

**PLAN INVESTMENT FUND, INC.**

**GOVERNMENT PORTFOLIO (PIFXX)**

**MONEY MARKET PORTFOLIO (PIMXX)**

**Statement of Additional Information**

**April 30, 2017**

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This Statement of Additional Information (“SAI”) is not a Prospectus and should be read in conjunction with the current Prospectus of Plan Investment Fund, Inc. (the “Fund”) relating to the Government Portfolio and the Money Market Portfolio of the Fund (each, a “Portfolio” and collectively, the “Portfolios”), dated April 30, 2017, as it may from time to time be supplemented or revised (the “Prospectus”). No investment in Participation Certificates of the Portfolios should be made without reading the Prospectus. The audited financial statements and notes thereto for the Fund contained in the Fund’s Annual Report are incorporated by reference into this SAI. Copies of the Prospectus and Annual and Semi-Annual Reports of the Fund may be obtained, without charge, by visiting the Fund’s website at [www.pif.com](http://www.pif.com) or by calling the Fund’s administrator BCS Financial Services Corporation (the “Administrator”), at (800) 621-9215.

## **GENERAL INFORMATION**

Plan Investment Fund, Inc. is a Maryland corporation and was incorporated on August 6, 1985. The Fund is an open-end management investment company registered under the Investment Company Act of 1940, as amended (the "Investment Company Act"). The Fund consists of four investment portfolios; Government Portfolio, Money Market Portfolio, Ultrashort Duration Government Portfolio and Ultrashort Duration Bond Portfolio. Each investment portfolio is represented by a class of Participation Certificates separate from those of the Fund's other investment portfolios. This SAI, and, unless otherwise indicated, statements herein relate to the Government Portfolio and the Money Market Portfolio of the Fund. The Government Portfolio commenced operations on June 1, 1995. The Money Market Portfolio commenced operations on March 11, 1987.

### **DESCRIPTION OF THE GOVERNMENT PORTFOLIO AND MONEY MARKET PORTFOLIO AND THEIR INVESTMENTS AND RISKS**

#### **Investment Objective**

See the Prospectus for a description of the investment objectives, strategies, risks and policies of the Portfolios. The following discussion supplements such description and relates to principal investments as well as other investments of the Portfolios. The investment objective of a Portfolio may be changed by the Fund's Board of Trustees (the "Board") without approval of the Portfolio's Participation Certificate holders. While there is no assurance that the Portfolios will achieve their investment objectives, they endeavor to do so by following the strategies and policies described in the Prospectus and this SAI.

The Government Portfolio is subject to Rule 35d-1 under the Investment Company Act, and will not change its investment policies required by that Rule without giving Participation Certificate holders (each a "Participant") 60 days' prior written notice.

#### **Additional Information on Portfolio Instruments**

Examples of the types of U.S. Government obligations that the Portfolios may hold include, in addition to U.S. Treasury bills, notes and bonds, the obligations of Federal Home Loan Banks, Federal Farm Credit Banks, Federal Land Banks, the Federal Housing Administration, Farmers Home Administration, Export-Import Bank of the United States, Small Business Administration, Government National Mortgage Association, General Services Administration, Central Bank for Cooperatives, Federal Home Loan Mortgage Corporation, Federal Intermediate Credit Banks, Maritime Administration and International Bank for Reconstruction and Development.

With respect to the repurchase agreements ("Repurchase Agreements") described in the Prospectus, securities subject to Repurchase Agreements will be held by Bank of New York Mellon ("BNY Mellon"), J.P. Morgan or in the Federal Reserve/Treasury book-entry system. Repurchase Agreements are considered to be loans under the Investment Company Act. The Repurchase Agreements are collateralized by U.S. Government securities the market value of which, on a daily basis, including accrued interest, if any, is at least equal to 100% of the purchase price plus accrued interest under the Repurchase Agreements. The Portfolios will perfect their security interest in the collateral securing the Repurchase Agreements in accordance with U.S. Treasury Regulations and the applicable commercial transaction law of the state in which such collateral is located. If the seller defaults in its obligation to repurchase the underlying instrument, which in effect constitutes collateral for the seller's obligation, at the price and time fixed in the Repurchase Agreement, the Portfolios might incur a loss if the value of the collateral declines and might incur disposition costs in connection with liquidating the collateral. In

addition, if bankruptcy proceedings are commenced with respect to the seller, realization upon the collateral by the Portfolios may be delayed or limited. Each Portfolio will enter into Repurchase Agreements only with those banks and dealers determined by that Portfolio's investment advisor to meet the Portfolio's respective quality standards as established by the Board. These standards require an independent review by the Portfolio's investment advisor of the operating history and financial condition of the sellers to evaluate their creditworthiness and the risk of their becoming involved in bankruptcy proceedings or otherwise impairing the quality of the Repurchase Agreement during its contemplated term. The investment advisor will monitor the creditworthiness of the seller during the life of a Repurchase Agreement.

With respect to the variable amount master demand notes ("VAMD Notes") described in the Prospectus, the investment advisor will consider the earning power, cash flows and other liquidity ratios of the issuers of such notes and will continuously monitor their financial status to meet payment on demand. In determining average weighted portfolio maturity, VAMD Notes will be deemed to have a maturity equal to the longer of the period remaining to the next interest rate adjustment or the demand notice period.

The Money Market Portfolio may also invest in collateralized mortgage obligations ("CMOs"), which are obligations fully collateralized by a portfolio of mortgages or mortgage-related securities. Payments of principal and interest on the mortgages are passed through to the holders of the CMOs on the same schedule as they are received, although certain classes of CMOs have priority over others with respect to the receipt of prepayments on the mortgages. Therefore, depending on the types of CMOs in which the Portfolio invests, the investment may be subject to a greater or lesser risk of prepayment than other types of mortgage-related securities. The Portfolio may also invest in other asset-backed securities that represent a participation in, or are secured by and payable from, a stream of payments generated by particular assets, most often a pool or pools of similar assets, such as trade receivables. The credit quality of these securities depends primarily upon the quality of the underlying assets and the level of credit support and/or enhancement provided. The underlying assets are subject to prepayments, which shorten the securities' weighted average life and may lower their return. If the credit support or enhancement is exhausted, losses or delays in payment may result if the required payments of principal and interest are not made.

The maturity of the instruments in which the Portfolios invest normally shall be deemed to be a period remaining until the date noted on the face of the instrument as the date on which the principal amount must be paid, or in the case of an instrument called for redemption, the date on which the redemption payment must be made. An instrument issued or guaranteed by the U.S. Government or any agency thereof which has a variable rate of interest readjusted no less frequently than annually may be deemed to have a maturity equal to the period remaining until the next readjustment date. An instrument, which has a demand feature that entitles the holder to receive the principal amount of such instrument from the issuer upon no more than seven days' notice and which has a variable rate of interest may be deemed to have a maturity equal to the longer of the period remaining until the interest rate will be readjusted or the period remaining until the principal amount owed can be received through demand. An instrument, which has a variable rate of interest, may be deemed to have a maturity equal to the period remaining until the next readjustment of the interest rate. An instrument, which has a demand feature that entitles the holder to receive the principal amount of such instrument from the issuer upon no more than seven days' notice and which has a floating rate of interest, may be deemed to have a maturity equal to the period of time remaining until the principal amount owed can be received from the issuer through demand.

As a result of unusual conditions, each Portfolio may depart from its principal investment strategies and adopt temporary defensive positions. Each Portfolio may hold increased amounts of uninvested cash during such periods. Uninvested cash reserves will not earn income.

**Cyber Security Risk.** With the increased use of technology and dependence on computer systems to perform necessary business functions, the Portfolios and their service providers may be exposed to operational and information security risks resulting from cyber-attacks. Cyber-attacks include, but are not limited to, infection by computer viruses or other malicious software code, unauthorized access to the service providers' digital systems through hacking, physically accessing systems or data storage facilities, or other means for the purpose of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access to service providers' digital systems, such as causing denial-of-service attacks on the service providers' systems or web-sites that render them unavailable. In addition, authorized persons could inadvertently or intentionally release confidential or proprietary information stored on the service providers' systems.

Cyber-attacks have the potential to interfere with the processing of Participation Certificate holder transactions, impact a Portfolio's ability to calculate its net asset value ("NAV"), cause the release of private Participation Certificate holder information or confidential portfolio information, impede trading, cause reputational damage, and subject a Portfolio or its service providers to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, litigation costs, and/or additional compliance costs. A Portfolio and its service providers may also incur substantial costs for cyber security risk management in order to prevent future cyber security incidents. A Portfolio and its Participation Certificate holders could be negatively impacted as a result of the costs. Similar types of cyber security risks exist for issuers of securities or other instruments in which a fund invests. Cyber-attacks could result in material adverse consequences for such issuers, and may cause a Portfolio's investments therein to lose value.

## **INVESTMENT AND BORROWING LIMITATIONS**

Below is a complete list of the Portfolios' fundamental investment limitations that may not be changed without the affirmative vote of the holders of a "majority" of the outstanding Participation Certificates of the respective Portfolios (as defined herein under "Miscellaneous").

The Portfolios may not:

1. Borrow money, except from commercial banks for temporary purposes, and then in amounts not in excess of 5% of the total assets of the respective Portfolio at the time of such borrowing; or mortgage, pledge or hypothecate any assets except in connection with any such borrowing and in amounts not in excess of the lesser of the dollar amount borrowed or 5% of the total assets of the respective Portfolio at the time of such borrowing. This borrowing provision applies to Reverse Repurchase Agreements whose proceeds are utilized to provide liquidity to meet redemption requests when liquidation of portfolio securities is considered disadvantageous. At no time shall the level of funds borrowed to meet redemption requests exceed 5% of the total assets of the respective Portfolio; the interest expenses associated with such credit arrangements will be charged to the income of the respective Portfolio; and any new cash flows must be applied to retiring such Portfolio borrowings.

2. Purchase any securities, which would cause 25% or more of the total assets of the respective Portfolio at the time of such purchase to be invested in the securities of issuers conducting their principal business activities in the same general industry. There is no limitation for the Portfolios with respect to investments in U.S. Government obligations or for the Money Market Portfolio in obligations of domestic branches of U.S. banks. (The Fund interprets "domestic branches of U.S. banks" for purposes of this investment limitation to include U.S. branches of foreign banks, if such branches are subject to the same regulation as U.S. banks.)

3. Purchase securities of any issuer, other than those issued or guaranteed by the U.S. Government, Federal agencies and government-sponsored corporations, if immediately after such purchase

more than 5% of the total assets of the respective Portfolio would be invested in such issuer; except that up to 100% of the total assets of the Government Portfolio and the Money Market Portfolio may be invested in Repurchase Agreements with maturities not greater than seven days without regard to this 5% limitation.

4. Purchase securities, if immediately after such purchase more than 5% of the total assets of the respective Portfolio would be invested in securities which are illiquid, including Repurchase Agreements with maturities greater than seven days and VAMD Notes with greater than seven days' notice required for sale.

5. Make loans, except that each Portfolio may purchase or hold debt instruments, and may enter into Repurchase Agreements, in accordance with its investment objectives and policies.

6. Purchase securities issued by Health Plans Capital Service Corporation.

7. Purchase or sell commodities or commodity contracts, including futures contracts, or invest in oil, gas or mineral exploration or development programs.

8. Acquire voting securities of any issuer or acquire securities of other investment companies.

9. Purchase or sell real estate. (However, each Portfolio may purchase bonds and commercial paper issued by companies, which invest in real estate or interests therein.)

10. Purchase securities on margin, make short sales of securities or maintain a short position.

11. Act as an underwriter of securities.

12. Issue senior securities, except to the extent that certain investment policies related to Reverse Repurchase Agreements discussed herein and in the Prospectus may be deemed to involve the issuance of senior securities within the meaning of the Investment Company Act.

The following non-fundamental investment limitations are applicable to the Government Portfolio only. These limitations can be changed by the Board, but the change will only be effective after prior written notice is provided to the Government Portfolio's Participation Certificate holders.

1. The Portfolio will invest, under normal circumstances, at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in U.S. Treasury bills, notes, and other obligations issued or guaranteed as to principal and interest by the U.S. Government, its agencies or instrumentalities, and repurchase agreements secured by such obligations.

2. The Portfolio will invest at least 99.5% of its total assets in cash, U.S. Treasury bills, notes and other obligations issued or guaranteed as to principal and interest by the U.S. Government, its agencies or instrumentalities, and repurchase agreements secured by such obligations or cash.

## PORTFOLIO TRANSACTIONS

Subject to the general control of the Board, BlackRock Advisors, LLC (“BALLC” or the “Investment Advisor”) is responsible for, makes decisions with respect to, and places orders for all purchases and sales of portfolio securities for the Portfolios. Purchases and sales of securities for each Portfolio usually are principal transactions. The Investment Advisor normally purchases securities on behalf of the Portfolios directly from the issuer or from an underwriter or market maker of the securities. The Portfolios typically do not pay brokerage commissions for such purchases. Purchases from dealers serving as market makers may include the spread between the bid and asked prices. While the Investment Advisor intends to seek the best price and execution for portfolio transactions on an overall basis, the Fund may not necessarily pay the lowest spread or commission available on each transaction.

The Investment Advisor seeks to use dealers it believes to be actively and effectively trading the securities being purchased or sold. The Investment Advisor will not pay a higher spread or commission in recognition of research or other services provided by a dealer. During the Fund’s three most recently completed fiscal years none of the brokers utilized to carry out transactions for the Portfolios were affiliated with the Fund.

The Investment Advisor of each Portfolio makes investment decisions for such Portfolio independently from those for the other investment companies advised by the Investment Advisor. It may happen, on occasion, that the same security is held in one or more of such other investment companies. Simultaneous transactions are likely when the same investment advisor advises several investment companies, particularly when a security is suitable for the investment objectives of more than one of such investment companies. When two or more investment companies advised by the Investment Advisor are simultaneously engaged in the purchase or sale of the same security, the transactions are allocated to the respective investment companies, both as to amount and price, in accordance with a method deemed equitable to each investment company by the Investment Advisor. In some cases this system may adversely affect the price paid or received by a Portfolio or the size of the security position obtainable or sold for a Portfolio.

The Portfolios will not execute portfolio transactions through, acquire portfolio securities issued by, make savings deposits in, or enter into Repurchase Agreements or Reverse Repurchase Agreements with, BALLC or any affiliates, officers or employees of BALLC.

On December 31, 2016, the Portfolios owned securities of regular broker dealers or their parents as indicated below.

Government Portfolio

<u>Broker Dealer</u>	<u>Value of Securities Owned<sup>1</sup></u>
Morgan Stanley & Co., LLC	\$5,000,000
RBC Capital Markets, LLC	\$11,000,000
Bank of Nova Scotia	\$20,000,000
TD Securities LLC	\$23,000,000
BNP Paribas	\$24,500,000
Mitsubishi UFJ Securities, Co.	\$30,000,000
Goldman Sachs & Co.	\$33,000,000
HSBC Securities Inc.	\$55,000,000

Money Market Portfolio

<u>Broker Dealer</u>	<u>Value of Securities Owned<sup>1</sup></u>
HSBC Securities	\$4,000,000
TD Securities LLC	\$4,750,000
BNP Paribas	\$5,000,000
RBC Capital Markets, LLC	\$8,000,000

**DISCLOSURE OF PORTFOLIO INFORMATION**

The Board has adopted policies and procedures concerning the disclosure of the portfolio holdings of the Fund. The policies and procedures provide that the Portfolios and the Investment Advisor, Administrator, service agent, custodian, transfer agent and distributor will only release information about a Portfolio's holdings under the following circumstances:

- Information which has previously been made public may be freely released.
- Government and/or regulatory entities, such as the SEC or a court of law, may review the portfolio holdings.
- Portfolio holdings may be reviewed by third parties for legitimate business reasons, subject to additional requirements, including approval by the Fund's Chief Compliance Officer ("CCO") or the CCO's designee and a confidentiality agreement that includes an agreement not to use the information obtained for trading purposes.

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<sup>1</sup> Values are approximate.

- The Fund will publicly disclose its portfolio holdings as required in accordance with SEC Forms N-CSR, N-Q, N-MFP or other applicable SEC forms. In addition, the Fund will disclose its portfolio holdings on its website at [www.pif.com](http://www.pif.com) at such intervals and to such extent as the Fund shall determine and as required by applicable SEC rules.

Except as set forth above, the policies and procedures do not apply differently to different categories of persons. In considering a request for disclosure of Portfolio holdings information, the CCO or their designee will consider whether the requesting third party has a legitimate purpose for reviewing the portfolio holdings and whether such disclosure poses any material risk. In connection with the review, the CCO or their designee will consider any possible conflicts of interest that may arise in connection with such requested disclosure. The Fund's CCO is required to notify the Board of new third parties approved to receive portfolio holdings information pursuant to the procedures at the next meeting of the Board.

The Fund does not have any policies or procedures with respect to the receipt of compensation or other consideration by the Fund, an investment advisor, or any other party in connection with the disclosure of information about portfolio securities.

*Ongoing Arrangements.* The Fund has ongoing arrangements to provide selective disclosure of Fund portfolio holdings to the following persons or entities:

- The Board and, if necessary, the Fund's counsel
- The Fund's custodian
- The Fund's Administrator and its parent company
- The Fund's independent registered public accounting firm
- The Fund's distributor
- Foreside Fund Officer Services, LLC
- Foreside Management Services, LLC
- Standard & Poor's (S&P)
- Bloomberg, LP

With respect to each such arrangement, the Fund has a legitimate business purpose for the release of portfolio holdings information. The release of the information is subject to approval of the executive officers of the Fund and confidential treatment to prohibit the entity from sharing the information provided with unauthorized persons. The Fund, BALLC, and their affiliates do not receive any compensation or other consideration in connection with such arrangements.

Information concerning the Schedule of Investments of the Government Portfolio and the Money Market Portfolio is available on the Fund's website, at [www.pif.com](http://www.pif.com). A complete listing of the Portfolios' holdings as of the end of each month is posted on the website no earlier than 5 business days following the end of such month and remains posted on the website for six months thereafter.

#### **ADDITIONAL PURCHASE AND REDEMPTION INFORMATION**

Under the Investment Company Act, the Fund may suspend the right of redemption or postpone the date of payment of redemption proceeds (i) for any period during which the New York Stock Exchange is closed, other than customary weekend and holiday closings, or during which trading on said exchange is restricted (trading shall be deemed restricted as determined by the SEC by rules and regulations), or (ii) for any period during which an emergency exists (an emergency shall be deemed to exist as determined by the SEC by rules and regulations) as a result of which disposal or valuation of portfolio securities is not reasonably practical, or for such other periods as the SEC, or any successor governmental authority, may by order permit for the protection of Participation Certificate holders of the Portfolios. (The Fund may also

suspend or postpone the recording of the transfer of its Participation Certificates by the transfer agent upon the occurrence of any of the foregoing conditions.)

If the Board determines that conditions exist which make payment of redemption proceeds wholly in cash unwise or undesirable, the Fund may make payment wholly or partly in securities or other property; investors will incur expenses in disposing of redemption proceeds which are paid in this manner. The Fund has elected to commit itself to pay all redemption proceeds in cash up to the lesser of \$250,000 or 1% of the respective Portfolio's NAV for any Participation Certificate holder within a 90 day period pursuant to a notification of election filed with the SEC under, and in accordance with the guidelines set forth in, Rule 18f-1 under the Investment Company Act. (See "Net Asset Value" below for an example of when such redemption or form of payment might be appropriate.) Redemptions in-kind are taxable for federal income tax purposes in the same manner as redemptions for cash.

### **Special Limitations Affecting Redemptions of the Money Market Portfolio**

As discussed in the Prospectus, the SEC has implemented a number of requirements, permitting liquidity fees and temporary redemption gates, for institutional prime money market funds based on the amount of a portfolio's assets that are "weekly liquid assets," which generally includes cash, direct obligations of the U.S. government, certain other U.S. government or agency securities and securities that will mature, or are subject to a demand feature that is exercisable and payable within five business days. Please refer to the Prospectus for additional information regarding these liquidity fees and temporary redemption gates which could impact your redemption of the Money Market Portfolio's Participation Certificates.

### **Transfer Payments**

A Participant investing in the Government Portfolio or the Money Market Portfolio may direct that payment upon redemption of Participation Certificates in the Portfolio be used to purchase Participation Certificates of the Government Portfolio or the Money Market Portfolio for another Participant by a transfer of the redeemed Participation Certificates to the second Participant. Such a transfer is made by a redemption and simultaneous purchase in the name of the second Participant. A Participant may not request a transfer from its Government Portfolio or its Money Market Portfolio account in a dollar amount greater than the dollar amount held in such investor's account on the business day prior to the date of such request. Such transfers may be effected at any time prior to 3:00 P.M. (Eastern Time). There is no limit on the number of transfers that a Participant can place in any one day, nor on the total number of such transfers by all Participants per day.

### **NET ASSET VALUE**

The Fund calculates the NAV per Participation Certificate of each Portfolio by dividing the total value of the assets belonging to each Portfolio, less the value of any liabilities charged to that Portfolio, by the total number of outstanding Participation Certificates of that Portfolio.

*For the Government Portfolio:*

The Government Portfolio intends to operate as a "government money market fund" in accordance with Rule 2a-7 under the Investment Company Act ("Rule 2a-7") and uses the amortized cost method of valuation to value its portfolio holdings for purposes of calculating the Portfolio's NAV.

See "Use of Amortized Cost" below for additional information regarding this method.

*For the Money Market Portfolio:*

In calculating its NAV, the Money Market Portfolio values its holdings in accordance with valuation policies and procedures adopted by the Board, generally utilizing last available bid prices, market quotations, or price evaluations provided by a Board-approved independent pricing service. The Money Market Portfolio may value short-term debt securities with remaining maturities of 60 days or less on the basis of amortized cost. Generally, trading in U.S. Government securities, short-term debt securities, and money market instruments is substantially completed each day at various times prior to the close of business on the New York Stock Exchange. The values of such securities used in computing the NAV of the Money Market Portfolio's Participation Certificates are determined as of such times.

When valuations are not readily available or are not deemed reliable, a security will be priced at its fair value as determined pursuant to procedures approved and overseen by the Board. Fair value represents a good faith approximation of the value of a security. The fair value of one or more securities may not, in retrospect, be the price at which those assets could have been sold during the period in which the particular fair values were used in determining the Money Market Portfolio's NAV.

The Money Market Portfolio has been designated an institutional prime money market fund, which means that the NAV of the Money Market Portfolio's Participation Certificates will "float," fluctuating with changes in the values of the Portfolio's portfolio securities.

**Use of Amortized Cost**

Under the amortized cost valuation method, an investment is valued initially at its cost. The Portfolio then adjusts the amount of interest income accrued each day over the term of the investment to account for any difference between the initial cost of the investment and the amount payable at its maturity. If the amount payable at maturity exceeds the initial cost (a "discount"), then the daily accrual is increased; if the initial cost exceeds the amount payable at maturity (a "premium"), then the daily accrual is decreased. The Portfolio adds the amount of the increase to (in the case of a discount), or subtracts the amount of the decrease from (in the case of a premium), the investment's cost each day. The Portfolio uses this adjusted cost to value the investment.

In response to SEC guidance that funds may only use the amortized cost method to value a portfolio security with a remaining maturity of 60 days or less when the fund can reasonably conclude, at each time it makes a valuation determination, that the amortized cost price of the portfolio security is approximately the same as the fair value of the security as determined without the use of amortized cost valuation, the Board has adopted certain procedures to perform a comparison between the amortized cost price and the shadow price of a portfolio security for which amortized cost is used to value the security in order to ensure that amortized cost is used to value the security only where it is "approximately the same" as the security's market based value. If the shadow price of such security is not approximately the same as the amortized cost price, generally the shadow price of the security will be used, unless otherwise permitted under the procedures. This determination is made only on an individual security basis. Shadow prices for individual securities are generally provided by an independent pricing service unless otherwise authorized by the procedures approved by the Board.

Investors should also be aware that although procedures exist which are intended to reduce the volatility of each Portfolio's NAV per Participation Certificate, the value of the underlying assets of each Portfolio will be affected by general changes in interest rates which will result in increases or decreases in the value of the obligations held by the Portfolios. The market value of the obligations in the Portfolios can be expected to vary inversely to changes in prevailing interest rates. Investors should also recognize that, in periods of declining interest rates, the Portfolios' yields may tend to be somewhat higher than prevailing

market rates, and in periods of rising interest rates, the Portfolios' yields may tend to be somewhat lower. Also, when interest rates are falling, the inflow of net new money to the Portfolios from the continuous sale of their Participation Certificates will likely be invested in portfolio instruments producing lower yields than the balance of the Portfolios' holdings, thereby reducing the Portfolios' current yields. In periods of rising interest rates, the opposite can be expected to occur.

## MANAGEMENT OF THE FUND

### Trustees and Officers

The Trustees and Officers of the Fund, along with certain information concerning each of them, are as follows:

#### Independent Trustees

Name, Address and Age	Position(s) Held with Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Trusteeships/- Directorships Held by Trustee During Past Five Years
W. Dennis Cronin 120 Fifth Avenue, Suite 911 Pittsburgh, PA 15222 Age 50	Trustee	Indefinite, since 2016	2013 to Present – Senior Vice President of Treasury Services, Assistant Treasurer and Chief Risk Officer, and from 2012 to 2013 – Vice President, Financial Investigations, Highmark Health	Four	None
John F. Giblin 1 Cameron Hill Circle Chattanooga, TN 37402 Age 60	Trustee	Indefinite, since 2015	2012 to Present – Executive Vice President and Chief Financial Officer, BlueCross BlueShield of Tennessee, Inc.	Four	None
Robert J. Kolodgy 225 N. Michigan Ave. Chicago, IL 60601 Age 59	Chairman  Trustee	Indefinite, since 2014;  Indefinite, since 2011	2016 to Present – Executive Vice President and Chief Financial Officer, and from 2012 to 2016 - Senior Vice President of Financial Services and Government Programs and Chief Financial Officer, Blue Cross Blue Shield Association	Four	None
Alan Krigstein* 1901 Market Street Philadelphia, PA 19103 Age 65	Trustee	Indefinite, since 2011	2017 to Present – Executive Financial Consultant, and from 2012 to 2017 - Executive Vice President, Chief Financial Officer and Treasurer, Independence Blue Cross	Four	None
Jeffery T. Leber 3545 Lakeland Drive Jackson MS 39232 Age 57	Trustee	Indefinite, since 2014	2012 to Present – Chief Financial Officer, Blue Cross & Blue Shield of Mississippi	Four	None

\* The Board has accepted the resignation of Alan Krigstein as Trustee of the Fund effective May 1, 2017.

**Independent Trustees cont.**

Name, Address and Age	Position(s) Held with Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Trustee	Other Trusteeships/- Directorships Held by Trustee During Past Five Years
Carl R. McDonald 300 East Randolph Street 14th Floor Chicago, IL 60601 Age 39	Trustee	Indefinite, since 2017 <sup>(1)</sup>	2015 to Present – Divisional Senior Vice President - Treasury, Investments & Corporate Development, Health Care Service Corporation (HCSC) (Blue Cross and Blue Shield of Illinois, Montana, New Mexico, Oklahoma and Texas)  2012 to 2015 – Director, Citi Investment Research	Four	None
Michael J. Mizeur 2501 Faraway Drive Columbia, SC 29223 Age 47	Trustee	Indefinite, since 2016	2012 to Present – Executive Vice President, Chief Financial Officer and Treasurer, BlueCross BlueShield of South Carolina	Four	None
Michael A. Murray 50 Beale Street San Francisco, CA 94105 Age 60	Trustee	Indefinite, since 2016 <sup>(1)</sup>	2013 to present – Senior Vice President and Chief Financial Officer, Blue Shield of California;  2012 to 2013 – Consultant, Hitachi	Four	None
Vincent P. Price 100 SW Market Street Portland, OR 97201 Age 54	Trustee	Indefinite, since 2013	2012 to Present – Executive Vice President and Chief Financial Officer, Cambia Health Solutions, Inc.	Four	None
Cynthia M. Vice 450 Riverchase Parkway Birmingham, AL 35242 Age 57	Trustee	Indefinite, since 2010	2012 to Present – Senior Vice President, Chief Financial Officer and Treasurer, Blue Cross and Blue Shield of Alabama	Four	None

<sup>(1)</sup> Less than one year.

## Executive Officers

Name, Address and Age	Position(s) Held with Fund	Term of Office <sup>(1)</sup> and Length of Time Served	Principal Occupation(s) During Past 5 Years
Susan A. Pickar 2 Mid America Plaza, Suite 200 Oakbrook Terrace, IL 60181 Age 48	President and Chief Executive Officer	since 2014	2015 to Present – Chief Financial Officer and Treasurer, BCS Financial Corporation;  2012 to 2015 – Senior Vice President of Finance and Treasurer, BCS Financial Corporation
Alexander D. Hudson 2 Mid America Plaza, Suite 200 Oakbrook Terrace, IL 60181 Age 33	Secretary and Anti-Money Laundering Officer	since 2015	2013 to Present – Director, Investment Services, BCS Financial Corporation;  2012 to 2013 – Investment Manager, Sawdust Investment Management Corporation
Donna M. Rogers Fund Chief Compliance Officer Foreside 10 High Street, Suite 302 Boston, MA 02110 Age 50	Chief Compliance Officer	since 2013	2015 to Present – Fund Chief Compliance Officer, Foreside Fund Officer Services, LLC;  2012 to 2015 – Fund Chief Compliance Officer, Foreside Compliance Services, LLC (Foreside Financial Group)
Christopher W. Roleke Fund Principal Financial Officer Foreside 10 High Street, Suite 302 Boston, MA 02110 Age 45	Treasurer	since 2015	2012 to Present – Fund Principal Financial Officer, Foreside Management Services, LLC;

<sup>(1)</sup> Term of office is one year.

## Leadership Structure and Board of Trustees

The business and affairs of the Fund are managed under the direction of the Board. The Board has structured itself in a manner that it believes allows it to perform its oversight function effectively. The Board has established two standing committees, an Audit Committee and a Nominating Committee, which are discussed in greater detail below under “Committees of the Board of Trustees.” The Board is entirely comprised of Trustees, each of whom is not an “interested person” (as defined in the Investment Company Act) of the Fund (an “Independent Trustee”). As of the date of this SAI, there are 10 members serving on the Board, including the Chairman of the Board (each a “Trustee”). The Chairman presides at meetings of the Board and at meetings of Participation Certificate holders. The Chairman, Robert Kolodgy, is an Independent Trustee. The Board exercises risk oversight of the Fund through receiving and reviewing compliance reports from, and making inquiries of, the Administrator and the Fund’s investment advisors. These reports are prepared monthly and provided to the Board on a periodic basis. The Board also exercises risk oversight by receiving and reviewing reports at regular Board meetings, including an annual report from the CCO and by making inquiries of and having meetings with the CCO.

The following is a brief discussion of the experiences and qualifications that led to the conclusion, as of the date of this SAI, that each current Board member should serve as a Trustee. The information provided below, and in the table above, is not all-inclusive.

W. Dennis Cronin has held senior financial management positions, including currently serving as Senior Vice President of Treasury Services, Assistant Treasurer and Chief Risk Officer of Highmark Health. Mr. Cronin previously served as Vice President of Financial Investigations of Highmark Health from 2012 to 2013. This experience has led the Fund to conclude that Mr. Cronin is well qualified to serve as Trustee of the Fund.

John F. Giblin has held senior financial management positions, including currently serving as Executive Vice President and Chief Financial Officer of BlueCross BlueShield of Tennessee. This experience has led the Fund to conclude that Mr. Giblin is well qualified to serve as Trustee of the Fund.

Robert J. Kolodgy has held senior financial management positions, including currently serving as Executive Vice President and Chief Financial Officer of Blue Cross Blue Shield Association. This experience has led the Fund to conclude that Mr. Kolodgy is well qualified to serve as Trustee of the Fund.

Alan Krigstein has held senior financial management positions, including serving as Executive Vice President, Chief Financial Officer and Treasurer of Independence Blue Cross. Mr. Krigstein currently holds the position of Executive Financial Consultant. This experience has led the Fund to conclude that Mr. Krigstein is well qualified to serve as Trustee of the Fund. The Board has accepted the resignation of Alan Krigstein as Trustee of the Fund effective May 1, 2017.

Jeffery T. Leber has held senior financial management positions, including currently serving as Chief Financial Officer of Blue Cross & Blue Shield of Mississippi. This experience has led the Fund to conclude that Mr. Leber is well qualified to serve as Trustee of the Fund.

Carl R. McDonald has held senior financial management positions, including currently serving as Divisional Senior Vice President – Treasury, Investments and Corporate Development of Health Care Service Corporation. This experience has led the Fund to conclude that Mr. McDonald is well qualified to serve as Trustee of the Fund.

Michael J. Mizeur has held senior financial management positions, including currently serving as Executive Vice President, Chief Financial Officer and Treasurer of BlueCross BlueShield of South Carolina. This experience has led the Fund to conclude that Mr. Mizeur is well qualified to serve as Trustee of the Fund.

Michael A. Murray has held senior financial management positions, including currently serving as Senior Vice President and Chief Financial Officer of Blue Shield of California. This experience has led the Fund to conclude that Mr. Murray is well qualified to serve as Trustee of the Fund.

Vincent P. Price has held senior financial management positions, including currently serving as Executive Vice President and Chief Financial Officer of Cambia Health Solutions, Inc. This experience has led the Fund to conclude that Mr. Price is well qualified to serve as Trustee of the Fund.

Cynthia M. Vice has held senior financial management positions, including currently serving as Senior Vice President, Chief Financial Officer and Treasurer of Blue Cross and Blue Shield of Alabama. This experience has led the Fund to conclude that Ms. Vice is well qualified to serve as Trustee of the Fund.

The Fund has concluded that the interests of the Fund and its Participation Certificate holders are served by having Trustees who have long-term experience as Trustees of the Fund, as well as highly experienced Trustees with shorter Fund tenures, who may bring new perspectives to management of the Fund. The Fund also has concluded that its leadership structure, in which all or most of the Trustees are or have been affiliated with investors or potential investors in the Fund, aligns the interests of the Trustees with the interests of such investors with respect to risk oversight of the Fund and other matters. While the

current Trustees all have investment experience and skills and financial management experience and skills, future Trustees may have additional or different experience and skills.

The discussion of the Trustees' experience and qualifications is pursuant to SEC requirements, does not constitute holding out the Board or any Trustee as having any special expertise, and shall not impose any greater responsibility or liability on any such Trustee or the Board of Trustees by reason thereof.

### **Committees of the Board of Trustees**

The Board has a standing Audit Committee and a standing Nominating Committee.

#### **Audit Committee**

The purpose of the Audit Committee is to assist the Board in fulfilling its governance responsibilities by, among other things, taking the following actions:

1. Make recommendations to the Board of Trustees concerning the appointment, retention and compensation of the independent auditors;
2. Inquire whether management has maintained the reliability and integrity of Fund policies and financial reporting and disclosure practices;
3. Inquire whether management has established and maintained processes to assure that an adequate system of internal control is functioning;
4. Inquire whether management has established and maintained processes to assure compliance by the Fund in all material respects with all applicable laws, regulations, policies and codes;
5. Review Fund risk management oversight by discussing with management major risk exposures and management's plans to monitor and control such risk exposures;
6. Inquire about and evaluate the performance and qualifications of financial management and the independent auditors;
7. Address reports from attorneys and auditors of possible breaches of federal or state laws or fiduciary duties that relate to accounting, internal accounting controls or auditing matters;
8. Encourage and foster open communication among management, the independent auditors and the Board of Trustees; and
9. Develop, establish and periodically review procedures for: (i) the receipt, retention and treatment of complaints received by the Fund regarding the Fund's accounting, internal accounting controls or auditing matters ("Accounting Matters") as well as information concerning the daily operations of the Fund ("Operational Matters"); and (ii) the confidential, anonymous submission by officers of the Fund or employees of its service providers of concerns regarding questionable practices or decisions with respect to any Accounting Matters or Operational Matters.

The Audit Committee is responsible for identifying and recommending for approval by the Board the independent auditors to audit the Fund's financial statements, reviewing the auditor's fees, reviewing and approving the scope of the audit and pre-approving certain audit and non-audit services to be provided to the Fund, and in certain cases, non-audit services provided to the Fund's investment advisors and certain

affiliated parties. The members of the Audit Committee are Alan Krigstein, Jeffery T. Leber, Michael J. Mizeur and Vincent P. Price. The Audit Committee met on three occasions during the Fund's most recent fiscal year. No member of the Audit Committee is an interested person of the Fund.

### **Nominating Committee**

The purpose of the Fund's Nominating Committee is to gather information and make recommendations to the Board of nominees for election as Trustees of the Fund. The members of the Nominating Committee are John F. Giblin, Robert J. Kolodgy and Cynthia M. Vice. The Nominating Committee met on three occasions during the Fund's most recent fiscal year. No member of the Nominating Committee is an interested person of the Fund.

The Nominating Committee will consider Participation Certificate holders' recommendations of potential nominees for election as Trustees. Recommendations of potential nominees for election at a meeting of Participation Certificate holders should be submitted in writing to the Fund at its principal office.

### **Ownership of Securities**

As of December 31, 2016, none of the Fund's Trustees had "beneficial ownership" (as such term is defined by Rule 16a-1(a)(2) of the Securities Exchange Act of 1934) of equity securities in the Fund or any registered investment companies overseen by the Trustee within the same family of investment companies as the Fund.

As of March 31, 2017, the Trustees and Officers of the Fund, as a group, did not own more than 1% of the outstanding Participation Certificates of any Portfolio.

As of December 31, 2016, none of the Fund's Trustees who are not interested persons of the Fund or their immediate family members were record owners or "beneficial owners" (as such term is defined by Rule 13d-3 or Rule 16a-1(a)(2) of the Securities Exchange Act of 1934) of securities of an investment advisor or principal underwriter of the Fund or a person (other than a registered investment company) directly or indirectly controlling, controlled by, or under common control with an investment advisor or principal underwriter of the Fund.

### **Compensation Information**

Trustees who are not employed by Blue Cross Entities are paid \$500 for participation in each regular meeting and \$150 for participation in each telephonic meeting. The Fund does not pay any compensation to other Trustees or to its Officers for acting in such capacities. For the fiscal year ended December 31, 2016, all Trustees were employed by Blue Cross Entities and, as a result, the Fund did not pay any compensation to, or accrue any retirement benefits for, any of its Trustees or Officers during the fiscal year. The Fund reimburses its Trustees for out-of-pocket expenses related to attending meetings. For the year ended December 31, 2016, a total of \$23,454 was paid by the Fund for Trustee meeting expenses. No director, officer or employee of BALLC, Merganser Capital Management, LLC, BNY Mellon Investment Servicing (U.S.), Inc. ("BNY Mellon Investment Servicing"), BNY Mellon or Foreside Fund Services, LLC is eligible to serve as a Trustee or Officer of the Fund. The Trustees and Officers of the Fund in their individual capacities own none, and cannot own any, of the Fund's Participation Certificates.

### **Investment Advisor and Service Agent**

The services BALLC provides as investment advisor are described briefly in the Prospectus. BALLC supervises the sales of portfolio securities, and places orders for such transactions. As service

agent for the Portfolios, BALLC maintains financial and other books and records, including appropriate journals and ledgers, verifies trade tickets, calculates weighted average maturity, dividends and yields, prepares unaudited financial statements, prepares or assists in the preparation of regulatory filings, computes NAV and the market value of assets of the Portfolios, prepares reports for the Board and performs related administrative services. BALLC agrees to abide by applicable legal requirements in providing these services. BALLC subcontracts certain administrative services to BNY Mellon Investment Servicing.

BALLC is a Delaware limited liability company and an indirect, wholly-owned subsidiary of BlackRock, Inc. BlackRock, Inc., through its subsidiaries and divisions, provides (i) investment management services to individuals and institutional investors through separate account management, non-discretionary advisory programs and commingled investment vehicles; (ii) risk management services, investment accounting and trade processing tools; (iii) transition management services, and (iv) securities lending services. The PNC Financial Services Group, Inc. has a significant economic interest in BlackRock, Inc.

For the services provided and expenses assumed by it with respect to the Government Portfolio and the Money Market Portfolio, BALLC is entitled to receive an annual fee, computed daily and payable monthly, at the following annual percentages of each Portfolio's net assets:

<u>Annual Fee</u>	<u>Each Portfolio's Average Annual Net Assets</u>
0.20%	of the first \$250 million
0.15%	of the next \$250 million
0.12%	of the next \$250 million
0.10%	of the next \$250 million
0.08%	of amounts in excess of \$1 billion.

The tables below provide the fees earned by BALLC, as Investment Advisor and service agent, with respect to the Portfolio indicated for the fiscal years ended December 31. Each table also provides the fees waived and/or operating expenses reimbursed by BALLC, with respect to the Portfolio, pursuant to fee waiver and expense reimbursement agreements as described in more detail below under "Fee Waiver and Expense Reimbursement."

*For the Government Portfolio:*

	<b>2016</b>	<b>2015</b>	<b>2014</b>
Advisory and Service Agent Fees Earned	\$270,231	\$125,076	\$247,552
(Fees Waived and Expenses Reimbursed)	(\$235,959)	(\$122,411)	(\$244,068)
Total Fees Paid by Portfolio to BALLC	\$34,272	\$2,665	\$3,484

*For the Money Market Portfolio:*

	<b>2016</b>	<b>2015</b>	<b>2014</b>
Advisory and Service Agent Fees Earned	\$480,097	\$753,114	\$1,052,995
(Fees Waived and Expenses Reimbursed)	(\$361,540)	(\$509,028)	(\$549,400)
Total Fees Paid by Portfolio to BALLC	\$118,557	\$244,086	\$503,595

**Custodian and Transfer Agent**

BNY Mellon acts as custodian of the Fund's assets. BNY Mellon earns fees from each Portfolio for serving in this capacity. BNY Mellon has its principal offices at One Wall Street, New York, NY 10286. As custodian, BNY Mellon, among other things, collects income of and payments to each Portfolio; consents and other authorizations for each Portfolio delivers, releases and exchanges securities held for each Portfolio when necessary; makes payments of cash to, or for the account of, each Portfolio for the purchase of portfolio securities for, the redemption of Participation Certificates, and the payment of interest, dividends, taxes and management fees; and furnishes each Portfolio with various confirmations, summaries and reports. BNY Mellon is authorized to select one or more banks or trust companies to serve as sub-custodian on behalf of the Fund, provided that BNY Mellon remain responsible for the performance of its duties under the Custodian Agreement and hold the Fund harmless for the acts and omissions of any bank or trust company serving as sub-custodian. For the services provided and expenses assumed by BNY Mellon as custodian, BNY Mellon is entitled to receive a fee, computed daily and payable monthly, from each Portfolio at the annual rates below, subject to an annual minimum of \$25,000 per Portfolio, excluding global fees, transaction charges and out-of-pocket expenses.

<b><u>Annual Fee</u></b>	<b><u>Portfolio's Average Annual Gross Assets</u></b>
0.009%	of the first \$500 million
0.008%	of amounts in excess of \$500 million

BNY Mellon Investment Servicing has been retained to act as transfer agent for the Portfolios. BNY Mellon Investment Servicing has its principal business address at 301 Bellevue Parkway, Wilmington, Delaware 19809. As transfer agent, BNY Mellon Investment Servicing, among other things, issues and redeems Participation Certificates, processes dividends, prepares various communications to Participation Certificate holders, answers correspondence from Participation Certificate holders, keeps records of the accounts of each Participation Certificate holder and prepares and submits various reports to the Fund. For the services provided and expenses assumed by BNY Mellon Investment Servicing as transfer agent for the Portfolios, BNY Mellon Investment Servicing is entitled to receive a fee, computed daily and payable monthly, equal to \$15.00 per master account and sub-account per Portfolio per year, and fees will not be prorated. Any part of a month for which services are provided will be billed as a full month, plus \$1.00 for each master account purchase or redemption transaction, plus \$5.00 for each outgoing wire of Federal funds, provided that the minimum annual fee payable to BNY Mellon shall be \$5,000 per Portfolio, excluding out-of-pocket expenses and miscellaneous fees. Additional fees apply to the Money Market Portfolio as a result of having three NAV strikes daily. The additional fee is based on assets in the Money Market Portfolio. When assets are between \$0 - \$500,000,000, the fee is \$30,000 annually. Between \$500,000,001 - \$1,000,000,000, the fee is \$40,000 annually, and assets above \$1,000,000,001 are assessed an additional fee of \$70,000 annually. In the event of the Board imposing a liquidity fee or redemption gate, an intraday imposition will result in a fee of \$50,000 and an end of day or beginning of day imposition will result in a fee of \$25,000.

## **Distributor**

Foreside Fund Services, LLC (the “Distributor”) is the distributor (also known as the principal underwriter) of the Participation Certificates of the Fund. The Distributor is located at Three Canal Plaza, Suite 100, Portland, Maine 04101. The Distributor is a registered broker-dealer and is a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”). The Distributor is not affiliated with the Fund or any of its service providers, except that Foreside Fund Officer Services, LLC provides compliance services to the Fund as described herein under “Compliance Services” and Foreside Management Services, LLC provides the Fund’s principal financial officer as described under “Foreside Management Services, LLC.” Each of the Distributor, Foreside Fund Officer Services, LLC and Foreside Management Services, LLC are wholly-owned subsidiaries of Foreside Financial Group, LLC.

Under a Distribution Agreement with the Fund dated as of January 7, 2014 (the “Distribution Agreement”), during the continuous public offering of the Participation Certificates of the Fund, the Distributor shall use commercially reasonable efforts to assist with the distribution and sale of the Fund’s Participation Certificates. The Distributor continually distributes Participation Certificates of the Fund on a best efforts basis. The Distributor has no obligation to sell any specific quantity of Fund Participation Certificates. The Distributor and its Officers have no role in determining the investment policies or which securities are to be purchased or sold by the Fund.

The Distributor does not receive compensation from the Fund for its distribution services. Fees for the Distributor’s distribution services to the Fund are paid by the Administrator.

The Distribution Agreement will continue in effect only if such continuance is specifically approved at least annually by the Board of Trustees of the Fund or by vote of a majority of the Fund’s outstanding voting securities and, in either case, by a majority of the Trustees who are not parties to the Distribution Agreement or “interested persons” (as defined in the Investment Company Act) of any such party. The Distribution Agreement is terminable without penalty by the Fund or the Distributor on 60 days’ written notice, and will automatically terminate in the event of its “assignment” (as defined in the Investment Company Act).

In February of 2017, Lovell Minnick Partners, LLC, a private equity firm specializing in financial and related business services companies, announced the signing of a definitive agreement to acquire a majority stake in Foreside Financial Group, LLC, the parent company of the Distributor (the “Transaction”). The Transaction is expected to close in the second quarter of 2017. The closing of the Transaction may be construed as a change of control of the Distributor and would thereby constitute an assignment of the Fund’s Distribution Agreement with the Distributor under the Investment Company Act, thus resulting in the automatic termination of the Fund’s Distribution Agreement. The Board, including the Independent Trustees, in light of its fiduciary and other duties to the Fund and its Participation Certificate holders and pursuant to the requirements of Section 15 of the Investment Company Act, is expected to review and consider for approval a new distribution agreement between the Fund and the Distributor, under substantially the same terms as the Fund’s current Distribution Agreement, that would take effect upon the closing of the Transaction.

## **Compliance Services**

Under a Fund Chief Compliance Officer Agreement (the “Compliance Agreement”) with the Fund and Foreside Fund Officer Services, LLC (“FFOS”), FFOS provides compliance services (the “Compliance Services”) to the Fund by making available a senior compliance professional who serves as Chief Compliance Officer to the Fund (previously defined as the “CCO”). FFOS receives a fee from the Fund for the Compliance Services provided, which is paid monthly in arrears. The Compliance

Agreement continues in effect until terminated. The Compliance Agreement is terminable with or without cause and without penalty by the Board or by FFOS on 60 days written notice to the other party.

Under the Compliance Agreement, FFOS and certain related parties (such as FFOS's officers and persons who control FFOS) are not liable to the Fund or its Participation Certificate holders for, and are indemnified by the Fund against any and all claims and expenses related to, any act or omission, except for willful misfeasance, bad faith, or gross negligence in the performance of FFOS's duties or by reason of reckless disregard of its obligations and duties under the Compliance Agreement.

### **Forside Management Services, LLC**

Pursuant to a Fund CFO/Treasurer Agreement with the Fund that was executed on June 22, 2015, Forside Management Services, LLC ("FMS"), an affiliate of the Distributor and FFOS, provides Fund Treasurer and Principal Financial Officer Services to the Fund. FMS is paid an annual fee plus out of pocket expenses for these services, which are paid by the Administrator.

### **Administrator**

BCS Financial Services Corporation (previously defined as the "Administrator"), a wholly-owned subsidiary of BCS Financial Corporation, which has its principal office at 2 Mid America Plaza, Suite 200, Oakbrook Terrace, Illinois 60181, serves as the Fund's Administrator. The Administrator is owned by the Licensees. Ms. Pickar and Mr. Hudson, Officers of the Fund, are employed by BCS Financial Corporation. As described below, the Fund compensates the Administrator for administrative services provided to the Fund. The Trustees oversee the fees paid by the Fund to service providers, including the Administrator.

Subject to the supervision and control of the Board, the Administrator assists in supervising all aspects of the Fund's operations, other than investment advisory functions, including services performed by the Fund's custodian, service agent, and the Distributor.

Without limiting the generality of the foregoing, the Administrator is required to provide the following services, among others, to the Fund: (i) oversight and coordination of the performance of each of the Fund's service providers; (ii) furnishing the Fund with adequate office facilities, utilities, office equipment and related services; (iii) receiving and processing applications from present and prospective investors in the Fund; (iv) providing general ongoing business management and support services in connection with the Fund's operations; (v) preparing for review by officers of the Fund and its service providers documents to be filed with the SEC and coordinating printing and distribution thereof; (vi) monitoring, and assisting in developing, compliance policies and procedures for the Fund; (vii) monitoring the Fund's expenses; (viii) oversight of the preparation and filing of required tax returns of the Fund and the Portfolios; (ix) maintaining the website of the Fund; and (x) with respect to the Fund and each Portfolio thereof, providing oversight and related support services that are intended to insure the delivery of quality service to all Participation Certificate holders.

For its administrative services, the Administrator is entitled to receive a fee from each Portfolio calculated daily and paid monthly at an annual rate not to exceed 0.05% of the Portfolio's average daily net assets. The tables below provide the fees earned by the Administrator with respect to the Portfolio indicated for the fiscal years ended December 31. Each table also provides the fees waived and/or operating expenses reimbursed by the Administrator, with respect to the Portfolio, pursuant to fee waiver and expense reimbursement agreements as described in more detail below under "Fee Waiver and Expense Reimbursement."

*For the Government Portfolio:*

	<b>2016</b>	<b>2015</b>	<b>2014</b>
Administrative Fees Earned	\$70,287	\$31,279	\$61,888
(Fees Waived and Expenses Reimbursed)	(\$65,697)	(\$45,373)	(\$89,950)
Total Fees Paid by Portfolio to Administrator	\$4,590	\$0 <sup>1</sup>	\$0 <sup>1</sup>

*For the Money Market Portfolio:*

	<b>2016</b>	<b>2015</b>	<b>2014</b>
Administrative Fees Earned	\$124,602	\$210,733	\$324,326
(Fees Waived and Expenses Reimbursed)	(\$32,568)	(\$42,147)	(\$100,747)
Total Fees Paid by Portfolio to Administrator	\$92,034	\$168,586	\$223,579

**Fee Waivers and Expense Reimbursement**

BALLC has agreed to reduce the fees otherwise payable to it to the extent necessary to reduce the ordinary operating expenses of each Portfolio so that they do not exceed 0.30 of one percent (0.30%) of the Portfolio's average daily net assets for the year. In addition, (i) BALLC and the Administrator have agreed to waive fees such that the Government Portfolio's ordinary operating expenses do not exceed 0.10 of one percent (0.10%) of average daily net assets; (ii) the Administrator has agreed to waive one basis point of its contractual fees relating to the Money Market Portfolio and BALLC has agreed to waive fees to cap the total expense of the Money Market Portfolio at 17.5 basis points for those assets up to \$1 billion, 16.0 basis points for those assets between \$1 billion and \$2 billion, and 15.5 basis points for those assets above \$2 billion. BALLC and the Administrator cannot terminate these fee waivers prior to May 1, 2018 without the consent of the Board.

For the Government Portfolio and the Money Market Portfolio, the Administrator has further agreed that if for any day, after giving effect to all other fee waivers and all expenses, including without limitation, any extraordinary expenses, the "portfolio yield" would be less than 0.01%, the Administrator shall waive that portion of its fees for such day so that after giving effect to such waiver and the other fee waivers, the portfolio yield for such day would not be less than 0.01%. The Administrator has agreed that if after giving effect to such waiver and the other fee waivers, the portfolio yield for such day would be

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<sup>1</sup> In addition to waiving all fees earned, the Administrator reimbursed a certain amount of the Portfolio's operating expenses for the fiscal year.

less than 0.01%, the Administrator shall waive all of its fees for such day. BALLC has further agreed that if for any day, after giving effect to the other fee waivers and all Administrator fee waivers, the portfolio yield would be less than 0.01%, BALLC shall waive that portion of its fees for such day so that after giving effect to such waiver, and all other fee waivers, the portfolio yield for such day would not be less than 0.01%. BALLC has agreed that, if after giving effect to such waiver, and all other fee waivers, the portfolio yield for such day would be less than 0.01%, BALLC shall waive all of its fees for such day. BALLC and the Administrator cannot terminate this portfolio yield fee waiver prior to May 1, 2018 without the consent of the Board. BALLC and the Administrator will not recoup any previously waived or reimbursed fees/expenses in any subsequent years.

Effective May 1, 2017, BALLC and the Administrator entered into an agreement which guarantees BALLC a minimum annual advisory fee.

## **Expenses**

The Fund's ordinary operating expenses generally consist of fees for legal, accounting and other professional services, fees of BALLC, BNY Mellon, BNY Mellon Investment Servicing, FFOS and the Administrator, costs of Federal and state registrations and related distributions to Participation Certificate holders, certain insurance premiums as well as the costs associated with maintaining corporate existence. Other costs include taxes, brokerage fees, interest and extraordinary expenses. For the year ended December 31, 2016, expense ratios were 0.10% for the Government Portfolio and 0.175% for the Money Market Portfolio. Without the waiver of a portion of the advisory, administrator and service agent fees, the ratio of expenses to average daily net assets would have been 0.31% for the Government Portfolio and 0.33% for the Money Market Portfolio.

## **ADDITIONAL INFORMATION CONCERNING FEDERAL INCOME TAXES**

The following summarizes certain additional federal income tax considerations generally affecting the Portfolios and holders of Participation Certificates that are not described in the Fund's Prospectus relating to the Portfolios. No attempt is made to present a detailed explanation of the tax treatment of a Portfolio or holders of Participation Certificates or possible legislative changes. The discussion here and in the Prospectus is not intended as a substitute for careful tax planning. Investors are therefore advised to consult their own tax advisor regarding the effects of an investment in the Portfolios on their own tax situation, including the application of state, local and other tax laws to their particular situation.

The Portfolios met the requirements for being a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"), in the last taxable year and intend to continue to meet these requirements in future taxable years. In order to so qualify for a taxable year, a Portfolio must distribute at least 90% of its investment company taxable income (determined without regard to the deduction for dividends paid) and 90% of its net tax-exempt income for the year, derive at least 90% of its gross income for the year from certain qualifying sources and comply with certain diversification requirements. A 4% nondeductible excise tax is imposed on regulated investment companies that fail currently to distribute an amount equal to specified percentages of their ordinary taxable income and capital gain net income (excess of capital gains over capital losses). Each Portfolio intends to make sufficient distributions or deemed distributions of its ordinary taxable income and any capital gain net income prior to the end of each calendar year to avoid liability for this excise tax.

If for any taxable year a Portfolio does not qualify for tax treatment as a regulated investment company, all of that Portfolio's taxable income will be subject to tax at regular corporate rates without any deduction for distributions to holders of Participation Certificates of the Portfolio. In such event, dividend distributions to holders of Participation Certificates of the Portfolio would be taxable as ordinary income to the extent of that Portfolio's earnings and profits and would be eligible for the dividends received

deduction in the case of corporate shareholders and qualified dividend income treatment in the case of non-corporate shareholders.

Each Portfolio will be required in certain cases to withhold and remit to the U.S. Treasury 28% of all distributions and gross proceeds paid to a Participation Certificate holder which has failed to provide a correct taxpayer identification number in the manner required, is subject to withholding by the Internal Revenue Service, or has failed to certify to the Fund that it is not subject to backup withholding when required to do so or that it is exempt from backup withholding.

Although each Portfolio expects to qualify as a regulated investment company and to be relieved of all or substantially all federal income tax, depending upon the extent of its activities in states and localities in which its offices are maintained, in which its agents or independent contractors are located or in which it is otherwise deemed to be conducting business, a Portfolio may be subject to the tax laws of such states or localities. In addition, in those states and localities that have income tax laws, the treatment of the Portfolios and holders of Participation Certificates under such laws may differ from the treatment under federal income tax laws. Holders of Participation Certificates are advised to consult their tax advisors concerning the application of state and local taxes.

Although each Portfolio does not expect to realize long-term capital gains, net capital gains (i.e., the excess of net long-term capital gains over net short-term capital losses) will be distributed at least annually. A Portfolio will generally have no tax liability with respect to such gains that are distributed, and the distributions will be taxable to holders of Participation Certificates of a Portfolio as long-term capital gains, regardless of how long a holder has held a Portfolio's Participation Certificates. Such distributions will be reported as a capital gain dividend in a written notice furnished by a Portfolio to holders of its Participation Certificates. Any net investment income and any net short-term capital gains earned by a Portfolio will be distributed to holders of its Participation Certificates. Each Portfolio will be taxed on any undistributed investment company taxable income and net capital gains of that Portfolio. To the extent the net investment income and net short-term capital gains of a Portfolio is distributed by the Portfolio (whether in cash or additional Participation Certificates), it will be taxable to holders of Participation Certificates of such Portfolio as ordinary income. Neither Portfolio anticipates that its distributions will be qualified dividend income or eligible for the dividends received deduction.

When a holder of Participation Certificates sells, redeems or exchanges their Participation Certificates, it is generally considered a taxable event for the holder. Unless the Participation Certificate holder elects the simplified NAV method of accounting (discussed below), the holder will generally recognize gain or loss equal to the difference between the amount realized on the sale, redemption, or exchange and the holder's basis in the Participation Certificates that were sold, redeemed, or exchanged. The gain or loss will generally be treated as a long-term capital gain or loss if the holder held their Participation Certificates for more than one year. If the holder held their Participation Certificates for one year or less, the gain or loss will generally be treated as a short-term capital gain or loss. However, any loss realized upon a taxable disposition of Participation Certificates held for six months or less will be treated as long-term, rather than short-term, to the extent of any capital gain dividends received (or deemed received) by the Participation Certificate holder with respect to the Participation Certificates. Further, except in the context of the Money Market Portfolio after the implementation of a floating NAV, as discussed above, or holders electing to adopt the NAV Method, all or a portion of any loss realized by a holder upon a taxable disposition of Participation Certificates will be disallowed under the wash sale rules if the holder acquires Participation Certificates of the same Portfolio (including through the automatic reinvestment of dividends) or other substantially identical stock or securities during a 61-day period beginning 30 days before and ending 30 days after the date of the disposition. In such a case, the basis of the newly purchased shares will be adjusted to reflect the disallowed loss. Capital losses may be subject to limitations on their use by a holder. Because each Portfolio currently seeks to maintain a stable NAV per Participation Certificate, it is unlikely that a holder will have a capital gain or loss when the holder sells,

redeems or exchanges their Participation Certificates. Holders of Participation Certificates of the Money Market Portfolio may recognize a taxable gain or loss upon the sale, exchange or redemption of their Participation Certificates. Each holder of Participation Certificates is responsible for any tax liabilities generated by their transactions.

If a holder of Participation Certificates elects to adopt the simplified NAV method of accounting, gain or loss on fund shares is not computed on every sale or redemption. Instead, gain or loss is based on the aggregate value of the holder's Participation Certificates of the Portfolio during the computation period. A holder's gain or loss generally equals (i) the aggregate fair market value of the holder's Participation Certificates at the end of the computation period, (ii) minus the aggregate fair market value of the holder's Participation Certificates at the end of the prior computation period, (iii) minus the holder's "net investment" in the Portfolio for the computation period. A Participation Certificates holder's net investment is the aggregate cost of Participation Certificates purchased during the computation period (including reinvested dividends) minus the aggregate amount received in taxable redemptions of Participation Certificates during the same period. The computation period may be the holder's taxable year or a shorter period, as long as all computation periods contain days from only one taxable year and every day during the taxable year falls within one and only one computation period. Any capital gain or loss realized under the NAV method will be a short-term capital gain or loss. Holders of Participation Certificates should consult their own tax adviser to determine if the NAV method is appropriate for their individual circumstances.

A liquidity fee imposed by the Money Market Portfolio will reduce the amount a Participation Certificate holder receives upon the redemption of their Participation Certificates and will decrease the amount of any capital gain or increase the amount of any capital loss a holder recognizes from such redemption. There is some degree of uncertainty with respect to the federal income tax treatment of liquidity fees received by a money market fund, and such tax treatment may be the subject of future guidance issued by the Internal Revenue Service. If the Money Market Portfolio receives liquidity fees, it will consider the appropriate tax treatment of such fees to the Portfolio at such time.

The foregoing discussion is based on federal income tax laws and regulations which are in effect on the date of this Statement of Additional Information. Such laws and regulations may be changed by legislative or administrative action.

## **DIVIDENDS**

Net income of each Portfolio for dividend purposes will consist of (i) interest accrued and dividends earned (including both original issue and market discount) less amortization of any premium, (ii) plus or minus all realized short-term gains and losses, if any, attributable to such Portfolio and (iii) minus such Portfolio's pro rata share of the fees payable to, and the general expenses (for example, legal, accounting and Trustee's fees) of, the Fund, prorated on the basis of relative NAV of the Fund's other Portfolios applicable to that period.

## **PERFORMANCE INFORMATION**

### **Determination of Yield**

From time-to-time, the Fund may quote the Government Portfolio and the Money Market Portfolio "yield" and "effective yield" in communications to Participation Certificate holders that are deemed to be advertising. Both yield figures are based on historical earnings and are not intended to indicate future performance. The "yield" of the Government Portfolio and the Money Market Portfolio refers to the income generated by an investment in the Portfolios over a seven-day period as identified in the communication. This income is then annualized. This means that the amount of income generated by the

investment during that week is assumed to be generated each week over a 52-week period and is shown as a percentage of the investment. The “effective yield” is calculated similarly but, when annualized, the income earned by the investment is assumed to be reinvested weekly. The “effective yield” will be slightly higher than the “yield” because of the compounding effect of this assumed reinvestment. For the seven-day period ending December 31, 2016, the Money Market Portfolio average yield was 0.77% and the effective yield was 0.77%. For the same period the Government Portfolio average yield was 0.43% and the effective yield was 0.43%.

The yield of the Government Portfolio and the Money Market Portfolio was positively affected by fee waivers. (See “Investment Advisor and Service Agent,” “Administrator” and “Fee Waivers and Expense Reimbursement” under “Management of the Fund”).

#### **ADDITIONAL DESCRIPTION CONCERNING VOTING OF PARTICIPATION CERTIFICATES**

The Fund’s Amended and Restated Articles of Incorporation provide that on any matter submitted to a vote of Participation Certificate holders, all Participation Certificates, irrespective of class, shall be voted in the aggregate and not by class except that (i) as to a matter with respect to which a separate vote of any class is required by the Investment Company Act or the General Corporation Law of the State of Maryland, such requirements as to a separate vote by that class shall apply in lieu of the aggregate voting as described above, and (ii) as to a matter which does not affect the interest of a particular class, only Participation Certificate holders of the affected class shall be entitled to vote thereon.

Rule 18f-2 under the Investment Company Act provides that any matter required to be submitted by the provisions of such Investment Company Act or applicable state law, or otherwise, to the holders of the outstanding voting securities of an investment company such as the Fund shall not be deemed to have been effectively acted upon unless approved by the holders of a “majority” of the outstanding Participation Certificates (as defined herein under “Miscellaneous”) of each class affected by such matter. Rule 18f-2 further provides that a class shall be deemed to be affected by a matter unless it is clear that the interests of each class in the matter are identical or that the matter does not affect any interest of such class. However, Rule 18f-2 exempts the selection of independent public accountants and the election of trustees from the separate voting requirements of Rule 18f-2.

The chart below sets forth those Participation Certificate holders each of which owned of record or beneficially 5% or more of the outstanding Participation Certificates of a Portfolio as of March 31, 2017.

Participation Certificate holder	Percent of Participation Certificates Owned of Government Portfolio	Percent of Participation Certificates Owned of Money Market Portfolio
Blue Cross Blue Shield Association 225 North Michigan Avenue Chicago, Illinois 60601 Organized under laws of Illinois	52.18% <sup>[B]</sup>	N/A
BCS Financial Corporation 2 Mid America Plaza, Suite 200 Oakbrook Terrace, Illinois 60181 Organized under laws of Illinois	N/A	24.50% <sup>[B]</sup>
Capital BlueCross 2500 Elmerton Avenue Harrisburg, Pennsylvania 17177 Organized under laws of Pennsylvania	N/A	17.44% <sup>[B]</sup>
Florida Blue 4800 Deerwood Campus Parkway Jacksonville, Florida 32246 Organized under laws of Florida	N/A	16.57% <sup>[B]</sup>
BlueCross BlueShield of South Carolina I-20 at Alpine Road Columbia, SC 29219 Organized under laws of South Carolina	9.46% <sup>[B]</sup>	N/A
Blue Cross and Blue Shield of Alabama 450 Riverchase Parkway East Birmingham, AL 35298 Organized under laws of Alabama	9.38% <sup>[B]</sup>	N/A

<sup>[B]</sup> Participation Certificate holder is the “Beneficial” owner, meaning that the name listed refers to the actual pecuniary, or financial, interest in the security.

Participation Certificate holder	Percent of Participation Certificates Owned of Government Portfolio	Percent of Participation Certificates Owned of Money Market Portfolio
HTH RE Victoria Hall, 11 Victoria Street Hamilton, HM 11 Bermuda Organized under laws of Bermuda	8.71% <sup>[B]</sup>	N/A
Carefirst 10455 Mill Run Circle Owings Mills, Maryland 21117 Organized under laws of Maryland	N/A	7.60% <sup>[B]</sup>
Blue Cross Blue Shield of North Dakota 4510 13 <sup>th</sup> Avenue, South Fargo, North Dakota 58121 Organized under laws of North Dakota	N/A	6.91% <sup>[B]</sup>
Blue Cross and Blue Shield of Kansas 1133 SW Topeka Blvd. Topeka, Kansas 66629 Organized under laws of Kansas	6.56% <sup>[B]</sup>	N/A
Independence Blue Cross 1901 Market Street Philadelphia, Pennsylvania 19103 Organized under laws of Pennsylvania	5.82% <sup>[B]</sup>	N/A

Participation Certificate holders owning 25% or more of the outstanding Participation Certificates may be in control and be able to affect the outcome of certain matters presented for a vote of Participation Certificate holders.

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<sup>[B]</sup> Participation Certificate holder is the “Beneficial” owner, meaning that the name listed refers to the actual pecuniary, or financial, interest in the security.

## **INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Deloitte & Touche LLP (“Deloitte”), with offices at 111 South Wacker Drive, Chicago, Illinois 60606 served as the independent registered public accounting firm of the Fund for the year ending December 31, 2016. Cohen & Company, Ltd. (“Cohen”), with offices at 1350 Euclid Avenue, Suite 800, Cleveland, Ohio 44115 has been selected as the independent registered public accounting firm of the Fund for the year ending December 31, 2017. Cohen provides audit services, tax return preparation and assistance, and consultation in connection with certain SEC filings.

## **COUNSEL**

Vedder Price, P.C., 222 North LaSalle Street, Suite 2600, Chicago, Illinois 60601 is counsel for the Fund and the Independent Trustees.

## **MISCELLANEOUS**

As used in the Prospectus and in this SAI, the term “majority,” when referring to the approvals to be obtained from Participation Certificate holders, means the vote of the holders of more than 50% of the Fund’s outstanding Participation Certificates of each class affected by the matter with respect to which the vote is being taken.

The Fund has chosen a calendar fiscal year.

Purchase orders for Participation Certificates of each of the Portfolios are accepted by the Fund’s Transfer Agent, which is located in King of Prussia, Pennsylvania.

## **FINANCIAL STATEMENTS**

The audited financial statements and notes thereto for the Portfolios contained in the Fund’s Annual Report dated December 31, 2016, are incorporated by reference into this Statement of Additional Information. The financial statements and notes thereto for the Portfolios contained in the Fund’s Annual Report for the years ended December 31, 2016, 2015, 2014, 2013 and 2012 have been audited by Deloitte & Touche LLP, independent registered public accounting firm, whose report thereon also appears in such Annual Report and is also incorporated by reference herein.

## APPENDIX — DESCRIPTION OF BOND AND COMMERCIAL PAPER RATINGS

The Fund may invest in securities which at time of purchase have ratings not lower than the following:

<u>Type of Security</u>	<u>Rating Agency</u>	<u>Rating</u>	<u>Summary of Rating</u>
Bond	Moody's Investors Service, Inc. ("Moody's")	Aaa	Obligations rated Aaa are judged to be of highest quality, subject to the lowest level of credit risk.
Bond	Moody's	Aa	Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.
Bond	Standard & Poor's Ratings Services, a Standard and Poor's Financial Services LLC business ("S&P")	AAA	An obligation rated 'AAA' has the highest rating assigned by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is extremely strong.
Bond	S&P	AA	An obligation rated 'AA' differs from the highest-rated obligations only to a small degree. The obligor's capacity to meet its financial commitment on the obligation is very strong.
Commercial Paper	Moody's	P-1	Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short-term debt obligations.
Commercial Paper	S&P	A-1	A short-term obligation rated 'A-1' is rated in the highest category by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is strong.

## PART C

### OTHER INFORMATION

#### Item 28. Exhibits

##### Exhibit

<u>No.</u>	<u>Description of Exhibit</u>
(a)(1)	Amended and Restated Articles of Incorporation of Registrant (incorporated by reference to Exhibit 1 of Post-Effective Amendment No. 13 to the Registrant's Registration Statement on Form N-1A No. 002-99584, as filed with the SEC on April 18, 1996 ("PEA No. 13"))
(a)(2)	Articles of Amendment to Amended and Restated Articles of Incorporation of Registrant (incorporated by reference to Exhibit 1(a) of PEA No. 13)
(a)(3)	Articles of Amendment to Amended and Restated Articles of Incorporation of Registrant (incorporated by reference to Exhibit 1(b) of PEA No. 13)
(a)(4)	Articles Supplementary to the Charter of Registrant (incorporated by reference to Exhibit (a) (4) of Post-Effective Amendment No. 24 to the Registrant's Registration Statement on Form N-1A No. 002-99584, as filed with the SEC on April 17, 2006 ("PEA No. 24"))
(a)(5)	Articles Supplementary to the Charter of Registrant (incorporated by reference to Exhibit (a)(5) of Post-Effective Amendment No. 27 to the Registrant's Registration Statement on Form N-1A No. 002-99584, as filed with the SEC on April 30, 2009 ("PEA No. 27"))
(a)(6)	Articles Supplementary to the Charter of Registrant (incorporated by reference to Exhibit (a)(6) of Post-Effective Amendment No. 33 to the Registrant's Registration Statement on Form N-1A No. 002-99584, as filed with the SEC on March 1, 2012 ("PEA No. 33"))
(b)	Bylaws of Registrant as Amended and Restated on June 12, 2015 (incorporated by reference to Exhibit (b) of Post-Effective Amendment No. 54 to the Registrant's Registration Statement on Form N-1A No. 002-99584, as filed with the SEC on March 1, 2017 ("PEA No. 54"))
(c)	Not applicable
(d)(1)	Investment Advisory and Service Agreement for the Money Market Portfolio (incorporated by reference to Exhibit (d)(1) of Post-Effective Amendment No. 32 to the Registrant's Registration Statement on Form N-1A No. 002-99584 as filed with the SEC on December 2, 2011 ("PEA No. 32"))
(d)(2)	Investment Advisory Agreement and Service Agreement for the Government Portfolio (incorporated by reference to Exhibit (d)(2) of PEA No. 32)
(d)(3)	Fee Waiver Agreement for the Government Portfolio (incorporated by reference to Exhibit (d)(3) of Post-Effective Amendment No. 41 to the Registrant's Registration Statement on Form N-1A No. 002-99584, as filed with the SEC on October 18, 2013 ("PEA No. 41"))

<b>Exhibit No.</b>	<b>Description of Exhibit</b>
(d)(4)	Fee Waiver Agreement for the Money Market Portfolio (incorporated by reference to Exhibit (d)(4) of PEA No. 41)
(d)(5)	Fee Waiver Agreement for the Government Portfolio and the Money Market Portfolio (incorporated by reference to Exhibit (d)(5) of PEA No. 41)
(d)(6)	Investment Advisory Agreement for the Ultrashort Duration Government Portfolio (incorporated by reference to Exhibit (d)(6) of PEA No. 41)
(d)(7)	Investment Advisory Agreement for the Ultrashort Duration Bond Portfolio (incorporated by reference to Exhibit (d)(7) of PEA No. 41)
(d)(8)	Fee Waiver Agreement for the Ultrashort Duration Government Portfolio and the Ultrashort Duration Bond Portfolio (incorporated by reference to Exhibit (d)(8) of PEA No. 54)
(e)	Distribution Agreement (incorporated by reference to Exhibit (e) of Post-Effective Amendment No. 42 to the Registrant’s Registration Statement on Form N-1A No. 002-99584, as filed with the SEC on April 30, 2014 (“PEA No. 42”))
(f)	Not applicable
(g)	Custody Agreement (incorporated by reference to Exhibit (g)(2) of PEA No. 33)
(h)(1)	Transfer Agency Agreement (incorporated by reference to Exhibit (h)(1) of PEA No. 54)
(h)(2)	Transfer Agency and Shareholder Services Agreement (incorporated by reference to Exhibit (g)(3) of PEA No. 33)
(h)(3)	Administration and Accounting Services Agreement (incorporated by reference to Exhibit (h)(3) of PEA No. 33)
(h)(4)	Administration Agreement (incorporated by reference to Exhibit (h)(1) of PEA No. 42)
(h)(5)	First Amendment to the Administration Agreement (incorporated by reference to Exhibit (h)(2) of Post-Effective Amendment No. 46 to the Registrant’s Registration Statement on Form N-1A No. 002-99584, as filed with the SEC on April 30, 2015 (“PEA No. 46”))
(i)	Opinion of Counsel (incorporated by reference to Exhibit (i) of PEA No. 46)
(j)(1)	Powers of Attorney for W. Dennis Cronin, Robert J. Kolodgy, Vincent P. Price, and Cynthia M. Vice dated April 7, 2016 (incorporated by reference to Exhibit (h)(3) of Post-Effective Amendment No. 50 to the Registrant’s Registration Statement on Form N-1A No. 002-99584, as filed with the SEC on April 29, 2016 (“PEA No. 50”))
(j)(2)	Powers of Attorney for Jeffery T. Leber dated March 19, 2015 (incorporated by reference to Exhibit (h)(3) of PEA No. 46)

<b>Exhibit No.</b>	<b>Description of Exhibit</b>
(j)(3)	Powers of Attorney for John F. Giblin and Michael J. Mizeur dated February 21, 2017 and Michael A. Murray dated February 20, 2017 (incorporated by reference to Exhibit (j)(3) of PEA No. 54)
(j)(4)	Powers of Attorney for Carl R. McDonald dated March 27, 2017 (filed herein)
(j)(5)	Consent of Deloitte & Touche LLP (filed herein)
(k)	Not applicable
(l)(1)	Subscription agreement (incorporated by reference to Exhibit 13 of PEA No. 13)
(l)(2)	Subscription agreement (incorporated by reference to Exhibit (l)(2) to PEA No. 33)
(m)	Not applicable
(n)	Not applicable
(o)	<i>Reserved.</i>
(p)(1)	Code of Ethics of Registrant (incorporated by reference to Exhibit (p) to PEA No. 33)
(p)(2)	Code of Ethics of Merganser Capital Management, LLC (incorporated by reference to Exhibit (p)(2) of PEA No. 54)

**Item 29. Persons Controlled by or Under Common Control with Fund**

None

**Item 30. Indemnification**

Under Article IX of the Registrant’s Articles of Incorporation, any Trustee, Officer, employee or agent of the Registrant is indemnified to the fullest extent permitted by the General Corporation Law of the State of Maryland from and against any and all of the expenses and liabilities reasonably incurred by him in connection with any action, suit or proceeding to which he may be a party or otherwise involved by reason of his being or having been a Trustee, Officer, employee or agent of the Registrant. This provision does not authorize indemnification when it is determined that such Trustee, Officer, employee or agent would otherwise be liable to Registrant or its Participation Certificate holders by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of his duties (collectively, “Disabling Conduct”).

The Registrant shall use reasonable and fair means to determine whether such indemnification shall be made. The determination that a person to be indemnified is not liable to the Registrant or its Participation Certificate holders by reason of Disabling Conduct, and therefore eligible for indemnification, shall be determined by (i) a final decision on the merits by a court or other body before whom such proceeding is brought or (ii) after their review of the facts, by vote of a majority of a quorum of Trustees who are neither “interested persons” (as defined in the Investment Company Act) nor parties to the proceeding (a “Disinterested Majority”) or by independent counsel in a written opinion to the

Registrant. The Registrant's indemnification policy permits the Registrant to advance attorneys' fees or other expenses incurred by its Trustees, Officers, employees or agents in defending such a proceeding, upon the undertaking by or on behalf of the indemnitee to repay the advance unless it is determined ultimately that he is entitled to indemnification. As a condition to such advance (i) the indemnities shall provide a security for his undertaking, (ii) the Registrant shall be insured against losses arising by reason of any lawful advances, or (iii) a Disinterested Majority, or an independent legal counsel in a written opinion to the Fund, shall determine, based on a review of readily available facts to the Fund, that there is reason to believe that the indemnities ultimately will be found entitled to indemnification.

Insofar as indemnification for liability arising under the Securities Act of 1933 (the "1933 Act") may be permitted to Trustees, Officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the 1933 Act and is, therefore unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a Trustee, Officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such Trustee, Officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the 1933 Act and will be governed by the final adjudication of such issue.

### **Item 31. Business and Other Connections of Investment Advisor**

BlackRock Advisors, LLC ("BALLC") performs investment advisory services for Registrant and certain other investment companies and accounts. The information required by this Item 31 with respect to each director, officer and partner of BALLC is incorporated by reference to Schedules A and D of Form ADV filed by BALLC with the Securities and Exchange Commission pursuant to the Investment Advisors Act of 1940 (SEC File No. 801-13304).

Merganser Capital Management, LLC ("Merganser") performs investment advisory services for Registrant and certain other investment companies and accounts. The information required by this Item 31 with respect to each director, officer and partner of Merganser is incorporated by reference to Schedules A and D of Form ADV filed by Merganser with the Securities and Exchange Commission pursuant to the Investment Advisers Act of 1940 (SEC File No. 801-57541).

### **Item 32. Principal Underwriters**

**Item 32(a)** Foreside Fund Services, LLC (the "Distributor") serves as principal underwriter for the following investment companies registered under the Investment Company Act of 1940, as amended:

1. ABS Long/Short Strategies Fund
2. Absolute Shares Trust
3. AdvisorShares Trust
4. American Beacon Funds
5. American Beacon Select Funds
6. Archstone Alternative Solutions Fund
7. Ark ETF Trust
8. Avenue Mutual Funds Trust
9. BP Capital TwinLine Energy Fund, Series of Professionally Managed Portfolios
10. BP Capital TwinLine MLP Fund, Series of Professionally Managed Portfolios
11. Braddock Multi-Strategy Income Fund, Series of Investment Managers Series Trust

12. Bridgeway Funds, Inc.
13. Center Coast MLP & Infrastructure Fund
14. Center Coast MLP Focus Fund, Series of Investment Managers Series Trust
15. Context Capital Funds
16. CornerCap Group of Funds
17. Davis Fundamental ETF Trust
18. Direxion Shares ETF Trust
19. Eaton Vance NextShares Trust
20. Eaton Vance NextShares Trust II
21. EIP Investment Trust
22. Evanston Alternative Opportunities Fund
23. Exchange Listed Funds Trust (*f/k/a Exchange Traded Concepts Trust II*)
24. FEG Absolute Access Fund I LLC
25. FlexShares Trust
26. Forum Funds
27. Forum Funds II
28. FQF Trust
29. Guinness Atkinson Funds
30. Henderson Global Funds
31. Horizon Spin-off and Corporate Restructuring Fund, Series of Investment Managers Series Trust  
(*f/k/a Liberty Street Horizon Fund*)
32. Horizons ETF Trust
33. Infinity Core Alternative Fund
34. Ironwood Institutional Multi-Strategy Fund LLC
35. Ironwood Multi-Strategy Fund LLC
36. John Hancock Exchange-Traded Fund Trust
37. Little Harbor Multistrategy Composite Fund
38. Lyons Funds
39. Manor Investment Funds
40. Miller/Howard Funds Trust
41. Miller/Howard High Income Equity Fund
42. Moerus Worldwide Value Fund, Series of Northern Lights Fund Trust IV
43. Montage Managers Trust
44. Palmer Square Opportunistic Income Fund
45. PENN Capital Funds Trust
46. Performance Trust Mutual Funds, Series of Trust for Professional Managers
47. Pine Grove Alternative Institutional Fund
48. Plan Investment Fund, Inc.
49. PMC Funds, Series of Trust for Professional Managers
50. Quaker Investment Trust
51. Ramius Archview Credit and Distressed Feeder Fund
52. Ramius Archview Credit and Distressed Fund
53. Recon Capital Series Trust
54. Renaissance Capital Greenwich Funds
55. RMB Investors Trust (*f/k/a Burnham Investors Trust*)
56. Robinson Opportunistic Income Fund, Series of Investment Managers Series Trust
57. Robinson Tax Advantaged Income Fund, Series of Investment Managers Series Trust
58. Salient MF Trust
59. SharesPost 100 Fund
60. Sound Shore Fund, Inc.
61. Steben Alternative Investment Funds

62. Steben Select Multi-Strategy Fund
63. Strategy Shares
64. The 504 Fund (*f/k/a The Pennant 504 Fund*)
65. The Community Development Fund
66. Third Avenue Trust
67. Third Avenue Variable Series Trust
68. TIFF Investment Program
69. Turner Funds
70. U.S. Global Investors Funds
71. West Loop Realty Fund, Series of Investment Managers Series Trust (*f/k/a Chilton Realty Income & Growth Fund*)
72. Wintergreen Fund, Inc.
73. WisdomTree Trust

**Item 32(b)** The following are the Officers and Managers of the Distributor, the Registrant's underwriter. The Distributor's main business address is Three Canal Plaza, Suite 100, Portland, Maine 04101.

<u>Name</u>	<u>Address</u>	<u>Position with Underwriter</u>	<u>Position with Registrant</u>
Richard J. Berthy	Three Canal Plaza, Suite 100, Portland, ME 04101	President, Treasurer and Manager	None
Mark A. Fairbanks	Three Canal Plaza, Suite 100, Portland, ME 04101	Vice President	None
Nanette K. Chern	Three Canal Plaza, Suite 100, Portland, ME 04101	Vice President and Chief Compliance Officer	None
Jennifer K. DiValerio	899 Cassatt Road, 400 Berwyn Park, Suite 110, Berwyn, PA 19312	Vice President	None
Jennifer E. Hoopes	Three Canal Plaza, Suite 100, Portland, ME 04101	Secretary	None

**Item 32(c)** Not applicable.

### Item 33. Location of Accounts and Records

<b>Location (To the extent known)</b>	<b>Types of Records</b>
1. BCS Financial Services Corporation 2 Mid America Plaza Suite 200 Oakbrook Terrace, IL 60181	Records relating to its functions as administrator. Minute Book, Bylaws and Amended and Restated Articles of Incorporation.
2. BNY Mellon Investment Servicing (US) Inc. 760 Moore Road King of Prussia, PA 19406	Records relating to its functions as service agent and transfer agent.
3. BlackRock Advisors, LLC 100 Bellevue Parkway Wilmington, DE 19809	Records relating to its functions as investment advisor and service agent for the Government Portfolio and the Money Market Portfolio.
4. Merganser Capital Management, LLC 99 High Street Boston, MA 02110	Records relating to its functions as investment advisor for the Ultrashort Duration Government Portfolio and the Ultrashort Duration Bond Portfolio.
5. The Bank of New York Mellon One Wall Street New York, NY 10286	Records relating to its function as custodian.
6. Foreside Fund Officer Services, LLC 10 High Street, Suite 302 Boston, MA 02110	Records relating to provision of compliance services.
7. Foreside Compliance Services, LLC Three Canal Plaza Portland, ME, 04101	Records relating to provision of compliance services.
8. Foreside Fund Services, LLC Three Canal Plaza Portland, ME 04101	Records relating to its function as fund distributor.
9. Foreside Management Services, LLC 10 High Street, Suite 302 Boston, MA 02110	Records relating to provision of treasurer services.

### Item 34. Management Services

Disclosed in Part A

**Item 35. Undertakings**

Not applicable.

## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933 and the Investment Company Act of 1940, the Registrant, Plan Investment Fund, Inc., certifies that it meets all of the requirements for effectiveness of this Post-Effective Amendment No. 55 to the Registration Statement under Rule 485(b) under the Securities Act and has duly caused this Post-Effective Amendment No. 55 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Oakbrook Terrace, State of Illinois, on the 28th day of April, 2017.

PLAN INVESTMENT FUND, INC.

By: /s/ Susan A. Pickar  
Susan A. Pickar, President and Chief Executive  
Officer

ATTEST:

/s/ Alexander D. Hudson  
Alexander D. Hudson, Secretary

Pursuant to the requirements of the Securities Act of 1933, this Post-Effective Amendment No. 55 to the Registration Statement has been signed below by the following persons in the capacities and on the date indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Susan A. Pickar</u> Susan A. Pickar	President and Chief Executive Officer (Principal Executive Officer)	April 28, 2017
<u>/s/ Christopher W. Roleke</u> Christopher W. Roleke	Treasurer (Principal Financial and Accounting Officer)	April 28, 2017

*W. Dennis Cronin W. Dennis Cronin	Trustee	April 28, 2017
*Robert J. Kolodgy Robert J. Kolodgy	Trustee	April 28, 2017
*Jeffery T. Leber Jeffery T. Leber	Trustee	April 28, 2017
*Vincent P. Price Vincent P. Price	Trustee	April 28, 2017
*Cynthia M. Vice Cynthia M. Vice	Trustee	April 28, 2017
*John F. Giblin John F. Giblin	Trustee	April 28, 2017
*Carl R. McDonald Carl R. McDonald	Trustee	April 28, 2017
*Michael J. Mizeur Michael J. Mizeur	Trustee	April 28, 2017
*Michael A. Murray Michael A. Murray	Trustee	April 28, 2017

\*Executed on behalf of the indicated Trustees by Susan A. Pickar, duly appointed attorney-in-fact.

By: /s/ Susan A. Pickar  
Susan A. Pickar,  
Attorney-in-fact

## **EXHIBITS**

<b>Exhibit No.</b>	<b>Description of Exhibit</b>
(j)(4)	Powers of Attorney for Carl R. McDonald dated March 27, 2017
(j)(5)	Consent of Deloitte & Touche LLP

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that the person whose signature appears below constitutes and appoints Susan A. Pickar and Alexander D. Hudson, or any one of them, each with full power of substitution and resubstitution, his attorney-in fact and agent, for such person and in such person's names, place and stead, in any and all capacities, to sign Post-Effective Amendments to the Plan Investment Fund, Inc. Registration Statement, Registration No. 002-99584, and to file the same, with all exhibits thereto, and all other documents in connection with therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that said attorney-in-fact, may do or cause to be done by virtue thereof. Furthermore, the person whose signature appears below revokes any prior appointments of attorney-in-fact with regards to the Plan Investment Fund, Inc. Registration Statement.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand as of the date indicated below.

/s/ Carl R. McDonald  
Signature

March 27, 2017  
Date

Name: Carl R. McDonald

Title: Independent Trustee

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in this Post-Effective Amendment No. 55 to Registration Statement No. 002-99584 on Form N-1A of our report dated February 24, 2017, relating to the financial statements and financial highlights of the Government Portfolio and Money Market Portfolio, two series of Plan Investment Fund, Inc. appearing in the Annual Report on Form N-CSR for Plan Investment Fund, Inc. for the year ended December 31, 2016 and to the references to us under the headings “Financial Highlights” in the Prospectus and “Independent Registered Public Accounting Firm” and “Financial Statements” in the Statement of Additional Information, which are part of such Registration Statement.

/s/ Deloitte & Touche LLP

Chicago, Illinois  
April 28, 2017

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in this Post-Effective Amendment No. 55 to Registration Statement No. 002-99584 on Form N-1A of our report dated February 24, 2017, relating to the financial statements and financial highlights of the Ultrashort Duration Government Portfolio and Ultrashort Duration Bond Portfolio, two series of Plan Investment Fund, Inc. appearing in the Annual Report on Form N-CSR for Plan Investment Fund, Inc. for the period ended December 31, 2016 and to the references to us under the headings “Financial Highlights” in the Prospectus and “Independent Registered Public Accounting Firm” and “Financial Statements” in the Statement of Additional Information, which are part of such Registration Statement.

/s/ Deloitte & Touche LLP

Chicago, Illinois  
April 28, 2017