VIRGINIA STATE NON-ARBITRAGE PROGRAM ("SNAP")

SUPPLEMENT DATED OCTOBER 1, 2024
TO THE
VIRGINIA STATE NON-ARBITRAGE PROGRAM INFORMATION STATEMENT
DATED JUNE 30, 2021

This Supplement supplies additional information with respect to SNAP and should be read in conjunction with the Information Statement dated June 30, 2021. Terms used in this Supplement shall be as defined in the Information Statement.

Effective October 1, 2024, SNAP's investment adviser and administrator, PFM Asset Management LLC ("PFMAM") has consolidated its investment advisory accounts under its parent company, U.S. Bancorp Asset Management, Inc. ("USBAM"), an investment adviser registered with the U.S. Securities and Exchange Commission, under the Investment Advisers Act of 1940, as amended. PFMAM will continue to serve SNAP as a brand operating as a division of USBAM. USBAM is a subsidiary of U.S. Bank, National Association ("U.S. Bank"). U.S. Bank is a separate entity and subsidiary of U.S. Bancorp. As a result of the consolidation, effective October 1, 2024, USBAM is the investment adviser and administrator to SNAP

Effective October 1, 2024, PFM Fund Distributors, Inc., the distributor of SNAP's shares, merged into its affiliate U.S. Bancorp Investments, Inc. ("USBI"), member Financial Industry Regulatory Authority (FINRA) (www.finra.org) and Securities Investor Protection Corporation (SIPC) (www.sipc.org). U.S. Bancorp Investments, Inc. is an affiliate of USBAM. As a result of the merger, effective October 1, 2024, USBI is the distributor of SNAP's shares.

The date of this Supplement is October 1, 2024.

THIS IS A SUPPLEMENT TO THE INFORMATION STATEMENT DATED JUNE 30, 2021 AS SUPPLEMENTED JANUARY 4, 2022, AND DECEMBER 13, 2021. IT PROVIDES ADDITIONAL INFORMATION ABOUT THE PROGRAM. A COMPLETE INFORMATION STATEMENT, INCLUDING ALL SUPPLEMENTS, IS AVAILABLE UPON REQUEST BY CONTACTING A SNAP REPRESENTATIVE AT (800) 570-SNAP (7627).

PLEASE RETAIN THIS SUPPLEMENT FOR FUTURE REFERENCE.

IMPORTANT NOTICE

SUPPLEMENT DATED JANUARY 4, 2022 TO THE VIRGINIA STATE NON-ARBITRAGE PROGRAM INFORMATION STATEMENT DATED JUNE 30, 2021

This Supplement supplies additional information with respect to the Virginia State Non-Arbitrage Program (the "Program") and should be read in conjunction with the Program Information Statement dated June 30, 2021, as supplemented to date. Terms used in this Supplement shall be as defined in the Information Statement.

Effective January 4, 2022, the Program's Depository is now Bank of America, 222 Broadway, New York, New York 10038. As defined in the Information Statement, the Depository or the designated bank is responsible for providing cash management services for the SNAP Program.

The date of this Supplement is January 4, 2022.

THIS IS A SUPPLEMENT TO THE INFORMATION STATEMENT DATED JUNE 30, 2021 AS SUPPLEMENTED DECEMBER 13, 2021. IT PROVIDES ADDITIONAL INFORMATION ABOUT THE PROGRAM. A COMPLETE INFORMATION STATEMENT, INCLUDING ALL SUPPLEMENTS, IS AVAILABLE UPON REQUEST BY CONTACTING A PROGRAM REPRESENTATIVE AT 1-800-570-SNAP (7627).

PLEASE RETAIN THIS SUPPLEMENT FOR FUTURE REFERENCE.

IMPORTANT NOTICE

SUPPLEMENT DATED DECEMBER 13, 2021 TO THE VIRGINIA STATE NON-ARBITRAGE PROGRAM INFORMATION STATEMENT DATED JUNE 30, 2021

This Supplement supplies additional information with respect to the Virginia State Non-Arbitrage Program (the "Program") and should be read in conjunction with the Program Information Statement dated June 30, 2021, as supplemented to date. Terms used in this Supplement shall be as defined in the Information Statement.

Effective December 7, 2021, the Program's investment manager, PFM Asset Management (PFMAM), is now a subsidiary of U.S. Bancorp Asset Management, Inc. The acquisition was initially announced July 8. PFMAM will continue to operate as a separate registered investment advisor serving your Program. A copy of the related press release is available on PFMAM's website in the following location: https://www.pfmam.com/newsroom.

The date of this Supplement is December 13, 2021.

THIS IS A SUPPLEMENT TO THE INFORMATION STATEMENT DATED JUNE 30, 2021. IT PROVIDES ADDITIONAL INFORMATION ABOUT THE PROGRAM. A COMPLETE INFORMATION STATEMENT, INCLUDING ALL SUPPLEMENTS, IS AVAILABLE UPON REQUEST BY CONTACTING A PROGRAM REPRESENTATIVE AT 1-800-570-SNAP (7627).

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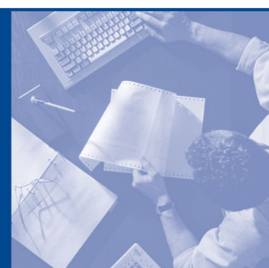
Virginia State Non-Arbitrage Program®

Information Statement

June 30, 2021

Virginia State
SNAP®
Non-Arbitrage Program



This Information Statement contains important information on the Commonwealth of Virginia State Non-Arbitrage Program®. Please read the Information Statement carefully before you invest.

For information, call toll free: 800-570-SNAP (7627)

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Part 1 presents key facts about the SNAP Fund Portfolio, 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

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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 SNAP Program. Parts 1, 2 and 3 together constitute the offering document for the SNAP Fund Portfolio and Individual Portfolios.

General Information

Information on the Portfolio

Part 3

Individual Portfolios

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

General Information

Terms Used in this Document

Account Application The form to open a SNAP Fund 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 Board Participant representatives who provide consultation and advice to the SNAP Program.

Authorities Agencies, institutions and authorities of the Commonwealth and Local Governments.

Bond Documents consist of the following documentation that an Investor is required to provide for arbitrage rebate purposes:

- IRS Form 8038
- Non-Arbitrage or Tax Certificate
- Official Statement, if applicable, or Loan/Purchase Agreement if the debt instrument is a bank loan or direct/private placement
- Trust Indenture, if applicable
- Verification Report, if applicable

Business Day Any day on which the bond market (as determined by the Securities Industry and Financial Markets Association "SIFMA"), the Depository and the Custodian are open for business. The Portfolios or Programs 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 Portfolios will not be open for business on Good Friday even if the primary trading markets are open.

Commonwealth The Commonwealth of Virginia.

Custodian U.S. Bank, National Association or the designated bank, agent, or trust company, responsible for safeguarding financial assets of the SNAP Program.

Depository M&T Bank or the designated bank responsible for providing cash management services for the SNAP Program.

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

FINRA Financial Industry Regulatory Authority.

GASB 79 Statement No. 79 of the Governmental Accounting Standards Board.

Government Non-Arbitrage Investment Act (or the "SNAP Act") The Act establishing the SNAP Program to provide Issuers assistance with the investment of and accounting for bond proceeds and related funds in compliance with rebate requirements of the Internal Revenue Code.

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

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

Investment Manager PFM Asset Management LLC, the SNAP Program's investment manager, administrator and transfer agent.

Issuers Authorities, Local Governments, the Commonwealth and the Commonwealth's agencies and instrumentalities, collectively

Investor A shareholder of the SNAP Fund Portfolio.

Local Governments Counties, cities and towns in the Commonwealth.

MSRB Municipal Securities Rulemaking Board.

NAV Net asset value.

New Investor Application An application to become a new investor in the SNAP Fund.

NRSRO Nationally recognized statistical-rating organization.

PFMAM PFM Asset Management LLC, the Investment Manager.

Participants Issuers who join the SNAP Program.

Portfolio The SNAP Fund Portfolio.

Rebate Calculation Agents Arbitrage Compliance Specialists, Inc. and Bingham Arbitrage Rebate Services, Inc. or such other organizations designated to provide arbitrage rebate calculation services.

Regulations United States Treasury final regulations relating to the Rebate Requirement (as amended to the date hereof).

Shares Units of beneficial interest in the SNAP Fund Portfolio.

SNAP Contract Document entered into by the Treasury Board and the Investment Manager that established the SNAP Program.

SNAP Program Commonwealth of Virginia State Non-Arbitrage Program® consisting of the SNAP Fund Portfolio and Individual Portfolios.

TRANs Tax and revenue anticipation notes.

Transaction Costs expenses incurred in acquiring, carrying, selling or redeeming investments, management fees, depository fees, and other service fees.

Treasury Board A policy board in the executive branch of the Commonwealth of Virginia responsible for implementing the SNAP Program.

Trustees Members of the Treasury Board.

Portfolio Summaries

SNAP® Fund Portfolio

Investment Objective

To earn the highest income consistent with preserving principal and maintaining liquidity, and to maintain a stable $1.00 net asset value (“NAV”).

Principal Investment Strategies

The SNAP Fund Portfolio (the "Portfolio") invests exclusively in investments authorized under Virginia law for counties, cities, towns, political subdivisions and public bodies of the Commonwealth of Virginia as those terms are used in Section 2.2-4500 et seq. of the Code of Virginia of 1950, as it may be amended from time to time. These authorized investments include the following high-quality, short-term money market instruments:

- U.S. Government and Federal agency obligations, and repurchase agreements involving these obligations
- Commercial paper
- Bankers’ acceptances
- Negotiable certificates of deposit
- Corporate obligations
- Obligations of U.S. municipalities
- Government money market mutual funds that invest exclusively in these types of obligations

The Portfolio is designed 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 either a final or effective maturity (or, for repurchase agreements, a remaining term) of 397 days or less.

The Investment Manager 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.

Main Risks

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

- **Interest rate risk** When short-term interest rates fall, the Portfolio’s yield is likely to fall. When interest rates rise, especially if the rise is sharp or unexpected, the Portfolio’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 Portfolio’s holdings could change rapidly in certain markets, and the default or decline in credit quality of even a single investment could cause the Portfolio’s share price to fall.
- **Liquidity risk** The Portfolio’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 Manager, such as choice of investments or timing of buy/sell decisions.

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

Management

Investment Manager PFM Asset Management LLC.

Fees and Expenses

The SNAP Program has entered into arrangements for investment management, legal, accounting, audit, custody, depository and other administrative services. The expenses associated with these services are paid by the SNAP Program as well as other reasonable operating costs which are accrued daily as a deduction from income.
Portfolio costs include fees paid to:

- Investment Manager – The Investment Manager is paid an annual fee by the Portfolio, in monthly installments equal to 0.095% of the first $1 billion, 0.07% of the next $2 billion, and 0.05% on assets over $3 billion of the average daily assets of the Portfolio.
- Treasury Board – An annual fee of $100,000 will be charged to the Portfolio by the Treasury Board for its oversight of the Program.
- Depository and Custody Bank Fees – Fees will be paid to the Depository and Custodian under the contracts negotiated by the Treasury Board. These fees are disclosed in the attachments to the SNAP Contract which is available on www.vasnap.com.
- Other fees and costs – Additional fees may be paid by the Portfolio for services provided by auditors, legal counsel, and for ratings provided by a nationally recognized statistical rating organization. The reasonable costs for other services determined by the Treasury Board will also be charged to the Portfolio.

Certain SNAP Program costs, including the fees of the Rebate Calculation Agents and all costs associated with Individual Portfolios must be paid by the individual Investor.

Purchase and Sale of Portfolio Shares

Minimum Initial Investment No minimum.

Minimum Account Balance No minimum.

Minimum Holding Period 1 day.

Placing Orders

To place orders, contact us at:

Online www.vasnap.com

Phone 800-570-SNAP (7627)

Fax 888-535-0120

You can place orders to purchase or redeem Portfolios shares by phone, fax, or through the SNAP Program website. Wire orders can be processed the same Business Day if they are received and accepted by the Investment Manager by **2:00 p.m. Eastern Time.** Wire orders received after this time will be processed on the next Business Day. Wire purchase orders will only be processed on the same day if the Portfolio's Depository receives federal funds by wire prior to the close of business. If the federal funds wire is not received on the order date then an overdraft fee will be assessed. Federal funds wires will not be invested unless the Investment Manager has been notified. ACH redemption orders are processed on the next Business Day if requested by 2:00 p.m. Eastern Time. ACH orders received after this time will be processed on the second Business Day after the Business Day on which they are received.

For more complete information on purchasing and redeeming shares, see "Purchasing Shares" and "Redeeming Shares." For information on the potential tax consequences of investing in the Portfolio, see "Tax Information."

The SNAP Fund Portfolio 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.

Investing

Opening an Account

Eligible Investors

The SNAP Program has been established pursuant to the Government Non-Arbitrage Investment Act and will not accept funds for investment from sources other than Issuers from within the Commonwealth of Virginia. **All Portfolio shares owned beneficially by Participants in the SNAP Program are owned of record by the Treasury Board, for the benefit of Participants.**

Portfolio Account Opening Process

To open an account in the Portfolio:

- Complete the appropriate Account Application.
- For the initial account, complete the New Investor Application and provide a copy of a resolution/ ordinance authorizing participation in the SNAP Program and designating officers, employees, or other agents of the Investor who are authorized to transfer funds to and withdraw funds, issue letters of instruction, and take all other relevant actions. In lieu of a resolution/ordinance, you may also complete a Certificate of Authorization and an accompanying Opinion of Counsel.
- Complete a separate Account Application for each account, signed by an authorized representative.
- Provide a completed IRS W-9 form.
- To obtain account forms, call **800-570-SNAP (7627)** or visit www.vasnap.com to download them.

Mail or fax account documents to:

SNAP
PO Box 11760
Harrisburg, PA 17108-1760
888-535-0120 fax

Once your documents have been accepted by the Investment Manager, we will open your account and send you an account number.

Purchasing Shares — SNAP Fund Portfolio

Once your application has been accepted, you may invest in Portfolio shares using one of the methods in the table below. All 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.

The Investment Manager may refuse any investment or limit the size of an investment.

Method	Instructions	Additional information

Wire (same-day settlement)	• Initiate a transaction online or by calling **800-570-SNAP (7627),** via fax to 888-535-0120, or by visiting www.vasnap.com before **2:00 p.m. Eastern Time**.
	• Provide the following information:
	  • Investor's name and account number
	  • Amount being wired
	  • Name of bank sending wire
	  • Instruct your bank to initiate the wire on the same day to the Depository. Detailed instructions can be found on the Portfolio's website at www.vasnap.com or by calling **800-570-SNAP (7627)**.
		• The Portfolio does not charge fees for receiving wires. However, the sending bank may charge for wiring funds. It is your responsibility as an Investor to ensure that immediately available funds are received by the SNAP Fund on the order date that you submitted.
		• If funds are not available on the order date submitted, you may be charged a fee.

Online	• Before making your first online transaction, submit a Contact Record and Permissions form, which may be obtained either by calling **800-570-SNAP-(7627)** or by visiting www.vasnap.com. • Use EON to place wire orders.	

Redeeming Shares — SNAP Fund Portfolio

You may redeem all or any portion of the funds in your Portfolio account at any time by redeeming shares. Shares will be redeemed at the net asset value per share next determined after receipt of a request for redemption in proper form. This determination is made as of the close of each Business Day. Funds may be redeemed in any of the methods described below.

Method	Instructions	Additional information
Wire (same-day settlement)	• Initiate a transaction online or by calling **800-570-SNAP (7627),** via fax to 888-535-0120, or by visiting www.vasnap.com before **2:00 p.m. Eastern Time**. • Requests received after 2:00 p.m. Eastern Time will be processed on the following Business Day. • Wire redemptions will be sent to the wire instructions previously submitted in writing.	• The Portfolio does not charge a separate fee for sending a wire but your depository bank may impose wire charges as well. • You must notify us in writing of any changes to the specified banking instructions.
ACH transfer (settles next Business Day)	• Before making your first transfer, call 800-570-SNAP-(7627) and register for ACH transfers. • Initiate an ACH redemption online or by calling **800-570-SNAP (7627),** via fax to 888-535-0120, or by visiting www.vasnap.com before **2:00 p.m. Eastern Time.** • Requests received after 2:00 p.m. Eastern Time will be initiated on the following Business Day. • ACH redemptions will be sent to the instructions previously submitted in writing.	• Funds will transfer overnight and be available the next Business Day. • Funds remain invested until the day they are transferred. • The Portfolio does not charge fees for ACH transfers, and transferring banks generally do not impose fees for ACH either.
Check	• When a check is presented to the Depository for payment, we will redeem the appropriate number of full or fractional shares from your account to cover the amount of the check. Shares will be redeemed at the NAV next determined after the check is cleared by the Depository	• Funds will continue to earn income until the check clears. • The SNAP Fund Portfolio reserves the right to require that positive pay services be utilized by the Investor as offered by the Depository. • Do not use a check to withdraw all available funds or to close your account. Please contact the Investment Manager 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.
Online	• Before making your first online transaction, submit a Contact Record and Permissions form, which may be obtained either by calling **800-570-SNAP-(7627)** or by visiting www.vasnap.com. • Use EON to place wire or ACH redemptions.	

Policies Concerning Withdrawals

Suspending Withdrawals

The Trustees can suspend the right of withdrawal or postpone the date of payment if the Trustees determine that there is an emergency that makes the sale of the Portfolio's securities or determination of its net asset value not reasonably practical.

Dividends and Distributions

The Portfolio declares dividends as of the close of each Business Day and pays them to Investors on the last Business Day of each month. Earnings for Saturdays, Sundays, and holidays are declared on the previous Business Day. Dividends are automatically reinvested in the same Portfolio.

Shares begin earning dividends the day they are purchased. If shares are redeemed, they do not earn a dividend for the day they are redeemed.

For the purpose of calculating dividends, the Portfolio's net income 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, including the fees payable to the Investment Manager, Custodian, Depository and others who provide services to the Portfolio.

For more detail about how dividends are calculated, see Part 2.

Calculating Net Asset Value

The Investment Manager calculates NAV for the Portfolio as of the close of each Business Day. The NAV is calculated by subtracting the total liabilities of the Portfolio from the total assets, then dividing the result by the number of outstanding shares. Liabilities include all accrued expenses and fees, including fees of the Investment Manager, Custodian, Depository and others providing services to the Portfolio, which are accrued daily.

For purposes of calculating NAV, securities are valued at cost, plus or minus any amortized discount or premium.

NAV and Transaction Prices

The exact price for your shares will be determined based on the NAV next calculated after the Investment Manager accepts a properly executed order. However, if the Depository does not receive federal funds on a timely basis, your price will instead be based on the next NAV calculated after receipt of funds. The number of Shares you receive will be determined by the NAV.

Withdrawal Procedures for Proceeds of Tax-Exempt Obligations

It is recommended that checks payable to the Investor and wire transfers to the Investor's account be used only to reimburse the Investor for project costs already incurred, and that appropriate documentation of such reimbursement be retained by the Investor 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, an Investor expects to make rebate payments the following documentation is required and must be provided, in good order, to the Investment Manager:

Bond Documents

- IRS Form 8038
- Non-Arbitrage or Tax Certificate
- Official Statement, if applicable, or Loan/Purchase Agreement if the debt instrument is a bank loan or direct/private placement
- Trust Indenture, if applicable
- Verification Report, if applicable

Failure by the Investor to provide the required Bond Documents will impact the Investment Manager's ability to take appropriate action. Once the Bond Documents are received, the Investment Manager will track withdrawals and will notify the Investor when cumulative withdrawals from an account total the amount of the original proceeds of a debt issue deposited in that account. At the request of the Investor, the Investment Manager will provide an updated estimate of the Investor's rebate liability, if any, with respect to the account. To the extent the Investor has rebate liability, it is recommended that the Investor open a separate account and fund it in an amount at least equal to the estimated rebate liability or otherwise reserve an amount equal to the estimated rebate liability in its project funds.

Upon withdrawal of the final account balance, the Investor should promptly request preparation of a rebate calculation report by the Rebate Calculation Agent (see Part 3 - Rebate Calculation Services for the Proceeds of Debt Issues).

Upon completion of the rebate calculation report, the Rebate Calculation Agent will provide the Investment Manager and the Investor with copies of the rebate calculation report. It is recommended that the Investor make the required rebate payment within sixty (60) days of the installment computation date (as defined in the applicable U.S. Treasury regulations).

An Investor 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 Investor changes the yield of the related tax-exempt obligations.

It is advisable that an Investor 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 Investor to follow these guidelines may result in the Investor having to fulfill its rebate obligation from other sources of funds, and may make it impossible for the Investment Manager to prepare an unqualified rebate calculation report.

If an Investor withdraws funds from the SNAP Program and reinvests them elsewhere, the Investment Manager will be unable to issue an estimated rebate calculation report

Services to Investors

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

Statements Daily transaction confirmations are available only on EON. The Investment Manager provides monthly statements showing the previous month's transactions, dividends paid and the account balance as of the statement date. The statements also indicate total year-to-date income earned. Monthly statements are also available through EON within two business days after month-end. Investors may elect to stop receiving statements by mail.

Information Services Toll-free telephone service, **800-570-SNAP (7627)**, is available to provide Investors with information including up-to-date account information and transaction history, and to receive instructions for the investment or withdrawal of funds.

Website Account information and information regarding the SNAP Fund Portfolio along with current news about the SNAP Program can be found at www.vasnap.com. A password and user identification are required to initiate a transaction or access account information. The system can be accessed through the SNAP Program website by selecting "Account Access ." A password and user identification can be received by contacting investor services at **800-570-SNAP (7627).**

Estimated Earnings, Projected Draws. Upon request, the Investment Manager will provide estimates of future earnings for Investors based on the projected draw down schedule provided by the Investor. The Investment Manager may request estimates of project draw down schedules from Investors from time to time to facilitate efficient investment of their funds.

Information on Portfolio Holdings

The Portfolio discloses holdings online monthly and additional information in the annual audited financial reports.

Rights we Reserve

The SNAP Program reserves the right, acting through its appropriate entity, to do any of the following:

- Add, change, or drop account minimums at any time without advance notice.
- Reject any investment or limit the size of any Investor's account.
- Limit the frequency of purchases for any reason.

Tax Information

We suggest that you check with your tax advisor before investing in the SNAP Program. Relevant considerations include:

- Section 115(1) of the Internal Revenue Code of 1986, as amended ("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 Code (and related regulations) covering rebate requirements, which may apply to anyone investing tax-exempt or tax-credit bond proceeds.
- The arbitrage limitations or rebate requirements of section 148 of the Code (and related regulations), 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.

Amortized Cost

The Trustees have determined, in consultation with the Investment Manager, that it will manage the SNAP Fund Portfolio in accordance with GASB 79 requirements, as applicable, for use of amortized cost in determining Net Asset Value.

Financial Highlights

The Portfolio's audited financial statements and financial highlights are included in the SNAP Program Annual Report for the year end. The Annual Report is available upon request.

Part 2 – Information Statement

General Information

The SNAP Program

History, Organization and Purpose

The SNAP Program has been established by the Treasury Board of the Commonwealth of Virginia in 1989 pursuant to the SNAP Act (Chapter 47, Title 2.2, Code of Virginia 1950, as amended) to provide comprehensive investment management, accounting and arbitrage rebate calculation services for proceeds of tax-exempt borrowings and other financings of Virginia Issuers subject to Section 148 (and related sections) of the Internal Revenue Code. The Investment Manager will not accept for investment in the SNAP Program other funds of Issuers. The SNAP Program currently provides a short-term investment portfolio, the Portfolio, and separately managed Individual Portfolios as a means for Issuers to invest these proceeds. It also provides recordkeeping, depository and arbitrage calculation services. Issuers that invest in the Portfolio, Investors, purchase units of beneficial interest in the Portfolio known as Shares.

The authorizing statute, charter, or bylaws of an Issuer or the trust indenture or ordinance or resolution under which the debt obligations of an Issuer 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, Issuers should consult with their legal counsel or financial adviser regarding the legality of investing bond proceeds under the SNAP Program prior to participating in the SNAP Program or investing in the Shares issued by the Portfolio

The SNAP Program is not affiliated with the Virginia Local Government Investment Pool, which accepts operating and other funds for investment and is operated by the Virginia Department of Treasury.

The SNAP Program seeks to provide Investors with the following benefits:

Arbitrage Rebate Compliance The SNAP Program is designed to assist Investors 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 calculations are prepared for all Investors by the Rebate Calculation Agents in a manner and at such time as to enable Investors to comply with these requirements. The SNAP Program is also designed to assist Investors 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 Issuers that invest the proceeds of debt issues in the Portfolio do not have to schedule investment maturities to meet project draw schedules and can requisition funds for same day transactions by **2:00 p.m.** each Business Day.

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

Diversification The Shares of the Portfolio represent beneficial interests in a diversified portfolio of certain high-quality instruments authorized for investment by Issuers.

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

An Issuer can also enter into a separate agreement with the Investment Manager to manage a separate portfolio that is not part of the Portfolio. These Individual Portfolios allow an Issuer to invest its funds in a segregated account (not within the Portfolio) for a term that is longer than the average maturity of the Portfolio.

For further information or assistance, call toll free **800-570-SNAP (7627)**.

SNAP Contract

The SNAP Program has been established pursuant to the SNAP Contract dated January 16, 1989, as amended, entered into by the Treasury Board and then the Investment Manager. An Issuer becomes an Investor and a party to the SNAP Contract by approving the SNAP Contract and depositing bond proceeds in the Portfolio or in an Individual Portfolio.

Each Investor receives a copy of the SNAP Contract; all general descriptions of its terms contained in this Information Statement are subject to the specific language in the SNAP Contract itself. The SNAP Contract may be amended by the Treasury Board and the Investment Manager if they deem it necessary to conform it to the requirements of applicable laws or regulations, but the Treasury Board shall not be liable for failing to do so. The Treasury Board and the Investment Manager may also amend the SNAP Contract in other regards. The SNAP Contract was most recently amended, effective October 27, 2016, to reflect, among other provisions, the transition of the SNAP Fund Portfolio from being a class of shares of PFM Funds Prime Series into a local government investment pool. This transition was initiated as a result of the Securities and Exchange Commission's modifications to Rule 2a-7 of the Investment Company Act of 1940 which created significant challenges for investors of tax-exempt bond proceeds. The role of the Investment Manager is subject to periodic procurement by the Treasury Board. The procurement process was most recently concluded in 2017 and PFM Asset Management LLC was reengaged to act as the Program's Investment Manager. The Investment Manager was engaged for an initial five year term, with three optional one-year extensions. The Contract provides that the Treasury Board may terminate the engagement at any time upon not less than 90 days' notice to the Investment Manager. The Investment Manager may resign its position upon not less than 90 days' written notice. Such notice of termination or resignation shall be given to all Investors. The form of the SNAP Contract is available on the SNAP Program website maintained by the Investment Manager at www.vasnap.com.

The Treasury Board shall endeavor to cause the Investment Manager to provide notice to Investors prior to the effective date of any amendment to the SNAP Contract, but the Treasury Board shall bear no liability to any Investor for failure to provide such advance notice.

SNAP Program Liability

Under terms of the SNAP Contract, no Investor shall be subject to any liability whatsoever to any person in connection with the SNAP Program property or the acts, obligations or affairs of the SNAP Program. No officer, employee or agent of the Investor shall be subject to any personal liability whatsoever to any person in connection with SNAP Program property or the affairs of the SNAP Program, save only that arising from his bad faith, willful misfeasance, gross negligence or reckless disregard of his duty to such person; and all such persons shall look solely to the SNAP Program property for satisfaction of claims of any nature arising in connection with the affairs of the SNAP Program.

Neither the Treasury Board nor the State Treasurer, and no officer, employee or agent of the Treasury Board or the State Treasurer, shall be liable personally, or otherwise, to the SNAP Program, its Investors, or to any officer, employee, or agent thereof for any action or failure to act except for its or his own bad faith, willful misfeasance, gross negligence or reckless disregard of its or his duties.

The Investor is solely responsible for its rebate obligation to the Federal Government. Neither the SNAP Program nor any of its employees or agents, including without limitation the Investment Manager, is responsible for any rebate obligation of the Investor, including without limitation an investigation of the Investor's records, other than investment records related to the SNAP Program or an investigation of other circumstances surrounding any particular bond issue.

The Trustees and Advisory Board

The SNAP Program is currently governed by the Commonwealth of Virginia's Treasury Board. *Additional information is provided under Services Providers on the following page.*

An Advisory Board, consisting of Participant representatives, has been appointed to provide consultation and advice to the SNAP Program.

Members of the Treasury Board and the Advisory Board are identified on the SNAP Program website (www.vasnap.com).

Service Providers

Treasury Board The Treasury Board, a policy board in the executive branch of state government of the Commonwealth of Virginia, with offices at 101 North 14th Street, Richmond, Virginia, is the SNAP Program sponsor. The Treasury Board is responsible for providing broad oversight and policy guidance to the SNAP Program. All activities and actions taken or authorized to be taken by the Treasury Board or State Treasurer on behalf of the Treasury Board are designed to ensure the SNAP Program is administered in a prudent and proper manner.

The Treasury Board is responsible for implementing the SNAP Program and providing general supervision of the Investment Manager, Rebate Calculation Agents, Depository and Custodian. The Treasury Board may promulgate rules and regulations necessary and proper for the efficient administration of the SNAP Program, and may formulate policies for the investment and reinvestment of funds under management. The Treasury Board may delegate administrative aspects of the SNAP Program to the State Treasurer, subject to guidelines issued by the Treasury Board.

The Treasury Board may make changes to investment objectives, policies and restrictions in order to comply with changes in law relating to investment of funds by Issuers or changes in the Internal Revenue Code or any other related rules or regulations affecting arbitrage rebate.

Investment Manager and Administrator PFMAM, an investment advisory firm with an office at 4350 North Fairfax Drive, Suite 580, Arlington, Virginia, is the SNAP Program's investment manager and administrator. The Investment Manager is registered under the Investment Advisers Act of 1940. Shares of the Portfolio are distributed by the Investment Manager's wholly owned subsidiary, PFM Fund Distributors, Inc., a member of FINRA and subject to the rules of the MSRB.

Advisory Services. The Investment Manager manages the investment of the assets of the Portfolio and the Individual Portfolios (in its capacity as Investment Manager), including the placement of orders for the purchase and sale of discrete investments and the bidding of structured investment products (such as flexible repurchase agreements, forward delivery agreements and guaranteed investment contracts). The Investment Manager 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 SNAP Program in a manner consistent with the investment objectives and policies. The Investment Manager also administers and maintains the SNAP Program's website which provides online access to Investor accounts and records.

Investment Transactions. The Investment Manager is responsible for decisions to buy and sell securities for the SNAP Program, and arranges for the execution of security transactions on behalf of the Portfolio. 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 SNAP Program 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 SNAP Program regarding purchases and sales of securities for both the Portfolio and Individual Portfolios 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 Manager will effect transactions with those dealers whom the Investment Manager believes provide the most favorable price and efficient execution. If the Investment Manager 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 SNAP Program. 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 Manager 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 SNAP Program directly. While such services are useful and important in supplementing its own research and facilities, the Investment Manager believes the value of such services is not determinable and does not significantly reduce its expenses. The SNAP Program does not reduce the management fee paid to the Investment Manager by any amount that may be attributable to the value of such services.

When bidding structured investment products, the Investment Manager will develop investment agreement specifications, obtain competitive bids for agreement, coordinate review of agreement terms by credit rating agencies and credit enhancers as applicable, review agreement documentation and coordinate the settlement of the agreement. PFMAM will have no responsibility related to the credit quality of the agreement provider or for monitoring collateral market value, and the Investor should consult its financial advisor and develop a system to monitor them.

Administrative Services. The Investment Manager also provides the following administrative services to the SNAP Program:

- *Investor Service*. Operation of an Internet website (www.vasnap.com) and a toll-free telephone facility to be used exclusively by Issuers interested in investing in the SNAP Program.
- *Administration and Marketing.* Maintenance of the books and records of the SNAP Program; supervision, under the general direction of the State Treasurer and Treasury Board, of all administrative aspects of operations; periodic updating and preparation of the Information Statement; preparation of tax returns, financial statements and reports for the Portfolio; coordination, under the supervision of the Treasury Board, of the activities of the Depository and

Custodian for the assets of the SNAP Program; determination of dividends and net asset value of the Portfolio in accordance with the policies of the SNAP Program; provision of office space, equipment and personnel to administer the SNAP Program. The Investment Manager arranges and pays for the costs of printing and distributing the Information Statement to Issuers, prepares and distributes other explanatory and promotional materials, and provides technical assistance and guidance to Issuers considering use of the SNAP Program as an investment vehicle, and its personnel make visits to Issuers to present the facts about the SNAP Program and to explain its use, advantages and benefits.

- *Investor Account Reports*. Preparation and provision to Investors of confirmation of each Investor investment and redemption transaction, and of monthly statements and annual statements summarizing transactions, earnings, and assets of each Investor account; provision of transaction and earnings statements to the Rebate Calculation Agents.
- *Rebate Calculation Services*. Preparation and provision to Participants, upon request, of interim rebate calculation estimates and of rebate calculation reports and rebate exceptions compliance reports to Participants in the SNAP Program. If applicable, provision of notice to Participants prior to any expenditure test date related to any exception from rebate requirements, and preparation of an exception compliance report.

Depository M&T Bank, 7799 Leesburg Pike, Suite 600, Falls Church, VA 22043, is under contract with the Treasury Board to serve as Depository for the SNAP Program. The Depository holds cash, accepts wires, disburse wires, processes ACH's and also acts as check clearing and disbursing agent for the SNAP Program. The SNAP Program may invest in the Depository's obligations and may buy or sell securities through the Depository.

Portfolio Custodian/Individual Portfolio Custodian U.S. Bank, 800 Nicollet Mall, Minneapolis, MN 55402, is under contract with the Treasury Board to serve as the Custodian for the SNAP Program. The Custodian holds cash and securities and helps settle security transactions for of the Portfolio and Individual Portfolios. The Custodian does not participate in determining the investment policies of the SNAP Program or in investment decisions. The SNAP Program 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 SNAP Program and the other parties to the repurchase agreements.

Rebate Calculation Agents Arbitrage Compliance Specialists, Inc. and Bingham Arbitrage Rebate Services, Inc. offer rebate compliance services to Investors in the SNAP Program. These services are designed to assist Issuers in complying with the arbitrage rebate requirements of the Internal Revenue Code and related rulings, regulations and procedures. The Rebate Calculation Agents will rely on information provided by the Issuer or compiled by the Investment Manager. Fees for rebate compliance services will be billed to the Investor. *See "Expenses of the SNAP Program" herein.*

Counsel Attorney General Commonwealth of Virginia, Richmond, Virginia, is Counsel to the Treasury Board in connection with the SNAP Program.

Auditor RSM US LLP annually audits the financial statements of the SNAP Fund Portfolio. The fiscal year for the SNAP Program ends June 30.

Expenses of the SNAP Program

The SNAP Program has entered into arrangements for investment management, legal, accounting, audit, depository and other administrative services. The expenses associated with these services are paid by the SNAP Portfolio. It also pays other reasonable operating costs. The fees and costs of operating the Portfolio are accrued daily as a deduction from income. Fees paid by the Portfolio include:

- Investment Manager – The Investment Manager is paid an annual fee by the Portfolio, in monthly installments equal to 0.095% of the first $ 1 billion, 0.07% of the next $2 billion, and 0.05% on assets over $3 billion of the average daily assets of the Portfolio.
- Treasury Board – An annual fee of $100,000 will be assessed against the Portfolio by the Treasury Board for its oversight of the Program.
- Depository and Custodian – Fees will be paid to the Depository and Custodian under the contracts negotiated by the Treasury Board and as disclosed as Exhibits A and B of the SNAP Contract which is available on www.vasnap.com.
- Other fees and costs – Additional fees may be paid by the Portfolio for services provided by auditors, legal counsel, ratings provided by a nationally recognized statistical rating organization, and other reasonable costs as determined by the Treasury Board.

Certain SNAP Program costs, including the fees of Rebate Calculation Agents and all costs associated with Individual Portfolios must be paid by the individual Investor.

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

Fees of the Rebate Calculation Agents will be billed to the Investor. An Investor may select either of the Rebate Calculation Agents for rebate calculation services. The fee for Rebate Calculation Reports prepared for each bond issue as of its Installment Computation Date (generally five years) and assistance in the preparation of any necessary return to be filed with the Internal Revenue Service will be in accordance with the following tables. The Investor should request a fee quote for each formal rebate calculation requested.

Arbitrage Rebate & Yield Restriction Calculation Fees For Non-Pooled/Stand Alone Bond Issues		
Years of Investment Activity	**Arbitrage Compliance Specialists, Inc.**	**Bingham Arbitrage Rebate Services, Inc.**
1	$450	$800
2	$835	$1,200
3	$1,200	$1,600
4	$1,555	$2,000
5	$1,875	$2,400
Total for 5 Years	$1,875[1]	$2,400

Note 1: Arbitrage Compliance Specialists, Inc. will cap the total fees for a bond issue at $1,875.

Fees for Arbitrage Rebate Exception Compliance Report or Penalty Calculation		
	Arbitrage Compliance Specialists, Inc.	**Bingham Arbitrage Rebate Services, Inc.**
Each 6-Month Testing Period	$300	$400
Fees for Additional Services		
	Arbitrage Compliance Specialists, Inc.	**Bingham Arbitrage Rebate Services, Inc.**
Transferred Proceeds/ Commingled Funds	$0	$250
SNAP Individual Portfolio	$0	$500
Proceeds/Funds Outside SNAP	$0	$500
Hourly Consultation	$0/Hour	$125/Hour

The Rebate Regulations provide that the amount of the Rebate Requirement will be reduced by a computation credit at the time the Rebate Requirement is computed.

Special pricing of rebate calculations is available to Investors in pooled financings (such as those undertaken by the Virginia Public School Authority) that are treated as a single pooled issue for tax purposes. The issuing authority will make the decision for each bond issued as to whether separation or single reports will be required. The fee structure for Investors is provide as a sliding scale based on years of investment activity.

Arbitrage Rebate & Yield Restriction Calculation Fees For Pooled Bond Issues – Single Report		
Years of Investment Activity	**Arbitrage Compliance Specialists, Inc.**	**Bingham Arbitrage Rebate Services, Inc.**
1	$450	$500
2	$835	$725
3	$1,200	$950
4	$1,555	$1,175
5	$1,875	$1,400
Total for 5 Years	$1,875[1]	$1,400

Note 1: Arbitrage Compliance Specialists, Inc. will cap the total fees for a bond issue at $1,875.

Arbitrage Rebate & Yield Restriction Calculation Fees For Pooled Bond Issues – Separate Report		
Years of Investment Activity	**Arbitrage Compliance Specialists, Inc.**	**Bingham Arbitrage Rebate Services, Inc.**
1	$450	$850
2	$835	$1,075
3	$1,200	$1,300
4	$1,555	$1,525
5	$1,875	$1,750
Total for 5 Years	$1,875[1]	$1,750

Note 1: Arbitrage Compliance Specialists, Inc. will cap the total fees for a bond issuer at $1,875.

There may also be a special charge for a Rebate Calculation Report for bond proceeds that were first invested outside the SNAP Program. Due to the uncertainties of elapsed time from the issuance of the bonds, types of investments, volume and type of transactions, number of funds, condition and availability of records, the Rebate Calculations Agents cannot provide a general fee for this first Rebate Calculation Report. However, at the request of the Investor, the Rebate Calculation Agents will provide an estimated cost for preparing this Rebate Calculation Report, based on the Investor's specific circumstances.

The Rebate Calculation Agents are available to provide assistance/consultation to SNAP Program Investors as it relates to arbitrage rebate compliance. To the extent requests for services entail research and additional analysis, the Rebate Calculation Agents will provide an estimate of such costs in advance to the Investor and only proceed with proper approval.

Tax Matters

Rebate Regulations. On June 18, 1993, the United States Treasury issued final Regulations relating to the Rebate Requirement. The Regulations set forth allocation and accounting rules in Section 1.148-6 (the "Allocation and Accounting Rules") that must be followed for purposes of the general arbitrage requirements of Section 148 of the Internal Revenue Code as well as the Rebate Requirement. The Regulations apply generally to bonds issued after June 30, 1993. The following discusses generally the application of the Regulations to the Rebate Requirement of the bond issues of the Participants. Participants that will be investing proceeds of bonds not subject to the Regulations (e.g., bonds issued prior to July 1, 1993 for which the Investor has not elected to apply the Regulations) in the SNAP Program should consult with their bond counsel to determine the appropriate treatment of an investment of such proceeds in the SNAP Program for purposes of satisfying the Rebate Requirement with respect to such bonds.

Suitability of Investment in SNAP Program. The SNAP Program has been established by the Treasury Board to provide comprehensive investment management, accounting, depository, security custody and arbitrage rebate calculation services for proceeds of tax-exempt bonds and other financings subject to Section 148 (and related sections) of the Internal Revenue Code, to assist Investors in complying with the rebate requirement. As more fully discussed below, it will be the responsibility of each Participant and its investment advisor and/or municipal advisor to determine whether an investment in the SNAP Program is appropriate for such Participant.

Yield Restriction and Yield Reduction Payments. The yield on the Portfolio will fluctuate daily and, consequently, the Portfolio may not be an appropriate investment if any proceeds of an Investor's bond issue must be invested in investments with a yield that does not exceed the yield of the Investor's bond issue. Therefore, it will be the responsibility of each Investor or its bond counsel to determine the extent to which the proceeds of an Investor's bond issue may be invested at an unrestricted yield and whether an investment in, or the continued investment in, the Portfolio is appropriate.

The Regulations provide limited circumstances in which the yield restricted proceeds of an issue may be invested at a yield in excess of the otherwise permitted yield as long as certain payments ("Yield Reduction Payments") are made to the Internal Revenue Service. Yield Reduction Payments have the effect of reducing the yield on particular investments. Any Investor that finds that its investments must be yield restricted in order to retain the tax exempt status of the interest on its bonds should consult its bond counsel to determine if the Yield Reduction Payment procedure is available and whether it should be utilized. The SNAP Program's Rebate Calculation Agents will, upon request, perform yield reduction payment calculations for the Participant.

Rebate Requirement and Exceptions to Rebate. To comply with the rebate requirement imposed on its bond issues by Section 148(f) of the Internal Revenue Code, each Participant must pay to the United States with respect to each of its bond issues an amount equal to the sum of (i) the excess of (A) the amount earned on all nonpurpose investments acquired with the gross proceeds of such issue over (B) the amount that would have been earned if such nonpurpose investments were invested at a rate equal to the yield on its bond issue, plus (ii) any income attributable to the excess described in clause (i) (the "Rebate Requirement"). The Internal Revenue Code provides five exceptions to the Rebate Requirement described further below. If any of these exceptions is applicable to all or a portion of an issue, the earnings derived from the investment of the portion of the issue eligible for the exception is not subject to the Rebate Requirement (except that all or a portion of the earnings on a reserve fund or on certain debt service funds may be subject to the Rebate Requirement). Each potential Participant should consult with its bond counsel to determine whether any of these exceptions is available and, if so, whether an investment in the SNAP Program is appropriate.

Six-Month Exception. The Rebate Requirement does not apply to an issue of bonds if all of the gross proceeds of such issue (which for this purpose do not include gross proceeds held in a reasonably required reserve or replacement fund or a bona fide debt service fund) are expended for the governmental purpose for which the bonds were issued within 6 months of the date of issuance of such issue.

TRANs Exception. TRANs are not subject to the Rebate Requirement if the cumulative cash flow deficit to be financed by such issue exceeds 90 percent of the proceeds of the issue within 6 months of the date of issue of the notes (the "TRANs Exception"). If the cumulative cash flow deficit actually experienced by the issuer within 6 months following the date of issue of the TRANs does not exceed 90 percent of the proceeds of the issue, the Rebate Requirement may apply. The proceeds of the TRANs, however, may be treated as spent only as actual cash flow deficits arise and the TRANs proceeds are used to offset those deficits. Consequently, any Participant that wishes to invest the proceeds of its TRANs issue in the Shares should consult with its bond counsel as to the appropriate method of accounting for the expenditure of such funds.

In addition to the TRANs Exception, TRANs proceeds will not be subject to rebate if the Six-Month Exception is met. In order to determine if all of the gross proceeds of a TRANs issue have been spent within six months, however, the Allocation and Accounting Rules provide generally that all of the available amounts of the issuer will be treated as spent first, i.e., the proceeds of a TRANs issue will not be treated as spent on any given day unless the issuer has spent all of its other available money. For purposes of the Six-Month Exception (but not the TRANs Exception), an issuer is entitled to retain a reasonable working capital reserve, however, which may not exceed 5 percent of the actual expenditures of the issuer paid from the issuer's current revenues in the preceding fiscal year. The sizing of an issuer's reasonable working capital reserve and its impact on the Six-Month Exception is complicated. Consequently, any Investor that wishes to invest the proceeds of its TRANs issue in the Portfolio should consult with its bond counsel as to the appropriate method of accounting for the expenditure of such funds as well as the suitability of an investment of TRANs proceeds in the Shares.

Construction Exception. The Rebate Requirement does not apply to a construction issue if all of the available construction proceeds of the bonds, or, as described below, the portion of a bond issue attributable to construction projects, are expended for the governmental purpose for which the issue was issued in accordance with the following timetable: 10 percent or more within the first six months of the date of issue, 45 percent or more within the first year, 75 percent or more within the first 18 months, and 100 percent within 24 months. The Regulations provide that a failure to spend all of the available construction proceeds at the final spending period may be disregarded if the amount does not exceed the lesser of 3 percent of the issue price or $250,000 and the issuer exercises due diligence to complete the project. Alternatively, if the unspent balance as of the final spending period represents “reasonable retainage”, e.g., to ensure compliance with the terms of a construction contract, then the unspent balance may be disregarded if it is spent within a year of the final spending period and the amount does not exceed 5 percent of the issue price. With respect to the Construction Exception, at least 75 percent of the available construction proceeds of the issue must be reasonably expected to be used for construction expenditures (including reconstruction and rehabilitation) made in connection with property that is owned by either a governmental unit or an organization described in Section 501(c)(3) of the Internal Revenue Code. Depending on certain elections, the term "available construction proceeds" may include either the actual or expected investment return on the investments of the sale proceeds of an issue earned before the close of the relevant period.

In addition, if only a portion of a single issue is to be used for construction expenditures, the issuer may elect to bifurcate the issue into two components so that one component may qualify for the Construction Exception and the other component may qualify for the Six-Month Exception. With respect to the expenditure requirements described above in connection with pooled construction financing for two or more borrowers, the issuer of any pool bonds should consult with its bond counsel as to such expenditure requirements. Furthermore, the Construction Exception provides that an issuer may elect to pay a penalty in lieu of the Rebate Requirement if the issuer fails to meet the expenditure requirements described above. The foregoing elections must be made on or before the date the bonds are issued and are irrevocable. Consequently, each potential Investor should consult with its bond counsel as to the elections to be made in conjunction with the Construction Exception.

18-Month Exception. The Regulations provide an exception to the Rebate Requirement if the gross proceeds of such issue (as described in the Six-Month Exception above) are expended for the governmental purpose for which the issue was issued in accordance with the following timetable: at least 15 percent within 6 months of the date of issue, 60 percent or more within the first 12 months, and 100 percent within 18 months. The Regulations permit that a failure to spend all of the proceeds at the final spending period may be disregarded if the amount of the final spending period does not exceed the lesser of 3 percent of the issue price or $250,000 and the issuer exercises due diligence to complete the project. Alternatively, it the unspent balance represents “reasonable retainage” (as described in the Construction Exception above), then the unspent balance may be disregarded if it is spent within a year of the final spending period and the amount does not exceed 5 percent of the issue price.

Small Issuer Exception. Bonds of a governmental unit with general taxing powers that are not private activity bonds will not be subject to the Rebate Requirement if 95 percent of the net proceeds of the issue are to be used for local governmental activities of the issuer and the aggregate face amount of all tax exempt bonds (other than private activity bonds) of such issuer issued during the calendar year is reasonably expected not to exceed (A) $5,000,000 and (B) in certain circumstances with respect to bonds used to finance the construction of public school facilities, $15,000,000.

Nonpurpose Investments. In addition to the foregoing, each Participant should be aware that in order to compute the Rebate Requirement, it is necessary to determine (1) the nonpurpose investments purchased with the gross proceeds of the Investor’s bond issue, and (2) the amount earned on such nonpurpose investments.

Section 148(f) of the Internal Revenue Code defines a nonpurpose investment as any type of investment that is acquired with the gross proceeds of a bond issue and that is not acquired to carry out the governmental purpose of the bond issue. The investment by the Participant of the gross proceeds of their bond issues pursuant to the SNAP Program will be nonpurpose investments. The Allocation and Accounting Rules provide that the purchase price of a nonpurpose investment may not be greater than, and the disposition price may not be less than, the fair market value of the nonpurpose investment.

The Treasury Board has directed the Investment Manager that all acquisitions or dispositions of investments that are part of the Portfolio or a Participant's Individual Portfolio must be made only at their fair market price as such term has been defined in the Rebate Regulations.

The net income of the Portfolio (determined by, among other things, subtracting Transaction Costs from gross income) will be determined daily and declared monthly as a dividend. The Rebate Regulations provide that for purposes of calculating the amount earned on nonpurpose investments, any receipt or payment with respect to a nonpurpose investment allocated to an issue must be included. This includes any amount actually or constructively received with respect to the investment, the fair market value of any investment on the date that it ceases to be allocated to the gross proceeds of an Issue, and the fair market value (or the present value in certain circumstances) of all nonpurpose investments on the rebate calculation date. In general, receipts are not reduced by selling commissions, administrative expenses, or similar expenses and the purchase price of the nonpurpose investments is not increased by brokerage commissions, administrative expenses or similar expenses.

U.S. Treasury Regulations Title 26 1.148-5 limits the ability for the expenses of an external commingled funds, like the SNAP Fund Portfolio, to be treated as qualified administrative costs within the arbitrage rebate and yield restriction calculations. The limitations apply to external commingle funds that have any individual investor that owns more than 10% of the fund's shares of beneficial interest. The SNAP Fund Portfolio frequently has one or more investors that individually own more than 10% of the shares of beneficial interest. Therefore, Investors should consider the use of the gross yields of the SNAP Fund Portfolio in all arbitrage rebate and yield restriction calculations.

Investors that make investments in the SNAP Program pursuant to Individual Portfolios should consult with their bond counsel as to the treatment of the costs associated with such Individual Portfolio on the calculation of the Rebate Requirement with respect to such investments

The foregoing summary of federal income tax matters affecting Investors in the SNAP Program does not purport to be complete. Investors should consult their bond counsel for advice as to the application of federal income tax law to their particular investment in the SNAP Program.

Arbitrage Rebate Compliance

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

1. An Investor should deposit all the proceeds of a debt issue subject to arbitrage rebate in the SNAP Program on the same day as they are received by the Investor. This will enable the Investment Manager to track the investment and expenditure of these funds.
2. An Investor 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 Manager 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 Investors expects to meet one of the expenditure exceptions, it should notify the Investment Manager when making its initial investment so the Investment Manager can provide information regarding the expenditure of the proceeds of an issue.

   If the Investors 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, an Investor may need to account for its rebate liability on an annual basis. The Investment Manager will provide estimates of rebate amounts at any time for an Investor and the Rebate Calculation Agents 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 prepared by one of the Rebate Calculation Agents. *See Expenses of the SNAP Program herein for fees of the Rebate Calculation Agents.*

4. If the Investor is eligible and has elected to pay a penalty in lieu of making rebate payments, it is the Investor's responsibility to notify the Investment Manager of this fact and provide the requested Bond Documents when making its initial investment.
5. It is recommended that Investors not draw down the entire proceeds of a debt issue account before providing for any rebate requirement or penalty payment.

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

Documentation of Market Price The Investment Manager 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.

Estimated Spending Exception Services for the Proceeds of Debt Issues

Upon initial investment of the proceeds of a debt issue, it is the Investor's responsibility to notify the Investment Manager and provide the requested Bond Documents 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 Manager has been so informed, thirty (30) days before any expenditure test date related to such an exception from the rebate requirements, the Investment Manager will provide a notice to the Investor that tracks the cumulative percentage of proceeds of a debt issue drawn from funds invested in the SNAP Program from any debt issue whose proceeds are then invested in the SNAP Program, and compares the cumulative percentage of funds drawn to the requirements of the exception to assist the Investor in determining its eligibility for such exception. Thirty (30) days after any expenditure test date, the Investment Manager will provide a report (a "rebate exceptions compliance report") to such Investor 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 Estimates for the Proceeds of Debt Issues

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

The Investment Manager will provide each Investor who so requests with an estimated 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 estimated 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 Manager will request certain information from an Investor, including information necessary to permit scheduling of the estimated rebate calculation report or estimated spending exception report. The required Bond Documents must be provided to the Investment Manager in advance of the preparation of any requested reporting. Failure by an Investor to provide the required Bond Documents in a timely manner will impact the Investment Manager's ability to generate the applicable report(s).

Normally, the estimated rebate calculation report will be completed and furnished to the Investor for each debt issue within 60 days of the SNAP Program's fiscal year end. However, a Participant 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 Investor has elected to pay a penalty in lieu of rebate in connection with an expenditure exception, the Investment Manager may recommend, and where its records indicate that such Investor has failed to spend the required cumulative percentage for such expenditure test date will recommend, that the Investor obtain a Penalty Calculation Report from the Rebate Calculation Agents. Penalty payments are due to the Internal Revenue Service no later than 90 days after the expenditure test date so that timely cooperation by the Investor is necessary when an Investor has elected penalty in lieu of rebate and the Investor has not, or may not have, complied with the relevant expenditure test.

To enable Investors to estimate rebate liabilities for financial reporting purposes, the Investment Manager will provide each Investor, on request, an annual performance worksheet that will assist the Investor to estimate the cumulative rebate liability, if any, at fiscal year-end.

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

See "Expenses of the SNAP Program" herein for the fees of the Rebate Calculation Agents.

Information on the SNAP Fund Portfolio

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

- Preserve principal.
- Provide liquidity so that Investors may have ready access to their 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 Portfolio will be achieved.

Authorized Investments

The Investment Manager will invest available cash in the Portfolio exclusively in investments authorized under Virginia law for counties, cities, towns, political subdivisions and public bodies of the Commonwealth of Virginia as those terms are used in Section 2.2-4500 et seq. of the Code of Virginia of 1950, as it may be amended from time to time.

(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, unconditionally guaranteed as to the payment of principal and interest by the United States, or any agency thereof.

(3) Repurchase agreements with respect to securities described in paragraphs (1) and (2) without regard to the maturity of the securities underlying the agreements. Repurchase agreement transactions must be collateralized as provided herein;

(4) Negotiable certificates of deposit and negotiable bank deposit notes of domestic banks and domestic offices of foreign banks meeting the following criteria:

  - For maturities of one year or less that have received at least two of the following ratings: at least A-1 by Standard & Poor's (“S&P”); at least P-1 by Moody's Investors Service, Inc. (“Moody’s”); or at least F1 from Fitch Ratings, Inc. (Fitch”);
  - For maturities over one year and not exceeding five years that have received at least two of the following ratings: at least AA by S&P; at least Aa by Moody's; or at least AA by Fitch;
  - Not more than five percent of the total funds available for investment may be invested in negotiable certificates of deposit and negotiable bank deposit notes of any one issuing bank.

(5) Prime quality commercial paper issued by corporations organized under the laws of the United States, or of any state thereof including paper issued by banks and bank holding companies, with a maturity not to exceed 270 days, rated in the top short term category by at least two of the following nationally recognized statistical ratings organizations: S&P, Moody’s and Fitch. Not more than thirty-five percent of the total funds available for investment may be invested in commercial paper, and not more than five percent of the total funds available for investment may be invested in commercial paper of any one issuing corporation.

(6) High quality corporate notes that have received at least two of the following ratings: at least AA by S&P; at least AA by Moody’s or at least AA by Fitch. Not more than five percent of the total funds available for investment may be invested in of any one issuing corporation.

(7) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers’ acceptances, if the bankers’ acceptances do not exceed 180 days’ maturity and the accepting bank is rated in the top short-term category by at least two nationally recognized statistical ratings organization. Not more than five percent of the total funds available for investment may be invested in bankers’ acceptances of any one issuing bank.

(8) Municipal obligations issued by state and local governments, their agencies and instrumentalities as permitted by the Code of Virginia as described herein.

(9) Bonds and other obligations issued, guaranteed or assumed by the International Bank for Reconstruction and Development, bonds and other obligations issued, guaranteed or assumed by the Asian Development Bank and bonds and other obligations issued, guaranteed or assumed by the African Development Bank.

(10) Open-end government money market investment funds, provided that the funds are registered under the Securities Act (§ 13.1-501 et seq.) of the Commonwealth or the Federal Investment Company Act of 1940.
(11) Investment of funds in certificates of deposit other than negotiable certificates of deposit in accordance with the following conditions:
   1. The moneys are initially invested through any federally insured bank or savings institution selected by the public entity that is qualified by the Virginia Treasury Board to accept public deposits;
   2. The selected bank or savings institution arranges for the deposit of the moneys in certificates of deposit in one or more federally insured banks or savings institutions wherever located, for the account of the public entity;
   3. The full amount of principal and any accrued interest of each such certificate of deposit are covered by federal deposit insurance;
   4. The selected bank or savings institution acts as custodian for the public entity with respect to such certificates of deposit issued for the public entity's account; and
   5. At the same time that the public entity's moneys are deposited and the certificates of deposit are issued, the selected bank or savings institution receives an amount of deposits from customers of other financial institutions wherever located equal to or greater than the amount of moneys invested by the public entity through the selected bank or savings institution.

Additional Information

Repurchase Agreements involve the sale of securities to a Portfolio, 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 Portfolio's policy to enter into repurchase agreements only with dealers in U.S. Government securities or with other counterparties, including the Federal Reserve Bank of New York, or with commercial banks with assets in excess of $1 billion in all cases in which credit has been reviewed by the Investment Manager. Securities purchased by the Portfolio subject to repurchase agreements are limited to the United States Treasury bills or obligations, participants or other instruments of or guaranteed by the United States or any Federal agency, instrumentality or United States government-sponsored enterprise. The Portfolio requires that, at the time a repurchase agreement is made, the underlying securities have a market value at least equal to 102% of the amount of the purchase price. If an agreement is in effect for more than one day, the Investment Manager is responsible for monitoring the value of the underlying securities and, in the event their value drops below 102% of the purchase price plus accrued interest, the counterparty is required to provide additional securities or money. All securities underlying repurchase agreements are required to be delivered to the Custodian or to another custodian agreed to by the Investment Manager and the counterparty. At the expiration of each agreement, the Portfolio receives payment of the principal and interest earned under the agreement as a condition for the return of the underlying securities to the counterparty. If the counterparty fails to pay the agreed upon resale price on the expiration date, the risks to a Portfolio in such event may include any decline in the value of the underlying securities to an amount which is less than the repurchase price, any costs of disposing of such securities, and any loss from any delay in foreclosing on such securities.

Obligations of Agencies or Instrumentalities of the United States Government Certain short-term obligations of agencies or instrumentalities of the U.S. Government purchased by the Portfolio may be backed only by the issuing agency or instrumentality and may not be backed by the full faith and credit of the U.S. Government. For example, securities issued by the Federal Home Loan Banks and Freddie Mac are supported by the credit of the issuer, and not by the United States Government; and securities issued by the Federal Farm Credit System and Fannie Mae are supported by the agency's limited right to borrow money from the U.S. Treasury under certain circumstances.

Municipal Obligations These fall into two categories, and securities within each must meet all of the criteria described for that category:

Obligations of Virginia governmental units

These securities must meet all of the following criteria:

- Must be bonds, notes, or other evidences of indebtedness that are issued, or unconditionally guaranteed as to payment of principal and interest, by the Commonwealth of Virginia or by any county, city, town, district, authority, or other public body in the Commonwealth of Virginia.
- Must not currently be in default.

- If principal and interest on the obligations is to be paid from revenues or tolls from a particular project that has not been completed (or has been completed but has not established an operating record of sufficient net earnings to pay principal and interest on the obligations), the Investment Manager must be satisfied that the issuer poses minimal credit risk.

Obligations of governmental units in other states

These securities must meet all of the following criteria:

- Must be legally authorized stocks, bonds, notes, or other evidences of indebtedness of any city, county, town, or district situated in any state of the United States.
- Must not currently be in default.
- Must be issued by an issuer that, in the past twenty fiscal years, has not been in default for more than 90 days in the payment of principal or interest of any stock, bond, note or other evidence of indebtedness it has issued.
- Must be issued by an issuer that has been in continuous existence for at least 20 years.
- Must be issued by an issuer with a population of at least 25,000 inhabitants, as shown by the latest federal census.
- Must be direct legal obligations of the city, county, town or district that is issuing them.
- Must be issued by an issuer that has power to levy taxes on taxable real property for the payment of such obligations, with no limits on rate or amount.
- Must be issued by an issuer whose net indebtedness (including the issue in which Portfolio invests), after deducting bonds issued for self-sustaining public utilities, does not exceed 10% of the value of the taxable property in such city, county, town or district, measured by the property valuations used for the most recent tax assessment.

Maturity

The SNAP Fund Portfolio maintains a dollar-weighted average maturity of no more than 60 days and a dollar-weighted life (final maturity, adjusted for demand features but not interest rate adjustments) of no more than 120 days. Certain obligations of the United States Government or any of its agencies or instrumentalities owned by the SNAP Fund Portfolio may have remaining maturities exceeding one year if such securities provide for adjustments in their interest rates at least annually, and the adjustments are sufficient to cause the securities to have market values, after adjustments, which approximate amortized cost values. Investments are denominated in U.S dollars and have remaining maturities (or, in the case of repurchase agreements, remaining terms) of 397 days or less at the time of purchase, However, the SNAP Fund Portfolio may invest in securities with maturities greater than 397 days if certain maturity shortening features (such as interest rate resets or demand features) apply.

Investment Restrictions

The SNAP Program has adopted the following investment restrictions and fundamental policies, which, except as otherwise provided in (1) below, may be changed only by approval of the Treasury Board in consultation with the Investment Manager. The Portfolio will not:

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

(2) Invest in securities of any issuer in which a Trustee, Officer, employee, agent or adviser of the SNAP Program 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 Portfolio 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 Portfolio, 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 Portfolio and must be repaid before the Portfolio makes any additional investments. Interest paid on such borrowings will reduce net income of the Portfolio.

(5) 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 Portfolio. 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 Portfolio before that time.
- Other investments that are not readily marketable at approximately the carrying value in the Portfolio.

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 Portfolio's investment holdings or total assets, the Portfolio shall then bring the percentage of illiquid investments back into conformity as soon as practicably possible. The SNAP Program believes that these liquidity requirements are reasonable and appropriate to assure that the securities in which the Portfolio 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 Participating in the SNAP Program

Participation in the SNAP Program requires the authorization of the governing body of each Virginia Issuer, by either an ordinance/resolution, as appropriate, of the governing body of the Issuer or a certificate of an authorized official of the Issuer (Certificate of Authorization) and accompanying Opinion of Counsel. Issuers 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. A copy of a sample ordinance/resolution, Certificate of Authorization and Opinion of Counsel can be obtained by contacting the Investment Manager and are available on the SNAP Program website (www.vasnap.com). No representation is made as to the legal sufficiency of the model forms for any given Issuer.

Procedures may be slightly different in charter Local Governments, which should check their individual charters, and Authorities, which should check their enabling legislation and bylaws.

An Investor that wishes to invest revenue bond proceeds and related funds in the SNAP Program should determine that the terms of trust indenture or bond resolution governing the bonds authorize participation in the SNAP Program.

Once these actions have been taken, prospective Investors must complete an Account Application (available online at www.vasnap.com or by calling the Investment Manager **800-570-SNAP (7627)** and forward them along to the SNAP at the following address:

SNAP Program
PO Box 11760
Harrisburg, PA 17108-1760
800-570-SNAP (7627)
888-535-0120 fax

There is no limit to the number of accounts that can be opened by an Investor. Additional Account Applications are provided for this purpose. The Investment Manager will notify the Issuer of its approval of the application(s) and the account number(s) assigned. The SNAP Program and the Investment Manager each reserve the right to reject any application in their sole discretion.

Instructions provided by the Investor in the Account Application will remain in effect until the Investment Manager receives written notification from the Investor 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 Manager at **800-570-SNAP (7627)** or on the Internet at www.vasnap.com.

How to Invest

Before funds are invested under terms of the SNAP Program, Investors must open appropriate accounts and must complete the required account documentation (located on the SNAP Program's website at www.vasnap.com) for each account prior to making the investment. The Investment Manager will also request a schedule of expected withdrawals that will be used in managing the SNAP Program and Individual Portfolio investments to help assure adequate overall liquidity.

Once an account has been opened, it is a SNAP Program requirement that the Investor deposit its bond proceeds with the Depository by wire transfer. A Federal Reserve bank wire permits the investment of funds in Shares of the SNAP Fund Portfolio or in an Individual Portfolio immediately upon receipt by the Depository. It is strongly recommended that the entire amount of bond proceeds be invested in this manner on the day first received by the Investor to establish a clear audit trail of the investment of all bond proceeds for rebate calculation purposes.

To make an investment, an Investor must follow the following steps:

Step 1: Complete required account document and forward to Investment Manager at least one week prior to the date of investment.

Step 2: Notify the Investment Manager at **800-570-SNAP (7627)** of the following information:

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

Step 3: Instruct your bank to wire funds using the wire instructions found on the SNAP Program's website at www.vasnap.com.

Important—Investors must call the Investment Manager before 2:00 p.m. Eastern Time and a Federal Reserve wire must be received that day by the Depository if the investment is to begin earning income that day. To assure the timely investment of funds, Investors should try to arrange for the wire to be received by the Depository by 2:00 p.m. Eastern Time.

The SNAP Program does not charge a fee for receipt of bank wires; however, an Investor's bank may charge a fee for wiring funds.

Investors may request an exception to this wire transfer procedure from the Investment Manager, but exceptions could result in delays in investing funds under the SNAP Program, and for rebate calculation purposes may limit the Rebate Calculation Agents' ability to trace the investment of all bond proceeds through a single account from the time of actual settlement on the bond issue.

The Investment Manager will process investments and withdrawals on Business Days.

The SNAP Program will accept funds that previously have been deposited or invested outside of the SNAP Program subject to the preparation of a Rebate Calculation Report. The Investment Manager will provide instructions and assistance in arranging for preparation of this report.

Unless all proceeds from a particular bond issue are invested in the SNAP Program immediately upon receipt by the Investor, and unless the recommended redemption procedures are followed, the Rebate Calculation Agents may require additional information from the Investor, may not be able to complete a Rebate Calculation Report, or may have to qualify the advice provided in the Rebate Calculation Report.

The Investment Manager reserves the right to reject any investment in the SNAP Program and to limit the size of an Investor's account in the SNAP Program.

How to Withdraw

An Investor may withdraw funds from any of its accounts in the SNAP Program to pay for the costs of capital projects by initiating a requisition for a wire transfer or ACH or by writing a check payable to a third party.

Investors may withdraw all or any portion of the funds in a SNAP Program account at any time by redeeming shares. Shares will be redeemed at the net asset value per share next determined after receipt of a request for withdrawal. This determination is made as of 2:00 p.m. Eastern Time each Business Day. Funds may be withdrawn in any of the following ways:

- **Same Day Wire.** Investors may initiate a wire withdrawal via phone, through the Internet, or by fax. If the transaction is received before 2:00 p.m. Eastern Time, the amount will be wired on the same day, only to the bank account specified on the Investor's Account Application. Requests received after 2:00 p.m. Eastern Time will be processed on the following Business Day. The SNAP Program does not charge for a same day wire, but an Investor's bank may. Changes to the specified bank account must be received in writing.

- **Next Day Transfer.** Next Day Transfer utilizes the Federal Reserve System's ACH for the next day transfer of funds. An Investor may initiate an online transaction or call the Investment Manager before 2:30 p.m. Eastern Time and request the movement of funds to a specified bank account. Funds will transfer overnight and should be available at the Investor's financial institution at the beginning of the next Business Day as defined by the Investor's financial institution. An Investor should consult its financial institution for its funds availability guidelines for ACH. Appropriate forms and instructions for establishing this capability are available on the SNAP Program website at www.vasnap.com. This method normally provides access to funds earlier in the business day, and bank charges, if any, are normally much lower than for a wire.

- **Check.** Upon request, the Investment Manager will provide each Investor for each SNAP Program account with a supply of checks imprinted with the Investor's name. If an Investor makes a check payable to itself, it should retain documentation that the payment is to reimburse itself for funds previously expended. If there are not sufficient Shares in the Investor's SNAP Program account to cover the check, the check will be returned to the bank which presented it for payment.

It is recommended that checks payable to the Investor and wire transfers to the Investor's own account be used only to reimburse the Investor for project costs already paid, so that the Investor can maintain a clear audit trail of the expenditure of funds for rebate calculation purposes. In the case of wire transfers, such transfers will be made for purposes other than reimbursement only if approved by the Investment Manager.

Withdrawal of All Funds in Account. If at any time an Investor wishes to withdraw all of its funds in a SNAP Program account, the proceeds including accrued interest to date will be sent to the Investor by Same Day Wire.

Rebate Calculations Upon Withdrawal. The Investment Manager will track withdrawals and will notify the Investor when cumulative withdrawals from an account total the amount of original bond proceeds deposited in that account. At the request of the Investor, the Investment Manager will provide an estimate of the Investor's rebate obligation, if any, with respect to the account unless the Investor indicated on its Account Application that it had elected to pay a penalty in lieu of rebate. The Investor may then draw down the difference between the amount remaining in the account and the estimated rebate amount. If the Investor has indicated on its Account Application that it qualifies for the Small Issuer Exception (*see "Tax Matters" herein)*, or if the Investor informs the Investment Manager that it must withdraw the full amount from its account in order to satisfy one of the Expenditure Exceptions (*see "Tax Matters herein*) to the Rebate Requirement, the Investor may withdraw the full amount remaining in its account.

Prior to each Installment Computation Date (generally every five years and upon final payment), as defined in the applicable U.S. Treasury regulations, and at the direction of the Investor, the Investment Manager will provide copies of all investment records to the Rebate Calculation Agents for use in completing the Rebate Calculation Report.

Upon completion of the Rebate Calculation Report, the Rebate Calculation Agents will provide the Investor and Investment manager with copies of the Rebate Calculation Report. The Investor will be able to withdraw any balance in the account which exceeds the rebate amount, as long as the withdrawal is made within 60 days of the Rebate Calculation Report date. The Investment Manager will coordinate preparation of a final Rebate Calculation Report and disbursement of the remaining allowable earnings.

Amounts set aside to meet rebate liabilities may be subject to investment yield restrictions, and, upon request, the Investment Manager will assist an Investor in complying with this requirement.

An Investor 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 60 days of the Installment Computation Date, or if some future action by the Investor changes the yield of the related tax-exempt obligations, or other financings subject to Section 148 of the Internal Revenue Code.

The SNAP Program reserves certain amounts from withdrawal, offers rebate estimates and a Rebate Calculation Report, and requires withdrawals within a certain time frame as described above in order to track all earnings accurately and to assist the Investor in fulfilling its rebate obligation. Investors may request an exception from these rules, but such an exception may result in the Investor having to fulfill its rebate obligations from other sources, and may make it impossible for the Rebate Calculation Agents to prepare an unqualified Rebate Calculation Report.

Rebate calculations prepared by the SNAP Program's Rebate Calculation Agents will use records maintained by the Investment Manager to determine the date funds are disbursed ("Disbursement Date"). The Disbursement Date will be the date on which a SNAP Program check is presented for payment to the Depository or the date on which funds are wired out of an Investor's SNAP Program account. In situations where an Investor has disbursed other funds for the governmental purpose of the bond issue and subsequently requests reimbursement from the SNAP Program, the Disbursement Date may not be the same date that the Investor disbursed other funds. **Because the Disbursement Date is used to calculate rebate liability, a delay in reimbursement may affect an Investor's rebate liability as calculated by the Rebate Calculation Agent.** Therefore, Investors are encouraged to request reimbursement from the SNAP Program in a timely manner.

Withdrawal only to Meet Project Costs. Investors are requested not to withdraw funds from the SNAP Program for the sole purpose of re-investing them at a higher-yield.

Safeguards on Withdrawals. Proceeds of redemptions will be sent only to the Investor's bank account specified on the appropriate Account Application. Instructions on the Account Application will remain in effect until the Investment Manager receives written notification to change them. Thus any changes to addresses, account applications, or names or signatures of authorized individuals, or other critical information will require appropriate documentation. Instructions and forms may be obtained by calling the Investment Manager at 800-570-SNAP (7627)**.**

Daily Income and Dividends of the Portfolio

The daily net income of the Portfolio is determined and declared as a dividend to Investors of record as of the close of business on that day. Shares purchased begin earning income dividends on the date of purchase. Shares redeemed day do not earn income on the date of redemption. 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 Portfolio.

For the purpose of calculating dividends, net income of the Portfolio 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 Portfolio, including the fees payable to the Investment Manager, Custodian, and others who provide services to the Portfolio (see *"Expenses of the SNAP Program"*).

Valuation of Portfolio Shares

The Investment Manager, on behalf of the Portfolio, determines the NAV of Shares as of the close of each Business Day. The NAV per Share of the Portfolio is computed by dividing the total value of the securities and other assets of the Portfolio, less any liabilities, by the total number of outstanding Shares of the Portfolio. Liabilities include all expenses and fees of the Portfolio, which are accrued daily (*see "Expenses of the SNAP Program"*).

For the purposes of calculating the NAV per Share of the Portfolio, investments held by the Portfolio will 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 Portfolio Shares are sold or redeemed will not reflect unrealized gains or losses on Portfolio securities which amount to less than $.005 per Share. The Portfolio 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 would not be used, and the NAV per Share of the Portfolio would change from $1.00.

It is a fundamental policy of the Portfolio 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 Portfolio's Shares will not vary from $1.00 per Share. The market value basis NAV per Share for a Portfolio may be affected by general changes in interest rates resulting in increases or decreases in the value of securities held by the Portfolio. 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 Portfolio securities prior to maturity.

The Investment Manager and the Treasury Board 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 Manager 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 Investor proportionately contribute Shares to the Portfolio's capital, suspension or rescission of dividends, declaration of a special capital distribution, sales of Portfolio's securities prior to maturity to reduce the average maturity or to realize capital gains or losses, transfers of Portfolio 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, Investors will contribute proportionately to the Portfolio's capital the number of Shares that represents the difference between the amortized cost valuation and market valuation of the Portfolio. Each Investor will be deemed to have agreed to such contribution by its investment in the Portfolio.

Yield Information

Current yield information for the Portfolio may, from time to time, be quoted in reports, literature and advertisements published by the SNAP Program. The current yield of the Portfolio, 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 SNAP Program may also quote a current effective yield of the Portfolio 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 SNAP Program also may publish a "monthly distribution yield" on each Investor's month-end account statement or provide it to Investors 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 Portfolio 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 Treasury Board or Investors, the SNAP Program may also quote the current yield of the Portfolio from time to time on bases other than seven days for the information of its Investors.

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

Part 3 – Individual Portfolios

Purpose

The SNAP Program provides Investors with the option of investing all or a portion of their proceeds in one or more fixed rate investments including fixed income securities and structured investment products, held in Individual Portfolios outside of the SNAP Fund Portfolio. By using an Individual Portfolio a Participant may invest in longer-term investments in a manner that the Investment Manager will coordinate with the Issuer. Individual Portfolios will be managed by the Investment Manager in accordance with specific instructions from the Investor. Individual Portfolios established as structured investment products will be subject to separate agreements between the Participant and an investment counterparty.

Individual Portfolios are designed to complement investment in the SNAP Fund Portfolio 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 Participants with relatively lengthy project drawdown schedules, or for Participants 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 Manager will assist each Investor in evaluating the possible use of an Individual Portfolio. For further information, call the Investment Manager at **800-570-SNAP (7627)**. In order to establish an Individual Portfolio, the Investor must first establish an account with the SNAP Program. The Custodian will hold assets in an Individual Portfolio in a separate account in the Investor's name. ***Individual Portfolios are not under the management or supervision of the Treasury Board***.

Investment Policies for Individual Portfolios

Assets in an Individual Portfolio may be invested in those investments that are legal investments for the Investor under applicable Virginia law for counties, cities, towns, political subdivisions and public bodies of the Commonwealth of Virginia as those terms are used in Chapter 45, Title 2.2 of the Code of Virginia of 1950, as it may be amended from time to time and the Investor'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 SNAP Program. An Investor should discuss the characteristics of specific investments in an Individual Portfolio with the Investment Manager.

Opening an Individual Portfolio

Before an Issuer's funds are invested in an Individual Portfolio, the Issuer must first join the SNAP Program or become an Investor. An Investor may then open an Individual Portfolio. Investors interested in structured investment products should consult their bond counsel and the Investment Manager on the process appropriate for structuring the investment product and competitively selecting the counterparty. Investors should contact the Investment Manager directly at **800-570-SNAP (7627)** regarding investments in an Individual Portfolio.

Individual Portfolio Security Transactions

The Investment Manager will arrange for the execution of all security transactions in an Individual Portfolio on behalf of the Investor. Individual Portfolio transactions are normally conducted through the Investor's pre-designated Portfolio account using the Portfolio's convenient and economic cash management tools. In arranging for security transactions, the Investment Manager 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 Manager will purchase investments for an Individual Portfolio based upon specific instructions received from the Investor. When investing the proceeds of debt issues, the Investment Manager 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 Investor's pre-designated Portfolio account.

Individual Portfolio Withdrawals. Investors may arrange for the sale of investments in an Individual Portfolio by contacting the Investment Manager directly at **800-570-SNAP (7627)**. 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 an Investor's Individual Portfolio will generally be deposited automatically into the Investor's pre-designated Portfolio account where they may be withdrawn by the Investor in accordance with Portfolio's withdrawal procedures. An alternative flow of funds will be arranged for Individual Portfolios that are unable to be linked to the SNAP Fund Portfolio due to limitations imposed by a revenue bond issue's trust indenture or similar document.

Structured Investment Products in Individual Portfolios

Structured investment product Individual Portfolios will be created pursuant to separate agreements between the Participant and the Investment Manager and the Participant and the investment counterparty with the assistance of the Investment Manager, the Participant's bond counsel, the Participant's trustee (if any), and other parties.

Structured investment product Individual Portfolios are held separately from the Portfolio and do not work in conjunction with the Portfolio. The structured investment product's counterparty will have specific designated rules for the original investment of bond proceeds and for subsequent withdrawals. If the Issuer has a bond trustee that is involved in the bond issue, then the trustee will coordinate all investment and withdrawal activity with the counterparty. If there is not a bond trustee involved, the Participant will coordinate the movement of funds directly with the counterparty.

Arbitrage Rebate Compliance for Investments in Individual Portfolios

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

The Investment Manager has agreed to manage Individual Portfolios that the Investor designates for the proceeds of a debt issue in accordance with arbitrage rebate regulations. At the Investor's request, the Investment Manager will provide arbitrage rebate compliance services for the proceeds of tax-exempt debt issues to include funds in both the Investor's Portfolio and Individual Portfolio accounts.

Since the yield on an Individual Portfolio may not be fixed, Investors 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 Investor that has set up the Individual Portfolio. For services provided to Individual Portfolios by the Investment Manager, the Investor will be billed a fee, in monthly installments, at the annual rate of 0.09% of the average daily net assets of the Individual Portfolio. Such fee shall be paid directly by the Investor to the Investment Manager. Investors may direct the Investment Manager to pay Individual Portfolio fees from assets invested in the Portfolio or Individual Portfolio or may pay the invoices from another source.

An alternative fee will apply if an Investor directs the Investment Manager to invest funds in a structured investment product. For services provided for the bidding of structured investment products by the Investment Manager, the Investor will pay an upfront fee equal to 0.20% of the reasonably expected aggregate deposits into the structured investment product capped at the amount permitted under Treasury Regulations §1.148-5(e0(2)(iii) (currently $42,000 per agreement, for agreements acquired in calendar year 2021). A minimum fee of $25,000 per agreement will apply. This cap shall increase each calendar year after 2017 subject to a "cost of living" adjustment published annually by the U.S. Department of Treasury. At the Investor's option, such fees may be paid by the agreement provider on behalf of the Investor.

The compensation of the Custodian for its services in conjunction with Individual Portfolios is as set forth in the Custodian Agreement that is Exhibit B of the Contract.

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

Custodian

The Trust has arranged for its Custodian, U.S. Bank, 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 Investor. The Custodian does not participate in determining investment decisions for the Individual Portfolios. The Investment Manager 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 Manager at* 800-570-SNAP (7627).**