



Monthly Newsletter: June 2023

ANNOUNCEMENTS

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

TexPool

Calvin Nelms Charter High School
Brownsville Navigation District of
Cameron County
Paint Rock ISD
Llano County ESD 5
Katy ISD Education Foundation
Meridian Economic Development Corporation
North San Gabriel MUD 1
City of Palmview

TexPool Prime

Hays County WCID 1
Brownsville Navigation District of
Cameron County
Paint Rock ISD
Llano County ESD 5

Upcoming Events

June 12, 2023 - June 14, 2023

**Texas Association of School Business
Officials (TASBO) Summer Solutions
Conference**
Galveston, TX

July 9, 2023 - July 11, 2023

**Texas Association of State Senior College
and University Business Officers
(TASSCUBO) Summer Conference**
Arlington, 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: The coming deluge

June 1, 2023

Now that the U.S. debt limit is likely to be suspended until January 2025, we turn our attention to the aftermath. The brinkmanship wasn't rhetorical, as most political posturing tends to be. It had material repercussions. Investors gave up real money as the dislocation in the Treasury market led them to hold more cash. It also prompted most to avoid securities maturing around the Treasury Department's estimated default date, instead trading for lower-yielding Treasuries maturing before or after. For that matter, the federal government also lost because it had to offer higher rates to borrowers for those undersold securities.

Cash managers have no time to fume about that now. In the near term, we have to navigate the swiftly changing yield curve to find value. Cash/deposit alternatives, such as money market funds and state pools, increased liquidity out of caution. That amount now needs to be put to work.

The industry also must prepare for a flood of government securities. In the coming months, the Treasury Dept. will play catch up by issuing billions worth of securities to replenish its coffers and make whole the federal accounts in which it redeemed or suspended investments, such as the Civil Service Retirement and Disability Fund. Of course, the lion's share of the

(continued page 6)

Performance as of May 31, 2023

	TexPool	TexPool Prime
Current Invested Balance	\$31,116,675,594	\$12,086,380,030
Weighted Average Maturity**	22 Days	26 Days
Weighted Average Life**	92 Days	79 Days
Net Asset Value	0.99983	0.99985
Total Number of Participants	2,788	501
Management Fee on Invested Balance	0.0450%	0.0550%
Interest Distributed	\$134,129,655.27	\$55,121,476.50
Management Fee Collected	\$977,054.66	\$513,220.50
Standard & Poor's Current Rating	AAAm	AAAm

Month Averages

Average Invested Balance	\$31,571,878,138	\$12,471,051,186
Average Monthly Rate*	5.00%	5.21%
Average Weighted Average Maturity**	22	22
Average Weighted Average Life**	91	74

*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.

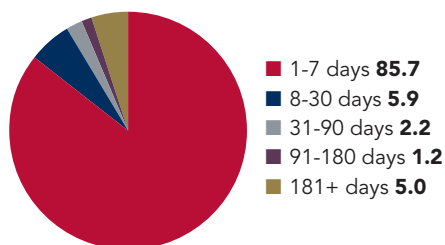
**See page 2 for definitions.

Past performance is no guarantee of future results.



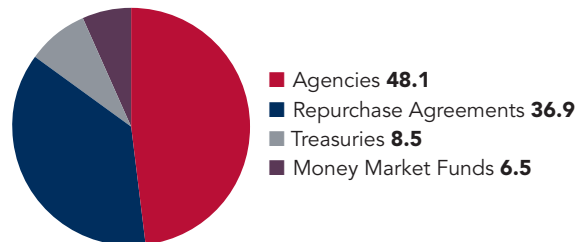
Portfolio by Maturity (%)

As of May 31, 2023



Portfolio by Type of Investment (%)

As of May 31, 2023



Portfolio Asset Summary as of May 31, 2023

	Book Value	Market Value
Uninvested Balance	-\$502.15	-\$502.15
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	128,803,444.70	128,803,444.70
Interest and Management Fees Payable	-134,129,655.34	-134,129,655.34
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-31,852.18	-31,852.18
Repurchase Agreements	11,483,201,000.00	11,483,201,000.00
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	1,606,970,449.89	1,606,928,764.50
US Treasury Notes	1,024,956,978.09	1,025,951,269.20
Total	\$31,116,675,593.78	\$31,111,509,799.20

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	614	\$9,490,399,898.23
Higher Education	60	\$1,431,551,067.18
County	197	\$4,097,049,022.00
Healthcare	92	\$1,959,064,671.90
Utility District	914	\$4,881,266,255.99
City	493	\$7,597,557,958.18
Emergency Districts	102	\$423,515,528.07
Economic Development Districts	89	\$186,969,120.24
Other	227	\$1,049,352,090.43

**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

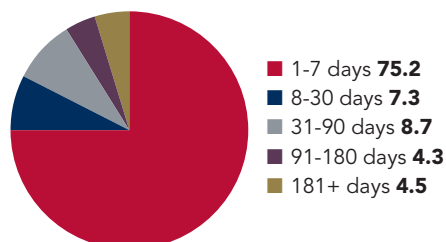
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
5/1	4.8004%	0.000131519	\$32,160,124,993.54	0.99988	20	83
5/2	4.8008%	0.000131528	\$32,113,311,822.97	0.99988	20	83
5/3	4.8063%	0.000131680	\$31,887,927,509.53	0.99987	20	85
5/4	4.9088%	0.000134489	\$31,879,922,543.18	0.99990	20	88
5/5	5.0224%	0.000137600	\$31,832,080,328.88	0.99991	22	88
5/6	5.0224%	0.000137600	\$31,832,080,328.88	0.99991	22	88
5/7	5.0224%	0.000137600	\$31,832,080,328.88	0.99991	22	88
5/8	5.0113%	0.000137297	\$31,724,470,088.39	0.99991	20	88
5/9	5.0216%	0.000137577	\$31,735,123,113.65	0.99990	20	88
5/10	5.0216%	0.000137578	\$31,791,435,996.34	0.99993	20	89
5/11	5.0207%	0.000137554	\$31,684,406,001.52	0.99993	21	90
5/12	5.0182%	0.000137485	\$31,810,036,700.81	0.99994	22	90
5/13	5.0182%	0.000137485	\$31,810,036,700.81	0.99994	22	90
5/14	5.0182%	0.000137485	\$31,810,036,700.81	0.99994	22	90
5/15	5.0190%	0.000137508	\$31,726,450,106.20	0.99992	20	89
5/16	5.0230%	0.000137616	\$31,656,245,208.66	0.99992	21	90
5/17	5.0240%	0.000137644	\$31,847,097,250.28	0.99991	22	91
5/18	5.0243%	0.000137651	\$31,676,624,834.47	0.99990	22	92
5/19	5.0270%	0.000137725	\$31,544,754,200.96	0.99991	24	93
5/20	5.0270%	0.000137725	\$31,544,754,200.96	0.99991	24	93
5/21	5.0270%	0.000137725	\$31,544,754,200.96	0.99991	24	93
5/22	5.0282%	0.000137758	\$31,408,771,335.64	0.99991	22	93
5/23	5.0338%	0.000137913	\$31,313,721,505.71	0.99990	23	92
5/24	5.0361%	0.000137976	\$31,204,068,685.49	0.99988	22	95
5/25	5.0380%	0.000138027	\$31,211,628,886.73	0.99988	22	95
5/26	5.0439%	0.000138189	\$31,018,943,895.92	0.99989	24	95
5/27	5.0439%	0.000138189	\$31,018,943,895.92	0.99989	24	95
5/28	5.0439%	0.000138189	\$31,018,943,895.92	0.99989	24	95
5/29	5.0439%	0.000138189	\$31,018,943,895.92	0.99989	24	95
5/30	5.0540%	0.000138466	\$30,953,827,526.26	0.99989	22	93
5/31	5.0583%	0.000138583	\$31,116,675,593.78	0.99983	22	92
Average:	5.0035%	0.000137082	\$31,571,878,138.00	0.99990	22	91



TEXPOOL Prime

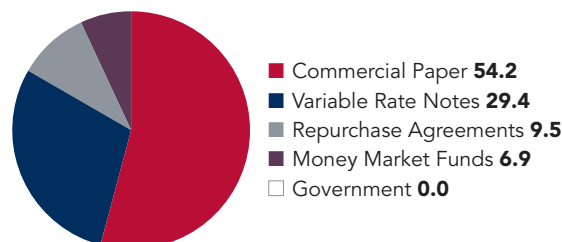
Portfolio by Maturity (%)

As of May 31, 2023



Portfolio by Type of Investment (%)

As of May 31, 2023



Portfolio Asset Summary as of May 31, 2023

	Book Value	Market Value
Uninvested Balance	\$1,302.57	\$1,302.57
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	27,063,402.04	27,063,402.04
Interest and Management Fees Payable	-55,121,478.02	-55,121,478.02
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-15,972.12	-15,972.12
Repurchase Agreements	1,156,575,000.00	1,156,575,000.00
Commercial Paper	6,719,724,291.88	6,717,387,729.89
Mutual Fund Investments	830,153,483.22	829,777,066.44
Government Securities	0.00	0.00
Variable Rate Notes	3,408,000,000.00	3,408,828,624.65
Total	\$12,086,380,029.57	\$12,084,495,675.45

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	142	\$4,264,344,330.50
Higher Education	19	\$524,197,219.99
County	50	\$1,105,195,934.77
Healthcare	20	\$501,963,002.29
Utility District	55	\$457,799,123.59
City	98	\$2,167,973,669.09
Emergency Districts	23	\$66,817,420.00
Economic Development Districts	19	\$35,539,969.95
Other	75	\$2,962,423,616.54



TEXPOOL Prime

Daily Summary

Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Prime Invested Balance	NAV	WAM Days	WAL Days
5/1	4.9982%	0.000136937	\$12,786,186,018.16	0.99991	16	62
5/2	5.0021%	0.000137045	\$12,800,739,554.35	0.99990	16	61
5/3	5.0257%	0.000137690	\$12,748,213,368.66	0.99993	17	63
5/4	5.0810%	0.000139205	\$12,700,919,320.60	0.99994	21	69
5/5	5.1724%	0.000141710	\$12,636,071,096.74	0.99981	22	69
5/6	5.1724%	0.000141710	\$12,636,071,096.74	0.99981	22	69
5/7	5.1724%	0.000141710	\$12,636,071,096.74	0.99981	22	69
5/8	5.2277%	0.000143225	\$12,633,793,824.73	0.99996	20	74
5/9	5.2118%	0.000142789	\$12,612,791,606.17	0.99995	20	75
5/10	5.2257%	0.000143170	\$12,619,927,768.99	0.99993	20	75
5/11	5.2236%	0.000143112	\$12,683,472,682.57	0.99995	20	75
5/12	5.2225%	0.000143081	\$12,578,519,574.11	0.99981	21	75
5/13	5.2225%	0.000143081	\$12,578,519,574.11	0.99981	21	75
5/14	5.2225%	0.000143081	\$12,578,519,574.11	0.99981	21	75
5/15	5.2195%	0.000143001	\$12,574,514,185.78	0.99994	19	74
5/16	5.2263%	0.000143187	\$12,557,901,446.81	0.99994	19	74
5/17	5.2274%	0.000143217	\$12,594,035,629.12	0.99993	19	73
5/18	5.2285%	0.000143246	\$12,487,825,914.81	0.99992	19	73
5/19	5.2276%	0.000143222	\$12,388,076,413.74	0.99977	22	75
5/20	5.2276%	0.000143222	\$12,388,076,413.74	0.99977	22	75
5/21	5.2276%	0.000143222	\$12,388,076,413.74	0.99977	22	75
5/22	5.2386%	0.000143523	\$12,409,910,667.51	0.99991	23	76
5/23	5.2447%	0.000143691	\$12,340,414,737.42	0.99990	23	76
5/24	5.2477%	0.000143772	\$12,326,367,521.25	0.99990	23	76
5/25	5.2607%	0.000144129	\$12,378,307,624.77	0.99986	27	81
5/26	5.2689%	0.000144353	\$12,090,450,540.04	0.99964	29	83
5/27	5.2689%	0.000144353	\$12,090,450,540.04	0.99964	29	83
5/28	5.2689%	0.000144353	\$12,090,450,540.04	0.99964	29	83
5/29	5.2689%	0.000144353	\$12,090,450,540.04	0.99964	29	83
5/30	5.2628%	0.000144186	\$12,091,081,462.55	0.99985	27	80
5/31	5.2708%	0.000144405	\$12,086,380,029.57	0.99985	26	79
Average:	5.2054%	0.000142612	\$12,471,051,186.38	0.99985	22	74



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

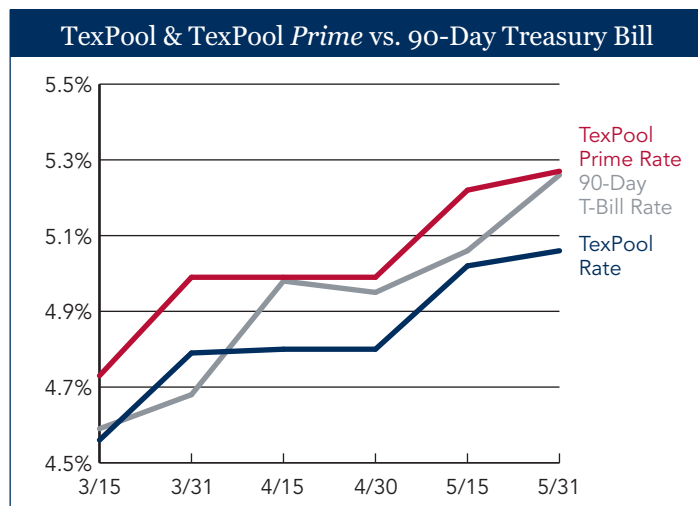
new issuance will go to servicing the debt and spending. Some estimates put that amount as high as \$1 trillion. As the most liquid and sought-after securities in the world, these new Treasuries will find homes, but potentially in unpredictable ways.

While this development complicates trading and planning, it should be nothing money managers can't handle. However, some pundits have voiced concern that the feeding frenzy of government securities will drain liquidity from the markets. The story goes something like this: As a vast number of people, institutions, banks and others lend an unusually large amount to the U.S., their cash reserves will dwindle faster than typical. At the very least, this could widen the margin for error for managing their cash flows; at the worst, it could hamper their ability to deal with a crisis.

We don't think the situation is dire, but it just so happens there's a set of market participants with plenty of cash and happy to help. Flush with liquidity from massive inflows and prudent management, money funds and state pools should be able to absorb much of the massive issuance.

We hope the resolution of the debt ceiling impasse means the cloud obscuring the direction of monetary policy will dissipate soon. In our opinion, the Federal Reserve will not cut rates this year, though it is possible it will raise them. For now, we project that at its June meeting the Federal Open Market Committee will pause to assess the impact of its aggressive tightening cycle.

At the end of the month, yields on 1-, 3-, 6- and 12-month U.S. Treasuries were 5.16%, 5.41%, 5.45% and 5.18%, respectively; the



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.

1-, 3-, 6- and 12-month Bloomberg Short-Term Bank Yield Index rates (BSBY) were 5.13%, 5.45%, 5.63% and 5.71%, respectively; the 1-, 3-, 6- and 12-month London interbank offered rates were 5.16%, 5.50%, 5.65% and 5.73%, respectively.