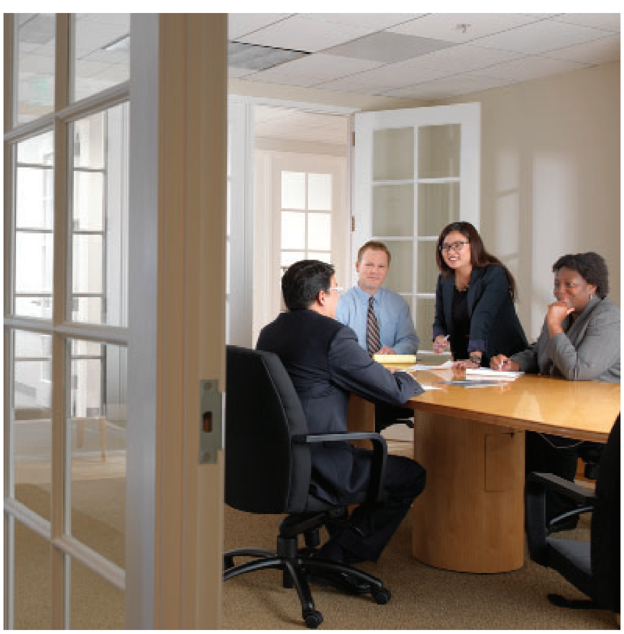

Minnesota Association of Governments Investing for Counties

Annual Report

June 30, 2018

MAGIC Fund

Minnesota Association of Governments Investing for Counties

Table of Contents

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 2019 and MAGIC Term Series June 2018 (each a "Portfolio" or collectively, the "Portfolios"), which comprise the statements of net position as of June 30, 2018, and the related statements of changes in net position of the MAGIC Portfolio and MAGIC Term Series June 2018 for the year then ended and changes in net position of MAGIC Term Series June 2019 for the period from July 7, 2017 (commencement of operations) through June 30, 2018, 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 control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the MAGIC Portfolio, MAGIC Term Series June 2019, and MAGIC Term Series June 2018 of the Minnesota Association of Governments Investing for Counties as of June 30, 2018, and the changes in net position of the MAGIC Portfolio and MAGIC Term Series June 2018 for the year then ended, and the changes in net position of the MAGIC Term Series June 2019 for the period from July 7, 2017 through June 30, 2018, 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, who 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 audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Matter

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 2019 as of June 30, 2018 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 25, 2018

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 period ended June 30, 2018. Management’s Discussion and Analysis is designed to focus the reader on significant financial items and provide an overview of the Fund’s activities for the year ended June 30, 2018. The Fund’s financial statements have been prepared in conformity with the reporting framework prescribed by the Governmental Accounting Standards Board (“GASB”) for local government investment pools.

Economic Update

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

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

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

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

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

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

Portfolio Strategy

We employed active management of the Fund’s portfolios through the 12-month period to take advantage of opportunities present in the market. In the MAGIC Portfolio, we strategically positioned the weighted average maturity of the portfolio ahead of anticipated FOMC rate hikes. This strategy enabled the portfolio yield to quickly adjust higher after each rate hike. Floating rate securities were also an integral part of our strategy in this rising rate environment. As a result, the MAGIC Portfolio yield rose over the year, in tandem with overall rises in short-term rates. We expect to maintain this maturity management strategy in the coming months, balancing the opportunity for higher yields in longer-maturing investments with the goal of protecting the portfolio’s net asset value when rates rise.

Given changing outlooks and market changes over the last 12 months, we are on alert for indicators showing the pace of rate hikes accelerating due to quickening economic activity or rising inflation – or diminishing due to rising risk. We stand ready to adjust our portfolio strategy in either case. As always, our primary objectives are to protect the value of each portfolio’s shares and to provide liquidity for investors. We will continue to work hard to achieve these goals and focus on increasing investment yield after more than eight years of near-zero interest rates.

Financial Statement Overview

Management's Discussion and Analysis provides an overview of the financial statements of the Fund's MAGIC Portfolio, MAGIC Term Series June 2018 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, the unaudited Schedules of Investments for each Portfolio are included as Other Information following the Notes to Financial Statements.

Condensed Financial Information and Analysis

The Statements of Net Position present the financial position of the Portfolios at June 30, 2018 and include all assets and liabilities of each Portfolio. The difference between total assets and total liabilities, which is equal to the investors' interest in each Portfolio's net position, is shown below for the current and prior fiscal year-end dates, as applicable:

	MAGIC Portfolio		MAGIC Term Series June 2019	MAGIC Term Series June 2018	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2018	June 30, 2017
Total Assets	$ 818,304,620	$ 749,316,203	$ 333,186,045	$ 12,116	$ 176,583,661
Total Liabilities	(5,469,086)	(3,369,920)	(311,677)	(12,116)	(128,279)
Net Position	$ 812,835,534	$ 745,946,283	$ 332,874,368	$ -	$ 176,455,382

Total assets of the Portfolios fluctuate as the amount of investable assets rise and fall when capital shares are issued and redeemed. The increase in total assets of the MAGIC Portfolio is primarily comprised of a $52,520,493 increase in investments and by a $16,083,649 increase in cash and cash equivalents. The cash and cash equivalents of the MAGIC Portfolio at June 30, 2018 include $83,000,000 of interest-bearing time deposits yielding from a range of 2.15% to 2.20%. The increase in total liabilities of the MAGIC Portfolio is mainly due to an $2,079,591 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 2019 commenced operations on July 7, 2017, therefore it had no assets at the prior fiscal year-end; its total assets at the current year-end are comprised of $332,113,383 of investments, $781,259 of interest receivable and $291,403 of cash and cash equivalents. MAGIC Term Series June 2019's liabilities of $311,677 are comprised of accrued fees payable to its service providers but exclude any investment advisory or other waivers. Any such waivers will be determined following its scheduled termination date on June 30, 2019.

MAGIC Term Series June 2018 ceased to operate as of June 30, 2018, its scheduled termination date. At this date, as is typical of Term series upon their termination, its assets were comprised solely of $12,116 in cash and cash equivalents since the $175,993,836 of investments it held at the prior fiscal year-end had matured or been sold to meet scheduled investor redemptions. The total liabilities for MAGIC Term Series June 2018 are comprised of accrued fees payable to its service providers and the $2,968 investment advisory fees payable is net of $111,677 of fees which were waived during the life of the Term series.

The Statements of Changes in Net Position presents the activity with the net position during the reporting period. Yearly variances in the gross income generated by the Portfolios are impacted by the overall rate environment described in the preceding paragraphs. Average net assets also impact the income, as well as certain of the expense line items that are based on a percent of portfolio assets and other fixed costs that are spread over the average net assets. The changes in the MAGIC Portfolio's and the MAGIC Term Series June 2019 Portfolio's net position primarily relates to a net capital share issuance for the year, as well as net investment income and realized gains/(losses) on sale of investments as reflected in the discussion of the Statements of Changes in Net Position below for the current and prior periods, as applicable:

	MAGIC Portfolio		MAGIC Term Series June 2019	MAGIC Term Series June 2018	
	Year Ended June 30, 2018	Year Ended June 30, 2017	July 7, 2017(1) through June 30, 2018	Year Ended June 30, 2018(2)	September 8, 2016(1) through June 30, 2017
Investment Income	$ 9,793,146	$ 5,170,722	$ 2,972,460	$ 904,656	$ 804,385
Net Expenses	(1,578,898)	(1,328,357)	(457,546)	(62,010)	(179,929)
Net Investment Income	8,214,248	3,842,365	2,514,914	842,646	624,456
Net Realized Gains/(Loss) on Sale of Investments	23,740	94,070	(11,403)	(353)	(6,579)
Net Capital Shares Issued/(Redeemed)	58,651,263	131,023,841	330,370,857	(177,297,675)	175,837,505
Change in Net Position	$66,889,251	$134,960,276	$ 332,874,368	$ (176,455,382)	$ 176,455,382

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

(2) Scheduled termination date for MAGIC Term Series June 2018.

The investment income of the Portfolios is driven by a combination of the amount of investable assets and the general short-term interest rate environment that impacts the yields on investments the Portfolios can purchase. Realized gains or losses on sale of investments occur whenever investments are sold for more or less than their carrying value. The increase in investment income is primarily due to the cumulative 75 basis point increase in the federal funds target during the current fiscal year causing yields on the purchased investments in the Portfolios to be higher year-over-year. The MAGIC Portfolio's average net assets increased approximately 8% year-over-year. This resulted in higher investable assets, as well as higher net expenses since a significant portion of the Portfolio's expenses are calculated as a percentage of average net assets. The increase in the MAGIC Portfolio's expenses is also the result of $92,596 of previously waived administration fees which were restored as rates rose in the current year. As the general short term interest rate level rose, some of the cash which was previously left un-invested to generate bank earnings credits was also instead invested in higher yielding investments, which caused a $65,235 reduction in bank earnings credits in the current year as compared to the prior year.

Since its commencement of operations on July 7, 2017, MAGIC Term Series June 2019 issued $606,450,890 worth of shares. As those assets were invested in the rising interest rate environment this generated $2,972,460 of investment income. The net expenses of the MAGIC Term Series June 2019 include an investment advisory fee of 0.25% of its average daily net assets, so as assets grow this amount also grows. However, this amount may be reduced in the future for any investment advisory or other waivers which will be determined following MAGIC Term Series June 2019's scheduled termination date on June 30, 2019.

During the current fiscal year, MAGIC Term June 2018 did not issue any shares during the current reporting period but continued to earn income on the $187,171,295 worth of shares it issued in the prior year. This, along with the higher general interest rate environment, contributed to the increase in investment income. The net expenses of MAGIC Term June 2018 include an investment advisory fee of 0.25% of its average daily net assets, so as assets grow this amount grows also. However, as noted above, this amount was reduced by $111,677 of investment advisory fee waivers during the life of the series.

The total return of the MAGIC Portfolio for the year ended June 30, 2018 was 1.34%, up from 0.72% for the year ended June 30, 2017. The return of each investor's investment in a MAGIC Term varies based on the timing and rate upon 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 2019	MAGIC Term Series June 2018	
	Year Ended June 30, 2018	Year Ended June 30, 2017	July 7, 2017(1) through June 30, 2018	Year Ended June 30, 2018(2)	September 8, 2016(1) through June 30, 2017
Ratio of Expenses to Average Net Assets	0.27%	0.24%	0.27%	0.10%	0.28%
Ratio of Expenses to Average Net Assets, Before Fees Waived/ Restored and Expenses Paid Indirectly	0.25%	0.26%	0.27%	0.27%	0.28%
Ratio of Net Investment Income to Average Net Assets	1.38%	0.70%	1.47%	1.33%	0.99%
Ratio of Net Investment Income to Average Net Assets, Before Fees Waived/Restored and Expenses Paid Indirectly	1.40%	0.68%	1.47%	1.16%	0.99%

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

(2) Scheduled termination date for MAGIC Term Series June 2018.

The ratios above are computed for each Portfolio taken as a whole. For MAGIC Term Series, these ratios are calculated using the period during which its shares 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.

The ratio of expenses to average net assets before waivers and expenses paid indirectly decreased 0.01% year-over-year for the MAGIC Portfolio since the bulk of these expenses are calculated as a percentage of net assets and average yearly net assets increased approximately 8%. After factoring in the expenses paid indirectly noted above, the ratio of expenses to average net assets rose by 0.03% due to the administration fee waivers which were restored in the current year and the decrease in expenses paid indirectly compared to the prior year. Despite the increase in the ratio of expenses to average net assets, the ratio of net investment income to average net assets also rose due to the increase in the higher general interest rate environment noted above.

MAGIC Term Series June 2019 commenced operations during the current fiscal year, therefore, it had no ratios for the prior year. MAGIC Term Series June 2019 net investment income ratio of 1.47% reflects the interest rate environment as its assets were invested. The expense ratios of MAGIC Term Series June 2019 include an investment advisory fee of 0.25% of its average daily net assets, as well as other operating expenses. However, this ratio may be reduced in the future for any investment advisory waivers which will be determined following MAGIC Term Series June 2019's scheduled termination date on June 30, 2019.

MAGIC Term Series June 2018 commenced operations on September 8, 2016 and terminated operations on the current fiscal year-end date of June 30, 2018. 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 interest rates. The ratio of expenses to average net assets on a pre-waiver basis did not change significantly from the prior fiscal period to the current fiscal period since the bulk of these expenses are calculated as a percentage of net assets. However, since there were $111,677 of fee waivers in the current reporting period, this decreased the expense ratio after those waivers to 0.10%.

Statements of Net Position

June 30, 2018

	MAGIC Portfolio	MAGIC Term Series June 2019	MAGIC Term Series June 2018
Assets			
Investments	$ 728,007,726	$ 332,113,383	$ -
Cash and Cash Equivalents	88,717,850[1]	291,403	12,116
Interest Receivable	1,579,044	781,259	-
Total Assets	818,304,620	333,186,045	12,116
Liabilities			
Subscriptions Received in Advance	5,100,621	-	-
Redemptions Payable	58,103	-	-
Administration Fees Payable	110,501	-	-
Investment Advisory Fees Payable	44,672	286,317	2,968
Marketing Fees Payable	15,814	-	-
Sponsorship Fees Payable	50,000	-	-
Banking Fees Payable	52,078	3,805	100
Audit Fees Payable	25,144	19,949	9,030
Other Accrued Expenses	12,153	1,606	18
Total Liabilities	5,469,086	311,677	12,116
Net Position	$ 812,835,534	$ 332,874,368	$ -
Net Position Consists of:			
MAGIC Portfolio (applicable to 812,835,534 outstanding shares of beneficial interest; unlimited authorization; no par value; equivalent to $1.00 per share)	$ 812,835,534		
MAGIC Term Series June 2019 (applicable to 335,901,779 outstanding shares of beneficial interest; unlimited authorization; no par value)		$ 332,874,368	

(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 2019	MAGIC Term Series June 2018
	Year Ended June 30, 2018	July 7, 2017[1] through June 30, 2018	Year Ended June 30, 2018[2]
Income			
Investment Income	$ 9,793,146	$ 2,972,460	$ 904,656
Expenses			
Administration Fees	788,125	-	-
Investment Advisory Fees	359,635	424,817	160,504
Marketing Fees	118,854	-	-
Banking Fees	188,801	9,212	2,333
Audit Fees	25,144	19,949	9,029
Other Expenses	14,332	3,568	1,821
Total Expenses	1,494,891	457,546	173,687
Administration Fee Waivers Restored	92,596	-	-
Investment Advisory Fee Waivers	-	-	(111,677)
Expenses Paid Indirectly	(8,589)	-	-
Net Expenses	1,578,898	457,546	62,010
Net Investment Income	8,214,248	2,514,914	842,646
Other Income			
Net Realized Gain/(Loss) on Sale of Investments	23,740	(11,403)	(353)
Net Increase from Investment Operations Before Capital Transactions	8,237,988	2,503,511	842,293
Capital Shares Issued	4,689,712,027	606,450,890	-
Capital Shares Redeemed	(4,631,060,764)	(276,080,033)	(177,297,675)
Change in Net Position	66,889,251	332,874,368	(176,455,382)
Net Position – Beginning of Period	745,946,283	-	176,455,382
Net Position – End of Period	$ 812,835,534	$ 332,874,368	$ -

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

(2) Scheduled termination date for MAGIC Term Series June 2018.

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 (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, 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 MAGIC Term Series. The financial statements of each MAGIC Term Series are prepared following the termination date of each individual MAGIC Term Series. These financial statements and related notes encompass MAGIC Term Series June 2018 and MAGIC Term Series June 2019 in addition to the MAGIC Portfolio (each a "Portfolio" and, collectively, the "Portfolios"). MAGIC Term Series June 2019 commenced operations on July 7, 2017 and its scheduled termination date is June 30, 2019. MAGIC Term Series June 2018 terminated its operations on June 30, 2018, its scheduled termination date.

MAGIC Term's shares have termination 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 offers its investors an estimated yield on their investments when the shares are purchased. The investment strategy of MAGIC Term is to match, as closely as possible, the cash flows required to meet investors' planned redemptions, including the projected dividend, with the cash flows from the portfolio. Consistent with this strategy, active trading of securities held by the portfolio will be practiced with the objective of enhancing the overall yield of the portfolio. An investor only receives dividends from the investment of the 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, 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.

Portfolio 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, 2018 are categorized as Level 2.

Investment Transactions

Security transactions are accounted for on the trade date (date the order to buy or sell is executed). Costs used in determining realized gains and losses on the sale of investment securities are those of specific securities sold. Interest income is recorded using the accrual method. Discounts and premiums are accreted and amortized, respectively, to interest income over the lives of the respective securities. Unrealized losses of $124,658, which represents the decrease in the fair value of investment securities held by the MAGIC Term Series June 2019 as of the reporting date, are included in investment income on the Statements of Changes in Net Position.

Repurchase Agreements

Repurchase agreements entered into with broker-dealers are secured by U.S. government or agency obligations. The Fund's custodian takes possession of the collateral pledged for investments in repurchase agreements. The Fund also enters into tri-party repurchase agreements. Collateral pledged for tri-party repurchase agreements is held for the Fund by an independent third-party custodian bank until the maturity of the repurchase agreement. Repurchase agreements are collateralized at 102% of the obligation's principal and interest value. In the event of default on the obligation to repurchase, the Fund has the right to liquidate the collateral and apply the proceeds in satisfaction of the obligation. If the seller defaults and the value of the collateral declines, realization of the value of the obligation by the Fund may be delayed. In the event of default or bankruptcy by the other party to the agreement, realization and/or retention of the collateral may be subject to delays from legal proceedings.

Share Valuation and Participant Transactions

The net asset value ("NAV") per share of the 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 MAGIC Term is calculated as of the close of business each business day, for purpose of computing fees, by dividing the total value of investments and other assets less any liabilities by the total outstanding shares. The value of an investors share redemption in MAGIC Term will be determined as of the close of business on any day when a share redemption occurs and is equal to the original purchase price for such share, plus dividends thereon at the projected yield, less losses incurred by the series allocable to such share, if any. It is the Fund's intent to manage each series of MAGIC Term in a manner that produces an NAV of $1.00 per share on each planned redemption date, however there is no assurance that this objective will be achieved and shares redeemed prior to their original maturity date may be subject to an early redemption penalty.

Dividends and Distributions

On a daily basis, the 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, 2018, dividends totaling $8,237,988 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, 2018, dividends totaling $1,413,650 and $1,394,272 were distributed for MAGIC Term Series June 2018 and MAGIC Term Series June 2019, respectively.

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 Fund's Board of Trustees can suspend the right of withdrawal or postpone the date of payment if the Trustees determine that there is an emergency that makes the sale of a Portfolio's securities or determination of its net asset value not reasonably practical.

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 7 days prior to the premature redemption date. The value of a pre-mature redemption is equal to the original price for such share, plus dividends thereon at the projected yield, less such share's allocation of any losses incurred by the series, less a premature redemption penalty, if any. Refer to the Fund's Information Statement for additional information.

Income and Expense Allocations

Income, realized gains and losses and expenses specific to a series of the Fund, such as investment advisory, audit, and banking fees, are allocated to the series 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 portfolio 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 25, 2018, the date through which procedures were performed to prepare the financial statements for issuance. No events have taken place that meet the definition of a subsequent event requiring adjustment or disclosure in these financial statements.

C. Investment Risks

Under GASB Statement No. 40, state and local governments and other municipal entities are required to disclose credit risk, concentration of credit risk, and interest rate risk for investment portfolios. The following risk disclosures of the MAGIC Portfolio and MAGIC Term Series June 2018 as of June 30, 2018 have been provided for the information of the Portfolios' investors.

Credit Risk

The Portfolio's investment policies, as outlined in the Fund's Information Statement, limits the Portfolios' investments to those which are authorized investments as permitted under Minnesota law. As of June 30, 2018, the MAGIC Portfolio and MAGIC Term Series June 2018 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 2019
A-1+	38.33%	31.69%
A-1	57.33%	67.86%
Exempt(1)	4.34%	0.45%

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

The above ratings of the MAGIC Portfolio include the ratings of collateral underlying repurchase agreements in effect at June 30, 2018.

Concentration of Credit Risk

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

Issuer	MAGIC Portfolio	MAGIC Term Series June 2019
Bedford Row Funding Corporation	<5%	7.41%
BNP Paribas Securities Corp.	<5%	5.41%
BOFI Federal Bank(1)	10.30%	-
Canadian Imperial Bank (NY)	<5%	5.82%
Cooperatieve Rabobank (NY)	<5%	6.32%
Credit Agricole Corporate & Investment Bank (NY)	<5%	6.45%
Credit Suisse (NY)	<5%	6.02%
Dexia (NY)	<5%	5.72%
Federal Home Loan Banks	6.17%	-
JP Morgan Securities LLC	<5%	5.29%
Toronto Dominion Bank (NY)	<5%	7.70%

(1) Guaranteed by Federal Home Loan Bank letters of credit.

Interest Rate Risk

The Portfolio's 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, 2018, the weighted average maturities of the MAGIC Portfolio and MAGIC Term Series June 2018, including cash and cash equivalents and non-negotiable certificates of deposit, were 30 days and 129 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 2018 held at June 30, 2018 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	2.28%-2.49%	8/24/18-1/23/19	$ 45,000,000	$ 44,940,787	29 Days
Cash and Cash Equivalents	n/a	n/a	88,717,850	88,717,850	1 Day
Certificates of Deposit – Negotiable	2.07%-2.57%	7/2/18-4/26/19	306,322,000	306,269,991	36 Days
Certificates of Deposit – Non-negotiable	1.92%-2.10%	7/2/18-8/20/18	75,000,000	75,000,000	2 Days
Commercial Paper	2.14%-2.56%	7/6/18-3/15/19	225,750,000	225,309,067	39 Days
Repurchase Agreements	2.08%	7/2/18	16,600,000	16,600,000	2 Days
U.S. Government Agency Discount Notes	1.90%-1.91%	8/3/18-8/15/18	45,000,000	44,912,263	38 Days
U.S. Treasury Note	2.03%	10/1/18	15,000,000	14,975,618	93 Days
Total			$ 817,389,850	$ 816,725,576	

MAGIC Term June 2018

Type of Deposits and Investments	Yield-to Maturity Range	Maturity Range	Principal	Fair Value	Weighted Average Maturity
Asset-Backed Commercial Paper	1.91%-2.56%	7/2/18-1/18/19	$ 37,515,000	$ 37,357,875	62 Days
Cash and Cash Equivalents	n/a	n/a	291,403	291,403	1 Day
Certificates of Deposit – Negotiable	1.54%-2.67%	7/2/18-6/7/19	126,105,000	125,974,568	182 Days
Commercial Paper	1.67%-2.60%	7/2/18-3/18/19	168,450,000	167,289,553	103 Days
U.S. Treasury Notes	2.22%	2/28/19	1,500,000	1,491,387	243 Days
			$ 333,861,403	$ 332,404,786	

The yields shown in the preceding table represent the yield-to-maturity at original cost except for adjustable rate instruments, for which the rate shown is the coupon rate in effect at June 30, 2018.

The weighted-average maturities shown in the preceding 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 ("PFMAM") 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 PFMAM 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. PFMAM 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, PFMAM provides investment management services to the Portfolios. The investment advisory agreement requires the MAGIC Portfolio to pay PFMAM 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 PFMAM 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, PFMAM may waive some or all of its fees for each MAGIC Term Series, and such waiver may be discontinued at any time. PFMAM voluntarily waived $111,677 of the fees payable by MAGIC Term Series June 2018 to which it was entitled for services provided for the year ended June 30, 2018. PFMAM did not waive any fees to which it was entitled for services provided to the MAGIC Term Series June 2019 during the year.

Marketing Fees

Pursuant to a marketing agreement with the Fund, PFMAM'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 of Trustees 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 of Trustees 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, 2018, 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, 2018. Such fees will be paid from the current accrual until it is depleted, upon which the fees will be 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, 2018, the Custodian's fees payable by the MAGIC Portfolio were reduced by $8,589 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 MAGIC Portfolio has entered into a Fee Reduction Agreement ("Fee Reduction Agreement") with PFMAM pursuant to which PFMAM 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 PFMAM 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 PFMAM gives notice to the Fund on the rate of the fee reduction to be applied in calculating the NAV. A fee reduction shall remain in effect until notice is provided to the Fund by PFMAM regarding its intent to terminate its fee reduction or revise, upward or downward, the rate of its fee reduction.

Under the terms of the Fee Reduction Agreement, at any time after a fee reduction has been terminated, PFMAM 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 PFMAM's related administration agreement with the Fund. Further, any administration fees reduced subject to the Fee Reduction Agreement may only be restored to PFMAM for a period of three years after they have been withheld.

The chart that follows depicts the administration fees waived by PFMAM cumulatively since the inception of the Fee Reduction Agreement. The chart also includes the amounts reimbursed, and the amounts deemed unrecoverable under the Fee Reduction Agreement cumulatively, as well as the amounts which remain that may be potentially restored to PFMAM as of June 30, 2018.

	Administrative Fees
Total waived fees	$ 787,731
Amounts reimbursed	(92,596)
Amounts unrecoverable:	
Prior periods	(572,625)
Current period	(103,052)
Remaining recoverable	$ 19,458
Fees not reimbursed become unrecoverable in fiscal year-end:	
6/30/19	19,458
Total	$ 19,458

Other Information
(unaudited)

MAGIC Portfolio
Schedule of Investments (unaudited)

June 30, 2018

Rate[1]	Maturity Date[2]	Principal	Fair Value[3]
Asset-Backed Commercial Paper (5.53%)			
Bedford Row Funding Corporation			
2.49%[4]	1/10/19	$ 4,000,000	$ 4,000,000
2.35%[4]	1/23/19	6,000,000	6,000,000
Fairway Finance Company LLC			
2.28%	8/24/18	5,000,000	4,982,974
2.42%[4]	10/17/18	7,000,000	6,999,999
Manhattan Assets Funding Co.			
2.31%[4]	11/5/18	8,000,000	8,000,000
Old Line Funding LLC			
2.26%	8/15/18	15,000,000	14,957,814
Total Asset–Backed Commercial Paper			44,940,787
Certificates of Deposit (46.91%)			
Bank of America			
2.40%[4]	11/15/18	7,000,000	7,000,000
Bank of Nova Scotia (Houston)			
2.21%[4]	7/6/18	7,500,000	7,500,016
2.37%	9/21/18	4,700,000	4,692,210
2.33%[4]	12/21/18	5,000,000	5,000,000
2.28%[4]	3/6/19	5,000,000	5,000,000
BMO Harris Bank			
2.32%	8/15/18	5,000,000	5,000,000
BNP Paribas (NY)			
2.45%[4]	10/2/18	5,000,000	5,000,000
BOFI Federal Bank[5]			
1.92%	7/2/18	15,000,000	15,000,000
2.10%	7/2/18	60,000,000	60,000,000
Canadian Imperial Bank (NY)			
2.28%[4]	8/24/18	5,000,000	5,000,000
2.29%[4]	3/5/19	5,000,000	5,000,000
CitiBank			
2.24%	7/2/18	5,000,000	5,000,000
2.07%	7/19/18	2,275,000	2,274,546
Commonwealth Bank of Australia (NY)			
2.22%[4]	10/4/18	5,000,000	5,000,000
2.50%[4]	4/23/19	6,000,000	6,000,000
Credit Agricole Corporate and Investment Bank (NY)			
2.35%	8/10/18	3,000,000	2,997,331
2.32%[4]	8/17/18	10,000,000	9,999,859
2.30%	8/23/18	3,500,000	3,496,282
Credit Suisse (NY)			
2.35%[4]	7/18/18	4,000,000	4,000,057
2.55%[4]	1/4/19	2,000,000	2,000,000
DNB Bank (NY)			
2.26%	8/1/18	5,000,000	5,000,000
2.22%	8/1/18	10,000,000	10,000,000
2.23%	8/10/18	5,000,000	5,000,000
HSBC USA Inc.			
2.29%[4]	7/25/18	12,000,000	12,000,000
Mizuho Bank (NY)			
2.29%	8/31/18	5,000,000	5,000,000
2.35%[4]	11/26/18	10,000,000	10,000,000

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

MAGIC Portfolio
Schedule of Investments (unaudited)

June 30, 2018

Rate[1]	Maturity Date[2]	Principal	Fair Value[3]
MUFG Bank (NY)			
2.36%	10/2/18	$ 15,000,000	$ 14,973,603
Nordea Bank (NY)			
2.20%	8/10/18	10,000,000	10,000,000
2.53%[4]	4/5/19	4,000,000	4,000,000
Royal Bank of Canada (NY)			
2.23%[4]	7/10/18	2,500,000	2,500,000
Skandinaviska Enskilda Bank AB			
2.20%[4]	7/9/18	9,000,000	9,000,000
2.36%[4]	12/17/18	10,000,000	10,000,000
Societe Generate (NY)			
2.36%	7/31/18	4,000,000	4,000,000
2.32%	10/1/18	15,000,000	15,000,000
State Street Bank & Trust			
2.22%	8/30/18	10,000,000	10,000,000
Sumitomo Mitsui Bank (NY)			
2.21%[4]	7/2/18	8,000,000	8,000,000
2.37%[4]	7/30/18	7,000,000	7,000,329
2.43%[4]	10/11/18	5,000,000	5,000,000
Svenska Handelsbanken (NY)			
2.20%	8/20/18	5,000,000	5,000,000
2.38%[4]	10/24/18	10,000,000	10,000,000
2.51%	10/26/18	4,847,000	4,834,433
2.39%[4]	11/14/18	5,000,000	5,000,000
Toronto Dominion Bank (NY)			
2.32%	8/20/18	6,000,000	6,000,000
2.35%	10/12/18	5,000,000	5,000,000
UBS AG Stamford (CT)			
2.48%[4]	2/4/19	8,000,000	8,000,000
Wells Fargo Bank			
2.25%[4]	7/11/18	5,000,000	5,000,000
2.42%[4]	10/4/18	5,000,000	5,000,000
2.57%[4]	4/12/19	3,000,000	3,000,000
Westpac Banking Corp (NY)			
2.17%	7/26/18	8,000,000	8,001,325
2.43%[4]	4/26/19	5,000,000	5,000,000
Total Certificates of Deposit			381,269,991
Commercial Paper (27.72%)			
Apple Corporation			
2.23%	10/1/18	5,000,000	4,971,761
Bank of Montreal Chicago			
2.27%	8/9/18	12,000,000	11,970,620
BNP Paribas (NY)			
2.26%	8/1/18	15,000,000	14,970,937
Canadian Imperial Bank			
2.40%[4]	11/5/18	10,000,000	10,000,000
Coca-Cola Company			
2.29%	9/12/18	8,750,000	8,709,723
2.29%	9/28/18	10,000,000	9,943,881

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

MAGIC Portfolio
Schedule of Investments (unaudited)

June 30, 2018

Rate[1]	Maturity Date[2]	Principal	Fair Value[3]
Cooperatieve Rabobank (NY)			
2.14%[4]	8/1/18	$ 10,000,000	$ 10,000,000
Credit Agricole Corporate and Investment Bank (NY)			
2.35%	10/1/18	9,000,000	8,946,410
Credit Suisse (NY)			
2.40%[4]	10/29/18	5,000,000	5,000,000
2.56%[4]	1/4/19	2,000,000	2,000,000
Dexia (NY)			
2.41%[4]	1/29/19	5,000,000	5,000,000
HSBC USA Inc.			
2.41%[4]	7/6/18	10,000,000	10,000,000
2.40%[4]	10/31/18	3,000,000	3,000,000
2.43%[4]	3/1/19	3,000,000	3,000,000
ING (US) Funding			
2.32%[4]	11/15/18	7,000,000	7,000,000
2.52%[4]	1/7/19	5,000,000	5,000,000
2.35%[4]	2/15/19	5,000,000	5,000,000
2.39%[4]	3/15/19	5,000,000	5,000,000
JP Morgan Securities LLC			
2.31%[4]	7/18/18	10,000,000	10,000,165
2.37%	9/4/18	5,000,000	4,978,785
2.42%[4]	10/5/18	4,000,000	4,000,000
2.35%[4]	12/21/18	5,000,000	5,000,000
Metlife Short Term Funding			
2.24%	8/28/18	17,000,000	16,938,923
MUFG Bank (NY)			
2.36%	7/17/18	11,000,000	10,988,511
2.35%	7/20/18	2,000,000	1,997,530
2.33%	7/31/18	5,000,000	4,990,333
2.33%	8/6/18	3,000,000	2,993,040
Toronto Dominion Bank (NY)			
2.28%	8/15/18	4,000,000	3,988,700
Toyota Motor Credit Corporation			
2.36%	8/1/18	1,000,000	997,985
2.37%	8/7/18	4,000,000	3,990,339
2.24%	8/13/18	15,000,000	14,960,046
2.25%	8/16/18	10,000,000	9,971,378
Total Commercial Paper			225,309,067
Government Agency & Instrumentality Obligations (7.37%)			
Federal Home Loan Bank Discount Notes			
1.90%	8/3/18	30,000,000	29,947,888
1.91%	8/15/18	15,000,000	14,964,375
U.S. Treasury Notes			
2.03%	10/1/18	15,000,000	14,975,618
Total Government Agency & Instrumentality Obligations			59,887,881

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

MAGIC Portfolio
Schedule of Investments (unaudited)

June 30, 2018

Rate[1]	Maturity Date[2]		Principal	Fair Value[3]
Repurchase Agreements (2.04%)				
Merrill Lynch Pierce Fenner & Smith Inc.				
2.08%	7/2/18		$ 16,600,000	$ 16,600,000
(Dated 6/29/18, repurchase price $16,602,877, collateralized by U.S. Treasury notes, 4.00%, maturing 8/15/18, fair value $16,932,003)				
Total Repurchase Agreements				16,600,000
Total Investments (89.57%)				728,007,726
Other Assets in Excess of Other Liabilities (10.43%)				84,827,808
Net Position (100.00%)				$ 812,835,534

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

(2) Actual maturity dates unless otherwise noted.

(3) See Note B to the financial statements.

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

(5) Guaranteed by Federal Home Loan Bank Letter of Credit and subject to put with 1 day notice.

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

MAGIC Term Series June 2019
Schedule of Investments (unaudited)

June 30, 2018

Rate[1]	Maturity Date[2]	Principal	Fair Value[3]
Asset-Backed Commercial Paper (11.22%)			
Bedford Row Funding Corporation			
1.91%	7/2/18	$ 8,000,000	$ 7,998,720
2.29%	7/24/18	2,015,000	2,012,155
2.42%	8/27/18	1,000,000	996,481
2.32%	9/5/18	5,000,000	4,979,315
2.51%	1/3/19	2,750,000	2,714,225
2.56%	1/4/19	1,000,000	986,917
2.52%	1/18/19	5,000,000	4,929,205
Fairway Finance Company LLC			
2.29%	7/9/18	2,000,000	1,998,896
Gotham Funding Corp			
2.32%	7/30/18	500,000	499,108
Manhattan Asset Funding Co.			
2.01%	7/9/18	10,000,000	9,994,340
2.29%	9/27/18	250,000	248,513
Total Asset-Backed Commercial Paper			37,357,875
Certificates of Deposit (37.84%)			
BNP Paribas			
2.07%	10/26/18	3,000,000	2,987,738
Canadian Impieral Bank (NY)			
2.07%	1/2/19	10,000,000	9,978,863
2.60%	3/22/19	2,000,000	1,999,917
2.65%	6/7/19	6,855,000	6,850,174
Citibank			
2.05%	8/13/18	2,000,000	1,999,746
Cooperatieve Rabobank (NY)			
2.30%	12/31/18	4,000,000	3,996,509
2.30%	2/1/19	5,000,000	4,993,264
2.60%	5/2/19	11,000,000	10,994,638
Credit Suisse (NY)			
2.12%	11/9/18	5,000,000	4,979,748
2.55%	2/1/19	11,000,000	10,986,900
Lloyds Bank PLC			
2.19%	8/1/18	10,000,000	10,001,963
Mizuho Bank Ltd (NY)			
2.29%	7/2/18	1,000,000	1,000,027
2.22%	7/5/18	500,000	500,058
Skandinaviska Enskilda Bank (NY)			
2.49%	3/28/19	8,000,000	7,993,639

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

MAGIC Term Series June 2019
Schedule of Investments (unaudited)

June 30, 2018

Rate[1]	Maturity Date[2]	Principal	Fair Value[3]
Societe Generale (NY)			
2.30%	8/23/18	$ 5,000,000	$ 5,001,357
2.33%	10/24/18	750,000	750,005
2.36%	11/5/18	2,000,000	2,000,045
2.41%	12/4/18	2,200,000	2,199,979
Sumitomo Mitsui Bank (NY)			
2.27%	8/23/18	2,200,000	2,200,209
Svenska Handelbanken (NY)			
2.14%[4]	7/2/18	5,000,000	5,000,070
Toronto Dominion Bank (NY)			
1.54%	7/10/18	1,000,000	999,855
1.60%	8/20/18	3,000,000	2,997,408
1.83%	10/9/18	1,000,000	998,611
1.79%	11/21/18	2,000,000	1,995,084
1.97%	12/21/18	1,250,000	1,243,869
2.22%	2/6/19	1,000,000	998,075
2.22%	2/6/19	3,700,000	3,693,153
2.22%	2/7/19	1,000,000	998,131
2.40%	2/26/19	1,000,000	998,935
2.59%	4/3/19	2,475,000	2,474,622
2.64%	5/3/19	2,465,000	2,464,731
2.65%	5/24/19	2,100,000	2,094,231
2.58%	5/31/19	2,350,000	2,347,559
2.67%	6/4/19	1,260,000	1,259,668
Wells Fargo Bank			
1.67%	7/27/18	1,000,000	999,217
2.10%	10/26/18	2,000,000	1,998,347
Westpac Banking Corp (NY)			
2.24%	11/6/18	1,000,000	998,223
Total Certificates of Deposit			125,974,568
Commercial Paper (50.26%)			
America Honda Finance			
2.19%	9/10/18	1,525,000	1,518,395
Bank of Montreal Chicago			
2.25%	8/2/18	2,000,000	1,996,056
Bank of New York Mellon			
2.21%	7/24/18	5,025,000	5,018,055
BNP Paribas (NY)			
1.85%	7/16/18	1,000,000	999,076
1.73%	8/3/18	1,100,000	1,097,843
2.34%	11/26/18	9,000,000	8,911,125
2.42%	12/3/18	4,000,000	3,958,448
Canadian Imperial Bank (NY)			
2.43%	12/17/18	505,000	499,137

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

MAGIC Term Series June 2019
Schedule of Investments (unaudited)

June 30, 2018

Rate[(1)]	Maturity Date[(2)]	Principal	Fair Value[(3)]
Chevron Corporation			
1.91%	7/3/18	$ 5,030,000	$ 5,028,939
Coca-Cola Company			
2.00%	7/30/18	3,500,000	3,493,998
2.42%	1/17/19	2,000,000	1,972,428
Cooperatieve Rabobank			
1.96%	8/2/18	1,000,000	998,106
Credit Agricole Corporate and Investment Bank (NY)			
2.32%	7/9/18	6,000,000	5,996,982
2.15%	8/1/18	2,000,000	1,996,428
2.43%	9/11/18	1,000,000	995,480
2.38%	9/17/18	1,500,000	1,492,544
2.38%	9/25/18	5,000,000	4,972,050
2.37%	10/9/18	5,000,000	4,967,245
2.43%	12/10/18	1,000,000	989,117
Credit Suisse (NY)			
1.72%	7/13/18	1,015,000	1,014,234
1.76%	7/23/18	1,015,000	1,013,665
1.82%	8/17/18	2,000,000	1,994,428
Dexia (NY)			
2.19%	7/11/18	1,000,000	999,353
1.87%	8/21/18	3,000,000	2,990,436
1.98%	10/16/18	3,000,000	2,979,148
2.51%	1/10/19	2,000,000	1,973,566
2.54%	1/22/19	4,100,000	4,042,100
2.55%	1/29/19	1,000,000	985,347
2.55%	1/29/19	2,100,000	2,069,229
2.53%	2/26/19	2,000,000	1,966,348
2.54%	2/28/19	1,000,000	983,022
GE Capital Treasury LLC			
1.83%	9/11/18	2,200,000	2,190,327
1.84%	9/14/18	2,000,000	1,990,778
HSBC USA Inc.			
2.22%	8/28/18	3,025,000	3,014,261
2.32%	9/5/18	2,000,000	1,991,822
2.38%	9/17/18	1,000,000	995,073
2.44%	11/16/18	3,050,000	3,020,702
ING (US) Funding LLC			
1.92%	7/3/18	3,250,000	3,249,295
2.08%	7/13/18	4,400,000	4,396,616
1.71%	8/10/18	1,015,000	1,012,542
2.41%	12/12/18	1,800,000	1,779,367
2.57%	3/4/19	2,800,000	2,750,003
2.56%	3/15/19	2,100,000	2,060,703

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

MAGIC Term Series June 2019
Schedule of Investments (unaudited)

June 30, 2018

Rate[1]	Maturity Date[2]	Principal	Fair Value[3]
JP Morgan Securities LLC			
1.67%	7/13/18	$ 3,035,000	$ 3,032,678
1.83%	8/28/18	1,010,000	1,006,414
2.37%	9/4/18	1,520,000	1,513,850
2.49%	11/30/18	4,880,000	4,829,209
2.54%	1/2/19	1,020,000	1,006,929
2.54%	1/17/19	1,220,000	1,202,859
2.60%	2/1/19	2,040,000	2,008,878
2.60%	2/28/19	2,000,000	1,965,258
2.60%	3/8/19	1,020,000	1,001,593
Metlife Short Term Funding			
2.09%	8/6/18	1,300,000	1,297,137
2.24%	8/13/18	3,950,000	3,939,631
2.27%	9/17/18	1,005,000	999,975
MUFG Bank (NY)			
2.00%	8/15/18	1,000,000	997,244
2.14%	9/17/18	1,000,000	995,082
2.46%	9/17/18	750,000	746,311
2.41%	9/24/18	1,000,000	994,572
2.44%	10/1/18	1,500,000	1,491,122
2.38%	10/29/18	2,500,000	2,480,395
2.54%	11/30/18	3,000,000	2,969,496
2.58%	2/4/19	3,700,000	3,643,971
2.54%	2/14/19	2,000,000	1,968,158
Pepsico Inc.			
1.94%	7/30/18	3,020,000	3,014,818
Pricoa Short Term Funding			
2.39%	11/5/18	1,010,000	1,001,394
Toyota Motor Credit Corporation			
1.67%	7/31/18	2,025,000	2,021,438
2.23%	9/10/18	800,000	796,515
2.28%	9/17/18	1,465,000	1,457,925
2.33%	9/19/18	1,050,000	1,044,783
2.32%	10/1/18	1,700,000	1,690,123
2.33%	10/5/18	1,800,000	1,789,029
2.34%	10/10/18	505,000	501,738
2.35%	10/11/18	1,010,000	1,003,403
2.55%	3/18/19	2,550,000	2,504,123
Unilever Capital Corporation			
1.99%	7/2/18	2,010,000	2,009,685
Total Commercial Paper			167,289,553

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

MAGIC Term Series June 2019
Schedule of Investments (unaudited)

June 30, 2018

Rate[1]	Maturity Date[2]		Principal	Fair Value[3]
Government Agency & Instrumentality Obligations (0.45%)				
U.S. Treasury Notes				
2.22%	2/28/19		$ 1,500,000	$ 1,491,387
Total Government Agency & Instrumentality Obligations				1,491,387
Total Investments (99.77%)				332,113,383
Other Assets in Excess of Other Liabilities (0.23%)				760,985
Net Position (100.00%)				$ 332,874,368

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

(2) Actual maturity dates unless otherwise noted.

(3) See Note B to the financial statements.

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

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
Michelle Knutson
Big Stone County

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

222 North LaSalle, Suite 910
Chicago, Illinois 60601

Distributor
PFM Fund Distributors, Inc.
50 South 6th Street, Suite 2250
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

Minnesota Association of Governments Investing for Counties
c/o Association of Minnesota Counties
125 Charles Avenue • St. Paul, Minnesota 55103
1.800.731.7150
www.magicfund.org

5404 • 10/9