



Monthly Newsletter: July 2022

ANNOUNCEMENTS

We welcome the following entities who joined TexPool in June 2022:

TexPool

Liberty County MUD 1
Montgomery County MUD 140
Northeast Texas Housing Finance Corporation
Benbrook Water Authority
Liberty County Municipal Management District 1
Highway 380 Municipal Management District 1
The Lakes FWSD of Denton County
Lone Oak Farm MUD
Kaufman County FWSD 4A
Morningstar Ranch MUD 1
Kaufman County MUD 2
Kaufman County MUD 3
Kaufman County MUD 4
Kaufman County MUD 14

TexPool Prime

Jefferson Economic Development Corporation
Northeast Texas Housing Finance Corporation

Upcoming Events

August 26, 2022 August 28, 2022
Texas Association of Counties (TAC) Legislative Conference
Fairmont Austin Hotel, Austin, TX
September 12, 2022 - September 15, 2022
74th Annual County Treasurers' Association of Texas (CTAC) Conference
Waco Convention Center, Waco, TX
September 23, 2022 - September 25, 2022
Texas Association of School Administrators (TASA) and Texas Association of School Boards (TASB): Annual Conference - txEDCON22
Convention Center, San Antonio, TX

TexPool Advisory Board Members

Patrick Krishock
Belinda Weaver
Deborah Laudermilk
Valarie Van Vlack
Jerry Dale
David Landeros
Sharon Matthews
David Garcia

Overseen by the State of Texas Comptroller of Public Accounts Glenn Hegar
Operated under the supervision of the Texas Treasury Safekeeping Trust Company

Economic and Market Commentary: Perpetual motion

July 1, 2022

The Federal Reserve is taking the punch bowl away so quickly that rate expectations are sloshing around. They even spilled over following its extraordinary leak to the press during the customary quiet period ahead of its June Federal Open Market Committee (FOMC) meeting. The hint that a 0.75% hike was likely to follow put the fed funds futures market in a tizzy.

Communicating through the media is one of the most effective tools in the Fed's toolbox, but doing so anonymously and so close to the start of a FOMC meeting is new. We will all have to be more cautious now about guidance. But it shows just how data dependent this Fed has become. Policymakers knew the Consumer Price Index for May would be high, but they didn't like the jump in inflation expectations indicated by the University of Michigan consumer sentiment report.

While the aggressive rate move increased the probability of a recession, let's not discount the possibility of a less-onerous pullback. "We're not trying to provoke—and don't think that we will need to provoke—a recession," Chair Jerome Powell said in his semiannual testimony to Congress midmonth. It still is possible the Fed can tame inflation without overly damaging the economy.

(continued page 6)

Performance as of June 30, 2022

	TexPool	TexPool Prime
Current Invested Balance	\$26,164,485,356	\$10,558,837,564
Weighted Average Maturity**	23 Days	18 Days
Weighted Average Life**	81 Days	54 Days
Net Asset Value	0.99960	0.99952
Total Number of Participants	2,723	461
Management Fee on Invested Balance	0.0450%	0.0550%
Interest Distributed	\$21,640,580.39	\$10,537,000.80
Management Fee Collected	\$699,495.33	\$416,963.05
Standard & Poor's Current Rating	AAAm	AAAm

Month Averages

Average Invested Balance	\$26,307,496,939	\$10,668,273,692
Average Monthly Rate*	1.00%	1.20%
Average Weighted Average Maturity**	25	23
Average Weighted Average Life**	87	61

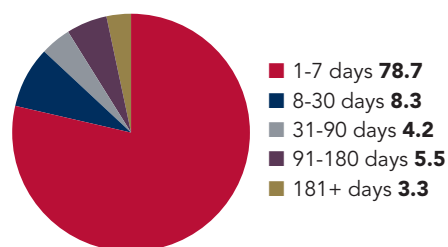
*This average monthly rate for TexPool Prime for each date may reflect a waiver of some portion or all of each of the management fees.

**See page 2 for definitions.

Past performance is no guarantee of future results.

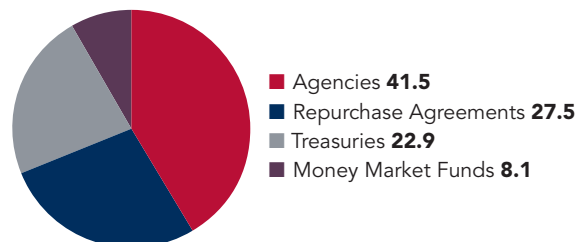
Portfolio by Maturity (%)

As of June 30, 2022



Portfolio by Type of Investment (%)

As of June 30, 2022



Portfolio Asset Summary as of June 30, 2022

	Book Value	Market Value
Uninvested Balance	\$1,363.05	\$1,363.05
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	21,039,373.47	21,039,373.47
Interest and Management Fees Payable	-21,640,557.77	-21,640,557.77
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-25,216.52	-25,216.52
Repurchase Agreements	7,202,408,000.00	7,202,408,000.00
Mutual Fund Investments	2,127,074,000.00	2,127,085,200.00
Government Securities	9,522,125,948.00	9,518,696,407.89
US Treasury Bills	3,693,502,612.61	3,689,330,629.20
US Treasury Notes	3,619,999,833.05	3,617,109,423.72
Total	\$26,164,485,355.89	\$26,154,004,623.05

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by Federated Investment Counseling and the assets are safe kept in a separate custodial account at State Street Bank in the name of TexPool. The only source of payment to the Participants is the assets of TexPool. There is no secondary source of payment for the pool such as insurance or State guarantee. Should you require a copy of the portfolio, please contact TexPool Participant Services.

Participant Summary

	Number of Participants	Balance
School District	600	\$7,772,457,188.19
Higher Education	60	\$1,232,499,729.38
County	196	\$3,215,752,358.65
Healthcare	90	\$1,394,998,367.05
Utility District	895	\$4,347,870,947.26
City	484	\$6,899,916,054.14
Emergency Districts	98	\$320,121,412.66
Economic Development Districts	84	\$173,999,663.53
Other	216	\$806,879,030.13

**Definition of Weighted Average Maturity and Weighted Average Life

WAM is the mean average of the periods of time remaining until the securities held in TexPool (a) are scheduled to be repaid, (b) would be repaid upon a demand by TexPool, or (c) are scheduled to have their interest rate readjusted to reflect current market rates. Securities with adjustable rates payable upon demand are treated as maturing on the earlier of the two dates set forth in (b) and (c) if their scheduled maturity is 397 days or less; and the later of the two dates set forth in (b) and (c) if their scheduled maturity is more than 397 days. The mean is weighted based on the percentage of the amortized cost of the portfolio invested in each period.

WAL is calculated in the same manner as WAM, but is based solely on the periods of time remaining until the securities held in TexPool (a) are scheduled to be repaid or (b) would be repaid upon a demand by TexPool, without reference to when interest rates of securities within TexPool are scheduled to be readjusted.



Daily Summary

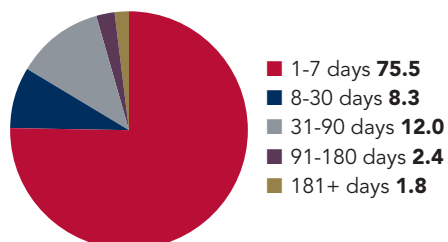
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
6/1	0.7228%	0.000019804	\$26,072,847,431.78	0.99979	26	93
6/2	0.7441%	0.000020385	\$26,093,090,566.13	0.99978	26	93
6/3	0.7353%	0.000020144	\$26,028,843,306.53	0.99977	28	94
6/4	0.7353%	0.000020144	\$26,028,843,306.53	0.99977	28	94
6/5	0.7353%	0.000020144	\$26,028,843,306.53	0.99977	28	94
6/6	0.7328%	0.000020077	\$25,966,445,127.43	0.99973	26	91
6/7	0.7412%	0.000020306	\$26,022,945,791.40	0.99976	26	91
6/8	0.7419%	0.000020326	\$26,167,161,149.37	0.99975	25	89
6/9	0.7188%	0.000019694	\$26,502,628,238.75	0.99971	25	88
6/10	0.7346%	0.000020126	\$26,690,650,501.14	0.99961	26	88
6/11	0.7346%	0.000020126	\$26,690,650,501.14	0.99961	26	88
6/12	0.7346%	0.000020126	\$26,690,650,501.14	0.99961	26	88
6/13	0.7505%	0.000020563	\$26,628,628,370.04	0.99945	24	86
6/14	0.7593%	0.000020802	\$26,483,978,653.21	0.99941	25	87
6/15	0.7596%	0.000020812	\$26,422,380,440.86	0.99944	25	88
6/16	0.9059%	0.000024818	\$26,203,282,842.84	0.99951	26	88
6/17	1.2712%	0.000034828	\$26,150,792,652.34	0.99952	27	89
6/18	1.2712%	0.000034828	\$26,150,792,652.34	0.99952	27	89
6/19	1.2712%	0.000034828	\$26,150,792,652.34	0.99952	27	89
6/20	1.2712%	0.000034828	\$26,150,792,652.34	0.99952	27	89
6/21	1.2679%	0.000034738	\$26,040,061,064.54	0.99950	24	84
6/22	1.2526%	0.000034317	\$25,970,630,725.42	0.99957	25	86
6/23	1.2868%	0.000035254	\$26,319,725,055.36	0.99958	24	84
6/24	1.2834%	0.000035163	\$26,628,779,389.46	0.99957	25	83
6/25	1.2834%	0.000035163	\$26,628,779,389.46	0.99957	25	83
6/26	1.2834%	0.000035163	\$26,628,779,389.46	0.99957	25	83
6/27	1.3029%	0.000035696	\$26,660,911,833.05	0.99956	23	82
6/28	1.3388%	0.000036679	\$26,473,264,469.81	0.99956	23	82
6/29	1.3254%	0.000036313	\$26,384,450,846.56	0.99957	23	81
6/30	1.3425%	0.000036782	\$26,164,485,355.89	0.99960	23	81
Average:	1.0013%	0.000027433	\$26,307,496,938.77	0.99961	25	87



TEXPOOL Prime

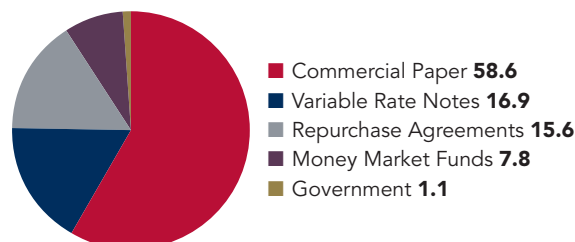
Portfolio by Maturity (%)

As of June 30, 2022



Portfolio by Type of Investment (%)

As of June 30, 2022



Portfolio Asset Summary as of June 30, 2022

	Book Value	Market Value
Uninvested Balance	\$60.94	\$60.94
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	3,656,839.39	3,656,839.39
Interest and Management Fees Payable	-10,537,003.43	-10,537,003.43
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-13,633.98	-13,633.98
Repurchase Agreements	1,645,271,000.00	1,645,271,000.00
Commercial Paper	6,187,799,547.19	6,183,776,258.20
Mutual Fund Investments	830,153,483.22	829,943,055.05
Government Securities	117,507,823.12	117,735,815.45
Variable Rate Notes	1,784,999,447.52	1,783,885,800.00
Total	\$10,558,837,563.97	\$10,553,718,191.62

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by Federated Investment Counseling and the assets are safe kept in a separate custodial account at State Street Bank in the name of TexPool Prime. The assets of TexPool Prime are the only source of payments to the Participants. There is no secondary source of payment for the pool such as insurance or State guarantee. Should you require a copy of the portfolio, please contact TexPool Participant Services

Participant Summary

	Number of Participants	Balance
School District	132	\$3,396,661,960.96
Higher Education	19	\$662,949,922.77
County	49	\$837,131,552.29
Healthcare	18	\$409,916,767.42
Utility District	50	\$533,937,377.61
City	90	\$2,406,848,755.91
Emergency Districts	21	\$47,759,042.81
Economic Development Districts	16	\$25,063,138.72
Other	66	\$2,238,474,197.91



TEXPOOL Prime

Daily Summary

Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Prime Invested Balance	NAV	WAM Days	WAL Days
6/1	0.9343%	0.000025597	\$10,615,525,237.78	0.99978	24	63
6/2	0.9541%	0.000026141	\$10,639,432,603.69	0.99978	25	63
6/3	0.9652%	0.000026443	\$10,597,963,590.41	0.99973	26	65
6/4	0.9652%	0.000026443	\$10,597,963,590.41	0.99973	26	65
6/5	0.9652%	0.000026443	\$10,597,963,590.41	0.99973	26	65
6/6	0.9723%	0.000026638	\$10,840,566,676.29	0.99978	24	62
6/7	0.9668%	0.000026488	\$10,782,799,614.56	0.99978	24	62
6/8	0.9707%	0.000026594	\$10,763,580,402.15	0.99978	23	60
6/9	0.9657%	0.000026458	\$10,754,344,682.56	0.99976	24	63
6/10	0.9786%	0.000026812	\$10,777,023,663.92	0.99971	24	64
6/11	0.9786%	0.000026812	\$10,777,023,663.92	0.99971	24	64
6/12	0.9786%	0.000026812	\$10,777,023,663.92	0.99971	24	64
6/13	0.9879%	0.000027065	\$10,795,501,463.48	0.99972	22	61
6/14	1.0010%	0.000027426	\$10,746,305,385.53	0.99964	22	61
6/15	1.0093%	0.000027653	\$10,757,558,685.30	0.99952	23	61
6/16	1.2027%	0.000032950	\$10,768,669,675.82	0.99950	23	61
6/17	1.3727%	0.000037609	\$10,680,966,387.60	0.99943	24	62
6/18	1.3727%	0.000037609	\$10,680,966,387.60	0.99943	24	62
6/19	1.3727%	0.000037609	\$10,680,966,387.60	0.99943	24	62
6/20	1.3727%	0.000037609	\$10,680,966,387.60	0.99943	24	62
6/21	1.5312%	0.000041951	\$10,672,215,063.24	0.99954	21	59
6/22	1.4764%	0.000040450	\$10,626,562,433.45	0.99954	21	59
6/23	1.4739%	0.000040382	\$10,577,545,276.29	0.99953	21	59
6/24	1.4659%	0.000040161	\$10,564,582,884.99	0.99947	22	58
6/25	1.4659%	0.000040161	\$10,564,582,884.99	0.99947	22	58
6/26	1.4659%	0.000040161	\$10,564,582,884.99	0.99947	22	58
6/27	1.4718%	0.000040323	\$10,523,546,779.90	0.99955	20	57
6/28	1.4864%	0.000040724	\$10,549,754,314.42	0.99952	19	56
6/29	1.4822%	0.000040608	\$10,532,888,943.20	0.99953	19	55
6/30	1.4853%	0.000040693	\$10,558,837,563.97	0.99952	18	54
Average:	1.2031%	0.000032961	\$10,668,273,692.33	0.99961	23	61

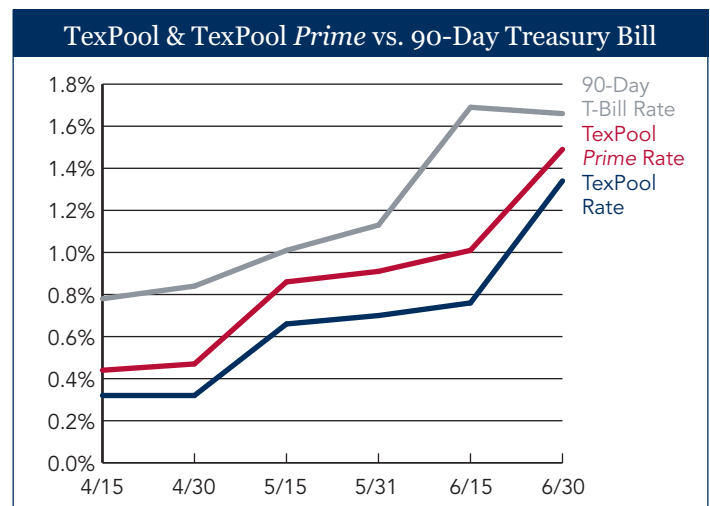


Participant Services
1001 Texas Ave. Suite 1150
Houston, TX 77002

This is borne out in expectations of how the tightening cycle might progress. The Fed just released the dates of next year's FOMC meetings, allowing the first futures trading. The market is pricing in a peak at around 3.5% in 2023, with no action in the third quarter and a rate cut in the fourth of that year. You read that right. The Fed's own projections are similar. Its median "dot" hits 3.8% before slipping to 3.4% in early 2024. We think the robust labor market, as well as strong state and local government balance sheets, means the economy is resilient enough that we might see a quarter of negative growth followed by one of positive growth in the second half of next year—not a full-blown recession. But things are dynamic and volatile.

As the Fed's quantitative tightening just began in June, the impact is negligible. We are disappointed that Treasury bills are not part of the strategy. They are being allowed to roll off the balance sheet only if the release of notes, bonds and MBS doesn't hit the target of \$47.5 billion exactly. That's unfortunate not just for investors but in general.

At the end of June, yields on 1-, 3-, 6- and 12-month U.S. Treasuries were 1.03%, 1.67%, 2.49% and 2.80%, respectively; the 1-, 3-, 6- and 12-month Bloomberg Short-Term Bank Yield Index rates (BSBY) were 1.62%, 2.24%, 2.87% and 3.54%, respectively; and the 1-, 3-, 6- and 12-month London interbank offered rates were 1.80%, 2.29%, 2.90% and 3.56%, respectively.



90-Day Treasury Bill is a short-term debt instrument backed by the national government. These are used to collect immediate cash to meet outstanding obligations.

Any private investor can invest in a Treasury bill. The 90-Day Treasury Bill is a weighted average rate of the weekly auctions of 90-Day Treasury Bills.

Past performance is no guarantee of future results.