



NEBRASKA LIQUID ASSET FUND (the "Fund")

SUPPLEMENT DATED JUNE 24, 2009
TO THE INFORMATION STATEMENT DATED APRIL 1, 2008

The following information supplements and should be read in conjunction with the information provided in the Fund's Information Statement dated April 1, 2008 as supplemented to date.

1. The section entitled "Additional Services and Programs – Fixed Income Investment Program" should be amended as follows:

Fixed Income Investment Program

The Fixed Income Investment Program allows Participants to individually invest in securities issued by the United States Government or agencies or instrumentalities thereof, repurchase agreements and other fixed income investments ("Fixed Income Investments") permitted by Nebraska law. The Investment Adviser will offer investment advice on a non-discretionary basis and assist Participants in the purchase of these investments for an advisory fee, based upon factors such as the amount and complexity of the transaction.

The Individual Portfolio Program, the Bond Account Management Program and the Fixed Income Investment Program are separate from the investment programs encompassed by the Fund and the procedures and provisions applicable to the Fund.

One form of the investments available to Participants through the Fixed Income Investment Program is certificates of deposit ("CDs"). Participants select from among CDs of varying maturities issued by a variety of financial institutions. In order to simplify recordkeeping requirements for Participants in the Fixed Income Investment Program, all CD principal and interest is promptly credited when received by the Custodian to a Participant's Fund account at maturity.

~~Because interest is credited in the manner described above, the Participant who purchases a CD will not have use of the interest earned on the CD, including the opportunity for reinvestment of interest earned, until maturity. The CDs available through the Fixed Income Investment Program are usually issued in denominations of less than \$100,000.~~

Generally, CDs available through the Fixed Income Investment Program are issued by institutions whose deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") within limits prescribed by law. FDIC insurance is backed by the full faith and credit of the United States government. For each depositor that otherwise qualifies, interest and principal are fully insured, up to the applicable FDIC insurance limit and other limitations in effect at the time of purchase. In order to maintain FDIC insurance coverage of both principal and interest on CDs purchased through the Fixed Income Investment Program, CDs may only be purchased in denominations that are less than the applicable FDIC insurance limit so that the total value of the CD and all interest thereon will not

exceed the limit of insurance offered by the FDIC. For purposes of providing advice on CDs, the Investment Adviser will assume, unless the Participant informs the Investment Adviser to the contrary, that the Participant is entitled to the full amount of the applicable FDIC insurance limit on all CDs purchased through the Program.

Additional information regarding FDIC coverage limits and requirements can be found on the FDIC website: www.myFDICinsurance.gov.

The Investment Adviser has agreed with the Fund that fees for Fixed Income Investments shall not exceed 25 basis points (0.25%) of the daily net assets under management in each respective program.

2. The section entitled “Certain Risks of Investment in the Fund – FDIC Insured Certificates of Deposits” should be amended as follows:

FDIC Insured Certificates of Deposit. Participants should note that in July 1990, FDIC regulations regarding the coverage of deposits in thrift institutions became effective. These regulations conform to current FDIC regulations regarding the coverage of deposits in insured banks. Under these regulations, deposits made by the Fund in any insured institution are ~~only~~ insured up to ~~\$100,000~~ applicable FDIC insurance limits and other limitations in effect at the time of purchase in the aggregate for all time, savings and demand deposits as well as certificates of deposit. FDIC insurance is backed by the full faith and credit of the United States government.

Some of the assets of the Fund may be invested in certificates of deposit insured by the FDIC. No assurance can be given that such an institution will not become insolvent during the life of a deposit investment in it.

In the event that an institution issuing a certificate of deposit in which the Fund has invested becomes insolvent, or in the event of any other default with respect to such a certificate of deposit, an insurance claim will be filed with the FDIC by the Fund, if appropriate. In such a case, there may be delays before the FDIC, or other financial institution to which the FDIC has arranged for the deposit to be transferred, makes the relevant payments. Such delays may be occasioned by requirements relating to the filing and processing of insurance claims, including requests for additional information by the FDIC. Furthermore, if the defaulted deposit is transferred to another institution, the transferee institution may, instead of paying the insured amount, elect to keep the deposit in existence with or without changing its original terms. Such changes of terms may include a reduction of the original interest rate paid on the deposit. Any of these actions may have adverse consequences to the Fund.

The amount insured by the FDIC is the principal of the relevant deposit and the interest accrued on the deposit to the date of default, up to ~~\$100,000~~ applicable FDIC insurance limits and other limitations in effect at the time of purchase in the aggregate. There is no insurance with respect to interest payable on a deposit between the date of the default and the date of the payment of insurance by the FDIC. Accordingly, a default by an institution might result in a delay in the receipt

of invested principal and pre-default accrued interest by an affected Participant and a loss of interest accruing during the period between the date of the default and the payment of the insurance.

In addition, the FDIC is free to deny any claim that it does not deem to be valid. Any such denial might have to be challenged in judicial or administrative proceedings brought by the Fund and affected Participants. In the event that funds are not made available to it by the United States of America or other sources, Participants could experience a loss due to a full or partial nonpayment of insurance claims by the FDIC.

In excess of the FDIC insurance limit, a certificate of deposit may be secured by a pledge of assets as provided by law. If the institution fails to make payment when due on the deposit, the risks are similar to those described above with respect' to repurchase agreements.

The date of this Supplement is June 24, 2009.

**THIS SUPPLEMENT TO THE INFORMATION STATEMENT PROVIDES ADDITIONAL
INFORMATION ABOUT THE FUND.**

PLEASE RETAIN THIS SUPPLEMENT FOR FUTURE REFERENCE.



NEBRASKA LIQUID ASSET FUND (the “Fund”)

**SUPPLEMENT DATED MAY 12, 2009
TO THE INFORMATION STATEMENT DATED APRIL 1, 2008**

The following information supplements and should be read in conjunction with the information provided in the Fund’s Information Statement dated April 1, 2008 as supplemented to date.

On page 2, the language in the section entitled **Portfolio Composition** should be amended to read:

The Fund is specifically designed for Nebraska Public Agencies. Accordingly, its portfolio at all times consists solely of instruments in which Public Agencies are permitted to invest funds under Nebraska law (the “Permitted Investments”). Such Permitted Investments are as follows:

- (i) Investments and securities, the nature of which individuals of prudence, discretion, and intelligence acquire or retain in dealing with the property of another, except becoming a subscriber to the capital stock or owner of such stock, or any portion or interest therein of any railroad, or private corporation, or association as prohibited by Article XI, section 1, of the Nebraska Constitution;
- (ii) Bonds and debentures issued either singly or collectively by any of the twelve Federal Land Banks, the twelve intermediate credit banks, or the thirteen banks for cooperatives under the supervision of the Farm Credit Administration; and
- (iii) **Corporate debt guaranteed by the Federal Deposit Insurance Corporation (FDIC), including adjustable notes that track the short-term market and/or Rule 2a-7 registered U.S. Government agency money market funds, to the extent either is recommended by the investment advisor as a prudent man investment and subject to all other Declaration of Trust restrictions and requirements.**
- (iv) Any other type of investment permitted by the provisions of law.

The Fund’s portfolio may also consist of contracts for or agreements with respect to the purchase and sale of Permitted Investments.

On page 3, the language in the section entitled **Investment Restrictions** should be amended to read:

The Declaration of Trust sets forth certain restrictions which are considered to be fundamental to the operation and activities of the Fund and may not be changed without the affirmative vote of a majority of the Participants in the Fund. Such restrictions are set forth below:

The Fund:

(i) May not make any investment other than investments authorized by provisions of Law applicable to the investment of funds by the Participants, as the same may be amended from time to time, and may not become a subscriber to the capital stock or owner of such stock or any portion or interest therein of any railroad or private corporation or association as prohibited by Article XI, section 1, of the Nebraska Constitution;

(ii) May not purchase any Permitted Investment which has a maturity date more than one year from the date of the Fund's purchase thereof, unless subject at the time of such purchase by the Fund to an irrevocable agreement on the part of a Person listed on the United States Treasury Department List of Primary Dealers (or any equivalent successor to such list) to purchase such Permitted Investment from the Fund within seven (7) days, except that a concentration of not more than 10% of the Fund's portfolio may be used to purchase any security of the U.S. Government or its agencies which is a Permitted Investment and which has a maturity date not more than two years from the date of the Fund's purchase thereof;

(iii) May not purchase any Permitted Investment if the effect of such purchase by the Fund would be to make the average dollar weighted maturity of the Fund's investment portfolio greater than one hundred thirty-five (135) days *provided, however*, that in making such determination any Permitted Investment which is subject to an irrevocable agreement of the nature referred to in the preceding clause (ii) shall be deemed to mature on the date on which the sale by the Fund of such Permitted Investment pursuant to such irrevocable agreement is to be consummated;

(iv) May not borrow money on behalf of the Fund; and

(v) May not make loans, provided that the Fund may make Permitted Investments.

~~(vi) May not purchase securities or shares of investment companies or any entities similar to the Fund.~~

The date of this Supplement is May 12, 2009.

**THIS SUPPLEMENT TO THE INFORMATION STATEMENT PROVIDES ADDITIONAL
INFORMATION ABOUT THE FUND.**

PLEASE RETAIN THIS SUPPLEMENT FOR FUTURE REFERENCE.



NEBRASKA LIQUID ASSET FUND (the “Fund”)

**SUPPLEMENT DATED APRIL 16, 2009
TO THE INFORMATION STATEMENT DATED APRIL 1, 2008**

The following information supplements and should be read in conjunction with the information provided in the Fund’s Information Statement dated April 1, 2008 as supplemented to date.

The following language should be added on page 14 at the end of the section entitled **Expenses of the Fund**: PFMAM, the Custodian or the Sponsors (each a “Service Provider”) may, but shall not be obligated to, reduce a portion of its fees to assist the Fund in an attempt to maintain a positive yield. In the event that a Service Provider elects to initiate a fee reduction, such fee reduction shall be applicable to the computation of the net asset value (“NAV”) of the Fund on the business day immediately following the date on which the Service Provider gives notice to the Fund on the rate of the fee reduction to be applied in calculating the NAV. A fee reduction shall remain in effect until notice is provided to the Fund by the Service Provider regarding its intent to terminate its fee reduction or revise, upward or downward, the rate of its fee reduction.

At any time after a fee reduction has been terminated, the relevant Service Provider may elect to have the amount of its accumulated reduced fees restored in whole or in part under the conditions described in the Service Provider’s Fee Reduction Agreement with the Fund by way of a payment of fees in excess of the rate it was entitled to, prior to any fee reduction, all as set forth in the respective Fee Reduction Agreement.

The date of this Supplement is April 16, 2009.

**THIS SUPPLEMENT TO THE INFORMATION STATEMENT PROVIDES
ADDITIONAL INFORMATION ABOUT THE FUND.**

PLEASE RETAIN THIS SUPPLEMENT FOR FUTURE REFERENCE.



NEBRASKA LIQUID ASSET FUND (the “Fund”)

**SUPPLEMENT DATED DECEMBER 16, 2008
TO THE INFORMATION STATEMENT DATED APRIL 1, 2008**

The following information supplements and should be read in conjunction with the information provided in the Fund’s Information Statement dated April 1, 2008.

On October 3, 2008, the United States Congress approved legislation authorizing the temporary increase of deposit insurance provided by the Federal Deposit Insurance Corporation (“FDIC”) from \$100,000 to \$250,000 per depositor through December 31, 2009.

The sections entitled “Additional Services or Programs - Fixed Income Investment Program” and “Certain Risks of Investment in the Fund – FDIC Insured Certificates of Deposit” and should be amended to reflect the temporary increase in deposit insurance coverage as described above. As such, Participants will be able to purchase FDIC insured certificates of deposit (“CDs”) in denominations that are less than the applicable FDIC insurance limit.

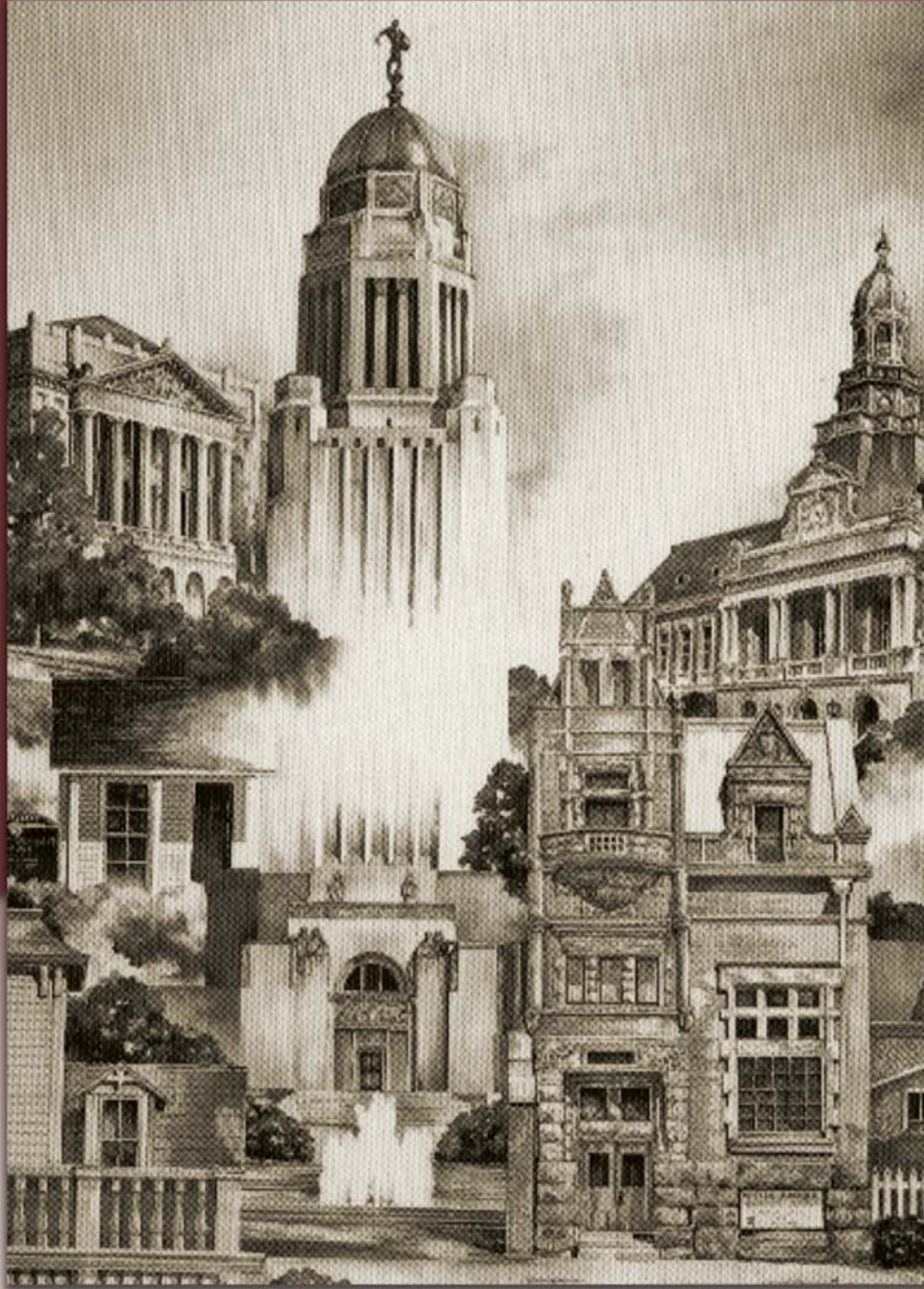
Additional information regarding FDIC coverage limits and requirements can be found on the FDIC website: www.myFDICinsurance.gov.

The date of this Supplement is December 16, 2008.

**THIS SUPPLEMENT TO THE INFORMATION STATEMENT PROVIDES
ADDITIONAL INFORMATION ABOUT THE FUND.**

PLEASE RETAIN THIS SUPPLEMENT FOR FUTURE REFERENCE.

Nebraska Liquid Asset Fund



Information Statement

April 21, 2008

Exclusively for School Districts,
Educational Service Units,
Community Colleges,
Public Agencies and
Other Governmental Subdivisions

NEBRASKA
LIQUID
ASSET FUND

Sponsored by:
Nebraska Council of School Administrators
Nebraska Association of School Boards

This Information Statement provides information about the investment objectives, organization, structure and operations of the Nebraska Liquid Asset Fund (“NLAF” or the "Fund") and its investment opportunities. Prospective investors should read this Information Statement carefully before investing and retain it for future reference. In addition, prospective investors should read the Fund's Declaration of Trust and Interlocal Agreement, as amended (the “Declaration of Trust”). This Information Statement is qualified in its entirety by the definitive provisions of the Declaration of Trust, and if there is any conflict between this Information Statement and the Declaration of Trust, the provisions of the Declaration of Trust shall govern.

No person or entity has been authorized to give any information or to make any representations other than those contained in this Information Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the Fund, its Board of Trustees, officers, agents, or any representative of the Fund.

The Fund seeks to attain a high level of income consistent with the preservation of principal and maintenance of liquidity. Investors should consider the investment objectives, risks, charges and expenses before investing in the Fund. While the Fund seeks to maintain a stable net asset value of \$1.00 per share, it is possible to lose money investing in the Fund. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

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The Fund

NLAF is a separate legal and administrative entity organized and existing pursuant to the Interlocal Cooperation Act and other Nebraska laws. The Fund was established on March 23, 1988, by the adoption of a Declaration of Trust, which was subsequently amended on February 5, 2008.

The Declaration of Trust allows Nebraska public agencies and political subdivisions, including but not limited to school districts, learning communities, educational service units, community colleges, counties, cities, villages, natural resource districts, public utilities, public libraries, mental health regions, drainage districts, and sanitary and improvement districts to open an account and become a participant as described in this Information Statement (“Public Agency” or “Public Agencies” as appropriate).

A Board of Trustees is elected by those signatories to the Declaration of Trust who choose to participate in and invest through the Fund (the "Participants"). The Board of Trustees is comprised of representatives of various Participants of the Fund.

The Board of Trustees has engaged PFM Asset Management LLC (“PFMAM”) as administrator (the "Administrator"), and as investment adviser (the "Investment Adviser") and PFM Fund Distributors, Inc. (“PFMFD” or the “Marketing Agent”), a wholly owned subsidiary of PFMAM, as the Marketing Agent for the Fund. U.S. Bank National Association is the custodian bank for the Fund (the "Custodian"). The Nebraska Council of School Administrators (“NCSA”) and Nebraska Association of School Boards (“NASB”) serve as the sponsors of the Fund (each a “Sponsor” or collectively the “Sponsors”).

To receive additional information about the Fund, please contact NLAF at 1-877-667-3523.

The office of record of the Fund is c/o Nebraska Council of School Administrators, 455 South 11 Street, Suite A, Lincoln, NE 68508-2105.

FOR INFORMATION REGARDING THE RISKS OF INVESTING IN THE FUND, SEE "Certain Risks of Investment in the Fund" ON PAGE 20 OF THIS INFORMATION STATEMENT.

Investment Objective and Policies

The Fund's investment objective is to provide a means for Participants to achieve a high rate of return while preserving principal and maintaining liquidity, while investing only in instruments permitted by applicable Nebraska statutes. There can be no assurance that this investment objective will be achieved. The Fund seeks to achieve its investment objective through professionally managed investment funds governed by the investment policies and restrictions described below.

The Fund invests in Permitted Investments (as defined below) in such a manner as to achieve an average dollar weighted maturity of no greater than 90 days, as is consistent with the intent of the Board of Trustees and certain requirements to maintain the Fund's AAAM rating with Standard & Poor's. (Note that in accordance with the Declaration of Trust and as further discussed below in the section entitled "Investment Restrictions" the Fund's weighted average maturity can not exceed one hundred thirty-five (135) days.) The Fund seeks to maintain a constant net asset value per share of \$1.00 and has no minimum balance, investment or redemption amount limitations. Funds may be invested in, or redeemed from, the Fund through electronic funds transfer from or to a Participant's local bank, by check or by mail. See "Account Procedures" herein.

Portfolio Composition

The Fund is specifically designed for Nebraska Public Agencies. Accordingly, its portfolio at all times consists solely of instruments in which Public Agencies are permitted to invest funds under Nebraska law (the "Permitted Investments"). Such Permitted Investments are as follows:

- (i) Investments and securities, the nature of which individuals of prudence, discretion, and intelligence acquire or retain in dealing with the property of another, except becoming a subscriber to the capital stock or owner of such stock, or any portion or interest therein of any railroad, or private corporation, or association as prohibited by Article XI, section 1, of the Nebraska Constitution;
- (ii) Bonds and debentures issued either singly or collectively by any of the twelve Federal Land Banks, the twelve intermediate credit banks, or the thirteen banks for cooperatives under the supervision of the Farm Credit Administration; and
- (iii) Any other type of investment permitted by the provisions of law.

The Fund's portfolio may also consist of contracts for or agreements with respect to the purchase and sale of Permitted Investments.

Investment Restrictions

The Declaration of Trust sets forth certain restrictions which are considered to be fundamental to the operation and activities of the Fund and may not be changed without the affirmative vote of a majority of the Participants in the Fund. Such restrictions are set forth below:

The Fund:

(i) May not make any investment other than investments authorized by provisions of Law applicable to the investment of funds by the Participants, as the same may be amended from time to time, and may not become a subscriber to the capital stock or owner of such stock or any portion or interest therein of any railroad or private corporation or association as prohibited by Article XI, section 1, of the Nebraska Constitution;

(ii) May not purchase any Permitted Investment which has a maturity date more than one year from the date of the Fund's purchase thereof, unless subject at the time of such purchase by the Fund to an irrevocable agreement on the part of a Person listed on the United States Treasury Department List of Primary Dealers (or any equivalent successor to such list) to purchase such Permitted Investment from the Fund within seven (7) days, except that a concentration of not more than 10% of the Fund's portfolio may be used to purchase any security of the U.S. Government or its agencies which is a Permitted Investment and which has a maturity date not more than two years from the date of the Fund's purchase thereof;

(iii) May not purchase any Permitted Investment if the effect of such purchase by the Fund would be to make the average dollar weighted maturity of the Fund's investment portfolio greater than one hundred thirty-five (135) days *provided, however,* that in making such determination any Permitted Investment which is subject to an irrevocable agreement of the nature referred to in the preceding clause (ii) shall be deemed to mature on the date on which the sale by the Fund of such Permitted Investment pursuant to such irrevocable agreement is to be consummated;

(iv) May not borrow money on behalf of the Fund;

(v) May not make loans, provided that the Fund may make Permitted Investments;
and

(vi) May not purchase securities or shares of investment companies or any entities similar to the Fund.

Additional Services or Programs

From time to time the Investment Adviser and Administrator may make other services or programs available to Participants of the Fund. PARTICIPANTS ARE ADVISED THAT THESE ADDITIONAL SERVICES AND PROGRAMS ARE SEPARATE FROM THE INVESTMENT PROGRAMS ENCOMPASSED BY THE FUND, AND THE BOARD OF

TRUSTEES OF THE FUND TAKES NO RESPONSIBILITY FOR SUCH SERVICES OR PROGRAMS. The parties offering such programs are solely responsible for them, and questions regarding any such service or program should be directed to the party offering it. The interests held under any such additional program may be in the name of the respective Participants and may not be part of the assets of the Fund.

Individual portfolios (“Individual Portfolios”) are designed to offer Participants a comprehensive solution to their investment needs and enable them to invest in fixed rate and longer-term investments in a manner that is coordinated by the Investment Adviser with their investment in the Fund. Individual Portfolios may be appropriate for certain operating funds and reserves or for bond proceeds, as described below in the Individual Portfolio, Bond Account Management and Fixed Income Investment Programs. Such Individual Portfolios are created pursuant to a separate agreement between a Participant and the Fund’s Investment Adviser. The Custodian will hold assets in an Individual Portfolio in a separate account in the Participant’s name for each participant.

Individual Portfolio (IP) Program

In the IP Program, the Investment Adviser works with each Participant to create a comprehensive investment strategy and individual portfolio of fixed income investments for that Participant. Each IP account is created by the Investment Adviser following a review of the Participant’s budget and cash flow projections and schedules. IP accounts can be managed on either a discretionary or non-discretionary basis. Participants participating in the IP Program may receive a cash flow review, investment policy review and assistance in determining acceptable benchmarks, in addition to other cash management services (during the term of the investment advisory agreement). IP is designed to apply to all or a substantial portion of a Participant’s budget on an annual basis.

Bond Account Management (BAM) Program

In the BAM Program, the Investment Adviser works closely with the Participant to create a comprehensive investment strategy and portfolio for proceeds of tax-exempt and taxable financings of such Participants while focusing on disbursement needs for the bond financed project. In addition, the Investment Adviser offers arbitrage rebate services for proceeds of tax-exempt borrowings, investment policy review and development, cash flow modeling, and cash management services.

The fees for the IP and BAM Programs are negotiated directly by the Investment Adviser with the Participant and determined after a review of various factors. The Investment Adviser has agreed with the Program that fees for these programs shall not exceed 25 basis points (0.25%) of the daily net assets under management in each respective program. Assets are held in the client’s name at U.S. Bank National Association (the “Custodian”) and the custodial fees are paid by PFMAM.

Fixed Income Investment Program

The Fixed Income Investment Program allows Participants to individually invest in securities issued by the United States Government or agencies or instrumentalities thereof, repurchase agreements and other fixed income investments (“Fixed Income Investments”) permitted by

Nebraska law. The Investment Adviser will offer investment advice on a non-discretionary basis and assist Participants in the purchase of these investments for an advisory fee, based upon factors such as the amount and complexity of the transaction.

The Individual Portfolio Program, the Bond Account Management Program and the Fixed Income Investment Program are separate from the investment programs encompassed by the Fund and the procedures and provisions applicable to the Fund.

One form of the investments available to Participants through the Fixed Income Investment Program is certificates of deposit ("CDs"). Participants select from among CDs of varying maturities issued by a variety of financial institutions. In order to simplify recordkeeping requirements for Participants in the Fixed Income Investment Program, all CD principal and interest is credited when received by the Custodian to a Participant's Fund account at maturity.

Because interest is credited in the manner described above, the Participant who purchases a CD will not have use of the interest earned on the CD, including the opportunity for reinvestment of interest earned, until maturity. The CDs available through the Fixed Income Investment Program are usually issued in denominations of less than \$100,000.

The Investment Adviser has agreed with the Fund that fees for Fixed Income Investments shall not exceed 25 basis points (0.25%) of the daily net assets under management in each respective program.

Account Procedures

To open an account in the Fund, prospective Participants must complete and submit an account registration form to the following address and call a Fund Representative at 1-877-667-3523:

NLAF
c/o PFM Asset Management LLC
P.O. Box 11760
Harrisburg, PA 17108-1760
Fax: 1-888-535-0120

Account registration forms are available from the Administrator or online on the Electronic Online Network (EON) at www.nlafpool.org. Upon approval by the Administrator of the new account application, an account number will be provided within twenty-four hours.

Shares of the Fund may be purchased on any day that the Custodian and the Federal Reserve Bank of New York are open (a "Business Day").

How to Purchase/Invest

Participants may invest in the Fund by Internet, by telephone or by mail. Once an account has been opened, shares may be purchased by same day wire, next day transfer, direct deposit, sweep or check as follows:

Purchase by Federal Funds Wire. Same-day investments in the Fund may be made by notifying the Administrator as described herein and wiring federal funds to the Custodian. A Federal Reserve wire is preferred since it permits the investment of funds immediately upon receipt.

Participants making investments by wire must follow *both* of the following steps:

Step 1. Instruct your bank to wire funds (Federal Reserve wire, if possible) to:

U.S. Bank National Association
Omaha, NE
ABA #: 10400029
Credit: NLAFF Account #1487-1377-6554
Further credit: (Name of your entity and Fund account number)

Step 2. Notify the Administrator by 11:00 a.m. Central Time (10:00 a.m. Mountain Time) for same-day credit on EON at www.nlafpool.org or call the Administrator at 1-877-667-3523 and provide the following information:

Name of Participant's Account	Name of bank sending wire
Participant's Account Number	Amount being wired

Important: Participants must provide notice of transactions before 11:00 a.m. Central Time (10:00 a.m. Mountain Time) on a Business Day, if the investment is to begin earning income that day.

Note: The Fund does not charge a fee for receipt of these wires. However, a Participant's bank may charge for wiring funds. A Participant may wish to consider using ACH transactions for Next Day Transfer, described below, to avoid most banks' wire charges. If the Fund does not receive a wire on the date it was to be transmitted, the Fund will pass any overdraft fee that is imposed by the Custodian onto the Participant. Wires received are not available for immediate (or same day) wire withdrawal.

Purchase by Automated Clearing House (ACH)

Participant Initiated ACH Purchases. Shares may be purchased by requesting that the Administrator initiate an ACH transfer from a Participant's local bank account. All ACH requests must be reported to the Program by 1:00 p.m. Central Time (12:00 p.m. Mountain Time) in order to begin earning interest in a Participant's account the following Business Day. Requests received after 1:00 p.m. Central Time (12:00 p.m. Mountain Time) will be initiated the next Business Day and a Participant's account will begin to earn interest two Business Days after

the request. Participants can contact the Administrator by calling 1-877-667-3523 or by entering the request on EON. ACH's will only be initiated if the instructions for authorizing ACH transfers from the specified local bank account have been submitted, in writing, to the Fund's Administrator prior to the request.

Third-Party Initiated ACH Purchases. Shares may be purchased by Participants arranging to allow third parties to directly deposit funds to their Participant account by ACH. Participants who want to permit such a purchase must submit certain information regarding the third party, in writing, to the Fund's Administrator prior to the third party initiating the ACH. Third-party initiated ACH purchases, reported by the Custodian to the Administrator by 11:00 a.m. Central Time (10:00 a.m. Mountain Time) will begin earning interest that same day. Third-party initiated ACH purchases reported by the Custodian to the Administrator after 11:00 a.m. Central Time (10:00 a.m. Mountain Time) will begin earning interest the next Business Day. Banks that originate ACH transactions cause the ACH transaction to be initiated at least one Business Day prior to its being reported by the Custodian to the Administrator. To arrange for third-party ACH purchases Participants can contact the Administrator by calling 1-877-667-3523 or by entering the required third party information on EON.

Purchase by Sweep. The Fund offers a sweep service by which the Administrator contacts the Participant's local bank to obtain the available balance and originates an ACH transaction against the local bank to sweep the balance into the Fund. This gives the Participant a clear audit trail with NO additional service charges or fees. Funds will transfer via ACH overnight and begin earning interest the next Business Day. Please contact the Administrator at 1-877-667-3523 for appropriate forms and further details.

Internal Transfer of Funds. The Participant may move funds from one Fund account to another Fund account. Requests for transfer which are received by telephone or via EON prior to 3:00 p.m. Central Time (2:00 p.m. Mountain Time) provide same day credit of funds. Transfers requested after 3:00 p.m. Central Time (2:00 p.m. Mountain Time) will be credited the next Business Day.

Purchase by Check. Shares may also be purchased by check. Shares will be issued when proceeds of the check are credited to a Participant's Fund account in the form of Federal Funds. Normally this occurs on the Business Day following receipt of a check by the Custodian. Checks to purchase shares should be endorsed as follows:

For deposit only
NLA 1487-1377-6554
Further credit: (Entity name & Account number)

If a Participant has deposit tickets reflecting its Participant entity name and all or part of its Fund account number, or generic Fund deposit tickets sent to you by the Fund, the Participant may either bring the deposit to a U.S. Bank National Association branch or mail the deposit to:

U.S. Bank National Association
Bank by Mail

Attn: Cheryl Lardy
60 Livingston Ave, EP-MN-WS4E
Saint Paul, MN 55107

Notify the Administrator. A Participant should notify the Fund by calling the Administrator at 1-877-667-3523 to report a check purchase for proper credit. The Administrator reserves the right to reject any deposit and to limit the size of a Participant's account.

How to Redeem/Withdraw

A Participant may redeem all or a portion of its shares of the Fund on any Business Day without any charge by the Fund. Shares are redeemed at their net asset value per share next computed after the receipt of a redemption request in proper form. Requests to redeem shares may be made as described below.

Redemption by Federal Funds Wire. Participants may initiate an online transaction through EON at www.nlafpool.org or call the Administrator on any Business Day at 1-877-667-3523, to request a redemption/withdrawal.

If the call or Internet transaction is received before 11:00 a.m. Central Time (10:00 a.m. Mountain Time), the Administrator will wire the amount that same day to the bank account specified on the Participant's Account Registration Form. Requests received after 11:00 a.m. Central Time (10:00 a.m. Mountain Time) will be processed on the following Business Day. The Fund does not charge for a same day wire, however a Participant's depository may charge a fee for incoming wires. Changes to withdrawal instructions must be received in writing by the Administrator in proper form.

Redemption by Automated Clearing House (ACH).

Shareholder Initiated ACH Redemptions. Shares may be redeemed by requesting that the Administrator initiate an ACH transfer to a Participant's specified bank or vendor account. All ACH requests must be made to the Administrator by 1:00 p.m. Central Time (12:00 p.m. Mountain Time) to be available in the Participant's specified bank or vendor account the following Business Day. Requests received after 1:00 p.m. Central Time (12:00 p.m. Mountain Time) will be initiated the next Business Day and will be available in the specified bank or vendor account two Business Days after the notice. A Participant can contact the Administrator by calling 1-877-667-3523 or by entering the request on EON. ACH's will only be initiated if the instructions authorizing ACH transfers to the specified local bank or vendor account have been submitted in writing to the Administrator prior to the request.

Third-Party Initiated ACH Redemptions. Shares may be redeemed by Participants arranging to allow third-parties to directly withdraw from their Participant account by ACH. Participants who want to permit such a redemption must submit certain information regarding the third-party, in writing, to the Administrator prior to the third-party initiating the ACH. Third-party initiated ACH redemptions, reported by the Custodian to the Administrator by 11:00 a.m. Central Time

(10:00 a.m. Mountain Time) will effectuate a redemption of shares and transfer from the Participant's account that same day. Third-party initiated ACH redemptions reported by the Custodian to the Administrator after 11:00 a.m. Central Time (10:00 a.m. Mountain Time) will effectuate a redemption of shares and transfer from the Participant's account the next Business Day. Banks that originate ACH transactions cause the ACH to be initiated at least one Business Day prior to its being reported by the Custodian to the Administrator. To arrange for third-party ACH redemptions Participants can contact the Administrator by calling 1-877-667-3523 or by entering the required third-party information on EON.

Check Redemption Privilege. A Participant may make arrangements to redeem shares by check by filling out a checkwriting authorization form and signing the Custodian bank's certificate of authority form. Checks may be written in any dollar amount not exceeding the balance of the account and may be made payable to any person. Checks will be honored only if they are properly signed by a person authorized on the certificate of authority. Shares will be redeemed to pay the check at the net asset value next determined after the check is presented to the Fund for payment. Redemption checks will not be honored if there is an insufficient share balance to pay the check or if the check requires the redemption of shares recently purchased by a check, which has not cleared. Although the Fund provides checkwriting privileges, all service related fees are passed on to the Participant. Checkwriting privileges may be modified or terminated at any time. Information regarding additional cash management services, including a description of services and fees, can be provided by the Administrator upon request.

Written Redemption Requests. A Participant may redeem shares by sending a written redemption request to the Administrator. The request must be on the Participant's letterhead and include the complete account name, number and address and the amount of the redemption and must be signed by an authorized signatory of the account pursuant to the account application. Shares will be redeemed at the net asset value next computed after receipt of the letter.

The Fund reserves the right to request additional information from, and to make reasonable inquiries of, any eligible guarantor institution. Proceeds of a redemption will be paid by sending the Participant a check or ACH credit.

Written redemption requests should be sent to:

PFM Asset Management LLC
P.O. Box 11760
Harrisburg, Pennsylvania 17108-1760

Withdrawal of All Funds in Account. If at any time a Participant wishes to withdraw all of the funds in an account, the principal balance will be sent to the Participant by a Federal Funds Wire, ACH Transfer, or check according to the Participant's instructions. At month end, a check for any accrued interest will be mailed to the Participant.

Accounts will remain open for future deposits and investments, unless otherwise instructed.

Redemption Requests Via EON. Shares may be redeemed via EON. This method of redemption is available to Participants who complete and submit an “EON Internet Service Authorization Form” to the Administrator at:

PFM Asset Management LLC
P.O. Box 11760
Harrisburg, Pennsylvania 17108-1760

These forms can be obtained by logging onto the EON website through www.nlafpool.org or by calling the Administrator 1-877-667-3523.

For additional information on redeeming shares, please call the Administrator at 1-877-667-3523.

Important Notice

During periods of severe market or economic conditions, it may be difficult to contact the Fund by telephone. In that event, each Participant should follow the procedures described above for written redemption requests and send the request by overnight delivery service.

Please ensure that you check for available balances in your account before requesting a redemption. Checking your balance prior to moving money out of your account will prevent you from incurring any potential overdraft costs.

Note: State aid and direct deposits do not always arrive on the date provided to us.

Trustees and Officers

The Trustees have full, exclusive and absolute control and authority over the business and affairs of the Fund and the Fund's assets, subject to the rights of the Participants as provided in the Declaration of Trust. The Trustees may perform such acts as in their sole judgment and discretion are necessary and proper for conducting the business and affairs of the Fund or promoting the interest of the Fund. They oversee, review and supervise the activities of all consultants and professional advisors to the Fund.

The number of Trustees may change from time to time by resolution of the Trustees, provided that the number of Trustees may never be less than three or more than fifteen. The Trustees, and any additional Trustees who may be appointed prior to the next annual meeting or vote of the Participants following the conclusion of the Fund's fiscal year on May 31st, will serve until their successors are elected and qualified. The Trustees are divided into three classes, arranged so that the term of one class expires each year. At each annual meeting or vote the Trustees of the class whose term then expires are elected to serve for a term of three years. Trustees may be elected to any number of successive terms.

A Trustee must be an officer, employee, or member of the governing board of a Public Agency which is a Participant of the Fund.

The Trustees serve without compensation, but they are reimbursed by the Fund for reasonable travel and other out-of-pocket expenses incurred in connection with their duties as Trustees. The Trustees are not required to devote their entire time to the affairs of the Fund.

The Trustees annually elect one of their number to serve as Chairperson of the Fund and be its chief executive officer. They also elect a Vice Chairperson from their number, and a Secretary, and a Treasurer who need not be Trustees. Election of the Trustees is by the affirmative vote of a majority of the Participants.

A Trustee's vacancy may be filled for the unexpired portion of the applicable term by vote of a majority of the remaining Trustees or a majority of the Participants. The Trustees are responsible for the general investment policy of the Fund and for the general supervision and

administration of the business and affairs of the Fund. However, the Trustees are not required personally to conduct all of the business of the Fund and consistent with their ultimate responsibility, the Trustees have appointed an Administrator, Investment Adviser, Marketing Agent and a Custodian. The Trustees assign such duties to the Administrator, the Investment Adviser, the Marketing Agent and the Custodian as they deem to be appropriate.

The Investment Adviser

The Board of Trustees has appointed PFMAM, as the Investment Adviser for the Fund and additional programs. PFMAM is a Delaware limited liability company and is registered as an investment adviser under the Investment Advisers Act of 1940, as amended. As of December 31, 2007, PFMAM had over \$32 billion in discretionary assets under management. Decisions regarding the selection and purchase of instruments for the Fund are made by the Investment Adviser.

The Fund's agreement with the Investment Adviser remains in effect from year to year if approved annually by the Trustees. The agreements are not assignable without the consent of the Trustees and may be terminated without penalty on sixty days' written notice at the option of the Fund or ninety days' written notice at the option of the Investment Adviser. The agreements also may be terminated by the Fund upon the occurrence of certain events.

The Administrator

The Board of Trustees has also appointed PFMAM as the Administrator for the Fund.

Pursuant to an Administration Agreement, the Administrator or its affiliates, subject to the supervision of the Board of Trustees, provides the administrative services necessary for the operation of the Fund, including fund accounting, transfer and dividend disbursing agent services. It provides the Fund with all necessary offices facilities and personnel for servicing the Fund's operations and pays the salaries of all personnel of PFMAM, and its affiliates performing services to the Fund. These services include providing facilities for maintaining the Fund's organization, supervising relations with custodians, accountants, and other persons dealing with the Fund, preparing all general Participant communications and conducting Participant relations, maintaining the Fund's records, developing management and Participant services for the Fund and furnishing reports, evaluations and analysis for the Board of Trustees.

The Marketing Agent

The Board of Trustees has appointed PFMFD as the marketing agent for the Fund. PFMFD is a wholly owned subsidiary of PFMAM. Sales and marketing functions are performed by the

Marketing Agent, a member of the Financial Industry Regulatory Authority (FINRA) (www.finra.org) and subject to the rules of the MSRB.

Pursuant to a Marketing Agreement, the Marketing Agent engages in marketing efforts, assists Participants in completing and submitting registration forms, assists in the preparation and dissemination of information with respect to the existence and operation of the Fund, and bears certain expenses of the Fund relating to the marketing of the Fund. It provides the Fund with all necessary offices facilities and personnel for rendering this service.

The Custodian

U.S. Bank National Association, serves as Custodian to the Fund pursuant to a Custodian Agreement. The Custodian acts as a safekeeping agent for the Fund's investment portfolio and serves as the conduit in connection with the direct investment and withdrawal mechanisms of the Fund. The Custodian does not participate in the Fund's investment decision making process. The Fund may invest in obligations of the Custodian and buy and sell Permitted Investments from and to it. The Fund's agreement with the Custodian remains in effect from year to year if annually approved by the Trustees or by a majority of the Participants. The Agreement is not assignable and may be terminated without penalty on sixty days' written notice at the option of the Fund or the Custodian.

The Sponsoring Organizations

The NASB and the NCSA have each entered into a License Agreement with the Fund. Pursuant to these License Agreements, the Sponsors have agreed to the use of their names and marks by the Fund. In addition, the Sponsors allow the Fund access to membership lists, advertising space in Sponsor publications and attendance at Sponsor events, conferences and meetings.

Legal Counsel and Independent Auditor

Perry, Guthery, Haase & Gessford, P.C., L.L.O. serve as General Counsel of the Fund. Gilmore & Bell, P.C. serves as Tax and Securities Counsel, and as Contingent General Counsel of the Fund. Ernst & Young LLP serves as the Fund's independent auditor.

Expenses of the Fund

Under its agreements, the Fund pays PFMAM, PFMFD and the Sponsors various fees for the services they provide as Administrator, Investment Adviser, Marketing Agent and Sponsor to the

Fund. Specifically, the Fund pays the following fees, which are calculated daily and paid monthly:

- (i) an investment advisory fee to PFMAM at an annual rate of 0.10% of the average daily net assets;
- (ii) an administration fee to PFMAM at an annual rate of 0.10% of the average daily net assets;
- (iii) a marketing fee to PFMFD at an annual rate of 0.09% of the average daily net assets; and
- (iv) a licensing fee to each of the Sponsors at an annual rate of 0.03% of the average daily net assets.

In addition to the aforementioned fees, the Fund pays its own associated expenses such as insurance costs, the fees of the Custodian under the Custodian Agreement, audit, rating agency, trustee expenses and legal fees.

Daily Income Allocations

All net income of the Fund is determined as of the close of business on each Business Day (or at such other times as the Board of Directors may determine) and is allocated pro rata to each Participant's account. Net income which has thus accrued is converted, as of the close of business of each calendar month, into additional shares (full and fractional) of beneficial interest at the rate of one share for each \$1.00 accrued. These additional shares are then credited to each Participant's account(s) and may be withdrawn by the Participant anytime thereafter.

Net income for each period consists of (i) all accrued interest income on the assets of the Fund, (ii) all realized gains or losses on the assets of the Fund and (iii) any amortized purchase discount or premium, (iv) less accrued expenses of the Fund applicable to that income period.

Since net income of the Fund is allocated among the Participants each time it is determined, the net asset value per share of beneficial interest is intended to remain at \$1.00. The Fund anticipates that it will have net income each day. However, if for any reason there is a net loss experienced by the Fund on any day, the accrued net income for the Fund for the month maybe reduced in an amount necessary to maintain the net asset value per share of beneficial interest at a value of \$1.00. To the extent that accrued net income for the month is insufficient, then outstanding shares of beneficial interest in the Fund will be cancelled in the amount required to maintain the net asset value per share of beneficial interest at \$1.00, each Participant contributing its pro rata portion of the total number of shares to be canceled by the Fund. Each Participant will be deemed to have agreed to such a contribution in these circumstances by its adoption of the Intergovernmental Agreement and its investment of monies in the Fund.

Computation of Yield

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

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

The Fund also may publish a “monthly distribution yield” on each Participant’s month-end account statement. The monthly distribution yield represents the net change in the value of a hypothetical account with a balance of one share (normally valued at \$1.00 per share) resulting from all dividends declared during a month by the Fund 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, the Fund may also quote the current yield of the Fund from time to time on bases other than seven days for the information of its Participants if such quote is accompanied by the current yield.

The yield of the Fund quoted by the Fund or any of its representatives should not be considered a representation of the yield of the Fund 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 Fund, changes in interest rates, market conditions and other factors.

Determination of Net Asset Value

For the purpose of calculating the price at which shares of the Fund are issued and redeemed, the net asset value per share for the Fund is determined by the Administrator as of the close of business each Business Day. The net asset value per share is computed by dividing the total

value of the securities and other assets of the Fund, less applicable liabilities, by the number of outstanding shares for the Fund.

In making these computations, the Administrator values portfolio investments in the Fund using the amortized cost method. The amortized cost method of valuation involves valuing an investment instrument at its cost at the time of purchase and thereafter assuming a constant amortization to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the market value of the instrument. While the amortized cost method provides certainty in valuation, there may be periods during which the value of a particular investment, as determined by amortized cost, is higher or lower than the price that would be received if that investment were sold. During such periods the yield to Participants may differ somewhat from that which would be obtained if the market value method were used for valuing investments. Thus, for example, in a period of declining interest rates the use of amortized cost will result in a lower aggregate Fund value on a particular day, giving a prospective Participant in the Fund a somewhat higher yield than would result if the Fund used the market value method. The converse would be true in a period of rising interest rates. The purpose of the amortized cost method of valuation is to attempt to maintain a constant net asset value per share of beneficial interest of \$1.00 for the Fund. However, there can be no guarantee that this objective will be achieved.

The Board of Trustees has adopted certain procedures to monitor the value of the portfolio of the Fund. These procedures include requiring the Administrator to perform a weekly valuation of the portfolio using the market value method. The valuation of the portfolio using the amortized cost method is then compared to the valuation of such investments using the market value method.

The Trustees review, no less often than each regularly scheduled Board of Trustees meeting, the valuation of the portfolio investments of the Fund using the market value method and compare that valuation to the valuation achieved using the amortized cost method as reflected on the books of the Fund.

Portfolio Transactions

Subject to the general supervisions of the Trustees, the Investment Adviser is responsible for the investment decisions and the placing of the orders of portfolio transactions for the Fund. The Fund's portfolio transactions primarily occur with major dealers in money market instruments acting as principals. Such transactions normally are on a net basis which do not involve payment of brokerage commissions. Transactions with dealers normally reflect the spread between bid and asked prices.

The Investment Adviser places orders for all purchases and sales of portfolio securities. Although the Fund does not ordinarily seek, but may nonetheless make profits through short-term trading, the Investment Adviser may, on behalf of the Fund, dispose of any portfolio investment prior to its maturity if it believes such disposition is advisable. The Fund's policy of generally investing in instruments with maturities of less than one year, except as permitted by

the Declaration of Trust, will result in high portfolio turnover. However, since brokerage commissions normally are not paid on the types of investments which the Fund may make, any turnover resulting from such investments should not affect adversely the net asset value or net income of the Fund.

The Investment Adviser seeks to obtain the best net price and most favorable execution of orders for the purchase and sale of portfolio securities. Where price and execution offered by more than one dealer are comparable, the Investment Adviser may, in its discretion, purchase and sell investments through dealers which provide research, statistical and other information to the Investment Adviser or to the Fund. Such supplemental information received from a dealer is in addition to the services required to be performed by the Investment Adviser under its agreement with the Fund, and the expenses of the Investment Adviser will not necessarily be reduced as a result of the receipt of such information. Portfolio investments will not be purchased from or sold to the Investment Adviser or the Administrator or any affiliate of the Investment Adviser or the Administrator.

Reports to Participants

For each day that a Participant's account in the Fund has activity, the Administrator will send that Participant a daily confirmation reflecting an opening balance, activity and a closing balance for that account. After the end of each month, Participants who have had account balances during the month will be sent a monthly statement reflecting an opening balance, all transactions for the month and a closing balance for each of their accounts, regardless of activity. In addition, the statement will reflect the net income received by each account for that month, as well as the cumulative total for the fiscal year to date.

In addition, the Fund's unaudited quarterly financial statements will be available to Participants at the fund's website following the close of each fiscal quarter. After the close of each fiscal year, Participants will receive the Program's audited annual financial statements.

The Administrator on behalf of the Fund answers all inquiries from Participants concerning the status of accounts and the yields currently available through the Fund. Such inquiries can be made by writing to NLAf, c/o PFM Asset Management LLC, P.O. Box 11760, Harrisburg, PA 17108-1760, or by telephoning, toll-free, 1-877-667-3523.

Declaration of Trust

Each potential Participant is given a copy of the Declaration of Trust before becoming a Participant. Certain portions of the Declaration of Trust are summarized in this Information Statement. These summaries are qualified in their entirety by reference to the text of the Declaration of Trust which is available on the Fund's website at www.nlafpool.org or by telephoning the Fund's Administrator at 1-877-667-3523.

Description of Shares. The Declaration of Trust provides that the beneficial interests of the Participants in the assets of the Fund and the earnings thereon are, for convenience of reference, divided into shares which are used as units to measure the proportionate allocation of beneficial interest among the Participants. The Declaration of Trust authorizes an unlimited number of full and fractional shares of a single class as well as adjustments in the total number of shares outstanding from time to time without changing their proportionate beneficial interest in the Fund in order to permit the Fund to maintain a constant net asset value of \$1.00 per share. All shares participate equally in dividend allocations and have equal liquidation and other rights. The shares have no preference, conversion, exchange or preemptive rights.

For all matters requiring a vote of Participants, each Participant is entitled to one vote with respect to each matter, without regard to the number of shares held by the Participant. It is necessary for a Participant to hold a minimum of one share to be entitled to vote. Participants are not entitled to cumulative voting.

No shares may be transferred to any person other than the Fund itself at the time of withdrawal of monies by a Participant.

Participant Liability. The Declaration of Trust provides that Participants shall not be subject to any individual liability for the acts or obligations of the Fund and provides that every written undertaking made by the Fund shall contain a provision that such undertaking is not binding upon any of the Participants individually.

Responsibility of Trustees, Officers, Employees and Agents. No Trustee, officer, employee or agent of the Fund is individually liable to the Fund, a Participant, an officer, an employee or an agent of the Fund for any action or failure to act unless it is taken or omitted in bad faith or constitutes willful misfeasance, reckless disregard of duty or negligence. All third parties shall look solely to the Fund property for the satisfaction of claims arising in connection with the affairs of the Fund. The Fund will indemnify each Trustee, officer, employee or agent of the Fund designated by the Trustees to receive such indemnification, to the extent permitted by law, against all claims and liabilities to which they may become subject by reason of serving in such capacities for the Fund, except in certain circumstances set forth in the Declaration of Trust.

Termination of the Declaration of Trust. The Fund may be terminated by the affirmative vote of a majority of the Participants entitled to vote or by an instrument in writing, signed by a majority of the Trustees and consented to by a majority of the Participants entitled to vote. Upon the termination of the Fund and after paying or adequately providing for the payment of all of its liabilities, and upon receipt of such releases, indemnities and refunding agreements as they deem necessary for their protection, the Trustees may distribute the remaining Fund property, in cash or in kind, or partly in cash and partly in kind, among the Participants according to their respective proportionate beneficial interests.

Amendment of the Declaration of Trust. The Declaration of Trust may be amended by the affirmative vote of a majority of the Participants entitled to vote or by an instrument in writing, signed by a majority of the Trustees and consented to by not less than a majority of the Participants entitled to vote. The Trustees may, from time to time, by a two-thirds vote of the Trustees, and after fifteen days' prior written notice to the Participants, amend the Declaration of Trust without the vote or consent of the Participants, to the extent they deem necessary to conform the Declaration of Trust to the requirements of applicable laws or regulations, or any interpretation thereof by a court or other governmental agency, but the Trustees shall not be liable for failing to do so.

Withdrawal. A Participant may withdraw from the Fund at any time by sending an appropriate notice to the Fund, as specified in the Declaration of Trust.

The name "Nebraska Liquid Asset Fund" is the designation of the Fund under its Declaration of Trust. The Declaration of Trust provides that the name of the Fund refers to the Trustees collectively in such capacity and not personally or as individuals. All persons dealing with the Fund must look solely to the Fund property for the enforcement of any claims against the Fund since neither the Trustees, officers, agents nor Participants assume any personal liability for obligations entered into on behalf of the Fund.

Certain Risks of Investment in the Fund

There are risks associated with investment in the Fund which, before investment, should be considered carefully by each Participant and potential Participant in light of its particular circumstances. The Fund may not be an appropriate investment in certain situations for some Participants and potential Participants. Although the Fund is rated by Standard & Poor's Rating Services ("S&P") and the Fund has been designed and is operated to achieve the goals of safety, liquidity and yield, each Participant and potential Participant should carefully consider the following discussion in light of its own particular circumstances.

Income, Market and Credit Risk. Investments in the Fund are subject to income, market and credit risk. Income risk is the potential for a decline in current income of an investment portfolio. The Fund's current income is based on relatively short-term interest rates, which can fluctuate substantially over short periods. Accordingly, investments in the Fund are subject to current income volatility. Market risk is the potential for a decline in the market value of fixed-income securities held in the investment portfolio of the Fund as a result of a rise in prevailing interest rates. This could result in the incurrence of a loss with respect to a portfolio security in the event that such a security were to be sold for a market price less than its amortized value. Credit risk is the possibility that an issuer of securities held in the Fund's investment portfolio fails to make timely payments of principal or interest. The credit risk of the Fund depends on the securities in which the Fund invests. A discussion of the credit risks associated with certain Permitted Investments is set forth below.

Participants should be aware that in the event that an issuer in which monies relating to the Fund have been invested fails, Participants in the Fund may experience a loss, or indeterminate delays in the receipt of their funds while claims are processed. In addition, such Participants may not receive interest earnings for the periods before and after the failure. To the extent that an investment is collateralized, Participants may experience delays in the receipt of their funds while such collateral is applied to the satisfaction of claims. In addition, Participants may experience losses in the event that the collateral cannot be disposed of promptly or for an amount sufficient to satisfy the applicable claims.

Repurchase Agreements. The Fund may purchase U.S. Government Securities that are subject to agreements which are commonly known as repurchase agreements. Under such an agreement, the seller agrees to repurchase, and the Fund agrees to resell, the U.S. Government Securities at a specified time and at an agreed upon price. The difference between the price paid by the Fund at the time of purchase and the price at which the Fund agrees to resell the U.S. Government Securities back to the seller, divided by the price paid at the time of purchase represents the yield with respect to this transaction. This yield may be more or less than the stated interest rate for the underlying U.S. Government Securities.

Although the Fund enters into such repurchase agreements only with financial institutions recommended by the Investment Adviser and reviewed by the Trustees, there can be no

assurance that any particular authorized financial dealer will pay the agreed upon contract repurchase price on the designated date for repurchase. In the event that a financial institution fails to pay the contract price at the specified time, the Fund may suffer a loss resulting from (i) a diminution in value of the underlying U.S. Government Securities to an amount which is below the amount of the anticipated repurchase price, (ii) the costs associated with the resale of the U.S. Government Securities, and (iii) any loss that may result from any delay experienced in foreclosing upon and reselling the underlying U.S. Government Securities.

At the time the Fund enters into a repurchase agreement the underlying U.S. Government Securities will have a market value which is at least 102% of the price paid by the Fund. There can be no assurance, however, that such market value will continue to exceed that purchase price. In the event the market value of the underlying U.S. Government Securities falls below the original purchase price plus accrued interest, the dealer will be required to have its custodian bank deliver additional U.S. Government Securities necessary to increase such value to 102%. However, there can be no assurance that such deliveries of additional U.S. Government Securities will be made in all circumstances. In the event that such a delivery is not made and the dealer does not pay the contract repurchase price on the specified date, the amount of the loss to the Fund will be increased as a consequence of such failure of delivery.

Participants should be aware that repurchase agreements represent only the contractual obligations of the financial institutions to repurchase the underlying U.S. Government Securities at the price and on the date specified in the repurchase agreement. The Fund may suffer substantial losses if the repurchase agreement is made with any dealer which becomes bankrupt, insolvent or otherwise unable to perform before such agreement is fulfilled.

Obligations of United States Governmental Agencies and Instrumentalities. Participants should be aware that not all obligations issued by agencies and instrumentalities of the United States of America are backed by the full faith and credit of the United States of America. The short-term obligations of some agencies and instrumentalities of the United States of America that may be purchased by the Fund from time to time, are not full faith and credit obligations of the United States of America, and may in fact be obligations only of the issuing agency or instrumentality. The creditworthiness of such obligations relates only to the credit-worthiness of the issuing agency or instrumentality and any collateral security, if any. No assurance can be given that every such agency or instrumentality will, under all circumstances, be able to obtain funds from the United States Government or other sources to support all of its obligations.

FDIC Insured Certificates of Deposit. Participants should note that in July 1990, FDIC regulations regarding the coverage of deposits in thrift institutions became effective. These regulations conform to current FDIC regulations regarding the coverage of deposits in insured banks. Under these regulations, deposits made by the Fund in any insured institution are only insured up to \$100,000 in the aggregate for all time, savings and demand deposits as well as certificates of deposit.

Some of the assets of the Fund may be invested in certificates of deposit insured by the FDIC. No assurance can be given that such an institution will not become insolvent during the life of a deposit investment in it.

In the event that an institution issuing a certificate of deposit in which the Fund has invested becomes insolvent, or in the event of any other default with respect to such a certificate of deposit, an insurance claim will be filed with the FDIC by the Fund, if appropriate. In such a case, there may be delays before the FDIC, or other financial institution to which the FDIC has arranged for the deposit to be transferred, makes the relevant payments. Such delays may be occasioned by requirements relating to the filing and processing of insurance claims, including requests for additional information by the FDIC. Furthermore, if the defaulted deposit is transferred to another institution, the transferee institution may, instead of paying the insured amount, elect to keep the deposit in existence with or without changing its original terms. Such changes of terms may include a reduction of the original interest rate paid on the deposit. Any of these actions may have adverse consequences to the Fund.

The amount insured by the FDIC is the principal of the relevant deposit and the interest accrued on the deposit to the date of default, up to \$100,000 in the aggregate. There is no insurance with respect to interest payable on a deposit between the date of the default and the date of the payment of insurance by the FDIC. Accordingly, a default by an institution might result in a delay in the receipt of invested principal and pre-default accrued interest by an affected Participant and a loss of interest accruing during the period between the date of the default and the payment of the insurance.

In addition, the FDIC is free to deny any claim that it does not deem to be valid. Any such denial might have to be challenged in judicial or administrative proceedings brought by the Fund and affected Participants. In the event that funds are not made available to it by the United States of America or other sources, Participants could experience a loss due to a full or partial non payment of insurance claims by the FDIC.

In excess of the FDIC insurance limit, a certificate of deposit may be secured by a pledge of assets as provided by law. If the institution fails to make payment when due on the deposit, the risks are similar to those described above with respect' to repurchase agreements.