



October 7, 2010

INFORMATION STATEMENT

A Comprehensive Cash Management Program exclusively for Illinois public school entities.

ILLINOIS SCHOOL DISTRICT LIQUID ASSET FUND PLUS

Multi-Class Series (Liquid Class and MAX Class)

Term Series (with a fixed duration)

Also offering a Fixed Income Investment Program to Participants

SPONSORS:

Illinois Association of School Boards

Illinois Association of School Administrators

Illinois Association of School Business Officials

An investment in the Multi-Class Series or any Term Series is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental or private agency. Although the Liquid Class and MAX Class of the Multi-Class Series each seeks to maintain a stable value of \$1.00 per share, it is possible to lose money by investing in the Multi-Class Series. It also is possible to lose money by investing in a Term Series, which may impose a substantial penalty for redemption prior to the full term of the Series.

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THE FUND

The following provides key information about the Multi-Class Series and the Term Series of the Illinois School District Liquid Asset Fund Plus, referred to as “the Fund.” The Fund is an investment opportunity for Illinois Township Treasurers or School Treasurers acting on behalf of School Districts, Community College Districts and Educational Service Regions (called “Participants” or “investors”). The Fund offers shares of the Multi-Class Series (Liquid Class and MAX Class) and in separate Term Series.

The Fund’s investment objective is to provide investors with the highest possible investment yield while maintaining liquidity and preserving capital. The Fund invests in high-quality, short-term debt instruments guaranteed by the full faith and credit of the United States, certain U.S. government agency obligations, commercial paper, bank obligations and other obligations permitted by Illinois law. The Multi-Class Series has earned a AAAM rating from Standard & Poor’s (“S&P”). Term Series have a limited maturity of no less than 30 days and no more than one year, and are designed for Participants who will not need access to their investment prior to the termination date of the applicable Series.

Participants can invest in the following:

Fund Shares:

Multi-Class Series (Liquid Class and MAX Class)
Term Series (of fixed durations)

Fixed Income Investment Program:

The investments purchased through the Fixed Income Investment Program are not assets of the Fund.

Principal Risks

Although the Fund will try to invest wisely, all investments involve risk. A decline in short-term interest rates will reduce the yield of the Fund and the return on an investment. The Fund invests only in high-quality obligations, but there is still the risk that an issuer may be unable to make principal and interest payments when due. The Term Series have fewer holdings than the Multi-Class Series and are therefore less diversified. Both the Multi-Class Series and the Term Series also have manager risk and will have industry concentration risk to the extent their assets are concentrated in an industry (such as the banking industry).

An investment in the Multi-Class Series or any Term Series is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental or private agency. For more detailed information about the risks associated with the Fund, see “Investment Risks” below.

HOW THE FUND INVESTS

Investment Objective and Policies

The Fund's investment objective is to provide investors with the highest possible investment yield while maintaining liquidity and preserving capital.

In pursuing this objective, the Fund invests in high-quality short-term debt instruments (money market instruments). Debt obligations, in general, are written promises to repay a debt. Among the various types of debt obligations the Fund may purchase are obligations guaranteed by the full faith and credit of the United States, U.S. government agency obligations, commercial paper, bank obligations and other obligations permitted by applicable Illinois statutes. The Fund is managed to comply with specific requirements of Illinois law, particularly the Public Funds Investment Act and other laws applicable to the investment of Participants' funds.

U.S. Government Obligations

The Fund invests in U.S. government obligations. These obligations include debt securities issued or guaranteed by the U.S. government or one of its agencies or instrumentalities. In some cases, the full faith and credit of the United States backs the payment of principal and interest on U.S. government obligations. In other cases, these obligations are backed solely by the issuing or guaranteeing agency or instrumentality itself. In these cases, there can be no assurance that the U.S. government will provide financial support to its agencies when it is not obligated to do so.

Short-Term Corporate Debt Obligations

The Fund also invests in short-term debt obligations of corporations, including such securities sometimes referred to as "commercial paper." The Fund purchases short-term debt obligations issued by U.S. companies if, in accordance with applicable Illinois law: (1) the company's assets exceed \$500 million; (2) the short-term debt obligation is rated in one of the three highest rating categories by at least two major rating organizations, such as Moody's Investors Service Inc. ("Moody's"), Fitch Ratings ("Fitch") or S&P; and (3) the instrument matures within 270 days of purchase. Although the Fund is permitted to purchase commercial paper rated in one of the three highest rating categories, it currently invests only in commercial paper rated Prime-1 by Moody's, Fitch-1 by Fitch or A-1 (or A-1+) by S&P. The Multi-Class Series will not invest more than 33⅓% of its assets in short-term corporate obligations.

Bank Obligations

The Fund may invest in interest-bearing certificates of deposit, interest-bearing time deposits or any other investments that are direct obligations of a bank that are permitted by applicable Illinois law. These include bankers' acceptances, which are time drafts or bills of exchange which, when accepted by a bank, become an irrevocable primary and unconditional obligation of the accepting bank.

The Subadvisor of the Multi-Class Series may, from time to time and depending on the circumstances, purchase certificates of deposit of banks and thrift institutions ("CDs") permitted

by applicable Illinois law for the Multi-Class Series through the Fixed Income Investment Program offered by the Distributor and the Administrator. As described below under “Investment Options—Fixed Income Investment Program,” the Administrator receives a fee on any CDs purchased through the Program. To avoid any potential conflicts of interest with respect to any CDs purchased for the Multi-Class Series through the Program, the Investment Advisor and the Subadvisor have instituted procedures to ensure that such CDs are the best available investment opportunity for the Multi-Class Series at the time of purchase. In addition, the Administrator has agreed to waive the portion of the fee paid by the Multi-Class Series to the Administrator attributable to any CDs purchased through the Program.

Repurchase Agreements

The Fund may enter into repurchase agreements, where a party agrees to sell a U.S. government security to the Fund and then repurchase it at an agreed-upon price at a stated time. A repurchase agreement is like a loan by the Fund to the other party that creates a fixed return for the Fund. All repurchase agreements are fully collateralized at 102% with U.S. government securities. The Fund could incur a loss on a repurchase transaction if the seller defaults and the value of the underlying collateral declines or the Fund’s ability to sell the collateral is restricted or delayed.

Municipal Obligations

The Fund may invest in interest-bearing obligations, including tax anticipation warrants, of any governmental unit of the State of Illinois or any other state eligible for investment by Participants, the interest on which is taxable or tax-exempt under federal law. These municipal obligations may be fixed rate, floating rate or variable rate and must be rated in one of the three highest ratings categories by at least two major rating organizations (for the Multi-Class Series) and by at least one major rating organization (for the Term Series).

Floating-Rate and Variable-Rate Obligations

The interest rates of certain debt obligations the Fund may purchase may be subject to reset on predetermined dates. Such securities are referred to as “floating-rate obligations” and “variable-rate obligations.” Because the interest these securities pay is adjustable, there are market environments where they may have a beneficial or detrimental impact to the yield of the Fund relative to fixed-rate securities issued by similar issuers and terms to maturity. For purposes of calculating weighted average maturity for the portfolio, the interest reset date on these instruments is used.

Demand Instruments

Demand instruments are debt securities where the issuer is obligated to repay principal and pay accrued interest upon demand of the holder. Other demand instruments designate a third party to fulfill the repayment obligation. Such parties may be a dealer or bank acting on behalf of the tender agent to repurchase the security for its face value upon demand. The Fund treats demand instruments as short-term securities. For purposes of calculating weighted average maturity for the portfolio, the interest reset date on these instruments is used, even though their stated maturity may extend beyond one year.

INVESTMENT RISKS

All investments involve risk and investing in the Fund is no exception. Money market instruments have interest rate risk, which is the risk that the instruments will decline in value because of changes in interest rates. Generally, investments subject to interest rate risk will decrease in value when interest rates rise and increase in value when interest rates decline. Investing in money market instruments involves credit risk (the possibility that the issuer of a particular security will default) and market risk (the risk that a security will lose value because interest rates change or investors lose confidence in the ability of issuers in general to pay back their debt). In addition, the Fund's performance is subject to manager risk, which is the risk that poor security selection by the Fund's management could cause the Fund to underperform relevant benchmarks or other funds with a similar investment objective.

INVESTMENT RESTRICTIONS

The Fund's investments are subject to the restrictions listed below. These restrictions are fundamental policies of the Fund, which means that they cannot be changed without the affirmative vote of a majority of the Fund's investors.

The Fund may not:

(1) Make investments other than those permitted by the Illinois Public Funds Investment Act or any other law applicable to the investment of Participants' funds, as provided in the Fund's Declaration of Trust, including those investments described above under "How the Fund Invests—Investment Objective and Policies."

(2) Invest in a security that matures more than one year after purchase, unless a recognized securities firm (on the U.S. Treasury list of Primary Government Securities Dealers) or a bank having more than \$500 million in assets irrevocably agrees to purchase the security from the Fund within one year. This restriction does not apply to the Fund's investment in U.S. government obligations, which the Fund can purchase so long as they mature within two years of purchase.

(3) Make an investment that would cause the weighted average maturity of the Multi-Class Series to be greater than that designated by the Fund's Board of Trustees. For purposes of this restriction, investments subject to the type of irrevocable agreement described in paragraph (2) above are deemed to mature when the Fund is either required or has the right to sell the investment.

(4) Borrow money or incur indebtedness, except as a temporary measure to meet unexpected withdrawal requests from investors.

(5) Make loans, but the Fund may make permitted investments as described under "How the Fund Invests—Investment Objective and Policies."

(6) Hold or provide for the custody of any Fund property in a manner not permitted by law or by any institution or person not authorized by law.

INVESTMENT OPTIONS

Participants can invest in the Multi-Class Series, any Term Series and in the Fixed Income Investment Program. The Fund's Board of Trustees also has authorized a Short-Term Borrowing Program for Participants. The Board of Trustees may authorize other Series and Programs in the future. See "Additional Programs and Services."

The Multi-Class Series (Liquid Class and MAX Class)

Although the Multi-Class Series tries to maintain a stable net asset value of \$1.00 per share, it is possible to lose money. So far, the value of the Multi-Class Series shares has never deviated from \$1.00 and the Fund has not had to reduce the number of shares held by investors to maintain a stable value of \$1.00 per share.

The Multi-Class Series consists of two classes of shares: the Liquid Class and the MAX Class. The Liquid Class offers check writing privileges, while the MAX Class does not. Because the Liquid Class offers this privilege, its expenses are higher than those of the MAX Class. This means that the MAX Class is expected to have a higher net yield than the Liquid Class.

Investors in the Multi-Class Series are not required to maintain minimum account balances. However, an investor should not purchase shares of the MAX Class unless he expects to hold his MAX Class shares for a minimum of 14 days. An investor who redeems MAX Class shares within the first 14 days after purchase will be charged a penalty equal to 7 days' interest, at the current daily rate, on the value of shares redeemed (whether or not an investor in the MAX Class invests for at least 7 days). The 14-day minimum investment requirement does not apply to: (1) investments made with funds received from the Illinois Board of Education as direct deposits into an investor's Multi-Class Series account; (2) investments made with Illinois Board of Education funds that were distributed by the Illinois Funds within twenty-four (24) hours of their investment in an investor's Multi-Class Series account; or (3) investments made with funds received from local, county or other public entity tax deposits as direct deposits into an investor's Multi-Class Series account.

Investment Policy of the Multi-Class Series

The Fund's Board of Trustees has adopted an operating policy that limits the average dollar-weighted portfolio maturity of the Multi-Class Series to 60 days or less. The Multi-Class Series invests in money market instruments having a maximum remaining maturity of one year (except that U.S. government obligations may have remaining maturities of up to two years).

Fees and Expenses of the Multi-Class Series

The Multi-Class Series pays fees to the Administrator, the Investment Advisor, the Distributor, the Sponsors and the Custodian, which firms are described below under "How the Fund is Managed." The Multi-Class Series also has other operating expenses. The fees paid by the Multi-Class Series are calculated as follows:

The Administrator:

The Multi-Class Series pays the Administrator a fee computed at the annual rate of 0.14% of its average daily net assets up to and including \$750 million, 0.13% on the next \$250 million of average daily net assets and 0.12% of average daily net assets over \$1 billion.

The Investment Advisor and Subadvisor:

The Multi-Class Series pays the Investment Advisor a fee computed at the annual rate of 0.08% of its average daily net assets up to and including \$750 million, 0.07% on the next \$250 million, 0.06% on the next \$1 billion and 0.055% on average daily net assets over \$2 billion. Fees of the Subadvisor are paid by the Investment Advisor and not by the Multi-Class Series.

The Distributor:

The Multi-Class Series pays the Distributor a fee computed at the annual rate of 0.07% of its average daily net assets up to and including \$2 billion and 0.065% of average daily net assets over \$2 billion.

The Sponsors:

The Multi-Class Series pays the Sponsors royalty fees computed at the following annual rates:

Illinois Association of School Boards (“IASB”)	0.0125% of the average daily net assets
Illinois Association of School Administrators (“IASA”)	0.00625% of the average daily net assets
Illinois Association of School Business Officials (“IASBO”)	0.00625% of the average daily net assets

In addition, the Administrator has agreed to pay a Royalty Supplement to the Sponsors based on the average daily net assets of the total net assets of all Fund sponsored programs administered by the Administrator (hereinafter “Average Daily Total Net Assets”). The Royalty Supplement is calculated based on the Average Daily Total Net Assets for each one-year period, multiplied by .00208%, with the Royalty Supplement being split by the Sponsors in a manner that seeks to equalize the royalty fees paid by the Multi-Class Series.

The Custodian:

The Multi-Class Series pays the Custodian a fee for its services. In addition, the Liquid Class and the MAX Class each pays cash management fees to the Custodian. The Liquid Class pays cash management fees for covering the cost of its wire transfers and services such as check writing. The MAX Class pays cash management fees solely for covering the cost of its wire transfers.

Other Expenses/Waivers:

Other expenses payable by the Multi-Class Series include, among other things, out-of-pocket expenses incurred by the Trustees in the discharge of their duties, legal fees, the fees of the Fund's independent accountants and the cost of insurance for the Fund and its Trustees and officers. From time to time, the Administrator, the Investment Advisor, the Distributor, the Custodian and/or the Sponsors may voluntarily waive a portion of their fees to support a positive yield during periods when the Multi-Class Series' yield is reduced because of low interest rates. The Administrator, Investment Advisor, Distributor, Custodian and/or Sponsors also may voluntarily assume certain expenses of the Multi-Class Series.

Term Series

Each Term Series is a separate series of shares of beneficial interest in a fixed term investment with a maturity of no less than 30 days and no more than one year. A Term Series' portfolio may consist of CDs, obligations of the U.S. government or its agencies and instrumentalities, municipal obligations and other investments described under "How The Fund Invests – Investment Objective and Policies." Participants who have invested in the Multi-Class Series and who wish to invest in a Term Series may do so by transferring funds from their Multi-Class Series account to the Term Series of their choice. When that particular Term Series matures, the Participant's funds in that Series will then be transferred back to the Participant's Multi-Class Series account.

Term Series are designed for each investment to be held for the full term of that Series. If an investment made in a Term Series is withdrawn prior to the maturity date of that Series, seven days' notice of redemption is required and a penalty will likely be assessed. The penalty, which may be substantial, could include the amount necessary to recoup for the Series any penalty charges, losses and other costs attributable to the early redemption. Each Term Series may have a weighted average maturity equal to the term of that Series. Normally, the Term Series will have a higher yield than the Multi-Class Series' Liquid Class and MAX Class. However, there can be no assurance that this result will occur. Term Series are expected to have fewer holdings than the Multi-Class Series, and will therefore be less diversified.

Each Term Series is independent from all other Term Series. This means that if one Term Series loses money, no other Term Series will suffer that loss.

The CDs held by any Term Series will either be insured by the FDIC up to the maximum amount of such insurance or fully collateralized by pledged securities or letters of credit provided by Federal Home Loan Banks for amounts in excess of FDIC insurance. The U.S. government obligations held by a Term Series will be backed by the full faith and credit of the U.S. government or by the agency or instrumentality issuing or guaranteeing the obligation. The municipal obligations held by a Term Series may be backed only by the taxing power of the issuer of such securities or may be secured by specific revenues received by the issuer. Information regarding a Term Series' portfolio will be provided to the Participants in that Series by the Administrator/Distributor.

Generally, securities purchased by a Term Series will be held to maturity. However, the Investment Advisor maintains discretion to dispose of, or substitute, a security held by a Term Series if doing so is in the best interests of the Participants. A disposition or substitution of portfolio securities may affect a Term Series' net rate of return.

In connection with investments in a Term Series, Participants pay to the Investment Advisor an annualized advisory and management fee of up to 0.25%. An additional fee, not to exceed 0.10% on an annualized basis, is charged for assets that require management and administration of collateral, letters of credit or other third-party guarantees.

Dividends from net investment income are declared daily and paid at maturity.

Participants who wish to invest in a Term Series may do so by transferring funds from their Multi-Class Series account to the Term Series of their choice. To invest in a Term Series, contact the Administrator/Distributor at (866) 747-4477.

Fixed Income Investment Program

The Distributor and the Administrator offer investors a Fixed Income Investment Program. Investors may contact the Administrator directly to purchase investment instruments including CDs, commercial paper and bankers' acceptances. The Distributor makes available securities of the United States government and its agencies and instrumentalities. The issuers of the instruments offered by this Program are selected by the Administrator based on criteria approved by the Trustees.

Through this Program, investors can purchase fixed income instruments using monies from their Fund accounts to pay for the investment. Investors may purchase instruments of varying maturities (including maturities of more than one year) issued by a variety of issuers. In order to simplify recordkeeping requirements for investors purchasing CDs, all CD principal and interest is credited to an investor's account in the Multi-Class Series as follows:

- Principal is credited at maturity.
- Interest on CDs having a term of 89 days or less is credited at maturity.
- Interest on CDs having a term of 90 days or more and which by their terms pay all interest at maturity, is credited at maturity.
- Interest on CDs having a term of 90 days or more and which by their terms pay interest monthly, is credited for each month on the 5th day of the following month except that:
 - If a CD is purchased on or after the 5th day of the month, interest is initially credited on the 5th day of the second month following the month of purchase.
 - Upon the maturity date of the CD, all outstanding interest will be credited to the investor's account.

- In all cases, principal and interest is credited on the next business day if a crediting date falls on a non-business day.

Because interest is credited in the manner described above, an investor who purchases a CD will have use of the interest earned on the CD, including the opportunity for reinvestment of interest earned, on the date interest is credited to the investor's account. This date may be before or after the date interest is actually received from the issuing bank.

Interest payments on CDs purchased through the Fund's Fixed Income Investment Program will be deposited into an account established with the Custodian. Banks that issue CDs in the Fund's Program have varying methods and procedures with respect to interest distribution. For the administrative ease of investors, the Fund has elected to credit CD interest to all investors on the same day of the month. The Fund has established the interest distribution method described above with the intention of maintaining a positive cash flow in the Custodian account.

In the likely event that the aggregate interest collected in the account exceeds the amount distributed, the Multi-Class Series will receive a calculated credit from the Custodian which will serve to reduce the expenses of the Series in a manner that will benefit all investors. In the unlikely event that any anticipated interest distribution exceeds the amount collected in the account, the Fund reserves the right to delay the interest payment to all CD investors until the necessary amount has been collected.

Interest on U.S. government obligations will be posted to the investor's account on the day it is received. Interest payment dates that fall on a day other than a business day for the Fund will be credited on the next business day.

Investors purchasing CDs through the Fixed Income Investment Program pay an annualized mark-up to the Administrator of up to 0.25% on CDs carrying only FDIC insurance and up to 0.35% on CDs for which insurance or eligible collateral is procured for amounts in excess of FDIC limits, exclusive of insurance costs and any third party placement fees. Investors purchasing commercial paper and bankers' acceptances through the Fixed Income Investment Program pay the Administrator an annualized mark-up of up to 0.15% of the principal amount of each such investment. Investors purchasing securities of the U.S. government and its agencies through this Program pay an annualized mark-up to the Distributor of up to 0.15% of the principal amount of each such investment.

HOW THE FUND IS MANAGED

Board of Trustees

The Board of Trustees oversees the actions of the Investment Advisor, the Administrator, the Custodian, the Sponsors and the Distributor and decides on general policies. There are currently thirteen Trustees, ten of whom are elected and three of whom serve ex officio.

The Trustees (other than the three ex officio Trustees described below) are divided into three classes, arranged so that the term of one class expires each year. At each annual meeting of

investors, Trustees of the class whose term then expires are elected to serve for a term of three years. Trustees may be elected to any number of successive terms.

The Fund's Declaration of Trust requires that the elected Trustees be individuals who are Treasurers, School Board Members, Superintendents or Business Officials of a school entity which is an investor of the Fund or the Regional Superintendent of an Educational Service Region which is an investor.

The persons who are from time to time serving as the Executive Director of the Illinois Association of School Boards, the Illinois Association of School Administrators and the Illinois Association of School Business Officials, respectively, are ex officio Trustees in the discretion of the voting members of the Board of Trustees. The Trustees serve without compensation, but they are reimbursed by the Fund for reasonable travel and other out-of-pocket expenses incurred in connection with their duties as Trustees. The Trustees are not required to devote their entire time to the affairs of the Fund.

Investment Advisor

Prudent Man Advisors, Inc. (the "Investment Advisor"), a corporation organized under the laws of the State of Illinois and an investment advisor registered with the Securities and Exchange Commission, serves as the Investment Advisor of the Fund. The Investment Advisor is an affiliate of PMA Financial Network, Inc., the Fund's Administrator, and PMA Securities, Inc., a registered securities broker-dealer serving as the Fund's Distributor.

The Investment Advisor's primary responsibility is to formulate a continuing investment program and to oversee all decisions regarding the purchase and sale of securities for the Multi-Class Series and to manage the assets of the Term Series in accordance with the Fund's investment objective and policies. With the approval of the Fund's Board of Trustees, the Investment Advisor has hired the Subadvisor to manage the assets of the Multi-Class Series in accordance with the Fund's investment objective and policies.

Subadvisor

The Investment Advisor has retained RBC Global Asset Management (U.S.) Inc. (the "Subadvisor") to provide investment advisory services for the Multi-Class Series. The Subadvisor is an investment adviser registered with the Securities and Exchange Commission with headquarters in Minneapolis, Minnesota. The Subadvisor has provided customized fixed-income asset management services for over 20 years.

As of June 30, 2010, the Subadvisor provided advisory services to institutional accounts with assets of approximately \$44 billion.

The Subadvisor manages the assets of the Fund's Multi-Class Series in accordance with the Fund's investment objective and policies. In conjunction with these responsibilities, the Subadvisor will provide advice on money market instruments such as commercial paper, short-term U.S. government securities and bank obligations.

Administrator

PMA Financial Network, Inc. (the “Administrator”) provides administrative services to the Fund. The Administrator is a financial services provider and registered insurance producer in the State of Illinois with nearly \$10.1 billion under administration as of June 30, 2010. The Administrator services all investor accounts in the Fund; determines and allocates income of the Fund; provides administrative personnel and facilities to the Fund; determines the net asset value of the Liquid Class and MAX Class on a daily basis; and performs related administrative services for the Fund. The Administrator supervises all operational aspects of the Multi-Class Series and the Term Series, other than those delegated to the Investment Advisor, the Custodian and the Distributor. The Administrator will prepare all required tax returns of the Multi-Class Series and the Term Series and will prepare reports on the Multi-Class Series and each Term Series for investors. The Administrator has retained IASBO to provide consulting and support services with respect to the administration and operation of the Multi-Class Series. IASBO also maintains a website for the Fund.

Distributor

PMA Securities, Inc. (the “Distributor”), a registered broker-dealer, is the distributor for shares of the Multi-Class and Term Series and also makes available to Fund investors U.S. government securities as part of the Fixed Income Investment Program. The Distributor engages in distribution efforts; assists investors in completing and submitting registration forms; assists in preparing and distributing information about the Fund and its investment services; and advises the Trustees regarding methods of seeking and obtaining additional investors for the Fund.

Custodian

As the Fund’s custodian, Harris N.A. (the “Custodian”) maintains custody of all securities and cash assets of the Fund and acts as safekeeping agent for the investment portfolio of the Multi-Class Series and each Term Series. It also serves as the depository in connection with direct investments and redemptions.

Sponsors

IASB, IASA and IASBO serve as the Sponsors of the Fund pursuant to royalty and sponsorship agreements with the Fund. The Sponsors receive fees in exchange for their sponsorship of the Fund. The Sponsors do not control, supervise or warrant operations of the Fund.

DISTRIBUTIONS AND TAX ISSUES

Distributions

Dividends of the Multi-Class Series are declared daily and paid monthly. Investors are entitled to receive dividends on shares of the Fund beginning on the day of purchase. For this reason, the Fund must have available on the day the purchase is accepted funds equaling the amount of the investment in the Multi-Class Series. A purchase order for shares of the Multi-

Class Series is accepted: (1) immediately upon receipt of a federal funds wire, or (2) when funds in the amount of the purchase are credited to the Fund's account with the Custodian (generally, one business day after your check is received).

Tax Issues

The Fund is not subject to Federal or Illinois income tax on income it realizes, nor are distributions of such income to any investor taxable if the investor is a political subdivision of the State of Illinois for Federal tax purposes.

HOW TO BUY AND REDEEM SHARES OF THE MULTI-CLASS SERIES

How to Buy Shares

To open an account, call PMA Securities, Inc. at (866) 747-4477 or contact:

PMA Securities, Inc.
Attn: New Accounts
2135 CityGate Lane, 7th Floor
Naperville, Illinois 60563

Transactions in the Multi-Class Series can be made via telephone with a representative of the Administrator. In addition, orders for the Multi-Class Series may be placed electronically through the PMA Government Portfolio System (PMAGPS®). PMAGPS is the Administrator's proprietary account access and electronic trading system. Investors will be able to access the PMAGPS System through the Fund's website (www.isdlafplus.com).

For purchases through the Fixed Income Investment Program, investors should contact the Administrator or the Distributor at (866) 747-4477.

The net asset value (or NAV) of the Liquid Class and the MAX Class is determined as of the close of business on each Illinois banking day.

Portfolio securities are valued using the amortized cost method of valuation. This method involves valuing each investment at cost on the date of purchase and assuming a constant amortization to maturity of any discount or premium. Amortized cost valuation provides certainty in valuation, but may result in valuations that are higher or lower than the market price of a particular portfolio security.

If for any reason the Multi-Class Series realizes a loss on securities transactions on any day, the accrued net income for the month will be reduced in the amount that it takes to maintain a net asset value of \$1.00 per share. To the extent that accrued net income for the month is insufficient, outstanding shares will be cancelled in the amount required to maintain the \$1.00 net asset value per share, with each investor contributing its pro rata portion of the total number of shares to be canceled. By investing in the Multi-Class Series, each investor is deemed to agree to this contribution.

Automatic Reinvestment

The Fund pays out—or distributes—the net investment income of the Multi-Class Series to investors. For convenience, distributions will automatically be reinvested in the applicable Class of the Multi-Class Series at the then current NAV.

Reports to Investors

Every year investors will receive an annual report and four quarterly reports, which contain important financial information about the Multi-Class Series and/or Term Series. Investors also receive a confirmation of subscriptions and redemptions as well as a monthly statement detailing the entire month's activity.

Account information can be obtained via the Fund's website at www.isdlafplus.com. To acquire on-line access, simply complete an "Account Authorization Form" and submit it to the Administrator at 2135 CityGate Lane, 7th Floor, Naperville, Illinois 60563. These forms can be obtained by logging onto the Fund's website at www.isdlafplus.com or by calling the Administrator at (866) 747-4477.

How to Redeem Shares

Contact the Administrator or Distributor to redeem shares of the Multi-Class Series for cash (in the form of a check) at any time, subject to certain restrictions.

When shares of the Multi-Class Series are redeemed, the price received will be the NAV of the applicable Class next determined after receipt of the order to redeem.

Shares of the Multi-Class Series may be redeemed telephonically, or may be redeemed electronically via the PMAGPS System which is linked to the Fund's website. With respect to investments in the Fixed Income Investment Program, representatives of the Administrator will generally contact investors by telephone regarding maturities of their investments on the day of maturity.

The Trustees may temporarily suspend the right of redemption or postpone the date of payment for redeemed shares during any period (i) when there shall have occurred any state of war, national emergency, banking moratorium or suspension of payments by banks in the State of Illinois or any general suspension of trading or limitation of prices on the New York Stock Exchange or (ii) when any financial emergency exists as a result of which disposal by the Multi-Class Series of its investments is not reasonably practicable because of the substantial losses which might be incurred or it is not reasonably practicable for the Multi-Class Series fairly to determine the value of its net assets.

For additional information on redeeming shares, please call the Administrator at (866) 747-4477.

Check Redemption Privilege

You may make arrangements to redeem shares of the Liquid Class of the Multi-Class Series by check by filling out a check writing authorization form and signing the Custodian's certificate of authority form. Checks may be written in any dollar amount not exceeding the balance of your account in the Liquid Class and may be made payable to any person. Only checks properly signed by a person authorized on the certificate of authority will be honored by the Custodian. Checks will be furnished without charge. Redemption checks will not be honored if there is an insufficient share balance to pay the check or if the check requires the redemption of shares recently purchased by a check that has not yet cleared. There is a charge for stop-payments or if a redemption check cannot be honored due to insufficient funds or other valid reasons. Check writing privileges may be modified or terminated at any time.

ADDITIONAL INFORMATION ABOUT THE FUND

Performance Information

The Fund may publish the "current yield" and "effective yield" of each Class of the Multi-Class Series in advertisements, sales materials and investor reports. Current yield refers to the net change, exclusive of capital changes and income other than investment income, in the account value of one share over a seven-day period expressed as a percentage of the Class's net assets during that period, exclusive of realized gains or losses; the income is then annualized. In annualizing income, the amount of income generated by the investment during the period is assumed to be generated each week over a 52-week period and is shown as a percentage of the investment. The effective yield is calculated in the same manner, but when annualized, the income earned by an investment in the Class is assumed to be reinvested. The effective yield will be slightly higher than the current yield because of the compounding effect of the assumed reinvestment. In addition, any waivers of expenses, as set forth herein, may positively impact the performance of a Series of the Fund. Performance data quoted represents past performance, which is no guarantee of future results. Yields will vary. Any current performance information will be posted on the Fund's website (www.isdlafplus.com).

In addition, comparative performance information about a Class of the Multi-Class Series may be used from time to time in advertisements, sales literature and investor reports. This information may include data, ratings and rankings from industry publications and services. Comparisons to recognized market indices and to the returns on specific money market securities or types of securities or investments also may be used. A description of the comparison will be provided to document that the Fund performance is comparable to the indices used in any such advertisement. "Total return" refers to the average annual compounded rate of return over a specified period (as stated in the advertisement) that would equate an initial amount invested at the beginning of the period to the end of the period redeemable value of the investment, assuming the reinvestment of all dividends and distributions.

Organization

The Fund is an Illinois common law trust that was organized on March 26, 1984. It is authorized to issue an unlimited number of shares of beneficial interest. The Fund has one Series

of indefinite duration: the Multi-Class Series, which consists of the Liquid Class and the MAX Class. The Fund also has Term Series from time to time, each of which has a definite duration. The Board of Trustees has the power to establish additional Series of shares and, subject to applicable laws and regulations, may issue two or more Classes of shares of any Series. Each Series represents an interest in a separate investment portfolio. Shares are fully paid and non-assessable, and have no preemptive or conversion rights.

Investors in the Fund are entitled to vote on the election of Trustees, certain amendments to the Fund's Declaration of Trust and reorganization of the Fund. Investors also are entitled to vote on other matters as required by the Fund's Declaration of Trust. Each investor is entitled to one vote, so long as Fund shares are held on the record date.

ADDITIONAL PROGRAMS AND SERVICES

Short-Term Borrowing Program

The Board of Trustees has authorized a short-term borrowing program to be offered to Participants. Financing under the program is obtained through issuing Tax Anticipation Warrants ("TAW") either through a single borrowing based on a fixed TAW amount or through a flexible draw schedule. A credit review process will be conducted on the Participant, taking into account several factors such as financial status, cash flow needs, tax collection rates and other factors through which the type of financing, amount and interest rates will be determined. This program is facilitated through the Administrator, the Distributor and the Custodian. Additional details on this program can be obtained by contacting the Administrator directly or by accessing the Fund's website at www.isdlafplus.com.

Additional Services

The Administrator also offers other programs and services for cash flow management, financial planning and bond proceeds management.

Investors are advised that any additional services and programs that are made available directly by the Administrator, the Distributor or other applicable party, including the Fixed Income Investment Program, are separate from the investment programs of the Fund. The parties offering such programs are solely responsible for them, and questions regarding any such program should be directed to the party offering it.

FUND SERVICE PROVIDERS

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2135 CityGate Lane, 7th Floor
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DISTRIBUTOR

PMA Securities, Inc.
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MARKETING SERVICES PROVIDER

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