

# Merrill Lynch Funds For Institutions Series

Merrill Lynch Premier Institutional Fund

Merrill Lynch Institutional Fund

Merrill Lynch Government Fund

Merrill Lynch Treasury Fund

Merrill Lynch Institutional Tax-Exempt Fund

Prospectus

August 28, 2007

This Prospectus contains information you should know before investing, including information about risks. Please read it before you invest and keep it for future reference.

NOT FDIC INSURED  
MAY LOSE VALUE  
NO BANK GUARANTEE

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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# Key Facts

## *Merrill Lynch Premier Institutional Fund at a Glance*

### IMPORTANT DEFINITIONS

In an effort to help you better understand the many concepts involved in making an investment decision, we have defined the highlighted terms in this Prospectus in the sidebar.

#### **U.S. Government**

**Securities** — debt securities issued and/or guaranteed as to principal and interest by the U.S. Government that are supported by the full faith and credit of the United States.

**U.S. Government Agency Securities** — debt securities issued and/or guaranteed as to principal and interest by U.S. Government agencies, that are not direct obligations of the United States. Such securities may not be supported by the full faith and credit of the United States.

**U.S. Government Sponsored Enterprises** — private corporations sponsored by the federal government that have the legal status of government agencies, such as the Federal Home Loan Mortgage Corporation, the Student Loan Marketing Association or the Federal National Mortgage Association. Securities issued by these entities are generally not supported by the full faith and credit of the United States.

### **What are the Fund's investment objectives?**

The Fund's objectives are to seek maximum current income consistent with liquidity and the maintenance of a portfolio of high quality short-term money market securities.

### **What are the Fund's main investment strategies?**

The Fund is a money market mutual fund that is subject to all of the requirements of Rule 2a-7 under the Investment Company Act of 1940, as amended (the "Investment Company Act"). The Fund tries to achieve its objectives by investing in a diversified portfolio of U.S. dollar denominated money market securities. These securities consist primarily of short-term *U.S. Government securities*, *U.S. Government agency securities*, and securities issued by *U.S. government sponsored enterprises* and *U.S. government instrumentalities* bank obligations, commercial paper and *repurchase agreements*. The Fund may also invest in domestic bank obligations and *foreign bank obligations* and other short-term debt securities issued by U.S. and foreign entities. These securities will have remaining maturities of up to 397 days (13 months). The Fund's dollar-weighted average portfolio maturity will not exceed 90 days.

Fund management decides which of these securities to buy and sell based on its assessment of the relative values of different securities and future interest rates. Fund management seeks to improve the Fund's yield by taking advantage of differences in yield that regularly occur between securities of a similar kind.

The Fund is a "feeder" fund that invests all of its assets in Merrill Lynch Premier Institutional Portfolio, a corresponding "master" portfolio (the "Premier Institutional Portfolio") of Master Institutional Money Market LLC (the "Master LLC"). The Premier Institutional Portfolio has the same investment objectives and strategies as the Fund. All investments are made at the Premier Institutional Portfolio level. This structure is sometimes called a "master/feeder" structure. The Fund's investment results will correspond directly to the investment results of the Premier Institutional Portfolio. For simplicity, except where otherwise indicated, this Prospectus uses the term "Fund" to include the Fund's corresponding Portfolio.

### **What are the main risks of investing in the Fund?**

The Fund cannot guarantee that it will achieve its objectives.

An investment in the Fund 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.

The Fund's yield will fluctuate as market conditions and interest rates change and as the short-term securities in its portfolio mature and the proceeds are reinvested in securities with different interest rates.

While the Fund has maintained a constant share price since inception and will continue to try to do so, the following factors could reduce the Fund's income level and/or share price:

- interest rates could rise sharply, causing the Fund's share price to drop
- any of the Fund's holdings could have its credit rating downgraded or could default
- the risks generally associated with dollar-denominated foreign investments, such as economic and political developments, seizure or nationalization of deposits, imposition of taxes or other restrictions on the payment of principal and interest
- the risk that the counterparty to a repurchase agreement will fail to meet its obligations to the Fund

Certain securities in which the Fund may invest, including securities issued by certain government agencies and government sponsored enterprises, are not guaranteed by the U.S. Government or supported by the full faith and credit of the United States.

### Who should invest?

The minimum purchase amount for Merrill Lynch Premier Institutional Fund is \$10,000,000 per account. The Fund may be an appropriate investment for an institution that:

- Is looking for current income and liquidity
- Is looking for preservation of capital
- Is investing with short-term goals in mind, such as for cash reserves

## IMPORTANT DEFINITIONS

### **U.S. Government Instrumentalities** —

supranational entities sponsored by the U.S. and other governments, such as the World Bank or the Inter-American Development Bank.

**Repurchase Agreements** — agreements under which a party sells securities to the Fund and at the same time agrees to repurchase the securities at a particular time and price.

**Foreign Bank Obligations** — debt securities issued by foreign depository institutions and their foreign branches and subsidiaries.

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***Merrill Lynch  
Institutional  
Fund at a  
Glance***

**What are the Fund’s investment objectives?**

The Fund’s objectives are to seek maximum current income consistent with liquidity and the maintenance of a portfolio of high quality short-term money market securities.

**What are the Fund’s main investment strategies?**

The Fund is a money market mutual fund that is subject to all of the requirements of Rule 2a-7 under the Investment Company Act.

The Fund tries to achieve its objectives by investing in a diversified portfolio of U.S. dollar denominated money market securities. These securities primarily consist of short-term U.S. Government securities, U.S. Government agency securities, and securities issued by U.S. Government sponsored enterprises and U.S. Government instrumentalities, bank obligations, commercial paper and repurchase agreements. The Fund may also invest in domestic bank obligations and foreign bank obligations and other short-term debt securities issued by U.S. and foreign entities. These securities will have remaining maturities of up to 397 days (13 months). The Fund’s dollar-weighted average portfolio maturity will not exceed 90 days.

Fund management decides which of these securities to buy and sell based on its assessment of the relative values of different securities and future interest rates. Fund management seeks to improve the Fund’s yield by taking advantage of differences in yield that regularly occur between securities of a similar kind.

The Fund is a “feeder” fund that invests all of its assets in Merrill Lynch Institutional Portfolio, a corresponding “master” portfolio (the “Institutional Portfolio”) of the Master LLC. The Institutional Portfolio has the same investment objectives and strategies as the Fund. All investments are made at the Institutional Portfolio level. This structure is sometimes called a “master/feeder” structure. The Fund’s investment results will correspond directly to the investment results of the Institutional Portfolio. For simplicity, except where otherwise indicated, this Prospectus uses the term “Fund” to include the Fund’s corresponding Portfolio.

**What are the main risks of investing in the Fund?**

The Fund cannot guarantee that it will achieve its objectives.

An investment in the Fund 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.

The Fund’s yield will fluctuate as market conditions and interest rates change and as the short-term securities in its portfolio mature and the proceeds are reinvested in securities with different interest rates.

While the Fund has maintained a constant share price since inception and will continue to try to do so, the following factors could reduce the Fund's income level and/or share price:

- interest rates could rise sharply, causing the Fund's share price to drop
- any of the Fund's holdings could have its credit rating downgraded or could default
- the risks generally associated with dollar-denominated foreign investments, such as economic and political developments, seizure or nationalization of deposits, imposition of taxes or other restrictions on the payment of principal and interest
- the risk that the counterparty to a repurchase agreement will fail to meet its obligations to the Fund

Certain securities in which the Fund may invest, including securities issued by certain government agencies and government sponsored enterprises, are not guaranteed by the U.S. Government or supported by the full faith and credit of the United States.

#### **Who should invest?**

The minimum initial purchase amount for Merrill Lynch Institutional Fund is \$100,000 per account. The Fund may be an appropriate investment for an institution that:

- Is looking for current income and liquidity
- Is looking for preservation of capital
- Is investing with short-term goals in mind, such as for cash reserves

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***Merrill Lynch  
Government  
Fund at a  
Glance***

**What are the Fund's investment objectives?**

The Fund's objectives are to seek current income consistent with liquidity and security of principal by investing in a portfolio of securities issued or guaranteed by the U.S. Government, its agencies or instrumentalities.

**What are the Fund's main investment strategies?**

The Fund is a money market mutual fund that is subject to all of the requirements of Rule 2a-7 under the Investment Company Act. The Fund tries to achieve its objectives by investing all of its assets in U.S. Government securities, U.S. Government agency securities, and securities issued by U.S. Government sponsored enterprises, and repurchase agreements involving the securities described above. The securities in which the Fund invests will have remaining maturities of up to 397 days (13 months). The Fund's dollar-weighted average portfolio maturity will not exceed 90 days.

Fund management decides which of these securities to buy and sell based on its assessment of the relative values of different securities and future interest rates. Fund management seeks to improve the Fund's yield by taking advantage of differences in yield that regularly occur between securities of a similar kind.

**What are the main risks of investing in the Fund?**

The Fund cannot guarantee that it will achieve its objectives.

An investment in the Fund 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.

Certain securities in which the Fund may invest, including securities issued by certain government agencies and government sponsored enterprises, are not guaranteed by the U.S. Government or supported by the full faith and credit of the United States.

The Fund's yield will fluctuate as market conditions and interest rates change and as the short-term securities in its portfolio mature and the proceeds are reinvested in securities with different interest rates.

The Fund is also subject to the risk that the counterparty to a repurchase agreement will fail to meet its obligations to the Fund.

**Who should invest?**

The minimum initial purchase amount for Merrill Lynch Government Fund is \$100,000 per account. The Fund may be an appropriate investment for an institution that:

- Is looking for current income and liquidity
- Is looking for preservation of capital
- Is investing with short-term goals in mind, such as for cash reserves

## Merrill Lynch Treasury Fund at a Glance

### What are the Fund's investment objectives?

The Fund's objectives are to seek current income consistent with liquidity and security of principal by investing in a portfolio of securities that are *direct obligations of the U.S. Treasury*.

### What are the Fund's main investment strategies?

The Fund is a money market mutual fund that is subject to all of the requirements of Rule 2a-7 under the Investment Company Act. The Fund tries to achieve its objectives by investing all its assets in Treasury bills, notes and other direct obligations of the U.S. Treasury. The securities in which the Fund invests will have remaining maturities of up to 397 days (13 months). The Fund's dollar-weighted average portfolio maturity will not exceed 90 days.

Fund management decides which securities to buy and sell based on its assessment of the relative values of different securities and future interest rates. Fund management seeks to improve the Fund's yield by taking advantage of differences in yield that regularly occur between securities of a similar kind.

### What are the main risks of investing in the Fund?

The Fund cannot guarantee that it will achieve its objectives.

An investment in the Fund 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.

The Fund's yield will fluctuate as market conditions and interest rates change and as the short-term securities in its portfolio mature and the proceeds are reinvested in securities with different interest rates.

**Share Reduction Risk** — the risk that the Fund may reduce the number of shares held by its shareholders to maintain a constant net asset value of \$1.00 per share.

### Who should invest?

The minimum initial purchase amount for Merrill Lynch Treasury Fund is \$100,000 per account. The Fund may be an appropriate investment for an institution that:

- Is looking for current income and liquidity
- Is looking for preservation of capital
- Is investing with short-term goals in mind, such as for cash reserves

#### IMPORTANT DEFINITIONS

**Direct Obligations of the U.S. Treasury** — securities issued directly by the U.S. Treasury rather than by any U.S. Government agency or instrumentality that are backed by the full faith and credit of the United States.

# Merrill Lynch Institutional Tax-Exempt Fund at a Glance

## IMPORTANT DEFINITIONS

**Short-Term Securities** — securities with remaining maturities of not more than 397 days (13 months).

**Tax-Exempt Securities** — securities that pay interest that is, in the opinion of bond counsel to the issuer, excludable from gross income for Federal income tax purposes (and does not subject investors to the Federal alternative minimum tax).

### What are the Fund's investment objectives?

The Fund's investment objectives are to seek current income exempt from Federal income taxes, preservation of capital and liquidity available from investing in a diversified portfolio of short-term, high quality tax-exempt money market securities.

### What are the Fund's main investment strategies?

The Fund is a money market mutual fund that is subject to all of the requirements of Rule 2a-7 under the Investment Company Act. The Fund tries to achieve its objectives by investing in a diversified portfolio of *short-term tax-exempt securities*. These securities consist principally of tax-exempt notes and commercial paper, short-term municipal bonds, tax-exempt variable rate demand obligations and short-term tax-exempt derivatives. Certain short-term tax-exempt securities have stated maturities that are longer than 397 days, but give the Fund the right to demand payment from a financial institution within that period. The Fund treats these securities as having a maturity of 397 days or less. The Fund's dollar-weighted average portfolio maturity will not exceed 90 days.

The Fund has adopted a fundamental policy (that may not be changed without shareholder approval) to invest, under normal circumstances, (i) at least 80% of its assets in investments the income from which is exempt from Federal income tax or (ii) its assets so that at least 80% of the income that it distributes will be exempt from Federal income tax. These requirements apply to investments or distributions that are exempt from Federal income tax under both the regular tax rules and the alternative minimum tax rules.

The Fund invests all of its assets in securities that have one of the two highest short term ratings from a nationally recognized rating agency. The Fund also may invest in unrated securities, but only when Fund management, pursuant to authority delegated by the Board of Trustees, determines that the credit quality is comparable to securities that have one of the two highest ratings. Certain securities in which the Fund invests are entitled to the benefit of insurance, guarantees, letters of credit or similar arrangements provided by a financial institution. When this is the case, Fund management may consider the obligation of the financial institution and its creditworthiness in determining whether the security is an appropriate investment for the Fund.

The Fund does not presently intend to invest more than 25% of its total assets in short-term tax-exempt securities of issuers located in the same state. Fund management, as delegated by the Fund's Board of Trustees, determines which securities to buy based on its assessment of relative values of different securities and future interest rates. Fund management seeks to improve the Fund's yield by taking advantage of differences in yields of similar kinds of securities.

The Fund is a “feeder” fund that invests all of its assets in Merrill Lynch Institutional Tax-Exempt Portfolio, a corresponding “master” portfolio (the “Tax-Exempt Portfolio”) of the Master LLC. The Tax-Exempt Portfolio has the same investment objectives and strategies as the Fund. All investments are made at the Tax-Exempt Portfolio level. This structure is sometimes called a “master/feeder” structure. The Fund’s investment results will correspond directly to the investment results of the Tax-Exempt Portfolio. For simplicity, except where otherwise indicated, this Prospectus uses the term “Fund” to include the Fund’s corresponding Portfolio.

### **What are the main risks of investing in the Fund?**

The Fund cannot guarantee that it will achieve its objective.

An investment in the Fund 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.

The Fund’s yield will fluctuate as market conditions and interest rates change and as the short-term securities in its portfolio mature and the proceeds are reinvested in securities with different interest rates.

While the Fund has maintained a constant share price since inception and will continue to try to do so, the following factors could reduce the Fund’s income level and/or share price:

- interest rates could rise sharply, causing the Fund’s share price to drop
- any of the Fund’s holdings could have its credit rating downgraded or could default

**Share Reduction Risk** — the risk that the Fund may reduce the number of shares held by its shareholders to maintain a constant net asset value of \$1.00 per share.

### **Who should invest?**

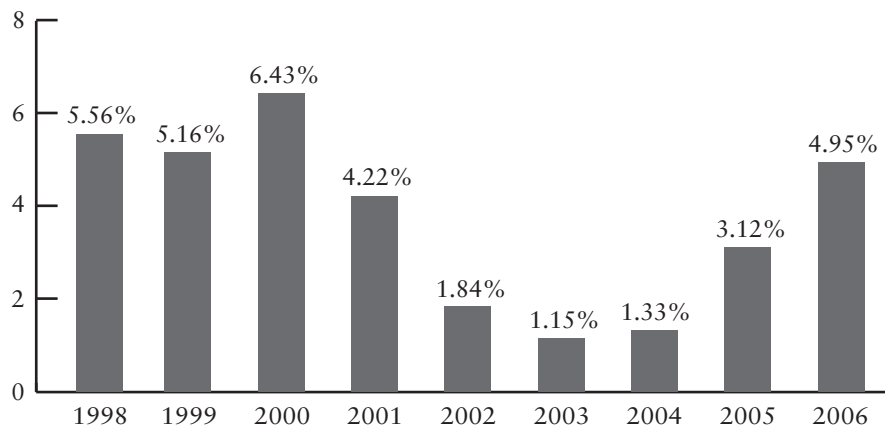
The minimum initial purchase amount for Merrill Lynch Institutional Tax-Exempt Fund is \$100,000 per account. The Fund may be an appropriate investment for an institution that:

- Is looking for liquidity as well as current income that is exempt from Federal income tax
- Is looking for preservation of capital
- Is investing with short-term goals in mind, such as for cash reserves

***Risk/Return Bar Charts for Each of the Funds***

The bar charts and tables shown below provide an indication of the risks of investing in each Fund. The bar charts show changes in each Fund’s performance for each of the past ten calendar years or each completed calendar year since the Fund’s inception, which, in the case of each of Merrill Lynch Premier Institutional Fund, Merrill Lynch Institutional Fund and Merrill Lynch Institutional Tax-Exempt Fund, includes periods prior to each Fund’s conversion to a “master/feeder” structure effective January 14, 2002. The tables show the average annual total returns of each Fund for the periods shown. How each Fund performed in the past is not necessarily an indication of how that Fund will perform in the future as a stand-alone fund or, in the case of Merrill Lynch Premier Institutional Fund, Merrill Lynch Institutional Fund and Merrill Lynch Institutional Tax-Exempt Fund, as a “feeder” fund.

Merrill Lynch Premier Institutional Fund

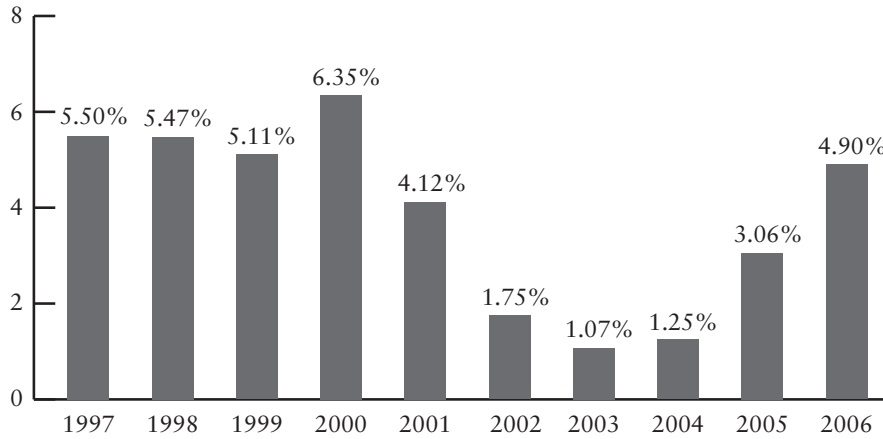


During the period shown in the bar chart, the highest return for a quarter was 1.65% (quarter ended December 31, 2000) and the lowest return for a quarter was 0.25% (quarter ended June 30, 2004). The year-to-date return as of June 30, 2007 was 2.62%.

Average Annual Total Returns (for the periods ended December 31, 2006)	One Year	Five Years	Life of Fund*
Merrill Lynch Premier Institutional Fund	4.95%	2.52%	4.67%

\* Inception date was January 27, 1997.

### Merrill Lynch Institutional Fund

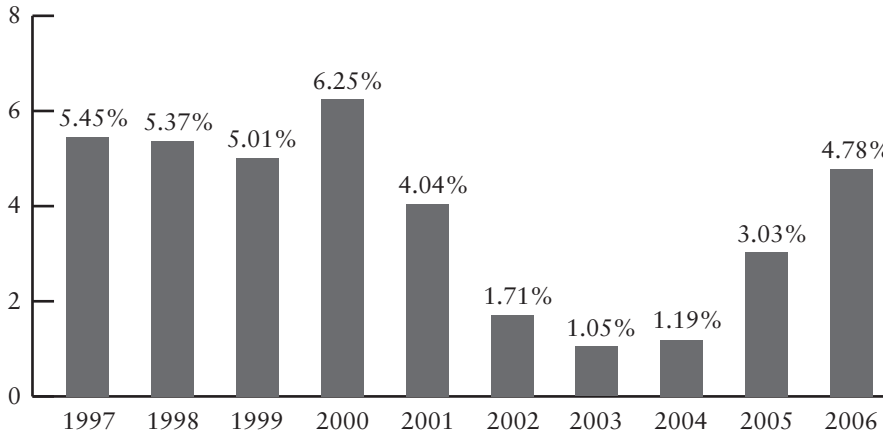


During the period shown in the bar chart, the highest return for a quarter was 1.63% (quarter ended December 31, 2000) and the lowest return for a quarter was 0.23% (quarter ended June 30, 2004). The year-to-date return as of June 30, 2007 was 2.57%.

**Average Annual Total Returns (for the periods ended December 31, 2006)**

	One Year	Five Years	Ten Years
Merrill Lynch Institutional Fund	4.90%	2.45%	3.84%

### Merrill Lynch Government Fund

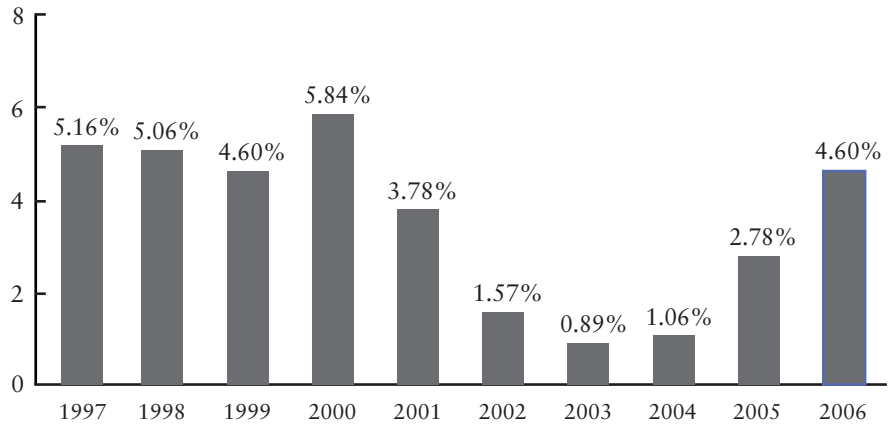


During the period shown in the bar chart, the highest return for a quarter was 1.61% (quarter ended December 31, 2000) and the lowest return for a quarter was 0.22% (quarter ended June 30, 2004). The year-to-date return as of June 30, 2007 was 2.55%.

**Average Annual Total Returns (for the periods ended December 31, 2006)**

	One Year	Five Years	Ten Years
Merrill Lynch Government Fund	4.78%	2.40%	3.77%

### Merrill Lynch Treasury Fund

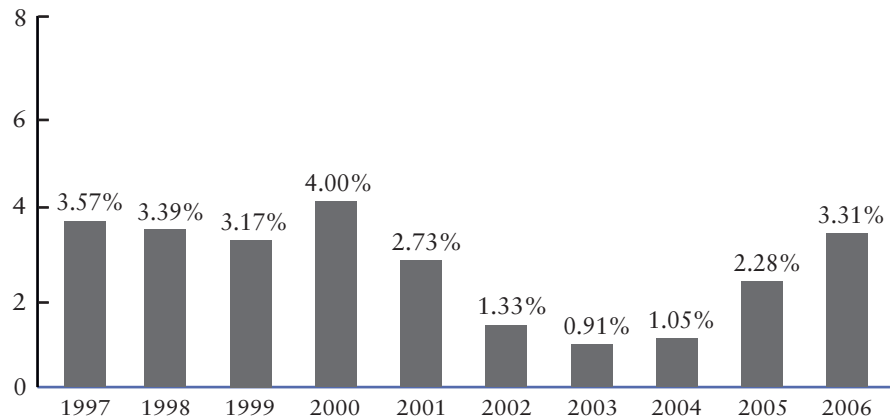


During the period shown in the bar chart, the highest return for a quarter was 1.51% (quarter ended December 31, 2000) and the lowest return for a quarter was 0.19% (quarter ended June 30, 2004). The year-to-date return as of June 30, 2007 was 2.40%.

#### Average Annual Total Returns (for the periods ended December 31, 2006)

	One Year	Five Years	Ten Years
Merrill Lynch Treasury Fund	4.60%	2.22%	3.52%

### Merrill Lynch Institutional Tax-Exempt Fund



During the period shown in the bar chart, the highest return for a quarter was 1.05% (quarter ended December 31, 2000) and the lowest return for a quarter was 0.18% (quarter ended September 30, 2003). The year-to-date return as of June 30, 2007 was 1.75%.

#### Average Annual Total Returns (for the periods ended December 31, 2006)

	One Year	Five Years	Ten Years
Merrill Lynch Institutional Tax-Exempt Fund	3.31%	1.81%	2.57%

The following table shows the different fees and expenses that you may pay if you buy and hold shares of Premier Institutional Fund, Institutional Fund or Institutional Tax-Exempt Fund. Future expenses may be greater or less than those indicated below.

	Premier Institutional Fund	Institutional Fund	Institutional Tax-Exempt Fund
<b>Shareholder Transaction Expenses</b>			
Maximum Sales Charge Imposed on Purchases	None	None	None
Deferred Sales Charge	None	None	None
Sales Charge Imposed on Dividend			
Reinvestments	None	None	None
Redemption Fee	None	None	None
Exchange Fee	None	None	None
<b>Annual Fund Operating Expenses (as a percentage of average net assets)(a)</b>			
Investment Advisory Fee(b)	0.05%(d)	0.05%	0.05%
Other Expenses (including administrative fees)(c)	0.11%(d)	0.17%	0.17%
Total Annual Fund Operating Expenses(a)	0.16%(d)	0.22%	0.22%

- (a) Fees and expenses shown in the table and the examples that follow with respect to Premier Institutional Fund, Institutional Fund and Institutional Tax-Exempt Fund include both the expenses of the Fund and the Fund's share of expenses of the corresponding Portfolio.
- (b) Paid by the corresponding Portfolio. This fee was paid by the Fund prior to the conversion to a "master/feeder" structure.
- (c) In the aggregate, the investment advisory and administrative fee rates charged to a shareholder's investment in the master/feeder structure are equal to the advisory fee charged prior to the conversion to a master/feeder structure. Under the current structure, the investment advisory fee is paid by the corresponding Portfolio, while the administrative fee is paid by the Fund at the annual rate of .10%, .15% and .15% for the Premier Institutional Fund, the Institutional Fund and the Institutional Tax-Exempt Fund, respectively.
- (d) Effective May 13, 2005, Fund Asset Management, L.P. the Fund's previous investment adviser, voluntarily agreed to waive a portion of both its advisory and administrative fees for the Premier Institutional Fund. The Investment Adviser has continued such voluntary waivers. The effect of those waivers are not reflected in the table above. The Investment Adviser may discontinue such waivers in whole or in part at any time, without notice.

## Fees and Expenses for Each of the Funds

### UNDERSTANDING EXPENSES

Fund investors pay various fees and expenses, either directly or indirectly. Listed below are some of the main types of expenses that the Fund may charge:

**Expenses paid indirectly by the shareholder (these costs are deducted from the Fund's total assets):**

**Annual Fund Operating Expenses** — expenses that cover the costs of operating the Fund.

**Investment Advisory Fee** — a fee paid to the Investment Adviser for managing the Fund or, in the case of Merrill Lynch Premier Institutional Fund, Merrill Lynch Institutional Fund and Merrill Lynch Institutional Tax-Exempt Fund, for managing the corresponding Portfolio.

The following table shows the different fees and expenses that you may pay if you buy and hold shares of Government Fund or Treasury Fund. Future expenses may be greater or less than those indicated below.

	<b>Government Fund</b>	<b>Treasury Fund</b>
<b><i>Shareholder Transaction Expenses</i></b>		
Maximum Sales Charge Imposed on Purchases	None	None
Deferred Sales Charge	None	None
Sales Charge Imposed on Dividend Reinvestments	None	None
Redemption Fee	None	None
Exchange Fee	None	None
<b><i>Annual Fund Operating Expenses (as a percentage of average net assets)</i></b>		
Investment Advisory Fee	0.32%(a)	0.32%(b)
Other Expenses	0.02%	0.03%
<b>Total Annual Fund Operating Expenses</b>	<b>0.34%(a)</b>	<b>0.35%(b)</b>

- (a) The Investment Adviser has agreed to waive voluntarily a portion of its advisory fee so that the effective annual fee is 0.20% of the Fund's average daily net assets and the Total Fund Operating Expenses are 0.22% of the Fund's average daily net assets. The Investment Adviser may discontinue the waiver of investment advisory fees in whole or in part without notice at any time.
- (b) The Investment Adviser has agreed to waive voluntarily a portion of its advisory fee so that the effective annual fee is 0.20% of the Fund's average daily net assets and the Total Fund Operating Expenses are 0.23% of the Fund's average daily net assets. The Investment Adviser may discontinue the waiver of investment advisory fees in whole or in part without notice at any time.

### Examples:

The examples below are intended to help you compare the cost of investing in a Fund with the cost of investing in other money market funds. These examples assume that you invest \$10,000 in a Fund for the time periods indicated, that your investment has a 5% return each year and that the Fund's operating expenses remain the same. These assumptions are not meant to indicate you will receive a 5% annual rate of return. Your annual return may be more or less than the 5% used in these examples. Although your actual costs may be higher or lower, based on these assumption your costs would be:

	1 Year	3 Years	5 Years	10 Years
Premier Institutional Fund*†	\$16	\$52	\$90	\$205
Institutional Fund*	\$23	\$71	\$124	\$280
Government Fund†	\$35	\$109	\$191	\$431
Treasury Fund†	\$36	\$113	\$197	\$443
Institutional Tax-Exempt Fund*	\$23	\$71	\$124	\$280

The information above reflects the total fund operating expenses before the voluntary fee waivers by the Investment Adviser.

\* The example reflects the expenses of both the Fund and the corresponding Portfolio.

† If the fee waivers remain in effect, the fees for 1 year, 3 years, 5 years and 10 years would be as follows:

	1 Year	3 Years	5 Years	10 Years
Premier Institutional Fund	\$11	\$36	\$62	\$141
Government Fund	\$23	\$71	\$124	\$280
Treasury Fund	\$24	\$74	\$130	\$293

# Details About the Funds

## *How Each Fund Invests*

### ABOUT THE PORTFOLIO MANAGER FOR PREMIER INSTITUTIONAL AND INSTITUTIONAL FUNDS

Thomas Kolimago is the portfolio manager of the Funds.

### ABOUT THE INVESTMENT ADVISER AND SUB-ADVISER

Each Fund is managed by BlackRock Advisors, LLC and sub-advised by BlackRock Institutional Management Corporation. As used in this Prospectus, the term “Investment Adviser” includes the sub-adviser.

### IMPORTANT DEFINITIONS

**U.S. Government Agencies** — entities that are part of or sponsored by the Federal government, such as the Government National Mortgage Association, the Tennessee Valley Authority or the Federal Housing Administration.

## Merrill Lynch Premier Institutional Fund and Merrill Lynch Institutional Fund

Each Fund’s objectives are to seek maximum current income consistent with liquidity and the maintenance of a portfolio of high quality short-term money market securities.

*Outlined below are the main strategies the Funds use in seeking to achieve their investment objectives:*

Each Fund tries to achieve its objectives by investing in a diversified portfolio of short-term U.S. dollar denominated money market securities. These instruments are dollar-denominated fixed-income securities that mature or reset to a new interest rate within 13 months. Other than U.S. Government and U.S. Government agency securities (as defined below), each Fund only invests in money market instruments of issuers with one of the two highest short-term ratings from a nationally recognized credit rating organization or unrated instruments which, in the opinion of Fund management, are of similar credit quality.

Fund management will vary the types of money market instruments in each Fund’s portfolio, as well as the Fund’s average maturity, in response to its assessment of the relative value of different securities and future short-term interest rates. Each Fund’s dollar-weighted average portfolio maturity will not exceed 90 days.

The money market obligations each Fund may buy are:

**U.S. Government Securities** — Debt securities that are issued by and/or guaranteed as to principal and interest by the U.S. Government and supported by the full faith and credit of the United States.

**U.S. Government Agency Securities** — Debt securities issued or guaranteed as to principal and interest by *U.S. Government agencies*, U.S. government-sponsored enterprises and U.S. government instrumentalities. These securities may not be backed by the full faith and credit of the United States.

**Bank Money Instruments** — Obligations of commercial banks or other depository institutions, such as (but not limited to) certificates of deposit, bankers’ acceptances, bank notes and time deposits. Each Fund may only invest in obligations of savings banks and savings and loan associations organized and operating in the United States. Each Fund may invest in obligations of commercial banks issued by U.S. depository institutions, foreign branches or subsidiaries of U.S. depository institutions (called Eurodollar obligations) or U.S.

branches or subsidiaries of foreign depository institutions (called Yankeedollar obligations). Each Fund may invest in Eurodollar obligations only if they are general obligations of the parent bank.

The Funds may also invest in bank money instruments issued by foreign branches and subsidiaries of foreign banks.

**Commercial Paper** — Obligations, usually of nine months or less, issued by corporations, securities firms and other businesses for short-term funding.

**Repurchase Agreements** — In a repurchase agreement, a Fund buys a security from another party, which agrees to buy it back at an agreed upon time and price. Each Fund may invest in repurchase agreements involving the money market securities described above.

**Short-Term Obligations.** Corporate or foreign government debt and *asset backed securities* with a period of 397 days (13 months) or less remaining to maturity.

**Floating Rate Obligations.** Obligations of government agencies, corporations, depository institutions or other issuers that periodically reset their interest rate to reflect a current market rate, such as the federal funds rate or a bank's prime rate, or the level of an interest rate index (such as the London Interbank Offered Rate, a well-known short-term interest rate index).

**Insurance Company Obligations.** Short-term funding agreements and guaranteed insurance contracts with fixed or floating interest rates.

**Master Notes.** Variable principal amount demand instruments issued by securities firms and other corporate issuers.

*Other Strategies.* In addition to the main strategies discussed above, the Funds may use certain other investment strategies.

**Other Eligible Investments.** Other money market instruments permitted by Securities and Exchange Commission rules governing money market funds.

**Reverse Repurchase Agreements.** In a reverse repurchase agreement, a Fund sells a security to another party and agrees to buy it back at a specific time and price. Each Fund may invest in reverse repurchase agreements involving the money market securities described above.

**When-Issued, Delayed-Delivery and Forward Commitments.** Each Fund may buy or sell money market securities on a when-issued, delayed-delivery and forward commitment basis. In these transactions, the Fund buys or sells the securities at an established price with payment and delivery taking place in the future. The value of the security on the delivery date may be more or less than its purchase or sale price.

Each Fund may also lend its portfolio securities.

#### IMPORTANT DEFINITIONS

**Asset Backed Securities** — fixed-income securities issued by a trust or other legal entity established for the purpose of issuing securities and holding certain assets, such as credit card receivables or auto leases, that pay down over time and generate sufficient cash to pay holders of the securities.

**ABOUT THE  
GOVERNMENT FUND  
PORTFOLIO MANAGER**

Mary Stepnowski is the portfolio manager of the Fund.

## **Merrill Lynch Government Fund**

The Fund's objectives are to seek current income consistent with liquidity and security of principal by investing all of its assets in a portfolio of securities issued or guaranteed by the U.S. Government, its agencies or instrumentalities.

*Outlined below are the main strategies the Fund uses in seeking to achieve its investment objectives:*

The Fund tries to achieve its objective by investing all of its assets in U.S. Government securities, U.S. Government agency securities, and securities issued by U.S. Government sponsored enterprises, and repurchase agreements involving the securities described above. This policy is a non-fundamental policy of the Fund and may only be changed with at least 60 days' prior notice to shareholders.

In seeking to achieve the Fund's objectives, Fund management varies the kinds of direct U.S. Government securities held in the portfolio and its average maturity. Fund management, as delegated by the Fund's Board of Trustees, decides on which securities to buy and sell based on its assessment of the relative values of different securities and future interest rates. Fund management seeks to improve the Fund's yield by taking advantage of differences in yield that regularly occur among securities of a similar kind. For example, market conditions frequently result in similar securities trading at different prices. Fund management seeks to improve the Fund's yield by buying and selling securities based on these yield differences.

The direct U.S. Government obligations the Fund may buy are:

- U.S. Treasury obligations
- U.S. Government agency securities
- Variable rate U.S. Government agency obligations, which have interest rates that reset periodically prior to maturity based on a specific index or interest rate
- Deposit receipts, which represent interests in component parts of U.S. Treasury bonds or other U.S. Government or U.S. Government agency securities

The Fund may invest in securities with remaining maturities of up to 397 days (13 months). The Fund's dollar-weighted average portfolio maturity will not exceed 90 days.

*Other Strategies. In addition to the main strategies discussed above, the Fund may use certain other investment strategies.*

The Fund may also enter into reverse repurchase agreements involving securities described above. The Fund may also invest in the U.S. Government securities described above pursuant to purchase and sale contracts.

The Fund may buy and sell U.S. Government securities on a when-issued, delayed-delivery or forward commitment basis. In these transactions, the Fund buys or sells a security at an established price with payment and delivery taking place in the future. The value of the security on the delivery date may be more or less than its purchase or sale price.

The Fund may also lend its portfolio securities.

### **Merrill Lynch Treasury Fund**

The Fund's investment objectives are to seek current income consistent with liquidity and security of principal by investing in a portfolio of short-term marketable securities that are direct obligations of the U.S. Treasury.

*Outlined below are the main strategies the Fund uses in seeking to achieve its investment objectives:*

The Fund tries to achieve its objectives by investing all its assets in Treasury bills, notes and other direct obligations of the U.S. Treasury. This policy is a non-fundamental policy of the Fund and may only be changed with at least 60 days' prior notice to shareholders.

In seeking to achieve the Fund's objectives, Fund management varies the kinds of direct U.S. Treasury securities held in the portfolio and its average maturity. Fund management, as delegated by the Fund's Board of Trustees, decides on which securities to buy and sell based on its assessment of the relative values of different securities and future interest rates. Fund management seeks to improve the Fund's yield by taking advantage of differences in yield that regularly occur among securities of a similar kind. For example, market conditions frequently result in similar securities trading at different prices. Fund management seeks to improve the Fund's yield by buying and selling securities based on these yield differences.

The direct U.S. Treasury obligations the Fund may buy are:

- U.S. Treasury bills and notes.
- Variable rate U.S. Treasury obligations, which have interest rates that reset periodically prior to maturity based on a specific index or interest rate.
- Deposit receipts, which represent interests in component parts of U.S. Treasury Bonds.

The Fund may invest in securities with remaining maturities of up to 397 days (13 months). The Fund's dollar-weighted average portfolio maturity will not exceed 90 days.

#### **ABOUT THE TREASURY FUND PORTFOLIO MANAGER**

John Ng is the portfolio manager of the Fund.

*Other Strategies. In addition to the main strategies discussed above, the Fund may use certain other investment strategies.*

The Fund may also enter into repurchase agreements involving the U.S. Treasury securities described above. The Fund is permitted to invest up to 10% of its assets in repurchase agreements; however, the Fund will only enter into repurchase agreements when, in the opinion of the Investment Adviser, prevailing or persistent market conditions warrant it necessary to do so. The Fund may also invest in the U.S. Treasury securities described above pursuant to purchase and sale contracts.

The Fund may buy and sell U.S. Treasury securities on a when-issued, delayed-delivery or forward commitment basis. In these transactions, the Fund buys or sells a security at an established price with payment and delivery taking place in the future. The value of the security on the delivery date may be more or less than its purchase or sale price.

The Fund may also lend its portfolio securities.

**ABOUT THE  
INSTITUTIONAL  
TAX-EXEMPT FUND  
PORTFOLIO MANAGER**

Kevin Schiatta is the portfolio manager for the Fund.

### **Merrill Lynch Institutional Tax-Exempt Fund**

The Fund's investment objectives are to seek current income exempt from Federal income taxes, preservation of capital and liquidity available from investing in a diversified portfolio of short-term high quality tax-exempt money market securities.

*Outlined below are the main strategies the Fund uses in seeking to achieve its investment objectives:*

Under normal circumstances the Fund will invest (i) at least 80% of its assets (defined to include net assets plus borrowings for investment purposes) in investments the income from which is exempt from Federal income tax or (ii) its assets so that at least 80% of the income that it distributes will be exempt from Federal income tax. These requirements apply to investments or distributions that are exempt from Federal income tax under both the regular tax rules and the alternative minimum tax rules.

The short-term tax-exempt securities the Fund may buy are:

**Tax-Exempt Notes** — short-term municipal debt obligations often used to provide interim financing in anticipation of tax collection, bond sales or other revenues.

**Tax-Exempt Commercial Paper** — short-term unsecured promissory notes used to finance general short-term credit needs.

**Tax-Exempt Bonds** — long-term debt obligations that pay interest exempt from Federal income tax. The Fund will only invest in long-term debt obligations that have remaining maturities of 397 days (13 months) or less or that the Fund has a contractual right to sell periodically or on demand within that time.

**Variable Rate Demand Notes** — floating rate securities that combine an interest in a long-term municipal bond with a right to demand payment periodically or on notice. The Fund may also buy a participation interest in variable rate demand notes owned by a commercial bank or other financial institution. When the Fund purchases a participation interest, it receives the right to demand payment on notice to the owner of the note.

**Short-Term Tax-Exempt Derivatives** — a variety of securities that generally represent the Fund’s ownership interest in one or more municipal bonds held by a trust or partnership coupled with a contractual right to sell (put) that interest to a financial institution, periodically or on demand, for a price equal to face value. Income on the underlying municipal bonds is “passed through” the trust or partnership to the Fund and other institutions that have an ownership interest. Depending on the particular security, the Fund may receive pass-through income at a fixed interest rate or a floating municipal money market interest rate.

The Fund may invest in securities with remaining maturities of up to 397 days (13 months). The Fund’s dollar-weighted average portfolio maturity will not exceed 90 days.

*Other Strategies. In addition to the main strategies discussed above, the Fund may use certain other investment strategies.*

The Fund may invest up to 20% of its assets in certain *municipal securities*, known as “private activity bonds,” which may be subject to the Federal alternative minimum tax. Fund management will seek to keep the Fund fully invested to maximize the yield on the Fund’s portfolio. However, because the Fund does not intend to realize taxable investment income, it will not invest in taxable short-term money market securities. Therefore, there may be times when the Fund has uninvested cash, which will reduce its yield.

The Fund also may buy or sell short-term tax-exempt securities on a when-issued or delayed delivery basis. In these transactions, the Fund buys or sells the securities at an established price with payment and delivery taking place in the future. The value of the security on the delivery date may be more or less than its purchase or sale price.

#### IMPORTANT DEFINITIONS

**Municipal Securities** — securities that pay interest that is, in the opinion of bond counsel to the issuer, generally excludable from gross income for Federal income tax purposes (but may subject investors to Federal alternative minimum tax).

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## ***Investment Risks***

This section contains a summary discussion of the general risks of investing in the Premier Institutional Fund, Institutional Fund, Government Fund, Treasury Fund and Institutional Tax-Exempt Fund. As with any fund, there can be no guarantee that a Fund will meet its objectives or that a Fund's performance will be positive for any period of time.

*Set forth below are the main risks of investing in the Funds.*

***Income Risk*** — Each Fund's yield will vary as the short-term securities in its portfolio mature and the proceeds are reinvested in securities with different interest rates.

***Credit Risk*** — The Premier Institutional Fund, the Institutional Fund and the Institutional Tax-Exempt Fund are subject to credit risk, which is the risk that the issuer of a security owned by the Fund will be unable to pay the interest or principal when due. Changes in an issuer's credit rating or the market's perception of an issuer's creditworthiness may affect the value of a Fund's investment in that issuer. The degree of credit risk depends on both the financial condition of the issuer and the terms of the obligation.

***Selection Risk*** — Selection risk is the risk that the securities that Fund management selects will underperform securities selected by other funds with similar investment objectives and investment strategies.

***Interest Rate Risk*** — the risk that prices of money market securities generally increase when interest rates go down and decrease when interest rates go up. If interest rates rise sharply in a manner not anticipated by Fund management, a Fund could lose money.

***Foreign Securities Risk*** — The Premier Institutional Fund and the Institutional Fund may invest in U.S. dollar denominated money market instruments and other U.S. dollar denominated short term debt obligations issued by foreign banks and similar institutions. Although a Fund will invest in these securities only if Fund management determines they are of comparable quality to the Fund's U.S. investments, investing in securities of foreign issuers involves some additional risks that can increase the chances that the Fund will lose money. These risks include the possibly higher costs of foreign investing, the possibility of adverse political, economic or other developments, and the often smaller size of foreign markets, which may make it difficult for a Fund to buy and sell securities in those markets. In addition, prices of foreign securities may go up and down more than prices of securities traded in the United States.

***Share Reduction Risk (applicable only to Treasury Fund and Institutional Tax-Exempt Fund)*** — In order to maintain a constant net asset value of \$1.00 per share, a Fund may reduce the number of shares held by its shareholders.

**Repurchase Agreements (applicable to all the Funds, except Institutional Tax-Exempt Fund)** — If the party with whom a Fund has entered into a repurchase agreement fails to meet its obligation under the agreement, the Fund may suffer delays and incur costs or even lose money in exercising its rights under the agreement. Treasury Fund may invest in repurchase agreements, but only as a secondary investment strategy.

*Each Fund may also be subject to certain other risks associated with its investments and investment strategies, including:*

**Borrowing Risk** — Each Fund may borrow only to meet redemptions. Borrowing may exaggerate changes in the net asset value of Fund shares and in the yield on the Fund's portfolio. Borrowing will cost the Fund interest expense and other fees. The cost of borrowing money may reduce the Fund's return.

**Securities Lending** — Each Fund (except Institutional Tax-Exempt Fund) may lend securities with a value up to 33 $\frac{1}{3}$ % of its total assets to financial institutions that provide cash or securities issued or guaranteed by the U.S. Government as collateral. Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. As a result, the Fund may lose money and there may be a delay in recovering the loaned securities. The Fund could also lose money if it does not recover the securities and/or the value of the collateral falls, including the value of investments made with cash collateral. These events could trigger adverse tax consequences to the Fund.

***When-Issued and Delayed-Delivery Securities and Forward***

**Commitments** — Each Fund may purchase or sell securities that it is entitled to receive on a when issued basis. Each Fund may also purchase or sell securities on a delayed delivery basis or through a forward commitment. When issued and delayed delivery securities and forward commitments involve the risk that the security the Fund buys will lose value prior to its delivery. There also is the risk that the security will not be issued or that the other party to the transaction will not meet its obligation. If this occurs, a Fund loses both the investment opportunity for the assets it set aside to pay for the security and any gain in the security's price.

**Illiquid Securities** — The Fund may invest up to 10% of its assets in illiquid securities that it cannot sell within seven days at approximately current value. If the Fund buys illiquid securities it may be unable to quickly sell them or may be able to sell them only at a price below current value.

**Reverse Repurchase Agreement Risk** — Reverse repurchase agreements involve the sale of securities held by a Fund with an agreement to repurchase the securities at an agreed-upon price, date and interest payment. Reverse repurchase agreements involve the risk that the other party to the agreement may fail to return the securities in a

timely manner or at all. A Fund could lose money if it is unable to recover the securities and the value of the collateral held by the Fund, including the value of investments made with cash collateral, is less than the value of the securities. These events could also trigger adverse tax consequences to a Fund.

***VRDN and Municipal Derivatives Credit Risk (Applicable only to Institutional Tax-Exempt Fund)*** — When the Fund invests in variable rate demand notes or short-term municipal derivatives, it assumes credit risk with respect to the financial institution providing the Fund with the right to demand payment or sell the security. While the Fund invests only in short-term municipal securities of high quality issuers, or that are backed by high quality financial institutions, those issuers or financial institutions may still default on their obligations.

***Short-Term Municipal Derivatives (Applicable only to Institutional Tax-Exempt Fund)*** — Short-term municipal derivatives present certain unresolved tax, legal, regulatory and accounting issues not presented by investments in other short-term municipal securities. These issues might be resolved in a manner adverse to the Fund. For example, the Internal Revenue Service has never ruled on the subject of whether pass-through income paid to the Fund is tax-exempt. The Fund receives an opinion of bond counsel that pass-through income is tax-exempt, but that does not mean that the IRS will never rule that pass-through income is taxable.

***Municipal Lease Obligations (Applicable only to Institutional Tax-Exempt Fund)*** — In a municipal lease obligation, the issuer agrees to make payments when due on the lease obligation. The issuer will generally appropriate municipal funds for that purpose, but is not obligated to do so. Although the issuer does not pledge its unlimited taxing power for payment of the lease obligation, the lease obligation is secured by the leased property. However, if the issuer does not fulfill its payment obligation, it may be difficult to sell the property and the proceeds of a sale may not cover the Fund's loss.

***Taxability Risk (Applicable only to Institutional Tax-Exempt Fund)*** — Institutional Tax-Exempt Fund intends to minimize the payment of taxable income to shareholders by investing in tax-exempt or municipal securities in reliance at the time of purchase on an opinion of bond counsel to the issuer that the interest paid on those securities will be excludable from gross income for Federal income tax purposes. Such securities, however, may be determined to pay, or have paid, taxable income subsequent to Institutional Tax-Exempt Fund's acquisition of the securities. In that event, the Internal Revenue Service may demand that Institutional Tax-Exempt Fund pay Federal Income taxes on the affected interest income, and, if the Fund agrees to do so, the Fund's yield could be adversely affected. In addition, the treatment of dividends previously paid or to be paid by the Fund as "exempt interest dividends" could be adversely affected, subjecting the

Fund's shareholders to increased Federal income tax liabilities. If the interest paid on any tax-exempt or municipal security held by Institutional Tax-Exempt Fund is subsequently determined to be taxable, the Fund will dispose of that security as soon as reasonably practicable.

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**I**f you would like further information about the Merrill Lynch Funds For Institutions Series, including how each Fund invests, please see the Statement of Additional Information.

For a discussion of each Fund's policies and procedures regarding the selective disclosure of its portfolio holdings, please see the Statement of Additional Information.

*Statement of  
Additional  
Information*

# Your Account

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## *How to Buy, Sell and Transfer Shares*

The chart on the following pages summarizes how to buy, sell and transfer shares of each Fund. You may also buy, sell or transfer shares through the Transfer Agent. To learn more about buying, selling or transferring shares through the Transfer Agent, call (800) 225-5150. Because the selection of a mutual fund involves many considerations, your financial adviser or other financial intermediary may help you with this decision.

If You Want to	Your Choices	Information Important for You to Know
Buy Shares	First, determine the amount of your investment and then open your Account	<p>Accounts in the Merrill Lynch Funds For Institutions Series can be opened with a minimum initial \$100,000 investment, with the exception of Premier Institutional Fund which has a \$10,000,000 minimum investment.</p> <p>To open an Account, an Account Application must be fully executed and, supporting documentation must be provided. To obtain an Account Application, contact FAM Distributors, Inc. ("FAMD") Boston by calling (617) 342-1600 or toll-free (800) 225-1576. All new Accounts must be approved prior to making initial investments. Completed Account Applications must be mailed to FAM Distributors, Inc., One Financial Center, 23rd Floor, Boston, MA 02111.</p>
	Next, purchase shares on a Business Day	<p>Each Fund will effect orders to purchase shares on every day that the New York Stock Exchange (the "Exchange") or the Federal Reserve is open for business (except for Good Friday, Columbus Day and Veterans Day), and the bond markets are open for trading (a "Business Day"). On any day that the Exchange closes early and/or the Bond Market Association ("BMA") recommends that the securities markets close early, the times for which orders become effective may be advanced (see "Net Asset Value"). Each Fund may reject any order to buy shares under certain circumstances.</p>
	Then, either purchase by Federal Funds Wire	<p>The Fund strongly recommends the use of Federal Funds to purchase shares because, while other forms of payment described below will also be accepted, purchase orders do not become effective until Federal Funds are made available. To purchase shares of a Fund by wiring Federal Funds, you must first telephone FAMD, Boston ((617) 342-1600 or toll-free (800) 225-1576) to provide the dollar amount being invested and the name of the wiring bank. You should then instruct your bank to wire transfer Federal Funds to State Street Bank and Trust Company-Boston, ABA Number 0110-0002-8, Attention: Merrill Group, Credit (Name of Fund), DDA Number 99037582 and your Fund account name and Fund account number.</p> <p>The price of your shares is based on next calculation of net asset value after your order becomes effective, as described below. Your purchase order does not become effective until Federal Funds are received by State Street Bank and Trust Company ("State Street Bank" or the "Bank") or other forms of payment are converted by the Bank into Federal Funds. Federal Funds are monies credited to a bank's account with a Federal Reserve Bank.</p> <p><i>Institutional Tax-Exempt Fund</i> — If your order is received by the Fund by 12:00 Noon (Boston time) and Federal Funds are received by State Street Bank prior to the close of the Federal Funds wire on that same day, the order will be effected that day as of 12:00 Noon (Boston time) and dividends will be earned that day. If your order is received after 12:00 Noon (Boston time) but before 4:00 p.m., it will become effective on that day, but dividends will not be earned until the next Business Day. If your order is received after 4:00 p.m. (Boston time), it will not become effective, and dividends will not be earned, until the next Business Day.</p> <p><i>Treasury Fund</i> — If your order is received by the Fund by 2:00 p.m. (Boston time) and Federal Funds are received by State Street Bank prior to the close of the Federal Funds wire on that same day, the order will be effected that day as of 2:00 p.m. (Boston time) and dividends will be earned that day. If your order is received after 2:00 p.m. (Boston time) but before the close of the Exchange at 4:00 p.m., it will become effective on that day, but dividends will not be earned until the next Business Day. If your order is received after 4:00 p.m. (Boston time), it will not become effective, and dividends will not be earned, until the next Business Day.</p>

If You Want to	Your Choices	Information Important for You to Know
Buy Shares (continued)	Then, either purchase by Federal Funds Wire (continued)	<i>Premier Institutional, Institutional And Government Funds</i> — If your order is received by the applicable Fund by 5:00 p.m. (Boston time) and Federal Funds are received by State Street Bank prior to the close of the Federal Funds wire on the same day, the order will be effected as of 5:00 p.m. (Boston time) and dividends will be earned that day. If your order is received after 5:00 p.m. (Boston time) it will not become effective, and dividends will not be earned, until the next Business Day.
	Or by check or Federal Reserve Draft	To purchase shares of a Fund by check or Federal Reserve Draft, you must submit a purchase order directly by mail to State Street Bank and Trust Company, P.O. Box 8118, Boston, Massachusetts 02266-8118, together with payment for the purchase price of the shares and, in the case of a new account, a completed Account Application. (To obtain an Account Application, call (800) 225-1576, or e-mail a request to mlffi@blackrock.com). Such orders will become effective on the day the remittance is converted into Federal Funds, and shares will be purchased at the net asset value next determined after such conversion. Checks and Federal Reserve Drafts should be made payable to the order of the name of the Fund. Money transmitted by check normally will be converted into Federal Funds within 2 business days following receipt. Certified checks are not necessary, but checks are accepted subject to collection at full face value in United States funds and must be drawn on a United States bank. In the event that the purchase price for shares of a Fund is paid by Federal Funds in the form of a Federal Reserve Draft, Federal Funds will be available to the Fund on the next business day and the investor's order will be effected on such day. During the period of time prior to the conversion into Federal Funds, an investor's money will not be invested and, therefore, will not be earning dividends.
	You may also purchase shares through FACTS	Corporations or Institutional Clients may purchase shares of the Funds through the Merrill Lynch Financial Assets Control Tracking System or FACTS. FACTS is a program designed to help businesses manage their cash flow and earn money market returns through investment in the Funds. FACTS utilizes the Automated Clearing House system ("ACH") to transfer funds electronically between the corporate investor's local bank and the Funds.  You can arrange the purchase of shares of the Funds through FACTS by completing a FACTS Account Application, which you can obtain by calling (617) 342-1600 or toll-free (800) 225-1576, and returning it to FAMD in Boston. After your application is received, an announcement card will be sent to you with an account number and advising you that, after 15 days from the printed date on the card, you may begin using ACH for purchasing Fund shares.  After this waiting period, an authorized representative of your organization may call the Funds' FACTS toll-free number ((800) 343-3446) by 4:00 p.m. (Boston time), identify your organization by name and account number, and tell the FACTS operator how much cash the organization wishes to invest in the applicable Fund from its local corporate checking account. On the morning of the following Business Day, funds will automatically be transferred to a Fund via ACH. Dividends will be paid by the Fund on the day funds are transferred.
Add to Your Investment	Purchase additional shares	The minimum investment for additional purchases is generally \$1,000 for all accounts except that if your account balance in the Premier Institutional Fund has fallen below \$10,000,000, subsequent purchases of shares of the Premier Institutional Fund by you will only be accepted if, after such purchase, your balance will be at least \$10,000,000.
	Acquire additional shares through the automatic dividend reinvestment plan	All dividends are automatically reinvested without a sales charge, unless you elect to receive cash.

If You Want to	Your Choices	Information Important for You to Know
Sell Your Shares	General	<p>Upon receipt by State Street Bank of a proper redemption request (indicating the name of the Fund, account number and the dollar amount of shares to be redeemed), each Fund will redeem its shares on every Business Day at the net asset value per share determined that day. Net asset value per share is determined daily for the Institutional Tax-Exempt and Treasury Funds, as of 4:00 p.m. (Boston time). Net asset value is determined daily for the Premier Institutional, Institutional and Government Funds as of 5:00 p.m. (Boston time). If the Exchange closes trading prior to the times established above, or the BMA recommends that the securities markets close early, determination of net asset value may be advanced. See "Net Asset Value."</p> <p>A Fund may reject an order to sell shares under certain circumstances. Under the Investment Company Act of 1940, as amended, a registered investment company may suspend the right of redemption, (1) for any period (a) during which the New York Stock Exchange is closed other than customary weekend and holiday closings, or (b) during which trading on the New York Stock Exchange is restricted, (2) for any period during which an emergency exists as a result of (a) disposal by the company of securities owned by it is not reasonably practicable, or (b) it is not reasonably practicable for such company fairly to determine the value of its net assets, or (3) for such other periods as the Securities and Exchange Commission (the "Commission") may by order permit for the protection of security holders of the company. The Commission shall by rules and regulations determine the conditions under which (i) trading shall be deemed to be restricted, and (ii) an emergency shall be deemed to exist.</p>
	Redemption Procedures	<p>Shareholders meeting the requirements stated below may initiate redemptions by submitting their redemption requests by telephone to FAMD, Boston ((617) 342-1600 or toll free (800) 225-1576) or mail to State Street Bank, P.O. Box 8118, Boston, Massachusetts 02266-8118 and have the proceeds sent by a Federal Funds wire to a previously designated bank or trust company account. Please note that all Federal Funds wiring instructions may only be established for bank accounts that are in the same name as your Fund account. The minimum amount to be wired is \$1,000. A redemption request received prior to 12:00 Noon (Boston time) for the Institutional Tax-Exempt Fund or prior to 2:00 p.m. (Boston time) for the Treasury Fund, will not earn a dividend on the day the request is received and payment will be made in Federal Funds wired on the same Business Day. Shareholders of the Premier Institutional, Institutional and Government Fund will not earn a dividend on the day the redemption request is received prior to 5:00 p.m. (Boston time). If an expedited redemption request for which the redemption proceeds will be wired is received after 12:00 Noon (Boston time) for the Institutional Tax-Exempt Fund, or after 2:00 p.m. (Boston time) for the Treasury Fund, and prior to 4:00 p.m. (Boston time), or if an expedited redemption request is received prior to the close of trading on a day the Exchange closes early, on a day on which FAMD and State Street Bank are open for business, the redemption proceeds will be wired on the next Business Day following the redemption request. A redemption request received on a Business Day after 12:00 Noon (Boston time) for the Institutional Tax-Exempt Fund or after 2:00 p.m. (Boston time) for the Treasury Fund, will earn a dividend on the day the request is received. If a redemption request is received after the close of trading on the Exchange (including after the close of trading on a day the Exchange closes early) or on a day on which either FAMD or State Street Bank is closed, the redemption proceeds will be wired on the next Business Day following receipt of the redemption request. Therefore, a redeeming shareholder will receive a dividend on the day the request is received, but not on the day that shares are redeemed out of his account.</p>

If You Want to	Your Choices	Information Important for You to Know
Sell Your Shares (continued)	Redemption Procedures (continued)	<p>To utilize the redemption procedure, all shares must be held in non-certificate form in the shareholder's account, and an Account Application with the payment authorization section properly completed must be on file with State Street Bank before a redemption request is submitted. (To obtain an Account Application, call (800) 225-1576.) This form requires a shareholder to designate the bank account to which its redemption proceeds should be sent. Any change in the bank or trust company account designated to receive the proceeds must be submitted in proper form on a new Account Application with STAMP2000 Medallion Imprint signature guaranteed. In making a telephone redemption request, a shareholder must provide the shareholder's name and account number, the dollar amount of the redemption requested, and the name of the bank to which the redemption proceeds should be sent. If the information provided by the shareholder does not correspond to the information on the application, the transaction will not be approved.</p> <p>With regards to redemption orders received prior to 5:00 p.m. (Boston time) for each of the Premier Institutional, Institutional and Government Fund, proceeds from such redemptions will be wired out that same day. It is important to note that redemption orders placed later in the day—especially between 3:30 p.m. (Boston time) and 5:00 p.m. (Boston time)—will be processed by the Fund and a wire will be initiated by State Street Bank but payment may be delayed if the Federal Reserve Bank of Boston is experiencing delays in transfers of funds. After a redemption order has been processed by the Fund and a redemption wire has been initiated by State Street Bank, neither entity will assume any responsibility for the performance of the shareholder's receiving bank, or any of its intermediaries.</p> <p>You may also submit your redemption request in writing to State Street Bank and Trust Company, P.O. Box 8118, Boston, Massachusetts 02266-8118. A Fund will make payment for shares redeemed pursuant to the ordinary redemption procedure by check sent to you at the address on your Account Application. Such checks will normally be sent out within one business day, but in no event more than seven days after receipt of the redemption request in proper form.</p>
	Checking Account Redemption Plan	<p>State Street Bank will establish a checking account for any shareholder of the Institutional Fund, the Government Fund, the Treasury Fund or the Institutional Tax-Exempt Fund at the shareholder's request. Checks drawn on this account can be made payable to the order of any person in any amount not less than \$500. The payee of the check may cash or deposit it like any other check drawn on a bank. Shareholders wishing to consider this method of redemption should call (800) 225-1576 to obtain an Authorization for Redemption by Check Form and Signature Card. The Funds reserve the right, after giving proper notification, to either limit or revoke checking account redemption rights for shareholders on an individualized basis under certain circumstances.</p>
Exchange Your Shares	Select the Fund into which you want to exchange. Be sure to read that Fund's prospectus	<p>You can exchange your shares of a Fund for shares of any of the other Funds in the Trust, subject to each Fund's minimum investment requirements. You must have held the shares used in the exchange for at least 15 calendar days, if those shares were purchased by check, before you can exchange to another Fund, and you must exchange shares with a current value of at least \$1,000.</p> <p>Although there is currently no limit on the number of exchanges that you can make, the exchange privilege may be modified or terminated at any time in the future.</p>

### **Additional Information Regarding the Purchase of Shares**

To minimize recordkeeping by banks and other institutions purchasing shares on behalf of separate accounts, arrangements can be made through the Distributors, to have State Street Bank provide sub-accounting services. All underlying subaccounts are subject to each Fund's minimum balance requirements.

The issuance of shares of a Fund is recorded on the books of the Fund, and, to avoid additional operating costs and for investor convenience, stock certificates will not be issued unless expressly requested in writing by a shareholder. Certificates will not be issued for fractional shares. State Street Bank, the transfer agent, will send to the shareholder of record a monthly statement.

If you redeem all of your shares in a Fund, your dividends accrued for the month to date will be simultaneously remitted. Redemption requests received from you with respect to the Premier Institutional, Institutional and Government Funds will be effected on the day received, but you will not receive a dividend that day. Where the shares to be redeemed had been purchased by check, the redemption proceeds will be transmitted to you promptly upon bank clearance of your purchase check, which may take up to 15 calendar days.

Due to the relatively high cost of maintaining small investment accounts, each of the Institutional Fund, Government Fund, Treasury Fund and Institutional Tax-Exempt Fund reserves the right to redeem your shares if at any time the total investment in your account does not have a value of at least \$5,000. You will be notified that the value of your account is less than \$5,000 and will be allowed 60 days to make an additional investment into your account before the redemption is processed. If (a) your average account balance in the Premier Institutional Fund falls below \$10,000,000 for any 30-day period and (b) you do not, within 30 days after receiving notice from the Premier Institutional Fund of such deficiency, purchase additional shares of the Fund to restore a \$10,000,000 account balance, the Premier Institutional Fund is authorized to exchange your shares for shares of the Institutional Fund unless you elect to have shares redeemed with the proceeds of the redemption paid directly to you. In either case, you will be notified of the exchange or redemption.

Certain financial intermediaries that make Fund shares available to their customers may charge fees in addition to those described in this Prospectus for providing certain services, including: marketing, distribution or other services intended to assist in the offer and sale of Fund shares; shareholder servicing activities; and/or sub-transfer agency services provided to individual shareholders or beneficial owners where a financial intermediary maintains omnibus accounts with the Fund's transfer agent. The Investment Adviser, each Distributor or their affiliates may pay all or a portion of those fees out of their own resources. The amount of fees paid to a financial intermediary in any given year will vary

and may be based on one or more factors, including a fixed amount, a fixed percentage rate, the financial intermediary's sales of Fund shares, assets in Fund shares held by the intermediary's customers, or other factors. In addition, consistent with applicable regulations, each Distributor or its affiliates may from time to time pay for or make contributions to financial intermediaries or their employees in connection with various activities including: training and education seminars for financial intermediary employees, clients and potential clients; due diligence meetings regarding the Fund; recreational activities; gifts; and/or other non-cash items. See the Statement of Additional Information for more information.

If certificates have been issued to you representing shares to be redeemed, prior to effecting a redemption with respect to such shares State Street Bank must have received such certificates. Your signature on the certificates must be guaranteed by an "eligible guarantor institution" as such term is defined by Rule 17Ad-15 of the Securities Exchange Act of 1934, the existence and validity of which may be verified by State Street Bank through the use of industry publications. A notary public is not an acceptable guarantor. In certain instances, State Street Bank may request additional documentation that it believes necessary to insure proper authorization such as, but not limited to, trust instruments, death certificates, appointment of executor or administrator, or certificates of corporate authority. If you have questions regarding proper documentation, you should call (800) 225-1576.

### **Short Term Trading**

Market timing is an investment technique involving frequent short-term trading of mutual fund shares designed to exploit market movements or inefficiencies in the way a mutual fund prices its shares. The Board of Trustees has evaluated the risks of market timing activities by each Fund's shareholders and has determined that due to (i) each Fund's policy of seeking to maintain the Fund's net asset value at \$1.00 each day, (ii) the nature of each Fund's portfolio holdings, and (iii) the nature of each Fund's shareholders, it is unlikely that (a) market timing would be attempted by a Fund's shareholders or (b) any attempts to market time a Fund by shareholders would result in negative impact to the Fund or its shareholders. As result, the Board of Trustees has not adopted policies and procedures to deter short term trading in the Funds.

### **Anti-Money Laundering Requirements**

Each Fund is subject to the USA Patriot Act (the "Patriot Act"). The Patriot Act is intended to prevent the use of the U.S. financial system in furtherance of money laundering, terrorism or other illicit activities. Pursuant to requirements under the Patriot Act, a Fund may request information from shareholders to enable it to form a reasonable belief that it knows the true identity of its shareholders. This information will be used to verify the identity of investors or, in some cases, the status of financial advisers; it will be used only for compliance with the requirements of the Patriot Act. Each Fund reserves the right to reject

purchase orders from persons who have not submitted information sufficient to allow the Fund to verify their identity. Each Fund also reserves the right to redeem any amounts in the Fund from persons whose identity it is unable to verify on a timely basis. It is each Fund's policy to cooperate fully with appropriate regulators in any investigations conducted with respect to potential money laundering, terrorism or other illicit activities.

When you buy shares, you pay the *net asset value* (normally \$1.00 per share) without a sales charge. The amortized cost method is used in calculating each Fund's net asset value, meaning that the calculation is based on a valuation of the assets held by the Fund at cost, with adjustment for any discount or premium on a security at the time of purchase. The net asset value is the offering price. Shares are also redeemed at their net asset value. The net asset value per share for purposes of pricing orders for both the purchase and the redemption of Fund shares is determined daily on every Business Day. On any day the Exchange closes early, and/or the BMA recommends an early close, the time for determination of net asset value of the Fund will be 15 minutes following the time that each Fund determines, in its discretion, to cease accepting orders for purchases and redemptions of shares. On any Business Day that the Exchange does not close early and the BMA does not recommend that the securities markets close early, net asset value is determined as of 5:00 p.m. (Boston time) for the Premier Institutional, Institutional and Government Funds, and as of 4:00 p.m. (Boston time) for the Institutional Tax-Exempt Fund and the Treasury Fund.

If your check is received on the Business Day prior to a holiday (including Good Friday, Columbus Day or Veterans Day), or, in the case of the Institutional Tax-Exempt or Treasury Funds, if your order is received after the close of trading (including early closing of trading) on the Exchange on the Business Day prior to a holiday (including Good Friday, Columbus Day or Veterans Day), you will have the proceeds of the check or order invested in shares of the applicable Fund as of the first time that shares in that Fund may be purchased on the next day on which the Fund is open for business. In addition, if your order for the Institutional Tax-Exempt Fund or Treasury Fund is received after 12:00 noon (Boston time) or 2:00 p.m. (Boston time), respectively, but prior to the close (including early closing of trading) on the Exchange on the Business Day prior to a holiday (including Good Friday, Columbus Day or Veterans Day), you will have the proceeds of any wire received on the same day invested in shares of the applicable Fund as of the close of trading on the Exchange on that day, but you will not begin earning dividends on the investment until the next day on which the Fund is open for business. Also, you will not be able to have redemption proceeds wired to your bank on a holiday (including Good Friday, Columbus Day or Veterans Day).

## How Shares Are Priced

### IMPORTANT DEFINITIONS

**Net Asset Value** — the market value of the Fund's total assets after deducting liabilities, divided by the number of shares outstanding.

## *Dividends and Taxes*

### IMPORTANT DEFINITIONS

**Dividends** — ordinary income and capital gains paid to shareholders. Dividends may be reinvested in additional Fund shares as they are paid.

Each Fund will distribute net investment income, if any, daily and net realized capital gains, if any, at least annually. Income dividends are reinvested monthly and capital gain dividends are reinvested at least annually in the form of additional shares at net asset value or, at the shareholder's option, paid in cash. *Dividends* are determined immediately prior to the determination of net asset value at the close of trading on the Exchange for the Institutional Tax-Exempt and Treasury Funds, and as of 5:00 p.m. (Boston time) for the Premier Institutional Fund, Institutional Fund and the Government Fund. Immediately after such determination, each Fund will declare a dividend payable to shareholders of record either: (a) at 12:00 Noon (Boston time) for the Institutional Tax-Exempt Fund, 2:00 p.m. (Boston time) for the Treasury Fund and 5:00 p.m. (Boston time) for the Premier Institutional Fund, the Institutional Fund and the Government Fund on days that are Business Days, and on which the Exchange does not close early (except for Good Friday, Columbus Day and Veterans Day), or if the Exchange closes early and/or the BMA recommends that the securities market close early, at such early closing time or (b) at the previous close of trading on the Exchange on any Business Day (and on Good Friday, Columbus Day and Veterans Day). Each Fund other than the Institutional Tax-Exempt Fund intends to pay dividends, most of which will be taxed as ordinary income, although each Fund may pay capital gains dividends as well. The Institutional Tax-Exempt Fund intends to pay dividends most of which will be excludable from your gross income for Federal income tax purposes, but may pay taxable capital gains dividends as well.

You may receive your dividends in cash monthly. Such cash dividends will be paid to you by check or Federal Fund wire within seven days after the end of each month. You may elect to receive dividends in cash at the time of purchase of Fund shares or at any time subsequent thereto by giving written notice to State Street Bank. To be effective with respect to a particular monthly dividend, your written notice must be received by State Street Bank at least seven days prior to the end of the month.

If you redeem shares of a Fund or exchange them for shares of another fund, any gain on the transaction may be subject to tax. Certain dividend income and long-term capital gains are eligible for taxation at a reduced rate that applies to non-corporate shareholders. However, to the extent a Fund's distributions are derived from income on short-term debt securities and short term capital gain, that Fund's distributions will not be eligible for taxation at the reduced rate.

Generally, within 60 days after the end of each Fund's taxable year, each Fund will tell you the amount of exempt interest dividends and capital gain dividends you received that year. Capital gain dividends are taxable as long term capital gains to you regardless of how long you have held your shares. The tax treatment of dividends from a Fund is the same whether you choose to receive dividends in cash or to have them reinvested in shares of the Fund.

If you are neither a lawful permanent resident nor a citizen of the United States, or if you are a foreign entity, each Fund's ordinary income dividends (which include distributions of the excess of net short-term capital gains over net long term capital losses) will generally be subject to a 30% U.S. withholding tax, unless a lower treaty rate applies.

By law, your dividends and redemption proceeds will be subject to a withholding tax if you have not provided a taxpayer identification number or social security number or the number you have provided is incorrect.

The Institutional Tax-Exempt Fund will only purchase a tax-exempt or municipal security if it is accompanied by an opinion of counsel to the issuer, which is delivered on the date of issuance of the security, that the interest paid on such security is excludable from gross income for Federal income tax purposes. To the extent that the dividends distributed by the Institutional Tax-Exempt Fund are from bond interest income that is excludable from gross income for Federal income tax purposes, they are exempt from Federal income tax. Distributions derived from taxable interest income or capital gains on portfolio securities, if any, will be subject to Federal income taxes and will generally be subject to state and local income taxes. Certain investors may be subject to a Federal alternative minimum tax on dividends attributable to the Institutional Tax-Exempt Fund's investments in private activity bonds.

There is a possibility that events occurring after the date of issuance of a security, or after the Institutional Tax-Exempt Fund's acquisition of a security, may result in a determination that the interest on that security is, in fact, includable in gross income for Federal income tax purposes retroactively to its date of issue. Such a determination may cause a portion of prior distributions received by Institutional Tax-Exempt Fund shareholders to be taxable to those shareholders in the year of receipt.

This section summarizes some of the consequences under current Federal tax law of an investment in each Fund. It is not a substitute for personal tax advice. Consult your personal tax adviser about the potential tax consequences of an investment in each Fund under all applicable tax laws.

# Management of the Funds

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## *BlackRock Advisors*

BlackRock Advisors, LLC is the Investment Adviser for the Government Fund and the Treasury Fund and, in the case of Premier Institutional Fund, Institutional Fund and Institutional Tax-Exempt Fund, for each corresponding Portfolio. The Investment Adviser manages each Fund's or Portfolio's, as the case may be, investments and business operations subject to the oversight of the Trust's or the Master LLC's, as the case may be, Board of Trustees or Directors. While the Investment Adviser is ultimately responsible for the management of the Fund, it is able to draw upon the research and expertise of its asset management affiliates for portfolio decisions and management with respect to certain portfolio securities. The Investment Adviser is a wholly owned subsidiary of BlackRock, Inc. On September 29, 2006, BlackRock, Inc. consummated a transaction with Merrill Lynch & Co., Inc. whereby Merrill Lynch & Co., Inc.'s investment management business combined with that of BlackRock, Inc. to create a new independent company that is one of the world's largest asset management firms with over \$1 trillion in assets under management.

The Investment Adviser has the responsibility for making all investment decisions for each Fund or each Portfolio, as the case may be. The Investment Adviser has a sub-advisory agreement with BlackRock Institutional Management Corporation (the "Sub-Adviser"), an affiliate, under which the Investment Adviser pays the Sub-Adviser for services it provides a monthly fee at an annual rate equal to a percentage of the management fee paid to the Investment Adviser by each Fund or Portfolio under the investment advisory agreement between the Investment Adviser and the Trust or Master LLC. The Sub-Adviser is responsible for the day-to-day management of the Funds' portfolios.

For the fiscal year ended April 30, 2007, the Investment Adviser received a fee, based on each Fund's average daily net assets, at the following annual rates: .05% for Premier Institutional Fund, .05% for Institutional Fund, .20% for Government Fund, .20% for Treasury Fund and .05% for Institutional Tax-Exempt Fund. For Premier Institutional Fund, Institutional Fund and Institutional Tax-Exempt Fund the Advisory fee is paid by the Fund's corresponding Portfolio. The Investment Adviser also acted as administrator (the "Administrator") for Premier Institutional Fund, Institutional Fund and Institutional Tax-Exempt Fund. For its services as Administrator, the Administrator receives a fee, based on each Fund's average daily net assets, at the following annual rates: .10% for Premier Institutional Fund, .15% for Institutional Fund and .15% for Institutional Tax-Exempt Fund. Prior to September 29, 2006, Fund Asset Management L.P. ("FAM"), an indirect wholly owned subsidiary of Merrill Lynch & Co., Inc., acted as each Portfolio's or each Fund's, as

applicable, investment adviser and was compensated according to the same advisory fee rates as the Investment Adviser. Prior to September 29, 2006, FAM also acted as administrator for Merrill Lynch Premier Institutional Fund, Merrill Lynch Institutional Fund and Merrill Lynch Institutional Tax-Exempt Fund and was compensated according to the same administrative fee rates at the Administrator. FAM had agreed to voluntarily waive a portion of both the administrative and advisory fees for Premier Institutional Fund. The Investment Adviser has continued such voluntary waivers. The Investment Adviser may discontinue its waiver of the fees in whole or in part at any time without notice.

A discussion of the basis for the Board of Trustees' approval of each Fund's/Portfolio's investment advisory agreement and sub-advisory agreement is included in the Fund's semi-annual shareholder report for the fiscal period ending October 31, 2006.

The Investment Adviser was organized in 1994 to perform advisory services for investment companies. BlackRock Institutional Management Corporation is a registered investment adviser organized in 1977. The Investment Adviser and its affiliates had approximately \$1.23 trillion in investment company and other portfolio assets under management as of June 30, 2007.

From time to time, a manager, analyst, or other employee of the Investment Adviser or its affiliates may express views regarding a particular asset class, company, security, industry, or market sector. The views expressed by any such person are the views of only that individual as of the time expressed and do not necessarily represent the views of the Investment Adviser or any other person within the BlackRock organization. Any such views are subject to change at any time based upon market or other conditions and the Investment Adviser disclaims any responsibility to update such views. These views may not be relied on as investment advice and, because investment decisions for the Fund are based on numerous factors, may not be relied on as an indication of trading intent on behalf of the Fund.

### **Conflicts of Interest**

The investment activities of the Investment Adviser and its affiliates (including, for these purposes, Merrill Lynch & Co., Inc., BlackRock, Inc., The PNC Financial Services Group, Inc. and their affiliates, directors, partners, trustees, managing members, officers and employees (collectively with the Investment Adviser, the "Affiliates")) in the management of, or their interest in, their own accounts and other accounts they manage, may present conflicts of interest that could disadvantage a Fund and its shareholders. The Investment Adviser provides investment management services to other funds and discretionary managed accounts that follow an investment program similar to that of a Fund. The Investment Adviser and its Affiliates are involved worldwide with a broad spectrum of financial services and asset management activities and may engage in the ordinary course of business in activities in which their interests or the interests of their clients may

conflict with those of a Fund. One or more Affiliates act or may act as an investor, investment manager, financier, advisor, market maker, trader, prime broker, lender, agent and/or principal, and have other direct and indirect interests, in the global fixed income, currency, commodity, equity and other markets in which a Fund directly and indirectly invests. Thus, it is likely that a Fund will have multiple business relationships with and will invest in, engage in transactions with, make voting decisions with respect to, or obtain services from entities for which an Affiliate performs or seeks to perform investment banking or other services. One or more Affiliates may engage in proprietary trading and advise accounts and funds that have investment objectives similar to those of a Fund and/or that engage in and compete for transactions in the same types of securities, currencies and instruments as the Fund. The trading activities of these Affiliates are carried out without reference to positions held directly or indirectly by a Fund and may result in an Affiliate having positions that are adverse to those of the Fund. No Affiliate is under any obligation to share any investment opportunity, idea or strategy with a Fund. As a result, an Affiliate may compete with a Fund for appropriate investment opportunities. The results of a Fund's investment activities, therefore, may differ from those of an Affiliate and of other accounts managed by an Affiliate, and it is possible that the Fund could sustain losses during periods in which one or more Affiliates and other accounts achieve significant profits on their trading for proprietary or other accounts. In addition, a Fund may, from time to time, enter into transactions in which an Affiliate or its other clients have an adverse interest. Furthermore, transactions undertaken by an Affiliate or an Affiliate advised client may adversely impact a Fund. Transactions by one or more Affiliate-advised clients or the Investment Adviser may have the effect of diluting or otherwise disadvantaging the values, prices or investment strategies of a Fund. A Fund's activities may be limited because of regulatory restrictions applicable to one or more Affiliates, and/or their internal policies designed to comply with such restrictions. In addition, the Fund may invest in securities of companies with which an Affiliate has or is trying to develop investment banking relationships or in which an Affiliate has significant debt or equity investments. A Fund also may invest in securities of companies for which an Affiliate provides or may some day provide research coverage. An Affiliate may have business relationships with and purchase or distribute or sell services or products from or to distributors, consultants or others who recommend a Fund or who engage in transactions with or for the Fund. A Fund may also make brokerage and other payments to an Affiliate in connection with the Fund's portfolio investment transactions.

Under a securities lending program approved by the Board of Trustees with respect to Institutional Fund, Premier Institutional Fund, Government Fund and Treasury Fund, those Funds have retained an Affiliate of the Investment Adviser to serve as the securities lending agent for the Funds to the extent that the Funds engage in the securities lending program. For these services, the lending agent may receive a fee from a

Fund, including a fee based on the returns earned on that Fund's investment of the cash received as collateral for the loaned securities. In addition, one or more Affiliates may be among the entities to which a Fund may lend its portfolio securities under the securities lending program.

The activities of the Investment Adviser and its Affiliates may give rise to other conflicts of interest that could disadvantage a Fund and its shareholders. The Investment Adviser has adopted policies and procedures designed to address these potential conflicts of interest. See the Statement of Additional Information for further information.

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Each of these Funds is a “feeder” fund that invests all of its assets in the corresponding master portfolio. The Fund's investment results will correspond directly to the investment results of the Portfolio. Investors in each of these Funds will acquire an indirect interest in the corresponding Portfolio.

Each Portfolio may accept investments from other feeder funds, and all the feeders of a Portfolio bear the Portfolio's expenses in proportion to their assets. This structure may enable a Fund to reduce costs through economies of scale. A larger investment portfolio may also reduce certain transaction costs to the extent that contributions to and redemptions from a Portfolio from different feeders may offset each other and produce a lower net cash flow.

However, each feeder can set its own transaction minimums, fund-specific expenses, and other conditions. This means that one feeder could offer access to a Portfolio on more attractive terms, or could experience better performance, than another feeder. Information about feeders is available by calling (800) 225-1576.

Whenever a Portfolio holds a vote of its feeder funds, the corresponding Fund will pass the vote through to its own shareholders. Smaller feeder funds may be harmed by the actions of larger feeder funds. For example, a larger feeder fund could have more voting power than a Fund over the operations of the corresponding Portfolio. In addition, large purchases or redemptions by one feeder fund could negatively affect the performance of other feeder funds that invest in the same Portfolio.

Each of these Funds may withdraw from the corresponding Portfolio at any time and may invest all of its assets in another pooled investment vehicle or retain an investment adviser to manage the Fund's assets directly.

***Master/Feeder  
Structure  
(Applicable only to  
Merrill Lynch  
Premier  
Institutional Fund,  
Merrill Lynch  
Institutional Fund  
and Merrill Lynch  
Institutional  
Tax-Exempt Fund)***

# FINANCIAL HIGHLIGHTS

The Financial Highlights tables are intended to help you understand each Fund's financial performance for the last five years. In the case of Merrill Lynch Premier Institutional Fund, Merrill Lynch Institutional Fund and Merrill Lynch Institutional Tax-Exempt Fund, these periods encompass operations prior to the conversion to a "master/feeder" structure which was effective January 14, 2002. Certain information reflects the financial results for a single Fund share. The total returns in the tables represent the rate an investor would have earned or lost on an investment in the respective Fund (assuming reinvestment of all dividends). The information has been audited by Deloitte & Touche LLP, whose report, along with each Fund's financial statements, are included in the Funds' Annual Report, which is available upon request.

	Merrill Lynch Premier Institutional Fund				
	Year Ended April 30,				
	2007	2006	2005	2004	2003
Net Asset Value, beginning of year	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
<b>Income from Investment Operations:</b>					
Net investment income	.051	.037	.018	.011	.016
Less Distributions:					
Dividends from net investment income	(.051)	(.037)	(.018)	(.011)	(.016)
Dividends from net realized gain	—	—	—	—*	—
Net Asset Value, end of year	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Total Return	5.24%	3.79%	1.78%	1.06%	1.61%
<b>Ratios/Supplemental Data:</b>					
Net Assets, end of year (000)	\$19,908,646	\$16,821,041	\$18,752,104	\$45,708,710	\$44,576,660
Ratio of expenses to average net assets (before waiver)	.16%	.16%	.17%	.16%	.16%
Ratio of expenses to average net assets (after waiver)	.11%	.12%	—	—	—
Ratio of net investment income to average net assets (before waiver)	5.08%	3.70%	1.68%	1.04%	1.59%
Ratio of net investment income to average net assets (after waiver)	5.13%	3.74%	—	—	—

\* Amount represents less than \$0.01 per share.

# FINANCIAL HIGHLIGHTS (continued)

	Merrill Lynch Institutional Fund				
	Year Ended April 30,				
	2007	2006	2005	2004	2003
Net Asset Value, beginning of year	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
<b>Income from Investment Operations:</b>					
Net investment income	.051	.037	.017	.010	.015
Less Distributions:					
Dividends from net investment income	(.051)	(.037)	(.017)	(.010)	(.015)
Dividends from net realized gain	—	—*	—	—*	—
Net Asset Value, end of year	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Total Return	5.17%	3.74%	1.72%	.97%	1.54%
<b>Ratios/Supplemental Data:</b>					
Net Assets, end of year (000)	\$20,368,666	\$12,597,362	\$9,392,799	\$10,601,029	\$11,659,019
Ratio of expenses to average net assets	.22%	.23%	.23%	.23%	.23%
Ratio of net investment income to average net assets	5.07%	3.75%	1.69%	.96%	1.53%

\* Amount represents less than \$0.01 per share.

# FINANCIAL HIGHLIGHTS (continued)

	Merrill Lynch Government Fund				
	Year Ended April 30,				
	2007	2006	2005	2004	2003
Net Asset Value, beginning of year	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
<b>Income from Investment Operations:</b>					
Net investment income	.049	.036	.017	.009	.015
Less Distributions:					
Dividends from net investment income	(.049)	(.036)	(.017)	(.009)	(.015)
Dividends from net realized gain	—	—*	—	—*	—
Net Asset Value, end of year	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Total Return	5.06%	3.67%	1.67%	.94%	1.52%
<b>Ratios/Supplemental Data:</b>					
Net Assets, end of year (000)	\$2,815,784	\$2,213,199	\$3,370,912	\$5,559,034	\$5,334,131
Ratio of expenses to average net assets (before waiver)	.34%	.34%	.33%	.34%	.33%
Ratio of expenses to average net assets (after waiver)	.22%	.22%	.22%	.23%	.22%
Ratio of net investment income to average net assets (before waiver)	4.85%	3.44%	1.47%	.82%	1.39%
Ratio of net investment income to average net assets (after waiver)	4.97%	3.56%	1.58%	.93%	1.50%

\* Amount represents less than \$0.01 per share.

# FINANCIAL HIGHLIGHTS (continued)

	Merrill Lynch Treasury Fund				
	Year Ended April 30,				
	2007	2006	2005	2004	2003
Net Asset Value, beginning of year	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
<b>Income from Investment Operations:</b>					
Net investment income	.048	.034	0.15	.008	0.14
Less Distributions:					
Dividends from net investment income	(.048)	(.034)	(0.15)	(.008)	(0.14)
Dividends from net realized gain	—	—*	—	—	—
Net Asset Value, end of year	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Total Return	4.87%	3.43%	1.52%	.80%	1.37%
<b>Ratios/Supplemental Data:</b>					
Net Assets, end of year (000)	\$1,349,189	\$1,369,615	\$1,734,266	\$1,344,073	\$1,487,986
Ratio of expenses to average net assets (before waiver)	.35%	.36%	.36%	.36%	.35%
Ratio of expenses to average net assets (after waiver)	.23%	.23%	.23%	.23%	.22%
Ratio of net investment income to average net assets (before waiver)	4.64%	3.20%	1.45%	.66%	1.19%
Ratio of net investment income to average net assets (after waiver)	4.76%	3.33%	1.58%	.79%	1.32%

\* Amount represents less than \$0.01 per share.

# FINANCIAL HIGHLIGHTS (concluded)

Merrill Lynch Institutional Tax-Exempt Fund					
Year Ended April 30,					
	2007	2006	2005	2004	2003
Net Asset Value, beginning of year	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
<b>Income from Investment Operations:</b>					
Net investment income	.034%	.026	.014	.008	.01
Less Distributions:					
Dividends from net investment income	(0.34)	(.026)	(.014)	(.008)	(.01)
Dividends from net realized gain	—	—	—*	—	—
Net Asset Value, end of year	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Total Return	3.47%	2.68%	1.38%	.85%	1.23%
<b>Ratios/Supplemental Data:</b>					
Net Assets, end of year (000)	\$14,911,825	\$14,060,273	\$12,618,574	\$11,023,313	\$8,185,521
Ratio of expenses to average net assets	.22%	.22%	.22%	.22%	.22%
Ratio of net investment income, to average net assets	3.41%	2.66%	1.40%	.84%	1.19%

\* Amount represents less than \$0.01 per share.

**FUND**

Merrill Lynch Funds For Institutions Series  
One Financial Center  
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**TRANSFER AGENT**

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**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

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**COUNSEL**

Willkie Farr & Gallagher LLP  
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New York, New York 10019-6099

## For More Information

This Prospectus contains information you should know before investing, including information about risks. Please read it before you invest and keep it for future reference.

### Shareholder Reports

Additional information about each Fund's investments is available in the Fund's Annual and Semi-Annual Reports. You may obtain these reports at no cost by calling (800) 225-1576.

### Statement of Additional Information

The Statement of Additional Information contains further information about each Fund and is incorporated by reference into (legally considered to be part of) this Prospectus. You may request a free copy by writing the Fund at State Street Bank and Trust Company, P.O. Box 8118, Boston, Massachusetts 02266-8118 or by calling (800) 225-1576.

Contact your Merrill Lynch Financial Advisor or call the Fund at the telephone number or address indicated above if you have any questions.

### World Wide Web

Access general fund information and specific fund performance. Request mutual fund prospectuses and literature. Forward mutual fund inquiries. [www.blackrock.com](http://www.blackrock.com)

### Securities and Exchange Commission

Information about the Fund (including the Statement of Additional Information) can be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Call (202) 551-8090 for information on the operation of the public reference room. This information is also available on the SEC's Internet site at <http://www.sec.gov> and copies may be obtained upon payment of a duplicating fee, by electronic request at the following E-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov), or by writing the Public Reference Section of the SEC, 100 F Street, N.E., Washington, D.C. 20549-0102.

**You should rely only on the information contained in this Prospectus. No one is authorized to provide you with information that is different from information contained in this Prospectus.**

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.

INVESTMENT COMPANY ACT FILE #811-5149