



Monthly Newsletter: February 2021

ANNOUNCEMENTS

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

TexPool

Cool Water MUD

Waco Tourism Public Improvement District Corporation

TexPool Prime

Travis County WCID 10

Waco Tourism Public Improvement District Corporation

Upcoming Events

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: The rise of a rate

February 1, 2021

After years at the Federal Reserve, Treasury Secretary Janet Yellen will need time to get accustomed to being on the other side of the policy fence. But her comment about being open to a 50-year government bond shows she has already put on the new hat. In case you were wondering, the last time the federal government issued half-century bonds was to fund the Panama Canal. We congratulate her on being confirmed but hope she will spend more time exploring shorter-dated issuance. After, of course, she sends her signature to the Bureau of Engraving and Printing for new dollars.

Cash managers would like her to guide the Treasury Department to issue ample bills when funding the expected stimulus package to alleviate pressure on short-term yields. Her agenda also should include investigating a new security based on the Secured Overnight Financing Rate (SOFR).

Yes, SOFR is in the news again. New York Governor Andrew Cuomo emphasized it in his 2021 state budget by proposing provisions to ease the transition from the London interbank offered rate (Libor). Tom Wipf, Chair of the Alternative Reference Rates Committee, piggybacked on this to remind everyone that the extension of the mandate

(continued page 6)

Performance as of January 31, 2021

	TexPool	TexPool Prime
Current Invested Balance	\$28,137,015,628.67	\$9,937,125,408.60
Weighted Average Maturity**	36	53
Weighted Average Life**	92	63
Net Asset Value	1.00016	1.00005
Total Number of Participants	2,641	440
Management Fee on Invested Balance	0.0450%	0.0550%
Interest Distributed	\$1,772,759.26	\$949,259.88
Management Fee Collected	\$868,361.84	\$410,887.02
Standard & Poor's Current Rating	AAAm	AAAm
Month Averages		
Average Invested Balance	\$26,478,935,399.51	\$9,418,026,892.80
Average Monthly Rate*	0.08%	0.12%
Average Weighted Average Maturity**	37	47
Average Weighted Average Life**	95	58

*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.

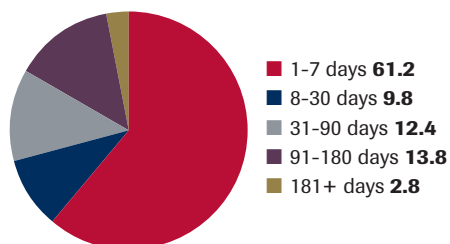
**See page 2 for definitions.

Past performance is no guarantee of future results.



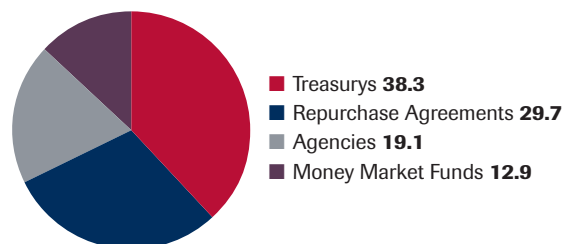
Portfolio by Maturity (%)

As of January 31, 2021



Portfolio by Type of Investment (%)

As of January 31, 2021



Portfolio Asset Summary as of January 31, 2021

	Book Value	Market Value
Uninvested Balance	-\$429.12	-\$429.12
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	10,773,126.44	10,773,126.44
Interest and Management Fees Payable	-1,772,770.16	-1,772,770.16
Payable for Investments Purchased	-256,227,476.65	-256,227,476.65
Accrued Expenses & Taxes	-211,160.18	-211,160.18
Repurchase Agreements	8,410,276,406.00	8,410,276,406.00
Mutual Fund Investments	3,671,074,000.00	3,671,074,000.00
Government Securities	5,382,848,866.76	5,386,257,478.20
U.S. Treasury Bills	8,671,233,689.93	8,671,703,945.15
U.S. Treasury Notes	2,249,021,375.65	2,249,567,115.88
Total	\$28,137,015,628.67	\$28,141,440,235.55

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	\$8,808,657,013.46
Higher Education	60	\$1,574,712,316.07
County	191	\$3,385,384,630.25
Healthcare	90	\$1,591,343,678.07
Utility District	839	\$3,375,515,503.44
City	482	\$7,186,803,809.68
Emergency Districts	97	\$241,145,744.55
Economic Development Districts	83	\$119,405,639.24
Other	200	\$1,853,879,993.97

**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

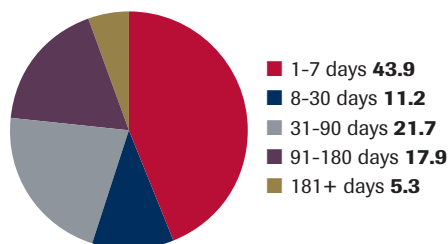
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
1/1	0.0845%	0.000002314	\$25,413,827,871.37	1.00018	37	101
1/2	0.0845%	0.000002314	\$25,413,827,871.37	1.00018	37	101
1/3	0.0845%	0.000002314	\$25,413,827,871.37	1.00018	37	101
1/4	0.0769%	0.000002108	\$25,905,544,174.98	1.00021	34	95
1/5	0.0873%	0.000002391	\$25,477,164,388.29	1.00017	35	97
1/6	0.0926%	0.000002538	\$25,487,511,066.22	1.00017	35	97
1/7	0.0931%	0.000002552	\$25,582,674,909.81	1.00017	37	98
1/8	0.0919%	0.000002518	\$25,657,292,881.35	1.00017	38	100
1/9	0.0919%	0.000002518	\$25,657,292,881.35	1.00017	38	100
1/10	0.0919%	0.000002518	\$25,657,292,881.35	1.00017	38	100
1/11	0.0863%	0.000002364	\$25,889,624,789.28	1.00016	36	97
1/12	0.0862%	0.000002363	\$26,080,225,757.26	1.00016	37	96
1/13	0.1132%	0.000003101	\$25,940,091,632.13	1.00016	37	96
1/14	0.0820%	0.000002247	\$26,043,970,267.60	1.00016	38	97
1/15	0.0829%	0.000002272	\$26,227,258,161.19	1.00016	38	97
1/16	0.0829%	0.000002272	\$26,227,258,161.19	1.00016	38	97
1/17	0.0829%	0.000002272	\$26,227,258,161.19	1.00016	38	97
1/18	0.0829%	0.000002272	\$26,227,258,161.19	1.00016	38	97
1/19	0.0864%	0.000002366	\$26,528,934,432.13	1.00016	36	94
1/20	0.0753%	0.000002063	\$26,640,247,104.48	1.00016	38	94
1/21	0.0678%	0.000001858	\$26,892,885,462.73	1.00016	37	93
1/22	0.0707%	0.000001937	\$27,015,320,205.21	1.00016	38	93
1/23	0.0707%	0.000001937	\$27,015,320,205.21	1.00016	38	93
1/24	0.0707%	0.000001937	\$27,015,320,205.21	1.00016	38	93
1/25	0.0752%	0.000002061	\$27,432,694,400.06	1.00016	35	89
1/26	0.0685%	0.000001876	\$27,549,551,946.19	1.00016	36	90
1/27	0.0628%	0.000001720	\$27,842,912,800.37	1.00017	35	92
1/28	0.0566%	0.000001551	\$27,973,561,848.72	1.00017	34	91
1/29	0.0579%	0.000001587	\$28,137,015,628.67	1.00016	36	92
1/30	0.0579%	0.000001587	\$28,137,015,628.67	1.00016	36	92
1/31	0.0579%	0.000001587	\$28,137,015,628.67	1.00016	36	92
Average:	0.0793%	0.000002171	\$26,478,935,399.51	1.00017	37	95



TEXPOOL Prime

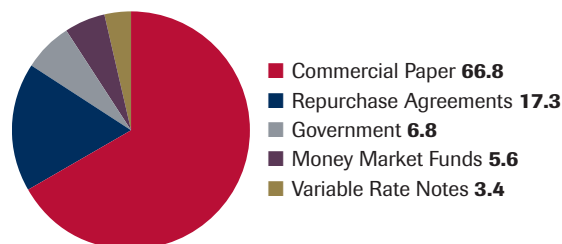
Portfolio by Maturity (%)

As of January 31, 2021



Portfolio by Type of Investment (%)

As of January 31, 2021



Portfolio Asset Summary as of January 31, 2021

	Book Value	Market Value
Uninvested Balance	\$703.48	\$703.48
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	182,535.25	182,535.25
Interest and Management Fees Payable	-949,235.32	-949,235.32
Payable for Investments Purchased	-30,500,000.00	-30,500,000.00
Accrued Expenses & Taxes	-41,674.14	-41,674.14
Repurchase Agreements	1,722,576,000.00	1,722,576,000.00
Commercial Paper	6,661,751,668.65	6,662,197,614.82
Bank Instruments	0.00	0.00
Mutual Fund Investments	562,126,501.32	562,052,003.75
Government Securities	681,978,909.36	682,018,767.38
Variable Rate Notes	340,000,000.00	340,108,525.00
Total	\$9,937,125,408.60	\$9,937,645,240.22

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	\$3,331,248,861.73
Higher Education	19	\$672,413,916.66
County	43	\$832,643,945.74
Healthcare	18	\$504,716,592.19
Utility District	49	\$410,792,377.79
City	90	\$2,565,887,293.61
Emergency Districts	21	\$35,439,007.68
Economic Development Districts	15	\$20,683,747.46
Other	58	\$1,563,302,943.74



TEXPOOL Prime

Daily Summary

Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Prime Invested Balance	NAV	WAM Days	WAL Days
1/1	0.1320%	0.000003616	\$8,609,397,764.42	1.00003	41	54
1/2	0.1320%	0.000003616	\$8,609,397,764.42	1.00003	41	54
1/3	0.1320%	0.000003616	\$8,609,397,764.42	1.00003	41	54
1/4	0.1310%	0.000003589	\$8,601,257,295.30	1.00004	39	52
1/5	0.1369%	0.000003752	\$8,627,639,721.96	1.00004	42	54
1/6	0.1325%	0.000003630	\$9,066,094,095.60	1.00004	41	53
1/7	0.1346%	0.000003689	\$9,114,158,050.28	1.00004	43	55
1/8	0.1267%	0.000003470	\$9,242,791,898.39	1.00004	45	57
1/9	0.1267%	0.000003470	\$9,242,791,898.39	1.00004	45	57
1/10	0.1267%	0.000003470	\$9,242,791,898.39	1.00004	45	57
1/11	0.1213%	0.000003323	\$9,293,673,722.10	1.00005	44	55
1/12	0.1047%	0.000002868	\$9,317,315,943.79	1.00005	46	57
1/13	0.1198%	0.000003282	\$9,409,820,255.86	1.00005	46	58
1/14	0.1219%	0.000003340	\$9,444,944,767.11	1.00006	51	62
1/15	0.1180%	0.000003233	\$9,480,897,136.69	1.00004	50	61
1/16	0.1180%	0.000003233	\$9,480,897,136.69	1.00004	50	61
1/17	0.1180%	0.000003233	\$9,480,897,136.69	1.00004	50	61
1/18	0.1180%	0.000003233	\$9,480,897,136.69	1.00004	50	61
1/19	0.1193%	0.000003269	\$9,638,828,373.12	1.00005	47	58
1/20	0.1192%	0.000003267	\$9,560,737,137.08	1.00005	50	61
1/21	0.1148%	0.000003145	\$9,613,888,579.11	1.00005	51	62
1/22	0.1152%	0.000003156	\$9,661,984,434.11	1.00005	51	61
1/23	0.1152%	0.000003156	\$9,661,984,434.11	1.00005	51	61
1/24	0.1152%	0.000003156	\$9,661,984,434.11	1.00005	51	61
1/25	0.1133%	0.000003104	\$9,832,855,461.79	1.00006	49	59
1/26	0.1076%	0.000002949	\$10,003,338,020.36	1.00006	49	59
1/27	0.0987%	0.000002703	\$10,146,987,639.56	1.00005	47	56
1/28	0.1025%	0.000002809	\$10,009,807,550.35	1.00006	49	58
1/29	0.1082%	0.000002965	\$9,937,125,408.60	1.00005	53	63
1/30	0.1082%	0.000002965	\$9,937,125,408.60	1.00005	53	63
1/31	0.1082%	0.000002965	\$9,937,125,408.60	1.00005	53	63
Average:	0.1192%	0.000003267	\$9,418,026,892.80	1.00005	47	58



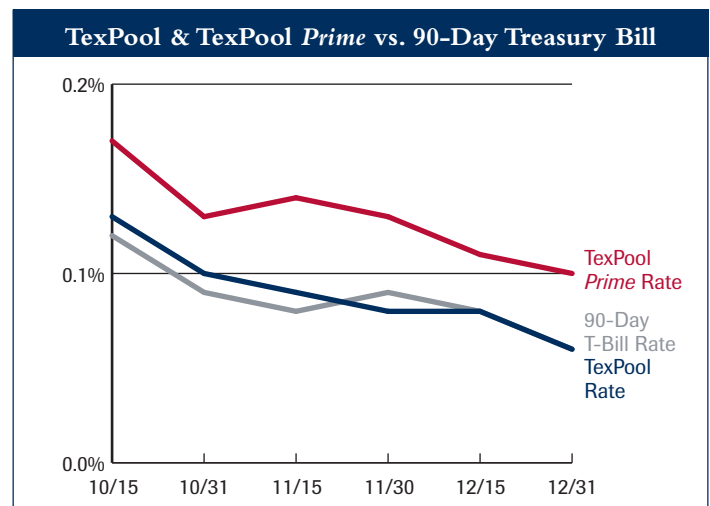
Participant Services
1001 Texas Ave. Suite 1150
Houston, TX 77002

doesn't change the urgency. Most participants in the money markets have cleared this hurdle already given our maturity restrictions for floating-rate securities.

One encouraging development is the launch of the Bloomberg Short-Term Bank Yield Index (BSBY). If it gains market acceptance, it could provide a term curve for prime funds in the way SOFR eventually will for government funds. No transactions have been priced off it yet, but that could come later in 2021.

The shift in the Senate to Democrats means fiscal support will be on the table all year, although politics is complicating the passing of the \$1.9 trillion aid package. A couple trillion is a massive amount but getting the economy in gear is the real prize. When the vaccine rollout gains critical mass and people are comfortable going out, we anticipate the recovery to resume its upward path from last summer. That likely will nudge inflation up in some pockets, such as live entertainment. The expected rise in prices won't be enough incentive for the Fed to raise rates anytime soon, as it reiterated in its January policy meeting. But it could advance the timeline to 2022 rather than 2023.

Treasury yields ended the month with 1-month at 0.06%, 3-month at 0.06%, 6-month at 0.08%, and 12-month at 0.09%. The London interbank offered rate (Libor) ended the month with 1-month at 0.12%, 3-month at 0.22%, 6-month at 0.24%



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.

and 12-month at 0.31%. The weighted average maturity (WAM) at month-end was 37 days for TexPool and 47 days for TexPool Prime.