DUPREE MUTUAL FUNDS

TAX-EXEMPT MUNICIPAL BOND FUNDS

Alabama Tax-Free Income Series – DUALX
Kentucky Tax-Free Income Series – KYTFX
Kentucky Tax-Free Short-to-Medium Series – KYSMX
Mississippi Tax-Free Income Series – DUMSX
North Carolina Tax-Free Income Series – NTFIX
North Carolina Tax-Free Short-to-Medium Series – NTSMX
Tennessee Tax-Free Income Series – TNTIX
Tennessee Tax-Free Short-to-Medium Series – TTSMX

TAXABLE MUNICIPAL BOND FUND

Taxable Municipal Bond Series – DUTMX

GOVERNMENT BOND FUND

Intermediate Government Bond Series – DPIGX

STATEMENT OF ADDITIONAL INFORMATION

November 1, 2022

TABLE OF CONTENTS

This Statement of Additional Information is not a Prospectus and should be read in conjunction with the Trust’s Prospectus dated November 1, 2022. A Prospectus and the Trust’s most recent Annual and Semi-Annual Reports which include a complete listing of the Trust’s portfolios may be obtained, without charge, by calling the Trust at (859) 254-7741 or toll free (800) 866-0614 or writing the Trust at P.O. Box 1149, Lexington, KY 40588 or online at www.dupree-funds.com or via e-mail to info@dupree-funds.com. The financial statements as of June 30, 2022, appear in the Trust’s Annual Report which is incorporated by reference into this Statement of Additional Information.

GENERAL INFORMATION AND HISTORY

Dupree Mutual Funds is an open-end, no-load mutual fund family that offers shares in separate investment Series (hereinafter "Fund" or "Funds") to the public. We have been in continuous operation since 1979, first as the Kentucky Tax-Free Income Fund, Inc. and in our current form since 1987. We were organized as a Kentucky Business Trust on July 1, 1987, as the successor to the trust organized in 1979. We currently offer no-load mutual fund shares in ten Funds that invest in professionally managed bond portfolios. The Alabama Tax-Free Income Series, the Kentucky Tax-Free Income Series, the North Carolina Tax-Free Income Series, the North Carolina Tax-Free Short-to-Medium Series, the Tennessee Tax-Free Income Series, and the Intermediate Government Bond Series are diversified Funds. The Kentucky Tax-Free Short-to-Medium Series, The Mississippi Tax-Free Income Series, the Tennessee Tax-Free Short-to-Medium Series, and the Taxable Municipal Bond Series are non-diversified Funds. Our investment adviser for each Fund is Dupree & Company, Inc. Dupree & Company, Inc. is a Lexington, Kentucky firm with more than 60 years of experience in managing, underwriting and trading Kentucky municipal securities.

INVESTMENT OBJECTIVES AND POLICIES

As stated in our Prospectus, the investment objective for each of our ten Funds is to realize a high and stable level of income without incurring undue risk to principal. Eight of the ten Funds we offer invest in bond portfolios consisting of tax-exempt municipal bonds issued in a single state. These Funds (with only minor exceptions) invest in municipal bonds from Alabama, Kentucky, Mississippi, North Carolina or Tennessee, respectively, in order to provide interest income exempt from federal income tax, including the alternative minimum tax, and in certain states, from state income tax as well. Investors should consult our Prospectus for a description of the investment objectives of these Funds and the manner in which these Funds seek to achieve their objectives.

Our Taxable Municipal Bond Series seeks to provide a high and stable level of taxable income derived from taxable municipal bonds without incurring undue risk to principal. The interest earned on these bonds is fully taxable at the federal level and may be subject to tax at the state level. Investors should consult our Prospectus for a description of the investment objectives of this Fund and the manner in which this Fund seeks to achieve its objectives.

Our Intermediate Government Bond Series seeks to provide a high and stable level of taxable income derived from bonds issued by the U.S. Government and its agencies and instrumentalities without incurring undue risk to principal. The interest earned on these bonds is fully taxable at the federal level and may be subject to tax at the state level. Investors should consult our Prospectus for a description of the investment objectives of this Fund and the manner in which this Fund seeks to achieve its objectives.

We have established a number of investment policies and restrictions to help ensure that the investments of each Fund are consistent with its investment goals. Certain of these policies are deemed "fundamental," meaning that they are subject to change only upon approval by the holders of a majority of the outstanding voting securities of the affected Fund. "Non-fundamental policies" may be changed without a vote of the shareholders. The fundamental policies of each of the Funds are set forth below and in the "Investment Restrictions" section that follows. As used in the Prospectus and this Statement of Additional Information, with respect to any matter requiring shareholder approval, whether it be shareholder approval within an affected Fund or the shareholders of the Trust, the phrase "majority of the outstanding voting securities " means the vote at a meeting of (i) 67% or more of the shares present or represented, if the holders of more than 50% of the outstanding shares of the affected Fund are present in person or represented by proxy, or (ii) more than 50% of the outstanding shares of the affected Fund, whichever is less.

Tax-Exempt Municipal Bond Funds

Alabama Tax-Free Income Series
Kentucky Tax-Free Income Series
Kentucky Tax-Free Short-to-Medium Series
Mississippi Tax-Free Income Series
North Carolina Tax-Free Income Series
North Carolina Tax-Free Short-to-Medium Series
Tennessee Tax-Free Income Series
Tennessee Tax-Free Short-to-Medium Series

As stated in our Prospectus, the investment objective for our eight single state tax-exempt municipal bond Funds is to realize a high and stable level of tax-exempt income as determined by a shareholder's state of residence without incurring undue risk to principal. In general, interest income derived from municipal bonds is exempt from federal income tax (including alternative minimum tax) and, for residents in certain of the states in which we offer shares, from state income tax as well. Accordingly, as a matter of fundamental policy, these Funds invest in tax-exempt issues from a single state (Alabama, Kentucky, Mississippi, North Carolina or Tennessee) in order to maximize the tax exemption available to shareholders in certain states where our shares are offered. The only exception to this policy is that, when abnormal market conditions warrant doing so, we may from time to time invest in taxable securities on a temporary basis. Investors should consult our Prospectus and the "Tax Information" section that follows for a more complete discussion of the tax consequences of these investment policies.

The Alabama Tax-Free Income Series, the Kentucky Tax-Free Income Series, the North Carolina Tax-Free Income Series, The North Carolina Tax-Free Short-to-Medium Series, the Tennessee Tax-Free Income Series and the Intermediate Government Bond Series maintain diversified portfolios, while the Kentucky Tax-Free Short-to-Medium Series, the Mississippi Tax-Free Income Series, the Tennessee Tax-Free Short-to-Medium Series and the Taxable Municipal Bond Series maintain non-diversified portfolios. Compared to a diversified portfolio, a non-diversified portfolio may invest a higher percentage of its assets among fewer issuers of securities. This increases a non-diversified Fund's risk by magnifying the impact (positively or negatively) that any one issuer may have on the Fund's share price and performance.

For each of the single-state tax-exempt municipal bond funds, at least 80% of the Alabama, Kentucky, Mississippi, North Carolina or Tennessee municipal securities we purchase must be municipal bonds within the four highest grades (investment grade) assigned by U.S. nationally recognized statistical rating organizations (NRSROs) at the time of purchase; or municipal notes rated at the time of purchase within the three highest grades assigned by U.S. NRSROs, or Alabama, Kentucky, Mississippi, North Carolina or Tennessee municipal bonds and notes not rated within the grades specified above, but secured by the full faith and credit of the United States Government (i.e., pre-refunded municipal bonds collateralized by U.S. Government securities). A description of the general characteristics of the municipal securities qualifying for ratings specified above follows.

No more than 20% of the value of our total assets in each of the Alabama Tax-Free Income Series, the Kentucky Tax-Free Income Series, Kentucky Tax-Free Short-to-Medium Series, the Mississippi Tax-Free Income Series, the North Carolina Tax-Free Income Series, the North Carolina Tax-Free Short-to-Medium Series, the Tennessee Tax-Free Income Series, or the Tennessee Tax-Free Short-to-Medium Series will be invested in securities which are not rated, but which, in the opinion of our investment adviser, would have been rated as investment grade if the issuers had sought a rating at the time of issuance. Issuers may elect not to secure a rating for an issue if it is not needed to effectuate the sale of the issue or for cost reasons.

The ratings described below reflect the opinions of the NRSROs as to the quality of the municipal securities they undertake to rate. As such, the ratings represent broad guidelines rather than absolute standards of quality. You should also bear in mind that credit rating services usually rate an issue of municipal securities at the time it is first offered to the public, and once issued, a rating is seldom updated unless and until the municipal issuer makes a further offering of its securities. Our investment adviser will make its own evaluation of each security it selects for our portfolios and will continue to evaluate each portfolio security so long as we hold it.

Ratings of Municipal Notes and Bonds

NRSROs denote quality ratings in descending alphabetic order with the highest quality securities having a rating of "**AAA**" or "**Aaa**." Securities rated "**AAA**" or "**Aaa**" are considered the highest quality credits and the obligor's capacity to meet its financial commitment on the obligation is extremely strong. Securities rated "**AA**" or "**Aa**" are considered high quality credits with some elements that would make long-term risks appear somewhat larger, but the obligor's capacity to meet its financial commitment on the obligation is very strong. Securities rated "**A**" are considered as safe upper medium grade investment grade obligations that are somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions. However, the obligor's capacity to meet its financial commitment on the obligation is still strong. Securities rated "**BBB**" or "**Baa**" are considered medium grade, neither highly protected nor poorly secured. Interest payments and principal security appear adequate for the present, but certain protective elements may be lacking or may be characteristically unreliable over a great length of time. Some credit rating agencies may denote ratings on municipal notes in a numeric order with a one ("1") being the best quality; a two ("2") representing high quality with margins of protection ample, although not so large as in the preceding group; and a three ("3") representing favorable quality, with all security elements accounted for, but lacking the undeniable strength of the preceding grades. Market access for refinancing, in particular, is likely to be less well established.

Description of Municipal Bonds

Municipal bonds are obligations issued by a state, its political subdivisions, and the districts, authorities, agencies and instrumentalities of the state and its political subdivisions, the interest of which is generally exempt from federal and state income taxes, for residents of the states which issue the securities.

Municipal bonds are issued for various public purposes including the construction of airports, highways, housing, hospitals, pollution abatement facilities, schools, streets, water and sewer works, gas and electric utilities and university buildings. Municipal issuers can issue bonds for the purposes of refunding outstanding obligations, obtaining funds to finance other public institutions and meeting general operating expenses. Industrial building revenue bonds, which are considered municipal bonds if the interest paid thereon is exempt from federal and state income taxes, are issued by or on behalf of public authorities to finance construction of privately operated facilities such as manufacturing plants, housing, sports arenas and pollution control installations. Our investments in industrial building revenue bonds are subject to the restrictions set forth in Paragraph 10 of the "Investment Restrictions."

There are different types of municipal bonds. "General obligation" bonds are secured by the issuer's pledge of its full faith, honor, credit and/or taxing power for the payment of principal and interest. "Revenue" bonds are payable from and secured by a particular revenue stream, such as lease rentals, utility usage and connection charges, student registration or housing fees, bridge or highway tolls, parking fees, sports event gate receipts, etc. Although municipal authorities issue industrial building revenue bonds, revenues derived from a lease rental contract with a non-governmental user typically secure them. Some revenue bonds, including industrial building revenue bonds, are secured by a mortgage on the rental property. Improvement assessment bonds are obligations secured by a special assessment (e.g., a sewer charge) that the governmental issuer imposes on each owner of property benefited by the improvement (e.g., a sanitary sewer project). The assessments are similar to taxes and have a priority that is similar to a tax lien. "Refunded" or "defeased" bonds are secured by an escrow fund which, usually, is invested in United States Government securities and occasionally in bank certificates of deposit or similar instruments. Housing bonds are usually secured by mortgages that the issuer acquires and pledges for the payment of the bonds. Local housing authorities sometimes issue bonds that are secured by rentals from the operation of a housing project. Housing bonds may also have additional security in the form of federal guarantees of the mortgages or rentals constituting the primary security.

Because of constitutional limitations, the Commonwealth of Kentucky cannot enter into a financial obligation of more than two years' duration. Municipal issuers within the Commonwealth cannot enter into a financial obligation of more than one year's duration. As a consequence, the payment and security arrangements applicable to Kentucky revenue bonds differ significantly from those generally applicable to municipal revenue bonds in other states. Many city and county construction projects are financed through bonds that are nominally issued in the name of a public corporation that holds title to the project and leases the project back to the city or county on a year-to-year renewable basis. In this situation, the rent that the nominal issuer receives from the actual user of the property financed by the bonds is the only source of any security for the payment of the bonds, so that a failure by the user to renew the lease in any year will put the bonds into default. Revenue bonds issued by the Commonwealth of Kentucky are not a direct obligation of the state.

At times, we may purchase municipal bonds when a new issue is being offered in an underwriting, at which time the securities are offered on a "when-issued" basis, meaning that the delivery date is unknown. This means we would commit to purchase the securities at an agreed price to be paid at the time of delivery, usually in 30 to 45 days. During the period prior to delivery, we will not have paid for the securities and will not receive interest on them. There is a slight risk that such securities will not be delivered. It is also possible that by the delivery date, due to changing market conditions, the market value of the securities will be higher or lower than the price we have committed to pay. We do not intend to make when-issued purchase commitments for speculative purposes, but only to accomplish our investment objectives. Therefore, when we commit to purchase bonds on a when-issued basis, we will identify designated readily marketable assets at least equal to the amount of the purchase to pay for the commitment. During any such period in which assets are identified to meet a "when-issued" purchase commitment, we will ordinarily sell other assets not so identified if sales are necessary to meet shareholder redemption requests. In the unlikely event that it becomes necessary for us to sell when-issued securities before delivery, any resulting gain or loss would not be tax-exempt.

Unlike other types of investments, municipal bonds traditionally have not been subject to registration and/or regulation by the U.S. Securities and Exchange Commission ("SEC"). However, there have been proposals that could lead to future regulation of municipal securities by the SEC. The amount of information available about municipal bonds is generally less than that for corporate bonds or equities and the investment performance of our Funds that invest in municipal bonds may be more dependent on the analytical abilities of the investment adviser than would be the case for a stock fund or corporate bond fund. The investment adviser will apply investment techniques and risk analyses in making investment decisions for the Funds, but there can be no guarantee that these decisions will produce the desired results. The secondary market for municipal bonds also tends to be less well developed and less liquid than many other securities markets.

Taxable Municipal Bond Series

The Fund seeks to provide a high and stable level of taxable income derived from taxable municipal bonds without incurring undue risk to principal. The taxable municipal bonds held in this portfolio will be of investment grade quality (those rated "BBB" or "Baa" or higher by U.S. NRSROs at the time of purchase) with a weighted average nominal maturity normally ranging from 10-30 years. The interest earned on these securities is fully taxable at the federal level and may be subject to tax at the state level.

The Fund may also invest in taxable municipal bonds issued pursuant to the American Recovery and Reinvestment Act of 2009 (the "Act") or other legislation providing for the issuance of taxable municipal debt on which the issuer receives federal support ("Build America Bonds"). Enacted in February 2009, the Act authorized state and local governments to issue taxable bonds for which, provided certain specified conditions are met, issuers may either (i) receive reimbursement from the U.S. Treasury with respect to the interest payments on the bonds ("direct pay" Build America Bonds) or (ii) provide tax credits to investors in bonds ("tax credit" Build America Bonds). The federal interest subsidy on direct pay Build America Bonds continues for the life of the bonds. Build America Bonds provide an alternative form of financing to state and local governments and, in certain cases, may provide a lower net cost of funds to issuers.

The Taxable Municipal Bond Series will maintain a non-diversified portfolio. In periods of normal market conditions either (1) the Fund's assets will be invested so that at least 80% of the income will be taxable or (2) the Fund will have at least 80% of its net assets invested in taxable municipal bonds. The Fund may invest up to 20% of its net assets in bonds other than taxable municipal bonds, including but not limited to: U.S. Treasury securities, and securities and obligations of the U.S. Government, its agencies and instrumentalities.

Unlike most other municipal bonds, interest received on Build America Bonds is subject to federal income tax and may be subject to state tax. Issuance of Build America Bonds ceased on December 31, 2010, as Congress declined to extend the provisions of the Act. As such, at the present time issuers are not able to issue additional Build America Bonds. However, Build America Bonds continue to be actively traded in the secondary market.

The Fund does not invest in any "tax credit" bonds authorized by the Act. As such, the Fund does not expect to receive or pass through to shareholders tax credits as a result of investments.

Intermediate Government Bond Series

As stated in our Prospectus, the Fund seeks to provide a high and stable level of income without incurring undue risk to principal by investing in a portfolio consisting of: 1) bonds issued by the U.S. Government such as U.S. Treasury Notes and Bills; 2) bonds issued by agencies or instrumentalities of the U.S. Government such as obligations of the Federal Farm Credit Banks, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association and the Federal Home Loan Bank; 3) bank accounts fully insured by the FDIC or collateralized by federal government or federal agency bonds; and 4) repurchase agreements fully collateralized by issues of the U.S. Government or its agencies. The Intermediate Government Bond Series will maintain a diversified portfolio as described in our Prospectus and in the "Investment Restrictions" section below.

INVESTMENT RESTRICTIONS

We have adopted certain investment restrictions that may not be changed without the approval of the holders of a majority of the outstanding voting securities of the affected Fund. Under these restrictions, we may **not** take any of the following actions with respect to each fund:

Alabama Tax-Free Income Series, Kentucky Tax-Free Income Series, North Carolina Tax-Free Income Series, Tennessee Tax-Free Income Series, and North Carolina Tax-Free Short-to-Medium Series

1. With respect to 75% of the value of our total assets as of the close of each fiscal quarter, purchase the securities of any single issuer (except the United States Government, its agencies and instrumentalities), if, as a result, more than 5% of the value of our total assets would be invested in securities of such issuer (including repurchase agreements with any one bank). For this purpose, the states of Kentucky and Tennessee, each political subdivision of each state, and each district, authority, agency or instrumentality of each state or any of either state's political subdivisions, will be deemed to be a separate issuer.

2. Borrow money, except from banks as a temporary measure for purposes of meeting redemption requests and then only in an amount not exceeding 5% of the value of our total assets.

3. Pledge or hypothecate any of our assets, except as security for a permissible temporary bank borrowing (see Restriction 2), and then only in an amount not exceeding 15% of the value of our total assets.

4. Make loans, except through the purchase of portions of issues or publicly distributed debt securities and entry into repurchase agreements. We will not enter into a repurchase agreement maturing in more than seven business days if, as a result, more than 10% of the value of our net assets would be so invested.

5. Purchase securities subject to legal or contractual restrictions on resale (except those imposed by repurchase agreements).

6. Underwrite the securities of other issuers, except to the extent that our purchase of Kentucky and Tennessee municipal securities directly from the issuer (either alone or as one of a group of bidders) may be deemed to be an underwriting of such securities.

7. Purchase or sell real estate or real estate mortgage loans, but this limitation will not prevent us from purchasing Kentucky and Tennessee municipal securities or other securities secured by real estate or interest in real estate.

8. Purchase or sell commodities or commodity contracts.

9. Purchase equity securities or securities convertible into equity securities.

10. Purchase any security, if, as a result, more than 25% of the value of our total assets would be invested in the securities of issuers having their principal business activities in the same industry. This limitation would preclude us from investing more than 25% of the value of our total assets in industrial building revenue bonds issued to finance facilities for non-governmental issuers in any one industry. However, the limitation does not apply to any other tax exempt municipal securities, to securities issued or guaranteed by the United States government or any of its agencies or instrumentalities.

11. Invest in companies for the purpose of exercising management or control.

12. Invest in securities of other investment companies, except where such investment results from a merger or consolidation with, or an acquisition of assets, another investment company.

13. Make short sales of securities.

14. Purchase securities on margin, except that we may obtain such short term credit as may be necessary for the clearance of securities purchases.

15. Write or invest in put or call options, or any combination thereof.

16. Issue senior securities.

Kentucky Short-to-Medium Series, Tennessee Tax-Free Short-to-Medium Series, and Mississippi Tax-Free Income Series

1. With respect to 50% of the value of our total assets as of the close of each fiscal quarter, purchase the securities of any single issuer (except the United States Government, its agencies and instrumentalities), if, as a result, more than 5% of the value of our total assets would be invested in securities of such issuer (including repurchase agreements with any one bank). For this purpose, the states of Alabama, Kentucky, Mississippi, North Carolina and Tennessee, each political subdivision of the state, and each district, authority, agency or instrumentality of the state or any of its political subdivisions will be deemed to be a separate issuer.

2. Borrow money, except from banks as a temporary measure for purposes of meeting redemption requests and then only in an amount not exceeding 5% of the value of our total assets.

3. Pledge or hypothecate any of our assets, except as security for a permissible temporary bank borrowing (see Restriction 2), and then only in an amount not exceeding 15% of the value of our total assets.

4. Make loans, except through the purchase of portions of issues or publicly distributed debt securities and entry into repurchase agreements. We will not enter into a repurchase agreement maturing in more than seven days if, as a result, more than 10% of the value of our total assets would be so invested.

5. Purchase securities subject to legal or contractual restrictions on resale (except those imposed by repurchase agreements).

6. Underwrite the securities of other issuers, except to the extent that our purchase of Alabama, Kentucky, Mississippi, North Carolina and Tennessee municipal securities directly from the issuer (either alone or as one of a group of bidders) may be deemed to be an underwriting of such securities.

7. Purchase or sell real estate or real estate mortgage loans, but this limitation will not prevent us from purchasing Alabama, Kentucky, Mississippi, North Carolina and Tennessee municipal securities or other securities secured by real estate or interest in real estate.

8. Purchase or sell commodities or commodity contracts.

9. Purchase equity securities or securities convertible into equity securities.

10. Purchase any security, if, as a result as of the close of each fiscal quarter more than 25% of the value of our total assets would be invested in the securities of issuers having their principal business activities in the same industry. This limitation would preclude us from investing more than 25% of the value of our total assets in industrial building revenue bonds issued to finance facilities for non-governmental issuers in any one industry. However, the limitation does not apply to any other municipal securities, to securities issued or guaranteed by the United States Government or any of its agencies or instrumentalities.

11. Invest in companies for the purpose of exercising management or control.

12. Invest in securities of other investment companies, except where such investment results from a merger or consolidation with, or an acquisition of assets of, another investment company.

13. Make short sales of securities.

14. Purchase securities on margin, except that we may obtain such short-term credit as may be necessary for the clearance of securities purchases.

15. Write or invest in put or call options, or any combination thereof.

16. Issue senior securities.

Taxable Municipal Bond Series

1. With respect to 50% of the value of our total assets as of the close of each fiscal quarter, purchase the securities of any single issuer (except the United States Government, its agencies and instrumentalities), if, as a result, more than 5% of the value of our total assets would be invested in securities of such issuer (including repurchase agreements with any one bank). For this purpose, each state, each political subdivision of a state, and each district, authority, agency or instrumentality of a state or any of its political subdivisions will be deemed to be a separate issuer.

2. Borrow money, except from banks as a temporary measure for purposes of meeting redemption requests and then only in an amount not exceeding 5% of the value of our total assets.

3. Pledge or hypothecate any of our assets, except as security for a permissible temporary bank borrowing (see Restriction 2), and then only in an amount not exceeding 15% of the value of our total assets.

4. Make loans, except through the purchase of portions of issues or publicly distributed debt securities and entry into repurchase agreements. We will not enter into a repurchase agreement maturing in more than seven days if, as a result, more than 10% of the value of our total assets would be so invested.

5. Purchase securities subject to legal or contractual restrictions on resale (except those imposed by repurchase agreements).

6. Underwrite the securities of other issuers, except to the extent that our purchase of municipal securities directly from the issuer (either alone or as one of a group of bidders) may be deemed to be an underwriting of such securities.

7. Purchase or sell real estate or real estate mortgage loans, but this limitation will not prevent us from purchasing municipal securities or other securities secured by real estate or interest in real estate.

8. Purchase or sell commodities or commodity contracts.

9. Purchase equity securities or securities convertible into equity securities.

10. Purchase any security, if, as a result as of the close of each fiscal quarter more than 25% of the value of our total assets would be invested in the securities of issuers having their principal business activities in the same industry. This limitation would preclude us from investing more than 25% of the value of our total assets in industrial building revenue bonds issued to finance facilities for non-governmental issuers in any one industry. However, the limitation does not apply to any other municipal securities, to securities issued or guaranteed by the United States Government or any of its agencies or instrumentalities.

11. Invest in companies for the purpose of exercising management or control.

12. Invest in securities of other investment companies, except money market mutual funds with the same investment objective of the series or where such investment results from a merger or consolidation with, or an acquisition of assets of, another investment company.

13. Make short sales of securities.

14. Purchase securities on margin, except that we may obtain such short-term credit as may be necessary for the clearance of securities purchases.

15. Write or invest in put or call options, or any combination thereof.

16. Issue senior securities.

Intermediate Government Bond Series

1. With respect to 50% of the value of our total assets as of the close of each fiscal quarter, purchase the securities of any single issuer (except the United States Government, its agencies and instrumentalities), if, as a result, more than 5% of the value of our total assets would be invested in securities of such issuer (including repurchase agreements with any one bank or brokerage firm).

2. Borrow money, except from banks as a temporary measure for purposes of meeting redemption requests and then only in an amount not exceeding 5% of the value of our total assets.

3. Pledge or hypothecate any of our assets, except as security for a permissible temporary bank borrowing (see Restriction 2), and then only in an amount not exceeding 15% of the value of our total assets.

4. Make loans, except through the purchase of portions of issues or publicly distributed debt securities and entry into repurchase agreements. We will not enter into a repurchase agreement maturing in more than seven days, if, as a result, more than 10% of the value of our total assets would be so invested.

5. Purchase securities subject to legal or contractual restrictions on resale (except those imposed by repurchase agreements).

6. Underwrite the securities of other issuers, except to the extent that our purchase of United States Government securities directly from the issuer (either alone or as one of a group of bidders) may be deemed to be an underwriting of such securities.

7. Purchase or sell real estate or real estate mortgage loans, but this limitation will not prevent us from purchasing securities or other securities secured by real estate or interest in real estate.

8. Purchase or sell commodities or commodity contracts.

9. Purchase equity securities or securities convertible into equity securities.

10. Purchase any security, if, as a result as of the close of each fiscal quarter more than 25% of the value of our total assets would be invested in the securities of issuers having their principal business activities in the same industry. The limitation does not apply to securities issued or guaranteed by the United States Government or any of its agencies or instrumentalities.

11. Invest in companies for the purpose of exercising management or control.

12. Invest in securities of other investment companies, except money market mutual funds with the same investment objective of the series or where such investment results from a merger or consolidation with, or an acquisition of assets of, another investment company.

13. Make short sales of securities.

14. Purchase securities on margin, except that we may obtain such short-term credit as may be necessary for the clearance of securities purchases.

15. Write or invest in put or call options or any combination thereof.

16. Issue senior securities.

NON-FUNDAMENTAL RESTRICTIONS

None of the single state tax-exempt municipal bond Funds will invest in certificates of deposit or banker's acceptances.

These restrictions are "non-fundamental" investment policies of the affected Funds. As such, they may be changed by the Board of Trustees without a vote of shareholders of the affected Series.

Borrowing of Money

Each Fund permits borrowing money from banks as a temporary measure in order to pay redeeming shareholders. Such borrowings may not be in excess of 5% of the value of the assets of the affected fund.

DISCLOSURE OF PORTFOLIO HOLDINGS

The Trust regularly discloses its portfolio securities in its Semi-Annual and Annual Reports, which are available on our website at www.dupree-funds.com and in its semi-annual filings on Form N-CSR filed with the SEC. The Statement of Additional Information and the Form N-CSR may be accessed on the EDGAR database through the SEC website at http://www.sec.gov. The Trust is also required to disclose in filings with the SEC each Fund's complete portfolio holdings within 60 days after the end of the first and third fiscal quarters. Such quarterly holdings reports filed with the SEC are not distributed to fund shareholders but are available, free of charge, on the EDGAR database on the SEC's website at www.sec.gov. The Trust's portfolio securities are not listed separately on the Trust's website. When and if requested by various publications or evaluation services such as *Standard & Poor's*, *Thomson Financial Services, Morningstar®,* or *Lipper* or upon request of a shareholder or prospective shareholder, the Trust will disclose a then current listing of portfolio securities. The Trust does not differentiate among categories of persons who may wish to receive a listing of portfolio securities, and imposes no conditions upon use of the information. The Trust's President or a Vice President is authorized to provide a listing of portfolio securities as of dates which differ from the dates utilized to prepare routine reports and filings. The Trust has no ongoing arrangements with any person or entity to make available information about the Trust's portfolio securities. The Officers of the Trust report to the Board of Trustees any requests for portfolio securities listings that are not already publicly available. Neither the Trust nor the investment adviser receives compensation for providing the listings of portfolio securities.

INVESTMENT ADVISER AND OTHER SERVICES

As stated in the Prospectus, our investment activities are managed by Dupree & Company, Inc. Allen E. Grimes, III, is President of the Trust and President of Dupree & Company, Inc. The voting stock of Dupree & Company, Inc. is owned by Harriet Dupree Bradley (49%), Lamar Dupree Grimes (49%) and Allen E. Grimes, III (2%). Michelle M. Dragoo is Vice President and Treasurer of Dupree & Company, Inc. and also holds the same offices with the Trust. Vincent Harrison is Vice President of Dupree & Company, Inc. and is Assistant Secretary and Assistant Treasurer of the Trust. Huston Combs is Vice President of Dupree & Company, Inc. and also serves as Vice President and Secretary of the Trust. Dupree & Company, Inc. also serves as the SEC-registered transfer agent for the Trust.

INVESTMENT ADVISORY AGREEMENTS

Dupree & Company, Inc. serves as the investment adviser for each of our ten Funds pursuant to separate Investment Advisory Agreements with each Fund. The Investment Advisory Agreements for the Funds are each dated November 1, 2014 and have been renewed annually thereafter. Each Advisory Agreement may be continued from year to year if such continuation is specifically approved, at least annually, by our Board of Trustees at a meeting called for that purpose, or by a separate vote of a majority of the outstanding voting securities of the respective Fund, and, in either case, also by vote of a majority of our Trustees. The Advisory Agreements are subject to termination by either party without penalty on 60 days written notice to the other and terminate automatically in the event of assignment. Dupree & Company, Inc. served as the investment adviser to Kentucky Tax-Free Income Fund, Inc. from inception through October 31, 1986, when Dupree Investment Advisers, Inc., a subsidiary of Dupree & Company, Inc., began serving as the investment adviser. In 1997, the two Dupree firms reorganized and the parent firm, Dupree & Company, Inc. once again became the investment adviser without any change in personnel or services.

Pursuant to the Investment Advisory Agreements, Dupree & Company, Inc. provides us with investment supervisory services, office space and facilities, and corporate administration. Specifically, Dupree & Company, Inc. has undertaken to obtain and evaluate relevant information regarding the economy, industries, businesses, municipal issuers, securities markets and securities; to formulate a continuing program for the management of our assets in a manner consistent with our investment objectives; and to implement this program by selecting the securities to be purchased or sold by us and placing orders for such purchases and sales. In addition, Dupree & Company, Inc. provides for our office needs, maintains our books and records, assumes and pays all sales and promotional expenses incurred in the distribution of our shares out of its own resources without reimbursement from the Trust, staffs us with persons competent to perform all of our executive and administrative functions, supervises and coordinates the activities of our institutional and other agents (e.g., custodian, independent accountants, outside legal counsel), and permits its officers and employees to serve us as officers to the Trust, all without additional cost to us. Dupree & Company, Inc. may contract with commercial banks or other entities to assist in the provision of shareholder services.

Under the Investment Advisory Agreements, neither Dupree & Company, Inc. nor any of its directors, officers or employees performing executive or administrative functions for us will be liable to us for any error of judgment, mistake of law or other act or omission in connection with a matter to which the Investment Advisory Agreements relate, unless such error, mistake, act or omission involves willful misfeasance, bad faith, gross negligence or reckless disregard of duty, or otherwise constitutes a breach of fiduciary duty involving personal misconduct.

Under the terms of the Investment Advisory Agreements for the tax-exempt municipal bond Funds and the taxable municipal bond Fund, we have agreed to pay to Dupree & Company, Inc., as compensation for all services rendered, facilities furnished and expenses paid or assumed by it under the Agreements, a fee at the annual rate of 0.50 of 1% of the first $100,000,000 average daily net assets of each fund determined separately; 0.45 of 1% of the average daily net assets between $100,000,001 and $150,000,000 of each Fund determined separately; 0.40 of 1% of the average daily net assets between $150,000,001 and $500,000,000 of each Fund determined separately; 0.35 of 1% of the average daily net assets between $500,000,001 and $750,000,000; 0.30 of 1% of the average daily net assets between $750,000,001 and $1,000,000,000; and 0.25 of 1% of the average daily net assets in excess of $1,000,000,000. For the Intermediate Government Bond Series, we have agreed to pay to Dupree & Company, Inc., as compensation for all services rendered, facilities furnished and expenses paid or assumed by it under the Advisory Agreement, a fee at the annual rate of 0.20 of 1%. The fees are payable to Dupree & Company, Inc. in monthly installments in arrears. Dupree & Company, Inc. has reserved the right to voluntarily subsidize any Fund at its sole option and expense. During the past three fiscal years, the following fees have been paid to the investment adviser and the following reimbursements have been received from the investment adviser, who will not seek to recover any fees waived or reimbursements.

	Year Ended 6-30-22	Year Ended 6-30-21	Year Ended 6-30-20
Alabama Tax-Free Income Series			
Fees	$ 138,565	$ 138,312	$ 131,964
Fees waived	46,060	26,544	29,696
Kentucky Tax-Free Income Series			
Fees	3,680,682	3,735,127	3,664,908
Fees waived	-0-	-0-	-0-
Kentucky Tax-Free Short-to-Medium Series			
Fees	223,744	236,165	255,080
Fees waived	36,574	37,445	41,707

	Year Ended 6-30-22	Year Ended 6-30-21	Year Ended 6-30-20
Mississippi Tax-Free Income Series			
Fees	55,004	56,839	54,915
Fees waived	28,960	29,061	31,217
North Carolina Tax-Free Income Series			
Fees	748,677	774,158	745,053
Fees waived	2,346	63	1,040
North Carolina Tax-Free Short-to-Medium Series			
Fees	66,016	66,115	88,063
Fees waived	29,365	32,485	36,534
Tennessee Tax-Free Income Series			
Fees	409,703	457,750	501,144
Fees waived	10,956	9,565	8,041
Tennessee Tax-Free Short-to-Medium Series			
Fees	26,506	31,558	34,795
Fees waived	25,034	26,732	30,381
Intermediate Government Bond Series			
Fees	22,855	30,734	30,893
Fees waived	5,251	92	210
Taxable Municipal Bond Series			
Fees	62,335	72,201	63,192
Fees waived	36,410	38,181	40,312

Portfolio Managers

Vincent Harrison is the lead portfolio manager and is responsible for the day-to-day management of all ten Funds offered by the Trust. Mr. Harrison served as assistant portfolio manager from 1999 to 2004 before becoming lead portfolio manager in 2004. Brian Tibe serves as the assistant portfolio manager. Mr. Tibe has been employed by the investment adviser since 2005 and assumed his responsibilities as assistant portfolio manager in 2015. From 2005 to 2015, Mr. Tibe was responsible for handling shareholder calls, processing fund subscriptions and redemptions, and providing general customer service to shareholders of the Trust. Messrs. Harrison and Tibe do not provide portfolio management services to any other investment accounts. All portfolio management activities are overseen by Allen E. Grimes, III, who serves as the investment adviser's Chief Compliance Officer.

Messrs. Harrison and Tibe are employed by the investment adviser for each of the Funds. Portfolio managers, like all other employees of Dupree & Company, Inc., are paid a fixed salary. All employees are eligible to receive discretionary bonuses. All employee benefits, i.e., insurance, retirement plans, etc. are the same for all employees of Dupree & Company, Inc.

Mr. Harrison owned shares in the Kentucky Tax-Free Income Series valued between $10,001-$50,000 as of June 30, 2022. Mr. Tibe owned shares in the Kentucky Tax-Free Income Series valued over $100,000 as of June 30, 2022.

OTHER SERVICES

US Bank, 425 Walnut Street, ML 6118, PO Box 1118, Cincinnati, Ohio 45201-1118, serves as Custodian for the Trust. US Bank is responsible for the safekeeping of the assets of each Fund. US Bank presents for payment the coupons of the municipal bonds held by it or its sub-custodians and deposits payment to the Funds' accounts.

Cohen & Company, Ltd., 342 North Water Street, Suite 830, Milwaukee, WI 53202, serves as the independent registered public accounting firm of the Trust. The financial statements and schedules audited by Cohen & Company have been included in reliance on their report given on their authority as experts in accounting and auditing.

Dupree & Company, Inc. serves as the transfer agent and dividend paying agent of the Trust, collecting monies from shareholders and paying dividends and redemption proceeds to shareholders, in addition to maintaining books and accounts of shareholder transactions. The Trust has an agreement with Dupree & Company Inc., as transfer agent, under of which a fee is paid computed on the average daily net asset value at the annual rate of 0.15 of 1% on the first $20,000,000 and 0.12 of 1% on all amounts in excess of $20,000,000. For the 2022, 2021, and 2020 fiscal years, Dupree & Company, Inc. was paid $1,655,598, $1,710,030, and $1,690,915 respectively, for the services it performed as transfer agent and dividend paying agent of the Trust.

Dupree & Company, Inc., the Trust's transfer agent, has entered into a shareholder servicing agreement with Unified Trust Company, NA, a division of American Trust Company ("Unified Trust") to service their clients. Unified Trust is compensated by Dupree & Company, Inc. at a rate of .000125 per annum of the net assets under management invested by their clients in the Kentucky Tax-Free Income Series; .0001875 per annum of the net assets under management invested by their clients in the North Carolina Tax-Free Income Series; .00020833 for the Kentucky Tax-Free Short-to-Medium Series, Tennessee Tax-Free Income Series, Tennessee Tax-Free Short-to-Medium Series, Alabama Tax-Free Income Series, Mississippi Tax-Free Income Series, North Carolina Tax-Free Short-to-Medium Series and the Taxable Municipal Bond Series; and .00008333 per annum of the net assets under management invested by their clients in the Intermediate Government Bond Series.

For the 2022, 2021 and 2020 fiscal years the aggregate compensation paid by Dupree & Company, Inc. to all shareholder servicing agents was $143,062, $144,999, and $134,009 respectively. The compensation is inclusive of all shareholder servicing agents, some of whom may not currently have active agreements with Dupree & Company, Inc. Dupree & Company, Inc. has also entered into a number of agreements with various financial intermediaries and/or entities (e.g., Charles Schwab & Company, National Financial Services, TD Ameritrade, Vanguard, PNC Advisors, PNC Investments, Wells Fargo, Pershing LLC, and Raymond James) that permit customers of those entities to purchase shares of the Trust. These entities are compensated by Dupree & Company, Inc. in various amounts. For fiscal year 2020, Dupree & Company, Inc. paid an aggregate amount of $252,516 in connection with the aforementioned financial intermediary agreements; for fiscal year 2021, Dupree & Company, Inc. paid an aggregate amount of $255,879 in connection with the aforementioned financial intermediary agreements; and in fiscal year 2022, Dupree & Company, Inc. paid an aggregate amount of $261,684 in connection with the aforementioned financial intermediary agreements. The fee schedules for the financial intermediaries are as follows:

Name of Firm	**Current Fee arrangement**
Raymond James & Associates, Inc.	Asset base x 9 basis points per year
National Financial Services, LLC	Asset base x 10 basis points per year
US Bank	Asset base x 10 basis points per year
Vanguard Brokerage Services	Number of accounts, $20.00 per account
Charles Schwab	Asset base x 8 basis points per year
JP Morgan Securities	Asset base x 8 basis points per year
TD Ameritrade Trust Company	Number of accounts, $14.00 per account
Pershing LLC	Number of accounts, $14.00 per account and $1,000 per year per fund maintenance fee
PNC Advisors	Asset base x 6 basis points per year and/or $4,000.00 per year flat fee minimum
PNC Investments	Asset base x 6 basis points per year
Wells Fargo	Number of accounts, $3.00 per account

Shareholders of the Trust do not pay for any costs associated with these third party financial intermediary agreements.

Thompson Hine LLP, 41 South High Street, Suite 1700, Columbus, Ohio 43216 serves as independent legal counsel to the Trust and Trustees.

Under the terms of a Compliance Services Agreement with the Trust, Ultimus Fund Solutions, LLC (“Ultimus”), 225 Pictoria Drive, Suite 450, Cincinnati, Ohio 45246, provides an individual with the requisite background and familiarity with federal securities laws to serve as the Trust’s Chief Compliance Officer and to administer the Trust’s compliance policies and procedures. The Trust pays Ultimus a fee of $600 per Fund per month for the services the Chief Compliance Officer provides to the Trust.

OFFICERS AND TRUSTEES

The Board of Trustees is comprised of four persons—James C. Baughman, Jr., Ann Rosenstein Giles, Marc A. Mathews, and Knox van Nagell Pfister - who are independent Trustees (that is, they are not “interested persons” as that term is defined in Section 2(a)(19) of the 1940 Act.), and Allen E. Grimes, III , who is an “interested person” because he is employed by Dupree & Company, Inc.

The Board meets on a quarterly basis to discuss, review and act upon business matters of the Trust. On a quarterly basis the Trustees review financial statements, dividends declared, portfolio pricing and variances, compliance subjects, brokerage allocations and selections, and adopt, ratify or amend policies. On a weekly basis the Trustees are apprised of the total investments in each portfolio and yield information. As set forth in the Declaration of Trust filed pursuant to the laws of the Commonwealth of Kentucky, the Trustees manage the business of the Trust: appointing and removing officers, agents, consultants and employees; selecting advisers, depositories, custodians, distributors, underwriters and others; and delegating responsibilities to officers and/or committees of the Trust or employees, advisers, agents or others. The Board adopts general policy and charges Dupree & Company, Inc. with the responsibility for daily investment, shareholder servicing and management decisions. The Board oversees risks to the Trust through the services of the independent auditors of the Trust and the Trust's Compliance Officer. The Trustees have engaged the independent auditors to conduct agreed upon review of management practices. In addition, the Trustees receive quarterly reports of compliance risks from both management and the Trust's Chief Compliance Officer.

The Board has three standing committees: an Audit Committee, a Nominating and Governance Committee, and a Valuation Committee. All independent Trustees are members of the Audit Committee, Nominating and Governance Committee and Valuation Committee. The Audit Committee of the Board meets semi-annually, or more often if needed, to oversee the Trust's compliance with legal and regulatory requirements related to its accounting and financial reporting policies and practices and its internal control over financial reporting, and to select and oversee the work of any independent registered public accounting firm employed by the Trust for the purpose of preparing or issuing an audit report. During the most recently completed fiscal year the Audit Committee met twice. The Nominating and Governance Committee of the Trust meets annually to determine Trustee compensation and as needed to nominate persons to serve on the Board of Trustees. During the most recently completed fiscal year, the Nominating Committee met once. The Nominating Committee reviews Trustee compensation and nominates individuals to serve as both independent and interested Trustees of the Trust. The Nominating and Governance Committee will consider nominees recommended by security holders when a vacancy occurs. Any security holder may write to the Trust, identifying a nominee and describing the nominee's qualifications. In addition, the Trustees meet quarterly without management to discuss Trust business and the oversight responsibilities of the Trustees, including compliance matters. The Valuation Committee's purpose is to oversee the valuation of the portfolio securities held by each Fund pursuant to the Trust's Valuation Policies and Procedures and applicable rules and regulations; and to make fair value determinations on behalf of the Board as specified in the Procedures. The Valuation Committee held no meetings during the fiscal year ended June 30, 2022.

Set forth below is certain biographical information about the Trustees including a description of the specific experience, qualifications, attributes and skills that led to the conclusion that the person should serve as a member of the Board in light of the Trust's business and structure.

James C. Baughman, Jr. – Mr. Baughman previously served as a Chief Executive Officer, Secretary, Treasurer, and Director of Office Suite Plus, Inc. and its wholly owned subsidiary, Office Suites Plus Properties, Inc., a privately held business that provided office and conference facilities with advanced technology and support services. Currently, he is President of CJN Advisors, LLC, a business consulting firm and H&S1 KY Lexington, LLC, a health and wellness business. Mr. Baughman received his MBA in finance. His experience in corporate governance, strategic planning, finance and accounting, operations and marketing, real estate and technology makes him duly qualified and skilled to serve on the Board.

Ann Rosenstein Giles – Ms. Giles is a self-employed marketing consultant. She has worked in various capacities in the advertising and marketing field in New York, Michigan, and Kentucky. Ms. Giles has senior management experience and is highly-skilled in business development.

Marc A. Mathews – Mr. Mathews served as Vice-President for Finance and Business at Transylvania University in Lexington, Kentucky until his retirement on June 30, 2021. He previously served as Treasurer and Controller at the University of Kentucky and as a Senior Audit Manager at PricewaterhouseCoopers, LLP. He is a Certified Public Accountant and a Certified Treasury Professional, and holds degrees in Business Administration and Accounting. Mr. Mathews is active on numerous local civic boards. He is well-versed in corporate governance, finance, and consensus building.

Knox van Nagell Pfister – Ms. Pfister is owner and co-founder of Terra Firma Construction, LLC since 2021. Ms. Pfister has served as Managing Member of Knox Consulting LLC, a project management, advocacy, and organization-optimization services company, since 2020. She is the former General Counsel of Mt. Brilliant Farm and Boone Creek LLC, a thoroughbred horse farm and real estate investment company, respectively. Previously, she served in policy and development roles at UK HealthCare and as Founding Executive Director of the Fayette Alliance, an organization dedicated to achieving sustainable growth through land-use advocacy, education and research. Ms. Pfister brings strategic thinking, management, and communications skills to the Board.

Allen E. Grimes, III – Mr. Grimes is the President and Chief Compliance Officer for Dupree & Company, the Trust's investment adviser, administrator and transfer agent. He also serves as President of the Trust. Prior to joining Dupree & Company, Mr. Grimes was a lawyer in private practice. Mr. Grimes holds a number of securities licenses, including the Series 7, Series 24, Series 27, Series 63, and Series 99. He has extensive knowledge of the Trust and its service providers, financial products, and the regulatory framework under which the Trust operates.

The following table sets forth information as to our **Officers and Trustees.**

Independent Trustees:					
Name, Address and Birth Year	**Position(s) held with Funds**	**Term of Office and Length of Time Served**	**Principal Occupation(s) During Past 5 Years**	**Number of Portfolios in Fund Complex Overseen by Trustee or Nominee**	**Other Directorships Held by Trustee or Nominee During Past Five Years**
James C. Baughman, Jr. 125 South Mill Street Lexington, KY 40507 (1962)	Trustee, Chair of Nominating and Governance Committee	Indefinite Term/ Since October 2007	President, CJN Advisors, LLC (2013 – present; business consulting); President, H&S1 KY Lexington, LLC (2017 – present; health and wellness); President, Blue Horse Entries, LLC (2014 – 2021; online business support services for equestrian events)	10	Advisory Board, Community Trust Bank
Ann Rosenstein Giles 125 South Mill Street Lexington, KY 40507 (1952)	Trustee, Chair of Valuation Committee	Indefinite Term/ Since October 2011	AJ Marketing Partners (2012 – present; strategic marketing consultant)	10	N/A
Marc A. Mathews, 125 South Mill Street Lexington, KY 40507 (1958)	Chairman, Trustee, Chair of Audit Committee	Indefinite Term/ Since October 2011	Retired (2021 – present); Vice President for Finance and Business, Transylvania University (2009 – 2021)	10	Director, Bank of the Bluegrass
Knox van Nagell Pfister 125 South Mill Street Lexington, KY 40507 (1978)	Trustee	Indefinite Term/ Since August 2019	Managing Member of Knox Consulting LLC (September 2020 – present; (project management, advocacy, and organization-optimization services); Owner, Co-Founder of Terra Firma Construction, LLC (August 2021 – present); General Counsel, Mt. Brilliant Farm and Boone Creek LLC (2017 – 2020); Sr. Director of Philanthropy UK Health Care (2016 – 2017)	10	N/A

Interested Trustees and Officers of the Trust:					
Name, Address and Birth Year	**Position(s) held with Funds**	**Term of Office and Length of Time Served**	**Principal Occupation(s) During Past 5 Years**	**Number of Portfolios in Fund Complex Overseen by Trustee or Nominee**	**Other Directorships Held by Trustee or Nominee During Past Five Years**
Allen E. Grimes, III 125 South Mill Street Lexington, KY 40507 (1962)	President, Interested Trustee	Annual Term/ President, May 2018 – present; Executive Vice President, October 2005 – May 2018; Trustee since 2019	President, Dupree & Company, Inc. (2004 – present)	10	N/A
Michelle M. Dragoo 125 South Mill Street Lexington, KY 40507 (1961)	Vice President, Treasurer	Annual Term/ Vice President & Treasurer, (October 2022 – present);Vice President, Secretary & Treasurer, October 1999 – October 2022	Vice President, Secretary, Treasurer of Dupree & Company, Inc. (1999 – present)	N/A	N/A
Huston B. Combs 125 South Mill Street Lexington, KY 40507 (1976)	Vice President, Secretary	Annual Term/ Vice President & Secretary (October 2022 – present);Vice President (May 2018 – October 2022)	Attorney/Registered Representative Dupree & Company, Inc. (2017 – present)	N/A	N/A
Vincent Harrison 125 South Mill Street Lexington, KY 40507 (1971)	Assistant Secretary & Assistant Treasurer	Annual Term/ October 2015 – present	Vice President of Dupree & Company, Inc. (2016 – present)	N/A	N/A
Martin Dean Ultimus Fund Solutions, LLC 225 Pictoria Drive Suite 450 Cincinnati, OH 45246 (1963)	Chief Compliance Officer	Annual Term/ August 2017 – present	Senior Vice President, Head of Fund Compliance, Ultimus Fund Solutions, LLC (January 2016 – present)	N/A	N/A

As of December 31, 2021, shares of the Trust were owned by our Trustees as shown below.

Name of Trustee	Dollar Range of Equity Securities in the Fund	Series Invested
James C. Baughman, Jr.	$50,001 to $100,000	Kentucky Tax-Free Income Series
James C. Baughman, Jr.	$1 to $10,000	Intermediate Government Bond Series
Ann Rosenstein Giles	$10,001 to $50,000	Kentucky Tax-Free Income Series
Marc A. Mathews	$50,001 to $100,000	Kentucky Tax-Free Income Series
Allen E. Grimes, III	Over $100,000	Kentucky Tax-Free Income Series
Allen E. Grimes, III	$1 to $10,000	Kentucky Tax-Free Short-to-Medium Series
Knox van Nagell Pfister	$1 to $10,000	Kentucky Tax-Free Income Series

As of December 31, 2021, none of the Independent Trustees or any members of their immediate family held any beneficial interest in the Trust's investment adviser, nor were the Trustees under direct or indirect or common control with the investment adviser as reflected in the chart below. Further, the Trust does not have an underwriter.

Compensation Table

Name of Person, Position	Aggregate Compensation from Fund	Pension or Retirement Benefits Accrued As Part of Fund Expenses	Estimated Annual Benefits upon Retirement	Total Compensation From Fund and Fund Complex Paid to Trustees
James C. Baughman, Jr., Trustee	$38,000	-0-	-0-	$38,000
Ann Rosenstein Giles Trustee	$38,000	-0-	-0-	$38,000
Marc A. Mathews Chairman, Trustee	$38,000	-0-	-0-	$38,000
Knox van Nagell Pfister Trustee	$38,000	-0-	-0-	$38,000
Allen E. Grimes, III President, Trustee	-0-	-0-	-0-	-0-

For the current fiscal year, the four independent Trustees were paid fees in the amount of $7,000 per quarterly meeting through December 31, 2021. Additionally, the four independent Trustees who make up the Audit, Nominating and Valuation Committee were paid an additional $2,000 for each Committee meeting that is attended. Starting January 1, 2022, the four independent Trustees were paid $10,000 per quarter. Mr. Grimes does not receive any compensation from the Trust for serving as Trustee.

CODE OF ETHICS

Dupree Mutual Funds and Dupree & Company, Inc. have adopted Codes of Ethics applicable to all Trustees, Officers and access persons. Personnel subject to the Codes of Ethics are permitted to invest in securities that may be purchased or held by the Trust; however, such securities transactions must be disclosed on a quarterly basis. Personnel are permitted to invest in the Trust.

PORTFOLIO TRANSACTIONS

Ordinarily, portfolio securities for each Fund are purchased from underwriters at prices that include underwriting fees or from primary market makers acting as principals and selling to us at net prices. In either case, we would not pay any brokerage commission. Transactions placed with dealers serving as primary market makers are executed at prices within the spread between the bid and asked prices for the securities.

Decisions with respect to the purchase and sale of our portfolio securities, including the allocation of principal business and portfolio brokerage, are made by our investment adviser, Dupree & Company, Inc. Our investment adviser has discretionary authority to implement these decisions by placing orders for the purchase or sale of securities for our account with underwriters, dealers or brokers selected by it for that purpose. However, Dupree & Company, Inc. will not deal with us as principal, or as our agent, in purchasing and selling securities for our accounts. Sales of securities for the Trust's portfolios, as well as allocation of brokerage, are reviewed quarterly by the Trust's Board of Trustees. Each of these sale trades are either an exclusive offering or the high bid on bonds for sale. Each is reviewed by the board on an individual basis.

Dupree & Company, Inc. has advised us that, in placing orders for the purchase and sale of our portfolio transactions, it will seek execution at the most favorable prices through responsible brokers consistent with Dupree & Company, Inc.'s best execution obligations. In selecting brokers to execute portfolio transactions Dupree & Company, Inc. will give consideration to such factors as the price of the security, the rate of commission, if any, and the size and difficulty of the order. The reliability, integrity, financial conditions, general execution and operating capabilities of competing brokers will also be taken into consideration when placing purchase and sale orders.

Dupree & Company, Inc. has further advised us that it does not presently intend to award brokerage on our portfolios to brokers who charge higher commissions because of research services they provide. However, under our Investment

Advisory Agreements with it, we have authorized the investment adviser to adopt a brokerage allocation policy embodying the concepts of Section 28(e) of the Securities Exchange Act of 1934. Under such a policy, a broker furnishing research services could be paid a higher commission than the commission that would be paid to another broker which either does not furnish research services or furnishes research services deemed to be of lesser value, if such higher commission is deemed to be reasonable in relation to the value of the brokerage and research services provided by the broker charging it, either in terms of that particular transaction or in terms of the overall responsibilities of the Investment Adviser with respect to the accounts as to which it exercises investment discretion. Research services furnished by a broker can include valuation of the market prices of securities in the Trust's portfolios, evaluation of potential additions to the Trust's portfolios and credit analysis of particular issuers of securities.

Whether and to what extent net prices or commissions charged by brokers selected by Dupree & Company, Inc., reflect an element of value for research services cannot presently be determined. To the extent that research services of value are provided by brokers with or through which the investment adviser places our portfolio transactions, the investment adviser may be relieved of expenses it might otherwise bear.

It is not the practice of Dupree & Company, Inc., to allocate principal business or portfolio brokerage on the basis of share sales. However, brokers effecting purchases of our shares for their customers may participate in principal transactions of brokerage allocated as described in the preceding paragraphs. Dupree & Company, Inc. has advised us that, when it purchases municipal securities for our portfolios in underwriting, it will seek to negotiate a purchase price reflecting a reduction from the initial public offering price by an amount equal to some or all of the applicable selling group concessions.

No brokerage commissions have been paid by the Trust during the three most recent fiscal years.

SHARES OF BENEFICIAL INTEREST

Dupree Mutual Funds is a Kentucky Business Trust organized under the laws of the Commonwealth of Kentucky on July 1, 1987. The Business Trust is the successor to the Kentucky Tax-Free Income Fund, Inc. The Trust offers shares of beneficial interest of separate Series or funds without par value. The Trust is authorized to create an unlimited number of new Series or Funds, but at this time the Trust is offering shares in ten Funds as described in the Prospectus: Alabama Tax-Free Income Series, Kentucky Tax-Free Income Series, Kentucky Tax-Free Short-to-Medium Series, Mississippi Tax-Free Income Series, North Carolina Tax-Free Income Series, North Carolina Tax-Free Short-to-Medium Series, Tennessee Tax-Free Income Series, Tennessee Tax-Free Short-to-Medium Series, Taxable Municipal Bond Series and Intermediate Government Bond Series.

Each share has one vote. Fractional shares have proportionate voting rights and participate pro rata in dividends and distributions. Our shareholders have cumulative voting rights for the election of Trustees. This means that, in each election of Trustees, each shareholder has the right to cast a number of votes equal to the number of Trustees to be elected and to cast all of such votes for one candidate or distribute such votes among two or more candidates, as the shareholder sees fit. In the event of liquidation of any Fund, net assets would be distributed among shareholders of the fund pro-rata after payment of all expenses. Shareholders have no pre-emptive rights. Shareholders may convert their shares in a Fund into shares of other Funds offered by the Trust; however, this conversion will be treated as a redemption and purchase and may have tax consequences for the shareholder. When issued, our shares are fully paid and non-assessable. Shareholders rights to redeem shares and receive dividends are set forth in the Prospectus dated November 1, 2022.

As of October 7, 2022, the following persons were known to the Trust to be the beneficial owners of more than five (5%) of the outstanding shares of the following Funds:

Name(s) of Share Owners	Percent of Shares Owned of Record	Percent of Shares Owned Beneficially	Both
<u>Alabama Tax-Free Income Series</u>			
Charles Schwab & Co., Inc. FBO Exclusive Benefit of Customers 101 Montgomery Street San Francisco, CA 94104	5.29%		
<u>Kentucky Tax-Free Income Series</u>			
Unified Trust Company NA 2335 Alexandria Drive Suite 100 Lexington, KY 40504	8.47%		
<u>Kentucky Tax-Free Short-to-Medium Series</u>			
BLUECO 101 East High Street Lexington, KY 40507	11.12%		
Paula M. Steiner, Trustee Paula M. Steiner Trust 865 Rosewood Drive Villa Hills, KY 41017	7.80%		
National Financial Services LLC 499 Washington Boulevard Jersey City, NJ 07310	5.10%		
<u>Mississippi Tax-Free Income Series</u>			
SEI Private Trust Company C/O Trustmark One Freedom Valley Drive Oaks, PA 19456	31.76%		
Robert Lawson Holladay, Sr. 240 Oscar Street Ruleville, MS 38771	8.64%		
<u>NC Tax-Free Income Series</u>			
Charles Schwab & Co., Inc. 101 Montgomery Street San Francisco, CA 94104]	16.26%		
National Financial Services LLC 499 Washington Boulevard Jersey City, NJ 07310	9.16%		
<u>NC Tax-Free Short-to-Medium Series</u>			
Charles Schwab & Co., Inc. 101 Montgomery Street San Francisco, CA 94104	13.98%		
George M Lawson & Donna H Lawson JTWROS 109 W Keeling Road Greensboro, NC 27410	9.67%		
David B Neal & Mary D Neal COTR David B Neal Revocable Trust 408 Meadowmont Lane Chapel Hill, NC 27517	7.66%		

Name(s) of Share Owners	Percent of Shares Owned of Record	Percent of Shares Owned Beneficially	Both
Tennessee Tax-Free Income Series			
Charles Schwab & Co., Inc. FBO Exclusive Benefit of Customers 101 Montgomery Street San Francisco, CA 94104	6.96%		
Linda L Wright 5021 Browntown Road Chattanooga TN 37415	5.36%		
Tennessee Tax-Free Short-to-Medium Series			
Charles Schwab & Co., Inc. 101 Montgomery Street San Francisco, CA 94104	14.68%		
Robert S. Sullivan 1864 Harbour View Drive Lenoir City, TN 37772	7.78%		
Rachael A. McClain C/O Barbara A Parriott 1700 Bryce Court Nashville, TN 37211	6.72%		
Sue Ann Gunnison 75 Kenway Street Cookeville, TN 38501	5.47%		
Gail S Mays 2551 Maple Branch Lane Knoxville, TN 37912	5.32%		
Taxable Municipal Bond Series			
Peggy & Lewie Harrison Family Trust TR David W Harrison 13110 Cain Lane Louisville, KY 40245	10.41%		
KY Christian Foundation, Inc. 651 Perimeter Drive Suite 620 Lexington, KY 40517	7.89%		
Peter Lohrengel & Julie A Lohrengel COTR Peter & Julie Lohrengel Family Trust 2705 Dolphin Street #2B Fernandina Beach, FL 32034	7.86%		
Joel G Hicks Jr 2005 Shandwick Terrace Birmingham, AL 35242	5.56%		

A principal shareholder is any person who owns of record or beneficially, 5.0% or more of the outstanding shares of a fund. A control person is one who owns beneficially or through controlled companies more than 25.0% of the voting securities of a company or acknowledges the existence of control. Shareholders with a controlling interest could affect the outcome of voting or the direction of management of a fund.

Management Ownership

Officers and Trustees owned less than 1% of the shares of the Kentucky Tax-Free Income Series, Kentucky Tax-Free Short-to-Medium Series and the Intermediate Government Bond Series.

HOW TO PURCHASE SHARES

Shares of our Trust that are offered for sale are offered directly by the Trust. Since we do not charge any sales commissions, every dollar you invest in us is applied to the purchase of our shares.

The price of your shares will be their net asset value per share, as calculated in the first determination of net asset value after your order has become effective. Your order will be priced and executed at the net asset value next determined after the order is received. There is no sales charge or load.

FINANCIAL INTERMEDIARIES

If you purchase shares through a financial intermediary, that party is responsible for transmitting orders in accord with contractual arrangements between the Trust and your representative. There may be different cut-off times for purchase and sale requests. Consult your investment representative for specific information.

If you invest through a financial intermediary (rather than directly with the Trust), the financial intermediary may charge you fees different from those described. Banks, brokers, 401(k) plans, financial advisers and financial supermarkets may charge transaction fees and may set different minimum investments or limitations on buying or selling shares. Consult a representative of your plan or financial institution if you have any questions about fees that you may be charged by them. Transactions processed through financial intermediaries may depend upon your contractual relations with the financial intermediary and whether the Trust has an arrangement with the financial intermediary.

The Funds have authorized one or more financial intermediaries to receive on its behalf purchase and redemption orders. Such financial intermediaries may be authorized to designate other intermediaries to receive purchase and redemption orders on the Funds' behalf. The Funds will be deemed to have received a purchase or redemption order when an authorized financial intermediary or, if applicable, a financial intermediary's authorized designee, receives the order.

The Prospectus describes the procedures to be utilized by an investor desiring to purchase our shares.

DETERMINATION OF NET ASSET VALUE

The price used when you buy or sell shares in a Fund is the next net asset value computed after we receive your order in proper form. The net asset value per share of each Fund is determined separately at the close of the market, generally 4:00 p.m. ET each weekday that the Trust is open by dividing the total value of the assets of a Fund, minus liabilities, by the total number of shares outstanding.

The Trust is closed on the following holidays: Veterans Day, Thanksgiving, Christmas, New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Good Friday, Memorial Day, Juneteenth National Independence Day, Independence Day, Labor Day, and Columbus Day. The above listed closing dates correspond with the dates the bond market is closed in the U.S.

On any business day when the markets close early we will close and calculate each Fund's NAV at the market closing time. On those days when the market has an early close, any purchase and/or redemption orders received after the close will be processed and become effective on the next business day at the then prevailing NAV. We may elect to remain open on those dates which there are an early or full market close.

Purchase and sales orders accepted after the Trust's order cut-off time (4:00 p.m. EST) will be effective the following business day at the NAV computed on the following day.

Valuation Methodology – Tax-Exempt and Taxable Municipal Bond Series

In general, securities for which market quotations are readily available are valued at current market value, as provided by independent third-party pricing agents. All other securities are valued at fair value as determined in good faith by the Board of Trustees of the Trust (the "Board"). The Board is responsible for, among other things, monitoring the value of the Funds' securities. These procedures involve the use of matrix pricing models which take into consideration, among other factors, years to maturity, call date, coupon rate, trading patterns, creditworthiness, supply and demand dynamics, trading characteristics, special circumstances of a security or trading market, and any other factors or market data considered relevant in determining the value for securities. The procedures also include weekly verification of market quotations provided by two independent pricing services. A bond valuation that is not supported by the matrix pricing model requires the Pricing Review Committee to fair value the security in accordance with Board approved policies and procedures (the "Valuation Procedures"). Pursuant to the Valuation Procedures, the Pricing Review Committee has the day-to-day responsibility for fair valuing the Trust's securities or other assets. Securities valued by the Pricing Review Committee are reviewed by the Valuation Committee, which consists of all the Independent Trustees. Shares of open-end mutual funds in which the Funds invest, if any, are valued at their respective net asset values as reported by the underlying funds.

Valuation Methodology – Intermediate Government Bond Series

The securities held in the Intermediate Government Bond Series are priced daily utilizing prices obtained from ICE. The prices are examined by Dupree for accuracy and daily price changes are evaluated, modified, or challenged as appropriate.

HOW TO REDEEM SHARES

The Prospectus describes the procedures to be utilized by a shareholder desiring to redeem our shares. A $12.00 wire fee applies to all redemptions processed by wire. The transfer agent may deduct the wire charge from the redemption proceeds. There is no fee for processing redemption proceeds through the Automated Clearing House electronic funds transfer system.

REDEMPTION BY TRUST

If your account balance falls below $100 as a result of shareholder redemption and not simply market valuation change, we may redeem your shares and close out your account. We will mail you a notice requesting that you bring the account balance back up to the minimum investment amount of $100. If you choose not to do so within thirty (30) days from the date of notice, we will close your account and mail the proceeds to the address of record.

If you reside in a state or should move to a state where the Trust does not routinely offer its shares for sale or if you should transfer or attempt to transfer any of your shares to another person residing in a state where the Trust does not routinely offer its shares for sale, the Trust reserves the right to involuntarily redeem your shares and close out your account and/or modify your dividend and/or capital gains distribution options to receive your dividends and/or capital gains in cash in lieu of reinvestment of said dividends and/or capital gains distributions in the Trust.

The Trust reserves the right to redeem, at any time without notice, any account if it is determined that the account owner is not complying with the Trust's policies and procedures.

FEDERAL INCOME TAXES

Bond Counsel for the bonds held in the tax-exempt municipal bond Funds have not undertaken to advise in the future whether any events after the date of issuance of the bonds may affect the tax-exempt status of interest on the bonds or the tax consequences of ownership of the bonds. No assurance can be given that future legislation, or amendments to the tax code, if enacted into law, will not contain provisions which could directly or indirectly reduce the benefit of the exclusion of the interest on the bonds from gross income for federal income tax purposes. This would prevent such holders from realizing the full current benefit of the federal tax status of such interest. Several bills have also been introduced in Congress in the past that, if enacted, would curtail or eliminate the tax-exemption retroactively or prospectively. Because many states adopt the Internal Revenue Code as a part of the state taxation system, any changes to the federal income and/or capital gains laws may result in changes to state tax laws, resulting in a loss of or reduction in the exemption of municipal bond interest for state income tax purposes. Prospective purchasers of the tax-exempt municipal bond funds should consult their own tax advisors regarding the potential consequences of any federal budget proposal and/or other legislative proposals to the treatment of interest on the bonds and distributions paid by the tax-exempt municipal bond Funds.

Effective for the taxable years beginning after December 22, 2010, each Fund is permitted to carry forward capital losses for an unlimited period, and those capital loss carry forwards will retain their character as either short-term or long-term capital losses rather than being considered all short-term as provided under prior law.

At June 30, 2022, the Funds' capital loss carry-forwards available to offset future capital gains, as follows:

	Short-term	Long-term	Total
Kentucky Tax-Free Short-to-Medium Series	$ 84,910	$ -	$ 84,910
North Carolina Tax-Free Income Series	1,277,364	453,326	1,730,690
North Carolina Tax-Free Short-to-Medium Series	7,994	-	7,994
Tennessee Tax-Free Income Series	174,082	-	174,082
Tennessee Tax-Free Short-to-Medium Series	2,170	245,408	247,578
Intermediate Government Bond Series	45,103	-	45,103
Taxable Municipal Bond Series	174,265	1,333,904	1,508,169

During the year ended June 30, 2022, the following Funds utilized capital loss carry-forwards as follows:

Kentucky Tax-Free Short-to-Medium Series	$6,031
Tennessee Tax-Free Short-to-Medium Series	3,481
Intermediate Government Bond Series	6,835

Capital losses incurred after October 31 ("Post-October" losses) within the taxable year are deemed to arise on the first business day of the Fund's next taxable year. The following Funds incurred and will elect to defer net capital losses during the fiscal year 2022 as follows:

	Short-term	Long-term	Total
Kentucky Tax-Free Income Series	$446,441	$664,635	$1,111,076

The distributions from net realized gains are determined in accordance with federal income tax regulations, which may differ from GAAP. These differences are caused primarily due to the recognition of certain components of realized capital gains for federal income tax purposes. Where such differences are permanent in nature, they are reclassified in the components of net assets based on their ultimate characterization for federal income tax purposes. Any such reclassifications will have no effect on net assets, results of operations or net asset values per share of the Funds. For the fiscal year ended June 30, 2022, the Funds did not have any reclassification of net assets.

No mutual fund is a complete investment program and you may lose money by investing in the Funds. Mutual fund shares are not deposits or obligations of, or guaranteed or endorsed by the U.S. government. More detailed information about the Trust, its investment policies, restrictions and risks can be found in the Trust's Prospectus dated November 1, 2022.

TAX INFORMATION

The information provided below is not an attempt to provide you with tax advice and does not purport to deal with all of the tax consequences that may be applicable to your investment in our Funds. You should always consult with your own tax adviser and/or tax attorney for more details on how our Funds may affect your individual state and Federal tax liability. The information contained herein is deemed to be accurate as of November 1, 2022, but is subject to change and should only be used as general guidance.

Federal Tax Information

We have qualified as a "regulated investment company" under the Internal Revenue Code and intend to continue such qualification. By qualifying as a regulated investment company we are relieved of Federal and state income taxes on all net income and all net realized capital gains, if any, that we distribute to shareholders. In order to qualify for this treatment, we must (i) derive at least 90% of our gross income from dividends, interest and gains from the sale or other disposition of securities, (ii) meet certain diversification tests as to our investments in securities, and (iii) distribute to shareholders at least 90% of our net tax exempt and net taxable income earned in any year. A failure to qualify as a regulated Investment company would result in distributions to shareholders being taxed as ordinary dividends.

You must report your total tax-free income on your federal income tax return. The IRS uses this information to help determine the status of any social security payments that you may receive during the year. Tax-exempt dividends paid to social security recipients may increase the portion of social security benefits that is subject to tax.

The sale of shares may result in a capital gain or loss depending upon your tax basis in your Fund shares. If you have owned your shares for more than one year, gains reportable on the sale of your shares may qualify for reduced rates of taxation on capital gains. For tax purposes, an exchange of your Fund shares for another Fund offered by the Trust is treated the same as a sale, and will normally generate a gain or loss that will be reported to you in your year-end tax information. Distribution of net short-term capital gains we may realize from the sale of municipal or other securities will be taxable to the shareholders as ordinary income. Distribution of net long-term capital gains, if any, generally will be taxable to shareholders as long-term capital gains regardless of how long the shareholder has held the shares in respect of which the distribution is paid. The tax effect of dividends (whether taxable or exempt) on our shareholders is the same whether such dividends are in the form of cash or additional shares.

The net asset value at which our shares are purchased may include undistributed income or capital gains or unrealized appreciation in the value of securities held in our investment portfolio. To the extent that such income or gains, or any capital gains realized from such appreciation, are subsequently distributed to the holder of such shares, the distributed amounts, although considered a return of investment, may be taxable as set forth above.

The Internal Revenue Code prohibits investors from deducting for federal income tax purposes interest paid on loans made or continued for the purpose of purchasing or carrying shares of a mutual fund, such as the tax-exempt municipal bond Funds that distribute exempt interest dividends. Under rules of the IRS, there are circumstances in which purchases of our shares may be considered to have been made with borrowed funds, even though the borrowed funds are not directly traceable to the share purchases.

In any fiscal year in which any Fund has taxable income, we will use the actual earned method of allocating taxable and nontaxable income. We will also allocate expenses between taxable and non-taxable income. In any such year, the percentage of quarterly dividends that are exempt from taxation will vary from quarter to quarter.

The following summary discusses some of the more important tax issues affecting the Trust and its shareholders.

Excise Tax

The Internal Revenue Code contains a provision that discourages a regulated investment company from deferring its shareholders' taxes by delaying distributions of dividend income to shareholders. Under the provision, a 4% non-deductible federal excise tax is levied on undistributed Fund income unless the fund distributes at least; i) 98% of calendar year ordinary income during the calendar year; ii) 98.2% of capital gain net income earned in the year ending October 31 by December 31; and iii) 100% of any undistributed capital gain net income from the prior October 31 measurement period and 100% of any undistributed ordinary income from the prior December 31 measurement period.

Capital Gains

The sale of shares may result in a capital gain or loss depending upon your original tax basis in your Fund shares. Long-term capital gain distributions to a corporation will be taxed at long-term capital gains rates applicable to corporations. Net long-term capital gain distributions to individuals generally will be taxed long term capital gains rates applicable to individuals.

Losses and Certain Limitation

Losses that may be realized on the sale of Fund shares may be subject to disallowance or limitation under various tax rules. For example:

- If the stock of a Fund is held for six months or less, any loss on the sale of that stock generally would be disallowed to the extent the taxpayer received exempt interest dividends with respect to that stock. However, the loss disallowance rule for exempt interest dividends will not apply to a loss realized on the sale of Fund shares for which the taxpayer's holding period begins after December 22, 2010, if the Fund declares dividends daily and distributes them at least monthly.
- All or a portion of a loss realized upon the sale of Fund shares may be disallowed to the extent shares are purchased (including shares acquired by means of reinvested dividends) within 30 days before or after that sale.
- Any loss realized on the sale of Fund shares within six months from the date of purchase will be treated as a long-term capital loss to the extent of any amounts treated as capital gain dividends during that six-month period.

Tax Exempt Bonds

Interest on non-governmental purpose bonds, such as industrial development bonds, issued by qualified government units may be taxable unless the bonds are issued to finance certain specified exempt activities, are used for development of industrial park sites, or are exempt small issues. Furthermore, bonds issued for activities for non-governmental persons are referred to collectively as “non-essential” bonds. Interest on non-essential bonds may be taxable unless a specific exception is provided. Tax-exempt interest on non-essential function bonds generally will be treated as an alternative minimum tax preference item for corporate and individual taxpayers. The Trust does not intend to purchase “non-essential purpose” bonds for the tax-exempt municipal bond Funds. The Internal Revenue Services (“IRS”) may audit issuers of municipal bonds and, in some cases, may determine that the interest paid on certain municipal bonds that were originally issued as tax-exempt bonds is not excludable from adjusted gross income. Such reclassifications or actions could cause interest from a municipal security to become taxable retroactively thereby increasing your tax liability. Moreover, such reclassifications or actions could cause the value of a security to drop which may result in a decline in the value of a Fund’s shares. The potential reclassification of income by the IRS is a risk of investing in tax-exempt municipal bonds.

Tax-Exempt Municipal Bond Funds

As a regulated investment company, we may be qualified to pay “exempt interest dividends”, provided that at least 50% of our total assets are invested in municipal securities at the close of each quarter of our taxable year. Shareholders receiving exempt interest dividends may exclude them from gross income for Federal income tax purposes. However, dividends to our shareholders from net income we may earn from investments in non-municipal securities will be fully taxable as interest income.

Taxable Municipal Bond Series

Ordinarily, the dividends we pay from net income earned on our investments in this Fund are <u>not</u> considered exempt interest dividends. Accordingly, shareholders will include these dividends in gross income for federal income tax purposes. Dividends paid by this Fund may also be subject to tax at the state level. Interest on non-governmental purpose bonds, such as industrial development bonds, issued by qualified government units may be taxable unless the bonds are issued to finance certain specified exempt activities, are used for development of industrial park sites, or are exempt small issues. Furthermore, bonds issued for activities for non-governmental persons are referred to collectively as “non-essential” bonds. Interest on non-essential bonds may be taxable unless a specific exception is provided. Tax-exempt interest on non-essential function bonds generally will be treated as an alternative minimum tax preference item for corporate and individual taxpayers. Interest earned on Build America Bonds held by the Taxable Municipal Bond Series is subject to tax at the federal level and may be subject to tax at the state level. Please consult your tax adviser for more details of how this Fund may affect your state tax liability.

Intermediate Government Bond Series

Ordinarily, the dividends we pay from net income earned on our investments are <u>not</u> considered tax exempt interest dividends. Accordingly, shareholders will include these dividends in gross income for federal income tax purposes. Dividends we pay from the net income earned on out investments in this Fund may be subject to state tax. The above analysis is not all-inclusive and is subject to federal regulations. Please consult your tax adviser for more details of how this Fund may affect your state tax liability.

Additional Medicare Tax

Under current law, an additional 3.8% Medicare tax may be imposed on certain net investment income (including ordinary dividends and capital gain dividends, as well as gains from redemption of Fund shares) of U.S. individuals, estates and trusts, to the extent that the shareholder’s “modified adjusted gross income” (in the case of an individual) or “adjusted gross income” (in the case of an estate or trust) exceeds certain threshold amounts. Shareholders are urged to consult their own tax advisers regarding the implications of the additional Medicare tax resulting from an investment in a Fund.

Backup Withholding

A Fund will be required to report to the Internal Revenue Service all distributions of taxable income and capital gains as well as gross proceeds from the redemption or exchange of Fund shares, except in the case of certain exempt shareholders. Under the backup withholding provisions of Section 3406 of the Internal Revenue Code, distributions of investment company taxable income and net capital gain and proceeds from the redemption or exchange of the shares of a regulated investment company may be subject to withholding of federal income tax in the case of non-exempt shareholders who fail to furnish the investment company with their taxpayer identification numbers and with required certifications regarding their status under the federal income tax law, or if the Fund is notified by the IRS or a broker that withholding is required due to an incorrect TIN or a previous failure to report taxable interest or dividends. If the withholding provisions are applicable, any such distributions and proceeds, whether taken in cash or reinvested in additional shares, will be reduced by the amounts required to be withheld.

Foreign Account Tax Compliance Act

Payments to a Fund shareholder that is either a foreign financial institution ("FFI") or a non-financial foreign entity ("NFFE") within the meaning of the Foreign Account Tax Compliance Act ("FATCA") may be subject to a generally nonrefundable 30% withholding tax on: (a) income dividends paid by a Fund after June 30, 2014 and (b) certain capital gain distributions and the proceeds arising from the sale of Fund shares paid by a Fund after December 31, 2018. FATCA withholding tax generally can be avoided: (a) by an FFI, subject to any applicable intergovernmental agreement or other exemption, if it enters into a valid agreement with the IRS to, among other requirements, report required information about certain direct and indirect ownership of foreign financial accounts held by U.S. persons with the FFI and (b) by an NFFE, if it: (i) certifies that it has no substantial U.S. persons as owners or (ii) if it does have such owners, reports information relating to them. A Fund may disclose the information that it receives from its shareholders to the Internal Revenue Service, non-U.S. taxing authorities or other parties as necessary to comply with FATCA. Withholding also may be required if a foreign entity that is a shareholder of a Fund fails to provide the Fund with appropriate certifications or other documentation concerning its status under FATCA.

Alabama Tax Information

Insofar as the dividends we distribute from the **Alabama Tax-Free Income Series** qualify as "exempt interest dividends" for federal income tax purposes, for residents of Alabama, they will also be excludable from the shareholder's gross income for Alabama income tax purposes. All other dividends and distributions, as well as any earnings we receive from taxable investments and any capital gains we realize from any investments, will have the same general consequences to shareholders for Alabama income tax purposes as they have for federal income tax purposes. This means that for residents of Alabama dividends paid by the Fund will ordinarily be excludable from gross income for Alabama state income tax purposes.

The dividends that we distribute from the **Intermediate Government Bond Series** and **Taxable Municipal Bond Series** do not qualify as "exempt interest dividends" for federal income tax purposes. For residents of Alabama, dividends paid by these Funds and any other tax free Funds may also be subject to state income and/or ad valorem taxes.

No representation is made as to the tax implications of an Alabama corporation or other entity.

Always consult with your tax adviser for more details on how investment in our Funds may affect your tax liability.

Kentucky Tax Information

Insofar as the dividends we distribute from the **Kentucky Tax-Free Income Series** and the **Kentucky Tax-Free Short-to-Medium Series** qualify as "exempt interest dividends" for federal income tax purposes, for residents of Kentucky, they will also be excludable from the shareholder's gross income for Kentucky income tax purposes. All other dividends and distributions, as well as any earnings we receive from taxable investments and any capital gains we realize from any investments, will have the same general consequences to shareholders for Kentucky income tax purposes as they have for Federal income tax purposes. This means that for residents of Kentucky dividends paid by the Fund will ordinarily be excludable from gross income for Kentucky state income tax purposes.

The dividends that we distribute from the **Intermediate Government Bond Series** and **Taxable Municipal Bond Series** do not qualify as "exempt interest dividends" for federal income tax purposes. For residents of Kentucky, dividends paid by these Funds and any other tax free Funds may also be subject to state income and/or ad valorem taxes.

No representation is made as to the tax implications of a Kentucky corporation or other entity.

Always consult with your tax adviser for more details on how investment in our Funds may affect your tax liability.

Mississippi Tax Information

Insofar as the dividends we distribute from the **Mississippi Tax-Free Income Series** qualify as "exempt interest dividends" for federal income tax purposes, for residents of Mississippi, they will also be excludable from the shareholder's gross income for Mississippi income tax purposes. All other dividends and distributions, as well as any earnings we receive from taxable investments and any capital gains we realize from any investments, will have the same general consequences to shareholders for Mississippi income tax purposes as they have for federal income tax purposes. This means that for residents of Mississippi dividends paid by the Fund will ordinarily be excludable from gross income for Mississippi state income tax purposes.

The dividends that we distribute from the **Intermediate Government Bond Series** and **Taxable Municipal Bond Series** do not qualify as "exempt interest dividends" for federal income tax purposes. For residents of Mississippi, dividends paid by these Funds and any other tax free Funds may also be subject to state income and/or ad valorem taxes.

No representation is made as to the tax implications of a Mississippi corporation or other entity.

Always consult with your tax adviser for more details on how investment in our Funds may affect your tax liability.

North Carolina Tax Information

Insofar as the dividends we distribute from the **North Carolina Tax-Free Income Series** and the **North Carolina Tax-Free Short-to-Medium Series** qualify as "exempt interest dividends" for federal income tax purposes, for residents of North Carolina, they will also be excludable from the shareholder's gross income for North Carolina income tax purposes. All other dividends and distributions, as well as any earnings we receive from taxable investments and any capital gains we realize from any investments, will have the same general consequences to shareholders for North Carolina income tax purposes as they have for federal income tax purposes. This means that for residents of North Carolina dividends paid by the Fund will ordinarily be excludable from gross income for North Carolina state income tax purposes.

The dividends that we distribute from the **Intermediate Government Bond Series** and **Taxable Municipal Bond Series** do not qualify as "exempt interest dividends" for federal income tax purposes. For residents of North Carolina, dividends paid by these Funds and any other tax free Funds may also be subject to state income and/or ad valorem taxes.

No representation is made as to the tax implications of a North Carolina corporation or other entity.

Always consult with your tax adviser for more details on how investment in our Funds may affect your tax liability.

Tennessee Tax Information

Ordinarily, the dividends we distribute from the **Tennessee Tax-Free Income Series** and the **Tennessee Tax-Free Short-to-Medium Series** qualify as "exempt interest dividends" for federal income tax purposes. All other dividends and distributions, as well as any earnings we receive from taxable investments and any capital gains we realize from any investments, may be subject to federal income tax.

The dividends that we distribute from the **Intermediate Government Bond Series** and **Taxable Municipal Bond Series** do **not** qualify as "exempt interest dividends" for federal income tax purposes. The Hall income tax, which was imposed on Tennessee residents receiving interest from bonds and notes, was repealed beginning January 1, 2021. As such, dividends and other distributions from the Funds are not subject to a Tennessee state income tax.

Individual shareholders of the Tennessee Series are not subject to Tennessee ad valorem taxes on their shares or on the dividends and distributions they receive from us.

No representation is made as to the tax implications of a Tennessee corporation or other entity.

Always consult with your tax adviser for more details on how investment in our Funds may affect your tax liability.