

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: Treasurer-Tax Collector

SUBMITTAL DATE:
May 6, 2010

SUBJECT: Treasurer: Monthly Disclosure Report on Investments

RECOMMENDED MOTION: That the Board of Supervisors receives and files the Treasurer's "Monthly Disclosure Report on Investments" dated April 2010.

BACKGROUND: The County Treasurer and Tax Collector is submitting the above noted report to the County Board of Supervisors in keeping with Section 53607 of the California Government Code, which requires a quarterly report on the status of investments. The practice has been to provide the Board with a monthly report. The report gives the various statistics on the portfolio as to overall composition, liquidity structure, credit quality on the various securities, and provides several trends on earning performance, average weighted maturity, and the portfolio's "paper loss or gain".

Departmental Concurrence

Don Kent, Treasurer-Tax Collector

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2009-2010

SOURCE OF FUNDS:	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY:
Christopher M. Hans

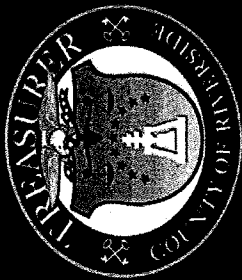
County Executive Office Signature

Dept't Recomm.: Consent Policy
Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.: | **District:** | **Agenda Number:**

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

2.3



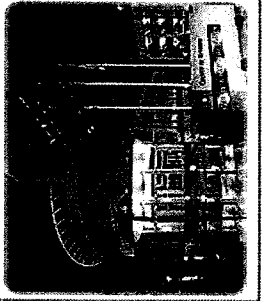
COUNTY OF RIVERSIDE
TREASURER'S POOLED INVESTMENT FUND
 MONTHLY REPORT
 APRIL 2010

Investment Objectives

SAFETY OF PRINCIPAL

LIQUIDITY

MAXIMUM RATE OF RETURN



Capital Markets

Don Kent
Treasurer-Tax Collector

Jon Christensen
Assistant Treasurer-Tax Collector

Giovane Pizano
Investment Manager

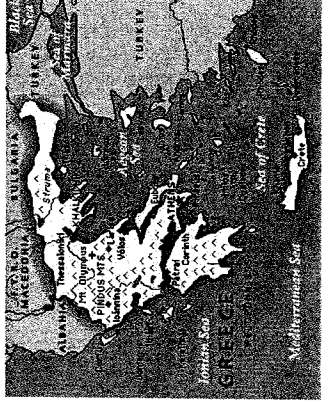
Economic Indicators of Importance	Importance
23-Apr	Durable Goods Orders (-1.3% actual vs. 0.4% survey)
30-Apr	Gross Domestic Product (3.2% actual vs. 3.4% survey)
27-Apr	Consumer Confidence (57.9 actual vs. 53.5 survey)
04-May	Factory Orders (1.3% actual vs. -0.1% survey)
02-Apr	Unemployment Rate (9.7% actual vs. 9.7% survey) Payroll change (162000 actual vs. 200000 survey)
14-Apr	Consumer Price Index CPI (0.1% actual vs. 0.1% survey) Core CPI (0.1% actual vs. 0% survey)

"Fried in Hot Greece"

How does a small sunbathed country on the coast of the Mediterranean and Aegean Sea affect our market so profoundly? Is it that Greece was the impetus for democracy or that we're concerned about baklava and Greek olive imports? None of the above; it is all about a lack of confidence. The sovereign debt of Greece was recently downgraded to junk levels, in other words they are no longer rated investment grade. Other European economies have been affected as well with Portugal and Spain being downgraded (although not junk yet).

Investors are worried that crushing debt and record deficits may trigger another crisis here in the U.S. The State of California general obligation debt has been downgraded to the same level as that of the Czech Republic and Estonia, and, a notch above that of Kazakhstan. It's a tough road ahead for us here in the 7th largest economy in the world.

Additionally, the other issue is that investors are demanding higher rates to buy this debt, if they are buying at all. This increases borrowing cost for essential government services when they are needed most. As these countries struggle to decide how resources are to be allocated, cuts in services are already causing civil unrest. The bailouts are also calling into view the role of the European Union and if it should be bailing these countries out, creating questions about the Euro and its viability as a cur-



rency, now in its 11th year.

Why do we care? Our concern is this crisis can spread into other countries and spill into the U.S. securities markets. This fear is very real, and is already occurring to a certain extent, impacting U.S. Treasury yields. Our equity markets have retreated from their April 26th highs in a classic flight to quality.

We will stay tuned to the events in Europe and to the big fat Greek bailout with all of its unfortunate repercussions on our financial markets.

Don Kent
 Don Kent
 Treasurer-Tax Collector

Portfolio Statistics

Month End Market Value(1)	Month End Book Value	Paper Gain or Loss (\$)	Paper Gain or Loss (%)	Book Yield(2)	WAM	Modified Duration
April	6,186,074,578.96	6,179,269,634.31	6,804,944.65	0.11%	0.92	0.96
March	5,499,942,292.84	5,493,676,571.36	6,265,721.48	0.11%	1.02	1.07
February	5,336,824,183.57	5,321,146,126.84	15,678,056.73	0.29%	1.02	1.00
January	5,786,604,370.24	5,768,992,066.26	17,612,303.98	0.31%	0.97	1.05
December	6,155,962,037.08	6,146,858,125.24	9,103,911.84	0.15%	0.95	0.97
November	5,155,915,736.52	5,128,291,035.95	27,624,700.57	0.54%	1.16	1.06

The Treasurer's Pooled Investment Fund is composed of County, Schools, Special Districts and other Discretionary Depositors

RIVERSIDE COUNTY TREASURER'S POOLED INVESTMENT FUND IS CURRENTLY RATED:
 Aaa/Aaa1 BY MOODY'S INVESTOR SERVICES Aaa/Aaa1+ BY FITCH RATINGS

Market Snapshot

The Fed maintained the target rate at a range of 0 to 25 bps. The 2 year T-Note was yielding 0.97% (down 5bps), while the 10 year T-Note was yielding 3.69% (down 15bps.) For April, the Pool had a decrease of 10 bps in the average monthly yield.

U.S. GOVERNMENT

5									
4									
3									
2									
1									
0									

3 Mo US Treasury Bill	0.16	0.00
6 Mo US Treasury Bill	0.25	0.01
2 Yr US Treasury Note	0.97	(0.05)
5 Yr US Treasury Note	2.43	(0.12)
10 Yr US Treasury Note	3.69	(0.15)
FED Fund Rate	0.25	0.00

Other Markets

Crude Oil (barrel)	86.15	2.39
Gold (Ounce)	1,179.20	65.95

Major Indices

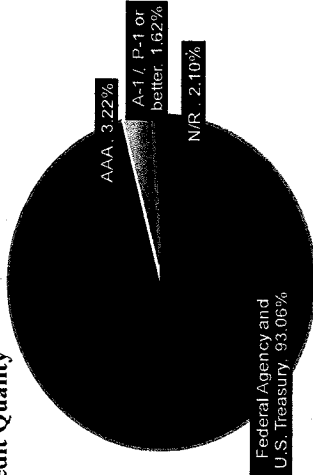
DJIA	11,008.60	152.00
S&P 500	1,186.69	17.26
NASDAQ	2,461.19	63.23

Portfolio Characteristics

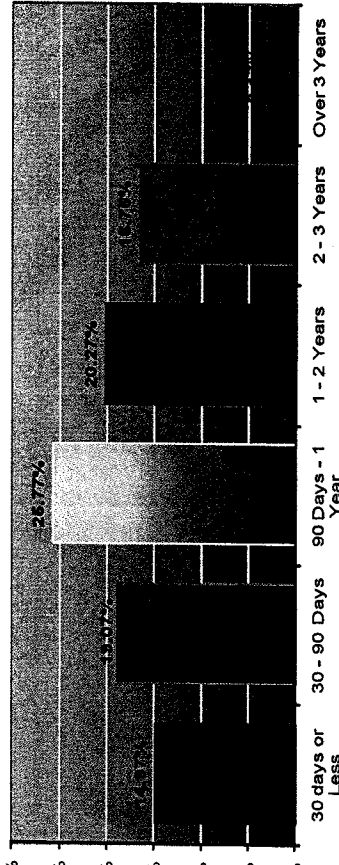
Sector breakdown

	Market Value	WAM	Book Yield
Federal Agency	4,635,648,370	17	104
Cash Equivalent & MMF	99,108,108	0.08	0.28
Commercial Paper	99,883,333	0.05	0.20
Negotiable CDs	-	-	-
Medium Term Notes	1,929,500	0.03	3.21
Municipal Bonds	103,462,451	0.34	2.00
Certificate of Deposit	-	-	-
Bond - U.S. Treasury	1,212,828,817	0.53	0.45
Local Agency Obligation	5,660,000	162	149
TOTAL	6,186,074,579	1.07	0.99

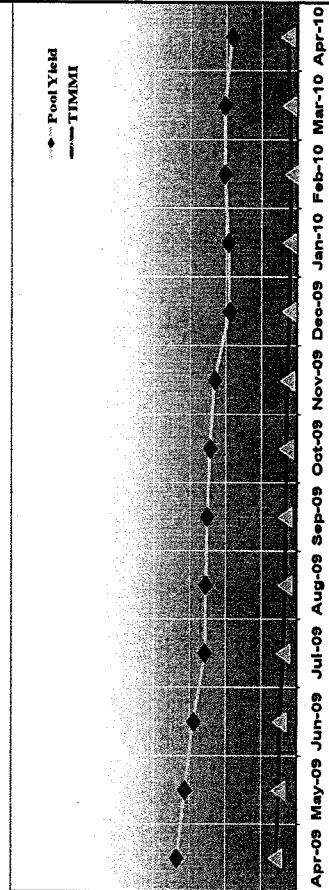
Credit Quality



Maturity Distribution



12 Month Gross Yield Trends¹



Cash Flows²

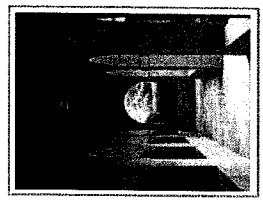
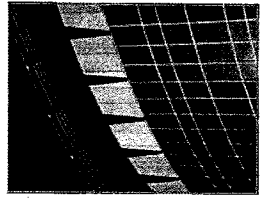
Month	Monthly Receipts	Monthly Disbts	Difference	Required Mat. Invest	Balance	Actual Inv. Maturities
05/2010	592,533	134,170	(749,170)	765,27	43,90	650,00
06/2010	707,13	113,100	(423,87)	423,87	-	598,00
07/2010	735,29	107,85	(372,36)	372,36	-	411,50
08/2010	716,41	839,69	(123,28)	123,28	-	290,00
09/2010	566,39	799,59	(233,20)	233,20	-	233,00
10/2010	746,70	874,78	(128,08)	128,08	-	175,00
11/2010	754,63	767,61	(12,98)	12,98	(0,00)	5,00
12/2010	1,530,09	890,64	639,45	639,45	639,45	79,00
01/2011	615,93	1,408,36	(792,43)	792,43	-	229,90
02/2011	560,00	946,97	(386,97)	386,97	-	140,00
03/2011	932,96	850,00	82,96	82,96	82,96	13,65
04/2011	1,389,61	820,00	569,61	569,61	569,61	105,00
TOTALS	9,867,7	11,779,2	(1,911,5)	2,540,2	411P%	2,950,1

¹ Treasurer's Institutional Money Market Index (TIMMI) is compiled and reported by the Riverside County Treasurer's Capital Markets division. It is a composite index derived from the average of three multi-billion dollar AAA rated Prime funds that invest in a diversified portfolio of U.S. dollar denominated money market instruments including U.S. Treasuries, government agencies, bankers' acceptances, commercial paper, certificates of deposits, repurchase agreements, etc.) portfolios that the Treasurer tracks. Further details available upon request. Current funds are ASTITGA, WFFXX (12/09), and MPFFXX.

² The Pooled Investment Fund cash flow requirements are based upon a 12 month historical cash flow model. Based upon projected cash receipts and maturing investments, there are sufficient funds to meet future cash flow disbursements over the next 12 months.

Treasurer's Pooled Investment Fund

Table with columns: CUSIP, PAR, DESCRIPTION, COUPON, MATURITY, BOOK VALUE 1, PRICE, M. VALUE 1, GAIN/LOSS, YLD (MAT), M. DUR., AVG. LIFE 2. Rows include various bond and mortgage descriptions such as 'FED HOME LOAN BANK 3YR NSM3B' and 'FHLB - MORTG. CERT. 2YR'.



The Treasurer's Pooled Investment Fund was in **FULL COMPLIANCE** with the Treasurer's Statement of Investment Policy. The County's Investment Policy is more restrictive than the California Government Code. This policy is reviewed annually by the County's Investment Oversight Committee and approved by the County Board of Supervisors.

Government Code County Investment Policy

Investment Category	Maximum		Quality		Authorized		Maximum		Quality		Actual	
	Maturity	% Limit	S&P/ Moody's	% Limit	Maturity	% Limit	S&P/ Moody's	Investment Grade	Portfolio %			
AGENCY BONDS	5 YEARS	NO LIMIT	A/A2/A	15% / \$150MM	3 YEARS	15% / \$150MM	A/A2/A	INVESTMENT GRADE	1.67%			
U.S. TREASURY	5 YEARS	NO LIMIT	N/A	100%	5 YEARS	100%	N/A		18.13%			
LOCAL AGENCY OBLIGATIONS	5 YEARS	NO LIMIT		2.50%	3 YEARS	2.50%		INVESTMENT GRADE	0.25%			
FEDERAL AGENCIES	5 YEARS	NO LIMIT	AAA	NO LIMIT	5 YEARS	NO LIMIT	AAA		74.94%			
BILLS OF EXCHANGE	270 DAYS	40% (1)		30%	180 DAYS	30%	A1/P1/F1		-			
COMMERCIAL PAPER	270 DAYS	40%	A1/P1	40%	270 DAYS	40%	A1/P1/F1		1.62%			
CERTIFICATE & TIME DEPOSITS	5 YEARS	30%		25% MAX	1 YEAR	25% MAX	A1/P1/F1		-			
REPURCHASE AGREEMENTS	1 YEAR	NO LIMIT		40% / 25% TERM MAX	45 DAYS	40% / 25% TERM MAX	A1/P1/F1		-			
REVERSE REPOS	92 DAYS	20%		10% MAX	60 DAYS	10% MAX	N/A		-			
MED. TERM NOTES	5 YEARS	30%	A	20% MAX	2 YEARS	20% MAX	AA/Aa2/AA		0.18%			
CalTRUST SHORT TERM FUND	N/A	N/A	N/A	1%	DAILY LIQUIDITY	1%	BOARD APPROVED		0.87%			
MUTUAL FUNDS	90 DAYS (2)	20%	AAA/Aaa (3)	20%	DAILY LIQUIDITY	20%	AAA BY 2 OF 3 RATINGS AGENCIES		-			
SECURED BANK DEPOSITS	5 YEARS	NO LIMIT		2%	1 YEAR	2%			-			
MORTGAGE PASS-THROUGH SECURITIES	5 YEARS	20%	AA-SECURITY A-ISSUER	N/A	N/A	N/A			-			
LOCAL AGENCY INVESTMENT FUNDS	N/A	NO LIMIT		0% MAX	3 YEARS	0% MAX			-			
CASH/DEPOSIT ACCOUNT	N/A	N/A	N/A	N/A	N/A	N/A	N/A		2.34%			

1 No more than 30% of this category may be invested with any one commercial bank
 2 Mutual Funds maturity may be interpreted as weighted average maturity not exceeding 90 days
 3 Or must have an Investment advisor with not less than 5 years experience and with assets under management of \$500,000,000.



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