

BRACKETT INDEPENDENT SCHOOL DISTRICT  
FEBRUARY 10, 2014

Earned interest report at the close of business on December 31, 2013

Total amount of cash on hand locally in the general fund - \$ 633,691.90.

Total amount of investments - \$ 5,413,379.90.

Interest earned during the 2nd quarter of the 2013/2014 school year.

Del Rio Bank & Trust	\$ 1,101.03	Average Rate	.45%
Lone Star Investment			
Liquidity Plus	\$ 569.19	Average Rate	.06%
TexPool	\$ 98.61	Average Rate	.04%
Total Interest Earned-2nd Quarter	\$ 1,768.83		
Total Interest Earned – Year to Date	\$ 3,152.72		

Certified Correct:

Taylor Stephenson, Superintendent,



Marla Madrid, Business Manager

## Federated®

Federated, founded in 1955, is publicly traded on the NYSE. It is one of the largest managers of AAA-rated money market portfolios in the country (Source: iMoneyNet as of 11/30/13).

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extraordinary monetary accommodation of the past five years also was a positive. The reverse repo rate was dropped to 3 basis points, most likely to appease dealers concerned the previous 5 basis points was too high amid all the year-end window-dressing that typically causes supply to dwindle. But we would expect the rate will move back to 5 basis points as supply re-enters the market with the New Year. Also notable was that the Fed tripled the amount participants such as Federated can purchase. This vastly boosts liquidity in the marketplace, a plus for rates. When combined with a strengthening economy, this helps solidify our view money-market rates will start moving off their lows of the past several years. It may be some time before we get true normalcy, but given recent history, we'll take it.

### PERFORMANCE AS OF DECEMBER 31, 2013

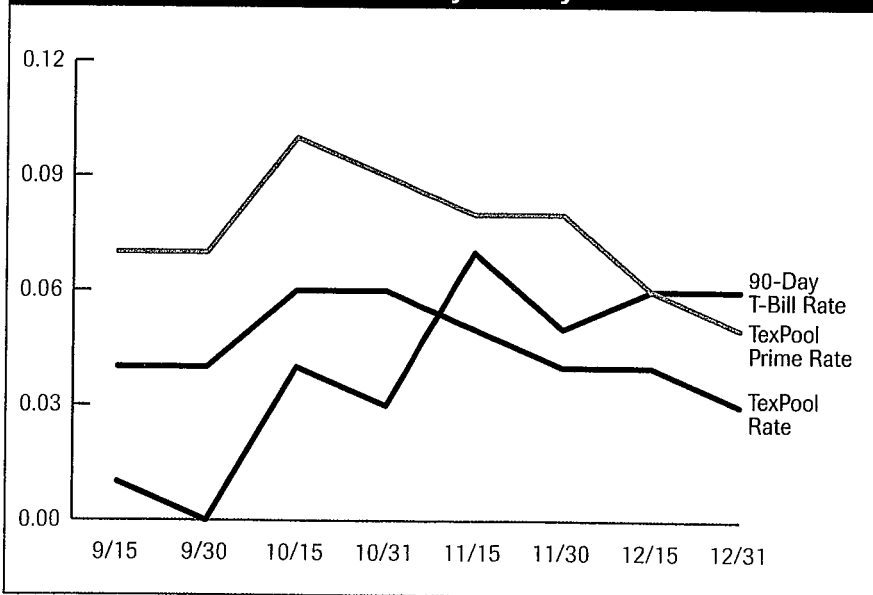
	TexPool	TexPool Prime
Current Invested Balance	\$15,933,929,606.07	\$1,132,760,801.71
Weighted Average Maturity (1)*	51 Days	52 Days
Weighted Average Maturity (2)*	78 Days	61 Days
Net Asset Value	1.00003	1.00004
Total Number of Participants	2,301	167
Management Fee on Invested Balance	0.0473%	0.0638%
Interest Distributed	\$460,461.76	\$59,272.14
Management Fee Collected	\$583,001.81	\$57,977.67
Standard & Poor's Current Rating	AAAm	AAAm

### Month Averages

	TexPool	TexPool Prime
Average Invested Balance	\$14,616,633,390.52	\$1,072,198,126.43
Average Monthly Yield, on a simple basis (3)*	0.04%	0.07%
Average Weighted Average Maturity (1)*	50 Days	55 Days
Average Weighted Average Maturity (2)*	78 Days	66 Days

\*Definitions for Average Monthly Yield and Weighted Average Maturity can be found on page 2.

### 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.

# Fund Performance Update

December 31, 2013

## Comments by Standish, Investment Manager

The Treasury bond market traded lower in the month of December as yields rose ten to twenty-seven basis points across the curve. The curve became steeper as the spread between the two-year note and 30-year bond widened by seven basis points to 3.59%. The equity markets, which experienced a very strong year in 2013, continued to rally as the Dow, NASDAQ and S&P 500 indexes gained 3.0%, 2.9% and 2.4%, respectively.

The selloff in Treasury prices was largely due to the Federal Reserve somewhat surprising the market by announcing a tapering to the \$85 billion monthly bond purchase program. The Fed will reduce its purchases of Treasury and mortgage-backed securities by \$5 billion each per month. The Fed also noted that fiscal headwinds diminished and the risks to the economy were balanced.

The usage of the Fed's reverse repo facility soared on the last day of the year as repo supply in the market was very limited. Investor's traded \$197.8 billion in repo with the Fed on the last day of the year which was nearly twice as much as the prior day.

## Active Participants

Schools and Colleges	554
Other Governmental	79
<b>Total</b>	<b>633</b>

Lone Star Investment Pool is distributed by First Public.

## Government Overnight Fund

### Return Information

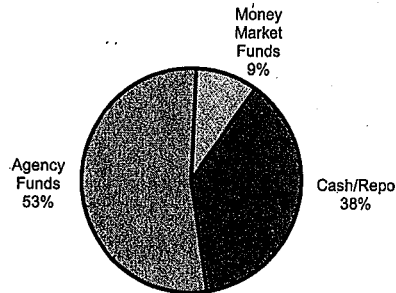
December 31, 2013

Average Monthly Return (a)	0.04%
SEC 7-Day Fund Yield (b)	0.03%
Weighted Average Maturity One (c)	68 Days
Weighted Average Maturity Two (c)	93 Days
Portfolio Maturity beyond One Year	0%
Net Asset Value	\$1.00
Annualized Expense Ratio	0.06%
Standard & Poor's Rating	AAAm

### Inventory Position

	Book Value	Market Value
Cash/Repo	1,701,020,948	2,010,203,888
US Treasuries	10,000,575	10,002,150
Agency	1,680,508,191	1,680,943,635
FDIC Guaranteed	-	-
US Dept of Ed Guaranteed	-	-
Money Market Funds	288,000,000	288,000,000
<b>Total Assets</b>	<b>3,179,529,713</b>	<b>3,179,966,772</b>

### Investment Distribution



(a) The return information represents the average annualized rate of return on investments for the time period referenced. Return rates reflect a partial waiver of the Lone Star Investment Pool operating expense. Past performance is no guarantee of future results.