



## Monthly Newsletter: November 2020

### ANNOUNCEMENTS

**We welcome the following entities who joined TexPool in October 2020:**

#### **TexPool**

Mason Creek Utility District  
East Harris County Emergency JPB  
Travis County MUD 20  
Sienna Plantation MUD 6  
City of Crandall  
Northwest Williamson County MUD 2

#### **TexPool Prime**

City of Oak Leaf  
City of Corpus Christi  
City of San Angelo  
City of Crandall

#### **Upcoming Events**

Nov 04, 2020 - Nov 06, 2020,  
GFOAT Fall Conference  
**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: Plenty on the plate

November 1, 2020

Historically, the money markets don't experience volatility anywhere near that of other asset classes, but they don't like uncertainty any less than their equity and fixed-income brethren. No matter what results Election Day brings, there will be heightened anxiety and many unknowns. What will it mean for much-needed fiscal stimulus, shifts in policy and potential regulations? And as fate—or rather the U.S. Constitution—would have it, national elections run up against year-end, adding unwanted pressure to an already stressful affair. It's nothing cash managers can't handle, and we expect it to abate when we—finally—shut the door on 2020.

But 2020 will be with us for quite a while as the world recovers from the health crisis and economic aftermath. In the financial sphere, we will see continued scrutiny of the money markets. This is unfair, as the Federal Reserve intervened to support the entire financial system, especially both commercial paper and CD primary- and secondary-market trading. Banks and dealers didn't make markets with their own paper, let alone that of other firms. That was unprecedented. The focus must be there.

The future of the cash-management sector is, of course, not just about the past. Plans to enhance access to it both across the globe and through an expanded window of time

*(continued page 6)*

#### **Performance as of October 31, 2020**

	<b>TexPool</b>	<b>TexPool Prime</b>
Current Invested Balance	\$21,923,808,618.19	\$8,324,884,047.26
Weighted Average Maturity**	39	52
Weighted Average Life**	106	65
Net Asset Value	1.00027	1.00009
Total Number of Participants	2633	432
Management Fee on Invested Balance	0.0450%	0.0550%
Interest Distributed	\$2,522,136.11	\$1,580,474.81
Management Fee Collected	\$753,478.63	\$346,731.71
Standard & Poor's Current Rating	AAAm	AAAm
<b>Month Averages</b>		
Average Invested Balance	\$22,259,416,905.15	\$8,166,105,858.51
Average Monthly Rate*	0.13%	0.23%
Average Weighted Average Maturity**	39	52
Average Weighted Average Life**	107	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.

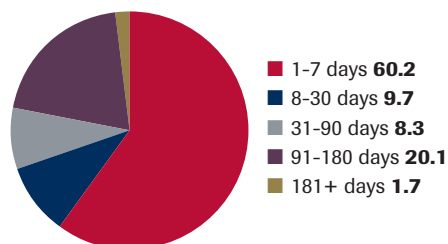
\*\*See page 2 for definitions.

Past performance is no guarantee of future results.



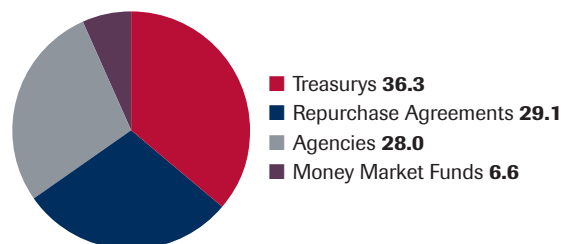
## Portfolio by Maturity (%)

As of October 31, 2020



## Portfolio by Type of Investment (%)

As of October 31, 2020



### Portfolio Asset Summary as of October 31, 2020

	Book Value	Market Value
Uninvested Balance	-\$625,121.76	-\$625,121.76
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	11,444,481.24	11,444,481.24
Interest and Management Fees Payable	-2,522,076.23	-2,522,076.23
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-48,368.82	-48,368.82
Repurchase Agreements	6,383,054,960.00	6,383,054,960.00
Mutual Fund Investments	1,440,074,000.00	1,440,074,000.00
Government Securities	6,092,322,607.21	6,095,986,400.69
U.S. Treasury Inflation Protected Securities	1,183,212,194.82	1,183,762,231.74
U.S. Treasury Bills	5,707,323,253.36	5,707,629,121.82
U.S. Treasury Notes	1,109,572,688.37	1,110,686,035.94
<b>Total</b>	<b>\$21,923,808,618.19</b>	<b>\$21,929,441,664.62</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	\$5,863,160,595.99
Higher Education	60	\$1,249,614,772.36
Healthcare	90	\$1,217,522,430.11
Utility District	839	\$3,005,392,943.02
City	482	\$6,035,484,885.02
County	190	\$2,277,578,201.34
Other	373	\$2,274,740,183.97

### \*\*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

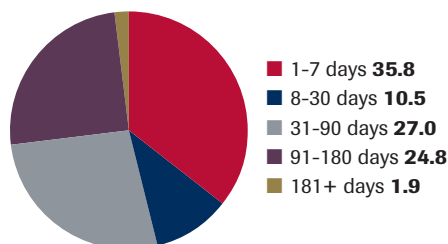
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
10/1	0.1321%	0.000003618	\$22,729,496,842.68	1.00032	38	108
10/2	0.1363%	0.000003733	\$22,638,488,308.04	1.00032	39	109
10/3	0.1363%	0.000003733	\$22,638,488,308.04	1.00032	39	109
10/4	0.1363%	0.000003733	\$22,638,488,308.04	1.00032	39	109
10/5	0.1465%	0.000004013	\$22,504,147,393.65	1.00031	38	108
10/6	0.1416%	0.000003879	\$22,538,194,096.82	1.00030	38	109
10/7	0.1415%	0.000003877	\$22,542,597,215.98	1.00030	38	108
10/8	0.1372%	0.000003760	\$22,437,136,151.02	1.00030	38	108
10/9	0.1357%	0.000003717	\$22,503,441,736.39	1.00028	39	108
10/10	0.1357%	0.000003717	\$22,503,441,736.39	1.00028	39	108
10/11	0.1357%	0.000003717	\$22,503,441,736.39	1.00028	39	108
10/12	0.1357%	0.000003717	\$22,503,441,736.39	1.00028	39	108
10/13	0.1371%	0.000003757	\$22,351,101,378.31	1.00028	38	106
10/14	0.1408%	0.000003857	\$22,187,429,195.09	1.00029	38	106
10/15	0.1352%	0.000003703	\$22,132,701,573.30	1.00029	38	108
10/16	0.1347%	0.000003691	\$22,017,108,894.94	1.00028	39	108
10/17	0.1347%	0.000003691	\$22,017,108,894.94	1.00028	39	108
10/18	0.1347%	0.000003691	\$22,017,108,894.94	1.00028	39	108
10/19	0.1298%	0.000003557	\$21,967,319,018.82	1.00028	39	108
10/20	0.1306%	0.000003579	\$21,955,657,735.49	1.00028	39	108
10/21	0.1288%	0.000003529	\$21,739,314,295.09	1.00028	39	106
10/22	0.1278%	0.000003501	\$21,760,369,628.34	1.00028	40	109
10/23	0.1269%	0.000003476	\$22,338,575,438.77	1.00026	39	106
10/24	0.1269%	0.000003476	\$22,338,575,438.77	1.00026	39	106
10/25	0.1269%	0.000003476	\$22,338,575,438.77	1.00026	39	106
10/26	0.1324%	0.000003627	\$22,212,408,900.39	1.00027	38	106
10/27	0.1345%	0.000003684	\$22,136,644,289.93	1.00027	38	106
10/28	0.1061%	0.000002908	\$22,039,100,325.59	1.00027	38	105
10/29	0.1309%	0.000003587	\$21,964,403,911.89	1.00027	38	105
10/30	0.1340%	0.000003670	\$21,923,808,618.19	1.00027	39	106
10/31	0.1340%	0.000003670	\$21,923,808,618.19	1.00027	39	106
<b>Average:</b>	<b>0.1335%</b>	<b>0.000003656</b>	<b>\$22,259,416,905.15</b>	<b>1.00028</b>	<b>39</b>	<b>107</b>



## TEXPOOL Prime

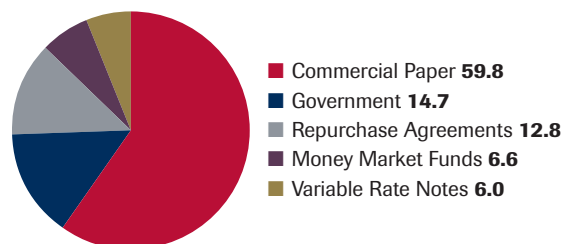
### Portfolio by Maturity (%)

As of October 31, 2020



### Portfolio by Type of Investment (%)

As of October 31, 2020



### Portfolio Asset Summary as of October 31, 2020

	Book Value	Market Value
Uninvested Balance	-\$319,833.80	-\$319,833.80
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	151,858.31	151,858.31
Interest and Management Fees Payable	-1,580,473.71	-1,580,473.71
Payable for Investments Purchased	-199,894,444.44	-199,894,444.44
Accrued Expenses & Taxes	-22,928.04	-22,928.04
Repurchase Agreements	1,092,946,000.00	1,092,946,000.00
Commercial Paper	5,094,981,082.00	5,095,773,837.65
Bank Instruments	0.00	0.00
Mutual Fund Investments	562,126,501.34	562,052,003.75
Government Securities	1,255,496,285.60	1,255,521,977.70
Variable Rate Notes	521,000,000.00	521,025,075.00
<b>Total</b>	<b>\$8,324,884,047.26</b>	<b>\$8,325,653,072.42</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	\$2,352,519,958.83
Higher Education	19	\$631,505,132.21
Healthcare	17	\$385,816,385.41
Utility District	47	\$341,124,108.30
City	90	\$2,204,673,457.48
County	43	\$554,681,390.07
Other	89	\$1,854,561,134.10



## TEXPOOL Prime

### Daily Summary

Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Prime Invested Balance	NAV	WAM Days	WAL Days
10/1	0.2367%	0.000006486	\$7,988,053,197.39	1.00020	50	60
10/2	0.2392%	0.000006554	\$8,072,731,635.03	1.00018	50	60
10/3	0.2392%	0.000006554	\$8,072,731,635.03	1.00018	50	60
10/4	0.2392%	0.000006554	\$8,072,731,635.03	1.00018	50	60
10/5	0.2428%	0.000006652	\$8,080,469,829.53	1.00018	49	60
10/6	0.2394%	0.000006559	\$8,117,459,525.73	1.00017	49	60
10/7	0.2396%	0.000006565	\$8,175,669,592.66	1.00017	51	61
10/8	0.2378%	0.000006515	\$8,159,159,203.46	1.00016	52	62
10/9	0.2369%	0.000006491	\$8,170,969,835.33	1.00014	54	64
10/10	0.2369%	0.000006491	\$8,170,969,835.33	1.00014	54	64
10/11	0.2369%	0.000006491	\$8,170,969,835.33	1.00014	54	64
10/12	0.2369%	0.000006491	\$8,170,969,835.33	1.00014	54	64
10/13	0.2416%	0.000006620	\$8,052,193,501.49	1.00015	52	63
10/14	0.2353%	0.000006447	\$8,120,040,942.07	1.00015	51	61
10/15	0.2317%	0.000006348	\$8,096,086,488.22	1.00015	51	62
10/16	0.2320%	0.000006357	\$8,054,238,866.34	1.00013	53	64
10/17	0.2320%	0.000006357	\$8,054,238,866.34	1.00013	53	64
10/18	0.2320%	0.000006357	\$8,054,238,866.34	1.00013	53	64
10/19	0.2259%	0.000006190	\$8,114,418,321.31	1.00013	50	61
10/20	0.2162%	0.000005923	\$8,206,147,533.97	1.00013	50	60
10/21	0.2135%	0.000005849	\$8,199,201,013.01	1.00013	50	60
10/22	0.2180%	0.000005973	\$8,095,320,258.06	1.00013	53	63
10/23	0.2149%	0.000005889	\$8,240,056,870.69	1.00011	52	61
10/24	0.2149%	0.000005889	\$8,240,056,870.69	1.00011	52	61
10/25	0.2149%	0.000005889	\$8,240,056,870.69	1.00011	52	61
10/26	0.2208%	0.000006049	\$8,301,239,614.44	1.00011	52	65
10/27	0.2154%	0.000005902	\$8,312,023,068.01	1.00011	51	65
10/28	0.2157%	0.000005909	\$8,330,465,964.65	1.00011	51	64
10/29	0.2112%	0.000005787	\$8,366,604,007.84	1.00010	52	65
10/30	0.2115%	0.000005795	\$8,324,884,047.26	1.00009	52	65
10/31	0.2115%	0.000005795	\$8,324,884,047.26	1.00009	52	65
<b>Average:</b>	<b>0.2281%</b>	<b>0.000006249</b>	<b>\$8,166,105,858.51</b>	<b>1.00014</b>	<b>52</b>	<b>63</b>

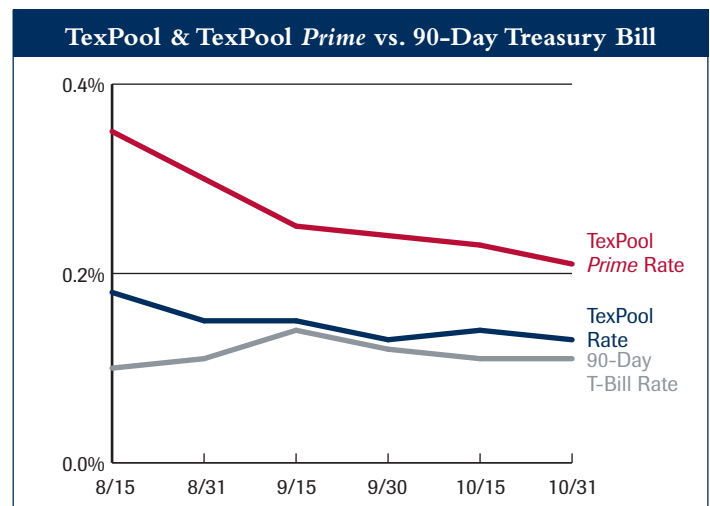


Participant Services  
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through new technology are just some of the positive developments. The shift from the London interbank offered rate (LIBOR) to the Secured Overnight Financing Rate (SOFR), while rocky, is progressing and will leave the industry with a stronger, more reliable and more trusted system.

As for the near future, after the election is decided we expect some measure of fiscal stimulus. This should bring a wave of Treasury bill issuance to fund stimulus checks, action that could offer relief to short-term rates.

For now, the Treasury and Libor yield curves remain fairly flat. Treasury yields ended the month with 1-month at 0.08%, 3-month at 0.10%, 6-month at 0.12%, and 12-month at 0.13%. Libor ended the month with 1-month at 0.14%, 3-month at 0.22%, 6-month at 0.24% and 12-month at 0.33%. The weighted average maturity (WAM) at month-end was 39 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.*