

SECURITIES AND EXCHANGE COMMISSION

FORM 485APOS

Post-effective amendments [Rule 485(a)]

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KIEWIT MUTUAL FUND

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December 27, 1996

FILED via EDGAR

Filing Desk
U.S. Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

Re: Kiewit Mutual Fund
Post-Effective Amendment Nos. 3/6

Gentlemen:

Pursuant to Rule 485(a) under the Securities Act of 1933, submitted electronically via the EDGAR system, please find Post-Effective Amendment Nos. 3/6 (the "Amendment") to the Registration Statement of Kiewit Mutual Fund (the "Fund"). The Amendment relates to each of the Fund's series of shares ("Portfolios").

This Amendment is being filed to: (1) add a new series of shares to the Fund, Kiewit Rated Money Market Portfolio; (2) include disclosure relating to the conversion of the Fund's Portfolios to feeder portfolios in a master fund-feeder fund structure, subject to the approval of the Portfolios' shareholders of changes in certain investment limitations of the Portfolios and (3) include disclosure relating to the proposed offering of S Class Shares, bearing Rule 12b-1 fees, by each Portfolio of the Fund.

Please direct questions or comments relating to this filing to me at the above referenced phone number or, in my absence, to Michael V. Farrell, Esquire at (215) 564-8095.

Sincerely,

/s/ Joseph V. Del Raso
Joseph V. Del Raso

JVD/djs

Enclosures

cc: Kenneth D. Gaskins, Esquire (w/encl.)
Carl Rizzo, Esquire (w/encl.)
Steve Booth (w/encl.)
Michael Farrell, Esquire (w/encl.)

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM N-1A

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Pre-Effective Amendment No.

Post-Effective Amendment No. 3 *

and

REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940

Amendment No. 6 *

KIEWIT MUTUAL FUND
(Exact Name of Registrant as Specified in Charter)

1000 Kiewit Plaza, Omaha, NE 68131-3374
(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, including Area Code: (402) 342-2052

Kenneth D. Gaskins, Esq., Secretary
Kiewit Mutual Fund
1000 Kiewit Plaza
Omaha, NE 68131-3374
(Name and Address of Agent for Service)

Copy to:
Joseph V. Del Raso, Esq.
Stradley, Ronan, Stevens & Young
2600 One Commerce Square
Philadelphia, PA 19102

It is proposed that this filing will become effective

immediately upon filing pursuant to paragraph (b)

on pursuant to paragraph (b)

60 days after filing pursuant to paragraph (a) (1)

on pursuant to paragraph (a) (1)

X 75 days after filing pursuant to paragraph (a) (2)

on pursuant to paragraph (a) (2) of Rule 485.

If appropriate, check the following box:

This post-effective amendment designates a new effective date for a previously filed post-effective amendment.

Registrant has filed a declaration registering an indefinite amount of securities pursuant to Rule 24f-2 under the Investment Company Act of 1940, as amended. Registrant filed the notice required by Rule 24f-2 for its fiscal year ended June 30, 1996 on or about August 27, 1996

KIEWIT MUTUAL FUND

K CLASS SHARES

PROSPECTUS

_____, 1997

This prospectus describes the Kiewit Money Market Portfolio, Kiewit Rated Money Market Portfolio, Kiewit Short-Term Government Portfolio, Kiewit Intermediate-Term Bond Portfolio, Kiewit Tax-Exempt Portfolio and Kiewit Equity Portfolio (collectively the "Portfolios" or "Feeder Portfolios" and individually a "Portfolio"), each a series of shares issued by Kiewit Mutual Fund (the "Fund"), 1000 Kiewit Plaza, Omaha, NE 68131-3344, (800) 2KIEWIT. Each Portfolio is an open-end, diversified, management investment company which currently offers two separate classes of shares: K Class Shares and S Class Shares. Shares of each class represent equal, pro-rata interests in a Portfolio and accrue dividends in the same manner, except that S Class Shares bear distribution expenses payable by the Class as compensation for distribution of the S Class shares. The securities offered in this Prospectus are K Class Shares, which are not subject to any sales or distribution charges. Information concerning the Fund's S Class shares may be obtained by calling the Fund at the telephone number stated above.

The Fund issues six series of shares, each of which represents a separate class of the Fund's shares of beneficial interest, having its own investment objective and policies. The investment objective of the Kiewit Money Market Portfolio and Kiewit Rated Money Market Portfolio is to provide high current income while maintaining a stable share price. The investment objective of the Kiewit Short-Term Government Portfolio is to provide investors with as high a level of current income as is consistent with the maintenance of principal and liquidity. The investment objective of the Kiewit Intermediate-Term Bond Portfolio is to provide as high a level of current income as is consistent with reasonable risk. The investment objective of the Kiewit Tax-Exempt Portfolio is to provide as high a level of current income exempt from federal income tax as is consistent with reasonable risk. The investment objective of the Kiewit Equity Portfolio is to achieve long-term capital appreciation.

Unlike many other investment companies which directly acquire and manage their own portfolio of securities, each Portfolio seeks to achieve its investment objective by investing all of its investable assets in a corresponding series of shares of Kiewit Investment Trust (the "Trust"), an open-end, management investment company that issues series of shares (individually and collectively, the "Series") having the same investment objective, policies and limitations as each of the Portfolios. The investment experience of each Feeder Portfolio will correspond directly with the investment experience of its corresponding Series. Investors should carefully consider this investment approach. For additional information, see "Special Information About The Portfolios' Structure."

This prospectus contains information about the Portfolios that prospective investors should know before investing and should be read carefully and retained for future reference. A Statement of Additional Information dated _____, 1997, including the Fund's most recent Annual Report to Shareholders, is incorporated herein by reference, has been filed with the

Securities and Exchange Commission and is available upon request, without charge, by writing or calling the Fund at the above address or telephone number.

The shares of the Kiewit Money Market Portfolio and Kiewit Rated Money Market Portfolio are neither insured nor guaranteed by the U.S. Government. While such Portfolios will make every effort to maintain a stable net asset value of \$1.00 per share, there is no assurance that the Portfolios will be able to do so.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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HIGHLIGHTS

The Fund

The Fund is an open-end, diversified management investment company commonly known as a "mutual fund." The Fund was organized as a Delaware business trust on June 1, 1994. The Fund currently offers six series of shares: Kiewit Money Market Portfolio, Kiewit Rated Money Market Portfolio, Kiewit Short-Term Government Portfolio, Kiewit Intermediate-Term Bond Portfolio, Kiewit Tax-Exempt Portfolio and Kiewit Equity Portfolio. Each Portfolio offers two classes of shares, K Class Shares and S Class Shares. All shares that were registered and outstanding as of _____, 1997 are redesignated as K Class Shares.

Investment Objectives

The investment objective of each Portfolio of Kiewit Mutual Fund is to provide its investors with:

Money Market High current income, while maintaining a stable share price. The Money Market Portfolio will invest all of its assets in the Money Market Series of the Trust, which in turn invests in short-term money market securities.

Rated Money Market High current income, while maintaining a stable share price and a credit rating in the highest category of for money market funds as determined by an independent rating agency. The Rated Money Market Portfolio will invest all of its assets in the Rated Money Market Series of the Trust, which in turn invests in securities issued or guaranteed by the U.S. Government or its agencies or instrumentalities.

Short-Term Government High level of current income, consistent with the maintenance of principal and liquidity. The Short-Term Government Bond Portfolio will invest all of its assets in the Short-Term Government Bond Series of the Trust, which in turn invests in securities issued or guaranteed by the U.S. Government, its agencies, or instrumentalities.

Intermediate-Term Bond High level of current income, consistent with reasonable risk. The Portfolio will invest all of its assets in the Kiewit Intermediate-Term Bond Series of the Trust, which in turn invests in investment grade debt securities.

Tax-Exempt High level of current income, exempt from federal income tax, consistent with reasonable risk. The Tax-Exempt Portfolio will invest all of its assets in the Tax-Exempt Series of the Trust, which in turn invests primarily in municipal obligations exempt from federal income tax.

Equity Long-term capital appreciation. The Portfolio will invest all of its assets in the Kiewit Equity Series of the Trust, which in turn invests in the equity securities of companies which appear, in the opinion of the investment adviser, to be undervalued in the marketplace at the time of purchase.

Although the investment objective of each Portfolio is not fundamental and may be changed by the Board of Trustees without shareholder approval, the Fund intends to notify shareholders before making any material change. Due to the inherent risks of investments, there can be no assurance that a Portfolio will achieve its objective. See "Investment Objectives And Policies."

How to Purchase Shares

After you open an account, you may purchase K Class Shares by (a) writing the Fund and enclosing your check as payment or (b) by calling the Fund at (800) 2KIEWIT to arrange for payment by wire transfer. You may open an account by mailing a completed application form to the Fund. The public offering price of the shares of each Portfolio is the net asset value per share next determined after acceptance of the purchase order and payment. The K Class Shares may be purchased without a sales load, exchange fee, or distribution fee under a Rule 12b-1 plan. See "Purchase Of Shares."

How to Redeem Shares

You may redeem K Class Shares by mailing written instructions to the Fund or by calling the Fund at (800) 2KIEWIT (if you requested telephone redemption privileges on an application form). Shares will be redeemed at the net asset value per share next determined after acceptance of a redemption request. The Fund will promptly mail you a check, unless other arrangements have been made. See "Redemption Of Shares."

Dividend Reinvestment

Each Portfolio, except the Kiewit Equity Portfolio, intends to pay monthly dividends from its net investment income and will pay net capital gains, if any, annually. The Kiewit Equity Portfolio intends to pay annual dividends from net investment income, together with any net capital gains.

You may choose to receive dividends and capital gains distributions in cash or you may choose to automatically reinvest them in additional shares of the Portfolio. See "Dividends, Capital Gains Distributions And Taxes."

Investment Manager, Underwriter and Servicing Agents

Kiewit Investment Management Corp. serves as the investment manager of each Series of the Trust and also provides the Portfolios with certain administrative services. Rodney Square Distributors, Inc. serves as the Portfolios' underwriter. Wilmington Trust Company serves as the custodian of the Portfolios' assets and Rodney Square Management Corporation serves as the Portfolios' administrator, transfer agent and accounting services agent. Treasury Strategies, Inc. serves as the Portfolios' sub-administrator. See "Management Of The Fund."

Risk Factors

Each Portfolio, through its investment in a corresponding Series of the Trust, is subject to certain risks. Investors should consider a number of factors: (i) each Series of the Trust invests in securities that fluctuate in value, and there can be no assurance that the objective of any Portfolio will be achieved; (ii) each Series of the Trust may invest in repurchase and reverse repurchase agreements, which involve the risk of loss if the counterparty defaults on its obligations under the agreement; (iii) each Series of the Trust has reserved the right to borrow amounts not exceeding 33% of its net assets; and (iv) the Kiewit Intermediate-Term Bond Series may invest in mortgage securities, whose market values may vary with changes in market interest rates to a greater or lesser extent than the market values of other debt securities. Additionally, the policy of the Portfolios to invest in the corresponding Series of the Trust also involves certain risks. See "Risk Factors."

Peter Kiewit Sons', Inc.

An investment in the Fund is not a direct or indirect investment in the common stock of Peter Kiewit Sons', Inc. ("PKS"). Virtually all of PKS' common stock is owned by employees or former employees of PKS. The Fund is restricted from investing in the securities of PKS and its affiliates. PKS and its affiliates do not guarantee that an investment in the Fund will result in satisfactory results.

EXPENSE TABLE

| | | | | | | |
|--|------------------------------|---------------------------------------|---------------------------------------|---|-------------------------|---------------------|
| Shareholder Transaction Costs | None | | | | | |
| Annual Portfolio Operating Expenses (as a percentage of average net assets) | | | | | | |
| | Money Market Portfolio | Rated Money Market Portfolio | Short-Term Government Portfolio | Intermediate- Term Bond Portfolio | Tax-Exempt Portfolio | Equity Portfolio |
| Management Fees (after fee waiver) | .13% | .13% | .17% | .33% | .36% | .45% |
| 12b-1 Fees | none | none | none | none | none | none |
| Other Expenses | .07% | .07% | .13% | .17% | .14% | .35% |
| Total Portfolio Operating Expenses | .20% | .20% | .30% | .50% | .50% | .80% |

The information in the Expense Table has been restated to reflect changes in the amounts of management fees waived and Fund expenses assumed.

Prior to _____, 1997, the Portfolios sought to achieve their investment objectives by acquiring and managing their own portfolios of securities rather than by investing all of their assets in the corresponding Series of the Trust. The above figures have been restated to reflect estimated aggregate annualized operating expenses of each Feeder Portfolio and its

corresponding Series as though the Feeder Portfolio's assets had been invested in the Series during the fiscal year ended June 30, 1996.

Example

You would pay the following expenses on a \$1,000 investment, assuming a 5% annual return and redemption at the end of each time period:

| | 1 Year | 3 Years | 5 Years | 10 Years |
|----------------------------------|--------|---------|---------|----------|
| Money Market Portfolio | 2 | 6 | 11 | 26 |
| Rated Money Market Portfolio | 2 | 6 | n/a | n/a |
| Short-Term Government Portfolio | 3 | 10 | 17 | 38 |
| Intermediate-Term Bond Portfolio | 5 | 16 | 28 | 63 |
| Tax-Exempt Portfolio | 5 | 16 | 28 | 63 |
| Equity Portfolio | 8 | 26 | 44 | 99 |

The purpose of the above Expense Table and Example is to assist investors in understanding the various costs and expenses that an investor in the Portfolios' K Class Shares will bear directly or indirectly. The information set forth above relates only to the Portfolios' K Class Shares, which shares are subject to different total fees and expenses than S Class Shares.

The Example should not be considered a representation of past or future expenses. Actual expenses may be greater or lesser than those shown. The above Example is based on actual expenses for the most recent fiscal period.

The table summarizes the aggregate estimated annual operating expenses of both the Portfolios' K Class Shares and the Series of the Trust in which the Portfolios invest. (See "Management Of The Fund" for a description of Portfolio and Series expenses.) Through June 30, 1997, Kiewit Investment Management Corp. has agreed to waive all or a portion of its advisory fee and to assume certain expenses in order to limit annual operating expenses of the K Class Shares to not more than the following percentage of the average daily net assets of each Portfolio: Kiewit Money Market Portfolio .20%; Kiewit Rated Money Market Portfolio .20%; Kiewit Short-Term Government Portfolio .30%; Kiewit Intermediate Term Bond Portfolio .50%; Kiewit Tax-Exempt Bond Portfolio .50%; and Kiewit Equity Portfolio .80%. Without the waiver of fees by Kiewit Investment Management Corp., the total expenses of each Portfolio's K Class Shares for the fiscal year ended June 30, 1996, would have been: Kiewit Money Market Portfolio 0.27%; Kiewit Short-Term Government Portfolio 0.43%; Kiewit Intermediate-Term Bond Portfolio 0.57%; Kiewit Tax-Exempt Portfolio 0.54% and Kiewit Equity Portfolio 1.05%.

The Board of Trustees of the Fund has considered whether such expenses will be more or less than they would be if the Feeder Portfolios invest directly in the securities held by the Trust Series. The aggregate amount of expenses for a Feeder Portfolio and the corresponding Trust Series may be greater than if the Portfolio were to invest directly in the securities held by the corresponding Trust Series. However, the total expense ratios for the Feeder Portfolios and the Trust Series are expected to be less over time than such ratios would have been if the Portfolios had continued to invest directly in the underlying securities. This is because this arrangement

enables various institutional investors, including the Feeder Portfolios, to pool their assets, which may be expected to result in economies by spreading certain fixed costs over a larger asset base. Each shareholder in a Trust Series, including a Feeder Portfolio, will pay its proportionate share of the expenses of that Trust Series.

FINANCIAL HIGHLIGHTS

The following table includes selected data for a K Class Share outstanding from the effective date of the Fund's registration statement under the Securities Act of 1933 (December 6, 1994) or commencement of operations, whichever occurs later, through the end of the Fund's fiscal year on June 30, 1996.* The amounts in this table are audited and should be read in conjunction with the Fund's audited financial statements, the notes thereto, and the auditor's report thereon, all of which are included in the Fund's Statement of Additional Information.

| | Money Market Portfolio | Short-Term Government Portfolio | Intermediate-Term Bond Portfolio | Tax-Exempt Portfolio | Equity Portfolio | | | | | |
|---|------------------------|---------------------------------|----------------------------------|----------------------|------------------|-----------|-----------|-----------|----------|----------|
| For the Periods ended June 30, | | | | | | | | | | |
| | 1996 | 1995* | 1996 | 1995* | 1996 | 1995* | 1996 | 1995* | 1996 | 1995* |
| Net asset value - | | | | | | | | | | |
| Beginning of period | \$1.00 | \$1.00 | \$2.03 | \$1.98 | \$2.05 | \$1.96 | \$2.02 | \$1.96 | \$14.04 | \$12.50 |
| Investment Operations: | | | | | | | | | | |
| Net investment income | 0.05 | 0.03 | 0.12 | 0.07 | 0.13 | 0.08 | 0.09 | 0.05 | 0.13 | 0.11 |
| Net realized and unrealized gain (loss) | | | | | | | | | | |
| on investments | - | - | (0.03) | 0.05 | (0.04) | 0.09 | - | 0.06 | 2.56 | 1.43 |
| Total from investment operations | 0.05 | 0.03 | 0.09 | 0.12 | 0.09 | 0.17 | 0.09 | 0.11 | 2.69 | 1.54 |
| Distributions: | | | | | | | | | | |
| From net investment income | (0.05) | (0.03) | (0.12) | (0.07) | (0.13) | (0.08) | (0.09) | (0.05) | (0.15) | - |
| Net asset value | | | | | | | | | | |
| - End of period | \$1.00 | \$1.00 | \$2.00 | \$2.03 | \$2.01 | \$2.05 | \$2.02 | \$2.02 | \$16.58 | \$14.04 |
| Total Return | 5.61% | 3.31%+ | 4.66% | 6.18%+ | 4.48% | 8.63%+ | 4.55% | 5.73%+ | 19.24% | 12.32%+ |
| Ratios (to average net assets)/Supplemental Data: | | | | | | | | | | |
| Expenses** | 0.20% | 0.30%++ | 0.30% | 0.40%++ | 0.50% | 0.50%++ | 0.50% | 0.50%++ | 0.80% | 0.80%++ |
| Net investment income | 5.47% | 5.82%++ | 6.06% | 6.17%++ | 6.37% | 6.72%++ | 4.47% | 4.50%++ | 1.34% | 3.06%++ |
| Portfolio turnover rate | N/A | N/A | 57.52% | 69.57%++ | 86.06% | 121.36%++ | 100.61% | 92.53%++ | 16.95% | 0.00%++ |
| Net assets at end of period | | | | | | | | | | |
| (000 omitted) | | | | | | | | | | |
| | \$389,967 | \$380,708 | \$183,316 | \$132,828 | \$122,952 | \$105,020 | \$142,185 | \$135,518 | \$66,137 | \$20,865 |
| Average Commission rate paid | - | - | - | - | - | - | - | - | - | - |
| | | | | | | \$0.0637 | | | | |

* The periods shown for the Money Market Portfolio, Short-Term Government Portfolio, Intermediate-Term Bond Portfolio, and Tax-Exempt Portfolio each begin on December 6, 1994 with the effectiveness of the Fund's registration statement. The period shown for the Equity Portfolio begins with its commencement of operations on January 5, 1995, after the effectiveness of the Fund's registration statement.

** For the period from December 6, 1994 through June 30, 1995, Kiewit Investment Management Corp. (the "Manager") agreed to waive all or a portion of its fee in an amount that limited annual operating expenses of the (i) Money Market Portfolio to not more than 0.30% of the average daily net assets of the Portfolio; (ii) Short-Term Government Portfolio to not more than 0.40% of the average daily net assets of the Portfolio; (iii) Intermediate-Term Bond Portfolio to not more than 0.50% of the average daily net assets of the Portfolio, (iv) Tax-Exempt Portfolio to not more than 0.50% of the average daily net assets of the Portfolio; (v) Equity Portfolio to not more than 0.80% of the average daily net assets of the Portfolio.

The annualized expense ratio, had there been no assumption of expenses or fee waivers by the Manager, would have been 0.27%, 0.43%, 0.57%, 0.54% and 1.05%, and 0.30%, 0.46%, 0.63%, 0.53% and 2.56% for the fiscal year ended June 30, 1996 and for the period ended June 30, 1995, respectively for each Portfolio.

Effective July 1, 1995 through June 30, 1997, the Manager has agreed to waive all or a portion of its fee in an amount that will limit annual operating expenses of the (i) Money Market Portfolio to not more than 0.20% of the average daily net assets of the Portfolio; (ii) Short-Term Government Portfolio to not more than 0.30% of the average daily net assets of the Portfolio, (iii) Intermediate-Term Bond Portfolio to not more than 0.50% of the average daily net assets of the Portfolio, (iv) Tax-Exempt Portfolio to not more than 0.50% of the average daily net assets of the Portfolio, and (v) Equity Portfolio to not more than 0.80% of the average daily net assets of the Portfolio. The annualized expense ratio, had there been no fee waivers by the Manager, would have been 0.27%, 0.43%, 0.57%, 0.54% and 1.05% for the fiscal year ended June 30, 1996, respectively for each Portfolio.

+ Not Annualized.

++ Annualized.

SPECIAL INFORMATION ABOUT THE PORTFOLIOS' STRUCTURE

Each of the six Portfolios of the Fund, unlike many other investment companies which directly acquire and manage their own portfolio of securities, seeks to achieve its investment objective by investing all of its investable assets in a corresponding Series of the Trust, an open-end, management investment company, registered under the Investment Company Act of 1940, that issues Series having the same investment objective as each of the Portfolios. The investment objectives of the Portfolios and their corresponding Series may be changed without shareholder approval. Shareholders of a Feeder Portfolio will receive written notice at least 30 days prior to the effective date of any change in the investment objective of the Portfolio or its corresponding Trust Series.

This prospectus describes the investment objective, policies and restrictions of each Feeder Portfolio and its corresponding Series. (See "Portfolio Characteristics And Policies - Kiewit Money Market Portfolio, Kiewit Rated Money Market Portfolio, Kiewit Short-Term Government Portfolio, Kiewit Intermediate-Term Bond Portfolio, Kiewit Tax-Exempt Portfolio and Kiewit Equity Portfolio." In addition, an investor should read "Management Of The Fund" for a description of the management and other expenses associated with the Feeder

Portfolios' investment in the Trust. Other institutional investors, including other mutual funds, may invest in each Series, and the expenses of such other funds and, correspondingly, their returns may differ from those of the Portfolios. Please contact the Fund at 1000 Kiewit Plaza, Omaha, NE 08131-3344, 1-800-2KIEWIT for information about the availability of investing in a Series of the Trust other than through a Feeder Portfolio.

The shares of the Trust Series will be offered to institutional investors for the purpose of increasing the funds available for investment, to reduce expenses as a percentage of total assets and to achieve other economies that might be available at higher asset levels. While investment in a Series by other institutional investors offers potential benefits to the Series and, through their investment in the Series, the Feeder Portfolios also, institutional investment in the Series also entails the risk that economies and expense reductions might not be achieved, and additional investment opportunities, such as increased diversification, might not be available if other institutions do not invest in the Series. Also, if an institutional investor were to redeem its interest in a Series, the remaining investors in that Series could experience higher pro rata operating expenses, thereby producing lower returns, and the Series' security holdings may become less diverse, resulting in increased risk. Institutional investors that have a greater pro rata ownership interest in a Series than the corresponding Feeder Portfolio could have effective voting control over the operation of the Series.

Further, if a Series changes its investment objective in a manner which is inconsistent with the investment objective of a corresponding Feeder Portfolio and the Portfolio does not make a similar change in its investment objective, the Portfolio would be forced to withdraw its investment in the Series and either seek to invest its assets in another registered investment company with the same investment objective as the Portfolio, which might not be possible, or retain an investment advisor to manage the Portfolio's assets in accordance with its own investment objective, possibly at increased cost. A withdrawal by a Feeder Portfolio of its investment in the corresponding Series could result in a distribution in kind of portfolio securities (as opposed to a cash distribution) to the Portfolio. Should such a distribution occur, the Portfolio could incur brokerage fees or other transaction costs in converting such securities to cash in order to pay redemptions. In addition, a distribution in kind to the Portfolio could result in a less diversified portfolio of investments and could affect adversely the liquidity of the Portfolio. Moreover, a distribution in kind may constitute a taxable exchange for federal income tax purposes resulting in gain or loss to the Feeder Portfolios. Any net capital gains so realized will be distributed to such a Portfolio's shareholders as described in "Dividends, Capital Gains Distributions And Taxes" below.

Finally, the Feeder Portfolios' investment in the shares of a registered investment company such as the Trust is relatively new and results in certain operational and other complexities. However, management believes that the benefits to be gained by shareholders outweigh the additional complexities and that the risks attendant to such investment are not inherently different from the risks of direct investment in securities of the type in which the Trust Series invest.

INVESTMENT OBJECTIVES AND POLICIES

Kiewit Money Market Portfolio

The Kiewit Money Market Portfolio pursues its investment objective by investing all of its assets in the Money Market Series of the Trust (the "Money Market Series") which has the same investment objective and policies as the Portfolio. The investment objective of the Money Market Series is to provide

high current income while maintaining a stable share price by investing in short-term money market securities. The Money Market Series invests in U.S. dollar-denominated money market instruments that mature in 13 months or less, maintains an average weighted maturity of 90 days or less and limits its investments to those investments which the Board of Trustees determines present minimal credit risks.

The Money Market Series will invest in the following money market obligations issued by financial institutions, nonfinancial corporations, and the U.S. Government, state and municipal governments and their agencies or instrumentalities:

(1) United States Treasury obligations including bills, notes, bonds and other debt obligations issued by the United States Treasury. These securities are backed by the full faith and credit of the U.S. Government.

(2) Obligations of agencies and instrumentalities of the U.S. Government which are supported by the full faith and credit of the U.S. Government, such as securities of the Government National Mortgage Association, or which are supported by the right of the issuer to borrow from the U.S. Treasury, such as securities issued by the Federal Financing Bank; or which are supported by the credit of the agency or instrumentality itself, such as securities of Federal Farm Credit Banks.

(3) Repurchase agreements that are fully collateralized by the securities listed in (1) and (2) above.

(4) Commercial paper rated in the two highest categories of short-term debt ratings of any two Nationally Recognized Statistical Ratings Organization ("NRSROs") (such as Moody's Investor Services, Inc. and Standard & Poor's Rating Services) or, if unrated, issued by a corporation having outstanding comparable obligations that are rated in the two highest categories of short-term debt ratings. See "Appendix - Description Of Ratings."

(5) Corporate obligations having a remaining maturity of 397 calendar days or less, issued by corporations having outstanding comparable obligations that are (a) rated in the two highest categories of any two NRSROs or (b) rated no lower than the two highest long-term debt ratings categories by any NRSRO. See "Appendix - Description Of Ratings."

(6) Obligations of U.S. banks, such as certificates of deposit, time deposits and bankers acceptances. The banks must have total assets exceeding \$1 billion.

(7) Short-term Eurodollar and Yankee obligations of banks having total assets exceeding one billion dollars. Eurodollar bank obligations are dollar-denominated certificates of deposit or time deposits issued outside the U.S. capital markets by foreign branches of U.S. banks or by foreign banks; Yankee bank obligations are dollar-denominated obligations issued in the U.S. capital markets by foreign banks.

The Money Market Series will not invest more than 5% of its total assets in the securities of a single issuer. With respect to any security rated in the second highest rating category by an NRSRO, the Money Market Series will not invest more than (i) 1% of its total assets in such securities issued by a single issuer and (ii) 5% of its total assets in such securities of all issuers. Up to 10% of the Money Market Series' net assets may be invested in "restricted" and other illiquid money market securities, which are not freely marketable under the Securities Act of 1933 (the "1933 Act").

The Money Market Series may invest in repurchase agreements. A repurchase agreement is a means of investing monies for a short period. In a repurchase agreement, a seller--a U.S. commercial bank or recognized U.S. securities dealer--sells securities to the Money Market Series and agrees to repurchase

the securities at the Money Market Series' cost plus interest within a specified period (normally one day). In these transactions, the securities purchased by the Money Market Series will have a total value equal to or in excess of the value of the repurchase agreement, and will be held by the Money Market Series' custodian bank until repurchased. Under the Investment Company Act of 1940 (the "1940 Act"), a repurchase agreement is deemed to be the loan of money by the Money Market Series to the seller, collateralized by the underlying securities.

Eurodollar and Yankee obligations are subject to the same risks that pertain to domestic issues, notably credit risk, market risk and liquidity risk. Additionally, Eurodollar (and to a limited extent, Yankee) obligations are subject to certain sovereign risks. One such risk is the possibility that a foreign government might prevent dollar-denominated funds from flowing across its borders. Other risks include: adverse political and economic developments in a foreign country; the extent and quality of government regulation of financial markets and institutions; the imposition of foreign withholding taxes; and expropriation or nationalization of foreign issuers. However, Eurodollar and Yankee obligations will undergo the same credit analysis as domestic issues in which the Money Market Series invests, and foreign issuers will be required to meet the same tests of financial strength as the domestic issuers approved for the Money Market Series.

Kiewit Rated Money Market Portfolio

The Kiewit Rated Money Market Portfolio pursues its investment objective by investing all of its assets in the Rated Money Market Series of the Trust (the "Rated Money Market Series"). The investment objective of the Rated Money Market Series is to provide high current income while maintaining a stable share price and a rating in the highest category of short-term debt ratings by an NRSRO by investing in securities issued by the U.S. Government, its agencies or instrumentalities. The Series invests in U.S. dollar-denominated money market instruments that mature in 13 months or less and will maintain an average weighted maturity of 60 days or less.

The Series will invest in the following money market obligations issued by the U.S. government, its agencies or instrumentalities:

- (1) United States Treasury obligations including bills, notes, bonds and other debt obligations issued by the United States Treasury. These securities are backed by the full faith and credit of the United States government
- (2) Obligations of agencies and instrumentalities of the U.S. Government which are supported by the full faith and credit of the U.S. Government, such as securities of the Government National Mortgage Association, or which are supported by the right of the issuer to borrow from the U.S. Treasury, such as securities issued by the Federal Financing Bank; or which are supported by the credit of the agency or instrumentality itself, such as securities of Federal Farm Credit Banks.
- (3) Repurchase agreements that are fully collateralized by the securities listed in (1) and (2) above.

The Series has and will maintain an AAAM credit rating from Standard & Poor's Rating Group. The AAAM credit rating indicates that the Series is composed exclusively of investments that are rated AAA and/or eligible short-term investments.

The Series may invest in repurchase agreements. A repurchase agreement is a

means of investing monies for a short period. In a repurchase agreement, a seller--a U.S. commercial bank or recognized U.S. securities dealer--sells securities to the Series and agrees to repurchase the securities at the Series' cost plus interest within a specified period (normally one day). In these transactions, the securities purchased by the Series will have a total value equal to or in excess of the value of the repurchase agreement, and will be held by the Series' custodian bank until repurchased. Under the Investment Company Act of 1940 (the "1940 Act"), a repurchase agreement is deemed to be the loan of money by the Series to the seller, collateralized by the underlying securities.

Kiewit Short-Term Government Portfolio

The Kiewit Short-Term Government Portfolio pursues its investment objective by investing all of its assets in the Kiewit Short-Term Government Series of the Trust (the "Short-Term Government Series") which has the same investment objective and policies as the Portfolio. The investment objective of the Short-Term Government Series is to provide investors with as high a level of current income as is consistent with the maintenance of principal and liquidity. The Short-Term Government Series invests at least 65% of its assets in U.S. Treasury securities and U.S. Government agency securities. The Short-Term Government Series may also invest in repurchase agreements collateralized by U.S. Treasury or U.S. Government agency securities. In an effort to minimize fluctuations in market value, the Short-Term Government Series will maintain a dollar-weighted average maturity between one and three years.

U.S. Government agency securities are debt obligations of agencies and instrumentalities of the U.S. Government which are supported by the full faith and credit of the U.S. Government, such as securities of the Government National Mortgage Association; or which are supported by the right of the issuer to borrow from the U.S. Treasury, such as securities issued by the Federal Financing Bank; or which are supported by the credit of the agency or instrumentality itself, such as securities of Federal Farm Credit Banks.

Kiewit Intermediate-Term Bond Portfolio

The Kiewit Intermediate-Term Bond Portfolio pursues its investment objective by investing all of its assets in the Kiewit Intermediate-Term Bond Series of the Trust (the "Intermediate-Term Bond Series") which has the same investment objective and policies as the Portfolio. The investment objective of the Intermediate-Term Bond Series is to provide as high a level of current income as is consistent with reasonable risk. It seeks to achieve its objective by investing substantially all of its total assets in a diversified portfolio of the following investment grade debt securities: U.S. Treasury and U.S. Government agency securities, mortgage-backed securities, asset-backed securities and corporate bonds. The Intermediate-Term Bond Series may also invest in repurchase agreements collateralized by U.S. Treasury and U.S. Government agency securities and other short-term debt securities. The Intermediate-Term Bond Series will have an average effective maturity (i.e., the market value weighted average time to repayment of principal) of between three and ten years.

Debt securities rated by an NRSRO, in the lowest investment grade debt category, have speculative characteristics; a change in economic conditions could lead to a weakened capacity of the issuer to make principal and interest payments. To the extent that the rating of a debt obligation held by the Intermediate-Term Bond Series falls below investment grade, the Intermediate-Term Bond Series, as soon as practicable, will dispose of the security, unless such disposal would be detrimental to the Intermediate-Term Bond Series in light of market conditions. See "Appendix - Description Of Ratings."

The Intermediate-Term Bond Series may invest in both fixed and variable or floating rate instruments. Variable and floating rate securities bear interest at rates which vary with changes in specified market rates or indices, such as a Federal Reserve composite index. The interest rate on these securities may be reset daily, weekly, quarterly or some other reset period, and may have a floor or ceiling on interest rate changes. There is a risk that the current interest rate on such securities may not accurately reflect existing market interest rates. Some of these securities carry a demand feature which permits the Intermediate-Term Bond Series to sell them during a predetermined time period at par value plus accrued interest. The demand feature is often backed by a credit instrument, such as a letter of credit, or by a creditworthy insurer. The Intermediate-Term Bond Series may rely on such instrument or the creditworthiness of the insurer in purchasing a variable or floating rate security.

Kiewit Tax-Exempt Portfolio

The Kiewit Tax-Exempt Portfolio pursues its investment objective by investing all of its assets in the Kiewit Tax-Exempt Series of the Trust (the "Tax-Exempt Series") which has the same investment objective and policies as the Portfolio. The investment objective of the Tax-Exempt Series is to provide as high a level of current income exempt from federal income tax as is consistent with reasonable risk. Because of this emphasis, capital appreciation is not an investment objective. The Tax-Exempt Series pursues its objective by investing primarily in municipal obligations whose interest is, in the opinion of counsel to the issuer, exempt from federal income tax. As a fundamental policy, the Tax-Exempt Series will normally invest at least 80% of its net assets in securities the interest on which is exempt from federal income tax, including the alternative minimum tax. However, the Tax-Exempt Series may invest up to 20% of its net assets in municipal securities, the interest on which is a preference item for purposes of the federal alternative minimum tax ("AMT bonds"). When the Manager is unable to locate investment opportunities with desirable risk/reward characteristics, the Tax-Exempt Series may invest up to 20% of its net assets in the following: cash, cash equivalent short-term obligations, certificates of deposit, commercial paper, obligations issued or guaranteed by the U.S. Government or any of its agencies or instrumentalities, and repurchase agreements.

Municipal obligations are issued by states, territories and possessions of the United States and the District of Columbia and their political subdivisions, agencies and instrumentalities to raise money for various public purposes. Municipal obligations consist of general obligation bonds, revenue bonds and notes. General obligation bonds are backed by the issuer's pledge of its full faith, credit and taxing power for the payment of principal and interest and are considered the safest type of municipal investment. Revenue bonds are backed by revenues derived from a specific project, facility or revenue source. At times, the Tax-Exempt Series may invest more than 25% of the value of its assets in industrial development bonds, a type of revenue bond. Although issued by a public authority, some industrial revenue bonds may be backed only by the credit and security of a private issuer and may involve greater credit risk. Municipal notes are issued to finance short-term capital needs of a municipality and include tax and revenue anticipation notes, bond anticipation notes and commercial paper. Municipal obligations bear fixed, floating and variable rates of interest.

AMT bonds are tax-exempt "private activity" bonds issued after August 7, 1986, whose proceeds are directed at least in part to a private, for-profit organization. While the income from AMT bonds is exempt from regular federal income tax, it is a tax preference item for purposes of the alternative minimum tax. The alternative minimum tax is a special separate tax that applies to a

limited number of taxpayers who have certain adjustments to income or tax preference items.

The Tax-Exempt Series also may invest up to 5% of its total assets in the following municipal-based obligations: municipal lease obligations, inverse floaters, tender option bonds, when-issued securities and zero coupon bonds. See the Fund's Statement of Additional Information for a discussion of these types of investments.

The Tax-Exempt Series may invest in the various types of municipal securities in any proportion. Although the Tax-Exempt Series does not currently intend to do so on a regular basis, it may invest more than 25% of its assets in tax-exempt securities that are repayable out of revenue streams generated from economically related projects or facilities, if such investment is deemed necessary or appropriate by the Manager. To the extent that the Tax-Exempt Series' assets are concentrated in tax-exempt securities payable from revenues on economically related projects and facilities, the Tax-Exempt Series will be subject to the risks presented by such projects to a greater extent than it would be if the Tax-Exempt Series' assets were not so concentrated.

The Tax-Exempt Series will invest only in investment grade obligations, or if unrated, in obligations that the Manager determines to be of comparable quality. The Tax-Exempt Series will have an average effective maturity (i.e., the market value weighted average time to repayment of principal) of between three and ten years. See "Appendix - Description Of Ratings."

Kiewit Equity Portfolio

The Kiewit Equity Portfolio pursues its investment objective by investing all of its assets in the Kiewit Equity Series of the Trust (the "Equity Series") which has the same investment objective and policies as the Portfolio.

The Equity Series invests primarily in a diversified portfolio of equity securities, including common stocks, preferred stocks and securities convertible into common stock, which, in the Manager's opinion, are undervalued in the marketplace at the time of purchase. Dividend income is an incidental consideration compared to growth in capital. In selecting securities for the Equity Series, the Manager or sub-adviser may evaluate factors it believes are likely to affect long-term capital appreciation such as the issuer's background, industry position, historical returns on equity and experience and qualifications of the management team. The Manager may rotate the Equity Series' holdings among various market sectors based on economic analysis of the overall business cycle. Under normal conditions, at least 65 percent of the Equity Series' net assets will be invested in equity securities.

The Equity Series invests in equity securities only if they are listed on registered exchanges or actively traded in the over-the-counter market. Under normal circumstances the Equity Series, to the extent not invested in the securities described above, may invest in investment grade securities issued by corporations and U.S. Government securities. In order to meet liquidity needs, the Equity Series may hold cash reserves and invest in money market instruments (including securities issued or guaranteed by the U.S. Government, its agencies or instrumentalities, repurchase agreements, certificates of deposit and bankers acceptances issued by banks or savings and loan associations, and commercial paper) rated at time of purchase in the top two categories by an NRSRO or determined to be of comparable quality by the Manager at the time of purchase.

The Equity Series may also purchase and sell American Depositary Receipts

("ADRs"). ADRs are receipts typically issued by a U.S. bank or trust company which evidence ownership of underlying securities issued by a foreign corporation. Generally, ADRs in registered form are designed for use in the U.S. securities markets. The Equity Series may invest in ADRs through "sponsored" or "unsponsored" facilities. A sponsored facility is established jointly by the issuer of the underlying security and a depository, whereas a depository may establish an unsponsored facility without participation of the issuer of the deposited security. The Series does not consider any ADR purchase to be foreign. Holders of unsponsored ADRs generally bear all the costs of such facilities and the depository of an unsponsored facility frequently is under no obligation to distribute shareholder communications received from the issuer of the deposited security or to pass through voting rights to the holders of such receipts in respect of the deposited securities. Therefore, there may not be a correlation between information concerning the issuer of the security and the market value of an unsponsored ADR.

The Equity Series may invest in convertible securities issued by U.S. companies. Convertible debentures include corporate bonds and notes that may be converted into or exchanged for common stock. These securities are generally convertible either at a stated price or a stated rate (that is, for a specific number of shares of common stock or other security). As with other fixed income securities, the price of a convertible debenture to some extent varies inversely with interest rates. While providing a fixed-income stream, a convertible debenture also affords the investor an opportunity, through its conversion feature, to participate in the capital appreciation of the common stock into which it is convertible. Common stock acquired by the Equity Series upon conversion of a convertible debenture will generally be held for so long as the Manager anticipates such stock will provide the Series with opportunities which are consistent with the Series' investment objective and policies.

For temporary defensive purposes when the Manager determines that market conditions warrant, the Equity Series may invest up to 100% of its assets in the money market instruments described above and other short-term debt instruments that are rated, at the time of purchase, investment grade, and may hold a portion of its assets in cash.

Other Investment Policies

Other Registered Investment Companies. Each Portfolio's corresponding Series reserves the right to invest in the shares of other registered investment companies. By investing in shares of investment companies, a Series would indirectly pay a portion of the operating expenses, management expenses and brokerage costs of such companies as well as the expense of operating the Series. Thus, the Series' investors may pay higher total operating expenses and other costs than they might pay by owning the underlying investment companies directly. The Manager will attempt to identify investment companies that have demonstrated superior management in the past, thus possibly offsetting these factors by producing better results and/or lower expenses than other investment companies with similar investment objectives and policies. There can be no assurance that this result will be achieved. However, the Manager will waive its advisory fee with respect to the assets of a Series invested in other investment companies, to the extent of the advisory fee charged by any investment adviser to such investment company. In addition, the 1940 Act limits investment by a Series in shares of other investment companies to no more than 10% of the value of the Series' total assets.

Securities Loans. Each Series may lend securities to qualified brokers,

dealers, banks and other financial institutions for the purpose of earning additional income. While a Series may earn additional income from lending securities, such activity is incidental to the investment objective of a Series. The value of securities loaned may not exceed 33 1/3% of the value of a Series' total assets. In connection with such loans, a Series will receive collateral consisting of cash or U.S. Government securities, which will be maintained at all times in an amount equal to at least 100% of the current market value of the loaned securities. In addition, the Series will be able to terminate the loan at any time, will retain the authority to vote the loaned securities and will receive reasonable interest on the loan, as well as amounts equal to any dividends, interest or other distributions on the loaned securities. In the event of the bankruptcy of the borrower, the Fund could experience delay in recovering the loaned securities. Management believes that this risk can be controlled through careful monitoring procedures.

Reverse Repurchase Agreements. A Series may enter into reverse repurchase agreements with banks and broker-dealers. Reverse repurchase agreements involve sales by a Series of its assets concurrently with an agreement by the Series to repurchase the same assets at a later date at a fixed price. A Series will establish a segregated account with its custodian bank in which it will maintain cash, U.S. government securities or other liquid obligations equal in value to its obligations with respect to reverse repurchase agreements.

Options. The Kiewit Short-Term Government Series, Kiewit Intermediate-Term Bond Series and Kiewit Equity Series each may sell and/or purchase exchange-traded call options and purchase exchange-traded put options on securities in the Portfolio. Options will be used to generate income and to protect against price changes and will not be engaged in for speculative purposes. The aggregate value of option positions may not exceed 10% of each Series' net assets as of the time the Series enters into such options.

A put option gives the purchaser of the option the right to sell, and the writer the obligation to buy, the underlying security at any time during the option period. A call option gives the purchaser of the option the right to buy, and the writer of the option the obligation to sell, the underlying security at any time during the option period. The premium paid to the writer is the consideration for undertaking the obligations under the option contract.

There are risks associated with option transactions including the following: (i) the success of an options strategy may depend on the ability of the Manager to predict movements in the prices of the individual securities, fluctuations in markets and movements in interest rates; (ii) there may be an imperfect correlation between the changes in market value of the securities held by a Series and the prices of options; (iii) there may not be a liquid secondary market for options; and (iv) while a Series will receive a premium when it writes covered call options, it may not participate fully in a rise in the market value of the underlying security.

RISK FACTORS

Each Series has reserved the right to borrow amounts not exceeding 33% of its net assets for the purposes of making redemption payments. When advantageous opportunities to do so exist, a Series may also borrow amounts not exceeding 5% of the value of the Series' net assets for the purpose of purchasing securities. Such purchases can be considered to result in "leveraging," and in such circumstances, the net asset value of the Series may increase or decrease at a greater rate than would be the case if the Series had not leveraged. A Series would incur interest on the amount borrowed and if the

appreciation and income produced by the investments purchased when the Series has borrowed are less than the cost of borrowing, the investment performance of the Series may be further reduced as a result of leveraging.

In addition, each Series may invest in repurchase agreements and reverse repurchase agreements. The use of repurchase agreements involves certain risks. For example, if the seller of the agreement defaults on its obligation to repurchase the underlying securities at a time when the value of these securities has declined, a Series may incur a loss upon disposition of them. If the seller of the agreement becomes insolvent and subject to liquidation or reorganization under the bankruptcy code or other laws, a bankruptcy court may determine that the underlying securities are collateral not within the control of the Series and therefore subject to sale by the trustee in bankruptcy. Finally, it is possible that a Series may not be able to substantiate its interest in the underlying securities. While the Fund's management acknowledges these risks, it is expected that they can be controlled through stringent security selection and careful monitoring. Reverse repurchase agreements involve the risk that the market value of the securities retained by the Series may decline below the price of the securities the Series has sold but is obligated to repurchase under the agreement. In the event the buyer of securities under a reverse repurchase agreement files for bankruptcy or become insolvent, the Series' use of the proceeds of the agreement may be restricted pending a determination by the other party, or its trustee or receiver, whether to enforce the Series' obligation to repurchase the securities. Reverse repurchase agreements are considered borrowings by the Series and as such are subject to the investment limitations discussed above.

The mortgage-backed and asset-backed securities in which the Kiewit Intermediate-Term Bond Series may invest differ from conventional bonds in that principal is paid back over the life of the security rather than at maturity. As a result, the holder of those types of securities (the Series) receives monthly scheduled payments of principal and interest, and may receive unscheduled principal payments representing prepayments on the underlying mortgages or assets. Such prepayments occur more frequently during periods of declining interest rates. When the holder reinvests the payments and any unscheduled prepayments of principal it receives, it may receive a rate of interest which is lower than the rate on the existing mortgage-backed and asset-backed securities. For this reason, these securities may be less effective than other types of securities as a means of "locking in" long-term interest rates.

The market value of mortgage securities, like other debt securities, generally varies inversely with changes in market interest rates, declining when interest rates rise and rising when interest rates decline. However, mortgage securities, due to changes in the rates of prepayments on the underlying mortgages, may experience less capital appreciation in declining interest rate environments and greater capital losses in periods of increasing interest rates than other investments of comparable maturities.

In addition, to the extent mortgage securities are purchased at a premium, mortgage foreclosures and unscheduled principal prepayments may result in some loss of the holders' principal investment to the extent of the premium paid. On the other hand, if mortgage securities are purchased at a discount, both a scheduled payment of principal and an unscheduled prepayment of principal increases current and total returns and accelerates the recognition of income which, when distributed to shareholders, is taxable as ordinary income.

MANAGEMENT OF THE FUND

The Fund was organized as a Delaware business trust. Under Delaware law the

Fund's Board of Trustees is responsible for establishing Fund policies and for overseeing the management of the Fund.

Each of the Trustees and officers of the Fund is also a Trustee and officer of the Trust. The Trustees of the Fund, including all of the disinterested Trustees, have adopted written procedures to monitor potential conflicts of interest that might develop between the Feeder Portfolios and the Trust. Information as to the Trustees and Officers of the Fund and the Trust is set forth in the Statement of Additional Information under "Trustees and Officers."

Investment Management Agreement. Kiewit Investment Management Corp. (the "Manager"), 1000 Kiewit Plaza, Omaha, NE 68131-3344, serves as the investment manager to each Series of the Trust. The Manager, organized in 1994, is an indirect wholly-owned subsidiary of Peter Kiewit Sons', Inc., a construction, mining and telecommunications company. The Manager provides the Trust with records concerning the Manager's activities which the Trust is required to maintain and renders regular reports to the Trust's officers and the Board of Trustees. The Manager also selects brokers and dealers to effect securities transactions. Under the investment management agreement between the Manager and the Trust on behalf of each Series, the monthly fees of the Series are at the following annual rates of their average monthly net assets: Kiewit Money Market Series .20%; Kiewit Short-Term Government Series .30%; Kiewit Intermediate-Term Series .40%; Kiewit Tax-Exempt Series .40%; Kiewit Equity Series .70%; and Kiewit Rated Money Market Series .20%. Through June 30, 1997, the Manager has agreed to waive all or a portion of its advisory fee and assume certain Fund expenses in an amount that will limit annual operating expenses to not more than the following percentage of the average daily net assets of the K Class Shares of each Portfolio: Kiewit Money Market Portfolio - .20%; Kiewit Rated Money Market Portfolio; Kiewit Short-Term Government Portfolio - .30%; Kiewit Intermediate-Term Bond Portfolio - .50%; Kiewit Tax-Exempt Portfolio - .50%; and Kiewit Equity Portfolio - .80%.

Mr. P. Gregory Williams manages the investments of the Kiewit Short-Term Government Series and co-manages the Kiewit Equity Series. Mr. Williams is the Chief Investment Officer and a Vice President of the Manager, Chief Financial Officer and a Vice President of the Fund and a Chartered Financial Analyst. From June 1983 to December 1986, he served as Assistant Vice President-Investments at Mutual of Omaha Fund Management Company. His duties included managing three investment companies. From December 1986 to November 1990, Mr. Williams served as Senior Vice President and Chief Investment Officer of Jefferson National Life Insurance Company in Indianapolis, Indiana. From June 1991 to August 1994, Mr. Williams was Vice President-Investments and Treasurer of Shenandoah Life Insurance Company of Roanoke, Virginia.

Brian J. Mosher manages the Kiewit Intermediate-Term Bond Series and the Kiewit Tax-Exempt Series, and co-manages the Kiewit Equity Series. Mr. Mosher is a Vice President of the Manager, a Vice President of the Fund and a Chartered Financial Analyst. From April 1984 to March 1989, he was Vice President and Trust Officer of The Provident Bancorporation of Cincinnati, Ohio. From March 1989 to December 1994, Mr. Mosher served as Investment Manager of Meridian Mutual Insurance Company in Indianapolis, Indiana.

The Fund has entered into an Administrative Services Agreement with the Manager, on behalf of each Feeder Portfolio. Pursuant to this agreement, the Manager performs various services, including: supervision of the services provided by the Portfolio's custodian and transfer and dividend disbursing agent and others who provide services to the Fund for the benefit of the

Portfolio; providing shareholders with information about the Portfolio and their investments as they or the Fund may request; assisting the Portfolio in conducting meetings of shareholders; furnishing information as the Board of Trustees may require regarding the corresponding Series; and any other administrative services for the benefit of the Portfolio as the Board of Trustees may reasonably request. For its services, each Feeder Portfolio pays the Manager a monthly fee equal to one-twelfth of .02% of the Portfolio's average net assets.

Administration and Accounting Services Agreements. Under separate Administration Agreements and Accounting Services Agreements with the Trust and the Fund, Rodney Square Management Corporation ("Rodney Square"), 1100 North Market Street, Wilmington, Delaware 19890, serves, respectively, as Administrator and Accounting Services Agent for the Trust and the Fund. In these joint capacities, Rodney Square manages and administers all regular day-to-day operations (other than management of the Trust's investments) of each of the Trust's various Series and each of the Fund's various Portfolios, subject to the supervision of the Trust's and the Fund's respective Boards of Trustees.

Pursuant to its respective agreements with Rodney Square, the Trust has agreed to pay Rodney Square, on behalf of each Trust Series, the Series' proportionate share of a complex-wide annual: (a) administration services charge of 0.015% of the Trust's aggregate total assets in excess of \$125 million; and (b) accounting services charge of 0.015% of the Trust's aggregate total assets in excess of \$100 million. The foregoing Rodney Square annual asset-based fees are determined on an average daily total asset basis, and are subject to prescribed fixed minimums.

Transfer Agency Agreement. Rodney Square serves as Transfer Agent and Dividend Paying Agent for each Portfolio of the Fund pursuant to a Transfer Agency Agreement with the Fund.

Investment Management Expenses. The Fund and the Trust each bears all of its own costs and expenses, including: services of its independent accountants, legal counsel, brokerage fees, commissions and transfer taxes in connection with the acquisition and disposition of portfolio securities, taxes, insurance premiums, costs incidental to meetings of its shareholders and directors or trustees, the cost of filing its registration statements under the federal securities laws and the cost of any notice filings required under state securities laws, reports to shareholders, and transfer and dividend disbursing agency, administrative services and custodian fees. Expenses allocable to a particular Portfolio or Series are so allocated, and expenses which are not allocable to a particular Portfolio or Series are borne by each Portfolio or Series on the basis of the fees paid by the Fund or Trust.

DIVIDENDS, CAPITAL GAINS DISTRIBUTIONS AND TAXES

The Portfolios seek to achieve their investment objectives by investing all of their investable assets in a corresponding Series of shares of Trust. Each Series is classified as a partnership for U.S. federal income tax purposes. A Portfolio is allocated its proportionate share of the income and realized and unrealized gains and losses of its corresponding Series.

Each Portfolio of the Fund is treated as a separate entity for federal income tax purposes. Each Portfolio intends to qualify each year as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). As such, each Portfolio will not be subject to federal income tax, or to any excise tax, to the extent its earnings are distributed as

provided in the Code and by satisfying certain other requirements relating to the sources of its income and diversification of its assets.

Dividends paid by a Portfolio with respect to its K Class Shares and S Class Shares are calculated in the same manner and at the same time. Both K Class Shares and S Class Shares of a Portfolio will share proportionally in the investment income and expenses of the Portfolio, except that the per share dividends of S Class Shares will ordinarily be lower than the per share dividends of K Class Shares as a result of the distribution expenses charged to S Class Shares.

Dividends consisting of substantially all of the ordinary income of each Portfolio, except the Kiewit Equity Portfolio, are declared daily and are payable to shareholders of record at the time of declaration. Such dividends are paid on the first business day of each month. Net capital gains distributions, if any, will be made annually. The Fund's policy is to distribute substantially all net investment income from the Kiewit Equity Portfolio, together with any net realized capital gains annually.

Shareholders of the Fund will automatically receive all income dividends and capital gains distributions in additional shares of the Portfolio whose shares they hold at net asset value (as of the business date following the dividend record date), unless as to each Portfolio, upon written notice to the Fund's Transfer Agent, Rodney Square, the shareholder selects one of the following options: (i) Income Option -- to receive income dividends in cash and capital gains distributions in additional shares at net asset value; (ii) Capital Gains Option -- to receive capital gains distributions in cash and income dividends in additional shares at net asset value; or (iii) Cash Option -- to receive both income dividends and capital gains distributions in cash.

Distributions paid by a Portfolio from long-term capital gains (which are allocated from a Series), whether received in cash or in additional shares, are taxable to investors as long-term capital gains, regardless of the length of time an investor has owned shares in the Portfolio. The Portfolios (through the operation of the Series) do not seek to realize any particular amount of capital gains during a year; rather, realized gains are a byproduct of management activities. Consequently, capital gains distributions may be expected to vary considerably from year to year. Also, if purchases of shares in a Portfolio are made shortly before the record date for a capital gains distribution or a dividend, a portion of the investment will be returned as a taxable distribution.

Dividends which are declared in October, November or December to shareholders of record in such a month but which, for operational reasons, may not be paid to the shareholder until the following January, will be treated for tax purposes as if paid by a Portfolio and received by the shareholder on December 31 of the calendar year in which they are declared.

A sale or redemption of shares of a Portfolio is a taxable event and may result in a capital gain or loss to shareholders subject to tax. Any loss incurred on sale or exchange of a Portfolio's shares held for six months or less will be treated as a long-term capital loss to the extent of any capital gain dividends received with respect to such shares.

The Portfolios may be required to report to the Internal Revenue Service ("IRS") any taxable dividend or other reportable payment (including share redemption proceeds) and withhold 31% of any such payments made to shareholders who have not provided a correct taxpayer identification number and made certain

required certifications. A shareholder may also be subject to backup withholding if the IRS or a broker notifies the Fund that the number furnished by the shareholder is incorrect or that the shareholder is subject to backup withholding for previous under-reporting of interest or dividend income.

Shareholders of the Portfolios who are not U.S. persons for purposes of federal income taxation, should consult with their financial or tax advisors regarding the applicability of U.S. withholding and other taxes to distributions received by them from the Portfolios and the application of foreign tax laws to these distributions. Shareholders should also consult their tax advisors with respect to the applicability of any state and local intangible property or income taxes to their shares of the Portfolios and distributions and redemption proceeds received from the Portfolios. Shareholders who hold shares of a Portfolio in an employer-sponsored 401(k) or profit sharing plan, or other tax-advantaged plan, such as an IRA, should read their plan documents with respect to options available for receipt of dividends and federal tax treatment of transactions involving such shares.

The tax discussion set forth above is included for general information only. Prospective investors should consult their own tax advisers concerning the federal, state, local or foreign tax consequences of an investment in a Portfolio.

PURCHASE OF SHARES

After you open an account with the Fund, you may purchase K Class Shares by (a) writing to the Fund and enclosing your check as payment or (b) by calling (800) 2KIEWIT to arrange for payment by wire transfer.

To Open an Account. Send a completed application form by regular mail to Kiewit Mutual Fund, c/o Rodney Square, P.O. Box 8987, Wilmington, DE 19899, or by express mail to Kiewit Mutual Fund, c/o Rodney Square, 1105 N. Market Street, Wilmington, DE 19801. You may request an application form by calling (800) 2KIEWIT.

To Purchase by Mail. Your initial purchase may be indicated on your application. For additional purchases, you may send the Fund a simple letter or use order forms supplied by the Fund. Please enclose your check drawn on a U.S. bank payable to "Kiewit Mutual Fund." Please indicate the amount to be invested in each Portfolio and your Portfolio account number.

To Purchase by Wire Transfer: Please call the Fund at (800) 2KIEWIT to make specific arrangements before each wire transfer. Then, instruct your bank to wire federal funds to Rodney Square Management Corporation, c/o Wilmington Trust Company, Wilmington, DE -- ABA #0311-0009-2, attention: Kiewit Mutual Fund, DDA# 2648-0337, further credit -- your account number, the desired Portfolio and class of shares and your name.

Minimum Initial Investment. The minimum initial investment is \$10,000, but subsequent investments may be made in any amount.

Purchase Price and Timing. K Class Shares of each Portfolio are offered at their net asset value next determined after a purchase order is received and accepted. Purchase orders received by and accepted before the close of regular trading on the New York Stock Exchange ("NYSE"), usually 4:00 p.m. Eastern time, on any Business Day of the Fund will be priced at the net asset value per

share that is determined as of the close of regular trading on the NYSE. However, purchase orders for shares of the Kiewit Money Market Portfolio and the Kiewit Rated Money Market Portfolio received and accepted before 2:00 p.m., Eastern time, on any Business Day of the Fund will be priced at the net asset value per share that is determined at 2:00 p.m., Eastern time. (See "Valuation Of Shares.") Purchase orders received and accepted after those daily deadlines will be priced as of the deadline on the following Business Day of the Fund. A "Business Day of the Fund" is any day on which the NYSE and Federal Reserve Bank are open for business. The Fund and RSD each reserves the right to reject any purchase order and may suspend the offering of shares of any Portfolio for a period of time.

In Kind Purchases. If accepted by the Fund, K Class Shares and Shares of each Portfolio may be purchased in exchange for securities which are eligible for acquisition by the Portfolio and its corresponding Series of the Trust as described in the Statement of Additional Information. Please contact Rodney Square about this purchase method.

SHAREHOLDER ACCOUNTS

Shareholder Inquiries. Shareholder inquiries may be made by writing the Fund at 1100 North Market Street, Wilmington, DE 19890 or calling (800) 2KIEWIT.

Shareholder Statements. The Fund will mail a statement at least quarterly showing all purchases, redemptions and balances in each Portfolio. Shareholdings are expressed in terms of full and fractional shares of each Portfolio rounded to the nearest 1/1000th of a share. In the interest of economy and convenience, the Portfolios do not issue share certificates.

Individual Retirement Accounts. Shares of the Portfolios may be purchased for a tax-deferred retirement plan such as an individual retirement account ("IRA"). For an IRA Application, call Rodney Square at (800) 2KIEWIT. Wilmington Trust Company ("WTC") provides IRA custodial services for each shareholder account that is established as an IRA. For these services, WTC receives an annual fee of \$10.00 per account, which fee is paid directly to WTC by the IRA shareholder. If the fee is not paid by the date due, Portfolio shares owned by the IRA shareholder will be redeemed automatically for purposes of making the payment.

Non-Individual Accounts. Corporations, partnerships, fiduciaries and other non-individual investors may be required to furnish certain additional documentation to make purchases, exchanges and redemptions.

Minimum Account Size. Due to the relatively high cost of maintaining small shareholder accounts, the Fund reserves the right to automatically close any account with a current value of less than \$5,000 by involuntarily redeeming all shares in the account and mailing the proceeds to the shareholder. Shareholders will be notified if their account value is less than \$5,000 and will be allowed 60 days in which to increase their account balance to \$5,000 or more to prevent the account from being closed. Reductions in value that result solely from market activity will not trigger an involuntary redemption.

VALUATION OF SHARES

The net asset value per share of each Portfolio's K Class Shares is calculated by dividing the total market value of the corresponding Series' investments and other assets, less any liabilities, by the total outstanding shares of the stock of the Portfolio. The value of the shares of each Series

will fluctuate in relation to its own investment experience. The value of the shares of the Feeder Portfolios will fluctuate in relation to the investment experience of the Trust Series in which such Portfolios invest. On each Business Day of the Fund, net asset value is determined as of the close of business of the NYSE, usually 4:00 p.m. Eastern time; except for the Kiewit Money Market Portfolio and Kiewit Rated Money Market Portfolio, which is determined at 2:00 p.m., Eastern time. Securities held by the Series which are listed on a securities exchange and for which market quotations are available are valued at the last quoted sale price of the day or, if there is no such reported sale, at the mean between the most recent quoted bid and asked prices.

Price information on listed securities is taken from the exchange where the security is primarily traded. Unlisted securities for which market quotations are readily available are valued at the mean between the most recent bid and asked prices. The value of other assets and securities for which no quotations are readily available (including restricted securities) are determined in good faith at fair value in accordance with procedures adopted by the Board of Trustees.

Money market instruments with a maturity of more than 60 days are valued at current market value, as discussed above. Money market instruments with a maturity of 60 days or less are valued at their amortized cost, which the Board of Trustees has determined in good faith constitutes fair value for purposes of complying with the 1940 Act. This valuation method will continue to be used until such time as the Trustees determine that it does not constitute fair value for such purposes.

The net asset value of the shares of each Portfolio, except the Kiewit Money Market Portfolio and the Kiewit Rated Money Market Portfolio, will fluctuate in relation to its own investment experience. The Kiewit Money Market Portfolio and Kiewit Rated Money Market Portfolio will attempt to maintain a stable net asset value of \$1.00 per share.

The offering price of shares of each Portfolio is the net asset value next determined after the purchase order is received and accepted; no sales charge or reimbursement fee is imposed.

EXCHANGE OF SHARES

You may exchange all or a portion of your K Class Shares in a Portfolio for K Class Shares of any other Portfolio of the Fund that currently offers its shares to investors. A redemption of shares through an exchange will be effected at the net asset value per share next determined after receipt by the Fund of the request, and a purchase of shares through an exchange will be effected at the net asset value per share next determined.

Exchange transactions will be subject to the minimum initial investment and other requirements of the Portfolio into which the exchange is made. An exchange may not be made if the exchange would leave a balance in a shareholder's Portfolio account of less than \$5,000.

To obtain more information about exchanges, or to place exchange orders, contact the Fund. The Fund, on behalf of the Portfolios, reserves the right to terminate or modify the exchange offer described here. This exchange offer is valid only in those jurisdictions where the sale of the Portfolio's shares to be acquired through such exchange may be legally made.

REDEMPTION OF SHARES

You may redeem K Class Shares by mailing instructions to the Fund or calling the Fund at (800) 2KIEWIT. The Fund will promptly mail you a check or wire

transfer funds to your bank, as described below.

To Redeem By Mail: You may send written instructions, with signature guarantees, by regular mail to: Kiewit Mutual Fund, c/o Rodney Square Management Corporation, P.O. Box 8987, Wilmington, DE 19899-9752, or by express mail to Kiewit Mutual Fund, c/o Rodney Square Management Corporation, 1105 N. Market Street, Wilmington, DE 19801. The instructions should indicate the Portfolio from which shares are to be redeemed, the number of shares or dollar amount to be redeemed, the Portfolio account number and the name of the person in whose name the account is registered. A signature and a signature guarantee are required for each person in whose name the account is registered. A signature may be guaranteed by an eligible institution acceptable to the Fund, such as a bank, broker, dealer, municipal securities dealer, government securities dealer, credit union, national securities exchange, registered securities association, clearing agency, or savings association.

To Redeem By Telephone: If you want to redeem your shares by telephone you must elect to do so by checking the appropriate box of your initial Application or by calling the Fund at (800) 2KIEWIT to obtain a separate application for telephone redemptions. In order to redeem by telephone, you must call the Fund Monday through Friday during normal business hours of 9 a.m. to 4 p.m., Eastern time, and indicate your name, Kiewit Mutual Fund, the Portfolio's name, your Portfolio account number and the number of shares you wish to redeem. The Fund will employ reasonable procedures to confirm that instructions communicated by telephone are genuine and will not be liable for any losses to a shareholder due to unauthorized or fraudulent telephone transactions. If the Fund, the Manager, the Transfer Agent or any of their employees fails to abide by their procedures, the Fund may be liable to a shareholder for losses he/she suffers from any resulting unauthorized transactions. During times of drastic economic or market changes, the telephone redemption privilege may be difficult to implement. In the event that you are unable to reach the Fund by telephone, you may make a redemption request by mail.

Additional Redemption Information. You may redeem all or any part of the value of your account on any Business Day. Redemptions are made at the net asset value next calculated after the Fund has received and accepted your redemption request. (See "Valuation Of Shares.") The Fund imposes no fee when shares are redeemed.

Redemption checks are mailed on the next Business Day of the Fund following acceptance of redemption instructions but in no event later than 7 days following such receipt and acceptance. Amounts redeemed by wire from each Portfolio, except the Kiewit Money Market Portfolio, are normally wired on the next business day after acceptance of redemption instructions (if received by Rodney Square before the close of regular trading on the NYSE or 2:00 p.m. Eastern time, for the Kiewit Money Market Portfolio). In no event are redemption proceeds wired later than 7 days following such receipt and acceptance. If the shares to be redeemed were purchased by check, the Fund reserves the right not to make the redemption proceeds available until it has reasonable grounds to believe that the check has been collected (which could take up to 10 days).

Redemption proceeds exceeding \$10,000 may be wired to your predesignated bank account in any commercial bank in the United States. The receiving bank may charge a fee for this service. Alternatively, proceeds may be mailed to your bank or, for amounts of less than \$10,000, mailed to your Portfolio account address of record if the address has been established for a minimum of 60 days. In order to authorize the Fund to mail redemption proceeds to your Portfolio account address of record, complete the appropriate section of the application for telephone redemptions or include your Portfolio account address of record when you submit written instructions. You may change the account which you have designated to receive amounts redeemed at any time. Any request

to change the account designated to receive redemption proceeds should be accompanied by a guarantee of the shareholder's signature by an eligible institution. A signature and a signature guarantee are required for each person in whose name the account is registered. Further documentation will be required to change the designated account when shares are held by a corporation, partnership, fiduciary or other non-individual investor.

For more information on redemption services, call the Fund at (800) 2KIEWIT.

Redemption Policies. Redemption payments in cash will ordinarily be made within seven days after receipt of the redemption request in good form. However, the right of redemption may be suspended or the date of payment postponed in accordance with the 1940 Act. The amount received upon redemption may be more or less than the amount paid for the shares depending upon the fluctuations in the market value of the assets owned by the Portfolio. If the Board of Trustees determines that it would be detrimental to the best interests of the remaining shareholders of any Portfolio to make a particular payment in cash, the Fund may pay all or part of the redemption price by distributing portfolio securities from the Portfolio of the shares being redeemed in accordance with Rule 18f-1 under the 1940 Act. Investors may incur brokerage charges and other transaction costs selling securities that were received in payment of redemptions.

PERFORMANCE INFORMATION

From time to time, performance information, such as yield or total return for a Portfolio, may be quoted in advertisements or in communications to shareholders. Performance quotations represent past performance and should not be considered as representative of future results. The current yield will be calculated by dividing the net investment income earned per share during the period stated in the advertisement (based on the average daily number of shares entitled to receive dividends outstanding during the period) by the closing net asset value per share on the last day of the period and annualizing the result on a semi-annual compounded basis. A Portfolio's total return may be calculated on an annualized and aggregate basis for various periods (which periods will be stated in the advertisement). Average annual return reflects the average percentage change per year in value of an investment in a Portfolio. Aggregate total return reflects the total percentage change in value of an investment in the Portfolio over the stated period.

The principal value of an investment in a Portfolio will fluctuate so that an investor's shares when redeemed, may be worth more or less than the investor's original cost. Performance will be calculated separately for K Class and S Class Shares. The K Class Shares have different expenses from the S Class Shares which may affect performance.

Further information about the performance of each Portfolio and Class is included in the Fund's Annual Report to Shareholders which may be obtained without charge by contacting the Fund at (800) 2KIEWIT.

GENERAL INFORMATION

The Fund, formerly named "Kiewit Institutional Fund", issues two separate classes of shares of beneficial interest for each Portfolio with a par value of \$.01 per share. The shares of each Portfolio, when issued and paid for in accordance with the Fund's prospectus, will be fully paid and non-assessable shares, with equal, non-cumulative voting rights and no preferences as to conversion, exchange, dividends, redemption or any other feature.

The separate classes of shares each represent interests in the same

portfolio of investments, have the same rights and are identical in all respects, except that the S Class Shares bear distribution plan expenses, and have exclusive voting rights with respect to the Rule 12b-1 Distribution Plan pursuant to which the distribution fee may be paid. The two classes have different exchange privileges. See "Exchange Of Shares." The net income attributable to S Class Shares and the dividends payable on S Class Shares will be reduced by the amount of the distribution fees; accordingly, the net asset value of the S Class Shares will be reduced by such amount to the extent the Portfolio has undistributed net income.

Shareholders shall have the right to vote only (i) for removal of Trustees, (ii) with respect to such additional matters relating to the Fund as may be required by the applicable provisions of the 1940 Act, including Section 16(a) thereof, and (iii) on such other matters as the Trustees may consider necessary or desirable. In addition, the shareholders of each Portfolio will be asked to vote on any proposal to change a fundamental investment policy (i.e. a policy that may be changed only with the approval of shareholders) of that Portfolio.

All shares of the Fund entitled to vote on a matter shall vote without differentiation between the separate Portfolios on a one-vote-per-share basis; provided however, if a matter to be voted on does not affect the interests of all Portfolios, then only the shareholders of each affected Portfolio shall be entitled to vote on the matter. If liquidation of the Fund should occur, shareholders would be entitled to receive on a per Portfolio basis the assets of the particular Portfolio whose shares they own, as well as a proportionate share of Fund assets not attributable to any particular Portfolio then in existence. Ordinarily, the Fund does not intend to hold annual meetings of shareholders, except as required by the 1940 Act or other applicable law. The Fund's by-laws provide that meetings of shareholders shall be called for the purpose of voting upon the question of removal of one or more Trustees upon the written request of the holders of not less than 10% of the outstanding shares.

Kiewit Investment Trust was organized as a Delaware business trust on _____, 1997. The Trust offers shares of its Series only to institutional investors in private offerings. The Fund may withdraw the investment of a Feeder Portfolio in a Series of the Trust at any time, if the Board of Trustees of the Fund determines that it is in the best interests of the Portfolio to do so. Upon any such withdrawal, the Board of Trustees of the Fund would consider what action might be taken, including the investment of all of the assets of the Portfolio in another pooled investment entity having the same investment objective as the Portfolio or the hiring of an investment advisor to manage the Portfolio's assets in accordance with the investment policies described above.

Whenever a Feeder Portfolio, as an investor in its corresponding Trust Series, is asked to vote on a shareholder proposal, the Fund will hold a special meeting of the Feeder Portfolio's shareholders to solicit their votes with respect to the proposal. The Trustees of the Fund will then vote the Feeder Portfolio's shares in the Series in accordance with the voting instructions received from the Feeder Portfolio's shareholders. The Trustees of the Fund will vote shares of the Feeder Portfolio for which they receive no voting instructions in accordance with their best judgment.

Peter Kiewit Sons', Inc., a Delaware corporation with principal offices at 1000 Kiewit Plaza, Omaha, NE 68131, is the direct or indirect parent of shareholders of more than 25% of the voting securities of each Portfolio and therefore may be deemed to control each Portfolio.

APPENDIX - DESCRIPTION OF RATINGS

Description of Bond Ratings - Moody's Investors Services, Inc. ("Moody's") description of its bond ratings are:

Aaa--Bonds which are rated Aaa are judged to be 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 maybe other elements present which make the long-term risk appear somewhat larger than the 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 some time 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 rated 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 market 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.

Moody's also supplies numerical indicators 1, 2 and 3 to rating categories. The modifier 1 indicates that the security is in the higher end of its rating category; the modifier 2 indicates a mid-range ranking; and 3 indicates a ranking toward the lower end of the category.

Standard & Poor's Ratings Group's ("S&P") description of its bond ratings are:

AAA--The highest degree of safety with overwhelming repayment capacity.

AA--Very high degree of safety with very strong capacity for repayment. These issues differ from higher rated issues only in a small degree.

A--A strong degree of safety and capacity for repayment, but these issues are somewhat more susceptible in the long term to adverse economic conditions than those rated in higher categories.

BBB--A satisfactory degree of safety and capacity for repayment, but these issues are more vulnerable to adverse economic conditions or changing circumstances than higher-rated issues.

BB--This designation reflects less near-term vulnerability to default than other speculative issues. However, the issues face major ongoing uncertainties or exposures to adverse economic or financial conditions threatening capacity to meet interest and principal payments on a timely basis.

B--This designation indicates that the issues have a greater vulnerability to default but currently have the capacity to meet interest payments and principal repayments. Adverse business, financial, or economic conditions will likely impair capacity to pay interest and repay principal.

CCC--Issues rated CCC have currently identifiable vulnerability to default, and are dependent upon favorable business, financial, and economic conditions to meet timely interest and principal repayments. Adverse business, financial, or economic developments would render repayment capacity unlikely.

S&P applies indicators "+," no character, and "-" to its rating categories. The indicators show relative standing within the major rating categories.

Description of Commercial Paper Ratings

The rating A-1 is the highest commercial paper rating assigned by S&P. Commercial paper rated A-1 has the following characteristics: (1) liquidity ratios are adequate to meet cash requirements; (2) long-term senior debt is rated "A" or better; (3) the issuer has access to at least two additional channels of borrowing; (4) basic earnings and cash flow have an upward trend with allowance made for unusual circumstances; (5) typically, the issuer's industry is well established and the issuer has a strong position within the industry; and (6) the reliability and quality of management are unquestioned. The rating Prime-1 is the highest commercial paper rating assigned by Moody's.

Among the factors considered by Moody's in assigning ratings are the following: (1) evaluation of the management of the issuer; (2) economic evaluation of the issuer's industry or industries and the appraisal of speculative-type risks which may be inherent in certain areas; (3) evaluation of the issuer's products in relation to competition and customer acceptance; (4) liquidity; (5) amount and quality of long-term debt; (6) trend of earnings over a period of ten years; (7) financial strength of a parent company and the relationships which exist with the issuer; and (8) recognition by the management of obligations which may be present or may arise as a result of public interest questions and preparations to meet such obligations.

KIEWIT MUTUAL FUND
1000 Kiewit Plaza
Omaha, NE 68131-3344
Telephone: (800) 2KIEWIT

Investment Advisor
KIEWIT INVESTMENT MANAGEMENT CORP.
1000 Kiewit Plaza
Omaha, NE 68131-3344

Custodian
WILMINGTON TRUST COMPANY
Rodney Square North, 1100 N. Market Street
Wilmington, DE 19890-0001

Administrator and Transfer Agent
RODNEY SQUARE MANAGEMENT CORPORATION
Rodney Square North, 1100 N. Market Street
Wilmington, DE 19890-0001

Distributor
RODNEY SQUARE DISTRIBUTORS, INC.
Rodney Square North, 1100 N. Market Street
Wilmington, DE 19890-00014

KIEWIT MUTUAL FUND

S CLASS SHARES

PROSPECTUS

_____, 1997

This prospectus describes the Kiewit Money Market Portfolio, Kiewit Rated Money Market Portfolio, Kiewit Short-Term Government Portfolio, Kiewit Intermediate-Term Bond Portfolio, Kiewit Tax-Exempt Portfolio and Kiewit Equity Portfolio (collectively the "Portfolios" or "Feeder Portfolios" and individually a "Portfolio"), each a series of shares issued by Kiewit Mutual Fund (the "Fund"), 1000 Kiewit Plaza, Omaha, NE 68131-3344, (800) 2KIEWIT. Each Portfolio is an open-end, diversified, management investment company which currently offers two separate classes of shares: K Class Shares and S Class Shares. Shares of each class represent equal, pro-rata interests in a Portfolio and accrue dividends in the same manner, except that S Class Shares bear distribution expenses payable by the Class as compensation for distribution of the S Class Shares. The securities offered in this Prospectus are S Class Shares subject to a distribution charge. Information concerning the Fund's K Class Shares may be obtained by calling the Fund at the telephone number stated above.

The Fund issues six series of shares, each of which represents a separate class of the Fund's shares of beneficial interest, having its own investment objective and policies. The investment objective of the Kiewit Money Market Portfolio and Kiewit Rated Money Market Portfolio is to provide high current income while maintaining a stable share price. The investment objective of the Kiewit Short-Term Government Portfolio is to provide investors with as high a level of current income as is consistent with the maintenance of principal and liquidity. The investment objective of the Kiewit Intermediate-Term Bond Portfolio is to provide as high a level of current income as is consistent with reasonable risk. The investment objective of the Kiewit Tax-Exempt Portfolio is to provide as high a level of current income exempt from federal income tax as is consistent with reasonable risk. The investment objective of the Kiewit Equity Portfolio is to achieve long-term capital appreciation.

Unlike many other investment companies which directly acquire and manage their own portfolio of securities, each Portfolio seeks to achieve its investment objective by investing all of its investable assets in a corresponding series of shares of Kiewit Investment Trust (the "Trust"), an open-end, management investment company that issues series of shares (individually and collectively, the "Series") having the same investment objective, policies and limitations as each of the Portfolios. The investment

experience of each Feeder Portfolio will correspond directly with the investment experience of its corresponding Series. Investors should carefully consider this investment approach. For additional information, see "Special Information About The Portfolios' Structure."

This prospectus contains information about the Portfolios that prospective investors should know before investing and should be read carefully and retained for future reference. A Statement of Additional Information dated _____, 1997, including the Fund's most recent Annual Report to Shareholders, is incorporated herein by reference, has been filed with the Securities and Exchange Commission and is available upon request, without charge, by writing or calling the Fund at the above address or telephone number.

The shares of the Kiewit Money Market Portfolio and Kiewit Rated Money Market Portfolio are neither insured nor guaranteed by the U.S. Government. While such Portfolios will make every effort to maintain a stable net asset value of \$1.00 per share, there is no assurance that the Portfolios will be able to do so.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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HIGHLIGHTS

The Fund

The Fund is an open-end, diversified management investment company commonly known as a "mutual fund." The Fund was organized as a Delaware business trust on June 1, 1994. The Fund currently offers six series of shares: Kiewit Money Market Portfolio, Kiewit Rated Money Market Portfolio, Kiewit Short-Term Government Portfolio, Kiewit Intermediate-Term Bond Portfolio, Kiewit Tax-Exempt Portfolio and Kiewit Equity Portfolio. Each Portfolio offers two classes of shares, K Class Shares and S Class Shares.

Investment Objectives

The investment objective of each Portfolio of Kiewit Mutual Fund is to provide its investors with:

Money Market High current income, while maintaining a stable share price. The Money Market Portfolio will invest all of its assets in the Money Market Series of the Trust, which in turn invests in short-term money market securities.

Rated Money Market High current income, while maintaining a stable share price and a credit rating in the highest category for money market funds as determined by an independent rating agency. The Rated Money Market Portfolio will invest all of its assets in the Rated Money Market Series of the Trust, which in turn invests in securities issued or guaranteed by the U.S. Government, its agencies or instrumentalities.

Short-Term Government High level of current income, consistent with the maintenance of principal and liquidity. The Short-Term Government Bond Portfolio will invest all of its assets in the Short-Term Government Bond Series of the Trust, which in turn invests in securities issued or guaranteed by the U.S. Government, its agencies or instrumentalities.

Intermediate-Term Bond High level of current income, consistent with reasonable risk. The Portfolio will invest all of its assets in the Kiewit Intermediate-Term Bond Series of the Trust, which in turn invests in investment grade debt securities.

Tax-Exempt High level of current income, exempt from federal income tax, consistent with reasonable risk. The Tax-Exempt Portfolio will invest all of its assets in the Tax-Exempt Series of the Trust, which in turn invests primarily in

municipal obligations exempt from federal income tax.

Equity Long-term capital appreciation. The Portfolio will invest all of its assets in the Kiewit Equity Series of the Trust, which in turn invests in the equity securities of companies which appear, in the opinion of the investment adviser, to be undervalued in the marketplace at the time of purchase.

Although the investment objective of each Portfolio is not fundamental and may be changed by the Board of Trustees without shareholder approval, the Fund intends to notify shareholders before making any material change. Due to the inherent risks of investments, there can be no assurance that a Portfolio will achieve its objective. See "Investment Objectives And Policies."

How to Purchase Shares

After you open an account, you may purchase S Class Shares by (a) writing the Fund and enclosing your check as payment or (b) by calling the Fund at (800) 2KIEWIT to arrange for payment by wire transfer. You may open an account by mailing a completed application form to the Fund. The public offering price of the shares of each Portfolio is the net asset value per share next determined after acceptance of the purchase order and payment. The S Class Shares may be purchased without a sales load or exchange fee, but are subject to a distribution fee under a Rule 12b-1 plan. See "Purchase Of Shares."

How to Redeem Shares

You may redeem S Class Shares by mailing written instructions to the Fund or by calling the Fund at (800) 2KIEWIT (if you requested telephone redemption privileges on an application form). Shares will be redeemed at the net asset value per share next determined after acceptance of a redemption request. The Fund will promptly mail you a check, unless other arrangements have been made. See "Redemption Of Shares."

Dividend Reinvestment

Each Portfolio, except the Kiewit Equity Portfolio, intends to pay monthly dividends from its net investment income and will pay net capital gains, if any, annually. The Kiewit Equity Portfolio intends to pay annual dividends from net investment income, together with any net capital gains.

You may choose to receive dividends and capital gains distributions in cash or you may choose to automatically reinvest them in additional shares of the Portfolio. See "Dividends, Capital Gains Distributions And Taxes."

Investment Manager, Underwriter and Servicing Agents

Kiewit Investment Management Corp. serves as the investment manager of each Series of the Trust and also provides the Portfolios with certain administrative services. Rodney Square Distributors, Inc. serves as the Portfolios' underwriter. Wilmington Trust Company serves as the custodian of the Portfolios' assets and Rodney Square Management Corporation serves as the Portfolios' administrator, transfer agent and accounting services agent. Treasury Strategies, Inc. serves as the Portfolios' sub-administrator. See "Management Of The Fund."

Risk Factors

Each Portfolio, through its investment in a corresponding Series of the

Trust, is subject to certain risks. Investors should consider a number of factors: (i) each Series of the Trust invests in securities that fluctuate in value, and there can be no assurance that the objective of any Portfolio will be achieved; (ii) each Series of the Trust may invest in repurchase and reverse repurchase agreements, which involve the risk of loss if the counterparty defaults on its obligations under the agreement; (iii) each Series of the Trust has reserved the right to borrow amounts not exceeding 33% of its net assets; and (iv) the Kiewit Intermediate-Term Bond Series may invest in mortgage securities, whose market values may vary with changes in market interest rates to a greater or lesser extent than the market values of other debt securities. Additionally, the policy of the Portfolios to invest in the corresponding Series of the Trust also involves certain risks. See "Risk Factors."

Peter Kiewit Sons', Inc.

An investment in the Fund is not a direct or indirect investment in the common stock of Peter Kiewit Sons', Inc. ("PKS"). Virtually all of PKS' common stock is owned by employees or former employees of PKS. The Fund is restricted from investing in the securities of PKS and its affiliates. PKS and its affiliates do not guarantee that an investment in the Fund will result in satisfactory results.

EXPENSE TABLE

| | | | | | | |
|--|------------------------------------|------------------------------|---------------------------------------|---|-------------------------|---------------------|
| Shareholder Transaction Costs | None | | | | | |
| Annual Portfolio Operating Expenses (as a percentage of average net assets) | | | | | | |
| | Money Rated Market Portfolio | Money Market Portfolio | Short-Term Government Portfolio | Intermediate- Term Bond Portfolio | Tax-Exempt Portfolio | Equity Portfolio |
| Management Fees (after fee waiver) | .13% | .13% | .17% | .33% | .36% | .45% |
| 12b-1 Fees | .25% | .25% | .25% | .25% | .25% | .25% |
| Other Expenses (after expenses assumed) | .07 % | .07% | .13% | .17% | .14% | .35% |
| Total Portfolio Operating Expenses (after fee waivers and expenses assumed) | .45% | .45% | .55% | .75% | .75% | 1.05% |

The information in the Expense Table has been restated to reflect changes in the amounts of management fees waived and Fund expenses assumed.

Prior to _____, 1997, the Portfolios sought to achieve their investment objectives by acquiring and managing their own portfolios of securities rather than by investing all of their assets in the corresponding Series of the Trust. The above figures have been restated to reflect estimated aggregate annualized operating expenses of each Feeder Portfolio and its corresponding Series as though the Feeder Portfolio's assets had been invested in the Series during the fiscal year ended June 30, 1996.

Example

You would pay the following expenses on a \$1,000 investment, assuming a 5% annual return and redemption at the end of each time period:

| | 1 Year | 3 Years | 5 Years | 10 Years |
|----------------------------------|--------|---------|---------|----------|
| Money Market Portfolio | 5 | 14 | 25 | 57 |
| Rated Money Market Portfolio | 5 | 14 | n/a | n/a |
| Short-Term Government Portfolio | 6 | 18 | 31 | 69 |
| Intermediate-Term Bond Portfolio | 8 | 24 | 42 | 93 |
| Tax-Exempt Portfolio | 8 | 24 | 42 | 93 |
| Equity Portfolio | 11 | 33 | 58 | 128 |

The purpose of the above Expense Table and Example is to assist investors in understanding the various costs and expenses that an investor in the Portfolios' S Class Shares will bear directly or indirectly. The information set forth above relates only to the Portfolios' S Class Shares, which shares are subject to different total fees and expenses than K Class Shares.

The Example should not be considered a representation of past or future expenses. Actual expenses may be greater or lesser than those shown. The above Example is based on actual expenses for the most recent fiscal period.

The table summarizes the aggregate estimated annual operating expenses of both the Portfolios' S Class Shares and the Series of the Trust in which the Portfolios invest. (See "Management Of The Fund" for a description of Portfolio and Series expenses.) Through June 30, 1997, Kiewit Investment Management Corp. has agreed to waive all or a portion of its advisory fee and to assume certain expenses in order to limit annual operating expenses of the S Class Shares to not more than the following percentage of the average daily net assets of each Portfolio: Kiewit Money Market Portfolio .45%; Kiewit Rated Money Market Portfolio .45%; Kiewit Short-Term Government Portfolio .55%; Kiewit Intermediate Term Bond Portfolio .75%; Kiewit Tax-Exempt Bond Portfolio .75%; and Kiewit Equity Portfolio 1.05%. Without the waiver of fees by Kiewit Investment Management Corp., the total expenses of the Portfolios' S Class Shares for the fiscal year ended June 30, 1996, would have been: Kiewit Money Market Portfolio .52%; Kiewit Short-Term Government Portfolio .68%; Kiewit Intermediate-Term Bond Portfolio .82%; Kiewit Tax-Exempt Portfolio 0.79% and Kiewit Equity Portfolio 1.30%.

The Board of Trustees of the Fund has considered whether such expenses will be more or less than they would be if the Feeder Portfolios invest directly in the securities held by the Trust Series. The aggregate amount of expenses for a Feeder Portfolio and the corresponding Trust Series may be greater than if the Portfolio were to invest directly in the securities held by the corresponding Trust Series. However, the total expense ratios for the Feeder Portfolios and the Trust Series are expected to be less over time than such ratios if the Portfolios continue to invest directly in the underlying securities. This is because this arrangement enables various institutional investors, including the Feeder Portfolios, to pool their assets, which may be expected to result in economies by spreading certain fixed costs over a larger asset base. Each shareholder in a Trust Series, including a Feeder Portfolio, will pay its proportionate share of the expenses of that Trust Series.

FINANCIAL HIGHLIGHTS

Financial highlights for the Fund's S Class Shares are not provided because the Portfolios had not commenced selling S Class Shares as of the date of this Prospectus.

SPECIAL INFORMATION ABOUT THE PORTFOLIOS' STRUCTURE

Each of the six Portfolios of the Fund, unlike many other investment companies which directly acquire and manage their own portfolio of securities, seeks to achieve its investment objective by investing all of its investable assets in a corresponding Series of the Trust, an open-end, management investment company, registered under the Investment Company Act of 1940, that issues Series having the same investment objective as each of the Portfolios. The investment objectives of the Portfolios and their corresponding Series may be changed without shareholder approval. Shareholders of a Feeder Portfolio will receive written notice at least 30 days prior to the effective date of any change in the investment objective of the Portfolio or its corresponding Trust Series.

This prospectus describes the investment objective, policies and restrictions of each Feeder Portfolio and its corresponding Series. (See "Portfolio Characteristics And Policies - Kiewit Money Market Portfolio, Kiewit Rated Money Market Portfolio, Kiewit Short-Term Government Portfolio, Kiewit Intermediate-Term Bond Portfolio, Kiewit Tax-Exempt Portfolio and Kiewit Equity Portfolio." In addition, an investor should read "Management Of The Fund" for a description of the management and other expenses associated with the Feeder Portfolios' investment in the Trust. Other institutional investors, including other mutual funds, may invest in each Series, and the expenses of such other funds and, correspondingly, their returns may differ from those of the Portfolios. Please contact the Fund at 1000 Kiewit Plaza, Omaha, NE 08131-3344, 1-800-2KIEWIT for information about the availability of investing in a Series of the Trust other than through a Feeder Portfolio.

The shares of the Trust Series will be offered to institutional investors for the purpose of increasing the funds available for investment, to reduce expenses as a percentage of total assets and to achieve other economies that might be available at higher asset levels. While investment in a Series by other institutional investors offers potential benefits to the Series and, through their investment in the Series, the Feeder Portfolios also, institutional investment in the Series also entails the risk that economies and expense reductions might not be achieved, and additional investment opportunities, such as increased diversification, might not be available if other institutions do not invest in the Series. Also, if an institutional investor were to redeem its interest in a Series, the remaining investors in that Series could experience higher pro rata operating expenses, thereby producing lower returns, and the Series' security holdings may become less diverse, resulting in increased risk. Institutional investors that have a greater pro rata ownership interest in a Series than the corresponding Feeder Portfolio could have effective voting control over the operation of the Series.

Further, if a Series changes its investment objective in a manner which is inconsistent with the investment objective of a corresponding Feeder Portfolio and the Portfolio does not make a similar change in its investment objective, the Portfolio would be forced to withdraw its investment in the Series and either seek to invest its assets in another registered investment company with the same investment objective as the Portfolio, which might not be possible, or retain an investment advisor to manage the Portfolio's assets in accordance with its own investment objective, possibly at increased cost. A withdrawal by a Feeder Portfolio of its investment in the corresponding Series could result in a distribution in kind of portfolio securities (as opposed to a cash distribution) to the Portfolio. Should such a distribution occur, the Portfolio could incur brokerage fees or other transaction costs in converting

such securities to cash in order to pay redemptions. In addition, a distribution in kind to the Portfolio could result in a less diversified portfolio of investments and could affect adversely the liquidity of the Portfolio. Moreover, a distribution in kind may constitute a taxable exchange for federal income tax purposes resulting in gain or loss to the Feeder Portfolios. Any net capital gains so realized will be distributed to such a Portfolio's shareholders as described in "Dividends, Capital Gains Distributions And Taxes" below.

Finally, the Feeder Portfolios' investment in the shares of a registered investment company such as the Trust is relatively new and results in certain operational and other complexities. However, management believes that the benefits to be gained by shareholders outweigh the additional complexities and that the risks attendant to such investment are not inherently different from the risks of direct investment in securities of the type in which the Trust Series invest.

INVESTMENT OBJECTIVES AND POLICIES

Kiewit Money Market Portfolio

The Kiewit Money Market Portfolio pursues its investment objective by investing all of its assets in the Money Market Series of the Trust (the "Money Market Series") which has the same investment objective and policies as the Portfolio. The investment objective of the Money Market Series is to provide high current income while maintaining a stable share price by investing in short-term money market securities. The Money Market Series invests in U.S. dollar-denominated money market instruments that mature in 13 months or less, maintains an average weighted maturity of 90 days or less and limits its investments to those investments which the Board of Trustees determines present minimal credit risks.

The Money Market Series will invest in the following money market obligations issued by financial institutions, nonfinancial corporations, and the U.S. Government, state and municipal governments and their agencies or instrumentalities:

(1) United States Treasury obligations including bills, notes, bonds and other debt obligations issued by the United States Treasury. These securities are backed by the full faith and credit of the U.S. Government.

(2) Obligations of agencies and instrumentalities of the U.S. Government which are supported by the full faith and credit of the U.S. Government, such as securities of the Government National Mortgage Association, or which are supported by the right of the issuer to borrow from the U.S. Treasury, such as securities issued by the Federal Financing Bank; or which are supported by the credit of the agency or instrumentality itself, such as securities of Federal Farm Credit Banks.

(3) Repurchase agreements that are fully collateralized by the securities listed in (1) and (2) above.

(4) Commercial paper rated in the two highest categories of short-term debt ratings of any two Nationally Recognized Statistical Ratings Organization ("NRSROs") (such as Moody's Investor Services, Inc. and Standard & Poor's Rating Services) or, if unrated, issued by a corporation having outstanding comparable obligations that are rated in the two highest categories of short-term debt ratings. See "Appendix - Description Of Ratings."

(5) Corporate obligations having a remaining maturity of 397 calendar days or less, issued by corporations having outstanding comparable obligations

that are (a) rated in the two highest categories of any two NRSROs or (b) rated no lower than the two highest long-term debt ratings categories by any NRSRO. See "Appendix - Description Of Ratings."

(6) Obligations of U.S. banks, such as certificates of deposit, time deposits and bankers acceptances. The banks must have total assets exceeding \$1 billion.

(7) Short-term Eurodollar and Yankee obligations of banks having total assets exceeding one billion dollars. Eurodollar bank obligations are dollar-denominated certificates of deposit or time deposits issued outside the U.S. capital markets by foreign branches of U.S. banks or by foreign banks; Yankee bank obligations are dollar-denominated obligations issued in the U.S. capital markets by foreign banks.

The Money Market Series will not invest more than 5% of its total assets in the securities of a single issuer. With respect to any security rated in the second highest rating category by an NRSRO, the Money Market Series will not invest more than (i) 1% of its total assets in such securities issued by a single issuer and (ii) 5% of its total assets in such securities of all issuers. Up to 10% of the Money Market Series' net assets may be invested in "restricted" and other illiquid money market securities, which are not freely marketable under the Securities Act of 1933 (the "1933 Act").

The Money Market Series may invest in repurchase agreements. A repurchase agreement is a means of investing monies for a short period. In a repurchase agreement, a seller--a U.S. commercial bank or recognized U.S. securities dealer--sells securities to the Money Market Series and agrees to repurchase the securities at the Money Market Series' cost plus interest within a specified period (normally one day). In these transactions, the securities purchased by the Money Market Series will have a total value equal to or in excess of the value of the repurchase agreement, and will be held by the Money Market Series' custodian bank until repurchased. Under the Investment Company Act of 1940 (the "1940 Act"), a repurchase agreement is deemed to be the loan of money by the Money Market Series to the seller, collateralized by the underlying securities.

Eurodollar and Yankee obligations are subject to the same risks that pertain to domestic issues, notably credit risk, market risk and liquidity risk. Additionally, Eurodollar (and to a limited extent, Yankee) obligations are subject to certain sovereign risks. One such risk is the possibility that a foreign government might prevent dollar-denominated funds from flowing across its borders. Other risks include: adverse political and economic developments in a foreign country; the extent and quality of government regulation of financial markets and institutions; the imposition of foreign withholding taxes; and expropriation or nationalization of foreign issuers. However, Eurodollar and Yankee obligations will undergo the same credit analysis as domestic issues in which the Money Market Series invests, and foreign issuers will be required to meet the same tests of financial strength as the domestic issuers approved for the Money Market Series.

Kiewit Rated Money Market Portfolio

The Kiewit Rated Money Market Portfolio pursues its investment objective by investing all of its assets in the Rated Money Market Series of the Trust (the "Rated Money Market Series"). The investment objective of the Rated Money Market Series is to provide high current income while maintaining a stable share price and a rating in the highest category of short-term debt ratings by an NRSRO by investing in securities issued by the U.S. Government, its agencies or instrumentalities. The Series invests in U.S. dollar-denominated money market instruments that mature in 13 months or less and will maintain an average weighted maturity of 60 days or less.

The Series will invest in the following money market obligations issued by the U.S. government, its agencies or instrumentalities:

- (1) United States Treasury obligations including bills, notes, bonds and other debt obligations issued by the United States Treasury. These securities are backed by the full faith and credit of the United States government
- (2) Obligations of agencies and instrumentalities of the U.S. Government which are supported by the full faith and credit of the U.S. Government, such as securities of the Government National Mortgage Association, or which are supported by the right of the issuer to borrow from the U.S. Treasury, such as securities issued by the Federal Financing Bank; or which are supported by the credit of the agency or instrumentality itself, such as securities of Federal Farm Credit Banks.
- (3) Repurchase agreements that are fully collateralized by the securities listed in (1) and (2) above.

The Series has and will maintain an AAAM credit rating from Standard & Poor's Ratings Group. The AAAM credit rating indicates that the Series is composed exclusively of investments that are rated AAA and/or eligible short-term investments.

The Series may invest in repurchase agreements. A repurchase agreement is a means of investing monies for a short period. In a repurchase agreement, a seller--a U.S. commercial bank or recognized U.S. securities dealer--sells securities to the Series and agrees to repurchase the securities at the Series's cost plus interest within a specified period (normally one day). In these transactions, the securities purchased by the Series will have a total value equal to or in excess of the value of the repurchase agreement, and will be held by the Series' custodian bank until repurchased. Under the Investment Company Act of 1940 (the "1940 Act"), a repurchase agreement is deemed to be the loan of money by the Series to the seller, collateralized by the underlying securities.

Kiewit Short-Term Government Portfolio

The Kiewit Short-Term Government Portfolio pursues its investment objective by investing all of its assets in the Kiewit Short-Term Government Series of the Trust (the "Short-Term Government Series") which has the same investment objective and policies as the Portfolio. The investment objective of the Short-Term Government Series is to provide investors with as high a level of current income as is consistent with the maintenance of principal and liquidity. The Short-Term Government Series invests at least 65% of its assets in U.S. Treasury securities and U.S. Government agency securities. The Short-Term Government Series may also invest in repurchase agreements collateralized by U.S. Treasury or U.S. Government agency securities. In an effort to minimize fluctuations in market value, the Short-Term Government Series will maintain a dollar-weighted average maturity between one and three years.

U.S. Government agency securities are debt obligations of agencies and instrumentalities of the U.S. Government which are supported by the full faith and credit of the U.S. Government, such as securities of the Government National Mortgage Association; or which are supported by the right of the issuer to borrow from the U.S. Treasury, such as securities issued by the Federal Financing Bank; or which are supported by the credit of the agency or instrumentality itself, such as securities of Federal Farm Credit Banks.

Kiewit Intermediate-Term Bond Portfolio

The Kiewit Intermediate-Term Bond Portfolio pursues its investment objective by investing all of its assets in the Kiewit Intermediate-Term Bond Series of the Trust (the "Intermediate-Term Bond Series") which has the same investment objective and policies as the Portfolio. The investment objective of the Intermediate-Term Bond Series is to provide as high a level of current income as is consistent with reasonable risk. It seeks to achieve its objective by investing substantially all of its total assets in a diversified portfolio of the following investment grade debt securities: U.S. Treasury and U.S. Government agency securities, mortgage-backed securities, asset-backed securities and corporate bonds. The Intermediate-Term Bond Series may also invest in repurchase agreements collateralized by U.S. Treasury and U.S. Government agency securities and other short-term debt securities. The Intermediate-Term Bond Series will have an average effective maturity (i.e., the market value weighted average time to repayment of principal) of between three and ten years.

Debt securities rated by an NRSRO, in the lowest investment grade debt category, have speculative characteristics; a change in economic conditions could lead to a weakened capacity of the issuer to make principal and interest payments. To the extent that the rating of a debt obligation held by the Intermediate-Term Bond Series falls below investment grade, the Intermediate-Term Bond Series, as soon as practicable, will dispose of the security, unless such disposal would be detrimental to the Intermediate-Term Bond Series in light of market conditions. See "Appendix - Description Of Ratings."

The Intermediate-Term Bond Series may invest in both fixed and variable or floating rate instruments. Variable and floating rate securities bear interest at rates which vary with changes in specified market rates or indices, such as a Federal Reserve composite index. The interest rate on these securities may be reset daily, weekly, quarterly or some other reset period, and may have a floor or ceiling on interest rate changes. There is a risk that the current interest rate on such securities may not accurately reflect existing market interest rates. Some of these securities carry a demand feature which permits the Intermediate-Term Bond Series to sell them during a predetermined time period at par value plus accrued interest. The demand feature is often backed by a credit instrument, such as a letter of credit, or by a creditworthy insurer. The Intermediate-Term Bond Series may rely on such instrument or the creditworthiness of the insurer in purchasing a variable or floating rate security.

Kiewit Tax-Exempt Portfolio

The Kiewit Tax-Exempt Portfolio pursues its investment objective by investing all of its assets in the Kiewit Tax-Exempt Series of the Trust (the "Tax-Exempt Series") which has the same investment objective and policies as the Portfolio. The investment objective of the Tax-Exempt Series is to provide as high a level of current income exempt from federal income tax as is consistent with reasonable risk. Because of this emphasis, capital appreciation is not an investment objective. The Tax-Exempt Series pursues its objective by investing primarily in municipal obligations whose interest is, in the opinion of counsel to the issuer, exempt from federal income tax. As a fundamental policy, the Tax-Exempt Series will normally invest at least 80% of its net assets in securities the interest on which is exempt from federal income tax, including the alternative minimum tax. However, the Tax-Exempt Series may invest up to 20% of its net assets in municipal securities, the interest on which is a preference item for purposes of the federal alternative minimum tax ("AMT bonds"). When the Manager is unable to locate investment opportunities with desirable risk/reward characteristics, the Tax-Exempt Series may invest up to 20% of its net assets in the following: cash, cash equivalent short-term obligations, certificates of deposit, commercial paper, obligations

issued or guaranteed by the U.S. Government or any of its agencies or instrumentalities, and repurchase agreements.

Municipal obligations are issued by states, territories and possessions of the United States and the District of Columbia and their political subdivisions, agencies and instrumentalities to raise money for various public purposes. Municipal obligations consist of general obligation bonds, revenue bonds and notes. General obligation bonds are backed by the issuer's pledge of its full faith, credit and taxing power for the payment of principal and interest and are considered the safest type of municipal investment. Revenue bonds are backed by revenues derived from a specific project, facility or revenue source. At times, the Tax-Exempt Series may invest more than 25% of the value of its assets in industrial development bonds, a type of revenue bond. Although issued by a public authority, some industrial revenue bonds may be backed only by the credit and security of a private issuer and may involve greater credit risk. Municipal notes are issued to finance short-term capital needs of a municipality and include tax and revenue anticipation notes, bond anticipation notes and commercial paper. Municipal obligations bear fixed, floating and variable rates of interest.

AMT bonds are tax-exempt "private activity" bonds issued after August 7, 1986, whose proceeds are directed at least in part to a private, for-profit organization. While the income from AMT bonds is exempt from regular federal income tax, it is a tax preference item for purposes of the alternative minimum tax. The alternative minimum tax is a special separate tax that applies to a limited number of taxpayers who have certain adjustments to income or tax preference items.

The Tax-Exempt Series also may invest up to 5% of its total assets in the following municipal-based obligations: municipal lease obligations, inverse floaters, tender option bonds, when-issued securities and zero coupon bonds. See the Fund's Statement of Additional Information for a discussion of these types of investments.

The Tax-Exempt Series may invest in the various types of municipal securities in any proportion. Although the Tax-Exempt Series does not currently intend to do so on a regular basis, it may invest more than 25% of its assets in tax-exempt securities that are repayable out of revenue streams generated from economically related projects or facilities, if such investment is deemed necessary or appropriate by the Manager. To the extent that the Tax-Exempt Series' assets are concentrated in tax-exempt securities payable from revenues on economically related projects and facilities, the Tax-Exempt Series will be subject to the risks presented by such projects to a greater extent than it would be if the Tax-Exempt Series' assets were not so concentrated.

The Tax-Exempt Series will invest only in investment grade obligations, or if unrated, in obligations that the Manager determines to be of comparable quality. The Tax-Exempt Series will have an average effective maturity (i.e., the market value weighted average time to repayment of principal) of between three and ten years. See "Appendix - Description Of Ratings."

Kiewit Equity Portfolio

The Kiewit Equity Portfolio pursues its investment objective by investing all of its assets in the Kiewit Equity Series of the Trust (the "Equity Series") which has the same investment objective and policies as the Portfolio. The Equity Series invests primarily in a diversified portfolio of equity securities, including common stocks, preferred stocks and securities convertible into common stock, which, in the Manager's opinion, are undervalued in the marketplace at the time of purchase. Dividend income is an incidental consideration compared to growth in capital. In selecting securities for the Equity Series, the Manager or sub-adviser may evaluate factors it believes are

likely to affect long-term capital appreciation such as the issuer's background, industry position, historical returns on equity and experience and qualifications of the management team. The Manager may rotate the Equity Series' holdings among various market sectors based on economic analysis of the overall business cycle. Under normal conditions, at least 65 percent of the Equity Series' net assets will be invested in equity securities.

The Equity Series invests in equity securities only if they are listed on registered exchanges or actively traded in the over-the-counter market. Under normal circumstances the Equity Series, to the extent not invested in the securities described above, may invest in investment grade securities issued by corporations and U.S. Government securities. In order to meet liquidity needs, the Equity Series may hold cash reserves and invest in money market instruments (including securities issued or guaranteed by the U.S. Government, its agencies or instrumentalities, repurchase agreements, certificates of deposit and bankers acceptances issued by banks or savings and loan associations, and commercial paper) rated at time of purchase in the top two categories by an NRSRO or determined to be of comparable quality by the Manager at the time of purchase.

The Equity Series may also purchase and sell American Depository Receipts ("ADRs"). ADRs are receipts typically issued by a U.S. bank or trust company which evidence ownership of underlying securities issued by a foreign corporation. Generally, ADRs in registered form are designed for use in the U.S. securities markets. The Equity Series may invest in ADRs through "sponsored" or "unsponsored" facilities. A sponsored facility is established jointly by the issuer of the underlying security and a depository, whereas a depository may establish an unsponsored facility without participation of the issuer of the deposited security. The Series does not consider any ADR purchase to be foreign. Holders of unsponsored ADRs generally bear all the costs of such facilities and the depository of an unsponsored facility frequently is under no obligation to distribute shareholder communications received from the issuer of the deposited security or to pass through voting rights to the holders of such receipts in respect of the deposited securities. Therefore, there may not be a correlation between information concerning the issuer of the security and the market value of an unsponsored ADR.

The Equity Series may invest in convertible securities issued by U.S. companies. Convertible debentures include corporate bonds and notes that may be converted into or exchanged for common stock. These securities are generally convertible either at a stated price or a stated rate (that is, for a specific number of shares of common stock or other security). As with other fixed income securities, the price of a convertible debenture to some extent varies inversely with interest rates. While providing a fixed-income stream, a convertible debenture also affords the investor an opportunity, through its conversion feature, to participate in the capital appreciation of the common stock into which it is convertible. Common stock acquired by the Equity Series upon conversion of a convertible debenture will generally be held for so long as the Manager anticipates such stock will provide the Series with opportunities which are consistent with the Series' investment objective and policies.

For temporary defensive purposes when the Manager determines that market conditions warrant, the Equity Series may invest up to 100% of its assets in the money market instruments described above and other short-term debt instruments that are rated, at the time of purchase, investment grade, and may hold a portion of its assets in cash.

Other Investment Policies

Other Registered Investment Companies. Each Portfolio's corresponding

Series reserves the right to invest in the shares of other registered investment companies. By investing in shares of investment companies, a Series would indirectly pay a portion of the operating expenses, management expenses and brokerage costs of such companies as well as the expense of operating the Series. Thus, the Series' investors may pay higher total operating expenses and other costs than they might pay by owning the underlying investment companies directly. The Manager will attempt to identify investment companies that have demonstrated superior management in the past, thus possibly offsetting these factors by producing better results and/or lower expenses than other investment companies with similar investment objectives and policies. There can be no assurance that this result will be achieved. However, the Manager will waive its advisory fee with respect to the assets of a Series invested in other investment companies, to the extent of the advisory fee charged by any investment adviser to such investment company. In addition, the 1940 Act limits investment by a Series in shares of other investment companies to no more than 10% of the value of the Series' total assets.

Securities Loans. Each Series may lend securities to qualified brokers, dealers, banks and other financial institutions for the purpose of earning additional income. While a Series may earn additional income from lending securities, such activity is incidental to the investment objective of a Series. The value of securities loaned may not exceed 33 1/3% of the value of a Series' total assets. In connection with such loans, a Series will receive collateral consisting of cash or U.S. Government securities, which will be maintained at all times in an amount equal to at least 100% of the current market value of the loaned securities. In addition, the Series will be able to terminate the loan at any time, will retain the authority to vote the loaned securities and will receive reasonable interest on the loan, as well as amounts equal to any dividends, interest or other distributions on the loaned securities. In the event of the bankruptcy of the borrower, the Fund could experience delay in recovering the loaned securities. Management believes that this risk can be controlled through careful monitoring procedures.

Reverse Repurchase Agreements. A Series may enter into reverse repurchase agreements with banks and broker-dealers. Reverse repurchase agreements involve sales by a Series of its assets concurrently with an agreement by the Series to repurchase the same assets at a later date at a fixed price. A Series will establish a segregated account with its custodian bank in which it will maintain cash, U.S. government securities or other liquid obligations equal in value to its obligations with respect to reverse repurchase agreements.

Options. The Kiewit Short-Term Government Series, Kiewit Intermediate-Term Bond Series and Kiewit Equity Series each may sell and/or purchase exchange-traded call options and purchase exchange-traded put options on securities in the Portfolio. Options will be used to generate income and to protect against price changes and will not be engaged in for speculative purposes. The aggregate value of option positions may not exceed 10% of each Series' net assets as of the time the Series enters into such options.

A put option gives the purchaser of the option the right to sell, and the writer the obligation to buy, the underlying security at any time during the option period. A call option gives the purchaser of the option the right to buy, and the writer of the option the obligation to sell, the underlying security at any time during the option period. The premium paid to the writer is the consideration for undertaking the obligations under the option contract. There are risks associated with option transactions including the following: (i) the success of an options strategy may depend on the ability of the Manager to predict movements in the prices of the individual securities, fluctuations in markets and movements in interest rates; (ii) there may be an imperfect correlation between the changes in market value of the securities held by a Series and the prices of options; (iii) there may not be a liquid secondary

market for options; and (iv) while a Series will receive a premium when it writes covered call options, it may not participate fully in a rise in the market value of the underlying security.

RISK FACTORS

Each Series has reserved the right to borrow amounts not exceeding 33% of its net assets for the purposes of making redemption payments. When advantageous opportunities to do so exist, a Series may also borrow amounts not exceeding 5% of the value of the Series' net assets for the purpose of purchasing securities. Such purchases can be considered to result in "leveraging," and in such circumstances, the net asset value of the Series may increase or decrease at a greater rate than would be the case if the Series had not leveraged. A Series would incur interest on the amount borrowed and if the appreciation and income produced by the investments purchased when the Series has borrowed are less than the cost of borrowing, the investment performance of the Series may be further reduced as a result of leveraging.

In addition, each Series may invest in repurchase agreements and reverse repurchase agreements. The use of repurchase agreements involves certain risks. For example, if the seller of the agreement defaults on its obligation to repurchase the underlying securities at a time when the value of these securities has declined, a Series may incur a loss upon disposition of them. If the seller of the agreement becomes insolvent and subject to liquidation or reorganization under the bankruptcy code or other laws, a bankruptcy court may determine that the underlying securities are collateral not within the control of the Series and therefore subject to sale by the trustee in bankruptcy. Finally, it is possible that a Series may not be able to substantiate its interest in the underlying securities. While the Fund's management acknowledges these risks, it is expected that they can be controlled through stringent security selection and careful monitoring. Reverse repurchase agreements involve the risk that the market value of the securities retained by the Series may decline below the price of the securities the Series has sold but is obligated to repurchase under the agreement. In the event the buyer of securities under a reverse repurchase agreement files for bankruptcy or become insolvent, the Series' use of the proceeds of the agreement may be restricted pending a determination by the other party, or its trustee or receiver, whether to enforce the Series' obligation to repurchase the securities. Reverse repurchase agreements are considered borrowings by the Series and as such are subject to the investment limitations discussed above.

The mortgage-backed and asset-backed securities in which the Kiewit Intermediate-Term Bond Series may invest differ from conventional bonds in that principal is paid back over the life of the security rather than at maturity. As a result, the holder of those types of securities (the Series) receives monthly scheduled payments of principal and interest, and may receive unscheduled principal payments representing prepayments on the underlying mortgages or assets. Such prepayments occur more frequently during periods of declining interest rates. When the holder reinvests the payments and any unscheduled prepayments of principal it receives, it may receive a rate of interest which is lower than the rate on the existing mortgage-backed and asset-backed securities. For this reason, these securities may be less effective than other types of securities as a means of "locking in" long-term interest rates.

The market value of mortgage securities, like other debt securities, generally varies inversely with changes in market interest rates, declining when interest rates rise and rising when interest rates decline. However, mortgage securities, due to changes in the rates of prepayments on the underlying mortgages, may experience less capital appreciation in declining interest rate environments and greater capital losses in periods of increasing interest rates than other investments of comparable maturities.

In addition, to the extent mortgage securities are purchased at a premium, mortgage foreclosures and unscheduled principal prepayments may result in some loss of the holders' principal investment to the extent of the premium paid. On the other hand, if mortgage securities are purchased at a discount, both a scheduled payment of principal and an unscheduled prepayment of principal increases current and total returns and accelerates the recognition of income which, when distributed to shareholders, is taxable as ordinary income.

MANAGEMENT OF THE FUND

The Fund was organized as a Delaware business trust. Under Delaware law the Fund's Board of Trustees is responsible for establishing Fund policies and for overseeing the management of the Fund.

Each of the Trustees and officers of the Fund is also a Trustee and officer of the Trust. The Trustees of the Fund, including all of the disinterested Trustees, have adopted written procedures to monitor potential conflicts of interest that might develop between the Feeder Portfolios and the Trust. Information as to the Trustees and Officers of the Fund and the Trust is set forth in the Statement of Additional Information under "Trustees and Officers."

Investment Management Agreement. Kiewit Investment Management Corp. (the "Manager"), 1000 Kiewit Plaza, Omaha, NE 68131-3344, serves as the investment manager to each Series of the Trust. The Manager, organized in 1994, is an indirect wholly-owned subsidiary of Peter Kiewit Sons', Inc., a construction, mining and telecommunications company. The Manager provides the Trust with records concerning the Manager's activities which the Trust is required to maintain and renders regular reports to the Trust's officers and the Board of Trustees. The Manager also selects brokers and dealers to effect securities transactions. Under the investment management agreement between the Manager and the Trust on behalf of each Series, the monthly fees of the Series are at the following annual rates of their average monthly net assets: Kiewit Money Market Series .20%; Kiewit Short-Term Government Series .30%; Kiewit Intermediate-Term Series .40%; Kiewit Tax-Exempt Series .40%; Kiewit Equity Series .70%; and Kiewit Rated Money Market Series .20%.

Mr. P. Gregory Williams manages the investments of the Kiewit Short-Term Government Series and co-manages the Kiewit Equity Series. Mr. Williams is the Chief Investment Officer and a Vice President of the Manager, Chief Financial Officer and a Vice President of the Fund and a Chartered Financial Analyst. From June 1983 to December 1986, he served as Assistant Vice President-Investments at Mutual of Omaha Fund Management Company. His duties included managing three investment companies. From December 1986 to November 1990, Mr. Williams served as Senior Vice President and Chief Investment Officer of Jefferson National Life Insurance Company in Indianapolis, Indiana. From June 1991 to August 1994, Mr. Williams was Vice President-Investments and Treasurer of Shenandoah Life Insurance Company of Roanoke, Virginia.

Brian J. Mosher manages the Kiewit Intermediate-Term Bond Series and the Kiewit Tax-Exempt Series, and co-manages the Kiewit Equity Series. Mr. Mosher is a Vice President of the Manager, a Vice President of the Fund and a Chartered Financial Analyst. From April 1984 to March 1989, he was Vice President and Trust Officer of The Provident Bancorporation of Cincinnati, Ohio. From March 1989 to December 1994, Mr. Mosher served as Investment Manager of Meridian Mutual Insurance Company in Indianapolis, Indiana.

The Fund has entered into an Administrative Services Agreement with the Manager, on behalf of each Feeder Portfolio. Pursuant to this agreement, the Manager performs various services, including: supervision of the services

provided by the Portfolio's custodian and transfer and dividend disbursing agent and others who provide services to the Fund for the benefit of the Portfolio; providing shareholders with information about the Portfolio and their investments as they or the Fund may request; assisting the Portfolio in conducting meetings of shareholders; furnishing information as the Board of Trustees may require regarding the corresponding Series; and any other administrative services for the benefit of the Portfolio as the Board of Trustees may reasonably request. For its services, each Feeder Portfolio pays the Manager a monthly fee equal to one-twelfth of .02% of the Portfolio's average net assets.

Administration and Accounting Services Agreements. Under separate Administration Agreements and Accounting Services Agreements with the Trust and the Fund, Rodney Square Management Corporation ("Rodney Square"), 1100 North Market Street, Wilmington, Delaware 19890, serves, respectively, as Administrator and Accounting Services Agent for the Trust and the Fund. In these joint capacities, Rodney Square manages and administers all regular day-to-day operations (other than management of the Trust's investments) of each of the Trust's various Series and each of the Fund's various Portfolios, subject to the supervision of the Trust's and the Fund's respective Boards of Trustees.

Pursuant to its respective agreements with Rodney Square, the Trust has agreed to pay Rodney Square, on behalf of each Trust Series, the Series' proportionate share of a complex-wide annual: (a) administration services charge of 0.015% of the Trust's aggregate total assets in excess of \$125 million; and (b) accounting services charge of 0.015% of the Trust's aggregate total assets in excess of \$100 million. Pursuant to its respective agreements with the Fund, Rodney Square receives from the Fund, on behalf of each Fund Portfolio, separate annual administration and accounting services fees of 0.02% of that portion of the Portfolio's total assets attributable to S Class Fund Shares. The foregoing Rodney Square annual asset-based fees are determined on an average daily total asset basis, and are subject to prescribed fixed minimums.

Transfer Agency Agreement. Rodney Square serves as Transfer Agent and Dividend Paying Agent for each Portfolio of the Fund pursuant to a Transfer Agency Agreement with the Fund.

Investment Management Expenses. The Fund and the Trust each bears all of its own costs and expenses, including: services of its independent accountants, legal counsel, brokerage fees, commissions and transfer taxes in connection with the acquisition and disposition of portfolio securities, taxes, insurance premiums, costs incidental to meetings of its shareholders and directors or trustees, the cost of filing its registration statements under the federal securities laws and the cost of any notice filings required under state securities laws, reports to shareholders, and transfer and dividend disbursing agency, administrative services and custodian fees. Expenses allocable to a particular Portfolio or Series are so allocated, and expenses which are not allocable to a particular Portfolio or Series are borne by each Portfolio or Series on the basis of the fees paid by the Fund or Trust.

DISTRIBUTION PLAN

The Fund has adopted a plan pursuant to Rule 12b-1 under the Investment Company Act of 1940 (the "12b-1 Plan"), whereby it may reimburse Rodney Square Distributors, Inc. (the "Distributor") or others for expenses actually incurred by the Distributor or others in the promotion and distribution of the Fund's S Class Shares. These expenses include, but are not limited to, the printing of prospectuses and reports used for sales purposes, the preparation of sales literature and related expenses, advertisements, and other distribution-related expenses, including payments to securities dealer and others participating in the sale and servicing of S Class Shares. The maximum amount which the Fund may pay to the Distributor and others (and which the Distributor may re-allow to securities dealers and others participating in the

sale of shares) for such distribution expenses is 0.25% per annum of average daily net assets of a Portfolio's S Class payable on a monthly basis. All expenses of distribution and marketing in excess of 0.25% per annum will be borne by the Advisor. The 12b-1 Plan also covers any payments made by the Fund, the Manager, the Distributor, or other parties on behalf of the Fund, the Advisor, the Manager, or the Distributor, to the extent such payments are deemed to be for the financing of any activity primarily intended to result in the sale of S Class Shares issued by the Fund within the context of Rule 12b-1.

DIVIDENDS, CAPITAL GAINS DISTRIBUTIONS AND TAXES

The Portfolios seek to achieve their investment objectives by investing all of their investable assets in a corresponding Series of shares of Trust. Each Series is classified as a partnership for U.S. federal income tax purposes. A Portfolio is allocated its proportionate share of the income and realized and unrealized gains and losses of its corresponding Series.

Each Portfolio of the Fund is treated as a separate entity for federal income tax purposes. Each Portfolio intends to qualify each year as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). As such, each Portfolio will not be subject to federal income tax, or to any excise tax, to the extent its earnings are distributed as provided in the Code and by satisfying certain other requirements relating to the sources of its income and diversification of its assets.

Dividends paid by a Portfolio with respect to its K Class Shares and S Class Shares are calculated in the same manner and at the same time. Both K Class and S Class Shares of a Portfolio will share proportionally in the investment income and expenses of the Portfolio, except that the per share dividends of S Class Shares will ordinarily be lower than the per share dividends of K Class Shares as a result of the distribution expenses charged to S Class Shares.

Dividends consisting of substantially all of the ordinary income of each Portfolio, except the Kiewit Equity Portfolio, are declared daily and are payable to shareholders of record at the time of declaration. Such dividends are paid on the first business day of each month. Net capital gains distributions, if any, will be made annually. The Fund's policy is to distribute substantially all net investment income from the Kiewit Equity Portfolio, together with any net realized capital gains annually.

Shareholders of the Fund will automatically receive all income dividends and capital gains distributions in additional shares of the Portfolio whose shares they hold at net asset value (as of the business date following the dividend record date), unless as to each Portfolio, upon written notice to the Fund's Transfer Agent, Rodney Square, the shareholder selects one of the following options: (i) Income Option -- to receive income dividends in cash and capital gains distributions in additional shares at net asset value; (ii) Capital Gains Option -- to receive capital gains distributions in cash and income dividends in additional shares at net asset value; or (iii) Cash Option -- to receive both income dividends and capital gains distributions in cash.

Distributions paid by a Portfolio from long-term capital gains (which are allocated from a Series), whether received in cash or in additional shares, are taxable to investors as long-term capital gains, regardless of the length of time an investor has owned shares in the Portfolio. The Portfolios (through the operation of the Series) do not seek to realize any particular amount of capital gains during a year; rather, realized gains are a byproduct of management activities. Consequently, capital gains distributions may be expected to vary considerably from year to year. Also, if purchases of shares in a Portfolio are made shortly before the record date for a capital gains

distribution or a dividend, a portion of the investment will be returned as a taxable distribution.

Dividends which are declared in October, November or December to shareholders of record in such a month but which, for operational reasons, may not be paid to the shareholder until the following January, will be treated for tax purposes as if paid by a Portfolio and received by the shareholder on December 31 of the calendar year in which they are declared.

A sale or redemption of shares of a Portfolio is a taxable event and may result in a capital gain or loss to shareholders subject to tax. Any loss incurred on sale or exchange of a Portfolio's shares held for six months or less will be treated as a long-term capital loss to the extent of any capital gain dividends received with respect to such shares.

The Portfolios may be required to report to the Internal Revenue Service ("IRS") any taxable dividend or other reportable payment (including share redemption proceeds) and withhold 31% of any such payments made to shareholders who have not provided a correct taxpayer identification number and made certain required certifications. A shareholder may also be subject to backup withholding if the IRS or a broker notifies the Fund that the number furnished by the shareholder is incorrect or that the shareholder is subject to backup withholding for previous under-reporting of interest or dividend income.

Shareholders of the Portfolios who are not U.S. persons for purposes of federal income taxation, should consult with their financial or tax advisors regarding the applicability of U.S. withholding and other taxes to distributions received by them from the Portfolios and the application of foreign tax laws to these distributions. Shareholders should also consult their tax advisors with respect to the applicability of any state and local intangible property or income taxes to their shares of the Portfolios and distributions and redemption proceeds received from the Portfolios. Shareholders who hold shares of a Portfolio in an employer-sponsored 401(k) or profit sharing plan, or other tax-advantaged plan, such as an IRA, should read their plan documents with respect to options available for receipt of dividends and federal tax treatment of transactions involving such shares.

The tax discussion set forth above is included for general information only. Prospective investors should consult their own tax advisers concerning the federal, state, local or foreign tax consequences of an investment in a Portfolio.

PURCHASE OF SHARES

After you open an account with the Fund, you may purchase S Class Shares by (a) writing to the Fund and enclosing your check as payment or (b) by calling (800) 2KIEWIT to arrange for payment by wire transfer.

To Open an Account. Send a completed application form by regular mail to Kiewit Mutual Fund, c/o Rodney Square, P.O. Box 8987, Wilmington, DE 19899, or by express mail to Kiewit Mutual Fund, c/o Rodney Square, 1105 N. Market Street, Wilmington, DE 19801. You may request an application form by calling (800) 2KIEWIT.

To Purchase by Mail. Your initial purchase may be indicated on your application. For additional purchases, you may send the Fund a simple letter or use order forms supplied by the Fund. Please enclose your check drawn on a U.S. bank payable to "Kiewit Mutual Fund." Please indicate the amount to be invested in each Portfolio and your Portfolio account number.

To Purchase by Wire Transfer: Please call the Fund at (800) 2KIEWIT to

make specific arrangements before each wire transfer. Then, instruct your bank to wire federal funds to Rodney Square Management Corporation, c/o Wilmington Trust Company, Wilmington, DE -- ABA #0311-0009-2, attention: Kiewit Mutual Fund, DDA# 2648-0337, further credit -- your account number, the desired Portfolio and class of shares and your name.

Minimum Initial Investment. The minimum initial investment is \$10,000, but subsequent investments may be made in any amount.

Purchase Price and Timing. S Class Shares of each Portfolio are offered at their net asset value next determined after a purchase order is received and accepted. Purchase orders received by and accepted before the close of regular trading on the New York Stock Exchange ("NYSE"), usually 4:00 p.m. Eastern time, on any Business Day of the Fund will be priced at the net asset value per share that is determined as of the close of regular trading on the NYSE. However, purchase orders for shares of the Kiewit Money Market Portfolio and the Kiewit Rated Money Market Portfolio received and accepted before 2:00 p.m., Eastern time, on any Business Day of the Fund will be priced at the net asset value per share that is determined at 2:00 p.m., Eastern time. (See "Valuation Of Shares.") Purchase orders received and accepted after those daily deadlines will be priced as of the deadline on the following Business Day of the Fund. A "Business Day of the Fund" is any day on which the NYSE and Federal Reserve Bank are open for business. The Fund and RSD each reserves the right to reject any purchase order and may suspend the offering of shares of any Portfolio for a period of time.

In Kind Purchases. If accepted by the Fund, S Class Shares and shares of each Portfolio may be purchased in exchange for securities which are eligible for acquisition by the Portfolio and its corresponding Series of the Trust as described in the Statement of Additional Information. Please contact Rodney Square about this purchase method.

SHAREHOLDER ACCOUNTS

Shareholder Inquiries. Shareholder inquiries may be made by writing the Fund at 1100 North Market Street, Wilmington, DE 19890 or calling (800) 2KIEWIT.

Shareholder Statements. The Fund will mail a statement at least quarterly showing all purchases, redemptions and balances in each Portfolio. Shareholdings are expressed in terms of full and fractional shares of each Portfolio rounded to the nearest 1/1000th of a share. In the interest of economy and convenience, the Portfolios do not issue share certificates.

Individual Retirement Accounts. Shares of the Portfolios may be purchased for a tax-deferred retirement plan such as an individual retirement account ("IRA"). For an IRA Application, call Rodney Square at (800) 2KIEWIT. Wilmington Trust Company ("WTC") provides IRA custodial services for each shareholder account that is established as an IRA. For these services, WTC receives an annual fee of \$10.00 per account, which fee is paid directly to WTC by the IRA shareholder. If the fee is not paid by the date due, Portfolio shares owned by the IRA shareholder will be redeemed automatically for purposes of making the payment.

Non-Individual Accounts. Corporations, partnerships, fiduciaries and other non-individual investors may be required to furnish certain additional documentation to make purchases, exchanges and redemptions.

Minimum Account Size. Due to the relatively high cost of maintaining small shareholder accounts, the Fund reserves the right to automatically close any account with a current value of less than \$5,000 by involuntarily redeeming

all shares in the account and mailing the proceeds to the shareholder. Shareholders will be notified if their account value is less than \$5,000 and will be allowed 60 days in which to increase their account balance to \$5,000 or more to prevent the account from being closed. Reductions in value that result solely from market activity will not trigger an involuntary redemption.

VALUATION OF SHARES

The net asset value per share of each Portfolio's S Class Shares is calculated by dividing the total market value of the corresponding Series' investments and other assets, less any liabilities, by the total outstanding shares of the stock of the Portfolio. The value of the shares of each Series will fluctuate in relation to its own investment experience. The value of the shares of the Feeder Portfolios will fluctuate in relation to the investment experience of the Trust Series in which such Portfolios invest. On each Business Day of the Fund, net asset value is determined as of the close of business of the NYSE, usually 4:00 p.m. Eastern time; except for the Kiewit Money Market Portfolio and Kiewit Rated Money Market Portfolio, which is determined at 2:00 p.m., Eastern time. Securities held by the Series which are listed on a securities exchange and for which market quotations are available are valued at the last quoted sale price of the day or, if there is no such reported sale, at the mean between the most recent quoted bid and asked prices. Price information on listed securities is taken from the exchange where the security is primarily traded. Unlisted securities for which market quotations are readily available are valued at the mean between the most recent bid and asked prices. The value of other assets and securities for which no quotations are readily available (including restricted securities) are determined in good faith at fair value in accordance with procedures adopted by the Board of Directors.

Money market instruments with a maturity of more than 60 days are valued at current market value, as discussed above. Money market instruments with a maturity of 60 days or less are valued at their amortized cost, which the Board of Trustees has determined in good faith constitutes fair value for purposes of complying with the 1940 Act. This valuation method will continue to be used until such time as the Trustees determine that it does not constitute fair value for such purposes.

The net asset value of the shares of each Portfolio, except the Kiewit Money Market Portfolio and the Kiewit Rated Money Market Portfolio, will fluctuate in relation to its own investment experience. The Kiewit Money Market Portfolio and Kiewit Rated Money Market Portfolio will attempt to maintain a stable net asset value of \$1.00 per share.

The offering price of shares of each Portfolio is the net asset value next determined after the purchase order is received and accepted; no sales charge or reimbursement fee is imposed.

EXCHANGE OF SHARES

You may exchange all or a portion of your S Class Shares in a Portfolio for S Class Shares of any other Portfolio of the Fund that currently offers its shares to investors. A redemption of shares through an exchange will be effected at the net asset value per share next determined after receipt by the Fund of the request, and a purchase of shares through an exchange will be effected at the net asset value per share next determined.

Exchange transactions will be subject to the minimum initial investment and other requirements of the Portfolio into which the exchange is made. An exchange may not be made if the exchange would leave a balance in a shareholder's Portfolio account of less than \$5,000.

To obtain more information about exchanges, or to place exchange orders, contact the Fund. The Fund, on behalf of the Portfolios, reserves the right to terminate or modify the exchange offer described here. This exchange offer is valid only in those jurisdictions where the sale of the Portfolio's shares to be acquired through such exchange may be legally made.

REDEMPTION OF SHARES

You may redeem S Class Shares by mailing instructions to the Fund or calling the Fund at (800) 2KIEWIT. The Fund will promptly mail you a check or wire transfer funds to your bank, as described below.

To Redeem By Mail: You may send written instructions, with signature guarantees, by regular mail to: Kiewit Mutual Fund, c/o Rodney Square Management Corporation, P.O. Box 8987, Wilmington, DE 19899-9752, or by express mail to Kiewit Mutual Fund, c/o Rodney Square Management Corporation, 1105 N. Market Street, Wilmington, DE 19801. The instructions should indicate the Portfolio from which shares are to be redeemed, the number of shares or dollar amount to be redeemed, the Portfolio account number and the name of the person in whose name the account is registered. A signature and a signature guarantee are required for each person in whose name the account is registered. A signature may be guaranteed by an eligible institution acceptable to the Fund, such as a bank, broker, dealer, municipal securities dealer, government securities dealer, credit union, national securities exchange, registered securities association, clearing agency, or savings association.

To Redeem By Telephone: If you want to redeem your shares by telephone you must elect to do so by checking the appropriate box of your initial Application or by calling the Fund at (800) 2KIEWIT to obtain a separate application for telephone redemptions. In order to redeem by telephone, you must call the Fund Monday through Friday during normal business hours of 9 a.m. to 4 p.m., Eastern time, and indicate your name, Kiewit Mutual Fund, the Portfolio's name, your Portfolio account number and the number of shares you wish to redeem. The Fund will employ reasonable procedures to confirm that instructions communicated by telephone are genuine and will not be liable for any losses to a shareholder due to unauthorized or fraudulent telephone transactions. If the Fund, the Manager, the Transfer Agent or any of their employees fails to abide by their procedures, the Fund may be liable to a shareholder for losses he/she suffers from any resulting unauthorized transactions. During times of drastic economic or market changes, the telephone redemption privilege may be difficult to implement. In the event that you are unable to reach the Fund by telephone, you may make a redemption request by mail.

Additional Redemption Information. You may redeem all or any part of the value of your account on any Business Day. Redemptions are made at the net asset value next calculated after the Fund has received and accepted your redemption request. (See "Valuation Of Shares.") The Fund imposes no fee when shares are redeemed.

Redemption checks are mailed on the next Business Day of the Fund following acceptance of redemption instructions but in no event later than 7 days following such receipt and acceptance. Amounts redeemed by wire from each Portfolio, except the Kiewit Money Market Portfolio, are normally wired on the next business day after acceptance of redemption instructions (if received by Rodney Square before the close of regular trading on the NYSE or 2:00 p.m. Eastern time, for the Kiewit Money Market Portfolio). In no event are redemption proceeds wired later than 7 days following such receipt and acceptance. If the shares to be redeemed were purchased by check, the Fund reserves the right not to make the redemption proceeds available until it has

reasonable grounds to believe that the check has been collected (which could take up to 10 days).

Redemption proceeds exceeding \$10,000 may be wired to your predesignated bank account in any commercial bank in the United States. The receiving bank may charge a fee for this service. Alternatively, proceeds may be mailed to your bank or, for amounts of less than \$10,000, mailed to your Portfolio account address of record if the address has been established for a minimum of 60 days. In order to authorize the Fund to mail redemption proceeds to your Portfolio account address of record, complete the appropriate section of the application for telephone redemptions or include your Portfolio account address of record when you submit written instructions. You may change the account which you have designated to receive amounts redeemed at any time. Any request to change the account designated to receive redemption proceeds should be accompanied by a guarantee of the shareholder's signature by an eligible institution. A signature and a signature guarantee are required for each person in whose name the account is registered. Further documentation will be required to change the designated account when shares are held by a corporation, partnership, fiduciary or other non-individual investor.

For more information on redemption services, call the Fund at (800) 2KIEWIT.

Redemption Policies. Redemption payments in cash will ordinarily be made within seven days after receipt of the redemption request in good form. However, the right of redemption may be suspended or the date of payment postponed in accordance with the 1940 Act. The amount received upon redemption may be more or less than the amount paid for the shares depending upon the fluctuations in the market value of the assets owned by the Portfolio. If the Board of Trustees determines that it would be detrimental to the best interests of the remaining shareholders of any Portfolio to make a particular payment in cash, the Fund may pay all or part of the redemption price by distributing portfolio securities from the Portfolio of the shares being redeemed in accordance with Rule 18f-1 under the 1940 Act. Investors may incur brokerage charges and other transaction costs selling securities that were received in payment of redemptions.

PERFORMANCE INFORMATION

From time to time, performance information, such as yield or total return for a Portfolio, may be quoted in advertisements or in communications to shareholders. Performance quotations represent past performance and should not be considered as representative of future results. The current yield will be calculated by dividing the net investment income earned per share during the period stated in the advertisement (based on the average daily number of shares entitled to receive dividends outstanding during the period) by the closing net asset value per share on the last day of the period and annualizing the result on a semi-annual compounded basis. A Portfolio's total return may be calculated on an annualized and aggregate basis for various periods (which periods will be stated in the advertisement). Average annual return reflects the average percentage change per year in value of an investment in a Portfolio. Aggregate total return reflects the total percentage change in value of an investment in the Portfolio over the stated period.

The principal value of an investment in a Portfolio will fluctuate so that an investor's shares when redeemed, may be worth more or less than the investor's original cost. Performance will be calculated separately for K Class and S Class Shares. The K Class Shares have different expenses from the S Class Shares which may affect performance.

Further information about the performance of each Portfolio and Class is included in the Fund's Annual Report to Shareholders which may be obtained without charge by contacting the Fund at (800) 2KIEWIT.

GENERAL INFORMATION

The Fund, formerly named "Kiewit Institutional Fund", issues two separate classes of shares of beneficial interest for each Portfolio with a par value of \$.01 per share. The shares of each Portfolio, when issued and paid for in accordance with the Fund's prospectus, will be fully paid and non-assessable shares, with equal, non-cumulative voting rights and no preferences as to conversion, exchange, dividends, redemption or any other feature.

The separate classes of shares each represent interests in the same portfolio of investments, have the same rights and are identical in all respects, except that the S Class Shares bear distribution plan expenses, and have exclusive voting rights with respect to the Rule 12b-1 Distribution Plan pursuant to which the distribution fee may be paid. The two classes have different exchange privileges. See "Exchange Of Shares." The net income attributable to S Class Shares and the dividends payable on S Class Shares will be reduced by the amount of the distribution fees; accordingly, the net asset value of the S Class Shares will be reduced by such amount to the extent the Portfolio has undistributed net income.

Shareholders shall have the right to vote only (i) for removal of Trustees, (ii) with respect to such additional matters relating to the Fund as may be required by the applicable provisions of the 1940 Act, including Section 16(a) thereof, and (iii) on such other matters as the Trustees may consider necessary or desirable. In addition, the shareholders of each Portfolio will be asked to vote on any proposal to change a fundamental investment policy (i.e. a policy that may be changed only with the approval of shareholders) of that Portfolio. All shares of the Fund entitled to vote on a matter shall vote without differentiation between the separate Portfolios on a one-vote-per-share basis; provided however, if a matter to be voted on does not affect the interests of all Portfolios, then only the shareholders of each affected Portfolio shall be entitled to vote on the matter. If liquidation of the Fund should occur, shareholders would be entitled to receive on a per Portfolio basis the assets of the particular Portfolio whose shares they own, as well as a proportionate share of Fund assets not attributable to any particular Portfolio then in existence. Ordinarily, the Fund does not intend to hold annual meetings of shareholders, except as required by the 1940 Act or other applicable law. The Fund's by-laws provide that meetings of shareholders shall be called for the purpose of voting upon the question of removal of one or more Trustees upon the written request of the holders of not less than 10% of the outstanding shares.

Kiewit Investment Trust was organized as a Delaware business trust on _____, 1997. The Trust offers shares of its Series only to institutional investors in private offerings. The Fund may withdraw the investment of a Feeder Portfolio in a Series of the Trust at any time, if the Board of Trustees of the Fund determines that it is in the best interests of the Portfolio to do so. Upon any such withdrawal, the Board of Trustees of the Fund would consider what action might be taken, including the investment of all of the assets of the Portfolio in another pooled investment entity having the same investment objective as the Portfolio or the hiring of an investment advisor to manage the Portfolio's assets in accordance with the investment policies described above.

Whenever a Feeder Portfolio, as an investor in its corresponding Trust Series, is asked to vote on a shareholder proposal, the Fund will hold a special meeting of the Feeder Portfolio's shareholders to solicit their votes with respect to the proposal. The Trustees of the Fund will then vote the Feeder Portfolio's shares in the Series in accordance with the voting instructions received from the Feeder Portfolio's shareholders. The Trustees

of the Fund will vote shares of the Feeder Portfolio for which they receive no voting instructions in accordance with their best judgment.

Peter Kiewit Sons', Inc., a Delaware Corporation with principal offices at 1000 Kiewit Plaza, Omaha, NE 68131, is the direct or indirect parent of shareholders of more than 25% of the voting securities of each Portfolio and therefore may be deemed to control each Portfolio.

* Owner of record only.

APPENDIX - DESCRIPTION OF RATINGS

Description of Bond Ratings - Moody's Investors Services, Inc. ("Moody's") description of its bond ratings are:

Aaa--Bonds which are rated Aaa are judged to be 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 maybe other elements present which make the long-term risk appear somewhat larger than the 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 some time 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 rated 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 market 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.

Moody's also supplies numerical indicators 1, 2 and 3 to rating categories. The modifier 1 indicates that the security is in the higher end of its rating category; the modifier 2 indicates a mid-range ranking; and 3 indicates a ranking toward the lower end of the category.

Standard & Poor's Ratings Group's ("S&P") description of its bond ratings are:

AAA--The highest degree of safety with overwhelming repayment capacity.

AA--Very high degree of safety with very strong capacity for repayment. These issues differ from higher rated issues only in a small degree.

A--A strong degree of safety and capacity for repayment, but these issues are somewhat more susceptible in the long term to adverse economic conditions than those rated in higher categories.

BBB--A satisfactory degree of safety and capacity for repayment, but these issues are more vulnerable to adverse economic conditions or changing circumstances than higher-rated issues.

BB--This designation reflects less near-term vulnerability to default than other speculative issues. However, the issues face major ongoing uncertainties or exposures to adverse economic or financial conditions threatening capacity to meet interest and principal payments on a timely basis.

B--This designation indicates that the issues have a greater vulnerability to default but currently have the capacity to meet interest payments and principal repayments. Adverse business, financial, or economic conditions will likely impair capacity to pay interest and repay principal.

CCC--Issues rated CCC have currently identifiable vulnerability to default, and are dependent upon favorable business, financial, and economic conditions to meet timely interest and principal repayments. Adverse business, financial, or economic developments would render repayment capacity unlikely.

S&P applies indicators "+," no character, and "-" to its rating categories. The indicators show relative standing within the major rating categories.

Description of Commercial Paper Ratings

The rating A-1 is the highest commercial paper rating assigned by S&P. Commercial paper rated A-1 has the following characteristics: (1) liquidity ratios are adequate to meet cash requirements; (2) long-term senior debt is rated "A" or better; (3) the issuer has access to at least two additional channels of borrowing; (4) basic earnings and cash flow have an upward trend with allowance made for unusual circumstances; (5) typically, the issuer's industry is well established and the issuer has a strong position within the industry; and (6) the reliability and quality of management are unquestioned. The rating Prime-1 is the highest commercial paper rating assigned by Moody's.

Among the factors considered by Moody's in assigning ratings are the following: (1) evaluation of the management of the issuer; (2) economic evaluation of the issuer's industry or industries and the appraisal of speculative-type risks which may be inherent in certain areas; (3) evaluation of the issuer's products in relation to competition and customer acceptance; (4) liquidity; (5) amount and quality of long-term debt; (6) trend of earnings over a period of ten years; (7) financial strength of a parent company and the relationships which exist with the issuer; and (8) recognition by the management of obligations which may be present or may arise as a result of

public interest questions and preparations to meet such obligations.

KIEWIT MUTUAL FUND
1000 Kiewit Plaza
Omaha, NE 68131-3344
Telephone: (800) 2KIEWIT

Investment Advisor
KIEWIT INVESTMENT MANAGEMENT CORP.
1000 Kiewit Plaza
Omaha, NE 68131-3344

Custodian
WILMINGTON TRUST COMPANY
Rodney Square North, 1100 N. Market Street
Wilmington, DE 19890-0001

Administrator and Transfer Agent
RODNEY SQUARE MANAGEMENT CORPORATION
Rodney Square North, 1100 N. Market Street
Wilmington, DE 19890-0001

Distributor
RODNEY SQUARE DISTRIBUTORS, INC.
Rodney Square North, 1100 N. Market Street
Wilmington, DE 19890-00014

Kiewit Mutual Fund

K CLASS SHARES

1000 Kiewit Plaza, Omaha, NE 68131-3344
Telephone: (800) 2KIEWIT

STATEMENT OF ADDITIONAL INFORMATION

_____, 1997

This statement of additional information is not a prospectus but should be read in conjunction with the prospectus of Kiewit Mutual Fund (the "Fund"), relating to the Fund's K Class Shares, dated _____, 1997, which can be obtained from the Fund by writing to the Fund at the above address or by calling the above telephone number.

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HISTORY

Kiewit Institutional Fund was organized as a Delaware business trust on June 1, 1994. The name of the trust was changed to Kiewit Mutual Fund on October 7, 1994.

INVESTMENT LIMITATIONS AND POLICIES

The following information supplements the information set forth in the prospectus under the caption "Investment Objectives And Policies." The following information applies to the Feeder Portfolios and to the corresponding Trust Series.

Fundamental Limitations - All Portfolios

Each of the Portfolios has adopted certain limitations which may not be changed with respect to any Portfolio without the approval of a majority of the outstanding voting securities of the Portfolio. A "majority" is defined as the lesser of: (1) at least 67% of the voting securities of the Portfolio (to be affected by the proposed change) present at a meeting if the holders of more than 50% of the outstanding voting securities of the Portfolio are present or represented by proxy, or (2) more than 50% of the outstanding voting securities of such Portfolio.

The Portfolios either directly or indirectly through their investment in the Series of the Trust will not: (1) as to 75% of the total assets of a Portfolio, invest in the securities of any issuer (except obligations of the U.S. Government and its instrumentalities) if, as a result more than 5% of the Portfolio's total assets, at market, would be invested in the securities of such issuer, provided that this restriction applies to 100% of the total assets of the Kiewit Money Market Portfolio; (2) borrow, except that a Portfolio may borrow from banks for temporary or emergency purposes or to pay redemptions and then, in no event, in excess of 33% of its net assets and a Portfolio may pledge not more than 33% of such assets to secure such loans; (3) pledge, mortgage, or hypothecate any of its assets to an extent greater than 10% of its total assets at fair market value, except as described in (2) above; (4) invest more than 15% of the value of the Portfolio's net assets in illiquid securities which include certain restricted securities, repurchase agreements with maturities of greater than seven days, and other illiquid investments; (5) invest its assets in securities of any investment company in excess of the limits set forth in the Investment Company Act of 1940 (the "1940 Act") and rules thereunder, except in connection with a merger, acquisition of assets, consolidation or reorganization; (6) acquire any securities of companies within one industry if, as a result of such acquisition, more than 25% of the value of the Portfolio's total assets would be invested in securities of companies within such industry; (7) engage in the business of underwriting securities issued by others, except that, in connection with the disposition of a security, a Portfolio may be deemed to be an "underwriter" as that term is defined in the Securities Act of 1933 (the "1933 Act"); (8) purchase or sell commodities except that each Portfolio may purchase or sell financial futures contracts and options thereon; (9) invest in real estate, including limited partnership interests therein, although they may purchase and sell securities which deal in real estate and securities which are secured by interests in real estate; (10) purchase securities on margin or sell securities short, except that a Portfolio may satisfy margin requirements with respect to futures

transactions; and (11) make loans, except that this restriction shall not prohibit (a) the purchase of obligations customarily purchased by institutional investors, (b) the lending of Portfolio securities or (c) entry into repurchase agreements.

The investment limitations described above do not prohibit each Feeder Portfolio from investing all or substantially all of its assets in the shares of another registered, open-end investment company such as the Series of the Trust. The investment policies and limitations of each Series are the same as those of the corresponding Feeder Portfolio.

For the purposes of (4) above, each Portfolio (indirectly through their investment in the corresponding Trust Series) may invest in commercial paper that is exempt from the registration requirements of the 1933 Act subject to the requirements regarding credit ratings stated in the prospectus under "Investment Objectives And Policies." Further, pursuant to Rule 144A under the 1933 Act, the Portfolios (indirectly through their investment in the corresponding Trust Series) may purchase certain unregistered (i.e. restricted) securities upon a determination that a liquid institutional market exists for the securities. If it is decided that a liquid market does exist, the securities will not be subject to the 15% limitation on holdings of illiquid securities stated in (4) above. While maintaining oversight, the Board of Trustees has delegated the day-to-day function of making liquidity determinations to Kiewit Investment Management Corp. (the "Manager"). For Rule 144A securities to be considered liquid, there must be at least one dealer making a market in such securities. After purchase, the Board of Trustees and the Manager will continue to monitor the liquidity of Rule 144A securities. There is no limit on the Portfolios' (indirectly through their investment in the corresponding Series) investment in Rule 144A securities that are determined to be liquid.

For the purposes of (6) above, (i) utility companies will be divided according to their services; e.g., gas, gas transmission, electric and gas, electric, water and telephone will each be considered a separate industry; and (ii) the Kiewit Money Market Portfolio (indirectly through its investment in the corresponding Series) may invest more than 25% of the value of its total assets in obligations of U.S. banks, such as certificates of deposits, time deposits and bankers' acceptances. The banks must have total assets exceeding one billion dollars.

Non-Fundamental Limitations - All Portfolios

The following policies are non-fundamental and may be changed by the Board of Trustees, without shareholder approval:

The Portfolios (indirectly through their investment in the corresponding Series) will not: (1) invest for the purpose of exercising control over management of any company; (2) acquire more than 10% of the voting securities of any issuer; or (3) invest more than 5% of its total assets in securities which have (with predecessors) a record of less than three years' continuous operations.

Non-Fundamental Policies - Kiewit Bond Portfolios

The following policies are non-fundamental and may be changed by the Board of Trustees, without shareholder approval:

The Kiewit Short-Term Government, Kiewit Tax-Exempt and Kiewit Intermediate-Term Bond Portfolios (each referred to herein as a "Kiewit Bond Portfolio"), through their investment in the corresponding Series, may invest in obligations that permit repayment of the principal amount of the obligation prior to maturity. Variable and floating rate obligations are relatively long-

term instruments that often carry demand features permitting the holder to demand payment of principal at any time or at specified intervals prior to maturity. Standby commitments, which are similar to a put, give a Kiewit Bond Portfolio the option to obligate a broker, dealer or bank to repurchase a security held by a Kiewit Bond Portfolio at a specified price. Tender option bonds are relatively long-term bonds that are coupled with the agreement of a third party (such as a broker, dealer or bank) to grant the holders of such securities the option to tender the securities to the institution at periodic intervals. A Kiewit Bond Portfolio will purchase these types of instruments primarily for the purpose of increasing the liquidity of its portfolio.

New issues of bonds are often issued on a "when-issued" basis, which means that actual payment for the delivery of the securities generally takes place 15 to 45 days after the purchase date. During this period, a Kiewit Bond Portfolio bears the risk that interest rates on debt securities at the time of delivery may be higher or lower than those contracted for on the when-issued securities. To alleviate this risk, each Kiewit Bond Portfolio does not intend to invest more than 5% of its assets in when-issued securities.

A Kiewit Bond Portfolio also may invest up to 5% of its assets in zero coupon bonds or "strips." Zero coupon bonds do not make regular interest payments, rather they are sold at a discount from face value. Principal and accretive discount (representing interest accrued but not paid) are paid at maturity. Strips are debt securities that are stripped of their interest after the securities are issued, but are otherwise comparable to zero coupon bonds. The market values of zero coupon bonds and strips generally fluctuate in response to changes in interest rates to a greater degree than interest paying securities of comparable term and quality. The strips in which a Kiewit Bond Portfolio may invest may or may not be a part of the U.S. Treasury Separately Traded Registered Interest and Principal Securities program. Each Kiewit Bond Portfolio may also purchase inverse floaters, which are instruments whose interest bears an inverse relationship to the interest rate on another security.

Generally, a Kiewit Bond Portfolio's average maturity will tend to be shorter when the Manager expects interest rates to rise and longer when it expects interest rates to decline.

Portfolio Turnover

The portfolio turnover rates for the fiscal year ended June 30, 1996, and the annualized portfolio turnover rates for the period ended June 30, 1995, for the Kiewit Short-Term Government Portfolio, Kiewit Intermediate-Term Bond Portfolio, Kiewit Tax-Exempt Portfolio and Kiewit Equity Portfolio were as follows:

| | |
|------------------------|----------|
| Name | |
| June 30, 1996 | |
| June 30, 1995 | |
| Short-Term Government | |
| | 57.52% |
| | 69.57%* |
| Intermediate-Term Bond | |
| | 86.06% |
| | 121.36%* |
| Tax-Exempt | |
| | 100.61% |
| | 92.53%* |
| Equity | |
| | 16.95% |
| | 0.00** |

* For the period from December 6, 1994 through June 30, 1995.

** For the period from January 5, 1995 through June 30, 1995.

In the current fiscal year, the portfolio turnover rate of each of the Kiewit Short-Term Government, Kiewit Intermediate-Term Bond and Kiewit Tax-Exempt Series is not expected to exceed 100%. The annual portfolio turnover rate of the Kiewit Equity Series is not expected to exceed 75%. Generally, securities held by the Kiewit Equity Series will not be sold to realize short-term profits, but when circumstances warrant, they may be sold without regard to the length of time held. Generally, securities held by the Kiewit Equity Series will be purchased with the expectation that they will be held for longer than one year.

MANAGEMENT OF THE FUND

Trustees and Officers

The names, addresses and ages of the trustees and officers of the Fund and a brief statement of their present positions and principal occupations during the past five years is set forth below. Trustees who are deemed to be "interested persons" as defined in the 1940 Act are indicated by an asterisk (*).

Richard R. Jaros*
1000 Kiewit Plaza
Omaha, NE 68131-3344

Mr. Jaros, age 44, is a Trustee of the Fund, a Director of the Manager, President of Peter Kiewit Sons', Inc. ("PKS"), and a Director of PKS, California Energy Company, Inc., C-TEC Corporation and MFS Communications Company, Inc. Mr. Jaros also was Chairman (1993-1994) and President and CEO (1992-1993) of California Energy Company, Inc. and Vice President of Kiewit Diversified Group Inc. (1989-1990).

Ann C. McCulloch*
1000 Kiewit Plaza
Omaha, NE 68131-3344

Ms. McCulloch, age 38, is Chairman, President and a Trustee of the Fund, President of the Manager and Vice President and Treasurer of PKS. From 1989 to 1993, Ms. McCulloch was Treasurer and Vice President of Central Maine Power in Augusta, ME.

George Lee Butler*
1000 Kiewit Plaza
Omaha, NE 68131-3344

Mr. Butler, age 57, is a Trustee of the Fund and President of Kiewit Energy Company. From 1991 to March 1994, Mr. Butler was Commander-in-Chief of the U.S. Strategic Command and from 1989 to 1994 was Director, Strategic Plans and Policy, for the U.S. Joint Chiefs of Staff.

Lawrence B. Thomas
One ConAgra Drive
Omaha, NE 68102

Mr. Thomas, age 60, is a Trustee of the Fund and Senior Vice-President. He

retired in November 1996, after having served as Corporate Risk Officer and Secretary of ConAgra, Inc. (a food company). Mr. Thomas previously served as principal financial officer and Treasurer of ConAgra, Inc.

John J. Quindlen
2205 N. Southwinds Boulevard
Vero Beach, FL 32963

Mr. Quindlen, age 64, is a Trustee of the Fund, each investment company in the Rodney Square Funds and Kalmar Pooled Trust, a registered investment company. He retired in November 1993, after having served as the Senior Vice President - Financial and Chief Financial Officer of E.I. du Pont de Nemours & Co., Inc. from 1984 to 1993.

P. Gregory Williams
1000 Kiewit Plaza
Omaha, NE 68131-3344

Mr. Williams, age 42, is Chief Financial Officer, Vice President and Treasurer of the Fund and Chief Investment Officer and a Vice President of the Manager. From June 1991 to August 1994, Mr. Williams was Vice President-Investments and Treasurer of Shenandoah Life Insurance Company in Roanoke, Virginia and from December 1986 to November 1990 was Senior Vice President and Chief Investment Officer of Jefferson National Life Insurance Company in Indianapolis, Indiana.

Brian J. Mosher
1000 Kiewit Plaza
Omaha, NE 68131-3344

Mr. Mosher, age 39, is a Vice President of the Fund a Vice President of the Manager. From March 1989 to December 1994, Mr. Mosher served as Investment Manager of Meridian Mutual Insurance Company in Indianapolis, Indiana.

Kenneth D. Gaskins, Esquire
1000 Kiewit Plaza
Omaha, NE 68131-3344

Mr. Gaskins, age 50, is Secretary of the Fund, Vice President and Secretary of the Manager and Corporate Counsel of PKS.

The fees and expenses of the Trustees who are not "interested persons" of the Fund ("Independent Trustees"), as defined in the 1940 Act, are paid by each Portfolio. For the fiscal year ended June 30, 1996, such fees amounted to \$25,000 for the Fund. The following table shows the fees paid during the fiscal year to the Independent Trustees for their service to the Fund.

Compensation Table

Aggregate Compensation
from the Fund

Total Compensation
from the Fund
Complex

Independent Trustee

John J. Quindlen

\$12,500

\$12,500

Lawrence B. Thomas

\$12,500

\$12,500

On _____, 1997, the Trustees and officers of the Fund, as a group, owned beneficially, or may be deemed to have owned beneficially, less than 1% of the outstanding shares of the Portfolios.

Investment Manager

For the services it provides as investment manager to each Portfolio's corresponding Series of the Trust, the Manager is paid a monthly fee calculated as a percentage of average net assets of the corresponding Series. Pursuant to the investment management agreements, the manager's fees for the fiscal years ended June 30, 1996 and 1995, would have been the following:

1996

(000)

1995

(000)

Kiewit Money Market Portfolio

\$843,989

\$436,236

Kiewit Short-Term Government
Portfolio

\$492,172

\$332,931

Kiewit Tax-Exempt Portfolio

\$499,823

\$331,508

Kiewit Intermediate-Term Portfolio

\$563,114

\$624,955

Kiewit Equity Portfolio

\$354,646

\$ 35,890

The Manager has agreed to waive all or a portion of its advisory fee for each Portfolio's corresponding Series and to assume certain expenses of the Portfolios and Series. This undertaking, which is not contained in the investment management agreements, may be amended or rescinded in the future. During the fiscal year ended June 30, 1996 and the period ended June 30, 1995, the Manager waived the following amounts to the Portfolios:

| | |
|----------------------------------|--|
| Name | |
| 1996 | |
| 1995 | |
| Money Market Portfolio | |
| \$298,011 | |
| \$ 70,100 | |
| Short-Term Government Portfolio | |
| 219,505 | |
| 92,745 | |
| Intermediate-Term Bond Portfolio | |
| 86,597 | |
| 117,862 | |
| Tax-Exempt Portfolio | |
| 57,267 | |
| 121,067 | |
| Equity Portfolio | |
| 126,289 | |
| 90,032 | |

Each investment management agreement is in effect for a period of two years. Thereafter, each agreement may continue in effect for successive annual periods, provided such continuance is specifically approved at least annually by a vote of the Trust's Board of Trustees or, by a vote of the holders of a majority of a Series' outstanding voting securities, and in either event by a majority of the Trustees who are not parties to the agreement or interested persons of any such party (other than as Trustees of the Trust), cast in person at a meeting called for that purpose. An investment management agreement may be terminated without penalty at any time by the Series or by the Manager on 60 days' written notice and will automatically terminate in the event of its assignment as defined in the 1940 Act.

Distributor

Rodney Square Distributors, Inc. ("RSD") serves as the Distributor of each Portfolio's K Class Shares pursuant to a Distribution Agreement with the Fund. Under the terms of the Distribution Agreement, RSD agrees to assist in securing purchasers for shares of the Portfolios. RSD will receive no compensation for distribution of K Class Shares of the Portfolios, except for reimbursement of out-of-pocket expenses.

The Distribution Agreement provides that RSD, in the absence of willful misfeasance, bad faith or gross negligence in the performance of its duties or by reason of reckless disregard of its obligations and duties under the agreement, will not be liable to the Fund or its shareholders for losses arising in connection with the sale of Portfolio K Class Shares.

The Distribution Agreement, dated November 15, 1994, continues in effect from year to year as long as its continuance is approved at least annually by a majority of the Trustees, including a majority of the Independent Trustees. The Distribution Agreement terminates automatically in the event of its assignment. The Agreement is also terminable without payment of any penalty with respect to each Portfolio either (i) by the Fund (by vote of a majority of the Independent Trustees or by vote of a majority of the outstanding voting securities of the Fund) on sixty (60) days' written notice to RSD; or (ii) by

RSD on sixty (60) days' written notice to the Fund.

CONTROL PERSONS AND PRINCIPAL HOLDERS OF SECURITIES

As of _____, 1997, the following shareholders were known to own of record more than 5% of the total outstanding shares of the Money Market Portfolio:

| Name and Address | Percentage Ownership |
|--|----------------------|
| Peter Kiewit Sons', Inc. One Thousand Kiewit Plaza Omaha, NE 68131 | % |
| Continental Holdings Inc. One Thousand Kiewit Plaza Omaha, NE 68131 | % |
| Northern Trust Company as Trustee For Continental Kiewit Inc. Pension Plan One Thousand Kiewit Plaza Omaha, NE 68131 | % |
| Onbit Co. FBO FirstTier Bank 17th and Farnam Sts. Omaha, NE 68102 | % |

As of _____, 1997, the following shareholders were known to own of record more than 5% of the total outstanding shares of the Short-Term Government Portfolio:

| Name and Address | Percentage Ownership |
|---|----------------------|
| Peter Kiewit Sons', Inc. One Thousand Kiewit Plaza Omaha, NE 68131 | % |
| Kiewit Diversified Group Inc. One Thousand Kiewit Plaza Omaha, NE 68131 | % |
| Global Surety & Insurance Co. One Thousand Kiewit Plaza Omaha, NE 68131 | % |
| Northern Trust Company as Trustee For Continental Kiewit Inc. Pension Plan One Thousand Kiewit Plaza Omaha, NE 68131 | % |
| CCC Canada Holding, Inc. One Thousand Kiewit Plaza Omaha, NE 68131 | % |
| California Corridor Constructors, A Joint Venture One Thousand Kiewit Plaza | % |

Omaha, NE 68131

Bank of America NT&SA %
as Collateral Agent FBO Secured Parties
One Thousand Kiewit Plaza
Omaha, NE 68131

As of _____, 1997, the following shareholders were known to own of record more than 5% of the total outstanding shares of the Intermediate-Term Bond Portfolio:

| Name and Address | Percentage Ownership |
|--|----------------------|
| Gilbert Texas Construction Corp. One Thousand Kiewit Plaza Omaha, NE 68131 | % |
| Kiewit Diversified Group Inc. One Thousand Kiewit Plaza Omaha, NE 68131 | % |
| Continental Holdings Inc. One Thousand Kiewit Plaza Omaha, NE 68131 | % |
| CCC Canada Holding, Inc. One Thousand Kiewit Plaza Omaha, NE 68131 | % |
| Decker Coal Reclamation One Thousand Kiewit Plaza Omaha, NE 68102 | % |

As of _____, 1997, the following shareholders were known to own of record more than 5% of the total outstanding shares of the Tax-Exempt Portfolio:

| Name and Address | Percentage Ownership |
|---|----------------------|
| Global Surety & Insurance Co. One Thousand Kiewit Plaza Omaha, NE 68131 | % |
| CCC Canada Holding, Inc. One Thousand Kiewit Plaza Omaha, NE 68131 | % |

As of _____, 1997, the following shareholders were known to own of record more than 5% of the total outstanding shares of the Equity Portfolio:

| Name and Address | Percentage Ownership |
|--|----------------------|
| Decker Coal Reclamation One Thousand Kiewit Plaza Omaha, NE 68102 | % |
| Northern Trust Company as Trustee For Continental Kiewit Inc. Pension Plan One Thousand Kiewit Plaza Omaha, NE 68131 | % |

Kiewit Diversified Group Inc. %
One Thousand Kiewit Plaza
Omaha, NE 68131

Wilmington Trust Co. as Trustee %
For Kiewit Construction Group
Retirement Savings Plan
1100 N. Market Street
Wilmington, DE 19890

Peter Kiewit Sons', Inc., a Delaware corporation with principal offices at 1000 Kiewit Plaza, Omaha, NE 68131, is the direct or indirect parent of shareholders of more than 25% of the voting securities of each Portfolio and therefore may be deemed to control each Portfolio.

BROKERAGE TRANSACTIONS

Brokerage transactions will be placed with a view to receiving the best price and execution. Each Portfolio's corresponding Series will seek to acquire and dispose of securities in a manner which would cause as little fluctuation in the market prices of stocks being purchased or sold as possible in light of the size of the transactions being effected, and brokers will be selected with this goal in view. The Manager monitors the performance of brokers which effect transactions for each Series to determine the effect that the Series' trading has on the market prices of the securities in which they invest. Transactions also may be placed with brokers who provide the Manager with investment research, such as reports concerning individual issuers, industries and general economic and financial trends and other research services. Each Series' Investment Management Agreement permits the Manager knowingly to pay commissions on such transactions which are greater than another broker might charge if the Manager, in good faith, determines that the commissions paid are reasonable in relation to the research or brokerage services provided by the broker or dealer when viewed in terms of either a particular transaction or the Manager's overall responsibilities to the Trust.

Prior to _____, 1997, the individual Portfolios sought to achieve their investment objectives by purchasing and managing their own investment portfolios. As a consequence, the Portfolios incurred brokerage commissions directly rather than indirectly through their investment in the corresponding Series. During the fiscal year ended June 30, 1996, the Kiewit Short-Term Government Portfolio, the Kiewit Intermediate-Term Bond Portfolio and the Kiewit Tax-Exempt Portfolio paid no brokerage commissions. The Kiewit Equity Portfolio paid \$82,485 in brokerage commissions for the fiscal year ended June 30, 1996 and \$34,515 for the period ended June 30, 1995.

PURCHASE AND REDEMPTION OF SHARES

The Fund reserves the right, in its sole discretion, to suspend the offering of shares of any or all Portfolios or reject purchase orders when, in the judgment of management, such suspension or rejection is in the best interest of the Fund or a Portfolio. Securities accepted in exchange for shares of a Portfolio will be acquired for investment purposes and will be considered for sale under the same circumstances as other securities in the Portfolio.

The Fund may suspend redemption privileges or postpone the date of payment: (1) during any period when the New York Stock Exchange (the "NYSE") is closed, or trading on the NYSE is restricted as determined by the Securities and Exchange Commission (the "SEC"), (2) during any period when an emergency

exists as defined by the rules of the SEC as a result of which it is not reasonably practicable for the Fund to dispose of securities owned by it, or fairly to determine the value of its assets and (3) for such other periods as the SEC may permit.

The valuation of the securities held by the Kiewit Money Market Series and the Kiewit Rated Money Market Series (including any securities held in a separate account maintained for when-issued securities) is based upon their amortized costs which does not take into account unrealized capital gains or losses. This involves valuing an instrument at its cost and thereafter assuming a constant amortization to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the market value of the instrument.

While this method provides certainty in valuation, it may result in periods during which value, as determined by amortized cost, is higher or lower than the price such Series would receive if they sold the instrument. During periods of declining interest rates, the daily yields on shares of the Series computed as described above may tend to be higher than a like computation made by a fund with identical investments utilizing a method of valuation based upon market prices and estimates of market prices for all of its portfolio instruments. Thus, if the use of amortized cost by the Series resulted in a lower aggregate portfolio value on a particular day, a prospective investor in the Series would be able to obtain a somewhat higher yield than would result from investment in a fund utilizing solely market values, and existing investors in the Series would receive less investment income. The converse would apply in a period of rising interest rates.

The Kiewit Money Market and Kiewit Rated Money Market Series' use of amortized cost, which facilitates the maintenance of their corresponding Portfolios' per share net asset value of \$1.00, is permitted by a rule adopted by the SEC, pursuant to which the Series must adhere to certain conditions.

The Kiewit Money Market and Kiewit Rated Money Market Series each must maintain a dollar-weighted average portfolio maturity of 90 days or less, only purchase instruments having remaining maturities of 397 calendar days or less, and invest only in those U.S. dollar-denominated instruments that the Manager has determined, pursuant to guidelines adopted by the Board of Trustees, present minimal credit risks and which are, as required by the federal securities laws (i) rated in one of the two highest rating categories as determined by nationally recognized statistical rating agencies, (ii) instruments deemed comparable in quality to such rated instruments, or (iii) instruments, the issuers of which, with respect to an outstanding issue of short-term debt that is comparable in priority and protection, have received a rating within the two highest categories of nationally recognized statistical rating agencies. Securities subject to floating or variable interest rates with demand features in compliance with applicable rules of the SEC may have stated maturities in excess of 397 days. The Trustees have established procedures designed to stabilize, to the extent reasonably possible, the Series' price per share as computed for the purpose of sales and redemptions at \$1.00. Such procedures will include review of the portfolio holdings by the Trustees, at such intervals as they may deem appropriate, to determine whether the Series' net asset value calculated by using available market quotations deviates from \$1.00 per share based on amortized cost. The extent of any deviation will be examined by the Trustees. If such deviation exceeds 1/2 of 1%, the Trustees will promptly consider what action, if any, will be initiated. In the event the Trustees determine that a deviation exists which may result in material dilution or other unfair results to investors or existing shareholders, they will take such corrective action as they regard as necessary and appropriate, which may include the sale of portfolio instruments prior to maturity to realize capital gains or losses or to shorten average portfolio maturity, withholding dividends, redemptions of shares in kind, or establishing a net asset value per share by using available market quotations.

In-Kind Purchases. If accepted by the Fund, shares of each Portfolio may be purchased in exchange for securities which are eligible for acquisition by the Portfolios or their corresponding Series, as described in this Statement of Additional Information. Please contact Rodney Square about this purchase method. Securities to be exchanged which are accepted by the Fund and Portfolio shares to be issued therefore will be valued, as set forth under "Valuation Of Shares," at the time of the next determination of net asset value after such acceptance. All dividends, interest, subscription, or other rights pertaining to such securities shall become the property of the Portfolio whose shares are being acquired and must be delivered to the Fund by the investor upon receipt from the issuer.

The Fund will not accept securities in exchange for shares of a Portfolio unless: (1) current market quotations are readily available for such securities; (2) the investor represents and agrees that all securities offered to be exchanged are not subject to any restrictions upon their sale by the Portfolio (or its corresponding Series) under the 1933 Act or under the laws of the country in which the principal market for such securities exists, or otherwise; (3) at the discretion of the Portfolio (or its corresponding Series), the value of any such security (except U.S. Government securities) being exchanged together with other securities of the same issuer owned by the corresponding Series will not exceed 5% of the net assets of the corresponding Series immediately after the transaction; and (4) the Portfolio (or its corresponding Series) acquires the securities for investment and not for resale. In addition, nearly all of the securities accepted in an exchange must be, at the time of the exchange, eligible to be included in the Portfolio (or corresponding Series) whose shares are issued. Investors interested in such exchanges should contact the Manager.

TAX MATTERS

The Internal Revenue Code of 1986, as amended (the "Code") imposes a nondeductible 4% excise tax on a regulated investment company which does not distribute to investors in each calendar year an amount equal to (i) 98% of its calendar year ordinary income, (ii) 98% of its capital gain net income (the excess of short and long-term capital gain over short and long-term capital loss) for the one-year period ending each October 31, and (iii) 100% of any undistributed ordinary income and capital gain net income from the prior year.

Each Portfolio intends to declare and pay dividends and capital gain distributions in a manner to avoid imposition of the excise tax. Each Portfolio also intends to comply with other Code requirements such as (1) appropriate diversification of portfolio investments; (2) realization of 90% of annual gross income from dividends, interest, gains from sales of securities, or other "qualifying income," and (3) realization of less than 30% of gross income from gains on sale or other disposition of securities held less than three months.

For any Portfolio that has a principal investment policy of investing in non-equity investments, it is anticipated that either none or only a small portion of that Portfolio's dividends will qualify for the corporate dividends received deduction. The portion of the dividends so qualified depends on the aggregate qualifying dividend income received by a Portfolio from domestic (U.S.) sources. To the extent that any Portfolio pays dividends which qualify for this deduction, the availability of the deduction is subject to certain holding period and debt financing restrictions imposed under the Code on the corporation claiming the deduction.

The Fund in its sole discretion may accept securities in exchange for shares of a Portfolio. A gain or loss for federal income tax purposes may be realized by investors in a Portfolio who are subject to federal taxation upon the exchange. The amount of such gain or loss realized with respect to a

security is measured by the difference between the fair market value of the contributed security on the date of contribution and its adjusted tax basis. Any loss realized on the exchange may be subject to certain provisions of the Code which either disallow the recognition of any such loss or result in a deferral of the time for recognizing such loss.

CALCULATION OF PERFORMANCE DATA

The performance of a Portfolio's classes of shares (or its corresponding Series) may be quoted in terms of its yield and its total return in advertising and other promotional materials ("performance advertisements"). Performance data quoted represents past performance and is not intended to indicate future performance. The investment return of an investment in the Portfolios and the principal value of an investment in any Portfolio except the Money Market Portfolio and the Rated Money Market Portfolio will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. Performance of the Portfolios will vary based on changes in market conditions and the level of each Portfolio's expenses. These performance figures are calculated in the following manner:

A. Yield is the net annualized yield for a specified 7 calendar days calculated at simple interest rates. From time to time, the Money Market Portfolio and the Rated Money Market Portfolio may advertise their yields. Yield is calculated by determining the net change, exclusive of capital changes, in the value of a hypothetical pre-existing account having a balance of one share at the beginning of the period, subtracting a hypothetical charge reflecting deductions from shareholder accounts, and dividing the difference by the value of the account at the beginning of the base period to obtain the base period return. The yield is annualized by multiplying the base period return by 365/7. The yield figure is stated to the nearest hundredth of one percent.

The yield for the 7-day period ended June 30, 1996 was 5.22% for the Money Market Portfolio.

B. Effective Yield is the net annualized yield for a specified 7 calendar days assuming reinvestment of income or compounding. From time to time the Money Market Portfolio and the Rated Money Market Portfolio may advertise their effective yields. Effective yield is calculated by the same method as yield except the yield figure is compounded by adding 1, raising the sum to a power equal to 365 divided by 7, and subtracting 1 from the result, according to the following formula:

$$\text{Effective Yield} = [(\text{Base Period Return} + 1)^{365/7}] - 1.$$

The effective yield for the 7-day period ended June 30, 1996 was 5.37% for the Money Market Portfolio.

C. Tax-Equivalent Yield is the rate an investor would have to earn from a fully taxable investment after taxes to equal a Portfolio's tax-exempt yield. From time to time, the Tax-Exempt Portfolio may advertise its tax-equivalent yield. Tax-equivalent yield is computed by: (i) dividing that portion of a Portfolio's yield which is tax-exempt by one minus a stated income tax rate; and (ii) adding the product of that portion, if any, of the Portfolio's yield that is not tax-exempt. For purposes of this formula, tax-exempt yield is a yield which is exempt from federal income tax.

The following table, which is based upon federal income tax rates in effect on the date of this Statement of Additional Information, illustrates the yields that would have to be achieved on taxable investments to produce a range of hypothetical tax-equivalent yields:

Tax-Equivalent Yield Table
Federal Marginal

Tax-Equivalent Yields Based on Tax-Exempt Yields of:

4%
5%
6%
7%
8%
9%
10%
11%
28%
5.6
6.9
8.3
9.7
11.1
12.5
13.9
15.3
31%
5.8
7.2
8.7
10.1
11.6
13.0
14.5
15.9
36%
6.3
7.8
9.4
10.9
12.5
14.1
15.6
17.2
39.6%
6.6
8.3
9.9
11.6
13.2
14.9
16.6
18.2

D. Yield of the Short-Term Government Portfolio, Intermediate-Term Bond Portfolio, and the Tax-Exempt Portfolio is calculated by dividing the Portfolio's investment income for a 30-day period, net of expenses, by the average number of shares entitled to receive dividends during that period according to the following formula:
$$\text{YIELD} = 2 \left[\frac{(a-b)}{cd} + 1 \right]^{6-1}$$

Where:

a = dividends and interest earned during the period;
b = expenses accrued for the period (net of reimbursements);
c = the average daily number of shares outstanding during the period that were entitled to receive dividends; and
d = the maximum offering price per share on the last day of the period.

The result is expressed as an annualized percentage (assuming semiannual compounding) of the maximum offering price per share at the end of the period.

Except as noted below, in determining interest earned during the period (variable "a" in the above formula), the interest earned on each debt instrument held by a Portfolio (or its corresponding Series) during the period is calculated by: (i) computing the instrument's yield to maturity, based on the value of the instrument (including actual accrued interest) as of the last business day of the period or, if the instrument was purchased during the period, the purchase price plus accrued interest; (ii) dividing the yield to maturity by 360; and (iii) multiplying the resulting quotient by the value of the instrument (including actual accrued interest). Once interest earned is calculated in this fashion for each debt instrument held by the Portfolio (or its corresponding Series), interest earned during the period is then determined by totaling the interest earned on all debt instruments held by the Portfolio.

For purposes of these calculations, the maturity of a debt instrument with one or more call provisions is assumed to be the next date on which the instrument reasonably can be expected to be called or, if none, the maturity date. In general, interest income is reduced with respect to debt instruments trading at a premium over their par value by subtracting a portion of the premium from income on a daily basis, and increased with respect to debt instruments trading at a discount by adding a portion of the discount to daily income.

For the 30-day period ended June 30, 1996, the yields for the Short-Term Government Portfolio, Intermediate-Term Bond Portfolio and the Tax-Exempt Portfolio were 5.99%, 6.56% and 4.47%, respectively.

Since yield accounting methods differ from the accounting methods used to calculate net investment income for other purposes, a Portfolio's yield may not equal the dividend income actually paid to investors or the net investment income reported with respect to the Portfolio in the Fund's financial statements.

Yield information may be useful in reviewing a Portfolio's performance and in providing a basis for comparison with other investment alternatives. Nevertheless, the Portfolios' yields fluctuate, unlike investments that pay a fixed interest rate over a stated period of time. Investors should recognize that in periods of declining interest rates, the Portfolios' yields will tend to be somewhat higher than prevailing market rates, and in periods of rising interest rates, the Portfolios' yields will tend to be somewhat lower. Also, when interest rates are falling, the inflow of net new money to the Portfolios from the continuous sale of their shares will likely be invested in instruments producing lower yields than the balance of the Portfolios' holdings, thereby reducing the current yields of the Portfolios. In periods of rising interest rates, the opposite can be expected to occur.

E. Average Annual Total Return is the average annual compound rate of return for the periods of one year, five years, ten years and the life of a Portfolio, where quotations reflect changes in the price of a Portfolio's shares, if any, and assume that all dividend and capital gains distributions, if any, during the respective periods were reinvested in Portfolio shares. Each Portfolio may advertise

its average annual total return from time to time. Average annual total return is calculated by finding the average annual compound rates of return of a hypothetical investment over such periods, according to the following formula (average annual total return is then expressed as a percentage):

$$T = (ERV/P)^{1/n} - 1$$

Where: P = a hypothetical initial investment of \$1,000
 T = average annual total return
 n = number of years
 ERV = ending redeemable value: ERV is the value, at the end of the applicable period, of a hypothetical \$1,000 investment made at the beginning of the applicable period.

Average Annual Total Returns for the one-year period ended June 30, 1996 and for the periods from the effective date of the Fund's registration statement under the Securities Act of 1933 or commencement of operations¹, whichever occurred later, through June 30, 1996:

1 year ended
 June 30, 1996
 Since Effectiveness¹
 through June 30,

1996
 Money Market Portfolio

5.61%
 5.71%

Short-Term Government Portfolio

4.66%
 6.96%

Intermediate-Term Bond Portfolio

4.48%
 8.40%

Tax-Exempt Portfolio

4.55%
 6.59%

Equity Portfolio

19.24%
 21.70%

¹ The Money Market Portfolio, Short-Term Government Portfolio, Intermediate-Term Bond Portfolio and Tax-Exempt Portfolio became effective on December 6, 1994. The Equity Portfolio commenced operations on January 5, 1995.

F. Cumulative Total Return is the cumulative rate of return on a hypothetical initial investment of \$1,000 for a specified period. Cumulative total return quotations reflect the change in the price of a Portfolio's shares, if any, and assume that all dividends and capital gains distributions, if any, during the period were reinvested in Portfolio shares. Cumulative total return is calculated by finding the cumulative rates of return of a hypothetical investment over such periods, according to the following formula (cumulative total return is then expressed as a percentage):

$$C = (ERV/P) - 1$$

Where: C = Cumulative Total Return
P = a hypothetical initial investment of \$1,000
ERV = ending redeemable value: ERV is the value, at the end of the applicable period, of a hypothetical \$1,000 investment made at the beginning of the applicable period.

Cumulative Total Returns for the one-year period ended June 30, 1996 and for the periods from the effective date of the Fund's registration statement under the Securities Act of 1933 or commencement of operations¹, whichever occurred later, through June 30, 1996:

| | |
|----------------------------------|--------|
| 1 year ended | |
| June 30, 1996 | |
| Since Effectiveness ¹ | |
| through June 30, | |
| 1996 | |
| Money Market Portfolio | |
| | 5.61% |
| | 9.11% |
| Short-Term Government Portfolio | |
| | 4.66% |
| | 11.13% |
| Intermediate-Term Bond Portfolio | |
| | 4.48% |
| | 13.50% |
| Tax-Exempt Portfolio | |
| | 4.55% |
| | 10.54% |
| Equity Portfolio | |
| | 19.24% |
| | 33.93% |

¹ The Money Market Portfolio, Short-Term Government Portfolio, Intermediate-Term Bond Portfolio and Tax-Exempt Portfolio became effective on December 6, 1994. The Equity Portfolio commenced operations on January 5, 1995.

The preceding performance figures were affected by fee waivers and expenses assumed by the Portfolios' investment manager. Without such fee waivers and expense assumptions, the performance figures quoted above would have been lower.

The Portfolios may also from time to time present some or all of their investments ranked by their percentage representation within the respective Portfolio or in the form of the schedule of "Investments" included in the Annual Report to the shareholders of the Portfolios as of and for the fiscal year ended June 30, 1996, a copy of which follows and is part of this document.

Performance advertisements for the Money Market Portfolio and the Rated Money Market Portfolio may include yield calculations for the 7-day period ending on the most recent practicable date considering the media used for the advertisement. Performance advertisements for the other four Portfolios may include average annual total returns and 30-day yield calculations as of the end of the most recent quarter practicable considering the media used for the advertisement. Such advertisements may include a schedule of investments for the corresponding date, employing presentation principles used in annual reports to shareholders.

To help investors better evaluate how an investment in a Portfolio might

satisfy their investment objective, advertisements regarding a Portfolio may discuss yield or total return as reported by various financial publications. Advertisements may also compare yield or total return to other investments, indices and averages. The following publications, benchmarks, indices, and averages may be used: Lipper Mutual Fund Performance Analysis; Lipper Fixed Income Analysis; Lipper Mutual Fund Indices; Salomon Brothers Indices; Lehman Brothers Indices; Dow Jones Composite Average or its component indices; Standard & Poor's 500 Composite Stock Price Index (the "S&P 500") or its component indices; The New York Stock Exchange composite or component indices; CDA Mutual Fund Report; Weisenberger - Mutual Fund Panorama and Investment Companies; Mutual Fund Values and Mutual Fund Service Book, published by Morningstar, Inc.; and financial publications such as Business Week, Kiplinger's Personal Finance, Financial World, Forbes, Fortune, Money Magazine, The Wall Street Journal, Barron's, et al., which rate mutual fund performance over various time periods.

Currently the performance of the Kiewit Money Market Portfolio and the Rated Money Market Portfolio may be compared to the performance of IBC's Money Fund Average. The IBC's Money Fund Average is a composition of all reporting money market funds with similar objectives and restrictions. The Kiewit Short-Term Government Portfolio is currently compared to the Lehman 1-3 Year Government Index. The Lehman 1-3 Year Government Index is a total return performance benchmark consisting of U.S. Government agency and Treasury securities with maturities from one to three years. The Kiewit Intermediate-Term Bond Portfolio is currently compared to the Lehman Intermediate Corporate Index. The Lehman Intermediate Corporate Index is a total return performance benchmark consisting of publicly issued corporate debt issues rated at least investment grade with maturities from one to ten years. The Kiewit Tax-Exempt Portfolio is currently compared to the Lehman 5-Year Municipal Bond Index. The Lehman 5-Year Municipal Bond Index is a total return performance benchmark consisting of tax-exempt municipal bonds rated at least investment grade with maturities from four to six years. The Kiewit Equity Portfolio is currently compared to the S&P 500. The S&P 500 is an unmanaged capitalization weighted index of five hundred publicly traded stocks.

OTHER INFORMATION

The Fund does not intend to hold annual meetings; it may, however, hold a meeting for such purposes as changing fundamental investment limitations, approving a new investment management agreement or any other matters which are required to be acted on by shareholders under the 1940 Act. Shareholders may receive assistance in communicating with other shareholders in connection with the election or removal of Trustees similar to the provisions contained in Section 16(c) of the 1940 Act.

Wilmington Trust Company, Rodney Square North, 1100 North Market Street, Wilmington, DE 19890-0001, a Delaware-chartered banking institution, is the Fund's Custodian.

Price Waterhouse LLP, Thirty South 17th Street, Philadelphia, Pennsylvania 19103, is the Fund's independent accountant.

Kiewit Mutual Fund

S CLASS SHARES

1000 Kiewit Plaza, Omaha, NE 68131-3344
Telephone: (800) 2KIEWIT

STATEMENT OF ADDITIONAL INFORMATION

_____, 1997

This statement of additional information is not a prospectus but should be read in conjunction with the prospectus of Kiewit Mutual Fund (the "Fund"), relating to the Fund's S Class Shares, dated _____, 1997, which can be obtained from the Fund by writing to the Fund at the above address or by calling the above telephone number.

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HISTORY

Kiewit Institutional Fund was organized as a Delaware business trust on June 1, 1994. The name of the trust was changed to Kiewit Mutual Fund on October 7, 1994.

INVESTMENT LIMITATIONS AND POLICIES

The following information supplements the information set forth in the prospectus under the caption "Investment Objectives And Policies." The following information applies to the Feeder Portfolios and to the corresponding Trust Series.

Fundamental Limitations - All Portfolios

Each of the Portfolios has adopted certain limitations which may not be changed with respect to any Portfolio without the approval of a majority of the outstanding voting securities of the Portfolio. A "majority" is defined as the lesser of: (1) at least 67% of the voting securities of the Portfolio (to be affected by the proposed change) present at a meeting if the holders of more than 50% of the outstanding voting securities of the Portfolio are present or represented by proxy, or (2) more than 50% of the outstanding voting securities of such Portfolio.

The Portfolios either directly or indirectly through their investment in the Series of the Trust will not: (1) as to 75% of the total assets of a Portfolio, invest in the securities of any issuer (except obligations of the U.S. Government and its instrumentalities) if, as a result more than 5% of the

Portfolio's total assets, at market, would be invested in the securities of such issuer, provided that this restriction applies to 100% of the total assets of the Kiewit Money Market Portfolio; (2) borrow, except that a Portfolio may borrow from banks for temporary or emergency purposes or to pay redemptions and then, in no event, in excess of 33% of its net assets and a Portfolio may pledge not more than 33% of such assets to secure such loans; (3) pledge, mortgage, or hypothecate any of its assets to an extent greater than 10% of its total assets at fair market value, except as described in (2) above; (4) invest more than 15% of the value of the Portfolio's net assets in illiquid securities which include certain restricted securities, repurchase agreements with maturities of greater than seven days, and other illiquid investments; (5) invest its assets in securities of any investment company in excess of the limits set forth in the Investment Company Act of 1940 (the "1940 Act") and rules thereunder, except in connection with a merger, acquisition of assets, consolidation or reorganization; (6) acquire any securities of companies within one industry if, as a result of such acquisition, more than 25% of the value of the Portfolio's total assets would be invested in securities of companies within such industry; (7) engage in the business of underwriting securities issued by others, except that, in connection with the disposition of a security, a Portfolio may be deemed to be an "underwriter" as that term is defined in the Securities Act of 1933 (the "1933 Act"); (8) purchase or sell commodities except that each Portfolio may purchase or sell financial futures contracts and options thereon; (9) invest in real estate, including limited partnership interests therein, although they may purchase and sell securities which deal in real estate and securities which are secured by interests in real estate; (10) purchase securities on margin or sell securities short, except that a Portfolio may satisfy margin requirements with respect to futures transactions; and (11) make loans, except that this restriction shall not prohibit (a) the purchase of obligations customarily purchased by institutional investors, (b) the lending of Portfolio securities or (c) entry into repurchase agreements.

The investment limitations described above do not prohibit each Feeder Portfolio from investing all or substantially all of its assets in the shares of another registered, open-end investment company such as the Series of the Trust. The investment policies and limitations of each Series are the same as those of the corresponding Feeder Portfolio.

For the purposes of (4) above, each Portfolio (indirectly through their investment in the corresponding Trust Series) may invest in commercial paper that is exempt from the registration requirements of the 1933 Act subject to the requirements regarding credit ratings stated in the prospectus under "Investment Objectives And Policies." Further, pursuant to Rule 144A under the 1933 Act, the Portfolios (indirectly through their investment in the corresponding Trust Series) may purchase certain unregistered (i.e. restricted) securities upon a determination that a liquid institutional market exists for the securities. If it is decided that a liquid market does exist, the securities will not be subject to the 15% limitation on holdings of illiquid securities stated in (4) above. While maintaining oversight, the Board of Trustees has delegated the day-to-day function of making liquidity determinations to Kiewit Investment Management Corp. (the "Manager"). For Rule 144A securities to be considered liquid, there must be at least one dealer making a market in such securities. After purchase, the Board of Trustees and the Manager will continue to monitor the liquidity of Rule 144A securities. There is no limit on the Portfolios' (indirectly through their investment in the corresponding Series) investment in Rule 144A securities that are determined to be liquid.

For the purposes of (6) above, (i) utility companies will be divided according to their services; e.g., gas, gas transmission, electric and gas, electric, water and telephone will each be considered a separate industry; and (ii) the Kiewit Money Market Portfolio (indirectly through its investment in

the corresponding Series) may invest more than 25% of the value of its total assets in obligations of U.S. banks, such as certificates of deposits, time deposits and bankers' acceptances. The banks must have total assets exceeding one billion dollars.

Non-Fundamental Limitations - All Portfolios

The following policies are non-fundamental and may be changed by the Board of Trustees, without shareholder approval:

The Portfolios (indirectly through their investment in the corresponding Series) will not: (1) invest for the purpose of exercising control over management of any company; (2) acquire more than 10% of the voting securities of any issuer; or (3) invest more than 5% of its total assets in securities which have (with predecessors) a record of less than three years' continuous operations.

Non-Fundamental Policies - Kiewit Bond Portfolios

The following policies are non-fundamental and may be changed by the Board of Trustees, without shareholder approval:

The Kiewit Short-Term Government, Kiewit Tax-Exempt and Kiewit Intermediate-Term Bond Portfolios (each referred to herein as a "Kiewit Bond Portfolio"), through their investment in the corresponding Series, may invest in obligations that permit repayment of the principal amount of the obligation prior to maturity. Variable and floating rate obligations are relatively long-term instruments that often carry demand features permitting the holder to demand payment of principal at any time or at specified intervals prior to maturity. Standby commitments, which are similar to a put, give a Kiewit Bond Portfolio the option to obligate a broker, dealer or bank to repurchase a security held by a Kiewit Bond Portfolio at a specified price. Tender option bonds are relatively long-term bonds that are coupled with the agreement of a third party (such as a broker, dealer or bank) to grant the holders of such securities the option to tender the securities to the institution at periodic intervals. A Kiewit Bond Portfolio will purchase these types of instruments primarily for the purpose of increasing the liquidity of its portfolio.

New issues of bonds are often issued on a "when-issued" basis, which means that actual payment for the delivery of the securities generally takes place 15 to 45 days after the purchase date. During this period, a Kiewit Bond Portfolio bears the risk that interest rates on debt securities at the time of delivery may be higher or lower than those contracted for on the when-issued securities. To alleviate this risk, each Kiewit Bond Portfolio does not intend to invest more than 5% of its assets in when-issued securities.

A Kiewit Bond Portfolio also may invest up to 5% of its assets in zero coupon bonds or "strips." Zero coupon bonds do not make regular interest payments, rather they are sold at a discount from face value. Principal and accretive discount (representing interest accrued but not paid) are paid at maturity. Strips are debt securities that are stripped of their interest after the securities are issued, but are otherwise comparable to zero coupon bonds. The market values of zero coupon bonds and strips generally fluctuate in response to changes in interest rates to a greater degree than interest paying securities of comparable term and quality. The strips in which a Kiewit Bond Portfolio may invest may or may not be a part of the U.S. Treasury Separately Traded Registered Interest and Principal Securities program. Each Kiewit Bond Portfolio may also purchase inverse floaters, which are instruments whose interest bears an inverse relationship to the interest rate on another security.

Generally, a Kiewit Bond Portfolio's average maturity will tend to be

shorter when the Manager expects interest rates to rise and longer when it expects interest rates to decline.

Portfolio Turnover

The portfolio turnover rates for the fiscal year ended June 30, 1996, and the annualized portfolio turnover rates for the period ended June 30, 1995, for the Kiewit Short-Term Government Portfolio, Kiewit Intermediate-Term Bond Portfolio, Kiewit Tax-Exempt Portfolio and Kiewit Equity Portfolio were as follows:

| Name | |
|------------------------|----------|
| June 30, 1996 | |
| June 30, 1995 | |
| Short-Term Government | |
| | 57.52% |
| | 69.57%* |
| Intermediate-Term Bond | |
| | 86.06% |
| | 121.36%* |
| Tax-Exempt | |
| | 100.61% |
| | 92.53%* |
| Equity | |
| | 16.95% |
| | 0.00** |

* For the period from December 6, 1994 through June 30, 1995.

** For the period from January 5, 1995 through June 30, 1995.

In the current fiscal year, the portfolio turnover rate of each of the Kiewit Short-Term Government, Kiewit Intermediate-Term Bond and Kiewit Tax-Exempt Series is not expected to exceed 100%. The annual portfolio turnover rate of the Kiewit Equity Series is not expected to exceed 75%. Generally, securities held by the Kiewit Equity Series will not be sold to realize short-term profits, but when circumstances warrant, they may be sold without regard to the length of time held. Generally, securities held by the Kiewit Equity Series will be purchased with the expectation that they will be held for longer than one year.

MANAGEMENT OF THE FUND

Trustees and Officers

The names, addresses and ages of the trustees and officers of the Fund and a brief statement of their present positions and principal occupations during the past five years is set forth below. Trustees who are deemed to be "interested persons" as defined in the 1940 Act are indicated by an asterisk (*).

Richard R. Jaros*
1000 Kiewit Plaza
Omaha, NE 68131-3344

Mr. Jaros, age 44, is a Trustee of the Fund, a Director of the Manager, President of Peter Kiewit Sons', Inc. ("PKS"), and a Director of PKS, California Energy Company, Inc., C-TEC Corporation and MFS Communications Company, Inc. Mr. Jaros also was Chairman (1993-1994) and President and CEO (1992-1993) of California Energy Company, Inc. and Vice President of Kiewit Diversified Group Inc. (1989-1990).

Ann C. McCulloch*
1000 Kiewit Plaza
Omaha, NE 68131-3344

Ms. McCulloch, age 38, is Chairman, President and a Trustee of the Fund, President of the Manager and Vice President and Treasurer of PKS. From 1989 to 1993, Ms. McCulloch was Treasurer and Vice President of Central Maine Power in Augusta, ME.

George Lee Butler*
1000 Kiewit Plaza
Omaha, NE 68131-3344

Mr. Butler, age 57, is a Trustee of the Fund and President of Kiewit Energy Company. From 1991 to March 1994, Mr. Butler was Commander-in-Chief of the U.S. Strategic Command and from 1989 to 1994 was Director, Strategic Plans and Policy, for the U.S. Joint Chiefs of Staff.

Lawrence B. Thomas
One ConAgra Drive
Omaha, NE 68102

Mr. Thomas, age 60, is a Trustee of the Fund and Senior Vice-President. He retired in November 1996, after having served as Corporate Risk Officer and Secretary of ConAgra, Inc. (a food company). Mr. Thomas previously served as principal financial officer and Treasurer of ConAgra, Inc.

John J. Quindlen
2205 N. Southwinds Boulevard
Vero Beach, FL 32963

Mr. Quindlen, age 64, is a Trustee of the Fund, each investment company in the Rodney Square Funds and Kalmar Pooled Trust, a registered investment company. He retired in November 1993, after having served as the Senior Vice President - Financial and Chief Financial Officer of E.I. du Pont de Nemours & Co., Inc. from 1984 to 1993.

P. Gregory Williams
1000 Kiewit Plaza
Omaha, NE 68131-3344

Mr. Williams, age 42, is Chief Financial Officer, Vice President and Treasurer of the Fund and Chief Investment Officer and a Vice President of the Manager. From June 1991 to August 1994, Mr. Williams was Vice President-Investments and Treasurer of Shenandoah Life Insurance Company in Roanoke, Virginia and from December 1986 to November 1990 was Senior Vice President and Chief Investment Officer of Jefferson National Life Insurance Company in Indianapolis, Indiana.

Brian J. Mosher
1000 Kiewit Plaza
Omaha, NE 68131-3344

Mr. Mosher, age 39, is a Vice President of the Fund a Vice President of the Manager. From March 1989 to December 1994, Mr. Mosher served as Investment Manager of Meridian Mutual Insurance Company in Indianapolis, Indiana.

Kenneth D. Gaskins, Esquire
1000 Kiewit Plaza
Omaha, NE 68131-3344

Mr. Gaskins, age 50, is Secretary of the Fund, Vice President and Secretary of the Manager and Corporate Counsel of PKS.

The fees and expenses of the Trustees who are not "interested persons" of the Fund ("Independent Trustees"), as defined in the 1940 Act, are paid by each Portfolio. For the fiscal year ended June 30, 1996, such fees amounted to \$25,000 for the Fund. The following table shows the fees paid during the fiscal year to the Independent Trustees for their service to the Fund.

Compensation Table

Aggregate Compensation
from the Fund

Total Compensation
from the Fund
Complex
Independent Trustee

John J. Quindlen
\$12,500

\$12,500

Lawrence B. Thomas
\$12,500

\$12,500

On _____, 1997, the Trustees and officers of the Fund, as a group, owned beneficially, or may be deemed to have owned beneficially, less than 1% of the outstanding shares of the Portfolios.

Investment Manager

For the services it provides as investment manager to each Portfolio's corresponding Series of the Trust, the Manager is paid a monthly fee calculated as a percentage of average net assets of the corresponding Series. Pursuant to the investment management agreements, the manager's fees for the fiscal years ended June 30, 1996 and 1995, would have been the following:

1996
(000)

1995
(000)

Kiewit Money Market Portfolio

\$843,989

\$436,236

Kiewit Short-Term Government Portfolio

\$492,172

\$332,931

Kiewit Tax-Exempt Portfolio

\$499,823

\$331,508

Kiewit Intermediate-Term Portfolio

\$563,114

\$624,955

Kiewit Equity Portfolio

\$354,646

\$ 35,890

The Manager has agreed to waive all or a portion of its advisory fee for each Portfolio's corresponding Series and to assume certain expenses of the Portfolios and Series. This undertaking, which is not contained in the investment management agreements, may be amended or rescinded in the future. During the fiscal year ended June 30, 1996 and the period ended June 30, 1995, the Manager waived the following amounts to the Portfolios:

Name

1996

1995

Money Market Portfolio

\$298,011

\$ 70,100

Short-Term Government Portfolio

219,505

92,745

Intermediate-Term Bond Portfolio

86,597

117,862

Tax-Exempt Portfolio

57,267

121,067

Equity Portfolio

126,289

90,032

Each investment management agreement is in effect for a period of two years. Thereafter, each agreement may continue in effect for successive annual periods, provided such continuance is specifically approved at least annually by a vote of the Trust's Board of Trustees or, by a vote of the holders of a majority of a Series' outstanding voting securities, and in either event by a majority of the Trustees who are not parties to the agreement or interested persons of any such party (other than as Trustees of the Trust), cast in person at a meeting called for that purpose. An investment management agreement may be terminated without penalty at any time by the Series or by the Manager on 60 days' written notice and will automatically terminate in the event of its assignment as defined in the 1940 Act.

DISTRIBUTION PLAN

Rodney Square Distributors, Inc. ("RSD") serves as the Distributor of each Portfolio's shares pursuant to a Distribution Agreement with the Fund. Under the terms of the Distribution Agreement, RSD agrees to assist in securing purchasers for shares of the Portfolios.

As noted in the Fund's Prospectus, the S Class Shares of each Portfolio have adopted a Plan pursuant to Rule 12b-1 under the 1940 Act (the "Plan") whereby the Fund may pay up to a maximum of 0.25% per annum of the average daily net assets of the S Class Shares for expenses incurred by the Distributor in the distribution of the S Class Shares. The fees are paid on a monthly basis, based on the average daily net assets of each Portfolio's S Class Shares.

Pursuant to the Plan, the Distributor is entitled to a reimbursement each month up to the maximum of 0.25% for S Class Shares per annum of average net assets of the S Class Shares, for the actual expenses incurred in the distribution and promotion of the Fund's shares, including but not limited to, printing of prospectuses and reports used for sales purposes, preparation and printing of sales literature and related expenses, advertisements, and other distribution-related expenses as well as any distribution or service fees paid to securities dealers or others who have executed a dealer agreement with the Underwriter. Any expense of distribution in excess of 0.25% per annum will be borne by the Manager without any reimbursement or payment by the Fund.

The Plan also provides that to the extent that the Fund, the Manager, the Distributor, or other parties on behalf of the Fund, the Manager, or the Underwriter make payments that are deemed to be payments for the financing of any activity primarily intended to result in the sale of shares issued by the Fund within the context of Rule 12b-1, such payments shall be deemed to be made pursuant to the Plan. In no event shall the payments made under the Plan, plus any other payments deemed to be made pursuant to the Plan, exceed the amount permitted to be paid pursuant to applicable rules of the National Association of Securities Dealers, Inc..

The Board of Trustees has determined that a consistent cash flow resulting from the sale of new shares is necessary and appropriate to meet redemptions and to take advantage of buying opportunities without having to make unwarranted liquidations of portfolio securities. The Board therefore believes that it will likely benefit the Fund to have monies available for the direct distribution activities of the Distributor in promoting the sale of the Fund's shares, and to avoid any uncertainties as to whether other payments constitute distribution expenses on behalf of the Fund. The Board of Trustees, including the non-interested trustees, has concluded that in the exercise of their reasonable business judgment and in light of their fiduciary duties, there is a reasonable likelihood that the Plan will benefit the Fund and its shareholders.

The Plan has been approved by the Fund's Board of Trustees, including all of the trustees who are non-interested persons as defined in the 1940 Act. The Plan must be renewed annually by the Fund's Board of Trustees, including a majority of the trustees who are non-interested persons of the Fund and who have no direct or indirect financial interest in the operation of the Plan. The votes must be cast in person at a meeting called for that purpose. It is also required that the selection and nomination of such trustees be done by the non-interested trustees. The Plan and any related agreements may be terminated at any time, without any penalty: 1) by vote of a majority of the non-interested trustees on not more than 60 days' written notice, 2) by the Distributor on not more than 60 days' written notice, 3) by vote of a majority of the Fund's outstanding shares, on 60 days' written notice, and 4)

automatically by any act that terminates the Distribution Agreement with the Distributor. The Distributor or any dealer or other firm may also terminate their respective agreements at any time upon written notice.

The Plan and any related agreement may not be amended to increase materially the amounts to be spent for distribution expenses without approval by a majority of the Fund's outstanding shares, and all material amendments to the Plan or any related agreements shall be approved by a vote of the non-interested trustees, cast in person at a meeting called for the purpose of voting on any such amendment.

The Underwriter is required to report in writing to the Board of Trustees of the Fund, at least quarterly, on the amounts and purpose of any payments made under the Plan, as well as to furnish the Board with such other information as may reasonably be requested in order to enable the Board to make an informed determination of whether the Plan should be continued.

CONTROL PERSONS AND PRINCIPAL HOLDERS OF SECURITIES

As of _____, 1997, the following shareholders were known to own of record more than 5% of the total outstanding shares of the Money Market Portfolio:

| Name and Address | Percentage Ownership |
|--|----------------------|
| Peter Kiewit Sons', Inc. One Thousand Kiewit Plaza Omaha, NE 68131 | % |
| Continental Holdings Inc. One Thousand Kiewit Plaza Omaha, NE 68131 | % |
| Northern Trust Company as Trustee For Continental Kiewit Inc. Pension Plan One Thousand Kiewit Plaza Omaha, NE 68131 | % |
| Onbit Co. FBO FirstTier Bank 17th and Farnam Sts. Omaha, NE 68102 | % |

As of _____, 1997, the following shareholders were known to own of record more than 5% of the total outstanding shares of the Short-Term Government Portfolio:

| Name and Address | Percentage Ownership |
|---|----------------------|
| Peter Kiewit Sons', Inc. One Thousand Kiewit Plaza Omaha, NE 68131 | % |
| Kiewit Diversified Group Inc. One Thousand Kiewit Plaza Omaha, NE 68131 | % |
| Global Surety & Insurance Co. One Thousand Kiewit Plaza | % |

As of _____, 1997, the following shareholders were known to own of record more than 5% of the total outstanding shares of the Equity Portfolio:

| Name and Address | Percentage Ownership |
|--|----------------------|
| Decker Coal Reclamation One Thousand Kiewit Plaza Omaha, NE 68102 | % |
| Northern Trust Company as Trustee For Continental Kiewit Inc. Pension Plan One Thousand Kiewit Plaza Omaha, NE 68131 | % |
| Kiewit Diversified Group Inc. One Thousand Kiewit Plaza Omaha, NE 68131 | % |
| Wilmington Trust Co. as Trustee For Kiewit Construction Group Retirement Savings Plan 1100 N. Market Street Wilmington, DE 19890 | % |

Peter Kiewit Sons', Inc., a Delaware corporation with principal offices at 1000 Kiewit Plaza, Omaha, NE 68131, is the direct or indirect parent of shareholders of more than 25% of the voting securities of each Portfolio and therefore may be deemed to control each Portfolio.

BROKERAGE TRANSACTIONS

Brokerage transactions will be placed with a view to receiving the best price and execution. Each Portfolio's corresponding Series will seek to acquire and dispose of securities in a manner which would cause as little fluctuation in the market prices of stocks being purchased or sold as possible in light of the size of the transactions being effected, and brokers will be selected with this goal in view. The Manager monitors the performance of brokers which effect transactions for each Series to determine the effect that the Series' trading has on the market prices of the securities in which they invest. Transactions also may be placed with brokers who provide the Manager with investment research, such as reports concerning individual issuers, industries and general economic and financial trends and other research services. Each Series' Investment Management Agreement permits the Manager knowingly to pay commissions on such transactions which are greater than another broker might charge if the Manager, in good faith, determines that the commissions paid are reasonable in relation to the research or brokerage services provided by the broker or dealer when viewed in terms of either a particular transaction or the Manager's overall responsibilities to the Trust.

Prior to _____, 1997, the individual Portfolios sought to achieve their investment objectives by purchasing and managing their own investment portfolios. As a consequence, the Portfolios incurred brokerage commissions directly rather than indirectly through their investment in the corresponding Series. During the fiscal year ended June 30, 1996, the Kiewit Short-Term Government Portfolio, the Kiewit Intermediate-Term Bond Portfolio and the Kiewit Tax-Exempt Portfolio paid no brokerage commissions. The Kiewit Equity Portfolio paid \$82,485 in brokerage commissions for the fiscal year ended June 30, 1996 and \$34,515 for the period ended June 30, 1995.

PURCHASE AND REDEMPTION OF SHARES

The Fund reserves the right, in its sole discretion, to suspend the offering of shares of any or all Portfolios or reject purchase orders when, in the judgment of management, such suspension or rejection is in the best interest of the Fund or a Portfolio. Securities accepted in exchange for shares of a Portfolio will be acquired for investment purposes and will be considered for sale under the same circumstances as other securities in the Portfolio.

The Fund may suspend redemption privileges or postpone the date of payment: (1) during any period when the New York Stock Exchange (the "NYSE") is closed, or trading on the NYSE is restricted as determined by the Securities and Exchange Commission (the "SEC"), (2) during any period when an emergency exists as defined by the rules of the SEC as a result of which it is not reasonably practicable for the Fund to dispose of securities owned by it, or fairly to determine the value of its assets and (3) for such other periods as the SEC may permit.

The valuation of the securities held by the Kiewit Money Market Series and the Kiewit Rated Money Market Series (including any securities held in a separate account maintained for when-issued securities) is based upon their amortized costs which does not take into account unrealized capital gains or losses. This involves valuing an instrument at its cost and thereafter assuming a constant amortization to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the market value of the instrument.

While this method provides certainty in valuation, it may result in periods during which value, as determined by amortized cost, is higher or lower than the price such Series would receive if they sold the instrument. During periods of declining interest rates, the daily yields on shares of the Series computed as described above may tend to be higher than a like computation made by a fund with identical investments utilizing a method of valuation based upon market prices and estimates of market prices for all of its portfolio instruments. Thus, if the use of amortized cost by the Series resulted in a lower aggregate portfolio value on a particular day, a prospective investor in the Series would be able to obtain a somewhat higher yield than would result from investment in a fund utilizing solely market values, and existing investors in the Series would receive less investment income. The converse would apply in a period of rising interest rates.

The Kiewit Money Market and Kiewit Rated Money Market Series' use of amortized cost, which facilitates the maintenance of their corresponding Portfolios' per share net asset value of \$1.00, is permitted by a rule adopted by the SEC, pursuant to which the Series must adhere to certain conditions.

The Kiewit Money Market and Kiewit Rated Money Market Series each must maintain a dollar-weighted average portfolio maturity of 90 days or less, only purchase instruments having remaining maturities of 397 calendar days or less, and invest only in those U.S. dollar-denominated instruments that the Manager has determined, pursuant to guidelines adopted by the Board of Trustees, present minimal credit risks and which are, as required by the federal securities laws (i) rated in one of the two highest rating categories as determined by nationally recognized statistical rating agencies, (ii) instruments deemed comparable in quality to such rated instruments, or (iii) instruments, the issuers of which, with respect to an outstanding issue of short-term debt that is comparable in priority and protection, have received a rating within the two highest categories of nationally recognized statistical rating agencies. Securities subject to floating or variable interest rates with demand features in compliance with applicable rules of the SEC may have stated maturities in excess of 397 days. The Trustees have established procedures designed to stabilize, to the extent reasonably possible, the Series' price per share as computed for the purpose of sales and redemptions at

\$1.00. Such procedures will include review of the portfolio holdings by the Trustees, at such intervals as they may deem appropriate, to determine whether the Series' net asset value calculated by using available market quotations deviates from \$1.00 per share based on amortized cost. The extent of any deviation will be examined by the Trustees. If such deviation exceeds 1/2 of 1%, the Trustees will promptly consider what action, if any, will be initiated. In the event the Trustees determine that a deviation exists which may result in material dilution or other unfair results to investors or existing shareholders, they will take such corrective action as they regard as necessary and appropriate, which may include the sale of portfolio instruments prior to maturity to realize capital gains or losses or to shorten average portfolio maturity, withholding dividends, redemptions of shares in kind, or establishing a net asset value per share by using available market quotations.

In-Kind Purchases. If accepted by the Fund, shares of each Portfolio may be purchased in exchange for securities which are eligible for acquisition by the Portfolios or their corresponding Series, as described in this Statement of Additional Information. Please contact Rodney Square about this purchase method. Securities to be exchanged which are accepted by the Fund and Portfolio shares to be issued therefore will be valued, as set forth under "Valuation Of Shares," at the time of the next determination of net asset value after such acceptance. All dividends, interest, subscription, or other rights pertaining to such securities shall become the property of the Portfolio whose shares are being acquired and must be delivered to the Fund by the investor upon receipt from the issuer.

The Fund will not accept securities in exchange for shares of a Portfolio unless: (1) current market quotations are readily available for such securities; (2) the investor represents and agrees that all securities offered to be exchanged are not subject to any restrictions upon their sale by the Portfolio (or its corresponding Series) under the 1933 Act or under the laws of the country in which the principal market for such securities exists, or otherwise; (3) at the discretion of the Portfolio (or its corresponding Series), the value of any such security (except U.S. Government securities) being exchanged together with other securities of the same issuer owned by the corresponding Series will not exceed 5% of the net assets of the corresponding Series immediately after the transaction; and (4) the Portfolio (or its corresponding Series) acquires the securities for investment and not for resale. In addition, nearly all of the securities accepted in an exchange must be, at the time of the exchange, eligible to be included in the Portfolio (or corresponding Series) whose shares are issued. Investors interested in such exchanges should contact the Manager.

TAX MATTERS

The Internal Revenue Code of 1986, as amended (the "Code") imposes a nondeductible 4% excise tax on a regulated investment company which does not distribute to investors in each calendar year an amount equal to (i) 98% of its calendar year ordinary income, (ii) 98% of its capital gain net income (the excess of short and long-term capital gain over short and long-term capital loss) for the one-year period ending each October 31, and (iii) 100% of any undistributed ordinary income and capital gain net income from the prior year. Each Portfolio intends to declare and pay dividends and capital gain distributions in a manner to avoid imposition of the excise tax. Each Portfolio also intends to comply with other Code requirements such as (1) appropriate diversification of portfolio investments; (2) realization of 90% of annual gross income from dividends, interest, gains from sales of securities, or other "qualifying income," and (3) realization of less than 30% of gross income from gains on sale or other disposition of securities held less than three months.

For any Portfolio that has a principal investment policy of investing in non-equity investments, it is anticipated that either none or only a small portion of that Portfolio's dividends will qualify for the corporate dividends received deduction. The portion of the dividends so qualified depends on the aggregate qualifying dividend income received by a Portfolio from domestic (U.S.) sources. To the extent that any Portfolio pays dividends which qualify for this deduction, the availability of the deduction is subject to certain holding period and debt financing restrictions imposed under the Code on the corporation claiming the deduction.

The Fund in its sole discretion may accept securities in exchange for shares of a Portfolio. A gain or loss for federal income tax purposes may be realized by investors in a Portfolio who are subject to federal taxation upon the exchange. The amount of such gain or loss realized with respect to a security is measured by the difference between the fair market value of the contributed security on the date of contribution and its adjusted tax basis. Any loss realized on the exchange may be subject to certain provisions of the Code which either disallow the recognition of any such loss or result in a deferral of the time for recognizing such loss.

CALCULATION OF PERFORMANCE DATA

The performance of a Portfolio's classes of shares (or its corresponding Series) may be quoted in terms of its yield and its total return in advertising and other promotional materials ("performance advertisements"). Performance data quoted represents past performance and is not intended to indicate future performance. The investment return of an investment in the Portfolios and the principal value of an investment in any Portfolio except the Money Market Portfolio and the Rated Money Market Portfolio will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. Performance of the Portfolios will vary based on changes in market conditions and the level of each Portfolio's expenses. Since S Class Shares of the Portfolios bear additional distribution expenses, the performance of the S Class Shares of the Portfolios will generally be lower than that of the K Class Shares. These performance figures are calculated in the following manner:

A. Yield is the net annualized yield for a specified 7 calendar days calculated at simple interest rates. From time to time, the Money Market Portfolio and the Rated Money Market Portfolio may advertise their yields. Yield is calculated by determining the net change, exclusive of capital changes, in the value of a hypothetical pre-existing account having a balance of one share at the beginning of the period, subtracting a hypothetical charge reflecting deductions from shareholder accounts, and dividing the difference by the value of the account at the beginning of the base period to obtain the base period return. The yield is annualized by multiplying the base period return by 365/7. The yield figure is stated to the nearest hundredth of one percent.

The yield for the 7-day period ended June 30, 1996 was 5.22% for the Money Market Portfolio.

B. Effective Yield is the net annualized yield for a specified 7 calendar days assuming reinvestment of income or compounding. From time to time the Money Market Portfolio and the Rated Money Market Portfolio may advertise their effective yields. Effective yield is calculated by the same method as yield except the yield figure is compounded by adding 1, raising the sum to a power equal to 365 divided by 7, and subtracting 1 from the result, according to the following formula:

$$\text{Effective Yield} = [(\text{Base Period Return} + 1)^{365/7}] - 1.$$

The effective yield for the 7-day period ended June 30, 1996 was 5.37% for the Money Market Portfolio.

C. Tax-Equivalent Yield is the rate an investor would have to earn from a fully taxable investment after taxes to equal a Portfolio's tax-exempt yield. From time to time, the Tax-Exempt Portfolio may advertise its tax-equivalent yield. Tax-equivalent yield is computed by: (i) dividing that portion of a Portfolio's yield which is tax-exempt by one minus a stated income tax rate; and (ii) adding the product of that portion, if any, of the Portfolio's yield that is not tax-exempt. For purposes of this formula, tax-exempt yield is a yield which is exempt from federal income tax.

The following table, which is based upon federal income tax rates in effect on the date of this Statement of Additional Information, illustrates the yields that would have to be achieved on taxable investments to produce a range of hypothetical tax-equivalent yields:

Tax-Equivalent Yield Table
 Federal Marginal
 Income Tax Bracket

Tax-Equivalent Yields Based on Tax-Exempt Yields of:

- 4%
- 5%
- 6%
- 7%
- 8%
- 9%
- 10%
- 11%
- 28%
- 5.6
- 6.9
- 8.3
- 9.7
- 11.1
- 12.5
- 13.9
- 15.3
- 31%
- 5.8
- 7.2
- 8.7
- 10.1
- 11.6
- 13.0
- 14.5
- 15.9
- 36%
- 6.3
- 7.8
- 9.4
- 10.9
- 12.5
- 14.1
- 15.6
- 17.2
- 39.6%

6.6
8.3
9.9
11.6
13.2
14.9
16.6
18.2

D. Yield of the Short-Term Government Portfolio, Intermediate-Term Bond Portfolio, and the Tax-Exempt Portfolio is calculated by dividing the Portfolio's investment income for a 30-day period, net of expenses, by the average number of shares entitled to receive dividends during that period according to the following formula:
YIELD = $2 \left[\frac{(a-b)}{cd + 1} - 1 \right]$

Where:

a = dividends and interest earned during the period;
b = expenses accrued for the period (net of reimbursements);
c = the average daily number of shares outstanding during the period that were entitled to receive dividends; and
d = the maximum offering price per share on the last day of the period.

The result is expressed as an annualized percentage (assuming semiannual compounding) of the maximum offering price per share at the end of the period.

Except as noted below, in determining interest earned during the period (variable "a" in the above formula), the interest earned on each debt instrument held by a Portfolio (or its corresponding Series) during the period is calculated by: (i) computing the instrument's yield to maturity, based on the value of the instrument (including actual accrued interest) as of the last business day of the period or, if the instrument was purchased during the period, the purchase price plus accrued interest; (ii) dividing the yield to maturity by 360; and (iii) multiplying the resulting quotient by the value of the instrument (including actual accrued interest). Once interest earned is calculated in this fashion for each debt instrument held by the Portfolio (or its corresponding Series), interest earned during the period is then determined by totaling the interest earned on all debt instruments held by the Portfolio.

For purposes of these calculations, the maturity of a debt instrument with one or more call provisions is assumed to be the next date on which the instrument reasonably can be expected to be called or, if none, the maturity date. In general, interest income is reduced with respect to debt instruments trading at a premium over their par value by subtracting a portion of the premium from income on a daily basis, and increased with respect to debt instruments trading at a discount by adding a portion of the discount to daily income.

For the 30-day period ended June 30, 1996, the yields for the Short-Term Government Portfolio, Intermediate-Term Bond Portfolio and the Tax-Exempt Portfolio were 5.99%, 6.56% and 4.47%, respectively.

Since yield accounting methods differ from the accounting methods used to calculate net investment income for other purposes, a Portfolio's yield may not equal the dividend income actually paid to investors or the net investment income reported with respect to the Portfolio in the Fund's financial statements.

Yield information may be useful in reviewing a Portfolio's performance and in providing a basis for comparison with other investment alternatives. Nevertheless, the Portfolios' yields fluctuate, unlike investments that pay a

fixed interest rate over a stated period of time. Investors should recognize that in periods of declining interest rates, the Portfolios' yields will tend to be somewhat higher than prevailing market rates, and in periods of rising interest rates, the Portfolios' yields will tend to be somewhat lower. Also, when interest rates are falling, the inflow of net new money to the Portfolios from the continuous sale of their shares will likely be invested in instruments producing lower yields than the balance of the Portfolios' holdings, thereby reducing the current yields of the Portfolios. In periods of rising interest rates, the opposite can be expected to occur.

E. Average Annual Total Return is the average annual compound rate of return for the periods of one year, five years, ten years and the life of a Portfolio, where quotations reflect changes in the price of a Portfolio's shares, if any, and assume that all dividend and capital gains distributions, if any, during the respective periods were reinvested in Portfolio shares. Each Portfolio may advertise its average annual total return from time to time. Average annual total return is calculated by finding the average annual compound rates of return of a hypothetical investment over such periods, according to the following formula (average annual total return is then expressed as a percentage):

$$T = (ERV/P)^{1/n} - 1$$

Where: P = a hypothetical initial investment of \$1,000
T = average annual total return
n = number of years
ERV = ending redeemable value: ERV is the value, at the end of the applicable period, of a hypothetical \$1,000 investment made at the beginning of the applicable period.

Average Annual Total Returns for the one-year period ended June 30, 1996 and for the periods from the effective date of the Fund's registration statement under the Securities Act of 1933 or commencement of operations¹, whichever occurred later, through June 30, 1996:

1 year ended
June 30, 1996
Since Effectiveness¹
through June 30,
1996

| | |
|----------------------------------|--------|
| Money Market Portfolio | 5.61% |
| | 5.71% |
| Short-Term Government Portfolio | 4.66% |
| | 6.96% |
| Intermediate-Term Bond Portfolio | 4.48% |
| | 8.40% |
| Tax-Exempt Portfolio | 4.55% |
| | 6.59% |
| Equity Portfolio | 19.24% |
| | 21.70% |

¹ The Money Market Portfolio, Short-Term Government Portfolio,

Intermediate-Term Bond Portfolio and Tax-Exempt Portfolio became effective on December 6, 1994. The Equity Portfolio commenced operations on January 5, 1995.

F. Cumulative Total Return is the cumulative rate of return on a hypothetical initial investment of \$1,000 for a specified period. Cumulative total return quotations reflect the change in the price of a Portfolio's shares, if any, and assume that all dividends and capital gains distributions, if any, during the period were reinvested in Portfolio shares. Cumulative total return is calculated by finding the cumulative rates of return of a hypothetical investment over such periods, according to the following formula (cumulative total return is then expressed as a percentage):

$$C = (ERV/P) - 1$$

Where: C = Cumulative Total Return
P = a hypothetical initial investment of \$1,000
ERV = ending redeemable value: ERV is the value, at the end of the applicable period, of a hypothetical \$1,000 investment made at the beginning of the applicable period.

Cumulative Total Returns for the one-year period ended June 30, 1996 and for the periods from the effective date of the Fund's registration statement under the Securities Act of 1933 or commencement of operations¹, whichever occurred later, through June 30, 1996:

| | |
|----------------------------------|--------|
| 1 year ended | |
| June 30, 1996 | |
| Since Effectiveness ¹ | |
| through June 30, | |
| 1996 | |
| Money Market Portfolio | |
| | 5.61% |
| | 9.11% |
| Short-Term Government Portfolio | |
| | 4.66% |
| | 11.13% |
| Intermediate-Term Bond Portfolio | |
| | 4.48% |
| | 13.50% |
| Tax-Exempt Portfolio | |
| | 4.55% |
| | 10.54% |
| Equity Portfolio | |
| | 19.24% |
| | 33.93% |

¹ The Money Market Portfolio, Short-Term Government Portfolio, Intermediate-Term Bond Portfolio and Tax-Exempt Portfolio became effective on December 6, 1994. The Equity Portfolio commenced operations on January 5, 1995.

The preceding performance figures were affected by fee waivers and expenses assumed by the Portfolios' investment manager. Without such fee waivers and expense assumptions, the performance figures quoted above would have been lower.

The Portfolios may also from time to time present some or all of their investments ranked by their percentage representation within the respective Portfolio or in the form of the schedule of "Investments" included in the Annual Report to the shareholders of the Portfolios as of and for the fiscal year ended June 30, 1996, a copy of which follows and is part of this document.

Performance advertisements for the Money Market Portfolio and the Rated Money Market Portfolio may include yield calculations for the 7-day period ending on the most recent practicable date considering the media used for the advertisement. Performance advertisements for the other four Portfolios may include average annual total returns and 30-day yield calculations as of the end of the most recent quarter practicable considering the media used for the advertisement. Such advertisements may include a schedule of investments for the corresponding date, employing presentation principles used in annual reports to shareholders.

To help investors better evaluate how an investment in a Portfolio might satisfy their investment objective, advertisements regarding a Portfolio may discuss yield or total return as reported by various financial publications. Advertisements may also compare yield or total return to other investments, indices and averages. The following publications, benchmarks, indices, and averages may be used: Lipper Mutual Fund Performance Analysis; Lipper Fixed Income Analysis; Lipper Mutual Fund Indices; Salomon Brothers Indices; Lehman Brothers Indices; Dow Jones Composite Average or its component indices; Standard & Poor's 500 Composite Stock Price Index (the "S&P 500") or its component indices; The New York Stock Exchange composite or component indices; CDA Mutual Fund Report; Weisenberger - Mutual Fund Panorama and Investment Companies; Mutual Fund Values and Mutual Fund Service Book, published by Morningstar, Inc.; and financial publications such as Business Week, Kiplinger's Personal Finance, Financial World, Forbes, Fortune, Money Magazine, The Wall Street Journal, Barron's, et al., which rate mutual fund performance over various time periods.

Currently the performance of the Kiewit Money Market Portfolio and the Rated Money Market Portfolio may be compared to the performance of IBC's Money Fund Average. The IBC's Money Fund Average is a composition of all reporting money market funds with similar objectives and restrictions. The Kiewit Short-Term Government Portfolio is currently compared to the Lehman 1-3 Year Government Index. The Lehman 1-3 Year Government Index is a total return performance benchmark consisting of U.S. Government agency and Treasury securities with maturities from one to three years. The Kiewit Intermediate-Term Bond Portfolio is currently compared to the Lehman Intermediate Corporate Index. The Lehman Intermediate Corporate Index is a total return performance benchmark consisting of publicly issued corporate debt issues rated at least investment grade with maturities from one to ten years. The Kiewit Tax-Exempt Portfolio is currently compared to the Lehman 5-Year Municipal Bond Index. The Lehman 5-Year Municipal Bond Index is a total return performance benchmark consisting of tax-exempt municipal bonds rated at least investment grade with maturities from four to six years. The Kiewit Equity Portfolio is currently compared to the S&P 500. The S&P 500 is an unmanaged capitalization weighted index of five hundred publicly traded stocks.

OTHER INFORMATION

The Fund does not intend to hold annual meetings; it may, however, hold a meeting for such purposes as changing fundamental investment limitations, approving a new investment management agreement or any other matters which are required to be acted on by shareholders under the 1940 Act. Shareholders may receive assistance in communicating with other shareholders in connection with the election or removal of Trustees similar to the provisions contained in

Section 16(c) of the 1940 Act.

Wilmington Trust Company, Rodney Square North, 1100 North Market Street, Wilmington, DE 19890-0001, a Delaware-chartered banking institution, is the Fund's Custodian.

Price Waterhouse LLP, Thirty South 17th Street, Philadelphia, Pennsylvania 19103, is the Fund's independent accountant.

KIEWIT MUTUAL FUND

Items Required By Form N-1A

PART C - OTHER INFORMATION

Item 24. Financial Statements and Exhibits.

(a) Financial Statements:

Included in the Prospectus (Part A):

Financial Highlights for Kiewit Mutual Fund for the Period Ended June 30, 1996.

Included in the Statement of Additional Information (Part B):

(i) Report of Independent Public Accountants dated July 26, 1996

(ii) Audited Financial Statements of Kiewit Money Market Portfolio for the Period Ended June 30, 1996

(iii) Audited Financial Statements of Kiewit Short-Term Government Portfolio for the Period Ended June 30, 1996

(iv) Audited Financial Statements of Kiewit Intermediate-Term Bond Portfolio for the Period Ended June 30, 1996

(v) Audited Financial Statements of Kiewit Tax-Exempt Portfolio for the Period Ended June 30, 1996

(vi) Audited Financial Statements of Kiewit Equity Portfolio for the Period Ended June 30, 1996

(b) Exhibits:

| Exhibit No. | Description of Exhibit |
|-------------|---|
| (1) | (i) Agreement and Declaration of Trust* (ii) Certificate of Trust* (iii) Certificate of Amendment to Certificate of Trust** |
| (2) | By-Laws* |
| (3) | None |
| (4) | (i) Specimen Certificate of Kiewit Money Market Fund* (ii) Specimen Certificate of Kiewit Short-Term |

- Government Fund*
 - (iii) Specimen Certificate of Kiewit Intermediate-Term Bond Fund*
 - (iv) Specimen Certificate of Kiewit Tax-Exempt Fund*
 - (v) Specimen Certificate of Kiewit Equity Fund*
- (5) (i) Investment Management Agreement re Kiewit Money Market Portfolio**
- (ii) Investment Management Agreement re Kiewit Short-Term Government Portfolio**
 - (iii) Investment Management Agreement re Kiewit Intermediate-Term Bond Portfolio**
 - (iv) Investment Management Agreement re Kiewit Tax-Exempt Portfolio**
 - (v) Investment Management Agreement re Kiewit Equity Portfolio**
- (6) Distribution Agreement with Rodney Square Distributors, Inc.**
- (7) None
- (8) Custody Agreement with Wilmington Trust Company*
- (9) (i) Amended and Restated Transfer Agency Agreement with Rodney Square Management Corporation**
- (ii) Amended and Restated Accounting Services Agreement with Rodney Square Management Corporation**
 - (iii) Amended and Restated Administration Agreement with Rodney Square Management Corporation**
 - (iv) Sub-Administration Agreement between Kiewit Investment Management Corp. and Treasury Strategies, Inc.*
- (10) Not applicable
- (11) Consent of Independent Accountants
- (12) Not applicable
- (13) Not applicable
- (14) Not applicable
- (15) Form of Plan of Distribution Pursuant to Rule 12b-1 under the Investment Company Act of 1940
- (16) Schedule of Performance Calculations***
- (17) Financial Data Schedule***
- (18) Form of Plan Pursuant to Rule 18f-3 under the Investment Company Act of 1940

* Previously filed with the Securities and Exchange Commission on Form N-1A on July 25, 1994 and incorporated herein by reference.

** Previously filed with the Securities and Exchange Commission with Pre-Effective Amendment No. 2 on Form N1-A on November 29, 1994 and incorporated herein by reference.

*** Previously filed with the Securities and Exchange Commission with Post-Effective Amendment No.2 on Form N1-A on September 30, 1996 and incorporated herein by reference.

Item 25. Persons controlled by or under common control with Registrant.

None.

Item 26. Number of Holders of Securities.

| K Class Shares | Number of Record Holders as of November 30, 1996 |
|--|---|
| Shares of Beneficial Interest, Par Value \$.01 | |
| Kiewit Money Market Portfolio | 114 |
| Kiewit Short-Term Government Portfolio | 22 |
| Kiewit Intermediate-Term Bond Portfolio | 26 |
| Kiewit Tax-Exempt Portfolio | 5 |
| Kiewit Equity Portfolio | 42 |

Item 27. Indemnification.

Reference is made to Article VII of the Registrant's Agreement and Declaration of Trust (Exhibit 24(b)(1)(i)) and to Article X of the Registrant's By-Laws (Exhibit 24(b)(2)), which are incorporated herein by reference. Pursuant to Rule 484 under the Securities Act of 1933, as amended, the Registrant furnishes the following undertaking:

"Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to trustees, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a trustee, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such trustee, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue."

Item 28. Business and Other Connections of Investment Adviser.

Kiewit Investment Management Corp. (the "Manager") is a Delaware corporation organized in 1994. Under Investment Management Agreements with respect to each Portfolio, dated November 15, 1994, the Manager, subject to the supervision of the Board of Trustees, provides investment management services to each Portfolio. Kiewit Diversified Holdings Inc., a wholly-owned

subsidiary of Kiewit Diversified Group Inc. ("KDG") owns 60% of the Manager and Kiewit Construction Company, a wholly-owned subsidiary of Kiewit Construction Group Inc. ("KCG") owns the remaining 40% of the Manager. Both KDG and KCG are wholly-owned by Peter Kiewit Sons', Inc.

The business, profession, vocation or employment of a substantial nature in which each director and officer of the Manager and Rodney Square is or has been, during the past two fiscal years, engaged for his own account in the capacity of director, officer, employee, partner or trustee is set forth below.

Kiewit Investment Management Corp.

Richard R. Jaros is a director of the Manager. Mr. Jaros is also Executive Vice President and a Director of Peter Kiewit Sons', Inc. ("PKS") and President of Kiewit Diversified Group Inc.

Walter Scott, Jr. is a Director of the Manager. Mr. Scott is also Chairman and President of PKS.

Kenneth E. Stinson is a Director of the Manager. Mr. Stinson is also Executive Vice President of PKS and Chairman and President of Kiewit Construction Group ("KCG").

Ann C. McCulloch is President of the Manager. Ms. McCulloch is also President and the Chairman of the Fund, and Vice President and Treasurer of PKS.

Kenneth D. Gaskins, Esquire is a Vice President and Secretary of the Manager. Mr. Gaskins is also the Secretary of the Fund and Corporate Counsel of PKS.

P. Gregory Williams is a Vice President and Chief Investment Officer of the Manager. Mr. Williams is also the Chief Financial Officer, Vice President and Treasurer of the Fund.

Brian J. Mosher is a Vice President of the Manager. Mr. Mosher is also a Vice President of the Fund.

Item 29. Principal Underwriters

- (a) The Rodney Square Fund
The Rodney Square Tax-Exempt Fund
The Rodney Square Strategic Fixed-Income Fund
The Rodney Square Multi-Manager Fund
Heitman Securities Trust/Institutional Class
1838 Investment Advisors Funds
The Olstein Funds
The HomeState Group

(b) The principal business address for the Officers and Directors of Rodney Square Distributors, Inc. is: 1100 North Market Street, Wilmington, DE 19890-0001.

| (1) Name and Principal Business Address Registrant | (2) Position Position and Offices with Rodney Square Distributors, Inc. | (3) and Offices with |
|---|--|----------------------------|
| Jeffrey O. Stroble | President, Secretary, Treasurer & Director | None |

| | | |
|---------------------|----------------|------|
| Martin L. Klopping | Director | None |
| Cornelius G. Curran | Vice President | None |

(c) None.

Item 30. Locations of Accounts and Records

All accounts and records are maintained by the Registrant, or on its behalf by the Fund's administrator, transfer agent, dividend paying agent and accounting services agent, Rodney Square Management Corporation, at Rodney Square North, 1100 North Market Street, Wilmington, DE 19890.

Item 31. Management Services.

There are no management-related service contracts not discussed in Part A or Part B.

INDEX TO EXHIBITS

| Exhibit No. | Description of Exhibit |
|-------------------|--|
| 11 | Consent of Independent Accountants |
| 15 | Form of Plan of Distribution pursuant to Rule 12b-1 under the Investment Company Act of 1940 |
| 18 | Form of Plan Pursuant to Rule 18f-3 under the Investment Company Act of 1940 |
| Exhibit 24 (b) 11 | |

Consent of Independent Accountants

We hereby consent to the use in the Statements of Additional Information constituting part of this Post-Effective Amendment No. 3 to the registration statement on Form N-1A (the "Registration Statement") of our report dated July 26, 1996, relating to the financial statements and financial highlights of Kiewit Mutual Fund, which appears in such Statements of Additional Information, and to the incorporation by reference of our report into the Prospectuses which constitute part of this Registration Statement. We also consent to the references to us under the headings "Financial Statements" and "Other Information" in such Statements of Additional Information and to the reference to us under the heading "Financial Highlights" in such Prospectuses.

/s/ Price Waterhouse LLP
Price Waterhouse LLP
Philadelphia, PA
December 20, 1996

DISTRIBUTION PLAN OF KIEWIT MUTUAL FUND

The following Distribution Plan (the "Plan") has been adopted pursuant to Rule 12b-1 under the Investment Company Act of 1940 (the "Act") by Kiewit Mutual Fund (the "Fund") for the use of the Fund's S Class shares. The Plan has been approved by a majority of the Fund's Board of Trustees, including a majority of the Trustees who are not interested persons of the Fund and who have no direct or indirect financial interest in the operation of the Plan (the "non-interested trustees"), cast in person at a meeting called for the purpose of voting on such Plan.

In reviewing the Plan, the Board of Trustees considered the proposed schedule and nature of payments and terms of the advisory agreement between the Fund and Kiewit Investment Management Corp. (the "Adviser"), and the underwriting agreement between the Fund and Rodney Square Distributors, Inc. (the "Distributor"). The Board of Trustees concluded that the proposed compensation of the Adviser under the advisory agreement, and of the Distributor under the underwriting agreement is fair and not excessive. Accordingly, the Board determined that the Plan should provide for such payments and that adoption of the Plan would be prudent and in the best interests of the Fund and its shareholders. Such approval included a determination that in the exercise of their reasonable business judgment and in light of their fiduciary duties, there is a reasonable likelihood that the Plan will benefit the Fund and its shareholders.

The Provisions of the Plan are:

1. The Fund shall reimburse the Distributor, or the Adviser or others through the Distributor, for all expenses incurred by such parties in the promotion and distribution of the Fund's S Class shares, including but not limited to, the printing of prospectuses and reports used for sales purposes, expenses of preparation of sales literature and related expenses, advertisements, and other distribution-related expenses, as well as any distribution or service fees paid to securities dealers or others who have executed a servicing agreement with the Fund or the Distributor, which form of agreement has been approved by the Trustees, including the non-interested trustees.

2. The maximum aggregate amount which may be reimbursed by the S Class shares of the Fund to such parties pursuant to Paragraph 1 herein shall be 0.25% per annum of the average daily net assets of the S Class shares. Said reimbursement shall be made monthly by the Fund to such parties.

3. The Adviser and the Distributor shall collect and monitor the documentation of payments made under paragraphs 1 and 2 above, and shall furnish to the Board of Trustees of the Fund, for their review, on a quarterly basis, a written report of the monies reimbursed to them and others under the Plan as to the Fund, and shall furnish the Board of Trustees of the Fund with such other information as the Board may reasonably request in connection with the payments made under the Plan as to the Fund in order to enable the Board to make an informed determination of whether the Plan should be continued.

4. The Plan shall continue in effect for a period of more than one year only so long as such continuance is specifically approved at least annually by the Fund's Board of Trustees, including the non-interested

trustees, cast in person at a meeting called for the purpose of voting on the Plan.

5. The Plan, or any agreements entered into pursuant to this Plan, may be terminated at any time, without penalty, by vote of a majority of the outstanding voting securities of the Fund, or by vote of a majority of the non-interested Trustees, on not more than sixty (60) days' written notice, and shall terminate automatically in the event of any act that constitutes an assignment of the management agreement between the Fund and the Manager.

6. The Plan and any agreements entered into pursuant to this Plan may not be amended to increase materially the amount to be spent by the Fund for distribution pursuant to Paragraph 2 hereof without approval by a majority of the Fund's outstanding voting securities.

7. All material amendments to the Plan, or any agreements entered into pursuant to this Plan, shall be approved by the non-interested trustees cast in person at a meeting called for the purpose of voting on any such amendment.

8. So long as the Plan is in effect, the selection and nomination of the Fund's non-interested trustees shall be committed to the discretion of such non-interested trustees.

9. This Plan shall take effect on the ____ day of March, 1997.

This Plan and the terms and provisions thereof are hereby accepted and agreed to by the Fund, the Adviser and the Distributor as evidenced by their execution hereof.

KIEWIT MUTUAL FUND

By: _____

KIEWIT INVESTMENT MANAGEMENT CORP.

By:

By:

RODNEY SQUARE DISTRIBUTORS, INC.

By:

EXHIBIT 24(b)18

KIEWIT MUTUAL FUND

Multiple Class Plan Pursuant to Rule 18f-3

I. Introduction

This Multiple Class Plan (the "Plan") has been adopted by a majority of the Board of Trustees of Kiewit Mutual Fund (the "Fund"), including a majority of the Trustees who are not interested persons of the Fund, pursuant to Rule 18f-3 under the Investment Company Act of 1940, as amended (the "Act").

Rule 18f-3 requires that the Board of an investment company desiring to offer multiple classes of shares pursuant to said Rule adopt a plan setting forth the differences among the classes with respect to shareholder services, distribution arrangements, expense allocations and any related conversion features or exchange privileges. The Plan provides a detailed statement of the differences between the Fund's two classes of shares.

The Fund's Board of Trustees, including a majority of the non-interested Trustees, has determined that the Plan, including the allocation of expenses, is in the best interests of the Fund as a whole, each series of shares offered by the Fund (a "Portfolio") and each class of shares offered by a Portfolio.

II. Elements of the Plan

1. Class Designation: Each Portfolio's shares shall be divided into K Class shares and S Class shares. The existing shares of each Portfolio of the Fund are to be redesignated as K Class shares.

2. Differences in Availability: S Class shares shall be available to all investors and will be sold by Rodney Square Distributors, Inc. (the "Distributor") and by banks, securities brokers or dealers and other financial institutions that have entered into a Selling Agreement with the Fund's Distributor. K Class shares will be available only to existing K Class shareholders and to certain other investors.

3. Differences in Distribution Arrangements: S Class shares shall be subject to a Distribution Plan adopted pursuant to Rule 12b-1 under the 1940 Act. The Distribution Plan for S Class shares allows each Portfolio of the Fund to spend annually up to 0.25% of its average daily net assets attributable to S Class shares to reimburse the Distributor for distribution activities and expenses primarily intended to result in the sale of S Class shares.

K Class shares shall not be subject to a Distribution Plan.

4. Differences in Shareholder Services: Other than any shareholder services that may be provided under the S Class shares' Distribution Plan, the services offered to shareholders of each Class shall be the same.

5. Expense Allocation. The following expenses shall be allocated on a Class-by-Class basis:

- (a) fees under the Distribution Plan;
- (b) transfer agency and other recordkeeping costs;
- (c) Securities and Exchange Commission and blue sky registration or qualification fees;
- (d) printing and postage expenses related to printing and

distributing class specific materials, such as shareholder reports, prospectuses and proxies to current shareholders of a particular class or to regulatory authorities with respect to such class of shares;

(e) audit or accounting fees or expenses relating solely to such class;

(f) the expenses of administrative personnel and services as required to support the shareholders of such class;

(g) litigation or other legal expenses relating solely to such class of shares;

(h) Trustees' fees and expenses incurred as a result of issues relating solely to such class of shares; and

(i) other expenses subsequently identified and determined to be properly allocated to such class of shares.

6. Conversion Features. There shall be no automatic conversion feature for either the K Class or S Class shares.

7. Exchange Privileges. K Class shares shall be exchangeable only for K Class shares of other Portfolios of the Fund. S Class shares shall be exchangeable only for S Class shares of other Portfolios of the Fund.

8. Voting and Other Rights. Each class shall have: (a) exclusive voting rights on any matter submitted to shareholders that relates solely to its arrangements; (b) separate voting rights on any matter submitted to shareholders in which the interests of one class differ from the interests of the other class; and (c) in all other respects, the same rights and obligation as each other class.

Dated: February __, 1997