

MICHIGAN COOPERATIVE LIQUID ASSETS SECURITIES SYSTEM



Annual Report

JUNE 30, 2022

AUDITED

(REPORT OF INDEPENDENT AUDITORS WITHIN)

Michigan CLASS Rated 'AAAm' by S&P Global Ratings
Michigan CLASS EDGE Rated 'AAAf/S1' by FitchRatings

S&P Global Ratings and FitchRatings in no way guarantee favorable performance results and should not be construed as safety in an investment.

Michigan
CLASS[®]

Chairperson's Letter

To the Participants of Michigan CLASS:

On behalf of the Michigan CLASS Board of Trustees and our administrator and investment advisor, Public Trust Advisors, LLC (Public Trust), I am pleased to present the Michigan CLASS Annual Report for the year ended June 30, 2022.

As always, I first want to express my sincere gratitude to the valued Michigan CLASS Participants after another unpredictable year; it is due in large part to your continued faith in us that we have been able to successfully navigate these challenging times. It is our mission to provide a reliable, safe, and trustworthy investment resource to public agencies around the state, and we are proud to offer services that you can trust so that you can focus on working for your great communities.

The second half of 2021 was very reminiscent of 2020 including the prevailing economic conditions and near zero interest rate environment. The labor market continued to mend following the complications brought on by the pandemic, and persistent global supply chain disruptions placed upward pressure on inflation. Unfortunately, COVID-19 remained very much a part of everyday life and, in many ways, it still clouds the economic outlook for the remainder of 2022. However, the start of the new year did bring Michigan CLASS Participants some good news – in an effort to combat inflation, the Federal Open Market Committee increased rates over the first half of this year at an unprecedented pace. The current target range for the Fed Funds Rate is 2.25-2.50% and it is widely anticipated that the rates will continue to rise through the end of 2022.


As the economy continues to recover from the pandemic, the Fed's more hawkish tone has Michigan CLASS Participants well-positioned to take advantage of the rising rate environment, both in the PRIME portfolio as well as our newest product offering established in December of 2021, Michigan CLASS EDGE. The Board developed EDGE to offer an investment in securities with longer maturity ranges while complementing the daily liquidity of the existing PRIME portfolio. On behalf of the Michigan CLASS Board of Trustees, we are pleased to offer this additional investment option, making CLASS a more comprehensive investment program for your funds.

In January of 2022, Michigan CLASS and the Local Community Stabilization Authority ("LCSA") announced a partnership designed to facilitate electronic distributions of LCSA payments made to Michigan Public Agencies. As a Michigan CLASS Participant, your entity can take advantage of this partnership by automating LCSA payments directly to Michigan CLASS, thereby avoiding additional costs and delays associated with physical mailings. To learn more, I encourage you to reach out to your local Michigan CLASS representative or your dedicated client service team.

As Michigan CLASS surpasses thirty years of operations, the investment and operations teams at Public Trust have a well-developed understanding of the cash flow cycles related to the various participating entity types. This knowledge allows the teams to customize the portfolios to maximize yields without compromising Participant access to their funds. Over the past year, Michigan CLASS Participants requested nearly 6,500 withdrawals totaling nearly \$3.6 billion. Even with persistently low interest rates, the two pools (PRIME and EDGE) were able to provide a grand total of nearly \$6.1 million in interest earnings for Participants!

As your Chairman, it is a pleasure and an honor to represent the Michigan CLASS Board of Trustees. The Board is devoted to providing our Participants with transparent oversight, meeting regularly to monitor the funds and operations on your behalf. Each year reminds us that the Michigan CLASS Participants are in fact our greatest asset.

Respectfully,



Edward J. Sell
Chairman, Board of Trustees

Independent Auditors' Report

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Michigan Cooperative Liquid Assets Securities System
C/O Public Trust Advisors
Denver, Colorado

Report on the Audit of the Financial Statements***Opinion***

We have audited the accompanying financial statements of Michigan Cooperative Liquid Assets Securities System (Michigan CLASS), which comprise the statement of net assets as of June 30, 2022, the statement of operations for the year then ended, the related statements of changes in net assets for the years ended June 30, 2022 and 2021, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Michigan CLASS as of June 30, 2022, the results of its operations for the year then ended, and the changes in its net assets for the years ended June 30, 2022 and 2021 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Michigan CLASS and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Michigan CLASS's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Board of Trustees
Michigan Cooperative Liquid Assets Securities System

In performing an audit in accordance with GAAS, we:

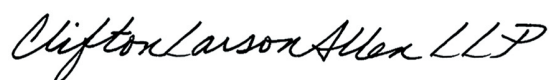
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Michigan CLASS's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Michigan CLASS's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the Chairperson's letter and Board of Trustees listing but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



CliftonLarsonAllen LLP

Los Angeles, California
September 14, 2022

STATEMENT OF NET ASSETS (MICHIGAN CLASS PORTFOLIO) – JUNE 30, 2022

INVESTMENTS, AT FAIR VALUE

	Principal Amount	Coupon Rate	Maturity	Effective Yield	Fair Value
Repurchase Agreements (7%)*					
BofA Securities Inc. Tri-Party (Collateralized by a U.S. Government Treasury Security with a coupon rate of 2.875% and maturing on 04/30/2029.) Fair value plus accrued interest: \$30,693,632	\$30,091,727	1.49%	07/01/2022	1.49%	\$30,091,727
Credit Agricole CIB NY Tri-Party (Collateralized by a U.S. Government Treasury Security with a coupon rate of 0.125% and maturing on 10/15/2025.) Fair value plus accrued interest: \$25,501,080	25,000,000	1.48	07/01/2022	1.48	25,000,000
Fifth Third Repurchase Agreement (Collateralized by a U.S. Government Agency Security maturing on 04/01/2052.) Fair value: \$8,052,390	7,894,499	0.01	07/01/2022	0.01	7,894,499
Goldman Sachs & Co. Tri-Party (Collateralized by U.S. Government Agency Securities with coupon rates between 2.00% and 3.00% and maturing between 09/20/2032 and 01/20/2052.) Fair value plus accrued interest: \$102,000,000	100,000,000	1.48	07/01/2022	1.48	100,000,000
Royal Bank of Canada NY Tri-Party (Collateralized by U.S. Government Treasury and Agency Securities with coupon rates between 0.00% and 4.50% and maturing between 12/29/2022 and 06/01/2052.) Fair value plus accrued interest: \$7,412,335	7,266,995	1.45	07/01/2022	1.45	7,266,995
Cost of (\$170,253,221)					<u>170,253,221</u>
Money Market Funds (11%)*					
Allspring Government Money Market Fund - Select Class	61,132,984	1.26-Var.		1.26	61,132,984
Fidelity Government Portfolio - Institutional Class	1,077,467	1.24-Var.		1.24	1,077,467
RBC U.S. Government Fund - Institutional Class (5%)*	141,062,060	1.23-Var.		1.23	141,062,060
State Street Institutional U.S. Government Fund - Premier Class	89,014,522	1.43-Var.		1.43	89,014,522
Cost of (\$292,287,033)					<u>292,287,033</u>
Commercial Paper (76%)*					
BofA Securities Inc.	25,000,000	1.73-Var.	07/01/2022	1.73	24,999,950
Toyota Motor Credit Corp.	20,000,000	Disc**	07/08/2022	1.60	19,992,973
La Fayette Asset Securitization LLC	5,300,000	Disc**	07/11/2022	1.62	5,297,419
Alinghi Funding Co. LLC	25,000,000	Disc**	07/13/2022	1.65	24,985,276
Collateralized Commercial Paper V Co. LLC	25,000,000	Disc**	07/13/2022	1.62	24,985,547
Anglesea Funding LLC	25,000,000	1.73-Var.	07/15/2022	1.73	24,998,850
Caisse d'Amortissement de la Dette Sociale	25,000,000	Disc**	07/19/2022	1.67	24,978,322
ING (U.S.) Funding LLC	20,000,000	Disc**	07/26/2022	1.75	19,975,140
Svenska Handelsbanken AB	25,000,000	1.67-Var.	08/08/2022	1.67	24,996,200

* Denotes percentage of net assets ** Denotes securities purchased with a zero coupon rate
The accompanying notes are an integral part of these financial statements

STATEMENT OF NET ASSETS (MICHIGAN CLASS PORTFOLIO) – JUNE 30, 2022

INVESTMENTS, AT FAIR VALUE

	Principal Amount	Coupon Rate	Maturity	Effective Yield	Fair Value
Thunder Bay Funding LLC	\$25,000,000	1.69%-Var.	08/08/2022	1.69%	\$24,995,125
Westpac Banking Corp.	24,000,000	1.65-Var.	08/08/2022	1.65	23,996,784
CDP Financial Inc.	25,000,000	Disc**	08/09/2022	1.81	24,950,556
Citigroup Global Markets	25,000,000	Disc**	08/10/2022	1.99	24,944,375
Dexia Credit Local SA New York	25,000,000	Disc**	08/11/2022	1.84	24,947,267
DBS Bank Ltd.	25,000,000	Disc**	08/12/2022	1.86	24,945,444
Thunder Bay Funding LLC	23,500,000	1.70-Var.	08/12/2022	1.70	23,494,948
Toyota Motor Credit Corp.	25,000,000	1.69-Var.	08/16/2022	1.69	24,994,775
DBS Bank Ltd.	25,000,000	Disc**	08/17/2022	1.91	24,937,467
NRW. Bank	25,000,000	Disc**	08/17/2022	1.93	24,936,867
Dexia Credit Local SA New York	25,000,000	Disc**	08/18/2022	1.90	24,936,334
KFW	25,000,000	Disc**	08/24/2022	1.94	24,927,200
Royal Bank of Canada New York	25,000,000	1.69-Var.	08/24/2022	1.69	24,992,750
KFW	25,000,000	Disc**	08/26/2022	2.01	24,921,586
KFW	15,000,000	Disc**	08/29/2022	2.13	14,947,725
Canadian Imperial Bank of Commerce	25,000,000	Disc**	09/01/2022	1.82	24,921,644
GTA Funding LLC	10,000,000	Disc**	09/01/2022	2.07	9,964,330
Skandinaviska Enskilda Banken AB	23,500,000	Disc**	09/01/2022	1.92	23,422,521
Cooperatieve Rabobank U.A.	25,000,000	Disc**	09/02/2022	1.95	24,914,622
Svenska Handelsbanken AB	25,000,000	Disc**	09/02/2022	1.97	24,913,733
CDP Financial Inc.	25,000,000	Disc**	09/06/2022	2.08	24,903,450
National Australia Bank Ltd.	25,000,000	Disc**	09/06/2022	2.03	24,905,603
DBS Bank Ltd.	10,000,000	Disc**	09/07/2022	2.14	9,959,769
Swedbank AB	23,000,000	Disc**	09/07/2022	2.02	22,912,715
The Bank of Nova Scotia	23,000,000	Disc**	09/08/2022	2.03	22,910,690
CDP Financial Inc.	25,000,000	Disc**	09/09/2022	2.10	24,898,135
CRC Funding LLC	20,000,000	Disc**	09/12/2022	2.17	19,912,228
Svenska Handelsbanken AB	25,000,000	1.68-Var.	09/12/2022	1.68	24,990,775
Alinghi Funding Co. LLC	25,000,000	Disc**	09/13/2022	1.12	24,942,708
BNZ International Funding Ltd. of London	14,500,000	Disc**	09/13/2022	2.14	14,436,563
Citigroup Global Markets	25,000,000	Disc**	09/14/2022	2.25	24,883,203
Nordea Bank Abp	20,000,000	Disc**	09/20/2022	1.96	19,912,260
Sumitomo Mitsui Trust Bank, Ltd. Singapore	10,000,000	Disc**	09/20/2022	2.02	9,954,790
Victory Receivables Corp.	25,000,000	Disc**	09/21/2022	2.38	24,865,500
Westpac Securities NZ Ltd.	25,000,000	Disc**	09/21/2022	2.14	24,879,016
Australia & New Zealand Banking Group Ltd.	20,000,000	Disc**	09/22/2022	2.18	19,900,227
Ridgefield Funding Co. LLC	25,000,000	Disc**	09/26/2022	2.43	24,854,300
United Overseas Bank Ltd.	25,000,000	1.68-Var.	09/26/2022	1.68	24,988,425
Charta LLC	17,000,000	Disc**	10/03/2022	2.20	16,903,032
Starbird Funding Corp.	15,000,000	Disc**	10/04/2022	2.41	14,905,410
LMA Americas LLC	15,000,000	Disc**	10/05/2022	2.61	14,896,735
Charta LLC	15,000,000	Disc**	10/06/2022	2.35	14,905,950
GTA Funding LLC	16,000,000	Disc**	10/13/2022	2.48	15,886,600
Swedbank AB	25,000,000	1.86-Var.	10/13/2022	1.86	24,997,075
Old Line Funding LLC	25,000,000	Disc**	10/19/2022	2.68	24,797,965
Australia & New Zealand Banking Group Ltd.	25,000,000	Disc**	10/20/2022	2.44	24,814,267
Old Line Funding LLC	25,000,000	1.89-Var.	10/20/2022	1.89	24,997,675
Bedford Row Funding Corp.	25,000,000	Disc**	10/21/2022	2.52	24,806,488

** Denotes securities purchased with a zero coupon rate

The accompanying notes are an integral part of these financial statements

STATEMENT OF NET ASSETS (MICHIGAN CLASS PORTFOLIO) – JUNE 30, 2022

INVESTMENTS, AT FAIR VALUE

	Principal Amount	Coupon Rate	Maturity	Effective Yield	Fair Value
Westpac Banking Corp.	\$25,000,000	1.86%-Var.	10/25/2022	1.86%	\$24,996,750
Chariot Funding LLC	20,000,000	1.91-Var.	10/26/2022	1.91	19,999,340
Swedbank AB	25,000,000	1.88-Var.	10/26/2022	1.88	24,997,550
Bedford Row Funding Corp.	20,000,000	1.88-Var.	10/27/2022	1.88	19,995,380
J.P. Morgan Securities LLC	25,000,000	1.89-Var.	10/27/2022	1.89	24,996,700
Skandinaviska Enskilda Banken AB	20,000,000	1.91-Var.	10/28/2022	1.91	20,000,600
Citigroup Global Markets	25,000,000	Disc**	11/02/2022	2.66	24,774,045
Collateralized Commercial Paper V Co. LLC	25,000,000	1.93-Var.	11/02/2022	1.93	25,004,750
Chariot Funding LLC	25,000,000	1.92-Var.	11/10/2022	1.92	24,998,150
The Toronto-Dominion Bank	25,000,000	Disc**	11/10/2022	2.59	24,766,419
Mackinac Funding Company, LLC	16,500,000	Disc**	11/14/2022	2.73	16,332,558
Oversea-Chinese Banking Corp. Ltd.	20,000,000	1.91-Var.	11/14/2022	1.91	19,999,200
LMA Americas LLC	23,000,000	Disc**	11/18/2022	2.90	22,745,244
Commonwealth Bank of Australia	25,000,000	1.91-Var.	11/28/2022	1.91	24,995,825
La Fayette Asset Securitization LLC	20,000,000	Disc**	12/01/2022	2.86	19,761,214
National Australia Bank Ltd.	25,000,000	1.92-Var.	12/01/2022	1.92	24,996,800
Skandinaviska Enskilda Banken AB	10,000,000	1.94-Var.	12/01/2022	1.94	10,000,000
Australia & New Zealand Banking Group Ltd.	15,000,000	1.92-Var.	12/02/2022	1.92	15,005,100
Mackinac Funding Company, LLC	10,000,000	Disc**	12/07/2022	2.90	9,874,680
La Fayette Asset Securitization LLC	15,000,000	1.98-Var.	12/08/2022	1.98	15,001,350
Old Line Funding LLC	10,000,000	Disc**	12/08/2022	3.10	9,864,984
Starbird Funding Corp.	10,000,000	Disc**	12/08/2022	3.02	9,868,651
Thunder Bay Funding LLC	10,000,000	Disc**	12/08/2022	2.92	9,872,810
Ridgefield Funding Co. LLC	10,000,000	Disc**	12/09/2022	3.01	9,868,150
Fairway Finance Company, LLC	10,000,000	Disc**	12/12/2022	2.85	9,872,630
Atlantic Asset Securitization LLC	10,000,000	1.98-Var.	12/13/2022	1.98	9,997,700
Australia & New Zealand Banking Group Ltd.	25,000,000	Disc**	12/14/2022	2.86	24,676,902
LMA Americas LLC	16,000,000	Disc**	12/14/2022	2.90	15,790,416
Collateralized Commercial Paper V Co. LLC	15,000,000	1.98-Var.	12/19/2022	1.98	15,000,000
Australia & New Zealand Banking Group Ltd.	20,000,000	1.94-Var.	12/20/2022	1.94	20,007,600
Swedbank AB	15,000,000	1.95-Var.	12/20/2022	1.95	14,995,263
Svenska Handelsbanken AB	20,000,000	1.95-Var.	12/22/2022	1.95	20,000,000
National Australia Bank Ltd.	15,000,000	1.99-Var.	12/29/2022	1.99	14,998,500
Oversea-Chinese Banking Corp. Ltd.	15,000,000	1.95-Var.	01/03/2023	1.95	15,000,900
Royal Bank of Canada	15,000,000	2.03-Var.	01/04/2023	2.03	14,998,500
Westpac Banking Corp.	15,000,000	1.94-Var.	01/05/2023	1.94	15,000,000
Royal Bank of Canada	15,000,000	1.96-Var.	01/17/2023	1.96	14,996,700
Canadian Imperial Holdings Inc.	15,000,000	1.96-Var.	01/18/2023	1.96	14,994,150
Old Line Funding LLC	15,000,000	2.02-Var.	01/27/2023	2.02	14,998,500
The Bank of Nova Scotia	16,000,000	2.03-Var.	01/30/2023	2.03	16,000,565
The Toronto-Dominion Bank	15,000,000	1.98-Var.	01/30/2023	1.98	15,000,000
Cost of (\$1,976,931,870)					<u>1,975,181,860</u>
Total Investments in Securities					
Cost of (\$2,439,472,124)					<u>2,437,722,114</u>

** Denotes securities purchased with a zero coupon rate
The accompanying notes are an integral part of these financial statements

STATEMENT OF NET ASSETS (MICHIGAN CLASS PORTFOLIO) – JUNE 30, 2022

INVESTMENTS, AT FAIR VALUE

	Principal Amount	Coupon Rate	Maturity	Effective Yield	Fair Value
Deposit Balances In Custody Banks (6%)*					
First Merchants Bank	\$55,342,723	1.75%-Var.		1.75%	\$55,342,723
Premier Bank	44,237,138	1.60-Var.		1.60	44,237,138
Waterford Bank	50,313,266	1.60-Var.		1.60	50,313,266
Cost of (\$149,893,127)					<u>149,893,127</u>
Other Assets					
Accrued Interest Receivable					770,480
Receivable for Shares Sold					<u>11,625,969</u>
Total Assets					<u>2,600,011,690</u>
Less Liabilities					
Administration and Investment Advisory Fees					261,878
Miscellaneous Payable					37,235
Payable for Shares Redeemed					<u>1,290,806</u>
Total Liabilities					<u>1,589,919</u>
Net Assets					<u>\$2,598,421,771</u>
Components of Capital					
Capital (Par Value)					\$2,600,171,781
Unrealized Depreciation on Investments					<u>(1,750,010)</u>
Net Assets					<u>\$2,598,421,771</u>
Outstanding Participant Shares					<u>2,600,171,781</u>
Net Asset Value per Share					<u>\$1.00</u>

* Denotes percentage of net assets

The accompanying notes are an integral part of these financial statements

STATEMENT OF NET ASSETS (EDGE PORTFOLIO) – JUNE 30, 2022

INVESTMENTS, AT FAIR VALUE

	Principal Amount	Coupon Rate	Maturity	Effective Yield	Fair Value
Repurchase Agreements (0%)*					
Fifth Third Repurchase Agreement (Collateralized by a U.S. Government Agency Security maturing on 04/01/2052.) Fair value: \$865,555 Cost of (\$848,583)	\$848,583	0.01%	07/01/2022	0.01%	\$848,583
					<u>848,583</u>
U.S. Government Treasury Securities (3%)*					
U.S. Treasury Bill	3,000,000	Disc.**	08/04/2022	1.15	2,996,689
U.S. Treasury Bill	1,000,000	Disc.**	01/26/2023	2.48	985,931
U.S. Treasury Notes	1,000,000	0.13	04/30/2023	0.13	977,539
U.S. Treasury Notes	1,000,000	0.13	05/31/2023	0.13	975,195
U.S. Treasury Notes	1,000,000	0.13	06/30/2023	0.13	972,773
U.S. Treasury Notes	1,000,000	0.13	07/31/2023	0.13	970,391
U.S. Treasury Notes	1,000,000	0.13	08/31/2023	0.13	967,813
U.S. Treasury Notes	1,000,000	0.25	09/30/2023	0.26	967,578
U.S. Treasury Notes	1,000,000	0.38	10/31/2023	0.39	966,992
Cost of (\$10,964,256)					<u>10,780,901</u>
Money Market Funds (15%)*					
Michigan CLASS (15%)* Cost of (\$48,574,053)	48,574,053	1.50-Var.		1.50	48,574,053
					<u>48,574,053</u>
Commercial Paper (81%)*					
CDP Financial Inc.	2,000,000	Disc.**	07/05/2022	1.58	1,999,566
ING (U.S.) Funding LLC	1,000,000	Disc.**	07/05/2022	1.66	999,772
Svenska Handelsbanken AB	2,000,000	Disc.**	07/05/2022	1.56	1,999,572
Nordea Bank Abp	1,000,000	Disc.**	07/06/2022	1.59	999,739
ASB Financial Ltd.	1,000,000	Disc.**	07/07/2022	1.59	999,695
Skandinaviska Enskilda Banken AB	1,500,000	Disc.**	07/07/2022	1.58	1,499,545
Thunder Bay Funding LLC	1,000,000	1.68-Var.	07/11/2022	1.68	999,948
The Toronto-Dominion Bank	2,000,000	1.64-Var.	07/12/2022	1.64	1,999,903
Atlantic Asset Securitization LLC	2,000,000	Disc.**	07/14/2022	1.63	1,998,752
BMO Financial Group	1,000,000	1.66-Var.	07/14/2022	1.66	999,907
Anglesea Funding LLC	1,000,000	1.73-Var.	07/15/2022	1.73	999,954
Anglesea Funding LLC	1,500,000	1.73-Var.	07/20/2022	1.73	1,499,900
Alinghi Funding Co. LLC	2,000,000	Disc.**	07/21/2022	0.59	1,999,323
Ionic Capital II Trust	2,500,000	1.77-Var.	07/26/2022	1.77	2,500,121
The Toronto-Dominion Bank	1,500,000	Disc.**	07/28/2022	1.68	1,498,074
Westpac Banking Corp.	3,000,000	1.65-Var.	08/02/2022	1.65	2,999,532
PSP Capital Inc.	3,000,000	1.63-Var.	08/03/2022	1.63	3,000,660
Mitsubishi UFJ Trust & Banking Corp. Singapore	2,000,000	Disc.**	08/04/2022	1.81	1,996,529
Svenska Handelsbanken AB	1,000,000	1.67-Var.	08/08/2022	1.67	999,848
Thunder Bay Funding LLC	1,500,000	1.69-Var.	08/08/2022	1.69	1,499,708
Westpac Banking Corp.	1,000,000	1.65-Var.	08/08/2022	1.65	999,866
Citigroup Global Markets	2,000,000	Disc.**	08/10/2022	1.99	1,995,550
Collateralized Commercial Paper V Co. LLC	2,000,000	1.69-Var.	08/11/2022	1.69	1,999,887
J.P. Morgan Securities LLC	2,000,000	1.66-Var.	08/11/2022	1.66	1,999,510

* Denotes percentage of net assets ** Denotes securities purchased with a zero coupon rate
The accompanying notes are an integral part of these financial statements

STATEMENT OF NET ASSETS (EDGE PORTFOLIO) – JUNE 30, 2022

INVESTMENTS, AT FAIR VALUE

	Principal Amount	Coupon Rate	Maturity	Effective Yield	Fair Value
LMA Americas LLC	\$2,000,000	Disc.**	08/12/2022	2.08%	\$1,995,110
Thunder Bay Funding LLC	1,500,000	1.70-Var.	08/12/2022	1.70	1,499,678
Atlantic Asset Securitization LLC	2,000,000	1.69-Var.	08/15/2022	1.69	1,999,464
National Australia Bank Ltd.	3,000,000	1.66-Var.	08/15/2022	1.66	2,999,310
Anglesea Funding LLC	1,500,000	1.73-Var.	08/16/2022	1.73	1,499,706
Chariot Funding LLC	2,000,000	1.70-Var.	08/17/2022	1.70	1,999,600
Skandinaviska Enskilda Banken AB	1,500,000	Disc.**	09/01/2022	1.92	1,495,055
Swedbank AB	2,000,000	Disc.**	09/07/2022	2.02	1,992,410
Alinghi Funding Co. LLC	2,000,000	Disc.**	09/08/2022	2.01	1,992,302
Goldman Sachs International	2,000,000	Disc.**	09/08/2022	2.12	1,991,899
The Bank of Nova Scotia	2,000,000	Disc.**	09/08/2022	2.03	1,992,234
CDP Financial Inc.	1,500,000	Disc.**	09/09/2022	2.10	1,493,888
Goldman Sachs International	2,000,000	Disc.**	09/09/2022	2.13	1,991,744
The Bank of Nova Scotia	2,000,000	1.68-Var.	09/09/2022	1.68	1,999,378
Alinghi Funding Co. LLC	1,500,000	Disc.**	09/13/2022	1.12	1,496,562
BNZ International Funding Ltd. of London	2,000,000	Disc.**	09/13/2022	2.14	1,991,250
Citigroup Global Markets	2,000,000	Disc.**	09/14/2022	2.25	1,990,656
ASB Bank Ltd.	2,000,000	Disc.**	09/16/2022	2.17	1,990,779
Alinghi Funding Co. LLC	1,000,000	Disc.**	09/20/2022	2.09	995,316
Nordea Bank Abp	2,000,000	Disc.**	09/20/2022	1.96	1,991,226
Canadian Imperial Bank of Commerce	2,000,000	Disc.**	09/21/2022	2.04	1,990,787
Royal Bank of Canada New York	2,000,000	Disc.**	09/21/2022	2.34	1,989,404
Westpac Securities NZ Ltd.	2,000,000	Disc.**	09/21/2022	2.14	1,990,321
Australia & New Zealand Banking Group Ltd.	2,000,000	Disc.**	09/22/2022	2.18	1,990,023
The Toronto-Dominion Bank	2,000,000	1.97-Var.	09/23/2022	1.97	1,999,800
United Overseas Bank Ltd.	3,000,000	1.68-Var.	09/26/2022	1.68	2,998,611
Bedford Row Funding Corp.	4,000,000	1.93-Var.	09/27/2022	1.93	4,000,080
BMO Financial Group	2,000,000	Disc.**	09/29/2022	2.27	1,988,741
Canadian Imperial Bank of Commerce	2,000,000	Disc.**	09/30/2022	2.13	1,989,343
Toyota Motor Credit Corp.	2,000,000	Disc.**	09/30/2022	2.26	1,988,679
The Bank of Nova Scotia	2,000,000	1.91-Var.	10/03/2022	1.91	2,000,300
The Bank of Nova Scotia	2,000,000	1.88-Var.	10/03/2022	1.88	2,000,141
J.P. Morgan Securities LLC	2,000,000	Disc.**	10/04/2022	2.36	1,987,653
National Australia Bank Ltd.	2,000,000	Disc.**	10/05/2022	2.29	1,987,886
Collateralized Commercial Paper V Co. LLC	2,000,000	Disc.**	10/06/2022	2.41	1,987,146
Svenska Handelsbanken AB	1,000,000	Disc.**	10/07/2022	2.11	994,308
Ontario Teachers' Finance Trust	2,000,000	Disc.**	10/13/2022	2.46	1,985,918
Swedbank AB	5,000,000	1.86-Var.	10/13/2022	1.86	4,999,415
Oversea-Chinese Banking Corp. Ltd.	2,000,000	1.69-Var.	10/14/2022	1.69	1,998,828
Fairway Finance Company, LLC	5,000,000	Disc.**	10/17/2022	2.53	4,962,531
Old Line Funding LLC	2,000,000	1.88-Var.	10/17/2022	1.88	1,999,818
Australia & New Zealand Banking Group Ltd.	5,000,000	Disc.**	10/20/2022	2.44	4,962,853
Old Line Funding LLC	2,000,000	1.89-Var.	10/20/2022	1.89	1,999,814
ANZ New Zealand (Int'l) Limited of London	2,000,000	1.86-Var.	10/21/2022	1.86	1,999,898
Westpac Banking Corp.	2,000,000	1.86-Var.	10/25/2022	1.86	1,999,740
Chariot Funding LLC	3,000,000	1.91-Var.	10/26/2022	1.91	2,999,901
Swedbank AB	2,000,000	1.88-Var.	10/26/2022	1.88	1,999,804
J.P. Morgan Securities LLC	5,000,000	1.89-Var.	10/27/2022	1.89	4,999,340
Skandinaviska Enskilda Banken AB	3,000,000	1.91-Var.	10/28/2022	1.91	3,000,090

** Denotes securities purchased with a zero coupon rate

The accompanying notes are an integral part of these financial statements

STATEMENT OF NET ASSETS (EDGE PORTFOLIO) – JUNE 30, 2022

INVESTMENTS, AT FAIR VALUE

	Principal Amount	Coupon Rate	Maturity	Effective Yield	Fair Value
Citigroup Global Markets	\$2,000,000	Disc.**	11/02/2022	2.66%	\$1,981,924
ASB Bank Ltd.	3,000,000	1.95-Var.	11/03/2022	1.95	3,000,210
BMO Financial Group	3,000,000	1.91-Var.	11/03/2022	1.91	2,998,953
Canadian Imperial Holdings Inc.	3,000,000	1.90-Var.	11/03/2022	1.90	2,999,058
The Toronto-Dominion Bank	2,000,000	1.93-Var.	11/03/2022	1.93	1,999,858
ING (U.S.) Funding LLC	1,500,000	Disc.**	11/04/2022	2.67	1,486,189
Oversea-Chinese Banking Corp. Ltd.	2,000,000	1.88-Var.	11/07/2022	1.88	1,999,346
Commonwealth Bank of Australia	3,000,000	1.86-Var.	11/08/2022	1.86	2,999,238
Royal Bank of Canada	2,000,000	1.85-Var.	11/09/2022	1.85	1,999,196
Svenska Handelsbanken AB	1,500,000	Disc.**	11/09/2022	2.38	1,487,185
Skandinaviska Enskilda Banken AB	2,000,000	Disc.**	11/10/2022	2.68	1,980,634
The Toronto-Dominion Bank	1,500,000	Disc.**	11/10/2022	2.59	1,485,985
Goldman Sachs International	2,000,000	Disc.**	11/14/2022	2.71	1,979,876
Mackinac Funding Company, LLC	2,000,000	Disc.**	11/14/2022	2.73	1,979,704
United Overseas Bank Ltd.	5,000,000	1.91-Var.	11/14/2022	1.91	4,999,810
Collateralized Commercial Paper V Co. LLC	2,000,000	Disc.**	11/15/2022	2.73	1,979,545
Atlantic Asset Securitization LLC	2,000,000	Disc.**	11/16/2022	2.74	1,979,335
LMA Americas LLC	2,000,000	Disc.**	11/16/2022	2.90	1,978,185
LMA Americas LLC	2,000,000	Disc.**	11/18/2022	2.90	1,977,847
La Fayette Asset Securitization LLC	3,000,000	Disc.**	12/01/2022	2.86	2,964,182
Citigroup Global Markets	2,000,000	Disc.**	12/02/2022	2.90	1,975,639
La Fayette Asset Securitization LLC	3,000,000	1.98-Var.	12/06/2022	1.98	3,000,270
Mackinac Funding Company, LLC	1,500,000	Disc.**	12/07/2022	2.90	1,481,202
Old Line Funding LLC	1,500,000	Disc.**	12/08/2022	3.10	1,479,748
Starbird Funding Corp.	1,000,000	Disc.**	12/08/2022	3.02	986,865
Thunder Bay Funding LLC	1,500,000	Disc.**	12/08/2022	2.92	1,480,922
Ridgefield Funding Co. LLC	1,000,000	Disc.**	12/09/2022	3.01	986,815
Atlantic Asset Securitization LLC	2,500,000	1.98-Var.	12/13/2022	1.98	2,499,425
LMA Americas LLC	2,500,000	Disc.**	12/14/2022	2.90	2,467,253
Svenska Handelsbanken AB	2,000,000	Disc.**	12/15/2022	2.84	1,974,165
Goldman Sachs International	2,000,000	Disc.**	12/16/2022	2.96	1,972,932
Collateralized Commercial Paper V Co. LLC	2,000,000	1.98-Var.	12/19/2022	1.98	2,000,000
Australia & New Zealand Banking Group Ltd.	2,000,000	1.94-Var.	12/20/2022	1.94	2,000,760
Swedbank AB	2,000,000	1.95-Var.	12/20/2022	1.95	1,999,368
Svenska Handelsbanken AB	3,000,000	1.95-Var.	12/22/2022	1.95	3,000,000
Westpac Banking Corp.	3,000,000	Disc.**	12/28/2022	3.14	2,953,950
National Australia Bank Ltd.	3,000,000	1.99-Var.	12/29/2022	1.99	2,999,700
Oversea-Chinese Banking Corp. Ltd.	3,000,000	1.95-Var.	01/03/2023	1.95	3,000,180
Westpac Banking Corp.	2,000,000	1.94-Var.	01/05/2023	1.94	2,000,000
Collateralized Commercial Paper V Co. LLC	3,000,000	Disc.**	01/09/2023	3.14	2,950,978
Royal Bank of Canada	3,000,000	1.96-Var.	01/17/2023	1.96	2,999,340
Canadian Imperial Holdings Inc.	3,000,000	1.96-Var.	01/18/2023	1.96	2,998,830
Old Line Funding LLC	3,000,000	2.02-Var.	01/27/2023	2.02	2,999,700
The Bank of Nova Scotia	3,000,000	2.03-Var.	01/30/2023	2.03	3,000,106
The Toronto-Dominion Bank	3,000,000	1.98-Var.	01/30/2023	1.98	3,000,000
Cost of (\$256,454,981)					256,138,009
Total Investments in Securities					
Cost of (\$316,841,873)					316,341,546

** Denotes securities purchased with a zero coupon rate
The accompanying notes are an integral part of these financial statements

STATEMENT OF NET ASSETS (EDGE PORTFOLIO) – JUNE 30, 2022

INVESTMENTS, AT FAIR VALUE

Other Assets

Accrued Interest Receivable	\$106,410
Total Assets	316,447,956

Less Liabilities

Administration and Investment Advisory Fees	26,327
Miscellaneous Payable	15
Total Liabilities	26,342
Net Assets	\$316,421,614

Components of Capital

Capital (Par Value)	\$316,998,792
Realized Loss on Investments	(76,851)
Unrealized Depreciation on Investments	(500,327)
Net Assets	\$316,421,614

Outstanding Participant Shares

31,738,217

Net Asset Value per Share

\$9.97

The accompanying notes are an integral part of these financial statements

STATEMENT OF OPERATIONS

Year Ended June 30, 2022 for Michigan CLASS

For the Period December 20, 2021 (Inception) through June 30, 2022 for Michigan CLASS EDGE

	Michigan CLASS	Michigan CLASS EDGE
Investment Income	\$8,033,928	\$799,627
Expenses:		
Administration and Investment Advisory Fees	2,809,727	130,263
Administration and Investment Advisory Fees Waived	(142,710)	(45,876)
Administration and Investment Advisory Fees Net	<u>2,667,017</u>	<u>84,387</u>
Net Investment Income	<u>5,366,911</u>	<u>715,240</u>
Net Realized Gain/(Loss) on Investments	639	(76,851)
Change in Net Unrealized Depreciation on Investments	<u>(1,787,602)</u>	<u>(500,327)</u>
Net Realized Gain/(Loss) and Unrealized Depreciation on Investments	<u>(1,786,963)</u>	<u>(577,178)</u>
Net Increase in Net Assets Resulting from Operations	<u>\$3,579,948</u>	<u>\$138,062</u>

STATEMENTS OF CHANGES IN NET ASSETS

Years Ended June 30, 2022 and June 30, 2021 for Michigan CLASS

For the Period December 20, 2021 (Inception) through June 30, 2022 for Michigan CLASS EDGE

	Michigan CLASS		Michigan CLASS EDGE	
	2022	2021	2022	2021
From Investment Activities:				
Net Investment Income	\$5,366,911	\$2,626,439	\$715,240	\$ -
Net Change in Unrealized Depreciation on Investments	(1,787,602)	(846,286)	(500,327)	-
Realized Gain/(Loss) on Investments	<u>639</u>	<u>61,317</u>	<u>(76,851)</u>	-
Net Increase in Net Assets Resulting from Operations	<u>3,579,948</u>	<u>1,841,470</u>	<u>138,062</u>	-
Distributions to Participants from Net Investment Income	(5,366,911)	(2,626,439)	(715,240)	-
Distributions to Participants from Net Realized Gain	(639)	(61,317)	-	-
Net Increase/(Decrease) in Net Assets from Share Transactions	<u>400,429,699</u>	<u>(199,972,923)</u>	<u>316,998,792</u>	-
Net Increase/(Decrease) in Net Assets	<u>398,642,097</u>	<u>(200,819,209)</u>	<u>316,421,614</u>	-
Net Assets:				
Beginning of Period	<u>2,199,779,674</u>	<u>2,400,598,883</u>	<u>-</u>	-
End of Period	<u>\$2,598,421,771</u>	<u>\$2,199,779,674</u>	<u>\$316,421,614</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Notes to Financial Statements — June 30, 2022

Note 1. Description of Michigan CLASS and Significant Accounting Policies

Michigan Cooperative Liquid Assets Securities System ("Michigan CLASS") is a Participant controlled trust created in accordance with Section 5 of Act 7 of the Urban Cooperation Act of 1967 and the Local Government Investment Pool Act, 1985 PA 121, MCL 129.141 to 129.150 and was established for participating Michigan municipalities on October 1, 1991 under the participation agreement (the "Participation Agreement") and commenced operations on January 17, 1992. Michigan CLASS EDGE began operations on December 20, 2021. Both Michigan CLASS portfolios are available for investment by any county, city, village, township, school district, authority or any other political subdivision organized under the laws of the state of Michigan. The purpose of Michigan CLASS is to enable such entities to cooperate in the investment of their available funds. Michigan CLASS operates like a money market mutual fund with each share valued at \$1.00. Michigan CLASS EDGE is an enhanced cash, variable NAV fund that is managed to approximate a \$10.00 net asset value per share. Michigan CLASS is an investment company and follows the accounting and reporting guidance in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946.

Michigan CLASS is rated AAAM by S&P Global Ratings. Michigan CLASS EDGE is rated AAAsf/S1 by FitchRatings.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The following significant accounting policies are also in conformity with accounting principles generally accepted in the United States of America for investment companies. Such policies are consistently followed by Michigan CLASS in the preparation of the financial statements.

Securities Valuation

Securities, other than repurchase agreements, are valued at the most recent market bid price as obtained from one or more market makers for such securities. Repurchase agreements are recorded at fair value, which is represented by their resell/repurchase amounts. Michigan CLASS EDGE's investment in money market funds are recorded at their estimated fair value or net asset value (NAV), as described in Note 2. The money market funds are valued at NAV of the participant shares of Michigan CLASS. The NAV is used as a practical expedient to estimate fair value. The practical expedient would not be used if it is determined to be probable that Michigan CLASS EDGE will sell the investment for an amount different from the reported NAV.

Securities Transactions and Investment Income

Securities transactions are accounted for on a trade date basis. Realized gains and losses from securities transactions are recorded on a specific identification basis. Interest income is recognized on the accrual basis and includes amortization of premiums and accretion of discounts. The amortization of premium and accretion of discount accrual method utilized is straight line and it is deemed that there is no significant difference compared to the effective interest method.

Distributions to Participants

Distributions from net investment income are declared and posted to participants' accounts daily for the Michigan CLASS portfolio. Distributions from net investment income are declared daily and posted to participants' accounts monthly for the Michigan CLASS EDGE portfolio. Michigan CLASS's policy is to distribute net realized capital gains, if any, in a reasonable time frame after the gain is realized.

Income Taxes

Michigan CLASS is not subject to federal, state or local income taxes, and accordingly no tax provision has been made.

Michigan CLASS files tax returns annually. Michigan CLASS is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months. Michigan CLASS's federal tax returns for the prior three fiscal years remain subject to examination by the Internal Revenue Service.

Note 2. Fair Value Measurements

In accordance with FASB guidance, the Michigan CLASS utilizes ASC 820 "Fair Value Measurement and Disclosure" to define fair value, establish a framework for measuring fair value, and expand disclosure requirements regarding fair value measurements. ASC 820 does not require new fair value measurements, but is applied to the extent that other accounting pronouncements require or permit fair value measurements. The standard emphasizes that fair value is a market-based measurement that should be determined based on the assumptions that market participants would use in pricing an asset or liability. Various inputs are used in determining the value of the Michigan CLASS portfolio investments defined pursuant to this standard.

These inputs are summarized into three broad levels:

- Level 1 – Quoted prices in active markets for identical securities.
- Level 2 – Prices determined using other significant observable inputs. Observable inputs are inputs that reflect the assumptions market participants would use in pricing a security and are developed based on market data obtained from sources independent of the reporting entity. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk and others. Debt securities are valued in accordance with the evaluated bid price supplied by the pricing service and are generally categorized as Level 2 in the hierarchy. Securities that are categorized as Level 2 in the hierarchy include, but are not limited to, repurchase agreements, U.S government agency securities, corporate securities and commercial paper.
- Level 3 – Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs are inputs that reflect the reporting entities own assumptions about the factors market participants would use in pricing the security and would be based on the best information available under the circumstances.

There have been no significant changes in valuation techniques used in valuing any such positions held by Michigan CLASS since the beginning of the fiscal year. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The summary of inputs used as of June 30, 2022 to value Michigan CLASS's investments in securities and other financial instruments is included in the "Valuation Inputs Summary" and "Level 3 Valuation Reconciliation of Assets" (if applicable) as noted below.

Valuation Inputs Summary (for the fiscal period ended June 30, 2022)

Michigan CLASS Portfolio

Investments in Securities at Value*	Valuation Inputs			
	Level 1	Level 2	Level 3	Total
Commercial Paper	\$ -	\$1,975,181,860	\$ -	\$1,975,181,860
Money Market Funds	292,287,033	-	-	292,287,033
Repurchase Agreements	-	170,253,221	-	170,253,221
Total	<u>\$292,287,033</u>	<u>\$2,145,435,081</u>	<u>\$ -</u>	<u>\$2,437,722,114</u>

Michigan CLASS EDGE Portfolio

Investments in Securities at Value*	Valuation Inputs			
	Level 1	Level 2	Level 3	Total
Commercial Paper	\$ -	\$256,138,009	\$ -	\$256,138,009
Repurchase Agreements	-	848,583	-	848,583
U.S. Government Treasury Securities	-	10,780,901	-	10,780,901
Total	<u>\$ -</u>	<u>\$267,767,493</u>	<u>\$ -</u>	<u>\$267,767,493</u>

Investments Measured at NAV

Michigan Cooperative Liquid Assets Securities System**	48,574,053
Total investments by Fair Value	<u>\$316,341,546</u>

* For the years ended June 30, 2022 and June 30, 2021, the Michigan CLASS Portfolio did not have significant unobservable inputs (Level 3) used in determining fair value. Thus, a reconciliation of assets in which significant unobservable inputs (Level 3) were used in determining fair value is not applicable. For the period ended June 30, 2022 the Michigan CLASS EDGE Portfolio did not have significant unobservable inputs (Level 3) used in determining fair value.

** Michigan Cooperative Liquid Assets Securities System: Valued at NAV per share based on the fair market value of the underlying investments. NAV is used as a practical expedient to estimate fair value.

Note 3. Deposits and Investments

Deposits

At June 30, 2022, the Michigan CLASS portfolio had a cash deposit balance of \$149,893,127. As a result, 6% of the total assets held by Michigan CLASS were concentrated at three banks. Interest earned on the investments as a percentage of total interest earned was 14% for the year ended June 30, 2022. Michigan CLASS EDGE did not have any cash deposit balances during the period. All deposit balances were held in FDIC insured deposit accounts.

Custodian

From July 1, 2021 through August 8, 2021 Wells Fargo Bank, N.A. served as the custodian for Michigan CLASS. Effective August 9, 2021 Fifth Third Bank began serving as the custodian for Michigan CLASS's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for Michigan CLASS's investment portfolio and provides services as the depository in connection with direct investment and withdrawals. The custodian's internal records segregate investments owned by Michigan CLASS. Michigan CLASS and Michigan CLASS EDGE share a deposit account at Fifth Third Bank to facilitate participant contributions and withdrawals. Transactions for the individual portfolios are documented on separate accounting records and the deposit balance attributable to each is noted therein.

Risk Disclosure

The portfolio is subject to the following risks:

- **Counterparty Risk** – Counterparty risk is the risk that the counterparty or a third party will not fulfill its obligation to Michigan CLASS.
- **Interest Rate Risk** – Interest rate risk is the risk that the value of fixed-income securities will generally decline as prevailing interest rates rise, which may cause Michigan CLASS's net asset value (NAV) to likewise decrease, and vice versa.
- **Market Risk** – Market risk is the daily potential for an investor to experience losses from fluctuations in securities prices. Market risk cannot be diversified away.
- **Credit Risk** – Credit Risk is the risk an issuer will be unable to make principal and interest payments when due, or will default on its obligations.

Michigan CLASS attempts to minimize its exposure to market and credit risk through the use of various strategies and credit monitoring techniques. Michigan CLASS limits its investments in any issuer to the top two ratings issued by nationally recognized statistical rating organizations. Michigan CLASS's policy is to limit its exposure to any non-government issuer to 5% of net assets.

Investment in Securities

Michigan statutes specify investments meeting defined rating and risk criteria in which local government investment pools may invest as noted in Investment of Surplus Funds of Political Subdivisions Act 20 of 1943. The Board of Trustees has further limited investment instruments for the Michigan CLASS portfolio.

Michigan CLASS may invest in:

- (a) U.S. Treasury Bonds, Bills, Notes and Treasury Strips.
- (b) Obligations of an agency or instrumentality of the United States.
- (c) Commercial paper rated at the time of purchase within the highest two classifications established by not less than two standard rating services (i.e., as of September 18, 2009, A-1+ and A-1 by S&P Global Ratings, P-1 by Moody's Investors Service, or F1+ and F1 by FitchRatings) and that matures not more than 270 days after the date of purchase.
- (d) Bankers' acceptances issued by FDIC member United States banks.
- (e) Repurchase agreements consisting of instruments listed in subdivision (a or b). Repurchase agreements shall be 102% collateralized with Public Securities Association (PSA) Master Repurchase agreement on file and or tri-party custody agreement on file.
- (f) Certificates of deposit issued by and deposit accounts of a financial institution eligible under law to be a depository of Participant public agencies of government so long as such articles of deposit and/ or deposit accounts are secured 102% at the value of each by eligible collateral.
- (g) In addition to the investments authorized in subsection (f), certificates of deposit issued in accordance with all of the following conditions:
 - a. The funds are initially invested through a financial institution that is not ineligible to be a depository of surplus funds belonging to the state of Michigan under section 6 of 1855 PA 105, MCL 21.146.
 - b. The financial institution arranges for the investment of the funds in certificates of deposit in 1 or more insured depository institutions, as defined in 12 USC 1813, or 1 or more insured credit unions, as defined in 12 USC 1752, for the account of Michigan CLASS.
 - c. The full amount of the principal and any accrued interest of each certificate of deposit is insured by an agency of the United States.
 - d. The financial institution acts as custodian for Michigan CLASS with respect to each certificate of deposit.
 - e. At the same time that the funds of Michigan CLASS are deposited and the certificate or certificates of deposit are issued, the financial institution receives an amount of deposits from customers of other insured depository institutions or insured credit unions equal to or greater than the amount of the funds initially invested by the Michigan CLASS through the financial institution.
- (h) In addition to the investments authorized in subsection (f), deposit accounts that meet all of the following conditions:
 - a. The funds are initially deposited in a financial institution that is not ineligible to be a depository of surplus funds belonging to the State of Michigan under section 6 of 1855 PA105, MCL 21.146.
 - b. The financial institution arranges for the deposit of the funds in deposit accounts in 1 or more insured depository institutions, as defined in 12 USC 1813, or 1 or more insured credit unions, as defined in 12 USC 1752, for the account of Michigan CLASS.
 - c. The full amount of the principal and any accrued interest of each deposit account is insured by an agency of the United States.
 - d. The financial institution acts as custodian for Michigan CLASS with respect to each deposit account.
 - e. On the same date that the funds of Michigan CLASS are deposited, the financial institution receives an amount of deposits from customers of other insured depository institutions or insured credit unions equal to or greater than the amount of the funds initially deposited by Michigan CLASS in the financial institution.
- (i) Mutual funds registered under the investment company act of 1940, maintaining a \$1.00 per share net asset value, and with authority to purchase investment vehicles that are legal for direct investment by all participant public agencies whose monies are invested in mutual funds that such participants acknowledge that the funds be placed in a special sub account created pursuant to the Participation Agreement, as amended.
- (j) Any other investment permissible to all Participants individually under Michigan Law and authorized by the board.

Michigan CLASS EDGE may invest in:

- (a) U.S. Treasury Bonds, Bills, Notes and Treasury Strips.
- (b) Obligations of an agency or instrumentality of the United States.
- (c) Commercial paper rated at the time of purchase within the highest two classifications established by not less than two standard rating services (i.e., as of September 18, 2009, A-1+ and A-1 by S&P Global Ratings, P-1 by Moody's Investors Service, or F1+ and F1 by FitchRatings) and that matures not more than 270 days after the date of purchase.
- (d) Bankers' acceptances issued by FDIC member United States banks.
- (e) Repurchase agreements consisting of instruments listed in subdivision (a or b). Repurchase agreements shall be 102% collateralized with Public Securities Association (PSA) Master Repurchase agreement on file and or tri-party custody agreement on file.
- (f) Certificates of deposit of a financial institution eligible under law to be a depository of Participant public agencies of government so long as such articles of deposit are secured 102% at the value of each by eligible collateral listed on Schedule I for any amount of principal and accrued interest not insured by an agency of the United States.
- (g) In addition to the investments authorized in subsection (f), certificates of deposit issued in accordance with all of the following conditions:
 - a. The funds are initially invested through a financial institution that is not ineligible to be a depository of surplus funds belonging to the state of Michigan under section 6 of 1855 PA 105, MCL 21.146.
 - b. The financial institution arranges for the investment of the funds in certificates of deposit in 1 or more insured depository institutions, as defined in 12 USC 1813, or 1 or more insured credit unions, as defined in 12 USC 1752, for the account of Michigan CLASS EDGE.
 - c. The full amount of the principal and any accrued interest of each certificate of deposit is insured by an agency of the United States.
 - d. The financial institution acts as custodian for Michigan CLASS EDGE with respect to each certificate of deposit.
 - e. At the same time that the funds of Michigan CLASS EDGE are deposited and the certificate or certificates of deposit are issued, the financial institution receives an amount of deposits from customers of other insured depository institutions or insured credit unions equal to or greater than the amount of the funds initially invested by Michigan CLASS EDGE through the financial institution.
- (h) In addition to the investments authorized in subsection (f), deposit accounts that meet all of the following conditions:
 - a. The funds are initially deposited in a financial institution that is not ineligible to be a depository of surplus funds belonging to the State of Michigan under section 6 of 1855 PA105, MCL 21.146.
 - b. The financial institution arranges for the deposit of the funds in deposit accounts in 1 or more insured depository institutions, as defined in 12 USC 1813, or 1 or more insured credit unions, as defined in 12 USC 1752, for the account of Michigan CLASS EDGE.
 - c. The full amount of the principal and any accrued interest of each deposit account is insured by an agency of the United States.
 - d. The financial institution acts as custodian for Michigan CLASS EDGE with respect to each deposit account.
 - e. On the same date that the funds of Michigan CLASS EDGE are deposited, the financial institution receives an amount of deposits from customers of other insured depository institutions or insured credit unions equal to or greater than the amount of the funds initially deposited by Michigan CLASS EDGE in the financial institution.
- (i) Mutual funds registered under the investment company act of 1940, maintaining a \$1.00 per share net asset value, and with authority to purchase investment vehicles that are legal for direct investment by all participant public agencies whose monies are invested in mutual funds that such participants acknowledge that the funds be placed in a special sub account created pursuant to the Participation Agreement, as amended.
- (j) Any other investment permissible to all Participants individually under Michigan Law and authorized by the board.

Note 4. Repurchase Agreements

Transactions involving purchases of securities under agreements to resell/repurchase are treated as collateralized financing transactions and are recorded at their contracted resell amounts. In addition, interest earned but not yet collected is included in interest receivable. The custodian bank reports the market value of the collateral securities to the Trust on at least a weekly basis. Funds are released from the Trust's portfolios for repurchase agreements only when collateral has been wired to the custodian bank or when the balance is swept overnight, and for the period ended June 30, 2022, the Trust held no uncollateralized repurchase agreements. If the seller of the agreement defaults and the value of the collateral declines, the immediate realization of the full amount of the agreement by the Trust may be limited. At June 30, 2022, securities with a fair value of approximately \$173,659,437 were received as collateral for securities purchased under agreements to resell for the Michigan CLASS portfolio and \$865,555 for the Michigan CLASS EDGE portfolio. Michigan CLASS may use Bank of America N.A., Bank of Montreal, BofA Securities Inc., Citigroup Global Markets, Credit Agricole CIB NY, Goldman Sachs & Co, J.P. Morgan Securities LLC, Royal Bank of Canada NY, UBS Securities LLC and Wells Fargo Bank N.A. as counterparties for repurchase agreements. Interest earned on repurchase agreements as a percentage of total interest earned was 10% for Michigan CLASS and less than 0.10% for Michigan CLASS EDGE for the year ended June 30, 2022.

Note 5. Administration and Investment Advisory Fees

Investment advisory services and administration and marketing services are provided by Public Trust Advisors, LLC ("PTA"). Michigan CLASS's fees are calculated daily and paid monthly. The Daily Fee shall be calculated as follows: The Investment Property Value is multiplied by the Applicable Fee Rate and is divided by 365 or 366 days in the event of a leap year to equal the Daily Fee accrual. The Investment Property Value shall be based on the prior day's net assets. For weekend days and holidays, the net assets for the previous business day will be utilized for the calculation of fees. The Applicable Fee Rate shall be determined monthly on the first business day of each month and shall be as follows:

Michigan CLASS:

Prior Day's Net Assets	Fee %
First 3,000,000,000	.13%
Over 3,000,000,001	.12%

Michigan CLASS EDGE:

	Prior Day's Net Assets	Fee %
First	3,000,000,000	.13%
Over	3,000,000,001	.12%

The Board of Trustees shall, within five business days after the end of such month, approve the Fees. Fees may be waived or abated at any time, or from time to time, at the sole discretion of PTA. Any such waived fees may be restored by the written agreement of the Board of Trustees in its sole discretion. The fees are collected by PTA and used to pay all expenses related to Michigan CLASS. For the fiscal year ended June 30, 2022, fees of \$142,710 were waived in the Michigan CLASS portfolio and fees of \$45,876 were waived in the Michigan CLASS EDGE portfolio.

Note 6. Share Transactions

Transactions in shares during the twelve months ended June 30, 2022 and 2021 for the Michigan CLASS portfolio were as follows:

	2022	2021
Shares sold	3,978,332,284	4,755,814,666
Shares issued on reinvestment of distributions	5,367,550	2,687,756
Shares redeemed	(3,583,270,135)	(4,958,475,345)
Net increase/(decrease)	400,429,699	(199,972,923)

At June 30, 2022, two participants held more than a 5% participation interest in Michigan CLASS. The holding of these participants are approximately 12% of the portfolio at June 30, 2022. Investment activities of these participants could have a material impact on Michigan CLASS.

Transactions in shares for the seven months from inception date of December 20, 2021 through June 30, 2022 for the Michigan CLASS EDGE portfolio were as follows¹:

	2022
Shares sold	31,767,647
Shares issued on reinvestment of distributions	71,667
Shares redeemed	(101,097)
Net increase	31,738,217

At June 30, 2022, six participants held a 5% or greater participation interest in Michigan CLASS EDGE. The holdings of these participants are approximately 48% of the portfolio at June 30, 2022. Investment activities of these participants could have a material impact on Michigan CLASS EDGE.

¹ Michigan CLASS EDGE is a variable NAV fund managed to approximate a \$10.00 per share price; shares are traded at the NAV calculated on transaction trade date.

Note 7. Financial Highlights for a Share Outstanding Throughout Each Period

	Michigan CLASS Years Ended June 30,				
	2022	2021	2020	2019	2018
Per Share Data					
Net Asset Value - Beginning of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Net Investment Income Earned and Distributed to Shareholders	\$0.002	\$0.001	\$0.016	\$0.024	\$0.015
Net Asset Value - End of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
TOTAL RETURN	0.243%	0.100%	1.649%	2.419%	1.508%
RATIOS					
Net Assets-End of period (\$000 Omitted)	\$2,598,422	\$2,199,780	\$2,400,599	\$1,815,040	\$1,513,091
Ratio of Expenses to Average Net Assets Gross	0.130%	0.130%	0.130%	0.130%	0.130%
Ratio of Expenses to Average Net Assets Waived	0.007%	0.000%	0.000%	0.000%	0.000%
Ratio of Expenses to Average Net Assets	0.123%	0.130%	0.130%	0.130%	0.130%
Ratio of Net Investment Income to Average Net Assets	0.248%	0.103%	1.605%	2.392%	1.529%

Michigan CLASS EDGE
Period Ended June 30,

2022

Per Share Data

Net Asset Value - Beginning of Period	\$10.00
Net Investment Income Earned and Distributed to Shareholders	\$0.037
Net Asset Value - End of Period	\$9.97
TOTAL RETURN	0.012%

RATIOS

Net Assets-End of period (\$000 Omitted)	\$316,422
Ratio of Expenses to Average Net Assets Gross	0.129% ¹
Ratio of Expenses to Average Net Assets Waived	0.045% ¹
Ratio of Expenses to Average Net Assets	0.084% ¹
Ratio of Net Investment Income to Average Net Assets	0.706% ¹

¹ All ratios are presented on an annualized basis

Note 8. Subsequent Events

In accordance with the provisions set forth in ASC 855-10, Subsequent Events, Management has evaluated the possibility of subsequent events existing in the Michigan CLASS's financial statements. Management has determined that there were no material events that would require disclosure in the Michigan CLASS's financial statements as of September 14, 2022, which is the date the financial statements were available to be issued.

Note 9. Related Parties

All trustees of Michigan CLASS are officers of participating governments.

BOARD OF TRUSTEES

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