

**MINNESOTA SCHOOL DISTRICT LIQUID ASSET  
FUND PLUS  
("MSDLAF+" or the "Fund")**

**SUPPLEMENT DATED MAY 21, 2021 TO  
MSDLAF+ INFORMATION STATEMENT  
DATED AUGUST 13, 2015**

This Supplement supplies additional information with respect to the Fund and should be read in conjunction with the Fund Information Statement dated August 13, 2015 as supplemented to date. Terms used in this Supplement shall be as defined in the Information Statement.

The Board of Trustees has retained a new law firm to serve as Legal Counsel to the Fund and as such all references to Knutson, Flynn & Deans, P.A. should be replaced with Kennedy & Graven, Chartered ("Kennedy & Graven"). The contact information for Kennedy & Graven is as follows:

Fifth Street Towers  
150 South Fifth Street, Suite 700  
Minneapolis, MN 55402

The date of this Supplement is May 21, 2021.

**THIS IS A SUPPLEMENT TO THE INFORMATION STATEMENT DATED AUGUST 13, 2015 AS SUPPLEMENTED MARCH 23, 2018 AND AUGUST 1, 2016. IT PROVIDES ADDITIONAL INFORMATION ABOUT THE FUND. A COMPLETE INFORMATION STATEMENT, INCLUDING ALL SUPPLEMENTS, IS AVAILABLE UPON REQUEST BY CONTACTING A FUND REPRESENTATIVE AT 1-888-4-MSDLAF.**

**PLEASE RETAIN THIS SUPPLEMENT FOR FUTURE REFERENCE.**

**MINNESOTA SCHOOL DISTRICT LIQUID ASSET  
FUND PLUS  
("MSDLAF+" or the "Fund")**

**SUPPLEMENT DATED MARCH 23, 2018 TO  
MSDLAF+ INFORMATION STATEMENT  
DATED AUGUST 13, 2015**

This Supplement supplies additional information with respect to the Fund and should be read in conjunction with the Fund Information Statement dated August 13, 2015 as supplemented to date. Terms used in this Supplement shall be as defined in the Information Statement.

As of February 20, 2018, the address of the following service providers of the Fund has changed to 213 Market Street, Harrisburg, PA 17101-2141.

- Administrator – PFM Asset Management LLC
- Distributor– PFM Fund Distributors, Inc.

The date of this Supplement is March 23, 2018.

**THIS IS A SUPPLEMENT TO THE INFORMATION STATEMENT DATED AUGUST 13, 2015 AS SUPPLEMENTED AUGUST 1, 2016. IT PROVIDES ADDITIONAL INFORMATION ABOUT THE FUND. A COMPLETE INFORMATION STATEMENT, INCLUDING ALL SUPPLEMENTS, IS AVAILABLE UPON REQUEST BY CONTACTING A FUND REPRESENTATIVE AT 1-888-4-MSDLAF.**

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**MINNESOTA SCHOOL DISTRICT LIQUID ASSET  
FUND PLUS  
("MSDLAF+" or the "Fund")**

**SUPPLEMENT DATED AUGUST 1, 2016 TO  
MSDLAF+ INFORMATION STATEMENT  
DATED AUGUST 13, 2015**

This Supplement supplies additional information with respect to the *MSDLAF+ Portfolio*, a portfolio established by the Board of Trustees (the "Board") of the Fund and should be read in conjunction with the Fund Information Statement dated August 13, 2015 as supplemented to date. Terms used in this Supplement shall be as defined in the Information Statement.

Please be advised that the Board approved the adoption of GASB 79 requirements at a meeting held on May 25, 2016. As a result of this adoption, the Board has determined, in consultation with the Investment Adviser, that it will manage the *MSDLAF+ Portfolio* in accordance with GASB 79 requirements, as applicable, for continued use of amortized cost.

The date of this Supplement is August 1, 2016.

**THIS IS A SUPPLEMENT TO THE INFORMATION STATEMENT DATED AUGUST  
13, 2015. IT SUPERCEDES THE PREVIOUS SUPPLEMENT THAT WAS FILED ON  
JULY 26, 2016 IN ITS ENTIRETY AND PROVIDES ADDITIONAL INFORMATION  
ABOUT THE FUND. A COMPLETE INFORMATION STATEMENT, INCLUDING  
ALL SUPPLEMENTS, IS AVAILABLE UPON REQUEST BY CONTACTING A FUND  
REPRESENTATIVE AT 1-888-4-MSDLAF.**

**PLEASE RETAIN THIS SUPPLEMENT FOR FUTURE REFERENCE.**

# Minnesota School District Liquid Asset Fund Plus

## *Information Statement*

*August 13, 2015*

A Comprehensive Cash  
Management Program exclusively for  
Minnesota Public School Districts.



MSDLAF+ is sponsored by:  
Minnesota School Boards Association  
Minnesota Association of  
School Administrators  
Minnesota Association of School  
Business Officials



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## Part 1

*Part 1 presents key facts about the Portfolios and Programs of the Trust, including information on costs, minimums, policies, and how to place transaction orders. Part 1 is descriptive, not definitive, and is qualified by the information contained in Part 2.*

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## Part 2

### Information Statement Addendum

*Part 2 contains supplemental information to Part 1. Some of this information further defines or qualifies information presented in Part 1. There is also information on additional topics, such as the history of the Trust. Parts 1 and 2 together constitute the offering document for the Portfolios and Programs.*

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## Terms Used in this Document

**BAM** The BAM Program, offering Bond Account Management.

**Business Day** Any day that (1) both the Federal Reserve Bank of New York and the Trust's Custodian are open for business and (2) the primary trading markets for the Trust's portfolio instruments are open and the Trust's management believes there is an adequate market to meet purchase and redemption requests. Additionally, the Trust is authorized not to open for trading on a day that is otherwise a Business Day if the Securities Industry and Financial Markets Association ("SIFMA") recommends that the primary trading markets close. The Trust may also close early on a Business Day if the SIFMA recommends that primary trading markets close early.

In light of anticipated limited availability for money market securities and fixed income settlement capacity limitations, the Trust will not be open for business on Good Friday even if the primary trading markets are open. Specifically, no Federal Reserve wire settlement will occur, purchases and redemptions will not be accepted and no settlement will occur for the Trust.

**Custodian** U.S. Bank or the designated bank, agent, or trust company, responsible for safeguarding financial assets of MSDLAF+ and its portfolios.

**Declaration** The Declaration of Trust through which the Trust was created.

**EON** - Easy online network. The Investment Adviser's web-based information and transaction service.

**Investment Adviser** PFM Asset Management LLC, the Trust's Investment Adviser, Administrator and transfer agent.

**Investor** A shareholder of one or more Portfolios.

**Participant** An entity that uses the services of one or more Programs of the Trust.

**Program** The MSDLAF+ Portfolio (MSDLAF+ Liquid Class and MSDLAF+ MAX Class) and the MSDLAF Term Portfolio (MSDLAF Term Series)

**Member of MSBA** A School District may not become an Investor unless and until it is a member in good standing of the Minnesota School Boards Association (MSBA).

**MSDLAF+** Minnesota School District Liquid Asset Fund Plus or "the Fund."

**Portfolios** The MSDLAF+ Portfolio (including Liquid Class and MAX Class), the MSDLAF+ Term Portfolio. "Portfolio" refers to each specific section in which it is used to describe the features of that particular Trust Portfolio.

**SAM** The SAM Program, offering Separate Account Management

**School District** Public school entities and districts of every kind and nature organized under the laws of the State of Minnesota, including, without limitation, school districts, intermediate school districts, education districts, service cooperatives, secondary vocational cooperative centers, special education cooperatives, regional management information centers, joint purchasing cooperatives, and any "instrumentality" (as that term is defined in the Joint Powers Act) of a school district, (collectively, the "School District")

**Sponsors** The Minnesota School Boards Association, the Minnesota Association of School Administrators and the Minnesota Association of School Business Officials serve as the sponsors of the Fund (collectively, the "Sponsors")

**Trust** Minnesota School District Liquid Asset Fund Plus, also known as MSDLAF+. This is a common law trust organized in the state of Minnesota for the purpose of allowing Minnesota School Districts to pool their investment funds in the Portfolios described herein.

**Trustees** Members of the Board of Trustees of the Trust.

# Portfolio Summaries

## MSDLAF+ Portfolio *Liquid Class, MAX Class*

### Principal Investment Strategies

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The assets of the MSDLAF+ Portfolio are invested in Permitted Investments in such a manner as to result in an average dollar weighted maturity for the series of no greater than sixty (60) days and a dollar-weighted average life (portfolio maturity computed to final maturity without regard to interest rate adjustments on investments) of no greater than one hundred twenty (120) days. In addition, the MSDLAF+ Portfolio seeks to maintain a constant net asset value per share of \$1.00. The Permitted Investments in which the MSDLAF+ Portfolio invests are selected by the Investment Adviser and consist of money market instruments permitted by applicable Minnesota law. Investors may purchase either Liquid Class Shares of the MSDLAF+ Portfolio or MAX Class Shares of the MSDLAF+ Portfolio. A copy of the Certificate of Designation of the MSDLAF+ Portfolio is available upon request from the Administrator.

**Liquid Class.** The MSDLAF+ Portfolio's Liquid Class has a minimum balance requirement of \$1.00 and no minimum investment deposit or withdrawal requirements. An Investor may redeem shares of the Liquid Class in any amount not in excess of its account balance in such class. Upon request, an Investor may have unlimited check writing privileges in its Liquid Class account(s).

**MAX Class.** Investments in the MSDLAF+ Portfolio's MAX Class must be held for at least 14 calendar days, with the exception of direct investment of funds distributed by the State of Minnesota or the deposit of proceeds of aid, tax or revenue anticipation certificates of indebtedness.

Except as noted, all investments in the MAX Class by Investors must be deposited for a minimum of fourteen (14) calendar days. No investment made in the MAX Class may be withdrawn during the first fourteen (14) calendar days after it is made without incurring a penalty for such premature withdrawal. In the event that an Investor withdraws a deposit within such initial fourteen (14) calendar day period, it will be subject to a penalty equal to the loss of seven (7) days interest on the amount so withdrawn. Such seven (7) day interest penalty will be calculated on the basis of the dividend rates in effect for the MAX Class for the seven (7) day period immediately preceding the withdrawal date. Accordingly, the penalty

will be equal to the dividend that would have been earned during the seven (7) days preceding the withdrawal date on the amount prematurely withdrawn. Such penalty will be assessed even though the amount withdrawn may not have been invested in the MAX Class for the full seven (7) day period preceding the withdrawal date on the amount prematurely withdrawn.

Notices of withdrawal from the MAX Class must be received by the Trust's Administrator not less than one (1) Business Day prior to the requested withdrawal date. For the purpose of calculating whether the notice requirement has been met, a notice will have been deemed to have been received on a particular Business Day if it is received by the Trust's Administrator no later than 1:00 p.m. Central time on such day. In the event that an Investor withdraws an investment from the MAX Portfolio without giving the required notice, it will be subject to a penalty equal to the loss of seven (7) days interest on the amount so withdrawn calculated in the same manner as is set forth above with respect to the penalty applicable to premature withdrawals. In the event that an Investor withdraws an investment from the MAX Portfolio without complying with the fourteen (14) day deposit requirement and without complying with the one (1) day notice requirement, only a single penalty will be assessed.

If a penalty relating to premature withdrawal is assessed and sufficient interest has not been earned with respect to the investment so that such penalty can be paid by reducing the dividends that would otherwise have been paid to the Investor, the principal amount of the withdrawal paid to the Investor will be reduced to the extent necessary to cover the penalty.

In determining whether an amount is eligible for withdrawal from a particular MAX Class account, the first-in/first-out method will be used. If an Investor has more than one MAX Class account, only the dates on which investments were made in the particular account to which a withdrawal request relates will be taken into consideration when making this determination.

### Permitted Investments

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The investment objective of the MSDLAF+ Portfolio is to seek a competitive yield for the Investors while maintaining

liquidity and preserving capital by investing only in instruments authorized by Minnesota law.

No assurance can be given that the MSDLAF+ Portfolio will achieve its investment objective. However, the Trustees and the Investment Adviser intend to make all reasonable efforts to attain the MSDLAF+ Portfolio's investment objectives.

The MSDLAF+ Portfolio seeks its investment objective by pursuing a professionally managed investment program consistent with the policies and restrictions described below.

Any percentage limitation or rating requirement described under "Investment Objectives and Policies" will be applied at the time of purchase.

**Permitted Investments.** The Trust is specifically designed for Minnesota School Districts. Accordingly, the MSDLAF+ Portfolio will only contain instruments in which School Districts are permitted to invest funds pursuant to Minnesota statutes ("Permitted Investments"). Even if a particular instrument or security would otherwise be a Permitted Investment under Minnesota law, no instrument or security may be acquired by the Trust for any Portfolio unless it also meets the criteria approved by the Trustees in consultation with the Investment Adviser and described within the information statement. Authorized instruments include the following:

- (a) Government bonds, notes, bills, mortgages (excluding certain high-risk mortgage backed securities), and other securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress;
- (b) Any security which is a general obligation of any state or local government with taxing powers which is rated A or better by a national bond rating service;
- (c) Any security which is a revenue obligation of any state or local government with taxing powers which is rated AA or better by a national bond rating service;
- (d) A general obligation of the Minnesota Housing Finance Agency which is a moral obligation of the State of Minnesota and is rated A or better by a national bond rating agency;
- (e) Bankers' acceptances of United States banks;
- (f) Commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by at least two nationally recognized rating agencies and that matures in 270 days or less;
- (g) Bank deposits or accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Administration (NCUA) or are covered by approved collateral; provided that any such deposits shall be insured, bonded, or collateralized in the manner required by Minnesota Law and that any such bank or thrift institution accepting the time deposit shall meet the criteria designated from time to time by the Trustees;
- (h) Negotiable Certificates of Deposit or other evidences of deposit issued by a nationally or state-chartered bank, a federal or state savings and loan association, or a state-licensed branch of a foreign bank with a remaining maturity of 397 days or less; provided that for maturities of one year or less, the debt obligations of the issuing institution or its parent are rated at the time of purchase in the top short-term rating category by at least two nationally recognized statistical ratings organizations and for maturities in excess of one year, the senior debt obligations of the issuing institution or its parent are rated at the time of purchase at least A or its equivalent by at least two nationally recognized statistical ratings organizations. Investments in these instruments shall not be subject to the collateralization requirements of section 118A.03.
- (i) Certain general obligation temporary bonds;
- (j) Repurchase agreements consisting of authorized collateral and reverse repurchase agreements that qualify under Minnesota Statutes, Section 118A.05 with
  - (i) a financial institution qualified as a depository of public funds of a government entity;
  - (ii) any other financial institution which is a member of the Federal Reserve System and whose combined capital and surplus equals or exceeds \$10,000,000;
  - (iii) a primary reporting dealer in United States government securities to the Federal Reserve Bank of New York; or
  - (iv) a securities broker-dealer licensed pursuant to Minnesota Statutes, Chapter 80A, or an affiliate of it, regulated by the Securities and Exchange Commission and maintaining a combined capital and surplus of \$40,000,000 or more, exclusive of subordinated debt;
- (k) Securities lending agreements, including custody agreements, with a financial institution that has its principal executive office in Minnesota and (i) is qualified as a depository of public funds of a



governmental entity or (ii) is a member of the Federal Reserve System and whose combined capital and surplus equals or exceeds \$10,000,000; provided that collateral for such transactions shall be limited to securities described in Minnesota Statutes, Sections 118A.04 and 118A.

- (l) Agreements or contracts for shares of a Minnesota joint powers investment fund whose investments are restricted to securities described in Minnesota Statutes, Sections 118A.04 and 118A.05 and 118A.07, Subd. 7;
- (m) Units of a short-term investment fund established and administered pursuant to Regulation 9 of the Office of the Comptroller of the Currency, in which investments are restricted to securities described in Minnesota Statutes Sections 118A.04 and 118A.05;
- (n) Shares of an investment company which is registered under the Investment Company Act of 1940 and which holds itself out as a money market fund meeting the conditions of Rule 2a-7 of the Securities and Exchange Commission and is rated in one of two highest rating categories for money market funds by at least one nationally recognized statistical rating organization;
- (o) Agreements or contracts for shares of an investment company which is registered under the Investment Company Act of 1940, and whose shares are registered under the Securities Act of 1933, as long as the investment company's fund receives the highest credit rating and is rated in one of the two highest risk categories by at least one nationally recognized statistical rating organization and is invested in financial instruments with a final maturity no longer than 13 months;
- (p) Agreements or contracts for guaranteed investment contracts if they are issued or guaranteed by United States commercial banks, domestic branches of foreign banks, United States insurance companies, or their Canadian subsidiaries, or the domestic affiliates of any of the foregoing, and if the credit quality of the issuer's or guarantor's short and long term unsecured debt is rated in one of the two highest categories by Nationally Recognized Statistical Ratings Organizations ("NRSROs"). In addition, Agreements or contracts for guaranteed investment contracts with a term of 18 months or less may be entered into regardless of the credit quality of the issuer's or guarantor's long-term unsecured debt, provided that the credit quality of the issuer's short-term unsecured debt is rated in the highest category by a nationally recognized rating agency. Should the issuer's or guarantor's

credit quality be downgraded below "A", the government entity must have withdrawal rights.

- (q) Any other investment instruments now or hereafter permitted by applicable law for the investment of the funds of School Districts organized under the laws of the State of Minnesota. The investment instruments above are referred to in this Information Statement as "Permitted Investments."

### Investment Restrictions

The MSDLAF+ Portfolio may buy and sell and enter into agreements to buy and sell, Permitted Investments subject to the restrictions described below. These restrictions are considered to be fundamental to the operation and activities of the MSDLAF+ Portfolio and may not be changed without the affirmative vote of a majority of the Investors. The MSDLAF+ Portfolio:

- (a) May not make any investment other than a Permitted Investment;
- (b) may not purchase any Permitted Investment which has a maturity date more than one (1) year from date of the Fund's or its Portfolio's purchase thereof, unless it is subject at the time of its purchase to an irrevocable agreement on the part of a Responsible Person to repurchase it from the Fund or such Portfolio within one (1) year; provided, however, the Trustees may, in their discretion, waive this one (1) year limitation with respect to any one or more of the Fund's Portfolios
- (c) May not purchase any Permitted Investment for any Portfolio if the effect of such purchase by the MSDLAF+ Portfolio would be to make the average dollar weighted maturity of that Portfolio greater than the period designated by the Trustees as the maximum average dollar weighted maturity of that Portfolio (however, in determining the effect of a purchase on a Portfolio's average maturity, any Permitted Investment which is subject to an irrevocable agreement of the nature referred to in the preceding clause (b) is deemed to mature on the day on which the Fund or such Portfolio is obligated to sell such Permitted Investment back to a Responsible Person or the day on which the Fund or such Portfolio may exercise its rights under such agreement to require the purchase of such Permitted Investment by a Responsible Person); and
- (d) May not borrow money or incur indebtedness except to facilitate as a temporary measure: (i) withdrawal requests which might otherwise require unscheduled dispositions of Portfolio investments; (ii) for a period not to exceed one (1)

Business Day, withdrawal requests pending receipt of collected funds from investments sold on the date of the withdrawal requests or withdrawal requests from Investors who have notified the Fund of their intention to deposit funds in their accounts on the date of the withdrawal requests; or (iii) for a period not to exceed one (1) Business Day, the purchase of Permitted Investments pending receipt of collected funds from Investors who have notified the Fund of their intention to deposit funds in their accounts on the date of the purchase of the Permitted Investments. May not make loans, provided the MSDLAF+ Portfolio may make Permitted Investments;

- (e) May not make loans, provided the Fund may make Permitted Investments;
- (f) May not hold or provide for the custody of any Fund Property in a manner not authorized by law or by any institution or person not authorized by law;
- (g) Except as permitted above under the heading "Permitted Investments," may not purchase securities or shares of investment companies or any entities similar to the Fund; and
- (h) May not pledge assets except to secure indebtedness permitted by subparagraph (d) in this section; however in the case of indebtedness secured under subsection (d) (ii) or (iii) hereof, it may pledge assets only to the extent of actual funds in the account of an Investor on whose behalf the indebtedness was incurred plus an amount equal to the amount which that Investor has notified the MSDLAF+ Portfolio that it intends to deposit in its account on that date.

The phrase "Responsible Person" means a recognized securities firm designated as such from time to time by the Trustees acting with the advice and counsel of the Investment Adviser.

**Illiquid investments** are securities that cannot be sold or disposed of in the ordinary course of business at approximately the value ascribed to it by the Trust. The Trust may not invest more than 5% of net assets in the following illiquid investments, measured in aggregate. Illiquid investments include:

- Restricted investments (those that, for legal reasons, cannot be freely sold).
- Fixed time deposits with a maturity of more than seven days that are subject to early withdrawal penalties.
- Any repurchase agreement maturing in more than seven days and not terminable at approximately the carrying value in the Trust before that time.

- Other investments that are not readily marketable at approximately the carrying value in the Trust.

If the 5% limitation on investing in illiquid securities is adhered to at the time of investment, but later increases beyond 5% resulting from a change in the values of the Trust's Portfolio securities or total assets, the Trust shall then bring the percentage of illiquid investments back into conformity as soon as practicably possible. The Trust believes that these liquidity requirements are reasonable and appropriate to assure that the securities in which the Trust invests are sufficiently liquid to meet reasonably foreseeable redemptions of Shares.

## Main Risks

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There are risks associated with investment in the MSDLAF+ Portfolio which should be considered carefully by Investors and potential Investors in light of their particular circumstances as they may exist from time to time. The risks are summarized below as:

- **Interest rate risk** When short-term interest rates fall, the MSDLAF+ Portfolio's yield is likely to fall. When interest rates rise, especially if the rise is sharp or unexpected, the Portfolio's share price could fall.
- **Credit risk** The issuer of a security could fail to pay interest or principal in a timely manner. The credit quality of the MSDLAF+ Portfolio's holdings could change rapidly in certain markets, and the default or decline in credit quality of even a single investment could cause the Portfolio's share price to fall.
- **Liquidity risk** The MSDLAF+ Portfolio's share price could fall during times when there are abnormal levels of redemption requests or markets are illiquid.
- **Management risk** made by the Investment Adviser, such as choice of Performance could be hurt by decisions investments or timing of buy/sell decisions.

*An investment in the MSDLAF+ Portfolio is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Portfolio seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Portfolio.*

## Management

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### Investment Adviser PFM Asset Management LLC

*The MSDLAF+ Portfolio has two share classes, each with its own expenses, returns, account minimums, and other policies and services. The features of each Class are summarized in the following sections.*

## **Fees and Expenses**

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These are the fees you may pay when you buy and hold shares in this Portfolio. The figures shown here do not reflect the effects of any voluntary expense reductions. Going forward, actual expenses may be higher or lower.

### **Annual Portfolio Operating Expenses**

(Fees and expenses shown are gross numbers based on the prior years audited financial statements and may be subject to certain fee waivers.)

#### **Liquid Class Shares**

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Management and administrative fees	0.27%
Other operating expenses	0.15%
<b>Total annual class operating expenses</b>	<b>0.42%</b>

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#### **MAX Class Shares**

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Management and administrative fees	0.22%
Other operating expenses	0.05%
<b>Total annual class operating expenses</b>	<b>0.27%</b>

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This fee is computed daily and paid monthly.

## **Past Performance**

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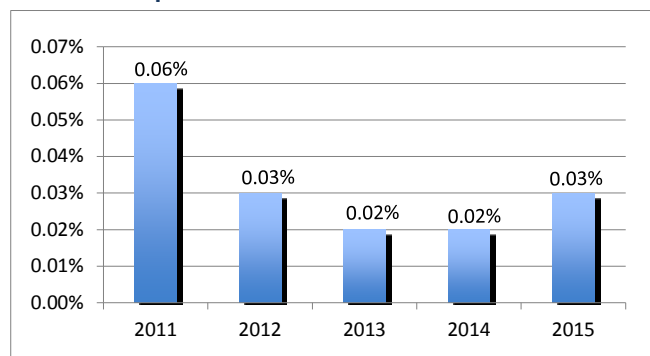
All performance figures shown here assume that dividends were reinvested. Figures shown are for the five most recent audited calendar years. For current yield information, call 1-888-4-MSDLAF or 1-717-724-4997.

Past performance may not indicate future results.

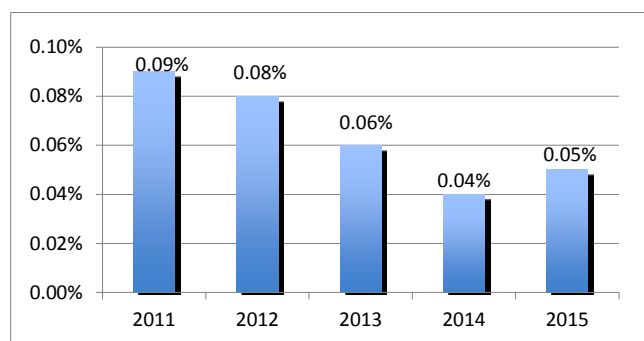
### Fiscal Year Total Returns (%)

All performance figures shown here assume that dividends were reinvested. Figures shown are for the five most recent audited fiscal years ended June 30th. For current yield information, call 1-888-4-MSDLAF. Past performance may not indicate future results.

#### MSDLAF+ Liquid Class



#### MSDLAF+ MAX Class



### Purchase and Sale of Portfolio Shares

#### MSDLAF+ Liquid Class

**Minimum Initial Investment** No minimum.

**Minimum Account Balance** \$1.00.

**Minimum Holding Period** 1 day.

You can place orders to buy or sell MSDLAF+-Class shares by automated clearing house (ACH) transfer, wire, check, direct deposit, transfer from another MSDLAF+ account, or via the Internet using EON, our web-based information and transaction service.

#### MSDLAF+ MAX Class

**Minimum Initial Investment** No minimum

**Minimum Account Balance** No minimum

**Minimum Holding Period** 14 days for each deposit. There may be a penalty for early withdrawal with the exception of direct investments of funds distributed by the State of Minnesota as described herein.

You can place orders to buy or sell MSDLAF+ MAX Class shares by transfer from another MSDLAF+ account, or via the Internet using EON, our web-based information and transaction service.

### Placing Orders

To place orders, contact us at:

**Online** [www.msdlaf.org](http://www.msdlaf.org)

**Phone** 1-888-4-MSDLAF

Orders can be processed the same Business Day if they are received and accepted by the Investment Adviser by 1:00 p.m. Central Time and (for purchases) if the MSDLAF+ Portfolio's Check Clearing Agent receives federal funds by wire prior to the close of business. Otherwise, they are processed on the next Business Day. ACH transfer orders are processed on the next Business Day if requested by 1:00 p.m. Central Time. Otherwise, they are processed on the second Business Day after the Business Day on which they are received.

*For more complete information on buying and selling shares see "Buying Shares" and "Redeeming Shares." For information on the potential tax consequences of investing in the MSDLAF+ Portfolio, see "Tax Information."*

## MSDLAF+ Term Portfolio

### Investment Objective

To provide an investment subject to pre-set redemptions occurring from 60 days to up to one year from the time of investment, and that will produce the highest earnings consistent with maintaining principal at maturity and meeting the redemption schedule. Each MSDLAF+ Term Portfolio seeks to assure the return of principal on the planned maturity date, although principal value may fluctuate prior to that date, and therefore may be greater or less than \$1.00 a share. There is a penalty for early withdrawal, and NAV may be more or less than \$1.00 a share.

### Fees and Expenses

Under its agreement with the Fund, each MSDLAF+ Term Portfolio Series pays the Investment Adviser a monthly fee for investment advisory, administration and marketing services at the annual rate of 0.25% of average daily net assets. At its discretion, the Investment Adviser may waive some or all of its fees for the MSDLAF+ Term Portfolio, and such waiver may be discontinued at any time. In addition to the aforementioned fees, each MSDLAF+ Term Portfolio Series is responsible for its own associated expenses such as insurance costs, the fees of the Custodian, audit, rating agency, trustee expenses and legal fees.

These are the fees and expenses you may pay when you buy and hold shares in this Portfolio.

### Annual Portfolio Operating Expenses

(Fees and expenses shown may be subject to certain fee waivers)

MSDLAF+ TERM	(Not to exceed)
Management and administrative fees	0.25%
Other operating expenses	0.10%
<b>Total annual class operating expenses</b>	<b>0.35%</b>

The Portfolio may charge significant penalties for any redemptions prior to the agreed-upon redemption date. As the penalty charged is based on actual costs incurred in effecting the redemption and protecting the interests of other Portfolio Investors, the actual amount of the penalty cannot be stated in advance.

### Principal Investment Strategies

Each series of MSDLAF+ Term is a portfolio of Permitted Investments and has a series-specific Termination Date

The Investment Adviser may adjust exposure to interest rate risk, typically seeking to protect against possible rises in interest rates and to preserve yield when interest rates appear likely to fall.

For information regarding certain risks associated with investments by the MSDLAF+ Portfolio in various Permitted Investments, see “Main Risks”.

### Main Risks

There are risks associated with investment in each MSDLAF+ Term Series which should be considered carefully by Investors and potential Investors in light of their particular circumstances as they may exist from time to time. The Fund may not be an appropriate investment in certain situations for some Investors and potential Investors. Although the Fund has been designed and is operated with the goal of minimizing risk, Investors and potential Investors should carefully consider the factors described in this section in light of their particular circumstances. The risks specified in this section may also be applicable to certain investments in any additional programs offered by the Investment Adviser.

- **Credit risk** The issuer of an obligation could fail to pay interest or principal in a timely manner. The credit quality of holdings could change rapidly in certain markets and the default or decline in credit quality of even a single holding could cause your share price to fall.
- **Early redemption risk** Early redemption penalties charged could reduce or eliminate investment gains and could mean that the amount you get back is less than your initial investment.
- **Management risk** Performance could be hurt by decisions made by the investment adviser/administrator, such as choice of investments or timing of buy/sell decisions.

### Past Performance

The performance of each MSDLAF+ Term series may vary. For current rates, call (1-888-4-MSDLAF). Past performance may not indicate future results.

### Management

**Investment Adviser** PFM Asset Management LLC

## Purchase and Sale of Portfolio Shares

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**Minimum Initial Investment** \$100,000.

**Minimum Account Balance** \$100,000.

**Minimum Term** 60 days. Premature withdrawal may result in a penalty.

**Maximum Term** 1 year

## Placing Orders

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In addition to setting up an account prior to your initial purchase of shares, you may need to provide certain other information and certifications.

Prior to placing any order, call the Fund's toll-free number to discuss the amount and term of your investment and to get information on projected yield.

Once your investment has been approved, you can place orders to buy or sell Portfolio shares by either wire or check. To place orders, contact us at:

**Online** [www.msdlaf.org](http://www.msdlaf.org)

**Phone** 1-888-4-MSDLAF

Orders can be processed the same Business Day if they are received and accepted by the Investment Adviser by 12:00 p.m. Central time and (for purchases) if the Portfolio's Custodian receives federal funds by wire prior to the close of business. Otherwise, they are processed on the next Business Day.

*For more complete information on buying and selling shares see "Buying Shares" and "Redeeming Shares." For information on the potential tax consequences of investing in the MSDLAF Term Portfolio, see "Tax Information."*

# Additional Fund Programs

## Overview

From time to time the Investment Adviser may, at the request or with the approval of the Board of Trustees, make other services or programs available to Investors of the Trust. Investors are advised that these additional services and programs are separate from the investment programs encompassed by the Trust, and the Board of Trustees of the Trust takes no responsibility for such services or programs. The parties offering such programs are solely responsible for them, and questions regarding any such service or program should be directed to the party offering it. The interests held under any Additional Program are in the name of the respective Investors and are not part of the assets of any series of the Trust.

At present, the Investment Adviser offers to Trust Investors a Certificates of Deposit Investment Program, a SAM Program and a BAM Program. *These programs are separate from the Trust's investment program and its Board takes no responsibility for them. Investors that opt to take advantage of these programs must enter into a separate agreement with the Investment Adviser.*

For further information about each Program, contact the Investment Adviser.

## Certificates of Deposit Investment Program

CDs available through the Certificates of Deposit Investment Program are issued by institutions whose deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") within limits prescribed by law. FDIC insurance is backed by the full faith and credit of the United States government. For each depositor that otherwise qualifies, interest and principal are fully insured up to the applicable insurance limit in effect at the time of purchase. In order to maintain FDIC insurance coverage of both principal and interest on CDs purchased through the Certificates of Deposit Investment Program, CDs may only be purchased in amounts so that the total value of the CD and all interest thereon will not exceed the applicable FDIC insurance limit. For purposes of providing advice on CDs, the Investment Adviser will assume, unless the Participant informs the Investment Adviser to the contrary, that the Participant is entitled to the applicable FDIC insurance on each CD purchased through the Program.

Additional information regarding FDIC coverage limits and requirements can be found on the FDIC website: [www.myFDICinsurance.gov](http://www.myFDICinsurance.gov).

## Eligible CDs

The Investment Adviser seeks to ensure that each Program Participant's CD investments are entirely covered by FDIC insurance. The Investment Adviser also reviews the financial condition of each financial institution whose CDs are being offered under the program.

## Main Risks

There are several risk factors that you bear directly as a Certificates of Deposit Investment Program Participant.

- **Credit risk** The issuer of a CD could fail to pay interest or repay principal in a timely manner. In such a case, the amount and the timing of any repayment may depend on the FDIC or NCUA.
- **FDIC or NCUA risk** If the FDIC or NCUA fails to honor its stated coverage of CDs purchased through the Fixed Income Investment Program, you would be solely responsible for resolving the matter with the insuring party and would bear any losses.
- **Eligibility risk** The Fixed Income Investment Program does not actively monitor any Program Participant's eligibility for FDIC or NCUA coverage or the eligibility of any particular CD for any Program Participant. The Program Participant is solely responsible for notifying the Investment Adviser about outside investments that may have an adverse effect on assets invested through the Fixed Income Investment Program.
- **Excess deposit risk** Because the Fixed Income Investment Program can not actively monitor deposits of any type that are made outside the Fixed Income Investment Program, your total deposits with a financial institution could exceed FDIC or NCUA coverage limits, leaving you exposed to potential losses should the financial institution be unable to honor its commitments to depositors.
- **Early redemption risk** CDs are not liquid and may be subject to early redemption. Early redemption penalties charged by the CD issuer could reduce or eliminate any earnings, and could mean that the

amount you get back is less than your initial purchase amount.

There are also risks that you bear directly as a BAM Program Participant:

- **Interest rate risk** When short-term interest rates fall, the market value of any fixed rate investment is likely to rise. When interest rates rise, especially if the rise is sharp or unexpected, a security's market value is likely to fall.
- **Credit risk** The issuer of a security could fail to pay interest or principal in a timely manner. The credit quality of any security could change rapidly in certain markets, and the default or decline in credit quality of even a single holding could cause the overall value of program securities to fall.
- **Liquidity risk** The value of program securities could fall during times when markets are illiquid.
- **Management risk** Performance could be hurt by decisions made by the Investment Adviser, such as choice of investments.

### Separate Account Management (SAM)

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In the SAM program, the Investment Adviser works closely with each Participant to create a comprehensive investment strategy and individual portfolio for operating funds and reserves of the Participant. Each SAM account is created by the Investment Adviser following a review of budget and cash flow projections and schedules of the Participant. SAM accounts can be managed on either discretionary or non-discretionary basis. Participants participating in the SAM program receive a cash flow review, investment policy review and assistance in determining acceptable benchmarks, in addition to other cash management services (during the term of the investment advisory agreement). SAM is designed to apply to all or a substantial portion of a Participant's budget on an annual basis.

### Bond Account Management (BAM)

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In the BAM program, the Investment Adviser works closely with the Participant to create a comprehensive investment strategy and portfolio for the Participant while focusing on the project's disbursement needs. In addition, the Investment Adviser offers arbitrage rebate services, investment policy review and development, cash flow modeling, and Liquid services.

### Additional Program Compensation

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The fees for the Additional Programs are negotiated directly by the Investment Adviser with the Participant

and determined after a review of various factors. The Investment Adviser has agreed with the Trust that investment advisory, administrative and marketing fees for the SAM and BAM programs shall be determined under separate agreement with the Investment Advisor. The Investment Adviser has further agreed that investment advisory, administrative and marketing fees for the Certificates of Deposit Investment Program shall not exceed 25 basis points (0.25%) of the principal amount under management.

The Investment Adviser has further agreed with the Fund that fees for the Certificates of Deposit Investment Program shall not exceed the following:

- Certificates of Deposit: 0.25% annualized of the principal amount of each Certificate of Deposit.

### Management

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**Investment Adviser** PFM Asset Management LLC

**Custodian** (*Applicable to the BAM Program only*)

Although Program Participants are free to choose a custodian, the Fund has arranged for its Custodian, U.S. Bank, to be available to serve as custodian for the assets of any BAM Program account. The Custodian holds cash and securities of each account in a separate account in the name of the applicable Program Participant. The Custodian does not participate in investment decisions.

### Redemption of Program CDs

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On the maturity date, redemption proceeds will automatically be wired to your Liquid Class account.

### Tax Information

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We suggest that you check with your tax advisor before purchasing CDs or any other investments. Relevant considerations may include:

- Section 115(1) of the Code, which provides that the gross income of a state or political subdivision does not include income derived from the exercise of any essential government function.
- Section 148 of the Code (and related regulations) covering rebate requirements, which may apply to anyone investing tax-exempt bond proceeds.
- The arbitrage limitations or rebate requirements of section 148 of the Code (and related regulations), under which states and municipalities may be required to pay the U.S. Treasury a portion of earnings they derive from the investment of certain funds.



# Investing

## Opening an Account

### Eligible Investors

**School Districts.** The Declaration of Trust allows School Districts, as defined below, to open accounts and become Participants as that term is described in the Declaration of Trust. For purposes of this Information Statement, School Districts which are shareholders of one or more Portfolios of the Trust are referred to as "Investors". Additionally, School Districts that opt to participate in additional programs of the Trust are referred to as "Participants". Public school entities and districts of every kind and nature organized under the laws of the State of Minnesota, including, without limitation, school districts, intermediate school districts, education districts, service cooperatives, secondary vocational cooperative centers, special education cooperatives, regional management information centers, joint purchasing cooperatives, and any "instrumentality" (as that term is defined in the Joint Powers Act) of a school district are collectively referred to in the Declaration of Trust and in this Information Statement as "School Districts."

**Member of MSBA.** A School District may not become an Investor unless and until it is a member in good standing of the Minnesota School Boards Association. The Board of Directors of the Minnesota School Boards Association shall determine whether a School District is a member in good standing for this purpose. In the event that the Trust has been notified that an Investor has ceased to be a member in good standing of the Minnesota School Boards Association, the Investor shall no longer be considered an Investor in the Trust and the Trust shall, within (30) business days, redeem all of the shares of that Investor at the net asset value of the Participant's shares as of the Withdrawal date.

### Investor Accounts

The Trust does not issue share certificates. Instead, an account is maintained for each shareholder by the Trust's Administrator acting as transfer agent. Each Investor's account will reflect the full and fractional shares of the Trust's Portfolio (s) that it owns. An Investor will be sent confirmations of each transaction in shares and monthly statements showing account balances.

### Sub-Account Services

An Investor may open sub-accounts with the Trust for accounting convenience or to meet requirements regarding the segregation of funds. Sub-accounts can be established at any time. An Investor may call 1-888-4-MSDLAF for further information and to request the necessary forms.

### Account Opening Process

To open an account, please call the Administrator at 1-888-4-MSDLAF or contact:

PFM Asset Management LLC  
P.O. Box 11760  
Harrisburg, PA 17108-11760

Upon approval of a new account application, an account number will be provided to the Investor within twenty-four hours.

Shares of the Trust may be purchased on any Business Day by contacting the Administrator.

The Trust reserves the right to reject any investment and to limit the size of an Investor's account.

## Buying Shares — Liquid Class & MAX Class

Investors may invest in the Liquid Class and MAX Class using EON, by telephone, by fax or by mail. Once an account has been opened, shares may be purchased by next day transfer same day wire, direct deposit or check as follows:

Method	Instructions	Additional information
<b>Wire (same-day settlement)</b>	<ul style="list-style-type: none"> <li>● Initiate a transaction online through EON, or by calling 1-888-4-MSDLAF <b>before 1:00 P.M. Central Time</b>, or by faxing request to 1-888-535-0120.</li> <li>● Provide the following information:               <ul style="list-style-type: none"> <li>● Investor's account name and account number</li> <li>● Name of portfolio</li> <li>● Whether the transfer is by Federal funds wire (preferred) or bank wire</li> <li>● Name of bank sending wire</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● It is your responsibility as an investor to ensure that immediately available funds are received by MSDLAF+ on the settlement date.</li> </ul>
<b>Investor Initiated ACH transfer (settles next Business Day)</b>	<ul style="list-style-type: none"> <li>● Before making your first transfer, call 1-888-4-MSDLAF or 1-717-724-4997 and register for ACH transfers.</li> <li>● Initiate an ACH transaction online through EON, by calling 1-888-4-MSDLAF <b>before 1:00 p.m. Central Time</b>, or by faxing request to 1-888-535-0120.</li> <li>● Shares may be purchased by requesting that the Administrator initiate an ACH transfer from an Investor's local bank account. All ACH requests must be reported to the Fund <b>by 1:00 p.m. Central Time</b> in order to begin earning interest in an Investor's account the following Business Day.</li> </ul>	<ul style="list-style-type: none"> <li>● Requests received <b>after 1:00 p.m. Central Time</b> will be initiated the next Business Day and be available in the specified bank or vendor and will begin to earn interest two Business Days after the notice.</li> <li>● Please contact the Administrator at 1-888-4-MSDLAF for appropriate forms and further details.</li> </ul>
<b>Third-Party Initiated ACH Purchases</b>	<ul style="list-style-type: none"> <li>● Shares may be purchased by Investors arranging to allow third-parties to directly deposit funds to their Investor account by ACH. Shareholders who want to permit such a purchase must submit certain information regarding the third-party, in writing, to the Trust's Administrator prior to the third-party initiating the ACH.</li> <li>● Third-party initiated ACH purchases, reported by the Custodian to the Administrator <b>by 1:00 p.m. Central Time</b> will begin earning interest that same day.</li> <li>● To arrange for third-party ACH purchases Investors can contact the Administrator by calling 1-888-4-MSDLAF.</li> </ul>	<ul style="list-style-type: none"> <li>● Third-party initiated ACH purchases reported by the Custodian to the Administrator <b>after 1:00 p.m. Central Time</b> will begin earning interest the next Business Day.</li> <li>● Banks that originate ACH transactions cause the ACH to be initiated at least one Business Day prior to its being reported by the Custodian to the Administrator.</li> </ul>

**Check (settles the Business Day after the order arrives)**

- Checks to purchase shares should be endorsed as follows:  
For deposit only  
MSDLAF  
Further credit: (Entity name & Account number)
- If you have deposit tickets reflecting your entity name and all or part of your Trust account number, or generic Trust deposit tickets sent to you by the Trust, you may either bring your deposit to a US Bank branch or mail your deposit to:  
U.S. Bank N.A.  
Bank by Mail  
PO Box 1950  
St. Paul, MN 55101-0950
- Shares will be issued when the check is credited to the Portfolio's account with the Custodian. This normally occurs on the next Business Day after the Check Clearing Agent receives the check.

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**Online**

- Before making your first online transaction, submit an EON Online Account Access Authorization Form, which may be obtained either by calling 1-888-4-MSDLAF or 1-717-724-4997 or by visiting [www.msdlaf.org](http://www.msdlaf.org).
  - Use EON to place wire or ACH orders.
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## Redeeming Shares — Liquid Class & MAX Class

You may withdraw all or any portion of the funds in your account by redeeming shares. Shares will be redeemed at the net asset value per share next determined after receipt of a request for withdrawal in proper form. This

determination is made at the conclusion of each Business Day. Funds may be withdrawn in any of the ways shown below.

Method	Instructions	Additional information
<b>Wire (same-day settlement)</b>	<ul style="list-style-type: none"> <li>Initiate a wire online through EON, or call 1-888-4-MSDLAF or 1-717-724-4997, or fax the request to 1-888-535-0120 on any Business Day to request a withdrawal and the transfer of proceeds using banking instructions on file with the Trust.</li> <li>If your request is received <b>before 1:00 p.m. Central Time</b>, funds will be wired on that same day.</li> <li>Requests received after <b>1:00 p.m. Central Time</b> will be processed on the following Business Day.</li> </ul>	
<b>Investor Initiated ACH transfer (settles next Business Day)</b>	<ul style="list-style-type: none"> <li>Shares may be redeemed by requesting that the Administrator initiate an ACH transfer to an Investor's specified bank or vendor account.</li> <li>All ACH requests must be made to the Administrator by <b>1:00 p.m. Central Time</b> to be available in the Investor's specified bank or vendor account the following Business Day.</li> <li>An Investor can contact the Administrator by calling 1-888-4-MSDLAF, by entering the request on EON, or by faxing the request to 1-888-535-0120.</li> </ul>	<ul style="list-style-type: none"> <li>ACH's will only be initiated if the instructions authorizing ACH transfers to the specified bank or vendor account have been submitted in writing to the Administrator prior to the request.</li> <li>Requests received <b>after 1:00 p.m. Central Time</b> will be initiated the next Business Day and be available in the specified bank or vendor account two Business Days after the notice</li> </ul>
<b>Third-Party Initiated ACH Redemptions</b>	<ul style="list-style-type: none"> <li>Shares may be redeemed by Investors arranging to allow third-parties to directly withdraw from their Investor account by ACH. Shareholders who want to permit such a redemption must submit certain information regarding the third-party, in writing, to the Trust's Administrator prior to the third-party initiating the ACH.</li> <li>Third-party initiated ACH redemptions reported by the Custodian to the Administrator <b>by 1:00 p.m. Central Time</b> will effectuate a redemption of shares and transfer from the Shareholder's account that same day.</li> <li>To arrange for third-party ACH redemptions, Investors can contact the Administrator by calling 1-888-4-MSDLAF.</li> </ul>	<ul style="list-style-type: none"> <li>Third-party initiated ACH redemptions reported by the Custodian to the Administrator <b>after 1:00 p.m. Central Time</b> will be available in the specified bank or vendor account the next Business Day.</li> <li>The third-party initiator must generally cause the ACH to be initiated one Business Day before the ACH is reported by the Custodian to the Administrator.</li> </ul>

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**Online**

- Shares may be redeemed by an Investor via EON. This method of withdrawal is available to Investors who complete and submit an “EON Internet Service Authorization Form.” These forms can be obtained by visiting [www.MSDLAF.org](http://www.MSDLAF.org) and clicking on “Open an Account” and “Forms” or by calling the Trust’s Administrator at 1-888-4-MSDLAF.
- If the call or EON transaction is received **before 1:00 p.m. Central Time** on a Business Day, the Administrator will wire the amount that same day to the bank account specified on the Investor’s Account Registration Form.
- **Requests received after 1:00 p.m. Central Time** will be processed on the following Business Day.
- The Trust does not charge for a same day wire, but an Investor’s depository may.
- Changes to withdrawal instructions must be received in writing by the Administrator in proper form.

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**Withdrawal of All Funds in Account**

- If at any time an Investor wishes to withdraw all of the funds in an account, the proceeds will be sent to the Investor by a Same Day Wire or Next Day Transfer according to the Investor’s instructions.
  - Accounts will remain open for future deposits and investments, unless otherwise instructed.
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## Buying Shares — MSDLAF+ Term

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Prior to placing any order, call us to discuss the amount and term of your investment and to get information on the projected yield. Each investment will be given its own projected yield. Yields may vary according to the term of

the investment and the rates available at the time of investment. Shares in MSDLAF+ Term may be purchased by Same Day Wire or by requesting a transfer from a Liquid Class account.

Method	Instructions	Additional information
<b>Wire (same-day settlement)</b>	<ul style="list-style-type: none"> <li>● Investments in MSDLAF+ Term may be made by having the Investor arrange for its bank to wire funds to the Custodian.</li> <li>● Initiate a transaction online or by calling 1-888-4-MSDLAF before 11:00 a.m. Central Time.</li> <li>● Provide the following information:               <ul style="list-style-type: none"> <li>● Investor's account name and account number</li> <li>● Amount being wired</li> <li>● Whether the transfer is by Federal wire (preferred) or bank wire</li> <li>● Name of bank sending wire</li> <li>● Wire instructions can be obtained by contacting the Program administrator at 1-888-4-MSDLAF</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● The Portfolio does not charge fees for receiving wires. However, the sending bank may charge for wiring funds.</li> <li>● It is your responsibility as an investor to ensure that your bank sends sufficient funds to cover your intended purchase.</li> <li>● A Federal Reserve wire is preferred since it permits the investment of funds immediately upon receipt.</li> </ul>
<b>Internal Transfer from Liquid Class account</b>	<ul style="list-style-type: none"> <li>● The Investor may move funds from one Liquid Class account to a MSDLAF+ Term account online through EON or by calling the Administrator at 1-888-4-MSDLAF.</li> <li>● Requests for transfer which are received by telephone <b>prior to 11:00 a.m. Central Time</b> provide same day credit of funds.</li> <li>● Transfers requested <b>after 11:00 a.m. Central Time</b> will be credited the next Business Day.</li> </ul>	

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## Redeeming Shares — MSDLAF+ Term

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Funds may be withdrawn in any of the ways shown below:

Type of Redemption	Instructions	Additional information
<b>Maturity</b>	<ul style="list-style-type: none"> <li>No action required. Redemption value will be reinvested in Liquid Class shares at maturity date.</li> </ul>	<ul style="list-style-type: none"> <li>Redemption value per share will equal the purchase price plus dividends (at the projected yield) minus any losses incurred by the series (not counting those resulting from premature redemptions).</li> </ul>
<b>Planned Early Redemption</b> <i>Redemption prior to maturity date</i>	<ul style="list-style-type: none"> <li>At the time an order for shares is placed, Investors may submit a request for redemption on a Planned Early Redemption Date prior to the termination date for the series without the imposition of a penalty.</li> </ul>	<ul style="list-style-type: none"> <li>The redemption value per share for shares being redeemed on a Planned Early Redemption Date is equal to the original purchase price for such shares plus dividends thereon, less such share's allocation of any losses incurred by the series (other than losses resulting from Premature Redemption of shares of the series).</li> </ul>
<b>Premature Redemption</b> <i>Redemption prior to maturity date</i>	<ul style="list-style-type: none"> <li>An Investor may withdraw funds pursuant to a Premature Withdrawal request prior to the Termination Date for the series or prior to the Participant's Planned Early Withdrawal Date, as the case may be, by redeeming a minimum of 10,000 shares and multiples thereof.</li> <li>Send a letter to the Investment Adviser requesting redemption prior to maturity date. Alternatively, you can notify the Portfolio by calling MSDLAF+ Term account representative at 1-888-4-MSDLAF and following up with written confirmation of your instructions.</li> <li>7 days after we receive your request, redemption proceeds will be transferred to the Investor's Liquid-Class account, unless you have instructed us to wire the funds to your pre-authorized bank account. In the absence of instructions from the Investor, these funds will be credited to a previously designated Liquid Class account of the Investor.</li> </ul>	<ul style="list-style-type: none"> <li>Premature redemption amounts must be for the entire investment or, for partial redemptions, must be in increments of \$10,000.</li> <li>Redemption value per share will equal the purchase price plus dividends earned to date minus any losses incurred by the series and any premature redemption penalty.</li> </ul>

## Policies Concerning Withdrawals

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### Suspending Withdrawals

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

### General Policies

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#### Services to Investors

**The Trust offers certain additional account features at no extra charge, including:**

**Statements** Daily transaction confirmations are available only on EON. The Investment Adviser provides monthly statements showing the previous month's transactions, dividends paid and the account balance as of the statement date. The statements also indicate total year-to-date income earned. Monthly statements are also available through EON within two business days after month-end. Investors may elect to stop receiving statements by mail.

**Information Services** Toll-free telephone service, 1-888-4-MSDLAF, is available to provide Investors with information including up-to-date account information and transaction history and to receive instructions for the investment or withdrawal of funds.

**Website** Account information and information regarding the Trust's Portfolios and Programs along with current news about the Trust can be found at [www.msdlaf.org](http://www.msdlaf.org). A password and user identification are required to initiate a transaction or access account information. The system can be accessed through the [www.msdlaf.org](http://www.msdlaf.org) website by selecting "Access Your Account." A password and user identification can be received by contacting investor services at 1-888-4-MSDLAF.

#### Rights we reserve

The Trust reserves the right, acting through its appropriate entity, to do any of the following:

- Add, change, or drop account minimums at any time without advance notice.
- Reject any investment or to limit the size of any Investor's account.
- Limit the frequency of purchases for any reason.
- Establish a minimum check amount, or terminate, suspend, or alter check writing privileges.

## Tax Information

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We suggest that you check with your tax advisor before investing in a Portfolio of the Trust or through any Program of the Trust.

### Financial Highlights

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The Portfolios' financial statements and financial highlights have been audited and are included in the MSDLAF+ Annual Report for the year end. The Annual Report is available upon request.



## Part 2 – Information Statement Addendum

### General Information

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#### The Trust

##### History and Description of the Trust

The Minnesota School District Liquid Asset Fund Plus (the "Fund") is a joint powers entity in the form of a common law trust organized and existing under the laws of the State of Minnesota in accordance with the provisions of the Minnesota Joint Powers Act (Minnesota Statutes, Section 471.59), as amended (the "Joint Powers Act") to permit Minnesota School Districts to pool their investment funds to seek the highest possible investment yield, while maintaining liquidity and preserving capital. The Fund was established on November 29, 1984, by the adoption of a Declaration of Trust by three Minnesota School Districts as the initial Participants. The Declaration of Trust was amended on October 7, 1986, amended and restated on October 21, 1991, and amended and restated as of January 10, 2007.

The office of record of the Trust is c/o Minnesota School Boards Association, 1900 Jefferson Avenue, St. Peter, Minnesota 56082-3015.

The Trust answers inquiries at any time during business hours from an Investor concerning the status of its account (number of Shares, etc.) and the current yields available through its investment programs. Such inquiries can be made through PFM Asset Management LLC, as the Trust's administrator (the "Administrator"), by calling toll-free, 1-888-4-MSDLAF, or by writing the Administrator at P.O. Box 11760, Harrisburg, PA 17108-1760. Confirmations and monthly statements are also available through EON (Easy Online Network), the Trust's Internet-based information system. To access EON please visit the Trust's website at [www.msdlaf.org](http://www.msdlaf.org) and click on the link "Online Access." If a Trust Investor does not have an EON account, contact the Administrator, at 1-888-467-3523.

Investments in the Trust involve certain risks which should be considered by each potential Investor before investing. An investment in the Trust is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. For further information regarding certain risks associated with investments in the fund.

The name "Minnesota School District Liquid Asset Fund Plus" is the designation of the Trust under its Declaration of Trust. The Declaration of Trust provides that the name of the Trust and refers to the Trustees collectively in such capacity and not personally or as individuals. All persons dealing with the Trust must look solely to the Trust property for the enforcement of any claims against the Trust since neither the Trustees, Officers, agents, nor Investors assume any personal liability for obligations entered into on behalf of the Trust.

#### The Declaration

Each potential Investor in the Trust is given a copy of the Declaration of Trust before it becomes an Investor. Certain portions of the Declaration of Trust are summarized in this Information Statement. However, these summaries are qualified in their entirety by reference to the text of the Declaration of Trust.

**Description of Shares.** The Declaration of Trust authorizes the issuance of an unlimited number of non-transferable shares that may be used to represent the proportionate allocation among Investors of beneficial interest in the Trust. These shares do not entitle Investors to any preference, conversion, exchange or preemptive rights. No shares may be assigned or transferred to any person other than the Trust itself at the time of withdrawal. Furthermore, shares may not be pledged, hypothecated or otherwise encumbered by an Investor.

The Trustees, in their discretion, from time to time, may authorize the division of shares into two or more separate series and the division of any series into two or more separate classes of Shares, as they deem necessary and desirable. The different series or classes shall be established and designated, and the variations in the relative rights and preferences as between the different series or classes, shall be fixed and determined, by the Trustees, without the requirement of Investor approval. Each series shall relate to a separate portfolio of investments.

An Investor only receives earnings from the investments of the series or class in which it invests. The investment portfolio of each series is independent of the investment portfolio of each other series. In the event of the incurrence of a loss with respect to any series (whether of principal or interest), no contribution will be made to such series from the portfolio of any other series to offset such loss. No series constitutes security or collateral for any other series.

**Voting.** For all matters requiring a vote of Investors, each Investor is entitled to one vote with respect to each matter, regardless of the number of shares that the Investor holds. Investors are not entitled to cumulative voting or voting on a series-by-series or class-by-class basis.

**Initiating a Vote of the Investors.** As to any matter with regard to which the Participants have a right to vote, any Participant may initiate a vote of the Participants by delivering to the Board of Trustees a written instrument signed by at least 10% of the Participants.

**Withdrawals.** Pursuant to a request for withdrawal of shares from an Investor, in accordance with the procedures set forth in the Declaration of Trust, the Trust shall cause to be delivered to the Custodian a certificate signed on behalf of the Trust specifying the amount to be paid for the shares redeemed. A withdrawal request made by an Investor in the form of a check drawn upon its Trust account with Custodian is deemed to constitute the presentation of a certificate. Investors also may make withdrawals by written, telephonic or facsimile request in accordance with the procedures set forth in this Information Statement.

**Distributions.** In addition to distributions made pursuant to withdrawals by Investors, the Trustees may from time to time declare and pay to the Investors in those series or classes, in proportion to their respective ownership of shares, such supplementary distributions as they may determine necessary, out of the earnings, profits or assets in the hands of the Trustees. The declaration and payment of such supplementary distributions and the determinations of earnings, profits, and other funds available for such supplementary distributions or other purposes, shall lie wholly in the discretion of the Trustees and may be made at such time and in such manner as they, in their sole discretion, determine.

The Trustees may also allocate to the Investors in the Liquid Class and MAX Class, in proportion to their respective ownership of shares, additional shares in such manner and on such terms as they may deem proper.

Any or all supplementary distributions will be made among the Investors of record at the time of declaring such distribution or among the Investors of record at such other date as the Trustees shall determine. Subject to the foregoing, an Investor may only receive such supplementary distribution from the investments of the series and/or class in which it participates.

**Borrowing.** The Trust may not borrow money or incur indebtedness except to facilitate as a temporary measure: (a) withdrawal requests which might otherwise require unscheduled dispositions of Portfolio investments; (b) for a period not to exceed one (1) business day, withdrawal requests pending receipt of collected funds from investments sold on the date of the withdrawal requests or withdrawal requests from Investors who have notified the Trust of their intention to deposit funds in their accounts on the date of the withdrawal request; or (c) for a period not to exceed one (1) business day, the purchase of Permitted Investments pending receipt of collected funds from Investors who have notified the Trust of their intention to deposit funds in their accounts on the date of the purchase of the Permitted Investments.

**Investor Liability.** The Declaration of Trust provides that Investors shall not be subject to any individual liability for the acts or obligations of the Trust and provides that every written undertaking made by the Trust shall contain a provision that such undertaking is not binding upon any of the Investors individually. The Trustees intend to conduct the operations of the Trust, with advice of counsel, in such a way as to avoid ultimate liability of the Investors for liabilities of the Trust.

**Responsibility of Trustees, Officers and Agents.** No Trustee, officer, employee or agent of the Trust (or other person who might be designated by the Trustees) is individually liable to the Trust, an Investor, an officer, an employee or an agent of the Trust, for any action or failure to act unless it is taken or omitted in bad faith or constitutes willful misfeasance or misconduct, reckless disregard of duty or gross negligence. All third parties shall look solely to the Trust property for the satisfaction of claims arising in connection with the affairs of the Trust.

**Indemnification.** Subject to certain conditions and limitations set forth in the Declaration of Trust, the Trust will indemnify each of its Trustees and officers, and employees and any other persons designated by the Trustees to receive such indemnification, against all liabilities and expenses (including, without limitation, amounts paid in satisfaction of judgments,

in compromise or as fines and penalties, and counsel fees) reasonably incurred by him or her in connection with the defense or disposition of any action, suit or other proceeding by the Trust or any other person, whether civil or criminal, in which he or she may be involved or with which he or she may be threatened, while in office or thereafter, by reason of his or her being or having been such a Trustee, officer, employee, agent or otherwise designated person, except as to any matter as to which he or she shall have been adjudicated to have acted in bad faith or with willful misfeasance or misconduct or reckless disregard of his or her duties or gross negligence.

### **Amendment and Termination of the Declaration**

**Amendment of Declaration of Trust.** The Declaration of Trust may be amended by the affirmative vote of a majority of the Investors present in person or by proxy entitled to vote or by an instrument in writing, without a meeting, signed by a majority of the Trustees and consented to by not less than a majority of the Investors entitled to vote. The Trustees may, from time to time, by a two-thirds vote of the Trustees, and after fifteen (15) days' prior written notice to the Investors, amend the Declaration of Trust without the vote or consent of the Investors, to the extent that they deem necessary to conform the Declaration of Trust to the requirements of applicable laws or regulations, or any interpretation thereof by a court or other governmental agency, but the Trustees shall not be liable for failing to do so

**Termination of the Declaration of Trust.** The Trust may be terminated by the affirmative vote of a majority of the Investors present in person or by proxy entitled to vote at any meeting of Investors or by an instrument in writing, without a meeting, signed by a majority of the Trustees and consented to by a majority of the Investors entitled to vote. Upon the termination of the Trust and after paying or adequately providing for the payment of all of its liabilities, and upon receipt of such releases, indemnities and refunding agreements as they deem necessary for their protection, the Trustees may distribute the remaining Trust property, in cash or in kind or partly in cash and partly in kind, among the Investors according to their respective proportionate beneficial interests.

### **Operating Policies**

The Trust has developed operating policies pertaining to deposits, withdrawals, check writing, stop payments and wire and other electronic transactions. These operating policies are available to all Investors and may be amended from time to time. These policies have been developed for the protection of the Trust and its Investors. The policies are integral to the operation of the Trust and are binding on the Investors and potential investors.

### **Services**

**Advisory Services.** The Trust has entered into separate Investment Advisory Agreements with the Investment Adviser, pursuant to which the Investment Adviser manages the investment of the Trust's Portfolio, including the placement of orders for the purchase and sale of Portfolio securities. The Investment Adviser obtains and evaluates such information and advice relating to the economy and the securities market as it considers necessary or useful to manage continuously the assets of the Trust in a manner consistent with the investment objectives and policies of the Portfolio.

**Portfolio Transactions.** Subject to the general supervision of the Trustees, the Investment Adviser is responsible for the investment decisions and for placing the orders for portfolio transactions for the Trust. The Trust's portfolio transactions occur primarily with major dealers in money market and government instruments acting as principals. Such transactions are normally on a net basis, which do not involve payment of brokerage commissions. Transactions with dealers normally reflect the spread between bid and asked prices.

Although the Trust does not ordinarily seek, but may nonetheless make profits through short-term trading, the Investment Adviser may, on behalf of the Trust, dispose of any portfolio investment prior to its maturity if it believes such disposition is advisable. The Trust's policy of generally investing in instruments with maturities of less than one (1) year will result in high portfolio turnover. However, since brokerage commissions are not normally paid on the types of investments which the Trust may make, any turnover resulting from such investments should not adversely affect the net asset value or net income of the Trust.

The Investment Adviser seeks to obtain the best net price and most favorable execution of orders for the purchase and sale of portfolio securities. Where price and execution offered by more than one dealer are comparable, the Investment Adviser may, in its discretion, purchase and sell investments through dealers which provide research, statistical and other information to the Investment Adviser or to the Trust. Such supplemental information received from a dealer is in addition to the services required to be performed by the Investment Adviser under its agreement with the Trust, and the expenses of the Investment Adviser will not necessarily be reduced as a result of the receipt of such information.

Portfolio investments will not be purchased from or sold to the Investment Adviser or any affiliate of the Investment Adviser

**Customer Service.** The Investment Adviser operates a toll-free telephone facility to be used by Investors or by local governments interested in becoming Investors. The Investment Adviser also develops and maintains the online access and transaction systems.

**Transfer Agent, Dividend Disbursing Agent.** The Investment Adviser maintains account records for each Investor, produces statements of account, calculates and distributes the net income, and processes all transactions.

**Administrator.** Under the Agreement, PFM also provides administrative and marketing services to the Trust.

The Investment Adviser maintains the books of the Portfolios; supervises, under the direction of the Trustees, all aspects of each Portfolio's operations; periodically updates and prepares the Trust's Information Statement; prepares the tax returns, financial statements and reports for all Portfolios; supervises and coordinates the activities of the custodian for the assets of the Portfolios; and provides office space, equipment, and personnel to administer the Trust.

The Administrator, through its wholly-owned subsidiary, PFM Fund Distributors, Inc., which is a member of the Municipal Securities Rulemaking Board and the National Association of Securities Dealers, also provides marketing services to the Trust. As part of those duties PFM Fund Distributors, Inc. has established a marketing team with appropriate training, attends Trust seminars and conferences, provides advice regarding methods of seeking and obtaining additional Investors for the Trust, assists Investors in completing and submitting registration forms, assists in preparing and distributing information about the Trust and at least once each quarter, provides the Trustees with a summary of future marketing strategies.

**Marketing.** PFM Fund Distributors, Inc., a wholly owned broker-dealer subsidiary of the Investment Advisor, arranges and pays for costs of printing and distributing the Trust's Information Statements to school districts, prepares and distributes other explanatory and promotional materials, provides technical assistance and guidance to school districts considering use of the Trust as a cash management vehicle, and the Investment Adviser's personnel make visits to school districts to present the facts about the Trust and to explain their use, advantages, and benefits.

**Portfolio Accounting.** The Investment Adviser maintains records of all securities owned, performs the bookkeeping for all sales and purchases, determines the daily, monthly and quarterly income distribution amounts, and under the direction of the Trustees determines each Business Day the net asset value of shares of the Portfolio, and determines the net asset value of shares of the Portfolio as necessary.

### **Opening an Account**

Investing in a Portfolio and, if desired, also becoming an Investor in a Program, requires action by the governing body of each School District. Typically, a resolution is required. For your convenience, a Model Resolution is available online at [www.msdlaf.org](http://www.msdlaf.org).

Once this action has been taken, prospective Investors must complete the Account Registration and forward along with a copy of the ordinance or resolution and a completed IRS Form W-9 to:

MSDLAF+  
P.O. Box 11760  
Harrisburg, PA 17108-1760

The Trust will notify the investor of its approval of the application(s) and the account number(s) assigned. There is no limit to the number of accounts that can be opened by an Investor. Additional Account Registration Forms are available online at [www.msdlaf.org](http://www.msdlaf.org) or by calling 1-888-4-MSDLAF.

## Management and Administrative Costs

### Advisor Fee

*MSDLAF+ Portfolio.* Under the Agreement, the Investment Adviser is paid a fee for its services as investment adviser for the MSDLAF+ Portfolio at an annual rate applied to the total average daily net assets of all Investors invested in the MSDLAF+ Portfolio of the Trust. That rate is as follows:

<b>MSDLAF+ Portfolio Average Daily Net Assets</b>	<b>Rate</b>
First \$1,500,000,000	0.080%
\$1,500,000,001 to \$2,000,000,000	0.075%
\$2,000,000,001 to \$2,500,000,000	0.070%
\$2,500,000,001 to \$3,000,000,000	0.065%
Over \$3,000,000,000	0.060%

### Administrator Fee

*Liquid Class Shares.* Under the Agreement, the Administrator is paid a fee for its services as Administrator for the MSDLAF+ Portfolio's Liquid Class at an annual rate applied to the total average daily net assets of all Investors invested in the Liquid Class of the Trust. That rate is as follows:

<b>Liquid Class Average Daily Net Assets</b>	<b>Rate</b>
First \$250,000,000	0.15%
\$250,000,001 to \$500,000,000	0.14%
Over \$500,000,000	0.13%

This fee is computed daily and paid monthly.

*MAX Class Shares.* Under the Agreement, the Administrator is paid a fee for its services as Administrator for the MSDLAF+ Portfolio's MAX Class at an annual rate applied to the total average daily net assets of all Trust Investors invested in the MAX Class of the Trust. That rate is as follows:

<b>MAX Class Average Daily Net Assets</b>	<b>Rate</b>
First \$250,000,000	0.12%
\$250,000,001 to \$500,000,000	0.11%
Over \$500,000,000	0.10%

This fee is computed daily and paid monthly.

### Marketing Fee

*MSDLAF+ Portfolio.* Under its agreement with the Trust, the Administrator or PFM Fund Distributors, Inc. as applicable, is paid a fee for marketing services related to the MSDLAF+ Portfolio at the applicable annual percentage specified below based on the total average daily net assets of the Liquid Class and the MAX Class. For the purpose of calculating breakpoints to determine the applicable annual percentage, the total average daily net assets of all Trust programs shall be included, including but not limited to the Liquid Class, the MAX Class, each MSDLAF+ Term Series, all SAM accounts,

all BAM Accounts, and the individualized portfolios, the Certificates of Deposit Investment Program, or any other investment program approved, endorsed or otherwise made available to Investors by the Trust or by PFM:

<b>Total Average Daily Net Fund Asset Breakpoint</b>	<b>Rate</b>
First \$750,000,000	0.040%
\$750,000,001 to \$1,500,000,000	0.035%
\$1,500,000,001 to \$3,000,000,000	0.030%
Over \$3,000,000,000	0.020%

The fee is computed daily and paid monthly. This fee shall be allocated between and be paid from the MSDLAF+ Portfolio's Liquid Class and MAX Class based on the average daily net assets in each such class which is accrued daily.

#### **Sponsor Fees**

*Liquid Class & MAX Class.* The Sponsors are paid a fee for the services rendered as sponsor to the MSDLAF+ Portfolio's Liquid Class and MAX Class at an annual rate applied to the total average daily net assets of all Trust Investors invested in the Liquid Class and MAX Class of the Trust. That rate and sponsoring organization is as follows:

<b>Organization</b>	<b>Liquid Class Rate</b>	<b>MAX Class Rate</b>
Minnesota School Boards Association	.05%	.025%
Minnesota Association of School Administrators	.01%	.01%
Minnesota Association of School Business Officials	.01%	.01%

#### **Custodian & Cash Management Fee.**

*MSDLAF+ Portfolio.* Under its agreement with the Trust, the Custodian is paid an annual administration charge for the MSDLAF+ Portfolio of \$7,200. The Custodian is also paid a fee for its services as custodian of the MSDLAF+ Portfolio at an annual rate equal to 0.00333% of the MSDLAF+ Portfolio's average monthly market value. The market value of the MSDLAF+ Portfolio is computed as of the close of business on each Friday. The average monthly market value is computed by adding together the total for each weekly valuation and dividing by the number of Fridays occurring in the month. The custodian fee for the MSDLAF+ Portfolio is computed and paid monthly. The Custodian is also paid various transaction fees.

For the Liquid Class only, the Custodian is also paid a fee for its cash management services based on the per item charges and demand deposit credits and charges specified in the schedule of compensation for cash management services included in its agreement with the Trust.

The Custodian fee is computed and paid monthly.

*Account Overdrafts.* Under its agreement with the Trust, the Custodian is also paid a fee for account overdrafts equal to the overdraft amount multiplied by the U.S. Bank's reference rate less one percent, divided by 360. Overdraft fees are calculated daily and paid monthly.

*Expenses.* The Administrator pays the Trust's expenses for printing certain documents such as the Information Statement and the administrative costs of the Trust such as postage, telephone charges and computer time. The Administrator also furnishes the Trust, at the Administrator's expense, with the services of persons who perform certain administrative and clerical functions for the Trust and with office space, utilities, office equipment, and related services.

Except as otherwise noted herein with respect to certain expenses paid or reimbursed by the Administrator, the Trust pays the reasonable out-of-pocket expenses incurred by the Trustees and officers in connection with the discharge of their duties,

and other expenses including brokerage commissions, the fees of the Investment Adviser under the Administration and Investment Advisory Agreement, the fees of the Custodian under the Custodian Agreement, the legal fees of the Trust, the fees of the Trust's independent accountants, the costs of appropriate insurance for the Trust and its Trustees and officers, and various other expenses. These expenses are allocated between the Trust's MSDLAF+ Portfolio and MSDLAF+ Term either (a) on a pro-rata basis, (b) on the basis of actual cost to a series, or (c) as otherwise provided in the Agreement.

PFM, the Sponsors and U.S. Bank (each a "Service Provider") may, but shall not be obligated to, reduce a portion of its fees to assist the Trust in an attempt to maintain a positive yield. In the event that a Service Provider elects to initiate a fee reduction, such fee reduction shall be applicable to the computation of the net asset value ("NAV") of the Trust on the business day immediately following the date on which the Service Provider gives notice to the Trust on the rate of the fee reduction to be applied in calculating the NAV. A fee reduction shall remain in effect until notice is provided to the Trust by the Service Provider regarding its intent to terminate its fee reduction or revise, upward or downward, the rate of its fee reduction.

At any time after a fee reduction has been terminated, the relevant Service Provider may elect to have the amount of its accumulated reduced fees restored in whole or in part under the conditions described in the Service Provider's Fee Reduction Agreement with the Trust by way of a payment of fees in excess of the rate it was entitled to, prior to any fee reduction, all as set forth in the respective Fee Reduction Agreement, but cannot exceed 110% of contractual fee.

### **Election and Duties of the Trustees**

**Powers and Duties.** The Trustees have full, exclusive and absolute control and authority over the business and affairs of the Trust, its Portfolios and the assets of each of the Portfolios, subject to the rights of the Investors as provided in the Declaration of Trust. The Trustees may perform such acts as in their sole judgment and discretion are necessary and proper for conducting the business and affairs of the Trust or promoting the interests of the Trust or its Investors. The Trustees oversee, review, and supervise the activities of all consultants and professional advisers to the Trust.

**Number.** The number of Trustees may be changed from time to time by resolution of the Trustees, provided that the number of Trustees may never be less than three (3) nor more than fifteen (15). There are presently eleven (11) voting Trustees and three (3), ex-officio, non-voting Trustees. For a complete list of the Trustees of the Trust, please visit [www.msdlaf.org](http://www.msdlaf.org).

**Term.** The Trustees (other than the three (3) ex-officio Trustees described below) are divided into three (3) classes, as equal in number as practicable, arranged so that the term of one (1) class expires at the annual meeting held each year. At each annual meeting of Investors, Trustees of the class whose term then expires are elected to serve for a term of three (3) years. Trustees may be elected to any number of successive terms.

**Eligibility: Proportional Composition.** The Declaration of Trust requires that the elected Trustees be individuals who are school board members or employees of a School District which is an Investor in the Trust. The Declaration of Trust further provides that the Trustees shall determine the proportional composition of the Board of Trustees with respect to the number of Trustees who must be school board members, school superintendents, and school business officials. At present the Trustees have provided that five (5) Trustees shall be school board members, three (3) shall be school superintendents and three (3) shall be school business officials.

**Ex-Officio Trustees.** The persons who are from time to time serving respectively as the Executive Director of the Minnesota School Boards Association ("MSBA"), the Executive Director of the Minnesota Association of School Administrators ("MASA") and the Executive Director of the Minnesota Association of School Business Officials ("MASBO"), are ex-officio, non-voting Trustees.

**Compensation.** The Trustees serve without compensation, but they are reimbursed by the Trust for reasonable travel and other out-of-pocket expenses incurred in connection with their duties as Trustees. The Trustees are not required to devote their entire time to the affairs of the Trust.

**Nominations.** The Board of Trustees nominates candidates for election as Trustees. In making such nominations, the Board of Trustees are required to consider such recommendations as the Board of Directors of the Minnesota School Boards Association (after consultation with the Board of Directors of the Minnesota Association of School Administrators and the Board of Directors of the Minnesota Association of School Business Officials) may make. Nominations also may be made by the Investors in accordance with such procedures as the Trustees may establish.

**Election of Trustees.** Election of the Trustees at the annual meeting is by the affirmative vote of a majority of the Investors that are entitled to vote, present in person or by proxy, at that meeting. A Trustee vacancy may be filled for the unexpired portion of the applicable term by a vote of a majority of the remaining Trustees or a majority of the Investors.

**Officers; Elections, Vacancies.** The Trustees annually elect one (1) of their number to serve as Chair of the Trust and be its chief officer. They also elect a Vice Chair from their numbers and a Secretary and a Treasurer. The persons selected as the Secretary and as the Treasurer need not be Trustees.

**Duties; Appointment of Advisers.** The Trustees are responsible for the general investment policy and program of the Trust and for the general supervision and administration of the business and affairs of the Trust. However, the Trustees are not required personally to conduct all of the business of the Trust and, consistent with their ultimate responsibility, the Trustees have appointed an Investment Adviser, an Administrator, a Custodian, an Independent Accountant, and Legal Counsel. The Trustees are authorized to assign such duties to the Investment Adviser, the Administrator, and the Custodian as they deem to be appropriate.

**Designation as Portfolio Trustees.** The Trustees have full and complete power to and may designate one or more of their number to serve as Trustees assigned to the official custodianship of the Trust Property allocated to a particular Portfolio and the supervision of the activities of the Trust related to a particular Portfolio. The designation of Trustees assigned to a particular Portfolio occurs in the Certificate of Designation creating that Portfolio. All Trustees of the Trust have been designated as the Trustees of the MSDLAF+ Portfolio, its Liquid Class and its MAX Class and each MSDLAF+ Term Series.

## Service Providers

### Investment Adviser and Administrator

PFM Asset Management LLC  
PO Box 11760  
Harrisburg, PA 17108-1760

The Investment Adviser is PFM Asset Management LLC, a Delaware limited liability company, with an office at 800 Nicollet Mall, Suite 2710, Minneapolis, MN 55402. The Investment Adviser is registered as an investment adviser under the Investment Advisers Act of 1940, as amended and is under common ownership with Public Financial Management, Inc. The Investment Adviser has been appointed by the Trustees to act as the Trust's Investment Adviser, to provide investment advice and, in general, to implement and carry out the investment program of the Trust. The Trust's agreement with the Investment Adviser is in effect and, unless sooner terminated, shall continue until June 30, 2016, and thereafter until a successor Agreement is approved by the Trustees. The agreement is not assignable, without written consent, and may be terminated without penalty on sixty (60) days' written notice at the option of the Trustees or upon one hundred and sixty (60) days' written notice by the Investment Adviser.

**Duties.** The Investment Adviser continuously supervises the investment programs of the Trust, subject to the supervision of the Trustees; determines what investment instruments shall be purchased or sold by the Trust; and arranges for the purchase and sale of investment instruments held by the Trust. From time to time the Investment Adviser and others may, at the request or with the approval of the Trustees, make other services or programs available to Investors of the Trust. In performing these and other duties, the Investment Adviser must act in conformity with the Declaration of Trust, the By-laws, this Information Statement of the Trust and with the instructions and directions of the Trustees. The Investment Adviser must also conform to and comply with all applicable Federal and State laws, rules and regulations.

### Administrator

PFM Asset Management LLC  
One Keystone Plaza, Suite 300  
North Front & Market Streets  
Harrisburg, PA 17101

**Administrator; Agreement.** The Trustees have appointed as Administrator PFM Asset Management LLC. The Trust's agreement with the Administrator is in effect and, unless sooner terminated, shall continue until June 30, 2016, and thereafter until a successor Agreement is approved by the Trustees. The agreement is not assignable, without written consent, and may be terminated without penalty on sixty (60) days' written notice at the option of the Trustees or upon sixty (60) days' written notice by the Administrator.

**Administrative Duties.** The Administrator, subject to the supervision of the Trustees, supervises all aspects of the Trust's operations (other than those operations to be managed by the Investment Adviser, the Marketing Agent (hereinafter defined) or the Custodian (hereinafter defined)); maintains the books and records of the Trust; coordinates operations activities with



those of the Custodian; services all Investor accounts in the Trust, including the processing of applications and registrations for participation in the Trust and account inquiries; determines the per Share net asset value of each Investor's account; provides written confirmation of each investment and withdrawal of funds by Investors; furnishes each Investor with a monthly statement of its account in the Trust and a quarterly copy of the Trust's financial statements for the fiscal quarter most recently ended; arranges for the preparation of all required Trust tax returns; assists in preparing and updating the Trust's Information Statement; and facilitates the preparation of the annual financial statements and related audit of the Trust by the Trust's independent accountants.

**Additional Program Duties.** From time to time the Investment Adviser and Administrator may, at the request or with the approval of the Trustees, make other services or programs available to Investors of the Trust. Investors are advised that these additional services and programs are separate from the Trust, and the Trustees of the Trust take no responsibility for such services or programs. The parties offering such programs are solely responsible for them, and questions regarding any such service or program should be directed to the party offering it. The interests held under any additional program are in the name of the respective Participants and are not part of the assets of any Series or class of the Trust.

### **Distributor**

PFM Fund Distributors, Inc.  
One Keystone Plaza, Suite 300  
North Front & Market Streets  
Harrisburg, PA 17101-2044

PFM Fund Distributors, Inc., a wholly owned broker-dealer subsidiary of PFM Asset Management, LLC offers shares of the Portfolios on a continuous basis. It is responsible for printing and distributing sales materials.

### **Custodian**

U.S. Bank N.A.  
800 Nicollet Mall  
Minneapolis, Minnesota 55402

**Custodian.** The Trust entered into a Custodian Agreement with U.S. Bank N.A. The Trust's agreement with the Custodian remains in effect from year to year if approved annually by the Trustees or by a majority of the Investors. The agreement is not assignable without the Trust's prior written consent and may be terminated without penalty on sixty (60) days' written notice at the option of the Trustees or the Custodian.

*Duties.* The Custodian acts as safekeeping agent for the investment portfolios and also serves as the depository in connection with the direct investment and withdrawal mechanisms of the Trust. The Custodian does not participate in the Trust's investment decision making process. The Trust may invest in obligations of the Custodian and buy and sell Permitted Investments from and to it.

*Additional Custodians.* The Trustees or the Custodian may in their discretion employ one or more custodians in addition to the Custodian referred to above. Any such additional custodians must be institutions and entities as specified in Minnesota law. Such additional custodians shall perform such safekeeping duties (including duties applicable only to a designated Portfolio) as may be set forth in an agreement between the Trust and the additional custodian. An additional custodian need not have an office in the State of Minnesota.

### **Independent Auditor**

PricewaterhouseCoopers LLP  
Two Commerce Square, Suite 1700  
2001 Market Street  
Philadelphia, Pennsylvania 19103-7042

PricewaterhouseCoopers LLP serves as the Trust's independent accounting firm.

**Legal Counsel**

Knutson, Flynn & Deans  
1155 Centre Point Drive, Suite 10  
Mendota Heights, MN 55120

Knutson, Flynn & Deans serves as legal counsel to the Trust.

**The Sponsors**

**Sponsor Agreements.** The Trustees have arranged with the Minnesota School Boards Association (“MSBA”), the Minnesota Association of School Administrators (“MASA”) and the Minnesota Association of School Business Officials (“MASBO” and collectively with MSBA and MASA the "Sponsors") to serve as the Sponsors of the Trust pursuant to agreements for services (the "Sponsor Agreements") and licensing agreements for use of the Sponsors' names and logos by the Marketing Agent (the "Licensing Agreements"). The Sponsor Agreements and the Licensing Agreements remain in effect for one year terms, subject to annual approval by the Trustees. The Sponsor Agreements and Licensing Agreements may be terminated without penalty upon sixty (60) days' written notice by either party.

**Sponsor Duties.** The Sponsors provide consulting services to the Trust, as specified in each of the separately executed agreements, and assist in the preparation and dissemination of Trust information through the Trust's various publications. Under the Licensing Agreements, the Trust has the right to use the Sponsors' names and logos in Trust materials, subject to the Sponsors' right to approve the quality and style of materials on which their names and logos appear. The Sponsors are paid fees for services to the Trust, as more fully described herein.

## The Portfolios

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### Information Common to All Portfolios

**The Investment Adviser maintains records of all Portfolio securities owned, performs the bookkeeping for all Portfolio sales and purchases, determines the daily and monthly Portfolio income distribution amounts, and under the direction of the Trustees determines the net asset value of shares of the Portfolio each Business Day.**

#### Main Risks

There are risks associated with investment in the Trust which should be considered carefully by Investors and potential Investors in light of their particular circumstances as they may exist from time to time. The Trust may not be an appropriate investment in certain situations for some Investors and potential Investors. Although the Trust has been designed and is operated with the goal of minimizing risk, Investors and potential Investors should carefully consider the factors described in this section in light of their particular circumstances. The risks specified in this section may also be applicable to certain investments in any additional programs offered by the Investment Adviser.

**Income, Market and Credit Risk.** Investments in the Trust are subject to income, market and credit risk. Income risk is the potential for a decline in current income of an investment portfolio of the Trust. The current income of the MSDLAF+ Portfolio is based on relatively short-term interest rates, which can fluctuate substantially over short periods. Accordingly, investments in the MSDLAF+ Portfolio are subject to current income volatility. Market risk is the potential for a decline in the market value of fixed-income securities held in an investment portfolio of the Trust as a result of a rise in prevailing interest rates. This could result in the incurrence of a loss with respect to a security in the event that such a security were to be sold for a market price less than its amortized value. Credit risk is the possibility that an issuer of securities held in an investment portfolio of the Trust fails to make timely payments of principal or interest. The credit risk of a portfolio is a function of the credit quality of its underlying securities. A discussion of the credit risks associated with certain Permitted Investments is set forth below.

**Repurchase Agreements.** Repurchase agreements are transactions in which a Portfolio (known as “buyer”) purchases securities from a broker/dealer or bank counterparty (known as the “Counterparty” or “seller”) and simultaneously commits to resell those securities to the counterparty at an agreed upon price on an agreed upon future date. The Investment Adviser maintains internal operating procedures for repurchase agreements, a list of institutions approved as Counterparties for such transactions, and a sample master repurchase agreement form.

The repurchase price reflects a market rate of interest and may be more or less than the interest rate on the underlying securities. If the seller of the securities fails to pay the agreed resale price to the Portfolio on the agreed delivery date or otherwise defaults on its obligations, the Portfolio has the unconditional right to liquidate the securities immediately; however, the Portfolio may experience delays and/or incur costs and/or losses in disposing of the securities.

A Portfolio may enter into repurchase agreements with respect to securities of the type that it may not hold under its investment policies, or having maturities in excess of those permitted under such investment policies. For purposes of computing maturity, a repurchase agreement shall be deemed to have a maturity equal to the period remaining until the date on which the repurchase of the underlying securities is scheduled to occur, or where the agreement is subject to demand at a price that approximates the purchase price plus accrued price differential, the notice period applicable to a demand for the repurchase of the securities.

If the Counterparty should default, the securities constituting the collateral will become assets of the Portfolio; accordingly, if the security is of a type which is not a permitted investment for the Portfolio or if the maturity of any such security exceeds 397 days, such security will be disposed of as soon as practical. If the amount of proceeds received upon disposition of such collateral exceeds the repurchase price under the repurchase agreement, the excess is to be returned to the Counterparty, and if the disposition results in a deficiency, a claim to recover any deficiency will be made. It is the policy of the Trust that repurchase agreements be entered into with counterparties that present minimal credit risk, and that the agreements be documented in a manner that provides a high degree of security in accordance with industry norms. Unless otherwise provided herein. These procedures generally currently require repurchase agreements to be collateralized to 102% of the purchase price plus accrued price differential.

**Obligations of United States Government Agencies and Instrumentalities.** Investors should be aware that not all obligations issued by agencies and instrumentalities of the United States Government are the subject of a guarantee of the full faith and credit of the United States Government. The obligations of some agencies and instrumentalities of the United States Government that may be purchased by the Trust from time to time are obligations only of the applicable agency or

instrumentality and are not full faith and credit obligations of the United States. The creditworthiness of such obligations relates only to the credit of the issuing agency or instrumentality. No assurance can be given that the agency or instrumentality will under all circumstances be able to obtain funds from the United States Government or other sources to support all of its obligations.

**Certificates of Deposit.** Although the Investment Adviser uses the investment criteria established by the Trustees in order to reduce risk when determining which institutions will be used for such investments, no assurance can be given that such an institution will not become insolvent during the life of an investment in it. Certificates of deposit in amounts above FDIC insurance limits are not insured, and in determining FDIC insurance limits Federal regulations provide that all amounts deposited by a depositor, including amounts deposited directly, through brokers or through other means in a financial institution regardless of the source will be combined in determining the insurance limit. The FDIC insurance limits are set forth in the Federal Deposit Insurance Act, 12 U.S.C. §1811, et seq., and in the related regulations found in Part 330 of Title 12 of the code of Federal regulations (12 C.F.R. Part 330). Each Investor is responsible for ensuring that its deposits do not exceed FDIC insurance limits. Additional information regarding FDIC coverage limits and requirements can be found on the FDIC web site: [www.myFDICinsurance.gov](http://www.myFDICinsurance.gov).

**FDIC Insured Certificates of Deposit.** Some of the assets of the Trust may be invested in certificates of deposit subject to FDIC insurance. Under these regulations Investors' deposits in each institution are insured, up to the applicable insurance limit currently in place regardless of whether the deposits are made through the Trust or directly by an Investor.

In the event that an institution issuing an insured certificate of deposit in which the Trust has invested becomes insolvent, or in the event of any other default with respect to such a certificate of deposit, an insurance claim will be filed with the FDIC by the Fund, if appropriate. In such a case, there may be delays before the FDIC, or other financial institution to which the FDIC has arranged for the deposit to be transferred, makes the relevant payments. Such delays may be occasioned by requirements relating to the filing and processing of insurance claims, including requests for additional information by the FDIC. Furthermore, if the defaulted deposit is transferred to another institution, the transferee institution may, instead of paying the insured amount, elect to keep the deposit in existence with or without changing its original terms. Such changes of terms may include a reduction of the original interest rate paid on the deposit.

The amount insured by the FDIC is the principal of the relevant deposit and the interest accrued on the deposit to the date of default, up to applicable insurance limit in the aggregate. There is no insurance with respect to interest on a deposit between the date of the default and the date of the payment of insurance by the FDIC. Accordingly, a default by an institution might result in a delay in the receipt of invested principal and pre-default accrued interest by an affected Investor and a loss of interest related to the period between the date of the default and the payment of the insurance.

In addition, the FDIC could deny any claim that it does not deem to be valid. Any such denial might have to be challenged in judicial or administrative proceedings brought by the Trust and any affected Investor. In the event that funds are not made available to it by the United States or other sources, Investors could experience a loss due to a full or partial non-payment of insurance claims by the FDIC.

**Collateralized Certificates of Deposit.** From time to time, the Trust may invest in collateralized certificates of deposit as permitted by Minnesota Law. In the event of a default on such a certificate of deposit, it may be necessary to foreclose on the collateral. Such foreclosure will entail certain risks for the Investors participating in the Trust. These risks include losses resulting from a diminution in the value of the collateral before it can be sold, procedural delays relating to the foreclosure, costs of foreclosure and a failure to realize an amount in the foreclosure equal to the principal of and interest on the defaulted certificate of deposit.

**Negotiable Certificates of Deposit** or other evidences of deposit issued by a nationally or state-chartered bank, a federal or state savings and loan association, or a state-licensed branch of a foreign bank with a remaining maturity of 397 days or less; provided that for maturities of one year or less, the debt obligations of the issuing institution or its parent are rated at the time of purchase in the top short-term rating category by at least two nationally recognized statistical ratings organizations and for maturities in excess of one year, the senior debt obligations of the issuing institution or its parent are rated at the time of purchase at least A or its equivalent by at least two nationally recognized statistical ratings organizations. Investments in these instruments shall not be subject to the collateralization requirements of section 118A.03.

**Payments after Maturity Date.** In the event that monies are received with respect to a fixed income investment as a result of a deposit insurance claim, foreclosure of collateral or for any other reason after the maturity date of such fixed income investment, the amounts of such payments will not be distributed to the Investors participating in such fixed income investment until after the maturity date of such fixed income investment. Accordingly, care should be exercised by Investors in determining whether or not investment in a particular fixed term investment is appropriate if all of the money

that would be invested by the Investor in such investment is required by it in full and without delay on the maturity date of the fixed income investment.

**Commercial Paper.** The Trust may purchase commercial paper which qualifies as a Permitted Investment. Commercial paper is a debt instrument that is issued by a company and is secured only by the assets, if any, of that company. The creditworthiness of such an obligation relates only to the creditworthiness of the issuing company. Although the Investment Adviser uses certain criteria when determining which companies' commercial paper will be purchased, no assurance can be given that a company will not become insolvent during the life of an investment in it. In the event of such insolvency or in the event of any other default with respect to such commercial paper, a claim will be filed by the Trust against the company, if appropriate. However, there is no assurance that the Trust will receive any recovery as a result of filing a claim.

**Bankers' Acceptances.** Bankers' acceptances are credit instruments evidencing the obligation of a bank to pay a draft drawn on it by a customer. These instruments reflect the obligations both of the bank and of the drawer to pay the face amount of the instrument upon maturity. They are not FDIC insured, but rather their creditworthiness relates only to the creditworthiness of the issuing bank.

**Floating-Rate and Variable-Rate Obligations.** Debt obligations purchased by the Trust may have interest rates that are periodically adjusted at specified intervals or whenever a benchmark rate or index changes. These floating-rate and variable-rate instruments may include certificates of participation in such instruments. These securities may have demand features which give the Trust the right to demand repayment of principal on specified dates or after giving a specified notice. Variable-rate securities and securities with demand features may be deemed by the Trust to have maturities shorter than their stated maturity dates for purposes of applicable investment restrictions.

An obligation of the United States of America which is a variable-rate security, and which has its rate of interest readjusted no less frequently than every 397 days shall be deemed to have a maturity equal to the period remaining until the next readjustment of the interest rate or earlier maturity. An obligation of the United States of America which is a floating-rate security shall be deemed to have a remaining maturity of one day.

**Other expenses** Each Portfolio is responsible for paying directly all costs that are not the responsibility of the service providers. Examples of direct Portfolio costs are those associated with:

- Legal, audit and rating services.
- Brokerage commissions.
- The depository and custodian banks.
- Interest, taxes, and other non-recurring or extraordinary expenses, including litigation.

The MSDLAF+ Portfolio pays out-of-pocket expenses incurred by the Trustees and officers in connection with their duties, including for premiums of trustees insurance policies.

**Expense Reductions.** The Investment Adviser may voluntarily reduce or limit the expenses it charges to any Portfolio or Share class.

**Other than the above agreements concerning the Trust and/or the Portfolios, the Investment Adviser has the contractual right, subject to certain notification requirements, to discontinue any fee waivers.**

## **Information Specific to MSDLAF+ Portfolio**

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### **Daily Income Allocation**

All net income of the MSDLAF+ Portfolio is determined as of the close of business on each Business Day (and at such other times as set forth in the Agreement or the Custodian Agreement or as the Trustees may determine). Net income is converted as of the close of business of each calendar month into additional shares of beneficial interest which are credited to and are held in each Investor's account in the respective class. Although dividends are not automatically transmitted in cash, Investors may obtain cash by withdrawing shares at their net asset value without charge.

For the purpose of calculating MSDLAF+ Portfolio dividends, net income consists of interest earned plus any discount ratably amortized to the maturity date plus or minus all realized gains and losses on the sale of securities prior to maturity, less ratably amortization of any premium and, for each class in the portfolio, less all accrued expenses of the class, including the fees payable to the Investment Adviser, the Administrator and others who provide services to the MSDLAF+ Portfolio.

### **Computation of Yield**

Current yield information for the Liquid Class and the MAX Class may, from time to time, be quoted in reports, literature and advertisements published by the Trust. The current yield of each Class, which is also known as the current annualized yield or the current seven-day yield, represents the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical account with a balance of one share (normally valued at \$1.00 per share) over a seven-day base period expressed as a percentage of the value of one share at the beginning of the seven-day period. This resulting net change in account value is then annualized by multiplying it by 365 and dividing the result by 7.

The Trust may also quote a current effective yield of each class from time to time. The current effective yield represents the current yield compounded to assume reinvestment of dividends. The current effective yield is computed by determining the net change in account value over a seven-day base period (exclusive of capital changes and income other than investment income), in the value of a hypothetical account with a balance of one share at the beginning of the period, dividing the difference by the value of the account at the beginning of the period to obtain the base period return, then compounding the base period return by adding 1, raising the sum to a power equal to 365 divided by 7, and subtracting 1 from the result. The current effective yield will normally be slightly higher than the current yield because of the compounding effect of the assumed reinvestment.

The Trust also may publish a “monthly distribution yield” on each Investor’s month-end account statement. The monthly distribution yield represents the net change in the value of one share (normally valued at \$1.00 per share) resulting from all dividends declared during a month by a class expressed as a percentage of the value of a hypothetical account with a balance of one share at the beginning of the month. This resulting net change is then annualized by multiplying it by 365 and dividing it by the number of calendar days in the month.

At the request of the Trustees or Investors, the Trust may also quote the current yield of the classes’ from time to time on bases other than seven days for the information of its Investors.

### **Determination of Net Asset Value**

The net asset value per share of the classes for the purpose of calculating the price at which shares are issued and redeemed is determined by the Administrator as of the close of business of each Business Day or at such other time or times as set forth in the Trust’s agreements with the Custodian, Investment Adviser and Administrator or as the Trustees by resolution may determine. Such determination is made by subtracting from the value of the assets of the MSDLAF+ Portfolio the amount of its liabilities and dividing the remainder by the number of outstanding shares of all classes.

In making these computations, the Administrator values the MSDLAF+ Portfolio's investments by using the amortized cost method. The amortized cost method of valuation involves valuing an investment instrument at its cost at the time of purchase and thereafter assuming a constant amortization to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the market value of the instrument. While this method provides certainty in valuation, it may result in periods during which value, as determined by amortized cost, is higher or lower than the price the MSDLAF+ Portfolio would receive if it sold the instrument. During such periods, the yield to Investors may differ somewhat from that which would be obtained if the MSDLAF+ Portfolio used the market value method for valuing all its portfolio investments. For example, if the use of amortized cost resulted in a lower (higher) aggregate portfolio value on a particular day, a prospective Investor of the MSDLAF+ Portfolio would be able to obtain a somewhat higher (lower) yield than would result if the MSDLAF+ Portfolio used the market value method, and existing Investors would receive less (more) investment

income. The purpose of this method of calculation is to attempt to maintain a constant net asset value per share of one dollar (\$1.00).

The Trustees have adopted certain procedures with respect to the MSDLAF+ Portfolio's use of the amortized cost method to value its investment portfolio. These procedures are designed and intended (taking into account market conditions and the Trust's investment objectives) to stabilize net asset value per share as computed for the purpose of investment and withdrawal at one dollar (\$1.00) per share of each class. The procedures include a valuation of the MSDLAF+ Portfolio by the Administrator using the market value method and a periodic review by the Trustees, in such manner as they deem appropriate and at such intervals as are reasonable in light of current market conditions, of the relationship between net asset value per share based upon the amortized cost value of the MSDLAF+ Portfolio's investments and the net asset value per share based upon available indications of market value with respect to such series investments. In the event that there is a difference of more than 0.5% between the amortized cost value and the market value, it is anticipated that the Trustees will take such steps as they consider appropriate (such as shortening the average portfolio maturity or realizing gains or losses) to minimize any material dilution or other unfair results which might arise from differences between the two methods of valuation.

It is a fundamental policy of the MSDLAF+ Portfolio to maintain a net asset value of \$1.00 per share for each class, but for the reasons here discussed there can be no assurance that the net asset value of the shares will not vary from \$1.00 per share. The market value basis net asset value per share for the portfolio may be affected by general changes in interest rates resulting in increases or decreases in the value of securities held by the MSDLAF+ Portfolio. The market value of such securities will tend to vary inversely to changes in prevailing interest rates. Thus, if interest rates rise after a security is purchased, such a security, if sold, might be sold at a price less than its amortized cost. Similarly, if interest rates decline, such a security, if sold, might be sold at a price greater than its amortized cost. If a security is held to maturity, no loss or gain is normally realized as a result of these price fluctuations; however, withdrawals by Investors could require the sale of portfolio securities prior to maturity. In the event that the difference between the amortized cost basis net asset value per share and market value basis net asset value per share exceeds 1/2 of 1 percent, the Investment Adviser and the Trustees will consider what, if any, corrective action should be taken to minimize any material dilution or other unfair results which might arise from differences between the two.

This action may include the reduction of the number of outstanding shares by having each Investor proportionately contribute shares to the portfolio's capital, suspension or rescission of dividends, declaration of a special capital distribution, sales of portfolio securities prior to maturity to reduce the average maturity or to realize capital gains or losses, transfers of portfolio securities to a separate account, or redemptions of shares in kind in an effort to maintain the net asset value at \$1.00 per share. If the number of outstanding shares is reduced in order to maintain a constant net asset value of \$1.00 per share, Investors will contribute proportionately to the portfolio's capital the number of shares which represent the difference between the amortized cost valuation and market valuation of the portfolio. Each Investor will be deemed to have agreed to such contribution by its investment in the portfolio.

## Information Specific to the MSDLAF+ Term Portfolio

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### Daily Income Allocation

Dividends on shares of each MSDLAF+ Term Series are declared and paid on the Termination Date of each series, except for dividends on shares redeemed pursuant to a Planned Early Withdrawal or a Premature Withdrawal before the Termination Date of such series, which will be declared and paid when such shares are redeemed. Dividends will be paid from net income, which will consist of interest earned, plus any discount ratably amortized to the date of maturity, plus all realized gains and losses on the sale of securities prior to maturity, less ratably amortization of any premium and all accrued expenses of that series.

Dividends on shares which are declared and paid on a Planned Early Withdrawal Date are equal to the projected yield for such shares to the Planned Early Withdrawal Date, less any losses affecting projected yield attributable to such shares. Dividends on shares declared and paid on a Premature Withdrawal Date are equal to the projected yield for such shares to the Premature Withdrawal Date, less any losses affecting projected yield attributable to such shares. Dividends on shares declared and paid on a Termination Date for a series are equal to the projected yield for such shares to the Termination Date, less any losses affecting projected yield attributable to such shares, plus an additional dividend, if any, equal to any excess net income of the series attributable to such shares. Any excess net income of a series on the Termination Date of the series will be allocated on a pro rata basis to all shares then outstanding. Dividends are deposited into a Participant's Liquid Class account unless a separate wire transfer has been pre-authorized.

**Distribution of Securities in Lieu of Cash.** Investment securities may be distributed to the Participants in any series in lieu of cash whenever the Trustees determine that such distributions would be in the best interest of the Participants in the series.

### Computation of Yield

The yield quoted for any investment in a series of MSDLAF+ Term is determined by dividing the expected net income per share for the period from the settlement date to the Termination Date by the purchase price per share, dividing this result by the actual number of days between the settlement date and the Termination Date, and multiplying the result by 365.

The yields quoted by the Trust or any of its representatives should not be considered a representation of the yield of the Liquid Class, the MAX Class or MSDLAF+ Term Series in the future, since the yield is not fixed. Actual yields will depend on the type, quality, yield and maturities of securities held by the series, changes in interest rates, market conditions and other factors.

### Determination of Net Asset Value

The withdrawal value per share for any series of MSDLAF+ Term will be determined as of the close of business on any day when a withdrawal is made. The withdrawal value per share on the Termination Date of a series of MSDLAF+ Term is equal to the original purchase price for such share, plus dividends thereon, at the projected yield less such share's allocation of any losses incurred by the series (other than losses resulting from Premature Withdrawals of shares of the series). The withdrawal value per share for shares being redeemed on a Planned Early Withdrawal Date is equal to the original purchase price for such share, plus dividends thereon, at the projected yield less such share's allocation of any losses incurred by the series (other than losses resulting from Premature Withdrawals of shares of the series). The withdrawal value per share for shares being redeemed on a Premature Withdrawal Date is equal to the original price for such share, plus dividends thereon, at the projected yield less such share's allocation of any losses incurred by the series, less a Premature Withdrawal penalty, if any.

Each series of MSDLAF+ Term provides for a fixed-rate, Certificates of Deposit Investment by Participants, but the market value of the underlying assets will, prior to their maturity, tend to fluctuate inversely with the direction of interest rates. It is the intent of the Trust to manage MSDLAF+ Term in a manner that produces a share price of at least \$1.00 on the Termination Date and on each Planned Early Withdrawal Date for the Participant that redeems on said date. However, there can be no guarantee that this objective will be achieved.

The Adviser, on behalf of the Trust, determines the net asset value of the shares of MSDLAF+ Term at the close of each business day for purpose of computing fees. The net asset value per share for MSDLAF+ Term is calculated by dividing the total value of investments and other assets less any liabilities by the total outstanding shares of a series of MSDLAF+ Term as of the day the calculation is made.



### **Allocation of Losses**

Any losses incurred by a series (other than losses resulting from Premature Redemptions of shares of the series) may be allocated among all shares of the series outstanding at the time such loss is incurred. Such a loss may result from a default on an investment or from a sale of an investment. If such a loss occurs, the redemption value per share could be lower than that on which the projected yield was quoted at the time of issuance of the share.

### **Calculating Share Price**

The redemption value per share for any series of the MSDLAF+TERM Portfolio will be determined on any day when redemption is made and on termination of the series. It is the intent of the Trust to manage each series in the MSDLAF+/TERM Portfolio in a manner that produces a share price of at least \$1.00 on the termination date.

The Investment Adviser, on behalf of the Trust, determines the net asset value of the shares of the MSDLAF+TERM Portfolio at the close of each Business Day for the purpose of computing fees. The net asset value per share for each series of the MSDLAF+TERM Portfolio is calculated by dividing the total value of investments and other assets less any liabilities by the total outstanding shares of the series as of the day the calculation is made.

**Planned Early Redemption.** The redemption value per Share for Shares being redeemed on a Planned Early Redemption Date is equal to the original purchase price for such Shares plus dividends thereon, less such Share's allocation of any losses incurred by the Series (other than losses resulting from Premature Redemption of Shares of the Series). Each Series of Michigan Term Portfolio provides for a fixed-rate, Certificates of Deposit Investment by Investors, but the market value of the underlying assets will, prior to their maturity, tend to fluctuate inversely with the direction of interest rates. It is the intent of the Trust to manage Michigan Term Portfolio in a manner that produces a Share price of at least \$1.00 on the termination date and on each Planned Early Redemption Date for the Investor that redeems on said date. However, there can be no guarantee that this objective will be achieved.

**Termination.** The redemption value per Share on the termination date of a Series will be equal to the original purchase price for such Share, plus dividends thereon (including any excess net income), less such Share's allocation of any losses incurred by the Series (other than losses resulting from Premature Redemption of Shares of a Series).

The Investment Adviser, on behalf of the Trust, determines the net asset value of the Shares of Michigan Term Portfolio at the close of each business day for purpose of computing fees. For this purpose, the net asset value per Share for Michigan Term Portfolio is calculated by dividing the total value of investments and other assets less any liabilities by the total outstanding Shares of a Series of Michigan Term Portfolio as of the day the calculation is made.

## The Programs

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### Information Common to All Programs

#### **Program Investments are not Assets of the Trust**

Any CDs purchased through the Certificates of Deposit Investment Program are direct investments of the Investor, are not assets of the Trust, and are not held in any Portfolio of the Trust. The Trust does not issue, or in any way guarantee, the CDs or securities purchased under this Program. Neither the Portfolio nor the Trust has any involvement with, or interest, financial or otherwise, in any Certificates of Deposit Investment Program or security purchased under this Program, except that a Portfolio may receive funds for reinvestment from a Separate Account or from the payment of principal or interest on the CDs. There can be no assurance that the investment objectives of either Program will be achieved. Investments made by an Investor in the Program are governed solely by the terms of any agreement between the Investor and the Investment Adviser and the Trust plays no role with respect to such investments.

#### **Limitations on Voting Rights**

Because the CDs purchased through the Certificates of Deposit Investment Program and securities held in an Individual Portfolio are not assets of the Trust, participation in this Program does not entitle you to vote at any meeting of shareholders or otherwise exercise rights of a shareholder in a Portfolio of the Trust.

## Information Specific to Certificates of Deposit Investment Program

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### FDIC and NCUA Insurance

The availability of FDIC or NCUA insurance is a critical factor in considering whether a bank or thrift institution (referred to herein as a “financial institution”) is eligible to participate in the Certificates of Deposit Investment Program, (“CD Purchase Program”), in that the number, size and location of many of the smaller community financial institutions which could participate in the Program make extensive credit review unfeasible. In light of this, and in order to assist the financial institutions in raising funds, the Federal government administers the FDIC and NCUA insurance programs with its provisions for investment, within prescribed limits, by institutional Investors. As a result, it is the Investment Adviser’s view that FDIC or NCUA insurance, in conjunction with a limited credit review as described below, is appropriate to identify financial institutions that will provide attractive investment returns without undue credit risk.

The Program is designed to provide Investors with the ability to purchase CDs from financial institutions throughout the United States that are intended to be insured by the FDIC or NCUA. Deposits in savings accounts or time deposits or share accounts of financial institutions insured by the FDIC or NCUA are legal investments under relevant Pennsylvania statutory provisions for funds of boroughs, townships of the first and second class, incorporated towns, school districts, municipal authorities established under the Municipality Authorities Act, and for certain cities and counties. Nevertheless, the investment policies of individual Investors may contain limitations that do not permit investment in the above-described investments. **Each Investor represents that FDIC-insured and NCUA-insured CDs are permitted investments of the Investor under applicable laws and under the Investor’s investment policies.**

Although the Investment Adviser will recommend only those financial institutions that meet the criteria described below under “Criteria for Financial Institutions to Participate in the CD Purchase Program”, the financial institutions that participate in the CD Purchase Program are generally small in size and are not rated by national credit rating organizations. **The CDs will not be collateralized;** hence there will be reliance only on federal deposit insurance and it is crucial that an Investor’s CDs be fully covered by FDIC or NCUA insurance.

The FDIC insurance limits are set forth in the Federal Deposit Insurance Act, 12 U.S.C. §1811, et seq., and in the related regulations found in Part 330 of Title 12 of the Code of Federal Regulations (12 C.F.R. Part 330). The NCUA insurance limits are set forth in the Federal Credit Union Act, 12 U.S.C. §1751, et seq., and in the related regulations found in Part 745 of Title 12 of the Code of Federal Regulations (12 C.F.R. Part 745). By participating in the Program, **each Investor should obtain its own legal advice regarding these regulations and is responsible for its own compliance with them.**

CDs in amounts above applicable FDIC or NCUA insurance limits are not insured. In determining FDIC or NCUA insurance limits, Federal regulations provide that all amounts deposited by a depositor, including amounts deposited directly, through brokers or through other means in a financial institution regardless of the source, will be combined in determining the insurance limit.

Individual CDs will normally be limited by the Investment Adviser to amounts such that the principal and accrued interest will be within FDIC or NCUA insurance limits for the term of the CD. The CD Program may facilitate the simultaneous purchase of multiple CDs with the same maturity at multiple banks. The minimum CD purchase will be approximately \$95,000. The minimum maturity is 60 days. Some financial institutions may impose further limits on the size of deposits.

**By participating in the Program, each Investor authorizes the Investment Adviser to assume, unless the Investor informs the Investment Adviser to the contrary, that the Investor is entitled to the respective applicable limits of FDIC insurance and NCUA insurance on the aggregate of CDs purchased through the CD Program with any FDIC- or NCUA-insured financial institution.**

The Investment Adviser will maintain records of all deposits made by an Investor through the Program to assist the Investor in maintaining CDs within applicable insurance limits, but the Investment Adviser is not responsible for the effects on FDIC or NCUA insurance limits of deposits made directly by the Investor outside of the CD Purchase Program. The Investment Adviser will not monitor deposits made directly by the Investor outside of the CD Program or through other arrangements outside of the CD Program, **It is the Investor’s sole responsibility to determine that deposits made directly by the Investor outside of the CD Program do not result in the CDs purchased by the Investor under the CD Purchase Program exceeding the insurance limits, and neither the Investment Adviser nor the Trust has any responsibility in that regard.**

The Investment Adviser advises each Investor against purchasing CDs issued by a financial institution with which the Investor has a depository relationship outside of the CD Program.

At the time of purchase, the Investment Adviser will require that an authorized representative of the Investor affirm that the purchase of a CD through the CD Program will not put the Investor in a position of exceeding the applicable FDIC or NCUA insurance limits with respect to the issuing financial institution.

### **Criteria For Financial Institutions To Participate in the Certificates of Deposit Investment Program**

The Certificates of Deposit Program guidelines are as follows. First, the Investment Adviser limits the eligibility of financial institutions that participate in the CD Purchase Program to those that are members of the FDIC or NCUA. Second, on a quarterly basis the Investment Adviser will review each financial institution's financial condition as reported to the FDIC or NCUA to determine that the financial institution meets all of the following criteria:

- Has total assets of at least \$50 million.
- Has total Tier 1 Capital of at least 6%.
- Has not had any major capital-related enforcement actions brought against it within the last 12 months.

### **Available Investments and Rates**

The Investment Adviser will maintain a computer system with a database on each financial institution that offers CDs through the CD Purchase Program. Current rates will be entered into the data tables for each financial institution. This database will enable the Investment Adviser to access and quote rates on individual CDs and blended rates on groups of CDs issued by multiple financial institutions to facilitate the simultaneous investment by an Investor in multiple CDs based on a single blended rate.

At the request of an Investor, the Investment Adviser will timely advise the Investor of CDs available to satisfy the Investor's investment requirements. Upon authorization by the Investor, the Investment Adviser will use its best efforts to obtain the most favorable execution and interest rate in connection with the purchase and sale of CDs selected by the Investor. The Investor has no obligation to purchase any CD recommended by the Investment Adviser.

As an additional limitation, the Investment Adviser will monitor on a continuous basis the total amount of CDs issued and outstanding by a financial institution through the CD Purchase Program and similar programs administered or advised by PFM in other states, and will not recommend a financial institution where the aggregate of such outstanding CDs exceeds 10% of the financial institution's assets.

### Program Termination

The **Certificates of Deposit Investment** Agreement between each Investor and the Investment Adviser for placing CDs through the CD Purchase Program may be terminated by the Investor or Investment Adviser at any time, without cause, by notice in writing transmitted by first class mail or recognized courier service. Each Investor's Agreement will terminate automatically and without notice in the event that the Investment Adviser shall cease to be the Administrator of the CD Purchase Program for the Trust or in the event that such Investor shall withdraw as a shareholder of the Portfolio. Notwithstanding the foregoing, termination shall not relieve the Investor of its obligation to pay any fee which has become payable to the Investment Adviser up to and including the date notification of termination has been received in writing by the counterparty.

### Investment Restrictions

The Trust has adopted the following investment restrictions on all Separate Accounts of the Program, which cannot be changed without approval of a majority of Trustees:

- An Investor's Separate Account will not purchase a security with a stated maturity date greater than investment policy limitations at time of purchase.
- Each Separate Account will be managed so that the weighted average duration of all of the investments will not exceed policy limits. Within this limitation, the average duration of the Separate Account will vary according to the Investment Adviser's appraisal of market conditions and likely cash flows into and out of the Separate Account.
- An Investor must either currently have a Board-approved investment policy or develop and formally adopt such a policy before it can invest in this Program and the investments in the Separate Account must be consistent with the Investor's investment policy and governing laws.
- Legal counsel for the Program Investor is required to issue an opinion stating that the investment of funds in the Program constitute a permitted investment under the Investor's authorizing documents.

### Transactions

The Investment Adviser has full discretion in arranging for the execution of all security transactions on behalf of the Investor. Cash to facilitate Portfolio transactions is normally either redeemed from or reinvested through the Investor's pre-designated account using the Trust's cash management tools. In arranging for security transactions, the Investment Adviser will give primary consideration to obtaining the most favorable price and efficient execution of transactions. Investment transactions can only be executed during normal operating hours. The Investment Adviser may invest in the obligations of the Program's Custodian, and may also buy or sell securities through the Custodian.

**Investments** The Investment Adviser will purchase investments for a Portfolio based upon specific instructions received from the Investor, or at the discretion of the Investment Adviser if the Investor has agreed to give discretion. If expected withdrawals from the Separate Account are known, the Investor should provide a drawdown schedule to the Investment Adviser that will be used in managing investments to help assure adequate overall liquidity. Investment purchases for a Separate Account are settled by the Custodian by redeeming shares from the Investor's pre-designated account.

**Withdrawals** An Investor may initiate the sale of investments from its Separate Account by contacting the Investment Adviser directly. Trusts made available from the sale of a security or securities will be invested in the Investor's pre-designated account.

**Sales made prior to maturity will be made at the current market price, which may be lower or higher than the investment's book value.**

Neither the Trust nor the Portfolios assume any responsibility for the fees paid to the Investment Adviser or the Custodian.

## Information Specific to BAM Program

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### Purpose

The BAM Program and its associated services have been established by the Trust to provide local governments with comprehensive investment management, accounting and arbitrage rebate calculation services for proceeds of borrowings (not including tax or revenue anticipation note issues). Investors may also establish individual, professionally managed investment accounts (“Individual Portfolios”) by separate agreement with the Investment Adviser. Individual Portfolios are not assets of the Trust and the Trust assumes no liability for Individual Portfolios

### Individual Portfolios

By separate agreement with the Investment Adviser, an Investor has the option of investing all or a portion of its proceeds in one or more fixed rate investments outside of the Individual Portfolio’s permitted investments, including collateralized certificates of deposit (“Collateralized CDs”), obligations of the United States of America or any of its agencies or instrumentalities (collectively, “Open Market Securities”), and certificates of deposit insured by the FDIC, purchased through the CD Program. These Individual Portfolios will be managed by the Investment Adviser upon receipt of specific instructions from the Investor, and will be coordinated with the Investor’s MSDLAF+ account. Securities in each Individual Portfolio will be held by the Custodian in a separate account in the Investor’s name, unless the Investor otherwise instructs the Trust prior to purchasing the securities that the Investor will utilize another custodian serving as trustee for a revenue bond issue issued by or on the behalf of the Investor (an “Individual Portfolio Custodian”). In order for the Investor to utilize its bond trustee as an Individual Portfolio Custodian, the bond trustee must meet certain minimum criteria.

Please refer to the section entitled “Certificates of Deposit Investment Program” below for detailed information regarding the custodial arrangements for CDs purchased through the CD Purchase Program, which are intended to be fully insured by the FDIC. Individual Portfolios **are not part of the Trust estate, and an investor receives the sole benefit of such an Individual Portfolio**. Earnings and proceeds from the maturity or sale of any investment in an Individual Portfolio will be deposited automatically into the Investor’s pre-designated MSDLAF+ Portfolio account.

Trusts in the Individual Portfolios will be invested exclusively in investments that are permitted under terms of the applicable statutes. A school district should discuss the characteristics of specific investments in an Individual Portfolio with the Investment Adviser and should confirm with its legal counsel the legality of those investments under the trust indenture, ordinance or resolution under which bonds are issued. Investments for Individual Portfolios may have a maturity in excess of 397 days (13 months).

### Expenses of Individual Portfolios

**Individual Portfolio Expenses.** Each Participant will be billed monthly a fee for investment management based on the agreed upon fees within their investment management contract based on the value as determined by the Investment Adviser of such assets in the Individual Portfolio. A Participant will also be billed a fee for custodial services in connection with these securities. In the event that a Participant elects to utilize its bond trustee as an Individual Portfolio Custodian, the fee for such services should be negotiated directly between the Participant and the Individual Portfolio Custodian. The Trust is not involved with such negotiations.

**FDIC-Insured Certificates of Deposit.** For services provided for Individual Portfolio investment constituting FDIC-insured CDs purchased through the CD Purchase Program, each Participant will pay to the Investment Adviser a management fee at a rate not greater than 0.25% per annum of the yield of each such CD. The Participant’s pre-designated MSDLAF+ Portfolio account will be charged for the management fee under either of the following arrangements at the election of the Participant: (i) the entire amount of the fee will be deducted from the Participant’s pre-designated MSDLAF+ Portfolio account upon settlement of the CD (refundable pro rata upon an early redemption), or (ii) the monthly amount of the management fee will be deducted from the Participant’s pre-designated MSDLAF+ Portfolio account after the close of each month. The Investment Adviser will pay from the management fee the brokerage and certain bank wire costs for the CDs and will reimburse the Trust for certain other costs associated with MSDLAF+.

Further information on these fees is available from the Investment Adviser.

Neither the Trust nor the MSDLAF+ Portfolio of the Trust assumes any responsibility for the payment of fees to the Investment Adviser, the Custodian or an Individual Portfolio Custodian, except for costs associated with purchases and redemptions in the Participant’s pre-designated MSDLAF+ Portfolio account.

Payment of any and all costs associated with the CD Purchase Program are in accordance with the terms of the separate agreement between the Participant and the Investment Adviser.

### **Rebate Calculation Reports**

The Investment Adviser also may provide rebate calculation services to Investors in MSDLAF+. These services are designed to assist Investors in complying with the rebate requirements of the Code and related Regulations, rulings, and procedures. The Investment Adviser will rely on information provided related to each bond issue, including the information supplied in the Confirmation Letter described in “General Policies Concerning Arbitrage Rebate” above and account information compiled by the Investment Adviser.

### **Rebate Calculation Expenses**

An Investor may request that program counsel furnish a formal legal opinion in conjunction with an arbitrage rebate calculation, yield reduction payment calculation or exception compliance report prepared by the Investment Adviser. If requested, the fee will be \$1,000 for a formal legal opinion associated with any calculation or exception compliance report for a fixed rate bond issue all proceeds of which have been invested under MSDLAF+ during the entire period of the formal report or exception compliance report. For variable-rate bond issues and in other special circumstances there will be an additional fee.

### **Custodial Arrangements**

U.S. Bank National Association, St. Paul, MN, is Custodian for the Portfolio and Individual Portfolios related to proceeds from general obligation bond issues. The Custodian holds all cash and securities of the Portfolio and the Individual Portfolios, except that certain securities owned by the Portfolio or Individual Portfolios and subject to repurchase agreements may be held by other custodians acting for the Trust or respective Individual Portfolio. The Custodian does not participate in determining the investment policies of the Trust or in investment decisions. The Investment Adviser may invest funds of the Portfolio or Individual Portfolios in the Custodian’s obligations and may buy or sell securities through the Custodian.

### **Tax Matters**

Section 115(1) of the Code provides that gross income does not include income that is derived from the exercise of any essential government function and accrues to a state or any political subdivision thereof. The investment of the proceeds of a bond issue in order to receive some yield until such proceeds are spent on the governmental purpose of the bond issue should constitute the exercise of an essential governmental function for purposes of Section 115(1) of the Code. The Investors have an unrestricted right to receive in their own right (a) their proportionate share of the Portfolio’s income as it is earned, based on their ownership of the Shares, and (b) the income of the investments held in their Individual Portfolios under the provisions of MSDLAF. Consequently, both the Portfolio’s income and the income for the Individual Portfolios accrue to the Investors within the meaning of Section 115(1) of the Code.

Based on the foregoing, the income of the Portfolio and of an Individual Portfolio derived from the investment of the proceeds of an Investor’s bond issues is excludable from the gross income of the Investor.

A Confirmation Letter sent by the Investment Advisor will request certain information from an Investor with respect to the investment of proceeds of its bond issue in the Portfolio or an Individual Portfolio in connection with the requirements of the Code relating to tax exempt bonds (or tax advantaged bonds). The Investment Adviser relies on the accuracy of the information supplied by the Investor in the Confirmation Letter, and the Investment Adviser will make no independent determination of the information supplied in the Confirmation Letter. If the Investor supplies inaccurate information in the Confirmation Letter, or if the Investor fails to return a completed Confirmation Letter, then the services provided by the Investment Adviser may not be accurate.

## Information Specific to SAM Program

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In the SAM Program, the Investment Adviser works closely with each Participant to create a comprehensive investment strategy and individual portfolio for the Participant. Each SAM account is created by the Investment Adviser following a review of budget and cash flow projections and schedules of the Participant. SAM accounts will be managed on a discretionary basis.

Entities participating in the SAM Program receive a cash flow review, investment policy review and assistance in determining acceptable benchmarks, in addition to other cash management services (during the term of the investment advisory agreement). SAM is designed to apply to all or a substantial portion of a Participant's cash flow on an annual basis.

### Transactions

The Investment Adviser has full discretion in arranging for the execution of all security transactions in a SAM Program Separate Account on behalf of the Participant. Cash to facilitate Portfolio transactions is normally either redeemed from or reinvested through the Participant's pre-designated MSDLAF+ account using the Trust's convenient and economic cash management tools. In arranging for security transactions, the Investment Adviser will give primary consideration to obtaining the most favorable price and efficient execution of transactions. Investment transactions can only be executed during normal operating hours.

**Investments** The Investment Adviser will purchase investments for a Portfolio based upon specific instructions received from the Participant, or at the discretion of the Investment Adviser if the Participant has agreed to give discretion. If expected withdrawals from the Separate Account are known, the Participant should provide a drawdown schedule to the Investment Adviser that will be used in managing investments to help assure adequate overall liquidity. Investment purchases for a Separate Account are settled by the Custodian by redeeming shares from the Participant's pre-designated MSDLAF+ account.

**Withdrawals** A Participant may initiate the sale of investments from its Separate Account by contacting the Investment Adviser directly. Funds made available from the sale of a security or securities will be invested in the Participant's pre-designated MSDLAF+ account. Sales made prior to maturity will be made at the current market price, which may be lower or higher than the investment's book value.

Neither the Trust nor the Portfolios assume any responsibility for the fees paid to the Investment Adviser or the Custodian, except for costs associated with purchases and redemptions in the MSDLAF+ account associated with the Participant's SAM Program Separate Account. Participants are responsible for payment of any and all costs associated with the SAM Program.

Bond proceeds may not be invested in the SAM Program.



## **For More Information**

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Each Investor receives annual reports containing independently audited financial statements for the Portfolios. We also provide monthly account summaries, which describe dividends declared and shares purchased through dividend reinvestment. Other individual account information is available upon request.

To buy or sell shares of a Portfolio, make additional deposits, receive free copies of this document or the Portfolio's reports, or for general inquiries, please contact us:

**By telephone:** 1-888-4-MSDLAF

**By mail:**

PFM Asset Management LLC

P.O. Box 11760

Harrisburg, PA 17108-1760

**On our website:** [www.msdlaf.org](http://www.msdlaf.org)

*This information statement provides detailed information about the Fund and its policies. Please read it carefully and retain it for future reference. For further information or assistance in investing, please call the toll-free number above or visit the Fund's website.*

*MSDLAF+ Liquid Class and MAX Class MSDLAF+ TERM are service marks of the Minnesota School District Liquid Asset Fund Plus.*

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