



# Monthly Newsletter: December 2022

## ANNOUNCEMENTS

**We welcome the following entities who joined TexPool in November 2022:**

### TexPool

City of Gholson  
 Parkside on the River MUD 1  
 Gordon ISD  
 Williamson County MUD 19F  
 City of Yoakum  
 City of Hondo  
 Midland County Hospital District dba  
 Midland Memorial Hospital

### TexPool Prime

Gordon ISD  
 City of Hondo  
 Midland County Hospital District dba  
 Midland Memorial Hospital

### Upcoming Events

January 28, 2023 - February 1, 2023  
**Texas Association of School Administrators (TASA) Midwinter conference 2023**  
 Austin, TX  
 February 2, 2023 - February 4, 2023  
**SAFE-D 2023 Annual Conference**  
 Round Rock, TX

### TexPool Advisory Board Members

Patrick Krishock	David Landeros
Belinda Weaver	Sharon Matthews
Deborah	David Garcia
Laudermilk	Dina Edgar
Valarie Van Vlack	

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: Just the facts

### December 1, 2022

For a word so central to many fields, it's fascinating that we can't decide if "data" should be a singular or plural noun. The vernacular has veered to the former, kicking "datum" to the curb. Many analysts, economists and scientists prefer using the grammatically correct latter configuration.

Of course, the Federal Reserve is always dependent on what the data show/shows. But gut feelings and abstract theories play a role. That shouldn't be the case for the Federal Open Market Committee's (FOMC) mid-December meeting. The markets are likely to interpret a downshift to a half-percentage-point hike as a change in monetary policy as investors are looking for any indication this tightening cycle will end. If the FOMC makes that move only to return to a three-quarter point hike in January, it risks losing credibility. That it cannot afford.

The economy is flashing many conflicting signals. Inflation is sky high, but October's lower-than-expected Consumer Price Index (CPI), Personal Consumption Expenditures Index (PCE) and Producer Price Index (PPI) figures indicate it might be softening. While the housing market clearly has slowed, new home sales rose 7.5% in October compared to an

*(continued page 6)*

### Performance as of November 30, 2022

	TexPool	TexPool Prime
Current Invested Balance	\$24,633,746,788	\$9,481,572,396
Weighted Average Maturity**	20 Days	11 Days
Weighted Average Life**	90 Days	56 Days
Net Asset Value	0.99946	0.99966
Total Number of Participants	2,747	470
Management Fee on Invested Balance	0.0450%	0.0550%
Interest Distributed	\$72,462,371.47	\$30,888,771.12
Management Fee Collected	\$722,555.32	\$363,895.61
Standard & Poor's Current Rating	AAAm	AAAm

### Month Averages

Average Invested Balance	\$24,428,069,580	\$9,601,356,124
Average Monthly Rate*	3.61%	3.92%
Average Weighted Average Maturity**	21	14
Average Weighted Average Life**	95	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.

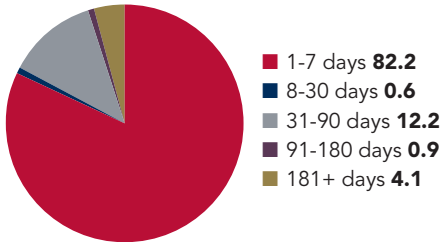
\*\*See page 2 for definitions.

Past performance is no guarantee of future results.



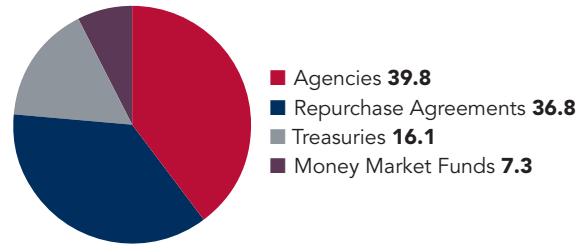
## Portfolio by Maturity (%)

As of November 30, 2022



## Portfolio by Type of Investment (%)

As of November 30, 2022



### Portfolio Asset Summary as of November 30, 2022

	Book Value	Market Value
Uninvested Balance	\$476.61	\$476.61
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	56,624,448.52	56,624,448.52
Interest and Management Fees Payable	(72,462,365.49)	(72,462,365.49)
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	(24,433.91)	(24,433.91)
Repurchase Agreements	9,064,748,000.00	9,064,748,000.00
Mutual Fund Investments	1,794,074,000.00	1,794,085,200.00
Government Securities	9,809,919,272.64	9,800,011,481.26
US Treasury Bills	2,291,978,859.55	2,289,379,578.44
US Treasury Notes	1,688,888,529.99	1,688,271,317.62
<b>Total</b>	<b>\$24,633,746,787.91</b>	<b>\$24,620,633,703.05</b>

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	602	\$6,714,390,277.93
Higher Education	60	\$1,293,752,499.11
County	196	\$3,046,864,929.12
Healthcare	92	\$1,307,349,802.84
Utility District	906	\$3,884,163,312.08
City	487	\$7,042,793,833.02
Emergency Districts	99	\$307,311,483.25
Economic Development Districts	85	\$166,649,077.56
Other	220	\$870,510,008.16

#### \*\*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

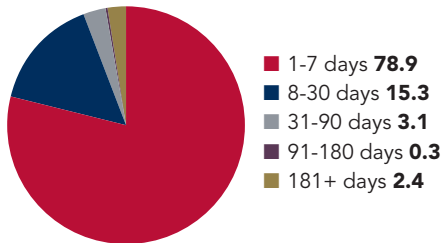
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
11/1	3.0383%	0.000083242	\$24,759,847,575.29	0.99933	22	102
11/2	3.0376%	0.000083221	\$24,768,398,987.31	0.99934	22	101
11/3	3.3217%	0.000091006	\$24,834,947,154.53	0.99935	22	101
11/4	3.6401%	0.000099730	\$24,783,048,638.84	0.99939	23	101
11/5	3.6401%	0.000099730	\$24,783,048,638.84	0.99939	23	101
11/6	3.6401%	0.000099730	\$24,783,048,638.84	0.99939	23	101
11/7	3.6391%	0.000099701	\$24,701,351,315.21	0.99939	21	99
11/8	3.6248%	0.000099310	\$24,730,550,049.31	0.99940	21	99
11/9	3.6235%	0.000099274	\$24,664,401,949.88	0.99940	21	98
11/10	3.6254%	0.000099327	\$24,584,919,568.42	0.99942	22	99
11/11	3.6254%	0.000099327	\$24,584,919,568.42	0.99942	22	99
11/12	3.6254%	0.000099327	\$24,584,919,568.42	0.99942	22	99
11/13	3.6254%	0.000099327	\$24,584,919,568.42	0.99942	22	99
11/14	3.6229%	0.000099257	\$24,709,683,237.61	0.99946	20	92
11/15	3.6481%	0.000099947	\$24,481,895,980.40	0.99947	20	92
11/16	3.6470%	0.000099918	\$24,437,872,706.69	0.99945	20	92
11/17	3.6738%	0.000100651	\$24,409,799,409.37	0.99944	20	92
11/18	3.6692%	0.000100527	\$24,060,333,686.56	0.99942	21	93
11/19	3.6692%	0.000100527	\$24,060,333,686.56	0.99942	21	93
11/20	3.6692%	0.000100527	\$24,060,333,686.56	0.99942	21	93
11/21	3.6709%	0.000100572	\$24,018,615,221.45	0.99944	19	92
11/22	3.6811%	0.000100851	\$23,959,296,195.81	0.99945	19	91
11/23	3.6860%	0.000100987	\$23,895,149,701.79	0.99945	21	94
11/24	3.6860%	0.000100987	\$23,895,149,701.79	0.99945	21	94
11/25	3.7006%	0.000101387	\$24,232,252,493.57	0.99947	22	91
11/26	3.7006%	0.000101387	\$24,232,252,493.57	0.99947	22	91
11/27	3.7006%	0.000101387	\$24,232,252,493.57	0.99947	22	91
11/28	3.7206%	0.000101933	\$24,221,246,283.57	0.99945	20	90
11/29	3.7264%	0.000102094	\$24,153,552,425.44	0.99945	21	91
11/30	3.7500%	0.000102740	\$24,633,746,787.91	0.99946	20	90
<b>Average:</b>	<b>3.6110%</b>	<b>0.000098931</b>	<b>\$24,428,069,580.47</b>	<b>0.99942</b>	<b>21</b>	<b>95</b>



## TEXPOOL Prime

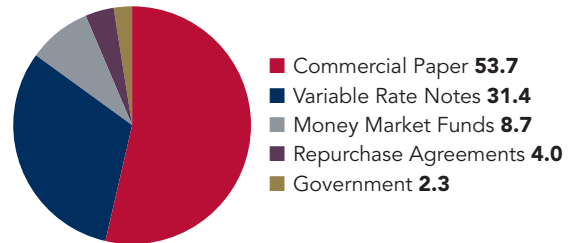
### Portfolio by Maturity (%)

As of November 30, 2022



### Portfolio by Type of Investment (%)

As of November 30, 2022



### Portfolio Asset Summary as of November 30, 2022

	Book Value	Market Value
Uninvested Balance	\$1,356.72	\$1,356.72
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	14,294,876.99	14,294,876.99
Interest and Management Fees Payable	-30,888,774.20	-30,888,774.20
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-12,028.40	-12,028.40
Repurchase Agreements	381,045,000.00	381,045,000.00
Commercial Paper	5,046,936,775.75	5,044,508,030.92
Mutual Fund Investments	830,153,483.22	829,611,077.83
Government Securities	199,537,833.38	199,479,520.00
Variable Rate Notes	3,040,503,872.87	3,040,266,861.81
<b>Total</b>	<b>\$9,481,572,396.33</b>	<b>\$9,478,305,921.67</b>

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	134	\$2,715,727,652.01
Higher Education	19	\$647,955,045.65
County	50	\$794,751,378.01
Healthcare	20	\$363,120,749.36
Utility District	50	\$474,601,026.81
City	91	\$2,096,301,800.98
Emergency Districts	21	\$50,083,994.68
Economic Development Districts	17	\$29,108,381.17
Other	68	\$2,309,795,121.49



## 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	3.3272%	0.000091157	\$9,868,664,053.57	0.99946	12	59
11/2	3.3668%	0.000092240	\$9,892,114,229.27	0.99946	12	59
11/3	3.5333%	0.000096804	\$9,878,421,880.48	0.99944	15	61
11/4	3.8390%	0.000105177	\$9,844,394,900.96	0.99934	17	63
11/5	3.8390%	0.000105177	\$9,844,394,900.96	0.99934	17	63
11/6	3.8390%	0.000105177	\$9,844,394,900.96	0.99934	17	63
11/7	3.9916%	0.000109358	\$9,851,216,364.94	0.99948	14	62
11/8	3.9152%	0.000107265	\$9,787,033,600.61	0.99948	15	64
11/9	3.9171%	0.000107319	\$9,734,662,030.54	0.99949	15	64
11/10	3.9242%	0.000107512	\$9,655,656,876.95	0.99934	15	64
11/11	3.9242%	0.000107512	\$9,655,656,876.95	0.99934	15	64
11/12	3.9242%	0.000107512	\$9,655,656,876.95	0.99934	15	64
11/13	3.9242%	0.000107512	\$9,655,656,876.95	0.99934	15	64
11/14	3.9673%	0.000108693	\$9,696,367,360.51	0.99955	13	60
11/15	3.9826%	0.000109113	\$9,646,731,385.98	0.99958	14	61
11/16	3.9858%	0.000109199	\$9,567,932,589.87	0.99959	13	61
11/17	3.9930%	0.000109398	\$9,548,466,847.86	0.99958	13	61
11/18	4.0229%	0.000110217	\$9,450,276,143.10	0.99948	15	62
11/19	4.0229%	0.000110217	\$9,450,276,143.10	0.99948	15	62
11/20	4.0229%	0.000110217	\$9,450,276,143.10	0.99948	15	62
11/21	4.0268%	0.000110324	\$9,452,752,707.97	0.99960	13	60
11/22	4.0217%	0.000110184	\$9,448,701,517.87	0.99960	13	59
11/23	4.0267%	0.000110321	\$9,321,950,760.08	0.99954	13	60
11/24	4.0267%	0.000110321	\$9,321,950,760.08	0.99954	13	60
11/25	4.0223%	0.000110201	\$9,403,466,439.62	0.99950	13	58
11/26	4.0223%	0.000110201	\$9,403,466,439.62	0.99950	13	58
11/27	4.0223%	0.000110201	\$9,403,466,439.62	0.99950	13	58
11/28	4.0242%	0.000110252	\$9,388,600,661.16	0.99963	12	56
11/29	4.0256%	0.000110291	\$9,436,504,609.95	0.99965	12	56
11/30	4.0295%	0.000110396	\$9,481,572,396.33	0.99966	11	56
<b>Average:</b>	<b>3.9170%</b>	<b>0.000107316</b>	<b>\$9,601,356,123.86</b>	<b>0.99949</b>	<b>14</b>	<b>61</b>



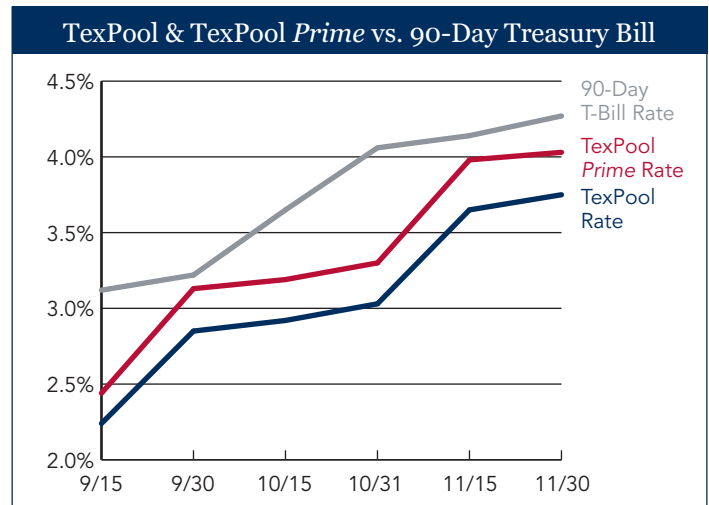
Participant Services  
 1001 Texas Ave. Suite 1150  
 Houston, TX 77002

expected month-over-month drop of 5.5%. The consumer remains strong, with likely record Black Friday retail sales and an increase in durable goods orders in October. Yet, several measures of the manufacturing sector continue to decline, including those calculated by the Institute for Supply Management (ISM) and S&P. Weekly jobless claims have been edging up, but the labor market remains robust.

The November nonfarm payrolls report, released tomorrow, and the November CPI report, released the morning of the FOMC rate decision, will be crucial. Will CPI sway any voters in real time? My guess is no, as the lion's share of Fed officials, the minutes from the last FOMC meeting and Chair Jerome Powell's speech at the Brookings Institution yesterday came across as partial to slowing the pace of hikes—meaning bumping the target range by 50 basis points on Dec. 14.

A brief word about the impact on the money markets from the downfall of the FTX crypto exchange: none. The short-term securities in which we invest traded steadily after the news broke, with no spread widening. Traditionally, an exchange is where the collateral resides that backs something. FTX's collateral, whatever it was, has allegedly declined by many billions. But it doesn't appear to have flowed into the secondary market in any material amount.

At the end of November, yields on 1-, 3-, 6- and 12-month U.S. Treasuries were 3.97%, 4.35%, 4.73% and 4.85%, 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 3.99%, 4.60%, 5.10% and 5.58%, respectively; and the 1-, 3-, 6- and 12-month London interbank offered rates were 4.17%, 4.77%, 5.18% and 5.49%, respectively.