

Laura Taylor Davis
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DATE: April 10, 2013

TO: Hon. Duane Peters, County Judge
Hon. Lloyd Wassermann, Commissioner
Hon. Sammy Catalina, Commissioner
Hon. Kenny Mallard, Commissioner
Hon. Irma Cauley, Commissioner
Candy Gallego, Administrative Assistant

FROM: Laura Taylor Davis, County Treasurer

RE: Quarter Ending 03/31/2013 Investment Report

This report is made in accordance with provisions of Gov.Code 2256, The Public Funds Investment Act, which requires quarterly reporting of investment transactions to the Commissioners' Court.

The Brazos County Investment portfolio earned an average yield of 0.0967% on the quarterly *average balance* of \$2,350,027.64 invested with TexPool for the period ending 03/31/2013. Investment interest deposited during the quarter was \$574.25 for a total year-to-date interest of \$1,507.17. Actual ending balance for March 31, 2013 was \$2,350,223.07.

The average rate of interest earned on the depository checking account balances for the quarter ending 03/31/2013 was 0.4300% netting \$93,069.61 on an *average depository investable balance* of \$87,825,809.90.

Total year-to-date interest earned: \$159,941.56

Investment Strategy

Interesting commentary from the TexPool April 2013 newsletter....

On the domestic economic front, we continue to see promising signs the recovery is kicking into higher gear. The housing market picked up steam, with better pricing, lower inventory and fewer regional issues, and sales of existing homes and housing starts showing increases. Unemployment was down, with the four-week moving average for unemployment claims dropping to just under 340,000, a new low in the recovery. The most recent Federal Open Market Committee (FOMC) meeting statement produced very little in the way of change, however. The statement reiterated the Fed's commitment to keep to a 0% to 0.25% federal funds target as long as unemployment remains above 6.5% and projected inflation runs no more than a half point above its 2% target. The Fed's acknowledgment of improving conditions, however, sparked speculation it might consider, at some point in 2013, scaling back its monthly purchases of \$85 billion in longer-term Treasury and agency mortgage-backed securities. While any real movement in the fed funds rate is not likely until 2014, the Fed's acknowledgment of economic gains has got markets thinking more seriously about when—and how—the Fed will bring an end to QE.

The Brazos County Investment Strategy will remain unchanged, keeping investments very short-termed & liquid. With the safety of principal as the foremost objective of the County's investment policy followed by liquidity and yield - it seems prudent to continue keeping the majority of available funds in the County's depository where all funds are 110% collateralized.

For diversification the County has an investment account with TexPool that provides the safety of an overnight market.

Brazos County's depository contract earns .35% above the 90 day T-Bill.

Summary of Portfolio Changes

The deposit of interest is the only portfolio change to balances at this time and the Weighted Average Maturity of investments remains at 1 day due to the liquidity of funds invested with TexPool and on deposit at CitiBank of Texas

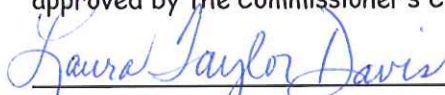
FY 2013 INTEREST RATES AND EARNINGS BY MONTH

	TexPool Interest	Interest Rate	Cking Acct Interest	Earnings Credit Rate
October 2012	330.52	0.1657	20,917.24	0.4600
November 2012	301.96	0.1600	20,760.88	0.4500
December 2012	300.44	0.1500	23,686.66	0.4400
Q/E 12/31/2012	932.92	0.1586	65,364.78	0.4500
January 2013	196.86	0.1000	30,086.84	0.42
February 2013	168.48	0.0900	29,428.06	0.42
March 2013	208.91	0.1000	33,554.71	0.45
Q/E 03/31/2013	574.25	0.0967	93,069.61	0.4300

Attached are the following reports:

- 1) Cost Amount Summary of Investments by Fund
- 2) TexPool Quarter End Activity Report
- 3) Investments by Fund Group and Strategy Type

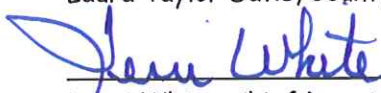
To the best of our knowledge the investment portfolio in this report conforms in all respects to the Investment Policy of Brazos County and is being managed under the investment strategy of said policy as approved by the Commissioner's Court of Brazos County.



 Laura Taylor Davis, County Treasurer, CIO

4/10/13

 Date



 Terri White, Chief Deputy Treasurer, CIO

04/10/2013

 Date

COST AMOUNT SUMMARY OF INVESTMENTS BY FUNDS

<u>General Fund</u>	
TexPool	\$ 2,350,223.07

Total Cost of all funds invested for the month of March 2013 \$ 2,350,223.07

Book Value is the same because all investments are with TexPool and the Share Price is maintained at \$1.00

TEXPOOL QUARTER ENDING 03/31/2013 ACTIVITY REPORT

FUND 1 - POOLED FUND GROUP

DATE	DESC.	GENERAL FUND	EXPO. COMPLEX	TOTAL
12/31/12	December Balance	\$ 2,349,648.82	\$ -	\$ 2,349,648.82
01/31/13	January Interest	\$ 196.86	\$ -	\$ 196.86
01/31/13	January Balance	\$ 2,349,845.68	\$ -	\$ 2,349,845.68
02/28/13	February Interest	\$ 168.48	\$ -	\$ 168.48
02/28/13	February Balance	\$ 2,350,014.16	\$ -	\$ 2,350,014.16
03/31/13	March Interest	\$ 208.91	\$ -	\$ 208.91
03/31/13	March Balance	\$ 2,350,223.07	\$ -	\$ 2,350,223.07

INVESTMENTS BY FUND GROUP AND STRATEGY TYPE

<u>FUND 1 - POOLED FUND GROUP</u>		
General Fund		\$ 2,350,223.07
Health Endowment Fund		\$ -
State Lateral Road		\$ -
Courthouse Security		\$ -
Strategy Type:	OPERATING FUNDS	\$ 2,350,223.07
General Obligation Debt Svc.		\$ -
Strategy Type:	DEBT SERVICE FUNDS	\$ -
General Permanent Impv.		\$ -
Exposition Center Fund		\$ -
Strategy Type:	SPECIAL PROJ. & PERM.IMPV.DEBT	\$ -
Fund 1 - Group Total		\$ 2,350,223.07

BOOK VALUE OF ALL INVESTED FUNDS FOR MARCH 2013 **\$ 2,350,223.07**