

INSTITUTIONAL  
MONEY MARKET  
FUND

*July 29, 2011*

PROSPECTUS ENCLOSED



# Institutional Money Market Fund

Prospectus

July 29, 2011

Fund Name	Cusip
Institutional Money Market Fund	926902943

**As with other mutual funds, the Securities and Exchange Commission has not approved or disapproved these securities or passed upon the adequacy of this prospectus. Any representation to the contrary is a criminal offense.**

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## Investment Objective Goals

The investment objectives of the Fund are safety of principal and liquidity, and to the extent consistent with these objectives, maximum current income. The Fund is a "money market fund" that seeks to maintain a stable net asset value of \$1.00 per share. The Fund accepts investments from "Educational Institutions" qualified to invest in SEC-registered money market funds under all applicable federal and state laws and regulations.

## FEES AND EXPENSES OF THE FUND

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

### Shareholder Transaction Expenses

(Fees paid directly from your investment).....**NONE**

<b>ANNUAL FUND OPERATING EXPENSES(expenditures that you pay each year as a percentage value of your investment)</b>	
Management Fees <sup>(1)</sup>	0.35%
Distribution (12b-1) Fees	0.00%
Other Expenses <sup>(1)</sup>	0.39%
Acquired funds fees and expenses <sup>(2)</sup>	0.00%
<b>Total Fund Operating Expenses<sup>(1)</sup></b>	<b>0.74%</b>

<sup>1</sup> **The Fund's Adviser is currently voluntarily waiving or reimbursing all or a portion of management fees and other expenses such that total fund operating expenses are currently accruing at 0.12 percent.** The Adviser may eliminate all or part of waivers or payments at any time.

<sup>2</sup> The Fund's shareholders indirectly bear the expenses of the acquired funds in which the Fund invests. The Fund's indirect expenses from investing in the acquired funds are based upon the average allocation of the Fund's investments in the acquired funds for the fiscal year ended March 31, 2011 and upon the actual total operating expenses from their most recent shareholders reports (including any current waivers). Actual acquired fund expenses incurred by the Fund may vary with changes in the allocation of the Fund's assets among the acquired funds and with other events that directly affect the expenses of the acquired funds. For the fiscal year ended March 31, 2011 these "Acquired Fund Fees and Expenses" were 0.00 percent. There were no investments in other money market funds.

## EXPENSE EXAMPLE

The Expense Example below is provided to help you compare the cost of investing in the Fund with the cost of investing in other money market funds. The Expense Example assumes that you invest \$10,000 in the Fund for the periods indicated. As you pay no redemption fees or charges if you redeem your shares, the costs are same if you do or do not redeem your shares at the end of the period. The Expense Example also assumes that your investment has a 5 percent return each year and that the Fund's total operating expenses (not accounting for the voluntary waivers and fee reimbursements) stay the same. Your actual costs may be higher or lower, but based on these assumptions your costs would be:

<b>EXPENSE EXAMPLES</b>	
After 1 year	\$76
After 3 years	\$237
After 5 years	\$411
After 10 years	\$918

## Risk Return Summary: Investments, Risks and Performance

### Principal Investment Strategies

The Fund pursues its objectives by maintaining a portfolio of high-quality money market securities. The Fund primarily invests in:

- U.S. Treasury bills, notes and other obligations issued or guaranteed by the U.S. Government, its agencies, or instrumentalities;
- redeemable interest-bearing ownership certificates issued by one or more guaranteed loan trusts created for the purpose of acquiring participation interests in the guaranteed portion of Farmer's Home Administration guaranteed loans;
- certificates of deposit and bankers' acceptances issued by U.S. banks that have assets in excess of \$10,000,000, and obligations of other banks or savings and loans insured by the FDIC (including CDARS) and credit unions insured by NCUA; and
- repurchase agreements collateralized by the types of securities listed above.

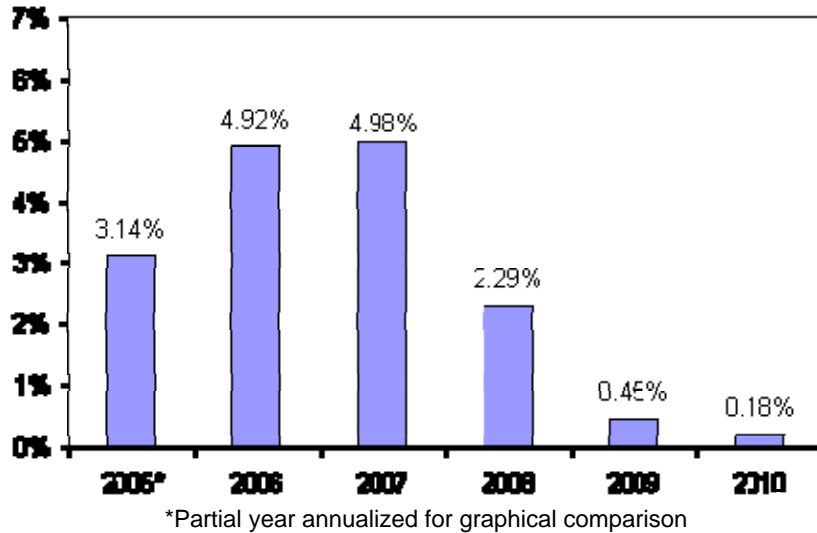
### Principal Risks

The principal risks of investing in the Fund are interest rate risk, credit risk and security selection risk. An investment in the Fund is not a deposit in a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.

- **Interest Rate Risk.** This is the risk that returns will fluctuate more than expected because of changes in the level of interest rates.
- **Credit Risk.** This is the risk associated with the ability of the firm that issues or guarantees securities to meet its obligations on those securities or guarantees.
- **Security Selection Risk.** This risk is the possibility that the choices in selecting securities do not perform as well as alternative securities.

## Performance

### Calendar Year Chart



The Fund commenced operations on March 7, 2005. The total return for the quarter ended June 30, 2011 was 0.02 percent. During the period shown in the bar chart, the highest return for a quarter was 1.30 percent (quarter ending 09/30/06) and the lowest return for a quarter was 0.04 percent (quarter ending 12/31/10).

#### Average Annual Total Return as of 12/31/10

	1 Year	3 Year	5 Year	Since Inception*
Institutional Money Market Fund	0.18%	0.97%	2.54%	2.62%

\*Inception Date 03/07/05, total return is annualized.

To obtain current yield information for the Fund, please call 866-720-2995.

## DESCRIPTION OF THE FUND

This section of the Prospectus provides a more complete description of the Fund's investment objectives, principal strategies, and risks. There can, of course, be no assurance that the Fund will achieve its investment objectives.

**Objectives** The Fund's investment objectives are safety of principal and liquidity, and to the extent consistent with these objectives, maximum current income. As a money market fund, the Fund must meet the requirements of SEC Rule 2a-7. The Rule imposes strict requirements on the investment quality, maturity, and diversification of the Fund's investments. Under Rule 2a-7, the Fund's investments must each have a remaining maturity of no more than 397 days and the Fund must maintain an average weighted maturity that does not exceed 60 days.

**Principal Investment Strategies** The Fund pursues its objectives by investing in high-quality money market obligations. The Fund is offered to public and private K-12 schools, community colleges and other post secondary educational institutions (collectively "Educational Institutions") and qualifies as a legal investment for public schools, agencies and local governments under the laws of the state of Iowa and many other states. The Fund may invest in:

- U.S. Treasury bills, notes and other obligations issued or guaranteed by the U.S. Government, its agencies, or instrumentalities;
- redeemable interest-bearing ownership certificates issued by one or more guaranteed loan trusts created for the purpose of acquiring participation interests in the guaranteed portion of Farmer's Home Administration guaranteed loans;

- certificates of deposit and bankers' acceptances issued by U.S. banks that have assets in excess of \$10,000,000 and obligations of other banks or savings and loans insured by the FDIC (including CDARS) and credit unions insured by NCUA; and
- repurchase agreements collateralized by the types of securities listed above.

## **Risk Considerations**

The Fund is subject to security selection risk. This risk is the possibility that the securities selected for the Fund do not perform as well as those selected in other funds with similar investments. In addition, specific risks of the Fund's portfolio include:

**Interest Rate Risk.** Because the Fund invests in short-term securities, a decline in interest rates will affect the Fund's yields as these securities mature or are sold and the Fund purchases new short-term securities with lower yields. Generally, an increase in interest rates causes the value of a debt instrument to decrease. The change in value for shorter-term securities is usually smaller than for securities with longer maturities.

**Credit Risk.** This is the risk that a security's credit rating will be downgraded or that the issuer of a security or a guarantor will default (fail to make scheduled interest and principal payments or fail to fulfill its promise to repurchase securities). The Fund invests in securities issued by the Federal National Mortgage Association ("Fannie Mae"), the Federal Home Loan Mortgage Corporation ("Freddie Mac"). The entities while chartered or sponsored by the U.S. Congress, are not funded by appropriations from the U.S. Congress and the debt or mortgage related securities issued by them are neither guaranteed nor insured by the United States Government. Nevertheless, the Fund will invest in only highly rated securities to minimize credit risk.

## **MANAGEMENT OF THE FUND**

### **Investment Advisor**

The Fund's Adviser is Miles Capital, Inc. (Miles Capital), 1415 28th St., Suite 200, West Des Moines, Iowa 50266. Miles Capital provides continuous investment management to pension and profit-sharing plans, insurance companies, public agencies, banks, endowments and charitable institutions, other mutual funds, individuals and others. As of June 30, 2011, Miles Capital had approximately \$3.5 billion in equity, fixed income and money market assets under management. The Board of Directors approved renewal of the investment advisory agreement for one year in March, 2011. A summary of the factors the Board considers each year when the investment advisory agreement is reviewed and renewed are provided in the Fund's Annual Report following the renewal.

Miles Capital provides investment advisory services for the Fund. For these advisory services, the Fund pays Miles Capital a fee of 0.35 percent of average daily net assets of the Fund. Miles Capital currently waives a portion of the fee. Miles Capital may eliminate the fee waiver, in whole or in part at any time.

## **PURCHASE AND SALE OF SHARES**

### **How the Fund Values Its Shares**

The Fund's NAV is calculated at 11:00 a.m. Central Standard Time each day the Federal Reserve Bank ("Fed") and the New York Stock Exchange ("Exchange") is open for business, except days on which there are not sufficient changes in the value of the Fund's portfolio securities that the Fund's net asset value might be materially affected and days during which no shares are tendered for redemption and no orders to purchase shares are received. The Fund may choose to operate on a date when either the Fed or the Exchange is open. Currently, the Fed and the Exchange are closed on New Year's Day, Martin Luther King, Jr. Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day and Christmas Day.

To calculate NAV, a Fund's assets are valued and totaled, liabilities are subtracted, and the balance, called net assets, is divided by the number of shares outstanding. The Fund values its securities at their amortized cost.

This method involves valuing a security at its cost and thereafter applying a constant amortization to maturity of any discount or premium, regardless of the effect of fluctuating interest rates on the market value of the investment.

A purchase order for shares received in good order (as described below under "How To Purchase Shares") by the Fund by 11:00 a.m. Central Standard Time is effected at the net asset value per share calculated as of 11:00 a.m. Central Standard Time, and investors will receive the dividend declared that day.

### **How to Purchase Shares**

Only local and state government agencies and Educational Institutions may purchase shares. There is no minimum investment.

All purchases must be in U.S. Dollars. The Fund may waive its minimum purchase requirement and the Fund may reject a purchase order if it considers it in the best interests of the Fund and its shareholders.

A "good order" to purchase shares of the Fund, first requires that an authorized official complete an Account Application and return it along with ACH instructions and authorization in at least the minimum initial purchase amount, made payable to Institutional Money Market Fund, 1415 28th St., Suite 200, West Des Moines, IA 50266.

Pursuant to federal law, all financial institutions must obtain, verify, and record information that identifies each entity that opens an account. When you open an account, you will be asked for the name, street address, and tax id number for each account owner and person(s) opening an account on behalf of others, such as custodians, agents, trustees, or other authorized signers.

An Account Application form can be obtained by calling the Fund at (866) 720-2995. Subsequent purchases of shares of the Fund may be made at any time by mailing a check, payable to Institutional Money Market Fund to the above address, or by electronic funds transfer if you have completed the appropriate section of the Account Application. The transaction may be initiated electronically through IPASonline, or by calling (866) 720-2995 to arrange transfer from your bank account.

When purchasing your shares by check or electronic funds transfer, the purchase may be delayed until the Fund is reasonably satisfied that the check or electronic funds transfer has been collected (which may take up to 10 business days).

Frequent purchases and redemptions of money market funds is the nature of such funds as the Fund is used for sweep arrangements and as a cash equivalent by many investors. As a result, the Board of Directors has not adopted any policy affecting a shareholder's ability to purchase and redeem shares of the Fund other than those necessary to comply with the Fund's policies and procedures regarding anti-money laundering.

### **How to Sell Shares**

You may redeem your shares (i.e., sell your shares back to a Fund) on any day the Fed and Exchange are open. Your sales price will be the next-determined NAV after the Fund receives your sales request in proper form. Normally, proceeds will be sent to you within 3 business days. If you recently purchased your shares by electronic funds transfer, your redemption payment may be delayed until the Fund is reasonably satisfied that the electronic funds transfer has been collected.

**By Telephone:** You may redeem your shares by telephone request. Call the Fund at (866)720-2995 with instructions on how you wish to receive your redemption proceeds.

**By Internet:** You may initiate your redemption by visiting [www.IPASeducation.org](http://www.IPASeducation.org) on the Internet. Call the Fund at (866)720-2995 to obtain authorization and instructions.

## **Dividends and Distributions**

### **Directed Dividend Option**

You may elect to have all income dividends and capital gains distributions paid by electronic funds transfer or reinvested.

The Directed Dividend Option may be modified or terminated by the Fund at any time after notice to participating shareholders. Participation in the Directed Dividend Option may be terminated or changed by the shareholder at any time by writing the Transfer Agent.

### **Dividends and Capital Gains**

The Fund intends to declare net investment income daily as a dividend to shareholders at the close of business on the day of declaration. The Fund will generally pay such dividends monthly.

The Fund also intends to distribute its capital gains, if any, at least annually, normally in December of each year. A shareholder will automatically receive all income dividends and capital gains distributions in additional full and fractional shares of the Fund at NAV as of the ex-dividend date, unless the shareholder elects to receive dividends or distributions in cash. Such election must be made on the account application; any change in such election must be made in writing to the Fund at 1415 28th St., Suite 200, West Des Moines, Iowa 50266 and will become effective with respect to dividends and distributions having record dates after its receipt by the Transfer Agent.

### **Distribution Arrangements**

In this prospectus the Fund offers only one class of shares. These shares are only available to Educational Institutions as defined in this prospectus. "Educational Institutions" are defined as entities that provide instructional services to individuals or education-related services to individuals and other Educational Institutions, or are actively engaged in activities supporting education, including, but not limited to, preschools, elementary and secondary schools, and postsecondary institutions (including colleges, universities, vocational schools, and other postsecondary educational institutions), as well as other organizations providing support to Educational Institutions.

## FINANCIAL HIGHLIGHTS

The financial highlights table is intended to help you understand the Fund's financial performance for the past five years (or, if shorter, the period of the Fund's operations). The total returns in the table represent the rate that an investor would have earned (or lost) on an investment in the Fund (assuming reinvestment of all dividends and distributions.) Deloitte & Touche LLP audited the information in the table. Their report, along with the Fund's financial statements and financial highlights, are included in the Fund's annual report for fiscal year end 2011, which is available upon request, and incorporated herein by reference.

### Miles Funds, Inc.

#### Financial Highlights

	Institutional Money Market Fund				
	Year Ended March 31,				
	2011	2010	2009	2008	2007
Net Asset Value, Beginning of Period	\$1.000	\$1.000	\$1.000	\$1.000	\$1.000
Net Investment Income	\$0.002	\$0.003	\$0.017	\$0.046	\$0.050
Dividends and Distributions	(\$0.002)	(\$0.003)	(\$0.017)	(\$0.046)	(\$0.050)
Net Asset Value, End of Period	\$1.000	\$1.000	\$1.000	\$1.000	\$1.000
Total Return**	0.16%	0.26%	1.64%	4.58%	5.13%
Ratio of Expenses to Average Net Assets, After Waivers	0.19%	0.32%	0.25%	0.24%	0.21%
Ratio of Net Investment Income to Average Net Assets, After Waivers	0.16%	0.26%	1.66%	4.58%	5.01%
Ratio of Expenses to Average Net Assets, Before Waivers*	0.73%	0.73%	0.74%	0.75%	0.75%
Ratio of Net Investment Income to Average Net Assets, Before Waivers*	(0.37%)	(0.14%)	1.17%	4.08%	4.47%
Net Assets, End of Period (000 Omitted)	\$55,797	\$57,769	\$61,107	\$61,209	\$107,018

\* During the period certain fees were voluntarily reduced. If such voluntary fee reductions had not occurred, the ratios would have been as indicated.

\*\* Total return assumes reinvestment of net investment income and is calculated based on the net asset value of the last business day.

**INVESTMENT ADVISER AND ADMINISTRATOR**

Miles Capital, Inc..  
1415 28th St., Suite 200  
West Des Moines, Iowa 50266

**DISTRIBUTOR**

Foreside Distribution Services, L.P.  
Three Canal Plaza, Suite 100  
Portland, ME 04101

**LEGAL COUNSEL**

Cline, Williams, Wright, Johnson & Oldfather, LLP  
1900 U.S. Bank Building  
233 S. 13th Street  
Lincoln, Nebraska 68508

**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Deloitte & Touche LLP  
400 Locust Street, Suite 740  
Des Moines, Iowa 50309

For more information about the Fund, the following documents will be available:

**Annual/Semi-Annual Reports to Shareholders**

Annual and Semi-Annual Reports to Shareholders contain additional information on the Fund's investments. In the Annual Report, you will find a discussion of the market conditions and investment strategies that significantly affected each Fund's performance during its last fiscal year.

**Statement of Additional Information (SAI)**

The Fund has an SAI, which contains more detailed information about the Fund, including its operations and investment policies. The Fund's SAI is incorporated by reference into (and is legally part of) this Prospectus.

You may request a free copy of the current Annual/Semi-Annual Report or the SAI by contacting the Fund:

By mail: Institutional Money Market Fund.  
1415 28th St., Suite 200  
West Des Moines, Iowa 50266

By phone: For Information and Literature: (866) 720-2995

By email: [inforequest@miles-capital.com](mailto:inforequest@miles-capital.com)

By internet: [www.IPASeducation.org](http://www.IPASeducation.org)

**Or you may view or obtain these documents from the SEC:**

In person: at the SEC's Public Reference Room in Washington, D.C.

By phone: 1-202-942-8090 (For information only)

By mail: Public Reference Section  
Securities and Exchange Commission  
Washington, DC 20549-6009  
(Duplicating fee required)

By email: [PUBLICINFO@SEC.GOV](mailto:PUBLICINFO@SEC.GOV)

By internet: [WWW.SEC.GOV](http://WWW.SEC.GOV)

The Fund's SEC Registration Number is 811-08910.