



Monthly Newsletter: January 2022

ANNOUNCEMENTS

We welcome the following entities who joined TexPool in December 2021:

TexPool

Pineywoods Community Academy

TexPool Prime

No new participants

Upcoming Events

Feb 27, 2022 - March 2, 2022

Government Treasurers' Organization of Texas Winter Seminar

Embassy Suites, San Antonio Riverwalk

February 28, 2022 - March 4, 2022

TASBO Engage Annual Conference

Gaylorh Texan, Grapevine

TexPool Advisory Board Members

David Garcia	Jerry Dale
Patrick Krishock	David Landeros
Belinda Weaver	Sharon Matthews
Deborah Lauder milk	Vivian Wood

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: Onward and upward

January 1, 2022

The market expected a hawkish outcome from the Federal Open Market Committee (FOMC) meeting in mid-December, and it did not disappoint. Federal Reserve officials delivered on the anticipated doubling of the pace of taper to \$30 billion a month. This means the asset purchase program would likely conclude by March 2022. But the headline news came with the fed funds rate. In recent weeks, the market has notably shifted its projections of when the Fed might raise its target range, currently at 0.0-0.25%, pricing in the first hike (often referred to as “liftoff”) as early as March 2022. This swing was so swift and dramatic that one could have expected Chair Powell to push back in his press conference. Instead, he leaned in. The new Fed “dot plot” showed most participants projecting three or more 25 basis-point rate hikes in 2022, another three in 2023, and two more in 2024. These estimates—anywhere from 25 to 75 basis points higher than the dot plot released just this past September—reflect an earlier liftoff and faster pace of tightening than previously thought. We also have brought our own expectations with respect to the first hike into the first half of 2022.

Policymakers’ growth projections came in somewhat lower, but they indicated the unemployment rate could reach 3.5% as soon as the end of next year. Importantly,

(continued page 6)

Performance as of December 31, 2021

	TexPool	TexPool Prime
Current Invested Balance	\$25,831,002,933	\$9,197,364,824
Weighted Average Maturity**	38 Days	49 Days
Weighted Average Life**	89 Days	65 Days
Net Asset Value	0.99996	0.99996
Total Number of Participants	2,676	451
Management Fee on Invested Balance	0.0450%	0.0550%
Interest Distributed	\$727,546.49	\$677,591.38
Management Fee Collected	\$875,865.53	\$364,106.85
Standard & Poor's Current Rating	AAAm	AAAm
Month Averages		
Average Invested Balance	\$22,916,900,653	\$8,815,467,090
Average Monthly Rate*	0.04%	0.09%
Average Weighted Average Maturity**	39	47
Average Weighted Average Life**	98	63

**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.*

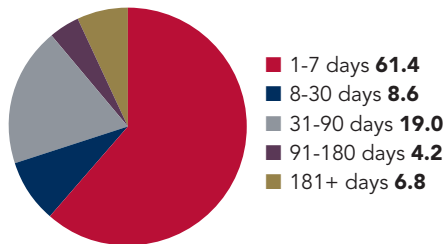
***See page 2 for definitions.*

Past performance is no guarantee of future results.



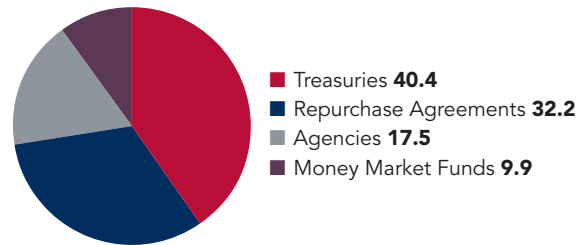
Portfolio by Maturity (%)

As of December 31, 2021



Portfolio by Type of Investment (%)

As of December 31, 2021



Portfolio Asset Summary as of December 31, 2021

	Book Value	Market Value
Uninvested Balance	\$217.85	\$217.85
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	9,781,182.77	9,781,182.77
Interest and Management Fees Payable	-727,550.76	-727,550.76
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-31,846.44	-31,846.44
Repurchase Agreements	8,319,299,554.00	8,319,299,554.00
Mutual Fund Investments	2,543,074,000.00	2,543,074,000.00
Government Securities	4,444,049,056.86	4,444,661,273.71
US Treasury Bills	7,016,373,878.84	7,016,103,510.96
US Treasury Notes	3,499,184,440.00	3,497,899,995.11
Total	\$25,831,002,933.12	\$25,830,060,337.20

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	\$7,466,130,325.62
Higher Education	60	\$1,213,252,091.31
County	194	\$4,102,786,649.37
Healthcare	90	\$1,386,012,260.97
Utility District	861	\$3,659,475,299.77
City	484	\$6,658,491,950.61
Emergency Districts	98	\$277,035,821.89
Economic Development Districts	84	\$121,425,425.42
Other	205	\$946,421,758.00

**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

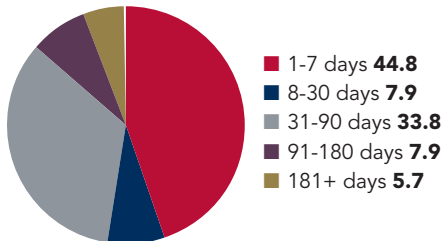
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
12/1	0.0389%	0.000001067	\$21,846,152,999.23	1.00002	42	105
12/2	0.0396%	0.000001084	\$21,918,509,716.23	1.00002	42	105
12/3	0.0395%	0.000001081	\$22,017,650,503.97	1.00001	42	104
12/4	0.0395%	0.000001081	\$22,017,650,503.97	1.00001	42	104
12/5	0.0395%	0.000001081	\$22,017,650,503.97	1.00001	42	104
12/6	0.0394%	0.000001080	\$22,062,803,535.40	1.00000	40	102
12/7	0.0388%	0.000001062	\$22,121,552,082.32	0.99997	40	102
12/8	0.0387%	0.000001061	\$22,144,864,430.21	0.99997	39	102
12/9	0.0387%	0.000001061	\$22,222,712,630.78	0.99997	40	100
12/10	0.0386%	0.000001057	\$22,362,557,517.67	0.99998	41	100
12/11	0.0386%	0.000001057	\$22,362,557,517.67	0.99998	41	100
12/12	0.0386%	0.000001057	\$22,362,557,517.67	0.99998	41	100
12/13	0.0385%	0.000001056	\$22,460,668,738.86	0.99999	38	97
12/14	0.0387%	0.000001059	\$22,404,671,864.66	0.99999	39	99
12/15	0.0387%	0.000001061	\$22,386,092,871.96	0.99998	39	100
12/16	0.0388%	0.000001064	\$22,303,055,939.86	1.00000	39	100
12/17	0.0383%	0.000001049	\$22,655,243,459.40	0.99999	38	96
12/18	0.0383%	0.000001049	\$22,655,243,459.40	0.99999	38	96
12/19	0.0383%	0.000001049	\$22,655,243,459.40	0.99999	38	96
12/20	0.0382%	0.000001046	\$22,811,858,784.25	1.00000	38	96
12/21	0.0380%	0.000001041	\$22,979,542,037.79	1.00000	38	97
12/22	0.0391%	0.000001071	\$23,195,296,097.99	0.99999	37	95
12/23	0.0402%	0.000001101	\$23,324,561,549.66	0.99998	39	96
12/24	0.0402%	0.000001101	\$23,324,561,549.66	0.99998	39	96
12/25	0.0402%	0.000001101	\$23,324,561,549.66	0.99998	39	96
12/26	0.0402%	0.000001101	\$23,324,561,549.66	0.99998	39	96
12/27	0.0393%	0.000001076	\$23,956,104,645.94	0.99997	36	92
12/28	0.0290%	0.000000795	\$24,337,252,848.89	0.99998	37	89
12/29	0.0267%	0.000000731	\$25,458,856,081.75	0.99998	36	86
12/30	0.0276%	0.000000756	\$25,578,321,372.58	0.99998	38	90
12/31	0.0280%	0.000000767	\$25,831,002,933.12	0.99996	38	89
Average:	0.0376%	0.000001029	\$22,916,900,653.34	.99999	39	98



TEXPOOL Prime

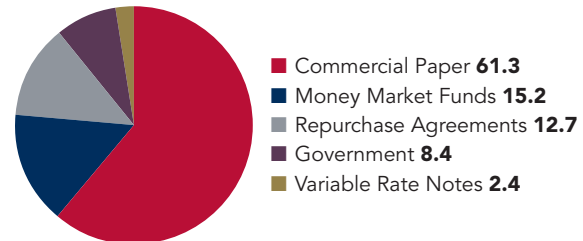
Portfolio by Maturity (%)

As of December 31, 2021



Portfolio by Type of Investment (%)

As of December 31, 2021



Portfolio Asset Summary as of December 31, 2021

	Book Value	Market Value
Uninvested Balance	\$561.76	\$561.76
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	2,064,988.77	2,064,988.77
Interest and Management Fees Payable	-677,591.75	-677,591.75
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-12,322.85	-12,322.85
Repurchase Agreements	1,166,122,000.00	1,166,122,000.00
Commercial Paper	5,633,981,518.23	5,633,795,321.50
Bank Instruments	81,500,000.00	81,568,883.80
Mutual Fund Investments	1,320,150,737.37	1,319,928,557.30
Government Securities	769,234,932.67	769,124,886.35
Variable Rate Notes	225,000,000.00	224,955,000.00
Total	\$9,197,364,824.20	\$9,196,870,284.88

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	129	\$2,415,122,908.13
Higher Education	19	\$569,213,092.93
County	47	\$674,838,537.94
Healthcare	18	\$271,236,004.92
Utility District	50	\$389,222,164.61
City	90	\$2,066,522,071.82
Emergency Districts	21	\$41,004,639.33
Economic Development Districts	15	\$20,998,488.56
Other	62	\$2,749,119,226.74



TEXPOOL Prime

Daily Summary

Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Prime Invested Balance	NAV	WAM Days	WAL Days
12/1	0.0777%	0.000002128	\$8,573,405,387.65	0.99995	46	61
12/2	0.0801%	0.000002194	\$8,577,330,365.09	0.99995	50	65
12/3	0.0804%	0.000002204	\$8,587,411,626.98	0.99992	50	65
12/4	0.0804%	0.000002204	\$8,587,411,626.98	0.99992	50	65
12/5	0.0804%	0.000002204	\$8,587,411,626.98	0.99992	50	65
12/6	0.0795%	0.000002178	\$8,591,417,334.70	0.99993	48	63
12/7	0.0833%	0.000002282	\$8,578,297,258.10	0.99992	48	63
12/8	0.0805%	0.000002205	\$8,550,816,192.85	0.99991	48	63
12/9	0.0889%	0.000002435	\$8,666,967,521.74	0.99992	49	64
12/10	0.0878%	0.000002406	\$8,702,265,292.53	0.99991	49	63
12/11	0.0878%	0.000002406	\$8,702,265,292.53	0.99991	49	63
12/12	0.0878%	0.000002406	\$8,702,265,292.53	0.99991	49	63
12/13	0.0858%	0.000002351	\$8,730,950,487.72	0.99993	46	60
12/14	0.0888%	0.000002433	\$8,610,901,265.26	0.99992	47	61
12/15	0.0907%	0.000002484	\$8,630,209,276.23	0.99993	47	63
12/16	0.0927%	0.000002541	\$8,577,356,034.00	0.99994	46	62
12/17	0.0952%	0.000002609	\$8,620,718,574.69	0.99993	48	64
12/18	0.0952%	0.000002609	\$8,620,718,574.69	0.99993	48	64
12/19	0.0952%	0.000002609	\$8,620,718,574.69	0.99993	48	64
12/20	0.0949%	0.000002600	\$8,612,309,486.08	0.99996	46	64
12/21	0.0967%	0.000002650	\$9,182,207,817.06	0.99997	44	61
12/22	0.0977%	0.000002677	\$9,173,338,597.57	0.99996	46	63
12/23	0.0967%	0.000002648	\$9,249,545,208.08	0.99995	46	63
12/24	0.0967%	0.000002648	\$9,249,545,208.08	0.99995	46	63
12/25	0.0967%	0.000002648	\$9,249,545,208.08	0.99995	46	63
12/26	0.0967%	0.000002648	\$9,249,545,208.08	0.99995	46	63
12/27	0.0964%	0.000002641	\$9,308,544,200.05	0.99997	43	59
12/28	0.1012%	0.000002772	\$8,924,709,245.94	0.99997	44	61
12/29	0.1009%	0.000002765	\$8,868,684,999.76	0.99996	44	60
12/30	0.0952%	0.000002609	\$9,195,302,189.73	0.99996	46	61
12/31	0.0930%	0.000002548	\$9,197,364,824.20	0.99996	49	65
Average:	0.0904%	0.000002476	\$8,815,467,090.28	.99994	47	63



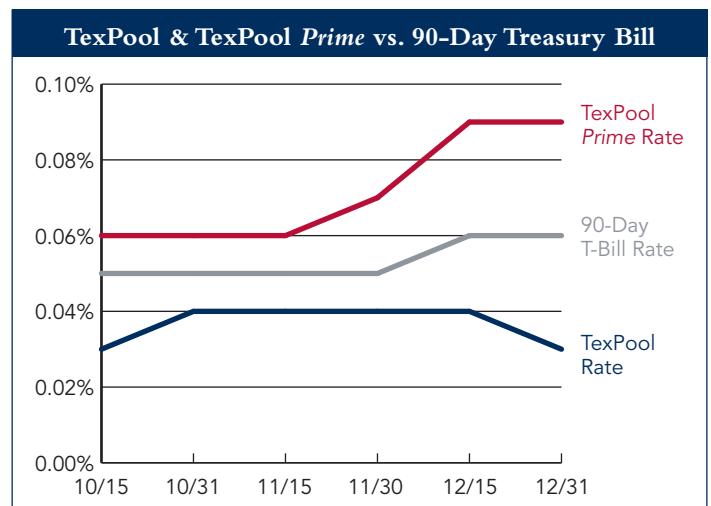
Participant Services
 1001 Texas Ave. Suite 1150
 Houston, TX 77002

inflation estimates as measured by the Personal Consumption Expenditures were elevated yet again, rising from 4.2% to 5.3% for 2021 and from 2.2% to 2.6% for 2022. Powell acknowledged this pivot, citing faster-than-expected progress in employment and persistent price pressures in wages and rent, including owners' equivalent rent, as dominant factors.

Even if economic growth is slowed by the resurgence of Covid-19 due to the omicron variant, the Fed's concerns about inflation should be enough to keep tightening on track. Government, prime and tax-free money market yield curves have already responded by steepening, and we expect that to continue. While the front end of the Treasury curve will stay anchored, the Fed's reverse repo rate should rise in lockstep with the hikes. That would be great news for cash managers and investors.

In a somewhat anticlimactic development relative to the fireworks from the Fed, December saw a resolution to the debt ceiling, with Congress approving a \$2.5 trillion increase in borrowing authority. This action should lead to near-term Treasury bill supply as the Treasury replenishes its dwindling cash in hand, and should also put an end to the debt limit shenanigans until after the 2022 midterm elections at least.

At the end of December, yields on 1-, 3-, 6- and 12-month U.S. Treasuries were 0.03%, 0.05%, 0.19% and 0.38%, respectively; the 1-, 3-, 6- and 12-month Bloomberg Short-Term Bank Yield Index



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.

rates (BSBY) were 0.08%, 0.18%, 0.29% and 0.47%, respectively; and the 1-, 3-, 6- and 12-month London interbank offered rates were 0.10%, 0.21%, 0.34% and 0.58%, respectively.