Minutes of the August 27, 2025, TexPool Investment Advisory Board Meeting

The TexPool Investment Advisory Board met on Wednesday, August 27, 2025, at the LBJ State Office Building, 111 E. 17th Street, Room 113, Austin, Texas 78701.

Board Members present
Patrick Krishock, Deborah Laudermilk, David Landeros and Belinda Weaver

Board Members Absent
Dina Edgar and Valarie Van Vlack

Comptroller of Public Accounts Staff Presiding and Present
Acting Comptroller Kelly Hancock and Deputy Comptroller Tom Currah

Texas Treasury Safekeeping Trust Company Executive Staff, Presenters & Facilitators
Anca Ion, CIO; Whitney Blanton, General Counsel; Gena Minjares, CFO; Lalo Torres, Sr. Portfolio Manager; and Nora Arredondo, Program Specialist

Additional Participants
Sue Hill, Federated Advisory Company; Heather Froehlich, David Perez, and Colby Anthony; Federated Securities Corporation

Call to Order
Acting Comptroller Kelly Hancock declared a quorum was present and called the meeting to order at 10:05 a.m.

1. **Approval of Minutes from May 15, 2025 Meeting**
   On a motion by Ms. Belinda Weaver, and seconded by Ms. Deborah Laudermilk, the Board voted unanimously to approve the May 15, 2025 proposed meeting minutes as presented.

2. **Annual Review of TexPool and TexPool Prime Investment Policies**
   Mr. Whitney Blanton reported that the policies were reviewed by staff and that there were no recommended revisions to review at this time.

3. **Economic Update and Discussion of Portfolio Positioning**
   In the second-quarter report for TexPool and TexPool Prime, Ms. Hill of Federated highlighted several key points. Both Pools adhered to required regulations, including the Texas Public Funds Investment Act and GASB guidelines, maintaining a net asset value between 0.995 and 1.005. Despite market volatility driven by uncertainties such as trade policies, economic data disparities, and Federal Reserve decisions, both Pools performed well. TexPool saw a typical seasonal asset drawdown of approximately $3 billion, ending the quarter with assets of $34.9 billion. TexPool Prime's assets remained robust at $15.7 billion, with modest changes in commercial paper and repurchase agreements. The Pools maintained stable average maturities, around 38 to 42 days, and experienced only slight yield changes. Stress tests confirmed the Pools' resilience under adverse

conditions, ensuring their stability even in the face of market shocks. Additionally, TexPool Prime extended its trading cutoff time, enhancing participant flexibility.

4. **TexPool and TexPool Prime Portfolio and Performance Review for the 2nd Quarter of 2025 and Related Matters**
   Mr. Lalo Torres presented an overview emphasizing TexPool's continued robust growth driven by Texas's strong economic expansion, population increases and rising municipal activity. He noted that assets under management reached a record $50 billion across TexPool and TexPool Prime, up from $35 billion in 2021. Growth has been fueled by higher interest rates, active portfolio management, and substantial municipal bond issuance supporting infrastructure projects statewide. Both Pools maintained compliance with policy and net asset value requirements, with average yields around 4.3% and stable maturities near 38–42 days. TexPool and TexPool Prime continued to outperform peer funds and remain competitive despite recent Federal Reserve rate cuts, demonstrating resilience and effective management in a changing interest rate environment.

5. **Report on Services Provided to TexPool and TexPool Prime Participants and Related Matters**
   Ms. Heather Froelich presented an update highlighting TexPool and TexPool Prime's continued outperformance compared to bank alternatives, noting steady asset growth despite typical second-quarter seasonal outflows. She reported the addition of 16 new TexPool participants and 20 to TexPool Prime for the quarter, bringing the total close to the 3,000-participant milestone. Her presentation also detailed participant composition trends, operational efficiencies such as improved service center response times, and the comprehensive team and service structure supporting both Pools. She concluded by noting outreach efforts, upcoming conferences, and positive feedback regarding the recently extended fund cutoff time.

   Mr. David Perez reported strong inflows from recent school district bond issuances, totaling nearly $5 billion, citing significant deposits from Northwest ISD, Katy ISD, and other entities.

   Mr. Colby Anthony added that it was encouraging to see such positive asset activity during a season that typically experiences outflows.

6. **Discussion of Next Meeting and Agenda Items**
   The Board will be contacted for the next meeting date in November. No future agenda items were noted.

7. **Public Comment**
   No public comments.

   The meeting adjourned at 10:42 a.m.