

**CERTIFIED COPY  
BRAZORIA COUNTY COMMISSIONERS' COURT**

**ORDER NO. 7.R.1**

**RE: COUNTY TREASURER'S MONTHLY CASH  
AND INVESTMENT REPORT FOR TOLL  
ROAD AUTHORITY FUNDS FOR AUGUST  
2017**

County Treasurer's Monthly Cash and Investment Report for Toll Road Authority Funds for August 2017. It is further requested a certified copy of this order be returned to the County Treasurer.

<b>RESULT:</b>	<b>PASSED BY CONSENT VOTE [UNANIMOUS]</b>
<b>MOVER:</b>	Stacy L. Adams, Commissioner
<b>SECONDER:</b>	Ryan Cade, Commissioner
<b>AYES:</b>	Judge Sebesta, Commissioner Payne, Commissioner Cade, Commissioner Adams, Commissioner Linder

**STATE OF TEXAS           §**

**COUNTY OF BRAZORIA   §**

**I, Joyce Hudman, Clerk County Court and Ex-Officio Clerk of the Commissioners' Court of Brazoria County, Texas, do hereby certify that the foregoing is a true and correct copy of that certain:**

**ORDER NO. 7.R.1**

**RE: COUNTY TREASURER'S MONTHLY CASH  
AND INVESTMENT REPORT FOR TOLL  
ROAD AUTHORITY FUNDS FOR AUGUST  
2017**

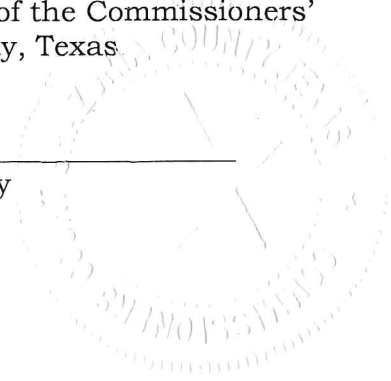
as passed by the Commissioners' Court on the 26th day of SEPTEMBER, A.D., 2017, Special Meeting Term of Commissioners' Court and as the same appear(s) in the Commissioners' Court Records of Brazoria County, Texas.

**GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 27th DAY OF  
SEPTEMBER, A. D., 2017.**

JOYCE HUDMAN, Clerk County Court  
and Ex-Officio Member of the Commissioners'  
Court of Brazoria County, Texas

By: \_\_\_\_\_

T. Reynolds, Deputy



**September 26, 2017**

**THE COMMISSIONERS' COURT OF BRAZORIA COUNTY  
SPECIAL MEETING**

**ORDER NO.**

**RE:** County Treasurer's Monthly Cash and Investment Report for Toll Road  
Authority Funds for August 2017

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County Treasurer's Monthly Cash and Investment Report for Toll Road Authority  
Funds for August 2017. It is further requested a certified copy of this order be  
returned to the County Treasurer.



**CATHY CAMPBELL, CCT, CIO**  
**BRAZORIA COUNTY TREASURER**

111 E. Locust, Room 305 Angleton, Texas 77515-4654  
979-864-1353 FAX 979-864-1680


Attached is the Monthly Treasurer's Report submitted by Cathy Campbell, Brazoria County Treasurer for funds of the Brazoria County Toll Road Authority, Brazoria County as Agent, for the month of AUGUST 2017 and reflects total cash and other assets in the custody of the County Treasurer at month end to be:

**\$108,747,508.93.**

The report contains:

Investment Portfolio Report  
Bank Account Activity and Interest Report  
Texas Class Investment Pool Report  
TexPool Investment Pool Report  
Pledged Securities Management Report

"I CERTIFY THAT TO THE BEST OF MY KNOWLEDGE THE ATTACHED REPORTS ARE TRUE AND CORRECT."

  
Cathy Campbell, CCT, CIO  
Brazoria County Treasurer

**Brazoria County Toll Road Authority**  
**Brazoria County as Agent**  
**Portfolio Report**  
**August 2017**

Current Date: 8/31/2017

Fund	Description	Type	CUSIP	Coupon/ Rate	Settle Date	Maturity Date	Next Call Date	Par Value	Purch Price	Purch Cost	Book Value	Mkt Price	Mkt Value	Days to Mat	YTM	Interest Earned
997	TexPool	LGIP		0.999				66,136,204.73	100.000	66,136,204.73	66,136,204.73	100.00	66,136,204.73	1	0.999	56,062.94
998	Texas Class	LGIP		1.230				30,050,814.80	100.000	30,050,814.80	30,050,814.80	100.00	30,050,814.80	1	1.230	31,285.06
999	Depository	Cash		0.870				12,560,489.40	100.000	12,560,489.40	12,560,489.40	100.00	12,560,489.40	1	0.870	7,962.66
											<b>108,747,508.93</b>	<b>108,747,508.93</b>	<b>108,747,508.93</b>	<b>1</b>	<b>1.048</b>	<b>95,310.66</b>

This report is presented in accordance with the Texas Government Code Title 10 Section 2256.023 and complies with the Investment Strategy of Brazoria County's Investment Policy and I certify that to the best of my knowledge the above is true and correct.




Cathy Campbell, COT, CIO  
 Brazoria County Treasurer

**Brazoria County Toll Road Authority  
Brazoria County as Agent**

**Bank Account Activity and Interest Report For August 2017**

Account	Ending Bank Balance 07/31/2017	Deposits and Other Credits Received	Checks and Other Debits Disbursed	Ending Bank Balance 08/31/2017	MONTHLY Interest Earned
<b>FIRST NATIONAL BANK OF LAKE JACKSON</b>					
Brazoria County Toll Road Authority	-	0.00	0.00	0.00	0.00
Brazoria County Toll Road Authority-Construction	566,635.21	376.71	0.00	567,011.92	430.77
Brazoria County Toll Road Authority-FM 518	2,346,981.96	1,560.33		2,348,542.29	1,784.25
Brazoria County Toll Road Authority-Debt	-	5,010,112.52	(377,229.00)	4,632,883.52	1,939.86
Brazoria County Toll Road Authority-Contributions	5,008,721.75	3,329.92	0.00	5,012,051.67	3,807.78
<i>First National Bank of Lake Jackson Totals</i>	7,922,338.92	5,015,379.48	(377,229.00)	12,560,489.40	7,962.66
<b>TOTAL EOM Account Balances and Interest Earnings</b>				<b>12,560,489.40</b>	<b>7,962.66</b>

I certify that to the best of my knowledge the above is the true and correct cash balance remaining in the Treasurer's custody at month end.



Cathy Campbell, CCA, CIO  
Brazoria County Treasurer

**Brazoria County Toll Road Authority  
Brazoria County as Agent**

Texas Class


Investment Report

08/01/2017 thru 08/31/2017

Fund	Description	08/01/2017 Investments	Credits	Debits	Interest Earned	08/31/2017 Investments	Avg. Mo. Yield	Expected Maturity	Mark to Mkt 08/31/2017
54000	Toll Road Funds-Construction	25,016,274.79	0.00	0.00	26,070.88	25,042,345.67	1.2300	9/1/2017	25,042,345.67
64100	Toll Road Funds-Contributions	5,003,254.95	0.00	0.00	5,214.18	5,008,469.13	1.2300	9/1/2017	5,008,469.13

TEXAS CLASS Totals		30,019,529.74	0.00	0.00	31,285.06	30,050,814.80			30,050,814.80
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This report is presented in accordance with the Texas Government Code Title 10 Section 2256.023 and complies with the Investment Strategy of Brazoria County's Investment Policy and I certify that to the best of my knowledge the above is true and correct.



Cathy Campbell, CFT, CIO  
Brazoria County Treasurer

**Brazoria County Toll Road Authority**  
**Brazoria County as Agent**  
 TexPool

Investment Report  
 08/01/2017 thru 08/31/2017

<i>Fund</i>	<i>Description</i>	<i>08/01/2017 Investments</i>	<i>Credits</i>	<i>Debits</i>	<i>Interest Earned</i>	<i>08/31/2017 Investments</i>	<i>Avg. Mo. Yield</i>	<i>Expected Maturity</i>	<i>Mark to Mkt 08/31/2017</i>
54000	Toll Road Funds-Construction	61,077,592.80	0.00	0.00	51,818.71	61,129,411.51	0.9989	9/1/2017	61,129,411.51
64100	Toll Road Funds-Contributions	5,002,548.99	0.00	0.00	4,244.23	5,006,793.22	0.9989	9/1/2017	5,006,793.22

TEXPOOL Totals 66,080,141.79      0.00      0.00      56,062.94      66,136,204.73      66,136,204.73

This report is presented in accordance with the Texas Government Code Title 10 Section 2256.023 and complies with the Investment Strategy of Brazoria County's Investment Policy and I certify that to the best of my knowledge the above is true and correct.



Cathy Campbell, CCT, CIO  
 Brazoria County Treasurer





**CATHY CAMPBELL, CCT, CIO**

**BRAZORIA COUNTY TREASURER**

111 E. Locust, Room 305    Angleton, Texas 77515-4654  
979-864-1353    FAX 979-864-1680

Attached is a copy of the management reports for the securities that were pledged to Brazoria County Toll Road Authority, Brazoria County as Agent, by First National Bank of Lake Jackson for the month of AUGUST 2017.

"I CERTIFY THAT TO THE BEST OF MY KNOWLEDGE THE ATTACHED ARE TRUE AND CORRECT."

A handwritten signature in blue ink that reads "Cathy Campbell". The signature is written in a cursive style and is positioned above a horizontal line.

Cathy Campbell, CCT, CIO  
Brazoria County Treasurer

# Reportfolio

First National Bank of Lake Jackson, Lake Jackson, T  
 Published: 8/29/2017 6:02:17 AM

## Management Report

Pledged To: BRAZORIA COUNTY TOLL ROAD AUTHORITY

Date: 31-Aug-17

Page: 3

Section V-C

Location	Code	Cusip Trans#	Description Maturity Prerfund FAS 115	Pool Coupon	Moody Std/Poor	Original Face Pledged Percent	Original Face Value	Pledged Par Value	Pledged Book Value	Pledged Market Value
FHLB	3138ETN1	446627201609231	FNMA Pool #AL8492 1/1/2046	AL8492		\$2,200,000.00 100.00%	\$2,200,000.00	\$1,514,473.31	\$1,574,280.96	\$1,850,729.80
FEDERAL HOME LOAN BANK AFS										
1 MBS - Variable Rate										
FHLB	3133X8A1	152984200905280	FHLB Bullet 8/15/2019	5.125	Aaa	\$4,500,000.00 100.00%	\$4,500,000.00	\$4,500,000.00	\$4,561,332.46	\$4,625,344.00
FEDERAL HOME LOAN BANK AFS										
1 Agency Notes/Bonds - FR										
FHLB	3137B2FD7	361755201407160	FHR 4206 DA 5/15/2033	2.000		\$2,200,000.00 100.00%	\$2,200,000.00	\$1,296,113.24	\$1,281,375.52	\$1,280,209.80
FEDERAL HOME LOAN BANK AFS										
FHLB	3137AQGD4	274464201205290	FHR 4046 HA 10/15/2041	2.000		\$1,500,000.00 100.00%	\$1,500,000.00	\$748,078.56	\$750,851.01	\$728,643.83
FEDERAL HOME LOAN BANK AFS										
FHLB	3137AVGA9	295318201210300	FHR 4120 QG 10/15/2042	2.500		\$2,000,000.00 100.00%	\$2,000,000.00	\$1,006,499.66	\$1,033,188.73	\$1,009,776.66
FEDERAL HOME LOAN BANK AFS										
FHLB	3137BSK69	452990201612200	FHR 4623 H 11/15/2044	2.500		\$2,500,000.00 100.00%	\$2,500,000.00	\$2,371,716.95	\$2,361,314.83	\$2,370,746.78
FEDERAL HOME LOAN BANK AFS										
FHLB	3137BRMP7	442471201608291	FHR 4604 DC 1/15/2046	2.500		\$2,500,000.00 100.00%	\$2,500,000.00	\$2,339,402.73	\$2,402,219.84	\$2,336,564.87
FEDERAL HOME LOAN BANK AFS										
FHLB	3137BSTN3	451324201611301	FHR 4629 QG 11/15/2046	2.500		\$2,500,000.00 100.00%	\$2,500,000.00	\$2,388,793.20	\$2,384,583.21	\$2,364,693.62
FEDERAL HOME LOAN BANK AFS										
FHLB	3137BWU77	466698201706230	FHR 4663 PK 3/15/2047	2.000		\$2,000,000.00 100.00%	\$2,000,000.00	\$1,950,916.10	\$1,912,841.30	\$1,895,503.06
FEDERAL HOME LOAN BANK AFS										

\*\* If no data is shown, then there are no pledges for the current period.

# Reportfolio

First National Bank of Lake Jackson, Lake Jackson, T  
 Published: 8/29/2017 6:02:17 AM

## Management Report

Pledged To: BRAZORIA COUNTY TOLL ROAD AUTHORITY

Date: 31-Aug-17  
 Page: 4

Section Y-C

### Safekeeping

Location	Code	Cusip Trans#	Description Maturity	Prerefund	Pool Coupon	Moody StdPoor	Original Face Pledged Percent	Original Face Value	Pledged Par Value	Pledged Book Value	Pledged Market Value
FHLB	3136AWBB2	461678201704171	FNR 2017-25 QD 4/25/2047		2.250		\$2,000,000.00 100.00%	\$2,000,000.00	\$1,933,810.34	\$1,921,140.81	\$1,897,720.41
FEDERAL HOME LOAN BANK AFS											
FHLB	3137BXZG0	464936201705301	FHR 4682 LC 5/15/2047		2.500		\$2,000,000.00 100.00%	\$2,000,000.00	\$1,967,991.42	\$1,962,569.71	\$1,964,494.10
FEDERAL HOME LOAN BANK AFS											
9 CMOs - Fixed Rate											
								\$19,200,000.00	\$16,003,324.22	\$16,030,604.96	\$15,860,575.33
								\$25,900,000.00	\$22,017,797.53	\$22,158,218.38	\$22,236,619.13

### Total Pledged 11 To: BCTR BRAZORIA COUNTY TOLL ROAD AUTHORITY

\$0.00 Munis with Maturity Under 2 Years  
 \$0.00 Munis with Maturity Over 2 Years  
 \$4,500,000.00 Other securities with Stated Maturity Under 2 Years  
 \$17,517,797.53 Other securities with Stated Maturity Over 2 Years

\*\* If no data is shown, then there are no pledges for the current period.



Texas CLASS®

Texas Cooperative Liquid Asset Securities System Trust

TheNEWS



Neil Waud



Randy Palomba

This month's Texas CLASS newsletter features a Q&A interview by Emmie Madison, Content Writer for Public Trust Advisors, LLC (Public Trust), with Portfolio Managers Neil Waud and Randy Palomba. Public Trust is the Investment Advisor/Administrator for Texas CLASS. We discussed their experience, the economic landscape, and managing local government funds.

**Q: How long have you been with Public Trust, and overall how long have you been managing portfolios?**

**Neil Waud:** I have been with Public Trust since the very beginning, and I have been investing cash since 2000.

**Randy Palomba:** I'm also fortunate enough to have been with Public Trust since inception, and I've been investing cash in the public sector for over 30 years now. Time flies!

**Q: You've been working together for a while now, right? How long? What's the team like?**

**Neil:** Randy and I have worked together since July of 1995. For the past twenty plus years, Randy has been a mentor for me, always willing to share his thoughts and observations while helping me hone my craft. As the Public Trust team continues to grow, Randy's guidance has fostered a culture that shares institutional knowledge while encouraging new ideas. By design, our trading desk is a lively environment where the team openly debates our investment strategy as we discuss the prudent management of our clients' investable funds.

**Randy:** Neil and I have been working together for over twenty years if I remember correctly. We both started in Client Service roles and progressed to Portfolio Managers. We have a solid team that allows us to share ideas and execute trades that are the best ones for the clients we serve.

All comments and discussions presented are purely based on opinion and assumptions, not fact. These assumptions may or may not be correct based on forecast and unforeseen events. The information above is not a recommendation to buy, sell, implement, or change any securities or investment strategy, function, or process. Any financial and/or investment decision should be made only after considerable research, consultation, and commitment with an experienced professional engaged for the specific purpose. Past performance is not an indication of future performance. Any financial and/or investment decision may incur losses.



portfolios maintain an appropriate balance of safety and liquidity throughout market cycles.

**Randy:** Safety! Safety of principal and liquidity of funds. These are taxpayer dollars we are investing. It is extremely important to ensure these funds are invested safely and in compliance with governing legislation as well as the clients' investment policies.

**Q: Do you have anything you want Texas CLASS Participants to know about how their investments are being managed?**

**Neil:** Prudent investment management mandates a thorough credit analysis of the counterparties we lend to and strict adherence to our clients' liquidity needs. Having met these requirements, we then focus on maximizing investment returns. While we work in a competitive landscape, at the end of the day we need to be mindful of the old axiom: "It is the return of your principal not the return on your principal that matters most to our Participants."

**Randy:** I'm proud of the team we have assembled and the comradery we have in doing the best job we can for our clients. It's a real team effort with everyone working together to produce a superior product for our clients.

**Q: We've seen some changes in the market this past year. What is your take on the current market?**

**Neil:** Since the November election, we have seen a shift in market sentiment. The initial optimism of deregulation, tax reform, and fiscal stimulus in Washington driving growth and inflation metrics higher has given way to the reality of a polarized political process that will take some time to unravel. For the past eight years, the U.S. economy has experienced relatively steady but unspectacular growth. While sufficient enough to tighten the labor market to pre-crisis levels, the growth has not translated into rising inflation. While the stock market continues to press towards new highs, inflation will likely need to rise for interest rates to push higher.

**Randy:** I'm happy to see the Federal Reserve begin to raise interest rates. I'm not convinced that the Fed will be as aggressive as its dot plot suggests. I've been doing this long enough to see interest rates go from double digits in the 1980s to practically zero for most of the last ten years. I hope we can see interest rates at levels that make sense for the earnings to once again become a budget item for local governments. The earnings on excess cash can be important to providing additional resources for governmental entities ultimately benefitting the taxpayers.

All comments and discussions presented are purely based on opinion and assumptions, not fact. These assumptions may or may not be correct based on forecast and unforeseen events. The information above is not a recommendation to buy, sell, implement, or change any securities or investment strategy, function, or process. Any financial and/or investment decision should be made only after considerable research, consultation, and commitment with an experienced professional engaged for the specific purpose. Past performance is not an indication of future performance. Any financial and/or investment decision may incur losses.

"It is the return of your principal not the return on your principal that matters most to our Participants."

— Neil Waud

**Q: So, what are your expectations for the next Federal Open Market Committee (FOMC) meeting in September?**

**Neil:** The July FOMC meeting didn't really tip its hand regarding another rate hike this year simply noting that inflation was still below its 2% target rate. However, the post-meeting statement did say the normalization of its balance sheet will begin "relatively" soon. I agree with most, interpreting this to mean that the Fed's longer-term holdings will be addressed at the September meeting. As far as the next rate hike is concerned, inflation will likely need to rise for this to occur this year. If it happens at all, the December meeting makes the most sense at this point.

**Randy:** I believe the FOMC will announce the start of the balance sheet normalization process. I also think that it will keep the Fed funds target rate unchanged until we see some indication that inflation is heading back toward 2%. The FOMC has accomplished one objective by raising rates from the nearly zero level we experienced for several years. I'm not convinced the U.S. economy is ready for a two-year Treasury yielding 5%. However, I know that finance managers and savers would welcome that investment return.

**Q: Anything else you'd like Texas CLASS Participants to know?**

**Neil:** I would like to thank everyone for their continued support of Texas CLASS and encourage Participants to reach out to the Portfolio Management Team with any questions you may have regarding the program. Having placed your trust in us, we want to always be available for you.

**Randy:** I have had a great career working with some very talented individuals in the public sector. I look forward to continuing to work hard with those individuals as well as the opportunity to work with some of the younger folks that are now entering the public sector. I'm thankful for all the great people I have met and have had the pleasure to work with over the years.



## The FUND

### Fund Highlights as of July 31, 2017

(Unaudited)

For the month of July, 2017, the Program Administrator accrued fees of \$502,416.6 and had average shares outstanding of \$5,906,167,31,49 for Texas CLASS. For Texas CLASS Government, the Program Administrator accrued fees of \$0.00 and had average shares outstanding of \$14,130,497,04. The fees for both Texas CLASS and Texas CLASS Government are accrued on a daily basis by multiplying the investment property value by the applicable fee rate, and divided by 365 or 366 days in the event of a leap year. The investment property value shall be based on the current day's shares outstanding. For week-end days and holidays, the shares outstanding for the previous business day will be utilized for the calculation of fees. The applicable fee rate is located in Exhibit F of the Seventh Amended and Restated Trust Agreement. The Program Administrator reserves the right to abate fees listed in the Seventh Amended and Restated Trust Agreement. The monthly fee is the sum of all daily fee accruals for the month of July. The fees are paid monthly upon notification to the custodian bank. As of July 31, 2017 the fee for Texas CLASS was 0.1 basis points and the fee for Texas CLASS Government was 0.0 basis points.

### Texas CLASS

2435 North Central Expressway  
Suite 1200  
Richardson, TX 75080  
T 214-473-4224  
info@texasclass.com  
www.texasclass.com

### Advisory Board Members

NAME	TERM
Mark Burton Municipal Accounts & Consulting, L.P.	2017
Arthur Martin Crane Independent School District	2018
Rodney Rhoades Qualified Non-Participant	2018

### Board of Trustee Members

NAME	TERM
Monika Arris Collin County	2018
Cindy Brown Denton County	2017
Mike Hagar Alamo Heights ISD	2018
Amy Perez Harris County	2017
Roger Roeckler City of Friendswood	2017
Steve Williams City of Conroe	2017

- Both funds are rated 'AAA+' by Standard and Poor's Global Ratings.
- Net Asset Value for both funds from July 1 to July 31, 2017 is equal to \$1.00.
- The final maturity dates of all securities were less than one year.
- The custodian bank for Texas CLASS is Wells Fargo Bank.
- Total Number of Participants is 601.
- There are currently no investments that have a stated maturity greater than one year.
- The portfolio manager for Texas CLASS is Randy Palomba, CFA.
- All sources of payment are the underlying assets of the local government investment pool at market value.
- The Seventh Amended and Restated Trust Agreement was adopted by the Board of Trustees on August 5, 2016. You can access your copy of the Seventh Amended and Restated Trust Agreement by visiting our website at [www.texasclass.com](http://www.texasclass.com).

A 'AAA+' rating by Standard and Poor's is obtained after S&P evaluates a number of factors, including credit quality, market price exposure, and management. Ratings are subject to change and do not remove market risk.



## Monthly Newsletter: September 2017

### ANNOUNCEMENTS

We welcome the following entities who joined TexPool in August 2017:

**TexPool**  
Comal County ESD 7  
Harris County ESD 8  
City of Kennedy

**TexPool Prime**  
Greater/NorSIDE Management District  
Wise County

#### Upcoming Events

Sep 11, 2017 - Sep 14, 2017  
69th Annual County Treasurers' of Texas Annual Conference  
Dallas/Addison  
Oct 03, 2017 - Oct 06, 2017  
TMAU Conference  
Houston  
Oct 06, 2017 - Oct 08, 2017  
TASAT/TASB Annual Conference  
Dallas  
Oct 16, 2017 - Oct 20, 2017  
TACA Fall Conference  
Allen

#### TexPool Advisory Board Members

Jose Elizondo, Jr. Vivian Wood  
Belinda Ervin Jerry Dale  
Patrick Kitchcock Sharon Matthews  
Marilyn Tuttle David Landers  
Overseen by the State of Texas Comptroller of Public Accounts Glenn Hegar.  
Operated under the supervision of the Texas Treasury Safeguarding Trust Company

## Economic and Market Commentary: Yellen's lecture in the mountains

September 1, 2017

Janet Yellen picked a poor time for a history lesson, and for slapping herself and the Federal Reserve on the back.

As uncertainty and rhetoric about the federal budget and the debt ceiling were building, the Fed Chair used her elevated platform at late August's Jackson Hole, Wyo., global central-bank symposium to look to the past. She tried to make the case that the Fed's actions during and after the financial crisis, especially its new regulations, strengthened the banking system without clipping the economy's wings. She warned about the potential dangers of undoing these rules. That seemed directed to President Trump, who is no fan of regulation. In fact, many assumed this speech surely means Trump will not nominate her for a second term.

We know Yellen always will be an academic at heart—this is not the first time she has taken that role in her tenure—and we realize she deeply believes the Fed's post-crisis policy and intervention made a difference. In particular, she asserts that the largest banks are now much more creditworthy, resilient and liquid. But she should have offered information about late September's Federal Open Market Committee (FOMC) meeting, even if she only more-or-less confirmed the Fed will begin to unwind its massive balance sheet then.

(continued page 6)

Performance as of August 31, 2017		
	TexPool	TexPool Prime
Current Invested Balance	\$16,024,289,694.00	\$4,104,939,212.14
Weighted Average Maturity**	30	47
Weighted Average Life**	95	72
Net Asset Value	1.00003	1.00007
Total Number of Participants	2,427	281
Management Fee on Invested Balance	0.0473%	0.0638%
Interest Distributed	\$19,851,619.58	\$4,399,025.74
Management Fee Collected	\$639,583.90	\$195,736.08
Standard & Poor's Current Rating	AA+in	AA+in
<b>Month Averages</b>		
Average Invested Balance	\$16,402,649,761.58	\$4,077,614,721.47
Average Monthly Rate*	0.9896%	1.2418%
Average Weighted Average Maturity**	32	51
Average Weighted Average Life**	86	75

\*This average monthly rate for TexPool Prime for each date may reflect a number of some portion or all of each of the management fees.  
\*\*See page 2 for definitions.  
†Our performance is no guarantee of future results.

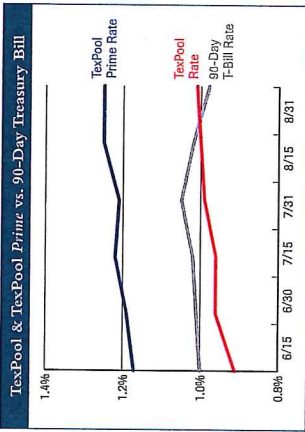
Managed and  
Served by  
**Federated**  
CGS884-24 (9/17)

TexPool Participant Services  
1001 Texas Avenue, Suite 1400 • Houston, TX 77002  
Phone: 1-866-TEXPOOL (839-7665) • Fax: 1-866-839-3291 • TexPool.com

So we must go back to July's meeting minutes and to recent speeches by other Fed officials to glean what might happen. They seemed to point to the FOMC addressing the balance sheet in September and tightening in December. But the markets are not believing the latter right now, pricing in far less than 50% of a hike happening by year-end. In fact, it is not until June of 2018 that there is full expectation of another move. There are no market-based odds on the balance-sheet reduction, but we think it will happen. It will be the Fed's way of saying it is still committed to policy normalization.

The short end of the Treasury curve decreased slightly over August, with 1-month and 3-month Treasury yields falling from 0.98% to 0.96% and 1.07% to 1.02%, respectively. The London interbank offered rate (Libor) was stable, reflecting that the next Fed move likely won't happen this year. It rose only marginally over last month, with 1-month Libor remaining at 1.23%, 3-month increasing from 1.31% to 1.32% and 6-month decreasing from 1.46% to 1.45%.

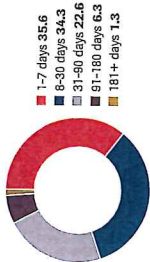
The weighted average maturity for TexPool was 30 days and 47 days for TexPool Prime. We continue to buy floaters as we see them in attractive form. But even in this time of Libor stasis, it is important to remember that we are still in a rising-rate environment and, industry-wide, Local Government Investment Pools such as TexPool and TexPool Prime remain more responsive than bank deposit vehicles because pools trace increasing rates better and quicker on a historical basis. More than ever, the rallying call for cash managers is that the time is ripe for joining pools or increasing assets in them.



90-Day Treasury Bill is a short-term debt instrument backed by the national government. These are used to offset 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.

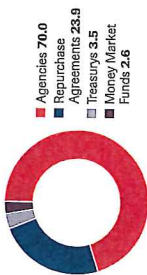
### Portfolio by Maturity (%)

As of August 31, 2017



### Portfolio by Type of Investment (%)

As of August 31, 2017



### Portfolio Asset Summary as of August 31, 2017

	Book Value	Market Value
Uninvested Balance	\$-1,239,177.39	
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	6,197,552.95	6,197,552.95
Interest and Management Fees Payable	-13,852,433.68	-13,852,433.68
Payable for Investments Purchased	0.00	0.00
Accrued Expenses & Taxes	-19,975.52	-19,975.52
Repurchase Agreements	3,840,181,000.00	3,840,181,000.00
Mutual Fund Investments	415,022,103.88	415,022,103.88
Government Securities	11,222,763,767.47	11,222,763,767.47
U.S. Treasury Inflation Protected Securities	0.00	0.00
US Treasury Bills	354,442,526.55	354,442,526.55
US Treasury Notes	200,763,330.74	200,763,330.74
<b>Total</b>	<b>\$16,024,256,694.00</b>	<b>\$16,024,732,184.61</b>

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by Fidelity Investment Company 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 past 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	583	\$4,833,357,796.09
Higher Education	57	\$895,372,077.48
Healthcare	81	\$557,414,659.69
Utility District	764	\$2,366,602,707.98
City	457	\$4,096,463,633.10
County	185	\$1,626,604,814.36
Other	300	\$1,647,941,193.53

### \*\*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 adjusted, weighted by their respective market values. 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 time of the two dates set forth in (b) and (c) 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 weighted.

### Daily Summary

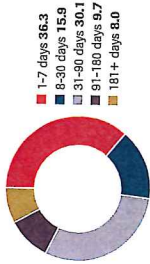
Date	Money Mkt. Bond Entry (GFC-Std)	Dividend Payout	TexPool Invested Balance	NAV	WAM Days	WAL Days
8/1	0.9904%	0.000027135	\$16,789,867,537.37	1.00001	34	93
8/2	0.9919%	0.000027174	\$16,791,761,716.62	1.00000	35	93
8/3	0.9913%	0.000027159	\$16,693,909,429.75	1.00000	34	93
8/4	0.9904%	0.000027134	\$16,690,802,170.94	1.00000	34	93
8/5	0.9904%	0.000027134	\$16,640,802,170.94	1.00000	34	93
8/6	0.9904%	0.000027134	\$16,640,802,170.94	1.00000	34	93
8/7	0.9910%	0.000027150	\$16,609,577,852.78	1.00000	33	90
8/8	0.9904%	0.000027134	\$16,802,075,099.92	1.00000	32	92
8/9	0.9909%	0.000027148	\$16,786,198,696.71	1.00000	32	91
8/10	0.9949%	0.000027250	\$16,599,596,744.38	1.00001	31	91
8/11	1.0037%	0.000027489	\$16,598,923,170.63	1.00001	33	89
8/12	1.0037%	0.000027489	\$16,598,923,170.63	1.00001	33	89
8/13	1.0037%	0.000027489	\$16,598,923,170.63	1.00001	33	89
8/14	1.0008%	0.000027420	\$16,199,036,353.22	1.00001	32	89
8/15	1.0039%	0.000027489	\$16,110,987,214.21	1.00001	32	101
8/16	0.9927%	0.000027198	\$16,229,128,485.19	1.00001	31	99
8/17	1.0030%	0.000027480	\$16,221,930,055.60	1.00002	32	99
8/18	1.0033%	0.000027488	\$16,169,053,252.94	1.00002	32	99
8/19	1.0033%	0.000027488	\$16,169,053,252.94	1.00002	32	99
8/20	1.0033%	0.000027488	\$16,169,053,252.94	1.00002	32	99
8/21	1.0022%	0.000027459	\$16,146,404,062.60	1.00002	30	96
8/22	0.9994%	0.000027381	\$16,174,066,245.28	1.00002	30	96
8/23	1.0000%	0.000027399	\$16,056,290,599.83	1.00002	31	97
8/24	1.0038%	0.000027557	\$16,101,938,100.60	1.00002	31	94
8/25	1.0056%	0.000027551	\$16,447,938,659.74	1.00002	32	96
8/26	1.0056%	0.000027551	\$16,447,938,659.74	1.00002	32	96
8/27	1.0056%	0.000027551	\$16,447,938,659.74	1.00002	32	96
8/28	1.0019%	0.000027488	\$16,325,946,242.55	1.00002	31	95
8/29	1.0000%	0.000027397	\$16,149,701,531.35	1.00003	31	95
8/30	1.0000%	0.000027396	\$16,190,317,016.33	1.00003	30	95
8/31	1.0085%	0.000027630	\$16,024,258,694.00	1.00003	30	95
<b>Average:</b>	<b>0.9989%</b>	<b>0.000027368</b>	<b>\$16,402,649,761.58</b>	<b>1.00001</b>	<b>32</b>	<b>96</b>



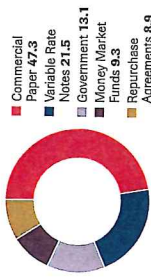


TEXPOOL PRIME

Portfolio by Maturity (%)  
As of August 31, 2017



Portfolio by Type of Investment (%)  
As of August 31, 2017



Portfolio Asset Summary as of August 31, 2017

	Book Value	Market Value
Uninvested Balance	\$216.89	\$216.89
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	1,450,729.74	1,450,729.74
Interest and Management Fees Payable	-4,289,063.40	-4,289,063.40
Payable for Investments Purchased	-3,493,455.97	-3,493,455.97
Accrued Expenses & Taxes	-6,003.19	-6,003.19
Repurchase Agreements	363,764,000.00	363,764,000.00
Commercial Paper	1,942,703,252.89	1,942,854,077.67
Bank Instruments	0.00	0.00
Mutual Fund Investments	382,093,762.61	382,093,762.61
Government Securities	539,331,669.80	539,331,669.80
Variable Rate Notes	882,753,621.65	882,959,325.00
<b>Total</b>	<b>4,104,338,212.14</b>	<b>4,104,615,428.15</b>

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by Federal Investment Consulting and the assets are self-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	100	\$1,512,525,835.34
Higher Education	14	\$607,302,765.89
Healthcare	11	\$260,212,772.30
Utility District	22	\$235,459,701.03
City	57	\$619,323,971.13
County	32	\$330,826,633.65
Other	45	\$536,690,927.88

TEXPOOL PRIME

Daily Summary

Date	Money Mkt. Fund Emph. (SEC St'd)	Dividend Factor	TexPool Prime Invested Balance	NAV	WAM Days	WAL Days
8/1	1.2017%	0.000032922	\$4,302,692,282.72	1.00004	51	75
8/2	1.2209%	0.000039450	\$4,295,631,804.43	1.00005	51	74
8/3	1.2219%	0.000035477	\$4,204,411,228.93	1.00005	51	75
8/4	1.2106%	0.000033166	\$4,180,640,199.59	1.00002	52	75
8/5	1.2106%	0.000033166	\$4,180,640,199.59	1.00002	52	75
8/6	1.2106%	0.000033166	\$4,180,640,199.59	1.00002	52	75
8/7	1.2239%	0.000033532	\$4,169,234,092.69	1.00002	51	73
8/8	1.2281%	0.000033846	\$4,132,156,260.13	1.00006	51	73
8/9	1.2383%	0.000033926	\$4,124,280,563.82	1.00006	50	74
8/10	1.2478%	0.000034187	\$4,109,604,462.03	1.00007	52	76
8/11	1.2589%	0.000034491	\$4,107,135,297.47	1.00003	53	77
8/12	1.2689%	0.000034491	\$4,107,135,297.47	1.00003	53	77
8/13	1.2689%	0.000034491	\$4,107,135,297.47	1.00003	53	77
8/14	1.2426%	0.000034044	\$4,061,723,384.62	1.00008	52	76
8/15	1.2474%	0.000034174	\$3,999,626,856.02	1.00008	52	76
8/16	1.2425%	0.000034040	\$4,022,387,779.16	1.00007	51	75
8/17	1.2484%	0.000034203	\$3,996,526,907.79	1.00007	52	76
8/18	1.2482%	0.000034196	\$4,038,717,727.66	1.00003	52	75
8/19	1.2482%	0.000034196	\$4,038,717,727.66	1.00003	52	75
8/20	1.2482%	0.000034196	\$4,038,717,727.66	1.00003	52	75
8/21	1.2425%	0.000034042	\$4,029,508,080.77	1.00006	50	73
8/22	1.2512%	0.000034279	\$3,995,865,425.11	1.00007	51	74
8/23	1.2534%	0.000034340	\$3,968,364,970.94	1.00007	52	75
8/24	1.2545%	0.000034369	\$4,003,482,369.96	1.00007	50	74
8/25	1.2534%	0.000034339	\$3,983,343,705.58	1.00002	50	75
8/26	1.2534%	0.000034339	\$3,983,343,705.58	1.00002	50	75
8/27	1.2534%	0.000034339	\$3,983,343,705.58	1.00002	50	75
8/28	1.2502%	0.000034416	\$3,971,264,407.71	1.00007	48	73
8/29	1.2533%	0.000034336	\$3,978,529,087.71	1.00008	47	72
8/30	1.2560%	0.000034412	\$3,979,924,318.17	1.00008	47	72
8/31	1.2506%	0.000034263	\$4,104,339,212.14	1.00007	47	72
<b>Average:</b>	<b>1.2418%</b>	<b>0.000034020</b>	<b>\$4,077,614,721.47</b>	<b>1.00005</b>	<b>51</b>	<b>75</b>