



PENNSYLVANIA SCHOOL DISTRICT LIQUID ASSET FUND

INFORMATION STATEMENT

November 1, 2017

A Comprehensive Cash Management Program founded and controlled by Pennsylvania public school entities.

This booklet provides detailed information about the organization, structure and goals of the Fund and its programs. Please read it carefully and retain it for future reference.

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No person or entity has been authorized to give any information or to make any representations other than those contained in this Information Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the Fund, its Trustees, the Investment Adviser, the Fixed Term Investment Adviser, the Administrator, the Custodian, the Distributor or any agent or affiliate of the above.

SUMMARY

The Pennsylvania School District Liquid Asset Fund (the “Fund”) is a common law trust organized and existing under the laws of the Commonwealth of Pennsylvania, in accordance with the provisions of the Pennsylvania Intergovernmental Cooperation Act and Section 521 of the Pennsylvania Public School Code of 1949, as amended (the “School Code”). The Fund provides various types of investment programs. To provide these programs, the Fund consists of a number of Series: a single Liquid Series (currently inactive), a single MAX Series (the “MAX Series”), multiple Cash Flow Optimization (CFO) Series, multiple Fixed Term Series, multiple Total Return Management Program Series, multiple Choice Program Series and a single Government Transparency Series (the “GTS Series”).

The Fund is sponsored by the Pennsylvania School Boards Association (“PSBA”) and the Pennsylvania Association of School Business Officials (“PASBO”), and the respective Executive Directors of those associations serve as Trustees of the Fund.

The following is a summary of certain key information about the various Series of the Fund and is qualified in its entirety by, and should be read in conjunction with, the more detailed information contained elsewhere in this Information Statement.

Objective The general objective of the Fund is to provide its investors with current income while preserving capital in a manner compatible with the needs and requirements of public school and local government entities in Pennsylvania.

Principal Investment Strategies of the Various Series of the Fund

Liquid Series. Invests in short term money market instruments and seeks to maintain a constant net asset value of \$1.00 per share. The Liquid Series (currently inactive) and the MAX Series share the same investment portfolio. All participants in the Fund (referred to in this Information Statement as “Settlers”) are required to have an account in the Liquid Series when it is activated. Check writing services are available through the Liquid Series when it is activated. *As of October 1, 2015, the Trustees have suspended the operations of the Liquid Series for the purpose of enhancing the operational efficiency of the Fund until such time as the Trustees may elect to reactivate the Liquid Series. All discussion in this Information Statement regarding the Liquid Series applies to the Liquid Series when it is active and in operation.* All Shares of the Liquid Series held by Settlers of the Fund at the start of the Fund’s 2016 fiscal year on October 1, 2015 were automatically converted on a one for one basis to Shares of the Fund’s MAX Series, and all services such as check writing that were available through the Liquid Series are now available through the MAX Series.

MAX Series. Invests in short term money market instruments like the Liquid Series (currently inactive) and seeks to maintain a constant net asset value of \$1.00 per share, while seeking to provide a higher yield than the Liquid Series (currently inactive) through lower expense allocations. As noted above, the Liquid Series (currently inactive) and the MAX Series share the same investment portfolio when

the Liquid Series is activated. All participants in the Fund (referred to in this Information Statement as “Settlers”) are required to have an account in the MAX Series. Check writing services are available through the MAX Series.

CFO Series. Seeks to enhance the investment return to the investor by using the investor’s cash flow projections and budget schedules as the basis for allocating the monies that are placed in an investor’s CFO Series among the Fund’s various investment Series and the certificate of deposit and fixed term investment placement services available to the Fund’s investors.

Fixed Term Series. Invests in fixed term instruments with maturities of up to one year, depending upon the maturity date of each particular Fixed Term Series.

TRM Series. Seeks to enhance the investment return to the investor through an active short to short intermediate term portfolio intended to achieve as high of a level of current income as is consistent with the average duration of the portfolio securities.

Choice Program Series. Invests in fixed rate/fixed term instruments with an investment date and a maturity date selected by the investor to meet its individual investment requirements.

GTS Series. Invests in short term money market instruments like the MAX Series and seeks to maintain a constant net asset value of \$1.00 per share, while seeking to provide a higher yield than the MAX Series through investment in certain of the types of investment instruments authorized by the passage of Act 10 of 2016 (“Act 10”) in addition to investment in the same types of investment instruments that are used for the other Series of the Fund. The GTS Series is the only Series which uses investment instruments authorized by Act 10.

Principal Risks of Investments in the Fund

Income Risk. Risk that changes in interest rates will affect the current income of the investment portfolio of a Series.

Market Risk. Risk that a rise in interest rates will cause a decline in the market value of fixed-income securities held in the investment portfolio of a Series.

Credit Risk. Risk that an issuer of securities held in the investment portfolio of a Series fails to make timely payments of principal or interest.

Repurchase Agreement Risk. Risk that the agreed upon repurchase amount will not be paid on the designated date.

Collateral Recovery Risk. Risk that delays may occur in the recovery of proceeds of collateral in the event of a default on a collateralized certificate of deposit held in the investment portfolio of a Series or that the value of such collateral may not be sufficient.

Insurance Recovery Risk. Risk that delays may occur in the recovery of FDIC insurance proceeds in the event of the insolvency of a bank that issued a certificate of deposit held in the investment portfolio of a Series or that the value of such proceeds may not be sufficient.

Investment Adviser Risk. Risk that poor security selection by the Investment Adviser or the Fixed Term Investment Adviser will cause an underperformance in comparison to relevant benchmark or other investment vehicles with a similar investment objective.

THE FUND

General. The Fund was established on January 22, 1982 by the adoption of a Declaration of Trust by four Pennsylvania school districts. The Declaration of Trust provides for multiple investment portfolios or “Series” within the Fund. At present, the Fund consists of seven types of Series: a single Liquid Series (currently inactive), a single MAX Series, multiple CFO Series, multiple Fixed Term Series, multiple TRM Series, multiple Choice Program Series and a single GTS Series. For further information regarding the Fund’s various Series, see “The Various Series of the Fund” on pages 14 to 31.

School Entities. The Declaration of Trust allows Intermediate Units and Area Vocational Technical Schools, School Insurance Consortia, Community Colleges, as well as School Districts of the First Class, the First Class A, and the Second, Third and Fourth Classes to open an account and become participants in the Fund's programs as described in this Information Statement. The Declaration of Trust also allows any other type or classification of public school or educationally related entity or organization deemed by the board of trustees (the "Trustees") to be suitable and appropriate for participation in the Fund and determined by the Trustees, with the advice of counsel, to be eligible to participate in the Fund in accordance with pertinent provisions of law. School Districts, Intermediate Units, Area Vocational Technical Schools, School Insurance Consortia, Community Colleges and other appropriate types or classifications of schools or educationally related entities or organizations which participate in the programs of the Fund are referred to as "Settlors" in the Declaration of Trust and this Information Statement. School Districts, Intermediate Units, Area Vocational Technical Schools, School Insurance Consortia, Community Colleges and other appropriate types or classifications of schools or educationally related entities or organizations are collectively referred to in this Information Statement as "School Entities." No School District of the First Class (the School District of Philadelphia) or School District of the First Class A (the Pittsburgh Public Schools) may have an interest in the Fund representing more than five percent (5%) of the aggregate beneficial interest of all participants in the Fund related to any Series of the Fund from which participants in such Series are permitted to withdraw funds on less than 24 hours' notice (currently the inactive Liquid Series and the MAX Series). However, such five percent (5%) limit does not apply to any Series in which only School Districts of the First Class and First Class A participate.

Local Government Entities. At their annual meeting in 2001, the Settlers of the Fund voted to amend the Declaration of Trust to permit non-school related Pennsylvania local government entities (such as cities, townships, boroughs, counties) approved by the Trustees of the Fund to become Settlers of the Fund. While such local government entities are permitted to vote in the same manner as other Settlers at Settlers' meetings, no member of the governing board or business official of a local government entity is eligible for election as a trustee of the Fund. Local government entities which are eligible to become Settlers of the Fund are collectively referred to in this Information Statement as "Eligible Government Entities." Eligible Government Entities which participate in the programs of the Fund are referred to as "Settlors" in the Declaration of Trust and this Information Statement.

Each potential Settlor is given a copy of the Declaration of Trust before becoming a Settlor.

INVESTMENTS IN THE FUND INVOLVE CERTAIN RISKS WHICH SHOULD BE CONSIDERED BY EACH POTENTIAL SETTLOR BEFORE INVESTING. FOR FURTHER INFORMATION REGARDING CERTAIN RISKS ASSOCIATED WITH INVESTMENTS IN THE FUND, SEE "CERTAIN RISKS OF INVESTMENT IN THE FUND" ON PAGES 31 TO 36.

INVESTMENT OBJECTIVE AND POLICIES

The general objective of the Fund is to provide current income for the Settlers while preserving capital by investing only in instruments authorized by Section 440.1 of the School Code which governs the temporary investment of funds by School Entities (“Section 440.1 Securities”) and, in the case of the GTS Series, also in certain investment instruments authorized for School Entities by Act 10 (“Act 10 Securities”).

The Fund seeks to attain its investment objective by pursuing a professionally managed investment program consistent with the policies and restrictions described below.

Permitted Investments. The Fund is specifically designed for Pennsylvania School Entities, and is also appropriate for Eligible Government Entities. Accordingly, the portfolios of its various Series at all times consist solely of instruments in which School Entities are permitted to invest funds temporarily. In the case of Series other than the GTS Series, these permitted investments are solely Section 440.1 Securities. In the case of the GTS Series, these permitted investments are both Section 440.1 Securities and Act 10 Securities.

Section 440.1 Securities consist of the following instruments:

- (a) United States Treasury bills;
- (b) Short-term obligations of the United States Government or its agencies or instrumentalities;
- (c) Deposits in savings accounts, time deposits, or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund to the extent that such accounts are so insured, and, for any amounts above the insured maximum, provided that approved collateral as provided by law therefor shall be pledged by the depository;
- (d) Obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or of any political subdivision of the Commonwealth of Pennsylvania or its agencies or instrumentalities backed by the full faith and credit of the political subdivision;
- (e) Shares of certain investment companies registered under the Investment Company Act of 1940 and the Securities Act of 1933 which invest only in instruments listed in clauses (a) through (d) above, maintain a constant per share net asset value and are rated in the highest category by a nationally recognized rating agency; and

(f) Any other investments presently permitted by the provisions of Section 440.1 of the School Code or any other applicable statutes or permitted in the future by reason of the amendment of Section 440.1 or the adoption of any other applicable statute.

Act 10 Securities consist of the following instruments:

(a) Obligations, participations or other instruments of any Federal agency, instrumentality or United States government-sponsored enterprise, including those issued or fully guaranteed as to principal and interest by Federal agencies, instrumentalities or United States government-sponsored enterprises if the debt obligations are rated at least "A" or its equivalent by at least two nationally recognized statistical ratings organizations;

(b) Repurchase agreements with respect to United States Treasury bills or obligations, participations or other instruments of or guaranteed by the United States or any Federal agency, instrumentality or United States government-sponsored enterprise;

(c) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances, if the bankers' acceptances do not exceed 180 days' maturity and the accepting bank is rated in the top short-term category by at least two nationally recognized statistical ratings organizations;

(d) Commercial paper issued by corporations or other business entities organized in accordance with Federal or State law, with a maturity not to exceed two hundred seventy days, if the issuing corporation or business entity is rated in the top short-term category by at least two nationally recognized statistical ratings organizations;

(e) Shares of an investment company registered under the Investment Company Act of 1940 and the Securities Act of 1933, if all of the following conditions are met: (i) the investments of the company are authorized investments under Act 10, (ii) the investment company is managed in accordance with the provisions of certain federal regulations relating to money market funds, and (iii) the investment company is rated in the highest category by a nationally recognized rating agency.

(f) Savings or demand deposits placed in accordance with the following conditions: (i) the money is initially deposited and invested through a federally insured institution having a place of business in the Commonwealth, which is selected by the Fund, (ii) the selected institution arranges for the redeposit of the money in savings or demand deposits in one or more financial institutions insured by the Federal Deposit Insurance Corporation for the account of the Fund, (iii) the full amount of principal and any accrued interest of each such deposit is insured by the Federal Deposit Insurance Corporation; and (iv) on the same date that the money is redeposited pursuant to the preceding clause (ii), the selected institution receives an amount of deposits from customers of other financial institutions equal to or greater than the amount of money initially invested through the selected institution by the Fund.

It should be noted that Act 10 as adopted by the Pennsylvania General Assembly also authorizes investments in certain instruments commonly known as negotiable certificates of deposit which meet certain requirements specified in Act 10. In the opinion of the Fund's counsel, School Entities are not permitted by Pennsylvania law to invest in such instruments ("Excluded

Act 10 Securities) and the Trustees of the Fund have determined that no Series of the Fund, including the GTS Series, will invest in Excluded Act 10 Securities in the absence of a change in Pennsylvania law or a binding determination by a court or other body of Commonwealth wide jurisdiction to the effect that School Entities are permitted to by Pennsylvania law to invest in Excluded Act 10 Securities.

The investment instruments identified above are referred to in this Information Statement as “Permitted Investments.” In the case of the Series other than the GTS Series, the term Permitted Investments includes only Section 440.1 Securities, and, in the case of the GTS Series, the term Permitted Investments includes both Section 440.1 Securities and Act 10 Securities. The term does not include any Excluded Act 10 Securities.

For information regarding certain risks associated with investments by the Fund in various Permitted Investments, see “Certain Risks of Investment in the Fund” on pages 31 to 36.

Investment Restrictions. The Fund 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 Fund and may not be changed without the affirmative vote of a majority of the Settlers.* These restrictions provide that the Fund:

- (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 year from the date of the Fund’s purchase thereof, unless it is subject at the time of its purchase by the Fund to an irrevocable agreement on the part of a Responsible Person to purchase it from the Fund within one year, provided, however, that the Trustees may, in their discretion, by an action set forth in the applicable Certificate or Certificates of Designation, waive such one year limitation with respect to any one or more Series (the Trustees have taken such action to authorize obligations of the United States of America or any of its agencies and instrumentalities backed by the full faith and credit of the United States of America having a remaining maturity of not greater than 397 days to be held in the Liquid and MAX Series and have adopted similar criteria with respect to the Fixed Term Series);
- (c) may not purchase any Permitted Investment if the effect of such purchase by the Fund would be to make the average dollar weighted maturity of the Fund’s investment portfolio greater than the period designated by the Trustees with respect to the Series to which such purchase of such Permitted Investment relates (however, in determining the effect of a purchase on the average portfolio 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 is obligated to sell such Permitted Investment back to a Responsible Person or the day on which the Fund 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 whether or not the proceeds thereof are intended to be used to purchase Permitted Investments, except as a temporary measure to facilitate withdrawal requests which might otherwise require unscheduled dispositions of portfolio investments.

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.

The Fund does not invest in investment instruments of the nature commonly referred to as “derivatives.”

No assurance can be given that the Fund will achieve its investment objective or that any benefits described in this Information Statement will result from the placement of monies in the Fund by a School Entity or Eligible Government Entity that becomes a Settlor.

Investment Strategies. The Investment Adviser and the Fixed Term Investment Adviser, as applicable, employ various investment strategies and techniques as appropriate to the various Series of the Fund.

Liquid and MAX Series. With respect to the Liquid Series (currently inactive) and the MAX Series, the Investment Adviser seeks to enhance the current income of Settlers while preserving capital by employing certain investment strategies in connection with the structuring of the investment portfolios comprising such Series. In general, the Investment Adviser (i) seeks to extend the average dollar weighted maturity of the portfolio when it expects interest rates of permitted investments to fall and (ii) seeks to shorten the average dollar weighted maturity of the portfolio when it expects interest rates of permitted investments to rise. The purpose of this strategy is to capture and/or prolong the benefit of favorable interest rate movements and to reduce the impact of unfavorable interest rate movements.

Such a strategy involves constructing a portfolio of component securities with different maturities that appropriately reflects the differences between the rates associated with these different maturities. Typically, such portfolio structures follow three patterns, commonly referred to as “bulleted,” “barbelled” and “laddered” portfolios.

- When the portfolio is “bulleted” it is comprised primarily of securities with maturities that are relatively close to the average dollar weighted maturity of the portfolio as a whole. This structure is often employed when the Investment Adviser believes that the difference between long and short term rates will increase.
- When the portfolio is “barbelled” it is comprised primarily of some securities with maturities greater than the average dollar weighted maturity of the portfolio as a whole and some that are securities with maturities that are less. This structure is often employed when the Investment Adviser believes that the difference between long and short term rates will decrease.
- When the portfolio is “laddered” it is comprised of securities with maturities that are greater than, lesser than and essentially the same as the average dollar weighted maturity of the portfolio as a whole. This structure is often employed when the Investment Adviser believes that the difference between longer term and shorter term rates will remain essentially constant.

The application by the Investment Adviser of the portfolio strategies described above is very much influenced by the Investment Adviser's assessment of the factors that have an impact on interest rates, such as (i) inflation rates and expectations as to inflation, (ii) monetary policies of the Federal Reserve Board, (iii) credit factors affecting the rates paid on securities of particular government agencies and instrumentalities, (iv) forecasts of US and global economic growth, (v) changes in the supply of permitted investments, and (vi) the impact of particular events such as acts of terrorism or energy shortages.

Fixed Term Series and Choice Program Series. With respect to the multiple Fixed Term Series and the multiple Choice Program Series, the Fixed Term Investment Adviser's general strategy is to seek investments offering the best return available for permitted investments meeting the Fixed Term Investment Adviser's credit criteria and having the maturity applicable to the particular Series.

CFO Series. With respect to the multiple CFO Series, the Fixed Term Investment Adviser seeks to enhance return by applying the strategies described above within the particular context of an individual Settlor's cash flow projections through the use of permitted investments available through the use of the various Series of the Fund and the individual investment placement services available to Settlers.

TRM Series. With respect to the multiple TRM Series, the Fixed Term Investment Adviser uses active portfolio management techniques as more fully described under "Total Return Management Program and TRM Series" on pages 26 to 29.

GTS Series. With respect to the single GTS Series, the Investment Adviser uses the same strategies as are described above with respect to the MAX Series. In addition, the Investment Adviser seeks to take advantage of such opportunities as may be presented by the use of Act 10 Securities in the investment portfolio of the GTS Series.

TRUSTEES, OFFICERS AND EXECUTIVE DIRECTOR

The Trustees have full, exclusive and absolute control and authority over the business of the Fund and the Fund's assets, subject to the rights of the Settlers 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 Fund or promoting the interests of the Fund. They oversee, review, and supervise the activities of all consultants and professional advisers to the Fund.

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 nor more than fifteen. There are presently twelve Trustees, ten of whom are elected and two of whom serve *ex officio*.

The Trustees (other than the two *ex officio* Trustees described below) are divided into three classes, as equal in number as practicable, arranged so that the term of one class expires each year. At each annual meeting of Settlers, Trustees of the class whose term then expires are

elected to serve for a term of three years. Trustees may be elected to any number of successive terms.

The Declaration of Trust requires that the elected Trustees be individuals who are business officials or school board members of a School Entity which is a Settlor of the Fund. The Declaration of Trust further provides that, with respect to the proportional composition of the Board of Trustees, neither the number of Trustees who are school board members, nor the number of Trustees who are school business officials may exceed the number of Trustees of the other type by more than one. At present, the Trustees have determined that the ratio between the two types shall be one to one. In the event that a Trustee ceases to be a business official or a member of the school board of a School Entity which is a Settlor of the Fund, such Trustee shall cease to be a Trustee upon the expiration of a 180 day period following the occurrence of such event.

The persons who from time to time serve respectively as the Executive Director of the Pennsylvania School Boards Association (“PSBA”), a Pennsylvania non-profit corporation, and the Executive Director of the Pennsylvania Association of School Business Officials (“PASBO”), a Pennsylvania non-profit corporation, are *ex officio* Trustees. As such, they have the same rights, powers, duties, and responsibilities as the elected Trustees.

The Trustees serve without compensation, but they are reimbursed by the Fund 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 Fund.

The Trustees annually elect one of their members to serve as Chairman of the Fund and be its chief officer. They also elect a Vice Chairman from their members and a Secretary. The *ex officio* Trustees are not eligible to serve as Chairman or Vice Chairman. The person selected as the Secretary need not be a Trustee.

With respect to certain actions specified in the Declaration of Trust the affirmative vote of the greater of (i) two-thirds of the then incumbent Trustees or (ii) eight Trustees is required for approval.

See the applicable accompanying Appendix to this Information Statement for information regarding the current Trustees and officers.

Election of the Trustees at the annual meeting is by the affirmative vote of a majority of the Settlers present at a meeting of Settlers called for such purpose. 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 Settlers.

The Trustees also retain an Executive Director of the Fund who acts as a consultant to the Fund and performs such consulting and Advisory services with respect to matters concerning the operations and activities of the Fund as may from time to time be reasonably requested by the Trustees. Such services may include, but are not limited to: providing the Trustees with suggestions and advice regarding the development of the Fund and its programs; coordination with such committee or committees of the Trustees as have been designated for such purpose by the Trustees; management and coordination of the Fund’s operations on a daily basis in conjunction with the Fund’s Settlers, Trustees, Officers, Administrator, Investment Adviser, Fixed Term

Investment Adviser, Custodian, Auditor and Counsel; and such other functions as are normally performed by independent contractors that provide services to associations and similar organizations.

The Trustees have retained Mr. Patrick Sable to act as the Executive Director of the Fund. Mr. Sable assumed such position on July 1, 2015 and serves in accordance with the terms of a Contract for Consulting Services that expires on October 30, 2019 subject to renewal.

THE INVESTMENT ADVISER, THE FIXED TERM INVESTMENT ADVISER AND THE DISTRIBUTOR

RBC Global Asset Management (U.S.) Inc. (the “Investment Adviser”) has been appointed by the Trustees to act as the Fund’s Investment Adviser to provide investment advice in connection with the Liquid Series (currently inactive), the MAX Series and the GTS Series of the Fund. Decisions regarding the selection and purchase of instruments for the Liquid Series (currently inactive), the MAX Series and the GTS Series of the Fund are made by the Investment Adviser. The Investment Adviser performs its functions pursuant to its Investment Advisory Agreement with the Fund (the “Investment Advisory Agreement”).

RBC Global Asset Management (U.S.) Inc. (the “Fixed Term Investment Adviser”) has been appointed by the Trustees to act as the Fund’s Fixed Term Investment Adviser to provide investment advice in connection with the TRM Series, the CFO Series, the Choice Program Series, the Fixed Term Series and certain related services for the benefit of the Settlers of the Fund (currently consisting of a certificate of deposit placement program referred to in this Information Statement as the “CD Placement Program”). Such series and the CD Placement Program are collectively referred to in this Information Statement as the “FT Programs”. Decisions regarding the selection and purchase of instruments for the various Series of the Fund comprising the FT Programs are made by the Fixed Term Investment Adviser. The Fixed Term Investment Adviser performs its functions pursuant to its Fixed Term Services Agreement with the Fund (the “Fixed Term Services Agreement”).

With the consent of the Trustees, the Fixed Term Investment Adviser has arranged for various of its functions with respect to the Fund, including, certain aspects of its functions relating to the FT Programs to be performed by or with the participation and assistance of its affiliate, RBC Capital Markets, LLC.

Pursuant to its Fixed Term Services Agreement with the Fund, the Fixed Term Investment Adviser provides advice regarding the banking and thrift institutions used in the optional certificate of deposit placement program offered through the Fixed Term Investment Adviser. For information regarding such program, see “Additional Programs” on page 51. This advice consists of the evaluation of such institutions to ascertain whether or not they meet the criteria approved by the Trustees for the investment program available to the Settlers through participation in such program. The Fixed Term Investment Adviser provides advice to the Trustees regarding the development and the amendment, from time to time of such criteria.

The Fund's Investment Advisory Agreement with the Investment Adviser is dated as of October 1, 2009, as amended as of July 12, 2012, January 22, 2015, April 23, 2015, July 7, 2016, and October 17, 2017. The Fund's Fixed Term Services Agreement with the Fixed Term Investment Adviser also is dated as of October 1, 2009, as amended as of July 12, 2012, January 22, 2015, April 23, 2015, July 7, 2016, and October 17, 2017. In addition, the Fund, the Fixed Term Investment Adviser, and the Fixed Term Investment Adviser's affiliate, RBC Capital Markets, LLC, are parties to a Services Agreement, dated as of October 1, 2009, as amended as of April 1, 2017, pursuant to which certain aspects of the Investment Adviser's functions relating to the FT Programs are performed by or with the participation and assistance of its affiliate, RBC Capital Markets, LLC. Distribution services are provided to the Fund pursuant to this Services Agreement by RBC Capital Markets, LLC which has been appointed as the Fund's Distributor by the Trustees (the "Distributor").

Such distribution services include the performance of marketing and sales efforts on behalf of the Fund and a variety of related administrative, support and communications functions, including communications with the Settlers of the Fund.

The Investment Advisory Agreement and the Fixed Term Services Agreement with the Investment Adviser and the Fixed Term Investment Adviser, respectively, remain in effect until January 31, 2021 and, thereafter, from year to year if approved at least annually by the Trustees at the annual organizational meeting of the Trustees held following the conclusion of each fiscal year of the Fund. The agreements are not assignable and may be terminated (in certain circumstances without penalty) on sixty days' written notice at the option of the Fund or one hundred and twenty days' written notice prior to the date of the annual organizational meeting of the Trustees at which such agreement's continuance is due to be considered at the option of the Investment Adviser or the Fixed Term Investment Adviser, as applicable. The agreements may also be terminated immediately by the Fund upon the occurrence of certain events.

The Services Agreement pursuant to which RBC Capital Markets, LLC serves as the Distributor remains in effect until the termination of the Fixed Term Services Agreement. The agreement may also be terminated immediately by the Fund upon the occurrence of certain events.

The Fund does not engage in the trading of investment instruments for the portfolios of any Series of the Fund with or through the Investment Adviser, the Fixed Term Investment Adviser any of their affiliates as principal or broker, except that the Fund may waive this restriction to permit the Investment Adviser, the Fixed Term Investment Adviser or one of its affiliates to purchase a portfolio security with a market value at the time of the sale that is less than the Fund's amortized cost for such security for a purchase price that is no lower than the Fund's amortized cost for such security.

In addition, the Fund may, from time to time, in response to a recommendation from the Investment Adviser or the Fixed Term Investment Adviser, waive this restriction to permit the purchase for the investment portfolios of one or more of the Fund's Series of an obligation of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities, or any of its political subdivisions, backed by the full faith and credit of the Commonwealth or the full faith and credit of the political subdivision in circumstances that would involve (i) the purchase of such security from an affiliate of the Investment Adviser or the Fixed Term Investment Adviser

when such affiliate has acted as the investment banker, financial adviser and/or underwriter in connection with the initial issuance of such securities, and/or (ii) the execution of such a transaction by or through an affiliate of the Investment Adviser or the Fixed Term Investment Adviser as a broker or dealer, and/or (iii) the existence and performance of an irrevocable agreement on the part of an affiliate of the Investment Adviser or the Fixed Term Investment Adviser to purchase such a security from the Fund within a period of one year the Fund's acquisition of such security.

RBC Global Asset Management (U.S.) Inc., which serves as both the Investment Adviser and the Fixed Term Investment Adviser, is a registered investment adviser. RBC Capital Markets, LLC is a registered broker dealer affiliated with the Investment Adviser and the Fixed Term Investment Adviser.

THE ADMINISTRATOR

The Trustees have appointed PMA Financial Network, Inc. ("PMA" or the "Administrator") as the Administrator of the Fund. PMA began its service as Administrator on May 1, 2015 pursuant to the terms of an Administration Agreement with the Fund, dated May 1, 2015 as amended as of July 1, 2016.

The Fund's agreement with the Administrator remains in effect until the annual organizational meeting of the Trustees of the Fund, held following the conclusion of the Fund's fiscal year ending September 30, 2019 and thereafter from year to year if approved annually by the Trustees. The agreement is not assignable and may be terminated without penalty on one hundred twenty days' written notice at the option of the Fund or one hundred eighty days' written notice at the option of the Administrator and may also be terminated immediately by the Fund or the Administrator upon the occurrence of certain events.

The Administrator services all Settlor accounts in the Fund; determines and allocates income of the Fund; provides written confirmation of the investment and withdrawal of monies by Settlers; provides administrative personnel and facilities to the Fund; determines the net asset value of the Liquid Series (currently inactive), the MAX Series and the GTS Series of the Fund on a daily basis; bears certain expenses for the Fund; and performs related administrative services for the Fund.

The Fund does not engage in the trading of investment instruments for the portfolios of any Series of the Fund with or through the Administrator or any of its affiliates as principal or broker."

THE CUSTODIAN

PNC Bank, National Association of Pittsburgh, Pennsylvania serves as Custodian for the Fund pursuant to a Custodian Agreement and other related agreements between such

institution and the Fund. The Custodian acts as safekeeping agent for the investment portfolios of the Fund's Liquid Series (currently inactive), MAX Series and GTS Series. It also serves as the depository in connection with the direct investment and withdrawal mechanisms of the Fund, including check-writing. The Custodian does not participate in the Fund's investment decision making process. The Fund may invest in obligations of the Custodian and buy and sell Permitted Investments from and to it.

The Custodian was appointed in 2003, and its appointment was most recently renewed by the Trustees in 2015. The appointment expires at the Fund's annual meeting in January, 2018, and it is expected to be considered for renewal by the Trustees at that time. In addition, the Fund's agreements with the Custodian may be terminated without penalty on sixty days' written notice at the option of either the Fund or the Custodian.

The Custodian Agreement between the Fund and the Custodian provides that the Custodian has certain rights to compensation from the Fund for damages and losses suffered by the Custodian and caused by the Fund, a Settlor or an agent of the Fund. The Custodian Agreement further provides that the Fund shall indemnify the Custodian and hold it harmless from and against losses or damages suffered by it arising out of its services as Custodian and caused by the Fund, a Settlor or an agent of the Fund. The Custodian Agreement further provides that the Fund has the right to charge any account of the Fund to compensate the Custodian for damages or losses suffered by it under various circumstances.

The Trustees may in their discretion employ one or more custodians in addition to the Custodian referred to above. Any such additional custodians must be banks or trust companies organized under the laws of the United States or any state or the District of Columbia and have capital and surplus aggregating at least one hundred million dollars.

The Custodian does not act as the safekeeping agent for the investment portfolios of the Fund's Fixed Term Series, Choice Program Series and TRM Series. The safekeeping and custodial arrangements for those series are described below under "Fixed Term Series" on pages 22 to 24, "Choice Program Series" on pages 24 to 26, and "Total Return Management Program and TRM Series" on pages 26 to 29. The Fund has no indemnification obligation in connection with such safekeeping and custodial arrangements.

THE VARIOUS SERIES OF THE FUND

Overview. The Declaration of Trust provides for the creation of multiple specialized investment Series within the Fund and sets forth the manner in which Series may be created and managed. At present, the Fund consists of the Liquid Series (currently inactive), the MAX Series, multiple CFO Series, multiple Fixed Term Series, multiple TRM Series, multiple Choice Program Series and the GTS Series.

Other than the Liquid Series (currently inactive) and the MAX Series which share an investment portfolio, each Series is invested in a separate portfolio of Permitted Investments. The Trustees determine when and what types of Series are made available to Settlers from time to

time. A Settlor may participate in as few or as many Series as it chooses. All Fund investments in all Series are restricted to Permitted Investments in which Pennsylvania School Entities can lawfully invest.

The Trustees have the power to designate one or more Series in which all Settlers must participate by having an account. The Trustees have determined that all Settlers must participate in the Liquid Series (currently inactive) and the MAX Series by having an account in such Series although there is no requirement that any minimum amount of funds must be maintained in such account. With that exception, a Settlor can participate in as few or as many of the Series offered by the Fund as it chooses. Information is provided to the Settlers from time to time regarding how they can elect to participate in any particular Series. As the MAX Series is used as a conduit for the transfer and placement of a Settlor's investment monies into the various fixed rate and other programs of the Fund, most Settlers elect to maintain an active account in the MAX Series in order to take advantage of the Fund's programs.

The Trustees determine the overall policy of the Fund and each of its component Series. To establish a Series, the Trustees authorize and adopt a Certificate of Designation for the Series. The Certificate of Designation establishes and sets forth the terms of the Series, including: (a) the date of establishment of the Series; (b) the term of the Series; (c) the identity of Settlers permitted to participate; (d) the nature of the Series' investments; (e) the Trustees assigned to the Series; (f) the maximum average weighted maturity of the Series; (g) the method of determining the net asset value of the Series; and (h) other terms applicable to the Series.

For further information regarding certain risks associated with investments by the Fund, see "Certain Risks of Investment in the Fund" on pages 31 to 36.

A Settlor only receives earnings from the investments of the particular Series in which it participates.

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.

One or more Trustees can be assigned to each Series and have particular responsibility for the operations of that Series. The Trustees assigned to each Series are designated pursuant to the Declaration of Trust and the applicable Certificate of Designation as being the official custodians of the monies placed in such Series by the Settlers choosing to participate in the Series. At present, all incumbent Trustees are assigned to each Series.

The Liquid Series. *As noted above, the Liquid Series is currently inactive and will remain in inactive status for the purpose of operational efficiency until such time as the Trustees may elect to reactivate it.* The Permitted Investments in which the Liquid Series (currently inactive) is invested are selected by the Investment Adviser and consist of short term money market instruments, including certificates of deposit that meet the applicable deposit insurance or collateral requirements of Section 440.1 of the Public School Code. The Certificate of Designation of the Liquid Series provides that the Liquid Series (currently inactive) may not have an average dollar weighted maturity of greater than ninety (90) days. However, the current policy of the

Trustees is that the Liquid Series (currently inactive) be invested in Permitted Investments in such a manner as to result in an average dollar weighted maturity for such Series of no greater than sixty (60) days. The Liquid Series (currently inactive) seeks to maintain a constant net asset value per share of \$1.00. The Liquid Series (currently inactive) and the MAX Series share the same investment portfolio.

The Liquid Series (currently inactive) has no minimum balance requirements and no minimum amount requirements for deposits or withdrawals. A Settlor may withdraw funds from the Liquid Series (currently inactive) in any amount not in excess of its account balance in such Series. Upon request, a Settlor may have unlimited check writing privileges on its Liquid Series (currently inactive) account(s).

It is not anticipated that the Fund will have more than one Liquid Series at any time. Each Settlor must participate in the Liquid Series (currently inactive) of the Fund by having an account in such Series, but there is no minimum balance that a Settlor must have in the Liquid Series (currently inactive) or in the Fund as a whole.

The particular Permitted Investments in which the Liquid Series (currently inactive) is invested are selected by the Investment Adviser. These Permitted Investments consist of short term money market instruments, including obligations of the United States government or its agencies and federally insured or collateralized certificates of deposit in accordance with the requirements of Section 440.1 of the School Code. No Act 10 Securities are used in the investment portfolio of the Liquid Series (currently inactive) which is required to consist solely of Section 440.1 Securities.

The Liquid Series (currently inactive) may include obligations of the United States of America or any of its agencies and instrumentalities which are backed by the full faith and credit of the United States of America with a remaining maturity of not greater than three hundred and ninety-seven (397) days. The Liquid Series (currently inactive) may also include obligations of the Commonwealth of Pennsylvania or any of its agencies, instrumentalities or political subdivisions backed by the full faith and credit of the Commonwealth or the applicable subdivision if in the judgment of the Investment Adviser favorable circumstances exist for such an investment.

The Fund may also enter into repurchase agreements relating to securities in the investment portfolio of the Liquid Series (currently inactive) pursuant to which the seller of the security agrees to repurchase the applicable Permitted Investment from the Fund at a specified time and at an agreed upon price.

Instruction sheets detailing the methods for making deposits into and withdrawals from the Liquid Series (currently inactive) and registration forms to establish accounts are available from the Administrator.

PNC Bank, National Association of Pittsburgh serves as the custodian and safekeeping agent for the investment portfolio of the Liquid Series (currently inactive).

A copy of the Certificate of Designation of the Liquid Series is available from the Administrator and reference is made thereto for additional information regarding the Liquid Series (currently inactive).

The MAX Series. The MAX Series operates in a manner similar to the currently inactive Liquid Series, with certain material differences as noted below. The MAX Series and the Liquid Series (currently inactive) share the same investment portfolio. Like the Liquid Series (currently inactive), the MAX Series seeks to maintain a constant net asset value per share of \$1.00 and has no minimum balance, deposit or withdrawal amount requirements. Funds may be deposited in, or withdrawn from, the MAX Series through transfers from or to the Liquid Series (when such Series is active) or wire transfers from or to a Settlor's local bank. The Certificate of Designation of the MAX Series provides that the average dollar weighted maturity of such Series may not be greater than one hundred and twenty (120) days. However, the current policy of the Trustees is that the MAX Series be invested in Permitted Investments in such a manner as to result in an average dollar weighted maturity for such Series of no greater than sixty (60) days.

Each Settlor must participate in the MAX Series of the Fund by having an account in such Series, but there is no minimum balance that a Settlor must have in the MAX Series or in the Fund as a whole.

Although such requirement has been waived since 2005, all investments in the MAX Series by Settlers must be deposited for a minimum of fourteen (14) calendar days. No investment made in the MAX Series may be withdrawn by the Settlor making it during the first fourteen (14) calendar days after it is made without the incurrance of a penalty for such premature withdrawal. However, the fourteen (14) day minimum investment period does not apply to direct deposits of state aid payments into the MAX Series. In the event that a Settlor withdraws a deposit within such initial fourteen (14) calendar day period, it will be subject to a penalty equal to the loss of fourteen (14) days interest on the amount so withdrawn. Such fourteen (14) day interest penalty shall be calculated on the basis of the dividend rates in effect for the MAX Series for the fourteen (14) day period immediately preceding the withdrawal date. Accordingly, the penalty will be equal to the dividend that would have been paid during the fourteen (14) days preceding the withdrawal date on the amount prematurely withdrawn. Such penalty will be payable even though the amount withdrawn has not been invested in the MAX Series for the full fourteen (14) day period preceding the withdrawal. However, as noted above, the 14 day minimum investment period has been waived since 2005 and would not be reinstated without notice to the Fund's Settlers.

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

In determining whether an amount is eligible for withdrawal from a particular account of a Settlor established within the MAX Series, the first-in/first-out method will be used. In determining whether the fourteen (14) day deposit requirement has been met if a Settlor has more than one account in the MAX Series, only the dates on which deposits were made in the particular account to which a withdrawal request relates are taken into consideration.

By requiring all Settlor investments (other than direct deposits of state aid payments) to be deposited for a minimum of fourteen (14) days, it is anticipated that the MAX Series will have a longer weighted average maturity than the Liquid Series (currently inactive).

This difference is intended to result in the MAX Series normally having a higher yield than the Liquid Series when such Series is active. However, there can be no assurance that such a result will occur.

As is currently the case, from time to time, the Trustees may elect to waive the MAX Series' fourteen (14) day minimum investment period. Such a waiver has been in effect since 2005, but no assurance can be given that the Trustees will not revoke such waiver following notice to the Settlers of their decision to do so.

The particular Permitted Investments in which the MAX Series is invested are selected by the Investment Adviser. The Permitted Investments in which funds placed in the MAX Series by Settlers are invested consist of short term money market instruments, including obligations of the United States government or its agencies and federally insured or collateralized deposits in savings accounts, time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund to the extent that such accounts are so insured, and, for any amounts above the insured maximum, provided that approved collateral therefor is pledged by the depository in accordance with the requirements of Section 440.1 of the School Code. No Act 10 Securities are used in the investment portfolio of the MAX Series which is required to consist solely of Section 440.1 Securities.

The MAX Series may include obligations of the United States of America or any of its agencies and instrumentalities which are backed by the full faith and credit of the United States of America with a remaining maturity of not greater than three hundred and ninety-seven (397) days. The MAX Series may also include obligations of the Commonwealth of Pennsylvania or any of its agencies, instrumentalities or political subdivisions backed by the full faith and credit of the Commonwealth or the applicable subdivision if in the judgment of the Investment Adviser favorable circumstances exist for such an investment.

The Fund may also enter into repurchase agreements relating to securities in the investment portfolio of the MAX Series pursuant to which the seller of the security agrees to repurchase the applicable Permitted Investment from the Fund at a specified time and at an agreed upon price.

Instruction sheets detailing the methods for making deposits into and withdrawals from the MAX Series and registration forms to establish accounts are available from the Administrator.

PNC Bank, National Association of Pittsburgh serves as the custodian and safekeeping agent for the investment portfolio of the MAX Series.

A copy of the Certificate of Designation of the MAX Series is available from the Administrator and reference is made thereto for additional information regarding the MAX Series.

The Cash Flow Optimization Program (CFO) and the Multiple CFO Series. The purpose of the Cash Flow Optimization Program or "CFO" is to provide each Settlor with the opportunity to have a professionally managed investment program and cash flow management tool that has been tailored to meet the specific needs of its own budget schedule and cash flow projections. The

intention is to enable a Settlor to enhance its investment income while reducing the need to devote the valuable time of its staff to investment operations.

The CFO Program is available for the use of all Fund Settlers. Settlers are not charged a separate or additional fee to receive the cash flow management services provided in the CFO Program.

Cash Flow Schedule. A separate and individual CFO Series is created by the Fund for each Settlor that elects to participate in the CFO Program. The monies that are placed in the Settlor's CFO Series within the Fund are then allocated on the basis of that Settlor's own cash flow projections and schedules among the Fund's various investment Series (including, the Liquid Series, the MAX Series, Choice Program Series, Fixed Term Series, and, subject to certain restrictions, the GTS Series) and appropriate federally insured or collateralized savings accounts, time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund to the extent that such accounts are so insured, and, for any amounts above the insured maximum, provided that approved collateral therefor is pledged by the depository in accordance with the requirements of Section 440.1 of the School Code. The GTS Series is not employed in connection with the CFO Program or any CFO Series except upon the prior written request and authorization of the applicable Settlor. The Trustees have not authorized the solicitation or acceptance of any such request from a Settlor.

In addition to its duties with respect to other Series of the Fund, the Fund's Fixed Term Investment Adviser serves as the Investment Adviser to the Fund with respect to each of the CFO Series, and many aspects of the implementation of the CFO Program and the provision of assistance to the Settlers participating in it are handled by the Fixed Term Investment Adviser's affiliate, RBC Capital Markets, LLC.

The Fixed Term Investment Adviser provides advice with respect to the investment allocation of the assets in a Settlor's CFO Series among the various Series and programs of the Fund. A goal of the allocation is to enhance the investment return to the Settlor by providing a professionally managed program that is tailored to the needs of the individual Settlor within the context of the joint investment programs of the Fund and individual investment opportunities available to the Settlor (including those available through the Fund's Choice Program Series and Fixed Term Series). In rendering such investment and allocation advice, the Fund's Fixed Term Investment Adviser takes into account the Settlor's anticipated cash flow and budget as provided to the Fund by the Settlor. The Fixed Term Investment Adviser's affiliate, RBC Capital Markets, LLC, provides assistance to the Fixed Term Investment Adviser in connection with the investment allocation of the assets in a Settlor's CFO Series and carries out the execution of transactions involving US Treasury and Agency securities for such Settlor's CFO Series.

CFO is designed to apply to all or such portion of a Settlor's cash flow as the Settlor elects to place in the CFO Program. When a Settlor elects to participate in the CFO Program, it is asked to provide the Fund with a cash flow projection and schedule for the relevant fiscal period of the Settlor (the "Schedule") using a form provided by the Fund. The Schedule sets forth information about the timing and amounts of the Settlor's anticipated cash needs (its "Scheduled Withdrawal Amounts" and "Scheduled Withdrawal Dates") and the timing and amounts of the Settlor's anticipated receipts (its "Scheduled Deposit Amounts" and "Scheduled Deposit Dates").

A representative of the Fund's Fixed Term Investment Adviser may meet with a representative of the Settlor to discuss the Schedule provided by the Settlor, but neither the Fund nor its Fixed Term Investment Adviser assumes any responsibility for the accuracy or completeness of the Settlor's Schedule.

The Schedule is used by the Fund's Fixed Term Investment Adviser to prepare an investment strategy with respect to the monies placed in the Settlor's CFO Series within the Fund. In doing so, it takes into account the anticipated availability of investment funds based on the Scheduled Deposit Amounts and Dates and the anticipated cash needs of the Settlor for the use of such investment funds based on the Scheduled Withdrawal Amounts and Dates. In the event that the Scheduled Deposit Amounts or Dates or Scheduled Withdrawal Amounts or Dates set forth on the Schedule prove to be inaccurate, the investment strategy may be adjusted, pursuant to the terms of the CFO Series, from time to time by the Fund's Fixed Term Investment Adviser to take such changes into account. In addition, the Fund's Fixed Term Investment Adviser may, from time to time, change the investment strategy initially prepared for a Settlor's CFO Series in order to take into account developments and opportunities in the investment markets.

CFO Series Investments and Investment Policies. The monies placed by a Settlor in its CFO Series will be invested in a varying combination of the investment vehicles set forth below. The allocation among such vehicles is determined by the Fund's Fixed Term Investment Adviser on the basis of the Settlor's actual available investment funds, Scheduled Deposit Amounts and Dates, actual withdrawals, and Scheduled Withdrawal Amounts and Dates. The investment vehicles used in the CFO Program are: (i) the Fund's Liquid Series (currently inactive); (ii) the Fund's MAX Series; (iii) the Fund's multiple Fixed Term Series; (iv) the Fund's multiple Choice Program Series, (v) subject to certain restrictions, the GTS Series, and (vi) individual investment instruments meeting the requirements of Section 440.1 of the School Code, such as insured or collateralized deposits in savings accounts, time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund to the extent that such accounts are so insured, and, for any amounts above the insured maximum, provided that approved collateral therefor is pledged by the depository in accordance with the requirements of Section 440.1 of the School Code, short term obligations of the United States Government or its agencies or instrumentalities, and obligations of the United States of America backed by the full faith and credit of the United States of America. A CFO Series may also include obligations of the Commonwealth of Pennsylvania or any of its agencies, instrumentalities or political subdivisions backed by the full faith and credit of the Commonwealth or the applicable subdivision if in the judgment of the Investment Adviser favorable circumstances exist for such an investment. The Fixed Term Investment Adviser may arrange, in its discretion, for certificates of deposit and other Permitted Investments used in connection with a Settlor's CFO Series to be registered directly in the name of such Settlor. The GTS Series is not employed in connection with the CFO Program or any CFO Series except upon the prior written request and authorization of the applicable Settlor. The Trustees have not authorized the solicitation or acceptance of any such request from a Settlor.

In the implementation of the investment strategy for a Settlor's CFO Series, the Fund's Fixed Term Investment Adviser will follow a number of policies adopted by the Trustees of the Fund, from time to time, with respect to the CFO Program. Such policies in effect on the

date of this Information Statement are described in following paragraphs. The Trustees may supplement or otherwise change these policies from time to time.

First, only Permitted Investments will be used in the CFO Program. This policy is fundamental and is not subject to change by the Trustees. Without the prior written request and authorization of the applicable Settlor, no Act 10 Securities are used in the investment portfolio of any CFO Series which consists solely of Section 440.1 Securities. The Trustees have not authorized the solicitation or acceptance of any such request from a Settlor.

Second, all funds withdrawn by a Settlor from its CFO Series will be transferred to such Settlor's account in the Fund's Liquid Series (currently inactive) when such Series is active or in the MAX Series. Scheduled Withdrawal Amounts will be so transferred on the applicable Scheduled Withdrawal Date without the need for any action by the Settlor.

Third, a Settlor electing to participate in the CFO Program will be presumed to have recognized and acknowledged that portfolio investments are being made for its CFO Series which take into account the Scheduled Deposit Amounts and Dates and the Scheduled Withdrawal Amounts and Dates reflected on such Settlor's Schedule. A Settlor electing to participate in the CFO Program is further presumed to have recognized and acknowledged that a deviation (a "Schedule Deviation") from the Scheduled Deposit Amounts and Dates and the Scheduled Withdrawal Amounts and Dates reflected on such Settlor's Schedule may result either in a market gain or in a market risk of loss (consisting of a reduction of the investment earnings on the Settlor's funds in its CFO Series and/or a reduction of the principal amount thereof) associated with any premature or otherwise unanticipated sale or other disposition of a Permitted Investment from its CFO Series' investment portfolio in order to provide funds to meet an unscheduled withdrawal request or otherwise accommodate changes in investment strategy resulting from such Schedule Deviation. The Settlor will be presumed to have irrevocably agreed to solely bear and incur any and all such risk associated with Schedule Deviations.

Fourth, if a Settlor desires to withdraw funds from a CFO Series on a date other than a Scheduled Withdrawal Date or on a Scheduled Withdrawal Date in any amount greater than the applicable Scheduled Withdrawal Amount (an "Unscheduled Withdrawal") or the amount of the Settlor's CFO Series then held in the Liquid Series or MAX Series, notice of a request for an Unscheduled Withdrawal must be received by the Fixed Term Investment Adviser or its affiliate, RBC Capital Markets, LLC, in writing not less than one (1) Pennsylvania Banking day prior to the requested date of the Unscheduled Withdrawal. Notice may be given by fax or email. For the purposes of determining whether the notice requirement has been met, a notice will have been deemed to have been received on a particular Pennsylvania banking day if it is received by the Fixed Term Investment Adviser's affiliate, RBC Capital Markets, LLC no later than 12:00 Noon Pennsylvania time on such day. The Fixed Term Investment Adviser or its affiliate will provide the Fund's Administrator with any notice of the Unscheduled Withdrawal required to implement such withdrawal. As noted in the immediately preceding paragraph, an Unscheduled Withdrawal may subject the funds of the Settlor to market risk.

CFO Certificates of Designation. A sample CFO Series Certificate of Designation is available from the Administrator and reference is made thereto for additional information regarding the CFO Program. As the CFO Program is designed to apply to a Settlor's cash flow

with respect to particular fiscal periods, it is anticipated that the Fund will adopt a CFO Series Certificate of Designation for each fiscal period that a Settlor elects to participate in the CFO Program.

Fixed Term Series. The Fixed Term Series are fixed term investment vehicles with maturities depending upon the maturity date of each particular Fixed Term Series. Multiple Fixed Term Series are created, each of which has its own maturity date. Each Fixed Term Series is created by the adoption of a Certificate of Designation pursuant to the Declaration of Trust.

The assets of each Fixed Term Series are invested in fixed term instruments. All investments are restricted to Permitted Investments. Funds of a Settlor may be deposited in a Fixed Term Series through transfers from the Settlor's account in the Liquid or MAX Series. At the maturity of a Fixed Term Series, the Settlor's funds in such Series are transferred to the Settlor's account in the Liquid Series (currently inactive) when such Series is activated or in the MAX Series.

All investments in a Fixed Term Series by a Settlor are intended to be deposited for the full term of the particular Fixed Term Series. *No investment made in a Fixed Term Series may be withdrawn by a Settlor prior to the maturity date of such Series with the exception of investments in a Fixed Term Series that has been designated on its inception date as a "Full Flex Collateralized Investment Pool."* *Early redemptions with no interest penalty can be made from Series that have been so designated.* By requiring all Settlor investments to be deposited for the full term of the Fixed Term Series, it is anticipated that each Fixed Term Series will have a weighted average maturity equal to the term of such Fixed Term Series. This is intended to result in the Fixed Term Series normally having a higher yield than the Liquid Series (currently inactive) and the MAX Series. However, there can be no assurance that such a result will occur.

The particular Permitted Investments in which the assets of the various Fixed Term Series are invested are selected by the Fund's Fixed Term Investment Adviser. The Permitted Investments in which amounts placed in the Fixed Term Series by Settlers are invested consist of fixed term instruments, including obligations of the United States government or its agencies and federally insured or collateralized deposits in savings accounts, time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund to the extent that such accounts are so insured, and, for any amounts above the insured maximum, provided that approved collateral therefor is pledged by the depository in accordance with the requirements of Section 440.1 of the School Code+. A Fixed Term Series may also include obligations of the Commonwealth of Pennsylvania or any of its agencies, instrumentalities or political subdivisions backed by the full faith and credit of the Commonwealth or the applicable subdivision if in the judgment of the Fixed Term Investment Adviser favorable circumstances exist for such an investment. Certain of such investments may be the subject of repurchase agreements. For information regarding risks associated with such investments, see "Certain Risks of Investment in the Fund" on pages 31 to 36. Without the prior written request and authorization of the applicable Settlor, no Act 10 Securities are used in the investment portfolio of any Fixed Term Series which must consist solely of Section 440.1 Securities. The Trustees have not authorized the solicitation or acceptance of any such request from a Settlor.

The bank and thrift institutions that issue certificates of deposit used in a Fixed Term Series are selected by the Fixed Term Investment Adviser from a list of institutions determined by it to satisfy the criteria established by the Trustees. The current criteria are set forth in the accompanying Appendix B to this Information Statement. Such criteria may change from time to time.

The Trustees have developed the criteria with the advice of the Fixed Term Investment Adviser to reduce the possibility that any institution in which monies of any Series are placed will fail. However, Settlers should be aware that in the event that a bank or thrift institution in which monies relating to any Series of the Fund have been invested fails, Settlers in any affected Series may experience indeterminate delays in the receipt of their funds while deposit insurance claims are processed. In addition, such Settlers may not receive interest earnings for the period before and the period after the failure giving rise to the deposit insurance claim. To the extent that a deposit in a failed institution was collateralized, Settlers may experience delays in the receipt of their funds while such collateral is applied to the satisfaction of claims. In addition, Settlers may experience losses in the event that the applicable collateral cannot be disposed of promptly or for an amount sufficient to satisfy the applicable claims. Such Settlers also may not receive interest earnings for the period after the failure of the applicable institution.

The interest to be earned by a Settlor through investment in a particular Fixed Term Series is determined and fixed when the investments are purchased for the portfolio of the Series at the establishment of the Series. Interest is computed on a 365 days year basis and is paid to the participating Settlers either (i) monthly in the case of a Series that has been designated at its inception as a “Full Flex Collateralized Investment Pool” or (ii) at the maturity of the Series in accordance with the Certificate of Designation for such Series. A Settlor only receives earnings from the investment of the various Fixed Term Series in which it participates.

Whether a Fixed Term Series has only one Settlor or more than one Settlor participating in it, each certificate of deposit in which the monies in such Fixed Term Series are invested is registered in the name of that particular Fixed Term Series. Certificates of deposit used for Fixed Term Series (i) are normally in principal amounts in excess of the FDIC insurance limit of \$250,000, (ii) are collateralized in accordance with law and (iii) the collateral is held by a third party custodian pursuant to a custody agreement among the Fund, the bank that issues the certificate of deposit and the third party custodian. In some instances, the collateral consists of an Irrevocable Letter of Credit issued by the applicable Federal Home Loan Bank. At present, The Bank of New York serves as the third party custodian with respect to all such collateralized certificates of deposit. Permitted Investments (other than certificates of deposit) such as US Treasury or Agency securities in which monies in which a Fixed Term Series are invested are registered in the name or names of the Settlor or Settlers for which the Fixed Term Series was created, and the security is held in custody by a third party custodian pursuant to a custody agreement between the Investment Adviser and the third party custodian. At present, US Bank National Association, Minneapolis, Minnesota serves as the third party custodian with respect to all such securities.

A sample Fixed Term Series Certificate of Designation is available from the Administrator and reference is made thereto for additional information regarding Fixed Term Series.

Choice Program Series. The purpose of the Choice Program is to provide each Settlor with the opportunity to select fixed rate/fixed term investments with an investment date and a maturity date selected by the Settlor to meet its individual investment requirements. Settlers are not charged a separate or additional fee to receive the investment date and maturity customization services of the Choice Program.

The Choice Program provides fixed term investment vehicles for Settlers that can be established on dates chosen by a Settlor with maturity dates selected by the Settlor. The minimum term for an investment in the Choice Program is 30 days and the maximum term is one year.

A Choice Program Series is created by the Fund for each investment that a Settlor elects to make in the Choice Program. Although a Settlor may participate in an unlimited number of Choice Program Series with establishment and maturity dates selected by it, the minimum investment in each Choice Program Series is \$1,000,000. Each Choice Program Series is created by the adoption of a Certificate of Designation pursuant to the Declaration of Trust.

The assets of each Choice Program Series are invested in fixed term instruments. All investments are restricted to Permitted Investments. Funds of a Settlor may be deposited in a Choice Program Series through transfers from the Settlor's account in the Liquid Series (currently inactive) when such Series is activated or from the MAX Series. At the maturity of a Choice Program Series, the Settlor's funds in such Series are transferred to the Settlor's account in the Liquid Series (currently inactive) when such Series is activated or in the MAX Series.

All investments in a Choice Program Series by a Settlor are intended to be deposited for the full term of the particular Choice Program Series. *No investment made in a Choice Program Series may be withdrawn by a Settlor prior to the maturity date of such Series.* By requiring all Settlor investments to be deposited for the full term of the Choice Program Series, it is anticipated that each Choice Program Series will have a weighted average maturity equal to the term of such Choice Program Series. This is intended to result in a Choice Program Series normally having a higher yield than the Liquid Series (currently inactive) and the MAX Series. However, there can be no assurance that such a result will occur.

The particular Permitted Investments in which the assets of the various Choice Program Series are invested are selected by the Fund's Fixed Term Investment Adviser. The Permitted Investments in which amounts placed in Choice Program Series by Settlers are invested consist of fixed term instruments, including obligations of the United States government or its agencies and federally insured or collateralized certificates of deposit in accordance with the requirements of Section 440.1 of the School Code. A Choice Program Series may also include obligations of the Commonwealth of Pennsylvania or any of its agencies, instrumentalities or political subdivisions backed by the full faith and credit of the Commonwealth or the applicable subdivision if in the judgment of the Fixed Term Investment Adviser favorable circumstances exist for such an investment. Certain of such investments may be purchased subject to agreements to resell them, commonly known as repurchase agreements. For information regarding risks associated with such investments, see "Certain Risks of Investment in the Fund" on pages 31 to 36 of this Information Statement. Without the prior written request and authorization of the applicable Settlor, no Act 10 Securities are used in the investment portfolio of any Choice Program

Series which must consist solely of Section 440.1 Securities. The Trustees have not authorized the solicitation or acceptance of any such request from a Settlor.

The bank and thrift institutions that issue the certificates of deposit used in a Choice Program Series are selected by the Fixed Term Investment Adviser from a list of institutions determined by it to satisfy the criteria established by the Trustees. The current criteria are set forth in the accompanying Appendix B to this Information Statement. Such criteria may change from time to time.

The Trustees have developed such criteria with the advice of the Fixed Term Investment Adviser to reduce the possibility that any institution in which monies of any Series are placed will fail. However, Settlers should be aware that, in the event that a bank or thrift institution in which monies relating to a Choice Program Series have been invested fails, Settlers in the affected Series may experience indeterminate delays in the receipt of their funds while deposit insurance claims are processed. In addition, such Settlers may not receive interest earnings for the period before and the period after the failure giving rise to the deposit insurance claim. To the extent that a deposit in a failed institution was collateralized, Settlers may experience delays in the receipt of their funds while such collateral is applied to the satisfaction of claims. In addition, Settlers may experience losses in the event that the applicable collateral cannot be disposed of promptly or for an amount sufficient to satisfy the applicable claims. Such Settlers also may not receive interest earnings for the period after the failure of the applicable institution.

The interest to be earned by a Settlor through investment in a particular Choice Program Series is determined and fixed when the investments are purchased for the portfolio of the Series at the establishment of the Series. Interest is computed on a 365 days year basis and is paid at the maturity of the Series. A Settlor only receives earnings from the investments of the various Choice Program Series in which it participates.

Although it is anticipated that each Choice Program Series will be created for the benefit of only one Settlor, a Choice Program Series may be created for the benefit of multiple Settlers if such Settlers specify the same dates for establishment and maturity of a Choice Program Series.

Whether a Choice Program Series has only one Settlor or more than one Settlor participating in it, each certificate of deposit in which the monies in such Choice Program Series are invested is registered in the name of that particular Choice Program Series. Certificates of deposit used for Choice Program Series (i) are normally in principal amounts in excess of the FDIC insurance limit of \$250,000, (ii) are collateralized in accordance with law and (iii) the collateral is held by a third party custodian pursuant to a custody agreement among the Fund, the bank that issues the certificate of deposit and the third party custodian. At present, The Bank of New York serves as the third party custodian with respect to all such collateralized certificates of deposit. Permitted Investments (other than certificates of deposit) such as US Treasury or Agency securities in which monies in which a Choice Program Series are invested are registered in the name of the Settlor for which the Choice Program Series was created, and the security is held in custody by a third party custodian pursuant to a custody agreement between the Investment Adviser and the third party custodian. At present, US Bank National Association, Minneapolis, Minnesota serves as the third party custodian with respect to all such securities.

A sample Choice Program Series Certificate of Designation is available from the Administrator and reference is made thereto for additional information regarding Choice Program Series.

Total Return Management Program and TRM Series. The primary purpose of the Total Return Management Program (the “TRM Program”) is to provide each Settlor with the opportunity to have a professionally and actively managed investment program, which measures the complete performance of the TRM Program investments combining book value and market value analyses. The TRM Program seeks to provide participating Settlers with an enhanced return through an active short to short intermediate term (up to three years) portfolio to achieve as high of a level of current income as is consistent with the average duration of the respective TRM Program portfolio securities. The intention of the TRM Program is to achieve incremental return for the participating Settlers through active portfolio management which will include duration management and sector rotation.

The Total Return Management Program is available for the use of all Fund Settlers although it is anticipated that it will be of interest primarily to insurance consortia seeking to invest their reserves. The program requires a minimum initial investment of \$500,000.

A Settlor’s TRM Series will not have a specified duration. Rather, the outlook for fluctuation of interest rates will determine the duration of the securities in a TRM Series portfolio within the range of an average effective duration of one year to two years. Since a TRM Series portfolio will be highly sensitive to interest rates, it is anticipated that active management of the portfolio, with particular emphasis on disciplined duration management, including fundamental and technical analysis as well as evaluation of market conditions, will enhance each participating Settlor’s respective incremental returns on its investment.

Investment Schedule and Returns. A separate and individual TRM Series is created by the Fund for each Settlor that elects to participate in the Total Return Management Program. The monies that are placed in a Settlor’s TRM Series within the Fund are then allocated among portfolio investments in that Series and the Fund’s various other investment Series on the basis of that Settlor’s own investment goals.

In addition to its duties with respect to other Series of the Fund, the Fund’s Fixed Term Investment Adviser serves as the Fixed Term Investment Adviser to the Fund with respect to each of the TRM Series. In the context of doing so, it provides advice to the Fund with respect to the investment allocation of the assets in a Settlor’s TRM Series. A goal of the allocation is to enhance the investment return to the Settlor by providing a professionally managed program that actively trades securities in the TRM Portfolio. The TRM Program is designed to provide a Settlor with an alternative to the Fund’s other programs and Series which do not normally use active trading as an investment management method.

The potential incremental investment return for a Settlor participating in the TRM Program will be measured against various indices including the Merrill Lynch 3-month Treasury Bill Index. In selecting specific securities and maturities for a TRM Series portfolio, the Fund’s Fixed Term Investment Adviser will use these various indices and computer models to analyze

relative return opportunities and obtain duration target guidance after taking the investment objectives of the Settlor into account.

TRM Series Investments and Investment Policies. The monies placed by a Settlor in its TRM Series will be invested in a varying combination of the investment vehicles set forth below. The allocation among such vehicles will be determined by the Fund's Fixed Term Investment Adviser. The investment vehicles used in the Total Return Management Program are: (i) the Fund's Liquid Series (currently inactive), (ii) the Fund's MAX Series; (iii) the Fund's multiple Fixed Term Series; (iv) subject to certain restrictions, the GTS Series, and (v) individual investment instruments meeting the requirements of Section 440.1 of the School Code, such as collateralized certificates of deposit issued by a Pennsylvania financial institution, repurchase agreements, short term obligations of the United States Government or its agencies or instrumentalities (including zero coupon bonds), and obligations of the United States of America backed by the full faith and credit of the United States of America. A TRM Series may also include obligations of the Commonwealth of Pennsylvania or any of its agencies, instrumentalities or political subdivisions backed by the full faith and credit of the Commonwealth or the applicable subdivision if in the judgment of the Investment Adviser favorable circumstances exist for such an investment. The Fixed Term Investment Adviser may arrange, in its discretion, for certificates of deposit and other Permitted Investments used in connection with a Settlor's TRM Series to be registered directly in the name of such Settlor. Without the prior written request and authorization of the applicable Settlor, no Act 10 Securities are used in the investment portfolio of any TRM Series which must consist solely of Section 440.1 Securities. The Trustees have not authorized the solicitation or acceptance of any such request from a Settlor.

In the implementation of the investment strategy for a Settlor's TRM Series, the Fund's Fixed Term Investment Adviser will follow a number of policies adopted by the Trustees of the Fund, from time to time, with respect to the Total Return Management Program. Such policies in effect on the date of this Information Statement are described in the following paragraphs. The Trustees may supplement or otherwise change these policies from time to time.

First, only Permitted Investments will be used in the Total Return Management Program. This policy is fundamental and is not subject to change by the Trustees. Without the prior written request and authorization of the applicable Settlor, no Act 10 Securities are used in the investment portfolio of any TRM Series which must consist solely of Section 440.1 Securities. The Trustees have not authorized the solicitation or acceptance of any such request from a Settlor.

Second, if a Settlor intends to participate in the Total Return Management Program, it must initially commit a minimum of \$500,000.

Third, all funds withdrawn by a Settlor from its TRM Series will be transferred to such Settlor's account in the Fund's Liquid Series (currently inactive) when such Series is activated or in the MAX Series.

Fourth, the Total Return Management Program requires active management of the portfolio to meet the established goals for returns on the investments in the portfolio. The fee structure for the Program has been designed to reflect this purpose. The fee structure is as follows: the Fund's Fixed Term Investment Adviser and/or its affiliate, RBC Capital Markets LLC, will

receive an aggregate fee not exceeding 0.25% annualized of the amount invested in the TRM Series. Such fee will be calculated daily and paid monthly by deduction from the monies in the Series.

Fifth, a Settlor electing to participate in the TRM Program will be presumed to have recognized and acknowledged that the length of time in which the Settlor's funds are invested in the TRM Program may affect the extent of the Settlor's return on its investment. The Settlor will be presumed to have irrevocably agreed solely to bear and incur any and all such risks associated with the timing of any withdrawal of its investment from the TRM Program.

Sixth, if a Settlor desires to withdraw funds from a TRM Series, notice of a request for a withdrawal must be received by the Fund's Administrator in writing not less than five (5) Pennsylvania banking days prior to the requested date of the withdrawal. Notice may be given by fax or email. For the purposes of determining whether the notice requirements have been met, a notice will have been deemed to have been received on a particular Pennsylvania banking day if it is received by the Fund's Administrator no later than 12:00 noon Pennsylvania time on such day.

The bank and thrift institutions that issue the certificates of deposit used in a TRM Program Series are selected by the Investment Adviser from a list of institutions determined by it to satisfy the criteria established by the Trustees. The current criteria are set forth in the accompanying Appendix B to this Information Statement. Such criteria may change from time to time.

The Trustees have developed such criteria with the advice of the Fixed Term Investment Adviser to reduce the possibility that any institution in which monies of any Series are placed will fail. However, Settlers should be aware that, in the event that a bank or thrift institution in which monies relating to a TRM Program Series have been invested fails, Settlers in the affected Series may experience indeterminate delays in the receipt of their funds while deposit insurance claims are processed. In addition, such Settlers may not receive interest earnings for the period before and the period after the failure giving rise to the deposit insurance claim. To the extent that a deposit in a failed institution was collateralized, Settlers may experience delays in the receipt of their funds while such collateral is applied to the satisfaction of claims. In addition, Settlers may experience losses in the event that the applicable collateral cannot be disposed of promptly or for an amount sufficient to satisfy the applicable claims. Such Settlers also may not receive interest earnings for the period after the failure of the applicable institution.

Each certificate of deposit in which the monies in a TRM Series are invested is registered in the name of that particular TRM Series. Certificates of deposit used for TRM Series are normally in principal amounts in excess of the FDIC insurance limit of \$250,000, are collateralized in accordance with law and the collateral is held by a third party custodian pursuant to a custody agreement among the Fund, the bank that issues the certificate of deposit and the third party custodian. At present, The Bank of New York serves as the third party custodian with respect to all such collateralized certificates of deposit. Permitted Investments (other than certificates of deposit) such as US Treasury or Agency securities in which monies in which a TRM Series are invested are registered in the name of the Settlor for which the TRM Series was created, and the security is held in custody by a third party custodian pursuant to a custody agreement between the Fixed Term Investment Adviser and the third party custodian. At present, US Bank National

Association, Minneapolis, Minnesota serves as the third party custodian with respect to all such securities.

GTS Series. The GTS Series was established by the Trustees on May 2, 2016 following, and in response to, the adoption of Act 10 by the Commonwealth's General Assembly. The GTS Series was not activated and made available for investment use by Settlers until July 1, 2016. It was established to take advantage of certain perceived investment opportunities resulting from the passage of Act 10.

The GTS Series operates in a manner similar to the MAX Series and the currently inactive Liquid Series, with certain material differences as noted below. The MAX Series and the Liquid Series (currently inactive) share the same investment portfolio, but the GTS Series has its own investment portfolio. Like the Liquid Series (currently inactive) and the MAX Series, the GTS Series seeks to maintain a constant net asset value per share of \$1.00 and has no minimum balance, deposit or withdrawal amount requirements. Funds may be deposited in, or withdrawn from, the GTS Series through transfers from or to the MAX Series (or the Liquid Series when such Series is active) or wire transfers from or to a Settlor's local bank. The Certificate of Designation of the GTS Series provides that the average dollar weighted maturity of such Series may not be greater than one hundred and twenty (120) days. However, the current policy of the Trustees is that the GTS Series be invested in Permitted Investments in such a manner as to result in an average dollar weighted maturity for such Series of no greater than sixty (60) days.

Each Settlor may participate in the GTS Series of the Fund by having an account in such Series, but there is no minimum balance that a Settlor must have in the GTS Series or in the Fund as a whole.

Although such requirement has been waived since the inception of the GTS Series, all investments in the GTS Series by Settlers must be deposited for a minimum of fourteen (14) calendar days. No investment made in the GTS Series may be withdrawn by the Settlor making it during the first fourteen (14) calendar days after it is made without the incurrance of a penalty for such premature withdrawal. However, the fourteen (14) day minimum investment period does not apply to direct deposits of state aid payments into the GTS Series. In the event that a Settlor withdraws a deposit within such initial fourteen (14) calendar day period, it will be subject to a penalty equal to the loss of fourteen (14) days interest on the amount so withdrawn. Such fourteen (14) day interest penalty shall be calculated on the basis of the dividend rates in effect for the GTS Series for the fourteen (14) day period immediately preceding the withdrawal date. Accordingly, the penalty will be equal to the dividend that would have been paid during the fourteen (14) days preceding the withdrawal date on the amount prematurely withdrawn. Such penalty will be payable even though the amount withdrawn has not been invested in the GTS Series for the full fourteen (14) day period preceding the withdrawal. However, as noted above, the 14 day minimum investment period has been waived since the inception of the GTS Series and would not be reinstated without notice to the Fund's Settlers.

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

In determining whether an amount is eligible for withdrawal from a particular account of a Settlor established within the GTS Series, the first-in/first-out method will be used. In determining whether the fourteen (14) day deposit requirement has been met if a Settlor has more than one account in the GTS Series, only the dates on which deposits were made in the particular account to which a withdrawal request relates are taken into consideration.

By using Act 10 Securities in the investment portfolio of the GTS Series, it is intended that the GTS Series will normally have a higher yield than the Liquid Series when such Series is active or the MAX Series. However, there can be no assurance that such a result will occur.

As is currently the case, from time to time, the Trustees may elect to waive the GTS Series' fourteen (14) day minimum investment period. Such a waiver has been in effect since the inception of the GTS Series, but no assurance can be given that the Trustees will not revoke such waiver following notice to the Settlers of their decision to do so.

The particular Permitted Investments in which the GTS Series is invested are selected by the Investment Adviser. The Permitted Investments in which funds placed in the GTS Series by Settlers are invested consist of short term money market instruments, including both Section 440.1 Securities and Act 10 Securities.

The Fund may also enter into repurchase agreements relating to securities in the investment portfolio of the GTS Series pursuant to which the seller of the security agrees to repurchase the applicable Permitted Investment from the Fund at a specified time and at an agreed upon price.

Instruction sheets detailing the methods for making deposits into and withdrawals from the GTS Series and registration forms to establish accounts are available from the Administrator. Due to the inclusion of Act 10 Securities in the investment portfolio of the GTS Series, participation in the GTS Series requires the prior written request and authorization of each Settlor electing to participate in the GTS Series.

PNC Bank, National Association of Pittsburgh serves as the custodian and safekeeping agent for the investment portfolio of the GTS Series.

A copy of the Certificate of Designation of the GTS Series is available from the Administrator and reference is made thereto for additional information regarding the GTS Series.

CERTAIN RISKS OF INVESTMENT IN THE FUND

There are risks associated with investment in the Fund which should be considered carefully by Settlers and potential Settlers in light of their particular circumstances from time to time. The Fund, or various of its Series, may not be an appropriate investment in certain situations

for some Settlers and potential Settlers. Although the Fund has been designed and is operated with the goal of minimizing risk, Settlers and potential Settlers should carefully consider the factors described in this section in light of their particular circumstances.

Income, Market and Credit Risk. Investments in the Fund are subject to income, market and credit risk. Income risk is the potential for a decline in current income of the investment portfolio of a Series. Each Series' current income is based on relatively short-term interest rates, which can fluctuate substantially over short periods. Accordingly, investments in the Fund are subject to current income volatility. Market risk is the potential for a decline in the market value of fixed-income securities held in the investment portfolio of a Series as a result of a rise in prevailing interest rates. This could result in the incurrence of a loss with respect to a portfolio security in the event that such a security was to be sold for a market price less than its amortized value. Investment Adviser risk is the risk that poor security selection by the Investment Adviser or the Fixed Term Investment Adviser, as applicable, will cause an underperformance in comparison to relevant benchmark or other investment vehicles with a similar investment objective. Credit risk is the possibility that an issuer of securities held in the investment portfolio of a Series will fail to make timely payments of principal or interest. The credit risk of each Series is a function of the credit quality of its underlying securities. Although each Series is permitted to invest in similar types of securities, the particular investment mix of each Series varies from each other Series. A discussion of the credit risks associated with certain Permitted Investments is set forth below.

Repurchase Agreements. The Fund may invest in Permitted Investments that are subject to what are commonly known as repurchase agreements. In such a situation a Permitted Investment is sold to the Fund and placed in the portfolio of the applicable Series. At the time of the sale of the Permitted Investment to the Fund, the seller agrees to repurchase the Permitted Investment from the Fund at a specified time and at an agreed upon price. The difference between the price paid by the Fund and the price at which it sells the Permitted Investment sets the Fund's yield with respect to the transaction. This yield may be more or less than the interest rate on the underlying Permitted Investment.

Although the Fund enters into such repurchase agreement arrangements only with recognized and established securities firms designated as Responsible Persons from time to time by the Trustees acting with the advice and counsel of the Investment Adviser and the Fixed Term Investment Adviser, there can be no assurance that such a Responsible Person will pay the agreed upon repurchase amount on the designated date. In the event that such a person fails to pay the agreed upon price at the specified time, the applicable Series of the Fund might suffer a loss resulting from (i) a diminution of the value of the underlying Permitted Investment to an amount below the amount of the anticipated repurchase price, (ii) the costs associated with the resale of the Permitted Investment, and (iii) any loss that may result from any delay experienced in foreclosing upon and selling the Permitted Investment.

Although at the time the Fund enters into a repurchase agreement the underlying Permitted Investment has a market value which is equal to 102% of the price paid by the Series and equal to or greater than the anticipated repurchase price, there can be no assurance that such market value will continue to equal or exceed the repurchase price. In the event the market value of the underlying Permitted Investment falls below the agreed upon repurchase price, the Responsible Person with which the Fund has entered into the repurchase agreement will be

required to deliver additional Permitted Investments to the Fund. There can be no assurance that such deliveries of additional Permitted investments will be made in all circumstances. In the event that such a delivery is not made and the Responsible Person does not pay the repurchase price on the specified date, the amount of the Fund's loss will be increased as a consequence of such failure of delivery because the value of the underlying Permitted Investments will be less than the amount originally paid by the Fund.

Obligations of United States Government Agencies and Instrumentalities. Settlers should be aware that not all obligations issued by agencies and instrumentalities of the United States Government are the subject of a guarantee by 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 Fund 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 credit-worthiness 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. In addition, no assurance can be given that the United States Government will not default on any of its obligations or that a downgrading of the investment rating of such obligation will not have an adverse impact on their market value.

FDIC Insured Certificates of Deposit. Some of the assets of the Fund may be invested in certificates of deposit issued by depository institutions which are insured by the Federal Deposit Insurance Corporation (the "FDIC"). Although the Investment Adviser and the Fixed Term Investment Adviser use the investment criteria established by the Trustees in order to reduce risk when determining which institutions will be used for such investments (for information about such criteria, see the applicable accompanying Appendix to this Information Statement), no assurance can be given that such an institution will not become insolvent during the life of an investment in it. Accordingly, the Fund will invest in FDIC insured institutions only on a fully collateralized basis in accordance with Section 440.1 of the Public School Code or in amounts that will result in full insurance in accordance with the regulations of the FDIC as interpreted by the FDIC from time to time. Currently under these regulations Settlers' deposits in each insured institution are insured up to \$250,000 in the aggregate, regardless of whether the deposits are made through the Fund or directly by a Settlor.

In the event that an institution issuing a certificate of deposit in which the Fund has invested becomes insolvent, or is closed on account of its inability to meet the demands of its depositors or is placed in liquidation without adequate provision being made for its depositors, or in the event of any other default giving rise to a claim against the FDIC as insurer of its deposits, 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, after the issuer of a certificate of deposit is closed or placed in liquidation, or if the institution is placed in regulatory receivership or conservatorship, the FDIC may pay off the certificate of deposit prior to its maturity. In such a case the holder of the certificate may be unable to reinvest the proceeds of the payoff of the certificate of deposit at rates as high as those of the paid-off certificate. Alternatively, if certificates

of deposit are transferred by the FDIC from a closed institution or an institution in liquidation, regulatory receivership or conservatorship to another institution, the holder of a certificate may be offered a choice of retaining the certificate at a lower interest rate or having the certificate paid off. Any of these actions may have adverse consequences to the particular Settlers participating in the Series to which the defaulted deposit relates.

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 \$250,000 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 Settlor and a loss of interest relating to the period between the date of the default and the payment of the insurance.

In addition, the FDIC is free to 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 Series and any affected Settlor. Furthermore, there can be no assurance that the FDIC will have sufficient assets to pay any or all insurance claims resulting from the insolvency of any institution. In the event that the FDIC did not have sufficient assets to pay a claim and funds were not made available to it by the United States government or other sources, Settlers could experience a loss due to the non-payment of an insurance claim.

Collateralized Deposits. From time to time the Fund may invest in collateralized deposits in savings accounts, time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund to the extent that such accounts are so insured, and, for any amounts above the insured maximum, provided that approved collateral therefor is pledged by the depository in accordance with the requirements of Section 440.1 of the School Code. 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 Settlers participating in the affected Series. 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.

Payments after Maturity Date. In the event that monies are received with respect to a Fixed Term Series as a result of a deposit insurance claim, foreclosure of collateral or for any other reason after the maturity date of such Fixed Term Series, the amounts of such payments will not be distributed to the Settlers participating in such Fixed Term Series until after the maturity date of such Fixed Term Series. Accordingly, care should be exercised by Settlers in determining whether or not investment in a particular Series is appropriate if all of the monies that would be invested by the Settlor in such Series are required by it in full and without delay on the maturity date of the Fixed Term Series.

Reinvestment of Interim Earnings within Fixed Term and Choice Program Series. Interest on certificates of deposit in the portfolio of a Fixed Term Series or Choice Program Series is normally paid monthly by the issuers of the certificates. The yield anticipated by the Fund for a Fixed Term Series or Choice Program Series at the time such Series is created is based, in part, on the assumption that it will be possible for such interest earnings to be reinvested for the benefit of

the participants in the Series at certain rates during the period between the date of its receipt and the maturity date of the Series. The Fixed Term Investment Adviser makes what it believes are conservative assumptions with respect to reinvestment rates. In the event that the actual reinvestment rate received with respect to a Fixed Term Series or Choice Program Series is less than the assumed reinvestment rate, the Fixed Term Investment Adviser has agreed to relinquish the fee it is paid for assisting in the establishment of the Series to the extent necessary to cause the actual yield of the applicable Fixed Term Series or Choice Program Series to be at least equal to the anticipated yield.

Obligations of the Commonwealth of Pennsylvania and its Political Subdivisions. Obligations of (i) the Commonwealth of Pennsylvania or its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, and (ii) obligations of political subdivisions of the Commonwealth of Pennsylvania or its agencies or instrumentalities backed by the full faith and credit of the political subdivision are Permitted Investments under Section 440.1 of the School Code. While there normally is a relative lack of availability in the market of such instruments that meet the investment criteria of the Fund, the Trustees have authorized investment in such instruments. Such investments are made from time to time on the advice of the Investment Adviser or the Fixed Term Investment Adviser when, in the judgment of the Investment Adviser or the Fixed Term Investment Adviser, favorable circumstances for such an investment present themselves. There are risks associated with such investments, including, *inter alia*, (i) a lack of market liquidity with respect to obligations of political subdivisions and (ii) risks regarding the credit worthiness of political subdivisions and of the Commonwealth itself.

Other Permitted Investments. Although such instruments constitute Permitted Investments under Section 440.1 of the School Code, it is not anticipated at this time that the assets of any Series of the Fund will be invested in deposits in institutions insured by the National Credit Union Share Insurance Fund. In the event that the Trustees were to elect to authorize investment in such instruments, there would be risks associated with such investments, including, *inter alia*, possible delays in the payment of insurance proceeds by the National Credit Union Share Insurance Fund or unavailability of such proceeds.

No Guarantee by Investment Adviser or Fixed Term Investment Adviser. While the Investment Adviser and the Fixed Term Investment Adviser act as fiduciaries in their provision of investment adviser services to the various Series of the Fund with which they respectively work, neither is liable for the maintenance of the Fund's \$1.00 net asset value per share in the Series which maintain a constant net asset value, nor for providing any financial support to cure any potential deviation from such \$1.00 net asset value in the future.

Particular Risks Relating to the GTS Series. In addition to the risks described above which apply to all Series of the Fund, including the GTS Series, there are various particular risks that apply to the GTS Series. Among these risks are:

Commercial Paper: Commercial paper is issued by non-governmental private entities which are subject to the full panoply of commercial risk applicable to private entities, including, among others, the risk of default and bankruptcy. In addition, issuers of commercial paper are subject to potential credit downgrades and commercial paper is exposed to volatility in market pricing.

Bankers' Acceptances: Bankers' acceptances also are issued by non-governmental private entities which are subject to the full panoply of commercial risk applicable to private entities, including, among others, the risk of default and bankruptcy. In addition, issuers of bankers' acceptances are subject to potential credit downgrades, such instruments are exposed to volatility in market pricing and the limited number of issuers of such instruments meeting the requirements of Act 10 results in a thin market that can impede trading

Pooled FDIC Insured CD Redeposit Program: The availability of FDIC insurance may be compromised if a Settlor has already invested with a bank that is a member of the redeposit program. A bank that participates in the redeposit program may experience a default which could result in at least a portion of the deposits not being insured if a replacement bank is not identified and brought into the program at the time of the default. These instruments are illiquid and cannot be freely traded at all times.

Novelty: While Act 10 Securities have existed in the general market for many years, they were not introduced to the investment market in which Pennsylvania School Entities participate until the passage of Act 10. Accordingly, there is a relative lack of experience with respect to the manner in which they will function within that market and a relative lack of experience with respect to the advantages and disadvantages for Pennsylvania School Entities of investment in such instruments.

EXPENSES OF THE FUND

Under its Investment Advisory Agreement with the Fund, the Investment Adviser is to be paid a fee at an annual rate equal to (i) 0.10% of the Liquid, MAX and GTS Series' average daily net assets up to \$100,000,000.00, (ii) 0.09% of the Liquid, MAX and GTS Series' average daily net assets between \$100,000,000.01 and \$200,000,000.00, (iii) 0.08% of the Liquid, MAX and GTS Series' average daily net assets between \$200,000,000.01 and \$300,000,000.00, (iv) 0.07% of the Liquid, MAX and GTS Series' average daily net assets between \$300,000,000.01 and \$400,000,000.00, (v) 0.06% of the Liquid, MAX and GTS Series' average daily net assets between \$400,000,000.01 and \$1 billion, and (vi) 0.05% of the Liquid, MAX and GTS Series' average daily net assets in excess of \$1 billion. Assets of the Liquid, MAX and GTS Series are aggregated to determine breakpoints. These fees are calculated daily, charged to the Liquid Series (currently inactive), MAX or GTS Series, as applicable, and paid monthly.

Under its Administration Agreement with the Fund, the Administrator is to be paid a fee at an annual rate equal to (i) 0.10% of the combined Liquid Series (currently inactive), MAX and GTS Series' average daily net assets up to \$500,000,000.00, (ii) 0.09% of the combined Liquid Series (currently inactive), MAX and GTS Series' average daily net assets between \$500,000,000.01 and \$800,000,000.00, (iii) 0.06% of the combined Liquid Series (currently inactive), MAX and GTS Series' average daily net assets between \$800,000,000.01 and \$1,000,000,000.00 and (iv) 0.04% of the combined Liquid Series (currently inactive), MAX and GTS Series' average daily net assets in excess of \$1,000,000,000.00. These fees are to be calculated daily, charged to the Liquid Series (currently inactive), MAX or GTS Series, as applicable, and paid monthly.

Under the provisions of its Services Agreement with the Fund (to which the Investment Adviser is also a party), the Distributor is paid a fee in its role as Distributor at an annual rate equal to (i) 0.024% of the Liquid, MAX and GTS Series' average daily assets with respect to the period from April 1, 2017 through June 30, 2017 and (ii) 0.04% of the Liquid, MAX and GTS Series' average daily assets with respect to the period from July 1, 2017 onward.

From time to time, the Investment Adviser and/or the Administrator and/or the Distributor may, in their discretion, waive or delay the collection of all or a portion of their respective fees. Such waivers were in effect from 2010 until 2017 due to the then prevailing interest rate environment. However, no assurance can be given that such fee waivers will be reinstated in response to future needs or that any such waivers will be sufficient to respond to future situations such as might be created by changes to the prevailing interest rate environment.

The process of phasing out the voluntary fee waivers of the Investment Adviser, the Administrator, and the Distributor began in 2016 and is expected to be completed by June 30, 2017 when the waiver of a portion of the Distributor's fee will cease and no assurance can be given that such voluntary waivers will be reinstated in response to future events such as a change in the prevailing interest rate environment.

Each Fixed Term Series of the Fund is the subject of a fee paid to the Fixed Term Investment Adviser or, if the Fixed Term Investment Adviser so elects with the consent of the Fund, its affiliate, RBC Capital Markets, LLC, in an amount not to exceed 0.25% (annualized) of the original principal amount of the Series. Such fees are paid on the date of the establishment of the Series from the monies placed in the particular Fixed Term Series by the Settlor or Settlers participating in it. Such fees are not paid from the assets of any other Series of the Fund. During the currently prevailing interest rate environment, such fees are being waived in varying percentages by the Fixed Term Investment Adviser and its affiliate.

Each Choice Program Series is the subject of a fee paid to the Fixed Term Investment Adviser affiliate, or, if the Fixed Term Investment Adviser so elects with the consent of the Fund, its affiliate, RBC Capital Markets Corporation, in an amount not to exceed 0.15% (annualized) of the original principal amount of the Series. Such fees are paid on the date of the establishment of the Choice Program Series from the monies placed in the Series by the Settlor or Settlers participating in it. Such fees are not paid from the assets of any other Series of the Fund. During the currently prevailing interest rate environment, such fees are being waived in varying percentages by the Fixed Term Investment Adviser and its affiliate.

The Investment Adviser's affiliate, RBC Capital Markets, LLC, has agreed to pay expenses related to each Choice Program Series and Fixed Term Series for (i) the applicable custodial charges and (ii) the fees of the Fund's independent accountant for any agreed upon procedures (which do not include an audit) to be performed by the accountant with respect to the multiple Fixed Term Series and the Choice Program.

PASBO and PSBA each are to receive a fee for their sponsorship and support of the Fund. In the case of each association, such fee is to be paid at an annual rate equal to 0.01% of the Liquid and MAX Series' average daily net assets. These fees are to be calculated and accrued daily, charged to the Liquid or MAX Series as applicable, and paid quarterly. During the

currently prevailing interest rate environment, such fees are being waived in their entirety by PASBO and PSBA.

The Administrator, the Investment Adviser, and the Custodian of the Fund each receive fees in connection with their activities relating to the Liquid Series (currently inactive) and the MAX Series. As detailed above, those fees are to be calculated on the basis of, and paid from, the assets in those Series. Investment earnings paid on assets (including assets invested through a CFO Series) that are placed in the Liquid Series (currently inactive) and the MAX Series of the Fund are paid to Settlers net of such fees.

The Fixed Term Investment Adviser of the Fund is to receive fees in connection with its activities relating to the various Fixed Term Series and Choice Program Series of the Fund. As detailed above, those fees are to be calculated on the basis of, and paid from, the assets in those Series. Investment earnings paid on assets (including assets invested through a CFO Series) that are placed in the various Fixed Term Series and Choice Program Series of the Fund are paid to Settlers net of such fees.

Each TRM Series is subject to administration and investment advisory fees as more fully described above under “Structure of the TRM Program - TRM Series Investments and Investment Policies.”

Except as otherwise noted herein with respect to certain expenses paid or reimbursed by the Administrator, the Fund pays the reasonable out-of-pocket expenses incurred by the Trustees and officers in connection with the discharge of their duties, brokerage commissions, the fees of the Custodian under the Custodian Agreement, the legal fees of the Fund, the fees of the Fund’s independent accountants, the costs of appropriate insurance for the Fund and its Trustees and officers, the fees imposed by Standard & Poor’s Corporation relating to the rating issued by such firm regarding the Fund, and various other expenses. In light of the recently prevailing interest rate environment, (i) the Custodian has waived a substantial percentage of its fees during recent fiscal periods, and (ii) the Fund’s counsel has waived varying percentages of its fees. No assurance can be given that such waivers will continue in the future.

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

All funds received by the Fund from a Settlor with respect to a particular Series, together with all assets in which such funds are invested or reinvested, all income, earnings, profits and proceeds thereof, including any proceeds derived from the sale, exchange or liquidation of such assets, and (except to the extent otherwise determined by the Trustees) any funds or payments derived from any reinvestment of such proceeds in whatever form the same may be, irrevocably belong to that Series for all purposes, subject only to the rights of creditors, and will be so recorded upon the books of account of the Fund. In the event that there are any assets, income, earnings, profits, and proceeds thereof, funds, or payments which are not readily identifiable as belonging to any particular Series, the Trustees shall allocate them among any one or more of the Series (or

to a reserve) established and designated from time to time in such manner and on such basis as they, in their sole discretion, deem fair and equitable. Each such allocation by the Trustees shall be conclusive and binding upon the Settlers of all Series for all purposes.

On a daily basis, the Administrator estimates on the basis of such information as is available to it from such sources (including, without limitation, the Executive Director of the Fund and other suppliers of services to the Fund), the appropriate amount to be accrued for the Fund's expenses. Such expenses include, the amounts required to reimburse the Trustees for expenses incurred by them on behalf of the Fund, the fees and expenses of the Executive Director of the Fund, the fees and expenses of the Fund's counsel and independent auditors, the fees charged by Standard & Poor's Corporation in connection with the issuance of the Fund's rating by such rating agency, and certain of the Fund's marketing and distribution expenses such as the sponsorship of seminars and workshops. The amount to be accrued for the payment of the Fund's expenses is calculated daily and transferred to an administrative account to be applied to the payment of such expenses on a monthly basis or at such other times as the Administrator deems advisable and appropriate, subject to consultation with the Fund's Executive Director. In addition to the payment of the Fund expenses described above, the Fund incurs and pays such other cost and expenses from time to time as the Trustees deem appropriate.

From time to time marketing and distribution costs and expenses may be incurred and paid by the Fixed Term Investment Adviser or its affiliate, RBC Capital Markets, LLC, for the benefit of the Fund, but neither the Fixed Term Investment Adviser nor its affiliate are obligated to incur or pay such expenses. As of the date of this Information Statement, such amounts are not reimbursed by the Fund, but such amounts may be reimbursed by the Fund in the future, from time to time, in whole or in part, at the discretion of the Trustees.

The assets belonging to each particular Series are charged with the liabilities of the Fund in respect of that Series and all expenses, costs, charges and reserves attributable to that Series in such manner and on such basis as the Trustees in their sole discretion deem fair and equitable. Any general liabilities, expenses, costs, charges or reserves of the Fund which are not readily identifiable as attributable to any particular Series are allocated and charged by the Trustees to and among any one or more of the Series established and designated from time to time in such manner and on such basis as the Trustees in their sole discretion deem fair and equitable. Each allocation of liabilities, expenses, costs, charges and reserves by the Trustees is conclusive and binding upon the Settlers of all Series for all purposes. The Trustees have full discretion to determine which asset items will be treated as income and which as funds placed in the Fund by Settlers and each such determination and allocation shall be conclusive and binding upon the Settlers of all Series.

It is anticipated that funds or payments derived from a portion of the reinvestment of earnings of any Fixed Term Series will be placed (if such funds are available) by the Trustees in an administration account to be used for the payment of the Fund's expenses relating to the Fund's Fixed Term Series program. These expenses may include accounting expenses, insurance costs, and legal fees.

INCOME ALLOCATIONS

Liquid Series. The net income of the Liquid Series (currently inactive) of the Fund is determined as of the close of business on each Pennsylvania banking day (and at such other times as the Trustees may determine) and is credited immediately thereafter pro rata to each Settlor's Liquid Series (currently inactive) account. Net income which has thus accrued to the Settlers is converted as of the close of business of each calendar month into additional shares which are thereafter held in each Settlor's Liquid Series (currently inactive) account. Such net income is converted into full and fractional shares at the rate of one share for each one dollar credited. Although daily income accruals are not automatically transmitted in cash, Settlers may obtain cash by withdrawing shares at their net asset value without charge.

Net income for each income period consists of (i) all accrued interest income on Liquid Series' (currently inactive) assets, (ii) plus or minus all realized gains or losses on Liquid Series' (currently inactive) assets and any amortized purchase discount or premium and (iii) less the Liquid Series' (currently inactive) accrued and paid expenses (including accrued expenses and fees payable to the Investment Adviser and Administrator) applicable to that income period.

Since net income of the Liquid Series (currently inactive) (including realized gains and losses on the Liquid Series' assets, if any) is allocated among the Settlers each time net income is determined, the net asset value per share applicable to the Liquid Series (currently inactive) remains at \$1.00 per share. The Fund expects the Liquid Series (currently inactive) to have net income each day. If for any reason there is a net loss on any day, the Fund will reduce the number of the Liquid Series' (currently inactive) outstanding shares by having each Settlor contribute to the Liquid Series (currently inactive) its pro rata portion of the total number of shares required to be cancelled in order to maintain the net asset value per share of the Liquid Series (currently inactive) at a constant value of \$1.00. Each Settlor will be deemed to have agreed to such a contribution in these circumstances by its adoption of the Declaration of Trust and its investment of funds.

MAX Series. The net income of the MAX Series is determined as of the close of business on each Pennsylvania banking day (and at such other times as the Trustees may determine) and is credited immediately thereafter pro rata to each Settlor's MAX Series account. Net income which has thus accrued to the Settlers is converted as of the close of business of each calendar month into additional shares which are thereafter held in each Settlor's MAX Series account. Such net income is converted into full and fractional shares at the rate of one share for each one dollar credited. Although daily income accruals are not automatically transmitted in cash, Settlers may obtain cash by withdrawing shares at their net asset value without charge provided that sufficient notice is given as described above under "Series of the Fund." In the event that a Settlor withdraws all of its Funds from a MAX Series account, accrued net income of that account will be converted into additional shares as of the close of business of the calendar month in which the withdrawal is made.

Net income for each income period consists of (i) all accrued interest income on MAX Series assets, (ii) plus or minus all realized gains or losses on MAX Series assets and any amortized purchase discount or premium and (iii) less the MAX Series accrued and paid expenses

(including accrued expenses and fees payable to the Investment Adviser and Administrator) applicable to that income period.

Since net income of the MAX Series (including realized gains and losses on the MAX Series assets, (if any) is allocated among the Settlers each time net income is determined, the net asset value per share applicable to the MAX Series is expected to remain at \$1.00 per share. The Fund expects the MAX Series to have net income each day. If for any reason there is a net loss on any day, the Fund will reduce the number of the MAX Series outstanding shares by having each Settlor contribute to the MAX Series its pro rata portion of the total number of shares required to be cancelled in order to seek to maintain the net asset value per share of the MAX Series at a constant value of \$1.00. Each Settlor will be deemed to have agreed to such a contribution in these circumstances by its adoption of the Declaration of Trust and its investment of funds in the MAX Series.

CFO Series. The net income of a CFO Series is determined as of the close of business on the last day of each calendar month and at such other times as the Trustees may determine. Net income for each income period consists of (i) all accrued interest income on such CFO Series' assets and any amortized purchase discount or premium, (ii) plus or minus all realized gains or losses on such CFO Series' assets, and (iii) less such CFO Series' accrued and paid expenses applicable to that income period. Such income is credited and paid to the Settlor to which a CFO Series relates on the maturity date of such Series by the transfer of such income to the Settlor's account in the Liquid Series (currently inactive) when such Series is activated or in the MAX Series.

Fixed Term Series and Choice Program Series. The net income of a Fixed Term Series and a Choice Program Series is determined as of the maturity of such Series and at such other times, if any, as the Trustees may determine. Net income for a Fixed Term Series and a Choice Program Series consists of all earnings on the assets of such Series less all expenses applicable to such Series. Such net income is paid to the Settlers participating in such Series on the maturity of the Series by the transfer of such income to the respective accounts of such Settlers in the Liquid Series (currently inactive) when such Series is activated or in the MAX Series.

TRM Program Series. The net income of a TRM Series is determined as of the close of business on each Pennsylvania banking day (and at such other times as the Trustees may determine) and is credited immediately thereafter pro rata to each Settlor's TRM Series account. Net income which has thus accrued to the Settlor is converted as of the close of business of each calendar month into additional shares which are thereafter held in such Settlor's TRM Series account. Such net income is converted into full and fractional shares at the rate of one share for each one dollar credited. Although daily income accruals are not automatically transmitted in cash, Settlers may obtain cash by withdrawing shares at their net asset value without charge.

Net income for each income period for a TRM Series consists of (i) all accrued interest income on the TRM Series' assets, (ii) plus or minus all realized gains or losses on the TRM Series' assets and any amortized purchase discount or premium and (iii) less the TRM Series' accrued and paid expenses (including accrued expenses and fees payable to the Fixed Term Investment Adviser and Administrator) applicable to that income period.

GTS Series. The net income of the GTS Series is determined as of the close of business on each Pennsylvania banking day (and at such other times as the Trustees may determine) and is credited immediately thereafter pro rata to each Settlor's GTS Series account. Net income which has thus accrued to the Settlers is converted as of the close of business of each calendar month into additional shares which are thereafter held in each Settlor's GTS Series account. Such net income is converted into full and fractional shares at the rate of one share for each one dollar credited. Although daily income accruals are not automatically transmitted in cash, Settlers may obtain cash by withdrawing shares at their net asset value without charge provided that sufficient notice is given as described above under "Series of the Fund." In the event that a Settlor withdraws all of its Funds from a GTS Series account, accrued net income of that account will be converted into additional shares as of the close of business of the calendar month in which the withdrawal is made.

Net income for each income period consists of (i) all accrued interest income on GTS Series assets, (ii) plus or minus all realized gains or losses on GTS Series assets and any amortized purchase discount or premium and (iii) less the GTS Series accrued and paid expenses (including accrued expenses and fees payable to the Investment Adviser and Administrator) applicable to that income period.

Since net income of the GTS Series (including realized gains and losses on the GTS Series assets, (if any) is allocated among the Settlers each time net income is determined, the net asset value per share applicable to the GTS Series is expected to remain at \$1.00 per share. The Fund expects the GTS Series to have net income each day. If for any reason there is a net loss on any day, the Fund will reduce the number of the GTS Series outstanding shares by having each Settlor contribute to the GTS Series its pro rata portion of the total number of shares required to be cancelled in order to seek to maintain the net asset value per share of the GTS Series at a constant value of \$1.00. Each Settlor will be deemed to have agreed to such a contribution in these circumstances by its adoption of the Declaration of Trust and its investment of funds in the GTS Series.

COMPUTATION OF YIELD

Liquid Series, MAX Series, TRM Series and GTS Series. The "seven-day average yield" of the Fund's Liquid Series (currently inactive), MAX Series, TRM Series and GTS Series may, from time to time, be quoted in reports, literature and information published by the Fund. Seven-day average yield is computed in connection with an identified seven-day period with respect to a hypothetical Settlor account having a balance of exactly \$1.00 at the beginning of such seven-day period. The unannualized seven-day period return for such period is the change (namely accrued investment income, plus or minus any amortized purchase discount or premium less all paid and accrued expenses, including investment income accrued or income earned during the period and including realized capital gains and losses but excluding unrealized appreciation and depreciation) in the value of the hypothetical account during the period divided by \$1.00. The seven-day average yield is calculated by multiplying the unannualized seven-day period return by 365 divided by 7.

The Fund may also prepare an effective annual yield computed by compounding the unannualized seven-day period return as follows: by adding 1 to the unannualized seven-day period return, raising the sum to a power equal to 365 divided by 7, and subtracting 1 from the result. The Fund may also quote the Liquid Series' (currently inactive), MAX Series', TRM Series' and GTS Series' yield from time to time on other bases for the information of its Settlers.

The yields quoted from time to time should not be considered a representation of the yield of the Liquid Series (currently inactive), the MAX Series, the TRM Series and the GTS Series in the future since the yield is not fixed. Actual yields will depend not only on the type, quality, and maturities of the investments held in the Liquid Series (currently inactive), the MAX Series, the TRM Series and the GTS Series and changes in interest rates on such investment, but also on changes in the Fund's expenses during the period.

Yield information may be useful in reviewing the performance of the Fund's Liquid Series (currently inactive), MAX Series, TRM Series and GTS Series and for providing a basis for comparison with other investment alternatives. However, the Fund's Liquid Series (currently inactive), MAX Series, TRM Series and GTS Series yields fluctuate, unlike certain other investments which may pay a fixed yield for a stated period of time.

CFO Series, Fixed Term Series and Choice Program Series. Information regarding the yield of the Fund's various CFO Series, Fixed Term Series and Choice Program Series may be provided or reported from time to time by the Fund. It will be reported on the basis of simple interest calculated on a 365 days year or will be based on such other methods of calculation as the Trustees shall deem appropriate.

DETERMINATION OF NET ASSET VALUE

Liquid Series and MAX Series. The net asset value per share of the Fund's Liquid Series (currently inactive) and MAX Series 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 Pennsylvania banking day on which the Fund has announced the Administrator will be open for the conduct of Fund business. Such net asset value determination is made by subtracting from the value of the assets of such Series the amount of the applicable liabilities and dividing the remainder by the number of outstanding shares for that Series.

In making these computations, the Administrator values each Series' 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 Fund would receive if it sold the instrument. During such periods the yield to Settlers may differ somewhat from that which would be obtained if the Fund used the market value method for all its Liquid Series (currently inactive) and MAX Series portfolio's investments. For example, if the use of amortized cost resulted in a lower (higher) aggregate

portfolio value on a particular day, a prospective Settlor of the Liquid Series (currently inactive) or MAX Series would be able to obtain a somewhat higher (lower) yield than would result if the Fund used the market value method and existing Settlers 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 \$1.00 for the Liquid Series (currently inactive) and MAX Series.

The Trustees have adopted certain procedures with respect to the Fund's use of the amortized cost method to value its Liquid Series (currently inactive) and MAX Series portfolios. These procedures are designed and intended (taking into account market conditions and the Fund's investment objectives) to stabilize the net asset value per share as computed for the purpose of investment and redemption as \$1.00 per share. The procedures include a weekly valuation of each such Series by the Administrator and the Custodian 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 the net asset value per share based upon the amortized cost value of the Fund's Liquid Series (currently inactive) and MAX Series portfolio investments and the net asset value per share based upon available indications of market value with respect to such portfolio investments. The Trustees have established procedures to (i) monitor differences between the amortized cost value and the market price value and (ii) consider what steps, if any, should be taken in the event of a difference of more than 0.5% between such values. 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 amortized cost value and the market value.

CFO Series, Fixed Term Series and Choice Program Series. Periodic determinations of the net asset value of the various CFO Series, Fixed Term Series and Choice Program Series are not made. However, if requested by the Settlor of a CFO Series, Fixed Term Series or Choice Program Series, the Fund will determine the net asset value of such Series and report such determination to the Settlor. The net asset value will be determined by such method as the Fund deems appropriate. It is not anticipated that daily determinations of the net asset value of the CFO Series, Fixed Term Series or Choice Program Series will be made.

TRM Program Series. The net asset value per share of a Settlor's TRM Series 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 Pennsylvania banking day. Such determination is made by subtracting from the value of the assets of the Series the amount of the applicable liabilities and dividing the remainder by the number of outstanding shares for that Series.

In making these computations, the Administrator values the TRM Series' investments by marking the value of the shares to market. The mark to market method of valuation involves valuing an investment instrument at its market value at any particular point in time.

GTS Series. The net asset value per share of the Fund's GTS Series 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 Pennsylvania banking day on which the Fund has announced the Administrator will be open for the conduct of Fund business, Such net asset value determination

is made by subtracting from the value of the assets of such Series the amount of the applicable liabilities and dividing the remainder by the number of outstanding shares for that Series.

In making these computations, the Administrator values the GTS Series' 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 Fund would receive if it sold the instrument. During such periods the yield to Settlers may differ somewhat from that which would be obtained if the Fund used the market value method for all its GTS Series portfolio's investments. For example, if the use of amortized cost resulted in a lower (higher) aggregate portfolio value on a particular day, a prospective Settlor of the GTS Series would be able to obtain a somewhat higher (lower) yield than would result if the Fund used the market value method and existing Settlers 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 \$1.00 for the GTS Series.

The Trustees have adopted certain procedures with respect to the Fund's use of the amortized cost method to value its GTS Series portfolio. These procedures are designed and intended (taking into account market conditions and the Fund's investment objectives) to stabilize the net asset value per share as computed for the purpose of investment and redemption as \$1.00 per share. The procedures include a weekly valuation of such Series by the Administrator and the Custodian 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 the net asset value per share based upon the amortized cost value of the Fund's GTS Series portfolio investments and the net asset value per share based upon available indications of market value with respect to such portfolio investments. The Trustees have established procedures to (i) monitor differences between the amortized cost value and the market price value and (ii) consider what steps, if any, should be taken in the event of a difference of more than 0.5% between such values. 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 amortized cost value and the market value.

PORTFOLIO TRANSACTIONS

Liquid Series, MAX Series, CFO Series, TRM Series and GTS Series. Subject to the general supervision of the Trustees, either the Investment Adviser or the Fixed Term Investment Adviser, as applicable, is responsible for the investment decisions and the placing of the orders for Liquid Series (currently inactive), MAX Series, CFO Series, TRM Series and GTS Series portfolio transactions for the Fund. These portfolio transactions occur primarily with major dealers in money market liquid and government instruments acting as principals. Such transactions are

normally done on a net basis which does not involve payment of brokerage commissions. Transactions with dealers normally reflect the spread between bid and asked prices.

The Investment Adviser or the Fixed Term Investment Adviser, as applicable, places orders for all purchases and sales of Liquid Series (currently inactive), MAX Series, CFO Series, TRM Series and GTS Series portfolio securities. Although the Fund does not ordinarily seek, but may nonetheless make, profits through short-term trading, the Investment Adviser or the Fixed Term Investment Adviser, as applicable, may, on behalf of the Fund, dispose of any Liquid Series (currently inactive), MAX Series, CFO Series, TRM Series or GTS Series portfolio investment prior to its maturity if it believes such disposition is advisable. The Fund's policy of generally investing the Liquid Series (currently inactive), MAX Series, CFO Series and GTS Series assets in instruments with maturities of less than one year and investing TRM Series assets in instruments with maturities between zero and three years will result in high portfolio turnover. In addition, assets in a CFO Series may from time to time be invested in instruments with maturities beyond the date on which the assets represented by such instruments will be required for withdrawal purposes. However, since brokerage commissions are not normally paid on the types of investments which the Fund may make for the Liquid Series (currently inactive), the MAX Series and the TRM Series, any turnover resulting from such investments should not adversely affect the net asset value or net income of the Fund's Liquid Series (currently inactive), MAX Series, CFO Series, TRM Series or GTS Series.

The Investment Adviser and Fixed Term Investment Adviser, as applicable, seek to obtain the best net price and the most favorable execution of orders for the purchase and sale of Liquid Series (currently inactive), MAX Series, CFO Series, TRM Series and GTS Series portfolio securities. Where price and execution offered by more than one dealer are comparable, the Investment Adviser or the Fixed Term Investment Adviser, as applicable, may, in its discretion, purchase and sell investments through dealers which provide research, statistical and other information to the Investment Adviser, the Fixed Term Investment Adviser or to the Fund. Such supplemental information received from a dealer is in addition to the services required to be performed by the Investment Adviser under the Investment Advisory Agreement or the Fixed Term Investment Adviser under the Fixed Term Services Agreement, and the expenses of the Investment Adviser and the Fixed Term Investment Adviser will not necessarily be reduced as a result of the receipt of such information.

Liquid Series (currently inactive), MAX Series, CFO Series, TRM Series and GTS Series portfolio investments will not be purchased from or sold to the Investment Adviser, the Fixed Term Investment Adviser or the Administrator or any affiliate of the Investment Adviser, the Fixed Term Investment Adviser or the Administrator, except that the Fund may permit the Investment Adviser, the Fixed Term Investment Adviser, the Administrator, or one of their respective affiliates to purchase a portfolio security with a market value at the time of the sale that is less than the Fund's amortized cost therefor for a purchase price that is no lower than the Fund's amortized cost therefor.

In addition, the Fund may, from time to time, in response to a recommendation from the Investment Adviser or the Fixed Term Investment Adviser, waive this restriction to permit the purchase for the investment portfolios of one or more of the Fund's Series of an obligation of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities, or

any of its political subdivisions, backed by the full faith and credit of the Commonwealth or the full faith and credit of the political subdivision in circumstances that would involve (i) the purchase of such security from an affiliate of the Investment Adviser or the Fixed term Investment Adviser when such affiliate has acted as the investment banker, financial adviser and/or underwriter in connection with the initial issuance of such securities, and/or (ii) the execution of such a transaction by or through an affiliate of the Investment Adviser or the Fixed Term Investment Adviser as a broker or dealer, and/or (iii) the existence and performance of an irrevocable agreement on the part of an affiliate of the Investment Adviser or the Fixed Term Investment Adviser to purchase such a security from the Fund within a period of one year the Fund's acquisition of such security.

Fixed Term Series and Choice Program Series. The investments held by the Fixed Term Series and Choice Program Series are normally acquired from the same kind of dealers and on the same basis as investments acquired for the Liquid Series (currently inactive) and the MAX Series. Accordingly, brokerage commissions are not normally incurred in connection with the acquisition of such instruments. However, it is not anticipated that there will be trading in any Fixed Term Series or Choice Program Series portfolio investments.

REPORTS TO SETTLORS

Each Settlor receives quarterly and annual reports providing financial information regarding the Fund. The annual report includes audited financial statements of each Series of indefinite duration. At present, only the Liquid Series (currently inactive), MAX Series and GTS Series are of indefinite duration. In addition, a Settlor receives a daily statement listing each investment and withdrawal that it makes that day and a monthly statement detailing the entire month's activity.

In the case of the CFO Program and the TRM Program, all deposits into, and withdrawals from, a Settlor's CFO Series or TRM Series are reported to the applicable Settlor by statement on a daily basis. In addition, a monthly statement is sent to the applicable Settlor reflecting all deposits, withdrawals, and earnings with respect to such Series. Such monthly statement also reflects the overall rate of return on such Series, based on the Settlor's average monthly Series investment balances. In addition, on a quarterly basis, each Settlor participating in the CFO Program or the TRM Program receives a statement setting forth the investment portfolio of its CFO Series or TRM Series as of the end of such quarter.

In the case of Fixed Term Series and Choice Program Series, each Settlor participating in a particular Fixed Term Series or Choice Program Series receives a confirmation of its investment at the time such Series is created. In addition, such Settlor's participation in such Series is shown on the monthly statements sent to the Settlor by the Administrator.

The Fund's fiscal year ends on September 30 of each calendar year. The most recent annual report of the Fund (including audited financial statements for the most recent fiscal year of any Series of indefinite duration), for its most recent fiscal year and the Fund's most recent unaudited quarterly report are provided to each school entity considering becoming a Settlor.

Potential Settlers are advised to review such reports which are available on the Fund's website – www.psdlaf.org.

In addition to such other reports and information as are available to Settlers regarding the Fund as described in this section of this Information Statement, the Fund will file with the Department of Community and Economic Development a report pursuant to Section 1(c) of Act 10 (the "Act 10 Report") within 120 days of the completion of each fiscal year of the Fund. The Act 10 Report will contain information relating to the GTS Series investments. The Department of Community and Economic Development has not yet announced its procedures and policies regarding the Act 10 Reports that will be filed with it, but Act 10 requires that the Act 10 Report be made available to the public.

The Fund answers inquiries at any time during business hours from a Settlor concerning the status of its account (number of shares owned, etc.) and the current yield available through the Fund's investment program. Such inquiries can be made by mail or by telephoning toll-free, 1-866-548-8633.

Account information can also be obtained via PSDLAF Online, the Administrator's Internet-based information service. To acquire a PSDLAF Online login, simply complete a "PSDLAF Online Internet Service Authorization Form" and submit it to:

PSDLAF Administration
2135 CityGate Lane, 7th Floor
Naperville, IL 60563

These forms can be obtained by logging onto the PSDLAF Online website at www.psdlaf.org or by calling the Administrator at 1-866-548-8634, option 1.

LEGAL COUNSEL AND INDEPENDENT ACCOUNTANTS

Duane Morris LLP serves as legal counsel to the Fund. Pricewaterhousecoopers LLP serves as the Fund's independent accountants.

TAXES

Counsel to the Fund is of the opinion that the Fund is not subject to Federal or Pennsylvania income tax upon the income realized by it, and that the Settlers are likewise not taxable upon distributions to them of such income.

DECLARATION OF TRUST

Each potential Settlor is given a copy of the Declaration of Trust before it becomes a Settlor. Certain portions of the Declaration of Trust are summarized in this Information Statement. 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 an unlimited number of shares that may be used to represent the proportionate allocation of beneficial interest among Settlers. The beneficial interests measured by shares do not entitle the Settlor to whom the shares relate to preference, conversion, exchange or preemptive rights.

The Trustees, in their discretion, from time to time, may authorize the division of shares into two or more Series, or the establishment of two or more Series of shares, with each Series relating to a separate portfolio of investments. The Trustees have authorized the division of shares into the Liquid Series (currently inactive), the MAX Series, multiple CFO Series, multiple TRM Series, multiple Choice Program Series, multiple Fixed Term Series and the GTS Series and may in the future authorize the establishment of additional Series of shares, with each Series relating to a separate portfolio of investments.

For all matters requiring a vote of Settlers, each Settlor is entitled to one vote with respect to each matter. Settlers have the right to initiate a vote of the Settlers, by written instrument delivered to the Board of Trustees signed by at least ten percent (10%) of the Settlers, as to any matter with regards to which Settlers have a right to vote. It is not necessary for a Settlor to hold any minimum number of shares to be entitled to vote. Settlers are not entitled to cumulative voting. Settlers are not entitled to vote on a Series by Series basis.

No shares may be transferred to any transferee other than the Fund itself at the time of redemption. Furthermore, shares may not be pledged, hypothecated or otherwise encumbered by a Settlor.

Settlor Liability. The Declaration of Trust provides that Settlers shall not be subject to any individual liability for the-acts or obligations of the Fund and provides that every written undertaking made by the Fund shall contain a provision that such undertaking is not binding upon any of the Settlers individually. Counsel to the Fund is of the opinion that no individual liability will attach to the Settlers under any undertaking containing such a provision, except possibly in a few jurisdictions. With respect to all types of claims in the latter jurisdictions, and with respect to tort claims, contract claims where the provision referred to above is omitted from the undertaking, claims for taxes and certain statutory liabilities in other jurisdictions, a Settlor may be held individually liable to the extent that claims are not satisfied by the Fund. However, upon the payment of any such liability, the Settlor will be entitled to reimbursement from the general assets of the Fund. The Trustees intend to conduct the operations of the Fund, with advice of counsel, in such a way as to avoid ultimate liability of the Settlers for liabilities of the Fund.

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

Indemnification. Subject to certain conditions and limitations, the Fund will indemnify each of its Trustees and officers, and employees and any other persons who might be 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 in connection with the defense or disposition of any action, suit or other proceeding by the Fund or any other person, whether civil or criminal, in which he may be involved or with which he may be threatened, while in office or thereafter, by reason of his being or having been such a Trustee, officer, employee or otherwise designated person, except as to any matter as to which he shall have been adjudicated to have acted in bad faith or with willful misconduct or reckless disregard of his duties or gross negligence.

Termination of the Declaration of Trust. The Fund may be terminated by the affirmative vote of a majority of the Settlers entitled to vote at any meeting of Settlers or by an instrument in writing, without a meeting, signed by a majority of the Trustees and consented to by a majority of the Settlers entitled to vote. Upon the termination of the Fund 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 Fund property, in cash or in kind or partly in cash and partly in kind, among the Settlers according to their respective proportionate beneficial interest.

Amendment of the Declaration of Trust. The Declaration of Trust may be amended by the affirmative vote of a majority of the Settlers 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 Settlers entitled to vote. The Trustees may, from time to time, by a two-thirds vote of the Trustees, and after fifteen days' prior written notice to the Settlers, amend the Declaration of Trust without the vote or consent of the Settlers, to the extent 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.

MARKETING/ FUND SERVICES

In its capacity as the Distributor pursuant to its Services Agreement with the Fund, RBC Capital Markets, LLC provides distribution services to the Fund in terms of dissemination of information regarding the Fund and its programs and the services and additional programs made available to Settlers by the Fixed Term Investment Adviser and its affiliates. For further information regarding such Additional Programs, see "Additional Programs" on page 51.

EASYPROCURE PROGRAM AND PAY SCHOOLS PROGRAM

The EasyProcure Program is a program available to Settlers of the Fund through EasyProcure LLC. The program is sponsored by the members of EasyProcure LLC, namely the Pennsylvania School Boards Association, the Pennsylvania Association of School Business Officials and the Pennsylvania Association of School Administrators. By using the program, Settlers can simplify a variety of their procurement functions through the use of procurement cards issued through PNC Bank, National Association. Full details regarding the program and participation in it are available from EasyProcure LLC at www.easyprocure.org.

The PaySchools™ Program is a program available to Settlers of the Fund through the PaySchools™ organization. The program is sponsored by a number of state school boards associations, including the Pennsylvania School Boards Association. The program is an online payment processing system that can provide Settlers with an efficient method to collect fees and receive electronic payments for a wide range of activities, services and charges. Parents can access PaySchools™ through the home page of their school district's web site, select the item or service that they wish to purchase, and pay for it using a credit card or electronic check. Full details regarding the program and participation in it are available from PaySchools™ at www.payschools.com.

ADDITIONAL PROGRAMS

The Trustees have full and complete power to contract with qualified persons to develop and offer additional investment programs and services to the Settlers consistent with the investment goals and objective of the Fund. Such programs may be offered by the Fund to its Settlers from time to time, and each Settlor may determine whether or not to participate in any such additional Fund programs.

From time to time various parties such as the Fixed Term Investment Adviser or its affiliate, RBC Capital Markets, LLC, may, at the request of the Trustees, make other services or programs available to Settlers of the Fund. The Trustees have requested that the Investment Adviser make available to Settlers a certificate of deposit placement program for certificates of deposit of \$250,000 or less. Pursuant to such program, Settlers may contact the Fixed Term Investment Adviser or its affiliate, RBC Capital Markets, LLC, directly regarding the placement of monies in certificates of deposit of banks and thrift institutions. The particular banks and thrift institutions used in such certificate of deposit placement program are selected by the Fixed Term Investment Adviser from a list of institutions determined by the Fixed Term Investment Adviser to satisfy criteria established by the Trustees. For further information regarding the current criteria, please see the applicable accompanying Appendix to this Information Statement. Such certificates of deposit are issued in \$250,000 or smaller denominations, are not held as a part of the portfolio of any Series of the Fund and are separately insured by the FDIC from the certificates of deposit held in the portfolio of any Series of the Fund.

Settlers are advised that any additional services and programs that are made available directly by the Investment Adviser, the Fixed Term Investment Adviser or other applicable party at the request of the Trustees are separate from the investment programs

encompassed by the various Series of the Fund. The parties offering such programs are solely responsible for them, and questions regarding any such program should be directed to the party offering it.

PROCEDURES FOR BECOMING A SETTLOR AND OPENING ACCOUNTS

For information on how to become a Settlor of the Fund or open an account in any of the Fund's programs, please contact the Administrator by telephone toll-free, 1-866-548-8634, option 1, or contact:

PMA Financial Network, Inc.
2135 CityGate Lane, 7th Floor
Naperville, IL 60563

Additionally, information regarding the Fund and new account applications and model resolutions can be obtained from the Fund website, www.psdlaf.org. Information can also be obtained by mail at:

Pennsylvania School District Liquid Asset Fund
Attention: Executive Director
1232 Snee Drive,
Pittsburgh, Pennsylvania 15236

Settlers that intend to participate in the GTS Series are directed to those sections of this Information Statement relating to such Series and are reminded that participation in the GTS Series requires the prior written authorization of the applicable Settlor even if it concurrently participates in other Series of the Fund.

The name "Pennsylvania School District Liquid Asset Fund" is the designation of the Fund under its Declaration of Trust. The Declaration of Trust is recorded and filed in the Office of the Recorder of Deeds of Berks County, Pennsylvania and provides that the name of the Fund refers to the Trustees collectively in such capacity and not personally or as individuals. All persons dealing with the Fund must look solely to the Fund property for the enforcement of any claims against the Fund since neither the Trustees, officers, agents, nor Settlers assume any personal liability for obligations entered into on behalf of the Fund. The logo appearing on the cover of this Information Statement and in other documents and media relating to the Fund is a trademark registered with the United States Patent and Trademark Office.

Appendix A Dated November 1, 2017
 Pennsylvania School District Liquid Asset Fund
 Information Statement

Trustee Name	School District and Position	Term Expires Following Fiscal Year Ending 9/30
Barbara L. Bolas	School Board Member Upper St. Clair School District Allegheny County	2019
Dr. Richard Frerichs	School Board Member Penn-Manor School District Lancaster County	2017
Stacy Gober	School Business Official Bethlehem Area School District Lehigh and Northampton Counties	2018
Michael Gossert	School Board Member Cumberland Valley School District Cumberland County	2017
Jay Himes	Executive Director Pennsylvania Association of School Business Officials	<i>ex officio</i>
Brett Lago	School Business Official Penn-Trafford School District Westmoreland County	2019
Charles E. Linderman	School Business Official Great Valley School District Chester County	2018
Nathan Mains	Executive Director Pennsylvania School Boards Association	<i>ex officio</i>
Charles E. Peterson, Jr.	School Business Official Central Susquehanna IU #16 Union County	2017
Timothy J. Shrom	School Business Official Solanco School District Lancaster County	2019
Kathy K. Swope	School Board Member Lewisburg Area School District Union County	2017
Otto Voit, III	School Board Member Muhlenberg School District Berks County	2018

Officer Name	Title
Brett Lago	Chairperson
Otto Voit, III	Vice Chairperson
Patrick Sable	Executive Director/Secretary

**It is anticipated that Dr. Frerichs, Mr. Gossert, Mr. Peterson and Ms. Swope will be considered at the Annual Meeting of the Settlers of the Fund scheduled to take place on January 19, 2018 for election as Trustees for three year terms expiring at the Annual Meeting to be held following the conclusion of the fiscal year of the Fund ending on September 30, 2017.

Appendix B Dated November 1, 2017
CRITERIA FOR
PENNSYLVANIA SCHOOL DISTRICT LIQUID ASSET FUND
CERTIFICATE OF DEPOSIT INVESTMENT PROGRAM

I. THRIFT INSTITUTION CRITERIA AT TIME OF PURCHASE

- A) A thrift must be “well capitalized” or “adequately capitalized,” as defined by the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA).

An institution which is deemed to be “well capitalized” need not obtain a waiver from the FDIC. However, if a “well capitalized” institution is subject to “prompt corrective action directives,” or other pertinent regulatory restrictions, as defined by the FDICIA, then it must provide the Investment Adviser with a letter stating it can accept, renew or rollover brokered deposits.

An institution deemed to be “adequately capitalized” must provide the Investment Adviser with a letter stating it has received a “waiver” from the FDIC permitting that institution to accept, renew or rollover brokered deposits.

- B) The thrift must have current financial statements updated quarterly on file with the Investment Adviser.
- C) The thrift must have a positive net capital ratio.

The net capital ratio for a thrift is defined as Tier 1 (or Core) capital plus supplemental capital plus specific loan loss reserves less eighty percent of non-performing assets. This combined total is then divided by total assets.

Non-performing assets are: past due mortgage and construction loans over 90 days, real estate property held in foreclosure, and non-interest-accruing loans.

- D) Total assets must exceed \$50 million.
- E) Total investments placed by the Investment Adviser in any one thrift for all investment programs in which the Investment Adviser is involved shall not exceed 10% of the thrift’s assets.
- F) The thrift’s deposits must be insured and collateralized as required by Pennsylvania law.

II. COMMERCIAL BANK CRITERIA AT TIME OF PURCHASE

- A) A bank must be “well capitalized” or “adequately capitalized,” as defined by the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA).

An institution deemed to be “well capitalized” need not obtain a waiver from the FDIC. However, if a “well capitalized” institution is subject to “prompt

corrective action directives,” or other pertinent regulatory restrictions, as defined by the FDICIA, then it must provide the Investment Adviser with a letter stating it can accept, renew or rollover brokered deposits.

An institution deemed to be “adequately capitalized” must provide the Investment Adviser with a letter stating it has received a “waiver” from the FDIC permitting that institution to accept, renew or rollover brokered deposits.

- B) The bank must have current financial statements, updated quarterly on file with the Investment Adviser.
- C) The bank must have a positive net capital ratio.

For commercial banks, the net capital ratio is defined as Tier 1 capital plus loan loss reserves less total non-performing assets as a percent of total assets.

Total non-performing assets are loans which are generally over 90 days past due in payments plus loans on non-accrual status plus any repossessed assets (“other real estate owned”).

- D) Total assets must exceed \$50 million.
- E) Total investments placed by the Investment Adviser in any one bank for All investment programs in which the Investment Adviser is involved shall not exceed 10% of the bank’s assets.
- F) The bank’s deposits must be insured and collateralized as required by Pennsylvania law.