

Local Government Investment Pool Profile

TexPool

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
Pool inception date	Dec. 6, 1989
Pool rated since	March 28, 1995

Primary analyst

Michael Masih

New York
+1-212-438-1642
michael.masih@spglobal.com

Secondary analyst

Santos Souffront

New York
+1-212-438-2197
santos.souffront@spglobal.com

Rationale

S&P Global Ratings rates TexPool '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.

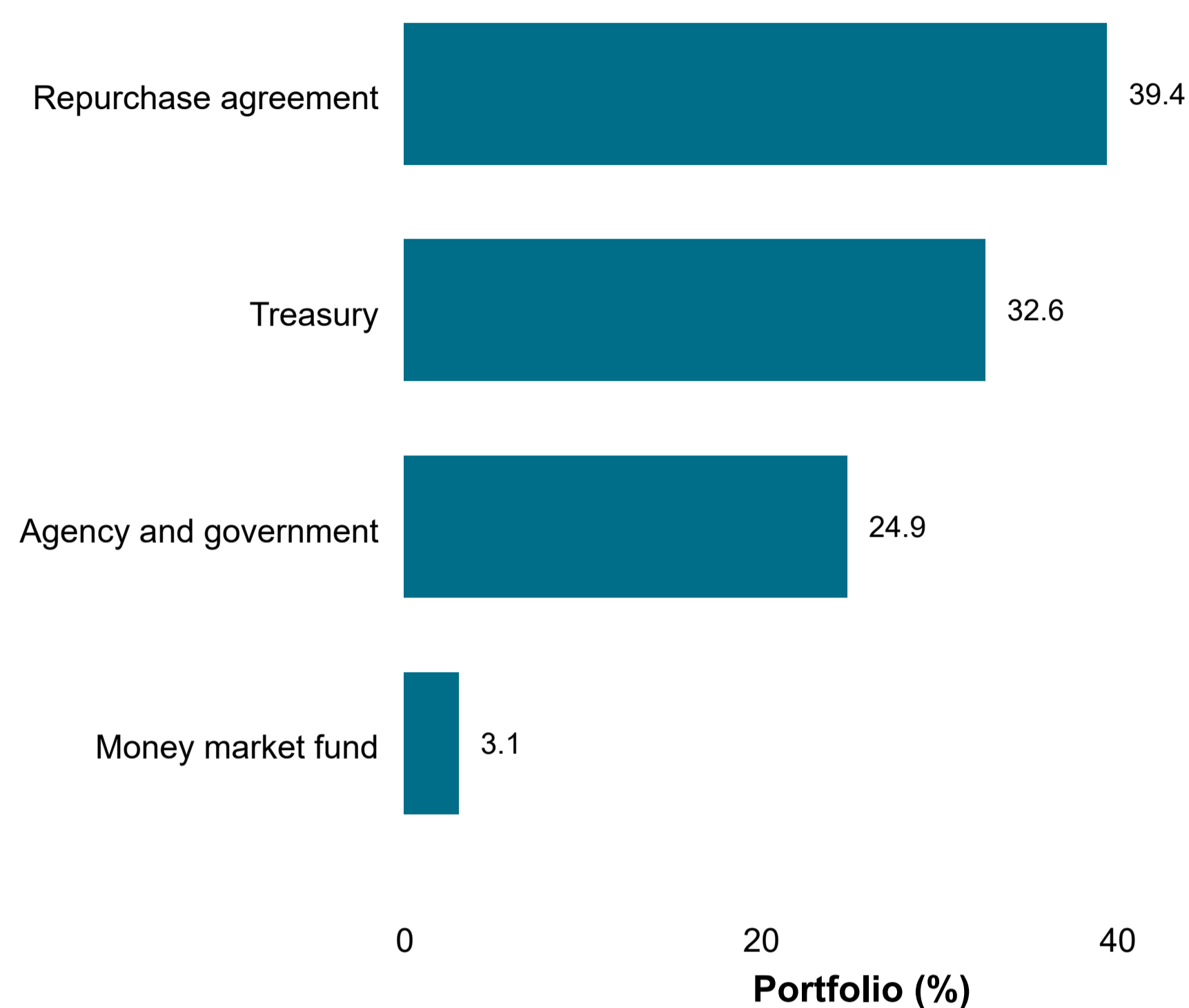
The rating is based on our analysis of the fund's underlying holdings and market price exposure. It also encompasses our forward-looking views on the strength, experience, and capabilities of Federated Hermes Inc., which provides day-to-day management oversight.

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	32,996.73	41	100	4.16	4.28

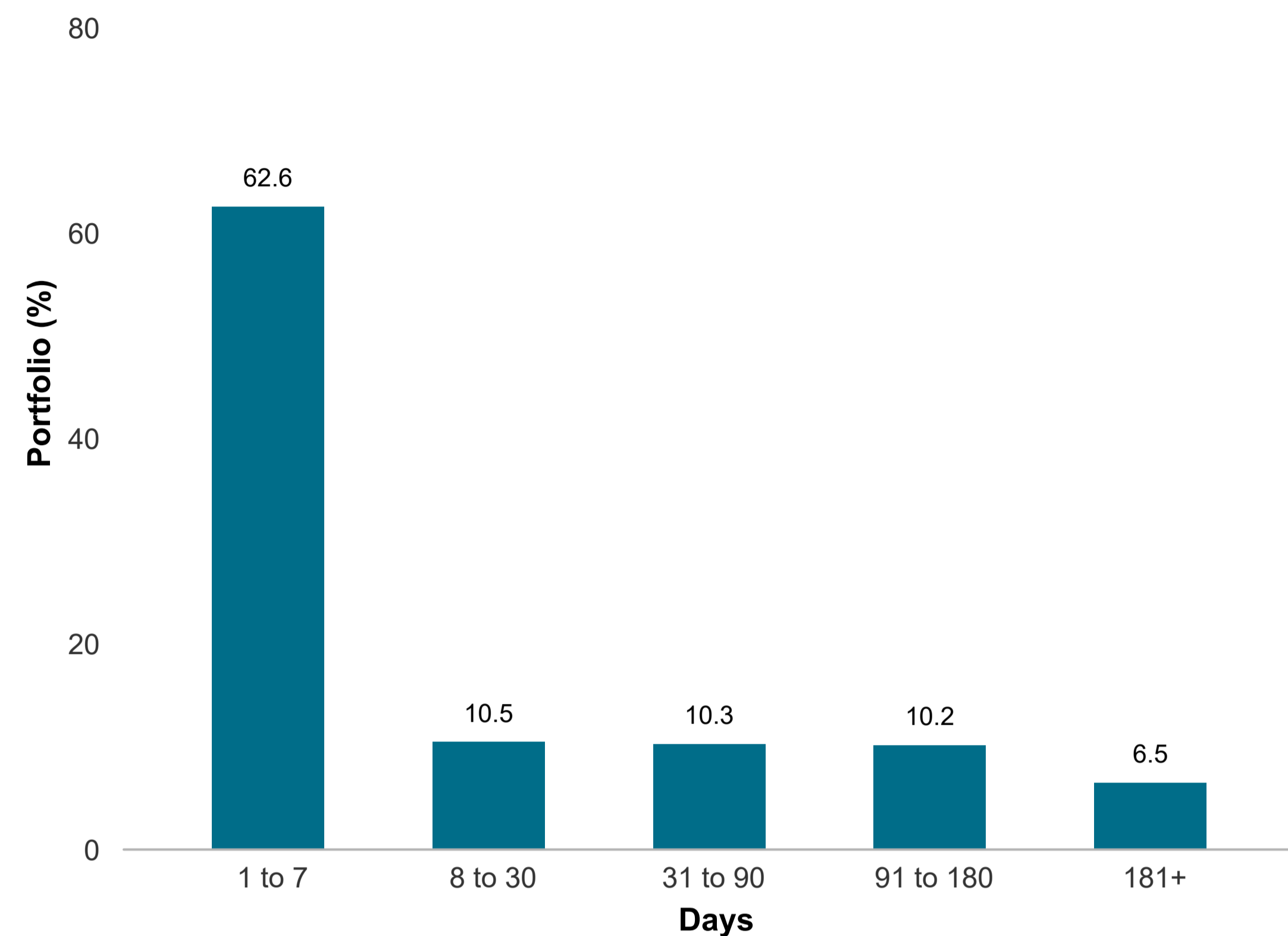
Portfolio Snapshot

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 are preservation and safety of principal; liquidity; and yield. Texas Treasury Safekeeping Trust Co. states that it is the oldest and largest local government investment pool in Texas. 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. 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 on a weekly basis.

History/Trends

To mitigate TexPool'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, typically rated 'A-1' or higher. We expect 'AAAm' rated funds to maintain at least 50% of total portfolio assets be invested in securities rated 'A-1+' by S&P Global Ratings. TexPool may invest in 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 44 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 reported assets under management of \$33.0 billion--up approximately \$2.1 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 100% of holdings rated 'A-1+' over the same period.

Chart 3
WAM (R) & WAM (F)

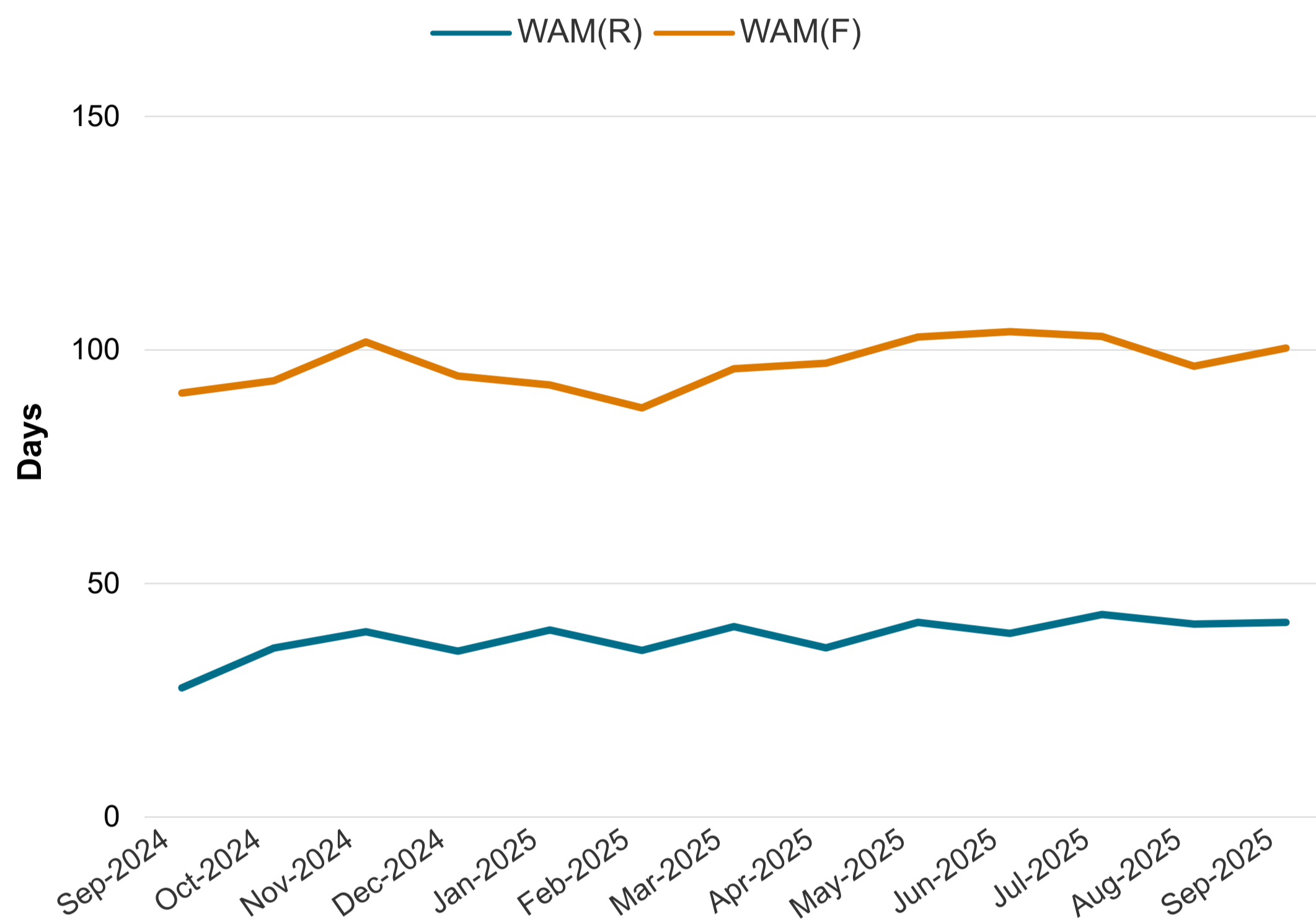


Chart 4
Portfolio seven-day net yield comparison

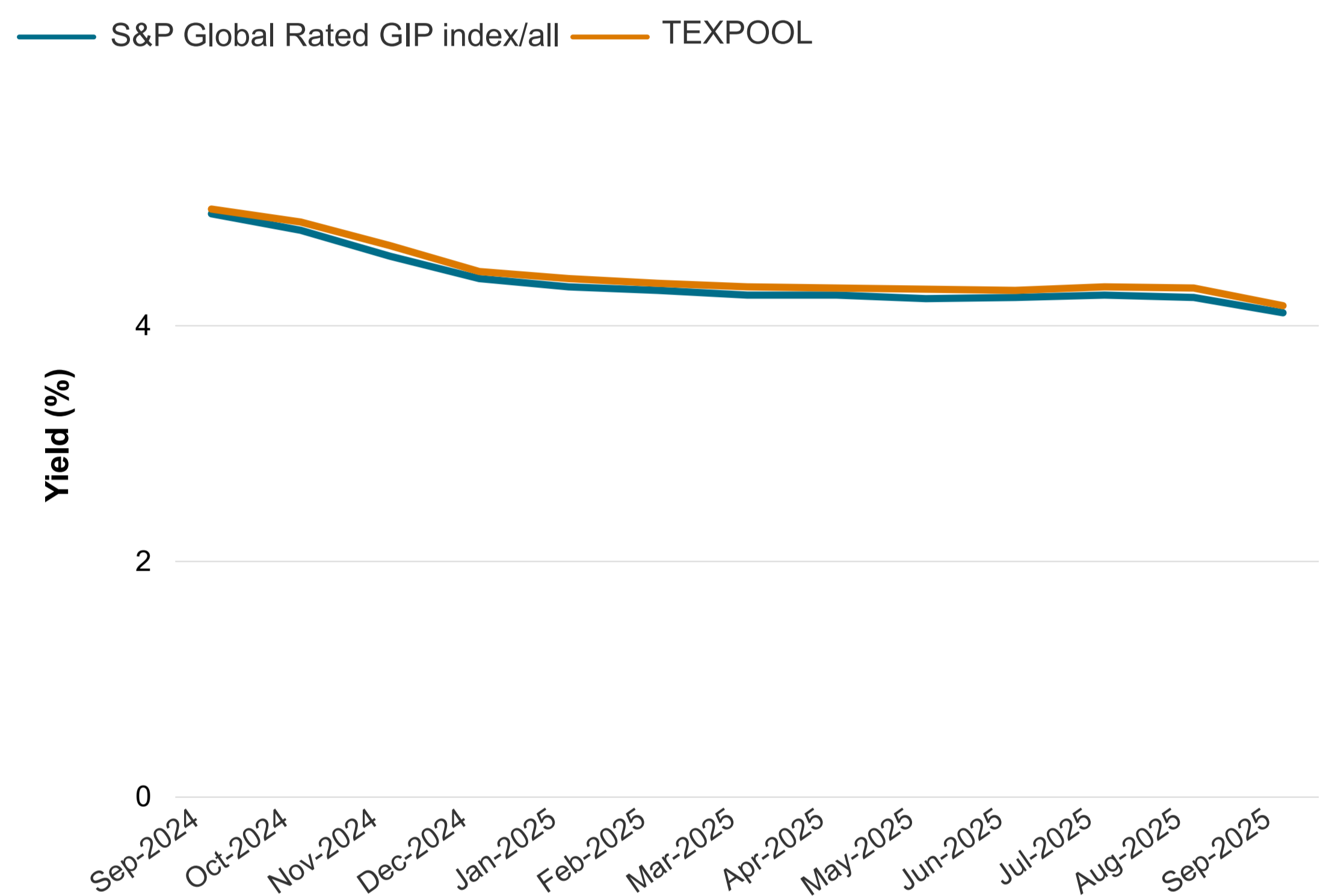


Chart 5
Net assets

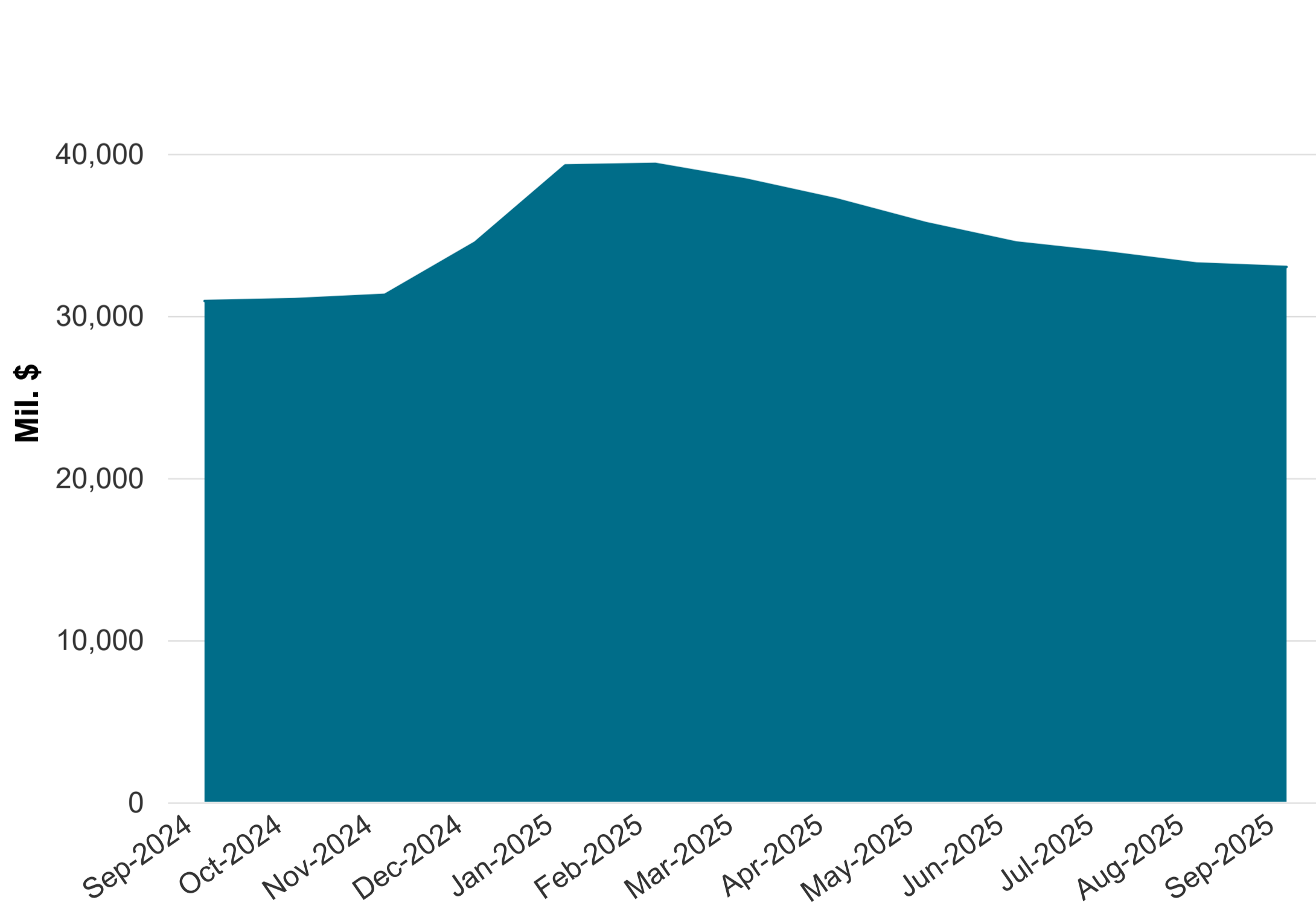


Chart 6
Credit quality



Related Criteria

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

Copyright © 2025 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software, or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced, or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees, or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness, or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis.

S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED, OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Some of the Content may have been created with the assistance of an artificial intelligence (AI) tool. Published Content created or processed using AI is composed, reviewed, edited, and approved by S&P personnel.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses, and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment, and experience of the user, its management, employees, advisors, and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw, or suspend such acknowledgement at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal, or suspension of an acknowledgement as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.spglobal.com/ratings (free of charge), and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.spglobal.com/usratingsfees.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.