

Texas  
CLASS<sup>®</sup>



## Texas CLASS PLUS+ (Custom) Information Statement

May 1, 2010





Dear Texas CLASS Prospect or Participant:

The Texas CLASS Board of Trustees and Advisory Board in conjunction with Cutwater Investor Service Corp. (the "Program Administrator") are pleased to offer a specially designated subaccount feature for the Texas CLASS investment program: Texas CLASS PLUS+ (Custom). As further described below, this subaccount option allows Participants with funds above a certain minimum threshold to receive customized investment management in a subaccount.

Funds that are directed to a Texas CLASS PLUS+ (Custom) subaccount by a Participant will be invested by the Program Administrator in accordance with the particular written investment policies of the Participant that are delivered to the Program Administrator by the Participant when the subaccount is established (or subsequently if such policies are amended by the Participant) and not in accordance with the general investment policies set forth in Exhibit E of the Texas CLASS Trust Agreement. The investments are further limited by the following maturity restrictions: government floating rate instruments will have a maximum maturity of 7 years and all fixed rate instruments will have a maximum maturity of 4 years. Participants must be certain that their investment policies conform to Texas law regarding the investment of public funds. Each Texas CLASS PLUS+ (Custom) subaccount established by a Participant will be designated by a separate series name and separately managed apart from any such subaccounts established by other Participants and the main Texas CLASS portfolio. Similarly, the rate of return on any Texas CLASS PLUS+ (Custom) subaccount will be calculated for such subaccount only. In this way, a Participant will be able to have certain of its funds invested for a particular period of time in a way that is tailored to its particular needs. The Texas CLASS PLUS+ (Custom) Series A subaccount is currently rated AAAf/S1+ by Standard and Poor's. Each subaccount will be separately rated and each subaccount will have the same rating, or its equivalent if rated by a different rating agency.

Because of the individualized nature of the new Texas CLASS PLUS+ (Custom) subaccounts, there are certain restrictions on such subaccounts that are not applicable to regular accounts in Texas CLASS. The minimum initial investment amount for a Texas CLASS PLUS+ (Custom) subaccount is \$20,000,000. This amount must be maintained in the subaccount for a minimum of ninety days. If a Participant requests a payment from the subaccount prior to the ninety day minimum period, there will be an early withdrawal fee equal to the interest income earned by the Participant in the subaccount during the investment in the subaccount. In addition, Participants should be aware that withdrawals that require the liquidation of investments may give rise to capital losses on such investments. Investment returns will be credited to the subaccount on a monthly basis, less a 12 basis point fee for the Program Administrator. Investments through Texas CLASS PLUS+ (Custom) subaccounts will not be supported by the letter of credit that supports the other Texas CLASS accounts.

The Texas CLASS Board of Trustees and Advisory Board along with Cutwater Investor Service Corp. believe that Texas CLASS PLUS+ (Custom) subaccounts will provide the Texas CLASS Participants an additional, value-added investment service. If you want additional information concerning Texas CLASS PLUS + (Custom) subaccounts or to set up a subaccount, please contact your Regional Marketing Representative at 800-707-6242 or visit us on the internet at [www.texasclass.com](http://www.texasclass.com).

Texas CLASS Board of Trustees and Advisory Board

## General Information regarding Texas CLASS PLUS+ (Custom)

1. In compliance with Texas Law under the Texas CLASS PLUS+ (Custom) Program (the "Program"), Subaccount investments are determined by the written investment policies of the Participant establishing a subaccount. Participants must make certain that such policies are in accordance with Texas law pertaining to the investment of public funds.
2. The funds paid into a subaccount are expected to be held for a minimum of 90 days. The maximum average dollar-weighted maturity allowed would be consistent with the Participant's investment policy.
3. Maximum stated maturity date of any investment security within a subaccount would be consistent with the Participant's investment policy. Additionally, the investments in each subaccount are further limited by the following maturity restrictions: government floating rate instruments will have a maximum maturity of 7 years and all fixed rate instruments will have a maximum maturity of 4 years.
4. Each subaccount is designated by a separate series name and is separate from all other subaccounts under the Program and each subaccount is designed to provide customized investment of a Participant's funds for a set period of time in accordance with such Participant's written investment policies, which policies must comply with Texas law.
5. The minimum size of a subaccount is \$20,000,000. There is no maximum size.
6. The names of the board of trustees and advisory board members of Texas CLASS and the dates their terms expire are available on the Texas CLASS Web site at [www.texasclass.com](http://www.texasclass.com).
7. The custodian bank for each subaccount is Wells Fargo Bank, NA as Custodian for Texas CLASS.
8. Because the intent of a subaccount is not to maintain a net asset value of one dollar, there is a risk of market price fluctuation in each subaccount.
9. The only source of payment for a subaccount is the market value of the investments held in such subaccount.
10. The Series A subaccount is currently rated AAf/S1+ by Standard and Poor's. Each subaccount will be separately rated and each subaccount will have the same rating, or its equivalent if rated by a different rating agency.
11. The independent auditor of each subaccount and its address are as follows:
 

PricewaterhouseCoopers  
1670 Broadway Denver, CO 80202
12. Please see the letter to which this Information Statement is attached for a description of the operating policies of the subaccounts, including investing and payment requirements.
13. Because each subaccount is tailored for a particular Participant, there is no performance history for a subaccount. Each Program Participant will receive a report concerning the performance of their subaccount on a monthly basis.

For more information, please contact us at 800-707-6242 or visit our Web site at [www.texasclass.com](http://www.texasclass.com).