



Monthly Newsletter: August 2023

ANNOUNCEMENTS

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

TexPool

City of West Orange
Town of Holiday Lakes
Atascosa MUD 1
Upper Sabine Valley SWMD
Housing Opportunity and Management Enterprises

TexPool Prime

City of West Orange
Town of Holiday Lakes
Atascosa MUD 1
Tarkington ISD
Housing Opportunity and Management Enterprises

Upcoming Events

August 30, 2023 - September 1, 2023
Texas Association of Counties (TAC) Legislative Conference
Austin, TX

September 18, 2023 - September 21, 2023
75th Annual County Treasurers' Association of Texas Conference
McAllen, TX

September 29, 2023 - October 1, 2023
Texas Association of School Administrators/Texas Association of School Boards Annual Conference 2023
Dallas, TX

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: The middle ground

August 1, 2023

A compromise pleases no one completely, but the Federal Reserve had to take the middle ground at its policy-setting meeting in the last full week of July. Despite reports of a growing divide among Federal Open Market Committee (FOMC) participants as to the proper course of monetary policy, there was no evidence of dissension in the post-meeting statement. Far from it. Their hike of the fed funds target range by 25 basis points to a 22-year high of 5.25-5.00% was unanimous. It's that they simply don't know where the economy is situated and are wisely being cautious.

The issue is that economic growth is more robust than expected and inflation is declining at an uncertain pace—factors arguing for continued tightening. Yes, June was a good month. The Consumer Price Index (CPI) rose at a slower pace, with an annualized increase of 3% for the headline and 4.8% for core (which strips out volatile food and energy prices). The Personal Consumption Expenditures index followed suit, with an increase of 3%, the lowest level since March of 2021, 4.2% for core, the lowest since September 2021.

But all of these numbers are appreciatively higher than the 2% level that the Fed targets. And in any case, we can't expect inflation to stick a landing because of the uncertain timing of the

(continued page 6)

Performance as of July 31, 2023

	TexPool	TexPool Prime
Current Invested Balance	\$28,912,616,411	\$11,636,903,930
Weighted Average Maturity**	25 Days	31 Days
Weighted Average Life**	91 Days	70 Days
Net Asset Value	0.99974	0.99993
Total Number of Participants	2,794	502
Management Fee on Invested Balance	0.0450%	0.0550%
Interest Distributed	\$129,035,557.28	\$53,739,368.02
Management Fee Collected	\$1,003,894.93	\$483,129.78
Standard & Poor's Current Rating	AAAm	AAAm

Month Averages

Average Invested Balance	\$29,655,538,628	\$11,802,792,233
Average Monthly Rate*	5.12%	5.36%
Average Weighted Average Maturity**	26	34
Average Weighted Average Life**	90	77

*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.

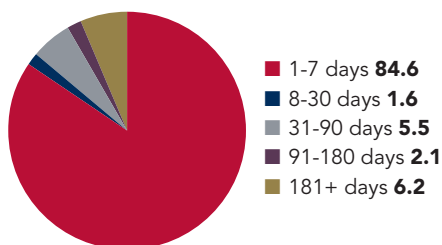
**See page 2 for definitions.

Past performance is no guarantee of future results.



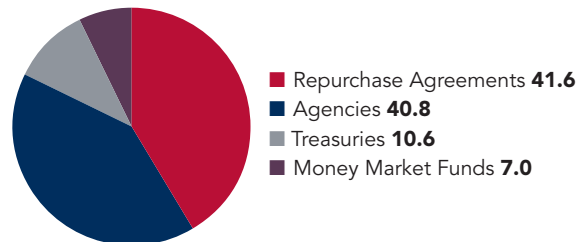
Portfolio by Maturity (%)

As of July 31, 2023



Portfolio by Type of Investment (%)

As of July 31, 2023



Portfolio Asset Summary as of July 31, 2023

	Book Value	Market Value
Uninvested Balance	\$431.12	\$431.12
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	120,432,598.26	120,432,598.26
Interest and Management Fees Payable	-129,036,097.50	-129,036,097.50
Payable for Investments Purchased	-25,000,000.00	-25,000,000.00
Accrued Expenses & Taxes	-31,797.54	-31,797.54
Repurchase Agreements	12,053,794,000.00	12,053,794,000.00
Mutual Fund Investments	2,025,074,000.00	2,025,085,200.00
Government Securities	11,799,492,441.67	11,790,947,648.67
US Treasury Bills	1,767,849,957.87	1,767,691,931.41
US Treasury Notes	1,300,040,877.38	1,301,466,224.10
Total	\$28,912,616,411.26	\$28,905,350,138.52

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	615	\$8,447,811,468.83
Higher Education	60	\$1,275,579,257.67
County	197	\$3,666,705,621.56
Healthcare	92	\$1,595,631,101.09
Utility District	915	\$4,832,139,429.20
City	495	\$7,424,750,543.01
Emergency Districts	102	\$404,332,807.67
Economic Development Districts	89	\$186,610,997.57
Other	229	\$1,079,113,968.05

**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

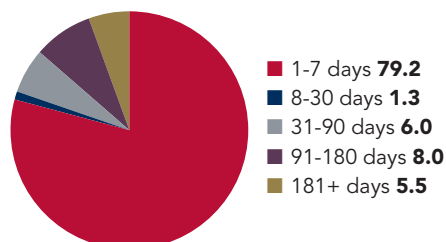
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
7/1	5.0909%	0.000139478	\$29,764,881,249.55	0.99982	26	93
7/2	5.0909%	0.000139478	\$29,764,881,249.55	0.99982	26	93
7/3	5.0681%	0.000138851	\$29,991,026,338.69	0.99993	24	89
7/4	5.0681%	0.000138851	\$29,991,026,338.69	0.99993	24	89
7/5	5.0939%	0.000139559	\$30,016,076,766.05	0.99985	24	89
7/6	5.0802%	0.000139184	\$29,904,342,074.12	0.99979	25	89
7/7	5.0846%	0.000139305	\$29,855,117,886.74	0.99981	26	89
7/8	5.0846%	0.000139305	\$29,855,117,886.74	0.99981	26	89
7/9	5.0846%	0.000139305	\$29,855,117,886.74	0.99981	26	89
7/10	5.0851%	0.000139319	\$29,840,451,783.03	0.99981	24	87
7/11	5.0911%	0.000139482	\$29,801,884,208.56	0.99981	24	88
7/12	5.0914%	0.000139491	\$29,705,312,654.57	0.99983	24	88
7/13	5.0880%	0.000139396	\$29,656,488,639.20	0.99982	26	89
7/14	5.0917%	0.000139498	\$29,806,700,316.70	0.99982	28	89
7/15	5.0917%	0.000139498	\$29,806,700,316.70	0.99982	28	89
7/16	5.0917%	0.000139498	\$29,806,700,316.70	0.99982	28	89
7/17	5.0894%	0.000139435	\$29,825,557,569.85	0.99983	27	89
7/18	5.0967%	0.000139635	\$29,774,913,501.16	0.99981	27	90
7/19	5.0974%	0.000139656	\$29,711,359,954.18	0.99983	27	90
7/20	5.0953%	0.000139598	\$29,603,707,624.10	0.99980	27	90
7/21	5.0991%	0.000139701	\$29,536,253,192.51	0.99980	28	90
7/22	5.0991%	0.000139701	\$29,536,253,192.51	0.99980	28	90
7/23	5.0991%	0.000139701	\$29,536,253,192.51	0.99980	28	90
7/24	5.0966%	0.000139632	\$29,459,431,084.97	0.99981	25	87
7/25	5.0988%	0.000139693	\$29,808,320,249.89	0.99978	25	86
7/26	5.1032%	0.000139814	\$29,450,302,297.26	0.99978	25	89
7/27	5.2181%	0.000142962	\$29,264,482,802.99	0.99978	26	91
7/28	5.3156%	0.000145633	\$29,160,140,156.59	0.99980	27	92
7/29	5.3156%	0.000145633	\$29,160,140,156.59	0.99980	27	92
7/30	5.3156%	0.000145633	\$29,160,140,156.59	0.99980	27	92
7/31	5.3203%	0.000145762	\$28,912,616,411.26	0.99974	25	91
Average:	5.1238%	0.000140377	\$29,655,538,627.59	0.99981	26	90



TEXPOOL Prime

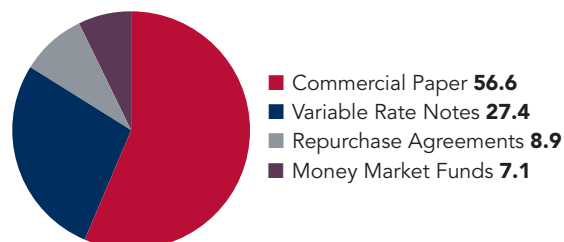
Portfolio by Maturity (%)

As of July 31, 2023



Portfolio by Type of Investment (%)

As of July 31, 2023



Portfolio Asset Summary as of July 31, 2023

	Book Value	Market Value
Uninvested Balance	\$297.35	\$297.35
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	27,294,003.84	27,294,003.84
Interest and Management Fees Payable	-53,739,366.03	-53,739,366.03
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-15,338.72	-15,338.72
Repurchase Agreements	1,036,598,000.00	1,036,598,000.00
Commercial Paper	6,846,612,850.22	6,844,937,919.89
Mutual Fund Investments	830,153,483.22	829,860,060.74
Government Securities	0.00	0.00
Variable Rate Notes	2,950,000,000.00	2,951,113,949.80
Total	\$11,636,903,929.88	\$11,636,049,526.87

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	144	\$3,934,304,083.47
Higher Education	19	\$495,989,835.16
County	50	\$1,025,814,112.61
Healthcare	20	\$456,213,290.67
Utility District	56	\$465,437,850.94
City	100	\$2,374,241,217.91
Emergency Districts	23	\$64,695,797.74
Economic Development Districts	19	\$29,863,009.17
Other	76	\$2,790,234,971.18



TEXPOOL Prime

Daily Summary

Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Prime Invested Balance	NAV	WAM Days	WAL Days
7/1	5.3365%	0.000146205	\$11,830,355,028.13	0.99982	34	79
7/2	5.3365%	0.000146205	\$11,830,355,028.13	0.99982	34	79
7/3	5.3362%	0.000146196	\$11,828,093,950.54	0.99977	35	80
7/4	5.3362%	0.000146196	\$11,828,093,950.54	0.99977	35	80
7/5	5.3262%	0.000145922	\$11,900,385,716.67	0.99984	34	78
7/6	5.3262%	0.000145922	\$11,875,054,845.03	0.99983	34	78
7/7	5.3304%	0.000146037	\$11,804,324,885.36	0.99969	38	81
7/8	5.3304%	0.000146037	\$11,804,324,885.36	0.99969	38	81
7/9	5.3304%	0.000146037	\$11,804,324,885.36	0.99969	38	81
7/10	5.3295%	0.000146015	\$11,876,865,031.03	0.99986	35	78
7/11	5.3313%	0.000146062	\$11,894,676,494.24	0.99987	35	77
7/12	5.3279%	0.000145970	\$11,886,770,419.14	0.99989	35	78
7/13	5.3265%	0.000145932	\$11,879,576,346.57	0.99991	35	79
7/14	5.3310%	0.000146054	\$11,834,263,282.99	0.99977	36	79
7/15	5.3310%	0.000146054	\$11,834,263,282.99	0.99977	36	79
7/16	5.3310%	0.000146054	\$11,834,263,282.99	0.99977	36	79
7/17	5.3303%	0.000146036	\$11,876,066,994.66	0.99991	33	76
7/18	5.3323%	0.000146090	\$11,861,106,154.79	0.99991	33	76
7/19	5.3345%	0.000146150	\$11,826,900,172.37	0.99992	33	76
7/20	5.3303%	0.000146036	\$11,873,701,241.59	0.99990	33	75
7/21	5.3406%	0.000146319	\$11,702,168,839.14	0.99974	34	76
7/22	5.3406%	0.000146319	\$11,702,168,839.14	0.99974	34	76
7/23	5.3406%	0.000146319	\$11,702,168,839.14	0.99974	34	76
7/24	5.3423%	0.000146365	\$11,740,870,887.31	0.99992	32	73
7/25	5.3433%	0.000146393	\$11,720,061,146.22	0.99992	32	72
7/26	5.3627%	0.000146922	\$11,704,278,566.87	0.99992	32	72
7/27	5.4135%	0.000148314	\$11,756,201,670.73	0.99992	32	72
7/28	5.4995%	0.000150672	\$11,745,990,213.15	0.99978	33	72
7/29	5.4995%	0.000150672	\$11,745,990,213.15	0.99978	33	72
7/30	5.4995%	0.000150672	\$11,745,990,213.15	0.99978	33	72
7/31	5.5429%	0.000151860	\$11,636,903,929.88	0.99993	31	70
Average:	5.3597%	0.000146840	\$11,802,792,233.43	0.99982	34	77

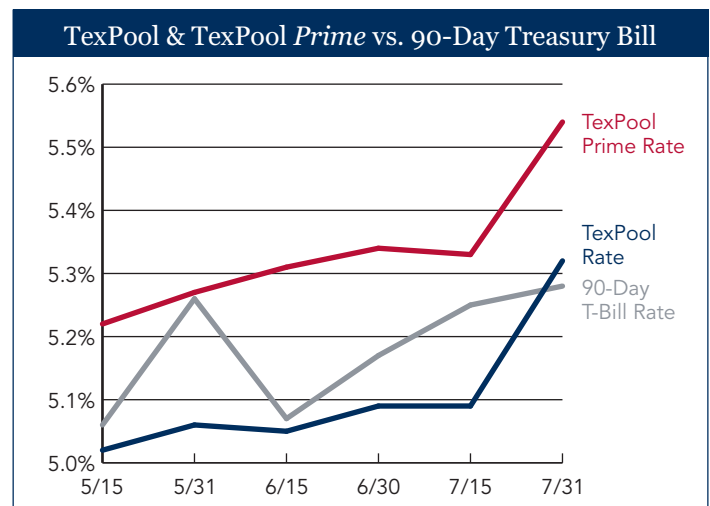


Participant Services
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lags with which policy takes. If the rapid pace of hikes has indeed blunted activity, it hasn't shown in an unequivocal manner. If the lags are more traditional—12 to 18 months, if not more—then a wave of restriction has yet to hit. This is more likely, as policy only stopped being accommodative in the second half of last year. And therefore the compromise makes sense: being open to more tightening but allowing data to show the way. To this point, in his press conference, Chair Jerome Powell said the Fed will have a trove of economic reports before its next FOMC meeting, which is not until September. If inflation does dip consistently below 3% and the economy (specifically the labor market) is still in good shape, the Fed will be overjoyed.

The Fed also should be pleased with how well the market has absorbed the recent deluge of Treasury securities without any corresponding impact on the functioning of the funding markets. The Treasury Department has issued over \$700 billion in bills since the suspension of the federal debt limit in early June. This rapid replenishing of its cash balance, boosting its coffers more than \$500 billion, had the potential to put downward pressure on bank reserves. But bank reserves did not decline as feared.

At the end of the month, yields on 1-, 3-, 6- and 12-month U.S. Treasuries were 5.32%, 5.37%, 5.45%, and 5.41% respectively; the 1-, 3-, 6- and 12-month Bloomberg Short-Term Bank Yield Index rates (BSBY) were 5.35%, 5.53%, 5.77% and 5.96%, 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.