



Information Statement



U.S. FIXED INCOME TRUST

Information Statement

Texas Pools

June , 2020

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No person or entity has been authorized to give any information or to make any representations other than those contained in this Information Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by *U.S. Fixed Income Trust* (the "Trust"), its *Board of Trustees* (the "Board"), *Wertz York Capital Management Group, LLC* (d/b/a *Water Walker Investments*), the investment adviser to the Trust and its series (the "Advisor") or any agent of the Trust or the Board.

The Trust is designed for local and state government entities. Each potential Participant may request a copy of this Information Statement before becoming a Participant. This Information Statement contains a summary of the Trust Agreement and other relevant information and supplements the pool's Investment Policy. The Trust's pools are designed for local and state government entities in specific states under that state's laws and regulations, as reflected in the applicable Investment Policy.

This summary is qualified in its entirety by reference to the full text of the Trust Agreement. All potential Participants are encouraged to read the Trust Agreement in its entirety for more complete information regarding the Trust. The Trust Agreement is available for downloading at www.usfixedincometrust.com.

Additional information that is a required part of this Information Statement is included in the monthly statements furnished to each Participant. The Information Statement will be updated through supplemental material and may be used only if it is accompanied by such information.

Article I. Overview of the Trust

Part I of this Information Statement contains certain information about the operation and policies of the Trust. The Board has hired the Advisor to serve as the investment advisor to the pools; *U.S. Bancorp Fund Services, LLC d/b/a U.S. Bank Global Fund Services* (the “Administrator”) to serve as the administrator, accounting agent, and investor services representative to the pools; and *U.S. Bank National Association*, the (“Custodian”), to serve as custodian to the pools. Additional information regarding these firms, hereafter referred to as the Trust’s service providers (the “Service Providers”), is set forth throughout this Information Statement.

Section 1.01. Purpose of the Trust

The purpose of the Trust is to offer one or more investment pools through which a Participant may pool any of its funds or funds under its control to preserve principal, to maintain the liquidity of the Participant, and to maximize current income in accordance with the applicable state laws governing the investment of funds of a Participant or funds under its control.

Each Pool intends to invest Participant assets in accordance with its Investment Policy, which is designed to comply with applicable state law. The Investment Policy and Investment Strategy of each Pool may be amended from time to time by approval from a majority of the Board.

Section 1.02. Who can Invest in the Trust?

Eligible Participants are generally any municipality, county, school district or authority created under applicable state law or a fresh water supply district, a hospital district and any political subdivision, authority, public corporation, body politic, or instrumentality of the state, any office, department, commission, board, or other agency that is part of any branch of state government, an institution of higher education, and any nonprofit corporation acting on behalf of any of those entities that has taken the actions required to participate in the Trust.

Any local or state government entity that becomes a Participant has the same rights and obligations to the Pool as other Participants. Each Participant shall have the right to invest funds in the Pool(s) that they deem best for their needs. Each Participant has the right to redeem any or all of its investment in the Pools during normal operating hours of the Administrator. Subject to meeting the daily times for giving notice,

which may be adjusted by the Trust, there is no limitation on the period that funds must be invested prior to such payment.

Upon receipt of any payment request, the Administrator will send the proper instructions to the Custodian and the Participant should typically receive the redemption proceeds no later than the next business day. The Trust does reserve the right to suspend redemptions during periods of crisis that affect the financial markets of the United States.

Any Participant may redeem proceeds from their account at any time without penalty upon written notice to the Administrator. The Administrator will work with the Custodian to ensure the Participants instructions are properly followed. A Participant may close their account at any time without penalty.

Each Participant must designate an authorized representative to act for the Participant. This person must have the authority to give and receive consent on behalf of the Participant. Under applicable state law, this person is usually the investment officer that is empowered by the charter, ordinances, and any local regulation to direct the investments for such Participant.

Section 1.03. Investment Objectives, Investment Policies and Investment Risks of the Trust

The Pools have been specifically designed for the use of Participants. Accordingly, the pools of the Trust are designed to consist solely of securities in which such Participants are permitted to invest in pursuant to applicable state law. All investment securities purchased for the Pools are held by the Custodian for the benefit of the Pools. Any city or county charters that contain investment provisions more restrictive than the applicable state law may not comply with the Pools. The compliance with such restrictions is the responsibility of the Participant.

The Pools may invest in any or all the legal investments specified in applicable state law (referred to herein as “Permitted Investments”). Such investments may include but are not limited to the following:

- U.S. Treasury Bills, Notes, and Bonds,
- Obligations of or guaranteed by U.S. Government Agencies and Instrumentalities,
- State and local government obligations (subject to limitation),
- Certificates of Deposits of a State or National Bank domiciled in the State of Texas guaranteed or insured by the FDIC, that meet the requirements of the Act
- Bankers’ Acceptances
- Mutual Funds including stable value money market funds,
- Repurchase Agreements,
- Highly Rated Commercial Paper
- Guaranteed Investment Contracts.

The Board has adopted an Investment Policy on behalf of each Pool. The Pools may only invest in those securities authorized by the applicable state law and will invest in accordance with their current Investment Policy. The Texas Pools’ Investment Policy is available at www.tx-fit.com.

The Pools will seek to attain their investment objectives. However, no guarantees or assurances can be given that the Pools will achieve their investment objectives or that any benefit described in this Information Statement will result from the placement of money in the Pools.

Participants should specifically consider, among other things, the following risks before making a decision to invest in the Pools. The following summary does not purport to be comprehensive or definitive of all risk factors.

Interest Rate Risks - the prices of the fixed-income securities in which the Pools will invest rise and fall in response to changes in the interest rates paid by similar securities. Generally, when interest rates rise, prices of fixed-income securities fall. However, market factors, such as demand for particular fixed-income securities, may cause the price of certain fixed-income securities to fall while the price of other securities rise or remain unchanged. Interest rate changes have a greater effect on the price of fixed-income securities with longer maturities.

Credit Risks - credit risk is the possibility that an issuer of a fixed-income security held by the Pools will default on the security by failing to pay interest or principal when due. If an issuer defaults, a Pool will lose money.

Section 1.04. Pool Information

Under applicable state law, the Board has appointed the Advisor to invest and manage the pools of the Trust. Pool transactions will generally be executed through registered broker-dealers. Most transactions will be conducted on a principal basis, which means the transactions will be conducted on a net basis and involve no payment of brokerage commissions. For the most current information on the Texas Pools, please visit the website at www.tx-fit.com.

Article II. Investing in the Trust

Section 2.01. Investments and Payments by Participants

Any entity authorized under applicable state law may invest in the Trust.

Investments in and payments from the Pools can be made by Participants on any business day that the Trust is open for business by notifying the Administrator by telephone, through secure online portal or by written notice. It is the responsibility of Participants to provide instructions to their respective banks to wire or electronically transfer funds to their Pool account.

Participants are responsible for any wire charges billed by their banks. Custodian wire charges are an expense of the Trust. For security purposes, only previously designated representatives of the Participant may conduct transactions, and funds will only be wired to payees listed on the list of approved payees provided by the Participant to the Administrator in advance of the payment. The Administrator reserves the right to hold any redemptions if they believe an unauthorized person is giving instruction on behalf of a Participant.

For telephone transactions, all conversations are recorded for accuracy and verification.

A Participant may withdraw proceeds from their account at any time during normal hours of operation by transacting through the secure online portal or by sending an appropriate written notice to the Administrator.

Section 2.02. Purchase, Redemption, Valuation Procedures

Specific purchase, redemption, and valuation procedures are set forth below. These procedures may be amended by the Board.

I. Purchase Procedures

All wire purchases (deposits) received in good order prior to 2:00 p.m. Eastern time (“ET”) will be processed that same day and will participate in that day’s income accrual. Wire purchases received in good order after 2:00 p.m. ET, but before the Pools’ market close (4:00 p.m. ET), will be processed that same day, but will receive the next day’s income accrual. All wire purchase transactions received in good order after the Pools’ 4:00 p.m. ET market close will be processed the next business day.

All ACH purchases (deposits) received in good order prior to 2:00 p.m. ET will be processed that same day and will participate in the next day’s income accrual. All ACH purchase transactions received in good order after the Pool’s 4:00 p.m. market close will be processed the next business day.

Online and telephone purchases initiated via ACH will not be available for redemption for five calendar days. Purchases initiated via wire transfer are immediately available.

Cash Pool (CP) and Government Pool (GP) participants:

- Trades entered by 2:00 PM ET will settle the same business day.
- Trades entered after 2:00 PM ET will settle the following business day.

II. Redemption Procedures

Wire redemption requests received in good order prior to 2:00 p.m. ET will be processed that same day and will not participate in that day’s income accrual. Wire redemptions received in good order after 2:00 p.m. ET, but before the Pool’s market close (4:00 p.m. ET) will be processed that same day but will also receive that day’s income accrual. All wire redemption transactions received in good order after the Pools’ 4:00 p.m. market close will be processed the next business day.

Please note that ACH redemption proceeds may take 2 to 3 business days to settle to your bank account.

ACH redemptions (debits) are considered next day settlements and may take 2 to 3 business days to settle into the receiving bank account. The following exceptions apply:

If the purchase was processed through ACH there is a five-business day hold before funds are available for redemption.

Cash Pool (CP) and Government Pool (GP) participants:

- Trades entered by 2:00 PM ET will settle the same business day.
- Trades entered after 2:00 PM ET will settle the following business day.

III. Valuation Procedures

Market Based Valuation Methods

Under normal circumstances, pricing for Pool securities will be based on prices provided by a recognized independent pricing service. Such pricing services will use commonly accepted industry standards in valuing securities. The Advisor has delegated this responsibility to the Administrator but remains responsible for the accuracy of the valuation applied.

If the Advisor decides that a price provided by the pricing service does not accurately reflect the fair market value of the securities, when prices are not readily available from a pricing service, or when restricted or illiquid securities are being valued, securities are valued using the “Fair Valuation Procedures” set forth below. Short-term investments in fixed income securities with maturities of less than 60 days when acquired, or which subsequently are within 60 days of maturity, are valued by using the amortized cost method of valuation.

For unsettled, new issue government bonds, fair market prices will be established if the Advisor believes the prices of such bonds have changed by more than 20% since purchase. To determine the fair market price, the Advisor will first seek any current market activity on the bond. If current bid/asks are in place, then the mean of the two will be used as the current market price. If no market activity exists, then the Advisor will determine the fair market price in accordance with the procedures described below under “Fair Valuation Procedures.”

Fair Valuation Procedures

In circumstances where the Advisor must provide fair valuations, the following procedures shall be followed in circumstances that may require fair valuation of the pool securities and other assets.

Some of the factors that the Advisor will consider in determining a fair value for an individual security include, include, but shall not be limited to:

- cost at date of purchase;
- size of the position;
- discount from market value of unrestricted securities of the same class at time of purchase;
- financial statements of the issuer;
- the fundamental analytical data relating to the investment;
- the nature and duration of restrictions (if any) on disposition of the securities;
- evaluation of the forces that influence the market in which these securities are purchased or sold;
- changes in interest rates;
- government (domestic or foreign) actions or pronouncements;
- other news events;
- type of security;
- special reports prepared by analysts;
- information as to any transactions or offers with respect to the security;

- existence of merger proposals or tender offers affecting the securities;
- price and extent of public trading in similar securities of the issuer or comparable companies; and
- other relevant matters.

As a general matter, the Advisor will value a Pool security or other asset primarily by reference to the public market if there is a public market for securities of the same class or similar securities; primarily by reference to private transactions if public market reference is not available and private transaction reports are available; and primarily by use of one or more analytical methods or models if public and private market references are not available or not reliable. The Advisor may also use cost if, in its determination, no better method of valuation is available.

Section 2.03. Reports to Participants

Each Participant receives an annual report containing the audited financial statements of the Pool(s), including a statement of assets and liabilities and a statement of operations and changes in net assets of the respective Pools. The fiscal year end is June 30 of each calendar year. Each Participant receives a monthly report of its account.

Potential Participants are advised to review the financial reports for the Pools that are made available to them.

Article III. Management of The Trust

Section 3.01 Trustees and Board of Trustees; Advisory Board

Pursuant to the Trust Agreement the Trust is supervised by a Board, which supervises the Trust and its affairs and acts as the liaison between the Participants and the various Service Providers serving the Trust. The Board administers the affairs of the Trust and enters into contracts and agreements on behalf of the Trust to effectuate the terms of the Trust Agreement and the Pools. Pursuant to this authority, the Board selects the investment adviser, administrator, custodian, auditors and legal counsel to the Trust. The Board has the authority to hire other specialists or experts to serve the Trust as deemed necessary.

The Board is comprised of Permanent and Rotational trustees. The Permanent Trustees are appointed by the Initial Trustee and are then responsible for filling any vacancies. The Rotational Trustees are nominated and elected by the Permanent Trustees from representatives on the Trust's state-specific advisory boards. The current list of Trustees is available at www.usfixedincometrust.com.

Each Trustee, excluding any trustee(s) that is/are an affiliate of a service provider to the Trust, is paid an annual retainer for their services to the Trust. In addition, all Trustees are reimbursed by the Trust for reasonable out-of-pocket expenses incurred in performing their duties and attending meetings of the Board.

The Trust has appointed, on behalf of each state where investment pools are offered, an Advisory Board composed of persons who do not have a business relationship with the Trust but are qualified to advise the

Trust. The Advisory Board provides advice to the Board and the Advisor about the Investment Policy and Investment Strategy of the state specific pools and about other matters as requested by the Board and the Advisor.

Section 3.02. Identity of Service Providers

Advisor

Wertz York Capital Management Group, LLC (d/b/a Water Walker Investments), located at 5502 North Nebraska Avenue, Tampa, FL 33604, is the investment advisor to the Pools and is an SEC-registered investment adviser.

Administrator

U.S. Bancorp Fund Services, LLC d/b/a U.S. Bank Global Fund Services, located at 615 East Michigan Street, Milwaukee, WI 53202, is the administrator to the Pools and is an SEC-registered transfer agent.

Custodian

The Custodian is U.S. Bank National Association., located at 1555 North Rivercenter Drive, MK-WI-S302, Milwaukee, WI 53212, is the custodian to the Trust and its pools.

Auditor

The independent auditor for the Trust is CliftonLarsonAllen LLP, located at located at One Tampa City Center, 201 North Franklin Street, Suite 2500, Tampa, FL 33602-5845. The auditor will provide an opinion on the financial statements of the respective Pools of the Trust in accordance with generally accepted accounting principles.

Attorneys

Practus, LLP, serves as counsel to the Trust and is located at 11300 Tomahawk Creek Parkway, Suite 310, Leawood, KS 66211.

Section 3.03. Duties of the Advisor, Administrator, and the Custodian

To facilitate the business of the Trust, and in conformance with applicable state law, the Trust has entered into agreements with the Advisor, Administrator, and the Custodian. These agreements set forth the duties and responsibilities of the Advisor, Administrator, and the Custodian, respectively.

Advisor

Subject to the supervision of the Board, the Advisor is responsible for selecting investments for the Pools under its Investment Policy Statement, which is incorporated into this document by reference. The Advisor shall also be responsible for selecting the broker-dealers that execute transactions on behalf of the Pools. In addition, the Advisor may engage in marketing activities to promote participation of the Pools. The Advisor's

fees are set forth in the Investment Advisory Agreement between the Trust and the Advisor.

Administrator

The Administrator provides various operational services to the Trust, including the daily valuation of the Pools. In addition, the Administrator is responsible for performing certain other administrative functions on behalf of the Board. These functions include maintaining Participant account records, processing Participant purchase and redemption requests, answering Participant questions regarding account balances, assisting in the organization of the Board meetings and the meetings of the Participants, as necessary. The Administrator also maintains the financial books and records of the Trust, which includes such activities as paying expenses of the Trust and Pools and reconciling the Pools records with those of the Custodian. The Administrator's fees are outlined in the Administration Agreement between the Trust and the Administrator. In addition, pursuant to Section 218.409(2) of the Texas Statutes, the Administrator is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of Pools are protected from loss, theft, or misuse. The Administrator shall establish a system of internal controls that shall be documented in writing. The internal controls shall be reviewed by the Board of Trustees, where applicable, and with the independent auditor. The controls shall be designed to prevent the loss of public funds arising from fraud, employee error, misrepresentation by third parties, or negligent actions by employees and officers of the Administrator.

Custodian

The Custodian is, among other things, responsible for the receipt and safekeeping of all cash, securities or other assets comprising the cooperatively invested assets. Such assets are held for the benefit of the respective Pools in the name of the Custodian or its nominee. The Custodian also collects the income on investments and allocates it in accordance with the instructions from the Administrator. The Custodian is required to hold the investments of each Pool separate and apart from other property of the Custodian and assure that such property is never deemed an asset or liability of the Custodian.



www.tx-fit.com

(866) 319-3655

info@tx-fit.com