TexSTAR

GOVERNMENT INVESTMENT POOL

TEXSTAR FUND FACTS

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.

HilltopSecurities
Investment Banking Solutions

J.P.Morgan
Asset Management

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

HilltopSecurities
Investment Banking Solutions

J.P.Morgan
Asset Management