

Qualifying The Impact of a Floating Net Asset Value (NAV)

Beginning October 14, 2016, institutional prime obligations fund investors will be in for a change. Rather than transacting at a stable NAV, shareholders will transact with the fund at a floating NAV. Fund managers are sensitive to the needs of shareholders and will manage portfolios to minimize NAV changes. That being said, small fluctuations in NAVs will happen over time and understanding how that impacts the value of an investment is important. In these hypothetical examples, the assumption is that the initial investment is made at \$1.0000.

Initial Investment of \$1,000,000 Equal to 1,000,000 Shares

Price changes to:	New Investment Value	Gain / Loss
\$1.0005	\$1,000,500.00	\$500.00
\$1.0004	\$1,000,400.00	\$400.00
\$1.0003	\$1,000,300.00	\$300.00
\$1.0002	\$1,000,200.00	\$200.00
\$1.0001	\$1,000,100.00	\$100.00
\$1.0000	\$1,000,000.00	-
\$0.9999	\$999,900.00	(\$100.00)
\$0.9998	\$999,800.00	(\$200.00)
\$0.9997	\$999,700.00	(\$300.00)
\$0.9996	\$999,600.00	(\$400.00)
\$0.9995	\$999,500.00	(\$500.00)

Initial Investment of \$25,000,000 Equal to 25,000,000 Shares

Price changes to:	New Investment Value	Gain / Loss
\$1.0005	\$25,012,500.00	\$12,500.00
\$1.0004	\$25,010,000.00	\$10,000.00
\$1.0003	\$25,007,500.00	\$7,500.00
\$1.0002	\$25,005,000.00	\$5,000.00
\$1.0001	\$25,002,500.00	\$2,500.00
\$1.0000	\$25,000,000.00	-
\$0.9999	\$24,997,500.00	(\$2,500.00)
\$0.9998	\$24,995,000.00	(\$5,000.00)
\$0.9997	\$24,992,500.00	(\$7,500.00)
\$0.9996	\$24,990,000.00	(\$10,000.00)
\$0.9995	\$24,987,500.00	(\$12,500.00)

Initial Investment of \$50,000,000 Equal to 50,000,000 Shares

Price changes to:	New Investment Value	Gain / Loss
\$1.0005	\$50,025,000.00	\$25,000.00
\$1.0004	\$50,020,000.00	\$20,000.00
\$1.0003	\$50,015,000.00	\$15,000.00
\$1.0002	\$50,010,000.00	\$10,000.00
\$1.0001	\$50,005,000.00	\$5,000.00
\$1.0000	\$50,000,000.00	-
\$0.9999	\$49,995,000.00	(\$5,000.00)
\$0.9998	\$49,990,000.00	(\$10,000.00)
\$0.9997	\$49,985,000.00	(\$15,000.00)
\$0.9996	\$49,980,000.00	(\$20,000.00)
\$0.9995	\$49,975,000.00	(\$25,000.00)

Initial Investment of \$75,000,000 Equal to 75,000,000 Shares

Price changes to:	New Investment Value	Gain / Loss
\$1.0005	\$75,037,500.00	\$37,500.00
\$1.0004	\$75,030,000.00	\$30,000.00
\$1.0003	\$75,022,500.00	\$22,500.00
\$1.0002	\$75,015,000.00	\$15,000.00
\$1.0001	\$75,007,500.00	\$7,500.00
\$1.0000	\$75,000,000.00	-
\$0.9999	\$74,992,500.00	(\$7,500.00)
\$0.9998	\$74,985,000.00	(\$15,000.00)
\$0.9997	\$74,977,500.00	(\$22,500.00)
\$0.9996	\$74,970,000.00	(\$30,000.00)
\$0.9995	\$74,962,500.00	(\$37,500.00)

Information is not representative of any actual, implied or expected results. The results described are hypothetical only and they do not represent any actual investment. Information should not be taken as any indication that any strategy employed by any fund will achieve similar results.



The Income Effect

The NAV only tells a portion of the tale. Money market mutual funds also pay dividends to shareholders. Some shareholders have dividend payments sent to them at the end of each month in cash, while others reinvest them in additional shares of the fund. We have been in a low rate environment for so long, shareholders may not have a good idea what income looks like at higher net yields. Below is an example of what the hypothetical annual income could be if a fund had a steady net yield for one year:

Annual Income, Assuming Net Yield Remains Stable For a One-Year Period

Net Yield	1,000,000 Shares	25,000,000 Shares	50,000,000 Shares	75,000,000 Shares
0.10%	\$1,000.00	\$25,000.00	\$50,000.00	\$75,000.00
0.20%	\$2,000.00	\$50,000.00	\$100,000.00	\$150,000.00
0.30%	\$3,000.00	\$75,000.00	\$150,000.00	\$225,000.00
0.40%	\$4,000.00	\$100,000.00	\$200,000.00	\$300,000.00
0.50%	\$5,000.00	\$125,000.00	\$250,000.00	\$375,000.00
0.60%	\$6,000.00	\$150,000.00	\$300,000.00	\$450,000.00
0.70%	\$7,000.00	\$175,000.00	\$350,000.00	\$525,000.00
0.80%	\$8,000.00	\$200,000.00	\$400,000.00	\$600,000.00
0.90%	\$9,000.00	\$225,000.00	\$450,000.00	\$675,000.00
1.00%	\$10,000.00	\$250,000.00	\$500,000.00	\$750,000.00
1.25%	\$12,500.00	\$312,500.00	\$625,000.00	\$937,500.00
1.50%	\$15,000.00	\$375,000.00	\$750,000.00	\$1,125,000.00
1.75%	\$17,500.00	\$437,500.00	\$875,000.00	\$1,312,500.00
2.00%	\$20,000.00	\$500,000.00	\$1,000,000.00	\$1,500,000.00
2.25%	\$22,500.00	\$562,500.00	\$1,125,000.00	\$1,687,500.00
2.50%	\$25,000.00	\$625,000.00	\$1,250,000.00	\$1,875,000.00
3.00%	\$30,000.00	\$750,000.00	\$1,500,000.00	\$2,250,000.00

Holding Period Breakeven For Principal Loss

Assuming buy at \$1.0000, if NAV dropped to:	NAV change equals	Number of days for income to overcome loss if fund's net yield is:									
		0.10%	0.25%	0.50%	0.75%	1.00%	1.25%	1.50%	2.00%	2.50%	
\$0.9999	\$0.0001	37	15	8	5	4	3	3	2	2	
\$0.9998	\$0.0002	73	30	15	10	8	6	5	4	3	
\$0.9997	\$0.0003	110	44	22	15	11	9	8	6	5	
\$0.9996	\$0.0004	146	59	30	20	15	12	10	8	6	
\$0.9995	\$0.0005	183	73	37	25	19	15	13	10	8	

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Definitions

Floating Net Asset Value (NAV) is the dollar value of a single mutual fund share, based on the value of the underlying assets of the fund minus its liabilities, divided by the number of shares outstanding. Calculated at the end of each business day.

Net Asset Value (NAV) is a mutual fund's price per share, calculated by dividing the total market value of all the securities in its portfolio, less any liabilities, by the number of fund shares outstanding.

Mutual Fund investing involves risk; principal loss is possible.

Investors should carefully consider the fund's investment objectives, risks, charges and expenses before investing. The prospectus contains this and other information; call 800.677.3863 or visit www.FirstAmericanFunds.com for a copy. Please read it carefully before investing.

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