



GOVERNMENT INVESTMENT POOL



PROGRAM FEATURES

TexSTAR provides a variety of features to Texas local governments:

- Conservatively managed investment pool providing daily liquidity & competitive yields
- Created by local governments for local governments in full compliance with the Texas Public Funds Investment Act and rated AAAM by Standard & Poor's
- Recognized Program Administrators with a proven track record in government investment pool management (HilltopSecurities and JPMorgan Investment Management, Inc.)
- User-friendly operating systems (including internet transaction systems) powered by leading-edge technology
- Responsive Texas-based customer service staff
- Late day transaction deadlines until 4 p.m. CT

OBJECTIVES OF TEXSTAR

The primary objectives of TexSTAR are, in order of priority, preservation and protection of principal, maintenance of sufficient liquidity to meet Participants' needs, diversification, and yield.

TYPES OF INVESTMENTS AUTHORIZED AND PROHIBITED FOR TEXSTAR CASH RESERVE FUND

Authorized Investments for the Cash Reserve Fund:

- Obligations of or guaranteed or insured by the United States Government or its agencies and instrumentalities
- Fully collateralized repurchase agreements with a primary

dealer and secured by any obligation of the United States or its agencies and instrumentalities

- SEC registered, AAA rated no-load money market mutual funds which maintain a stable net asset value of \$1 per share and a weighted average maturity of 90 days or less

Prohibited Investments for the Cash Reserve Fund:

- Derivatives (see TexSTAR investment policy for detailed definition)
- Commercial paper
- Certificates of deposit

MAXIMUM AVERAGE DOLLAR-WEIGHTED MATURITY

The dollar weighted average maturity of the TexSTAR Cash Reserve Fund portfolio may not exceed sixty (60) days calculated in accordance with SEC Rule 2a-7 or one hundred twenty (120) days based on the stated maturity of Fund investments.

MAXIMUM STATED MATURITY DATE

The maximum maturity for any individual security in the TexSTAR portfolio is limited to 397 days for fixed rate securities and 24 months for variable rate notes.

PROGRAM OVERSIGHT

The TexSTAR Cash Reserve Fund is monitored on a weekly basis by Standard & Poor's to confirm compliance with the fund's AAAM rating requirements.

NET ASSET VALUE

The TexSTAR Cash Reserve Fund seeks to maintain a net asset value of \$1.00 per unit and is designed to be used by Participants for investment of funds that require daily liquidity availability.



CUSTODIAN FOR TEXSTAR

JPMorgan Chase Bank serves as custodian to TexSTAR.

INDEPENDENT AUDITOR

TexSTAR is subject to annual review by an independent auditor consistent with the Public Funds Investment Act. PricewaterhouseCoopers LLC has been retained to provide independent auditing services for TexSTAR.

TRANSACTION DEADLINES

TexSTAR will accept wire transactions until 4 p.m. CT daily for same day settlement; ACH transactions until 4 p.m. CT for next day settlement; and internal account transfers until 4 p.m. CT for same day settlement.

PERFORMANCE HISTORY

The performance history, including yield, weighted average maturity and average balance for the TexSTAR Cash Reserve Fund is available by calling 800.839.7827 or by accessing the program web site at www.texstar.org.

MANAGEMENT FEE

The maximum management fee authorized for the TexSTAR Cash Reserve Fund is 12 basis points. This fee may be waived in full or in part at the discretion of the TexSTAR Co-Administrators at any time as provided for in the TexSTAR Information Statement. The current management fee assessed is 6 basis points.

ADMINISTRATORS/INVESTMENT MANAGER

HilltopSecurities and JPMorgan Investment Management, Inc. serve as co-administrators for TexSTAR under an agreement

with the TexSTAR Board of Directors. JPMorgan Investment Management provides investment management, custody, fund accounting, and transfer agency services. HilltopSecurities provides administrative, participant and distribution services.

HOW TO JOIN

- Submit the Resolution entitled "Application for Participation in TexSTAR" to the entity's governing body for approval.
- Complete a "Bank Information Sheet" for each individual account to be opened.
- Return the "Application for Participation" and "Bank Information Sheet" along with the most current investment policy for the entity to TexSTAR Participant Services, 717 N. Harwood St., Suite 3400, Dallas, Texas 75201.

These enrollment documents can be obtained by calling TexSTAR Participant Services (HilltopSecurities) or from the TexSTAR web site at <http://www.texstar.org>.

CONTACT US

To learn more, please contact us.

TEXSTAR@HILLTOPSECURITIES.COM

800.839.7827

TEXSTAR.ORG

This information is intended to be a summary of general market information. HilltopSecurities is not recommending an action to you as the municipal entity or obligated person. This commentary does not represent municipal advice pursuant to Section 15B of the Exchange Act. HilltopSecurities is acting for its own interests. You should discuss any information and material contained in this communication with any and all internal or external advisors and experts that you deem appropriate. When not already acting as a municipal advisor, HilltopSecurities could seek to serve as an underwriter on a future transaction. The primary role of an underwriter is to purchase securities with a view to distribution in an arms length, commercial transaction with the issuer. The underwriter has financial and other interests that differ from those of the issuer.

This material is for informational purposes only and is not intended to be an offer to buy or sell a security. Investors should consider the investment objectives, risks, and expenses associated with this or any security prior to investing. Information provided was obtained from sources that are believed to be reliable; however, it is not guaranteed to be correct, complete, or current, and is not intended to imply or establish standards of care applicable to any attorney or advisor in any particular circumstances. This material represents historical information only and is not an indication of future performance. This material may not be shared with anyone other than the intended recipient without the explicit written consent of HilltopSecurities. Information about these and other program details are in the fund's Information Statement which should be read carefully before investing. The assets of TexSTAR Investment Pool are the only source of payment to the participants. An investment in TexSTAR Investment Pool is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other secondary source of payment and although the pools seek to preserve the value of the investment at a fixed share price of \$1, there can be no assurances that the net asset value will not vary from this price. JPMorgan Asset Management and HilltopSecurities are separate entities.

