



# Monthly Newsletter: August 2024

## ANNOUNCEMENTS

**We welcome the following entities who joined TexPool in July 2024:**

**TexPool**

- Comal County ESD 1
- Union Hill ISD
- Housing Authority of the City of Odessa
- Refugio Groundwater Conservation District
- Permian Basin Underground Water Conservation District
- La Salle MUD 1
- Village of Bonney
- West Travis County Public Utility Agency

**TexPool Prime**

- Comal County ESD 1
- Union Hill ISD
- Housing Authority of the City of Odessa
- Refugio Groundwater Conservation District
- Permian Basin Underground Water Conservation District
- La Salle MUD 1
- City of Alvarado
- Denton ISD Food Service
- Village of Bonney
- West Travis County Public Utility Agency

**Upcoming Events**

September 16, 2024 - September 19, 2024  
**76th Annual County Treasurers' Association of Texas Conference**  
 Denton, 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: The Fed's balancing act

**August 1, 2024**

One way Federal Reserve leaders stay on message is to repeat words. Chair Jerome Powell certainly does, though sometimes the soundbites come back to haunt him—remember “transitory”? In the last few Federal Open Market Committee meetings, he struck a cadence with “confidence”; at the late July post-meeting press conference, it was “balance.”

The reference was twofold, and amounted to the main news because the Fed, as expected, did not cut rates. The first, related to the Fed’s dual mandate, came in his opening remarks: “As the labor market has cooled and inflation has declined, the risks to achieving our employment and inflation goals continue to move into better balance.” In other words, further weakening in U.S. employment is now as important to policy decisions as inflation, which has long been the reason for the tightening cycle.

But Powell also invoked the concept of balance to explain the importance of timing, saying the risks of easing too soon or too late are now essentially symmetrical. Either misstep could damage the economy, respectively sending it into a recession or into a trap in which inflation reaccelerates.

The stakes are high, enough so that it appears the Fed isn’t going to conform to the conventional wisdom that it doesn’t make major policy decisions close to a presidential election to avoid the appearance of political motivation. Powell basically said that if economic reports call for a

*(continued page 6)*

### Performance as of July 31, 2024

	TexPool	TexPool Prime
Current Invested Balance	\$32,328,036,121	\$15,310,379,260
Weighted Average Maturity**	35 Days	35 Days
Weighted Average Life**	98 Days	71 Days
Net Asset Value	1.00001	1.00009
Total Number of Participants	2,879	605
Management Fee on Invested Balance	0.0450%	0.0550%
Interest Distributed	\$148,512,414.46	\$70,543,939.89
Management Fee Collected	\$1,141,749.80	\$708,740.39
Current S&P Global Rating	AAAm	AAAm

**Month Averages**

Average Invested Balance	\$32,898,541,318	\$15,214,016,457
Average Monthly Rate*	5.32%	5.46%
Average Weighted Average Maturity**	34	39
Average Weighted Average Life**	98	78

*\*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.*

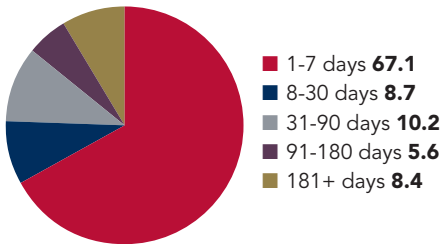
*\*\*See page 2 for definitions.*

*Past performance is no guarantee of future results.*



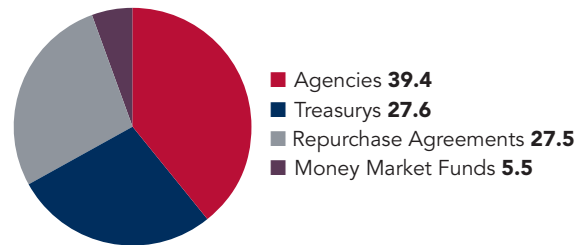
## Portfolio by Maturity (%)

As of July 31, 2024



## Portfolio by Type of Investment (%)

As of July 31, 2024



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

	Book Value	Market Value
Uninvested Balance	\$1,176.45	\$1,176.45
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	122,169,680.21	122,169,680.21
Interest and Management Fees Payable	-148,516,409.87	-148,516,409.87
Payable for Investments Purchased	-1,545,966,720.74	-1,545,966,720.74
Accrued Expenses & Taxes	-36,130.22	-36,130.22
Repurchase Agreements	9,335,743,000.00	9,335,743,000.00
Mutual Fund Investments	1,867,085,200.00	1,867,085,200.00
Government Securities	13,339,346,708.80	13,338,061,153.32
US Treasury Bills	7,683,438,401.15	7,684,686,238.98
US Treasury Notes	1,674,771,215.04	1,675,212,387.45
<b>Total</b>	<b>\$32,328,036,120.82</b>	<b>\$32,328,439,575.58</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	632	\$9,675,434,756.21
Higher Education	60	\$1,516,812,755.98
County	201	\$3,654,878,939.81
Healthcare	94	\$1,630,024,369.48
Utility District	935	\$5,407,753,378.53
City	509	\$8,308,374,745.29
Emergency Districts	111	\$459,455,711.32
Economic Development Districts	91	\$209,158,357.15
Other	246	\$1,466,095,517.70

#### \*\*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

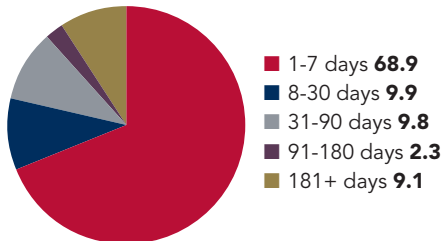
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
7/1	5.3001%	0.000145209	\$33,308,246,764.14	0.99996	34	97
7/2	5.3229%	0.000145834	\$33,294,851,853.76	0.99996	35	98
7/3	5.3212%	0.000145786	\$33,105,634,327.99	0.99993	35	98
7/4	5.3212%	0.000145786	\$33,105,634,327.99	0.99993	35	98
7/5	5.3024%	0.000145272	\$33,014,311,135.74	0.99996	35	97
7/6	5.3024%	0.000145272	\$33,014,311,135.74	0.99996	35	97
7/7	5.3024%	0.000145272	\$33,014,311,135.74	0.99996	35	97
7/8	5.3000%	0.000145206	\$32,975,837,658.13	0.99998	33	95
7/9	5.3055%	0.000145355	\$32,958,647,188.29	0.99997	34	101
7/10	5.3117%	0.000145526	\$32,862,653,511.61	0.99998	34	100
7/11	5.3122%	0.000145540	\$32,849,454,917.22	1.00002	34	99
7/12	5.3130%	0.000145562	\$32,922,535,837.88	1.00002	35	100
7/13	5.3130%	0.000145562	\$32,922,535,837.88	1.00002	35	100
7/14	5.3130%	0.000145562	\$32,922,535,837.88	1.00002	35	100
7/15	5.3153%	0.000145626	\$32,873,391,383.65	1.00003	33	97
7/16	5.3176%	0.000145688	\$32,920,748,128.16	1.00001	33	99
7/17	5.3207%	0.000145773	\$32,861,037,210.09	1.00001	33	99
7/18	5.3218%	0.000145804	\$32,895,577,145.54	1.00000	33	97
7/19	5.3186%	0.000145716	\$32,809,215,120.97	0.99996	34	97
7/20	5.3186%	0.000145716	\$32,809,215,120.97	0.99996	34	97
7/21	5.3186%	0.000145716	\$32,809,215,120.97	0.99996	34	97
7/22	5.3192%	0.000145731	\$32,746,871,765.66	0.99998	33	95
7/23	5.3196%	0.000145742	\$32,737,347,675.53	0.99998	34	98
7/24	5.3240%	0.000145864	\$32,503,281,712.73	0.99999	34	98
7/25	5.3275%	0.000145959	\$33,003,874,071.59	0.99998	33	98
7/26	5.3305%	0.000146040	\$32,904,007,290.84	0.99999	34	98
7/27	5.3305%	0.000146040	\$32,904,007,290.84	0.99999	34	98
7/28	5.3305%	0.000146040	\$32,904,007,290.84	0.99999	34	98
7/29	5.3294%	0.000146010	\$32,876,873,390.72	1.00000	33	96
7/30	5.3227%	0.000145827	\$32,696,573,543.67	1.00001	34	97
7/31	5.3297%	0.000146018	\$32,328,036,120.82	1.00001	35	98
<b>Average:</b>	<b>5.3173%</b>	<b>0.000145679</b>	<b>\$32,898,541,317.86</b>	<b>0.99998</b>	<b>34</b>	<b>98</b>



## TEXPOOL Prime

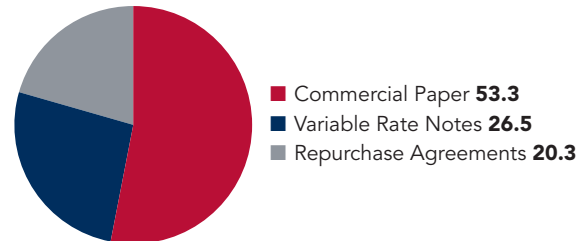
### Portfolio by Maturity (%)

As of July 31, 2024



### Portfolio by Type of Investment (%)

As of July 31, 2024



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

	Book Value	Market Value
Uninvested Balance	\$1,127.90	\$1,127.90
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	21,709,526.24	21,709,526.24
Interest and Management Fees Payable	-70,544,015.36	-70,544,015.36
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-23,007.40	-23,007.40
Repurchase Agreements	3,117,251,000.00	3,117,251,000.00
Commercial Paper	10,821,984,628.30	10,822,952,748.96
Mutual Fund Investments	0.00	0.00
Government Securities	0.00	0.00
Variable Rate Notes	1,420,000,000.00	1,420,492,868.30
<b>Total</b>	<b>\$15,310,379,259.68</b>	<b>\$15,311,840,248.64</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	166	\$5,373,740,991.38
Higher Education	19	\$1,083,605,366.60
County	54	\$1,197,229,046.45
Healthcare	23	\$524,259,789.04
Utility District	76	\$562,600,988.75
City	119	\$2,750,186,605.20
Emergency Districts	34	\$110,807,554.97
Economic Development Districts	21	\$52,626,127.60
Other	92	\$3,654,765,486.02



## TEXPOOL *Prime*

### Daily Summary

Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool <i>Prime</i> Invested Balance	NAV	WAM Days	WAL Days
7/1	5.4470%	0.000149232	\$15,185,900,313.20	0.99992	41	76
7/2	5.4562%	0.000149484	\$15,232,661,719.19	0.99992	41	76
7/3	5.4569%	0.000149503	\$15,226,463,914.94	0.99984	43	79
7/4	5.4569%	0.000149503	\$15,226,463,914.94	0.99984	43	79
7/5	5.4501%	0.000149319	\$15,115,970,275.83	0.99978	43	80
7/6	5.4501%	0.000149319	\$15,115,970,275.83	0.99978	43	80
7/7	5.4501%	0.000149319	\$15,115,970,275.83	0.99978	43	80
7/8	5.4498%	0.000149309	\$15,096,628,542.29	0.99997	42	80
7/9	5.4511%	0.000149346	\$15,060,039,602.20	0.99998	41	82
7/10	5.4576%	0.000149522	\$15,003,583,966.05	0.99998	41	84
7/11	5.4598%	0.000149584	\$14,992,915,782.56	1.00004	41	83
7/12	5.4589%	0.000149559	\$15,000,571,303.96	0.99987	41	83
7/13	5.4589%	0.000149559	\$15,000,571,303.96	0.99987	41	83
7/14	5.4589%	0.000149559	\$15,000,571,303.96	0.99987	41	83
7/15	5.4570%	0.000149507	\$15,350,293,796.54	1.00006	39	79
7/16	5.4612%	0.000149621	\$15,353,711,726.59	1.00006	38	76
7/17	5.4616%	0.000149634	\$15,526,476,705.73	1.00004	38	77
7/18	5.4637%	0.000149690	\$15,453,812,228.94	1.00004	38	77
7/19	5.4637%	0.000149691	\$15,295,814,300.39	0.99986	39	77
7/20	5.4637%	0.000149691	\$15,295,814,300.39	0.99986	39	77
7/21	5.4637%	0.000149691	\$15,295,814,300.39	0.99986	39	77
7/22	5.4637%	0.000149691	\$15,283,716,638.02	1.00003	37	76
7/23	5.4617%	0.000149636	\$15,307,017,883.52	1.00002	37	75
7/24	5.4618%	0.000149637	\$15,364,325,704.78	1.00005	37	75
7/25	5.4646%	0.000149716	\$15,310,712,093.80	1.00009	37	74
7/26	5.4669%	0.000149777	\$15,243,626,253.90	0.99992	37	74
7/27	5.4669%	0.000149777	\$15,243,626,253.90	0.99992	37	74
7/28	5.4669%	0.000149777	\$15,243,626,253.90	0.99992	37	74
7/29	5.4674%	0.000149793	\$15,245,262,255.74	1.00009	35	72
7/30	5.4633%	0.000149680	\$15,136,197,726.14	1.00009	36	72
7/31	5.4621%	0.000149647	\$15,310,379,259.68	1.00009	35	71
<b>Average:</b>	<b>5.4594%</b>	<b>0.000149573</b>	<b>\$15,214,016,457.33</b>	<b>0.99995</b>	<b>39</b>	<b>78</b>



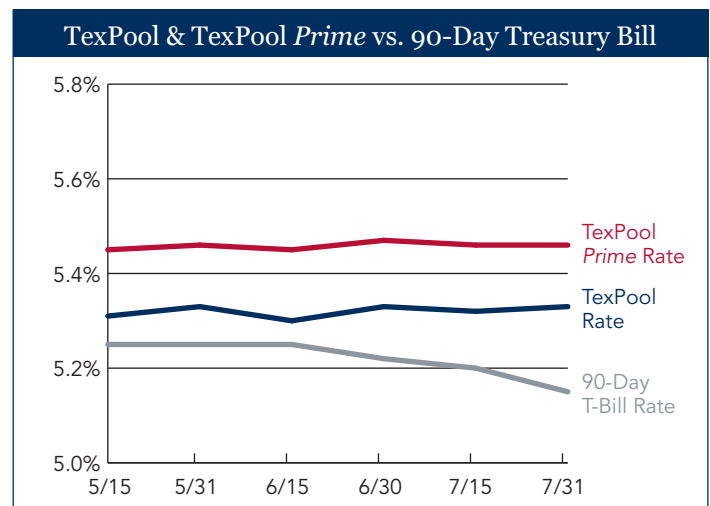
Participant Services  
1001 Texas Ave. Suite 1150  
Houston, TX 77002

rate cut in September, they will enact one. In fact, not moving might seem politically motivated. This puts a great deal of weight on his keynote address at the Fed's annual monetary policy symposium in Jackson Hole, Wyo., later this month.

Not that the fed funds futures market will care. After more-or-less aligning themselves with the Fed's rate projections over the last several months, traders are now expecting cuts in each of the three remaining meetings this year. They have again become so dovish we should call them by the bird's scientific name, Columbidae Streptopelia risoria. In contrast, we are sticking to our call of only two quarter-point eases this year, with the first likely to come in September.

While monetary policy invites debate and bets, U.S. Treasury Department market action usually doesn't—it comes down to issuance. Its quarterly refunding announcement in May included an estimate of third-quarter borrowing needs. But in late July, it revised that number down by more than \$100 billion, reflecting the slower pace of Treasuries rolling off the Fed's balance sheet. In other news, the Department's recently initiated "buyback" program seems to be going well. The announced plans to engage in "cash-management" buybacks are in addition to the liquidity support ones already underway. These cash-management buybacks may help to smooth Treasury bill issuance over the September corporate tax date.

At the end of the month, yields on 1-, 3-, 6- and 12-month U.S. Treasuries were 5.37%, 5.27%, 5.09% and 4.75%, 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.*

### 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.