



Quarterly Update

TexPool and TexPool Prime



Investor Goal

The investor goal for both TexPool and TexPool Prime is preservation and safety of principal, liquidity and yield.

Pool Features

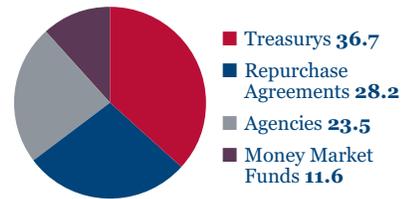
- Administered by the Texas Comptroller of Public Accounts.
- Managed and serviced by Federated Hermes.
- Highest possible ratings from Standard & Poor's underscores the portfolios' high credit quality, daily liquidity and relative safety.
- High asset levels give the benefit of economies of scale.

Portfolio Overviews as of 12/31/20

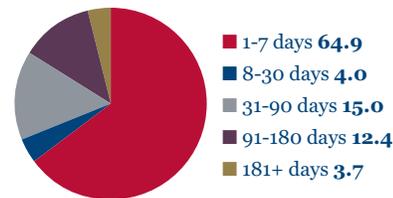
TexPool

Pool Assets \$25.4 billion

Portfolio Composition (%)



Effective Maturity Schedule (%)



Weighted Average Maturity

37 Days

Credit Rating

AAAm Standard & Poor's

Portfolio Managers

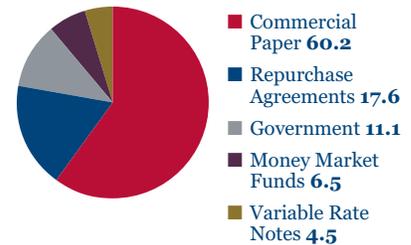
Susan Hill

Deborah Cunningham

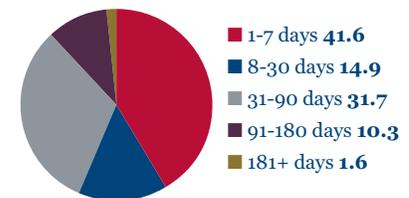
TexPool Prime

Pool Assets \$8.6 billion

Portfolio Composition (%)



Effective Maturity Schedule (%)



Weighted Average Maturity

41 Days

Credit Rating

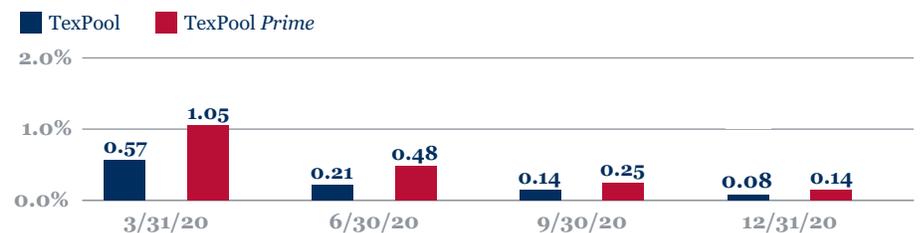
AAAm Standard & Poor's

Portfolio Managers

Paige Wilhelm

Deborah Cunningham

Pool Performance: 7-Day Net Yields (%)



Performance data quoted represents past performance which is no guarantee of future results. Investment return will vary. The value of an investment, when redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than what is stated.

Portfolio Manager Commentary

A volatile fourth quarter provided a fitting end to 2020. As the cooler weather sent more people inside, the long-dreaded second wave of Covid-19 arrived. Despite the spike of new infections, state and local governments did not mandate the same widespread shutdowns seen in March. A common strategy was to target certain types of businesses, such as entertainment venues and restaurants. These less stringent measures mitigated the economic damage of the resurgence, though they still muted improvement in some activity, including the progress made by the labor market. Many Americans remained unemployed as businesses slowed their pace of rehiring employees. Calls grew for Congress to deliver another round of fiscal stimulus, as many months had passed since the CARES Act in March. The Federal Reserve in particular, made clear that government action was needed to complement its aggressive monetary policy. These entreaties were not heeded in the first two months of the quarter, shelved by the politically charged atmosphere of the national election.

In its last Federal Open Market Committee (FOMC) meeting of the year, policymakers left the target range of the federal funds rate at 0-0.25%, and all FOMC participants projected it to remain in this range throughout 2021. They also announced that the Fed will continue the asset-purchase program at the current pace. In response to the Treasury Department's decision to let most of the emergency lending facilities expire at the end of the year, the Fed aggressively argued that these programs still were needed to support an economy struggling to recover.

As the reporting period came to a close, the U.S. FDA approved the use of two Covid-19 vaccines, bringing hope that the pandemic might soon end. The rollout began with health-care professionals and other frontline workers, with plans to expand to the greater population in the coming months. The wait for more fiscal support ended when Congress passed a \$900 billion relief bill, although the amount of payments to Americans remained under debate.

Treasury yields ended the quarter with 1-month at 0.05%, 3-month at 0.08%, 6-month at 0.09%, and 12-month at 0.11%. The London interbank offered rate (Libor) ended the quarter with 1-month at 0.14%, 3-month at 0.24%, 6-month at 0.26% and 12-month at 0.34%.

Portfolio composition is subject to change.

An investment in the Pool is not insured or guaranteed by any government or government agency. Although the manager of the Pool seeks to preserve principal, it is possible to lose money by depositing money in the Pool.

An AAAM rating by Standard & Poor's is obtained after Standard & Poor's evaluates a number of factors, including credit quality, market price exposure and management. Ratings are subject to change, and do not remove market risk. For more information on credit ratings, visit standardandpoors.com.

For more complete information, see the investment policy and information statement available at www.texpool.com. You should consider the investment's objectives, risks, charges, and expenses carefully before you invest. Information about these and other important subjects is in the investment policy and information statement, which you should read carefully before investing.