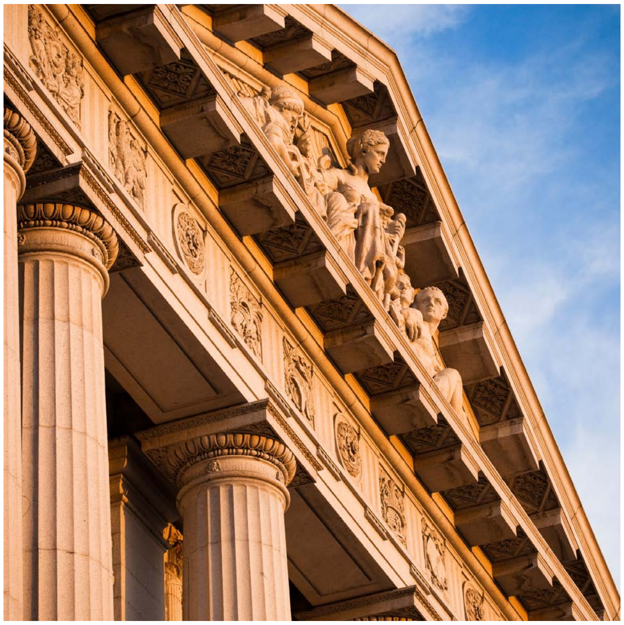

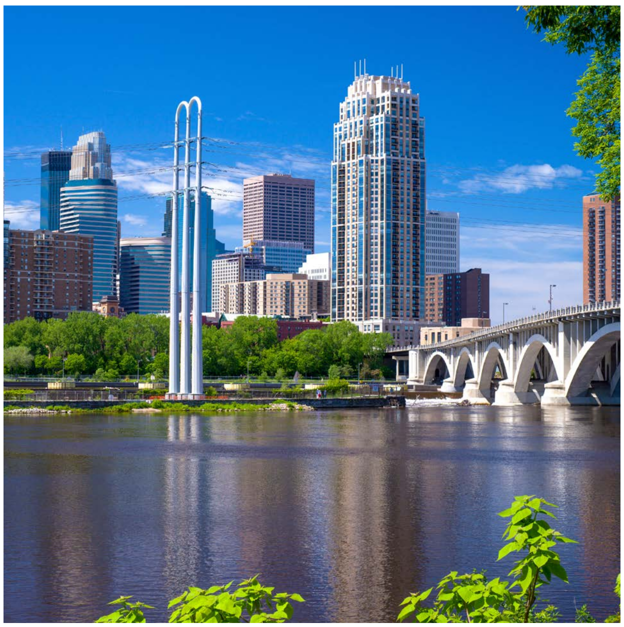

# Minnesota Association of Governments Investing for Counties

## Annual Report

*June 30, 2020*

MAGIC Fund

*Minnesota Association of Governments Investing for Counties*

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# Independent Auditor's Report

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

## Report on Financial Statements

We have audited the accompanying financial statements of the Minnesota Association of Governments Investing for Counties MAGIC Portfolio, MAGIC Term Series June 2021 and MAGIC Term Series June 2020, which comprise the statements of net position as of June 30, 2020, and the related statements of changes in net position of the MAGIC Portfolio and MAGIC Term Series June 2020 for the year then ended and changes in net position of MAGIC Term Series June 2021 for the year from July 1, 2019 (commencement of operations) through June 30, 2020, 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 accordance 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 audits. We conducted our audits 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 2021 and MAGIC Term Series June 2020 of the Minnesota Association of Governments Investing for Counties as of June 30, 2020, and the respective changes in their net position for the year then ended 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 audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying Schedules of Investments of the MAGIC Portfolio and MAGIC Term Series June 2021 as of June 30, 2020, 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 audits 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, 2020

# Management's Discussion and Analysis

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, 2020. Management's Discussion and Analysis is designed to focus the reader on significant financial items and provide an overview of the financial statements of the Fund's MAGIC Portfolio, MAGIC Term Series June 2021 and MAGIC Term Series June 2020 (each a "Portfolio" and, collectively, the "Portfolios") for the year ended June 30, 2020. The financial statements presented within this Annual Report have been prepared in conformity with the reporting framework prescribed by the Governmental Accounting Standards Board ("GASB") for local government investment pools.

## Economic Update

The U.S. economy ended 2019 with strong underlying fundamentals and capped off the longest period of consecutive gross domestic product ("GDP") growth in recent history. In addition, closely watched measures including consumer confidence and unemployment signaled economic health. Yet, concerns regarding U.S. and China trade talks, a slowing manufacturing sector, inflation below the Federal Reserve's ("Fed") 2% target, and tepid global growth prompted three interest rate cuts in 2019. At year-end, the target policy range for the federal funds benchmark rate stood at 1.50% to 1.75%, with the recognition that growing concerns surrounding the coronavirus ("COVID-19") had begun to weigh on the markets.

The Fed's patient stance at year-end was supported by a strong labor market, robust consumer spending, solid GDP growth, and inflation below, but approaching, the Fed's symmetric 2% inflation target. The unemployment rate remained well below the Fed's 4.1% estimate of full employment, and fourth quarter GDP came in at 2.1%, above the longer-run estimate of 1.9%.[1] In March, the economic impact of the COVID-19 pandemic became more profound. As a result, the Fed held two emergency meetings, the first of their kind since 2008, and the monetary policy body lowered the federal funds rate to a target range of 0% to 0.25%. Since that time, the Fed's balance sheet has grown to more than $7 trillion as it purchased U.S. Treasury and mortgage-backed securities in an attempt to provide liquidity to the increasingly volatile markets and broader economy. Moreover, Congress authorized nearly $3 trillion in stimulus packages to bolster the U.S. economy and to help to mitigate the effects of the pandemic.

As "stay-at-home" lockdown orders were imposed across the United States, businesses were confronted with a dramatic slackening in consumer demand. April's unemployment rate of 14.7% was the highest on record since 1948, and retail sales dropped over 20% from the previous year's results. Meanwhile, first quarter 2020 GDP growth came in at -5.0%, the first negative reading since the first quarter of 2014, and the lowest level since the fourth quarter of 2008.

In the months following the initial reaction to the pandemic, we were able to observe what we might term the beginnings or foundation of an economic recovery. Evidence of this may be found in June's unemployment rate, which had fallen to 11.1%. However, at this same time it is also important to note that headwinds remain and that economic datapoints are likely to remain volatile in the near-term. To that end, despite the June unemployment numbers, U.S. consumers have in fact been fiscally cautious throughout the second and into the third quarter of 2020. Further convoluting the broader picture, it was reported that The Department of Labor had counted approximately 32 million individuals claiming unemployment benefits, nearly double what the unemployment rate states.

Markets remain volatile as numerous uncertainties around the pandemic, including the ability to contain the spread and the timeline for a viable vaccine or treatment persist. Half of all U.S. states have rescinded or modified their plans, in some fashion, to re-open. These concerns have also not surprisingly caused many economists and strategists to paint a grim picture with regard to the near-term economic outlook. In its recent Federal Open Market Committee ("FOMC") meeting on June 10, Chairman Jerome Powell stated that the Fed will continue to purchase U.S. Treasury and mortgage-backed securities over the coming months, at least at the current pace. This added liquidity will help to offset or somewhat mitigate conditions caused by the ongoing public health crisis which will weigh heavily on economic activity, employment, and inflation in the near term, and poses considerable risks to longer-term outlooks.

## Portfolio Strategy

We actively managed the MAGIC Portfolio in an effort to better navigate the volatile markets that we have witnessed over the past 12 months. The strategy during much of 2019 and into the first quarter of 2020 focused on positioning the weighted average maturity of the Portfolio to take advantage of anticipated rate cuts by the Fed, and identifying relative value between allowable sectors, as well as selecting securities that fit the objectives of the Portfolio. Over the period, our sector preferences adapted as market conditions evolved. For example, as repurchase agreements saw increased volatility in autumn and winter, we positioned the Portfolio to take advantage of mispricing opportunities ahead of the Fed's intervention to stabilize the market.

As the COVID-19 pandemic spread, the corresponding market volatility presented opportunities to find value across different sectors. In late March, federal agency bonds offered strong value, but weakened as markets stabilized and spreads narrowed. The panic-inducing flight-to-safety pushed U.S. Treasuries lower as stimulus measures provided much needed liquidity for financial

[1] *Economic projections of Federal Reserve Board members and Federal Reserve Bank presidents, under their individual assumptions of projected appropriate monetary policy, December 2019.*

markets. In response, we drew on our understanding of MAGIC investors and introduced a liquidity surplus which provided a cushion on top of historical cash flow trends.

In MAGIC Term, we continue to invest funds in highly rated credit instruments that offer relative value, providing additional yield over comparable government-issued money market securities. We believe that timely adjustments of our targeted maturity range for these credit instruments allow us to capture mispricing opportunities in the market without sacrificing the quality of investments.

Given that short-term interest rates are highly dependent on the economic outlook and monetary policy, it is imperative that we monitor any contributing factors to the economic recovery and stand ready to manage the portfolios accordingly. 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 maintaining and/or increasing investment yields in a prudent manner during these trying and volatile times.

### Financial Statement Overview

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, the Schedule of Investments for both the MAGIC Portfolio and MAGIC Term Series June 2021 are 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, 2020 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 2021 | MAGIC Term Series June 2020 | |
|---|---|---|---|---|---|
| | June 30, 2020 | June 30, 2019 | June 30, 2020 | June 30, 2020(1) | June 30, 2019 |
| Total Assets | $ 1,331,957,644 | $ 991,162,565 | $ 110,887,713 | $ 12,882 | $ 209,318,161 |
| Total Liabilities | (802,085) | (490,662) | (195,385) | (12,882) | (245,592) |
| Net Position | $ 1,331,155,559 | $ 990,671,903 | $ 110,692,328 | $ - | $ 209,072,569 |

*(1) Scheduled termination date for MAGIC Term Series June 2020.*

***MAGIC Portfolio:*** The increase in total assets is primarily comprised of a $417,459,070 increase in investments, which was offset by a $75,626,347 decrease in cash and cash equivalents. The cash and cash equivalents as of June 30, 2020 includes $29,000,000 of time deposits yielding 0.30%-0.40%, which were reclassified from investments to cash equivalents since they are available on demand with one-day notice. The increase in investments compared to the 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. The increase in total liabilities is mainly due to a $289,628 increase in subscriptions received in advance, which are funds received at the custodian bank prior to the proper notice required 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 2021:*** This Portfolio commenced operations July 1, 2019; therefore, it had no assets as of the prior fiscal year-end. Its total assets as of the current year-end are comprised of $109,720,246 of investments purchased with the proceeds of shares purchased, $247,468 of interest receivable on those investments, as well as $919,999 of cash and cash equivalents. 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, 2021.

***MAGIC Term Series June 2020:*** This Portfolio ceased to operate as of June 30, 2020, its scheduled termination date. At this date, as is typical of a MAGIC Term series upon termination, its assets were comprised solely of $12,882 of cash and cash equivalents since the 210,901,195 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 $12,882 payable is net of $304,484 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, 2020. 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 2021 | MAGIC Term Series June 2020 | |
|---|---|---|---|---|---|
| | Year Ended June 30, 2020 | Year Ended June 30, 2019 | July 1, 2019(1) through June 30, 2020 | Year Ended June 30, 2020(2) | July 5, 2018(1) through June 30, 2019 |
| Investment Income | $ 16,127,867 | $ 19,089,718 | $ 2,368,158 | $ 2,063,593 | $ 4,328,299 |
| Net Expenses | (2,296,490) | (1,805,621) | (323,119) | 54,300 | (411,434) |
| Net Investment Income | 13,831,377 | 17,284,097 | 2,045,039 | 2,117,893 | 3,916,865 |
| Realized Gain on Sale of Investments | 112,714 | 109,315 | 41,058 | 25,519 | 25,831 |
| Net Capital Shares Issued/(Redeemed) | 326,539,565 | 160,442,957 | 108,606,231 | (211,215,981) | 205,129,873 |
| Change in Net Position | $ 340,483,656 | $ 177,836,369 | $ 110,692,328 | $ (209,072,569) | $ 209,072,569 |

*(1) Commencement of operations for each respective MAGIC Term Series.*
*(2) Scheduled termination date for MAGIC Term Series June 2020.*

***MAGIC Portfolio:*** The Portfolio's net position increased approximately 34% year-over-year, which is reflected in the net capital shares issued above. Its average net assets increased approximately 29% year-over-year. While investable assets increased, the fall in yields in short-term investment rates resulted in investment income decreasing by nearly 16% year-over-year. Net expenses are mostly comprised of administration, investment advisory and marketing fees, which are calculated as a percentage of average net assets, as well as other operating costs, so the increase in net expenses of the MAGIC Portfolio was primarily due to the increase in average net assets year-over-year.

***MAGIC Term Series June 2021:*** Since the Portfolio commenced operations during the current fiscal year, it had no changes in net position from the prior year. The Portfolio issued $272,086,604 of shares in the current fiscal year and earned $2,368,158 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, 2021.

***MAGIC Term Series June 2020:*** The Portfolio commenced operations during the prior fiscal year and terminated operations, as scheduled, on the current fiscal year-end date of June 30, 2020. 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. The investment income primarily decreased from the prior to the current fiscal period as a result of the decrease in short-term interest rates. The net expenses of the Portfolio are net of $304,484 of investment advisory fees which were waived during the current year, which was actually $54,300 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, 2020 was 1.55%, down from 2.33% for the year ended June 30, 2019. 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 2021 | MAGIC Term Series June 2020 | |
|---|---|---|---|---|---|
| | Year Ended June 30, 2020 | Year Ended June 30, 2019 | July 1, 2019(1) through June 30, 2020 | Year Ended June 30, 2020(2) | July 5, 2018(1) through June 30, 2019 |
| Ratio of Net Investment Income to Average Net Assets(3) | 1.41% | 2.28% | 1.60% | 2.54% | 2.40% |
| Ratio of Net Investment Income to Average Net Assets, Before Fees Waived/Restored and Expenses Paid Indirectly | 1.41% | 2.28% | 1.60% | 2.22% | 2.40% |
| Ratio of Expenses to Average Net Assets | 0.24% | 0.24% | 0.27% | (0.05)% | 0.27% |
| Ratio of Expenses to Average Net Assets, Before Fees Waived/Restored and Expenses Paid Indirectly | 0.24% | 0.24% | 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 2020.*
*(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 decreased 0.87% year-over-year due to the decreased interest rates as noted above. The average net assets of the Portfolio increased approximately 29% year-over-year. The ratio of expenses to average net assets did not significantly change year-over-year for the MAGIC Portfolio since the bulk of these expenses are calculated as a percentage of average net assets.

***MAGIC Term Series June 2021:*** 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 1.60% 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 may be 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, 2021.

***MAGIC Term Series June 2020:*** The Portfolio commenced operations during the prior fiscal year and terminated operations, as scheduled, on the current fiscal year-end date of June 30, 2020. While yields in short-term investment rates decreased, the average asset balance decreased since there was only $33,221,000 of shares sold in the current period to offset $244,436,981 of redemptions. Additionally, $304,484 of investment advisory fees were waived as determined at the end of the term, which was actually $54,300 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. As a result, the ratio of net investment income to average net assets after factoring in fee waivers and expenses paid indirectly increased by 0.14% from the prior to the current fiscal period, and the ratio of expenses to average net assets after factoring in fee waivers decreased by 0.32% from the prior fiscal period to the current fiscal period to a negative 0.05%.

# Statements of Net Position

*June 30, 2020*

| | MAGIC Portfolio | MAGIC Term Series June 2021 | MAGIC Term Series June 2020 |
|---|---|---|---|
| **Assets** | | | |
| Investments | $ 1,270,141,806 | $ 109,720,246 | $ - |
| Cash and Cash Equivalents | 61,083,549[1] | 919,999 | 12,882 |
| Interest Receivable | 732,289 | 247,468 | - |
| *Total Assets* | 1,331,957,644 | 110,887,713 | 12,822 |
| **Liabilities** | | | |
| Subscriptions Received in Advance | 442,371 | - | - |
| Redemptions Payable | 39,771 | - | - |
| Administration Fees Payable | 154,956 | - | - |
| Investment Advisory Fees Payable | 67,126 | 173,288 | 2,877 |
| Marketing Fees Payable | 24,801 | - | - |
| Sponsorship Fees Payable | 12,401 | - | - |
| Banking Fees Payable | 20,323 | 550 | 180 |
| Audit Fees Payable | 26,500 | 21,600 | 9,750 |
| Other Accrued Expenses | 13,836 | (53) | 75 |
| *Total Liabilities* | 802,085 | 195,385 | 12,882 |
| **Net Position** | $ 1,331,155,559 | $ 110,692,328 | $ - |
| **Net Position Consists of:** | | | |
| MAGIC Portfolio (applicable to 1,331,155,559 outstanding shares of beneficial interest; unlimited authorization; no par value; equivalent to $1.00 per share) | $ 1,331,155,559 | | |
| MAGIC Term Series June 2021 (applicable to 110,907,959 outstanding shares of beneficial interest; unlimited authorization; no par value) | | $ 110,692,328 | |

*(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 2021 | MAGIC Term Series June 2020 |
|---|---|---|---|
| | Year Ended June 30, 2020 | July 1, 2019[1] through June 30, 2020 | Year Ended June 30, 2020[2] |
| **Income** | | | |
| Investment Income | $ 16,127,867 | $ 2,368,158 | $ 2,063,593 |
| **Expenses** | | | |
| Administration Fees | 1,251,574 | - | - |
| Investment Advisory Fees | 552,740 | 295,288 | 234,748 |
| Marketing Fees | 196,096 | - | - |
| Banking Fees | 211,295 | 5,521 | 3,343 |
| Audit Fees | 25,560 | 21,600 | 9,810 |
| Sponsorship Fees | 98,048 | - | - |
| Other Expenses | 12,171 | 710 | 2,283 |
| Total Expenses | 2,347,484 | 323,119 | 250,184 |
| Investment Advisory Fee Waivers | - | - | (304,484) |
| Expenses Paid Indirectly | (50,994) | - | - |
| Net Expenses | 2,296,490 | 323,119 | (54,300) |
| **Net Investment Income** | 13,831,377 | 2,045,039 | 2,117,893 |
| **Other Income** | | | |
| Net Realized Gain on Sale of Investments | 112,714 | 41,058 | 25,519 |
| **Net Increase from Investment Operations Before Capital Transactions** | 13,944,091 | 2,086,097 | 2,143,412 |
| Capital Shares Issued | 5,384,769,661 | 272,086,604 | 33,221,000 |
| Capital Shares Redeemed | (5,058,230,096) | (163,480,373) | (244,436,981) |
| **Change in Net Position** | 340,483,656 | 110,692,328 | (209,072,569) |
| **Net Position – Beginning of Period** | 990,671,903 | - | 209,072,569 |
| **Net Position – End of Period** | $ 1,331,155,559 | $ 110,692,328 | $ - |

*(1) Commencement of operations for MAGIC Term Series June 2021.*
*(2) Scheduled termination date for MAGIC Term Series June 2020.*

*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 2021 and MAGIC Term Series June 2020, in addition to the MAGIC Portfolio (each a "Portfolio" and, collectively, the "Portfolios"). MAGIC Term Series June 2021 commenced operations on July 1, 2019 and its scheduled termination date is June 30, 2021. MAGIC Term Series June 2020 commenced operations on July 5, 2018 and terminated its operations on June 30, 2020, 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 assumptions 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, as amended, 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, 2020 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/(losses) of $144,591 and ($248,068) for MAGIC Term Series June 2021 and MAGIC Term Series June 2020, respectively, which represent the change in fair value of investment securities held as of the reporting date.

**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 a NAV of $1.00 per share, however there is no assurance that this objective will be achieved. The exact price for share transactions will be determined based on the NAV next calculated after receipt of a properly executed order. The number of shares purchased or redeemed will be determined by the NAV.

The NAV per share for each series of 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, 2020, dividends totaling $13,944,091 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, 2020, dividends totaling $1,365,373 and $3,988,488 were distributed for MAGIC Term Series June 2021 and MAGIC Term Series June 2020, 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 Indemnification**

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, 2020, 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 2021 portfolios as of June 30, 2020 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, 2020, the MAGIC Portfolio and MAGIC Term Series June 2021 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 2021 |
|---|---|---|
| AAAm | 4.57% | - |
| A-1+ | 25.75% | 22.59% |
| A-1 | 42.65% | 75.31% |
| A-2 | 0.79% | - |
| Exempt(1) | 26.24% | - |
| Not Rated(2) | - | 2.10% |

*(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, 2020.

**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 2021 investment portfolios at June 30, 2020 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 2021 |
|---|---|---|
| BNP Paribas (NY) | <5.00% | 5.46% |
| Canadian Imperial Bank of Commerce (NY) | <5.00% | 8.67% |
| Cooperatieve Rabobank | <5.00% | 5.47% |
| Credit Agricole Corporate and Investment Bank (NY) | <5.00% | 9.11% |
| Credit Suisse (NY) | <5.00% | 9.08% |
| Federal Home Loan Bank | 5.90% | - |
| Manhattan Asset Funding Company | - | 7.28% |
| Natixis (NY) | - | 6.47% |
| Pfizer, Inc. | <5.00% | 6.47% |
| Societe Generale (NY) | <5.00% | 9.13% |
| Sumitomo Mitsui Bank (NY) | 7.87% | - |
| Toronto Dominion Bank (NY) | <5.00% | 8.03% |
| U.S. Treasury | 24.88% | <5.00% |

**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, 2020, the weighted average maturities of the MAGIC Portfolio and MAGIC Term Series June 2021, including cash and cash equivalents, were 54 days and 98 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 2021 held at June 30, 2020 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 | 0.27%-1.34% | 7/16/20-1/4/21 | $ 40,000,000 | $ 39,979,936 | 38 Days |
| Cash and Cash Equivalents | n/a | n/a | 61,083,549 | 61,083,549 | 1 Day |
| Certificates of Deposit – Negotiable | 0.23%-1.71% | 7/2/20-6/18/21 | 488,740,000 | 488,852,485 | 54 Days |
| Certificates of Deposit – Non-Negotiable | 0.28% | 8/4/20 | 25,000,000 | 25,000,000 | 1 Day |
| Commercial Paper | 0.29%-1.80% | 7/1/20-2/12/21 | 250,275,000 | 249,962,022 | 72 Days |
| Government Agency and Instrumentality Obligations: | | | | | |
| Agency Discount Notes | 0.15%-0.16% | 8/12/20-9/18/20 | 75,000,000 | 74,981,095 | 60 Days |
| U.S. Treasury Bills | 0.13%-0.18% | 7/23/20-11/24/20 | 297,000,000 | 296,922,546 | 63 Days |
| U.S. Treasury Notes | 0.29%-0.42% | 10/31/20-4/30/21 | 19,000,000 | 19,043,722 | 88 Days |
| Money Market Funds | 0.15% | n/a | 58,000,000 | 58,000,000 | 7 Days |
| Repurchase Agreements | 0.07% | 7/1/20 | 17,400,000 | 17,400,000 | 1 Day |
| | | | $1,331,498,549 | $1,331,225,355 | |

**MAGIC Term Series June 2021**

| Type of Deposits and Investments | Yield-to Maturity Range | Maturity Range | Principal | Fair Value | Weighted Average Maturity |
|---|---|---|---|---|---|
| Asset-Backed Commercial Paper | 0.32%1.56% | 8/24/20-12/9/20 | $ 10,000,000 | $ 9,986,437 | 140 Days |
| Cash and Cash Equivalents | n/a | n/a | 919,999 | 919,999 | 1 Day |
| Certificates of Deposit – Negotiable | 0.31%2.01% | 7/14/20-5/28/21 | 26,900,000 | 26,964,317 | 139 Days |
| Commercial Paper | 0.28%1.93% | 7/9/20-2/16/21 | 71,985,000 | 71,945,659 | 75 Days |
| Government Agency and Instrumentality Obligations: | | | | | |
| U.S. Treasury Bills | 0.16% | 4/22/21-6/17/21 | 825,000 | 823,833 | 318 Days |
| | | | $ 110,629,999 | $ 110,640,245 | |

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, 2020, and money market funds, for which the rate shown represents the current seven-day yield in effect at June 30, 2020.

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 which 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; (4) the effective maturity of money market instruments is assumed to be the date upon which the collection of redemption proceeds is due, typically seven days; and (5) 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

**Investment Advisory, Administration and Marketing Fees**

Pursuant to an investment advisory and administration agreement with the Fund, PFM Asset Management LLC ("PFM") provides investment management services and administrative services necessary to the Portfolios. This includes accounting services, communications to participants regarding their accounts, and other operational responsibilities. Pursuant to its agreement with the Fund, PFM also provides training to marketing representatives, develops advertisements and provides other general marketing services to the Fund through PFM's wholly-owned broker/dealer subsidiary, PFM Fund Distributors, Inc. ("PFM Fund Distributors").

For investment advisory services provided by PFM, the MAGIC Portfolio pays 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. For administrative services provided by PFM, the MAGIC Portfolio pays PFM a monthly fee at an annual rate equal to 0.17% on the first $250,000,000 of the Fund's average daily net assets and 0.14% on assets in excess of $250,000,000. Out of its administration fees, PFM allocates an amount equal to 0.02% of all MAGIC Portfolio assets to PFM Fund Distributors for marketing services as described above. Such fees are calculated daily and paid monthly.

The investment advisory and 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, 2020, PFM voluntarily waived $304,484 of the fees to which it was entitled for services provided to MAGIC Term Series June 2020, of which $69,736 related to fees accrued in the period July 5, 2018 (commencement of operations) through June 30, 2019. In its discretion, PFM may waive fees payable by MAGIC Term Series June 2021 upon its scheduled termination of operations on June 30, 2021.

**Sponsorship Fees**

Pursuant to sponsorship agreements with the Fund, the Association of Minnesota Counties and Minnesota Association of County Auditors, Treasurers and Financial Officers (each a "Sponsor" and, collectively the "Sponsors") provide sponsorship and consulting services to the Fund. The sponsorship agreements require the MAGIC Portfolio to pay each Sponsor a sponsorship fee of 0.005% on the average net assets of the MAGIC Portfolio. During the year ended June 30, 2020, sponsorship fees totaled $98,048.

**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, 2020, the Custodian's fees payable by the MAGIC Portfolio were reduced by $50,994 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**

Effective August 1, 2020, the Board on behalf of the MAGIC Portfolio entered into a Fee Deferral Agreement ("Fee Deferral Agreement") with PFM pursuant to which PFM may, but shall not be obligated to, temporarily reduce a portion of its fees payable from the MAGIC Portfolio 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 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 Deferral Agreement, at any time after a fee reduction has been terminated, and if the monthly distribution yield of the MAGIC Portfolio was in excess of 0.50% per annum for the preceding calendar month, PFM may elect to have the amount of its accumulated reduced fees restored in whole or in part under the conditions described in the Fee Deferral 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 Deferral Agreement. In all cases, the total fees paid to PFM in a given month may not exceed 115% of the fees payable by the MAGIC Portfolio under the terms of PFM's related agreements with the Fund and any fees restored under the Fee Deferral Agreement may only be restored to PFM during the three-year period following the calendar month to which they relate.

The Fee Deferral Agreement replaces the Fee Reduction Agreement previously in place with PFM. There were no fee waivers recovered under the prior Fee Reduction Agreement during the year ended June 30, 2020 and no fees previously waived pursuant to the prior Fee Reduction Agreement remain recoverable.

# Other Information (unaudited)

# MAGIC Portfolio
## Schedule of Investments (unaudited)

*June 30, 2020*

| Rate[1] | Maturity Date[2] | | Principal | Fair Value[3] |
|---|---|---|---|---|
| **Asset-Backed Commercial Paper (3.00%)** | | | | |
| Alpine Securitization LLC | | | | |
| 1.34% | 8/28/20 | | $5,000,000 | $4,989,286 |
| 0.36% | 1/4/21 | | 5,000,000 | 4,990,650 |
| Bedford Row Funding Corporation | | | | |
| 1.18% [4] | 7/16/20 | | 8,000,000 | 8,000,000 |
| Ridgefield Funding Company LLC | | | | |
| 0.27% [4] | 8/20/20 | | 2,000,000 | 2,000,000 |
| 0.28% [4] | 10/8/20 | | 10,000,000 | 10,000,000 |
| 0.33% [4] | 12/2/20 | | 10,000,000 | 10,000,000 |
| *Total Asset-Backed Commercial Paper* | | | | 39,979,936 |
| **Certificates of Deposit (38.60%)** | | | | |
| Axos Bank[5] | | | | |
| 0.28% | 8/4/20 | | 25,000,000 | 25,000,000 |
| Bank of America | | | | |
| 1.25% | 8/6/20 | | 7,000,000 | 7,000,000 |
| 0.83% [4] | 10/14/20 | | 5,315,000 | 5,315,000 |
| 0.95% | 12/1/20 | | 3,000,000 | 3,000,000 |
| Bank of Montreal (Chicago) | | | | |
| 1.20% | 10/1/20 | | 7,000,000 | 7,000,000 |
| 0.29% [4] | 11/19/20 | | 10,000,000 | 10,000,000 |
| 0.55% [4] | 11/25/20 | | 10,000,000 | 10,011,137 |
| Bank of Nova Scotia (Houston) | | | | |
| 0.66% [4] | 8/17/20 | | 5,000,000 | 5,002,482 |
| 0.59% [4] | 10/20/20 | | 10,000,000 | 10,000,000 |
| BNP Paribas (NY) | | | | |
| 1.53% [4] | 10/5/20 | | 5,000,000 | 5,000,000 |
| Canadian Imperial Bank of Commerce (NY) | | | | |
| 0.48% [4] | 9/17/20 | | 2,300,000 | 2,300,348 |
| 0.41% [4] | 9/30/20 | | 5,000,000 | 5,000,000 |
| 1.18% | 10/14/20 | | 7,000,000 | 7,000,000 |
| 0.72% [4] | 10/20/20 | | 5,000,000 | 5,000,000 |
| Cooperatieve Rabobank | | | | |
| 1.58% | 8/18/20 | | 10,000,000 | 10,000,257 |
| Credit Agricole Corporate and Investment Bank (NY) | | | | |
| 0.70% [4] | 9/24/20 | | 40,300,000 | 40,364,763 |
| 0.23% [4] | 2/26/21 | | 5,125,000 | 5,115,507 |
| Credit Suisse (NY) | | | | |
| 0.46% [4] | 9/21/20 | | 5,000,000 | 5,000,000 |
| 0.55% | 10/23/20 | | 8,000,000 | 8,000,000 |
| 0.55% [4] | 4/1/21 | | 7,000,000 | 7,000,000 |
| HSBC USA | | | | |
| 0.58% [4] | 11/3/20 | | 4,000,000 | 4,000,000 |
| 0.45% [4] | 11/16/20 | | 10,000,000 | 10,000,000 |
| Mitsubishi Bank UFJ Finance Group | | | | |
| 0.27% [4] | 8/10/20 | | 1,925,000 | 1,925,012 |
| 0.35% [4] | 10/22/20 | | 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, 2020*

| Rate[1] | Maturity Date[2] | Principal | Fair Value[3] |
|---|---|---|---|
| Mizuho Bank LTD (NY) | | | |
| 1.57% | 7/27/20 | $10,000,000 | $10,000,000 |
| 0.26% [4] | 8/10/20 | 10,000,000 | 10,000,000 |
| 0.40% [4] | 1/4/21 | 9,500,000 | 9,500,000 |
| MUFG Bank LTD (NY) | | | |
| 0.35% | 8/13/20 | 1,200,000 | 1,202,384 |
| National Austrialia Bank (NY) | | | |
| 0.39% [4] | 6/18/21 | 5,400,000 | 5,400,000 |
| Nordea Bank (NY) | | | |
| 1.71% [4] | 1/14/21 | 2,500,000 | 2,508,099 |
| Northern Trust Company | | | |
| 1.08% | 10/16/20 | 4,000,000 | 4,000,000 |
| Royal Bank of Canada (NY) | | | |
| 1.30% | 10/1/20 | 6,000,000 | 6,000,000 |
| 1.50% [4] | 10/15/20 | 4,000,000 | 4,000,000 |
| 0.91% [4] | 1/19/21 | 1,000,000 | 1,002,398 |
| 0.33% [4] | 2/26/21 | 3,175,000 | 3,172,252 |
| Skandinaviska Enskilda Banken (NY) | | | |
| 0.24% | 10/1/20 | 15,000,000 | 15,000,000 |
| 1.48% [4] | 1/4/21 | 5,000,000 | 5,006,572 |
| Societe Generale (NY) | | | |
| 0.53% [4] | 8/19/20 | 20,000,000 | 20,005,044 |
| 1.55% [4] | 10/1/20 | 5,000,000 | 5,000,000 |
| 0.44% | 11/6/20 | 10,000,000 | 10,000,000 |
| 0.53% [4] | 11/9/20 | 15,000,000 | 15,000,000 |
| State Street Bank and Trust Company | | | |
| 0.43% [4] | 7/22/20 | 10,000,000 | 10,000,000 |
| Sumitomo Mitsui Bank (NY) | | | |
| 1.37% [4] | 7/8/20 | 10,000,000 | 10,000,000 |
| 0.80% [4] | 8/20/20 | 5,000,000 | 5,002,149 |
| 0.29% | 8/31/20 | 15,000,000 | 15,000,000 |
| 0.33% [4] | 9/14/20 | 10,000,000 | 10,000,000 |
| 0.44% [4] | 11/12/20 | 20,000,000 | 20,000,000 |
| 0.47% [4] | 11/13/20 | 20,000,000 | 20,000,000 |
| 0.44% [4] | 11/24/20 | 5,000,000 | 5,000,000 |
| Svenska Handelsbanken (NY) | | | |
| 1.60% [4] | 10/2/20 | 7,000,000 | 7,002,205 |
| 0.43% [4] | 1/4/21 | 1,000,000 | 1,000,081 |
| Swedbank (NY) | | | |
| 1.48% [4] | 7/6/20 | 6,000,000 | 6,000,000 |
| 0.53% | 10/30/20 | 10,000,000 | 10,000,000 |
| Toronto Dominion Bank (NY) | | | |
| 0.27% [4] | 9/8/20 | 10,000,000 | 10,000,000 |
| 1.27% | 10/1/20 | 5,000,000 | 5,000,000 |
| 0.40% | 4/12/21 | 10,000,000 | 10,000,000 |
| 0.60% | 5/4/21 | 7,000,000 | 7,000,000 |

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

## MAGIC Portfolio
## Schedule of Investments (unaudited)

*June 30, 2020*

| Rate[1] | Maturity Date[2] | | Principal | Fair Value[3] |
|---|---|---|---|---|
| UBS AG Stamford (CT) | | | | |
| 0.47% [4] | 11/13/20 | | $5,000,000 | $5,000,000 |
| 0.48% [4] | 6/1/21 | | 4,000,000 | 4,000,000 |
| Westpac Banking Corporation (NY) | | | | |
| 0.34% [4] | 7/2/20 | | 5,000,000 | 5,000,000 |
| 0.47% [4] | 12/7/20 | | 16,000,000 | 16,016,795 |
| 0.46% [4] | 2/12/21 | | 3,000,000 | 3,000,000 |
| *Total Certificates of Deposit* | | | | 513,852,485 |
| **Commercial Paper (18.78%)** | | | | |
| Canadian Imperial Bank of Commerce (NY) | | | | |
| 1.18% | 10/14/20 | | 3,000,000 | 2,989,736 |
| Citigroup, Inc. | | | | |
| 1.23% | 7/1/20 | | 7,000,000 | 7,000,000 |
| 1.80% | 10/1/20 | | 3,200,000 | 3,185,444 |
| 1.26% | 10/21/20 | | 7,000,000 | 6,972,778 |
| Coca-Cola Company | | | | |
| 1.21% | 10/6/20 | | 6,000,000 | 5,980,600 |
| 1.62% | 11/20/20 | | 5,000,000 | 4,968,444 |
| Exxon Mobil Corporation | | | | |
| 1.35% | 7/21/20 | | 8,000,000 | 7,994,044 |
| HSBC USA | | | | |
| 1.44% [4] | 7/7/20 | | 10,000,000 | 10,000,000 |
| ING (US) Funding LLC | | | | |
| 0.35% | 11/6/20 | | 20,000,000 | 19,975,111 |
| JP Morgan Securities LLC | | | | |
| 0.39% [4] | 9/29/20 | | 5,000,000 | 5,000,000 |
| 1.53% [4] | 10/2/20 | | 10,000,000 | 10,000,000 |
| 0.70% | 10/22/20 | | 5,000,000 | 4,989,014 |
| 0.40% | 11/2/20 | | 10,000,000 | 9,986,222 |
| Merck & Co., Inc. | | | | |
| 0.90% | 7/30/20 | | 5,000,000 | 4,996,375 |
| Metlife Short Term Funding | | | | |
| 1.05% | 7/14/20 | | 10,000,000 | 9,996,208 |
| 0.97% | 7/22/20 | | 10,000,000 | 9,994,342 |
| MUFG Bank LTD (NY) | | | | |
| 0.39% | 10/19/20 | | 20,000,000 | 19,976,167 |
| 1.57% | 11/20/20 | | 5,000,000 | 4,969,431 |
| Nestle Capital Corporation | | | | |
| 0.49% | 10/26/20 | | 5,000,000 | 4,992,037 |
| Pfizer, Inc. | | | | |
| 0.91% | 9/14/20 | | 7,000,000 | 6,986,729 |
| 1.25% | 9/23/20 | | 8,000,000 | 7,976,853 |
| 0.55% | 9/24/20 | | 5,000,000 | 4,993,507 |
| 0.30% | 10/13/20 | | 5,000,000 | 4,995,667 |
| 0.83% | 10/15/20 | | 7,000,000 | 6,982,893 |
| Royal Bank of Canada (NY) | | | | |
| 0.41% [4] | 7/30/20 | | 2,700,000 | 2,699,670 |
| 1.33% [4] | 10/16/20 | | 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, 2020*

| Rate[1] | Maturity Date[2] | | Principal | Fair Value[3] |
|---|---|---|---|---|
| Sumitomo Mitsui Bank (NY) | | | | |
| 0.30% | 9/16/20 | | $15,000,000 | $14,990,375 |
| Toronto Dominion Bank (NY) | | | | |
| 1.00% | 8/20/20 | | 3,300,000 | 3,295,417 |
| 0.50% [4] | 9/30/20 | | 250,000 | 249,990 |
| 0.50% [4] | 9/30/20 | | 825,000 | 824,968 |
| 0.29% [4] | 11/17/20 | | 5,000,000 | 5,000,000 |
| Toyota Credit Canada, Inc. | | | | |
| 1.44% [4] | 7/17/20 | | 5,000,000 | 5,000,000 |
| 0.43% [4] | 11/25/20 | | 5,000,000 | 5,000,000 |
| 1.39% [4] | 2/12/21 | | 12,000,000 | 12,000,000 |
| Toyota Motor Credit Corporation | | | | |
| 1.06% [4] | 11/16/20 | | 10,000,000 | 10,000,000 |
| *Total Commercial Paper* | | | | 249,962,022 |
| **Government Agency and Instrumentality Obligations (29.37%)** | | | | |
| Federal Home Loan Bank Discount Notes | | | | |
| 0.15% | 8/12/20 | | 40,000,000 | 39,993,000 |
| 0.16% | 9/18/20 | | 35,000,000 | 34,988,095 |
| U.S. Treasury Bills | | | | |
| 0.17% | 7/23/20 | | 15,000,000 | 14,998,474 |
| 0.15% | 7/30/20 | | 30,000,000 | 29,996,375 |
| 0.15% | 8/4/20 | | 15,000,000 | 14,997,842 |
| 0.15% | 8/6/20 | | 35,000,000 | 34,994,700 |
| 0.15% | 8/18/20 | | 50,000,000 | 49,989,833 |
| 0.13% | 8/20/20 | | 25,000,000 | 24,995,486 |
| 0.15% | 9/10/20 | | 25,000,000 | 24,992,801 |
| 0.14% | 9/17/20 | | 20,000,000 | 19,993,933 |
| 0.16% | 9/24/20 | | 30,000,000 | 29,989,021 |
| 0.14% | 10/13/20 | | 23,000,000 | 22,990,897 |
| 0.18% | 10/15/20 | | 15,000,000 | 14,992,050 |
| 0.16% | 10/22/20 | | 4,000,000 | 3,997,947 |
| 0.17% | 11/24/20 | | 10,000,000 | 9,993,187 |
| U.S. Treasury Notes | | | | |
| 0.42% | 10/31/20 | | 7,000,000 | 7,022,044 |
| 0.42% | 11/30/20 | | 5,000,000 | 5,024,951 |
| 0.29% [4] | 4/30/21 | | 7,000,000 | 6,996,727 |
| *Total Government Agency and Instrumentality Obligations* | | | | 390,947,363 |
| **Repurchase Agreements (1.31%)** | | | | |
| BofA Securities, Inc. | | | | |
| 0.07% | 7/1/20 | | 17,400,000 | 17,400,000 |
| | (Dated 6/30/20, repurchase price $17,400,034, collateralized by U.S. Treasury securities, 1.875%, maturing 7/31/22, fair value $17,748,029) | | | |
| *Total Repurchase Agreements* | | | | 17,400,000 |

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

# MAGIC Portfolio
## Schedule of Investments (unaudited)

*June 30, 2020*

| Rate[1] | Maturity Date[2] | | Principal | Fair Value[3] |
|---|---|---|---|---|
| **Money Market Funds (4.36%)** | | | | |
| Goldman Sachs Financial Square Government Fund - Institutional Class | | | **Shares** | **Fair Value[3]** |
| 0.15% | | | 58,000,000 | $58,000,000 |
| *Total Money Market Funds* | | | | 58,000,000 |
| **Total Investments (95.42%) (Amortized Cost $1,270,141,806)** | | | | 1,270,141,806 |
| **Other Assets and Liabilities, Net (4.58%)** | | | | 61,013,753 |
| **Net Position (100.00%)** | | | | $1,331,155,559 |

*(1) Yield-to-maturity at original cost unless otherwise noted. Money market fund rates represent the annualized seven-day yield as of June 30, 2020.*

*(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, 2020.*

*(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.*

## Sponsoring Organizations

**Minnesota Association of County Auditors, Treasurers and Financial Officers**
Chad Struss*, MACATFO President

**Association of Minnesota Counties**
Julie Ring*, Executive Director

**Ex-Officio Member of Board of Trustees*

## Service Providers

## Service Providers

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

213 Market Street
Harrisburg, Pennsylvania 17101-2141

Distributor
**PFM Fund Distributors, Inc.**
50 South 6th Street, Suite 2250
Minneapolis, Minnesota 55402

213 Market Street
Harrisburg, Pennsylvania 17101-2141

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
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