

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

387A



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

**SUBMITTAL DATE:**  
March 12, 2015

**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 February 2015.

**BACKGROUND:**

**Summary**

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".

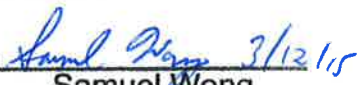
Departmental Concurrence

  
 \_\_\_\_\_  
 Don Kent  
 Treasurer-Tax Collector

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0	\$ 0	\$ 0	\$ 0	Consent <input checked="" type="checkbox"/> Policy <input type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

<b>SOURCE OF FUNDS:</b>	Budget Adjustment: No
	For Fiscal Year: 2014/2015

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

BY:  3/12/15  
Samuel Wong

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

- A-30
- Positions Added
- 4/5 Vote
- Change Order

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

2-15



# County of Riverside *February* 2015

## *Treasurer's Pooled Investment Fund*



### Capital Markets Team

**Don Kent**

Treasurer-Tax Collector

**Jon Christensen**

Asst. Treasurer-Tax Collector

**Giovane Pizano**

Investment Manager

**Isela Licea**

Asst. Investment Manager

### Investment Objectives

*The primary objective of the treasurer shall be to **safeguard the principal** of the funds under the treasurer's control, meet the **liquidity needs** of the depositor, and achieve a **return on the funds** under his or her control.*

**COUNTY OF RIVERSIDE TREASURER'S POOLED INVESTMENT FUND IS CURRENTLY RATED: **Aaa-bf** BY MOODY'S INVESTOR'S SERVICE AND **AAA/V1** BY FITCH RATINGS**

	Month End Market Value (\$)*	Month End Book Value (\$)	Paper Gain or Loss (\$)	Paper Gain or Loss (%)	Book Yield (%)	Yrs to Maturity	Modified Duration
<b>February</b>	5,517,030,770.65	5,517,608,884.48	(578,113.83)	(0.01)	0.48	1.35	1.32
<b>January</b>	5,536,152,467.50	5,532,205,553.13	3,946,914.37	0.07	0.44	1.26	1.23
<b>December</b>	5,895,845,894.96	5,899,853,397.68	(4,007,502.72)	(0.07)	0.43	1.24	1.21
<b>November</b>	4,813,034,831.17	4,811,717,725.40	1,317,105.77	0.03	0.46	1.42	1.39
<b>October</b>	4,619,489,691.81	4,619,977,432.54	(487,740.73)	(0.01)	0.44	1.35	1.32
<b>September</b>	4,685,137,882.96	4,689,709,358.81	(4,571,475.85)	(0.10)	0.44	1.33	1.30

*The Treasurer's Pooled Investment Fund is comprised of the County, Schools, Special Districts, and other Discretionary Depositors.*

# Current Market Data

## Economic Indicators

Release Date	Indicator	Consensus	Actual
02/06/2015	<b>Non-Farm Payrolls M/M change:</b> Counts the number of paid employees working part-time or full-time in the nation's business and government establishments.	230,000	257,000
02/06/2015	<b>Employment Situation:</b> Measures the number of unemployed as a percentage of the labor force.	5.6%	5.7%
02/26/2015	<b>Durable Goods Orders - M/M change:</b> Reflects the new orders placed with domestic manufacturers for immediate and future delivery of factory hard goods.	2.0%	2.8%
02/27/2015	<b>Real Gross Domestic Product - Q/Q change:</b> The broadest measure of aggregate economic activity and encompasses every sector of the economy. GDP is the country's most comprehensive economic scorecard.	2.1%	2.2%
02/24/2015	<b>Consumer Confidence:</b> Measures consumer attitudes on present economic conditions and expectations of future conditions.	99.1	96.4
02/03/2015	<b>Factory Orders M/M change:</b> Represents the dollar level of new orders for both durable and nondurable goods.	-2.2%	-3.4%
02/26/2015	<b>Consumer Price Index - M/M change:</b> The Consumer Price Index is a measure of the average price level of a fixed basket of goods and services purchased by consumers.	-0.6%	-0.7%

## Stock Indices

	Value	Change
Dow Jones (DJIA)	\$ 18,132.70	\$ 967.75
S&P 500 Index	\$ 2,104.50	\$ 109.51
NASDAQ (NDX)	\$ 4,440.67	\$ 292.24

## Commodities

	Value	Change
Nymex Crude	\$ 49.76	\$ 1.52
Gold (USD/OZ)	\$ 1,213.22	\$ (70.55)

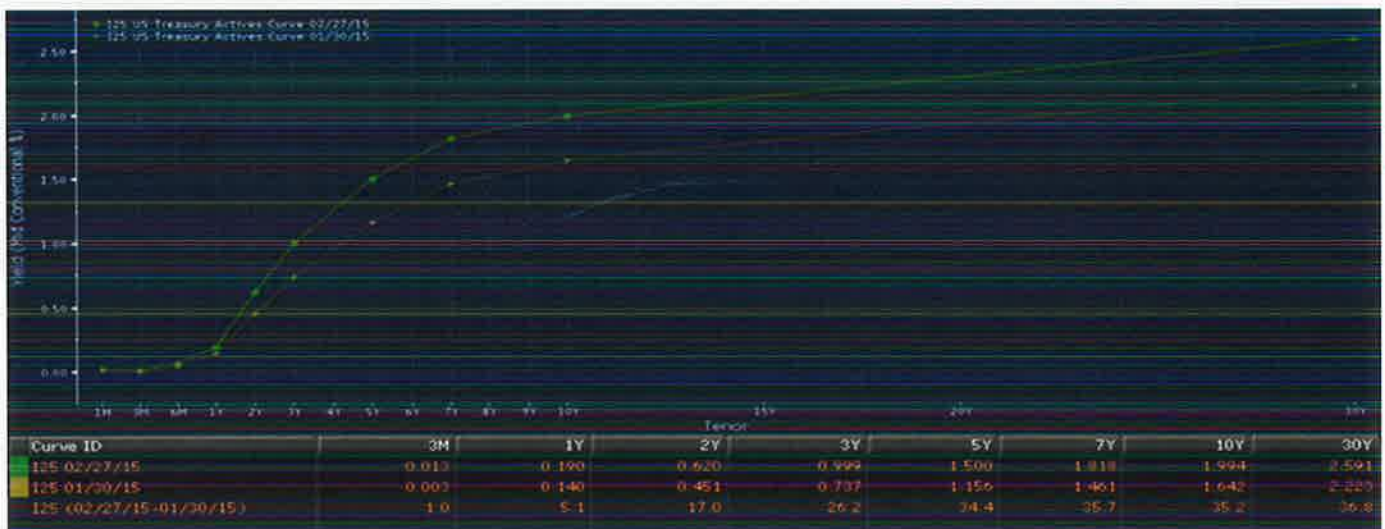
## Fed Funds Target Rate

Current Fed Funds Rate: 0-0.25%		
Probability for FOMC Dates:		
Fed Move	03/18/2015	04/29/2015
Decrease to 0.00%	50.0%	48.0%
Increase to 0.25%	50.0%	50.0%
Increase to 0.50%	0.0%	2.0%
Increase to 0.75%	0.0%	0.0%
Increase to 1%	0.0%	0.0%

## FOMC Meeting Schedule

Release	%	Risk Assessment
28-Jan	0-.25%	Growth

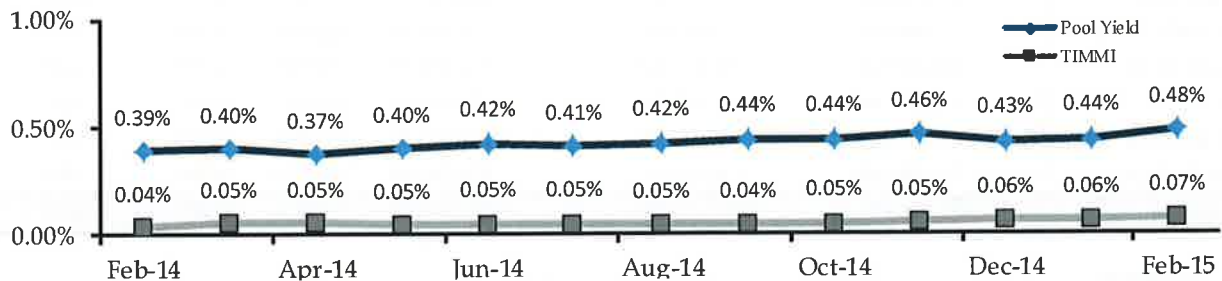
## US Treasury Curve (M/M)



# TIMMI

The 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 four AAA rated prime institutional money market funds. Similar to the Treasurer's Office, prime money market funds invest in a diversified portfolio of U.S. dollar denominated money market instruments including U.S. Treasuries, government agencies, commercial paper, certificates of deposits, repurchase agreements, etc. TIMMI is currently comprised of the five multi billion dollar funds listed below.

AAA Rated Prime Institutional Money-Market Funds		
Fund	Symbol	7 Day Yield
Fidelity Prime Institutional MMF	FIPXX	0.09%
Federated Prime Obligations Fund	POIXX	0.04%
Wells Fargo Advantage Heritage	WFJXX	0.10%
Morgan Stanley Institutional Prime Liquidity Fund	MPFXX	0.06%
JP Morgan	CJPXX	0.07%



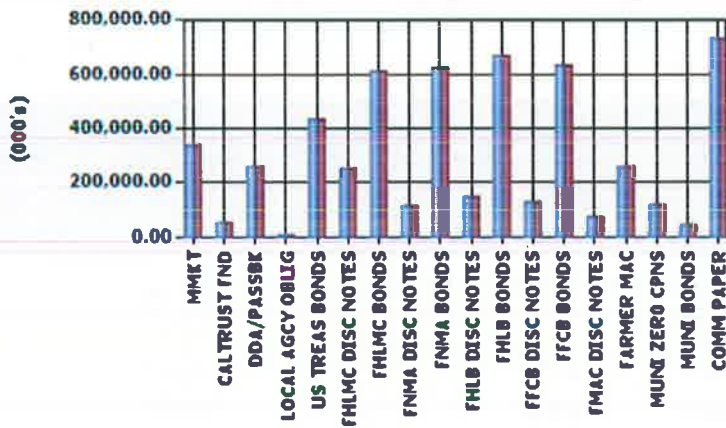
## Cash Flows

Month	Monthly Receipts	Monthly Disbursements	Difference	Required Maturesd Investments	Balance	Actual Investments Maturing	Available to Invest > 1 Year
03/2015					116.55		
03/2015	1,000.00	920.00	80.00		196.55	821.00	
04/2015	1,375.00	950.00	425.00		621.55	178.45	
05/2015	520.00	1,185.89	(665.89)	44.34	-	646.63	
06/2015	750.00	1,220.61	(470.61)	470.61	-	493.37	
07/2015	1,100.00	1,050.00	50.00		50.00	172.06	
08/2015	725.00	850.00	(125.00)	75.00	-	178.34	
09/2015	800.00	1,000.00	(200.00)	200.00	-	70.00	
10/2015	975.00	1,150.00	(175.00)	175.00	-	88.16	
11/2015	1,150.00	900.00	250.00		250.00	50.00	
12/2015	1,900.00	975.00	925.00		1,175.00	100.00	
01/2016	901.94	1,593.66	(691.72)		483.28	430.07	
02/2016	875.00	1,000.00	(125.00)		358.28	115.25	
<b>TOTALS</b>	<b>12,071.94</b>	<b>12,795.16</b>	<b>(723.22)</b>	<b>964.95</b>	<b>3,251.21</b>	<b>3,343.33</b>	<b>4,552.65</b>
				<b>17.49%</b>		<b>60.59%</b>	<b>82.51%</b>

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.

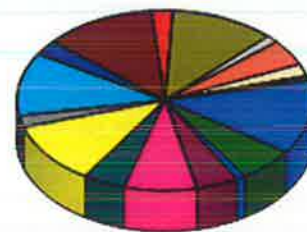
# Asset Allocation

Assets (000's)	Scheduled Par	Scheduled Book	Scheduled Market	Mkt/ Sch Book	Yield	WAL (Yr)	Mat (Yr)
MMKT	340,000.00	340,000.00	340,000.00	100.00%	0.08%	.003	.003
CALTRUST FND	54,000.00	54,000.00	54,000.00	100.00%	0.49%	.003	.003
DDA/PASSBK	260,000.00	260,000.00	260,000.00	100.00%	0.08%	.003	.003
LOCAL AGCY OBLIG	395.00	395.00	395.00	100.00%	0.94%	5.299	5.299
US TREAS BONDS	435,000.00	435,092.58	435,075.05	100.00%	0.36%	1.213	1.213
FHLMC DISC NOTES	253,571.00	253,398.68	253,531.89	100.05%	0.10%	.293	.293
FHLMC BONDS	612,848.00	612,812.27	612,760.23	99.99%	1.16%	1.915	3.116
FNMA DISC NOTES	116,000.00	115,936.44	115,966.93	100.03%	0.11%	.377	.377
FNMA BONDS	628,674.00	628,420.48	627,756.03	99.89%	0.77%	2.243	2.392
FHLB DISC NOTES	150,000.00	149,885.15	149,934.89	100.03%	0.14%	.485	.485
FHLB BONDS	670,310.71	670,315.28	670,143.99	99.97%	0.80%	1.707	2.384
FFCB DISC NOTES	130,061.00	129,979.78	130,043.49	100.05%	0.11%	.280	.280
FFCB BONDS	634,766.00	634,799.12	634,715.49	99.99%	0.27%	1.046	1.046
FMAC DISC NOTES	75,000.00	74,853.48	74,914.75	100.08%	0.22%	.628	.628
FARMER MAC	258,850.00	258,837.00	258,804.79	99.99%	1.12%	.640	3.111
MUNI ZERO CPNS	120,930.00	120,872.56	120,900.50	100.02%	0.15%	.161	.161
MUNI BONDS	44,855.00	44,845.77	44,845.77	100.00%	0.31%	.642	.642
COMM PAPER	733,500.00	733,165.31	733,241.96	100.01%	0.14%	.182	.182
<b>Totals (000's):</b>	<b>5,518,760.71</b>	<b>5,517,608.88</b>	<b>5,517,030.77</b>	<b>99.99%</b>	<b>0.48%</b>	<b>1.005</b>	<b>1.353</b>



SCHEDULED PAR %

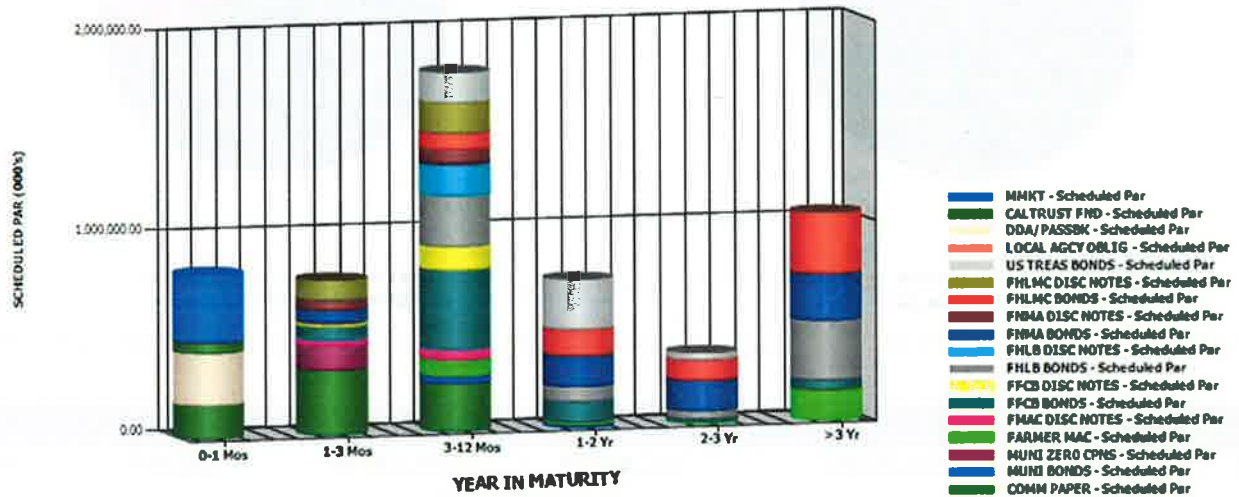
Scheduled Book Market



- MMKT - 6%
- FHLB DISC NOTES - 3%
- CALTRUST FND - 1%
- FHLB BONDS - 12%
- DDA/PASSBK - 5%
- FFCB DISC NOTES - 2%
- LOCAL AGCY OBLIG - 0%
- FFCB BONDS - 12%
- US TREAS BONDS - 8%
- FMAC DISC NOTES - 1%
- FHLMC DISC NOTES - 5%
- FARMER MAC - 5%
- FHLMC BONDS - 11%
- MUNI ZERO CPNS - 2%
- FNMA DISC NOTES - 2%
- MUNI BONDS - 1%
- FNMA BONDS - 11%
- COMM PAPER - 13%

# Maturity Distribution

Scheduled Par (000's)	0-1 Mos	1-3 Mos	3-12 Mos	1-2 Yr	2-3 Yr	>3 Yr	Totals (000's)
MMKT	340,000.00	-	-	-	-	-	340,000.00
CALTRUST FND	54,000.00	-	-	-	-	-	54,000.00
DDA/PASSBK	260,000.00	-	-	-	-	-	260,000.00
LOCAL AGCY OBLIG	-	-	-	-	-	395.00	395.00
US TREAS BONDS	-	-	150,000.00	250,000.00	35,000.00	-	435,000.00
FHLMC DISC NOTES	-	100,000.00	153,571.00	-	-	-	253,571.00
FHLMC BONDS	-	-	80,000.00	129,625.00	100,705.00	302,518.00	612,848.00
FNMA DISC NOTES	-	50,000.00	66,000.00	-	-	-	116,000.00
FNMA BONDS	-	65,000.00	15,000.00	156,887.00	154,452.00	237,335.00	628,674.00
FHLB DISC NOTES	-	-	150,000.00	-	-	-	150,000.00
FHLB BONDS	-	5,000.00	255,000.00	74,685.71	40,000.00	295,625.00	670,310.71
FFCB DISC NOTES	-	15,000.00	115,061.00	-	-	-	130,061.00
FFCB BONDS	-	68,150.00	399,320.00	102,296.00	15,000.00	50,000.00	634,766.00
FMAC DISC NOTES	-	25,000.00	50,000.00	-	-	-	75,000.00
FARMER MAC	-	-	85,000.00	15,000.00	8,850.00	150,000.00	258,850.00
MUNI ZERO CPNS	-	120,930.00	-	-	-	-	120,930.00
MUNI BONDS	-	-	32,785.00	12,070.00	-	-	44,855.00
COMM PAPER	167,000.00	326,000.00	240,500.00	-	-	-	733,500.00
<b>Totals (000's):</b>	<b>821,000.00</b>	<b>775,080.00</b>	<b>1,792,237.00</b>	<b>740,563.71</b>	<b>354,007.00</b>	<b>1,035,873.00</b>	<b>5,518,760.71</b>
<b>%</b>	<b>14.88%</b>	<b>14.04%</b>	<b>32.48%</b>	<b>13.42%</b>	<b>18.77%</b>	<b>6.41%</b>	
<b>Cumulative %</b>	<b>14.88%</b>	<b>28.92%</b>	<b>61.40%</b>	<b>74.82%</b>	<b>93.59%</b>	<b>100.00%</b>	

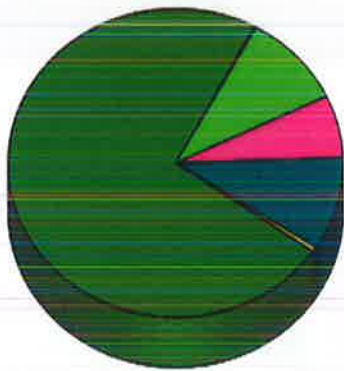


# Credit Quality

Moody (000's)	Par	Book	Market	MKT/Book	Yield
Aaa	4,032,695.71	4,032,129.71	4,031,234.54	99.98%	0.55%
Aa	5,000.00	4,998.50	4,997.75	99.98%	1.01%
Aa1	8,335.00	8,327.92	8,327.92	100.00%	0.23%
Aa2	546,295.00	546,050.34	546,091.82	100.01%	0.15%
Aa3	362,190.00	362,016.93	362,091.00	100.02%	0.15%
NR	539,245.00	539,126.10	539,313.24	100.03%	0.51%
NA	25,000.00	245,959.38	24,974.50	100.06%	0.20%
<b>Totals (000's):</b>	<b>5,518,760.71</b>	<b>5,517,608.88</b>	<b>5,517,030.77</b>	<b>99.99%</b>	<b>0.48%</b>

## MOODY'S

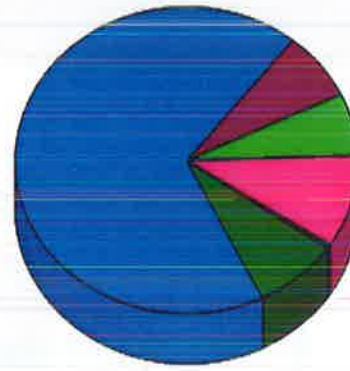
BOOK %



■ Aaa - 73%   
 ■ Aa1 - 0%   
 ■ Aa3 - 7%   
 ■ NA - 0%  
■ Aa - 0%   
 ■ Aa2 - 10%   
 ■ NR - 10%

## S & P

BOOK %



■ AAA - 0%   
 ■ AA - 7%   
 ■ NR - 10%  
■ AA+ - 58%   
 ■ AA - 7%   
 ■ NA - 0%

S&P (000's)	Par	Book	Market	MKT/Book	Yield
AAA	441,465.00	441,446.06	441,499.90	100.01%	0.15%
AA+	3,750,860.71	3,750,240.26	3,749,301.03	99.97%	0.58%
AA	400,000.00	399,820.15	399,851.10	100.01%	0.15%
AA-	362,190.00	362,016.93	362,091.00	100.02%	0.15%
NR	539,245.00	539,126.10	539,313.24	100.03%	0.51%
NA	25,000.00	24,959.38	24,974.50	100.06%	0.20%
<b>Totals (000's):</b>	<b>5,518,760.71</b>	<b>5,517,608.88</b>	<b>5,517,030.77</b>	<b>99.99%</b>	<b>0.48%</b>











## Full Compliance

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 %
	Maximum Maturity	Authorized % Limit	S&P/ Moody's	Maximum Maturity	Authorized % Limit	S&P/ Moody's	
MUNICIPAL BONDS (MUNI)	5 YEARS	NO LIMIT	NA	3 YEARS	15%	AA-/ Aa3/ AA-	3.00%
U.S. TREASURIES	5 YEARS	NO LIMIT	NA	5 YEARS	100%	NA	7.89%
LOCAL AGENCY OBLIGATIONS (LAO)	5 YEARS	NO LIMIT	NA	3 YEARS	2.5%	INVESTMENT GRADE	0.01%
FEDERAL AGENCIES	5 YEARS	NO LIMIT	AAA	5 YEARS	100%	NA	63.96%
COMMERCIAL PAPER (CP)	270 DAYS	40%	A1/ P1	270 DAYS	40%	A1/ P1/ F1	13.29%
CERTIFICATE & TIME DEPOSITS (NCD & TCD)	5 YEARS	30%	NA	1 YEAR	25% Combined	A1/ P1/ F1	0.00%
REPURCHASE AGREEMENTS (REPO)	1 YEARS	NO LIMIT	NA	45 DAYS	40% max, 25% in term repo over 7 days	A1/ P1/ F1	0.00%
REVERSE REPOS	92 DAYS	20%	NA	60 DAYS	10%	NA	0.00%
MEDIUM TERM NOTES (MTNO)	5 YEARS	30%	A	3 YEARS	20%	AA/ Aa2/ AA	0.00%
CALTRUST SHORT TERM FUND	NA	NA	NA	DAILY LIQUIDITY	1.0%	NA	0.98%
MONEY MARKET MUTUAL FUNDS (MMF)	60 DAYS <sup>(1)</sup>	20%	AAA/ Aaa <sup>(2)</sup>	DAILY LIQUIDITY	20%	AAA by 2 Of 3 RATINGS AGC.	6.16%
LOCAL AGENCY INVESTMENT FUND (LAIF)	NA	NA	NA	DAILY LIQUIDITY	Max \$50 million	NA	0.00%

<sup>1</sup> Mutual Funds maturity may be interpreted as weighted average maturity not exceeding 60 days.

<sup>2</sup> Or must have an investment advisor with not less than 5 years experience and with assets under management of \$500,000,000.



**THIS COMPLETES THE REPORT REQUIREMENTS OF CALIFORNIA GOVERNMENT CODE 53646**



County of Riverside  
Treasurer-Tax Collector  
Capital Markets

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