Nebraska Liquid Asset Fund

Exclusively for School Districts,
Educational Service Units,
Community Colleges, Public Agencies and
Other Governmental Subdivisions

Annual Report

May 31, 2026

NLAF is sponsored by the:
Nebraska Council of School Administrators
Nebraska Association of School Boards

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Report of Independent Auditors

To the Board of Trustees of the Nebraska Liquid Asset Fund

Opinion

We have audited the financial statements of the Nebraska Liquid Asset Fund (the Fund), which comprise the statement of net position as of May 31, 2026, and the related statement of changes in net position for the year then ended, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Fund at May 31, 2026, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 of 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 the Fund's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 auditor's 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.

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 the Fund'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 the Fund'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.

Required Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of investments but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic 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.

Ernst & Young LLP

Philadelphia, Pennsylvania

September 10, 2026

Management's Discussion and Analysis

We are pleased to present the Annual Report for the Nebraska Liquid Asset Fund (the Fund) for the year ended May 31, 2026. Management's Discussion and Analysis is designed to focus the reader on significant financial items and provides an overview of the Fund's financial statements for the year ended May 31, 2026.

Economic Update

Macroeconomic & Policy Backdrop

From May 31, 2025 onward, the macroeconomic environment remained characterized by elevated uncertainty, alongside a gradual shift toward monetary policy easing. The Federal Reserve ("Fed") initially maintained a restrictive stance, holding the target rate unchanged as it continued to assess the impact of evolving trade policy. Inflation remained above the Fed's 2% target, though the passthrough of tariffs to consumer prices was uneven and more limited than initially anticipated.

As the year progressed, signs of cooling in the labor market shifted the Fed's focus toward a more balanced assessment of risks. In response, the Fed initiated an easing cycle, delivering three 25-bps rate cuts in September, October and December 2025. These actions brought the federal funds target to 3.50-3.75% by year-end.

Entering 2026, the Fed held rates steady at amid elevated uncertainty tied to geopolitical developments and persistent inflation risks. Policymakers emphasized a data dependent stance, noting that risks to both inflation and growth have increased.

The March 2026 Summary of Economic Projections (SEP) reflected modest upward revisions to both growth and inflation expectations. While the median rate path continued to suggest additional easing, policymakers expressed increased caution even at the April meeting, with a wider range of views on the appropriate timing and magnitude of future policy adjustments.

Inflation

From May 2025 onward, inflation showed signs of moderation, though progress remained uneven. Headline consumer price index (CPI) was approximately 2.4% year-over-year in May, supported by improving goods disinflation and lower energy prices. Despite this progress, inflation remained above the Fed's 2% target, with underlying dynamics increasingly driven by services.

Over the second half of 2025, inflation trends became more mixed. Tariff-related price pressures were less pronounced than initially expected, with some impact absorbed through corporate margins rather than fully passed on to consumers. At the same time, shelter and core services inflation remained firm, contributing to a modest reacceleration in headline CPI to the upper 2% range during the summer months.

Inflation dynamics were further complicated in the fourth quarter by the federal government shutdown, which disrupted the collection and release of key economic data. As a result, reported figures carried greater uncertainty, making it more difficult to assess underlying trends with precision.

Entering 2026, inflation has remained somewhat stickier than previously anticipated, reflecting persistent strength in services and geopolitical pressures on energy markets. While longer-term inflation expectations remain relatively well anchored, recent data highlight ongoing uncertainty around the pace and durability of disinflation. Headline CPI moved higher in early 2026, reaching approximately 4.2% year-over-year, driven largely due to energy prices.

Labor Markets

From May 2025 onward, labor market conditions showed signs of gradual cooling. The unemployment rate, which stood at approximately 4.0% at the start of the year, trended modestly higher over the remainder of 2025, reaching around 4.4% by year-end. Job growth slowed as firms became more cautious in their hiring decisions, reflecting a more uncertain economic backdrop.

Despite the moderation in hiring, layoffs remained relatively contained, resulting in what has often been characterized as a "low-hire, low-fire" environment. This dynamic reflects a continued willingness among firms to retain workers, even as they scale back on new hiring. Job gains also became more concentrated in select sectors, particularly health care and other services, while hiring across cyclical and interest rate–sensitive sectors weakened.

Entering 2026, labor market conditions remain broadly stable. While the pace of job creation has moderated and slack has increased modestly, overall conditions suggest a labor market that is cooling but not deteriorating significantly. Recent trends continue to point toward a gradual normalization, rather than a sharp weakening, in labor market conditions, allowing the Fed to remain patient.

Growth

Real gross domestic product (GDP) grew at an annualized pace of approximately 4.4% in the third quarter of 2025, marking the strongest growth in two years. Expansion was supported by resilient consumer spending, steady business investment, and improved trade dynamics. While this data reflected activity prior to the federal government shutdown, it indicated that the economy was on solid footing heading into year-end.

More recently, growth has moderated into early 2026. First-quarter activity slowed relative to the stronger pace observed in mid-2025, reflecting softer momentum in domestic demand alongside ongoing policy and geopolitical uncertainty. Despite this moderation, underlying economic fundamentals have remained relatively resilient, supported by continued strength in consumption and business investment.

Interest Rates

Interest rates declined through much of 2025 as the Federal Reserve transitioned toward policy easing. Yields fell across the front and intermediate portions of the curve, reflecting lower policy expectations and moderating inflation, while longer-term yields were comparatively more stable.

Entering 2026, however, interest rate dynamics have shifted. Yields have moved higher and market volatility has increased significantly, reflecting renewed uncertainty around inflation and the broader economic outlook. Geopolitical developments and energy market volatility have contributed to upward pressure on yields based on short-term inflation expectations.

Against this backdrop, interest rate expectations have become more fluid. While the Federal Reserve has paused its easing cycle, markets have reassessed the timing and extent of potential rate cuts, leading to a wider range of outcomes for the policy path.

In 2025, declining yields supported strong performance across fixed income markets, particularly in longer-duration assets. Calendar-year returns reflected this dynamic, with longer-duration indices outperforming shorter-duration benchmarks. The ICE BofA 3-month, 2-year, 5-year, and 10-year U.S. Treasury indices returned +4.18%, +4.85%, +6.85%, and +7.82%, respectively, while the 30-year U.S. Treasury index returned +3.27%. This marked a reversal from the prior several years, when shorter-duration instruments benefited from rising rates.

NLAF Portfolio Strategy

Amid ongoing uncertainty around the timing of Fed rate cuts in 2025, we adopted a balanced approach to positioning the Fund. Our strategy primarily focused on:

- Repurchase agreements to provide near-term liquidity.
- Floating rate securities to capture attractive yields during the Fed's data-dependent pause over the first eight months of the year.
- Fixed rate securities with maturities beyond six months to cushion against potential rate cuts which materialized in late 2025.

We implemented these strategies with a focus on diversification across both individual issuers and investment sectors. This disciplined approach enabled us to uphold our core objectives: Safety, Liquidity, and Yield.

As we enter the new fiscal year, we will continue to closely monitor inflation, employment, and economic growth—key drivers of monetary policy and short-term rates. Against this backdrop, recent volatility in market expectations for Federal Reserve policy reflects heightened uncertainty around the path of monetary policy, as evolving geopolitical risks—including the Iran conflict—and their potential inflationary impacts continue to cloud the timing and magnitude of future rate adjustments.

As always, our primary goals remain protecting the portfolio's net asset value and ensuring liquidity for investors, while prudently seeking to maximize yields.

Financial Statement Overview

The financial statements for the Fund include a Statement of Net Position and a Statement of Changes in Net Position. These financial statements are supported by the Notes to Financial Statements. In addition, a Schedule of Investments for the Fund is included as unaudited Other Information following the Notes to Financial Statements.

Condensed Financial Information and Analysis

Statement of Net Position: The Statement of Net Position presents the financial position of the Fund as of May 31, 2026 and includes all assets and liabilities of the Fund. Total assets of the Fund fluctuate as investable assets rise and fall when capital shares are issued and redeemed. The difference between total assets and total liabilities, which is equal to the investors' interest in the Fund's net position, is shown below for the current and prior fiscal year-end dates:

	May 31, 2026	May 31, 2025
Total Assets	$1,034,409,408	$1,055,746,318
Total Liabilities	(342,594)	(58,544,739)
Net Position	$ 1,034,066,814	$ 997,201,579

The decrease in total assets of the Fund is primarily due to an $87,278,404 decrease in cash and cash equivalents, partially offset by a $43,259,977 increase in investments. The increase in investments was primarily attributable to the reinvestment of net investment income and the investment of subscriptions received in advance that were outstanding at the prior fiscal year end. In addition, capital share issuances exceeded redemptions by approximately $6.8 million during the year, contributing to growth in the investment portfolio. The decrease in cash and cash equivalents is largely attributable to the reduction in subscriptions received in advance from $58,215,539 at May 31, 2025 to $5,324 at May 31, 2026.

The decrease in total liabilities is primarily due to the reduction in subscriptions received in advance. Subscriptions received in advance represent funds received by the custodian bank prior to the proper notice required to invest them and issue shares. The amount of any subscriptions received in advance will vary depending upon transactions occurring on a given day.

Despite the decrease in total assets, the Fund's net position increased by $36,865,235, or 3.7%, during the fiscal year ended May 31, 2026. The increase was primarily driven by net investment income of $30,106,895 and net capital share issuances of $6,755,273 during the year.

Statement of Changes in Net Position: The Statement of Changes in Net Position presents the Fund's activity for the year ended May 31, 2026. Changes in the Fund's net position primarily relate to net capital shares issued and the net investment income earned during the year. Investment income is driven by a combination of the amount of investable assets and the prevailing short-term interest rate environment, which impacts the yields available on investments purchased by the Fund. Realized gains or losses on the sale of investments occur when investments are sold for amounts greater or less than their carrying value. Activity within the Fund is outlined below for the current and prior fiscal years:

	Year Ended	
	May 31, 2026	May 31, 2025
Investment Income	$ 32,792,425	$ 39,084,085
Net Expenses	(2,685,530)	(2,986,664)
Net Investment Income	30,106,895	36,097,421
Net Realized Gain on Sale of Investments	3,067	7,085
Net Capital Shares Issued	6,755,273	50,088,805
Change in Net Position	$ 36,865,235	$ 86,193,311

The Fund's net position increased approximately 4% year-over-year, primarily as a result of net capital shares issued, reflected above. Average net assets increased approximately 1% from the prior fiscal year. Despite the modest increase in investable assets, investment income decreased approximately 16% year-over-year. This decline was primarily attributable to the lower short-term interest rate environment during fiscal year 2026. During the fiscal year, the Federal Reserve implemented three rate cuts totaling 75 basis points, reducing the federal funds target range to 3.50%–3.75% at year-end, compared with cumulative rate cuts of 100 basis points during fiscal year 2025. The lower yield environment more than offset the benefit of higher average net assets and resulted in reduced investment income.

A significant portion of the Fund's gross expenses are calculated as a percentage of average net assets. Accordingly, gross expenses remained generally consistent with the approximately 1% increase in average net assets. Net expenses decreased approximately 10% compared with the prior fiscal year. Fiscal year 2025 included reimbursements of previously waived management and consulting fees, which concluded during the second half of that fiscal year after all recoverable waivers had been fully reimbursed. The absence of these reimbursements during fiscal year 2026 contributed to the decline in net expenses from the prior year.

The total return of the Fund for the year ended May 31, 2026 was 3.75%, down from 4.57% for the year ended May 31, 2025. Select financial highlights for the Fund for the current fiscal year, as compared to the prior fiscal year, are as follows:

	Year Ended	
	May 31, 2026	**May 31, 2025**
Ratio of Net Investment Income to Average Net Assets	3.72%	4.49%
Ratio of Net Investment Income to Average Net Assets, Before Fees Reimbursed and Expenses Paid Indirectly	3.72%	4.53%
Ratio of Expenses to Average Net Assets	0.33%	0.37%
Ratio of Expenses to Average Net Assets, Before Fees Reimbursed and Expenses Paid Indirectly	0.33%	0.33%

The Fund's ratio of net investment income to average net assets, both before and after factoring in fees reimbursed and expenses paid indirectly, decreased year-over-year. This decline is primarily attributed to the decline in interest rates as previously noted. The Fund's ratio of expenses to average net assets decreased to 0.33% for the year ended May 31, 2026, from 0.37% for the year ended May 31, 2025. Excluding the impact of fees reimbursed and expenses paid indirectly, the ratio of expenses to average net assets remained unchanged at 0.33% in both fiscal years.

Reimbursements of previously waived management and consulting fees, which ceased during the second half of fiscal year 2025, increased the ratio of net investment income and expenses to average net assets by 0.04% for the year ended May 31, 2025. There was no corresponding impact on these ratios during the year ended May 31, 2026.

Statement of Net Position

May 31, 2026

Assets	
Investments	$1,008,176,604
Cash and Cash Equivalents	276,424
Interest Receivable	2,945,942
Receivable for Matured Securities	23,000,000
Prepaid Expenses	10,438
Total Assets	1,034,409,408
Liabilities	
Subscriptions Received in Advance	5,324
Redemptions Payable	19,370
Investment Advisory and Administration Fees Payable	201,401
Consulting Fees Payable	48,336
Banking Fees Payable	14,656
Legal Fees Payable	11,074
Audit Fees Payable	34,170
Other Expenses Payable	8,263
Total Liabilities	342,594
Net Position	
(applicable to 1,034,066,814 outstanding shares of beneficial interest; unlimited authorization; no par value; equivalent to $1.00 per share)	$1,034,066,814

Statement of Changes in Net Position

For the Year Ended May 31, 2026

Income	
Investment Income	$ 32,792,425
Expenses	
Investment Advisory and Administration Fees	2,022,888
Consulting Fees	485,493
Banking Fees	63,825
Legal Fees	61,923
Audit Fees	34,266
Other Expenses	22,356
Total Expenses	2,690,751
Expenses Paid Indirectly	(5,221)
Net Expenses	2,685,530
Net Investment Income	30,106,895
Other Income	
Net Realized Gain on Sale of Investments	3,067
Net Increase from Investment Operations Before Capital Transactions	30,109,962
Capital Shares Issued	1,097,183,853
Capital Shares Redeemed	(1,090,428,580)
Change in Net Position	36,865,235
Net Position – Beginning of Year	997,201,579
Net Position – End of Year	$ 1,034,066,814

The accompanying notes are an integral part of this financial statement.

Notes to Financial Statements

A. Organization and Reporting Entity

The Nebraska Liquid Asset Fund (the Fund) was established on March 23, 1988 as the Nebraska School District Liquid Asset Fund Plus, pursuant to the Interlocal Cooperation Act and Article XV, Section 18 of the Nebraska State Constitution. Under its original Declaration of Trust and Interlocal Agreement (Declaration of Trust) establishing the Fund, shares of the Fund were offered exclusively to Nebraska school districts, educational service units and technical community colleges. The Declaration of Trust was amended, restated and readopted effective February 5, 2008, to change the name of the Fund to Nebraska Liquid Asset Fund and to expand the authorized Participants of the Fund to add Nebraska public agencies and other political subdivisions. The objective of the Fund is to provide a high yield for the Participants while maintaining liquidity and preserving capital by investing only in instruments permitted by Nebraska law. The Fund commenced operations on May 27, 1988.

An objective of the Fund is to maintain a net asset value of $1 per share, but there can be no assurance that the net asset value will not vary from $1. Shares are issued and redeemed at the net asset value per share next determined after receipt of a request. The Fund has not provided or obtained any legally binding guarantees to support the value of the shares. All participation in the Fund is voluntary. The Fund is not required to register as an investment company with the Securities & Exchange Commission (SEC).

The Fund's financial statements presented within this Annual Report have been prepared in conformity with the reporting framework prescribed by the Governmental Accounting Standards Board (GASB) for local government investment pools.

B. Summary of Significant Accounting Policies

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

Measurement Focus and Basis of Accounting

The Fund reports transactions and balances using the economic resources management focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Cash and Cash Equivalents

The Fund reflects cash on deposit in bank accounts which is available within one business day as cash and cash equivalents. Certificates of deposit are disclosed separately as investments in the financial statements.

Valuation of Investments

In accordance with the authoritative guidance on fair value measurements and disclosures under GASB Statement No. 72, as amended, the Fund discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) 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 Fund's own assumptions for determining fair value.

The Fund's 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, securities held by the Fund are valued at amortized cost, which approximates fair value. GASB Statement No. 79 requires a comparison of the Fund'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 are generally derived from closing bid prices as of the last business day of the month as supplied by third-party pricing services. Third-party pricing services may also use matrix pricing or valuation models that utilize certain inputs and assumptions to derive values such as recent transaction data, market data, credit quality, perceived market movements, news or other relevant information. If independent prices are unavailable or unreliable, the Fund's adviser will determine market values using pricing methodologies which consider similar factors that would be used by third-party pricing services. 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 Fund as of May 31, 2026 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.

Repurchase Agreements

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

Share Valuation and Participant Transactions

The net asset value (NAV) per share of the Nebraska Liquid Asset Fund is calculated as of the close of each business day by dividing the net position of the Fund by the number of outstanding shares. It is the Fund's objective to maintain a NAV of $1.00 per share; however, there is no assurance that this objective will be achieved. The exact price for share transactions will be determined based on the NAV next calculated after receipt of a properly executed order. The number of shares purchased or redeemed will be determined by the NAV.

Dividends and Distributions

On a daily basis, the Fund 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 Fund's net asset value and are distributed to each investor's account by purchase of additional shares of the Fund on the last business day of each month. For the year ended May 31, 2026, the Fund distributed dividends totaling $30,109,962.

Redemption Restrictions

Shares of the Fund 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 may temporarily suspend the right of withdrawal or postpone the date of payment of redemption proceeds for the whole or any part of any period: (1) during which there shall have occurred any state of war, national emergency, banking moratorium or suspension of payments by banks in the State of Nebraska or any general suspension of trading or limitation or prices on the New York or American Stock Exchange or (2) during which any financial emergency situation exists as a result of which disposal by the Fund of fund property is not reasonably practicable because of the substantial losses which might be incurred or it is not reasonably practicable for the Fund to determine the value of its net assets.

Use of Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts and disclosures 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 State income tax upon the income realized by it. Accordingly, no provision for income taxes is required in the Fund's financial statements.

Representations and Indemnifications

In the normal course of business, the Fund may enter 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 September 10, 2026, the date the financial statements are available to be issued. No events have taken place that meet the definition of a subsequent event requiring adjustment or disclosure in these financial statements.

C. Investment Risks

Under GASB Statement No. 40, as amended, State and Local governments and other municipal entities are required to disclose credit risk, concentration of credit risk, and interest rate risk for investment portfolios. The following risk disclosures of the Fund as of May 31, 2026 have been provided for the information of the Fund's investors.

Credit Risk

The Fund's investment policy, as outlined in its Information Statement, limits the Fund's investments to certain fixed income instruments which school entities are permitted to invest in under Nebraska law.

As of May 31, 2026, the Fund's investment portfolio was comprised of investments which were, in aggregate, rated by S&P Global Ratings (S&P) as follows:

S&P Rating	%
AAAm	0.50%
AA+	58.08%
A-1+	20.46%
Exempt(1)	20.96%

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

The ratings of the investments in the preceding table include the ratings of collateral underlying repurchase agreements in effect as of May 31, 2026. Securities with a long-term rating of A or higher are equivalent to the highest short-term rating category based on S&P rating methodology.

Concentration of Credit Risk

As outlined in the Fund's Information Statement, the Fund's investment policy establishes certain restrictions on investments and limitations on portfolio composition. As of May 31, 2026, the Fund included the following issuers, aggregated by affiliated issuers where applicable, which individually represented greater than 5% of the Fund's total investment portfolio:

Issuer	%
BNP Paribas (1)	9.19%
BofA Securities, Inc. (1)	7.94%
Credit Agricole Corporate & Investment Bank (NY) (1)	12.32%
Citigroup Global Markets, Inc. (1)	7.44%
Federal Farm Credit Bank	19.85%
Federal Home Loan Bank	21.69%
U.S. Treasury	18.90%

(1) These issuers are also counterparty to repurchase agreements entered into by the Fund. These repurchase agreements are collateralized by U.S. government and agency obligations.

Interest Rate Risk

The Fund's investment policies limit its exposure to market value fluctuations due to changes in interest rates by requiring that it maintain a dollar-weighted average maturity of not greater than 60 days. As of May 31, 2026, the weighted average maturity of the Fund's portfolio, including cash and cash equivalents, was 53 days. The range of yields, actual maturity dates, principal values, fair values and weighted average maturities of the types of investments the Fund held as of May 31, 2026 are as follows:

Type of Deposits and Investments	Yield-to-Maturity Range	Maturity Range	Principal	Fair Value	Weighted Average Maturity
Cash and Cash Equivalents	n/a	n/a	$ 276,424	$ 276,424	1 Day
Money Market Funds	3.57%	n/a	5,000,000	5,000,000	7 Days
Government Agency and Instrumentality Obligations:					
Agency Discount Notes	3.55%-3.72%	7/9/26-11/27/26	105,500,000	104,580,812	90 Days
Agency Notes	3.60%-3.91%	6/3/26-7/19/27	314,409,000	314,183,855	35 Days
U.S. Treasury Bills	3.60%-3.64%	6/23/26-9/3/26	77,000,000	76,721,266	39 Days
U.S. Treasury Notes	3.52%-4.12%	6/30/26-6/15/27	114,000,000	113,790,671	259 Days
Repurchase Agreements	3.61%-3.68%	6/1/26-8/10/26	393,900,000	393,900,000	4 Days
			$1,010,085,424	$ 1,008,453,028	

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 as of May 31, 2026. The weighted average maturities shown in the preceding table are calculated based on the stated maturity dates with the following exceptions: (1) floating or variable rate securities are assumed to have an effective maturity of the date upon which the security's interest rate next resets; (2) the effective maturity of callable securities is assumed to be its stated maturity unless the security had been called as of the reporting date, in which case the effective maturity would be assumed to be its called date; (3) for instruments subject to demand features, the effective maturity is assumed to be the period remaining until the principal amount of the instrument may be recovered through the demand features; 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

Investment Advisory, Administration and Marketing Fees

PFM Asset Management (PFMAM or Investment Manager) is a division of U.S. Bancorp Asset Management, Inc. (USBAM) and serves as the investment adviser to the Fund. USBAM is registered with the SEC as an investment advisor under the Investment Advisors Act of 1940 (Advisors Act). Pursuant to its contract with the Fund, PFMAM provides investment management services to the Fund, including investment advisory, distribution, shareholder accounting and certain administrative services. Fees for all management services provided to the Fund are calculated at an annual rate equal to 0.25% of the Fund's average daily net assets. Such fee is calculated daily and paid monthly.

U.S. Bancorp Investments, Inc. (USBI), an affiliate of USBAM, is a member of the Financial Industry Regulatory Authority (FINRA) and Securities Investor Protection Corporation (SIPC). USBI is the Fund's distributor.

Consulting Fees

The Fund has separate consulting agreements with the Nebraska Council of School Administrators (NCSA) and Nebraska Association of School Boards (NASB), referred to as the Consultants. Pursuant to these agreements, the Consultants, as representatives of the Fund, advise on applicable and pending state laws affecting the Fund, facilitate and publicize informational meetings and seminars featuring Fund representatives, provide mailing lists of potential Participants, and permit the use of their logos. The Consultants are each paid a fee at an annual rate equal to 0.03% of the Fund's average daily net assets. Such fee is calculated daily and paid monthly.

Fee Deferral Agreements

The Fund has entered into separate Fee Deferral Agreements (each a Fee Deferral Agreement or, collectively, the Fee Deferral Agreements) with each Consultant and with the Investment Manager (each a Service Provider), pursuant to which each Service Provider individually may, but shall not be obligated to, temporarily waive a portion of its fees to assist the Fund in an attempt to maintain a positive yield. In the event that a Service Provider elects to initiate a fee deferral, such fee deferral shall be applicable to the computation of the NAV of the Fund on the business day immediately following the date on which the Service Provider gives notice to the Fund of the rate of the fee deferral to be applied in calculating the NAV. A fee deferral shall remain in effect until notice is provided to the Fund by the Service Provider regarding its intent to terminate its fee deferral or revise, upward or downward, the rate of its fee deferral.

Under the terms of the Fee Deferral Agreement with each Service Provider, at any time after a fee deferral has occurred, and if the monthly distribution yield of the Fund was in excess of 0.50% per annum for the preceding calendar month, the relevant Service Provider may elect to have the amount of its accumulated deferred fees recaptured in whole or in part under the conditions described in the Service Provider's Fee Deferral Agreement with the Fund by way of a payment of fees in excess of the rate it was entitled to, prior to any fee deferral, all as set forth in the respective Fee Deferral Agreement. In all cases, the total fees paid to each Service Provider in a given month, inclusive of the amount of any accumulated deferred fees to be recaptured, may not exceed 115% of the fees payable under the terms of each Service Provider's related agreement with the Fund. Any fees recaptured under the Fee Deferral Agreements may only be recaptured during the three-year period following the calendar month to which they relate. No amounts were deferred during the year and there are no prior deferral amounts outstanding.

Other Fund Expenses

USBAM is a subsidiary of U.S. Bank, National Association (U.S. Bank). U.S. Bank serves as the Fund's custodian. During the year ended May 31, 2026, the Fund accrued banking fees to the Custodian totaling $58,604, after factoring in $5,221 of earnings credits on available cash balances, and $14,656 of these fees remain payable by the Fund as of May 31, 2026.

The Fund pays expenses incurred by its Trustees and officers (in connection with the discharge of their duties), insurance fees for Trustees, audit fees, legal fees, rating fees and other operating expenses.

Other Information (unaudited)

Schedule of Investments (unaudited)

May 31, 2026

Rate[1]	Maturity Date[2]		Principal	Fair Value[3]
Government Agency and Instrumentality Obligations (58.93%)				
Federal Farm Credit Bank Notes				
3.72% [4]	6/3/26	....	$13,000,000	$13,000,019
3.69% [4]	7/15/26	....	10,000,000	10,000,000
3.72% [4]	7/17/26	....	9,000,000	9,000,000
3.71% [4]	8/7/26	....	1,750,000	1,750,119
3.66%	8/14/26	....	3,500,000	3,505,893
3.75% [4]	8/28/26	....	3,000,000	3,000,469
3.67% [4]	9/17/26	....	8,000,000	7,999,919
3.69% [4]	11/12/26	....	25,000,000	25,001,423
3.69% [4]	11/13/26	....	7,000,000	7,000,000
3.69% [4]	1/26/27	....	4,000,000	4,000,000
3.66% [4]	2/12/27	....	7,000,000	7,000,000
3.66% [4]	2/26/27	....	25,000,000	24,997,185
3.71% [4]	3/10/27	....	5,750,000	5,750,802
3.70%	3/16/27	....	2,500,000	2,496,213
3.72% [4]	4/6/27	....	8,000,000	8,000,000
3.81%	4/7/27	....	3,500,000	3,501,745
3.67% [4]	4/23/27	....	2,000,000	2,000,000
3.72% [4]	4/29/27	....	10,350,000	10,351,915
3.71% [4]	5/12/27	....	12,000,000	12,000,000
3.74% [4]	6/23/27	....	29,000,000	29,009,691
3.78% [4]	7/19/27	....	2,600,000	2,602,002
Federal Farm Credit Bank Notes (Callable)				
3.69%	8/13/26	....	1,000,000	994,025
3.69%	8/13/26	....	2,000,000	1,988,168
3.60%	12/16/26	....	2,209,000	2,175,518
3.91%	6/4/27	....	3,000,000	3,000,000
Federal Home Loan Bank Discount Notes				
3.65%	7/9/26	....	15,000,000	14,942,525
3.55%	7/10/26	....	13,000,000	12,950,877
3.61%	7/31/26	....	33,500,000	33,300,308
3.59%	8/14/26	....	5,000,000	4,963,771
3.60%	8/26/26	....	3,000,000	2,974,630
3.59%	9/21/26	....	5,000,000	4,945,245
3.71%	9/25/26	....	4,000,000	3,953,020
3.68%	10/23/26	....	10,000,000	9,855,640
3.72%	11/25/26	....	12,000,000	11,784,296
3.68%	11/27/26	....	5,000,000	4,910,500
Federal Home Loan Bank Notes				
3.71% [4]	7/23/26	....	10,000,000	10,000,000
3.63% [4]	7/29/26	....	20,000,000	20,000,000
3.63% [4]	8/21/26	....	35,000,000	35,000,000
3.66% [4]	9/25/26	....	5,000,000	4,999,961

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

Schedule of Investments (unaudited)

May 31, 2026

Rate[1]	Maturity Date[2]		Principal	Fair Value[3]
Federal Home Loan Bank Notes (Cont.)				
3.71% [4]	11/6/26		$5,000,000	$5,000,000
3.71% [4]	1/5/27		6,000,000	6,000,000
3.72% [4]	2/25/27		7,000,000	6,999,774
3.71%	3/10/27		1,340,000	1,342,926
3.69% [4]	3/25/27		3,000,000	3,000,188
Federal Home Loan Bank Notes (Callable)				
3.79%	9/30/26		2,420,000	2,398,961
3.77%	10/29/26		2,490,000	2,464,375
3.73%	2/26/27		7,000,000	6,858,472
3.64%	4/2/27		1,000,000	998,903
3.67%	4/9/27		2,000,000	1,995,189
3.85%	4/14/27		2,000,000	2,000,000
3.87%	5/28/27		5,000,000	5,000,000
U.S. Treasury Bills				
3.62%	6/23/26		15,000,000	14,966,908
3.61%	7/2/26		40,000,000	39,876,241
3.64%	7/9/26		15,000,000	14,942,683
3.60%	9/3/26		7,000,000	6,935,434
U.S. Treasury Notes				
4.12%	6/30/26		4,000,000	3,993,076
4.12%	6/30/26		3,000,000	3,001,169
3.89%	8/31/26		4,000,000	3,975,620
3.71%	8/31/26		5,000,000	5,000,415
3.72%	10/31/26		21,000,000	20,779,596
3.64%	12/31/26		5,000,000	4,932,141
3.77%	1/31/27		2,000,000	1,970,387
3.82%	1/31/27		3,000,000	3,005,919
3.85%	2/28/27		3,000,000	3,005,924
3.52%	3/15/27		4,000,000	4,022,395
3.55%	3/31/27		11,000,000	11,028,733
3.67%	4/15/27		1,000,000	1,007,049
3.74%	4/30/27		5,000,000	4,956,208
3.77%	4/30/27		5,000,000	4,999,097
3.74%	5/15/27		15,000,000	15,105,602
3.85%	5/31/27		6,000,000	5,928,684
3.81%	5/31/27		7,000,000	7,004,442
3.89%	6/15/27		10,000,000	10,074,214
Total Government Agency and Instrumentality Obligations				609,276,604

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

Schedule of Investments (unaudited)

May 31, 2026

Rate[1]	Maturity Date[2]		Principal	Fair Value[3]
Repurchase Agreements (38.09%)				
BNP Paribas SA				
3.68%	6/8/26[5]		$7,000,000	$7,000,000
		(Dated 3/19/26, repurchase price $7,062,969, collateralized by Fannie Mae obligations, 2.00%-7.50%, maturing 12/1/32-3/1/56, fair value $3,545,853, Freddie Mac obligations, 2.00%-6.50%, maturing 3/1/40-5/1/56, fair value $1,286,405, and Ginnie Mae obligations, 2.50%-7.50%, maturing 1/20/46-3/20/56, fair value $2,361,752)		
3.65%	6/8/26[5]		7,000,000	7,000,000
		(Dated 4/8/26, repurchase price $7,088,006, collateralized by U.S. Treasury obligations, 0.00%-4.125%, maturing 8/15/29-11/15/45, fair value $7,179,092)		
3.65%	6/8/26[5]		9,000,000	9,000,000
		(Dated 5/12/26, repurchase price $9,082,125, collateralized by Fannie Mae obligations, 1.77%-7.00%, maturing 3/1/27-4/1/56, fair value $3,753,939, Federal Farm Credit Banks obligations, 2.22%, maturing 8/12/36, fair value $64,469, Freddie Mac obligations, 2.00%-6.50%, maturing 10/1/32-4/1/56, fair value $542,068, Ginne Mae obligations, 3.00%-8.00%, maturing 8/15/29-10/20/65, fair value $4,739,086, and U.S. Treasury obligations, 1.25%, maturing 6/30/28, fair value $99,052)		
3.61%	6/1/26		60,700,000	60,700,000
		(Dated 5/29/26, repurchase price $60,718,261, collateralized by U.S. Treasury obligations, 0.00%-5.25%, maturing 6/9/26-8/15/54, fair value $61,932,635)		
3.65%	6/8/26[5]		9,000,000	9,000,000
		(Dated 3/2/26, repurchase price $9,111,325, collateralized by U.S. Treasury obligations, 0.00%-6.125%, maturing 11/15/26-8/15/55, fair value $9,264,698)		
BofA Securities, Inc.				
3.63%	6/1/26		75,000,000	75,000,000
		(Dated 5/29/26, repurchase price $75,022,688, collateralized by Fannie Mae obligations, 2.00%-6.50%, maturing 3/1/32-5/1/56, fair value $4,696,596, Freddie Mac obligations, 3.50%-6.22%, maturing 1/1/41-5/1/49, fair value $11,940,561, and Ginnie Mae obligations, 1.50%-7.00%, maturing 3/20/27-10/20/64, fair value $59,885,986)		
3.65%	6/8/26[5]		5,000,000	5,000,000
		(Dated 4/8/26, repurchase price $5,045,625, collateralized by U.S. Treasury obligations, 0.00%-4.50%, maturing 7/31/26-2/15/54, fair value $5,127,923)		

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

Schedule of Investments (unaudited)

May 31, 2026

Rate[1]	Maturity Date[2]		Principal	Fair Value[3]
Citigroup Global Markets, Inc.				
3.61%	6/1/26		$75,000,000	$75,000,000
(Dated 5/29/26, repurchase price $75,022,563, collateralized by U.S. Treasury obligations, 1.875%-4.00%, maturing 8/15/51-11/15/52, fair value $76,523,057)				
Credit Agricole Corporate & Investment Bank (NY)				
3.62%	6/1/26		78,200,000	78,200,000
(Dated 5/29/26, repurchase price $78,223,590, collateralized by Fannie Mae obligations, 4.10%, maturing 4/22/31, fair value $3,996,879, Federal Farm Credit Banks obligations, 2.09%-5.57%, maturing 3/9/28-4/30/46, fair value $27,308,521, Freddie Mac obligations, 4.05%-6.75%, maturing 3/15/31-3/17/31, fair value $3,421,406, and U.S. Treasury obligations, 0.00%-4.00%, maturing 8/13/26-2/15/51, fair value $45,037,194)				
3.67%	6/4/26		11,000,000	11,000,000
(Dated 3/6/26, repurchase price $11,100,925, collateralized by Fannie Mae obligations, 4.00%-7.50%, maturing 10/1/32-3/1/56, fair value $780,595, Federal Farm Credit Banks obligations, 5.70%, maturing 9/8/45, fair value $1,219,088, Freddie Mac obligations, 2.00%-4.50%, maturing 7/1/50-9/1/52, fair value $46,255, Ginne Mae obligations, 3.00%-7.50%, maturing 9/20/46-9/20/65, fair value $8,914,423, and U.S. Treasury obligations, 0.00%-3.50%, maturing 1/31/30-11/15/41, fair value $259,638)				
3.67%	6/8/26[5]		9,000,000	9,000,000
(Dated 3/12/26, repurchase price $9,082,575, collateralized by Fannie Mae obligations, 2.50%-7.50%, maturing 8/1/46-1/1/56, fair value $92,272, Freddie Mac obligations, 1.50%-6.50%, maturing 12/1/47-3/1/56, fair value $333,403, and Ginnie Mae obligations, 3.00%-7.50%, maturing 7/15/39-3/20/56, fair value $5,317,437, and U.S. Treasury obligations, 0.00%, maturing 5/15/49-8/15/53, fair value $3,436,889)				
3.67%	6/8/26[5]		18,000,000	18,000,000
(Dated 4/28/26, repurchase price $18,165,150, collateralized by Fannie Mae obligations, 3.287%-7.50%, maturing 4/1/53-5/1/56, fair value $3,460,937, Freddie Mac obligations, 4.50%-6.00%, maturing 1/1/35-3/1/56, fair value $21,148, and Ginnie Mae obligations, 3.00%-7.50%, maturing 10/20/47-9/20/55, fair value $14,877,915)				

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

Schedule of Investments (unaudited)

May 31, 2026

Rate[1]	Maturity Date[2]		Principal	Fair Value[3]
Credit Agricole Corporate & Investment Bank (NY) (Cont.)				
3.64%	6/8/26[5]		$8,000,000	$8,000,000
		(Dated 4/9/26, repurchase price $8,073,609, collateralized by Fannie Mae obligations, 2.00%-6.50%, maturing 10/1/48-5/1/56, fair value $876,485, Federal Farm Credit Banks obligations, 5.15%, maturing 1/29/46, fair value $9,988, Freddie Mac obligations, 2.50%-7.00%, maturing 12/1/47-3/1/56, fair value $357,331, Ginne Mae obligations, 3.00%-7.50%, maturing 9/15/40-9/20/65, fair value $12,501, and U.S. Treasury obligations, 0.00%-4.75%, maturing 3/31/27-11/15/52, fair value $6,903,703)		
Goldman Sachs & Co.				
3.62%	6/2/26		22,000,000	22,000,000
		(Dated 5/26/26, repurchase price $22,015,486, collateralized by Freddie Mac obligations, 3.00%, maturing 4/1/52, fair value $2,454,217, Ginne Mae obligations, 5.50%-6.20%, maturing 4/20/55-6/15/59, fair value $19,999,322)		
Total Repurchase Agreements				393,900,000
Money Market Funds (0.48%)			**Shares**	**Fair Value[3]**
DWS Government Cash Management Money Market Fund				
3.57%			5,000,000	5,000,000
Total Money Market Funds				5,000,000
Total Investments (97.50%) (Amortized Cost $1,008,176,604)				1,008,176,604
Other Assets and Liabilities, Net (2.50%)				25,890,210
Net Position (100.00%)				$1,034,066,814

(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 May 31, 2026.

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

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

Consultants

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John Spatz, Executive Director

Nebraska Council of School Administrators
Dr. Michael Dulaney, Executive Director

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