



First Public
12007 Research Blvd.
Austin, Texas 78759
800.558.8875 • firstpublic.com

Fund Performance Update

December 31, 2021

Comments by Mellon, Investment Manager

Custodian Bank: State Street Bank
Investment Managers:
American Beacon Advisors and Mellon
The Lone Star Investment Pool is
endorsed by:



The Lone Star Investment Pool Information Statement should be read carefully before investing. Investors should consider the investment objectives, risks, changes, and expenses associated with this or any security prior to investing. Investment in Lone Star Investment Pool is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency, and although Lone Star seeks to preserve the value of the investment at a fixed share price, it is possible to lose money by investing in Lone Star. For further information or for an Information Statement contact First Public at 800.558.8875. The return information is net of all current operating expenses. The return represents past performance and is no indication of future results.

Equity markets continued their upward trend in December as the Dow and S&P 500 indexes reached all-time highs in the last week of the month. For 2021, the S&P 500 gained 26.9%. U.S Treasury yields beyond 6 months also rose in December as the 2-year note led the increase by moving higher by 17 basis points to 0.73%. In mid-December, Congress approved a \$2.5 trillion increase to the debt limit, allowing the U.S. to finance its obligations until after the 2022 midterm elections in November and avoid a technical default. Inflation concerns and more hawkish comments from the Fed caused the market to price in multiple rate hikes for 2022. In November, the Fed announced that it would taper its asset purchases by \$15 billion per month. In December, the Fed said that it would double that pace. This would move the complete wind down of the taper to March instead of June. At the end of December, the market was fully pricing in three rate hikes of 25 basis points each, with the first hike most likely occurring in May.

Active Participants This Month

| | |
|----------------------|-----|
| Schools and Colleges | 573 |
| Other Governmental | 80 |
| <i>Total</i> | 653 |

Government Overnight Fund

Return Information

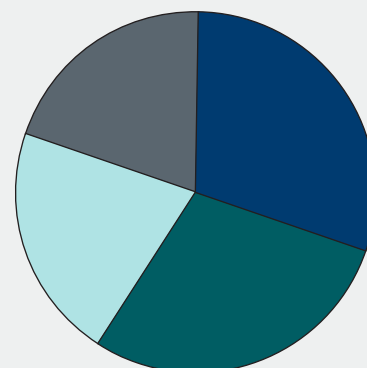
December 31, 2021

| | |
|------------------------------------|---------|
| Average Monthly Return (a) | 0.01% |
| SEC 7-day Fund Yield (b) | 0.01% |
| Weighted Average Maturity One (c) | 51 days |
| Weighted Average Maturity Two (c) | 82 days |
| Portfolio Maturing beyond One Year | 0% |
| Net Asset Value (NAV) | \$1.00 |
| Annualized Expense Ratio | 0.06% |
| Standard & Poor's Rating | AAAm |

Inventory Position

| | Book Value | Market Value |
|---------------------|-------------------------|-------------------------|
| Cash/Repo | 975,249,780.37 | 975,249,780.37 |
| US Treasuries | 1,317,425,806.99 | 1,317,025,191.98 |
| Agencies | 932,591,328.50 | 932,604,019.04 |
| Money Market Funds | 1,396,911,869.81 | 1,396,911,869.81 |
| Total Assets | 4,622,178,785.67 | 4,621,790,861.20 |

Investment Distribution



| | |
|--------------|-----|
| Money Market | 30% |
| Treasuries | 29% |
| Cash/Repo | 21% |
| Agencies | 20% |

(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.

Corporate Overnight Fund

Return Information

December 31, 2021

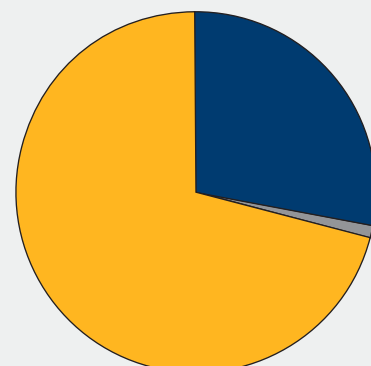
| | |
|------------------------------------|---------|
| Average Monthly Return (a) | 0.07% |
| SEC 7-day Fund Yield (b) | 0.07% |
| Weighted Average Maturity One (c) | 42 days |
| Weighted Average Maturity Two (c) | 44 days |
| Portfolio Maturing beyond One Year | 0% |
| Net Asset Value (NAV) | \$1.00 |
| Annualized Expense Ratio | 0.06% |
| Standard & Poor's Rating | AAAm |

Inventory Position

| | Book Value | Market Value |
|---------------------|--------------------------|--------------------------|
| Cash/Repo | - | - |
| US Treasuries | - | - |
| Agencies | 19,999,178.50 | 20,011,373.80 |
| Commercial Paper | 2,207,047,926.53 | 2,207,003,360.77 |
| Money Market Funds | 875,785,117.72 | 875,783,112.50 |
| Total Assets | 3,102,832,222.75* | 3,102,797,847.07* |

* Total Assets reflects unsettled securities transaction that has a net effect of (60,088,542.38)

Investment Distribution



| | |
|------------------|------|
| Commercial Paper | 71% |
| Money Market | 28%* |
| Agencies | 1% |

(b) **SEC 7-Day Yield Calculation**

$$\text{Yield} = 2 \left[\left[\frac{a-b}{cd} + 1 \right]^6 - 1 \right]$$

a - Dividend and interest income
b - Expenses accrued for the period
c - Average daily number of shares outstanding during the period that was entitled to dividends
d - Maximum offering price per share on the last day of the period

Corporate Overnight Plus Fund

Return Information

December 31, 2021

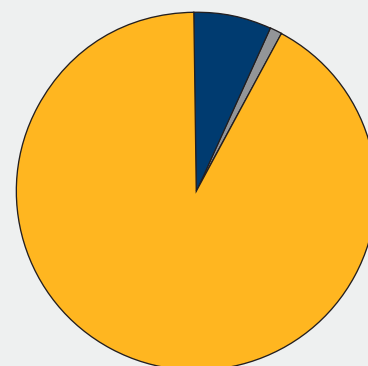
| | |
|------------------------------------|----------|
| Average Monthly Return (a) | 0.10% |
| SEC 7-day Fund Yield (b) | 0.10% |
| Weighted Average Maturity One (c) | 60 days |
| Weighted Average Maturity Two (c) | 62 days |
| Portfolio Maturing beyond One Year | 0% |
| Net Asset Value (NAV) | \$1.00 |
| Annualized Expense Ratio | 0.06% |
| Standard & Poor's Rating | AAAf/S1+ |

Inventory Position

| | Book Value | Market Value |
|---------------------|---------------------------|--------------------------|
| Cash/Repo | - | - |
| US Treasuries | - | - |
| Agencies | 49,998,357.07 | 50,029,777.00 |
| Commercial Paper | 6,690,635,833.88 | 6,690,551,037.97 |
| Money Market Funds | 508,026,326.48 | 508,028,037.57 |
| Total Assets | 7,248,660,517.43 * | 7,248,608,852.54* |

* Total Assets reflects unsettled securities transaction that has a net effect of (70,258,841.13)

Investment Distribution



| | |
|------------------|-----|
| Commercial Paper | 92% |
| Money Market | 7%* |
| Agencies | 1% |

(c) The Weighted Average Maturity One calculation uses the industry standard definition of state maturity for floating rate instruments, the number of days until the next reset date. The Weighted Average Maturity Two calculation uses the final maturity of any floating rate instruments, as opined in Texas Attorney General Opinion No. JC0359.