



TexasTERM CD Purchase Program Overview

For Texas Schools and Local Governments

The TexasTERM CD Purchase Program (the “Program”) broadens investment options for Texas local governments, enabling them to invest in Certificates of Deposit (“CDs”) from FDIC-insured financial institutions across the United States. By compiling information on CDs from numerous financial institutions, the Program offers Participants competitive rates of return on FDIC-insured investments. *NOTE: The CDs in which a Participant invests are direct investments of the Participant, are not assets of the TexasTERM Local Government Investment Pool (the “Pool”), and are not held in any portfolio of the Pool. The Pool does not in any way guarantee the payment of principal of or interest on the CDs. However, the Program is only available to Pool Investors.*

CD PROGRAM AT-A-GLANCE

Investment Amount	Total value of CD (principal & interest) would not exceed the applicable FDIC insurance limits; Participants may make multiple purchases
Investment Period	Customizable maturity dates beyond 90 days
Protection of Assets	Principal and interest are FDIC-insured
Ownership	Investments are held in the name of the participating public entity
Purchase/Maturity	Funds for purchase are transferred directly from a TexasDAILY account; funds from matured CDs are transferred directly back into Participant’s designated TexasDAILY account
Fees	Will not exceed 25 basis points

HOW IT WORKS

Identifying Opportunities: PFM Asset Management LLC (“PFMAM”), the Investment Advisor for the Pool, continuously gathers CD rate, yield, and availability information from financial institutions throughout the United States. The Program obtains competitive rates for Participants, expanding their options for CD investment far beyond their neighborhood banks. For daily CD rate information, Participants may call 866-839-8376, Option 2.

Choosing an Option: When a Participant calls the toll-free number, a representative of PFMAM will provide details on rates for the desired maturity date. Key details of the process:

- Each purchase through the Program must be in an amount such that the total value of the CD (principal & interest) will not exceed the applicable FDIC insurance limits, but Participants may make multiple CD purchases with separate financial institutions.
- The PFMAM representative provides the Participant with information on the best CD rates available. Based on the investment amount and maturity date, the Participant selects one or more CDs. The PFMAM representative will provide both the individual CD rates and a “blended rate” of return for multiple CDs due on a particular maturity date.



- Once a Participant selects a particular term and approves the transaction, the CD purchase is made by transferring funds from the Participant's designated TexasDAILY account.
- A copy of the CD or a safekeeping receipt of the CD will be provided by the financial institution which issued the CD and will be retained by PFMAM as evidence of deposit – available upon request.
- It is intended that the principal and interest for all CD investments are insured by the FDIC. PFMAM informs Participants which specific banks and financial institutions offer the CDs so that Participants can avoid investing beyond the limit of FDIC insurance coverage.

Tracking and Receiving Funds: Participants receive confirmation of their CD investments, which will also appear on Participants' monthly statements. Statements will show both the total due from a group of CDs at a particular maturity date and also specific detail on each CD investment. Participants may also review their CD investments 24 hours a day via online access.

When a CD investment matures, principal and interest from the investment are credited to the Participant's designated TexasDAILY account promptly upon receipt by the Pool's cash management bank. Fees for the Program will not exceed 25 basis points. This includes all Program costs.

PROGRAM BENEFITS

The TexasTERM CD Purchase Program offers Participants a number of benefits. The Program:

- **expands CD investment options** to a nationwide universe of banking institutions;
- **identifies competitive rates** through ongoing research and monitoring;
- **provides the security** that comes with an FDIC-insured investment;
- **offers several different investment periods** to meet a variety of investment goals;
- **gives Participants the convenience** of purchases made directly from a designated TexasDAILY account; and
- **enables Participants to hold CD investments** in the name of their public entity.

HOW TO ENROLL

The Program is offered by PFMAM. To become a Program Participant, Investors must complete and submit a Program Application and Investment Advisory Agreement and a W-9 form. For more information, please contact the PFMAM Fixed Rate Group at 866-839-8376, Option 2.

A description of the TexasTERM CD Purchase Program is contained in the TexasTERM Information Statement. The Information Statement contains important information and should be read carefully before investing. Investors may purchase Certificates of Deposit through the TexasTERM CD Purchase Program only by executing a Program Application and Investment Advisory Agreement with the Program's Investment Advisor, PFM Asset Management LLC. Past performance is not indicative of future results and yields may vary.

*This information does not represent an offer to sell or a solicitation of an offer to buy or sell any fund or other security. Investors should consider the Pool's investment objectives, risks, charges and expenses before investing. This and other information about the Pool is available in the Pool's Information Statement, which should be read carefully before investing. A copy of the Pool's Information Statement may be obtained by calling 1-866-839-8376 or is available on the Pool's website at www.texasterm.net. While TexasDAILY seeks to maintain a stable net asset value of \$1.00 per share and TexasTERM seeks to achieve a net asset value of \$1.00 per share at its stated maturity, it is possible to lose money investing in the Pool. An investment in the Pool is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Shares of the Pool are distributed by **PFM Fund Distributors, Inc.**, member Financial Industry Regulatory Authority (FINRA) (www.finra.org) and Securities Investor Protection Corporation (SIPC) (www.sipc.org). PFM Fund Distributors, Inc. is a wholly owned subsidiary of PFM Asset Management LLC.*