



# Monthly Newsletter: June 2024

## ANNOUNCEMENTS

### We welcome the following entities who joined TexPool and TexPool Prime in May 2024:

- City of Covington
- Childress ISD
- Falls County ESD 1
- Bob Hope School
- Hays County District Clerk
- Benbrook Economic Development Corporation
- Harris County MUD 238
- Tomball Business Improvement District
- Dimmit County
- City of Malone
- Odyssey 2020 Academy, Inc
- Harris County MUD 555
- Bexar County ESD 8 (Prime only)
- City of Kermit (Prime only)
- Harris County ESD 11 (Prime only)

### Tips for Preventing Financial Fraud

With cyber-crime and other social engineering attacks on the rise, TexPool offers tips, resources, and other suggestions to help protect your participating entity from potential financial fraud. Please visit the Financial Fraud Prevention page on TexPool.com to learn more.

We also encourage you to complete the Phishing and Cybersecurity Awareness course that is available through TexPool Academy.

### 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: Filling the pool again

June 1, 2024

Summer doesn't officially start until June 21, but Memorial Day marks the opening of public pools. That means municipalities were filling them in May with the clear, shimmering water that beckons children from coast to coast.

Liquidity vehicles experienced their own flows in May. Many lost assets in March and April, but it was largely due to corporate and individual tax dates, not from the beginning of the end of cash's reign. After two years of its kingly status, some would like to see other asset classes be more attractive. But liquidity products are only growing in favor as they ride the Federal Reserve's reticence to cut rates, with most seeing at least modest inflows in May.

Keeping with the swimming pool metaphor, the U.S. Treasury Department is acting like a drain. On May 29, it began a program to buy back a set amount of government securities. Secretary Janet Yellen and company want to support the Treasury market by increasing liquidity via purchases on the secondary market. The focus now is on bonds and notes, but Treasury plans on targeting bills to lessen market volatility when it issues fewer short-term securities because it has a surfeit of cash. While it won't make a ton of difference if the buyback amount is modest, as it has been so far, it can only help cash managers.

*(continued page 6)*

### Performance as of May 31, 2024

	TexPool	TexPool Prime
Current Invested Balance	\$34,048,746,311	\$14,492,953,389
Weighted Average Maturity**	40 Days	48 Days
Weighted Average Life**	94 Days	83 Days
Net Asset Value	0.99995	0.99998
Total Number of Participants	2,866	589
Management Fee on Invested Balance	0.0450%	0.0550%
Interest Distributed	\$156,363,086.37	\$69,759,408.34
Management Fee Collected	\$1,208,096.84	\$683,409.51
Current S&P Global Rating	AAAm	AAAm

### Month Averages

Average Invested Balance	\$34,643,558,991	\$15,059,562,101
Average Monthly Rate*	5.32%	5.45%
Average Weighted Average Maturity**	40	46
Average Weighted Average Life**	92	83

\*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.

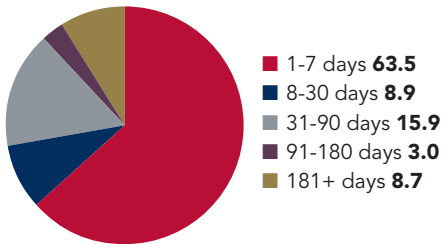
\*\*See page 2 for definitions.

Past performance is no guarantee of future results.



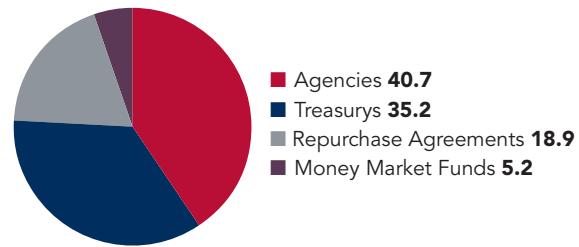
## Portfolio by Maturity (%)

As of May 31, 2024



## Portfolio by Type of Investment (%)

As of May 31, 2024



### Portfolio Asset Summary as of May 31, 2024

	Book Value	Market Value
Uninvested Balance	-\$178.21	-\$178.21
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	119,838,425.94	119,838,425.94
Interest and Management Fees Payable	-156,364,152.55	-156,364,152.55
Payable for Investments Purchased	-1,615,895,309.40	-1,615,895,309.40
Accrued Expenses & Taxes	-38,238.91	-38,238.91
Repurchase Agreements	6,760,515,000.00	6,760,515,000.00
Mutual Fund Investments	1,867,085,200.00	1,867,085,200.00
Government Securities	14,521,160,654.43	14,516,078,637.52
US Treasury Bills	10,807,699,122.88	10,809,441,181.32
US Treasury Notes	1,744,745,786.88	1,746,355,287.15
<b>Total</b>	<b>\$34,048,746,311.06</b>	<b>\$34,047,015,852.86</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	630	\$10,796,023,636.87
Higher Education	60	\$1,400,488,575.69
County	201	\$4,202,932,276.29
Healthcare	94	\$2,070,629,826.28
Utility District	932	\$5,437,052,976.06
City	507	\$8,121,762,530.97
Emergency Districts	109	\$473,207,532.11
Economic Development Districts	91	\$205,138,852.99
Other	242	\$1,341,469,507.22

#### \*\*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

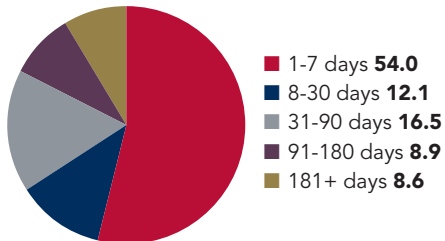
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
5/1	5.3173%	0.000145679	\$35,227,509,220.51	0.99988	40	96
5/2	5.3109%	0.000145504	\$35,220,474,967.62	0.99987	41	94
5/3	5.3172%	0.000145678	\$35,012,369,540.22	0.99988	41	95
5/4	5.3172%	0.000145678	\$35,012,369,540.22	0.99988	41	95
5/5	5.3172%	0.000145678	\$35,012,369,540.22	0.99988	41	95
5/6	5.3108%	0.000145502	\$34,903,282,560.69	0.99989	39	93
5/7	5.3109%	0.000145504	\$34,879,118,022.28	0.99989	40	95
5/8	5.3124%	0.000145545	\$34,763,864,549.55	0.99989	40	95
5/9	5.3126%	0.000145552	\$34,758,579,359.34	0.99989	40	93
5/10	5.3125%	0.000145547	\$34,908,727,320.94	0.99987	40	92
5/11	5.3125%	0.000145547	\$34,908,727,320.94	0.99987	40	92
5/12	5.3125%	0.000145547	\$34,908,727,320.94	0.99987	40	92
5/13	5.3129%	0.000145558	\$34,857,381,650.67	0.99990	38	90
5/14	5.3146%	0.000145605	\$34,798,107,119.08	0.99990	39	92
5/15	5.3147%	0.000145609	\$34,559,638,399.59	0.99991	39	92
5/16	5.3148%	0.000145611	\$34,577,307,497.20	0.99989	38	91
5/17	5.3151%	0.000145620	\$34,591,883,801.19	0.99987	40	92
5/18	5.3151%	0.000145620	\$34,591,883,801.19	0.99987	40	92
5/19	5.3151%	0.000145620	\$34,591,883,801.19	0.99987	40	92
5/20	5.3160%	0.000145643	\$34,448,530,672.71	0.99987	38	90
5/21	5.3167%	0.000145662	\$34,432,550,170.14	0.99988	38	90
5/22	5.3166%	0.000145661	\$34,357,207,645.61	0.99986	38	89
5/23	5.3166%	0.000145659	\$34,205,431,093.45	0.99984	41	90
5/24	5.3166%	0.000145659	\$34,415,751,564.70	0.99983	42	90
5/25	5.3166%	0.000145659	\$34,415,751,564.70	0.99983	42	90
5/26	5.3166%	0.000145659	\$34,415,751,564.70	0.99983	42	90
5/27	5.3166%	0.000145659	\$34,415,751,564.70	0.99983	42	90
5/28	5.3231%	0.000145838	\$34,232,954,993.19	0.99985	40	90
5/29	5.3233%	0.000145844	\$34,273,199,583.27	0.99983	40	90
5/30	5.3266%	0.000145934	\$34,204,496,667.26	0.99983	40	89
5/31	5.3270%	0.000145944	\$34,048,746,311.06	0.99995	40	94
<b>Average:</b>	<b>5.3161%</b>	<b>0.000145646</b>	<b>\$34,643,558,991.26</b>	<b>0.99987</b>	<b>40</b>	<b>92</b>



## TEXPOOL Prime

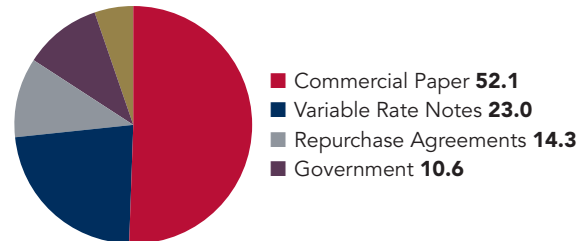
### Portfolio by Maturity (%)

As of May 31, 2024



### Portfolio by Type of Investment (%)

As of May 31, 2024



### Portfolio Asset Summary as of May 31, 2024

	Book Value	Market Value
Uninvested Balance	\$841.09	\$841.09
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	16,544,131.01	16,544,131.01
Interest and Management Fees Payable	-69,759,409.81	-69,759,409.81
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-21,779.02	-21,779.02
Repurchase Agreements	2,077,235,000.00	2,077,235,000.00
Commercial Paper	9,758,181,807.38	9,756,187,273.88
Mutual Fund Investments	0.00	
Government Securities	1,545,772,798.00	1,546,230,392.50
Variable Rate Notes	1,165,000,000.00	1,165,409,134.60
<b>Total</b>	<b>\$14,492,953,388.65</b>	<b>\$14,491,825,584.25</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	162	\$4,937,877,861.85
Higher Education	19	\$883,563,730.80
County	54	\$1,262,104,669.21
Healthcare	23	\$606,668,296.57
Utility District	73	\$604,784,353.36
City	116	\$2,637,265,258.78
Emergency Districts	32	\$105,337,869.36
Economic Development Districts	21	\$58,618,411.41
Other	89	\$3,395,892,700.88



## TEXPOOL Prime

### Daily Summary

Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Prime Invested Balance	NAV	WAM Days	WAL Days
5/1	5.4641%	0.000149701	\$15,565,058,717.35	0.99986	43	78
5/2	5.4613%	0.000149625	\$15,555,206,895.01	0.99989	44	80
5/3	5.4677%	0.000149799	\$15,518,486,238.69	0.99977	44	81
5/4	5.4677%	0.000149799	\$15,518,486,238.69	0.99977	44	81
5/5	5.4677%	0.000149799	\$15,518,486,238.69	0.99977	44	81
5/6	5.4572%	0.000149511	\$15,549,909,808.81	0.99994	43	79
5/7	5.4568%	0.000149500	\$15,418,640,354.05	0.99992	44	81
5/8	5.4466%	0.000149221	\$15,383,886,577.91	0.99992	44	82
5/9	5.4424%	0.000149108	\$15,388,582,315.91	0.99992	44	83
5/10	5.4437%	0.000149142	\$15,381,404,488.61	0.99975	45	83
5/11	5.4437%	0.000149142	\$15,381,404,488.61	0.99975	45	83
5/12	5.4437%	0.000149142	\$15,381,404,488.61	0.99975	45	83
5/13	5.4472%	0.000149238	\$15,359,174,345.83	0.99990	45	82
5/14	5.4497%	0.000149308	\$15,210,399,221.28	0.99991	45	83
5/15	5.4502%	0.000149320	\$15,113,128,733.87	0.99994	45	83
5/16	5.4483%	0.000149268	\$15,090,129,277.14	0.99997	46	82
5/17	5.4515%	0.000149356	\$14,947,888,987.74	0.99979	48	84
5/18	5.4515%	0.000149356	\$14,947,888,987.74	0.99979	48	84
5/19	5.4515%	0.000149356	\$14,947,888,987.74	0.99979	48	84
5/20	5.4523%	0.000149379	\$14,973,798,498.12	0.99997	46	83
5/21	5.4565%	0.000149493	\$14,895,042,196.45	0.99997	48	86
5/22	5.4599%	0.000149587	\$14,777,414,376.15	0.99996	50	87
5/23	5.4593%	0.000149570	\$14,636,469,108.81	0.99995	50	88
5/24	5.4553%	0.000149460	\$14,599,774,222.55	0.99968	50	86
5/25	5.4553%	0.000149460	\$14,599,774,222.55	0.99968	50	86
5/26	5.4553%	0.000149460	\$14,599,774,222.55	0.99968	50	86
5/27	5.4553%	0.000149460	\$14,599,774,222.55	0.99968	50	86
5/28	5.4550%	0.000149451	\$14,626,072,729.76	0.99994	47	82
5/29	5.4607%	0.000149609	\$14,455,232,632.87	0.99993	48	85
5/30	5.4628%	0.000149667	\$14,412,889,932.28	0.99993	48	84
5/31	5.4621%	0.000149646	\$14,492,953,388.65	0.99998	48	83
<b>Average:</b>	<b>5.4549%</b>	<b>0.000149449</b>	<b>\$15,059,562,101.47</b>	<b>0.99985</b>	<b>46</b>	<b>83</b>



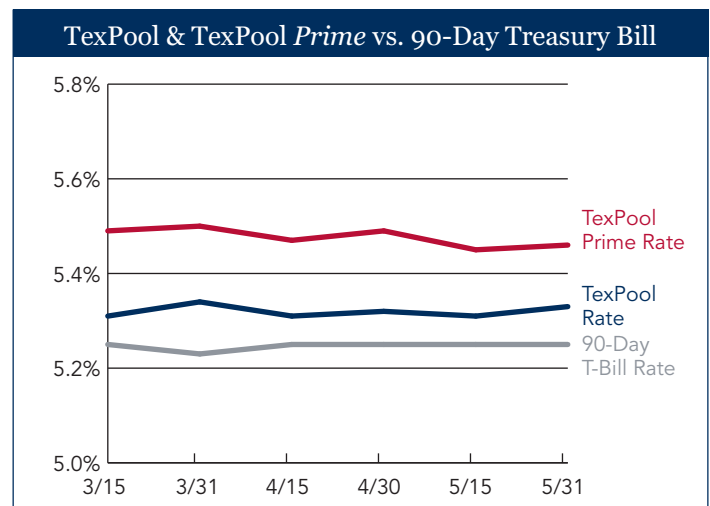
Participant Services  
1001 Texas Ave. Suite 1150  
Houston, TX 77002

### Moving Target

It would be easier to name the Federal Reserve governors and branch presidents who didn't speak in May than those who did. One gets the feeling that dissent will be coming, especially as the minutes of the May Federal Open Market Committee meeting were more hawkish than the neutral-to-dovish spin Chair Jerome Powell gave in his press conference.

We already know that the three quarter-point cuts the Fed once penciled for the second half of this year have been postponed. We expect to get only one or two now. However, the specter of a rate hike raised its frightful head in the May meeting: "Various participants mentioned a willingness to tighten policy further should risks to inflation materialize in a way that such an action became appropriate." Despite this warning, we do not anticipate a hike. One thing to note is that the idea that the Fed will avoid cutting rates in September so as not to appear to interfere with the general election, forgoing rate action when warranted by the data might also look politically motivated. The argument cuts both ways, so to speak.

At the end of the month, yields on 1-, 3-, 6- and 12-month U.S. Treasuries were 5.39%, 5.39%, 5.36% and 5.17%, 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.*