

## **5.2 Periodic Report on Investments**

Public

April 20, 2026

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## Overview

- Provide the Finance and Audit (F&A) Committee a periodic review of investment compliance and performance.
- ERCOT is in compliance with all ERCOT's Investment Corporate Standard requirements.

## Key Takeaway

- ERCOT's Money Market Mutual Fund ( MMMF ) investment yields slightly decreased since the December yields report at the prior F&A meeting. As of the end of February 2026, ERCOT's MMMF yields equal approximately 3.55% and the purchase yield of ERCOT's U.S. Treasury Obligation Portfolio equaled approximately 3.91%.

## Investment Compliance Money Market Mutual Funds

Money Market Mutual Funds (MMMF)	Compliance
Credit analysis reviewed by Investment Officer. MMMF must maintain a minimum rating consistent with the U.S. Government.	Yes
100% treasury analysis reviewed by Investment Officers. MMMF invested in U.S. Treasury Securities or a combination of U.S. Treasury Securities and repurchase agreements backed by U.S. Treasury Securities.	Yes
Concentration analysis reviewed by Investment Officers. No more than 10% of investable funds will be maintained in any one ERCOT Inc. MMMF.	Yes
Each MMMF has assets under management of at least \$1 billion.	Yes
There are no direct investments in any of the institutions listed in the divestment provisions as outlined in Texas Government Code Chapter 809.	Yes
There are no MMMF listed in the divestment provisions as outlined in Texas Government Code Chapter 809.	Yes

**Key Takeaway:** ERCOT is in compliance with all investment requirements.

## Investment Compliance U.S. Treasury Obligations

U.S. Treasury Obligation Portfolio	Compliance
Review the portfolio to ensure investments are matched with anticipated cash flow requirements and in compliance with the Investment Management Agreement.	Yes
Investments will have a legal final maturity of not more than three years.	Yes
There are no direct investments in any of the institutions listed in the divestment provisions as outlined in Texas Government Code Chapter 809.	Yes
There are no money market mutual funds listed in the divestment provisions as outlined in the Texas Government Code Chapter 809.	Yes

**Key Takeaway:** ERCOT is in compliance with all U.S. Treasury Obligation Portfolio investment requirements

## Investment Compliance

**Electric Reliability Council of Texas, Inc.**  
**Investment Compliance**  
**February 28, 2026**  
(\$ in 000's)

	<b>Funds Held at ERCOT (Ending Balance)</b>	<b>Funds Held at Trustee (Ending Balance)</b>	<b>Month End Yield</b>	<b>Monthly Investment Income</b>
<b>Money Market Mutual Funds (MMMF)</b>				
ERCOT, Inc. Unrestricted	\$ 591,811	\$ -	N/A	\$ 1,845
ERCOT, Inc. Restricted (Collateral)	1,905,684	-	N/A	5,438
Total ERCOT, Inc. MMMF	\$ 2,497,495	\$ -	3.55%	\$ 7,283
Texas Electric Market Stabilization Funding M, LLC	\$ 21,673	\$ 5,168	3.55%	\$ 69
Texas Electric Market Stabilization Funding N, LLC	\$ 4,870	\$ 22,497	3.55%	\$ 60
<b>U.S. Treasury Obligation Portfolio</b>				
	<b>Purchase Price</b>	<b>Duration</b>	<b>Purchase Yield</b>	<b>Monthly Investment Income</b>
ERCOT, Inc. Unrestricted	\$ 1,977,204	0.78	3.91%	\$ 6,113

**Statement of Compliance**

Upon a review of the investment activity, I have no knowledge of any ERCOT action that does not comply with that required by the Investment Corporate Standard since the last report provided to the Finance and Audit Committee.

**Money Market Mutual Funds (MMMF)**

- Credit analysis must maintain a minimum rating consistent with the U.S. Government.
- 100% treasury analysis reviewed by Investment Officers. MMMF invested in U.S. Treasury Securities or a combination of U.S. Treasury Securities and repurchase agreements backed by U.S. Treasury Securities.
- Concentration analysis reviewed by Investment Officers. No more than 10% of investable funds will be maintained in any one ERCOT, Inc. MMMF.
- Each MMMF has assets under management of at least \$1 billion.
- There are no direct investments in any of the institutions listed in the divestment provisions as outlined in Texas Government Code Chapter 809.
- There are no MMMF listed in the divestment provisions as outlined in Texas Government Code Chapter 809.

**U.S. Treasury Obligation Portfolio**

- Review the portfolio to ensure investments are matched with anticipated cash flow requirements and in compliance with the Investment Management Agreement.
- Investments will have a legal final maturity of not more than three years.
- There are no direct investments in any of the institutions listed in the divestment provisions as outlined in Texas Government Code Chapter 809.
- There are no MMMF listed in the divestment provisions as outlined in Texas Government Code Chapter 809.

Signature on File

Richard L Scheel Senior Vice President, CFO, and CRO

Note: Investment monthly holdings are available for review upon request.

Note: Schedule may not foot due to rounding.

## Interest Forecast

**Electric Reliability Council of Texas, Inc.**  
**Investment Income as of**  
**February 28, 2026**  
(\$ in 000's)

	<u>2026</u>	<u>2027</u>	<u>2028</u>
<b>U.S. Treasury Obligation Portfolio</b>			
Recognized - Investment Income	\$ 12,356	\$ -	\$ -
Unrealized - Investment Income (FMV Adjustment)	(1,123)	-	-
Unrecognized - Investment Income	43,078	16,836	751
Total U.S. Treasury Obligation Portfolio	54,311	16,836	751
<b>Money Market Mutual Funds (MMMF)</b>			
Recognized - Investment Income	4,447	-	-
Total MMMF	4,447	-	-
<b>Total Investment Income</b>	<b>\$ 58,758</b>	<b>\$ 16,836</b>	<b>\$ 751</b>
Interest Income Per Approved Budget	\$ 66,250	\$ 42,650	\$ 34,500

\* 2028 Budget has not been approved.

Note: Schedule may not foot due to rounding.

## Subchapter N Trading

### • Subchapter N Issuance

Tranche	A-1	A-2	A-3	A-4	Total
Original Balance	\$600M	\$600M	\$457.9M	\$457.8M	\$2,115.7M
Coupon Rate	4.265%	4.966%	5.057%	5.167%	4.979%
WAL at Issuance	6.78 yrs.	16.21 yrs.	22.12 yrs.	26.11 yrs.	16.95 yrs.
Expected Final Maturity	8/1/2034	2/1/2042	8/1/2046	2/1/2050	
Legal Final Maturity	8/1/2036	2/1/2044	8/1/2048	2/1/2052	

### • Subchapter N Trading Volume

Tranche	A-1		A-2		A-3		A-4		Total	
	Vol (in 000s)	Trades	Vol (in 000s)	Trades	Vol (in 000s)	Trades	Vol (in 000s)	Trades	Vol (in 000s)	Trades
2026	15,364	19	70	1	1,145	4	5,488	12	22,067	36
2025	189,767	55	67,066	21	67,070	34	44,496	67	368,399	177
2024	190,623	57	202,014	39	170,870	31	312,313	55	875,820	182
2023	83,951	36	49,350	20	14,855	9	128,632	31	276,788	96
2022	92,409	24	22,782	8	98,687	29	130,310	40	344,188	101
Total	572,114	191	341,282	89	352,627	107	621,239	205	1,887,262	592

\*Trades reported by Bloomberg through 3/18/26

## Subchapter M Trading

- **Subchapter M Series 2025 Issuance**

Tranche	A-1
Original Balance	\$379.1M
Coupon Rate	5.147%
WAL at Issuance	14.69 yrs.
Expected Final Maturity	8/1/2049
Legal Final Maturity	8/1/2051

- **Subchapter M Trading Volume**

Year	Vol (in 000s)	Trades
2025	37,012	15

\*Trades reported by Bloomberg through 3/18/26