



Monthly Newsletter: August 2022

ANNOUNCEMENTS

We welcome the following entities who joined TexPool in July 2022:

TexPool

Northlake Municipal Management District 1 of Denton County

TexPool Prime

No New Participants

Upcoming Events

September 23, 2022 - September 25, 2022

Texas Association of School Administrators (TASA) and Texas Association of School Boards (TASB): Annual Conference - txEDCON22

Convention Center, San Antonio, TX

September 12, 2022 - September 15, 2022

74th Annual County Treasurers' Association of Texas (CTAC) Conference

Waco Convention Center, Waco, TX

August 26, 2022 - August 28, 2022

Texas Association of Counties (TAC) Legislative Conference

Fairmont Austin Hotel, Austin, TX

TexPool Advisory Board Members

Patrick Krishock David Landeros
Belinda Weaver Sharon Matthews
Deborah Lauder milk David Garcia
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

TexPool Participant Services is Now Paperless!

As of January 3, 2022, participants are no longer required to send original documentation for requests that have been submitted via email or fax. For questions, contact 1-866-839-7665.

Economic and Market Commentary: See you in September

August 1, 2022

Nothing is so lonely as a recently concluded FOMC meeting.

In the days before Federal Reserve officials head to Washington, D.C., the Federal Open Market Committee meeting gets top billing in financial media outlets and many investor conversations. As soon as the statement comes out and the chair's press conference ends, the spotlight flies to the next one. This was especially the case with the meeting late last month. It's not just that policymakers so telegraphed the 0.75% hike that the markets already had priced it in, but that the Sept. 21 meeting is more significant.

As is oft-repeated, monetary policy works with a lag. The trick is deciphering the length of that period. It's dependent on many factors. But economists often point to the half-year mark for when the economy starts to show the impact of Fed moves. Turns out that the September meeting hits that timetable squarely, as it sits six months out from the initial hike of this cycle in March.

The September meeting has the added benefit of taking place after a down time for policymakers. We'll get some speeches—we always get speeches. But other than the Fed's symposium in Jackson Hole, Wyo., in late August, official communication drops in volume. What will come are reports, and lots of them. Chief among these will be two months-worth of inflation figures, labor data and sentiment surveys. The meeting also brings the release of new Fed projections, which are essentially an expression of the data policymakers tap for

(continued page 6)

Performance as of July 31, 2022

	TexPool	TexPool Prime
Current Invested Balance	\$25,360,340,572	\$10,267,552,593
Weighted Average Maturity**	24 Days	16 Days
Weighted Average Life**	89 Days	54 Days
Net Asset Value	0.99964	0.99944
Total Number of Participants	2,724	461
Management Fee on Invested Balance	0.0450%	0.0550%
Interest Distributed	\$33,450,204.65	\$14,853,839.12
Management Fee Collected	\$771,260.98	\$418,339.16
Standard & Poor's Current Rating	AAA _m	AAA _m
Month Averages		
Average Invested Balance	\$25,942,584,699	\$10,466,571,856
Average Monthly Rate*	1.52%	1.67%
Average Weighted Average Maturity**	22	17
Average Weighted Average Life**	80	55

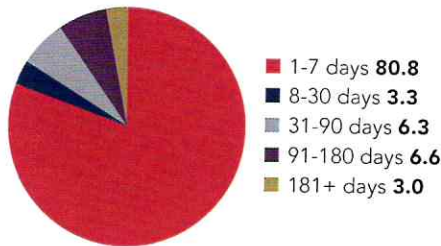
*This average monthly rate for TexPool Prime for each date may reflect a waiver of some portion or all of each of the management fees.

**See page 2 for definitions.

Past performance is no guarantee of future results.

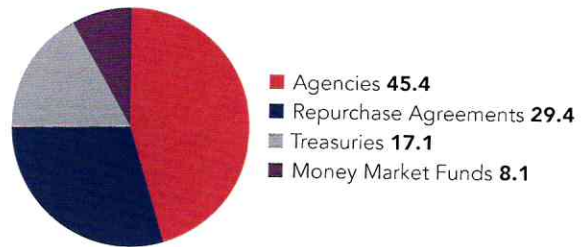
Portfolio by Maturity (%)

As of July 31, 2022



Portfolio by Type of Investment (%)

As of July 31, 2022



Portfolio Asset Summary as of July 31, 2022

	Book Value	Market Value
Uninvested Balance	\$236.90	\$236.90
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	30,416,645.77	30,416,645.77
Interest and Management Fees Payable	-33,450,341.93	-33,450,341.93
Payable for Investments Purchased	-807,481,798.01	-807,481,798.01
Accrued Expenses & Taxes	-72,711.31	-72,711.31
Repurchase Agreements	7,695,254,000.00	7,695,254,000.00
Mutual Fund Investments	2,127,074,000.00	2,127,085,200.00
Government Securities	9,590,734,982.13	9,586,924,689.50
US Treasury Bills	2,183,096,644.76	2,178,953,146.43
US Treasury Notes	4,574,768,913.68	4,573,639,055.86
Total	\$25,360,340,571.99	\$25,351,268,123.21

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	600	\$7,308,077,554.31
Higher Education	60	\$1,034,404,485.81
County	196	\$3,113,909,589.67
Healthcare	90	\$1,415,891,826.29
Utility District	895	\$4,255,091,365.76
City	484	\$6,894,841,041.06
Emergency Districts	98	\$314,999,659.76
Economic Development Districts	84	\$175,445,710.96
Other	217	\$847,687,668.66

**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

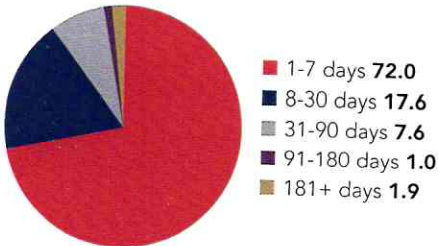
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
7/1	1.3466%	0.000036894	\$26,213,671,933.77	0.99964	24	82
7/2	1.3466%	0.000036894	\$26,213,671,933.77	0.99964	24	82
7/3	1.3466%	0.000036894	\$26,213,671,933.77	0.99964	24	82
7/4	1.3466%	0.000036894	\$26,213,671,933.77	0.99964	24	82
7/5	1.3727%	0.000037608	\$26,239,030,483.21	0.99965	21	79
7/6	1.3936%	0.000038180	\$26,148,629,342.61	0.99960	21	78
7/7	1.3963%	0.000038255	\$26,072,564,508.15	0.99957	21	78
7/8	1.4001%	0.000038358	\$26,023,607,130.75	0.99955	22	78
7/9	1.4001%	0.000038358	\$26,023,607,130.75	0.99955	22	78
7/10	1.4001%	0.000038358	\$26,023,607,130.75	0.99955	22	78
7/11	1.3966%	0.000038264	\$26,226,561,802.75	0.99952	21	76
7/12	1.4414%	0.000039490	\$26,233,849,190.35	0.99954	22	75
7/13	1.4590%	0.000039973	\$26,212,991,508.39	0.99945	22	76
7/14	1.4693%	0.000040256	\$26,054,018,471.25	0.99944	22	77
7/15	1.4805%	0.000040563	\$25,887,008,005.13	0.99944	23	78
7/16	1.4805%	0.000040563	\$25,887,008,005.13	0.99944	23	78
7/17	1.4805%	0.000040563	\$25,887,008,005.13	0.99944	23	78
7/18	1.4474%	0.000039656	\$25,803,295,888.11	0.99942	21	76
7/19	1.4950%	0.000040958	\$25,874,280,688.74	0.99947	21	75
7/20	1.5039%	0.000041204	\$25,906,763,233.09	0.99946	22	77
7/21	1.4962%	0.000040992	\$25,909,309,934.39	0.99950	21	78
7/22	1.4952%	0.000040965	\$25,820,047,737.67	0.99954	22	79
7/23	1.4952%	0.000040965	\$25,820,047,737.67	0.99954	22	79
7/24	1.4952%	0.000040965	\$25,820,047,737.67	0.99954	22	79
7/25	1.5029%	0.000041174	\$26,073,889,659.54	0.99953	20	80
7/26	1.5421%	0.000042248	\$25,910,490,904.36	0.99953	21	81
7/27	1.5558%	0.000042624	\$25,767,355,357.95	0.99956	23	84
7/28	1.7871%	0.000048963	\$25,659,396,619.20	0.99961	23	88
7/29	2.1215%	0.000058123	\$25,360,340,571.99	0.99964	24	89
7/30	2.1215%	0.000058123	\$25,360,340,571.99	0.99964	24	89
7/31	2.1215%	0.000058123	\$25,360,340,571.99	0.99964	24	89
Average:	1.5206%	0.000041660	\$25,942,584,698.83	0.99955	22	80



TEXPOOL Prime

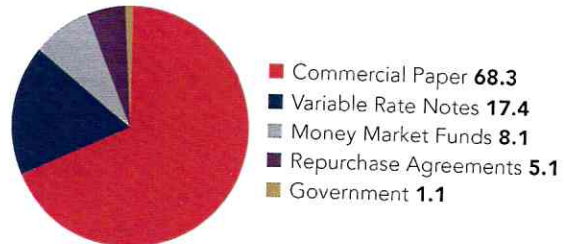
Portfolio by Maturity (%)

As of July 31, 2022



Portfolio by Type of Investment (%)

As of July 31, 2022



Portfolio Asset Summary as of July 31, 2022

	Book Value	Market Value
Uninvested Balance		
Receivable for Investments Sold	\$807.05	\$807.05
Accrual of Interest Income	0.00	0.00
Interest and Management Fees Payable	5,420,634.26	5,420,634.26
Payable for Investments Purchased	-14,853,841.81	-14,853,841.81
Accrued Expenses & Taxes	0.00	0.00
Repurchase Agreements	-39,576.24	-39,576.24
Commercial Paper	524,339,000.00	524,339,000.00
Mutual Fund Investments	7,017,025,063.44	7,012,379,460.80
Government Securities	830,153,483.22	829,943,055.05
Variable Rate Notes	117,507,022.73	117,824,081.45
Total	\$10,267,552,592.65	\$10,261,641,620.56

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	132	
Higher Education	19	\$3,190,864,077.25
County	49	\$640,010,428.77
Healthcare	18	\$842,528,930.88
Utility District	50	\$384,727,943.01
City	90	\$533,525,746.17
Emergency Districts	21	\$2,247,633,577.79
Economic Development Districts	16	\$51,814,869.38
Other	66	\$25,087,272.01
		\$2,351,218,583.22



TEXPOOL Prime

Daily Summary

Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Prime Invested Balance	NAV	WAM Days	WAL Days
7/1	1.4922%	0.000040883	\$10,531,386,666.50	0.99948	19	55
7/2	1.4922%	0.000040883	\$10,531,386,666.50	0.99948	19	55
7/3	1.4922%	0.000040883	\$10,531,386,666.50	0.99948	19	55
7/4	1.4922%	0.000040883	\$10,531,386,666.50	0.99948	19	55
7/5	1.5194%	0.000041627	\$10,539,279,588.05	0.99956	17	52
7/6	1.5695%	0.000043000	\$10,572,675,969.82	0.99955	18	53
7/7	1.5809%	0.000043311	\$10,593,744,835.06	0.99955	18	56
7/8	1.6054%	0.000043984	\$10,473,488,447.06	0.99949	20	58
7/9	1.6054%	0.000043984	\$10,473,488,447.06	0.99949	20	58
7/10	1.6054%	0.000043984	\$10,473,488,447.06	0.99949	20	58
7/11	1.6088%	0.000044076	\$10,553,182,411.43	0.99957	17	55
7/12	1.6134%	0.000044203	\$10,530,454,784.48	0.99956	18	59
7/13	1.6163%	0.000044281	\$10,613,496,894.71	0.99952	17	58
7/14	1.6169%	0.000044299	\$10,490,983,678.05	0.99944	17	58
7/15	1.6245%	0.000044507	\$10,491,302,156.95	0.99940	18	59
7/16	1.6245%	0.000044507	\$10,491,302,156.95	0.99940	18	59
7/17	1.6245%	0.000044507	\$10,491,302,156.95	0.99940	18	59
7/18	1.6223%	0.000044447	\$10,522,068,908.90	0.99949	15	56
7/19	1.6344%	0.000044779	\$10,471,343,831.79	0.99949	16	56
7/20	1.6463%	0.000045104	\$10,429,720,304.31	0.99949	15	55
7/21	1.6447%	0.000045059	\$10,445,327,957.52	0.99948	15	55
7/22	1.6465%	0.000045109	\$10,343,043,352.46	0.99941	16	55
7/23	1.6465%	0.000045109	\$10,343,043,352.46	0.99941	16	55
7/24	1.6465%	0.000045109	\$10,343,043,352.46	0.99941	16	55
7/25	1.6823%	0.000046090	\$10,428,172,387.47	0.99948	14	53
7/26	1.6958%	0.000046461	\$10,518,133,307.72	0.99950	14	52
7/27	1.8034%	0.000049409	\$10,449,882,134.94	0.99950	14	53
7/28	1.9533%	0.000053516	\$10,453,554,225.47	0.99950	15	54
7/29	2.1453%	0.000058774	\$10,267,552,592.65	0.99944	16	54
7/30	2.1453%	0.000058774	\$10,267,552,592.65	0.99944	16	54
7/31	2.1453%	0.000058774	\$10,267,552,592.65	0.99944	16	54
Average:	1.6723%	0.000045817	\$10,466,571,855.91	0.99948	17	55



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their decisions. Considering the Fed is going to give us less guidance in the future, the projections will take on greater importance.

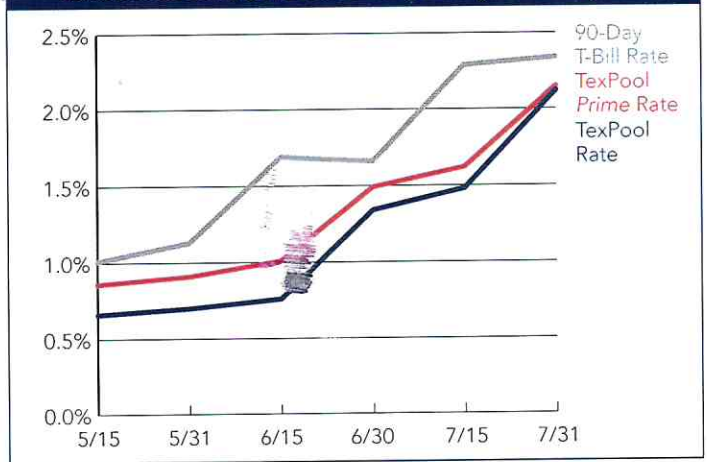
By the way, it was interesting Chair Jerome Powell downplayed guidance so plainly in his press conference following the July meeting. He has prided himself in how effective that communication has been. To be sure, Fed decisions will lean more on the data than they did earlier in the year. But he seemed eager to protect the central bank's credibility, which has been damaged by its missed call on inflation.

All in all, in September, markets and investors should have a better idea of how the hikes and balance-sheet reduction are affecting the economy—and the likelihood of a recession.

About that. Worry over recession has become an obsession lately. The potential for a slowdown is crucial for business plans and dominates how the Treasury yield curve and other rates move. Yet we shouldn't spend too much energy trying to determine it. Yes, the economy shrank in the second quarter for a second consecutive quarter—many people's definition of a recession. But it's more complicated than that. What matters now is not what the National Bureau of Economic Research (NBER) eventually determines meets its definition of a recession, but what amount of tightening is needed to cool inflation. This is something Powell conveyed to the media even as he reiterated that the U.S. can avoid one.

We also think a soft landing—or soft enough—is possible. But the more important question facing the broad liquidity market is when the short end of the Treasury yield curve and commercial paper rates will peak as they anticipate when the Fed will pause and potentially ease. Cash managers, at least, are looking forward to that September meeting.

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 July, yields on 1-, 3-, 6- and 12-month U.S. Treasuries were 2.15%, 2.37%, 2.87% and 3.97%, respectively; the 1-, 3-, 6- and 12-month Bloomberg Short-Term Bank Yield Index rates (BSBY) were 2.32%, 2.74%, 3.28% and 3.68%, respectively; and the 1-, 3-, 6- and 12-month London interbank offered rates were 2.37%, 2.80%, 3.38% and 3.74%, respectively.