

Minnesota School District Liquid Asset Fund Plus

Annual Report

June 30, 2018

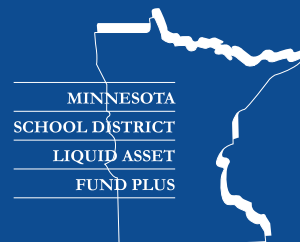


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*This information is for institutional investor use only, not for further distribution to retail investors, and does not represent an offer to sell or a solicitation of an offer to buy or sell any fund or other security. Investors should consider the investment objectives, risks, charges and expenses before investing in any of the Fund’s series. This and other information about the Fund’s series is available in the Fund’s current Information Statement, which should be read carefully before investing. A copy of the Fund’s Information Statement may be obtained by calling 1-888-4-MSDLAF or is available on the Fund’s website at www.msdlaf.org. While the MSDLAF+ Liquid Class and Max Class seek to maintain a stable net asset value of \$1.00 per share and the MSDLAF+ TERM series seek to achieve a net asset value of \$1.00 per share at its stated maturity, it is possible to lose money investing in the Fund. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Shares of the Fund 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 and Investors of the Minnesota School District Liquid Asset Fund Plus

We have audited the accompanying financial statements of the Minnesota School District Liquid Asset Fund Plus MSDLAF+ Portfolio and MSDLAF+ Term Series June 2019, which comprise the statements of net position as of June 30, 2018, 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 Minnesota School District Liquid Asset Fund Plus MSDLAF+ Portfolio and MSDLAF+ Term Series June 2019, and the changes in their net position of the MSDLAF+ Portfolio and MSDLAF+ Term Series June 2019 for the year or period then ended, in conformity with U.S. generally accepted accounting principles.

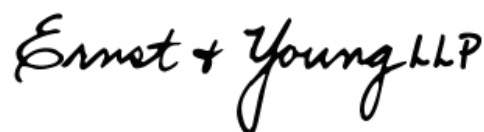
Required Supplementary Information

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis on pages 2 through 4 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 audits 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 Information

Our audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying Schedules of Investment of the MSDLAF+ Portfolio and MSDLAF+ Term Series June 2019 as of June 30, 2018 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.

Philadelphia, Pennsylvania
October 24, 2018

The signature of Ernst & Young LLP is written in a cursive, handwritten style in black ink.

Management's Discussion and Analysis

We are pleased to present the Annual Report for the Minnesota School District Liquid Asset Fund Plus (“MSDLAF+” or the “Fund”) for the year ended June 30, 2018. Management’s Discussion and Analysis is designed to focus the reader on significant financial items and provide an overview of the Fund’s activities for the year ended June 30, 2018. The Fund’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

While the past 12 months saw turbulence at times, markets were remarkably stable and we continued to observe a pickup in economic growth. Several notable elements contributed to this favorable environment, such as improving labor markets, global expansion, adjustments to U.S. tax policy and multiple rate hikes priced in by the Federal Open Market Committee (“FOMC”).

The economy grew at a solid pace in the first half of 2018, marking the second longest period of expansion since the Great Recession. The U.S. labor markets continued to strengthen as well, as unemployment fell to a 48-year low. An increase in corporate spending provoked modest wage growth, and hourly earnings – a key measure of wage growth – rose slightly over the past 12 months. During the past year, the economy also added, on average, about 200,000 jobs per month.

An improving labor market and gradual pickup in inflation prompted the Federal Reserve (the “Fed”) to raise rates three times in 2017 and again in March and June of 2018. June’s rate hike marked the seventh quarter-point move since December 2015. Fed inflation expectations also rose, as the core Personal Consumption Expenditures (“PCE”) price index, inched closer to the Fed’s long-term inflation target of 2.00 percent. Additionally, the face of the Fed changed in early 2018 when Janet Yellen passed the chair seat to Jay Powell. Powell is on course to continue Yellen’s gradual approach to monetary tightening and balance sheet reduction.

The Trump administration’s first major legislative win came in December with significant adjustments to U.S. tax policy. Since then, the reform’s corporate tax cuts have generated a modest boost in economic growth. What remains to be seen is whether additional economic growth, over the longer term, will be enough to offset the increase to the budget deficit triggered by this legislation.

The Trump administration also imposed tariffs on steel and aluminum imports, causing trade tensions within the global markets. Various other geopolitical factors subjected global economies to high levels of risk throughout the year – specifically, threats from North Korea, Russia-NATO conflicts, North American Free Trade Agreement (“NAFTA”) trade tensions and turmoil in the Middle East. Despite these uncertainties, there has been a consistent theme of synchronized economic growth among the global markets.

Across the board, the financial markets experienced a strong year for returns. Equities soared, responding positively to emerging markets and developed countries (excluding the United States), and domestic fixed income bonds performed well, moved by a muted outlook for inflation and strong demand for credit-related bonds. Short-term U.S. Treasury note yields were substantially higher over the last 12 months compared to previous years, reaching their highest levels since 2008, while long-term yields experienced little or no increases because of subdued inflation expectations. Although the yield curve initially steepened in early 2018, as longer-term rates moved up in response to a modest uptick in inflation expectations, the flattening trend ultimately resumed, retreating to post-recession tightening.

Portfolio Strategy

We employed active management of the MSDLAF+ portfolios through the 12-month period to take advantage of opportunities present in the market. In the MSDLAF+ Portfolio, we strategically positioned the weighted average maturity of the portfolio ahead of anticipated FOMC rate hikes. This strategy enabled the portfolio yield to quickly adjust higher after each rate hike. Floating rate securities were also an integral part of our strategy in this rising rate environment. As a result, the Liquid Class and MAX Class yields rose over the year, in tandem with overall rises in short-term rates. We expect to maintain this maturity management 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 MSDLAF+ Term, we seized opportunities to invest funds in highly rated commercial paper and negotiable certificates of deposit with fixed maturities to benefit from the higher interest rates available in money market securities that mature beyond two months. Thus, investors in MSDLAF+ Term benefitted from higher rates as well. We believe the combination of investment options available through the Liquid Class, MAX Class and MSDLAF+ Term represent attractive alternatives to prime money market funds and lower-yielding government money market funds.

Given changing outlooks and market changes over the last 12 months, 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 stand 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 Fund's MSDLAF+ Portfolio and MSDLAF+ Term Series June 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 the MSDLAF+ Portfolio and MSDLAF+ Term Series June 2019 are included as Other 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 June 30, 2018 and include all assets and liabilities of each Portfolio. The difference between total assets and total liabilities, which is equal to the investors' interest in the Portfolio's net position, is shown below for the current and prior fiscal year-end dates, as applicable:

	MSDLAF+ Portfolio		MSDLAF+ Term Series June 2019
	June 30, 2018	June 30, 2017	June 30, 2018
Total Assets	\$ 1,731,960,870	\$ 1,711,706,617	\$ 683,400,824
Total Liabilities	(655,983)	(3,453,644)	(630,067)
Net Position	\$ 1,731,304,887	\$ 1,708,252,973	\$ 682,770,757

Total assets of the Portfolios fluctuate as investable assets rise and fall when capital shares are issued and redeemed. The increase in total assets of the MSDLAF+ Portfolio is primarily comprised of a \$107,775,602 increase in investments and a \$9,991,937 increase in subscriptions receivable which was offset by a decrease in cash and cash equivalents of \$97,823,403. The increase in investments compared to decrease in cash equivalents is mostly due to a mix of what the Portfolio was invested at the current fiscal year-end compared to the prior fiscal year-end, while the subscription receivable is mostly a timing difference for anticipated share purchases which weren't received in time to invest them at June 30, 2018. The decrease in total liabilities of the MSDLAF+ Portfolio is mainly due to having \$2,834,744 in subscriptions received in advance settled after the prior fiscal year-end date of June 30, 2017.

MSDLAF+ Term Series June 2019 commenced operations July 6, 2017, therefore it had no assets at the prior fiscal year-end; its total assets at the current year-end are mostly comprised of \$681,214,852 of investments and \$1,923,184 of interest receivable. MSDLAF+ Term Series June 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 on June 30, 2019.

The Statement of Changes in Net Position presents the Portfolios' activity during each report 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. The changes in each Portfolios' net position consists of net investment income, realized gains or losses on sale of investments and net shares issued to or redeemed by investors, as outlined below for the current and prior fiscal periods, as applicable:

	MSDLAF+ Portfolio		MSDLAF+ Term Series June 2019
	Year Ended June 30, 2018	Year Ended June 30, 2017	July 6, 2017 ⁽¹⁾ through June 30, 2018
Investment Income	\$ 24,891,461	\$ 15,908,645	\$ 6,501,422
Net Expenses	(5,111,960)	(4,842,083)	(928,241)
Net Investment Income	19,779,501	11,066,562	5,573,181
Realized Gain/(Loss) on Sale of Investments	34,480	193,710	(20,535)
Net Capital Shares Issued/(Redeemed)	3,237,933	7,311,753	677,218,111
Change in Net Position	\$23,051,914	\$18,572,025	\$ 682,770,757

(1) Commencement of operations for MSDLAF+ Term Series June 2019.

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. Realized gains or losses on sale of investments occur whenever investments are sold for more or less than their carrying value. The increase in the MSDLAF+ Portfolio's investment income is primarily due to the cumulative 75 basis point increase in the federal funds target rate during the current fiscal year causing yields on the investments the Portfolio purchased to be higher year-over-year. The increase in the MSDLAF+ Portfolio's expenses is primarily the result of a \$345,236 of previous fee waivers by service providers which were restored in the current year, as well as a \$91,265 reduction in bank earnings credits in the current year as compared to the prior year. The prior fee waivers were restored as the federal funds target rate increased over the current fiscal year. Also, 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.

Since MSDLAF+ Term Series June 2019 commenced operations during the current fiscal year it had no changes in net position from the prior year. MSDLAF+ Term Series June 2019 issued \$1,088,476,925 worth of shares in the portion of the current fiscal year it was active and earned \$6,501,422 of investment income as those assets were invested. The net expenses of MSDLAF+ Term Series June 2019 include an investment advisory fee of 0.25% of its average daily net 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 MSDLAF+ Term Series June 2019's scheduled termination date on June 30, 2019.

The total returns of the MSDLAF Liquid and MAX Classes for the year ended June 30, 2018 were 1.25% and 1.34%, up from 0.64% and 0.74%, respectively, for the year ended June 30, 2017. The return of each investor's investment in a MSDLAF+ 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:

	MSDLAF+ Portfolio		MSDLAF+ Term Series June 2019
	Year Ended June 30, 2018	Year Ended June 30, 2017	July 6, 2017 ⁽¹⁾ through June 30, 2018
Ratio of Net Investment Income to Average Net Assets ⁽²⁾ :			1.64%
Liquid Class	1.27%	0.62%	
MAX Class	1.32%	0.72%	
Ratio of Net Investment Income to Average Net Assets, Before Fees Waived/Restored and Expenses Paid Indirectly ⁽²⁾ :			1.64%
Liquid Class	1.30%	0.61%	
MAX Class	1.34%	0.72%	
Ratio of Expenses to Average Net Assets:			0.26%
Liquid Class	0.40%	0.37%	
MAX Class	0.30%	0.27%	
Ratio of Expenses to Average Net Assets, Before Fees Waived/Restored and Expenses Paid Indirectly:			0.26%
Liquid Class	0.37%	0.38%	
MAX Class	0.28%	0.27%	

(1) Commencement of operations for MSDLAF+ Term Series June 2019.

(2) Excludes realized and unrealized gains and losses. See Note B.

The ratios above are computed for each Portfolio taken as a whole. For each MSDLAF+ 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 MSDLAF+ Term and net asset value of each investor's investment in a MSDLAF+ 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 rose 0.65% for the Liquid Class and 0.60% for the MAX Class compared to last year due to the increase in investment income driven by increased interest rates noted above. The average net assets of the Liquid Class increased 11% over the prior year while the average net assets of the MAX Class decreased 15% over the prior year. Since the bulk of these expenses are calculated as a percentage of net assets, the ratio of expenses to average net assets on a pre-waiver basis decreased 0.01% year-over-year for the Liquid Class but increased 0.01% for the MAX Class. After factoring in the increase caused by the fee waivers which were restored in the current year and the decrease in expenses paid indirectly, the ratio of expenses to average net assets rose by 0.03% for both classes.

Since MSDLAF+ Term Series June 2019 commenced operations during the current fiscal year it had no ratios for the prior year. MSDLAF+ Term Series June 2019 net investment income ratio of 1.64% reflects the higher general interest rate environment as those assets were invested. The expense ratios of MSDLAF+ Term Series June 2019 include an investment advisory fee of 0.25% of its average daily net assets, as well as other operating expenses. However, this ratio may be reduced in the future for any investment advisory or other waivers which will be determined upon MSDLAF+ Term Series June 2019's scheduled termination date on June 30, 2019.

Statements of Net Position

June 30, 2018

	MSDLAF+ Portfolio	MSDLAF+ Term Series June 2019
Assets		
Investments	\$ 1,583,121,694	\$ 681,214,852
Cash and Cash Equivalents	135,621,811 ⁽¹⁾	253,788
Interest Receivable	3,198,918	1,923,184
Subscriptions Receivable	10,007,603	-
Prepaid Expenses	10,844	9,000
Total Assets	1,731,960,870	683,400,824
Liabilities		
Redemptions Payable	45,630	-
Investment Advisory Fees Payable	114,961	597,389
Administration Fees Payable		-
Liquid Class	97,960	
MAX Class	104,011	
Marketing Fees Payable	50,163	-
Sponsorship Fee Payable		-
Liquid Class	48,931	
MAX Class	43,615	
Audit Fees Payable	28,747	23,500
Custodian Fees Payable	69,551	7,097
Legal Fees Payable	2,026	-
Other Accrued Expenses	50,388	2,081
Total Liabilities	655,983	630,067
Net Position	\$ 1,731,304,887	\$ 682,770,757
Net Position Consists of:		
Liquid Class Shares	\$ 717,183,060	
(applicable to 717,183,060 outstanding shares of beneficial interest; unlimited authorization; no par value; equivalent to \$1.00 per share)		
MAX Class Shares	\$ 1,014,121,827	
(applicable to 1,014,121,827 outstanding shares of beneficial interest; unlimited authorization; no par value; equivalent to \$1.00 per share)		
MSDLAF Term Series June 2019 Shares		\$ 682,770,757
(applicable to 689,480,386 outstanding shares of beneficial interest; unlimited authorization; no par value)		

(1) Includes cash and bank deposit accounts which are subject to a 1 day put. Guaranteed by Federal Home Loan Bank letters of credit.

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

Statements of Changes in Net Position

	MSDLAF+ Portfolio	MSDLAF+ Term Series June 2019 July 6, 2017 ⁽¹⁾ through June 30, 2018
	Year Ended June 30, 2018	June 30, 2018
Income		
Investment Income	\$ 24,891,461	\$ 6,501,422
Expenses		
Investment Advisory Fees	1,213,310	872,889
Administration Fees		-
Liquid Class	808,555	
MAX Class	1,029,957	
Marketing Fees	525,476	-
Sponsorship Fees		-
Liquid Class	395,970	
MAX Class	429,730	
Cash Management Fees		-
Liquid Class	218,340	
MAX Class	7,528	
Custodian Fees	70,680	18,773
Audit Fees	28,800	23,500
Legal Fees	5,187	1,125
Other Expenses	44,155	11,954
Total Expenses	4,777,688	928,241
Investment Advisory Fee Waivers Restored	57,296	-
Administration Fee Waivers Restored	200,112	-
Sponsorship Fee Waivers Restored	87,828	-
Expenses Paid Indirectly	(10,964)	-
Net Expenses	5,111,960	928,241
Net Investment Income	19,779,501	5,573,181
Other Income		
Net Realized Gain/(Loss) on Sale of Investments	34,480	(20,535)
Net Increase from Investment Operations Before Capital Transactions	19,813,981	5,552,646
Capital Shares Issued		1,088,476,925
Liquid Class	9,320,552,508	
MAX Class	4,360,993,262	
Capital Shares Redeemed		(411,258,814)
Liquid Class	(9,114,935,491)	
MAX Class	(4,563,372,346)	
Change in Net Position	23,051,914	682,770,757
Net Position – Beginning of Period	1,708,252,973	-
Net Position – End of Period	\$ 1,731,304,887	\$ 682,770,757

(1) Commencement of operations for MSDLAF+ Term Series June 2019.

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

Notes to Financial Statements

A. Organization and Reporting Entity

The Minnesota School District Liquid Asset Fund Plus (“MSDLAF+”, or the “Fund”) was established on November 29, 1984, as a common law trust organized under Section 471.59 of the Minnesota Statutes (the Joint Powers Act). The purpose of the Fund is to enable such school districts and other organized bodies to pool their available funds for investment. The Fund may invest only in instruments as authorized by Sections 118A.04 and 118A.05 of the Minnesota Statutes (“Permitted Investments”). Shares of the Fund’s portfolios are offered exclusively to Minnesota school districts, intermediate units, cooperative units, regional information centers and joint purchasing units. The Fund has not provided or obtained any legally binding guarantees to support the value of shares. All participation in the Fund is voluntary. The Fund is not required to register with the Securities and Exchange Commission (“SEC”) as an investment company.

The Fund currently consists of the MSDLAF+ Portfolio and the MSDLAF+ Term Series. The MSDLAF+ Portfolio has a Liquid Class of shares and a MAX Class of shares. The financial statements of each MSDLAF+ Term Series are prepared on an interim date if the life of the series is in excess of an annual period and following the termination date of each individual MSDLAF+ Term Series. These financial statements and related notes encompass the Liquid and the MAX Classes of the MSDLAF+ Portfolio; and MSDLAF+ Term Series June 2019 (each a “Portfolio” and, collectively, the “Portfolios”). The Fund’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.

MSDLAF+ Term’s shares have termination dates of up to one year. Each Series of MSDLAF+ Term is a portfolio of Permitted Investments and will have a Series-specific termination date. Multiple MSDLAF+ Term Series are created with staggered maturity dates. MSDLAF+ Term offers its investors an estimated yield on their investments when the shares are purchased. The investment strategy of MSDLAF+ 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 MSDLAF+ Term Series in which it is invested. At the termination date of any MSDLAF+ 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 MSDLAF+ Term Series is accounted for independent of the investment portfolio of any other Series or portfolio of MSDLAF+. In the event a MSDLAF+ Term Series portfolio were to realize a loss (whether of principal or interest), no contribution would be made to such MSDLAF+ Term Series from any other Series or portfolio of MSDLAF+ to offset such loss. No Series would constitute security or collateral for any other Series or portfolio.

B. Summary of Significant Accounting Policies

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

Measurement Focus and Basis of Accounting

The Fund 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 Fund 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 Fund 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.

Fund 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, MSDLAF+ Portfolio securities are valued at amortized cost, which approximates fair value. GASB Statement No. 79 requires a comparison of the MSDLAF+ 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 MSDLAF+ 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 June 30, 2018 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. Unrealized losses of \$201,276, which represent the change in the fair value of investment securities held by MSDLAF+ Term Series June 2019 as of the reporting date, are included in investment income on the Statement of Changes in Net Position.

Repurchase Agreements

Repurchase agreements entered into with broker-dealers are secured by U.S. government or agency obligations. The Fund's custodian takes possession of the collateral pledged for investments in repurchase agreements. The Fund also enters into tri-party repurchase agreements. Collateral pledged for tri-party repurchase agreements is held for the Fund 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 Fund has the right to liquidate the collateral and apply the proceeds in satisfaction of the obligation. If the seller defaults and the value of the collateral declines, realization of the value of the obligation by the Fund may be delayed. In the event of default or bankruptcy by the other party to the agreement, realization and/or retention of the collateral may be subject to delays from legal proceedings.

Share Valuation and Participant Transactions

The net asset value ("NAV") per share of the MSDLAF+ 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 MSDLAF+ Portfolio's objective to maintain an 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 MSDLAF+ 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 investors share redemption in MSDLAF+ 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 Fund's intent to manage each series of MSDLAF+ Term in a manner that produces an 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 MSDLAF+ Portfolio declares dividends and distributions for its Liquid and MAX 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 June 30, 2018, dividends totaling \$19,813,981 were distributed for the MSDLAF+ Portfolio.

Dividends to investors in MSDLAF+ Term are declared and paid on the termination date of each MSDLAF+ 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 year ended June 30, 2018, dividends totaling \$2,472,126 were distributed for MSDLAF+ Term Series June 2019 and are included in the capital shares redeemed on the Statement of Changes in Net Position.

Redemption Restrictions

Shares of the MSDLAF+ 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 Fund'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 a Portfolio's securities or determination of its net asset value not reasonably practical. With the exception of direct investment of funds distributed by the State of Minnesota or the deposit of proceeds of aid, tax or revenue anticipation certificates of indebtedness, investments in shares of the MSDLAF+ Portfolio's MAX Class must be made for a minimum of at least 14 calendar days or be subject to a penalty as further described in the Fund's Information Statement.

Shares of MSDLAF+ Term Series are purchased to mature upon pre-determined maturity dates selected by the investor at the time of purchase. Should an investor need to redeem shares in an MSDLAF+ Term Series prematurely they must provide notice at least 7 days prior to the premature redemption date. The value of a pre-mature 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 Fund'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 MSDLAF+ Portfolio based on the relative net assets of each class when earned or incurred. Expenses specific to a class of shares of the MSDLAF+ Portfolio, such as administrative, sponsorship and cash management fees, are allocated to the class of shares to which they relate.

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

Use of Estimates

The preparation of financial statements under U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosure in the financial statements. Actual results could differ from those estimates.

Income Tax Status

The Fund is not subject to Federal or Minnesota 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 Fund enters into contracts that contain a variety of representations which provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. However, based on experience, the Fund expects the risk of loss to be remote.

Subsequent Events Evaluation

The Fund has evaluated subsequent events through October 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 MSDLAF+ Portfolio and MSDLAF+ Term Series June 2019 portfolios as of June 30, 2018 have been provided for the information of the Portfolios' investors.

Credit Risk

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

S&P Rating	MSDLAF+ Portfolio	MSDLAF+ Term Series June 2019
AA+	3.30%	-
A-1+	41.69%	30.08%
A-1	50.74%	69.48%
Exempt ⁽¹⁾	4.27%	0.44%

(1) 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 MSDLAF+ Portfolio include the ratings of collateral underlying repurchase agreements in effect at June 30, 2018.

Concentration of Credit Risk

As outlined in the Fund's Information Statement, each Portfolio's investment policy establishes certain restrictions on investments and limitations on portfolio composition. The MSDLAF+ Portfolio and MSDLAF Term Series June 2019 investment portfolios at June 30, 2018 included the following issuers, which individually represented greater than 5% of each Portfolio's total investment portfolio:

Issuer	MSDLAF+ Portfolio	MSDLAF+ Term Series June 2019
Bedford Row Funding Corp	<5%	5.49%
BOFI Federal Bank ⁽¹⁾	10.11%	-
Canadian Imperial Bank of Commerce (NY)	<5%	5.47%
Dexia Credit Local Sa (NY)	<5%	5.48%
Federal Home Loan Bank Discount Note	5.04%	-
HSBC Bank	<5%	5.42%
JP Morgan Securities LLC	<5%	5.22%
MUFG Bank LTD (NY)	<5%	5.16%
Societe Generale (NY)	<5%	5.25%
Toronto Dominion Bank (NY)	<5%	7.13%
Wells Fargo Bank	<5%	5.49%

(1) 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 MSDLAF+ Portfolio maintain a dollar-weighted average maturity of not greater than sixty days (2) and the MSDLAF+ Term Series maintain a weighted average maturity of not greater than 1 year. At June 30, 2018, the weighted average maturity of the MSDLAF+ Portfolio and the MSDLAF+ Term Series June 2019, including cash and cash equivalents and non-negotiable certificates of deposit, were 29 days and 141 days, respectively.

The range of yields to maturity, actual maturity dates, principal values, fair values and weighted average maturities of the types of investments the MSDLAF+ Portfolio and MSDLAF+ Term Series June 2019 held at June 30, 2018 are as follows:

MSDLAF+ Portfolio

Type of Deposits and Investments	Yield-to Maturity Range	Maturity Range	Principal	Fair Value	Weighted Average Maturity
Asset-Backed Commercial Paper	2.25%-2.35%	8/21/18-1/23/19	\$ 82,000,000	\$ 81,920,667	32 Days
Cash and Cash Equivalents	n/a	n/a	135,621,811	135,621,811	1 Day
Certificates of Deposit – Negotiable	2.19%-2.61%	7/2/18-4/26/19	690,000,000	689,959,664	32 Days
Certificates of Deposit – Non-negotiable	2.08%-2.15%	7/2/18	160,000,000	160,000,000	2 Days
Commercial Paper	2.24%-2.54%	7/17/18-3/15/19	443,000,000	442,027,263	44 Days
Repurchase Agreements	2.08%-2.11%	7/2/18	104,400,000	104,400,000	2 Days
Government Agency Discount Notes	1.90%-1.91%	8/1/18-8/10/18	80,000,000	79,854,737	35 Days
U.S. Treasury Notes	2.03%	10/1/18	25,000,000	24,959,363	93 Days
			<u>\$1,720,021,811</u>	<u>\$1,718,743,505</u>	

MSDLAF+ Term Series June 2019

Type of Deposits and Investments	Yield-to Maturity Range	Maturity Range	Principal	Fair Value	Weighted Average Maturity
Asset-Backed Commercial Paper	2.19%-2.60%	7/27/18-2/26/19	\$ 46,849,000	\$ 46,418,727	135 Days
Cash and Cash Equivalents	n/a	n/a	253,788	253,788	1 Day
Certificates of Deposit – Negotiable	1.50%-2.72%	7/2/18-6/25/19	279,360,000	279,180,730	155 Days
Commercial Paper	1.67%-2.65%	7/3/18-3/25/19	355,696,000	352,613,632	129 Days
U.S. Treasury Notes	2.28%	5/15/19	3,040,000	3,001,763	319 Days
			<u>\$ 685,198,788</u>	<u>\$ 681,468,640</u>	

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 June 30, 2018.

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; (3) for instruments subject to demand features, the effective maturity is assumed to be the period remaining until the principal amount of the security may be recovered through the demand feature; and (4) the effective maturity of cash and cash equivalents are assumed to be one day. Refer to the Schedules of Investments included in the unaudited Other Information that follows for further information.

D. Fees and Charges

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

Investment Advisory Fees

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

MSDLAF+ Portfolio Average Daily Net Assets	Rate
First \$1,500,000,000	.080%
\$1,500,000,001 to \$2,000,000,000	.075%
\$2,000,000,001 to \$2,500,000,000	.070%
\$2,500,000,001 to \$3,000,000,000	.065%
Over \$3,000,000,000	.060%

Such fees are calculated daily and payable monthly.

Under the terms of its Investment Advisory Agreement with PFMAM, each MSDLAF+ Term Series pays PFMAM a monthly fee for investment advisory services at the annual rate of 0.25% of each Series’ 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 MSDLAF+ Term Series, and such waiver may be discontinued at any time. In its discretion, PFMAM may waive fees payable by MSDLAF+ Term Series June 2019 upon its scheduled termination of operations on June 30, 2019.

Administration Fees

Under its Agreement with the Fund, PFMAM is paid a fee for its services as Administrator to the MSDLAF+ Portfolio at an annual rate which was determined as follows:

Average Daily Net Assets by Class	Liquid Class	MAX Class
First \$250,000,000	0.15%	0.12%
\$250,000,001 to \$500,000,000	0.14%	0.11%
Over \$500,000,000	0.13%	0.10%

Such fees are calculated daily and payable monthly. PFMAM is not compensated for the administration services it provides to the MSDLAF+ Term Series.

Marketing Fees

Pursuant to the authority granted under its Agreement with the Fund, PFMAM has delegated its duty to provide marketing services for the Fund to its wholly-owned broker/dealer subsidiary, PFM Fund Distributors, Inc. (“PFM Fund Distributors”). For the marketing services it provides to the MSDLAF+ Portfolio, PFM Fund Distributors is paid a fee at an annual rate according to the schedule that follows:

Total Average Daily Net Fund Assets Breakpoint	MSDLAF+ Portfolio
First \$750,000,000	0.040%
\$750,000,001 to \$1,500,000,000	0.035%
\$1,500,000,001 to \$3,000,000,000	0.030%
Over \$3,000,000,000	0.020%

For the purpose of calculating breakpoints to determine the applicable rates above, the total average daily net assets of all Fund programs shall be included, including but not limited to: the Liquid Class of the MSDLAF+ Portfolio or Liquid Portfolio, as applicable, the MAX Class of the MSDLAF+ Portfolio or MAX Portfolio, as applicable, each MSDLAF+ Term Series, all SAM accounts, all BAM Accounts, the individualized portfolios, the Fixed Term Investment Program, or any other investment program approved, endorsed or otherwise made available to investors by the Fund or PFMAM. The fee is computed daily and payable monthly from the Liquid Class and MAX Class of the MSDLAF+ Portfolio based on the average daily net assets in each such class.

PFM Fund Distributors is not compensated for the marketing services it provides to the MSDLAF+ Term Series.

Sponsorship Fees

The Minnesota School Boards Association, Minnesota Association of School Administrators and Minnesota Association of School Business Officials (collectively, the “Sponsors”) sponsor the Fund. The Sponsors are paid sponsorship fees at the following rates:

Organization	Liquid Class	MAX Class
Minnesota School Boards Association (“MSBA”)	0.05%	0.025%
Minnesota Association of School Administrators (“MASA”)	0.01%	0.01%
Minnesota Association of School Business Officials (“MASBO”)	0.01%	0.01%

Such fees are calculated daily and payable monthly. There are no sponsorship fees paid by the MSDLAF+ Term Series.

Other Fund Expenses

The Fund pays expenses incurred by its Trustees and officers (in connection with the discharge of their duties), insurance for the Trustees, fees for cash management and custodial services, audit fees and legal fees. During the year ended June 30, 2018, the MSDLAF+ Portfolio’s custodial fees were reduced by \$10,964 as a result of earnings credits from cash balances.

Fee Reduction Agreements

Effective May 5, 2009, the Fund, on behalf of the MSDLAF+ Portfolio, entered into a Fee Reduction Agreement with PFMAM, the Custodian and each Sponsor (each 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 Liquid Class of the MSDLAF+ 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 NAV of the Liquid Class on the business day immediately following the date on which the Service Provider gives notice to the Fund 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 Fund by the Service Provider regarding its intent to terminate its fee reduction or revise, upward or downward, the rate of its fee reduction.

Effective November 16, 2011, the Fund, on behalf of the MSDLAF+ Portfolio, 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 MAX Class of the MSDLAF+ 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 NAV of the MAX Class on the business day immediately following the date on which PFMAM gives notice to the Fund 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 Fund by PFMAM regarding its intent to terminate its fee reduction or revise, upward or downward, the rate of its fee reduction.

Effective May 16, 2013, the Fund, on behalf of the MSDLAF+ Portfolio, entered into a Fee Reduction Agreement with each Sponsor pursuant to which each Sponsor individually may, but shall not be obligated to, temporarily reduce a portion of its fees payable from the MAX Class of the MSDLAF+ Portfolio to assist that class in an attempt to maintain a positive yield. In the event that a Sponsor elects to initiate a fee reduction, such fee reduction shall be applicable to the computation of the NAV of the MAX Class on the business day immediately following the date on which the Sponsor gives notice to the Fund 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 Fund by the Sponsor 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 MSDLAF+ Portfolio making the payment was in excess of 1.00% per annum for the preceding 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 each Service Provider's Fee Reduction Agreement with the Fund 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 Providers related agreement with the Fund 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 cumulative fees waived by PFMAM, PFM Fund Distributors, MSBA, MASA, and MASBO subject to the Fee Reduction Agreements since their inception. The chart also includes the cumulative amounts reimbursed and deemed unrecoverable under the Fee Reduction Agreements, as well as the amounts which remain to be recoverable as of June 30, 2018 for each Service Provider.

Liquid Class

	PFM Asset Management		PFM Fund Distributors	MSBA	MASA	MASBO
	Administrative	Investment				
	Fees	Advisory Fees				
Total waived fees	\$ 1,506,829	\$ 195,469	\$ 32,415	\$ 767,668	\$ 150,915	\$ 150,915
Amounts reimbursed	(66,861)	(23,512)	-	(23,302)	(4,660)	(4,660)
Amounts unrecoverable	(1,370,074)	(171,957)	(32,415)	(681,625)	(139,729)	(139,729)
Remaining recoverable	\$ 69,894	\$ -	\$ -	\$ 62,741	\$ 6,526	\$ 6,526
Waivers not reimbursed become unrecoverable in fiscal year-end:						
6/30/19	69,894	-	-	62,741	6,526	6,526
Total	\$ 69,894	\$ -	\$ -	\$ 62,741	\$ 6,526	\$ 6,526

MAX Class

	PFM Asset Management		MSBA	MASA	MASBO
	Administrative	Investment			
	Fees	Advisory Fees			
Total waived fees	\$ 1,017,712	\$ 452,484	\$ 216,546	\$ 110,669	\$ 110,669
Amounts reimbursed	(133,250)	(33,784)	(30,669)	(12,268)	(12,268)
Amounts unrecoverable	(845,542)	(418,700)	(173,587)	(84,984)	(84,984)
Remaining recoverable	\$ 38,920	\$ -	\$ 12,290	\$ 13,417	\$ 13,417
Waivers not reimbursed become unrecoverable in fiscal year-end:					
6/30/19	38,920	-	12,290	13,417	13,417
Total	\$ 38,920	\$ -	\$ 12,290	\$ 13,417	\$ 13,417

**Other
Information**
(unaudited)

MSDLAF+ Portfolio

Schedule of Investments (unaudited)

June 30, 2018

Rate ⁽¹⁾	Maturity Date ⁽²⁾	Principal	Fair Value ⁽³⁾
Asset-Backed Commercial Paper (4.73%)			
Bedford Row Funding Corporation			
2.35% ⁽⁴⁾	1/23/19	\$ 12,000,000	\$ 12,000,000
Fairway Finance Company			
2.25%	8/21/18	25,000,000	24,920,667
Old Line Funding LLC			
2.32% ⁽⁴⁾	8/21/18	45,000,000	45,000,000
<i>Total Asset-Backed Commercial Paper</i>			<u>81,920,667</u>
Certificate of Deposit (49.09%)			
Bank of America			
2.40% ⁽⁴⁾	11/15/18	25,000,000	25,000,000
Bank of Montreal Chicago			
2.24% ⁽⁴⁾	8/13/18	25,000,000	25,000,000
Bank of Nova Scotia (Houston)			
2.21% ⁽⁴⁾	9/7/18	13,500,000	13,500,000
2.22% ⁽⁴⁾	12/3/18	15,000,000	14,999,625
2.28% ⁽⁴⁾	3/6/19	22,000,000	22,000,000
BNP Paribas (NY)			
2.19% ⁽⁴⁾	8/2/18	15,000,000	15,000,000
2.45% ⁽⁴⁾	10/2/18	35,000,000	35,000,000
BOFI Federal Bank ⁽⁵⁾			
2.08%	7/2/18	50,000,000	50,000,000
2.10%	7/2/18	50,000,000	50,000,000
2.15%	7/2/18	60,000,000	60,000,000
Canadian Imperial Bank of Commerce (NY)			
2.29% ⁽⁴⁾	3/5/19	30,000,000	30,000,000
Citibank			
2.32%	8/27/18	17,000,000	17,000,000
Commonwealth Bank of Australia (NY)			
2.22% ⁽⁴⁾	10/4/18	20,000,000	20,000,000
2.33% ⁽⁴⁾	1/28/19	20,000,000	20,000,000
Credit Agricole Corporate & Investment Bank (NY)			
2.35%	8/10/18	5,000,000	4,995,552
Credit Suisse (NY)			
2.35% ⁽⁴⁾	7/18/18	10,000,000	10,000,143
2.30%	8/16/18	5,500,000	5,495,380
2.55% ⁽⁴⁾	1/4/19	20,000,000	20,000,000
DNB Norway Bank ASA (NY)			
2.22%	8/1/18	10,000,000	10,000,000
HSBC Bank			
2.33% ⁽⁴⁾	11/21/18	16,000,000	16,000,000
Mizuho Bank LTD (NY)			
2.37%	8/15/18	20,000,000	20,000,000
2.22% ⁽⁴⁾	8/6/18	26,000,000	26,000,000
MUFG Bank LTD (NY)			
2.36%	10/2/18	5,000,000	4,991,201
2.61%	2/5/19	10,000,000	9,977,664

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

MSDLAF+ Portfolio

Schedule of Investments (unaudited)

June 30, 2018

Rate ⁽¹⁾	Maturity Date ⁽²⁾	Principal	Fair Value ⁽³⁾
National Australia Bank (NY)			
2.19%	8/9/18	\$ 23,000,000	\$ 23,000,000
Nordea Bank AB (NY)			
2.20%	8/10/18	15,000,000	15,000,000
2.53% ⁽⁴⁾	4/5/19	10,000,000	10,000,000
Societe Generale (NY)			
2.36%	7/31/18	20,000,000	20,000,000
2.32%	10/1/18	35,000,000	35,000,000
State Street Bank & Trust			
2.22%	8/30/18	34,000,000	34,000,000
Sumitomo Mitsui Bank (NY)			
2.21% ⁽⁴⁾	7/2/18	25,000,000	25,000,000
2.21% ⁽⁴⁾	8/3/18	25,000,000	25,000,000
2.27%	8/23/18	10,000,000	9,999,826
Svenska Handelsbanken (NY)			
2.27% ⁽⁴⁾	8/24/18	15,000,000	15,000,273
2.39% ⁽⁴⁾	11/14/18	11,000,000	11,000,000
Toronto Dominion Bank (NY)			
2.53% ⁽⁴⁾	4/17/19	10,000,000	10,000,000
2.25%	9/4/18	5,000,000	5,000,000
UBS AG (CT)			
2.47% ⁽⁴⁾	12/28/18	25,000,000	25,000,000
2.48% ⁽⁴⁾	2/4/19	25,000,000	25,000,000
Wells Fargo Bank			
2.22% ⁽⁴⁾	9/7/18	25,000,000	25,000,000
Westpac Banking Corporation (NY)			
2.43% ⁽⁴⁾	4/26/19	12,000,000	12,000,000
Total Certificates of Deposit			849,959,664
Commercial Paper (25.54%)			
American Honda Finance			
2.25%	9/24/18	35,000,000	34,814,889
Canadian Imperial Holding			
2.40% ⁽⁴⁾	11/5/18	25,000,000	25,000,000
Credit Agricole Corporate & Investment Bank (NY)			
2.27%	9/4/18	35,000,000	34,857,180
2.35%	10/1/18	10,000,000	9,940,456
Dexia Credit Local (NY)			
2.41% ⁽⁴⁾	1/29/19	20,000,000	20,000,000
HSBC Bank			
2.41% ⁽⁴⁾	11/7/18	12,000,000	12,000,000
2.54%	1/14/19	24,000,000	24,000,000
ING (US) Funding LLC			
2.32% ⁽⁴⁾	11/15/18	30,000,000	30,000,000
2.52% ⁽⁴⁾	1/7/19	15,000,000	15,000,000
2.39% ⁽⁴⁾	3/15/19	10,000,000	10,000,000
JP Morgan Securities LLC			
2.42% ⁽⁴⁾	10/5/18	20,000,000	20,000,000
2.35% ⁽⁴⁾	12/21/18	30,000,000	30,000,000

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

MSDLAF+ Portfolio

Schedule of Investments (unaudited)

June 30, 2018

	Rate ⁽¹⁾	Maturity Date ⁽²⁾	Principal	Fair Value ⁽³⁾
Commercial Paper				
Metlife Short Term Funding	2.24%	8/28/18	\$ 36,000,000	\$ 35,870,660
Mizuho Bank LTD (NY)	2.34%	7/19/18	6,000,000	5,993,025
MUFG Bank LTD (NY)	2.36%	7/17/18	30,000,000	29,968,667
Nestle Capital Corporation	2.46%	1/7/19	10,000,000	9,871,750
Toronto Dominion Bank (NY)	2.28%	8/15/18	30,000,000	29,915,250
	2.30%	9/26/18	15,000,000	14,917,350
Toyota Motor Credit Corporation	2.34%	7/17/18	15,000,000	14,984,534
	2.37%	8/16/18	30,000,000	29,909,917
	2.24%	8/23/18	5,000,000	4,983,585
Total Commercial Paper				442,027,263
Government Agency and Instrumentality Obligations (6.05%)				
Federal Home Loan Bank Discount Note				
	1.90%	8/1/18	30,000,000	29,950,942
	1.90%	8/3/18	25,000,000	24,956,573
	1.91%	8/10/18	25,000,000	24,947,222
U.S. Treasury Notes				
	2.03%	10/1/18	25,000,000	24,959,363
Total Government Agency and Instrumentality Obligations				104,814,100
Repurchase Agreements (6.03%)				
BNP Paribas Securities Corp.				
	2.11%	7/2/18	61,800,000	61,800,000
(Dated 6/29/18, repurchase price \$61,810,867, collateralized by: U.S. Treasury notes, 0.00%, maturing 7/19/18-11/15/46, market value \$280; Fannie Mae securities, 0.00%, maturing 3/23/28, market value \$1,882,218; Freddie Mac securities, 0.00%-4.125%, maturing 12/11/25-12/28/37, market value \$21,170,453; Federal Farm Credit Bank securities, 2.48%-3.42%, maturing 10/19/29-9/11/37, market value \$36,768,158; Federal Home Loan Bank securities, 2.70%-4.00%, maturing 9/8/36-4/16/38, market value \$3,225,975)				
Merrill Lynch Pierce Fenner & Smith, Inc.				
	2.08%	7/2/18	42,600,000	42,600,000
(Dated 6/29/18, repurchase price \$42,607,384, collateralized by U.S. Treasury notes, 4.00%, maturing 8/15/18, market value \$43,459,594)				
Total Repurchase Agreements				104,400,000
Total Investments (91.44%) (Amortized Cost \$1,583,121,694)				1,583,121,694
Other Assets in Excess of Other Liabilities (8.56%)				148,183,193
Net Position (100.00%)				\$1,731,304,887

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

(2) Actual maturity dates unless otherwise noted.

(3) See Note B to the financial statements.

(4) Adjustable rate security. Rate shown is that which was in effect at June 30, 2018.

(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.

MSDLAF+ Term Series June 2019

Schedule of Investments (unaudited)

June 30, 2018

Rate ⁽¹⁾	Maturity Date ⁽²⁾	Principal	Fair Value ⁽³⁾
Asset-Backed Commercial Paper (6.80%)			
Bedford Row Funding Corporation			
2.36%	7/27/18	\$ 2,015,000	\$ 2,011,798
2.29%	9/28/18	3,400,000	3,380,215
2.34%	10/29/18	2,700,000	2,678,370
2.24%	11/9/18	1,000,000	991,185
2.29%	11/16/18	3,285,000	3,254,341
2.49%	11/23/18	11,350,000	11,238,123
2.51%	11/30/18	3,000,000	2,968,842
2.49%	12/5/18	1,000,000	989,232
2.52%	1/22/19	3,000,000	2,956,599
2.60%	1/25/19	2,050,000	2,019,865
2.58%	2/26/19	5,000,000	4,913,855
Gotham Funding Corporation			
2.30%	7/30/18	2,519,000	2,514,506
Manhattan Asset Funding Co			
2.19%	8/24/18	4,010,000	3,996,282
2.29%	9/27/18	2,010,000	1,998,041
Thunder Bay Funding LLC			
2.46%	9/17/18	510,000	507,473
Total Asset-Backed Commercial Paper			46,418,727
Certificates of Deposit (40.89%)			
Bank of America			
2.26%	11/19/18	1,025,000	1,024,455
Bank of Nova Scotia (Houston)			
2.50%	12/21/18	10,000,000	10,002,277
2.38%	2/28/19	10,000,000	9,987,740
BNP Paribas (NY)			
2.07%	10/26/18	1,000,000	995,913
2.36%	12/3/18	6,300,000	6,298,335
Canadian Imperial Bank of Commerce (NY)			
2.30%	12/26/18	4,100,000	4,096,674
2.49%	1/22/19	5,000,000	4,999,538
2.34%	1/24/19	4,100,000	4,095,937
2.53%	2/21/19	5,000,000	4,999,152
2.50%	2/22/19	5,000,000	4,998,132
2.67%	6/25/19	4,800,000	4,796,235
Citibank			
2.14%	7/2/18	1,600,000	1,600,022
2.24%	7/2/18	6,000,000	6,000,256
2.21%	8/1/18	4,500,000	4,500,930
Cooperatieve Rabobank U.A.			
2.29%	10/9/18	10,000,000	9,999,273
1.98%	11/2/18	1,000,000	998,661
2.29%	2/1/19	1,900,000	1,897,341
2.17%	2/6/19	2,500,000	2,494,437
2.34%	3/1/19	1,900,000	1,897,045
2.44%	3/8/19	3,500,000	3,470,997
2.55%	4/4/19	3,500,000	3,498,049

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

MSDLAF+ Term Series June 2019

Schedule of Investments (unaudited)

June 30, 2018

Rate ⁽¹⁾	Maturity Date ⁽²⁾	Principal	Fair Value ⁽³⁾
Credit Suisse (NY)			
2.14%	11/9/18	\$ 6,900,000	\$ 6,872,053
2.52%	12/14/18	3,100,000	3,094,425
Lloyds Bank			
2.19%	8/1/18	6,500,000	6,501,276
2.19%	8/1/18	4,100,000	4,100,808
Mizuho Bank LTD (NY)			
2.32%	7/6/18	1,100,000	1,100,148
2.37%	8/13/18	1,000,000	1,000,529
Norinchukin Bank (NY)			
2.01%	10/12/18	500,000	499,154
Societe Generale (NY)			
2.27%	7/26/18	6,000,000	6,000,980
2.30%	8/29/18	2,500,000	2,500,513
2.30%	9/10/18	1,000,000	998,678
2.40%	9/24/18	2,000,000	2,000,953
2.40%	9/27/18	14,450,000	14,453,890
2.34%	9/28/18	2,500,000	2,500,537
2.33%	10/31/18	4,000,000	3,999,701
2.34%	11/15/18	2,000,000	1,999,561
2.39%	11/23/18	1,300,000	1,300,054
Sumitomo Mitsui Bank (NY)			
2.27%	8/23/18	1,500,000	1,500,143
2.36%	10/1/18	10,100,000	10,102,966
2.32%	10/9/18	10,000,000	10,000,769
2.52%	2/1/19	10,000,000	10,000,174
Toronto Dominion Bank (NY)			
1.50%	8/9/18	1,900,000	1,898,622
1.53%	9/20/18	1,000,000	998,254
1.76%	9/24/18	2,000,000	1,997,426
1.67%	10/12/18	2,000,000	1,996,156
1.77%	10/17/18	1,000,000	998,271
1.86%	10/30/18	10,000,000	9,982,911
1.89%	10/30/18	2,500,000	2,496,010
1.80%	11/14/18	3,500,000	3,492,103
1.90%	11/30/18	1,000,000	997,785
1.96%	12/20/18	1,000,000	997,614
2.35%	1/4/19	2,300,000	2,298,453
2.09%	1/17/19	1,000,000	997,794
2.53%	1/23/19	3,000,000	3,000,376
2.50%	2/19/19	1,000,000	999,685
2.54%	3/19/19	1,000,000	999,602
2.64%	4/15/19	2,800,000	2,800,190
2.57%	4/18/19	1,000,000	999,435
2.66%	5/16/19	3,250,000	3,248,957
2.72%	5/17/19	5,400,000	5,401,041
2.66%	5/22/19	1,000,000	999,793
2.63%	5/24/19	1,000,000	997,093

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

MSDLAF+ Term Series June 2019

Schedule of Investments (unaudited)

June 30, 2018

Rate ⁽¹⁾	Maturity Date ⁽²⁾	Principal	Fair Value ⁽³⁾
Wells Fargo Bank			
1.87%	7/10/18	\$ 2,935,000	\$ 2,934,583
2.09%	8/2/18	500,000	499,957
2.10%	10/26/18	13,000,000	12,989,255
2.65%	3/28/19	21,000,000	21,005,462
Westpac Banking Corporation (NY)			
1.80%	7/3/18	1,000,000	999,980
1.60%	9/19/18	6,000,000	5,980,542
2.24%	11/6/18	3,000,000	2,994,669
Total Certificates of Deposit			279,180,730
Commercial Paper (51.64%)			
Apple Inc.			
1.94%	7/10/18	4,020,000	4,017,640
Bank of Montreal (Chicago)			
2.27%	8/9/18	1,000,000	997,606
2.16%	8/22/18	3,050,000	3,040,264
2.53%	2/8/19	5,000,000	4,924,585
2.56%	2/15/19	10,000,000	9,844,010
2.52%	2/19/19	6,600,000	6,495,093
Bank of New York Mellon			
2.25%	7/6/18	1,005,000	1,004,623
2.40%	9/18/18	10,125,000	10,075,084
2.42%	9/19/18	10,125,000	10,074,375
2.42%	10/1/18	1,300,000	1,292,373
BNP Paribas (NY)			
2.23%	8/15/18	3,700,000	3,690,062
2.45%	10/24/18	6,000,000	5,954,880
2.10%	11/2/18	2,000,000	1,983,690
2.43%	12/19/18	4,000,000	3,953,712
2.54%	3/25/19	3,100,000	3,040,747
Canadian Imperial Bank of Commerce (NY)			
2.32%	11/15/18	6,816,000	6,752,734
2.42%	12/17/18	2,545,000	2,515,455
Coca-Cola Company			
2.04%	7/19/18	1,005,000	1,003,903
2.36%	11/15/18	1,015,000	1,005,798
2.42%	1/7/19	2,730,000	2,694,401
2.52%	3/1/19	10,000,000	9,829,180
Cooperatieve Rabobank			
1.96%	8/2/18	1,250,000	1,247,632
Credit Agricole CIB (NY)			
2.34%	8/16/18	3,000,000	2,991,849
2.13%	8/20/18	5,000,000	4,985,110
2.23%	9/4/18	6,150,000	6,125,345
2.27%	9/10/18	5,000,000	4,977,775
2.36%	10/1/18	4,300,000	4,274,131
Credit Suisse (NY)			
1.69%	7/3/18	1,015,000	1,014,785
1.79%	7/31/18	1,020,000	1,018,190
1.82%	8/17/18	1,000,000	997,214

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

MSDLAF+ Term Series June 2019

Schedule of Investments (unaudited)

June 30, 2018

Rate ⁽¹⁾	Maturity Date ⁽²⁾	Principal	Fair Value ⁽³⁾
Credit Suisse (NY) (continued)			
2.42%	8/27/18	\$ 2,000,000	\$ 1,993,192
1.92%	9/4/18	510,000	507,973
2.42%	9/14/18	1,200,000	1,194,312
2.45%	11/2/18	1,300,000	1,289,107
2.63%	1/25/19	1,020,000	1,004,928
Dexia Credit Local (NY)			
2.19%	7/17/18	1,150,000	1,148,874
1.87%	9/12/18	10,100,000	10,052,995
2.50%	1/8/19	10,100,000	9,968,043
2.48%	1/8/19	2,000,000	1,973,870
2.46%	1/22/19	6,000,000	5,915,268
2.53%	2/26/19	3,000,000	2,949,522
2.54%	2/28/19	1,000,000	983,022
2.55%	3/5/19	1,300,000	1,277,412
2.55%	3/19/19	3,100,000	3,042,681
GE Company Treasury LLC			
1.97%	8/15/18	2,000,000	1,994,690
HSBC Bank			
1.70%	8/3/18	3,025,000	3,019,138
2.17%	8/22/18	2,000,000	1,993,664
2.22%	8/28/18	2,125,000	2,117,456
2.32%	9/5/18	1,000,000	995,911
2.38%	11/30/18	2,010,000	1,988,453
2.53%	12/19/18	14,790,000	14,613,245
2.61%	12/21/18	4,600,000	4,544,432
2.57%	2/8/19	6,700,000	6,593,986
2.56%	2/12/19	1,050,000	1,033,049
ING (US) Funding LLC			
1.68%	7/23/18	10,100,000	10,086,426
2.40%	12/3/18	13,700,000	13,552,013
2.59%	3/11/19	3,700,000	3,631,913
JP Morgan Securities LLC			
1.67%	7/13/18	1,015,000	1,014,224
1.70%	7/27/18	2,025,000	2,021,803
1.77%	8/14/18	2,030,000	2,024,584
2.37%	8/16/18	1,150,000	1,146,789
2.39%	9/10/18	1,010,000	1,005,470
2.03%	9/24/18	795,000	790,579
2.03%	10/5/18	1,020,000	1,013,528
2.47%	10/10/18	1,520,000	1,509,837
2.13%	10/26/18	510,000	506,023
2.39%	11/26/18	2,040,000	2,019,345
2.60%	12/21/18	1,025,000	1,012,808
2.58%	12/28/18	1,300,000	1,283,866
2.57%	12/31/18	1,025,000	1,012,032
2.49%	1/3/19	2,540,000	2,507,249

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

MSDLAF+ Term Series June 2019

Schedule of Investments (unaudited)

June 30, 2018

Rate ⁽¹⁾	Maturity Date ⁽²⁾	Principal	Fair Value ⁽³⁾
JP Morgan Securities LLC (continued)			
2.62%	1/11/19	\$ 1,530,000	\$ 1,509,267
2.57%	1/18/19	4,100,000	4,042,063
2.54%	1/22/19	1,420,000	1,399,457
2.59%	1/25/19	2,840,000	2,798,204
2.59%	2/8/19	1,300,000	1,279,470
2.59%	2/15/19	2,040,000	2,006,673
2.53%	2/22/19	2,200,000	2,162,853
2.58%	3/1/19	510,000	501,097
2.62%	3/8/19	1,020,000	1,001,593
Metlife Short Term Funding			
2.24%	8/13/18	1,000,000	997,375
2.24%	8/14/18	250,000	249,328
2.27%	9/17/18	755,000	751,225
2.29%	9/24/18	500,000	497,239
Mizuho Bank LTD (NY)			
2.28%	8/27/18	6,350,000	6,328,467
2.34%	9/11/18	15,150,000	15,082,492
MUFG Bank LTD (NY)			
1.73%	7/27/18	2,500,000	2,495,950
2.38%	8/1/18	1,005,000	1,003,063
2.20%	8/3/18	500,000	498,977
2.40%	8/13/18	750,000	748,022
2.25%	8/31/18	2,300,000	2,291,412
2.32%	9/5/18	5,000,000	4,979,630
2.38%	9/10/18	2,000,000	1,991,154
2.45%	9/13/18	750,000	746,525
2.46%	9/17/18	3,000,000	2,985,246
2.30%	9/24/18	500,000	497,286
2.29%	9/26/18	4,400,000	4,375,470
2.35%	10/31/18	2,800,000	2,777,645
2.51%	11/15/18	1,000,000	990,934
2.30%	11/16/18	1,100,000	1,089,947
2.40%	11/23/18	500,000	495,173
2.45%	11/23/18	1,500,000	1,485,520
2.65%	1/18/19	1,000,000	986,168
2.53%	1/25/19	4,300,000	4,238,222
2.56%	2/22/19	500,000	491,723
Nestle Capital Corporation			
2.10%	8/6/18	1,000,000	997,894
Pfizer Inc			
2.02%	7/13/18	750,000	749,437

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

MSDLAF+ Term Series June 2019

Schedule of Investments (unaudited)

June 30, 2018

Rate ⁽¹⁾	Maturity Date ⁽²⁾	Principal	Fair Value ⁽³⁾
Toyota Motor Credit Corporation			
2.08%	8/13/18	\$ 1,000,000	\$ 997,456
2.23%	9/10/18	1,010,000	1,005,600
2.33%	10/4/18	3,000,000	2,981,925
2.26%	10/5/18	1,800,000	1,789,029
2.34%	10/10/18	5,040,000	5,007,442
2.33%	10/11/18	3,020,000	3,000,273
2.35%	10/30/18	505,000	500,992
2.24%	11/16/18	1,015,000	1,005,764
2.38%	11/23/18	505,000	500,160
2.39%	11/28/18	1,550,000	1,534,601
2.39%	12/3/18	1,000,000	989,712
2.34%	12/7/18	2,120,000	2,097,577
2.38%	12/10/18	2,550,000	2,522,480
Unilever Capital Corporation			
2.00%	8/13/18	1,005,000	1,002,462
Total Commercial Paper			352,613,632
Government Agency and Instrumentality Obligations (0.44%)			
U.S. Treasury Notes			
2.28%	5/15/19	3,040,000	3,001,763
Total Government Agency and Instrumentality Obligations			3,001,763
Total Investments (99.77%) (Amortized Cost \$681,416,128)			681,214,852
Other Assets in Excess of Other Liabilities (0.23%)			1,555,905
Net Position (100.0%)			\$ 682,770,757

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

(2) Actual maturity dates unless otherwise noted.

(3) See Note B to the financial statements.

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

Trustees and Officers

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Bill Harvey

School Board Member of Independent School District No. 11 (*Anoka-Hennepin*)

Vice Chair

Aaron Bushberger

Business Manager of Intermediate School District No. 6S (*South St. Paul*)

Secretary

Kirk Schneidawind *

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Treasurer

Jodi Sapp

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Dr. Dan Bittman

Superintendent of Schools - Independent School District No. 728 (*Elk River School District*)

Tina Burkholder

Business Manager of Independent School District No. 882 (*Monticello*)

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Superintendent of Independent School District No. 200 (*Hastings*)

Rebecca Gagnon

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Suzy Guthmueller

School Board Member of Independent School District No. 12 (*Centennial*)

Wayne Kazmierczak

Superintendent of Independent School District No. 624 (*White Bear Lake*)

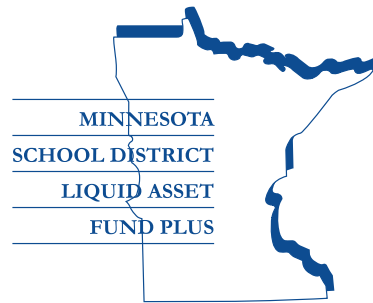
Linda Leiding

School Board Member of Independent School District No. 2071 (*Lake Crystal Welcome Memorial*)

Jill Schwint

Controller of Independent School District No. 284 (*Wayzata*)

**Ex-Officio Trustees*



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Minnesota School Boards Association

Kirk Schneidawind*, Executive Director

Minnesota Association of School Business Officials

Connie Nordquist*, Executive Director

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Investment Advisor & Administrator

PFM Asset Management LLC

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Chicago, Illinois 60601

50 South 6th Street, Suite 910
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