

# TEXPOOL Prime

**Principal Stability Fund Ratings Definitions**

**AAAm** A fund rated 'AAAm' demonstrates extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. 'AAAm' is the highest principal stability fund rating assigned by S&P Global Ratings

**AAm** A fund rated 'AAm' demonstrates very strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. It differs from the highest-rated funds only to a small degree.

**Am** A fund rated 'Am' demonstrates strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk, but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than funds in higher-rated categories

**BBBm** A fund rated 'BBBm' demonstrates adequate capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. However, adverse economic conditions or changing circumstances are more likely to lead to a reduced capacity to maintain principal stability.

**BBm** A fund rated 'BBm' demonstrates speculative characteristics and uncertain capacity to maintain principal stability. It is vulnerable to principal losses due to credit risk. While such funds will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions.

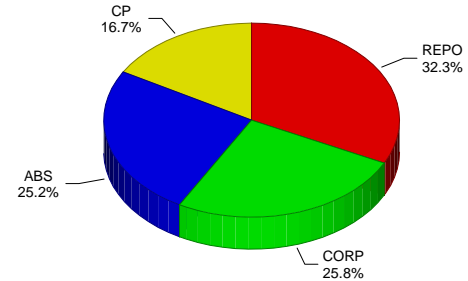
**Dm** A fund rated 'Dm' has failed to maintain principal stability resulting in a realized or unrealized loss of principal.

**Plus (+) or Minus (-)**  
The ratings may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.

**About the Pool**

Pool Rating	<b>AAAm</b>
Pool Type	Stable NAV Government Investment Pool
Investment Adviser	Federated Hermes Inc.
Portfolio Manager	Paige M. Wilhelm (Since 2002)
Pool Rated Since	December 2002
Custodian	State Street Bank & Trust Co.
Distributor	Federated Hermes Inc.

**Portfolio Composition as of September 26, 2024**



REPO - Repurchase Agreement; CORP - Corporate; ABS - Asset-backed security; CP - Commercial Paper

**Rationale**

S&P Global rates TEXPOOL Prime 'AAAm'. This is S&P Global's highest principal stability fund rating and is based on an analysis of the pool's investment portfolio and guidelines, market price exposure, and management. The rating signifies our forward-looking opinion about a fixed-income fund's ability to maintain principal value (i.e., stable net asset value, or 'NAV'). TEXPOOL Prime has a very conservative investment policy, which is in line with Rule 2a-7 money-market practices. To ensure an accurate and current rating, S&P Global monitors pertinent pool information, including its portfolio holdings, on a weekly basis.

**Overview**

TEXPOOL Prime is one of two portfolios developed on behalf of Texas entities to provide for the creation of investment pools for public funds and to allow eligible governmental entities to jointly invest their funds in authorized investments. The initial Texas Local Government Investment Pool (TEXPOOL) portfolio, organized in 1989, has maintained its S&P Global 'AAAm' rating since 1995. The TEXPOOL Prime portfolio was created to allow for an investment alternative that incorporates into its investment framework commercial paper and certificates of deposit, as well as U.S. Treasury and U.S. government agency securities. TEXPOOL Prime commenced operations on December 27, 2002.

**Management**

The Texas Treasury Safekeeping Trust Company (the Trust Company), under the guidance of the Texas Comptroller of Public Accounts (the Comptroller), administers the TEXPOOL portfolios as public fund investment pools. As investment adviser, Federated Hermes Inc. provides investment advice and conducts the management and investment program of the pools. Federated Hermes Inc. is one of the nation's largest investment

management organizations. SS&C GIDS, acts as the transfer agent, with State Street Bank as custodian. Federated Securities Corp. provides the marketing function for TEXPOOL Prime, working closely with participants and functioning as their liaison. Federated Securities Corp. acts as the distributor for the portfolios.

**Portfolio Assets**

TEXPOOL Prime's objectives are to provide preservation of capital and protection of principal, safety of funds and investments, maintenance of sufficient liquidity to meet participants' needs, diversification to avoid unreasonable or avoidable risk, and yield. The fund will pursue its objectives by maintaining a portfolio of high-quality money-market securities. TEXPOOL Prime invests in a diverse array of securities, including U.S. agency securities (fixed and variable rate obligations), commercial paper, certificates of deposit, and repurchase agreements that are fully collateralized and contracted with high-quality counterparties.

**S&P Global Ratings Analyst:** Michael Masih - (212) 438 1642

[www.spratings.com](http://www.spratings.com)

*Participants should consider the investment objectives, risks and charges and expenses of the pool before investing. The investment guidelines which can be obtained from your broker-dealer, contain this and other information about the pool and should be read carefully before investing.*

**Principal Stability Rating Approach and Criteria**

A S&P Global Ratings principal stability fund rating, also known as a "money market fund rating", is a forward-looking opinion about a fixed income fund's capacity to maintain stable principal (net asset value). When assigning a principal stability rating to a fund, S&P Global Ratings analysis focuses primarily on the creditworthiness of the fund's investments and counterparties, and also its investments' maturity structure and management's ability and policies to maintain the fund's stable net asset value. Principal stability fund ratings are assigned to funds that seek to maintain a stable or an accumulating net asset value.

Generally, when faced with an unanticipated level of redemption requests during periods of high market stress, the manager of any fund may suspend redemptions for up to five business days or meet redemption requests with payments in-kind in lieu of cash. A temporary suspension of redemptions or meeting redemption requests with distributions in-kind does not constitute a failure to maintain stable net asset values. However, higher rated funds are expected to have stronger capacities to pay investor redemptions in cash during times of high market stress because they generally comprise shorter maturity and higher quality investments.

Principal stability fund ratings, or money market fund ratings, are identified by the 'm' suffix (e.g., 'AAAm') to distinguish the principal stability rating from a S&P Global Ratings traditional issue or issuer credit rating. A traditional issue or issuer credit rating reflects S&P Global Ratings view of a borrower's ability to meet its financial obligations. Principal stability fund ratings are not commentaries on yield levels.

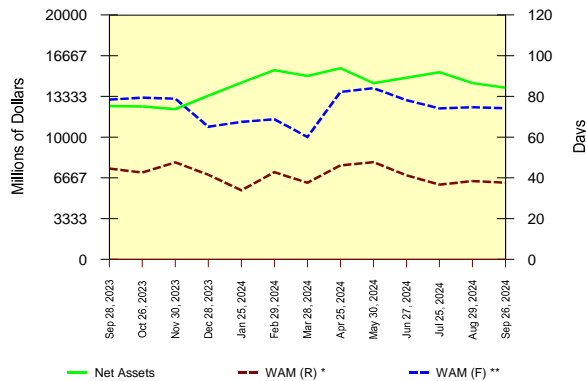
**TEXPOOL Prime**

AAAm

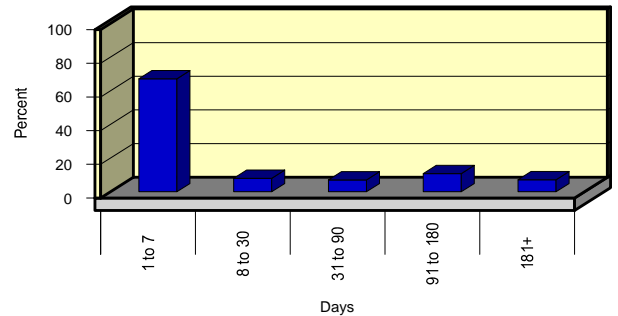
**Data Bank as of September 26, 2024**

Net Asset Value per Share.....	\$1.00000	Net Assets (millions).....	\$14,045.96	Inception Date.....	December 2002
WAM (R) * .....	38 days	WAM (F) **.....	74 days	7 Day Yield.....	5.08%
* Weighted Average Maturity (Reset)		** Weighted Average Maturity (Final)			

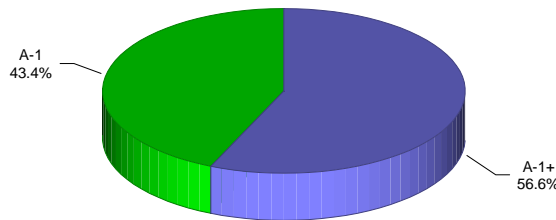
**Net Assets, WAM (R) and WAM (F)**



**Portfolio Maturity Distribution as of September 26, 2024**

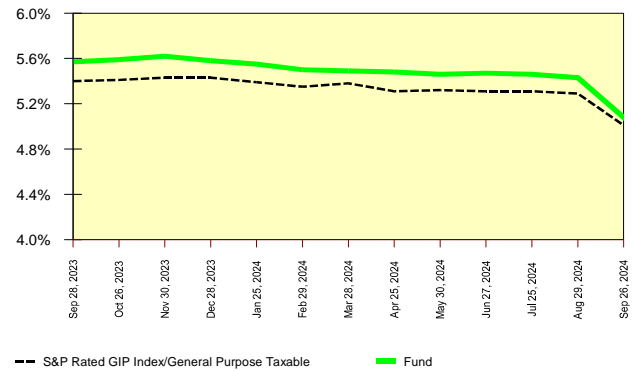


**Portfolio Credit Quality as of September 26, 2024 \***



\*As assessed by S&P Global Ratings

**Portfolio 7 Day Net-Yield Comparison \***



\*S&P 'AAAm' Money Fund Indices are calculated weekly by iMoneyNet, Inc., and are comprised of funds rated or assessed by S&P Global Ratings to within the specific rating categories. The S&P Global Ratings Rated LGIP Indices are calculated weekly by S&P Global Ratings and are comprised of 'AAAm' and 'AAm' government investment pools. *The yield quoted represents past performance. Past performance does not guarantee future results. Current yield may be lower or higher than the yield quoted.*

Pool portfolios are monitored weekly for developments that could cause changes in the ratings. Rating decisions are based on periodic meetings with senior pool executives and public information.

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