



Monthly Newsletter: January 2025

ANNOUNCEMENTS

National Day Of Mourning

A decision regarding the status of TexPool and TexPool Prime on January 9, 2025, is currently pending. This date has been designated as a National Day of Mourning in honor of former US President Jimmy Carter. Please check the website regularly for updates as decisions are finalized.

We welcome the following entities who joined TexPool in December 2024:

TexPool

Mission Economic Development Authority
Frio County

TexPool Prime

Mission Economic Development Authority
Frio County
Wilson ISD

Upcoming Events

1/26/2025

Texas Association of School Administrators (TASA) Midwinter conference 2025
Austin, TX

2/23/2025

Government Treasurers' Organization of Texas (GTOT) Winter Seminar
San Antonio, TX

TexPool Advisory Board Members

| | |
|--------------------|-----------------|
| Patrick Krishock | David Landeros |
| Belinda Weaver | Sharon Matthews |
| Deborah Laudermilk | Dina Edgar |
| Valarie Van Vlack | |

Overseen by the State of Texas Comptroller of Public Accounts Glenn Hegar

Operated under the supervision of the Texas Treasury Safekeeping Trust Company

Economic and Market Commentary: A gorgeous vista greets cash managers in 2025

January 1, 2025

After a year of ever-changing clouds, monetary policy looks clearer in 2025. The Federal Reserve seems to finally have realized it miscalculated in September by slashing rates. Inflation had already plateaued, and the labor market was weakening, but hardly weak. Faced with a strong economy, officials have wised up to the reality that policy must be restrictive for longer and now project just two quarter-point cuts this year. In retrospect, it's odd that Chair Jerome Powell eagerly supported the easing campaign, as he consistently says he wants to avoid the Fed's mistake of easing too early in the 1970s. He has to be careful. Losing favor with Trump has nothing on losing credibility with investors or his colleagues—the latter hinted at with recent Federal Open Market Committee dissents. But if this newly cautious Fed makes good on its revised projections, the slower pace is great news for liquidity products, as it could mean yields will be even more attractive.

It's problematic enough that inflation has been persistent. If it starts to meaningfully rise, look out. But that's the danger of some of the policies Trump has promised to enact. While the post-Covid economy has not followed textbooks, a potential combination of more federal tax cuts, expanded government expenditures, additional tariffs and significant

(continued page 6)

Performance as of December 31, 2024

| | TexPool | TexPool Prime |
|------------------------------------|------------------|------------------|
| Current Invested Balance | \$35,006,243,789 | \$14,714,761,490 |
| Weighted Average Maturity** | 33 Days | 48 Days |
| Weighted Average Life** | 90 Days | 55 Days |
| Net Asset Value | 1.00014 | 1.00016 |
| Total Number of Participants | 2,907 | 637 |
| Management Fee on Invested Balance | 0.0450% | 0.0550% |
| Interest Distributed | \$125,381,824.49 | \$52,790,996.12 |
| Management Fee Collected | \$1,141,291.31 | \$618,698.32 |
| Current S&P Global Rating | AAAm | AAAm |

Month Averages

| | | |
|-------------------------------------|------------------|------------------|
| Average Invested Balance | \$32,394,320,531 | \$13,243,823,153 |
| Average Monthly Rate* | 4.56% | 4.69% |
| Average Weighted Average Maturity** | 37 | 53 |
| Average Weighted Average Life** | 99 | 65 |

*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.

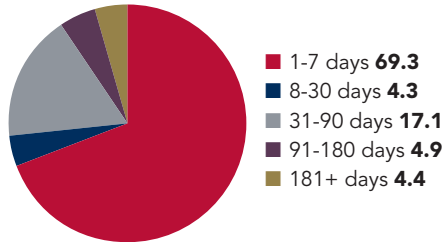
**See page 2 for definitions.

Past performance is no guarantee of future results.



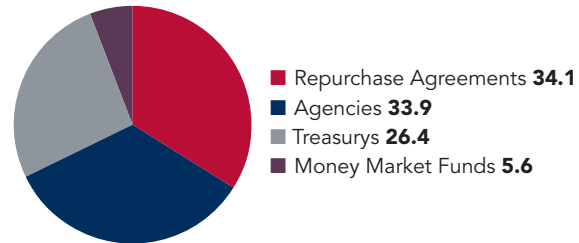
Portfolio by Maturity (%)

As of December 31, 2024



Portfolio by Type of Investment (%)

As of December 31, 2024



Portfolio Asset Summary as of December 31, 2024

| | Book Value | Market Value |
|--------------------------------------|----------------------------|----------------------------|
| Uninvested Balance | -\$156.29 | -\$156.29 |
| Receivable for Investments Sold | 0.00 | 0.00 |
| Accrual of Interest Income | 102,446,087.46 | 102,446,087.46 |
| Interest and Management Fees Payable | -125,381,738.04 | -125,381,738.04 |
| Payable for Investments Purchased | 0.00 | 0.00 |
| Accrued Expenses & Taxes | -39,386.61 | -39,386.61 |
| Repurchase Agreements | 11,945,937,000.00 | 11,945,937,000.00 |
| Mutual Fund Investments | 1,967,085,200.00 | 1,967,085,200.00 |
| Government Securities | 11,854,968,606.88 | 11,855,343,495.09 |
| US Treasury Bills | 7,586,389,952.42 | 7,592,161,945.45 |
| US Treasury Notes | 1,674,838,222.84 | 1,675,336,327.95 |
| Total | \$35,006,243,788.66 | \$35,012,888,775.01 |

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 | 635 | \$10,425,852,158.06 |
| Higher Education | 60 | \$1,782,254,163.88 |
| County | 202 | \$4,201,190,595.32 |
| Healthcare | 95 | \$1,793,310,904.33 |
| Utility District | 943 | \$5,203,772,806.81 |
| City | 512 | \$8,910,179,022.38 |
| Emergency Districts | 114 | \$438,628,588.36 |
| Economic Development Districts | 95 | \$211,856,972.52 |
| Transit/Toll Authorities | 15 | \$713,529,324.61 |
| River/Port Authorities | 18 | \$398,873,083.04 |
| Other | 218 | \$928,300,505.58 |

**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

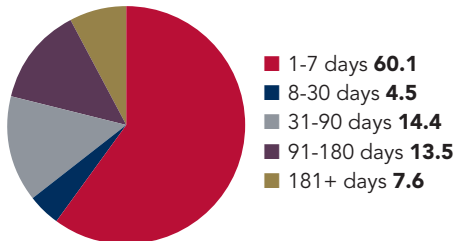
| Date | Money Mkt. Fund Equiv. (SEC Std.) | Dividend Factor | TexPool Invested Balance | NAV | WAM Days | WAL Days |
|------------------|-----------------------------------|--------------------|----------------------------|----------------|-----------|-----------|
| 12/1 | 4.6683% | 0.000127898 | \$31,334,960,457.45 | 1.00011 | 40 | 101 |
| 12/2 | 4.6549% | 0.000127531 | \$31,503,259,892.71 | 1.00008 | 38 | 100 |
| 12/3 | 4.6641% | 0.000127784 | \$31,534,052,065.51 | 1.00012 | 38 | 100 |
| 12/4 | 4.6360% | 0.000127013 | \$31,512,118,549.27 | 1.00014 | 38 | 102 |
| 12/5 | 4.6141% | 0.000126414 | \$31,521,914,903.20 | 1.00015 | 37 | 101 |
| 12/6 | 4.6025% | 0.000126095 | \$31,480,910,770.34 | 1.00012 | 38 | 101 |
| 12/7 | 4.6025% | 0.000126095 | \$31,480,910,770.34 | 1.00012 | 38 | 101 |
| 12/8 | 4.6025% | 0.000126095 | \$31,480,910,770.34 | 1.00012 | 38 | 101 |
| 12/9 | 4.6228% | 0.000126652 | \$31,494,157,966.39 | 1.00011 | 38 | 100 |
| 12/10 | 4.6250% | 0.000126713 | \$31,525,119,096.48 | 1.00011 | 38 | 99 |
| 12/11 | 4.6250% | 0.000126712 | \$31,596,624,325.79 | 1.00014 | 37 | 99 |
| 12/12 | 4.6093% | 0.000126281 | \$31,484,536,101.88 | 1.00015 | 38 | 102 |
| 12/13 | 4.6094% | 0.000126286 | \$31,630,137,670.02 | 1.00012 | 39 | 102 |
| 12/14 | 4.6094% | 0.000126286 | \$31,630,137,670.02 | 1.00012 | 39 | 102 |
| 12/15 | 4.6094% | 0.000126286 | \$31,630,137,670.02 | 1.00012 | 39 | 102 |
| 12/16 | 4.6078% | 0.000126242 | \$31,688,151,409.88 | 1.00013 | 38 | 101 |
| 12/17 | 4.6127% | 0.000126376 | \$31,483,184,638.60 | 1.00013 | 38 | 101 |
| 12/18 | 4.5965% | 0.000125932 | \$31,566,195,679.80 | 1.00010 | 38 | 100 |
| 12/19 | 4.5270% | 0.000124028 | \$31,984,289,382.65 | 1.00012 | 36 | 100 |
| 12/20 | 4.4328% | 0.000121446 | \$32,295,648,926.62 | 1.00010 | 37 | 101 |
| 12/21 | 4.4328% | 0.000121446 | \$32,295,648,926.62 | 1.00010 | 37 | 101 |
| 12/22 | 4.4328% | 0.000121446 | \$32,295,648,926.62 | 1.00010 | 37 | 101 |
| 12/23 | 4.4233% | 0.000121186 | \$32,772,917,586.58 | 1.00011 | 37 | 99 |
| 12/24 | 4.4459% | 0.000121806 | \$32,809,990,831.52 | 1.00011 | 37 | 98 |
| 12/25 | 4.4459% | 0.000121806 | \$32,809,990,831.52 | 1.00011 | 37 | 98 |
| 12/26 | 4.5021% | 0.000123344 | \$34,501,011,652.09 | 1.00010 | 35 | 94 |
| 12/27 | 4.5344% | 0.000124231 | \$34,919,301,939.83 | 1.00010 | 35 | 93 |
| 12/28 | 4.5344% | 0.000124231 | \$34,919,301,939.83 | 1.00010 | 35 | 93 |
| 12/29 | 4.5344% | 0.000124231 | \$34,919,301,939.83 | 1.00010 | 35 | 93 |
| 12/30 | 4.4962% | 0.000123184 | \$35,117,219,390.39 | 1.00011 | 33 | 90 |
| 12/31 | 4.4769% | 0.000122655 | \$35,006,243,788.66 | 1.00014 | 33 | 90 |
| Averages: | 4.5610% | 0.000124959 | \$32,394,320,531.32 | 1.00012 | 37 | 99 |



TEXPOOL Prime

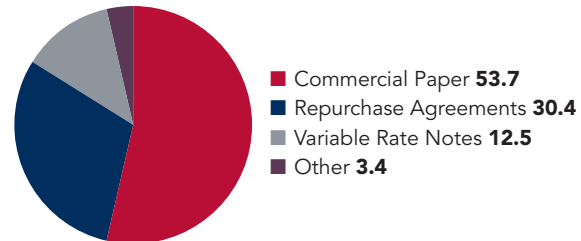
Portfolio by Maturity (%)

As of December 31, 2024



Portfolio by Type of Investment (%)

As of December 31, 2024



Portfolio Asset Summary as of December 31, 2024

| | Book Value | Market Value |
|--------------------------------------|----------------------------|----------------------------|
| Uninvested Balance | \$1,323.61 | \$1,323.61 |
| Receivable for Investments Sold | 0.00 | 0.00 |
| Accrual of Interest Income | 15,551,511.58 | 15,551,511.58 |
| Interest and Management Fees Payable | -52,791,319.98 | -52,791,319.98 |
| Payable for Investments Purchased | 0.00 | 0.00 |
| Accrued Expenses & Taxes | -22,172.93 | -22,172.93 |
| Repurchase Agreements | 4,488,874,000.00 | 4,488,874,000.00 |
| Commercial Paper | 8,461,148,147.26 | 8,463,581,658.26 |
| Mutual Fund Investments | 500,000,000.00 | 500,000,000.00 |
| Government Securities | 0.00 | 0.00 |
| Variable Rate Notes | 1,302,000,000.00 | 1,302,244,241.60 |
| Total | \$14,714,761,489.54 | \$14,717,439,242.14 |

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 | 170 | \$4,744,876,545.91 |
| Higher Education | 19 | \$945,575,877.84 |
| County | 56 | \$1,652,520,021.38 |
| Healthcare | 24 | \$506,376,671.11 |
| Utility District | 84 | \$462,171,611.03 |
| City | 124 | \$2,530,640,438.51 |
| Emergency Districts | 37 | \$148,747,238.79 |
| Economic Development Districts | 25 | \$59,439,192.24 |
| Transit/Toll Authorities | 10 | \$1,285,396,595.58 |
| River/Port Authorities | 8 | \$708,594,247.50 |
| Other | 80 | \$1,670,635,163.82 |



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 | 4.7951% | 0.000131373 | \$12,944,297,891.62 | 1.00016 | 51 | 70 |
| 12/2 | 4.7812% | 0.000130992 | \$12,975,807,535.35 | 1.00020 | 49 | 68 |
| 12/3 | 4.7872% | 0.000131157 | \$13,048,111,364.24 | 1.00022 | 48 | 67 |
| 12/4 | 4.7750% | 0.000130821 | \$13,046,661,688.85 | 1.00022 | 48 | 67 |
| 12/5 | 4.7662% | 0.000130580 | \$13,090,707,441.23 | 1.00023 | 47 | 65 |
| 12/6 | 4.7509% | 0.000130163 | \$12,990,844,631.98 | 1.00010 | 52 | 69 |
| 12/7 | 4.7509% | 0.000130163 | \$12,990,844,631.98 | 1.00010 | 52 | 69 |
| 12/8 | 4.7509% | 0.000130163 | \$12,990,844,631.98 | 1.00010 | 52 | 69 |
| 12/9 | 4.7655% | 0.000130561 | \$13,022,958,276.55 | 1.00021 | 53 | 67 |
| 12/10 | 4.7449% | 0.000129996 | \$12,999,431,020.18 | 1.00022 | 57 | 72 |
| 12/11 | 4.7466% | 0.000130045 | \$12,991,548,661.78 | 1.00022 | 57 | 71 |
| 12/12 | 4.7396% | 0.000129852 | \$12,864,871,424.26 | 1.00022 | 57 | 70 |
| 12/13 | 4.7341% | 0.000129701 | \$12,893,813,238.32 | 1.00007 | 57 | 70 |
| 12/14 | 4.7341% | 0.000129701 | \$12,893,813,238.32 | 1.00007 | 57 | 70 |
| 12/15 | 4.7341% | 0.000129701 | \$12,893,813,238.32 | 1.00007 | 57 | 70 |
| 12/16 | 4.7244% | 0.000129436 | \$12,896,309,758.17 | 1.00019 | 55 | 66 |
| 12/17 | 4.7224% | 0.000129380 | \$13,004,456,413.57 | 1.00018 | 55 | 65 |
| 12/18 | 4.7155% | 0.000129192 | \$12,911,601,116.92 | 1.00018 | 55 | 65 |
| 12/19 | 4.6293% | 0.000126829 | \$12,999,617,458.47 | 1.00019 | 54 | 64 |
| 12/20 | 4.5999% | 0.000126026 | \$12,911,305,856.30 | 1.00006 | 54 | 65 |
| 12/21 | 4.5999% | 0.000126026 | \$12,911,305,856.30 | 1.00006 | 54 | 65 |
| 12/22 | 4.5999% | 0.000126026 | \$12,911,305,856.30 | 1.00006 | 54 | 65 |
| 12/23 | 4.5893% | 0.000125734 | \$12,993,946,228.76 | 1.00019 | 52 | 62 |
| 12/24 | 4.6050% | 0.000126164 | \$13,273,930,527.52 | 1.00011 | 51 | 60 |
| 12/25 | 4.6050% | 0.000126164 | \$13,273,930,527.52 | 1.00011 | 51 | 60 |
| 12/26 | 4.6410% | 0.000127152 | \$14,009,631,502.28 | 1.00016 | 51 | 60 |
| 12/27 | 4.6395% | 0.000127109 | \$14,241,038,891.62 | 1.00002 | 52 | 60 |
| 12/28 | 4.6395% | 0.000127109 | \$14,241,038,891.62 | 1.00002 | 52 | 60 |
| 12/29 | 4.6395% | 0.000127109 | \$14,241,038,891.62 | 1.00002 | 52 | 60 |
| 12/30 | 4.6135% | 0.000126397 | \$14,384,929,558.61 | 1.00016 | 49 | 57 |
| 12/31 | 4.6166% | 0.000126481 | \$14,714,761,489.54 | 1.00016 | 48 | 55 |
| Averages: | 4.6947% | 0.000128623 | \$13,243,823,152.91 | 1.00014 | 53 | 65 |

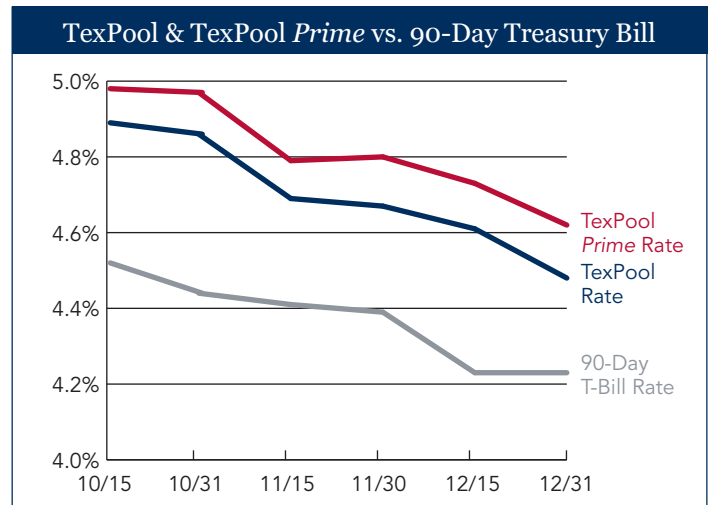


Participant Services
1001 Texas Ave. Suite 1150
Houston, TX 77002

deportations could increase price pressures. While that might not be felt in 2025, the Fed might try to counter fiscal policy by further slowing the pace of cuts. The potential impact on liquidity products? See the previous paragraph's last sentence above, with an emphasis on "even more."

Trump's desire to reduce regulations is sure to be disruptive, but might lead to calm at the SEC—and less market interference. The majority of the five commissioners will flip Republican, and the new administration has a pro-business agenda. The private sector is going to have more input, too. Outgoing Chair Gary Gensler had an adversarial relationship with financial institutions and issued many rules, some we feel were unnecessary, without proper dialogue with market participants. A healthy dynamic between the agency and markets should emerge if Trump's nominee, Paul Atkins, is confirmed. Expect more sensible regulations and attempts to rollback some onerous ones implemented under Gensler.

At the end of the month, yields on 1-, 3-, 6- and 12-month US Treasuries were 4.28%, 4.32%, 4.28% and 4.15%, 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.

Tips for Preventing Financial Fraud

With cyber-crime and other social engineering attacks on the rise, TexPool offers tips, resources, and other suggestions to help protect your participating entity from potential financial fraud. Please visit the Financial Fraud Prevention page on TexPool.com to learn more.