



Monthly Newsletter: July 2023

ANNOUNCEMENTS

We welcome the following entities who joined TexPool in June 2023:

TexPool

Graford Independent School District

TexPool Prime

Graford Independent School District

Upcoming Events

July 9, 2023 - July 11, 2023

Texas Association of State Senior College and University Business Officers (TASSCUBO) Summer Conference
Arlington, TX

August 30, 2023 - September 1, 2023

Texas Association of Counties (TAC) Legislative Conference
Austin, TX

September 18, 2023 - September 21, 2023

75th Annual County Treasurers' Association of Texas Conference
McAllen, TX

TexPool Advisory Board Members

| | |
|---------------------|-----------------|
| Patrick Krishock | David Landeros |
| Belinda Weaver | Sharon Matthews |
| Deborah Lauder milk | David Garcia |
| Valarie Van Vlack | Dina Edgar |

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: Falling in line

July 1, 2023

The Federal Reserve touts its diverse set of tools for crafting monetary policy, but since March 2022 it has mostly used the hammer. After 10 straight swings at the economy in the form of rate hikes, in June it dropped it back into the toolbox by not raising the fed funds target range. Instead, the Fed updated its blueprint for the tightening cycle, the Summary of Economic Projections (SEP), to suggest more hikes to come.

This was a shrewd move. Policymakers not only bought time to assess the economic impact of those 500 basis points of hikes and the effect of the debt ceiling debacle, but also they reset market expectations. The latter is crucial. Even though the Fed hiked in March and continued to talk tough about inflation, investors didn't buy it. In April and May, they forecast rate cuts in the second half of this year. It didn't make much sense to us, but it distorted the shape of the Treasury yield curve. Longer-dated government securities weren't paying enough, compelling cash managers to stay short.

In the new SEP "dot plot," Fed policymakers forecast the median fed funds rate to climb to 5.6% by year-end. That would require at least two more 25 basis-point hikes—an expectation shared by 12 of 18 voters—with one likely to come at July's meeting. The markets finally

(continued page 6)

Performance as of June 30, 2023

| | TexPool | TexPool Prime |
|-------------------------------------|------------------|------------------|
| Current Invested Balance | \$29,764,881,250 | \$11,830,355,028 |
| Weighted Average Maturity** | 26 Days | 34 Days |
| Weighted Average Life** | 93 Days | 79 Days |
| Net Asset Value | 0.99982 | 0.99982 |
| Total Number of Participants | 2,789 | 502 |
| Management Fee on Invested Balance | 0.0450% | 0.0550% |
| Interest Distributed | \$126,737,480.90 | \$52,990,891.38 |
| Management Fee Collected | \$932,328.97 | \$482,396.50 |
| Standard & Poor's Current Rating | AAAm | AAAm |
| Month Averages | | |
| Average Invested Balance | \$30,513,105,799 | \$12,157,474,195 |
| Average Monthly Rate* | 5.05% | 5.30% |
| Average Weighted Average Maturity** | 23 | 31 |
| Average Weighted Average Life** | 90 | 77 |

*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.

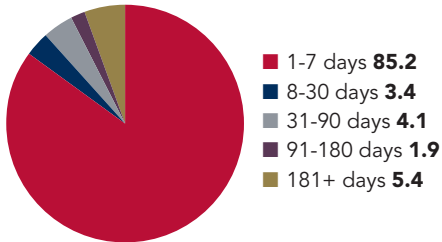
**See page 2 for definitions.

Past performance is no guarantee of future results.



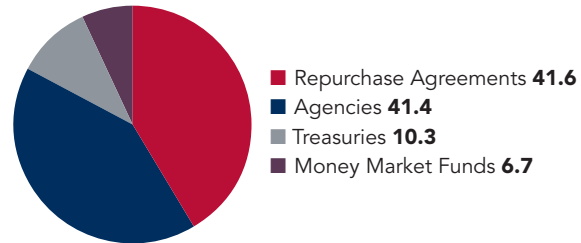
Portfolio by Maturity (%)

As of June 30, 2023



Portfolio by Type of Investment (%)

As of June 30, 2023



Portfolio Asset Summary as of June 30, 2023

| | Book Value | Market Value |
|--------------------------------------|----------------------------|----------------------------|
| Uninvested Balance | \$110.49 | \$110.49 |
| Receivable for Investments Sold | 0.00 | 0.00 |
| Accrual of Interest Income | 112,059,930.98 | 112,059,930.98 |
| Interest and Management Fees Payable | -126,737,524.92 | -126,737,524.92 |
| Payable for Investments Purchased | -674,614,426.64 | -674,614,426.64 |
| Accrued Expenses & Taxes | -30,161.51 | -30,161.51 |
| Repurchase Agreements | 12,665,055,000.00 | 12,665,055,000.00 |
| Mutual Fund Investments | 2,025,074,000.00 | 2,025,085,200.00 |
| Government Securities | 14,981,831,730.77 | 14,975,702,130.47 |
| US Treasury Bills | 1,986,391,085.54 | 1,986,829,901.45 |
| US Treasury Notes | 1,160,039,303.25 | 1,160,990,797.45 |
| Total | \$32,129,069,047.96 | \$32,124,340,957.77 |

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 | 615 | \$8,797,166,285.21 |
| Higher Education | 60 | \$1,382,525,582.73 |
| County | 197 | \$3,885,147,067.45 |
| Healthcare | 92 | \$1,715,796,037.00 |
| Utility District | 914 | \$4,836,483,651.41 |
| City | 493 | \$7,541,225,825.45 |
| Emergency Districts | 102 | \$415,163,454.61 |
| Economic Development Districts | 89 | \$189,063,314.18 |
| Other | 227 | \$1,002,357,976.35 |

**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

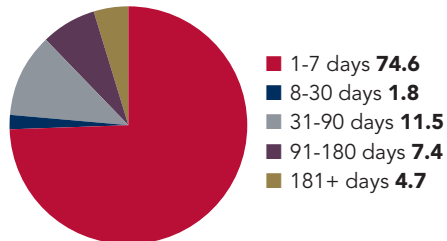
| Date | Money Mkt. Fund Equiv. (SEC Std.) | Dividend Factor | TexPool Invested Balance | NAV | WAM Days | WAL Days |
|-----------------|--------------------------------------|--------------------|-----------------------------|----------------|-----------|-----------|
| 6/1 | 5.0474% | 0.000138285 | \$31,246,228,302.66 | 0.99985 | 22 | 93 |
| 6/2 | 5.0463% | 0.000138254 | \$31,119,351,808.68 | 0.99985 | 23 | 93 |
| 6/3 | 5.0463% | 0.000138254 | \$31,119,351,808.68 | 0.99985 | 23 | 93 |
| 6/4 | 5.0463% | 0.000138254 | \$31,119,351,808.68 | 0.99985 | 23 | 93 |
| 6/5 | 5.0438% | 0.000138186 | \$31,042,421,518.02 | 0.99987 | 21 | 91 |
| 6/6 | 5.0376% | 0.000138016 | \$30,959,299,767.54 | 0.99985 | 21 | 91 |
| 6/7 | 5.0328% | 0.000137885 | \$30,876,468,903.48 | 0.99985 | 21 | 90 |
| 6/8 | 5.0423% | 0.000138146 | \$30,746,094,843.24 | 0.99986 | 21 | 90 |
| 6/9 | 5.0413% | 0.000138119 | \$30,816,486,570.62 | 0.99986 | 22 | 90 |
| 6/10 | 5.0413% | 0.000138119 | \$30,816,486,570.62 | 0.99986 | 22 | 90 |
| 6/11 | 5.0413% | 0.000138119 | \$30,816,486,570.62 | 0.99986 | 22 | 90 |
| 6/12 | 5.0432% | 0.000138169 | \$30,617,947,863.94 | 0.99984 | 21 | 89 |
| 6/13 | 5.0435% | 0.000138178 | \$30,512,080,847.95 | 0.99984 | 22 | 89 |
| 6/14 | 5.0435% | 0.000138177 | \$30,374,217,771.02 | 0.99983 | 21 | 89 |
| 6/15 | 5.0547% | 0.000138486 | \$30,299,068,694.29 | 0.99985 | 22 | 89 |
| 6/16 | 5.0584% | 0.000138587 | \$30,329,295,475.02 | 0.99986 | 24 | 90 |
| 6/17 | 5.0584% | 0.000138587 | \$30,329,295,475.02 | 0.99986 | 24 | 90 |
| 6/18 | 5.0584% | 0.000138587 | \$30,329,295,475.02 | 0.99986 | 24 | 90 |
| 6/19 | 5.0584% | 0.000138587 | \$30,329,295,475.02 | 0.99986 | 24 | 90 |
| 6/20 | 5.0558% | 0.000138515 | \$30,270,528,261.47 | 0.99984 | 21 | 87 |
| 6/21 | 5.0559% | 0.000138518 | \$30,017,191,814.52 | 0.99984 | 22 | 87 |
| 6/22 | 5.0557% | 0.000138512 | \$29,939,118,556.72 | 0.99983 | 21 | 88 |
| 6/23 | 5.0686% | 0.000138865 | \$30,225,768,074.53 | 0.99985 | 23 | 86 |
| 6/24 | 5.0686% | 0.000138865 | \$30,225,768,074.53 | 0.99985 | 23 | 86 |
| 6/25 | 5.0686% | 0.000138865 | \$30,225,768,074.53 | 0.99985 | 23 | 86 |
| 6/26 | 5.0704% | 0.000138915 | \$30,123,167,260.01 | 0.99983 | 22 | 85 |
| 6/27 | 5.0655% | 0.000138780 | \$30,337,575,284.15 | 0.99983 | 23 | 87 |
| 6/28 | 5.0670% | 0.000138823 | \$30,311,460,038.67 | 0.99983 | 24 | 89 |
| 6/29 | 5.0762% | 0.000139075 | \$30,153,421,739.13 | 0.99979 | 24 | 91 |
| 6/30 | 5.0909% | 0.000139478 | \$29,764,881,249.55 | 0.99982 | 26 | 93 |
| Average: | 5.0543% | 0.000138474 | \$30,513,105,799.26 | 0.99985 | 23 | 90 |



TEXPOOL Prime

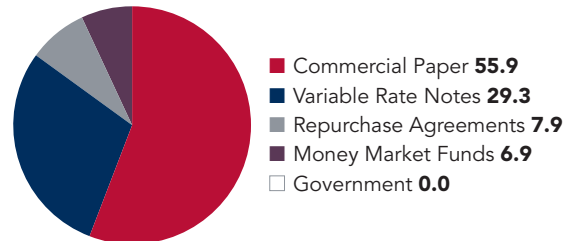
Portfolio by Maturity (%)

As of June 30, 2023



Portfolio by Type of Investment (%)

As of June 30, 2023



Portfolio Asset Summary as of June 30, 2023

| | Book Value | Market Value |
|--------------------------------------|----------------------------|----------------------------|
| Uninvested Balance | -\$378.83 | -\$378.83 |
| Receivable for Investments Sold | 0.00 | 0.00 |
| Accrual of Interest Income | 27,590,713.15 | 27,590,713.15 |
| Interest and Management Fees Payable | -52,991,014.23 | -52,991,014.23 |
| Payable for Investments Purchased | -47,142,083.33 | -47,142,083.33 |
| Accrued Expenses & Taxes | -15,579.28 | -15,579.28 |
| Repurchase Agreements | 941,184,000.00 | 941,184,000.00 |
| Commercial Paper | 6,798,575,887.43 | 6,795,995,416.54 |
| Mutual Fund Investments | 830,153,483.22 | 829,777,066.44 |
| Government Securities | 0.00 | 0.00 |
| Variable Rate Notes | 3,333,000,000.00 | 3,333,784,862.87 |
| Total | \$11,830,355,028.13 | \$11,828,183,003.33 |

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 | 143 | \$4,024,562,938.11 |
| Higher Education | 19 | \$517,639,637.06 |
| County | 50 | \$1,047,725,170.22 |
| Healthcare | 20 | \$466,037,166.08 |
| Utility District | 55 | \$461,939,021.21 |
| City | 98 | \$2,421,663,047.83 |
| Emergency Districts | 23 | \$66,113,675.47 |
| Economic Development Districts | 19 | \$30,042,128.71 |
| Other | 75 | \$2,794,506,356.41 |



TEXPOOL Prime

Daily Summary

| Date | Money Mkt. Fund Equiv. (SEC Std.) | Dividend Factor | TexPool Prime Invested Balance | NAV | WAM Days | WAL Days |
|-----------------|--------------------------------------|--------------------|-----------------------------------|----------------|-----------|-----------|
| 6/1 | 5.2855% | 0.000144809 | \$12,065,455,445.30 | 0.99987 | 26 | 79 |
| 6/2 | 5.2840% | 0.000144766 | \$12,211,847,017.53 | 0.99975 | 27 | 78 |
| 6/3 | 5.2840% | 0.000144766 | \$12,211,847,017.53 | 0.99975 | 27 | 78 |
| 6/4 | 5.2840% | 0.000144766 | \$12,211,847,017.53 | 0.99975 | 27 | 78 |
| 6/5 | 5.2810% | 0.000144686 | \$12,221,570,044.99 | 0.99984 | 25 | 75 |
| 6/6 | 5.2731% | 0.000144469 | \$12,373,471,550.07 | 0.99987 | 24 | 74 |
| 6/7 | 5.2714% | 0.000144422 | \$12,368,205,809.21 | 0.99986 | 24 | 73 |
| 6/8 | 5.2731% | 0.000144468 | \$12,365,745,756.56 | 0.99985 | 25 | 73 |
| 6/9 | 5.2843% | 0.000144774 | \$12,296,303,518.36 | 0.99972 | 29 | 77 |
| 6/10 | 5.2843% | 0.000144774 | \$12,296,303,518.36 | 0.99972 | 29 | 77 |
| 6/11 | 5.2843% | 0.000144774 | \$12,296,303,518.36 | 0.99972 | 29 | 77 |
| 6/12 | 5.3003% | 0.000145213 | \$12,198,080,416.58 | 0.99986 | 29 | 77 |
| 6/13 | 5.3059% | 0.000145368 | \$12,240,114,286.52 | 0.99989 | 32 | 79 |
| 6/14 | 5.3055% | 0.000145356 | \$12,244,979,982.97 | 0.99988 | 32 | 79 |
| 6/15 | 5.3121% | 0.000145538 | \$12,243,933,774.90 | 0.99986 | 34 | 80 |
| 6/16 | 5.3187% | 0.000145718 | \$12,207,301,631.74 | 0.99965 | 35 | 80 |
| 6/17 | 5.3187% | 0.000145718 | \$12,207,301,631.74 | 0.99965 | 35 | 80 |
| 6/18 | 5.3187% | 0.000145718 | \$12,207,301,631.74 | 0.99965 | 35 | 80 |
| 6/19 | 5.3187% | 0.000145718 | \$12,207,301,631.74 | 0.99965 | 35 | 80 |
| 6/20 | 5.3196% | 0.000145742 | \$12,170,169,865.82 | 0.99987 | 32 | 78 |
| 6/21 | 5.3167% | 0.000145663 | \$12,138,048,682.39 | 0.99987 | 32 | 77 |
| 6/22 | 5.3172% | 0.000145677 | \$11,997,333,258.96 | 0.99987 | 33 | 78 |
| 6/23 | 5.3190% | 0.000145727 | \$11,975,105,347.55 | 0.99972 | 34 | 78 |
| 6/24 | 5.3190% | 0.000145727 | \$11,975,105,347.55 | 0.99972 | 34 | 78 |
| 6/25 | 5.3190% | 0.000145727 | \$11,975,105,347.55 | 0.99972 | 34 | 78 |
| 6/26 | 5.3172% | 0.000145678 | \$12,064,307,475.46 | 0.99989 | 32 | 75 |
| 6/27 | 5.3196% | 0.000145743 | \$12,056,028,073.51 | 0.99989 | 32 | 75 |
| 6/28 | 5.3224% | 0.000145818 | \$11,965,424,160.91 | 0.99989 | 32 | 75 |
| 6/29 | 5.3214% | 0.000145792 | \$11,902,028,050.16 | 0.99982 | 32 | 78 |
| 6/30 | 5.3365% | 0.000146205 | \$11,830,355,028.13 | 0.99982 | 34 | 79 |
| Average: | 5.3038% | 0.000145311 | \$12,157,474,194.66 | 0.99980 | 31 | 77 |



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

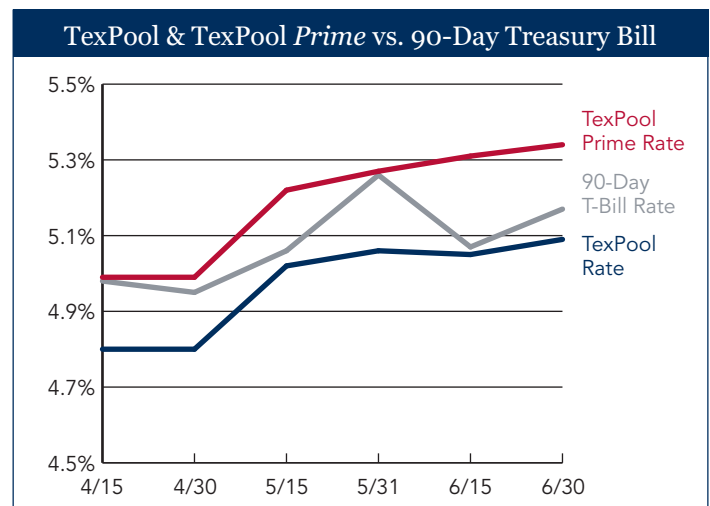
relented. The short end of the curve is returning to normality, with 6-month Treasuries yielding more than 1- or 3-month. Contributing to the normalization is the Treasury Department's flood of issuance to refill its tank after running on fumes. And lest you think the dive that the headline Personal Consumption Expenditures Index (PCE) took in May (plunging from 4.3% in April to 3.8%) will persuade policymakers to cut, core PCE (which strips out volatile energy and food prices and has more credence with the Fed) barely budged, just slipping from 4.7% to 4.6%.

The broad market of non-Treasury/agency instruments, such as commercial and bank paper, largely brushed off the potential for government default, and yields have been strong.

Libor no more

The biggest news of all this month could be that the dollar-dominated London interbank offered rate (LIBOR) officially ended and no one cared. As of June 30, the Intercontinental Exchange Benchmark Administration will no longer publish it. This benchmark was a stalwart of setting short-term interest rates between major global banks for decades, until it was revealed it had been manipulated during the Global Financial Crisis. In the U.S., the approved benchmark rate is the Secured Overnight Financing Rate (SOFR).

At the end of the month, yields on 1-, 3-, 6- and 12-month U.S. Treasuries were 5.14%, 5.32%, 5.45% and 5.42%, respectively; the 1-, 3-, 6- and 12-month Bloomberg Short-Term Bank Yield Index rates



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.

(BSBY) were 5.21%, 5.47%, 5.67% and 5.93%, respectively; the 1-, 3-, 6- and 12-month London interbank offered rates were 5.26%, 5.53%, 5.81% and 6.04%, respectively.