



Monthly Newsletter: December 2023

ANNOUNCEMENTS

TexPool Direct Check Purchase Acceptance

Based on participant feedback, effective December 1, 2023, TexPool now offers direct check purchases into TexPool and TexPool Prime. Please send checks to one of the addresses below or contact TexPool Participant Services to learn more.

Regular Mail:

TexPool Participant Services
PO Box 219198
Kansas City, MO 64121-9198

Overnight Delivery:

TexPool Participant Services
430 W 7th Street Suite 219198
Kansas City, MO 64105-1407

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

TexPool

Bexar County ESD 5	Conservation District
Hale Center ISD	
Carthage ISD	City of Little River - Academy
Kemah Volunteer Fire Department	Nasa Area Management District
Bee Groundwater	

TexPool Prime

Bexar County ESD 5	Quinlan ISD
Hale Center ISD	Winters ISD
Carthage ISD	City of Little River - Academy
Kemah Volunteer Fire Department	Nasa Area Management District
Bee Groundwater Conservation District	

TexPool Advisory Board Members

Patrick Krishock	David Landeros
Belinda Weaver	Sharon Matthews
Deborah Laudermilk	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: Cutting through the noise

December 1, 2023

Perhaps Bloomberg should create a Fickle Index. Or an Overreaction Indicator. The Volatility Index (VIX) and the Merrill Lynch Option Volatility Estimate (MOVE) capture market turbulence, but November brought yet another case of the capriciousness of the financial markets during this Federal Reserve tightening cycle.

It seemed sanguine investors had finally capitulated in early fall after the Fed's September Summary of Economic Projections (SEP) showed an additional quarter-point hike by year-end and raised the median rate for 2024 (5.1%) and 2025 (3.9%). In October, gloom pervaded. A surge in long-term Treasury yields indicated markets felt that the Fed's push to vanquish inflation would send the U.S. economy into recession.

Then came the November Federal Open Market Committee (FOMC) meeting, in which the policymakers again held the target range at 5.25-5.0%. Investors viewed this as dovish, even though Chair Jerome Powell stated they would not consider the rise in long-term yields a substitute for policy action. After further declines of the major measures of inflation, softening tone of some Fed speakers and deteriorating employment data, investors completed their sharp shift. Fed funds futures went from anticipating modest easing in 2024 to predicting four quarter-point cuts. Stocks and bonds rallied. Perhaps a Whiplash Index is also in order.

(continued page 6)

Performance as of November 30, 2023

	TexPool	TexPool Prime
Current Invested Balance	\$28,564,822,439	\$12,289,888,272
Weighted Average Maturity**	40 Days	48 Days
Weighted Average Life**	104 Days	79 Days
Net Asset Value	1.00003	1.00024
Total Number of Participants	2,821	538
Management Fee on Invested Balance	0.0450%	0.0550%
Interest Distributed	\$128,194,286.20	\$56,062,844.71
Management Fee Collected	\$954,926.77	\$485,010.02
Standard & Poor's Current Rating	AAAm	AAAm

Month Averages

Average Invested Balance	\$29,046,035,270	\$12,159,314,463
Average Monthly Rate*	5.37%	5.61%
Average Weighted Average Maturity**	37	46
Average Weighted Average Life**	98	81

*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.

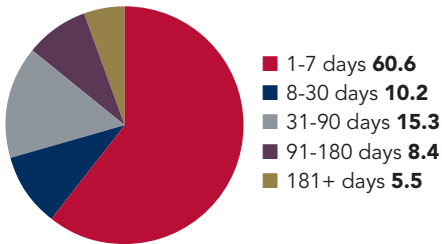
**See page 2 for definitions.

Past performance is no guarantee of future results.



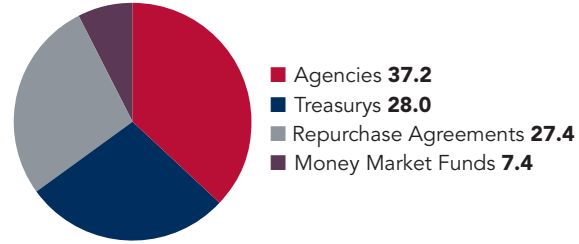
Portfolio by Maturity (%)

As of November 30, 2023



Portfolio by Type of Investment (%)

As of November 30, 2023



Portfolio Asset Summary as of November 30, 2023

	Book Value	Market Value
Uninvested Balance	-\$181.11	-\$181.11
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	99,606,461.76	99,606,461.76
Interest and Management Fees Payable	-128,194,440.27	-128,194,440.27
Payable for Investments Purchased	-45,000,000.00	-45,000,000.00
Accrued Expenses & Taxes	-36,209.83	-36,209.83
Repurchase Agreements	7,851,886,000.00	7,851,886,000.00
Mutual Fund Investments	2,112,085,200.00	2,112,085,200.00
Government Securities	10,647,036,993.16	10,646,311,014.88
US Treasury Bills	6,342,671,890.58	6,343,482,534.33
US Treasury Notes	1,684,761,589.56	1,685,467,410.35
Total	\$28,564,817,303.85	\$28,565,607,790.11

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	620	\$8,744,178,377.10
Higher Education	60	\$1,388,936,839.10
County	198	\$3,228,521,232.61
Healthcare	92	\$1,460,549,019.21
Utility District	922	\$4,525,668,493.00
City	499	\$7,535,340,295.02
Emergency Districts	106	\$335,360,402.47
Economic Development Districts	89	\$193,944,978.32
Other	235	\$1,152,242,209.33

**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

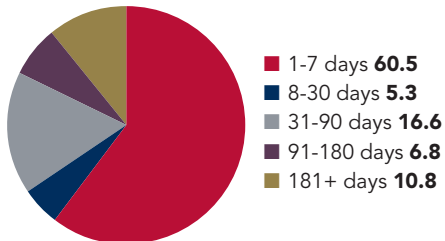
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
11/1	5.3633%	0.000146941	\$29,726,433,690.91	0.99993	30	89
11/2	5.3634%	0.000146943	\$29,717,028,865.25	0.99994	32	91
11/3	5.3667%	0.000147033	\$29,723,165,109.81	0.99997	33	92
11/4	5.3667%	0.000147033	\$29,723,165,109.81	0.99997	33	92
11/5	5.3667%	0.000147033	\$29,723,165,109.81	0.99997	33	92
11/6	5.3647%	0.000146978	\$29,667,920,756.47	0.99997	31	92
11/7	5.3630%	0.000146932	\$29,669,105,470.06	0.99997	33	93
11/8	5.3641%	0.000146963	\$29,560,845,504.18	0.99997	33	94
11/9	5.3644%	0.000146971	\$29,488,524,407.64	0.99994	33	94
11/10	5.3662%	0.000147018	\$29,574,824,238.54	0.99997	36	95
11/11	5.3662%	0.000147018	\$29,574,824,238.54	0.99997	36	95
11/12	5.3662%	0.000147018	\$29,574,824,238.54	0.99997	36	95
11/13	5.3681%	0.000147072	\$29,594,474,452.83	0.99996	34	93
11/14	5.3699%	0.000147120	\$29,512,187,714.47	1.00000	37	94
11/15	5.3718%	0.000147173	\$29,151,657,177.72	1.00000	40	99
11/16	5.3727%	0.000147197	\$29,063,218,832.33	0.99999	39	98
11/17	5.3758%	0.000147282	\$28,466,956,255.54	1.00001	40	100
11/18	5.3758%	0.000147282	\$28,466,956,255.54	1.00001	40	100
11/19	5.3758%	0.000147282	\$28,466,956,255.54	1.00001	40	100
11/20	5.3773%	0.000147322	\$28,350,234,146.34	1.00001	40	101
11/21	5.3758%	0.000147281	\$28,265,328,683.01	1.00002	41	106
11/22	5.3769%	0.000147313	\$28,177,273,448.94	1.00001	41	106
11/23	5.3769%	0.000147313	\$28,177,273,448.94	1.00001	41	106
11/24	5.3776%	0.000147331	\$28,579,656,891.49	1.00001	41	105
11/25	5.3776%	0.000147331	\$28,579,656,891.49	1.00001	41	105
11/26	5.3776%	0.000147331	\$28,579,656,891.49	1.00001	41	105
11/27	5.3813%	0.000147432	\$28,594,234,961.21	1.00001	40	103
11/28	5.3836%	0.000147495	\$28,534,420,026.58	1.00003	41	104
11/29	5.3940%	0.000147782	\$28,532,266,598.20	1.00002	41	104
11/30	5.3819%	0.000147449	\$28,564,822,439.07	1.00003	40	104
Average:	5.3724%	0.000147189	\$29,046,035,270.34	0.99999	37	98



TEXPOOL Prime

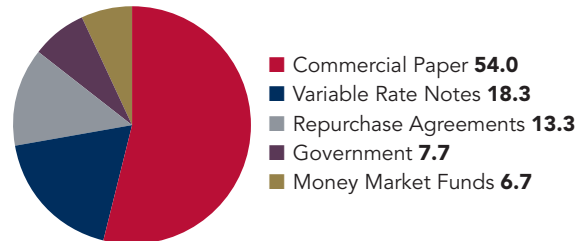
Portfolio by Maturity (%)

As of November 30, 2023



Portfolio by Type of Investment (%)

As of November 30, 2023



Portfolio Asset Summary as of November 30, 2023

	Book Value	Market Value
Uninvested Balance	\$762.23	\$762.23
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	20,047,967.83	20,047,967.83
Interest and Management Fees Payable	-56,062,844.54	-56,062,844.54
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-20,783.16	-20,783.16
Repurchase Agreements	1,640,755,000.00	1,640,755,000.00
Commercial Paper	6,660,435,264.56	6,662,451,512.50
Mutual Fund Investments	830,153,483.22	830,192,037.96
Government Securities	942,574,847.85	942,617,307.00
Variable Rate Notes	2,252,000,000.00	2,252,893,417.10
Total	\$12,289,883,697.99	\$12,292,874,376.92

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	151	\$3,574,131,270.50
Higher Education	19	\$848,886,172.85
County	51	\$925,790,460.37
Healthcare	20	\$488,079,133.47
Utility District	64	\$482,379,213.36
City	105	\$2,734,150,291.60
Emergency Districts	27	\$89,667,293.46
Economic Development Districts	19	\$32,256,139.11
Other	82	\$3,114,535,916.55



TEXPOOL *Prime*

Daily Summary

Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool <i>Prime</i> Invested Balance	NAV	WAM Days	WAL Days
11/1	5.5976%	0.000153360	\$12,360,779,932.93	1.00002	41	77
11/2	5.6039%	0.000153531	\$12,361,450,540.66	1.00005	44	79
11/3	5.6059%	0.000153585	\$12,392,492,010.28	0.99992	45	81
11/4	5.6059%	0.000153585	\$12,392,492,010.28	0.99992	45	81
11/5	5.6059%	0.000153585	\$12,392,492,010.28	0.99992	45	81
11/6	5.6096%	0.000153687	\$12,316,202,778.53	1.00009	43	80
11/7	5.6085%	0.000153657	\$12,335,084,072.77	1.00008	42	78
11/8	5.6108%	0.000153721	\$12,310,333,742.22	1.00008	42	78
11/9	5.6131%	0.000153784	\$12,147,598,837.52	1.00009	45	81
11/10	5.6149%	0.000153834	\$12,159,777,200.67	0.99993	45	82
11/11	5.6149%	0.000153834	\$12,159,777,200.67	0.99993	45	82
11/12	5.6149%	0.000153834	\$12,159,777,200.67	0.99993	45	82
11/13	5.6135%	0.000153795	\$12,195,565,123.56	1.00007	43	79
11/14	5.6149%	0.000153833	\$12,125,350,737.67	1.00013	43	79
11/15	5.6138%	0.000153804	\$12,075,428,406.78	1.00015	43	79
11/16	5.6060%	0.000153589	\$12,086,019,658.19	1.00014	43	78
11/17	5.6180%	0.000153918	\$12,007,544,464.13	0.99999	49	83
11/18	5.6180%	0.000153918	\$12,007,544,464.13	0.99999	49	83
11/19	5.6180%	0.000153918	\$12,007,544,464.13	0.99999	49	83
11/20	5.6194%	0.000153956	\$12,007,378,780.43	1.00016	48	81
11/21	5.6190%	0.000153944	\$12,007,826,847.55	1.00016	49	82
11/22	5.6200%	0.000153972	\$11,931,695,303.12	1.00010	49	82
11/23	5.6200%	0.000153972	\$11,931,695,303.12	1.00010	49	82
11/24	5.6204%	0.000153984	\$11,989,473,600.20	1.00003	51	84
11/25	5.6204%	0.000153984	\$11,989,473,600.20	1.00003	51	84
11/26	5.6204%	0.000153984	\$11,989,473,600.20	1.00003	51	84
11/27	5.6191%	0.000153948	\$12,073,180,556.87	1.00016	48	81
11/28	5.6156%	0.000153852	\$12,230,467,273.63	1.00016	48	80
11/29	5.6164%	0.000153873	\$12,345,625,908.42	1.00023	48	79
11/30	5.6159%	0.000153859	\$12,289,888,272.44	1.00024	48	79
Average:	5.6138%	0.000153803	\$12,159,314,463.41	1.00006	46	81



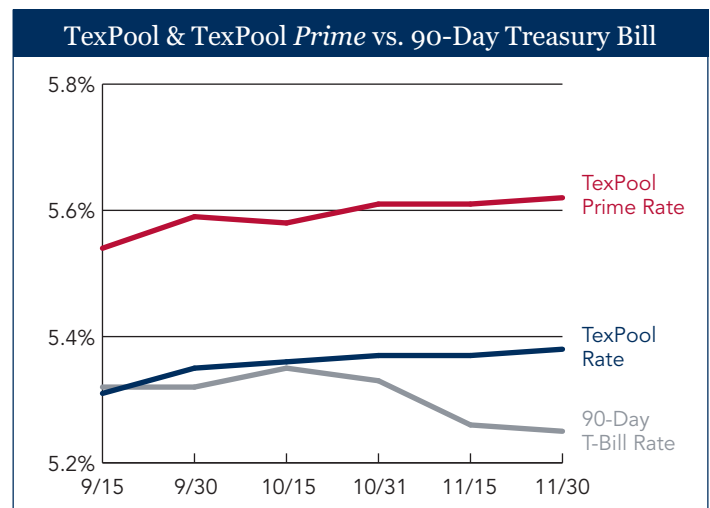
Participant Services
1001 Texas Ave. Suite 1150
Houston, TX 77002

We don't think the about-face is justified. Again and again, policymakers have pushed back on wishful thinking. At the Jackson Hole symposium, Powell even took the time to squash the notion that they secretly adjusted their inflation target from 2% to 3%. The markets are hoping for a Grand Teton-like peak in rates; we think it will resemble Mesa Verde. So, we are positioning our portfolios for a higher-for-longer scenario, expecting a rate cut only in late 2024. The strength of the economy—recently the Commerce Department revised third-quarter gross domestic product (GDP) growth up to a robust 5.2%—supports that stance.

The November jobs report will be crucial. Not so much for the FOMC decision on Dec. 13, which will almost certainly result in no change, but for the updated SEP, which forecasts rates, GDP, labor and inflation. Our positioning will be based on that critical release, regardless of whether or not the markets ignore it.

Let's not forget that the ongoing reduction of the Fed's balance sheet is contractionary. This consistent collateral, combined with the Treasury Department's vast bill issuance of late, is offering cash managers attractive yields.

At the end of the month, yields on 1-, 3-, 6- and 12-month U.S. Treasuries were 5.39%, 5.40%, 5.40% and 5.13%, respectively; the 1-, 3-, 6- and 12-month Bloomberg Short-Term Bank Yield Index rates (BSBY) were 5.37%, 5.57%, 5.65% and 5.70%, 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.