



Monthly Newsletter: January 2021

ANNOUNCEMENTS

We welcome the following entities who joined TexPool in December 2020:

TexPool

McLennan County Bail Bond
Oak Leaf Economic Development Corporation
The Colony MUD 1B

TexPool Prime

HMW Special Utility District
The Harris Center for Mental Health and IDD
Oak Leaf Economic Development Corporation

Upcoming Events

Jan 25, 2021 - Jan 27, 2021,
TASA Midwinter Conference
Virtual Conference

Feb 15, 2021 - Feb 19, 2021,
TASBO Annual Conference
JW Marriott & Hilton, Austin

Feb 22, 2021 - Feb 23, 2021,
GTOT Winter Seminar
Virtual 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: Looking forward to 2021

January 1, 2021

The loss of lives and livelihoods due to Covid-19 was devastating and will continue into 2021. But there are positive developments and reasons for at least cautious optimism. The obvious one is the arrival of vaccines, which have come sooner than many thought possible. The rollout will take time, but we also likely will see the number of new infections decline.

Less clear is the performance of the economy, but we are optimistic here, too. Let's not forget we entered 2020 in reasonable shape, with interest rates and inflation at around 2%, and gross domestic product (GDP) growth in the 3-4% range. Headwinds, such as trade wars and Brexit, have passed.

It will take time for the U.S. to recover from the coronavirus-induced damage. But the economy is on its feet now, and with vaccines it should start taking strides. We think pent-up demand will play a major role. As people feel more confident about their finances or return to work if they were laid off, economic activity should arise. Consumers can only buy so much from Amazon. They will return to local stores, take trips, enjoy live entertainment and buy big-ticket items. And there's little indication that well-performing sectors, such as housing, will roll over.

(continued page 6)

Performance as of December 31, 2020

	TexPool	TexPool Prime
Current Invested Balance	\$25,413,827,871.37	\$8,609,397,764.42
Weighted Average Maturity**	37	41
Weighted Average Life**	101	54
Net Asset Value	1.00018	1.00003
Total Number of Participants	2,639	438
Management Fee on Invested Balance	0.0450%	0.0550%
Interest Distributed	\$1,716,080.87	\$982,776.81
Management Fee Collected	\$759,037.83	\$344,444.29
Standard & Poor's Current Rating	AAAm	AAAm

Month Averages

Average Invested Balance	\$22,320,802,416.28	\$8,092,528,855.70
Average Monthly Rate*	0.09%	0.14%
Average Weighted Average Maturity**	34	47
Average Weighted Average Life**	106	61

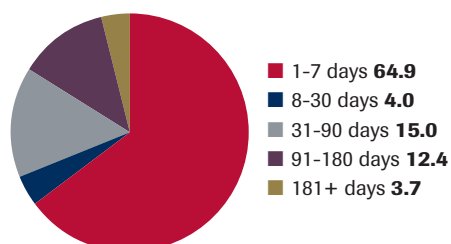
*This average monthly rate for TexPool Prime for each date may reflect a waiver of some portion or all of each of the management fees.

**See page 2 for definitions.

Past performance is no guarantee of future results.

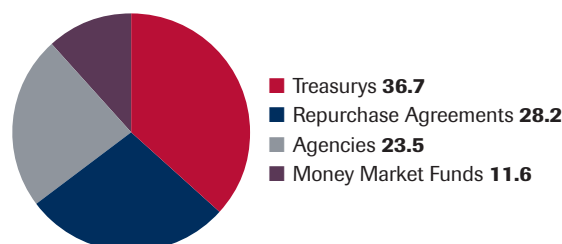
Portfolio by Maturity (%)

As of December 31, 2020



Portfolio by Type of Investment (%)

As of December 31, 2020



Portfolio Asset Summary as of December 31, 2020

	Book Value	Market Value
Uninvested Balance	\$1,243.35	\$1,243.35
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	7,160,432.18	7,160,432.18
Interest and Management Fees Payable	-1,716,071.18	-1,716,071.18
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-24,197.48	-24,197.48
Repurchase Agreements	7,164,236,681.00	7,164,236,681.00
Mutual Fund Investments	2,965,074,000.00	2,965,074,000.00
Government Securities	5,920,928,359.73	5,924,389,693.68
U.S. Treasury Bills	7,443,359,660.02	7,443,784,290.18
U.S. Treasury Notes	1,914,807,763.75	1,915,404,698.22
Total	\$25,413,827,871.37	\$25,418,310,769.95

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	\$7,460,712,128.78
Higher Education	60	\$1,376,009,076.02
Healthcare	191	\$3,592,963,075.49
Utility District	90	\$1,192,660,112.16
City	841	\$3,064,862,209.58
County	482	\$6,512,457,815.97
Other	199	\$1,896,760,706.32
Emergency Districts	95	\$203,650,036.29
Economic Development Districts	82	\$113,441,929.92

**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

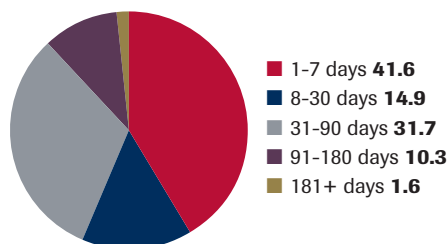
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
12/1	0.0976%	0.000002674	\$21,351,193,475.64	1.00023	34	105
12/2	0.0969%	0.000002654	\$21,382,682,110.20	1.00025	35	106
12/3	0.0959%	0.000002628	\$21,436,653,538.89	1.00026	35	106
12/4	0.0993%	0.000002721	\$21,370,984,311.83	1.00026	36	107
12/5	0.0993%	0.000002721	\$21,370,984,311.83	1.00026	36	107
12/6	0.0993%	0.000002721	\$21,370,984,311.83	1.00026	36	107
12/7	0.1033%	0.000002831	\$21,396,094,365.01	1.00026	33	104
12/8	0.0964%	0.000002642	\$21,393,112,290.80	1.00026	33	105
12/9	0.0905%	0.000002479	\$21,530,410,914.17	1.00026	34	108
12/10	0.0918%	0.000002516	\$21,505,732,070.44	1.00025	33	107
12/11	0.0916%	0.000002509	\$21,609,553,270.61	1.00025	34	107
12/12	0.0916%	0.000002509	\$21,609,553,270.61	1.00025	34	107
12/13	0.0916%	0.000002509	\$21,609,553,270.61	1.00025	34	107
12/14	0.0884%	0.000002421	\$21,774,171,010.24	1.00025	31	104
12/15	0.0916%	0.000002509	\$21,900,602,501.86	1.00024	33	108
12/16	0.0940%	0.000002574	\$21,869,056,906.41	1.00024	33	110
12/17	0.0946%	0.000002591	\$21,768,774,310.55	1.00023	34	110
12/18	0.0937%	0.000002567	\$21,889,273,555.33	1.00024	35	110
12/19	0.0937%	0.000002567	\$21,889,273,555.33	1.00024	35	110
12/20	0.0937%	0.000002567	\$21,889,273,555.33	1.00024	35	110
12/21	0.0926%	0.000002536	\$22,166,699,698.94	1.00023	34	107
12/22	0.0877%	0.000002403	\$22,333,140,094.84	1.00023	34	106
12/23	0.0800%	0.000002193	\$22,383,122,171.81	1.00022	36	107
12/24	0.0768%	0.000002103	\$23,594,135,146.23	1.00020	36	104
12/25	0.0768%	0.000002103	\$23,594,135,146.23	1.00020	36	104
12/26	0.0768%	0.000002103	\$23,594,135,146.23	1.00020	36	104
12/27	0.0768%	0.000002103	\$23,594,135,146.23	1.00020	36	104
12/28	0.0910%	0.000002493	\$24,181,093,476.67	1.00019	35	99
12/29	0.0896%	0.000002454	\$24,417,882,340.92	1.00019	35	100
12/30	0.0909%	0.000002491	\$24,754,651,757.83	1.00019	34	99
12/31	0.0845%	0.000002314	\$25,413,827,871.37	1.00018	37	101
Average:	0.0909%	0.000002491	\$22,320,802,416.28	1.00023	34	106



TEXPOOL Prime

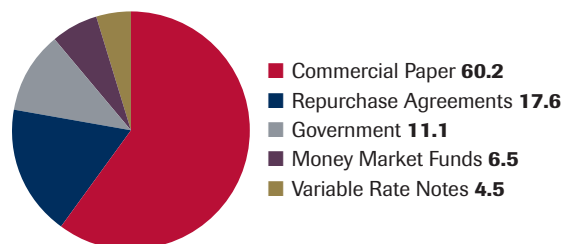
Portfolio by Maturity (%)

As of December 31, 2020



Portfolio by Type of Investment (%)

As of December 31, 2020



Portfolio Asset Summary as of December 31, 2020

	Book Value	Market Value
Uninvested Balance	-\$364.60	-\$364.60
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	322,316.09	322,316.09
Interest and Management Fees Payable	-982,771.02	-982,771.02
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-11,895.34	-11,895.34
Repurchase Agreements	1,516,835,000.00	1,516,835,000.00
Commercial Paper	5,129,064,971.13	5,129,376,752.54
Bank Instruments	0.00	0.00
Mutual Fund Investments	562,126,501.33	562,052,003.75
Government Securities	956,044,006.83	956,074,649.00
Variable Rate Notes	446,000,000.00	445,976,875.00
Total	\$8,609,397,764.42	\$8,609,642,565.42

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	\$2,674,170,512.19
Higher Education	19	\$600,852,911.96
Healthcare	43	\$719,951,840.13
Utility District	18	\$379,102,506.87
City	48	\$299,618,337.74
County	90	\$2,106,067,948.25
Other	57	\$1,779,457,247.56
Emergency Districts	21	\$30,672,525.58
Economic Development Districts	15	\$19,504,688.89



TEXPOOL Prime

Daily Summary

Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Prime Invested Balance	NAV	WAM Days	WAL Days
12/1	0.1327%	0.000003635	\$8,131,775,754.68	1.00006	50	65
12/2	0.1375%	0.000003767	\$8,125,487,864.32	1.00005	50	65
12/3	0.1372%	0.000003758	\$8,082,668,473.63	1.00005	50	65
12/4	0.1748%	0.000004789	\$8,070,755,673.73	1.00003	51	66
12/5	0.1748%	0.000004789	\$8,070,755,673.73	1.00003	51	66
12/6	0.1748%	0.000004789	\$8,070,755,673.73	1.00003	51	66
12/7	0.1375%	0.000003766	\$8,091,507,101.24	1.00004	48	63
12/8	0.1353%	0.000003707	\$8,112,639,952.02	1.00004	47	62
12/9	0.1358%	0.000003720	\$8,121,641,737.89	1.00004	47	62
12/10	0.1381%	0.000003784	\$8,047,088,757.56	1.00004	49	64
12/11	0.1394%	0.000003820	\$8,061,201,231.77	1.00003	49	64
12/12	0.1394%	0.000003820	\$8,061,201,231.77	1.00003	49	64
12/13	0.1394%	0.000003820	\$8,061,201,231.77	1.00003	49	64
12/14	0.1415%	0.000003877	\$8,015,206,438.94	1.00004	47	61
12/15	0.1414%	0.000003875	\$8,031,910,306.45	1.00004	46	60
12/16	0.1414%	0.000003875	\$8,058,015,635.62	1.00004	45	59
12/17	0.1418%	0.000003884	\$7,984,454,817.88	1.00003	45	60
12/18	0.1423%	0.000003899	\$8,041,787,610.94	1.00002	45	59
12/19	0.1423%	0.000003899	\$8,041,787,610.94	1.00002	45	59
12/20	0.1423%	0.000003899	\$8,041,787,610.94	1.00002	45	59
12/21	0.1439%	0.000003943	\$8,012,408,463.58	1.00003	44	58
12/22	0.1437%	0.000003938	\$7,921,196,420.57	1.00002	43	57
12/23	0.1430%	0.000003918	\$8,009,618,195.16	1.00002	43	58
12/24	0.1391%	0.000003812	\$8,087,205,967.75	1.00001	47	60
12/25	0.1391%	0.000003812	\$8,087,205,967.75	1.00001	47	60
12/26	0.1391%	0.000003812	\$8,087,205,967.75	1.00001	47	60
12/27	0.1391%	0.000003812	\$8,087,205,967.75	1.00001	47	60
12/28	0.1427%	0.000003909	\$8,123,730,295.53	1.00003	45	59
12/29	0.1429%	0.000003915	\$8,162,540,544.35	1.00003	44	58
12/30	0.1404%	0.000003846	\$8,357,048,582.43	1.00003	42	56
12/31	0.1320%	0.000003616	\$8,609,397,764.42	1.00003	41	54
Average:	0.1431%	0.000003920	\$8,092,528,855.70	1.00003	47	61

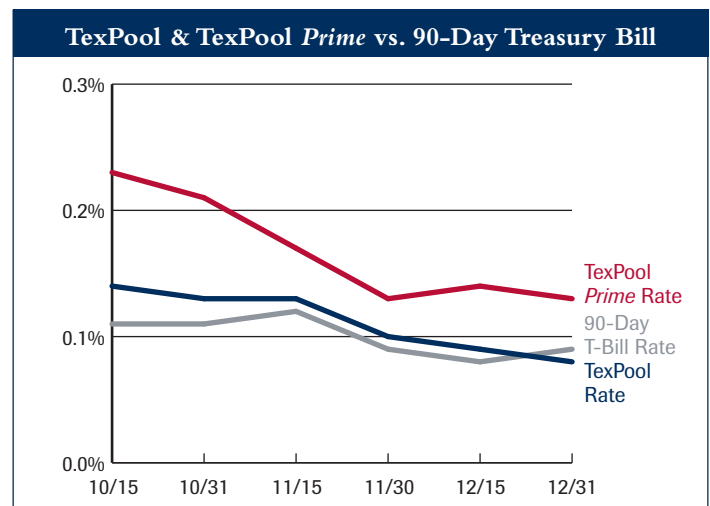


Participant Services
1001 Texas Ave. Suite 1150
Houston, TX 77002

Even the Federal Reserve's outlook has gotten rosier. The projections from its December meeting are for a decline in GDP by 2.4% in 2020 and a growth of 4.2% in 2021, compared to its forecasts of 3.7% and 4%, respectively, in September. Same goes for the labor market. Policymakers now envision an unemployment rate of 6.7% in 2020 versus their September call of 7.6%. Both changes came with the full knowledge of the resurgence of the virus. The Fed is less enthusiastic about inflation, still not seeing it hit that vaunted 2% level until the end of 2023.

One positive is Janet Yellen becoming Secretary of the Treasury (Senate approval should be swift). Chair Jerome Powell has a close relationship with Yellen from her time in that seat. They will have open dialogue with mutual respect and likely mutual leanings (dovish). Yellen's expert knowledge of the mechanisms and the tools the Fed has at its disposal will help to inform her own decision-making and advice she gives to the White House.

Treasury yields ended the month with 1-month at 0.05%, 3-month at 0.08%, 6-month at 0.09%, and 12-month at 0.11%. The London interbank offered rate (Libor) ended the month with 1-month at 0.14%, 3-month at 0.24%, 6-month at 0.26% and 12-month at 0.34%. The weighted average maturity (WAM) at month-end was 34 days for TexPool and 47 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.