



Monthly Newsletter: October 2021

ANNOUNCEMENTS

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

TexPool

Missouri City Management District 1

CLL MUD 1

Texas Political Subdivisions Joint
Self-Insurance Fund

TexPool Prime

Texas Political Subdivisions Joint
Self-Insurance Fund

VIA Metropolitan Transit

Upcoming Events

October 6, 2021 - October 8, 2021

**Texas Municipal League
Annual Conference**

Houston, TX

October 12, 2021 - October 15, 2021

**Texas Association of County Auditors
Fall Conference**

Corpus Christi, TX

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: Capitol expenditures

October, 2021

One of the more routine processes Congress makes has become politicized again. After a deal to suspend the federal debt limit failed in the last week of September, investors, financial institutions, investment managers and the Treasury have realized they will have to be the adults in the room. But even if this drama continues for a few more weeks, we can't emphasize enough there is only an extremely low chance the U.S. government will default. We fully expect there to be no change in the vast Treasury market and are confident the liquidity it provides will remain intact.

Our confidence is bolstered by how the Federal Reserve has prepared for any dislocations in short-term borrowing by doubling the counterparty limit available in the Reverse Repo Program (RRP). It now stands at \$160 billion per participant—a huge increase. In spring, the total of all transactions was below \$100 billion. Also, the White House has increased its pressure. Treasury Secretary Janet Yellen told Congress she has targeted Oct. 18 as the date the government might not be able to pay its bills if lawmakers don't suspend or raise the debt ceiling. Most cash managers, including us, are increasing liquidity and adjusting the duration composition of portfolios to maneuver around that date.

(continued page 6)

Performance as of September 30, 2021

	TexPool	TexPool Prime
Current Invested Balance	\$22,083,020,484	\$8,921,880,770
Weighted Average Maturity**	37 Days	48 Days
Weighted Average Life**	101 Days	56 Days
Net Asset Value	1.00011	1.00003
Total Number of Participants	2,665	449
Management Fee on Invested Balance	0.0450%	0.0550%
Interest Distributed	\$507,335.83	\$467,626.73
Management Fee Collected	\$818,640.25	\$359,631.49
Standard & Poor's Current Rating	AAAm	AAAm

Month Averages

Average Invested Balance	\$22,133,622,862	\$9,062,863,003
Average Monthly Rate*	0.02%	0.06%
Average Weighted Average Maturity**	34	53
Average Weighted Average Life**	96	62

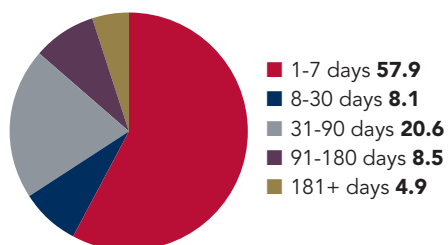
**This average monthly rate for TexPool Prime for each date may reflect a waiver of some portion or all of each of the management fees.*

***See page 2 for definitions.*

Past performance is no guarantee of future results.

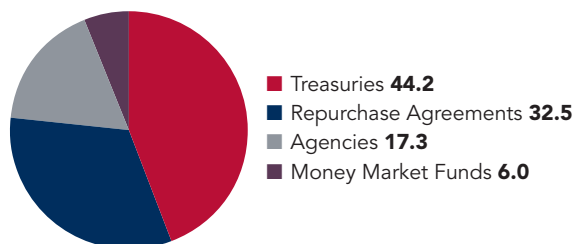
Portfolio by Maturity (%)

As of September 30, 2021



Portfolio by Type of Investment (%)

As of September 30, 2021



Portfolio Asset Summary as of September 30, 2021

	Book Value	Market Value
Uninvested Balance	-\$23,696.68	-\$23,696.68
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	12,100,012.01	12,100,012.01
Interest and Management Fees Payable	-507,331.66	-507,331.66
Payable for Investments Purchased	-59,812,816.34	-59,812,816.34
Accrued Expenses & Taxes	-27,225.65	-27,225.65
Repurchase Agreements	7,190,278,607.00	7,190,278,607.00
Mutual Fund Investments	1,334,074,000.00	1,334,074,000.00
Government Securities	3,721,122,318.58	3,722,711,956.69
US Treasury Bills	6,299,791,248.10	6,299,884,381.41
US Treasury Notes	3,586,025,368.88	3,586,240,338.99
Total	\$22,083,020,484.24	\$22,084,918,225.77

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	\$5,846,604,540.62
Higher Education	60	\$1,193,545,132.57
County	194	\$2,795,573,784.01
Health Care	90	\$1,218,440,355.50
Utility District	854	\$3,407,444,397.64
City	484	\$6,302,442,180.20
Emergency Districts	98	\$292,103,047.87
Economic Development Districts	83	\$126,023,832.22
Other	203	\$902,311,519.13

**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

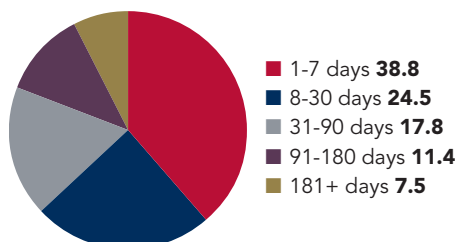
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
9/1	0.0245%	0.000000671	\$22,022,459,205.77	1.00010	31	94
9/2	0.0212%	0.000000581	\$22,211,068,988.36	1.00010	30	93
9/3	0.0237%	0.000000649	\$22,078,632,540.05	1.00010	32	94
9/4	0.0237%	0.000000649	\$22,078,632,540.05	1.00010	32	94
9/5	0.0237%	0.000000649	\$22,078,632,540.05	1.00010	32	94
9/6	0.0237%	0.000000649	\$22,078,632,540.05	1.00010	32	94
9/7	0.0237%	0.000000650	\$22,098,877,571.73	1.00010	30	92
9/8	0.0237%	0.000000650	\$22,085,105,817.24	1.00010	30	93
9/9	0.0242%	0.000000662	\$22,041,880,889.24	1.00010	33	93
9/10	0.0242%	0.000000664	\$21,965,367,883.37	1.00010	35	95
9/11	0.0242%	0.000000664	\$21,965,367,883.37	1.00010	35	95
9/12	0.0242%	0.000000664	\$21,965,367,883.37	1.00010	35	95
9/13	0.0242%	0.000000662	\$22,082,250,382.75	1.00010	32	93
9/14	0.0249%	0.000000681	\$22,049,481,554.68	1.00010	35	95
9/15	0.0248%	0.000000680	\$22,098,594,102.98	1.00009	38	99
9/16	0.0250%	0.000000686	\$22,133,856,401.30	1.00010	38	98
9/17	0.0251%	0.000000687	\$22,074,177,817.96	1.00010	38	97
9/18	0.0251%	0.000000687	\$22,074,177,817.96	1.00010	38	97
9/19	0.0251%	0.000000687	\$22,074,177,817.96	1.00010	38	97
9/20	0.0263%	0.000000721	\$21,893,545,394.70	1.00010	37	97
9/21	0.0268%	0.000000733	\$21,974,329,138.37	1.00011	38	99
9/22	0.0268%	0.000000734	\$21,966,374,408.95	1.00010	37	102
9/23	0.0411%	0.000001125	\$21,964,762,343.75	1.00013	36	102
9/24	0.0362%	0.000000991	\$22,511,957,663.96	1.00012	36	98
9/25	0.0362%	0.000000991	\$22,511,957,663.96	1.00012	36	98
9/26	0.0362%	0.000000991	\$22,511,957,663.96	1.00012	36	98
9/27	0.0364%	0.000000998	\$22,551,191,142.62	1.00012	34	97
9/28	0.0368%	0.000001008	\$22,496,175,639.36	1.00011	34	97
9/29	0.0372%	0.000001018	\$22,286,672,134.83	1.00012	35	96
9/30	0.0374%	0.000001024	\$22,083,020,484.24	1.00011	37	101
Average:	0.02%	0.000000764	\$22,133,622,861.90	1.00011	34	96



TEXPOOL Prime

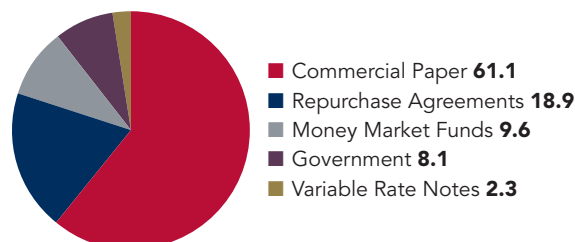
Portfolio by Maturity (%)

As of September 30, 2021



Portfolio by Type of Investment (%)

As of September 30, 2021



Portfolio Asset Summary as of September 30, 2021

	Book Value	Market Value
Uninvested Balance	\$817.83	\$817.83
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	131,991.85	131,991.85
Interest and Management Fees Payable	-467,907.59	-467,907.59
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-11,884.01	-11,884.01
Repurchase Agreements	1,689,688,000.00	1,689,688,000.00
Commercial Paper	5,454,894,524.18	5,455,384,980.82
Bank Instruments	0.00	0.00
Mutual Fund Investments	855,152,102.85	854,923,558.30
Government Securities	717,493,125.38	717,503,585.93
Variable Rate Notes	205,000,000.00	205,024,200.00
Total	\$8,921,880,770.49	\$8,922,177,343.13

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	129	\$2,383,841,504.73
Higher Education	19	\$606,008,507.31
County	47	\$548,786,858.99
Health Care	18	\$303,409,920.05
Utility District	49	\$432,961,439.30
City	90	\$2,163,139,772.42
Emergency Districts	21	\$34,238,099.16
Economic Development Districts	15	\$22,054,053.18
Other	61	\$2,427,430,874.15



TEXPOOL Prime

Daily Summary

Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Prime Invested Balance	NAV	WAM Days	WAL Days
9/1	0.0577%	0.000001580	\$9,322,643,908.93	1.00004	54	63
9/2	0.0573%	0.000001569	\$9,304,103,466.29	1.00005	54	63
9/3	0.0568%	0.000001555	\$9,226,629,557.34	1.00003	55	64
9/4	0.0568%	0.000001555	\$9,226,629,557.34	1.00003	55	64
9/5	0.0568%	0.000001555	\$9,226,629,557.34	1.00003	55	64
9/6	0.0568%	0.000001555	\$9,226,629,557.34	1.00003	55	64
9/7	0.0587%	0.000001608	\$9,130,468,328.41	1.00004	55	64
9/8	0.0579%	0.000001585	\$9,117,382,888.87	1.00004	55	64
9/9	0.0591%	0.000001618	\$9,110,070,738.54	1.00004	55	63
9/10	0.0581%	0.000001591	\$9,078,884,407.80	1.00004	55	64
9/11	0.0581%	0.000001591	\$9,078,884,407.80	1.00004	55	64
9/12	0.0581%	0.000001591	\$9,078,884,407.80	1.00004	55	64
9/13	0.0736%	0.000002017	\$9,092,644,920.86	1.00004	53	61
9/14	0.0629%	0.000001723	\$9,046,007,019.54	1.00004	55	63
9/15	0.0637%	0.000001744	\$8,978,922,254.26	1.00004	55	63
9/16	0.0637%	0.000001745	\$8,963,085,651.28	1.00004	55	64
9/17	0.0630%	0.000001727	\$8,982,798,054.93	1.00004	55	63
9/18	0.0630%	0.000001727	\$8,982,798,054.93	1.00004	55	63
9/19	0.0630%	0.000001727	\$8,982,798,054.93	1.00004	55	63
9/20	0.0611%	0.000001673	\$8,954,101,097.07	1.00004	52	61
9/21	0.0632%	0.000001732	\$8,938,285,550.50	1.00004	52	61
9/22	0.0633%	0.000001733	\$8,969,130,763.44	1.00004	52	61
9/23	0.0634%	0.000001736	\$8,929,456,433.09	1.00004	52	61
9/24	0.0703%	0.000001926	\$9,041,876,615.73	1.00003	52	60
9/25	0.0703%	0.000001926	\$9,041,876,615.73	1.00003	52	60
9/26	0.0703%	0.000001926	\$9,041,876,615.73	1.00003	52	60
9/27	0.0695%	0.000001905	\$8,999,030,321.59	1.00004	49	57
9/28	0.0709%	0.000001943	\$8,965,095,781.06	1.00003	49	57
9/29	0.0711%	0.000001947	\$8,926,384,716.72	1.00003	49	57
9/30	0.0685%	0.000001878	\$8,921,880,770.49	1.00003	48	56
Average:	0.06%	0.000001723	\$9,062,863,002.52	1.00004	53	62

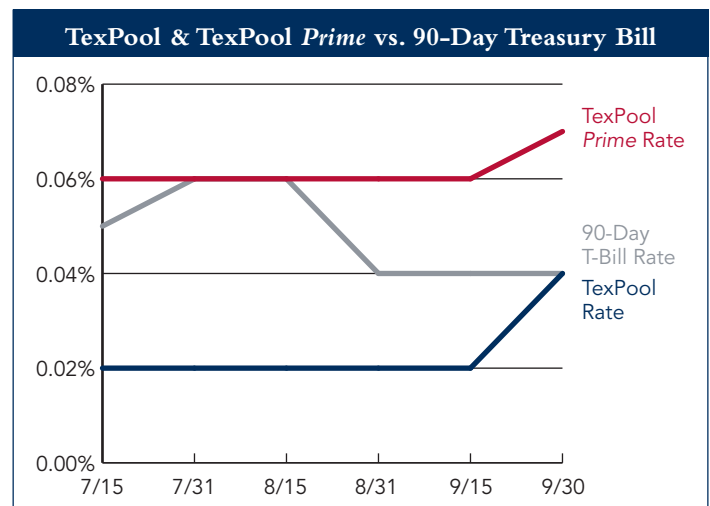


Participant Services
1001 Texas Ave. Suite 1150
Houston, TX 77002

The Fed was in the news for two different issues in September. The first was its Federal Open Market Committee meeting, with a result doubly positive. Half of the entire group of policymakers (18—at the time) projected the committee would raise the fed funds rate in late 2022, a few months earlier than prior estimates. Chair Powell also gave strong indication they would authorize a reduction in the \$120 billion per month asset purchase program in November. To be sure, these are incremental steps, but they further establish the upward trend that started quietly in June when the Fed raised the floor of the RRP. We expect the yield curve to steepen when the Treasury can issue new debt and as the economy heals further.

Powell had to deal with an unpleasant situation later in the month when two regional presidents resigned on the same day—an astonishing development for an institution that prides itself on stability and high ethics. Eric Rosengren (Boston) and Robert Kaplan (Dallas) both made significant trades last year while involved in decisions about the Fed's interventions in the market. The departures leave three openings (the other being on the board of governors).

At the end of August, yields on 1-, 3-, 6- and 12-month U.S. Treasuries were 0.05%, 0.04%, 0.05% and 0.08%, respectively; the 1-, 3-, 6- and 12-month London interbank offered rates (Libor) were 0.08%, 0.13%, 0.16% and 0.24%, respectively; and the weighted average maturities (WAMs) of TexPool and TexPool Prime were 37 and 48 days, respectively.



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.