

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

118A



**FROM:** Don Kent, Treasurer-Tax Collector

**SUBMITTAL DATE:**  
December 15, 2010

**SUBJECT:** Treasurer's Monthly Disclosure Report on Investments

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

Don Kent, Treasurer-Tax Collector

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2010-2011

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

**C.E.O. RECOMMENDATION:** **APPROVE**

BY:   
Karen L. Johnson

County Executive Office Signature

- Policy
- Policy
- Consent
- Consent

Dep't Recomm.:  
Per Exec. Ofc.:

Prev. Agn. Ref.: ATTACHMENT 5 FILED WITH THE CLERK OF THE BOARD | District: ALL | Agenda Number:

2.29

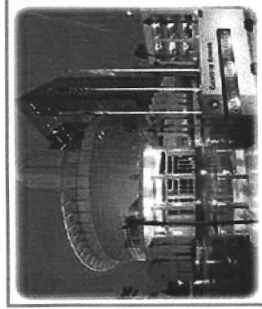
Departmental Concurrence



COUNTY OF RIVERSIDE  
**TREASURER'S POOLED INVESTMENT FUND**  
**MONTHLY REPORT**  
**NOVEMBER 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*

**Angela Tressler**  
*Asst. Investment Manager*

Economic Indicators of Importance	
24-Nov	Durable Goods Orders (-3.3% actual vs. 0.1% survey)
23-Nov	Gross Domestic Product (2.5% actual vs. 2.4% survey)
30-Nov	Consumer Confidence (54.1 actual vs. 52 survey)
3-Dec	Factory Orders (-0.9% actual vs. -0.8% survey)
3-Dec	Unemployment Rate (9.8% actual vs. 9.7% survey) Payroll change (39000 actual vs. 168000 survey)
17-Nov	Consumer Price Index CPI (0.2% actual vs. 0.4% survey) Core CPI (0% actual vs. 0.1% survey)

**"Wish List: More Growth, Less Uncertainty"**

Just as October was a month of little to report, November exploded with news of artillery attacks on our allies and big battles brewing with Congress and the Obama administration about the economic future of our country.

Economically speaking, we need more growth with less uncertainty. On the whole, it is the confidence factor that causes businesses to put off hiring decisions and expansion plans. With the past month, some of the uncertainty has cleared. Republican gains in Congress have increased the odds that extension of the Bush tax cuts may occur. The recent success of the Tea Party movement could also lead to more fiscal control, which may help reduce ballooning budget deficits and help rein in uncontrolled spending in all levels of government.

Unemployment continues to hover around 9.6%, nationally and over 14% in the Inland Empire. High unemployment will continue to constrain recoveries in both consumer spending and housing. The disposition of troubled properties and a new wave of foreclosures could push off a further recovery and create more downside risk to the economy.

Questions about inflation are expected given the Fed's continued stimulus program. One effect of QE2 is that the weakening dollar is impacting commodities prices. Higher prices will boost PPI, but should have a relatively minor impact on the consumer. At this juncture, consumer demand is not robust enough for businesses to pass along higher costs. This will force businesses to find other ways to cut costs, which will curb new hiring as well as business spending.



In one of the most serious exchanges since the Korean War ended, North and South Korea traded artillery fire. At least two South Korean marines were killed in the barrage and some civilians were injured as well as many structures destroyed. This wouldn't normally be a huge geopolitical issue to potentially roll worldwide financial markets, however, the North is now armed with nuclear weapons and the South is pondering the deployment of U.S. tactical nuclear weapons for the first time in almost 20 years. These troubling developments in Asia could not have come at a worse time since we ourselves are engaged in Afghanistan and Iraq, as well as dealing with one of the worst economic crises in U.S. history.

As expected there was no significant FED Funds rate action at the November 3<sup>rd</sup> FOMC meeting, the benchmark Fed Funds rate remains unchanged at 0-25 bps.

Don Kent  
 Treasurer-Tax Collector

Portfolio Statistics

	Month End Market Value(1)	Paper Gain or Loss (\$)	Paper Gain or Loss (%)	Book Yield(2)	WAM (Yrs.)	Modified Duration
November	5,494,153,474.47	5,489,078,369.48	5,075,104.99	0.09%	0.69	1.19
October	4,920,308,503.80	4,909,585,465.84	10,723,037.96	0.22%	0.75	1.13
September	5,255,311,172.36	5,246,149,168.28	9,162,004.08	0.17%	0.78	1.05
August	5,166,434,405.70	5,157,139,348.26	9,295,057.44	0.18%	0.87	1.09
July	5,094,737,682.79	5,085,073,808.65	9,663,874.14	0.19%	0.89	1.11
June	4,971,118,828.26	4,960,710,905.49	10,407,922.77	0.21%	0.92	1.02

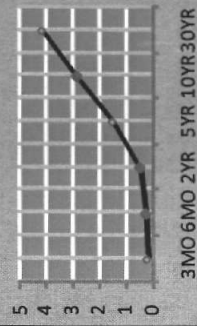
(1) Market values do not include accrued interest, (2) Monthly Average Book Yield

RIVERSIDE COUNTY TREASURER'S POOLED INVESTMENT FUND IS CURRENTLY RATED:  
 Aaa/MRI BY MOODY'S INVESTOR SERVICES AAA/V1 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 0.45% (up 11bps) while the 10 year T-Note was yielding 2.81% (up 18bps). For November, the Pool had a decrease of 6bps in the average monthly yield.

U.S. Government



Other Markets

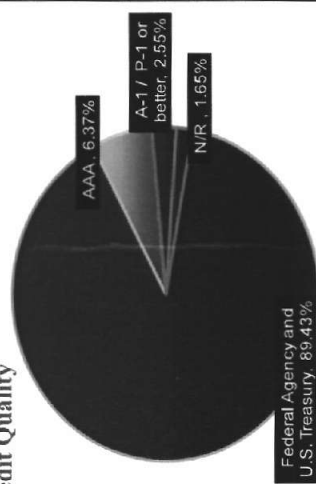
Crude Oil (barrel)	84.11	2.68
Gold (Ounce)	1,386.02	26.62
DJIA	11,006.00	(112.50)
S&P 500	1,180.55	(2.71)
NASDAQ	2,498.23	(9.18)

Portfolio Characteristics

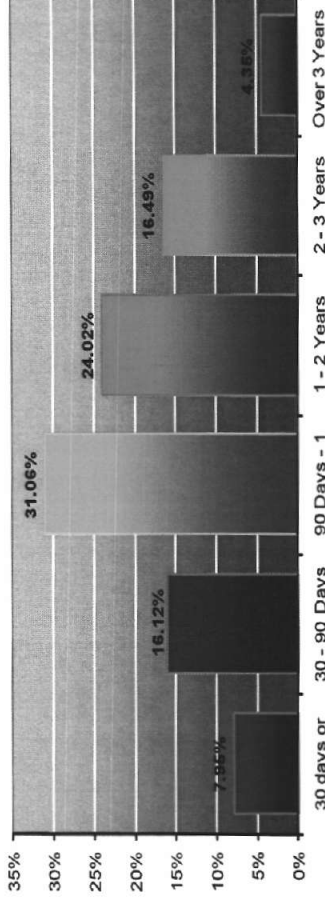
Sector breakdown

	Market Value	WAM	Book Yield
Federal Agency	4,566,942,599	0.90	0.74
MMF	420,162,162	0.08	0.26
Commercial Paper	139,893,833	0.20	0.25
Negotiable CDs	-	-	-
Medium Term Notes	-	-	-
Municipal Bonds	20,154,783	0.49	3.36
Certificate of Deposit	-	-	-
Bond - U.S. Treasury	346,365,097	0.80	0.26
Local Agency Obligation	635,000	10.05	1.22
<b>TOTAL</b>	<b>5,494,153,474</b>	<b>1.19</b>	<b>0.69</b>

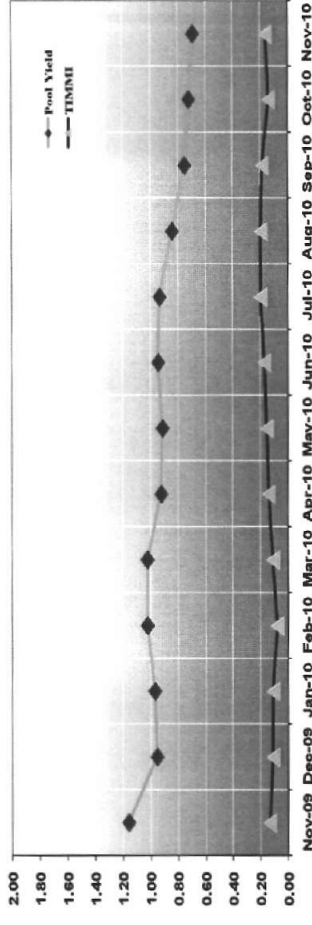
Credit Quality



Maturity Distribution



12 Month Gross Yield Trends<sup>1</sup>



Cash Flows<sup>2</sup>

Month	Monthly Receipts	Monthly Disbmts	Difference	Required Mat. Invest	Balance	Actual Inv. Maturities	Avail. To Invest > 1 Yr.
12/2010	1,530.09	890.64	639.45	10.130	740.75	471.84	
01/2011	615.93	1,409.36	(793.43)	52.68	(0.00)	709.45	
02/2011	560.00	946.97	(386.97)	386.97	-	140.00	
03/2011	952.96	850.00	102.96	802.96	802.96	6.75	
04/2011	1,389.61	820.00	569.61	717.17	672.57	7.17	
05/2011	760.95	1,200.00	(439.05)	237.66	233.52	733.99	
06/2011	878.82	1,350.00	(471.18)	157.14	12.54	213.85	
07/2011	1,008.18	995.64	12.54	63.07	-	157.14	
08/2011	547.80	725.41	(177.61)	124.84	-	258.00	
09/2011	738.85	863.69	(124.84)	90.00	-	90.00	
10/2011	730.00	820.00	(90.00)	150.37	-	15.00	
11/2011	840.22	689.85	150.37	105.72	150.37	160.00	
TOTALS	10,553.4	11,561.6	(1,008.2)	3,027.2	4,431.8	5,158.5	80.74%

<sup>1</sup> 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 ASTTGA, WFJXX (12/09), and MPFX.

<sup>2</sup> 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.







Table with columns: CUSIP, PAR, DESCRIPTION, COUPON, MATURITY, BOOK VALUE 1, PRICE, M. VALUE, GAIN/LOSS, YLD MAT, MDUR, AVG. LIFE2. Includes sub-sections for FHLB - FHLB - MORTG. CERT. and FHLB - FHLB - MORTG. CERT. 2.2Yr.





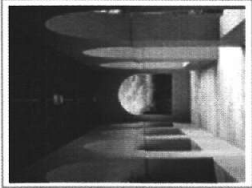
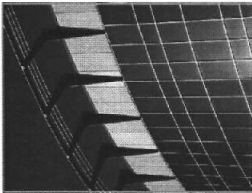




Treasurer's Pooled Investment Fund  
 Month End Portfolio Holdings Report

CUSIP	PAR	DESCRIPTION	COUPON	MATURITY	BOOK VALUE 1	PRICE	M. VALUE	GAIN/LOSS	YLD MAT <sup>1</sup>	M DUR. <sup>1</sup>	AVG. LIFE <sup>2</sup>
313396FT5	50,000,000.00	FEDERAL HOME LOAN MORG CORP DI	0.30	5/18/2011	49,880,833.33	99.91	49,955,000.00	74,166.67	0.30	0.47	0.46
313396FT5	50,000,000.00	FEDERAL HOME LOAN MORG CORP DI	0.25	5/18/2011	49,907,986.11	99.91	49,955,000.00	47,013.89	0.25	0.47	0.46
313396FZ1	50,000,000.00	FEDERAL HOME LOAN MORG CORP DI	0.25	5/24/2011	49,905,208.33	99.90	49,950,000.00	44,791.67	0.25	0.48	0.48
313396GB3	50,000,000.00	FEDERAL HOME LOAN MORG CORP DI	0.25	5/26/2011	49,907,291.67	99.90	49,950,000.00	42,708.33	0.25	0.49	0.48
313396GG2	50,000,000.00	FEDERAL HOME LOAN MORG CORP DI	0.25	5/31/2011	49,903,472.22	99.90	49,950,000.00	46,527.78	0.25	0.50	0.50
313396HM8	50,000,000.00	FEDERAL HOME LOAN MORG CORP DI	0.26	6/29/2011	49,893,472.22	99.88	49,940,000.00	46,527.78	0.26	0.58	0.58
313396HJ0	20,000,000.00	FEDERAL HOME LOAN MORG CORP DI	0.44	6/29/2011	19,911,511.11	99.88	19,976,000.00	64,488.89	0.44	0.58	0.58
313396JY0	50,000,000.00	FEDERAL HOME LOAN MORG CORP DI	0.24	7/13/2011	49,904,000.00	99.86	49,930,000.00	26,000.00	0.24	0.62	0.62
313396KEZ	50,000,000.00	FEDERAL HOME LOAN MORG CORP DI	0.25	8/3/2011	49,892,708.33	99.84	49,920,000.00	27,291.67	0.25	0.67	0.67
313396KEZ	50,000,000.00	FEDERAL HOME LOAN MORG CORP DI	0.29	8/9/2011	49,870,305.56	99.84	49,920,000.00	49,694.44	0.29	0.69	0.69
313396KF9	50,000,000.00	FEDERAL HOME LOAN MORG CORP DI	0.29	8/10/2011	49,867,486.11	99.84	49,920,000.00	52,513.89	0.29	0.69	0.69
	<b>830,000,000.00</b>				<b>828,364,608.32</b>		<b>828,984,916.67</b>	<b>620,308.35</b>	<b>0.26</b>	<b>0.44</b>	<b>0.44</b>
<b>LAO - LOCAL AGENCY OBLIGATIONS</b>											
	635,000.00	US DIST COURTHOUSE	1.22	12/15/2020	635,000.00	100.00	635,000.00	-	1.22	9.37	10.05
	<b>635,000.00</b>				<b>635,000.00</b>				<b>1.22</b>	<b>9.37</b>	<b>10.05</b>
<b>MMF - MONEY MARKET FUND</b>											
BPJXX	110,000,000.00	BLACKROCK	0.22	12/30/2010	110,000,000.00	100.00	110,000,000.00	-	0.22	0.08	0.08
LAIF	50,000,000.00	LAIF	0.40	12/30/2010	50,000,000.00	100.00	50,000,000.00	-	0.04	0.08	0.08
CASH	36,000,000.00	CASH	0.11	12/30/2010	36,000,000.00	100.00	36,000,000.00	-	0.11	0.08	0.08
CLTR	54,000,000.00	CLTR	0.58	12/30/2010	54,000,000.00	100.00	54,000,000.00	-	0.58	0.08	0.08
FIPXX	100,000,000.00	FIDELITY	0.25	12/30/2010	100,000,000.00	100.00	100,000,000.00	-	0.25	0.08	0.08
POIXX	30,000,000.00	FEDERATED	0.18	12/30/2010	30,000,000.00	100.00	30,000,000.00	-	0.18	0.08	0.08
WFJXX	40,000,000.00	HERITAGE	0.20	12/30/2010	40,000,000.00	100.00	40,000,000.00	-	0.20	0.08	0.08
	<b>420,000,000.00</b>				<b>420,000,000.00</b>		<b>420,000,000.00</b>		<b>0.24</b>	<b>0.08</b>	<b>0.08</b>
<b>MUNI - MUNICIPAL BONDS</b>											
649902NK5	6,840,000.00	NY DORM TXB B EGON AAA	3.46	12/15/2010	6,840,000.00	100.00	6,840,000.00	-	3.46	0.04	0.04
68607YD7	1,170,000.00	OREGON ST LOTTERY Aa3/AAA	4.16	4/1/2011	1,170,000.00	101.18	1,183,806.00	13,806.00	4.16	0.33	0.33
20775BNC6	1,000,000.00	CT HFA Aaa/AAA	1.60	5/15/2011	1,000,000.00	100.25	1,002,460.00	2,460.00	1.60	0.45	0.45
93974CBY5	5,000,000.00	WASHINGTON ST Aa1/AA+/AA	4.00	7/1/2011	5,023,300.00	102.13	5,106,700.00	83,400.00	3.83	0.57	0.58
93974CBY5	3,645,000.00	WASHINGTON ST Aa1/AA+/AA	4.00	7/1/2011	3,661,985.70	102.13	3,722,784.30	60,798.60	3.83	0.57	0.58
20775BND4	850,000.00	CT HFA Aaa/AAA	2.18	5/15/2012	850,000.00	100.14	851,156.00	1,156.00	2.18	1.43	1.46
041042RK0	1,440,000.00	ARKANSAS ST AA/Aa1	1.25	7/1/2012	1,440,273.60	100.55	1,447,876.80	7,603.20	1.24	1.56	1.59
	<b>19,945,000.00</b>				<b>19,985,559.30</b>		<b>20,154,783.10</b>	<b>169,223.80</b>	<b>3.36</b>	<b>0.48</b>	<b>0.49</b>
	<b>5,485,072,000.00</b>				<b>5,489,078,369.48</b>		<b>5,493,991,312.29</b>	<b>4,912,942.81</b>	<b>0.69</b>	<b>1.17</b>	<b>1.19</b>
<b>TOTALS</b>											

1. The market value and yield of short-term money market securities are based on purchase price.  
 2. Average life is the number of years until principal is returned at maturity, weighted by market value.  
 3. Local Agency Obligations have variable rate coupons, spread to Pool.  
 4. Modified Duration. The percentage price change of a security for a given change in yield.  
 The higher the modified duration of a security, the higher the risk.  
 5. Pricing based on November 30, 2010.



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.

Investment Category	Government Code		County Investment Policy				Actual Riverside Portfolio %
	Maximum Maturity	Authorized % Limit	Quality S&P/ Moody's	Maximum Maturity	Authorized % Limit	Quality S&P/ Moody's	
AGENCY BONDS	5 YEARS	NO LIMIT	A/A2/A	3 YEARS	15%/ \$150MM	A/A2/A	0.37%
U.S. TREASURY	5 YEARS	NO LIMIT	N/A	5 YEARS	100%	N/A	6.30%
LOCAL AGENCY OBLIGATIONS	5 YEARS	NO LIMIT		3 YEARS	2.50%	INVESTMENT GRADE	0.01%
FEDERAL AGENCIES	5 YEARS	NO LIMIT	AAA	5 YEARS	NO LIMIT	AAA	83.12%
BILLS OF EXCHANGE	270 DAYS	40% (1)		180 DAYS	30%	A1/P1/F1	-
COMMERCIAL PAPER	270 DAYS	40%	A1/P1	270 DAYS	40%	A1/P1/F1	2.55%
CERTIFICATE & TIME DEPOSITS	5 YEARS	30%		1 YEAR	25% MAX	A1/P1/F1	-
REPURCHASE AGREEMENTS	1 YEAR	NO LIMIT		45 DAYS	40%/25% TERM MAX	A1/P1/F1	-
REVERSE REPOS	92 DAYS	20%		60 DAYS	10% MAX	N/A	-
MED. TERM NOTES	5 YEARS	30%	A	2 YEARS	20% MAX	AA/Aa2/AA	-
CalTRUST SHORT TERM FUND	N/A	N/A	N/A	DAILY LIQUIDITY	1%	BOARD APPROVED	0.99%
MUTUAL FUNDS	90 DAYS (2)	20%	AAA/Aaa (3)	DAILY LIQUIDITY	20%	AAA by 2 Of 3 RATINGS AGENCIES	5.10%
SECURED BANK DEPOSITS	5 YEARS	NO LIMIT		1 YEAR	2%		-
MORTGAGE PASS- THROUGH SECURITIES	5 YEARS	20%	AA-SECURITY A-ISSUER	N/A	N/A		-
LOCAL AGENCY INVESTMENT FUNDS	N/A	NO LIMIT		3 YEARS	0% MAX		0.91%
CASH/DEPOSIT ACCOUNT	N/A	N/A	N/A	N/A	N/A	N/A	0.66%

<sup>1</sup> No more than 30% of this category may be invested with any one commercial bank

<sup>2</sup> Mutual Funds maturity may be interpreted as weighted average maturity not exceeding 90 days

<sup>3</sup> Or must have an investment advisor with not less than 5 years experience and with assets under management of \$500,000,000.



County Administrative Center

4080 Lemon Street, 4th Floor - Capital Markets

Riverside, CA 92502-2205

[www.riversidetaxinfo.com](http://www.riversidetaxinfo.com)