



# Monthly Newsletter: March 2020

## ANNOUNCEMENTS

**We welcome the following entities who joined TexPool in February 2020:**

### TexPool

Harris County MUD 480  
Travis County ESD 16  
City of Richmond

### TexPool Prime

Dumas ISD  
City of Richmond  
Mathis ISD

### Upcoming Events

Mar 02, 2020 – Mar 06, 2020  
George R. Brown Convention Center, Houston  
TASBO Annual Conference

Apr 05, 2020 – Apr 07, 2020  
Westin Riverwalk, San Antonio  
GFOAT Spring Institute

Apr 20, 2020 – Apr 23, 2020  
Embassy Suites – San Marcos Hotel,  
Conference Center and Spa,  
San Marcos  
48th Annual County Treasurers Continuing  
Education Seminar

Apr 27, 2020 – May 01, 2020  
Renaissance Austin Arboretum, Austin  
2020 TACA Institute Conference  
(LBJ School)

### 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: Is it ‘material’?

March 1, 2020

February seems like years ago. As December and January data flowed in early in the month with positive reports on manufacturing, housing, employment and retail sales, the Federal Reserve looked pretty smart saying it would refrain from policy moves unless there were “material” changes to the economy.

Well, the coronavirus now qualifies as one. When the outbreak reached Europe and the U.S. as the month ended, it hit close to home. You don’t have to have your eyes glued to a screen to know this outbreak will be with us for a while and that it will have some economic impact. But will it be material and, in turn, how should the Fed react?

Investors seemingly have made up their minds that the virus’ effect will be significant and expect a rate cut at March’s Federal Open Market Committee meeting, if not earlier. While a cut is likely forthcoming, the markets seem to want the Fed to fear the future as much as they do. Policymakers must make clear they make their own decisions—that they indeed operate independently. Just like the market shouldn’t fight the Fed, the Fed can’t be led by it.

*(continued page 6)*

### Performance as of February 29, 2020

	TexPool	TexPool Prime
Current Invested Balance	\$28,102,718,569.71	\$7,986,732,929.88
Weighted Average Maturity**	30	43
Weighted Average Life**	99	71
Net Asset Value	1.00024	1.00027
Total Number of Participants	2602	414
Management Fee on Invested Balance	0.0450%	0.0550%
Interest Distributed	\$35,751,955.00	\$11,264,785.66
Management Fee Collected	\$874,424.11	\$322,794.41
Standard & Poor’s Current Rating	AAAm	AAAm
<b>Month Averages</b>		
Average Invested Balance	\$28,312,073,045.36	\$8,036,964,311.47
Average Monthly Rate*	1.59%	1.76%
Average Weighted Average Maturity**	28	33
Average Weighted Average Life**	89	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.

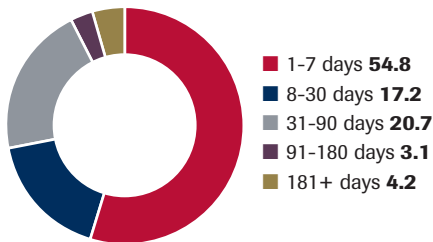
\*\*See page 2 for definitions.

Past performance is no guarantee of future results.



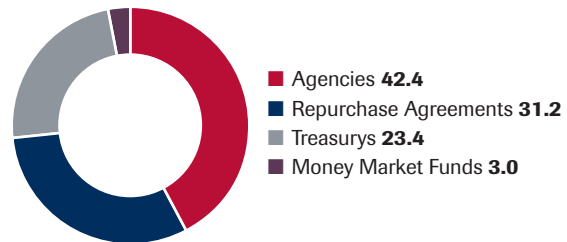
## Portfolio by Maturity (%)

As of February 29, 2020



## Portfolio by Type of Investment (%)

As of February 29, 2020



### Portfolio Asset Summary as of February 29, 2020

	Book Value	Market Value
Uninvested Balance	-\$484.87	-\$484.87
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	30,328,474.24	30,328,474.24
Interest and Management Fees Payable	-35,752,812.46	-35,752,812.46
Payable for Investments Purchased	-200,000,000.00	-200,000,000.00
Accrued Expenses & Taxes	-65,128.12	-65,128.12
Repurchase Agreements	8,849,110,000.00	8,849,110,000.00
Mutual Fund Investments	842,074,000.00	842,074,000.00
Government Securities	11,996,370,386.22	11,997,817,288.08
U.S. Treasury Inflation Protected Securities	1,300,265,564.48	1,301,119,075.32
US Treasury Bills	3,477,803,849.71	3,479,342,676.24
US Treasury Notes	1,842,584,720.51	1,845,545,832.30
<b>Total</b>	<b>\$28,102,718,569.71</b>	<b>\$28,109,518,920.74</b>

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	597	\$9,552,222,021.63
Higher Education	59	\$1,403,454,825.85
Healthcare	86	\$1,349,556,415.64
Utility District	829	\$3,319,084,464.56
City	475	\$7,092,585,974.43
County	188	\$3,241,105,304.18
Other	368	\$2,134,521,537.01

#### \*\*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

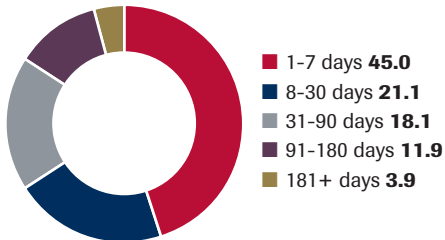
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Invested Balance	NAV	WAM Days	WAL Days
2/1	1.5968%	0.000043747	\$27,591,000,523.58	1.00009	29	91
2/2	1.5968%	0.000043747	\$27,591,000,523.58	1.00009	29	91
2/3	1.5827%	0.000043363	\$27,944,879,783.05	1.00008	26	88
2/4	1.5776%	0.000043223	\$28,170,782,549.55	1.00008	27	87
2/5	1.5991%	0.000043811	\$28,246,753,616.96	1.00007	27	88
2/6	1.5972%	0.000043760	\$28,516,446,320.29	1.00007	27	86
2/7	1.5937%	0.000043662	\$28,644,345,529.85	1.00008	27	85
2/8	1.5937%	0.000043662	\$28,644,345,529.85	1.00008	27	85
2/9	1.5937%	0.000043662	\$28,644,345,529.85	1.00008	27	85
2/10	1.5905%	0.000043576	\$28,692,243,680.81	1.00008	26	85
2/11	1.5907%	0.000043581	\$28,780,197,721.10	1.00008	28	86
2/12	1.5908%	0.000043583	\$28,708,636,748.00	1.00008	27	85
2/13	1.5893%	0.000043543	\$28,319,871,701.03	1.00008	28	87
2/14	1.5886%	0.000043522	\$28,183,257,920.70	1.00009	29	89
2/15	1.5886%	0.000043522	\$28,183,257,920.70	1.00009	29	89
2/16	1.5886%	0.000043522	\$28,183,257,920.70	1.00009	29	89
2/17	1.5886%	0.000043522	\$28,183,257,920.70	1.00009	29	89
2/18	1.5929%	0.000043640	\$28,068,408,692.54	1.00009	27	87
2/19	1.5950%	0.000043698	\$28,515,679,489.01	1.00008	27	87
2/20	1.6021%	0.000043894	\$28,386,391,006.18	1.00009	28	89
2/21	1.5906%	0.000043577	\$28,460,651,172.43	1.00010	29	91
2/22	1.5906%	0.000043577	\$28,460,651,172.43	1.00010	29	91
2/23	1.5906%	0.000043577	\$28,460,651,172.43	1.00010	29	91
2/24	1.5833%	0.000043379	\$28,381,686,732.48	1.00011	28	91
2/25	1.5928%	0.000043637	\$28,338,614,413.59	1.00011	30	92
2/26	1.5926%	0.000043633	\$28,283,724,134.50	1.00012	29	92
2/27	1.5901%	0.000043565	\$28,260,341,750.00	1.00015	30	93
2/28	1.5821%	0.000043344	\$28,102,718,569.71	1.00024	30	99
2/29	1.5821%	0.000043344	\$28,102,718,569.71	1.00024	30	99
<b>Average:</b>	<b>1.5908%</b>	<b>0.000043582</b>	<b>\$28,312,073,045.36</b>	<b>1.00010</b>	<b>28</b>	<b>89</b>



## TEXPOOL Prime

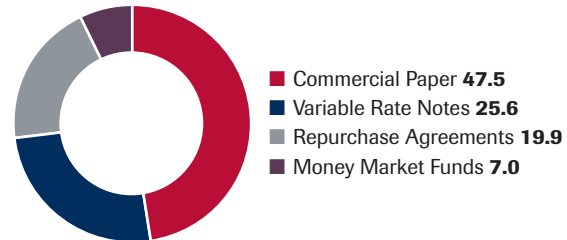
### Portfolio by Maturity (%)

As of February 29, 2020



### Portfolio by Type of Investment (%)

As of February 29, 2020



### Portfolio Asset Summary as of February 29, 2020

	Book Value	Market Value
Uninvested Balance	\$275.82	\$275.82
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	4,829,571.90	4,829,571.90
Interest and Management Fees Payable	-11,264,666.92	-11,264,666.92
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-21,965.02	-21,965.02
Repurchase Agreements	1,592,517,000.00	1,592,517,000.00
Commercial Paper	3,796,547,451.34	3,797,737,370.15
Bank Instruments	0.00	0.00
Mutual Fund Investments	562,125,485.28	562,052,003.75
Government Securities	0.00	0.00
Variable Rate Notes	2,041,999,777.48	2,042,989,940.00
<b>Total</b>	<b>\$7,986,732,929.88</b>	<b>\$7,988,839,529.68</b>

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by Federated Investment Counseling and the assets are safe kept in a separate custodial account at State Street Bank in the name of TexPool Prime. The assets of TexPool Prime are the only source of payments to the Participants. There is no secondary source of payment for the pool such as insurance or State guarantee. Should you require a copy of the portfolio, please contact TexPool Participant Services

### Participant Summary

	Number of Participants	Balance
School District	127	\$3,429,151,737.36
Higher Education	19	\$732,383,398.74
Healthcare	16	\$334,147,897.09
Utility District	47	\$335,761,812.53
City	80	\$1,602,225,438.74
County	41	\$680,882,144.41
Other	84	\$872,113,612.68



## TEXPOOL Prime

### Daily Summary

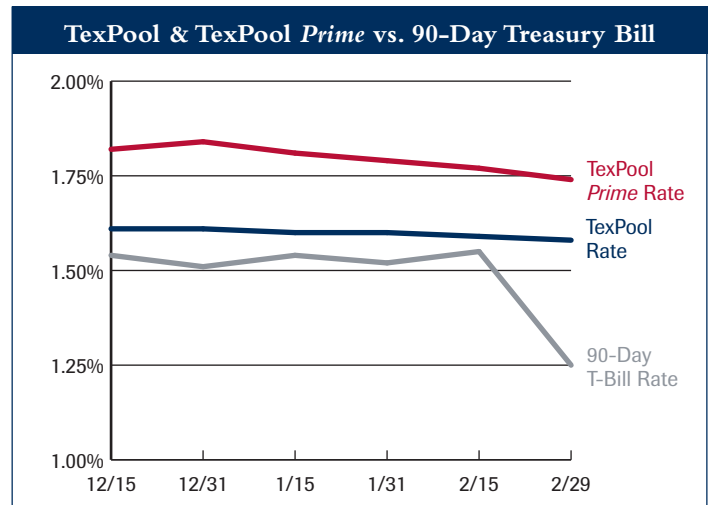
Date	Money Mkt. Fund Equiv. (SEC Std.)	Dividend Factor	TexPool Prime Invested Balance	NAV	WAM Days	WAL Days
2/1	1.7891%	0.000049017	\$7,847,428,895.38	1.00021	33	68
2/2	1.7891%	0.000049017	\$7,847,428,895.38	1.00021	33	68
2/3	1.7800%	0.000048768	\$7,894,283,042.57	1.00020	31	65
2/4	1.7837%	0.000048868	\$8,040,294,954.12	1.00020	31	64
2/5	1.7771%	0.000048688	\$8,053,053,151.21	1.00021	31	64
2/6	1.7773%	0.000048692	\$8,007,753,965.47	1.00021	31	64
2/7	1.7743%	0.000048610	\$8,000,840,085.54	1.00017	31	64
2/8	1.7743%	0.000048610	\$8,000,840,085.54	1.00017	31	64
2/9	1.7743%	0.000048610	\$8,000,840,085.54	1.00017	31	64
2/10	1.7663%	0.000048391	\$8,217,978,267.05	1.00019	30	61
2/11	1.7625%	0.000048288	\$8,302,400,528.05	1.00022	30	60
2/12	1.7631%	0.000048303	\$8,264,485,468.00	1.00021	32	61
2/13	1.7601%	0.000048221	\$8,108,588,326.86	1.00022	32	62
2/14	1.7677%	0.000048431	\$8,002,581,382.32	1.00016	34	64
2/15	1.7677%	0.000048431	\$8,002,581,382.32	1.00016	34	64
2/16	1.7677%	0.000048431	\$8,002,581,382.32	1.00016	34	64
2/17	1.7677%	0.000048431	\$8,002,581,382.32	1.00016	34	64
2/18	1.7614%	0.000048257	\$8,071,669,097.39	1.00021	30	59
2/19	1.7613%	0.000048254	\$8,066,010,461.20	1.00020	30	59
2/20	1.7626%	0.000048291	\$8,112,369,000.64	1.00019	30	59
2/21	1.7510%	0.000047973	\$8,064,672,952.79	1.00015	30	58
2/22	1.7510%	0.000047973	\$8,064,672,952.79	1.00015	30	58
2/23	1.7510%	0.000047973	\$8,064,672,952.79	1.00015	30	58
2/24	1.7385%	0.000047631	\$8,031,202,905.56	1.00020	33	61
2/25	1.7480%	0.000047891	\$8,043,805,882.06	1.00020	33	61
2/26	1.7465%	0.000047849	\$8,035,810,028.82	1.00020	37	64
2/27	1.7453%	0.000047817	\$7,947,071,658.90	1.00021	43	70
2/28	1.7436%	0.000047769	\$7,986,732,929.88	1.00027	43	71
2/29	1.7436%	0.000047769	\$7,986,732,929.88	1.00027	43	71
<b>Average:</b>	<b>1.7636%</b>	<b>0.000048319</b>	<b>\$8,036,964,311.47</b>	<b>1.00019</b>	<b>33</b>	<b>63</b>



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

To that point, in the last week of the month, Fed Vice Chair Richard Clarida acknowledged the virus likely would disrupt the global economy but it was too soon to speculate about how large that might be and how long it would last. Fed Chair Jerome Powell followed up on Feb. 28 by saying that policymakers stood at the ready and will, “act as appropriate to support the economy.” The Fed likely is viewing the virus like a natural disaster: it wants to get ahead of it, but not make things worse. Its job is to forge monetary policy consistent with the broadest point of view. We expect it to do so in the coming weeks and hope it guides the market in the right direction.

Concern over the coronavirus drove the U.S. Treasury yield curve down as February ended, with 1-month finishing at 1.48%, 3-month at 1.30% and 6-month at 1.16%. The London interbank offered rate (Libor) curve also fell, ending February with 1-month at 1.52%, 3-month at 1.46% and 6-month at 1.40%. The weighted average maturity (WAM) at month-end was 30 days for TexPool and 43 days for TexPool Prime.



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.