

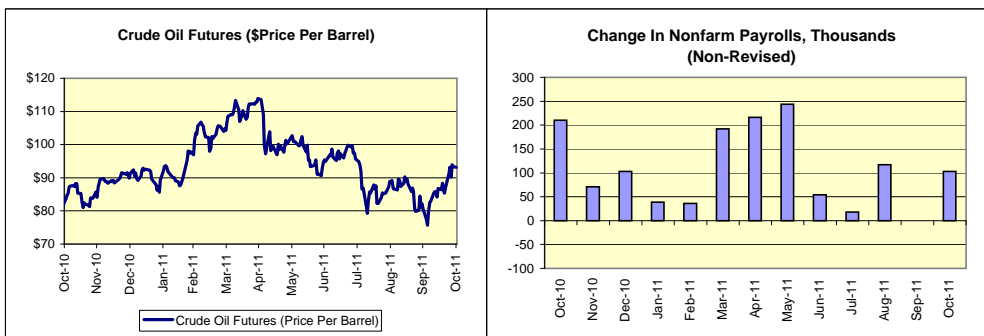
# Illinois School District Liquid Asset Fund Plus

Sponsored by IASA, IASB and Illinois ASBO - Performance Summary and Current Rates - 365 Basis

Date	Liquid Class		Max Class		Certificates of Deposit			
	Daily <i>Net</i>	7 Day <i>Net</i>	Daily <i>Net</i>	7 Day <i>Net</i>	30 Days <i>Net</i>	60 Days <i>Net</i>	90 Days <i>Net</i>	365 Days <i>Net</i>
10/31/11	0.01%	0.01%	0.04%	0.04%	0.10%	0.10%	0.25%	0.40%

## Selected Economic Indicators

Release Date	Indicator	Previous Data	Consensus Estimates	Actual Figures	Difference Consensus vs. Actual
10/3/11	ISM Manufacturing	50.6	54.8	56.0	+
10/5/11	ISM Non-Manufacturing	53.3	52.8	53.0	+
10/6/11	Initial Jobless Claims	391.0	410.0	401.0	-
10/7/11	Change in Non-Farm Payrolls	0.0	60.0	103.0	+
10/7/11	Change in Manufact Payrolls	-3.0	0.0	-13.0	-
10/7/11	Unemployment Rate	9.1%	9.1%	9.1%	E
10/31/11	FOMC Target Rate	0.25%	0.25%	0.25%	E



Source: Bloomberg LP

### October 31st, 2011

The S&P 500 rose 11 percent in October, the best month since 1991, snapping a five-month retreat. The rally was due in part to European leaders agreeing to expand the region's bailout fund and U.S. economic growth accelerating. Earlier in October, the S&P 500 came within 1 percent of extending a drop from its peak in April to 20 percent, the common definition of a bear market. Since then, it has risen 14 percent.

"We've been on a buying stampede," said one source on Bloomberg. "The market was due for a pullback. Europe did get a rescue that buys them more time, but they are not anywhere near a resolution to their crisis. We're not out of the woods yet."

European officials announced after two summits in October a plan to resolve the region's debt crisis. They boosted their rescue fund to 1 trillion Euros (\$1.4 trillion) and persuaded bondholders to take 50 percent losses on Greek debt. They also agreed on a recapitalization of banks.

Treasury prices dropped 1.9 percent in October, the most in a month since December 2009, a Bank of America Merrill Lynch index shows. "It's a huge performance-anxiety shift," said one source on Bloomberg. "There's been a fear in the market surrounding Europe. The markets are doing Operation Unwind and leaving to look for higher-yielding securities, and that will cause Treasuries to underperform."

While the U.S. unemployment rate has been stuck above 9 percent for all but two months since April 2009, the economy has shown signs it will avoid a recession.

Gross domestic product expanded at a 2.5 percent annual rate in the period from July through September, the fastest pace in a year and up from 1.3 percent in the prior three-month period. After adjusting for inflation, GDP climbed to \$13.35 trillion last quarter, topping the \$13.33 trillion peak reached in the last three months of 2007.

"The American economy finally has accomplished the recovery and has now entered the expansion," said one economist on Bloomberg. "But the growth is clearly too slow to solve the most significant problems the economy faces: jobs and getting the public budgets under control."

Unemployment remaining high for 30 months explains why Federal Reserve policy makers are considering additional measures to boost the economy. Fed policy makers are developing options for further monetary easing even as the economy picks up.

Vice Chairman Janet Yellen said more large-scale asset purchases "might become appropriate if evolving economic conditions called for significantly greater monetary accommodation." Governor Daniel Tarullo said buying mortgage-backed securities "should move back up toward the top of the list of options."

"We are well below potential output," said one source on Bloomberg. "The time to get excited is when everyone who is looking for work has got work."

Despite recent economic improvements, MF Global Holdings Ltd., the holding company for the broker-dealer run by former New Jersey governor and Goldman Sachs Group Inc. co-chairman Jon Corzine, filed for bankruptcy after making bets on European sovereign debt.

MF Global owns \$6.3 billion of Italian, Spanish, Belgian, Portuguese and Irish debt, the company said in an Oct. 25 presentation.

Their bankruptcy stirred discussion of the 2008 global financial crisis. Bear Stearns Cos., once the fifth-biggest U.S. securities firm, was acquired by JPMorgan Chase & Co. in March 2008 in a transaction brokered by the Fed after the firm lost the ability to borrow. Lehman Brothers Holdings Inc. filed the largest bankruptcy in U.S. history six months later.

"When the market gets news like this, it rekindles bad memories," said one economist on Bloomberg.

*For the Liquid and Max Class, the daily yield refers to income generated over the previous one day period; the income is then annualized. The 7-day yield refers to income generated over the previous seven day period; the income is then annualized. Yields are quoted net of all transaction fees. The yields represent past performance and should not be viewed as a guarantee of future results. Fund performance changes over time and current performance may be lower or higher than what is stated. The most recent yield information can be viewed by selecting "Fund Performance" at [www.isdlafplus.com](http://www.isdlafplus.com) or you can call 1-866-747-4477. The Multi-Class Series are managed portfolios whose holdings are subject to change. For more complete information, please read the ISDLAF+ ("Fund") information statement before investing with the Fund, which is provided on the ISDLAF+ website or can be obtained by calling the numbers provided above. You should consider the fund's investment objectives, risks, charges and expenses before you invest. Information about these important subjects are detailed in the information statement, which you should read carefully before investing.*

*The Multi-Class Series is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in these funds.*

*Total Assets equal the LAF, MAX, and Fixed Rate Investment balances available for Illinois schools.*

*CD rates represent the highest yield of PMA approved banks for FDIC insured \$100,000 CD's and do not take into consideration individual portfolio holdings. CD Rates are quoted net of all transaction fees.*

*The Information contained herein is based on sources which are believed to be reliable but not guaranteed and is not considered all inclusive. It is not to be construed as an offer or the solicitation of an offer to sell or buy the products herein mentioned. PMA Financial Network is the Administrator of the Fund, and PMA Securities, Inc. is the Distributor of the Fund and is a member of the FINRA, SIPC, and MSRB.*