

Florida Surplus Asset Fund Trust



Information Statement

February 1, 2012

Introduction

Florida Surplus Asset Fund Trust (the "Fund"), was established in 2007 to be a Stable Net Asset Value investment pool to meet the investment needs of local governments in Florida and began operations in 2008. The Fund is a common law trust organized in 2007 under the laws of the State of Florida. Section 218.415, Florida Statutes, authorizes units of local government to invest and reinvest public funds in excess of the amounts needed to meet current expenses in certain enumerated investments, in any other investments authorized by law or by a municipal or county ordinance or by a school district or special district by law or by resolution, and in addition authorizes units of local government to invest and reinvest such surplus public funds in any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Section 163.01 of the Florida Statutes.

Section 163.01, Florida Statutes, authorizes a political subdivision, agency, or officer of the State of Florida, including but not limited to state government, county, city, school district, single and multipurpose special district, single and multi-purpose public authority, metropolitan or consolidated government, a separate legal entity or administrative entity created under subsection (7) of Section 163.01, Fla. Stat., or an independently elected county officer (each of the foregoing a "Local Government Entity" or "Entity"), to exercise jointly with any other Entity any power, privilege, or authority which such Entities share in common and which each might exercise separately.

The Fund has received and maintained an AAAM rating since December 2007 from Standard & Poor's ("S&P"). Standard & Poor's fund ratings criteria were recently updated on November 1, 2011 and are based on analysis of credit quality, market price exposure, and management. According to S&P's rating criteria, the AAAM rating signifies excellent safety of invested principal and a superior capacity to maintain a \$1.00 per share net asset value. However, it should be understood that the rating is not a "market" rating nor a recommendation to buy, hold or sell the securities.

Many of the documents referred to in this Information Statement, including the Indenture of Trust, the Investment Policy and Fund Participants forms, may be found on the Fund's website located at www.flsafe.org.

Investment Risks

Although the Fund will try to invest wisely, all investments involve risk. A decline in short-term interest rates will reduce the yield of the Fund and the return on an investment. The Fund invests only in high-quality obligations, but there is still the risk that an issuer may be unable to make principal and interest payments when due. If an issuer fails to pay interest or to repay principal, the investment will be adversely affected and the net asset value (or "NAV") per share of the Fund could decline. NAV may also be adversely affected by a substantial increase in short-term interest rates if it becomes necessary for the Fund to sell a fixed-rate instrument prior to maturity. The Fund will have industry concentration risk to the extent their assets are concentrated in an industry (such as the banking industry). In addition, the Fund's performance is subject to manager risk that a security selection could cause the Fund to underperform relevant benchmarks or other funds with a similar investment objective.

An investment in the Fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation ("FDIC") or any other governmental or private agency. Although the Fund seeks to maintain a stable value of \$1.00 per share, it is possible to lose money by investing in the Fund.

Investment Policy

The general investment approach and objectives of the Fund's investment activities shall be: (1) safety of capital; (2) liquidity of funds; (3) transparency; and (4) investment income, in that order.

The Fund adheres to an Investment Policy adopted by the Board of Trustees, as amended on October 28, 2011, and follows the investment criteria for a AAAM S&P rated Net Stable Value Fund. As more fully described herein:

- ❖ The Fund will invest only in Permitted Investments as reflected in the "Permitted Investments" section below, including investments in approved financial institutions and securities of the United States Treasury, United States Agencies, Primary Dealer Repurchase Agreements, and highly rated commercial paper. Asset allocation will be in full conformance with S&P guidelines.
- ❖ The Fund's investments will conform to its Permitted Investments and is structured to meet S&P's investment guidelines to achieve and maintain an AAAM rating, the highest attainable rating for a Local Government Investment Pool.
- ❖ The Fund will not invest in asset-backed commercial paper securities that are classified as Structured Investment Vehicles, Collateralized Debt Obligations, Structured Arbitrage Vehicles, or Extendible Commercial Paper.
- ❖ The weighted average maturity of the portfolio shall not exceed 60 days per S&P guidelines.
- ❖ The Fund seeks to maintain, but does not guarantee, a NAV at \$1.00 per share. To date, the value of the Fund has maintained a stable net asset value to maintain its S&P AAAM rating.

Permitted Investments

Investment Objective and Policies

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

In pursuing this objective, the Fund invests in high-quality short-term debt instruments. Debt obligations, in general, are written promises to repay a debt. Among the various types of debt obligations the Fund may purchase are obligations guaranteed by the full faith and credit of the United States, U.S. government agency obligations, commercial paper, bank obligations and other obligations permitted by applicable Florida statutes. The permitted investments of the Fund comply with specific requirements of Florida law applicable to the investment of Participants' funds, as well as S&P guidelines for AAAM rated funds, and include:

1. Direct obligations of the United States Treasury;
2. Obligations backed by the full faith and credit of the United States government;
3. Obligations of agencies and instrumentalities of the United States government rated in the highest rating category by a nationally recognized rating agency;
4. Certificates of deposit and other evidences of deposit with approved financial institutions;
5. Bankers' acceptances rated in the highest rating tier by a nationally recognized rating agency;

6. Commercial paper rated in the highest rating tier by a nationally recognized rating agency;
7. Obligations of state and local governments and public authorities rated in the two highest rating tiers by a nationally recognized rating agency;
8. Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of dollar-denominated securities;
9. Repurchase agreements whose underlying purchased securities consist only of the instruments listed in categories 1 through 8 above; and
10. Without limiting the foregoing, any investments authorized under Section 218.415(16), Fla. Stat.

The Trust may participate in a securities lending program approved by the Board of Trustees. To date, the Trust has not participated in such a program, which would require approval by the Board of Trustees.

U.S. Government Obligations

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

Short-Term Corporate Debt Obligations

The Fund also invests in short-term debt obligations of corporations, including such securities sometimes referred to as “commercial paper.” The Fund purchases short-term debt obligations issued by U.S. companies if rated in the highest rating tier by a nationally recognized rating agency and the instrument matures within 270 days of purchase.

Bank Obligations

The Fund may invest in interest-bearing certificates of deposit, interest-bearing time deposits or any other investments that are direct obligations of a bank that are permitted by applicable Florida 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. These bank obligations will be collateralized, uncollateralized or have FDIC insurance.

Repurchase Agreements

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

Floating-Rate and Variable-Rate Obligations

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

Demand Instruments

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

Prohibited Investments

The Fund may not invest in any types or categories of investments except as provided above in the list of Permitted Investments. By way of example and not by limitation, the Fund cannot invest in the following types or categories of investments ("Prohibited Investments"):

1. Asset backed commercial paper securities that are classified as structured investment vehicles (SIV), collateralized debt obligations (CDO), structured arbitrage vehicles (SAV) or extendible commercial paper;
2. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;
3. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
4. Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and
5. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Derivatives

In addition to the list of Prohibited Investments, set forth above, the Fund may not invest in "derivatives." When used herein, the term "derivatives" refers to (i) instruments with embedded features that alter their characteristics or income stream or allow holders to hedge or speculate on a market or spreads between markets that are external to the issuer of such instruments, or (ii) instruments which are not directly correlated on a one-to-one basis to the associated index or market.

Investment Restrictions

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

(a) may not make any investment other than investments authorized by the Indenture of Trust and the Permitted Investments List, as the same may be amended from time to time;

(b) may not borrow money or incur indebtedness whether or not the proceeds thereof are intended to be used to purchase Permitted Investments, except as a temporary measure to facilitate withdrawal requests which might otherwise require unscheduled dispositions of portfolio investments and only as and to the extent permitted by Law;

(c) may not make loans, provided that the Fund may make Permitted Investments (which may include securities lending);

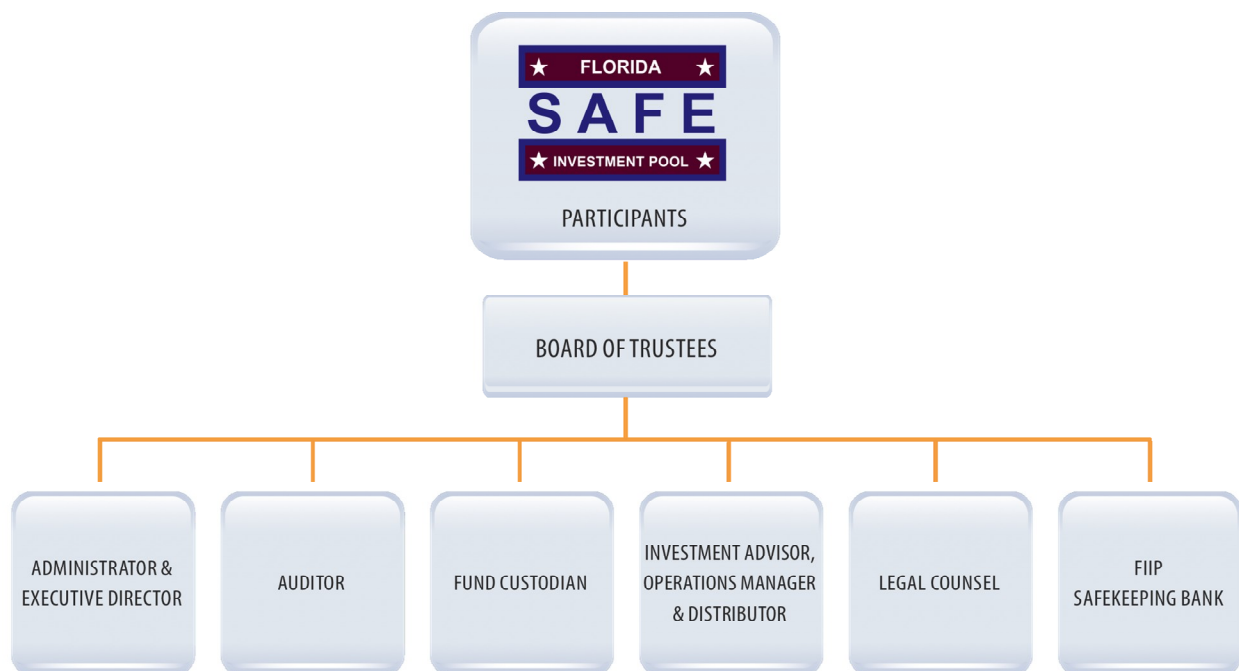
(d) may not hold or provide for the custody of any Fund Property in a manner not authorized by Law or by any institution or Person not authorized by Law; and

(e) may not purchase securities or shares of investment companies or any entities similar to the Fund.

Investment Options

Participants can invest in the Fund and in a value added program of the Fund called the Fixed Income Investment Program (“FIIP”), authorized by the Board of Trustees. The Board of Trustees may authorize other Programs of the Fund in the future. See “Additional Programs and Services.”

How the Fund is Managed



The Fund is a common law trust organized in 2007 under the laws of the State of Florida. The Fund is an investment opportunity for government units in Florida and began operations in 2008. It is authorized to issue an unlimited number of shares of beneficial interest. The Fund has one Series of indefinite duration. Investors in the Fund are entitled to vote on the election of Trustees, certain amendments to the Fund’s Indenture of Trust and reorganization of the Fund. Investors also are entitled to vote on other matters as required by the Fund’s Indenture of Trust. Each investor is entitled to one vote, so long as Fund shares are held on the record date.

Board of Trustees

The Board of Trustees oversees the actions of the Investment Advisor, Administrator, Operational Manager and Distributor, Custodian, Legal Counsel, Safekeeping Bank and any other Service Providers (as described below), as supported by the Administrator following Board direction, and decides on general policies.

The majority of the Board of Trustees will be constituted by finance representatives that also serve as the Investment Officer per Florida Statutes for their respective governments. The Board of Trustees serve with three year overlapping terms and do not receive any monetary compensation for their service. The current Board of Trustees (as of the date hereof), excluding two open seats, are listed below:

Trustee	Position	Term
Mark Mason, CPA	Chairman	January 1, 2014
Linda Senne, CPA	Vice Chairman	January 1, 2015
Robert Clinger, CPA	Board Member	January 1, 2015
Jeff Yates, MPA	Secretary/Treasurer	January 1, 2014

Administrator

Florida Management and Administrative Services, LLC (“FMAS”) is a full service management and administrative services firm based in Orlando, Florida. Its President, Jeff Larson, was involved in the establishment of FLSAFE in 2007-2008, and was retained in May 2011 by the FLSAFE Board to serve as its Administrator. Mr. Larson and the FMAS Team are active members of the FGFOA, FCCMA and other statewide organizations.

The Administrator’s primary responsibilities include, among other things, serving the Board as Administrator for the Fund and FIIP Program, coordinating requirements for Board or Participant meetings, assisting with and maintaining ongoing communications and customer service with Fund Participants, establishing an annual marketing and investment program, assisting the Board as needed, arranging for annual audits in cooperation with the Investment Advisor, serving and assisting the Board, preparing and distributing RFPs or RFQs for services, as requested by the Board, and otherwise maintaining Fund records.

Operational Manager

PMA Financial Network, Inc. (the “Operational Manager”) provides operational management services to the Fund. The Operational Manager is a financial services provider with nearly \$10.8 billion under administration as of September 30, 2011. The headquarters for the Operational Manager is Naperville, Illinois and has a regional office in Palm Coast, Florida.

The Operational Manager 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 Fund on a daily basis; and performs related administrative services for the Fund. The Operational Manager supervises all operational aspects of the Fund, other than those delegated to the Administrator, Investment Advisor, Custodian and Distributor.

Investment Advisor

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

The Investment Advisor’s primary responsibility is to formulate a continuing investment program and to make all decisions regarding the purchase and sale of securities for the Fund in accordance with the Fund’s investment objectives and policies.

Distributor

PMA Securities, Inc. (the “Distributor”), a broker-dealer and municipal advisor registered with the U.S. Securities and Exchange Commission and Municipal Securities Rulemaking Board, is the distributor for shares of the Fund and also makes available to Fund investors U.S. government securities as part of the Fixed Income Investment Program. The Distributor, which has its headquarters in Naperville, Illinois, has a branch office in Palm Coast, Florida.

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. The Operational Manager, Investment Advisor and Distributor are under common ownership.

Custodian

U.S. Bank N.A. ("U.S. Bank") serves as the Custodian of the Fund and maintains custody of all securities and cash assets purchased for the benefit of Fund Participants. U.S. Bank also processes trades upon receipt of authorized and proper instructions within the defined deadlines. It also serves as the depository in connection with direct investments and redemptions.

Legal Counsel

Akerman Senterfitt serves as legal counsel to the Fund.

Independent Auditor

Clifton Gunderson LLP serves as the independent auditor of the Fund.

FL SAFE Operating Bank

Regions Bank, Orlando, Florida

Fees and Expenses of the Fund

The Fund pays fees to the Administrator, the Investment Advisor, the Operational Manager and the Distributor as reflected below. The Fund also has other operating expenses such as legal, custodian, rating services, insurance premiums, auditing fees and any other operating expenses not expressly assumed by any of the Fund's service providers.

The Administrator:

The Fund pays the Administrator a monthly fee of \$7,500 on the first business day of each month. In addition to the monthly fee, the Fund will pay the Administrator based on the growth of the Fund. This fee paid monthly in arrears, will be determined by the Board based on the Administrator's leadership and efforts with the execution and success of the Fund's Marketing Plan. This additional fee will not exceed an amount determined as follows: 0.05% for Average Daily Net Assets ("ADNA") of \$200,000,001 up to and including \$500 million; 0.04% for ADNA of \$500,000,001 up to and including \$1 billion; 0.03% for ADNA over \$1 billion up to and including \$5 billion; and 0.02% for ADNA over \$5 billion. For additional administrative duties, the Administrator shall also receive up to 50% of any Royalty paid to the Fund from the Fixed Income Investment Program.

The Investment Advisor:

The Fund pays the Investment Advisor a fee based on the ADNA of the Fund, computed at the annual rate of 0.07% on the first \$500 million of assets and 0.0525% for assets in excess of \$500 million. This fee shall be accrued daily and paid monthly in arrears on the first day of each month.

The Operational Manager and Distributor:

The Fund pays the Operational Manager and Distributor a fee based on the ADNA of the Fund, computed at the annual rate of 0.13% on the first \$500 million of assets and 0.0975% for assets in excess of \$500 million. This fee shall be accrued daily and paid monthly in arrears on the first day of each month.

Other Expenses/Waivers:

Other expenses payable by the Fund include, among other things, out-of-pocket expenses incurred by the Trustees in the discharge of their duties, legal fees, recording costs, fees of the Fund's independent

accountants and the cost of insurance for the Fund and its Trustees and officers. The Investment Advisor, Operational Manager and Distributor have agreed to a voluntary fee waiver to support a positive yield to the Fund that, in the opinion of such service provider, is competitive with other AAAM or equivalent rated Local Government Investment Pools across the country. Such service providers may also waive any additional fees payable for such period as they see fit. Any fee not paid or waived shall cease to be due and payable. From time to time, the Administrator may voluntarily waive a portion of its fees.

ADDITIONAL INFORMATION ABOUT THE FUND

Portfolio Valuation/Distributions

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. As a result, the Fund has implemented a NAV Monitoring Policy which requires the portfolio to be priced at least weekly using a third-party pricing service. In the event that the NAV based on market prices falls outside certain tolerance levels (even though such within the limits of \$0.9950 and \$1.005 for maintaining a \$1.00 NAV), the Fund has implemented procedures for certain additional actions or disclosures.

Under the Indenture of Trust, the net income of the Fund (including unrealized gains and losses on the portfolio assets) is determined once on each business day and credited proportionately to the accounts of the Participants in such manner, and with the result, that the net asset value per Share of the Fund shall remain at a constant dollar value of \$1.00 or integral of 1/100ths thereof. The NAV of the Fund is determined as of 8:00 a.m. Eastern Time on each business day for the prior business day. Any change in the constant dollar value shall be made on a *pro rata* basis by increasing or reducing the number of each Participant's shares. If there is a net loss, the loss will first be offset against income accrued to each Participant. To the extent that such a net loss would exceed such accrued income, the aggregate number of the Fund's allocated Shares will be reduced in an amount equal to the amount by which the net loss exceeds accrued income by having each Participant contribute to the Fund's corpus its *pro rata* portion of the total number of Shares required to be redeemed in order to permit the net asset value per Share of the Trust to be maintained at a constant dollar value. Each Participant will be deemed to have agreed to such contribution in these circumstances by its investment in the Fund.

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

Revenue Recognition/Capital Support

The Fund's Board of Trustees adopted a Revenue Recognition Policy following a loss from a 2008 investment that provides that the Fund may sell securities prior to maturity resulting in realized capital gains or losses. This policy provides for the recognition of realized losses if the NAV of the Fund is \$0.995 or higher. After losses are offset by accrued income, realized losses will be amortized against interest earnings of the portfolio in an amount equal to a minimum of 2 basis points per day (for a period not to exceed eight years). The Board implemented the Revenue Recognition Policy in January 2011 following the loss being written off in the 2010 Annual Audit. In addition, the Fund had entered into a \$200,000 Standby Capital Agreement with the Fund's prior investment advisor related to the 2008 loss, In October 2011, the Fund received a total of \$200,000 in capital contributions from the Fund's prior investment advisor from this agreement. These funds are included as part of the Fund's assets.

In October 2011, the Fund entered into a Standby Capital Support Agreement with the Operational Manager to support the NAV of the Fund. The maximum capital support provided under this Agreement is \$200,000. In addition, the Fund has entered into a long term Royalty Agreement with the Operational Manager and Distributor which provides for the payment of Royalty Fees for investments made by Fund Participants through the Fixed Income Investment Program. At least 50% of this Royalty fee will be used to support a loss from a 2008 investment, along with the additional support through the Standby Capital Support Agreement and Revenue Recognition Policy.

Tax Issues

The Fund is not subject to Federal or Florida 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 Florida for Federal tax purposes.

Performance Information

Current yield information for the Fund may be quoted in reports, literature and advertisements published by the Fund. The current yield of the Fund, which is also known as the current annualized yield or the current seven-day yield, represents the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical account with a balance of one share (normally \$1.00 a share) over a seven-day base period expressed as a percentage of the value of one share at the beginning of the seven-day period. This resulting net change in account value is then annualized by multiplying it by 365 days and dividing by 7.

The Fund may also quote a current effective yield of the Fund in advertisements, sales materials and investor reports. The effective yield is calculated in the same manner, but when annualized, the income earned by an investment in the Fund is assumed to be reinvested. The effective yield will be slightly higher than the current yield because of the compounding effect of the assumed reinvestment. In addition, any waivers of expenses, as set forth herein, may positively impact the performance of the Fund. Performance data quoted represents past performance, which is no guarantee of future results. Yields will vary. Any current performance information will be posted on the Fund's website at www.flSAFE.org.

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

At the request of the Trustees or Participants, the Fund may also quote the current yield from time to time on bases other than seven days for the information of its Participants.

Automatic Reinvestment

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

Reports to Board and Participants

The Board and Participants will receive an annual report, which contains important financial information about the Fund. Participants will also receive confirmation of purchases and redemption of Funds shares, as well as a monthly statement detailing the entire month's activity.

Participants may elect to receive electronic statements detailing entire monthly activity and electronic confirmations.

HOW TO BUY AND REDEEM SHARES OF THE FUND

How to Buy Shares

To buy shares in the Fund, Participants may contact the Distributor at (855) 202-9650 or obtain account opening forms on the Fund's website at www.flSAFE.org. Completed forms should be provided to the Administrator by email, with the originals mailed to:

Attention: Jeffrey T. Larson
**FLORIDA MANAGEMENT AND ADMINISTRATIVE
SERVICES, LLC. (FMAS)**
10151 University Blvd. #227
Orlando, Florida 32817
Tel: 407-496-1597
Fax: 407-542-3991
jl Larson@floridamanagementservices.com

Transactions in the Fund can be made by telephone with a representative of the Operational Manager. In addition, orders for the Fund may be placed electronically through the PMA Government Portfolio System (PMAGPS®). PMAGPS is the Operational Manager's proprietary account access and electronic trading system. Investors will be able to access the PMAGPS System through the Fund's website (www.flSAFE.org).

The NAV of the Fund is determined as of 8:00 a.m. Eastern Time on each business day for the prior business day. When shares of the Fund are purchased, the price paid will be the NAV of the Fund next determined after receipt of the order to purchase. Requests to purchase must be received by 1:00 p.m. Eastern Time for processing that day. Requests received after 1:00 p.m. Eastern Time will be processed on the following Business Day.

Account information can be obtained via the Fund's website at www.flSAFE.org. To acquire on-line access, simply complete an "Account Authorization Form" and submit it to the Operational Manager at 2135 CityGate Lane, 7th Floor, Naperville, Illinois 60563. These forms can be obtained by logging onto the Fund's website at www.flSAFE.org or by calling the Operational Manager at (855) 202-9650.

For purchases through the Fixed Income Investment Program, investors should contact the Operational Manager or the Distributor at (855) 202-9650. Completed forms should be provided by email, with the originals mailed to:

Attention: Judy Moore
PMA Securities, Inc.
2135 CityGate Lane, 7th Floor
Naperville, Illinois 60563
jmoore@pmanetwork.com

How to Redeem Shares

Authorized Participants may withdraw funds online via the PMAGPS System available through the Fund's website or by calling the Operational Manager or Distributor at (855) 202-9650. When shares of the Fund are redeemed, the price received will be the NAV of the Fund next determined after receipt of the order to redeem. Redemption requests must be received by 1:00 p.m. Eastern Time for payment that day. Requests received after 1:00 p.m. Eastern Time will be processed on the following Business Day.

Per the Indenture of Trust, 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, act of God, banking moratorium or suspension of payments by banks in the State of Florida or any general suspension of trading or limitation of prices on the New York Stock Exchange ("NYSE") or American Stock Exchange (now known as NYSE AMEX) (other than customary

week-end or holiday closings) or (ii) when any emergency exists as a result of which disposal by the Fund of its investments is not reasonably practicable because of the substantial losses which might be incurred or it is not reasonably practicable for the Fund fairly to determine the value of its net assets. Such suspension or postponement shall not alter or affect a Participant's beneficial interest hereunder as measured by its Shares or the accrued interest and earnings thereon. Such suspension or payment shall take effect at such time as the Trustees shall specify but not later than the close of business on the business day next following the declaration of suspension, and thereafter there shall be no right of redemption or payment until the Trustees shall declare the suspension or postponement at an end, except that the suspension or postponement shall terminate in any event on the first day on which the period specified in subsection (a) or in this subsection (b) shall have expired, as to which the determination of the Trustees shall be conclusive. In the case of a suspension of the right of redemption or a postponement of payment for redeemed Shares, a Participant may either (i) withdraw its request for redemption or (ii) receive payment based on the net asset value existing after the termination of the suspension.

For additional information on redeeming shares, please call the Operational Manager at (855) 202-9650.

With respect to investments in the Fixed Income Investment Program, representatives of the Operational Manager will generally contact investors by telephone regarding maturities of their investments on the day of maturity.

ADDITIONAL PROGRAMS AND SERVICES

Fixed Income Investment Program

As authorized by the Board of Trustees and the Fund Administrator, the Distributor and the Operational Manager offer Fund Participants a Fixed Income Investment Program. Investors may contact the Operational Manager directly to purchase investment instruments including CDs, commercial paper and bankers' acceptances. The Distributor makes available securities of the United States government and its agencies and instrumentalities. The issuers of the instruments offered by this Program are selected by the Operational Manager based on criteria approved by the Trustees. Investors may purchase instruments of varying maturities (including maturities of more than one year) issued by a variety of issuers.

Interest on deposit products will be credited at maturity. 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 investments through the Fixed Income Investment Program pay to the Operational Manager an annualized mark-up of up to 0.15% on commercial paper and bankers' acceptances and for bank products, an annualized mark-up of up to 0.25% on bank deposit products carrying only FDIC insurance, with an additional fee, if applicable, not to exceed 10 basis points annualized, being charged for any assets that require management and administration of collateral, letters of credit, other third party guarantees or reciprocal programs, exclusive of insurance costs and any third-party placement fees. Investors purchasing securities of the U.S. government and its agencies or municipal securities through this Program pay an annualized mark-up to the Distributor of up to 0.15% of the principal amount of each such investment.

The Operational Manager and Distributor have agreed to pay a Royalty Fee to the Fund based on fees received by such providers from Fund Participants through the Fixed Income Investment Program. The initial Royalty is a percentage of any gross revenues received by the Operational Manager and Distributor for investments through the Fixed Income Investment Program by Fund Participants, with at least 50% of such amount being used to support the NAV for the Fund until a 2008 loss has been fully amortized. In addition, this Royalty fee may be used to offset other expenses of the Fund, including additional administrative costs due to the Fixed Income Investment Program.

Additional Value Added Services

The Operational Manager and Distributor also offer other “Value Added” programs and services for eligible Fund Participants for cash flow management, financial planning and bond proceeds management that includes arbitrage compliance assistance.

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

FUND SERVICE PROVIDERS

ADMINISTRATOR

FLORIDA MANAGEMENT AND ADMINISTRATIVE SERVICES, LLC. (FMAS)

10151 University Blvd. #227
Orlando, Florida 32817
Tel: 407-496-1597
Fax: 407-542-3991
Jeffrey T. Larson, President
jl Larson@floridamanagementservices.com

DISTRIBUTOR

PMA Securities, Inc. Headquarters

2135 CityGate Lane, 7th Floor
Naperville, Illinois 60563
Tel: 855-202-9650
Donald Weber, Sr. Vice President
dweber@pmanetwork.com
Fenil Patel, Relationship Manager
fpatel@pmanetwork.com

Regional Office

20 Porto Mar
Unit 601
Palm Coast, Florida 32137
Robert English, Chairman of the Board
renglish@pmanetwork.com

OPERATING BANK

Regions Bank

Orlando Commercial Middle Market
111 North Orange Ave, Ste. 1585
Orlando, Florida
Tel: 407-246-8924
Sarah Wood

INDEPENDENT AUDITORS

Clifton Gunderson LLP.

370 Interlocken Blvd., Ste. 500
Broomfield, Colorado 80021
Tel: 303-439-6030

INVESTMENT ADVISOR

Prudent Man Advisors, Inc.

2135 CityGate Lane, 7th Floor
Naperville, Illinois 60563
Tel: 855- 202-9650
James O. Davis, Chief Investment Officer
Brian Hextell, Portfolio Manager
bhextell@pmanetwork.com

OPERATIONAL MANAGER

PMA Financial Network, Inc.

2135 CityGate Lane, 7th Floor
Naperville, Illinois 60563
Tel: 855-202-9650
Paula Cooper, Vice President-Fund Administration
pcooper@pmanetwork.com

CUSTODIAN

U.S. BANK

950 17th Street
Denver, Colorado 80202
Tel: 303-585-4571
Sharon Gelo-Nelson
Richard J. Halstead

LEGAL COUNSEL

AKERMAN SENTERFITT

420 South Orange Avenue, Suite 1200
Orlando, Florida 32801-4904
Tel: 407-423-4000
Fax: 407-843-6610
Michael Williams, Esq., Shareholder
mike.williams@akerman.com