



# Investment Advisory Agreement

Questions? Call 1-866-839-8376

**Note:** You are referred to herein as "Investor." The entity must be a shareholder in the TexasDAILY Portfolio or the TexasDAILY Select Portfolio in order to intern into this agreement (the "Agreement") with PFM Asset Management LLC (the "Advisor") for investment advisory services in connection with your direct purchase of certificates of deposit ("CDs") through the TexasTERM CD Purchase Program (the "Program").

**1. Investor Details:** *(Please complete all fields in this section.)*

Investor Name: \_\_\_\_\_ (Name to appear on Program records) TIN : \_\_\_\_\_  
(Taxpayer Identification Number)

Street Address: \_\_\_\_\_ (Street Address (A P.O. Box is not acceptable)) Phone Number: \_\_\_\_\_

\_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip Fax Number: \_\_\_\_\_

**2. Authorized Contacts:** *Each of the following Contacts is authorized to act on behalf of Investor under this Agreement*

First Name: \_\_\_\_\_ Last Name: \_\_\_\_\_ Title: \_\_\_\_\_

First Name: \_\_\_\_\_ Last Name: \_\_\_\_\_ Title: \_\_\_\_\_

First Name: \_\_\_\_\_ Last Name: \_\_\_\_\_ Title: \_\_\_\_\_

**3. Investor's Designated Accounts:** *The following account(s) of Investor in the Portfolio is the "Designated Portfolio Account" for purposes of this Agreement:*

Account Number	Account Title
Account Number	Account Title
Account Number	Account Title
Account Number	Account Title
Account Number	Account Title

**4. The Program:** *(Please review this section.)*

Investor engages the Advisor to serve as investment advisor to the above named Investor with respect to the purchase of CDs for the account of the Investor under the terms described herein.

Investor's purchase of CDs is to be funded from the Designated Account of Investor, and the payment of interest and the repayment of principal at maturity by the financial institution issuing a CD will be deposited in the Designated Account of Investor.

**5. Purchase of Certificates of Deposit:** *(Please review this section.)*

The Advisor will purchase non-negotiable CDs, which are intended to be fully insured by the Federal Deposit Insurance Corporation ("FDIC"), for the Investor's account directly from the issuers of such CDs or through such brokers as the Advisor selects. Each CD will be issued by the financial institution in book-entry form and the book-entry registration shall be maintained by the financial institution. A safekeeping receipt or copy of the CD will be provided by the financial institution to Advisor and will be provided to Investor upon request. Investor authorizes the Advisor, in its capacity as transfer agent of the Program, to redeem shares in Investor's Designated Account, and Investor authorizes the custodian of the Program to wire cash from Investor's Designated Account to financial institutions that will issue CDs being purchased by Investor.



Investor acknowledges that financial institutions from which CDs are purchased may be small in size and may not be rated by national credit rating organizations. The CDs will not be collateralized. Hence there will be reliance on federal deposit insurance and it is crucial that Investor's CDs be fully covered by FDIC insurance. Investor understands that (i) CDs in amounts above applicable FDIC insurance limits are not insured, (ii) substantially all of the credit research performed by the Advisor will relate to the eligibility/applicability of FDIC insurance to the CDs, and (iii) in determining FDIC insurance limits, Federal regulations provide that all amounts deposited by a depositor, including amounts deposited directly, through brokers or through other means in a financial institution regardless of the source will be combined in determining the insurance limit. The Advisor will maintain records of all CDs purchased by the Advisor for the Investor to assist the Investor in maintaining CDs within applicable insurance limits, but the Advisor is not responsible for the effects on FDIC insurance limits of deposits made directly by the Investor or through other arrangements. It is the Investor's sole responsibility to determine that deposits made directly by the Investor outside of this Agreement or through other arrangements outside of this Agreement do not cause the CDs purchased by the Investor hereunder to exceed the total insurance limit for the CDs and other Investor deposits. The Advisor will not monitor, and has no obligation to monitor, deposits made directly by the Investor or through other arrangements and the Investor agrees that the Advisor has no responsibility with respect thereto. FDIC insured CDs generally are not negotiable and not liquid. Substantial penalties may apply if the Investor makes an early redemption.

## 6. Additional Terms and Conditions: *(Please review and complete this section.)*

- A. **Engagement of Advisor.** Investor hereby engages Advisor to provide non-discretionary investment advisory services to Investor under the terms of this Agreement.
- B. **Approval by Investor.** The Advisor and Investor agree that all CDs acquired by Investor under the Program shall be: (i) approved in advance of purchase by an authorized representative of Investor as stated above; and (ii) purchased directly from the issuers of such CDs or through such brokers as the Advisor selects.
- C. **Advisory Fee; Expenses.** Investor agrees to pay to Advisor a management fee not greater than 0.25% per annum of the cost of CDs purchased by Investor under the Program. Investor authorizes the Advisor, in its capacity as transfer agent of the Program, to redeem shares in Investor's Designated Account for payment of the management fee to Advisor using the method selected below:

The entire management fee will be deducted from Investor's Designated Portfolio Account upon settlement of the CD (refundable pro rata in the event of an early withdrawal).

The monthly amount of the management fee will be deducted from Investor's Designated Portfolio Account after the close of each month.

If sufficient funds are not available in Investor's Designated Account, Investor agrees to compensate the Advisor from other sources within 30 calendar days of receiving an invoice. Investor shall be responsible for the payment of all of its expenses with regard to CDs purchased under the Program, including, without limitation, taxes, commissions, transaction fees and insurance, except the Advisor is responsible for all fees of the custodian of the Program and brokerage fees associated with CDs with respect to the Program.

- D. **Non-Exclusivity.** Investor has no obligation to purchase any CD recommended by Advisor. Investor acknowledges and agrees that Advisor serves as investment advisor to numerous individual investors and pooled investment funds and that such other engagements of Advisor do not constitute a conflict of interest in regard to Investor.
- E. **Termination.** This Agreement may be terminated by Investor or Advisor at any time, without cause, by notice in writing, stating the effective date of termination, transmitted by first class mail or recognized courier service. This Agreement will terminate automatically and without notice in the event that Advisor shall cease to be the investment advisor for the Program or in the event that Investor shall withdraw as an Investor of the Program. Notwithstanding the foregoing, termination shall not relieve Investor of its obligation to pay any management fee which has become payable to Advisor. Advisor, upon the effective date of termination of this Agreement, shall direct Custodian to effect the transfer of the CDs to Investor.
- F. **Status of Advisor.** Advisor is an investment advisor, registered with the Securities and Exchange Commission ("SEC") under the Investment Advisers Act of 1940. Advisor agrees that it will not deal with itself or with any other affiliated company or individual



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in making purchases or sales of CDs pursuant to this engagement and will have no other interest in the purchase or sale of CDs except as described in this Agreement. Advisor agrees to perform its duties and responsibilities under this Agreement with reasonable care. The Federal securities laws impose liabilities under certain circumstances on persons who are required to act in good faith. Nothing herein shall in any way constitute a waiver or limitation of any rights which Investor or Advisor may have under federal securities laws. Investor hereby authorizes Advisor to sign I.R.S. Form W-9 on behalf of Investor and to deliver such form to broker-dealers or others from time to time as required in connection with transactions pursuant to this Agreement.

- G. Advisor’s Disclosure Statement. Investor acknowledges that Advisor has furnished to Investor, at least 48 hours prior to the execution of this Agreement, a copy of Part II of Advisor’s Form ADV as filed with the SEC.
- H. Information Statement. Investor acknowledges that Advisor has furnished to Investor a copy of the Texas Range Information Statement. Investor should review the Information Statement before purchasing CDs through the Program.
- I. Reports. Advisor will provide Investor with a monthly statement showing purchases and sales (or maturities) of CDs, earnings received, fund transfers and the value of CDs held by Investor on the last business day of each month.
- J. Liability of the Program. The Program does not issue or insure the CDs nor does it guarantee the payment of principal or of interest on the CDs. The Program is not acting as a broker-dealer or an investment advisor with respect to the CDs. Investor's investment advisory relationship is with the Advisor. The Program is not responsible for Investor’s compliance with the FDIC insurance limits. The Program assumes no obligations pursuant to this Agreement or with respect to the CDs.
- K. Assignment. This Agreement is not assignable by either Advisor or Investor and will terminate automatically in the event of an attempted assignment.
- L. General. This Agreement is the entire agreement between the parties with respect to Advisor’s advisory service in regard to the purchase of CDs by Investor under the Program and may be modified only in writing signed by both parties (except that Investor unilaterally may add or delete names of persons authorized by Investor to give instructions to Advisor, effective upon Advisor’s receipt of such notice). This Agreement shall be construed in accordance with the internal laws of the State of Texas. Advisor and Investor agree that should a disagreement arise as to performance under this Agreement, the parties will attempt in good faith to resolve such disagreement without litigation.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates indicated.

ADVISOR

PFM ASSET MANAGEMENT LLC

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Managing Director

INVESTOR

\_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Title