



INVESTMENT REPORT

December 31, 2021

The Quarterly Investment Report for the City of Athens, Texas, for the quarter ended December 31, 2021, is hereby submitted.

The current depository bank for the City of Athens is Prosperity Bank. The City maintains 20 money market accounts and earns a rate determined by the bank (approximately .15%) and to offset banking expenses for all accounts based on daily balance requirements. Interest bearing checking accounts are considered an investment under the Public Funds Investment Act and per 2017 legislative changes. See PFIA Section 2256.009(a), “clarifying that interest-bearing bank accounts insured by FDIC or the National Credit Union Share Insurance Fund are authorized investments.” HB 1003 modified in June 2017.

The City received \$12,175,837.20 of bond proceeds in January 2017 for Series 2017 Certificates of Obligations and the monies were deposited into the Capital Improvement Fund in TexPool. On October 1, 2019 the City defeased \$5,394,871.59 of Series 2017 CO funds as approved by Council in September 2019. The General Fund Emergency Reserve, as designated by Council, is held in a TexPool account in addition to General Investment funds of the General and Utility Funds. The Cain Center Capital Improvement Fund and Utility Capital Improvement Fund are held in a TexPool account. Series 2020 Debt Service Reserve Fund established per the bond covenant and related construction account is held at TexPool. Series 2020A Debt Service Reserve Fund established per the bond covenant and related construction account is held at TexPool.

Average monthly TexPool interest rates for the quarter were 0.04%, 0.04%, 0.04% with average weighted average maturity at 40, 44, and 39 days. Total TexPool interest earned was \$742.33. TexPool’s liquid asset portfolio seeks to maintain a net asset value of \$1 per unit invested to preserve the principal of all pool participants.

Prosperity Bank earned a quarterly interest of \$20,343.75 for all accounts. The bank accounts are insured by a combination of FDIC insurance and pledged securities which are maintained at the HilltopBancSystems, a Division of Hilltop Securities with coverage at 102%.

This report is in compliance with the City of Athens’ Investment Policy and the Public Funds Investment Act.

Elizabeth Borstad
City Manager

Mandie Quigg
Investment Officer

Rachel Proctor
Investment Officer



City of Athens

Cash in the Bank and Investments at December 31, 2021

	Beginning Balance 10/01/2021	Oct-21			Nov-21			Dec-21			Ending Balance 12/31/2021
		Deposits	Withdrawals	Interest Earned	Deposits	Withdrawals	Interest Earned	Deposits	Withdrawals	Interest Earned	
PROSPERITY BANK											
General Fund											
General Fund #0061	4,588,641.74	1,039,854.80	1,458,461.73	735.18	1,570,250.71	1,820,071.12	645.83	2,204,021.87	1,674,186.56	684.17	4,450,049.71
Payroll Clearing #6471	67,255.29	565,986.28	568,752.33	8.53	657,155.29	647,898.91	9.41	606,495.26	657,254.15	11.66	22,986.73
Special Donations Fund #6551	184,988.01	531.42	775.78	31.42	5,828.50	944.50	30.50	1,872.32	875.00	32.32	190,624.97
Accounts Payable Fund #7011	79,810.35	1,764,646.28	1,271,438.96	74.79	1,625,830.42	1,495,071.79	105.98	2,164,131.53	2,274,057.15	97.47	593,850.68
AEDC Payroll Clearing #0861	-	-	-	-	-	-	-	-	-	-	-
Airport Fund											
Airport Operations Fund #0811	68,773.39	1,862.69	9,606.51	10.41	7,319.28	3,526.49	10.43	9,003.01	7,683.34	11.04	66,142.03
Airport Grants Fund #0926	-	-	-	-	-	-	-	-	-	-	-
Debt Service Fund											
Interest and Sinking Fund #6981	57,436.35	50,854.17	45,942.67	7.55	43,384.74	27,861.07	11.82	284,545.34	35,499.03	32.30	326,917.83
Special Revenue Funds											
Restricted Municipal Court Fees #0221	19,953.97	3.39	-	3.39	11,892.37	-	3.35	5.41	-	5.41	31,855.14
Municipal Court Building Security Fees #5951	-	-	-	-	-	-	-	-	-	-	-
Forfeited Cash-Local #0571	39,646.68	6.73	-	6.73	6.52	-	6.52	6.74	-	6.74	39,666.67
Forfeited Cash-Federal #6041	-	-	-	-	-	-	-	-	-	-	-
Hotel Motel Fund #7281	556,205.80	58,973.58	21,405.82	98.00	36,024.26	16,525.27	99.23	27,533.46	15,771.37	104.23	625,034.64
General Grants Fund #0491	1,580,458.26	268.46	-	268.46	259.85	-	259.85	268.55	-	268.55	1,581,255.12
Downtown Capital Projects Fund #6711	108.76	0.02	-	0.02	0.02	-	0.02	0.02	-	0.02	108.82
Sanitation Fund #5871	248,592.96	6,345.63	155,187.80	34.11	167,240.50	159,620.06	16.66	186,151.88	159,981.53	29.27	133,541.58
Cain Center Fund #5791	153,103.00	158,580.25	78,986.43	35.55	506,910.07	569,001.41	29.66	119,221.90	238,227.24	10.71	51,600.14
Utility Fund											
Utility Fund #6631	1,894,313.82	730,132.01	531,229.85	335.55	698,120.62	670,327.63	360.25	798,548.01	780,606.34	355.66	2,138,950.64
Utility Fund Grants #0651	55,000.00	15,455.00	15,455.00	15,455.00	-	-	-	-	-	-	55,000.00
2004 W/WW Certificates of Obligation #0141	-	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ 9,594,288.38	\$ 4,393,500.71	\$ 4,157,242.88	\$ 17,104.69	\$ 5,330,223.15	\$ 5,410,848.25	\$ 1,589.51	\$ 6,401,805.30	\$ 5,844,141.71	\$ 1,649.55	\$ 10,307,584.70
TEXPOOL INVESTMENTS											
Cain Center Capital Improv Fund #0006	102,503.57	3.09	-	3.09	3.23	-	3.23	3.28	-	3.28	102,513.17
Series 2020 W/WW Revenue Bonds #0007	555.21	-	-	-	-	-	-	-	-	-	555.21
Series 2020 Debt Service Reserve #0008	88,965.13	2.72	-	2.72	2.71	-	2.71	2.82	-	2.82	88,973.38
Series 2020A Debt Service Reserve #0009	100,457.04	3.04	-	3.04	3.14	-	3.14	3.27	-	3.27	100,466.49
Series 2020A W/WW Revenue Bonds #0010	-	-	-	-	-	-	-	-	-	-	-
Utility Fund Operating Account #0001	1,501,240.09	45.11	-	45.11	46.92	-	46.92	47.87	-	47.87	1,501,379.99
Utility Capital Projects Fund Account #0011	1,335,602.32	40.15	-	40.15	41.77	-	41.77	42.60	-	42.60	1,335,726.84
Capital Improvement Fund #0002	1,001,127.40	29.46	87,001.54	29.46	25.86	149,729.53	25.86	24.30	6,724.61	24.30	757,751.34
General Fund Investments #0004	1,148,574.04	28.56	197,613.00	28.56	29.70	-	29.70	30.38	-	30.38	951,049.68
General Fund Emergency Reserve #0005	2,832,211.82	197,704.03	-	91.03	94.66	-	94.66	96.66	-	96.66	3,030,107.17
Subtotal	\$ 8,111,236.62	\$ 197,856.16	\$ 284,614.54	\$ 243.16	\$ 247.99	\$ 149,729.53	\$ 247.99	\$ 251.18	\$ 6,724.61	\$ 251.18	\$ 7,868,523.27
Totals	\$ 17,705,525.00	\$ 4,591,356.87	\$ 4,441,857.42	\$ 17,347.85	\$ 5,330,471.14	\$ 5,560,577.78	\$ 1,837.50	\$ 6,402,056.48	\$ 5,850,866.32	\$ 1,900.73	\$ 18,176,107.97
Quarterly Interest Earned on Prosperity	\$ 20,343.75	0.197367%									
Quarterly Interest Earned on TexPool	\$ 742.33	0.009434%									
Total Interest earned 10/01 - 12/31:	\$ 21,086.08										

Pledge Security Listing

December 31, 2021

ID	CUSIP	Description	Safekeeping Location	Safekeeping Receipt	Coupon	Maturity Date	Call Date	Moody	S&P	Fitch	ASC 320	Face Amount	Current Par	Current Book Value	Market Value	Gain(Loss)
CITY OF ATHENS																
2516	3138AXXQ9	FNMA #AJ6086	FHLB		3.00	12/01/2026		AAA	AA+	AAA	HTM	1,100,000	89,148.49	89,508.06	91,369.70	1,861.63
3296	3138EEBP3	FNMA #AK9045	FHLB		3.00	04/01/2027		AAA	AA+	AAA	HTM	3,500,000	334,293.89	336,662.69	343,067.71	6,405.02
3544	31417DRU9	FNMA #AB6798	FHLB		2.00	11/01/2027		AAA	AA+	AAA	HTM	2,002,414	351,357.96	353,497.51	358,968.31	5,470.80
3546	31410LKN1	FNMA #890501	FHLB		2.00	11/01/2027		AAA	AA+	AAA	HTM	2,250,000	378,122.74	380,489.31	386,312.66	5,823.35
3607	3138EKLX1	FNMA #AL3041	FHLB		2.00	02/01/2028		AAA	AA+	AAA	HTM	2,210,781	393,827.40	395,928.81	402,358.15	6,429.35
3997	3138WAR66	FNMA #AS1408	FHLB		3.00	01/01/2029		AAA	AA+	AAA	HTM	1,009,042	153,879.31	155,617.00	160,291.01	4,674.01
3999	3128MMRT2	FHLMC #G18497	FHLB		3.00	01/01/2029		AAA	AA+	AAA	HTM	1,000,000	171,305.94	172,881.69	178,657.69	5,776.00
4002	31418A6C7	FNMA #MA1766	FHLB		2.50	01/01/2024		AAA	AA+	AAA	HTM	1,700,000	87,788.12	88,087.80	88,605.57	517.77
4189	3128MEBZ3	FHLMC #G15256	FHLB		2.50	12/01/2029		AAA	AA+	AAA	HTM	776,235	150,135.37	151,576.63	154,994.78	3,418.16
4238	3128MMTJ2	FHLMC #G18552	FHLB		3.00	05/01/2030		AAA	AA+	AAA	HTM	1,500,000	324,178.08	331,436.03	338,142.61	6,706.58
4259	3138WFAL0	FNMA #AS5410	FHLB		2.50	07/01/2030		AAA	AA+	AAA	HTM	517,750	130,967.78	131,441.99	134,653.84	3,211.85
4895	3138WJKU1	FNMA #AS8406	FHLB		2.50	11/01/2031		AAA	AA+	AAA	HTM	1,760,000	610,195.91	611,634.41	627,528.28	15,893.87
5023	3140J9ZS3	FNMA #BM5252	FHLB		3.00	02/01/2038		AAA	AA+	AAA	HTM	550,000	217,806.35	215,404.64	224,760.73	9,356.09
5027	3140JAHL5	FNMA #BM5634	FHLB		4.00	03/01/2034		AAA	AA+	AAA	HTM	1,100,000	305,247.06	313,518.54	321,676.92	8,158.39
5474	3132D53T7	FR #SB8010	FHLB		2.50	10/01/2034		AAA	AA+	AAA	HTM	1,000,000	327,810.13	329,838.64	338,668.84	8,830.20
5513	3133JLMH9	FR #QU7560	FHLB		2.00	09/01/2050		AAA	AA+	AAA	HTM	1,000,000	833,052.33	851,593.72	818,453.72	(33,140.00)
5526	3132D56J6	FR #SB8073	FHLB		1.50	11/01/2035		AAA	AA+	AAA	HTM	2,100,000	1,645,755.05	1,682,082.83	1,642,061.27	(40,021.57)
5536	3133KYUY3	FR #RB5099	FHLB		1.50	02/01/2041		AAA	AA+	AAA	HTM	1,000,000	905,003.47	914,772.70	891,428.42	(23,344.28)
5541	31418DXQ0	FNMA #MA4286	FHLB		1.50	03/01/2041		AAA	AA+	AAA	HTM	1,700,000	1,559,444.39	1,589,703.02	1,525,774.40	(63,928.62)
5549	31418DX80	FNMA #MA4302	FHLB		1.50	04/01/2036		AAA	AA+	AAA	HTM	1,300,000	1,169,765.16	1,184,072.30	1,166,293.37	(17,778.92)
5551	3132D57K2	FR #SB8098	FHLB		2.00	04/01/2036		AAA	AA+	AAA	HTM	1,500,000	1,330,758.57	1,369,590.47	1,357,962.89	(11,627.57)
Total for CITY OF ATHENS												30,576,222	11,469,843.50	11,649,338.79	11,552,030.87	(97,307.89)



PROSPERITY BANK[®]

January 3, 2022

City of Athens
508 E Tyler
Athens, TX 75751

RE: Balance Confirmation

Please accept the following as confirmation of total deposit balances.


\$10,307,584.70

Please let me know if you need any additional information.

Sincerely,

Prosperity Bank
Banking Officer
Accounting - Treasury

1301 N. Mechanic
P O Drawer G
El Campo, TX 77437



Summary Statement



Deposit Reports	Withdrawal Report Scheduler	Transfer Report Access	Multi Transaction Statements Help / Contact Us	Vendor Payment Inquiry Update Profile	Maintenance Change Location Logout
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TexPool Participant Services
1001 Texas Ave, Ste 1150
Houston, TX 77002

CITY OF ATHENS	Statement Period	12/01/2021 - 12/31/2021
ATN MANDIE QUIGG	Customer Services	1-866-TEX-POOL
500 E TYLER	Location	
ATHENS TX 75751		

UTILITY FUND OPERATING ACCT -							
Pool Name	Beginning Balance	Total Deposit	Total Withdrawal	Total Interest	Current Balance	Average Balance	
TexPool	\$1,501,332.12	\$0.00	\$0.00	\$47.87	\$1,501,379.99	\$1,501,333.66	
Total Dollar Value		\$1,501,332.12	\$0.00	\$0.00	\$47.87	\$1,501,379.99	

CAPITAL IMPROVEMENT FUND -							
Pool Name	Beginning Balance	Total Deposit	Total Withdrawal	Total Interest	Current Balance	Average Balance	
TexPool	\$764,451.65	\$0.00	-\$6,724.61	\$24.30	\$757,751.34	\$760,698.85	
Total Dollar Value		\$764,451.65	-\$6,724.61	\$24.30	\$757,751.34		

GENERAL FUND INVESTMENTS -							
Pool Name	Beginning Balance	Total Deposit	Total Withdrawal	Total Interest	Current Balance	Average Balance	
TexPool	\$951,019.30	\$0.00	\$0.00	\$30.38	\$951,049.68	\$951,020.28	
Total Dollar Value		\$951,019.30	\$0.00	\$30.38	\$951,049.68		

GENERAL FUND EMERGENCY RESERVE -							
Pool Name	Beginning Balance	Total Deposit	Total Withdrawal	Total Interest	Current Balance	Average Balance	
TexPool	\$3,030,010.51	\$0.00	\$0.00	\$96.66	\$3,030,107.17	\$3,030,013.63	
Total Dollar Value		\$3,030,010.51	\$0.00	\$96.66	\$3,030,107.17		

CAIN CENTER CAPITAL IMPROV FUND -							
Pool Name	Beginning Balance	Total Deposit	Total Withdrawal	Total Interest	Current Balance	Average Balance	
TexPool	\$102,509.89	\$0.00	\$0.00	\$3.28	\$102,513.17	\$102,510.00	
Total Dollar Value		\$102,509.89	\$0.00	\$3.28	\$102,513.17		

SERIES 2020 W/WV REVENUE BONDS -							
Pool Name	Beginning Balance	Total Deposit	Total Withdrawal	Total Interest	Current Balance	Average Balance	
TexPool	\$555.21	\$0.00	\$0.00	\$0.00	\$555.21	\$555.21	
Total Dollar Value		\$555.21	\$0.00	\$0.00	\$555.21		

SERIES 2020 DEBT SERVICE RESERVE -							
Pool Name	Beginning Balance	Total Deposit	Total Withdrawal	Total Interest	Current Balance	Average Balance	
TexPool	\$88,970.56	\$0.00	\$0.00	\$2.82	\$88,973.38	\$88,970.65	
Total Dollar Value		\$88,970.56	\$0.00	\$2.82	\$88,973.38		

SERIES 2020A DS RESERVE PROJ 73885 -							
Pool Name	Beginning Balance	Total Deposit	Total Withdrawal	Total Interest	Current Balance	Average Balance	
TexPool	\$100,463.22	\$0.00	\$0.00	\$3.27	\$100,466.49	\$100,463.33	
Total Dollar Value		\$100,463.22	\$0.00	\$3.27	\$100,466.49		

UTILITY CAPITAL PROJECTS FUND -							
Pool Name	Beginning Balance	Total Deposit	Total Withdrawal	Total Interest	Current Balance	Average Balance	
TexPool	\$1,335,684.24	\$0.00	\$0.00	\$42.60	\$1,335,726.84	\$1,335,685.61	
Total Dollar Value		\$1,335,684.24	\$0.00	\$42.60	\$1,335,726.84		

Account Totals							
Pool Name	Beginning Balance	Total Deposit	Total Withdrawal	Total Interest	Current Balance	Average Balance	
TexPool	\$7,874,996.70	\$0.00	-\$6,724.61	\$251.18	\$7,868,523.27		
Total Dollar Value		\$7,874,996.70	-\$6,724.61	\$251.18	\$7,868,523.27		





Monthly Newsletter: November 2021

ANNOUNCEMENTS

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

TexPool

Travis County MUD 26

Oak Hill FWSD 1

Brazos County MUD 1

Harris County MUD 503

Leander MUD 2

TexPool Prime

No New Participants

Upcoming Events

November 3, 2021 - November 5, 2021

GFOAT Fall Conference

College Station, TX

TexPool Advisory Board Members

David Garcia	Jerry Dale
Patrick Krishock	David Landeros
Belinda Weaver	Sharon Matthews
Deborah Laudermilk	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: A familiar course

November 1, 2021

2013 seems so long ago. That was the year of Pope Francis' inauguration, the Candy Crush app and the indulgent Cronut. Selfies reached such a fever pitch the Oxford dictionary selected it Word of the Year. And in December, the Federal Reserve announced it would begin to reduce its asset purchase program.

Granted, tapering is hardly a memorable event for most of the world. But many are recalling it now that it's soon likely to happen again—potentially following the Federal Open Market Committee meeting Nov. 3. For his part, Chair Jerome Powell said on Oct. 22 that, "I do think it's time to taper." It's helpful to recall 2013 because the process went smoothly (the taper tantrum happened earlier in the year). We expect the same outcome this time.

While the Treasury market probably won't budge from its low levels for some time—Powell also said, "I don't think it's time to raise rates"—spreads in the prime space have been widening. (This is being seen in the Bloomberg Short-Term Bank Yield Index, or BSBY—the industry replacement for the London interbank offered rate.) We think BSBY yields will continue in that positive direction.

(continued page 6)

Performance as of October 31, 2021

	TexPool	TexPool Prime
Current Invested Balance	\$22,119,184,175	\$8,550,438,466
Weighted Average Maturity**	43 Days	48 Days
Weighted Average Life**	104 Days	57 Days
Net Asset Value	1.00005	0.99999
Total Number of Participants	2,670	449
Management Fee on Invested Balance	0.0450%	0.0550%
Interest Distributed	\$662,832.99	\$452,383.22
Management Fee Collected	\$844,031.32	\$357,135.27
Standard & Poor's Current Rating	AAAm	AAAm
Month Averages		
Average Invested Balance	\$22,083,960,100	\$8,662,620,780
Average Monthly Rate*	0.04%	0.06%
Average Weighted Average Maturity**	40	47
Average Weighted Average Life**	101	57

*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.

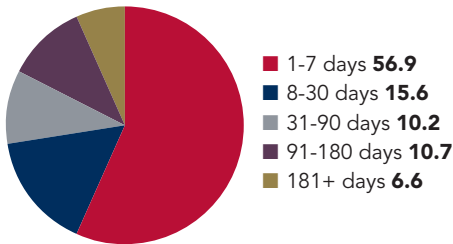
**See page 2 for definitions.

Past performance is no guarantee of future results.



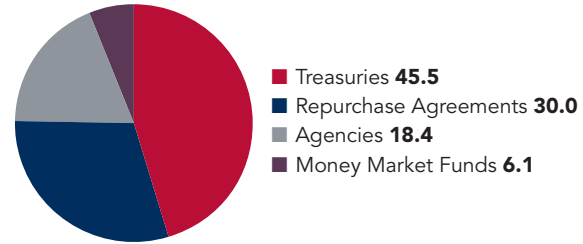
Portfolio by Maturity (%)

As of October 31, 2021



Portfolio by Type of Investment (%)

As of October 31, 2021



Portfolio Asset Summary as of October 31, 2021

	Book Value	Market Value
Uninvested Balance	\$7,530.69	\$7,530.69
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	16,531,004.34	16,531,004.34
Interest and Management Fees Payable	-662,886.11	-662,886.11
Payable for Investments Purchased	-349,951,945.35	-349,951,945.35
Accrued Expenses & Taxes	-81,810.75	-81,810.75
Repurchase Agreements	6,726,115,126.00	6,726,115,126.00
Mutual Fund Investments	1,369,074,000.00	1,369,074,000.00
Government Securities	4,133,103,398.75	4,134,320,956.71
US Treasury Bills	6,230,785,602.11	6,230,711,780.92
US Treasury Notes	3,994,264,155.48	3,993,981,383.65
Total	\$22,119,184,175.16	\$22,120,045,140.10

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	\$5,813,968,845.71
Higher Education	60	\$1,174,625,888.58
County	194	\$2,677,145,679.21
Health Care	90	\$1,220,266,094.61
Utility District	859	\$3,512,889,204.44
City	484	\$6,376,504,413.21
Emergency Districts	98	\$274,437,869.28
Economic Development Districts	83	\$123,845,161.54
Other	203	\$945,182,495.35

**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	0.0366%	0.000001002	\$21,930,531,453.98	1.00010	38	102
10/2	0.0366%	0.000001002	\$21,930,531,453.98	1.00010	38	102
10/3	0.0366%	0.000001002	\$21,930,531,453.98	1.00010	38	102
10/4	0.0328%	0.000000899	\$21,916,535,051.05	1.00011	35	99
10/5	0.0354%	0.000000971	\$21,909,751,698.88	1.00010	37	100
10/6	0.0357%	0.000000978	\$21,916,201,398.42	1.00010	40	100
10/7	0.0356%	0.000000974	\$22,028,130,536.23	1.00010	40	100
10/8	0.0354%	0.000000971	\$22,068,975,843.06	1.00009	40	99
10/9	0.0354%	0.000000971	\$22,068,975,843.06	1.00009	40	99
10/10	0.0354%	0.000000971	\$22,068,975,843.06	1.00009	40	99
10/11	0.0354%	0.000000971	\$22,068,975,843.06	1.00009	40	99
10/12	0.0362%	0.000000991	\$22,070,355,061.19	1.00009	39	101
10/13	0.0368%	0.000001008	\$22,032,710,936.69	1.00010	40	101
10/14	0.0370%	0.000001013	\$22,016,196,918.62	1.00010	40	101
10/15	0.0275%	0.000000754	\$22,134,821,397.19	1.00009	40	100
10/16	0.0275%	0.000000754	\$22,134,821,397.19	1.00009	40	100
10/17	0.0275%	0.000000754	\$22,134,821,397.19	1.00009	40	100
10/18	0.0368%	0.000001007	\$22,164,832,723.57	1.00009	38	98
10/19	0.0374%	0.000001025	\$22,091,734,173.94	1.00009	38	97
10/20	0.0347%	0.000000951	\$22,059,253,490.31	1.00009	39	99
10/21	0.0351%	0.000000962	\$22,063,437,375.94	1.00008	40	101
10/22	0.0352%	0.000000964	\$21,985,119,047.76	1.00007	42	103
10/23	0.0352%	0.000000964	\$21,985,119,047.76	1.00007	42	103
10/24	0.0352%	0.000000964	\$21,985,119,047.76	1.00007	42	103
10/25	0.0400%	0.000001096	\$22,580,568,977.69	1.00007	39	98
10/26	0.0365%	0.000000999	\$22,427,251,672.81	1.00007	39	98
10/27	0.0377%	0.000001032	\$22,347,667,136.66	1.00007	41	102
10/28	0.0373%	0.000001022	\$22,193,264,356.82	1.00007	40	102
10/29	0.0374%	0.000001026	\$22,119,184,175.16	1.00005	43	104
10/30	0.0374%	0.000001026	\$22,119,184,175.16	1.00005	43	104
10/31	0.0374%	0.000001026	\$22,119,184,175.16	1.00005	43	104
Average:	0.0353%	0.000000969	\$22,083,960,100.11	1.00008	40	101

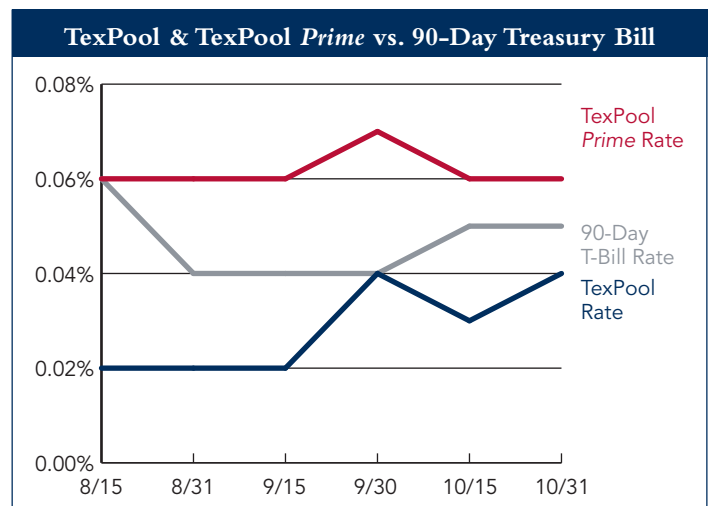


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Of course, there's a litany of issues clouding the picture. We were not surprised by the poor third-quarter gross domestic product (GDP) growth, though the 2% annualized reading was lower than expected. Headwinds could come if Covid-19 surges in the winter or another variant emerges. And the toxic politics in Washington make even the basic function of raising the federal debt limit a heavy lift.

But if these potentials don't come to pass, the debt ceiling is raised and GDP growth picks up in 2022 as we project, the markets could get a boost. Other good news should come with the "hard" infrastructure bill, now closer than ever to becoming law. Municipalities and local governments have strong balance sheets swelled by timely tax payments and fiscal stimulus. The bill will be ice cream for them, but should have a long-term positive impact.

At the end of October, yields on 1-, 3-, 6- and 12-month U.S. Treasuries were 0.06%, 0.05%, 0.06% and 0.12%, respectively; and the 1-, 3-, 6- and 12-month London interbank offered rates (Libor) were 0.08%, 0.14%, 0.21% and 0.37%, 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.



Monthly Newsletter: December 2021

ANNOUNCEMENTS

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

TexPool

- Chambers County Improvement District 3
- Harris County MUD 458
- Harris County Improvement District 12
- Iowa Colony Development Authority
- West Bastrop Village MUD

TexPool Prime

- Harris County MUD 136
- East Travis Gateway Library District

Upcoming Events

- Feb 27, 2022 - March 2, 2022
Government Treasurers' Organization of Texas Winter Seminar
Embassy Suites, San Antonio Riverwalk
- February 28, 2022 - March 4, 2022
TASBO Engage Annual Conference
Gaylord Texan, Grapevine

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: Continuity is critical

December 1, 2021

President Biden's public opinion rating has taken a hit recently, but the markets approved of his nomination of Federal Reserve Chair Jerome Powell to a second term. While the decision was a vote of confidence in his ability to navigate monetary policy in uncertain times, it had everything to do with continuity. Other than criticizing lawmakers for dragging their feet on new fiscal stimulus last fall, Powell has worked well with Congress. And despite defending various Fed stances, he has acknowledged worrisome developments such as rising inflation, giving him credibility with investors. Although Lael Brainard certainly is qualified, Powell was the right choice.

The persistence of the pandemic is one reason we need the status quo. The emergence of the omicron variant has highlighted that. But the most pressing motivation for continuity is the tapering of the Fed's monthly asset purchases, which began in mid-November with a reduction of \$10 billion of Treasuries and \$5 billion of mortgaged-backed securities. It's crucial this succeeds without spooking the markets, and the selection of a new Fed chair might have done that. While policymakers left wiggle room for the path to be altered by implementing only two months of tapering, any deviation will need a delicate touch. Some Fed officials, including Powell yesterday, have suggested picking up the pace if inflation

(continued page 6)

Performance as of November 30, 2021

	TexPool	TexPool Prime
Current Invested Balance	\$21,780,339,432	\$8,654,364,983
Weighted Average Maturity**	43 Days	45 Days
Weighted Average Life**	105 Days	59 Days
Net Asset Value	1.00002	0.99995
Total Number of Participants	2,675	451
Management Fee on Invested Balance	0.0450%	0.0550%
Interest Distributed	\$688,488.16	\$464,192.98
Management Fee Collected	\$815,607.81	\$340,094.93
Standard & Poor's Current Rating	AAAm	AAAm

Month Averages

Average Invested Balance	\$22,051,609,844	\$8,565,242,305
Average Monthly Rate*	0.04%	0.07%
Average Weighted Average Maturity**	44	47
Average Weighted Average Life**	104	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.

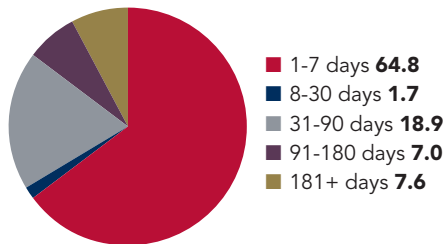
**See page 2 for definitions.

Past performance is no guarantee of future results.



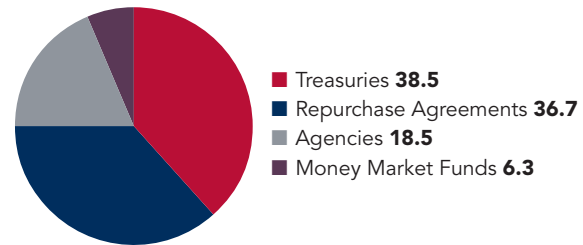
Portfolio by Maturity (%)

As of November 30, 2021



Portfolio by Type of Investment (%)

As of November 30, 2021



Portfolio Asset Summary as of November 30, 2021

	Book Value	Market Value
Uninvested Balance	\$1,364.73	\$1,364.73
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	13,525,041.84	13,525,041.84
Interest and Management Fees Payable	-688,543.99	-688,543.99
Payable for Investments Purchased	-111,728,212.96	-111,728,212.96
Accrued Expenses & Taxes	-26,852.48	-26,852.48
Repurchase Agreements	8,024,258,623.00	8,024,258,623.00
Mutual Fund Investments	1,369,074,000.00	1,369,074,000.00
Government Securities	4,055,096,073.87	4,056,266,601.01
US Treasury Bills	4,581,010,158.65	4,580,829,902.53
US Treasury Notes	3,849,817,778.84	3,849,138,709.69
Total	\$21,780,339,431.50	\$21,780,650,633.36

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	\$5,615,816,364.70
Higher Education	60	\$1,139,240,997.97
County	194	\$2,767,557,381.58
Healthcare	90	\$1,197,812,600.54
Utility District	861	\$3,562,704,928.57
City	484	\$6,156,685,431.56
Emergency Districts	98	\$267,603,391.07
Economic Development Districts	84	\$120,708,544.60
Other	205	\$943,914,115.10

**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	0.0369%	0.000001012	\$22,169,221,884.95	1.00006	41	102
11/2	0.0400%	0.000001010	\$22,217,044,422.69	1.00006	42	104
11/3	0.0367%	0.000001006	\$22,343,439,175.20	1.00005	43	103
11/4	0.0372%	0.000001019	\$22,394,384,556.74	1.00007	43	103
11/5	0.0373%	0.000001023	\$22,317,974,874.76	1.00007	44	104
11/6	0.0373%	0.000001023	\$22,317,974,874.76	1.00007	44	104
11/7	0.0373%	0.000001023	\$22,317,974,874.76	1.00007	44	104
11/8	0.0376%	0.000001031	\$22,227,490,842.19	1.00006	44	103
11/9	0.0376%	0.000001031	\$22,167,821,224.20	1.00008	45	105
11/10	0.0377%	0.000001032	\$22,100,540,790.44	1.00006	45	102
11/11	0.0377%	0.000001032	\$22,100,540,790.44	1.00006	45	102
11/12	0.0381%	0.000001043	\$22,015,280,176.73	1.00005	45	102
11/13	0.0381%	0.000001043	\$22,015,280,176.73	1.00005	45	102
11/14	0.0381%	0.000001043	\$22,015,280,176.73	1.00005	45	102
11/15	0.0380%	0.000001041	\$21,964,779,508.44	1.00006	43	101
11/16	0.0380%	0.000001042	\$22,055,489,391.73	1.00006	45	106
11/17	0.0382%	0.000001047	\$21,995,646,641.94	1.00005	45	106
11/18	0.0383%	0.000001049	\$21,914,580,837.10	1.00006	44	103
11/19	0.0384%	0.000001053	\$21,779,593,228.23	1.00005	46	106
11/20	0.0384%	0.000001053	\$21,779,593,228.23	1.00005	46	106
11/21	0.0384%	0.000001053	\$21,779,593,228.23	1.00005	46	106
11/22	0.0384%	0.000001052	\$21,821,907,482.86	1.00005	43	104
11/23	0.0387%	0.000001060	\$21,816,160,036.33	1.00005	43	107
11/24	0.0384%	0.000001052	\$22,034,540,075.84	1.00002	43	106
11/25	0.0384%	0.000001052	\$22,034,540,075.84	1.00002	43	106
11/26	0.0387%	0.000001060	\$22,030,963,665.94	1.00004	43	105
11/27	0.0387%	0.000001060	\$22,030,963,665.94	1.00004	43	105
11/28	0.0387%	0.000001060	\$22,030,963,665.94	1.00004	43	105
11/29	0.0388%	0.000001063	\$21,978,392,301.50	1.00003	41	103
11/30	0.0391%	0.000001072	\$21,780,339,431.50	1.00002	43	105
Average:	0.0381%	0.000001041	\$22,051,609,843.56	1.00005	44	104



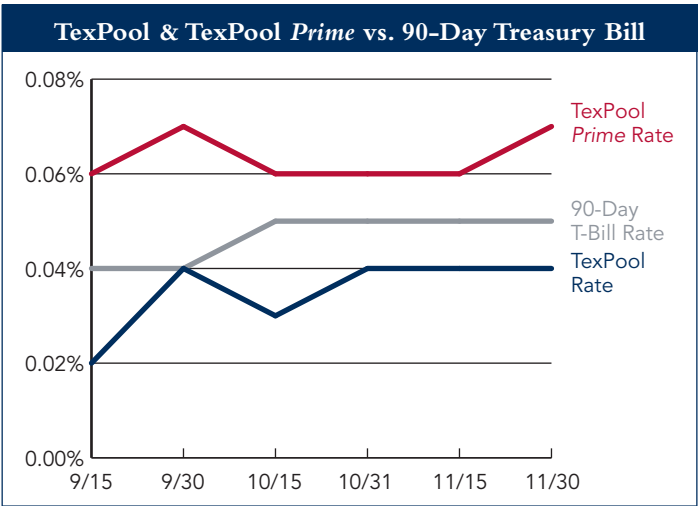
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 1001 Texas Ave. Suite 1150
 Houston, TX 77002

remains high. But if omicron or something else slows the economic recovery, or if inflation retreats, the Fed might have to pause it. That's enough uncertainty.

Viewed in this context, Brainard's nomination for vice chair isn't a consolation prize, but a shrewd move. For one, her reportedly more dovish stance could moderate a hawkish trend. Second, it elevates the issues of reform and regulation demanded by progressives. Lastly, it presents a succession plan, always a good idea when it comes to monetary policy. Of course, politicians are sure to complicate that, whether through infighting or a cross-party struggle.

There's plenty of political theater at present. More important to the money markets is that lawmakers address the debt ceiling. They punted in October when they approved additional funds many thought would last until early December. Treasury Secretary Janet Yellen recently said mid-December is more likely and has acknowledged the Treasury's own wiggle room. Unfortunately, this takes pressure off Congress to act, but she had to calm investors. While the picture is clouded because of the typical haze of year-end activity, the possibility of a default remains very low. We hope there will be an agreement on a long-term solution rather than another short-term fix, but don't doubt it will be resolved.

At the end of November, yields on 1-, 3-, 6- and 12-month U.S. Treasuries were 0.11%, 0.06%, 0.10% and 0.19%, respectively; the 1-, 3-, 6- and 12-month Bloomberg Short-Term Bank Yield Index



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Past performance is no guarantee of future results.

rates (BSBY) were 0.06%, 0.17%, 0.23% and 0.37%, respectively; and the 1-, 3-, 6- and 12-month London interbank offered rates (Libor) were 0.09%, 0.17%, 0.24% and 0.38%, respectively.



Monthly Newsletter: January 2022

ANNOUNCEMENTS

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

TexPool

Pineywoods Community Academy

TexPool Prime

No new participants

Upcoming Events

Feb 27, 2022 - March 2, 2022

Government Treasurers' Organization of Texas Winter Seminar

Embassy Suites, San Antonio Riverwalk

February 28, 2022 - March 4, 2022

TASBO Engage Annual Conference

Gaylord Texan, Grapevine

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: Onward and upward

January 1, 2022

The market expected a hawkish outcome from the Federal Open Market Committee (FOMC) meeting in mid-December, and it did not disappoint. Federal Reserve officials delivered on the anticipated doubling of the pace of taper to \$30 billion a month. This means the asset purchase program would likely conclude by March 2022. But the headline news came with the fed funds rate. In recent weeks, the market has notably shifted its projections of when the Fed might raise its target range, currently at 0.0-0.25%, pricing in the first hike (often referred to as "liftoff") as early as March 2022. This swing was so swift and dramatic that one could have expected Chair Powell to push back in his press conference. Instead, he leaned in. The new Fed "dot plot" showed most participants projecting three or more 25 basis-point rate hikes in 2022, another three in 2023, and two more in 2024. These estimates—anywhere from 25 to 75 basis points higher than the dot plot released just this past September—reflect an earlier liftoff and faster pace of tightening than previously thought. We also have brought our own expectations with respect to the first hike into the first half of 2022.

Policymakers' growth projections came in somewhat lower, but they indicated the unemployment rate could reach 3.5% as soon as the end of next year. Importantly,

(continued page 6)

Performance as of December 31, 2021

	TexPool	TexPool Prime
Current Invested Balance	\$25,831,002,933	\$9,197,364,824
Weighted Average Maturity**	38 Days	49 Days
Weighted Average Life**	89 Days	65 Days
Net Asset Value	0.99996	0.99996
Total Number of Participants	2,676	451
Management Fee on Invested Balance	0.0450%	0.0550%
Interest Distributed	\$727,546.49	\$677,591.38
Management Fee Collected	\$875,865.53	\$364,106.85
Standard & Poor's Current Rating	AAAm	AAAm
Month Averages		
Average Invested Balance	\$22,916,900,653	\$8,815,467,090
Average Monthly Rate*	0.04%	0.09%
Average Weighted Average Maturity**	39	47
Average Weighted Average Life**	98	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.

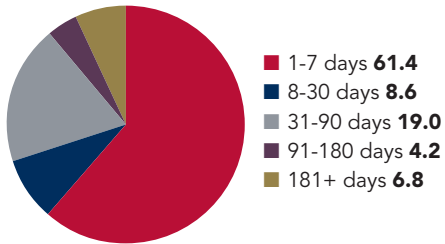
**See page 2 for definitions.

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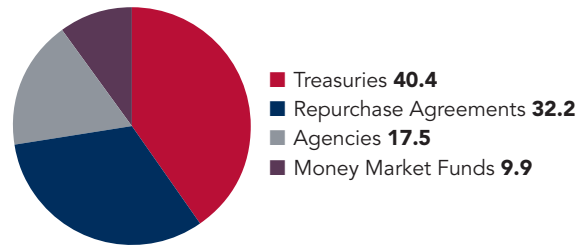
Portfolio by Maturity (%)

As of December 31, 2021



Portfolio by Type of Investment (%)

As of December 31, 2021



Portfolio Asset Summary as of December 31, 2021

	Book Value	Market Value
Uninvested Balance	\$217.85	\$217.85
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	9,781,182.77	9,781,182.77
Interest and Management Fees Payable	-727,550.76	-727,550.76
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-31,846.44	-31,846.44
Repurchase Agreements	8,319,299,554.00	8,319,299,554.00
Mutual Fund Investments	2,543,074,000.00	2,543,074,000.00
Government Securities	4,444,049,056.86	4,444,661,273.71
US Treasury Bills	7,016,373,878.84	7,016,103,510.96
US Treasury Notes	3,499,184,440.00	3,497,899,995.11
Total	\$25,831,002,933.12	\$25,830,060,337.20

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	600	\$7,466,130,325.62
Higher Education	60	\$1,213,252,091.31
County	194	\$4,102,786,649.37
Healthcare	90	\$1,386,012,260.97
Utility District	861	\$3,659,475,299.77
City	484	\$6,658,491,950.61
Emergency Districts	98	\$277,035,821.89
Economic Development Districts	84	\$121,425,425.42
Other	205	\$946,421,758.00

**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	0.0389%	0.000001067	\$21,846,152,999.23	1.00002	42	105
12/2	0.0396%	0.000001084	\$21,918,509,716.23	1.00002	42	105
12/3	0.0395%	0.000001081	\$22,017,650,503.97	1.00001	42	104
12/4	0.0395%	0.000001081	\$22,017,650,503.97	1.00001	42	104
12/5	0.0395%	0.000001081	\$22,017,650,503.97	1.00001	42	104
12/6	0.0394%	0.000001080	\$22,062,803,535.40	1.00000	40	102
12/7	0.0388%	0.000001062	\$22,121,552,082.32	0.99997	40	102
12/8	0.0387%	0.000001061	\$22,144,864,430.21	0.99997	39	102
12/9	0.0387%	0.000001061	\$22,222,712,630.78	0.99997	40	100
12/10	0.0386%	0.000001057	\$22,362,557,517.67	0.99998	41	100
12/11	0.0386%	0.000001057	\$22,362,557,517.67	0.99998	41	100
12/12	0.0386%	0.000001057	\$22,362,557,517.67	0.99998	41	100
12/13	0.0385%	0.000001056	\$22,460,668,738.86	0.99999	38	97
12/14	0.0387%	0.000001059	\$22,404,671,864.66	0.99999	39	99
12/15	0.0387%	0.000001061	\$22,386,092,871.96	0.99998	39	100
12/16	0.0388%	0.000001064	\$22,303,055,939.86	1.00000	39	100
12/17	0.0383%	0.000001049	\$22,655,243,459.40	0.99999	38	96
12/18	0.0383%	0.000001049	\$22,655,243,459.40	0.99999	38	96
12/19	0.0383%	0.000001049	\$22,655,243,459.40	0.99999	38	96
12/20	0.0382%	0.000001046	\$22,811,858,784.25	1.00000	38	96
12/21	0.0380%	0.000001041	\$22,979,542,037.79	1.00000	38	97
12/22	0.0391%	0.000001071	\$23,195,296,097.99	0.99999	37	95
12/23	0.0402%	0.000001101	\$23,324,561,549.66	0.99998	39	96
12/24	0.0402%	0.000001101	\$23,324,561,549.66	0.99998	39	96
12/25	0.0402%	0.000001101	\$23,324,561,549.66	0.99998	39	96
12/26	0.0402%	0.000001101	\$23,324,561,549.66	0.99998	39	96
12/27	0.0393%	0.000001076	\$23,956,104,645.94	0.99997	36	92
12/28	0.0290%	0.000000795	\$24,337,252,848.89	0.99998	37	89
12/29	0.0267%	0.000000731	\$25,458,856,081.75	0.99998	36	86
12/30	0.0276%	0.000000756	\$25,578,321,372.58	0.99998	38	90
12/31	0.0280%	0.000000767	\$25,831,002,933.12	0.99996	38	89
Average:	0.0376%	0.000001029	\$22,916,900,653.34	.99999	39	98



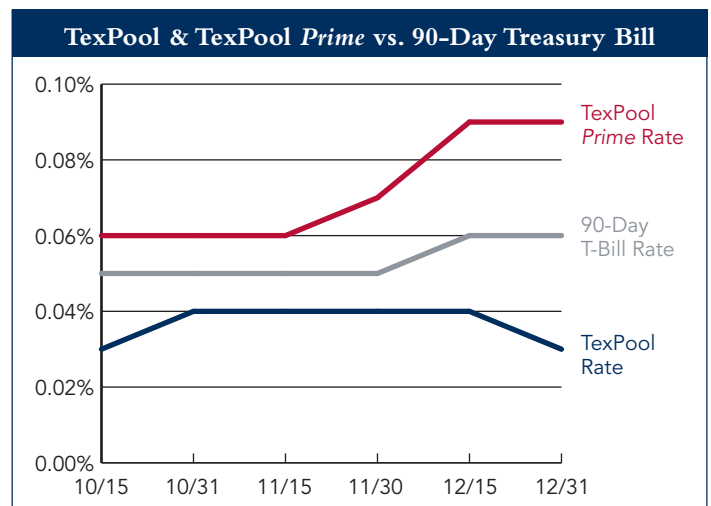
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inflation estimates as measured by the Personal Consumption Expenditures were elevated yet again, rising from 4.2% to 5.3% for 2021 and from 2.2% to 2.6% for 2022. Powell acknowledged this pivot, citing faster-than-expected progress in employment and persistent price pressures in wages and rent, including owners' equivalent rent, as dominant factors.

Even if economic growth is slowed by the resurgence of Covid-19 due to the omicron variant, the Fed's concerns about inflation should be enough to keep tightening on track. Government, prime and tax-free money market yield curves have already responded by steepening, and we expect that to continue. While the front end of the Treasury curve will stay anchored, the Fed's reverse repo rate should rise in lockstep with the hikes. That would be great news for cash managers and investors.

In a somewhat anticlimactic development relative to the fireworks from the Fed, December saw a resolution to the debt ceiling, with Congress approving a \$2.5 trillion increase in borrowing authority. This action should lead to near-term Treasury bill supply as the Treasury replenishes its dwindling cash in hand, and should also put an end to the debt limit shenanigans until after the 2022 midterm elections at least.

At the end of December, yields on 1-, 3-, 6- and 12-month U.S. Treasuries were 0.03%, 0.05%, 0.19% and 0.38%, respectively; the 1-, 3-, 6- and 12-month Bloomberg Short-Term Bank Yield Index



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.

rates (BSBY) were 0.08%, 0.18%, 0.29% and 0.47%, respectively; and the 1-, 3-, 6- and 12-month London interbank offered rates were 0.10%, 0.21%, 0.34% and 0.58%, respectively.