

Local Government Investment Pool Profile

# TexPool Prime

Sept. 25, 2025

*This report does not constitute a rating action*

About the pool	AAAm
Last affirmation date	Nov. 18, 2024
Pool type	Stable NAV Government Investment Pool
Investment advisor	Federated Hermes Inc.
Custodian/administrator	State Street Bank & Trust Co.
Pool inception date	Dec. 9, 2002
Pool rated since	Dec. 9, 2002

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## Rationale

S&P Global Ratings rates TexPool Prime 'AAAm'. This principal stability fund rating (PSFR) signifies our forward-looking opinion about the fixed-income fund's ability to maintain stable net asset value (NAV), which it accomplishes through conservative investment practices and strict internal controls.

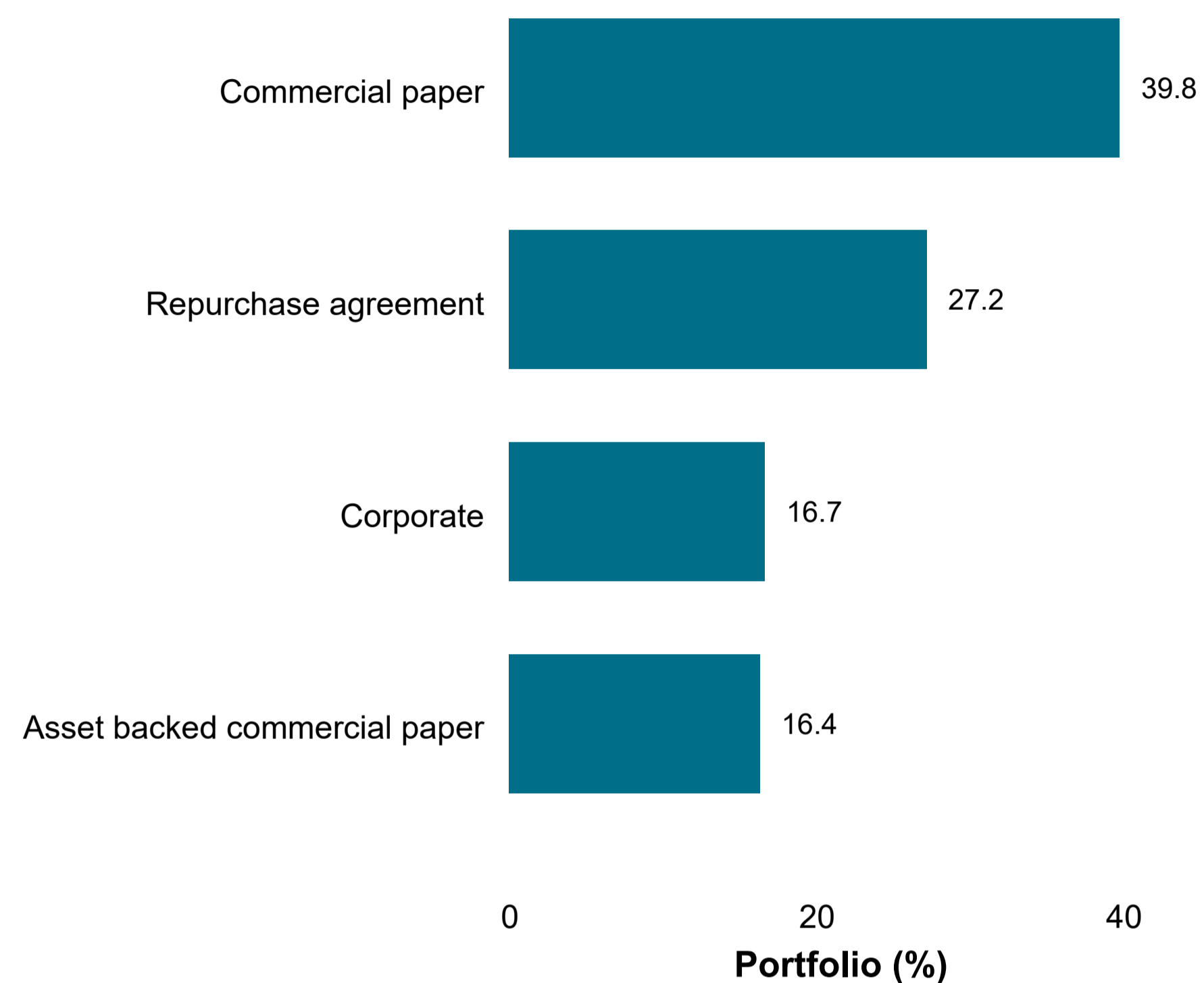
The rating is based on our analysis of the fund's underlying holdings and market price exposure. It also encompasses our forward-looking views on the strength, experience, and capabilities of Federated Hermes Inc., which provides day-to-day management oversight.

## Fund statistics as of Sept. 25, 2025

Net asset value per share (\$)	Net assets (mil. \$)	Weighted average maturity (reset) - (days)	Weighted average maturity (final) - (days)	Seven-day yield (%)	30-day yield (%)
1.0000	15,197.48	53	77	4.28	4.38

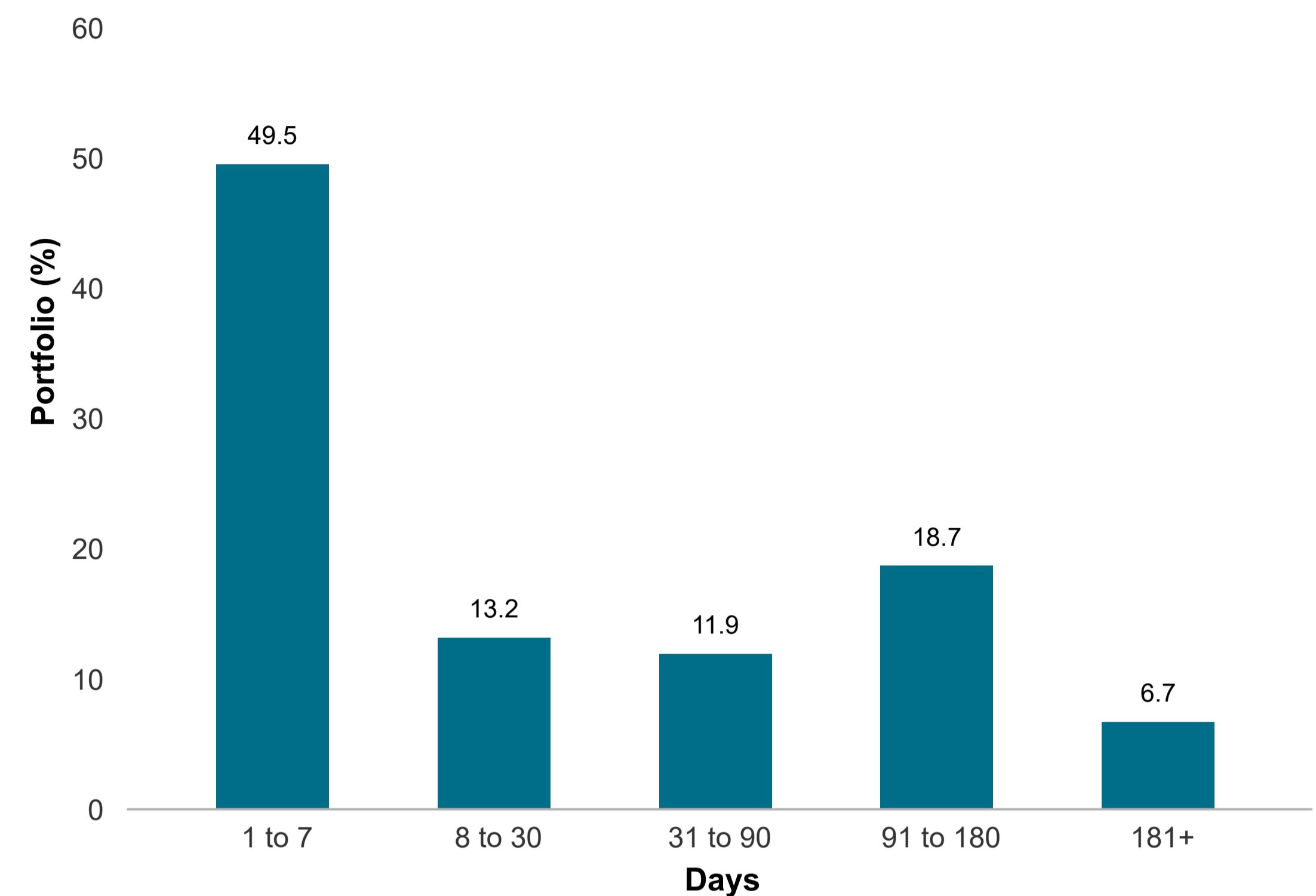
**Portfolio Snapshot**

Chart 1  
**Portfolio composition**



As of: September 2025

Chart 2  
**Average portfolio maturity distribution**



As of: September 2025

**Portfolio Assets**

The Texas Local Government Investment Pools (the TexPool portfolios) have been organized in conformity with the Interlocal Cooperation Act, Chapter 791 and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. These two acts provide for the creation of public fund investment pools and permit eligible government entities to jointly invest their funds in authorized investments. Texas Treasury Safekeeping Trust Co. is authorized to operate the TexPool portfolios. The TexPool portfolios comprise two investment options: TexPool Prime and TexPool.

The primary objectives of TexPool Prime are preservation and safety of principal; liquidity; and yield. The fund's eligibility extends to all Texan public entities, including school districts, higher education, health care, utility districts, cities, counties, and emergency services.

Federated Hermes Inc., one of the largest asset managers globally, is the investment manager for TexPool Prime. As of Sept. 30, 2025, Federated Hermes was responsible for \$871.2 billion in total assets under management. Of that amount, \$652.8 billion was in money market assets.

In our view, the fixed-income management team at Federated Hermes benefits from investment operations infrastructure commensurate with an asset management firm with a long-standing track record in mutual fund management, supplemented by conservative investment practices and strict internal controls. As part of our surveillance process, we monitor portfolio statistics and investment holdings of TexPool Prime on a weekly basis.

## History/Trends

To mitigate TexPool Prime's sensitivity to interest rate fluctuations, the fund's weighted average maturity to reset (WAM(R)) is actively managed within a 60-day limit. The pool's guidelines allow for the purchase of money market assets consistent with the highest quality. We expect 'AAAm' rated funds to maintain at least 50% of total portfolio assets in securities rated 'A-1+' by S&P Global Ratings. TexPool Prime may invest in commercial paper and certificates of deposit, as well as obligations of the U.S. government or its agencies and instrumentalities and repurchase agreements.

Over the past 12 months, the fund maintained an average WAM(R) of 49 days (see chart 3), aligning with its conservative approach. Reflecting its money-market-like investment strategy, the fund's return profile closely tracks the S&P Global GIP Index and generally varies in response to interest rate movements.

As of Sept. 30, 2025, TexPool Prime reported assets under management of \$15.2 billion--up approximately \$1.2 billion year over year. Despite seasonal redemption cycles, the fund's assets have consistently grown over the past 12 months. In our view, its strong credit quality supports NAV stability, with an average of 57% of holdings rated 'A-1+' over the same period.

Chart 3  
WAM (R) & WAM (F)

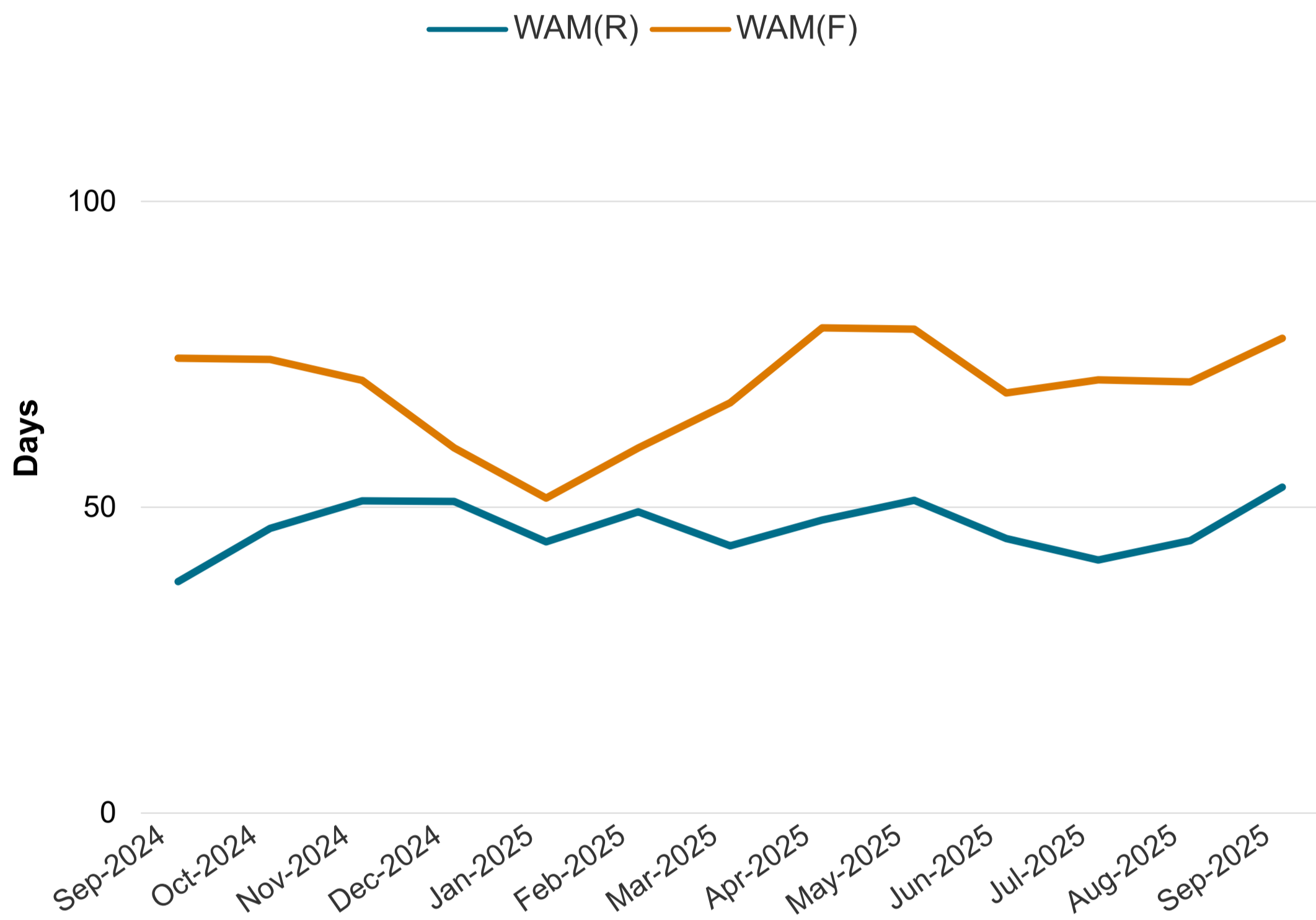


Chart 4  
Portfolio seven-day net yield comparison

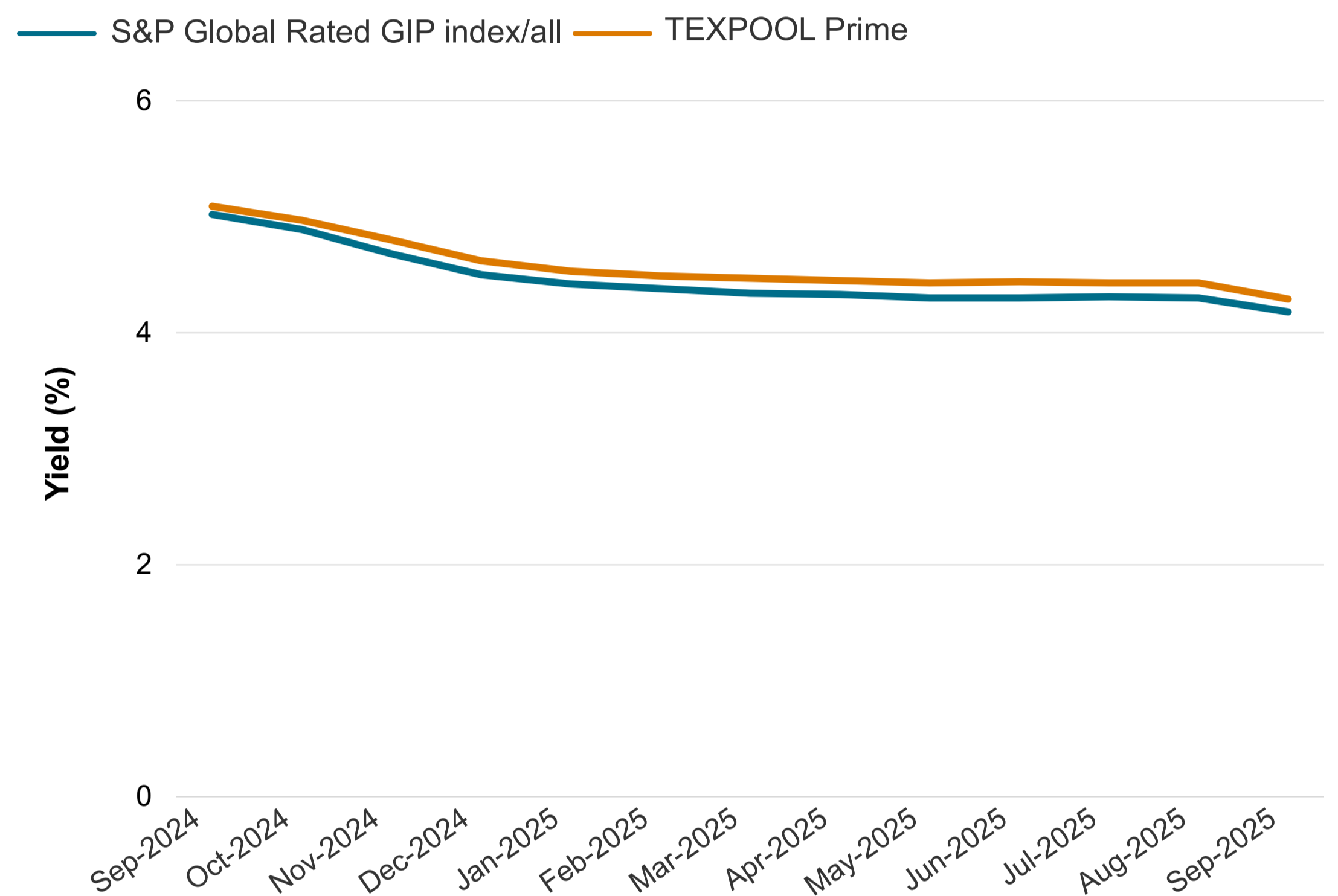


Chart 5  
Net assets

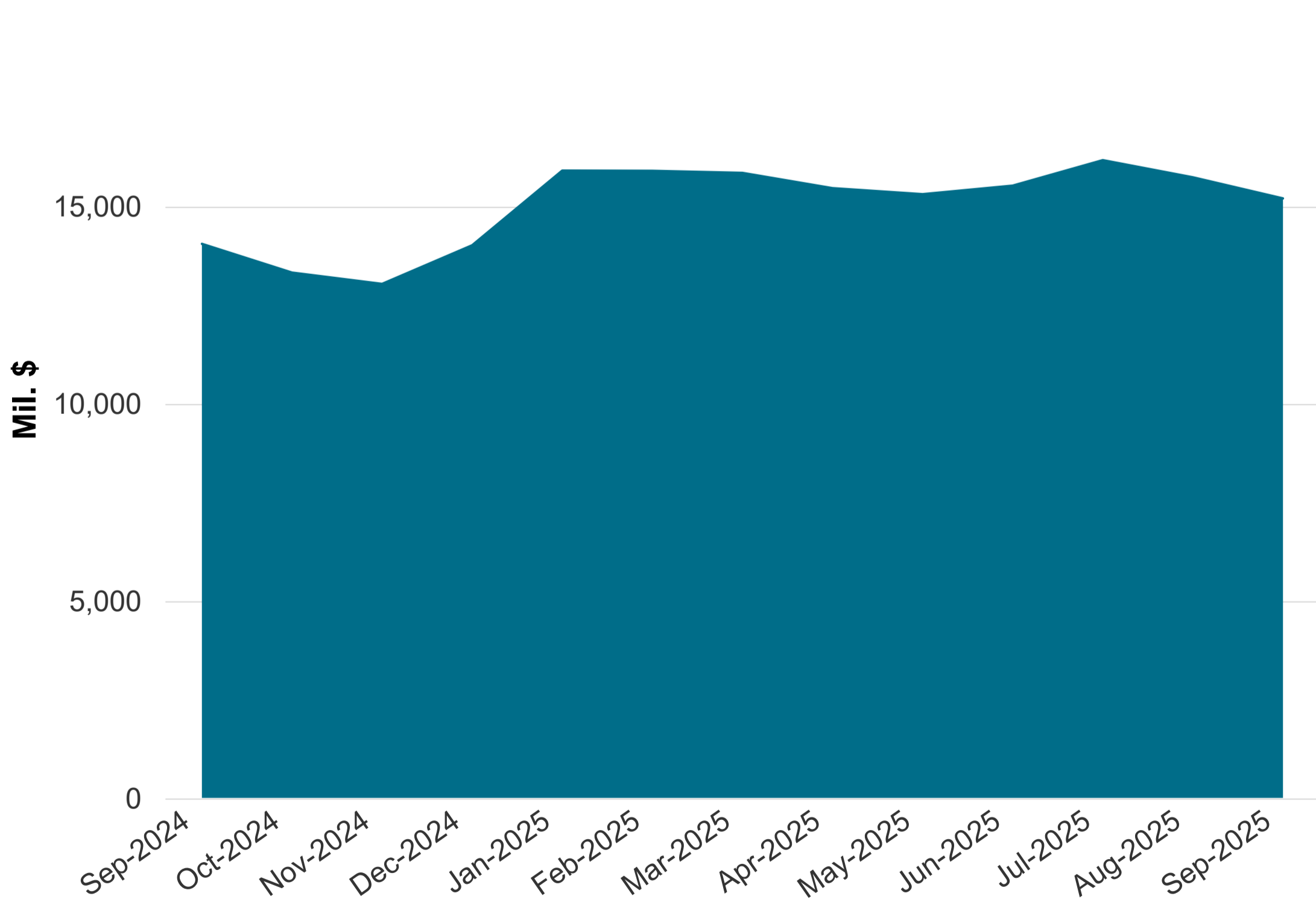
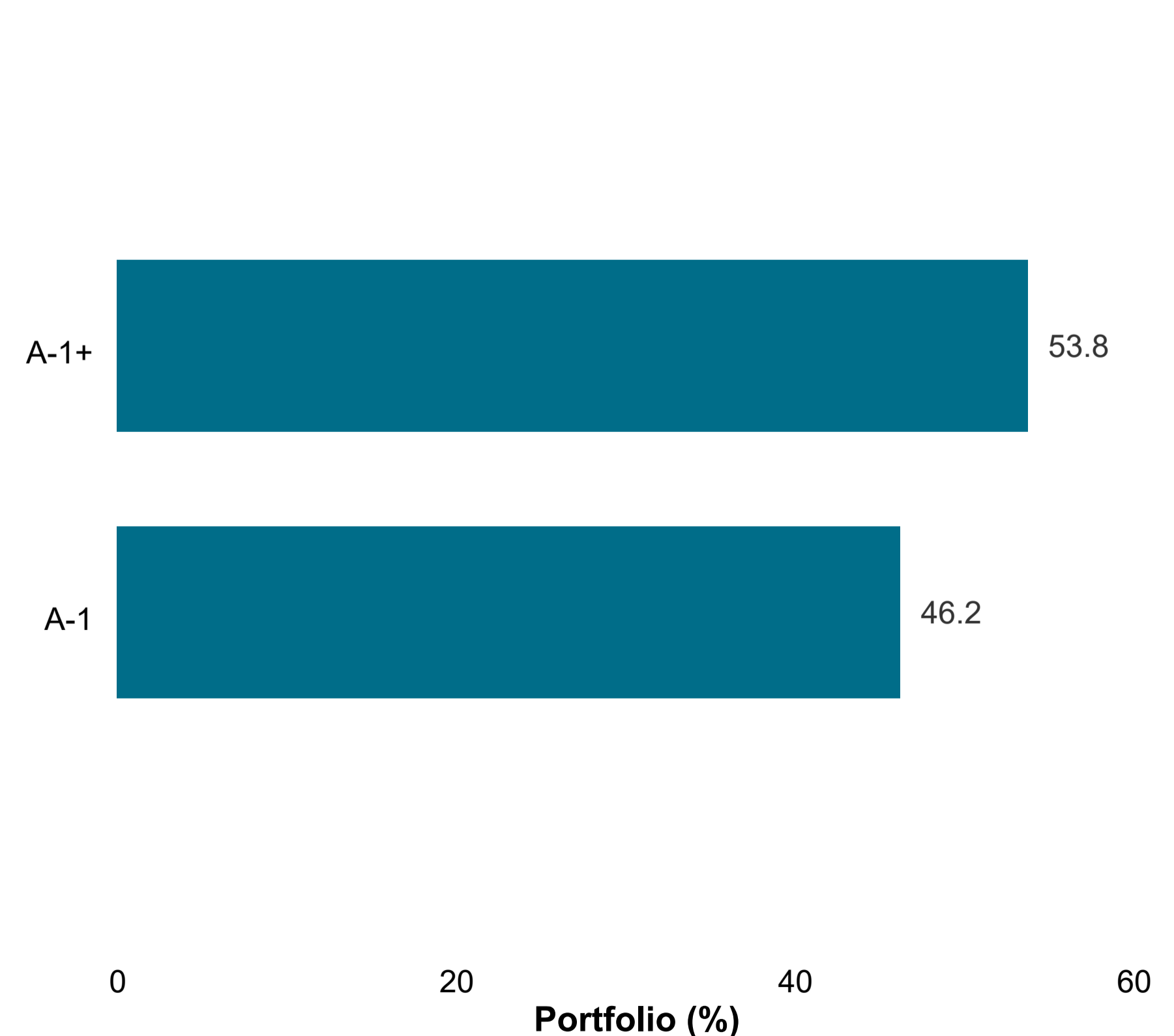


Chart 6  
Credit quality



## Related Criteria

- [Criteria | Financial Institutions | Fixed-Income Funds: Principal Stability Fund Rating Methodology](#), July 26, 2024

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