



Monthly Newsletter: September 2021

ANNOUNCEMENTS

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

TexPool

- Lake Placid WCID 1
- Harris County MUD 451
- Pilot Know MUD 5

TexPool Prime

- Texas Transportation Commission/
US Bank NA Trustee

Upcoming Events

September 13–16, 2021
CTAT Annual Conference
 The Bevy a Doubletree by Hilton,
 Boerne, Texas

September 24–26, 2021
TASA/TASB Annual Conference
 Dallas, Texas

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: No surprises this time

September 1, 2021

Last year, Covid-19 kept the world’s central bankers from their annual retreat in Wyoming for the Federal Reserve’s economic policy symposium. The Fed used the opportunity to release a major revision of its “Statement on Longer-Run Goals and Monetary Policy Strategy.” Chair Jerome Powell outlined a new framework that tolerates inflation above the Fed’s preferred 2% target until the labor market is sufficiently strong.

In late August, Powell’s keynote address was again delivered remotely, but was much less newsworthy. Citing improvement in both inflation (“substantial progress”) and employment (“clear progress”), he reiterated that the Fed could begin to taper bond purchases this year. That position had already been communicated, but it still was good to hear. If the delta variant doesn’t worsen and the economic recovery doesn’t stall, we could very well see the Fed exit the marketplace by the end of 2022. That would be welcome, with supply of Treasuries being so tight.

Perhaps the most telling part of Powell’s speech was the cold water he threw on any optimism the Fed will raise rates soon: “The timing and pace of the coming reduction in asset purchases will not be intended to carry a direct signal regarding the timing of interest

(continued page 6)

Performance as of August 31, 2021

	TexPool	TexPool Prime
Current Invested Balance	\$22,223,964,027	\$9,311,917,127
Weighted Average Maturity**	31 Days	54 Days
Weighted Average Life**	94 Days	63 Days
Net Asset Value	1.00010	1.00004
Total Number of Participants	2,662	447
Management Fee on Invested Balance	0.0450%	0.0550%
Interest Distributed	\$425,902	\$498,091
Management Fee Collected	\$865,869	\$397,825
Standard & Poor’s Current Rating	AAAm	AAAm
Month Averages		
Average Invested Balance	\$22,655,540,722.44	\$9,717,158,487.92
Average Monthly Rate*	0.02%	0.06%
Average Weighted Average Maturity**	30	52
Average Weighted Average Life**	94	62

**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.*

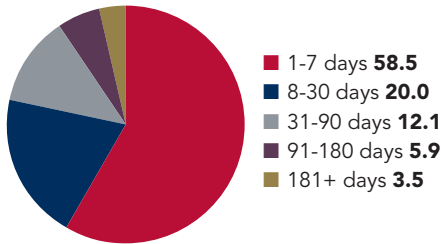
***See page 2 for definitions.*

Past performance is no guarantee of future results.



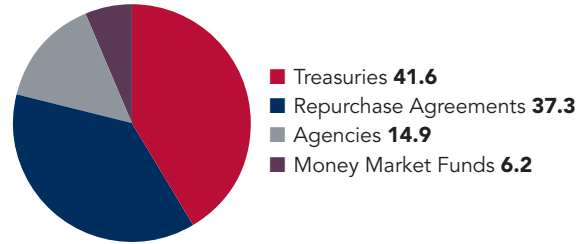
Portfolio by Maturity (%)

As of August 31, 2021



Portfolio by Type of Investment (%)

As of August 31, 2021



Portfolio Asset Summary as of August 31, 2021

	Book Value	Market Value
Uninvested Balance	\$5.36	\$5.36
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	11,137,696.22	11,137,696.22
Interest and Management Fees Payable	-425,930.67	-425,930.67
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-27,399.41	-27,399.41
Repurchase Agreements	8,278,948,315.00	8,278,948,315.00
Mutual Fund Investments	1,370,074,000.00	1,370,074,000.00
Government Securities	3,209,972,745.56	3,211,807,101.06
U.S. Treasury Bills	6,099,505,647.99	6,099,538,823.81
U.S. Treasury Notes	3,254,778,947.31	3,255,061,897.79
Total	\$22,223,964,027.36	\$22,226,114,509.16

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	\$5,754,420,241.18
Higher Education	60	\$1,310,562,232.25
County	194	\$2,819,299,681.29
Health Care	90	\$1,104,239,840.24
Utility District	853	\$3,444,948,575.31
City	484	\$6,392,811,772.77
Emergency Districts	98	\$296,803,796.94
Economic Development Districts	83	\$128,272,953.04
Other	201	\$971,918,850.75

**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

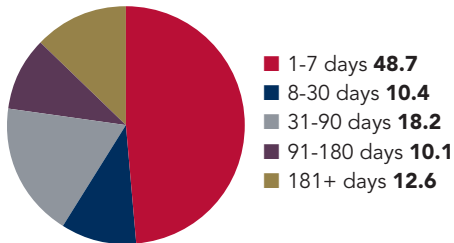
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
8/1	0.0197%	0.000000541	\$23,445,086,783.96	1.00010	31	96
8/2	0.0199%	0.000000544	\$23,433,981,266.92	1.00010	28	94
8/3	0.0200%	0.000000548	\$23,409,203,302.42	1.00010	28	93
8/4	0.0200%	0.000000549	\$23,351,927,500.41	1.00010	28	93
8/5	0.0201%	0.000000551	\$23,297,329,913.51	1.00010	29	94
8/6	0.0202%	0.000000554	\$23,225,749,520.60	1.00010	30	94
8/7	0.0202%	0.000000554	\$23,225,749,520.60	1.00010	30	94
8/8	0.0202%	0.000000554	\$23,225,749,520.60	1.00010	30	94
8/9	0.0206%	0.000000564	\$23,136,880,591.48	1.00010	27	91
8/10	0.0204%	0.000000559	\$23,157,363,438.98	1.00010	31	94
8/11	0.0206%	0.000000564	\$23,050,002,455.41	1.00010	30	94
8/12	0.0219%	0.000000601	\$22,728,154,540.24	1.00010	31	96
8/13	0.0221%	0.000000605	\$22,265,211,175.31	1.00010	32	98
8/14	0.0221%	0.000000605	\$22,265,211,175.31	1.00010	32	98
8/15	0.0221%	0.000000605	\$22,265,211,175.31	1.00010	32	98
8/16	0.0217%	0.000000594	\$22,327,958,769.10	1.00010	29	95
8/17	0.0231%	0.000000633	\$22,274,080,016.33	1.00011	29	95
8/18	0.0231%	0.000000633	\$22,265,276,817.24	1.00011	29	94
8/19	0.0238%	0.000000653	\$22,294,485,358.38	1.00011	28	92
8/20	0.0239%	0.000000656	\$22,175,363,180.88	1.00010	29	95
8/21	0.0239%	0.000000656	\$22,175,363,180.88	1.00010	29	95
8/22	0.0239%	0.000000656	\$22,175,363,180.88	1.00010	29	95
8/23	0.0239%	0.000000656	\$22,105,925,169.94	1.00010	27	92
8/24	0.0233%	0.000000638	\$22,007,161,461.81	1.00010	27	92
8/25	0.0229%	0.000000627	\$22,493,748,638.33	1.00010	27	90
8/26	0.0234%	0.000000640	\$22,603,512,257.32	1.00010	30	91
8/27	0.0235%	0.000000643	\$22,463,544,828.08	1.00010	33	94
8/28	0.0235%	0.000000643	\$22,463,544,828.08	1.00010	33	94
8/29	0.0235%	0.000000643	\$22,463,544,828.08	1.00010	33	94
8/30	0.0254%	0.000000697	\$22,326,113,971.82	1.00010	31	93
8/31	0.0248%	0.000000679	\$22,223,964,027.36	1.00010	31	94
Average:	0.0222%	0.000000608	\$22,655,540,722.44	1.00010	30	94



TEXPOOL Prime

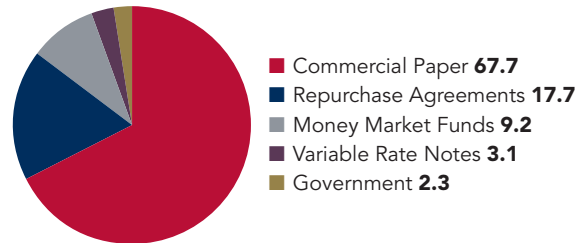
Portfolio by Maturity (%)

As of August 31, 2021



Portfolio by Type of Investment (%)

As of August 31, 2021



Portfolio Asset Summary as of August 31, 2021

	Book Value	Market Value
Uninvested Balance	-\$344.45	-\$344.45
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	134,409.59	134,409.59
Interest and Management Fees Payable	-498,158.13	-498,158.13
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-12,461.37	-12,461.37
Repurchase Agreements	1,649,798,000.00	1,649,798,000.00
Commercial Paper	6,297,835,431.65	6,298,343,052.80
Bank Instruments	0.00	0.00
Mutual Fund Investments	857,152,548.11	856,923,558.30
Government Securities	217,507,701.77	217,503,003.08
Variable Rate Notes	290,000,000.00	290,059,025.00
Total	\$9,311,917,127.17	\$9,312,250,084.82

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	\$2,465,803,070.77
Higher Education	19	\$635,129,440.76
County	47	\$636,358,370.36
Health Care	18	\$292,544,398.49
Utility District	49	\$427,719,918.58
City	90	\$2,325,210,552.13
Emergency Districts	21	\$35,795,715.28
Economic Development Districts	15	\$22,024,971.48
Other	59	\$2,471,296,096.12



TEXPOOL Prime

Daily Summary

Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Prime Invested Balance	NAV	WAM Days	WAL Days
8/1	0.0630%	0.000001726	\$10,083,961,853.46	1.00004	53	62
8/2	0.0708%	0.000001940	\$10,201,695,092.56	1.00004	51	60
8/3	0.0643%	0.000001763	\$10,205,401,977.58	1.00004	52	61
8/4	0.0620%	0.000001698	\$10,265,082,865.74	1.00004	51	60
8/5	0.0617%	0.000001690	\$10,242,272,134.61	1.00004	51	60
8/6	0.0618%	0.000001693	\$10,146,968,102.30	1.00004	52	61
8/7	0.0618%	0.000001693	\$10,146,968,102.30	1.00004	52	61
8/8	0.0618%	0.000001693	\$10,146,968,102.30	1.00004	52	61
8/9	0.0659%	0.000001806	\$10,114,679,931.79	1.00004	51	60
8/10	0.0633%	0.000001733	\$9,844,905,585.03	1.00004	52	61
8/11	0.0623%	0.000001708	\$9,838,732,396.61	1.00004	51	61
8/12	0.0634%	0.000001737	\$9,732,920,443.95	1.00004	52	61
8/13	0.0643%	0.000001762	\$9,611,579,323.03	1.00004	52	62
8/14	0.0643%	0.000001762	\$9,611,579,323.03	1.00004	52	62
8/15	0.0643%	0.000001762	\$9,611,579,323.03	1.00004	52	62
8/16	0.0626%	0.000001715	\$9,561,943,301.35	1.00004	50	60
8/17	0.0645%	0.000001766	\$9,633,177,704.97	1.00004	50	59
8/18	0.0634%	0.000001736	\$9,648,945,665.50	1.00004	48	57
8/19	0.0609%	0.000001669	\$9,599,753,576.78	1.00004	52	61
8/20	0.0587%	0.000001609	\$9,549,701,304.80	1.00004	53	62
8/21	0.0587%	0.000001609	\$9,549,701,304.80	1.00004	53	62
8/22	0.0587%	0.000001609	\$9,549,701,304.80	1.00004	53	62
8/23	0.0588%	0.000001611	\$9,465,564,410.03	1.00004	51	60
8/24	0.0605%	0.000001657	\$9,430,479,593.64	1.00004	53	62
8/25	0.0611%	0.000001673	\$9,345,707,406.45	1.00004	53	62
8/26	0.0592%	0.000001621	\$9,392,375,341.81	1.00004	52	61
8/27	0.0592%	0.000001623	\$9,342,420,270.70	1.00004	57	66
8/28	0.0592%	0.000001623	\$9,342,420,270.70	1.00004	57	66
8/29	0.0592%	0.000001623	\$9,342,420,270.70	1.00004	57	66
8/30	0.0583%	0.000001597	\$9,360,389,714.08	1.00004	54	63
8/31	0.0578%	0.000001583	\$9,311,917,127.17	1.00004	54	63
Average:	0.0618%	0.000001693	\$9,717,158,487.92	1.00004	52	62

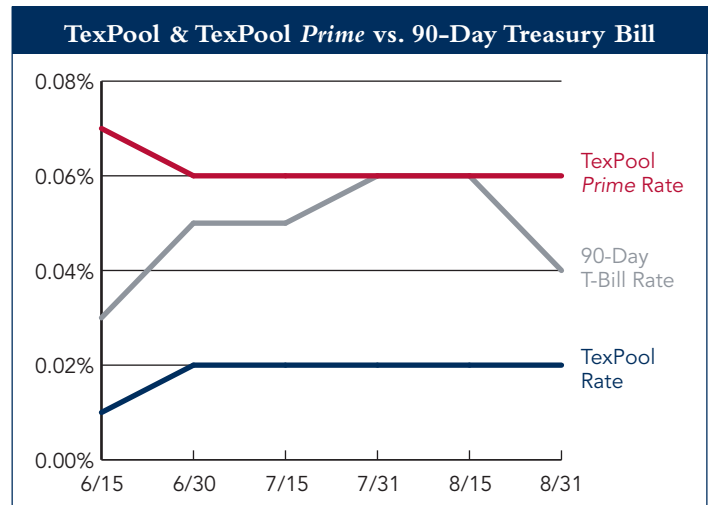


Participant Services
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rate liftoff.” The economy, he said, has a “substantially more stringent test” it must pass for that to happen. But we all knew this, so its characterization by the market as being “dovish” is misplaced.

The rate move that the Fed has made—raising the floor on overnight rates—has continued to help cash managers. With the Reverse Repo Program (RRP) setting the floor at 5 basis points, traditional repo market rates consistently fell between 5 and 6 basis points in August. Usage of the facility remained at record levels. The latter is in part due to the loosening of the criteria to be a participant, with more funds, primary dealers, banks and the like being added. The elevated use also reflects the lack of resolution on the debt limit, which has only made Treasuries more expensive. The markets have begun to speculate on when the Treasury Department’s extraordinary measures will run out. Everyone knows a deal will be done, yet it looks like we are in for some bumps in the road. But with every bump comes a potential opportunity.

At the end of August, yields on 1-, 3-, 6- and 12-month U.S. Treasuries were 0.04%, 0.04%, 0.06% and 0.07%, respectively; the 1-, 3-, 6- and 12-month London interbank offered rates (Libor) were 0.08%, 0.12%, 0.15% and 0.23%, respectively; and the weighted average maturities (WAMs) of TexPool and TexPool Prime were 31 and 54 days, 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.