



September 21, 2021

**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)

Limited Term Duration Series

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

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**THE FUND**

The following provides key information about the Multi-Class Series, Term Series and Limited Term Duration 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”).

**INVESTMENT OPTIONS**

Participants can invest in the following series of the Fund and in the Fixed Income Investment Program. The Fund’s Board of Trustees (“Trustees”) may authorize other Series and Programs in the future.

Participants can invest in the following:

Fund Shares:

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

Fixed Income Investment Program:

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

For more information on the investment options of the Fund, please see the section in each Series entitled “Summary of the Terms.” For information on the Fixed Income Investment Program, see the “Additional Programs and Services” section.

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 each series seeks to maintain a stable net asset value of \$1.00 per share, it is possible to lose money by investing in a series.

**MULTI-CLASS SERIES**

**SUMMARY OF THE TERMS OF THE MULTI-CLASS SERIES**

The following summary is furnished solely to provide limited introductory information and is qualified in its entirety by the detailed information appearing elsewhere in this Information Statement. Terms not otherwise defined herein shall have the meaning set forth in the Fund’s Declaration of Trust.

Multi-Class Series .....	The Multi-Class Series consists of two different classes, the Liquid Class and the MAX Class. The Liquid Class offers
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unlimited check writing privileges while the MAX Class offers a higher potential yield because it is not subject to the costs associated with the check writing of the Liquid Class. MAX Class investors may be subject to an early redemption penalty as described below under “MAX Class Early Redemption Penalty.” See “Overview of the Multi-Class Series.”

Investment Objective and Policies.....

The Multi-Class Series’ investment objective is to provide investors with the highest possible investment yield while maintaining liquidity and preserving capital. See “How the Multi-Class Series Invests.”

In pursuing this objective, the Multi-Class Series invests in high-quality short-term debt obligations and instruments (i.e., money market instruments). Debt obligations, in general, are written promises to repay a debt. Among the various types of debt obligations the Multi-Class Series may purchase are obligations guaranteed by the full faith and credit of the United States, U.S. government agency obligations, commercial paper, general account guaranteed investment contracts, bank obligations and other obligations permitted by applicable Illinois law. The Multi-Class Series is managed to comply with specific requirements of Illinois law, particularly the Public Funds Investment Act. See “Investment Restrictions and Investment Guidelines” below.

Investment Advisor.....

PMA Asset Management, LLC (the “Investment Advisor”), a limited liability company 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 and the Multi-Class Series. The Administrator and Distributor of the Fund are affiliates of the Investment Advisor. The Investment Advisor,

Administrator and Distributor are sometimes referred to herein as the “PMA Entities.”

Distributor.....	PMA Securities, LLC (the “Distributor”), a registered broker-dealer and municipal advisor, is the distributor for shares of the Multi-Class Series.
Sponsors.....	Illinois Association of School Boards (“IASB”), Illinois Association of School Administrators (“IASA”) and Illinois Association of School Business Officials (“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.
Administrator.....	PMA Financial Network, LLC (the “Administrator”) provides administrative services to the Multi-Class Series.
Custodian.....	BMO Harris Bank 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; provided, however, that uncertificated investments are generally maintained with the banking institution which holds the investments.
Risk Factors.....	As with any investment, an investment in the Multi-Class Series involves risk and special considerations that should be carefully considered prior to investment. See “Principal Risk Factors.”
Fees and Expenses.....	The fees and expenses of the Multi-Class Series, including the fees of the Investment Advisor, Distributor, Administrator, Custodian and Sponsors, are set forth below under “Fees and Expenses of the Multi-Class Series.” The Multi-Class Series is also subject to certain other expenses, including but not limited to, out-of-pocket

expenses incurred by the Trustees in the discharge of their duties, legal fees, the fees of the Fund's independent accountants, the cost of insurance for the Fund and its Trustees and officers, and certain other account maintenance charges. See "Fees and Expenses of the Multi-Class Series."

Stable Net Asset Value .....	The Multi-Class Series seeks to maintain a stable net asset value ("NAV") of \$1.00 per share. The Multi-Class Series assets are valued using the amortized cost method. This method of valuation is designed to enable the Multi-Class Series to price the shares of the Liquid Class and the MAX Class at \$1.00 per share, although the share price may deviate from \$1.00 per share. See "Principal Risk Factors."
The Offering .....	The Multi-Class Series is offering shares in the Liquid Class and MAX Class on a continuous basis. The Multi-Class Series may accept investments from Participants on each Illinois banking day.
Minimum Investment .....	Investors in the Multi-Class Series are not required to maintain a minimum investment.
Redemptions .....	Shares of the Multi-Class Series may be redeemed on any day which is an Illinois banking day. The price received will be the NAV of the Liquid Class or the MAX Class next determined after receipt of the order to redeem. See "How to Buy and Redeem Shares of the Multi-Class Series."
MAX Class Early Redemption Penalty ...	An investor who redeems MAX Class shares within the first 14 days after purchase may be charged a penalty equal to seven 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 seven days). See "How to Buy and Redeem Shares of the Multi-Class Series."

Investor Reports.....	Investors will receive monthly account statements and an annual report containing audited financial statements of the Multi-Class Series.
Participant Eligibility .....	An investment in the Multi-Class Series is limited to Illinois Township or School Treasurers of School Districts, Community College Districts and Educational Service Regions.
Rating.....	The Multi-Class Series has earned a AAAM rating from Standard & Poor's ("S&P"). There is no guarantee that the Multi-Class Series will maintain this or any rating.

***OVERVIEW OF THE MULTI-CLASS SERIES***

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 feature, its expenses are higher than those of the MAX Class. Accordingly, 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 a minimum investment. However, an investor should not purchase shares of the MAX Class unless they expect to hold the MAX Class shares for a minimum of 14 days as the investor may be subject to a penalty described below under "How to Buy and Redeem Shares of the Multi-Class Series."

The Multi-Class Series has earned a AAAM rating from S&P. There is no guarantee that the Multi-Class Series will maintain its rating. Ratings are not a recommendation to buy, sell or hold the shares of the Multi-Class Series.

***HOW THE MULTI-CLASS SERIES INVESTS***

**Investment Objective and Investments**

The Multi-Class Series' investment objective is to provide investors with the highest possible investment yield while maintaining liquidity and preserving capital.

In pursuing this objective, the Multi-Class Series invests in high-quality short-term debt instruments (money market instruments) as described below. Debt obligations, in general, are written promises to repay a debt. Among the various types of debt obligations the Multi-Class Series may purchase are obligations guaranteed by the full faith and credit of the United States, U.S. government agency obligations, commercial paper, general account guaranteed investment contracts, bank obligations and other obligations permitted by applicable Illinois law. The Multi-Class Series 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 Multi-Class Series may invest 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 or instrumentalities when it is not obligated to do so.

### *Corporate Obligations*

The Multi-Class Series may invest in obligations of certain corporations, including general account guaranteed investment contracts of insurance companies and commercial paper. Guaranteed investment contracts are funding agreements through which investors provide a deposit with an insurance company in exchange for a guaranteed rate of return over a predetermined time period, backed by the full faith and credit of the insurance company. Commercial paper is an unsecured, short-term debt obligation issued by a corporation. The Multi-Class Series purchases debt obligations issued by U.S. corporations if, in accordance with applicable Illinois law: (1) the issuer's assets exceed \$500 million; (2) the debt obligations are 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; (3) such purchases do not represent greater than 10% of the issuer's outstanding obligations; and (4) the debt obligations mature within 397 days of the date of purchase. Under applicable law, the Multi-Class Series may not invest more than:

- 33 $\frac{1}{3}$ % of its assets in short-term (i.e., with a duration of less than 270 days) corporate debt obligations, and
- 33 $\frac{1}{3}$ % of its assets in longer-term (i.e., with a duration between 270 days and 3 years) corporate debt obligations,

both as measured at the time of investment. For purposes of the rating requirement, the Fund may utilize the credit rating of the issuer for unsecured general corporation obligations.

### *Bank Obligations*

The Multi-Class Series 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 Investment Advisor 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 “Additional Programs and Services—Fixed Income Investment Program,” the Administrator/Distributor receives a fee on any CDs purchased through the Program. To avoid potential conflicts of interest with respect to any CDs purchased for the Multi-Class Series through the Program, the Investment Advisor has 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/Distributor will waive its transaction fees payable under the Program for any investments by the Multi-Class Series.

Bank obligations are generally protected against the loss of principal value by FDIC insurance up to the FDIC limit. In certain cases, other third-party insurance or guarantors may provide additional protection in the event of the bank’s insolvency. Investments in bank obligations are not without risk and in the event FDIC insurance or other sources of deposit protection are needed to protect deposits, the Multi-Class Series could experience delays in receiving the return of principal or the claim could be denied. Participants could experience a loss due to a full or partial nonpayment of insurance claims by the FDIC or other guarantors. Certain bank obligations are unsecured above the FDIC limits.

#### *Repurchase Agreements*

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

The Multi-Class Series may also participate in sponsored member repurchase programs with the Fixed Income Clearing Corporation (“FICC”). FICC sells U.S. government or agency securities to the Multi-Class Series under agreements to repurchase these securities at a stated repurchase price including interest for the term of the agreement. The term of the agreement will typically be overnight or over the weekend. The Multi-Class Series, through FICC, receives delivery of the underlying U.S. government or agency securities as collateral, whose market value is required to be at least equal to the repurchase price.

#### *Municipal Obligations*

The Multi-Class Series 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 rating categories by at least one major rating organization. The municipal obligations held by the Multi-Class 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.

### *Mortgage-Backed Securities*

The Multi-Class Series may invest in mortgage-backed securities, which include securities that represent interests in pools of mortgage loans made by lenders such as savings and loan institutions, mortgage bankers, commercial banks and others. Pools of mortgage loans are combined for sale to investors (such as the Multi-Class Series) by various governmental and government-related entities, as well as by commercial banks, savings and loan institutions, private mortgage insurance companies, mortgage bankers and other private issuers. These pools generally provide for a “pass-through” of monthly payments made by individual borrowers on their residential mortgage loans, net of any fees paid to the issuer or guarantor of the securities. Mortgage-backed securities must be issued by an agency of the U.S. government. There are three primary agency pass-throughs, guaranteed by Government National Mortgage Association (“Ginnie Mae”), Federal Home Loan Mortgage Corporation (“Freddie Mac”), and Federal National Mortgage Association (“Fannie Mae”). Privately structured and issued mortgage pass-through securities or collateralized mortgage obligations are not permitted investments.

Ginnie Mae is the principal government guarantor of mortgage-backed securities. Ginnie Mae is authorized to guarantee, with the full faith and credit of the U.S. Government, timely payment of principal and interest on securities it approves that are backed by pools of mortgages insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs. Ginnie Mae securities are described as “modified pass-through” in that they provide a monthly payment of interest and principal payments owed on the mortgage pool, net of certain fees, regardless of whether the mortgagor actually makes the payment. Fannie Mae and Freddie Mac securities are guaranteed as to payment of principal and interest by those agencies, instrumentalities, or government-sponsored enterprises, but are not backed by the full faith and credit of the U.S. Government.

Government actions, including legislative changes, could affect the manner in which the mortgage-backed securities market functions, which could increase the likelihood that the Multi-Class Series would realize losses on its investment in mortgage-backed securities.

Collateralized mortgage obligations are debt obligations collateralized by mortgages and divided into classes, or “tranches,” that each bear different stated maturities and are entitled to different schedules for payments of principal and interest, including prepayments. Collateralized mortgage obligations may be less liquid and may experience greater price volatility than other kinds of mortgage-backed securities.

### *Government Money-Market Mutual Funds*

The Multi-Class Series may invest in money market funds registered under the Investment Company Act of 1940, provided that the portfolio of any such money market mutual fund is limited to U.S. government obligations described above and to agreements to repurchase such U.S. government obligations.

### *Floating-Rate and Variable-Rate Obligations*

The interest rates of certain debt obligations the Multi-Class Series 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 Multi-Class Series relative to fixed-rate securities issued by similar issuers with similar terms to maturity. For purposes of calculating weighted average maturity for the portfolio, the interest rate 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 Multi-Class Series treats demand instruments as short-term securities. For purposes of calculating weighted average maturity for the portfolio, the longer of the interest reset date or the next demand date is used, even though the investment’s stated maturity may extend beyond one year.

### Investment Restrictions and Investment Guidelines

#### *Investment Restrictions*

The Multi-Class Series’ 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 Multi-Class Series 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 Multi-Class Series Invests—Investment Objective and Investments.”

(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 Multi-Class Series' investment in U.S. government obligations, which the Multi-Class Series 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 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 Multi-Class Series 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 Multi-Class Series may make permitted investments as described under "How the Multi-Class Series Invests—Investment Objective and Investments."

(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 Guidelines*

In addition to the investment restrictions above, the Trustees have adopted investment guidelines that limit the Multi-Class Series portfolio's weighted average maturity to Reset to 60 days or less and the weighted average portfolio maturity to Final to 90 days or less (with certain extensions). The former uses the interest-rate reset date and/or next demand date as the effective maturity and the latter uses the stated final maturity for each security. Except as provided herein, the Multi-Class Series invests in money market instruments having a maximum remaining maturity of 397 days (except that U.S. government obligations may have remaining maturities of up to two years).

#### *Accounting Standards*

In addition to the Investment Guidelines, the Multi-Class Series must also comply with certain accounting standards to value the Multi-Class Series investments at amortized cost. These restrictions are in addition to those set forth above, but generally do not pose significant additional restrictions on the portfolio as many of the requirements are similar to those applicable in order for the Multi-Class Series to maintain its AAAM rating from S&P. These restrictions include limits on maturity, quality, diversification and liquidity. For example, the daily liquid assets of the portfolio should equal at least 10% of the portfolio. The Investment Advisor is responsible for compliance with these standards.

### ***PRINCIPAL RISK FACTORS***

All investments involve risk and investing in the Multi-Class Series is no exception. Although the Multi-Class Series invests in high quality instruments permitted under the Illinois Public Funds Investment Act, there can be no assurance that the Multi-

Class Series will not be the subject of fraud or other misconduct in relation to its investments. Set forth below are the principal risk factors of the Multi-Class Series.

#### Concentration Risk.

Any portfolio that concentrates in a particular segment of the market, or with concentrated exposure to a particular issuer or market participant or group of issuers or market participants, will generally be more volatile than a portfolio that invests more broadly. Any market price movements, regulatory or technological changes, or economic conditions affecting banks, insurance companies and other financial institutions, may have a significant impact on the Multi-Class Series' performance.

#### Counterparty Risk.

The Multi-Class Series is exposed to the risk that third parties that owe it money, securities or other assets will not perform their obligations. These parties may default on their obligations to the Multi-Class Series due to bankruptcy, lack of liquidity, operational failure or other reasons. This risk arises for example, when entering into guaranteed investment contracts under which insurance company counterparties have obligations to periodically make payments to the Multi-Class Series.

#### Credit Risk.

The issuer of a debt security may fail to pay interest or principal when due, and changes in market interest rates may reduce the value of debt securities or reduce the Multi-Class Series' returns.

#### Financial Sector Risk.

The Multi-Class Series' assets will, from time to time, be concentrated in the financial sector, which means that the Multi-Class Series will be more affected by the performance of the financial sector, including banks and insurance companies, than a portfolio that is more diversified. Financial services companies are subject to extensive governmental regulation which may limit both the amounts and types of loans and other financial commitments they can make, the interest rates and fees they can charge, the scope of their activities, the prices they can charge and the amount of capital they must maintain. Profitability is largely dependent on the availability and cost of capital funds and can fluctuate significantly when interest rates change or due to increased competition. In addition, deterioration of the credit markets generally may cause an adverse impact in a broad range of markets, including U.S. and international credit and interbank money markets generally, thereby affecting a wide range of financial institutions and markets. Certain events in the financial sector may cause an unusually high degree of volatility in the financial markets, both domestic and foreign, and cause certain financial services companies to incur large losses. Securities of financial services companies may experience a dramatic decline in value when such companies experience substantial declines in the valuations of their assets, take action to raise capital (such as the issuance of debt or equity securities), or cease operations. Credit

losses resulting from financial difficulties of borrowers and financial losses associated with investment activities can negatively impact the sector.

#### Inflation Risk.

Inflation, deflation and rapid fluctuations in inflation rates have had in the past, and may in the future have, negative effects on economies and financial markets. For example, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. There can be no assurance that inflation will not become a serious problem in the future and have an adverse impact on the Multi-Class Series' returns.

#### Interest Rate Risk.

The fixed-income instruments that the Multi-Class Series may invest in are subject to the risk that market values of such securities will decline as interest rates increase. These changes in interest rates have a more pronounced effect on securities with longer durations. Fluctuations in the value of portfolio securities will not affect interest income on existing portfolio securities but will be reflected in the Multi-Class Series' NAV. While the Fund's service providers may voluntarily agree to waive a portion of their fees to support a positive yield during periods of low interest rates, there is no assurance they will do so.

During periods of very low or negative interest rates, the Multi-Class Series may be unable to maintain a positive yield. Certain countries have recently experienced negative interest rates on certain fixed-income instruments. Very low or negative interest rates may magnify interest rate risk. Changing interest rates, including rates that fall below zero, may have unpredictable effects on markets, may result in heightened market volatility, limited liquidity and may detract from Multi-Class Series' performance to the extent the Multi-Class Series is exposed to such interest rates. Negative yielding money market instruments may also limit the Multi-Class Series' ability to locate fixed-income instruments containing the desired risk/return profile.

#### Issuer Risk.

The value of a security may decline because of adverse events or circumstances that directly relate to conditions at the issuer or any entity providing it credit or liquidity support.

#### Lack of Governmental Insurance or Guarantee.

An investment in the Multi-Class Series is not a bank deposit. An investment in the Multi-Class Series is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

#### Management Risk.

The Multi-Class Series is subject to management risk, which is the risk that poor security selection by the Investment Advisor could cause the Multi-Class Series to

underperform relevant benchmarks or other funds with a similar investment objective. There is no guarantee of the Multi-Class Series' performance or that the Multi-Class Series will meet its objective. The market value of your investment may decline and you may suffer investment loss.

#### Market Risk.

The market price of securities owned by the Multi-Class Series may rapidly or unpredictably decline due to factors affecting securities markets generally or particular industries.

#### Mortgage-Backed Securities Risks.

Mortgage-backed securities represent interests in "pools" of mortgages. Mortgage-backed securities are subject to credit, interest rate, prepayment and extension risks. These securities also are subject to risk of default on the underlying mortgage, particularly during periods of economic downturn. Small movements in interest rates (both increases and decreases) may quickly and significantly reduce the value of certain mortgage-backed securities.

#### Prepayment/Extension Risk.

Certain debt obligations, such as callable bonds, may be prepaid prior to their maturity dates. Additionally, the loans collateralizing certain mortgage-backed securities may be prepaid, affecting the value of the mortgage-backed securities to which they relate. The level of interest rates and other factors affect the frequency of such prepayments. In periods of rising interest rates, prepayment rates tend to decrease, which lengthens the average life of these debt obligations. The market values of securities with longer maturities are typically subject to greater interest-rate risk and their values are more volatile as a result. During periods of falling interest rates, an issuer of mortgages and other securities may be able to repay principal prior to the security's maturity, causing the Multi-Class Series to have to reinvest in securities with a lower yield, resulting in a decline in the Multi-Class Series' income.

#### Ratings Risk.

While the Multi-Class Series' portfolio is currently rated AAAM by S&P, there is no guarantee that the Multi-Class Series will maintain this or any rating.

#### Redemption Risk.

The Multi-Class Series may experience periods of heavy redemptions that could cause the Multi-Class Series to liquidate its assets at inopportune times or at a loss or depressed value, particularly during periods of declining or illiquid markets. Redemptions by a few large Participants may have a significant adverse effect on the ability of the Multi-Class Series to maintain a stable \$1.00 share price. Further, under certain circumstances described in "How to Buy and Redeem Shares of the Multi-Class Series," redemptions from the Multi-Class Series may be temporarily suspended.

### Regulatory Risk.

Changes in government regulations may adversely affect the value of a security. An insufficiently regulated industry or market might also permit inappropriate practices that adversely affect an investment. Actions by governmental entities may also impact certain instruments in which a Multi-Class Series invests. For example, certain instruments in which the Multi-Class Series may invest rely in some fashion upon LIBOR. LIBOR is an average interest rate, determined by the ICE Benchmark Administration, that banks charge one another for the use of short-term money. The United Kingdom's Financial Conduct Authority, which regulates LIBOR, has announced plans to phase out the use of LIBOR by the end of 2021. There remains uncertainty regarding the future utilization of LIBOR and the nature of any replacement rate, and any potential effects of the transition away from LIBOR on a fund or on certain instruments in which a fund invests are not known. The transition process may involve, among other things, increased volatility or illiquidity in markets for instruments that currently rely on LIBOR. The transition may also result in a reduction in the value of certain instruments held by the Multi-Class Series. Any such effects of the transition away from LIBOR, as well as other unforeseen effects, could result in losses to the Multi-Class Series.

### Repurchase Agreement Risk.

The Multi-Class Series could incur a loss on a repurchase transaction if the seller defaults and the value of the underlying collateral declines or the Multi-Class Series' ability to sell the collateral is restricted or delayed. In the case of sponsored member repurchase programs, if the clearing agency were to become bankrupt, the Multi-Class Series may be delayed or may incur costs or possible losses of principal and income in disposing of the collateral.

### Stable NAV Risk.

Although the Multi-Class Series seeks to maintain the value of your investment at \$1.00 per share, the share price is not guaranteed, and if it falls below \$1.00 you can lose money. The share price could fall below \$1.00 as a result of the actions of one or more large investors in the Multi-Class Series. The credit quality of the Multi-Class Series' holdings can change rapidly in certain markets, and the default of a single holding could cause the Multi-Class Series' share price to fall below \$1.00, as could periods of high redemption pressures and/or illiquid markets. Please see "How to Buy and Redeem Shares of the Multi-Class Series" for more information on the steps the Administrator may take if the share price falls below \$1.00 per share. The Trustees are authorized to take any action the Trustees deemed necessary and appropriate to maintain a share price of \$1.00 per share, including, but not limited to, reducing outstanding Shares pro rata, creating designated memorandum accounts or otherwise segregating assets of the Multi-Class Series in order to maintain a stable share price.

### U.S. Government Obligations Risk.

For U.S. government obligations that are not backed by the full faith and credit of the U.S. government such as obligations of Fannie Mae and Freddie Mac, there can be no assurance that the U.S. government will provide financial support when it is not obligated to do so.

## ***HOW THE MULTI-CLASS SERIES IS MANAGED***

### **Board of Trustees**

The Trustees oversee the actions of the Investment Advisor, the Administrator, the Custodian, the Sponsors and the Distributor and decide on general policies. There are currently twelve Trustees, all of whom have been elected by Participants.

The Trustees 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 (i) Treasurers, School Board Members, Superintendents or Business Officials of a school entity, the Treasurer of which is an investor of the Fund, (ii) the Regional Superintendent of an Educational Service Region which is an investor or (iii) the Executive Director of the IASB, the IASA or the IASBO.

### **Investment Advisor**

PMA Asset Management, LLC, a limited liability company 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, LLC, the Fund's Administrator, and PMA Securities, LLC, a registered securities broker-dealer serving as the Fund's Distributor.

The Investment Advisor's experienced team of Portfolio Managers manages the assets of the Fund's Multi-Class Series in accordance with its investment objective and policies. The Investment Advisor seeks to preserve principal and maximize interest income through disciplined bottom-up security selection and strong risk controls. Investment policy decisions are made by the Portfolio Managers consistent with the strategy and mandates for the Multi-Class Series.

### **Administrator**

PMA Financial Network, LLC provides administrative services to the Fund. The Administrator is a financial services provider organized under the laws of the State of Illinois. 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, 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 will prepare reports on the Multi-Class Series for investors. The Administrator has retained IASBO as the Marketing Services Provider 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, LLC, a registered broker-dealer and municipal advisor, is the distributor for shares of the Multi-Class 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, BMO Harris Bank N.A. 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; provided, however, that uncertificated investments are generally maintained with the banking institution which holds the investments. 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.

### ***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 are described below. 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 0.1375% of its average daily net assets up to and including \$1 billion, 0.09% on the next \$500 million of average daily net assets and 0.06% of average daily net assets over \$1.5 billion.

#### The Investment Advisor:

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.

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:

IASB	0.008333% of its average daily net assets
IASA	0.008333% of its average daily net assets
IASBO	0.008333% of its 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"). Accordingly, the Royalty Supplement does not increase the expenses paid for by an investor in the Fund. The Royalty Supplement is calculated based on the Average Daily Total Net Assets of the Multi-Class Series, Limited Term Duration Series, Term Series and Fixed Income Investment Program for each one-year period, multiplied by .00208%, with the Royalty Supplement being split equally by the Sponsors.

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 also pays cash management fees for covering the cost of its wire transfers and services such as check writing. In addition, the Liquid Class Participants also pay certain account maintenance charges related to positive pay for fraud protection services. A summary of these charges is available upon request. The Fund will not be responsible for fraudulent activity related to a Liquid Class Participant's account. The Custodian has informed the Trustees that the Custodian will not be responsible for fraudulent activity where the Participant has failed to implement security protocols detailed by the Custodian to protect the Participant's account. The MAX Class pays cash management fees solely for covering the cost of its banking services.

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.

## ***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 Multi-Class Series' 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 income tax purposes.

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

### How to Buy Shares

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

PMA Securities, LLC  
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 (PMA GPS®). PMA GPS is the Administrator's proprietary account access and electronic trading system. Investors will be able to access the PMA GPS System through the Fund's website ([www.isdlafplus.com](http://www.isdlafplus.com)).

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 NAV 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 NAV 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 Participants*

Every year investors will be provided with an annual report, which contains important financial information about the Multi-Class 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](http://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](http://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. 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 PMA GPS System which is linked to the Fund's website. 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. Manual business 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. Check writing privileges may be modified or terminated at any time.

#### *MAX Class Early Redemption Penalty*

An investor who redeems MAX Class shares within the first 14 days after purchase may 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.

### ***ADDITIONAL INFORMATION ABOUT THE MULTI-CLASS SERIES***

#### 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; 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 may 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 the Multi-Class Series. *Performance data quoted represents past performance, which is no guarantee of future results. Yields will fluctuate as market conditions change.* Any current performance information will be posted on the Fund's website ([www.isdlafplus.com](http://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 Class' 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.

## TERM SERIES

### ***SUMMARY OF THE TERMS OF THE TERM SERIES***

The following summary is furnished solely to provide limited introductory information and is qualified in its entirety by the detailed information appearing elsewhere in this Information Statement. Terms not otherwise defined herein shall have the meaning set forth in the Fund's Declaration of Trust.

Term Series.....	Each Term Series is a separate series of shares of beneficial interest of the Fund with a fixed term and a maturity of no less than 30 days and no more than three years. Although investors in certain Term Series may have redemption rights, Term Series are intended to be held by investors until maturity. A Term Series' portfolio may consist of one or more CDs, obligations of the U.S. government or its agencies or instrumentalities, municipal obligations and other investments described under "How the Term Series Invest."
Investment Objective and Policies.....	<p>The Term Series' investment objective is to provide investors with (i) safety of principal, (ii) competitive returns, and (iii) limited liquidity. See "How the Term Series Invest."</p> <p>In pursuing this objective, the Term Series invest in high-quality debt instruments, which are generally money market instruments but may include instruments with a maturity over one year. Debt obligations, in general, are written promises to repay a debt. Among the various types of debt obligations the Term Series may purchase are obligations guaranteed by the full faith and credit of the United States, U.S. government agency obligations, bank obligations, municipal securities, repurchase agreements, general account guaranteed investment contracts and other obligations permitted by applicable Illinois law. Each Term Series is managed to comply with specific requirements of Illinois law, particularly the Public Funds Investment Act. See "Investment Restrictions."</p>

Investment Advisor .....	PMA Asset Management, LLC serves as the Investment Advisor of the Term Series.
Distributor.....	PMA Securities, LLC is the distributor for shares of the Term Series.
Sponsors .....	IASB, IASA and IASBO serve as the “Sponsors” of the Fund pursuant to royalty and sponsorship agreements with the Fund. For the Term Series, the Sponsors receive royalty supplements from the Administrator. There are no direct payments by the Term Series to the Sponsors. The Sponsors do not control, supervise or warrant operations of the Term Series.
Administrator .....	PMA Financial Network, LLC provides administrative services to the Term Series.
Custodian .....	BMO Harris Bank N.A. maintains custody of all securities and cash assets of the Fund and acts as safekeeping agent for the investment portfolios of the Term Series; provided, however, that uncertificated investments are generally maintained with the banking institution which holds the investments.
Risk Factors .....	As with any investment, an investment in a Term Series involves risk and special considerations that should be carefully considered prior to investment. See “Principal Risk Factors.”
Fees and Expenses.....	The fees and expenses applicable to the Term Series are set forth below under “How the Term Series are Managed.” In general, each Term Series pay the Investment Advisor a fee, a portion of which the Investment Advisor pays to the Administrator, Distributor and, indirectly, the Sponsors. The Term Series may also bear certain other expenses, including but not limited to 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.

Net Asset Value.....

Each Term Series seeks to maintain a net asset value (“NAV”) of \$1.00 per share. The Term Series assets are generally valued using the amortized cost method, except at maturity, upon a redemption and at the Fund’s fiscal year-end. The amortized cost method of valuation is designed to enable each Term Series to price its shares at \$1.00 per share, although the Term Series share price may deviate from \$1.00 per share. At maturity, in the event of a redemption and at fiscal year-end, each outstanding Term Series will be marked to market and such value will be used for determining distributions to investors and valuation for financial statement presentation. It is expected that the market value of a Term Series at maturity will approximate the amortized cost of the portfolio.

The Offering .....

A Term Series may be established on any Illinois banking day.

Redemptions.....

Although an investment in each Term Series is intended to be held until maturity, shares in certain Term Series may be redeemed upon seven days’ advance notice to the Administrator subject to the Redemption Costs described below. The price received will be the NAV of the Term Series at the close of business on the redemption date less any redemption costs. Term Series with certain holdings such as Funding Agreements do not allow for an early redemption and must be held until maturity.

At maturity or upon redemption, any proceeds from a Term Series investment will be used to purchase shares of the Multi-Class Series.

Redemption Costs.....	An investor who redeems prior to maturity may realize a loss on their investment, including being subject to a penalty in an amount necessary to recoup the Term Series penalty charges, losses and other costs attributable to the early redemption.
Investor Reports.....	Reports to investors vary depending on the duration of the Term Series. At a minimum, investors will receive a monthly account statement. The Fund's annual report will include audited financial statements for Term Series outstanding during the fiscal year.
Investor Eligibility.....	Only Illinois Township or School Treasurers of School Districts, Community College Districts and Educational Service Regions are permitted to invest in the Term Series. In addition, the investor must already be an investor in the Multi-Class Series.
No Rating .....	The Term Series are not rated.

**TERM SERIES INFORMATION**

Each Term Series is a separate series of shares of beneficial interest of the Fund within a fixed investment term and a maturity of no less than 30 days and no more than three years. A Term Series' portfolio may consist of one or more CDs, obligations of the U.S. government or its agencies or instrumentalities, municipal obligations and other investments described under "How the Term Series Invest."

Each Term Series will have a weighted average maturity as determined by the Trustees. Term Series may have only one holding, and therefore may be highly concentrated and therefore is subject to significant counterparty risk and increased risk of loss. A Term Series may have one or more investors. Information regarding any investments or collateral for a Term Series' portfolio will be provided to the investors in that Series by the Administrator or Distributor prior to settlement.

Generally, investments 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 Term Series. A disposition or substitution of portfolio securities may affect a Term Series' net rate of return. Dividends from net investment income are declared daily and paid at maturity.

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.

Although Term Series are designed to be held for the full term of that Series, shares in certain Term Series may be redeemed before maturity subject to the following requirements. If an investment made in a Term Series is redeemed prior to the maturity date of that Series, seven days' advance notice 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. The redeeming investor may also experience investment losses. Term Series with certain holdings such as Funding Agreements do not allow for an early redemption and must be held until maturity.

The Term Series are not rated by a rating agency.

## ***HOW THE TERM SERIES INVEST***

### **Investment Objective and Policies**

The Term Series' investment objective is to provide investors with (i) safety of principal, (ii) competitive returns, and (iii) limited liquidity.

In pursuing this objective, the Term Series invest in high-quality debt obligations and instruments as described below. Debt obligations, in general, are written promises to repay a debt. Among the various types of debt obligations the Term Series may purchase are obligations guaranteed by the full faith and credit of the United States, U.S. government agency obligations, bank obligations, municipal securities, repurchase agreements and other obligations permitted by applicable Illinois statutes. Each Term Series 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***

Term Series may invest 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 or instrumentalities when it is not obligated to do so.

#### ***Corporate Obligations***

Term Series may invest in obligations of certain corporations, including general account guaranteed investment contracts of insurance companies. Guaranteed investment contracts are funding agreements through which investors provide a deposit with an insurance company in exchange for a guaranteed rate of return over a predetermined time period, backed by the full faith and credit of the insurance company. Term Series may purchase debt obligations issued by U.S. corporations if, in

accordance with applicable Illinois law: (1) the issuer's assets exceed \$500 million; (2) the debt obligations are 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) such purchases do not represent greater than 10% of the issuer's outstanding obligations. A Participant's indirect exposure (through Term Series) to corporate debt obligations may not exceed:

- 33 $\frac{1}{3}$ % of its funds in short-term (i.e., with a duration of less than 270 days), and
- 33 $\frac{1}{3}$ % of its funds in longer-term (i.e., with a duration between 270 days and 3 years),

both as measured at the time of investment. Participants that invest in a Term Series are solely responsible for monitoring the indirect exposure limitations provided above. For purposes of the rating requirement, the Fund may utilize the credit rating of the issuer for unsecured general corporation obligations.

### *Bank Obligations*

Term Series 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 CDs held by any Term Series shall be insured by the FDIC up to the maximum amount of such insurance or, for amounts in excess of FDIC insurance, deposits shall be secured by a surety bond or collateralized by pledged securities or letters of credit provided by Freddie Mac.

Bank obligations are generally protected against the loss of principal value by FDIC insurance up to the FDIC limit. In certain cases, other third-party insurance or guarantors may provide additional protection in the event of the bank's insolvency. Investments in bank obligations are not without risk and in the event FDIC insurance or other sources of deposit protection are needed to protect deposits, the Term-Class could experience delays in receiving the return of principal or the claim could be denied. Participants could experience a loss due to a full or partial nonpayment of insurance claims by the FDIC or other guarantors. Certain bank obligations may be unsecured above the FDIC limits.

### *Repurchase Agreements*

Term Series may enter into repurchase agreements, where a party agrees to sell a U.S. government obligation to the Term Series and then repurchase it at an agreed-upon price at a stated time. A repurchase agreement is like a loan by the Term Series to the other party that creates a fixed return for the Term Series. All repurchase agreements are fully collateralized with U.S. government obligations.

### *Municipal Obligations*

The Term Series 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 must be rated in one of the three highest rating categories by at least one major rating organization. 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.

### *Floating-Rate and Variable-Rate Obligations*

The interest rates of certain debt obligations the Term Series 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 Term Series relative to fixed-rate securities issued by similar issuers and with similar terms to maturity. For purposes of calculating weighted average maturity for the Series, 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 Term Series treat demand instruments as short-term securities. For purposes of calculating weighted average maturity for the Series, the longer of the interest-rate reset date or the next demand date is used, even though the investment’s stated maturity may extend beyond one year.

### Investment Restrictions and Investment Guidelines

#### *Investment Restrictions*

The Term Series’ 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 Term Series 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 below under “Investment Guidelines.”

(2) Invest in a security that matures more than one year after purchase, unless (i) 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 Term Series within one year or to investments in U.S. government obligations, which the Term Series can purchase for as long as they mature within two years of purchase, or (ii) permitted by a Certificate of Designation for a Term Series with a maturity in excess of one year.

(3) Make an investment that would cause the weighted average maturity of the Term Series to be greater than that designated by the Fund's Trustees, as set forth in the applicable Certificate of Designation or authorizing resolution.

(4) Borrow money or incur indebtedness, except as permitted by the Declaration of Trust.

(5) Make loans, but the Term Series may make permitted investments as described under "How the Term Series Invest—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.

### ***PRINCIPAL RISK FACTORS***

All investments involve risk and investing in the Term Series is no exception. Although each Term Series invests in high quality instruments permitted under the Illinois Public Funds Investment Act, there can be no assurance that any Term Series investment will not be the subject of fraud or other misconduct. Set forth below are the principal risk factors of the Term Series.

#### **Concentration Risk.**

Any portfolio that concentrates in a particular segment of the market, or with concentrated exposure to a particular issuer or market participant or group of issuers or market participants, will generally be more volatile than a portfolio that invests more broadly. As the Term Series invests in a limited number of securities, which may be one holding, this risk is increased. Any market price movements, regulatory or technological changes, or economic conditions affecting banks, insurance companies and other financial institutions, may have a significant impact on the Term Series' performance.

#### **Counterparty Risk.**

Each Term Series are exposed to the risk that third parties that owe it money, securities or other assets will not perform their obligations. These parties may default on their obligations to a Term Series due to bankruptcy, lack of liquidity, operational failure or other reasons. This risk arises for example, when entering into guaranteed investment contracts under which insurance company counterparties have obligations to periodically make payments to a Term Series. Given the limited number of holdings, which may be one holding, this risk is increased for the Term Series.

#### **Credit Risk.**

The issuer of a debt security may fail to pay interest or principal when due, and changes in market interest rates may reduce the value of debt securities or reduce the Term Series' returns.

### Financial Sector Risk.

The Term Series' assets will, from time to time, be concentrated in the financial sector, which means that the Term Series will be more affected by the performance of the financial sector, including banks and insurance companies, than a portfolio that is more diversified. Financial services companies are subject to extensive governmental regulation which may limit both the amounts and types of loans and other financial commitments they can make, the interest rates and fees they can charge, the scope of their activities, the prices they can charge and the amount of capital they must maintain. Profitability is largely dependent on the availability and cost of capital funds and can fluctuate significantly when interest rates change or due to increased competition. In addition, deterioration of the credit markets generally may cause an adverse impact in a broad range of markets, including U.S. and international credit and interbank money markets generally, thereby affecting a wide range of financial institutions and markets. Certain events in the financial sector may cause an unusually high degree of volatility in the financial markets, both domestic and foreign, and cause certain financial services companies to incur large losses. Securities of financial services companies may experience a dramatic decline in value when such companies experience substantial declines in the valuations of their assets, take action to raise capital (such as the issuance of debt or equity securities), or cease operations. Credit losses resulting from financial difficulties of borrowers and financial losses associated with investment activities can negatively impact the sector.

### Inflation Risk.

Inflation, deflation and rapid fluctuations in inflation rates have had in the past, and may in the future have, negative effects on economies and financial markets. For example, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. There can be no assurance that inflation will not become a serious problem in the future and have an adverse impact on the Term Series' returns.

### Interest Rate Risk.

The fixed-income instruments that the Term Series may invest in are subject to the risk that market values of such securities will decline as interest rates increase. These changes in interest rates have a more pronounced effect on securities with longer durations. Fluctuations in the value of portfolio securities will not affect interest income on existing portfolio securities but will be reflected in the Term Series' NAV.

During periods of very low or negative interest rates, the Term Series may be unable to maintain a positive yield. Certain countries have recently experienced

negative interest rates on certain fixed-income instruments. Very low or negative interest rates may magnify interest rate risk. Changing interest rates, including rates that fall below zero, may have unpredictable effects on markets, may result in heightened market volatility, limited liquidity and may detract from Term Series' performance to the extent the Term Series is exposed to such interest rates. Negative yielding money market instruments may also limit the Term Series' ability to locate fixed-income instruments containing the desired risk/return profile.

#### Issuer Risk.

The value of a security may decline because of adverse events or circumstances that directly relate to conditions at the issuer or any entity providing it credit or liquidity support.

#### Lack of Governmental Insurance or Guarantee.

An investment in a Term Series is not a bank deposit. An investment in a Term Series is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

#### Management Risk.

The Term Series are subject to management risk, which is the risk that poor security selection by the Investment Advisor could cause a Term Series to underperform relevant benchmarks or other funds with a similar investment objective. There is no guarantee of the Term Series' performance or that the Term Series will meet their objective. The market value of your investment may decline and you may suffer investment loss.

#### Market Risk.

The market price of investments of Term Series may rapidly or unpredictably decline due to factors affecting securities markets generally or particular industries.

#### Redemption Risk.

Redemptions by a holder of a Term Series with assets that allow an early redemption may have a significant adverse effect on the Term Series' ability to maintain a stable \$1.00 share price. An investor who redeems prior to maturity of a Term Series may realize a loss on their investment, including being subject to a penalty in an amount necessary to recoup the penalty charges, losses and other costs attributable to the early redemption. Certain assets in a Term Series such as Funding Agreements do not allow for an early redemption and must be held until maturity.

#### Regulatory Risk.

Changes in government regulations may adversely affect the value of a security. An insufficiently regulated industry or market might also permit inappropriate practices that adversely affect an investment.

### Repurchase Agreement Risk.

The Term Series could incur a loss on a repurchase transaction if the seller defaults and the value of the underlying collateral declines or the Term Series' ability to sell the collateral is restricted or delayed.

### Stable NAV Risk.

Although the Term Series seeks to maintain the value of your investment at \$1.00 per share, at maturity, upon redemption or at fiscal year-end, each outstanding Term Series will be marked to market. It is expected that the market value of a Term Series at maturity will approximate the amortized cost of the portfolio. To the extent the mark to market value deviates from the amortized cost, the share price may be above or below \$1.00. Accordingly, investors could experience a loss. For Term Series that have a maturity in excess of one year, the NAV risk may be particularly acute. Please see "How to Buy and Redeem Shares of the Term Series" for more information on the amortized cost method of valuation. The Trustees are authorized to take any action the Trustees deemed necessary and appropriate to maintain a share price of \$1.00 per share, including, but not limited to, reducing outstanding Shares pro rata, creating designated memorandum accounts or otherwise segregating assets of the Term Series in order to maintain a stable share price.

### U.S. Government Obligations Risk.

For U.S. government obligations that are not backed by the full faith and credit of the U.S. government, there can be no assurance that the U.S. government will provide financial support when it is not obligated to do so.

### Yield Curve Risk.

Yield curve risk is the risk associated with either a flattening or steepening of the yield curve, which is a result of changing yields among comparable bonds with different maturities. When market interest rates, or yields, increase, the price of a bond will decrease and vice versa. When the yield curve shifts, the price of the bond, which was initially priced based on the initial yield curve, will change in price. If the yield curve flattens, then the yield spread between long- and short-term interest rates narrows, and the price of the bond will change accordingly. If the bond is short-term and the yield decreases, the price of this bond will increase. If the yield curve steepens, this means that the spread between long- and short-term interest rates increases. Therefore, prices of long-term bonds, like the ones held by the Term Series, will decrease relative to short-term bonds. Changes in the yield curve are based on bond risk premiums and expectations of future interest rates.

## ***HOW THE TERM SERIES ARE MANAGED***

### Board of Trustees

The Trustees oversee the actions of the Investment Advisor, the Administrator, the Custodian and the Distributor and decide on general policies.

### PMA Entities

PMA Asset Management, LLC serves as the Investment Advisor of the Term Series. PMA Securities, LLC serves as the Distributor for the Term Series and PMA Financial Network, LLC serves as the Term Series Administrator.

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 Term Series in accordance with the Term Series' investment objective and policies. With approval of the Trustees, the Investment Advisor is also responsible for determining the maturity of a Term Series.

The Distributor and Administrator generally provide the same services to the Term Series as are provided to the Multi-Class Series. The Administrator is responsible for calculating each Term Series' NAV as described below under "How to Buy and Redeem Shares of the Term Series."

### ***FEES AND EXPENSES OF THE TERM SERIES***

Each Term Series pays an advisory and management fee to the Investment Advisor, a portion of which the Investment Advisor pays to the Administrator, Distributor and indirectly the Sponsors. Each Term Series may also have other operating expenses.

The fees paid by the Term Series are calculated as follows:

#### The Investment Advisor:

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 reciprocal programs or other third-party guarantees. The fees are computed and accrued daily.

#### Other Fees and Expenses Paid by the Term Series:

Except as provided herein, all expenses of the Term Series not allocated to the Investment Advisor and its affiliated entities, including the Administrator and Distributor, shall be paid by the applicable Term Series, including brokerage fees, expenses of the Fund's Trustees, legal expenses, costs of insurance, and such other non-recurring expenses as may arise. As noted below, the PMA Entities may choose to pay such expenses on behalf of a Term Series.

#### Fees and Expenses Paid by the PMA Entities:

The PMA Entities shall pay the Custodian charges, audit fees and incremental PMA authorized legal fees associated with the Term Series. In addition, as reflected in the fees paid to the Sponsors under “Fees and Expenses of the Multi-Class Series,” the Administrator has agreed to pay a Royalty Supplement to IASB, IASA and IASBO, the Sponsors, based on the average daily net assets of the total net assets of all Fund sponsored programs administered by the Administrator, which includes assets in the Term Series. The Royalty Supplement is calculated based on the Average Daily Total Net Assets of the Multi-Class Series, Term Series and Fixed Income Investment Program for each one-year period, multiplied by .00208%, with the Royalty Supplement being split equally by the Sponsors.

### ***HOW TO BUY AND REDEEM SHARES OF THE TERM SERIES***

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 or in the event of a redemption, the Participant’s funds in that Series will then be transferred back to the Participant’s Multi-Class Series account.

To invest or redeem from a Term Series, contact the Administrator or Distributor at (866) 747-4477. To redeem prior to maturity, the investor must provide seven days’ advance notice to the Administrator and may be subject to a penalty and other losses as described herein.

The net asset value (or NAV) of each outstanding Term Series is determined daily by the Administrator.

Other than at maturity, upon a redemption or at the fiscal year-end, portfolio securities are generally valued using the amortized cost method. 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. At maturity, upon redemption and at fiscal year-end, each Term Series’ portfolio will be marked to market and such valuation will be used for determining distributions to investors and valuation for financial statement presentation. It is expected that the market value of a Term Series at maturity will approximate the amortized cost of the portfolio. A Term Series may experience a loss or gain if the mark to market value deviates from the Term Series’ amortized cost. For Term Series with longer maturities, there exists a greater likelihood that the amortized cost of a portfolio may deviate from the market value within the duration of the Term Series.

### **Reports to Participants**

Investors receive a confirmation of subscriptions and redemptions as well as a monthly statement detailing the entire month’s activity. Investors will also receive an annual report which contains important financial information about the Term Series.

## ***DISTRIBUTIONS AND TAX ISSUES***

### **Distributions**

Dividends of the Term Series are declared daily and paid at maturity. The Fund must have available on the day of settlement funds equaling the amount of the investment in the Term Series.

### **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 income tax purposes.

## ***CONFLICTS OF INTEREST***

### **PMA Entities**

The PMA Entities and their affiliates and their respective directors, members, officers, partners and employees, including those involved in providing services to the Fund, are engaged in businesses in addition to the administration and investment management of the Fund.

For more information on the Investment Advisor, including a summary of potential and actual conflicts of interest relating to its advisory services, please see the Investment Advisor's Form ADV as filed with the Securities and Exchange Commission, available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **Service Providers**

The service providers to the Fund may from time to time act as manager, investment manager, broker, custodian, registrar, administrator or dealer in relation to, or otherwise be involved in, other investment funds that have similar objectives or investments as those held by the Fund. It is therefore possible that such service providers or their affiliated persons may, in the course of business, have potential conflicts of interest with the Fund.

### **Board of Trustees**

Trustees may be members of or serve in other capacities for the Sponsors of the Fund. As such, the Trustees may have a conflict of interest in approving the Sponsors' compensation.

The Executive Directors of the IASB, the IASA and the IASBO (the Sponsors of the Fund), who serve as Trustees, have a conflict of interest in approving the Sponsors' compensation from the Fund, which is addressed in the Declaration of Trust by requiring that a majority of the unaffiliated Trustees approve the contract with each Sponsor.

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.

## LIMITED TERM DURATION SERIES

### **SUMMARY OF THE TERMS OF LIMITED TERM DURATION SERIES**

The following summary is furnished solely to provide limited introductory information and is qualified in its entirety by the detailed information appearing elsewhere in this Information Statement. Terms not otherwise defined herein shall have the meaning set forth in the Fund's Declaration of Trust.

Limited Term Duration Series.....	The Limited Term Duration Series is open to Participants who seek a longer term duration portfolio than the Multi-Class Series. In contrast with the Multi-Class Series, the net asset value of the Limited Term Duration Series will fluctuate as the market value of the securities in the Series changes over time, and the net asset value of a Participant's investment could decline below the amount originally invested by the Participant. See "Overview of the Limited Term Duration Series."
Investment Objective and Policies.....	The Limited Term Duration Series seeks to maintain safety of principal and limited price volatility while maximizing income through a diversified portfolio of high-quality investments. The Limited Term Duration Series will invest in a diversified portfolio of shorter-term, investment-grade fixed-income securities. The Limited Term Duration Series is managed to comply with specific requirements of Illinois law, particularly the Public Funds Investment Act. See "Investment Restrictions and Investment Guidelines" below. The Limited Term Duration Series is expected to be invested in such a manner as to result in an average dollar weighted maturity for the Series that does not exceed two years and expects a target duration of approximately one year. See "How the Limited Term Duration Series Invests."
Investment Advisor.....	PMA Asset Management, LLC (the "Investment Advisor"), a limited liability company 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 and the Limited Term Duration Series. The Administrator and Distributor of the Fund are affiliates of the Investment Advisor. The Investment Advisor, Administrator and Distributor are sometimes referred to herein as the “PMA Entities.”

Distributor..... PMA Securities, LLC (the “Distributor”), a registered broker-dealer and municipal advisor, is the distributor for shares of the Limited Term Duration Series.

Sponsors..... Illinois Association of School Boards (“IASB”), Illinois Association of School Administrators (“IASA”) and Illinois Association of School Business Officials (“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.

Administrator..... PMA Financial Network, LLC (the “Administrator”) provides administrative services to the Limited Term Duration Series.

Custodian..... BMO Harris Bank 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 Limited Term Duration Series; provided, however, that uncertificated investments are generally maintained with the banking institution which holds the investments.

Risk Factors ..... As with any investment, an investment in the Limited Term Duration Series involves risk and special considerations that should be carefully considered prior to investment. A Participant that cannot bear the risk of loss of principal should not invest in the

Limited Term Duration Series. See “Principal Risk Factors.”

Fees and Expenses.....	The fees and expenses of the Limited Term Duration Series, including the fees of the Investment Advisor, Distributor, Administrator, Custodian and Sponsors, are set forth below under “Fees and Expenses of the Limited Term Duration Series.” The Limited Term Duration Series is also subject to certain other expenses, including but not limited to, out-of-pocket expenses incurred by the Trustees in the discharge of their duties, legal fees, the fees of the Fund’s independent accountants, the cost of insurance for the Fund and its Trustees and officers, and certain other account maintenance charges. See “Fees and Expenses of the Limited Term Duration Series.”
Floating Net Asset Value.....	The Limited Term Duration Series does not maintain a stable net asset value per share. The value of its shares will fluctuate with changes in the values of its portfolio securities. When a Participant sells its shares, they may be worth more or less than what the Participant originally paid for them. See “Principal Risk Factors.”
The Offering .....	The Limited Term Duration Series is offering shares on a continuous basis. The Limited Term Duration Series may accept investments from Participants on each Illinois banking day.
Minimum Investment .....	A Participant is required to maintain a minimum investment balance of at least \$100,000.
Redemptions.....	Shares of the Limited Term Duration Series may be redeemed as of the third Wednesday of each March, June, September and December provided that notice of the redemption has been provided by the first Wednesday of such month to the Fund. Upon the direction of the Trustees,

the Fund may implement a redemption schedule for Shares of the Limited Term Duration Series that provides more frequent redemption opportunities than the redemption schedule described above. If a Participant makes a redemption dropping their investment balance below \$100,000, the Participant will be fully redeemed from the Series. See “How to Buy and Redeem Shares of the Limited Term Duration Series.”

Investor Reports .....	Investors will receive monthly account statements and quarterly and annual reports containing financial information about the Limited Term Duration Series. The annual report includes audited financial statements.
Participant Eligibility .....	An investment in the Limited Term Duration Series is limited to Illinois Township or School Treasurers of School Districts, Community College Districts and Educational Service Regions.

**OVERVIEW OF THE LIMITED TERM DURATION SERIES**

The Limited Term Duration Series is open to Participants who seek a longer term duration portfolio than the Multi-Class Series. In contrast with the Multi-Class Series, the net asset value of the Limited Term Duration Series will fluctuate as the market value of the securities in the Series changes over time, and the net asset value of a Participant’s investment could decline below the amount originally invested by the Participant.

The Limited Term Duration Series will invest in a diversified portfolio of shorter-term, investment-grade fixed-income securities. The Limited Term Duration Series is expected to be invested in such a manner as to result in an average dollar weighted maturity for the Series that does not exceed two years and expects a target duration of approximately one year.

Investors in the Limited Term Duration Series are required to maintain a minimum investment balance of \$100,000. If a Participant makes a redemption dropping their investment balance below \$100,000, the Participant will be fully redeemed from the Series. See “How to Buy and Redeem Shares of the Limited Term Duration Series.”

The Limited Term Duration Series is not rated.

**HOW THE LIMITED TERM DURATION SERIES INVESTS**

Investment Objective and Investments

The Limited Term Duration Series seeks to maintain safety of principal and limited price volatility while maximizing income through a diversified portfolio of high-quality investments. The Limited Term Duration Series will invest in a diversified portfolio of shorter-term, investment-grade fixed-income securities. The Limited Term Duration Series is managed to comply with specific requirements of Illinois law, particularly the Public Funds Investment Act. The Limited Term Duration Series is expected to be invested in such a manner as to result in an average dollar weighted maturity for the Series that does not exceed two years and expects a target duration of approximately one year.

In pursuing this objective, the Limited Term Duration Series invests in high-quality shorter-term debt instruments as described below. Debt obligations, in general, are written promises to repay a debt. Among the various types of debt obligations the Limited Term Duration Series may purchase are obligations guaranteed by the full faith and credit of the United States, U.S. government agency obligations, commercial paper, general account guaranteed investment contracts, bank obligations and other obligations permitted by applicable Illinois law. The Limited Term Duration Series 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 Limited Term Duration Series may invest 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 or instrumentalities when it is not obligated to do so.

#### *Corporate Obligations*

The Limited Term Duration Series may invest in obligations of certain corporations, including general account guaranteed investment contracts of insurance companies and commercial paper. Guaranteed investment contracts are funding agreements through which investors provide a deposit with an insurance company in exchange for a guaranteed rate of return over a predetermined time period, backed by the full faith and credit of the insurance company. Commercial paper is an unsecured, short-term debt obligation issued by a corporation. The Limited Term Duration Series purchases debt obligations issued by U.S. corporations if, in accordance with applicable Illinois law: (1) the issuer's assets exceed \$500 million; (2) the debt obligations are 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) such purchases do not represent greater than 10% of the issuer's outstanding obligations.

Under applicable law, the Limited Term Duration Series may not invest more than:

- 33 $\frac{1}{3}$ % of its assets in short-term (i.e., with a duration of less than 270 days) corporate debt obligations, and
- 33 $\frac{1}{3}$ % of its assets in longer-term (i.e., with a duration between 270 days and 3 years) corporate debt obligations,

both as measured at the time of investment. For purposes of the rating requirement, the Fund may utilize the credit rating of the issuer for unsecured general corporation obligations.

### *Bank Obligations*

The Limited Term Duration Series 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 Investment Advisor 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 Limited Term Duration Series through the Fixed Income Investment Program offered by the Distributor and the Administrator. As described below under "Additional Programs and Services—Fixed Income Investment Program," the Administrator/Distributor receives a fee on any CDs purchased through the Program. To avoid potential conflicts of interest with respect to any CDs purchased for the Limited Term Duration Series through the Program, the Investment Advisor has instituted procedures to ensure that such CDs are the best available investment opportunity for the Limited Term Duration Series at the time of purchase. In addition, the Administrator/Distributor will waive its transaction fees payable under the Program for any investments by the Limited Term Duration Series.

Bank obligations are generally protected against the loss of principal value by FDIC insurance up to the FDIC limit. In certain cases, other third-party insurance or guarantors may provide additional protection in the event of the bank's insolvency. Investments in bank obligations are not without risk and in the event FDIC insurance or other sources of deposit protection are needed to protect deposits, the Limited Term Duration Series could experience delays in receiving the return of principal or the claim could be denied. Participants could experience a loss due to a full or partial nonpayment of insurance claims by the FDIC or other guarantors. Certain bank obligations are unsecured above the FDIC limits.

### *Repurchase Agreements*

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

The Limited Term Duration Series may also participate in sponsored member repurchase programs with the Fixed Income Clearing Corporation ("FICC"). FICC sells U.S. government or agency securities to the Limited Term Duration Series under agreements to repurchase these securities at a stated repurchase price including interest for the term of the agreement. The term of the agreement will typically be overnight or over the weekend. The Limited Term Duration Series, through FICC, receives delivery of the underlying U.S. government or agency securities as collateral, whose market value is required to be at least equal to the repurchase price.

### *Municipal Obligations*

The Limited Term Duration Series 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 rating categories by at least one major rating organization. The municipal obligations held by the Limited Term Duration 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.

### *Mortgage-Backed Securities*

The Limited Term Duration Series may invest in mortgage-backed securities, which include securities that represent interests in pools of mortgage loans made by lenders such as savings and loan institutions, mortgage bankers, commercial banks and others. Pools of mortgage loans are combined for sale to investors (such as the Limited Term Duration Series) by various governmental and government-related entities, as well as by commercial banks, savings and loan institutions, private mortgage insurance companies, mortgage bankers and other private issuers. These pools generally provide for a "pass-through" of monthly payments made by individual borrowers on their residential mortgage loans, net of any fees paid to the issuer or guarantor of the securities. Mortgage-backed securities must be issued by an agency of the U.S. government. There are three primary agency pass-throughs, guaranteed by Government National Mortgage Association ("Ginnie Mae"), Federal Home Loan Mortgage Corporation ("Freddie Mac"), and Federal National Mortgage Association ("Fannie Mae"). Privately structured and issued mortgage pass-through securities or collateralized mortgage obligations are not permitted investments.

Ginnie Mae is the principal government guarantor of mortgage-backed securities. Ginnie Mae is authorized to guarantee, with the full faith and credit of the U.S. Government, timely payment of principal and interest on securities it approves that are backed by pools of mortgages insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs. Ginnie Mae securities are described as “modified pass-through” in that they provide a monthly payment of interest and principal payments owed on the mortgage pool, net of certain fees, regardless of whether the mortgagor actually makes the payment. Fannie Mae and Freddie Mac securities are guaranteed as to payment of principal and interest by those agencies, instrumentalities, or government-sponsored enterprises, but are not backed by the full faith and credit of the U.S. Government.

Government actions, including legislative changes, could affect the manner in which the mortgage-backed securities market functions, which could increase the likelihood that the Limited Term Duration Series would realize losses on its investment in mortgage-backed securities.

Collateralized mortgage obligations are debt obligations collateralized by mortgages and divided into classes, or “tranches,” that each bear different stated maturities and are entitled to different schedules for payments of principal and interest, including prepayments. Collateralized mortgage obligations may be less liquid and may experience greater price volatility than other kinds of mortgage-backed securities.

#### *Government Money-Market Mutual Funds*

The Limited Term Duration Series may invest in money market funds registered under the Investment Company Act of 1940, provided that the portfolio of any such money market mutual fund is limited to U.S. government obligations described above and to agreements to repurchase such U.S. government obligations.

#### *Floating-Rate and Variable-Rate Obligations*

The interest rates of certain debt obligations the Limited Term Duration Series 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 Limited Term Duration Series relative to fixed-rate securities issued by similar issuers with similar terms to maturity. For purposes of calculating weighted average maturity for the portfolio, the interest rate 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 Limited Term Duration Series treats demand

instruments as short-term securities. For purposes of calculating weighted average maturity for the portfolio, the longer of the interest reset date or the next demand date is used, even though the investment's stated maturity may extend beyond one year.

## Investment Restrictions and Investment Guidelines

### *Investment Restrictions*

The Limited Term Duration Series' 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 Limited Term Duration Series 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 Limited Term Duration Series Invests—Investment Objective and Investments."

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

(3) Make loans, but the Limited Term Duration Series may make permitted investments as described under "How the Limited Term Duration Series Invests—Investment Objective and Investments."

(4) 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 Guidelines*

In addition to the investment restrictions above, the Limited Term Duration Series is expected to be invested in such a manner as to result in an average dollar weighted maturity for the Series that does not exceed two years and is expected to maintain a target duration of approximately one year.

## ***PRINCIPAL RISK FACTORS***

All investments involve risk and investing in the Limited Term Duration Series is no exception. Although the Limited Term Duration Series invests in high quality instruments permitted under the Illinois Public Funds Investment Act, there can be no assurance that the Limited Term Duration Series will not be the subject of fraud or other misconduct in relation to its investments. Set forth below are the principal risk factors of the Limited Term Duration Series.

### Concentration Risk.

Any portfolio that concentrates in a particular segment of the market, or with concentrated exposure to a particular issuer or market participant or group of issuers or market participants, will generally be more volatile than a portfolio that invests more broadly. Any market price movements, regulatory or technological changes, or economic conditions affecting banks, insurance companies and other financial institutions, may have a significant impact on the Limited Term Duration Series' performance.

#### Counterparty Risk.

The Limited Term Duration Series is exposed to the risk that third parties that owe it money, securities or other assets will not perform their obligations. These parties may default on their obligations to the Limited Term Duration Series due to bankruptcy, lack of liquidity, operational failure or other reasons. This risk arises for example, when entering into guaranteed investment contracts under which insurance company counterparties have obligations to periodically make payments to the Limited Term Duration Series.

#### Credit Risk.

The issuer of a debt security may fail to pay interest or principal when due, and changes in market interest rates may reduce the value of debt securities or reduce the Limited Term Duration Series' returns.

#### Financial Sector Risk.

The Limited Term Duration Series' assets will, from time to time, be concentrated in the financial sector, which means that the Limited Term Duration Series will be more affected by the performance of the financial sector, including banks and insurance companies, than a portfolio that is more diversified. Financial services companies are subject to extensive governmental regulation which may limit both the amounts and types of loans and other financial commitments they can make, the interest rates and fees they can charge, the scope of their activities, the prices they can charge and the amount of capital they must maintain. Profitability is largely dependent on the availability and cost of capital funds and can fluctuate significantly when interest rates change or due to increased competition. In addition, deterioration of the credit markets generally may cause an adverse impact in a broad range of markets, including U.S. and international credit and interbank money markets generally, thereby affecting a wide range of financial institutions and markets. Certain events in the financial sector may cause an unusually high degree of volatility in the financial markets, both domestic and foreign, and cause certain financial services companies to incur large losses. Securities of financial services companies may experience a dramatic decline in value when such companies experience substantial declines in the valuations of their assets, take action to raise capital (such as the issuance of debt or equity securities), or cease operations. Credit losses resulting from financial difficulties of borrowers and financial losses associated with investment activities can negatively impact the sector.

#### Floating Net Asset Value Risk.

The Limited Term Duration Series does not maintain a stable net asset value per share. The value of its shares will fluctuate with changes in the values of its portfolio securities. When a Participant sells its shares, they may be worth more or less than what the Participant originally paid for them.

#### Inflation Risk.

Inflation, deflation and rapid fluctuations in inflation rates have had in the past, and may in the future have, negative effects on economies and financial markets. For example, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. There can be no assurance that inflation will not become a serious problem in the future and have an adverse impact on the Limited Term Duration Series' returns

#### Interest Rate Risk.

The fixed-income instruments that the Limited Term Duration Series may invest in are subject to the risk that market values of such securities will decline as interest rates increase. These changes in interest rates have a more pronounced effect on securities with longer durations. Fluctuations in the value of portfolio securities will not affect interest income on existing portfolio securities but will be reflected in the Limited Term Duration Series' NAV. While the Fund's service providers may voluntarily agree to waive a portion of their fees to support a positive yield during periods of low interest rates, there is no assurance they will do so.

During periods of very low or negative interest rates, the Limited Term Duration Series may be unable to maintain a positive yield. Certain countries have recently experienced negative interest rates on certain fixed-income instruments. Very low or negative interest rates may magnify interest rate risk. Changing interest rates, including rates that fall below zero, may have unpredictable effects on markets, may result in heightened market volatility, limited liquidity and may detract from Limited Term Duration Series' performance to the extent the Limited Term Duration Series is exposed to such interest rates. Negative yielding instruments may also limit the Limited Term Duration Series' ability to locate fixed-income instruments containing the desired risk/return profile.

#### Issuer Risk.

The value of a security may decline because of adverse events or circumstances that directly relate to conditions at the issuer or any entity providing it credit or liquidity support.

#### Lack of Governmental Insurance or Guarantee.

An investment in the Limited Term Duration Series is not a bank deposit. An investment in the Limited Term Duration Series is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

### Management Risk.

The Limited Term Duration Series is subject to management risk, which is the risk that poor security selection by the Investment Advisor could cause the Limited Term Duration Series to underperform relevant benchmarks or other funds with a similar investment objective. There is no guarantee of the Limited Term Duration Series' performance or that the Limited Term Duration Series will meet its objective. The market value of your investment may decline and you may suffer investment loss.

### Market Risk.

The market price of securities owned by the Limited Term Duration Series may rapidly or unpredictably decline due to factors affecting securities markets generally or particular industries.

### Mortgage-Backed Securities Risks.

Mortgage-backed securities represent interests in "pools" of mortgages. Mortgage-backed securities are subject to credit, interest rate, prepayment and extension risks. These securities also are subject to risk of default on the underlying mortgage, particularly during periods of economic downturn. Small movements in interest rates (both increases and decreases) may quickly and significantly reduce the value of certain mortgage-backed securities.

### Prepayment/Extension Risk.

Certain debt obligations, such as callable bonds, may be prepaid prior to their maturity dates. Additionally, the loans collateralizing certain mortgage-backed securities may be prepaid, affecting the value of the mortgage-backed securities to which they relate. The level of interest rates and other factors affect the frequency of such prepayments. In periods of rising interest rates, prepayment rates tend to decrease, which lengthens the average life of these debt obligations. The market values of securities with longer maturities are typically subject to greater interest-rate risk and their values are more volatile as a result. During periods of falling interest rates, an issuer of mortgages and other securities may be able to repay principal prior to the security's maturity, causing the Limited Term Duration Series to have to reinvest in securities with a lower yield, resulting in a decline in the Limited Term Duration Series' income.

### Redemption Risk.

The Limited Term Duration Series may experience periods of heavy redemptions that could cause the Limited Term Duration Series to liquidate its assets at inopportune times or at a loss or depressed value, particularly during periods of declining or illiquid markets. Redemptions by a few large Participants may have a significant adverse effect on net asset value of the Series. Further, under certain circumstances described in "How to Buy and Redeem Shares of the Limited Term Duration Series," redemptions from the Limited Term Duration Series may be temporarily suspended.

### Regulatory Risk.

Changes in government regulations may adversely affect the value of a security. An insufficiently regulated industry or market might also permit inappropriate practices that adversely affect an investment. Actions by governmental entities may also impact certain instruments in which a Limited Term Duration Series invests. For example, certain instruments in which the Limited Term Duration Series may invest rely in some fashion upon LIBOR. LIBOR is an average interest rate, determined by the ICE Benchmark Administration, that banks charge one another for the use of short-term money. The United Kingdom's Financial Conduct Authority, which regulates LIBOR, has announced plans to phase out the use of LIBOR by the end of 2021. There remains uncertainty regarding the future utilization of LIBOR and the nature of any replacement rate, and any potential effects of the transition away from LIBOR on a fund or on certain instruments in which a fund invests are not known. The transition process may involve, among other things, increased volatility or illiquidity in markets for instruments that currently rely on LIBOR. The transition may also result in a reduction in the value of certain instruments held by the Limited Term Duration Series. Any such effects of the transition away from LIBOR, as well as other unforeseen effects, could result in losses to the Limited Term Duration Series.

### Repurchase Agreement Risk.

The Limited Term Duration Series could incur a loss on a repurchase transaction if the seller defaults and the value of the underlying collateral declines or the Limited Term Duration Series' ability to sell the collateral is restricted or delayed. In the case of sponsored member repurchase programs, if the clearing agency were to become bankrupt, the Limited Term Duration Series may be delayed or may incur costs or possible losses of principal and income in disposing of the collateral.

### U.S. Government Obligations Risk.

For U.S. government obligations that are not backed by the full faith and credit of the U.S. government such as obligations of Fannie Mae and Freddie Mac, there can be no assurance that the U.S. government will provide financial support when it is not obligated to do so.

## ***HOW THE LIMITED TERM DURATION SERIES IS MANAGED***

### Board of Trustees

The Trustees oversee the actions of the Investment Advisor, the Administrator, the Custodian, the Sponsors and the Distributor and decide on general policies. There are currently twelve Trustees, all of whom have been elected by Participants.

The Trustees 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 (i) Treasurers, School Board Members, Superintendents or Business Officials of a school entity, the Treasurer of which is an investor of the Fund, (ii) the Regional Superintendent of an Educational Service Region which is an investor or (iii) the Executive Director of the IASB, the IASA or the IASBO.

#### Investment Advisor

PMA Asset Management, LLC, a limited liability company 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, LLC, the Fund's Administrator, and PMA Securities, LLC, a registered securities broker-dealer serving as the Fund's Distributor.

The Investment Advisor's experienced team of Portfolio Managers manages the assets of the Fund's Limited Term Duration Series in accordance with its investment objective and policies. The Investment Advisor seeks to preserve principal and maximize interest income through disciplined bottom-up security selection and strong risk controls. Investment policy decisions are made by the Portfolio Managers consistent with the strategy and mandates for the Limited Term Duration Series.

#### Administrator

PMA Financial Network, LLC provides administrative services to the Fund. The Administrator is a financial services provider organized under the laws of the State of Illinois. 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 on a daily basis; and performs related administrative services for the Fund. The Administrator supervises all operational aspects of the Limited Term Duration Series, other than those delegated to the Investment Advisor, the Custodian and the Distributor. The Administrator will prepare all required tax returns of the Limited Term Duration Series and will prepare reports on the Limited Term Duration Series for investors. The Administrator has retained IASBO as the Marketing Services Provider to provide consulting and support services with respect to the administration and operation of the Limited Term Duration Series. IASBO also maintains a website for the Fund.

#### Distributor

PMA Securities, LLC, a registered broker-dealer and municipal advisor, is the distributor for shares of the Limited Term Duration 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, BMO Harris Bank N.A. maintains custody of all securities and cash assets of the Fund and acts as safekeeping agent for the investment portfolio of the Limited Term Duration Series; provided, however, that uncertificated investments are generally maintained with the banking institution which holds the investments. 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.

### ***FEES AND EXPENSES OF THE LIMITED TERM DURATION SERIES***

The Limited Term Duration Series pays fees to the Administrator, the Investment Advisor, the Distributor, the Sponsors and the Custodian, which are described below. The Limited Term Duration Series also has other operating expenses. The fees paid by the Limited Term Duration Series are calculated as follows:

#### The Administrator:

The Limited Term Duration Series pays the Administrator a fee computed at the annual rate of 0.10% of its average daily net assets up to and including \$1 billion, 0.08% on the next \$500 million of average daily net assets and 0.06% of average daily net assets over \$1.5 billion.

#### The Investment Advisor:

The Limited Term Duration Series pays the Investment Advisor a fee computed at the annual rate of 0.13% of its average daily net assets up to and including \$750 million, 0.12% on the next \$250 million, 0.11% on the next \$1 billion and 0.105% on average daily net assets over \$2 billion.

#### The Distributor:

The Limited Term Duration Series pays the Distributor a fee computed at the annual rate of 0.03% of its average daily net assets up to and including \$2 billion and 0.025% of average daily net assets over \$2 billion.

#### The Sponsors:

The Limited Term Duration Series pays the Sponsors royalty fees computed at the following annual rates:

IASB	0.008333% of its average daily net assets
IASA	0.008333% of its average daily net assets
IASBO	0.008333% of its 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”). Accordingly, the Royalty Supplement does not increase the expenses paid for by an investor in the Fund. The Royalty Supplement is calculated based on the Average Daily Total Net Assets of the Multi-Class Series, Limited Term Duration Series, Term Series and Fixed Income Investment Program for each one-year period, multiplied by .00208%, with the Royalty Supplement being split equally by the Sponsors.

The Custodian:

The Limited Term Duration Series pays the Custodian a fee for its services.

Other Expenses/Waivers:

Other expenses payable by the Limited Term Duration 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 Limited Term Duration 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 Limited Term Duration Series.

***DISTRIBUTIONS AND TAX ISSUES***

Distributions

The net income of the Limited Term Duration Series is accrued daily, which has the effect of increasing the net asset value of the Limited Term Duration Series by the amount of such net income. The Limited Term Duration Series does not expect to make any distributions to shareholders of such net income. A purchase order for shares of the Limited Term Duration 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 Limited Term Duration Series’ 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 income tax purposes.

## ***HOW TO BUY AND REDEEM SHARES OF THE LIMITED TERM DURATION SERIES***

### How to Buy Shares

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

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

Transactions in the Limited Term Duration Series can be made via telephone with a representative of the Administrator. Investors will be able to access information related to their account through the Fund's website ([www.isdlafplus.com](http://www.isdlafplus.com)).

The net asset value (or NAV) of the Limited Term Duration Series is determined by the Administrator as of the close of business on each Illinois banking day. Such determination is made by subtracting from the value of the assets of the Limited Term Duration Series the amount of the applicable liabilities and dividing the remainder by the number of outstanding shares for the Limited Term Duration Series.

Portfolio securities are generally valued using pricing services provided by an independent pricing service which uses valuation methods that are designed to approximate market or fair value, such as matrix pricing and other analytical pricing models, market transactions and dealer quotations. Portfolio securities with a remaining maturity of 60 days or less may be valued at amortized cost or fair value if a market price is not available. In some cases, prices may be provided by alternative pricing services or dealers. Shares of the Limited Term Duration Series are valued at their last calculated net asset value per share. If market quotes are not readily available for a security held by the Limited Term Duration Series, a price cannot be obtained from a pricing service or a dealer, or if the Administrator or its affiliate believes the price provided by the pricing service does not represent "fair value" for the security, the security is valued at "fair value" by the Administrator or its affiliate. In determining fair value, the Administrator or its affiliate applies valuation methods that take into account all relevant factors and available information. Consequently, the value of the security used by the Limited Term Duration Series to calculate its net asset value per share may differ from a quoted or published price for the same security. Fair value pricing involves subjective judgments and it is possible that the fair value determined for a security is materially different than the value that could be realized upon the sale of that security.

### *Minimum Investment and Redemptions*

A Participant is required to maintain a minimum investment balance of at least \$100,000. Shares of the Limited Term Duration Series may be redeemed as of the third Wednesday of each March, June, September and December provided that notice of the redemption has been provided by the first Wednesday of such month to the Fund. Upon the direction of the Trustees, the Fund may implement a redemption schedule for Shares of the Limited Term Duration Series that provides more frequent redemption opportunities than the redemption schedule described above. If a Participant makes a redemption dropping their investment balance below \$100,000, the Participant will be redeemed from the Series.

#### *Automatic Reinvestment*

The Fund does not expect to pay out—or distribute—the net investment income of the Limited Term Duration Series to investors. For convenience, distributions will automatically be reinvested in the Limited Term Duration Series at the then current NAV.

#### *Reports to Participants*

Each investor will be provided with quarterly and annual reports, which contain important financial information about the Limited Term Duration 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](http://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](http://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 Limited Term Duration Series. When shares of the Limited Term Duration Series are redeemed, the price received will be the NAV of the Limited Term Duration Series next determined after receipt of the order to redeem.

Shares of the Limited Term Duration Series may be redeemed telephonically, or may be redeemed electronically via the PMA GPS System which is linked to the Fund's website. 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 Limited Term Duration 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 Limited Term Duration Series fairly to determine the value of its net assets.

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

### ***ADDITIONAL INFORMATION ABOUT THE LIMITED TERM DURATION SERIES***

#### **Performance Information**

The Fund may publish the “current yield” and “effective yield” of the Limited Term Duration 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 Limited Term Duration Series’ net assets during that period; 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 Limited Term Duration Series is assumed to be reinvested. The effective yield may 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 the Limited Term Duration Series. *Performance data quoted represents past performance, which is no guarantee of future results. Yields will fluctuate as market conditions change. Any current performance information will be posted on the Fund’s website (www.isdlafplus.com).*

In addition, comparative performance information about the Limited Term Duration 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 types of securities or investments also may be used. A description of the comparison will be provided to document that the Limited Term Duration Series 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.

## **ADDITIONAL PROGRAMS AND SERVICES**

### ***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 also 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. Although the risks are similar to those of the Term Series, potential investors should consider reviewing the risks of an investment in the Fixed Income Investment Program with the Administrator before investing. Certificated investments will be held in account established for the benefit of the investor by the Custodian and uncertified investments will generally be held by the banking institution which holds the investment.

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/Distributor of up to 0.25% on CDs carrying only FDIC insurance and up to 0.35% on CDs as part of a reciprocal program or for which insurance or eligible collateral is procured for deposits 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/Distributor an annualized mark-up of up to 0.15% of the principal amount of each such investment. Where required by municipal advisor regulations, the Distributor and not the Administrator will receive the fee for products purchased through the Fixed Income Investment Program. 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.

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

### ***ADDITIONAL SERVICES***

The Administrator and/or the Distributor also offer 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 Board of Trustees of the Fund does not oversee such services or programs. Accordingly, 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

### INVESTMENT ADVISOR

PMA Asset Management, LLC  
2135 CityGate Lane, 7th Floor  
Naperville, Illinois 60563

### DISTRIBUTOR

PMA Securities, LLC  
2135 CityGate Lane, 7th Floor  
Naperville, Illinois 60563

### LEGAL COUNSEL

Vedder Price P.C.  
222 North LaSalle Street  
Chicago, Illinois 60601-1003

### INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP  
One North Wacker Drive  
Chicago, Illinois 60606

### ADMINISTRATOR

PMA Financial Network, LLC  
2135 CityGate Lane, 7th Floor  
Naperville, Illinois 60563

### MARKETING SERVICES PROVIDER

Illinois Association of School Business Officials  
Northern Illinois University (IA-103)  
108 Carroll Avenue  
DeKalb, Illinois 60115

### CUSTODIAN

BMO Harris Bank N.A.  
111 West Monroe Street  
Chicago, Illinois 60603