



# Monthly Newsletter: February 2025

## ANNOUNCEMENTS

### February 2025

#### TexPool Presidents' Day Holiday Observance 2025

On **Monday, February 17, 2025**, TexPool will be closed for business in observance of **Presidents' Day**. No trading or settlement will occur on this date.

#### We welcome the following entities who joined TexPool in January 2025:

##### TexPool

City of Bayou Vista  
City of Fulshear  
City of Columbus  
City of Barstow  
Fort Bend County Municipal Utility District 157

##### TexPool Prime

City of Bayou Vista  
City of Fulshear  
City of Columbus  
City of Barstow  
Fort Bend County Municipal Utility District 157

#### Upcoming Events

2/23/2025  
**Government Treasurers' Organization of  
Texas (GTOT) Winter Seminar**  
San Antonio, TX

2/24/2025  
**Texas Association of School Business  
Officials (TASBO) Annual Conference**  
Austin, TX

#### TexPool Advisory Board Members

Patrick Krishock      David Landeros  
Belinda Weaver      Sharon Matthews  
Deborah Lauder milk      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: Don't be distracted by the Fed drama

February 1, 2025

We want inflation to fall while the economy and labor market remain strong. Everyone deserves this, and it's the reason the Federal Reserve decided last week to pause its rate-cutting cycle, leaving the fed funds target range at 4.25-4.50%. But investors in liquidity products have benefited from the elevated interest rates and should continue to if the pace of easing slows. The yields of most securities that funds and other vehicles hold are based on the market, rather than administered, meaning they tend to track the Fed moves. There's no better way to see this than looking at the recent asset flows into industry liquidity products since the Fed's December rate cut and year-end 2024.

In the Federal Open Market Committee meeting last week, Chair Jerome Powell said that the risks to the outcome he is hoping for are balanced between employment and inflation. With the release of the December Personal Consumption Expenditures Index (PCE), the latter might have added more weight on the scale. The PCE growth rate rose both monthly from November and year-over-year: from 0.1% to 0.3% and from 2.5% to 2.6%, respectively. The "core" PCE version, which strips out volatile energy and food prices, also had a higher rate from November but not for the annualized number: 0.1% to 0.2% and 2.8%, respectively.

*(continued page 6)*

### Performance as of January 31, 2025

	TexPool	TexPool Prime
Current Invested Balance	\$38,892,922,937	\$15,690,752,746
Weighted Average Maturity**	40 Days	45 Days
Weighted Average Life**	93 Days	52 Days
Net Asset Value	1.00012	1.00011
Total Number of Participants	2,912	642
Management Fee on Invested Balance	0.0450%	0.0550%
Interest Distributed	\$138,292,991.73	\$57,796,526.13
Management Fee Collected	\$1,258,317.97	\$673,663.33
Current S&P Global Rating	AAAm	AAAm

#### Month Averages

Average Invested Balance	\$37,148,310,776	\$15,060,991,893
Average Monthly Rate*	4.39%	4.52%
Average Weighted Average Maturity**	39	47
Average Weighted Average Life**	91	55

\*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.

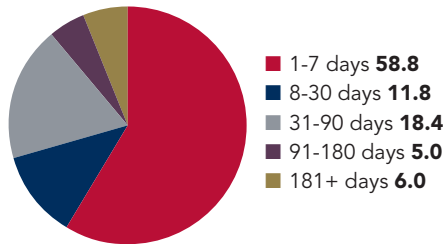
\*\*See page 2 for definitions.

Past performance is no guarantee of future results.



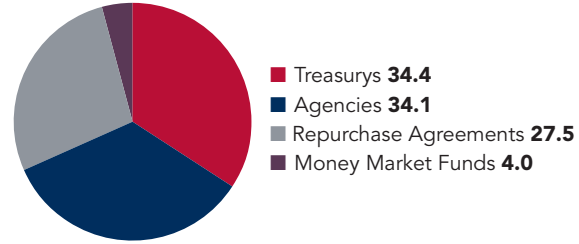
## Portfolio by Maturity (%)

As of January 31, 2025



## Portfolio by Type of Investment (%)

As of January 31, 2025



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

	Book Value	Market Value
Uninvested Balance	-\$10.13	-\$10.13
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	79,414,668.29	79,414,668.29
Interest and Management Fees Payable	-138,298,076.50	-138,298,076.50
Payable for Investments Purchased	-1,284,146,891.24	-1,284,146,891.24
Accrued Expenses & Taxes	-44,848.75	-44,848.75
Repurchase Agreements	11,055,588,000.00	11,055,588,000.00
Mutual Fund Investments	1,617,085,200.00	1,617,085,200.00
Government Securities	13,705,684,120.17	13,705,632,495.49
US Treasury Bills	12,687,788,806.75	12,693,357,409.34
US Treasury Notes	1,169,851,968.87	1,170,737,752.75
<b>Total</b>	<b>\$38,892,922,937.46</b>	<b>\$38,899,325,699.25</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	635	\$12,361,165,793.48
Higher Education	60	\$2,106,935,599.58
County	202	\$4,348,949,562.51
Healthcare	95	\$2,172,466,084.20
Utility District	944	\$5,762,322,776.75
City	516	\$9,498,166,728.49
Emergency Districts	114	\$521,596,164.05
Economic Development Districts	95	\$213,485,218.85
Transit/Toll Authorities	15	\$694,830,204.89
River/Port Authorities	18	\$384,735,441.66
Other	218	\$829,761,666.40

#### \*\*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

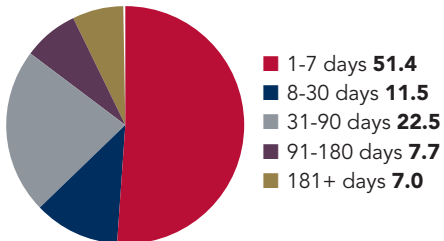
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
1/1	4.4769%	0.000122655	\$35,006,243,788.66	1.00014	33	90
1/2	4.4397%	0.000121636	\$35,577,963,804.44	1.00010	32	87
1/3	4.4392%	0.000121623	\$36,042,027,264.76	1.00008	32	86
1/4	4.4392%	0.000121623	\$36,042,027,264.76	1.00008	32	86
1/5	4.4392%	0.000121623	\$36,042,027,264.76	1.00008	32	86
1/6	4.3926%	0.000120346	\$36,520,140,913.46	1.00009	33	84
1/7	4.3711%	0.000119756	\$36,504,009,068.29	1.00008	35	86
1/8	4.3739%	0.000119833	\$36,518,256,568.62	1.00008	36	87
1/9	4.3789%	0.000119971	\$36,585,613,031.10	1.00009	38	91
1/10	4.3820%	0.000120056	\$36,743,387,144.09	1.00003	40	92
1/11	4.3820%	0.000120056	\$36,743,387,144.09	1.00003	40	92
1/12	4.3820%	0.000120056	\$36,743,387,144.09	1.00003	40	92
1/13	4.3850%	0.000120136	\$36,760,437,356.88	1.00004	40	91
1/14	4.3801%	0.000120002	\$36,745,299,542.76	1.00006	40	91
1/15	4.3747%	0.000119854	\$36,838,994,139.71	1.00006	40	90
1/16	4.3722%	0.000119787	\$37,027,162,254.02	1.00006	41	94
1/17	4.3762%	0.000119895	\$37,196,837,161.44	1.00001	41	93
1/18	4.3762%	0.000119895	\$37,196,837,161.44	1.00001	41	93
1/19	4.3762%	0.000119895	\$37,196,837,161.44	1.00001	41	93
1/20	4.3762%	0.000119895	\$37,196,837,161.44	1.00001	41	93
1/21	4.3734%	0.000119818	\$37,310,526,822.37	1.00004	42	92
1/22	4.3745%	0.000119850	\$37,607,246,331.74	1.00004	41	92
1/23	4.3775%	0.000119932	\$37,668,575,638.92	1.00005	41	92
1/24	4.3897%	0.000120267	\$37,971,234,878.77	1.00003	42	93
1/25	4.3897%	0.000120267	\$37,971,234,878.77	1.00003	42	93
1/26	4.3897%	0.000120267	\$37,971,234,878.77	1.00003	42	93
1/27	4.3872%	0.000120196	\$38,416,288,060.07	1.00007	39	90
1/28	4.3859%	0.000120162	\$38,627,158,107.58	1.00007	39	90
1/29	4.3877%	0.000120210	\$38,673,003,517.48	1.00005	41	92
1/30	4.3876%	0.000120207	\$39,260,495,655.80	1.00006	40	92
1/31	4.3913%	0.000120309	\$38,892,922,937.46	1.00012	40	93
<b>Averages:</b>	<b>4.3919%</b>	<b>0.000120325</b>	<b>\$37,148,310,775.74</b>	<b>1.00006</b>	<b>39</b>	<b>91</b>



## TEXPOOL Prime

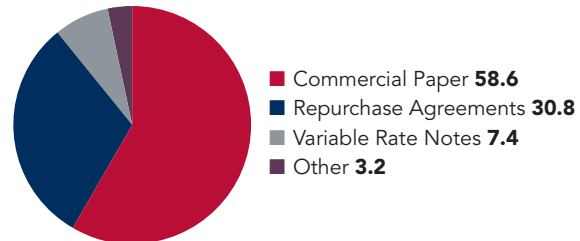
### Portfolio by Maturity (%)

As of January 31, 2025



### Portfolio by Type of Investment (%)

As of January 31, 2025



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

	Book Value	Market Value
Uninvested Balance	\$1,155.10	\$1,155.10
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	10,559,765.07	10,559,765.07
Interest and Management Fees Payable	-57,796,523.84	-57,796,523.84
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-22,685.71	-22,685.71
Repurchase Agreements	4,849,506,000.00	4,849,506,000.00
Commercial Paper	9,686,505,035.55	9,688,289,765.36
Mutual Fund Investments	500,000,000.00	500,000,000.00
Government Securities	0.00	0.00
Variable Rate Notes	702,000,000.00	702,179,205.10
<b>Total</b>	<b>\$15,690,752,746.17</b>	<b>\$15,692,716,681.08</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	170	\$5,561,210,014.97
Higher Education	19	\$1,050,594,249.41
County	56	\$1,494,944,931.27
Healthcare	24	\$501,006,756.87
Utility District	85	\$470,965,457.99
City	128	\$2,832,642,396.53
Emergency Districts	37	\$149,855,407.44
Economic Development Districts	25	\$77,428,882.16
Transit/Toll Authorities	10	\$1,274,160,389.64
River/Port Authorities	8	\$759,171,064.43
Other	80	\$1,519,006,105.25



## TEXPOOL Prime

### Daily Summary

Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Prime Invested Balance	NAV	WAM Days	WAL Days
1/1	4.6166%	0.000126481	\$14,714,761,489.54	1.00016	48	55
1/2	4.6090%	0.000126275	\$14,646,146,401.21	1.00017	47	54
1/3	4.5380%	0.000124330	\$14,678,554,643.19	1.00003	48	54
1/4	4.5380%	0.000124330	\$14,678,554,643.19	1.00003	48	54
1/5	4.5380%	0.000124330	\$14,678,554,643.19	1.00003	48	54
1/6	4.5210%	0.000123864	\$14,732,754,417.26	1.00016	46	52
1/7	4.5179%	0.000123779	\$14,769,089,713.79	1.00015	46	52
1/8	4.5010%	0.000123315	\$14,774,171,280.58	1.00015	48	54
1/9	4.5088%	0.000123529	\$14,778,095,760.86	1.00016	47	56
1/10	4.5087%	0.000123526	\$15,042,073,762.16	1.00000	47	56
1/11	4.5087%	0.000123526	\$15,042,073,762.16	1.00000	47	56
1/12	4.5087%	0.000123526	\$15,042,073,762.16	1.00000	47	56
1/13	4.5124%	0.000123628	\$14,892,731,371.58	1.00011	47	56
1/14	4.5105%	0.000123575	\$14,873,496,082.32	1.00012	46	55
1/15	4.5081%	0.000123510	\$14,951,314,997.73	1.00012	46	55
1/16	4.5044%	0.000123407	\$15,132,748,861.22	1.00013	45	54
1/17	4.5066%	0.000123469	\$15,025,020,084.75	0.99991	49	57
1/18	4.5066%	0.000123469	\$15,025,020,084.75	0.99991	49	57
1/19	4.5066%	0.000123469	\$15,025,020,084.75	0.99991	49	57
1/20	4.5066%	0.000123469	\$15,025,020,084.75	0.99991	49	57
1/21	4.5077%	0.000123498	\$15,053,842,915.66	1.00012	47	55
1/22	4.5124%	0.000123627	\$15,098,911,384.72	1.00011	47	56
1/23	4.5215%	0.000123878	\$15,152,078,313.93	1.00011	47	55
1/24	4.5199%	0.000123834	\$15,260,686,841.64	0.99996	48	56
1/25	4.5199%	0.000123834	\$15,260,686,841.64	0.99996	48	56
1/26	4.5199%	0.000123834	\$15,260,686,841.64	0.99996	48	56
1/27	4.5117%	0.000123607	\$15,424,606,666.59	1.00013	45	53
1/28	4.5142%	0.000123676	\$15,436,140,793.01	1.00012	44	51
1/29	4.5091%	0.000123536	\$15,786,299,648.71	1.00012	45	52
1/30	4.5118%	0.000123612	\$15,902,807,961.59	1.00010	44	51
1/31	4.5142%	0.000123678	\$15,690,752,746.17	1.00011	45	52
<b>Averages:</b>	<b>4.5206%</b>	<b>0.000123852</b>	<b>\$15,060,991,893.39</b>	<b>1.00006</b>	<b>47</b>	<b>55</b>

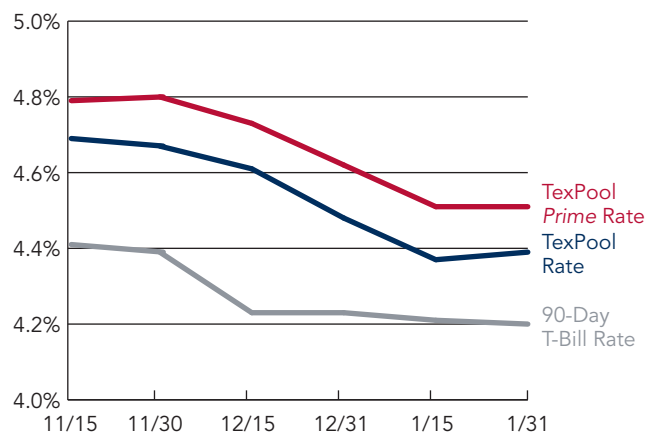


Participant Services  
1001 Texas Ave. Suite 1150  
Houston, TX 77002

The uptick fits the trend of inflation's reacceleration in recent months and is concerning to the Fed. Enough so that they held the target fed funds rate at 4.25-4.5% at the meeting, keeping monetary policy restrictive. Powell and company would love to push inflation to, or close to, their long-held PCE target of 2% without slowing the US economy. But a slowdown might be inevitable if they feel they must hold rates higher-for-longer to achieve that goal. If some of the tariffs that President Trump is considering prove inflationary—and that is not a guarantee—we might see rates elevated for much longer than the markets previously envisioned. We think the Fed will still cut rates as much as a half-percentage point this year, but even that should keep liquidity products in a good place as higher rates typically meant higher yields.

In his press conference following the Fed meeting last week, Powell tried to appear nonchalant about President Trump's recent remark that he would "demand" rate cuts. But it sure seemed Powell was boiling on the inside. He curtly told reporters he would not discuss Trump's comments in response to the very first question he fielded and was brusque when asked again. When reporters broadened the issue by asking how the Fed is preparing for potential tariffs, he tellingly responded by saying it's not the Fed's job to "criticize" administration policy. But when he made the point again, he added "or to praise." That didn't placate Trump, who lashed out at the decision to keep rates steady in a social post. It's going to be fun watching this clash of the titans over the remainder of Powell's term. At the end of the month, yields on 1-, 3-, 6- and 12-month US Treasuries were 4.31%, 4.29%, 4.31% and 4.16%, 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.*

#### 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](http://TexPool.com) to learn more.