



Monthly Newsletter: December 2020

ANNOUNCEMENTS

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

TexPool

- Reeves County ESD 1
- Reeves County ESD 2
- Williamson County MUD 31

TexPool Prime

- Grand Parkway Transportation Corp/US Bank TTEE
- Reeves County ESD 1
- Reeves County ESD 2

Upcoming Events

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

Feb 15, 2021 - Feb 19, 2021,
TASBO Annual Conference
Hybrid Conference

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: Fighting the Fed

December 1, 2020

The stakes are high, but it was hard to resist eating popcorn while watching the Federal Reserve and the federal government square off last month.

The main card featured Treasury Secretary Steven Mnuchin, who informed the Fed that the Treasury Department would let most of the emergency lending facilities expire at the end of the year. Hours after that news, the Fed issued a rare public rebuke of the administration, arguing that the programs provide crucial support for an economy still struggling to recover.

The fisticuffs concerned the more prominent—and politically charged—special purpose vehicles (SPVs) including the Main Street Lending Program and the Municipal Liquidity Facility. In contrast, the Treasury seems to understand the importance of the Commercial Paper Funding Facility and the Money Market Liquidity Facility and actually asked the Fed to extend them through March 31, 2021. Even though these SPVs have seen little use since last March, their mere existence has instilled confidence in the liquidity sector.

Underlying the conflict was the frustration Fed policymakers have felt about the government's inability to provide additional fiscal stimulus. Their position that the lack

(continued page 6)

Performance as of November 30, 2020

	TexPool	TexPool Prime
Current Invested Balance	\$21,302,765,954.70	\$8,195,787,664.39
Weighted Average Maturity**	32	48
Weighted Average Life**	102	63
Net Asset Value	1.00024	1.00005
Total Number of Participants	2636	435
Management Fee on Invested Balance	0.0450%	0.0550%
Interest Distributed	\$2,179,536.47	\$1,101,776.91
Management Fee Collected	\$713,342.16	\$337,810.44
Standard & Poor's Current Rating	AAAm	AAAm
Month Averages		
Average Invested Balance	\$21,515,900,069.43	\$8,245,511,797.54
Average Monthly Rate*	0.12%	0.16%
Average Weighted Average Maturity**	36	51
Average Weighted Average Life**	104	65

*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.

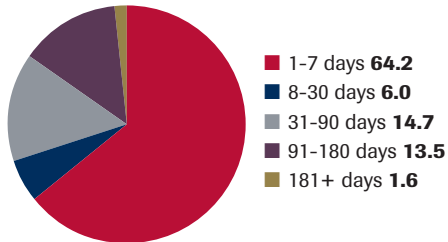
**See page 2 for definitions.

Past performance is no guarantee of future results.



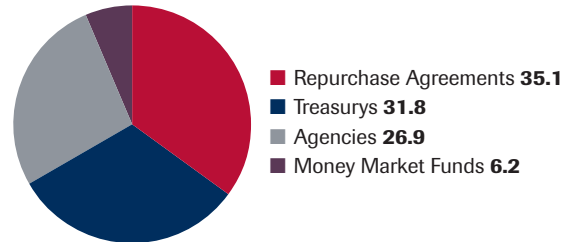
Portfolio by Maturity (%)

As of November 30, 2020



Portfolio by Type of Investment (%)

As of November 30, 2020



Portfolio Asset Summary as of November 30, 2020

	Book Value	Market Value
Uninvested Balance	-\$128.52	-\$128.52
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	3,840,705.82	3,840,705.82
Interest and Management Fees Payable	-2,179,528.94	-2,179,528.94
Payable for Investments Purchased	-109,979,000.00	-109,979,000.00
Accrued Expenses & Taxes	-23,828.73	-23,828.73
Repurchase Agreements	7,526,903,124.00	7,526,903,124.00
Mutual Fund Investments	1,317,074,000.00	1,317,074,000.00
Government Securities	5,719,514,784.76	5,722,911,502.59
U.S. Treasury Bills	1,609,929,425.95	1,611,131,149.23
U.S. Treasury Notes	1,109,572,688.37	1,110,686,035.94
Total	\$21,302,765,954.70	\$21,307,682,427.08

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	\$5,713,581,196.86
Higher Education	60	\$1,220,360,177.82
Healthcare	90	\$1,030,103,917.88
Utility District	840	\$2,977,172,359.22
City	482	\$5,883,920,783.60
County	190	\$2,276,386,143.00
Other	375	\$2,200,918,838.32

**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

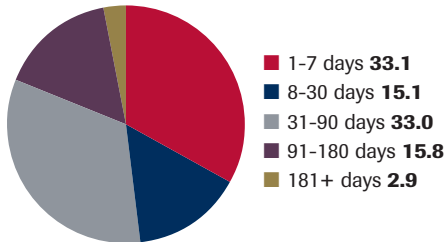
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
11/1	0.1340%	0.000003670	\$21,923,808,618.19	1.00027	39	106
11/2	0.1376%	0.000003771	\$22,016,536,875.18	1.00027	37	103
11/3	0.1369%	0.000003751	\$22,028,371,464.11	1.00026	37	102
11/4	0.1363%	0.000003733	\$21,995,741,993.74	1.00026	37	102
11/5	0.1360%	0.000003726	\$22,016,838,756.61	1.00026	37	102
11/6	0.1403%	0.000003844	\$21,767,806,301.95	1.00026	37	105
11/7	0.1403%	0.000003844	\$21,767,806,301.95	1.00026	37	105
11/8	0.1403%	0.000003844	\$21,767,806,301.95	1.00026	37	105
11/9	0.1373%	0.000003761	\$21,704,763,644.77	1.00025	37	104
11/10	0.1360%	0.000003726	\$21,708,575,294.47	1.00025	37	104
11/11	0.1360%	0.000003726	\$21,708,575,294.47	1.00025	37	104
11/12	0.1327%	0.000003635	\$21,690,196,771.16	1.00025	36	104
11/13	0.1285%	0.000003521	\$21,782,047,624.96	1.00025	37	103
11/14	0.1285%	0.000003521	\$21,782,047,624.96	1.00025	37	103
11/15	0.1285%	0.000003521	\$21,782,047,624.96	1.00025	37	103
11/16	0.1232%	0.000003374	\$21,624,234,419.47	1.00025	35	102
11/17	0.1213%	0.000003322	\$21,728,607,930.97	1.00025	35	101
11/18	0.1151%	0.000003153	\$21,515,994,411.35	1.00025	36	102
11/19	0.1080%	0.000002959	\$21,259,396,210.44	1.00025	36	106
11/20	0.1070%	0.000002932	\$20,991,751,830.45	1.00026	37	107
11/21	0.1070%	0.000002932	\$20,991,751,830.45	1.00026	37	107
11/22	0.1070%	0.000002932	\$20,991,751,830.45	1.00026	37	107
11/23	0.1024%	0.000002805	\$20,951,363,726.34	1.00026	34	105
11/24	0.1056%	0.000002892	\$20,892,875,906.51	1.00026	35	107
11/25	0.1116%	0.000003058	\$21,199,949,407.49	1.00025	35	105
11/26	0.1116%	0.000003058	\$21,199,949,407.49	1.00025	35	105
11/27	0.1137%	0.000003115	\$21,127,879,574.49	1.00024	35	105
11/28	0.1137%	0.000003115	\$21,127,879,574.49	1.00024	35	105
11/29	0.1137%	0.000003115	\$21,127,879,574.49	1.00024	35	105
11/30	0.1030%	0.000002821	\$21,302,765,954.70	1.00024	32	102
Average:	0.1231%	0.000003373	\$21,515,900,069.43	1.00025	36	104



TEXPOOL Prime

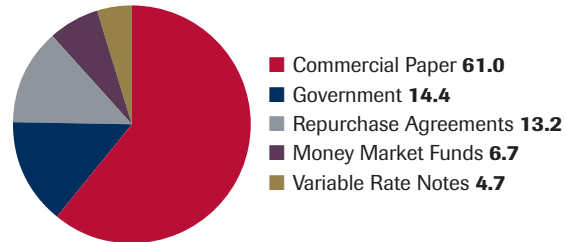
Portfolio by Maturity (%)

As of November 30, 2020



Portfolio by Type of Investment (%)

As of November 30, 2020



Portfolio Asset Summary as of November 30, 2020

	Book Value	Market Value
Uninvested Balance	-\$14,579.58)	-\$14,579.58
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	237,632.64	237,632.64
Interest and Management Fees Payable	-1,101,778.19	-1,101,778.19
Payable for Investments Purchased	-179,996,149.98	-179,996,149.98
Accrued Expenses & Taxes	-11,260.90	-11,260.90
Repurchase Agreements	1,112,913,000.00	1,112,913,000.00
Commercial Paper	5,051,055,588.53	5,051,522,329.79
Bank Instruments	0.00	0.00
Mutual Fund Investments	562,126,501.34	562,052,003.75
Government Securities	1,204,578,710.53	1,204,615,161.40
Variable Rate Notes	446,000,000.00	446,013,075.00
Total	\$8,195,787,664.39	\$8,196,229,433.92

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	\$2,232,416,707.40
Higher Education	19	\$617,814,485.05
Healthcare	17	\$380,297,997.95
Utility District	47	\$343,404,380.00
City	90	\$2,287,123,491.83
County	43	\$583,527,501.33
Other	92	\$1,750,701,585.13



TEXPOOL Prime

Daily Summary

Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Prime Invested Balance	NAV	WAM Days	WAL Days
11/1	0.2115%	0.000005795	\$8,324,884,047.26	1.00009	52	65
11/2	0.2176%	0.000005962	\$8,301,615,295.36	1.00009	51	64
11/3	0.1988%	0.000005446	\$8,293,947,202.34	1.00009	53	66
11/4	0.1830%	0.000005015	\$8,341,381,714.88	1.00009	52	65
11/5	0.1855%	0.000005083	\$8,345,040,911.76	1.00009	54	67
11/6	0.1809%	0.000004956	\$8,337,824,484.97	1.00008	54	66
11/7	0.1809%	0.000004956	\$8,337,824,484.97	1.00008	54	66
11/8	0.1809%	0.000004956	\$8,337,824,484.97	1.00008	54	66
11/9	0.1587%	0.000004347	\$8,334,086,834.22	1.00008	52	64
11/10	0.1717%	0.000004703	\$8,290,824,620.82	1.00008	52	64
11/11	0.1717%	0.000004703	\$8,290,824,620.82	1.00008	52	64
11/12	0.1718%	0.000004708	\$8,266,625,398.83	1.00008	52	64
11/13	0.1713%	0.000004693	\$8,247,093,924.76	1.00007	51	64
11/14	0.1713%	0.000004693	\$8,247,093,924.76	1.00007	51	64
11/15	0.1713%	0.000004693	\$8,247,093,924.76	1.00007	51	64
11/16	0.1731%	0.000004742	\$8,176,824,986.63	1.00007	49	64
11/17	0.1705%	0.000004670	\$8,193,989,801.07	1.00007	48	63
11/18	0.1656%	0.000004537	\$8,290,009,042.92	1.00007	50	64
11/19	0.1588%	0.000004351	\$8,257,029,792.37	1.00007	51	65
11/20	0.1452%	0.000003977	\$8,159,843,404.77	1.00005	52	67
11/21	0.1452%	0.000003977	\$8,159,843,404.77	1.00005	52	67
11/22	0.1452%	0.000003977	\$8,159,843,404.77	1.00005	52	67
11/23	0.1278%	0.000003501	\$8,173,292,839.98	1.00006	51	66
11/24	0.1286%	0.000003522	\$8,127,059,960.71	1.00005	50	66
11/25	0.1317%	0.000003607	\$8,149,540,572.18	1.00005	52	67
11/26	0.1317%	0.000003607	\$8,149,540,572.18	1.00005	52	67
11/27	0.1315%	0.000003603	\$8,209,587,534.62	1.00005	50	65
11/28	0.1315%	0.000003603	\$8,209,587,534.62	1.00005	50	65
11/29	0.1315%	0.000003603	\$8,209,587,534.62	1.00005	50	65
11/30	0.1315%	0.000003603	\$8,195,787,664.39	1.00005	48	63
Average:	0.1625%	0.000004453	\$8,245,511,797.54	1.00007	51	65



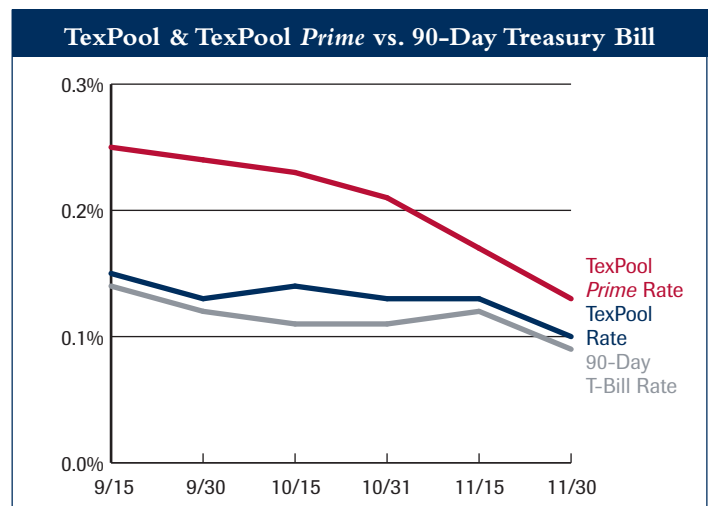
Participant Services
 1001 Texas Ave. Suite 1150
 Houston, TX 77002

of support is hampering the economic recovery could hardly be clearer. We don't expect a new package until after Biden's inauguration. That's unfortunate not only for Americans and businesses, but also for investors who would benefit from the bump in yields stemming from the increased supply of Treasuries.

Then a few days before Thanksgiving, Biden announced he had tapped Janet Yellen to succeed Munchin. Trump "fired" Yellen from her post as Fed chair early in his presidency. But she withstood it, reputation intact, to take an arguably more powerful position. For one, she no longer has to muster the support of a group of policymakers when making decisions.

Clouded in the dustup is how well the liquidity sector performed in November. Between the protracted results of the election and the surge in Covid-19 cases, uncertainty abounded, leading to some concern that the money markets would react adversely to it. Instead, they shrugged it off. Liquidity was abundant, yields spreads over corresponding Treasuries continued and outflows were in line with expectations. Attention now turns to year-end activity, but the moderate stress that can arise then seems quaint compared to what we endured this year—and certainly when measured against pressure in Washington.

Treasury yields ended the month with 1-month at 0.09%, 3-month at 0.09%, 6-month at 0.10%, and 12-month at 0.11%. Libor ended the month with 1-month at 0.15%, 3-month at



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.

0.23%, 6-month at 0.26% and 12-month at 0.33%. The weighted average maturity (WAM) at month-end was 36 days for TexPool and 51 days for TexPool Prime.