

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

619
A



FROM: Don Kent, Treasurer-Tax Collector

SUBMITTAL DATE:
April 16, 2012

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 March 2012.

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

Departmental Concurrence

FINANCIAL DATA	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:	2011-2012

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:

Karen L. Johnson

County Executive Office Signature

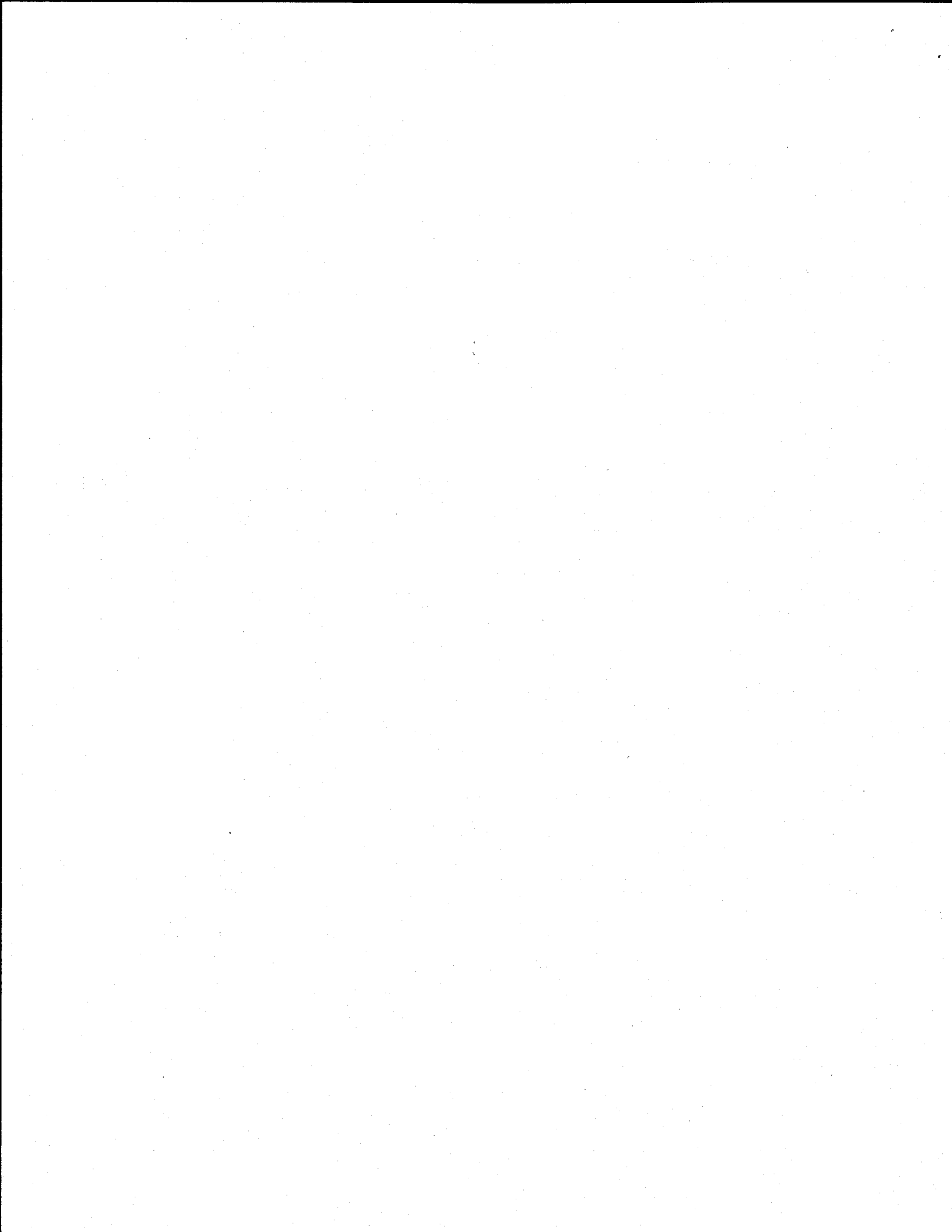
Policy Policy
 Consent Consent
 Dep't Recomm.: Per Exec. Ofc.:

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Tavaglione, seconded by Supervisor Buster and duly carried, IT WAS ORDERED that the above matter is received and filed as recommended.

Ayes: Buster, Tavaglione, Stone and Ashley
 Nays: None
 Absent: Benoit
 Date: May 1, 2012
 xc: Treasurer

Kecia Harper-Ihem
 Clerk of the Board
 By:
 Deputy





County of Riverside

Treasurer's Pooled Investment Fund

2012

March

"Mixed March"

Well, here we are at the end of the 1st quarter, and it seems there is no clear direction for the economy as some of the indicators continue to be mixed, partially related to a much warmer winter across the U.S. Our stock market, on the other hand, has seen its best returns for the first three months since the late 1990's.

The Fed met at its regularly scheduled meeting of March 13th and said nothing we were not expecting to hear. They stated, "The unemployment rate has declined notably in recent months but remains elevated. Household spending and business fixed investment have continued to advance. The housing sector remains depressed. Inflation has been subdued in recent months, although prices of crude oil and gasoline have increased lately. The recent increase in oil and gasoline prices will push up inflation temporarily."

The economy is slowly moving in the right direction but if you read the tea leaves in the Fed's statements, there is much room for downside risk, and, the massive budget deficit and national debt still needs to be addressed. Most of the recent euphoria is due to positive unemployment numbers, however, if they falter, it could derail the momentum in the stock market and cause a flight to safety in bonds. This has happened in the last few days, thus further

raising the possibility of further stimulus by the Fed, only to place our economy back on life support. In addition, let's not forget, Europe remains unsettled.

The last action they took, Operation Twist, is set to expire in June. The latest news we have been reading suggests that market watchers are looking for another rendition in an effort to keep rates lower longer, and to continue to push investors into the "risk on" trade. Let's face it, Americans tend to feel better if they have a job, their 401k or retirement plan statements don't show implosion, and they can continue to finance purchases of real estate at historic lows. It's all related and feeds into our confidence as consumers and psyche as to how we feel about the economy as a whole.

We will continue to read the economic tea leaves and watch closely as the next few months worth of economic data will be very telling of whether we see the green shoots of a lasting spring or crab grass growing in the garden. Our hope is for a modest and sustainable recovery so that markets can react reasonably and so we can invest our depositors' funds accordingly.

Don Kent
Treasurer-Tax Collector

Capital Markets Team

Treasurer-Tax Collector
Don Kent

Asst. Treasurer-Tax Collector
Jon Christensen

Investment Manager
Giovane Pizano

Asst. Investment Manager
Angela Tressler

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.

**RIVERSIDE COUNTY TREASURER'S POOLED INVESTMENT FUND IS CURRENTLY RATED:
Aaa-bf/MR1 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
March	5,001,811,731.51	4,997,448,808.53	4,362,922.98	0.09	0.49	1.24	1.22
February	5,213,877,914.26	5,208,745,632.12	5,132,282.14	0.10	0.49	1.24	1.23
January	5,495,948,927.61	5,489,579,174.51	6,369,753.10	0.12	0.48	1.20	1.19
December	5,448,105,732.50	5,444,673,580.47	3,432,152.03	0.06	0.53	1.30	1.28
November	5,214,574,812.90	5,211,057,889.81	3,516,923.09	0.07	0.51	1.21	1.19
October	4,861,404,499.89	4,858,096,899.73	3,307,600.15	0.07	0.53	1.29	1.27

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

Current Market Date

Economic Indicators

Released on:	Indicator	Definition	Consensus	Actual
4/6/2012	Nonfarm Payrolls - M/M change	Counts the number of paid employees working part-time or full-time in the nation's business and government establishments.	201,000	120,000
4/6/2012	Unemployment Rate	Measures the number of unemployed as a percentage of the labor force.	8.3%	8.2%
3/28/2012	Durable Goods Orders - M/M change	Reflects the new orders placed with domestic manufacturers for immediate and future delivery of factory hard goods.	2.9%	2.2%
3/29/2012	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.	3.0%	3.0%
3/27/2012	Consumer Confidence	Measures consumer attitudes on present economic conditions and expectations of future conditions.	70.9	70.2
4/3/2012	Factory Orders - M/M change	Represents the dollar level of new orders for both durable and nondurable goods.	1.5%	1.3%
3/16/2012	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.	0.5%	0.4%

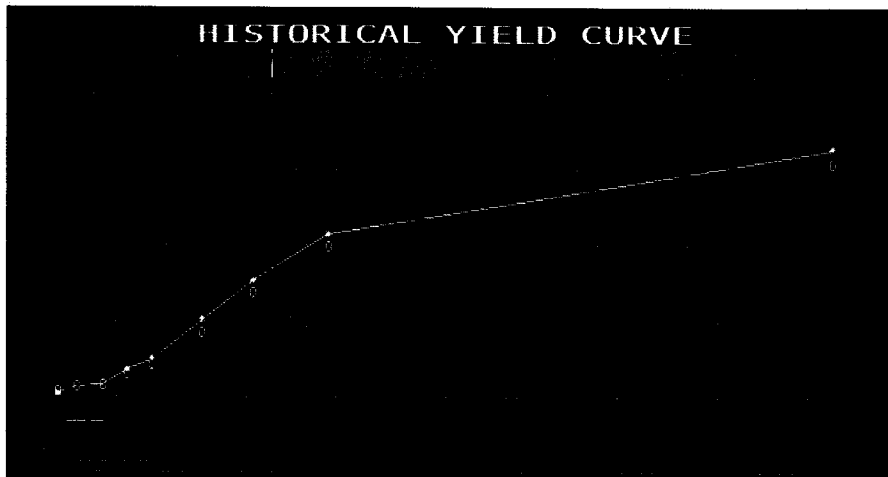
Stock Indices

	Value	Change
Dow Jones (DJIA)	13,212.04	259.94
S&P 500 Index	1,408.47	42.79
NASDAQ	3,091.57	124.68

Commodities

	Value	Change
Nymex Crude	\$ 103.02	\$ (4.05)
Gold (USD/OZ)	\$ 1,668.35	\$ (28.50)

U.S. Treasuries



	Yield (%)	Change (%)
3-Month	0.07	(0.01)
6-Month	0.13	0.01
12-Month	0.17	0.01
2-Year	0.33	0.04
3-Year	0.50	0.09
5-Year	1.04	0.18
7-Year	1.61	0.22
10-Year	2.21	0.24
30-Year	3.34	0.40

Fed Funds Target Rate

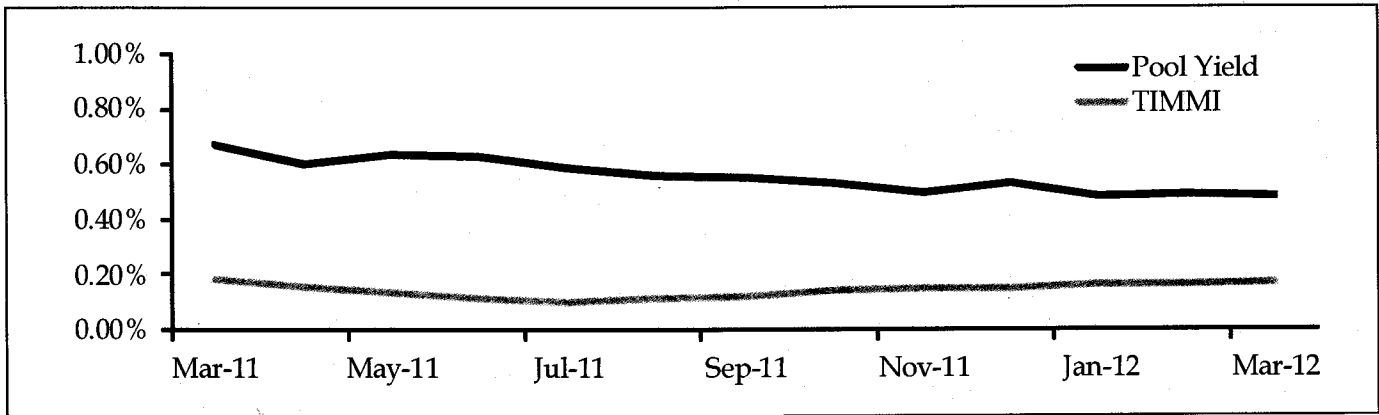
Current Fed Funds Rate: 0-0.25%		
	Probability for FOMC Date	Probability for FOMC Date
Fed Move	04/25/12	06/20/12
Decrease to 0.00%	44.0%	41.3%
Increase to 0.25%	56.0%	55.3%
Increase to 0.50%	0.0%	3.4%
Increase to 0.75%	0.0%	0.0%
Increase to 1%	0.0%	0.0%

TIMMI

AAA Rated Prime Institutional Money-Market Funds

Fund	Symbol	7 Day Yield
Fidelity Prime Institutional MMF	FIPXX	0.20%
Federated Prime Obligations Fund	POIXX	0.19%
Wells Fargo Advantage Heritage	WFJXX	0.08%
Morgan Stanley Institutional Prime Liquidity Fund	MPFXX	0.17%
BlackRock Prime Cash Fund	BPIXX	0.21%

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 five 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 to the left.



Cash Flows

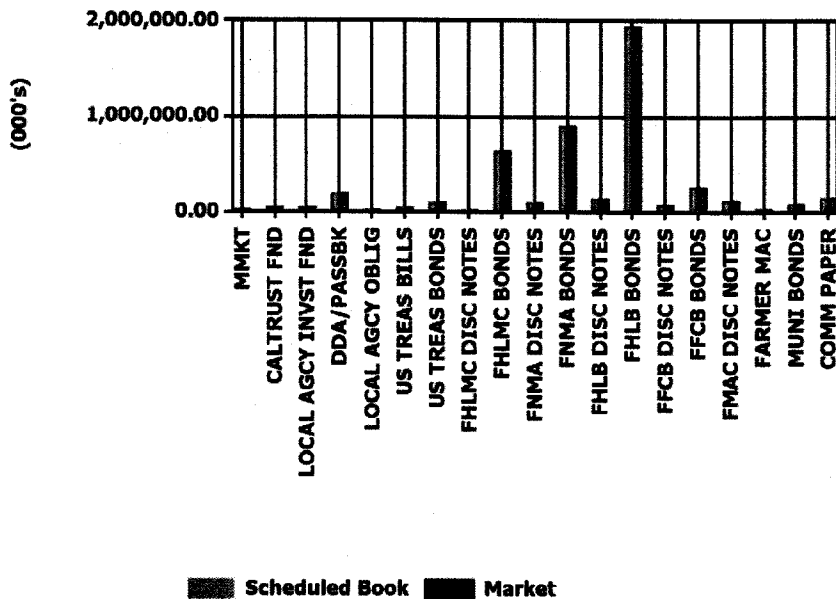
Month	Monthly Receipts	Monthly Disbursements	Difference	Required Matured Investments	Balance	Actual Investments Maturing	Available to Invest > 1 Year
04/2012					406.05		
04/2012	1,404.16	733.64	670.52		1,076.57	389.00	
05/2012	746.26	1,035.89	(289.63)		786.94	318.66	
06/2012	884.08	1,220.61	(336.53)		450.41	294.50	
07/2012	841.95	826.31	15.64		466.05	238.69	
08/2012	518.23	711.33	(193.10)		272.95	225.72	
09/2012	649.54	750.00	(100.46)		172.49	148.04	
10/2012	669.49	826.92	(157.43)		15.06	192.80	
11/2012	832.33	676.45	155.88		170.94	139.12	
12/2012	1,500.00	800.00	700.00		870.94	105.00	
01/2013	629.05	1,264.44	(635.39)		235.55	508.11	
02/2013	460.00	930.00	(470.00)	234.45	0.00	179.90	
03/2013	873.33	800.00	73.33		73.33	65.00	
TOTALS	10,008.42	10,575.59	(567.17)	234.45		2,804.54	4,763.00
				4.69%		56.12%	95.31%

* All values reported in millions (\$).

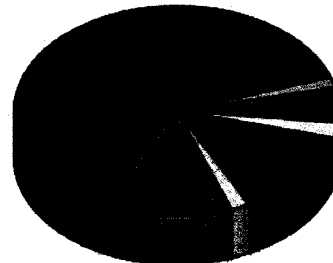
The Pooled Investment Fund cash flow requirements are based upon a 12 month historical cash flow model. Based upon projected cash receipts and maturing investments, there are sufficient funds to meet future cash flow disbursements over the next 12 months.

Asset Allocation

Assets (000's)	Scheduled Par	Scheduled Book	Scheduled Market	Mkt/ Sch Book	Yield	WAL (Yr)	Mat (Yr)
MMKT	35,000.00	35,000.00	35,000.00	100.00%	0.04%	.003	.003
CALTRUST FND	54,000.00	54,000.00	54,000.00	100.00%	0.42%	.003	.003
LOCAL AGCY INVST	50,000.00	50,000.00	50,000.00	100.00%	0.38%	.003	.003
DDA/PASSBK	200,000.00	200,000.00	200,000.00	100.00%	0.09%	.003	.003
LOCAL AGCY	560.00	560.00	560.00	100.00%	0.99%	8.214	8.214
US TREAS BONDS	50,000.00	49,915.47	49,930.22	100.03%	0.19%	.858	.858
FHLMC DISC NOTES	100,000.00	100,318.55	100,283.00	99.96%	0.22%	.782	.782
FHLMC BONDS	20,000.00	19,971.40	20,000.00	100.14%	0.16%	.302	.302
FNMA DISC NOTES	643,641.00	643,825.62	644,678.10	100.13%	0.76%	1.230	2.253
FNMA BONDS	100,000.00	99,866.03	99,906.25	100.04%	0.14%	.676	.676
FHLB DISC NOTES	898,850.00	899,788.64	901,614.08	100.20%	0.84%	.854	2.366
FHLB BONDS	145,000.00	144,752.28	144,921.96	100.12%	0.17%	.535	.535
FFCB DISC NOTES	1,953,180.00	1,954,615.24	1,955,197.79	100.03%	0.37%	.773	.965
FFCB BONDS	82,000.00	81,861.43	81,906.25	100.05%	0.19%	.762	.762
FMAC DISC NOTES	263,705.00	264,019.44	264,382.22	100.14%	0.62%	.915	1.034
FARMER MAC	123,000.00	122,751.08	123,000.00	100.20%	0.21%	.217	.217
MUNI BONDS	37,500.00	37,502.38	37,589.06	100.23%	0.61%	1.093	1.093
COMM PAPER	88,735.00	88,970.55	88,970.55	100.00%	0.45%	.381	.381
NCDS	150,000.00	149,730.70	149,872.25	100.09%	0.35%	.192	.192
Totals	4,995,171.00	4,997,448.81	5,001,811.73	100.09%	0.48%	.757	1.242



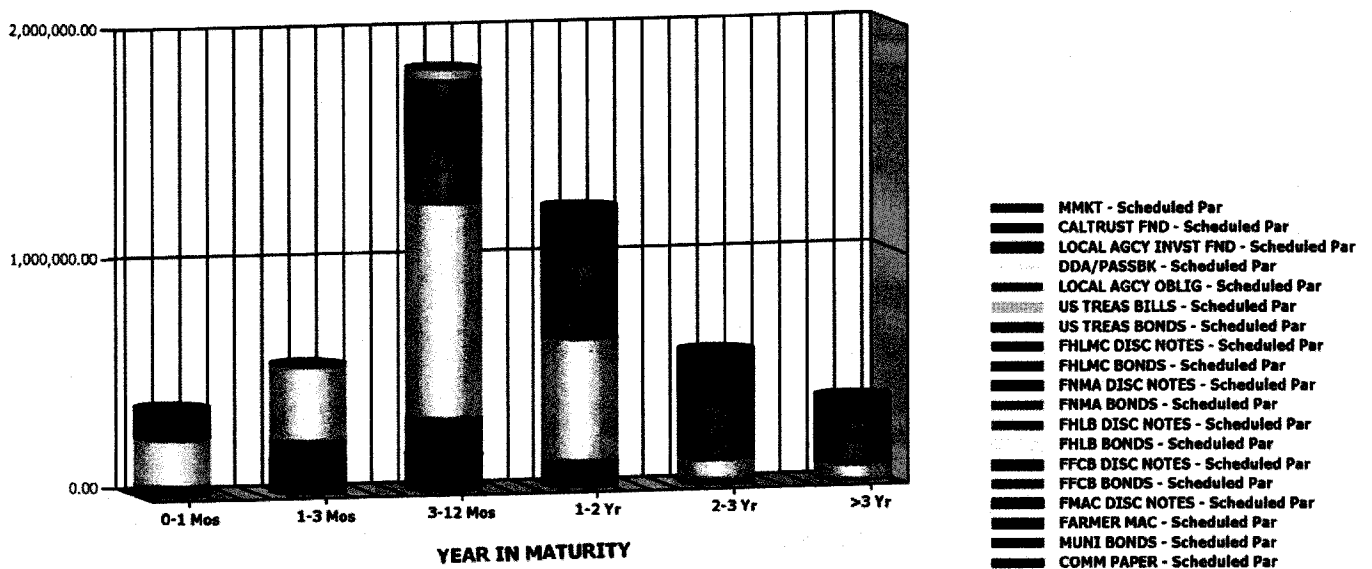
SCHEDULED PAR %



- MMKT - 1%
- CALTRUST FND - 1%
- LOCAL AGCY INVST FND - 1%
- DDA/PASSBK - 4%
- LOCAL AGCY OBLIG - 0%
- US TREAS BILLS - 1%
- US TREAS BONDS - 2%
- FHLMC DISC NOTES - 0%
- FHLMC BONDS - 1%
- FNMA DISC NOTES - 2%
- FNMA BONDS - 18%
- FHLB DISC NOTES - 3%
- FHLB BONDS - 3%
- FFCB DISC NOTES - 2%
- FFCB BONDS - 5%
- FMAC DISC NOTES - 2%
- FARMER MAC - 1%
- MUNI BONDS - 2%
- COMM PAPER - 3%

Maturity Distribution

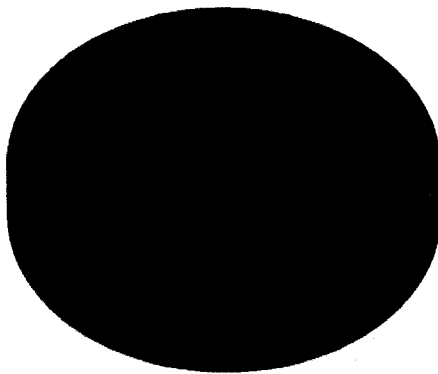
Scheduled Par (000's)	0-1 Mos	1-3 Mos	3-12 Mos	1-2 Yr	2-3 Yr	>3 Yr	Totals (000's)
MMKT	35,000.00	-	-	-	-	-	35,000.00
CALTRUST FND	54,000.00	-	-	-	-	-	54,000.00
LOCAL AGCY INVST FND	50,000.00	-	-	-	-	-	50,000.00
DDA/PASSBK	200,000.00	-	-	-	-	-	200,000.00
LOCAL AGCY OBLIG	-	-	-	-	-	560.00	560.00
US TREAS BONDS	-	-	50,000.00	-	-	-	50,000.00
FHLMC DISC NOTES	-	-	90,000.00	10,000.00	-	-	100,000.00
FHLMC BONDS	-	-	20,000.00	-	-	-	20,000.00
FNMA DISC NOTES	-	-	89,121.00	226,000.00	216,500.00	112,020.00	643,641.00
FNMA BONDS	-	-	100,000.00	-	-	-	100,000.00
FHLB DISC NOTES	10,000.00	10,000.00	95,000.00	340,000.00	260,000.00	183,850.00	898,850.00
FHLB BONDS	-	-	145,000.00	-	-	-	145,000.00
FFCB DISC NOTES	5,000.00	323,810.00	940,295.00	532,585.00	85,990.00	65,500.00	1,953,180.00
FFCB BONDS	-	7,000.00	75,000.00	-	-	-	82,000.00
FMAC DISC NOTES	5,000.00	71,500.00	74,205.00	78,000.00	25,000.00	10,000.00	263,705.00
FARMER MAC	-	45,000.00	78,000.00	-	-	-	123,000.00
MUNI BONDS	-	-	-	37,500.00	-	-	37,500.00
COMM PAPER	-	25,850.00	55,745.00	5,140.00	2,000.00	-	88,735.00
NCDS	30,000.00	85,000.00	35,000.00	-	-	-	150,000.00
Totals (000's):	389,000.00	568,160.00	1,847,366.00	1,229,225.00	589,490.00	371,930.00	4,995,171.00
%	8%	11%	37%	25%	12%	7%	
Cumulative %	8%	19%	56%	81%	93%	100%	



Credit Quality

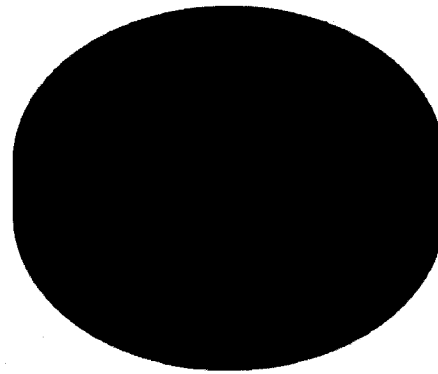
Moody (000's)	Par	Book	Market	MKT/Book	Yield
Aaa	4,412,491.00	4,414,999.91	4,418,857.39	100.09%	0.51%
Aa1	8,580.00	8,580.27	8,580.27	100.00%	0.93%
Aa2	138,040.00	137,829.42	137,999.26	100.12%	0.41%
Aa3	25,000.00	25,225.75	25,225.75	100.00%	0.25%
NR	411,060.00	410,813.46	411,149.06	100.08%	0.21%
Totals (000's):	4,995,171.00	4,997,448.81	5,001,811.73	100.09%	0.49%

MOODY'S



■ Aaa - 88% ■ Aa3 - 1%
 ■ Aa1 - 0% ■ NR - 8%
 ■ Aa2 - 3%

S & P



■ AAA - 27% ■ AA - 1%
 ■ AA+ - 64% ■ NR - 8%
 ■ AA - 0%

S&P (000's)	Par	Book	Market	MKT/Book	Yield
AAA	1,337,426.00	1,340,489.61	1,343,226.38	100.20%	0.64%
AA+	3,197,205.00	3,196,439.71	3,197,730.26	100.04%	0.46%
AA	24,480.00	24,480.27	24,480.27	100.00%	0.68%
AA-	25,000.00	25,225.75	25,225.75	100.00%	0.25%
NR	411,060.00	410,813.47	411,149.07	100.08%	0.21%
Totals (000's):	4,995,171.00	4,997,448.81	5,001,811.73	100.09%	0.49%

Month End Portfolio Holdings

CUSIP	Description	Maturity Date	Coupon	Maturity To Mat	Par Value	Book Value	Market Price	Market Value	Unrealized Gain/Loss	Modified Duration	Years To Maturity
31315KZF0	FMAC DISC NOTE	07/11/2012	.210	.210	8,000,000.00	7,982,966.67	100.000000	8,000,000.00	17,033.33	.279	.279
31315KYW4	FMAC DISC NOTE	07/02/2012	.210	.210	50,000,000.00	49,908,416.67	100.000000	50,000,000.00	91,583.33	.254	.255
			.212	.212	123,000,000.00	122,751,061.95	100.000000	123,000,000.00	248,918.05	.216	.217
FARMER MAC											
31315PVU0	FARMER MAC GTD	05/10/2013	.760	.760	5,000,000.00	5,000,000.00	100.312500	5,015,625.00	15,625.00	1.098	1.110
31315PVU0	FARMER MAC GTD	05/10/2013	.760	.760	5,000,000.00	5,000,000.00	100.312500	5,015,625.00	15,625.00	1.098	1.110
31315PVU0	FARMER MAC GTD	05/10/2013	.760	.750	12,500,000.00	12,502,375.00	100.312500	12,539,062.50	36,687.50	1.099	1.110
31315PSH3	FARMER MAC GTD	04/25/2013	.400	.400	15,000,000.00	15,000,000.00	100.125000	15,018,750.00	18,750.00	1.063	1.068
			.616	.613	37,500,000.00	37,502,375.00	100.237500	37,589,062.50	86,687.50	1.084	1.093
MUNI BONDS											
20775BND4	CT HFA	05/15/2012	2.180	2.180	850,000.00	850,000.00	100.000000	850,000.00	0.00	.122	.123
041042RK0	ARKANSAS ST	07/01/2012	1.250	1.240	1,440,000.00	1,440,273.60	100.019000	1,440,273.60	0.00	.250	.252
649791EB2	STATE OF NEW YORK	09/01/2012	.650	.650	23,040,000.00	23,040,000.00	100.000000	23,040,000.00	0.00	.420	.422
801320AV4	COUNTY OF SANTA BARBARA	06/29/2012	.270	.270	25,000,000.00	25,000,000.00	100.000000	25,000,000.00	0.00	.244	.247
677521LG9	OHIO STATE GO	05/01/2013	.740	.740	5,140,000.00	5,140,000.00	100.000000	5,140,000.00	0.00	1.075	1.085
677521LH7	OHIO STATE GO	05/01/2014	1.190	1.190	2,000,000.00	2,000,000.00	100.000000	2,000,000.00	0.00	2.045	2.085
880541QC5	STATE OF TENNESSEE	08/01/2012	.500	.301	6,265,000.00	6,274,522.80	100.152000	6,274,522.80	0.00	.336	.337
646039TR8	NEW JERSEY ST TRAN	06/21/2012	2.000	.250	25,000,000.00	25,225,750.00	100.903000	25,225,750.00	0.00	.222	.225
			.954	.447	88,735,000.00	88,970,546.40	100.265449	88,970,546.40	0.00	.377	.381
COMM PAPER											
36959HD46	GE CAPITAL CORP	04/04/2012	.350	.351	30,000,000.00	29,946,625.00	99.997917	29,999,375.00	52,750.00	.011	.011
36959HEF0	GE CAPITAL CORP	05/15/2012	.380	.381	50,000,000.00	49,894,444.44	99.969444	49,984,722.22	90,277.78	.123	.123
36959HFD4	GE CAPITAL CORP	06/13/2012	.330	.330	35,000,000.00	34,948,345.83	99.929028	34,975,159.72	26,813.89	.202	.203
36959HJ57	GE CAPITAL CORP	09/05/2012	.330	.331	35,000,000.00	34,941,287.50	99.751417	34,912,995.83	-28,291.67	.431	.433
			.351	.351	150,000,000.00	149,730,702.77	99.914835	149,872,252.77	141,550.00	.191	.191
Grand Total			.535	.485	4,995,171,000.00	4,997,448,808.53	100.132943	5,001,811,731.51	4,362,922.98	1.222	1.242

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			
	Maximum Maturity	Authorized % Limit	Quality S&P/ Moody's	Maximum Maturity	Authorized % Limit	Quality S&P/ Moody's	
MUNICIPAL BONDS (MUNI)	5 YEARS	NO LIMIT	NA	3 YEARS	15%	AA- / Aa3/ AA-	1.78%
U.S. TREASURIES	5 YEARS	NO LIMIT	NA	5 YEARS	100%	NA	3.01%
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	85.42%
COMMERCIAL PAPER (CP)	270 DAYS	40%	A1/P1	270 DAYS	40%	A1/P1/F1	3.00%
CERTIFICATE & TIME DEPOSITS (NCD & TCD)	5 YEARS	30%	NA	1 YEAR	25% Combined	A1/P1/F1	
REPURCHASE AGREEMENTS (REPO)	1 YEARS	NO LIMIT	NA	45 DAYS	40% max, 25% in term repo over 7	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	1.08%
MONEY MARKET MUTUAL FUNDS (MMF)	60 DAYS ⁽¹⁾	20%	AAA/Aaa ⁽²⁾	DAILY LIQUIDITY	20%	AAA by 2 Of 3 RATINGS	0.70%
LOCAL AGENCY INVESTMENT FUND (LAIF)	NA	NA	NA	DAILY LIQUIDITY	Max \$50 million	NA	1.00%
CASH/DEPOSIT ACCOUNT	NA	NA	NA	NA	NA	NA	4.00%

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





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