



Monthly Newsletter: May 2023

ANNOUNCEMENTS

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

TexPool

Mineola Economic Development Corporation
Collinsville ISD
Imagine International Academy of North Texas
Williamson County MUD 19H
Kaufman Central Appraisal District
Harris County MUD 404
Williamson County MUD 19G
City of Nash
City of Muenster

TexPool Prime

Mineola Economic Development Corporation
Valley View ISD
Imagine International Academy of North Texas
City of Windcrest
Kaufman Central Appraisal District
Capital Area Council of Governments
City of Nash
City of Muenster

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: Coming to terms

May 1, 2023

While liquidity products such as money market funds and local government investment pools (LGIPs) invest in banks, it is not a symbiotic relationship. We often compete for clients. Not that we root for them to fail. Their health is critical to the financial system—a fact not lost on the Federal Reserve, U.S. Treasury and FDIC. The latter briefly seized and then sold troubled First Republic Bank to JP Morgan. While the deposits are secured, and at this time we don't see further contagion in the banking system, it's been a stressful time for customers there and at any regional bank. That's why we feel cash management should be about more than financial gain. We want people and institutions to thrive, and seeking the best return on their cash, with the least amount of anxiety, can be a large part of that, especially those in or close to retirement.

Indeed, the Fed's extraordinarily low rates of the last two decades have been particularly hard on savers, so every bit helps. Along with seeking stability of principal, we think part of the appeal of money funds, LGIPs and similar alternatives is their potential to deliver more "bits" in the form of attractive yields. Interest rates on deposit products, such as a savings account or a money market deposit account (MMDA), generally have not kept up with the rate hikes of this Fed cycle, while money market vehicles across the industry have. Why? Because banks chose administered interest rates based on business calculations. In contrast, liquidity

(continued page 6)

Performance as of April 30, 2023

	TexPool	TexPool Prime
Current Invested Balance	\$32,151,836,946	\$12,617,932,879
Weighted Average Maturity**	22 Days	19 Days
Weighted Average Life**	82 Days	64 Days
Net Asset Value	0.99989	0.99990
Total Number of Participants	2,780	498
Management Fee on Invested Balance	0.0450%	0.0550%
Interest Distributed	\$129,125,587.91	\$51,143,109.47
Management Fee Collected	\$972,532.78	\$496,174.45
Standard & Poor's Current Rating	AAAm	AAAm

Month Averages

Average Invested Balance	\$32,758,105,781	\$12,463,706,174
Average Monthly Rate*	4.80%	4.99%
Average Weighted Average Maturity**	20	21
Average Weighted Average Life**	77	66

**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.*

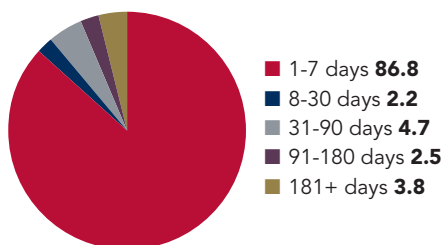
***See page 2 for definitions.*

Past performance is no guarantee of future results.



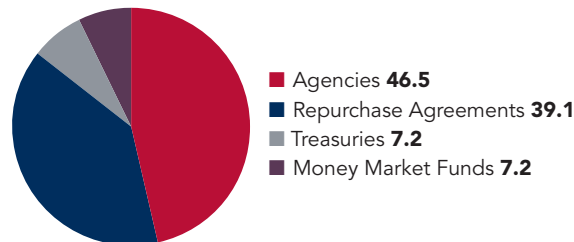
Portfolio by Maturity (%)

As of April 30, 2023



Portfolio by Type of Investment (%)

As of April 30, 2023



Portfolio Asset Summary as of April 30, 2023

	Book Value	Market Value
Uninvested Balance	\$579.85	\$579.85
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	127,417,733.46	127,417,733.46
Interest and Management Fees Payable	-129,125,474.46	-129,125,474.46
Payable for Investments Purchased	-1,417,982,539.85	-1,417,982,539.85
Accrued Expenses & Taxes	-95,007.42	-95,007.42
Repurchase Agreements	13,120,233,000.00	13,120,233,000.00
Mutual Fund Investments	2,425,074,000.00	2,425,085,200.00
Government Securities	15,622,863,010.13	15,618,425,992.57
US Treasury Bills	1,528,490,970.94	1,528,187,705.63
US Treasury Notes	874,960,673.72	875,884,643.45
Total	\$32,151,836,946.37	\$32,148,031,833.23

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	611	\$10,038,720,518.70
Higher Education	60	\$1,554,206,340.34
County	197	\$4,217,631,277.18
Healthcare	92	\$1,986,429,396.93
Utility District	913	\$4,785,893,074.14
City	492	\$7,884,476,904.09
Emergency Districts	101	\$427,188,947.76
Economic Development Districts	88	\$185,520,331.60
Other	226	\$1,071,826,179.41

**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

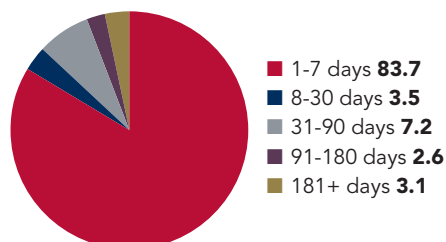
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
4/1	4.7920%	0.000131287	\$33,182,596,040.20	0.99993	19	74
4/2	4.7920%	0.000131287	\$33,182,596,040.20	0.99993	19	74
4/3	4.7829%	0.000131037	\$33,293,019,466.20	0.99990	16	73
4/4	4.7922%	0.000131293	\$33,261,541,547.54	0.99991	16	75
4/5	4.7917%	0.000131280	\$33,268,940,105.46	0.99992	19	76
4/6	4.7857%	0.000131116	\$33,049,326,307.73	0.99991	20	78
4/7	4.7857%	0.000131116	\$33,049,326,307.73	0.99991	20	78
4/8	4.7857%	0.000131116	\$33,049,326,307.73	0.99991	20	78
4/9	4.7857%	0.000131116	\$33,049,326,307.73	0.99991	20	78
4/10	4.7904%	0.000131245	\$33,065,208,013.46	0.99989	19	76
4/11	4.7991%	0.000131483	\$32,957,554,291.70	0.99989	20	76
4/12	4.7962%	0.000131404	\$32,955,881,001.01	0.99990	19	77
4/13	4.7952%	0.000131376	\$32,846,293,249.26	0.99990	19	76
4/14	4.7967%	0.000131417	\$32,904,780,804.93	0.99988	20	76
4/15	4.7967%	0.000131417	\$32,904,780,804.93	0.99988	20	76
4/16	4.7967%	0.000131417	\$32,904,780,804.93	0.99988	20	76
4/17	4.7993%	0.000131487	\$32,865,230,228.86	0.99988	18	74
4/18	4.8057%	0.000131664	\$32,756,888,776.84	0.99988	21	76
4/19	4.8076%	0.000131715	\$32,664,651,440.50	0.99989	21	76
4/20	4.8088%	0.000131748	\$32,555,841,815.24	0.99990	21	76
4/21	4.8080%	0.000131727	\$32,411,929,684.71	0.99988	23	77
4/22	4.8080%	0.000131727	\$32,411,929,684.71	0.99988	23	77
4/23	4.8080%	0.000131727	\$32,411,929,684.71	0.99988	23	77
4/24	4.8100%	0.000131780	\$32,325,138,821.38	0.99989	21	75
4/25	4.8106%	0.000131796	\$32,408,547,360.57	0.99990	21	76
4/26	4.8098%	0.000131774	\$32,290,010,242.80	0.99989	20	79
4/27	4.8103%	0.000131790	\$32,260,287,462.13	0.99989	21	81
4/28	4.8004%	0.000131517	\$32,151,836,946.37	0.99989	22	82
4/29	4.8004%	0.000131517	\$32,151,836,946.37	0.99989	22	82
4/30	4.8004%	0.000131517	\$32,151,836,946.37	0.99989	22	82
Average:	4.7984%	0.000131463	\$32,758,105,781.41	0.99990	20	77



TEXPOOL Prime

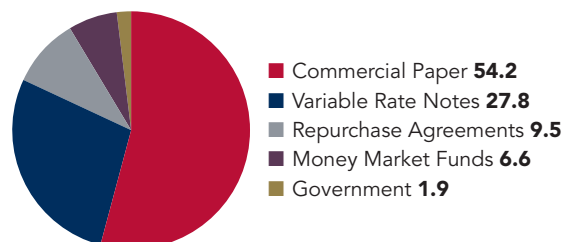
Portfolio by Maturity (%)

As of April 30, 2023



Portfolio by Type of Investment (%)

As of April 30, 2023



Portfolio Asset Summary as of April 30, 2023

	Book Value	Market Value
Uninvested Balance	-\$212.41	-\$212.41
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	22,259,845.02	22,259,845.02
Interest and Management Fees Payable	-51,143,137.95	-51,143,137.95
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-50,284.05	-50,284.05
Repurchase Agreements	1,203,135,000.00	1,203,135,000.00
Commercial Paper	7,053,123,893.84	7,049,977,368.98
Mutual Fund Investments	830,153,483.22	829,860,060.74
Government Securities	242,467,708.34	242,468,440.01
Variable Rate Notes	3,317,986,583.34	3,318,648,503.92
Total	\$12,617,932,879.35	\$12,615,155,584.26

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	141	\$4,516,145,407.25
Higher Education	19	\$588,329,355.18
County	50	\$1,123,259,699.38
Healthcare	20	\$535,357,773.69
Utility District	54	\$496,493,071.29
City	98	\$2,162,665,640.86
Emergency Districts	22	\$65,859,897.20
Economic Development Districts	19	\$32,426,168.31
Other	74	\$3,097,191,485.97



TexPool Prime

Daily Summary

Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Prime Invested Balance	NAV	WAM Days	WAL Days
4/1	4.9989%	0.000136957	\$12,477,012,135.66	0.99981	24	66
4/2	4.9989%	0.000136957	\$12,477,012,135.66	0.99981	24	66
4/3	4.9718%	0.000136213	\$12,567,513,184.05	0.99983	23	65
4/4	4.9859%	0.000136600	\$12,514,256,924.63	0.99983	23	66
4/5	4.9881%	0.000136659	\$12,483,544,483.59	0.99983	22	69
4/6	4.9835%	0.000136535	\$12,308,799,023.99	0.99963	23	70
4/7	4.9835%	0.000136535	\$12,308,799,023.99	0.99963	23	70
4/8	4.9835%	0.000136535	\$12,308,799,023.99	0.99963	23	70
4/9	4.9835%	0.000136535	\$12,308,799,023.99	0.99963	23	70
4/10	4.9811%	0.000136469	\$12,375,190,864.07	0.99983	21	66
4/11	4.9855%	0.000136588	\$12,419,636,003.32	0.99982	21	66
4/12	4.9845%	0.000136561	\$12,437,336,739.20	0.99983	20	65
4/13	4.9844%	0.000136559	\$12,373,216,990.43	0.99984	20	64
4/14	4.9873%	0.000136638	\$12,325,297,621.90	0.99970	20	65
4/15	4.9873%	0.000136638	\$12,325,297,621.90	0.99970	20	65
4/16	4.9873%	0.000136638	\$12,325,297,621.90	0.99970	20	65
4/17	4.9849%	0.000136572	\$12,381,383,910.05	0.99984	18	63
4/18	4.9929%	0.000136792	\$12,353,149,418.25	0.99983	18	65
4/19	4.9914%	0.000136751	\$12,386,843,513.77	0.99984	20	68
4/20	5.0006%	0.000137003	\$12,491,627,754.32	0.99984	20	69
4/21	5.0010%	0.000137014	\$12,606,907,930.11	0.99971	21	68
4/22	5.0010%	0.000137014	\$12,606,907,930.11	0.99971	21	68
4/23	5.0010%	0.000137014	\$12,606,907,930.11	0.99971	21	68
4/24	5.0043%	0.000137103	\$12,608,404,379.94	0.99986	19	66
4/25	5.0029%	0.000137067	\$12,603,410,368.75	0.99988	19	66
4/26	5.0040%	0.000137097	\$12,599,466,002.45	0.99989	18	65
4/27	5.0076%	0.000137194	\$12,476,569,033.49	0.99990	18	65
4/28	4.9933%	0.000136803	\$12,617,932,879.35	0.99990	19	64
4/29	4.9933%	0.000136803	\$12,617,932,879.35	0.99990	19	64
4/30	4.9933%	0.000136803	\$12,617,932,879.35	0.99990	19	64
Average:	4.9916%	0.000136755	\$12,463,706,174.39	0.99979	21	66



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

products operate in the marketplace, in which yields on most securities tend to track the rise in Fed rates.

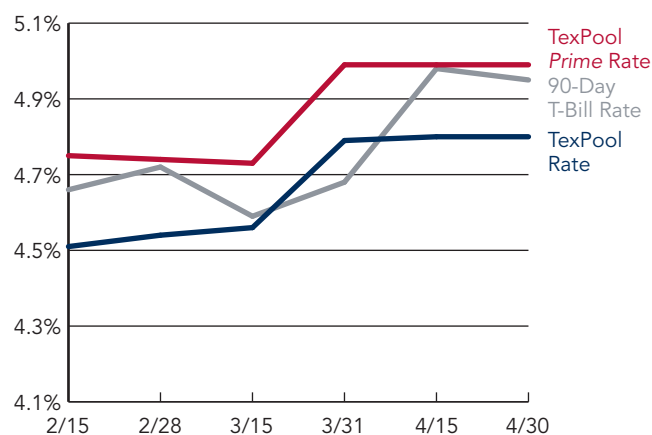
We believe this is at the heart of the recent outflows from bank deposits and inflows to liquidity products. Institutions have been actively moving around money since the first hike, but individuals and retail clients typically are slower to act. The bank stress initiated by the collapse of Silicon Valley Bank likely caused them to take a closer look at the interest rates on their accounts, especially those greater than the FDIC-insured \$250,000. But the trend began about six months ago.

But in any case, we think the relative yield advantage should remain for sometime. The Fed likely will raise rates another 0.25% in May, and hold them higher for longer. Liquidity products likely will stay elevated, too. If this monetary policy cycle were a baseball game, we may just be in the third or fourth inning.

Debt ceiling deal DOA

It's hard to tell if U.S. House of Representatives Speaker Kevin McCarthy's bill raising the debt ceiling is a step back or forward. He catered to the Republicans by including many spending cuts that Democrats and the Biden administration have essentially ignored. Tax receipts have been decent, probably pushing the Treasury's X date into July, though we expect Secretary Yellen to hold with her June date prediction. The latest political theater does not change our belief that a deal will emerge to either kick the can or raise the limit. We believe both the liquidity industry and Federated Hermes are prepared.

TexPool & TexPool Prime vs. 90-Day Treasury Bill



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.

At the end of the month, yields on 1-, 3-, 6- and 12-month U.S. Treasuries were 4.89%, 5.06%, 5.03% and 4.77%, respectively; the 1-, 3-, 6- and 12-month Bloomberg Short-Term Bank Yield Index rates (BSBY) were 5.04%, 5.22%, 5.35% and 5.34%, respectively; the 1-, 3-, 6- and 12-month London interbank offered rates were 5.06%, 5.30%, 5.41% and 5.37%, respectively.