

South Dakota Public Funds Investment Trust



Information Statement

April 1, 2019

Introduction

South Dakota Public Funds Investment Trust (“SD FIT” or the “Trust”), is an investment program established for South Dakota public entities sponsored by the South Dakota Municipal League, South Dakota Counties, and Associated School Boards of South Dakota. The Trust was established in 1991 as a common law trust under the Joint Powers Act, Chapter 1-23 of the South Dakota Codified Laws, for eligible Public Agencies, which includes any County, Municipality, School District or other political subdivisions organized under the laws of the State of South Dakota which possess joint powers authority under the South Dakota Codified Laws.

The Declaration of Trust provides for the creation of one or more investment programs for the benefit of Participants. Each investment program is invested in a separate portfolio of Permitted Investments and has separate expenses. The Trust's Board of Trustees (the “Trustees”) determines when and what types of investment programs are made available to Participants.

Participants in the Trust may currently invest in the Government Cash Reserve (“GCR Fund” or the “Fund”). The GCR Fund shall consist solely of Permitted investments, with a maturity of one year or less with an average dollar-weighted maturity of which shall be 90 days or less. The Fund shall be invested, reinvested and in general operated in a manner which will assure, as nearly as is practicable, that the net asset value of each Unit of participation in the GCR Fund shall at all times be valued at \$1.00. The securities in the GCR Fund shall be valued by using the amortized cost method.

Participants in the Trust may also invest in the Fixed Rate Account Investment Program (“FRA”), authorized by the Board of Trustees. Through FRA, Participants may purchase investments for their own portfolio. The Board of Trustees may authorize other Programs of the Trust in the future.

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

INVESTMENT OBJECTIVES AND POLICIES OF THE TRUST

The investment objectives and policies of the Trust are described below. All investments made by the Fund are restricted to Permitted Investments (defined below) and are subject to other restrictions described below under “Investment Restrictions of the Fund”.

General Objective. The general objective of the Trust is to provide the Participants the highest possible investment yield while maintaining liquidity and preserving capital by investing only in instruments authorized by South Dakota laws which govern the investment of funds by Public Agencies. The Trust seeks to attain its investment objectives by pursuing a professionally managed investment program consistent with the policies and restrictions described herein.

SD FIT GCR Fund. The SD FIT GCR Fund will invest solely in Permitted Investments (defined below), in such a manner as to result in an average dollar weighted maturity for the portfolio of no greater than ninety (90) days and with a maturity of one year or less; provided, however, that those securities listed in Section 2.2(b)(iv) may have a maturity in excess of one year. The GCR Fund shall be invested, reinvested and in general operated in a manner which will assure, as nearly as is practicable, that the net asset value of each Unit of participation in the GCR Fund shall at all times be valued at \$1.00. The securities in the GCR Fund shall be valued by using the amortized cost method.

No assurance can be given that the Fund will achieve its investment objectives or that any benefits described in this Information Statement will result from the placement of monies in any program of the Trust by a Public Agency that becomes a Participant. However, the Investment Advisor intends to make all reasonable efforts to meet the applicable Fund's investment objectives.

Under adverse market, economic, political or other conditions, including conditions when the Investment Advisor is unable to identify attractive investment opportunities, each program may temporarily invest in, without limitation, to the extent permitted by applicable law, such securities and cash that the Investment Advisor believe are consistent with the preservation of a portfolio's principal and the maintenance of suitable liquidity and yield. Should the Fund make a temporary investment under such conditions, the Fund may not achieve its investment objective and it may not achieve the same yield had the Fund not made a temporary investment.

SD FIT INFORMATION

Investment Risks

Although the Investment Advisor for the Trust will try to invest wisely for each program of the Trust, all investments involve risk. A decline in short-term interest rates will reduce the yield of a Fund. The Trust 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 a 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. A Fund will have industry concentration risk to the extent its 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 Trust 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. Participants could lose money investing in the Trust, and there can be no assurance that the SD FIT Government Cash Reserve and any other Trust program that seeks to maintain a stable value of \$1.00 per share will be able to do so.

INVESTMENTS IN SD FIT INVOLVE CERTAIN RISKS WHICH SHOULD BE CONSIDERED BY EACH POTENTIAL PARTICIPANT BEFORE INVESTING. FOR FURTHER INFORMATION REGARDING CERTAIN RISKS ASSOCIATED WITH INVESTMENTS IN SD FIT, SEE "PRINCIPAL RISK FACTORS" BELOW.

Investment Policy

The general investment approach and objectives of the Trust, including SD FIT GCR Fund, shall be to provide the highest possible investment yield, while maintaining liquidity and preserving capital.

SD FIT Permitted Investments

The permitted investments of the Trust comply with specific requirements of South Dakota law applicable to the investment of Participants' funds, and, as set forth in Section 2.2(b) of the Declaration of Trust, include:

- (i) any evidence of indebtedness which is a direct obligation of or is guaranteed as to payment of principal and interest by the United States of America or any of its agencies;
- (ii) any evidence of indebtedness which is guaranteed, directly or indirectly, as to the payment or principal and interest by the United States of America or any of its agencies;
- (iii) perfected repurchase agreements involving securities in subsections (i) and (ii) above;

- (iv) deposits in a national bank or in a state bank or savings and loan association or savings bank insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, provided that any such deposit shall be insured, bonded or collateralized in the manner required by law and that any such bank or association or savings bank shall be located in South Dakota;
- (v) variable rate instruments issued or guaranteed, directly or indirectly, by the United States of America or any of its agencies, for which the variable rate of interest is readjusted no less frequently than every 762 days;
- (vi) shares, registered under the Securities Act of 1933, of open-end, no load funds issued by an investment company registered under the Investment Company Act of 1940, and whose only investments are in those securities described in subsections (i), (ii) or (iii) above; and
- (vii) such other investment instruments now or hereafter permitted by applicable law for the investment of moneys of Public Agencies organized under the laws of the State of South Dakota.

Included within the last category are direct obligations of any county, municipality, or school district in the State of South Dakota, and bonds issued by the South Dakota Housing Development Authority, the South Dakota Health and Educational Facilities Authority, or the South Dakota Building Authority. These municipal obligations must be rated in the two highest general classifications by a major rating organization. Other than permanent, trust, retirement, building, and depreciation reserve funds, such securities shall mature with 18 months from the date of purchase or be redeemable at par or at the option of the holder within 18 months from the date of purchase.

Notwithstanding the foregoing, the GCR Fund shall consist solely of Permitted investments, with a maturity of one year or less with an average dollar-weighted maturity of which shall be 90 days or less; provided, however, that those securities listed in subsection (iv) above may have a maturity in excess of one year.

The Fixed Rate Account shall consist solely of securities listed in subsections (i), (ii) and (iv) above, with a maturity not to exceed 60 months. Any Participant shall have the right to invest through the Fixed Rate Account in any security selected by such Participant and permitted in the Fixed Rate Account, subject to such reasonable procedures and restrictions as the Board of Trustees determines; provided that a Participant may not invest through the Fixed Rate Account in any security that exceeds 18 months to maturity if the funds to purchase such security are from other than the Participant's permanent, trust, retirement or building funds.

U.S. Government Obligations

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

Repurchase Agreements

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

Municipal Obligations

The Fund may invest in direct obligations of any county, municipality or school district in the State of South Dakota, and bond issued by certain South Dakota authorities, the interest, the interest on which is taxable or tax-exempt under federal law. These municipal obligations must be rated in the two highest general classifications established by a major rating organization. The municipal obligations held by the Fund 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 Fund may purchase may be subject to reset on predetermined dates. Such securities are referred to as “floating-rate obligations” and “variable-rate obligations.” For purposes of calculating weighted average maturity for the portfolio, the interest reset date on these instruments is used.

Investment Restrictions

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

(a) may not make any investment other than investments authorized by the provisions of law applicable to the investment of funds by the Participants, 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;

(c) may not make loans, provided that the Trust may make Permitted Investments; and

(d) may not hold or provide for the custody of any Trust Property in a manner not authorized by law or by any institution or Person not authorized by law.

PRINCIPAL RISK FACTORS

All investments involve risk and investing in the Trust or a fund in the Trust is no exception. Set forth below are the principal risk factors:

Concentration Risk. Any fund that concentrates in a particular segment of the market will generally be more volatile than a fund that invests more broadly. Any market price movements, regulatory or technological changes, or economic conditions affecting banks or financial institutions, may have a significant impact on the applicable fund’s performance.

Credit Risk. The issuer of a debt security in a fund 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 fund’s returns.

Interest Rate Risk. Rising interest rates could cause the value of a fund’s investments — and therefore its share price as well — to decline. Conversely, any decline in interest rates is likely to cause a fund’s share price to increase and the yield to decline. During periods of unusually low interest rates, a fund’s yield may approach zero. While the Trust’s or 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. For 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 a fund relative to fixed rate securities issued by similar issuers and terms to maturity.

Issuer Risk. The value of a security in a fund 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 Trust is not a bank deposit. An investment in the Trust is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Liquidity Risk. A fund could experience significant net redemptions of its shares at a time when it was unable to find willing buyers for its portfolio securities or could only sell its portfolio securities at a material loss.

Management Risk. A fund is subject to management risk, which is the risk that poor security selection by the Investment Advisor could cause a fund to underperform relevant benchmarks or other funds with a similar investment objective. There is no guarantee of the Trust or Fund's performance or that the Trust or Fund 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 a fund may rapidly or unpredictably decline due to factors affecting securities markets generally or particular industries.

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. If the party that sells the securities to a fund defaults on its obligation to repurchase them at the agreed-upon time and price, the applicable fund could lose money.

Stable NAV Risk. Although the GCR Fund 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 fund. The credit quality of the GCR Fund's holdings can change rapidly in certain markets, and the default of a single holding could cause the GCR Fund's share price to fall below \$1.00, as could periods of high redemption pressures and/or illiquid markets. Please see "Additional Information about the Trust" for more information on the steps that may be taken if the share price falls below \$1.00 per share.

Temporary Suspension of Redemptions. Under certain circumstances described in "How to Buy and Redeem Shares of the Fund," redemptions from the Fund may be temporarily suspended.

U.S. Government Obligations Risk. U.S. government obligations may be adversely impacted by changes in interest rates. 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.

How the Trust is Managed

Participants in the Trust are entitled to vote on the election of Trustees, certain amendments to the Trust's Declaration of Trust and for such other matters as set forth in the Trust's Declaration of Trust. Each Participant is entitled to one vote, so long as Trust shares are held on the record date.

Board of Trustees

For leadership, SD FIT looks to its nine-member Board of Trustees. The Board is composed of representatives from the South Dakota Municipal League, South Dakota Counties, and Associated School board of South Dakota, and has complete control over the business of the Trust and its assets. The Board of Trustees oversees the actions of the Investment Advisor, Administrator and Marketer, Custodian, Legal Counsel, Safekeeping Bank and any other Service Providers (as described below),

following Board direction, and decides on general policies. The name and addresses of SD FIT Trustees are available by calling SD FIT's office at 800-658-3633 or visiting www.sdfit.org.

Administrator

PMA Financial Network, LLC (the "Administrator") provides administrative services to SD FIT and its programs. The Administrator makes available to Participants certain investments including bank deposit products as part of the Fixed Rate Account Program. The headquarters for the Administrator is Naperville, Illinois and it has a regional office in Albertville, MN servicing SD FIT.

The Administrator services all Participant accounts in all programs of the Trust; determines and allocates income of the Trust; provides administrative personnel and facilities to the Trust; determines the net asset value of the GCR Fund on a daily basis; and performs related administrative services for the Trust. The Administrator supervises all operational aspects of the Trust, other than those delegated to the Investment Advisor, Custodian and Distributor, and as part of the Fixed Rate Account Program, makes available certain deposit products to Trust investors which are not sold through PMA Securities, LLC, an affiliate of the Administrator. The Administrator, Investment Advisor and Fixed Rate Account Program Providers are under common ownership.

Investment Advisor

Prudent Man Advisors, 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 Trust. The Investment Advisor is an affiliate of PMA Financial Network, LLC, the Funds' Administrator, and PMA Securities, LLC, a registered securities broker-dealer and municipal advisor, serving as a Fixed Rate Account (FRA) Program Provider.

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 GCR Fund of the Trust in accordance with its investment objectives and policies.

Marketer

South Dakota Municipal League serves as the SD FIT Marketer/Distributor. The Marketer engages in distribution efforts; assists investors in completing and submitting registration forms; assists in preparing and distributing information about the Trust and its investment services; and advises the Trustees regarding methods of seeking and obtaining additional investors for the Trust.

Fixed Rate Account Program Providers

PMA Securities, LLC (a "FRA Program Provider"), a broker-dealer and municipal advisor registered with the U.S. Securities and Exchange Commission and Municipal Securities Rulemaking Board, is a Fixed Rate Account Program Provider for program of the Trust and in that role, makes available to Trust investors U.S. government securities and other securities and products for a municipal advisory account as part of the Fixed Rate Account Investment Program. The FRA Provider, which has its headquarters in Naperville, Illinois, has a branch office in Albertville, MN. PMA Securities is a member of FINRA and SIPC.

Custodian

Wells Fargo Bank, N.A. serves as the Custodian of the Trust and maintains custody of all securities and cash assets purchased for the benefit of Trust Participants. The Custodian 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

Independent Auditor

Eide Bailly LLP serves as the independent auditor of the Trust.

Fees and Expenses of the Funds

The Trust pays fees to the Administrator, the Investment Advisor, and the Marketer as reflected below. The Trust also has other operating expenses such as legal, custodian, banking, rating services, insurance premiums, auditing fees and any other operating expenses not expressly assumed by any of the Trust's service providers. The Fund is invested in a separate portfolio of Permitted Investments from those of other programs. In the event there are multiple funds in the Trust, each fund pays those fees that identifiable to that fund, and, if applicable, pays a pro-rata share of any expenses of the Trust that are not specifically identified to a particular fund based on Average Daily Net Assets ("ADNA") of such fund.

The Administrator:

The GCR Fund pays the Administrator a fee in the amount of 0.14% of the ADNA of the GCR Fund. These fees shall be accrued daily and paid monthly in arrears on the third business day of each month.

The Investment Advisor:

The GCR Fund pays the Investment Advisor a fee in the amount of 0.09% of the ADNA of the GCR Fund. These fees shall be accrued daily and paid monthly in arrears on the third business day of each month.

The Marketer:

The GCR pays the Marketer a fee based on the ADNA of the GCR Fund in an amount determined as follows: 0.13% of the first \$50,000,000; 0.10% on the next \$25,000,000; and 0.08% over \$75,000,000. These fees shall be accrued daily and paid monthly in arrears on the third business day of each month.

Other Expenses/Waivers:

Other expenses payable by the Trust 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.

From time to time, the Administrator, Investment Advisor, and Marketer may voluntarily forego a portion of their fees to support a positive yield to the Trust. 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.

ADDITIONAL INFORMATION ABOUT THE TRUST

Portfolio Valuation GCR Fund

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 GCR 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 net asset value 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 GCR Fund has implemented procedures for certain additional actions or disclosures.

Under the Declaration of Trust, the net income of the GCR Fund (including realized 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 GCR Fund shall remain at a constant dollar value of \$1.00 or integral of 1/100ths thereof. 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 GCR 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 GCR 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 GCR Fund 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 GCR Fund and its adoption of the Declaration of Trust.

Distributions

Dividends of the Fund are declared daily and paid monthly. Participants are entitled to receive dividends on shares of the applicable Fund beginning on the day of purchase provided the funds were deposited into such Fund on the day of purchase. 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).

Tax Issues

The Trust and its programs are not subject to Federal or state 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 South Dakota for Federal tax purposes.

Performance Information

Government Cash Reserve Fund. The Fund may publish the "current yield" and "effective yield" of the GCR Fund 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 Fund 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, if applicable, 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 (www.sdfit.org).

The current yield of the GCR 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 GCR Fund may also quote a current effective yield of the GCR Fund in advertisements, sales materials and investor reports available on the Trust's website at <http://www.sdfit.org>. The effective yield is calculated in the same manner, but when annualized, the income earned by an investment in the GCR 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. At the request of the Trustees or Participants, the GCR Fund may also quote the current yield from time to time on bases other than seven days for the information of its Participants.

Current yield information for the Fund may be quoted in reports, literature and advertisements published by the Funds. Any waivers of fees, as set forth herein, may positively impact the performance of the Funds. 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 Trust's website at <http://www.sdfit.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's 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.

Fixed Rate Account Program. Information regarding the yield of investments made through the Fixed Rate Account Investment Program may be provided or reported from time to time by the Administrator. It will be reported on the basis of simple interest calculated on a 365 day year or will be based on such other methods of calculation as the Board shall deem appropriate.

Reports to Board and Participants

The Board and Participants will receive an audited annual report from the Trust's independent auditor, which contains important financial information about the GCR Fund. Participants will also receive confirmation of purchases and redemption of shares in the Fund, 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.

Daily Income Allocations

Government Cash Reverse Fund Shares. All net income of the GCR Fund is determined as of the close of business on each South Dakota banking day (and at such other times, if any, as set forth in the Custodian or Investment Advisory, Distribution or Administration and Fixed Rate Account Program Provider Agreements or as the Trustees may determine) and is credited immediately thereafter pro rata to each Participant's account. Net income, which has thus accrued to the Participants is converted as of the close of business of each calendar month into additional shares of beneficial interest which thereafter are held in each Participant's GCR Fund account. Such net income is converted into full and fractional shares of beneficial interest at the rate of one share for each one dollar (\$1.00) credited. Although daily income accruals are not automatically transmitted in cash, Participants may obtain cash by withdrawing shares at their net asset value without charge.

Net income for each income period consists of (i) all accrued interest income on Fund assets, (ii) plus or minus all realized gains or losses on Portfolio assets and any amortized purchase discount or premium,

and (iii) less the GCR Fund accrued and paid expenses (including accrued expenses and fees payable to the Investment Advisor, the Administrator and Distributor, and the Custodian) applicable to that income period.

Under the Declaration of Trust, the net income of the GCR Fund (including realized 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 GCR Fund shall remain at a constant dollar value of \$1.00 or integral of 1/100ths thereof. 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 GCR 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 GCR 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 GCR Fund 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 GCR Fund and its adoption of the Declaration of Trust.

Automatic Reinvestment

Government Cash Reserve Fund. The GCR Fund pays out—or distributes—the net investment income of the Fund to investors. For convenience, distributions will automatically be reinvested in the GCR Fund at the then current net asset value.

HOW TO BUY AND REDEEM SHARES OF THE FUND

How to Buy Shares in the Fund

To buy shares in the Fund, Participants may contact the Administrator (see below) or the Marketer at (866) 314-0060 or obtain account opening forms on the Trust's website at www.sdfit.org. Completed forms should be provided to the Administrator by email, with the originals mailed to:

Transactions in the Fund can be made by telephone with a representative of the Administrator. In addition, orders for the Fund 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 Trust's website (www.sdfit.org).

The net asset value of the Fund is determined as of the close of business on each business day for transactions that business day. When shares of the Fund are purchased, the price paid will be the net asset value of the applicable Fund next determined after receipt of the order to purchase. Requests to purchase must be received by 10:00 a.m. Central Time for processing that day. Requests received after 10:00 a.m. Central Time will be processed on the following Business Day.

Account information can be obtained via the Trust's website at www.sdfit.org. 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 on the Fund's website at www.sdfit.org or by calling the Administrator at (866) 314-0060.

Fixed Rate Account

For purchases through the Fixed Rate Account Program, investors should contact the Administrator or the Fixed Rate Account Program Providers at (800) 658-3633. Completed forms should be provided by email, with the originals mailed to:

PMA Financial Network, LLC/PMA Securities, LLC
2135 CityGate Lane, 7th Floor
Naperville, IL 60563

How to Redeem Shares in the Fund

Authorized Participants may withdraw funds from the Fund online via the PMA GPS System available through the Trust's website or by calling the Administrator at (866) 314-0060. When shares of the Fund are redeemed, the price received will be the net asset value of the applicable Fund next determined after receipt of the order to redeem. Redemption requests must be received by 10:00 a.m. Central Time for payment that day. Requests received after 10:00 a.m. Central Time will be processed on the following Business Day.

Per the Declaration 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 South Dakota 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 Funds of its investments is not reasonably practicable because of the substantial losses which might be incurred or it is not reasonably practicable for the applicable 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 in the Fund, please call the Administrator at (866) 314-0060.

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 Trust, are engaged in businesses in addition to the operational, distribution and investment management of the Trust.

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.

Service Providers

The service providers to the Trust may from time to time act as manager, investment manager, broker, custodian, registrar, legal counsel, auditors, bankers, 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 Funds. 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 Trust.

FIXED RATE ACCOUNT PROGRAM

Fixed Rate Account Program

As authorized by the Board of Trustees, the Fixed Rate Account Program Providers offer Trust Participants a Fixed Rate Account Investment Program. Trust Participants may contact the Fixed Rate Account Program Providers (FRA Providers) directly to purchase investment instruments in the SD FIT Fixed Rate Account. Permitted investments which may be purchased through the Fixed Rate Account include those investments listed in subsections (i), (ii), and (iv) of the SD FIT Permitted Investments section of this Information Statement, including CDs and securities of the United States government and its agencies and instrumentalities. Investors may purchase instruments of varying maturities (including maturities of more than one year) issued by a variety of issuers. The maturity for investments through the Fixed Rate Account may not exceed 5 years, provided that a Participant may not invest through the Fixed Rate Account in any security that exceeds 18 months to maturity if the funds to purchase such security are from other than the Participant's permanent, trust, retirement or building funds.

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 Trust will be credited on the next business day.

Participants may purchase investments through SD FIT's Fixed Rate Account Program Providers and shall pay an annualized mark-up or commission of up to 0.15% on commercial paper and bankers' acceptances; 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. Participants purchasing securities of the U.S. government and its agencies or municipal securities through this Program shall pay an annualized mark-up or commission to the applicable Fixed Rate Account Program Provider of up to 0.15% of the principal amount of each such investment. Securities, DTC CDs and investments for accounts in which proceeds of municipal securities are held (municipal advisory accounts, are sold through PMA Securities, LLC, a registered broker-dealer and municipal advisor. All other Fixed Rate Account investments are sold through PMA Financial Network, LLC.

With respect to investments in the Fixed Rate Account Program, FRA Program Providers will generally contact Participants by telephone regarding maturities of their investments on the day of maturity.

FUND SERVICE PROVIDERS

MARKETING

SD FIT Marketing
South Dakota Municipal League
208 Island Drive
Ft. Pierre, SD 57532

SPONSORING ASSOCIATIONS

South Dakota Municipal League
South Dakota Association of County Commissioners
South Dakota Association of County Officials
Associated School Boards of South Dakota

INVESTMENT ADVISOR

Prudent Man Advisors, LLC
2135 CityGate Lane, 7th Floor
Naperville, Illinois 60563

ADMINISTRATOR

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

FIXED RATE ACCOUT PROGRAM PROVIDERS

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

CUSTODIAN

Wells Fargo Bank, N.A.
Corporate, Municipal and Escrow Solutions
600 S. 4th Street, 6th Floor
MAC N9300-060
Minneapolis, MN 55479

INDEPENDENT AUDITORS

Eide Bailly LLP