TEXPOOL
AN INVESTMENT SERVICE FOR PUBLIC FUNDS

Monthly Newsletter: August 2026

ANNOUNCEMENTS

Portfolio management team updates

We are delighted to announce that Mark Weiss, CFA, Vice President and Senior Portfolio Manager, will assume the role of Head of the Prime Liquidity Group at Federated Hermes, succeeding Paige Wilhelm, Senior Vice President and current Head of the Prime Liquidity Group. Mark has partnered closely with Paige for many years and has long served as a co-portfolio manager of the TexPool Prime Portfolio. His deep expertise, strong leadership, and longstanding involvement with the team position him exceptionally well to guide the group and ensure a seamless transition. Deborah Cunningham, CFA, who oversees Global Liquidity Markets, will continue to serve as a key member of the team and co-portfolio manager of the TexPool Prime Portfolio.

We welcome the following entities who joined TexPool in July 2026:

TexPool

Sedona MUD 2
Sedona MUD 1
Fifth Ward Redevelopment Authority & TIRZ 18

TexPool *Prime*

Sedona MUD 2
Oak Ridge North EDC
Sedona MUD 1
Fifth Ward Redevelopment Authority & TIRZ 18
Evant ISD

Upcoming Events

8/26/2026 - 8/28/2026
Texas Association of Counties (TAC) Legislative Conference
Austin, TX

9/21/2026 - 9/24/2026
78th Annual County Treasurers' Association of Texas Conference
Conroe, TX

Economic and Market Commentary

Fed Chair Warsh in a tight spot

August 1, 2026

If new Federal Reserve Chair Kevin Warsh has not, he should watch the new movie adaptation of Homer's "Odyssey." Among his many trials, Odysseus was strapped to the mast of his ship and later sailed between that famous rock and a hard place — but not at the same time. Warsh is attempting them simultaneously: resisting the bond market's hawkish siren song even as he navigates policy between high inflation and the White House's call for rate cuts.

That's a lot to handle. In his press conference at last week's Federal Open Market Committee (FOMC) meeting, which resulted in holding rates steady, Chair Warsh boasted that bond yields are "higher today than they were 42 days ago. Markets have made decisions because we stepped back in part from trying to influence those." But the bond market expressed displeasure with the Committee's inaction. Thirty-year Treasury yields spiked and the yield curve steepened. Its message: if you say you will curtail inflation but then do not raise rates, you have lost credibility.

But the Fed did meet investor expectations. Fed funds futures projected the target range would remain at 3.50-3.75%, which it did. They even essentially predicted some dissent (three voters wanted that elusive 25 basis-point hike).

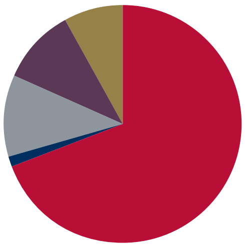
(continued page 6)

Performance as of July 31, 2026

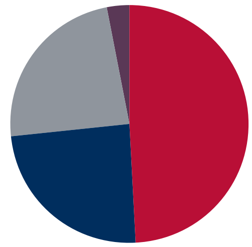
	TexPool	TexPool *Prime*
Current Invested Balance	$35,532,811,559	$16,023,480,207
Weighted Average Maturity**	44 Days	52 Days
Weighted Average Life**	101 Days	83 Days
Net Asset Value	0.99979	0.99968
Total Number of Participants	3,006	757
Management Fee on Invested Balance	0.0450%	0.0550%
Interest Distributed	$112,419,885.67	$54,044,237.43
Management Fee Collected	$1,328,130.64	$781,643.53
Current S&P Global Rating	AAAm	AAAm
Month Averages		
Average Invested Balance	$36,332,481,158	$16,733,131,403
Average Monthly Rate*	3.65%	3.81%
Average Weighted Average Maturity**	45	52
Average Weighted Average Life**	95	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 July 31, 2026



Portfolio by Type of Investment* (%)
As of July 31, 2026



Portfolio Asset Summary as of July 31, 2026

	Book Value	Market Value
Uninvested Balance	$731.45	$731.45
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	55,483,678.92	55,483,678.92
Interest and Management Fees Payable	-1,370,629.19	-1,370,629.19
Payable for Investments Purchased	-55,000,000.00	-55,000,000.00
Accrued Expenses & Taxes	-41,171.27	-41,171.27
Repurchase Agreements	17,543,406,000.00	17,543,406,000.00
Mutual Fund Investments	1,017,085,200.00	1,017,085,200.00
Government Securities	8,661,776,784.83	8,657,209,523.78
US Treasury Bills	6,099,711,297.15	6,097,892,853.91
US Treasury Notes	2,322,209,529.99	2,321,243,055.59
Total	**$35,643,261,421.88**	**$35,635,909,243.19**

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	644	$9,533,318,501.82
Higher Education	60	$1,561,936,963.07
County	208	$4,305,675,902.22
Healthcare	100	$1,911,705,957.71
Utility District	965	$6,295,268,466.87
City	529	$9,112,325,362.23
Emergency Districts	125	$544,620,844.01
Economic Development Districts	96	$175,538,782.41
Transit/Toll Authorities	15	$488,827,016.94
River/Port Authorities	19	$297,848,032.04
Other	245	$1,305,846,630.30

****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.

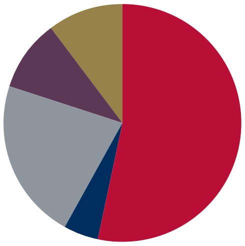
WAL is calculated in the same manner as WAM, but is based solely on the periods of time remaining until the securities held in TexPool (a) are scheduled to be repaid or (b) would be repaid upon a demand by TexPool, without reference to when interest rates of securities within TexPool.

Daily Summary

Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
7/1	3.6679%	0.000100490	$36,847,799,415.77	0.99977	46	93
7/2	3.6605%	0.000100287	$36,663,591,532.66	0.99979	47	95
7/3	3.6605%	0.000100287	$36,663,591,532.66	0.99979	47	95
7/4	3.6605%	0.000100287	$36,663,591,532.66	0.99979	47	95
7/5	3.6605%	0.000100287	$36,663,591,532.66	0.99979	47	95
7/6	3.6530%	0.000100082	$36,556,017,722.98	0.99980	44	93
7/7	3.6482%	0.000099951	$36,596,799,265.07	0.99977	44	92
7/8	3.6319%	0.000099504	$36,512,930,062.15	0.99976	45	94
7/9	3.6016%	0.000098673	$36,380,785,138.49	0.99979	45	94
7/10	3.5978%	0.000098571	$36,512,460,743.66	0.99976	46	95
7/11	3.5978%	0.000098571	$36,512,460,743.66	0.99976	46	95
7/12	3.5978%	0.000098571	$36,512,460,743.66	0.99976	46	95
7/13	3.6215%	0.000099218	$36,476,040,585.45	0.99973	44	93
7/14	3.6464%	0.000099902	$36,271,706,213.40	0.99980	44	94
7/15	3.6612%	0.000100307	$36,384,140,475.25	0.99982	45	94
7/16	3.6516%	0.000100043	$36,311,434,181.32	0.99981	44	94
7/17	3.6366%	0.000099634	$36,143,218,003.02	0.99979	45	97
7/18	3.6366%	0.000099634	$36,143,218,003.02	0.99979	45	97
7/19	3.6366%	0.000099634	$36,143,218,003.02	0.99979	45	97
7/20	3.6229%	0.000099257	$36,050,569,616.93	0.99978	43	95
7/21	3.6353%	0.000099597	$36,078,893,410.35	0.99975	44	95
7/22	3.6491%	0.000099976	$35,990,117,552.86	0.99972	45	96
7/23	3.6629%	0.000100353	$35,880,026,745.46	0.99968	45	97
7/24	3.6669%	0.000100464	$36,401,911,311.15	0.99969	45	97
7/25	3.6669%	0.000100464	$36,401,911,311.15	0.99969	45	97
7/26	3.6669%	0.000100464	$36,401,911,311.15	0.99969	45	97
7/27	3.6687%	0.000100512	$36,366,664,409.46	0.99970	43	95
7/28	3.6784%	0.000100777	$36,290,951,461.27	0.99973	43	96
7/29	3.6829%	0.000100900	$36,024,080,377.30	0.99979	43	99
7/30	3.6824%	0.000100889	$35,928,011,409.37	0.99981	43	99
7/31	3.6888%	0.000101062	$35,532,811,558.99	0.99979	44	101
Averages	**3.6484%**	**0.000099956**	**$36,332,481,158.26**	**0.99976**	**45**	**95**

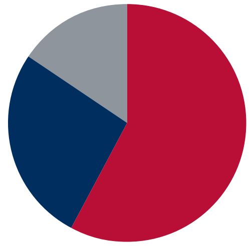
TexPool *Prime*

Portfolio by Maturity* (%)
As of July 31, 2026



- 1-7 days **53.5**
- 8-30 days **4.8**
- 31-90 days **21.8**
- 91-180 days **9.8**
- 181+ days **10.1**

Portfolio by Type of Investment* (%)
As of July 31, 2026



- Commercial Paper **57.8**
- Repurchase Agreements **26.7**
- Variable Rate Notes **15.5**

Portfolio Asset Summary as of July 31, 2026

	Book Value	Market Value
Uninvested Balance	$194.27	$194.27
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	6,207,703.13	6,207,703.13
Interest and Management Fees Payable	-54,046,523.28	-54,046,523.28
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-24,144.96	-24,144.96
Repurchase Agreements	4,285,539,000.00	4,285,539,000.00
Commercial Paper	9,301,786,417.00	9,296,585,729.43
Mutual Fund Investments	0.00	0.00
Government Securities	0.00	0.00
Variable Rate Notes	2,485,500,000.00	2,485,554,747.80
Total	**$16,024,962,646.16**	**$16,019,816,706.39**

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 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	188	$4,436,891,943.34
Higher Education	20	$1,111,476,752.12
County	66	$1,476,057,309.66
Healthcare	30	$623,390,358.30
Utility District	104	$499,898,474.09
City	144	$3,182,956,176.96
Emergency Districts	51	$327,113,265.76
Economic Development Districts	28	$51,878,226.78
Transit/Toll Authorities	10	$1,682,060,218.76
River/Port Authorities	9	$938,798,700.08
Other	107	$1,692,938,036.97

TexPool

TexPool *Prime*

Daily Summary

Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool *Prime* Invested Balance	NAV	WAM Days	WAL Days
7/1	3.8080%	0.000104330	$17,082,392,879.17	0.99971	52	75
7/2	3.8145%	0.000104507	$16,923,460,289.27	0.99956	55	80
7/3	3.8145%	0.000104507	$16,923,460,289.27	0.99956	55	80
7/4	3.8145%	0.000104507	$16,923,460,289.27	0.99956	55	80
7/5	3.8145%	0.000104507	$16,923,460,289.27	0.99956	55	80
7/6	3.8101%	0.000104385	$16,932,280,254.98	0.99977	52	77
7/7	3.8058%	0.000104269	$16,868,467,503.67	0.99976	52	78
7/8	3.7970%	0.000104028	$16,851,460,627.35	0.99973	52	78
7/9	3.7841%	0.000103675	$16,805,803,948.17	0.99973	53	79
7/10	3.7814%	0.000103600	$16,966,560,182.76	0.99961	53	81
7/11	3.7814%	0.000103600	$16,966,560,182.76	0.99961	53	81
7/12	3.7814%	0.000103600	$16,966,560,182.76	0.99961	53	81
7/13	3.7914%	0.000103873	$16,937,009,524.36	0.99971	51	79
7/14	3.7977%	0.000104047	$16,769,846,392.01	0.99976	51	79
7/15	3.8086%	0.000104344	$16,680,520,732.21	0.99979	51	80
7/16	3.8045%	0.000104232	$16,630,706,253.26	0.99979	52	81
7/17	3.7980%	0.000104055	$16,702,503,073.41	0.99964	53	81
7/18	3.7980%	0.000104055	$16,702,503,073.41	0.99964	53	81
7/19	3.7980%	0.000104055	$16,702,503,073.41	0.99964	53	81
7/20	3.7954%	0.000103983	$16,644,438,487.06	0.99976	51	79
7/21	3.7969%	0.000104026	$16,606,820,787.19	0.99976	51	78
7/22	3.8005%	0.000104122	$16,627,959,979.97	0.99972	52	80
7/23	3.8094%	0.000104368	$16,582,533,952.58	0.99969	52	80
7/24	3.8125%	0.000104451	$16,580,528,688.32	0.99956	52	80
7/25	3.8125%	0.000104451	$16,580,528,688.32	0.99956	52	80
7/26	3.8125%	0.000104451	$16,580,528,688.32	0.99956	52	80
7/27	3.8138%	0.000104489	$16,664,113,688.38	0.99970	49	79
7/28	3.8191%	0.000104634	$16,592,557,123.74	0.99970	49	79
7/29	3.8216%	0.000104702	$16,529,777,567.30	0.99971	49	79
7/30	3.8266%	0.000104838	$16,454,286,588.94	0.99981	50	81
7/31	3.8364%	0.000105107	$16,023,480,207.15	0.99968	52	83
Averages	**3.8052%**	**0.000104252**	**$16,733,131,402.84**	**0.99968**	**52**	**80**

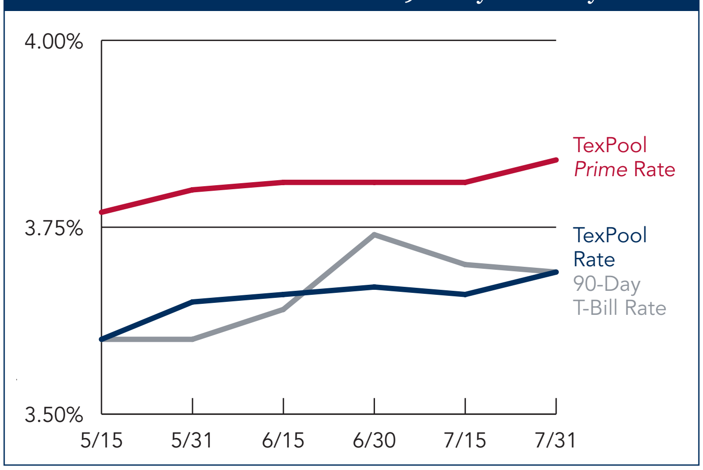
Participant Services
1001 Texas Ave. Suite 1150
Houston, TX 77002

As usual, the short end of the yield curve acted more rationally — and not just because a cash manager is saying so. It actually declined after the meeting, suggesting the money markets do not anticipate imminent tightening. That also is my view. The US economy cooled in the second quarter, as did inflation in June. While the resumption of hostilities in the Middle East might reverse the latter's course, a pause in rate action is defensible. Chair Warsh should not be faulted for letting it play out. It also is unfair to construe the lack of rate hikes as a sign he is a President Trump sycophant. Let's not forget that the financial markets love to punish new Fed leaders for a "policy mistake" early in their tenures. That surely is part of this tantrum.

But if a hike does arrive in autumn, the money markets should benefit. The industry as a whole has experienced volatility this year in large part because of cash raised to fund several massive IPOs. But we think demand is steady and will only increase if rates stay at present levels or rise. Higher for longer is music to our ears.

At month-end, yields on 1-, 3-, 6- and 12-month US Treasurys were 3.69%, 3.78%, 3.95% and 4.06%, 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.

**Totals may not add up to 100% due to rounding.*

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.