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**Part 2A of Form ADV:
Firm Brochure**

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This brochure provides information about the qualifications and business practices of Prudent Man Advisors, Inc. If you have any questions about the contents of this brochure, please contact the Compliance Department at 630-657-6400. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or any state securities authority. Prudent Man Advisors, Inc. is an investment adviser registered with the SEC. This registration does not imply a certain level of skill or training.

Additional information about Prudent Man Advisors, Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Material Changes:

Material Changes to the Form ADV Part 2A were made to the following sections:

- updated certain Advisory Management Personnel titles*
- updated Advisory Services and Assets under Management*
- added Term Series fee variance disclosures*
- expanded disclosure to Soft Dollar section*

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Item 4 Advisory Business

About the Advisor

Prudent Man Advisors, Inc., which is referred to in this brochure as the Advisor, provides investment advisory services to Local Government Investment Pools. These pools, which are commonly referred to as LGIPs or LGIP Funds, are organized under state law and their participants consist exclusively of municipal entity clients such as school districts, community colleges, counties and municipalities. The LGIPs, which are generally exempt from registration under the federal securities laws, consist of liquid pools, also referred to as money market pools, and fixed term pools. The Advisor specializes in fixed income investment products, including money market securities, securities of the U.S. Government and its agencies and municipal securities.

The Advisor is incorporated as an Illinois corporation and registered with the United States Securities and Exchange Commission as an investment adviser in 1996. Prudent Man Advisors is wholly owned by trusts established for Robert, Mary, Michael and Elizabeth English. Michael R. English serves as the Advisor's President and Chief Credit Officer.

Advisory Services

The Advisor serves as Investment Advisor for money market pools for Local Government Investment Pools. As Investment Advisor, the LGIP Funds have retained the Advisor to either provide investment advisor services responsible for the day-to-day management for these money market pools, or to provide investment advisory supervisory services and to retain a Sub-advisor for the day-to-day management for these money market pools. The Advisor currently provides direct investment advisory services for the Florida Surplus Asset Trust Fund and provides investment advisory supervisory services with a Sub-advisor for the Illinois School District Liquid Asset Fund Plus, the MNTrust Fund and the Minnesota Municipal Money Market Fund. With the exception of the latter fund, these LGIP Funds are rated by Standard and Poor's Corporation.

The Advisor also serves as the Investment Advisor for separate fixed term pools for LGIPs. These fixed term pools are referred to in this brochure as Term Series pools. The Advisor provides the management of assets in the LGIPs' Term Series pools which have a definite duration. The durations of the Term Series pools generally range from 30 days up to three years, if permissible under state statute and the Fund's governing documents. The Advisor currently provides these investment advisory services for three of the money market Advisory Clients referenced above—the Illinois School District Liquid Asset Fund Plus, the MNTrust Fund and the Minnesota Municipal Money Market Fund as well as the Wisconsin Investment Series Cooperative..

Assets Under Management

As of February 29, 2012, Prudent Man Advisors had approximately \$3,159,151,000. in total assets under management. Of this amount, the Advisor had over \$938,906,000. in assets under management in the Term Series pools and \$138,333,000. under management in money market pools. The remaining assets were assets under management in the LGIP money market pools with a Sub-advisor.

Item 5 Fees and Compensation

LGIP Money Market Pool Advisory Fees

The extent and nature of advisory services that Prudent Man Advisors provides will vary depending upon the specific arrangement provided to any LGIP Client. As a result, the Advisor's fees will differ among its Client accounts and may differ based on the asset level in the applicable LGIP.

These investment advisory fees are derived from a percentage of average assets under management. Fees are accrued daily and paid monthly in arrears by the Fund Administrator. Fees are based on criteria specific to Client agreements, which are negotiated and applied at different levels of average assets under management. While each fee is negotiated based on the level of service requested by the Client, the total dollars under management and whether a Sub-advisor is engaged, the base fee is generally between 0.07% and 0.08% of pool assets on an annualized basis, and this fee may decline for those assets over certain asset levels. These fees are disclosed in the applicable Fund's Information Statement.¹ In addition, the Advisor may waive any of its fees to support a positive yield, or otherwise in the discretion of the Advisor.

For Clients in which a Sub-advisor is engaged, the Advisor recommends Sub-advisors to manage the Advisory Clients' money market portfolios. Upon approval by the Advisory Client, the Advisor retains the Sub-advisor and provides the Client with a copy of the Sub-advisor agreement. That agreement reflects the fees payable to the Sub-advisor by the Advisor, in which the Advisor generally seeks to retain a percentage of the overall investment advisory fee to compensate the Advisor for its oversight advisory functions. Both the Advisor and Sub-advisor regularly participate in the Advisory Clients quarterly board meetings for reporting and oversight.

LGIP Term Series Fee Schedule

Term Series participants pay an annualized advisory and management fee of up to 0.25%. An additional fee not to exceed 0.10% on an annualized basis is paid for assets that require management and administration of collateral, letters of credit or other third-party guarantees. As these pools are for fixed term maturities, fees for the Term Series are due and payable to the Advisor by the Fund Administrator upon formation of the fixed term pool. Fees and thus net yields may vary between Advisory Clients based on the anticipated expenses of such pool and the competition and available investment yields within any geographic market.

Fees for the LGIP money market and Term Series are negotiable and may vary from the general fee schedule.

Other Provisions

Advisory contracts typically provide for termination effective between sixty and ninety days after written notice by the Client or the Advisor. In the event of termination, the Advisor is entitled to fees earned through the effective date of termination.

Other Fees or Expenses

There are other fees or expenses associated with Advisory Client accounts beyond the fees paid to the Advisor for providing advisory services. As discussed, the Advisor pays the fees of any Sub-advisor.

¹ The Information Statements for LGIP Advisory Clients may be obtained from the Advisor, or on the website for the applicable fund.

Each LGIP Fund has additional fees related to the Fund. The Advisory Client LGIPs have service agreements in place for distribution, administration, banking and custodian services. Fees are also paid for brokerage fees to non-affiliated broker-dealers retained by the Sub-advisor to obtain investments in the money market portfolios, auditing fees, legal fees, trustee fees and other fees as disclosed in the applicable Fund's Information Statement. Entities under common control with the Advisor serve as the Fund Administrator and Distributor for the LGIP money market Advisory Clients.

Other fees and expense-related information for the Funds may be found in the applicable Fund's Information Statement. For more information about brokerage, see Items 10 and 12.

Transaction-Based Compensation

The Advisor does not provide any transaction-based compensation to its Advisory Staff based on that employee's individual sales production for the Advisor. The Advisor's staff is paid a salary and may be paid a discretionary bonus based on the overall performance of the Advisor and its Affiliates and the employee's overall individual performance.

Item 6 Performance-Based Fees and Side-By-Side Management

The Advisor does not currently manage any accounts with a performance-based fee structure and therefore there is no conflict from having a performance-based fee structure being managed alongside asset-based fees.

Item 7 Types of Clients

The Advisor provides investment advisory services to Local Government Investment Pools, which include LGIP money market pools and Term Series pools. These LGIP pools are organized under state law, are generally exempt from registration under the federal securities laws, and their participants consist exclusively of municipal entity clients such as school districts, community colleges, counties and municipalities.

The Advisor has no minimum account size for the Advisory Clients' LGIP money market pools although there may be a minimum account size based on a requirement of the Sub-advisor, if a Sub-advisor is retained.

For Term Series pools, the Advisor has a minimum account requirement which ranges between \$10 million and \$25 million depending on the duration of the specific term pool. (For example, the \$25 million requirement is for pools with a 30 day duration but longer duration pools could decrease the minimum account requirement, with a one year pool having a \$10 million requirement.) The Advisor may waive these minimum account size requirements in its discretion based on the costs associated with a particular pool.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

Investment Strategies and Method of Analysis

The Advisor seeks to provide LGIP Clients with the highest possible investment yield while maintaining liquidity (for liquid pools) and preserving capital.

In pursuing this objective, the Advisor invests or supervises the investment in high-quality short-term debt instruments (money market instruments). Among the various types of debt obligations the Advisory Clients may purchase are obligations guaranteed by the full faith and credit of the United States, U.S. government agency obligations, commercial paper, bank obligations, repurchase agreements, municipal securities and other obligations permitted by applicable state statutes. The Advisory Clients' investment policy constraints or mandates play a critical role in the investment process. The Advisor believes that it is crucial to have a complete understanding of the Client's objectives and constraints. The Advisor's Clients are restricted by applicable state statutes and applicable governing documents as to those investments which are permissible for investment within the Fund. In addition, the Advisor provides LGIP Fund investments in conformity with the LGIP Board or rating agency restrictions on weighted average maturity and mark-to-market requirements.

For the money market pools without a Sub-advisor, the Advisor is responsible for formulating a continuing investment program and making all decisions regarding the purchase and sale of securities for the pool. It selects these money market pool investments for conformity with state statutes, LGIP Fund directives, investment policies and any requirements from applicable rating agencies which rate the money market pools.

For these money market pools, portfolios are managed to comply with any applicable rating agency requirements, including the weighted average maturity or WAM requirements. Among other things, the Advisor utilizes stress testing to determine a suitable overall portfolio WAM and WAM reviews to determine the appropriate term for each investment in the pool. The Advisor may additionally utilize data attained from cash flow analysis of LGIP participants to assist in determining the appropriate term of an investment and a suitable portfolio WAM. The Advisor analyzes, among other things, participants' revenue sources from anticipated federal, state and tax collection payment dates, investment maturities, and analyzes participants' anticipated expense dates for such things as payroll and operational expenditures, bond payments and redemptions and other expenses.

After a portfolio WAM is selected based on the cash flow analysis, portfolio construction will be executed in a manner consistent with any LGIP mandates or regulations and any additional applicable rating agency requirements.

For the money market pools in which a Sub-advisor is retained, the Advisor oversees the activities of the Sub-advisor in managing the money market pools. It reviews these money market pool investments for conformity with state statutes, Fund directives and any requirements from rating agencies which rate the LGIP money market pools.

For the Term Series pools, LGIP Boards authorize specific pools with permitted investments and targeted durations. Within these investment limitations and duration periods specific to each Client, the Advisor identifies and selects potential investments for the pool which conform to the investment strategy for the specific Term Series Pool. The assets in the fixed term pools are designed to be held to maturity.

For security selection, the Advisor utilizes a "bottom-up" method of analysis to select potential investments. The Advisor generally seeks investments displaying relative value compared to other investments in the same class and relative to other asset classes to the extent that the investment meets all other applicable requirements. As part of its review, the Advisor provides credit analysis of potential investments, including bank products, commercial paper and municipal securities. The Advisor's Clients generally require investment grade ratings. For municipal securities, the Advisor relies on Official Statements, Continuing Disclosures, EMMA documentation, agency ratings and other material information applicable to the municipal securities. Considerations include the sources of funding, the presence and quality of credit enhancement, coupon rate and call provisions.

For bank deposits, the Advisor seeks financial institutions with stable financial performance. Certain Term Series clients require that deposits in excess of the Federal Deposit Insurance Corporation insurance limits be collateralized using pledged securities, surety bond products, letters of credit or other permitted collateral under state statute and/or investment policy of the Client. The Advisor and its Affiliates perform active surveillance across the banking and money market sector to identify potential portfolio risks. For commercial paper issuers, the Advisor seeks issuers with a top tier short-term rating by at least one of the major rating agencies. Furthermore, the Advisor conducts its own credit analysis using publicly available data to determine the creditworthiness of the issuer.

The Advisor continues to apply the principals of PMA Financial's Prudent Man Analysis to perform quarterly credit analysis. Issuers are initially approved to receive investments through this process and their profile is updated regularly in order to maintain parameters around the investment relationship for eligibility issues such as total investments and maximum maturity. The Advisor utilizes many sources of information as part of its review, including financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses and other filings with the SEC or available on EDGAR, and press releases.

The Advisor closely follows the capital markets and regulatory environment for issues that may affect any of advisory client's investments. PMA's credit department analyzes each approved issuer quarterly and on an ongoing basis. This analysis is conducted by a combination of ratio analysis and qualitative factors. The ratio analysis focuses on a company's asset allocation, debt structure, capital, earnings, and liquidity. A large number of ratios are monitored and compared to historical trends, peers and performance benchmarks. The qualitative analysis includes subjective judgment of the quality of a company's balance sheet composition, management, and regulatory standing. Credit considerations also include the sources of funding and the presence and quality of credit enhancement.

Risk of Loss

Although the Advisor endeavors to invest wisely, all investments involve risk of loss. A decline in short-term interest rates will reduce the gross yield of the LGIP and the return on an investment to the extent it is not offset by fee waivers. The Advisor invests LGIP assets only in high-quality obligations, but there is still the risk that an issuer may be unable to make principal and interest payments when due. The Term Series is expected to have fewer holdings than the money market pools and are therefore are less diversified. Both the money market and the Term Series also have industry concentration risk to the extent their assets are concentrated in an industry (such as the banking industry).

An investment in a LGIP money market series or any Term Series is not a bank deposit and is not insured or guaranteed by the FDIC or any other governmental or private agency.

Money market instruments have interest rate risk, which is the risk that the instruments will decline in value because of changes in interest rates. Generally, investments subject to interest rate risk will decrease in value when interest rates rise and increase in value when interest rates decline. Investing in money market instruments involves credit risk (the possibility that the issuer of a particular security will default) and market risk (the risk that a security will lose value because interest rates change or investors lose confidence in the ability of issuers in general to pay back their debt). In addition, the LGIP's performance is subject to manager risk, which is the risk that poor security selection could cause the LGIP to underperform relevant benchmarks or other funds with a similar investment objective. In addition, while the LGIP money market pools try to maintain a stable net asset value of \$1.00 per share, it is possible to lose money.

Product Specific Limitations/Risk

(Subject to the investment product being a permissible investment under state statute and the applicable LGIP's governing documents).

U.S. Government Obligations

The Advisor may purchase U.S. government obligations for Clients. 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 Advisor may purchase short-term debt obligations of corporations, including such securities sometimes referred to as "commercial paper" for Clients. The Advisor may purchase short-term debt obligations issued by U.S. companies if, in accordance with applicable law, it meets the directives and mandates for the applicable LGIP on capitalization, rating, diversification and duration limitations.

Bank Obligations

The Advisor may purchase for Clients 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 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.

Repurchase Agreements

The Advisor may enter into repurchase agreements on behalf of Advisory Clients, where a party agrees to sell a U.S. government security to the Client and then repurchase it at an agreed-upon price at a stated time. A repurchase agreement is like a loan by the Client to the other party that creates a fixed return for the Client. All repurchase agreements are fully collateralized at such amounts as required by applicable law or the LGIP's governing documents. The Client could incur a loss on a repurchase transaction if the seller defaults and the value of the underlying collateral declines or the Client's ability to sell the collateral is restricted or delayed.

Municipal Obligations

The Advisor may purchase interest-bearing obligations, including tax anticipation warrants, of any governmental unit of any state eligible for investment by Fund 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 have such credit rating as required by applicable law or Investment Policy. The municipal obligations 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 and thus are subject to credit risk (the possibility that the issuer of a particular security will default).

Floating-Rate and Variable-Rate Obligations

The interest rates of certain debt obligations the Clients may purchase may be subject to reset on predetermined dates. These 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 Client relative to fixed-rate securities issued by similar issuers and terms to maturity. For purposes of calculating weighted average maturity to reset or WAM(R) for the portfolio, the interest reset date on these instruments is generally 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. These 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 Advisor 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 generally used, even though their stated maturity may extend beyond one year.

Term Series

Term Series pools have a limited maturity of no less than 30 days and a maximum maturity date specified by the applicable Fund's governing documents and state statute, and are designed for Advisory Clients' participants who will not need access to their investment prior to the termination date of the applicable Series. It is possible to lose money by investing in a Term Series, which may impose a substantial penalty for redemption prior to the full term of the Series. Term Series are designed for each investment to be held for the full term of that Series. If an investment made in a Term Series is withdrawn prior to the maturity date of that Series, a notice period is required and a penalty will likely be assessed. The penalty, which may be substantial, could include the amount necessary to recoup for the Series any penalty charges, losses and other costs attributable to the early redemption. Each Term Series may have a weighted average maturity equal to the term of that Series. Term Series may have only one holding and therefore may be highly concentrated. 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. Investments within a Term Series pool are subject to the product specific risks identified above.

For additional information on risk, please see the Information Statement for the applicable LGIP Fund.

Item 9 Disciplinary Information

The Advisor has not been involved in any legal or disciplinary events since its inception that would be material to a Client's evaluation of the company or its personnel. In addition, the Advisor's employees have not been involved in any legal or disciplinary events in the past 10 years (and, to the best of our knowledge and belief, in years preceding that 10-year period) that would be material to a Client's evaluation of the company or its personnel.

Item 10 Other Financial Industry Activities and Affiliations

The Advisor is affiliated with PMA Financial Network, Inc. and PMA Securities, Inc. These entities operate under common ownership with the Advisor and are referred to in this brochure as PMA Affiliates or Affiliates. These entities are wholly owned by trusts established for Robert, Mary, Michael and Elizabeth English.

PMA Financial Network, Inc. serves as Fund Administrator for money market pools for LGIPs for which the Advisor serves as the Investment Advisor. PMA Financial Network receives a percentage of the average daily net assets of the money market portfolios for which it provides administrative services. These fees could vary based on the services requested by the Fund,

and the assets under administration. PMA Financial Network serves as the Fund Administrator for the Term Series portfolios although no fees are paid to PMA Financial Network for these services.

PMA Securities, Inc. is a broker-dealer and municipal advisor registered with the SEC and Municipal Securities Rulemaking Board and is a member of FINRA and SIPC. PMA Securities serves as distributor for the money market pools for LGIPs for which the Advisor serves as the Investment Advisor. PMA Securities generally receives a fee from these LGIP Funds based on a percentage of the average daily net assets for its distribution and marketing services for the money market portfolios. These fees may vary based on the services requested by the Fund, and the assets under administration. PMA Securities also serves as the Distributor for the Term Series portfolios although no fees are paid to PMA Securities for these services.

In addition, PMA Securities and PMA Financial Network provide a fixed income investment program for the municipal entity participants in the LGIP Funds. Under these programs, LGIP Fund participants may purchase fixed income investments directly through an Affiliate of the Advisor. While the maximum fees charged are subject to an agreement with the LGIP Advisory Client, in general, the fee schedule provides that PMA Securities may charge an annualized fee to participants of up to 0.15% for securities of the U.S. government and its agencies and municipal securities. The Fee Schedule also provides that PMA Financial Network may charge an annualized fee up to 0.25% for certificates of deposit carrying only FDIC insurance and 0.35% for certificates of deposit for which insurance or eligible collateral is procured for amounts in excess of FDIC limits, exclusive of insurance costs and any third party placement fees. In addition, the Fee Schedule provides that PMA Financial Network may charge participants an annualized fee of up to 0.15% of the principal amount of an investment in commercial paper and bankers' acceptances through a fixed income program.

For additional information on the fee described above, please see the applicable Fund's Information Statement.

Related Party Transactions

The Sub-advisor of the money market Advisory Clients may, from time to time and depending on the circumstances, purchase certificates of deposit of banks and thrift institutions permitted by applicable law for the money market LGIPs through a fixed income investment program offered by the PMA Affiliates. PMA Financial Network receives a fee on any bank products or CDs purchased through the program. To avoid any potential conflicts of interest with respect to any CDs purchased for the money market pools through the program, the Advisor and the Sub-advisor have instituted procedures to ensure that such CDs are the best available investment opportunity for the money market pool at the time of purchase. In addition, PMA Financial Network has agreed to waive the portion of the administrative fee paid by the money market pool to PMA Financial Network attributable to any CDs purchased through the program, and provides reports to the applicable Fund's Board relating to any related party transaction at the Client's quarterly Board meetings.

The Advisor or Sub-advisor may execute other transactions for Advisory Clients through the Advisor's Affiliates, PMA Securities, Inc. and/or PMA Financial Network, Inc. Advisory Clients will be informed of the relationship and any compensation agreements between the Advisor and its Affiliates and will seek the Client's consent. In the event the Affiliate earns any compensation from the transaction, the Advisor will disclose its fee schedule prior to the execution of any such transaction. Such commissions or fee might cover the cost of transaction execution, safekeeping, collateral management or third party insurance. The Advisor will advise the Advisory Clients of their ability to seek execution of transactions recommended by the Advisor through other broker-dealers. The Advisor would implement similar waivers and Board reporting to those established for related party CD Transactions.

Royalty and Sponsorship Fees

The Advisor's Affiliates pay a Royalty and Sponsorship fee to LGIP Funds or various associations that sponsor the LGIP Funds. These royalty fees are generally paid for the right and license to use the names and logos of such organizations to denote their sponsorship of PMA LGIP programs. These royalty fees, which are typically based on total assets under administration in the money market and Term Series pools of the applicable Fund, including assets in an associated fixed income investment program, are disclosed in the applicable Fund's Information Statement.

The Advisor's management personnel are employed by PMA Financial Network and are registered representatives of PMA Securities.

Robert J. English, Chairman

Mr. Robert English is involved in the oversight of operational and management aspects of the Advisor and its two affiliated and commonly owned firms. Functions performed include: oversight of portfolio analysis, economic analysis, marketing & sales, and accounting. Mr. Robert English currently has a FINRA Series 7, 24, 27, 63, and 65. Prior to his involvement with the PMA entities, Mr. Robert English gained nearly twenty years of experience in the public sector with various positions held in Illinois community colleges. Additionally, Mr. Robert English served as an adjunct professor at Northern Illinois University in the area of school business management.

James O. Davis, Chief Executive Officer and Chief Investment Officer

Mr. Davis is involved in all operational and management aspects of the Advisor and its two affiliated and commonly owned firms. Functions performed include: trading and portfolio analysis, economic analysis, marketing and sales, regulatory compliance and back office operations. Mr. Davis currently has a FINRA Series 7, 24, 63, 65 and 99.

Michael R. English, President and Chief Credit Officer

Mr. Michael English oversees the Credit Committee and accounting functions and such other projects as directed by the Chief Executive Officer. Mr. Michael English currently has a FINRA Series 7, 24, 27, 53, 63, 65 and 99 as well as an Illinois Property & Casualty insurance license.

Lori A. Ragus, General Counsel and Chief Compliance Officer

Ms. Ragus joined the Advisor and its affiliated firms in December 2009. She oversees the legal and compliance department. Ms. Ragus currently has a FINRA Series 7, 24, 53, 66 and 99.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

The Advisor and its Affiliates have adopted, maintain and enforce a joint Code of Ethics which applies to all Associated Persons for the PMA Affiliated entities. As a summary, the Code emphasizes that all Associated Persons have an obligation to perform their job lawfully, honestly and ethically. In particular, the Code requires Associated Persons to comply with the Federal securities laws and adhere to certain standards of business conduct. In addition, as an investment adviser to LGIP Advisory Clients, the Advisor and its Associated Persons: must act in a fiduciary capacity and carry out their duties such that they place the Advisory Clients interest ahead of their personal interests; avoid conflicts of interest and the appearance of any conflict with the Advisory Clients; and conduct their personal transactions in a manner which do not interfere with the Advisory Clients' portfolio transactions. The Code specifically prohibits violations

of the antifraud provisions, including insider trading and the misuse of material non-public information or customer information.

The Code also requires that Associated Persons disclose Outside Business Activities to the Advisor for approval. In particular, Associated Persons are required to disclose to the Advisor, in writing, any outside business activities prior to engaging in such activity. Outside business activities may include a wide range of activities including, but not limited to, employment with an outside entity, acting as an independent contractor to an outside party, serving as an officer, director, or partner or acting as a finder, and receiving other compensation for services rendered outside the scope of employment with the Advisor.

The Code also prohibits the giving or receipt of certain gifts and gratuities. Gifts of anything of value and gratuities to anyone relating to the PMA Affiliates' businesses are limited to \$100 per year per person. This limitation does not include reasonable business entertainment. Anything of value given to a person that is not defined as business entertainment is a gift.

Personal Securities Transactions--Reporting Requirements

The Code also provides for certain Associated Persons referred to as "PMA Reporting Persons" to report any personal securities holdings and transactions in which they have a direct or indirect beneficial interest to PMA, and provides for certain restrictions and pre-clearance requirements relating to any personal securities transactions. PMA Reporting Persons include any supervised person who has access to non-public information regarding an Advisory Client's purchase or sale of securities, is involved in making securities or other investment recommendations to Advisory Clients or who has access to such Advisory Clients' recommendations that are nonpublic. FINRA registered personnel of PMA Securities are also subject to this reporting requirement.

PMA Reporting Persons are obligated to promptly provide a current list of all Covered Accounts and Covered Securities or a copy of all current account statements for Covered Accounts with Covered Securities. Covered Accounts include all accounts in the name of the PMA Reporting Person or in which such reporting person has a Beneficial Ownership. Thus, a PMA Reporting Person should consider himself or herself the beneficial owner as further defined in the Code of securities held by his or her spouse, minor children, a relative who shares his or her home or other persons by reason of any contract, arrangement, understanding or relationship that provide him or her with sole or share voting or investment power. Moreover, PMA Reporting Persons do not need to submit accounts over which they have no direct or indirect control, pursuant to an automatic investment program.

Every PMA Reporting Person is required to provide duplicate account statements and transaction confirmations for any account that holds Covered Securities in which the PMA Reporting Person has a direct or indirect beneficial interest, and agrees to assist PMA in obtaining these documents directly from the broker-dealer, bank or other financial institution.

PMA Reporting Persons are subject to the following trading restrictions:

- No PMA Reporting Person may purchase or sell a security or otherwise effect a transaction in an account in which he has a beneficial interest, directly or indirectly, in any security listed on a Restricted Securities List distributed by Compliance.
- No PMA Reporting Person may execute a personal securities transaction, directly or indirectly, in any Covered Security when such person knows that the security is: (a) being considered for purchase or sale by an Advisory Client; or (b) being purchased or sold by an Advisory Client.
- PMA Reporting Persons may not acquire any security in an initial public offering other than an initial public offering in a registered investment company fund or any other exemption under FINRA Rule 5130.

- PMA Reporting Persons must pre-clear any personal trades in municipal securities of any issuer located in a state in which PMA has an office with more than two Associated Persons.

All transactions will be reviewed for compliance with the provisions of the Code.

In addition, on an annual basis, every Associated Person is required to (1) certify that he or she has read the Code, (2) acknowledge his or her understanding of and compliance with the Code, and (3) confirm certain other provisions of the Code. The Code provides for reporting of Code violations, sanctions, record retention, and a review of the Code on an annual basis.

A copy of the Code of Ethics is available for review upon request.

Participation or Interest in Client Transactions and Personal Trading

PMA's Code of Ethics prohibits a PMA Reporting Person from executing a personal securities transaction, directly or indirectly, in any Covered Security when such person knows that the security is: (a) being considered for purchase or sale by an Advisory Client; or (b) being purchased or sold by an Advisory Client.

The Advisor and its Associated Persons do not recommend to Clients, or buy or sell securities in which the Advisor or a related person has a material financial interest.

Item 12 Brokerage Practices

Trading partners of the Advisor have been selected on the basis of overall expertise, historical price competitiveness, and quality of operations. The selection of these trading partners is not influenced by any services or benefits offered to the Advisor or its Affiliates. Any Advisory Client may restrict the Advisor or Sub-advisor from purchasing investment products through an Affiliate of the Advisor.

The Advisor will conduct a review of its brokerage practices regarding the items discussed below, and will test the implementation of its procedures as part of the Advisor's annual supervisory review. To the extent a Sub-advisor is engaged, the Advisor will conduct a review of the Sub-advisor's brokerage practices regarding the items discussed below, and will test the implementation of its procedures as part of the Advisor's annual supervisory review process.

Soft Dollars:

The term "soft dollars" refers to a means of paying brokerage firms or other third parties for products and services through commission revenue, based on the volume of brokerage commission revenues generated from securities transactions executed through brokers by an investment manager on behalf of advisory clients. The Advisor does not have any soft dollar arrangements. For the sake of clarification, the Advisor uses research to assist us in making our investment decisions, not just for those accounts whose fees may be considered to have been used to pay for such research. However, such research products and services are provided to all investment advisers who utilize these firms, and are not necessarily considered to be paid for with soft dollars.

Client Referrals:

The Advisor does not use client brokerage to compensate or otherwise reward brokers for client referrals.

Directed Brokerage:

The Advisor has discretion to select the broker-dealers for Advisory Clients and currently does not permit clients to direct brokerage. If a client were to require that the Advisor direct brokerage

trades through a particular broker-dealer, the Advisor would advise that it may be unable to obtain the most favorable execution of client transactions if the client directs brokerage and that directing brokerage may be more costly for clients.

Trade Aggregation:

The Advisor may aggregate trades to obtain volume discounts on execution costs if doing so is in the best interest of the Advisory Clients. The Advisor, in securing investments for LGIP Pools, seeks to aggregate the investments for multiple Clients to secure the highest possible yield.

Best Execution:

The Advisor specializes in fixed income investment products such as money market instruments, securities of the U.S Government and its agencies, and municipal securities. Neither the Advisor nor its affiliated broker-dealer maintains an inventory of securities. Through the Advisor's Affiliate, PMA Securities, Inc., the Advisor maintains relationships with broker-dealers that are used in executing transactions. Upon determination of an appropriate client transaction for suitability purposes, the Advisor or its Affiliate will review Bloomberg and/or other resources to determine which broker-dealer is offering the best price. The Advisor or Affiliate will contact that broker-dealer to execute the transaction. Compliance will conduct a periodic review of sample transactions to determine whether or not the best available price was obtained.

Allocation of Investment Opportunities:

The Advisor has a fiduciary obligation to use its best efforts to ensure that no client is treated unfairly in relation to any other client in the allocation of securities or investment opportunities or in the order in which transactions are executed. Accordingly, the Advisor seeks to allocate orders and investment opportunities among its Advisory Clients in a manner that it believes is equitable and in the best interests of all such Clients.

Investments for LGIPs are determined in part based on the liquidity needs of the participants in the pools, pool asset size, state investment statutes, pool investment policies, pool rating criteria, and other factors. Investments for the money market pools may be driven by state statutes, investment policies, liquidity needs, stress testing results, and rating agency requirements. Investments for Term Series pools are determined in part based on the proposed maturity dates and funding needs for each of the LGIP Advisory Clients. For instance, these LGIP Advisory Clients would likely have different asset levels and different anticipated revenue and expense dates. These factors drive the amount of funding available and proposed duration for a Term Series pool. Advisory personnel then match those funding needs with available investments.

In the event multiple Advisory Clients have similar funding and maturity dates, the Advisor will generally invest on a pro-rata basis based on the total asset base of the applicable Fund versus the total asset base of all Advisory Clients. To the extent possible, the Advisor will determine a fit and need for all its portfolios when executing investments. Exceptions to this allocation methodology include, but are not limited to, differing legal prohibitions among the advisory clients or issues which do not equally impact each of the advisory clients. Accordingly, the LGIPs, as a result, may experience some performance differences and there can be no assurance that a particular investment opportunity will be allocated in a particular manner.

Item 13 Review of Accounts

The Advisor and its Affiliates regularly review the Advisory Clients money market portfolios. In particular, the Fund Administration and Compliance departments have implemented controls and regularly review Portfolio holdings for compliance with applicable state statutes, the applicable Fund's governing documents and other applicable requirements. In addition, the Fund Administration and Compliance departments review on at least a weekly basis compliance with mark-to-market directives and weighted average maturity and the Fund Administration department provides weekly data on the money market LGIPs to the applicable rating agency.

Advisory Clients receive regular investment reports. Generally, the frequency of the reports will be no less than quarterly, at the applicable Client's Board meeting, unless the Client instructs otherwise. Reports will include asset allocation, individual investment data, monthly and annual investment performance data, and other account related or general economic and market information as appropriate. These reports also include a report reflecting compliance with the investment holdings and restrictions for the applicable Fund.

For money market pools in which the Advisor manages the assets, the Advisor's Chief Credit Officer monitors the pool's assets for any credit concerns during such time as the LGIP holds such assets. For money market pools which are managed by a Sub-advisor, assets are monitored for any credit concerns by the Sub-advisor, with oversight from the Advisor.

The assets in a Term Series portfolio are designed to be held until maturity. These assets and any collateral are monitored for any credit concerns during the term of the pool by the Chief Credit Officer.

Item 14 Client Referrals and Other Compensation

The Advisor does not have any arrangements where it is paid cash or receives some benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to Advisory Clients.

The Advisor also does not have any arrangements where it directly or indirectly compensates any person for client referrals. Affiliates of the Advisor provide services for the Advisor in marketing the services of the affiliated entities.

Item 15 Custody

The Advisor maintains Advisory client funds and securities with a "qualified custodian." These qualified custodians are the bank custodians for the Advisory Client LGIPs.

The Advisor would have access to assets in the LGIP portfolios even though such assets are maintained with a qualified custodian because the Advisor and its affiliate, PMA Financial Network, as Fund Administrator or Operational Manager, have the ability to direct those assets as a part of their services to Advisory Clients. For instance, PMA Financial Network, Inc., as the Fund Administrator for the money market and Term Series pools, wires funds as directed by the Advisor, Sub-Advisor, or Fund Participants, and otherwise pays Fund expenses and issues checks for the Funds. In addition, the Advisor as Investment Adviser to a money market pool or the LGIP Term Series pools, may direct the Fund Administrator/Operational Manager to transfer funds to make investments for such pools, and may direct proceeds of matured investments for further investments or redemptions.

Participants in the LGIPs do not receive statements from the LGIP custodian. Instead, the LGIPs are subject to an annual audit and the audited financial statements are distributed to each LGIP participant. The audited financial statements are prepared in accordance with U.S. generally accepted accounting principals by a firm registered with the Public Company Accounting Oversight Board and are distributed to participants within 120 days of the respective Fund's fiscal year end. The audits cover both the money market and Term Series pools.

In addition, the Advisor has adopted and implemented written policies and procedures reasonably designed to prevent violations of the federal securities laws, including the safeguarding of client assets from conversion or inappropriate use by Advisory personnel. These safeguards include, among other things, conducting background checks on Advisory personnel, requiring multiple

authorizations to approve wire transfers and the movement of assets, and undergoing a periodic audit over the internal control surrounding Fund Administration (formally a SAS 70 audit and now known as a SOC No. 1 audit), including the safekeeping of Advisory Client assets.

Item 16 Investment Discretion

A contract between each Advisory Client and the Advisor outlines specific guidelines for the types of securities and maturities that can be bought and sold for a specific portfolio. Within the restrictions and guidelines of the contract, the Advisor is granted authority to determine the securities and amounts bought or sold without obtaining client consent for each transaction. For money market pools for the Advisory Clients, investment decisions are made on a discretionary basis by the Advisor or Sub-advisor.

For the Term Series pools, the standard process is that the pools are established by the governing body of the Client through the execution of a Certificate of Designation (or other corporate oversight). The Advisor has such discretionary authority as set forth in the Certificate of Designation, although Clients may impose additional limitations on investment authority by requiring pre-investment approval or other limitations through the Certificate of Designation applicable to the particular Term Series pool. Advisory Clients may also establish Term Series pools without investment discretion.

Item 17 Voting Client Securities

The Advisor's intent is to ensure that the Advisory Clients' best interests are represented at all times. Proxy votes are the property of the Advisor's LGIP Advisory Clients. As such, the Advisor's authority and responsibility to vote such proxies depend upon its contractual relationships with its clients.

The contractual authority could include the voting of any proxies received for securities held in the Clients' portfolios. While the money market pools and Term Series pools are generally limited to fixed income products and the need to vote proxies is not likely, the Advisor has implemented procedures for proxy voting on behalf of such Client. These procedures would be followed in the unlikely event that there was a security for which proxy voting was required.

In the event there is a Sub-advisor, the responsibility for proxy voting for the money market portfolios for such Advisory Clients lies with the Sub-advisor. Thus, on an annual basis, the Advisor shall review the Sub-advisor's procedures related to proxy voting to ensure the Sub-advisor is compliant with the Fund restrictions and is acting in the Funds' best interests.

Item 18 Financial Information

The Advisor has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage Advisory Client accounts.