

Arkansas Local Government Cash Management Trust

Est. July 10, 1996



Features and Benefits:

- ✓ Attractive market interest rates
- ✓ Investments authorized by State law
- ✓ Direct deposit of State turnback funds—Earn interest immediately!
- ✓ High liquidity (next day)
- ✓ Check-writing authority
- ✓ No minimum balance
- ✓ No withdrawal restrictions
- ✓ Deposit/withdrawal by check, ACH or wire transfer

Q. What is the Arkansas Local Government Cash Management Trust?

A. The Trust is an investment vehicle, authorized by Arkansas law, which allows governmental entities all over Arkansas to pool operating and other cash reserves in order to earn interest at a rate likely higher than they could earn by investing on their own.

Q. What is the minimum that can be invested, and how long will the funds be tied up?

A. There is no minimum investment, and your money is always available to you via check, automatic clearing house (ACH) or wire transfer at no cost to you.

Q. How do I know my money will be safe?

A. The Trust invests only in U.S. government or agency securities and commercial paper issued by major U.S. corporations with top credit ratings. These are investments authorized by Arkansas law for this type of program.

Q. Since municipalities are authorized to invest in marketable government securities, how can the Trust potentially earn a greater return?

A. Broader investment authority, a larger pool of investments, professional management and current market interest rates help to reduce costs and maximize returns.

Q. Tell me about the direct deposit of State turnback funds into the Trust.

A. State law authorizes the electronic deposit of a municipality's monthly general and special turnback funds into the municipality's cash management accounts, if the municipality so authorizes. This lets the municipality begin earning a current market interest rate on all funds starting the first date on which they are received. The municipality then may withdraw the money as it is needed.

Q. Why should I invest my cash reserve funds in this Trust instead of my local bank?

A. It may be appropriate for you to invest locally; however, as an elected official or government employee, it is your responsibility to exercise the most prudent fiscal policy possible with public money entrusted to your care. Thus, if there are optional investments, such as the Trust, that yield a greater return on public funds and provide greater flexibility, you should consider them.

Q. Who administers and oversees the Trust?

A. The Arkansas Municipal League is the administrator of the Trust. A Board of Trustees, made up of elected officials or employees of participating cities, towns and the League, govern the Trust. Stephens Capital Management is the Trust investment advisor, and Stephens Inc. is custodian of the Trust assets.

Q. What about my participation fees or costs?

A. There are no transfer fees or sales commissions paid directly by participants. Fees of the investment advisor, custodian and administrator are paid by the Trust.

Q. Who can I contact if I want to discuss participation in the Trust?

A. Contact:
Arkansas Municipal League
Lori Sander or Paul Young
Phone 501-374-3484

or
Stephens Inc.
Larry Middleton or Sandy Babcock
Phone 501-377-2377
Toll Free 800-643-9691, ext. 2377

Q. Is it difficult to get started investing in the Trust?

A. Not at all. Just call one of the League or Stephens contacts for a copy of the following documents:

- A draft-authorizing ordinance;
- A joinder agreement;
- A funds-transfer authorization; and
- A Stephens Inc. application form.

Complete the documents, certify your ordinance and return them to Stephens Inc. at the address below.

Stephens Inc.
Attention Sandy Babcock
P.O. Box 3507
Little Rock, AR 72203

You will be notified when the Trust accepts the forms and documents and the Trust files the joinder agreement with the Secretary of State. The local government will then be given an account number (or numbers if more than one account is needed) and can use check, ACH or wire transfer to make its initial investment in the Trust. Participants receive monthly statements regarding their account, including the interest earned.

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Direct Deposit
State Turnback.
Earn Interest
Immediately!



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