

Minnesota Association of Governments Investing for Counties

Annual Report

June 30, 2019



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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 portfolios. This and other information about the Fund’s portfolios 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 1-800-731-7150 or is available on the Fund’s website at www.magicfund.org. While the MAGIC Portfolio seeks to maintain a stable net asset value of \$1.00 per share and the MAGIC Term Portfolio seeks to achieve a net asset value of \$1.00 per share at the 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’s portfolios are distributed by **PFM Fund Distributors, Inc.**, member Financial Industry Regulatory Authority (“FINRA”) (www.finra.org) and Securities Investor Protection Corporation (“SIPC”) (www.sipc.org). PFM Fund Distributors, Inc. is a wholly owned subsidiary of PFM Asset Management LLC.*

Independent Auditor's Report

To the Board of Trustees and Investors of the Minnesota Association of Governments Investing for Counties

Report on the Financial Statements

We have audited the accompanying financial statements of the Minnesota Association of Governments Investing for Counties MAGIC Portfolio, MAGIC Term Series June 2020, and MAGIC Term Series June 2019 (each a Portfolio or, collectively, the Portfolios), which comprise the statements of net position as of June 30, 2019, and the related statements of changes in net position of the MAGIC Portfolio and MAGIC Term Series June 2019 for the year then ended and changes in net position of MAGIC Term Series June 2020 for the period from July 5, 2018 (commencement of operations) through June 30, 2019, respectively, 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditors' 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 controls 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 controls. 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 respective financial position of the MAGIC Portfolio, MAGIC Term Series June 2020, and MAGIC Term Series June 2019 of the Minnesota Association of Governments Investing for Counties as of June 30, 2019, and the respective changes in net position of the MAGIC Portfolio and MAGIC Term Series June 2019 for the year then ended, and the changes in net position of the MAGIC Term Series June 2020 for the period from July 5, 2018 through June 30, 2019, respectively, in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying Schedules of Investments of the MAGIC Portfolio and MAGIC Term Series June 2020 as of June 30, 2019 are presented for purposes of additional analysis and are not a required part 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 audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

RSM US LLP

Philadelphia, Pennsylvania
October 28, 2019

Management's Discussion and Analysis (unaudited)

We are pleased to present the Annual Report for the Minnesota Association of Governments Investing for Counties ("MAGIC" or the "Fund") for the year ended June 30, 2019. 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, 2019. 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 2018 was characterized by strong economic growth in the U.S., recent months have indicated the pace of expansion has slowed. Growth last year was fueled by a strong labor market, record corporate profits and business and consumer confidence, with a boost from fiscal stimulus in the form of tax cuts. This year the market focus has turned to trade policy and less-predictable global politics.

Positive data prompted the Federal Reserve (the "Fed") to raise short-term rates by 25 basis points (0.25 percent) twice in the latter half of 2018, once in September and December. Members of the Federal Open Market Committee (the "FOMC") specifically cited a decline in the already low unemployment rate and core inflation at or near the Fed's desired two percent level throughout much of 2018 as support for the Fed's tightening.

Short-term rates increased in response to Fed moves, however, longer-term yields rose more modestly in response to declining inflation expectations, lower near-term growth prospects, and persistently low interest rates around the globe. This year, the market seemingly expects slower growth in the U.S. as the boost from the tax cuts is expected to diminish. Additional stimulus is unlikely to come from the U.S. government, as it faces a widening Federal deficit and a bipartisanship political climate. Global growth is also expected to slow, hampered by continued stress around trade and political uncertainty in many major economies.

Lower growth expectations (and late 2018 market volatility) led the Fed to modify its monetary policy from one focused on measured tightening to one that is best described as "wait and see" with growing signs that the FOMC is prepared to ease policy to keep economic indicators aligned with Fed targets. In response, short-term markets appear to be pricing in as many as three interest rate cuts by the Fed through 2019. The Treasury yield curve inverted earlier this year, as a signal that investors expect lower rates, weaker growth and low inflation in the future.

Portfolio Strategy

We employed active management of the MAGIC Portfolio through the year to take advantage of opportunities present in the market through the end of 2018. We strategically positioned the weighted average maturity of the MAGIC Portfolio ahead of anticipated Fed rate hikes. This strategy enabled the MAGIC Portfolio's 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 MAGIC Portfolio's yield rose over the year, in tandem with overall rises in short-term rates.

With the recent shift in the Fed's stance and in light of the inverted yield curve, the yield premium available in longer-maturity money market securities has diminished. The weighted average maturity positioning of the MAGIC Portfolio has become somewhat less significant in our strategy and we have shifted focus, identifying specific securities that add value to the portfolio. In other words, managing within an inverted yield curve environment will require a keen focus on active management and relative value strategies. We expect to primarily utilize high-quality commercial paper, negotiable certificates of deposit, and repurchase agreements in the coming year while using floating rate securities as a tool to maintain the weighted average maturity of the MAGIC Portfolio as necessary.

In MAGIC Term, we sought opportunities to invest funds in highly rated credit instruments, such as commercial paper and negotiable certificates of deposit, with maturities between two months and one year, to benefit from the additional yield over comparable government-issued money market securities. We believe the combination of investment options available through the MAGIC Portfolio and MAGIC Term represent attractive alternatives to prime money market funds and lower-yielding government money market funds.

Given that short-term interest rates are highly dependent on the economic outlook and monetary policy, we are highly focused on future FOMC action. We stand ready to adjust our portfolio strategy as markets evolve. 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 while also focusing on increasing investment yields in a prudent manner.

Financial Statements Overview

Management's Discussion and Analysis provides an overview of the financial statements of the Fund's MAGIC Portfolio, MAGIC Term Series June 2020, and MAGIC 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, a Schedule of Investments for both the MAGIC Portfolio and MAGIC Term Series June 2020 is included as unaudited Other Information following the Notes to Financial Statements.

Condensed Financial Information and Analysis

Statements of Net Position: The Statements of Net Position present the financial position of each Portfolio as of June 30, 2019 and include all assets and liabilities of each Portfolio. Total assets of the Portfolios fluctuate as investable assets rise and fall when capital shares are issued and redeemed. 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:

	MAGIC Portfolio		MAGIC Term Series June 2020	MAGIC Term Series June 2019	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2019 ⁽¹⁾	June 30, 2018
Total Assets	\$ 991,162,565	\$ 818,304,620	\$ 209,318,161	\$ 12,822	\$ 333,186,045
Total Liabilities	(490,662)	(5,469,086)	(245,592)	(12,822)	(311,677)
Net Position	\$ 990,671,903	\$ 812,835,534	\$ 209,072,569	\$ -	\$ 332,874,368

(1) Scheduled termination date for MAGIC Term Series June 2019.

MAGIC Portfolio: The increase in total assets is primarily comprised of a \$124,675,010 increase in investments and a \$47,992,046 increase in cash and cash equivalents. The cash and cash equivalents as of June 30, 2019 includes \$136,000,000 of time deposits yielding 2.39%-2.50% which were reclassified from investments to cash equivalents since they are available on demand with one-day notice. The increase in investments is due to the overall increase in the net assets of the Portfolio resulting in more investable assets. The decrease in total liabilities is mainly due to a \$4,947,878 decrease in subscriptions received in advance, which were funds received at the custodian bank at the end of the prior year before the proper notice required was received to invest them and issue shares. The amount of subscriptions received in advance will vary depending upon transactions occurring on a given day.

MAGIC Term Series June 2020: This Portfolio commenced operations July 5, 2018; therefore, it had no assets as of the prior fiscal year-end. Its total assets as of the current year-end are comprised of \$203,050,576 of investments, \$5,628,574 of cash and cash equivalents, and \$639,011 of interest receivable. The cash and cash equivalents as of June 30, 2019 includes a \$5,500,000 time deposit yielding 2.55%, which was reclassified from investments to cash equivalents since it is available on demand with one-day notice. The Portfolio's liabilities include accrued fees payable to its service providers, but exclude any investment advisory or other waivers. Any such waivers which will be determined upon its scheduled termination date on June 30, 2020.

MAGIC Term Series June 2019: This Portfolio ceased to operate as of June 30, 2019, its scheduled termination date. At this date, as is typical of a MAGIC Term series upon termination, its assets were comprised solely of \$12,822 of cash and cash equivalents since the 335,901,779 of shares outstanding as of the prior fiscal year-end were redeemed according to scheduled investor redemptions. The total liabilities for this Portfolio are comprised of accrued fees payable to its service providers, and the \$12,822 payable is net of \$351,190 of investment advisory fees waived during the current year.

Statements of Changes in Net Position: The changes in each Portfolio's net position for the year primarily relate to net capital shares issued/(redeemed) for the year, as well as net investment income as reflected in the Statements of Changes in Net Position. The Statements of Changes in Net Position present each Portfolio's activity for the year or period ended June 30, 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. Activity within the Portfolios consists of net investment income, realized gains or losses on sale of investments, and net shares issued to and redeemed by investors, as outlined below for the current and prior fiscal periods, as applicable:

	MAGIC Portfolio		MAGIC Term Series June 2020	MAGIC Term Series June 2019	
	Year Ended June 30, 2019	Year Ended June 30, 2018	July 5, 2018 ⁽¹⁾ through June 30, 2019	Year Ended June 30, 2019 ⁽²⁾	July 7, 2017 ⁽¹⁾ through June 30, 2018
Investment Income	\$ 19,089,718	\$ 9,793,146	\$ 4,328,299	\$ 2,990,804	\$ 2,972,460
Net Expenses	(1,805,621)	(1,578,898)	(411,434)	37,700	(457,546)
Net Investment Income	17,284,097	8,214,248	3,916,865	3,028,504	2,514,914
Realized Gain/(Loss) on Sale of Investments	109,315	23,740	25,831	2,685	(11,403)
Net Capital Shares Issued/(Redeemed)	160,442,957	58,651,263	205,129,873	(335,905,557)	330,370,857
Change in Net Position	\$ 177,836,369	\$ 66,889,251	\$ 209,072,569	\$ (332,874,368)	\$ 332,874,368

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

(2) Scheduled termination date for MAGIC Term Series June 2019.

MAGIC Portfolio: The Portfolio's net position increased approximately 22% year-over-year, which is reflected in the net capital shares issued above. Its average net assets increased approximately 28% year-over-year. Along with the increase in investable assets, the rise in yields in short-term investment rates resulted in investment income increasing by nearly 95% year-over-year. A significant portion of the Portfolio's gross expenses are calculated as a percentage of average assets, and as such, gross expenses increased approximately 22% from the prior year. However, overall net expenses only increased by approximately 14% from the prior year, which is primarily due to a \$92,596 of previously waived administration fees being restored in the prior year as compared to \$0 in the current year. The year-over-year decrease in restored fee waivers is the result of the full recovery, as of the prior fiscal year-end date of June 30, 2018, of all eligible administration fees previously waived. As such, there were no waivers available to be recovered during the current fiscal year ended June 30, 2019. Additionally, bank earnings credits paid indirectly increased by \$10,258 from the prior year, further reducing current year net expenses.

MAGIC Term Series June 2020: Since the Portfolio commenced operations during the current fiscal year, it had no changes in net position from the prior year. The Portfolio issued \$393,980,740 of shares in the portion of the current fiscal year it was active and earned \$4,328,299 of investment income as those assets were invested. The Portfolio's net expenses 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 the Portfolio's scheduled termination date on June 30, 2020.

MAGIC Term Series June 2019: The Portfolio commenced operations during the prior fiscal year and terminated operations, as scheduled, on the current fiscal year-end date of June 30, 2019. Thus, the increase in net position from the prior fiscal period was totally offset by a decrease in net position in the current fiscal year as all shares were redeemed by the termination date. While short-term interest rates increased in the current fiscal period compared to the prior fiscal period, the investment income was relatively consistent because average assets were much higher in the prior period since there was only \$729,000 of shares sold in the current period to offset \$336,634,557 of redemptions. The net expenses of the Portfolio are net of \$351,190 of investment advisory fees which were waived during the current year, which was actually \$37,700 in excess of fees for the current period and results in overall expenses for the current fiscal period being additive to net investment income instead of the typical deduction from net investment income.

The total return of the MAGIC Portfolio for the year ended June 30, 2019 was 2.33%, up from 1.34% for the year ended June 30, 2018. The return of each investor's investment in a MAGIC Term series 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:

	MAGIC Portfolio		MAGIC Term Series June 2020	MAGIC Term Series June 2019	
	Year Ended June 30, 2019	Year Ended June 30, 2018	July 5, 2018 ⁽¹⁾ through June 30, 2019	Year Ended June 30, 2019 ⁽²⁾	July 7, 2017 ⁽¹⁾ through June 30, 2018
Ratio of Net Investment Income to Average Net Assets ⁽³⁾	2.28%	1.38%	2.40%	2.47%	1.47%
Ratio of Net Investment Income to Average Net Assets, Before Fees Waived/Restored and Expenses Paid Indirectly	2.28%	1.40%	2.40%	2.17%	1.47%
Ratio of Expenses to Average Net Assets	0.24%	0.27%	0.27%	(0.03)%	0.27%
Ratio of Expenses to Average Net Assets, Before Fees Waived/Restored and Expenses Paid Indirectly	0.24%	0.25%	0.27%	0.27%	0.27%

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

(2) Scheduled termination date for MAGIC Term Series June 2019.

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

The ratios above are computed for each Portfolio taken as a whole. For each MAGIC 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 MAGIC Term series and net asset value of each investor's investment in a MAGIC Term series may vary based on the timing of capital transactions and rate upon which they invest.

MAGIC Portfolio: The Portfolio's ratio of net investment income to average net assets after factoring in fee waivers restored and expenses paid indirectly rose 0.90% year-over-year due to the increase in investment income driven by increased interest rates as noted above. The average net assets of the Portfolio increased approximately 28% year-over-year. Although the bulk of the Portfolio's gross expenses are calculated as a percentage of net assets, the ratio of expenses to average net assets after factoring in fees restored and expenses paid indirectly decreased by 0.03% year-over-year. This decrease is due to both the reduction in fee waivers restored as well as the year-over-year increase in average net asset levels which caused the investment advisory and administration fees to move into lower fee tiers.

MAGIC Term Series June 2020: Since the Portfolio commenced operations during the current fiscal year, it had no ratios for the prior year. The Portfolio's net investment income ratio of 2.40% reflects the general interest rate environment as those assets were invested. The expense ratio includes an investment advisory fee of 0.25% of its average daily net assets, as well as other operating expenses. However, this ratio maybe reduced in the future for any investment advisory or other waivers, which will be determined upon the Portfolio's scheduled termination date on June 30, 2020.

MAGIC Term Series June 2019: The Portfolio commenced operations during the prior fiscal year and terminated operations, as scheduled, on the current fiscal year-end date of June 30, 2019. The ratio of net investment income to average net assets increased from the prior to the current fiscal period as a result of the increase in short-term interest rates over a lower average asset number since there was only \$729,000 of shares sold in the current period to offset \$336,634,557 of redemptions. The ratio of expenses to average net assets after factoring in fee waivers decreased by 0.30% from the prior fiscal period to the current fiscal period to a negative 0.03%. This is due because \$351,190 of investment advisory fees were waived as determined at the end of the term, which was actually \$37,700 in excess of fees for the current period and results in overall expenses for the current fiscal period being additive to net investment income instead of the typical deduction from net investment income.

Statements of Net Position

June 30, 2019

	MAGIC Portfolio	MAGIC Term Series June 2020	MAGIC Term Series June 2019
Assets			
Investments	\$ 852,682,736	\$ 203,050,576	\$ -
Cash and Cash Equivalents	136,709,896 ⁽¹⁾	5,628,574 ⁽¹⁾	12,822
Interest Receivable	1,769,933	639,011	-
<i>Total Assets</i>	<u>991,162,565</u>	<u>209,318,161</u>	<u>12,822</u>
Liabilities			
Subscriptions Received in Advance	152,743	-	-
Redemptions Payable	54,351	-	-
Administration Fees Payable	116,307	-	-
Investment Advisory Fees Payable	51,030	221,113	2,877
Marketing Fees Payable	18,357	-	-
Sponsorship Fees Payable	9,179	-	-
Banking Fees Payable	49,739	2,700	200
Audit Fees Payable	26,690	20,987	9,446
Other Accrued Expenses	12,266	792	299
<i>Total Liabilities</i>	<u>490,662</u>	<u>245,592</u>	<u>12,822</u>
Net Position	<u>\$ 990,671,903</u>	<u>\$ 209,072,569</u>	<u>\$ -</u>
Net Position Consists of:			
MAGIC Portfolio			
(applicable to 990,671,903 outstanding shares of beneficial interest; unlimited authorization; no par value; equivalent to \$1.00 per share)			
	\$ 990,671,903		
MAGIC Term Series June 2020			
(applicable to 210,901,195 outstanding shares of beneficial interest; unlimited authorization; no par value)			
		\$ 209,072,569	

(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

	MAGIC Portfolio	MAGIC Term Series June 2020 July 5, 2018 ⁽¹⁾ through June 30, 2019	MAGIC Term Series June 2019 Year Ended June 30, 2019 ⁽²⁾
Income			
Investment Income	\$ 19,089,718	\$ 4,328,299	\$ 2,990,804
Expenses			
Administration Fees	986,279	-	-
Investment Advisory Fees	442,199	380,113	296,750
Marketing Fees	151,880	-	-
Banking Fees	197,740	8,485	4,246
Audit Fees	25,690	20,987	9,446
Sponsorship Fees	10,507	-	-
Other Expenses	10,173	1,849	3,048
Total Expenses	1,824,468	411,434	313,490
Investment Advisory Fee Waivers	-	-	(351,190)
Expenses Paid Indirectly	(18,847)	-	-
Net Expenses	1,805,621	411,434	(37,700)
Net Investment Income	17,284,097	3,916,865	3,028,504
Other Income			
Net Realized Gain on Sale of Investments	109,315	25,831	2,685
Net Increase from Investment Operations			
Before Capital Transactions	17,393,412	3,942,696	3,031,189
Capital Shares Issued	5,132,770,429	393,980,740	729,000
Capital Shares Redeemed	(4,972,327,472)	(188,850,867)	(336,634,557)
Change in Net Position	177,836,369	209,072,569	(332,874,368)
Net Position – Beginning of Period	812,835,534	-	332,874,368
Net Position – End of Period	\$ 990,671,903	\$ 209,072,569	\$ -

(1) Commencement of operations for MAGIC Term Series June 2020.

(2) Scheduled termination date for MAGIC 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 Association of Governments Investing for Counties Fund (“MAGIC”, or the “Fund”) was established in December 1990 as a common law trust organized under Section 471.59 of the Minnesota Statutes (the “Joint Powers Act”). The Fund is overseen by a Board of Trustees (“Board”), members of which include representatives of Minnesota counties. Shares of the Fund are offered exclusively to certain Minnesota counties or instrumentalities of such counties. Since this Joint Powers Act entity is made up solely of tax-exempt participants exercising only those powers which are common to the contracting parties, the Fund is exempt from Federal and Minnesota income tax. The purpose of the Fund is to enable such counties to pool their available funds for investment. The investment policy and objective is to make investments in instruments as authorized by Section 118A.04, 118A.05, and 118A.06 of the Minnesota Statutes. 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’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.

The Fund currently consists of the MAGIC Portfolio and the MAGIC Term Series. The financial statements of each MAGIC Term series are prepared at an interim date if the life of the series is in excess of 12 months and following the termination date for each series. These financial statements and related notes encompass MAGIC Term Series June 2020 and MAGIC Term Series June 2019, in addition to the MAGIC Portfolio (each a “Portfolio” and, collectively, the “Portfolios”). MAGIC Term Series June 2020 commenced operations on July 5, 2018 and its scheduled termination date is June 30, 2020. MAGIC Term Series June 2019 commenced operations on July 7, 2017 and terminated its operations on June 30, 2019, its scheduled termination date.

MAGIC Term Series’ shares have planned redemption dates of up to one year. Each series of MAGIC Term is a portfolio of Permitted Investments and will have a series-specific termination date. Multiple MAGIC Term Series are created with staggered maturity dates. MAGIC Term Series offers its investors an estimated yield on their investments when the shares are purchased. The investment strategy of MAGIC Term Series 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 MAGIC Term Series in which it is invested. At the termination date of any MAGIC 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 MAGIC Term Series is accounted for independent of the investment portfolio of any other series or portfolio of MAGIC. In the event a MAGIC Term Series portfolio were to realize a loss (whether of principal or interest), no contribution would be made to such MAGIC Term Series from any other series or portfolio of MAGIC 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, as amended, 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, MAGIC Portfolio securities are valued at amortized cost, which approximates fair value. GASB Statement No. 79 requires a comparison of the MAGIC 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 MAGIC Term Series for external financial reporting purposes, 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, 2019 are categorized as Level 2.

Investment Transactions

Security transactions are accounted for on the trade date (date the order to buy or sell is executed). Costs used in determining realized gains and losses on the sale of investment securities are those of specific securities sold. Interest income is recorded using the accrual method. Discounts and premiums are accreted and amortized, respectively, to interest income over the lives of the respective securities. Investment income on the Statements of Changes in Net Position includes unrealized gains of \$248,068 and \$124,658 for MAGIC Term Series June 2020 and MAGIC Term Series June 2019, respectively, which represent the change in unrealized appreciation/depreciation of investment securities held during the reporting period.

Repurchase Agreements

Repurchase agreements entered into with broker-dealers are secured by 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 MAGIC 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 MAGIC 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 the MAGIC Term Series 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 a MAGIC Term Series 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 the MAGIC Term Series 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 MAGIC Portfolio declares dividends and distributions 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, 2019, dividends totaling \$17,393,412 were distributed for the MAGIC Portfolio.

Dividends to investors in MAGIC Term are declared and paid on the termination date of each MAGIC 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, 2019, dividends totaling \$2,097,620 and \$4,140,428 were distributed for MAGIC Term Series June 2020 and MAGIC Term Series June 2019, respectively, and are included in the capital shares redeemed on the Statements of Changes in Net Position.

Redemption Restrictions

Shares of the MAGIC 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 Board 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.

Shares of MAGIC 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 a MAGIC Term Series prematurely, they must provide notice at least seven 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, realized gains and losses, and expenses specific to each Portfolio of the Fund, such as investment advisory, audit, and banking fees, are allocated to the Portfolio to which they relate. Certain expenses of the Fund, such as legal fees, trustee expenses, and insurance premiums, are allocated between the MAGIC Portfolio and each MAGIC Term series based on the relative net assets of each when such expenses are incurred.

Use of Estimates

The preparation of financial statements under accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts and disclosure in the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Income Tax Status

The 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 28, 2019, 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, as amended, 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 MAGIC Portfolio and MAGIC Term Series June 2020 portfolios as of June 30, 2019 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 their investments to those which are authorized investments as permitted under Minnesota law. As of June 30, 2019, the MAGIC Portfolio and MAGIC Term Series June 2020 were comprised of investments which were, in aggregate, rated by Standard and Poor's ("S&P") as follows:

S&P Rating	MAGIC Portfolio	MAGIC Term Series June 2020
A-1+	20.31%	29.16%
A-1	59.11%	69.19%
Exempt ⁽¹⁾	19.21%	-
Not Rated ⁽²⁾	1.37%	1.65%

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

(2) Represents investments in Private Export Funding Corporation commercial paper, which is rated Aaa and AAA by Moody's Investor Service and Fitch Ratings, Inc., respectively, which are the highest category of credit ratings by each of those statistical rating organizations.

The ratings in the preceding chart for the MAGIC Portfolio include the ratings of collateral underlying repurchase agreements in effect at June 30, 2019.

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 MAGIC Portfolio and MAGIC Term Series June 2020 investment portfolios at June 30, 2019 included the following issuers, aggregated by affiliated issuers where applicable, which individually represented greater than 5% of each Portfolio's total investment portfolio:

Issuer	MAGIC Portfolio	MAGIC Term Series June 2020
BofA Securities, Inc. ⁽¹⁾	11.00%	-
Credit Agricole Corporate and Investment Bank (NY) ⁽¹⁾	6.75%	-
Natixis (NY)	<5.00%	5.63%
Norinchukin Bank (NY)	<5.00%	6.93%
Sumitomo Mitsui Bank (NY)	6.31%	6.68%
Toronto Dominion Bank (NY)	<5.00%	6.59%

(1) These issuers are counterparty to repurchase agreements entered into by the MAGIC Portfolio. These repurchase agreements are collateralized by U.S. Treasury certificates.

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 MAGIC Portfolio maintain a dollar-weighted average maturity of not greater than sixty days and (2) the MAGIC Term Series maintain a weighted average maturity of not greater than 1 year. At June 30, 2019, the weighted average maturities of the MAGIC Portfolio and MAGIC Term Series June 2020, including cash and cash equivalents, were 47 days and 134 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 MAGIC Portfolio and MAGIC Term Series June 2020 held at June 30, 2019 are as follows:

MAGIC Portfolio

Type of Deposits and Investments	Yield-to Maturity Range	Maturity Range	Principal	Fair Value	Weighted Average Maturity
Asset-Backed Commercial Paper	2.50%-2.62%	8/7/19-10/25/19	\$ 86,000,000	\$ 85,622,426	64 Days
Cash and Cash Equivalents	n/a	n/a	136,709,896	136,709,896	1 Day
Certificates of Deposit – Negotiable	2.27%-2.82%	7/1/19-6/3/20	281,631,000	281,649,295	42 Days
Commercial Paper	2.24%-2.85%	7/5/19-3/13/20	323,550,000	321,611,015	89 Days
Repurchase Agreements	2.40%-2.48%	7/1/19-7/15/19	163,800,000	163,800,000	4 Days
			<u>\$ 991,690,896</u>	<u>\$ 989,392,632</u>	

MAGIC Term Series June 2020

Type of Deposits and Investments	Yield-to Maturity Range	Maturity Range	Principal	Fair Value	Weighted Average Maturity
Asset-Backed Commercial Paper	2.55%-3.07%	7/8/19-11/12/19	\$ 17,895,000	\$ 17,792,999	87 Days
Cash and Cash Equivalents	n/a	n/a	5,628,574	5,628,574	1 Day
Certificates of Deposit – Negotiable	2.32%-3.10%	7/15/19-5/29/20	75,650,000	75,812,146	163 Days
Commercial Paper	2.23%-3.01%	7/8/19-3/13/20	110,355,000	109,445,431	128 Days
			<u>\$ 209,528,574</u>	<u>\$ 208,679,150</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, 2019.

The weighted-average maturities shown in the preceding table 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 with the security's 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 is assumed to be one day. Refer to the Schedule of Investments included in the unaudited Other Information that follows for further information.

D. Fees and Charges

Administration Fees

Pursuant to an administration agreement with the Fund, PFM Asset Management LLC ("PFM") provides administrative and clerical functions necessary to maintain the books and records of the Portfolios. This includes accounting services, communications to participants regarding their accounts, and other operational responsibilities. The administration agreement requires the MAGIC Portfolio to pay PFM a monthly fee at an annual rate equal to 0.15% on the first \$250,000,000 of the Fund's average daily net assets and 0.12% on assets in excess of \$250,000,000. Such fee is calculated daily and paid monthly. PFM is not compensated for the administration services it provides to the MAGIC Term Series.

Investment Advisory Fees

Pursuant to an investment advisory agreement with the Fund, PFM provides investment management services to the Portfolios. The investment advisory agreement requires the MAGIC Portfolio to pay PFM a monthly fee at an annual rate equal to 0.075% on the first \$250,000,000 of the Portfolio's average daily net assets and 0.05% on assets in excess of \$250,000,000. Such fee is calculated daily and paid monthly.

The investment advisory agreement requires each MAGIC Term Series to pay PFM a monthly fee at an annual rate equal to 0.25% of each series' average daily net assets. Such fee is calculated daily and paid monthly. At its discretion, PFM may waive some or all of its fees for each MAGIC Term Series, and such waiver may be discontinued at any time. During the year ended June 30, 2019, PFM voluntarily waived \$351,190 of the fees to which it was entitled for services provided to MAGIC Term Series June 2019. In its discretion, PFM may waive fees payable by MAGIC Term Series June 2020 upon its scheduled termination of operations on June 30, 2020.

Marketing Fees

Pursuant to a marketing agreement with the Fund, PFM's wholly-owned broker/dealer subsidiary, PFM Fund Distributors, Inc. ("PFM Fund Distributors") provides training to marketing representatives, develops advertisements and provides other general marketing services to the Fund. The agreement requires the MAGIC Portfolio to pay PFM Fund Distributors a monthly fee at an annual rate equal to 0.02% of the Portfolio's average daily net assets. PFM Fund Distributors is not compensated for the administration services it provides to the MAGIC Term Series.

Sponsorship Fees

Pursuant to resolutions adopted by the Board effective July 1, 2002, a sponsorship fee was accrued in prior years at an annual rate equal to 0.01% of the Portfolio's average daily net assets until the amount of \$100,000 was accrued and outstanding. Pursuant to a resolution adopted by the Board effective December 7, 2009, this accrued sponsorship fee was reversed at an annual rate equal to 0.02% of the Portfolio's average daily net assets until the amount dropped to \$50,000 accrued and outstanding. The amounts so accrued are distributed by the Trustees by resolution for legal defense, training, and other uses approved by the Trustees. From time to time, the Trustees may suspend or modify the accrual.

On August 6, 2019, the Board approved using the accrual to pay the Association of Minnesota Counties and Minnesota Association of County Auditors, Treasurers and Financial Officers (each a "Sponsor" and, collectively the "Sponsors") a sponsorship fee of 0.005% on the average net assets of the MAGIC Portfolio effective October 1, 2019. During the year ended June 30, 2019, these fees were paid from the \$50,000 accrual until it was depleted, after which \$10,507 of fees were accrued out of current earnings.

Banking Fees

Pursuant to a custodian agreement with the Fund, U.S. Bank ("Custodian") provides custody and cash management services to the Portfolios. The agreement requires each Portfolio to pay an annual custodian charge based upon a flat fee plus a fee based upon average net assets. In addition, the Custodian is paid a transaction charge for each trade, a fee for its cash management services, and a fee for account overdrafts. During the year ended June 30, 2019, the Custodian's fees payable by the MAGIC Portfolio were reduced by \$18,847 as a result of earnings credits from cash balances.

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, audit fees, legal fees, and other miscellaneous expenses.

Fee Reduction Agreements

The Board on behalf of the MAGIC Portfolio has entered into a Fee Reduction Agreement ("Fee Reduction Agreement") with PFM pursuant to which PFM may, but shall not be obligated to, temporarily reduce a portion of its Administration Fees to assist the MAGIC Portfolio in an attempt to maintain a positive yield. In the event that PFM elects to initiate a fee reduction, such fee reduction shall be applicable to the computation of the net asset value ("NAV") of the MAGIC Portfolio on the business day immediately following the date on which PFM 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 PFM regarding its intent to terminate its fee reduction or revise, upward or downward, the rate of its fee reduction.

Under the terms of the Fee Reduction Agreement, at any time after a fee reduction has been terminated, PFM may elect to have the amount of its accumulated reduced Administration fees restored in whole or in part under the conditions described in the Fee Reduction Agreement 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 Fee Reduction Agreement. The amount of accumulated reduced fees to be restored in a given month may not exceed 115% of the administration fees payable by the MAGIC Portfolio under the terms of PFM's related administration agreement with the Fund. Further, any administration fees reduced subject to the Fee Reduction Agreement may only be restored to PFM for a period of three years after they have been withheld.

The chart that follows depicts the cumulative administration fees waived and fee waivers restored to PFM since the inception of the Fee Reduction Agreement. During the fiscal year ended June 30, 2019, there were no waivers restored and as of June 30, 2019 no previously waived fee waivers remain recoverable.

	Administrative Fees
Total Waived Fees	\$ 787,731
Amounts Reimbursed	(92,596)
Amounts Unrecoverable	(695,135)
Remaining Recoverable	\$ -

Other
Information
(unaudited)

MAGIC Portfolio

Schedule of Investments (unaudited)

June 30, 2019

Rate ⁽¹⁾	Maturity Date ⁽²⁾	Principal	Fair Value ⁽³⁾
Asset-Backed Commercial Paper (8.64%)			
Alpine Securitization LLC			
2.60% ⁽⁴⁾	10/25/19	\$ 6,000,000	\$ 6,000,000
Fairway Finance Company LLC			
2.52%	9/10/19	20,000,000	19,901,389
Jupiter Securitization Company			
2.55%	8/7/19	15,000,000	14,960,996
Liberty Street Funding LLC			
2.54%	9/20/19	15,000,000	14,914,950
Old Line Funding LLC			
2.50%	8/21/19	10,000,000	9,964,867
2.53%	9/5/19	10,000,000	9,953,983
2.58%	10/9/19	5,000,000	4,964,583
2.62%	10/16/19	5,000,000	4,961,658
<i>Total Asset-Backed Commercial Paper</i>			<u>85,622,426</u>
Certificates of Deposit (28.43%)			
Australia and New Zealand Banking Group LTD			
2.58% ⁽⁴⁾	9/13/19	5,000,000	5,000,000
Bank of America (NC)			
2.49% ⁽⁴⁾	10/15/19	8,000,000	8,000,000
Bank of Montreal (Chicago)			
2.69% ⁽⁴⁾	7/1/19	5,000,000	5,000,000
Bank of Nova Scotia (Houston)			
2.68% ⁽⁴⁾	7/2/19	5,000,000	5,000,000
2.82% ⁽⁴⁾	11/8/19	5,000,000	5,004,668
BNP Paribas (NY)			
2.76% ⁽⁴⁾	10/8/19	5,000,000	5,000,000
Credit Agricole Corporate and Investment Bank (NY)			
2.57%	7/24/19	2,700,000	2,699,982
Credit Suisse (NY)			
2.61%	9/27/19	8,740,000	8,746,122
2.67%	12/23/19	5,000,000	5,000,000
Goldman Sachs & Company			
2.69% ⁽⁴⁾	8/9/19	10,000,000	10,000,000
HSBC USA			
2.56% ⁽⁴⁾	9/11/19	5,000,000	5,000,000
2.64% ⁽⁴⁾	2/7/20	2,400,000	2,399,308
Mizuho Bank LTD (NY)			
2.60% ⁽⁴⁾	8/5/19	14,000,000	14,000,868
2.54%	9/13/19	5,000,000	5,000,200
2.56% ⁽⁴⁾	11/1/19	5,000,000	5,000,000
2.52% ⁽⁴⁾	11/27/19	5,000,000	5,000,000
MUFG Bank LTD (NY)			
2.73% ⁽⁴⁾	8/12/19	6,000,000	6,000,000
National Australia Bank LTD (NY)			
2.54% ⁽⁴⁾	2/10/20	10,000,000	10,000,000
Norinchukin Bank (NY)			
2.54%	8/1/19	10,000,000	10,000,000
2.57%	11/13/19	10,000,000	10,000,000
2.53%	11/15/19	5,000,000	5,000,000
Societe Generale (NY)			
2.54% ⁽⁴⁾	11/7/19	15,000,000	15,000,228
State Street Bank and Trust Company			
2.52% ⁽⁴⁾	10/7/19	5,000,000	5,000,000

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

MAGIC Portfolio

Schedule of Investments (unaudited)

June 30, 2019

Rate ⁽¹⁾	Maturity Date ⁽²⁾	Principal	Fair Value ⁽³⁾
Sumitomo Mitsui Bank (NY)			
2.72% ⁽⁴⁾	7/8/19	\$ 10,000,000	\$ 10,000,000
2.56%	7/8/19	5,384,000	5,384,108
2.56%	7/8/19	3,407,000	3,407,049
2.58%	7/10/19	5,000,000	5,000,000
2.57%	8/23/19	12,000,000	12,000,000
2.60%	10/4/19	3,000,000	3,000,053
2.50% ⁽⁴⁾	11/18/19	15,000,000	15,000,000
Svenska Handelsbanken (NY)			
2.57%	10/7/19	8,000,000	8,000,107
2.52% ⁽⁴⁾	11/27/19	10,000,000	10,000,000
Swedbank (NY)			
2.73% ⁽⁴⁾	8/1/19	7,000,000	7,000,000
2.65% ⁽⁴⁾	10/1/19	5,000,000	5,000,000
Toronto Dominion Bank (NY)			
2.52%	9/6/19	10,000,000	10,000,000
2.62%	1/16/20	5,000,000	5,006,602
2.62% ⁽⁴⁾	6/3/20	7,000,000	7,000,000
UBS AG Stamford (CT)			
2.68% ⁽⁴⁾	7/11/19	6,000,000	6,000,000
2.27%	2/18/20	2,000,000	2,000,000
2.58% ⁽⁴⁾	2/24/20	8,000,000	8,000,000
Westpac Banking Corporation (NY)			
2.57% ⁽⁴⁾	6/3/20	3,000,000	3,000,000
Total Certificates of Deposit			281,649,295
Commercial Paper (32.47%)			
American Honda Finance			
2.50%	9/5/19	20,000,000	19,909,067
BNP Paribas (NY)			
2.56%	8/29/19	10,000,000	9,958,372
2.59%	10/3/19	5,000,000	4,966,578
2.24%	2/19/20	5,000,000	4,928,482
Citigroup Global Markets			
2.71%	11/7/19	5,400,000	5,348,529
2.60%	11/21/19	10,000,000	9,898,311
Coca-Cola Company			
2.85%	7/24/19	10,000,000	9,982,048
2.56%	8/7/19	5,000,000	4,986,947
2.57%	10/18/19	10,000,000	9,923,095
2.69%	11/19/19	2,000,000	1,979,242
2.51%	1/14/20	5,000,000	4,932,418
Cooperatieve Rabobank			
2.52% ⁽⁴⁾	8/9/19	5,000,000	5,000,000
Credit Agricole Corporate and Investment Bank (NY)			
2.57%	11/6/19	15,000,000	14,864,533
HSBC USA			
2.70%	11/1/19	10,000,000	9,909,373
2.55% ⁽⁴⁾	2/21/20	3,000,000	3,000,000
ING (US) Funding LLC			
2.73% ⁽⁴⁾	7/5/19	5,000,000	5,000,000
2.51% ⁽⁴⁾	11/8/19	10,000,000	10,000,000
JP Morgan Securities LLC			
2.71% ⁽⁴⁾	10/11/19	10,000,000	10,000,000
2.54% ⁽⁴⁾	11/22/19	5,000,000	5,000,000

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

MAGIC Portfolio

Schedule of Investments (unaudited)

June 30, 2019

	Rate ⁽¹⁾	Maturity Date ⁽²⁾	Principal	Fair Value ⁽³⁾
Metlife Short Term Funding				
	2.56%	8/26/19	\$ 3,750,000	\$ 3,735,183
	2.60%	10/2/19	8,000,000	7,946,887
	2.60%	10/15/19	8,000,000	7,939,462
MUFG Bank LTD (NY)				
	2.56%	8/8/19	10,000,000	9,973,189
	2.77%	11/15/19	5,000,000	4,948,435
	2.75%	12/9/19	5,000,000	4,939,848
	2.58%	2/21/20	5,000,000	4,917,424
Natixis (NY)				
	2.85%	7/8/19	10,000,000	9,994,537
	2.59%	11/4/19	15,000,000	14,865,600
PRICOA Short Term Funding LLC				
	2.58%	10/9/19	6,500,000	6,453,958
	2.52%	12/5/19	15,000,000	14,837,113
Private Export Funding Corporation				
	2.27%	3/13/20	11,900,000	11,711,292
Toronto Dominion Bank (NY)				
	2.60%	10/1/19	5,000,000	4,967,161
Toyota Credit Canada, Inc.				
	2.61% ⁽⁴⁾	1/17/20	5,000,000	5,000,000
Toyota Motor Credit Corporation				
	2.63% ⁽⁴⁾	1/10/20	10,000,000	10,000,000
Unilever Capital Corporation				
	2.53%	8/20/19	25,000,000	24,912,847
	2.51%	9/4/19	10,000,000	9,955,042
Walt Disney Company				
	2.52%	9/10/19	15,000,000	14,926,042
Total Commercial Paper				<u>321,611,015</u>
Repurchase Agreements (16.53%)				
BofA Securities, Inc.				
	2.48%	7/1/19	93,800,000	93,800,000
(Dated 6/28/19, repurchase price \$93,819,385, collateralized by U.S. Treasury certificates, 1.000%-6.125%, maturing 11/30/19-8/15/29, market value \$95,676,137)				
Credit Agricole Corporate and Investment Bank (NY)				
	2.41%	7/7/19 ⁽⁵⁾	40,000,000	40,000,000
(Dated 5/17/19, repurchase price \$40,157,989, collateralized by a U.S. Treasury certificate, 7.625%, maturing 2/15/25, market value \$40,923,019)				
Goldman Sachs & Company				
	2.40%	7/7/19 ⁽⁵⁾	30,000,000	30,000,000
(Dated 5/30/19, repurchase price \$30,078,000, collateralized by U.S. Treasury certificates, 0.000%, maturing 7/18/19-5/15/36, market value \$30,665,280)				
Total Repurchase Agreements				<u>163,800,000</u>
Total Investments (86.07%)				<u>852,682,736</u>
Other Assets and Liabilities, Net (13.93%)				<u>137,989,167</u>
Net Position (100.00%)				<u>\$990,671,903</u>

(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 instrument. Rate shown is that which was in effect at June 30, 2019.

(5) Subject to put with 7-day notice.

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

MAGIC Term Series June 2020

Schedule of Investments (unaudited)

June 30, 2019

Rate ⁽¹⁾	Maturity Date ⁽²⁾	Principal	Fair Value ⁽³⁾
Asset-Backed Commercial Paper (8.51%)			
Bedford Row Funding Corporation			
2.68%	11/4/19	\$ 2,000,000	\$ 1,984,090
2.68%	11/8/19	800,000	793,438
Fairway Finance Company LLC			
2.55%	10/2/19	5,000,000	4,968,320
Jupiter Securitization Company			
2.62%	9/3/19	1,520,000	1,513,330
2.63%	9/10/19	1,525,000	1,517,617
Manhattan Asset Funding Company			
2.56%	7/8/19	2,000,000	1,998,666
Old Line Funding LLC			
2.59%	7/29/19	1,000,000	997,995
2.75%	11/4/19	1,550,000	1,537,487
2.65%	11/12/19	1,500,000	1,487,123
Thunder Bay Funding LLC			
3.07%	9/16/19	1,000,000	994,933
Total Asset-Backed Commercial Paper			17,792,999
Certificates of Deposit (36.26%)			
Bank of Nova Scotia (Houston)			
2.61%	12/17/19	5,000,000	5,009,736
2.87%	1/17/20	1,200,000	1,204,536
Canadian Imperial Bank (NY)			
2.64%	2/21/20	5,000,000	5,015,256
2.61%	2/28/20	1,250,000	1,253,702
Cooperatieve Rabobank			
2.99%	11/26/19	3,000,000	3,009,263
2.65%	2/14/20	2,000,000	2,006,011
2.66%	2/20/20	2,300,000	2,307,275
HSBC USA			
2.75%	11/15/19	1,950,000	1,953,792
Mizuho Bank LTD (NY)			
2.51%	9/16/19	4,500,000	4,504,259
Norinchukin Bank (NY)			
2.54%	11/15/19	1,000,000	1,002,332
2.54%	11/15/19	1,000,000	1,002,408
2.53%	11/25/19	6,050,000	6,057,878
2.50%	12/3/19	4,000,000	4,010,774
2.42%	12/5/19	2,000,000	2,003,942
Royal Bank of Canada (NY)			
2.56%	4/24/20	1,350,000	1,354,850
Skandinaviska Enskilda Banken (NY)			
2.74%	7/15/19	1,200,000	1,200,361
2.59%	10/21/19	1,000,000	1,001,057
Societe Generale (NY)			
2.52%	10/23/19	1,500,000	1,502,414
2.32%	12/2/19	3,000,000	3,002,894
Sumitomo Mitsui Bank (NY)			
2.56%	11/27/19	12,000,000	12,017,282

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

MAGIC Term Series June 2020

Schedule of Investments (unaudited)

June 30, 2019

Rate ⁽¹⁾	Maturity Date ⁽²⁾	Principal	Fair Value ⁽³⁾
Toronto Dominion Bank (NY)			
2.90%	10/10/19	\$ 250,000	\$ 250,422
3.08%	11/8/19	1,000,000	1,002,954
3.10%	11/26/19	4,500,000	4,515,925
3.06%	12/16/19	1,000,000	1,003,952
3.00%	1/3/20	1,000,000	1,004,154
2.67%	1/10/20	3,000,000	3,007,775
2.75%	1/29/20	1,000,000	1,003,339
2.43%	5/22/20	700,000	700,705
2.40%	5/29/20	900,000	900,995
US Bank (Cincinnati)			
2.94%	8/26/19	2,000,000	2,001,903
Total Certificates of Deposit			75,812,146
Commercial Paper (52.35%)			
Apple Inc.			
2.64%	11/22/19	1,010,000	1,000,757
2.50%	2/7/20	1,450,000	1,429,826
2.50%	2/21/20	1,150,000	1,133,016
BNP Paribas (NY)			
2.65%	11/25/19	2,000,000	1,981,584
2.58%	11/29/19	8,200,000	8,122,617
Canadian Imperial Holding			
2.92%	7/19/19	2,050,000	2,047,157
Citigroup Global Markets			
2.60%	11/21/19	1,000,000	991,009
2.60%	11/29/19	2,030,000	2,010,808
2.60%	12/16/19	1,000,000	989,503
2.62%	1/17/20	5,100,000	5,034,200
Coca-Cola Company			
2.63%	1/13/20	500,000	493,947
2.52%	2/18/20	2,220,000	2,188,625
Credit Suisse (NY)			
2.68%	12/2/19	2,000,000	1,979,310
2.59%	12/23/19	1,350,000	1,334,120
2.58%	12/30/19	2,000,000	1,975,538
2.60%	1/17/20	2,000,000	1,973,158
Exxon Mobil Corporation			
2.31%	8/20/19	1,000,000	996,609
2.42%	8/28/19	5,030,000	5,010,328
HSBC USA			
2.96%	7/26/19	1,020,000	1,018,191
2.98%	8/15/19	1,500,000	1,495,433
2.95%	8/30/19	430,000	428,286
2.67%	10/2/19	1,525,000	1,515,850
2.76%	11/8/19	600,000	595,042
ING (US) Funding LLC			
2.87%	9/30/19	5,150,000	5,118,091
2.58%	10/3/19	1,510,000	1,500,338
John Deere Capital Corporation			
2.43%	7/8/19	500,000	499,682

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

MAGIC Term Series June 2020

Schedule of Investments (unaudited)

June 30, 2019

Rate ⁽¹⁾	Maturity Date ⁽²⁾	Principal	Fair Value ⁽³⁾
JP Morgan Securities LLC			
3.01%	9/13/19	\$ 2,760,000	\$ 2,746,203
2.67%	12/10/19	1,500,000	1,484,394
2.57%	2/7/20	2,100,000	2,071,723
2.38%	2/28/20	1,530,000	1,507,998
Metlife Short Term Funding			
2.62%	8/28/19	2,350,000	2,340,882
MUFG Bank LTD (NY)			
2.91%	7/18/19	1,000,000	998,697
2.98%	9/13/19	2,000,000	1,989,908
2.96%	9/23/19	1,000,000	994,316
2.67%	9/27/19	1,000,000	994,062
2.90%	10/1/19	1,000,000	993,817
2.83%	10/25/19	1,000,000	992,361
Natixis (NY)			
2.62%	7/9/19	5,450,000	5,446,043
2.70%	8/5/19	4,000,000	3,990,204
2.66%	8/12/19	2,000,000	1,994,288
Nestle Capital Corporation			
2.56%	1/13/20	2,460,000	2,429,513
Pfizer Inc.			
2.32%	10/9/19	800,000	794,729
PRICOA Short Term Funding LLC			
2.52%	11/29/19	1,000,000	989,763
Private Export Funding Corporation			
2.33%	2/28/20	1,700,000	1,672,661
2.27%	3/13/20	1,700,000	1,671,124
Sumitomo Mitsui Bank (NY)			
2.38%	9/13/19	1,550,000	1,542,245
Toyota Motor Credit Corporation			
2.63%	10/10/19	1,000,000	993,367
2.81%	10/18/19	350,000	347,509
2.58%	12/5/19	5,300,000	5,246,931
United Parcel Service Inc.			
2.33%	1/2/20	2,030,000	2,005,417
2.54%	1/31/20	6,450,000	6,359,958
Walt Disney Company			
2.47%	8/16/19	1,700,000	1,694,548
2.47%	8/22/19	1,300,000	1,295,317
2.23%	9/25/19	1,000,000	994,428
Total Commercial Paper			109,445,431
Total Investments (97.12%)			203,050,576
Other Assets and Liabilities, Net (2.88%)			6,021,993
Net Position (100.00%)			\$ 209,072,569

(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

Robert Hiivala, Chair and Trustee
Auditor-Treasurer
Wright County

Tim Dolan, Vice Chair and Trustee
Commissioner
Sherburne County

Cory Kampf, Trustee
CFO/Finance & Central Services Division Manager
Anoka County

Chuck Horsager, Trustee
Commissioner
Wadena County

Sharon Euerle, Trustee
Treasurer
Meeker County

Vance Stuehrenberg, Trustee
Commissioner
Blue Earth County

Charlene Christenson, Trustee
Commissioner
Hubbard County

Nancy Nilsen, Trustee
Auditor-Treasurer
St. Louis County

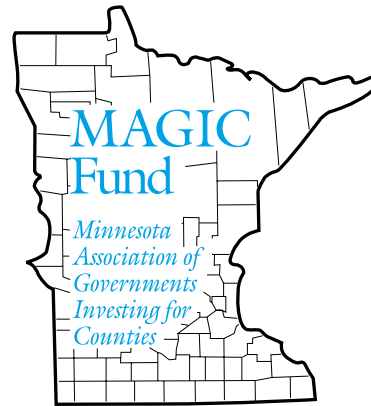
E.J. Moberg, Trustee
Auditor-Treasurer
Lyon County

Sponsoring Organizations

**Minnesota Association of County Auditors,
Treasurers and Financial Officers**
Michelle Knutson*, MACATFO President

Association of Minnesota Counties
Julie Ring*, Executive Director

**Ex-Officio Member of Board of Trustees*



Service Providers

Investment Advisor & Administrator
PFM Asset Management LLC
50 South 6th Street, Suite 2250
Minneapolis, Minnesota 55402

213 Market Street
Harrisburg, Pennsylvania 17101

Distributor

PFM Fund Distributors, Inc.
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Minneapolis, Minnesota 55402
213 Market Street
Harrisburg, Pennsylvania 17101

Custodian

U.S. Bank, N.A.
60 Livingston Avenue
St. Paul, Minnesota 55107

Independent Auditors

RSM US LLP
30 South 17th Street, Suite 710
Philadelphia, Pennsylvania 19103

Legal Counsel

Knutson, Flynn & Deans
1155 Centre Point Drive, Suite 10
Mendota Heights, Minnesota 55120

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