



# MILAF+

Michigan Liquid  
Asset Fund Plus

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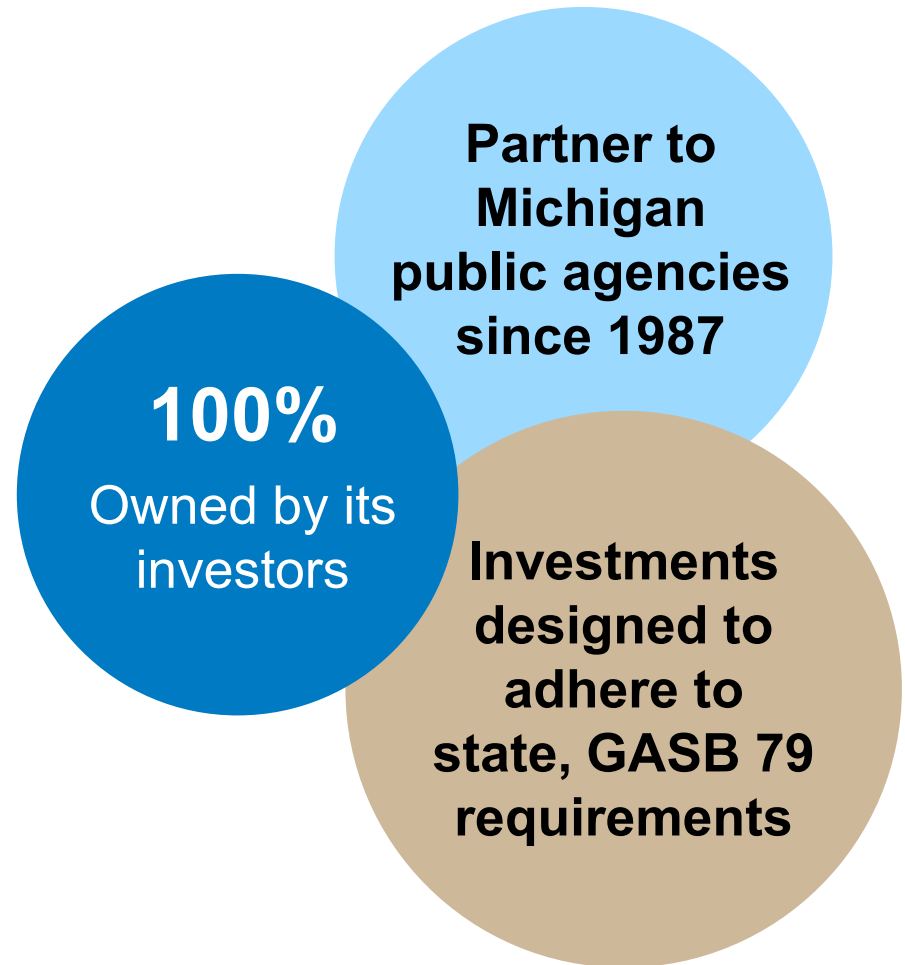
# **About MILAF+** **(The Michigan Liquid Asset Fund Plus)**

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

# Your Program

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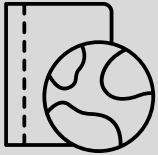
- MILAF+ was created in 1987 by the Michigan Association of School Boards.
- Owned and governed by its members
- Seeks to preserve safety of principal, provide liquidity, and earn a competitive yield while minimizing expenses
- Fund offers comprehensive cash management and investment solutions for Michigan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



# Benefits of Being a MILAF+ Investor

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## OPTIONS



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

## OUR TEAM



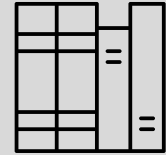
Client service team to support investors in achieving their investment goals

## CONVENIENCE



24/7 online account management with Connect

## RESOURCES



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



# 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
- Full array of banking services including check writing, positive pay, check imaging<sup>1</sup>

## 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

## GovMIC Class

- Class of shares exclusive to Michigan governmental entities
- Investments designed to comply with Public Act 20
- No minimum deposit or redemption requirements
- Unlimited deposits and withdrawals (1 p.m. Eastern Time cut-off)
- ACH, wire, check transactions
- No sponsorship fees<sup>2</sup>
- Full array of banking services<sup>1</sup>



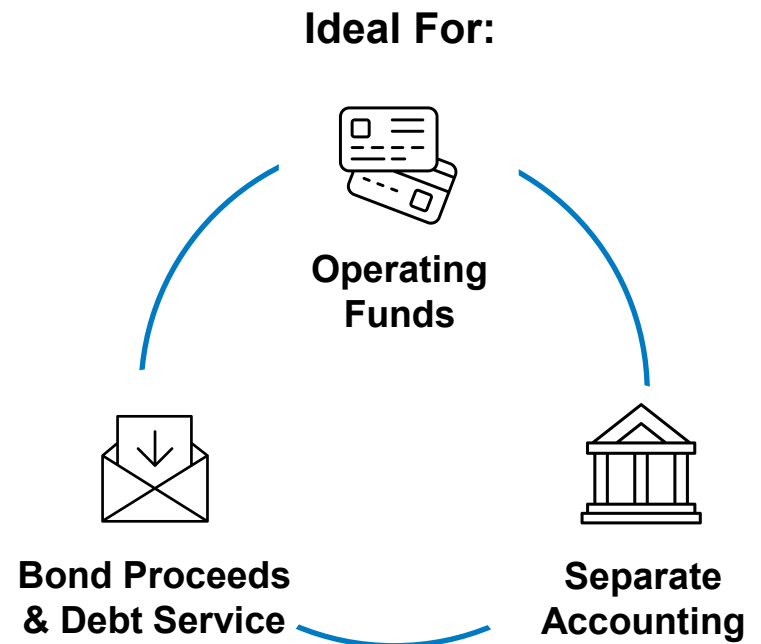
<sup>1</sup> Services offered by Fifth Third Bank, MILAF+'s Custodian

<sup>2</sup> The GovMIC Class does not pay sponsorship or marketing fees to outside enterprises

# Portfolio Highlights

The Cash Management Class, GovMIC Class, and MAX Class make up 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's<sup>1</sup>
- 24/7 access to all accounts via Connect, your online portal

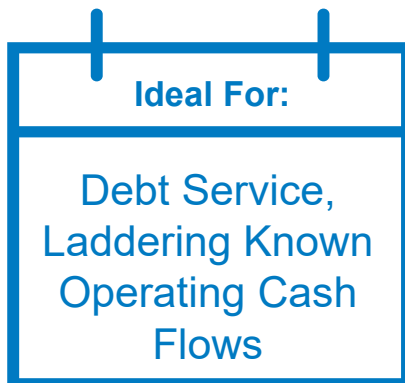


<sup>1</sup> See important disclosures at the end of this presentation.

# Michigan Term Portfolio

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- 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 instead of owning securities from a single issuer
- Minimum investment of \$1,000,000
- Early withdrawal may result in substantial penalty



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



# Additional Products Offered by MILAF+'s Investment Adviser

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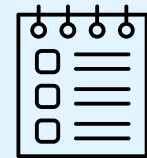
**Bond Account Management\***



**Arbitrage Compliance Services**



**Cash Management and Payment Solutions\*\***



**Separate Account Management\***



- *Products authorized by the MILAF+ Board of Trustees and administered by PFM Asset Management LLC (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*



# Investing Bond Proceeds

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## Bond Account Management

- MILAF+'s Investment Adviser manages bond proceeds in accordance with expected cash flows.
- **Primary focus:** Safety and liquidity
- All assets are held in a custodian bank in the entity's name and are not assets of MILAF+.
- Quarterly draw schedule / performance reports are provided.
- Fees are not a deductible arbitrage expense.

## Laddered Portfolios

- Seek to match maturities to meet expected cash flows in the future
- **Primary focus:** Safety and principal preservation
- All assets are held in a custodian bank in the entity's name.
- Fees are not a deductible arbitrage expense.



# Arbitrage Compliance Services

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## **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





## 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
- Development of an optimal investment portfolio

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

# What Does GASB 79 Compliance Mean for Your Agency?

- The MILAF+ Portfolio follows GASB 79 liquidity, maturity, quality and diversification requirements 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 their financial reporting and do not need to adjust their investments to fair value.<sup>1</sup>
- The Trust is designed to follow 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.



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

**Our team is here for you.**

# The Michigan Team

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**Brian Quinn**  
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**Michael Barry**  
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**Tahsha Mitchell**  
Senior Managing Consultant  
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**Tom Armstrong**  
Senior Managing Consultant  
*armstrongt@pfmam.com*



# Regional Support

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## Client Services Group

**CSGMidWestRegion@pfmam.com | 844.846.8642**

**Amber Cannegieter**  
Key Account Manager

**Rickey Lummus**  
Client Service  
Representative

**Rikki Camacci**  
Client Service  
Representative

**JaQuam Morris**  
Client Consultant



# 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.*



# MILAF.org

The MILAF+ online account management system offers:

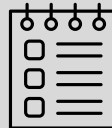
## CONVENIENCE

- 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

# Professional Service Providers as of August 31, 2023

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

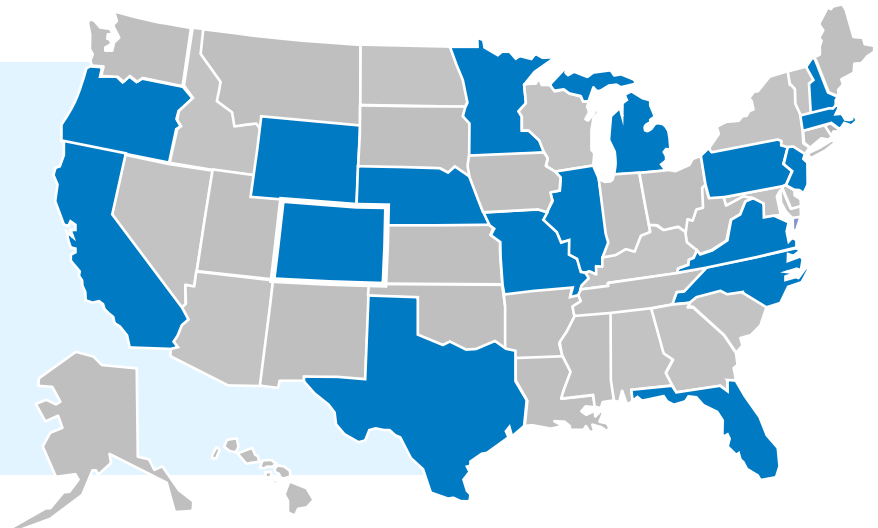


# Advised by a Pioneer in the LGIP Industry

- MILAF+'s investment adviser helped pioneer the first grassroots LGIP – a Pennsylvania LGIP in 1981.
- Served by resources supporting:
  - 18 local government investment pools and one SEC-registered investment company whose series or classes are registered in multiple states
  - \$70.9 billion in combined total assets from over 5,850 participants in these programs<sup>1</sup>

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

 LGIP and/or Registered Investment Company



<sup>1</sup> Source: PFM Asset Management LLC as of June 30, 2023.



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

# Disclosures

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*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](http://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](http://www.finra.org)) and Securities Investor Protection Corporation (SIPC) ([www.sipc.org](http://www.sipc.org)). PFM Fund Distributors, Inc. is an affiliate of PFM Asset Management LLC.*



# Disclosures

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*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](http://www.standardandpoors.com/en_US/web/guest/home)).*

