SUPPLEMENT DATED AUGUST 2, 2016 TO
CAMP PROGRAM GUIDE DATED NOVEMBER 4, 2014

This Supplement supplies additional information with respect to the California Asset Management Program and should be read in conjunction with the CAMP Program Guide dated November 4, 2014. Terms used in this Supplement shall be as defined in the Program Guide.

Please be advised that the Board of Trustees (the “Board”) approved the adoption of GASB 79 requirements at a meeting held on May 4, 2016. As a result of this adoption, the Board has determined, in consultation with the Investment Adviser, that it will manage the Cash Reserve Portfolio in accordance with GASB 79 requirements, as applicable, for continued use of amortized cost.

The date of this Supplement is August 2, 2016.

THIS IS A SUPPLEMENT TO THE PROGRAM GUIDE DATED NOVEMBER 4, 2014. IT PROVIDES ADDITIONAL INFORMATION ABOUT THE PROGRAM. A COMPLETE PROGRAM GUIDE, INCLUDING ALL SUPPLEMENTS, IS AVAILABLE UPON REQUEST BY CONTACTING A PROGRAM REPRESENTATIVE AT 1-800-729-7665.

PLEASE RETAIN THIS SUPPLEMENT FOR FUTURE REFERENCE.

PROGRAM GUIDE

November 4, 2014

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San Francisco, California 94111
Phone (800) 729-7665
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www.camponline.com

This Program Guide includes an Information Statement that contains important information on the California Asset Management Trust. Please read the Information Statement carefully before you invest in the Trust.

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Key Facts

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

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Part 2

Information Statement

Part 2 contains supplemental information to Parts 1 and 3. Some of this information further defines or qualifies information presented in Part 1. There is also information on additional topics, such as the history of the Trust and a list of the Trustees. Parts 1, 2 and 3 together constitute the offering document for the Pool and Individual Portfolios.

General Information

Information on the Pool

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Individual Portfolios

Part 3 presents key facts about an Individual Portfolio investment and is qualified by the information contained in Part 2.

General Information

Part 1

Terms Used in This Document

Account Application The form to open a CAMP account.

ACH Automated clearing house is a secure payment transfer system that connects all U.S. financial institutions. The ACH network acts as the central clearing facility for all Electronic Fund Transfer (EFT) transactions that occur nationwide.

Advisory Agreement Investment advisory agreement between the Investment Adviser and the Trust.

Act California Joint Exercise of Powers Act (California Government Code Section 6500 et seq.).

Board The Board of Trustees. These individuals are employees of California Public Agencies which are Participants in the Trust.

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

California Asset Management Program or CAMP The program consisting of the Trust and Individual Portfolios.

Cash Reserve Portfolio The pooled investments in the Pool.

Custodian U.S. Bank National Association or the designated bank, agent, or trust company, responsible for safeguarding financial assets of the Trust and the Individual Portfolios.

EON Easy online network. The Investment Adviser's web-based information and transaction service.

FINRA Financial Industry Regulatory Authority.

Individual Portfolio Professionally managed investment accounts which Shareholders may establish by separate agreement with the Investment Adviser.

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

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

Investor Agreement The Agreement to become an Investor and purchase shares of the Investor Shares Series.

Investors Shareholders that invest in the Pool without joining the Trust.

JPA Joint Exercise of Powers Authority. The Trust is a JPA.

MSRB Municipal Securities Rulemaking Board.

NAV Net asset value.

NRSRO Nationally recognized statistical-rating organization.

Officers Executive officers of the Trust.

PFM-I Public Financial Management, Inc.

Pacific Time The local West Coast time, either daylight or standard depending on time of year.

Participants Shareholders that invest in the Pool and have joined the Trust.

Pool The Trust's Cash Reserve Portfolio (including the Participant Shares Series and the Investor Shares Series).

Portfolio The Cash Reserve Portfolio which is a professionally managed money market investment portfolio.

Program California Asset Management Program. The Pool and Individual Portfolios offered under the Program.

Public Agency As defined in California Government Code, Section 6500, and includes, but is not limited to, any state department or agency, a county, county board of education, county superintendent of schools, city, public corporation, public district, regional transportation commission, any JPA organized under provisions of California law, or a nonprofit corporation whose members are confined to public agencies or public officials.

Series Participant Shares Series and the Investor Shares Series, collectively the "Series."

Shares Units representing an equal proportionate share of beneficial interest in the assets of the Pool.

Shareholders Public agencies that invest in the Pool.

Standard & Poor's Standard & Poor's Rating Agency.

Trust California Asset Management Trust.

Trustees Members of the Board of Trustees of the Trust.

Portfolio Summary

Cash Reserve Portfolio *Participant Shares Series and Investor Shares Series*

Investment Objective

The objective of the Cash Reserve Portfolio is to earn a high rate of return while preserving principal, providing liquidity, and seeking a stable NAV of $1.00.

For proceeds of debt issuances invested in the Pool, the objective of the Trust is to invest and account for such proceeds in compliance with the arbitrage rebate and yield restriction requirements as set forth in the Internal Revenue Code and the related U.S. Treasury regulations.

Principal Investment Strategies

The Cash Reserve Portfolio invests exclusively in the following types of investments all of which are authorized investments for Public Agencies pursuant to California Government Code Section 53601:

- U.S. Government and agency obligations
- Repurchase agreements collateralized by U.S. Government and agency obligations
- Bankers' acceptances
- Negotiable certificates of deposit
- Commercial paper

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

The Pool is managed to maintain a dollar-weighted average maturity of no more than 60 days and a dollar-weighted average life (final maturity, adjusted for demand features but not interest rate adjustments) of no more than 120 days. In addition, it only buys investments that have a remaining maturity of three hundred ninety-seven (397) days or less at the time of purchase (except for variable-rate notes issued by the U.S. Government or its agencies or instrumentalities, which must have remaining maturities of 726 days or less.

The Pool has received a rating of AAAm from Standard& Poor's.

Main Risks

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

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

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

Management

Investment Adviser PFM Asset Management LLC.

The features of the Pool are summarized below.

Fees and Expenses

These are the fees and expenses Shareholders will pay when they buy and hold Shares in this Pool. The figures shown here do not reflect the effects of any voluntary expense reductions. Going forward, actual expenses may be higher or lower. The Investment Adviser is obligated to reimburse the Pool for the amount by which annual operating expenses, including investment management, custodian, legal and audit fees exceed 0.22% of average daily net assets. There were no reimbursements to the Pool for the year ended December 31, 2013.

Annual Pool Operating Expenses

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

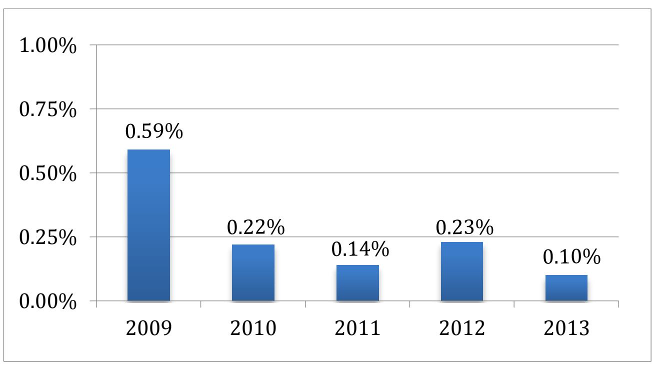
Management and administrative fees	0.13%
Other operating expenses	0.02%
Total annual operating expenses	**0.15%**

Past Performance

All performance figures shown here assume that dividends were reinvested. Figures shown are for the five most recent audited calendar years. For current yield information, call (800) 729-7665. Past performance may not indicate future results.

Calendar Year Total Returns (%)

Cash Reserve Portfolio



Purchase and Sale of Pool Shares

Minimum Initial Investment No minimum.

Minimum Account Balance No minimum.

Minimum Holding Period 1 day.

You can place orders to buy or sell Shares by wire, ACH transfer, check or via the Internet using EON.

Placing Orders

To place orders, contact us at:

Online www.camponline.com

Phone (800) 729-7665

Wire transfer orders can be processed the same Business Day if they are received and accepted by the Investment Adviser by 11:00 a.m. Pacific Time and if the Pool's Custodian receives federal funds by wire prior to the close of business. Wire orders received after 11:00 a.m. Pacific Time are processed on the next Business Day. ACH transfer orders are processed on the next Business Day if requested by 1:00 p.m. Pacific Time. ACH orders received after 1:00 p.m. Pacific Time are processed on the second Business Day after the Business Day on which they are received.

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

Investing

Opening an Account

Eligible Shareholders

The Trust is a JPA and a California common law trust. The Trust will not accept funds for investment from sources other than California Public Agencies.

Pool Account Opening Process

- Complete the appropriate Account Application. To obtain additional forms, call (800) 729-7665 or visit www.camponline.com to download them.
- ***If Shares of the Participant Shares Series are being purchased*** for the initial account, provide a copy of an ordinance or resolution authorizing participation in the Trust and execute a conformed copy of the Declaration of Trust.
- ***If Shares of the Investor Shares Series are being purchased,*** execute a copy of the Investor Agreement. To obtain a copy of the Investor Agreement, call (800) 729-7665 or visit www.camponline.com. *Complete a separate Account Application, signed by an authorized person, for each account.*
- Provide a completed IRS W-9 *form.*

Send the above documents to:

California Asset Management Program
50 California Street, Suite 2300
San Francisco, California 94111

Buying Shares—Cash Reserve Portfolio

Once a Shareholder's application has been accepted, an investment in the Pool can be made using one of the methods in the table on the following page. Funds used to purchase investments must be in U.S. dollars and must be drawn on a U.S. Bank or a U.S. branch of a foreign bank. **All investments must meet the terms described in the Portfolio Summary.**

Special Requirements for the Proceeds of Debt Issues. Shareholders are advised to invest proceeds of tax-exempt borrowings by same-day wire transfer, as any other method could result in delays in investing funds, and, for rebate calculation purposes, may limit the Investment Adviser's ability to track the investment of all the proceeds of a debt issue through a single account from the time of actual settlement on the debt issue.

Unless all proceeds from a particular debt issue are invested through the Trust immediately upon receipt by the Shareholder, and unless the recommended withdrawal procedures are followed, the Investment Adviser may decline to provide arbitrage compliance assistance or may require additional information from the Shareholder, otherwise, the Investment Adviser may not be able to complete a rebate calculation report, or may have to qualify the rebate calculation report. The Trust may accept the proceeds of debt issues which previously have been deposited or invested outside of the Trust, subject to the preparation of a rebate calculation report for the period prior to deposit with the Trust. The Investment Adviser will provide instructions and assistance in arranging for preparation of this report (see Part 2 - Rebate Calculation Services for the Proceeds of Debt Issues).

Method	Instructions	Additional information
Wire (same-day settlement)	• Initiate the transaction on the Internet at www.camponline.com or by calling the Investment Adviser at (800) 729-7665) before 11:00 a.m. Pacific Time. • Provide the following information: – Shareholder's account name and account number – Amount being wired – Whether the transfer is by Federal funds wire (preferred) or bank wire – Name of bank sending wire • Instruct your bank to initiate the wire on the same day to U.S. Bank National Association. Detailed instructions can be obtained on the Internet at www.camponline.com or by calling the Investment Adviser at (800) 729-7665).	• The Pool does not charge fees for receiving wires. However, the sending bank may charge for wiring funds. To reduce potential charges, use ACH transfer which is described below. • Important—A Shareholder must initiate an Internet transaction or notify the Investment Adviser by telephone of a deposit before 11:00 a.m., Pacific Time, and a Federal Reserve wire or bank wire convertible to Federal Funds on a same-day basis must be received that day by the Custodian if the investment is to begin earning income that day.
ACH transfer (settles next Business Day)	• Before making your first transfer, call the Investment Adviser at (800) 729-7665 and register for ACH transfers. • A Shareholder may initiate an Internet transaction at www.camponline.com or call the Investment Adviser at (800) 729-7665 prior to 1:00 p.m., Pacific Time, and give instructions for the movement of funds from its financial institution to its Pool account.	• Funds will transfer overnight and begin earning income the next Business Day. • Funds may be transferred to the Trust by ACH according to the written banking instructions provided by an authorized person. • A Shareholder must notify the Trust in writing of any changes to the specified banking instructions.
Check (settles two or more Business Days after the order arrives)	• Instructions for depositing checks by mail are available by contacting the Investment Adviser at (800) 729-7665. • Checks will be deposited when received by the Custodian, and proceeds will be invested when they are converted to Federal Funds. This procedure may take two or more Business Days.	• It is not advisable to use checks for investment of proceeds of tax-exempt borrowings.
Online	• Before making your first online transaction, submit an EON Online Account Access Form, which may be obtained either by calling the Investment Adviser at (800) 729-7665 or by visiting www.camponline.com. • Use EON to place wire or ACH orders with the Investment Adviser. • Instruct your bank to initiate the wire on the same day to U.S. Bank National Association. Detailed instructions can be obtained on the Internet at www.camponline.com or by calling the Investment Adviser at (800) 729-7665).	

Redeeming Shares—Cash Reserve Portfolio

A Shareholder may withdraw all or any portion of the funds in its Pool account at any time by redeeming Shares. Shares will be redeemed at the NAV per share next determined after receipt of a request for withdrawal in proper form. The NAV determination is made at the conclusion of each Business Day. Funds may be withdrawn in any of the ways shown below.

Method	Instructions	Additional information
Wire (same-day settlement)	• Initiate the transaction on the Internet at www.camponline.com or call the Investment Adviser at (800) 729-7665 on any Business Day to request a withdrawal and the transfer of proceeds. Funds will be transferred to the Trust according to the written banking instructions provided by an authorized person. • If your request is received before 11:00 a.m. Pacific Time, funds will be wired on that same day. • Requests received after 11:00 a.m. Pacific Time will be processed on the following Business Day.	• Funds may be transferred to the Trust by wire according to the written banking instructions provided by an authorized person. • A Shareholder must notify the Trust in writing of any changes to the specified banking instructions.
ACH transfer (settles next Business Day)	• Before making your first transfer, call the Investment Adviser at (800) 729-7665 and register for ACH transfers. • Initiate the transaction on the Internet at www.camponline.com or by calling the Investment Adviser at (800) 729-7665 **before 1:00 p.m. Pacific Time.**	• Funds will transfer overnight and be available the next Business Day. • Funds will remain invested in the Shareholder's Pool account until the day they are transferred. • Funds may be transferred from the Trust by ACH according to the written banking instructions provided by an authorized person. • A Shareholder must notify the Trust in writing of any changes to the specified banking instructions.
Check	• Upon request, the Investment Adviser will provide a Shareholder with a supply of checks imprinted with the Shareholder's name and account number for each Pool account. • Checks may be made payable to anyone and deposited by the payee as with any other check. • When these checks are presented to the Custodian for payment, the Trust will redeem the appropriate number of full or fractional Shares from the Shareholder's Pool account to cover the amount of the check.	• There is currently no charge for checkwriting. • Funds will continue to earn income until the check clears. • If you use checks, you will receive images of checks paid with monthly statements. • Do not use a check to withdraw all available funds or to close your account. Please contact the Investment Adviser for instructions on how to fully redeem your shares. • You may be charged a fee for writing a check that is returned for insufficient funds.

Special Withdrawal Procedures for Proceeds of Tax-Exempt Obligations

It is recommended that checks payable to the Shareholder and wire transfers to the Shareholder's account be used only to reimburse the Shareholder for project costs already incurred, and that appropriate documentation of such reimbursement be retained by the Shareholder to maintain a clear audit trail of the expenditure of funds for rebate calculation purposes. Failure to follow this procedure could result in additional rebate calculation costs and/or issuance of a qualified rebate calculation report or a rebate exceptions compliance report.

If, at the time the debt instruments are issued, a Shareholder expects to make rebate payments and designates this on Schedule A - Bond Issue Information of the Account Application, the Investment Adviser will track withdrawals and will notify the Shareholder when cumulative withdrawals from an account total the amount of the original proceeds of a debt issue deposited in that account. Within five days of such notice, the Investment Adviser will provide an estimate of the Shareholder's rebate obligation, if any, with respect to the account. To the extent the Shareholder has rebate liability, it is recommended that the Shareholder open a separate account and fund it in an amount at least equal to the estimated rebate liability or reserve an amount equal to the estimated rebate liability in its project funds.

Upon receiving the above-described notification, the Shareholder should promptly request preparation of a rebate calculation report by calling the Investment Adviser (800) 729-7665) (see Part 3 - Rebate Calculation Services for the Proceeds of Debt Issues).

Upon completion of the rebate calculation report, the Investment Adviser will provide the Shareholder with copies of the rebate calculation report. The Investment Adviser recommends that the Shareholder open a separate account to deposit the rebate amount identified in the rebate calculation report. It is further recommended that the Shareholder withdraw the balance in the separate account and make the required rebate payment within sixty (60) days of the installment computation date (as defined in the applicable U.S. Treasury regulations).

A Shareholder could be liable for rebate payments in addition to the amount identified in the rebate calculation report if, among other things, the date of the rebate calculation report does not correspond with an installment computation date, if payment of the amount is not made within sixty (60) days of the installment computation date, or if some future action by the Shareholder changes the yield of the related tax-exempt obligations.

It is advisable that a Shareholder not withdraw all of its funds prior to completion of rebate estimates and a rebate calculation report in order to track all earnings accurately and to fulfill its rebate obligation. Failure by the Shareholder to follow these guidelines may result in the Shareholder having to fulfill its rebate obligation from other sources of funds, and may make it impossible for the Investment Adviser to prepare an unqualified rebate calculation report.

If a Shareholder withdraws funds from the Program prior to the end of a rebate calculation period and reinvests them elsewhere, the Investment Adviser will be unable to issue an unqualified rebate calculation report.

Emergencies: Right to Suspend Withdrawals

The Declaration of Trust permits the Trustees to suspend the right of withdrawal from the Pool or to postpone the date of payment of redemption proceeds if the New York Stock Exchange is closed other than for customary weekend and holiday closings, if trading on the New York Stock Exchange is restricted, or if, in the opinion of the Trustees, an emergency exists such that disposal of the Pool's securities or determination of its net asset value is not reasonably practicable.

If the right of withdrawal is suspended, a Shareholder may either withdraw its request for that withdrawal or receive payment based on the net asset value of the Pool next determined after termination of the suspension of the right of withdrawal.

Other Redemption Policies

The Trust may redeem Shares owned by a Shareholder to reimburse the Pool for any failure by that Shareholder to make full payment for Shares purchased by the Shareholder.

Redemption payments may be made in whole or in part in securities or other property of the Pool. Shareholders receiving any such securities or other property on redemption will bear any costs of sale.

Additional Account Features

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

- **Statements** Confirmations of each investment in and withdrawal from a Pool account will be made available online at www.camponline.com within two days of the transaction. A statement of each account will be mailed (or obtained online at www.camponline.com) each month to each Shareholder. This statement will show the dividend paid and the account balance as of the statement date. The statement will also show total income earned during the year. Any checks the Shareholder has written against a Pool account which have been paid by the Trust and canceled during the month will be returned to the writer by U.S. Bank National Association.

- **Information Services** Toll-free telephone service (800) 729-7665) is available to provide Shareholders with information including current yield, up-to-date account information and transaction history, and to receive instructions for the investment or withdrawal of funds.
- **Technical Assistance** Technical and operational assistance ((800) 729-7665) is available to Shareholders and Public Agency officials who are considering the Trust for investment purposes.
- **Estimated Earnings on the Proceeds of Debt Issue and Projected Draws** Upon request, the Investment Adviser will provide estimates of future earnings on the proceeds of a debt issue for Shareholders. This estimate will be based on the projected drawdown schedule provided by the Shareholder. The Investment Adviser may request estimates of project drawdown schedules from Shareholders from time to time to facilitate efficient investment of Pool funds.
- **Website** Account information and information regarding the Trust can be found at www.camponline.com. A password and user identification is required to initiate a transaction or access account information. The system can be accessed through the Trust's website by selecting "Access Your Account." Instructions on how to obtain a password and user identification can be received by contacting investor services at (800) 729-7665.
- **Information on Pool Holdings** The Pool discloses a summary of its holdings online monthly and a full description of holdings in the annual audited financial reports.

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

Rights the Trust reserves

The Trust reserves the right to do any of the following:

- Add, change, or remove account minimums at any time without advance notice.
- Reject any investment or limit the size of any Shareholder's account.
- Limit the frequency of purchases for any reason.
- Establish a minimum check amount, or terminate, suspend, or alter check writing privileges.

Tax Information

We suggest that you check with your tax advisor before investing in the Pool or an Individual Portfolio. Relevant considerations include:

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

Financial Highlights

The Pool's financial statements have been audited by Ernst & Young LLP and are included in the CAMP Annual Report for the Trust's most recent fiscal year end. The Annual Report is available upon request.

Part 2 – Information Statement

General Information

The Trust

History

The California Asset Management Trust was established in 1990 as a California JPA and as a California common law trust to meet local government investments needs. The Trust is responsible for the management of the Pool. The Trust's activities are directed by the Board. Because the Trust is accountable only to its Public Agency Shareholders, it has adapted over time to meet their changing needs. Initially the Trust was formed to assist California public agencies with investing proceeds of tax-exempt debt issues and complying with the arbitrage regulations. Responding to needs of its Shareholders, the Trust was later expanded to include investment of operating funds and capital reserves.

In 2005, in response to changes in the law and the needs of California Public Agencies for a more flexible investment option, the Trust was amended to create two new Series of Shares: Investor Shares Series and Participant Shares Series. Shares of the Participant Shares Series are available to California Public Agencies that have joined the JPA as members. Shares of the Investor Shares Series are available to California Public Agencies that have not joined the JPA as a member. Shares of both Series are invested in the same investment pool. As such, the Participant and Investor Shares will realize the same investment results. **Please review Parts 1 and 2 of the Program Guide carefully for a more detailed description of the respective rights, privileges, preferences and restrictions of investment in either Series of the Pool.**

Additionally, in 2005, in response to a change in the law, the Trust was amended to expand the definition of Public Agency to include certain California nonprofit corporations, membership of which is limited to California Public Agencies or public officials. This change allows California nonprofit corporations that meet the expanded definition of Public Agency to either join or invest in the JPA.

Organization and Purpose

The Trust is a JPA and Public Agency created by the Declaration of Trust and established under the provisions of the Act for the purpose of exercising the common power of its Participants to invest funds. The Trust cannot accept funds for investment from other sources.

The Trust provides Shareholders a Pool for comprehensive investment management and accounting services. For proceeds of tax-exempt debt issues, the Trust also offers Arbitrage Rebate calculations. Public Agencies invest in the Pool by contributing assets to the Trust, which are used to purchase Shares in the Pool.

Shares of the Pool are currently divided into two Series: "Participant Shares Series" and "Investor Shares Series." Public Agencies may invest in the Pool by formally joining the Trust or by not joining the Trust and only purchasing shares of the Investor Shares Series which have no voting rights. Participants must become parties to the Declaration of Trust, dated as of December 15, 1989, as amended and restated as of February 28, 2005.

Public Agencies that own shares of the Participant Shares Series have voting rights on matters affecting the operation of the Trust. Public Agencies may also invest in the Pool without joining the Trust. Public Agencies that own shares of the Investor Shares Series have rights similar to the Participant Shares Series, except that voting rights are reserved for the Participant Shares Series.

The net income of the Pool is calculated daily and dividends are declared daily and paid monthly. Each month, dividends are automatically re-invested in Shares of the Pool (see Part 2 - Daily Income and Dividends of the Pool).

The Trust seeks to provide Shareholders with the following features through the Pool:

Preservation of Principal Investments in the Pool are made only in high-quality investments in which Public Agencies are permitted by California statute to invest their funds, and in accordance with other investment policies of the Trust designed to preserve capital. While the Pool seeks to maintain a stable NAV of $1.00 per Share, it is possible to lose money investing in the Pool. An investment in the Pool is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

Liquidity Investments in the Pool may be made at any time, and Shareholders may withdraw funds from the Pool on any Business Day.

Income The Pool seeks to earn a high rate of income consistent with preserving principal and maintaining liquidity.

Arbitrage Rebate Compliance For the proceeds of tax-exempt debt issues, the Pool is designed to assist Shareholders in complying with certain arbitrage rebate requirements of the Internal Revenue Code. Investments are purchased and investment documentation is maintained in accordance with requirements of the Internal Revenue Code, and rebate calculation reports are prepared by the Investment Adviser upon request in a manner and at such times as to enable Shareholders to comply with these requirements. The Pool is also designed to assist Shareholders in determining whether they have satisfied the expenditure test for any available exceptions to the arbitrage rebate requirements, and to provide calculations of penalties due in lieu of rebate payments.

Convenience The Pool offers the option of investing by electronic funds transfer or check. Shareholders that invest the proceeds of debt issues in the Pool do not have to schedule investment maturities to meet project draw schedules. Shareholders can use the Internet to check account balances and activity, and to initiate transactions.

Professional Management Investments in the Pool are managed by investment professionals who are experienced in managing local government investment pools like the Trust and who follow both general economic and current market conditions affecting interest rates.

Diversification The Shares of the Pool represent beneficial interests in a diversified portfolio of certain high-quality instruments authorized for investment by Public Agencies by the California Government Code Section 53601 (a) through (o).

Accounting, Safekeeping and Separate Accounts The Pool accounts for each Shareholder's funds in compliance with governmental accounting and auditing requirements, and does all of the bookkeeping and safekeeping associated with the ownership of securities.

A Public Agency can also enter into a separate agreement with the Investment Adviser to manage a separate portfolio that is not part of the Pool. These Individual Portfolios allow a Public Agency to invest its funds in a segregated account (not within the Pool) for a term that is longer than the average maturity of the Pool.

The Trust also provides record keeping, and custodial and arbitrage rebate calculation services for the proceeds of debt issues.

For further information or assistance, call toll free (800) 729-7665.

The Declaration of Trust

The Trust is a JPA and a separate Public Agency established as a common law trust under the laws of the State of California by execution of a Declaration of Trust by two California Public Agencies as the initial Participants in the Trust. Additional Public Agencies have become Participants in the Trust by enacting an ordinance or passing a resolution to adopt the Declaration of Trust and by signing a conformed copy of the Declaration of Trust. As of the date of these materials, June 4, 2013, Public Agencies were Participants in the Trust. Additional Public Agencies may become Participants by following the same procedure as outlined above in this paragraph.

Copies of the Declaration of Trust and the By-Laws of the Trust may be obtained from the Investment Adviser or online at www.camponline.com and should be read carefully before joining the Trust. All descriptions contained in this Information Statement are subject to and limited by provisions set forth in the Declaration of Trust and the By-Laws.

The Declaration of Trust permits the Trustees to issue an unlimited number of Shares. The Trustees, in their discretion, may authorize the division of Shares into one or more series. The Pool consists of one class known as the Cash Reserve Portfolio and two series of Shares known as Participant Shares Series and Investor Shares Series. Shares of the Participant Shares Series are issued to Public Agencies that have joined the Trust, and as Participants in the Trust, they have certain voting rights provided by the Declaration of Trust. Shares of the Investor Shares Series are issued to Public Agencies that invest in the Trust but have not become a party to the Declaration of Trust. Investor Shares Series are similar to Participant Shares Series but lack voting rights. Both the Participant Shares Series and the Investor Shares Series represent an equal proportionate interest in the Pool.

The Shares of each Series are only payable from that portion of the Trust's assets held by the Trust. Each Share represents an equal proportionate interest in the Trust with each other outstanding Share. Upon redeeming Shares, a Shareholder receives the current net asset value per Share. If liquidation of the Trust or a Series should occur, Shareholders will be entitled to receive their proportionate share of the assets of the Pool less any liabilities of the Pool including, but not limited to, all expenses, costs, charges and reserves attributable to the Pool, as well as their proportionate share of any general assets and liabilities of the Trust. The Shares of each Series are fully paid and non-assessable, except as set forth in Part 2 under "Participant and Trustee Liability," and have no preemptive or conversion rights.

Shareholders can sell shares or purchase additional Shares in accordance with the procedures outlined in Part 1 of this Program Guide. The Trust also permits transfers of Shares directly between eligible California Public Agencies; however, the Trust reserves the right to require Shareholders to provide proof of authorization, evidence of the genuineness of such authorization and such other matters as may reasonably be required in order to effect such purchases and sales. Upon such delivery, the transaction will be recorded on the register of the Trust. Until such record is made, the Shareholder of record will be deemed to be the holder of such Shares for all purposes, and neither the Trustees nor any transfer agent officer, employee, or agent of the Trust will be affected by any notice of the proposed transfer. No Shares may be transferred to a transferee other than a Public Agency, or to the Trust itself.

For all matters requiring action by the Shareholders, such action will be taken by a vote of the Participant Shares Series Shareholders, who will be entitled to that number of votes equal to the number of full and fractional Participant Shares held by each Participant Shares Series Shareholder.

The Trust may be terminated by the vote of a majority of its Trustees with the approval of the holders of two-thirds of the Shares of the Participant Shares Series. Upon the termination of the Trust, and after paying or adequately providing for the payment of all liabilities and upon receipt of such releases, indemnities and refunding agreements as they may deem necessary for their protection, the Trustees may distribute the remaining Trust assets, in cash or in kind or partly in cash and partly in kind, among the Shareholders according to their respective beneficial interests.

The Declaration of Trust may be amended by the vote of the Trustees, with the approval of the holders of a majority of the Shares of the Participant Shares Series. The Trustees may also amend the Declaration of Trust without the approval of Participants for the following reasons: to change the name of the Trust or any Series; to establish additional Series or classes of Shares; to supply omissions or correct or supplement ambiguous, defective or inconsistent provisions; or, if they deem it necessary, to conform the Declaration of Trust to the requirements of applicable laws and regulations or to eliminate or reduce any taxes which may be payable by the Trust or the Participants, but the Trustees will not be liable for failing to do so. No amendment may be made which would change any rights of any Shares by reducing the amount payable thereon upon liquidation of the Trust or by diminishing or eliminating any approval rights pertaining thereto, except with the vote of a majority of the Trustees, and the approval of the holders of two-thirds of the Shares of the Participant Shares Series.

The Trustees

The Trust is currently governed by a Board of seven Trustees, all of whom are officials or employees of Public Agencies that are Participants in the Trust. The Trustees are appointed pursuant to, and are provided authority under, the Declaration of Trust. The Trustees are responsible for setting overall policies and procedures for the Trust and for hiring and supervising the activities of the Investment Adviser, the Custodian, and other agents of the Trust and monitoring the investment performance of the Pool and the method of valuing its Shares. The names and business addresses of the current Trustees and Officers of the Trust and their principal occupations and other affiliations during the past five years are as follows:

Karen D. Adams, CPA—Ms. Adams has served as a Trustee since February, 2010. Since October, 2002, Ms. Adams has served as the Treasurer-Tax Collector, Merced County, 2222 M Street, Merced, California 95340. Ms. Adams was Assistant Treasurer-Tax Collector, Merced County, October 1996 – October 2002.

Past President, California Association of County Treasurers and Tax Collectors (CACTTC); Member of the Government Finance Officers Association (GFOA), Government Investment Officers Association (GIOA), California Municipal Treasurers Association (CMTA), California Revenue Officers Association (CROA); Finance Committee Member, Merced County Community Foundation; Past President of Kiwanis Club of Greater Merced; and Past Treasurer of Business & Professional Women (BPW).

Eldon Boone, CPA—Mr. Boone has served as a Trustee since February, 2010. Since January, 2008, Mr. Boone has served as Assistant General Manager and Treasurer, Vista Irrigation District, 1391 Engineer Street, Vista, California 92081-8836. Mr. Boone was Director of Finance and Assistant Treasurer, Vista Irrigation District, 1996 – December 2007.

Auditor/Controller of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA); Chair of the Audit and Finance Committee of ACWA/JPIA; Member of the California Society of Municipal Finance Officers (CSMFO), California Municipal Treasurers Association (CMTA), Government Finance Officers Association (GFOA), Association of Public Treasurers of the United States and Canada (APT US&C), and American Institute of Certified Public Accountants (AICPA).

Steve Dial—Mr. Dial has served as a Trustee since August, 2002 and is the President of the Trust. Since February 2006, he has served as the Deputy Executive Director and Chief Financial Officer, San Joaquin Council of Governments (SJCOG), 555 East Weber Avenue, Stockton, California 95202, and SJCOG's subsidiaries, SJCOG, Inc., Commute Connection, Inc., and the San Joaquin County Transportation Authority. In 2009 Mr. Dial was designated Treasurer and Controller for SJCOG. From 1985 to February 2006, he was Director of Administration and Chief Financial Officer for SJCOG.

Former Chair, Financial Affairs Committee, National Association of Regional Councils; Board Member of the Child Abuse Prevention Council of San Joaquin County; Past Treasurer of the Leadership Stockton Alumni Association; Past President of the Board of Directors for United Cerebral Palsy of San Joaquin County; Past Vice President of the United Way of San Joaquin County; and Member of the Government Finance Officers' Association (GFOA) and California Society of Municipal Finance Officers (CSMFO).

André Douzdjian—Mr. Douzdjian has served as a Trustee since May 15, 2014. Since June 2012, Mr. Douzdjian has served as the Director of Finance, San Diego Association of Governments (SANDAG), 401 B Street, Suite 800, San Diego, California 92101. Prior to June 2012, Mr. Douzdjian worked in the private sector, and from 1991 – 2000 was the Financial Services Manager for SANDAG.

Member of the Government Finance Officers Association (GFOA), American Institute of Certified Public Accountants (AICPA); CFO, Roundtable of San Diego and Former Treasurer of the Entrepreneurs Organization, San Diego Chapter.

Paul S. Gibson—Mr. Gibson has served as a Trustee since August, 2004 and is the Vice President of the Trust. Since 1989, he has served as Director of Finance and City Treasurer, City of Palm Desert, 73-510 Fred Waring Drive, Palm Desert, California 92260-2578.

Director of Finance and Treasurer for the Successor Agency to Palm Desert Redevelopment Agency; Chairman of the Palm Desert Investment and Finance Committee; Member of the Palm Desert Legislative Committee; Sponsoring Treasurer of AB 2220 (Battin, 2000), AB 609 (Kelley, 2001), SB 787 (Battin, 2002), and SB 68 (Battin, 2003); Member of the California Municipal Treasurers Association (CMTA), California Society of Municipal Finance Officers (CSMFO), Association of Public Treasurers of the United States and Canada (APT US&C), and the Government Finance Officers Association (GFOA); Member of the McCallum Theatre Foundation Board of Directors; and Certified California Municipal Treasurer (1998).

Wayne Hammar— Mr. Hammar has served as a Trustee since August 2008 and is the Treasurer of the Trust. Since July 2005, Mr. Hammar has served as Treasurer-Tax Collector, Siskiyou County, 311 4th Street, Room 104, Yreka, CA 96097. Mr. Hammar was Assistant Treasurer-Tax Collector, County of Siskiyou, May 1997 – July 2005.

Past President, California Association of County Treasurers and Tax Collectors (CACTTC); Chairman of the Board, Siskiyou Central Credit Union; Past President, Siskiyou Child Care Council Board of Directors; Member, California Association of County Treasurers and Tax Collectors (CACTTC) Legislative and Continuing Education Committees, Siskiyou County Debt Advisory Committee, Consumer Credit Counseling of Southern Oregon Siskiyou County Advisory Board, and Greenhorn Park Development Initiative Committee.

Duane Wolterstorff, CPA—Mr. Wolterstorff has served as a Trustee since May 15, 2014. Since November, 2000, Mr. Wolterstorff has served as Manager of Fiscal Support Services, Modesto City Schools, 426 Locust Street, Modesto, California, 95351.

Controller of Salida Area Public Facilities Financing Agency (SAPFFA) and School Infrastructure Financing Agency (SIFA); Chair of Oversight Board of the Successor Agency to the City of Hughson Redevelopment Agency; Member of Oversight Board of the Successor Agency to the Stanislaus County Redevelopment Agency; Treasurer of the Youth Committee, Pacific Association, USA Track and Field; Member of California Society of Certified Public Accountants (CalCPA) and American Institute of Certified Public Accountants (AICPA).

The Trustees are appointed by the Board of Trustees and each must be a member of the governing body, officer or full-time employee of a Public Agency that is a Participant in the Trust, and the appointment must be approved annually by the Participants. Except in the case of resignation or removal, each Trustee holds office until his or her successor is appointed. In order to assure representation on the Board of the several classes of Public Agencies participating in the Trust, at least one of the Trustees must be either a member of the governing body, an officer or a full-time employee of each of the following: a California county, a city or a public district (including a JPA), so long as there is at least one Public Agency from that class that is a Participant of the Trust. The Officers of the Trust serve at the discretion of the Board. No Trustee or Officer has an immediate family member serving as a Trustee or Officer of the Trust.

The present Trustees and Officers serve without compensation but all are reimbursed by the Trust for reasonable travel and other out-of-pocket expenses incurred in connection with their duties as Trustees and Officers.

Participant and Trustee Liability

Under California law, members of a common law trust may be held personally liable for the obligations of the trust if they are deemed to control the management of the trust. Because the Board has ultimate control over all matters relating to the Trust, the Trust does not believe that Participants would be deemed to have such control. The Declaration of Trust contains an express disclaimer of Participant liability for acts or obligations of the Trust. The Declaration of Trust also provides that the Trust will indemnify each Participant against all claims and liabilities out of the assets of the Series of the Trust in respect of which such claim or liability arose.

The Declaration of Trust provides that no Trustee, officer, employee or agent of the Trust will be liable for any action or failure to act that does not involve bad faith, willful misfeasance, gross negligence or reckless disregard of duty. Each Trustee, officer, employee and agent of the Trust will be indemnified by the Trust against claims and liabilities as provided in the By-Laws and to the fullest extent provided by California law. The Trustees may also purchase, and pay out of Trust assets, insurance policies insuring the Trustees, Officers, Agents, Participants, employees, investment advisers, distributors, or independent contractors of the Trust against all claims arising by reason of holding any such position or by reason of any action taken or omitted by any such person in such capacity.

The Act provides that all immunities from liability which apply to the activity of officers, agents or employees of Participants when performing their functions within the territorial limits of their respective Public Agencies will apply to them to the same extent while engaged in the performance of any of their functions associated with the Trust.

Under the Declaration of Trust, the Trustees may obtain insurance or establish self-insurance funds to cover certain liabilities. This may be done on a joint basis with other similar entities, and the Trust may contribute more than its pro rata share of such insurance premiums or self-insurance funds.

Services Providers

Investment Adviser and Administrator PFM Asset Management LLC, an investment advisory firm with an office at 50 California Street, Suite 2300, San Francisco, California 94111, is the Trust's investment adviser and administrator. The daily management of the investment affairs and research relating to the Pool is conducted by or under the supervision of the Investment Adviser. The Investment Adviser is registered under the Investment Advisers Act of 1940. Shares of the Pool are distributed by the Investment Adviser's wholly owned subsidiary, PFM Fund Distributors, Inc., a member of FINRA and subject to the rules of the MSRB. The Investment Adviser was established by the shareholders of PFM-I in July 2001 to conduct the investment advisory business in which PFM-I had been engaged since 1980. The Investment Adviser is owned by the managing directors of PFM-I. PFM-I served as investment adviser and administrator of the Trust from its inception until August 14, 2001, when it was replaced by the Investment Adviser. The Investment Adviser is also the investment manager and/or program administrator for 13 other local government investment pool programs, which provide services similar to those provided by the Trust.

PFM-I began business in 1975 as a financial adviser to public agencies and in 1981 began providing investment advice to statewide local government investment pools and separate accounts of public agencies. PFM-I withdrew from the investment advisory business in 2005 when all of its then remaining investment advisory contracts were transferred to the Investment Adviser.

Advisory Services. The Investment Adviser manages the investment of the assets of the Pool, including the placement of orders for the purchase and sale of investments, pursuant to an Advisory Agreement. The Investment Adviser obtains and evaluates such information and advice relating to the economy and the securities markets as it considers necessary or useful to manage continuously the assets of the Trust in a manner consistent with the Trust's investment objectives and policies. The Investment Adviser also administers and maintains the Trust's website which provides access to EON. The Investment Adviser also serves as rebate calculation agent for the Program, which requires, among other duties, collecting relevant information from, and sending notices to, Shareholders, and making calculations and preparing rebate reports. Rebate calculation services are subject to a separate agreement, and separate fee schedule, between each Shareholder and the Investment Adviser. The Advisory Agreement will remain in effect until the specified termination date, unless terminated sooner, and may not be assigned by the Investment Adviser without the consent of the Trustees. The Advisory Agreement may be terminated by either party, at any time and without penalty, upon at least one hundred eighty (180) days prior written notice to the other party, and unless terminated, shall automatically renew for two successive one-year terms.

Investment Transactions. The Investment Adviser is responsible for decisions to buy and sell securities for the Trust, and arranges for the execution of security transactions on behalf of the Pool. Purchases of securities are made from dealers, underwriters and issuers. Sales prior to maturity are made to dealers and other persons. Money market instruments bought from dealers are generally traded on a "net" basis, with dealers acting as principal for their own accounts without a stated commission, although the price of the instrument usually includes a profit to the dealer. Thus, the Trust does not normally incur any brokerage commission expense on such transactions. Securities purchased in underwritten offerings include a fixed amount of compensation to the underwriter, generally referred to as the underwriter's commission or discount. When securities are purchased or sold directly from or to an issuer, no commissions or discounts are paid.

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

Administrative Services. The Investment Adviser also provides the following administrative services to the Trust in accordance with the Advisory Agreement:

- *Customer Service*. Operation of an Internet website and a toll-free telephone facility to be used exclusively by Shareholders or by Public Agencies interested in investing in the Trust.
- *Administration and Marketing.* Maintenance of the books and records of the Pool, including Shareholder account records; supervision, under the general direction of the Trustees, of all administrative aspects of operations; periodic updating and preparation of the Information Statement; preparation of tax returns, financial statements and reports for the Pool; supervision and coordination of the activities of the Custodian; determination of dividends and net asset value of the Pool in accordance with the policies of the Trust; provision of office space, equipment and personnel to administer the Trust; printing and distribution to Public Agencies of the Program Guide; preparation and distribution of other explanatory and promotional materials, and provision of technical assistance and guidance to Public Agencies considering use of the Trust as an investment vehicle.
- *Shareholder Account Reports*. Preparation and provision to Shareholders of confirmation of each Shareholder investment and redemption transaction, and of monthly statements summarizing transactions, earnings, and assets of each Shareholder account.
- *Rebate Calculation Services*. Preparation and provision to Shareholders, upon request, of interim rebate calculation estimates and of rebate calculation reports and rebate exceptions compliance reports to Shareholders in the Trust. If applicable, provision of notice to Shareholders prior to any expenditure test date related to any exception from rebate requirements, and preparation of an exception compliance report.

Custodian U.S. Bank National Association, Minneapolis, Minnesota, is the custodian for the Trust. The Custodian holds cash and securities of the Pool and also acts as check clearing and disbursing agent for the Pool. The Custodian does not participate in determining the investment policies of the Trust or in investment decisions. The Trust may invest in the Custodian's obligations and may buy or sell securities through the Custodian. Securities purchased under certain repurchase agreements may be held by other custodians agreed to by the Trust and the other parties to the repurchase agreements.

Trust Counsel Nossaman LLP with an office at 50 California Street, 34th Floor, San Francisco, California 94111-4707, is legal counsel to the Trust for certain matters.

Auditor The financial statements of the Trust are audited annually by Ernst & Young LLP with an office at 560 Mission, Suite 1600, San Francisco, California 94105. The fiscal year for the Trust ends December 31.

Expenses of the Trust

The Trust has entered into arrangements for the Pool for investment management, custodial, legal, accounting, audit, and rebate calculation services. The Trust also pays for organizational expenses, insurance premiums, Trustees' expenses, and other expenses not expressly assumed by the Investment Adviser. All expenses related to operation of the Pool are paid from the income of the Pool (see "Daily Income and Dividends of the Pool").

For the services provided to the Pool by the Investment Adviser, the Investment Adviser is paid a monthly fee based on the following percentages of the average daily net assets of the Pool:

Average Daily Net Assets	Annual Rate
First $200 million	0.18%
Next $200 million	0.16%
Next $200 million	0.14%
Next $400 million	0.13%
Next $1 billion	0.11%
Over $2 billion	0.10%

The Investment Adviser may, from time to time, waive some or all of its fees. Such waiver will have the effect of increasing the yield of the Pool during the period the fees are waived.

Under the Advisory Agreement, the Investment Adviser has agreed to reimburse the Pool for the amount by which the "annual operating expenses" of the Pool exceed 0.22% of its average daily net assets. "Annual operating expenses" generally include all expenses of the Pool (including investment management, administration, marketing, custodial, legal, accounting and audit fees), other than any reserves established by the Trustees to pay for extraordinary costs.

As of December 31, 2013, the Pool had reserved $156,855 to pay for extraordinary costs that it may incur from time to time, such as special legal, audit and consulting fees. The Trustees may determine to reserve additional amounts, not expected to exceed, on an annual basis, 0.02% of the average daily net assets of the Pool, for those and other similar purposes in the future.

Tax Matters

Pursuant to Section 115(1) of the Internal Revenue Code, federal gross income does not include income derived from the exercise of any essential governmental function that accrues to a state or any political subdivision of a state. In the opinion of Counsel to the Trust, the Trust is not subject to Federal or California income tax upon the income realized by it.

Arbitrage Rebate: General The Internal Revenue Code generally requires issuers of tax-exempt obligations to rebate to the federal government their arbitrage profits derived from investment of gross proceeds in nonpurpose obligations. Various exceptions from the rebate requirements are available, and each Shareholder should consult with its bond counsel to determine whether and to what extent appropriate exceptions might be available. The investment by Shareholders of gross proceeds of debt issues in the Trust will be an investment in a nonpurpose obligation and will be taken into account in determining any rebate liability.

Treatment of Administrative Costs of the Trust The United States Department of the Treasury (the "Treasury") has provided for different treatments of administrative costs of the Trust to different issuers, depending upon when their particular obligations were issued and upon what percentage of the Trust they own. Below is a summary of the various regulations. For a more detailed discussion, Shareholders should consult with their own bond counsel.

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

Obligations issued after June 17, 1992 and prior to July 1, 1993 Regulations released by the Treasury in May 1992 and generally applicable to obligations issued after June 17, 1992 and before July 1, 1993, provide that Shareholders in the Pool must generally compute rebate on their earnings from such investments as if they had received additional earnings representing their share of administrative costs in excess of 0.25% of the average daily balance of the Pool. The Investment Adviser has undertaken to insure that administrative costs (and other annual operating expenses other than reserves for extraordinary costs) of the Pool will not exceed 0.22% of the average daily balance of the Pool, and accordingly, Shareholders in the Trust investing proceeds of obligations issued after June 17, 1992, and prior to July 1, 1993, should not have any imputed earnings from administrative costs related to investments in the Pool.

Obligations issued after June 30, 1993 Regulations released by the Treasury in June 1993 and generally applicable to obligations issued after June 30, 1993, provide that an issuer of tax-exempt obligations may generally exclude from earnings all reasonable administrative costs of the Pool if that issuer and any parties related to the issuer do not own more than 10 percent of the beneficial interests in the Pool. If the issuer does own more than 10 percent of the Pool, then only reasonable administrative costs relating to the purchasing and selling of the investments in the Pool may be excluded. Thus, if a Shareholder invests proceeds of an obligation issued after June 30, 1993 in the Pool and owns more than 10 percent of the Pool, the Shareholder may be treated for arbitrage purposes as receiving a portion of the administrative costs of the Pool in addition to the actual earnings credited to the Shareholder. Which costs of the Pool may be treated as distributed to such Shareholders and how the 10 percent beneficial interest test is applied are matters that are subject to clarification by the Internal Revenue Service. Upon request, the Trust will provide to any Shareholder a calculation of its percentage of interest in the Pool. Issuers of obligations issued after June 30, 1993, and before August 15, 1993, may also, on an issue-by-issue basis, apply the regulations described in the preceding paragraph to such obligations.

Obligations sold on or after July 8, 1997 Regulations filed by the Treasury on May 8, 1997 (the “1997 Regulations”) clarify some of these requirements relating to administrative costs. The 1997 regulations are generally applicable to obligations sold on or after July 8, 1997. The 1997 Regulations provide that an issuer of tax-exempt obligations may generally exclude from earnings all reasonable administrative costs of the Pool if no investor owns more than ten percent (10%) of the beneficial interest in the Pool, and if the Pool is “widely held.” The Pool will be treated as widely held only if, during the immediately preceding fixed, semi-annual period chosen by the Pool, the Pool had a daily average of more than fifteen (15) Shareholders that were not related parties, and the daily average amount each investor had invested in the Pool was not less than the lesser of $500,000 and 1 percent (1%) of the daily average of the total amount invested in the Pool. A Shareholder is treated as owning not more than ten percent (10%) of the beneficial interest in the Pool if, on the date of each deposit by the Shareholder into the Pool, the total amount the Shareholder and any related parties have on deposit in the Pool is not more than ten percent (10%) of the total amount that all Shareholders have on deposit in the Pool. The total amount that all Shareholders have on deposit in the Pool is equal to the sum of all deposits made by the Shareholder and any related parties on the date of those deposits and the closing balance in the Pool on the day before those deposits. If any Shareholder in the Pool owns more than ten percent (10%) of the beneficial interest in the Pool, then only reasonable administrative costs relating to purchasing and selling of the investments in the Pool may be excluded. That is, no Shareholder in the Pool may take indirect administrative costs into account until that Shareholder makes sufficient withdrawals from the Pool to reduce its beneficial interest to ten percent (10%) or less.

Arbitrage Rebate Compliance

To further the objective of providing Shareholders with simplified arbitrage rebate compliance for proceeds of tax-exempt borrowings, the Trust has adopted the following recommended set of practices. The Trust strongly recommends that they be followed to minimize the Shareholder’s rebate compliance costs.

1. A Shareholder should deposit all the proceeds of a debt issue subject to arbitrage rebate in the Trust on the same day as they are received by the Shareholder. This will enable the Investment Adviser to track the investment and expenditure of these funds.

2. A Shareholder should identify all the proceeds of a debt issue subject to the same yield at the time of initial investment. A separate account should be established for each fund or group of funds having a different yield by completing an Account Application. The Investment Adviser will provide advice on the number and type of accounts that will be needed to provide a clear audit trail.
3. Federal tax law requires issuers of tax-exempt obligations either to make certain rebate payments to the Federal government or to meet certain expenditure guidelines. If the Shareholder expects to meet one of the expenditure exceptions, it should notify the Investment Adviser when making its initial investment so the Investment Adviser can provide information regarding the expenditure of the proceeds of an issue.
4. If the Shareholder expects to make rebate payments, it should note that Federal tax law requires issuers of tax-exempt obligations to meet certain rebate payment requirements at least every five years. However, a Shareholder may need to account for its rebate liability on an annual basis. The Investment Adviser will provide estimates of rebate amounts at any time for a Shareholder, and the Investment Adviser will provide a rebate calculation report more frequently than every five years if requested. There will be a separate charge for each rebate calculation report (see Part 2 - Rebate Calculation Services for the Proceeds of Debt Issues).
5. If the Shareholder is eligible and has elected to pay a penalty in lieu of making rebate payments, it should notify the Investment Adviser by designating this on Schedule A - Bond Issue Information when making its initial investment.
6. It is recommended that Shareholders not draw down the entire proceeds of a debt issue account before providing for any rebate requirement or penalty payment.

If any Shareholder and any parties related to the Shareholder own more than ten percent (10%) of the Shares of the Pool, such ownership may adversely affect the rebate liability of all Shareholders (see "Tax Matters").

Documentation of Market Price The Investment Adviser will follow certain procedures to document that investments are purchased at a "market price" in accordance with requirements of the Internal Revenue Code and related rulings and regulations. These procedures include obtaining three bids or offers for all securities transactions on the secondary market, documenting transaction prices using independent pricing services, and following practices to avoid making "prohibited payments" or receiving "imputed receipts" (as these terms are used in the applicable U.S. Treasury regulations) that improperly reduce the yield on investments.

Rebate Exception Services for the Proceeds of Debt Issues

Upon initial investment of the proceeds of a debt issue, a Shareholder should inform the Investment Adviser, by designating on Schedule A - Bond Issue Information, if it expects to qualify for an expenditure exception to the Federal rebate requirements, or if it has elected to pay a penalty in lieu of rebate. If the Investment Adviser has been so informed, thirty (30) days before any expenditure test date related to such an exception from the rebate requirements, the Investment Adviser will provide a notice to the Shareholder that tracks the cumulative percentage of proceeds of a debt issue drawn from funds invested in the Trust from any debt issue whose proceeds are then invested in the Trust, and compares the cumulative percentage of funds drawn to the requirements of the exception to assist the Shareholder in determining its eligibility for such exception. Thirty (30) days after any expenditure test date, the Investment Adviser will provide a report (a "rebate exceptions compliance report") to such Shareholder showing the cumulative percentage of the proceeds of a debt issue (including investment income) actually drawn and calculating the penalty, if any, due to the Internal Revenue Service if actual amounts drawn do not meet the expenditure test.

Rebate Calculation Services for the Proceeds of Debt Issues

With respect to proceeds of tax-exempt borrowings invested in the Trust, including funds whose cash flows are tracked through Shareholder accounts in the Trust, the Investment Adviser will, upon request, provide interim rebate calculation estimates to enable Shareholders to estimate rebate liabilities for financial reporting purposes. There is no charge for these estimates.

The Investment Adviser will provide each Shareholder who so requests with a rebate calculation report for any given report period that summarizes calculations of:

- The allowable investment yield;
- Investment activities for the Report Period; and

- A calculation of the rebate liability at the end of the Report Period using the methodology prescribed by the applicable U.S. Treasury regulations.

When an account for the proceeds of a debt issue is opened, the Investment Adviser will request certain information from a Shareholder, including information necessary to permit scheduling of the rebate calculation report or Rebate Exceptions Compliance Report. The Investment Adviser will require additional information from a Shareholder, including copies of the official statement, non-arbitrage or tax certificate, debt issue resolution and similar documents, before the first such rebate calculation report or Rebate Exceptions Compliance Report can be prepared.

Normally, the rebate calculation report will be completed and furnished to the Shareholder for each debt issue no later than thirty (30) days after the Installment Computation Date, provided that the Shareholder has authorized its preparation and provided the necessary information to the Investment Adviser, but a Shareholder may request that a rebate calculation report be completed at shorter intervals. Every effort will be made to honor such requests although no assurance can be given that reports can be completed in a shorter time period.

If an account is opened for the proceeds of a debt issue that have been invested outside of the Trust, the Investment Adviser will require a rebate calculation report from the date of debt issuance to the date of investment in the Trust.

There will be a separate charge for each rebate calculation report. The fee for a rebate calculation report prepared by the Investment Adviser will be billed separately to the Shareholder at the following rates for debt issues, the proceeds of which are invested exclusively through the Trust from their date of issuance until the date of calculation of the rebate calculation report:

One-time set-up fee, per debt issue:................. $ 250

Each rebate calculation report, per debt issue:..$3,000

There will be additional charges for refundings requiring allocations of transferred proceeds and for other calculations involving more extensive services. For proceeds of tax-exempt debt issues invested outside the Trust, due to differences of elapsed time since the issuance of the debt, types of investments, volume and type of transactions, number of funds, and condition and availability of records, the Investment Adviser cannot charge a standard fee. However, at the request of the Shareholder, the Investment Adviser will provide an estimated cost based on the Shareholder's specific circumstances.

In addition to the rebate calculation services offered by the Investment Adviser, Shareholders also have the option of contracting directly with another service provider for rebate calculation services. If another service provider is used, the scope of the services provided and the fees charged are entirely the responsibility of the Shareholder and its service provider.

Information on the Pool

The Pool is organized and operated in a manner and in accordance with investment objectives and policies intended to:

- Preserve principal.
- Provide liquidity so that Shareholders may have ready access to their pooled funds.
- Provide as high a level of current income as is consistent with preserving principal and maintaining liquidity.
- Place investments, document investment transactions, and account for all funds in a manner that is in accordance with the arbitrage rebate provisions of the Internal Revenue Code and applicable regulations, rulings and procedures for the proceeds of tax-exempt debt issues.

There can be no assurance that the investment objectives of the Pool will be achieved.

Authorized Investments

The Investment Adviser will invest available cash in the Pool exclusively in the following investments, which are authorized investments under the California Government Code Section 53601 (a) to (o). It is noted that certain other investments types, although authorized by the applicable sections of the California Government Code, may not be approved for inclusion in this investment policy. Except as otherwise provided in sub-paragraph (1) under "Investment Restrictions" below, a change in authorized investments requires approval of the Trustees and the Participants holding a majority of the outstanding Shares of the Participant Shares Series of the Pool.

1) United States Treasury notes, bonds, bills or certificates of indebtedness or other obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest;

(2) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises;

(3) Repurchase agreements with respect to securities described in paragraphs (1) and (2) above, provided that the term of any such repurchase agreement shall be one year or less at the time of purchase;

(4) Bills of exchange or time drafts drawn on and accepted by a commercial bank (otherwise known as bankers' acceptances) which are eligible for purchase by the Federal Reserve System; provided that such bankers' acceptances may not exceed one hundred eighty (180) days maturity or forty percent (40%) of the assets of the Pool; and no more than ten percent (10%) of the Pool's assets are invested in the bankers acceptances of any one commercial bank; and further provided that the accepting bank has the highest short-term letter and numerical rating as provided by at least one NRSRO;

(5) Negotiable certificates of deposit issued by a nationally or state-chartered bank or by a savings association or a federal association (as defined in Section 5102 of the California Financial Code), a state or federal credit union, or by a federally-licensed or state-licensed branch of a foreign bank; provided that no more than thirty percent (30%) of the assets of the Pool may be invested in certificates of deposit; and further provided that the deposits in any one institution shall not exceed the shareholders' equity of such institution; and

(6) Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by at least one NRSRO; provided that its maturity may not exceed two hundred seventy (270) days. The Pool may not own more than ten percent (10%) of the outstanding commercial paper of any single corporate issuer; no more than twenty-five percent (25%) of the assets of the Pool may be invested in commercial paper; and no more than ten percent (10%) of the assets of the Pool may be invested in the commercial paper of any single corporate issuer. The entity that issues the commercial paper shall meet all of the following conditions either in (a) or (b) as follows: (a) the entity is organized and operating in the United States as a general corporation, has total assets in excess of five hundred million dollars ($500,000,000), and has debt other than commercial paper, if any, that is rated "A" or higher by at least one NRSRO or (b) the entity is organized within the United States as a special purpose corporation, trust, or limited liability company, has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond, and has commercial paper that is rated "A-1" or higher, or the equivalent, by at least one NRSRO.

Obligations of Agencies or Instrumentalities of the United States Government Certain short-term obligations of agencies or instrumentalities of the United States Government purchased for the Pool may be backed only by the issuing agency or instrumentality and may not be backed by the full faith and credit of the United States Government. For example, Fannie Mae and Freddie Mac have agreements with the U.S. Treasury to provide them with capital in exchange for senior preferred stock. Securities issued by the Federal Home Loan Banks are supported only by the credit of the agency and not by the United States Government, and securities issued by the Federal Farm Credit System are supported by the agency's right to borrow money from the U.S. Treasury under certain circumstances.

Repurchase Agreements A repurchase agreement involves the sale of securities to the Pool and the concurrent agreement by the seller to repurchase the securities within a specified period of time at an agreed upon price, thereby establishing the yield during the buyer's holding period. The yield established for the repurchase agreement is determined by current short-term rates and may be more or less than the interest rate on the underlying securities. The securities underlying a repurchase agreement are, in effect, collateral under the agreement. It is the Trust's policy to enter into repurchase agreements only with dealers in U.S. Government securities that are recognized as "primary dealers" of the Federal Reserve Bank of New York. Securities purchased by the Pool and subject to repurchase agreements are limited to the obligations of the United States Government and agencies of the United States, but may have maturities longer than one year. At the time a repurchase agreement is made, the underlying securities will have a market value at least equal to one hundred and two percent (102%) of the price plus the price differential. If an agreement is in effect for more than one day, the Investment Adviser is responsible for monitoring the value of the underlying securities and, in the event their value drops below one hundred and two percent (102%) of the price plus price differential, the counterparty to the repurchase transaction is required to provide additional securities or money within one Business Day so that the value of the collateral is not less than one hundred and two percent (102%) of the price plus price differential. All securities underlying repurchase agreements are required to be delivered to the Custodian or to another custodian agreed to by the Trust and the counterparty. At the expiration of each agreement, the Custodian receives payment of the price plus price differential as a condition for the transfer of the underlying securities to the counterparty. If the counterparty fails to pay the agreed upon the price plus price differential on the repurchase date, the risks to the Pool would include any difference between the liquidation value of the underlying securities and the price plus price differential, any costs of disposing of such securities, any costs related to foreclosure, and any loss resulting from a delay in foreclosing on such securities.

Funds placed by the Trust into the Pool will be invested in accordance with the prudent investor standard set forth in Section 53600.3 of the California Government Code. The Pool will not invest in any inverse floaters, range notes or mortgage derived, interest-only strips, or in any security that could result in a zero interest accrual if held to maturity.

The Trust's investment policies and objectives require that all Pool investments have a remaining maturity of three hundred ninety-seven (397) days or less at the time of purchase (except for variable rate notes issued by the U.S. Government or its agencies or instrumentalities, which must have remaining maturities of 762 days or less), and that the dollar-weighted average maturity of Pool investments will not exceed sixty (60) days, and that the dollar-weighted average life (portfolio maturity computed to final maturity without regard to interest rate adjustments on investments) will not exceed one hundred twenty (120) days. The repurchase date of a repurchase agreement is used to determine its maturity. Debt obligations purchased by the Pool may have interest rates that are periodically adjusted at specified intervals or whenever a reference rate or index changes. These adjustable rate securities may have demand features which give the Pool the right to demand repayment of principal on specified dates or after giving a specified notice. Adjustable rate securities and securities with demand features that meet the definition of "Adjustable Rate Government Securities" in Rule 2a-7 of the Investment Company Act of 1940 Rules and Regulations may be deemed to have maturities shorter than their stated maturity dates.

The Trust is not registered as an investment company under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.) and, accordingly, is not subject to the provisions of the Investment Company Act of 1940 and the rules and regulations promulgated thereunder including rules relating to registered money market mutual funds.

Since the yield on the Pool may fluctuate daily, Shareholders should consult with their counsel or financial adviser as to the appropriateness of investing proceeds of tax-exempt bonds in the Pool in the event that covenants with bondholders or provisions of the Internal Revenue Code restrict the yield on investment of the bond proceeds.

The authorizing statute, charter, or bylaws of a Public Agency or the trust indenture or ordinance or resolution under which the debt obligations of a Public Agency are issued or its funds are invested, may contain investment restrictions which prohibit or otherwise limit investment in one or more of the above-described investments. Accordingly, Public Agencies should consult with their legal counsel or financial adviser regarding the legality of investing bond proceeds under the Trust prior to participating in the Trust or investing in the Shares issued by the Trust.

Investment Restrictions

The Trustees have adopted the following investment restrictions and fundamental policies, which, except as otherwise provided in (1) below, may be changed only by approval of the Trustees and the Shareholders holding a majority of the outstanding Shares of the Participant Shares Series of the Pool. The Pool will not:

(1) Purchase any securities other than those described under "Investment Objectives and Policies," unless California law at some future date redefines the types of securities which are legal investments for some or all classes of Shareholders, in which case the permitted investments for the Pool may be changed by the Trustees to conform to California law, provided that prior written notification is given to Shareholders of the Trust.

(2) Invest in securities of any issuer in which a Trustee, Officer, employee, agent or adviser of the Trust is an officer, director or ten percent (10%) shareholder unless such investment is periodically authorized by resolutions adopted by a majority of the Trustees who are not officers, directors or ten percent (10%) shareholders of such issuer.

(3) Make loans, except that the Pool may enter into repurchase agreements.

(4) Borrow money or pledge, hypothecate or mortgage its assets to an extent greater than twenty percent (20%) of the market value of the total assets of the Pool, and then only as a temporary measure for extraordinary or emergency purposes to facilitate withdrawal requests which might otherwise require untimely dispositions of portfolio securities. All such borrowings may be secured only by the assets of the Pool and must be repaid before the Pool makes any additional investments. Interest paid on such borrowings will reduce net income of the Pool.

(5) Purchase any security or enter into a repurchase agreement if, as a result, more than ten percent (10%) of the Pool's total assets would be invested in securities subject to restrictions on resale, securities for which there is no readily

available market, and repurchase agreements with maturities exceeding seven (7) days and not terminable at approximately the carrying value before that time.

(6) Purchase the securities of any single issuer (other than obligations issued and guaranteed as to principal and interest by the government of the United States, its agencies or instrumentalities) if, as a result, more than ten percent (10%) of the Pool's total assets would be invested in the securities of any one issuer.

(7) Invest more than 5% of net assets in illiquid investments. Illiquid investments are securities that cannot be sold or disposed of in the ordinary course of business at approximately the value ascribed to it by the Trust. Illiquid investments include:

- Restricted investments (those that, for legal reasons, cannot be freely sold).
- Fixed time deposits with a maturity of more than seven days that are subject to early withdrawal penalties.
- Any repurchase agreement maturing in more than seven days and not terminable at approximately the carrying value in the Trust before that time.
- Other investments that are not readily marketable at approximately the carrying value in the Trust.

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

Any percentage limitation or rating requirement described under "Authorized Investments" will be applied at the time of purchase.

Procedures for Investment in the Trust

Public Agencies have two options for investing in the Trust. One option is for a Public Agency to become a Participant in the Trust by adopting an ordinance/resolution thereby becoming a member of the JPA. A copy of a sample ordinance/resolution can be obtained by contacting the Investment Adviser and is available on the Trust's website (www.camponline.com). Participation in the Trust requires the formal approval of the governing body of the Public Agency by ordinance/resolution, as appropriate, and execution of the Declaration of Trust. In addition to the rights provided to all Shareholders, Participants are provided approval rights on certain matters, as provided in the Declaration of Trust. Public Agencies should consult with their legal counsel regarding the required form of action (ordinance/resolution) and the procedures for enactment or adoption of the ordinance/resolution. No representation is made as to the legal sufficiency of the model form for any given Public Agency. Only members of the governing body, officers or full-time employees of a Public Agency that is a Participant in the Trust may serve as a Trustee of the Trust.

Alternatively, a Public Agency may purchase Shares of the Investor Shares Series of the Pool without joining the Trust. Such purchase requires authorization by the Public Agency and execution of the Investor Agreement. A copy of the Investor Agreement can be obtained by contacting the Investment Adviser and is available on the Trust's website (www.camponline.com). Public Agencies owning Shares of the Investor Shares Series are provided certain rights with regard to their Shares; however, Investors do not have the approval rights provided to Participants under the Declaration of Trust.

For the proceeds of debt issues, to provide for the investment in the Pool, the Public Agency should either list the Trust in the permitted investments section of the trust indenture or state that bond proceeds can be invested in a permitted investment under Section 53601 of the California Government Code. Sample language is available on the Internet at www.camponline.com.

Every prospective Shareholder in the Trust (or the applicable trustee of a debt issue) must complete an Account Application (available online at www.camponline.com or by calling the Investment Adviser (800) 729-7665) and an appropriate Checkwriting Authorization if check writing is desired, and forward them along with, if a Participant, (i) a certified copy of the ordinance/resolution as adopted and (ii) an executed copy of the Declaration of Trust; or if an Investor, a completed and executed Investor Agreement, to the Program Administrator at the following address:

California Asset Management Program
50 California Street, Suite 2300
San Francisco, California 94111

There is no limit to the number of accounts that can be opened by a Shareholder. Additional Account Applications are provided for this purpose. The Investment Adviser will notify the Public Agency of its approval of the application(s) and the account number(s) assigned. The Trust and the Investment Adviser each reserve the right to reject any application in their sole discretion.

Instructions provided by the Shareholder in the Account Application will remain in effect until the Investment Adviser receives written notification from the Shareholder to change them. Any changes to addresses, account applications, names or signatures of authorized officials, or other critical information will require appropriate documentation. Instructions or forms may be obtained by calling the Investment Adviser at (800) 729-7665 or on the Internet at www.camponline.com.

Daily Income and Dividends of the Pool

As of 11:00 a.m., Pacific Time, each Business Day, the daily net income (as defined below) of the Pool is determined and declared as a dividend to Shareholders of record as of the close of business on that day. Shares purchased as of 11:00 a.m., Pacific Time, begin earning income dividends on the date of purchase. Shares redeemed as of 11:00 a.m., Pacific Time, each day do not earn income for that day. Earnings for Saturdays, Sundays and holidays are declared on the previous Business Day, except for month end. Dividends declared are paid monthly on the last Business Day of each month, and are reinvested automatically in additional Shares of the Pool.

For the purpose of calculating dividends, net income of the Pool consists of interest earned, plus any discount ratably amortized to the date of maturity plus or minus all realized gains and losses on the sale of securities prior to maturity, less ratable amortization of any premium and all accrued expenses of the Pool, including the fees payable to the Investment Adviser, Custodian, and others who provide services to the Pool (see "Expenses of the Trust").

Valuation of Pool Shares

The Investment Adviser, on behalf of the Pool, determines the NAV of Shares of the Pool as of 11:00 a.m. Pacific Time on each Business Day. The NAV per Share of the Pool is computed by dividing the total value of the securities and other assets of the Pool, less any liabilities, by the total number of outstanding Shares of the Pool. Liabilities include all accrued expenses and fees of the Pool, including fees of the Investment Adviser, Custodian and others who provide services to the Pool, which are accrued daily (see "Expenses of the Trust").

For the purposes of calculating the NAV per Share of the Pool, the By-Laws of the Trust provide that investments held by the Pool be valued at original cost, plus or minus any amortized discount or premium.

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

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

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

To minimize the possible adverse affects of changes in interest rates and to help maintain a stable NAV of $1.00 per Share, the Pool will maintain a dollar-weighted average portfolio maturity of not more than sixty (60) days, a dollar-weighted average life of not more than one hundred twenty (120) days and will not purchase any security with a remaining maturity of more than three hundred ninety-seven (397) days, and will only invest in securities determined by the Investment Adviser to be of high-quality with minimal credit risk.

Yield Information

Current yield information for the Pool may, from time to time, be quoted in reports, literature and advertisements published by the Trust. The current yield of the Pool, which is also known as the current annualized yield or the current seven-day yield, represents the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical account with a value of one Share (normally $1.00 per share) over a seven-day base period expressed as a percentage of the value of one Share at the beginning of the seven-day period. This resulting net change in account value is then annualized by multiplying it by 365/7.

The Trust may also quote a current effective yield of the Pool from time to time. The current effective yield represents the current yield compounded to assume reinvestment of dividends. The current effective yield is computed by adding 1 to the net change in account value (exclusive of capital changes and income other than investment income) over a seven-day base period, raising the sum to a power of 365/7, and subtracting 1 from the result. The current effective yield will normally be slightly higher than the current yield because of the compounding effect of the assumed reinvestment.

The Trust also may publish a "monthly distribution yield" on each Shareholder's month-end account statement or provide it to Shareholders upon request. The monthly distribution yield represents the net change in the value of a hypothetical account with a value of one Share (normally $1.00 per Share) resulting from all dividends declared during a month by the Pool expressed as a percentage of the value of one Share at the beginning of the month. This resulting net change is then annualized by multiplying it by 365 and dividing it by the number of calendar days in the month.

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

The yields quoted by the Trust or any of its representatives should not be considered a representation of the yield of the Pool in the future, since the yield is not fixed. Actual yields will depend on the type, quality, yield and maturities of securities held by the Pool, changes in interest rates, market conditions and other factors.

Part 3 – Individual Portfolios

Purpose

Individual Portfolios are designed to offer California Public Agencies with a comprehensive program to meet their investment needs. Shareholders may invest in longer-term investments in a manner that the Investment Adviser will coordinate with the Public Agency. Created pursuant to separate agreements between the Shareholder, the Investment Adviser and the Custodian, these Individual Portfolios will be managed solely by the Investment Adviser in accordance with specific instructions from the Shareholder. Individual Portfolios are designed to complement investment in the Pool by providing specific investments for surplus funds or for a portion of the proceeds of a debt issue where liquidity is not needed or where specific expenditures are to be funded. For proceeds of debt issues, an Individual Portfolio may be appropriate for Shareholders with relatively lengthy project drawdown schedules, or for Shareholders that wish to match expected construction draws more closely with investment maturities to fix earnings on some or all of their funds. Individual Portfolios may also be appropriate for the investment of debt service reserve funds and certain funds subject to investment yield restrictions. The Investment Adviser will assist each Shareholder in evaluating the possible use of an Individual Portfolio. For further information, call the Investment Adviser at (800) 729-7665. In order to establish an Individual Portfolio, the Shareholder must first establish an account with the Trust either as a Participant or an Investor. The Custodian will hold assets in an Individual Portfolio in a separate account in the Shareholder's name. ***However, Individual Portfolios are not assets of the Trust and are not under the management or supervision of the Board of Trustees***.

Investment Policies

Assets in an Individual Portfolio may be invested in those investments that are legal investments for the Shareholder under the California Government Code and the Shareholder's investment policy or are permitted under the terms of related debt issue documents, if any. Individual Portfolios are not governed by the investment policy of the Trust. The Investment Adviser will invest assets in the Individual Portfolios in accordance with the prudent investor standard of the California Government Code. A Shareholder should discuss the characteristics of specific investments in an Individual Portfolio with the Investment Adviser.

Opening an Individual Portfolio

The Investment Adviser offers advice on Individual Portfolio investments to Shareholders in order to provide Shareholders with the benefits of coordinating the investments in an Individual Portfolio with investing in the Pool and the economies achieved by using the Trust's Custodian. Accordingly, before Public Agency funds are invested in an Individual Portfolio, the Public Agency must first join the Trust or become an Investor (See Part 1-Investing). A Shareholder may then open an Individual Portfolio by signing a separate agreement with PFM Asset Management LLC and U.S. Bank National Association, Minneapolis, Minnesota. Shareholders should contact the Investment Adviser directly at (800) 729-7665 regarding investments in an Individual Portfolio.

Individual Portfolio Transactions

The Investment Adviser will arrange for the execution of all security transactions in an Individual Portfolio on behalf of the Shareholder. Individual Portfolio transactions are normally conducted through the Shareholder's pre-designated Pool account using the Pool's convenient and economic cash management tools. In arranging for security transactions, the Investment Adviser will give primary consideration to obtaining the most favorable price and efficient execution of transactions. Investment transactions can only be executed on Business Days during normal operating hours.

Individual Portfolio Investments. The Investment Adviser will purchase investments for an Individual Portfolio based upon specific instructions received from the Shareholder. When investing the proceeds of debt issues, the Investment Adviser will request a schedule of expected withdrawals, which will be used in managing investments to help assure adequate liquidity. Investment purchases for an Individual Portfolio are settled by the Custodian using funds made available from the Shareholder's pre-designated Pool account (see Part 1-Investing).

Individual Portfolio Withdraws. Shareholders may arrange for the sale of investments in an Individual Portfolio by contacting the Investment Adviser directly at (800) 729-7665. Sales made prior to maturity will be made at the current market price which may be lower or higher than the investment's book value. Proceeds and earnings from the maturity, sale, or coupon payment of any investment in a Shareholder's Individual Portfolio will be deposited automatically into the Shareholder's pre-designated Pool account where they may be withdrawn by the Shareholder in accordance with Pool withdrawal procedures (see Part 1-Investing).

Arbitrage Rebate Compliance

The Investment Adviser has agreed to provide arbitrage rebate compliance services for proceeds of tax-exempt debt issues invested in the Trust and will provide similar services for funds invested in an Individual Portfolio.

The Investment Adviser has agreed to manage Individual Portfolios that the Shareholder designates for the proceeds of a debt issue in accordance with arbitrage rebate regulations. At the Shareholder's request, the Investment Adviser will provide arbitrage rebate compliance services for the proceeds of tax-exempt debt issues to include funds in both the Shareholder's Pool and Individual Portfolio accounts (See Part 2- Rebate Calculation Services for the Proceeds of Debt Issues.

Since the yield on an Individual Portfolio may not be fixed, Shareholders should consult with their counsel or financial adviser as to the appropriateness of investing proceeds of tax-exempt bonds in an Individual Portfolio in the event that covenants with bondholders or provisions of the Internal Revenue Code restrict the yield on investment of the bond proceeds.

Individual Portfolio Costs

All costs associated with an Individual Portfolio will be charged separately to the Shareholder that has set up the Individual Portfolio. For services provided to Individual Portfolios by the Investment Adviser, the Shareholder will be billed a fee, in monthly installments, based on the following percentages of the average daily net assets of each Individual Portfolio:

Average Daily Net Assets	Annual Rate
First $25 million	0.10%
Over $25 million	0.08%

Individual Portfolios will also be charged an annual custody administration fee of $200, plus a portfolio market value based fee of 1/3 basis point (0.00333%), plus applicable custody transaction fees. A detailed schedule of custody fees is available upon request.

All Individual Portfolios of a single Shareholder will be aggregated to determine the fee for that Shareholder.

Custodian

The Trust has arranged for its Custodian, U.S. Bank National Association, Minneapolis, Minnesota, to provide custody for assets of each Individual Portfolio.

The Custodian holds cash and securities of each Individual Portfolio in a separate account in the name of the appropriate Shareholder. The Custodian does not participate in determining investment decisions for the Individual Portfolios. The Investment Adviser may invest in the Custodian's obligations and may buy or sell securities through the Custodian.

For further information or assistance regarding Individual Portfolios, please call the Investment Adviser at (800) 729-7665.

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