



# Monthly Newsletter: January 2026

## ANNOUNCEMENTS

**We welcome the following entities who joined TexPool in December 2025:**

### TexPool

- Gavleston Property Finance Authority
- Uvalde County ESD 2
- Victoria County Groundwater Conservation District
- Dallas Central Appraisal District
- Lampasas EDC
- Medical Center Area Redevelopment Authority/TIRZ 28

### TexPool Prime

- Gavleston Property Finance Authority
- Uvalde County ESD 2
- Madisonville ISD
- Victoria County Groundwater Conservation District
- Dallas Central Appraisal District
- Lampasas EDC
- Medical Center Area Redevelopment Authority/TIRZ 28
- Azle ISD
- Kimble County Hospital

### TexPool Advisory Board Members

- |                    |                   |
|--------------------|-------------------|
| Patrick Krishock   | Valarie Van Vlack |
| Belinda Weaver     | David Landeros    |
| Deborah Laudermilk | 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 Maintaining momentum

January 1, 2026

The last few years have been remarkable for stable value investments. Even as the Federal Reserve has pivoted to easing rates, assets in liquidity products have marched steadily upward. Depending on your sources, which all calculate differently, total industry money market fund assets hit record highs in 2025 and other vehicles had strong years.

How investors view liquidity products this year will probably be influenced by recency bias. With the latest Summary of Economic Projections (SEP) of the Federal Open Market Committee (FOMC) indicating at least one 25 basis-point cut in the fed funds target range in 2026, yields are likely to slide for most stable value investments. Behavioral economics posits that some investors will focus on the decline, despite the likelihood that yields across the industry will remain attractive. We expect most investors, however, to remain happy with money market products even if the terminal fed funds rate rests in the lower 3% area, as the SEP dot plot forecasts. Industry assets might decline, but if they do, it should be gradual.

### Fed independence

2025 was a rough year for Fed Chair Jerome Powell as he faced many calls to lower rates faster. His term as chair ends in May. Despite the likelihood he will be succeeded by a more dovish leader, we think the Fed will retain its status as an “uniquely structured, quasi-private entity,”

*(continued page 6)*

### Performance as of December 31, 2025

	TexPool	TexPool Prime
Current Invested Balance	\$36,154,739,297	\$16,513,278,205
Weighted Average Maturity**	35 Days	42 Days
Weighted Average Life**	91 Days	68 Days
Net Asset Value	1.00022	1.00025
Total Number of Participants	2,975	717
Management Fee on Invested Balance	0.0450%	0.0550%
Interest Distributed	\$106,814,250.58	\$51,540,692.31
Management Fee Collected	\$1,196,846.70	\$709,264.48
Current S&P Global Rating	AAAm	AAAm
<b>Month Averages</b>		
Average Invested Balance	\$32,922,046,692	\$15,183,667,517
Average Monthly Rate*	3.83%	4.00%
Average Weighted Average Maturity**	39	52
Average Weighted Average Life**	101	80

\*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.

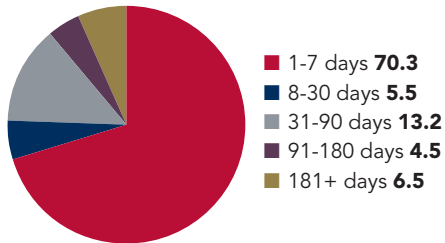
\*\*See page 2 for definitions.

Past performance is no guarantee of future results.



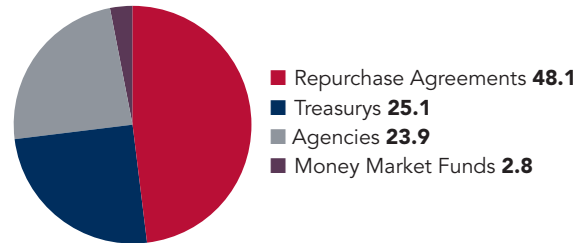
## Portfolio by Maturity (%)

As of December 31, 2025



## Portfolio by Type of Investment (%)

As of December 31, 2025



### Portfolio Asset Summary as of December 31, 2025

	Book Value	Market Value
Uninvested Balance	\$240.06	\$240.06
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	60,262,098.45	60,262,098.45
Interest and Management Fees Payable	-106,817,052.31	-106,817,052.31
Payable for Investments Purchased	-60,000,000.00	-60,000,000.00
Accrued Expenses & Taxes	-42,590.36	-42,590.36
Repurchase Agreements	17,452,217,000.00	17,452,217,000.00
Mutual Fund Investments	1,017,085,200.00	1,017,085,200.00
Government Securities	8,678,777,472.51	8,679,743,773.18
US Treasury Bills	7,374,202,554.80	7,380,044,101.51
US Treasury Notes	1,739,054,373.56	1,740,181,286.34
<b>Total</b>	<b>\$36,154,739,296.71</b>	<b>\$36,162,674,056.87</b>

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	642	\$10,105,715,758.87
Higher Education	60	\$1,554,327,472.97
County	205	\$5,366,127,497.97
Healthcare	99	\$1,915,770,316.83
Utility District	955	\$5,188,338,739.85
City	524	\$9,327,950,602.82
Emergency Districts	122	\$448,581,529.53
Economic Development Districts	96	\$226,466,404.01
Transit/Toll Authorities	15	\$678,684,045.53
River/Port Authorities	18	\$322,684,189.51
Other	239	\$1,019,771,685.30

#### \*\*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

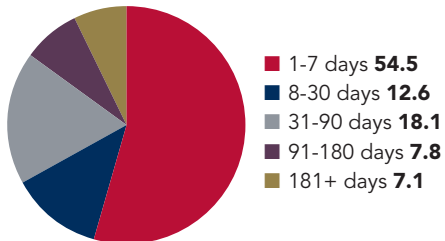
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
12/1	4.0320%	0.000110467	\$32,642,104,807.94	1.00014	36	97
12/2	3.9999%	0.000109585	\$32,339,766,298.41	1.00017	37	99
12/3	3.9454%	0.000108094	\$32,109,320,447.27	1.00020	37	100
12/4	3.9252%	0.000107540	\$32,124,639,196.36	1.00018	37	101
12/5	3.9282%	0.000107622	\$32,144,087,443.96	1.00016	40	103
12/6	3.9282%	0.000107622	\$32,144,087,443.96	1.00016	40	103
12/7	3.9282%	0.000107622	\$32,144,087,443.96	1.00016	40	103
12/8	3.9393%	0.000107925	\$32,155,101,229.61	1.00017	40	103
12/9	3.9271%	0.000107591	\$32,219,655,538.36	1.00016	40	103
12/10	3.9123%	0.000107185	\$32,193,112,837.19	1.00022	40	102
12/11	3.8072%	0.000104308	\$32,217,516,454.79	1.00024	41	103
12/12	3.7701%	0.000103290	\$32,432,015,010.60	1.00024	41	102
12/13	3.7701%	0.000103290	\$32,432,015,010.60	1.00024	41	102
12/14	3.7701%	0.000103290	\$32,432,015,010.60	1.00024	41	102
12/15	3.7922%	0.000103896	\$32,726,298,709.79	1.00024	39	100
12/16	3.7742%	0.000103404	\$32,797,156,664.17	1.00025	39	100
12/17	3.7635%	0.000103110	\$32,753,468,716.45	1.00026	39	99
12/18	3.7578%	0.000102954	\$32,863,125,876.67	1.00026	39	101
12/19	3.7514%	0.000102778	\$32,830,577,371.52	1.00024	41	103
12/20	3.7514%	0.000102778	\$32,830,577,371.52	1.00024	41	103
12/21	3.7514%	0.000102778	\$32,830,577,371.52	1.00024	41	103
12/22	3.7613%	0.000103049	\$32,931,387,613.47	1.00024	38	100
12/23	3.7510%	0.000102768	\$33,439,696,639.30	1.00023	39	99
12/24	3.7464%	0.000102640	\$33,320,262,662.33	1.00023	39	99
12/25	3.7464%	0.000102640	\$33,320,262,662.33	1.00023	39	99
12/26	3.7735%	0.000103384	\$33,533,519,196.09	1.00022	40	100
12/27	3.7735%	0.000103384	\$33,533,519,196.09	1.00022	40	100
12/28	3.7735%	0.000103384	\$33,533,519,196.09	1.00022	40	100
12/29	3.7990%	0.000104083	\$33,779,476,237.77	1.00023	37	98
12/30	3.7731%	0.000103372	\$35,675,758,494.78	1.00022	35	92
12/31	3.8153%	0.000104530	\$36,154,739,296.71	1.00022	35	91
<b>Averages:</b>	<b>3.8270%</b>	<b>0.000104850</b>	<b>\$32,922,046,691.94</b>	<b>1.00022</b>	<b>39</b>	<b>101</b>



## TEXPOOL Prime

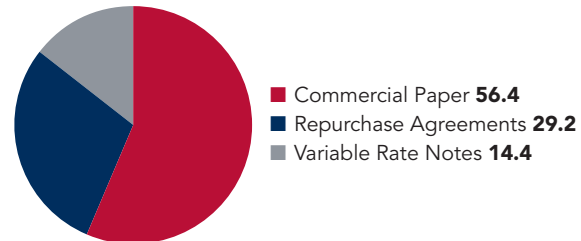
### Portfolio by Maturity (%)

As of December 31, 2025



### Portfolio by Type of Investment (%)

As of December 31, 2025



### Portfolio Asset Summary as of December 31, 2025

	Book Value	Market Value
Uninvested Balance	\$337.52	\$337.52
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	16,929,380.35	16,929,380.35
Interest and Management Fees Payable	-51,540,689.47	-51,540,689.47
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-24,883.02	-24,883.02
Repurchase Agreements	4,828,037,000.00	4,828,037,000.00
Commercial Paper	11,185,877,059.27	11,189,754,014.03
Mutual Fund Investments	0.00	0.00
Government Securities	0.00	0.00
Variable Rate Notes	534,000,000.00	534,293,369.80
<b>Total</b>	<b>\$16,513,278,204.65</b>	<b>\$16,517,448,529.21</b>

*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	183	\$5,224,211,150.36
Higher Education	20	\$930,188,954.22
County	62	\$1,357,005,468.71
Healthcare	29	\$569,198,757.63
Utility District	95	\$508,884,393.83
City	138	\$3,223,542,152.19
Emergency Districts	45	\$268,403,758.99
Economic Development Districts	26	\$49,897,181.24
Transit/Toll Authorities	10	\$1,449,324,825.73
River/Port Authorities	8	\$893,219,494.16
Other	102	\$2,039,400,182.20



## TEXPOOL *Prime*

### Daily Summary

Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool <i>Prime</i> Invested Balance	NAV	WAM Days	WAL Days
12/1	4.1361%	0.000113317	\$14,925,960,007.76	1.00023	52	78
12/2	4.1134%	0.000112696	\$15,033,722,984.54	1.00022	51	78
12/3	4.0861%	0.000111949	\$15,048,981,008.01	1.00023	54	80
12/4	4.0660%	0.000111396	\$15,152,492,442.98	1.00023	53	79
12/5	4.0666%	0.000111415	\$15,042,557,886.51	1.00012	57	84
12/6	4.0666%	0.000111415	\$15,042,557,886.51	1.00012	57	84
12/7	4.0666%	0.000111415	\$15,042,557,886.51	1.00012	57	84
12/8	4.0727%	0.000111580	\$14,984,139,916.61	1.00023	55	84
12/9	4.0699%	0.000111504	\$14,888,476,994.91	1.00024	55	83
12/10	4.0613%	0.000111269	\$14,866,042,421.84	1.00024	55	83
12/11	3.9920%	0.000109370	\$14,800,669,974.66	1.00027	55	83
12/12	3.9703%	0.000108775	\$14,801,881,427.40	1.00015	55	83
12/13	3.9703%	0.000108775	\$14,801,881,427.40	1.00015	55	83
12/14	3.9703%	0.000108775	\$14,801,881,427.40	1.00015	55	83
12/15	3.9663%	0.000108665	\$14,778,387,643.13	1.00028	52	82
12/16	3.9533%	0.000108310	\$15,016,585,716.69	1.00028	52	81
12/17	3.9503%	0.000108228	\$15,195,911,986.97	1.00027	49	77
12/18	3.9457%	0.000108101	\$15,147,182,851.39	1.00029	52	81
12/19	3.9494%	0.000108204	\$14,985,901,259.30	1.00015	53	83
12/20	3.9494%	0.000108204	\$14,985,901,259.30	1.00015	53	83
12/21	3.9494%	0.000108204	\$14,985,901,259.30	1.00015	53	83
12/22	3.9487%	0.000108183	\$15,032,350,324.51	1.00028	50	80
12/23	3.9463%	0.000108118	\$15,098,730,985.92	1.00027	50	79
12/24	3.9393%	0.000107925	\$15,475,132,839.74	1.00019	48	77
12/25	3.9393%	0.000107925	\$15,475,132,839.74	1.00019	48	77
12/26	3.9592%	0.000108472	\$15,643,943,651.60	1.00011	47	74
12/27	3.9592%	0.000108472	\$15,643,943,651.60	1.00011	47	74
12/28	3.9592%	0.000108472	\$15,643,943,651.60	1.00011	47	74
12/29	3.9676%	0.000108702	\$15,688,812,996.77	1.00025	45	73
12/30	3.9595%	0.000108479	\$16,148,848,197.57	1.00025	43	70
12/31	3.9784%	0.000108998	\$16,513,278,204.65	1.00025	42	68
<b>Averages:</b>	<b>3.9977%</b>	<b>0.000109526</b>	<b>\$15,183,667,516.54</b>	<b>1.00020</b>	<b>52</b>	<b>80</b>



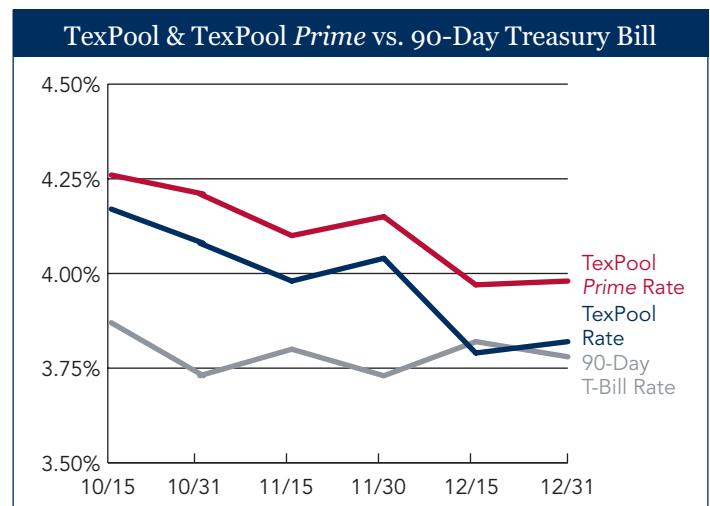
Participant Services  
1001 Texas Ave. Suite 1150  
Houston, TX 77002

as the Supreme Court called it last summer. We are hopeful that the Senate confirmation process will focus on their expertise in monetary policy and maintaining the integrity of the institution.

#### About those falling rates

With the Fed in an easing cycle, it is understandable that investors would wonder if it will ever take the policy rate to near-zero again. There is no guarantee, of course, but we do not think this will happen. That also is the Fed's stance, based on the December SEP, which forecasts a terminal fed funds range for this cycle between 3-3.50% and a long-run policy rate of 3%. At 3.50-3.75%, the current target range is already near that. Changes in Fed leadership and composition of the FOMC likely will not lead to rates deviating much from this path.

At month-end, yields on 1-, 3-, 6- and 12-month US Treasuries were 3.59%, 3.64%, 3.61% and 3.48%, respectively.



*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.*