

1D#
2343

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

712
(2343)



FROM: Don Kent, Treasurer-Tax Collector

SUBMITTAL DATE:
September 7, 2016

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 August 2016.

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	

SOURCE OF FUNDS:

Budget Adjustment: No
For Fiscal Year: 2016/2017

C.E.O. RECOMMENDATION:

APPROVE

BY: 
Stephanie Persi

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Prev. Agn. Ref.:

District: A11

Agenda Number:

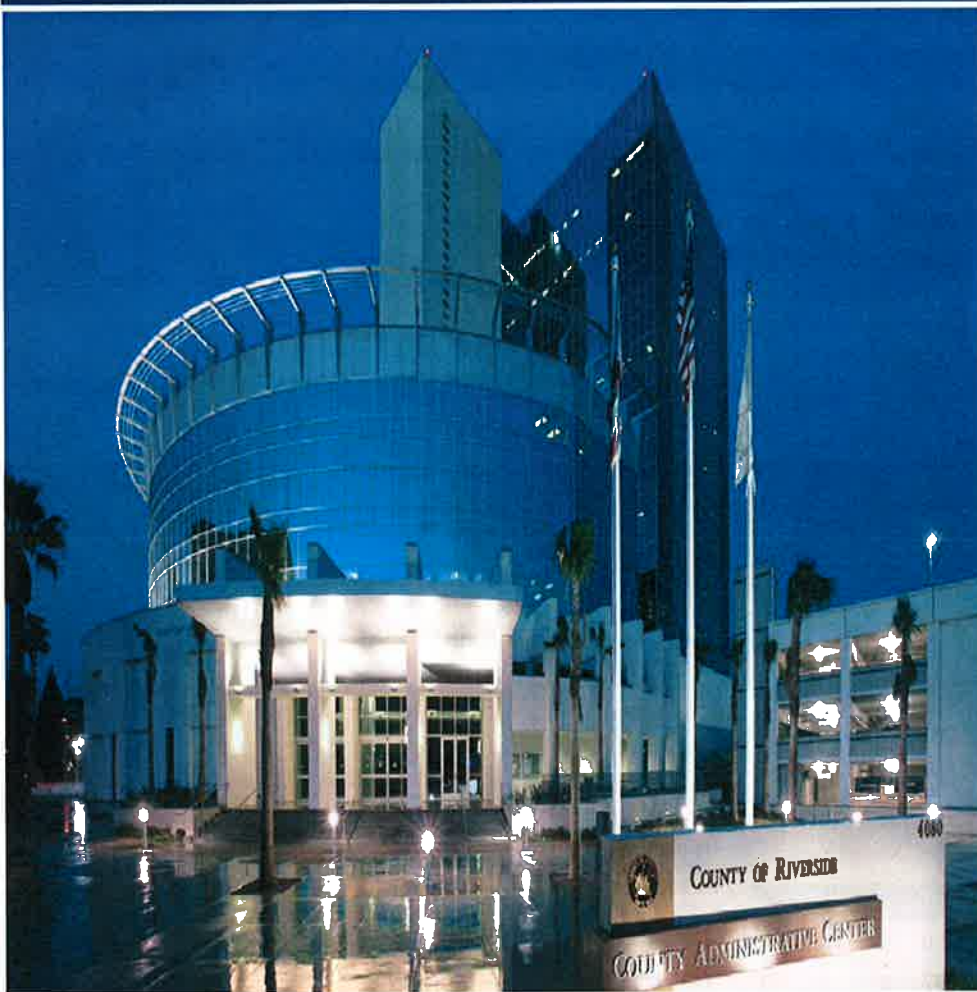
2-8



County of Riverside

August 2016

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
August	5,998,412,775.52	5,992,647,942.54	5,764,832.98	0.10	0.73	1.23	1.20
July	6,110,619,759.63	6,102,082,969.94	8,536,789.69	0.14	0.72	1.23	1.20
June	6,514,396,169.33	6,504,638,893.37	9,757,275.96	0.15	0.69	1.15	1.12
May	6,945,949,047.77	6,940,509,804.70	5,439,243.07	0.08	0.67	1.08	1.05
April	7,336,685,334.21	7,329,824,096.33	6,861,237.88	0.09	0.65	1.02	0.99
March	6,319,190,571.12	6,312,840,233.99	6,350,337.13	0.10	0.65	1.07	1.04

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
08/05/2016	Non-Farm Payrolls M/M change: Counts the number of paid employees working part-time or full-time in the nation's business and government establishments.	180,000	255,000
08/05/2016	Employment Situation: Measures the number of unemployed as a percentage of the labor force.	4.8%	4.9%
08/25/2016	Durable Goods Orders - M/M change: Reflects the new orders placed with domestic manufacturers for immediate and future delivery of factory hard goods.	3.4%	4.4%
08/26/2016	Real Gross Domestic Product - Q/Q change: The broadest measure of aggregate economic activity and encompasses every sector of the economy. GDP is the country's most comprehensive economic scorecard.	1.1%	1.1%
08/30/2016	Consumer Confidence: Measures consumer attitudes on present economic conditions and expectations of future conditions.	97.0	101.1
08/04/2016	Factory Orders M/M change: Represents the dollar level of new orders for both durable and nondurable goods.	-1.9%	-1.5%
08/16/2016	Consumer Price Index - M/M change: The Consumer Price Index is a measure of the average price level of a fixed basket of goods and services purchased by consumers.	0.0%	0.0%
08/16/2016	CPI Ex Food and Energy - M/M change: CPI Ex Food and Energy excludes food and energy.	0.2%	0.1%

Stock Indices

	Value	Change
Dow Jones (DJIA)	\$ 18,400.18	\$ (32.06)
S&P 500 Index	\$ 2,176.12	\$ 2.52
NASDAQ (NDX)	\$ 4,771.05	\$ (391.08)

Commodities

	Value	Change
Nymex Crude	\$ 44.70	\$ 3.10
Gold (USD/OZ)	\$ 1,308.97	\$ (42.03)

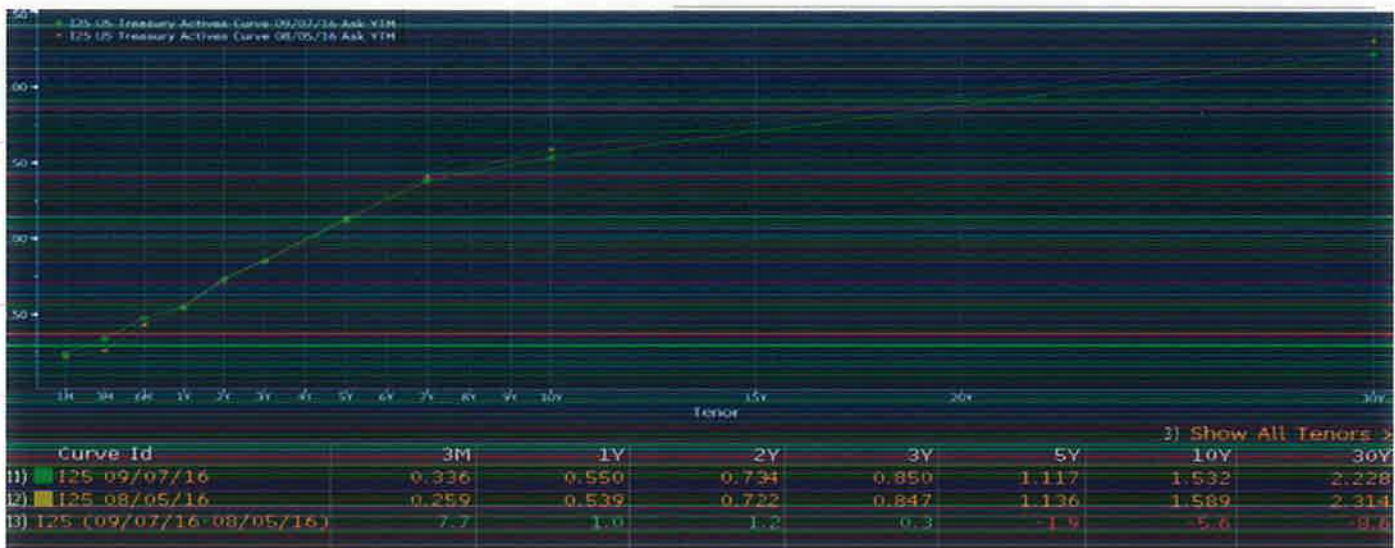
Fed Funds Target Rate

Current Fed Funds Rate: 0.25% - 0.50%		
Probability for FOMC Dates:		
Fed Move	09/21/2016	11/02/2016
Stay at 0.25%-0.50%	78.0%	73.0%
Increase to 0.75%	22.0%	25.6%
Increase to 1.00%	0.0%	1.4%
Increase to 1.25%	0.0%	0.0%

FOMC Meeting Schedule

Release	%	Risk Assessment
15-Jun	.25 - 0.5 %	Growth
27-Jul	.25 - 0.5 %	Growth

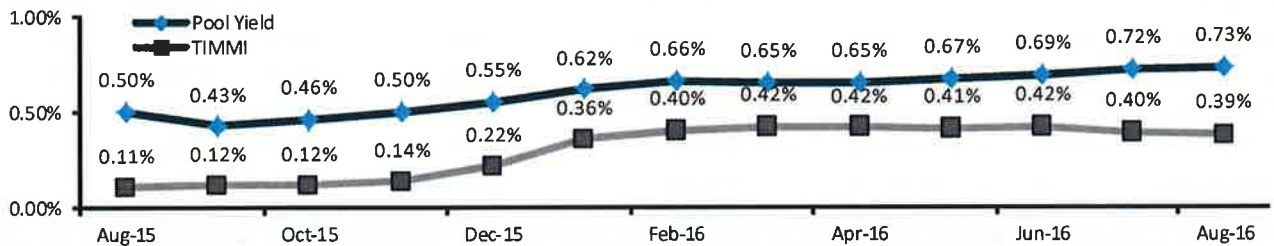
US Treasury Curve (M/M)



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 four multi billion dollar funds listed below.

AAA Rated Prime Institutional Money-Market Funds		
Fund	Symbol	7 Day Yield
Fidelity Prime Institutional MMF	FIPXX	0.42%
Federated Prime Obligations Fund	POIXX	0.31%
Wells Fargo Advantage Heritage	WFJXX	0.42%
JP Morgan	CJPXX	0.39%



Cash Flows

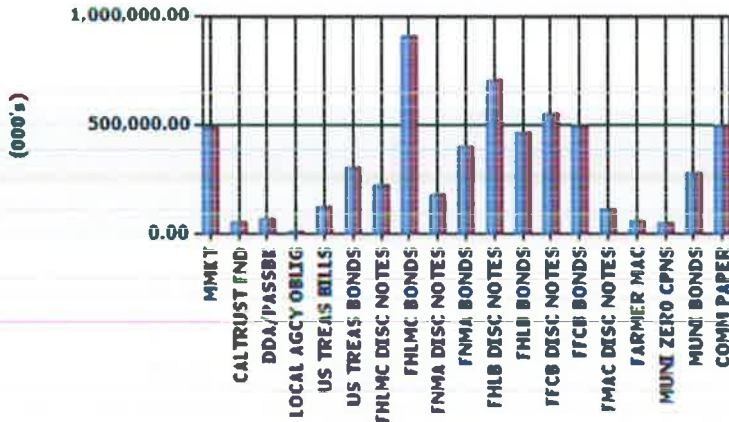
Month	Monthly Receipts	Monthly Disbursements	Difference	Required Matured Investments	Balance	Actual Investments Maturing	Available to Invest > 1 Year
09/2016					177.95		
09/2016	850.00	1,050.00	(200.00)	22.05	-	1,159.26	
10/2016	1,040.00	1,175.00	(135.00)	135.00	-	515.26	
11/2016	1,200.00	960.00	240.00		240.00	230.59	
12/2016	2,110.00	1,030.00	1,080.00		1,320.00	79.37	
01/2017	1,020.00	1,650.00	(630.00)		690.00	774.00	
02/2017	810.00	1,200.00	(390.00)		300.00	540.00	
03/2017	1,200.00	1,080.00	120.00		420.00	30.00	
04/2017	1,800.00	950.00	850.00		1,270.00	98.14	
05/2017	850.00	1,500.00	(650.00)		620.00	267.45	
06/2017	1,400.00	1,850.00	(450.00)		170.00	197.02	
07/2017	1,256.11	1,450.00	(193.89)		-	81.11	
08/2017	1,017.89	1,200.00	(182.11)		-	17.89	
TOTALS	14,554.00	15,095.00	(541.00)	157.05	5,207.95	3,990.09	5,835.59
				2.62%		66.58%	97.38%

* All values reported in millions (\$).

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.

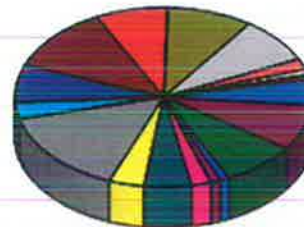
Asset Allocation

Assets (000's)	Scheduled Par	Scheduled Book	Scheduled Market	Mkt/ Sch Book	Yield	WAL (Yr)	Mat (Yr)
MMKT	490,000.00	490,000.00	490,000.00	100.00%	0.38%	.003	.003
CALTRUST FND	54,000.00	54,000.00	54,000.00	100.00%	0.76%	.003	.003
DDA/PASSBK	70,000.00	70,000.00	70,000.00	100.00%	0.34%	.003	.003
LOCAL AGCY OBLIG	300.00	300.00	300.00	100.00%	1.22%	3.792	3.792
US TREAS BILLS	125,000.00	124,512.64	124,677.00	100.13%	0.46%	.594	.594
US TREAS BONDS	305,000.00	305,523.83	306,602.20	100.35%	0.88%	1.211	1.211
FHLMC DISC NOTES	225,000.00	224,132.70	224,851.25	100.32%	0.45%	.184	.184
FHLMC BONDS	911,825.00	911,745.82	911,708.08	100.00%	1.18%	.709	3.072
FNMA DISC NOTES	180,217.00	179,425.11	180,005.65	100.32%	0.55%	.279	.279
FNMA BONDS	402,255.00	402,267.34	401,638.57	99.84%	1.13%	.599	3.179
FHLB DISC NOTES	709,783.00	707,056.96	708,846.17	100.25%	0.52%	.332	.332
FHLB BONDS	467,339.72	467,267.84	467,096.08	99.96%	0.78%	1.021	1.471
FFCB DISC NOTES	557,000.00	554,427.16	555,826.06	100.25%	0.55%	.441	.441
FFCB BONDS	497,910.00	498,017.73	497,507.82	99.90%	0.70%	1.761	2.022
FMAC DISC NOTES	115,000.00	114,459.98	114,887.70	100.37%	0.63%	.254	.254
FARMER MAC	58,850.00	58,850.00	58,885.16	100.06%	0.72%	1.530	1.530
MUNI ZERO CPNS	50,000.00	49,936.81	49,985.42	100.10%	0.50%	.060	.060
MUNI BONDS	279,105.00	281,812.99	281,812.99	100.00%	0.90%	1.345	1.345
COMM PAPER	500,264.00	498,911.03	499,782.63	100.17%	0.63%	.172	.172
Totals (000's):	5,998,848.72	5,992,647.94	5,998,412.78	100.10%	0.73%	.641	1.230



Scheduled Book Market

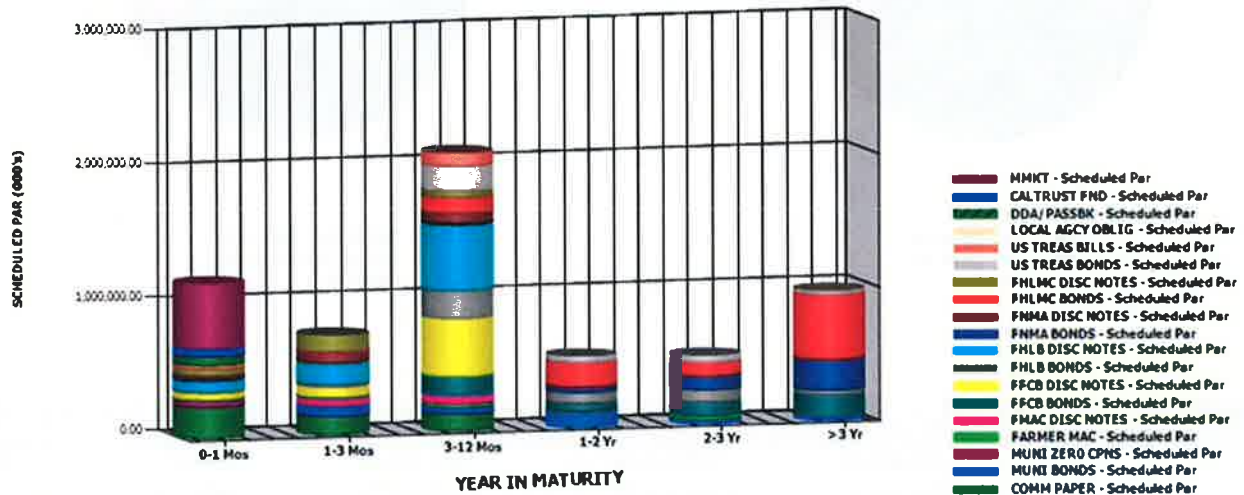
SCHEDULED PAR %



- MMKT - 8%
- FHLB DISC NOTES - 12%
- CALTRUST FND - 1%
- FHLB BONDS - 8%
- DDA/PASSBK - 1%
- FFCB DISC NOTES - 9%
- LOCAL AGCY OBLIG - 0%
- FFCB BONDS - 8%
- US TREAS BILLS - 2%
- FMAC DISC NOTES - 2%
- US TREAS BONDS - 5%
- FARMER MAC - 1%
- FHLMC DISC NOTES - 4%
- MUNI ZERO CPNS - 1%
- FHLMC BONDS - 15%
- MUNI BONDS - 5%
- FNMA DISC NOTES - 3%
- FNMA BONDS - 7%
- COMM PAPER - 8%

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	490,000.00	-	-	-	-	-	490,000.00
CALTRUST FND	54,000.00	-	-	-	-	-	54,000.00
DDA/PASSBK	70,000.00	-	-	-	-	-	70,000.00
LOCAL AGCY OBLIG	-	-	-	-	-	300.00	300.00
US TREAS BILLS	25,000.00	-	100,000.00	-	-	-	125,000.00
US TREAS BONDS	-	-	185,000.00	45,000.00	50,000.00	25,000.00	305,000.00
FHLMC DISC NOTES	50,000.00	125,000.00	50,000.00	-	-	-	225,000.00
FHLMC BONDS	-	14,625.00	115,000.00	185,850.00	105,500.00	490,850.00	911,825.00
FNMA DISC NOTES	25,000.00	75,217.00	80,000.00	-	-	-	180,217.00
FNMA BONDS	20,255.00	-	12,000.00	40,000.00	102,500.00	227,500.00	402,255.00
FHLB DISC NOTES	75,000.00	149,783.00	485,000.00	-	-	-	709,783.00
FHLB BONDS	10,000.00	25,000.00	215,370.00	82,469.72	94,500.00	40,000.00	467,339.72
FFCB DISC NOTES	50,000.00	75,000.00	432,000.00	-	-	-	557,000.00
FFCB BONDS	10,000.00	15,000.00	144,650.00	60,250.00	105,310.00	162,700.00	497,910.00
FMAC DISC NOTES	-	50,000.00	65,000.00	-	-	-	115,000.00
FARMER MAC	-	-	25,000.00	8,850.00	25,000.00	-	58,850.00
MUNI ZERO CPNS	50,000.00	-	-	-	-	-	50,000.00
MUNI BONDS	-	75,960.00	45,940.00	110,000.00	27,665.00	19,540.00	279,105.00
COMM PAPER	230,000.00	140,264.00	130,000.00	-	-	-	500,264.00
Totals (000's):	1,159,255.00	745,849.00	2,084,960.00	532,419.72	510,475.00	965,890.00	5,998,848.72
%	19.32%	12.43%	34.76%	8.88%	8.51%	16.10%	
Cumulative %	19.32%	31.76%	66.51%	75.39%	83.90%	100.00%	

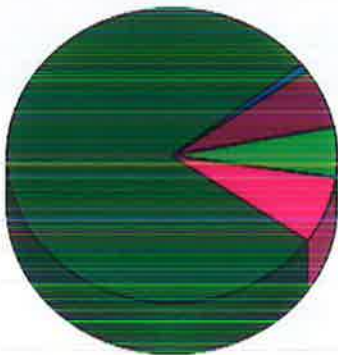


Credit Quality

Moody (000's)	Par	Book	Market	MKT/Book	Yield
Aaa	4,776,574.72	4,770,810.67	4,775,192.42	100.09%	0.76%
Aa1	47,045.00	47,881.71	47,881.71	100.00%	0.88%
Aa2	402,584.00	401,974.62	402,335.73	100.09%	0.57%
Aa3	328,495.00	328,370.97	328,930.06	100.17%	0.83%
NR	444,150.00	443,609.98	444,072.86	100.10%	0.53%
Totals (000's):	5,998,848.72	5,992,647.94	5,998,412.78	100.10%	0.73%

MOODY'S

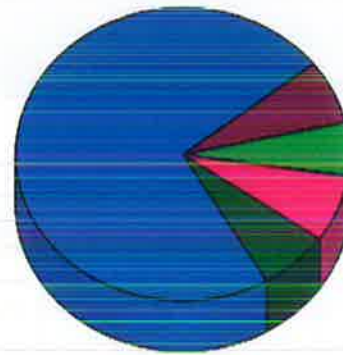
BOOK %



■ Aaa - 80% ■ Aa3 - 5%
■ Aa1 - 1% ■ NR - 7%
■ Aa2 - 7%

S & P

BOOK %



■ AAA - 7% ■ AA - 6%
■ AA+ - 73% ■ NR - 7%
■ AA- - 7%

S&P (000's)	Par	Book	Market	MKT/Book	Yield
AAA	410,655.00	412,564.34	412,564.34	100.00%	0.47%
AA+	4,362,964.72	4,356,128.04	4,360,508.78	100.10%	0.79%
AA	427,584.00	427,587.87	427,948.98	100.08%	0.62%
AA-	353,495.00	352,757.72	353,317.81	100.16%	0.76%
NR	444,150.00	443,609.98	444,072.86	100.10%	0.53%
Totals (000's):	5,998,848.72	5,992,647.94	5,998,412.78	100.10%	0.73%

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-	5.53%
U.S. TREASURIES	5 YEARS	NO LIMIT	NA	5 YEARS	100%	NA	7.17%
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	68.71%
COMMERCIAL PAPER (CP)	270 DAYS	40%	A1/P1	270 DAYS	40%	A1/P1/F1	8.33%
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	0.90%
MONEY MARKET MUTUAL FUNDS (MMF)	60 DAYS ⁽¹⁾	20%	AAA/Aaa ⁽²⁾	DAILY LIQUIDITY	20%	AAA by 2 Of 3 RATINGS AGC.	4.85%
LOCAL AGENCY INVESTMENT FUND (LAIF)	NA	NA	NA	DAILY LIQUIDITY	Max \$50 million	NA	0.00%
CASH/DEPOSIT ACCOUNT	NA	NA	NA	NA	NA	NA	4.50%

¹ Mutual Funds maturity may be interpreted as weighted average maturity not exceeding 60 days.

² 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

4080 Lemon Street, 4th Floor
Riverside, CA 92502-2205

www.treasurer-tax.co.riverside.ca.us

(951) 955-3979