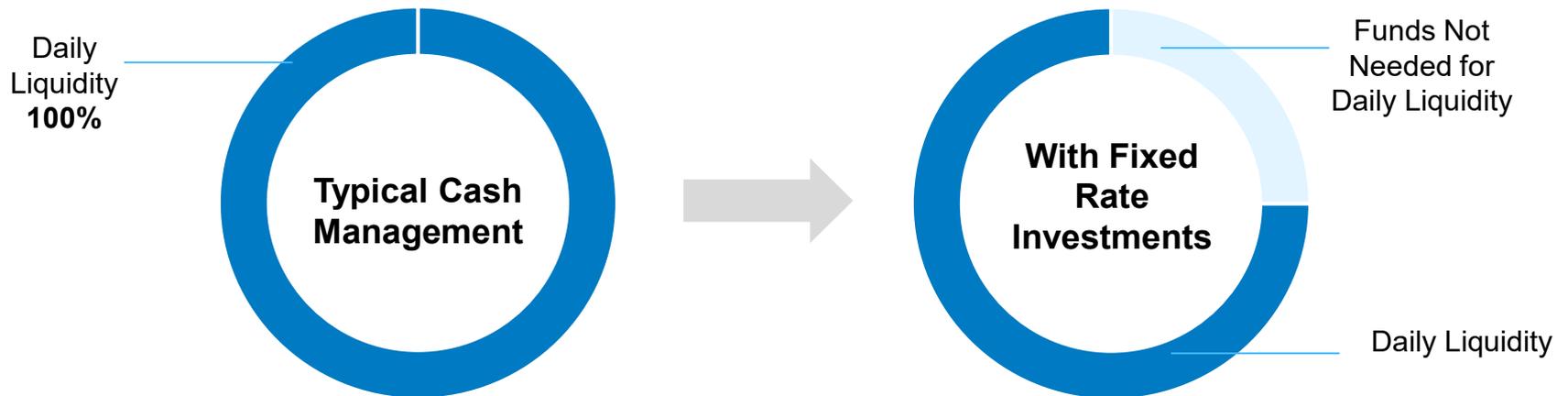
Markets Call for a Flatter Yield Curve in 2 Years



Source: Bloomberg, as of 3/29/2024. For illustrative purposes only.

Additional Investment Options: Separately-Managed Account

What if you could make the most of your cash by matching investment maturities to the timing of expense obligations, and do so at competitive yields?



**Augmenting your MILAF+ liquid portfolio with
laddered, fixed-rate investments in a separately-managed portfolio
could provide you with greater earnings potential.**



Cash Flow Analysis



Cash Flow Analysis Benefits

- Helps ensure adequate liquidity
- Aids in financial planning
- Opens investment opportunities across the yield curve
- Has potential to increase investment income

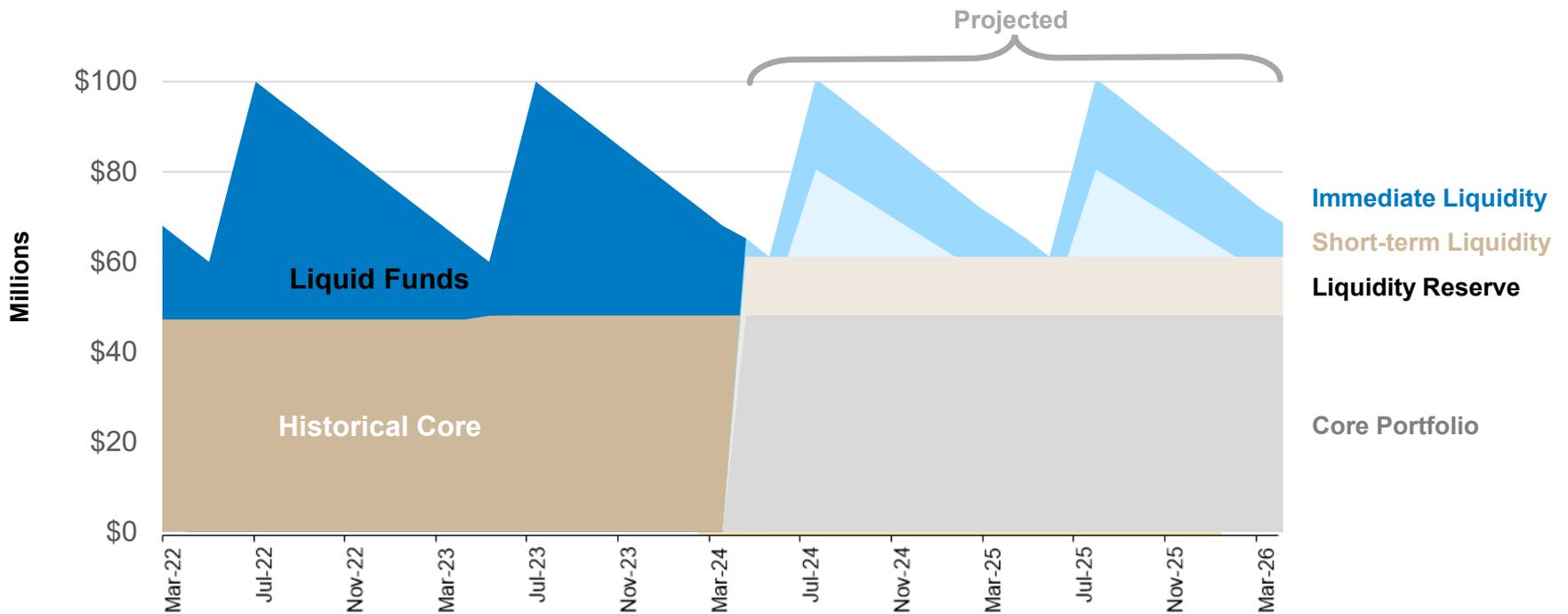
How to Develop a Strong Process

- Utilize various data sources
- Update analysis regularly
- Identify historical trends and patterns
- Avoid getting bogged down in forecasting "exact" amounts



Optimizing Portfolio Segmentation

Seasonality may be visible in cash flow analysis.



For illustrative purposes only.



Individual Portfolio Management

PFMAM will create a comprehensive investment strategy and portfolio.

This process will include:

- Asset / liability review
- Cash flow review and analysis
- Investment policy review
- Establishment of acceptable benchmarks
- Assist in the development of an optimal investment portfolio based on the specific requirements of the entity

MILAF+ will be used as the liquidity vehicle for your separately managed individual portfolio.

Our team is here for you.

The Michigan Team



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Tahsha Mitchell
Senior Managing Consultant
mitchellt@pfmam.com



Tom Armstrong
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Amber Cannegieter
Key Account Manager
cannegietera@pfmam.com



Regional Support (1-877-GO-MILAF)



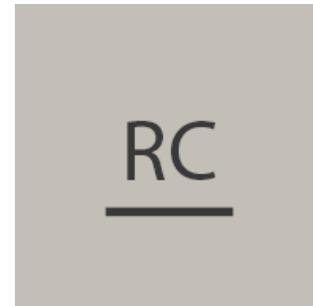
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Most importantly:
MILAF+ is *your* program.
Owned by you and governed by you.

Appendix

Professional Service Providers as of March 31, 2024

PROVIDERS	SERVICES
PFM Asset Management LLC (PFMAM)	Program Administrator and Investment Adviser
Fifth Third Bank	Custodian / Depository
Ernst & Young, LLP	Auditor
Thrun Law Firm, P.C.	Trust Counsel

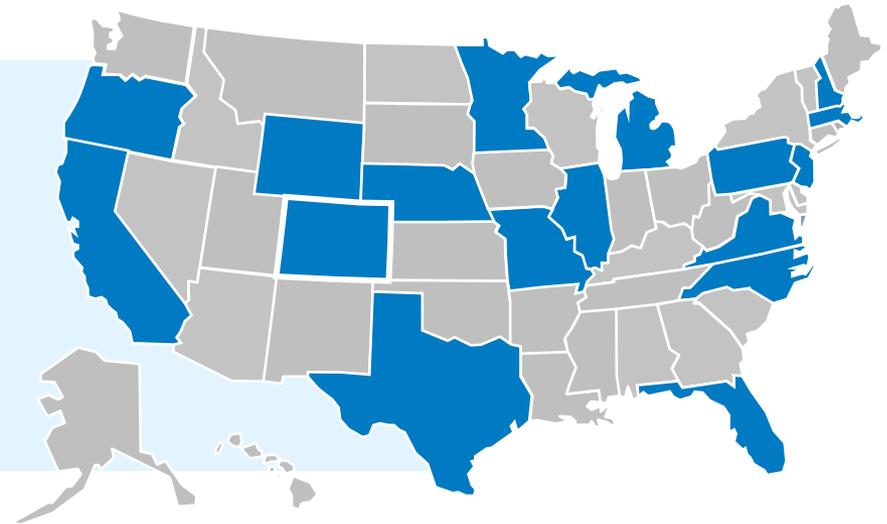


Advised by a Pioneer in the LGIP Industry

- MILAF+'s investment adviser helped pioneer the first grassroots LGIP – a Pennsylvania LGIP in 1981.
- Served by resources supporting:
 - 18 local government investment pools
 - \$73.2 billion in combined total assets from nearly 6,000 participants in these programs¹

MILAF+ strives to provide Michigan's public schools with the tools to effectively meet their cash flow and investment needs.

 LGIPs managed by PFMAM



¹ Source: PFM Asset Management LLC as of December 31, 2023.

Disclosures

*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 seeks 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 an affiliate of PFM Asset Management LLC.*



Disclosures

MILAF+ Portfolio

Standard & Poor's fund ratings are based on analysis of credit quality, market price exposure, and management. According to Standard & Poor's rating criteria, the AAAM rating signifies excellent safety of investment principal and a superior capacity to maintain a \$1.00 per share net asset value. However, it should be understood that the rating is not a "market" rating nor a recommendation to buy, hold or sell the securities. For a full description on rating methodology, visit Standard & Poor's website (http://www.standardandpoors.com/en_US/web/guest/home).

