

# **INVESTMENT TRUST OF CALIFORNIA,**

**doing business as**



**A JOINT POWERS AUTHORITY**

**INFORMATION STATEMENT**

**FOR THE SHARES PROGRAM**

**FEBRUARY 24, 2005**  
**(REVISED FEBRUARY 1, 2022)**

1100 K STREET, SUITE 101  
SACRAMENTO, CALIFORNIA 95814  
TELEPHONE: 833-CALTRUST (225-8787)

## Table of Contents

<b>SUMMARY OF THIS INFORMATION STATEMENT .....</b>	<b>3</b>
<b>SECTION I: INSTRUCTIONS ON HOW TO PARTICIPATE IN THE SHARES PROGRAM.....</b>	<b>8</b>
<b>SECTION II: INVESTMENT STRATEGIES AND OBJECTIVES.....</b>	<b>9</b>
<b>SECTION III: INCOME AND VALUE OF THE SERIES .....</b>	<b>20</b>
<b>SECTION IV: INVESTMENTS AND WITHDRAWALS .....</b>	<b>24</b>
<b>SECTION V: OTHER SERVICES.....</b>	<b>30</b>
<b>SECTION VI: TRUSTEES AND OFFICERS.....</b>	<b>31</b>
<b>SECTION VII: SUBADMINISTRATOR .....</b>	<b>32</b>
<b>SECTION VIII: INVESTMENT MANAGER.....</b>	<b>32</b>
<b>SECTION IX: CUSTODIAN .....</b>	<b>34</b>
<b>SECTION X: SERIES EXPENSES .....</b>	<b>35</b>
<b>SECTION XI: JOINT EXERCISE OF POWERS AGREEMENT .....</b>	<b>38</b>
<b>SECTION XII: PARTICIPANT AND TRUSTEE LIABILITY .....</b>	<b>39</b>

## Summary of this Information Statement

The following is only a summary of the information that appears elsewhere in this Information Statement (the "Information Statement") for the Shares Program (as hereinafter defined) and in the Joint Exercise of Powers Agreement (the "Agreement," which is provided separately) of the Investment Trust of California, doing business as CalTRUST ("CalTRUST"). All capitalized terms used, but not otherwise defined, herein shall have the meanings ascribed to such terms in the Agreement. Prospective Members of or Participants in CalTRUST should consult their own advisers as to the consequences of participation in CalTRUST and investment through the Shares Program. This Information Statement provides detailed information about CalTRUST. Please read it carefully and retain it for future reference.

**CalTRUST** Investment Trust of California, doing business as CalTRUST, is a California joint powers authority that has been established by its members ("Members") pursuant to the Agreement. CalTRUST's principal executive office is 1100 K Street, Suite 101, Sacramento, California 95814, its mailing address is PO Box 2709, Granite Bay CA 95746, and its telephone number is 833-CALTRUST (225-8787). CalTRUST is subject to the California Joint Exercise of Powers Act.

**Members** Each Member must be a California "Public Agency" as that term is defined in Section 6500 of Title 1, Division 7, Chapter 5, Article 1 of the California Government Code (the "Joint Exercise of Powers Act"), which, as of the date of this Information Statement, is defined as "but is not limited to, the federal government or any federal department or agency, this state, another state or any state department or agency, a county, county board of education, county superintendent of schools, city, public corporation, public district, regional transportation commission of this state or another state, a federally recognized Indian tribe, or any joint powers authority formed pursuant to this article by any of these agencies" and includes "a nonprofit corporation whose membership is confined to public agencies or public officials."

Each Member is also either a political subdivision of a state, or an agency, authority, or instrumentality of the United States, a state or any political subdivision of a state, as those terms are used in the Investment Company Act of 1940, as amended (the "1940 Act").

**Participants** Each participant ("Participant") must be a California Public Agency, as that term is defined in Section 6500 of the Joint Exercise of Powers Act, which, as of the date of this Information Statement, is defined as "but is not limited to, the federal government or any federal department or agency, this state, another state or any state department or agency, a county, county board of education, county superintendent

of schools, city, public corporation, public district, regional transportation commission of this state or another state, a federally recognized Indian tribe, or any joint powers authority formed pursuant to this article by any of these agencies.” and includes "a nonprofit corporation whose membership is confined to public agencies or public officials."

### **Purpose**

The purpose of CalTRUST is to consolidate investment activities of its Participants and thereby reduce duplication, achieve economies of scale and carry out coherent and consolidated investment strategies through the issuance of shares of beneficial interest in investments purchased by CalTRUST (the "Shares Program"). The California Government Code provides that Public Agencies may purchase shares of beneficial interest issued by a joint powers authority, such as CalTRUST, organized pursuant to Section 6500 of the Act.

All money not required for the immediate needs of a Public Agency may be invested in certain investments described in this Information Statement. However, the California Government Code limits the amount of surplus money of a Public Agency that may be invested in such investments. Funds consisting of tax-exempt bond proceeds may be subject to investment restrictions, arbitrage management and rebate requirements under federal tax laws. Public Agencies seeking to invest tax-exempt bond proceeds should consult professional advisers familiar with those requirements to determine whether investing through the Shares Series is appropriate. CalTRUST reserves the right to prohibit the investment of bond proceeds or limit the investment of bond proceeds by a Public Agency to less than 10% of the net asset value of a Series of Shares.

### **Series**

CalTRUST currently offers five active accounts or series of Shares to provide Public Agencies with a convenient method of pooling funds, (i) the "CalTRUST Liquidity Fund" Series, (ii) the "CalTRUST Short-Term Fund" Series, (iii) the "CalTRUST Medium-Term Fund" Series, (iv) the Liquid Environmentally Aware Fund (LEAF), a series of BlackRock Liquidity Funds, Institutional Share Class, offered to California Public Agencies through CalTRUST as the "Money Market Fund", and (v) the FedFund, a series of Blackrock Liquidity Funds, Institutional Share Class, offered to California Public Agencies through CalTRUST as the "Government Fund", (each, a "Series" and collectively, the "Series").

**Investment Objectives**

The CalTRUST Short-Term Fund and the CalTRUST Medium-Term Fund seek to attain as high a level of current income as is consistent with the preservation of principal. The CalTRUST Liquidity Fund, Money Market Fund and the Government Fund seek as high a level of current income as is consistent with liquidity and stability of principal.

The funds in each Series will be invested in only fixed-income oriented investments permitted in accordance with Sections 53601 and 53635 of the California Government Code. The CalTRUST Short-Term Fund will have a target portfolio duration of 0 to 2 years. The CalTRUST Medium-Term Fund will have a target portfolio duration of 1-1/2 to 3-1/2 years.

The CalTRUST Liquidity Fund will have a maximum portfolio duration weighted average maturity of 60 days and a maximum weighted average life of 120 days.

The Money Market Fund and the Government Money Market Fund each have a maximum dollar-weighted average maturity of 60 days, and a maximum dollar-weighted average life of 120 days, in accordance with Rule 2a-7 of the Investment Company Act of 1940 (1940 Act).

**Risks**

The principal risks of investing through the Shares Program, which could adversely affect the market value, yield and total return of a Series of Shares, include market risk, interest rate risk, credit risk, issuer risk, liquidity risk, mortgage risk and management risk. These risks are discussed in more detail later.

The CalTRUST Short-Term Fund Series, the CalTRUST Medium-Term Fund Series, and the Money Market Fund have floating net asset values. The values of the Shares of the CalTRUST Short-Term Fund Series, the CalTRUST Medium-Term Fund Series, and the Money Market Fund change in response to movements in interest rates. If rates rise, the values of debt securities generally fall. The longer the average duration of the CalTRUST Short-Term Fund and CalTRUST Medium-Term Fund Series' investment portfolio, the greater the potential change in value. The CalTRUST Liquidity Fund and the Government Fund have a stable net asset value and seek to maintain a \$1.00 net asset value per share. The values of the Shares of a Series may also decline in response to events affecting the issuer of any securities held in the applicable Series or its credit rating. The value of some mortgage-backed and asset-backed securities in which funds attributable to the CalTRUST Short-Term Fund Series, the CalTRUST Medium-Term Fund Series, and the

Money Market Fund Series of Shares may be invested also may fall because of unanticipated levels of principal prepayments that can occur when interest rates decline.

*The Shares in the CalTRUST Liquidity Fund, CalTRUST Short-Term Fund and CalTRUST Medium-Term Fund are not registered under any federal or state securities law. Neither CalTRUST, the CalTRUST Liquidity Fund, the CalTRUST Short-Term Fund, nor the CalTRUST Medium-Term Fund is registered under the 1940 Act. For that reason, CalTRUST, the CalTRUST Liquidity Fund, the CalTRUST Short-Term Fund, and the CalTRUST Medium-Term Fund are not subject to the various protections of the 1940 Act, which apply to certain pooled vehicles such as money market funds and other mutual funds.*

*The shares in the Money Market Fund and Government Fund are registered with the Securities and Exchange Commission (SEC) under the provisions of Rule 2a-7 of the Investment Company Act of 1940, as amended. Additional information regarding the Money Market Fund and the Government Fund can be found in the BlackRock Liquidity Funds, Institutional Shares fund prospectus, available online at:*

<https://www.blackrock.com/cash/en-us/stream-document?stream=reg&product=L-FFUND&shareClass=Class+Inst&documentId=235732~235783~236155&iframeUrlOverride=%2Fcash%2Fliterature%2Fprospectus%2Fpro-brliquidity-institutionalshares-feb.pdf>

**Net Asset Value**

The net asset value of the CalTRUST Short-Term Fund is calculated daily. The net asset values of the CalTRUST Medium-Term Fund is calculated daily. The net asset value of the CalTRUST Liquidity Fund is calculated daily. The net asset value of the Money Market Fund is calculated multiple times daily. The net asset value of the Government Fund is calculated daily. Income from each Series is reinvested in the applicable Series.

**How to Participate**

To participate in CalTRUST, authorized officials of the Participant should first read this entire Information Statement and the Agreement, as well as the Investment Policy. The Participant must then complete and submit to CalTRUST a Program Registration Form and Participation Agreement.

<b>How to Purchase Shares</b>	Once appropriate accounts have been established, Shares may be purchased by wiring funds, per the current transaction wire instructions, from the Participant's bank, along with written instructions as described in more detail in this Information Statement. Purchases can be initiated via the Cash Transaction Notice Form or the Online Trading Portal.
<b>How to Sell Shares</b>	Shares may be sold by requesting a wire transfer, as described in Section IV in this Information Statement.
<b>Series Expenses</b>	The costs and fees for each Series are set forth in Section X hereto.
<b>Board of Trustees</b>	CalTRUST is governed by a Board of Trustees, at least seventy-five percent (75%) of whom are members of the governing body, officers, or personnel of the Members. The Board is responsible for setting overall policies and procedures for CalTRUST and the Shares Program, and for retaining the Administrator, Custodian, Investment Manager and other agents of CalTRUST.
<b>Administrator</b>	The " <u>Administrator</u> " is CalTRUST, the CalTRUST Chief Executive Officers, or any entity engaged by CalTRUST to serve as a subadministrator to CalTRUST and of the Shares Program pursuant to the terms of any Administration Agreements..
<b>Custodian</b>	The " <u>Custodian</u> " is the entity engaged by CalTRUST to serve as the custodian for the Shares Program pursuant to the terms of the Custodial Agreement. U.S. Bank, N.A. a custodial bank with an office at 1420 Kettner Blvd, Suite 200, San Diego, CA 92101 is the Custodian for each Series.
<b>Investment Manager</b>	The " <u>Investment Manager</u> " is the entity engaged by CalTRUST to serve as the investment manager to the Shares Program pursuant to the terms of the Investment Management Agreement. BlackRock Financial Management, Inc., with its principal office at 40 East 52 <sup>nd</sup> Street, New York, NY 10022, is the Investment Manager to CalTRUST and the Shares Program. BlackRock Advisors, LLC, with its principal office at 100 Bellevue Parkway, Wilmington, DE 19809, is the investment manager for the Money Market Fund and the Government Fund.
<b>Auditors</b>	The financial statements of CalTRUST will be audited annually by an independent auditor to be selected by CalTRUST. The fiscal year for CalTRUST ends each June 30.

**Fund  
Accountant /  
Recordkeeper**

The “Fund Accountant & Recordkeeper” is the entity engaged by CalTRUST to serve as the Fund Accountant and Recordkeeper to the Shares Program pursuant to the Fund Accounting Agreement. Ultimus Fund Services with its principal office at 17606 Wright Street, Omaha, NE 68130, is the Fund Accountant/Recordkeeper to CalTRUST and the Shares Program.

**Section I:  
Instructions on How to Participate  
in the Shares Program**

**STEP ONE: READ THIS ENTIRE INFORMATION STATEMENT BEFORE INVESTING**

A prospective Participant in CalTRUST should carefully read this entire Information Statement and the complete Agreement and the documents referred to herein and therein (copies of which will be provided separately) before investing funds through the investment program offered by CalTRUST whereby Participants purchase shares of beneficial interest in a Series (the "Shares Program"). ***However, the contents of this Information Statement should not be considered to be legal, tax or investment advice, and prospective Participants should consult with their own counsel and advisers as to all matters concerning investment through the Shares Program.*** Participants should keep a copy of this Information Statement for their records.

**STEP TWO: OPENING AN ACCOUNT**

Prospective Participants must complete a Program Registration Form and Participation Agreement (attached to this Information Statement as Attachment A), and submit it to:

[admin@caltrust.org](mailto:admin@caltrust.org)

A hardcopy may be submitted to:

**CalTRUST  
PO Box 2709  
Granite Bay, CA 95746**

There is no limit on the number of subaccounts that can be opened by a Participant. Forms for establishing subaccounts can be provided upon request of the Administrator. The Administrator will notify the prospective Participant of its approval of the application(s) and the



account number(s) assigned. *The Administrator reserves the right to reject any application in its discretion.*

Instructions on the Program Registration Form and Participation Agreement will remain in effect until the Administrator receives written notification to change them. Any changes to addresses, account registrations, names or signatures of authorized officials, or other critical information will require appropriate documentation. Instructions or forms may be obtained by emailing or calling the Administrator at [admin@caltrust.org](mailto:admin@caltrust.org) or 833-CALTRUST (225-8787).

## Section II: Investment Strategies and objectives

### A. PURPOSE: WHO MAY INVEST

CalTRUST is a separate joint powers authority and public agency established by its members ("Members") under the provisions of Section 6509.7 of Title 1, Division 7, Chapter 5, Article 1 of the California Government Code (the "Joint Exercise of Powers Act") to provide Public Agencies with consolidated investment activities and thereby reduce duplication, achieve economies of scale and carry out coherent and consolidated investment strategies. Members and Participants must each be a California "Public Agency" as that term is defined in Section 6509.7 of the Joint Exercise of Powers Act, which, as of the date of this Information Statement, is defined as "the federal government or any federal department or agency, this state, another state or any state department or agency, a county, county board of education, county superintendent of schools, city, public corporation, public district, regional transportation commission of this state or another state, a federally recognized Indian tribe, or any joint powers authority formed pursuant to this article by any of these agencies," and includes "a nonprofit corporation whose membership is confined to public agencies or public officials."

All money not required for the immediate needs of Public Agencies may be invested in certain investments described in this Information Statement. However, the California Government Code limits the amount of surplus money of a Public Agency that may be invested in such investments.

*Funds consisting of tax-exempt bond proceeds may be subject to investment restrictions, arbitrage management and rebate requirements under federal tax laws.* Although CalTRUST does not initially intend to permit Participants to invest tax-exempt bond proceeds to the extent that the bond proceeds of a Participant would constitute greater than 10% of the assets in any Series, if the 10% threshold is later or inadvertently reached with respect to a Series, such Series will no longer qualify as an "external" commingled fund with the consequence that Participants will be deemed to have received, for purposes of arbitrage rebate and yield calculations, phantom income equal to the reasonable

administrative costs related to overhead and other indirect costs that would otherwise have been deductible for such calculations. ***Public Agencies that invest tax-exempt bond proceeds should consult professional advisers familiar with those requirements to determine whether investing through the Shares Program is appropriate.***

## **B. SERIES BENCHMARKS**

CalTRUST currently offers five active accounts or series of Shares to provide Public Agencies with a convenient method of pooling funds, (i) the "CalTRUST Liquidity Fund" Series, (ii) the "CalTRUST Short-Term Fund" Series, (iii) the "CalTRUST Medium-Term Fund" Series, (iv) the Money Market Fund, and (v) the Government Fund (each, a "Series" and collectively, the "Series"). All Shares issued hereunder, including without limitation, Shares issued in connection with a dividend in Shares or a division of Shares, shall be fully paid and non-assessable. The CalTRUST Liquidity Fund, CalTRUST Short-Term Fund and CalTRUST Medium-Term Fund will be benchmarked against a fund or index believed by the Investment Manager to be comparable in investment strategy and duration. The current benchmarks are described below. If a benchmark fund or index were to modify its strategy or duration in the future, the Investment Manager could select alternate benchmarks with which to compare a Series' performance.

### ***CalTRUST Liquidity Fund Benchmark:***

The performance benchmark for the Liquidity Fund is the index specified below:

#### ***ICE BofAML 3-Month US Treasury Bill Index (G001)***

ICE BofAML US 3-Month Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. To qualify for selection, an issue must have settled on or before the month-end rebalancing date.

Inception date: December 31, 1977

### ***CalTRUST Short-Term Fund Benchmark:***

The performance benchmarks for the Short-Term Fund are the investment funds specified below:

#### ***Local Agency Investment Fund ("LAIF")***

LAIF is an investment alternative for California's local governments and special districts, which was enabled under Section 16429.1 et seq. of the California Government Code. LAIF invests in certain securities authorized by Sections 16430 and 16480.4 of the California Government Code. In February 2022, LAIF had \$36.7 billion under management. LAIF conducts a market valuation of its investments each month.

***Barclays Short-Term Government/Corporate Index***

The Barclays Short-Term Government/Corporate Index is an unmanaged index consisting of the cumulative daily total returns of US Treasuries, federal agency securities and investment-grade corporate bonds with maturities between one and twelve months.

The index is re-balanced on the last calendar day of the month. Issues that meet the qualifying criteria are included in the index for the following month. Issues that no longer meet the criteria during the course of the month remain in the index until the next month-end rebalancing at which point they are dropped from the index.

An index is not available for direct investment and does not reflect the deduction of fees and expenses.

***CalTRUST Medium-Term Fund Benchmark:***

The performance benchmark for the Medium-term Fund is the unmanaged index specified below:

***Medium-Term Fund: Bank of America Merrill Lynch 1-3 Year AAA-A US Corporate & Government Index***

The BofA Merrill Lynch 1-3 Year AAA-A US Corporate & Government Index is a subset of The BofA Merrill Lynch US Corporate & Government Index including all securities with a remaining term to final maturity less than 3 years and rated AAA through A3, inclusive.

The BofA Merrill Lynch US Corporate & Government Index tracks the performance of US dollar denominated investment grade debt publicly issued in the US domestic market, including US Treasury, US agency, foreign government, supranational and corporate securities.

For the 'A or better' or AAA-A indices, qualifying securities must have a AAA through A3 rating (based on an average of Moody's, S&P and Fitch). In addition, qualifying securities must have at least one year remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for US Treasuries and \$250 million for all other securities. Bills, inflation-linked debt and strips are excluded from the Index; however, original issue zero coupon bonds are

included in the Index and the amounts outstanding of qualifying coupon securities are not reduced by any portions that have been stripped. 144a securities, both with and without registration rights, and corporate pay-in-kind securities, including toggle notes, qualify for inclusion. Callable perpetual securities qualify provided they are at least one year from the first call date. Fixed-to-floating rate securities also qualify provided they are callable within the fixed rate period and are at least one year from the last call prior to the date the bond transitions from a fixed to a floating rate security. Eurodollar bonds (USD bonds not issued in the US domestic market), tax-exempt US municipal, warrant-bearing, dividends-received-deduction-eligible (DRD-eligible) and defaulted securities are excluded from the Index.

An index is not available for direct investment and does not reflect the deduction of fees and expenses.

*There can be no assurance that any Series will perform as well as or better than its designated benchmark fund or index.*

### C. INVESTMENT BENEFITS

The Investment Manager seeks to provide the following benefits to purchasers of Shares in any Series:

- **Preservation of Principal.** Preserve principal to the extent reasonably possible in accordance with the applicable investment strategy by investing only in fixed-income oriented Authorized Investments, and in accordance with an investment strategy designed to preserve capital.
- **Liquidity.** Provide liquidity so that Participants have ready access to their Shares to the extent described in this Information Statement or the Money Market Fund and Government Fund Prospectus.
- **Income.** Provide as high a level of current income in each Series as is consistent with preserving principal and maintaining liquidity.
- **Professional Management.** Investments are managed by investment professionals that follow both general economic and current market conditions affecting interest rates and the value of fixed-income oriented investments.
- **Diversification.** Each Participant in a Series will own Shares in a diversified portfolio of high-quality securities.
- **Accounting, Safekeeping and Separate Series.** The Participants' investments are accounted for in compliance with governmental

accounting and auditing requirements, and Participants will be provided with all necessary information to do the bookkeeping and safekeeping associated with the ownership of the Shares. Participants will have secure online access to their accounts, as well as being provided with monthly statements. This service is provided by the CalTRUST Fund Accountant/Recordkeeper.

***There can be no assurance that the investment objectives of any particular Series will be achieved.***

#### **D. AUTHORIZED INVESTMENTS**

The securities purchased by CalTRUST through the Investment Manager in the CalTRUST Liquidity Fund, CalTRUST Short-Term Fund, and CalTRUST Medium-Term Fund will be comprised exclusively of the investments described below (the "Authorized Investments"). These investments are authorized investments under the California Government Code, as may be amended from time to time, for money not required for the immediate needs of Public Agencies. The California Government Code limits the amount of surplus money of a Public Agency which may be invested in certain of the investments described below. Each Participant shall be responsible for monitoring the aggregate amount of its investments in any of these kinds of investments to assure its own compliance with the California Government Code. Neither CalTRUST, the Investment Manager, the Administrator or any other agents of CalTRUST shall be responsible for such monitoring. ***The Board may revise this Investment Policy from time to time subject to Section 4.2(a) of the Agreement.*** Pursuant to the Agreement, the Board shall cause the amended Investment Policy to be delivered to each Participant.

Although certain of the Authorized Investments set forth below include NRSRO (as defined below) rating requirements, if an NRSRO does not explicitly rate a security or issuer, then for purposes of meeting the requirements set forth herein (i) if the NRSRO rates a related asset or program, the NRSRO's rating of the related asset or program may be attributed to the security or issuer and (ii) if the security is a new issue, an expected rating may be attributed to the security based on the applicable prospectus or ratings of similar issuances.

1. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.
2. Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

3. Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.
4. Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.
5. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
6. Bankers acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers acceptances may not exceed 180 days' maturity or 40 percent of the assets in a Series. However, no more than 30 percent of the assets in a Series may be bankers acceptances of any one commercial bank.
7. Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization ("NRSRO"). The entity that issues the commercial paper shall meet all of the following criteria in either clause (a) or (b): (a)(i) is organized and operating in the United States as a general corporation, (ii) has total assets in excess of five hundred million dollars (\$500,000,000) and (iii) has debt other than commercial paper, if any, that is rated "A" or higher, without gradation, by an NRSRO; or (b)(i) is organized within the United States as a special purpose corporation, trust, or limited liability company, (ii) has programwide credit enhancements including, but not limited to, overcollateralization, letters of credit, or surety bond and (iii) has commercial paper that is rated "A-1" or higher, without gradation, or the equivalent, by an NRSRO. Eligible commercial paper shall have a maximum maturity of 270 days or less. No more than 25 percent of the assets in a Series may be eligible commercial paper. No more than 10 percent of the assets in a Series may be outstanding commercial paper of any single issuer. No more than 10 percent of the outstanding commercial paper of any single issuer may be purchased for a Series.
8. Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the California Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 30 percent of the assets in a Series.

Purchases shall not exceed the shareholder's equity of any depository bank. Shareholder's equity shall be determined in accordance with Section 118 of the California Financial Code, but shall be deemed to include capital notes and debentures. Purchases shall not exceed the total of the net worth of any savings association or federal association, except that deposits not exceeding a total of five hundred thousand dollars (\$500,000) may be made to a savings association or federal association without regard to the net worth of that depository, if such deposits are insured or secured as required by law. Purchases of negotiable certificates of deposit from any regularly chartered credit union shall not exceed the total of the unimpaired capital and surplus of the credit union, as defined by rule of the California Commissioner of Financial Institutions, except that the deposit to any credit union share account in an amount not exceeding five hundred thousand dollars (\$500,000) may be made if the share accounts of that credit union are insured or guaranteed pursuant to Section 14858 of the California Financial Code or are secured as required by law. Purchases of negotiable certificates of deposit issued by a state or federal credit union are prohibited if a member of the CalTRUST Board of Trustees, or any person with investment decision making authority for CalTRUST, also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.

9. Investments in repurchase agreements of Authorized Investments as long as the agreements are subject to the requirements of California Government Code Section 53601(j), including the delivery requirements specified in California Government Code Section 53601(j). "Repurchase agreement" means a purchase of securities by the local agency pursuant to an agreement by which the counterparty seller will repurchase the securities on or before a specified date and for a specified amount and the counterparty will deliver the underlying securities to the local agency by book entry, physical delivery, or by third-party custodial agreement. The transfer of underlying securities to the counterparty bank's customer book-entry account may be used for book-entry delivery. Investments in repurchase agreements may be made, on any Authorized Investments, when the term of the agreement does not exceed one year. The market value of securities that underlay a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.
10. Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subsection shall be rated

“A” or better, without gradation, by a nationally recognized rating service. Purchases of medium-term notes (not including other Authorized Investments) may not exceed 30 percent of the assets in a Series.

11. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940. Such companies shall have attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs or retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years’ experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000). The purchase price of shares of beneficial interest purchased pursuant to this subsection shall not include any commission that the companies may charge and shall not exceed 20 percent of the assets in a Series.
12. Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by California Government Code Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by California Government Code Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank which is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted
13. Any mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond. Securities eligible for investment under this subsection shall have an “AA” or higher rating, without gradation, for the issuer’s debt as provided by a nationally recognized rating service and rated in a rating category of “AA” or its equivalent or better, without gradation, by a nationally recognized rating service and have a maximum remaining maturity of five years or less. Purchase of securities authorized by this subsection may not exceed 20 percent of the assets in a Series.
14. United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated “AA”, without gradation, or



better by an NRSRO and shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section.

Funds invested through the CalTRUST Liquidity Fund, CalTRUST Short-Term Fund and CalTRUST Medium-Term Fund will be invested by the Investment Manager in accordance with the prudent investor standard of the California Government Code. Any investments consisting of notes, bonds, bills, certificates of indebtedness, warrants, or registered warrants shall be legal investments for savings banks in the State of California. Funds invested through the CalTRUST Liquidity Fund, CalTRUST Short-Term Fund, and CalTRUST Medium-Term Fund will not be invested in any inverse floaters, range notes or mortgage-derived, interest-only strips, or in any security that could result in zero interest accrual if held to maturity.

The authorizing statute, charter, or bylaws of a Participant or the trust indenture or ordinance or resolution under which the debt obligations of a Participant 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, *Participants should consult with their legal counsel and/or financial adviser regarding the legality of investing funds through the Shares Program.*

*CalTRUST is not registered as an investment company under the 1940 Act and, accordingly, is not subject to the provisions of that Act and the rules thereunder, including the protective rules relating to registered money market funds and other types of mutual funds.*

#### **E. DURATION OF SERIES AND MATURITY OF INVESTMENTS**

Each Series seeks to attain as high a level of current income as is consistent with the preservation of principal. Each Series will invest in only fixed-income oriented Authorized Investments. The CalTRUST Liquidity Fund has a maximum portfolio duration of 60 days and a maximum weighted average life of 120 days. The CalTRUST Short-Term Fund seeks a target portfolio duration of 0 to 2 years. The CalTRUST Medium-Term Fund seeks a target portfolio duration of 1 to 3 years. The Money Market Fund and the Government Fund each have a maximum dollar-weighted average maturity of 60 days and a maximum dollar-weighted average life of 120 days, in accordance with Rule 2a-7 under the 1940 Act.

Each Series invests in a diversified portfolio of fixed-income oriented investments of varying maturities with a different portfolio "duration." Duration is a measure of the expected life of a fixed-income oriented investment that was developed as a more precise alternative to the concept of "term to maturity." Duration incorporates a bond's yield, coupon interest payments, final maturity, call and put features and prepayment exposure into one measure. Traditionally, a fixed-income oriented

investment's "term to maturity" has been used to determine the sensitivity of the investment's price to changes in interest rates (which is the "interest rate risk" or "volatility" of the investment). However, "term to maturity" measures only the time until a fixed-income oriented investment provides its final payment, taking no account of the pattern of the investment's payments prior to maturity. Duration is used in the management of a Series as a tool to measure interest rate risk. For example, a Series with a portfolio duration of two years would be expected to change in value 2% for every 1% move in interest rates.

## **F. RISKS**

1. General. Because the values of the Shares of a Series change with market conditions (generally other than the CalTRUST Liquidity Fund and Government Fund), so will the value of a Participant's investment through the Shares program. ***A Participant could lose money on an investment through the Shares Program or an investment through the Shares Program could underperform other investments.*** The Medium-Term Fund has the potential for greater return and loss than the Short-Term Fund. The Series are subject primarily to interest rate and credit risk. Interest rate risk is the potential for a decline in bond prices due to rising interest rates. In general, bond prices vary inversely with interest rates. The change in bond price depends on several factors, including the bond's maturity date. In general, bonds with longer maturities are more sensitive to changes in interest rates than bonds with shorter maturities. Credit risk is the possibility that a bond issuer will fail to make timely payments of interest or principal to a Series.
2. Obligations of Agencies or Instrumentalities of the United States Government. Certain short-term obligations of agencies or instrumentalities of the United States Government purchased with funds invested through the Series may only be backed by the issuing agency or instrumentality and may not be backed by the full faith and credit of the United States Government. For example, securities issued by the Federal Home Loan Banks and the Federal Home Loan Mortgage Corporation are supported only by the credit of the agency or instrumentality that issued them, and not by the United States Government, and securities issued by the Federal Farm Credit System and the Federal National Mortgage Association are supported by the agency's or instrumentality's right to borrow money from the U.S. Treasury under certain circumstances

## **G. INVESTMENT RESTRICTIONS**

The Board has adopted the following investment restrictions for the Shares Program. For the avoidance of doubt, the following investment restrictions do not apply to the portfolios of the Money Market Fund and the Government Fund. Funds invested through a Series in the Shares Program will not be used to:

1. Purchase any securities other than those described under “Authorized Investments,” unless California law at some future date redefines the types of securities which are legal investments for all classes of Participants, in which case the permitted investments for the Series may be changed by the Board to conform to California law.
2. Invest in securities of any issuer in which a Trustee, officer, employee, agent or adviser of CalTRUST is an officer, director or 5% shareholder unless such investment is periodically authorized by resolution adopted by the Board, excluding officers, directors or 5% shareholders of such issuer.
3. Make loans, except that repurchase agreements may be entered into as specified under “Authorized Investments.”
4. Borrow money or pledge, hypothecate or mortgage the assets in a Series or otherwise engage in any transaction that has the effect of creating leverage with respect to a Series; provided, however, that short-term credits necessary for the settlement of securities trades may be used, and forward purchases and sales of securities that are expected to settle beyond a normal “T+3” basis may be entered into.
5. Purchase the securities of any issuer (other than obligations issued and guaranteed as to principal and interest by the government of the United States, its agencies or instrumentalities) if, as a result, more than 10% of the total assets in a series would be invested in the securities of any one issuer.

#### **H. APPLICATION OF PERCENTAGES LIMITATIONS AND RATING REQUIREMENTS**

Any percentage limitation or rating requirement described under “Investment Strategies and Objectives” will be applied at the time of purchase.

#### **I. NOTICE TO PARTICIPANTS OF MATERIAL CHANGE TO INVESTMENT STRATEGIES AND OBJECTIVES OR INVESTMENT POLICY**

The Board may revise the Investment Policy from time to time subject to Section 4.2(a) of the Agreement; and may revise the investment strategies and objectives of any Series from time to time. Any material change in the investment strategies and objectives for any Series adopted by the Board shall be communicated, in writing, to each Participant prior to the effective date of such change.

## Section III: Income and Value of the Series

### A. INCOME AND DIVIDENDS OF THE SERIES

#### **CalTRUST Liquidity Fund**

As of 1:00 p.m. Pacific time each day that the Custodian is open for business (a “Business Day”), the net income of the Liquidity Fund is determined and declared as a dividend to Participants of record as of the close of business on that day. Shares purchased as of 12:00 p.m. on any Business Day will begin earning dividends on such date of purchase. Shares will continue to earn dividends until the Business Day such Shares are redeemed and the funds are wired to the Participant. Earnings for Saturdays, Sundays and holidays are declared on the next Business Day. Dividends declared are paid monthly on the last Business Day of each month and are automatically re-invested in each Series by purchase of additional Shares of such Series.

#### **CalTRUST Short-Term Fund**

As of 1:00 p.m. Pacific time each day that the Custodian is open for business (a “Business Day”), the net income of the Short-Term Fund is determined and declared as a dividend to Participants of record as of the close of business on that day. Shares purchased as of 9:30 a.m. on any Business Day will begin earning dividends on the next Business Day. Shares will continue to earn dividends until the Business Day such Shares are redeemed and the funds are wired to the Participant. Earnings for Saturdays, Sundays and holidays are declared on the next Business Day. Dividends declared are paid monthly on the last Business Day of each month and are automatically re-invested in each Series by purchase of additional Shares of such Series.

#### **CalTRUST Medium-Term Fund**

As of 1:00 p.m. Pacific time on the last Business Day of each month, the net income of the Medium-Term Fund is determined and declared as a dividend to Participants of record as of the close of business on that day. Shares purchased as of 9:30 a.m. on any Business Day of a month will begin earning dividends on the purchase settlement date, which is currently the second Business Day after purchase. Shares will continue to earn dividends until the Business Day such Shares are redeemed and the funds are wired to the Participant. Earnings for Saturdays, Sundays and holidays are declared on the next Business Day. Dividends declared are paid monthly on the last Business Day of each month and are automatically re-invested in each Series by purchase of additional Shares of such Series.

If Shares are redeemed from any Series in any month prior to the payment of dividends on the last Business Day of such month (including in the case of an emergency as approved by the Board of Trustees or otherwise), the Participant shall

be entitled to receive a pro rata portion of the dividends such Participant would otherwise be entitled to receive, up to the date of redemption, which shall be paid on the last Business Day of such month.

For the purpose of calculating dividends, net income of each Series consists of interest earned plus or minus any discounts or premiums ratably amortized to the date of maturity and all realized gains and losses on the sale of securities prior to maturity, less all accrued expenses of such Series, including the fees described under “Expenses of the Trust.”

Each Series may attempt to maximize yields through trading to take advantage of short-term market variations. These policies may result in high portfolio turnover. However, because the cost of transactions of the type in which the Series engage is small, a high turnover rate is not expected to affect materially income or net asset value.

### **Money Market Fund**

As of 12:00 p.m. Pacific time each day that the Custodian and the Money Market Fund is open for business (a “Business Day”), the net income of the Money Market Fund is determined and declared as a dividend to Participants of record as of the close of business on that day. Shares purchased by 11:00 a.m. on any Business Day will begin earning dividends on such date of purchase. Shares will continue to earn dividends until the Business Day such Shares are redeemed and the funds are wired to the Participant. Earnings for Saturdays, Sundays and holidays are declared on the prior Business Day. Dividends declared from each month are paid monthly on the first Business Day of the next month and are automatically re-invested in each Series by purchase of additional Shares of such Series.

### **Government Fund**

As of 2:00 p.m. Pacific time each day that the Custodian Government Fund is open for business (a “Business Day”), the net income of the Government Fund is determined and declared as a dividend to Participants of record as of the close of business on that day. Shares purchased by 1:00 p.m. on any Business Day will begin earning dividends on such date of purchase. Shares will continue to earn dividends until the Business Day such Shares are redeemed and the funds are wired to the Participant. Earnings for Saturdays, Sundays and holidays are declared on the prior Business Day. Dividends declared from each month are paid monthly on the first Business Day of the next month and are automatically re-invested in each Series by purchase of additional Shares of such Series.

## B. VALUATION OF SERIES

The net asset value of the Shares of the Liquidity Fund, Short-Term Fund, an Medium-Term Fund are normally determined by the Fund Accountant/Recordkeeper as of 1:00 p.m. Pacific time on each Business Day. The net asset value of the shares of the Money Market Fund is normally determined each Business Day as of 5:00 a.m. Pacific time, 9:00 a.m. Pacific time, and 12:00 p.m. Pacific time. The net asset value of the shares of the Government Fund is normally determined as of 3:00 p.m. Pacific time each Business Day.

The net asset value per Share of each Series is computed by dividing the total value of the securities and other assets of such Series, less any liabilities, by the total outstanding Shares of such Series. Liabilities include all accrued expenses and fees of such Series, including the fees described under “Expenses of the Trust.”

The net asset value per share of the CalTRUST Liquidity Fund, CalTRUST Short-Term Fund and CalTRUST Medium-Term Fund normally is determined on the specified day if banks are open for business and the New York Stock Exchange is open for trading. With the exception of the value of securities in the Money Market Fund and the Government Fund, the value of a Series’ portfolio securities is determined on the basis of the market value of such securities or, if market quotations are not readily available, at fair value under guidelines established by the Trustees. Investments with short remaining maturities may be valued at amortized cost which the Board has determined to equal fair value.

Securities in the Government Fund are valued using the amortized cost method, in accordance with Rule 2a-7 under the 1940 Act. The value of securities in the Money Market Fund are typically determined on the basis of the market value of such securities, or, if market quotations are not readily available, at fair value under guidelines established by the Board of Directors of the Money Market Fund.

Additional detail regarding the determination of the net asset value of the shares of the Money Market Fund and Government Fund can be found in the BlackRock Liquidity Funds Institutional Shares Fund prospectus, available online at:

<https://www.blackrock.com/cash/en-us/stream-document?stream=reg&product=L-FFUND&shareClass=Class+Inst&documentId=235732~235783~236155&iFrameUrlOverride=%2Fcash%2Fliterature%2Fprospectus%2Fpro-brliquidity-institutionalshares-feb.pdf>

The market value basis for net asset value per Share of each Series (generally other than the Government Fund) may be affected by general changes in interest rates resulting in increases or decreases in the value of securities held by such Series. 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 cost. Similarly, if interest rates decline, such a security, if sold, might be sold at a price greater than its cost. If a security is held to maturity, no loss or gain is normally realized as a result of these price fluctuations. Redemptions by Participants could require the sale of portfolio securities prior to maturity.

The Fund Accountant/Recordkeeper normally will announce the net asset value of the Shares of the Liquidity Fund, Short-Term Fund, and Medium-Term Fund by 9:00 a.m. Pacific time on the Business Day after it is determined.

## C. YIELD INFORMATION

### **CalTRUST Liquidity Fund, Short-Term Fund, & Medium-Term Fund**

The aggregate and average annual total return, current annualized yield and effective annual yield of the Liquidity Fund, Short-Term Fund, and Medium-Term Fund may, from time to time, be quoted in reports, literature and advertisements published by CalTRUST.

Current annualized yield of the Liquidity Fund is computed by averaging the daily dividend declared by such Series during the prior seven calendar day period, dividing by the average daily net asset value per Share of such Series over the same period, and multiplying the result by 365.

Current annualized yield of the Short-Term Fund is computed by averaging the daily dividend declared by such Series during the prior seven calendar day period, dividing by the average daily net asset value per Share of such Series over the same period, and multiplying the result by 365.

Current annualized yield of the Medium-Term Fund is computed by averaging the monthly dividend declared by the applicable Series during the prior months of such calendar year, dividing by the average monthly net asset value per Share of the applicable Series over the same period, and multiplying the result by 12.

The “effective annual yield” of each Series, which reflects the value of compounding and represents the annualization of the current yield with all dividends reinvested, may also be quoted. Effective annual yield of each Series is computed by dividing the monthly dividend rate of such Series by 12, adding 1 and raising the sum to the power of 12, and subtracting 1 from the result.

### **Money Market Fund and Government Fund**

Pursuant to Securities and Exchange Commission (SEC) rules governing registered money market funds, the Money Market Fund and the Government Fund each may quote a “7-Day Yield”. The 7-Day Yield is the accumulated distribution factor for

the prior seven days multiplied by 365/7. The 7-day yield may include capital gains and non-investment income, while the 7-day SEC yield would exclude capital gains and non-investment income.

Additional information regarding the determination and reporting of the “7-Day Gross Yield” can be found on the SEC website at:

<http://www.sec.gov/rules/final/2010/ic-29132.pdf>.

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

## Section IV: Investments and Withdrawals

### A. ACCOUNTS

Before funds are invested under the Shares Program, Participants will need to establish appropriate accounts pursuant to the procedure described under “Instructions on How to Participate.” Each Participant will have master account(s) representing the total funds invested through the CalTRUST Liquidity Fund, CalTRUST Short-Term Fund, CalTRUST Medium-Term Fund, Money Market Fund, and/or Government Fund as applicable, by such Participant.

The Fund Accountant/Recordkeeper will process investments, withdrawals and transfers only on Business Days.

### B. INVESTMENTS

Investments in a Series shall be made by wire transfer of immediately available funds from the Participant’s bank, per the current transaction wire instructions. However, *the Administrator reserves the right to reject any investment and to limit the size of a Participant’s account.*

Investment in a Series shall be completed by following both of the following steps:

**Step 1:** Initiate the transaction through the the CalTRUST Online Portal, by following the steps outlined in the “CalTRUST Online Trading User Guide”, which is available to all participants at [www.caltrust.org](http://www.caltrust.org).

**OR**



Provide the Fund Accountant/Recordkeeper with a completed Cash Transaction Notice Form, either in writing by fax or email (fax: (402) 963-9094, email: caltrustsupport@ultimusfundsolutions.com) or via the online portal.

**Step 2:** Instruct the Participant's bank to wire funds as follows (Federal Reserve wire if possible). Wire instructions are provided in both the Online Portal and on the Cash Transaction Notice Form. Participants may also contact the CalTRUST Customer Service Center at 833-CALTRUST (225-8787) for wiring instructions.

CalTRUST does not charge a fee for receipt of these wires. However, a Participant's bank may charge a fee for wiring funds.

### **CalTRUST Liquidity Fund**

*Investments will not begin earning income unless and until the Fund Accountant/Recordkeeper receives the requisite advance notice and the Custodian receives a Federal Reserve wire or bank wire convertible to Federal Funds on a same-day basis.* When the Fund Accountant/Recordkeeper receives the requisite advance notice and the funds are received by the Custodian, investments will be made and begin earning income on the Business Day on which funds are received.

Notice will be considered given on a particular Business Day if received by the Fund Accountant/Recordkeeper before 12:00 p.m. Pacific time; otherwise it will be considered given on the next Business Day. Funds will be considered delivered on a particular Business Day if the wire is received before 12:00 p.m. Pacific time, otherwise funds will be considered delivered on the next Business Day.

### **CalTRUST Short-Term Fund**

*Investments will not begin earning income unless and until the Fund Accountant/Recordkeeper receives the requisite advance notice and the Custodian receives a Federal Reserve wire or bank wire convertible to Federal Funds on a next-day basis.* When the Fund Accountant/Recordkeeper receives the requisite advance notice and the funds are received by the Custodian, investments will be made and begin earning income on the Business Day on which funds are received.

Notice will be considered given on a particular Business Day if received by the Fund Accountant/Recordkeeper before 9:30 a.m. Pacific time; otherwise it will be considered given on the next Business Day. Funds will be considered delivered on a particular Business Day if the wire is received before 9:30 a.m. Pacific time,

otherwise funds will be considered delivered on the next Business Day.

### **CalTRUST Medium-Term Fund**

Funds may be invested in the Medium-Term Fund on a t+2 basis; *provided, however,* that the Fund Accountant/Recordkeeper receives prior notice of the investment and the wire is received by 9:30 a.m. Pacific Time .

***Investments will not begin earning income unless and until the Fund Accountant/Recordkeeper receives the requisite advance notice and the funds are received within the requisite time.*** When the Fund Accountant/Recordkeeper receives the requisite advance notice and the funds are within the requisite time, investments will be made and begin earning income on the first business day following notice.

***At any particular time, if a Participant gives late notice or transmits late funds (i.e., the Fund Accountant/Recordkeeper receives notice of the investment after 9:30 a.m. on the or the funds after the specified investment date), then such funds shall be automatically invested in the Short-Term Fund until the Medium-Term Fund transaction date.*** In any particular month, if the Fund Accountant/Recordkeeper receives requisite notice (*i.e.*, on or before 9:30 a.m. three days prior) and the funds are received before the investment date, then from the Business Day on which funds are received until the investment date, such funds shall be automatically and temporarily invested in the Short-Term Fund. Such funds shall be automatically transferred from the Short-Term Fund and invested in the Medium-Term Fund as specified in the notice, unless such notice is properly withdrawn by providing the Fund Accountant/Recordkeeper with at least two Business Days' prior notice.

Notice will be considered given on a particular Business Day if received by the Fund Accountant/Recordkeeper before 9:30 a.m. Pacific time, otherwise it will be considered given on the next Business Day. Funds will be considered delivered on a particular Business Day if the wire is received before 9:30 a.m. Pacific time, otherwise funds will be considered delivered on the next Business Day.

### **Money Market Fund and Government Fund**

***Investments will not begin earning income unless and until the Fund Accountant/Recordkeeper receives the requisite advance notice and receives a Federal Reserve wire or bank wire convertible to Federal Funds on a same-day basis.*** When the Fund Accountant/Recordkeeper receives the requisite advance notice and the funds are received by the Custodian, investments will be made and begin earning income on the Business Day on which funds are received.

For the Money Market Fund, notice will be considered given on a particular Business Day if received by the Administrator before 11:00 a.m. Pacific time; otherwise it will be considered given on the next Business Day. Funds will be

considered delivered on a particular Business Day if the wire is received before 11:00 a.m. Pacific time, otherwise funds will be considered delivered on the next Business Day.

For the Government Fund, notice will be considered given on a particular Business Day if received by the Administrator before 1:00 p.m. Pacific time; otherwise it will be considered given on the next Business Day. Funds will be considered delivered on a particular Business Day if the wire is received before 1:00 p.m. Pacific time, otherwise funds will be considered delivered on the next Business Day.

### C. REDEMPTIONS

Withdrawals from an account shall be made by requesting a wire transfer of immediately available funds from the Funds to the Participant's bank.

Withdrawals from a Series may be made through the CalTRUST Online Portal, by following the steps outlined in the "CalTRUST Online Trading User Guide", which is available to all participants at [www.caltrust.org](http://www.caltrust.org), or by providing the Fund Accountant/Recordkeeper with a completed Cash Transaction Notice Form, either by fax ((402) 963-9094) or email ([caltrustsupport@ultimusfundsolutions.com](mailto:caltrustsupport@ultimusfundsolutions.com)).

***Funds may be transferred by wire only to the bank account specified in the Participant's Account Registration Form and Participation Agreement.*** Changes to the Participant's specified bank account must be received in writing properly executed before they can be effective.

#### **CalTRUST Liquidity Fund**

Funds may be withdrawn from the Liquidity Fund daily; *provided, however*, that the Fund Accountant/Recordkeeper receives notice of the request for wire transfer by 12:00 p.m. Pacific Time on a Business Day.

Shares in the Liquidity Fund will be redeemed in the amount of the withdrawal at the net asset value per Share next determined after receipt of a request for wire transfer. Funds will remain invested in the Series until the day they are wired. ***Funds will not be wired unless and until the Fund Accountant/Recordkeeper receives the requisite notice.*** Notice will be considered given on a particular Business Day if received by the Fund Accountant/Recordkeeper before 12:00 p.m. Pacific time; otherwise it will be considered given on the next Business Day.

### **CalTRUST Short-Term Fund**

Funds may be withdrawn from the Short-Term Fund daily; *provided, however*, that the Fund Accountant/Recordkeeper receives notice of the request for wire transfer by 9:30 a.m. Pacific Time one Business Day prior.

Shares in the Short-Term Fund will be redeemed in the amount of the withdrawal at the net asset value per Share next determined after receipt of a request for wire transfer. Funds will remain invested in the Series until the day they are wired. ***Funds will not be wired unless and until the Fund Accountant/Recordkeeper receives the requisite notice.*** Notice will be considered given on a particular Business Day if received by the Fund Accountant/Recordkeeper before 9:30 a.m. Pacific time; otherwise it will be considered given on the next Business Day.

### **CalTRUST Medium-Term Fund**

Funds may be withdrawn from the Medium-Term Fund daily; *provided, however*, that the Fund Accountant/Recordkeeper receives notice of the request for wire transfer by 9:30 a.m. Pacific Time two Business Days prior.

Shares in each Series will be redeemed in the amount of the withdrawal at the net asset value per Share determined by the Fund Accountant/Recordkeeper daily. Funds will remain invested in the Series until the day they are wired. ***Funds will not be wired unless and until the Fund Accountant/Recordkeeper receives the requisite notice.*** Notice will be considered given on a particular Business Day if received by the Administrator before 9:30 a.m. Pacific time; otherwise it will be considered given on the next Business Day.

***Notwithstanding the foregoing limitations, in the event of an emergency as approved by the Board of Trustees (or a committee of the Board of Trustees or designated Trustee(s)), withdrawals may be made at such times and on such prior notice, if any, as determined by the Board of Trustees (or a committee of the Board of Trustees or designated Trustee(s)).*** In such instance, Shares in each Series will be redeemed in the amount of the withdrawal at the net asset value per Share next determined after receipt of a request for wire transfer.

### **Money Market Fund and Government Fund**

Shares in the Money Market Fund and Government Fund will typically be redeemed in the amount of the withdrawal at the net asset value per Share next determined after receipt of a request for wire transfer. Funds will remain invested in the Series until the day they are wired. ***Funds will not be wired unless and until the Fund Accountant/Recordkeeper receives the requisite notice.*** For the Money Market Fund, notice will be considered given on a particular Business Day if received by the Fund Accountant/Recordkeeper before 11:00 a.m. Pacific time;

otherwise it will be considered given on the next Business Day. For the Government Fund, notice will be considered given on a particular Business Day if received by the Fund Accountant/Recordkeeper before 1:00 p.m. Pacific time; otherwise it will be considered given on the next Business Day.

***The Agreement permits the Trustees to suspend the right of withdrawal from the Series or to postpone the date of payment of redemption proceeds if the New York Stock Exchange is closed other than for customary weekend and holiday closings, if trading on that Exchange is restricted, or if, in the opinion of the Trustees, an emergency exists such that disposal of Shares or determination of net asset value is not reasonably practicable.*** If the right of withdrawal is suspended, a Participant may either withdraw its request for withdrawal or receive payment based on the net asset value next determined after termination of the suspension.

Additionally, under Rule 2a-7, the board of directors (“Fund Board”) of the Money Market Fund is permitted to impose a liquidity fee up to 2% on the value of shares redeemed or temporarily restrict redemptions from the Government Money Market Fund for up to 10 business days during a 90 day period, in the event that the Money Market Fund’s weekly liquid assets fall below the following thresholds:

- 30% weekly liquid assets—If the weekly liquid assets of the Money Market Fund falls below 30% of the Money Market Fund’s total assets, and the Fund Board determines it is in the best interests of the Money Market Fund, the Fund Board may impose at any time, and as early as the same day, a liquidity fee of up to 2% of the amount redeemed, or a redemption gate that temporarily suspends the right of redemption.

- 10% weekly liquid assets—If the weekly liquid assets of the Money Market Fund falls below 10% of the Money Market Fund’s total assets as of the end of a business day, the Fund Board will impose, at the beginning of the next business day, a liquidity fee of 1% of the amount redeemed, unless the Fund Board determines that imposing such a fee would not be in the best interests of the Money Market Fund or determines that a lower or higher fee (not to exceed 2%) would be in the best interests of the Money Market Fund.

Liquidity fees and redemption gates, if imposed, may be terminated at any time in the discretion of the Money Market Fund Board. Liquidity fees and redemption gates will also automatically terminate at the beginning of the next business day once the Money Market Fund has invested 30% or more of its total assets in weekly liquid assets as of the end of a business day.

The Money Market Fund may not accept purchases during the period that a liquidity fee has been imposed. If the Fund Board imposes a redemption gate, the Money Market Fund will not accept purchase or redemption orders until the Money Market Fund has notified shareholders that the redemption gate has been lifted.

*CalTRUST may, and is authorized by each Participant to, redeem Shares owned by such Participant (i) to the extent necessary to reimburse CalTRUST for any loss it has sustained by reason of the failure of such Participant to make full payment for Shares purchased by such Participant, (ii) to the extent necessary to collect any charge relating to a transaction effected for the benefit of such Participant which is applicable to Shares, or (iii) as otherwise deemed necessary and desirable by the Board for CalTRUST to effectively carry out its obligations under the Agreement, this Information Statement, comply with applicable law, or any other obligations in connection with the affairs of CalTRUST. Redemption payments may be made in whole or in part in securities or other property of the Series. **Participants receiving any such securities or other property on redemption will bear any costs of sale.***

#### **D. Transfers**

Transfers among the CalTRUST Liquidity Fund, CalTRUST Short-Term Fund, CalTRUST Medium-Term Fund, Money Market Fund, and Government Fund will be considered a withdrawal from one Series and a deposit to another Series subject to the restrictions, limitations and notice requirements above. Transfers may be accomplished through the CalTRUST Online Portal, by following the steps outlined in the “CalTRUST Online Trading User Guide”, which is available to all participants at [www.caltrust.org](http://www.caltrust.org), or by providing the Fund Accountant/Recordkeeper with a completed Cash Transaction Notice Form by fax or email (fax: (402) 963-9094, email: [caltrustsupport@ultimusfundsolutions.com](mailto:caltrustsupport@ultimusfundsolutions.com)).

### **SECTION V: OTHER SERVICES**

#### **A. ONLINE ACCESS**

Secure online access will be available to Participants with respect to their accounts. Information with respect to each Series, including current yield, up-to-date account information, and a transaction history will be available online. Confirmations of each deposit and withdrawal of funds will be available online to a Participant within one Business Day of the transaction.

#### **B. STATEMENTS**

At the end of each month, a statement of each account will be available to each Participant through the online portal, which will show the dividend paid and the account balance as of the statement date. Statements will be made available in the online portal the first business day of the following month.

## Section VI: Trustees and Officers

### A. BOARD OF TRUSTEES

CalTRUST is governed by a Board of Trustees, the number of which may be increased or decreased from time to time by the then-current Board to no fewer than five and no greater than fifteen Trustees. The Board is responsible for the overall management, supervision and administration of CalTRUST, including formulation of investment and operating policy guidelines of the Series. In addition, the Board oversees the activities of the Chief Executive Officer, the SubAdministrator, the Investment Manager, the Custodian, the Fund Accountant/Recordkeeper, legal counsel, independent auditors and other service providers and agents of CalTRUST and monitors the investment performance of each Series and the method of valuing the Shares.

The names and affiliations of the Trustees are as follows:

**John Colville**, City of Sacramento

**Don Kent**, Riverside County

**Chuck Lomeli**, Solano County

**Dan McAllister**, San Diego County

**Bobbie Ormonde**, Westlands Water District

Trustees are nominated by the Members and the Board and are ratified by the Members of the JPA. At least seventy-five percent (75%) of Trustees shall be members of the governing body, officers or personnel of the Members. Trustees currently serve without compensation, but all Trustees, except affiliates of the Investment Manager, if any, are reimbursed by CalTRUST for reasonable travel and other out-of-pocket expenses incurred in connection with their duties as Trustees.

### B. OFFICERS

The names and affiliations of the executive officers are as follows:

**President:** John Colville, City of Sacramento

**Secretary:** Don Kent, Riverside County

**Treasurer:** VACANT

The officers are appointed by the Board and serve at the discretion of the Board. The officers currently serve without compensation, but all officers, except affiliates of the Investment Manager, if any, are reimbursed by CalTRUST for reasonable travel and other out-of-pocket expenses incurred in connection with their duties as officers.

## Section VII: SubAdministrator

### A. SUBADMINISTRATOR

CSAC Finance Corporation (the “SubAdministrator”), with an office at 1100 K Street, Suite 101, Sacramento, California 95814, is a subadministrator to CalTRUST. The SubAdministrator was formed in 1986.

### B. ADMINISTRATIVE SERVICES

The SubAdministrator assists the Chief Executive Officer by providing limited administrative aspects of CalTRUST’s operations, pursuant to a program administration agreement with CalTRUST (the “Administration Agreement”). The Administration Agreement will remain in effect until terminated, and may not be assigned by the Administrator without the consent of the Board; *provided, however*, that such consent will be deemed given if a majority of the Board does not object in writing within 60 days after receiving written notice of a proposed assignment. The Administration Agreement may be terminated by either CalTRUST or the Administrator, at any time and without penalty, upon at least 6 months prior written notice to the other parties, or by any party that is not in breach of the Administration Agreement, without penalty, upon at least 60 days’ prior written notice to the other party, if the other party is in material breach of the Administration Agreement and such breach has not been cured within 60 days’ notice thereof to such other party.

The SubAdministrator provides the following administrative services to CalTRUST in accordance with the Administration Agreement:

- Office space. Responsible for maintaining regular office space for use as the official place of business for CalTRUST.
- Webinars. Host CalTRUST webinars and provide continuing education hours to attendees.
- Payroll/Benefits Support. Provide administration of payroll and benefits services of CalTRUST employees.

## Section VIII: Investment Manager

### A. INVESTMENT MANAGER

BlackRock Financial Management Inc., a registered Investment Manager with its principal office at 40 East 52<sup>nd</sup> Street, New York, NY 10022, is the Investment Manager with respect to the Shares Program. The daily management of the investment affairs and research relating to the Shares Program is conducted by or



under the supervision of the Investment Manager. BlackRock Advisors, LLC, a registered investment Advisor with its principal office at 100 Bellevue Parkway, Wilmington, DE 19809, is the Investment Advisor for the Money Market Fund and the Government Fund.

BlackRock Financial Management Inc. brings together a strategic balance of investment capabilities to best serve investment needs worldwide. BlackRock Financial Management Inc. is a registered investment advisor and a wholly owned asset management subsidiary of BlackRock, Inc. Assets under management of BlackRock Inc. total over \$10 trillion, as of December 31, 2021. Their expertise and scale in short duration fixed income totals \$77.3 billion. In addition, the firm also manages \$721.8 billion in money market funds, ultra-short fixed income funds, separate accounts, exchange traded funds, and collective trust funds.

## **B. MANAGEMENT AND ADVISORY SERVICES**

The Investment Manager manages the investment of the assets in the CalTRUST Liquidity Series, Short-Term Series, and Medium-Term Series, including the placement of orders for the purchase and sale of investments, pursuant to an Investment Management agreement with CalTRUST (the “Advisory Agreement”). 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 CalTRUST in a manner consistent with each Series’ investment objectives and policies. The Advisory Agreement may not be assigned by the Investment Manager without the consent of the CalTRUST Board of Trustees. The Advisory Agreement may be terminated by either party, at any time and without penalty, upon at least 90 days’ prior written notice to the other party.

## **C. INVESTMENT TRANSACTIONS**

The Investment Manager is responsible for decisions to buy and sell securities for CalTRUST and arranges for the execution of securities transactions on behalf of each Series. 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 Series do 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 CalTRUST regarding purchases and sales of securities is that primary consideration will be given to obtaining the most favorable price and efficient execution of transactions. In seeking to implement this policy, the Investment 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 Investment Manager. 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 CalTRUST directly. CalTRUST does not reduce the management fee paid to the Investment Manager by any amount that may be attributable to the value of such services.

## Section IX: Custodian

### A. CUSTODIAN

U.S. Bank, N.A. a custodial bank with an office at 1420 Kettner Blvd, Suite 200, San Diego, CA 92101 is the Custodian for the CalTRUST Liquidity Fund, CalTRUST Short-Term Fund and the CalTRUST Medium-Term Fund.

### B. CUSTODIAL SERVICES

The Custodian holds all cash and securities of each Series, pursuant to an Institutional Fund Custody Agreement with CalTRUST (the “Custodial Agreement”). The Custodian does not participate in determining the investment policies of CalTRUST or in investment decisions. CalTRUST may invest in the Custodian’s obligations and may buy or sell securities through the Custodian.

## Section X: Series Expenses

### Total Annual Expenses of the CalTRUST Liquidity Fund

	<u>Average Daily Net Assets in the Liquidity Fund<sup>1</sup></u>			
	<u>Up to \$50 Million</u>	<u>Over \$50; Up to \$200 Million</u>	<u>Over \$200 Million; Up to \$500 Million</u>	<u>Over \$500 Million</u>
Investment Management <sup>2</sup>	0.100%	0.080%	0.040%	0.020%
Operating <sup>3</sup>	0.046%	0.046%	0.046%	0.046%
Account Mgmt/Record-keeping <sup>2</sup>	0.020%	0.020%	0.020%	0.015%
Custody	0.005%	0.005%	0.005%	0.0033%
SubAdmin <sup>4</sup>	0.010%	0.010%	0.010%	0.010%
<b>Total Annual Operating Expenses</b>	<b>0.181%</b>	<b>0.161%</b>	<b>0.121%</b>	<b>0.0943%</b>

<sup>1</sup> “Average daily net assets” means the average daily value of total assets minus accrued liabilities. The first \$50 Million of net assets in the Liquidity Fund will be charged the first tier rate; the next \$50 Million to \$200 Million of net assets in the Liquidity Fund will be charged the second tier rate; the next \$200 Million to \$500 Million of net assets in the Liquidity Fund will be charged the third tier rate; and all net assets in the Liquidity Fund over \$500 Million will be charged the fourth tier rate.

<sup>2</sup> Calculated on a daily basis and paid monthly from the net assets in the Liquidity Fund.

<sup>3</sup> The Liquidity Fund will also be responsible for legal and audit fees, insurance (including trustees and officers insurance) premiums, Trustees’ and officers’ reasonable travel and other expenses, marketing fees, and the costs of making statutory and regulatory filings and other general compliance with any applicable federal or state laws, as well as all extraordinary expenses, including, without limitation, all reasonable expenses incurred by CalTRUST, the Administrator or the Investment Manager to establish, organize and otherwise commence operations of CalTRUST and the arrangements contemplated by this Information Statement and the Agreement, and litigation costs (including reasonable attorneys’ fees), if any, with respect to the Liquidity Fund.

<sup>4</sup> Calculated on a daily basis and paid monthly to the Administrator from the net assets in the Liquidity Fund. The Administrator will be responsible for account administration, custodial, transfer agency, record keeping, and accounting fees, and ordinary out-of-pocket disbursements, which disbursements may include, without limitation, the costs of legal procedures and policies, periodic updating and preparation of the Information Statement, and preparation of tax returns, financial statements and reports, printing and distribution costs, the costs and expenses of holding any meetings of the Board, fees of other consultants and professionals engaged on behalf of CalTRUST, all expenses of computing the market value of the Liquidity Fund, overnight delivery and courier services, postage, telephone and telecommunication charges, pricing services, terminals, transmitting lines and expenses in connection therewith, travel on CalTRUST business, and costs of preparing books, presentations and other materials for the Board, with respect to the Liquidity Fund.

## Total Annual Expenses of the CalTRUST Short-Term Fund

	<u>Average Daily Net Assets in the Short-Term Fund<sup>1</sup></u>				
	<u>Up to \$100 Million</u>	<u>Over \$100; Up to \$250 Million</u>	<u>Over \$250 Million; Up to \$500 Million</u>	<u>Over \$500 Million; Up to \$1 Billion</u>	<u>Over \$1 Billion</u>
Investment Management <sup>2</sup>	0.100%	0.080%	0.060%	0.050%	0.040%
Operating <sup>3</sup>	0.046%	0.046%	0.046%	0.046%	0.046%
Account Mgmt/Record-keeping <sup>2</sup>	0.020%	0.020%	0.020%	0.015%	0.010%
Custody	0.005%	0.005%	0.005%	0.0033%	0.0033%
SubAdmin <sup>4</sup>	0.010%	0.010%	0.010%	0.010%	0.010%
<b>Total Annual Operating Expenses</b>	<b>0.181%</b>	<b>0.161%</b>	<b>0.141%</b>	<b>0.1243%</b>	<b>0.1093%</b>

<sup>1</sup> “Average daily net assets” means the average daily value of total assets minus accrued liabilities. The first \$100 Million of net assets in the Short-Term Fund will be charged the first tier rate; the next \$100 Million to \$250 Million of net assets in the Short-Term Fund will be charged the second tier rate; the next \$250 Million to \$500 Million of net assets in the Short-Term Fund will be charged the third tier rate, the next \$500 Million to \$1 Billion of net assets in the Short-Term Fund will be charged the fourth tier rate; and all net assets in the Short-Term Fund over \$1 Billion will be charged the fifth tier rate.

<sup>2</sup> Calculated on a daily basis and paid monthly from the net assets in the Short-Term Fund.

<sup>3</sup> The Short-Term Fund will also be responsible for legal and audit fees, insurance (including trustees and officers insurance) premiums, Trustees’ and officers’ reasonable travel and other expenses, marketing fees, and the costs of making statutory and regulatory filings and other general compliance with any applicable federal or state laws, as well as all extraordinary expenses, including, without limitation, all reasonable expenses incurred by CalTRUST, the Administrator or the Investment Manager to establish, organize and otherwise commence operations of CalTRUST and the arrangements contemplated by this Information Statement and the Agreement, and litigation costs (including reasonable attorneys’ fees), if any, with respect to the Short-Term Fund.

<sup>4</sup> Calculated on a daily basis and paid monthly to the Administrator from the net assets in the Short-Term Fund. The Administrator will be responsible for account administration, custodial, transfer agency, record keeping, and accounting fees, and ordinary out-of-pocket disbursements, which disbursements may include, without limitation, the costs of legal procedures and policies, periodic updating and preparation of the Information Statement, and preparation of tax returns, financial statements and reports, printing and distribution costs, the costs and expenses of holding any meetings of the Board, fees of other consultants and professionals engaged on behalf of CalTRUST, all expenses of computing the market value of the Short-Term Fund, overnight delivery and courier services, postage, telephone and telecommunication charges, pricing services, terminals, transmitting lines and expenses in connection therewith, travel on CalTRUST business, and costs of preparing books, presentations and other materials for the Board, with respect to the Short-Term Fund.

## Total Annual Expenses of the CalTRUST Medium-Term Fund

	<u>Average Daily Net Assets in the Medium-Term<sup>1</sup></u>				
	<u>Up to \$100 Million</u>	<u>Over \$100; Up to \$250 Million</u>	<u>Over \$250 Million; Up to \$500 Million</u>	<u>Over \$500 Million; Up to \$1 Billion</u>	<u>Over \$1 Billion</u>
Investment Management <sup>2</sup>	0.130%	0.100%	0.080%	0.060%	0.050%
Operating <sup>3</sup> Account	0.046%	0.046%	0.046%	0.046%	0.046%
Mgmt/Record-keeping <sup>2</sup>	0.020%	0.020%	0.020%	0.015%	0.010%
Custody	0.005%	0.005%	0.005%	0.0033%	0.0033%
SubAdmin <sup>4</sup>	0.010%	0.010%	0.010%	0.010%	0.010%
<b>Total Annual Operating Expenses</b>	<b>0.211%</b>	<b>0.181%</b>	<b>0.161%</b>	<b>0.1343%</b>	<b>0.1193%</b>

<sup>1</sup> “Average daily net assets” means the average daily value of total assets minus accrued liabilities. The first \$100 Million of net assets in the Medium-Term Fund, will be charged the first tier rate; the next \$100 Million to \$250 Million of net assets in the Medium-Term Fund will be charged the second tier rate; the next \$250 Million to \$500 Million of net assets in the Medium-Term Fund will be charged the third tier rate, the next \$500 Million up to \$1 Billion of net assets in the Medium-Term Fund will be charged the fourth tier rate; and all net assets in the Medium-Term Fund over \$1 Billion will be charged the fifth tier rate, as appropriate.

<sup>2</sup> Calculated on a daily basis and paid monthly from the net assets in the Medium-Term Fund

<sup>3</sup> The Medium-Term Fund will also be responsible for legal and audit fees, insurance (including trustees and officers insurance) premiums, Trustees’ and officers’ reasonable travel and other expenses, marketing fees, and the costs of making statutory and regulatory filings and other general compliance with any applicable federal or state laws, as well as all extraordinary expenses, including, without limitation, all reasonable expenses incurred by CalTRUST, the Administrator or the Investment Manager to establish, organize and otherwise commence operations of CalTRUST and the arrangements contemplated by this Information Statement and the Agreement, and litigation costs (including reasonable attorneys’ fees), if any, with respect to the Medium-Term Fund.

<sup>4</sup> Paid monthly to the Administrator from the net assets in the Medium-Term Fund. The Administrator will be responsible for account administration, custodial, transfer agency, record keeping, and accounting fees, and ordinary out-of-pocket disbursements, which disbursements may include, without limitation, the costs of legal procedures and policies, periodic updating and preparation of the Information Statement, and preparation of tax returns, financial statements and reports, printing and distribution costs, printing and distribution costs, the costs and expenses of holding any meetings of the Board, fees of other consultants and professionals engaged on behalf of CalTRUST, all expenses of computing the market value of the Medium-Term Fund overnight delivery and courier services, postage, telephone and telecommunication charges, pricing services, terminals, transmitting lines and expenses in connection therewith, travel on CalTRUST business, and costs of preparing books, presentations and other materials for the Board, with respect to the Medium-Term Fund.

### ***Total Annual Expenses of the Money Market Fund***

The total annual operating expenses of the Money Market Fund, as of February 1, 2022, are 0.14% per year of total average daily net assets in the Money Market Fund. Additional detail regarding Annual Fund Operating Expenses for the Money Market Fund can be found in the BlackRock Liquidity Funds shares fund prospectus, available online at:

<https://www.blackrock.com/cash/en-us/products/307510/>

### ***Total Annual Expenses of the Government Fund***

The total annual operating expenses of the Government Fund, as of February 1, 2022, are 0.17% per year of total average daily net assets in the Government Fund. Additional detail regarding Annual Fund Operating Expenses for the Government Fund can be found in the BlackRock Liquidity Funds Institutional shares fund prospectus, available online at:

<https://www.blackrock.com/cash/en-us/products/282628/>

## **Section XI: Joint Exercise of Powers Agreement**

CalTRUST is a separate public agency established as a joint powers authority under the laws of the state of California by execution of a Joint Powers Authority Agreement by certain Public Agencies as the initial Members of CalTRUST. Additional Public Agencies may become Members of CalTRUST by approving a resolution to adopt the Agreement and by signing a counterpart signature page to the Agreement.

Copies of the Agreement may be obtained from the Administrator and should be read before a Public Agency participates in CalTRUST. ***All descriptions contained in this Information Statement are subject to the specific language of the Agreement.***

For all matters requiring action by Participants, such action will be taken in proportion to the relative market value of each Participant's Shares of a Series.

The Agreement may be amended by the Board, except to the extent an amendment would adversely affect (i) the Shares Program in which case the amendment shall be subject to approval by a majority of the Shares or (ii) one or more Series of Shares, in which case the amendment shall be subject to approval by a majority of the Shares of any Series affected by such amendment. Among other things, the Board may also amend this Agreement without such Participant approval to change the name of CalTRUST or any Series, to establish and designate additional Series, to supply any omission herein or to correct or supplement any ambiguous defective or inconsistent provision hereof, or if they deem it necessary, to conform the Agreement to the requirements of applicable laws or regulations or to eliminate or reduce any taxes which may be payable by CalTRUST or the Participants, or as otherwise provided herein, but the Trustees shall not be liable for failing to do so.

No amendment may be made which would change any rights with respect to any Share by reducing the amount payable thereon upon liquidation of CalTRUST or by diminishing or eliminating any approval rights pertaining thereto, except with the vote of a majority of the Trustees and the approval of the holders of two-thirds (2/3) of the Shares outstanding and the holders of two-thirds (2/3) of the Shares of any Series affected by such amendment. Nothing in the Agreement permits its amendment to impair the exemption from personal liability of the Members, Participants, Trustees, officers, employees and agents of CalTRUST or to permit assessments upon Participants.

## Section XII: Participant and Trustee Liability

### A. PARTICIPANT LIABILITY

CalTRUST is an entity separate from its Members and the Participants and the Agreement expressly provides that except in the case of fraud or willful misconduct, no Member or Participant shall be subject to any personal liability whatsoever to any person in connection with property or the acts, obligations or affairs of CalTRUST, and all such persons shall look solely to CalTRUST property for satisfaction of claims of any nature arising in connection with the affairs of CalTRUST.

### B. LIABILITY OF TRUSTEES AND OTHERS

The Agreement provides that no Trustee, officer or employee of CalTRUST will be liable for any action or failure to act, and that each will be indemnified by CalTRUST against all claims and liabilities as provided in the Agreement, except that no indemnification will be provided for such person's own bad faith, willful misfeasance, gross negligence or reckless disregard of duty.

The California Joint Exercise of Powers Act provides that all immunities from liability that apply to the activity of Trustees, Members, officers, employees or agents of the Members when performing their functions within the territorial limits of their respective Public Agencies will apply to them to the same degree and extent while engaged in the performance of any of their functions and duties associated with CalTRUST.

CalTRUST shall purchase and maintain insurance on behalf of each Trustee, officer, employee or agent of CalTRUST against any liability asserted against or incurred by such person in such capacity or arising out of such person's status as such, but only to the extent that CalTRUST would have the power to indemnify such person against that liability under the Agreement, unless CalTRUST determines that such insurance is not cost effective for CalTRUST or is otherwise impracticable.

**ATTACHMENT A**

See attached Program Registration Form and Participation Agreement.