PLAN INVESTMENT FUND, INC.

ULTRASHORT DURATION GOVERNMENT PORTFOLIO (PIFUX)

ULTRASHORT DURATION BOND PORTFOLIO (PIFDX)

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 Ultrashort Duration Government Portfolio and the Ultrashort Duration Bond Portfolio of the Fund (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 Statement of Additional Information. Copies of the Prospectus and Annual and Semi-Annual Reports of the Fund may be obtained, without charge, by visiting the website at www.pif.com or by calling BCS Financial Services Corporation (the “Administrator”) at (800) 621-9215.

GENERAL INFORMATION

Plan Investment Fund, Inc. (the "Fund") 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 1940. The Fund consists of four portfolios (each a "Portfolio"): the Government Portfolio, the Money Market Portfolio, the Ultrashort Duration Government Portfolio and the Ultrashort Duration Bond Portfolio. Each Portfolio is represented by a class of Participation Certificates separate from those of the Fund's other Portfolios. This SAI relates only to the Ultrashort Duration Government Portfolio which commenced operation on March 7, 2012 and the Ultrashort Duration Bond Portfolio which commenced operation on March 6, 2012.

DESCRIPTION OF THE ULTRASHORT DURATION GOVERNMENT PORTFOLIO AND ITS INVESTMENTS AND RISKS

Investment Objective

The Portfolio's investment objective is total return consistent with current income and preservation of capital. This investment objective may not 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 Portfolio will achieve its investment objective, it endeavors to do so by following the strategies and policies described in this SAI.

Investment Strategies

The Portfolio is intended to provide returns consistent with investments in short-term securities issued or guaranteed by the U.S. government and U.S. government agencies. Most of the returns consist of interest income. The Portfolio's overall strategy is to invest in U.S. government securities and U.S. government agency securities (including mortgage-backed securities issued or guaranteed by U.S. government-sponsored entities ("GSEs")). Although the value of the Portfolio's Participation Certificates will fluctuate, Merganser Capital Management, LLC, the Portfolio's investment advisor (the "Advisor" or "Merganser"), will seek to manage the magnitude of fluctuation by limiting the Portfolio duration range from three months to 18 months with a target duration of 12 months. Duration measures the price sensitivity of a fixed-income security to changes in interest rates.

The Portfolio is not a money market fund and is not subject to the specific regulatory requirements (including maturity and credit-quality constraints) designed to enable money market funds to maintain a stable share price. A description of the various types of U.S. government securities (including repurchase agreements) in which the Portfolio invests, other investment techniques used by the Portfolio, and their risks, is set forth in the Prospectus. Supplementary information concerning these matters immediately follows this strategy section.

Within the Portfolio's duration range, the Advisor will seek to increase the Portfolio's current income by lengthening or shortening portfolio duration based on its interest rate outlook. The Advisor will typically lengthen the portfolio duration when it expects interest rates to decline, and typically shorten the portfolio duration when it expects interest rates to increase. The Advisor formulates its interest rate outlook and otherwise attempts to anticipate changes in economic and market conditions by analyzing a variety of factors, such as:

- current and expected U.S. economic growth;
- current and expected interest rates and inflation;
- the Federal Reserve Board's monetary policy; and
- changes in the supply of or demand for U.S. government securities.

The Portfolio may also seek to increase its income and duration by investing in longer duration fixed-rate pass-through certificates, CMOs and other fixed-rated U.S. government securities, including zero-coupon securities and Treasury inflation-protected securities. The portfolio duration range and target will limit the amount of these securities held in the Portfolio.

The Advisor decides which securities to buy and sell based on the relative yield of available securities with comparable durations. The relative yield of a security is determined by comparing its yield to that of a U.S. Treasury security of similar duration. This difference is referred to as the "spread." Under normal market conditions, agency securities will have a positive spread and mortgage-backed securities will have a larger spread than other agency securities. The positive spread results from a number of factors, including the fact that some agency securities are not backed by the full faith and credit of the United States Government and the prepayment risk inherent in mortgage-backed securities.

Within the Portfolio's duration range, all other factors being equal, the Portfolio will tend to hold securities offering the highest spreads. For mortgage-backed securities, the decision to buy or sell also involves assessment of the available spreads relative to specific interest rate and prepayment risks, such as average life variability, price sensitivity to changes in market spread levels and price sensitivity to changes in the level of interest rate volatility. The Portfolio may also enter into term repurchase agreements when they offer higher returns than those expected for overnight repurchase agreements over the term or higher spreads than agency securities of comparable duration.

The Portfolio may also seek to increase its income by engaging in dollar roll transactions.

Mortgage-backed pass-through certificates are typically offered or traded on a "to-be-announced" or other delayed delivery basis. Other U.S. government securities may also be offered on a delayed delivery basis. The Portfolio will enter into trades on this basis in order to participate in these offerings or trade these securities.

There is no assurance that the Advisor's efforts to forecast market interest rates and assess the impact of changes in market interest rates and spreads will be successful.

The Advisor evaluates the Portfolio's investment strategy by comparing the performance of the Portfolio to an index composed of United States Treasury bills with maturities of 12 months (the "Index"). The Advisor's basic strategy seeks to construct a portfolio that will perform favorably when compared to the Index over the long-term. The Advisor tries to vary the Portfolio's performance from the Index by, among other things:

- varying the Portfolio's effective duration as compared to the Index;
- creating a portfolio of securities with a different mixture of effective durations as compared to the composition of the Index;
- investing a larger percentage of the Portfolio in certain types of securities as compared to the composition of the Index, or investing in types of securities [1] that are not included in the Index; and
- investing a large percentage of the Portfolio in a specific security as compared to the Index, or investing the Portfolio in securities that are not included in the Index.

The Portfolio currently uses the Bank of America Merrill Lynch 1-Year U.S. Treasury Index as the Index.

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1 The Advisor may refer to types of securities (such as Treasury, agency, mortgage-backed or corporate debt securities) as "sectors" of the fixed-income market.

The Portfolio seeks to maintain sufficient liquidity to accommodate reasonable daily withdrawal requests on a next day basis.

Because the Portfolio refers to U.S. government investments in its name, it will notify its Participation Certificate holders in writing at least 60 days in advance of any change in its investment policies that would enable the Portfolio to invest, under normal circumstances, less than 80% of its assets in securities which are issued or guaranteed by the U.S. government (or one of its agencies or instrumentalities).

During periods of unusual market conditions or during temporary defensive periods, each Portfolio may depart from its principal investment strategies. Each Portfolio may hold uninvested cash reserves, pending investment, during such periods. Uninvested cash reserves will not earn income.

SECURITIES IN WHICH THE ULTRASHORT DURATION GOVERNMENT PORTFOLIO INVESTS

The principal securities or other investments in which the Portfolio invests are described in the Prospectus. The Portfolio also may invest in securities or other investments as non-principal investments for any purpose that is consistent with its investment objective. The following information is either additional information in respect of a principal security or other investment referenced in the Prospectus, or information in respect of a non-principal security or other investment (in which case there may be no related disclosure in the Prospectus).

Securities Descriptions and Techniques

Fixed-Income Securities. Fixed-income securities pay interest, dividends or distributions at a specified rate. The rate may be a fixed percentage of the principal or may be adjusted periodically. In addition, the issuer of a fixed-income security must repay the principal amount of the security, normally within a specified time. Fixed-income securities provide more regular income than equity securities. However, the returns on fixed-income securities are limited and normally do not increase with the issuer's earnings. This limits the potential appreciation of fixed-income securities as compared to equity securities.

A security's yield measures the annual income earned on a security as a percentage of its price. A security's yield will increase or decrease depending upon whether it costs less (a "discount") or more (a "premium") than the principal amount. If the issuer may redeem the security before its scheduled maturity, the price and yield on a discount or premium security may change based upon the probability of an early redemption. Securities with higher risks generally have higher yields.

The following describes the types of fixed-income securities, in addition to those listed in the Prospectus, in which the Portfolio invests.

Treasury Inflation-Protected Securities. ("TIPs") TIPs are Treasury securities whose principal is adjusted for changes in the Consumer Price Index ("CPI") and whose interest rate remains fixed throughout the term of the security. The CPI is a widely used measurement of inflation or deflation in the U.S. economy. During a period of inflation, changes in the CPI should cause the principal to increase; during a period of deflation, changes in the CPI should cause the principal to decrease. The interest payments on the security are made every six months. The amount of interest paid is based on the adjusted principal amount of the security at the time of payment. At maturity, the security is redeemed at the greater of the original principal amount of the security or the adjusted principal amount of the security. While TIPS protect the principal amount of the security against inflation, they typically offer lower initial interest rates than other Treasury securities during a period of inflation.

Collateralized Mortgage Obligations ("CMO") (A Type of Mortgage-Backed Security). CMOs, including interests in real estate mortgage investment conduits ("REMICs"), allocate payments and prepayments from an underlying pass-through certificate among holders of different classes of mortgage-backed securities. This creates different prepayment and interest rate risks for each CMO class. The degree of increased or decreased prepayment risks depends upon the structure of the CMOs. However, the actual returns on any type of mortgage-backed security depend upon the performance of the underlying pool of mortgages, which no one can predict and will vary among pools. The Ultrashort Duration Government Portfolio may only invest in CMOs that are issued or guaranteed by the U.S. government (or one of its agencies or instrumentalities).

Sequential CMOs (A Type of CMO). In a sequential pay CMO, one class of CMOs receives all principal payments and prepayments. The next class of CMOs receives all principal payments after the first class is paid off. This process repeats for each sequential class of CMO. As a result, each class of sequential pay CMOs reduces the prepayment risks of subsequent classes.

PACs, TACs and Companion Classes (A Type of CMO). More sophisticated CMOs include planned amortization classes ("PACs") and targeted amortization classes ("TACs"). PACs and TACs are issued with companion classes. PACs and TACs receive principal payments and prepayments at a specified rate. The companion classes receive principal payments and prepayments in excess of the specified rate. In addition, PACs will receive the companion classes' share of principal payments, if necessary, to cover a shortfall in the prepayment rate. This helps PACs and TACs to control prepayment risks by increasing the risks to their companion classes.

Zero-Coupon Securities (A Fixed-Income Security). Zero-coupon securities do not pay interest or principal until final maturity unlike debt securities that provide periodic payments of interest (referred to as a coupon payment). Investors buy zero-coupon securities at a price below the amount payable at maturity. The difference between the purchase price and the amount paid at maturity represents interest on the zero-coupon security. Investors must wait until maturity to receive interest and principal, which increases the interest rate and credit risks of a zero-coupon security.

There are many forms of zero-coupon securities. Some are issued at a discount and are referred to as zero coupon or capital appreciation bonds. Others are created from interest bearing bonds by separating the right to receive the bond's coupon payments from the right to receive the bond's principal due at maturity, a process known as coupon stripping. In addition, some securities give the issuer the option to deliver additional securities in place of cash interest payments, thereby increasing the amount payable at maturity. These are referred to as pay-in-kind or PIK securities.

Special Transactions

Delayed Delivery Transactions. Delayed delivery transactions, including when issued transactions, are arrangements in which the Portfolio buys securities for a set price, with payment and delivery of the securities scheduled for a future time. During the period between purchase and settlement, no payment is made by the Portfolio to the issuer and no interest accrues to the Portfolio. The Portfolio records the transaction when it agrees to buy the securities and reflects their value in determining the price of its Participation Certificates. Settlement dates may be a month or more after entering into these transactions so that the market values of the securities bought may vary from the purchase prices. Therefore, delayed delivery transactions create interest rate risks for the Portfolio. Delayed delivery transactions also involve credit risks in the event of a counterparty default. The Portfolio will purchase and sell securities via regular way settlement within the time frame established for the industry and such transactions will be accomplished on a delivery versus payment basis.

Reverse Repurchase Agreements. The Ultrashort Duration Government Portfolio may 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, the 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 five percent of the total assets of the Portfolio. Redemptions are the only use to which proceeds of reverse repurchase agreements will be put. The Portfolio will not use borrowings, including reverse repurchase agreements, to purchase additional securities. The Portfolio does not expect the use of reverse repurchase agreements to affect the net asset value of the Portfolio.

Investing in Securities of Other Investment Companies. The Portfolio may invest its assets in securities of other investment companies as an efficient means of managing its uninvested cash. Such investments will be limited to money market fund sweep accounts. The Portfolio will not invest in the Fund's Government Portfolio or its Money Market Portfolio.

Investment Risks

There are many risk factors which may affect an investment in the Portfolio. The Portfolio's principal risks are described in its Prospectus. The following information is either additional information in respect of a principal risk factor referenced in the Prospectus or information in respect of a non-principal risk factor applicable to the Portfolio (in which case there may be no related disclosure in the Prospectus).

Risks of Investing in Certain MBS. MBS backed by participations in reverse mortgages may carry risks different from and in addition to risks of other MBS. A reverse mortgage is a home loan in which a lender makes a loan to a homeowner based on the equity in the home. To qualify for a reverse mortgage loan, a homeowner must be older than a certain specified age. Unlike a traditional mortgage, there are no scheduled payments of principal or interest. Repayment does not occur until, in most cases, the borrower ceases to own the home (including, as a result of the borrower's death) or to use it as a primary residence. Accordingly, the timing of payments made on these loans (and, by extension, MBS backed by such loans) is uncertain and may occur sooner or later than anticipated. The rate of principal and total amount of interest payments on any reverse mortgages is based on many factors, including relevant interest rates and borrower mortality, that may in turn affect the value of the pools of such mortgages. Due to the nature of reverse mortgages, they may react differently from traditional mortgages to economic, geographic and other factors. There is a limited amount of historical data regarding the performance of reverse MBS pools.

Risks Associated with the Investment Activities of Other Accounts. Investment decisions for the Portfolio are made independently from those of other accounts managed by the Advisor and accounts managed by affiliates of the Advisor. Therefore, it is possible that investment-related actions taken by such other accounts could adversely impact the Portfolio with respect to, for example, the value of Portfolio holdings, and/or prices paid to or received by the Portfolio on its portfolio transactions, and/or the Portfolio's ability to obtain or dispose of portfolio securities.

Risks Associated with Reverse Repurchase Agreements. Reverse repurchase agreements are subject to credit risks. In addition, reverse repurchase agreements create leverage risks because the Portfolio must repurchase the underlying security at a higher price, regardless of the market value of the security at the time of repurchase.

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 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.

DESCRIPTION OF THE ULTRASHORT DURATION BOND PORTFOLIO AND ITS INVESTMENTS AND RISKS

Investment Objective

The Portfolio's investment objective is total return consistent with current income and capital preservation. This investment objective may not be changed by the Fund's Board without approval of the Portfolio's Participation Certificate holders. While there is no assurance that the Portfolio will achieve its investment objective, it endeavors to do so by following the strategies and policies described in this SAI.

Investment Strategies

The Portfolio invests in a diversified portfolio of domestic fixed-income securities. The Portfolio's Advisor actively manages the Portfolio seeking to limit fluctuation in the price of Participation Certificates due to changes in market interest rates while selecting investments that should offer enhanced returns based upon the Advisor's credit analysis. The Advisor attempts to limit fluctuation in the price of Participation Certificates by limiting the Portfolio's duration range from three months to 18 months with a target duration of 12 months. The Advisor then seeks higher returns through security selection than are possible in a portfolio limited exclusively to very high credit-quality securities.

The Portfolio is not a money market fund and is not subject to the special regulatory requirements (including maturity and credit-quality constraints) designed to enable money market funds to maintain a stable share price. A description of the various types of securities in which the Portfolio principally invests, other investment techniques used by the Portfolio, and their risks, is set forth in the Prospectus. Supplementary information concerning these matters immediately follows this strategy section.

The Advisor attempts to select securities offering attractive risk-adjusted yields over comparable Treasury securities. Corporate and asset-backed securities offer higher yields compared to Treasury securities to compensate for their additional risks, such as credit risk. Mortgage-backed securities have higher yields due to their risk that the principal will be repaid faster than expected if the underlying mortgages are prepaid. Non-governmental, mortgage-backed securities also involve credit risk. In selecting securities, the Advisor seeks the higher relative returns of corporate and asset-backed (including mortgage-backed) securities, while attempting to limit or manage their additional credit or prepayment risks.

The Advisor's investment process first allocates the Portfolio's investments among fixed-income sectors. The Advisor makes a greater allocation of the investments to those sectors that the Advisor expects to offer the best balance between current income and risk and thus offer the greatest potential for return. The allocation process is based on the Advisor's continuing analysis of a variety of economic and market indicators in order to arrive at what the Advisor believes the yield "spread" should be for each security type. (The spread is the difference between the yield of a security versus the yield of a comparable U.S. Treasury security). Securities are selected by weighing projected spreads against the spreads at which the securities can currently be purchased. The Advisor also analyzes the prepayment risks and credit risks of individual securities in order to complete the analysis.

The Advisor attempts to manage the Portfolio's prepayment and extension risk by selecting mortgage-backed securities with characteristics that make prepayment fluctuations less likely. Characteristics that the Advisor may consider in selecting securities include the average interest rates of the underlying loans and the federal agencies (if any) that support the loans. The Advisor attempts to assess the relative returns and risks for mortgage-backed securities by analyzing how the timing, amount and division of cash flows might change in response to changing economic and market conditions.

The Advisor attempts to manage the Portfolio's credit risk by selecting securities that make default in the payment of principal and interest less likely. The Advisor analyzes a variety of factors, including macroeconomic analysis and corporate earnings analysis to determine which business sectors and credit ratings are most advantageous for investment by the Portfolio. In selecting individual corporate fixed-income securities, the Advisor analyzes the issuer's business, competitive position and general financial condition to assess whether the security's credit risk is commensurate with its potential return. There is no assurance that the Advisor's efforts to enhance returns will be successful.

Within the Portfolio's duration range of three months to 18 months, the Advisor may further manage interest rate risk by lengthening or shortening duration from time to time based on its interest rate outlook. If the Advisor expects interest rates to decline, it will generally lengthen the Portfolio's duration, and if the Advisor expects interest rates to increase, it will generally shorten the Portfolio's duration. Because the Portfolio will typically invest in fixed-income securities with remaining maturities greater than one year, the Portfolio may use repurchase contracts and certain collateralized mortgage obligations in an effort to maintain the Portfolio's target duration. The Advisor formulates its interest rate outlook and otherwise attempts to anticipate changes in economic and market conditions by analyzing a variety of factors, such as:

- current and expected U.S. growth;
- current and expected interest rates and inflation;
- the U.S. Federal Reserve Board's monetary policy; and
- changes in the supply of or demand for U.S. government securities.

There is no assurance that the Advisor's efforts to forecast market interest rates and assess the impact of market interest rates on particular securities will be successful.

The Portfolio seeks to maintain sufficient liquidity to accommodate reasonable daily withdrawal requests on a next day basis.

Because the Portfolio refers to fixed-income securities ("Bond") in its name, it will notify its Participation Certificate holders in writing at least 60 days in advance of any change in its investment policies that would enable the Portfolio to invest, under normal circumstances, less than 80% of its assets in fixed-income investments.

During periods of unusual market conditions or during temporary defensive periods, each Portfolio may depart from its principal investment strategies. Each Portfolio may hold uninvested cash reserves, pending investment, during such periods. Uninvested cash reserves will not earn income.

SECURITIES IN WHICH THE ULTRASHORT DURATION BOND PORTFOLIO INVESTS

The principal securities or other investments in which the Portfolio invests are described in the Prospectus. The Portfolio also may invest in securities or other investments, including any such securities or other investments in which the Ultrashort Duration Government Portfolio may invest, as non-principal investments for any purpose that is consistent with its investment objective. The following information is either additional information in respect of a principal security or other investment referenced in the Prospectus, or information in respect of a non-principal security or other investment (in which case there may be no related disclosure in the Prospectus).

Securities Descriptions and Techniques

The Portfolio may invest in the following corporate debt securities, in addition to those described in the Prospectus:

Commercial Paper (A Type of Corporate Debt Security). Commercial paper is an issuer's obligation with a maturity of less than nine months. Companies typically issue commercial paper to pay for current expenditures. Most issuers constantly reissue their commercial paper and use the proceeds (or bank loans) to repay maturing paper. If the issuer cannot continue to obtain liquidity in this fashion, its commercial paper may default. The short maturity of commercial paper reduces both the market and credit risks as compared to other debt securities of the same issuer.

Demand Instruments (A Type of Corporate Debt Security). Demand instruments are corporate debt securities that the issuer must repay upon demand. Other demand instruments require a third party, such as a dealer or bank, to repurchase the security for its face value upon demand. The Portfolio treats demand instruments as short-term securities, even though their stated maturity may extend beyond one year.

Municipal Securities (A Fixed-Income Security). Municipal securities are issued by states, counties, cities and other political subdivisions and authorities. Although many municipal securities are exempt from federal income tax, the Portfolio may invest in taxable municipal securities.

Zero-Coupon Securities (A Fixed-Income Security). Zero-coupon securities do not pay interest or principal until final maturity unlike debt securities that provide periodic payments of interest (referred to as a coupon payment). Investors buy zero-coupon securities at a price below the amount payable at maturity. The difference between the purchase price and the amount paid at maturity represents interest on the zero-coupon security. Investors must wait until maturity to receive interest and principal, which increases the interest rate and credit risks of a zero-coupon security. A zero-coupon step-up security converts to a coupon security before final maturity. There are many forms of zero-coupon securities. Some are issued at a discount and are referred to as zero coupon or capital appreciation bonds. Others are created from interest bearing bonds by separating the right to receive the bond's coupon payments from the right to receive the bond's principal due at maturity, a process known as coupon stripping. In addition, some securities give the issuer the option to deliver additional securities in place of cash interest payments, thereby increasing the amount payable at maturity. These are referred to as pay-in-kind or PIK securities.

Insurance Contracts (A Fixed-Income Security). Insurance contracts include guaranteed investment contracts and funding agreements. The Portfolio treats these contracts as fixed-income securities.

Convertible Securities (A Fixed-Income Security). Convertible securities are fixed-income securities that the Portfolio has the option to exchange for equity securities at a specified conversion price. The option allows the Portfolio to realize additional returns if the market price of the equity securities exceeds the conversion price. For example, the Portfolio may hold fixed-income securities that are convertible into shares of common stock at a conversion price of $10 per share. If the market value of the shares of common stock reached $12, the Portfolio could realize an additional $2 per share by converting its fixed-income securities.

Convertible securities have lower yields than comparable fixed-income securities. In addition, at the time a convertible security is issued the conversion price exceeds the market value of the underlying equity securities. Thus, convertible securities may provide lower returns than non-convertible, fixed-income securities or equity securities depending upon changes in the price of the underlying equity securities. However, convertible securities permit the Portfolio to realize some of the potential appreciation of the underlying equity securities with less risk of losing its initial investment.

The Portfolio treats convertible securities as fixed-income securities for purposes of its investment policies and limitations, because of their unique characteristics.

Securities issued by not-for-profit issuers. The Portfolio may invest in debt securities issued by not-for-profit issuers located in the United States. Examples of such issuers include major universities, foundations and hospitals and hospital systems. These securities may have less liquidity than comparable securities of for-profit issuers, due to infrequent issuance and limited float.

Investing in Securities of Other Investment Companies. The Portfolio may invest its assets in securities of other investment companies as an efficient means of managing its uninvested cash. Such investments will be limited to money market fund sweep accounts. The Portfolio will not invest in the Fund's Government Portfolio or its Money Market Portfolio.

Restricted Securities. The Portfolio may purchase securities that are not registered under the Securities Act of 1933, as amended (the "1933 Act") and, therefore, are not publicly traded securities. Restricted securities include securities that can be sold to "qualified institutional buyers" in accordance with Rule 144A under the 1933 Act ("Rule 144A Securities"). An investment in such securities could have the effect of increasing the level of illiquidity in the Portfolio to the extent that qualified institutional buyers become uninterested for a time in purchasing Rule 144A Securities. A Portfolio's investments in illiquid securities are subject to the risk that should the Portfolio desire to sell any of these securities when a ready buyer is not available at a price that is deemed to be representative of their value, the value of the Portfolio's net assets could be adversely affected.

Investment Risks

There are many risk factors which may affect an investment in the Portfolio. The Portfolio's principal risks are described in its Prospectus. In addition, to the extent the Portfolio invests in securities in which the Ultrashort Duration Government Portfolio is permitted to invest, it is subject to the risks associated with such investments as described above. The following information is either additional information in respect of a principal risk factor referenced in the Prospectus or information in respect of an additional risk factor applicable to the Portfolio (in which case there may be no related disclosure in the Prospectus).

Risk of Investing in Loans. In addition to the risks generally associated with fixed income instruments, such as credit, market, interest rate and liquidity risks, bank loans are also subject to the risk that the value of the collateral securing a loan may decline, be insufficient to meet the obligations of the borrower or be difficult to liquidate. The Portfolio's access to the collateral may be limited by bankruptcy, other insolvency laws or by the type of loan the Portfolio has purchased. For example, if the Portfolio purchases a participation instead of an assignment, it would not have direct access to collateral of the borrower. As a result, a floating rate loan may not be fully collateralized and can decline significantly in value. Loans generally are subject to legal or contractual restrictions on resale.

Agent Insolvency Risk. In a syndicated loan, the agent bank is the bank in the syndicate that undertakes the bulk of the administrative duties involved in the day-to-day administration of the loan. In the event of the insolvency of an agent bank, a loan could be subject to settlement risk as well as the risk of interruptions in the administrative duties performed in the day-to-day administration of the loan (such as processing LIBOR calculations, processing, draws, etc.).

Loan Prepayment Risk. During periods of declining interest rates or for other purposes, borrowers may exercise their option to prepay principal earlier than scheduled which may force the Portfolio to reinvest in lower-yielding debt instruments.

Loan Liquidity Risk. Loans generally are subject to legal or contractual restrictions on resale. The liquidity of loans, including the volume and frequency of secondary market trading in such loans, varies significantly over time and among individual loans. For example, if the credit quality of a loan unexpectedly declines significantly, secondary market trading in that loan can also decline for a period of time. During periods of infrequent trading, valuing a loan can be more difficult and buying and selling a loan at an acceptable price can be more difficult and delayed. Difficulty in selling a loan can result in a loss. Loans may not be readily marketable and may be subject to restrictions on resale. In some cases, negotiations involved in disposing of loans may require weeks to complete. Additionally, collateral on loan instruments may consist of assets that may not be readily liquidated, and there is no assurance that the liquidation of such assets will satisfy a borrower's obligations under the loan. The Portfolio's investments in loan instruments may be considerably less liquid than debt instruments traded on national exchanges. Market quotations for such assets may be volatile and/or subject to large spreads between bid and ask prices.

Credit Enhancement Risk. The securities in which the Portfolio invests may be subject to credit enhancement (i.e. guarantees, letters of credit or bond insurance). Credit enhancement is designed to help assure timely payment of the security; it does not protect the Portfolio against losses caused by declines in a security's value due to changes in market conditions. Securities subject to credit enhancement generally would be assigned a lower credit rating if the rating were based primarily on the credit quality of the issuer without regard to the credit enhancement. If the credit quality of the credit enhancement provider (for example, a bank or bond insurer) is downgraded, the rating on a security credit enhanced by such credit enhancement provider also may be downgraded.

A single enhancement provider may provide credit enhancement to more than one of the Portfolio's investments. Having multiple securities credit enhanced by the same enhancement provider will increase the adverse effects on the Portfolio that are likely to result from a downgrading of, or a default by, such an enhancement provider. Adverse developments in the banking or bond insurance industries also may negatively affect the Portfolio, as the Portfolio may invest in securities credit enhanced by banks or by bond insurers without limit. Bond insurers that provide credit enhancement for large segments of the fixed-income markets, including the municipal bond market, may be more susceptible to being downgraded or defaulting during recessions or similar periods of economic stress.

Risks Associated with Convertible Securities. Convertible securities are generally subordinated so that in the event of a default, holders of senior securities would be paid before holders of such securities.

In addition, convertible securities are often callable, and the issuer may exercise this right if the stock price rises, thereby limiting the potential gains of the holder.

INVESTMENT AND BORROWING LIMITATIONS

Fundamental Limitations

Below is a complete list of the Portfolios' 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 Portfolio (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, among other circumstances, to reverse repurchase agreements and dollar rolls whose proceeds are utilized to provide liquidity to meet redemption requests. 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. Make loans, except that each Portfolio may purchase or hold debt instruments, and may enter into repurchase agreements, in accordance with its investment objective and policies.

3. Purchase or sell commodities or commodity contracts, including futures contracts.

4. Purchase or sell real estate, except that the Portfolios may purchase securities of issuers which deal in real estate and securities which are secured by interests in real estate, to the extent such purchases are otherwise permissible.

5. Act as an underwriter of securities.

6. Issue senior securities except to the extent that investment policies related to reverse repurchase agreements discussed herein may be deemed to involve the issuance of senior securities within the meaning of the Investment Company Act of 1940, as amended (the "Investment Company Act").

7. Purchase securities issued by BCS Financial Corporation.

The Ultrashort Duration Government Portfolio may not:

1. Purchase any securities other than (a) obligations issued or guaranteed by the United States Government, Federal Agencies or U.S. Government sponsored corporations, or (b) repurchase agreements with major banks and dealer firms, fully secured by delivered U.S. Government, Federal Agency or U.S. Government sponsored corporation securities. This investment policy would prevent the Ultrashort Duration Government Portfolio from purchasing any securities, which would cause 25% or more of the total assets of the 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 or group of industries. There is no limitation for the Portfolio with respect to investments in U.S. Government obligations or for the 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).

The Ultrashort Duration Bond Portfolio may not:

1. Purchase any securities, which would cause 25% or more of the total assets of the 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 or group of industries. There is no limitation for the Portfolio with respect to investments in U.S. Government obligations or for the 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.)

2. Purchase any securities of an issuer primarily engaged in the production or distribution of tobacco products.

Other Limitations

The following limitations may be changed by the Board without Participation Certificate holder approval. Participation Certificate holders will be notified before any material change in these limitations becomes effective.

The Portfolios may not:

1. Acquire securities of other investment companies, except that the Ultrashort Duration Government Portfolio and the Ultrashort Duration Bond Portfolio may purchase securities representing interests in money market fund sweep accounts. The Portfolios may not purchase securities representing interests in the Fund’s Government Portfolio or its Money Market Portfolio.

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

The Ultrashort Duration Government Portfolio may not invest more than 50% of its assets in residential mortgage-backed agency securities or more than 50% of its assets in Commercial mortgage-backed agency securities. Such limitations apply only at the time a transaction is undertaken. Any change in the Portfolio’s assets invested in certain securities resulting from market fluctuation will not require the Portfolio to dispose of an investment. In addition, the Ultrashort Duration Government Portfolio may not purchase any of the following:

1. Derivative instruments as defined by the NAIC Accounting Practices and Procedure Manual.

2. Bonds that receive interest only or principal only.

3. Bonds with coupons that reset periodically based on an index and which vary inversely with the changes in the index.

4. Leveraged or deleveraged notes that pay a multiple or fraction of an index or indices.

5. Notes that pay principal or interest linked to foreign currencies, non-U.S. dollar interest rates, equity or commodity indices or any other index that is not composed of U.S. dollar denominated fixed-income instruments.

6. Notes that pay principal or interest linked to more than one index.

The Ultrashort Duration Bond Portfolio may only purchase the securities specifically permitted above in this section of the Statement of Additional Information entitled "Investment and Borrowing Limitations" for the Portfolios, the Ultrashort Duration Government Portfolio or the Ultrashort Duration Bond Portfolio and the following securities:

1. Private label commercial mortgage backed securities.

2. Debt securities of corporations (including convertible securities).

3. Asset backed securities.

4. Yankees (which are U.S. dollar-denominated securities issued by a foreign issuer).

5. Rule 144A securities (which are unregistered securities sold by persons other than the issuers thereof to qualified institutional buyers).

6. Securities issued by not-for-profit issuers.

7. Taxable municipal issues.

8. Guaranteed investment contracts.

9. Obligations of domestic branches of U.S. and foreign commercial banks and bank holding companies, including commercial paper, bankers acceptances, certificates of deposit, notes and bonds, and in the case of time deposits, obligations of domestic and foreign branches of U.S. and foreign commercial banks. Time deposits in foreign commercial banks will be limited to Eurodollar and Canadian time deposits.

PORTFOLIO TRANSACTIONS

Purchases and sales of securities for each Portfolio usually are principal transactions. The 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 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 Advisor intends to seek the best price and execution for portfolio transactions on an overall basis, the Portfolios may not necessarily pay the lowest spread or commission available on each transaction.

The Advisor seeks to use dealers it believes to be actively and effectively trading the securities being purchased or sold. The Advisor will not pay a higher spread or commission in recognition of research or other services provided by a dealer.

The Advisor makes investment decisions for each Portfolio independently from those for the other investment companies advised by the 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 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. 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, the Advisor, or any affiliates, officers or employees of the Advisor.

On December 31, 2016, the Ultrashort Duration Bond Portfolio owned securities of regular broker dealers or their parents as indicated below. The Ultrashort Duration Government Portfolio did not own any such securities as of December 31, 2016.

Broker Dealer	Value of Securities Owned[1]
Morgan Stanley & Co., Inc.	$1,745,000
HSBC Securities Inc.	$1,048,000
TD Securities LLC.	$975,000
RBC Capital Markets, LLC	$580,000

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 Fund and its Investment Advisor, Administrator, service agent, custodian, transfer agent and distributor will only release information about its portfolio holdings as follows:

- 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, have the right to review 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).
- The Fund will publicly disclose each Portfolio's holdings as required in accordance with SEC Forms N-CSR, N-Q or other applicable SEC forms. In addition, the Fund will disclose each Portfolio's holdings on its website at 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 the CCO's 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 the CCO's 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.

[1] Values are approximate.

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, the Advisor and their affiliates do not receive any compensation or other consideration in connection with such arrangements.

Information concerning the Schedule of Investments of the Ultrashort Duration Government Portfolio and the Ultrashort Duration Bond Portfolio is available at the Fund's website, www.pif.com. A complete listing of the Portfolios' holdings as of the end of each month is posted no earlier than 5 business days after the end of the following month and remains posted on the website for one month thereafter until replaced by the information for the succeeding month. The summary portfolio composition information may include: a percentage breakdown of the portfolio by sector, duration analysis, ratings analysis and maturity analysis.

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 net asset value 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.

Transfer Payments

A Participant investing in the Ultrashort Duration Government Portfolio or the Ultrashort Duration Bond Portfolio may direct that payment upon redemption of Participation Certificates in the Portfolio be used to purchase Participation Certificates of the Ultrashort Duration Government Portfolio or the Ultrashort Duration Bond 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 Ultrashort Duration Government Portfolio or its Ultrashort Duration Bond 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 4:00 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

Determining Market Value of Securities

The net asset value ("NAV") of a Participation Certificate is determined by BNY Mellon Investment Servicing (U.S.) Inc. ("BNY Mellon Investment Servicing"), as service agent for the Portfolios ("Service Agent"), as of the end of regular trading on the New York Stock Exchange ("NYSE") (normally 4:00 p.m. Eastern time) each day the NYSE is open. The Service Agent calculates the NAV of each Portfolio by valuing the assets allocated to the Portfolio, subtracting the liabilities allocated to the Portfolio and dividing the balance by the number of Participation Certificates of the Portfolio outstanding. The NAV is calculated to the nearest whole cent per Participation Certificate.

In calculating NAV, the Service Agent generally values investments as follows:

- Fixed-income securities and repurchase agreements acquired with remaining maturities of greater than 60 days are fair valued using price evaluations provided by a pricing service approved by the Board. The methods used by pricing services to determine such price evaluations are described below. If a price evaluation is not readily available, such fixed-income securities are fair valued based upon price evaluations from one or more dealers.

- Fixed-income securities and repurchase agreements acquired with remaining maturities of 60 days or less are valued at their amortized cost as described below, unless the issuer's creditworthiness is impaired or other factors indicate that amortized cost is not an accurate estimate of the investment's fair value, in which case it would be valued in the same manner as a longer-term security or repurchase agreement.

If any price, quotation, price evaluation or other pricing source is not readily available when the NAV is calculated, the Advisor uses the fair value of the investment determined in accordance with the procedures described below. There can be no assurance that the Fund could purchase or sell an investment at the price used to calculate NAV. The Advisor will not use a pricing service or dealer who is an affiliated person of the Advisor or the Service Agent to value investments.

Noninvestment assets and liabilities are valued in accordance with Generally Accepted Accounting Principles ("GAAP"). The NAV calculation includes expenses, dividend income, interest income and other income through the date of the calculation. Changes in holdings of investments and in the number of outstanding Participation Certificates are included in the calculation not later than the first business day following such change. Any assets or liabilities denominated in foreign currencies are converted into U.S. dollars using an exchange rate obtained from one or more currency dealers.

Amortized Cost Values

Under the amortized cost valuation method, an investment is valued initially at its cost as determined in accordance with GAAP. The Service Agent 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 Service Agent 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 Service Agent uses this adjusted cost to value the investment.

Fair Valuation and Significant Events Procedures

The Board has ultimate responsibility for determining the fair value of securities held by the Portfolios for which market quotations are not readily available and/or for which current market values may be unreliable. Under the Fair Valuation Pricing Policy and Procedures (the "Procedures") adopted by the Board, the Board has delegated to the Advisor, in conjunction with the Fair Valuation Committee, the responsibility of determining the fair value of securities held by the Portfolios for which market quotations are not readily available and/or for which current market values may be unreliable.

Fair value of a security means the amount reasonably expected to be received upon an orderly disposition over a reasonable period of time. The Advisor will consider all relevant factors in determining a security's fair value, and may seek the advice of knowledgeable brokers and legal counsel in making such determination.

Each fair valuation determination made by the Advisor, along with the factors upon which the determination was based, will be documented and presented to the Board at the next scheduled Board of Trustees meeting. The Fair Valuation Committee will review the Advisor's fair valuation determinations on a quarterly basis. The Fair Valuation Committee shall consist of the Fund's President, or their appointed designee, and Treasurer, along with representatives from the Service Agent and the Advisor.

The fair value of any portfolio security held by a Portfolio will be determined in a manner that most fairly reflects the market value of the security on the valuation date, based on a consideration of all available information. When pricing data is not available or is otherwise deemed to be unreliable, or there are wide price fluctuations that cannot be verified, or inaccurate pricing data is received, the Service Agent will notify the Advisor. Thereafter, the Advisor will determine the fair value of the security in accordance with the Procedures. For securities of bankrupt issuers, the Advisor (or its designee) will immediately notify the Service Agent and determine the fair value of the security in accordance with the Procedures. The Advisor will provide weekly updates for bankrupt issuers that have halted trading to the Fair Valuation Committee on the pricing of the security. If an extraordinary market event occurs between the time the last "current" market quotation is available for a security in a Portfolio and the time the Portfolio's net asset value is determined that calls into doubt whether the earlier market quotation represents fair value at the time the Portfolio's net asset value is determined, the Advisor will decide whether to affirm the current quotation or to determine a fair value based on the new information.

Using fair value to price investments may result in a value that is different from an investment's most recent closing price and from the prices used by other mutual funds to calculate their NAVs. The Fund generally will not change an investment's fair value in the absence of new information relating to the investment or its issuer, such as changes in the issuer's business or financial results, or relating to external market factors, such as trends in the market values of comparable securities. This may result in less frequent, and larger, changes in fair values as compared to prices based on market quotations or price evaluations from pricing services or dealers.

MANAGEMENT OF THE PORTFOLIOS

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.

Carl R. McDonald 300 East Randolph Street 14th Floor Chicago, IL 60601 Age 39	Trustee	Indefinite, since 2017(1)	April 2015 to Present – Divisional Senior Vice President - Treasury, Investments, & Corporate Development, Health Care Service Corporation (HCSC) (Blue Cross and Blue Shield of Illinois, Oklahoma, Texas and New Mexico) 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(1)	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

(1) Less than one year.

Executive Officers

Name, Address and Age	Position(s) Held with Fund	Term of Office[1] 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

(1) 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 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 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 and 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; 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 advisor 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.

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 and/or Blue Shield Plans, or any subsidiaries or affiliates thereof ("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 Merganser (the investment advisor to the Fund's Ultrashort Duration Government Portfolio and Ultrashort Duration Bond Portfolio), BlackRock Advisors, LLC, BNY Mellon Investment Servicing, The Bank of New York Mellon ("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.

For the fiscal year ended December 31, 2016, the Fund did not pay any remuneration to, or accrue any retirement benefits for, any of its Trustees or Officers.

Code of Ethics

As required by SEC rules, the Fund, the Advisor and Foreside Management Group, on behalf of Foreside Fund Officer Services, LLC, Foreside Fund Services, LLC (the "Distributor") and Foreside Management Services, LLC have each adopted codes of ethics. These codes govern securities trading activities of, among others, investment personnel, Fund Board and certain other employees with respect to the Ultrashort Duration Government Portfolio and the Ultrashort Duration Bond Portfolio. Although these codes permit such persons to trade in securities, including those that the Portfolios could buy, they contain safeguards designed to protect the Fund and its Participation Certificate holders from abuses in this area, such as requirements to obtain prior approval for, and to report, particular transactions.

Proxy Voting Policies

As detailed below, the Fund uses the proxy voting policy of the Advisor to determine how to vote proxies relating to securities held by the Portfolios. The securities held by the Portfolios generally are non-voting securities.

The Board of Trustees of the Fund has delegated the voting of proxies for the Portfolios' securities to the Advisor. Under the proxy voting policy of the Advisor, the Advisor will vote proxies related to the securities held by the Portfolios in the best interests of the respective Portfolio and its Participation Certificate holders. From time to time, a vote may present a conflict between the interests of the Participation Certificate holders, on the one hand, and those of the Advisor, or any affiliated person of the Fund or the Advisor, on the other. In such event, provided that the Advisor is aware of the real or potential conflict or material non-routine matter and if the Advisor does not reasonably believe it is able to follow its general voting policy (or if the particular proxy matter is not addressed in the policy) and vote impartially, the Advisor may retain an independent fiduciary to advise the Advisor on how to vote or to cast votes on behalf of the Portfolios. If the Advisor determines not to retain an independent fiduciary, or does not desire to follow the advice of such independent fiduciary, the Advisor shall determine how to vote the proxy after consulting with the Portfolio Managers and its Legal and Compliance Department and concluding that the vote cast is in the Portfolio's best interest notwithstanding the conflict. A copy of the proxy voting policy of the Advisor is attached as Appendix B.

The Fund files Form N-PX, with the complete proxy voting records of the Fund for the 12 months ended June 30, no later than August 31st of each year. The latest filing of Form N-PX was made on August 19, 2016, for the 12 month-period ended June 30, 2016. The form is available without charge: (i) from the Fund, upon request by calling (800) 621-9215, (ii) on www.pif.com and (iii) on the SEC's website at www.sec.gov.

Investment Advisor

Merganser, a registered investment advisor, is the investment advisor to the Ultrashort Duration Government Portfolio and the Ultrashort Duration Bond Portfolio. Formed in 1985, Merganser specializes in managing residential and commercial loans and securities, collateralized debt obligation liquidations and other financial securities.

Merganser is located at 99 High Street, 28th Floor, Boston, Massachusetts 02110. As of December 31, 2016, Merganser had approximately $9.9 billion in assets under management.

Merganser is responsible for the day-to-day management of the Ultrashort Duration Government

Portfolio and the Ultrashort Duration Bond Portfolio. There is no one individual primarily responsible for portfolio management decisions for the Portfolio. Investments are made under the direction of a team of Merganser professionals led by Andrew M. Smock, Jennifer K. Wynn and Peter S. Kaplan. Mr. Smock is Chief Executive Officer and Chief Investment Officer of Merganser and has been with the company since 2003. Ms. Wynn is Senior Vice President and Portfolio Manager for Merganser and joined the company in 2000. Mr. Kaplan is Senior Vice President and Portfolio Manager for Merganser and joined the company in 1986.

For the services provided and expenses assumed by it with respect to the Ultrashort Duration Government Portfolio and the Ultrashort Duration Bond Portfolio, Merganser is entitled to receive a fee from the Fund, computed daily and payable monthly, based on the average aggregate net assets held in the Ultrashort Duration Government Portfolio and the Ultrashort Duration Bond Portfolio, as follows:

Annual Fee	**Aggregate Annual Net Assets**
0.20%	of the first $250 million
0.15%	of the next $250 million
0.10%	of amounts in excess of $500 million

Through May 1, 2018, Merganser has agreed to waive the fees otherwise payable to it by the Fund with respect to the Portfolios, so that such fees, computed daily and payable monthly, based on the average aggregate net assets held in the Portfolios, shall be as follows:

Annual Fee	**Aggregate Annual Net Assets**
0.135%	of the first $200 million
0.1125%	of the next $300 million
0.10%	of amounts in excess of $500 million

For the year ended December 31, 2016 Merganser waived $24,229 and $120,090 which Merganser was entitled to as the fees for its services as Advisor to the Ultrashort Duration Government Portfolio and Ultrashort Duration Bond Portfolio, respectively.

Determinations of the amount of the investment advisory fee, and the amount thereof to be charged to the respective Portfolio (which shall be based upon the average net assets held in such Portfolio), shall be made by BNY Mellon Investment Servicing, as Service Agent for the Portfolios.

The portfolio managers also have responsibility for the day-to-day management of accounts other than the Ultrashort Duration Government Portfolio and the Ultrashort Duration Bond Portfolio, including separate accounts and unregistered funds. The advisory fees received by Merganser in connection with the management of the Ultrashort Duration Government Portfolio and the Ultrashort Duration Bond Portfolio and other accounts are not based on the performance of the Ultrashort Duration Government Portfolio and the Ultrashort Duration Bond Portfolio or the other accounts. Information regarding those other accounts is set forth below.

Number of Other Accounts Managed and Assets by Account Type
As of December 31, 2016

PORTFOLIO MANAGER	REGISTERED INVESTMENT COMPANIES (OTHER THAN THE ULTRASHORT DURATION GOVERNMENT PORTFOLIO AND THE ULTRASHORT DURATION BOND PORTFOLIO)	OTHER POOLED INVESTMENT VEHICLES	OTHER ACCOUNTS
Andrew M. Smock	Number: 0 Assets: $ —	Number: 3 Assets: $65 million	Number: 28 Assets: $2.1 billion
Peter S. Kaplan	Number: 1 Assets: $329 million	Number: 0 Assets: $ —	Number: 16 Assets: $1.7 billion
Jennifer K. Wynn	Number: 1 Assets: $329 million	Number: 1 Assets: $166 million	Number: 58 Assets: $4.9 billion

As shown in the table above, certain portfolio managers may manage other accounts with investment strategies similar to the Ultrashort Duration Government Portfolio and the Ultrashort Duration Bond Portfolio. Fees earned by Merganser may vary among these accounts. Such management of other accounts could create conflicts of interest if a portfolio manager identified a limited investment opportunity that may be appropriate for more than one account, but the Ultrashort Duration Government Portfolio and the Ultrashort Duration Bond Portfolio is not able to take full advantage of that opportunity due to the need to allocate that opportunity among multiple accounts. In addition, the portfolio manager may execute transactions for another account that may adversely impact the value of securities held by the Ultrashort Duration Government Portfolio and the Ultrashort Duration Bond Portfolio. However, Merganser believes that these risks are mitigated by the fact that: (i) accounts with like investment strategies managed by a particular portfolio manager are generally managed in a similar fashion, subject to exceptions to account for particular investment restrictions or policies applicable only to certain accounts, differences in cash flows and account sizes, and similar factors; (ii) the securities in which the Ultrashort Duration Government Portfolio and the Ultrashort Duration Bond Portfolio will invest are typically highly rated liquid securities; and (iii) the portfolio managers do not invest personally in any of these accounts. In addition, Merganser has adopted trade allocation procedures that require equitable allocation of trade orders for a particular security among participating accounts.

The portfolio managers receive all of their compensation from Merganser. Andrew M. Smock, Jennifer K. Wynn and Peter S. Kaplan each receive compensation in the form of salary as well as an annual discretionary bonus. Discretionary bonuses are determined by Merganser's compensation committee after consideration of several factors including but not necessarily limited to:

(a) An individual's performance with respect to their designated work responsibilities;

(b) Merganser's overall performance; and

(c) Other factors the compensation committee determines to be appropriate.

As of April 30, 2017, none of the portfolio managers beneficially owned (as determined pursuant to Rule 16a-1(a)(2) under the Securities Exchange Act of 1934) any Participation Certificates of the Ultrashort Duration Government Portfolio and the Ultrashort Duration Bond Portfolio, and Merganser prohibits its personnel from purchasing Participation Certificates of the Portfolios. In addition, Participation Certificates may only be purchased by members and licensees of the Blue Cross and Blue Shield Association and certain related organizations.

The Advisor, subject to the Board of Trustee's supervision, provides the Ultrashort Duration Government Portfolio and the Ultrashort Duration Bond Portfolio with discretionary investment services. Specifically, the Advisor is responsible for managing the investments of the Ultrashort Duration Government Portfolio and the Ultrashort Duration Bond Portfolio in accordance with the Ultrashort Duration Government Portfolio and the Ultrashort Duration Bond Portfolio's investment objectives, policies, and restrictions as provided in the Prospectus and this Statement of Additional Information, as may be subsequently changed by the Board. The Advisor further agrees to conform to all applicable laws and regulations of the Securities and Exchange Commission in all material respects and to conduct its activities under the Investment Advisory Agreement in accordance with applicable regulations of any governmental authority pertaining to its investment advisory services. In the performance of its duties, the Advisor will satisfy its fiduciary duties to the Ultrashort Duration Government Portfolio and the Ultrashort Duration Bond Portfolio, will monitor the Ultrashort Duration Government Portfolio and the Ultrashort Duration Bond Portfolio's investments, and will comply with the provisions of the Fund's Articles of Incorporation and By-laws, and the stated investment objectives, policies and restrictions of the Ultrashort Duration Government Portfolio and the Ultrashort Duration Bond Portfolio. The Advisor is responsible for effecting all security transactions for the Ultrashort Duration Government Portfolio and the Ultrashort Duration Bond Portfolio's assets. The Investment Advisory Agreements provide that the Advisor shall not be liable for any loss suffered by the Ultrashort Duration Government Portfolio and the Ultrashort Duration Bond Portfolio (including, without limitation, by reason of the purchase, sale or retention of any security) in connection with the performance of the Advisor's duties under the Investment Advisory Agreement, except for a loss resulting from willful misfeasance, bad faith or gross negligence on the part of the Advisor in performance of its duties under such Investment Advisory Agreement, or by reason of its reckless disregard of its obligations and duties under such Investment Advisory Agreement.

Service Agent

As service agent for the Ultrashort Duration Government Portfolio and the Ultrashort Duration Bond Portfolio, BNY Mellon Investment Servicing maintains financial and other books and records, including appropriate journals and ledgers; verifies trade tickets; calculates dividends and yields, total return, expense ratios and portfolio turnover rate; prepares unaudited financial statements; prepares or assists in the preparation of regulatory filings; computes net asset value and the market value of assets of the Portfolios; prepares reports to the Board and performs other accounting, administrative and tax services. For services provided and expenses assumed by BNY Mellon Investment Servicing as Service Agent of the Portfolios, BNY Mellon Investment Servicing is entitled to receive a fee, computed daily and payable monthly, at the following annual rates based upon each Portfolio's average annual net assets:

Annual Fee	Aggregate Annual Net Assets
0.030%	of the first $250 million
0.0275%	of the next $250 million
0.020%	of amounts in excess of $500 million

with a minimum annual fee of $62,500 for each Portfolio, exclusive of base 38a-1 compliance support services fee, independent security market quote costs, tax services fees and out-of-pocket and miscellaneous expenses.

Distributor

Foreside Fund Services, LLC (previously defined as 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." 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 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 has an initial term of up to two years and will continue in effect thereafter only if such continuance is specifically approved at least annually by the Board 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 ("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 Fund's Board or by FFOS on 60 days written notice to the other party.

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

Foreside Management Services, LLC

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

Custodian and Transfer Agent

The Bank of New York Mellon (previously defined as "BNY Mellon") acts as custodian of the Fund's assets. BNY Mellon earns fees from the Fund 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 the Fund; consents and other authorizations for the Fund; delivers, releases and exchanges securities held for the Fund when necessary; makes payments of cash to, or for the account of, each Portfolio for the purchase of securities for each Portfolio, for the redemption of Participation Certificates, and for the payment of interest, dividends, taxes and management fees; and furnishes the Fund 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, 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**.**

Annual Fee	Aggregate Annual Net Assets
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 Fund. 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, BNY Mellon Investment Servicing is entitled to receive a minimum monthly fee of $3,125 for each Portfolio, excluding account fees (if applicable), shareholder and out-of-pocket expenses and compliance and other miscellaneous fees and expenses.

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

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 the Fund calculated daily and paid monthly at an annual rate not to exceed 0.05% of the average daily net assets.

For the year ended December 31, 2016 the Administrator waived $24,925 which the Administrator was entitled to as the fees for its services as Administrator of the Ultrashort Duration Government Portfolio. In addition, the Administrator reimbursed expenses of $57,895 for the Ultrashort Duration Government Portfolio.

Fee Waivers and Expense Reimbursement

The Advisor has agreed to waive the fees otherwise payable to it by the Fund with respect to the Ultrashort Duration Government Portfolio and the Ultrashort Duration Bond Portfolio, so that such fees, computed daily and payable monthly, based on the average aggregate net assets held in the Ultrashort Duration Government Portfolio and the Ultrashort Duration Bond Portfolio, shall be as follows:

Annual Fee	Aggregate Annual Net Assets
0.135%	of the first $200 million
0.1125%	of the next $300 million
0.10%	of amounts in excess of $500 million

Determinations of the amount of the investment advisory fee, and the amount thereof to be charged to the respective Portfolio (which shall be based upon the average net assets held in such Portfolio), shall be made by BNY Mellon Investment Servicing, as Service Agent for the Portfolios.

The Administrator has agreed to waive the fees otherwise payable to it, and to reimburse the Fund for expenses attributable to the Ultrashort Duration Government Portfolio and the Ultrashort Duration Bond Portfolio, so that after taking such waiver and reimbursement into account, the expense ratio of the Ultrashort Duration Bond Portfolio does not exceed 0.385% and the expense ratio of the Ultrashort Duration Government Portfolio does not exceed 0.40%.

The Advisor and the Administrator cannot terminate the foregoing fee waivers and expense reimbursement agreement prior to May 1, 2018 without the consent of the Board.

The Advisor and the Administrator will not recoup any previously waived fees or reimbursed expenses (past or present) in any subsequent years.

Expenses

The Fund's ordinary operating expenses generally consist of fees for legal, accounting and other professional services, rating agency fees, fees of Merganser, BNY Mellon Investment Servicing, BNY Mellon, FFOS and the Administrator, costs of securities law 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 0.40% for the Ultrashort Duration Government Portfolio and 0.35% for the Ultrashort Duration Bond Portfolio. Without the waiver of a portion of the advisory and Administrator fees, the ratio of expenses to average daily net assets would have been 0.61% for the Ultrashort Duration Government Portfolio and 0.39% for the Ultrashort Duration Bond 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 Prospectus relating to the Portfolios. No attempt is made to present a detailed explanation of the tax treatment of the Portfolios 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 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 an 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.

Any 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 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.

Gain or loss realized upon a sale, redemption or exchange of Participation Certificates will generally be treated as long-term capital gain or loss if the Participation Certificates have been held for more than one year and, if not held for such period, as short-term capital gain or loss. Any loss realized by a holder upon the sale, redemption or exchange of Participation Certificates held for six months or less will be treated as a long-term capital loss to the extent of any long-term capital gain distributions received by the holder with respect to such Participation Certificates. All or a portion of any loss realized upon the redemption of Participation Certificates of a Portfolio will be disallowed if Participation Certificates of the Portfolio or substantially identical stock or securities are acquired (through reinvestment of dividends or otherwise) within 30 days before or after the disposition. In such a case, the basis of the newly acquired shares will be adjusted to reflect the disallowed loss. A holder's ability to utilize capital losses may be limited by the Code.

A dividend or distribution received shortly after the purchase of Participation Certificates reduces the net asset value of the Participation Certificates by the amount of the dividend or distribution and, although in effect a return of capital, will be taxable to the holder of the Participation Certificates. This is referred to as "buying a dividend."

If a Portfolio invests in certain positions, such as zero coupon securities, deferred interest securities or, in general, any other securities with original issue discount (or with market discount if the Portfolio elects to include market discount in income currently), the Portfolio must accrue income on such investments for each taxable year, which generally will be prior to the receipt of the corresponding cash payments. However, a Portfolio must distribute, at least annually, all or substantially all of its net investment income, including such accrued income, to avoid U.S. federal income and excise taxes. Therefore, a Portfolio may have to dispose of its portfolio securities under disadvantageous circumstances to generate cash, or may have to leverage itself by borrowing the cash, to satisfy distribution requirements.

A Portfolio may acquire market discount bonds. A market discount bond is a security acquired in the secondary market at a price below its redemption value (or its adjusted issue price if it is also an original issue discount bond). If a Portfolio invests in a market discount bond, it will be required to treat any gain recognized on the disposition of such market discount bond as ordinary income (instead of capital gain) to the extent of the accrued market discount unless the Portfolio elects to include the market discount in income as it accrues as discussed above.

A Portfolio's investment in lower-rated or unrated debt securities may present issues for the Portfolio if the issuers of these securities default on their obligations because the federal income tax consequences to a holder of such securities are not certain.

A portion of a Portfolio's income received from a residual interest in a REMIC (referred to in the Code as an "excess inclusion") will be subject to federal income tax in all events. Under a notice issued by the Internal Revenue Service, excess inclusion income of a regulated investment company, such as a Portfolio, is allocated to shareholders of the regulated investment company in proportion to the dividends received by such shareholders, with the same consequences as if the shareholders held the related REMIC residual interest directly. In general, excess inclusion income allocated to shareholders (a) cannot be offset by net operating losses (subject to a limited exception for certain thrift institutions), (b) will constitute unrelated business taxable income to entities (including a qualified pension plan, an individual retirement account, a 401(k) plan, a Keogh plan or other tax-exempt entity) subject to tax on unrelated business income, thereby potentially requiring such an entity that is allocated excess inclusion income, and otherwise might not be required to file a federal income tax return, to file a tax return and pay tax on such income, and (c) in the case of a foreign shareholder, will not qualify for any reduction in U.S. federal withholding tax. In addition, if at any time during any taxable year a "disqualified organization" (as defined by the Code) is a record holder of a share in a regulated investment company, then the regulated investment company will be subject to a tax equal to that portion of its excess inclusion income for the taxable year that is allocable to the disqualified organization, multiplied by the highest federal income tax rate imposed on corporations.

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 including such Portfolio's pro rata share of the fees payable to, and the general expenses (for example, legal, accounting and Trustees' fees) of, the Fund, prorated on the basis of relative net asset value of the Fund's other Portfolios applicable to that period.

PERFORMANCE INFORMATION

Average Annual Total Return and Yield

The Fund may advertise performance of the Ultrashort Duration Government Portfolio and the Ultrashort Duration Bond Portfolio by using the SEC's standard methods for calculating performance applicable to all mutual funds. The SEC also permits this standard performance information to be accompanied by non-standard performance information.

The performance of the Portfolios depends upon such variables as: portfolio quality, average portfolio maturity, type and value of portfolio securities, changes in interest rates, changes or differences in the Fund's or the Portfolios' expenses, and various other factors.

Performance fluctuates on a daily basis largely because net earnings and/or the value of portfolio holdings fluctuate daily.

Total Return

Total return represents the change (expressed as a percentage) in the value of Participation Certificates over a specific period of time, and includes the investment of income and capital gains distributions.

The average annual total return for Participation Certificates is the average compounded rate of return for a given period that would equate a $10,000 initial investment to the ending redeemable value of that investment. The ending redeemable value is computed by multiplying the number of Participation Certificates owned at the end of the period by the NAV per Participation Certificate at the end of the period. The number of Participation Certificates owned at the end of the period is based on the number of Participation Certificates purchased at the beginning of the period with $10,000, adjusted over the period by any additional Participation Certificates, assuming the annual reinvestment of all dividends and distributions.

Total returns after taxes are calculated in a similar manner, but reflect additional standard assumptions required by the SEC.

Yield

The yield of Participation Certificates is calculated by dividing: (i) the net investment income per Participation Certificate earned by the Participation Certificates over a 30-day period; by (ii) the maximum offering price per Participation Certificate on the last day of the period. This number is then annualized using semi-annual compounding. This means that the amount of income generated during the 30-day period is assumed to be generated each month over a 12-month period and is reinvested every six months. The yield does not necessarily reflect income actually earned by Participation Certificates because of certain adjustments required by the SEC and, therefore, may not correlate to the dividends or other distributions paid to Participation Certificate holders.

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 Ultrashort Duration Government Portfolio	Percent of Participation Certificates Owned of Ultrashort Duration Bond Portfolio
Blue Cross Blue Shield of Tennessee 1 Cameron Hill Circle Chattanooga, TN 37402 Organized under the laws of Tennessee	36.42% [B]	N/A
Health Care Service Corporation 300 East Randolph Street, 14th Floor Chicago, Illinois 60601 Organized under the laws of Illinois	36.40% [B]	N/A
Cambia Health Solutions, Inc. 100 SW Market Street Portland, Oregon 97201 Organized under the laws of Oregon	N/A	33.94%[B]
BCS Financial Corporation 2 Mid America Plaza, Suite 200 Oakbrook Terrace, Illinois 60181 Organized under the laws of Illinois	N/A	32.08%[B]
Blue Cross & Blue Shield of Mississippi 3545 Lakeland Drive East Flowood, Mississippi 39232 Organized under the laws of Mississippi	22.80% [B]	5.54%[B]
Excellus Blue Cross Blue Shield 165 Court Street Rochester, New York Organized under the laws of New York	N/A	11.94% [B]

[B] 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 Ultrashort Duration Government Portfolio	Percent of Participation Certificates Owned of Ultrashort Duration Bond Portfolio
Blue Cross Blue Shield Association 225 North Michigan Avenue Chicago, Illinois 60601 Organized under the laws of Illinois	N/A	6.92%[B]
Blue Cross and Blue Shield of Nebraska 1919 Aksarben Drive Omaha, Nebraska 68180 Organized under the laws of Nebraska	N/A	7.08%[B]

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.

[B] 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 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 260, 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 the period ended December 31, 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 A — 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:

Type of Security	Rating Agency	Rating	Summary of Rating
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	Moody's	A	Obligations rated 'A' are considered upper-medium grade and are subject to low credit risk.
Bond	Moody's	Baa	Obligations rated 'Baa' are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.
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.
Bond	S&P	A	An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.
Bond	S&P	BBB	An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.
Commercial Paper	Moody's	P-1	Issuers (or supporting institutions) rated 'Prime-1' have a superior ability to repay short-term debt obligations.

Type of Security	Rating Agency	Rating	Summary of Rating
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.

APPENDIX B - MERGANSER CAPITAL MANAGEMENT, LLC PROXY VOTING POLICY

Proxy Voting
Policy

<u>Adopted:</u> **October 5, 2004**

<u>Amended:</u> **January 3, 2011**

November 16, 2006

Purpose:

The purpose of this policy is to ensure that proxies are voted in accordance with our clients' best interests or instructions.

Background:

Rule 275.206(4)-6 of the Investment Advisers Act of 1940 governs proxy voting by investment advisers. It requires advisers to implement written policies and procedures governing how they will vote proxies. It also requires them to disclose to clients, when requested, how they voted certain proxies and to furnish clients with a copy of the advisers' policies and procedures on proxy voting.

Given the nature of fixed income securities, Merganser is rarely required to vote on proxies. The typical exception occurs with respect to Money Market Mutual Funds that are used as sweep vehicles by custodian banks.

Policy:

1. Merganser will notify the client giving them the opportunity to vote or instruct us how to vote their proxy. When a client specifically instructs Merganser not to contact them about proxies, Merganser will vote the proxy in a manner which in its best judgment reflects the client's best economic interest and fosters good corporate governance. In other routine matters, Merganser will vote in accordance with management recommendations.

2. If requested, Merganser will offer our clients advice on proxy questions.

3. Merganser will facilitate the proxy voting so as to minimize the administrative burden on our clients. Therefore, for all Money Market Mutual Fund proxies, Compliance will vote to approve all auditor, director and legal counsel requests. If Merganser wishes to deviate from this, they shall notify the client of such decision.

4. If our contract assigns responsibility for proxy voting to the client or the client otherwise indicates a desire to vote proxies, Merganser will forward all materials to them for voting.