



## Monthly Newsletter: March 2021

### ANNOUNCEMENTS

**We welcome the following entities who joined TexPool in February 2021:**

**TexPool**

Williamson County ESD 12  
Denton County Clerk

**TexPool Prime**

Denton County Clerk

### Upcoming Events

April 19 2021 – April 22 2021  
49th Annual County Treasurers Continuing Education Seminar

**Embassy Suites San Marcos Hotel & Conference Center, San Marcos, Texas**

June 14, 2021 – June 16, 2021,  
TASBO Summer Solutions Conference

### 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: Worry list

March 1, 2021

Outdoor enthusiasts, chocolatiers and florists aside, most would like February to end even sooner than it does. Snow isn't quaint anymore and most of us are stir crazy. This year, it manifested in the financial world through handwringing over issues that can't immediately be resolved.

First is inflation. For several months, we have taken the contrarian position that an uptick is possible. Anyone who doubts the power of pent-up demand combined with cash in hand need only look at the blowout retail sales figure in January. But it is a matter of gradations. The recent cries that inflation will skyrocket are unfounded. Federal Reserve Chair Powell threw cold water on the concern in his testimony to Congress last week, reiterating that the economy is a long way from the Fed's employment and inflation goals. Our view is that a slow and steady rise in prices could lead the Fed to move its first hike to next year instead of 2023.

Another hot button is negative rates. The Bank of England yanked the issue into the spotlight again when it told U.K. banks they have six months to prepare their systems to handle them. British policymakers followed that by saying this new mandate didn't mean

*(continued page 6)*

### Performance as of February 28, 2021

	TexPool	TexPool Prime
Current Invested Balance	\$28,297,139,111.08	\$10,410,303,522.01
Weighted Average Maturity**	32	50
Weighted Average Life**	88	59
Net Asset Value	1.00015	1.00007
Total Number of Participants	2,643	441
Management Fee on Invested Balance	0.0450%	0.0550%
Interest Distributed	\$957,753.86	\$783,002.84
Management Fee Collected	\$967,857.05	\$413,901.02
Standard & Poor's Current Rating	AAAm	AAAm
<b>Month Averages</b>		
Average Invested Balance	\$28,938,712,681.92	\$10,519,541,041.95
Average Monthly Rate*	0.05%	0.10%
Average Weighted Average Maturity**	32	52
Average Weighted Average Life**	86	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.

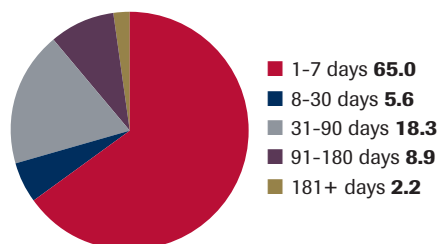
\*\*See page 2 for definitions.

Past performance is no guarantee of future results.



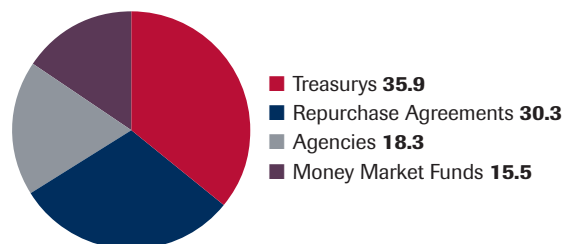
## Portfolio by Maturity (%)

As of February 28, 2021



## Portfolio by Type of Investment (%)

As of February 28, 2021



### Portfolio Asset Summary as of February 28, 2021

	Book Value	Market Value
Uninvested Balance	\$191,566.06	\$191,566.06
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	9,995,835.26	9,995,835.26
Interest and Management Fees Payable	-957,719.14	-957,719.14
Payable for Investments Purchased	-149,977,687.50	-149,977,687.50
Accrued Expenses & Taxes	-131,655.82	-131,655.82
Repurchase Agreements	8,613,601,651.00	8,613,601,651.00
Mutual Fund Investments	4,395,074,000.00	4,395,074,000.00
Government Securities	5,179,241,714.36	5,182,438,724.78
U.S. Treasury Bills	8,550,643,019.71	8,551,194,797.95
U.S. Treasury Notes	1,699,458,387.15	1,699,919,591.30
<b>Total</b>	<b>\$28,297,139,111.08</b>	<b>\$28,301,349,103.90</b>

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	\$9,048,772,539.05
Higher Education	60	\$1,619,071,274.17
County	192	\$3,206,174,634.53
Healthcare	90	\$1,597,088,944.21
Utility District	839	\$3,393,610,911.43
City	482	\$7,198,787,543.49
Emergency Districts	98	\$265,704,444.13
Economic Development Districts	83	\$122,709,725.73
Other	200	\$1,845,184,304.58

### \*\*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

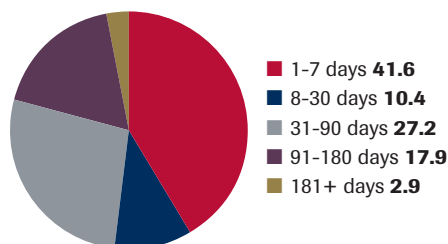
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
2/1	0.0626%	0.000001715	\$29,008,717,065.26	1.00016	34	88
2/2	0.0643%	0.000001761	\$28,915,959,073.77	1.00015	33	90
2/3	0.0692%	0.000001896	\$29,236,811,550.02	1.00016	33	89
2/4	0.0564%	0.000001546	\$29,501,451,358.54	1.00016	32	87
2/5	0.0444%	0.000001216	\$29,632,449,220.41	1.00017	33	88
2/6	0.0444%	0.000001216	\$29,632,449,220.41	1.00017	33	88
2/7	0.0444%	0.000001216	\$29,632,449,220.41	1.00017	33	88
2/8	0.0354%	0.000000970	\$29,653,939,573.25	1.00017	31	85
2/9	0.0433%	0.000001187	\$29,783,047,748.21	1.00016	31	85
2/10	0.0546%	0.000001497	\$29,759,246,749.93	1.00016	31	83
2/11	0.0543%	0.000001489	\$29,277,527,554.04	1.00015	31	85
2/12	0.0498%	0.000001365	\$28,715,982,025.79	1.00015	33	87
2/13	0.0498%	0.000001365	\$28,715,982,025.79	1.00015	33	87
2/14	0.0498%	0.000001365	\$28,715,982,025.79	1.00015	33	87
2/15	0.0498%	0.000001365	\$28,715,982,025.79	1.00015	33	87
2/16	0.0499%	0.000001367	\$28,583,541,766.15	1.00016	30	85
2/17	0.0536%	0.000001469	\$28,579,152,968.30	1.00015	30	84
2/18	0.0444%	0.000001217	\$28,671,743,881.47	1.00016	30	85
2/19	0.0358%	0.000000980	\$28,573,492,181.07	1.00016	31	85
2/20	0.0358%	0.000000980	\$28,573,492,181.07	1.00016	31	85
2/21	0.0358%	0.000000980	\$28,573,492,181.07	1.00016	31	85
2/22	0.0335%	0.000000918	\$28,623,745,996.58	1.00017	29	81
2/23	0.0332%	0.000000910	\$28,814,526,948.88	1.00016	29	82
2/24	0.0301%	0.000000825	\$28,948,634,356.31	1.00016	29	84
2/25	0.0322%	0.000000881	\$28,552,738,862.11	1.00016	30	85
2/26	0.0163%	0.000000447	\$28,297,139,111.08	1.00015	32	88
2/27	0.0163%	0.000000447	\$28,297,139,111.08	1.00015	32	88
2/28	0.0163%	0.000000447	\$28,297,139,111.08	1.00015	32	88
<b>Average:</b>	<b>0.0431%</b>	<b>0.000001180</b>	<b>\$28,938,712,681.92</b>	<b>1.00016</b>	<b>32</b>	<b>86</b>



## TEXPOOL Prime

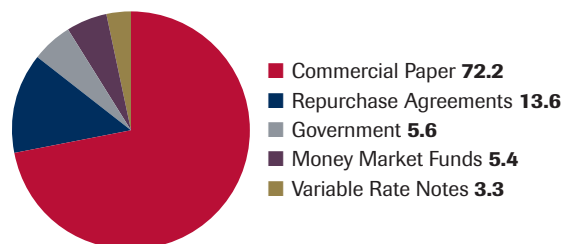
### Portfolio by Maturity (%)

As of February 28, 2021



### Portfolio by Type of Investment (%)

As of February 28, 2021



### Portfolio Asset Summary as of February 28, 2021

	Book Value	Market Value
Uninvested Balance	-\$65.31	-\$65.31
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	223,995.76	223,995.76
Interest and Management Fees Payable	-783,023.92	-783,023.92
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-43,844.55	-43,844.55
Repurchase Agreements	1,411,399,000.00	1,411,399,000.00
Commercial Paper	7,517,605,739.40	7,518,224,217.38
Bank Instruments	0.00	0.00
Mutual Fund Investments	562,126,501.32	562,052,003.75
Government Securities	579,775,219.31	579,826,191.32
Variable Rate Notes	340,000,000.00	340,154,125.00
<b>Total</b>	<b>\$10,410,303,522.01</b>	<b>\$10,411,052,599.43</b>

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	127	\$3,682,708,793.27
Higher Education	19	\$746,872,565.28
County	44	\$819,855,884.21
Healthcare	18	\$494,674,155.30
Utility District	49	\$290,542,321.77
City	90	\$2,711,170,689.30
Emergency Districts	21	\$36,619,651.84
Economic Development Districts	15	\$21,427,292.03
Other	58	\$1,606,435,451.46



## TEXPOOL Prime

### Daily Summary

Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Prime Invested Balance	NAV	WAM Days	WAL Days
2/1	0.1073%	0.000002940	\$10,023,786,728.44	1.00006	52	61
2/2	0.1059%	0.000002902	\$10,330,437,693.25	1.00006	51	60
2/3	0.1041%	0.000002853	\$10,431,929,459.35	1.00006	52	61
2/4	0.0992%	0.000002717	\$10,590,932,540.24	1.00006	51	60
2/5	0.0944%	0.000002585	\$10,682,721,964.78	1.00006	52	61
2/6	0.0944%	0.000002585	\$10,682,721,964.78	1.00006	52	61
2/7	0.0944%	0.000002585	\$10,682,721,964.78	1.00006	52	61
2/8	0.0955%	0.000002617	\$10,690,017,848.54	1.00007	50	59
2/9	0.0976%	0.000002674	\$10,732,365,462.19	1.00007	52	60
2/10	0.1021%	0.000002797	\$10,704,634,241.30	1.00008	54	62
2/11	0.1001%	0.000002742	\$10,654,935,318.09	1.00008	53	61
2/12	0.1002%	0.000002744	\$10,563,214,964.06	1.00007	55	63
2/13	0.1002%	0.000002744	\$10,563,214,964.06	1.00007	55	63
2/14	0.1002%	0.000002744	\$10,563,214,964.06	1.00007	55	63
2/15	0.1002%	0.000002744	\$10,563,214,964.06	1.00007	55	63
2/16	0.1005%	0.000002754	\$10,541,612,246.97	1.00008	52	61
2/17	0.1012%	0.000002773	\$10,537,162,535.95	1.00008	51	60
2/18	0.0998%	0.000002733	\$10,593,367,816.67	1.00008	53	61
2/19	0.0946%	0.000002591	\$10,526,444,645.80	1.00007	53	61
2/20	0.0946%	0.000002591	\$10,526,444,645.80	1.00007	53	61
2/21	0.0946%	0.000002591	\$10,526,444,645.80	1.00007	53	61
2/22	0.0967%	0.000002648	\$10,437,827,700.86	1.00008	52	60
2/23	0.0950%	0.000002602	\$10,409,038,824.06	1.00008	51	60
2/24	0.0936%	0.000002564	\$10,379,355,520.57	1.00008	51	59
2/25	0.0908%	0.000002487	\$10,378,474,984.22	1.00008	50	59
2/26	0.0891%	0.000002442	\$10,410,303,522.01	1.00007	50	59
2/27	0.0891%	0.000002442	\$10,410,303,522.01	1.00007	50	59
2/28	0.0891%	0.000002442	\$10,410,303,522.01	1.00007	50	59
<b>Average:</b>	<b>0.0973%</b>	<b>0.000002665</b>	<b>\$10,519,541,041.95</b>	<b>1.00007</b>	<b>52</b>	<b>61</b>



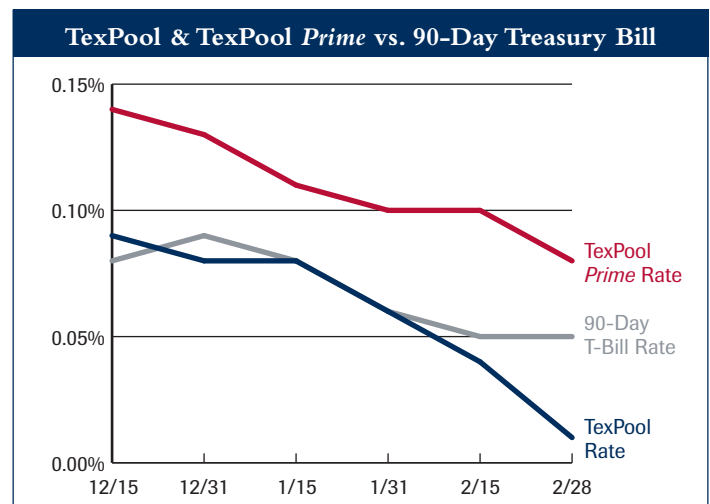
Participant Services  
1001 Texas Ave. Suite 1150  
Houston, TX 77002

they had decided to drop rates below zero. But by that point, the markets and press were already fretting. Fact is, the main central banks are no longer clandestine institutions. They want the markets to take them at face value. We believe the Fed when it says negative rates are not on the table. If policymakers change their mind, we will hear about it long before.

The hope is we will be reading about the completed passage of the next fiscal stimulus package soon. As it likely will be financed in part through additional supply of Treasury bills, we expect this to ease the supply strains at the front end of the yield curve.

February did see an actual development in the liquidity space. The new Bloomberg Short-Term Bank Yield Index (BSBY) is tracking the London interbank offered rate (Libor) and Secured Overnight Financing Rate (SOFR) well, and the volume of transactions it incorporates is growing. It is only a matter of time until a security based on it comes to market, and that should establish it as the appropriate index for the prime sector.

Treasury yields ended the month with 1-month at 0.04%, 3-month at 0.04%, 6-month at 0.06%, and 12-month at 0.08%. Libor ended the month with 1-month at 0.12%, 3-month at 0.19%, 6-month at 0.20% and 12-month at 0.28%. The weighted average maturity (WAM) at month-end was 32 days for TexPool and 52 days for TexPool Prime.



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.