



Monthly Newsletter: October 2026

ANNOUNCEMENTS

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

TexPool

Elmendorf EDC
Willacy County Navigation District

TexPool Prime

Elmendorf EDC
Willacy County Navigation District

Upcoming Events

10/8/2026 - 10/11/2026
Texas Association of School Administrators (TASA) and Texas Association of School Boards (TASB) Annual Conference
Houston, TX

10/13/2026 - 10/16/2026
Government Finance Officers Association of Texas (GFOAT) Fall Conference
Corpus Christi, TX

10/27/2026 - 10/30/2026
Texas Association of County Auditors Fall Conference 2026
Denton, TX

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 Don Huffines
Operated under the supervision of the Texas
Treasury Safekeeping Trust Company

Economic and Market Commentary

Don't fight the FRED

October 1, 2026

The Federal Reserve faces pressure about the direction of monetary policy from many corners. But its decision to hike rates last month due to elevated inflation showed that officials under Chair Warsh still rely on macroeconomic data, much of it sourced from its own database, FRED.

The ring-side doctor has treated many investors foolhardy enough to challenge the Fed. Some manage to win a round with a contrarian trade; yet in the end, they usually find themselves on the canvas. But monetary policymakers themselves face an undeniable brute in Fred. Well, really FRED, the Federal Reserve Economic Data depository.

Maintained by the Federal Reserve Bank of St. Louis, FRED is a massive database with macroeconomic series ranging from the well-known, such as GDP and CPI, to the obscure, such as prices of sliced bologna or grape jelly. While most data can be interpreted to fit an agenda, the 800,000-dataset gorilla of FRED brushes aside such attempts.

This is the context, and the reason behind, the Fed's rate hike in September. Chair Kevin Warsh and his colleagues on the Federal Open Market Committee (FOMC) felt political pressure, the bond market and price-conscious consumers, but ultimately had to kowtow to the blunt data revealing the economy is warm enough to sustain inflation above the 2% target. They had little choice but to lift the band to 3.75-4.00%. You must give Chair Warsh credit – he was not nominated to raise rates yet did what had to be done.

(continued page 6)

Performance as of September 30, 2026

	TexPool	TexPool Prime
Current Invested Balance	\$32,498,151,992	\$15,428,064,219
Weighted Average Maturity**	40 Days	43 Days
Weighted Average Life**	99 Days	81 Days
Net Asset Value	0.99961	0.9996
Total Number of Participants	3,011	762
Management Fee on Invested Balance	0.0450%	0.0550%
Interest Distributed	\$99,301,017.87	\$48,230,593.18
Management Fee Collected	\$1,132,252.19	\$679,611.80
Current S&P Global Rating	AAAm	AAAm

Month Averages

Average Invested Balance	\$32,208,031,696	\$15,033,837,090
Average Monthly Rate*	3.76%	3.90%
Average Weighted Average Maturity**	42	47
Average Weighted Average Life**	104	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.

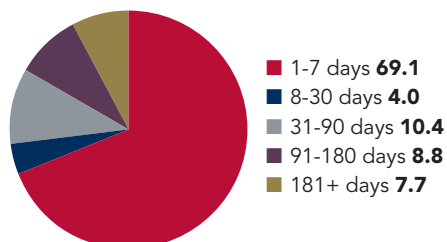
**See page 2 for definitions.

Past performance is no guarantee of future results.



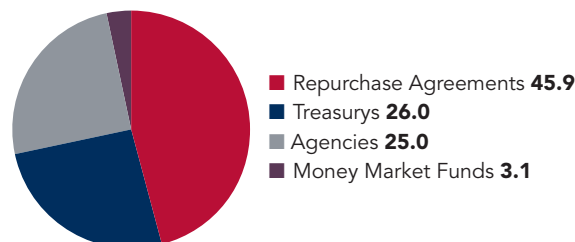
Portfolio by Maturity* (%)

As of September 30, 2026



Portfolio by Type of Investment* (%)

As of September 30, 2026



Portfolio Asset Summary as of September 30, 2026

	Book Value	Market Value
Uninvested Balance	-\$89.27	-\$89.27
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	72,497,400.25	72,497,400.25
Interest and Management Fees Payable	-99,302,664.18	-99,302,664.18
Payable for Investments Purchased	-532,911,270.37	-532,911,270.37
Accrued Expenses & Taxes	-38,953.02	-38,953.02
Repurchase Agreements	15,165,942,000.00	15,165,942,000.00
Mutual Fund Investments	1,017,085,200.00	1,017,085,200.00
Government Securities	8,274,033,198.70	8,267,780,702.54
US Treasury Bills	6,457,915,780.72	6,453,593,279.20
US Treasury Notes	2,142,931,389.25	2,141,002,029.35
Total	\$32,498,151,992.08	\$32,485,647,634.50

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	\$8,738,445,579.14
Higher Education	60	\$1,398,134,759.47
County	208	\$3,667,400,788.91
Healthcare	100	\$1,957,921,234.03
Utility District	966	\$5,654,506,390.10
City	530	\$8,372,760,098.93
Emergency Districts	125	\$526,506,791.35
Economic Development Districts	98	\$175,401,346.76
Transit/Toll Authorities	15	\$417,326,899.99
River/Port Authorities	19	\$268,913,291.52
Other	246	\$1,320,888,673.03

**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

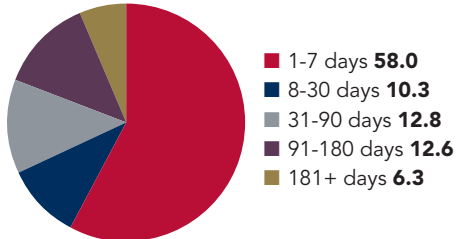
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
9/1	3.6872%	0.000101020	\$32,928,692,058.95	0.99979	42	104
9/2	3.6830%	0.000100904	\$32,784,817,381.10	0.99980	43	105
9/3	3.6868%	0.000101007	\$32,512,245,025.15	0.99983	43	105
9/4	3.6884%	0.000101053	\$32,169,660,005.88	0.99980	45	108
9/5	3.6884%	0.000101053	\$32,169,660,005.88	0.99980	45	108
9/6	3.6884%	0.000101053	\$32,169,660,005.88	0.99980	45	108
9/7	3.6884%	0.000101053	\$32,169,660,005.88	0.99980	45	108
9/8	3.6876%	0.000101031	\$32,192,520,299.80	0.99981	43	106
9/9	3.6843%	0.000100940	\$32,180,132,031.12	0.99979	43	106
9/10	3.6816%	0.000100866	\$32,103,527,540.11	0.99973	43	106
9/11	3.6773%	0.000100749	\$31,775,935,806.67	0.99966	45	107
9/12	3.6773%	0.000100749	\$31,775,935,806.67	0.99966	45	107
9/13	3.6773%	0.000100749	\$31,775,935,806.67	0.99966	45	107
9/14	3.6789%	0.000100792	\$32,023,234,645.62	0.99965	42	104
9/15	3.6939%	0.000101203	\$32,036,951,273.17	0.99965	42	104
9/16	3.6923%	0.000101158	\$32,120,116,692.43	0.99961	41	103
9/17	3.7660%	0.000103179	\$31,920,879,296.86	0.99962	42	103
9/18	3.8228%	0.000104733	\$31,906,025,252.39	0.99959	44	104
9/19	3.8228%	0.000104733	\$31,906,025,252.39	0.99959	44	104
9/20	3.8228%	0.000104733	\$31,906,025,252.39	0.99959	44	104
9/21	3.8336%	0.000105029	\$31,772,986,703.72	0.99960	41	103
9/22	3.8391%	0.000105182	\$31,752,477,166.15	0.99960	41	103
9/23	3.8457%	0.000105362	\$31,686,226,867.81	0.99957	40	102
9/24	3.8504%	0.000105491	\$31,491,551,837.17	0.99954	40	103
9/25	3.8653%	0.000105898	\$32,962,660,378.18	0.99956	39	98
9/26	3.8653%	0.000105898	\$32,962,660,378.18	0.99956	39	98
9/27	3.8653%	0.000105898	\$32,962,660,378.18	0.99956	39	98
9/28	3.8700%	0.000106027	\$32,918,791,560.73	0.99954	37	97
9/29	3.8687%	0.000105991	\$32,705,144,184.13	0.99958	39	99
9/30	3.8706%	0.000106043	\$32,498,151,992.08	0.99961	40	99
Averages	3.7590%	0.000102986	\$32,208,031,696.38	0.99967	42	104



TEXPOOL Prime

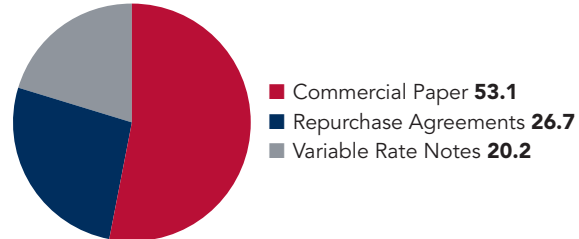
Portfolio by Maturity* (%)

As of September 30, 2026



Portfolio by Type of Investment* (%)

As of September 30, 2026



Portfolio Asset Summary as of September 30, 2026

	Book Value	Market Value
Uninvested Balance	\$173.38	\$173.38
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	10,623,786.55	10,623,786.55
Interest and Management Fees Payable	-48,230,590.90	-48,230,590.90
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-23,247.77	-23,247.77
Repurchase Agreements	4,128,724,000.00	4,128,724,000.00
Commercial Paper	8,219,470,097.99	8,212,962,850.46
Mutual Fund Investments	0.00	0.00
Government Securities	0.00	0.00
Variable Rate Notes	3,117,500,000.00	3,117,585,572.15
Total	\$15,428,064,219.25	\$15,421,642,543.87

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	\$4,229,302,681.12
Higher Education	20	\$1,152,087,335.19
County	66	\$971,572,588.27
Healthcare	30	\$620,488,451.83
Utility District	105	\$536,414,631.50
City	145	\$3,648,349,556.19
Emergency Districts	51	\$314,611,641.73
Economic Development Districts	30	\$52,147,614.77
Transit/Toll Authorities	10	\$1,478,871,319.45
River/Port Authorities	9	\$915,432,466.68
Other	108	\$1,508,781,983.38



TEXPOOL Prime

Daily Summary

Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Prime Invested Balance	NAV	WAM Days	WAL Days
9/1	3.8353%	0.000105076	\$14,890,169,427.39	0.99976	49	80
9/2	3.8368%	0.000105119	\$14,885,346,184.63	0.99975	49	79
9/3	3.8371%	0.000105126	\$14,801,895,997.63	0.99979	49	80
9/4	3.8382%	0.000105155	\$14,752,820,221.94	0.99957	50	81
9/5	3.8382%	0.000105155	\$14,752,820,221.94	0.99957	50	81
9/6	3.8382%	0.000105155	\$14,752,820,221.94	0.99957	50	81
9/7	3.8382%	0.000105155	\$14,752,820,221.94	0.99957	50	81
9/8	3.8344%	0.000105052	\$14,729,170,495.17	0.99979	46	78
9/9	3.8324%	0.000104997	\$14,704,664,743.56	0.99977	46	78
9/10	3.8322%	0.000104993	\$14,823,151,215.45	0.99972	47	80
9/11	3.8322%	0.000104991	\$14,712,300,612.84	0.99952	48	82
9/12	3.8322%	0.000104991	\$14,712,300,612.84	0.99952	48	82
9/13	3.8322%	0.000104991	\$14,712,300,612.84	0.99952	48	82
9/14	3.8368%	0.000105118	\$14,749,526,889.58	0.99962	46	80
9/15	3.8384%	0.000105161	\$14,784,375,203.52	0.99960	46	81
9/16	3.8371%	0.000105127	\$15,097,968,327.44	0.99962	46	81
9/17	3.9253%	0.000107543	\$15,270,256,681.96	0.99957	47	82
9/18	3.9542%	0.000108335	\$15,226,718,828.93	0.99941	48	82
9/19	3.9542%	0.000108335	\$15,226,718,828.93	0.99941	48	82
9/20	3.9542%	0.000108335	\$15,226,718,828.93	0.99941	48	82
9/21	3.9742%	0.000108883	\$15,260,507,708.58	0.99955	45	80
9/22	3.9788%	0.000109009	\$15,258,491,128.28	0.99956	46	81
9/23	3.9831%	0.000109126	\$15,251,963,175.89	0.99954	46	80
9/24	3.9875%	0.000109246	\$15,314,419,580.65	0.99953	45	79
9/25	3.9989%	0.000109560	\$15,353,097,282.31	0.99942	46	81
9/26	3.9989%	0.000109560	\$15,353,097,282.31	0.99942	46	81
9/27	3.9989%	0.000109560	\$15,353,097,282.31	0.99942	46	81
9/28	4.0013%	0.000109626	\$15,433,370,323.56	0.99955	43	78
9/29	4.0058%	0.000109748	\$15,444,140,336.42	0.99954	43	81
9/30	4.0042%	0.000109703	\$15,428,064,219.25	0.99958	43	81
Averages	3.9030%	0.000106931	\$15,033,837,089.97	0.99957	47	80



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

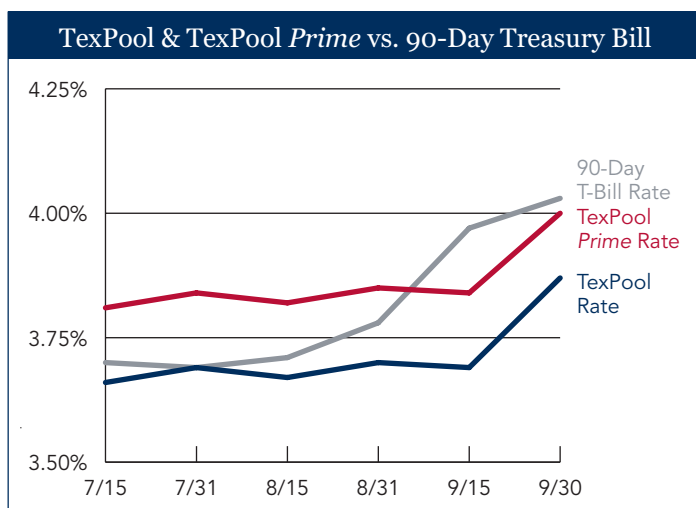
What comes next? For cash managers and investors in the money markets, it's time to break out new bottles of champagne. Inflation is no joy. But the yields the industry is seeing, and forecasts, for liquidity offerings continue to be attractive. The Fed does not need to hike to keep the good times going — just hold rates higher for longer.

Market consensus is for a series of hikes. The reasoning is that central banks rarely make just one move when fighting inflation. The futures market expects at least one more hike, though it's wavering between that coming in October or December. While one will likely come to pass, changes in the flow of oil, trade wars and supply lines might give the Fed wiggle room to hike less.

They might be wise to pause for other reasons. Cracks are appearing even in positive reports. Consumers are spending, but sentiment is diving. Higher mortgage and variable-rate loans might cool the economy faster than some think. And the bond market could very well settle down. All are potential justifications for a hiatus. We think it is reasonable to take the September Summary of Economic Projections at face value: the dot plot indicates that 12 of the 18 participants expect another quarter-point increase, with only four forecasting two. And the dots suggest potential for rate declines in 2027, though perhaps after another hike. Bottom line, the Fed is not obligated to follow historic patterns, such as multiple hikes. The data, and FRED's hard truths, will drive the decisions.

**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.



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.