

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

705 A



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

**SUBMITTAL DATE:**  
May 2, 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 April 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	

<b>SOURCE OF FUNDS:</b>	Budget Adjustment: No
	For Fiscal Year: 2015/2016

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

**APPROVE**

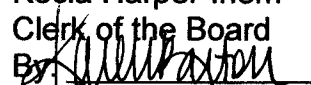
BY:   
 \_\_\_\_\_  
 Samuel Wong

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Ashley, seconded by Supervisor Washington and duly carried by unanimous vote, IT WAS ORDERED that the above matter is received and filed as recommended.

**Ayes:** Jeffries, Tavaglione, Washington, Benoit and Ashley  
**Nays:** None  
**Absent:** None  
**Date:** May 24, 2016  
**xc:** Treasurer

Kecia Harper-Ihem  
 Clerk of the Board  
 By:   
 Deputy

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

Prev. Agn. Ref.: \_\_\_\_\_ District: \_\_\_\_\_ Agenda Number: \_\_\_\_\_

**2-8**



# County of Riverside

# April 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

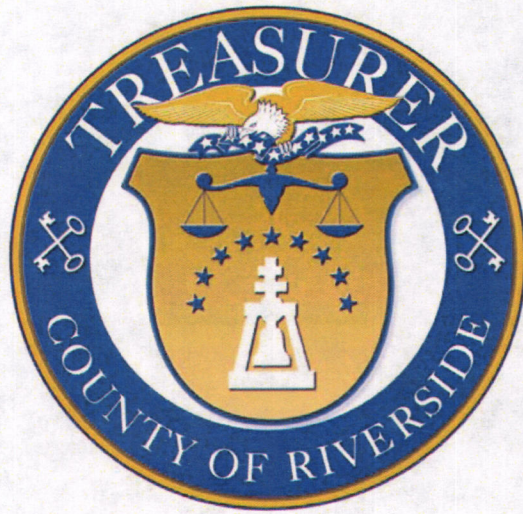
### Investment Objectives

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
<b>April</b>	7,336,685,334.21	7,329,824,096.33	6,861,237.88	0.09	0.65	1.02	0.99
<b>March</b>	6,319,190,571.12	6,312,840,233.99	6,350,337.13	0.10	0.65	1.07	1.04
<b>February</b>	6,294,402,626.91	6,289,381,725.26	5,020,901.65	0.08	0.66	1.15	1.12
<b>January</b>	6,691,824,574.61	6,687,643,005.32	4,181,569.29	0.06	0.62	1.10	1.08
<b>December</b>	7,023,488,956.44	7,028,915,490.64	(5,426,534.20)	(0.08)	0.55	1.03	1.00
<b>November</b>	5,931,356,029.51	5,933,521,428.90	(2,165,399.39)	(0.04)	0.50	1.03	1.01

*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
04/01/2016	<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.	205,000	215,000
04/01/2016	<b>Employment Situation:</b> Measures the number of unemployed as a percentage of the labor	4.9%	5.0%
04/26/2016	<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.	1.9%	0.8%
04/28/2016	<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.	0.5%	0.7%
04/26/2016	<b>Consumer Confidence:</b> Measures consumer attitudes on present economic conditions and expectations of future conditions.	95.8	94.2
04/04/2016	<b>Factory Orders M/M change:</b> Represents the dollar level of new orders for both durable and nondurable goods.	-1.7%	-1.7%
04/14/2016	<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.	0.2%	0.1%
04/14/2016	<b>CPI Ex Food and Energy - M/M change:</b> CPI Ex Food and Energy excludes food and energy.	0.2%	0.1%

## Stock Indices

	Value	Change
Dow Jones (DJIA)	\$ 17,773.64	\$ 88.55
S&P 500 Index	\$ 2,065.30	\$ 5.56
NASDAQ (NDX)	\$ 4,341.29	\$ (142.36)

## Commodities

	Value	Change
Nymex Crude	\$ 45.92	\$ 7.58
Gold (USD/OZ)	\$ 1,292.99	\$ 60.28

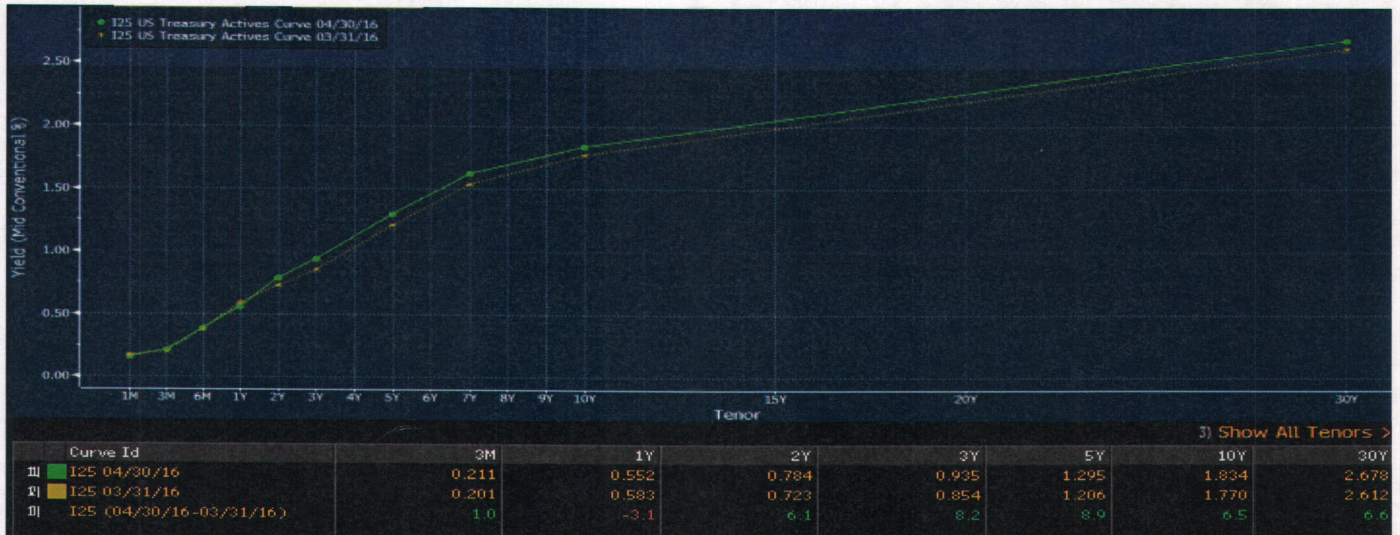
## Fed Funds Target Rate

Current Fed Funds Rate: 0-0.25%		
Probability for FOMC Dates:		
Fed Move	06/15/2016	07/27/2016
Increase to 0.25%	90.0%	75.6%
Increase to 0.50%	10.0%	22.8%
Increase to 0.75%	0.0%	1.6%
Increase to 1%	0.0%	0.0%

## FOMC Meeting Schedule

Release	%	Risk Assessment
16-Mar	.25 - 0.5 %	Growth
27-Apr	.25 - 0.5 %	Growth

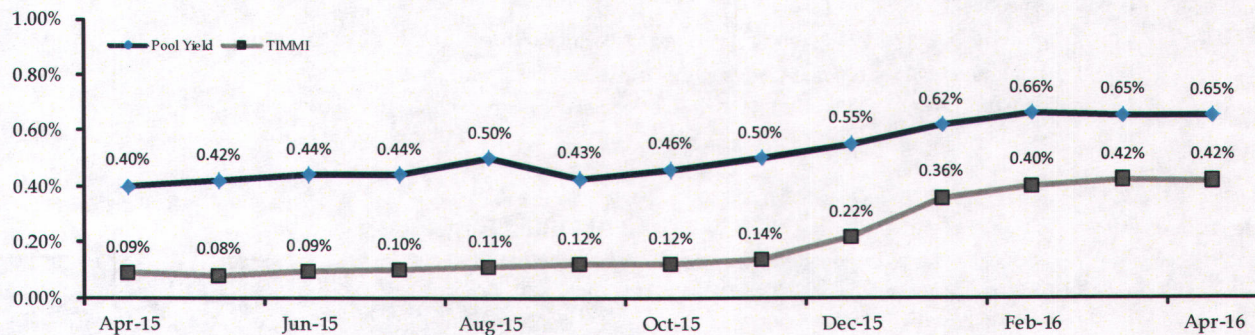
## US Treasury Curve (M/M)



# 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	0.44%
Federated Prime Obligations Fund	POIXX	0.38%
Wells Fargo Advantage Heritage	WFJXX	0.43%
JP Morgan	CJPXX	0.42%



## Cash Flows

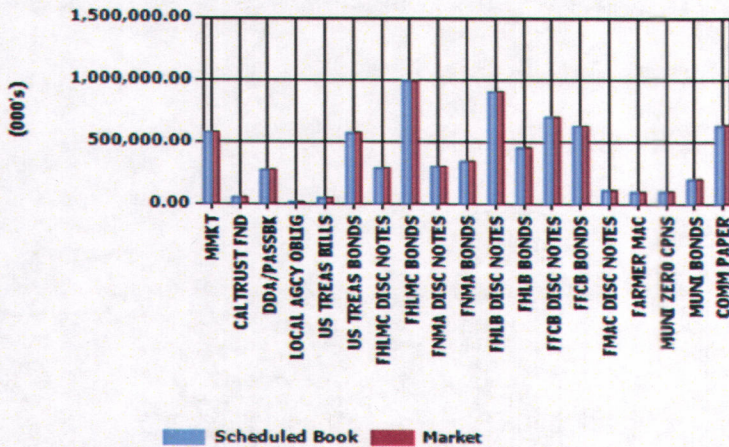
Month	Monthly Receipts	Monthly Disbursements	Difference	Required Matured Investments	Balance	Actual Investments Maturing	Available to Invest > 1 Year
05/2016					218.12		
05/2016	712.44	1,350.00	(637.56)	419.44	-	1,514.03	
06/2016	1,150.00	1,550.00	(400.00)	400.00	-	646.00	
07/2016	1,100.00	1,050.00	50.00		50.00	499.30	
08/2016	720.00	950.00	(230.00)	180.00	-	500.70	
09/2016	850.00	1,050.00	(200.00)	200.00	-	488.26	
10/2016	1,040.00	1,175.00	(135.00)	135.00	-	440.26	
11/2016	1,200.00	960.00	240.00		240.00	191.34	
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	549.00	
02/2017	810.00	1,200.00	(390.00)		300.00	370.00	
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	89.99	
<b>TOTALS</b>	<b>13,712.44</b>	<b>13,995.00</b>	<b>(282.56)</b>	<b>1,334.44</b>	<b>4,508.12</b>	<b>5,398.25</b>	<b>5,995.38</b>
				<b>18.21%</b>		<b>73.65%</b>	<b>81.79%</b>

\* All values reported in millions (\$).

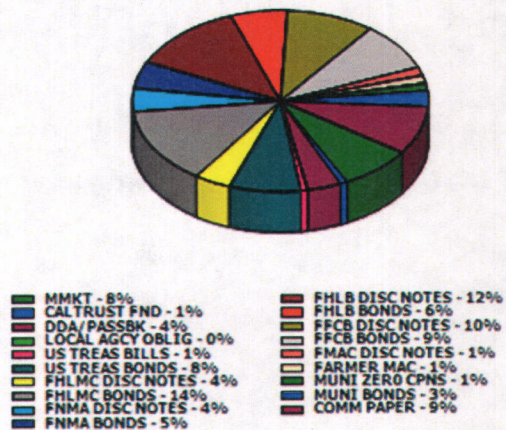
The Pooled Investment Fund cash flow requirements are based upon a 12 month historical cash flow model. Based upon projected

# Asset Allocation

Assets (000's)	Scheduled Par	Scheduled Book	Scheduled Market	Mkt/ Sch Book	Yield	WAL (Yr)	Mat (Yr)
MMKT	580,000.00	580,000.00	580,000.00	100.00%	0.41%	.003	.003
CALTRUST FND	54,000.00	54,000.00	54,000.00	100.00%	0.70%	.003	.003
DDA/PASSBK	275,000.00	275,000.00	275,000.00	100.00%	0.40%	.003	.003
LOCAL AGCY OBLIG	335.00	335.00	335.00	100.00%	1.15%	4.129	4.129
US TREAS BILLS	50,000.00	49,862.24	49,965.55	100.21%	0.37%	.302	.302
US TREAS BONDS	575,000.00	575,178.16	577,048.25	100.33%	0.84%	1.445	1.445
FHLMC DISC NOTES	290,000.00	288,928.80	289,507.10	100.20%	0.42%	.423	.423
FHLMC BONDS	1,001,786.00	1,001,868.22	1,002,211.40	100.03%	1.14%	.874	2.694
FNMA DISC NOTES	303,717.00	302,763.22	303,411.87	100.21%	0.39%	.278	.278
FNMA BONDS	345,729.00	345,765.31	345,786.35	100.01%	1.07%	.640	2.752
FHLB DISC NOTES	914,783.00	911,561.04	913,181.36	100.18%	0.48%	.410	.410
FHLB BONDS	454,789.72	454,800.44	454,964.84	100.04%	0.78%	.557	1.296
FFCB DISC NOTES	708,500.00	705,849.54	707,093.91	100.18%	0.45%	.456	.456
FFCB BONDS	634,206.00	634,313.47	633,733.48	99.91%	0.55%	1.476	1.545
FMAC DISC NOTES	110,000.00	109,486.74	109,797.70	100.28%	0.57%	.445	.445
FARMER MAC	98,850.00	98,850.00	98,943.68	100.09%	0.58%	1.168	1.168
MUNI ZERO CPNS	101,300.00	101,226.82	101,261.00	100.03%	0.45%	.077	.077
MUNI BONDS	200,025.00	201,211.88	201,211.88	100.00%	0.78%	1.109	1.109
COMM PAPER	639,964.00	638,823.21	639,231.98	100.06%	0.51%	.204	.204
<b>Totals (000's):</b>	<b>7,337,984.72</b>	<b>7,329,824.10</b>	<b>7,336,685.33</b>	<b>100.09%</b>	<b>0.65%</b>	<b>.622</b>	<b>1.022</b>

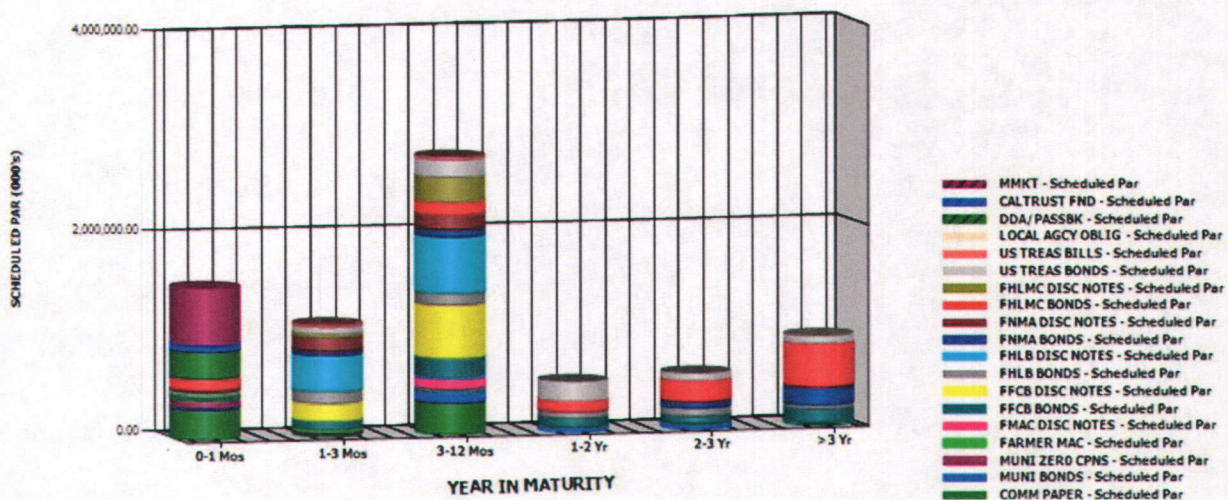


SCHEDULED PAR %



# 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	580,000.00	-	-	-	-	-	580,000.00
CALTRUST FND	54,000.00	-	-	-	-	-	54,000.00
DDA/PASSBK	275,000.00	-	-	-	-	-	275,000.00
LOCAL AGCY OBLIG	-	-	-	-	-	335.00	335.00
US TREAS BILLS	-	25,000.00	25,000.00	-	-	-	50,000.00
US TREAS BONDS	-	65,000.00	175,000.00	190,000.00	70,000.00	75,000.00	575,000.00
FHLMC DISC NOTES	-	40,000.00	250,000.00	-	-	-	290,000.00
FHLMC BONDS	115,366.00	-	124,625.00	110,000.00	214,400.00	437,395.00	1,001,786.00
FNMA DISC NOTES	13,000.00	140,500.00	150,217.00	-	-	-	303,717.00
FNMA BONDS	-	41,597.00	68,007.00	-	60,000.00	176,125.00	345,729.00
FHLB DISC NOTES	7,000.00	350,000.00	557,783.00	-	-	-	914,783.00
FHLB BONDS	15,000.00	124,700.00	125,370.00	65,000.00	82,469.72	42,250.00	454,789.72
FFCB DISC NOTES	12,000.00	169,500.00	527,000.00	-	-	-	708,500.00
FFCB BONDS	37,296.00	94,000.00	204,000.00	90,900.00	75,310.00	132,700.00	634,206.00
FMAC DISC NOTES	-	-	110,000.00	-	-	-	110,000.00
MUNI ZERO CPNS	15,000.00	25,000.00	25,000.00	8,850.00	10,000.00	15,000.00	98,850.00
FARMER MAC	78,300.00	23,000.00	-	-	-	-	101,300.00
MUNI BONDS	12,070.00	-	103,850.00	34,525.00	39,525.00	10,055.00	200,025.00
COMM PAPER	300,000.00	22,000.00	317,964.00	-	-	-	639,964.00
<b>Totals (000's):</b>	<b>1,514,032.00</b>	<b>1,120,297.00</b>	<b>2,763,816.00</b>	<b>499,275.00</b>	<b>551,704.72</b>	<b>888,860.00</b>	<b>7,337,984.72</b>
<b>%</b>	<b>20.63%</b>	<b>15.27%</b>	<b>37.66%</b>	<b>6.80%</b>	<b>7.52%</b>	<b>12.11%</b>	
<b>Cumulative %</b>	<b>20.63%</b>	<b>35.90%</b>	<b>73.56%</b>	<b>80.37%</b>	<b>87.89%</b>	<b>100.00%</b>	

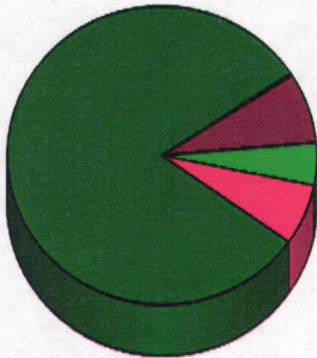


# Credit Quality

Moody (000's)	Par	Book	Market	MKT/Book	Yield
Aaa	5,937,895.72	5,930,275.45	5,936,289.10	100.10%	0.68%
Aa1	18,750.00	18,865.90	18,865.90	100.00%	0.84%
Aa2	563,194.00	562,577.21	562,784.82	100.04%	0.50%
Aa3	333,960.00	334,433.79	334,669.12	100.07%	0.63%
NR	484,185.00	483,671.74	484,076.38	100.08%	0.48%
<b>Totals (000's):</b>	<b>7,337,984.72</b>	<b>7,329,824.10</b>	<b>7,336,685.33</b>	<b>100.09%</b>	<b>0.65%</b>

## MOODY'S

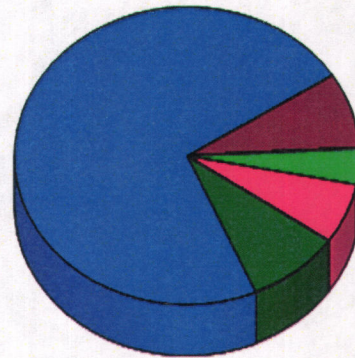
BOOK %



■ Aaa - 81%    ■ Aa3 - 5%  
■ Aa1 - 0%    ■ NR - 7%  
■ Aa2 - 8%

## S & P

BOOK %



■ AAA - 9%    ■ AA- - 4%  
■ AA+ - 72%    ■ NR - 7%  
■ AA - 8%

S&P (000's)	Par	Book	Market	MKT/Book	Yield
AAA	646,500.00	646,500.00	646,500.00	100.00%	0.45%
AA+	5,310,145.72	5,302,641.35	5,308,655.01	100.11%	0.71%
AA	611,194.00	611,494.98	611,702.59	100.03%	0.54%
AA-	285,960.00	285,516.02	285,751.35	100.08%	0.56%
NR	484,185.00	483,671.74	484,076.38	100.08%	0.48%
<b>Totals (000's):</b>	<b>7,337,984.72</b>	<b>7,329,824.10</b>	<b>7,336,685.33</b>	<b>100.09%</b>	<b>0.65%</b>













Month End Portfolio Holdings

CUSIP	Description	Maturity Date	Coupon	Yield To Maturity	Par Value	Book Value	Market Price	Market Value	Unrealized Gain/Loss	Modified Duration	Years To Maturity
89233GJT4	TOYOTA MOTOR CORP	09/27/2016	.783	.783	48,000,000.00	47,810,720.00	99.768222	47,888,746.67	78,026.67	.407	.411
64105GH31	NESTLE	08/03/2016	.520	.521	20,000,000.00	19,963,311.11	99.874667	19,974,933.33	11,622.22	.259	.260
89233GFQ4	TOYOTA MOTOR CORP	06/24/2016	.480	.481	22,000,000.00	21,974,773.33	99.940000	21,986,800.00	12,026.67	.150	.151
64105GH49	NESTLE	08/04/2016	.560	.561	30,000,000.00	29,943,066.67	99.873333	29,962,000.00	18,933.33	.261	.263
64105GH49	NESTLE	08/04/2016	.560	.561	30,000,000.00	29,943,066.67	99.873333	29,962,000.00	18,933.33	.261	.263
64105GJ13	NESTLE	09/01/2016	.560	.561	30,000,000.00	29,930,466.67	99.808667	29,942,600.00	12,133.33	.338	.340
64105GJ13	NESTLE	09/01/2016	.560	.561	20,000,000.00	19,953,644.44	99.808667	19,961,733.33	8,088.89	.338	.340
64105GKC7	NESTLE	10/12/2016	.600	.602	13,264,000.00	13,223,986.93	99.744889	13,230,162.06	6,175.13	.449	.452
64105GKC7	NESTLE	10/12/2016	.600	.602	27,000,000.00	26,918,550.00	99.744889	26,931,120.00	12,570.00	.449	.452
64105GH49	NESTLE	08/04/2016	.570	.571	49,700,000.00	49,612,652.25	99.873333	49,637,046.67	24,394.42	.261	.263
89233GEG7	TOYOTA MOTOR CORP	05/16/2016	.350	.350	90,000,000.00	89,972,875.00	99.983333	89,985,000.00	12,125.00	.044	.044
64105GEL4	NESTLE	05/20/2016	.370	.370	30,000,000.00	29,989,208.33	99.978889	29,993,666.67	4,458.34	.055	.055
93114EE94	WAL-MART	05/09/2016	.350	.350	150,000,000.00	149,973,750.00	99.991111	149,986,666.67	12,916.67	.025	.025
			.511	.511	639,964,000.00	638,823,210.29	99.885615	639,231,975.40	408,765.11	.203	.204
	<b>Total Fund</b>		.662	.648	7,337,984,720.08	7,329,824,096.33	99.982292	7,336,685,334.21	6,861,237.88	.999	1.023
<b>Grand Total</b>			.662	.648	7,337,984,720.08	7,329,824,096.33	99.982292	7,336,685,334.21	6,861,237.88	.999	1.023



## 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-	4.13%
U.S. TREASURIES	5 YEARS	NO LIMIT	NA	5 YEARS	100%	NA	8.53%
LOCAL AGENCY OBLIGATIONS (LAO)	5 YEARS	NO LIMIT	NA	3 YEARS	2.5%	INVESTMENT GRADE	0.00%
FEDERAL AGENCIES	5 YEARS	NO LIMIT	AAA	5 YEARS	100%	NA	66.23%
COMMERCIAL PAPER (CP)	270 DAYS	40%	A1/P1	270 DAYS	40%	A1/P1/F1	8.72%
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	0.73%
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.	7.91%
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	3.75%

<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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