



Monthly Newsletter: October 2025

ANNOUNCEMENTS

TexPool Columbus Day Holiday Observance 2025

In observance of **Columbus Day**, TexPool will be closed to transactions on **Monday, October 13, 2025**. No wire or ACH settlement will occur on this date. However, TexPool Participant Services will be available during normal business hours.

We welcome the following entities who joined TexPool in September 2025:

TexPool

(these entities also joined TexPool Prime)

Gainesville ISD	Sequoia Improvement District
McLennan & Hill Counties Tehuacana Water Improvement District	City of Star Harbor
TX Transportation Finance Corporation	Willacy County Housing Finance Corp
US Bank as Trustee	Dawson County Hospital District dba Medical Arts Hospital
Bosque County Hospital District	Tarrant Appraisal District

TexPool Prime

Kinney County
Tarrant County Housing Finance Corporation
Willacy County

Upcoming Events

October 14, 2025
Texas Association of County Auditors Fall Conference 2025
San Antonio, TX

October 29, 2025
2025 Texas Municipal League Annual Conference
Fort Worth, TX

TexPool Advisory Board Members

Patrick Krishock	Valarie Van Vlack
Belinda Weaver	David Landeros
Deborah Lauder milk	Dina Edgar

Overseen by the State of Texas acting
Comptroller of Public Accounts Kelly Hancock

Operated under the supervision of the Texas
Treasury Safekeeping Trust Company

Economic and Market Commentary

Slow and steady

October 1, 2025

Another September rate cut and another reason to consider liquidity products.

Common sense would say that when the Federal Reserve (the Fed) lowers its benchmark fed funds target range, as it did by a quarter percentage point two weeks ago, that interest rates and yields across the board would fall in concert. But finance doesn't always operate the way it seems it should (who isn't confused when first told that a bond's price falls when its yield rises).

It is true that yields of securities in the direct market, such as government auctions, overnight trading and floating-rate securities, adjust quickly to changes in the fed funds level, now in a target range of 4.00-4.25%. But that's not the case for many financial products, such as mortgages and liquidity products. Mortgage rates key off the 10-year Treasury; money market portfolios use a "laddered strategy." In a falling-rate environment, this simply means money market portfolios hold securities of different maturities bought with the higher rates available before the Fed cut. This in turn typically causes yields of these portfolios to decline slower than those found in the direct market. That can make them attractive to investors. Other factors also impact the performance of local government investment pools, such as TexPool/TexPool Prime. Among them are the seasonality of participant deposits and withdraws for tax receipts and payroll expenses, for instance. But, as with money market vehicles, the portfolio manager seeks to keep the yield as attractive as possible.

(continued page 6)

Performance as of September 30, 2025

	TexPool	TexPool Prime
Current Invested Balance	\$33,014,136,027	\$15,377,637,148
Weighted Average Maturity**	44 Days	51 Days
Weighted Average Life**	102 Days	74 Days
Net Asset Value	1.00018	1.00022
Total Number of Participants	2,961	698
Management Fee on Invested Balance	0.0450%	0.0550%
Interest Distributed	\$113,655,002.24	\$54,943,274.90
Management Fee Collected	\$1,134,838.73	\$694,669.20
Current S&P Global Rating	AAAm	AAAm

Month Averages

Average Invested Balance	\$32,529,106,987	\$15,364,166,387
Average Monthly Rate*	4.25%	4.36%
Average Weighted Average Maturity**	41	52
Average Weighted Average Life**	100	77

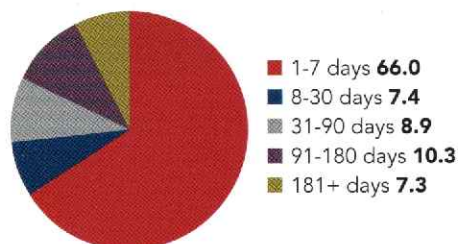
*This average monthly rate for TexPool Prime for each date may reflect a waiver of some portion or all of each of the management fees.

**See page 2 for definitions.

Past performance is no guarantee of future results.

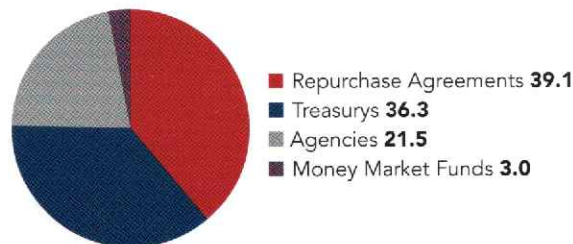
Portfolio by Maturity (%)

As of September 30, 2025



Portfolio by Type of Investment (%)

As of September 30, 2025



Portfolio Asset Summary as of September 30, 2025

	Book Value	Market Value
Uninvested Balance	\$979.70	\$979.70
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	64,750,265.02	64,750,265.02
Interest and Management Fees Payable	-113,655,728.80	-113,655,728.80
Payable for Investments Purchased	-365,295,581.09	-365,295,581.09
Accrued Expenses & Taxes	-38,702.79	-38,702.79
Repurchase Agreements	13,086,527,000.00	13,086,527,000.00
Mutual Fund Investments	1,017,085,200.00	1,017,085,200.00
Government Securities	7,183,783,877.91	7,184,679,889.45
US Treasury Bills	10,245,000,305.03	10,250,193,284.03
US Treasury Notes	1,895,978,412.30	1,895,852,319.87
Total	\$33,014,136,027.28	\$33,020,098,925.39

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by Federated Investment Counseling and the assets are safe kept in a separate custodial account at State Street Bank in the name of TexPool. The only source of payment to the Participants is the assets of TexPool. There is no secondary source of payment for the pool such as insurance or State guarantee. Should you require a copy of the portfolio, please contact TexPool Participant Services.

Participant Summary

	Number of Participants	Balance
School District	640	\$9,764,232,560.96
Higher Education	60	\$1,547,926,725.38
County	205	\$3,167,233,355.12
Healthcare	99	\$1,482,299,777.84
Utility District	952	\$5,215,717,470.66
City	524	\$9,133,632,334.84
Emergency Districts	118	\$477,735,192.71
Economic Development Districts	95	\$217,133,501.00
Transit/Toll Authorities	15	\$705,956,491.12
River/Port Authorities	18	\$288,134,910.99
Other	235	\$1,014,220,368.04

**Definition of Weighted Average Maturity and Weighted Average Life

WAM is the mean average of the periods of time remaining until the securities held in the fund's portfolio (a) are scheduled to be repaid, (b) would be repaid upon a demand by the fund or (c) are scheduled to have their interest rate readjusted to reflect current market rates. For government variable rate securities, if the interest rate is readjusted no less frequently than every 397 calendar days, the security shall be deemed to have a maturity equal to the period remaining until the next readjustment of the interest rate. For non-government variable rate securities, if the security has a scheduled maturity of 397 days or less the security is treated as maturing on the earlier of the date the security is scheduled to be repaid through demand or the period remaining until the next readjustment of the interest rate. If the variable rate security has a scheduled maturity that is more than 397 days it is the later of those two dates. The mean is weighted based on the percentage of the market value of the portfolio invested in each period.

WAL is calculated in the same manner as WAM, but is based solely on the periods of time remaining until the securities held in TexPool (a) are scheduled to be repaid or (b) would be repaid upon a demand by TexPool, without reference to when interest rates of securities within TexPool.



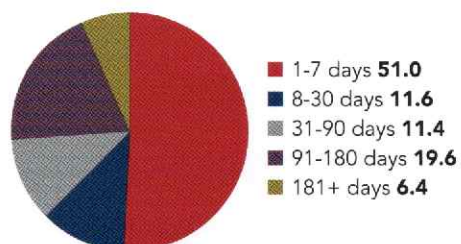
Daily Summary

Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
9/1	4.3096%	0.000118071	\$32,939,665,484.99	1.00017	42	97
9/2	4.3301%	0.000118633	\$32,631,403,126.60	1.00015	41	98
9/3	4.3078%	0.000118023	\$32,656,037,502.55	1.00017	42	98
9/4	4.3111%	0.000118113	\$32,613,055,983.08	1.00017	42	97
9/5	4.3227%	0.000118429	\$32,699,252,287.07	1.00022	42	98
9/6	4.3227%	0.000118429	\$32,699,252,287.07	1.00022	42	98
9/7	4.3227%	0.000118429	\$32,699,252,287.07	1.00022	42	98
9/8	4.3234%	0.000118449	\$32,646,787,329.94	1.00025	40	97
9/9	4.3061%	0.000117974	\$32,753,747,146.62	1.00022	40	98
9/10	4.3049%	0.000117943	\$32,709,139,745.32	1.00023	40	100
9/11	4.3063%	0.000117980	\$32,554,154,902.87	1.00024	40	100
9/12	4.3160%	0.000118246	\$32,519,375,701.72	1.00020	41	100
9/13	4.3160%	0.000118246	\$32,519,375,701.72	1.00020	41	100
9/14	4.3160%	0.000118246	\$32,519,375,701.72	1.00020	41	100
9/15	4.3430%	0.000118985	\$32,480,660,700.73	1.00022	40	99
9/16	4.3267%	0.000118541	\$32,395,069,105.96	1.00024	40	99
9/17	4.2835%	0.000117357	\$32,357,205,163.00	1.00024	40	101
9/18	4.2042%	0.000115183	\$32,222,141,943.24	1.00024	40	102
9/19	4.1572%	0.000113895	\$32,082,419,708.28	1.00021	41	102
9/20	4.1572%	0.000113895	\$32,082,419,708.28	1.00021	41	102
9/21	4.1572%	0.000113895	\$32,082,419,708.28	1.00021	41	102
9/22	4.1604%	0.000113984	\$31,829,969,435.16	1.00020	40	102
9/23	4.1554%	0.000113846	\$31,783,440,168.83	1.00021	42	103
9/24	4.1600%	0.000113972	\$31,743,267,918.21	1.00020	42	104
9/25	4.1732%	0.000114334	\$32,996,729,862.70	1.00016	41	100
9/26	4.1753%	0.000114392	\$32,937,808,755.68	1.00016	42	102
9/27	4.1753%	0.000114392	\$32,937,808,755.68	1.00016	42	102
9/28	4.1753%	0.000114392	\$32,937,808,755.68	1.00016	42	102
9/29	4.1627%	0.000114047	\$32,830,028,709.96	1.00018	41	100
9/30	4.1779%	0.000114462	\$33,014,136,027.28	1.00018	44	102
Averages:	4.2520%	0.000116493	\$32,529,106,987.18	1.00020	41	100

TEXPOOL Prime

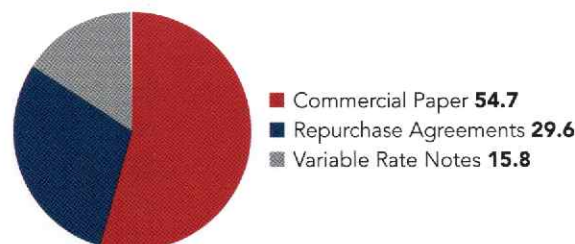
Portfolio by Maturity (%)

As of September 30, 2025



Portfolio by Type of Investment (%)

As of September 30, 2025



Portfolio Asset Summary as of September 30, 2025

	Book Value	Market Value
Uninvested Balance	\$991.36	\$991.36
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	23,223,637.36	23,223,637.36
Interest and Management Fees Payable	-54,943,272.82	-54,943,272.82
Payable for Investments Purchased	-98,003,055.56	-98,003,055.56
Accrued Expenses & Taxes	-23,171.78	-23,171.78
Repurchase Agreements	4,582,635,000.00	4,582,635,000.00
Commercial Paper	9,840,747,018.98	9,843,873,188.76
Mutual Fund Investments	0.00	0.00
Government Securities	0.00	0.00
Variable Rate Notes	1,084,000,000.00	1,084,361,068.60
Total	\$15,377,637,147.54	\$15,381,124,385.92

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by Federated Investment Counseling and the assets are safe kept in a separate custodial account at State Street Bank in the name of TexPool Prime. The assets of TexPool Prime are the only source of payments to the Participants. There is no secondary source of payment for the pool such as insurance or State guarantee. Should you require a copy of the portfolio, please contact TexPool Participant Services

Participant Summary

	Number of Participants	Balance
School District	177	\$4,729,368,443.16
Higher Education	20	\$1,077,569,648.30
County	62	\$1,143,531,701.11
Healthcare	28	\$456,364,097.23
Utility District	92	\$547,116,277.75
City	137	\$3,047,902,376.11
Emergency Districts	41	\$279,050,301.30
Economic Development Districts	25	\$52,089,861.88
Transit/Toll Authorities	10	\$1,225,914,313.70
River/Port Authorities	8	\$1,040,082,027.71
Other	98	\$1,778,633,184.03



TEXPOOL Prime

Daily Summary

Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Prime Invested Balance	NAV	WAM Days	WAL Days
9/1	4.4190%	0.000121069	\$15,715,067,335.33	0.99996	45	70
9/2	4.4016%	0.000120592	\$15,797,810,033.82	1.00009	44	68
9/3	4.4136%	0.000120920	\$15,759,285,508.19	1.00010	44	69
9/4	4.4168%	0.000121008	\$15,790,526,189.72	1.00013	47	72
9/5	4.4146%	0.000120947	\$15,667,090,967.01	1.00011	53	77
9/6	4.4146%	0.000120947	\$15,667,090,967.01	1.00011	53	77
9/7	4.4146%	0.000120947	\$15,667,090,967.01	1.00011	53	77
9/8	4.4154%	0.000120971	\$15,660,799,707.72	1.00023	51	77
9/9	4.4116%	0.000120867	\$15,528,490,927.84	1.00023	52	77
9/10	4.4045%	0.000120672	\$15,533,582,686.66	1.00022	53	79
9/11	4.4046%	0.000120674	\$15,500,989,192.22	1.00026	53	79
9/12	4.4108%	0.000120843	\$15,208,513,954.71	1.00013	54	80
9/13	4.4108%	0.000120843	\$15,208,513,954.71	1.00013	54	80
9/14	4.4108%	0.000120843	\$15,208,513,954.71	1.00013	54	80
9/15	4.4258%	0.000121255	\$15,137,502,522.26	1.00025	52	78
9/16	4.4194%	0.000121080	\$15,268,360,764.65	1.00025	53	78
9/17	4.3991%	0.000120524	\$15,215,686,862.07	1.00026	52	78
9/18	4.3289%	0.000118599	\$15,164,347,700.34	1.00028	52	77
9/19	4.2901%	0.000117537	\$15,077,133,464.67	1.00012	53	78
9/20	4.2901%	0.000117537	\$15,077,133,464.67	1.00012	53	78
9/21	4.2901%	0.000117537	\$15,077,133,464.67	1.00012	53	78
9/22	4.2809%	0.000117286	\$15,050,675,833.95	1.00025	52	77
9/23	4.2766%	0.000117166	\$15,134,699,926.78	1.00024	52	77
9/24	4.2750%	0.000117123	\$15,156,163,339.41	1.00024	52	77
9/25	4.2820%	0.000117316	\$15,197,475,642.71	1.00023	53	77
9/26	4.2863%	0.000117434	\$15,247,296,593.80	1.00009	53	77
9/27	4.2863%	0.000117434	\$15,247,296,593.80	1.00009	53	77
9/28	4.2863%	0.000117434	\$15,247,296,593.80	1.00009	53	77
9/29	4.2818%	0.000117310	\$15,335,785,360.17	1.00022	51	74
9/30	4.2891%	0.000117509	\$15,377,637,147.54	1.00022	51	74
Averages:	4.3584%	0.000119407	\$15,364,166,387.40	1.00017	52	77



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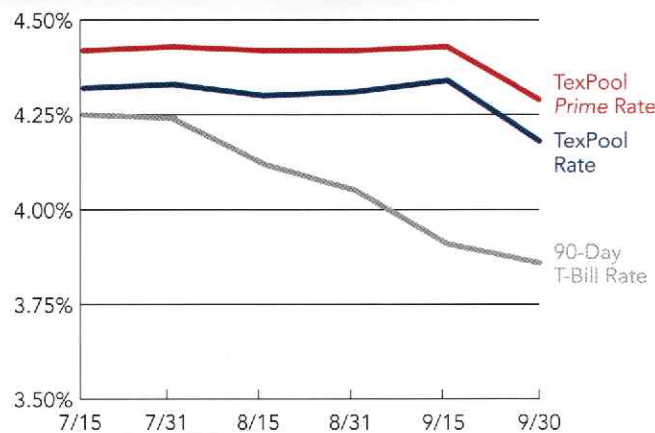


Also important is how fast the Fed lowers rates. Its latest Summary of Economic Projections indicates decent consensus for two more 25 basis-point cuts this year, which would lower the target range to 3.50-3.75%. But if the government shutdown prevents the Bureau of Labor statistics from releasing the September jobs report, it is conceivable the Fed will hold rates steady at the October meeting. That would add further uncertainty to longer-term forecasts, specifically the predictions of the level of future rates. Called the dot plot, the projections of each member of the FOMC are indicated by black circles plotted on a graph. The section of the graph representing 2026 looks like it was hit by buckshot.

Supply and demand is another important factor in the calculation of money market yields. That's especially the case with commercial paper. The amount of issuance continues to grow, largely resulting in higher yields and wider spreads above similar maturity Treasuries. And this market is becoming more diverse, with tech and manufacturing companies issuing short-term paper in addition to the bread-and-butter financial services sector. Diversification is a key element of money funds, so this is a notable development.

At the end of the month, yields on 1-, 3-, 6- and 12-month US Treasuries were 4.11%, 3.94%, 3.84% and 3.68%, respectively.

TexPool & TexPool Prime vs. 90-Day Treasury Bill



90-Day Treasury Bill is a short-term debt instrument backed by the national government. These are used to collect immediate cash to meet outstanding obligations.

Any private investor can invest in a Treasury bill. The 90-Day Treasury Bill is a weighted average rate of the weekly auctions of 90-Day Treasury Bills.

Past performance is no guarantee of future results.

An investment in the Pool is not insured or guaranteed by any government or government agency. Although the manager of the Pool seeks to preserve principal, it is possible to lose money by depositing money in the Pool.