



## LOGIC ENROLLMENT STEPS

In order for a governmental entity to enroll in LOGIC, the following procedures should be performed.

1. Submit the *Resolution* in the form entitled ***Application for Participation in LOGIC*** to the entity's governing body for approval.
2. Complete and sign the ***Application for Participation in LOGIC***. The *Resolution* in the form of the application should be signed by Board Officer, County Judge, or City Mayor and attested by Board Officer, County Clerk, or Secretary. The entity seal should be included in the space provided. A notary seal is unacceptable.
3. Complete a ***Bank Instruction Form*** for each account to be opened.
4. Send all completed documentation with original signatures and ***an approved investment policy of the enrolling entity*** to our email or fax number below:

Email: [logic@hilltopsecurities.com](mailto:logic@hilltopsecurities.com)

Fax: 214.953.8878

5. Enrollment documentation will ordinarily be processed within five (5) business days of receipt.

## SAMPLE AGENDA LANGUAGE

Short versions:

**(1) Approval of LOGIC Investment Pool as an Authorized Investment**

**(2) Approval of Application for Participation in the Local Government Investment Cooperative (LOGIC)**

Long versions:

**(1) Recommendation to Approve an Application for Participation in the Local Government Investment Cooperative (LOGIC) Trust.** Included in the agenda exhibit is information pertaining to the application. It is recommended that the Board approve the application as submitted.

**(2) Recommendation to Approve an Application for Participation in the Local Government Investment Cooperative (LOGIC) Trust.** Included in the agenda exhibit is information pertaining to the application. It is recommended that the Board approve the application as submitted to provide the district with an additional investment option emphasizing safety and liquidity.



## APPLICATION FOR PARTICIPATION IN LOGIC

The undersigned local government (Applicant) applies and agrees to become a Participant in the Local Government Investment Cooperative (LOGIC) Trust.

1. **Authorization.** The governing body of Applicant has duly authorized this application by adopting the following resolution at a meeting of such governing body duly called, noticed, and held in accordance with the Texas Open Meeting Law, chapter 551, Texas Government Code, on \_\_\_\_\_, 20\_\_:

WHEREAS, it is in the best interests of this governmental unit ("*Applicant*") to invest its funds jointly with other Texas eligible investing entities in the Local Government Investment Cooperative (LOGIC) Trust in order better to preserve and safeguard the principal and liquidity of such funds and to earn an acceptable yield; and

WHEREAS, Applicant is authorized to invest its public funds and funds under its control in LOGIC and to enter into the Participation Agreement and Trust Instrument authorized herein;

NOW, THEREFORE, BE IT RESOLVED THAT:

SECTION 1. The form of application for participation in LOGIC attached to this resolution is approved. The officers of Applicant specified in the application are authorized to execute and submit the application, to open accounts, to deposit and withdraw funds, to agree to the terms for use of the website for online transactions, to designate other authorized representatives, and to take all other action required or permitted by Applicant under the Agreement created by the application, all in the name and on behalf of Applicant.

SECTION 2. This resolution will continue in full force and effect until amended or revoked by Applicant and written notice of the amendment or revocation is delivered to the LOGIC Board of Trustees.

SECTION 3. Terms used in this resolution have the meanings given to them by the application."

2. **Agreement.** Applicant agrees with other LOGIC Participants and the LOGIC Board of Trustees to the terms and conditions in the Participation Agreement and Trust Instrument, effective on this date, which are incorporated herein by reference. Applicant makes the representations, designations, delegations, and representations described in the Participation Agreement and Trust Instrument.
3. **Taxpayer Identification Number.** Applicant's taxpayer identification number is \_\_\_\_\_
4. **Contact Information.**  
Applicant primary mailing address: \_\_\_\_\_  
Applicant physical address (if different): \_\_\_\_\_  
Applicant main phone number: \_\_\_\_\_  
Applicant main fax number: \_\_\_\_\_
5. **Authorized Representatives.** Each of the following Participant officials is designated as Participant's Authorized Representative authorized to give notices and instructions to the LOGIC Board of Trustees in accordance with the Agreement, the Bylaws, the Investment Policy, and the Operating Procedures:

1. Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Signature: \_\_\_\_\_ Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

2. Name: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Phone: \_\_\_\_\_

Email: \_\_\_\_\_

3. Name: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Phone: \_\_\_\_\_

Email: \_\_\_\_\_

4. Name: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Phone: \_\_\_\_\_

Email: \_\_\_\_\_

**{REQUIRED} PRIMARY CONTACT:** List the name of the Authorized Representative **listed above** that will be designated as the Primary Contact and will receive all LOGIC correspondence including transaction confirmations and monthly statements.

Name: \_\_\_\_\_

**{OPTIONAL} INQUIRY ONLY CONTACT:** In addition, the following additional Participant representative (**not listed above**) is designated as an **Inquiry Only** Representative authorized to obtain account information:

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Applicant may designate other authorized representatives by written instrument signed by an existing Applicant Authorized Representative or Applicant's chief executive officer.

DATED \_\_\_\_\_

**REQUIRED  
PLACE OFFICIAL SEAL OF ENTITY HERE**

\_\_\_\_\_  
(NAME OF ENTITY/APPLICANT)

SIGNED BY:

\_\_\_\_\_  
(Signature of official)

\_\_\_\_\_  
(Printed name and title)

ATTESTED BY:

\_\_\_\_\_  
(Signature of official)

\_\_\_\_\_  
(Printed name and title)

**FOR INTERNAL USE ONLY  
APPROVED AND ACCEPTED: LOCAL GOVERNMENT INVESTMENT COOPERATIVE (LOGIC)**

.....  
AUTHORIZED SIGNER

DATE

V082023





# BANK INSTRUCTION FORM

PLEASE NOTE THAT A LOGIC REPRESENTATIVE WILL CALL TO VERIFY INSTRUCTIONS AND USER ID WITH BOTH AUTHORIZED REPRESENTATIVES WHO SIGNED THIS FORM.

PLEASE SELECT ONE OF THE FOLLOWING:

NEW ACCOUNT: NAME \_\_\_\_\_

CHANGE EXISTING ACCT: \_\_\_\_\_

APPLY CHANGE TO ALL ACCOUNTS

EFFECTIVE DATE: \_\_\_\_\_

PARTICIPANT NAME: \_\_\_\_\_

ACCOUNT NUMBER: \_\_\_\_\_

## Add Bank Instruction:

PLEASE INDICATE IF THIS WILL BE THE  PRIMARY BANK INSTRUCTION OR  ADDITIONAL BANK INSTRUCTION

SELECT ONE OF THE FOLLOWING  WIRE AND ACH  WIRE ONLY  ACH ONLY

Bank Name: \_\_\_\_\_ City: \_\_\_\_\_

Bank ABA Number (9 digits): \_\_\_\_\_ Bank ABA for ACH (if different) (9 digits): \_\_\_\_\_

Bank Account Number: \_\_\_\_\_ Bank Account Name: \_\_\_\_\_

Correspondent Bank Name (if any): \_\_\_\_\_

Correspondent Bank ABA Number: \_\_\_\_\_ Account Number: \_\_\_\_\_

## Delete Bank Instruction:

PLEASE INDICATE IF THIS WILL BE THE  PRIMARY BANK INSTRUCTION OR  ADDITIONAL BANK INSTRUCTION

SELECT ONE OF THE FOLLOWING  WIRE AND ACH  WIRE ONLY  ACH ONLY

Bank Name: \_\_\_\_\_ City: \_\_\_\_\_

Bank ABA Number (9 digits): \_\_\_\_\_ Bank ABA for ACH (if different) (9 digits): \_\_\_\_\_

Bank Account Number: \_\_\_\_\_ Bank Account Name: \_\_\_\_\_

Correspondent Bank Name (if any): \_\_\_\_\_

Correspondent Bank ABA Number: \_\_\_\_\_ Account Number: \_\_\_\_\_

*\* If ACH availability is selected, I hereby authorize JPMorgan Chase Bank, N.A. to directly deposit and withdraw funds by means of ACH electronic transfer to and from the financial institution and the account designated above ("Designated Account"). I agree that this authorization may be withdrawn with at least 45-days advance written notice to LOGIC Participant Services. I understand that the LOGIC reserves the right to discontinue ACH electronic transfer without advance notice. I also authorize JPMorgan Chase Bank, N.A. to deduct from the Designated Account or from subsequent deposits made to the Designated Account all amounts deposited in error. I authorize JPMorgan Chase Bank, N.A. to credit all amounts withdrawn in error to Designated Account.*

**NOTE: This authorization must be executed by two current Authorized Representatives of the Participant on file with LOGIC.**  
As a current Authorized Representative, I certify that the above information is both true and correct.

_____ Authorized Representative Signature	_____ Printed Name	_____ Title	_____ Date
_____ Authorized Representative Signature	_____ Printed Name	_____ Title	_____ Date

Please complete this form either all typed or all handwritten. Forms with alterations (i.e. white out, mark out, etc.) will **NOT** be accepted.

**LOGIC Participant Services**  
Email forms to: [logic@hilltopsecurities.com](mailto:logic@hilltopsecurities.com)  
Phone: 800.895.6442 \* Fax: 214.953.8878





## PERFORMANCE

**As of May 31, 2024**

**May Averages**

Current Invested Balance	\$ 12,027,790,517.42	Average Invested Balance	\$ 12,621,050,640.13
Weighted Average Maturity (1)	47 Days	Average Monthly Yield, on a simple basis	5.4208%
Weighted Average Life (2)	67 Days	Average Weighted Maturity (1)	42 Days
Net Asset Value	0.999709	Average Weighted Life (2)	61 Days
Total Number of Participants	707		
Management Fee on Invested Balance	0.0975%*	Definition of Weighted Average Maturity (1) & (2)	
Interest Distributed	\$ 59,148,470.76	(1) This weighted average maturity calculation uses the SEC Rule 2a-7 definition for stated maturity for any floating rate instrument held in the portfolio to determine the weighted average maturity for the pool. This Rule specifies that a variable rate instruction to be paid in 397 calendar days or less shall be deemed to have a maturity equal to the period remaining until the next readjustment of the interest rate.	
Management Fee Collected	\$ 1,042,296.85	(2) This weighted average maturity calculation uses the final maturity of any floating rate instruments held in the portfolio to calculate the weighted average maturity for the pool.	
% of Portfolio Invested Beyond 1 Year	0.00%	The maximum management fee authorized for the LOGIC Cash Reserve Fund is 12 basis points. This fee may be waived in full or in part in the discretion of the LOGIC co-administrators at any time as provided for in the LOGIC Information Statement.	
Standard & Poor's Current Rating	AAAm		

Rates reflect historical information and are not an indication of future performance.

## NEW PARTICIPANTS

We would like to welcome the following entities who joined the LOGIC program in May:

- \* City of Godley \* City of Leary \* City of Pineland \* City of White Settlement  
\* Dimmit County \* Fort Worth Transportation Authority \* Presidio County

## HOLIDAY REMINDER

In observance of **Juneteenth National Independence Day**, LOGIC will be closed on **Wednesday, June 19, 2024**. All ACH transactions initiated on Tuesday, June 18th will settle on Thursday, June 20th. Please note that on Tuesday, June 18th, LOGIC will close at its normal time.

In observance of **Independence Day**, LOGIC will be closed on **Thursday, July 4, 2024**. All ACH transactions initiated on Wednesday, July 3rd will settle on Friday, July 5th. Notification of any early transaction deadlines on the business day preceding this holiday will be sent by email to the primary contact on file for all LOGIC participants.

## ECONOMIC COMMENTARY

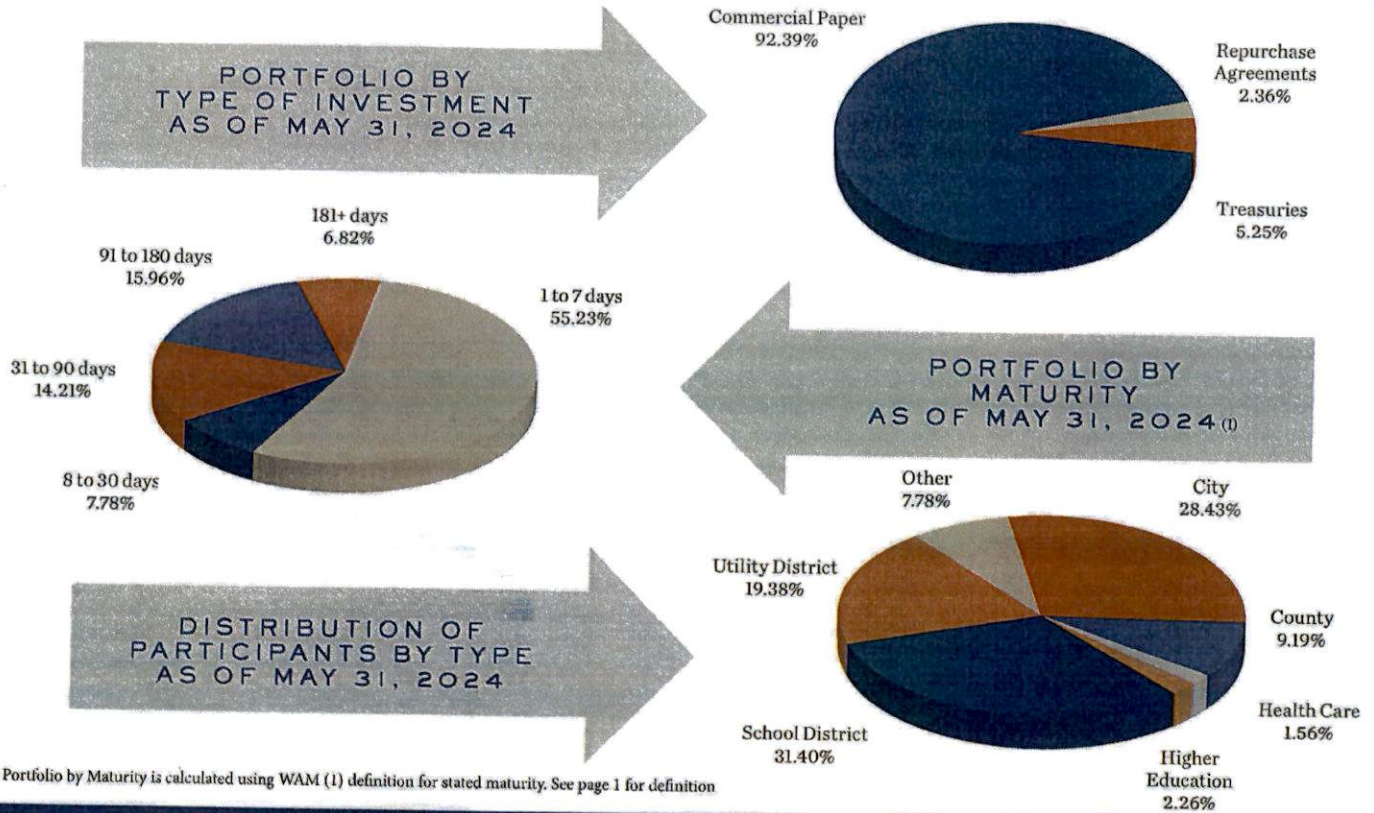
### Market review

Weaker economic data in May contrasted with the picture of resilient U.S. growth so far this year. Following three consecutive months of unexpectedly hot inflation and strong employment figures, which sparked concerns that the Federal Reserve (Fed) may need to keep interest rates higher for longer, consumption, employment and inflation moderated, providing some much-needed relief in markets. Recent data suggested that growth is comfortably cooling from last year's robust pace. In the second revision, first quarter GDP growth was adjusted downward from an annual rate of 1.6% to 1.3%. Consumer spending rose by a downwardly revised 2.0% as spending on services more than offset a decline in goods spending, while the volatile trade and inventories components detracted from growth. However, real final sales to private domestic purchasers, which exclude these volatile segments, rose by a solid 2.8%. There were some signs that the consumer was losing momentum in April, with a 0.1% month-over-month (m/m) contraction in real personal spending, as personal income declined. The savings rate lingered well below pre-pandemic norms at 3.6% year-over-year (y/y), and consumers increasingly relied on credit cards for spending. Consumer confidence waned as the University of Michigan Consumer Sentiment Index in May declined to its lowest level in six months. The April Jobs report was milder than expected and provided welcome assurance that the labor market is not adding to inflationary pressures. Nonfarm payrolls increased by 175,000, falling short of the expected 220,000, with a net downward revision of 22,000 for February and March.

*(continued page 4)*



## INFORMATION AT A GLANCE



## HISTORICAL PROGRAM INFORMATION

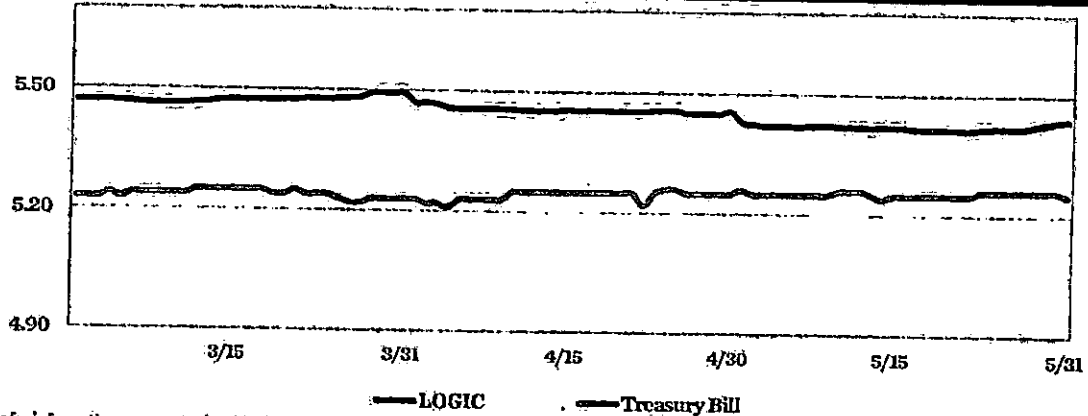
MONTH	AVERAGE RATE	BOOK VALUE	MARKET VALUE	NET ASSET VALUE	WAM (1)	WAL (2)	NUMBER OF PARTICIPANTS
May 24	5.4208%	\$12,027,790,517.42	\$12,026,906,145.27	0.999709	42	61	707
Apr 24	5.4544%	12,799,455,702.21	12,798,499,925.99	0.999925	42	63	700
Mar 24	5.4733%	12,597,157,883.28	12,594,398,914.29	0.999780	44	67	695
Feb 24	5.4812%	13,053,102,972.99	13,055,275,949.92	1.000166	45	67	692
Jan 24	5.5102%	12,694,647,319.98	12,699,839,697.62	1.000409	48	68	691
Dec 23	5.5411%	11,458,079,921.27	11,462,048,344.52	1.000254	53	77	688
Nov 23	5.5598%	10,489,760,450.40	10,492,958,358.89	1.000093	52	83	686
Oct 23	5.5432%	10,227,801,398.83	10,228,563,319.46	1.000074	44	82	684
Sep 23	5.5168%	10,186,401,619.84	10,186,001,313.15	0.999858	39	82	681
Aug 23	5.4721%	10,680,710,251.18	10,680,559,242.38	0.999985	32	74	679
Jul 23	5.2985%	10,153,858,654.20	10,152,546,069.51	0.999870	34	73	676
Jun 23	5.2554%	9,896,613,552.15	9,894,613,184.44	0.999660	40	74	675

## PORTFOLIO ASSET SUMMARY AS OF MAY 31, 2024

	BOOK VALUE	MARKET VALUE
Uninvested Balance	\$ 557.09	\$ 557.09
Accrual of Interest Income	9,933,191.21	9,933,191.21
Interest and Management Fees Payable	(59,073,516.90)	(59,073,516.90)
Payable for Investment Purchased	0.00	0.00
Repurchase Agreement	284,660,999.97	284,660,999.97
Commercial Paper	11,158,696,403.57	11,157,618,257.37
Government Securities	633,572,882.48	633,766,656.53
<b>TOTAL</b>	<b>\$ 12,027,790,517.42</b>	<b>\$ 12,026,906,145.27</b>

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by J.P. Morgan Chase & Co. and the assets are safekept in a separate custodial account at the Federal Reserve Bank in the name of LOGIC. The only source of payment to the Participants are the assets of LOGIC. There is no secondary source of payment for the pool such as insurance or guarantee. Should you require a copy of the portfolio, please contact LOGIC Participant Services.

# LOGIC VERSUS 90-DAY TREASURY BILL



— LOGIC
— Treasury Bill

This material is for information purposes only. This information does not represent an offer to buy or sell a security. The above rate information is obtained from sources that are believed to be reliable; however, its accuracy or completeness may be subject to change. The LOGIC management fee may be waived in full or in part at the discretion of the LOGIC co-administrators and the LOGIC rate for the period shown reflects waiver of fees. This table represents historical investment performance/return to the customer, not offices, and is not an indication of future performance. An investment in the security is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the issuer seeks to preserve the value of an investment of \$1.00 per share, it is possible to lose money by investing in the security. Information about these and other program details are in the fund's Information Statement which should be read carefully before investing. The yield on the 90-Day Treasury Bill ("T-Bill Yield") is shown for comparative purposes only. When comparing the investment returns of the LOGIC pool to the T-Bill Yield, you should know that the LOGIC pool consists of allocations of specific diversified securities as detailed in the respective Information Statements. The T-Bill Yield is taken from Bloomberg Finance L.P. and represents the daily closing yield on the then current 90-Day T-Bill. The LOGIC yield is calculated in accordance with regulations governing the registration of open-end management investment companies under the Investment Company Act of 1940 as promulgated from time to time by the federal Securities and Exchange Commission.

## DAILY SUMMARY FOR MAY 2024

DATE	MYN MKT FUND EQUIV. [SEC Sd.]	DAILY ALLOCATION FACTOR	INVESTED BALANCE	MARKET VALUE PER SHARE	WAM DAYS (1)	WAL DAYS (2)
5/1/2024	5.4290%	0.000148741	\$12,826,186,612.00	0.999906	41	63
5/2/2024	5.4239%	0.000148599	\$12,856,137,216.29	0.999920	41	63
5/3/2024	5.4207%	0.000148511	\$12,829,516,823.41	0.999738	40	61
5/4/2024	5.4207%	0.000148511	\$12,829,516,823.41	0.999738	40	61
5/5/2024	5.4207%	0.000148511	\$12,829,516,823.41	0.999738	40	61
5/6/2024	5.4191%	0.000148469	\$12,790,287,567.52	0.999937	40	60
5/7/2024	5.4204%	0.000148503	\$12,797,826,505.17	0.999932	40	65
5/8/2024	5.4215%	0.000148533	\$12,576,623,712.48	0.999929	43	64
5/9/2024	5.4225%	0.000148563	\$12,565,896,452.34	0.999931	44	64
5/10/2024	5.4201%	0.000148496	\$12,676,544,904.74	0.999723	42	61
5/11/2024	5.4201%	0.000148496	\$12,676,544,904.74	0.999723	42	61
5/12/2024	5.4201%	0.000148496	\$12,676,544,904.74	0.999723	42	61
5/13/2024	5.4187%	0.000148457	\$12,683,113,819.69	0.999925	41	60
5/14/2024	5.4196%	0.000148482	\$12,620,100,662.99	0.999930	41	60
5/15/2024	5.4192%	0.000148472	\$12,575,346,831.59	0.999939	41	60
5/16/2024	5.4194%	0.000148478	\$12,572,472,149.27	0.999940	41	60
5/17/2024	5.4155%	0.000148371	\$12,552,577,335.93	0.999731	39	57
5/18/2024	5.4155%	0.000148371	\$12,552,577,335.93	0.999731	39	57
5/19/2024	5.4155%	0.000148371	\$12,552,577,335.93	0.999731	39	57
5/20/2024	5.4150%	0.000148355	\$12,682,380,861.62	0.999927	39	56
5/21/2024	5.4136%	0.000148318	\$12,729,182,974.79	0.999928	38	55
5/22/2024	5.4132%	0.000148307	\$12,655,730,191.22	0.999918	38	57
5/23/2024	5.4168%	0.000149406	\$12,642,257,478.82	0.999913	42	60
5/24/2024	5.4186%	0.000148454	\$12,673,873,032.62	0.999583	41	59
5/25/2024	5.4186%	0.000148454	\$12,673,873,032.62	0.999583	41	59
5/26/2024	5.4186%	0.000148454	\$12,673,873,032.62	0.999583	41	59
5/27/2024	5.4186%	0.000148454	\$12,673,873,032.62	0.999583	41	59
5/28/2024	5.4259%	0.000148656	\$12,295,222,833.61	0.999908	45	64
5/29/2024	5.4295%	0.000148753	\$12,266,502,428.00	0.999903	47	66
5/30/2024	5.4361%	0.000148935	\$12,198,101,706.44	0.999908	48	67
5/31/2024	5.4376%	0.000148975	\$12,027,790,517.42	0.999709	47	67
Average	5.4208%	0.000148515	\$12,621,050,640.13		42	61





**HilltopSecurities**   
Investment Banking Solutions

**J.P.Morgan**  
Asset Management



*ECONOMIC COMMENTARY (cont.)*

In the household survey, the labor force was mostly unchanged, and the unemployment rate moved up slightly to 3.9%. Elsewhere, wage growth rose to 0.2% m/m and moderated to 3.9% y/y. This marks the softest y/y increase in wages since June 2021. In addition, labor demand continued to normalize as the Job Openings and Labor Turnover Survey indicated the number of job openings decreased from 8.49 million in March to 8.06 million in April bringing the ratio of job openings to unemployed back to pre-Covid levels.

The April CPI report showed a small but welcome moderation in inflation, prompting many Fed policy makers, including Chair Powell, to express that further rate hikes are unlikely. Headline CPI rose 0.3% m/m and 3.4% y/y, while the core measure rose 0.3% m/m and 3.6% y/y. Energy prices rose due to a 2.8% m/m increase in gasoline prices, which, along with a 0.4% m/m increase in shelter, contributed over 70% of this month's headline inflation number. Core goods disinflation continued, as lower vehicle prices offset higher apparel prices. Core services inflation, boosted by auto insurance, remained elevated, although its 3-month annualized run rate fell to 6.3%. Elsewhere, headline and core PCE both held steady at 2.7% and 2.8% y/y, respectively.

As expected, the Federal Open Market Committee (FOMC) kept the federal funds rate steady at 5.25%-5.50% at its May 1st meeting and announced a slower pace of quantitative tightening beginning in June. The meeting minutes, released later in the month, indicated that many participants remained uncertain about the degree of policy restrictiveness given stronger than expected inflation prints in the first quarter. The Committee remained data dependent and reiterated its need for further evidence that inflation is moving sustainably towards its 2% target in order to consider policy easing. As economic data normalized in May, Treasury yields declined out the curve. The three-month Treasury bill yield barely moved, ending the month modestly up 1 basis point (bp) at 5.41%. Longer Treasury yields declined more dramatically with one- and two-year Treasury yields falling 6 bps and 16 bps, to 5.18% and 4.87%, respectively.

**Outlook**

Despite earlier fears about an overheating economy, recent data indicates that the economy is moving towards a soft-landing. Economic growth should continue to moderate from the heady pace in the second half of 2023. Two months into the second quarter, the Atlanta Fed GDPNow estimate for real GDP growth in Q2 is currently 1.8%, down from 2.7%. Given the concerns about a potential reacceleration of inflation in the first quarter, the Fed remains data dependent and will likely need to see a few more months of cooler inflation prints to gain confidence inflation is moving sustainably toward 2%. Overall, the labor market continues to show healthy job growth without renewing concerns about inflation. As the Fed remains on pause, easing pressure from shelter and auto insurance should allow inflation to slowly descend through the summer. We now believe there may be only one rate cut this year, most likely after the presidential election.

This information is an excerpt from an economic report dated May 2024 provided to LOGIC by JP Morgan Asset Management, Inc., the investment manager of the LOGIC pool.

**LOGIC BOARD MEMBERS**

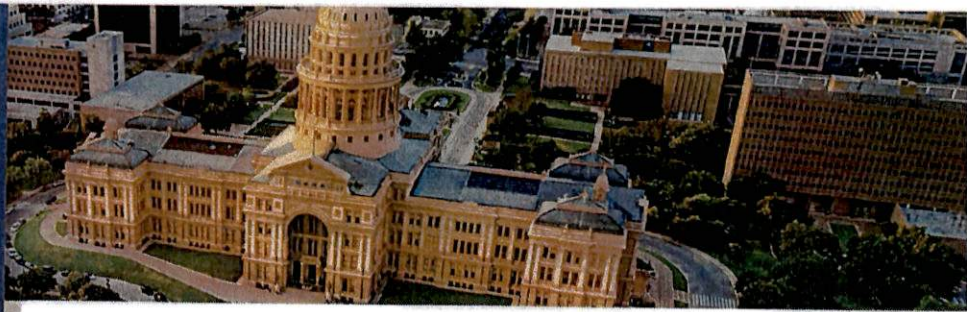
Sandy Newby	Tarrant Regional Water District	Governing Board President
Greg Jordan	Fort Worth Transportation Authority	Governing Board Vice President
Darla Moss	Arlington ISD	Governing Board Treasurer
Jeanne Chipperfield	North Texas Municipal Water District	Governing Board Secretary
Rene Barajas	Northside ISD	Advisory Board Member
Monte Mercer	Qualified Non-Participant	Advisory Board Member
Cindy Demers	Qualified Non-Participant	Advisory Board Member

The material provided to LOGIC from J.P. Morgan Asset Management, Inc., the investment manager of the LOGIC pool, is for informational and educational purposes only, as of the date of writing and may change at any time based on market or other conditions and may not come to pass. While we believe the information presented is reliable, we cannot guarantee its accuracy. HilltopSecurities is a wholly owned subsidiary of Hilltop Holdings, Inc. (NYSE: HTH) located at 717 N. Hardwood Street, Suite 3400, Dallas, TX 75201, (214) 859-1800. Member NYSE/FINRA/SIPC. Past performance is no guarantee of future results. Investment Management Services are offered through J.P. Morgan Asset Management Inc. and/or its affiliates. Marketing and Enrollment duties are offered through HilltopSecurities and/or its affiliates. HilltopSecurities and J.P. Morgan Asset Management Inc. are separate entities.





**TexSTAR**  
MONTHLY  
NEWSLETTER  
MAY  
2024



**PERFORMANCE**

**As of May 31, 2024**

Current Invested Balance	\$ 10,946,135,253.27
Weighted Average Maturity (1)	39 Days
Weighted Average Life (2)	69 Days
Net Asset Value	0.999895
Total Number of Participants	1037
Management Fee on Invested Balance	0.06%*
Interest Distributed	\$ 51,346,960.43
Management Fee Collected	\$ 572,406.06
% of Portfolio Invested Beyond 1 Year	4.50%
Standard & Poor's Current Rating	AAAm

Rates reflect historical information and are not an indication of future performance.

**May Averages**

Average Invested Balance	\$ 11,263,390,382.35
Average Monthly Yield, on a simple basis	5.3078%
Average Weighted Maturity (1)	37 Days
Average Weighted Life (2)	67 Days

**Definition of Weighted Average Maturity (1) & (2)**

(1) This weighted average maturity calculation uses the SEC Rule 2a-7 definition for stated maturity for any floating rate instrument held in the portfolio to determine the weighted average maturity for the pool. This Rule specifies that a variable rate instruction to be paid in 397 calendar days or less shall be deemed to have a maturity equal to the period remaining until the next readjustment of the interest rate.  
(2) This weighted average maturity calculation uses the final maturity of any floating rate instruments held in the portfolio to calculate the weighted average maturity for the pool.

The maximum management fee authorized for the TexSTAR Cash Reserve Fund is 12 basis points. This fee may be waived in full or in part in the discretion of the TexSTAR co-administrators at any time as provided for in the TexSTAR Information Statement.

**NEW PARTICIPANTS**

We would like to welcome the following entities who joined the TexSTAR program in May:

- \* Atascocita Joint Operations Board
- \* City of Godley
- \* City of Pineland
- \* Presidio County
- \* West Sabine Independent School District
- \* City of White Settlement

**HOLIDAY REMINDER**

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**ECONOMIC COMMENTARY**

**Market review**

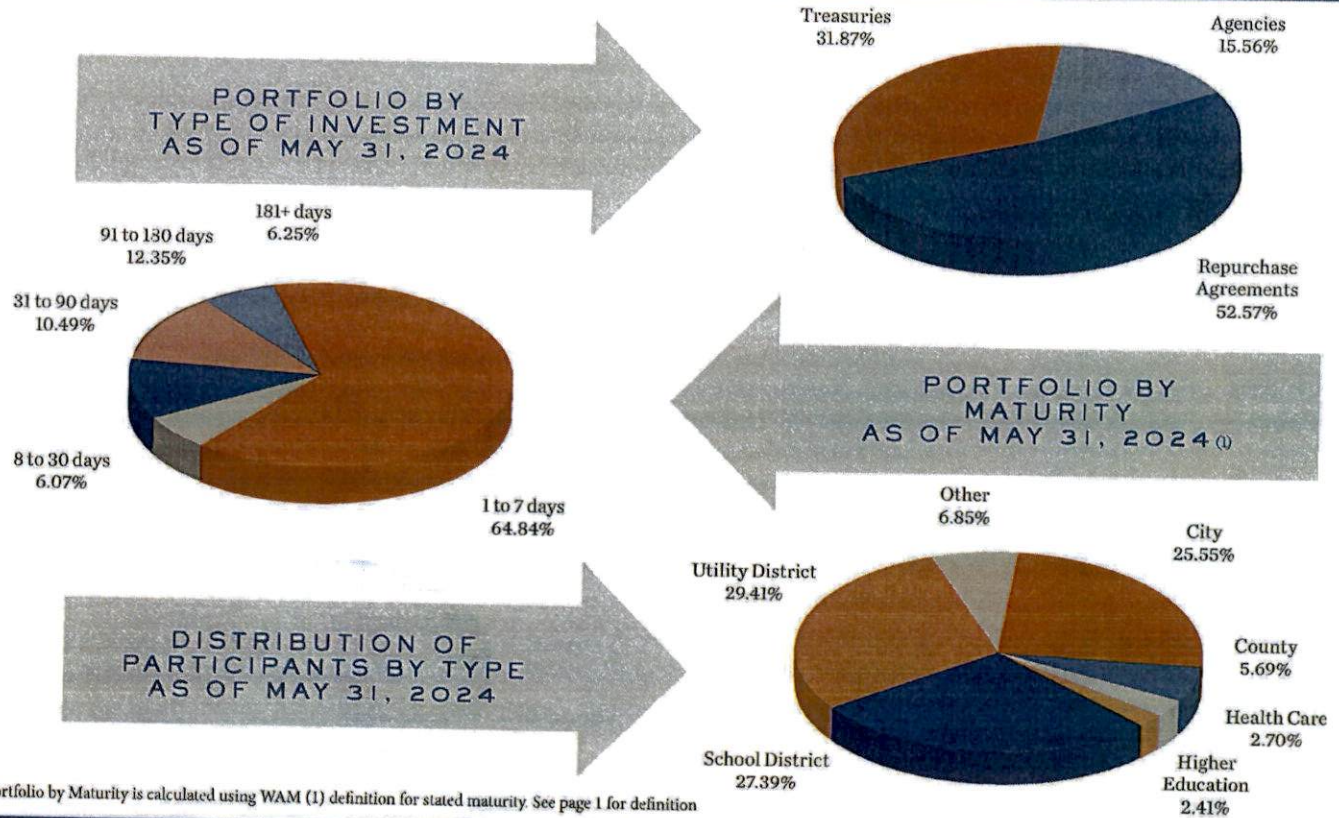
Weaker economic data in May contrasted with the picture of resilient U.S. growth so far this year. Following three consecutive months of unexpectedly hot inflation and strong employment figures, which sparked concerns that the Federal Reserve (Fed) may need to keep interest rates higher for longer, consumption, employment and inflation moderated, providing some much-needed relief in markets. Recent data suggested that growth is comfortably cooling from last year's robust pace. In the second revision, first quarter GDP growth was adjusted downward from an annual rate of 1.6% to 1.3%. Consumer spending rose by a downwardly revised 2.0% as spending on services more than offset a decline in goods spending, while the volatile trade and inventories components detracted from growth. However, real final sales to private domestic purchasers, which exclude these volatile segments, rose by a solid 2.8%. There were some signs that the consumer was losing momentum in April, with a 0.1% month-over-month (m/m) contraction in real personal spending, as personal income declined. The savings rate lingered well below pre-pandemic norms at 3.6% year-over-year (y/y), and consumers increasingly relied on credit cards for spending. Consumer confidence waned as the University of Michigan Consumer Sentiment Index in May declined to its lowest level in six months.

The April Jobs report was milder than expected and provided welcome assurance that the labor market is not adding to inflationary pressures. Nonfarm payrolls increased by 175,000, falling short of the expected 220,000, with a net downward revision of 22,000 for February and March.

*(continued page 4)*



## INFORMATION AT A GLANCE



## HISTORICAL PROGRAM INFORMATION

MONTH	AVERAGE RATE	BOOK VALUE	MARKET VALUE	NET ASSET VALUE	WAM (1)	WAL (2)	NUMBER OF PARTICIPANTS
May 24	5.3078%	\$10,946,135,253.27	\$10,946,064,280.53	0.999895	37	67	1037
Apr 24	5.3057%	11,388,285,240.44	11,386,977,182.36	0.999885	35	65	1031
Mar 24	5.2986%	11,373,415,394.49	11,372,687,872.41	0.999936	36	68	1025
Feb 24	5.3035%	11,928,691,803.89	11,927,911,436.19	0.999934	36	69	1024
Jan 24	5.3200%	11,483,316,119.03	11,483,741,551.85	1.000037	42	77	1024
Dec 23	5.3378%	10,557,076,424.02	10,557,101,303.24	0.999972	44	85	1037
Nov 23	5.3307%	10,148,883,026.83	10,148,191,305.12	0.999931	33	74	1034
Oct 23	5.3231%	10,017,668,653.01	10,016,121,800.83	0.999845	29	69	1031
Sep 23	5.3105%	9,992,445,950.80	9,990,730,955.61	0.999816	29	56	1028
Aug 23	5.2974%	10,207,693,267.12	10,205,377,223.94	0.999773	26	49	1023
Jul 23	5.1148%	10,852,471,505.08	10,849,665,890.42	0.999741	22	47	1021
Jun 23	5.0764%	10,475,876,514.08	10,473,945,855.73	0.999806	22	50	1020

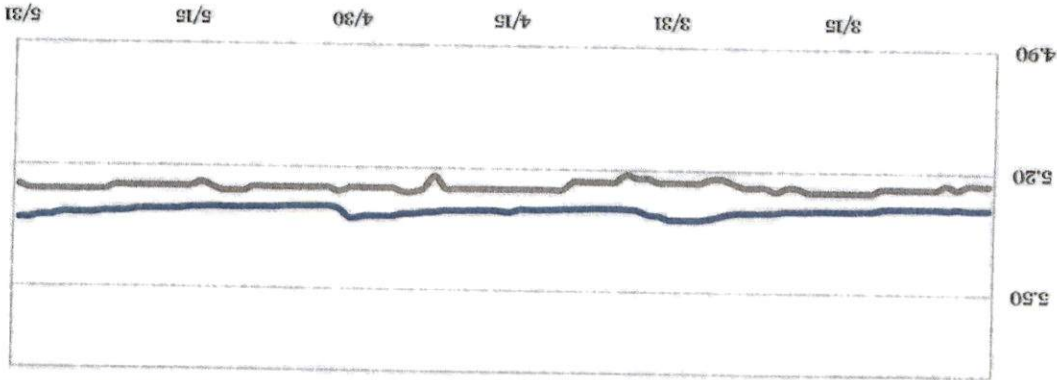
## PORTFOLIO ASSET SUMMARY AS OF MAY 31, 2024

	BOOK VALUE	MARKET VALUE
Uninvested Balance	\$ 847.60	\$ 847.60
Accrual of Interest Income	8,072,259.92	8,072,259.92
Interest and Management Fees Payable	(51,328,457.54)	(51,328,457.54)
Payable for Investment Purchased	(108,094,677.90)	(108,094,677.90)
Repurchase Agreement	5,834,226,999.98	5,834,226,999.98
Government Securities	5,263,258,281.21	5,263,187,308.47
<b>TOTAL</b>	<b>\$ 10,946,135,253.27</b>	<b>\$ 10,946,064,280.53</b>

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by J.P. Morgan Chase & Co. and the assets are safekept in a separate custodial account at the Federal Reserve Bank in the name of TexSTAR. The only source of payment to the Participants are the assets of TexSTAR. There is no secondary source of payment for the pool such as insurance or guarantee. Should you require a copy of the portfolio, please contact TexSTAR Participant Services.



# TEXSTAR VERSUS 90-DAY TREASURY BILL



— Texstar Rate — 90 Day T-Bill Rate

This material is for information purposes only. This information does not represent an offer to buy or sell a security. The above rate information is obtained from sources that are believed to be reliable; however, its accuracy or completeness may be subject to change. The Texstar Management fee may be waived in full or in part at the discretion of the Texstar co-administrators and the Texstar Rate for the period shown reflects whatever fees. This table represents historical performance/return to the customer, net of fees, and is not an indication of future performance. An investment in the security is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the issuer seeks to preserve the value of an investment of \$1.00 per share, it is possible to lose money by investing in the security. Information about these and other program details are in the fund's Information Statement which should be read carefully before investing. The yield on the 90-Day Treasury Bill ("T-Bill Yield") is shown for comparative purposes only. When comparing the investment returns of the Texstar pool to the T-Bill Yield, you should know that the Texstar pool consists of allocations of specific diversified securities as detailed in the respective Information Statements. The T-Bill Yield is taken from Bloomberg Finance L.P. and represents the daily closing yield on the then current 90-Day T-Bill. The Texstar Yield is calculated in accordance with regulations governing the registration of open-end management investment companies under the Investment Company Act of 1940 as promulgated from time to time by the federal Securities and Exchange Commission.

## DAILY SUMMARY FOR MAY 2024

DATE	MINI MINT FUND	DAILY ALLOCATION	INVESTED	MARKET VALUE	PER SHARE	WAM	WAL
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5/1/2024	5.036%	0.000145304	\$11,489,761,382.71	0.999896	38	69	69
5/2/2024	5.2967%	0.000145116	\$11,425,931,554.98	0.999910	38	69	69
5/3/2024	5.2968%	0.000145117	\$11,348,207,449.43	0.999902	37	68	68
5/4/2024	5.2968%	0.000145117	\$11,348,207,449.43	0.999902	37	68	68
5/5/2024	5.2968%	0.000145117	\$11,348,207,449.43	0.999902	37	68	68
5/6/2024	5.2979%	0.000145147	\$11,301,648,427.83	0.999910	37	67	67
5/7/2024	5.2993%	0.000145187	\$11,392,745,819.25	0.999907	36	67	67
5/8/2024	5.2993%	0.000145186	\$11,266,751,699.00	0.999911	38	68	68
5/9/2024	5.3002%	0.000145211	\$11,215,179,095.27	0.999918	38	68	68
5/10/2024	5.3007%	0.000145226	\$11,348,590,691.15	0.999895	36	66	66
5/11/2024	5.3007%	0.000145226	\$11,348,590,691.15	0.999895	36	66	66
5/12/2024	5.3007%	0.000145226	\$11,348,590,691.15	0.999895	36	66	66
5/13/2024	5.3005%	0.000145218	\$11,333,301,034.31	0.999905	36	66	66
5/14/2024	5.3017%	0.000145251	\$11,237,962,180.40	0.999911	36	66	66
5/15/2024	5.3024%	0.000145272	\$11,288,510,182.16	0.999930	38	67	67
5/16/2024	5.3059%	0.000145366	\$11,309,862,210.19	0.999926	37	67	67
5/17/2024	5.3063%	0.000145377	\$11,297,696,338.03	0.999915	36	65	65
5/18/2024	5.3063%	0.000145377	\$11,297,696,338.03	0.999915	36	65	65
5/19/2024	5.3063%	0.000145377	\$11,297,696,338.03	0.999915	36	65	65
5/20/2024	5.3079%	0.000145423	\$11,327,985,033.94	0.999919	37	66	66
5/21/2024	5.3122%	0.000145539	\$11,316,596,341.51	0.999925	37	66	66
5/22/2024	5.3131%	0.000145564	\$11,120,936,629.19	0.999909	38	68	68
5/23/2024	5.3135%	0.000145576	\$11,179,621,773.75	0.999914	38	68	68
5/24/2024	5.3167%	0.000145664	\$11,181,660,587.81	0.999886	37	66	66
5/25/2024	5.3167%	0.000145664	\$11,181,660,587.81	0.999886	37	66	66
5/26/2024	5.3167%	0.000145664	\$11,181,660,587.81	0.999886	37	66	66
5/27/2024	5.3167%	0.000145664	\$11,181,660,587.81	0.999886	37	66	66
5/28/2024	5.3235%	0.000145850	\$11,176,722,428.89	0.999902	39	68	68
5/29/2024	5.3245%	0.000145877	\$11,186,077,374.81	0.999894	39	68	68
5/30/2024	5.3305%	0.000146041	\$10,939,247,644.28	0.999900	40	71	71
5/31/2024	5.3311%	0.000146058	\$10,946,135,253.27	0.999895	39	69	69
Average	5.3078%	0.000145419	\$11,263,390,382.35		37	67	67





**ECONOMIC COMMENTARY (cont.)**

In the household survey, the labor force was mostly unchanged, and the unemployment rate moved up slightly to 3.9%. Elsewhere, wage growth rose to 0.2% m/m and moderated to 3.9% y/y. This marks the softest y/y increase in wages since June 2021. In addition, labor demand continued to normalize as the Job Openings and Labor Turnover Survey indicated the number of job openings decreased from 8.49 million in March to 8.06 million in April bringing the ratio of job openings to unemployed back to pre-Covid levels.

The April CPI report showed a small but welcome moderation in inflation, prompting many Fed policy makers, including Chair Powell, to express that further rate hikes are unlikely. Headline CPI rose 0.3% m/m and 3.4% y/y, while the core measure rose 0.3% m/m and 3.6% y/y. Energy prices rose due to a 2.8% m/m increase in gasoline prices, which, along with a 0.4% m/m increase in shelter, contributed over 70% of this month's headline inflation number. Core goods disinflation continued, as lower vehicle prices offset higher apparel prices. Core services inflation, boosted by auto insurance, remained elevated, although its 3-month annualized run rate fell to 6.3%. Elsewhere, headline and core PCE both held steady at 2.7% and 2.8% y/y, respectively.

As expected, the Federal Open Market Committee (FOMC) kept the federal funds rate steady at 5.25%-5.50% at its May 1st meeting and announced a slower pace of quantitative tightening beginning in June. The meeting minutes, released later in the month, indicated that many participants remained uncertain about the degree of policy restrictiveness given stronger than expected inflation prints in the first quarter. The Committee remained data dependent and reiterated its need for further evidence that inflation is moving sustainably towards its 2% target in order to consider policy easing. As economic data normalized in May, Treasury yields declined out the curve. The three-month Treasury bill yield barely moved, ending the month modestly up 1 basis point (bp) at 5.41%. Longer Treasury yields declined more dramatically with one- and two-year Treasury yields falling 6 bps and 16 bps, to 5.18% and 4.87%, respectively.

**Outlook**

Despite earlier fears about an overheating economy, recent data indicates that the economy is moving towards a soft-landing. Economic growth should continue to moderate from the heady pace in the second half of 2023. Two months into the second quarter, the Atlanta Fed GDPNow estimate for real GDP growth in Q2 is currently 1.8%, down from 2.7%. Given the concerns about a potential reacceleration of inflation in the first quarter, the Fed remains data dependent and will likely need to see a few more months of cooler inflation prints to gain confidence inflation is moving sustainably toward 2%. Overall, the labor market continues to show healthy job growth without renewing concerns about inflation. As the Fed remains on pause, easing pressure from shelter and auto insurance should allow inflation to slowly descend through the summer. We now believe there may be only one rate cut this year, most likely after the presidential election.

This information is an excerpt from an economic report dated May 2024 provided to TexSTAR by JP Morgan Asset Management, Inc., the investment manager of the TexSTAR pool.

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