



INVESTMENT REPORT

September 30, 2021

The Quarterly Investment Report for the City of Athens, Texas, for the quarter ended September 30, 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 0.07%, 0.06%, 0.06% with average weighted average maturity at 50, 52, and 53 days. Total TexPool interest earned was \$481.69. 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 \$8,463.37 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

Pledge Security Listing

September 30, 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	99,908.63	100,329.01	103,303.83	2,974.83
3296	3138EEBP3	FNMA #AK9045	FHLB		3.00	04/01/2027		AAA	AA+	AAA	HTM	3,500,000	366,351.83	369,058.02	386,342.52	17,284.50
3544	31417DRU9	FNMA #AB6798	FHLB		2.00	11/01/2027		AAA	AA+	AAA	HTM	2,002,414	385,357.19	387,801.18	397,881.29	10,080.12
3546	31410LKN1	FNMA #890501	FHLB		2.00	11/01/2027		AAA	AA+	AAA	HTM	2,250,000	415,136.77	417,857.83	428,628.71	10,770.88
3607	3138EKLX1	FNMA #AL3041	FHLB		2.00	02/01/2028		AAA	AA+	AAA	HTM	2,210,781	431,090.09	433,487.10	445,100.52	11,613.42
3997	3138WAR66	FNMA #AS1408	FHLB		3.00	01/01/2029		AAA	AA+	AAA	HTM	1,009,042	167,066.67	169,013.20	176,255.34	7,242.13
3999	3128MMRT2	FHLMC #G18497	FHLB		3.00	01/01/2029		AAA	AA+	AAA	HTM	1,000,000	187,250.67	189,026.84	197,081.33	8,054.49
4002	31418A6C7	FNMA #MA1766	FHLB		2.50	01/01/2024		AAA	AA+	AAA	HTM	1,700,000	106,563.48	106,982.81	107,928.72	945.90
4189	3128MEBZ3	FHLMC #G15256	FHLB		2.50	12/01/2029		AAA	AA+	AAA	HTM	776,235	168,864.50	170,526.63	176,674.48	6,147.85
4238	3128MMTJ2	FHLMC #G18552	FHLB		3.00	05/01/2030		AAA	AA+	AAA	HTM	1,500,000	356,279.79	364,463.76	374,984.48	10,520.72
4259	3138WFAL0	FNMA #AS5410	FHLB		2.50	07/01/2030		AAA	AA+	AAA	HTM	517,750	142,071.17	142,599.06	148,464.38	5,865.32
4895	3138WJKU1	FNMA #AS8406	FHLB		2.50	11/01/2031		AAA	AA+	AAA	HTM	1,760,000	662,447.83	664,049.12	692,257.98	28,208.85
5023	3140J9ZS3	FNMA #BM5252	FHLB		3.00	02/01/2038		AAA	AA+	AAA	HTM	550,000	241,315.85	238,619.03	250,165.43	11,546.40
5027	3140JAHL5	FNMA #BM5634	FHLB		4.00	03/01/2034		AAA	AA+	AAA	HTM	1,100,000	334,259.57	343,474.94	353,803.25	10,328.31
5474	3132D53T7	FR #SB8010	FHLB		2.50	10/01/2034		AAA	AA+	AAA	HTM	1,000,000	372,835.83	375,181.30	389,613.44	14,432.14
5513	3133JLMH9	FR #QU7560	FHLB		2.00	09/01/2050		AAA	AA+	AAA	HTM	1,000,000	860,160.95	879,450.65	877,301.95	(2,148.71)
5526	3132D56J6	FR #SB8073	FHLB		1.50	11/01/2035		AAA	AA+	AAA	HTM	2,100,000	1,782,093.68	1,822,110.99	1,804,369.86	(17,741.13)
5536	3133KYUY3	FR #RB5099	FHLB		1.50	02/01/2041		AAA	AA+	AAA	HTM	1,000,000	942,990.63	953,283.06	946,526.84	(6,756.21)
5549	31418DX80	FNMA #MA4302	FHLB		1.50	04/01/2036		AAA	AA+	AAA	HTM	1,100,000	1,040,692.28	1,053,619.27	1,053,700.93	81.66
5551	3132D57K2	FR #SB8098	FHLB		2.00	04/01/2036		AAA	AA+	AAA	HTM	1,500,000	1,408,415.86	1,450,125.33	1,454,189.38	4,064.05
Total for CITY OF ATHENS												28,676,222	10,471,153.27	10,631,059.13	10,764,574.66	133,515.52



PROSPERITY BANK[®]

October 1, 2021

City of Athens
508 E Tyler
Athens, TX 75751

RE: Balance Confirmation

Please accept the following as confirmation of total deposit balances.

\$9,594,288.38

Please let me know if you need any additional information.

Sincerely,

Prosperity Bank
Banking Officer
Accounting - Treasury



Monthly Newsletter: August 2021

ANNOUNCEMENTS

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

TexPool

Harris County MUD 540

TexPool Prime

Carrollton Farmers Branch ISD

Upcoming Events

September 1–3, 2021

TAC Legislative Conference

Fairmount Austin Hotel, Austin, Texas

September 13–16, 2021

CTAT Annual Conference

The Bevy a Doubletree by Hilton, Boerne, Texas

September 24–26, 2021

TASA/TASB Annual Conference

Dallas, Texas

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: Looking like a trillion bucks

August 1, 2021

If you hear a new or even a shocking word enough times, it usually loses its impact. But “trillion” never seems to get there. Despite the numerous trillion-dollar federal stimulus packages this year, it remains a tremendous amount of money in nearly everyone’s mind.

So, it’s no small thing that use of the Federal Reserve’s Reverse Repo Program (RRP) has lately approached the \$1 trillion mark. It was below \$100 billion as recently as April. In March, the Fed increased the counterparty limit for from \$30 billion to \$80 billion and then in June raised the rate to 5 basis points. Usage has steadily grown since then, and it’s been a valuable outlet for the money markets, which are still facing heavy demand.

Fed Chair Jerome Powell mentioned in his comments after the Federal Open Market Committee (FOMC) meeting last month that policymakers have been discussing tapering—the winding down of their massive asset purchase program. The meeting did not include a Summary of Economic Projections, but not surprisingly, Powell also sang the same refrain on inflation. Policymakers won’t budge until inflation is elevated for many months, and they are betting prices will pull back. We think they are stickier. While the National Bureau of Economic Research just dated the Covid-19 recession as lasting

(continued page 6)

Performance as of July 31, 2021

	TexPool	TexPool Prime
Current Invested Balance	\$23,445,086,784	\$10,083,961,853
Weighted Average Maturity**	31 Days	53 Days
Weighted Average Life**	96 Days	62 Days
Net Asset Value	1.00010	1.00004
Total Number of Participants	2,659	446
Management Fee on Invested Balance	0.0450%	0.0550%
Interest Distributed	\$378,074.65	\$570,293.07
Management Fee Collected	\$902,720	\$424,355
Standard & Poor’s Current Rating	AAAm	AAAm
Month Averages		
Average Invested Balance	\$23,619,562,762.87	\$10,254,281,405.61
Average Monthly Rate*	0.02%	0.07%
Average Weighted Average Maturity**	32	50
Average Weighted Average Life**	95	60

*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.

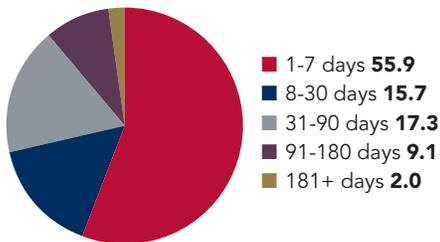
**See page 2 for definitions.

Past performance is no guarantee of future results.



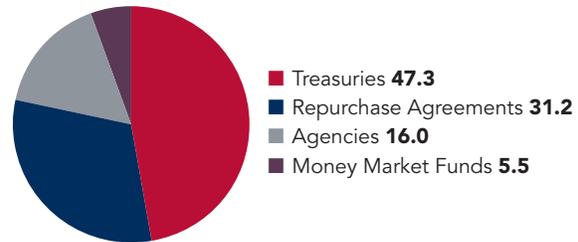
Portfolio by Maturity (%)

As of July 31, 2021



Portfolio by Type of Investment (%)

As of July 31, 2021



Portfolio Asset Summary as of July 31, 2021

	Book Value	Market Value
Uninvested Balance	\$308.32	\$308.32
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	5,818,457.35	5,818,457.35
Interest and Management Fees Payable	-378,073.29	-378,073.29
Payable for Investments Purchased	-100,000,438.92	-100,000,438.92
Accrued Expenses & Taxes	-57,809.80	-57,809.80
Repurchase Agreements	7,340,634,882.00	7,340,634,882.00
Mutual Fund Investments	1,295,074,000.00	1,295,074,000.00
Government Securities	3,660,665,049.00	3,662,711,514.64
U.S. Treasury Bills	9,204,624,962.60	9,204,592,356.17
U.S. Treasury Notes	2,038,705,446.70	2,038,983,534.42
Total	\$23,445,086,783.96	\$23,447,378,730.88

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	\$6,419,843,571.41
Higher Education	60	\$1,387,566,463.60
County	194	\$2,902,193,733.94
Health Care	90	\$1,275,434,255.66
Utility District	850	\$3,593,145,037.16
City	484	\$6,475,648,065.22
Emergency Districts	98	\$306,778,538.12
Economic Development Districts	83	\$128,269,959.88
Other	201	\$956,191,590.33

**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
7/1	0.0167%	0.000000457	\$23,785,859,398.80	1.00010	31	95
7/2	0.0170%	0.000000465	\$23,612,609,398.14	1.00010	32	96
7/3	0.0170%	0.000000465	\$23,612,609,398.14	1.00010	32	96
7/4	0.0170%	0.000000465	\$23,612,609,398.14	1.00010	32	96
7/5	0.0170%	0.000000465	\$23,612,609,398.14	1.00010	32	96
7/6	0.0185%	0.000000507	\$23,509,608,692.20	1.00010	29	93
7/7	0.0178%	0.000000489	\$23,546,168,235.91	1.00010	29	92
7/8	0.0170%	0.000000466	\$23,486,348,293.27	1.00011	28	92
7/9	0.0191%	0.000000523	\$23,421,379,452.09	1.00010	33	94
7/10	0.0191%	0.000000523	\$23,421,379,452.09	1.00010	33	94
7/11	0.0191%	0.000000523	\$23,421,379,452.09	1.00010	33	94
7/12	0.0186%	0.000000510	\$23,626,223,349.63	1.00010	31	93
7/13	0.0189%	0.000000517	\$23,584,392,188.01	1.00010	35	97
7/14	0.0190%	0.000000521	\$23,373,427,538.14	1.00010	36	98
7/15	0.0191%	0.000000522	\$23,381,013,757.33	1.00010	36	99
7/16	0.0195%	0.000000533	\$23,383,344,548.94	1.00010	37	99
7/17	0.0195%	0.000000533	\$23,383,344,548.94	1.00010	37	99
7/18	0.0195%	0.000000533	\$23,383,344,548.94	1.00010	37	99
7/19	0.0206%	0.000000564	\$23,370,085,370.81	1.00010	34	97
7/20	0.0201%	0.000000552	\$23,444,630,693.94	1.00009	34	95
7/21	0.0199%	0.000000545	\$23,703,275,916.37	1.00010	34	96
7/22	0.0197%	0.000000541	\$23,827,579,846.22	1.00010	33	95
7/23	0.0194%	0.000000531	\$24,148,997,272.63	1.00010	32	92
7/24	0.0194%	0.000000531	\$24,148,997,272.63	1.00010	32	92
7/25	0.0194%	0.000000531	\$24,148,997,272.63	1.00010	32	92
7/26	0.0194%	0.000000532	\$24,081,541,737.17	1.00010	31	91
7/27	0.0195%	0.000000535	\$23,961,023,581.23	1.00010	31	91
7/28	0.0197%	0.000000540	\$23,684,035,714.84	1.00010	30	95
7/29	0.0196%	0.000000538	\$23,639,456,353.70	1.00010	30	95
7/30	0.0197%	0.000000541	\$23,445,086,783.96	1.00010	31	96
7/31	0.0197%	0.000000541	\$23,445,086,783.96	1.00010	31	96
Average:	0.0189%	0.000000517	\$23,619,562,762.87	1.00010	32	95



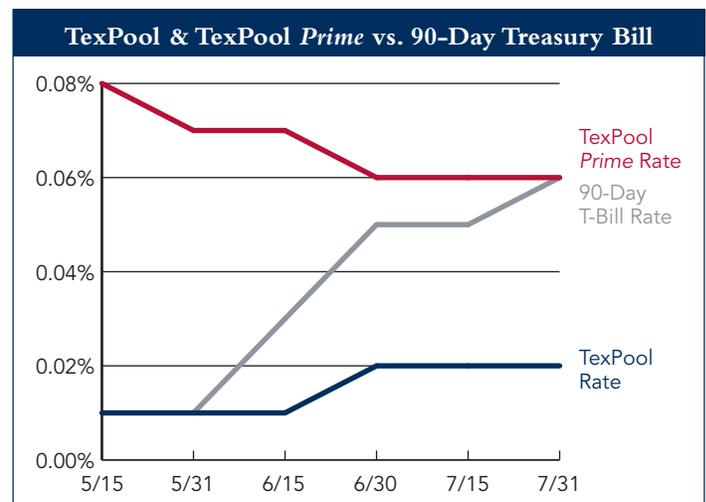
Participant Services
1001 Texas Ave. Suite 1150
Houston, TX 77002

only from late February to early April 2020, it's the aftermath that matters. The Fed needs to keep its head up.

In the meantime, the biggest issue for cash managers remains the recent decline in Treasury bill issuance and the low supply of Treasury bills, a combination that continues to hold down yields. The decline in issuance is tied to the reinstatement of the federal debt limit on Aug. 1, and we expect constrained issuance until Congress takes action to raise the limit. The Treasury should have enough cash and other measures to meet the basic funding needs of the government into the fall. We fully anticipate that lawmakers will eventually either raise the limit or suspend it again. Expect political theater, but nothing serious.

The other trillion-dollar issue hanging around is the infrastructure deal. The senate finally voted to take up the bill. But everyone—particularly in state and local governments—is still playing the waiting game for the details.

At the end of July, yields on 1-, 3-, 6- and 12-month U.S. Treasuries were 0.05%, 0.05%, 0.06% and 0.07%, respectively; the 1-, 3-, 6- and 12-month London interbank offered rates (Libor) were 0.09%, 0.13%, 0.16% and 0.24%, respectively; and the weighted average maturities (WAMs) of TexPool and TexPool Prime were 31 and 53 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.



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 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: 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.

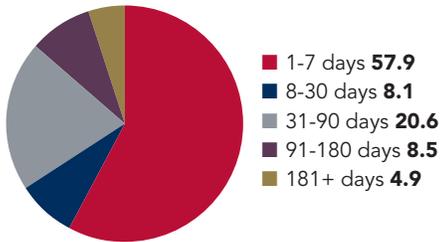
**See page 2 for definitions.

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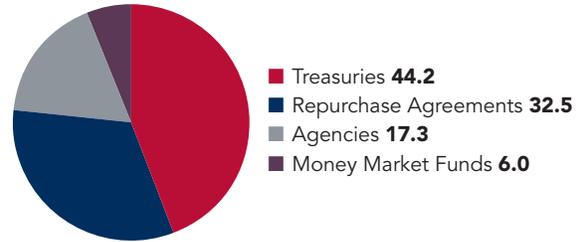
Portfolio by Maturity (%)

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

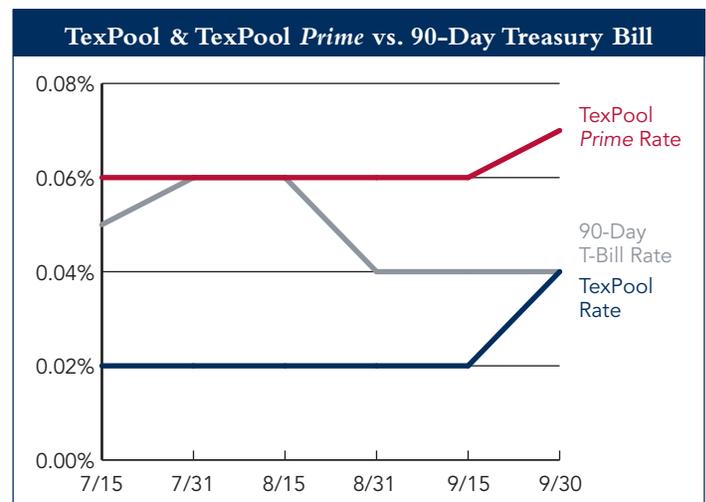


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The Fed was in the news for two different issues in September. The first was its Federal Open Market Committee meeting, with a result doubly positive. Half of the entire group of policymakers (18—at the time) projected the committee would raise the 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.



Monthly Newsletter: September 2021

ANNOUNCEMENTS

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

TexPool

- Lake Placid WCID 1
- Harris County MUD 451
- Pilot Know MUD 5

TexPool Prime

- Texas Transportation Commission/
US Bank NA Trustee

Upcoming Events

September 13–16, 2021
CTAT Annual Conference
 The Bevy a Doubletree by Hilton,
 Boerne, Texas

September 24–26, 2021
TASA/TASB Annual Conference
 Dallas, Texas

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: No surprises this time

September 1, 2021

Last year, Covid-19 kept the world’s central bankers from their annual retreat in Wyoming for the Federal Reserve’s economic policy symposium. The Fed used the opportunity to release a major revision of its “Statement on Longer-Run Goals and Monetary Policy Strategy.” Chair Jerome Powell outlined a new framework that tolerates inflation above the Fed’s preferred 2% target until the labor market is sufficiently strong.

In late August, Powell’s keynote address was again delivered remotely, but was much less newsworthy. Citing improvement in both inflation (“substantial progress”) and employment (“clear progress”), he reiterated that the Fed could begin to taper bond purchases this year. That position had already been communicated, but it still was good to hear. If the delta variant doesn’t worsen and the economic recovery doesn’t stall, we could very well see the Fed exit the marketplace by the end of 2022. That would be welcome, with supply of Treasuries being so tight.

Perhaps the most telling part of Powell’s speech was the cold water he threw on any optimism the Fed will raise rates soon: “The timing and pace of the coming reduction in asset purchases will not be intended to carry a direct signal regarding the timing of interest

(continued page 6)

Performance as of August 31, 2021

	TexPool	TexPool Prime
Current Invested Balance	\$22,223,964,027	\$9,311,917,127
Weighted Average Maturity**	31 Days	54 Days
Weighted Average Life**	94 Days	63 Days
Net Asset Value	1.00010	1.00004
Total Number of Participants	2,662	447
Management Fee on Invested Balance	0.0450%	0.0550%
Interest Distributed	\$425,902	\$498,091
Management Fee Collected	\$865,869	\$397,825
Standard & Poor’s Current Rating	AAAm	AAAm
Month Averages		
Average Invested Balance	\$22,655,540,722.44	\$9,717,158,487.92
Average Monthly Rate*	0.02%	0.06%
Average Weighted Average Maturity**	30	52
Average Weighted Average Life**	94	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.

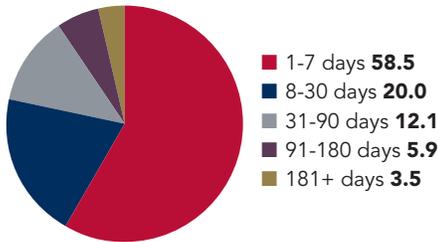
**See page 2 for definitions.

Past performance is no guarantee of future results.



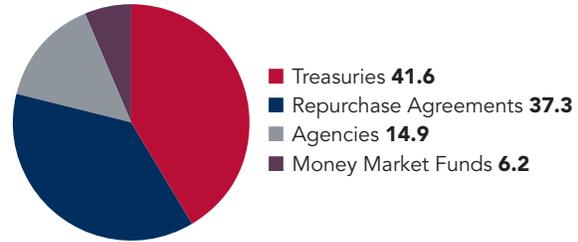
Portfolio by Maturity (%)

As of August 31, 2021



Portfolio by Type of Investment (%)

As of August 31, 2021



Portfolio Asset Summary as of August 31, 2021

	Book Value	Market Value
Uninvested Balance	\$5.36	\$5.36
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	11,137,696.22	11,137,696.22
Interest and Management Fees Payable	-425,930.67	-425,930.67
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-27,399.41	-27,399.41
Repurchase Agreements	8,278,948,315.00	8,278,948,315.00
Mutual Fund Investments	1,370,074,000.00	1,370,074,000.00
Government Securities	3,209,972,745.56	3,211,807,101.06
U.S. Treasury Bills	6,099,505,647.99	6,099,538,823.81
U.S. Treasury Notes	3,254,778,947.31	3,255,061,897.79
Total	\$22,223,964,027.36	\$22,226,114,509.16

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	\$5,754,420,241.18
Higher Education	60	\$1,310,562,232.25
County	194	\$2,819,299,681.29
Health Care	90	\$1,104,239,840.24
Utility District	853	\$3,444,948,575.31
City	484	\$6,392,811,772.77
Emergency Districts	98	\$296,803,796.94
Economic Development Districts	83	\$128,272,953.04
Other	201	\$971,918,850.75

**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
8/1	0.0197%	0.000000541	\$23,445,086,783.96	1.00010	31	96
8/2	0.0199%	0.000000544	\$23,433,981,266.92	1.00010	28	94
8/3	0.0200%	0.000000548	\$23,409,203,302.42	1.00010	28	93
8/4	0.0200%	0.000000549	\$23,351,927,500.41	1.00010	28	93
8/5	0.0201%	0.000000551	\$23,297,329,913.51	1.00010	29	94
8/6	0.0202%	0.000000554	\$23,225,749,520.60	1.00010	30	94
8/7	0.0202%	0.000000554	\$23,225,749,520.60	1.00010	30	94
8/8	0.0202%	0.000000554	\$23,225,749,520.60	1.00010	30	94
8/9	0.0206%	0.000000564	\$23,136,880,591.48	1.00010	27	91
8/10	0.0204%	0.000000559	\$23,157,363,438.98	1.00010	31	94
8/11	0.0206%	0.000000564	\$23,050,002,455.41	1.00010	30	94
8/12	0.0219%	0.000000601	\$22,728,154,540.24	1.00010	31	96
8/13	0.0221%	0.000000605	\$22,265,211,175.31	1.00010	32	98
8/14	0.0221%	0.000000605	\$22,265,211,175.31	1.00010	32	98
8/15	0.0221%	0.000000605	\$22,265,211,175.31	1.00010	32	98
8/16	0.0217%	0.000000594	\$22,327,958,769.10	1.00010	29	95
8/17	0.0231%	0.000000633	\$22,274,080,016.33	1.00011	29	95
8/18	0.0231%	0.000000633	\$22,265,276,817.24	1.00011	29	94
8/19	0.0238%	0.000000653	\$22,294,485,358.38	1.00011	28	92
8/20	0.0239%	0.000000656	\$22,175,363,180.88	1.00010	29	95
8/21	0.0239%	0.000000656	\$22,175,363,180.88	1.00010	29	95
8/22	0.0239%	0.000000656	\$22,175,363,180.88	1.00010	29	95
8/23	0.0239%	0.000000656	\$22,105,925,169.94	1.00010	27	92
8/24	0.0233%	0.000000638	\$22,007,161,461.81	1.00010	27	92
8/25	0.0229%	0.000000627	\$22,493,748,638.33	1.00010	27	90
8/26	0.0234%	0.000000640	\$22,603,512,257.32	1.00010	30	91
8/27	0.0235%	0.000000643	\$22,463,544,828.08	1.00010	33	94
8/28	0.0235%	0.000000643	\$22,463,544,828.08	1.00010	33	94
8/29	0.0235%	0.000000643	\$22,463,544,828.08	1.00010	33	94
8/30	0.0254%	0.000000697	\$22,326,113,971.82	1.00010	31	93
8/31	0.0248%	0.000000679	\$22,223,964,027.36	1.00010	31	94
Average:	0.0222%	0.000000608	\$22,655,540,722.44	1.00010	30	94

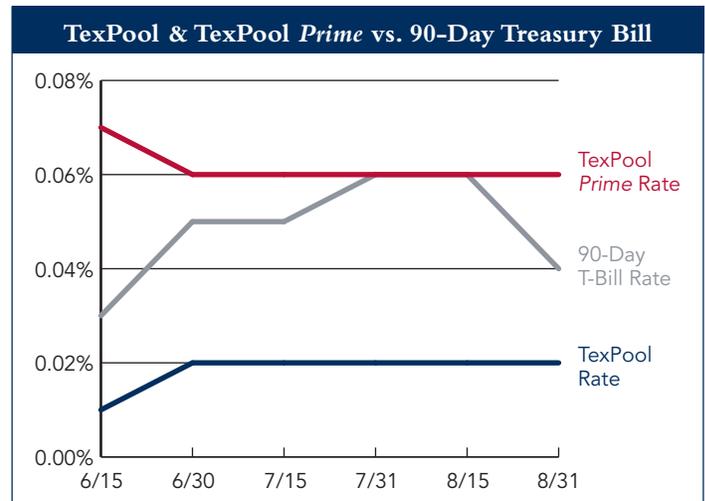


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rate liftoff.” The economy, he said, has a “substantially more stringent test” it must pass for that to happen. But we all knew this, so its characterization by the market as being “dovish” is misplaced.

The rate move that the Fed has made—raising the floor on overnight rates—has continued to help cash managers. With the Reverse Repo Program (RRP) setting the floor at 5 basis points, traditional repo market rates consistently fell between 5 and 6 basis points in August. Usage of the facility remained at record levels. The latter is in part due to the loosening of the criteria to be a participant, with more funds, primary dealers, banks and the like being added. The elevated use also reflects the lack of resolution on the debt limit, which has only made Treasuries more expensive. The markets have begun to speculate on when the Treasury Department’s extraordinary measures will run out. Everyone knows a deal will be done, yet it looks like we are in for some bumps in the road. But with every bump comes a potential opportunity.

At the end of August, yields on 1-, 3-, 6- and 12-month U.S. Treasuries were 0.04%, 0.04%, 0.06% and 0.07%, respectively; the 1-, 3-, 6- and 12-month London interbank offered rates (Libor) were 0.08%, 0.12%, 0.15% and 0.23%, respectively; and the weighted average maturities (WAMs) of TexPool and TexPool Prime were 31 and 54 days, respectively.



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