



INVESTMENT REPORT

June 30, 2022

The Quarterly Investment Report for the City of Athens, Texas, for the quarter ended June 30, 2022, is hereby submitted.

The current depository bank for the City of Athens is Prosperity Bank. The City maintains twenty-one (21) money market accounts and earns a rate determined by the bank (approximately .15%) and to offset banking expenses for all accounts based on daily balance requirements. Interest bearing checking accounts are considered an investment under the Public Funds Investment Act and per 2017 legislative changes. See PFIA Section 2256.009(a), “clarifying that interest-bearing bank accounts insured by FDIC, or the National Credit Union Share Insurance Fund are authorized investments.” HB 1003 modified in June 2017.

The City received \$3,750,000 of bond proceeds in March 2022 for Series 2022 General Obligation Bonds deposited into the account designated by Council held at Prosperity Bank. The City maintains ten (10) TexPool Investment Accounts primarily consisting of capital improvements and reserve funds. Of those accounts are the General Fund Emergency Reserve, as designated annually by Council, General Investments of the General and Utility Funds, the Cain Center Capital Improvement Fund, the Utility Capital Improvement Fund, and both Series 2020 and Series 2020A Debt Service Reserves and related construction accounts for Park/Prairieville/Clinton and North Pinkerton Texas Water Development Board Projects.

Average monthly TexPool interest rates for the quarter were 0.30%, 0.62%, 1.00% with average weighted average maturity at 26, 23, and 25 days. Total TexPool interest earned was \$11,270.38. TexPool’s liquid asset portfolio seeks to maintain a net asset value of \$1 per unit invested to preserve the principal of all pool participants.

Prosperity Bank earned a quarterly interest of \$8,319.19 for all accounts. The depository bank accounts are insured by a combination of FDIC insurance and pledged securities maintained at the HilltopBancSystems, a Division of Hilltop Securities with coverage at 102%.

This report is compliant with the City of Athens’ Investment Policy and the Public Funds Investment Act.

Elizabeth Borstad
City Manager

Mandie Quigg
Investment Officer

Rachel Proctor
Investment Officer



City of Athens

Cash in the Bank and Investments at June 30, 2022

	Beginning Balance 04/01/2022	Apr-22			May-22			Jun-22			Ending Balance 06/30/2022
		Deposits	Withdrawals	Interest Earned	Deposits	Withdrawals	Interest Earned	Deposits	Withdrawals	Interest Earned	
PROSPERITY BANK											
General Fund											
General Fund #0061	6,127,378.90	1,624,707.03	928,773.88	1,097.98	984,270.43	1,131,279.71	1,171.99	1,034,497.53	1,399,402.62	1,084.29	6,311,397.68
Payroll Clearing #6471	67,068.61	627,594.00	622,376.31	9.57	643,559.40	640,695.99	11.27	599,283.70	613,822.78	13.21	60,610.63
Special Donations Fund #6551	191,677.45	30.76	8,049.00	30.76	30.81	2,704.63	30.81	29.75	-	29.75	181,015.14
Accounts Payable Fund #7011	813,414.15	1,350,076.24	1,706,426.23	102.02	1,199,900.19	1,440,758.89	53.38	1,712,148.61	1,547,428.77	74.64	380,925.30
Series 2022 GO Bonds	3,750,328.77	616.50	-	616.50	637.15	-	637.15	616.70	-	616.70	3,752,199.12
AEDC Payroll Clearing #0861	-	-	-	-	-	-	-	-	-	-	-
Airport Fund											
Airport Operations Fund #0811	70,262.50	2,326.55	3,292.74	11.42	4,088.05	2,655.10	11.99	4,967.89	3,575.08	11.64	72,122.07
Airport Grants Fund #0926	-	-	-	-	-	-	-	-	-	-	-
Debt Service Fund											
Interest and Sinking Fund #6981	606,482.64	10,806.40	27,861.07	98.46	7,054.05	29,480.23	98.83	9,231.80	25,980.23	93.39	550,253.36
Special Revenue Funds											
Restricted Municipal Court Fees #0221	31,870.85	5.24	-	5.24	5.41	-	5.41	5.24	-	5.24	31,886.74
Forfeited Cash-Local #0571	39,686.24	6.52	-	6.52	6.74	-	6.74	6.53	-	6.53	39,706.03
Forfeited Cash-Federal #6041	-	-	-	-	-	-	-	-	-	-	-
Hotel Motel Fund #7281	657,090.69	31,050.99	16,691.49	109.45	35,481.22	18,567.87	115.76	37,188.49	25,187.77	114.41	700,364.26
General Grants Fund #0491	1,585,160.53	259.45	14,100.00	259.45	5,267.73	-	267.73	257.35	29,400.00	257.35	1,547,445.06
Downtown Capital Projects Fund #6711	108.88	0.02	-	0.02	0.02	-	0.02	0.02	-	0.02	108.94
Sanitation Fund #5871	153,963.70	163,223.85	159,488.31	38.72	168,313.13	161,983.86	29.05	331,539.12	161,477.74	23.70	334,089.89
Cain Center Fund #5791	4,067.95	539,386.53	483,904.45	11.92	54,163.90	97,780.11	6.73	118,876.41	92,115.38	6.86	42,694.85
Utility Fund											
Utility Fund #6631	2,010,776.46	818,204.71	766,297.51	344.93	867,293.69	496,500.68	383.45	892,228.45	983,038.33	408.19	2,342,666.79
Utility Fund Grants #0651	-	225,818.50	225,818.50	-	164,292.50	164,292.50	-	-	-	-	-
2004 W/W/W Certificates of Obligation #0141	-	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ 16,109,338.32	\$ 5,394,113.29	\$ 4,963,079.49	\$ 2,742.96	\$ 4,134,364.42	\$ 4,186,699.57	\$ 2,830.31	\$ 4,740,877.59	\$ 4,881,428.70	\$ 2,745.92	\$ 16,347,485.86
TEXPOOL INVESTMENTS											
Cain Center Capital Improv Fund #0006	102,534.82	25.66	-	25.66	54.23	-	54.23	84.45	-	84.45	102,699.16
Series 2020 W/W/W Revenue Bonds #0007	127,600.28	3.81	127,043.24	3.81	0.29	-	0.29	77,503.08	77,497.25	5.83	566.97
Series 2020 Debt Service Reserve #0008	88,992.10	22.27	-	22.27	47.08	-	47.08	73.26	-	73.26	89,134.71
Series 2020A Debt Service Reserve #0009	100,487.70	25.13	-	25.13	53.14	-	53.14	82.76	-	82.76	100,648.73
Series 2020A W/W/W Revenue Bonds #0010	-	-	-	-	-	-	-	-	-	-	-
Utility Fund Operating Account #0001	1,501,696.60	375.54	-	375.54	794.49	-	794.49	1,236.83	-	1,236.83	1,504,103.46
Utility Capital Projects Fund Account #0011	1,222,553.73	305.73	-	305.73	627.87	108,783.58	627.87	879.46	118,107.44	879.46	997,475.77
Capital Improvement Fund #0002	121,103.02	30.28	-	30.28	64.03	-	64.03	96.07	5,200.00	96.07	116,093.40
General Fund Investments #0004	951,250.25	237.84	-	237.84	503.33	-	503.33	783.48	-	783.48	952,774.90
General Fund Emergency Reserve #0005	3,030,746.17	757.89	-	757.89	1,603.46	-	1,603.46	2,496.17	-	2,496.17	3,035,603.69
Subtotal	\$ 7,246,964.67	\$ 1,784.15	\$ 127,043.24	\$ 1,784.15	\$ 3,747.92	\$ 108,783.58	\$ 3,747.92	\$ 83,235.56	\$ 200,804.69	\$ 5,738.31	\$ 6,899,100.79
Totals	\$ 23,356,302.99	\$ 5,395,897.44	\$ 5,090,122.73	\$ 4,527.11	\$ 4,138,112.34	\$ 4,295,483.15	\$ 6,578.23	\$ 4,824,113.15	\$ 5,082,233.39	\$ 8,484.23	\$ 23,246,586.65
Quarterly Interest Earned on Prosperity	\$ 8,319.19	0.050890%									
Quarterly Interest Earned on TexPool	\$ 11,270.38	0.163360%									
Total Interest earned 04/01 - 06/30:	\$ 19,589.57										

Pledge Security Listing

June 30, 2022

ID	CUSIP	Description	Safekeeping Location	Safekeeping Receipt	Coupon	Maturity Date	Call Date	Moody	S&P	Fitch	ASC 320	Face Amount	Current Par	Current Book Value	Market Value	Gain(Loss)
CITY OF ATHENS																
2516	3138AXXQ9	FNMA #AJ6086	FHLB		3.00	12/01/2026		AAA	AA+	AAA	HTM	1,100,000	74,445.05	74,713.44	72,199.79	(2,513.66)
3296	3138EEBP3	FNMA #AK9045	FHLB		3.00	04/01/2027		AAA	AA+	AAA	HTM	3,500,000	274,697.15	276,471.27	265,934.31	(10,536.95)
3544	31417DRU9	FNMA #AB6798	FHLB		2.00	11/01/2027		AAA	AA+	AAA	HTM	2,002,414	304,591.34	306,291.46	281,137.81	(25,153.66)
3546	31410LKN1	FNMA #890501	FHLB		2.00	11/01/2027		AAA	AA+	AAA	HTM	2,250,000	316,901.07	318,725.16	292,553.56	(26,171.60)
3607	3138EKLX1	FNMA #AL3041	FHLB		2.00	02/01/2028		AAA	AA+	AAA	HTM	2,210,781	333,583.20	335,222.44	307,954.00	(27,268.44)
3997	3138WAR66	FNMA #AS1408	FHLB		3.00	01/01/2029		AAA	AA+	AAA	HTM	1,009,042	124,640.89	125,963.19	121,073.67	(4,889.52)
3999	3128MMRT2	FHLMC #G18497	FHLB		3.00	01/01/2029		AAA	AA+	AAA	HTM	1,000,000	143,504.74	144,743.70	139,694.69	(5,049.01)
4002	31418A6C7	FNMA #MA1766	FHLB		2.50	01/01/2024		AAA	AA+	AAA	HTM	1,700,000	53,488.10	53,621.32	50,648.42	(2,972.90)
4189	3128MEBZ3	FHLMC #G15256	FHLB		2.50	12/01/2029		AAA	AA+	AAA	HTM	776,235	127,962.67	129,121.28	121,963.78	(7,157.51)
4238	3128MMTJ2	FHLMC #G18552	FHLB		3.00	05/01/2030		AAA	AA+	AAA	HTM	1,500,000	277,271.19	283,166.27	271,556.63	(11,609.64)
4259	3138WFAL0	FNMA #AS5410	FHLB		2.50	07/01/2030		AAA	AA+	AAA	HTM	517,750	111,512.34	111,895.24	107,186.77	(4,708.46)
4895	3138WJKU1	FNMA #AS8406	FHLB		2.50	11/01/2031		AAA	AA+	AAA	HTM	1,760,000	551,162.67	552,386.19	528,201.24	(24,184.95)
5023	3140J9ZS3	FNMA #BM5252	FHLB		3.00	02/01/2038		AAA	AA+	AAA	HTM	550,000	192,557.46	190,489.44	178,025.15	(12,464.29)
5027	3140JAHLS	FNMA #BM5634	FHLB		4.00	03/01/2034		AAA	AA+	AAA	HTM	1,100,000	230,443.54	236,463.40	231,740.94	(4,722.46)
5474	3132D53T7	FR #SB8010	FHLB		2.50	10/01/2034		AAA	AA+	AAA	HTM	1,000,000	280,996.54	282,668.55	267,362.59	(15,305.97)
5513	3133JLMH9	FR #QU7560	FHLB		2.00	09/01/2050		AAA	AA+	AAA	HTM	1,000,000	798,022.25	815,527.69	677,465.03	(138,062.66)
5526	3132D56J6	FR #SB8073	FHLB		1.50	11/01/2035		AAA	AA+	AAA	HTM	2,100,000	1,517,993.36	1,550,442.13	1,360,896.23	(189,545.90)
5536	3133KYUY3	FR #RB5099	FHLB		1.50	02/01/2041		AAA	AA+	AAA	HTM	1,000,000	858,639.03	867,700.45	712,464.32	(155,236.12)
5541	31418DXQ0	FNMA #MA4286	FHLB		1.50	03/01/2041		AAA	AA+	AAA	HTM	1,700,000	1,481,365.99	1,509,443.71	1,229,222.69	(280,221.02)
5549	31418DX80	FNMA #MA4302	FHLB		1.50	04/01/2036		AAA	AA+	AAA	HTM	1,300,000	1,098,332.65	1,111,365.67	984,468.51	(126,897.17)
5551	3132D57K2	FR #SB8098	FHLB		2.00	04/01/2036		AAA	AA+	AAA	HTM	1,500,000	1,221,492.93	1,256,128.05	1,126,998.24	(129,129.81)
5552	3132D6AB6	FR #SB8102	FHLB		1.50	05/01/2036		AAA	AA+	AAA	HTM	1,700,000	1,467,127.78	1,483,614.15	1,315,089.33	(168,524.82)
5556	3133KYVB2	FR #RB5110	FHLB		1.50	05/01/2041		AAA	AA+	AAA	HTM	2,600,000	2,359,076.59	2,335,966.93	1,957,373.03	(378,593.90)
5575	31418DY30	FNMA #MA4329	FHLB		2.00	05/01/2036		AAA	AA+	AAA	HTM	6,900,000	5,789,289.82	5,959,787.47	5,341,083.00	(618,704.47)
Total for CITY OF ATHENS												41,776,222	19,989,098.35	20,311,918.60	17,942,293.73	(2,369,624.89)

16,347,485.86	6/30 BANK BALANCES
1.02 ×	REQUIRED COVERAGE

16,674,435.58 =	
17,942,293.73	COLLATERAL VALUE
250,000 +	FDIC

18,192,293.73 =	TOTAL COVERAGE
16,674,435.58 -	REQUIRED COVERAGE

1,517,858.15 =	EXCESS COVERAGE





PROSPERITY BANK[®]

July 1, 2022

City of Athens
508 E Tyler
Athens, TX 75751

RE: Balance Confirmation

Please accept the following as confirmation of total deposit balances.

\$16,347,485.86

Please let me know if you need any additional information.

Sincerely,

Prosperity Bank
Banking Officer
Accounting - Treasury

Summary Statement

[Deposit Reports](#)
 [Withdrawal Report Scheduler](#)
 [Transfer Report Access](#)
 [Multi Transaction Statements](#)
 [Vendor Payment Inquiry](#)
 [Maintenance Change Location](#)
[Help / Contact Us](#)
 [Update Profile](#)
 [Logout](#)

TexPool Participant Services
 1001 Texas Ave, Ste 1150
 Houston, TX 77002

CITY OF ATHENS
 ATTN MANDIE QUIGG
 500 E TYLER
 ATHENS TX 75751-2068

Statement Period 06/01/2022 - 06/30/2022
 Customer Services
 Location

UTILITY FUND OPERATING ACCT -

Pool Name	Beginning Balance	Total Deposit	Total Withdrawal	Total Interest	Current Balance	Average Balance
TexPool	\$1,502,866.63	\$0.00	\$0.00	\$1,236.83	\$1,504,103.46	\$1,502,907.86
Total Dollar Value	\$1,502,866.63	\$0.00	\$0.00	\$1,236.83	\$1,504,103.46	

CAPITAL IMPROVEMENT FUND -

Pool Name	Beginning Balance	Total Deposit	Total Withdrawal	Total Interest	Current Balance	Average Balance
TexPool	\$121,197.33	\$0.00	-\$5,200.00	\$96.07	\$116,093.40	\$116,867.20
Total Dollar Value	\$121,197.33	\$0.00	-\$5,200.00	\$96.07	\$116,093.40	

GENERAL FUND INVESTMENTS -

Pool Name	Beginning Balance	Total Deposit	Total Withdrawal	Total Interest	Current Balance	Average Balance
TexPool	\$951,991.42	\$0.00	\$0.00	\$783.48	\$952,774.90	\$952,017.54
Total Dollar Value	\$951,991.42	\$0.00	\$0.00	\$783.48	\$952,774.90	

GENERAL FUND EMERGENCY RESERVE -

Pool Name	Beginning Balance	Total Deposit	Total Withdrawal	Total Interest	Current Balance	Average Balance
TexPool	\$3,033,107.52	\$0.00	\$0.00	\$2,496.17	\$3,035,603.69	\$3,033,190.73
Total Dollar Value	\$3,033,107.52	\$0.00	\$0.00	\$2,496.17	\$3,035,603.69	

CAIN CENTER CAPITAL IMPROV FUND -

Pool Name	Beginning Balance	Total Deposit	Total Withdrawal	Total Interest	Current Balance	Average Balance
TexPool	\$102,614.71	\$0.00	\$0.00	\$84.45	\$102,699.16	\$102,617.53
Total Dollar Value	\$102,614.71	\$0.00	\$0.00	\$84.45	\$102,699.16	

SERIES 2020 W/WW REVENUE BONDS -

Pool Name	Beginning Balance	Total Deposit	Total Withdrawal	Total Interest	Current Balance	Average Balance
TexPool	\$561.14	\$77,497.25	-\$77,497.25	\$5.83	\$566.97	\$3,144.58
Total Dollar Value	\$561.14	\$77,497.25	-\$77,497.25	\$5.83	\$566.97	

SERIES 2020 DEBT SERVICE RESERVE -

Pool Name	Beginning Balance	Total Deposit	Total Withdrawal	Total Interest	Current Balance	Average Balance
TexPool	\$89,061.45	\$0.00	\$0.00	\$73.26	\$89,134.71	\$89,063.89
Total Dollar Value	\$89,061.45	\$0.00	\$0.00	\$73.26	\$89,134.71	

SERIES 2020A DS RESERVE PROJ 73885 -

Pool Name	Beginning Balance	Total Deposit	Total Withdrawal	Total Interest	Current Balance	Average Balance
TexPool	\$100,565.97	\$0.00	\$0.00	\$82.76	\$100,648.73	\$100,568.73
Total Dollar Value	\$100,565.97	\$0.00	\$0.00	\$82.76	\$100,648.73	

UTILITY CAPITAL PROJECTS FUND -

Pool Name	Beginning Balance	Total Deposit	Total Withdrawal	Total Interest	Current Balance	Average Balance
TexPool	\$1,114,703.75	\$0.00	-\$118,107.44	\$879.46	\$997,475.77	\$1,075,363.92
Total Dollar Value	\$1,114,703.75	\$0.00	-\$118,107.44	\$879.46	\$997,475.77	

Account Totals

Pool Name	Beginning Balance	Total Deposit	Total Withdrawal	Total Interest	Current Balance	Average Balance
TexPool	\$7,016,669.92	\$77,497.25	-\$200,804.69	\$5,738.31	\$6,899,100.79	
Total Dollar Value	\$7,016,669.92	\$77,497.25	-\$200,804.69	\$5,738.31	\$6,899,100.79	



Monthly Newsletter: May 2022

ANNOUNCEMENTS

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

TexPool

Harris County WCID 109
 McKinney MUD 1 of Collin County
 Williamson County Mud 23
 Harris County MUD 415
 Collin County WCID 3
 Kaufman County FWSD 6
 Oak Point WCID 4
 Altessa MUD

TexPool Prime

No New Participants

Upcoming Events

June 15, 2022 - June 17, 2022
Texas Association of Community College Business Officers (TACCBO) Annual Meeting and Conference
 Waco Convention Center, Waco, TX

June 23, 2022 - June 25, 2022
Association of Water Board Directors Annual Conference
 Fort Worth Convention Center, Fort Worth, TX

June 26, 2022 - June 28, 2022
Texas Association of State Senior College and University Business Officers (TASSCUBO) Summer Conference
 Hyatt Regency - Lost Pines Resort, Bastrop, TX

TexPool Advisory Board Members

Patrick Krishock	Jerry Dale
Belinda Weaver	David Landeros
Deborah Lauder milk	Sharon Matthews
Valarie Van Vlack	David Garcia

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: The table is set

May 1, 2022

For the second time in a row, Federal Reserve Chair Jerome Powell has telegraphed rate action in the run-up to a Federal Open Market Committee meeting. While his declaration that 50 basis points was “on the table for the May meeting” certainly was quieter than St. Louis Fed President James Bullard’s clamoring for aggressive moves, it removes one variable. That allows the markets to concentrate on the path of hikes and details of balance-sheet reduction. Once again, Powell’s press conference holds more intrigue than the shift in interest rates.

The potential terminal rate will be crucial to deciphering how worried the Fed is about its ability to subdue inflation. But don’t get caught up in the exact number. It’s not just that it’s probabilistic and fluctuates, but that policymakers think in terms of ranges, not points. It’s been some time since they targeted a specific figure for the fed funds rate. We anticipate a terminal plateau, not a peak. In order to make the hoped-for soft landing, the Fed needs a longer airstrip.

We fully expect overnight rates to move in lockstep with the jump of the fed funds target range, placing the Reverse Repo Facility and Interest on Excess Reserves at 80 and 90 basis points, respectively.

(continued page 6)

Performance as of April 30, 2022

	TexPool	TexPool Prime
Current Invested Balance	\$26,686,291,200	\$11,093,562,421
Weighted Average Maturity**	24 Days	19 Days
Weighted Average Life**	99 Days	56 Days
Net Asset Value	0.99971	0.99970
Total Number of Participants	2,706	458
Management Fee on Invested Balance	0.0450%	0.0550%
Interest Distributed	\$6,789,531.91	\$4,109,298.77
Management Fee Collected	\$787,233.30	\$457,154.44
Standard & Poor’s Current Rating	AAAm	AAAm

Month Averages

Average Invested Balance	\$27,188,952,643	\$11,256,596,301
Average Monthly Rate*	0.30%	0.44%
Average Weighted Average Maturity**	26	21
Average Weighted Average Life**	99	60

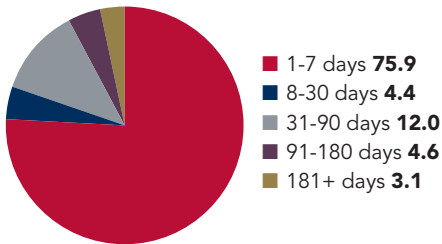
*This average monthly rate for TexPool Prime for each date may reflect a waiver of some portion or all of each of the management fees.

**See page 2 for definitions.

Past performance is no guarantee of future results.

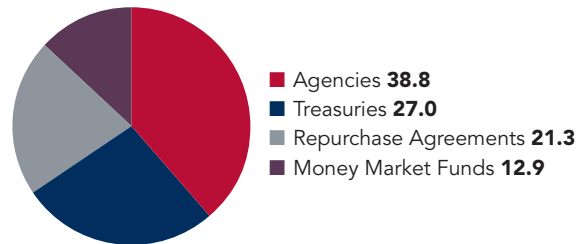
Portfolio by Maturity (%)

As of April 30, 2022



Portfolio by Type of Investment (%)

As of April 30, 2022



Portfolio Asset Summary as of April 30, 2022

	Book Value	Market Value
Uninvested Balance	\$880.71	\$880.71
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	10,423,799.94	10,423,799.94
Interest and Management Fees Payable	-6,789,557.59	-6,789,557.59
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-51,706.18	-51,706.18
Repurchase Agreements	5,675,877,162.00	5,675,877,162.00
Mutual Fund Investments	3,438,074,000.00	3,438,085,200.00
Government Securities	9,366,274,059.07	9,365,687,882.23
US Treasury Bills	4,420,126,464.91	4,416,221,261.39
US Treasury Notes	3,782,356,097.10	3,779,200,596.70
Total	\$26,686,291,199.96	\$26,678,655,519.20

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	\$8,285,794,460.26
Higher Education	60	\$1,140,517,788.99
County	196	\$3,242,771,274.71
Healthcare	90	\$1,698,308,669.17
Utility District	883	\$4,367,366,870.39
City	484	\$6,646,742,544.90
Emergency Districts	98	\$338,469,920.79
Economic Development Districts	84	\$167,460,188.58
Other	211	\$796,852,409.25

**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

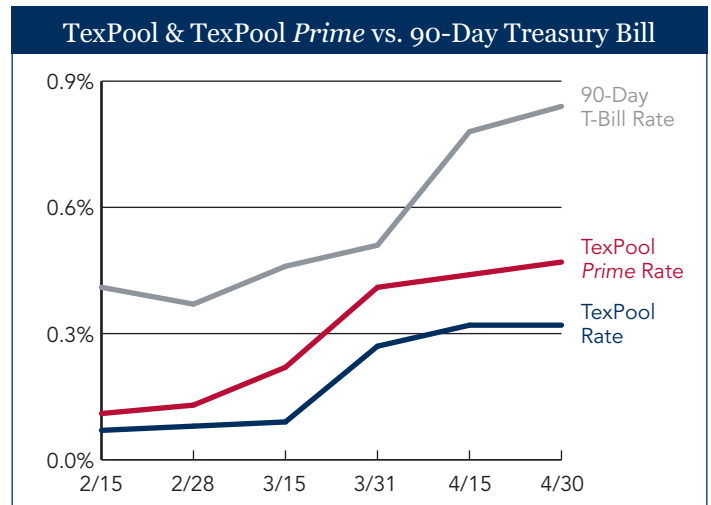
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
4/1	0.2702%	0.000007402	\$27,332,320,330.53	0.99976	29	97
4/2	0.2702%	0.000007402	\$27,332,320,330.53	0.99976	29	97
4/3	0.2702%	0.000007402	\$27,332,320,330.53	0.99976	29	97
4/4	0.2762%	0.000007566	\$27,332,697,176.62	0.99973	27	95
4/5	0.2864%	0.000007847	\$27,394,577,259.45	0.99973	26	95
4/6	0.2838%	0.000007776	\$27,379,171,257.18	0.99973	28	97
4/7	0.2873%	0.000007872	\$27,386,738,107.84	0.99974	27	98
4/8	0.2906%	0.000007963	\$27,471,773,280.05	0.99974	29	99
4/9	0.2906%	0.000007963	\$27,471,773,280.05	0.99974	29	99
4/10	0.2906%	0.000007963	\$27,471,773,280.05	0.99974	29	99
4/11	0.2908%	0.000007967	\$27,481,649,264.48	0.99973	26	97
4/12	0.3070%	0.000008410	\$27,526,795,821.16	0.99976	26	99
4/13	0.3103%	0.000008502	\$27,459,274,963.72	0.99976	26	99
4/14	0.3151%	0.000008634	\$27,135,754,378.90	0.99974	27	100
4/15	0.3151%	0.000008634	\$27,135,754,378.90	0.99974	27	100
4/16	0.3151%	0.000008634	\$27,135,754,378.90	0.99974	27	100
4/17	0.3151%	0.000008634	\$27,135,754,378.90	0.99974	27	100
4/18	0.3124%	0.000008559	\$27,272,041,000.70	0.99972	24	96
4/19	0.3181%	0.000008716	\$27,181,267,821.47	0.99972	25	100
4/20	0.3171%	0.000008688	\$27,094,736,694.67	0.99973	24	100
4/21	0.3142%	0.000008609	\$27,119,805,851.52	0.99971	24	100
4/22	0.3112%	0.000008527	\$26,945,124,621.01	0.99969	26	102
4/23	0.3112%	0.000008527	\$26,945,124,621.01	0.99969	26	102
4/24	0.3112%	0.000008527	\$26,945,124,621.01	0.99969	26	102
4/25	0.3272%	0.000008965	\$27,067,891,185.38	0.99969	23	99
4/26	0.3294%	0.000009024	\$27,007,393,873.29	0.99971	23	99
4/27	0.3287%	0.000009005	\$26,935,514,899.38	0.99972	23	99
4/28	0.3202%	0.000008772	\$26,865,769,505.26	0.99973	23	98
4/29	0.3209%	0.000008791	\$26,686,291,199.96	0.99971	24	99
4/30	0.3209%	0.000008791	\$26,686,291,199.96	0.99971	24	99
Average:	0.3042%	0.000008336	\$27,188,952,643.08	0.99973	26	99



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

Unfortunately, the magnitude of the expected increase negatively impacted the responsiveness of money market products in April, a trend that might continue as they are slower to match the rising yields of Treasury and agency securities in the direct market. However, yields on money market products and collective investment pools probably will follow historical trends and rise faster than deposit products (which individual banks set). The big picture is that we are thrilled cash alternatives are offering the value they have for decades and expect inflows as the normalization process becomes more steady.

At the end of April, yields on 1-, 3-, 6- and 12-month U.S. Treasuries were 0.26%, 0.82%, 1.38% and 2.07%, respectively; the 1-, 3-, 6- and 12-month Bloomberg Short-Term Bank Yield Index rates (BSBY) were 0.68%, 1.18%, 1.76% and 2.44%, respectively; and the 1-, 3-, 6- and 12-month London interbank offered rates were 0.80%, 1.33%, 1.91% and 2.63%, 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.



Monthly Newsletter: June 2022

ANNOUNCEMENTS

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

TexPool

McKinney MUD 2 of Collin County
 North Hays County MUD 2
 Montgomery County MUD 186

TexPool Prime

Viridian Municipal Management District

Upcoming Events

June 15, 2022 - June 17, 2022
Texas Association of Community College Business Officers (TACCBO) Annual Meeting and Conference
 Waco Convention Center, Waco, TX

June 23, 2022 - June 25, 2022
Association of Water Board Directors Annual Conference
 Fort Worth Convention Center, Fort Worth, TX

June 26, 2022 - June 28, 2022
Texas Association of State Senior College and University Business Officers (TASSCUBO) Summer Conference
 Hyatt Regency - Lost Pines Resort, Bastrop, TX

TexPool Advisory Board Members

Patrick Krishock	Jerry Dale
Belinda Weaver	David Landeros
Deborah Laudermilk	Sharon Matthews
Valarie Van Vlack	David Garcia

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: Ear to the ground

June 1, 2022

The cautious and shrewd way Federal Reserve policymakers communicate can put diplomats to shame. But the success of their decisions in the coming months will depend upon how well they listen.

Managing monetary policy in the midst of a global pandemic has been, and remains extraordinarily difficult. No one can deny that. But the Fed's response to mounting inflation in the last several quarters showed it wanted to stick to its new paradigm in the face of facts. If you recall, in August of 2020, it recast its policy framework to allow inflation to exceed 2% as long as the labor market is strong. Officials not only viewed rising prices in 2021 as "transient," but also a positive after years of undershooting 2%.

While telegraphing 50 basis-point hikes in the next two FOMC meetings, minutes from the last meeting and recent official speeches suggest the committee might pause to assess their impact. In other words, they will—and should—return to making decisions based on data in the fight against inflation without inducing a recession. Policymakers have to listen to what the economy is telling them on a

(continued page 6)

Performance as of May 31, 2022

	TexPool	TexPool Prime
Current Invested Balance	\$26,022,107,081	\$10,635,158,204
Weighted Average Maturity**	25 Days	20 Days
Weighted Average Life**	93 Days	58 Days
Net Asset Value	0.99978	0.99978
Total Number of Participants	2,709	459
Management Fee on Invested Balance	0.0450%	0.0550%
Interest Distributed	\$13,838,421.11	\$7,424,020.28
Management Fee Collected	\$646,076.49	\$412,632.62
Standard & Poor's Current Rating	AAAm	AAAm

Month Averages

Average Invested Balance	\$26,221,171,318	\$10,775,834,407
Average Monthly Rate*	0.62%	0.81%
Average Weighted Average Maturity**	23	20
Average Weighted Average Life**	94	60

*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.

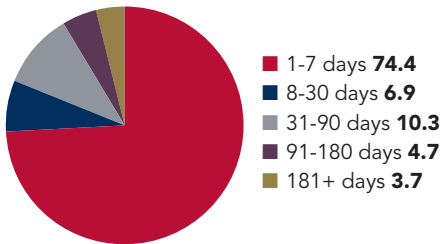
**See page 2 for definitions.

Past performance is no guarantee of future results.



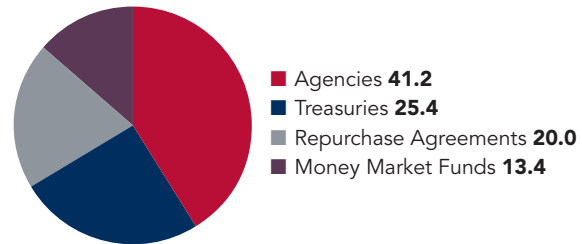
Portfolio by Maturity (%)

As of May 31, 2022



Portfolio by Type of Investment (%)

As of May 31, 2022



Portfolio Asset Summary as of May 31, 2022

	Book Value	Market Value
Uninvested Balance	\$746.58	\$746.58
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	13,239,410.71	13,239,410.71
Interest and Management Fees Payable	-13,838,432.26	-13,838,432.26
Payable for Investments Purchased	-124,001,527.50	-124,001,527.50
Accrued Expenses & Taxes	-22,376.48	-22,376.48
Repurchase Agreements	5,243,484,686.00	5,243,484,686.00
Mutual Fund Investments	3,523,074,000.00	3,523,074,000.00
Government Securities	9,245,226,335.03	9,244,988,725.23
US Treasury Bills	4,134,504,337.74	4,131,382,419.99
US Treasury Notes	4,000,439,901.11	3,998,160,483.24
Total	\$26,022,107,080.93	\$26,016,468,135.51

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	\$7,638,449,744.20
Higher Education	60	\$1,289,120,802.59
County	196	\$2,995,984,987.19
Healthcare	90	\$1,532,766,056.58
Utility District	886	\$4,393,089,869.11
City	484	\$6,901,234,828.38
Emergency Districts	98	\$330,418,973.51
Economic Development Districts	84	\$171,186,657.74
Other	211	\$769,869,228.35

**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	0.3209%	0.000008791	\$26,686,291,199.96	0.99971	24	99
5/2	0.3282%	0.000008993	\$26,721,113,902.65	0.99972	22	95
5/3	0.3236%	0.000008865	\$26,749,907,699.92	0.99971	22	95
5/4	0.3305%	0.000009055	\$26,779,341,693.65	0.99971	22	95
5/5	0.4123%	0.000011296	\$26,933,106,444.34	0.99973	21	94
5/6	0.6406%	0.000017551	\$26,648,179,969.34	0.99974	22	94
5/7	0.6406%	0.000017551	\$26,648,179,969.34	0.99974	22	94
5/8	0.6406%	0.000017551	\$26,648,179,969.34	0.99974	22	94
5/9	0.6336%	0.000017359	\$26,552,367,695.53	0.99974	20	92
5/10	0.6405%	0.000017549	\$26,154,271,419.60	0.99974	21	93
5/11	0.6402%	0.000017539	\$26,106,387,490.90	0.99974	21	93
5/12	0.6523%	0.000017870	\$25,998,946,761.15	0.99975	20	93
5/13	0.6550%	0.000017946	\$26,137,115,435.18	0.99974	21	94
5/14	0.6550%	0.000017946	\$26,137,115,435.18	0.99974	21	94
5/15	0.6550%	0.000017946	\$26,137,115,435.18	0.99974	21	94
5/16	0.6764%	0.000018532	\$25,995,106,573.71	0.99973	21	93
5/17	0.6792%	0.000018608	\$25,969,460,405.71	0.99972	22	92
5/18	0.6861%	0.000018798	\$26,064,506,012.10	0.99973	22	92
5/19	0.6806%	0.000018647	\$26,054,847,987.47	0.99975	22	93
5/20	0.6850%	0.000018767	\$25,994,738,308.41	0.99976	23	93
5/21	0.6850%	0.000018767	\$25,994,738,308.41	0.99976	23	93
5/22	0.6850%	0.000018767	\$25,994,738,308.41	0.99976	23	93
5/23	0.6878%	0.000018845	\$25,869,010,549.74	0.99976	24	93
5/24	0.6883%	0.000018857	\$25,848,336,382.55	0.99979	24	93
5/25	0.7080%	0.000019398	\$26,060,476,934.71	0.99979	24	94
5/26	0.7154%	0.000019600	\$26,127,323,709.97	0.99980	24	94
5/27	0.7145%	0.000019576	\$25,955,824,946.20	0.99979	26	95
5/28	0.7145%	0.000019576	\$25,955,824,946.20	0.99979	26	95
5/29	0.7145%	0.000019576	\$25,955,824,946.20	0.99979	26	95
5/30	0.7145%	0.000019576	\$25,955,824,946.20	0.99979	26	95
5/31	0.7023%	0.000019242	\$26,022,107,080.93	0.99978	25	93
Average:	0.6228%	0.000017063	\$26,221,171,318.33	0.99975	23	94



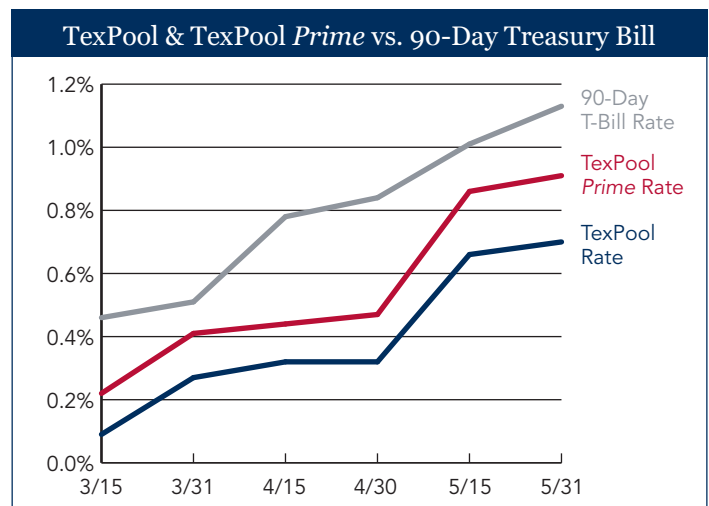
Participant Services
 1001 Texas Ave. Suite 1150
 Houston, TX 77002

scale much smaller and a timeframe much shorter than they prefer. This is no time for long-view academic studies.

Reports already indicate that this economy might be more responsive to shifts in monetary policy than traditionally expected. The housing market, consumer outlook and industrial production are cooling off. It is not unreasonable to think that supply-chain bottlenecks and energy prices exacerbated by China’s shutdown and the war in Ukraine could improve by the fall. Data dependency is a cliché that completely applies here.

What of investors? The bond market seems to be declaring victory over inflation and the stock market is betting on the worst-case scenario. Investors in the short end of the Treasury yield curve are acting more rationally, although the supply/demand imbalance, especially in the front end, has caused it to trade much lower in yield. In addition to the supply/demand imbalance, the flight-to-safety trade has depressed Treasury yields further. You have to go to the 6-month section of the curve to find yields above the Fed’s Reverse Repo Facility. But administered rates on bank deposits have not budged much because banks still are flush with cash and don’t want deposits—especially now that the cost of lending is increasing. We think the money market securities in which government pools can invest are in a good place and are a good place for investment.

At the end of May, yields on 1-, 3-, 6- and 12-month U.S. Treasuries were 0.71%, 1.05%, 1.54% and 2%, 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.

the 1-, 3-, 6- and 12-month Bloomberg Short-Term Bank Yield Index rates (BSBY) were 0.96%, 1.54%, 2.04% and 2.68%, respectively; and the 1-, 3-, 6- and 12-month London interbank offered rates were 1.12%, 1.63%, 2.11% and 2.78%, respectively.



Monthly Newsletter: July 2022

ANNOUNCEMENTS

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

TexPool

- Liberty County MUD 1
- Montgomery County MUD 140
- Northeast Texas Housing Finance Corporation
- Benbrook Water Authority
- Liberty County Municipal Management District 1
- Highway 380 Municipal Management District 1
- The Lakes FWSD of Denton County
- Lone Oak Farm MUD
- Kaufman County FWSD 4A
- Morningstar Ranch MUD 1
- Kaufman County MUD 2
- Kaufman County MUD 3
- Kaufman County MUD 4
- Kaufman County MUD 14

TexPool Prime

- Jefferson Economic Development Corporation
- Northeast Texas Housing Finance Corporation

Upcoming Events

- August 26, 2022 August 28, 2022
Texas Association of Counties (TAC) Legislative Conference
Fairmont Austin Hotel, Austin, TX
- September 12, 2022 - September 15, 2022
74th Annual County Treasurers' Association of Texas (CTAC) Conference
Waco Convention Center, Waco, TX
- 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

TexPool Advisory Board Members

- | | |
|--------------------|-----------------|
| Patrick Krishock | Jerry Dale |
| Belinda Weaver | David Landeros |
| Deborah Laudermilk | Sharon Matthews |
| Valarie Van Vlack | David Garcia |

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: Perpetual motion

July 1, 2022

The Federal Reserve is taking the punch bowl away so quickly that rate expectations are sloshing around. They even spilled over following its extraordinary leak to the press during the customary quiet period ahead of its June Federal Open Market Committee (FOMC) meeting. The hint that a 0.75% hike was likely to follow put the fed funds futures market in a tizzy.

Communicating through the media is one of the most effective tools in the Fed's toolbox, but doing so anonymously and so close to the start of a FOMC meeting is new. We will all have to be more cautious now about guidance. But it shows just how data dependent this Fed has become. Policymakers knew the Consumer Price Index for May would be high, but they didn't like the jump in inflation expectations indicated by the University of Michigan consumer sentiment report.

While the aggressive rate move increased the probability of a recession, let's not discount the possibility of a less-onerous pullback. "We're not trying to provoke—and don't think that we will need to provoke—a recession," Chair Jerome Powell said in his semiannual testimony to Congress midmonth. It still is possible the Fed can tame inflation without overly damaging the economy.

(continued page 6)

Performance as of June 30, 2022

	TexPool	TexPool Prime
Current Invested Balance	\$26,164,485,356	\$10,558,837,564
Weighted Average Maturity**	23 Days	18 Days
Weighted Average Life**	81 Days	54 Days
Net Asset Value	0.99960	0.99952
Total Number of Participants	2,723	461
Management Fee on Invested Balance	0.0450%	0.0550%
Interest Distributed	\$21,640,580.39	\$10,537,000.80
Management Fee Collected	\$699,495.33	\$416,963.05
Standard & Poor's Current Rating	AAAm	AAAm

Month Averages

Average Invested Balance	\$26,307,496,939	\$10,668,273,692
Average Monthly Rate*	1.00%	1.20%
Average Weighted Average Maturity**	25	23
Average Weighted Average Life**	87	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.

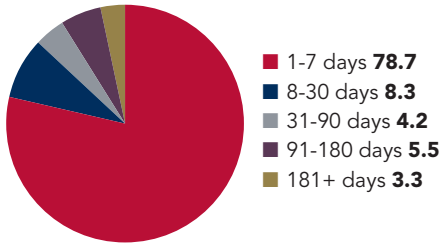
**See page 2 for definitions.

Past performance is no guarantee of future results.



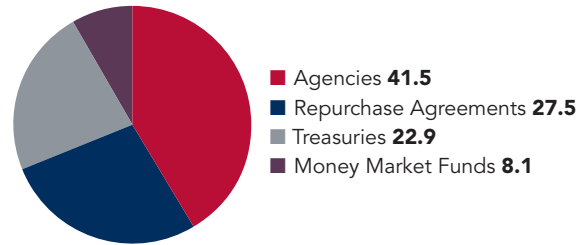
Portfolio by Maturity (%)

As of June 30, 2022



Portfolio by Type of Investment (%)

As of June 30, 2022



Portfolio Asset Summary as of June 30, 2022

	Book Value	Market Value
Uninvested Balance	\$1,363.05	\$1,363.05
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	21,039,373.47	21,039,373.47
Interest and Management Fees Payable	-21,640,557.77	-21,640,557.77
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-25,216.52	-25,216.52
Repurchase Agreements	7,202,408,000.00	7,202,408,000.00
Mutual Fund Investments	2,127,074,000.00	2,127,085,200.00
Government Securities	9,522,125,948.00	9,518,696,407.89
US Treasury Bills	3,693,502,612.61	3,689,330,629.20
US Treasury Notes	3,619,999,833.05	3,617,109,423.72
Total	\$26,164,485,355.89	\$26,154,004,623.05

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	\$7,772,457,188.19
Higher Education	60	\$1,232,499,729.38
County	196	\$3,215,752,358.65
Healthcare	90	\$1,394,998,367.05
Utility District	895	\$4,347,870,947.26
City	484	\$6,899,916,054.14
Emergency Districts	98	\$320,121,412.66
Economic Development Districts	84	\$173,999,663.53
Other	216	\$806,879,030.13

**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
6/1	0.7228%	0.000019804	\$26,072,847,431.78	0.99979	26	93
6/2	0.7441%	0.000020385	\$26,093,090,566.13	0.99978	26	93
6/3	0.7353%	0.000020144	\$26,028,843,306.53	0.99977	28	94
6/4	0.7353%	0.000020144	\$26,028,843,306.53	0.99977	28	94
6/5	0.7353%	0.000020144	\$26,028,843,306.53	0.99977	28	94
6/6	0.7328%	0.000020077	\$25,966,445,127.43	0.99973	26	91
6/7	0.7412%	0.000020306	\$26,022,945,791.40	0.99976	26	91
6/8	0.7419%	0.000020326	\$26,167,161,149.37	0.99975	25	89
6/9	0.7188%	0.000019694	\$26,502,628,238.75	0.99971	25	88
6/10	0.7346%	0.000020126	\$26,690,650,501.14	0.99961	26	88
6/11	0.7346%	0.000020126	\$26,690,650,501.14	0.99961	26	88
6/12	0.7346%	0.000020126	\$26,690,650,501.14	0.99961	26	88
6/13	0.7505%	0.000020563	\$26,628,628,370.04	0.99945	24	86
6/14	0.7593%	0.000020802	\$26,483,978,653.21	0.99941	25	87
6/15	0.7596%	0.000020812	\$26,422,380,440.86	0.99944	25	88
6/16	0.9059%	0.000024818	\$26,203,282,842.84	0.99951	26	88
6/17	1.2712%	0.000034828	\$26,150,792,652.34	0.99952	27	89
6/18	1.2712%	0.000034828	\$26,150,792,652.34	0.99952	27	89
6/19	1.2712%	0.000034828	\$26,150,792,652.34	0.99952	27	89
6/20	1.2712%	0.000034828	\$26,150,792,652.34	0.99952	27	89
6/21	1.2679%	0.000034738	\$26,040,061,064.54	0.99950	24	84
6/22	1.2526%	0.000034317	\$25,970,630,725.42	0.99957	25	86
6/23	1.2868%	0.000035254	\$26,319,725,055.36	0.99958	24	84
6/24	1.2834%	0.000035163	\$26,628,779,389.46	0.99957	25	83
6/25	1.2834%	0.000035163	\$26,628,779,389.46	0.99957	25	83
6/26	1.2834%	0.000035163	\$26,628,779,389.46	0.99957	25	83
6/27	1.3029%	0.000035696	\$26,660,911,833.05	0.99956	23	82
6/28	1.3388%	0.000036679	\$26,473,264,469.81	0.99956	23	82
6/29	1.3254%	0.000036313	\$26,384,450,846.56	0.99957	23	81
6/30	1.3425%	0.000036782	\$26,164,485,355.89	0.99960	23	81
Average:	1.0013%	0.000027433	\$26,307,496,938.77	0.99961	25	87

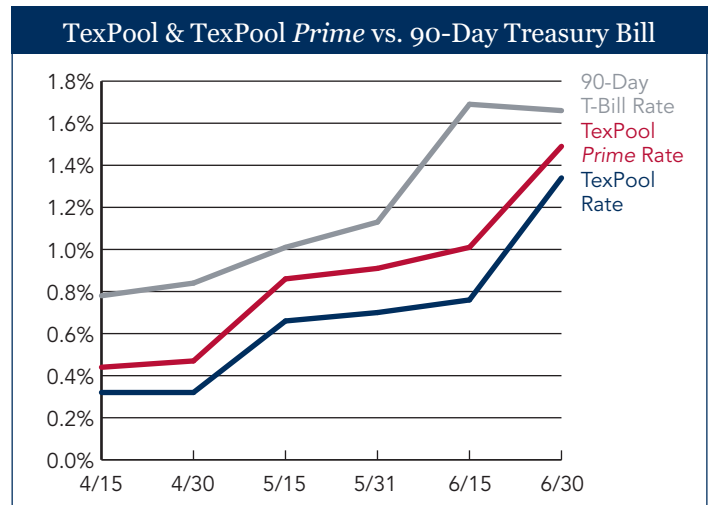


Participant Services
 1001 Texas Ave. Suite 1150
 Houston, TX 77002

This is borne out in expectations of how the tightening cycle might progress. The Fed just released the dates of next year's FOMC meetings, allowing the first futures trading. The market is pricing in a peak at around 3.5% in 2023, with no action in the third quarter and a rate cut in the fourth of that year. You read that right. The Fed's own projections are similar. Its median "dot" hits 3.8% before slipping to 3.4% in early 2024. We think the robust labor market, as well as strong state and local government balance sheets, means the economy is resilient enough that we might see a quarter of negative growth followed by one of positive growth in the second half of next year—not a full-blown recession. But things are dynamic and volatile.

As the Fed's quantitative tightening just began in June, the impact is negligible. We are disappointed that Treasury bills are not part of the strategy. They are being allowed to roll off the balance sheet only if the release of notes, bonds and MBS doesn't hit the target of \$47.5 billion exactly. That's unfortunate not just for investors but in general.

At the end of June, yields on 1-, 3-, 6- and 12-month U.S. Treasuries were 1.03%, 1.67%, 2.49% and 2.80%, respectively; the 1-, 3-, 6- and 12-month Bloomberg Short-Term Bank Yield Index rates (BSBY) were 1.62%, 2.24%, 2.87% and 3.54%, respectively; and the 1-, 3-, 6- and 12-month London interbank offered rates were 1.80%, 2.29%, 2.90% and 3.56%, 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.