

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



ITEM
2.11
(ID # 6551)

MEETING DATE:
Tuesday, April 10, 2018

FROM : TREASURER-TAX COLLECTOR:

SUBJECT: TREASURER-TAX COLLECTOR: Receive and File the Treasurer's Monthly Disclosure Report on Investments dated February 2018.

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receives and files the Treasurer's "Monthly Disclosure Report on Investments" dated February 2018

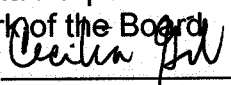
ACTION: Consent

Jon Christensen, Treasurer-Tax Collector 3/16/2018

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley
Nays: None
Absent: None
Date: April 10, 2018
xc: Treasurer

Kecia Harper-Ihem
Clerk of the Board
By: 
Deputy

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

FINANCIAL DATA	Current Fiscal Year	Next Fiscal Year	Total Cost	Original Cost
COST	\$ 0	\$ 0	\$ 0	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: N/A			Budget Adjustment: No	
			For Fiscal Year: 2017/18	

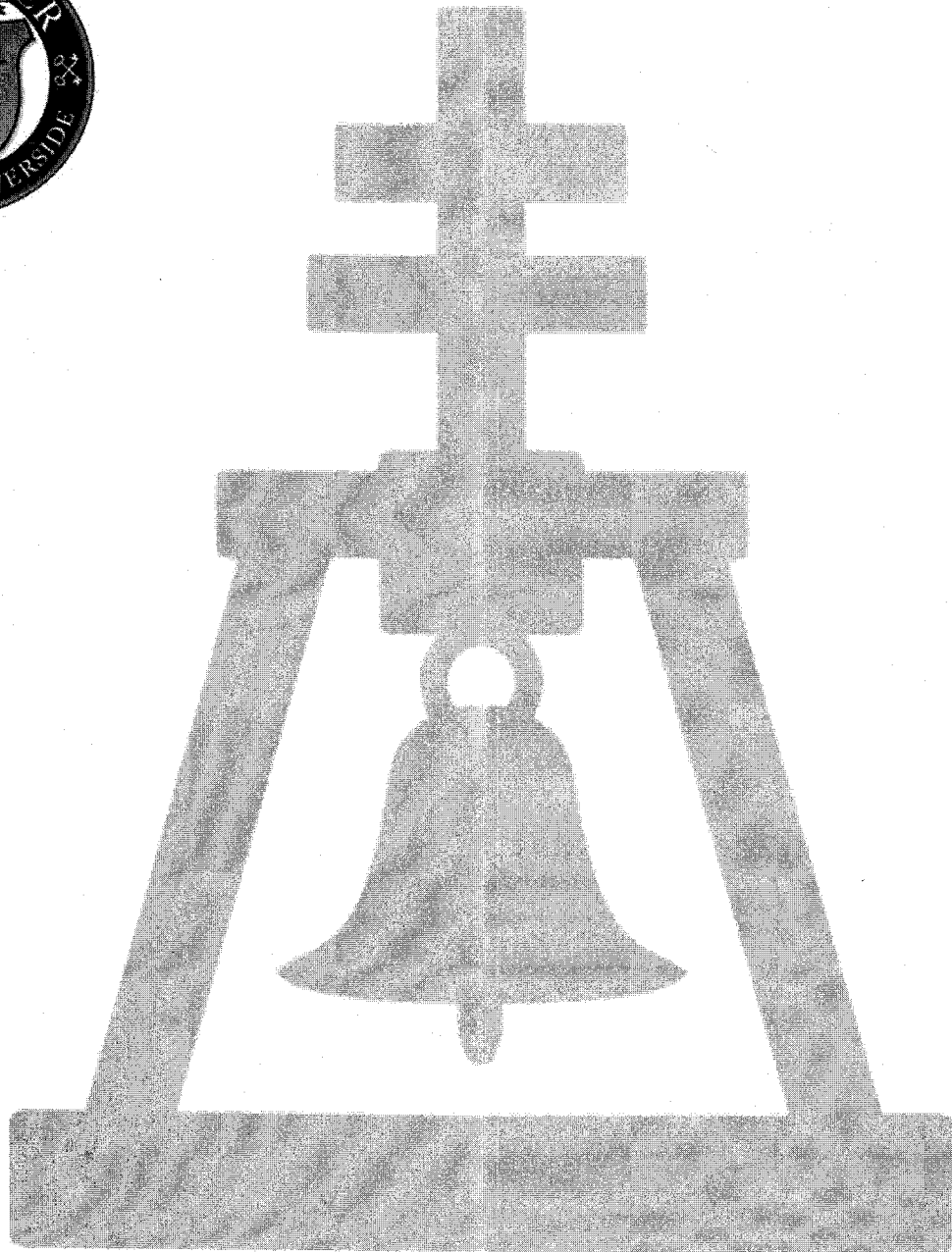
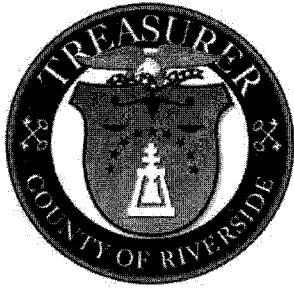
C.E.O. RECOMMENDATION: Approve

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".


 Stephanie Peralta, Principal Management Analyst 3/29/2018



County of Riverside

Treasurer's Pooled Investment Fund

February 2018

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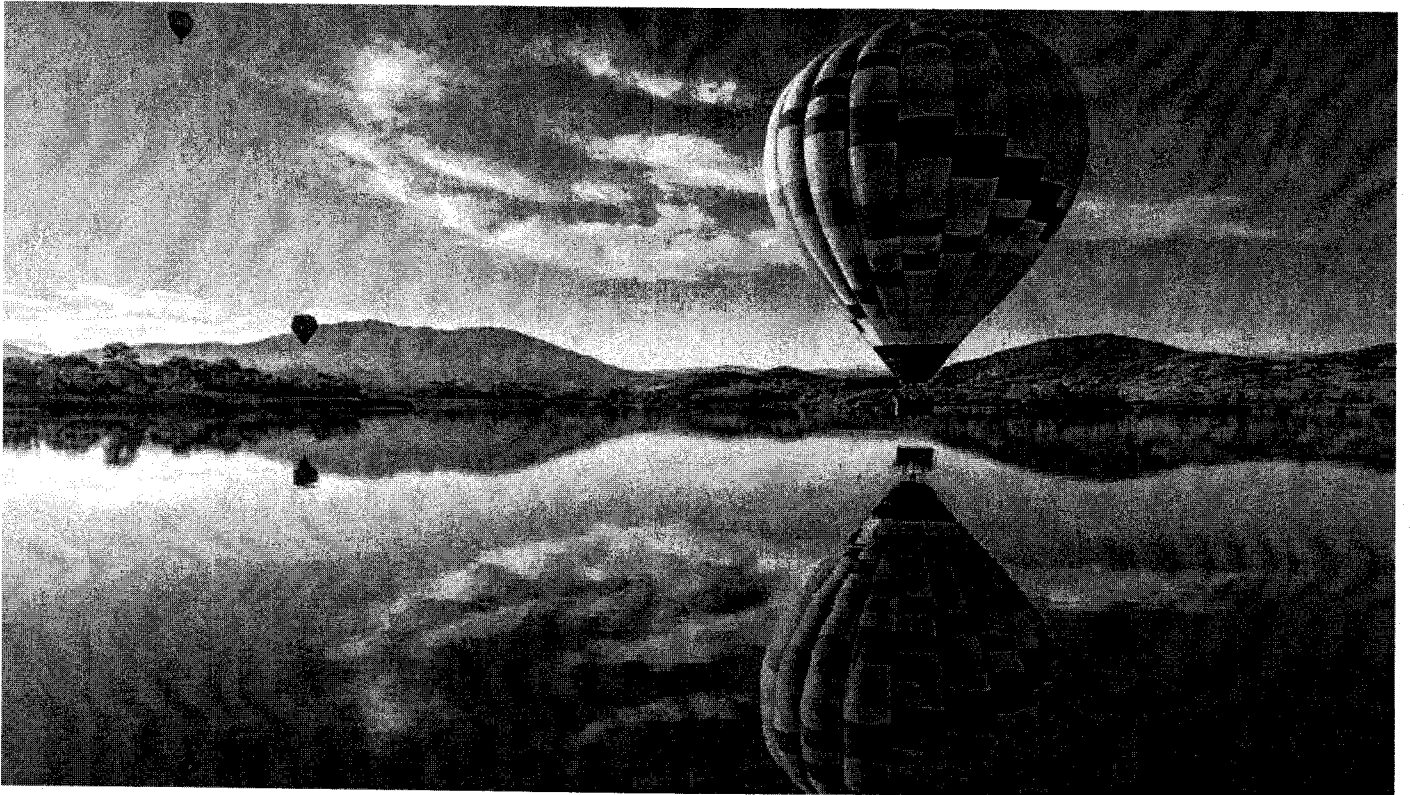
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Hot air balloons over Lake Skinner in Temecula, Southwest Riverside County, CA. Digital Image. NBC San Diego. <http://www.nbcsandiego.com/news/local/temecula-valley-2014-balloon-wine-festival-north-san-diego-261142951.html>

Treasurer's Pooled Investment Fund

Treasurer's Statement

The Treasurer's Pooled Investment Fund is comprised of contributions from the county, schools, special districts, and other discretionary depositors throughout the County of Riverside. 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 to maximize a **return on the funds** within the given parameters.

The Treasurer-Tax Collector and the Capital Markets team are committed to maintaining the highest credit ratings. The Treasurer's Pooled Investment Fund is currently rated **AAA-bf** by **Moody's Investor Service** and **AAAF/S1** by **Fitch Ratings**, two of the nation's most trusted bond credit rating services.

Since its inception, the Treasurer's Pooled Investment Fund has been in **full compliance** with the Treasurer's Statement of Investment Policy, which is more restrictive than California Government Code 53646.

Capital Markets Team

Jon Christensen
Treasurer-Tax Collector

Giovane Pizano
Chief Investment Manager

Steve Faeth
Sr. Investment Manager

Isla Licea
Assistant Investment Manager

Jake Nieto
Intern

6-Month Pool Performance

	Month End Market Value (\$)*	Month End Book Value (\$)	Paper Gain or Loss (\$)	Paper Gain or Loss (%)	Book Yield (%)	WAM (Yrs)
18-Feb	6,498,908,307.13	6,535,413,566.05	(36,505,258.92)	-0.56%	1.53	1.17
18-Jan	6,605,413,937.61	6,637,299,033.46	(31,885,095.85)	-0.48%	1.47	1.14
17-Dec	7,694,737,199.78	7,714,635,653.16	(19,898,453.38)	-0.26%	1.39	1.01
17-Nov	6,308,195,449.12	6,327,879,337.38	(19,683,888.26)	-0.31%	1.32	1.20
17-Oct	6,255,513,634.27	6,269,409,129.71	(13,895,495.44)	-0.22%	1.27	1.22
17-Sep	6,238,559,720.97	6,249,458,901.54	(10,899,180.57)	-0.17%	1.25	1.23

*Market values do not include accrued interest.



Riverside County Court House, Downtown Riverside. Digital Image. Spectra Company. <http://spectracompany.com/riversidecountycourthouse>.

Economy

National Economy

Amid economic stability and growth, retail sales and auto sales have faltered somewhat in recent months.

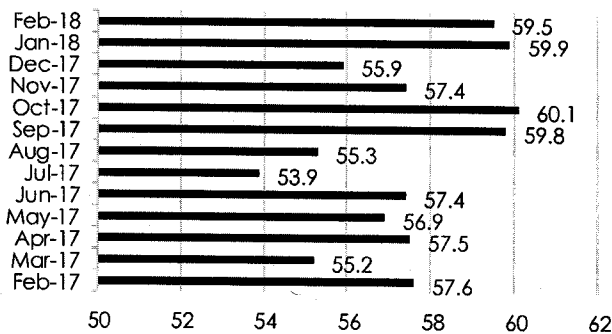
- Following a spike in sales during the aftermath of hurricane-related disruptions in 2017, auto sales have since tapered.
- Monthly retail sales growth shows weakness following November, but year-over-year figures indicate strong growth.
- Key economic indicators generally align with expectations and point towards growth. CPI and the non-manufacturing

State Economy

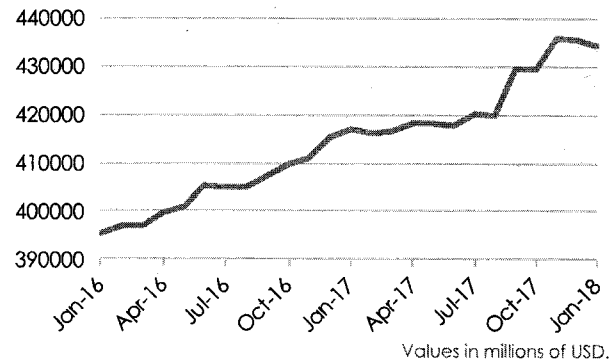
In January, California's nonfarm employment reached an all-time high.

- In 2017, the State's unemployment rate averaged 4.8%, the lowest annual average since 2000. [LAEDC; 3/05/2018]
- According to the UCLA Anderson Forecast, the Inland Empire is currently the state's "biggest job creator".
- California is growing at the second-fastest rate in the US, falling only behind Washington, says Anderson Forecast. [UCLA Anderson; 03/07/2018]

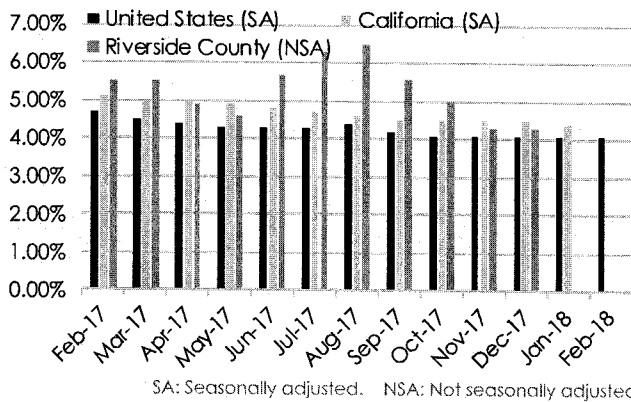
Non-Manufacturing Index



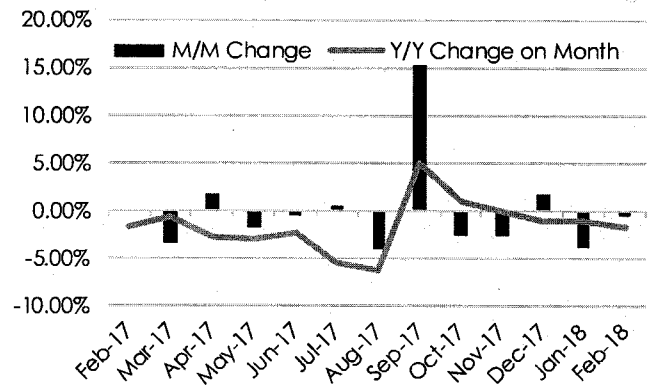
Retail Sales



Unemployment Rate



Auto Sales



Key Economic Indicators

Source: Federal Reserve Economic Data and County of Riverside Office of the Treasurer-Tax Collector.

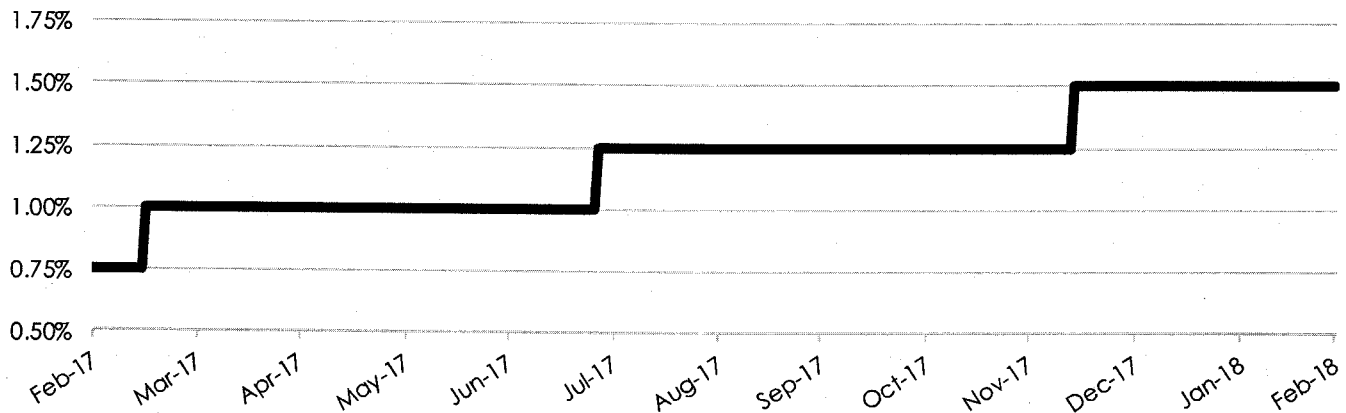
Release Date	Indicator	Actual	Consensus	Difference
02/28/2018	Real Gross Domestic Product - Q/Q Change	2.50%	2.50%	0.00%
02/02/2018	Unemployment Rate - Seasonally Adjusted	4.10%	4.10%	0.00%
02/02/2018	Non-Farm Payrolls - M/M Change	200,000	175,000	25,000
02/14/2018	CPI - Y/Y Change	2.10%	2.00%	0.10%
02/14/2018	CPI Ex Food and Energy - Y/Y Change	1.80%	1.70%	0.10%
02/05/2018	Non-Manufacturing Index	59.9	56.2	3.70
02/21/2018	Existing Home Sales - Y/Y Change	-4.80%	-	-
02/02/2018	Factory Orders - M/M Change	1.70%	1.50%	0.20%
02/27/2018	Durable Goods Orders - M/M Change	-3.70%	-2.00%	-1.70%

Market Data

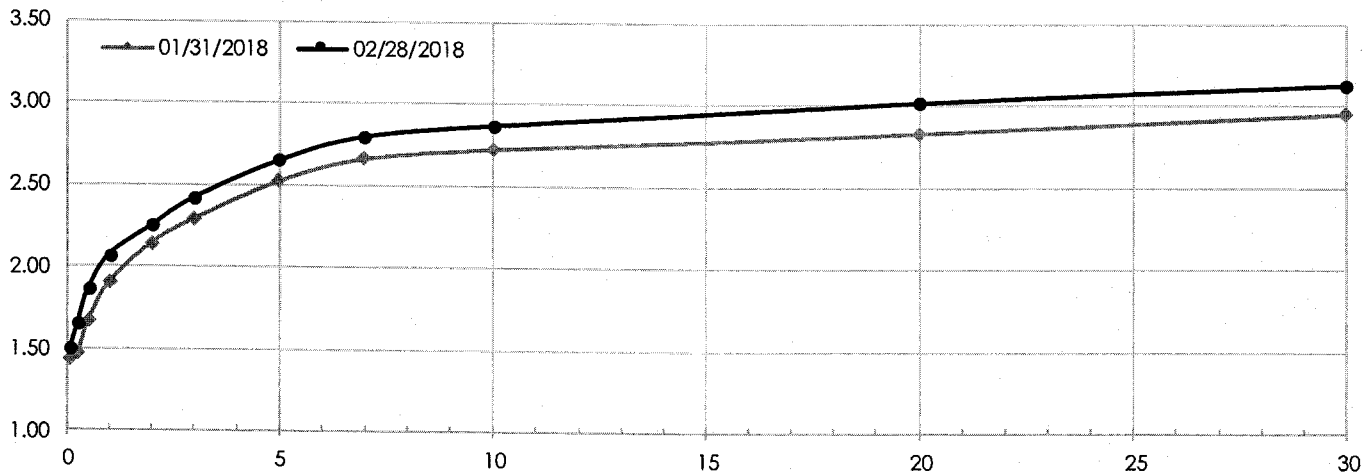
FOMC Meeting 01/31/2018

- The FOMC stated, "Near-term risks to the economic outlook appear roughly balanced".
- The Federal Reserve maintains the Fed Funds Target Rate at 1.25—1.50%.
- Inflation has "increased in recent months, but [remains low]". The core inflation rate is expected to increase this year and "to stabilize around the Committee's 2 percent objective over the medium term".
- The next FOMC meeting is scheduled for March 21st, 2018.

Fed Funds Target Rate (Upper Limit)



US Treasury Curve

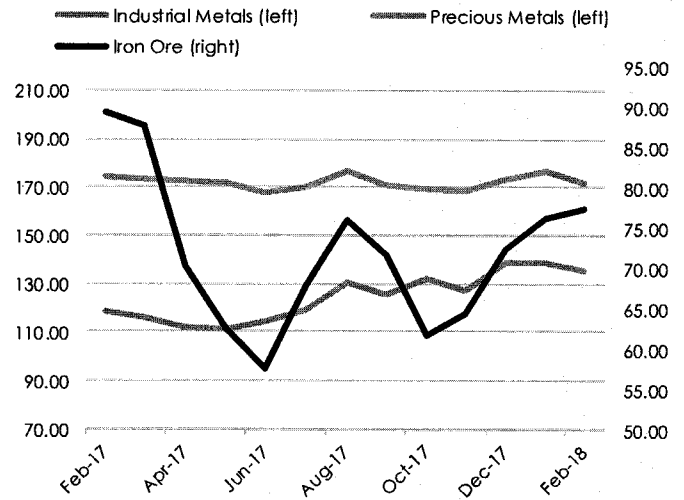
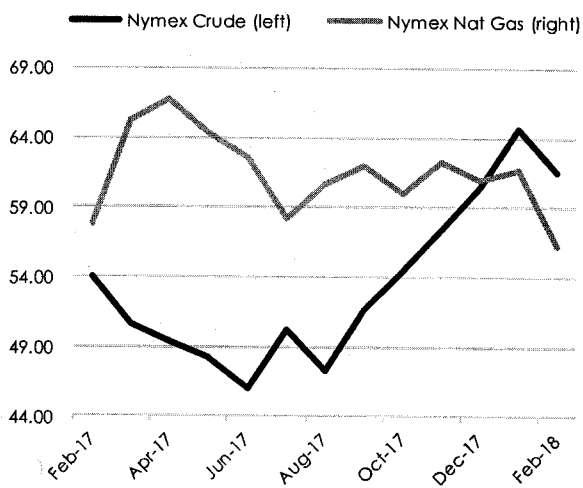


Treasury Curve Differentials	3 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr	30 Yr
02/28/2018 - 01/31/2018	0.19	0.2	0.17	0.11	0.13	0.13	0.15	0.18
02/28/2018	1.65	1.86	2.07	2.25	2.42	2.65	2.87	3.13
01/31/2018	1.46	1.66	1.9	2.14	2.29	2.52	2.72	2.95

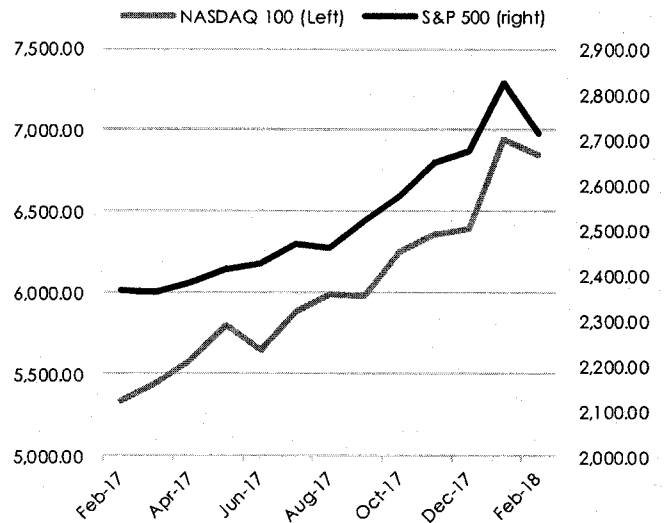
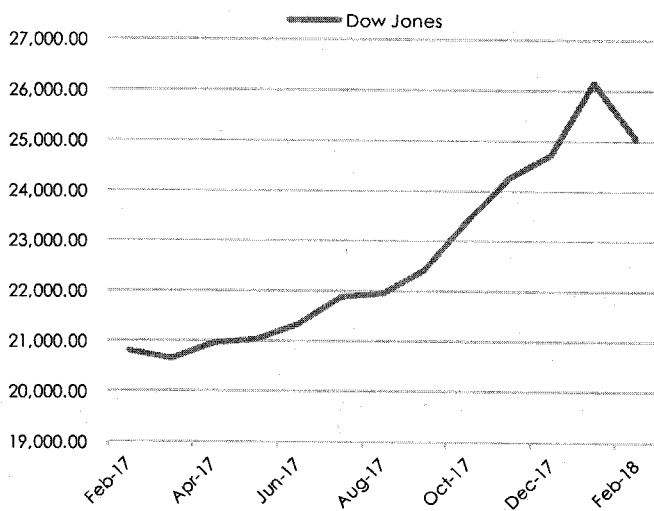
The US Treasury Curve and its forecasted values are subject to frequent change and will be updated monthly with each issued TPIF report.

Market Data cont'd

Commodities



Stocks



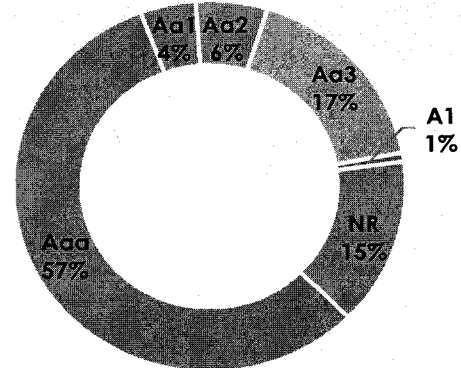
* Values listed on this page are in US dollars and are based on the final business day of the month.

Portfolio Data

The County of Riverside's Treasurer's Pooled Investment Fund is currently rated **AAA-bf** by **Moody's Investor Service** and **AAAf/S1** by **Fitch Ratings**.

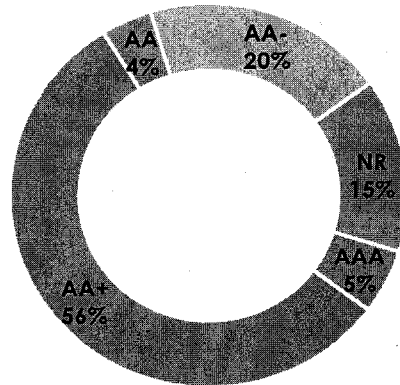
Moody's Asset Rating (000's)

	Book	MKT/Book	% Book	Yield
Aaa	3,713,236.19	98.96%	56.82%	1.52%
Aa1	300,057.31	100.21%	4.59%	1.39%
Aa2	386,710.49	100.13%	5.92%	1.57%
Aa3	1,131,984.52	100.10%	17.32%	1.60%
A1	49,660.75	100.55%	0.76%	1.39%
NR	953,764.30	99.96%	14.59%	1.55%
Totals:	6,535,413.57	99.44%	100.00%	1.53%



S&P Asset Rating (000's)

	Book	MKT/Book	% Book	Yield
AAA	357,793.57	100.15%	5.47%	1.47%
AA+	3,655,499.93	98.95%	55.93%	1.51%
AA	272,284.52	100.30%	4.17%	1.42%
AA-	1,296,071.25	100.08%	19.83%	1.62%
NR	953,764.30	99.96%	14.59%	1.55%
Totals:	6,535,413.57	99.44%	100.00%	1.53%



12-Month Projected Cash Flow

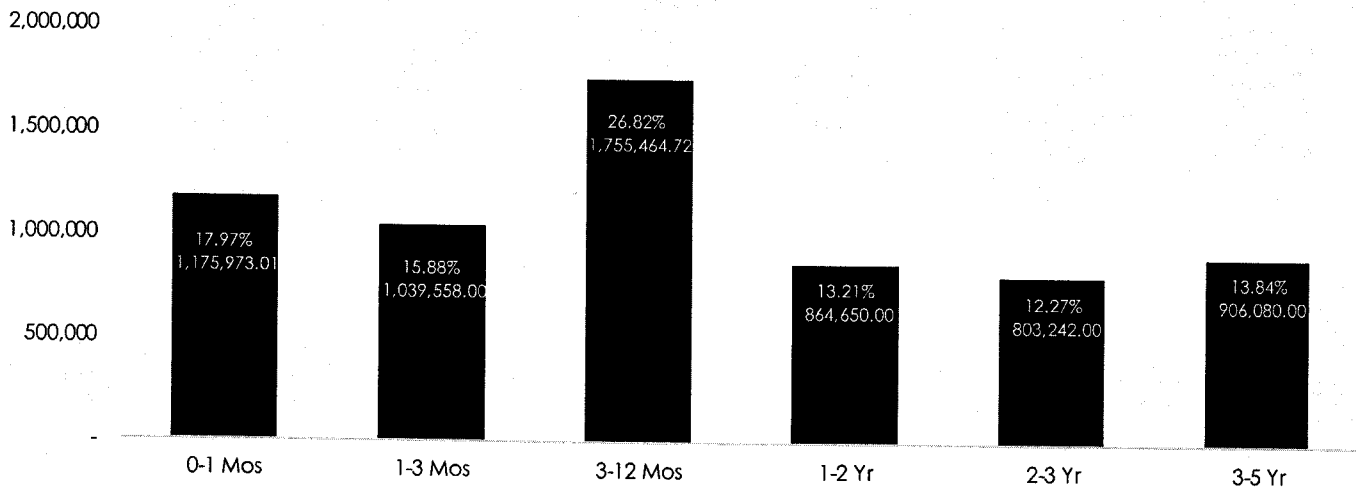
Month	Monthly Receipts	Monthly Disbursements	Difference	Required Matured Investments	Balance	Actual Investments Maturing	Available to Invest > 1 Year
03/2018					98.70	-	
03/2018	1,200.00	1,000.00	200.00		298.70	1,225.97	
04/2018	1,946.22	1,100.00	846.22		1,144.92	291.09	
05/2018	912.13	1,500.00	(587.87)		557.05	823.47	
06/2018	1,153.32	1,900.00	(746.68)	189.63	-	337.38	
07/2018	1,006.35	1,300.00	(293.65)	293.65	-	295.75	
08/2018	740.88	635.84	105.04		105.04	265.13	
09/2018	1,100.00	1,250.00	(150.00)	44.96	-	220.00	
10/2018	1,051.06	1,100.00	(48.94)	48.94	-	179.87	
11/2018	1,125.00	1,100.00	25.00		25.00	164.50	
12/2018	2,350.00	1,100.00	1,250.00		1,275.00	-	
01/2019	1,000.00	2,100.00	(1,100.00)		175.00	87.50	
02/2019	850.00	1,050.00	(200.00)	25.00	-	100.34	
TOTALS	14,434.96	15,135.84	(700.88)	602.18	3,679.41	3,991.00	5,933.23
				9.21%		61.07%	90.79%

* Values listed in Cash Flow Table are in millions of USD.

Based on historic and current financial conditions within the County, the Pool is expected to maintain sufficient liquidity of funds to cover County expenses for the next twelve months.

Portfolio Data cont'd

Asset Maturity Distribution (Par Value)



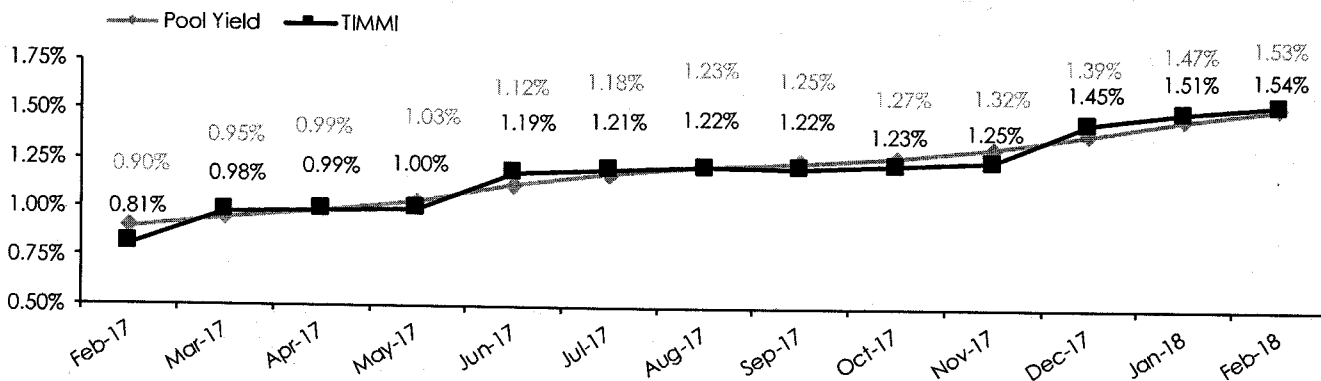
*Cash values are in thousands of dollars.

Asset Allocation

Assets	Scheduled Book	Scheduled Market	Mkt/ Sch Book	Yield	WAL (Yr)	Mat (Yr)
TREAS	368,461.02	368,170.65	99.92%	1.38%	0.521	0.521
AGENCIES	3,154,860.27	3,115,385.55	98.75%	1.53%	2.118	2.122
MMKT	146,994.51	146,994.51	100.00%	1.41%	0.003	0.003
CASH	600,000.00	600,000.00	100.00%	1.57%	0.003	0.003
CALTRUST FND	54,000.00	54,021.60	100.04%	1.55%	0.003	0.003
COMM PAPER	893,301.62	896,556.86	100.36%	1.51%	0.208	0.208
NCDS	815,000.00	815,000.00	100.00%	1.70%	0.325	0.325
MEDIUM TERM NOTES	192,681.67	192,664.66	99.99%	1.69%	0.720	0.720
MUNI	309,919.48	309,919.48	100.00%	1.25%	0.721	0.721
LOCAL AGCY OBLIG	195.00	195.00	100.00%	1.97%	2.296	2.296
Totals:	6,535,413.57	6,498,908.31	99.44%	1.53%	1.178	1.179

* For details on the Pool's composition see Month End Portfolio Holdings, pages 9 to 13.

TIMMI



The Treasurer's Institutional Money Market Index (TIMMI) is a composite index of four AAA rated prime institutional money market funds. Their aggregate yield is compared to the yield of the Treasurer's Pooled Investment Fund in the above graph.

Compliance Report

Compliance Status: Full Compliance

The Treasurer's Pooled Investment Fund was in full compliance with the County of Riverside's Treasurer's Statement of Investment Policy. The County's Statement of Investment Policy is more restrictive than California Government Code 53646. The County's Investment Policy is reviewed annually by the County of Riverside's Oversight Committee and approved by the 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	4 YEARS	15%	AA-/Aa3/AA-	4.74%
U.S. TREASURIES	5 YEARS	NO LIMIT	NA	5 YEARS	100%	NA	5.64%
LOCAL AGENCY OBLIGATIONS (LAO)	5 YEARS	NO LIMIT	NA	3 YEARS	2.50%	INVESTMENT GRADE	0.00%
FEDERAL AGENCIES	5 YEARS	NO LIMIT	AAA	5 YEARS	100%	NA	48.27%
COMMERCIAL PAPER (CP)	270 DAYS	40%	A1/P1	270 DAYS	40%	A1/P1/F1	13.67%
CERTIFICATE & TIME DEPOSITS (NCD & TCD)	5 YEARS	30%	NA	1 YEAR	25% Combined	A1/P1/F1	12.47%
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	2.95%
CALTRUST SHORT TERM FUND	NA	NA	NA	DAILY LIQUIDITY	1.00%	NA	0.83%
MONEY MARKET MUTUAL FUNDS (MMF)	60 DAYS ⁽¹⁾	20%	AAA/Aaa ⁽²⁾	DAILY LIQUIDITY	20%	AAA by 2 Of 3 RATINGS	2.25%
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	9.18%

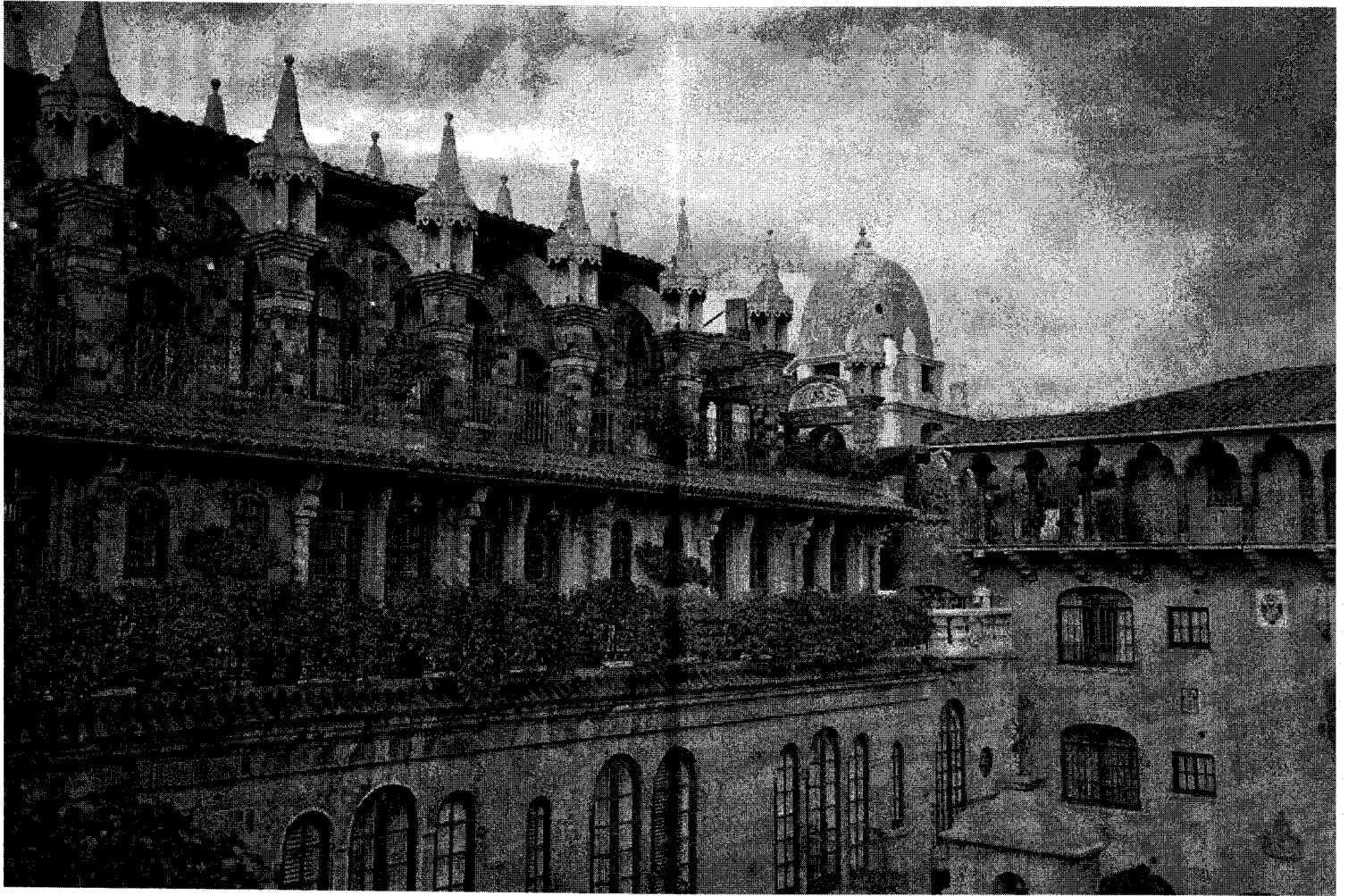
¹ Money Market Mutual Funds maturity may be interpreted as a weighted average maturity not exceeding 60 days.

² Or must have an investment advisor with no fewer than 5 years experience and with assets under management of \$500,000,000 USD.

THIS COMPLETES THE REPORT REQUIREMENTS OF CALIFORNIA GOVERNMENT CODE 53646.

Month End Portfolio Holdings

CUSIP	Description	Maturity Date	Coupon	Yield To Mat	Par Value	Book Value	Market Price	Market Value	Unrealized Gain/Loss	Modified Duration	Years To Maturity
96121T6P8	WESTPAC BANK NY	11/06/2018	1.779	1.779	25,000,000.00	25,000,000.00	100.000000	25,000,000.00	0.00	.683	.688
			1.779	1.779	25,000,000.00	25,000,000.00	100.000000	25,000,000.00	0.00	.683	.688
	Total Fund		1.492	1.531	6,544,967,733.18	6,535,413,566.05	99.296262	6,498,908,307.13	-36,505,258.92	1.138	1.169
	Grand Total		1.492	1.531	6,544,967,733.18	6,535,413,566.05	99.296262	6,498,908,307.13	-36,505,258.92	1.138	1.169



The Mission Inn, Downtown Riverside. Digital Image. *The Mission Inn*. <http://www.missioninn.com/about-en.html>.



COUNTY OF RIVERSIDE
TREASURER-TAX COLLECTOR
CAPITAL MARKETS

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4TH FLOOR,
RIVERSIDE, CA 92502-2205

WWW.COUNTYTREASURER.ORG