

# *PLGIT - The Pennsylvania Local Government Investment Trust*

Information Statement

August 3, 2020

*A series of professionally managed investment portfolios designed exclusively for Pennsylvania  
Boroughs, Cities, Counties, Municipal Authorities, School Districts, Townships of the First Class,  
Townships of the Second Class, and other governmental type entities.*



*Existing Solely for Your Success*

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## Part 1

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

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## Part 2

### Information Statement Addendum

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

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## Terms Used in this Document

**Bond Documents** The financing documents and all other agreements, certificates, documents and instruments delivered and executed in connection with a financing transaction.

**Business Day** Any day on which both the bond market (as determined by the Securities Industry and Financial Markets Association "SIFMA") and the Custodian are open for business. The Portfolios or Programs may close early on any days when the bond market closes early. In light of anticipated limited availability for money market securities and fixed income settlement capacity limitations, the Portfolios will not be open for business on Good Friday even if the primary trading markets are open.

**CAP** The PLGIT CAP Program, or Cash Allocation Program.

**CD Program** The PLGIT CD Purchase Program.

**Code** The Internal Revenue Code of 1986, as amended.

**Confirmation Letters** A letter(s) sent by the Investment Adviser to the issuer of a bond to confirm the information supplied by an Investor regarding its bonds, such as the bond yield, issuance date, bond year election and any applicable rebate exceptions, penalty elections and yield restrictions.

**Custodian** U.S. Bank or the designated bank, agent, or trust company, responsible for safeguarding financial assets of PLGIT.

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

**Depository Bank** Wells Fargo Bank N.A.

**Individual Portfolio** Professionally managed investment accounts under the PLGIT/ARM Program, which Investors may establish by separate agreement with the Investment Adviser.

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

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

**GASB 79** Statement No. 79 of the Governmental Accounting Standards Board.

**Liquid Portfolios** PLGIT and PLGIT/PRIME.

**New Investor Application** An application to become a new investor in PLGIT.

**NRSRO** Nationally recognized statistical-rating organization.

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

**PLGIT** The Pennsylvania Local Government Investment Trust or "Trust".

**PLGIT/ARM Program** A program for proceeds of tax-exempt bonds or similar borrowings which may include investments in any of the Portfolios; Individual Portfolios, and CD Programs along with arbitrage rebate and yield restriction compliance tracking.

**Portfolios** The PLGIT Portfolio (including PLGIT-Class, and PLGIT/Reserve-Class), the PLGIT/TERM Portfolio, and the PLGIT/PRIME Portfolio. "Portfolio" refers to each specific section in which it is used to describe the features of that particular Trust Portfolio.

**Programs** The CD Program, and PLGIT/ARM Program, as applicable.

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

# Portfolio Summaries

## PLGIT Portfolio *PLGIT-Class, PLGIT/Reserve-Class*

### Investment Objective

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To earn the highest income consistent with preserving principal and maintaining liquidity, and to maintain a stable \$1.00 net asset value ("NAV").

### Principal Investment Strategies

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The PLGIT Portfolio (the "Portfolio") invests exclusively in the following high-quality money market instruments:

- U.S. Government and Federal agency obligations
- Bank deposits or accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Administration (NCUA) or are covered by approved collateral
- Obligations of the Commonwealth of Pennsylvania or of any of its agencies, instrumentalities, or political subdivisions; these obligations must either be backed by the full faith and credit of their issuer or must otherwise be legally authorized investments for Pennsylvania municipal entities
- Shares of money market mutual funds whose investment criteria are at least as restrictive as the Portfolio's
- Repurchase agreements involving U.S. Government and Federal agency obligations, participations or other instruments of, or guaranteed by, the United States or any Federal agency, instrumentality or United States government-sponsored enterprise.

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

The Portfolio is designed to maintain a dollar-weighted average maturity of no more than 60 days and a dollar-weighted average life (final maturity, adjusted for demand features but not interest rate adjustments) of no more than 120 days. In addition, it only buys investments that have

either a final or effective maturity (or, for repurchase agreements, a remaining term) of 397 days or less.

### Main Risks

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As with any similar pooled investment, there are several factors that could hurt the Portfolio's performance, cause you to lose money, or cause the Portfolio's performance to be less than that of other investments.

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

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

## Management

**Investment Adviser** PFM Asset Management LLC.

*The Portfolio has two share classes, each with its own expenses, returns, account minimums, and other policies and services. The features of each class are summarized below.*

## Fees and Expenses

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

### Annual Portfolio Operating Expenses

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

#### PLGIT-Class Shares

Management and administrative fees	0.26%
Other operating expenses	0.03%
<b>Total annual class operating expenses</b>	<b>0.29%</b>

#### PLGIT/Reserve-Class Shares

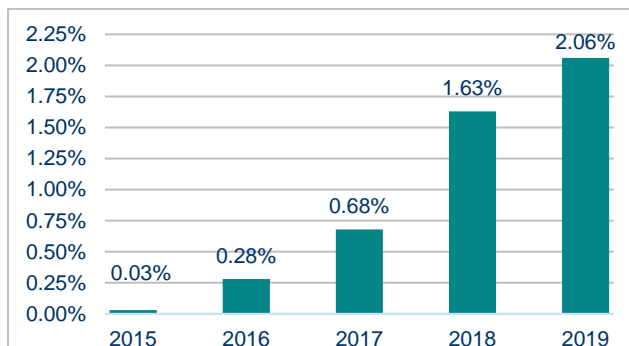
Management and administrative fees	0.14%
Other operating expenses	0.01%
<b>Total annual class operating expenses</b>	<b>0.15%</b>

## Past Performance

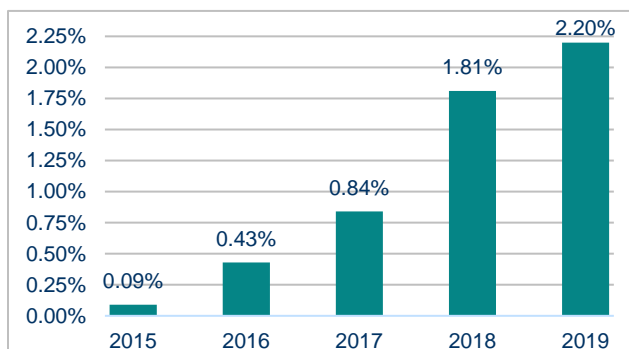
All performance figures shown here assume that dividends were reinvested. Figures shown are for the five most recent audited calendar years. For current yield information, call 800-572-1472. Past performance may not indicate future results.

### Calendar Year Total Returns (%)

#### PLGIT-Class Shares



#### PLGIT/Reserve-Class Shares\*



\*PLGIT/Reserve-Class was formerly known as PLGIT/I-Class.

## Purchase and Sale of Portfolio Shares

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### PLGIT-Class

**Minimum Initial Investment** No minimum.

**Minimum Account Balance** No minimum.

**Minimum Holding Period** 1 day.

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

### PLGIT/Reserve-Class

**Minimum Initial Investment** \$50,000.

**Minimum Subsequent Investment** \$5,000.

**Minimum Account Balance** No minimum

**Minimum Holding Period** 1 day; penalty for more than 2 withdrawals in a calendar month.

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

## Placing Orders

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To place orders, contact us at:

**Online** [www.plgit.com](http://www.plgit.com)

**Phone** 800-572-1472

Orders can be processed the same Business Day if they are received and accepted by the Investment Adviser by 2:00 p.m. Eastern Time and (for purchases) if the Portfolio's Depository Bank receives federal funds by wire prior to the close of business. Otherwise, they are processed on the next Business Day. ACH transfer orders are processed on the next Business Day if requested by 4:00 p.m. Eastern Time. Otherwise, they are processed on the second Business Day after the Business Day on which they are received.

Investors also have the option of linking their PLGIT-Class shares account to fixed-rate investments in PLGIT/TERM, and/or fixed-rate investments made through the PLGIT CD Purchase Program, and/or a PLGIT/ARM Program Individual Portfolio.

Any investments made through the PLGIT CD Purchase Program and/or the PLGIT/ARM Program Individual Portfolio are not assets of the Trust, and the Trust assumes no liability for them. Certificates of Deposit purchased through the PLGIT CD Purchase Program and

PLGIT/ARM Program Individual Portfolio require a separate agreement between the Investor and the Investment Adviser.

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



## PLGIT/TERM Portfolio

### Investment Objective

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

### Fees and Expenses

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

**Annual Portfolio Operating Expenses (Fees and expenses shown may be subject to certain fee waivers)**

Management and administrative fees	0.10%
Other operating expenses	0.02%
<b>Total annual Portfolio operating expenses</b>	<b>0.12%</b>

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

### Principal Investment Strategies

The Portfolio invests exclusively in high quality money market instruments, such as:

- U.S. Government and Federal agency obligations
- Bank deposits or accounts that are insured by the FDIC or NCUA or are covered by approved collateral
- Obligations of the Commonwealth of Pennsylvania or of any of its agencies, instrumentalities, or political subdivisions; these obligations must either be backed by the full faith and credit of their issuer or must otherwise be legally authorized investments for Pennsylvania municipal entities

- Shares of money market mutual funds whose investment criteria are at least as restrictive as the Portfolio's
- Commercial Paper issued by corporations or other business entities organized in accordance with Federal or State law, with a maturity not to exceed 270 days, if the issuing corporation or business entity is rated in the top short term category by at least two nationally recognized statistical ratings organization ("NRSRO")
- Negotiable Certificates of Deposit or other evidences of deposit issued by a nationally or state-chartered bank, a federal or state savings and loan association, or a state-licensed branch of a foreign bank, with a remaining maturity of 365 days or less; provided that the debt obligations of the issuing institution or its parent are rated at the time of purchase in the top short-term rating category by at least two NRSROs
- 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 NRSROs
- Repurchase agreements involving U.S. Government and Federal agency obligations, participations or other instruments of or guaranteed by the United States or any Federal agency, instrumentality or United States government-sponsored enterprise

### Main Risks

As with any similar pooled investment, there are several factors that could hurt the Portfolio's performance, cause you to lose money, or cause the Portfolio's performance to trail that of other investments.

- **Credit risk** The issuer of a security could fail to pay interest or principal in a timely manner. The credit quality of the Portfolio's holdings could change rapidly in certain markets, and the default or decline in credit quality of even a single holding could cause the Portfolio's share price to fall.
- **Early redemption risk** Early redemption penalties charged to an Investor by the Portfolio could reduce or eliminate investment gains, and could

mean that the amount that Investor receives back is less than the initial investment.

- **Management risk** Performance could be hurt by decisions made by the Investment Adviser, such as choice of investments or investment maturities or timing of buy/sell decisions.

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

## Past Performance

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The performance of each individual series of the Portfolio may vary. For current rates, call 800-572-1472. Past performance may not indicate future results.

## Management

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**Investment Adviser** PFM Asset Management LLC

## Purchase and Sale of Portfolio Shares

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

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

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

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

**Maximum Term** 1 year.

## Placing Orders

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You can purchase shares of the Portfolio by redeeming shares in a PLGIT-Class account or a PLGIT/PRIME account. When your investment in the Portfolio matures, or if you redeem shares prior to maturity, funds will be reinvested in the PLGIT-Class shares or PLGIT/PRIME shares from which funds for the purchase were withdrawn, and can be redeemed from the applicable Portfolio shares per your additional instructions. Please call the Investment Adviser for an indication of projected yield, fees, and expenses.

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



## PLGIT/PRIME Portfolio

### Investment Objective

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To earn the highest income consistent with preserving principal and maintaining liquidity, and to maintain a stable \$1.00 net asset value (“NAV”). The PLGIT/PRIME Portfolio (the “Portfolio”) may include investments in prime money market instruments such as commercial paper, negotiable certificates of deposit, and bankers’ acceptances.

### Principal Investment Strategies

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The Portfolio invests exclusively in the following high-quality money market instruments:

- U.S. Government and Federal agency obligations
- Bank deposits or accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Administration (NCUA) or are covered by approved collateral
- Obligations of the Commonwealth of Pennsylvania or of any of its agencies, instrumentalities, or political subdivisions; these obligations must either be backed by the full faith and credit of their issuer or must otherwise be legally authorized investments for Pennsylvania municipal entities
- Shares of money market mutual funds whose investment criteria are at least as restrictive as the Portfolio’s
- Repurchase agreements involving U.S. Government and agency obligations, participations or other instruments of, or guaranteed by, the United States or any Federal agency, instrumentality or United States government-sponsored enterprise
- Commercial Paper issued by corporations or other business entities organized in accordance with Federal or State law, with a maturity not to exceed 270 days, if the issuing corporation or business entity is rated in the top short term category by at least two nationally recognized statistical ratings organization (“NRSRO”)
- Negotiable Certificates of Deposit or other evidences of deposit issued by a nationally or state-chartered bank, a federal or state savings and loan association, or a state-licensed branch of a foreign bank, with a remaining maturity of

397 days or less. For obligations with a maturity one year or less, the debt obligations of the issuing institution or its parent must be rated in the top short-term rating category by at least two NRSROs. For obligations with a maturity in excess of one year, the senior debt obligation of the issuing institution or its parent must be rated at least “A” or its equivalent by at least two NRSROs

- 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 NRSROs

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

The Portfolio is designed to maintain a dollar-weighted average maturity of no more than 60 days and a dollar-weighted average life (final maturity, adjusted for demand features but not interest rate adjustments) of no more than 120 days. In addition, it only buys investments that have either a final or effective maturity (or, for repurchase agreements, a remaining term) of 397 days or less.

### Main Risks

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As with any similar pooled investment, there are several factors that could hurt the Portfolio’s performance, cause you to lose money, or cause the Portfolio’s performance to be less than that of other investments.

- **Interest rate risk** When short-term interest rates fall, the Portfolio’s yield is likely to fall. When interest rates rise, especially if the rise is sharp or unexpected, the Portfolio’s share price could fall.
- **Credit risk** The issuer of a security could fail to pay interest or principal in a timely manner. The credit quality of the Portfolio’s holdings could change rapidly in certain markets, and the default or decline in credit quality of even a single investment could cause the Portfolio’s share price to fall. For additional detail on Commercial Paper risks related to the Portfolio, please see page xx.

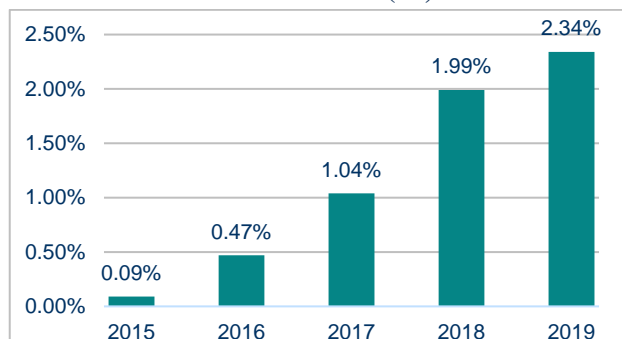
- **Liquidity risk** The Portfolio’s share price could fall during times when there are abnormal levels of redemption requests or markets are illiquid.
- **Management risk** Performance could be hurt by decisions made by the Investment Adviser, such as choice of investments or timing of buy/sell decisions.

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

**Past Performance**

All performance figures shown here assume that dividends were reinvested. Figures shown are for the two most recent audited calendar years. For current yield information, call 800-572-1472. Past performance may not indicate future results.

**Calendar Year Total Returns (%)**



**Management**

**Investment Adviser** PFM Asset Management LLC.

*The Portfolio has its own expenses, returns, account minimums, and other policies and services. The features are summarized below.*

**Fees and Expenses**

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

**Annual Portfolio Operating Expenses**

**(Fees and expenses shown are gross numbers and may be subject to certain fee waivers.)**

**PLGIT/PRIME Portfolio Shares**

Management and administrative fees	0.14%
Other operating expenses	0.01
<b>Total annual class operating expenses</b>	<b>0.15%</b>

**Purchase and Sale of Portfolio Shares**

**PLGIT/PRIME Portfolio**

**Minimum Initial Investment** No minimum

**Minimum Subsequent Investment** No Minimum

**Minimum Account Balance** No minimum

**Minimum Holding Period** 1 day; penalty for more than 2 withdrawals in a calendar month.

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

**Placing Orders**

To place orders, contact us at:

**Online** [www.plgit.com](http://www.plgit.com)

**Phone** 800-572-1472

Orders can be processed the same Business Day if they are received and accepted by the Investment Adviser by 2:00 p.m. Eastern Time and (for purchases) if the Portfolio’s Depository Bank receives federal funds by wire prior to the close of business. Otherwise, they are processed on the next Business Day. ACH transfer orders are processed on the next Business Day if requested by 4:00 p.m. Eastern Time. Otherwise, they are processed on the second Business Day after the Business Day on which they are received.

Investors also have the option of linking their PLGIT/PRIME account to fixed-rate investments in PLGIT/TERM, and/or fixed-rate investments made through the PLGIT CD Purchase Program, and/or a PLGIT/ARM Program Individual Portfolio.

Any investments made through the PLGIT CD Purchase Program and/or the PLGIT/ARM Program Individual Portfolio are not assets of the Trust, and the Trust assumes no liability for them.

Certificates of Deposit purchased through the PLGIT CD Purchase Program and PLGIT/ARM Program Individual Portfolio require a separate agreement between the Investor and the Investment Adviser.

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

# Program Summaries

## CD Purchase Program

### Objective

To help Participants in the CD Purchase Program ("CD Program") directly purchase eligible Certificates of Deposit (the CD) from banks or thrift institutions that are intended to be fully covered by FDIC or NCUA insurance with respect to all assets invested through the CD Purchase Program by the CD Program Participant. The purchase and redemption transactions for these CDs are handled through the CD Program Participant's PLGIT-Class account, and/or PLGIT/PRIME account.

**Note that investments made through the CD Program are not assets of the Trust, and the Trust assumes no liability for them.**

### Fees and Expenses

For any CD you purchase through the CD Program, you will be charged an annual fee of up to 0.25% of the CD yield. Fees will be deducted from your associated PLGIT-Class or PLGIT/PRIME account. The fee includes the typical banking, advisory services, and wire costs associated with initiating your CD purchase and transferring proceeds to your designated account upon maturity.

### Eligible CDs

To be available through the CD Program, a CD must be issued by a bank or thrift institution that meets all of the following guidelines at the time of evaluation:

- is a member of the FDIC or NCUA
- has total assets of at least \$50 million
- has total Tier 1 Capital of at least 6%
- has not been the subject of any major capital-related enforcement actions in the past 12 months

The Investment Adviser reviews each financial institution's financial condition every quarter.

### Main Risks

There are several risk factors that you bear directly as a Program Participant.

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

## Management

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**Investment Adviser** PFM Asset Management LLC

## Purchase and Redemption of Program CDs

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**Minimum Initial Investment** \$95,000, or less if anticipated interest is expected to increase the redemption value over the applicable FDIC or NCUA limit.

**Minimum Term** 60 days

**Maximum Term** No maximum.

## Placing Orders

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To purchase CDs, you must have a PLGIT-Class account and/or a PLGIT/PRIME account. Prior to placing any order, call us to discuss the amount and term of your investment and to get information on projected yield. Once your investment has been approved, its purchase and redemption will occur on the agreed-upon schedule, with purchase money being removed from, and redemption proceeds being returned to the PLGIT-Class account and/or PLGIT/PRIME account that you designate. To arrange or place a program CD purchase, call 800-572-1472.

*For more complete information on buying and selling shares, see “Buying Shares” and “Redeeming Shares.” For information on potential tax consequences, see “Tax Information.”*

## CAP (Cash Allocation Program)

### Program Description

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The Investment Adviser currently offers the Cash Allocation Program (CAP) as a specialized service to suitable Participants wishing to optimize investments between liquid and fixed-term investment products offered by the Trust based on their cash flow needs.

Under CAP, prior to the start of its fiscal year, a prospective program Participant provides the Investment Adviser with anticipated spending for one fiscal year, which the Investment Adviser will use to evaluate suitability for CAP. CAP Participants will receive a monthly report summarizing current market conditions and offering recommendations for possible transfers among the PLGIT share classes and PLGIT/PRIME, and fixed-rate investments in PLGIT/TERM or the CD Program. All recommendations provided by the Investment Adviser will be limited to investment in current PLGIT products. The CAP Participant will determine any investments and will direct the Investment Adviser to implement its investment choices. The Investment Adviser will send a follow up summary to the CAP Participant.

CAP will be offered to suitable Participants based on a variety of factors, but there will be no specific asset or budgetary limitations or minimums. A suitable CAP Participant would be one who is willing to participate in CAP, has sufficient assets to benefit from opportunities in less-liquid investments such as PLGIT/Reserve-Class, PLGIT/PRIME, or fixed-term investments, and who can routinely be available to discuss investment recommendations with the Investment Adviser. CAP Participants direct all purchases, redemptions, transfers, exchanges, and investments.

If a CAP Participant's total assets in the PLGIT Portfolio, CD Program and PLGIT/TERM Portfolios fall below 75% of the Participant's anticipated cash flows for six months, the Investment Adviser will work with the Participant to either invest more of the Participant's assets in Portfolios or Programs of the Trust or help transition the Participant out of CAP.

The Investment Adviser offers CAP at no additional cost to the Participant or to the Trust, and the Trust assumes no costs for the analysis and reporting of funds associated with CAP.



# Investing

## Opening an Account

### Eligible Investors

The Portfolios and Programs were established by the Trustees. All Investors must be Pennsylvania governmental entities or otherwise approved entities that have executed either a Resolution or an Ordinance to join the Trust. Additionally, Investors should review relevant investment policies, statutes and covenants for their entity to determine eligibility.

In order to invest in PLGIT/Reserve-Class shares with the Trust, investors must have a PLGIT-Class account.

In order to open a PLGIT/TERM account or to participate in the PLGIT-CD Purchase Program, Investors must have either a PLGIT-Class account and/or PLGIT/PRIME account.

For proceeds of tax-exempt bonds invested under the PLGIT/ARM Program, an Investor must have a PLGIT Class or PLGIT/PRIME account in order to open an Individual Portfolio and/or CD Program account.

### Portfolio Account Opening Process

To open an account in any Portfolio:

- Complete the appropriate Account Application.
- For the initial account, complete the New Investor Application and provide a copy of a resolution or an ordinance authorizing participation in the Trust and designating up to three officers, employees, or other agents of the participant who are authorized to transfer funds to and withdraw funds, issue letters of instruction, and take all other relevant actions.
- Complete a separate Account Application for each account, signed by an authorized representative.
- Provide a completed IRS W-9 form.
- To obtain account forms, call 800-572-1472 or visit [www.plgit.com](http://www.plgit.com) to download them.

*Mail or fax account documents to:*

Pennsylvania Local Government Investment Trust  
PO Box 1027  
Harrisburg, PA 17108-1027  
1-800-252-9551

Once your documents have been accepted by the Investment Adviser, we will open your account and send you an account number.

### Program Registration Process

To participate in the CD Program:

- Ensure that you have an appropriate PLGIT account in place and adequately funded. If you do not have an appropriate PLGIT account, please complete the steps under “Portfolio Account Opening Process” above.
- Complete the program application. To obtain additional forms, call 800-572-1472 or visit [www.plgit.com](http://www.plgit.com) to download them.

### Execute the Certificate of Deposit Placement Program Application and Investment Advisory Agreement.

*Mail or fax account documents to:*

PFM Asset Management LLC  
PO Box 11760  
Harrisburg, PA 17108-1760  
1-800-252-9551

Once the required documents have been accepted by the Investment Adviser, authorized representatives can place orders through the CD Program.

To participate in the PLGIT/ARM Program:

- Complete the relevant Portfolio Account Application. A new account should be opened for each bond issue invested with the PLGIT/ARM Program.
- Provide your initial schedule of expected withdrawals as well as Bond Documents as requested by the Investment Adviser.
- Complete and return the signed Confirmation Letter provided by the Investment Adviser.
- To maintain audit integrity, it is recommended that the redemption of proceeds be limited to either third party payments or to documentable reimbursements of legitimate expenses already paid by the investor.

## Buying Shares — PLGIT-Class and PLGIT/Reserve-Class

Once your application has been accepted, you may invest in **PLGIT-Class** shares using one of the methods in the table below. All investments must be in U.S. dollars and must be drawn on a U.S. bank or a U.S. branch of a foreign bank. **Your investments must meet the investment minimums and other terms described in the applicable Portfolio Summary.**

The Investment Adviser may refuse any investment or limit the size of an investment.

To purchase shares of **PLGIT/Reserve-Class**, you may use wire, ACH transfer or first invest in PLGIT-Class shares and then exchange those shares via the Internet using EON. State subsidies and other direct deposits received by ACH can be directly invested in PLGIT/Reserve-Class shares.

Shares of PLGIT-Class may also be bought by initiating an exchange of share from a PLGIT/Reserve-Class account and/or PLGIT/PRIME Portfolio to PLGIT-Class within the same account via the internet using EON, subject to the redemption restrictions of PLGIT/Reserve-Class and/or PLGIT/PRIME Portfolio shares.

Method	Instructions	Additional information
<b>Wire (same-day settlement)</b>	<ul style="list-style-type: none"> <li>Initiate a transaction online or by calling 800-572-1472 before 2:00 p.m. Eastern Time.</li> <li>Provide the following information:               <ul style="list-style-type: none"> <li>Investor's name and account number</li> <li>Amount being wired</li> <li>Name of bank sending wire</li> </ul> </li> <li>Instruct your bank to initiate the wire on the same day to Wells Fargo Bank. Detailed instructions can be found on the Internet at <a href="http://www.plgit.com">www.plgit.com</a> or by calling 800-572-1472.</li> </ul>	<ul style="list-style-type: none"> <li>The Portfolio does not charge fees for receiving wires. However, the sending bank may charge for wiring funds. To avoid charges, use ACH transfer below. It is your responsibility as an investor to ensure that immediately available funds are received by PLGIT on the settlement date.</li> <li>If funds are not available on the settlement date, you may be charged a fee.</li> </ul>
<b>ACH transfer (settles next Business Day)</b>	<ul style="list-style-type: none"> <li>Before making your first transfer, call 800-572-1472 and register for ACH transfers.</li> <li>Initiate an ACH transaction online or by calling 800-572-1472 before 4:00 p.m. Eastern Time.</li> </ul>	<ul style="list-style-type: none"> <li>Funds will transfer overnight and begin earning interest the next Business Day.</li> <li>The Portfolio does not charge fees for ACH transfers and transferring banks generally do not impose fees for ACH transfers initiated by PLGIT either.</li> </ul>
<b>Check (settles the Business Day after the order arrives)</b> <i>PLGIT/Class only</i>	<ul style="list-style-type: none"> <li>Mail a check or other negotiable bank draft, payable or endorsed to "Pennsylvania Local Government Investment Trust," along with a completed PLGIT deposit ticket, to: PLGIT Lockbox PO Box 8500-2335 Philadelphia, PA 19178-2335</li> </ul>	<ul style="list-style-type: none"> <li>Shares will be issued when the check is credited to the Portfolio's account with the Depository Bank. This normally occurs on the next Business Day after the Depository Bank receives the check.</li> </ul>
<b>Online</b>	<ul style="list-style-type: none"> <li>Before making your first online transaction, submit an EON Online Account Access Authorization Form, which may be obtained either by calling 800-572-1472 or by visiting <a href="http://www.plgit.com">www.plgit.com</a>.</li> <li>Use EON to place wire, ACH, transfer or exchange orders.</li> </ul>	

## Redeeming Shares — PLGIT-Class

You may withdraw all or any portion of the funds in your PLGIT-Class account at any time by redeeming shares. Shares will be redeemed at the net asset value per share next determined after receipt of a request for withdrawal in proper form. This determination is made at the conclusion of each Business Day. Funds may be withdrawn in any of the ways shown below.

Shares of PLGIT-Class also may be redeemed by initiating an exchange of shares from PLGIT-Class to PLGIT/Reserve-Class and/or PLGIT/PRIME Portfolio within the same account via the internet using EON.

Method	Instructions	Additional information
<b>Wire (same-day settlement)</b>	<ul style="list-style-type: none"> <li>● Use EON or call 800-572-1472 on any Business Day to request a withdrawal and the transfer of proceeds to the bank account specified on your Account Application.</li> <li>● If your request is received before 2:00 p.m. Eastern Time, funds will be wired on that same day.</li> <li>● Requests received after 2:00 p.m. Eastern Time will be processed on the following Business Day.</li> </ul>	<ul style="list-style-type: none"> <li>● Investors may send from PLGIT Portfolio and PLGIT/PRIME <i>in aggregate</i> a total of 2 outgoing wires each month without charge. Additional wires will incur a fee of \$5.50 each to reimburse the Trust for the cost of the wire.</li> <li>● You must notify us in writing of any changes to the specified banking instructions.</li> </ul>
<b>ACH transfer (settles next Business Day)</b>	<ul style="list-style-type: none"> <li>● Before making your first transfer, call 800-572-1472 and register for ACH transfers.</li> <li>● Initiate an ACH transaction online or by calling 800-572-1472 before 4:00 p.m. Eastern Time.</li> </ul>	<ul style="list-style-type: none"> <li>● Funds will transfer overnight and be available the next Business Day.</li> <li>● Funds remain invested until the day they are transferred.</li> <li>● The Portfolio does not charge fees for ACH transfers and transferring banks generally do not impose fees for ACH either.</li> </ul>
<b>Check</b>	<ul style="list-style-type: none"> <li>● When a check is presented to the Depository Bank for payment, we will redeem the appropriate number of full or fractional shares from your account to cover the amount of the check. Shares will be redeemed at the NAV next determined after the check is processed by the Depository Bank</li> <li>● A listing of presented checks will be made available via EON on the same business day checks are presented.</li> <li>● You must review presented checks and alert PLGIT by calling 800-572-1472 by 12:00 noon Eastern Time the following business day of any checks that should not be paid.</li> </ul>	<ul style="list-style-type: none"> <li>● There is currently no charge for check writing and no minimum check amount; however, there may be a charge for additional check stock once initial orders are expended.</li> <li>● Funds will continue to earn income until the check clears.</li> <li>● It is your responsibility to review all checks presented against your account each business day. If you do not notify PLGIT of a check that should not be paid timely and fraud occurs, you will be responsible for any loss of funds.</li> <li>● If you use checks, you will receive images of checks paid with monthly statements.</li> <li>● Do not use a check to withdraw all available funds or to close your account. Please contact the Investment Adviser for instructions on how to fully redeem your shares.</li> <li>● You may be charged a fee for writing a check that is returned for insufficient funds.</li> </ul>

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**Online**

- Before making your first online transaction, submit an EON Online Account Access Authorization Form, which may be obtained either by calling 800-572-1472 or by visiting [www.plgit.com](http://www.plgit.com).
  - Use EON to place wire or ACH orders or to exchange shares of different classes or to PLGIT/PRIME Portfolio.
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**Redeeming Shares — PLGIT/Reserve-Class Shares**

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To withdraw funds held in PLGIT/Reserve-Class shares, you may use ACH transfer or you may first exchange them for PLGIT-Class shares and then redeem those PLGIT-Class shares. You may place orders to redeem PLGIT/Reserve-Class shares at any time, via the Internet using EON or by calling 800-572-1472.

Shares will be redeemed at the net asset value per share next determined after receipt of a request for withdrawal in proper form. This determination is made as of the conclusion of each Business Day. Redemption orders received before 2:00 p.m. Eastern Time will be processed

on the same Business Day. Orders received after that time will be processed the following Business Day.

**As noted in the applicable Portfolio Summary, you may be assessed a penalty if your redemption orders do not meet certain requirements:**

- There is a penalty for each withdrawal exceeding 2 per month.
- The penalty equals the amount of dividends that you would otherwise have received for the 15 days preceding the date of the withdrawal.

## Buying Shares — PLGIT/TERM

Once your application to open a PLGIT/TERM Portfolio account has been accepted, you may invest in the Portfolio either by authorizing the Investment Adviser to invest funds in a PLGIT/TERM Portfolio account or by reinvesting a matured PLGIT/TERM Portfolio investment.

Prior to placing any order, call us to discuss the amount and term of your investment and to get information on the

projected yield. Each investment will be given its own projected yield. Yields may vary according to the term of the investment and the rates available at the time of investment.

The Investment Adviser may refuse any investment or limit the size of an investment.

## Redeeming Shares — PLGIT/TERM

You may redeem PLGIT/TERM shares by any of the methods below.

Type of Redemption	Instructions	Additional information
<b>Maturity</b>	<ul style="list-style-type: none"> <li>No action required. Maturity redemption value will be reinvested at maturity date in the applicable PLGIT account (PLGIT-Class shares, and/or PLGIT/PRIME shares) from which funds for the purchase were withdrawn.</li> </ul>	<ul style="list-style-type: none"> <li>Redemption value per share will equal the purchase price plus dividends (at the projected yield) minus any losses incurred by the series (not counting those resulting from premature redemptions).</li> </ul>
<b>Premature Redemption</b> <i>Redemption prior to maturity date</i>	<ul style="list-style-type: none"> <li>Send a letter to the Investment Adviser requesting redemption prior to maturity date. Alternatively, you can notify the Investment Adviser by calling 800-572-1472 and following up with written confirmation of your instructions.</li> <li>7 days after we receive your request, redemption proceeds will be transferred to purchase shares of the applicable PLGIT account (PLGIT-Class, and/or PLGIT/PRIME) from which funds for the purchase were withdrawn.</li> </ul>	<ul style="list-style-type: none"> <li>Premature redemption amounts must be for the entire investment or, for partial redemptions, must be in increments of \$10,000.</li> <li>Redemption value per share will equal the purchase price plus dividends earned to date minus any losses incurred by the series and any premature redemption penalty.</li> </ul>
<b>Planned Early Redemption</b> <i>Redemption prior to maturity date</i>	<ul style="list-style-type: none"> <li>At the time an order for shares is placed, Participants may submit a request for redemption on a Planned Early Redemption Date prior to the termination date for the series without the imposition of a penalty.</li> <li>Planned Early Redemption value will be reinvested at that date in the applicable PLGIT account (PLGIT-Class shares, and/or PLGIT/PRIME shares) from which fund for the purchase were withdrawn.</li> </ul>	<ul style="list-style-type: none"> <li>The redemption value per share for shares being redeemed on a Planned Early Redemption Date is equal to the original purchase price for such shares plus dividends thereon, less such shares' allocation of any losses incurred by the series (other than losses resulting from Premature Redemption of shares of the series).</li> </ul>

**Buying Shares — PLGIT/PRIME Portfolio**

Once your application has been accepted, you may invest in the PLGIT/PRIME Portfolio using one of the methods in the table below. Funds used to purchase investments must be in U.S. dollars and must be drawn on a U.S. Bank or a U.S. branch of a foreign bank. Your investments must meet the investment minimums and other terms described in the applicable Portfolio Summary.

The Investment Adviser may refuse any investment or limit the size of an investment.

Shares of PLGIT/PRIME Portfolio may be bought by initiating an exchange of shares from the PLGIT Portfolio to PLGIT/PRIME Portfolio within the same account via the internet using EON.

Method	Instructions	Additional information
<b>Wire (same-day settlement)</b>	<ul style="list-style-type: none"> <li>Initiate a transaction online or by calling 800-572-1472 before 2:00 p.m. Eastern Time.</li> <li>Provide the following information:</li> <li>Investor's name and account number</li> <li>Amount being wired</li> <li>Name of bank sending wire</li> <li>Instruct your bank to initiate the wire on the same day to Wells Fargo Bank. Detailed instructions can be found on the Internet at <a href="http://www.plgit.com">www.plgit.com</a> or by calling 800-572-1472.</li> </ul>	<ul style="list-style-type: none"> <li>The Portfolio does not charge fees for receiving wires. However, the sending bank may charge for wiring funds. To avoid charges, use ACH transfer below.</li> <li>It is your responsibility as an investor to ensure that immediately available funds are received by PLGIT on the settlement date.</li> <li>If funds are not available on the settlement date, you may be charged a fee.</li> </ul>
<b>ACH transfer (settles next Business Day)</b>	<ul style="list-style-type: none"> <li>Before making your first transfer and register for ACH transfers.</li> <li>Initiate an ACH transaction online before 4:00 p.m. Eastern Time.</li> </ul>	<ul style="list-style-type: none"> <li>Funds will transfer overnight and begin earning interest the next Business Day.</li> <li>The Portfolio does not charge fees for ACH transfers, and transferring banks generally do not impose fees for ACH transfers initiated by PLGIT either.</li> </ul>
<b>Online</b>	<ul style="list-style-type: none"> <li>Before making your first online transaction, submit an EON Online Account Access Authorization Form, which may be obtained either by calling 800-572-1472 or by visiting <a href="http://www.plgit.com">www.plgit.com</a>.</li> <li>Use EON to place wire or ACH orders.</li> </ul>	



## Redeeming Shares — PLGIT/PRIME Portfolio

You may withdraw all or any portion of the funds in your PLGIT/PRIME account at any time by redeeming shares.

Shares will be redeemed at the net asset value per share next determined after receipt of a request for withdrawal in proper form. This determination is made as of the conclusion of each Business Day. Redemption orders received before that time will be processed on the same Business Day. Orders received after that time will be processed the following Business Day.

Shares of PLGIT/PRIME Portfolio may be redeemed by initiating an exchange of shares from the PLGIT/PRIME Portfolio to PLGIT-Class within the same account via the

Internet using EON, subject to the redemption restrictions of PLGIT/PRIME Portfolio shares.

As noted in the applicable Portfolio Summary, you may be assessed a penalty if your redemption orders do not meet the following requirements:

- There is a penalty for each withdrawal exceeding 2 per month.
- The penalty equals the amount of dividends that you would otherwise have received for the 15 days preceding the date of the withdrawal.

Method	Instructions	Additional information
<b>Wire (same-day settlement)</b>	<ul style="list-style-type: none"> <li>• Use EON to request a withdrawal and the transfer of proceeds to the bank account specified on your Account Registration Form.</li> <li>• If your request is received before 2:00 p.m. Eastern Time, funds will be wired on that same day.</li> <li>• Requests received after 2:00 p.m. Eastern Time will be processed on the following Business Day.</li> </ul>	<ul style="list-style-type: none"> <li>• Investors may send from PLGIT Portfolio and PLGIT/PRIME <i>in aggregate</i> a total of 2 outgoing wires each month without charge. Additional wires will incur a fee of \$5.50 each to reimburse the Trust for the cost of the wire.</li> <li>• You must notify us in writing of any changes to the specified banking instructions.</li> </ul>
<b>ACH transfer (settles next Business Day)</b>	<ul style="list-style-type: none"> <li>• Before making your first transfer, register for ACH transfers.</li> <li>• Initiate an ACH transaction online before 4:00 p.m. Eastern Time.</li> </ul>	<ul style="list-style-type: none"> <li>• Funds will transfer overnight and be available the next Business Day.</li> <li>• The Portfolio does not charge fees for ACH transfers and transferring banks generally do not impose fees for ACH either.</li> </ul>
<b>Online</b>	<ul style="list-style-type: none"> <li>• Before making your first online transaction, submit an EON Online Account Access Authorization Form, which may be obtained either by calling 800-572-1472 or by visiting <a href="http://www.plgit.com">www.plgit.com</a>.</li> <li>• Use EON to place wire or ACH orders or to exchange shares to the PLGIT Portfolio.</li> </ul>	

## Buying CDs

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All CDs purchased through the CD Program must be purchased with funds withdrawn by redeeming shares from a PLGIT-Class account, and/or a PLGIT/PRIME account. Interest is declared and paid upon redemption.

### Instructions

- Call 800-572-1472 to discuss the amount and term of your intended CD investment.
- If the CD rate, the name(s) of the issuing banks or credit unions, and term quoted are acceptable, indicate your acceptance to the representative and provide the investor's name and PLGIT account number.
- Based on information from the CD issuer, the Investment Adviser will provide a notice to you detailing the name of the issuer, issuer's state, par amount, settlement date, maturity date, term, rate, and expected income, and institution base year.

### Additional information

- It is your responsibility as a Participant to ensure that sufficient available funds are in your PLGIT-Class account and/or PLGIT/PRIME account on the settlement date.

## Liquidating CDs

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

### Instructions

- **Maturity** No action required. On the maturity date, redemption proceeds received will automatically be used to purchase shares (PLGIT-Class, and/or PLGIT/PRIME) in the designated PLGIT account from which funds for the purchase were withdrawn.

### Additional information

- Funds from a maturing CD cannot be directly reinvested in a new CD. To effect reinvestment of proceeds, you are required to originate a new purchase as described above.
- Early withdrawals may involve substantial penalties from the issuing financial institution. If an early withdrawal is necessary, contact the Investment Adviser.

## Policies Concerning Withdrawals

### Suspending Withdrawals

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

### Charges for Certain Conveniences

Investors in the PLGIT, PLGIT/TERM and PLGIT/PRIME Portfolios are subject to charges for certain conveniences:

- **Outgoing wires:** Investors may send from PLGIT Portfolio and PLGIT/PRIME *in aggregate* a total of 2 outgoing wires each month without charge; additional wires will incur a fee of \$5.50 each to reimburse the Trust for the cost of the wire. There is no monthly limit on the number of outgoing wires an Investor may send; however, Investors are limited to two withdrawals per month from PLGIT/PRIME.
- **Check stock:** (*only applicable to Investors in PLGIT-Class*) For each account that offers check writing services, Investors will receive an initial order of check stock at no charge. You will be charged at cost for subsequent orders of check stock.

## Policies Specific to the PLGIT, and PLGIT/PRIME Portfolios

### Dividends and Distributions

The PLGIT, and PLGIT/PRIME Portfolios each declare dividends as of the conclusion of each Business Day and pay them to Investors on the last Business Day of each month. Dividends for Saturdays, Sundays, and holidays are declared on the previous Business Day except that when a Saturday, Sunday or holiday falls in the next month the dividend for those days is declared on the next Business Day. Dividends paid to PLGIT and PLGIT/PRIME Portfolio Investors are automatically reinvested in the same Portfolio.

Shares begin earning dividends the day they are purchased. If shares are redeemed, they do not earn a dividend for the day they are redeemed.

For the purpose of calculating dividends, each Portfolio's net income consists of interest earned, plus any discount ratably amortized to the date of maturity plus or minus all realized gains and losses on the sale of securities prior to maturity, less ratably amortization of any premium and all

accrued expenses, including the fees payable to the Investment Adviser, Custodian and others who provide services to the Portfolio.

*For more detail about how dividends are calculated, see Part 2.*

### Calculating Net Asset Value

The Investment Adviser calculates NAV for the PLGIT, and PLGIT/PRIME Portfolios as of the conclusion of each Business Day. To calculate NAV, each Portfolio first subtracts its total liabilities from its total assets, then divides the result by the number of outstanding shares. Liabilities include all accrued expenses and fees, including fees of the Investment Adviser, Custodian and others providing services to the Portfolios, which are accrued daily.

For purposes of calculating NAV, securities are valued at cost, plus or minus any amortized discount or premium.

### How Purchase Prices are Determined

The exact price for your shares will be determined based on the NAV next calculated after the Investment Adviser accepts a properly executed order. However, if the Depository Bank does not receive federal funds on a timely basis, your price will instead be based on the next NAV calculated after receipt of funds. The number of shares you receive will be determined by the NAV.

## Policies Specific to the PLGIT/TERM Portfolio

### Dividends and Distributions

A projected dividend rate is determined when shares are purchased and the dividend is declared and paid on maturity or on the planned redemption date.

Dividends on shares of a PLGIT/TERM Portfolio series are declared and paid on the termination date of such series, unless the shares are redeemed before the termination date of such series, in which case dividends will be declared and paid when the shares are redeemed.

Dividends on shares of a series of the PLGIT/TERM portfolio which are declared and paid on a planned early redemption date are equal to the projected yield for such shares to the planned early redemption date, less any losses affecting projected yield attributable to such shares. Dividends on shares of a series of the PLGIT/TERM portfolio declared and paid on a premature redemption date are equal to the projected yield for such shares to the premature redemption date, less any losses affecting projected yield attributable to such shares. Dividends on shares of a series of the PLGIT/TERM portfolio declared and paid on a termination date for such series are equal to the projected yield for such shares to the termination date,

less any losses affecting projected yield attributable to such shares. An additional dividend, if any, equal to any excess net income of the series identified at or before the determination date will be distributed as an additional dividend to those Investors that owned shares of the series at any time during the term of the series. Excess net income will be allocated on a pro rata basis using each investor's time weighted average outstanding share balance over the life of the PLGIT/TERM series. Additional dividends, if any, will be transferred to the Investor's applicable PLGIT account (PLGIT-Class shares, and/or PLGIT/PRIME shares) from which the original PLGIT/TERM purchase was made.

The yield for any PLGIT/TERM Portfolio investment is determined by dividing the expected net income per share for the period from the settlement date to the termination date by the purchase price per share, dividing this result by the actual number of days between the settlement date and the termination date, and then multiplying the result by 365/366.

### Premature Redemption Penalty

The penalty for a Premature Redemption will be calculated by the Investment Adviser and will be equal to (i) all penalty charges, losses and other costs (including, without limitation, interest paid on funds borrowed to pay the redemption) associated with amending, terminating, selling or otherwise affecting any of the investments in the series in order to pay the Premature Redemption and (ii) an amount sufficient to maintain the projected yield on the remaining shares in the series to the stated termination date for the series, less any losses affecting projected yield attributable to such shares. Thus, a Premature Redemption of shares may result in a penalty which could reduce the return and the principal value of the investment in amounts not ascertainable at the time shares of the PLGIT/TERM Portfolio are issued. The redemption value per share could be lower than the purchase price of the share, and the return could be lower than the projected yield quoted at the time of issuance of the share.

### Allocation of Losses

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

### Calculating Share Price

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

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

## General Policies

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### Services to Investors

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

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

**Information Services** Toll-free telephone service, **800-572-1472**, is available to provide Investors with information including up-to-date account information and transaction history, and to receive instructions for the investment or withdrawal of funds.

**Website** Account information and information regarding the Trust's Portfolios and Programs along with current news about the Trust can be found at [www.plgit.com](http://www.plgit.com). A password and user identification are required to initiate a transaction or access account information. The system can be accessed through the PLGIT website by selecting "Access Your Account." A password and user identification can be received by contacting investor services at **800-572-1472**.

### Information on Portfolio Holdings

Each Portfolio discloses a summary of its holdings online monthly and a full description of each Portfolio's holdings in the annual audited financial reports.

*For our policy on the disclosure of Portfolio holdings, see Part 2.*

**Rights we reserve**

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

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

**Tax Information**

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

- Section 115(1) of the Internal Revenue Code of 1986, as amended (“Code”), which provides that the gross income of a state or political subdivision does not include income derived from the exercise of any essential government function.
- Section 148 of the Code (and related regulations) covering rebate requirements, which may apply to anyone investing tax-exempt or tax-credit bond proceeds.
- The arbitrage limitations or rebate requirements of section 148 of the Code (and related regulations), under which states and municipalities may be required to pay the U.S. Treasury a portion of earnings they derive from the investment of certain funds.

**Use of Amortized Cost**

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The Board of Trustees has determined, in consultation with the Investment Adviser, that it will manage the Trust’s Liquid Portfolios(s) in accordance with GASB 79 requirements, as applicable, for continued use of amortized cost.

**Financial Highlights**

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The Portfolios’ audited financial statements and financial highlights are included in the PLGIT Annual Report for the year end. The Annual Report is available upon request.

## Part 2 – Information Statement Addendum

### General Information

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#### The Trust

##### History and Description of the Trust

The Pennsylvania Local Government Investment Trust was established on February 1, 1981 as a common law trust under the laws of the Commonwealth of Pennsylvania, pursuant to the Pennsylvania Intergovernmental Cooperation Act and similar statutes, by execution of a Declaration of Trust (the “Declaration”) by two Pennsylvania boroughs. When Investors (called “Shareholders” in the Declaration) establish their accounts with the Trust by either enacting an ordinance or adopting a resolution, they become settlors of the Trust.

The purpose of the Trust is to provide Pennsylvania local governments, school entities, political subdivisions, and municipal authorities with a convenient method of pooling their cash for temporary investment. The Trust is sponsored by the Pennsylvania State Association of Boroughs, the Pennsylvania Municipal League, the Pennsylvania State Association of Township Commissioners, the Pennsylvania State Association of Township Supervisors, the Pennsylvania Municipal Authorities Association, the Pennsylvania Association of School Administrators, and the County Commissioners Association of Pennsylvania.

The Trust consists of a series of professionally managed investment Portfolios available to boroughs, townships, incorporated towns, school districts, certain cities, counties, municipal authorities, and other governments in the Commonwealth of Pennsylvania. The Trust also sponsors Programs offering direct investments to such local governments.

In addition, the Trust sponsors several bond pool programs financed with the proceeds of bonds issued by the Emmaus General Authority, Emmaus, Pennsylvania. These bond pool programs are not described in this document. For information regarding the bond pool programs, call the bond pool program administrator, Public Financial Management, Inc., toll-free at 800-572-1472.

##### The Declaration

Each Investor receives a copy of the Declaration; all general descriptions of its terms contained in this Information Statement are subject to the specific language of the Declaration itself. The Declaration permits the Trustees to issue an unlimited number of shares of beneficial interest in the Trust, from such class or classes (Portfolios or series) as the Trustees from time to time may create and establish. Shares shall be transferable on the records of the Trust only by the record holder thereof or by its agent thereunto duly authorized in writing, upon delivery to the Trustees or the transfer agent of a duly executed instrument of transfer, together with such evidence of the genuineness of each such execution and authorization and of other matters as may reasonably be required. Upon such delivery, the transfer shall be recorded on the register of the Trust. Until such record is made, the Investor of Record shall be deemed to be the holder of such shares for all purposes thereunder and neither the Trustees nor any transfer agent, nor any officer, employee, or agent of the Trust shall be affected by any notice of the proposed transfer. No shares may be transferred to a transferee other than municipal entities of the Commonwealth of Pennsylvania, their instrumentalities or agencies, or to the Trust itself. For all matters requiring a vote of Investors, an Investor is entitled to one vote for each full share held (and a fractional vote for each fractional share held) then outstanding in the entity’s name on the books of the Trust.

Under Pennsylvania law, shareholders of a common law trust may, under certain circumstances, be held personally liable for the obligations of the Trust. Therefore, the Declaration contains an express disclaimer of shareholder liability for acts or obligations of the Trust and requires that notice of such disclaimer be given in each agreement, obligation, or instrument entered into or executed by the Trust or the Trustees. The Declaration also provides that the Trust shall, upon request, assume the defense of any claim made against any Investor for any act or obligation of the Trust and satisfy any judgment thereon.

The Declaration further provides that the Trustees will not be liable for errors of judgment or mistakes of fact or law, but nothing in the Declaration of Trust protects a Trustee against any liability to which he or she would otherwise be subject by reason of willful misfeasance, bad faith, gross negligence, or reckless disregard of the duties involved in the conduct of office.



Under the Declaration, the Trustees may obtain insurance or establish self-insurance funds to cover certain liabilities. This may be done on a joint basis with other similar entities, and the Trust may contribute more than its pro rata share of such insurance premiums or self-insurance fund contributions. The Trust has established a self-insurance fund; for more information, see “Expenses”.

Trustees have certain powers under the Declaration, including, among others, the authority to do any or all of the following:

- Employ or contract with others as the Trustees may deem desirable for the operation of the Trust.
- Enter into joint ventures, partnerships and any other combinations or associations.
- Remove Trustees or fill vacancies in or add to their number, elect and remove such officers and appoint and terminate such agents or employees as they consider appropriate, and appoint from their own number, and terminate, any one or more committees which may exercise some or all of the power and authority of the Trustees as the Trustees may determine.
- Purchase, and pay for out of Trust property, insurance policies insuring the Trustees, officers, employees, agents, investment advisers, distributors, or independent contractors of the Trust against all claims arising by reason of holding any such position or by reason of any action taken or omitted by any such person in such capacity, whether or not constituting negligence, or whether or not the Trust would have the power to indemnify such person against such liability.

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

The Declaration may be amended by the affirmative vote of the holders of not less than a majority of the shares or by any instrument in writing, without a meeting, signed by a majority of the Trustees and consented to by the holders of not less than a majority of the shares outstanding and entitled to vote. The Trustees may also amend the Declaration without the vote or consent of Investors if they deem it necessary to conform the Declaration to the requirements of applicable laws or regulations, but the Trustees shall not be liable for failing to do so.

No amendment may be made which would change any rights with respect to any shares of beneficial interest by reducing the amount payable thereon upon liquidation of the Trust or by diminishing or eliminating any voting rights pertaining thereto, except with the vote or consent of the holders of two-thirds of the shares outstanding and entitled to vote.

The Trust may be terminated by the affirmative vote of the holders of not less than two-thirds of the shares outstanding and entitled to vote at any meeting of Investors or by an instrument in writing, without a meeting, signed by a majority of the Trustees and consented to by the holders of not less than two-thirds of the shares outstanding. Upon the termination of the Trust and after paying or adequately providing for the payment of all liabilities, and upon receipt of such releases, indemnities, and refunding agreements as they deem necessary for their protection, the Trustees may distribute the remaining Trust Property, in cash or in kind or partly in cash and partly in kind, among the Investors according to their respective beneficial interests.

#### **Operating Policies**

The Trust has developed operating policies pertaining to deposits, withdrawals, check writing, stop payments and wire and other electronic transactions. These operating policies are available to all Investors and Participants and may be amended from time to time. These policies have been developed for the protection of the Trust and its Investors. The policies are integral to the operation of the Trust and are binding on the Investors and Participants. Each month, the Trust displays a summary of the holdings of the PLGIT, and PLGIT/PRIME Portfolios (as of 60 days prior) online at [www.plgit.com](http://www.plgit.com).

#### **Services**

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

**Portfolio Transactions.** The Investment Adviser is responsible for decisions to buy and sell Portfolio securities for the Trust and arranges for the execution of Portfolio securities transactions on behalf of the Trust. Purchases of Portfolio securities are made from

dealers, underwriters, and issuers; sales prior to maturity are made to dealers and other persons. Money market instruments bought from dealers are generally traded on a “net” basis with dealers acting as principal for their own accounts without a stated commission, although the price of the security usually includes a profit to the dealer. Thus, the Portfolios do not normally incur any brokerage commission expense on such transactions. Securities purchased in underwritten offerings include a fixed amount of compensation to the underwriter, generally referred to as the underwriter’s concession or discount. When securities are purchased or sold directly from or to an issuer, no commissions or discounts are paid. However, any fees, commissions or transaction costs incurred in the purchase or sale of Portfolio securities are borne by the respective Portfolio to which they related.

The policy of the Trust regarding purchases and sales of securities for its Portfolios is that primary consideration will be given to obtaining the most favorable price and efficient execution of transactions. In seeking to implement the Trust’s policy, the Investment Adviser will effect transactions with those dealers whom the Investment Adviser believes provide the most favorable price and efficient execution. If the Investment Adviser believes such price and execution can be obtained from more than one dealer, it may give consideration to placing Portfolio transactions with those dealers who also furnish research and other services to the Trust or Investment Adviser. Such services may include, but are not limited to, any one or more of the following: information as to the availability of securities for purchase or sale; statistical or factual information or opinions pertaining to investments; wire services; and appraisals or evaluations of Portfolio securities. The services received by the Investment Adviser from dealers may be of benefit to it in the management of accounts of some or all of its other clients and may not in all cases benefit the Trust directly. While such services are useful and important in supplementing its own research and facilities, the Investment Adviser believes the value of such services is not determinable and does not significantly reduce its expenses. The Trust does not reduce the management fee it pays to the Investment Adviser by any amount that may be attributable to the value of such services.

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

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

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

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

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

## Expenses

The Trust has entered into arrangements for legal, accounting, and custodial services. The Trust also pays for its organization expenses, insurance or self-insurance premiums, Trustees’ expenses, sponsoring association licensing and marketing reimbursement fees, and other expenses not expressly assumed by the Investment Adviser. The Investment Adviser, Custodian or the Sponsors (each a “Service Provider”) may, but shall not be obligated to, reduce a portion of its fees to assist the Trust in an attempt to maintain a positive yield. In the event that a Service Provider elects to initiate a fee reduction, such fee reduction shall be applicable to the computation of the NAV of the Trust on the Business Day immediately following the date on which the Service Provider gives notice to the Trust on the rate of the fee reduction to be applied in calculating the NAV. A fee reduction shall remain in effect until notice is provided to the Trust by the Service Provider regarding its intent to terminate its fee reduction or revise, upward or downward, the rate of its fee reduction.

At any time after a fee reduction has been terminated, the relevant Service Provider may elect to have the amount of its accumulated reduced fees restored in whole or in part under the conditions described pursuant to one or more applicable fee

reduction agreements (“Fee Reduction Agreement”) with the Trust by way of a payment of fees in excess of the rate it was entitled to, prior to any fee reduction, all as set forth in the applicable Fee Reduction Agreement. Such Fee Reduction Agreements with the Investment Adviser are currently effective for PLGIT-Class, PLGIT/PLUS-Class, PLGIT/I-Class and PLGIT/PRIME. Upon possible consolidation of investment options, Fee Reduction Agreements for PLGIT-Class, PLGIT/Reserve-Class, and PLGIT/PRIME will be in place at the time of such consolidation. Fee Reduction Agreements are not currently in place for the PLGIT/ARM and PLGIT/TERM Portfolios; however, Service Providers may, but shall not be obligated to, reduce a portion of their fees as described above. A Fee Reduction Agreement may be in place for the PLGIT/ARM Portfolio at the time of consolidation.

The Trust maintains a self-insurance fund to provide money to pay for indemnification of trustees and officers of the Trust; contributions to this fund are treated as expenses of the Portfolios. The Trustees, in their discretion, determine the amount of contributions from each Portfolio to the fund from time to time; such contributions need not be on an equal or pro rata basis as among the Portfolios and, at the discretion of the Trustees, certain Portfolios may make no contributions. The fund is available for indemnification of the trustees and officers for matters arising with respect to any activities of the Trust. No contributions are currently being made to the self-insurance fund, except for earnings on the fund’s assets.

The Trust may also pay certain expenses related to the development of new products, including the organization expenses of new entities.

**Expenses to Investors of Other Programs Offered by the Trust.** From time to time, the Trust may offer to Investors additional investment programs (“Other Programs”) outside of shares in the Portfolios. Such Other Programs currently include the CD Purchase Program and Individual Portfolios under the PLGIT/ARM Program. Neither the Trust nor the PLGIT, PLGIT/TERM or PLGIT/PRIME Portfolios assume any responsibility for any fees related to the Other Programs, except for costs associated with purchases and redemptions of shares related to investments in Other Programs. Investors who become Participants in Other Programs are responsible for payment of any and all costs associated with such Other Programs, and all costs associated with such Other Programs to the extent currently in existence are described in this Part 2.

### Opening an Account

Investing in a Portfolio and, if desired, also becoming a Participant in a Program, requires action by the governing body of each local government. Typically, either an ordinance or a resolution is required. Each municipality should consult its charter to determine which is appropriate. For your convenience, a Model Ordinance/Resolution is available online at [www.plgit.com](http://www.plgit.com).

Once this action has been taken, prospective Investors must complete the New Investor Application and an initial Account Application Form and appropriate check writing signature cards (PLGIT-Class only) if check writing is desired, and forward them along with a copy of the ordinance or resolution and a completed IRS Form W-9 to:

Pennsylvania Local Government Investment Trust  
PO Box 1027  
Harrisburg, PA 17108-1027

The Trust will notify the local government of its approval of the application(s) and the account number(s) assigned. There is no limit to the number of accounts that can be opened by an Investor. Additional Account Applications are available online at [www.plgit.com](http://www.plgit.com) or by calling (800) 572-1472.

### Additional Account Features

**Direct Deposit Program.** The Trust provides forms and procedures for establishing direct deposit into the PLGIT and PLGIT/PRIME Portfolios of state and federal payments including: state school subsidies, liquid fuels tax payments, Small Communities program payments or, in conjunction with several tax collection services, Act 511 and other tax revenues. Funds deposited in this manner directly into PLGIT-Class, PLGIT/Reserve-Class or PLGIT/PRIME shares begin earning interest on the day of deposit.

**Internal Exchange of Shares.** The Investor may move funds from PLGIT-Class shares to PLGIT/Reserve-Class or PLGIT/PRIME shares. Initial investments in PLGIT/Reserve-Class shares may be made by initiating an exchange from another share class via the Internet using EON, PLGIT’s web-based information and transaction service or it can also be initiated by contacting the Investment Adviser via phone (800-572-1472). The Investor may make only 2 exchanges of funds per calendar month from the PLGIT/Reserve-Class account or PLGIT/PRIME account to a PLGIT-Class account. Requests for such exchanges will be accepted on Business Days, from 8:30 a.m. to 5:00 p.m. Eastern Time. Requests for exchange

must be made by telephone or via the Internet prior to 2:00 p.m. Eastern Time to provide same day movement of funds. Exchanges requested after 2:00 p.m. Eastern Time will be completed on the next Business Day.

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

The operation of the Trust is governed by an eleven-member Board of Trustees who must be employees or elected officials of a local government or school district.

Trustees are elected at each annual meeting of Investors. Nominations for election as Trustee are made by a nominating committee which includes the presidents (or their designees) of the sponsoring local government associations. In the event of a vacancy in a Trustee position, the remaining Trustees may appoint a qualified person to fill the position.

In order to assure the several most common classes of local governments participating in the Trust are represented on the Board of Trustees, at least one of the Trustees shall be either an elected member of the governing body or a full-time employee of one of the following:

- A county.
- A city.
- A borough.
- A township of the first class.
- A township of the second class.
- A school district.
- A municipal authority.

Each category of local government in this list is assured the representation described above as long as there is at least one Investor from that category.

The Trustees are elected by Investors and are responsible for the overall management of the Trust, including formulation and implementation of its investment and operating policies. In addition, the Trustees select and oversee the activities of the Investment Adviser and the Custodian for the Trust and monitor Trust investment performance and the method of valuing Portfolio shares.

The Trustees elect their own officers: President, Vice President, and Secretary/Treasurer. The Trustees form committees to address specific issues.

The Executive Committee consists of the three officers, the immediate past president and an “at large” member chosen by the Trustees. The Audit Committee consists of between three and seven Trustees. Trustees who are officers may not serve on the Audit Committee. The Trustees have approved an Audit Committee Charter under which the Audit Committee operates. The Trustees also have a Contracts Committee, a Participant Services Committee, and other committees.

The Trustees presently serve without compensation, but are reimbursed by the Trust for reasonable travel and other out-of-pocket expenses incurred in connection with their duties as Trustees. The Declaration permits the Trustees to fix their own compensation should they decide to do so.

### **The Trustees**

As of the date of this Information Statement there are eleven trustees and no vacancies.

A current listing of the Trustees may be found at [www.plgit.com](http://www.plgit.com).

## Service Providers

### Investment Adviser, Administrator, and Transfer Agent

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

PFM Asset Management LLC is registered under the Investment Advisers Act of 1940, as amended, and is under common ownership with Public Financial Management, Inc. (“PFM”), a financial advisory firm. PFM Asset Management LLC was established by the shareholders of PFM in July 2001 to conduct the investment advisory business in which PFM had been engaged since 1980. PFM Asset Management LLC personnel, and the investment management staff that serves the Trust, formerly employed by PFM, are now employed by the Investment Adviser. PFM served as Investment Adviser of the Trust from its inception until January 1, 2002, and served as Administrator of the Trust from January 1, 1996 until January 1, 2002, when it was replaced in both roles by the present Investment Adviser.

Together, PFM Asset Management LLC and PFM have acted as financial or investment advisers to thousands of cities, townships, boroughs, counties, school districts, and authorities and health and higher education institutions nationally. For additional information on the Investment Adviser, visit [www.pfm.com](http://www.pfm.com).

As Investment Adviser, PFM Asset Management LLC is responsible for supervising each Portfolio’s investment program, managing each Portfolio’s assets, implementing any training programs approved by the Trustees, providing the Trustees with quarterly performance evaluations, maintaining the books and records of the Portfolios, and for selecting the CDs that are offered through the CD Program and the Separate Account securities for each SAM Program Participant.

PFM Asset Management, LLC also provides certain administrative services to the Trust, such as:

- Calculating NAV of each Portfolio
- Arranging for quarterly Trustees meetings.
- Overseeing the preparation of tax returns, reports to the Trustees, shareholder reports, and regulatory filings.
- Coordinating the activities of other service providers.

In addition, PFM Asset Management LLC serves as transfer agent for the Portfolios. It receives, validates, and processes orders to buy and sell Portfolio shares.

In this document, the term “Investment Advisor” is used to indicate PFM Asset Management LLC, even when referring to them in their capacity as Administrator or Transfer Agent, if applicable.

### Distributor

PFM Fund Distributors, Inc.  
213 Market Street  
Harrisburg, PA 17101

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

### Custodian

U.S. Bank N.A.  
60 Livingston Avenue  
St. Paul, Minnesota 55107

U.S. Bank holds each Portfolio’s securities.

**Depository Bank**

Wells Fargo Bank N.A.  
Government Banking  
Meetinghouse Business Center  
2240 Butler Pike  
Plymouth Meeting, PA 19462

The Trust's demand deposit accounts and similar concentration accounts are maintained with, and all banking transactions (including wires, ACH, lockbox deposit, and check redemptions) for Investors are processed through, the Depository Bank. Cash received from Investors who are buying Portfolio shares or cash payable to Investors who have redeemed shares may be held by the Depository Bank on a same-day basis.

**Independent Auditor**

Ernst & Young LLP  
One Commerce Square  
2005 Market Street, Suite 700  
Philadelphia, PA 19103

Ernst & Young audits the Trust's financial statements.

**Legal Counsel**

Saul Ewing Arnstein & Lehr LLP  
1500 Market Street, 38th floor  
Centre Square West  
Philadelphia, PA 19102-2186

Saul Ewing Arnstein & Lehr serves as legal counsel to the Trust.



## The Portfolios

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### Information Common to All Portfolios

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

#### Authorized Investments

The Portfolios are specifically designed for investment by local governments whose investment policies are consistent with those of the Trust. They are comprised exclusively of investments in the following money market instruments:

- (1) United States Treasury bills;
- (2) Obligations, participations or other instruments of any Federal agency, instrumentality or United States government-sponsored enterprise, including those issued or fully guaranteed as the 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 (see details under "Maturity" below in each respective Portfolio);
- (3) Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation through the Deposit Insurance Fund or the National Credit Union Administration through 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 is pledged by the depository;
- (4) Obligations guaranteed or insured by the United States of America, obligations of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the Commonwealth, or not backed by the Commonwealth if otherwise authorized for investment by the statute creating any agency or instrumentality of the Commonwealth issuing such obligations, or of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the political subdivision;
- (5) Repurchase agreements involving U.S. Government and agency obligations, participations or other instruments of, or guaranteed by, the United States or any Federal agency, instrumentality or United States government-sponsored enterprise.
- (6) Commercial Paper issued by corporations or other business entities organized in accordance with Federal or State law, with a maturity not to exceed 270 days, if the issuing corporation or business entity is rated in the top short term category by at least two nationally recognized statistical ratings organization. ***This is an authorized investment for the PLGIT/PRIME and PLGIT/TERM Portfolios ONLY.***
- (7) Negotiable Certificates of Deposit or other evidences of deposit issued by a nationally or state-chartered bank, a federal or state savings and loan association, or a state-licensed branch of a foreign bank, with a remaining maturity of 397 days or less. For obligations with a maturity one year or less, the debt obligations of the issuing institution or its parent must be rated in the top short-term rating category by at least two nationally recognized statistical ratings organizations. For obligations with a maturity in excess of one year, the senior debt obligation of the issuing institution or its parent must be rated at least "A" or its equivalent by at least two nationally recognized statistical ratings organizations. ***This is an authorized investment for the PLGIT/PRIME and PLGIT/TERM Portfolios ONLY.***
- (8) 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 organization. ***This is an authorized investment for the PLGIT/PRIME and PLGIT/TERM Portfolios ONLY.***
- (9) Shares of a portfolio of an investment company registered under the Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. 80a-1 et seq.), whose shares are registered under the Securities Act of 1933 (48 Stat. 74, 15 U.S.C. 77a et seq.); if all of the following conditions are met: (a) the only investments of that investment company portfolio are in the authorized investments listed in (1) through (5) above for the PLGIT portfolio and the authorized investments listed in (1) through (8) above for the PLGIT/PRIME portfolio and PLGIT/TERM portfolio, (b) the investment company portfolio is managed in accordance with 17 CFR 270 2a-7 (relating to money market funds); and (c) the portfolio is rated in the highest category by a nationally recognized rating agency.

### Additional Information

**Repurchase Agreements** involve the sale of securities to a Portfolio, and the concurrent agreement by the seller to repurchase the securities within a specified period of time at an agreed upon price, thereby establishing the yield during the buyer's holding period. The yield established for the repurchase agreement is determined by current short-term rates and may be more or less than the interest rate on the underlying securities. The securities underlying a repurchase agreement are, in effect, collateral under the agreement. It is each Portfolio's policy to enter into repurchase agreements only with dealers in U.S. Government securities or with other counterparties, including the Federal Reserve Bank of New York, whose credit has been reviewed by the Investment Advisor or with commercial banks with assets in excess of \$1 billion.

Securities purchased by the Portfolio subject to repurchase agreements are limited to the United States Treasury bills or obligations, participants or other instruments of or guaranteed by the United States or any Federal agency, instrumentality or United States government-sponsored enterprise. The Portfolio requires that, at the time a repurchase agreement is made, the underlying securities have a market value at least equal to 102% of the amount of the purchase price. If an agreement is in effect for more than one day, the Investment Adviser is responsible for monitoring the value of the underlying securities and, in the event their value drops below 102% of the purchase price plus accrued interest, the counterparty is required to provide additional securities or money. All securities underlying repurchase agreements are required to be delivered to the Trust's Custodian or to another custodian agreed to by the Trust and the counterparty. At the expiration of each agreement, the Portfolio receives payment of the principal and interest earned under the agreement as a condition for the return of the underlying securities to the counterparty. If the counterparty fails to pay the agreed upon resale price on the expiration date, the risks to a Portfolio or to an Individual Portfolio in such event may include any decline in the value of the underlying securities to an amount which is less than the repurchase price, any costs of disposing of such securities, and any loss from any delay in foreclosing on such securities.

**Obligations of Agencies or Instrumentalities of the United States Government** Certain short-term obligations of agencies or instrumentalities of the U.S. Government purchased by the Portfolios may be backed only by the issuing agency or instrumentality and may not be backed by the full faith and credit of the U.S. Government. For example, securities issued by the Federal Home Loan Banks and the Freddie Mac are supported by the credit of the issuer, and not by the United States Government; and securities issued by the Federal Farm Credit System and Fannie Mae are supported by the agency's limited right to borrow money from the U.S. Treasury under certain circumstances.

**Bank Deposits** When collateral is required for deposits in excess of federal deposit insurance limits, the provisions of the Act of August 6, 1971, P.L. 181, No. 72, as amended ("Act 72"), will be followed, at a minimum, with regard to pooling, custody and type of collateral required to secure the deposits. Act 72 provides that a banking institution shall act as custodian for the pledged collateral. The collateral which is eligible for pledging by the depository is described in Act 72 as that eligible to secure United States Treasury Tax and Loan Accounts as of the effective date of Act 72. Although Act 72 might permit the collateral to be valued as a percentage of face value and not at market value, the Portfolios require that the depository agree to value collateral at its market value if market value is less than face value. In 2000, Act 72 was amended to permit a depository to obtain a letter of credit from a Federal Home Loan Bank in lieu of pledging collateral.

If the banking institution fails to make payment when due on the deposit, each Portfolio's risks are similar to those described below with respect to counterparty risk.

**Commercial Paper** An unsecured, short-term debt instrument issued by a corporation, typically for the financing of accounts receivable, inventories and meeting short-term liabilities. Maturities on commercial paper are within 270 days. The debt may be issued at a discount, reflecting prevailing market interest rates. The creditworthiness of such obligations relates only to the credit of the issuing company. Although the Trust uses certain criteria when determining what companies' commercial paper will be purchased, no assurance can be given that such companies will not become insolvent during the life of any investment in it. In the event of the insolvency of a company issuing commercial paper in which the Trust has invested or in the event of any other default with respect to commercial paper, if appropriate, a claim will be filed by the Trust against the company. However, there is no assurance that the Trust will receive any recovery as a result of filing a claim.

**Negotiable Certificates of Deposit** A deposit instrument issued by a nationally or state-chartered bank, a federal or state savings and loan association, or a state-licensed branch of a foreign bank. Maturities on negotiable certificates of deposit are within seven days to five years; however, PA codes limit negotiable certificates of deposit to three years. The creditworthiness of such obligations relates only to the credit of the issuing company. Although the Trust uses certain criteria when determining what institutions' negotiable certificates of deposit will be purchased, no assurance can be given that such institutions will not become insolvent during the life of any investment in it. In the event of the insolvency of an institution issuing a negotiable certificate of deposit in which the Trust has invested or in the event of any other default with respect to negotiable certificate

of deposit, if appropriate, a claim will be filed by the Trust against the institution. However, there is no assurance that the Trust will receive any recovery as a result of filing a claim.

**Bankers' Acceptances** A short-term instrument issued by a commercial bank to facilitate commercial trades. Maturities on bankers' acceptances are within 180 days. The debt may be issued at a discount, reflecting prevailing market interest rates. The creditworthiness of such obligations relates only to the credit of the issuing bank.

### Investment Restrictions

The Trustees have adopted the following investment restrictions and fundamental investment policies for the Portfolios. These cannot be changed without approval of the Investors holding a majority of the outstanding shares of each Portfolio or series within a Portfolio to be affected by the change. No Portfolio will do any of the following:

- Purchase any securities other than those listed under "Authorized Investments" above unless Commonwealth of Pennsylvania legislation at some future time redefines the types of securities which are legal investments for all classes of Investors, in which case the permitted investments for the Portfolios may be conformed to such changes. No change in the permitted investments for the Portfolios will be effected without prior written notification to the Investors affected by such change.
- Invest in securities of any issuer in which a Trustee, or officer, or employee or agent of the Trust is an officer, director, or 10% or greater shareholder unless such investment is periodically authorized by resolutions adopted by a majority of the Trustees who are not officers, directors, or 10% shareholders of such issuer.
- Make loans, provided that a Portfolio may enter into repurchase agreements with terms as long as 397 days, if, as a result thereof, not more than 10% of that Portfolio's total assets would be subject to repurchase agreements that mature in more than seven days, unless they are subject to irrevocable puts exercisable in less than seven days, (this 10% limitation does not apply to the PLGIT/TERM Portfolio).
- Borrow money or pledge, hypothecate, or mortgage its assets to an extent greater than 25% of the market value of total assets of the Portfolio, and then only as a temporary measure for extraordinary or emergency purposes, to facilitate withdrawal requests which might otherwise require untimely dispositions of Portfolio securities. All such borrowings must be repaid before the Portfolio makes any additional investments. Interest paid on such borrowings will reduce net income.
- Purchase the securities of any single issuer (other than obligations issued or guaranteed as to principal and interest by the government of the United States, its agencies or instrumentalities) if, as a result, more than ten percent (10%) of the Portfolio's total assets would be invested in the securities of any one issuer.
- Invest more than 5% of net assets in illiquid investments. Illiquid investments are securities that cannot be sold or disposed of in the ordinary course of business at approximately the value ascribed to it by the Trust. Illiquid investments include:
  - Restricted investments (those that, for legal reasons, cannot be freely sold).
  - Fixed time deposits with a maturity of more than seven days that are subject to early withdrawal penalties.
  - Any repurchase agreement maturing in more than seven days and not terminable at approximately the carrying value in the Trust before that time.
  - Other investments that are not readily marketable at approximately the carrying value in the Trust.

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

### Main Risks

There are several risk factors that could hurt a Portfolio's performance, cause you to lose money, or cause a Portfolio's performance to trail that of other investments:

**Interest rate risk (Not applicable to PLGIT/TERM)** When short-term interest rates fall, the Portfolio's yield is likely to fall. When interest rates rise, especially if the rise is sharp or unexpected, the Portfolio's share price could fall.

During periods of unusually low interest rates, the Portfolio’s yield may approach zero. Over time, the total return of the Portfolio may not keep pace with inflation.

**Credit risk** The issuer of a security owned by a Portfolio could fail to pay interest or principal in a timely manner. The credit quality of a Portfolio’s holdings could change rapidly in certain markets, and the default or decline in credit quality of even a single holding could cause a Portfolio’s share price to fall.

For money market instruments that rely on third-party credit guarantors, the same risks may apply if the financial condition of the guarantor deteriorates or the guarantor ceases to insure money market instruments. The value of an obligation may decline and it is possible that the guarantor may not honor the guarantee.

For U.S. government or agency securities not backed by the full faith and credit of the U.S. government, there is no guarantee that the government will intervene in the event of any loss or default.

Any type of credit backing or guarantee applies only to the securities held by a Portfolio, not to shares of the Portfolio itself, and does not protect against any risk other than credit risk.

**Management risk** Portfolio performance could be hurt by investment decisions made by the Investment Adviser, such as choice of investments or timing of buy/sell decisions.

**Counterparty risk** A financial institution or other counterparty with whom a Portfolio does business (such as trading or entering into repurchase agreements), or that underwrites, distributes, or guarantees any investments or contracts that a Portfolio owns or is otherwise exposed to, may decline in financial condition and become unable to honor its commitments. This could cause losses for a Portfolio or delay the return or delivery of collateral or other assets.

**Financial industry risk** Any market price movements, regulatory or technological changes, or economic conditions affecting banks or other financial institutions will have a significant impact on a Portfolio’s performance.

**Additional cost level risk** To the extent that a Portfolio invests in mutual funds rather than directly in money market instruments, the Portfolio’s shareholders will effectively be paying two or more levels of costs, which could reduce yields.

**Liquidity risk (Not applicable to PLGIT/TERM)** If a Portfolio faces an unusual volume of redemption orders, or if it is unable to sell Portfolio securities at the desired time or price, the Portfolio’s share price could fall.

### Management and Administrative Costs

**Investment Adviser** The annual fee for PFM Asset Management LLC’s services is calculated as a percentage of average daily net assets:

#### PLGIT-Class

Share class average daily net assets	Fee
First \$500 million	0.27%
\$500 - \$1,000 million	0.25%
\$1,000 - \$1,500 million	0.23%
Over \$1.500 million	0.21%

**PLGIT/Reserve-Class**

Portfolio average daily net assets	Fee
First \$500 million	0.19%
\$500 - \$1,000 million	0.13%
\$1,000 - \$1,500 million	0.12%
Over \$1,500 million	0.11%

**PLGIT/TERM Portfolio**

Average daily net assets of each series	Fee
All assets	0.10%

**PLGIT/PRIME Portfolio**

Portfolio average daily net assets	Fee
First \$500 million	0.21%
\$500 - \$1,000 million	0.14%
\$1,000 - \$1,500 million	0.12%
Over \$1.500 million	0.11%

These fees are accrued daily and payable monthly.

For the fiscal year ended December 31, 2019, actual fees paid to the Investment Adviser, after any applicable voluntary waivers, were \$3,508,915 (0.26% of average daily net assets) for PLGIT-Class, \$305,606 (0.16% of average daily net assets) for PLGIT/PLUS-Class, \$981,838 (0.14% of average daily net assets) for PLGIT/I-Class, \$2,266,301 (0.14% of average daily net assets) for PLGIT/PRIME Portfolio and \$1,361,621 (0.17% of average daily net assets) for the PLGIT/Portfolio. In 2020, the PLGIT and PLGIT/ARM Portfolios were merged to form a single new PLGIT Portfolio with two classes of Shares. The existing PLGIT/PLUS-Class Shares, PLGIT/I-Class Shares, and PLGIT/ARM Shares were combined into a single PLGIT/Reserve-Class Shares.

**Transfer agent** Costs of transfer agent services are included in the management and administrative costs shown above.

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

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

The Portfolios pay out-of-pocket expenses incurred by the Trustees and officers in connection with their duties.

**Expense Reductions** PFM Asset Management may voluntarily reduce or limit the expenses it charges to any Portfolio or share class.

PFM Asset Management has agreed to reimburse PLGIT/Reserve-Class, PLGIT/PRIME, and the PLGIT/TERM Portfolios for the amount by which their total expenses (excluding any legal and litigation-related fees) exceed a specified percentage of their annualized average daily net assets. These percentages are: 0.30% for PLGIT/Reserve-Class and PLGIT/PRIME Portfolio, and 0.18% for the PLGIT/TERM Portfolio.

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

## Information Specific to the PLGIT, and PLGIT/PRIME Portfolios

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### Maturity

Each Portfolio maintains a dollar-weighted average maturity of no more than 60 days and a dollar-weighted life (final maturity, adjusted for demand features but not interest rate adjustments) of no more than 120 days. Certain obligations of the United States Government or any of its agencies or instrumentalities owned by a Portfolio may have remaining maturities exceeding one year if such securities provide for adjustments in their interest rates at least annually, and the adjustments are sufficient to cause the securities to have market values, after adjustments, which approximate amortized cost values. Investments in the Portfolios are denominated in U.S. dollars and have remaining maturities (or, in the case of repurchase agreements, remaining terms) of 397 days or less at the time of purchase. However, the Portfolios may invest in securities with maturities greater than 397 days if certain maturity shortening features (such as interest rate resets or demand features) apply.

### Investment Restrictions

Neither the PLGIT, nor PLGIT/PRIME Portfolios shall purchase the securities of any issuer (other than obligations issued and guaranteed as to principal and interest by the Government of the United States, its agencies or instrumentalities, and any securities that are subject to repurchase agreements) if, as a result at the time of purchase, any of the following would be true:

- More than 5% of the Portfolio's total assets would be invested in the securities of any one issuer.
- More than 20% of the Portfolio's total assets would be invested in securities issued or guaranteed by the Commonwealth of Pennsylvania.
- More than 5% of the Portfolio's total assets would be invested in securities issued or guaranteed by a political subdivision of the Commonwealth of Pennsylvania.
- More than 5% of the Portfolio's total assets would be invested in any class of securities of a single issuer (for this purpose, all debt obligations of an issuer maturing in less than one year are treated as a single class of securities).

### Dividends

As of 2:00 p.m. Eastern Time on each Business Day, the daily net income (as defined below) of the PLGIT and PLGIT/PRIME Portfolios is determined and declared as a dividend to Investors of record as of the close of business on that day. Shares purchased as of 2:00 p.m. Eastern Time begin earning income dividends on the date of purchase. Shares redeemed as of 2:00 p.m. Eastern Time each day do not earn income for that day. Earnings for Saturdays, Sundays, and holidays are declared on the previous Business Day, except for month end. Dividends declared for PLGIT-Class shares are paid monthly on the last Business Day of each month, and are reinvested automatically in additional PLGIT-Class shares. Dividends declared for PLGIT/Reserve-Class shares are paid monthly on the last Business Day of each month, and are reinvested automatically in additional PLGIT/Reserve-Class shares unless the Investor elects to have the dividends invested in PLGIT-Class shares. Dividends declared for PLGIT/PRIME shares are paid monthly on the last Business Day of each month, and are reinvested automatically in additional PLGIT/PRIME shares.

For the purpose of calculating PLGIT Portfolio dividends, net income shall consist of interest earned plus any discount ratably amortized to the date of maturity plus or minus all realized gains and losses on the sale of securities prior to maturity, less ratable amortization of any premium and, for each class in the Portfolio, less all accrued expenses of the class, including the fees payable to the Investment Adviser, and others who provide services to the Trust. (See "Expenses of the Trust.")



## Valuation of Shares

The Investment Adviser, on behalf of the Trust, determines the net asset value of the shares of the PLGIT Portfolio and PLGIT/PRIME Portfolio as of the conclusion of each Business Day. For each Portfolio, the net asset value per share is computed by dividing the total value of the securities and other assets of the Portfolio, less any liabilities, by the total outstanding shares of the Portfolio. With respect to each class of shares in the PLGIT Portfolio, liabilities include all accrued expenses and fees of the Trust attributable to that class, including fees of the Investment Adviser, and others who provide services to the Trust, which are accrued daily. (See “Expenses of the Trust.”)

For the purposes of calculating the net asset value per share of the PLGIT, and PLGIT/PRIME Portfolios, the bylaws of the Trust provide that investments held by the Portfolio shall be valued at original cost, plus or minus any amortized discount or premium.

The result of this calculation will be a per share value which is rounded to the nearest penny. Accordingly, the price at which Portfolio shares are sold or redeemed will not reflect unrealized gains or losses on Portfolio securities which amount to less than \$.005 per share. The Portfolios will endeavor to minimize the amount of such gains or losses. However, if unrealized gains or losses were to exceed \$.005 per share, the amortized cost method of verification would not be used and the net asset value per share of the Portfolio in question would change from \$1.00.

**It is a fundamental policy of the PLGIT and PLGIT/PRIME Portfolios to maintain a net asset value of \$1.00 per share, but for the reasons here discussed there can be no assurance that the net asset value of either Portfolio’s shares will not vary from \$1.00 per share.** The market value basis net asset value per share for a Portfolio may be affected by general changes in interest rates resulting in increases or decreases in the value of securities held by the Portfolio. The market value of such securities will tend to vary inversely to changes in prevailing interest rates. Thus, if interest rates rise after a security is purchased, such a security, if sold, might be sold at a price less than its amortized cost. Similarly, if interest rates decline, such a security, if sold, might be sold at a price greater than its amortized cost. If a security is held to maturity, no loss or gain is normally realized as a result of these price fluctuations; however, withdrawals by Investors could require the sale of Portfolio securities prior to maturity.

The Investment Adviser and the Trustees will periodically monitor, as they deem appropriate and at such intervals as are reasonable in light of current market conditions, the relationship between the amortized cost value per share and a net asset value per share based upon available indications of market value. In the event that the difference between the amortized cost basis net asset value per share and market value basis net asset value per share exceeds 1/2 of 1 percent, the Investment Adviser and the Trustees will consider what, if any, corrective action should be taken to minimize any material dilution or other unfair results which might arise from differences between the two. This action may include the reduction of the number of outstanding shares by having each Investor proportionately contribute shares to the Portfolio’s capital, suspension or rescission of dividends, declaration of a special capital distribution, sales of Portfolio securities prior to maturity to reduce the average maturity or to realize capital gains or losses, transfers of Portfolio securities to a separate account, or redemptions of shares in kind in an effort to maintain the net asset value at \$1.00 per share. If the number of outstanding shares is reduced in order to maintain a constant net asset value of \$1.00 per share, Investors will contribute proportionately to the Portfolio’s capital the number of shares that represents the difference between the amortized cost valuation and market valuation of the Portfolio. Each Investor will be deemed to have agreed to such contribution by its investment in the Portfolio.

To minimize the possible adverse effects of changes in interest rates and to help maintain a stable net asset value of \$1.00 per share, the PLGIT and PLGIT/PRIME Portfolios will each maintain a dollar-weighted average Portfolio maturity of not more than 60 days, a dollar-weighted life (final maturity, adjusted for demand features but not interest rate adjustments) of no more than 120 days, will not purchase any security with a remaining maturity of more than 397 days, except for certain adjustable rate government securities as described under “Authorized Investments” above, and will only invest in securities determined by the Investment Advisor and Trustees to be of high quality with minimal credit risk.

## Yield

Current yield information for the Portfolios may, from time to time, be quoted in reports, literature and advertisements published by the Trust. The yields quoted by the Trust or any of its representatives should not be considered a representation of the yield of the Portfolios or any class thereof in the future, since the yield is not fixed. Actual yields will depend on the type, quality, yield and maturities of securities held by each Portfolio or class thereof, as well as changes in interest rates, market conditions and other factors.

The current yield of the Portfolios, which is also known as the current annualized yield or the current seven-day yield, represents the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical account with a balance of one share (normally \$1.00 per share) over a seven-day base period expressed as a percentage of the



value of one share at the beginning of the seven-day period. This resulting net change in account value is then annualized by multiplying it by 365 and dividing the result by 7.

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

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

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

## Information Specific to the PLGIT/TERM Portfolio

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### Maturity

The PLGIT/TERM Portfolio is a fixed-term investment portfolio of the Trust with a maturity of up to one year, depending on the termination date of any particular series within the Portfolio.

### Dividends

Dividends on shares of a PLGIT/TERM series are declared and paid on the termination date of such series, except for dividends on shares redeemed pursuant to a Premature or Planned Early Redemption which will be declared and paid when such shares are redeemed. Dividends will be paid from net income, which will consist of interest earned, plus any discount ratably amortized to the date of maturity, plus associated projected yield and the attributable share of losses on the sale of securities prior to maturity, less ratably amortization of any premium and all accrued expenses of the series.

Dividends on shares of a series of the PLGIT/TERM portfolio which are declared and paid on a planned early redemption date are equal to the projected yield for such shares to the planned early redemption date, less any losses affecting projected yield attributable to such shares. Dividends on shares of a series of the PLGIT/TERM portfolio declared and paid on a premature redemption date are equal to the projected yield for such shares to the premature redemption date, less any losses affecting projected yield attributable to such shares. Dividends on shares of a series of the PLGIT/TERM portfolio declared and paid on a termination date for such series are equal to the projected yield for such shares to the termination date, less any losses affecting projected yield attributable to such shares. An additional dividend, if any, equal to any excess net income of the series identified at or before the determination date will be distributed as an additional dividend to those Investors that owned shares of the series at any time during the term of the series. Excess net income will be allocated on a pro rata basis using each investors time weighted average outstanding share balance over the life of the PLGIT/TERM series. Additional dividends, if any, will be transferred to the Investor’s applicable PLGIT account (PLGIT-Class shares, and/or PLGIT/PRIME shares) from which the original PLGIT/TERM purchase was made.

Investment securities may be distributed to the Investors in any series in lieu of cash whenever the Trustees determine that such distributions would be in the best interest of the Investors in the series. The investments made for the PLGIT/TERM Portfolio are in money market instruments of generally short maturities. The Investment Adviser may attempt to maximize yields through trading, to take advantage of short-term market variations. These strategies may result in high Portfolio turnover. However, since the costs of transactions of the type in which the Portfolio engages are small, high turnover rate is not expected to adversely affect net asset values or yields.

## Valuation of Shares

The redemption value per share for a series of PLGIT/TERM will be determined as of 1:00 p.m. Eastern Time on any day when redemptions are made and on termination of the series. The redemption value per share on the termination date of a series is equal to the original purchase price for such share, plus dividends thereon, at the projected yield less such share's allocation of any losses incurred by the series (other than losses resulting from Premature Redemptions of shares of the series). The redemption value per share for shares being redeemed on a Premature Redemption Date is equal to the original price for such share, plus dividends thereon, at the projected yield less such share's allocation of any losses incurred by the series, less a Premature Redemption penalty, if any. The Premature Redemption penalty is described in the section "How to Withdraw: PLGIT/TERM" above.

The redemption value per share for shares being redeemed on a Planned Early Redemption Date is equal to the original purchase price for such share, plus dividends thereon, at the projected yield less such share's allocation of any losses incurred by the series (other than losses resulting from Premature Redemptions of shares of the series). The Premature Redemption penalty will be calculated by the Investment Adviser and will be equal to (i) all penalty charges, losses and other costs (including, without limitation, interest paid on funds borrowed to pay the redemption) associated with amending, terminating, selling or otherwise affecting any of the investments in the series in order to pay the Premature Redemption plus (ii) an amount sufficient to maintain the projected yield on the remaining shares to the stated termination date for the series or to the Planned Early Redemption Date, as the case may be, less any losses affecting projected yield attributable to such shares. Thus, a Premature Redemption of shares may result in a penalty which could reduce the return and the principal value of the investment in amounts not ascertainable at the time the shares are issued. The redemption value per share could be lower than the purchase price of the share, and the return could be lower than the projected yield quoted at the time of issuance of the share.

Each PLGIT/TERM series provides for a fixed-rate, fixed-term investment by Investors, but the market value of the underlying assets will, prior to their maturity, tend to fluctuate inversely with the direction of interest rates. It is the intent of the Portfolio to manage each of its series in a manner that produces a share price of at least \$1.00 on the termination date for the Investor that redeems on said date.

## Yield

The projected yield quoted for any investment in the PLGIT/TERM Portfolio is determined by dividing the expected net income per share for the period from the settlement date to the termination date by the purchase price per share, dividing this result by the actual number of days between the settlement date and the termination date, and multiplying the result by 365.

## The Programs

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### Information Common to Programs

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

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

### Limitations on Voting Rights

Because the CDs purchased through the CD Purchase Program and securities held in a PLGIT/ARM Program Individual Portfolio are not assets of the Trust, participation in any of these Programs does not entitle you to vote at any meeting of shareholders or otherwise exercise rights of a shareholder in a Portfolio of the Trust.

### Information Specific to the PLGIT/ARM Program

#### Purpose

The PLGIT/ARM Program and its associated services have been established by the Trust to provide local governments with comprehensive investment management, accounting and arbitrage rebate calculation services for proceeds of tax advantaged borrowings (“bonds”). Local governments that participate in the PLGIT/ARM Program purchase shares of beneficial interest in either the PLGIT or PLGIT/PRIME Portfolios. Investors also have the option of linking their accounts to fixed-rate investments in PLGIT/TERM and/or a professionally managed Individual Portfolio of securities (including FDIC- or NCUA-insured certificates of deposit). Individual Portfolios are established by separate agreement with the Investment Adviser. Individual Portfolios are not assets of the Trust and the Trust assumes no liability for Individual Portfolios.

The trust indenture or ordinance or resolution under which bonds are issued may contain investment limitations that do not permit investment in the investments described under “Information Common to All Portfolios” above. Thus, each local government should confirm with its own counsel the legality of investing bond proceeds through the PLGIT/ARM Program. These limitations can be avoided in a trust indenture, ordinance or resolution by permitting investments in all of the above-described investments without any further restrictions, or by permitting investment in shares of the Pennsylvania Local Government Investment Trust.

**Documentation of Market Price.** The Investment Advisor will follow certain procedures to document that investments are purchased at a “fair market value” in accordance with requirements of the Code and related Treasury Regulations (“Regulations”) and rulings. These procedures include obtaining three bids or offers for all securities transactions on the secondary market, documenting securities prices using independent pricing services, and following practices to avoid making financial arrangements that improperly reduce the yield on investments.

#### Arbitrage Rebate Compliance

The PLGIT/ARM Program is designed to assist Participants in complying with certain arbitrage rebate requirements of the Code to the extent those requirements are applicable to a Participant’s tax-advantaged financing. Investments are purchased and investment documentation is maintained in accordance with requirements of the Code, and rebate calculations are prepared for Participants by the Investment Adviser in a manner and at such times as to enable Participants to comply with these requirements using procedures that have been reviewed by program counsel. The PLGIT/ARM Program is also designed to assist Participants in determining whether they have satisfied the expenditure tests for any available exceptions from the arbitrage rebate requirements.

#### General Policies Concerning Arbitrage Rebate

The PLGIT/ARM Program follows and recommends that Participants follow certain practices designed to provide a clear audit trail for purposes of complying with the Regulations concerning arbitrage rebate. These include the following:

- (1) A Participant should invest all bond proceeds subject to the arbitrage rebate requirements with the PLGIT/ARM Program on the same day as they are received by the Participant. This will enable the tracking of the investment and expenditure of these funds.
- (2) A Participant should, at the time of initial investment, identify all funds subject to the arbitrage rebate requirement that are subject to the rebate requirement at the same bond yield. A separate account should be established for each fund or funds subject to a different bond yield for arbitrage rebate computation purposes, by completing an Account Application provided by the Investment Adviser. The Investment Adviser will also provide advice on the number and type of accounts that will be needed to provide a clear audit trail.
- (3) A Participant should notify the Investment Adviser when making its initial investment whether all or some of the bond proceeds it is investing are expected to qualify for certain exceptions to rebate commonly known as the spending exceptions. The spending exceptions include the “6-month spending exception,” “the 18-month spending exception,” and “the 2-year spending exception.” In addition, if the bond proceeds are expected to qualify for the “2-year spending exception,” the

Participant should indicate to the Investment Adviser whether the Investor has elected to pay a penalty in lieu of rebate or to pay rebate if the spend down percentages are not met.

(4) A Participant should not draw down the entire bond proceeds account before providing for any rebate requirement or penalty payment.

When an account is opened, the Investment Adviser will request certain information from a Participant, including the issue date for the related bonds to permit scheduling of the Exception Compliance Report, whether the Participant expects to qualify for an exception to the arbitrage rebate requirement and whether an election to pay a penalty in lieu of rebate was made under the 2-year spending exception. Copies will be requested of the official statement, non-arbitrage certificate or other tax certificate, bond resolution and similar documents and the appropriate IRS Form 8038 for the issue or similar document. The Investment Adviser will send the Participant a Confirmation Letter which asks the Participant to confirm the information supplied by the Participant regarding its bonds, such as the bond yield, issuance date, bond year election and any applicable rebate exceptions, penalty elections and yield restrictions. The Investment Adviser relies on the accuracy of the information supplied by the Participant in the Confirmation Letter, and the Investment Adviser will make no independent determination of the bond yield or other information supplied in the Confirmation Letter. If the Participant supplies inaccurate information in the Confirmation Letter, or if the Participant fails to return a completed Confirmation Letter, then the rebate calculations and other rebate services provided by the Investment Adviser may not be accurate. For bond proceeds invested outside of the PLGIT/ARM Program, with the opening of an account the Investment Adviser will require the Participant to furnish a rebate calculation report, at the sole cost of the Participant, covering the period from the date of bond issuance to the date of investment with the PLGIT/ARM Program.

### Rebate Calculation Services

The Investment Adviser will provide estimates and formal reports of rebate liabilities as described below. Upon request, the Investment Adviser will provide an estimated interim rebate calculation report (an “Interim Estimate”) to a Participant whose bonds are subject to rebate. The Interim Estimate is only an estimate of the Investor’s rebate liability for the purpose of giving the Investor assistance in its planning and financial reporting. The Interim Estimate will summarize all of the following:

- The allowable investment yield.
- Investment activities for the relevant period within the PLGIT/ARM Program.
- The rebate liability to be paid at the end of the relevant period using the methodology and assumptions described under the caption “Tax Matters.”

If the Participant has elected the penalty in lieu of rebate for proceeds eligible for the 2-year spending exception, the Investment Adviser will prepare a report every six months until all such proceeds are expended determining the amount of the penalty payment.

For each bond issue for which a Participant notifies the Investment Adviser by means of the Account Application that it is subject to rebate, as long as proceeds are invested with the PLGIT/ARM Program, the Investment Adviser will provide a formal rebate calculation report (a “Formal Report”) within 30 days after the fifth bond-year anniversary and each succeeding fifth bond year, and within 30 days after the date on which the last bond of an issue is discharged unless the Participant requests that a Formal Report be furnished for different computation dates. Participants may request a Formal Report at any other time or at a more frequent interval than every five years. The Formal Report will normally consist of a statement of cash flows and certain calculations of yields and earnings prepared by the Investment Adviser.

If all the bonds have been discharged as a result of a refunding, it is the responsibility of the Participant to provide timely notice to the Investment Adviser that such event has occurred and supply the Investment Adviser with any information required to complete the final Arbitrage Report.

A Participant could be liable for rebate payments in addition to the amount identified in the Formal Report if, among other things, there are changes in the Regulations, if the date of the Formal Report does not correspond with a Computation Date (as defined in the Regulations), if payment of the amount is not made within 60 days of a Computation Date, if the yield on the related tax-exempt, tax-credit, or taxable obligations changes, and/or if the Participant supplies incomplete or inaccurate information in the Confirmation Letter described in “General Policies Concerning Arbitrage Rebate” above.

It is advisable that a Participant not withdraw all of its funds prior to completion of rebate estimates and a Formal Report, and that withdrawals be made within the time frame described above in order to track all earnings accurately and to assist the Participant in fulfilling its rebate obligation. Participants may request an exception from these rules, but such an exception may result in the

Participant having to fulfill its rebate obligation from other source of funds, and may make it impossible for the Investment Adviser and program counsel to prepare a complete and accurate Formal Report.

### Rebate Exception Services

As stated above under “General Policies Concerning Arbitrage Rebate,” a Participant should inform the Investment Adviser by means of the Account Application if it expects to qualify for an exception to the arbitrage rebate requirement and whether an election to pay a penalty in lieu of rebate was made under the 2-year spending exception. Thirty days before any expenditure test date contained in the Code and Regulations which is related to the 6-month spending exception, the 18-month spending exception or 2-year spending exception from the rebate requirements, the Investment Adviser will provide a notice to each Participant if the Participant has informed the Investment Adviser that it expects to qualify for a particular exception. The notice will track the cumulative percentage of bond proceeds drawn from funds invested with the PLGIT/ARM Program from any bond issue whose proceeds are then invested with the PLGIT/ARM Program and compare the cumulative percentage of funds drawn to the requirements of the applicable exception to assist the Investor in determining its eligibility for such exception.

If, after the last test date, records show that the required spend down percentage on each test date has been met, the Investment Adviser will provide a Final Exception Compliance Report to the Participant. If requested by the Participant, the Exception Compliance Report will include an opinion of program counsel. (See Rebate Calculation Expenses herein). Such Exception Compliance Report will assume that all draws represent expenditures of bond proceeds by the Participant that occurred on or before the dates of the draws.

### Yield Restriction Services

If the Participant has returned its Confirmation Letter and such letter contains yield restriction information, the Investment Adviser will notify the Participant if any unspent funds invested with the PLGIT/ARM Program have become yield restricted as a result of the end of an applicable temporary period. This notification will also include a discussion of options available to the Participant to comply with the yield restriction requirements. **The Participant should consult with its bond counsel prior to determining how it intends to comply with the yield restriction requirements.** If bond counsel determines that the Participant is eligible to make yield reduction payments and the Participant selects this option, **the Investment Adviser** will provide estimated yield reduction payment reports upon request. This report is only an estimate for the purpose of assisting the Participant in its planning and financial reporting. The estimate report will summarize all of the following:

- The allowable investment yield.
- Investment activities for the relevant period within the PLGIT/ARM Program.
- The yield reduction payment liability to be paid at the end of the applicable bond-year anniversary computed using the methodology and assumptions described under the caption “Tax Matters.”

For each bond issue for which a Participant notifies the Investment Adviser that it has decided to make yield reduction payments, if necessary, to comply with yield restriction as long as the yield restricted proceeds are invested with the PLGIT/ARM Program, the Investment Adviser will provide a formal yield reduction payment report within 30 days after the fifth bond year anniversary and each succeeding fifth bond year, and within 30 days after the date on which the last bond of an issue is discharged unless the Participant requests that a formal yield reduction payment report be furnished for different computation dates. Participants may request a formal yield reduction payment report at any other time or at a more frequent interval than every five years. The formal yield reduction payment report will normally consist of a statement of cash flows and certain calculations of yields and earnings prepared by the Investment Adviser.

**It is the Participant’s responsibility to notify the Investment Adviser if the bonds have been refunded and/or discharged as the result of a refunding. The Participant should check with its bond counsel to make this determination and to identify if there are any transferred proceeds of the refunding bonds that should be yield restricted.**

If after consulting with bond counsel the Participant decides to actively yield-restrict unspent funds to comply with yield restriction, the Investment Adviser will assist the Participant in this endeavor. This generally will involve purchasing State and Local Government Series (“SLGS”) securities or similar legal investments to maintain compliance with yield restriction. The actual size and maturity of investments will depend on such matters as the yield restriction status of the unspent proceeds, the applicable bond yield and current market conditions.



### Individual Portfolios

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

Please refer to the section entitled "Information Specific to the CD Purchase Program" below for detailed information regarding the custodial arrangements for CDs purchased through the CD Purchase Program, which are intended to be fully insured by the FDIC or NCUA. Individual Portfolios **are not part of the Trust, and a Participant receives the sole benefit of such an Individual Portfolio.** Earnings and proceeds from the maturity or sale of any investment in an Individual Portfolio will be deposited automatically into the Participant's pre-designated PLGIT/ARM Program account(s).

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

### Expenses of Individual Portfolios

**Individual Portfolio Expenses.** For services provided for Individual Portfolio investments, each Participant will be billed monthly a fee for investment management based on the annual rate of 0.08% of the value as determined by the Investment Adviser of such assets in the Individual Portfolio. A Participant will also be billed a fee for custodial services in connection with these securities. In the event that a Participant elects to utilize its bond trustee as an Individual Portfolio Custodian, the fee for such services should be negotiated directly between the Participant and the Individual Portfolio Custodian. The Trust is not involved with such negotiations.

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

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

Neither the Trust nor the PLGIT/ARM Program of the Trust assumes any responsibility for the payment of fees to the Investment Adviser, the Custodian or an Individual Portfolio Custodian, except for costs associated with purchases and redemptions in the Participant's pre-designated PLGIT/ARM Program account(s).

**Participants are responsible for payment of any and all costs associated with the CD Purchase Program.**

### Rebate Calculation Reports

The Investment Adviser also provides rebate calculation services to Participants in the PLGIT/ARM Program. These services are designed to assist Participants in complying with the rebate requirements of the Code and related Regulations, rulings, and procedures. The Investment Adviser will rely on information provided related to each bond issue, including the information supplied in the Confirmation Letter described in "General Policies Concerning Arbitrage Rebate" above and account information compiled by the Investment Adviser.

### Rebate Calculation Expenses

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

### Custodial Arrangements

U.S. Bank National Association, St. Paul, MN, is Custodian for the Portfolios and Individual Portfolios related to proceeds from general obligation bond issues. The Custodian holds all cash and securities of the Portfolios and the Individual Portfolios, except that certain securities owned by the Portfolios or Individual Portfolios and subject to repurchase agreements may be held by other custodians acting for the Trust or respective Individual Portfolio. Neither the Custodian nor disbursing agent participate in determining the investment policies or in investment decisions. The Investment Adviser may invest funds of the Portfolios or Individual Portfolios in the Custodian's or the disbursing agent's obligations and may buy or sell securities through the Custodian and the disbursement agent. For revenue bond issues, the Participant may elect to utilize the trustee for the bond issue as custodian for the Individual Portfolio, provided that the criteria listed under "Individual Portfolios" are met at a minimum.

### Tax Matters

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

Based on the foregoing, the income of the Portfolios and of an Individual Portfolio is derived from the investment of the proceeds of a Participant's bond issues is excludable from the gross income of the Participant.

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

**Rebate Requirement** Despite the Section 115(1) exclusion from a Participant's taxable income of investment earnings on the proceeds of a bond issue, some of those earnings may have to be rebated, or certain penalties may have to be paid in lieu of rebate, to the United States to preserve the bondholders' exclusion from gross income for the interest they receive on a bond issue or to preserve the tax-advantaged status of certain taxable bonds. The PLGIT/ARM Program has been established by the Trust to provide comprehensive investment management, accounting, depository and rebate or penalty calculation services for proceeds of the tax-exempt, tax credit or taxable financings of a Participant. It will be the responsibility of each Participant to supply accurate information concerning its bond issue and to determine whether an investment in the shares is appropriate for that Participant. For example, the yield on the shares will fluctuate daily and, consequently, the shares may not be an appropriate investment for proceeds of a Participant's bond issue that must be invested in investments with a yield that does not exceed the yield on the Participant's bond issue. Therefore, it will be the responsibility of each Participant or its bond counsel to determine the extent to which the proceeds of an Participant's bond issue may be invested at an unrestricted yield and whether an investment in, or the continued investment in, the shares is appropriate.

Unless an exception applies to an issue, to preserve the exclusion from taxable income of the interest on that issue, the issuer must comply with the rebate requirement imposed on the investment of the proceeds of that bond issue by Section 148(f) of the Code. Each Participant must pay to the United States with respect to that bond issue an amount equal to the sum of (i) the



excess of (A) the amount earned with gross proceeds on all nonpurpose investments, over (B) the amount that would have been earned if such nonpurpose investments were invested at a rate equal to the yield on its bond issue, plus (ii) any income attributable to the excess described in clause (i) (the “Rebate Requirement”). To compute the Rebate Requirement, it is necessary to determine (1) the nonpurpose investments purchased with the gross proceeds of the Participant’s bond issue, and (2) the amount earned on such nonpurpose investments.

The Code provides exceptions from the Rebate Requirement for (i) a bond issue if all of the gross proceeds of such issue (which for this purpose does not include gross proceeds held in a reasonably required reserve or replacement fund, a bona fide debt service fund, or which arise more than 6 months after, and which are not reasonably anticipated, as of the date of issuance) are allocated to expenditures for the governmental purpose for which the issue was issued within 6 months of the date of issuance of such issue (the “6-month exception”) (the rebate requirement must, however, be met for amounts not required to be spent within the 6-month spending period (excluding, in most cases, earnings on a bona fide debt service fund), (ii) a tax or revenue anticipation issue if the cumulative cash flow deficit to be financed by such issue exceeds 90 percent of the proceeds of the issue within 6 months of the date of issuance of the issue (the “TRANs exception”), or (iii) a bond issue of a governmental unit with general taxing powers, that is not a private activity bond issue, if 95 percent or more of the net proceeds of the issue are to be used for local governmental activities of the issuer, and the aggregate face amount of all tax exempt bonds (other than private activity bonds) of such issuer (and any issuer which must be aggregated with such issuer under the Code) issued during the calendar year is reasonably expected not to exceed (or actually does not exceed) \$5,000,000 (the “small issuer exception”). The Taxpayer Relief Act of 1997 provides that up to \$5,000,000 of bonds used to finance construction expenditures (defined in the same manner as defined for purposes of the “construction exception”) of public school facilities are excluded from the application of the present-law small issuer exception if they issue no more than \$10,000,000 in governmental bonds per calendar year and no more than \$5,000,000 of the bonds is used to finance expenditures other than for public school capital expenditures. The Economic Growth and Tax Reconciliation Act of 2001 provides that, for bonds issued after 2001, up to \$10,000,000 of bonds used to finance construction expenditures (defined in the same manner as defined for purposes of the “construction exception”) of public school facilities are excluded from the application of the present-law small issuer exception if they issue no more than \$15,000,000 in governmental bonds per calendar year and no more than \$5,000,000 of the bonds is used to finance expenditures other than for public school capital expenditures. If an issue qualifying under the 6-month exception has a reserve fund, the issuer must calculate rebate with respect to earnings on the reserve fund. Proceeds of a TRANs issue are not accepted into the PLGIT/ARM Program; therefore, there is no further explanation of the TRANs exception herein.

An additional exception applies to the available construction proceeds for bonds issued after December 19, 1989, which is commonly referred to as the “2-year spending exception.” This exception applies to a “construction issue” (as defined in the Code and Regulations) if all of the available construction proceeds of the issue (or if the issue is bifurcated as described below, that portion of the issue attributable to construction expenditures) are spent for the governmental purposes for which the issue was issued in accordance with a specified statutory time table. One portion of the issue may satisfy the construction exception and the other portion may satisfy, for example, the 6-month exception. Any portion of an issue used to refund any issue (or portion thereof) will be treated as a separate issue. Generally, such portion is subject to yield restrictions and is not appropriate for investment with the PLGIT/ARM Program. In lieu of complying with the Rebate Requirement on available construction proceeds, the issuer of a construction issue may elect in writing, on or before the date of issue, to pay a penalty on available construction proceeds in the event that the issue fails to satisfy the specified statutory timetable. Under certain circumstances, the issuer may elect to terminate the imposition of the penalty.

An additional exception to the Rebate Requirement applies for bonds issued after June 30, 1993, which is commonly referred to as the “18-month spending exception.”

The American Recovery and Reinvestment Act of 2009 (the “Stimulus Act”) expanded, effective February 17, 2009, the definition of Qualified Tax Credit Bonds (which are taxable bonds) under Section 54A of the Code of 1986, as amended, to include qualified forestry conservation bonds, new clean renewable energy bonds, qualified energy conservation bonds, qualified zone academy bonds, and qualified school construction bonds. Section 54A provides a three-year expenditure exception, beginning on the date of issuance, for the Available Project Proceeds of the bonds. Section 54A(e)(4) of the Code defines Available Project Proceeds as the excess of the proceeds from the sale of an issue minus the issuance costs financed by the issue (to the extent that such costs do not exceed 2 percent of such proceeds), plus the proceeds from any investment of the net sale proceeds (sale proceeds minus the issuance costs financed by the issue).

During the three-year expenditure exception period, the Available Project Proceeds are not subject to the Rebate Requirement. However, any unspent Available Project Proceeds as of the end of the three-year expenditure period are treated as subject to

the Rebate Requirement and the issuer is required to redeem all of the nonqualified bonds within 90 days after the end of such period.

The Stimulus Act also created Build America Bonds (including Recovery Zone Economic Development Bonds) under Section 54AA of the Code (which are taxable bonds). The proceeds of Build America Bonds (“BABs”) and Recovery Zone Economic Development Bonds (“RZEDBs”) are subject to the Rebate Requirement and the Yield Restriction Requirement. However, such proceeds may be eligible for the 6-month, 18-month, or 2-year spending exception to arbitrage rebate or the small issue exception to arbitrage rebate as described herein. In addition, the Available Project Proceeds may be eligible for a temporary period exception from the Yield Restriction Requirement.

Certain Bonds created under the Stimulus Act were only eligible to be issued until December 31, 2010.

**Each potential Participant should consult with its bond counsel to determine if any of these exceptions is available and whether an investment in the shares is appropriate.**

**Potentially Applicable Treasury Regulations** On June 14, 1993, the United States Treasury (the “Treasury”) released final regulations relating to the Rebate Requirement under Section 148(f) of the Code. The basic method contained in the Regulations for computing the rebatable arbitrage involves future valuing the nonpurpose investment cash flows at an interest rate equal to the yield on the bond issue. The Regulations provide generally that the rebatable arbitrage as of a computation date is the excess of: (1) the future value of the nonpurpose receipts (the amount received from the investing in nonpurpose investments); over (2) the future value of the nonpurpose payments (the amounts paid to purchase nonpurpose investments). Under the Regulations, if a nonpurpose investment is purchased with gross proceeds of a bond issue, the amount paid to purchase the investment is the nonpurpose payment. The nonpurpose receipt includes any amount received from investing in nonpurpose investments (including amounts received from the sale of investments). Gain or loss is taken into account in computing the rebatable arbitrage.

The Treasury has promulgated various and differing rules regarding the proper tax treatment of administrative costs of the Portfolios. The application of a particular rule is dependent upon the issue date of the obligations and may also depend upon what percentage of the Portfolios an issuer owns. The following summarizes the various regulations that have been issued by the Treasury. The following is only intended to be a summary of the regulations. For a more detailed discussion, Participants should consult their bond counsel.

**Obligations issued prior to June 18, 1992** Treasury has not issued and is not expected to issue any regulations that specifically address the treatment of investment in the Portfolios of proceeds of obligations issued prior to June 18, 1992. On an issue-by-issue basis, issuers of such obligations could elect into a set of regulations described below, in which case the rules described below would apply to the investment in the Portfolios of proceeds of that particular issue.

**Obligations issued after June 17, 1992 and prior to July 1, 1993** Regulations released by Treasury in May 1992 and generally applicable to obligations issued after June 17, 1992 and before July 1, 1993, provide that reasonable administrative costs not in excess of 0.25% of the average daily balance of amounts invested in the Portfolios for the fiscal year are taken into account in determining nonpurpose payments and nonpurpose receipts. Thus, income passed through to the Participants is not “grossed up” to reflect permitted administrative costs before being allocated to the Participants. For purposes of the July 1992 regulations, administrative costs include costs paid by or on behalf of an issuer for brokerage or selling commissions, legal and accounting fees, investment advisory fees, recordkeeping, safekeeping, custody, and similar costs and expenses of the Portfolios.

**Obligations issued after June 30, 1993** Treasury released regulations pertaining to arbitrage in June 1993 that are generally applicable to obligations issued after June 30, 1993. (Issuers of obligations issued after June 30, 1993, and before August 15, 1993, may also, on an issue-by-issue basis, apply the regulations described immediately above to such obligations.) The June 1993 regulations provide that an issuer of tax-exempt obligations may generally exclude from earnings all reasonable administrative costs of the Portfolio if that issuer and any parties related to the issuer do not own more than 10 percent of the beneficial interest in the Portfolio. If the issuer does own more than 10% of the Portfolio, then only reasonable administrative costs relating to the purchasing and selling of the investments in the Portfolio may be excluded. Thus, if a Participant invests proceeds of an obligation issued after June 30, 1993, in a Portfolio which is more than 10 percent owned by the Participant, the Participant may be treated for arbitrage purposes as receiving a portion of the administrative costs of the Portfolio in addition to the actual earnings credited to the Participant. The costs of the Portfolio which may be treated as distributed to such Investors is a matter that is subject to clarification by the Internal Revenue Service. Upon request, the Trust will provide to any Investor a calculation of its percentage interest in the Portfolio. For any semiannual period, the 10 percent beneficial interest test is not exceeded if (i) based on average amounts on deposit, the 10 percent requirement was not exceeded for the prior semiannual period, and (ii) the Portfolio does not accept deposits that would cause it to fail to meet this requirement.

**Obligations sold on or after July 8, 1997** Regulations filed by Treasury on May 8, 1997 (the “1997 Regulations”) clarify certain of these requirements relating to administrative costs. The 1997 regulations are generally applicable to obligations sold on or after July 8, 1997. The 1997 Regulations provide that an issuer of tax-exempt obligations may generally exclude from earnings all reasonable administrative costs of the Portfolio in the Trust if no Participant owns more than 10 percent of the beneficial interest in the Portfolio, provided that the Portfolio is “widely held.” The Portfolio will be treated as widely held only if, during the immediately preceding fixed, semi-annual period chosen by the Portfolio, the Portfolio had a daily average of more than 15 Participants that were not related parties, and at least 16 of the unrelated Participants each maintained a daily average amount invested that is not less than the lesser of \$500,000 and 1 percent of the daily average of the total amount invested in the Portfolio. A Participant is treated as owning not more than 10 percent of the beneficial interest in the Portfolio if, on the date of each deposit by the Participant into the Portfolio, the total amount the Participant and any related parties have on deposit in the Portfolio is not more than 10 percent of the total amount that all Participants have on deposit in the Portfolio. The total amount that all Participants have on deposit in the Portfolio is equal to the sum of all deposits made by the Participant and any related parties on the date of those deposits and the closing balance in the Portfolio on the day before those deposits. If any Participant in the Portfolio owns more than 10 percent of the beneficial interest in the Portfolio, then only reasonable administrative costs relating to purchasing and selling of the investments in the Portfolio may be excluded. That is, no Participant in the Portfolio may take indirect administrative costs into account until that Participant makes sufficient withdrawals from the Portfolio to meet the 10 percent limit. Thus, if the Portfolio continues to be widely held and does not accept any deposits from a Participant that exceeds the 10 percent limit, then all Participants that have bond proceeds invested in the Portfolio may also take the indirect administrative costs of the Portfolio into account.

**Nonpurpose Investments** Section 148(f) of the Code defines a nonpurpose investment as any type of investment that is acquired with the gross proceeds of a bond issue and that is not acquired to carry out the governmental purposes of the bond issue. The investment by a Participant of the gross proceeds of its bond issue in the Portfolio or an Individual Portfolio will be a nonpurpose investment. The Trust has directed the Investment Adviser that all acquisitions or dispositions of investments that are part of the Portfolio or a Participant’s Individual Portfolio must be made only at their fair market price. However, neither the Code nor the Regulations sets forth any guidance as to whether a Participant that invests in the Portfolio will be deemed to purchase as a nonpurpose investment (1) a pro rata share of each of the investments that are held as part of the Portfolio’s holdings or (2) the shares in the Portfolio itself. Furthermore, since the shares will not be traded on an established market, it is unclear whether the net asset value of the shares of \$1.00 per share will be treated as the fair market price of the shares.

**Rebate Calculations.** The net income of the Portfolio (determined by, among other things, subtracting qualifying administrative costs of the Portfolio for the period from gross income) will be determined daily and declared as a dividend.

The Investment Adviser will compute the Rebate Requirement of each Investor assuming (1) the shares are the nonpurpose investments of the Participant, and (2) the net asset value of \$1.00 per share is the fair market price of the shares (the “Rebate Assumptions”). Each Participant is responsible for providing to the Investment Adviser the information with respect to each bond issue that the Investment Adviser needs to complete its rebate calculation report, including the information supplied in the Confirmation Letter described in “General Policies Concerning Arbitrage Rebate” above. Assuming for purposes of the Rebate Requirement that (i) the shares are appropriately treated as the nonpurpose investments of the Participants, (ii) the net asset value of the shares of \$1.00 per share is the appropriate fair market price of the shares, (iii) the mathematical formula used, and the mathematical calculations made by the Investment Adviser accurately compute the Rebate Requirement, and (iv) the Participants have provided the Investment Adviser with such information with respect to each bond issue as is necessary, program counsel believes that the Investment Adviser will have correctly calculated the Rebate Requirement of each Participant within the meaning of Section 148(f) of the Code as implemented by the Regulations. Furthermore, program counsel will instruct the Investment Adviser to modify the methods as necessary to comply with any regulations, rulings, procedures or judicial decisions regarding the requirements of Section 148(f) of the Code.

No ruling will be sought from the Internal Revenue Service (the “IRS”) in connection with the establishment or operation of the PLGIT/ARM Program. The conclusions reached herein are not binding on the IRS or the courts, and there can be no assurance that the IRS will not assert positions contrary to the views presented herein or that such contrary position will not be sustained. Furthermore, there can be no assurance that any future regulations promulgated by the Treasury Department with respect to the Rebate Requirement will not take a contrary position to the Rebate Assumptions. If the IRS were to assert successfully a contrary position and the Participants were deemed not to have complied with the Rebate Requirement with respect to their bond issues, such bonds would be arbitrage bonds and the interest thereon would not be excluded from gross income for federal income tax purposes.

In lieu of loss of tax exemption, however, the IRS may instead impose a penalty equal to 50% of the amount of the Rebate Requirement which was not paid, plus interest on the amount that was not paid beginning on the due date of such payment, if the bond is not a private activity bond and the failure to meet the Rebate Requirement is not due to willful neglect (the “Rebate Penalty”). The penalty is automatically waived if the payment of the Rebate Requirement plus interest is paid within 180 days after discovery of the failure unless the IRS Commissioner determines that the failure to pay was due to willful neglect or the issue is under examination by the IRS at any time during the period beginning on the date the failure first occurred and ending on the date 90 days after the receipt of the rebate amount.

In light of the foregoing, the Participant, or program counsel, may instruct the Investment Adviser to compute each Investor’s Rebate Requirement by (1) using the Rebate Assumptions (“Net Portfolio Method”), and (2) treating the Participant’s investment in the Portfolio as an investment in each of the obligations held by the Portfolio, i.e., treating the Participant’s pro rata share of each obligation in the Portfolio as the nonpurpose investment, and using the fair market value of such obligation on a daily basis to take into account the daily investment activity of the Portfolio (the “Individual Investment Method”).

The Investment Adviser has been instructed by the Trust to value each of the Portfolio’s investments daily using the mark-to-market method in order to monitor the deviation between the price of the shares computed from a net asset value per share using the amortized cost method or the penny-rounding method and the mark-to-market method. The Investment Adviser will also keep detailed records of the fair market value of each investment in the Portfolio for a period of six years after the retirement of the last obligation of a bond issue. Therefore, the Investment Adviser will be able to recalculate a Participant’s Rebate Requirement as if the investment in the Portfolio by a Participant was an investment in each of the obligations held by the Portfolio.

Consequently, if prior to the first date on which any Participant must make a payment with respect to its Rebate Requirement, the Investment Adviser is instructed by program counsel or the Participant that the Rebate Assumptions are contrary to Section 148(f) of the Code or any regulations promulgated thereunder, the Investment Adviser will provide each Participant with a Formal Report that will show the Participant’s Rebate Requirement as computed using the Net Portfolio Method and the Individual Investment Method. It will be the responsibility of each Participant to consult with its bond counsel to determine the appropriate amount of the Rebate Requirement to be paid to the United States.

For purposes of measuring compliance with the 2-year spending exception to the Rebate Requirement, the Investment Adviser will also compute the percentages of available construction proceeds of the bonds that have been spent by the close of the applicable statutory expenditure periods. In the event that a Participant has elected either to exclude from the term “available construction proceeds” the earnings on a reasonably required reserve or replacement fund and/or will comply with the Rebate Requirement, in the event that the expenditure schedule is not met, the Rebate Requirement will be computed as previously described. If a Participant has elected to pay a penalty in lieu of rebate, that penalty will be computed.

In the case of tax credit bonds the proceeds of which are invested with the PLGIT/ARM Program, the IRS may disallow all or a portion of the tax credit taken by a Participant with respect to such bonds or all or a portion of the direct subsidy in the cases of those tax credit bonds for which the issuer is receiving a direct subsidy.

## **Information Specific to the CD Purchase Program**

### **FDIC and NCUA Insurance**

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

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



investments. **Each Participant represents that FDIC-insured and NCUA-insured CDs are permitted investments of the Participant under applicable laws and under the Participant's investment policies.**

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

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

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

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

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

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

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

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

### **Criteria For Financial Institutions To Participate In The CD Program**

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

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

### **Available Investments and Rates**

The Investment Adviser will maintain a computer system with a database on each financial institution that offers CDs through the CD Program. Current rates will be entered into the data tables for each financial institution. This database will enable

the Investment Adviser to access and quote rates on individual CDs and blended rates on groups of CDs issued by multiple financial institutions to facilitate the simultaneous investment by a Participant in multiple CDs based on a single blended rate.

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

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

### **Program Termination**

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

### **For More Information**

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

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

**By telephone:** 800-572-1472

**By mail:**

Pennsylvania Local Government Investment Trust  
PO Box 1027  
Harrisburg, PA 17108-1027

**On our website:** [www.plgit.com](http://www.plgit.com)

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

*PLGIT, PLGIT Portfolio, PLGIT-Class Shares, PLGIT/Reserve-Class Shares, PLGIT/TERM, PLGIT-CD, PLGIT/PRIME Portfolio, and PLGIT CAP are service marks of the Pennsylvania Local Government Investment Trust.*

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