S&P Global Ratings

Local Government Investment Pool Profile

Texas Short Term Asset Reserve (TexSTAR) Cash Reserve Fund

May 12, 2026

This report does not constitute a rating action

About the pool	AAAm
Last affirmation date	May 12, 2026
Pool type	Stable NAV Government Investment Pool
Investment advisor	J.P. Morgan Investment Management Inc.
Custodian	J.P. Morgan Chase Bank N.A.
Pool inception date	April 1, 2002
Pool rated since	April 8, 2002

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Rationale

S&P Global Ratings rates the Texas Short Term Asset Reserve (TexSTAR) Cash Reserve Fund 'AAAm' based on its view of the quantitative characteristics of the fund's investments, as well as the strong and experienced fixed-income management teams between the fund sponsor, Hilltop Securities Inc. (HTS), and the subadvisor, J.P. Morgan Investment Management Inc. (JPMIM).

For principal stability funds, we consider the sources of risk in a managed fund's portfolio and investment strategy and assess the impact that these risks could have on a fund's ability to maintain a stable or accumulating net asset value (NAV). These risks include credit quality; investment maturity; liquidity; portfolio diversification, index, and spread risk; management; and security-specific risks.

JPMIM and HTS serve as co-administrators for TexSTAR. JPMIM provides investment management services and HTS provides administrative, marketing, participant and distribution services. JPMIM is an SEC registered investment adviser and an affiliate of J.P Morgan Asset Management, with a strong track record of performance. HTS is a registered broker dealer and a member of FINRA/SIPC, which provides municipal advisory and investment banking services to governmental entities across the country. We monitor TexSTAR’s portfolio statistics and investment holdings on a weekly basis.

Fund statistics as of May 12, 2026

Net asset value per share ($)	Net assets (mil. $)	Weighted average maturity (reset) - (days)	Weighted average maturity (final) - (days)	Seven-day yield (%)	30-day yield (%)
.9999	14,229.38	42	102	3.61	3.63

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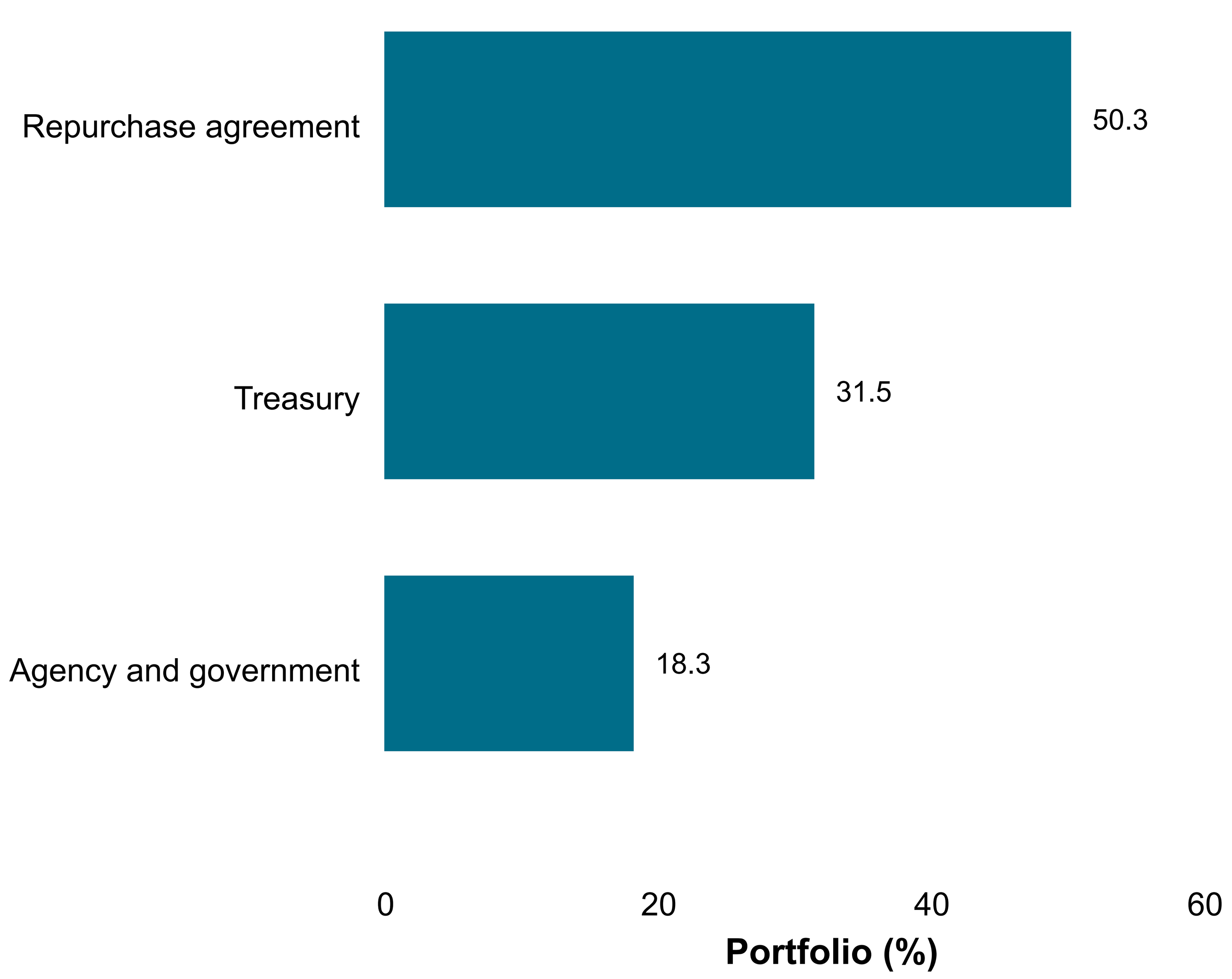
Portfolio Snapshot

Chart 1

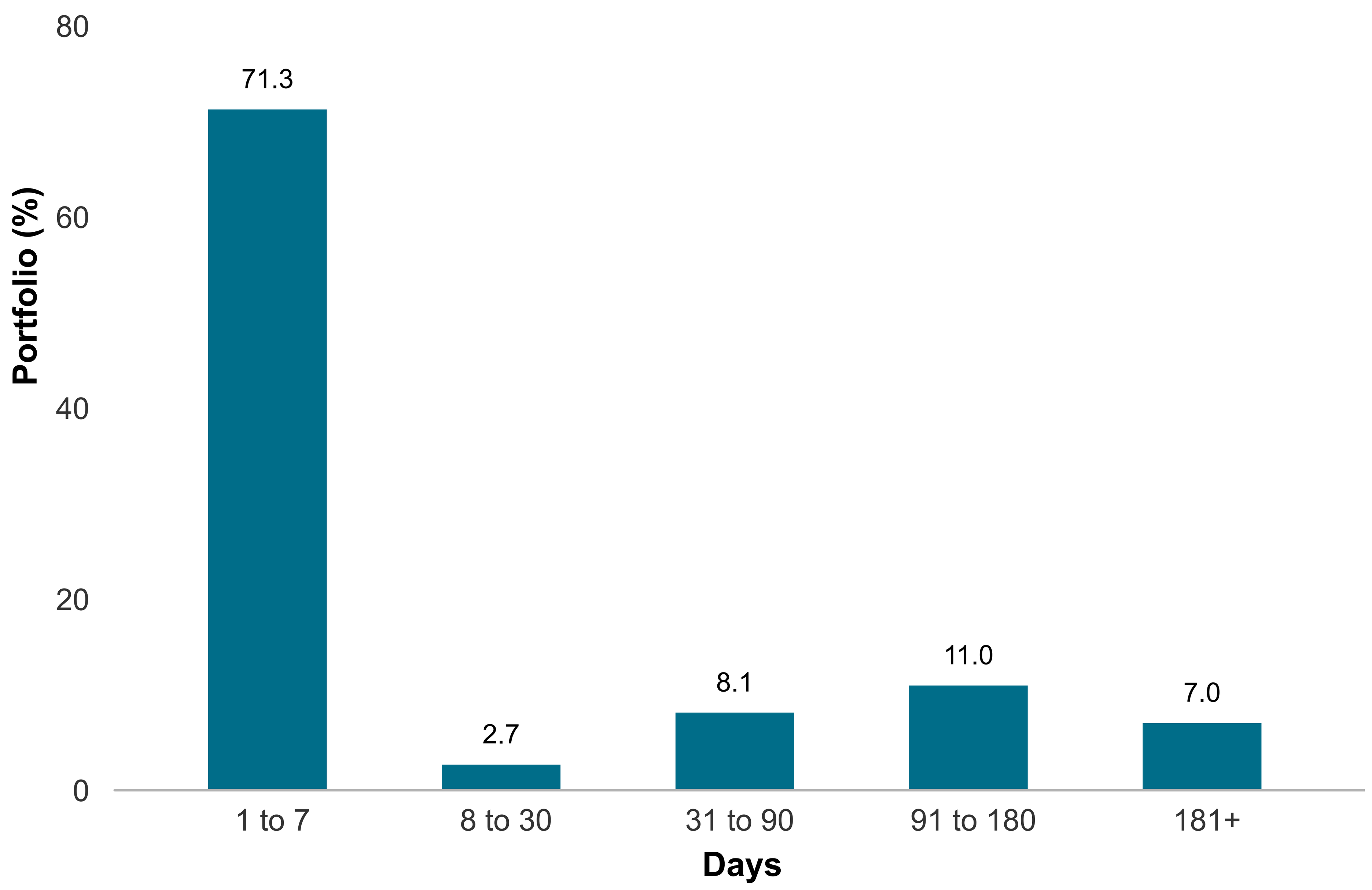
Portfolio composition



As of: May 2026

Chart 2

Average portfolio maturity distribution



As of: May 2026

Portfolio Assets

TexSTAR is a local government investment pool organized under the authority of the Interlocal Cooperation Act, chapter 791, of the Texas Government Code, and the Public Funds Investment Act, chapter 2256, of the Texas Government Code. The pool was created in April 2002 through a contract among its participating governmental units and is governed by a board of directors to provide for the joint investments of participant's public funds and funds under their control. TexSTAR's policy seeks to invest pooled assets in a manner that will provide for preservation and safety of principal and competitive investment returns while meeting the daily liquidity needs of the participants by utilizing economies of scale and professional investment expertise.

The portfolio is a government-repurchase agreement (REPO) pool, utilizing primarily U.S. Treasury securities, U.S. agency securities--both fixed and floating--and REPO collateralized obligations, the principal and interest of which are unconditionally guaranteed or insured by the full faith and credit of the U.S. or its agencies or instrumentalities. As of May 12, 2026, the portfolio comprised a selection of U.S. Treasury securities, U.S. agency securities, and repurchase agreements.

History/Trends

To mitigate TexSTAR's sensitivity to interest rate fluctuations, the fund's weighted average maturity to reset is actively managed within a 60-day limit. During the review period, the fund 's weighted average maturity to reset averaged 42 days, aligning with its conservative approach. Reflecting its money market-like investment strategy, TexSTAR's return profile closely tracks the S&P Rated Government Investment Pool Index and generally varies in response to interest rate movements.

As of May 12, 2026, TexSTAR reported net assets of $14.23 billion, an increase of $1.5 billion year over year. In our view, this AUM growth, coupled with high credit quality, supported NAV stability.

Chart 3

WAM (R) & WAM (F)

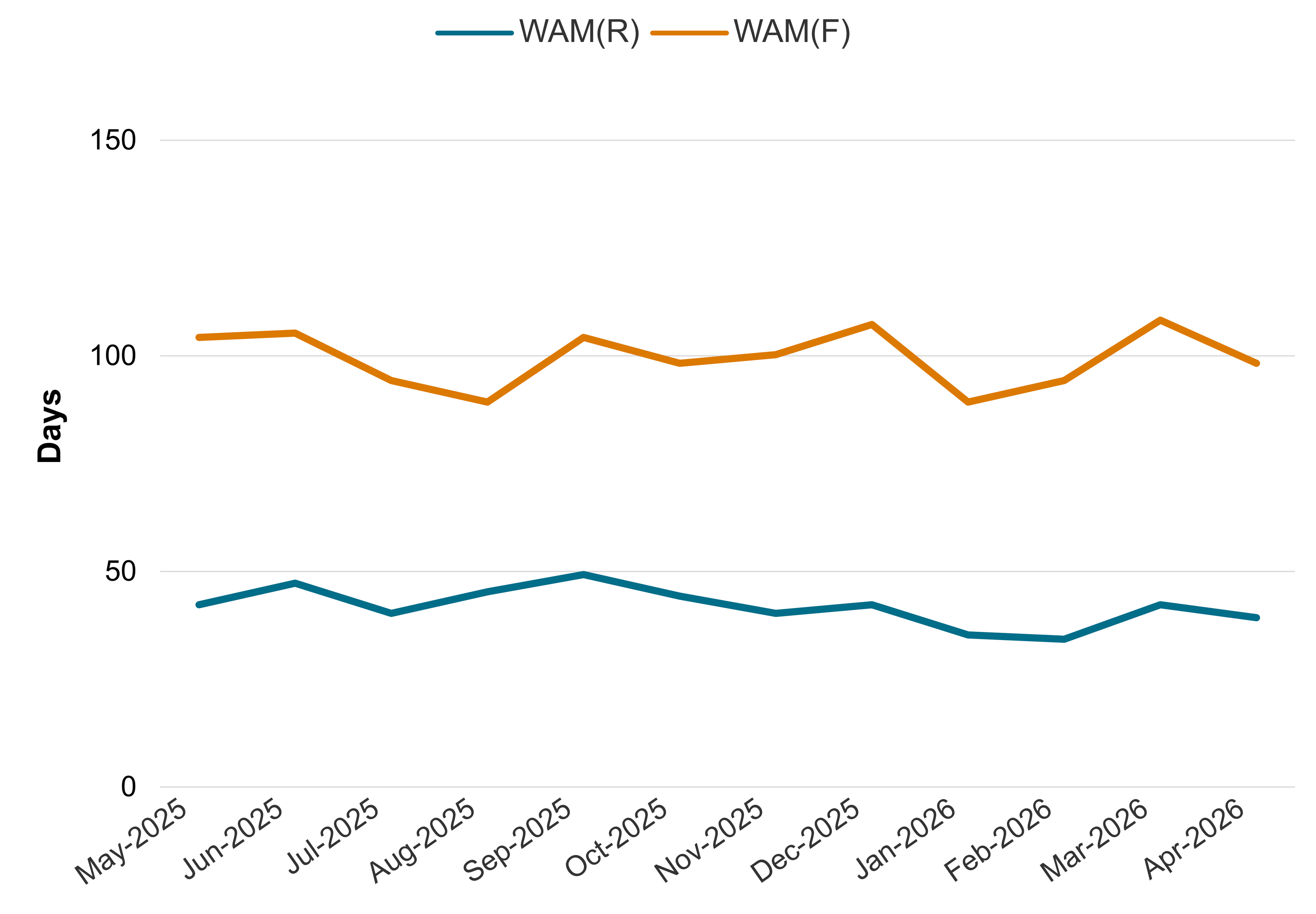


Chart 4

Portfolio seven-day net yield comparison

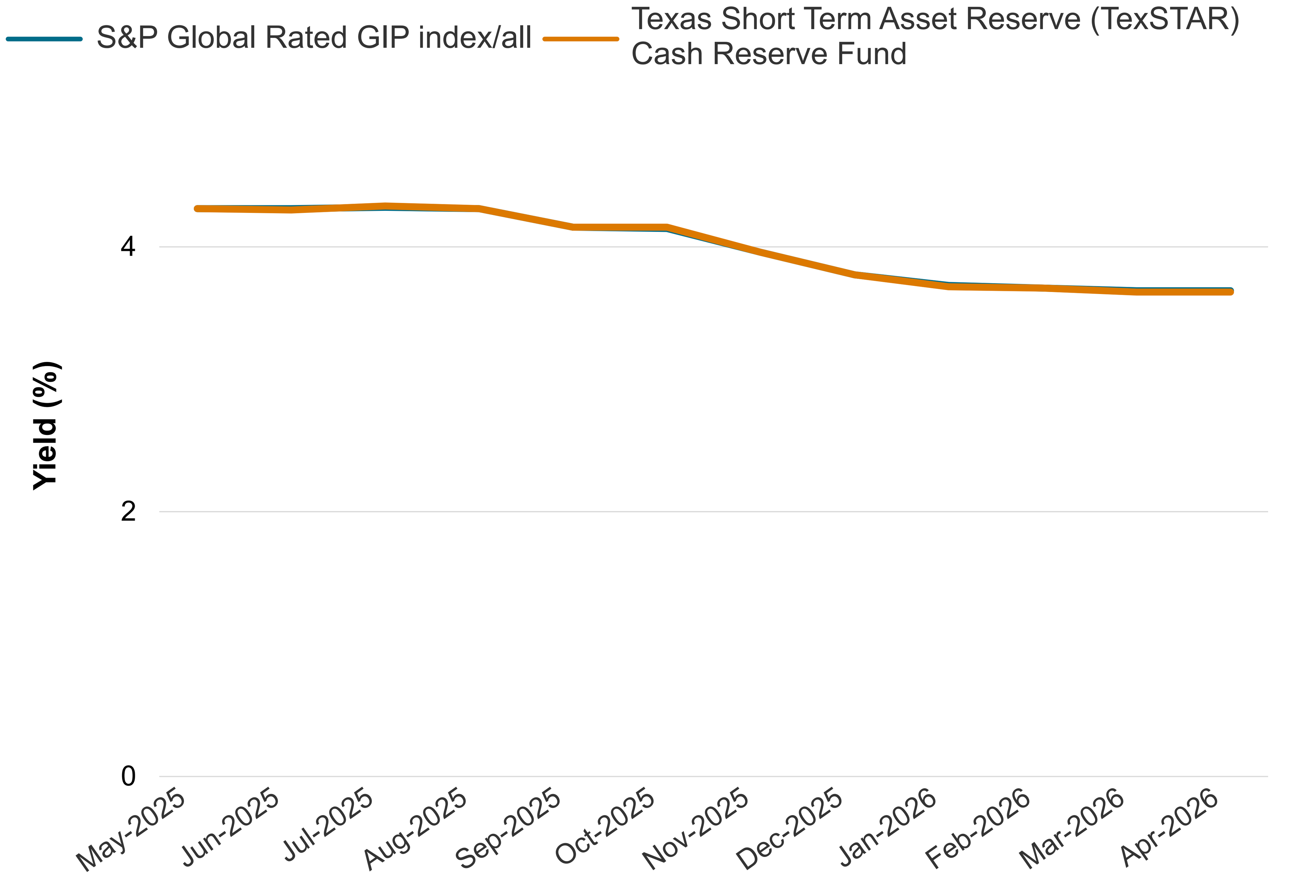


Chart 5

Net assets

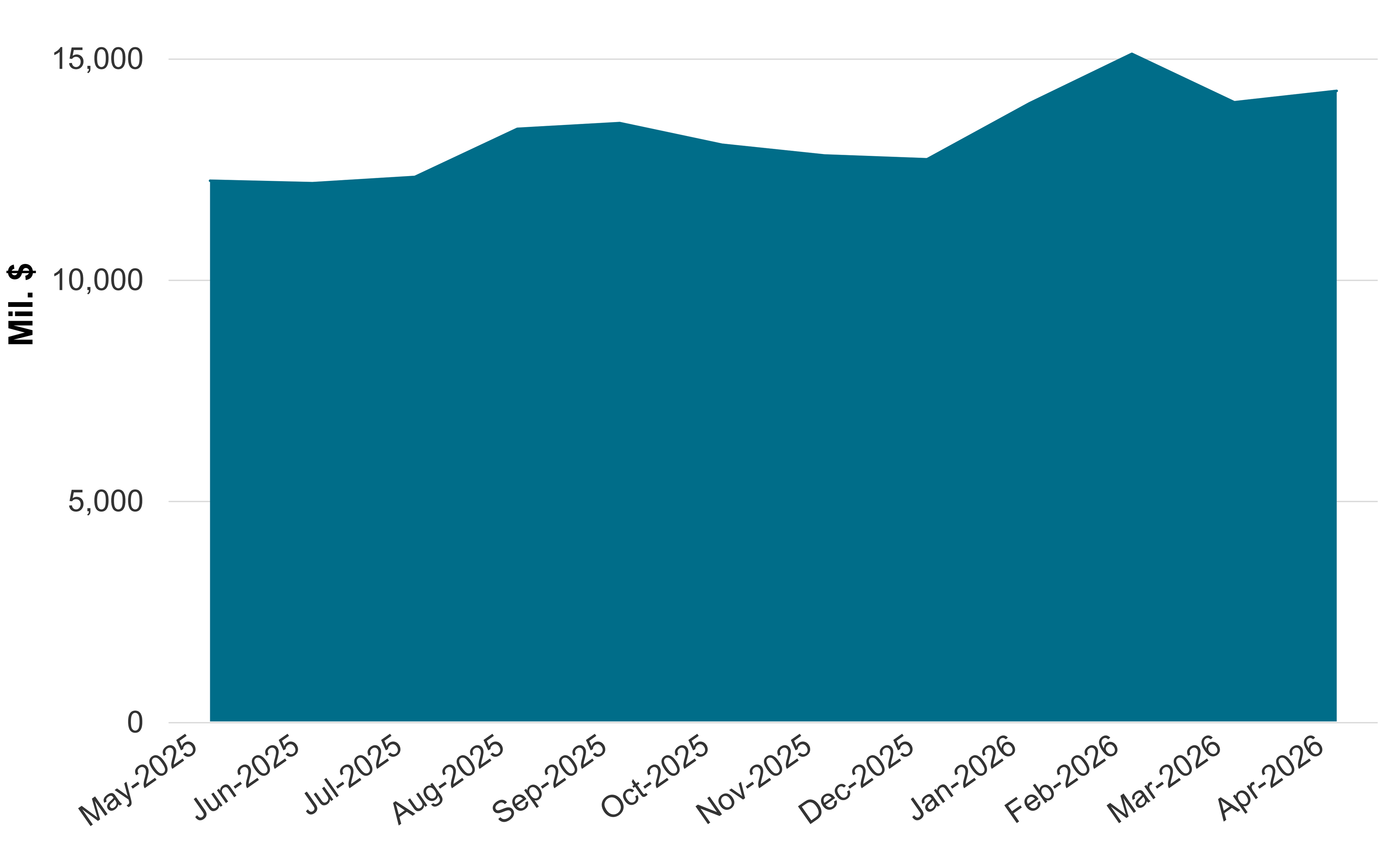
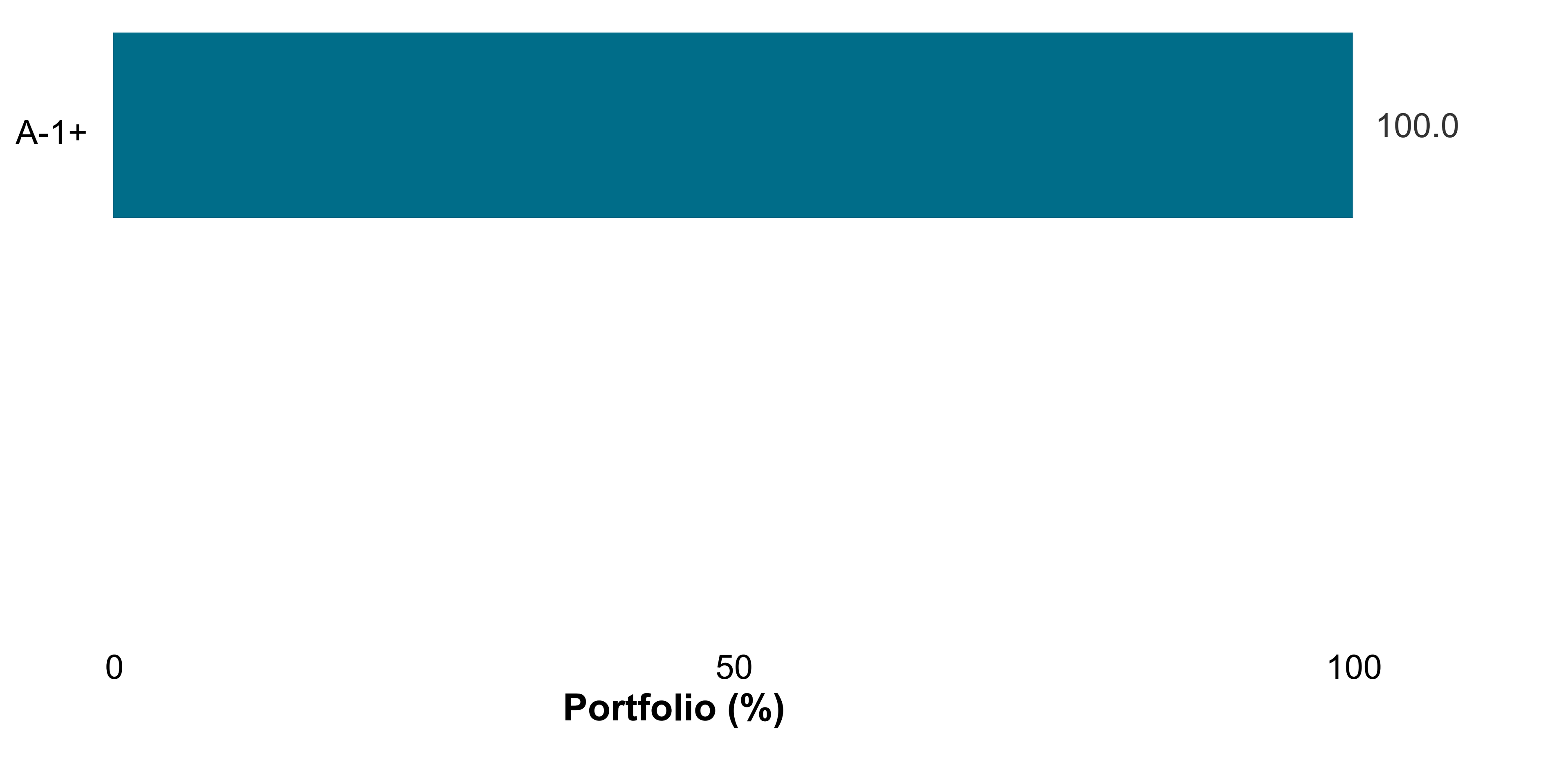


Chart 6

Credit quality



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Related Criteria

- Criteria | Financial Institutions | Fixed-Income Funds: Principal Stability Fund Rating Methodology,November 20, 2025