



Monthly Newsletter: November 2021

ANNOUNCEMENTS

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

TexPool

Travis County MUD 26

Oak Hill FWSD 1

Brazos County MUD 1

Harris County MUD 503

Leander MUD 2

TexPool Prime

No New Participants

Upcoming Events

November 3, 2021 - November 5, 2021

GFOAT Fall Conference

College Station, TX

TexPool Advisory Board Members

David Garcia	Jerry Dale
Patrick Krishock	David Landeros
Belinda Weaver	Sharon Matthews
Deborah Laudermilk	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: A familiar course

November 1, 2021

2013 seems so long ago. That was the year of Pope Francis' inauguration, the Candy Crush app and the indulgent Cronut. Selfies reached such a fever pitch the Oxford dictionary selected it Word of the Year. And in December, the Federal Reserve announced it would begin to reduce its asset purchase program.

Granted, tapering is hardly a memorable event for most of the world. But many are recalling it now that it's soon likely to happen again—potentially following the Federal Open Market Committee meeting Nov. 3. For his part, Chair Jerome Powell said on Oct. 22 that, "I do think it's time to taper." It's helpful to recall 2013 because the process went smoothly (the taper tantrum happened earlier in the year). We expect the same outcome this time.

While the Treasury market probably won't budge from its low levels for some time—Powell also said, "I don't think it's time to raise rates"—spreads in the prime space have been widening. (This is being seen in the Bloomberg Short-Term Bank Yield Index, or BSBY—the industry replacement for the London interbank offered rate.) We think BSBY yields will continue in that positive direction.

(continued page 6)

Performance as of October 31, 2021

	TexPool	TexPool Prime
Current Invested Balance	\$22,119,184,175	\$8,550,438,466
Weighted Average Maturity**	43 Days	48 Days
Weighted Average Life**	104 Days	57 Days
Net Asset Value	1.00005	0.99999
Total Number of Participants	2,670	449
Management Fee on Invested Balance	0.0450%	0.0550%
Interest Distributed	\$662,832.99	\$452,383.22
Management Fee Collected	\$844,031.32	\$357,135.27
Standard & Poor's Current Rating	AAAm	AAAm
Month Averages		
Average Invested Balance	\$22,083,960,100	\$8,662,620,780
Average Monthly Rate*	0.04%	0.06%
Average Weighted Average Maturity**	40	47
Average Weighted Average Life**	101	57

*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.

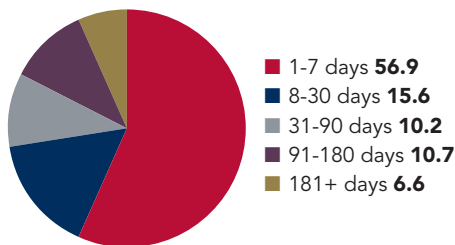
**See page 2 for definitions.

Past performance is no guarantee of future results.



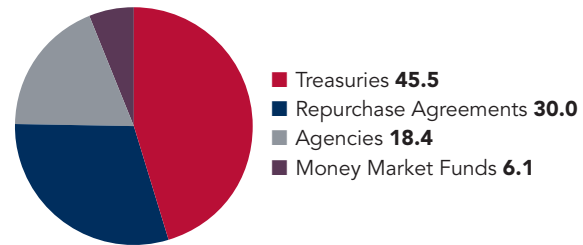
Portfolio by Maturity (%)

As of October 31, 2021



Portfolio by Type of Investment (%)

As of October 31, 2021



Portfolio Asset Summary as of October 31, 2021

	Book Value	Market Value
Uninvested Balance	\$7,530.69	\$7,530.69
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	16,531,004.34	16,531,004.34
Interest and Management Fees Payable	-662,886.11	-662,886.11
Payable for Investments Purchased	-349,951,945.35	-349,951,945.35
Accrued Expenses & Taxes	-81,810.75	-81,810.75
Repurchase Agreements	6,726,115,126.00	6,726,115,126.00
Mutual Fund Investments	1,369,074,000.00	1,369,074,000.00
Government Securities	4,133,103,398.75	4,134,320,956.71
US Treasury Bills	6,230,785,602.11	6,230,711,780.92
US Treasury Notes	3,994,264,155.48	3,993,981,383.65
Total	\$22,119,184,175.16	\$22,120,045,140.10

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	599	\$5,813,968,845.71
Higher Education	60	\$1,174,625,888.58
County	194	\$2,677,145,679.21
Health Care	90	\$1,220,266,094.61
Utility District	859	\$3,512,889,204.44
City	484	\$6,376,504,413.21
Emergency Districts	98	\$274,437,869.28
Economic Development Districts	83	\$123,845,161.54
Other	203	\$945,182,495.35

**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

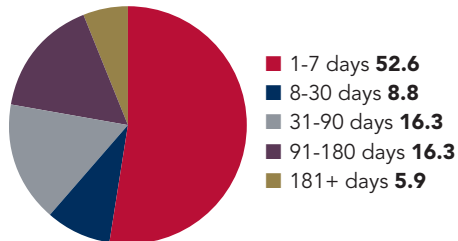
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
10/1	0.0366%	0.000001002	\$21,930,531,453.98	1.00010	38	102
10/2	0.0366%	0.000001002	\$21,930,531,453.98	1.00010	38	102
10/3	0.0366%	0.000001002	\$21,930,531,453.98	1.00010	38	102
10/4	0.0328%	0.000000899	\$21,916,535,051.05	1.00011	35	99
10/5	0.0354%	0.000000971	\$21,909,751,698.88	1.00010	37	100
10/6	0.0357%	0.000000978	\$21,916,201,398.42	1.00010	40	100
10/7	0.0356%	0.000000974	\$22,028,130,536.23	1.00010	40	100
10/8	0.0354%	0.000000971	\$22,068,975,843.06	1.00009	40	99
10/9	0.0354%	0.000000971	\$22,068,975,843.06	1.00009	40	99
10/10	0.0354%	0.000000971	\$22,068,975,843.06	1.00009	40	99
10/11	0.0354%	0.000000971	\$22,068,975,843.06	1.00009	40	99
10/12	0.0362%	0.000000991	\$22,070,355,061.19	1.00009	39	101
10/13	0.0368%	0.000001008	\$22,032,710,936.69	1.00010	40	101
10/14	0.0370%	0.000001013	\$22,016,196,918.62	1.00010	40	101
10/15	0.0275%	0.000000754	\$22,134,821,397.19	1.00009	40	100
10/16	0.0275%	0.000000754	\$22,134,821,397.19	1.00009	40	100
10/17	0.0275%	0.000000754	\$22,134,821,397.19	1.00009	40	100
10/18	0.0368%	0.000001007	\$22,164,832,723.57	1.00009	38	98
10/19	0.0374%	0.000001025	\$22,091,734,173.94	1.00009	38	97
10/20	0.0347%	0.000000951	\$22,059,253,490.31	1.00009	39	99
10/21	0.0351%	0.000000962	\$22,063,437,375.94	1.00008	40	101
10/22	0.0352%	0.000000964	\$21,985,119,047.76	1.00007	42	103
10/23	0.0352%	0.000000964	\$21,985,119,047.76	1.00007	42	103
10/24	0.0352%	0.000000964	\$21,985,119,047.76	1.00007	42	103
10/25	0.0400%	0.000001096	\$22,580,568,977.69	1.00007	39	98
10/26	0.0365%	0.000000999	\$22,427,251,672.81	1.00007	39	98
10/27	0.0377%	0.000001032	\$22,347,667,136.66	1.00007	41	102
10/28	0.0373%	0.000001022	\$22,193,264,356.82	1.00007	40	102
10/29	0.0374%	0.000001026	\$22,119,184,175.16	1.00005	43	104
10/30	0.0374%	0.000001026	\$22,119,184,175.16	1.00005	43	104
10/31	0.0374%	0.000001026	\$22,119,184,175.16	1.00005	43	104
Average:	0.0353%	0.000000969	\$22,083,960,100.11	1.00008	40	101



TEXPOOL Prime

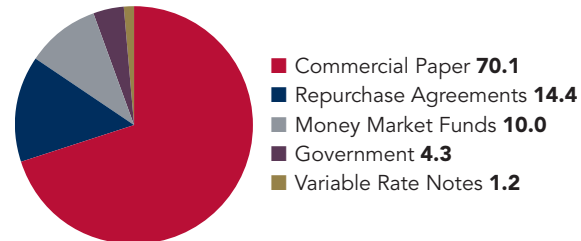
Portfolio by Maturity (%)

As of October 31, 2021



Portfolio by Type of Investment (%)

As of October 31, 2021



Portfolio Asset Summary as of October 31, 2021

	Book Value	Market Value
Uninvested Balance	\$1,237.72	\$1,237.72
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	83,777.34	83,777.34
Interest and Management Fees Payable	-452,376.14	-452,376.14
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-32,632.22	-32,632.22
Repurchase Agreements	1,234,849,000.00	1,234,849,000.00
Commercial Paper	5,993,324,197.04	5,993,468,050.50
Bank Instruments	0.00	0.00
Mutual Fund Investments	855,151,642.74	854,923,558.30
Government Securities	367,513,619.88	367,511,586.23
Variable Rate Notes	100,000,000.00	100,002,000.00
Total	\$8,550,438,466.36	\$8,550,354,201.73

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	\$2,141,460,014.79
Higher Education	19	\$589,789,088.81
County	47	\$517,156,441.87
Health Care	18	\$295,125,244.05
Utility District	49	\$438,475,993.97
City	90	\$2,083,243,272.05
Emergency Districts	21	\$33,476,905.65
Economic Development Districts	15	\$21,736,903.56
Other	61	\$2,429,996,265.95



TEXPOOL *Prime*

Daily Summary

Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool <i>Prime</i> Invested Balance	NAV	WAM Days	WAL Days
10/1	0.0719%	0.000001971	\$8,746,517,713.49	1.00003	50	58
10/2	0.0719%	0.000001971	\$8,746,517,713.49	1.00003	50	58
10/3	0.0719%	0.000001971	\$8,746,517,713.49	1.00003	50	58
10/4	0.0695%	0.000001903	\$8,738,194,111.00	1.00003	48	56
10/5	0.0699%	0.000001915	\$8,715,427,504.39	1.00003	47	55
10/6	0.0692%	0.000001896	\$8,683,746,305.06	1.00003	47	55
10/7	0.0452%	0.000001238	\$8,741,431,248.03	1.00003	46	57
10/8	0.0604%	0.000001656	\$8,787,971,865.04	1.00002	47	57
10/9	0.0604%	0.000001656	\$8,787,971,865.04	1.00002	47	57
10/10	0.0604%	0.000001656	\$8,787,971,865.04	1.00002	47	57
10/11	0.0604%	0.000001656	\$8,787,971,865.04	1.00002	47	57
10/12	0.0587%	0.000001609	\$8,731,094,540.50	1.00003	45	55
10/13	0.0584%	0.000001599	\$8,714,511,065.06	1.00003	45	55
10/14	0.0592%	0.000001621	\$8,684,016,683.21	1.00003	46	56
10/15	0.0590%	0.000001616	\$8,563,782,115.34	1.00002	47	57
10/16	0.0590%	0.000001616	\$8,563,782,115.34	1.00002	47	57
10/17	0.0590%	0.000001616	\$8,563,782,115.34	1.00002	47	57
10/18	0.0591%	0.000001619	\$8,581,668,532.87	1.00002	45	55
10/19	0.0597%	0.000001635	\$8,621,090,443.62	1.00002	48	58
10/20	0.0612%	0.000001678	\$8,627,126,680.33	1.00002	48	58
10/21	0.0600%	0.000001644	\$8,643,612,173.74	1.00002	49	59
10/22	0.0604%	0.000001654	\$8,596,806,666.29	1.00000	49	59
10/23	0.0604%	0.000001654	\$8,596,806,666.29	1.00000	49	59
10/24	0.0604%	0.000001654	\$8,596,806,666.29	1.00000	49	59
10/25	0.0623%	0.000001707	\$8,662,612,540.36	1.00000	46	55
10/26	0.0588%	0.000001610	\$8,633,545,964.73	1.00001	48	57
10/27	0.0602%	0.000001649	\$8,607,368,084.77	1.00000	47	57
10/28	0.0598%	0.000001639	\$8,631,275,968.86	1.00000	47	57
10/29	0.0600%	0.000001644	\$8,550,438,466.36	0.99999	48	57
10/30	0.0600%	0.000001644	\$8,550,438,466.36	0.99999	48	57
10/31	0.0600%	0.000001644	\$8,550,438,466.36	0.99999	48	57
Average:	0.0615%	0.000001685	\$8,662,620,780.36	1.00002	47	57

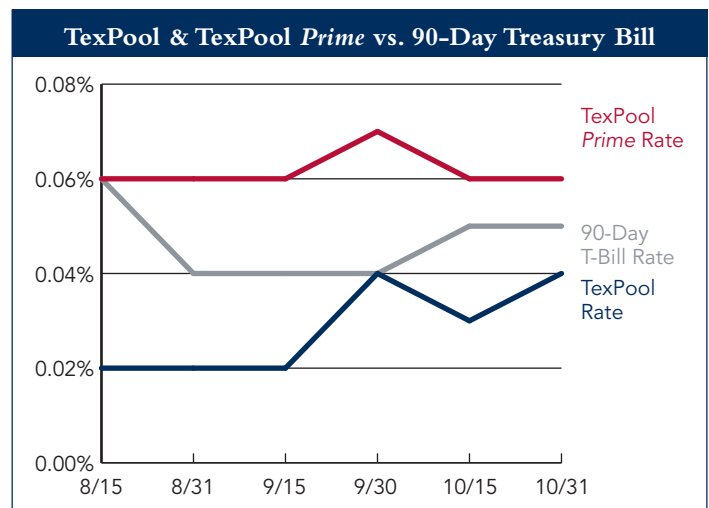


Participant Services
1001 Texas Ave. Suite 1150
Houston, TX 77002

Of course, there's a litany of issues clouding the picture. We were not surprised by the poor third-quarter gross domestic product (GDP) growth, though the 2% annualized reading was lower than expected. Headwinds could come if Covid-19 surges in the winter or another variant emerges. And the toxic politics in Washington make even the basic function of raising the federal debt limit a heavy lift.

But if these potentials don't come to pass, the debt ceiling is raised and GDP growth picks up in 2022 as we project, the markets could get a boost. Other good news should come with the "hard" infrastructure bill, now closer than ever to becoming law. Municipalities and local governments have strong balance sheets swelled by timely tax payments and fiscal stimulus. The bill will be ice cream for them, but should have a long-term positive impact.

At the end of October, yields on 1-, 3-, 6- and 12-month U.S. Treasuries were 0.06%, 0.05%, 0.06% and 0.12%, respectively; and the 1-, 3-, 6- and 12-month London interbank offered rates (Libor) were 0.08%, 0.14%, 0.21% and 0.37%, 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.