# TEXPOOL REPORT

MONTH OF JULY 2019
2.3876%

| | BEGINNING BALANCE | TRANSFER IN/(OUT) | INT EARNED (Posted June) | ENDING BALANCE | PURPOSE OF FUND |
|---|---|---|---|---|---|
| GENERAL FUND - UNRESTRICTED | 7,709,083.20 | 70,668.64 | 19,176.41 | 7,798,928.25 | Working capital |
| GENERAL FUND - RESTRICTED | 1,600,000.00 | 0.00 | incl in above | 1,600,000.00 | |
| ENTERPRISE FUND - UNRESTRICT | 2,822,108.48 | (81,401.08) | 6,020.86 | 2,746,728.26 | Working capital |
| ENTERPRISE FUND - RESTRICTED | 300,000.00 | 0.00 | incl in above | 300,000.00 | Customer liability |
| CAPITAL IMPACT FEES | 3,286,869.59 | 0.00 | 6,665.26 | 3,293,534.85 | Water & sewer lines extensions & expansions |
| PARK FEES | 49,234.27 | 0.00 | 99.84 | 49,334.11 | Reserved for acquisition & development of park land |
| SEIZURE | 47,564.39 | 0.00 | 96.45 | 47,660.84 | Soley to purchase equipment for Law Enforcement |
| CHILD SAFETY PROGRAMS | 17,245.49 | 0.00 | 34.97 | 17,280.46 | Reserved for Child Safety/School Zones |
| FEDERAL SEIZURE | 15,668.38 | 0.00 | 31.77 | 15,700.15 | Criminal Investigation - Federal Funds |
| HOTEL/MOTEL FUND | 1,030,571.37 | 0.00 | 2,089.84 | 1,032,661.21 | Restricted for promotion of tourism |
| DEBT SERVICE FUND | 3,423,126.05 | 8,533.83 | 6,942.13 | 3,438,602.01 | Restricted for General fund reserves & yearly debt service |
| GENERAL CAPITAL PROJECTS | 817,957.52 | 0.00 | 1,658.69 | 819,616.21 | General Fund CIP |
| CAPITAL PROJECT BONDS | 4,546,491.82 | (2,000.00) | 9,219.45 | 4,553,711.27 | 2016A CO WW Plant, Clarifier & Todville 2016 Sewer |
| WTR/SWR BONDS | 752,212.21 | 0.00 | 1,525.37 | 753,737.58 | Funds transferred from Bond Mkt Acct to allow liquidity |
| IT BONDS | 49,729.22 | 0.00 | 100.84 | 49,830.06 | Fiber Optics |
| PD & GF BONDS | 0.00 | 0.00 | 0.00 | 0.00 | Public Wokrks Facility |
| PD & GF BONDS (GEN FUND Reserve) | 29.35 | 0.00 | 0.06 | 29.41 | Public Wokrks Facility funds provided by GF Reserve |
| FIRE BONDS | 46.14 | 0.00 | 0.09 | 46.23 | Fire Engine |
| CAROTHERS | 96,257.01 | (2,000.00) | 195.06 | 94,452.07 | Carother Facility & Park |
| ANIMAL | 780.15 | 0.00 | 1.58 | 781.73 | Animal Shelter Needs - Donation |
| CRIME DISTRICT | 606,426.45 | (16,770.58) | 1,195.73 | 590,851.60 | Funds transferred from Bond Mkt Acct to allow liquidity |
| SEDC II - UNRESTRICTED | 2,588,522.01 | 21,120.19 | 5,616.11 | 2,615,258.31 | Seabrook Economic Development Corporation II |
| SEDC II - RESTRICT FOR EMERGENCY | 180,000.00 | 0.00 | incl in above | 180,000.00 | Emergency Reserve |
| STEP FUND | 29,314.83 | 0.00 | 59.45 | 29,374.28 | |
| PUBLIC SAFETY | 207,910.82 | 0.00 | 421.61 | 208,332.43 | Public Safety Needs |
| MUNI COURT - SECURITY FUND | 25,268.20 | 0.00 | 51.24 | 25,319.44 | Funds from fines to be used for security |
| COURT - TIME PAYMENT FEES | 19,681.16 | 0.00 | 39.91 | 19,721.07 | Funds from fines to be used to improve court |
| MUNI COURT - TECHNOLOGY FUND | 4,958.29 | 0.00 | 10.05 | 4,968.34 | Fund court on technology |
| PUBLIC SAFETY VERF | 757,232.71 | 16,770.58 | 1,569.56 | 775,572.85 | Public Safety Vehicle Equipment Replacement |
| PEG Fund | 149,093.33 | 0.00 | 302.34 | 149,395.67 | Public Education and Government Access |
| GE VERF | 323,415.82 | (14,921.58) | 664.83 | 309,159.07 | |
| STABILIZATION FUND | 836,899.34 | 0.00 | 1,697.10 | 838,596.44 | Highway 146 Project |
| WATER RATE STABILIZATION | 357,643.87 | 0.00 | 725.25 | 358,369.12 | |
| TOTAL TEXPOOL FUND | 32,651,341.47 | (0.00) | 66,211.85 | $32,717,553.32 | |

The investment portfolio of the City of Seabrook is in compliance with the investment strategies expressed in the City's Investment Policy and relevant provisions of Chapter 2256 of the Local Government Code.

*Michael Gibbs*

Finance Director

TexPool Participant Services
C/O Federated Investors Inc.
1001 Texas Avenue, Suite 1150
Houston, TX 77002

CITY OF SEABROOK
GENERAL ACCOUNT
ATTN PAM LAB
1700 FIRST STREET
SEABROOK TX 77586-3540

# Participant Statement

**Statement Period 07/01/2019 - 07/31/2019**

| | |
|---|---|
| **Customer Service** | **1-866-TEX-POOL** |
| **Location ID** | 000077632 |
| **Investor ID** | 000006495 |

## TexPool Update

When completing a TexPool form, please use the most up to date documents located at www.TexPool.com under Account Documents.

## TexPool Summary

| Pool Name | Beginning Balance | Total Deposits | Total Withdrawals | Total Interest | Current Balance | Average Balance |
|---|---|---|---|---|---|---|
| Texas Local Government Investment Pool | $32,651,341.47 | $0.00 | $0.00 | $66,211.85 | $32,717,553.32 | $32,653,477.34 |
| **Total Dollar Value** | **$32,651,341.47** | **$0.00** | **$0.00** | **$66,211.85** | **$32,717,553.32** | |

## Portfolio Value

| Pool Name | Pool/Account | Market Value (07/01/2019) | Share Price (07/31/2019) | Shares Owned (07/31/2019) | Market Value (07/31/2019) |
|---|---|---|---|---|---|
| Texas Local Government Investment Pool | 449/1011800001 | $32,651,341.47 | $1.00 | 32,717,553.320 | $32,717,553.32 |
| **Total Dollar Value** | | **$32,651,341.47** | | | **$32,717,553.32** |

## Interest Summary

| Pool Name | Pool/Account | Month-to-Date Interest | Year-to-Date Interest |
|---|---|---|---|
| Texas Local Government Investment Pool | 449/1011800001 | $66,211.85 | $451,158.93 |
| **Total** | | **$66,211.85** | **$451,158.93** |

## Transaction Detail

**Texas Local Government Investment Pool** **Participant:** CITY OF SEABROOK

**Pool/Account:** 449/1011800001

| Transaction Date | Settlement Date | Transaction Description | Transaction Dollar Amount | Share Price | Shares This Transaction | Shares Owned |
|---|---|---|---|---|---|---|
| 07/01/2019 | 07/01/2019 | BEGINNING BALANCE | $32,651,341.47 | $1.00 | | 32,651,341.470 |
| 07/31/2019 | 07/31/2019 | MONTHLY POSTING | $66,211.85 | $1.00 | 66,211.850 | 32,717,553.320 |
| **Account Value as of 07/31/2019** | | | **$32,717,553.32** | **$1.00** | | **32,717,553.320** |

TexPool
AN INVESTMENT SERVICE FOR PUBLIC FUNDS

# Monthly Newsletter: August 2019

## ANNOUNCEMENTS

### We welcome the following entities who joined TexPool in July 2019:

**TexPool**

Bexar County ESD 8

Corpus Christi Business and Job Development Corporation

### Upcoming Events

Sep 04, 2019 - Sep 06, 2019,
Fairmont Hotel Austin, Austin
**TAC Legislative Conference**

Sep 09, 2019 - Sep 12, 2019, Tyler
**71st Annual CTAT (County Treasurers Assoc of TX) Conference**

Sep 20, 2019 - Sep 22, 2019, Kay Bailey Hutchison Convention Center, Dallas
**TASA/TASB Annual Conference**

### TexPool Advisory Board Members


David Garcia
Patrick Krishock
Belinda Weaver
Deborah Laudermilk
Jerry Dale
David Landeros
Sharon Matthews
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: Searching for neutral

August 1, 2019

Neutral is not a position much in favor these days, but Federal Reserve policymakers would love to get the federal funds rate there. They have targeted 2% for some time now, but lately aren't sure that is the correct level. At one point they talked about it being somewhere within a range of 2.75-3%, then somewhere in a much lower span of 2-2.25%. With inflation measured by personal consumption expenditures stubbornly refusing to get to 2%, even the latter range might be too high.

That search is at the heart of the members of the Federal Open Market Committee's decision to cut the target range of the fed funds rate by a quarter point on July 31st. They have made clear this is not the beginning of a path leading to zero rates as we experienced following the financial crisis, but rather a pullback from December's hike that shot too high. There were no projections from this meeting, but Chair Jerome Powell suggested that another move may or may not be warranted, and the futures market is expecting at least one more. The hunt continues.

Actually, that search is not the only one involving the Fed these days. It still needs to fill its open seats. At the beginning of July, President Trump nominated two candidates for spots on its board. Trump has, of course, berated the Fed (specifically targeting Powell)

*(continued page 6)*

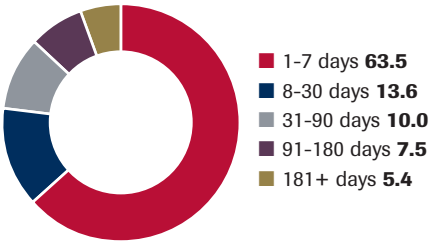
### Performance as of July 31, 2019

| | TexPool | TexPool *Prime* |
|---|---|---|
| Current Invested Balance | $21,286,211,114.24 | $6,243,675,080.09 |
| Weighted Average Maturity** | 35 | 31 |
| Weighted Average Life** | 112 | 66 |
| Net Asset Value | 1.00005 | 1.00021 |
| Total Number of Participants | 2573 | 398 |
| Management Fee on Invested Balance | 0.0450% | 0.0550% |
| Interest Distributed | $43,381,311.55 | $13,538,725.44 |
| Management Fee Collected | $779,180.72 | $264,771.93 |
| Standard & Poor's Current Rating | AAAm | AAAm |
| **Month Averages** | | |
| Average Invested Balance | $21,416,296,897.36 | $6,376,751,274.57 |
| Average Monthly Rate* | 2.39% | 2.50% |
| Average Weighted Average Maturity** | 33 | 35 |
| Average Weighted Average Life** | 107 | 71 |

**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.*

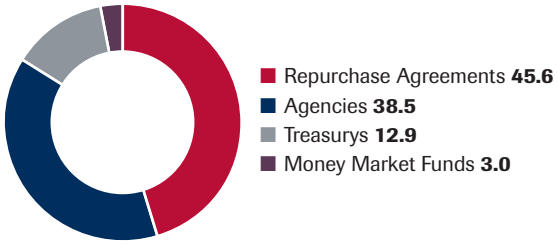
## Portfolio by Maturity (%)

*As of July 31, 2019*




## Portfolio by Type of Investment (%)

*As of July 31, 2019*




### Portfolio Asset Summary as of July 31, 2019

| | Book Value | Market Value |
|---|---|---|
| Uninvested Balance | -$490,849.31 | -$490,849.31 |
| Receivable for Investments Sold | 0.00 | 0.00 |
| Accrual of Interest Income | 17,771,205.33 | 17,771,205.33 |
| Interest and Management Fees Payable | -43,380,982.05 | -43,380,982.05 |
| Payable for Investments Purchased | 0.00 | 0.00 |
| Accrued Expenses & Taxes | -24,382.07 | -24,382.07 |
| Repurchase Agreements | 9,712,581,000.00 | 9,712,581,000.00 |
| Mutual Fund Investments | 652,085,188.17 | 652,074,000.00 |
| Government Securities | 8,198,076,225.90 | 8,198,754,640.79 |
| U.S. Treasury Inflation Protected Securities | 995,005,476.71 | 994,553,248.19 |
| US Treasury Bills | 876,706,151.86 | 877,140,332.99 |
| US Treasury Notes | 877,882,079.70 | 878,308,161.41 |
| **Total** | **$21,286,211,114.24** | **$21,287,286,375.28** |

*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 | 595 | $6,978,475,951.69 |
| Higher Education | 59 | $841,857,917.75 |
| Healthcare | 84 | $982,960,744.40 |
| Utility District | 823 | $3,060,098,082.16 |
| City | 471 | $5,007,041,038.83 |
| County | 186 | $2,218,634,449.38 |
| Other | 355 | $2,202,456,532.76 |

****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.*

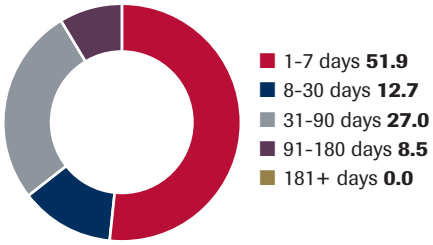
## Daily Summary

| Date | Money Mkt. Fund Equiv. (SEC Std.) | Dividend Factor | TexPool Invested Balance | NAV | WAM Days | WAL Days |
|---|---|---|---|---|---|---|
| 7/1 | 2.3955% | 0.000065630 | $21,505,552,805.59 | 1.00011 | 32 | 103 |
| 7/2 | 2.4212% | 0.000066334 | $21,416,060,349.79 | 1.00011 | 32 | 103 |
| 7/3 | 2.4491% | 0.000067098 | $21,346,219,139.30 | 1.00010 | 33 | 103 |
| 7/4 | 2.4491% | 0.000067098 | $21,346,219,139.30 | 1.00010 | 33 | 103 |
| 7/5 | 2.4619% | 0.000067448 | $21,338,839,787.42 | 1.00011 | 33 | 103 |
| 7/6 | 2.4619% | 0.000067448 | $21,338,839,787.42 | 1.00011 | 33 | 103 |
| 7/7 | 2.4619% | 0.000067448 | $21,338,839,787.42 | 1.00011 | 33 | 103 |
| 7/8 | 2.4200% | 0.000066300 | $21,257,270,212.38 | 1.00009 | 29 | 103 |
| 7/9 | 2.4076% | 0.000065962 | $21,266,924,616.21 | 1.00009 | 31 | 104 |
| 7/10 | 2.4040% | 0.000065864 | $21,259,426,438.25 | 1.00010 | 30 | 105 |
| 7/11 | 2.3862% | 0.000065374 | $21,415,606,036.13 | 1.00010 | 32 | 105 |
| 7/12 | 2.3580% | 0.000064604 | $21,533,209,848.96 | 1.00010 | 33 | 105 |
| 7/13 | 2.3580% | 0.000064604 | $21,533,209,848.96 | 1.00010 | 33 | 105 |
| 7/14 | 2.3580% | 0.000064604 | $21,533,209,848.96 | 1.00010 | 33 | 105 |
| 7/15 | 2.3797% | 0.000065197 | $21,357,182,898.47 | 1.00010 | 31 | 106 |
| 7/16 | 2.3914% | 0.000065518 | $21,423,136,572.17 | 1.00009 | 32 | 106 |
| 7/17 | 2.3971% | 0.000065673 | $21,546,383,469.80 | 1.00009 | 32 | 106 |
| 7/18 | 2.3877% | 0.000065417 | $21,481,781,273.62 | 1.00011 | 32 | 108 |
| 7/19 | 2.3713% | 0.000064966 | $21,449,201,570.29 | 1.00010 | 35 | 110 |
| 7/20 | 2.3713% | 0.000064966 | $21,449,201,570.29 | 1.00010 | 35 | 110 |
| 7/21 | 2.3713% | 0.000064966 | $21,449,201,570.29 | 1.00010 | 35 | 110 |
| 7/22 | 2.3520% | 0.000064439 | $21,406,762,900.79 | 1.00008 | 33 | 108 |
| 7/23 | 2.3498% | 0.000064379 | $21,392,390,948.58 | 1.00008 | 34 | 109 |
| 7/24 | 2.3540% | 0.000064492 | $21,311,196,686.38 | 1.00008 | 34 | 111 |
| 7/25 | 2.3622% | 0.000064717 | $21,546,555,928.37 | 1.00006 | 34 | 110 |
| 7/26 | 2.3555% | 0.000064534 | $21,521,608,430.02 | 1.00005 | 35 | 111 |
| 7/27 | 2.3555% | 0.000064534 | $21,521,608,430.02 | 1.00005 | 35 | 111 |
| 7/28 | 2.3555% | 0.000064534 | $21,521,608,430.02 | 1.00005 | 35 | 111 |
| 7/29 | 2.3426% | 0.000064182 | $21,411,783,129.44 | 1.00005 | 33 | 109 |
| 7/30 | 2.3401% | 0.000064111 | $21,399,961,249.37 | 1.00005 | 35 | 109 |
| 7/31 | 2.3872% | 0.000065403 | $21,286,211,114.24 | 1.00005 | 35 | 112 |
| **Average:** | **2.3876%** | **0.000065414** | **$21,416,296,897.36** | **1.00009** | **33** | **107** |

# TexPool *PRIME*

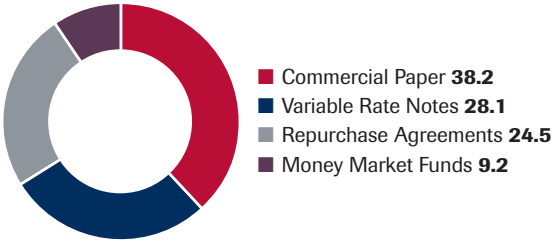
## Portfolio by Maturity (%)

*As of July 31, 2019*




## Portfolio by Type of Investment (%)

*As of July 31, 2019*




## Portfolio Asset Summary as of July 31, 2019

| | Book Value | Market Value |
|---|---|---|
| Uninvested Balance | -$283,046.72 | -$283,046.72 |
| Receivable for Investments Sold | 0.00 | 0.00 |
| Accrual of Interest Income | 4,481,746.31 | 4,481,746.31 |
| Interest and Management Fees Payable | -13,538,728.72 | -13,538,728.72 |
| Payable for Investments Purchased | 0.00 | 0.00 |
| Accrued Expenses & Taxes | -8,341.59 | -8,341.59 |
| Repurchase Agreements | 1,534,583,000.00 | 1,534,583,000.00 |
| Commercial Paper | 2,387,313,209.40 | 2,388,500,941.00 |
| Bank Instruments | 0.00 | 0.00 |
| Mutual Fund Investments | 572,127,033.50 | 572,052,003.75 |
| Government Securities | 0.00 | 0.00 |
| Variable Rate Notes | 1,759,000,207.91 | 1,759,190,755.00 |
| **Total** | **$6,243,675,080.09** | **$6,244,978,329.03** |

*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 | 124 | $2,554,112,277.87 |
| Higher Education | 19 | $583,979,915.05 |
| Healthcare | 16 | $215,129,339.84 |
| Utility District | 46 | $348,966,343.54 |
| City | 77 | $1,124,247,621.73 |
| County | 40 | $563,365,686.19 |
| Other | 76 | $853,813,845.14 |

# TexPool *PRIME*

## Daily Summary

| Date | Money Mkt. Fund Equiv. (SEC Std.) | Dividend Factor | TexPool *Prime* Invested Balance | NAV | WAM Days | WAL Days |
|---|---|---|---|---|---|---|
| 7/1 | 2.5064% | 0.000068668 | $6,423,924,991.00 | 1.00027 | 37 | 75 |
| 7/2 | 2.5224% | 0.000069106 | $6,414,834,806.54 | 1.00027 | 37 | 74 |
| 7/3 | 2.5501% | 0.000069866 | $6,414,734,132.55 | 1.00023 | 37 | 74 |
| 7/4 | 2.5501% | 0.000069866 | $6,414,734,132.55 | 1.00023 | 37 | 74 |
| 7/5 | 2.5501% | 0.000069867 | $6,400,334,569.92 | 1.00020 | 38 | 73 |
| 7/6 | 2.5501% | 0.000069867 | $6,400,334,569.92 | 1.00020 | 38 | 73 |
| 7/7 | 2.5501% | 0.000069867 | $6,400,334,569.92 | 1.00020 | 38 | 73 |
| 7/8 | 2.5219% | 0.000069093 | $6,442,878,708.94 | 1.00025 | 36 | 71 |
| 7/9 | 2.5055% | 0.000068645 | $6,397,903,227.58 | 1.00024 | 36 | 71 |
| 7/10 | 2.5087% | 0.000068732 | $6,385,158,571.85 | 1.00024 | 36 | 71 |
| 7/11 | 2.4946% | 0.000068346 | $6,379,815,628.97 | 1.00022 | 36 | 72 |
| 7/12 | 2.4771% | 0.000067867 | $6,437,162,461.65 | 1.00019 | 36 | 72 |
| 7/13 | 2.4771% | 0.000067867 | $6,437,162,461.65 | 1.00019 | 36 | 72 |
| 7/14 | 2.4771% | 0.000067867 | $6,437,162,461.65 | 1.00019 | 36 | 72 |
| 7/15 | 2.4915% | 0.000068260 | $6,392,640,099.02 | 1.00024 | 35 | 71 |
| 7/16 | 2.5036% | 0.000068592 | $6,398,960,488.97 | 1.00023 | 35 | 70 |
| 7/17 | 2.5015% | 0.000068534 | $6,393,904,509.29 | 1.00023 | 34 | 70 |
| 7/18 | 2.5013% | 0.000068528 | $6,334,313,360.37 | 1.00023 | 34 | 70 |
| 7/19 | 2.4869% | 0.000068133 | $6,379,043,229.84 | 1.00017 | 34 | 70 |
| 7/20 | 2.4869% | 0.000068133 | $6,379,043,229.84 | 1.00017 | 34 | 70 |
| 7/21 | 2.4869% | 0.000068133 | $6,379,043,229.84 | 1.00017 | 34 | 70 |
| 7/22 | 2.4659% | 0.000067558 | $6,360,402,199.65 | 1.00022 | 34 | 70 |
| 7/23 | 2.4746% | 0.000067797 | $6,342,159,364.82 | 1.00022 | 35 | 71 |
| 7/24 | 2.4816% | 0.000067990 | $6,368,329,908.86 | 1.00021 | 34 | 70 |
| 7/25 | 2.4832% | 0.000068032 | $6,391,525,161.57 | 1.00020 | 33 | 69 |
| 7/26 | 2.4797% | 0.000067938 | $6,291,875,531.60 | 1.00015 | 34 | 70 |
| 7/27 | 2.4797% | 0.000067938 | $6,291,875,531.60 | 1.00015 | 34 | 70 |
| 7/28 | 2.4797% | 0.000067938 | $6,291,875,531.60 | 1.00015 | 34 | 70 |
| 7/29 | 2.4716% | 0.000067715 | $6,346,755,661.58 | 1.00019 | 31 | 67 |
| 7/30 | 2.4685% | 0.000067631 | $6,307,392,098.49 | 1.00021 | 31 | 66 |
| 7/31 | 2.5080% | 0.000068711 | $6,243,675,080.09 | 1.00021 | 31 | 66 |
| **Average:** | **2.4998%** | **0.000068487** | **$6,376,751,274.57** | **1.00021** | **35** | **71** |

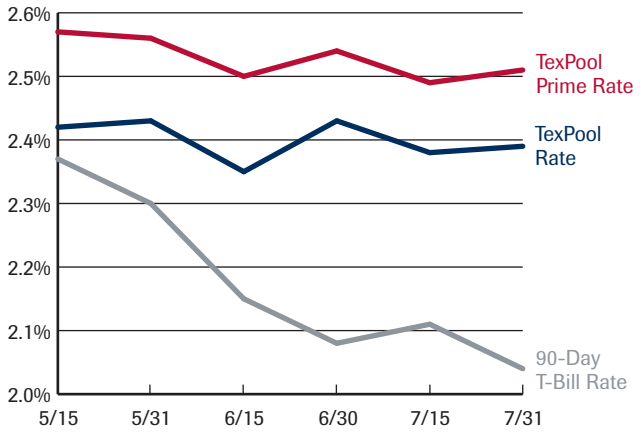
Participant Services
1001 Texas Ave. Suite 1150
Houston, TX 77002

for raising rates. He now seems to be taking a direct approach by nominating candidates who fit his current desire for interest range decreases. But, unlike some of Trump's other candidates who didn't even come to a vote, these would seem to have a better chance of being confirmed.

Director of research at the St. Louis Fed, Christopher Waller has strong credentials. It's no surprise he would advocate for dovish policy as he comes from the Bullard camp. James Bullard, president of this branch, was the only one in the June meeting who dissented, wanting a cut. Bullard, as well as Raphael Bostic from the Atlanta Fed, are focused on finding neutral, not returning to 2008-2015. Economist Judy Shelton, U.S. envoy to the European Bank for Reconstruction and Development until she resigned last week due to the nomination, also is a credible contender.

The Treasury curve ended July with 1-month at 2.00%, 3-month at 2.07%, and 6-month at 2.08%. Libor ended the month with 1-month at 2.23%, 3-month at 2.25%, and 6-month at 2.19%.

**TexPool & TexPool *Prime* vs. 90-Day Treasury Bill**




*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.*

# TEXPOOL REPORT

MONTH OF AUGUST 2019
2.1715%

| | BEGINNING BALANCE | TRANSFER IN/(OUT) | INT EARNED (Posted August) | ENDING BALANCE | PURPOSE OF FUND |
|---|---|---|---|---|---|
| GENERAL FUND - UNRESTRICTED | 7,798,928.25 | (461,894.02) | 16,754.61 | 7,353,788.84 | Working capital |
| GENERAL FUND - RESTRICTED | 1,600,000.00 | 0.00 | incl in above | 1,600,000.00 | |
| ENTERPRISE FUND - UNRESTRICT | 2,746,728.26 | 44,598.92 | 5,344.16 | 2,796,671.34 | Working capital |
| ENTERPRISE FUND - RESTRICTED | 300,000.00 | 0.00 | incl in above | 300,000.00 | Customer liability |
| CAPITAL IMPACT FEES | 3,293,534.85 | 0.00 | 6,074.08 | 3,299,608.93 | Water & sewer lines extensions & expansions |
| PARK FEES | 49,334.11 | 0.00 | 90.98 | 49,425.09 | Reserved for acquisition & development of park land |
| SEIZURE | 47,660.84 | 0.00 | 87.90 | 47,748.74 | Soley to purchase equipment for Law Enforcement |
| CHILD SAFETY PROGRAMS | 17,280.46 | 0.00 | 31.87 | 17,312.33 | Reserved for Child Safety/School Zones |
| FEDERAL SEIZURE | 15,700.15 | 0.00 | 28.95 | 15,729.10 | Criminal Investigation - Federal Funds |
| HOTEL/MOTEL FUND | 1,032,661.21 | 0.00 | 1,904.48 | 1,034,565.69 | Restricted for promotion of tourism |
| DEBT SERVICE FUND | 3,438,602.01 | (2,083,884.35) | 3,483.55 | 1,358,201.21 | Restricted for General fund reserves & yearly debt service |
| GENERAL CAPITAL PROJECTS | 819,616.21 | 0.00 | 1,511.57 | 821,127.78 | General Fund CIP |
| CAPITAL PROJECT BONDS | 4,553,711.27 | 0.00 | 8,398.15 | 4,562,109.42 | 2016A CO WW Plant, Clarifier & Todville 2016 Sewer |
| WTR/SWR BONDS | 753,737.58 | 0.00 | 1,390.08 | 755,127.66 | Funds transferred from Bond Mkt Acct to allow liquidity |
| IT BONDS | 49,830.06 | 0.00 | 91.90 | 49,921.96 | Fiber Optics |
| PD & GF BONDS | 0.00 | 0.00 | 0.00 | 0.00 | Public Wokrks Facility |
| PD & GF BONDS (GEN FUND Reserve) | 29.41 | 0.00 | 0.05 | 29.46 | Public Wokrks Facility funds provided by GF Reserve |
| FIRE BONDS | 46.23 | 0.00 | 0.09 | 46.32 | Fire Engine |
| CAROTHERS | 94,452.07 | 0.00 | 174.19 | 94,626.26 | Carother Facility & Park |
| ANIMAL | 781.73 | 0.00 | 1.44 | 783.17 | Animal Shelter Needs - Donation |
| CRIME DISTRICT | 590,851.60 | (4,770.58) | 1,059.46 | 587,140.48 | Funds transferred from Bond Mkt Acct to allow liquidity |
| SEDC II - UNRESTRICTED | 2,615,258.31 | 8,850.03 | 5,184.79 | 2,629,293.13 | Seabrook Economic Development Corporation II |
| SEDC II - RESTRICT FOR EMERGENCY | 180,000.00 | 0.00 | incl in above | 180,000.00 | Emergency Reserve |
| STEP FUND | 29,374.28 | 0.00 | 54.17 | 29,428.45 | |
| PUBLIC SAFETY | 208,332.43 | (24,749.00) | 359.99 | 183,943.42 | Public Safety Needs |
| MUNI COURT - SECURITY FUND | 25,319.44 | 0.00 | 46.70 | 25,366.14 | Funds from fines to be used for security |
| COURT - TIME PAYMENT FEES | 19,721.07 | 0.00 | 36.37 | 19,757.44 | Funds from fines to be used to improve court |
| MUNI COURT - TECHNOLOGY FUND | 4,968.34 | 0.00 | 9.16 | 4,977.50 | Fund court on technology |
| PUBLIC SAFETY VERF | 775,572.85 | 16,770.58 | 1,461.27 | 793,804.70 | Public Safety Vehicle Equipment Replacement |
| PEG Fund | 149,395.67 | 0.00 | 275.52 | 149,671.19 | Public Education and Government Access |
| GE VERF | 309,159.07 | 5,078.42 | 579.53 | 314,817.02 | |
| STABILIZATION FUND | 838,596.44 | 0.00 | 1,546.58 | 840,143.02 | Highway 146 Project |
| WATER RATE STABILIZATION | 358,369.12 | 0.00 | 660.92 | 359,030.04 | |
| TOTAL TEXPOOL FUND | 32,717,553.32 | (2,500,000.00) | 56,642.51 | $30,274,195.83 | |

The investment portfolio of the City of Seabrook is in compliance with the investment strategies expressed in the City's Investment Policy and relevant provisions of Chapter 2256 of the Local Government Code.

*Michael Gibbs*

Finance Director

TexPool Participant Services
C/O Federated Investors Inc.
1001 Texas Avenue, Suite 1150
Houston, TX 77002

CITY OF SEABROOK
GENERAL ACCOUNT
ATTN PAM LAB
1700 FIRST STREET
SEABROOK TX 77586-3540

# Participant Statement

**Statement Period 08/01/2019 - 08/31/2019**

| | |
|---|---|
| **Customer Service** | **1-866-TEX-POOL** |
| **Location ID** | 000077632 |
| **Investor ID** | 000006495 |

## TexPool Update

Please be aware that TexPool's mailing address has been changed. Our website, forms, statements, and additional correspondence have been updated to reflect the new address. Visit our website or contact our toll-free number for the most current information.

## TexPool Summary

| Pool Name | Beginning Balance | Total Deposits | Total Withdrawals | Total Interest | Current Balance | Average Balance |
|---|---|---|---|---|---|---|
| Texas Local Government Investment Pool | $32,717,553.32 | $0.00 | $2,500,000.00 | $56,642.51 | $30,274,195.83 | $30,705,078.64 |
| **Total Dollar Value** | **$32,717,553.32** | **$0.00** | **$2,500,000.00** | **$56,642.51** | **$30,274,195.83** | |

## Portfolio Value

| Pool Name | Pool/Account | Market Value (08/01/2019) | Share Price (08/31/2019) | Shares Owned (08/31/2019) | Market Value (08/31/2019) |
|---|---|---|---|---|---|
| Texas Local Government Investment Pool | 449/1011800001 | $32,717,553.32 | $1.00 | 30,274,195.830 | $30,274,195.83 |
| **Total Dollar Value** | | **$32,717,553.32** | | | **$30,274,195.83** |

## Interest Summary

| Pool Name | Pool/Account | Month-to-Date Interest | Year-to-Date Interest |
|---|---|---|---|
| Texas Local Government Investment Pool | 449/1011800001 | $56,642.51 | $507,801.44 |
| **Total** | | **$56,642.51** | **$507,801.44** |

## Transaction Detail

**Texas Local Government Investment Pool** **Participant:** CITY OF SEABROOK

**Pool/Account:** 449/1011800001

| Transaction Date | Settlement Date | Transaction Description | Transaction Dollar Amount | Share Price | Shares This Transaction | Shares Owned |
|---|---|---|---|---|---|---|
| 08/01/2019 | 08/01/2019 | BEGINNING BALANCE | $32,717,553.32 | $1.00 | | 32,717,553.320 |
| 08/07/2019 | 08/07/2019 | WITHDRAWAL | $2,500,000.00- | $1.00 | 2,500,000.000- | 30,217,553.320 |
| 08/30/2019 | 08/30/2019 | MONTHLY POSTING | $56,642.51 | $1.00 | 56,642.510 | 30,274,195.830 |
| **Account Value as of 08/31/2019** | | | **$30,274,195.83** | **$1.00** | | **30,274,195.830** |

TEXPOOL
AN INVESTMENT SERVICE FOR PUBLIC FUNDS

# Monthly Newsletter: September 2019

## ANNOUNCEMENTS

### We welcome the following entities who joined TexPool in August 2019:

**TexPool**

Harrisburg Redevelopment Authority/TIRZ 23

Uvalde County Hospital Authority

Orange County ESD 2

Loving County District Clerk

Lower Brushy Creek WCID

**TexPool *Prime***

Rockwall County

City of Richwood

### Upcoming Events

Sep 04, 2019 - Sep 06, 2019,
Fairmont Hotel Austin, Austin
**TAC Legislative Conference**

Sep 09, 2019 - Sep 12, 2019,
Tyler
**71st Annual CTAT (County Treasurers Assoc of TX) Conference**

Sep 20, 2019 - Sep 22, 2019, Kay Bailey Hutchison Convention Center, Dallas
**TASA/TASB Annual Conference**

### TexPool Advisory Board Members


David Garcia
Patrick Krishock
Belinda Weaver
Deborah Laudermilk
Jerry Dale
David Landeros
Sharon Matthews
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:
## An intriguing development at the Fed

September 1, 2019

Is dissent forming in the Federal Reserve? The markets are convinced policymakers will cut rates at the September Federal Open Market Committee (FOMC) meeting, but they'd be wise to re-read the bottom of the July meeting's statement that said, "Voting against the action were Esther L. George and Eric S. Rosengren, who preferred at this meeting to maintain the target range for the federal funds rate at 2-1/4 to 2-1/2 percent."

This could get interesting. Especially so as the dissenters are regional Fed presidents, not governors. A lot of regional presidents, especially those whose economies are doing OK, seem to be saying they don't see a need to lower rates. Growth in their regions may be slower, but still positive and that's not a sign of weakness. And as a whole, the U.S. economy is holding up. Consumer, housing and employment data are humming.

The contrasting view—articulated better by Fed Chair Jerome Powell in his Jackson Hole, Wyo., speech than his press conference after the July FOMC meeting—is that the Fed must take into account the potential damage from external shocks. Fulfilling its mandate can't be done by pushing buttons and pulling levers without paying attention to the greater world. Much of it was heading toward economic downturn even before the intensification of the trade war.

*(continued page 6)*

### Performance as of August 31, 2019

| | TexPool | TexPool *Prime* |
|---|---|---|
| Current Invested Balance | $20,484,500,345.68 | $6,104,059,735.78 |
| Weighted Average Maturity** | 38 | 31 |
| Weighted Average Life** | 113 | 60 |
| Net Asset Value | 1.00011 | 1.00015 |
| Total Number of Participants | 2578 | 400 |
| Management Fee on Invested Balance | 0.0450% | 0.0550% |
| Interest Distributed | $38,652,489.16 | $11,954,087.81 |
| Management Fee Collected | $764,932.46 | $247,320.69 |
| Standard & Poor's Current Rating | AAAm | AAAm |
| **Month Averages** | | |
| Average Invested Balance | $21,096,024,727.45 | $6,014,155,884.52 |
| Average Monthly Rate* | 2.17% | 2.35% |
| Average Weighted Average Maturity** | 36 | 30 |
| Average Weighted Average Life** | 111 | 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.*

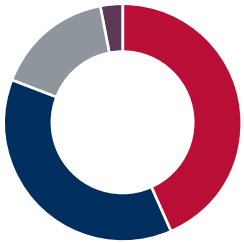
## Portfolio by Maturity (%)

*As of August 31, 2019*

- 1-7 days **62.2**
- 8-30 days **10.5**
- 31-90 days **14.5**
- 91-180 days **6.0**
- 181+ days **6.8**

## Portfolio by Type of Investment (%)

*As of August 31, 2019*



- Repurchase Agreements **43.5**
- Agencies **37.5**
- Treasurys **16.0**
- Money Market Funds **3.0**

## Portfolio Asset Summary as of August 31, 2019

| | Book Value | Market Value |
|---|---|---|
| Uninvested Balance | -$1,283,767.07 | -$1,283,767.07 |
| Receivable for Investments Sold | 0.00 | 0.00 |
| Accrual of Interest Income | 25,032,198.72 | 25,032,198.72 |
| Interest and Management Fees Payable | -38,652,520.23 | -38,652,520.23 |
| Payable for Investments Purchased | -75,000,000.00 | -75,000,000.00 |
| Accrued Expenses & Taxes | -48,048.58 | -48,048.58 |
| Repurchase Agreements | 8,946,783,000.00 | 8,946,783,000.00 |
| Mutual Fund Investments | 618,074,000.00 | 618,074,000.00 |
| Government Securities | 7,708,204,205.70 | 7,709,468,432.06 |
| U.S. Treasury Inflation Protected Securities | 995,035,594.83 | 994,141,934.11 |
| US Treasury Bills | 1,146,629,733.49 | 1,147,401,022.02 |
| US Treasury Notes | 1,159,725,948.82 | 1,160,843,706.62 |
| **Total** | **$20,484,500,345.68** | **$20,486,759,957.66** |

*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 | 595 | $6,304,165,178.57 |
| Higher Education | 59 | $897,240,738.14 |
| Healthcare | 85 | $917,466,205.05 |
| Utility District | 824 | $2,813,178,839.05 |
| City | 471 | $5,234,901,212.47 |
| County | 187 | $2,084,491,271.83 |
| Other | 357 | $2,233,803,760.57 |

****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.*

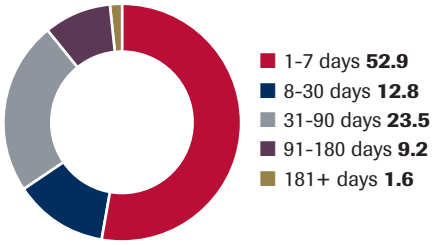
## Daily Summary

| Date | Money Mkt. Fund Equiv. (SEC Std.) | Dividend Factor | TexPool Invested Balance | NAV | WAM Days | WAL Days |
|---|---|---|---|---|---|---|
| 8/1 | 2.2691% | 0.000062166 | $21,309,993,340.29 | 1.00008 | 35 | 111 |
| 8/2 | 2.2306% | 0.000061111 | $21,404,568,273.47 | 1.00009 | 35 | 111 |
| 8/3 | 2.2306% | 0.000061111 | $21,404,568,273.47 | 1.00009 | 35 | 111 |
| 8/4 | 2.2306% | 0.000061111 | $21,404,568,273.47 | 1.00009 | 35 | 111 |
| 8/5 | 2.2037% | 0.000060376 | $21,260,087,646.11 | 1.00013 | 33 | 109 |
| 8/6 | 2.1799% | 0.000059724 | $21,383,910,344.53 | 1.00012 | 34 | 108 |
| 8/7 | 2.1654% | 0.000059325 | $21,367,128,635.67 | 1.00013 | 34 | 109 |
| 8/8 | 2.1570% | 0.000059096 | $21,331,311,711.17 | 1.00014 | 34 | 109 |
| 8/9 | 2.1685% | 0.000059411 | $21,364,048,609.67 | 1.00013 | 35 | 109 |
| 8/10 | 2.1685% | 0.000059411 | $21,364,048,609.67 | 1.00013 | 35 | 109 |
| 8/11 | 2.1685% | 0.000059411 | $21,364,048,609.67 | 1.00013 | 35 | 109 |
| 8/12 | 2.1718% | 0.000059500 | $21,183,807,284.20 | 1.00013 | 35 | 110 |
| 8/13 | 2.1860% | 0.000059890 | $21,308,242,768.25 | 1.00011 | 36 | 110 |
| 8/14 | 2.1843% | 0.000059843 | $21,080,093,556.30 | 1.00013 | 36 | 112 |
| 8/15 | 2.1932% | 0.000060087 | $21,133,119,284.27 | 1.00016 | 37 | 112 |
| 8/16 | 2.1773% | 0.000059652 | $21,047,893,636.55 | 1.00015 | 38 | 114 |
| 8/17 | 2.1773% | 0.000059652 | $21,047,893,636.55 | 1.00015 | 38 | 114 |
| 8/18 | 2.1773% | 0.000059652 | $21,047,893,636.55 | 1.00015 | 38 | 114 |
| 8/19 | 2.1523% | 0.000058968 | $21,003,599,364.73 | 1.00013 | 37 | 112 |
| 8/20 | 2.1587% | 0.000059143 | $20,897,443,563.66 | 1.00013 | 37 | 113 |
| 8/21 | 2.1366% | 0.000058538 | $20,919,746,944.70 | 1.00012 | 37 | 112 |
| 8/22 | 2.1297% | 0.000058347 | $20,814,728,024.88 | 1.00012 | 36 | 112 |
| 8/23 | 2.1281% | 0.000058303 | $21,102,344,407.49 | 1.00012 | 37 | 111 |
| 8/24 | 2.1281% | 0.000058303 | $21,102,344,407.49 | 1.00012 | 37 | 111 |
| 8/25 | 2.1281% | 0.000058303 | $21,102,344,407.49 | 1.00012 | 37 | 111 |
| 8/26 | 2.1342% | 0.000058472 | $20,944,294,147.98 | 1.00010 | 35 | 110 |
| 8/27 | 2.1574% | 0.000059107 | $20,820,139,630.22 | 1.00010 | 36 | 110 |
| 8/28 | 2.1510% | 0.000058931 | $20,736,242,048.81 | 1.00010 | 36 | 111 |
| 8/29 | 2.1466% | 0.000058811 | $20,757,312,782.28 | 1.00010 | 35 | 109 |
| 8/30 | 2.1624% | 0.000059244 | $20,484,500,345.68 | 1.00011 | 38 | 113 |
| 8/31 | 2.1624% | 0.000059244 | $20,484,500,345.68 | 1.00011 | 38 | 113 |
| **Average:** | **2.1715%** | **0.000059492** | **$21,096,024,727.45** | **1.00012** | **36** | **111** |

# TexPool *PRIME*

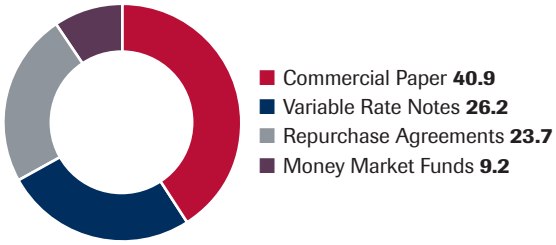
## Portfolio by Maturity (%)

*As of August 31, 2019*




## Portfolio by Type of Investment (%)

*As of August 31, 2019*




### Portfolio Asset Summary as of August 31, 2019

| | Book Value | Market Value |
|---|---|---|
| Uninvested Balance | -$81.44 | -$81.44 |
| Receivable for Investments Sold | 0.00 | 0.00 |
| Accrual of Interest Income | 4,911,204.05 | 4,911,204.05 |
| Interest and Management Fees Payable | -11,954,085.23 | -11,954,085.23 |
| Payable for Investments Purchased | -98,608,750.00 | -98,608,750.00 |
| Accrued Expenses & Taxes | -16,232.51 | -16,232.51 |
| Repurchase Agreements | 1,471,217,000.00 | 1,471,217,000.00 |
| Commercial Paper | 2,539,383,589.35 | 2,540,238,360.00 |
| Bank Instruments | 0.00 | 0.00 |
| Mutual Fund Investments | 572,126,953.71 | 572,052,003.75 |
| Government Securities | 0.00 | 0.00 |
| Variable Rate Notes | 1,627,000,137.85 | 1,627,131,730.00 |
| **Total** | **$6,104,059,735.78** | **$6,104,971,148.62** |

*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 | 124 | $2,111,061,530.49 |
| Higher Education | 19 | $622,612,115.44 |
| Healthcare | 16 | $261,345,472.34 |
| Utility District | 46 | $361,243,324.10 |
| City | 78 | $1,402,776,341.56 |
| County | 41 | $480,911,753.27 |
| Other | 76 | $864,086,092.72 |

# TexPool *PRIME*

## Daily Summary

| Date | Money Mkt. Fund Equiv. (SEC Std.) | Dividend Factor | TexPool *Prime* Invested Balance | NAV | WAM Days | WAL Days |
|---|---|---|---|---|---|---|
| 8/1 | 2.4114% | 0.000066066 | $6,200,063,626.04 | 1.00023 | 32 | 66 |
| 8/2 | 2.3859% | 0.000065367 | $6,190,022,646.77 | 1.00017 | 32 | 67 |
| 8/3 | 2.3859% | 0.000065367 | $6,190,022,646.77 | 1.00017 | 32 | 67 |
| 8/4 | 2.3859% | 0.000065367 | $6,190,022,646.77 | 1.00017 | 32 | 67 |
| 8/5 | 2.3505% | 0.000064397 | $6,203,015,294.58 | 1.00022 | 31 | 64 |
| 8/6 | 2.3461% | 0.000064276 | $6,236,942,624.65 | 1.00022 | 31 | 63 |
| 8/7 | 2.3516% | 0.000064427 | $6,172,410,528.28 | 1.00023 | 31 | 63 |
| 8/8 | 2.3452% | 0.000064252 | $6,133,081,470.53 | 1.00023 | 30 | 63 |
| 8/9 | 2.3515% | 0.000064426 | $6,135,233,406.31 | 1.00017 | 31 | 63 |
| 8/10 | 2.3515% | 0.000064426 | $6,135,233,406.31 | 1.00017 | 31 | 63 |
| 8/11 | 2.3515% | 0.000064426 | $6,135,233,406.31 | 1.00017 | 31 | 63 |
| 8/12 | 2.3434% | 0.000064202 | $6,116,726,617.31 | 1.00023 | 29 | 61 |
| 8/13 | 2.3507% | 0.000064404 | $6,036,290,211.07 | 1.00023 | 30 | 61 |
| 8/14 | 2.3534% | 0.000064476 | $5,920,063,923.60 | 1.00024 | 30 | 62 |
| 8/15 | 2.3504% | 0.000064394 | $6,107,590,889.24 | 1.00023 | 29 | 59 |
| 8/16 | 2.3427% | 0.000064183 | $5,940,657,963.50 | 1.00019 | 32 | 63 |
| 8/17 | 2.3427% | 0.000064183 | $5,940,657,963.50 | 1.00019 | 32 | 63 |
| 8/18 | 2.3427% | 0.000064183 | $5,940,657,963.50 | 1.00019 | 32 | 63 |
| 8/19 | 2.3336% | 0.000063934 | $5,913,930,057.45 | 1.00025 | 29 | 61 |
| 8/20 | 2.3433% | 0.000064201 | $5,824,569,060.79 | 1.00024 | 30 | 61 |
| 8/21 | 2.3389% | 0.000064079 | $5,765,598,351.94 | 1.00024 | 29 | 61 |
| 8/22 | 2.3320% | 0.000063891 | $5,780,649,076.58 | 1.00025 | 28 | 60 |
| 8/23 | 2.3279% | 0.000063778 | $5,794,866,709.86 | 1.00018 | 29 | 60 |
| 8/24 | 2.3279% | 0.000063778 | $5,794,866,709.86 | 1.00018 | 29 | 60 |
| 8/25 | 2.3279% | 0.000063778 | $5,794,866,709.86 | 1.00018 | 29 | 60 |
| 8/26 | 2.3309% | 0.000063859 | $5,856,613,604.88 | 1.00022 | 26 | 57 |
| 8/27 | 2.3417% | 0.000064155 | $5,850,322,833.15 | 1.00022 | 26 | 57 |
| 8/28 | 2.3355% | 0.000063985 | $5,826,980,662.02 | 1.00022 | 29 | 60 |
| 8/29 | 2.3175% | 0.000063494 | $6,103,521,937.02 | 1.00020 | 27 | 56 |
| 8/30 | 2.3283% | 0.000063789 | $6,104,059,735.78 | 1.00015 | 31 | 60 |
| 8/31 | 2.3283% | 0.000063789 | $6,104,059,735.78 | 1.00015 | 31 | 60 |
| **Average:** | **2.3470%** | **0.000064301** | **$6,014,155,884.52** | **1.00020** | **30** | **62** |

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

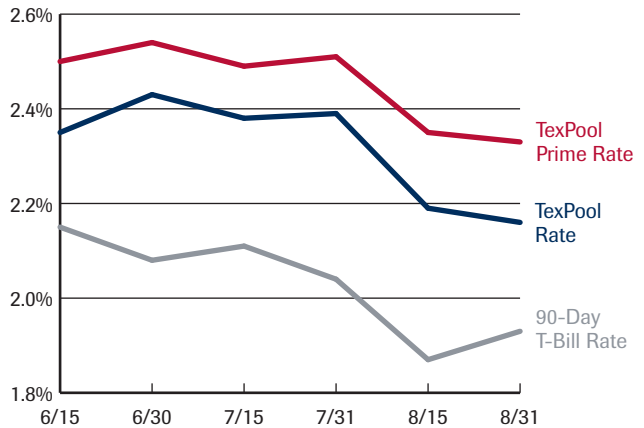
An example is manufacturing. While hanging in there, production and confidence dipped in July on the spate of global uncertainties. And it is not just China. Germany, France, Italy and, of course, Britain, are going through rough spots that look to get rougher. Not to be forgotten is that many global central banks are easing and the dollar is strong. In the end, we can't do much more than watch the debate unfold, but keep in mind that, with two open seats on the board of governors, the regional presidents have an even weighting, five to five. Things indeed could get interesting.

In the meantime, cash managers—really everybody—can only deal with what is in front of them. The global rush to the haven of Treasuries caused the curve to fluctuate (although the U.S. Treasury's massive issuance of bills and notes kept it within a reasonable range).

But with the Treasury and Libor yield curves fluctuating in August, we had to be very selective in our purchases. On any given day, the best offerings were vastly different than the day before. Some days, the 3-month area looked attractive; other days, 6-month paper stood out. Floaters continued to be a crucial part of our book of business, with spreads widening out, if only slightly.

The Treasury curve ended August with 1-month at 2.07%, 3-month at 1.98%, 6-month at 1.88% and 12-month at 1.75%. Libor ended August with 1-month at 2.14%, 3-month at 2.14%, 6-month at 2.08% and 12-month at 2.03%.

**TexPool & TexPool *Prime* vs. 90-Day Treasury Bill**




*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.*

# TEXPOOL REPORT

MONTH OF SEPTEMBER 2019
2.1635%

| | BEGINNING BALANCE | TRANSFER IN/(OUT) | INT EARNED (Posted Sept) | ENDING BALANCE | PURPOSE OF FUND |
|---|---|---|---|---|---|
| GENERAL FUND - UNRESTRICTED | 7,353,788.84 | (522,634.97) | 16,140.27 | 6,847,294.14 | Working capital |
| GENERAL FUND - RESTRICTED | 1,600,000.00 | 0.00 | incl in above | 1,600,000.00 | |
| ENTERPRISE FUND - UNRESTRICT | 2,796,671.34 | 94,598.92 | 5,244.84 | 2,896,515.10 | Working capital |
| ENTERPRISE FUND - RESTRICTED | 300,000.00 | 0.00 | incl in above | 300,000.00 | Customer liability |
| CAPITAL IMPACT FEES | 3,299,608.93 | 100,000.00 | 5,873.25 | 3,405,482.18 | Water & sewer lines extensions & expansions |
| PARK FEES | 49,425.09 | 0.00 | 87.89 | 49,512.98 | Reserved for acquisition & development of park land |
| SEIZURE | 47,748.74 | 0.00 | 84.91 | 47,833.65 | Soley to purchase equipment for Law Enforcement |
| CHILD SAFETY PROGRAMS | 17,312.33 | 0.00 | 30.78 | 17,343.11 | Reserved for Child Safety/School Zones |
| FEDERAL SEIZURE | 15,729.10 | 0.00 | 27.97 | 15,757.07 | Criminal Investigation - Federal Funds |
| HOTEL/MOTEL FUND | 1,034,565.69 | 100,000.00 | 1,845.53 | 1,136,411.22 | Restricted for promotion of tourism |
| DEBT SERVICE FUND | 1,358,201.21 | 3,929.31 | 2,415.40 | 1,364,545.92 | Restricted for General fund reserves & yearly debt service |
| GENERAL CAPITAL PROJECTS | 821,127.78 | (2,000.00) | 1,460.02 | 820,587.80 | General Fund CIP |
| CAPITAL PROJECT BONDS | 4,562,109.42 | (3,000.00) | 8,112.21 | 4,567,221.63 | 2016A CO WW Plant, Clarifier & Todville 2016 Sewer |
| WTR/SWR BONDS | 755,127.66 | 0.00 | 1,342.78 | 756,470.44 | Funds transferred from Bond Mkt Acct to allow liquidity |
| IT BONDS | 49,921.96 | 0.00 | 88.77 | 50,010.73 | Fiber Optics |
| PD & GF BONDS | 0.00 | 0.00 | 0.00 | 0.00 | Public Wokrks Facility |
| PD & GF BONDS (GEN FUND Reserve) | 29.46 | 0.00 | 0.05 | 29.51 | Public Wokrks Facility funds provided by GF Reserve |
| FIRE BONDS | 46.32 | 0.00 | 0.08 | 46.40 | Fire Engine |
| CAROTHERS | 94,626.26 | 0.00 | 168.27 | 94,794.53 | Carother Facility & Park |
| ANIMAL | 783.17 | 5,000.00 | 1.69 | 5,784.86 | Animal Shelter Needs - Donation |
| CRIME DISTRICT | 587,140.48 | 133,229.42 | 1,023.02 | 721,392.92 | Funds transferred from Bond Mkt Acct to allow liquidity |
| SEDC II - UNRESTRICTED | 2,629,293.13 | 24,028.32 | 5,006.26 | 2,658,327.71 | Seabrook Economic Development Corporation II |
| SEDC II - RESTRICT FOR EMERGENCY | 180,000.00 | 0.00 | incl in above | 180,000.00 | Emergency Reserve |
| STEP FUND | 29,428.45 | 0.00 | 52.33 | 29,480.78 | |
| PUBLIC SAFETY | 183,943.42 | 0.00 | 327.09 | 184,270.51 | Public Safety Needs |
| MUNI COURT - SECURITY FUND | 25,366.14 | 0.00 | 45.11 | 25,411.25 | Funds from fines to be used for security |
| COURT - TIME PAYMENT FEES | 19,757.44 | 0.00 | 35.13 | 19,792.57 | Funds from fines to be used to improve court |
| MUNI COURT - TECHNOLOGY FUND | 4,977.50 | 0.00 | 8.85 | 4,986.35 | Fund court on technology |
| PUBLIC SAFETY VERF | 793,804.70 | 16,770.58 | 1,441.37 | 812,016.65 | Public Safety Vehicle Equipment Replacement |
| PEG Fund | 149,671.19 | 20,000.00 | 267.32 | 169,938.51 | Public Education and Government Access |
| GE VERF | 314,817.02 | 30,078.42 | 570.30 | 345,465.74 | |
| STABILIZATION FUND | 840,143.02 | 0.00 | 1,493.95 | 841,636.97 | Highway 146 Project |
| WATER RATE STABILIZATION | 359,030.04 | 0.00 | 638.43 | 359,668.47 | |
| TOTAL TEXPOOL FUND | 30,274,195.83 | 0.00 | 53,833.87 | $30,328,029.70 | |

The investment portfolio of the City of Seabrook is in compliance with the investment strategies expressed in the City's Investment Policy and relevant provisions of Chapter 2256 of the Local Government Code.

*Michael Gibbs*

Finance Director

TexPool Participant Services
C/O Federated Investors Inc.
1001 Texas Avenue, Suite 1150
Houston, TX 77002

CITY OF SEABROOK
GENERAL ACCOUNT
ATTN PAM LAB
1700 FIRST STREET
SEABROOK TX 77586-3540

# Participant Statement

**Statement Period 09/01/2019 - 09/30/2019**

| | |
|---|---|
| **Customer Service** | **1-866-TEX-POOL** |
| **Location ID** | 000077632 |
| **Investor ID** | 000006495 |

## TexPool Update

Please be aware that TexPool's mailing address has been changed. Our website, forms, statements, and additional correspondence have been updated to reflect the new address. Visit our website or contact our toll-free number for the most current information.

## TexPool Summary

| Pool Name | Beginning Balance | Total Deposits | Total Withdrawals | Total Interest | Current Balance | Average Balance |
|---|---|---|---|---|---|---|
| Texas Local Government Investment Pool | $30,274,195.83 | $0.00 | $0.00 | $53,833.87 | $30,328,029.70 | $30,275,990.29 |
| **Total Dollar Value** | **$30,274,195.83** | **$0.00** | **$0.00** | **$53,833.87** | **$30,328,029.70** | |

## Portfolio Value

| Pool Name | Pool/Account | Market Value (09/01/2019) | Share Price (09/30/2019) | Shares Owned (09/30/2019) | Market Value (09/30/2019) |
|---|---|---|---|---|---|
| Texas Local Government Investment Pool | 449/1011800001 | $30,274,195.83 | $1.00 | 30,328,029.700 | $30,328,029.70 |
| **Total Dollar Value** | | **$30,274,195.83** | | | **$30,328,029.70** |

## Interest Summary

| Pool Name | Pool/Account | Month-to-Date Interest | Year-to-Date Interest |
|---|---|---|---|
| Texas Local Government Investment Pool | 449/1011800001 | $53,833.87 | $561,635.31 |
| **Total** | | **$53,833.87** | **$561,635.31** |

## Transaction Detail

**Texas Local Government Investment Pool** **Participant:** CITY OF SEABROOK

**Pool/Account:** 449/1011800001

| Transaction Date | Settlement Date | Transaction Description | Transaction Dollar Amount | Share Price | Shares This Transaction | Shares Owned |
|---|---|---|---|---|---|---|
| 09/01/2019 | 09/01/2019 | BEGINNING BALANCE | $30,274,195.83 | $1.00 | | 30,274,195.830 |
| 09/30/2019 | 09/30/2019 | MONTHLY POSTING | $53,833.87 | $1.00 | 53,833.870 | 30,328,029.700 |
| **Account Value as of 09/30/2019** | | | **$30,328,029.70** | **$1.00** | | **30,328,029.700** |

TEXPOOL
AN INVESTMENT SERVICE FOR PUBLIC FUNDS

# Monthly Newsletter: October 2019

## ANNOUNCEMENTS

### We welcome the following entities who joined TexPool in September 2019:

**TexPool**

Priddy ISD

Winkler County Hospital District

Corpus Christi B Corporation

Spicewood VFD-EMS Inc.

Royalwood MUD

**TexPool *Prime***

Spicewood VFD-EMS Inc.

### Upcoming Events

Oct 09, 2019 - Oct 11, 2019,
Henry B. Gonzalez Convention Center,
San Antonio
**TML Conference**

Oct 15, 2019 - Oct 18, 2019,
Horseshoe Bay
**TACA Conference**
**(TX Assoc of County Auditors)**

Oct 28, 2019 - Oct 30, 2019,
San Antonio
**Texas Charter Schools Conference**

Nov 06, 2019 - Nov 08, 2019,
Arlington
**GFOAT Fall Conference**

### TexPool Advisory Board Members

David Garcia
Patrick Krishock
Belinda Weaver
Deborah Laudermilk
Jerry Dale
David Landeros
Sharon Matthews
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 September to remember

October 1, 2019

Investing has, and probably always will be, a mix of expectations and the unexpected. It's rare for cash managers to face the latter, but in mid-September repo rates for overnight transactions using Treasury and agency collateral vaulted far above the typical levels before the Federal Reserve injected the markets with additional reserves. It was not a credit event, and we were quick to broadcast that. By now, even investors who never pay attention to repo rates have gotten the message.

If you will allow a now-overused saying, it was a case of a perfect storm with corporate tax day for the quarter hitting just as the Treasury issued a large amount (in the $50 billion range) of net new coupon supply, exacerbated by lower bank reserves parked at the Federal Reserve and by New York Fed staff frankly out of practice with doing daily operations. We are not blaming the Fed for this happening, but saying—and this is a good thing—that the liquidity space has been so stable there's been no need for intervention. Despite being late, the Fed's continuing action to support overnight trading has substantially reduced the risk of this occurring again, in our opinion. The important thing is that policymakers learn from this so that overnight trading works smoother the next time the market is flooded with supply.

There were two more twists in September, both announced at the Federal Open Market Committee (FOMC) meeting. The markets anticipated a quarter-point lowering of the target range to 1.75-2%, but found Chair Jerome Powell's press conference rhetoric less dovish than assumed. This caused the London interbank offered rates (Libor) in the

*(continued page 6)*

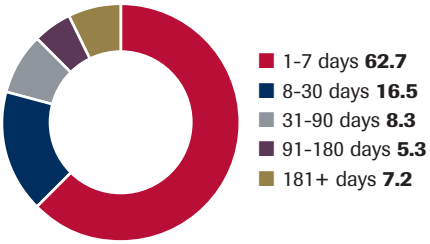
### Performance as of September 30, 2019

| | TexPool | TexPool *Prime* |
|---|---|---|
| Current Invested Balance | $20,600,716,651.00 | $5,776,403,117.00 |
| Weighted Average Maturity** | 34 | 32 |
| Weighted Average Life** | 107 | 64 |
| Net Asset Value | 1.00007 | 1.00010 |
| Total Number of Participants | 2583 | 401 |
| Management Fee on Invested Balance | 0.0450% | 0.0550% |
| Interest Distributed | $36,322,542.15 | $10,951,210.35 |
| Management Fee Collected | $712,778.51 | $228,282.28 |
| Standard & Poor's Current Rating | AAAm | AAAm |
| **Month Averages** | | |
| Average Invested Balance | $20,438,919,026.42 | $5,859,174,320.70 |
| Average Monthly Rate* | 2.16% | 2.27% |
| Average Weighted Average Maturity** | 36 | 33 |
| Average Weighted Average Life** | 111 | 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.*

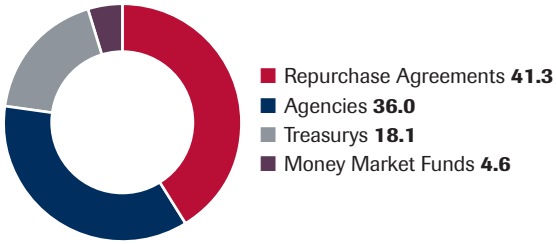
## Portfolio by Maturity (%)

*As of September 30, 2019*




## Portfolio by Type of Investment (%)

*As of September 30, 2019*




### Portfolio Asset Summary as of September 30, 2019

| | Book Value | Market Value |
|---|---|---|
| Uninvested Balance | -$979,693.41 | -$979,693.41 |
| Receivable for Investments Sold | 0.00 | 0.00 |
| Accrual of Interest Income | 24,278,082.24 | 24,278,082.24 |
| Interest and Management Fees Payable | -36,322,720.89 | -36,322,720.89 |
| Payable for Investments Purchased | 0.00 | 0.00 |
| Accrued Expenses & Taxes | -23,538.67 | -23,538.67 |
| Repurchase Agreements | 8,520,920,000.00 | 8,520,920,000.00 |
| Mutual Fund Investments | 939,074,000.00 | 939,074,000.00 |
| Government Securities | 7,421,384,804.32 | 7,422,148,726.78 |
| U.S. Treasury Inflation Protected Securities | 995,064,741.36 | 994,173,112.69 |
| US Treasury Bills | 1,428,467,134.40 | 1,429,155,309.44 |
| US Treasury Notes | 1,308,853,841.55 | 1,309,742,361.49 |
| **Total** | **$20,600,716,650.90** | **$20,602,165,639.67** |

*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 | 596 | $6,262,052,947.85 |
| Higher Education | 59 | $959,234,351.45 |
| Healthcare | 86 | $880,876,112.55 |
| Utility District | 825 | $2,780,309,182.36 |
| City | 471 | $5,364,137,673.61 |
| County | 187 | $2,019,064,934.02 |
| Other | 359 | $2,332,761,247.33 |

****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.*

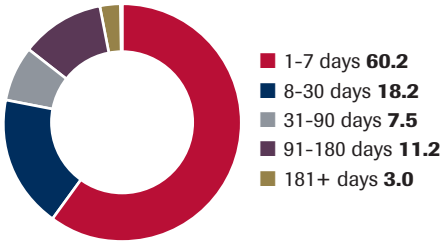
## Daily Summary

| Date | Money Mkt. Fund Equiv. (SEC Std.) | Dividend Factor | TexPool Invested Balance | NAV | WAM Days | WAL Days |
|---|---|---|---|---|---|---|
| 9/1 | 2.1624% | 0.000059244 | $20,484,500,345.68 | 1.00011 | 38 | 113 |
| 9/2 | 2.1624% | 0.000059244 | $20,484,500,345.68 | 1.00011 | 38 | 113 |
| 9/3 | 2.1638% | 0.000059282 | $20,488,359,379.65 | 1.00009 | 35 | 110 |
| 9/4 | 2.1775% | 0.000059658 | $20,427,838,990.26 | 1.00010 | 35 | 110 |
| 9/5 | 2.1784% | 0.000059682 | $20,471,496,619.06 | 1.00009 | 34 | 110 |
| 9/6 | 2.1618% | 0.000059227 | $20,420,161,368.40 | 1.00010 | 35 | 111 |
| 9/7 | 2.1618% | 0.000059227 | $20,420,161,368.40 | 1.00010 | 35 | 111 |
| 9/8 | 2.1618% | 0.000059227 | $20,420,161,368.40 | 1.00010 | 35 | 111 |
| 9/9 | 2.1299% | 0.000058354 | $20,340,099,977.94 | 1.00009 | 34 | 109 |
| 9/10 | 2.1407% | 0.000058648 | $20,347,359,798.90 | 1.00007 | 36 | 110 |
| 9/11 | 2.1470% | 0.000058822 | $20,278,184,998.60 | 1.00008 | 36 | 110 |
| 9/12 | 2.1565% | 0.000059082 | $20,307,959,170.16 | 1.00006 | 36 | 111 |
| 9/13 | 2.1626% | 0.000059248 | $20,341,891,161.88 | 1.00004 | 37 | 111 |
| 9/14 | 2.1626% | 0.000059248 | $20,341,891,161.88 | 1.00004 | 37 | 111 |
| 9/15 | 2.1626% | 0.000059248 | $20,341,891,161.88 | 1.00004 | 37 | 111 |
| 9/16 | 2.2414% | 0.000061408 | $20,361,525,745.40 | 1.00003 | 35 | 108 |
| 9/17 | 3.2992% | 0.000090388 | $20,372,194,696.85 | 1.00002 | 37 | 110 |
| 9/18 | 2.6567% | 0.000072787 | $20,354,641,268.40 | 1.00002 | 37 | 110 |
| 9/19 | 2.1279% | 0.000058299 | $20,219,324,757.56 | 1.00001 | 38 | 113 |
| 9/20 | 2.0333% | 0.000055707 | $20,254,365,330.08 | 1.00002 | 39 | 114 |
| 9/21 | 2.0333% | 0.000055707 | $20,254,365,330.08 | 1.00002 | 39 | 114 |
| 9/22 | 2.0333% | 0.000055707 | $20,254,365,330.08 | 1.00002 | 39 | 114 |
| 9/23 | 1.9982% | 0.000054744 | $20,216,342,317.82 | 1.00004 | 37 | 112 |
| 9/24 | 2.0248% | 0.000055473 | $20,165,889,792.05 | 1.00004 | 37 | 112 |
| 9/25 | 2.0334% | 0.000055709 | $20,912,015,293.37 | 1.00003 | 36 | 108 |
| 9/26 | 1.9921% | 0.000054579 | $20,876,873,261.85 | 1.00002 | 35 | 108 |
| 9/27 | 1.9675% | 0.000053903 | $20,802,831,267.08 | 1.00004 | 36 | 109 |
| 9/28 | 1.9675% | 0.000053903 | $20,802,831,267.08 | 1.00004 | 36 | 109 |
| 9/29 | 1.9675% | 0.000053903 | $20,802,831,267.08 | 1.00004 | 36 | 109 |
| 9/30 | 2.1371% | 0.000058552 | $20,600,716,651.00 | 1.00007 | 34 | 107 |
| **Average:** | **2.1635%** | **0.000059274** | **$20,438,919,026.42** | **1.00006** | **36** | **111** |

# TexPool *Prime*

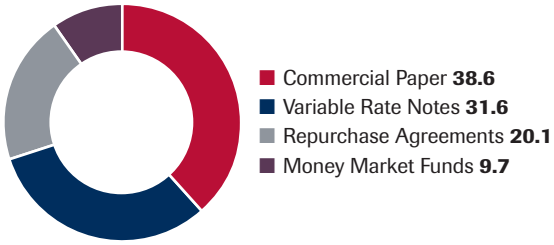
## Portfolio by Maturity (%)

*As of September 30, 2019*




## Portfolio by Type of Investment (%)

*As of September 30, 2019*




### Portfolio Asset Summary as of September 30, 2019

| | Book Value | Market Value |
|---|---|---|
| Uninvested Balance | -$237,319.68 | -$237,319.68 |
| Receivable for Investments Sold | 0.00 | 0.00 |
| Accrual of Interest Income | 3,835,190.25 | 3,835,190.25 |
| Interest and Management Fees Payable | -10,951,209.07 | -10,951,209.07 |
| Payable for Investments Purchased | 0.00 | 0.00 |
| Accrued Expenses & Taxes | -7,612.19 | -7,612.19 |
| Repurchase Agreements | 1,161,392,000.00 | 1,161,392,000.00 |
| Commercial Paper | 2,231,246,120.90 | 2,231,824,750.00 |
| Bank Instruments | 0.00 | 0.00 |
| Mutual Fund Investments | 562,125,876.50 | 562,052,003.75 |
| Government Securities | 0.00 | 0.00 |
| Variable Rate Notes | 1,829,000,070.06 | 1,829,032,815.00 |
| **Total** | **$5,776,403,116.77** | **$5,776,940,618.06** |

*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 | 124 | $2,142,072,370.48 |
| Higher Education | 19 | $607,652,156.83 |
| Healthcare | 16 | $260,055,529.77 |
| Utility District | 46 | $365,679,346.55 |
| City | 78 | $1,163,345,167.17 |
| County | 41 | $441,422,717.17 |
| Other | 77 | $796,154,260.56 |

# TexPool *Prime*

## Daily Summary

| Date | Money Mkt. Fund Equiv. (SEC Std.) | Dividend Factor | TexPool *Prime* Invested Balance | NAV | WAM Days | WAL Days |
|---|---|---|---|---|---|---|
| 9/1 | 2.3283% | 0.000063789 | $6,104,059,735.78 | 1.00015 | 31 | 60 |
| 9/2 | 2.3283% | 0.000063789 | $6,104,059,735.78 | 1.00015 | 31 | 60 |
| 9/3 | 2.3417% | 0.000064156 | $6,071,841,715.15 | 1.00016 | 33 | 59 |
| 9/4 | 2.3192% | 0.000063539 | $6,020,540,059.65 | 1.00018 | 34 | 61 |
| 9/5 | 2.3084% | 0.000063244 | $6,001,675,433.58 | 1.00017 | 34 | 61 |
| 9/6 | 2.2899% | 0.000062736 | $5,930,111,094.96 | 1.00011 | 34 | 66 |
| 9/7 | 2.2899% | 0.000062736 | $5,930,111,094.96 | 1.00011 | 34 | 66 |
| 9/8 | 2.2899% | 0.000062736 | $5,930,111,094.96 | 1.00011 | 34 | 66 |
| 9/9 | 2.2604% | 0.000061929 | $5,895,757,483.67 | 1.00015 | 34 | 65 |
| 9/10 | 2.2631% | 0.000062004 | $5,934,329,875.61 | 1.00014 | 34 | 64 |
| 9/11 | 2.2641% | 0.000062029 | $5,881,006,116.67 | 1.00013 | 34 | 64 |
| 9/12 | 2.2739% | 0.000062298 | $5,871,878,746.15 | 1.00014 | 33 | 64 |
| 9/13 | 2.2767% | 0.000062376 | $5,847,230,678.03 | 1.00010 | 34 | 64 |
| 9/14 | 2.2767% | 0.000062376 | $5,847,230,678.03 | 1.00010 | 34 | 64 |
| 9/15 | 2.2767% | 0.000062376 | $5,847,230,678.03 | 1.00010 | 34 | 64 |
| 9/16 | 2.3315% | 0.000063878 | $5,931,415,967.70 | 1.00014 | 31 | 61 |
| 9/17 | 3.0452% | 0.000083429 | $5,869,744,991.82 | 1.00013 | 32 | 61 |
| 9/18 | 2.5186% | 0.000069003 | $5,853,079,308.32 | 1.00013 | 32 | 62 |
| 9/19 | 2.1595% | 0.000059164 | $5,810,248,703.96 | 1.00012 | 32 | 62 |
| 9/20 | 2.1731% | 0.000059537 | $5,687,884,936.54 | 1.00007 | 33 | 63 |
| 9/21 | 2.1731% | 0.000059537 | $5,687,884,936.54 | 1.00007 | 33 | 63 |
| 9/22 | 2.1731% | 0.000059537 | $5,687,884,936.54 | 1.00007 | 33 | 63 |
| 9/23 | 2.1236% | 0.000058181 | $5,640,935,972.52 | 1.00011 | 31 | 59 |
| 9/24 | 2.1714% | 0.000059490 | $5,631,406,028.28 | 1.00012 | 30 | 59 |
| 9/25 | 2.1837% | 0.000059827 | $5,783,062,272.82 | 1.00011 | 31 | 62 |
| 9/26 | 2.1481% | 0.000058851 | $5,820,524,886.01 | 1.00011 | 32 | 63 |
| 9/27 | 2.1357% | 0.000058511 | $5,792,526,447.28 | 1.00007 | 33 | 66 |
| 9/28 | 2.1357% | 0.000058511 | $5,792,526,447.28 | 1.00007 | 33 | 66 |
| 9/29 | 2.1357% | 0.000058511 | $5,792,526,447.28 | 1.00007 | 33 | 66 |
| 9/30 | 2.2503% | 0.000061653 | $5,776,403,117.00 | 1.00010 | 32 | 64 |
| **Average:** | **2.2749%** | **0.000062324** | **$5,859,174,320.70** | **1.00012** | **33** | **63** |

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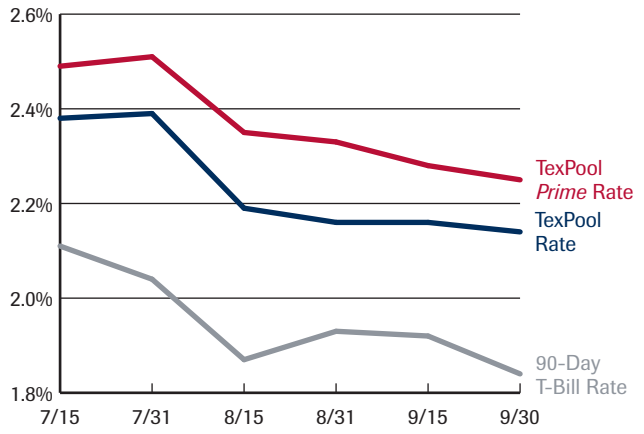
6- to 12-month part of the curve to climb higher than before the cut, the futures market to suggest only one cut by year-end and the Libor curve to slope positively.

The latter shift was counterintuitive. A decrease in rates normally impacts the entire short-term curve, but that was not the case after the Fed's reduction in September. It was sort of a reverse of the December 2018 meeting, at which the Fed raised rates yet investors started doubting that quarterly hikes would continue. In any case, it was a pleasant surprise and gave us buying opportunities further out the curve.

The other twist was that the Fed lowered the reverse repo program (RRP) rate by 30 basis points. This facility is designed to give participants a safety net for overnight transactions. Since RRP started in 2016, this "floor" has equaled the low end of the fed funds rate range; now it is 1.70% and 5 basis points below the lower bound of that range. That is a bit of a headscratcher. Policymakers have been lowering interest paid on excess bank reserves parked at the Fed (IOER), so it would seem this is part of their attempt to control the process. They may need to buttress daily operations with new quantitative easing at some point: call it QE-light.

So where does that put us now? Despite certain domestic and global uncertainties, the U.S. economy is moderating but still growing. Consumer spending is strong, manufacturing is weakening but not contracting, the housing market is solid and employment outstanding. If policymakers reiterate at the October FOMC meeting that they are data dependent and some key issues such as trade are resolved, rates might stabilize in 2020. At present, the wait-and-see approach seems wiser than heady expectations.

**TexPool & TexPool *Prime* vs. 90-Day Treasury Bill**




*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.*

The Treasury yield curve ended September with 1-month at 1.9%, 3-month at 2.83%, 6-month at 1.83% and 12-month at 1.77%. Libor ended the month with 1-month at 2.03%, 3-month at 2.10%, 6-month at 2.06% and 12-month at 2.04%. The weighted average maturity (WAM) at month-end was 34 days for TexPool and 32 days for TexPool *Prime*.