

**Supplement dated December 10, 2009 to the Statement of Additional
Information dated August 31, 2009**

The following amends and replaces the section entitled “Front-End Sales Charge Reallowances” on page 32 of the Statement of Additional Information.

FRONT-END SALES CHARGE REALLOWANCES

The Distributor receives a front-end sales charge on certain Share sales. The Distributor generally pays up to 90% (and as much as 100%) of this charge to investment professionals for sales and/or administrative services. Any payments to investment professionals in excess of 90% of the front-end sales charge are considered supplemental payments. The Distributor retains any portion not paid to or otherwise not retained by an investment professional, and makes this available for marketing and sales-related activities and expenses, including those of the Advisor and its affiliates. Those portions also may be used to offset payments to be made by a Fund to the Distributor for its services under the Distributor’s Contract with the Fund.

The Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of offering price) for each of the MTB Short Duration Government Bond Fund and the MTB Short-Term Corporate Bond Fund has been changed from 3.00% to 1.75%. The following is added under the section entitled “Advance Commissions” for each of the MTB Short Duration Government Bond and the MTB Short-Term Corporate Bond Funds on page 32 of the Statement of Additional Information.

Short Duration Government Bond Fund and Short-Term Corporate Bond Fund

<u>Purchase Amount</u>	<u>Advance Commission as a Percentage of Public Offering Price</u>
\$250,000 - \$2,999,999.99	0.75%
\$3 million up to \$4,999,999.99	0.50%
Over \$5 million	0.25%

The following amends and replaces information for the MTB Bond Funds under the section entitled “Advance Commissions” on page 32 of the Statement of Additional Information.

Bond Funds (excluding Short Duration Government Bond Fund and Short-Term Corporate Bond Fund)

<u>Purchase Amount</u>	<u>Advance Commission as a Percentage of Public Offering Price</u>
\$1 million - \$2,999,999.99	0.75%
\$3 million up to \$4,999,999.99	0.50%
Over \$5 million	0.25%

STATEMENT OF ADDITIONAL INFORMATION
CLASS A, CLASS B AND CLASS C SHARES
CLASS A2 SHARES
CORPORATE SHARES
INSTITUTIONAL I SHARES
INSTITUTIONAL II SHARES
CLASS S SHARES

MTB GROUP OF FUNDS
Statement of Additional Information

August 31, 2009

CLASS A SHARES, CLASS B SHARES†, CLASS C SHARES AND INSTITUTIONAL I SHARES

MTB Short Duration Government Bond Fund (Short Duration Government Bond Fund)
MTB Short-Term Corporate Bond Fund (Short-Term Corporate Bond Fund)
MTB U.S. Government Bond Fund (U.S. Government Bond Fund)
MTB New York Municipal Bond Fund (New York Municipal Bond Fund)
MTB Pennsylvania Municipal Bond Fund (Pennsylvania Municipal Bond Fund)
MTB Maryland Municipal Bond Fund (Maryland Municipal Bond Fund)
MTB Virginia Municipal Bond Fund* (Virginia Municipal Bond Fund)
MTB Intermediate-Term Bond Fund (Intermediate-Term Bond Fund)
MTB Income Fund (Income Fund)
MTB Balanced Fund (Balanced Fund)
MTB Large Cap Value Fund (Large Cap Value Fund)
MTB Large Cap Growth Fund (Large Cap Growth Fund)
MTB Multi Cap Growth Fund (Multi Cap Growth Fund)
MTB Mid Cap Growth Fund (Mid Cap Growth Fund)
MTB Small Cap Growth Fund++ (Small Cap Growth Fund)
MTB International Equity Fund (International Equity Fund)

CLASS A SHARES, INSTITUTIONAL I SHARES AND INSTITUTIONAL II SHARES

MTB New York Tax-Free Money Market Fund (New York Tax-Free Money Market Fund)**
MTB Pennsylvania Tax-Free Money Market Fund (Pennsylvania Tax-Free Money Market Fund)
MTB Tax-Free Money Market Fund (Tax-Free Money Market Fund)
MTB U.S. Government Money Market Fund (U.S. Government Money Market Fund)

CLASS A SHARES AND CLASS B SHARES†

MTB Managed Allocation Fund – Conservative Growth (Managed Allocation Fund – Conservative Growth)
MTB Managed Allocation Fund – Moderate Growth (Managed Allocation Fund – Moderate Growth)
MTB Managed Allocation Fund – Aggressive Growth (Managed Allocation Fund – Aggressive Growth)

CLASS A SHARES, CLASS S SHARES, INSTITUTIONAL I SHARES AND INSTITUTIONAL II SHARES

MTB U.S. Treasury Money Market Fund (U.S. Treasury Money Market Fund)

This Statement of Additional Information (SAI) is not a prospectus. Read this SAI in conjunction with the prospectuses for the Funds dated August 31, 2009.

This SAI incorporates by reference the MTB Group of Funds (Funds) Annual and Semi-Annual Reports. Obtain the prospectuses, annual or semi-annual report without charge by calling (800) 836-2211; in the Buffalo area call (716) 635-9368.

CLASS A SHARES, CLASS A2 SHARES, CLASS B¹ SHARES, CLASS S SHARES, INSTITUTIONAL I SHARES AND INSTITUTIONAL II SHARES

MTB Money Market Fund (Money Market Fund)

CORPORATE SHARES

MTB Prime Money Market Fund (Prime Money Market Fund)

* Offers Class A Shares only

** Offers Class A Shares and Institutional I Shares only

† Effective on the close of business on December 31, 2008, the Funds' Class B Shares were no longer available for purchase by new or existing shareholders. Shareholders of Class B Shares of the Funds on that date retained their current Class B Shares, but will not be able to purchase additional Class B Shares except through the reinvestment of dividends and distributions. You may still redeem your Class B Shares at any time, subject to any applicable deferred sales charges. You will also retain the ability to exchange your Class B Shares for Class B Shares of other funds in the MTB Group of Funds. Additionally, Rule 12b-1 fees will continue to be assessed and collected on the Class B Shares of the Funds.

++ Only Small Cap Growth Fund offers Class C Shares

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Cusip 55376V861	Cusip 55376T643	Cusip 55376V846	Cusip 55376T379
Cusip 55376V804	Cusip 55376T635	Cusip 55376V838	Cusip 55376T478
Cusip 55376V200	Cusip 55376T106	Cusip 55376V887	Cusip 55376T510
Cusip 55376T460	Cusip 55376T205	Cusip 55376V879	Cusip 55376T114
Cusip 55376T452		Cusip 55376T262	Cusip 55376T148
Cusip 55376T338		Cusip 55376T254	Cusip 55376T775
Cusip 55376T270	Cusip 55376T684	Cusip 55376V309	Cusip 55376V796
Cusip 55376T247	Cusip 55376T676	Cusip 55376V408	
Cusip 55376T239		Cusip 55376T445	
Cusip 55376T213		Cusip 55376T437	
Cusip 55376T197		Cusip 55376T429	
Cusip 55376V507		Cusip 55376T411	
Cusip 55376V606	Cusip 55376T767	Cusip 55376T841	
Cusip 55376T361	Cusip 55376T759	Cusip 55376T320	
Cusip 55376T353	Cusip 55376T395	Cusip 55376T221	
Cusip 55376T312	Cusip 55376T387	Cusip 55376V705	
Cusip 55376T296		Cusip 55376T346	
Cusip 55376T569		Cusip 55376T288	
Cusip 55376T551	Cusip 55376T536	Cusip 55376T544	
Cusip 55376T833	Cusip 55376T528	Cusip 55376T189	
Cusip 55376T825		Cusip 55376T858	
Cusip 55376T874		Cusip 55376T817	
Cusip 55376T866	Cusip 55376T171	Cusip 55376T304	
Cusip 55376T627	Cusip 55376T163	Cusip 55376T601	
Cusip 55376T619	Cusip 55376T155	Cusip 55376T668	
Cusip 55376T593	Cusip 55376T791	Cusip 55376T882	
Cusip 55376T585	Cusip 55376T783	Cusip 55376T692	
Cusip 55376V796	Cusip 55376V853	Cusip 55376T742	

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HOW ARE THE FUNDS ORGANIZED?

Each Fund covered by this SAI is a diversified portfolio of MTB Group of Funds (the Trust), a Delaware statutory trust, except for Pennsylvania Municipal Bond Fund, Maryland Municipal Bond Fund, New York Municipal Bond Fund, Virginia Municipal Bond Fund, Pennsylvania Tax-Free Money Market Fund and New York Tax-Free Money Market Fund, which are non-diversified portfolios of the Trust. The Trust is an open-end management investment company. On August 11, 2000, the Trust was organized to acquire all of the assets and liabilities of the VISION Group of Funds, Inc., a Maryland corporation (the Corporation) that was originally incorporated under the laws of the State of Maryland on February 23, 1988, and registered as an open-end management investment company. On November 8, 2000, each portfolio of the Corporation in existence at that time became a portfolio of the Trust. Accordingly, references in this SAI for periods prior to November 8, 2000, relate to the Funds as portfolios of the Corporation, and substantially identical arrangements for the Corporation. On January 8, 2001, certain of the Funds were created in connection with the reorganization of the Governor Funds. The Trust changed its name from VISION Group of Funds to MTB Group of Funds on August 15, 2003. As noted in the prospectus, certain Funds were created as part of a reorganization of the ARK Funds on August 15 and 22, 2003, and Virginia Municipal Bond Fund was created in connection with the reorganization of FBR Virginia Tax-Free Portfolio on February 24, 2006. These Funds are accounting survivors of corresponding portfolios of the Governor Funds, the ARK Funds and the FBR Fund, and therefore, information for the preceding periods reflect past performance of those corresponding portfolios of Governor Funds, the ARK Funds and the FBR Fund. The Trust may offer separate series of Shares representing interests in separate portfolios of securities.

Through an internal reorganization, the Funds' investment advisor changed from M&T Asset Management, a department of Manufacturers and Traders Trust Company (M&T Bank) to MTB Investment Advisors, Inc. (MTBIA or Advisor), a subsidiary of M&T Bank, on August 15, 2003. The Variable Annuity Fund is offered in a separate prospectus and SAI.

SECURITIES IN WHICH THE FUNDS INVEST

In pursuing its investment strategy, each Fund may invest in the following types of securities for any purpose that is consistent with the Fund's investment goal. Following is a table that indicates which types of securities are a:

P = Principal investment of a Fund;

A = Acceptable (but not principal) investment of a Fund; or

N = Not an acceptable investment of a Fund.

MONEY MARKET FUNDS

	<u>U.S. Treasury Money Market Fund</u>	<u>U.S. Government Money Market Fund</u>	<u>Money Market Fund</u>	<u>Prime Money Market Fund</u>	<u>Tax-Free Money Market Fund</u>	<u>New York Tax- Free Money Market Fund</u>	<u>Pennsylvania Tax- Free Money Market Fund</u>
Fixed Income Securities	P	P	P	P	P	P	P
Treasury Securities	P	P	A	P	A	A	A
Agency Securities	N	P	P	A	A	A	A
Corporate Debt Securities	N	A	P	P	A	N	N
Commerical Paper	N	A	P	P	A	A	A
Demand Instruments	N	A	A	A	A	A	A
Taxable Municipal Securities	A	A	A	A	A	A	A
Mortgage Backed Securities	N	N	N	A	N	N	N
Asset Backed Securities	N	N	N	A	N	N	N
Zero Coupon Securities	N	N	N	A	A	N	N
Bank Instruments	N	A	A	A	A	N	N
Credit Enhancement	N	A	A	N	A	A	A
Foreign Securities	N	N	A	A	N	A	A
Tax Exempt Securities	N	A	N	A	P	P	P
General Obligation Bonds	N	A	N	N	P	P	P
Special Revenue Bonds	N	A	N	N	P	P	P
Tax Increment Financing Bonds	N	A	N	N	P	P	P
Municipal Securities	A	A	A	A	A	A	A
Municipal Notes	N	A	N	N	P	P	P
Variable Rate Demand Instruments	A	A	A	A	P	A	A
Municipal Leases	N	N	N	N	N	N	N
Derivative Contracts	N	N	N	N	N	N	N
Futures Contracts	N	N	N	N	N	N	N
Options	N	N	N	N	N	N	N
Special Transactions	P	P	A	P	A	A	A
Repurchase Agreements	P	P	A	P	A	A	A
Reverse Repurchase Agreements	A	A	A	A	N	N	N
Delayed Delivery Transactions	A	A	A	A	A	A	A
Securities Lending	A	A	A	A	A	A	A
Asset Segregation	A	A	A	A	A	A	A

	<u>U.S. Treasury Money Market Fund</u>	<u>U.S. Government Money Market Fund</u>	<u>Money Market Fund</u>	<u>Prime Money Market Fund</u>	<u>Tax-Free Money Market Fund</u>	<u>New York Tax- Free Money Market Fund</u>	<u>Pennsylvania Tax- Free Money Market Fund</u>
Investing in Securities of Other Investment Companies	A	A	A	A	A	A	A

BOND FUNDS

	<u>Intermediate- Term Bond Fund</u>	<u>Short Duration Government Bond Fund</u>	<u>Short-Term Corporate Bond Fund</u>	<u>U.S. Government Bond Fund</u>	<u>New York Municipal Bond Fund</u>	<u>Pennsylvania Municipal Bond Fund</u>	<u>Maryland Municipal Bond Fund</u>	<u>Virginia Municipal Bond Fund</u>	<u>Income Fund</u>
Fixed Income Securities	P	P	P	P	P	P	P	P	P
Treasury Securities	P	P	P	P	A	A	A	A	P
Agency Securities	P	P	P	P	A	A	A	A	P
Corporate Debt Securities	P	A	P	A	A	A	A	A	P
Commercial Paper	A	A	A	A	A	A	A	A	A
Demand Instruments	A	A	A	A	A	A	A	A	A
Taxable Municipal Securities	A	A	A	A	A	A	A	A	A
Mortgage Backed Securities	P	P	P	P	N	N	N	N	P
Asset Backed Securities	P	A	P	A	N	N	N	N	P
Zero Coupon Securities	A	A	A	A	A	A	A	A	A
Bank Instruments	A	A	A	A	N	N	N	N	A
Credit Enhancement	A	N	A	N	A	A	A	A	A
Foreign Securities	A	N	A	N	A	A	A	A	A
Tax Exempt Securities	A	N	A	N	P	P	P	P	A
General Obligation Bonds	A	N	A	N	P	P	P	P	A
Special Revenue Bonds	A	N	A	N	P	P	P	P	A
Tax Increment Financing Bonds	A	N	A	N	P	P	P	P	A
Municipal Securities	A	A	A	A	P	P	P	P	A
Municipal Notes	A	N	A	N	P	P	P	P	A
Variable Rate Demand Instruments	A	A	A	A	P	P	P	P	A
Municipal Leases	A	A	A	A	P	P	P	P	A
Derivative Contracts	A	A	A	A	A	A	A	A	A
Futures Contracts	A	A	A	A	A	A	A	A	A
Options	A	A	A	A	A	A	A	A	A
Swap Contracts – Credit Default Swaps	P	A	P	A	A	A	A	A	P
Special Transactions	A	A	A	A	A	A	A	A	A
Repurchase Agreements	A	A	A	A	A	A	A	A	A
Reverse Repurchase Agreements	A	A	A	A	A	A	A	A	A
Delayed Delivery Transactions	A	A	A	A	A	A	A	A	A
Securities Lending	A	A	A	A	A	A	A	A	A
Asset Segregation	A	A	A	A	A	A	A	A	A
Investing in Securities of Other Investment Companies	A	A	A	A	A	A	A	A	A
Non-Investment Grade Securities	A	A	A	A	A	A	A	A	A

MANAGED ALLOCATION FUNDS

As described in the prospectus, the Managed Allocation Funds seek to achieve their investment objectives by investing in a combination of underlying funds (the Underlying Funds) managed by the Advisor. The types of securities shown for the Managed Allocation Funds in the table below represent the investments by the Underlying Funds.

	<u>Managed Allocation Fund – Conservative Growth</u>	<u>Managed Allocation Fund – Moderate Growth</u>	<u>Managed Allocation Fund – Aggressive Growth</u>
Equity Securities	P	P	P
Common Stocks	P	P	P
Preferred Stocks	P	P	P
Real Estate Investment Trusts	A	A	A
Warrants	A	A	A
Fixed Income Securities	P	P	P
Treasury Securities	P	P	P
Agency Securities	P	P	P
Corporate Debt Securities	P	P	P
Commercial Paper	A	A	A
Demand Instruments	A	A	A
Taxable Municipal Securities	A	A	A
Mortgage Backed Securities	P	P	P
Collateralized Mortgage Obligations (CMOs)	P	P	P
Asset Backed Securities	P	P	P
Zero Coupon Securities	P	P	P
Bank Instruments	P	P	P
Credit Enhancement	P	P	P
Convertible Securities	A	A	A
Tax Exempt Securities	P	P	P
Variable Rate Demand Instruments	A	A	A
Municipal Securities	P	P	P
Municipal Notes	P	P	P
Foreign Securities	P	P	P
Depository Receipts	P	P	P
Foreign Exchange Contracts	P	P	P
Foreign Government Securities	P	P	P
Derivative Contracts	A	A	A
Futures Contracts	A	A	A
Options	A	A	A
Special Transactions	A	A	A
Repurchase Agreements	A	A	A
Reverse Repurchase Agreements	A	A	A
Delayed Delivery Transactions	A	A	A
Securities Lending	A	A	A
Asset Segregation	A	A	A
Investing in Securities of Other Investment Companies	P	P	P
Exchange-Traded Funds	A	A	A
Non-Investment Grade Securities	P	P	P

BALANCED FUND

	<u>Balanced Fund</u>
Equity Securities	P
Common Stocks	P
Preferred Stocks	P
Interests in Other Limited Liability Companies	A
Real Estate Investment Trusts	A
Warrants	A
Fixed Income Securities	P
Treasury Securities	P
Agency Securities	P
Corporate Debt Securities	P
Commercial Paper	A
Demand Instruments	A
Mortgage Backed Securities	P
Asset Backed Securities	A
Zero Coupon Securities	A
Bank Instruments	A
Convertible Securities	A
Foreign Securities	P
Derivative Contracts	A
Futures Contracts	A
Options	A
Special Transactions	A
Repurchase Agreements	A
Reverse Repurchase Agreements	A
Delayed Delivery Transactions	A
Securities Lending	A
Asset Segregation	A
Investing in Securities of Other Investment Companies	A

EQUITY FUNDS

	<u>Large Cap Value Fund</u>	<u>Large Cap Growth Fund</u>	<u>Multi Cap Growth Fund</u>	<u>Mid Cap Growth Fund</u>	<u>Small Cap Growth Fund</u>	<u>International Equity Fund</u>
Equity Securities	P	P	P	P	P	P
Common Stocks	P	P	P	P	P	P
Preferred Stocks	P	P	P	P	P	P
Interests in Other Limited Liability Companies	A	A	A	A	A	A
Real Estate Investment Trusts	A	A	A	A	A	N
Warrants	A	A	A	A	A	A
Fixed Income Securities	A	A	A	A	A	A
Treasury Securities	A	A	A	A	A	A
Agency Securities	A	A	A	A	A	A
Corporate Debt Securities	A	A	A	A	A	A
Commerical Paper	A	A	A	A	A	A
Demand Instruments	A	A	A	A	A	A
Mortgage Backed Securities	A	A	A	A	A	A
Asset Backed Securities	A	A	A	A	A	A
Zero Coupon Securities	A	A	A	A	A	A
Bank Instruments	A	A	A	A	A	A
Convertible Securities	P	P	A	A	A	P
Foreign Securities	P	A	A	A	P	P
Depository Receipts	P	P	P	P	A	P
Derivative Contracts	A	A	A	A	P	P
Futures Contracts	A	A	A	A	A	P
Options	A	A	A	A	A	A
Special Transactions	A	A	A	A	A	A
Repurchase Agreements	A	A	A	A	A	A
Reverse Repurchase Agreements	A	A	A	A	A	A
Delayed Delivery Transactions	A	A	A	A	A	A
Securities Lending	A	A	A	A	A	A
Asset Segregation	A	A	A	A	A	A
Short Sales	A	P	P	P	P	N
Investing in Securities of Other Investment Companies	P	P	P	A	A	P
Exchange-Traded Funds	A	A	A	A	A	A

SECURITIES DESCRIPTIONS AND TECHNIQUES

Following are descriptions of securities and techniques that each Fund may or may not pursue, as noted in the preceding table.

EQUITY SECURITIES

Equity securities represent a share of an issuer's earnings and assets, after the issuer pays its liabilities. A Fund cannot predict the income it will receive from equity securities because issuers generally have discretion as to the payment of any dividends or distributions. However, equity securities offer greater potential for appreciation than many other types of securities, because their value increases directly with the value of the issuer's business. The following describes the types of equity securities in which a Fund invests.

Common Stocks

Common stocks are the most prevalent type of equity security. Common stocks receive the issuer's earnings after the issuer pays its creditors and any preferred stockholders. As a result, changes in an issuer's earnings directly influence the value of its common stock.

Preferred Stocks

Preferred stocks have the right to receive specified dividends or distributions before the issuer makes payments on its common stock. Some preferred stocks also participate in dividends and distributions paid on common stock. Preferred stocks may also permit the issuer to redeem the stock. A Fund may also treat such redeemable preferred stock as a fixed income security.

Interests in Other Limited Liability Companies

Entities such as limited partnerships, limited liability companies, business trusts and companies organized outside the United States may issue securities comparable to common or preferred stocks.

Real Estate Investment Trusts (REITs)

REITs are real estate investment trusts that lease, operate and finance commercial real estate. REITs are exempt from federal corporate income tax if they limit their operations and distribute most of their income. Such tax requirements limit a REIT's ability to respond to changes in the commercial real estate market.

Warrants

Warrants give a Fund the option to buy the issuer's equity securities at a specified price (the exercise price) at a specified future date (the expiration date). The Fund may buy the designated securities by paying the exercise price before the expiration date. Warrants may become worthless if the price of the stock does not rise above the exercise price by the expiration date. This increases the market risks of warrants as compared to the underlying security. Rights are the same as warrants, except companies typically issue rights to existing stockholders.

FIXED INCOME SECURITIES

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

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

The following describes the types of fixed income securities in which a Fund may invest.

Treasury Securities

Treasury securities are direct obligations of the federal government of the United States. Treasury securities are generally regarded as having the lowest credit risks.

Agency Securities

Agency securities are issued or guaranteed by a federal agency or other government sponsored entity (GSE) acting under federal authority. Some GSE securities are supported by the full faith and credit of the United States. These include the Government National Mortgage Association, Small Business Administration, Farm Credit System Financial Assistance Corporation, Farmer's Home Administration, Federal Financing Bank, General Services Administration, Department of Housing and Urban Development, Export-Import Bank, Overseas Private Investment Corporation, and Washington Metropolitan Area Transit Authority Bonds.

Other GSE securities receive support through federal subsidies, loans or other benefits. For example, the U.S. Treasury is authorized to purchase specified amounts of securities issued by (or otherwise make funds available to) the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Student Loan Marketing Association, and Tennessee Valley Authority in support of such obligations.

A few GSE securities have no explicit financial support, but are regarded as having implied support because the federal government sponsors their activities. These include the Farm Credit System, Financing Corporation, and Resolution Trust Corporation.

Investors regard agency securities as having low credit risks, but not as low as Treasury securities.

A Fund treats mortgage-backed securities guaranteed by a GSE as if issued or guaranteed by a federal agency. Although such a guarantee protects against credit risks, it does not reduce market and prepayment risks.

Corporate Debt Securities

Corporate debt securities are fixed income securities issued by businesses. Notes, bonds, debentures and commercial paper are the most prevalent types of corporate debt securities. The Fund may also purchase interests in bank loans to companies. The credit risks of corporate debt securities vary widely among issuers.

In addition, the credit risk of an issuer's debt security may vary based on its priority for repayment. For example, higher ranking (senior) debt securities have a higher priority than lower ranking (subordinated) securities. This means that the issuer might not make payments on subordinated securities while continuing to make payments on senior securities. In addition, in the event of bankruptcy, holders of senior securities may receive amounts otherwise payable to the holders of subordinated securities. Some subordinated securities, such as trust preferred and capital securities notes, also permit the issuer to defer payments under certain circumstances. For example, insurance companies issue securities known as surplus notes that permit the insurance company to defer any payment that would reduce its capital below regulatory requirements.

Commercial Paper

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

Demand Instruments

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

Taxable Municipal Securities

Municipal securities are issued by states, counties, cities and other political subdivisions and authorities. Although many municipal securities are exempt from federal income tax, a Fund may invest in taxable municipal securities.

Mortgage Backed Securities

Mortgage backed securities represent interests in pools of mortgages. The mortgages that comprise a pool normally have similar interest rates, maturities and other terms. Mortgages may have fixed or adjustable interest rates. Interests in pools of adjustable rate mortgages are known as ARMs.

Mortgage backed securities come in a variety of forms. Many have extremely complicated terms. The simplest form of mortgage backed securities are pass-through certificates. An issuer of pass-through certificates gathers monthly payments from an underlying pool of mortgages. Then, the issuer deducts its fees and expenses and passes the balance of the payments onto the certificate holders once a month. Holders of pass-through certificates receive a pro rata share of all payments and pre-payments from the underlying mortgages. As a result, the holders assume all the prepayment risks of the underlying mortgages.

Collateralized Mortgage Obligations (CMOs)

CMOs, including interests in real estate mortgage investment conduits (REMICs), allocate payments and prepayments from an underlying pass-through certificate among holders of different classes of mortgage backed securities. This creates different prepayment and interest rate risks for each CMO class.

Sequential CMOs

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

PACs, TACs and Companion Classes

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

IOs and POs

CMOs may allocate interest payments to one class (Interest Only or IOs) and principal payments to another class (Principal Only or POs). POs increase in value when prepayment rates increase. In contrast, IOs decrease in value when prepayments increase, because the underlying mortgages generate less interest payments. However, IOs tend to increase in value when interest rates rise (and prepayments decrease), making IOs a useful hedge against interest rate risks.

Floater and Inverse Floater

Another variant allocates interest payments between two classes of CMOs. One class (Floater) receives a share of interest payments based upon a market index such as LIBOR. The other class (Inverse Floater) receives any remaining interest payments from the underlying mortgages. Floater classes receive more interest (and Inverse Floater classes receive correspondingly less interest) as interest rates rise. This shifts prepayment and interest rate risks from the Floater to the Inverse Floater class, reducing the price volatility of the Floater class and increasing the price volatility of the Inverse Floater class.

Z Classes and Residual Classes

CMOs must allocate all payments received from the underlying mortgages to some class. To capture any unallocated payments, CMOs generally have an accrual (Z) class. Z classes do not receive any payments from the underlying mortgages until all other CMO classes have been paid off. Once this happens, holders of Z class CMOs receive all payments and prepayments. Similarly, REMICs have residual interests that receive any mortgage payments not allocated to another REMIC class.

The degree of increased or decreased prepayment risks depends upon the structure of the CMOs. However, the actual returns on any type of mortgage backed security depend upon the performance of the underlying pool of mortgages, which no one can predict and will vary among pools.

Asset Backed Securities

Asset backed securities are payable from pools of obligations other than mortgages. Most asset backed securities involve consumer or commercial debts with maturities of less than ten years. However, almost any type of fixed income assets (including other fixed income securities) may be used to create an asset backed security. Asset backed securities may take the form of commercial paper, notes, or pass through certificates. Asset backed securities have prepayment risks. Like CMOs, asset backed securities may be structured like Floaters, Inverse Floaters, IOs and POs.

Zero Coupon Securities

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

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

Bank Instruments

Bank instruments are unsecured interest bearing deposits with banks. Bank instruments include bank accounts, time deposits, certificates of deposit and banker's acceptances. Yankee instruments are denominated in U.S. dollars and issued by U.S. branches of foreign banks. Eurodollar instruments are denominated in U.S. dollars and issued by non-U.S. branches of U.S. or foreign banks.

Credit Enhancement

Common types of credit enhancement include guarantees, letters of credit, bond insurance and surety bonds. Credit enhancement also includes arrangements where securities or other liquid assets secure payment of a fixed income security. If a default occurs, these assets may be sold and the proceeds paid to security's holders. Either form of credit enhancement reduces credit risks by providing another source of payment for a fixed income security.

Convertible Securities

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

Convertible securities have lower yields than comparable fixed income securities. In addition, at the time a convertible security is issued the conversion price exceeds the market value of the underlying equity securities. Thus, convertible securities may provide lower returns than non-convertible fixed income securities or equity securities depending upon changes in the price of the underlying equity securities.

However, convertible securities permit the Fund to realize some of the potential appreciation of the underlying equity securities with less risk of losing its initial investment. The Equity Funds may invest in commercial paper rated below investment grade. See “Risks Associated with Non-investment Grade Securities” herein.

The Funds treat convertible securities as both fixed income and equity securities for purposes of its investment policies and limitations, because of their unique characteristics.

Tax Exempt Securities

Tax exempt securities are fixed income securities that pay interest that is not subject to regular federal income taxes. Typically, states, counties, cities and other political subdivisions and authorities issue tax exempt securities. The market categorizes tax exempt securities by their source of repayment.

General Obligation Bonds

General obligation bonds are supported by the issuer’s power to exact property or other taxes. The issuer must impose and collect taxes sufficient to pay principal and interest on the bonds. However, the issuer’s authority to impose additional taxes may be limited by its charter or state law.

Special Revenue Bonds

Special revenue bonds are payable solely from specific revenues received by the issuer such as specific taxes, assessments, tolls, or fees. Bondholders may not collect from the municipality’s general taxes or revenues. For example, a municipality may issue bonds to build a toll road, and pledge the tolls to repay the bonds. Therefore, a shortfall in the tolls normally would result in a default on the bonds.

Private Activity Bonds

Private activity bonds are special revenue bonds used to finance private entities. For example, a municipality may issue bonds to finance a new factory to improve its local economy. The municipality would lend the proceeds from its bonds to the company using the factory, and the company would agree to make loan payments sufficient to repay the bonds. The bonds would be payable solely from the company’s loan payments, not from any other revenues of the municipality. Therefore, any default on the loan normally would result in a default on the bonds.

The interest on many types of private activity bonds is subject to the federal alternative minimum tax (AMT). A Fund may invest in bonds subject to AMT.

Tax Increment Financing Bonds

Tax increment financing (TIF) bonds are payable from increases in taxes or other revenues attributable to projects financed by the bonds. For example, a municipality may issue TIF bonds to redevelop a commercial area. The TIF bonds would be payable solely from any increase in sales taxes collected from merchants in the area. The bonds could default if merchants’ sales, and related tax collections, failed to increase as anticipated.

Variable Rate Demand Instruments

Variable rate demand instruments are tax exempt securities that require the issuer or a third party, such as a dealer or bank, to repurchase the security for its face value upon demand. The securities also pay interest at a variable rate intended to cause the securities to trade at their face value. A Fund treats variable rate demand instruments as short-term securities even though their maturity may extend beyond 397 days because, within 397 days, their variable interest rate adjusts in response to changes in market rates and the repayment of their principal amount can be demanded.

Municipal Securities

Municipal Securities are issued by states, counties, cities and other political subdivisions and authorities. Although many municipal securities are exempt from federal income tax, the Funds may invest in taxable municipal securities.

Municipal Notes

Municipal notes are short-term tax exempt securities. Many municipalities issue such notes to fund their current operations before collecting taxes or other municipal revenues. Municipalities may also issue notes to fund capital projects prior to issuing long-term bonds. The issuers typically repay the notes at the end of their fiscal year, either with taxes, other revenues or proceeds from newly issued notes or bonds.

Municipal Leases

Municipalities may enter into leases for equipment or facilities. In order to comply with state public financing laws, these leases are typically subject to annual appropriation. In other words, a municipality may end a lease, without penalty, by not providing for the lease payments in its annual budget. After the lease ends, the lessor can resell the equipment or facility but may lose money on the sale.

A Fund may invest in securities supported by pools of municipal leases. The most common type of lease backed securities are certificates of participation (COPs). However, a Fund may also invest directly in individual leases.

Foreign Securities

Foreign securities are securities of issuers based outside the United States. The Funds consider an issuer to be based outside the United States if:

- it is organized under the laws of, or has a principal office located in, another country;
- the principal trading market for its securities is in another country; or
- it (or its subsidiaries) derived in its most current fiscal year at least 50% of its total assets, capitalization, gross revenue or profit from goods produced, services performed, or sales made in another country.

Foreign securities are primarily denominated in foreign currencies. Along with the risks normally associated with domestic securities of the same type, foreign securities are subject to currency risks and risks of foreign investing. Trading in certain foreign markets is also subject to liquidity risks.

Depository Receipts

Depository receipts represent interests in underlying securities issued by a foreign company. Depository receipts are not traded in the same market as the underlying security. The foreign securities underlying American Depositary Receipts (ADRs) are traded in the United States. ADRs provide a way to buy shares of foreign-based companies in the United States rather than in overseas markets. ADRs are also traded in U.S. dollars, eliminating the need for foreign exchange transactions.

Foreign Exchange Contracts

In order to convert U.S. dollars into the currency needed to buy a foreign security, or to convert foreign currency received from the sale of a foreign security into U.S. dollars, the Fund may enter into spot currency trades. In a spot trade, the Fund agrees to exchange one currency for another at the current exchange rate. The Fund may also enter into derivative contracts in which a foreign currency is an underlying asset. The exchange rate for currency derivative contracts may be higher or lower than the spot exchange rate. Use of these derivative contracts may increase or decrease the Fund's exposure to currency risks.

Foreign Government Securities

Foreign government securities generally consist of fixed income securities supported by national, state or provincial governments or similar political subdivisions. Foreign government securities also include debt obligations of supranational entities, such as international organizations designed or supported by governmental entities to promote economic reconstruction or development, international banking institutions and related government agencies. Examples of these include, but are not limited to, the International Bank for Reconstruction and Development (the World Bank), the Asian Development Bank, the European Investment Bank and the Inter-American Development Bank.

Foreign government securities also include fixed income securities of quasi-governmental agencies that are either issued by entities owned by a national, state or equivalent government or are obligations of a political unit that are not backed by the national government's full faith and credit. Further, foreign government securities include mortgage-related securities issued or guaranteed by national, state or provincial governmental instrumentalities, including quasi-governmental agencies.

DERIVATIVE CONTRACTS

Derivative contracts are financial instruments that require payments based upon changes in the values of designated (or underlying) securities, currencies, commodities, financial indices or other assets. Some derivative contracts (such as futures, forwards and options) require payments relating to a future trade involving the underlying asset. Other derivative contracts (such as swaps) require payments relating to the income or returns from the underlying asset. The other party to a derivative contract is referred to as a counterparty.

Many derivative contracts are traded on securities or commodities exchanges. In this case, the exchange sets all the terms of the contract except for the price. Investors make payments due under their contracts through the exchange. Most exchanges require investors to maintain margin accounts through their brokers to cover their potential obligations to the exchange. Parties to the contract make (or collect) daily payments to the margin accounts to reflect losses (or gains) in the value of their contracts. This protects investors against potential defaults by the counterparty. Trading contracts on an exchange also allows investors to close out their contracts by entering into offsetting contracts.

For example, the Fund could close out an open contract to buy an asset at a future date by entering into an offsetting contract to sell the same asset on the same date. If the offsetting sale price is more than the original purchase price, the Fund realizes a gain; if it is less, the Fund realizes a loss. Exchanges may limit the amount of open contracts permitted at any one time. Such limits may prevent the Fund from closing out a position. If this happens, the Fund will be required to keep the contract open (even if it is losing money on the contract), and to make any payments required under the contract (even if it has to sell portfolio securities at unfavorable prices to do so). Inability to close out a contract could also harm the Fund by preventing it from disposing of or trading any assets it has been using to secure its obligations under the contract.

The Funds may also trade derivative contracts over-the-counter (OTC) in transactions negotiated directly between the Fund and the counterparty. OTC contracts do not necessarily have standard terms, so they cannot be directly offset with other OTC contracts. In addition, OTC contracts with more specialized terms may be more difficult to price than exchange traded contracts.

Depending upon how the Fund uses derivative contracts and the relationships between the market value of a derivative contract and the underlying asset, derivative contracts may increase or decrease a Fund's exposure to market and currency risks, and may also expose the Fund to liquidity and leverage risks. OTC contracts also expose the Fund to credit risks in the event that a counterparty defaults on the contract.

The Funds (other than the Money Market Funds) may trade in the following types of derivative contracts.

Futures Contracts

Futures contracts provide for the future sale by one party and purchase by another party of a specified amount of an underlying asset at a specified price, date, and time. Entering into a contract to buy an underlying asset is commonly referred to as buying a contract or holding a long position in the asset. Entering into a contract to sell an underlying asset is commonly referred to as selling a contract or holding a short position in the asset. Futures contracts are considered to be commodity contracts. The Fund has claimed an exclusion from the definition of the term "commodity pool operator" under the Commodity Exchange Act and, therefore, is not subject to registration or regulation as a commodity pool operator under that Act. Futures contracts traded OTC are frequently referred to as forward contracts.

The Funds may buy/sell financial futures contracts. International Fund, and Large Cap Value Fund may also buy/sell stock index futures contracts.

Options

Options are rights to buy or sell an underlying asset for a specified price (the exercise price) during, or at the end of, a specified period. A call option gives the holder (buyer) the right to buy the underlying asset from the seller (writer) of the option. A put option gives the holder the right to sell the underlying asset to the writer of the option. The writer of the option receives a payment, or premium, from the buyer, which the writer keeps regardless of whether the buyer uses (or exercises) the option.

The Funds may:

- Buy call options on portfolio securities in anticipation of an increase in the value of the underlying asset;
- Buy put options on portfolio securities in anticipation of a decrease in the value of the underlying asset.

Each Fund may also write call options on all or any portion of its portfolio securities and on financial or stock index futures contracts (as permitted) to generate income from premiums, and in anticipation of a decrease or only limited increase in the value of the underlying asset. If a call written by the Fund is exercised, the Fund foregoes any possible profit from an increase in the market price of the underlying asset over the exercise price plus the premium received.

Each Fund may also write put options on all or a portion of its portfolio securities and on financial or stock index futures contracts (as permitted) to generate income from premiums, and in anticipation of an increase or only limited decrease in the value of the underlying asset. In writing puts, there is a risk that the Fund may be required to take delivery of the underlying asset when its current market price is lower than the exercise price.

When the Fund writes options on futures contracts, it will be subject to margin requirements similar to those applied to futures contracts.

Swap Contracts

A swap contract (also known as a swap) is a type of derivative contract in which two parties (each, a Counterparty) agree to pay each other (swap) the returns derived from designated (or underlying) securities, currencies, commodities, financial indices or other assets (Reference Instruments). Swaps do not always involve the delivery of the Reference Instruments by either party, and the parties might not own the Reference Instruments underlying the swap. The payments are usually made on a net basis so that, on any given day, the Fund would receive (or pay) only the amount by which its payment under the contract is less than (or exceeds) the amount of the other party's payment. Swap agreements are sophisticated instruments that can take many different forms and are known by a variety of names.

Credit Default Swaps

A credit default swap (CDS) is a type of swap agreement between two parties whereby one party (the Protection Buyer) agrees to make payments over the term of the CDS to the other party (the Protection Seller), provided that no designated event of default, restructuring or other credit related event (each a Credit Event) occurs with respect to the Reference Instrument, which is usually a particular bond or the unsecured credit of a particular issuer (the Reference Obligation). Many CDSs are physically settled, which means that if a Credit Event occurs, the Protection Seller must pay the Protection Buyer the full notional value, or "par value," of the Reference Obligation in exchange for delivery by the Protection Buyer of the Reference Obligation or another similar obligation issued by the issuer of the Reference Obligation (the Deliverable Obligation). The Counterparties agree to the

characteristics of the Deliverable Obligation at the time that they enter into the CDS. Alternately, a CDS can be “cash settled,” which means that upon the occurrence of a Credit Event, the Protection Buyer will receive a payment from the Protection Seller equal to the difference between the par amount of the Reference Obligation and its market value at the time of the Credit Event. The Fund may be either the Protection Buyer or the Protection Seller in a CDS. If the Fund is a Protection Buyer and no Credit Event occurs, the Fund will lose its entire investment in the CDS (i.e., an amount equal to the payments made to the Protection Seller over the term of the CDS). However, if a Credit Event occurs, the Fund (as Protection Buyer) will deliver the Deliverable Obligation and receive a payment equal to the full notional value of the Reference Obligation, even though the Reference Obligation may have little or no value. If the Fund is the Protection Seller and no Credit Event occurs, the Fund will receive a fixed rate of income throughout the term of the CDS. However, if a Credit Event occurs, the Fund (as Protection Seller) will pay the Protection Buyer the full notional value of the Reference Obligation and receive the Deliverable Obligation from the Protection Buyer. A CDS may involve greater risks than if the Fund invested directly in the Reference Obligation. For example, a CDS may increase credit risk since the Fund has exposure to both the issuer of the Reference Obligation and the Counterparty to the CDS. The Reference Instruments underlying each CDS will be of a credit quality at least equal to that of the credit quality required for investment in individual securities by the relevant Fund.

INVESTMENT RATINGS FOR THE MONEY MARKET FUND AND PRIME MONEY MARKET FUND ONLY

The highest rating category of a nationally recognized rating statistical rating organization (NRSRO) is determined without regard for sub-categories and gradations. For example, securities rated A-1+ or A-1 by Standard & Poor’s (S&P), Prime-1 by Moody’s Investors Service (Moody’s), F-1+ or F-1 by Fitch Ratings (Fitch) or R-1 (high), R-1 (middle) or R-1 (low) by Dominion Bond Rating Service (DBRS) are all considered rating in the highest short-term rating category. The Funds will follow applicable regulations in determining whether a security rated by more than one rating service can be treated as being in the highest short-term rating category. See “Regulatory Compliance.”

If a security is downgraded below the minimum quality grade discussed in the Fund’s investment strategy, the Advisor or Sub-advisor will re-evaluate the security, but will not be required to sell it.

INVESTMENT RATINGS FOR ALL OTHER MTB MONEY MARKET FUNDS

A nationally recognized rating service’s two highest rating categories are determined without regard for sub-categories and gradations. For example, securities rated SP-1+, SP-1, or SP-2 by S&P, MIG-1 or MIG-2 by Moody’s, or F-1+, F-1, or F-2 by Fitch are all considered rated in one of the two highest short-term rating categories. The Money Market Funds will follow applicable regulations in determining whether a security rated by more than one rating service can be treated as being in one of the two highest short-term rating categories; currently, such securities must be rated by two rating services in one of their two highest rating categories. See “Regulatory Compliance.”

If a security is downgraded below the minimum quality grade discussed in the Fund’s investment strategy, the Advisor or Sub-advisor will re-evaluate the security, but will not be required to sell it.

SPECIAL TRANSACTIONS

Repurchase Agreements

Repurchase agreements are transactions in which a Fund buys a security from a dealer or bank and agrees to sell the security back at a mutually agreed upon time and price. The repurchase price exceeds the sale price, reflecting the Fund’s return on the transaction. This return is unrelated to the interest rate on the underlying security. A Fund will enter into repurchase agreements only with banks and other recognized financial institutions, such as securities dealers, deemed creditworthy by the Advisor.

The Funds’ custodian or sub-custodian will take possession of the securities subject to repurchase agreements. The Advisor or sub-custodian will monitor the value of the underlying security each day to ensure that the value of the security always equals or exceeds the repurchase price.

Repurchase agreements are subject to credit risks.

Reverse Repurchase Agreements

Reverse repurchase agreements are repurchase agreements in which the Fund is the seller (rather than the buyer) of the securities, and agrees to repurchase them at an agreed upon time and price. A reverse repurchase agreement may be viewed as a type of borrowing by the Fund. Reverse repurchase agreements are subject to credit risks. In addition, reverse repurchase agreements create leverage risks because the Fund must repurchase the underlying security at a higher price, regardless of the market value of the security at the time of repurchase.

Delayed Delivery Transactions

Delayed delivery transactions, including when issued transactions, are arrangements in which the Fund buys securities for a set price, with payment and delivery of the securities scheduled for a future time. During the period between purchase and settlement, no payment is made by the Fund to the issuer and no interest accrues to the Fund. The Fund records the transaction when it agrees to buy the securities and reflects their value in determining the price of its shares. Settlement dates may be a month or more after entering into these transactions so that the market values of the securities bought may vary from the purchase prices. Therefore, delayed delivery transactions create interest rate risks for the Fund. Delayed delivery transactions also involve credit risks in the event of a counterparty default.

To Be Announced Securities (TBAs)

As with other delayed delivery transactions, a seller agrees to issue a TBA security at a future date. However, the seller does not specify the particular securities to be delivered. Instead, the Fund agrees to accept any security that meets specified terms. For example, in a TBA mortgage backed transaction, the Fund and the seller would agree upon the issuer, interest rate and terms of the underlying mortgages. The seller would not identify the specific underlying mortgages until it issues the security. TBA mortgage backed securities increase interest rate risks because the underlying mortgages may be less favorable than anticipated by the Fund.

Securities Lending

The Funds may lend portfolio securities to borrowers that the Advisor deems creditworthy. In return, the Fund receives cash or liquid securities from the borrower as collateral. The borrower must furnish additional collateral if the market value of the loaned securities increases. Also, the borrower must pay the Fund the equivalent of any dividends or interest received on the loaned securities.

The Fund will reinvest cash collateral in securities that qualify as an acceptable investment for the Fund. However, the Fund must pay interest to the borrower for the use of cash collateral.

Loans are subject to termination at the option of the Fund or the borrower. The Fund will not have the right to vote on securities while they are on loan, but it will terminate a loan in anticipation of any important vote. The Fund may pay administrative and custodial fees in connection with a loan and may pay a negotiated portion of the interest earned on the cash collateral to a securities lending agent or broker.

Securities lending activities are subject to interest rate risks and credit risks.

Asset Segregation (Fluctuating Net Asset Value Funds)

In accordance with the Securities and Exchange Commission (SEC) and SEC staff positions regarding the interpretation of the Investment Company Act of 1940 (1940 Act), with respect to derivatives that create a future payment obligation of the Fund, the Fund must “set aside” (referred to sometimes as “asset segregation”) liquid assets, or engage in other SEC- or staff-approved measures, while the derivative contracts are open. For example, with respect to forwards and futures contracts that are not contractually required to “cash-settle,” the Fund must cover its open positions by setting aside cash or readily marketable securities equal to the contracts’ full, notional value. With respect to forwards and futures that are contractually required to “cash-settle,” however, the Fund is permitted to set aside cash or readily marketable securities in an amount equal to the Fund’s daily marked-to-market (net) obligations, if any (i.e., the Fund’s daily net liability, if any), rather than the notional value.

The Funds will employ another approach to segregating assets to cover options that it sells. If the Fund sells a call option, the Fund will set aside either the Reference Instrument subject to the option, cash or readily marketable securities with a value that equals or exceeds the current market value of the Reference Instrument. In no event, will the value of the cash or readily marketable securities set aside by the Fund be less than the exercise price of the call option. If the Fund sells a put option, the Fund will set aside cash or readily marketable securities with a value that equals or exceeds the exercise price of the put option.

The Funds’ asset segregation approach for swap agreements varies among different types of swaps. For example, if the Fund enters into a credit default swap as the Protection Buyer, then it will set aside cash or readily marketable securities necessary to meet any accrued payment obligations under the swap. By comparison, if the Fund enters into a credit default swap as the Protection Seller, then the Fund will set aside cash or readily marketable securities equal to the full notional amount of the swap that must be paid upon the occurrence of a Credit Event. For some other types of swaps, such as interest rate swaps, the Fund will calculate the obligations of the counterparties to the swap on a net basis. Consequently, the Fund’s current obligation (or rights) under this type of swap will equal only the net amount to be paid or received based on the relative values of the positions held by each counterparty to the swap (the net amount). The net amount currently owed by or to the Fund will be accrued daily and the Fund will set aside cash or readily marketable securities equal to any accrued but unpaid net amount owed by the Fund under the swap.

A Fund may reduce the liquid assets segregated to cover obligations under a derivative contract by entering into an offsetting derivative contract. For example, if the Fund sells a put option for the same Reference Instrument as a call option the Fund has sold, and the exercise price of the call option is the same as or higher than the exercise price of the put option, then the Fund may net its obligations under the options and set aside cash or readily marketable securities (including any margin deposited for the options) with a value equal to the greater of (a) the current market value of the Reference Instrument deliverable under the call option or (b) the exercise price of the put option.

By setting aside cash or readily marketable securities equal to only its net obligations under swaps and certain cash-settled derivative contracts, a Fund will have the ability to employ leverage to a greater extent than if the Fund were required to segregate cash or readily marketable securities equal to the full notional value of such contracts. The use of leverage involves certain risks. See “Risk

Factors” in the prospectus. Unless the Fund has other cash or readily marketable securities to set aside, it cannot trade assets set aside in connection with derivative contracts or special transactions without entering into an offsetting derivative contract or terminating a special transaction. This may cause the Fund to miss favorable trading opportunities or to realize losses on derivative contracts or special transactions. The Fund reserves the right to modify its asset segregation policies in the future to comply with any changes in the positions articulated from time to time by the SEC and its staff.

Generally, special transactions do not cash-settle on a net basis. Consequently, with respect to special transactions, the Fund will set aside cash or readily marketable securities with a value that equals or exceeds the Fund’s obligations.

With respect to short sales transactions, the Funds will set aside cash or readily marketable securities in an amount equal to the greater of (i) the market value of the securities sold short; and (ii) the market price at which the short position was established, in each case less any margin on deposit.

Asset Segregation (Money Market Funds)

In order to secure its obligations in connection with derivatives contracts or special transactions, a Fund will either own the underlying assets, enter into an offsetting transaction or set aside readily marketable securities with a value that equals or exceeds the Fund’s obligations. Unless the Fund has other readily marketable assets to set aside, it cannot trade assets used to secure such obligations without entering into an offsetting derivative contract or terminating a special transaction. This may cause the Fund to miss favorable trading opportunities or to realize losses on derivative contracts or special transactions.

Short Sales

The Fund may make short sales of securities listed on one or more national exchanges or on the Nasdaq Stock Market. A short sale is the sale of a stock that the Fund does not own (or will borrow for delivery), because the Fund believes the stock will decline in price or the Fund wants to hedge against potential price volatility of the stock. If the price of the stock declines, the Fund can buy the stock at a lower price and will make a profit. If the price of the stock rises, the Fund will incur a loss. When the Fund sells short, it borrows the stock from a broker “on margin,” and must pay interest to the broker on the margin amount until the stock is replaced by the Fund. In no event will the Fund engage in short sales transactions if it would cause the market value of all of the Fund’s securities sold short to exceed 25% of its net assets. The value of the securities of any one issuer that may be shorted by the Fund is limited to the lesser of 2% of the value of the Fund’s net assets or 2% of the securities of any class of the issuer. The Fund may also “sell short against the box,” i.e., the Fund owns securities identical to those sold short. Short sales against the box are not subject to the 25% limitation. Short sales are speculative in nature, and may reduce returns or increase volatility.

Investing in Securities of Other Investment Companies

A Fund may invest its assets in securities of other investment companies, including the securities of affiliated money market funds, as an efficient means of carrying out their investment policies and managing any uninvested cash. The Managed Allocation Funds (Conservative Growth Fund, Moderate Growth Fund, and Aggressive Growth Fund) intend to invest substantially all their assets in underlying funds in order to achieve their investment goals. See “Investment Risks – Fund Expenses” in this SAI and “Investment Limitations—Investing in Other Investment Companies” in this SAI.

Exchange-Traded Funds

The Funds may also invest in exchange-traded funds (ETFs) in order to implement their investment strategies. The shares of most ETFs are listed and traded on stock exchanges at market prices, although some Shares may be redeemable at net asset value for cash or securities. The Funds may invest in ETFs in order to achieve exposure to a specific region, country or market sector, or for other reasons consistent with its investment strategy. As with traditional mutual funds, ETFs charge asset-based fees, although these fees tend to be relatively low. ETFs generally do not charge initial sales charges or redemption fees and investors pay only customary brokerage fees to buy and sell ETF shares.

Pursuant to an SEC exemption, each of the Funds is permitted to invest in shares of the MTB Money Market Funds as a means of managing their uninvested cash. These investments will cause a duplication of expenses. The Advisor may waive certain fees in connection with these investments.

INVESTMENT RISKS

There are many factors which may affect an investment in the Funds. The Funds’ principal risks are described in the prospectus. Additional risk factors are outlined below and correspond to the risk factors identified in the prospectuses.

SECURITY

Fixed Income Securities

Mortgage Backed Securities

Equity Securities

Convertible Securities

Foreign Securities

Derivative Contracts

Tax Exempt Securities

Special Transactions

Investing in Securities of Other Investment Companies

RISK TYPE

Interest Rate Risk
 Credit Risks
 Call Risks
 Prepayment Risks
 Risks Associated with Non-investment Grade Securities

Risks Associated with Complex CMOs
 Prepayment Risks
 Liquidity Risks

Stock Market Risks
 Sector Risks
 Liquidity Risks
 Risks Related to Investing for Growth
 Risks Related to Investing for Value
 Risks Related to Company Size
 Tracking Error Risks
 Close Out Risks
 Risks of Investing in Emerging Market Countries

Currency Risks
 Risks of Foreign Investing
 Risks of Investing in Emerging Market Countries
 Euro Risks

Leverage Risks

Tax Risks
 Risks Associated with Investing in a Single State
 Risks of Non-Diversification

Exchange-Traded Funds
 Fund Expense-Managed Allocation Funds
 Asset Allocation Risks – Managed Allocation Funds
 Affiliated Persons Risks – Managed Allocation Funds

Sector Risks

Companies with similar characteristics may be grouped together in broad categories called sectors. Sector risk is the possibility that a certain sector may underperform other sectors or the market as a whole. As the Advisor allocates more of a Fund's portfolio holdings to a particular sector, a Fund's performance will be more susceptible to any economic, business or other developments which generally affect that sector.

Liquidity Risks

Trading opportunities are more limited for equity securities that are not widely held. This may make it more difficult to sell or buy a security at a favorable price or time. Consequently, the Fund may have to accept a lower price to sell a security, sell other securities to raise cash or give up an investment opportunity, any of which could have a negative effect on the Fund's performance. Infrequent trading of securities may also lead to an increase in their price volatility.

Trading opportunities are more limited for fixed income securities that have not received any credit ratings, have received ratings below investment grade or are not widely held.

Trading opportunities are more limited for CMOs that have complex terms or that are not widely held. These features may make it more difficult to sell or buy a security at a favorable price or time. Consequently, the Fund may have to accept a lower price to sell a security, sell other securities to raise cash or give up an investment opportunity, any of which could have a negative effect on the Fund's performance. Infrequent trading of securities may also lead to an increase in their price volatility.

Liquidity risk also refers to the possibility that the Fund may not be able to sell a security or close out a derivative contract when it wants to. If this happens, the Fund will be required to continue to hold the security or keep the position open, and the Fund could incur losses.

OTC derivative contracts generally carry greater liquidity risk than exchange-traded contracts.

Risks Related to Investing for Growth

Due to their relatively high valuations, growth stocks are typically more volatile than value stocks. For instance, the price of a growth stock may experience a larger decline on a forecast of lower earnings, a negative fundamental development, or an adverse market development. Further, growth stocks may not pay dividends or may pay lower dividends than value stocks. This means they depend more on price changes for returns and may be more adversely affected in a down market compared to value stocks that pay higher dividends.

Risks Related to Investing for Value

Due to their relatively low valuations, value stocks are typically less volatile than growth stocks. For instance, the price of a value stock may experience a smaller increase on a forecast of higher earnings, a positive fundamental development, or positive market development. Further, value stocks tend to have higher dividends than growth stocks. This means they depend less on price changes for returns and may lag behind growth stocks in an up market.

Risks Related to Company Size

Generally, the smaller the market capitalization of a company, the fewer the number of shares traded daily, the less liquid its stock and the more volatile its price. For example, medium capitalization stocks may be less liquid and more volatile than stocks of larger, well-known companies. Market capitalization is determined by multiplying the number of its outstanding shares by the current market price per share.

Companies with smaller market capitalizations also tend to have unproven track records, a limited product or service base and limited access to capital. These factors also increase risks and make these companies more likely to fail than companies with larger market capitalizations.

Currency Risks

Exchange rates for currencies fluctuate daily. The combination of currency risk and market risk tends to make securities traded in foreign markets more volatile than securities traded exclusively in the U.S.

The Advisor attempts to manage currency risk by limiting the amount a Fund invests in securities denominated in a particular currency. However, diversification will not protect a Fund against a general increase in the value of the U.S. dollar relative to other currencies.

Euro Risks

The Euro is the new single currency of the European Monetary Union (EMU). With the advent of the Euro, the participating countries in the EMU can no longer follow independent monetary policies. This may limit these countries' ability to respond to economic downturns or political upheavals, and consequently reduce the value of their foreign government securities.

Risks of Foreign Investing

Foreign securities pose additional risks because foreign economic or political conditions may be less favorable than those of the United States. Securities in foreign markets may also be subject to taxation policies that reduce returns for U.S. investors.

Foreign companies may not provide information (including financial statements) as frequently or to as great an extent as companies in the United States. Foreign companies may also receive less coverage than United States companies by market analysts and the financial press. In addition, foreign countries may lack uniform accounting, auditing and financial reporting standards or regulatory requirements comparable to those applicable to U.S. companies. These factors may prevent the Fund and its Advisor from obtaining information concerning foreign companies that is as frequent, extensive and reliable as the information available concerning companies in the United States.

Foreign countries may have restrictions on foreign ownership of securities or may impose exchange controls, capital flow restrictions or repatriation restrictions which could adversely affect the liquidity of a Fund's investments.

To the extent a Fund invests in foreign securities, its share price may be more affected by foreign economic and political conditions, taxation policies, and accounting and auditing standards than would otherwise be the case.

Risks of Investing in Emerging Market Countries

Securities issued or traded in emerging markets generally entail greater risks than securities issued or traded in developed markets. For example, their prices may be significantly more volatile than prices in developed countries. Emerging market economies may also experience more severe downturns (with corresponding currency devaluations) than developed countries.

Emerging market countries may have relatively unstable governments and may present the risk of nationalization of businesses, expropriation, confiscatory taxation or, in certain instances, reversion to closed market, centrally planned economies.

Leverage Risks

Leverage risk is created when an investment exposes the Fund to a level of risk that exceeds the amount invested. Changes in the value of such an investment magnify a Fund's risk of loss and potential for gain.

Interest Rate Risks

Prices of fixed income securities rise and fall in response to changes in the interest rate paid by similar securities. Generally, when interest rates rise, prices of fixed income securities fall. However, market factors, such as the demand for particular fixed income securities, may cause the price of certain fixed income securities to fall while the prices of other securities rise or remain unchanged.

Interest rate changes have a greater effect on the price of fixed income securities with longer durations. Duration measures the price sensitivity of a fixed income security to changes in interest rates.

Credit Risks

Credit risk is the possibility that an issuer will default on a security by failing to pay interest or principal when due. If an issuer defaults, the Fund will lose money.

Many fixed income securities receive credit ratings from services such as Standard & Poor's and Moody's Investor Services, Inc. These services assign ratings to securities by assessing the likelihood of issuer default. Lower credit ratings correspond to higher credit risk. If a security has not received a rating, the Fund must rely entirely upon the Advisor's credit assessment.

Fixed income securities generally compensate for greater credit risk by paying interest at a higher rate. The difference between the yield of a security and the yield of a U.S. Treasury security with a comparable maturity (the spread) measures the additional interest paid for risk. Spreads may increase generally in response to adverse economic or market conditions. A security's spread may also increase if the security's rating is lowered, or the security is perceived to have an increased credit risk. An increase in the spread will cause the price of the security to decline.

Credit risk includes the possibility that a party to a transaction involving the Fund will fail to meet its obligations. This could cause the Fund to lose the benefit of the transaction or prevent the Fund from selling or buying other securities to implement its investment strategy.

Call Risks

Call risk is the possibility that an issuer may redeem a fixed income security before maturity (a call) at a price below its current market price. An increase in the likelihood of a call may reduce the security's price.

If a fixed income security is called, the Fund may have to reinvest the proceeds in other fixed income securities with lower interest rates, higher credit risks, or other less favorable characteristics.

Prepayment Risks

Generally, homeowners have the option to prepay their mortgages at any time without penalty. Homeowners frequently refinance high interest rate mortgages when mortgage rates fall. This results in the prepayment of mortgage backed securities with higher interest rates. Conversely, prepayments due to refinancings decrease when mortgage rates increase. This extends the life of mortgage backed securities with lower interest rates. Other economic factors can also lead to increases or decreases in prepayments. Increases in prepayments of high interest rate mortgage backed securities, or decreases in prepayments of lower interest rate mortgage backed securities, may reduce their yield and price. These factors, particularly the relationship between interest rates and mortgage prepayments makes the price of mortgage backed securities more volatile than many other types of fixed income securities with comparable credit risks.

Mortgage backed securities generally compensate for greater prepayment risk by paying a higher yield. The difference between the yield of a mortgage backed security and the yield of a U.S. Treasury security with a comparable maturity (the spread) measures the additional interest paid for risk. Spreads may increase generally in response to adverse economic or market conditions. A security's spread may also increase if the security is perceived to have an increased prepayment risk or perceived to have less market demand. An increase in the spread will cause the price of the security to decline.

The Fund may have to reinvest the proceeds of mortgage prepayments in other fixed income securities with lower interest rates, higher prepayment risks, or other less favorable characteristics.

Risks of Non-Diversification

Maryland Municipal Bond Fund, Pennsylvania Municipal Bond Fund, Pennsylvania Tax-Free Money Market Fund, New York Municipal Bond Fund, New York Tax-Free Money Market Fund and Virginia Municipal Bond Fund are non-diversified. Compared to diversified mutual funds, each of these Funds may invest a higher percentage of its assets among fewer issuers of portfolio securities. This increases a Fund's risk by magnifying the impact (positively or negatively) that any one issuer has on a Fund's Share price and performance.

Risks Associated with Non-Investment Grade Securities

The securities in which the Funds may invest may be rated below investment grade. Securities rated below investment grade may be subject to the same risks as those inherent in corporate debt obligations that are rated below investment grade, also known as junk bonds. Junk bonds generally entail greater market, credit and liquidity risks than investment grade securities. For example, their prices are more volatile, economic downturns and financial setbacks may affect their prices more negatively, and their trading market may be more limited.

Risks Associated with Complex CMOs

CMOs with complex or highly variable prepayment terms, such as companion classes, IOs, POs, Inverse Floaters and residuals, generally entail greater market, prepayment and liquidity risks than other mortgage backed securities. For example, their prices are more volatile and their trading market may be more limited.

Tax Risks

In order to be tax-exempt, municipal securities must meet certain legal requirements. Failure to meet such requirements may cause the interest received and distributed by the Fund to shareholders to be taxable.

Changes or proposed changes in federal tax laws may cause the prices of municipal securities to fall.

Close Out Risks

In a short sale transaction, close out risk is created by the ability of the broker to request at any time that the Fund closes out its short position in the security. The broker's call request would force the Fund to purchase the security at its current market price, and thus could result in a loss to the Fund.

Maryland Investment Risks

Maryland Municipal Bond Fund emphasizes investments in Maryland and is more subject to events that may adversely affect Maryland issuers compared to funds that invest in multiple states.

Maryland's economy is relatively diversified across the service, trade and government sectors. The high proportion of federal government jobs, which contributes to high wealth levels, made the state vulnerable to the recession and concurrent federal downsizing in the early 1990's; however, Maryland's economic growth rate has improved and is nearing the national average.

New York Investment Risks

New York Municipal Bond Fund emphasizes investments in New York and is subject to events that may adversely affect New York issuers compared to funds that invest in multiple states. New York's economy is large and diverse. While several upstate counties benefit from agriculture, manufacturing and high technology industries, New York City nonetheless still dominates the State's economy through its international importance in economic sectors such as advertising, finance, and banking. Any major changes to the financial conditions of New York City would ultimately have an effect on the State.

Yields on New York municipal securities depend on a variety of factors, including: the general conditions of the short-term municipal note market and the municipal bond market; the size of the particular offering; the maturity of the obligations; and the rating of the issue. Further, any adverse economic conditions or developments affecting the State, counties, municipalities or City of New York could impact New York Municipal Bond Fund's portfolio. The ability of this Fund to achieve its investment goals also depends on the continuing ability of the issuers of New York municipal securities and participation interests, or the guarantors of either, to meet their obligations for the payment of interest and principal when due.

Additionally, the tragic events of September 11, 2001 may have adverse short-term or long-term economic effects on New York City.

Pennsylvania Investment Risks

Pennsylvania Municipal Bond Fund emphasizes investments in Pennsylvania and is more subject to events that may adversely affect Pennsylvania issuers.

Pennsylvania's economy historically has been dependent upon heavy industry, but has diversified recently into various services, particularly into medical and health services, education and financial services. Agricultural industries continue to be an important part of the economy, including not only the production of diversified food and livestock products, but substantial economic activity in agribusiness and food-related industries. Service industries currently employ the greatest share of nonagricultural workers, followed by the categories of trade and manufacturing. Future economic difficulties in any of these industries could have an adverse impact on the finances of the Commonwealth or its municipalities, and could adversely affect the market value of the Pennsylvania exempt securities in the Pennsylvania Municipal Bond Fund or the ability of the respective obligors to make payments of interest and principal due on such Securities.

Virginia Investment Risks

Since the Fund invests primarily in issuers from Virginia, the Fund may be subject to additional risks compared to Fund that invest in multiple states. Virginia's credit strength is based on its substantial resources, conservative financial and budget management, strong demographics and broad based economy. Virginia's economy has strong ties to government and defense-related industries, as well as high technology industries, trade and tourism. Any downturn in these industries may adversely affect the economy of the state.

Tracking Error Risk

Factors such as Fund expenses, imperfect correlation between the Fund's investments and those of its benchmarks, rounding of share prices, changes to the benchmark, regulatory policies, and leverage, may affect its ability to achieve perfect correlation. The magnitude of any tracking error may be affected by a higher portfolio turnover rate. Because an index is just a composite of the prices of the securities it represents rather than an actual portfolio of those securities, an index will have no expenses. As a result, the Funds, which will have expenses such as custody, management fees and other operational costs, and brokerage expenses, may not achieve its investment objective of accurately correlating to an index.

Fund Expenses – Managed Allocation Funds

Mutual fund portfolios bear charges for advisory fees and operational expenses. The Managed Allocation Funds and the Underlying Funds in which they invest each bear these expenses, so investors in the Managed Allocation Funds may bear higher expenses than a fund that invests directly in equity, fixed income or money market securities.

Affiliated Persons Risks – Managed Allocation Funds

Each Managed Allocation Fund is subject to affiliated persons risk. In managing the Managed Allocation Funds, the Advisor has the authority to select and substitute the underlying funds in which the Managed Allocation Funds will invest. The Advisor is subject to conflicts of interest in allocating Fund assets among the various Underlying Funds both because the fees payable to it and/or its affiliates by some

Underlying Funds are higher than the fees payable by other Underlying Funds and because the Advisor is also primarily responsible for managing the Underlying Funds. The Trustees and officers of the Funds may also have conflicting interests in fulfilling their fiduciary duties to both the Funds and the Underlying Funds.

Pursuant to an SEC exemption, the Funds are permitted to invest in shares of the Money Market Funds as a means of managing uninvested cash. These investments will cause a duplication of expenses. The Advisor may waive certain fees in connection with these investments.

Asset Allocation Risks

The Balanced Fund is subject to the risk that the Advisor's asset allocation decisions between equity securities, on the one hand, and fixed income securities, on the other hand, will not anticipate market trends successfully. For example, investing too heavily in common stocks during a stock market decline may result in a failure to preserve capital. Conversely, investing too heavily in fixed income securities during a period of stock market appreciation may result in lower total returns.

Exchange-Traded Funds

An investment in an ETF generally presents the same primary risks as an investment in a conventional fund (i.e., one that is not exchange traded) that has the same investment objectives, strategies, and policies. The price of an ETF can fluctuate up or down, and the Fund could lose money investing in an ETF if the prices of the securities owned by the ETF go down. In addition, ETFs may be subject to the following risks that do not apply to conventional funds: (i) the market price of an ETF's shares may trade above or below their net asset value; (ii) an active trading market for an ETF's shares may not develop or be maintained; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are delisted from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally.

FUNDAMENTAL INVESTMENT OBJECTIVES AND POLICIES

The **International Equity Fund's** investment objective is to seek long-term capital appreciation, primarily through a diversified portfolio of non-U.S. equity securities.

The **Small Cap Growth Fund's** investment objective is long-term capital appreciation.

The **Mid Cap Growth Fund's** investment objective is long-term capital appreciation.

The **Multi Cap Growth Fund's** investment objective is long-term capital appreciation.

The **Large Cap Growth Fund's** investment objective is to provide capital appreciation.

The **Large Cap Value Fund's** investment objective is to provide capital appreciation. Current income is a secondary, non-fundamental consideration.

The **Balanced Fund's** investment objective is to provide total return.

The **Managed Allocation Fund – Aggressive Growth's** investment objective is to seek capital appreciation.

The **Managed Allocation Fund – Moderate Growth's** investment objective is to seek capital growth and, secondarily, income.

The **Managed Allocation Fund – Conservative Growth's** investment objective is to seek capital appreciation and income.

The **Intermediate Term Bond Fund's** investment objective is current income.

The **Income Fund's** investment objective is primarily current income and secondarily capital growth.

The **Short-Term Corporate Bond Fund's** investment objective is current income.

The **Maryland Municipal Bond Fund's** investment objective is current income exempt from federal regular income tax and Maryland state and local income taxes.

Under normal circumstances, the Maryland Municipal Bond Fund will invest its assets so that at least 80% of the income it distributes will be exempt from federal regular income tax and personal income taxes imposed by the State of Maryland and Maryland municipalities.

The **Pennsylvania Municipal Bond Fund's** investment objective is current income exempt from federal regular income tax and Pennsylvania personal income taxes.

Under normal circumstances, the Pennsylvania Municipal Bond Fund will invest its assets so that at least 80% of the income it distributes will be exempt from federal regular income tax and personal income taxes imposed by the Commonwealth of Pennsylvania and Pennsylvania municipalities.

The **New York Municipal Bond Fund's** investment objective is to provide current income which is exempt from Federal regular income tax and the personal income taxes imposed by the State of New York and New York municipalities and is consistent with preservation of capital.

Under normal circumstances, the New York Municipal Bond Fund will invest its assets so that at least 80% of the income it distributes will be exempt from federal regular income tax and personal income taxes imposed by the state of New York and New York municipalities.

The **Virginia Municipal Bond Fund's** investment objective is current income exempt from federal regular income tax and Virginia state and local income taxes.

Under normal circumstances, the Virginia Municipal Bond Fund will invest its assets so that at least 80% of the income it distributes will be exempt from federal regular income tax and income taxes imposed by the Commonwealth of Virginia and Virginia Municipalities.

The **U.S. Government Bond Fund's** investment objective is to provide current income. Capital appreciation is a secondary, non-fundamental investment consideration.

The **Short Duration Government Bond Fund's** investment objective is to seek current income, with preservation of capital as a secondary objective.

The **Pennsylvania Tax-Free Money Market Fund's** investment objective is maximizing current income exempt from federal and Pennsylvania personal income taxes and providing liquidity and security of principal.

Under normal circumstances, Pennsylvania Tax-Free Money Market Fund will invest its assets so that at least 80% of the income it distributes will be exempt from federal income tax, including the federal alternative minimum tax and Pennsylvania personal income tax.

The **New York Tax-Free Money Market Fund's** investment objective is to seek a high level of current interest income that is exempt from federal regular income tax as is consistent with liquidity and relative stability of principal.

Under normal circumstances, New York Tax-Free Money Market Fund will invest its assets so that at least 80% of the income it distributes will be exempt from federal income tax, including the federal alternative minimum tax and New York state income tax.

The **Prime Money Market Fund's** investment objective is to seek current income with liquidity and stability of principal.

The **Money Market Fund's** investment objective is to seek current income with liquidity and stability of principal.

The **Tax-Free Money Market Fund's** investment objective is maximizing current income exempt from federal income tax and providing liquidity and stability of principal.

Under normal circumstances, Tax-Free Money Market Fund will invest its assets so that at least 80% of the income it distributes will be exempt from federal income tax, including the federal alternative minimum tax.

The **U.S. Government Money Market Fund's** investment objective is to seek current income and provide liquidity and security of principal.

The **U.S. Treasury Money Market Fund's** investment objective is to seek current income with liquidity and stability of principal.

Unless otherwise stated above, all of the investment objectives and policies listed above are fundamental. The investment objectives and policies may not be changed by the Funds' Trustees without shareholder approval.

Each of the following Funds have adopted a non-fundamental investment policy to invest at least 80% of its net assets, plus borrowings for investment purposes, in a manner consistent with Rule 35d-1 of the 1940 Act: International Equity Fund, Small Cap Growth Fund, Mid Cap Growth Fund, Multi Cap Growth Fund, Large Cap Growth Fund, Large Cap Value Fund, Intermediate-Term Bond Fund, Short-Term Corporate Bond Fund, U.S. Government Bond Fund, Short Duration Government Bond Fund, Money Market Fund, U.S. Government Money Market Fund and U.S. Treasury Money Market Fund. Each such Fund will provide its shareholders with at least 60 days prior notice of any changes to such policy as required by Rule 35d-1.

Temporary Defensive Investments

The Funds (except the Managed Allocation Funds) may temporarily depart from their principal investment strategies by investing their assets in cash and shorter-term debt securities and similar obligations. They may do this to minimize potential losses and maintain liquidity to meet shareholder redemptions during adverse market conditions. This may cause a Fund to fail to meet its investment objective and to give up greater investment returns to maintain the safety of principal, that is, the original amount invested by shareholders. Interest income from temporary investments may be taxable to shareholders as ordinary income.

INVESTMENT LIMITATIONS – U.S. TREASURY MONEY MARKET FUND, MONEY MARKET FUND, NEW YORK TAX-FREE MONEY MARKET FUND, U.S. GOVERNMENT BOND FUND, NEW YORK MUNICIPAL BOND FUND, LARGE CAP VALUE FUND AND LARGE CAP GROWTH FUND

The Large Cap Growth Fund may, in the future, seek to achieve the Fund's investment objective by investing all of the Fund's assets in a no-load, open-end management investment company having substantially the same investment objectives as the Fund. The Fund's investment policy permits such an investment. Shareholders will receive prior written notice with respect to any such investment.

Issuing Senior Securities and Borrowing Money

Each Fund may borrow money, directly or indirectly, and issue senior securities, to the maximum extent permitted under the 1940 Act, any rule or order thereunder, or any SEC staff interpretation thereof.

Underwriting

The Funds may not underwrite the securities of other issuers, except that the Funds may engage in transactions involving the acquisition, disposition or resale of their portfolio securities, under circumstances where the Funds may be considered to be an underwriter under the Securities Act of 1933.

Investing in Real Estate

The Funds may not purchase or sell real estate, provided that this restriction does not prevent the Funds from investing in issuers which invest, deal, or otherwise engage in transactions in real estate or interests therein, or investing in securities that are secured by real estate or interests therein. The Funds may exercise their rights under agreements relating to such securities, including the right to enforce security interests and hold real estate acquired by reason of such enforcement until that real estate can be liquidated in an orderly manner.

Lending Cash or Securities

The Funds may not make loans, provided that this restriction does not prevent the Funds from purchasing debt obligations, entering into repurchase agreements, lending their assets to broker/dealers or institutional investors and investing in loans, including assignments and participation interests.

Investing in Commodities

The Funds may not purchase or sell physical commodities, provided that the Funds may purchase securities of companies that deal in commodities. For purposes of this restriction, investments in transactions involving futures contracts and options, forward currency contracts, swap transactions and other financial contracts that settle by payment of cash are not deemed to be investments in commodities.

Concentration of Investments

The Funds will not make investments that will result in the concentration of their investments in the securities of issuers primarily engaged in the same industry. For purposes of this restriction, the term concentration has the meaning set forth in the 1940 Act, any rule or order thereunder, or any SEC staff interpretation thereof. Government securities and municipal securities will not be deemed to constitute an industry.

Diversification – all Funds except New York Municipal Bond Fund

With respect to securities comprising 75% of the value of its total assets, the Funds will not purchase securities of any one issuer (other than cash; cash items; securities issued or guaranteed by the government of the United States or its agencies or instrumentalities and repurchase agreements collateralized by such U.S. government securities; and securities of other investment companies) if, as a result, more than 5% of the value of its total assets would be invested in the securities of that issuer, or the Funds would own more than 10% of the outstanding voting securities of that issuer.

Investing in Exempt-Interest Obligations

The New York Tax-Free Money Market Fund will not invest less than 80% of its net assets in securities the interest on which is exempt from federal income tax, including AMT obligations.

The above limitations cannot be changed unless authorized by the Board of Trustees (Board) and by the “vote of a majority of the Fund’s outstanding voting securities,” as defined by the 1940 Act. The following limitations, however, may be changed by the Board without shareholder approval. Shareholders will be notified before any material change in these limitations becomes effective.

Buying on Margin

U.S. Treasury Money Market Fund, Money Market Fund and New York Tax-Free Money Market Fund: The Funds will not purchase securities on margin, provided that the Funds may obtain short-term credits necessary for the clearance of purchases and sales of securities.

New York Municipal Bond Fund, U.S. Government Bond Fund, Large Cap Value Fund, and Large Cap Growth Fund:

The Funds will not purchase securities on margin, provided that the Funds may obtain short-term credits necessary for the clearance of purchases and sales of securities, and further provided that the Funds may make margin deposits in connection with its use of financial options and futures, forward and spot currency contracts, swap transactions and other financial contracts or derivative instruments.

Issuing Senior Securities and Borrowing Money

As an operating (non-fundamental) policy, the New York Tax-Free Money Market Fund does not anticipate entering into reverse repurchase agreements in excess of 5% of its net assets.

Illiquid Securities

A Fund may not purchase or acquire any security if, as a result, more than 15% of its net assets would be invested in securities that are illiquid.

Dealing in Puts and Calls

The New York Tax-Free Money Market Fund will not write or purchase put or call options.

Purchasing Securities to Exercise Control

The New York Tax-Free Money Market Fund will not invest in any issuer for purposes of exercising control or management.

Borrowing Money

The U.S. Treasury Money Market Fund, Money Market Fund, New York Tax-Free Money Market Fund U.S. Government Bond Fund, New York Municipal Bond Fund, Large Cap Value Fund, and Large Cap Growth Fund, will not borrow money for investment leverage, but rather as a temporary, extraordinary, or emergency measure or to facilitate management of the portfolio by enabling the Funds to meet redemption requests when the liquidation of portfolio assets is deemed to be inconvenient or disadvantageous. The Funds will not purchase any securities while borrowings in excess of 5% of the value of its total assets are outstanding. The Funds do not anticipate entering into reverse repurchase agreements in excess of 5% of their net assets.

Pledging Assets

The Funds will not mortgage, pledge, or hypothecate any of their assets, provided that this shall not apply to the transfer of securities in connection with any permissible borrowing or to collateral arrangements in connection with permissible activities.

Investing in Other Investment Companies

The Funds may invest their assets in securities of other investment companies, including ETFs, as an efficient means of carrying out their investment policies. It should be noted that investment companies incur certain expenses, such as management fees, and, therefore, any investment by the Funds in shares of other investment companies may be subject to such duplicate expenses. At the present time, the Funds expect that their investments in other investment companies may include shares of money market funds, including funds affiliated with the Funds' investment advisor, and ETFs.

In applying the Funds' concentration restriction: (a) utility companies will be divided according to their services, for example, gas, gas transmission, electric and telephone will each be considered a separate industry; (b) financial service companies will be classified according to the end users of their services, for example, automobile finance, bank finance and diversified finance will each be considered a separate industry; and (c) asset-backed securities will be classified according to the underlying assets securing such securities. To conform to the current view of the SEC that only domestic bank instruments may be excluded from industry concentration limitations, as a matter of non-fundamental policy, the Funds will not exclude foreign bank instruments from industry concentration limits as long as the policy of the SEC remains in effect. In addition, investments in bank instruments, and investments in certain industrial development bonds funded by activities in a single industry, will be deemed to constitute investment in an industry, except when held for temporary defensive purposes. The investment of more than 25% of the value of the Funds' total assets in any one industry will constitute "concentration."

Except with respect to borrowing money, if a percentage limitation is adhered to at the time of investment, a later increase or decrease in percentage resulting from any change in value or net assets will not result in a violation of such restriction. Except for the Large Cap Growth Fund, none of the Funds has any present intent to borrow money in excess of 5% of the value of its net assets during the coming fiscal year.

For purposes of its policies and limitations, the Funds consider certificates of deposit and demand and time deposits issued by a U.S. branch of a domestic bank or savings and loan having capital, surplus, and undivided profits in excess of \$100,000,000 at the time of investment to be "cash items."

INVESTMENT LIMITATIONS – ALL OTHER FUNDS (EXCEPT PRIME MONEY MARKET FUND)

The following investment restrictions may be changed only by a vote of the majority of the outstanding Shares of a Fund.

All Funds except Pennsylvania Municipal Bond Fund, Maryland Municipal Bond Fund, New York Municipal Bond Fund and Virginia Municipal Bond Fund will not:

1. Purchase securities of any one issuer, other than obligations issued or guaranteed by the U.S. Government (and "regulated investment companies" as defined in the Code for each Fund except Short Duration Government Bond Fund), its agencies or instrumentalities, if, immediately after such purchase, more than 5% of the Fund's total assets would be invested in such issuer or the Fund would hold more than 10% of the outstanding voting securities of the issuer, except that 25% or less of the Fund's total assets may be invested without regard to such limitations. There is no limit to the percentage of assets that may be invested in U.S. Treasury bills, notes, or other obligations issued or guaranteed by the U.S. Government, its agencies or instrumentalities.
2. Purchase any securities which would cause more than 25% of the Fund's total assets at the time of purchase to be invested in securities of one or more issuers conducting their principal business activities in the same industry, provided that (a) there is no limitation with respect to obligations issued or guaranteed by the U.S. Government, its agencies or instrumentalities, and repurchase agreements secured by obligations of the U.S. Government, its agencies or instrumentalities (and "regulated investment companies" as defined in the Code for each Fund except Short Duration Government Bond Fund); (b) wholly owned finance companies will be considered to be in the industries of their parents if their activities are primarily related to financing the activities of their parents; (c) with respect to all Funds except the three Managed Allocation Funds utilities will be divided according to their services (for example, gas, gas transmission, electric and gas, electric, and telephone will each be considered a separate industry); and (d) with respect to all Funds except the three Managed Allocation Funds, the International Equity Fund and the Short Duration Government Bond Fund, technology companies will be divided according to their services (for example, medical devices, biotechnology, semiconductor, software and communications will each be considered a separate industry).

The Pennsylvania Municipal Bond Fund, Maryland Municipal Bond Fund, New York Municipal Bond Fund and Virginia Municipal Bond Fund will not:

1. Purchase securities of any one issuer, other than obligations issued or guaranteed by the U.S. Government, its agencies or instrumentalities, if at the end of each fiscal quarter, (a) more than 5% of the Fund's total assets (taken at current value) would be invested in such issuer (except that up to 50% of the Fund's total assets may be invested without regard to such 5% limitation), and (b) more than 25% of its total assets (taken at current value) would be invested in securities of a single issuer. There is no limit to the percentage of assets that may be invested in U.S. Treasury bills, notes, or other obligations issued or guaranteed by the U.S. Government, its agencies or instrumentalities. For purposes of this limitation, a security is considered to be issued by the governmental entity (or entities) whose assets and revenues back the security, or, with respect to a private activity bond that is backed only by the assets and revenues of a non-governmental user, such non-governmental user.
2. Make investments that will result in the concentration of its investments in the securities of issuers primarily engaged in the same industry. For purposes of this restriction, the term concentration has the meaning set forth in the 1940 Act, any rule or order thereunder, or any SEC staff interpretation thereof. Government securities and municipal securities, except industrial development bonds, will not be deemed to constitute an industry.

In addition, all Funds will not:

1. Borrow money or issue senior securities except that each Fund may enter into reverse repurchase agreements and may otherwise borrow money or issue senior securities as and to the extent permitted by the 1940 Act or any rule, order or interpretation thereunder. (The 1940 Act currently permits each Fund to borrow up to one-third the value of its total assets at the time of such borrowing.)
2. Make loans, except that the Fund may purchase or hold debt instruments and lend portfolio securities in accordance with its investment objective and policies, make time deposits with financial institutions and enter into repurchase agreements.
3. Purchase securities on margin, except for use of short-term credit necessary for clearance of purchases of portfolio securities, except as may be necessary to make margin payments in connection with derivative securities transactions, and except to the extent disclosed in the current prospectus or statement of additional information of such Fund;
4. Underwrite the securities issued by other persons, except to the extent that the Fund may be deemed to be an underwriter under certain securities laws in the disposition of "restricted securities";
5. Purchase or sell real estate (although investments in marketable securities of companies engaged in such activities and securities secured by real estate or interests therein are not prohibited by this restriction); and
6. Purchase or sell commodities or commodities contracts, except to the extent disclosed in the current prospectus or statement of additional information of such Fund.

The following investment restrictions may be changed without the vote of a majority of the outstanding Shares of the Funds. Each Fund may not:

1. Purchase or otherwise acquire any security if, as a result, more than 15% (10% in the case of New York Tax-Free Money Market Fund, U.S. Treasury Money Market Fund, Pennsylvania Tax-Free Money Market Fund, U.S. Government Money Market Fund and Tax-Free Money Market Fund – collectively, the Money Market Funds) of its net assets would be invested in securities that are illiquid.
2. Purchase securities of other investment companies, except (a) in connection with a merger, consolidation, acquisition or reorganization, and (b) to the extent permitted by the 1940 Act, or pursuant to any exemptions therefrom.
3. Mortgage or hypothecate the Fund's assets in excess of one-third of such Fund's total assets.
4. The International Equity Fund and the Money Market Funds may not engage in any short sales. Each Fund other than the International Equity Fund and the Managed Allocation Funds may not engage in short sales of any securities at any time if, immediately after and as a result of the short sale, the market value of securities sold short by such Fund would exceed 25% of the value of that Fund's total assets.

In applying the concentration restriction for Pennsylvania Municipal Bond Fund, Maryland Municipal Bond Fund, New York Municipal Bond Fund and Virginia Municipal Bond Fund, investments in certain industrial development bonds funded by activities in a single industry will be deemed to constitute investment in an industry. In addition, (a) utility companies will be divided according to their services, for example, gas, gas transmission, electric and telephone will each be considered a separate industry; (b) financial service companies will be classified according to the end users of their services, for example, automobile finance, bank finance and diversified finance will each be considered a separate industry; and (c) asset-backed securities will be classified according to the underlying assets securing such securities.

If any percentage restriction or requirement described above is satisfied at the time of investment, a later increase or decrease in such percentage resulting from a change in asset value will not constitute a violation of such restriction or requirement. However, should a change in net asset value (NAV) or other external events cause a Fund's investments in illiquid securities to exceed the limit set forth in this SAI for its investment in illiquid securities, such Fund will act to cause the aggregate amount of such securities to come within such limit as soon as reasonably practicable. In such an event, however, no Fund would be required to liquidate any portfolio securities where such Fund would suffer a loss on the sale of such securities.

The Underlying Funds in which the Managed Allocation Funds may invest have adopted certain investment restrictions which may be more or less restrictive than those listed above, thereby allowing a Managed Allocation Fund to participate in certain investment strategies indirectly that may be prohibited under the fundamental and non-fundamental investment restrictions and policies listed above. In addition, because the Managed Allocation Funds rely on Section 12(d)(1)(G) of the 1940 Act to invest in the Underlying Funds, each of the Underlying Funds are not permitted to acquire securities of certain other investment companies in reliance upon the provisions of Sections 12(d)(1)(F) or 12(d)(1)(G) of the 1940 Act.

INVESTMENT LIMITATIONS – PRIME MONEY MARKET FUND

The following investment restrictions may be changed only by a vote of the majority of the outstanding Shares of a Fund.

The Prime Money Market Fund will not:

1. Purchase securities of any one issuer, other than obligations issued or guaranteed by the U.S. Government, its agencies or instrumentalities, if, immediately after such purchase, more than 5% of the Fund's total assets would be invested in such issuer or the Fund would hold more than 10% of the outstanding voting securities of the issuer, except that 25% or less of the Fund's total assets may be invested without regard to such limitations. There is no limit to the percentage of assets that may be invested in U.S. Treasury bills, notes, or other obligations issued or guaranteed by the U.S. Government, its agencies or instrumentalities.

2. Purchase any securities which would cause more than 25% of the Fund's total assets at the time of purchase to be invested in securities of one or more issuers conducting their principal business activities in the same industry, provided that (a) there is no limitation with respect to obligations issued or guaranteed by the U.S. Government, its agencies or instrumentalities, and repurchase agreements secured by obligations of the U.S. Government, its agencies or instrumentalities; (b) there is no limitation with respect to domestic bank certificates of deposit or bankers' acceptances, and repurchase agreements secured by bank instruments; (c) wholly owned finance companies will be considered to be in the industries of their parents if their activities are primarily related to financing the activities of their parents; and (d) utilities will be divided according to their services. For example, gas, gas transmission, electric and gas, electric, and telephone will each be considered a separate industry.

3. Borrow money or issue senior securities except that the Fund may enter into reverse repurchase agreements and may otherwise borrow money or issue senior securities as and to the extent permitted by the 1940 Act or any rule, order or interpretation thereunder. (The 1940 Act currently permits the Fund to borrow up to one-third the value of its total assets at the time of such borrowing.) So long as the Fund's borrowings, including reverse repurchase agreements and dollar roll agreements, exceed 5% of such Fund's total assets, the Fund will not acquire any portfolio securities.

4. Make loans, except that the Fund may purchase or hold debt instruments and lend portfolio securities in accordance with its investment objective and policies, make time deposits with financial institutions and enter into repurchase agreements.

5. Underwrite the securities issued by other persons, except to the extent that the Fund may be deemed to be an underwriter under certain securities laws in the disposition of "restricted securities";

6. Purchase or sell real estate (although investments in marketable securities of companies engaged in such activities and securities secured by real estate or interests therein are not prohibited by this restriction); and

7. Purchase or sell commodities or commodities contracts, except to the extent disclosed in the current prospectus or statement of additional information of such Fund.

The following investment restrictions may be changed without the vote of a majority of the outstanding Shares of a Fund.

1. The Prime Money Market Fund may not purchase securities of other investment companies, except (a) in connection with a merger, consolidation, acquisition or reorganization, and (b) to the extent permitted by the 1940 Act, or pursuant to any exemptions therefrom;

2. The Prime Money Market Fund may not mortgage or hypothecate the Fund's assets in excess of one-third of such Fund's total assets.

3. The Prime Money Market Fund may not engage in any short sales.

4. The Prime Money Market Fund will limit investments in the securities of any single issuer (other than securities issued or guaranteed by the U.S. Government, its agencies or instrumentalities and repurchase agreements collateralized by such securities) to not more than 5% of the value of its total assets at the time of purchase, except for 25% of the value of their total assets which may be invested in First Tier Securities of any one issuer for a period of up to three business days, in order to comply with Securities and Exchange Commission regulations relating to money market funds.

5. The Prime Money Market Fund may not purchase or otherwise acquire any security if, as a result, more than 10% of its net assets would be invested in securities that are illiquid.

If any percentage restriction or requirement described above is satisfied at the time of investment, a later increase or decrease in such percentage resulting from a change in asset value will not constitute a violation of such restriction or requirement. However, should a change in net asset value or other external events cause a Fund's investments in illiquid securities to exceed the limit set forth in this SAI for its investment in illiquid securities, such Fund will act to cause the aggregate amount of such securities to come within such limit as soon as reasonably practicable. In such an event, however, no Fund would be required to liquidate any portfolio securities where such Fund would suffer a loss on the sale of such securities.

REGULATORY COMPLIANCE

The Money Market Funds may follow non-fundamental operational policies that are more restrictive than their fundamental investment limitations, as set forth in the prospectus and this statement of additional information, in order to comply with applicable laws and regulations, including the provisions of and regulations under the 1940 Act. In particular, the Money Market Funds will comply with the various requirements of Rule 2a-7 (the Rule), which regulates money market mutual funds. The Money Market Funds will determine the effective maturity of their investments according to the Rule. The Money Market Funds may change these operational policies to reflect changes in the laws and regulations without the approval of their shareholders.

PORTFOLIO TURNOVER

The portfolio turnover rate for each Fund is calculated by dividing the lesser of a Fund's purchases or sales of portfolio securities for the year by the monthly average value of the portfolio securities. The Securities and Exchange Commission (SEC) requires that the calculation exclude all securities whose remaining maturities at the time of acquisition were one year or less.

The portfolio turnover rate for a Fund may vary greatly from year to year, and may also be affected by cash management requirements for share redemptions. High portfolio turnover rates will generally result in higher transaction costs, including brokerage commissions, to a Fund and may result in tax consequences to shareholders. Portfolio turnover will not be a limiting factor in making investment decisions.

For the fiscal years ended April 30, 2009 and 2008, the portfolio turnover rates for each of the following Funds were as follows:

<u>Fund</u>	<u>2009</u>	<u>2008</u>
International Equity Fund+*	105%	58%
Small Cap Growth Fund+*	865%	600%
Mid Cap Growth Fund+	90%	58%
Multi Cap Growth Fund+*	180%	138%
Large Cap Growth Fund+*	138%	76%
Large Cap Value Fund	34%	17%
Balanced Fund+	59%	17%
Managed Allocation Fund – Aggressive Growth*	31%	19%
Managed Allocation Fund – Moderate Growth*	42%	21%
Managed Allocation Fund – Conservative Growth*	42%	32%
Intermediate-Term Bond Fund*+	191%	279%
Income Fund+	93%	152%
Short-Term Corporate Bond Fund+	94%	80%
Maryland Municipal Bond Fund	6%	3%
Pennsylvania Municipal Bond Fund	21%	14%
New York Municipal Bond Fund	102%	119%
Virginia Municipal Bond Fund	7%	3%
Short Duration Government Bond Fund**+	84%	67%
U.S. Government Bond Fund +	35%	52%

- + *These Funds have higher portfolio turnover rates and therefore may incur higher brokerage and transaction expenses, which may adversely impact performance. For the Small Cap Growth Fund, portfolio turnover is higher because successful companies generally are sold when they exceed the capitalization range and other companies are sold due to market volatility and rapidly changing expectations common among smaller companies.*
- * *The variation in each Fund's portfolio turnover rate from 2008 to 2009 was due to the Fund's investment policies which by nature are conducive to either higher or lower portfolio turnover when appropriate under market conditions.*
- ** *The portfolio turnover rate for the Short Duration Government Bond Fund may vary greatly from year to year as well as within a particular year, and may also be affected by cash requirements for redemptions of Shares. High portfolio turnover rates will generally result in higher transaction costs, including brokerage commissions, to the Short Duration Government Bond Fund and may result in additional tax consequences to the Fund's shareholders.*

DETERMINING MARKET VALUE OF SECURITIES

MONEY MARKET FUNDS

The Trustees have decided that the best method for determining the value of portfolio instruments is amortized cost. Under this method, portfolio instruments are valued at the acquisition cost as adjusted for amortization of premium or accumulation of discount rather than at current market value. Accordingly, neither the amount of daily income nor the NAV is affected by any unrealized appreciation or depreciation of the portfolio. In periods of declining interest rates, the indicated daily yield on Shares of the Fund computed by dividing the annualized daily income on the Fund's portfolio by the NAV computed as above may tend to be higher than a similar computation made by using a method of valuation based upon market prices and estimates. In periods of rising interest rates, the opposite may be true.

A Fund's use of the amortized cost method of valuing portfolio instruments depends on its compliance with certain conditions in the Rule promulgated by the SEC under the 1940 Act. Under the Rule, the Trustees must establish procedures reasonably designed to stabilize the NAV per share, as computed for purposes of distribution and redemption, at \$1.00 per share, taking into account current market conditions and the Fund's investment objective. The procedures include monitoring the relationship between the amortized cost value per share and the NAV per share based upon available indications of market value. The Trustees will decide what, if any, steps should be taken if there is a difference of more than 0.5 of 1% between the two values. The Trustees will take any steps they consider appropriate (such as redemption in kind or shortening the average portfolio maturity) to minimize any material dilution or other unfair results arising from differences between the two methods of determining NAV.

INCOME, BALANCED AND EQUITY FUNDS

Market values of the Income, Balanced and Equity Funds' portfolio securities are determined as follows:

- for equity securities, according to the last sale price in the market in which they are primarily traded (either a national securities exchange or the over-the-counter market), if available;
- in the absence of recorded sales for equity securities, according to the mean between the last closing bid and asked prices;
- futures contracts and options are generally valued at market values established by the exchanges on which they are traded at the close of trading on such exchanges. Options traded in the over-the-counter market are generally valued according to the mean between the last bid and the last asked price for the option as provided by an investment dealer or other financial institution that deals in the option. The Board may determine in good faith that another method of valuing such investments is necessary to appraise their fair market value;
- for fixed income securities, according to the mean between bid and asked prices as furnished by an independent pricing service, except that fixed income securities with remaining maturities of less than 60 days at the time of purchase may be valued at amortized cost; and
- for all other securities at fair value as determined in accordance with procedures established by and under the general supervision of the Board.

Prices provided by independent pricing services may be determined without relying exclusively on quoted prices and may consider institutional trading in similar groups of securities, yield, quality, stability, risk, coupon rate, maturity, type of issue, trading characteristics, and other market data or factors. From time to time, when prices cannot be obtained from an independent pricing service, securities may be valued based on quotes from broker-dealers or other financial institutions that trade the securities.

TRADING IN FOREIGN SECURITIES

Trading in foreign securities may be completed at times which vary from the closing of the New York Stock Exchange (NYSE). In computing its NAV, the Fund values foreign securities at the latest closing price on the exchange on which they are traded immediately prior to the closing of the NYSE. Certain foreign currency exchange rates may also be determined at the latest rate prior to the closing of the NYSE. Foreign securities quoted in foreign currencies are translated into U.S. dollars at the foreign exchange rate in effect at 4:00 p.m.

Eastern time, on the day the value of the foreign security is determined. Occasionally, events that affect these values and exchange rates may occur between the times at which they are determined and the closing of the NYSE. If such events materially affect the value of portfolio securities, these securities may be valued at their fair value as determined in good faith by the Funds' Board, although the actual calculation may be done by others.

WHAT DO SHARES COST?

Each Equity, Balanced, Managed Allocation and Income Fund's NAV per Share fluctuates and is based on the market value of all securities and other assets of the Fund.

The NAV for each class of Shares may differ due to the variance in daily net income realized by each class. Such variance will reflect only accrued net income to which the shareholders of a particular class are entitled.

HOW ARE THE FUNDS SOLD?

Under the Distributor's Contract with the Fund, the Distributor (ALPS Distributors, Inc.) offers Shares on a continuous, best-efforts basis.

FRONT-END SALES CHARGE REALLOWANCES

The Distributor receives a front-end sales charge on certain Share sales. The Distributor generally pays up to 90% (and as much as 100%) of this charge to investment professionals for sales and/or administrative services. Any payments to investment professionals in excess of 90% of the front-end sales charge are considered supplemental payments. The Distributor retains any portion not paid to an investment professional, and makes this available for marketing and sales-related activities and expenses, including those of the Advisor and its affiliates.

ADVANCE COMMISSIONS

When an investment professional's customer purchases Shares, the investment professional may receive an advance commission as follows:

Class A Shares (for purchases over \$1 million)

Stock, Balanced and Managed Allocation Funds (excluding Large Cap Value Fund)

<u>Purchase Amount</u>	<u>Advance Commission as a Percentage of Public Offering Price</u>
\$1 million - \$2,999,999.99	1.00%
\$3 million up to \$4,999,999.99	0.50%
Over \$5 million	0.25%

Bond Funds

<u>Purchase Amount</u>	<u>Advance Commission as a Percentage of Public Offering Price</u>
\$1 million - \$2,999,999.99	0.75%
\$3 million up to \$4,999,999.99	0.50%
Over \$5 million	0.25%

Advance commissions are calculated on a year by year basis based on amounts invested during that year. Accordingly, with respect to additional purchase amounts, the advance commission breakpoint resets annually to the first breakpoint on the anniversary of the first purchase.

Class A Share purchases under this program may be made by Letter of Intent or by combining concurrent purchases. The above advance commission will be paid only on those purchases that were not previously subject to a front-end sales charge or dealer advance commission. Certain retirement accounts may not be eligible for this program.

RULE 12B-1 PLANS (CLASS A SHARES, CLASS A2 SHARES, CLASS B SHARES, CLASS C SHARES, CLASS S SHARES, CORPORATE SHARES AND INSTITUTIONAL II SHARES)

As a compensation-type plan, the Rule 12b-1 Plan is designed to pay a financial intermediary (including the Distributor, the Advisor and their affiliates) for activities principally intended to result in the sale of Shares such as advertising and marketing of Shares (including printing and disseminating prospectuses and sales literature to prospective shareholders and financial intermediaries) and providing incentives to financial intermediaries to sell Shares, and to provide distribution related and/or recordkeeping and administrative services for Fund shareholders. The Plan is also designed to cover other costs incurred in implementing and operating the Plan. In the case of the Rule 12b-1 Plan for Class B and Class C Shares, it is also designed to pay third parties for financing advanced commissions to brokers. In accordance with the Distribution Plan, the Distributor or the Funds may enter into agreements with financial intermediaries, such as brokers and dealers, relating to distribution and/or marketing services with respect to the Class A, (except for Money Market Fund, Treasury Money Market Fund and New York Tax-Free Money Market Fund, whose Class A Shares do not have a Rule 12b-1 Plan) Class A2, Class B, Class C, Class S, Corporate and Institutional II Shares of the Funds. The Distributor or the Funds may also enter into Rule 12b-1 related agreements with administrators (including financial intermediaries, fiduciaries, custodians for public funds, and investment advisors) to provide distribution related and other services with respect to the Class A, Class A2, Class B, Class C, Class S, Corporate and Institutional II Shares. The Rule 12b-1 Plan is expected to benefit a Fund in a number of ways. For example, it is anticipated that the Plan will help a Fund attract and retain assets, thus providing cash for orderly portfolio management and Share redemptions and possibly helping to stabilize or reduce other operating expenses.

In addition, the Plan is integral to the multiple class structure of the Funds, which promotes the sale of Shares by providing a range of options to investors. The Funds' service providers that receive asset-based fees also benefit from stable or increasing Fund assets.

A Fund may compensate a financial intermediary more or less than its actual marketing and administrative expenses. In no event will a Fund pay for any expenses of a financial intermediary that exceed the maximum Rule 12b-1 Plan fee of 0.25% of the Funds' average daily net assets for Class A, Class A2 Shares, Class S Shares, Corporate Shares and Institutional II Shares, and 0.75% of the Fund's average daily net assets of Class B and Class C Shares.

For some classes of Shares, the maximum Rule 12b-1 Plan fee that can be paid in any one year may not be sufficient to cover the marketing-related expenses the financial intermediary has incurred. Therefore, it may take the financial intermediary a number of years to recoup these expenses.

The Distributor, the Advisor and their affiliates may benefit from arrangements where the Rule 12b-1 Plan fees related to Class B and Class C Shares may be paid to third parties who have provided the funds to make advance commission payments to financial intermediaries.

Class C Shares

In most cases, investment professionals that sell Class C Shares are entitled to receive a 0.75% 12b-1 fee on assets in the 13th month after the sale.

SHAREHOLDER SERVICES PLANS (CLASS A SHARES, CLASS A2 SHARES, CLASS B SHARES, CLASS C SHARES, CLASS S SHARES, CORPORATE SHARES, AND INSTITUTIONAL I SHARES)

The Funds may pay financial intermediaries, including the Distributor, the Advisor and their affiliates for providing shareholder services and maintaining shareholder accounts. The financial intermediary may select others to perform these services for their customers and may pay them fees.

Class B Shares

In most cases, investment professionals that sell Class B Shares are entitled to receive a 0.25% shareholder services fee on assets in the 13th month after the sale.

ADDITIONAL PAYMENTS TO FINANCIAL INTERMEDIARIES

In addition to the Rule 12b-1 and/or shareholder services fees that a Fund pays to financial intermediaries, the Distributor and the Advisor and its affiliates may pay out of their own reasonable resources and legitimate profits amounts (including items of material value) to certain financial intermediaries. While Financial Industry Regulatory Authority (FINRA) regulations limit the sales charges that you may bear as a Fund shareholder, there are no limits with regard to the amounts that the Distributor, the Advisor and their affiliates may pay out of their own resources. Contact your financial intermediary for information about any payments it receives from the Distributor, the Advisor and their affiliates for any service the financial intermediary provides.

The following examples illustrate the types of instances in which the Distributor, the Advisor and their affiliates may make additional payments to financial intermediary.

SUPPLEMENTAL PAYMENTS

Financial intermediaries may be paid fees out of the assets of the Distributor and the Advisor and its affiliates (but not out of Fund assets).

Financial intermediaries may receive fees for providing distribution-related, recordkeeping or shareholder services such as sponsoring sales, providing sales literature, conducting training seminars for employees, and engineering sales-related computer software programs and systems. Also, financial intermediaries may be paid cash or promotional incentives, such as reimbursement of certain expenses relating to attendance at informational meetings about a Fund or other special events at recreational-type facilities, or items of material value. These payments, subject to applicable limits, if any, will be based upon the amount of Shares the financial intermediary sells or may sell and/or upon the type and nature of sales or marketing support furnished by the financial intermediary.

Processing Support Payments

The Distributor, the Advisor and their affiliates may make payments to financial intermediaries that sell Fund Shares to help offset their costs associated with client account maintenance support, statement processing and transaction processing. The types of payments that they may make under this category include: payment of ticket charges on a per transaction basis; payment of networking fees; and payment for ancillary services such as setting up funds on the financial intermediaries' mutual fund trading system.

Retirement Plan Program Servicing Payments

The Distributor, the Advisor and their affiliates may make payments to certain financial intermediaries who sell Fund Shares through retirement plan programs. A financial intermediary may perform retirement plan program services itself or may arrange with a third party to perform retirement plan program services. In addition to participant recordkeeping, reporting, or transaction processing, retirement plan program services may include services rendered to a plan in connection with fund/investment selection and monitoring; employee enrollment and education; plan balance rollover or separation, or other similar services.

Other Benefits to Financial Intermediaries

From time to time, the Distributor, the Advisor and their affiliates, at their expense, may provide additional compensation to financial intermediaries that sell or arrange for the sale of Shares. Such compensation may include financial assistance to financial intermediaries that enable the Distributor, the Advisor and their affiliates to participate in or present at conferences or seminars, sales or training programs for invited employees, client and investor events and other financial intermediary-sponsored events.

The Distributor, the Advisor and their affiliates also may hold or sponsor, at their expense, sales events, conferences and programs for employees or associated persons of financial intermediaries and may pay the travel and lodging expenses of attendees. The Distributor, the Advisor and their affiliates also may provide, at their expense, meals and entertainment in conjunction with meetings with financial intermediaries. Other compensation may be offered to the extent not prohibited by applicable laws, regulations or the rules of any self-regulatory agency, such as FINRA.

UNDERWRITING COMMISSIONS

The following chart reflects the total front-end sales charges paid in connection with the sale of Class A Shares of the Funds and the amount retained by the Distributor for the last three fiscal years ended April 30, 2009, April 30, 2008 and April 30, 2007:

	2009		2008		2007	
	Total Sales Charges	Amount Retained	Total Sales Charges	Amount Retained	Total Sales Charges	Amount Retained*
MTB Balanced Fund Class A	\$ 4,894	\$ 0	\$ 13,177	\$ 9,448	\$ 228	\$ 22
MTB International Equity Fund Class A	\$ 4,306	\$ 0	\$ 16,866	\$12,799	\$ 12,596	\$ 1,387
MTB Income Fund Class A	\$ 2,288	\$ 0	\$ 2,773	\$ 1,155	\$ 2,965	\$ 347
MTB Intermediate-Term Bond Fund Class A	\$ 17,950	\$ 0	\$ 394	\$ 287	\$ 595	\$ 63
MTB Large Cap Growth Fund Class A	\$ 3,116	\$ 0	\$ 4,563	\$ 1,449	\$ 2,768	\$ 267
MTB Large Cap Value Fund Class A	\$ 3,846	\$ 0	\$ 11,755	\$ 3,927	\$ 14,445	\$ 1,513
MTB Managed Allocation Fund- Aggressive Growth Class A	\$ 31,932	\$ 0	\$ 48,696	\$27,792	\$ 42,961	\$ 4,489

MTB Managed Allocation Conservative Growth Class A	<u>\$ 8,011</u>	<u>\$0</u>	<u>\$ 10,222</u>	<u>\$ 5,154</u>	<u>\$ 6,358</u>	<u>\$ 834</u>
MTB Managed Allocation Fund- Moderate Growth Class A	<u>\$37,028</u>	<u>\$0</u>	<u>\$ 83,359</u>	<u>\$51,488</u>	<u>\$62,402</u>	<u>\$6,995</u>
MTB Multi Cap Growth Fund Class A	<u>\$ 5,580</u>	<u>\$0</u>	<u>\$ 8,800</u>	<u>\$ 5,385</u>	<u>\$ 9,036</u>	<u>\$ 908</u>
MTB Mid Cap Growth Fund Class A	<u>\$ 7,586</u>	<u>\$0</u>	<u>\$ 6,500</u>	<u>\$ 4,484</u>	<u>\$ 6,413</u>	<u>\$ 632</u>
MTB Maryland Municipal Bond Fund Class A	<u>\$20,409</u>	<u>\$0</u>	<u>\$ 38,641</u>	<u>\$19,967</u>	<u>\$13,163</u>	<u>\$ 798</u>
MTB New York Municipal Bond Fund Class A	<u>\$44,798</u>	<u>\$0</u>	<u>\$140,760</u>	<u>\$42,977</u>	<u>\$65,456</u>	<u>\$7,038</u>
MTB Pennsylvania Municipal Bond Fund Class A	<u>\$ 6,777</u>	<u>\$0</u>	<u>\$ 4,049</u>	<u>\$ 2,819</u>	<u>\$ 3,308</u>	<u>\$ 385</u>
MTB Small Cap Growth Fund Class A	<u>\$30,972</u>	<u>\$0</u>	<u>\$ 37,082</u>	<u>\$19,225</u>	<u>\$28,533</u>	<u>\$3,138</u>
MTB Short-Term Corporate Bond Fund Class A	<u>\$ 3,785</u>	<u>\$0</u>	<u>—</u>	<u>—</u>	<u>\$ 119</u>	<u>\$ 19</u>
MTB Short Duration Government Bond Fund Class A	<u>\$10,124</u>	<u>\$0</u>	<u>\$ 816</u>	<u>—</u>	<u>\$ 958</u>	<u>\$ 202</u>
MTB U.S. Government Bond Fund Class A	<u>\$ 8,244</u>	<u>\$0</u>	<u>\$ 10,073</u>	<u>\$ 5,939</u>	<u>\$ 5,425</u>	<u>\$ 620</u>
MTB Virginia Municipal Bond Fund Class A	<u>\$ 40</u>	<u>\$0</u>	<u>\$ 7,735</u>	<u>\$ 7,583</u>	<u>\$ 179</u>	<u>\$ 19</u>

* Prior to November 17, 2007, Boston Financial Data Services (BFDS) was the Funds' Distributor. As such, BFDS retained certain Class A sales charges.

EXCHANGING SECURITIES FOR SHARES

You may contact the Distributor to request a purchase of Shares in exchange for securities you own. The Funds reserve the right to determine whether to accept your securities and the minimum market value to accept. The Funds will value your securities in the same manner as it values its assets. This exchange is treated as a sale of your securities for federal tax purposes.

SUB-ACCOUNTING SERVICES

Certain investment professionals may wish to use the transfer agent's sub-accounting system to minimize their internal recordkeeping requirements. The transfer agent may charge a fee based on the level of sub-accounting services rendered. Investment professionals holding Shares in a fiduciary, agency, custodial, or similar capacity may charge or pass through sub-accounting fees as part of or in addition to normal trust or agency account fees. They may also charge fees for other services that may be related to the ownership of Shares. This information should, therefore, be read together with any agreement between the customer and the investment professional about the services provided, the fees charged for those services, and any restrictions and limitations imposed.

REDEMPTION IN KIND

Although each Fund intends to pay Share redemptions in cash, it reserves the right, as described below, to pay the redemption price in whole or in part by a distribution of a Fund's portfolio securities.

Because the Funds have elected to be governed by Rule 18f-1 under the 1940 Act, each Fund is obligated to pay Share redemptions to any one shareholder in cash only up to the lesser of \$250,000 or 1% of the net assets represented by such Share class during any 90-day period.

Any Share redemption payment greater than this amount will also be in cash unless the Funds' Board determines that payment should be in kind. In such a case, the Fund will pay all or a portion of the remainder of the redemption in portfolio securities, valued in the same way as the Fund determines its NAV. The portfolio securities will be selected in a manner that the Funds' Board deems fair and equitable and, to the extent available, such securities will be readily marketable.

Redemption in kind is not as liquid as a cash redemption. If redemption is made in kind, shareholders receiving the portfolio securities and selling them before their maturity could receive less than the redemption value of the securities and could incur certain transaction costs.

ACCOUNT AND SHARE INFORMATION

VOTING RIGHTS

Each Share of a Fund gives the shareholder one vote in Trustee elections and other matters submitted to shareholders for vote.

All Shares of the Trust have equal voting rights, except that in matters affecting only a particular Fund or class, only Shares of that Fund or class are entitled to vote.

Trustees may be removed by the Board or by shareholders at a special meeting. A special meeting of shareholders will be called by the Board upon the written request of shareholders who own at least 10% of the Trust's outstanding shares of all series entitled to vote.

As of August 1, 2009, the following shareholders owned of record, beneficially, or both, 5% or more of the outstanding shares:

<u>Fund Name</u>	<u>Acct Name</u>	<u>Address</u>	<u>% Owned of Class</u>
Balanced Fund Institutional I Shares	SEI PRIVATE TRUST CO	C/O M&T Bank, One Freedom Valley Dr, Oaks, PA 19456	8.17%
	MG TRUST COMPANY CUST.	700 17th St, Ste 300, Denver, CO 80202	11.22%
	MG TRUST COMPANY CUST.	700 17th St, Ste 300, Denver, CO 80202	74.19%
	MG TRUST COMPANY CUST.	700 17th St, Ste 300, Denver, CO 80202	5.13%
Money Market Fund Class A Shares	PERSHING	PO Box 2052, Jersey City, NJ 07303	46.45%
US Treasury Money Market Fund Class A Shares	MANUFACTURERS & TRADERS	TICE & Co, PO Box 1377, Buffalo, NY 14240	22.20%
	PERSHING	PO Box 2052, Jersey City, NJ 07303	54.72%
New York Tax-Free Money Market Fund Class A Shares	TOWER PRODUCTS INC	812 Kings Highway, PO Box 397, Saugerties, NY 12477	6.72%
	PERSHING	PO Box 2052, Jersey City, NJ 07303	61.79%
Money Market Fund Class S Shares	OAKWOOD FRIENDS SCHOOL	22 Spackenkill Rd, Poughkeepsie, NY 12601	5.27%
	WESTFALL SURGERY CENTER LLP	1065 Senator Keating Blvd, Rochester, NY 14618	7.09%
US Treasury Money Market Fund Class S Shares	MEDICAL SERVICE GROUP	155 Elizabeth Blackwell St, 209 CAB, Syracuse, NY 13210	56.66%
	PRES SERVICES LLC	2430 N. Forest Rd, Ste 106, Getzville, NY 14068	5.82%
Short Duration Government Bond Institutional I Shares	CHURCH OF ST RAYMOND	PO Box 2052, Jersey City, NJ 07303	8.10%
	SEI PRIVATE TRUST CO	C/O M&T Bank, One Freedom Valley Dr, Oaks, PA 19456	85.53%
Managed Allocation - Conservative Growth Class A Shares	MG TRUST COMPANY CUST.	700 17th St, Ste 300, Denver, CO 80202	14.24%
	MG TRUST COMPANY CUST.	700 17th St, Ste 300, Denver, CO 80202	12.37%
	MG TRUST COMPANY CUST.	700 17th St, Ste 300, Denver, CO 80202	7.57%
	MG TRUST COMPANY CUST.	700 17th St, Ste 300, Denver, CO 80202	7.35%
Managed Allocation - Moderate Growth Class A Shares	MG TRUST COMPANY CUST.	700 17th St, Ste 300, Denver, CO 80202	5.06%
	MG TRUST COMPANY CUST.	700 17th St, Ste 300, Denver, CO 80202	8.68%
International Equity Fund Class A Shares	SUBRAMONIAN SHANKAR	5990 Neeley Ct., Norcorss, GA 30092	8.13%
Income Fund Class A Shares	SUBRAMONIAN SHANKAR	5990 Neeley Ct., Norcorss, GA 30092	9.76%
	NATIONWIDE TRUST CO FSB	PO Box 182029, Columbus, OH 43218	12.83%
	PERSHING	PO Box 2052, Jersey City, NJ 07303	14.63%
	PERSHING	PO Box 2052, Jersey City, NJ 07303	5.30%
Prime Money Market Fund Corporate Shares	MANUFACTURERS & TRADERS	TICE & Co, PO Box 1377, Buffalo, NY 14240	70.26%
	T ROWE PRICE RETIREMENT PLAN	4515 Painters Mill Rd, Owings Mills, MD 21117	18.83%
Income Fund Institutional I Shares	SEI PRIVATE TRUST CO	C/O M&T Bank, One Freedom Valley Dr, Oaks, PA 19456	58.66%
Intermediate Term Bond Fund - Class A Shares	KRISTEN R WARD	116 Elm St, Hollidaysburg, PA 16648	6.07%
	NATIONWIDE TRUST CO FSB	Nationwide Trust Co, PO Box 182029, Columbus, OH 43218	7.56%

Intermediate Term Bond Fund Class B Shares	PERSHING	PO Box 2052, Jersey City, NJ 07303	5.75%
	PERSHING	PO Box 2052, Jersey City, NJ 07303	10.34%
	PERSHING	PO Box 2052, Jersey City, NJ 07303	17.90%
	PERSHING	PO Box 2052, Jersey City, NJ 07303	9.13%
	PERSHING	PO Box 2052, Jersey City, NJ 07303	19.37%
	PERSHING	PO Box 2052, Jersey City, NJ 07303	8.21%
	PERSHING	PO Box 2052, Jersey City, NJ 07303	93.93%
Money Market Fund Class A2 Shares	T ROWE PRICE RETIREMENT PLAN	4515 Painters Mill Rd, Owings Mills, MD 21117	13.17%
Intermediate Term Bond Fund Institutional I Shares	SEI PRIVATE TRUST CO	C/O M&T Bank, One Freedom Valley Dr, Oaks, PA 19456	79.37%
New York Municipal Bond Fund Class A Shares	PERSHING	PO Box 2052, Jersey City, NJ 07303	5.30%
International Equity Fund Institutional I Shares	MTB MANAGED ALLOCATION-MOD	1432 N Atherton St, State College, PA 1680	5.50%
	SEI PRIVATE TRUST CO	C/O M&T Bank, One Freedom Valley Dr, Oaks, PA 19456	64.88%
Large Cap Growth Fund Institutional I Shares	MTB MANAGED ALLOCATION-MOD GRWTH II	1432 N Atherton St, State College, PA 1680	5.58%
	MTB MANAGED ALLOCATION-AGG GRWTH	1432 N Atherton St, State College, PA 1680	6.44%
	MTB MANAGED ALLOCATION-MOD GRWTH	1432 N Atherton St, State College, PA 1680	8.86%
	T ROWE PRICE RETIREMENT PLAN	4515 Painters Mill Rd, Owings Mills, MD 21117	10.85%
	SEI PRIVATE TRUST CO	C/O M&T Bank, One Freedom Valley Dr, Oaks, PA 19456	39.15%
Large Cap Value Fund Institutional I Shares	T ROWE PRICE RETIREMENT PLAN	4515 Painters Mill Rd, Owings Mills, MD 21117	8.51%
	SEI PRIVATE TRUST CO	C/O M&T Bank, One Freedom Valley Dr, Oaks, PA 19456	64.16%
Maryland Municipal Bond Fund Class A Shares	JOHN G BALLENGER	56 Ocean Dr, Rehoboth Beach, DE 19971	5.49%
	CHARLES SCHWAB	101 Montgomery St, Mutual Fund Dept, San Francisco, CA 94104	5.38%
Maryland Municipal Bond Fund Class B Shares	PERSHING LLC	PO Box 2052, Jersey City, NJ 07303	9.15%
	RBC CAPITAL MARKETS CORP	RBC Capital Markets Corp FBO	5.49%
	FBO FLORENCE A BUCHAL TRUST	Florence A Buchal Trust, 111 Woodwind Rd., Baltimore, MD 21228	
	MARY MAXWELL FORSYTH	16436 Winding River Dr, Milton, DE 19968	5.27%
	SCHARF		
	AMERIPRISE FINANCIAL SERVICES	The Dime Building, 719 Griswold St, Ste 1700, Detroit, MI 48226	8.76%
	PERSHING	PO Box 2052, Jersey City, NJ 07303	8.99%
Maryland Municipal Bond Fund Institutional I Shares	PERSHING	PO Box 2052, Jersey City, NJ 07303	8.96%
	SEI PRIVATE TRUST CO	C/O M&T Bank, One Freedom Valley Dr, Oaks, PA 19456	92.55%

<u>Fund Name</u>	<u>Acct Name</u>	<u>Address</u>	<u>% Owned of Class</u>
Mid Cap Growth Fund Institutional I Shares	T ROWE PRICE RETIREMENT PLAN SEI PRIVATE TRUST CO	4515 Painters Mill Rd, Owings Mills, MD 21117 C/O M&T Bank, One Freedom Valley Dr, Oaks, PA 19456	38.04% 37.45%
Money Market Fund Class B Shares	TENNYSON ASSOCIATES INC PERSHING PERSHING PERSHING	5165 Lexor Ln, Clarence, NY 14031 PO Box 2052, Jersey City, NJ 07303 PO Box 2052, Jersey City, NJ 07303 PO Box 2052, Jersey City, NJ 07303	13.60% 10.26% 6.22% 8.41%
Money Market Fund Institutional I Shares	MANUFACTURERS & TRADERS	TICE & Co, PO Box 1377, Buffalo, NY 14240	93.87%
Money Market Fund Institutional II Shares	MANUFACTURERS & TRADERS	TICE & Co, PO Box 1377, Buffalo, NY 14240	99.99%
Multi Cap Growth Fund Institutional I Shares	SEI PRIVATE TRUST CO	C/O M&T Bank, One Freedom Valley Dr, Oaks, PA 19456	22.12%
Multi Cap Growth Institutional I Shares	MG TRUST COMPANY CUST. MG TRUST COMPANY CUST.	700 17th St, Ste 300, Denver, CO 80202 700 17th St, Ste 300, Denver, CO 80202	6.19% 60.14%
New York Municipal Bond Class B Shares	PERSHING PERSHING PERSHING PERSHING PERSHING	PO Box 2052, Jersey City, NJ 07303 PO Box 2052, Jersey City, NJ 07303 PO Box 2052, Jersey City, NJ 07303 PO Box 2052, Jersey City, NJ 07303 PO Box 2052, Jersey City, NJ 07303	14.85% 6.62% 5.85% 6.14% 5.54%
New York Municipal Bond Institutional I Shares	SEI PRIVATE TRUST CO	C/O M&T Bank, One Freedom Valley Dr, Oaks, PA 19456	73.75%
New York Tax-Free Money Market Institutional I Shares	MANUFACTURERS & TRADERS	TICE & Co, PO Box 1377, Buffalo, NY 14240	90.44%
Pennsylvania Municipal Bond Class A Shares	PERSHING PERSHING	PO Box 2052, Jersey City, NJ 07303 PO Box 2052, Jersey City, NJ 07303	6.51% 12.69%
Pennsylvania Municipal Bond Class B Shares	MERRILL LYNCH PIERCE FENNER & SMITH PERSHING PERSHING PERSHING PERSHING PERSHING PERSHING PERSHING PERSHING PERSHING	4800 Deer Lake Dr E, 3rd Floor, Jacksonville, FL 32246 PO Box 2052, Jersey City, NJ 07303 PO Box 2052, Jersey City, NJ 07303 PO Box 2052, Jersey City, NJ 07303 PO Box 2052, Jersey City, NJ 07303 PO Box 2052, Jersey City, NJ 07303 PO Box 2052, Jersey City, NJ 07303 PO Box 2052, Jersey City, NJ 07303 PO Box 2052, Jersey City, NJ 07303 PO Box 2052, Jersey City, NJ 07303	7.68% 8.01% 6.44% 6.50% 6.28% 7.46% 5.09% 11.30%
Pennsylvania Municipal Bond Institutional I Shares	SEI PRIVATE TRUST CO	C/O M&T Bank, One Freedom Valley Dr, Oaks, PA 19456	91.83%
Pennsylvania Tax-Free Money Market Class A Shares	PERSHING	PO Box 2052, Jersey City, NJ 07303	97.08%
Pennsylvania Tax-Free Money Market Institutional II Shares	MANUFACTURERS & TRADERS	TICE & Co, PO Box 1377, Buffalo, NY 14240	100.00%
Pennsylvania Tax-Free Money Market Fund Institutional I Shares	MANUFACTURERS & TRADERS	TICE & Co, PO Box 1377, Buffalo, NY 14240	92.30%
Short Term Corporate Bond Class A Shares	UNIREC INC PSP THE DEBORAH F GESNER	PO Box 2052, Jersey City, NJ 07303 PO Box 2052, Jersey City, NJ 07303	6.36% 5.18%
Short Term Corporate Bond Class B Shares	PERSHING PERSHING PERSHING PERSHING PERSHING PERSHING	PO Box 2052, Jersey City, NJ 07303 PO Box 2052, Jersey City, NJ 07303 PO Box 2052, Jersey City, NJ 07303 PO Box 2052, Jersey City, NJ 07303 PO Box 2052, Jersey City, NJ 07303 PO Box 2052, Jersey City, NJ 07303	14.12% 22.87% 7.35% 22.07% 8.08% 5.80%
Short Term Corporate Bond Fund Institutional I Shares	CHURCH OF ST RAYMOND SEI PRIVATE TRUST CO	PO Box 2052, Jersey City, NJ 07303 C/O M&T Bank, One Freedom Valley Dr, Oaks, PA 19456	5.31% 56.39%

Short Duration Government Bond Fund Class A Shares	PURCELL CONSTRUCTION	PO Box 2052, Jersey City, NJ 07303	18.59%
	NATIONWIDE TRUST CO FSB	PO Box 182029, Columbus, OH 43218	26.31%
Short Duration Government Bond Fund Class B Shares	PERSHING	PO Box 2052, Jersey City, NJ 07303	6.46%
	PERSHING	PO Box 2052, Jersey City, NJ 07303	5.05%
	PERSHING	PO Box 2052, Jersey City, NJ 07303	8.14%
	PERSHING	PO Box 2052, Jersey City, NJ 07303	37.23%
	PERSHING	PO Box 2052, Jersey City, NJ 07303	7.73%
	PERSHING	PO Box 2052, Jersey City, NJ 07303	18.51%
Small Cap Growth Fund Class C Shares	MERRILL LYNCH PIERCE FENNER & SMITH	PO Box 2052, Jersey City, NJ 07304	17.21%
	SEP FBO RENEE J GRAE	4800 Deer Lake Dr E, 3rd Floor, Jacksonville, FL 32246	8.51%
	SEP FBO KIRK M GRAEN	PO Box 2052, Jersey City, NJ 07304	6.18%
	PERSHING	PO Box 2052, Jersey City, NJ 07304	11.17%
	CITIGROUP GLOBAL MARKETS INC.	PO Box 2052, Jersey City, NJ 07303	5.60%
	T ROWE PRICE RETIREMENT PLAN	333 W 34th St, 3rd Fl, New York, NY 10001	5.99%
Small Cap Growth Fund Institutional I Shares	SEI PRIVATE TRUST CO	4515 Painters Mill Rd, Owings Mills, MD 21117	17.42%
		C/O M&T Bank, One Freedom Valley Dr, Oaks, PA 19456	62.11%
Tax-Free Money Market Fund Class A Shares	MANUFACTURERS & TRADERS	TICE & Co, PO Box 1377, Buffalo, NY 14240	5.56%
	PERSHING	PO Box 2052, Jersey City, NJ 07303	93.80%
Tax-Free Money Market Fund Institutional I Shares	MANUFACTURERS & TRADERS	TICE & Co, PO Box 1377, Buffalo, NY 14240	99.61%
Tax-Free Money Market Fund Institutional II Shares	MANUFACTURERS & TRADERS	TICE & Co, PO Box 1377, Buffalo, NY 14240	100.00%
US Government Bond Fund Institutional I Shares	T ROWE PRICE RETIREMENT PLAN	4515 Painters Mill Rd, Owings Mills, MD 21117	41.45%
	SEI PRIVATE TRUST CO	C/O M&T Bank, One Freedom Valley Dr, Oaks, PA 19456	54.59%

<u>Fund Name</u>	<u>Acct Name</u>	<u>Address</u>	<u>% Owned of Class</u>
US Government Bond Fund Class B Shares	AMERITRADE INC FBO	PO Box 2226, Omaha, NE 68103	8.89%
	7869648291		
	PERSHING	PO Box 2052, Jersey City, NJ 07303	7.06%
	PERSHING	PO Box 2052, Jersey City, NJ 07303	7.61%
US Government Money Market Fund Class A Shares	PERSHING	PO Box 2052, Jersey City, NJ 07303	12.43%
	PERSHING	PO Box 2052, Jersey City, NJ 07303	96.18%
US Government Money Market Fund Institutional I Shares	MANUFACTURERS & TRADERS	TICE & Co, PO Box 1377, Buffalo, NY 14240	100.00%
US Government Money Market Fund Institutional II Shares	MANUFACTURERS & TRADERS	TICE & Co, PO Box 1377, Buffalo, NY 14240	99.50%
US Treasury Money Market Fund Institutional I Shares	MANUFACTURERS & TRADERS	TICE & Co, PO Box 1377, Buffalo, NY 14240	99.08%
US Treasury Money Market Fund Institutional II Shares	MANUFACTURERS & TRADERS	TICE & Co, PO Box 1377, Buffalo, NY 14240	100.00%
Managed Allocation - Conservative Growth Class B Shares	NFS LLC FEBO	NFS LLC FBO JP Morgan IRA FBO Michelle Clarizo, 83 Hillair Circle, White Plains, NY 10605	5.66%
Virginia Municipal Bond Fund Class A Shares	SEI PRIVATE TRUST CO	C/O M&T Bank, One Freedom Valley Dr, Oaks, PA 19456	9.63%
	SEI PRIVATE	C/O M&T Bank, One Freedom Valley Dr, Oaks, PA 19456	12.15%

Shareholders owning 25% or more of outstanding shares may be in control and be able to affect the outcome of certain matters presented for a vote of shareholders.

<u>Shareholder</u>	<u>Fund and % Owned</u>
Pershing, PO Box 2052, Jersey City, NJ 07303	New York Tax-Free Money Market Fund - 26.50%
Manufacturers & Traders, TICE & Co, PO Box 1377, Buffalo, NY 14240	Prime Money Market Fund Corporate Shares - 70.26%, Money Market Fund Institutional I Shares - 29.24%, New York Tax-Free Money Market Fund Institutional I Shares - 50.53%, Pennsylvania Tax-Free Money Market Fund Institutional I Shares - 72.27%, Tax-Free Money Market Fund Institutional I Shares - 65.12%, US Government Money Market Fund Institutional I Shares - 35.88%, US Government Money Market Fund Institutional II Shares - 62.22%, US Treasury Money Market Fund Institutional II Shares - 63.58%
T Rowe Price, 4515 Painters Mill Rd, Owings Mills, MD 21117	Mid Cap Growth Fund Institutional I Shares - 31.12%, US Government Bond Fund Institutional I Shares - 37.58%
SEI Private Trust Co, C/O M&T Bank, One Freedom Valley Dr, Oaks, PA 19456	International Equity Fund Institutional I Shares - 62.34%, Large Cap Value Fund Institutional I Shares - 39.8%, Short Duration Government Bond Fund - 79.43%, Income Fund - 56.57%, Intermediate Term Bond Fund - 77.34%, Large Cap Growth Fund - 33.19%, Maryland Municipal Bond Fund - 61.83%, Mid Cap Growth Fund - 30.63%, New York Municipal Bond Fund - 44.77%, Pennsylvania Municipal Bond Fund - 87.18%, Short Term Corporate Bond Fund - 55.41%, Small Cap Growth Fund - 45.17%, US Government Bond Fund - 49.49%, US Treasury Money Market Fund - 25.19%

Disclosures

Pershing

Pershing LLC is a single member Delaware Limited Liability Company and a wholly owned subsidiary of Pershing Group LLS (the parent) which is a wholly owned subsidiary of The Bank of New York Mellon Corporation (BNY Mellon).

Manufactures & Traders

Manufacturers and Traders Trust Company (M&T Bank") is a New York state chartered bank and trust company. M&T Bank is a wholly owned subsidiary of First Empire State Holding Company, a Maryland state chartered bank holding company. First Empire State Holding Company is a wholly owned subsidiary of M&T Bank Corporation, a New York state chartered bank holding company that is publicly traded on the New York Stock Exchange.

SEI Private Trust Co

SEI Private Trust Company operates as a subsidiary of SEI Investments Company, a Pennsylvania corporation.

T Rowe Price

T. Rowe Price Retirement Plan Services, Inc., is a wholly owned subsidiary of T. Rowe Price Associates, Inc., which is a wholly owned subsidiary of T. Rowe Price Group, Inc., each a Maryland corporation.

TAX INFORMATION

FEDERAL INCOME TAX

Each Fund intends to meet requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies. If these requirements are not met, it will not receive special tax treatment and will be subject to federal corporate income tax.

Each Fund will be treated as a single, separate entity for federal income tax purposes so that income earned and capital gains and losses realized by the Trust's other portfolios will be separate from those realized by the Fund.

FOREIGN INVESTMENTS

If a Fund purchases foreign securities, their investment income may be subject to foreign withholding or other taxes that could reduce the return on these securities. Tax treaties between the United States and foreign countries, however, may reduce or eliminate the amount of foreign taxes to which the Fund would be subject. The effective rate of foreign tax cannot be predicted since the amount of Fund assets to be invested within various countries is uncertain. However, the Funds intend to operate so as to qualify for treaty-reduced tax rates when applicable.

Distributions from a Fund may be based on estimates of book income for the year. Book income generally consists solely of the coupon income generated by the portfolio, whereas tax-basis income includes gains or losses attributable to currency fluctuation. Due to differences in the book and tax treatment of fixed-income securities denominated in foreign currencies, it is difficult to project currency effects on an interim basis. Therefore, to the extent that currency fluctuations cannot be anticipated, a portion of distributions to shareholders could later be designated as a return of capital, rather than income, for income tax purposes, which may be of particular concern to simple trusts.

If a Fund invests in the stock of certain foreign corporations, they may constitute Passive Foreign Investment Companies (PFIC), and the Fund may be subject to Federal income taxes upon disposition of PFIC investments.

If more than 50% of the value of a Fund's assets at the end of the tax year is represented by stock or securities of foreign corporations, the Fund will qualify for certain Code provisions that allow its shareholders to claim a foreign tax credit or deduction on their U.S. income tax returns. The Code may limit a shareholder's ability to claim a foreign tax credit. Shareholders who elect to deduct their portion of the Fund's foreign taxes rather than take the foreign tax credit must itemize deductions on their income tax returns.

TAX-FREE PORTFOLIOS: TAX-FREE MONEY MARKET FUND, PENNSYLVANIA TAX-FREE MONEY MARKET FUND, NEW YORK TAX-FREE MONEY MARKET FUND, MARYLAND MUNICIPAL BOND FUND, NEW YORK MUNICIPAL BOND FUND, PENNSYLVANIA MUNICIPAL BOND FUND AND VIRGINIA MUNICIPAL BOND FUND

If a Tax-Free Portfolio satisfies the requirement that, at the close of each quarter of its taxable year, at least 50% of the value of its total assets consists of securities the interest on which is excludable from gross income under section 103(a) of the Code, it may pay "exempt-interest dividends" to its shareholders; each Tax-Free Portfolio intends to continue to satisfy this requirement. Those dividends constitute the portion of its aggregate dividends (excluding capital gain distributions) equal to the excess of its excludable interest over certain amounts disallowed as deductions. Exempt-interest dividends are excludable from a shareholder's gross income for Federal income tax purposes, although the amount of those dividends must be reported on the recipient's Federal income tax return. Shareholders' treatment of dividends from a Tax-Free Portfolio under state and local income tax laws may differ from the treatment thereof under the Code. Investors should consult their tax advisors concerning this matter.

Interest on indebtedness incurred or continued by a shareholder to purchase or carry shares of a Tax-Free Portfolio is not deductible for federal income tax purposes. Under IRS rules for determining when borrowed funds are used for purchasing or carrying particular assets, Tax-Free Portfolio shares may be considered to have been purchased or carried with borrowed funds even though those funds are not directly linked to the shares.

Entities or persons who are "substantial users" (or persons related to "substantial users") of facilities financed by private activity obligations (PABs) should consult their tax advisors before purchasing shares of a Tax-Free Portfolio because, for users of certain of these facilities, the interest on those bonds is not exempt from federal income tax. For these purposes, "substantial user" is defined to include a "non-exempt person" who regularly uses in a trade or business a part of a facility financed from the proceeds of PABs. Interest on certain PABs (which the Tax-Free Portfolios expect to purchase) is treated as a Tax Preference Item, although it remains fully tax-exempt for regular Federal income tax purposes; a portion (not expected to exceed 20%) of each Tax-Free Portfolio's exempt-interest dividends thus may constitute a Tax Preference Item. Interest on all tax-exempt obligations is included in "adjusted current earnings" of corporations for purposes of the AMT.

If shares of a Tax-Free Portfolio are sold at a loss after being held for six months or less, the loss will be disallowed to the extent of any exempt-interest dividends received on those shares, and any loss not disallowed will be treated as long-term, instead of short-term, capital loss to the extent of any capital gain distributions received thereon.

If a Tax-Free Portfolio invests in instruments that generate taxable interest income, under the circumstances described in the prospectuses and in the discussion of municipal market discount bonds below, the portion of any dividend of that Portfolio attributable to the interest

earned thereon will be taxable to its shareholders as ordinary income to the extent of its earnings and profits, and only the remaining portion will qualify as an exempt-interest dividend. The exempt-interest dividend portion is determined by the ratio of (1) the net tax-exempt income a Portfolio realizes for the entire year to (2) the aggregate amount of distributions for the year and thus is an annual average, rather than a day-to-day determination. Moreover, if a Tax-Free Portfolio realizes capital gain as a result of market transactions, any distributions of the gain will be taxable to its shareholders.

A Tax-Free Portfolio may invest in municipal bonds that are purchased, generally not on their original issue, with market discount (that is, at a price less than the principal amount of the bond or, in the case of a bond that was issued with original issue discount, a price less than the amount of the issue price plus accrued original issue discount) (“municipal market discount bonds”). If a bond’s market discount is less than the product of (1) 0.25% of the redemption price at maturity times (2) the number of complete years to maturity after the Tax-Free Portfolio acquired the bond, then no market discount is considered to exist. Gain on the disposition of a municipal market discount bond purchased by a Tax-Free Portfolio after April 30, 1993 (other than a bond with a fixed maturity date within one year from its issuance), generally is treated as ordinary (taxable) income, rather than capital gain, to the extent of the bond’s accrued market discount at the time of disposition. Market discount on such a bond generally is accrued ratably, on a daily basis, over the period between the dates of acquisition and maturity. In lieu of treating the disposition gain as above, a Tax-Free Portfolio may elect to include market discount in its gross income currently, for each taxable year to which it is attributable.

Up to 85% of social security and railroad retirement benefits may be included in taxable income for recipients whose adjusted gross income (including income from tax-exempt sources such as a Tax-Free Portfolio) plus 50% of their benefits exceeds certain base amounts. Exempt-interest dividends from Tax-Free Portfolio still would be tax-exempt to the extent described above; they would only be included in the calculation of whether a recipient’s income exceeded the established amounts. Receipt of tax-exempt income may result in collateral tax consequences to certain other taxpayers, including financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income and individuals otherwise eligible for the earned income credit. Prospective purchasers of Portfolio shares should consult their own tax advisors as to the applicability of any such collateral consequences.

Shares of a Tax-Free Portfolio would not be suitable for tax-exempt institutions and for tax-exempt retirement plans qualified under section 401 of the Code, H.R. 10 plans and individual retirement accounts since such plans and accounts are generally tax-exempt and, therefore, would not gain any additional benefit from the Funds’ dividends being tax-exempt.

NEW YORK TAXES

Under existing New York laws, shareholders of the New York Municipal Bond Fund and New York Tax-Free Money Market Fund will not be subject to New York State or New York City personal income taxes on dividends to the extent that such dividends qualify as “exempt interest dividends” under the Internal Revenue Code of 1986 and represent interest income attributable to obligations of the State of New York and its political subdivisions, as well as certain other obligations, the interest on which is exempt from New York State and New York City personal income taxes, such as, for example, certain obligations of the Commonwealth of Puerto Rico. To the extent that distributions are derived from other income, such distributions will be subject to New York State or New York City personal income tax.

The New York Municipal Bond Fund and New York Tax-Free Money Market Fund cannot predict in advance the exact portion of their dividends that will be exempt from New York State and New York City personal income taxes. However, the Funds will report to shareholders at least annually what percentage of the dividends they actually paid is exempt from such taxes.

Dividends paid by the New York Municipal Bond Fund and New York Tax-Free Money Market Fund are exempt from the New York City unincorporated business tax to the same extent that they are exempt from the New York City personal income tax.

Dividends paid by the Fund are not excluded from net income in determining New York State or New York City franchise taxes on corporations or financial institutions.

Income from the New York Municipal Bond Fund and New York Tax-Free Money Market Fund is not necessarily free from taxes in states other than New York. Shareholders are urged to consult their own tax advisors regarding the status of their accounts under state and local tax laws.

Dividends paid by the New York Municipal Bond Fund and New York Tax-Free Money Market Fund that are attributable to the net interest earned on some temporary and any realized net short-term capital gains are taxed as ordinary income.

PENNSYLVANIA TAXES

The Pennsylvania Municipal Bond Fund and Pennsylvania Tax-Free Money Market Fund intend to invest all, or substantially all, of its assets in debt obligations the interest on which is exempt for federal income tax purposes. In order for the Funds to pay tax-exempt dividends for any taxable year, at least 50% of the aggregate value of the Funds’ assets at the close of each quarter of the Funds’ taxable year must consist of exempt-interest obligations.

MARYLAND TAXES

To the extent that dividends paid by the Maryland Municipal Bond Fund qualifies as exempt-interest dividends of a regulated investment company, the portion of the exempt-interest dividends that represents interest received by the Fund (a) on obligations of Maryland or its

political subdivisions and authorities, (b) on obligations of the United States, or (c) obligations of certain authorities, commissions, instrumentalities, possessions or territories of the United States, will be exempt from Maryland state and local income taxes when allocated or distributed to a shareholder of the Fund. In addition, gains realized by the Fund from the sale or exchange of a bond issued by Maryland or a political subdivision of Maryland, will not be subject to Maryland state and local income taxes.

To the extent that distributions of the Fund are attributable to sources other than those described in the preceding paragraph, such as, for example, interest received by the Fund on obligations issued by states other than Maryland or capital gains realized on obligations issued by U.S. territories and possessions and from states other than Maryland, and income earned on repurchase agreements, such distributions will be subject to Maryland state and local income taxes. Income earned on certain private activity bonds (other than obligations of the State of Maryland or a political subdivision or authority thereof) which the Fund might hold will constitute a Maryland tax preference for individual shareholders. In addition, capital gains realized by a shareholder upon a redemption or exchange of portfolio shares will be subject to Maryland state and local income taxes.

VIRGINIA TAXES

Under existing Virginia laws, distributions made by the Virginia Municipal Bond Fund will not be subject to Virginia income taxes to the extent that such distributions qualify as exempt-interest dividends under the Internal Revenue Code, and represent: (i) interest or gain from obligations issued by or on behalf of the Commonwealth of Virginia or any political subdivision thereof; or (ii) interest or gain from obligations issued by a territory or possession of the United States or any political subdivision thereof which federal law exempts from state income taxes. Conversely, to the extent that distributions made by the Fund are attributable to other types of obligations, such distributions will be subject to Virginia income taxes.

WHO MANAGES AND PROVIDES SERVICES TO THE FUNDS?

BOARD OF TRUSTEES

The Board is responsible for managing the Trust's business affairs and for exercising all the Trust's powers except those reserved for the shareholders. The following tables give information about each Trustee and the senior officers of the Funds. Where required, the tables separately list Trustees who are "interested persons" of the Funds (i.e., "Interested" Trustees) and those who are not (i.e., "Independent" Trustees). Each Board member oversees all portfolios of the Trust and serves for an indefinite term. Information about each Trustee is provided below. Unless otherwise noted, the business address of each Trustee and Senior Officer of the Funds is 100 East Pratt Street, 15th floor, Baltimore, Maryland 21202. The Trust is composed of 27 funds and is the only investment company in the Fund Complex.

INTERESTED TRUSTEE BACKGROUND AND COMPENSATION

Name Birth date Position With Trust Date Service Began	<u>Principal Occupations for Past Five Years and Other Directorships Held</u>	Total Compensation From Trust*
Kenneth G. Thompson+ Birth date: September 4, 1964	Principal Occupations: Senior Vice President, M&T Bank. Other Directorships Held: None.	\$ 0
Trustee Began serving: December 2008		
Jeffrey Durkee+ Birth date: November 19, 1958	Principal Occupations: President and Chief Executive Officer, MTB Investment Advisors, Inc. (3/07 to present). Other Directorships Held: None.	\$ 0
Trustee Began serving: December 2007	Previous Positions: Chairman and CEO Private Wealth Management, Mercantile Bankshares Corporation (4/06 to 3/07); Senior Vice-President and Director, Southern Division, Legg Mason Wood Walker (1998 to 4/06).	

+ Kenneth G. Thompson and Jeffrey Durkee are "interested" due to positions they hold with M&T Bank, the parent of the Funds' Advisor.

INDEPENDENT TRUSTEES BACKGROUND AND COMPENSATION

<u>Name</u> <u>Birth date</u> <u>Position With Trust</u> <u>Date Service Began</u>	<u>Principal Occupations for Past Five Years and Other Directorships Held</u>	<u>Total Compensation From Trust*</u>
Joseph J. Castiglia Birth date: July 20, 1934 Chairman and Trustee Began serving: February 1988	Principal Occupations: Retired. Other Directorships Held: Chairman, Community Foundation for Greater Buffalo (1/04 to Present); Chairman, Buffalo Olmstead Parks Conservancy (1/04 to 5/08); Baker Victory Services (1/04 to Present); Dunn Tire Corp. (1/04 to Present). Previous Positions: President, Chief Executive Officer and Vice Chairman, Pratt & Lambert United, Inc., manufacturer of paints and chemical specialties; Chairman, Blue Cross Blue Shield of Western and Central New York (1992 to 2007).	\$72,000
John S. Cramer Birth date: February 22, 1942 Trustee Began serving: December 2000	Principal Occupation: Senior Consultant, Yaffe & Co., Inc. a consulting firm specializing in executive compensation and governance services (2/06 to present); Retired (2002-2006). Other Directorships Held: Highmark Blue Cross Blue Shield; Chek-Med Corporation. Previous Position: President and Chief Executive Officer, Pinnacle Health Systems (health care).	\$61,000
Daniel R. Gernatt, Jr. Birth date: July 14, 1940 Trustee Began serving: February 1988	Principal Occupations: CEO, Gernatt Asphalt Products, Inc. (1979 to present). Other Directorships Held: Hilbert College (2000 to present).	\$59,750
William H. Cowie, Jr. Birth date: January 24, 1931 Trustee Began serving: September 2003	Principal Occupations: Retired. Other Directorships Held: Harbor Hospital Foundation Board; Charlestown Retirement Community. Previous Position: Vice Chairman of Signet Banking Corp.	\$61,000
Richard B. Seidel Birth date: April 20, 1941 Trustee Began serving: September 2003	Principal Occupations: Founder, Chairman and Director, Girard Partners Ltd., a registered investment advisory firm and Broker/Dealer (1995 to present); Chairman and Director, Girard Capital, LLC, registered investment advisors (3/09 to present). Other Directorships Held: Tristate Capital Bank (9/07 to present); Surrey Services for Seniors (2002 to 2008).	\$61,000
Dr. Marguerite D. Hambleton Birth date: February 19, 1943 Trustee Began serving: September 2005	Principal Occupation: President, AAA New York State Association (7/08 to present). Other Directorships Held: AAA Foundation for Traffic Safety (1985 to present); Catholic Health System (2004 to 2009). Previous Positions: President, New York Federal Reserve Board, Buffalo Branch (2003 - 2005); President and CEO, AAA Western and Central New York (1985 - 2005).	\$59,750

* The Trust does not maintain any pension or retirement plans for the Officers or Trustees of the Trust.

OFFICERS

Name Address Birth date Position With Trust	Principal Occupations for Past Five Years and Previous Positions	Total Compensation From Trust*
Timothy L. Brenner Birth date: December 3, 1956 President Began serving: December 2008	Principal Occupations: Senior Vice President, M&T Bank, President of M&T Life Insurance Company.	\$ 0
Michael D. Daniels Birth date: October 26, 1967 Chief Operating Officer Began serving: June 2007	Principal Occupations: Chief Operating Officer, MTB Group of Funds and MTB Investment Advisors, Inc.; Administrative Vice President, M&T Bank. Previous Positions: Senior Vice President, MSD&T and MCA (2006 to 2007), Vice President, Calamos Asset Management (2004 to 2006); Vice President, JPMorgan Chase Bank (2002 to 2004).	\$ 0
Jeffrey M. Seling Birth date: September 20, 1970 Vice President Began serving: June 2007	Principal Occupations: Vice President, M&T Bank and MTB Investment Advisors, Inc. Previous Positions: Vice President, MSD&T; Assistant Vice President, Wells Fargo Bank; Assistant Vice President, JPMorgan Chase Bank.	\$ 0
Thomas R. Rus Birth date: October 11, 1959 Chief Compliance Officer Began serving: September 2004	Principal Occupation: Chief Compliance Officer, MTB Group of Funds, MTB Investment Advisors, Inc. and Zirkin-Cutler Investments, Inc. Previous Positions: Vice President and Associate Counsel, M&T Bank (2003 to 2004); Vice President and Trust Counsel, AllFirst Financial, Inc., (1995 to 2003).	\$ 0
Charles M. Barrett Birth date: March 3, 1971 Vice President Began serving: June 2008	Principal Occupation: Vice President, MTB Investment Advisors, Inc., Director of Mutual Fund Sales since April 2008. Previous Positions: Sales Vice President, John Hancock Funds (2004 to 2008); Regional Director, Alliance Bernstein Investment Research and Management (1995 to 2004).	\$ 0
Eric B. Paul Birth date: February 2, 1974 Vice President Began serving: June 2008	Principal Occupations: Vice President, M&T Bank (2003 to Present); Director of Proprietary Products, M&T Bank since April 2008.	\$ 0
Bradley Swenson 1290 Broadway, Suite 1100 Denver, CO 80203 Birth date: November 11, 1972 AML Compliance Officer Began serving: September 2007	Principal Occupations: Chief Compliance Officer, ALPS Distributors, Inc., Chief Compliance Officer, ALPS Fund Services, Inc.	\$ 0

Name Address Birth date Position With Trust	Principal Occupations for Past Five Years and Previous Positions	Total Compensation From Trust*
Guy Nordahl 101 Barclay Street, 11E New York, NY 10166 Birth Date: August 27, 1965	Principal Occupations: Vice President, BNY Mellon Asset Servicing.	\$ 0

Chief Financial Officer and Treasurer

Began serving: September 2007

Lisa R. Grosswirth 101 Barclay Street, 13E New York, NY 10286 Birth Date: July 12, 1963	Principal Occupations: Vice President, BNY Mellon Asset Servicing since 2004. Previous Positions: Supervisory Paralegal, The Dreyfus Corporation, (1998 to 2004).	\$ 0
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Secretary

Began serving: September 2007

Richard Berthy Three Canal Plaza, Suite 100 Portland, ME 04101 Birth Date: October 23, 1958	Principal Occupations: President and Managing Partner, Foreside Financial Group, LLC. Previous Positions: President and Secretary, Bainbridge Capital Management LLC (2004 to 2006); Vice President, Bainbridge Capital Management (2002 to 2004).	\$ 0
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Chief Executive Officer

Began serving: September 2007

* *Officers do not receive any compensation from the Funds.*

COMMITTEES OF THE BOARD

Board Committee	Committee Members	Committee Functions	Meetings Held During Last Fiscal Year
Executive	Timothy L. Brenner Daniel R. Gernatt, Jr. Richard B. Seidel	In between the meetings of the full Board, the Executive Committee generally may exercise all the powers of the full Board in the management and direction of the business and conduct of the affairs of the Trust in such manner as the Executive Committee shall deem to be in the best interests of the Trust. However, the Executive Committee cannot elect or remove Board members, increase or decrease the number of Trustees, elect or remove any Officer, declare dividends, issue shares or recommend to shareholders any action requiring shareholder approval.	None
Audit	Joseph J. Castiglia William H. Cowie, Jr. John S. Cramer Daniel R. Gernatt, Jr. Marguerite D. Hambleton Richard B. Seidel	The purposes of the Audit Committee are to oversee the accounting and financial reporting process of the Funds, the Funds' internal control over financial reporting, and the quality, integrity and independent audit of the Funds' financial statements. The Committee also oversees or assists the Board with the oversight of compliance with legal requirements relating to those matters, approves the engagement and reviews the qualifications, independence and performance of the Funds' independent registered public accountants, acts as a liaison between the independent registered public accountants and the Board and reviews the Funds' internal audit function.	Four

Nominating

Joseph J. Castiglia
John J. Cramer
Daniel R. Gernatt, Jr.
William H. Cowie, Jr.
Richard B. Seidel
Marguerite D. Hambleton

The Nominating Committee, whose members consist of all independent Trustees, selects and nominates persons for election to the Funds' Board when vacancies occur. The Committee will consider candidates recommended by shareholders, Independent Trustees, officers or employees of any of the Funds' agents or service providers and counsel to the Funds. Any shareholder who desires to have an individual considered for nomination by the Committee must submit a recommendation in writing to the Secretary of the Funds, at the Funds' address appearing on the back cover of this SAI. The recommendation should include the name and address of both the shareholder and the candidate and detailed information concerning the candidate's qualifications and experience. In identifying and evaluating candidates for consideration, the Committee shall consider such factors as it deems appropriate. Those factors will ordinarily include: integrity, intelligence, collegiality, judgment, diversity, skill, business and other experience, qualification as an "Independent Trustee," the existence of material relationships which may create the appearance of a lack of independence, financial or accounting knowledge and experience, and dedication and willingness to devote the time and attention necessary to fulfill Board responsibilities.

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**BOARD OWNERSHIP OF SHARES IN THE FUNDS AND IN THE TRUST
AS OF DECEMBER 31, 2008**

<u>Board Member Name</u>	<u>Dollar Range of Shares Owned in Funds</u>	<u>Aggregate Dollar Range of Shares Owned in the Trust</u>
Interested Board Members		
Kenneth G. Thompson		
MTB New York Tax-Free Money Market Fund	\$1-\$10,000	\$1-\$10,000
MTB Large Cap Value Fund	\$1-\$10,000	
MTB Money Market Fund	\$1-\$10,000	
Jeffrey Durkee		
MTB Small Cap Growth Fund	\$50,001-\$100,000	Over \$100,000
MTB Mid Cap Growth Fund	\$50,001-\$100,000	
MTB Large Cap Growth Fund	\$50,001-\$100,000	
Independent Board Members		
Joseph J. Castiglia		
MTB Small Cap Growth Fund	Over \$100,000	Over \$100,000
William H. Cowie, Jr		
MTB Large Cap Growth Fund	\$10,001-\$50,000	\$10,001-\$50,000
MTB Large Cap Value Fund	\$10,001-\$50,000	
John S. Cramer		
MTB Managed Allocation Fund – Moderate Growth	\$1-\$10,000	Over \$100,000
MTB International Equity Fund	\$1-\$10,000	
MTB Large Cap Growth Fund	\$1-\$10,000	
MTB Money Market Fund	\$10,001-\$50,000	
MTB Mid Cap Growth Fund	\$10,001-\$50,000	
MTB Intermediate Term Bond Fund	Over \$100,000	
MTB U.S. Government Bond Fund	\$50,001-\$100,000	
MTB Small Cap Growth Fund	\$1-\$10,000	
Daniel R. Gernatt, Jr.		
MTB New York Tax-Free Money Market Fund	\$10,001-\$50,000	Over \$100,000
MTB Large Cap Growth Fund	Over \$100,000	
MTB Large Cap Value Fund	Over \$100,000	
MTB Mid Cap Growth Fund	Over \$100,000	
MTB International Equity Fund	Over \$100,000	
Richard B. Seidel		
MTB Large Cap Value Fund	\$10,001-\$50,000	\$10,001-\$50,000
MTB Large Cap Growth Fund	\$10,001-\$50,000	
Marguerite D. Hambleton		
MTB Tax-Free Money Market Fund	\$1-\$10,000	\$1-\$10,000

As of August 1, 2009, the Funds' Board and Officers as a group owned less than 1% of each Fund's outstanding Shares.

INVESTMENT ADVISOR

The Advisor conducts investment research and makes investment decisions for the Funds. The Funds' Advisor, MTBIA is a subsidiary of M&T Bank. M&T Bank is the principal banking subsidiary of M&T Bank Corporation, a regional bank holding company in existence since 1969. M&T Bank was founded in 1892 and provides comprehensive banking and financial services to individuals, governmental entities and businesses throughout New York State, Pennsylvania, Maryland and parts of Virginia, West Virginia, the District of Columbia and Delaware.

The Advisor shall not be liable to the Trust or any Fund shareholder for any losses that may be sustained in the purchase, holding, or sale of any security or for anything done or omitted by it, except acts or omissions involving willful misfeasance, bad faith, gross negligence, or reckless disregard of the duties imposed upon it by its contract with the Trust.

The Advisor receives for its services an annual investment advisory fee, accrued and paid daily, based on a percentage of each Fund's average daily net assets (see below). The Advisor may voluntarily choose to waive any portion of its fee and/or reimburse certain operating expenses of the Funds.

Fund Annual Rate

Short Duration Government Bond Fund	0.60%
Short-Term Corporate Bond Fund	0.70%
U.S. Government Bond Fund	0.70%
New York Municipal Bond Fund	0.70%
Pennsylvania Municipal Bond Fund	0.70%
Maryland Municipal Bond Fund	0.70%
Virginia Municipal Bond Fund	0.70%
Intermediate-Term Bond Fund	0.70%
Income Fund	0.60%
Conservative Growth Fund	0.25%
Moderate Growth Fund	0.25%
Aggressive Growth Fund	0.25%
Balanced Fund	0.65%
Large Cap Value Fund	0.70%
Large Cap Growth Fund	0.85%
Multi Cap Growth Fund	0.70%
Mid Cap Growth Fund	0.85%
Small Cap Growth Fund	0.85%
International Equity Fund	1.00%

SUB-ADVISORS

International Equity Fund

Effective October 24, 2005, the Advisor delegated daily management of the value component of the International Equity Fund to a Sub-advisor, LSV Asset Management (LSV). For its services under the Sub-Advisory Agreement, LSV is entitled to receive an allocable portion of the advisory fee that the Advisor receives from the International Equity Fund. The allocation is based on the amount of the average daily net assets that LSV manages for the Fund. This fee is paid by the Advisor out of the fees it receives from the Fund and is not a direct Fund expense. LSV is entitled to be paid a fee on the value portion of the average daily net assets (ADNA) of the International Equity Fund it manages at the following annual rate: 0.49% on all assets.

Effective February 13, 2009, the Advisor delegated daily management of the core component of the International Equity Fund to a Sub-advisor, Baring International Investment Limited (Barings). For its services under the Sub-Advisory Agreement, Barings is entitled to receive an allocable portion of the advisory fee that the Advisor receives from the International Equity Fund. The allocation is based on the amount of the average daily net assets that Barings manages for the Fund. This fee is paid by the Advisor out of the fees it receives from the Fund and is not a direct Fund expense. Barings is entitled to be paid a fee on the core portion of the average daily net assets (ADNA) of the International Equity Fund it manages at the annual rate of 0.45%.

Effective October 24, 2005, the Advisor delegated daily management of the growth component of the International Equity Fund to a Sub-advisor, Hansberger Global Investors, Inc. (HGI). For its services under the Sub-Advisory agreement, HGI is entitled to receive an allocable portion of the advisory fee that the Advisor receives from the International Equity Fund. The allocation is based on the amount of the average daily net assets that HGI manages for the Fund. This fee is paid by the Advisor out of the fees it receives from the Fund and is not a direct Fund expense. HGI is entitled to be paid a fee on the growth portion of the average daily net assets (ADNA) of the International Equity Fund it manages at the following annual rate: 0.60% on all assets.

Large Cap Value Fund

Effective December 8, 2004, the Advisor delegated daily management of the Large Cap Value Fund to a Sub-advisor, NWQ Investment Management Company LLC (NWQ). NWQ was founded in 1982 and is a majority-owned subsidiary of Nuveen Investments, Inc. (Nuveen), an independent publicly-held company. For its services under the Sub-Advisory Agreement, NWQ is entitled to receive an allocable portion of the advisory fee that the Advisor receives from the Large Cap Value Fund. The allocation is based on the amount of the average daily net assets that NWQ manages for the Fund. This fee is paid by the Advisor out of the fees it receives from the Fund and is not a direct Fund expense. NWQ is entitled to be paid a fee at the annual rate of 0.45% of the average daily net assets of the Large Cap Value Fund that it manages.

Balanced Fund

Effective November 1, 2006, the Advisor delegated daily management of the value equity component of the Balanced Fund to a sub-advisor, DePrince, Race & Zollo, Inc. (DRZ). For its services under the Sub-Advisory Agreement, DRZ receives an allocable portion of the advisory fee the Advisor receives from the Balanced Fund. The allocation is based on the amount of securities which DRZ manages for the Fund. This fee is paid by the Advisor out of the fees it receives and is not a Fund expense. DRZ is entitled to receive a fee at the annual rate of 0.40% of the average daily net assets of the Balanced Fund it manages.

Portfolio Manager Information

The following information about the Funds' Portfolio Managers is provided as of April 30, 2009.

MTB Investment Advisors, Inc.

Valerie J. Gospodarek, CFA, CIMA

Other Accounts Managed by
Valerie J. Gospodarek, CFA, CIMI
Registered Investment Companies
Other Pooled Investment Vehicles
Other Accounts

Total Number of Other Accounts Managed/ Total Assets*	
4/\$	81,378,927
	0
	0

* None of the Accounts has an advisory fee that is based on the performance of the account.

Dollar value range of shares owned in the Conservative Growth Fund: None.

Dollar value range of shares owned in the Moderate Growth Fund: None.

Dollar value range of shares owned in the Aggressive Growth Fund: None.

Compensation Structure

Compensation is comprised of a base salary and an annual incentive bonus. The base salary is based on the job description of the position and the overall qualifications of the individual. Ms. Gospodarek's performance is formally evaluated annually and based on a variety of factors. The bonus is determined by three components: the overall performance of M&T Bank, the overall performance of MTBIA relative to the budget and Ms. Gospodarek's management and oversight of certain portfolios and strategies, including the asset allocation strategy relative to both the retail and variable annuity Managed Allocation Funds.

The performance portion of Ms. Gospodarek's incentive bonus is based on the time weighted rates of return for the portfolios and strategies she manages compared to the relative indices with the heaviest emphasis on the current year results. Prior period results are a factor to the extent that they build an argument for additional compensation based on a superior long-term track record.

Mark J. Stevenson, CFA

Other Accounts Managed by
Mark J. Stevenson, CFA
Registered Investment Companies
Other Pooled Investment Vehicles
Other Accounts**

Total Number of Other Accounts Managed/ Total Assets*	
4/\$	81,378,927
	0
5686/\$	513,674,165

* None of the Accounts has an advisory fee that is based on the performance of the account.

** Portfolio Manager is a dual employee of MTBIA and M&T Bank. All of the "Other" accounts shown are accounts of the Trust Department of M&T Bank.

Dollar value range of shares owned in the Conservative Growth Fund: None.

Dollar value range of shares owned in the Moderate Growth Fund: \$1-\$10,000.

Dollar value range of shares owned in the Aggressive Growth Fund: None.

Compensation Structure

Mr. Stevenson's salary consists primarily of a base salary with a year-end bonus based in part on Trust account maintenance, risk control/adherence to process management guidelines, and participation in Trust new business activities such as the attraction of new accounts or the addition of assets to existing accounts. No compensation besides a salary is received with respect to the management of the Funds or any other mutual fund.

Mr. Stevenson receives a discretionary bonus at year-end from MTBIA for his management of institutional client portfolios and for his analytical work within the Asset Strategies Consulting Group of MTBIA.

Mr. Stevenson's performance is formally evaluated annually and based on a variety of factors. Salary is based on job responsibilities in both the management of Trust client assets and those deriving from the management of both the retail and Variable Annuity Managed Allocation Funds. Bonus is based in part on Trust accounts maintenance, risk control/adherence to process management guidelines, and participation in Trust new business activities such as the attraction of new accounts or the addition of assets to existing accounts. Deferred stock options are awarded at year end based purely on the discretion of M&T Bank senior management.

Allen J. Ashcroft

Other Accounts Managed by
Allen J. Ashcroft
Registered Investment Companies
Other Pooled Investment Vehicles
Other Accounts

Total Number of Other Accounts Managed/ Total Assets*	
3/\$	125,168,415
	0
	0

* None of the Accounts has an advisory fee that is based on the performance of the account.

Dollar value range of shares owned in the Large Cap Growth Fund: over \$100,000.

Dollar value range of shares owned in the Balanced Fund: None.

Dollar value range of shares owned in the Multi Cap Growth Fund: None.

Compensation Structure

The portfolio manager's performance is formally evaluated annually and based on a variety of factors. Mr. Ashcroft's compensation is based upon a base salary and an annual incentive bonus. The fixed salary is based on the job description of the position and overall qualifications of the individual. Mr. Ashcroft's performance is formally evaluated annually and based on a variety of factors. The bonus is determined by three components: the overall performance of M&T Bank, the overall performance of MTBIA relative to the budget and Mr. Ashcroft's investment performance relative to the benchmarks for the funds he manages.

The performance portion of Mr. Ashcroft's incentive bonus is based on the time weighted rates of return for the funds he manages compared to the Russell 1000 Growth Index with the heaviest emphasis on current year results. Prior period results are a factor to the extent that they build an argument for additional compensation based on a superior long-term track record.

Mark Tompkins, CFA

Other Accounts Managed by Mark Tompkins, CFA	Total Number of Other Accounts Managed/ Total Assets*	
Registered Investment Companies	1/\$	92,176,733
Other Pooled Investment Vehicles		0
Other Accounts	21/\$	87,737,112

* None of the Accounts has an advisory fee that is based on the performance of the account.

Dollar value range of shares owned in the New York Municipal Bond Fund: None.

Compensation Structure

Compensation is comprised of a base salary and an annual incentive bonus. The base salary is based on the job description of the position and the overall qualifications of the individual. Mr. Tompkins' performance is formally evaluated annually and based on a variety of factors. The bonus is determined by three components: the overall performance of M&T Bank, the overall performance of MTBIA relative to the budget and Mr. Tompkins' investment performance relative to the benchmarks for the fund that he manages. The benchmark for the New York Municipal Bond Fund is the Barclays Capital New York Tax-Exempt Bond Index. The bonus can be paid in cash and/or stock options in M&T Bank Corporation.

The performance portion of Mr. Tompkins' incentive bonus is based on the time weighted rates of return for the funds he manages compared to the relevant indices with the heaviest emphasis on the current year results. Prior period results are a factor to the extent that they build an argument for additional compensation based on a superior long-term track record.

Mark Schultz, CFA

Other Accounts Managed by Mark Schultz, CFA	Total Number of Other Accounts Managed/ Total Assets*	
Registered Investment Companies	2/\$	120,455,066
Other Pooled Investment Vehicles		0
Other Accounts		0

* None of the Accounts has an advisory fee that is based on the performance of the account.

Dollar value range of shares owned in the Multi Cap Growth Fund: None.

Dollar value range of shares owned in the Mid Cap Growth Fund: \$10,001-\$50,000.

Dollar value range of shares owned in the Mid Cap Stock Fund: \$10,001-\$50,000.

Compensation Structure

Compensation is comprised of a base salary and an annual incentive bonus. The base salary is based on the job description of the position and the overall qualifications of the individual. Dr. Schultz's performance is formally evaluated annually and based on a variety of factors. The bonus is determined by three components: the overall performance of M&T Bank, the overall performance of MTBIA relative to the budget and Dr. Schultz's investment performance relative to the benchmarks for the fund that he manages. The benchmark for the mid-cap growth portion of Dr. Schultz's mandate is the Russell Mid Cap Growth Index.

The performance portion of Dr. Schultz's incentive bonus is based on the time weighted rates of return for the funds he manages compared to the relevant indices with the heaviest emphasis on the current year results. Prior period results are a factor to the extent that they build an argument for additional compensation based on a superior long-term track record.

James E. Thorne, Ph.D

**Other Accounts Managed by
James E. Thorne, Ph.D.**

Registered Investment Companies
Other Pooled Investment Vehicles
Other Accounts

Total Number of Other Accounts Managed/ Total Assets*	
2/\$	127,267,941
	0
	0

* None of the Accounts has an advisory fee that is based on the performance of the account.

Dollar value range of shares owned in the Small Cap Growth Fund: \$1-\$10,000.

Dollar value range of shares owned in the Multi Cap Growth Fund: None.

Compensation Structure

Compensation is comprised of a base salary and an annual incentive bonus. The fixed salary is based on the job description, the qualifications of the individual and the fact that Dr. Thorne is also the Chief Investment Officer of Equities. Dr. Thorne's performance is formally evaluated annually and based on a variety of factors. His bonus is determined by three components: the overall performance of M&T Bank, the overall performance of MTBIA relative to the budget and Dr. Thorne's investment performance relative to the benchmarks for the funds he manages. The benchmark for the Small Cap Growth Fund is the Russell 2000 Growth Index. The bonus can be paid in cash and/or stock options in M&T Bank Corporation.

The performance portion of Dr. Thorne's incentive bonus is based on the time weighted rates of return for the funds he manages compared to the Russell 2000 Growth Index with the heaviest emphasis on the current year results. Prior period results are a factor to the extent that they build an argument for additional compensation based on a superior long-term track record.

Susan L. Schnaars, CFA, CPA

**Other Accounts Managed by
Susan L. Schnaars, CFA, CPA**

Registered Investment Companies
Other Pooled Investment Vehicles
Other Accounts

Total Number of Other Accounts Managed/ Total Assets*	
3/\$	250,861,656
	0
10/\$	230,000,000

* None of the Accounts has an advisory fee that is based on the performance of the account.

Dollar value range of shares owned in the Maryland Municipal Bond Fund: None.

Dollar value range of shares owned in the Pennsylvania Municipal Bond Fund: None.

Dollar value range of shares owned in the Virginia Municipal Bond Fund: None.

Compensation Structure

Compensation is comprised of a base salary and an annual incentive bonus. The base salary is based on the job description of the position and the overall qualifications of the individual. Ms. Schnaars' performance is formally evaluated annually and based on a variety of factors. Her bonus is partially determined by the investment performance of the funds she manages relative to the benchmarks for those funds. The benchmark for the Maryland Municipal Bond Fund is the Lipper Other States Intermediate Municipal Funds Average, the benchmark for the Pennsylvania Municipal Bond Fund is the Lipper Other States Intermediate Municipal Funds Average and the benchmark for the Virginia Municipal Bond Fund is the Lipper Virginia Municipal Debt Funds Average. In addition, her bonus is also based on other job responsibilities at MTB Investment Advisors, Inc., such as institutional investment account management and client relationship management, risk control/adherence to process management guidelines, and participation in new business activities such as the attraction of new accounts or the addition of assets to existing accounts. The bonus can be paid in cash and/or stock options in M&T Bank Corporation. Deferred stock options awarded at year-end are based purely on the discretion of M&T Bank senior management.

The performance portion of Ms. Schnaars' incentive bonus is based on the time weighted rates of return for the funds she manages compared to the relevant indices with the heaviest emphasis on the current year results. Prior period results are a factor to the extent that they build an argument for additional compensation based on a superior long-term track record.

Wilmer C. Stith III, CFA

**Other Accounts Managed by
Wilmer C. Stith III, CFA**

Registered Investment Companies
Other Pooled Investment Vehicles
Other Accounts

**Total Number of Other
Accounts Managed/
Total Assets***

4/\$ 438,178,577
0
42/\$ 606,899,000

* None of the Accounts has an advisory fee that is based on the performance of the account.

Dollar value range of shares owned in the Intermediate-Term Bond Fund: None.

Dollar value range of shares owned in the Short-Term Corporate Bond Fund: None.

Dollar value range of shares owned in the Income Fund: None.

Dollar value range of shares owned in the U.S. Government Bond Fund: None.

Compensation Structure

Compensation is comprised of a base salary and an annual incentive bonus. The base salary is based on the job description of the position and the overall qualifications of the individual. Mr. Stith's performance is formally evaluated annually and based on a variety of factors. The bonus is determined by three components: the overall performance of M&T Bank, the overall performance of MTBIA relative to the budget and Mr. Stith's investment performance relative to the benchmarks for the funds that he manages. The benchmark for the Intermediate-Term Bond Fund is the Barclays Capital Intermediate Government Credit Bond Index and the Lipper Short-Intermediate Investment Grade peer group. The benchmark for the Short Term Corporate Bond Fund is the Barclays Capital Brothers 1-3 Year Government Credit Bond Index and the Lipper Short Investment Grade peer group. The bonus can be paid in cash and/or stock options in M&T Bank Corporation.

The performance portion of Mr. Stith's incentive bonus is based on the time weighted rates of return for the funds he manages compared to the relevant indices with the heaviest emphasis on the current year results. Prior period results are a factor to the extent that they build an argument for additional compensation based on a superior long-term track record.

James M. Hannan

**Other Accounts Managed by
James M. Hannan**

Registered Investment Companies
Other Pooled Investment Vehicles
Other Accounts

**Total Number of Other
Accounts Managed/
Total Assets***

3/\$ 389,110,130
0
24/\$ 1,665,283

* None of the Accounts has an advisory fee that is based on the performance of the account.

Dollar value range of shares owned in the U.S. Government Bond Fund: None.

Dollar value range of shares owned in the Income Fund: None.

Dollar value range of shares owned in the Balanced Fund: None.

Dollar value range of shares owned in the Short Duration Government Bond Fund: None.

Compensation Structure

Compensation is comprised of a base salary and an annual incentive bonus. The base salary is based on the job description of the position and the overall qualifications of the individual. Mr. Hannan's performance is formally evaluated annually and based on a variety of factors. The bonus is determined by three components: the overall performance of M&T Bank, the overall performance of MTBIA relative to the budget and Mr. Hannan's investment performance relative to the benchmarks for the funds that he manages. The benchmark for the U.S. Government Bond Fund is the Barclays Capital U.S. Government Bond Index and the Lipper General U.S. Government peer group. The benchmark for the Income Fund is the Barclays Capital U.S. Aggregate Bond Index and the Lipper Corporate A Rated peer group. The benchmark for the fixed income portion of the Balanced Fund is the Barclays Capital U.S. Aggregate Bond Index and the Lipper Corporate A rated peer group. In addition, as Managing Director of Fixed Income, a component of Mr. Hannan's incentive bonus is based on the overall investment performance of the team that reports to him, relative to relevant benchmarks. The bonus can be paid in cash and/or stock options in M&T Bank Corporation.

The performance portion of Mr. Hannan’s incentive bonus is based on the time weighted rates of return for the funds he manages compared to the relevant indices with the heaviest emphasis on the current year results. Prior period results are a factor to the extent that they build an argument for additional compensation based on a superior long-term track record.

Robert J. Truesdell

Mr. Truesdell is the Director of Fixed Income for MTBIA. He began managing the fund in January, 2001.

Other Accounts Managed by Robert J. Truesdell	Total Number of Other Accounts Managed/ Total Assets*	
Registered Investment Companies	1/\$	74,925,653
Other Pooled Investment Vehicles		0
Other Accounts	73/\$	698,000,000

* None of the Accounts has an advisory fee that is based on the performance of the account.

Dollar value of shares owned in the Short Duration Government Fund: \$50,001-\$100,000.

Compensation Structure

Compensation is comprised of a base salary and an annual incentive bonus. The base salary is based on the job description of the position and the overall qualifications of the individual. Mr. Truesdell’s performance is formally evaluated annually and based on a variety of factors. The bonus is determined by three components: the overall performance of M&T Bank, the overall performance of MTBIA relative to the budget and Mr. Truesdell’s investment performance relative to the benchmarks for the fund that he manages. The benchmark for the Short Duration Government Fund is the Lehman 1-3 Year Government Bond Index. In addition, as the Managing Director of Fixed Income, a component of Mr. Truesdell’s incentive bonus is based on the overall investment performance of the team that reports to him, relative to relevant benchmarks. The bonus can be paid in cash and/or stock options in M&T Bank Corporation.

The performance portion of Mr. Truesdell’s incentive bonus is based on the time weighted rates of return for the funds he manages compared to the relevant indices with the heaviest emphasis on the current year results. Prior period results are a factor to the extent that they build an argument for additional compensation based on a superior long-term track record.

Bradley A. Williams

Other Accounts Managed by Bradley A. Williams	Total Number of Other Accounts Managed/ Total Assets*	
Registered Investment Companies	1/\$	124,967,846
Other Pooled Investment Vehicles		0
Other Accounts		0

* None of the Accounts has an advisory fee that is based on the performance of the account.

Dollar value range of shares owned in the Small Cap Growth Fund: \$10,001-\$50,000.

Compensation Structure

Compensation is comprised of a base salary and an annual incentive bonus. The base salary is based on the job description of the position and the overall qualifications of the individual. Mr. Williams' performance is formally evaluated annually and based on a variety of factors. The bonus is determined by three components: the overall performance of M&T Bank, the overall performance of MTBIA relative to the budget and Mr. Williams' investment performance relative to the benchmarks for the funds that he manages. The benchmark for the Small Cap Growth Fund is the Russell 2000 Growth Index. The bonus can be paid in cash and/or stock options in M&T Bank Corporation.

The performance portion of Mr. Williams' incentive bonus is based on the time weighted rates of return for the funds he manages compared to the relevant indices with the heaviest emphasis on the current year results. Prior period results are a factor to the extent that they build an argument for additional compensation based on a superior long-term track record.

Steven R. Crain, CFA

Other Accounts Managed by Steven R. Crain, CFA	Total Number of Other Accounts Managed/ Total Assets*	
Registered Investment Companies	1/\$	124,967,846
Other Pooled Investment Vehicles		0
Other Accounts		0

* None of the Accounts has an advisory fee that is based on the performance of the account.

Dollar value range of shares owned in the Small Cap Growth Fund: \$10,001-\$50,000.

Compensation Structure

Compensation is comprised of a base salary and an annual incentive bonus. The base salary is based on the job description of the position and the overall qualifications of the individual. Mr. Crain's performance is formally evaluated annually and based on a variety of factors. The bonus is determined by three components: the overall performance of M&T Bank, the overall performance of MTBIA relative to the budget and Mr. Crain's investment performance relative to the benchmarks for the funds that he manages. The benchmark for the Small Cap Growth Fund is the Russell 2000 Growth Index. The bonus can be paid in cash and/or stock options in M&T Bank Corporation.

The performance portion of Mr. Crain's incentive bonus is based on the time weighted rates of return for the funds he manages compared to the relevant indices with the heaviest emphasis on the current year results. Prior period results are a factor to the extent that they build an argument for additional compensation based on a superior long-term track record.

Conflicts of Interest (MTBIA Portfolio Managers)

Actual or apparent conflicts of interest may arise when a portfolio manager has day-to-day management responsibilities with respect to more than one account. More specifically, portfolio managers who manage multiple accounts are presented with the following potential conflicts:

- The management of multiple accounts may result in a portfolio manager devoting unequal time and attention to the management of each account. MTBIA seeks to manage such competing interests for the time and attention of portfolio managers by having portfolio managers focus on a particular investment discipline. Most accounts managed by a portfolio manager in a particular investment strategy are managed using the same investment models.

- If a portfolio manager identifies a limited investment opportunity which may be suitable for more than one account, an account may not be able to take full advantage of that opportunity due to an allocation of filled purchase or sale orders across all eligible accounts. To deal with these situations, MTBIA has adopted procedures for allocating portfolio transactions across multiple accounts.
- With respect to many of its clients' accounts, MTBIA determines which broker to use to execute transaction orders, consistent with its duty to seek best execution of the transaction. However, with respect to certain other accounts, MTBIA may be limited by the client with respect to the selection of brokers or may be instructed to direct trades through a particular broker. In these cases, MTBIA may place separate, non-simultaneous, transactions for a Fund and other accounts, which may temporarily affect the market price of the security or the execution of the transaction, or both, to the detriment of the Fund or the other accounts.
- The Fund is subject to different regulation than the other pooled investment vehicles and other accounts managed by the portfolio manager. As a consequence of this difference in regulatory requirements, the Fund may not be permitted to engage in all the investment techniques or transactions or to engage in these transactions to the same extent as the other accounts managed by the portfolio manager. Finally, the appearance of a conflict of interest may arise where MTBIA has an incentive, such as a performance-based management fee, which MTBIA may charge in the future to some accounts, with respect to which a portfolio manager has day-to-day management responsibilities.

MTBIA has adopted certain compliance procedures which are designed to address these types of conflicts. However, there is no guarantee that such procedures will detect each and every situation in which a conflict arises.

See also the "Advisor Potential Conflict" section in the prospectus regarding the conflicts of interest in managing the Managed Allocation Funds.

NWQ Investment Management Company LLC

Jon D. Bosse, CFA*

Other Accounts Managed by Jon D. Bosse, CFA	Total Number of Other Accounts Managed/ Total Assets	Number of Other Accounts Managed/Total Assets that are Subject to Performance Fees
Registered Investment Companies	14/\$ 1,500,100,000	0
Other Pooled Investment Vehicles	6/\$ 550,900,000	0
Other Accounts	496/\$13,002,200,000	7/\$ 289,287,026

Dollar value range of shares owned in the Large Cap Value Fund: None.

Kevin A. Hunter*

Other Accounts Managed by Kevin A. Hunter	Total Number of Other Accounts Managed/ Total Assets	Number of Other Accounts Managed/Total Assets that are Subject to Performance Fees
Registered Investment Companies	2/\$ 127,097,680	0
Other Pooled Investment Vehicles	3/\$ 476,685,707	0
Other Accounts	82/\$ 2,226,750,863	1/\$ 197,601,418

Dollar value range of shares owned in the Large Cap Value Fund: None.

* Mr. Bosse has investment decision-making responsibility for all of NWQ's Large Cap Value and Special Equity portfolio. Accounts listed above for Mr. Hunter encompasses those accounts managed by Mr. Bosse, but that are administered by Mr. Hunter.

Compensation Structure

NWQ's portfolio managers participate in a highly competitive compensation structure with the purpose of attracting and retaining the most talented investment professionals and rewarding them through a total compensation program as determined by the firm's executive committee. The total compensation program consists of both a base salary and an annual bonus that can be a multiple of the base salary. The portfolio manager's performance is formally evaluated annually and based on a variety of factors. Bonus compensation is primarily a function of the firm's overall annual profitability and the individual portfolio manager's contribution as measured by the overall investment performance of client portfolios in the strategy they manage relative to the strategy's general benchmark for one, three and five year periods (as applicable), as well as an objective review of stock recommendations and the quality of primary research, and subjective review of the professional's contributions to portfolio strategy, teamwork, collaboration and work ethic.

The total compensation package for portfolio managers includes an equity-like incentive for purchase (whose value is determined by various factors including the increase in profitability of NWQ over time). Additionally, the portfolio managers have been provided compensation in conjunction with signing long-term employment agreements. NWQ is a subsidiary of Nuveen Investments, Inc., which has augmented this incentive compensation annually through individual awards of a stock option pool, as determined through a collaborative process between Nuveen Investments and the NWQ executive committee. On November 13, 2007, Nuveen was acquired by an investor group majority led by Madison Dearborn Partners, LLC, a private equity investment firm based in Chicago, Illinois.

As of April 30, 2009, NWQ had 7 institutional accounts that have investment management fees calculated in part on the performance of the account versus a benchmark ("performance based fees accounts"). The performance based fee accounts are managed identically to other institutional accounts within the same strategy and there are no additional investment risks taken in conjunction with this type of investment management fee. The portfolio manager who manages these performance based fee accounts does not receive any additional compensation from these accounts based on any performance fees received from such accounts.

Conflicts of Interest (NWQ)

Actual or apparent conflicts of interest may arise when a portfolio manager has day-to-day management responsibilities with respect to more than one account. More specifically, portfolio managers who manage multiple accounts are presented with the following potential conflicts:

- The management of multiple accounts may result in a portfolio manager devoting unequal time and attention to the management of each account. NWQ seeks to manage such competing interests for the time and attention of portfolio managers by having portfolio managers focus on a particular investment discipline. Most accounts managed by a portfolio manager in a particular investment strategy are managed using the same investment models.
- If a portfolio manager identifies a limited investment opportunity which may be suitable for more than one account, an account may not be able to take full advantage of that opportunity due to an allocation of filled purchase or sale orders across all eligible accounts. To deal with these situations, NWQ has adopted procedures for allocating portfolio transactions across multiple accounts.
- With respect to many of its clients' accounts, NWQ determines which broker to use to execute transaction orders, consistent with its duty to seek best execution of the transaction. However, with respect to certain other accounts, NWQ may be limited by the client with respect to the selection of brokers or may be instructed to direct trades through a particular broker. In these cases, NWQ may place separate, non-simultaneous, transactions for a Fund and other accounts which may temporarily affect the market price of the security or the execution of the transaction, or both, to the detriment of the Fund or the other accounts.
- The Fund is subject to different regulation than the other pooled investment vehicles and other accounts managed by the portfolio manager. As a consequence of this difference in regulatory requirements, the Fund may not be permitted to engage in all the investment techniques or transactions or to engage in these transactions to the same extent as the other accounts managed by the portfolio manager. Finally, the appearance of a conflict of interest may arise where NWQ has an incentive, such as a performance-based management fee, which relates to the management of some accounts, with respect to which a portfolio manager has day-to-day management responsibilities.

NWQ has adopted certain compliance procedures which are designed to address these types of conflicts. However, there is no guarantee that such procedures will detect each and every situation in which a conflict arises.

LSV Asset Management

Josef Lakonishok

Other Accounts Managed by Josef Lakonishok	Total Number of Other Accounts Managed/ Total Assets	Number of Other Accounts Managed/Total Assets that are Subject to Performance Fees
Registered Investment Companies	25/\$ 4,238,732,920	0
Other Pooled Investment Vehicles	29/\$ 7,635,810,272	0
Other Accounts	462/\$28,487,111,534	27/\$ 2,295,672,730

Dollar value range of shares owned in the International Equity Fund: None.

Menno Vermeulen, CFA

Other Accounts Managed by Menno Vermeulen, CFA	Total Number of Other Accounts Managed/ Total Assets	Number of Other Accounts Managed/Total Assets that are Subject to Performance Fees
Registered Investment Companies	25/\$ 4,238,732,920	0
Other Pooled Investment Vehicles	29/\$ 7,635,810,272	0
Other Accounts	462/\$28,487,111,534	27/\$ 2,295,672,730

Dollar value range of shares owned in the International Equity Fund: None.

Puneet Mansharamani, CFA

Other Accounts Managed by Puneet Mansharamani, CFA	Total Number of Other Accounts Managed/ Total Assets	Number of Other Accounts Managed/Total Assets that are Subject to Performance Fees
Registered Investment Companies	25/\$ 4,238,732,920	0
Other Pooled Investment Vehicles	29/\$ 7,635,810,272	0
Other Accounts	462/\$28,487,111,534	27/\$ 2,295,672,730

Dollar value range of shares owned in the International Equity Fund: None.

Compensation Structure (LSV)

The portfolio managers' compensation consists of a salary and a discretionary bonus. The base salary is based on the job description and the overall qualifications, experience and tenure at LSV, of the individual. Each of the portfolio managers is a partner of LSV and thereby receives a portion of the overall profit of the firm as part of his ownership interests.

The bonus is based upon the profitability of the firm and individual performance. Individual performance is subjective and may be based on a number of factors, such as the individual's leadership and contribution to the strategic planning and development of the investment group.

Conflicts of Interest (LSV)

The same team of portfolio managers is responsible for the day-to-day management of all of LSV's accounts. A potential conflict of interest could arise in relation to accounts with a performance-based fee relative to other accounts in the same strategy without a performance-based fee. LSV has policies and procedures to monitor for this potential conflict and designed to ensure that investment opportunities are fairly allocated to all clients.

Investment decisions are made by LSV's quantitative process separately for each portfolio based upon its current holdings, investment parameters and the portfolio's expected return as calculated by LSV's quantitative system. Product rebalancing takes place by product and is carried out serially for each portfolio (including separately managed accounts, unregistered funds and investment companies) invested in that product, generally beginning with the portfolio with the lowest expected return. Therefore, those portfolios which need the highest level of expected return improvement generally have first access to the widest set of investment opportunities. However, because LSV does not view an individual stock as important by itself, the concept of a limited investment opportunity is not applicable to LSV's investment approach.

LSV may be in the position of buying or selling the same security for a number of its clients at roughly the same time. Because of market fluctuations, the prices obtained on such transactions within a single day may vary substantially. In order to more equitably allocate the effects of such market fluctuations, for certain transactions, LSV may use an "averaging" procedure. Under this procedure, purchases or sales of a particular security for a client's account will at times be combined with purchases or sales of the same security for other clients on the same day. For aggregated trades that are partially filled, shares will be allocated pro-rata among participating accounts that day, based upon their pro-rata share of the order. All allocations are subject to change as a result of either cash considerations or the use of round lots.

There are no material conflicts created by the Portfolio Manager's compensation structure. LSV does not utilize soft dollars.

Hansberger Global Investors, Inc. (HGI)

Thomas R. H. Tibbles, CFA

Other Accounts Managed by Thomas R. H. Tibbles, CFA	<u>Total Number of Other Accounts Managed/ Total Assets</u>	<u>Number of Other Accounts Managed/Total Assets that are Subject to Performance Fees</u>
Registered Investment Companies	7/\$ 1,070,220,063	0
Other Pooled Investment Vehicles	3/\$ 829,997,787	0
Other Accounts*	36/\$ 1,504,405,128	1/\$ 150,449,069

* Certain information is as of March 31, 2009.

Dollar value range of shares owned in the International Equity Fund: None.

Barry A. Lockhart, CFA

Other Accounts Managed by Barry A. Lockhart, CFA	<u>Total Number of Other Accounts Managed/ Total Assets</u>	<u>Number of Other Accounts Managed/Total Assets that are Subject to Performance Fees</u>
Registered Investment Companies	7/\$ 1,070,220,063	0
Other Pooled Investment Vehicles	3/\$ 829,997,787	0
Other Accounts	30/\$ 1,503,974,081	1/\$ 150,449,069

Dollar value range of shares owned in the International Equity Fund: None.

Trevor Graham, CFA

Other Accounts Managed by Trevor Graham, CFA	<u>Total Number of Other Accounts Managed/ Total Assets</u>	<u>Number of Other Accounts Managed/Total Assets that are Subject to Performance Fees</u>
Registered Investment Companies	7/\$ 1,070,220,063	0
Other Pooled Investment Vehicles	3/\$ 829,997,787	0
Other Accounts*	34/\$ 1,503,995,778	1/\$ 150,449,069

Dollar value range of shares owned in the International Equity Fund: None.

Patrick Tan

Other Accounts Managed by Patrick Tan	<u>Total Number of Other Accounts Managed/ Total Assets</u>	<u>Number of Other Accounts Managed/Total Assets that are Subject to Performance Fees</u>
Registered Investment Companies	7/\$ 1,070,220,063	0
Other Pooled Investment Vehicles	3/\$ 829,997,787	0
Other Accounts*	31/\$ 1,503,926,695	1/\$ 150,449,069

Dollar value range of shares owned in the International Equity Fund: None.

Compensation (HGI)

A Portfolio Manager's compensation generally consists of base salary, bonus, and participation in Hansberger Group Inc.'s (Group Inc.) Stock Option program, and/or Equity Compensation program. In addition, Portfolio Managers are eligible for the standard retirement, and health and welfare benefits available to all HGI employees.

HGI compensates each Portfolio Manager for his or her management of the Fund. A Portfolio Manager's base salary is determined by the Manager's experience and performance in the role, taking into account the ongoing compensation benchmark analyses performed by HGI's Human Resources Department. A Portfolio Manager's base salary is generally a fixed amount that may change as a result of an annual review, upon assumption of new duties, or when a market adjustment of the position occurs. In addition, each member of the Growth portfolio management team (growth team) is subject to the terms of an employment agreement providing for a specified level of compensation, which is reviewed annually by HGI's board of directors.

Portfolio Managers on the growth team are entitled to a share of the net revenues earned by HGI, resulting from the investment portfolios managed by such growth team (revenue share), which would include the Fund. Eligibility to participate in the revenue share is conditioned upon the growth team's reaching a pre-defined level of profitability. The amount of the revenue share is determined by using a formula based on the amount of revenues generated by the growth team minus any direct expenses. Amounts payable to each member of the growth team from the revenue share are determined by HGI's Chief Executive Officer upon consultation with the growth team's Chief Investment Officer. A Portfolio Manager's revenue share is paid on an annual basis and is determined by a number of factors, including, but not limited to, pre-tax performance of the Fund and other funds and accounts managed relative to expectations for how those funds and accounts should have performed as compared to their respective benchmarks, given their objectives, policies, strategies and limitations, and the market environment during the most recently completed calendar year. This performance factor is not based on the value of assets held in the Fund's portfolio. Additional factors include the Portfolio Manager's contributions to the investment management functions within HGI, contributions to the development of other investment professionals and supporting staff, and overall contributions to marketing, client service and strategic planning for the organization. A Portfolio Managers target revenue share is expressed as a percentage of the total revenue share pool. The actual revenue share paid may be more or less than his/her target, based on how well the Manager satisfies the aforementioned objectives.

Each Portfolio Manager is entitled to participate in various equity plans provided by HGI's corporate parent, Group Inc. Group Inc. has established its 2006 Equity Compensation Plan for Canadian employees, by which restricted stock units are issued to certain employees, including portfolio managers.

Since March of 2007, Group Inc.'s parent, Natixis Global Asset Management, L.P. (NAM), has undertaken to provide annual liquidity of up to a predetermined amount of outstanding Group Inc. equity in the form of an employee tender offer.

Baring International Investment Limited (Barings)

David Bertocchi, CFA

<u>Other Accounts Managed by David Bertocchi, CFA</u>	<u>Total Number of Other Accounts Managed/ Total Assets</u>	<u>Number of Other Accounts Managed/Total Assets that are Subject to Performance Fees</u>
Registered Investment Companies	1/\$ 98,471,858	0
Other Pooled Investment Vehicles	4/\$ 750,060,247	0
Other Accounts	12/\$ 894,950,321	1/\$ 410,906,145

Dollar value range of shares owned in the International Equity Fund: None.

Nathan Griffiths, CFA

<u>Other Accounts Managed by Nathan Griffiths, CFA</u>	<u>Total Number of Other Accounts Managed/ Total Assets</u>	<u>Number of Other Accounts Managed/Total Assets that are Subject to Performance Fees</u>
Registered Investment Companies	1/\$ 21,079,535	0
Other Pooled Investment Vehicles	3/\$ 304,883,247	0
Other Accounts	2/\$ 137,218,945	0

Dollar value range of shares owned in the International Equity Fund: None.

Compensation (Barings)

Barings' philosophy on compensation focuses on allowing key employees to participate in the success of the firm. Barings is incentive oriented, in the sense that contribution to client results is more important than an individual's title or longevity with the firm in determining their total compensation. There are three components to Barings' compensation package.

- A competitive base salary.
- An annual bonus. For investment professionals, at least 2/3 of the bonus is based on investment performance. Barings has put in place a detailed analytical system which tracks the 1 and 3 year performance of its investment professionals. The remainder is a subjective assessment of the individual's sharing of investment insights firm-wide and their efforts in client service. The benefits of this approach are in the transparency and accountability that this methodology brings.
- An equity-based long-term incentive award. Approximately 100 key employees, including the majority of the investment staff, participate. Each year a significant portion of bonuses is invested directly in phantom equity in Barings. These shares are valued quarterly based on a formula linked to firm revenues, profits, and assets under management. Equity ownership in Barings is designed to promote a partnership culture within the organization.

Barings is an indirect wholly-owned subsidiary of Massachusetts Mutual Life Insurance Company, a mutual life insurance company, and is located at 155 Bishopsgate, London, EC2M 3XY, United Kingdom. Barings is a direct subsidiary of Baring Asset Management Limited, a global investment management firm, (together with its subsidiaries and Baring Asset Management, Inc., the Barings Group).

Conflicts (Barings)

A Portfolio Manager may be subject to potential conflicts of interest because he or she is responsible for other accounts in addition to the Fund. Potential conflicts may arise out of (a) the Portfolio Manager's execution of different investment strategies for various accounts or (b) the allocation of investment opportunities among the Portfolio Manager's accounts with the same strategy.

A potential conflict of interest may arise as a result of the Portfolio Manager's responsibility for multiple accounts with similar investment guidelines. Under these circumstances, a potential investment may be suitable for more than one of the Portfolio Manager's accounts, but the quantity of the investment available for purchase is less than the aggregate amount the accounts would ideally devote to the opportunity. Similar conflicts may arise when multiple accounts seek to dispose of the same investment. The Portfolio Manager may also manage accounts whose objectives and policies differ from those of the Fund. These differences may be such that under certain circumstances, trading activity appropriate for one account managed by the Portfolio Manager may have adverse consequences for another account managed by the Portfolio Manager. For example, an account may sell a significant position in a security, which could cause the market price of that security to decrease, while the Fund maintained its position in that security.

A potential conflict may arise when the Portfolio Manager is responsible for accounts that have different advisory fees – the difference in fees could create an incentive for the Portfolio Manager to favor one account over another, for example, in terms of access to investment opportunities. This conflict may be heightened if an account is subject to a performance-based fee. Another potential conflict may arise when the Portfolio Manager has an investment in one or more accounts that seek to purchase or dispose of the same securities. His or her investment(s) may create an incentive for the portfolio manager to favor one account over another. Barings has adopted policies and procedures reasonably designed to address these potential material conflicts. For instance, portfolio managers within Barings are normally responsible for all accounts within a certain investment discipline, and do not, absent special circumstances, differentiate among the various accounts when allocating resources. Additionally, Barings utilizes a system for allocating investment opportunities among portfolios that is designed to provide a fair and equitable allocation.

DePrince, Race and Zollo, Inc.

Gregory M. DePrince, CFA

**Other Accounts Managed by
Gregory M. DePrince, CFA**

Registered Investment Companies

Other Pooled Investment Vehicles

Other Accounts

	Total Number of Other Accounts Managed/ Total Assets*
9/\$	287,781,533
1/\$	12,045,720
85/\$	2,213,143,496

* None of the Accounts has an advisory fee that is based on the performance of the account.

Dollar value range of shares owned in the Balanced Fund: None.

Jill S. Lynch

**Other Accounts Managed by
Jill M. Lynch**

Registered Investment Companies

Other Pooled Investment Vehicles

Other Accounts

	Total Number of Other Accounts Managed/ Total Assets*
9/\$	287,781,533
1/\$	12,045,720
85/\$	2,213,143,496

* None of the Accounts has an advisory fee that is based on the performance of the account.

Dollar value range of shares owned in the Balanced Fund: None.

Compensation Structure (DRZ)

As a boutique firm, DRZ has created an entrepreneurial atmosphere that allows for significant personal and professional growth for all employees. The compensation structure consists of a base salary and a bonus program, which is based on firm profitability and individual contribution. Portfolio Managers'/Analysts' bonuses are determined based on two factors: individual stock selection versus the benchmark and the product's percentile ranking, which measures how well that particular product performed against its' peers tied to product performance and stock selection versus the benchmark. Performance is based on outperformance of an appropriate index. Subjective measurement is also included. Portfolio Managers are not compensated for bringing in new business. DRZ's compensation structure aligns their portfolio managers and analysts' interests with the interest of their clients.

Conflicts of Interest (DRZ)

Actual or apparent conflicts of interest may arise when a portfolio manager has day-to-day management responsibilities with respect to more than one account. More specifically, portfolio managers who manage multiple accounts are presented with the following potential conflicts:

- The management of multiple accounts may result in a portfolio manager devoting unequal time and attention to the management of each account. DePrince, Race & Zollo, Inc. seeks to manage such competing interests for the time and attention of portfolio managers by having portfolio managers focus on a particular investment discipline. Most accounts managed by a portfolio manager in a particular investment strategy are managed using the same investment models.

- If a portfolio manager identifies a limited investment opportunity which may be suitable for more than one account, an account may not be able to take full advantage of that opportunity due to an allocation of filled purchase or sale orders across all eligible accounts. To deal with these situations, DePrince, Race & Zollo, Inc. has adopted procedures for allocating portfolio transactions across multiple accounts.
- With respect to many of its clients' accounts, DePrince, Race & Zollo, Inc. determines which broker to use to execute transaction orders, consistent with its duty to seek best execution of the transaction. However, with respect to certain other accounts, DePrince Race & Zollo, Inc. may be limited by the client with respect to the selection of brokers or may be instructed to direct trades through a particular broker. In these cases, DePrince Race & Zollo, Inc. may place separate, non-simultaneous, transactions for a Fund and other accounts, which may temporarily affect the market price of the security or the execution of the transaction, or both, to the detriment of the Fund or the other accounts.
- The Fund is subject to different regulation than the other pooled investment vehicles and other accounts managed by the portfolio manager. As a consequence of this difference in regulatory requirements, the Fund may not be permitted to engage in all the investment techniques or transactions or to engage in these transactions to the same extent as the other accounts managed by the portfolio manager.

DePrince Race & Zollo, Inc. has adopted certain compliance procedures which are designed to address these types of conflicts. However, there is no guarantee that such procedures will detect each and every situation in which a conflict arises.

CODE OF ETHICS RESTRICTIONS ON PERSONAL TRADING

As required by SEC rules, the Funds, the Advisor, the Sub-advisors and Distributor have adopted codes of ethics. These codes govern securities trading activities of investment personnel, Trustees, and certain other employees. Although they do permit these people to trade in securities, including those that the Funds could buy, they also contain significant safeguards designed to protect the Funds and their shareholders from abuses in this area, such as requirements to obtain prior approval for, and to report, particular transactions.

VOTING PROXIES ON FUND PORTFOLIO SECURITIES

The Board has delegated to the Advisor authority to vote proxies on the securities held in the Fund's portfolio. The Board has also approved the Advisor's policies and procedures for voting the proxies, which are set forth in their entirety below.

MTB INVESTMENT ADVISORS, INC.

PROXY VOTING POLICY

INTRODUCTION

MTB Investment Advisors, Inc. acknowledges that among its duties as a fiduciary to its clients is the obligation to protect the interests of its clients by voting the shares held by its clients' accounts. In order to ensure that shares are voted in all appropriate circumstances, Advisor will exercise voting discretion as to all shares unless voting discretion is specifically reserved for the client or assigned to a third party in the advisory contract. To ensure that shares are voted in a consistent manner and in the best interest of its clients, Advisor has adopted this Proxy Voting Policy.

GENERAL STANDARDS AND APPROACH

Each year, the Advisor receives hundreds of proxy solicitations with respect to voting securities held in client accounts. The matters to be voted upon may be proposals of management or of stockholders, and cover a diverse assortment of complex issues. Whether the interests of shareholders are best served by a vote "for" or "against" a proposal often depends upon the context, the effects that adoption could have on the company's business, and the motivations of the parties making the proposal. These determinations require a considerable investment of time, resources and expertise.

Given the sheer volume of proxies, and the broad spectrum of issues to be voted upon, the proxy voting process represents a considerable administrative burden. In order to efficiently discharge its duty to vote proxies, Advisor has engaged a third party, Institutional Shareholder Services, Inc. (ISS) to perform the function of analyzing and providing recommendations on voting proxies.

ISS is the acknowledged industry leader in assisting institutional shareholders with the types of proxy analysis described above. Advisor has reviewed the policies and considerations applied by ISS in voting proxies and found them to be fully consistent with the policies of Advisor. Accordingly, Advisor will generally follow the ISS recommendations in voting proxies. Summaries of the ISS proxy voting policies and considerations are available at the ISS website at <http://www.riskmetrics.com/sitemap.html>.

In general, Advisor believes that it is in the best interests of its clients to vote its clients' shares so as to promote the alignment of the interests of corporate management with the interests of its shareholders, to improve the accountability of corporate management to its shareholders, to reward good performance by management, and to approve proposals that Advisor believes will result in financial rewards for its clients.

Advisor reserves the right to override any ISS-recommended voting policy when it believes that a vote contrary to a policy would be in the best interest of Advisor's clients. Any vote contrary to a stated policy must be approved by the Trade Management Oversight Committee of the Advisor's Board of Directors, or that Committee's designee. A written summary of the considerations in making the voting decision should be prepared and retained with the records of the proxy.

Advisor believes that addressing its proxy voting obligations as described in this Proxy Voting Policy will promote the best interests of shareholders, and therefore, will be in the best interests of Advisor's clients.

CONFLICTS OF INTEREST

Advisor may have a conflict of interest in voting a particular proxy. A conflict of interest could arise, for example, as a result of a business relationship with a company, or a direct or indirect business interest in the matter being voted upon, or as a result of a personal relationship with corporate directors or candidates for directorships. Whether a relationship creates a material conflict of interest will depend upon the facts and circumstances.

The Trade Management Oversight Committee has reviewed a copy of the ISS policies, procedures and practices regarding potential conflicts of interest that could arise in ISS proxy voting services to Advisor as result of business conducted by ISS. The Trade Management Oversight Committee believes that the policies, procedures and practices followed by ISS minimize the potential conflicts of interest by ISS in making voting recommendations to Advisor.

Whenever a portfolio manager determines that it is in a client's best interest to vote on a particular proposal in a manner other than in accordance with the guidelines set forth in this Proxy Voting Policy, or the policy does not address how to vote on the proposal, the portfolio manager shall present the matter to the Trade Management Oversight Committee, which shall be responsible for evaluating information relating to conflicts of interest in connection with the voting of the client proxy.

For purposes of identifying conflicts under this policy, the Trade Management Oversight Committee will rely on publicly available information about a company and its affiliates, information about the company and its affiliates that is generally known by employees of Advisor, and other information actually known by a member of the Trade Management Oversight Committee.

In the event that the Trade Management Oversight Committee determines that Advisor has a material conflict of interest with respect to a proxy proposal, then Advisor shall either:

1. Vote on the proposal in accordance with the recommendation of the Trade Management Oversight Committee or that committee's designee;

OR

2. Prior to voting on the proposal, either:

(i) Contact an independent third party (such as another plan fiduciary) to recommend how to vote on the proposal and will vote in accordance with the recommendation of such third party (or have the third party vote such proxy); or

(ii) Fully disclose the nature of the conflict to the client(s), and obtain the client's consent as to how Advisor will vote on the proposal (or otherwise obtain instructions from the client as to how the proxy on the proposal should be voted).

Advisor may not address a material conflict of interest by abstaining from voting, unless the Trade Management Oversight Committee (or that committee's designee) has determined that not voting the proxy is in the best interest of a client. However, as indicated above, there may be other circumstances where Advisor determines that refraining from voting a proxy is in the client's best interest and the existence of a material conflict of interest shall not affect such a determination.

The Trade Management Oversight Committee shall document the manner in which proxies involving a material conflict of interest have been voted by Advisor as well as the basis for any determination that Advisor does not have a material conflict of interest in respect of a particular matter.

APPOINTMENT OF SUB-ADVISORS

From time to time Advisor may recommend that a client appoint a Sub-advisor with respect to a particular investment mandate. By recommending the Sub-advisor to manage the client's investments, the Advisor is also recommending that the client approve the sub-advisor's policies and procedures with respect to proxy voting. Among other things, Advisor will require that a Sub-advisor's policies and procedures are designed to ensure that proxies are voted in what the Sub-advisor believes to be the best interests of clients, and that conflicts are disclosed, documented, and otherwise addressed in an appropriate manner. In considering a Sub-advisor to recommend, the Advisor will seek assurance that the Sub-advisor will generally vote proxies in a manner that is consistent with MTBIA's policy (i.e. in accordance with ISS recommendations, unless otherwise specified by MTBIA). Sub-advisor will provide Advisor with information on securities voted by sub-advisor promptly after the vote occurs. If a sub-advisor proposes to cast a vote that is not consistent with MTBIA policy, the Sub-advisor must notify the Advisor prior to casting the vote, so that Advisor can seek to avoid conflicting votes among accounts that it manages. Sub-advisor must also document the rationale for any such inconsistent vote.

PROXY VOTING REPORT

A report on Form N-PX of how the Funds voted any such proxies during the most recent 12-month period ended June 30 is available without charge on the SEC website at www.sec.gov and through the Trust's website on or before the following August 31. Go to www.mtbffunds.com; select "Proxy Voting Record" to access the link to Form N-PX.

PORTFOLIO HOLDINGS INFORMATION

To address possible conflicts between the interests of Fund shareholders and those of the Advisor and its affiliates concerning the release of portfolio holdings information, MTBIA and the Funds have adopted policies and procedures regarding the disclosure and release of portfolio holdings information. The Board has approved the policies and procedures. The Funds' policies and procedures regarding the disclosure and release of portfolio holdings information state that no consideration may be received by a Fund, MTBIA, a Sub-advisor, any affiliate of MTBIA or any of their employees in connection with the disclosure of information about portfolio securities.

The Funds' and the Advisor's overall policy with respect to the release of portfolio holdings information is to release it consistent with applicable legal requirements and the fiduciary duties owed to shareholders. Subject to the limited exceptions described below, a Fund will not make available to anyone non-public information with respect to its portfolio holdings until such time as the information is made available to all shareholders or the general public.

The Funds, MTBIA, or others do not receive related compensation from those entities listed in the Appendix with which the Funds have ongoing arrangements to make available information about the Funds' portfolio securities.

Consistent with current law, each Fund posts onto the Funds' website (www.mtbffunds.com) substantially all of its securities holdings, updated monthly, as of a date that is not less than thirty (30) days prior to the date of inclusion of the information on the website. From time to time, a Fund may, in addition, post onto the Funds' website substantially all of its securities holdings as of a date as recent as the prior business day. The Funds disclose their complete portfolio holdings information to the SEC using Form N-Q within 60 days of the end of the first and third quarter ends of the Funds' fiscal year and on Form N-CSR on the second and fourth quarter ends of the Funds' fiscal year. Form N-Q is not required to be mailed to shareholders, but is made public through the SEC's electronic filings. Shareholders receive either complete portfolio holdings information or summaries of Fund portfolio holdings with their annual and semi-annual reports.

The release of Portfolio Holdings Information with respect to a Fund to selected third parties in advance of its release to all Fund shareholders or the general public is permissible only if there is a legitimate business purpose for that release, doing so is in the best interests of the Fund's shareholders, the recipient of the Portfolio Holdings Information is subject to a duty of confidentiality pursuant to a signed agreement (including a duty not to trade on the information), and the release of the information would not otherwise violate the antifraud provisions of the federal securities laws or the Fund's or MTBIA's fiduciary duties. The existence of a legitimate business purpose for the release of Portfolio Holdings Information is recognized in the case of: certain eligible third parties, as described below and listed in the Appendix to this SAI; broker-dealers that may effect transactions for the Funds, subject to duties not to trade and of confidentiality; shareholders in the process of a redemption request in-kind, if such request is deemed in the best interests of the Fund and other shareholders; and the issuer of securities regarding the number or percentage of its shares that are owned by a Fund. Eligible third parties may not be required to execute a confidentiality agreement insofar as they are otherwise subject to duties of confidentiality and duties not to trade on the nonpublic information received.

Persons that provide administrative, custody, financial, accounting, legal or other services to the Funds may receive nonpublic information about Fund portfolio holdings on an ongoing basis in connection with the services that they provide to the Funds (they are included on the list in the Appendix to this SAI). Persons that are approved to receive nonpublic portfolio holdings information will receive it as often as necessary for the purpose for which it is provided. Such information may be furnished as frequently as daily and often with no time lag between the date of the information and the date it is furnished.

In other cases, the determination of whether a Fund has a legitimate business purpose for releasing Portfolio Holdings Information selectively in advance of its public release shall be made by the Funds' Chief Compliance Officer following a request submitted in writing.

The attraction of additional assets to a Fund will not in and of itself be deemed to be a legitimate business purpose. No consideration may be received by a Fund, the Advisor, a Sub-advisor, any affiliate of the Advisor or any of their employees in connection with the disclosure of portfolio holdings information.

The Fund's Chief Compliance Officer conducts periodic reviews of compliance with the procedures and provides annually a report to the Board regarding the operation of the procedures and any material changes recommended as a result of such review. The Chief Compliance Officer also reports annually to the Board on exceptions that are granted as described above along with an explanation of the legitimate business purpose of the Fund that is served as a result of the exception.

For purposes of the Funds' policy and procedures, "portfolio holdings information" does not include aggregate, composite or descriptive information relating to a Fund's portfolio holdings that does not present risks of dilution, arbitrage, market timing, insider trading or other inappropriate trading for a Fund (Analytical Information), or information about a Fund's derivative positions. Analytical Information generally includes, without limitation: (1) descriptions of allocations among asset classes, industries/sectors, regions, and countries (e.g., percentages of foreign securities holdings); (2) aggregated data such as average or median ratios, market capitalization, credit quality, duration, sharpe ratio, beta, and standard deviation; (3) performance attributions by industry, sector or country; and (4) aggregated risk statistics. In addition, other information may also be deemed to be Analytical Information if, in the reasonable belief of the Funds' Chief Compliance Officer (or his/her designee), the release of such information would not present risks of dilution, arbitrage, market timing, insider trading or other inappropriate trading for a Fund. Such information, if made available to anyone, will be made available to any person upon request, but may or may not be posted on the Funds' website.

BROKERAGE TRANSACTIONS

When selecting brokers and dealers to handle the purchase and sale of portfolio instruments, the Advisor looks for prompt execution of the order at a favorable price. The Advisor will generally use those who are recognized dealers in specific portfolio instruments, except when a better price and execution of the order can be obtained elsewhere. The Advisor makes decisions on portfolio transactions and selects brokers and dealers subject to review by the Funds' Board.

Investment decisions for the Funds are made independently from those of other accounts managed by the Advisor. When the Funds and one or more of those accounts invests in, or disposes of, the same security, available investments or opportunities for sales will be allocated among the Funds and the account(s) in a manner believed by the Advisor to be equitable. While the coordination and ability to participate in volume transactions may benefit the Funds, it is possible that this procedure could adversely impact the price paid or received and/or the position obtained or disposed of by the Funds.

MTBIA is responsible for decisions with respect to the selection, purchase, and sale of portfolio securities on behalf of the MTB Funds, and implementing these decisions including, where applicable, the negotiation of commissions and the allocation of portfolio brokerage. MTBIA considers a number of factors when determining whether to use a brokerage firm, including: (i) the reputation and perceived soundness of the firm; (ii) whether the firm provides comprehensive coverage of the particular investment market; (iii) whether the firm is sufficiently knowledgeable about the market and about the security being traded so that speedy and accurate execution will be achieved; (iv) whether the securities prices offered by the firm represent fair market value and the commission charged is reasonable; (v) the firm's ability to execute block trades; (vi) the firm's standard of research coverage; and (vii) the firm's standard of back-office and settlement arrangements.

In selecting the broker for a particular equity trade, when more than one firm is believed to meet MTBIA's criteria, preference may be given to a broker-dealer that provides brokerage and research services (within the meaning of Section 28(e) of the Securities Exchange Act of 1934), so long as MTBIA believes that the amount of commission charged by such broker-dealer for effecting the transaction is reasonable in relation to the value of the brokerage and research services provided. MTBIA will endeavor to be aware of the current level of charges of eligible broker-dealers and to minimize the expense incurred for effecting transactions to the extent consistent with the interests and policies of accounts. MTBIA has no obligation to seek the lowest commission rate for any particular transaction, or to select a broker-dealer on the basis of its purported or "posted" commission rate.

With regard to fixed income trading, transactions are typically effected in an over-the-counter-market on a net basis (i.e., without commission) through dealers acting as principal or in transactions directly with the issuer. Dealers derive an undisclosed amount of compensation by offering securities at a higher price than they bid for them. Some fixed income securities, particularly non-investment grade and municipal securities, may have only one primary market maker. MTBIA seeks to use dealers it believes to be actively and effectively trading the security being purchased or sold, but may not always obtain the lowest available price with respect to a security.

On April 30, 2009, the following Funds owned securities of the following regular broker/dealers

Balanced Fund	J.P. Morgan Chase - \$75,900	Goldman Sachs - \$102,800	Morgan Stanley - \$66,192	Citigroup - \$164,925	
Income Fund	J.P. Morgan Chase - \$3,882,644	Goldman Sachs - \$1,020,513	Morgan Stanley - \$501,679	Citigroup - \$1,437,052	Credit Suisse - \$1,010,437
Intermediate-Term Bond Fund	J.P. Morgan Chase - \$1,545,408	Goldman Sachs - \$518,016	Morgan Stanley - \$1,003,358	Citigroup - \$887,177	
Large Cap Growth Fund	Goldman Sachs - \$3,084,000				
Large Cap Value Fund	J.P. Morgan Chase - \$4,233,900	Morgan Stanley - \$217,488			
Multi Cap Growth Fund	Goldman Sachs - \$295,550				
Short-Term Corporate Bond Fund	J.P. Morgan Chase - \$999,875	Goldman Sachs - \$499,620	Morgan Stanley - \$501,679	Citigroup - \$946,603	
U.S. Government Bond Fund	First Tennessee - \$801,212				
U.S. Government Money Market	Barclays Bank Plc - \$320,000,000				
U.S. Treasury Money Market	Barclays Bank Plc - \$321,000,000	Morgan Stanley - \$48,000,000			
International Equity Fund	Deutsche Bank - \$261,418	Barclays Bank Plc - \$248,607		Credit Suisse - \$999,315	

RESEARCH SERVICES

Subject to future regulatory changes of the SEC, research services may include advice as to the advisability of investing in securities; security analysis and reports; economic studies; industry studies; receipt of quotations for portfolio evaluations; and similar services. Research services may be used by the Advisor or by affiliates of the Sub-advisors in advising other accounts. To the extent that receipt of these services may replace services for which the Advisor or its affiliates might otherwise have paid, it would tend to reduce their expenses. The Advisor and its affiliates exercise reasonable business judgment in selecting those brokers who offer brokerage and research services to execute securities transactions. They determine in good faith that commissions charged by such persons are reasonable in relationship to the value of the brokerage and research services provided.

Persons acting on the Funds' behalf are authorized to pay a broker a higher brokerage commission than another broker might have charged for the same transaction in recognition of the value of brokerage or research services provided by the broker.

CO-ADMINISTRATORS, TRANSFER AGENT AND DIVIDEND DISBURSING AGENT

The Bank of New York Mellon (BNYM) and MTBIA, serve as co-administrators to the Trust and provide the Funds with certain administrative personnel and services necessary to operate the Funds.

Fees payable to BNYM for such services are based on assets and volume of transactions.

Fees Payable to MTBIA

<u>Maximum Administrative Fee</u>	<u>Average Aggregate Daily Net Assets of the MTB Group of Funds</u>
0.033%	on the first \$5 billion
0.020%	on the next \$2 billion
0.016%	on the next \$3 billion
0.015%	on assets in excess of \$10 billion

ALPS Fund Services, Inc., a registered transfer agent, serves as transfer and dividend disbursing agent to the Trust, and receives a separate fee from the Funds for these transfer agency services.

CUSTODIAN AND FUND ACCOUNTANT

CUSTODIAN, FUND ACCOUNTANT AND CO-ADMINISTRATOR

BNYM is the Custodian and Fund Accountant for the Trust. BNYM as custodian is responsible for safeguarding and controlling the Funds' cash and securities, handling the delivery of securities and collecting interest and dividends on the Funds' investments. BNYM provides fund accounting and administration services to the Funds for the following annual fee, based on the Funds' average monthly net assets:

<u>Annual Fee, Billed And Payable Monthly</u>	<u>Average Monthly Net Assets of the MTB Group of Funds</u>
0.027%	on the first \$500 million
0.0225%	on the next \$500 million
0.018%	on assets in excess of \$1 billion

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The independent registered public accounting firm for the Funds, Ernst & Young LLP, conducts its audits in accordance with the standards of the Public Company Accounting Oversight Board (United States), which require it to plan and perform its audits to provide reasonable assurance about whether the Funds' financial statements and financial highlights are free of material misstatement. Ernst & Young LLP is responsible for auditing the financial statements of the Funds.

FEES PAID BY THE FUNDS FOR SERVICES

Funds	Advisory Fee Paid/ Advisory Fee Waived			Brokerage Commissions Paid			Administrative Fee Paid/ Administrative Fee Waived		
	For the fiscal year ended April 30,			For the fiscal year ended April 30,			For the fiscal year ended April 30,		
	2009	2008	2007	2009	2008	2007	2009	2008	2007
International	\$ 1,971,275	\$ 2,709,635	\$ 2,007,478	\$ 387,897	\$ 400,536	\$ 232,868	\$ 48,248	\$ 122,177	\$ 117,767
Equity Fund	\$ 6,348	\$ 24,280	\$ 40,212				\$ 0	\$ 0	\$ 0
Small Cap	\$ 1,241,603	\$ 1,648,725	\$ 1,446,906	\$ 4,831,041	\$ 3,167,488	\$ 2,888,569	\$ 35,767	\$ 88,489	\$ 99,990
Growth Fund	\$ 136,920	\$ 109,740	\$ 91,473				\$ 0	\$ 0	\$ 0
Mid Cap Growth	\$ 550,478	\$ 531,607	\$ 634,784	\$ 256,690	\$ 95,630	\$ 161,973	\$ 15,925	\$ 27,985	\$ 43,899
Fund	\$ 188,131	\$ 102,075	\$ 65,608				\$ 0	\$ 0	\$ 0
Multi Cap Growth	\$ 147,490	\$ 244,642	\$ 319,437	\$ 139,981	\$ 138,487	\$ 176,660	\$ 5,158	\$ 16,388	\$ 26,817
Fund	\$ 187,485	\$ 165,648	\$ 111,020				\$ 0	\$ 0	\$ 0
Large Cap	\$ 521,733	\$ 611,495	\$ 423,972	\$ 288,895	\$ 148,177	\$ 69,680	\$ 15,104	\$ 32,551	\$ 29,299
Growth Fund	\$ 46,046	\$ 54,533	\$ 71,170				\$ 0	\$ 0	\$ 0
Large Cap Value	\$ 872,163	\$ 1,182,522	\$ 1,123,727	\$ 98,014	\$ 50,804	\$ 33,031	\$ 30,519	\$ 77,409	\$ 94,283
Fund	\$ 22,155	\$ 37,393	\$ 2,721				\$ 0	\$ 0	\$ 0
Managed	\$ 22,394	\$ 31,701	\$ 34,759	\$ 0	\$ 0	\$ 0	\$ 2,194	\$ 5,840	\$ 8,170
Allocation	\$ 65,313	\$ 33,291	\$ 20,413				\$ 0	\$ 0	\$ 0
Fund –									
Conservative									
Growth									
Managed	\$ 107,455	\$ 154,501	\$ 158,251	\$ 0	\$ 0	\$ 0	\$ 10,523	\$ 28,328	\$ 37,186
Allocation	\$ 118,939	\$ 43,295	\$ 0				\$ 0	\$ 0	\$ 0
Fund –									
Moderate									
Growth									
Managed	\$ 51,398	\$ 80,340	\$ 75,650	\$ 0	\$ 0	\$ 0	\$ 5,032	\$ 14,797	\$ 17,773
Allocation	\$ 111,529	\$ 13,357	\$ 0				\$ 0	\$ 0	\$ 0
Fund –									
Aggressive									
Growth									

Funds	Advisory Fee Paid/ Advisory Fee Waived			Brokerage Commissions Paid			Administrative Fee Paid/ Administrative Fee Waived		
	For the fiscal year ended April 30			For the fiscal year ended April 30			For the fiscal year ended April 30		
	2009	2008	2007	2009	2008	2007	2009	2008	2007
Balanced Fund	\$ 124,797	\$ 187,131	\$ 274,172	\$ 26,872	\$ 30,533	\$ 66,578	\$ 4,701	\$ 13,381	\$ 24,795
	\$ 168,256	\$ 168,154	\$ 110,259				\$ 0	\$ 0	\$ 0
Intermediate Term Bond Fund	\$ 1,089,024	\$ 1,330,163	\$ 1,418,770	\$ 0	\$ 0	\$ 0	\$ 38,108	\$ 86,570	\$ 119,102
Income Fund	\$ 325,996	\$ 285,504	\$ 272,579				\$ 0	\$ 0	\$ 0
	\$ 602,507	\$ 712,192	\$ 752,104	\$ 0	\$ 0	\$ 0	\$ 24,670	\$ 55,266	\$ 73,663
	\$ 170,060	\$ 71,873	\$ 59,989				\$ 0	\$ 0	\$ 0
Short-Term Corporate Bond Fund	\$ 344,029	\$ 398,544	\$ 444,772	\$ 0	\$ 0	\$ 0	\$ 12,056	\$ 25,884	\$ 37,346
	\$ 123,844	\$ 140,145	\$ 153,971				\$ 0	\$ 0	\$ 0
Maryland Municipal Bond Fund	\$ 855,756	\$ 963,174	\$ 1,032,947	\$ 0	\$ 0	\$ 0	\$ 29,968	\$ 62,781	\$ 86,690
	\$ 216,126	\$ 236,857	\$ 249,866				\$ 0	\$ 0	\$ 0
Pennsylvania Municipal Bond Fund	\$ 810,039	\$ 917,012	\$ 987,732	\$ 0	\$ 0	\$ 0	\$ 28,364	\$ 59,793	\$ 82,899
	\$ 22,365	\$ 42,929	\$ 58,844				\$ 0	\$ 0	\$ 0
New York Municipal Bond Fund	\$ 684,743	\$ 741,190	\$ 672,691	\$ 0	\$ 0	\$ 0	\$ 23,976	\$ 47,835	\$ 56,435
	\$ 242,887	\$ 260,300	\$ 267,698				\$ 0	\$ 0	\$ 0
Virginia Municipal Bond Fund	\$ 126,109	\$ 119,062	\$ 142,339	\$ 0	\$ 0	\$ 0	\$ 4,419	\$ 7,761	\$ 11,952
	\$ 135,256	\$ 109,883	\$ 122,202				\$ 0	\$ 0	\$ 0
U.S. Government Bond Fund	\$ 753,913	\$ 1,087,063	\$ 1,168,025	\$ 0	\$ 0	\$ 0	\$ 26,375	\$ 72,967	\$ 98,022
	\$ 77,156	\$ 76,139	\$ 37,689				\$ 0	\$ 0	\$ 0
Short Duration Government Bond Fund	\$ 879,513	\$ 1,100,449	\$ 1,140,855	\$ 0	\$ 0	\$ 0	\$ 35,879	\$ 83,898	\$ 111,727
	\$ 135,492	\$ 172,437	\$ 186,267				\$ 0	\$ 0	\$ 0

Funds	Advisory Fee Paid/ Advisory Fee Waived			Brokerage Commissions Paid			Administrative Fee Paid/ Administrative Fee Waived		
	For the fiscal year ended April 30,			For the fiscal year ended April 30,			For the fiscal year ended April 30,		
	2009	2008	2007	2009	2008	2007	2009	2008	2007
Money Market Fund	\$ 11,102,208	\$ 10,710,972	\$ 7,857,103	\$ 0	\$ 0	\$ 0	\$ 679,796	\$ 1,146,539	\$ 1,153,395
	\$ 1,752,154	\$ 1,872,927	\$ 1,997,627				\$ 0	\$ 0	\$ 0
Tax-Free Money Market Fund	\$ 700,717	\$ 479,262	\$ 474,831	\$ 0	\$ 0	\$ 0	\$ 43,042	\$ 51,913	\$ 69,752
	\$ 205,727	\$ 219,349	\$ 211,636				\$ 0	\$ 0	\$ 0
U.S. Government Money Market Fund	\$ 14,609,307	\$ 12,194,820	\$ 9,939,491	\$ 0	\$ 0	\$ 0	\$ 894,918	\$ 1,327,551	\$ 1,459,595
	\$ 170,226	\$ 1,086,934	\$ 1,411,017				\$ 0	\$ 0	\$ 0
U.S. Treasury Money Market Fund	\$ 5,809,828	\$ 3,778,450	\$ 3,514,361	\$ 0	\$ 0	\$ 0	\$ 355,552	\$ 420,024	\$ 516,158
	\$ 408,012	\$ 132,190	\$ 307,251				\$ 0	\$ 0	\$ 0
Pennsylvania Tax- Free Money Market Fund	\$ 277,219	\$ 127,859	\$ 112,226	\$ 0	\$ 0	\$ 0	\$ 16,973	\$ 13,075	\$ 16,499
	\$ 38,743	\$ 76,169	\$ 94,711				\$ 0	\$ 0	\$ 0
New York Tax-Free Money Market Fund	\$ 730,324	\$ 532,963	\$ 504,300	\$ 0	\$ 0	\$ 0	\$ 44,806	\$ 58,274	\$ 74,070
	\$ 64,805	\$ 83,302	\$ 136,988				\$ 0	\$ 0	\$ 0
Prime Money Market Fund	\$ 1,968,915	\$ 1,622,507	\$ 1,234,136	\$ 0	\$ 0	\$ 0	\$ 120,719	\$ 175,783	\$ 181,232
	\$ 811,742	\$ 773,395	\$ 541,015				\$ 0	\$ 0	\$ 0

12b-1 and Shareholder Services Fees

For the fiscal year ended April 30, 2009

<u>Fund</u>	<u>Shareholder Services Fees</u>			<u>12b-1 Fees</u>		
	<u>Class A</u>	<u>Class B</u>	<u>Class C</u>	<u>Class A</u>	<u>Class B</u>	<u>Class C</u>
International Equity Fund	\$19,064	\$ 1,670	—	\$19,064	\$ 5,011	—
Small Cap Growth Fund	\$86,073	\$ 3,892	\$ 693	\$86,073	\$ 11,677	\$2,080
Mid Cap Growth Fund	\$14,258	\$ 1,172	—	\$14,258	\$ 3,516	—
Multi Cap Growth Fund	\$30,934	\$ 4,488	—	\$30,933	\$ 13,464	—
Large Cap Growth Fund	\$ 6,528	\$ 2,188	—	\$ 6,528	\$ 6,562	—
Large Cap Value Fund	\$20,757	\$ 2,196	—	\$20,757	\$ 6,589	—
Managed Allocation Fund-Conservative Growth	\$16,481	\$ 5,913	—	\$16,481	\$ 17,740	—
Managed Allocation Fund-Moderate Growth	\$68,254	\$39,201	—	\$68,254	\$117,603	—
Managed Allocation Fund-Aggressive Growth	\$34,674	\$16,724	—	\$34,674	\$ 50,172	—
Balanced Fund	\$35,407	\$ 7,228	—	\$35,407	\$ 21,685	—
Intermediate Term Bond Fund	\$ 4,424	\$ 479	—	\$ 4,424	\$ 1,437	—
Income Fund	\$13,892	\$ 2,069	—	\$13,892	\$ 6,208	—

Short-Term Corporate Bond Fund	\$ 258	\$ 255	—	\$ 258	\$ 764	—
Maryland Municipal Bond Fund	\$ 97,803	\$3,318	—	\$ 97,803	\$9,954	—
Pennsylvania Municipal Bond Fund	\$ 12,404	\$1,992	—	\$ 12,404	\$5,976	—
New York Municipal Bond Fund	\$ 95,106	\$2,845	—	\$ 95,106	\$8,536	—
Virginia Municipal Bond Fund	\$ 45,030	—	—	\$ 45,030	—	—
U.S Government Bond Fund	\$ 26,376	\$ 657	—	\$ 26,376	\$1,969	—
Short Duration Government Bond Fund	\$ 9,539	\$ 512	—	\$ 9,539	\$1,536	—
Money Market Fund	\$1,886,419	\$ 884	—	—	\$2,650	—
Tax-Free Money Market Fund	\$ 56,116	—	—	\$ 56,115	—	—
U.S. Government Money Market Fund	\$ 104,260	—	—	\$104,260	—	—
U.S. Treasury Money Market Fund	\$ 341,285	—	—	—	—	—
Pennsylvania Tax-Free Money Market Fund	\$ 15,330	—	—	\$ 15,336	—	—
New York Tax-Free Money Market Fund	\$ 231,732	—	—	—	—	—

For the fiscal year ended April 30, 2009

Fund	Shareholder Services Fees				12b-1 Fees			
	Class S Shares	Class A2 Shares	Institutional I Class	Institutional II Class	Class S Shares	Class A2 Shares	Institutional I Class	Institutional II Class
International Equity Fund	—	—	\$ 472,084	—	—	—	—	—
Small Cap Growth Fund	—	—	\$ 274,519	—	—	—	—	—
	—	—		—	—	—	—	—
Mid Cap Growth Fund	—	—	\$ 146,477	—	—	—	—	—
	—	—		—	—	—	—	—
Multi Cap Growth Fund	—	—	\$ 17,253	—	—	—	—	—
Large Cap Growth Fund	—	—	\$ 144,735	—	—	—	—	—
	—	—		—	—	—	—	—
	—	—		—	—	—	—	—
Large Cap Value Fund	—	—	\$ 288,550	—	—	—	—	—
Managed Allocation Fund – Conservative Growth	—	—	—	—	—	—	—	—
Managed Allocation Fund – Moderate Growth	—	—	—	—	—	—	—	—
Managed Allocation Fund – Aggressive Growth	—	—	—	—	—	—	—	—
Balanced Fund	—	—	\$ 5,364	—	—	—	—	—
Intermediate Term Bond Fund	—	—	\$ 384,034	—	—	—	—	—
Income Fund	—	—	\$ 235,083	—	—	—	—	—
Short-Term Corporate Bond Fund	—	—	\$ 122,355	—	—	—	—	—

Maryland Municipal Bond Fund	—	—	\$ 204,506	—	—	—	—	—
Pennsylvania Municipal Bond Fund	—	—	\$ 274,904	—	—	—	—	—
New York Municipal Bond Fund	—	—	\$ 146,600	—	—	—	—	—
Virginia Municipal Bond Fund	—	—	—	—	—	—	—	—
U.S. Government Bond Fund	—	—	\$ 242,222	—	—	—	—	—
Short Duration Government Bond Fund	—	—	\$ 356,412	—	—	—	—	—
Money Market Fund	\$ 132,497	\$ 980,596	\$ 2,150,804	—	\$ 132,497	\$ 980,596	—	\$ 1,787,680
Tax-Free Money Market Fund	—	—	\$ 267,687	—	—	—	—	\$ 114,146
U.S. Government Money Market Fund	—	—	\$ 5,126,757	—	—	—	—	\$ 3,899,799
U.S. Treasury Money Market Fund	\$ 51,306	—	\$ 1,459,621	—	\$ 51,565	—	—	\$ 1,778,672
Pennsylvania Tax-Free Money Market Fund	—	—	\$ 148,821	—	—	—	—	\$ 9,113
New York Tax-Free Money Market Fund	—	—	\$ 224,721	—	—	—	—	—
Prime Money Market Fund	—	—	—	\$ 1,230,581	—	—	—	\$ 1,230,581

For the fiscal year ended April 30, 2009

<u>Fund</u>	<u>Shareholder Services Fees</u>			<u>12b-1 Fees</u>	
	<u>Corporate Shares</u>	<u>—</u>	<u>—</u>	<u>Corporate Shares</u>	<u>—</u>
Prime Money Market Fund	\$ 1,230,581	—	—	\$ 1,230,581	—

HOW DO THE FUNDS MEASURE PERFORMANCE?

The Funds may advertise Share performance by using the SEC's standard method for calculating performance applicable to all mutual funds. The SEC also permits this standard performance information to be accompanied by non-standard performance information.

Share performance reflects the effect of non-recurring charges, such as maximum sales charges, which, if excluded, would increase the total return and yield. The performance of Shares depends upon such variables as: portfolio quality; average portfolio maturity; type and value of portfolio securities; changes in interest rates; changes or differences in a Fund's or any class of Shares' expenses; and various other factors.

Share performance fluctuates on a daily basis largely because net earnings fluctuate daily. Both net earnings and offering price per Share are factors in the computation of yield and total return.

TOTAL RETURN

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

The average annual total return for Shares is the average compounded rate of return for a given period that would equate a \$10,000 initial investment to the ending redeemable value of that investment. The ending redeemable value is computed by multiplying the number of Shares owned at the end of the period by the NAV per Share at the end of the period. The number of Shares owned at the end of the period is based on the number of Shares purchased at the beginning of the period with \$10,000, less any applicable sales charge, adjusted over the period by any additional Shares, assuming the annual reinvestment of all dividends and distributions. Total returns after taxes are calculated in a similar manner, but reflect additional standard assumptions required by the SEC.

When Shares of a Fund are in existence for less than a year, the Fund may advertise cumulative total return for that specific period of time, rather than annualizing the total return.

YIELD, EFFECTIVE YIELD AND TAX-EQUIVALENT YIELD

The yield of Shares of the Managed Allocation and Balanced Funds is calculated by dividing: (i) the net investment income per Share earned by the Shares over a 30-day period; by (ii) the maximum offering price per Share on the last day of the period. This number is then annualized using semi-annual compounding. This means that the amount of income generated during the 30-day period is assumed to be generated each month over a 12-month period and is reinvested every six months.

The yield of Shares of the Money Market Funds is based upon the seven days ending on the day of the calculation, called the "base period." This yield is calculated by: determining the net change in the value of a hypothetical account with a balance of one Share at the beginning of the base period, with the net change excluding capital changes but including the value of any additional Shares purchased with dividends earned from the original one Share and all dividends declared on the original and any purchased Shares; dividing the net change in the account's value by the value of the account at the beginning of the base period to determine the base period return; and multiplying the base period return by 365/7. The effective yield of the Money Market Funds is calculated by compounding the unannualized base-period return by: adding one to the base-period return, raising the sum to the 365/7th power; and subtracting one from the result. The tax-equivalent yield of Shares of Maryland Municipal Bond Fund, New York Tax-Free Money Market Fund, New York Municipal Bond Fund, Pennsylvania Municipal Bond Fund and the Virginia Municipal Bond Fund is calculated similarly to the yield, but is adjusted to reflect the taxable yield that Shares would have had to earn to equal the actual yield, assuming a specific tax rate. The yield, effective yield and tax-equivalent yield do not necessarily reflect income actually earned by Shares because of certain adjustments required by the SEC and, therefore, may not correlate to the dividends or other distributions paid to shareholders.

To the extent investment professionals and broker/dealers charge fees in connection with services provided in conjunction with an investment in Shares, the Share performance is lower for shareholders paying those fees.

AVERAGE ANNUAL TOTAL RETURNS AND YIELD

The information presented in the following tables uses the SEC's standard method for calculating performance.

Total returns are given for the period ended April 30, 2009.

Yield and Tax-Equivalent Yield are given for the 7-day and 30-day periods ended April 30, 2009.

<u>International Equity Fund</u>	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Class A Shares:				
Total Return				
Before Taxes	NA	-47.90%	-2.46%	-0.86%
After Taxes on Distributions	NA	-48.71%	-4.00%	-2.15%
After Taxes on Distributions and Sale of Shares	NA	-30.70%	-2.17%	-1.08%
Yield	NA	NA	NA	NA
	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>Start of Performance (1/10/01)</u>
Class B Shares:				
Total Return				
Before Taxes	NA	-47.85%	-2.35%	-1.68%
After Taxes on Distributions	NA	-48.58%	-3.79%	-2.68%
After Taxes on Distributions and Sale of Shares	NA	-30.62%	-1.98%	-1.50%
Yield	NA	NA	NA	NA
	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>Start of Performance (8/18/03)</u>
Class I Shares:				
Total Return				
Before Taxes	NA	-44.84%	-1.25%	1.85%
After Taxes on Distributions	NA	-45.71%	-3.22%	-0.02%
After Taxes on Distributions and Sale of Shares	NA	-28.68%	-1.55%	1.07%
Yield	NA	NA	NA	NA
	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Small Cap Growth Fund				
Class A Shares:				
Total Return				
Before Taxes	NA	-39.20%	-3.56%	5.77%
After Taxes on Distributions	NA	-39.20%	-5.97%	2.87%
After Taxes on Distributions and Sale of Shares	NA	-25.48%	-3.77%	3.66%
Yield	NA	NA	NA	NA
	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Class B Shares:				
Total Return				
Before Taxes	NA	-39.40%	-3.46%	5.59%
After Taxes on Distributions	NA	-39.40%	-5.99%	2.66%
After Taxes on Distributions and Sale of Shares	NA	-25.61%	-3.69%	3.55%
Yield	NA	NA	NA	NA

	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Class C Shares:				
Total Return				
Before Taxes	NA	-36.28%	-2.55%	5.83%
After Taxes on Distributions	NA	-36.28%	-5.05%	4.46%
After Taxes on Distributions and Sale of Shares	NA	-23.58%	-2.96%	4.64%
Yield	NA	NA	NA	NA

	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Class I Shares:				
Total Return				
Before Taxes	NA	-35.63%	-2.36%	6.49%
After Taxes on Distributions	NA	-35.63%	-4.76%	3.60%
After Taxes on Distributions and Sale of Shares	NA	-23.16%	-2.78%	4.30%
Yield	NA	NA	NA	NA

<u>Mid Cap Growth Fund</u>	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Class A Shares:				
Total Return				
Before Taxes	NA	-38.33%	-1.09%	2.22%
After Taxes on Distributions	NA	-38.75%	-2.59%	0.61%
After Taxes on Distributions and Sale of Shares	NA	-24.53%	-0.73%	1.67%
Yield	NA	NA	NA	NA

	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>Start of Performance (8/25/03)</u>
Class B Shares:				
Total Return				
Before Taxes	NA	-38.35%	-0.96%	1.62%
After Taxes on Distributions	NA	-38.80%	-2.52%	0.22%
After Taxes on Distributions and Sale of Shares	NA	-24.50%	-0.60%	1.59%
Yield	NA	NA	NA	NA

	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Class I Shares:				
Total Return				
Before Taxes	NA	-34.60%	0.21%	3.05%
After Taxes on Distributions	NA	-35.04%	-1.29%	1.43%
After Taxes on Distributions and Sale of Shares	NA	-22.09%	0.36%	2.38%
Yield	NA	NA	NA	NA

<u>Multi Cap Growth Fund</u>	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Class A Shares:				
Total Return				
Before Taxes	NA	-37.49%	-3.63%	-3.07%
After Taxes on Distributions	NA	-37.53%	-3.65%	-3.49%
After Taxes on Distributions and Sale of Shares	NA	-24.37%	-3.06%	-2.61%
Yield	NA	NA	NA	NA
	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Class B Shares:				
Total Return				
Before Taxes	NA	-37.59%	-3.69%	-3.25%
After Taxes on Distributions	NA	-37.59%	-3.69%	-3.66%
After Taxes on Distributions and Sale of Shares	NA	-24.43%	-3.10%	-2.73%
Yield	NA	NA	NA	NA
	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Class I Shares:				
Total Return				
Before Taxes	NA	-33.70%	-2.43%	-2.39%
After Taxes on Distributions	NA	-33.78%	-2.47%	-2.83%
After Taxes on Distributions and Sale of Shares	NA	-21.91%	-2.07%	-2.07%
Yield	NA	NA	NA	NA
	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>Start of Performance (3/20/00)</u>
<u>Large Cap Growth Fund</u>				
Class A Shares:				
Total Return				
Before Taxes	NA	-37.22%	-5.73%	-6.05%
After Taxes on Distributions	NA	-37.27%	-5.84%	-6.11%
After Taxes on Distributions and Sale of Shares	NA	-24.20%	-4.77%	-4.92%
Yield	NA	NA	NA	NA
	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>Start of Performance (4/6/00)</u>
Class B Shares:				
Total Return				
Before Taxes	NA	-37.29%	-5.74%	-6.57%
After Taxes on Distributions	NA	-37.29%	-5.83%	-6.63%
After Taxes on Distributions and Sale of Shares	NA	-24.24%	-4.76%	-5.31%
Yield	NA	NA	NA	NA
	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>Start of Performance (8/18/03)</u>
Class I Shares:				
Total Return				
Before Taxes	NA	-33.47%	-4.50%	-2.68%
After Taxes on Distributions	NA	-33.56%	-4.67%	-2.84%
After Taxes on Distributions and Sale of Shares	NA	-21.76%	-3.78%	-2.27%
Yield	NA	NA	NA	NA

<u>Large Cap Value Fund</u>	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Class A Shares:				
Total Return				
Before Taxes	NA	-40.02%	-3.88%	-2.49%
After Taxes on Distributions	NA	-40.44%	-4.87%	-3.39%
After Taxes on Distributions and Sale of Shares	NA	-25.94%	-3.27%	-2.29%
Yield	NA	NA	NA	NA
				Start of Performance (12/11/99)
	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	
Class B Shares:				
Total Return				
Before Taxes	NA	-40.24%	-3.96%	-2.10%
After Taxes on Distributions	NA	-40.39%	-4.66%	-2.74%
After Taxes on Distributions and Sale of Shares	NA	-26.13%	-3.19%	-1.82%
Yield	NA	NA	NA	NA
				Start of Performance (8/18/03)
	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	
Class I Shares:				
Total Return				
Before Taxes	NA	-36.62%	-2.80%	-0.39%
After Taxes on Distributions	NA	-37.01%	-3.79%	-1.32%
After Taxes on Distributions and Sale of Shares	NA	-23.73%	-2.37%	-0.36%
Yield	NA	NA	NA	NA

Balanced Fund	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Class A Shares:				
Total Return				
Before Taxes	NA	-24.51%	-2.00%	-0.29%
After Taxes on Distributions	NA	-25.38%	-2.77%	-1.22%
After Taxes on Distributions and Sale of Shares	NA	-15.90%	-2.09%	-0.69%
Yield	NA	NA	NA	NA
	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Class B Shares:				
Total Return				
Before Taxes	NA	-24.62%	-2.01%	-0.47%
After Taxes on Distributions	NA	-25.16%	-2.45%	-1.10%
After Taxes on Distributions and Sale of Shares	NA	-16.00%	-1.93%	-0.67%
Yield	NA	NA	NA	NA
	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Class I Shares:				
Total Return				
Before Taxes	NA	-20.01%	-0.76%	0.41%
After Taxes on Distributions	NA	-20.97%	-1.58%	-0.58%
After Taxes on Distributions and Sale of Shares	NA	-12.97%	-1.07%	-0.14%
Yield	NA	NA	NA	NA
	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Managed Allocation Fund - Aggressive Growth				
Class A Shares:				
Total Return				
Before Taxes	NA	-41.14%	-5.11%	-2.58%
After Taxes on Distributions	NA	-42.38%	-6.28%	-3.46%
After Taxes on Distributions and Sale of Shares	NA	-25.45%	-4.24%	-2.25%
Yield	NA	NA	NA	NA

	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>Start of Performance (4/30/02)</u>
Class B Shares:				
Total Return				
Before Taxes	NA	-41.06%	-4.94%	-3.14%
After Taxes on Distributions	NA	-42.28%	-6.06%	-4.01%
After Taxes on Distributions and Sale of Shares	NA	-25.28%	-4.04%	-2.56%
Yield	NA	NA	NA	NA

Managed Allocation Fund - Moderate Growth

	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Class A Shares:				
Total Return				
Before Taxes	NA	-29.88%	-2.56%	-0.61%
After Taxes on Distributions	NA	-31.05%	-3.68%	-1.65%
After Taxes on Distributions and Sale of Shares	NA	-18.46%	-2.33%	-0.86%
Yield	NA	NA	NA	NA

	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>Start of Performance (4/30/02)</u>
Class B Shares:				
Total Return				
Before Taxes	NA	-30.49%	-2.70%	-1.36%
After Taxes on Distributions	NA	-31.53%	-3.72%	-2.15%
After Taxes on Distributions and Sale of Shares	NA	-18.77%	-2.36%	-1.23%
Yield	NA	NA	NA	NA

Managed Allocation Fund - Conservative Growth

	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Class A Shares:				
Total Return				
Before Taxes	NA	-20.83%	-1.69%	0.56%
After Taxes on Distributions	NA	-21.80%	-2.72%	-0.60%
After Taxes on Distributions and Sale of Shares	NA	-12.92%	-1.78%	-0.08%
Yield	NA	NA	NA	NA

	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>Start of Performance (4/29/02)</u>
Class B Shares:				
Total Return				
Before Taxes	NA	-21.89%	-1.76%	-0.41%
After Taxes on Distributions	NA	-22.74%	-2.62%	-1.19%
After Taxes on Distributions and Sale of Shares	NA	-13.59%	-1.74%	-0.61%
Yield	NA	NA	NA	NA

<u>Intermediate-Term Bond Fund</u>	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>Start of Performance (8/18/03)</u>
Class A Shares:				
Total Return				
Before Taxes	NA	-0.49%	3.09%	3.14%
After Taxes on Distributions	NA	-1.95%	1.60%	1.60%
After Taxes on Distributions and Sale of Shares	NA	-0.35%	1.75%	1.77%
Yield	NA	NA	NA	NA
	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>Start of Performance (8/18/03)</u>
Class B Shares:				
Total Return				
Before Taxes	NA	-1.78%	2.85%	2.95%
After Taxes on Distributions	NA	-2.99%	1.62%	1.69%
After Taxes on Distributions and Sale of Shares	NA	-1.18%	1.71%	1.79%
Yield	NA	NA	NA	NA
	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Class I Shares:				
Total Return				
Before Taxes	NA	4.35%	4.20%	4.91%
After Taxes on Distributions	NA	2.77%	2.63%	3.12%
After Taxes on Distributions and Sale of Shares	NA	2.80%	2.66%	3.11%
Yield	NA	NA	NA	NA
	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Income Fund				
Class A Shares:				
Total Return				
Before Taxes	NA	-5.30%	1.82%	3.60%
After Taxes on Distributions	NA	-6.85%	0.26%	1.80%
After Taxes on Distributions and Sale of Shares	NA	-3.45%	0.66%	2.00%
Yield	NA	NA	NA	NA
	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Class B Shares:				
Total Return				
Before Taxes	NA	-6.42%	1.68%	3.33%
After Taxes on Distributions	NA	-7.77%	0.34%	1.79%
After Taxes on Distributions and Sale of Shares	NA	-4.18%	0.68%	1.94%
Yield	NA	NA	NA	NA
	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Class I Shares:				
Total Return				
Before Taxes	NA	-0.71%	2.97%	4.25%
After Taxes on Distributions	NA	-2.41%	1.30%	2.36%
After Taxes on Distributions and Sale of Shares	NA	-0.47%	1.59%	2.52%
Yield	NA	NA	NA	NA

<u>Short-Term Corporate Fund</u>	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>Start of Performance (8/25/03)</u>
Class A Shares:				
Total Return				
Before Taxes	NA	0.43%	2.69%	2.53%
After Taxes on Distributions	NA	-0.73%	1.54%	1.43%
After Taxes on Distributions and Sale of Shares	NA	0.26%	1.61%	1.51%
Yield	NA	NA	NA	NA
	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>Start of Performance (8/25/03)</u>
Class B Shares:				
Total Return				
Before Taxes	NA	-2.19%	2.16%	2.13%
After Taxes on Distributions	NA	-3.07%	1.28%	1.32%
After Taxes on Distributions and Sale of Shares	NA	-1.43%	1.33%	1.34%
Yield	NA	NA	NA	NA
	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Class I Shares:				
Total Return				
Before Taxes	NA	3.64%	3.50%	3.84%
After Taxes on Distributions	NA	2.39%	2.28%	2.39%
After Taxes on Distributions and Sale of Shares	NA	2.34%	2.27%	2.39%
Yield	NA	NA	NA	NA
	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
<u>Maryland Municipal Bond Fund</u>				
Class A Shares:				
Total Return				
Before Taxes	NA	-3.42%	1.86%	3.07%
After Taxes on Distributions	NA	-4.86%	0.42%	1.53%
After Taxes on Distributions and Sale of Shares	NA	-2.22%	0.77%	1.69%
Yield	NA	NA	NA	NA
	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Class B Shares:				
Total Return				
Before Taxes	NA	-4.64%	1.56%	4.02%
After Taxes on Distributions	NA	-5.83%	0.42%	2.26%
After Taxes on Distributions and Sale of Shares	NA	-3.00%	0.69%	2.37%
Yield	NA	NA	NA	NA

	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Class I Shares:				
Total Return				
Before Taxes	NA	1.20%	2.92%	3.70%
After Taxes on Distributions	NA	-0.35%	1.43%	2.10%
After Taxes on Distributions and Sale of Shares	NA	0.79%	1.64%	2.20%
Yield	NA	NA	NA	NA

Pennsylvania Municipal Bond Fund

	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Class A Shares:				
Total Return				
Before Taxes	NA	-2.20%	2.07%	3.07%
After Taxes on Distributions	NA	-3.50%	0.79%	1.64%
After Taxes on Distributions and Sale of Shares	NA	-1.44%	1.01%	1.74%
Yield	NA	NA	NA	NA

	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Class B Shares:				
Total Return				
Before Taxes	NA	-3.45%	1.81%	3.75%
After Taxes on Distributions	NA	-4.48%	0.80%	2.20%
After Taxes on Distributions and Sale of Shares	NA	-2.24%	0.96%	2.25%
Yield	NA	NA	NA	NA

	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Class I Shares:				
Total Return				
Before Taxes	NA	2.49%	3.10%	3.66%
After Taxes on Distributions	NA	1.09%	1.77%	2.17%
After Taxes on Distributions and Sale of Shares	NA	1.61%	1.87%	2.22%
Yield	NA	NA	NA	NA

New York Municipal Bond Fund

	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Class A Shares:				
Total Return				
Before Taxes	NA	-4.06%	1.82%	3.08%
After Taxes on Distributions	NA	-5.39%	0.48%	1.57%
After Taxes on Distributions and Sale of Shares	NA	-2.66%	0.78%	1.71%
Yield	NA	NA	NA	NA

	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>Start of Performance (8/18/03)</u>
Class B Shares:				
Total Return				
Before Taxes	NA	-5.23%	1.54%	1.99%
After Taxes on Distributions	NA	-6.30%	0.48%	0.90%
After Taxes on Distributions and Sale of Shares	NA	-3.42%	0.71%	1.08%
Yield	NA	NA	NA	NA

	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>Start of Performance (8/18/03)</u>
Class I Shares:				
Total Return				
Before Taxes	NA	0.54%	2.89%	3.13%
After Taxes on Distributions	NA	-0.90%	1.49%	1.72%
After Taxes on Distributions and Sale of Shares	NA	0.33%	1.66%	1.87%
Yield	NA	NA	NA	NA

<u>Virginia Municipal Bond Fund</u>	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Class A Shares:				
Total Return				
Before Taxes	NA	-0.91%	2.34%	3.39%
After Taxes on Distributions	NA	-2.16%	0.89%	1.83%
After Taxes on Distributions and Sale of Shares	NA	-0.61%	1.21%	1.97%
Yield	NA	NA	NA	NA

<u>U.S. Government Bond Fund</u>	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Class A Shares:				
Total Return				
Before Taxes	NA	-0.32%	3.33%	4.54%
After Taxes on Distributions	NA	-1.74%	1.81%	2.66%
After Taxes on Distributions and Sale of Shares	NA	-0.23%	1.94%	2.71%
Yield	NA	NA	NA	NA

	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>Start of Performance (8/18/03)</u>
Class B Shares:				
Total Return				
Before Taxes	NA	-1.85%	2.93%	2.99%
After Taxes on Distributions	NA	-2.97%	1.74%	1.83%
After Taxes on Distributions and Sale of Shares	NA	-1.22%	1.80%	1.87%
Yield	NA	NA	NA	NA

	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>Start of Performance (8/18/03)</u>
Class I Shares:				
Total Return				
Before Taxes	NA	4.18%	4.31%	4.21%
After Taxes on Distributions	NA	2.70%	2.77%	2.67%
After Taxes on Distributions and Sale of Shares	NA	2.69%	2.77%	2.69%
Yield	NA	NA	NA	NA

	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>Start of Performance (8/18/03)</u>
Short Duration Government Bond Fund				
Class A Shares:				
Total Return				
Before Taxes	NA	1.48%	3.07%	2.86%
After Taxes on Distributions	NA	0.33%	1.94%	1.78%
After Taxes on Distributions and Sale of Shares	NA	0.94%	1.95%	1.80%
Yield	NA	NA	NA	NA

	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>Start of Performance (8/18/03)</u>
Class B Shares:				
Total Return				
Before Taxes	NA	-1.20%	2.64%	2.46%
After Taxes on Distributions	NA	-2.07%	1.74%	1.65%
After Taxes on Distributions and Sale of Shares	NA	-0.79%	1.72%	1.62%
Yield	NA	NA	NA	NA

	<u>30-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Class I Shares:				
Total Return				
Before Taxes	NA	4.96%	3.93%	4.21%
After Taxes on Distributions	NA	3.71%	2.72%	2.64%
After Taxes on Distributions and Sale of Shares	NA	3.20%	2.64%	2.63%
Yield	NA	NA	NA	NA

	<u>7-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>Start of Performance (8/25/03)</u>
Pennsylvania Tax-Free Money Market Fund				
Class A Shares:				
Total Return				
Before Taxes	NA	0.97%	1.80%	1.61%
After Taxes on Distributions		0.97%	1.80%	1.61%
After Taxes on Distributions and Sale of Shares		0.97%	1.80%	1.61%
Yield	0.05%	NA	NA	NA
Tax-Equivalent Yield	NA	NA	NA	NA

	<u>7-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>Start of Performance (5/1/01)</u>
Class I Shares:				
Total Return				
Before Taxes	NA	1.16%	2.01%	1.61%
After Taxes on Distributions		1.16%	2.01%	1.61%
After Taxes on Distributions and Sale of Shares		1.16%	2.01%	1.61%
Yield	0.25%	NA	NA	NA
Tax-Equivalent Yield	NA	NA	NA	NA

	<u>7-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>Start of Performance (5/11/01)</u>
Class II Shares:				
Total Return				
Before Taxes	NA	1.06%	1.95%	1.57%
After Taxes on Distributions		1.06%	1.95%	1.57%
After Taxes on Distributions and Sale of Shares		1.06%	1.95%	1.57%
Yield	0.15%	NA	NA	NA
Tax-Equivalent Yield	NA	NA	NA	NA

<u>New York Tax-Free Money Market Fund</u>	<u>7-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Class A Shares:				
Total Return				
Before Taxes	NA	1.06%	1.86%	1.87%
After Taxes on Distributions		1.06%	1.86%	1.87%
After Taxes on Distributions and Sale of Shares		1.06%	1.86%	1.87%
Yield	0.13%	NA	NA	NA
Tax-Equivalent Yield	NA	NA	NA	NA

	<u>7-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>Start of Performance (8/18/03)</u>
Class I Shares:				
Total Return				
Before Taxes	NA	1.30%	2.05%	1.84%
After Taxes on Distributions		1.30%	2.05%	1.83%
After Taxes on Distributions and Sale of Shares		1.30%	2.05%	1.83%
Yield	0.38%	NA	NA	NA
Tax-Equivalent Yield	NA	NA	NA	NA

Money Market Fund**Class A Shares:****Total Return****Before Taxes****After Taxes on Distributions****After Taxes on Distributions and Sale of Shares****Yield****Tax-Equivalent Yield****7-Day Period****1 Year****5 Years****10 Years**

NA

1.13%

2.83%

2.86%

0.74%

1.83%

1.79%

0.74%

1.83%

1.79%

0.01%

NA

NA

NA

NA

NA

NA

NA

**Start of
Performance
(8/18/03)****Class B Shares:****Total Return****Before Taxes****After Taxes on Distributions****After Taxes on Distributions and Sale of Shares****Yield****Tax-Equivalent Yield****7-Day Period****1 Year****5 Years**

NA

0.62%

2.32%

2.04%

0.40%

1.50%

1.32%

0.40%

1.50%

1.32%

0.01%

NA

NA

NA

NA

NA

NA

NA

**Start of
Performance
(6/8/98)****Class S Shares:****Total Return****Before Taxes****After Taxes on Distributions****After Taxes on Distributions and Sale of Shares****Yield****Tax-Equivalent Yield****7-Day Period****1 Year****5 Years**

NA

0.92%

2.62%

2.62%

0.60%

1.70%

1.64%

0.60%

1.70%

1.64%

0.01%

NA

NA

NA

NA

NA

NA

NA

**Start of
Performance
(9/4/01)****Class A2 Shares:****Total Return****Before Taxes****After Taxes on Distributions****After Taxes on Distributions and Sale of Shares****Yield****Tax-Equivalent Yield****7-Day Period****1 Year****5 Years**

NA

1.30%

3.01%

2.32%

0.84%

1.95%

1.49%

0.84%

1.95%

1.49%

0.05%

NA

NA

NA

NA

NA

NA

NA

**Start of
Performance
(8/18/03)****Class I Shares:****Total Return****Before Taxes****After Taxes on Distributions****After Taxes on Distributions and Sale of Shares****Yield****Tax-Equivalent Yield****7-Day Period****1 Year****5 Years**

NA

1.35%

3.12%

2.82%

0.87%

2.02%

1.83%

0.87%

2.02%

1.83%

0.10%

NA

NA

NA

NA

NA

NA

NA

**Start of
Performance
(8/18/03)****Class II Shares:****Total Return****Before Taxes****After Taxes on Distributions****After Taxes on Distributions and Sale of Shares****Yield****Tax-Equivalent Yield****7-Day Period****1 Year****5 Years**

NA

1.25%

3.03%

2.73%

0.81%

1.96%

1.77%

0.81%

1.96%

1.77%

0.01%

NA

NA

NA

NA

NA

NA

NA

<u>Prime Money Market Fund</u>	<u>7-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Class A Shares:				
Total Return				
Before Taxes	NA	1.35%	3.13%	3.11%
After Taxes on Distributions		0.87%	2.02%	1.95%
After Taxes on Distributions and Sale of Shares		0.87%	2.02%	1.95%
Yield	0.14%	NA	NA	NA
Tax-Equivalent Yield	NA	NA	NA	NA

<u>Tax-Free Money Market Fund</u>	<u>7-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Class A Shares:				
Total Return				
Before Taxes	NA	1.00%	1.83%	1.82%
After Taxes on Distributions		1.00%	1.83%	1.82%
After Taxes on Distributions and Sale of Shares		1.00%	1.83%	1.82%
Yield	0.01%	NA	NA	NA
Tax-Equivalent Yield	NA	NA	NA	NA

	<u>7-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Class I Shares:				
Total Return				
Before Taxes	NA	1.40%	2.19%	2.12%
After Taxes on Distributions		1.40%	2.19%	2.12%
After Taxes on Distributions and Sale of Shares		1.40%	2.19%	2.12%
Yield	0.34%	NA	NA	NA
Tax-Equivalent Yield	NA	NA	NA	NA

	<u>7-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Class II Shares:				
Total Return				
Before Taxes	NA	1.25%	2.07%	2.02%
After Taxes on Distributions		1.25%	2.07%	2.02%
After Taxes on Distributions and Sale of Shares		1.25%	2.07%	2.02%
Yield	0.19%	NA	NA	NA
Tax-Equivalent Yield	NA	NA	NA	NA

<u>U.S. Government Money Market Fund</u>	<u>7-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Class A Shares:				
Total Return				
Before Taxes	NA	1.14%	2.77%	2.83%
After Taxes on Distributions		0.74%	1.79%	1.77%
After Taxes on Distributions and Sale of Shares		0.74%	1.79%	1.77%
Yield	0.01%	NA	NA	NA
Tax-Equivalent Yield	NA	NA	NA	NA
	<u>7-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Class I Shares:				
Total Return				
Before Taxes	NA	1.34%	3.05%	3.08%
After Taxes on Distributions		0.87%	1.97%	1.93%
After Taxes on Distributions and Sale of Shares		0.87%	1.97%	1.93%
Yield	0.16%	NA	NA	NA
Tax-Equivalent Yield	NA	NA	NA	NA
	<u>7-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
Class II Shares:				
Total Return				
Before Taxes	NA	1.23%	2.96%	3.00%
After Taxes on Distributions		0.80%	1.91%	1.88%
After Taxes on Distributions and Sale of Shares		0.80%	1.91%	1.88%
Yield	0.06%	NA	NA	NA
Tax-Equivalent Yield	NA	NA	NA	NA
	<u>7-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>10 Years</u>
<u>U.S. Treasury Money Market Fund</u>				
Class A Shares:				
Total Return				
Before Taxes	NA	0.54%	2.46%	2.62%
After Taxes on Distributions		0.35%	1.59%	1.64%
After Taxes on Distributions and Sale of Shares		0.35%	1.59%	1.64%
Yield	0.01%	NA	NA	NA
Tax-Equivalent Yield	NA	NA	NA	NA
	<u>7-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>Start of Performance (6/8/98)</u>
Class S Shares:				
Total Return				
Before Taxes	NA	0.43%	2.31%	2.42%
After Taxes on Distributions		0.28%	1.49%	1.52%
After Taxes on Distributions and Sale of Shares		0.28%	1.49%	1.52%
Yield	0.01%	NA	NA	NA
Tax-Equivalent Yield	NA	NA	NA	NA
	<u>7-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>Start of Performance (8/18/03)</u>
Class I Shares:				
Total Return				
Before Taxes	NA	0.68%	2.68%	2.40%
After Taxes on Distributions		0.44%	1.73%	1.56%
After Taxes on Distributions and Sale of Shares		0.44%	1.73%	1.56%
Yield	0.01%	NA	NA	NA
Tax-Equivalent Yield	NA	NA	NA	NA

	<u>7-Day Period</u>	<u>1 Year</u>	<u>5 Years</u>	<u>Start of Performance (8/18/03)</u>
Class II Shares:				
Total Return				
Before Taxes	NA	0.58%	2.56%	2.29%
After Taxes on Distributions		0.38%	1.66%	1.48%
After Taxes on Distributions and Sale of Shares		0.38%	1.66%	1.48%
Yield	0.01%	NA	NA	NA
Tax-Equivalent Yield	NA	NA	NA	NA

TAX EQUIVALENCY TABLES

Set forth below are samples of tax-equivalency tables that may be used in advertising and sales literature. These tables are for illustrative purposes only and are not representative of past or future performance of the Tax-Free Money Market Fund, New York Tax-Free Money Market Fund, Pennsylvania Tax-Free Money Market Fund, New York Municipal Bond Fund, Maryland Municipal Bond Fund, Pennsylvania Municipal Bond Fund and Virginia Municipal Bond Fund. The interest earned by the municipal securities owned by the Funds generally remains free from federal regular income tax and is often free from state and local taxes as well. However, some of the Funds' income may be subject to the federal AMT and state and/or local taxes. The tax-equivalent yield for the New York Tax-Free Money Market Fund for the 7-day period ended April 30, 2009 was (Class A Shares). The tax-equivalent yield for the New York Municipal Bond Fund for the 30-day period ended April 30, 2009 was (Class A Shares) and (Class B Shares). The tax-equivalent yield for the Pennsylvania Municipal Bond Fund for the 30-day period ended April 30, 2009 was (Class A Shares) and (Class B Shares).

TAX EQUIVALENCY TABLE

Taxable Yield Equivalent for 2009 State of New York

Tax Bracket:	10.00 %	15.00 %	25.00 %	28.00 %	33.00 %	35.00 %
Federal						
Combined Federal & State	14.00 %	21.85 %	31.85 %	34.85 %	39.85 %	41.85 %
Joint Return:	\$0-15,650	\$15,651-63,700	\$63,701-128,500	\$128,501-195,850	\$195,851-349,700	Over \$349,700
Single Return:	\$ 0-7,825	\$ 7,826-31,850	\$ 31,851-77,100	\$ 77,101-160,850	\$160,851-349,700	Over \$349,700

<u>Tax-Exempt Yield</u>	<u>Taxable Yield Equivalent</u>					
0.50%	0.58%	0.64%	0.73%	0.77%	0.83%	0.86%
1.00%	1.16%	1.28%	1.47%	1.53%	1.66%	1.72%
1.50%	1.74%	1.92%	2.20%	2.30%	2.49%	2.58%
2.00%	2.33%	2.56%	2.93%	3.07%	3.33%	3.44%
2.50%	2.91%	3.20%	3.67%	3.84%	4.16%	4.30%
3.00%	3.49%	3.84%	4.40%	4.60%	4.99%	5.16%
3.50%	4.07%	4.48%	5.14%	5.37%	5.82%	6.02%
4.00%	4.65%	5.12%	5.87%	6.14%	6.65%	6.88%
4.50%	5.23%	5.76%	6.60%	6.91%	7.48%	7.74%
5.00%	5.81%	6.40%	7.34%	7.67%	8.31%	8.60%
5.50%	6.40%	7.04%	8.07%	8.44%	9.14%	9.46%
6.00%	6.98%	7.68%	8.80%	9.21%	9.98%	10.32%
6.50%	7.56%	8.32%	9.54%	9.98%	10.81%	11.18%
7.00%	8.14%	8.96%	10.27%	10.74%	11.64%	12.04%
7.50%	8.72%	9.60%	11.01%	11.51%	12.47%	12.90%
8.00%	9.30%	10.24%	11.74%	12.28%	13.30%	13.76%
8.50%	9.88%	10.88%	12.47%	13.05%	14.13%	14.62%
9.00%	10.47%	11.52%	13.21%	13.81%	14.96%	15.48%

Note: The maximum marginal tax rate for each bracket was used in calculating the taxable yield equivalent. Furthermore, additional state and local taxes paid on comparable taxable investments were not used to increase federal deductions.

TAX EQUIVALENCY TABLE

Taxable Yield Equivalent for 2009 State of Pennsylvania

Tax Bracket:						
Federal	10.00%	15.00%	25.00%	28.00%	33.00%	35.00%
Combined Federal & State	13.07%	18.07%	28.07%	31.07%	36.07%	38.07%
Joint Return:	\$ 0-15,650	\$ 15,651-63,700	\$ 63,701-128,500	\$ 128,501-195,850	\$ 195,851-349,700	Over \$ 349,700
Single Return:	\$ 0-7,825	\$ 7,826-31,850	\$ 31,851-77,100	\$ 77,101-160,850	\$ 160,851-349,700	Over \$ 349,700

<u>Tax-Exempt Yield</u>	<u>Taxable Yield Equivalent</u>					
0.50%	0.58%	0.61%	0.70%	0.73%	0.78%	0.81%
1.00%	1.15%	1.22%	1.39%	1.45%	1.56%	1.61%
1.50%	1.73%	1.83%	2.09%	2.18%	2.35%	2.42%
2.00%	2.30%	2.44%	2.78%	2.90%	3.13%	3.23%
2.50%	2.88%	3.05%	3.48%	3.63%	3.91%	4.04%
3.00%	3.45%	3.66%	4.17%	4.35%	4.69%	4.84%
3.50%	4.03%	4.27%	4.87%	5.08%	5.47%	5.65%
4.00%	4.60%	4.88%	5.56%	5.80%	6.26%	6.46%
4.50%	5.18%	5.49%	6.26%	6.53%	7.04%	7.27%
5.00%	5.75%	6.10%	6.95%	7.25%	7.82%	8.07%
5.50%	6.33%	6.71%	7.65%	7.98%	8.60%	8.88%
6.00%	6.90%	7.32%	8.34%	8.70%	9.39%	9.69%
6.50%	7.48%	7.93%	9.04%	9.43%	10.17%	10.50%
7.00%	8.05%	8.54%	9.73%	10.16%	10.95%	11.30%
7.50%	8.63%	9.15%	10.43%	10.88%	11.73%	12.11%
8.00%	9.20%	9.76%	11.12%	11.61%	12.51%	12.92%
8.50%	9.78%	10.37%	11.82%	12.33%	13.30%	13.73%
9.00%	10.35%	10.98%	12.51%	13.06%	14.08%	14.53%

Note: The maximum marginal tax rate for each bracket was used in calculating the taxable yield equivalent. Furthermore, additional state and local taxes paid on comparable taxable investments were not used to increase federal deductions.

TAX EQUIVALENCY TABLE

Taxable Yield Equivalent for 2009 State of Maryland – Including Local Income Tax

Tax Bracket:						
Federal	10.00%	15.00%	25.00%	28.00%	33.00%	35.00%
Combined Federal, State and County	14.75%	19.75%	29.75%	32.75%	38.00%	40.50%
Joint Return:	\$ 0-15,650	\$ 15,651-63,700	\$ 63,701-128,500	\$ 128,501-195,850	\$ 195,851-349,700	Over \$349,700
Single Return:	\$ 0-7,825	\$ 7,826-31,850	\$ 31,851-77,100	\$ 77,101-160,850	\$ 160,851-349,700	Over \$349,700

<u>Tax-Exempt Yield</u>	<u>Taxable Yield equivalent</u>					
0.50%	0.59%	0.62%	0.71%	0.74%	0.81%	0.84%
1.00%	1.17%	1.25%	1.42%	1.49%	1.61%	1.68%
1.50%	1.76%	1.87%	2.14%	2.23%	2.42%	2.52%
2.00%	2.35%	2.49%	2.85%	2.97%	3.23%	3.36%
2.50%	2.93%	3.12%	3.56%	3.72%	4.03%	4.20%
3.00%	3.52%	3.74%	4.27%	4.46%	4.84%	5.04%
3.50%	4.11%	4.36%	4.98%	5.20%	5.65%	5.88%
4.00%	4.69%	4.98%	5.69%	5.95%	6.45%	6.72%
4.50%	5.28%	5.61%	6.41%	6.69%	7.26%	7.56%
5.00%	5.87%	6.23%	7.12%	7.43%	8.06%	8.40%
5.50%	6.45%	6.85%	7.83%	8.18%	8.87%	9.24%
6.00%	7.04%	7.48%	8.54%	8.92%	9.68%	10.08%
6.50%	7.62%	8.10%	9.25%	9.67%	10.48%	10.92%
7.00%	8.21%	8.72%	9.96%	10.41%	11.29%	11.76%
7.50%	8.80%	9.35%	10.68%	11.15%	12.10%	12.61%
8.00%	9.38%	9.97%	11.39%	11.90%	12.90%	13.45%
8.50%	9.97%	10.59%	12.10%	12.64%	13.71%	14.29%
9.00%	10.56%	11.21%	12.81%	13.38%	14.52%	15.13%

Note: The maximum marginal tax rate for each bracket was used in calculating the taxable yield equivalent. Furthermore, additional state and local taxes paid on comparable taxable investments were not used to increase federal deductions. The local income tax rate is assumed to be the maximum county rate, or 3.20%.

TAX EQUIVALENCY TABLE

Taxable Yield Equivalent for 2009 State of Virginia

Tax Bracket: Combined Federal & State	10.00%	15.00%	25.00%	28.00%	33.00%	35.00%
	15.000%	20.750%	30.750%	33.750%	38.750%	40.750%
Joint Return:	\$ 0-15,650	\$15,651-63,700	\$63,701-128,500	\$ 128,501-195,850	\$195,851-349,700	Over \$349,700
Single Return:	\$ 0-7,825	\$ 7,826-31,850	\$ 31,851-77,100	\$ 77,101-160,850	\$160,851-349,700	Over \$349,700

Tax-Exempt Yield	Taxable Yield Equivalent					
0.50%	0.59%	0.63%	0.72%	0.75%	0.82%	0.84%
1.00%	1.18%	1.26%	1.44%	1.51%	1.63%	1.69%
1.50%	1.76%	1.89%	2.17%	2.26%	2.45%	2.53%
2.00%	2.35%	2.52%	2.89%	3.02%	3.27%	3.38%
2.50%	2.94%	3.15%	3.61%	3.77%	4.08%	4.22%
3.00%	3.53%	3.79%	4.33%	4.53%	4.90%	5.06%
3.50%	4.12%	4.42%	5.05%	5.28%	5.71%	5.91%
4.00%	4.71%	5.05%	5.78%	6.04%	6.53%	6.75%
4.50%	5.29%	5.68%	6.50%	6.79%	7.35%	7.59%
5.00%	5.88%	6.31%	7.22%	7.55%	8.16%	8.44%
5.50%	6.47%	6.94%	7.94%	8.30%	8.98%	9.28%
6.00%	7.06%	7.57%	8.66%	9.06%	9.80%	10.13%
6.50%	7.65%	8.20%	9.39%	9.81%	10.61%	10.97%
7.00%	8.24%	8.83%	10.11%	10.57%	11.43%	11.81%
7.50%	8.82%	9.46%	10.83%	11.32%	12.24%	12.66%
8.00%	9.41%	10.09%	11.55%	12.08%	13.06%	13.50%
8.50%	10.00%	10.73%	12.27%	12.83%	13.88%	14.35%
9.00%	10.59%	11.36%	13.00%	13.58%	14.69%	15.19%

Note: The maximum marginal tax rate for each bracket was used in calculating the taxable yield equivalent. Furthermore, additional state and local taxes paid on comparable taxable investments were not used to increase federal deductions.

TAX EQUIVALENCY TABLE

Taxable Yield Equivalent for 2009 Multistate Municipal Fund

Tax Bracket:

Federal	10.00%	15.00%	25.00%	28.00%	33.00%	35.00%
Joint Return:	\$0-15,650	\$15,651-63,700	\$63,701-128,500	\$128,501-195,850	\$195,851-349,700	Over \$349,700
Single Return:	\$ 0-7,825	\$ 7,826-31,850	\$ 31,851-77,100	\$ 77,101-160,850	\$160,851-349,700	Over \$349,700

Tax-Exempt Yield	Taxable Yield Equivalent					
0.50%	0.56%	0.59%	0.67%	0.69%	0.75%	0.77%
1.00%	1.11%	1.18%	1.33%	1.39%	1.49%	1.54%
1.50%	1.67%	1.76%	2.00%	2.08%	2.24%	2.31%
2.00%	2.22%	2.35%	2.67%	2.78%	2.99%	3.08%
2.50%	2.78%	2.94%	3.33%	3.47%	3.73%	3.85%
3.00%	3.33%	3.53%	4.00%	4.17%	4.48%	4.62%
3.50%	3.89%	4.12%	4.67%	4.86%	5.22%	5.38%
4.00%	4.44%	4.71%	5.33%	5.56%	5.97%	6.15%
4.50%	5.00%	5.29%	6.00%	6.25%	6.72%	6.92%
5.00%	5.56%	5.88%	6.67%	6.94%	7.46%	7.69%
5.50%	6.11%	6.47%	7.33%	7.64%	8.21%	8.46%
6.00%	6.67%	7.06%	8.00%	8.33%	8.96%	9.23%
6.50%	7.22%	7.65%	8.67%	9.03%	9.70%	10.00%
7.00%	7.78%	8.24%	9.33%	9.72%	10.45%	10.77%
7.50%	8.33%	8.82%	10.00%	10.42%	11.19%	11.54%
8.00%	8.89%	9.41%	10.67%	11.11%	11.94%	12.31%
8.50%	9.44%	10.00%	11.33%	11.81%	12.69%	13.08%
9.00%	10.00%	10.59%	12.00%	12.50%	13.43%	13.85%
9.50%	10.56%	11.18%	12.67%	13.19%	14.18%	14.62%
10.00%	11.11%	11.76%	13.33%	13.89%	14.93%	15.38%
10.50%	11.67%	12.35%	14.00%	14.58%	15.67%	16.15%
11.00%	12.22%	12.94%	14.67%	15.28%	16.42%	16.92%

Note: The maximum marginal tax rate for each bracket was used in calculating the taxable yield equivalent.

FINANCIAL INFORMATION

The Financial Statements for the Funds for the fiscal year ended April 30, 2009 are incorporated by reference to the Annual Reports to Shareholders of the MTB Group of Funds dated April 30, 2009.

INVESTMENT RATINGS

STANDARD AND POOR'S

Long-Term Debt Rating Definitions

AAA—Debt rated AAA has the highest rating assigned by Standard & Poor's. Capacity to pay interest and repay principal is extremely strong.

AA—Debt rated AA has a very strong capacity to pay interest and repay principal and differs from the higher-rated issues only in small degree.

A—Debt rated A has a strong capacity to pay interest and repay principal although it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than debt in higher-rated categories.

BBB—Debt rated BBB is regarded as having an adequate capacity to pay interest and repay principal. Whereas it normally exhibits adequate protection parameters, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal for debt in this category than in higher-rated categories.

BB—Debt rated BB has less near-term vulnerability to default than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to inadequate capacity to meet timely interest and principal payments. The BB rating category is also used for debt subordinated to senior debt that is assigned an actual or implied BBB rating.

B—Debt rated B has a greater vulnerability to default but currently has the capacity to meet interest payments and principal repayments. Adverse business, financial, or economic conditions will likely impair capacity or willingness to pay interest and repay principal. The B rating category is also used for debt subordinated to senior debt that is assigned an actual or implied BB or BB-rating.

CCC—Debt rated CCC has a currently identifiable vulnerability to default, and is dependent upon favorable business, financial, and economic conditions to meet timely payment of interest and repayment of principal. In the event of adverse business, financial, or economic conditions, it is not likely to have the capacity to pay interest and repay principal. The CCC rating category is also used for debt subordinated to senior debt that is assigned an actual or implied B or B rating.

CC—The rating CC typically is applied to debt subordinated to senior debt that is assigned an actual or implied CCC debt rating.

C—The rating C typically is applied to debt subordinated to senior debt which is assigned an actual or implied CCC debt rating. The C rating may be used to cover a situation where a bankruptcy petition has been filed, but debt service payments are continued.

Commercial Paper (CP) Ratings

An S&P commercial paper rating is a current assessment of the likelihood of timely payment of debt having an original maturity of no more than 365 days.

A-1—This highest category indicates that the degree of safety regarding timely payment is strong. Those issues determined to possess extremely strong safety characteristics are denoted with a plus sign (+) designation.

A-2—Capacity for timely payment on issues with this designation is satisfactory. However, the relative degree of safety is not as high as for issues designated A-1.

Short-Term Municipal Obligation Ratings

A Standard & Poor's (S&P) note rating reflects the liquidity concerns and market access risks unique to notes.

SP-1—Very strong or strong capacity to pay principal and interest. Those issues determined to possess overwhelming safety characteristics will be given a plus sign (+) designation.

SP-2—Satisfactory capacity to pay principal and interest.

Variable Rate Demand Notes (VRDNs) and Tender Option Bonds (TOBs) Ratings

S&P assigns dual ratings to all long-term debt issues that have as part of their provisions a variable rate demand feature. The first rating (long-term rating) addresses the likelihood of repayment of principal and interest when due, and the second rating (short-term rating) describes the demand characteristics. Several examples are AAA/A-1+, AA/A-1+, A/A-1. (The definitions for the long-term and the short-term ratings are provided below.)

MOODY'S INVESTORS SERVICE, INC.

Long-Term Bond Rating Definitions

Aaa—Bonds which are rated Aaa are judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as gilt edged. Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues.

Aa—Bonds which are rated Aa are judged to be of high quality by all standards. Together with the Aaa group, they comprise what are generally known as high-grade bonds. They are rated lower than the best bonds because margins of protection may not be as large as in Aaa securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present which make the long-term risks appear somewhat larger than in Aaa securities.

A—Bonds which are rated A possess many favorable investment attributes and are to be considered as upper-medium-grade obligations. Factors giving security to principal and interest are considered adequate but elements may be present which suggest a susceptibility to impairment sometime in the future.

Baa—Bonds which are rated Baa are considered as medium-grade obligations, (i.e., they are neither highly protected nor poorly secured). Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such bonds lack outstanding investment characteristics and in fact have speculative characteristics as well.

Ba—Bonds which are Ba are judged to have speculative elements; their future cannot be considered as well assured. Often the protection of interest and principal payments may be very moderate and thereby not well safeguarded during both good and bad times over the future. Uncertainty of position characterizes bonds in this class.

B—Bonds which are rated B generally lack characteristics of the desirable investment. Assurance of interest and principal payments or of maintenance of other terms of the contract over any long period of time may be small.

Caa—Bonds which are rated Caa are of poor standing. Such issues may be in default or there may be present elements of danger with respect to principal or interest.

Ca—Bonds which are rated Ca represent obligations which are speculative in a high degree. Such issues are often in default or have other marked shortcomings.

C—Bonds which are rated C are the lowest-rated class of bonds, and issues so rated can be regarded as having extremely poor prospects of ever attaining any real investment standing.

Commercial Paper Ratings

P-1—Issuers rated Prime-1 (or related supporting institutions) have a superior capacity for repayment of short-term promissory obligations. Prime-1 repayment capacity will normally be evidenced by the following characteristics: leading market positions in well established industries, high rates of return on funds employed, conservative capitalization structure with moderate reliance on debt and ample asset protection, broad margins in earning coverage of fixed financial charges and high internal cash generation, well-established access to a range of financial markets and assured sources of alternate liquidity.

P-2—Issuers rated Prime-2 (or related supporting institutions) have a strong capacity for repayment of short-term promissory obligations. This will normally be evidenced by many of the characteristics cited above, but to a lesser degree. Earnings trends and coverage ratios, while sound, will be more subject to variation. Capitalization characteristics, while still appropriate, may be more affected by external conditions. Ample alternate liquidity is maintained.

Short-Term Municipal Obligation Ratings

Moody's Investor Service, Inc. (Moody's) short-term ratings are designated Moody's Investment Grade (MIG or VMIG). (See below.) The purpose of the MIG or VMIG ratings is to provide investors with a simple system by which the relative investment qualities of short-term obligations may be evaluated.

MIG1—This designation denotes best quality. There is present strong protection by established cash flows, superior liquidity support or demonstrated broad based access to the market for refinancing.

MIG2—This designation denotes high quality. Margins of protection are ample although not so large as in the preceding group.

Variable Rate Demand Notes (VRDNs) And Tender Option Bonds (TOBs) Ratings

Short-term ratings on issues with demand features are differentiated by the use of the VMIG symbol to reflect such characteristics as payment upon periodic demand rather than fixed maturity dates and payment relying on external liquidity. In this case, two ratings are usually assigned, (for example, Aaa/VMIG-1); the first representing an evaluation of the degree of risk associated with scheduled principal and interest payments, and the second representing an evaluation of the degree of risk associated with the demand feature. The VMIG rating can be assigned a 1 or 2 designation using the same definitions described above for the MIG rating.

FITCH RATINGS

Long-Term Debt Rating Definitions

AAA—Bonds considered to be investment grade and of the highest credit quality. The obligor has an exceptionally strong ability to pay interest and repay principal, which is unlikely to be affected by reasonably foreseeable events.

AA—Bonds considered to be investment grade and of very high credit quality. The obligor's ability to pay interest and repay principal is very strong, although not quite as strong as bonds rated AAA. Because bonds rated in the AAA and AA categories are not significantly vulnerable to foreseeable future developments, short-term debt of these issuers is generally rated F-1+.

A—Bonds considered to be investment grade and of high credit quality. The obligor's ability to pay interest and repay principal is considered to be strong, but may be more vulnerable to adverse changes in economic conditions and circumstances than bonds with higher ratings.

BBB—Bonds considered to be investment grade and of satisfactory credit quality. The obligor's ability to pay interest and repay principal is considered to be adequate. Adverse changes in economic conditions and circumstances, however, are more likely to have adverse impact on these bonds, and therefore impair timely payment. The likelihood that the ratings of these bonds will fall below investment grade is higher than for bonds with higher ratings.

BB—Bonds are considered speculative. The obligor's ability to pay interest and repay principal may be affected over time by adverse economic changes. However, business and financial alternatives can be identified which could assist the obligor in satisfying its debt service requirements.

B—Bonds are considered highly speculative. While bonds in this class are currently meeting debt service requirements, the probability of continued timely payment of principal and interest reflects the obligor's limited margin of safety and the need for reasonable business and economic activity throughout the life of the issue.

CCC—Bonds have certain identifiable characteristics which, if not remedied, may lead to default. The ability to meet obligations requires an advantageous business and economic environment.

CC—Bonds are minimally protected. Default in payment of interest and/or principal seems probable over time.

C—Bonds are imminent default in payment of interest or principal.

Short-Term Debt Rating Definitions

F-1+—Exceptionally Strong Credit Quality. Issues assigned this rating are regarded as having the strongest degree of assurance for timely payment.

F-1—Very Strong Credit Quality. Issues assigned this rating reflect an assurance for timely payment, only slightly less in degree than issues rated F-1+.

F-2—Good Credit Quality. Issues carrying this rating have a satisfactory degree of assurance for timely payment, but the margin of safety is not as great as for issues assigned F-1+ and F-1 ratings.

Commercial Paper Rating Definitions

FITCH-1—(Highest Grade) Commercial paper assigned this rating is regarded as having the strongest degree of assurance for timely payment.

FITCH-2—(Very Good Grade) Issues assigned this rating reflect an assurance of timely payment only slightly less in degree than the strongest issues.

LONG-TERM DEBT RATINGS

NR—Indicates that both the bonds and the obligor or credit enhancer are not currently rated by S&P or Moody's with respect to short-term indebtedness. However, management considers them to be of comparable quality to securities rated A-1 or P-1.

NR(1)—The underlying issuer/obligor/guarantor has other outstanding debt rated AAA by S&P or Aaa by Moody's.

NR(2)—The underlying issuer/obligor/guarantor has other outstanding debt rated AA by S&P or Aa by Moody's.

NR(3)—The underlying issuer/obligor/guarantor has other outstanding debt rated A by S&P or Moody's.

Other Considerations

Among the factors considered by Moody's in assigning bond, note and commercial paper ratings are the following: (i) evaluation of the management of the issuer; (ii) economic evaluation of the issuer's industry or industries and an appraisal of speculative-type risks which may be inherent in certain areas; (iii) evaluation of the issuer's products in relation to competition and customer acceptance; (iv) liquidity; (v) amount and quality of long-term debt; (vi) trend of earnings over a period of 10 years; (vii) financial strength of a parent company and the relationships which exist with the issuer; and (viii) recognition by management of obligations which may be present or may arise as a result of public interest questions and preparations to meet such obligations.

Among the factors considered by S&P in assigning bond, note and commercial paper ratings are the following: (i) trend of earnings and cash flow with allowances made for unusual circumstances, (ii) stability of the issuer's industry, (iii) the issuer's relative strength and position within the industry and (iv) the reliability and quality of management.

CLASS A SHARES, CLASS B SHARES, CLASS C SHARES AND INSTITUTIONAL I SHARES

MTB Short Duration Government Bond Fund

MTB Short-Term Corporate Bond Fund

MTB U.S. Government Bond Fund

MTB New York Municipal Bond Fund

MTB Pennsylvania Municipal Bond Fund

MTB Maryland Municipal Bond Fund

MTB Virginia Municipal Bond Fund*

MTB Intermediate-Term Bond Fund

MTB Income Fund

MTB Balanced Fund

MTB Large Cap Value Fund

MTB Large Cap Growth Fund

MTB Multi Cap Growth Fund

MTB Mid Cap Growth Fund

MTB Small Cap Growth Fund+

MTB International Equity Fund

CLASS A SHARES, INSTITUTIONAL I SHARES AND INSTITUTIONAL II SHARES

MTB New York Tax-Free Money Market Fund**

MTB Pennsylvania Tax-Free Money Market Fund

MTB Tax-Free Money Market Fund

MTB U.S. Government Money Market Fund

CLASS A SHARES AND CLASS B SHARES

MTB Managed Allocation Fund – Conservative Growth

MTB Managed Allocation Fund – Moderate Growth

MTB Managed Allocation Fund – Aggressive Growth

CLASS A SHARES, CLASS S SHARES, INSTITUTIONAL I SHARES AND INSTITUTIONAL II SHARES

MTB U.S. Treasury Money Market Fund

CLASS A SHARES, CLASS A2 SHARES, CLASS B SHARES, CLASS S SHARES, INSTITUTIONAL I SHARES AND INSTITUTIONAL II SHARES

MTB Money Market Fund

CORPORATE SHARES

MTB Prime Money Market Fund

-
- * Offer Class A Shares only
 - + Only MTB Small Cap Growth Fund offers Class C Shares
 - ** Offer Class A Shares and Institutional I Shares only
-

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Sub-advisor to MTB Balanced Fund

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New York, NY 10286

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Denver, CO 80203

Independent Registered Public Accounting Firm

Ernst & Young LLP
Two Commerce Square
2001 Market Street
Philadelphia, PA 19103

APPENDIX

The following is a list of persons other than the Advisor, the Sub-advisors and their respective affiliates that may receive nonpublic portfolio holdings information concerning the Funds:

CO-ADMINISTRATOR, CUSTODIAN AND FUND ACCOUNTANT

The Bank of New York Mellon

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young LLP

LEGAL COUNSEL

Stradley Ronon LLP

PERFORMANCE REPORTING/PUBLICATIONS

Lipper

Standard & Poor's

Moody's Investors Service

ICRA Online LTD

FINANCIAL PRINTERS

RR Donnelley

TRANSFER AGENT

ALPS Fund Services, Inc.

OTHER

TechOne Media

PROXY VOTING SERVICES

RiskMetrics Group