

PLAN INVESTMENT FUND, INC.

PROSPECTUS

April 30, 2017

Plan Investment Fund, Inc. (the “Fund”) is an open-end management investment company organized as a Maryland Corporation. The Fund is open to members and licensees of the Blue Cross Blue Shield Association and certain related organizations. The Fund offers Participation Certificates in several separate investment portfolios, including the Ultrashort Duration Government Portfolio and the Ultrashort Duration Bond Portfolio, neither of which is a money market fund. This prospectus relates to the investment portfolios of the Fund listed below (each, a “Portfolio” and collectively, the “Portfolios”), which are each a money market fund managed pursuant to Rule 2a-7 under the Investment Company Act of 1940, as amended (the “1940 Act”).

- **Government Portfolio (PIFXX)** — a government money market fund which seeks a high level of current income and stability of principal by investing in U.S. Government obligations and repurchase agreements relating to such obligations.
- **Money Market Portfolio (PIMXX)** — a prime money market fund which seeks a high level of current income and stability of principal by investing in U.S. Government obligations and repurchase agreements relating to such obligations and bank and commercial obligations.*

*The Money Market Portfolio is a “*Floating Net Asset Value*” money market fund. Accordingly, the price per Participation Certificate for the Money Market Portfolio will fluctuate.

The U.S. Securities and Exchange Commission (the “SEC”) has not approved or disapproved these securities or passed upon the adequacy of this prospectus. Any representation to the contrary is a criminal offense.

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GOVERNMENT PORTFOLIO

Investment Objective

The Government Portfolio is a government money market fund, which seeks a high level of current income and stability of principal.

Fees and Expenses

This table describes the fees and expenses that you may pay if you buy and hold Participation Certificates of the Government Portfolio. The Portfolio does not charge any form of sales load, redemption fee or exchange fee.

Annual Portfolio Operating Expenses (expenses that you pay each year as a percentage of the value of your investment).

Investment Advisory and Servicing Fees	0.20%
Other Expenses	<u>0.11%</u>
Total Annual Portfolio Operating Expenses	0.31%
Fee Waivers and Expense Reimbursements ⁽¹⁾	<u>(0.21%)</u>
Total Annual Portfolio Operating Expenses after Fee Waivers and Expense Reimbursements	<u>0.10%</u>

⁽¹⁾ BlackRock Advisors, LLC (the “Investment Advisor”) has contractually agreed to waive its fees such that the Government Portfolio’s annual ordinary operating expenses do not exceed 0.30% of the Portfolio’s average daily net assets. In addition, the Investment Advisor and BCS Financial Services Corporation (the “Administrator”) have further agreed to waive their fees such that the Portfolio’s annual ordinary operating expenses do not exceed 0.10% of the Portfolio’s average daily net assets. The Investment Advisor and the Administrator cannot terminate such fee waivers prior to May 1, 2018, without the consent of the Board of Trustees of the Fund (the “Board”).

Example

This example is intended to help you compare the cost of investing in the Government Portfolio with the cost of investing in other mutual funds.

This example assumes that you invest \$10,000 in the Government Portfolio for the time periods indicated and then redeem all of your investment at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Government Portfolio’s operating expenses remain the same. The example below reflects the contractual fee waiver and expense reimbursement for the first year. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
\$10	\$78	\$153	\$373

Principal Investment Strategies

The Government Portfolio seeks to invest at least 99.5% of its total assets in cash, U.S. Treasury bills and

notes, other obligations issued or guaranteed as to principal and interest by the U.S. Government or its agencies or instrumentalities, and repurchase agreements secured by such government obligations or cash. The Portfolio's will have a dollar-weighted average maturity of 60 days or less and a dollar-weighted average life of 120 days or less.

The securities purchased by the Government Portfolio are subject to the quality, diversification, and other requirements of Rule 2a-7 under the 1940 Act ("Rule 2a-7") and other rules of the SEC. The Portfolio will only purchase securities that present minimal credit risk as determined by the Investment Advisor, pursuant to guidelines approved by the Fund's Board. The U.S. Government securities in which the Portfolio invests may include variable and floating rate instruments, and the Fund may transact in U.S. Government securities on a when-issued and delayed delivery basis.

The Government 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 and notes, 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 government obligations. This policy is a non-fundamental policy of the Portfolio, and the Portfolio will not change the policy without providing Participation Certificate holders with at least 60 days' prior notice of any change in the policy.

Principal Risks

Risk is inherent in all investing. The value of your investment in the Government Portfolio, as well as the amount of return you receive on your investment, may fluctuate significantly from day to day and over time. You could lose money by investing in the Portfolio. Although the Portfolio seeks to preserve the value of your investment at \$1.00 per Participation Certificate, it cannot guarantee it will do so. An investment in the Portfolio is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Portfolio's sponsor has no legal obligation to provide financial support to the Portfolio, and you should not expect that the sponsor will provide financial support to the Portfolio at any time. The following is a summary description of principal risks of investing in the Portfolio.

Credit Risk. A decline in the credit quality of an issuer of, or a provider of credit support or a maturity-shortening structure for, a security can cause the price of the security to decrease.

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

Interest Rate Risk. Interest rate risk is the risk that the value of a debt security may fall when interest rates rise. In general, the market price of debt securities with longer maturities will go up or down in response to changes in interest rates by a greater amount than the market price of shorter-term securities. Additionally, securities issued or guaranteed by the U.S. Government, its agencies, instrumentalities and sponsored enterprises have historically involved little risk of loss of principal if held to maturity. However, due to fluctuations in interest rates, the market value of such securities may vary during the period Participation Certificate holders own an interest in the Portfolio.

Liquidity and Leverage Risks. Certain investment strategies employed by the Portfolios may involve additional investment risk. For example, variable and floating rate instruments may involve liquidity risk. Liquidity risk is the risk that securities may be difficult or impossible to sell at the time and the price that the Portfolio would like. Reverse repurchase agreements and when-issued or delayed delivery transactions may involve leverage risk.

Leverage risk is associated with securities or practices that multiply small market movements into larger changes in the value of an investment portfolio.

Market Risk and Selection Risk. Market risk is the risk that one or more markets in which the Portfolio invests will go down in value, including the possibility that the markets will go down sharply and unpredictably. Selection risk is the risk that the securities selected by the Investment Advisor will underperform the markets, the relevant indices or the securities selected by other funds with similar investment objectives and investment strategies.

Repurchase Agreement Risk. The Portfolio may enter into repurchase agreements. Under a repurchase agreement, the seller agrees to repurchase a security at a mutually agreed-upon time and price. If the seller in a repurchase agreement transaction defaults on its obligation under the agreement, the Portfolio may suffer delays and incur costs or lose money in exercising its rights under the agreement.

Stable Net Asset Value Risk. The Portfolio may not be able to maintain a stable net asset value (“NAV”) of \$1.00 per share at all times. If the Portfolio fails to maintain a stable NAV (or if there is a perceived threat of such a failure), the Portfolio, along with other money market funds, could be subject to increased redemption activity.

Treasury Obligations Risk. Direct obligations of the U.S. Treasury have historically involved little risk of loss of principal if held to maturity. However, due to fluctuations in interest rates, the market value of such securities may vary during the period an investor owns Participation Certificates of the Portfolio.

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

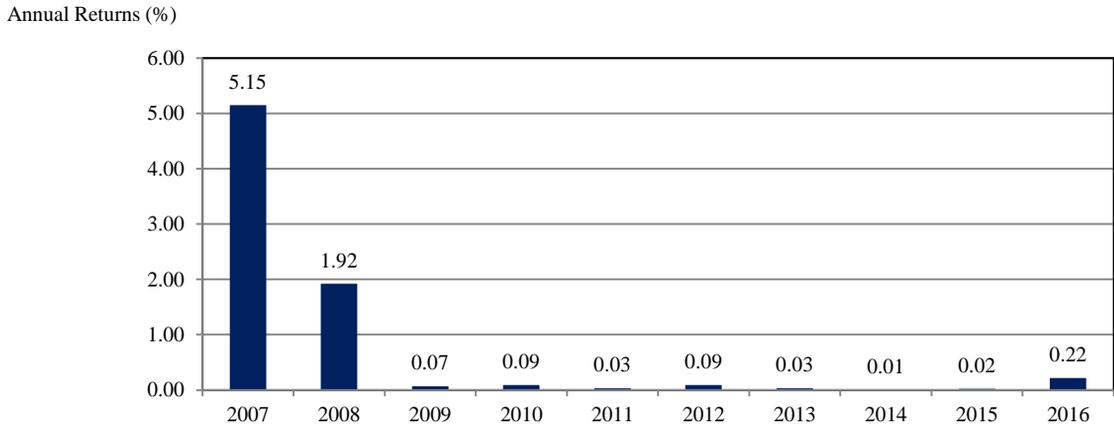
Variable and Floating Rate Investment Risk. The absence of an active market for these securities could make it difficult for the Portfolio to dispose of them if the issuer defaults.

When-Issued and Delayed Delivery Securities Risk. When-issued and delayed delivery (delayed settlement) securities involve the risk that the security the Portfolio buys will lose value prior to its delivery. There also is the risk that the security will not be issued or that the other party to the transaction will not meet its obligation. If this occurs, the Portfolio may lose both the investment opportunity for the assets it set aside to pay for the security and any gain in the security’s price.

Performance Information

The following bar chart and table show the performance of the Government Portfolio, and indicate the risks of investing in the Portfolio by showing the historical return volatility associated with an investment in the Portfolio. The bar chart shows how the annual total returns of the Portfolio have varied from year to year for the last ten years. The table shows the Portfolio’s average annual total returns for one, five and ten year periods ended December 31, 2016. The bar chart and the table assume reinvestment of dividends and distributions. The past performance of the Government Portfolio does not necessarily indicate how it will perform in the future. Updated performance information is available at www.pif.com or by calling 800-621-9215.

**Government Portfolio
Annual Total Returns for Each Year**



During the period shown in the bar chart, the highest quarterly return for the Government Portfolio was 1.31% (for the quarter ended June 30, 2007) and the lowest quarterly return was 0.002% (for the quarter ended June 30, 2015).

Average Annual Total Returns

(for the periods ended December 31, 2016):

	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Government Portfolio.....	0.22%	0.07%	0.75%

The Government Portfolio seven-day average yield as of December 31, 2016 was 0.43%. You may obtain this Portfolio’s current seven-day yield by visiting the Fund’s website at www.pif.com or by calling (800) 621-9215.

Investment Advisor

BlackRock Advisors, LLC (“BALLC” or the “Investment Advisor”) is the Government Portfolio’s investment advisor.

Purchase and Sale of Participation Certificates

The Government Portfolio does not have minimum initial or subsequent investment requirements.

The Government Portfolio's Participation Certificates may be purchased or redeemed on any business day of the Portfolios. Investors must transmit purchase or redemption orders through BlackRock Advisors' online account access system, MutualADVANTAGE, which can be found at www.pif.com, or by calling (800) 821-9771.

Tax Information

The Government Portfolio intends to make distributions that may be taxed as ordinary income or capital gains.

MONEY MARKET PORTFOLIO

Investment Objective

The Money Market Portfolio is a prime money market fund, which seeks a high level of current income and stability of principal.

Fees and Expenses

This table describes the fees and expenses that you may pay if you buy and hold Participation Certificates of the Money Market Portfolio. The Portfolio does not charge any form of sales load, redemption fee or exchange fee.

Annual Portfolio Operating Expenses (expenses that you pay each year as a percentage of the value of your investment).

Investment Advisory and Servicing Fees	0.19%
Other Expenses	<u>0.14%</u>
Total Annual Portfolio Operating Expenses	0.33%
Fee Waivers and Expense Reimbursements ⁽¹⁾	<u>(0.15%)</u>
Total Annual Portfolio Operating Expenses after Fee Waivers and Expense Reimbursements	<u>0.18%</u>

⁽¹⁾ BlackRock Advisors, LLC (the "Investment Advisor") has contractually agreed to waive its fees such that the Money Market Portfolio's annual ordinary operating expenses do not exceed 0.30% of the Portfolio's average daily net assets. In addition, the Investment Advisor and BCS Financial Services Corporation (the "Administrator") have further agreed to waive their fees such that the Portfolio's annual ordinary operating expenses do not exceed 0.175% of the Portfolio's average daily net assets up to \$1 billion, 0.16% of the Portfolio's average daily net assets between \$1 billion and \$2 billion, and 0.155% of the Portfolio's average daily net assets in excess of \$2 billion. The Investment Advisor and the Administrator cannot terminate such fee waivers prior to May 1, 2018 without the consent of the Board of Trustees of the Fund ("Board").

Example

This example is intended to help you compare the cost of investing in the Money Market Portfolio with the cost of investing in other mutual funds.

This example assumes that you invest \$10,000 in the Money Market Portfolio for the time periods indicated and then redeem all of your investment at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Money Market Portfolio's operating expenses remain the same. The example below reflects the contractual fee waiver and expense reimbursement for the first year. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
\$18	\$91	\$170	\$403

Principal Investment Strategies

The Money Market Portfolio invests in U.S. Government, bank and commercial obligations and repurchase agreements collateralized by such obligations, which provide for repayment within 397 days after purchase, including, without limitation, U.S. Treasury bills, notes and bonds, securities issued by U.S. Government agencies and instrumentalities, as well as bank certificates of deposit, bankers acceptances, commercial paper and other obligations issued by domestic and foreign corporations. The Portfolio's investments will have a dollar-weighted average maturity of 60 days or less and a dollar-weighted average life of 120 days or less.

The Money Market Portfolio intends to operate as a prime money market fund pursuant to Rule 2a-7 of the 1940 Act. Accordingly, although the Portfolio is a money market fund, the net asset value ("NAV") of the Portfolio's Participation Certificates will "float," fluctuating with changes in the values of the Portfolio's securities. In buying and selling securities for the Portfolio, the Investment Advisor will comply with all other requirements of Rule 2a-7.

Principal Risks

Risk is inherent in all investing. The value of your investment in the Money Market Portfolio, as well as the amount of return you receive on your investment, may fluctuate significantly from day to day and over time. You could lose money by investing in the Portfolio. Because the price per Participation Certificate of the Portfolio will fluctuate, when you sell your Participation Certificates, they may be worth more or less than what you originally paid for them. The Money Market Portfolio may impose a fee upon the sale of your Participation Certificates or may temporarily suspend your ability to sell Participation Certificates if the Portfolio's weekly liquidity falls below required minimums because of market conditions or other factors. An investment in the Portfolio is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Portfolios' sponsor has no legal obligation to provide financial support to the Portfolio, and you should not expect that he sponsor will provide financial support to the Portfolio at any time. The following is a summary description of principal risks of investing in the Portfolio.

Credit Risk. A decline in the credit quality of an issuer of, or a provider of credit support or a maturity-shortening structure for, a security can cause the price of the security to decrease.

Extension Risk. When interest rates rise, certain obligations will be paid off by the obligor more slowly than anticipated, causing the value of these securities to fall.

Fees & Gates Risk. The Money Market Portfolio is able to impose liquidity fees on redemptions and/or temporarily suspend redemptions for up to 10 business days in any 90 day period in the event that the Portfolio's weekly liquid assets were to fall below a designated threshold, subject to a determination by the Board that such a liquidity fee or redemption gate is in the Portfolio's best interest. If the Portfolio's weekly liquid assets fall below 30% of its total assets, the Portfolio may impose liquidity fees of up to 2% of the value of the Participation Certificates redeemed and/or temporarily suspend redemptions, if the Board, including a majority of the independent Trustees, determines that imposing a liquidity fee or temporarily suspending redemptions is in the Portfolio's best interest. In addition, if the Portfolio's weekly liquid assets fall below 10% of its total assets at the end of any business day, the Portfolio must impose at least a 1% liquidity fee on Portfolio redemptions unless the Board, including a majority of the independent Trustees, determines that imposing such fee is not in the best interests of the Portfolio.

Financial Services Industry Concentration Risk. Changes in government regulation, interest rates and economic downturns can have a significant negative effect on issuers in the financial services industry, including the price of their securities or their ability to meet their payment obligations.

Floating Net Asset Value Risk. The NAV of the Money Market Portfolio floats, fluctuating with changes in the values of the Portfolio's securities, and as a result the Portfolio will not maintain a constant NAV per share. The value of the Portfolio's Participation Certificates will be calculated to four decimal places. It is possible to lose money by investing in the Portfolio.

Foreign Exposure Risk. Securities issued or supported by foreign entities, including foreign banks and corporations, may involve additional risks. Extensive public information about the foreign issuer may not be available and unfavorable political, economic or governmental developments in the foreign country involved could affect the payment of principal and interest. Investments in securities of foreign issuers may be subject to foreign withholding and other taxes.

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

Interest Rate Risk. Interest rate risk is the risk that the value of a debt security may fall when interest rates rise. In general, the market price of debt securities with longer maturities will go up or down in response to changes in interest rates by a greater amount than the market price of shorter-term securities. Additionally, securities issued or guaranteed by the U.S. Government, its agencies, instrumentalities and sponsored enterprises have historically involved little risk of loss of principal if held to maturity. However, due to fluctuations in interest rates, the market value of such securities may vary during the period Participation Certificate holders own an interest in the Portfolio.

Liquidity and Leverage Risks. Certain investment strategies employed by the Portfolio may involve additional investment risk. For example, variable and floating rate instruments may involve liquidity risk. Liquidity risk is the risk that securities may be difficult or impossible to sell at the time and the price that the Portfolio would like. Reverse repurchase agreements and when-issued or delayed delivery transactions may involve leverage risk. Leverage risk is associated with securities or practices that multiply small market movements into larger changes in the value of an investment portfolio.

Market Risk and Selection Risk. Market risk is the risk that one or more markets in which the Portfolio

invests will go down in value, including the possibility that the markets will go down sharply and unpredictably. Selection risk is the risk that the securities selected by the Investment Advisor will underperform the markets, the relevant indices or the securities selected by other funds with similar investment objectives and investment strategies.

Repurchase Agreement Risk. The Portfolio may enter into repurchase agreements. Under a repurchase agreement, the seller agrees to repurchase a security at a mutually agreed-upon time and price. If the seller in a repurchase agreement transaction defaults on its obligation under the agreement, the Portfolio may suffer delays and incur costs or lose money in exercising its rights under the agreement.

Treasury Obligations Risk. Direct obligations of the U.S. Treasury have historically involved little risk of loss of principal if held to maturity. However, due to fluctuations in interest rates, the market value of such securities may vary during the period an investor owns Participation Certificates of the Portfolio.

U.S. Government Obligations Risk. Obligations of U.S. Government agencies, authorities, instrumentalities and sponsored enterprises have historically involved little risk of loss of principal if held to maturity. However, not all U.S. Government securities are backed by the full faith and credit of the United States. Obligations of certain agencies, authorities, instrumentalities and sponsored enterprises of the U.S. Government are backed by the full faith and credit of the United States, other obligations are backed by the right of the issuer to borrow from the U.S. Treasury, and others are supported by the discretionary authority of the U.S. Government to purchase an agency's obligations. Still others are backed only by the credit of the agency, authority, instrumentality or sponsored enterprise issuing the obligation. No assurance can be given that the U.S. Government would provide financial support to any of these entities if it is not obligated to do so by law.

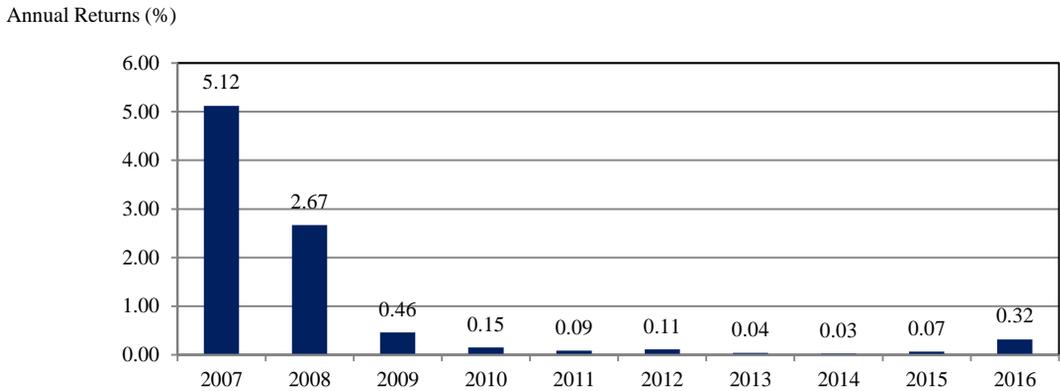
Variable and Floating Rate Investment Risk. The absence of an active market for these securities could make it difficult for the Portfolio to dispose of them if the issuer defaults.

When-Issued and Delayed Delivery Transactions Risk. When-issued and delayed delivery securities involve the risk that the security the Portfolio buys will lose value prior to its delivery. There also is the risk that the security will not be issued or that the other party to the transaction will not meet its obligation. If this occurs, the Portfolio loses both the investment opportunity for the assets it set aside to pay for the security and any gain in the security's price.

Performance Information

The following bar chart and table show the performance of the Money Market Portfolio, and indicate the risks of investing in the Portfolio by showing the historical return volatility associated with an investment in the Portfolio. The bar chart shows how the annual total returns of the Portfolio have varied from year to year for the last ten years. Prior to October 11, 2016, the Portfolio operated as a stable NAV money market fund. Beginning October 11, 2016, the Portfolio operates as a floating NAV money market fund. The table shows the Portfolio’s average annual total returns for one, five and ten year periods ended December 31, 2016. The bar chart and the table assume reinvestment of dividends and distributions. The past performance of the Money Market Portfolio does not necessarily indicate how it will perform in the future. Updated performance information is available at www.pif.com, or by calling 800-621-9215.

**Money Market Portfolio
Annual Total Returns for Each Year**



During the period shown in the bar chart, the highest quarterly return for the Money Market Portfolio was 1.29% (for the quarter ended September 30, 2007) and the lowest quarterly return was 0.003% (for the quarter ended March 31, 2014).

Average Annual Total Returns

(for the periods ended December 31, 2016):

	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Money Market Portfolio.....	0.32%	0.11%	0.89%

The Money Market Portfolio seven-day average yield as of December 31, 2016 was 0.77%. You may obtain this Portfolio’s current seven-day yield by visiting the Fund’s website at www.pif.com or by calling (800) 621-9215.

Investment Advisor

BlackRock Advisors, LLC (“BALLC” or the “Investment Advisor”) is the Money Market Portfolio’s investment advisor.

Purchase and Sale of Participation Certificates

The Money Market Portfolio does not have minimum initial or subsequent investment requirements.

The Money Market Portfolio's Participation Certificates may be purchased or redeemed on any business day of the Portfolios. Purchase orders must be placed in dollars, but redemption orders may be placed in either number of shares or dollars. Investors must transmit their orders through BlackRock Advisors' online account access system, MutualADVANTAGE, which can be found at www.pif.com, or by calling (800) 821-9771.

Tax Information

The Money Market Portfolio intends to make distributions that may be taxed as ordinary income or capital gains.

INVESTMENT OBJECTIVES AND STRATEGIES

The Government Portfolio

Investment Objective - The Government Portfolio is a government money market fund, which seeks a high level of current income and stability of principal. The Board may change the investment objective of the Government Portfolio without approval of the holders of the Portfolio's Participation Certificates.

Principal Investment Strategies - The Investment Advisor seeks to maximize investment income while maintaining stability of principal and sufficient liquidity to accommodate daily redemption requests. The Portfolio seeks to maintain a net asset value of \$1.00 per Participation Certificate.

The Government Portfolio intends to achieve its investment objective by investing in a broad range of U.S. Government obligations and repurchase agreements relating to such obligations, in each case having remaining maturities of one year or less, except that items of collateral securing repurchase agreements held by the Portfolio may have maturities exceeding one year.

The Portfolio invests in a portfolio of securities maturing in 397 days or less (with certain exceptions) and that have a dollar-weighted average maturity of 60 days or less and a dollar-weighted average life of 120 days or less. The average maturity of the Portfolio's securities is the average amount of time until the debt securities in the Portfolio must have their principal amount paid off or, in the case of variable or floating rate securities, will have their interest rate reset. The average life of the Portfolio's securities is calculated in a similar manner, but without reference to the exceptions used for variable or floating rate securities regarding the use of the interest rate reset dates in lieu of the security's actual maturity date. "Dollar-weighted" means the larger the dollar value of a debt security in the Portfolio, the more weight it gets in calculating these averages. The Investment Advisor generally holds Portfolio securities to maturity but may from time to time sell securities for the purposes of raising cash for redemptions or repositioning the Portfolio. The Investment Advisor takes into consideration liquidity and market conditions when considering securities to sell.

Pursuant to Rule 2a-7, the Portfolio is subject to a "general liquidity requirement" that requires that the Portfolio hold securities that are sufficiently liquid to meet reasonably foreseeable Participation Certificate redemptions in light of its obligations under Section 22(e) of the 1940 Act regarding Participation Certificate

redemptions and any commitments the Portfolio has made to investors. To comply with this general liquidity requirement, the Investment Advisor must consider factors that could affect the Portfolio's liquidity needs, including characteristics of the Portfolio's investors and their likely redemptions. Depending upon the volatility of its cash flows (particularly Participation Certificate redemptions), this may require the Portfolio to maintain greater liquidity than would be required by the daily and weekly minimum liquidity requirements discussed below.

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

The U.S. Government securities in which the Portfolio may invest include:

Repurchase Agreements. Repurchase agreements are transactions in which the Portfolio purchases a class of securities with the obligation to resell the securities shortly thereafter at a specified price which reflects interest payable to the Portfolio. The Portfolio may engage in repurchase agreements secured by 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 cash.

U.S. Government Obligations. The Portfolio may purchase obligations issued or guaranteed by the U.S. Government or its agencies, authorities, instrumentalities and sponsored enterprises, and may purchase related custodial receipts.

Variable and Floating Rate Instruments. Instruments that provide for adjustments in the interest rate on certain reset dates (i.e., variable rate) or whenever a specified interest rate index changes (i.e., floating rate).

When-Issued and Delayed Delivery Transactions. The purchase or sale of securities on a when-issued basis, on a delayed delivery (delayed settlement) basis or through a forward commitment involves the purchase or sale of securities by the Portfolio at an established price with payment and delivery taking place in the future. The Portfolio enters into these transactions to obtain what is considered an advantageous price to the Portfolio at the time of entering into the transaction.

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 and notes, 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. This policy is a non-fundamental policy of the Portfolio, and the Portfolio will not change the policy without providing Participation Certificate holders with at least 60 days' prior notice of any change in the policy.

The Money Market Portfolio

Investment Objective - The Money Market Portfolio is a money market fund, which seeks a high level of current income and stability of principal. The Board may change the investment objective of the Money Market Portfolio without approval of the holders of the Portfolio's Participation Certificates.

Principal Investment Strategies - The Investment Advisor seeks to maximize investment income while

maintaining stability of principal and sufficient liquidity to accommodate reasonable daily redemption requests.

The Money Market Portfolio intends to achieve its investment objective by investing in a broad range of U.S. Government obligations, repurchase agreements relating to such obligations, and bank and commercial obligations, in each case having remaining maturities of 397 days or less, except that items of collateral securing repurchase agreements held by the Portfolio may have maturities exceeding 397 days. The Portfolio's investments will have a dollar-weighted average maturity of 60 days or less and a dollar-weighted average life of 120 days or less. The average maturity of the Portfolio's securities is the average amount of time until the debt securities in the Portfolio must have their principal amount paid off or, in the case of variable or floating rate securities, will have their interest rate reset. The average life of the Portfolio's securities is calculated in a similar manner, but without reference to the exceptions used for variable or floating rate securities regarding the use of the interest rate reset dates in lieu of the security's actual maturity date. "Dollar-weighted" means the larger the dollar value of a debt security in the Portfolio, the more weight it gets in calculating these averages.

The Money Market Portfolio will purchase securities that present minimal credit risks as determined by the Investment Advisor. The Investment Advisor will invest more than 25% of the Portfolio's total assets in the financial services industry, which includes obligations of domestic branches of U.S. banks and U.S. branches of foreign banks subject to the same regulations as U.S. banks. The Investment Advisor generally holds securities to maturity but may from time to time sell securities for the purposes of raising cash for redemptions or repositioning the Portfolio. The Investment Advisor takes into consideration liquidity and market conditions when considering securities to sell.

The Portfolio intends to operate as an institutional prime money market fund pursuant to Rule 2a-7. Accordingly, although the Portfolio is a money market fund the NAV of the Portfolio's Participation Certificates will "float," fluctuating with changes in the values of the Portfolio's securities. In buying and selling securities for the Portfolio, the Investment Advisor will comply with all other requirements of Rule 2a-7.

Pursuant to Rule 2a-7, the Portfolio is subject to a "general liquidity requirement" that requires that the Portfolio hold securities that are sufficiently liquid to meet reasonably foreseeable Participation Certificate redemptions in light of its obligations under Section 22(e) of the 1940 Act regarding Participation Certificate redemptions and any commitments the Portfolio has made to investors. To comply with this general liquidity requirement, the Investment Advisor must consider factors that could affect the Portfolio's liquidity needs, including characteristics of the Portfolio's investors and their likely redemptions. Depending upon the volatility of its cash flows (particularly Participation Certificate redemptions), this may require the Portfolio to maintain greater liquidity than would be required by the daily and weekly minimum liquidity requirements discussed below.

Unusual Conditions/Temporary Defensive Periods

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 may not earn income.

Description of Principal and Other Investments

Set forth below are the principal investments of the Portfolios, as well as other non-principal investments which the Portfolios may make from time to time.

Both Portfolios may:

1. Purchase obligations issued or guaranteed by the U.S. Government or its agencies, authorities, instrumentalities and sponsored enterprises, and may purchase related custodial receipts.

2. Invest in direct obligations of the U.S. Treasury. Each Portfolio may also invest in Treasury receipts where the principal and interest components are traded separately under the Separate Trading of Registered Interest and Principal of Securities (“STRIPS”) program.

3. Enter into repurchase agreements. Under a repurchase agreement, a Portfolio acquires an investment for a short period (usually not more than 60 days), subject to an obligation of the seller to repurchase and the Portfolio to resell the investment at an agreed price and time, which determines the yield during the holding period. The repurchase agreements are fully collateralized by U.S. Government securities.

4. Purchase variable or floating rate notes, which are instruments that provide for adjustments in the interest rate on certain reset dates or whenever a specified interest rate index changes, respectively.

5. Borrow money by entering into reverse repurchase agreements to provide liquidity to meet redemption requests when the sale of portfolio securities is considered to be disadvantageous. Under a reverse repurchase agreement, a Portfolio sells an investment that it holds, subject to an obligation of the Portfolio to repurchase the investment at an agreed price and time. Proceeds of reverse repurchase agreements used to provide liquidity to meet redemption requests may equal no more than 5% of the total assets of the Portfolio. Redemptions are the only use to which proceeds of reverse repurchase agreements will be put. The Portfolios will not use borrowings, including reverse repurchase agreement proceeds, to purchase additional securities. The Portfolios do not expect the use of reverse repurchase agreements to affect the net asset value of the Portfolios.

6. Purchase securities on a “when-issued,” “delayed delivery,” or “delayed settlement” basis. Each Portfolio expects that commitments to purchase when-issued or delayed settlement securities will not exceed 15% of the value of its total assets absent unusual conditions. The Portfolios do not intend to purchase when-issued or delayed settlement securities for speculative purposes, but only in furtherance of their investment objectives. The Portfolios do not receive income from when-issued or delayed settlement securities prior to delivery of such securities.

A Portfolio may not acquire an illiquid security (defined as, securities that cannot be sold or disposed of in the ordinary course of business within seven days at approximately their market value as determined by the Portfolio) if, immediately following such acquisition, more than 5% of the Portfolio’s total assets are invested in illiquid securities. Securities that have readily available market quotations are not deemed illiquid for purposes of this limitation.

The Money Market Portfolio may also:

1. Purchase bank obligations, such as certificates of deposit, bankers’ acceptances, bank notes issued or supported by the credit of U.S. and foreign branches of U.S. and foreign banks having assets of at least \$1 billion, and time deposits in U.S. and foreign banks having assets of at least \$1 billion, provided that such bank obligations meet the quality, diversification, and other requirements of Rule 2a-7 and other SEC rules.

2. Purchase commercial paper issued by domestic and foreign issuers that meet the Portfolio’s quality,

diversification, and other requirements.

3. Purchase corporate bonds and notes issued by domestic issuers that meet the Portfolio's quality, diversification, and other requirements.

4. The Portfolio may, when deemed appropriate by its Investment Advisor in light of its investment objectives, invest in high quality municipal obligations issued by state and local governmental issuers, which carry yields that are competitive with those of other types of money market instruments of comparable quality.

5. Purchase variable amount master demand notes ("VAMD Notes") issued by corporations, which are unsecured instruments that permit the indebtedness to vary and provide for periodic adjustments in the interest rate. Although such VAMD Notes normally are considered illiquid and are not traded, the Fund may at any time demand payment of principal and accrued interest be made by the issuers of the VAMD Notes in less than seven days. Investment in VAMD Notes would be subject to the limitations on purchases of illiquid securities described under "Investment Strategies, Risks and Policies — Investment and Borrowing Limitations" in the Statement of Additional Information, as well as the liquidity requirements of the Portfolios described above.

Each investor should determine for itself the suitability of investing in a Portfolio, and with respect to investors that are insurance companies, whether such investments are permitted under applicable insurance laws and regulations.

Disclosure of Portfolio Holdings

A description of the Fund's policies and procedures with respect to the disclosure of the Fund's portfolio holdings is available in the Portfolios' Statement of Additional Information.

PRINCIPAL RISK FACTORS

This section contains a discussion of certain risks of investing in a Portfolio. The "Investment Objective" and "Additional Information on Portfolio Instruments" sections in the Statement of Additional Information ("SAI") includes more information about each Portfolio, its investments, and related risks.

Credit Risk. Credit risk is the risk that an issuer will be unable to make principal and interest payments when due. U.S. Government securities are generally considered to be the safest type of investment in terms of credit risk, with corporate debt securities presenting somewhat higher credit risk. Credit quality ratings published by a nationally recognized rating agency are widely accepted measures of credit risk. The lower a security is rated by such a rating agency, the more credit risk it is considered to represent.

Financial Services Industry Concentration Risk (Money Market Portfolio only). A substantial part of the Money Market Portfolio's investments, 25% or more of the Portfolio's net assets, may, under normal circumstances, be comprised of securities issued by companies in the financial services industry, which includes obligations of domestic branches of U.S. banks and U.S. branches of foreign banks subject to the same regulations as U.S. banks. As a result, the Portfolio will be more susceptible to any economic, business, political or other developments which generally affect this industry. Because of its concentration in the financial services industry, the Portfolio will be exposed to a larger extent to the risks associated with that industry, such as government regulation, the availability and cost of capital funds, consolidation and general economic conditions. Financial services companies are also

exposed to losses if borrowers and other counterparties experience financial problems and/or cannot repay their obligations.

Extension Risk (Money Market Portfolio Only). When interest rates rise, certain obligations will be paid off by the obligor more slowly than anticipated, causing the value of these securities to fall.

Foreign Exposure Risk (Money Market Portfolio Only). Securities issued or supported by foreign entities, including foreign banks and corporations, may involve additional risks. Extensive public information about the foreign issuer may not be available and unfavorable political, economic or governmental developments in the foreign country involved could affect the payment of principal and interest. Investments in securities of foreign issuers may be subject to foreign withholding and other taxes.

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

Interest Rate Risk. Interest rate risk is the risk that the value of a debt security may fall when interest rates rise. In general, the market price of debt securities with longer maturities will go up or down in response to changes in interest rates by a greater amount than the market price of shorter-term securities. Additionally, securities issued or guaranteed by the U.S. Government, its agencies, instrumentalities and sponsored enterprises have historically involved little risk of loss of principal if held to maturity. However, due to fluctuations in interest rates, the market value of such securities may vary during the period Participation Certificate holders own an interest in the Portfolio.

Liquidity and Leverage Risks. Certain investment strategies employed by the Portfolios may involve additional investment risk. For example, variable and floating rate instruments may involve liquidity risk. Liquidity risk is the risk that securities may be difficult or impossible to sell at the time and the price that the Portfolio would like. Reverse repurchase agreements and when-issued or delayed delivery transactions may involve leverage risk. Leverage risk is associated with securities or practices that multiply small market movements into larger changes in the value of an investment portfolio.

Market Risk and Selection Risk. Market risk is the risk that one or more markets in which the Portfolios invests will go down in value, including the possibility that the markets will go down sharply and unpredictably. Selection risk is the risk that the securities selected by the Investment Adviser will underperform the markets, the relevant indices or the securities selected by other funds with similar investment objectives and investment strategies.

Repurchase Agreement Risk. The Portfolio may enter into repurchase agreements. Under a repurchase agreement, the seller agrees to repurchase a security at a mutually agreed-upon time and price. If the seller in a repurchase agreement transaction defaults on its obligation under the agreement, the Portfolio may suffer delays and incur costs or lose money in exercising its rights under the agreement.

Treasury Obligations Risk. Treasury obligations may differ in their interest rates, maturities, times of issuance and other characteristics. Direct obligations of the U.S. Treasury have historically involved little risk of loss of principal if held to maturity. However, due to fluctuations in interest rates, the market value of such securities may vary during the period an investor owns Participation Certificates of the Portfolio.

U.S. Government Obligations Risk. Obligations of U.S. Government agencies, authorities, instrumentalities

and sponsored enterprises have historically involved little risk of loss of principal if held to maturity. However, not all U.S. Government securities are backed by the full faith and credit of the United States. Obligations of certain agencies, authorities, instrumentalities and sponsored enterprises of the U.S. Government are backed by the full faith and credit of the United States (e.g., the Government National Mortgage Association); other obligations are backed by the right of the issuer to borrow from the U.S. Treasury (e.g., the Federal Home Loan Banks) and others are supported by the discretionary authority of the U.S. Government to purchase an agency's obligations. Still others are backed only by the credit of the agency, authority, instrumentality or sponsored enterprise issuing the obligation. No assurance can be given that the U.S. Government would provide financial support to any of these entities if it is not obligated to do so by law.

Variable and Floating Rate Investment Risk. The absence of an active market for these securities could make it difficult for a Portfolio to dispose of them if the issuer defaults.

When-Issued and Delayed Delivery Transactions Risk. When-issued and delayed delivery (delayed settlement) securities involve the risk that the security the Portfolio buys will lose value prior to its delivery. There also is the risk that the security will not be issued or that the other party to the transaction will not meet its obligation. If this occurs, the Portfolio loses both the investment opportunity for the assets it set aside to pay for the security and any gain in the security's price.

Floating Net Asset Value Risk. The NAV of the Money Market Portfolio floats, fluctuating with changes in the values of the Portfolio's securities, and as a result the Portfolio will not maintain a constant net asset value per share. The value of the Portfolio's Participation Certificates will be calculated to four decimal places. It is possible to lose money by investing in the Portfolio.

Fees & Gates Risk. The Money Market Portfolio is able to impose liquidity fees on redemptions and/or temporarily suspend redemptions for up to 10 business days in any 90 day period in the event that the Portfolio's weekly liquid assets were to fall below a designated threshold, subject to a determination by the Board that such a liquidity fee or redemption gate is in the Portfolio's best interest. If the Portfolio's weekly liquid assets fall below 30% of its total assets, the Portfolio may impose liquidity fees of up to 2% of the value of the Participation Certificates redeemed and/or temporarily suspend redemptions, if the Board, including a majority of the Trustees who are not "interested persons" of the Portfolio as defined in the 1940 Act ("Independent Trustees"), determines that imposing a liquidity fee or temporarily suspending redemptions is in the Portfolio's best interest. In addition, if the Money Market Portfolio's weekly liquid assets fall below 10% of its total assets at the end of any business day, the Money Market Portfolio must impose at least a 1% liquidity fee on Portfolio redemptions unless the Board, including a majority of the independent Trustees, determines that imposing such fee is not in the best interests of the Portfolio.

MANAGEMENT OF THE PORTFOLIOS

Investment Advisor

BALLC, the Investment Advisor to the Government Portfolio and the Money Market Portfolio, is an SEC registered investment adviser. BALLC was organized in 1994 to perform advisory services for investment companies and has its principal offices at 100 Bellevue Parkway, Wilmington, Delaware 19809.

The Investment Advisor is a wholly-owned indirect subsidiary of BlackRock, Inc., which had over \$5.1 trillion of assets under management as of December 31, 2016. The PNC Financial Services Group, Inc. is the largest stockholder, and an affiliate for 1940 Act purposes, of BlackRock, Inc.

As Investment Advisor, BALLC manages and is responsible for all purchases and sales of securities of the Government Portfolio and the Money Market Portfolio. BALLC also provides certain administration services to the Portfolios, maintains the financial accounts and records and computes the net asset value and net income for both Portfolios of the Fund. BALLC subcontracts certain of the Portfolio's administrative services to BNY Mellon Investment Servicing (U.S.), Inc. ("BNY Mellon"). 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 a fee, computed daily and payable monthly, based on such Portfolio's average daily net assets. Accordingly, any fees payable to BNY Mellon do not affect the fees payable by the Portfolios to BALLC.

BALLC has contractually agreed to waive its fees such that the Money Market Portfolio's annual ordinary operating expenses do not exceed 0.30% of the Portfolio's average daily net assets. In addition, BALLC and BCS Financial Services Corporation (the "Administrator") have further agreed to waive their fees such that the Portfolio's annual ordinary operating expenses do not exceed 0.175% of the Portfolio's average daily net assets up to \$1 billion, 0.16% of the Portfolio's average daily net assets between \$1 billion and \$2 billion, and 0.155% of the Portfolio's average daily net assets in excess of \$2 billion. BALLC and the Administrator cannot terminate such fee waivers prior to May 1, 2018 without the consent of the Board of Trustees of the Fund. Any fees waived or expenses reimbursed with respect to a particular Portfolio or year are not recoverable. For the fiscal year ended December 31, 2016, BALLC waived fees for the Government Portfolio equal to 0.17% of the Portfolio's average daily net assets and waived fees for the Money Market Portfolio equal to 0.15% of the Portfolio's average daily net assets. As a result of the fees BALLC is entitled to receive and the fees waived or expenses reimbursed by BALLC, for the fiscal year ended December 31, 2016 the Government Portfolio and the Money Market Portfolio paid BALLC aggregate fees of \$34,272 and \$118,557, respectively.

BALLC and the Administrator will not recoup any previously waived or reimbursed fees/expenses in any subsequent years.

A discussion regarding the basis for the Board of Trustees approving the continuation of the investment advisory and service agreements between the Fund and BALLC with respect to the Portfolios is available in the Fund's semi-annual report to Participation Certificate holders for the period ended June 30, 2016.

Trustees

Independent Trustees

W. Dennis Cronin is Senior Vice President of Treasury Services, Assistant Treasurer and Chief Risk Officer of Highmark Health.

John F. Giblin is Executive Vice President and Chief Financial Officer for BlueCross BlueShield of Tennessee.

Robert J. Kolodgy is Executive Vice President and Chief Financial Officer of Blue Cross Blue Shield Association.

Alan Krigstein is Executive Financial Consultant of Independence Blue Cross.*

Jeffery T. Leber is Chief Financial Officer of Blue Cross & Blue Shield of Mississippi.

Carl R. McDonald is Divisional Senior Vice President - Treasury, Investments, & Corporate Development of Health Care Service Corporation.

Michael J. Mizeur is Executive Vice President, Chief Financial Officer and Treasurer of BlueCross BlueShield of South Carolina.

Michael A. Murray is Senior Vice President and Chief Financial Officer of BlueShield of California.

Vincent P. Price is Executive Vice President and Chief Financial Officer of Cambia Health Solutions, Inc.

Cynthia M. Vice is Senior Vice President, Chief Financial Officer and Treasurer of Blue Cross Blue Shield of Alabama.

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

SHAREHOLDER INFORMATION

Participation Certificates

The Participation Certificates are shares of stock of the Fund. Under the Articles of Incorporation of the Fund, its shares of stock are referred to as “Participation Certificates.” The Participation Certificates of the Government Portfolio, which is a government money market fund, seeks to maintain an NAV of \$1.00 per Participation Certificate, and are entitled to one vote per Participation Certificate.

Pricing of Participation Certificates

For the Government Portfolio

The NAV per Participation Certificate is based on the value of the investments held by the Portfolio. The Portfolio calculates the NAV by valuing the assets of the Portfolio, subtracting liabilities and dividing the balance by the number of Participation Certificates outstanding. The price you pay when you purchase, and the price you receive when you redeem, a Participation Certificate is the NAV next determined after confirmation of your order. The Government Portfolio’s NAV per Participation Certificate is calculated by the Investment Advisor on each day on which the New York Stock Exchange (“NYSE”) is open for business (a “Business Day”). The NAV of the Government Portfolio is determined on each Business Day as of the close of regular trading on the NYSE (normally 4:00 p.m. Eastern time). In computing NAV per Participation Certificate, the Government Portfolio uses the amortized cost method of valuation. See “Use of Amortized Cost” below. Although the Government Portfolio seeks to maintain a constant NAV of \$1.00 per Participation Certificate, it is possible to lose money by investing in the Portfolio. The Portfolio’s current NAV may be found on the Fund’s website at www.pif.com.

The Government Portfolio reserves the right to advance the deadline for accepting purchase or redemption orders for same Business Day credit on any day when the NYSE, bond markets (as recommended by the Securities Industry and Financial Markets Association (“SIFMA”)) or the Federal Reserve Bank of Philadelphia closes early, trading on the NYSE is restricted, an emergency arises or as otherwise permitted by the SEC.

For the Money Market Portfolio

The NAV per Participation Certificate is based on the market value of the investments held by the Portfolio. The Portfolio calculates the NAV by valuing the assets of the Portfolio, subtracting liabilities and dividing the balance by the number of Participation Certificates outstanding. The price you pay when you purchase, and the price you receive when you redeem, a Participation Certificate is the NAV next determined after confirmation of your order. The Money Market Portfolio’s NAV per Participation Certificate is calculated by the Investment Advisor on each Business Day. The NAV is determined at 8:00 a.m., 12:00 p.m. and 3:00 p.m. Eastern time on each Business Day. The 8:00 a.m., 12:00 p.m. and 3:00 p.m. calculation points are intended to facilitate same day settlement. The times at which the NAV is determined, and when orders must be placed, may be changed as permitted by the SEC. The Portfolio’s current NAV may be found on the Fund’s website at www.pif.com.

The Money Market Portfolio reserves the right to advance the deadline for accepting purchase or redemption orders for same Business Day credit on any day when the NYSE, bond markets (as recommended by SIFMA) or the Federal Reserve Bank of Philadelphia closes early, trading on the NYSE is restricted, an emergency arises or as otherwise permitted by the SEC.

In calculating its NAV, the Money Market Portfolio will value its holdings in accordance with the Fund's valuation policies and procedures, 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 NYSE. 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 securities. The Money Market Portfolio is also subject to liquidity fees and the temporary suspension of redemptions, as explained below under "Special Limitations Affecting Redemptions".

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 that utilizes amortized cost to value the security 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.

Purchase of Participation Certificates

The Fund sells Participation Certificates of each Portfolio without a sales charge at the NAV per Participation Certificate next determined after receipt of a purchase order is confirmed. Investors may open an account with the Fund by completing and submitting to the Fund's administrator, BCS Financial Services Corporation (previously defined as the "Administrator"), an application which may be obtained by calling

(800) 621-9215. The application requests information from the investor that is required in order to open an account for such investor. After the application has been received and approved, an investor may place purchase orders for Participation Certificates on any Business Day through BlackRock Advisors' online account access system, MutualADVANTAGE, which can be found at www.pif.com or by calling (800) 821-9771 and indicating the amount and the Portfolio of the Participation Certificates desired.

Purchase orders for the Government Portfolio will be executed at the NAV next determined after receipt of the purchase order is confirmed. A purchase order received by 3:00 P.M. (Eastern Time) will generally be confirmed if the investor has an account open with the Fund and BNY Mellon receives funds for the amount of the purchase order through Federal wire by 4:00 P.M. (Eastern Time) that same day. Purchase orders tendered after 3:00 P.M. (Eastern Time) and orders for which sufficient payment has not been received by BNY Mellon by 4:00 P.M. (Eastern Time), will not be deemed to have been received on that day and notice will be given to the investor placing the order. In the event that payment is not received by the close of the Federal Reserve wire transfer system or through other immediately available funds that same day, the Fund reserves the right to cancel your purchase order and you will be liable for any costs incurred.

Purchase orders for the Money Market Portfolio will be priced at the NAV next determined after receipt of the purchase order is confirmed. The Money Market Portfolio's NAV is determined at 8:00 a.m., 12:00 p.m. and 3:00 p.m. (Eastern Time) on each Business Day. The 8:00 a.m., 12:00 p.m. and 3:00 p.m. calculation points are intended to facilitate same day settlement. Purchase orders tendered after 3:00 P.M. (Eastern Time) must be transmitted by calling (800) 821-9771, and not through online access. Orders received or confirmed after the applicable deadline on any Business Day (or, if the Fund closes early, at such closing time) will generally be executed on the next Business Day. Orders received after 3:00 p.m. on any Business Day will be considered received at the open of the Fund's next Business Day and if a liquidity fee or redemption gate is not in place will generally be executed at 8:00 a.m. on the next business day. In order for a purchase order to be confirmed on the same business day in which the purchase order is placed prior to 3:00 P.M. (Eastern Time), the Fund must receive "federal funds" or other immediately available funds by the close of the Federal Reserve wire transfer system (normally, 6:00 p.m. Eastern time) on the same business. In the event that payment is not received by the close of the Federal Reserve wire transfer system or through other immediately available funds that same day, the Fund reserves the right to cancel your purchase order and you will be liable for any costs incurred, including any costs incurred to recompute the Portfolio's NAV.

Investors must pay for purchase orders for Participation Certificates through Federal wire to BNY Mellon. The Portfolios do not have minimum initial or subsequent investment requirements. Payment for purchase orders which are not received or accepted will be returned after prompt inquiry to the sending investor. Each Portfolio may in its discretion reject any orders for purchase of Participation Certificates. Unless the purchaser designates a specific Portfolio, all purchases automatically will be made in the Money Market Portfolio.

Redemption of Participation Certificates

Investors must transmit redemption orders through BlackRock Advisors' online account access system, MutualADVANTAGE, which can be found at www.pif.com or by calling (800) 821-9771. The Fund will redeem Participation Certificates at the NAV per Participation Certificate next determined after receipt of the redemption order. For the Money Market Portfolio, NAV will be determined at 8:00 a.m., 12:00 p.m. and 3:00 p.m. (Eastern Time). The 8:00 a.m., 12:00 p.m. and 3:00 p.m. calculation points are intended to facilitate same day settlement.

The Fund will pay for redeemed Participation Certificates of the Money Market Portfolio for which a redemption order is received on a Business Day before 3:00 P.M. (Eastern Time) in Federal funds wired to the

redeeming investor's account on the same Business Day. Any such orders tendered after 3:00 P.M. (Eastern Time) must be transmitted by calling (800) 821-9771, and not through online access. The Fund will pay for redeemed Participation Certificates of the Government Portfolio for which a redemption order is received on a Business Day before 3:00 P.M. (Eastern Time) in Federal funds wired to the redeeming investor's account on the same business day. The Fund will pay for redemption orders which are received on a Business Day after the applicable times specified above (or on a day when BNY Mellon is closed) in Federal funds wired on the next Business Day that BNY Mellon is open for business. An investor receives no dividend for the day on which Participation Certificates are redeemed, therefore, investors that do not place redemption orders by the times indicated may wish to wait until the morning of the following business day to do so.

The Fund may suspend the right to redemption or postpone the date of payment upon redemption (as well as suspend or postpone the recordation of the transfer of its Participation Certificates) for the periods permitted under the 1940 Act and as determined by the SEC by rules and regulations.

If any investor ceases to be a member or licensee of the Blue Cross and Blue Shield Association or a related organization (a "BCBS Investor"), the Fund may redeem the Participation Certificates held by such investor, without the investor's consent. If an investor ceases to be a BCBS Investor, the investor must promptly notify the Fund in writing. If the Fund redeems the Participation Certificates held by such investor, the Fund will notify such investor.

Payment In Kind

Investors may request that redemption order proceeds consist of securities held by the redeemed Portfolio in lieu of cash. Prior to placing a payment in kind redemption order, an investor must provide the Investment Advisor with written instructions identifying the custodial account to receive the securities to be distributed. The Fund may decline such a request in full or in part and pay redemption proceeds in cash if the Fund determines it is in its best interest to do so. The securities to be distributed in an in-kind payment of redemption proceeds shall represent a pro rata share of each security held in the Portfolio, in accordance with Rule 17a-5 under the 1940 Act. Redemptions in kind are taxable for federal income tax purposes in the same manner as redemptions for cash.

If the Board determines that conditions exist which make payment of redemption proceeds wholly in cash unwise or undesirable, the Fund may make redemption payments wholly or partly in securities or other property.

Special Limitations Affecting Redemptions

The SEC has implemented a number of requirements, including liquidity fees and temporary redemption gates, for money market funds based on the amount of Portfolio 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.

The Fund has adopted policies and procedures such that the Money Market Portfolio may impose liquidity fees on redemptions and/or temporarily suspend redemptions for up to 10 Business Days in any 90 day period in the event that the Portfolio's weekly liquid assets were to fall below designated thresholds, subject to a determination by the Board that such a liquidity fee or redemption gate is in the Portfolio's best interest. If the Portfolio's weekly liquid assets fall below 30% of its total assets, the Portfolio may impose liquidity fees of up to 2% of the value of the Participation Certificates redeemed and/or temporarily suspend redemptions, if the Board, including a majority of

the Independent Trustees, determines that imposing a liquidity fee or temporarily suspending redemptions is in the Portfolio's best interest. If the Portfolio's weekly liquid assets fall below 10% of its total assets at the end of any Business Day, the Money Market Portfolio will impose a liquidity fee of at least 1% on all redemptions beginning on the next Business Day, unless the Board, including a majority of the Independent Trustees, determines that imposing such a fee would not be in the best interests of the Portfolio or determines that a lower or higher fee (not to exceed 2%) would be in the best interests of the Portfolio, which liquidity fee would remain in effect until weekly liquid assets return to 30% or the Board determines that the fee is no longer in the best interests of the Portfolio. In the event that a liquidity fee is imposed and/or redemptions are temporarily suspended, the Board may take certain other actions based on the particular facts and circumstances, including but not limited to modifying the timing and frequency of the Money Market Portfolio's NAV determinations. All liquidity fees payable by Participation Certificate holders of the Portfolio would be payable to the Portfolio and could offset any losses realized by the Portfolio when seeking to honor redemption requests during times of market stress.

If liquidity fees are imposed or redemptions are temporarily suspended, the Money Market Portfolio will notify Participation Certificate holders on the Portfolio's website or by press release. In addition to identifying the Portfolio, such notifications will include the Portfolio's percentage of total assets invested in weekly liquid assets, the time of implementation of the liquidity fee and/or redemption gate and details regarding the amount of the liquidity fee. The imposition and termination of a liquidity fee or redemption gate will also be reported by the Portfolio to the SEC on Form N-CR. If redemptions are temporarily suspended, the Portfolio will not accept redemption orders until the Portfolio has notified Participation Certificate holders that the redemption gate has been lifted. Participation Certificate holders wishing to redeem shares once the redemption gate has been lifted will need to submit a new redemption request to the Portfolio.

In addition, the right of any investor to receive payment with respect to any redemption may be suspended or the payment of the redemption proceeds postponed during any period in which the NYSE is closed (other than weekends or holidays) or trading on the NYSE is restricted or, to the extent otherwise permitted by the 1940 Act, if an emergency exists as a result of which disposal by the Portfolio of securities owned by it is not reasonably practicable or it is not reasonably practicable for the Portfolio fairly to determine the value of its net assets. In addition, the SEC may by order permit suspension of redemptions for the protection of Participation Certificate holders of the Money Market Portfolio.

If the Money Market Portfolio's weekly liquid assets fall below 10% of its assets on a Business Day, the Portfolio may cease honoring redemptions and liquidate at the discretion of the Board, including a majority of the Independent Trustees. Prior to suspending redemptions, the Portfolio would be required to notify the SEC of its decision to liquidate and suspend redemptions. If the Portfolio ceases honoring redemptions and determines to liquidate, the Portfolio expects that it would notify Participation Certificate holders on the Portfolio's website or by press release. Distributions to Participation Certificate holders of liquidation proceeds may occur in one or more disbursements.

Unprocessed purchase orders that the Money Market Portfolio receives prior to notification of the imposition of liquidity fees or a redemption gate will be cancelled unless re-confirmed. Under certain circumstances, the Portfolio may honor redemption orders (or pay redemptions without adding a liquidity fee to the redemption amount) if the Portfolio can verify that the redemption order was received in good order by the Portfolio before the Portfolio imposed liquidity fees or temporarily suspended redemptions.

Additional Purchase and Redemption Information

The Fund's Board has not adopted policies and procedures with respect to frequent purchases and redemptions of the Portfolios' Participation Certificates (market timing policy) because the Government Portfolio seeks to maintain a stable NAV of \$1.00 per Participation Certificate and because both Portfolios are generally used for short-term investment or cash management purposes. There can be no assurances, however, that the Portfolios may not, on occasion, serve as a temporary or short-term investment vehicle for those who seek to market time funds offered by other investment companies.

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.

Dividends and Distributions

Investors in the Portfolios are entitled to dividends and distributions arising only from the net income and capital gains, if any, earned on investments held by that Portfolio. Each Portfolio declares net income daily as a dividend to Participation Certificate holders of record at the close of business on the date of declaration. Each Portfolio pays dividends monthly. Dividends will be reinvested in additional Participation Certificates or, if the investor so elects by checking the appropriate box on the application, will be transmitted to such investor by wire within five business days after the end of the month (or within five business days after a redemption of all of the investor's Participation Certificates). The Government Portfolio and the Money Market Portfolio do not expect to realize net long-term capital gains.

Anti-Money Laundering Requirements

The Fund is subject to the USA PATRIOT ACT (the "Patriot Act"). The Patriot Act is intended to prevent the use of the U.S. financial system in furtherance of money laundering, terrorism or other illicit activities. Pursuant to requirements under the Patriot Act, the Fund may request information from its Participation Certificate holders to enable it to form a reasonable belief that the Fund knows the true identity of its Participation Certificate holders.

Distributor

The Fund has entered into a Distribution Agreement dated as of January 7, 2014 with Foreside Fund Services, LLC (the "Distributor"), pursuant to which the Distributor is the Fund's principal underwriter and acts as the Fund's distributor in connection with the offering of the Participation Certificates of the Fund.

FEDERAL INCOME TAXES

As long as each Portfolio meets the requirements for being a regulated investment company, the Fund pays no federal income tax on the earnings it distributes to holders of Participation Certificates. The Portfolios met these requirements in the last taxable year, and intend to continue to meet these requirements in future years.

Dividends you receive from the Portfolios, whether reinvested or taken as cash, are generally taxable. Dividends from net capital gains (i.e., the excess of net long-term capital gains over net short-term capital losses) are taxable as long-term capital gains; dividends from other sources are generally taxable as ordinary income. The Portfolios expect that substantially all of the dividends from the Portfolios will be taxable as ordinary income.

Dividends declared in October, November or December of any year and payable to holders of record on a specified date in such a month and paid by the Portfolio during January of the following year, will be deemed for federal income tax purposes to have been received by the Participation Certificate holders and paid by the Portfolio on December 31 of the year in which the dividend was declared.

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. 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. However, 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 as a result of the Money Market Portfolio's floating NAV. 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, rather than computing gain or loss on every taxable disposition of Participation Certificates as described above, the holder would recognize gain or loss based on the aggregate value of their Participation Certificates of a Portfolio during the computation period. The holder's gain or loss would generally equal (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 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. Investors in the Portfolios should consult their own tax advisor 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.

Each Portfolio is required in certain circumstances to apply backup withholding on all distributions and redemption proceeds paid to any holder of the Portfolio's Participation Certificates who does not provide the Portfolio with their correct taxpayer identification number or who fails to make required certifications or who is otherwise subject to backup withholding. Backup withholding is not an additional tax. Any amounts withheld may be credited against the holder's federal income tax liability provided the appropriate information is furnished to the Internal Revenue Service.

The foregoing discussion is only a brief summary of some of the federal income tax considerations generally affecting the Portfolios and holders of Participation Certificates. No attempt is made to present a detailed explanation of the federal, state or local income tax treatment of the Portfolios or holders of Participation Certificates, and this discussion is not intended as a substitute for careful tax planning. Investors in the Portfolios should consult their tax advisors concerning their own tax situation.

FINANCIAL HIGHLIGHTS

The financial highlights tables are intended to help you understand the financial performance of the Government Portfolio and the Money Market Portfolio for the periods indicated. Certain information reflects financial results for a single Participation Certificate. The total returns in the table represent the rate that an investor would have earned (or lost) on an investment in the respective Portfolio (assuming reinvestment of all dividends and distributions). This information for the years ended December 31, 2016, 2015, 2014, 2013, and 2012 has been audited by Deloitte & Touche LLP, independent registered public accounting firm, whose report, along with the financial statements of the Portfolios, are incorporated by reference into the Statement of Additional Information and included in the Annual Report, each of which is available upon request.

Government Portfolio

The table below sets forth selected financial data for a Government Portfolio Participation Certificate outstanding throughout each period presented.

	Year Ended 12/31/16	Year Ended 12/31/15	Year Ended 12/31/14	Year Ended 12/31/13	Year Ended 12/31/12
Net Asset Value, Beginning of Period	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
<u>Investment Operations:</u>					
Net Investment Income	0.0022	0.0002	0.0001	0.0003	0.0009
Net Realized Gain (Loss) on Investments	-	—	—	—	—
Total From Investment Operations	0.0022	0.0002	0.0001	0.0003	0.0009
<u>Less Dividends and Distributions:</u>					
Dividends to PC holders from					
Net Investment Income	(0.0022)	(0.0002)	(0.0001)	(0.0003)	(0.0009)
Total Dividends and Distributions	(0.0022)	(0.0002)	(0.0001)	(0.0003)	(0.0009)
Net Asset Value, End of Year	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Total Return	0.22%	0.02%	0.01%	0.03%	0.09%
<u>Ratios/Supplemental Data:</u>					
Net Assets, End of Year (000)	\$ 401,662	\$ 102,110	\$ 112,048	\$ 129,306	\$ 208,905
Ratio of Net Expenses to Average Net Assets ⁽¹⁾	0.10%	0.07%	0.05%	0.06%	0.10%
Ratio of Net Investment Income to Average Net Assets ⁽²⁾	0.23%	0.02%	0.01%	0.03%	0.09%

- (1) Without the waiver and/or reimbursement of a portion of advisory and administration fees, the ratio of total expenses to average net assets would have been 0.31%, 0.34%, 0.32%, 0.30%, and 0.29% for the years ended December 31, 2016, 2015, 2014, 2013, and 2012, respectively.
- (2) Without the waiver and/or reimbursement of a portion of advisory and administration fees, the ratio of net investment income/(loss) to average net assets would have been 0.02%, (0.25%), (0.26%), (0.21%), and (0.10%) for the years ended December 31, 2016, 2015, 2014, 2013, and 2012, respectively.

Money Market Portfolio

The table below sets forth selected financial data for a Money Market Portfolio Participation Certificate outstanding throughout each period presented.

	Year Ended 12/31/16*	Year Ended 12/31/15	Year Ended 12/31/14	Year Ended 12/31/13	Year Ended 12/31/12
Net Asset Value, Beginning of Period	\$ 1.0000	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
<u>Investment Operations:</u>					
Net Investment Income	0.0030	0.0006	0.0003	0.0004	0.001
Net Realized Gain (Loss) on Investments	0.0001	0.0001	—	—	—
Total From Investment Operations	0.0031	0.0007	0.0003	0.0004	0.001
<u>Less Dividends and Distributions:</u>					
Dividends to PC holders from Net Investment Income	(0.0032)	(0.0007)	(0.0003)	(0.0004)	(0.001)
Total Dividends and Distributions	(0.0032)	(0.0007)	(0.0003)	(0.0004)	(0.001)
Net Asset Value, End of Year	\$ 0.9999	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Total Return	0.32%	0.07%	0.03%	0.04%	0.11%
<u>Ratios/Supplemental Data:</u>					
Net Assets, End of Year (000)	\$ 37,470	\$ 194,735	\$ 539,276	\$ 586,404	\$ 839,926
Ratio of Net Expenses to Average Net Assets ⁽¹⁾	0.18%	0.17%	0.17%	0.18%	0.18%
Ratio of Net Investment Income to Average Net Assets ⁽²⁾	0.29%	0.05%	0.02%	0.03%	0.11%

* Effective October 11, 2016, the Money Market Portfolio began to transact at a floating NAV per share that uses four decimal-place precision.

(1) Without the waiver and/or reimbursement of a portion of advisory and administration fees, the ratio of total expenses to average net assets would have been 0.33%, 0.31%, 0.27%, 0.25% and 0.23% for the years ended December 31, 2016, 2015, 2014, 2013 and 2012, respectively.

(2) Without the waiver and/or reimbursement of a portion of advisory and administration fees, the ratio of net investment income/(loss) to average net assets would have been 0.14%, (0.08)%, (0.09)%, (0.04)% and 0.05% for the years ended December 31, 2016, 2015, 2014, 2013 and 2012, respectively.

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WHERE TO FIND MORE INFORMATION

The Statement of Additional Information relating to the Government Portfolio and the Money Market Portfolio (the “SAI”) includes additional information about the Portfolios. The SAI is incorporated by reference into and is legally part of this Prospectus. Additional information about the Portfolios’ investments is available in the Fund’s Annual and Semi-Annual Reports to Participation Certificate holders.

Investors can get free copies of the above-named documents, request other information about the Portfolios and the Fund, and make shareholder inquiries, by calling the Administrator at (800) 621-9215. The Fund makes available the Prospectus, SAI, Annual and Semi-Annual Reports, free of charge, on the Fund’s website at www.pif.com.

Information about the Fund (including the SAI) can be reviewed and copied at the Securities and Exchange Commission’s Public Reference Room in Washington, D.C. Information about the operation of the Public Reference Room may be obtained by calling the SEC at (202) 551-8090. Reports and other information about the Fund are available on the SEC’s EDGAR database on the SEC’s Internet site at <http://www.sec.gov>. Copies of this information may be obtained, upon payment of a duplicating fee, by electronic request at: publicinfo@sec.gov, or by writing the Public Reference Section of the SEC, Washington, D.C. 20549-1520.