

ActivePassive Funds

Enclosed is the 2011 tax form for your account with the ActivePassive Funds. The form provides information on any applicable 2011 distributions and proceeds from redemptions. Please note that all information contained in this Statement has been provided to the Internal Revenue Service. In addition to the tax information provided on your enclosed Tax Form, below is supplemental information to assist you with the preparation of your 2011 income tax returns. Please consult your tax advisor for the specific application of any items below relating to the preparation of your tax returns.

Income from U.S. Government Obligations

Some states do not tax their residents on income from a mutual fund that is earned from U.S. Government Obligations. The following table shows the percentage of total ordinary income dividends shown in Box 1 of your 2011 Tax Form that were attributable to interest earned from direct U.S. Government Obligations:

<u>Fund Name</u>	<u>% of Ordinary Income Attributable to Direct U.S. Govt. Obligation (see Box 1)</u>
ActivePassive Global Bond Fund	0.00%
ActivePassive Intermediate Municipal Bond Fund	0.00%
ActivePassive Intermediate Taxable Bond Fund	6.77%
ActivePassive International Equity Fund	0.00%
ActivePassive Large Cap Value Fund	0.00%

Depending on your state's personal income tax laws, you may be entitled to declare the above portion of your 2011 ordinary income dividends (Box 1) as tax-exempt income on your state personal income tax return. However, some states do not allow the "pass through" of this exempt-interest income unless the percentage earned from U.S. Government Obligations exceeds certain thresholds or unless other requirements are met. Please consult your tax advisor or state authorities if you have any questions regarding the percentage of income you can exclude when calculating your state income tax.

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Income by State or U.S. Territory:

The following chart provides information to assist you in determining the source of interest income earned on a state-by-state basis for the **ActivePassive Intermediate Municipal Bond Fund**. Of course, the tax treatment of income paid by the portfolio depends upon the laws of your state or local authority. If you have any questions about the local tax treatment, we recommend you consult your tax advisor.

Note: For additional help in completing your state and local returns, please refer to your 2011 year-end statement that shows the non-taxable portion of your income.

State	Intermediate Municipal Bond Fund
Alabama	0.00%
Alaska	0.00%
Arizona	1.19%
Arkansas	0.00%
California	12.43%
Colorado	0.80%
Connecticut	0.40%
Delaware	0.00%
Dist of Columbia	0.00%
Florida	4.83%
Georgia	0.95%
Guam	0.00%
Hawaii	0.00%
Idaho	0.00%
Illinois	2.65%
Indiana	0.00%
Iowa	0.03%
Kansas	0.00%
Kentucky	0.00%
Louisiana	0.00%
Maine	0.00%
Maryland	0.00%
Massachusetts	4.08%
Michigan	3.99%
Minnesota	0.00%
Mississippi	0.00%
Missouri	0.00%

State	Intermediate Municipal Bond Fund
Montana	0.00%
Nebraska	0.00%
Nevada	0.00%
New Hampshire	0.40%
New Jersey	3.94%
New Mexico	0.00%
New York	6.42%
North Carolina	1.44%
North Dakota	0.00%
Ohio	2.10%
Oklahoma	1.39%
Oregon	2.36%
Pennsylvania	0.00%
Puerto Rico	0.00%
Rhode Island	0.00%
South Carolina	0.00%
South Dakota	0.00%
Tennessee	0.00%
Texas	7.08%
Utah	1.26%
Vermont	0.00%
Virginia	0.00%
Washington	0.61%
West Virginia	0.00%
Wisconsin	0.82%
Wyoming	0.00%