

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



ITEM
2.8
(ID # 7073)

MEETING DATE:
Tuesday, June 5, 2018

FROM : TREASURER-TAX COLLECTOR:

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

RECOMMENDED MOTION: That the Board of Supervisors:

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

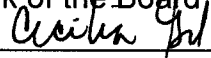
ACTION: Consent

Jon Christensen, Treasurer-Tax Collector 5/16/2018

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez, seconded by Supervisor Tavaglione 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: June 5, 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: | Ongoing 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 | |

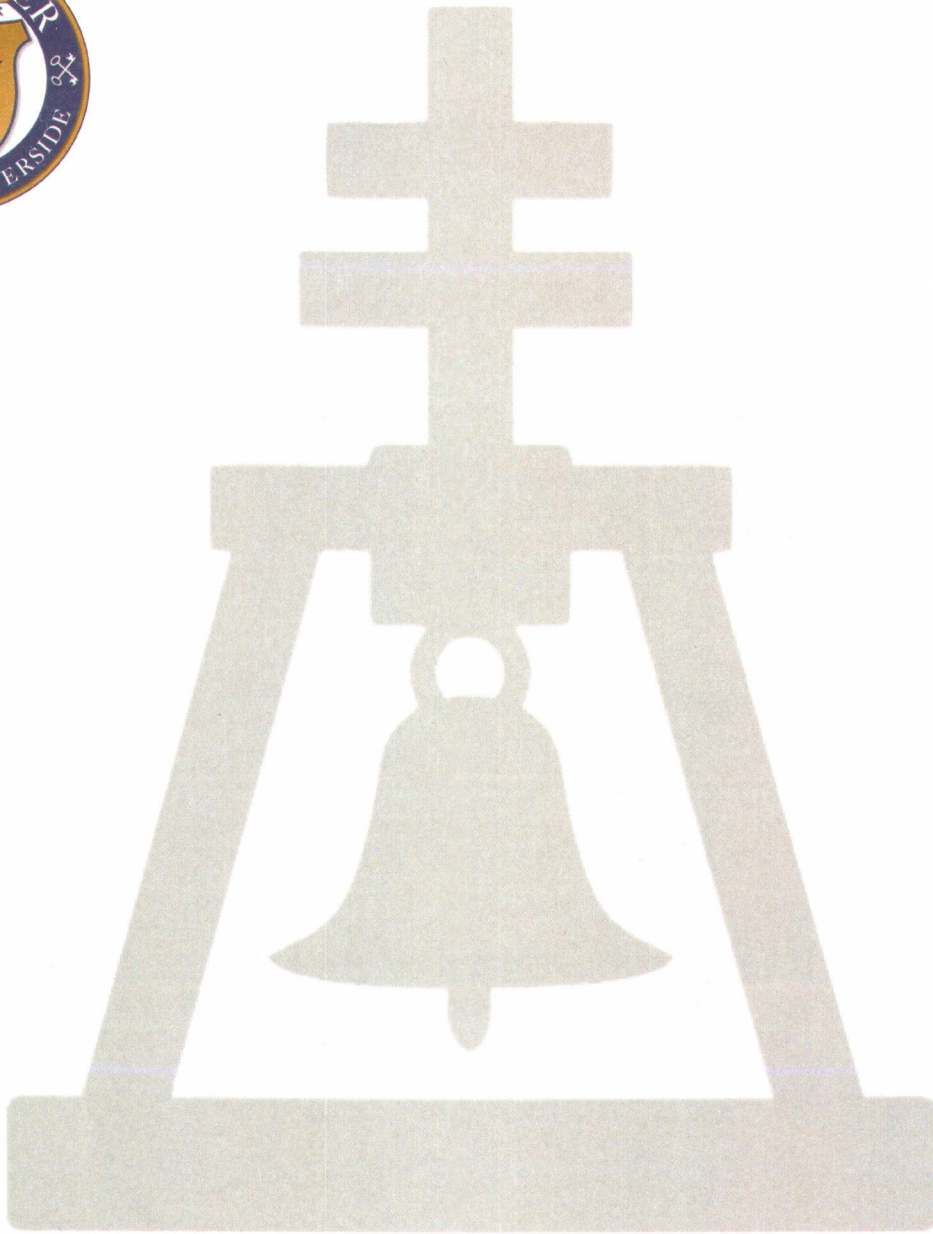
C.E.O. RECOMMENDATION: Approve

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 Perez, Principal Management Analyst 5/29/2018



County of Riverside

Treasurer's Pooled Investment Fund

April 2018

Contents

2 | Treasurer's Pooled Investment Fund

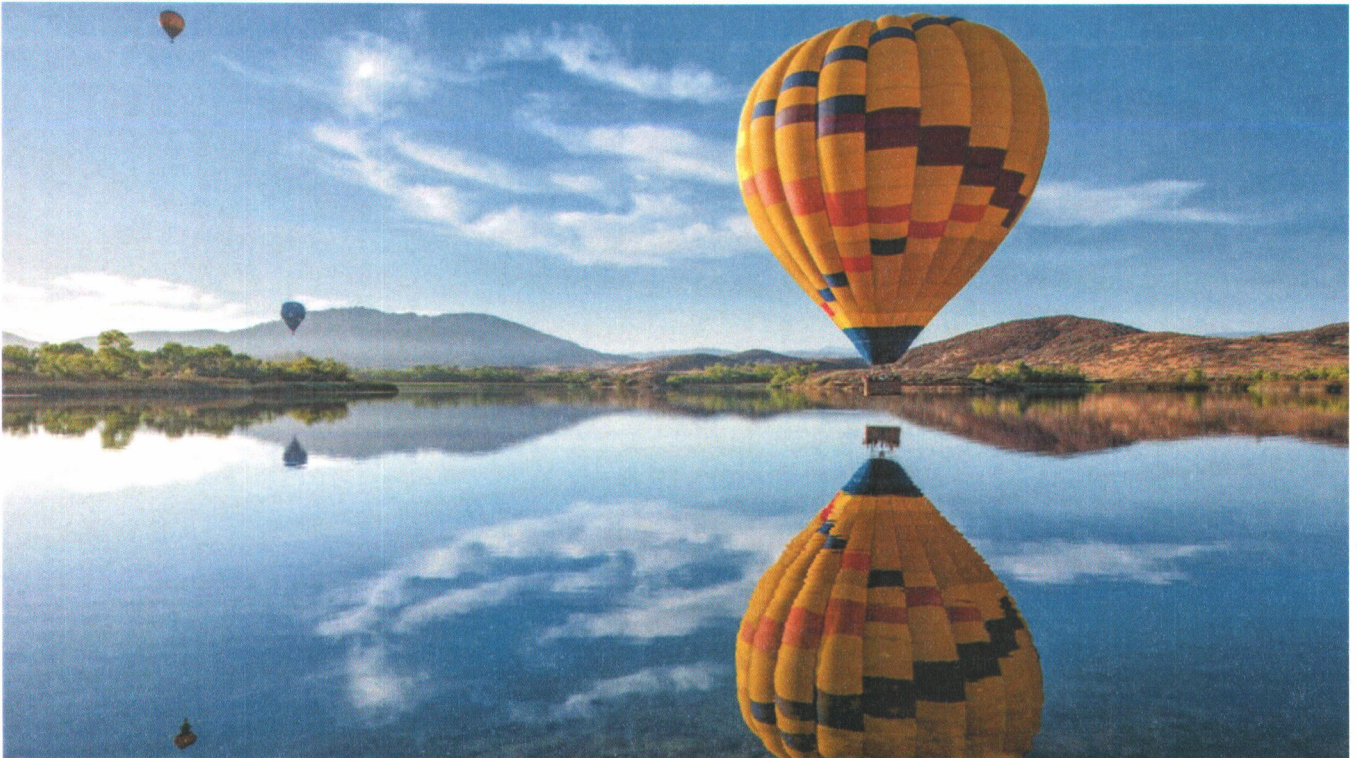
3 | Economy

4 | Market Data

6 | Portfolio Data

8 | Compliance Report

9 | Month End Holdings



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

Isela Licea
Assistant Investment Manager

Jake Nieto
Administrative Services Assistant

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-Apr | 7,705,324,013.51 | 7,744,877,200.23 | (39,553,186.72) | -0.51% | 1.75 | 1.04 |
| 18-Mar | 6,690,407,405.09 | 6,723,896,582.30 | (33,489,177.21) | -0.50% | 1.63 | 1.14 |
| 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% | 1.467 | 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 |

*Market values do not include accrued interest.



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

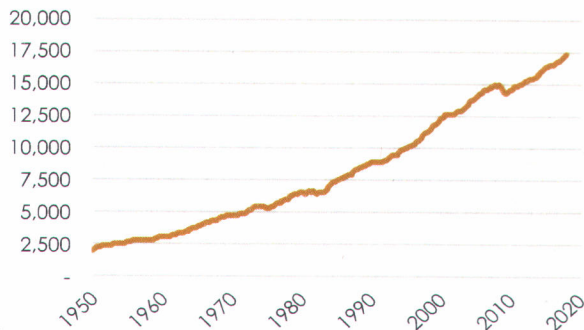
Economy

National Economy

The current economic expansion is now tied for the second longest in US history. [\[CNN; 05/03/2018\]](#)

- Overall and core inflation rates both exceed two percent annual growth for the first time since March 2017.
- Changes in hourly wages and weekly incomes continue to outpace inflation. [\[FRED; 05/03/2018\]](#)
- The trade deficit fell 15.2 percent in March, boosted by record-high exports and falling imports. [\[BEA; 05/03/2018\]](#)

US Real GDP



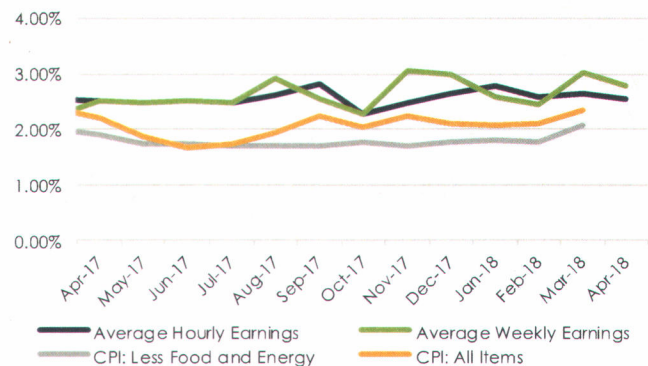
Values in billions of USD. Based on 2009 price levels.

State Economy

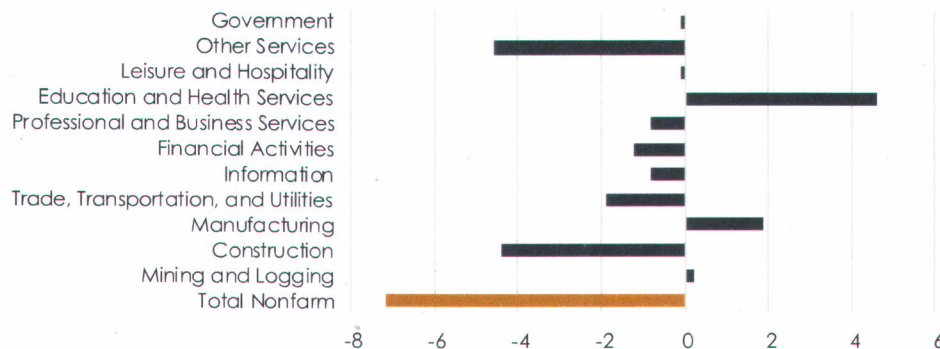
Following the longest run of job growth since WWII, California lost 7,200 jobs in March. [\[LA Times; 05/03/2018\]](#)

- On an annual basis employment in construction remains strong, growing 6.8 percent since March 2017, despite losing 4,400 jobs in March 2018. [\[BLS; 05/03/2018\]](#)
- Overall, "[the] number of employed Californians has increased 1.5 percent over the past year, or more than three times faster than the labor force has risen." [\[Wells Fargo Research; 05/03/18\]](#)

US Earnings and Inflation (Y/Y)



CA Nonfarm Jobs Added in March



Nonfarm jobs added are stated in the thousands.

Key Economic Indicators

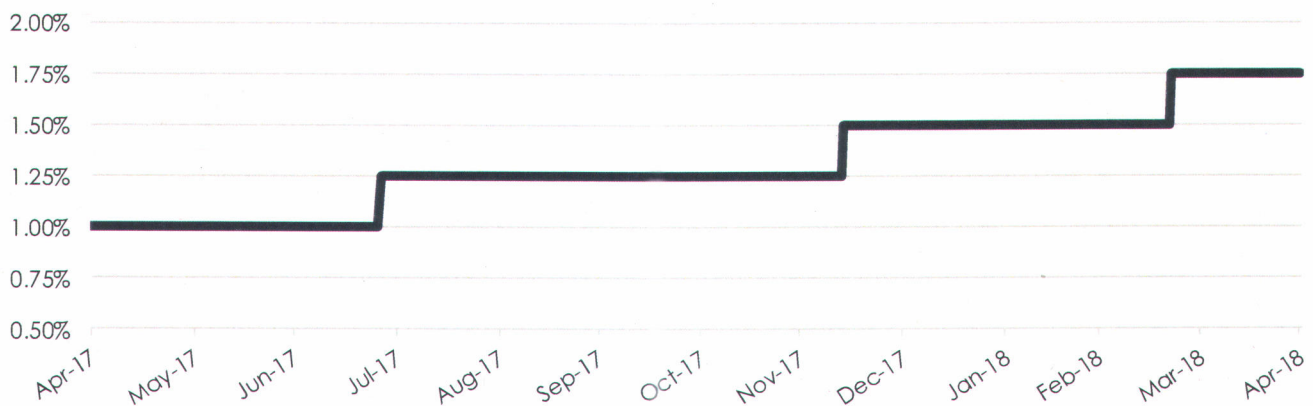
| Release Date | Indicator | Actual | Consensus | Difference |
|--------------|--|----------------|-----------|------------|
| 04/27/2018 | Real Gross Domestic Product - Q/Q Change | 2.30% | 2.00% | 0.30% |
| 04/06/2018 | Unemployment Rate - Seasonally Adjusted | 4.10% | 4.00% | 0.10% |
| 04/06/2018 | Non-Farm Payrolls - M/M Change | 102,000 | 175,000 | -73,000 |
| 04/11/2018 | CPI - Y/Y Change | 2.40% | 2.40% | 0.00% |
| 04/11/2018 | CPI Ex Food and Energy - Y/Y Change | 2.10% | 2.10% | 0.00% |
| 04/04/2018 | Non-Manufacturing Index | 58.8 | 59 | -0.20 |
| 04/23/2018 | Existing Home Sales - Y/Y Change | -1.20% | - | - |
| 04/04/2018 | Factory Orders - M/M Change | 1.20% | 1.70% | -0.50% |
| 04/26/2018 | Durable Goods Orders - M/M Change | 2.60% | 1.70% | 0.90% |

Market Data

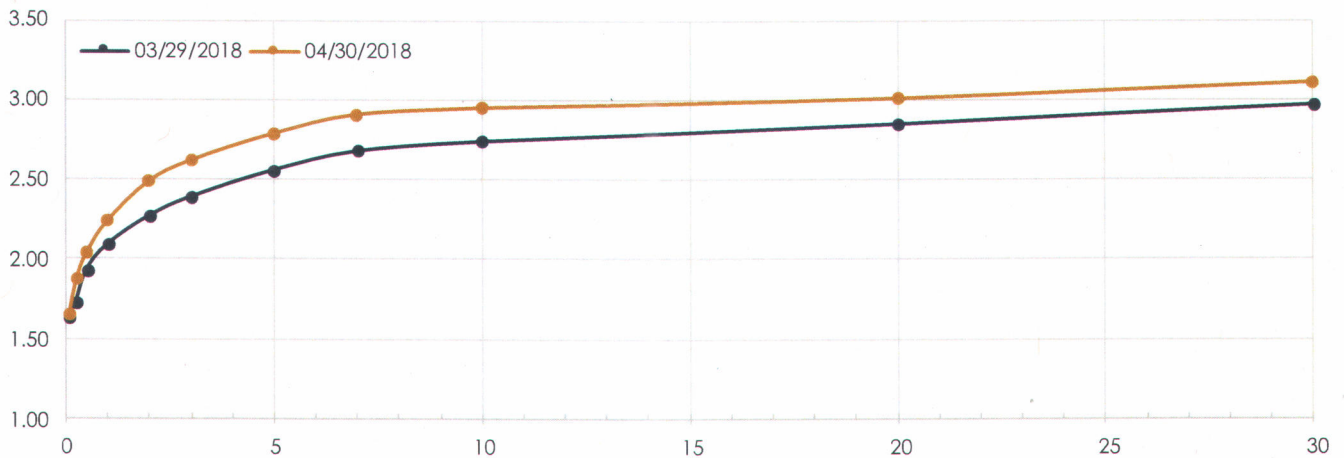
FOMC Meeting 03/21/2018

- The FOMC stated, "Near-term risks to the economic outlook appear roughly balanced".
- The Federal Reserve increased the Fed Funds Target Rate to 1.50—1.75 from 1.25—1.50%.
- Inflation has "increased in recent months, but [remains low]". The FOMC expects inflation "to move up in coming months and stabilize around [2 percent] over the medium term."
- The next FOMC meeting is scheduled for May 1, 2018.

Fed Funds Target Rate (Upper Limit)



US Treasury Curve

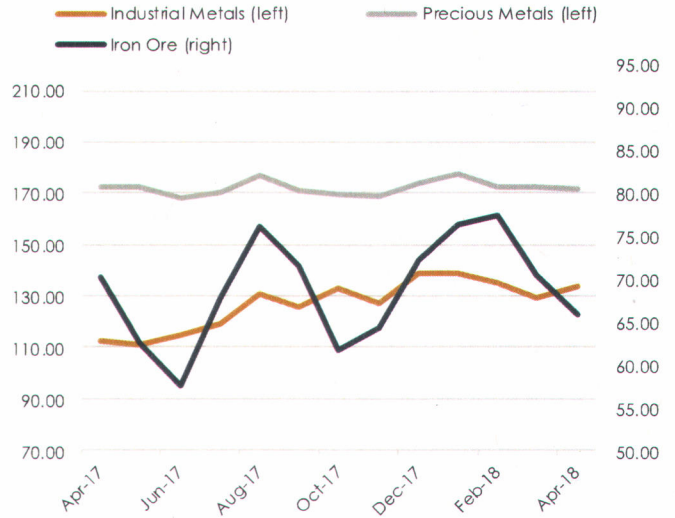
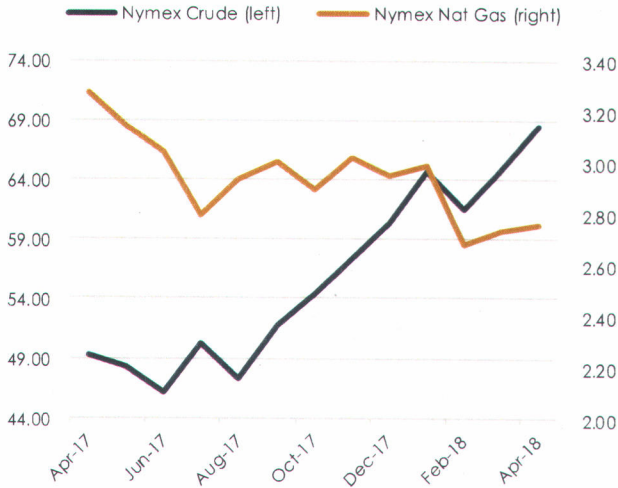


| Treasury Curve Differentials | 3 Mo | 6 Mo | 1 Yr | 2 Yr | 3 Yr | 5 Yr | 10 Yr | 30 Yr |
|------------------------------|------|------|------|------|------|------|-------|-------|
| 04/30/2018 - 03/29/2018 | 0.14 | 0.11 | 0.15 | 0.22 | 0.23 | 0.23 | 0.21 | 0.14 |
| 04/30/2018 | 1.87 | 2.04 | 2.24 | 2.49 | 2.62 | 2.79 | 2.95 | 3.11 |
| 03/29/2018 | 1.73 | 1.93 | 2.09 | 2.27 | 2.39 | 2.56 | 2.74 | 2.97 |

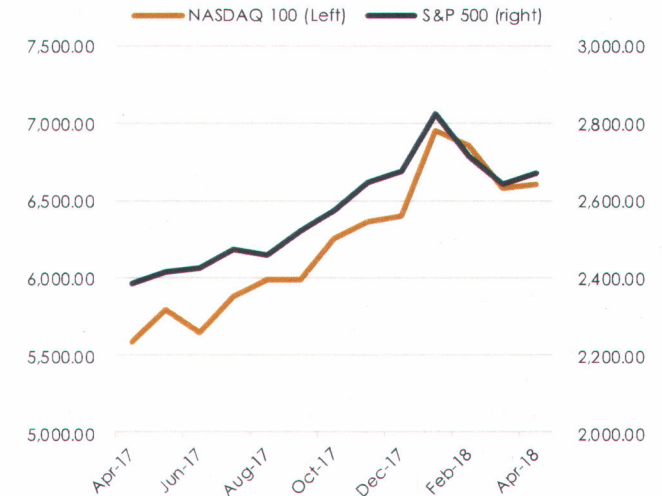
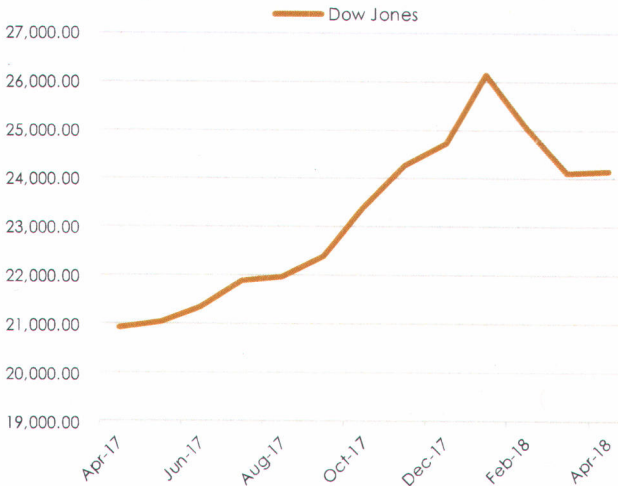
The US Treasury Curve and its forecasted values are subject to frequent change and will be updated monthly with each issued TPIF report.

Market Data cont'd

Commodities



Stocks



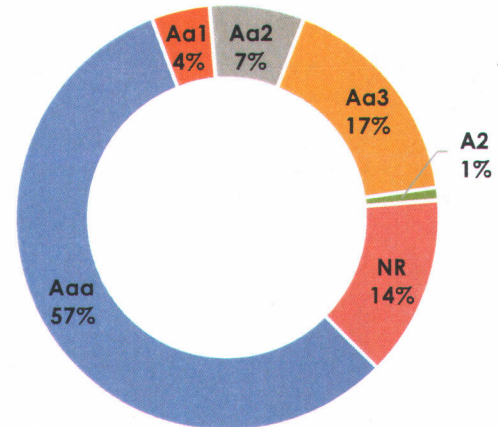
* Values listed on this page are in US dollars and are based on the final business day of the month.

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**.

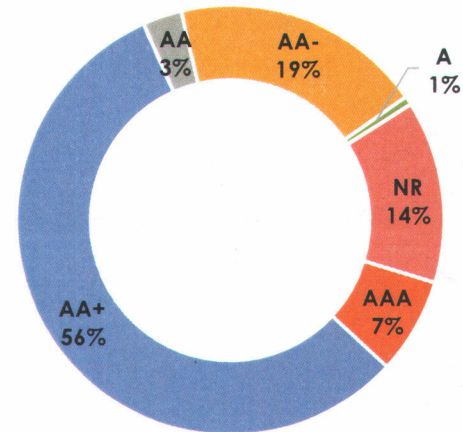
Moody's Asset Rating (000's)

| | Book | MKT/Book | % Book | Yield |
|----------------|---------------------|---------------|----------------|--------------|
| Aaa | 4,393,973.52 | 99.04% | 56.73% | 1.68% |
| Aa1 | 347,763.72 | 100.25% | 4.49% | 1.59% |
| Aa2 | 558,897.95 | 100.09% | 7.22% | 1.90% |
| Aa3 | 1,305,616.24 | 100.14% | 16.86% | 1.89% |
| A2 | 74,861.46 | 100.01% | 0.97% | 1.90% |
| NR | 1,063,764.30 | 99.94% | 13.74% | 1.84% |
| Totals: | 7,744,877.20 | 99.49% | 100.00% | 1.75% |



S&P Asset Rating (000's)

| | Book | MKT/Book | % Book | Yield |
|----------------|---------------------|---------------|----------------|--------------|
| AAA | 561,587.28 | 100.04% | 7.25% | 1.88% |
| AA+ | 4,368,019.66 | 99.05% | 56.40% | 1.67% |
| AA | 230,530.30 | 100.44% | 2.98% | 1.72% |
| AA- | 1,471,068.02 | 100.08% | 18.99% | 1.88% |
| A | 49,907.64 | 100.01% | 0.64% | 1.90% |
| NR | 1,063,764.30 | 99.94% | 13.74% | 1.84% |
| Totals: | 7,744,877.20 | 99.49% | 100.00% | 1.75% |



12-Month Projected Cash Flow

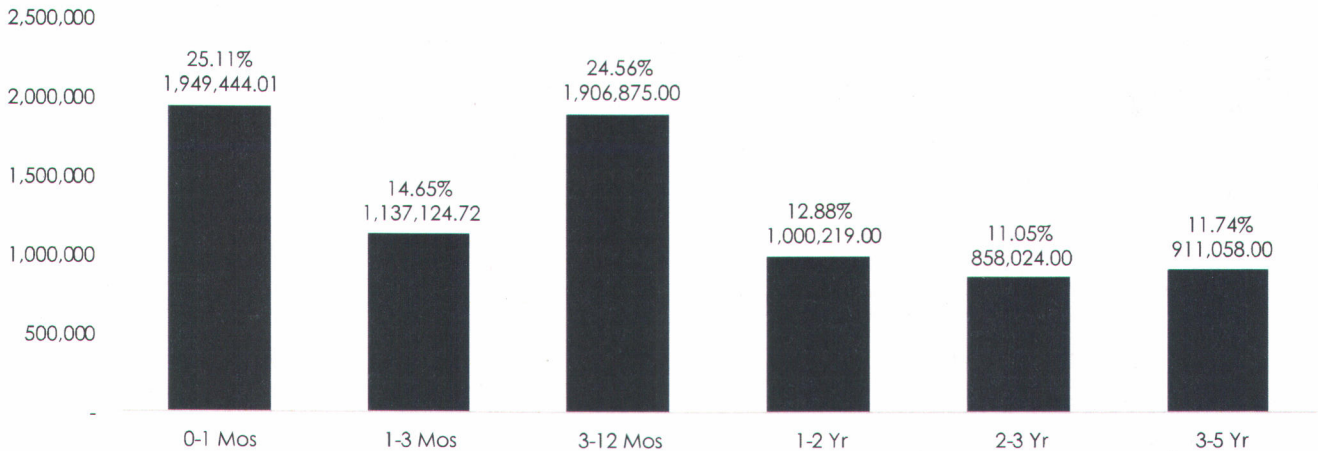
| Month | Monthly Receipts | Monthly Disbursements | Difference | Required Matured Investments | Balance | Actual Investments Maturing | Available to Invest > 1 Year |
|---------------|------------------|-----------------------|-------------------|------------------------------|-----------------|-----------------------------|------------------------------|
| 05/2018 | | | | | 117.01 | | |
| 05/2018 | 912.13 | 1,500.00 | (587.87) | 470.86 | - | 1,949.44 | |
| 06/2018 | 1,153.32 | 1,900.00 | (746.68) | 746.68 | - | 766.38 | |
| 07/2018 | 1,006.35 | 1,300.00 | (293.65) | 293.65 | - | 420.75 | |
| 08/2018 | 740.88 | 635.84 | 105.04 | | 105.04 | 365.13 | |
| 09/2018 | 1,100.00 | 1,250.00 | (150.00) | 44.96 | - | 295.00 | |
| 10/2018 | 1,051.06 | 1,100.00 | (48.94) | 48.94 | - | 408.87 | |
| 11/2018 | 1,125.00 | 1,100.00 | 25.00 | | 25.00 | 239.50 | |
| 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 | 320.66 | |
| 02/2019 | 850.00 | 1,050.00 | (200.00) | 25.00 | - | 100.34 | |
| 03/2019 | 1,350.00 | 1,200.00 | 150.00 | | 150.00 | 93.31 | |
| 04/2019 | 2,000.00 | 1,300.00 | 700.00 | | 850.00 | 34.07 | |
| TOTALS | 14,638.74 | 15,535.84 | (1,597.10) | 1,630.09 | 1,847.05 | 4,959.37 | 6,114.79 |
| | | | | 21.05% | | 64.03% | 78.95% |

* 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, 000's)

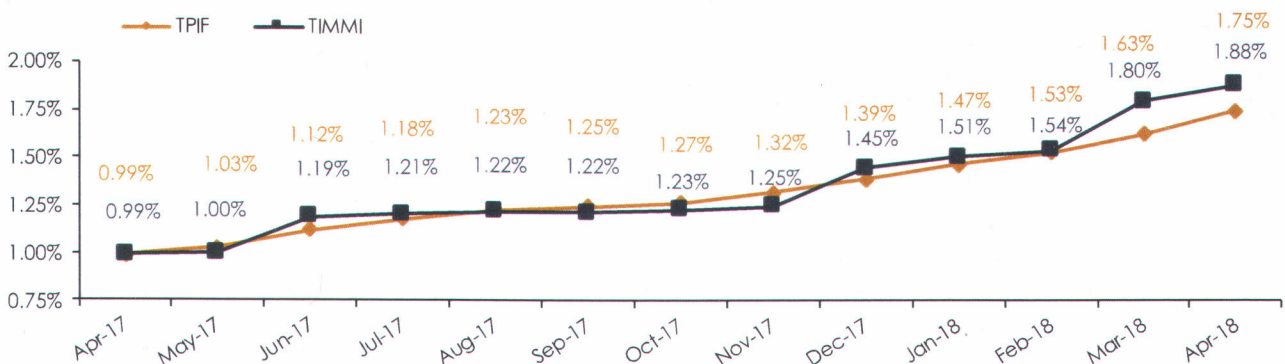


Asset Allocation (000's)

| Assets | Scheduled Book | Scheduled Market | Mkt/Sch Book | Yield | WAL (Yr) | Mat (Yr) |
|-------------------|---------------------|---------------------|---------------|--------------|--------------|--------------|
| TREAS | 318,493.61 | 318,220.60 | 99.91% | 1.51% | 0.510 | 0.510 |
| AGENCIES | 3,314,001.59 | 3,270,336.15 | 98.68% | 1.64% | 2.027 | 2.068 |
| MMKT | 201,994.51 | 201,994.51 | 100.00% | 1.70% | 0.003 | 0.003 |
| CASH | 800,000.00 | 800,000.00 | 100.00% | 1.88% | 0.003 | 0.003 |
| CALTRUST FND | 54,000.00 | 54,021.60 | 100.04% | 1.78% | 0.003 | 0.003 |
| COMM PAPER | 1,581,424.42 | 1,585,816.60 | 100.28% | 1.91% | 0.228 | 0.228 |
| NCDS | 969,000.00 | 969,000.00 | 100.00% | 1.88% | 0.247 | 0.247 |
| MEDIUM TERM NOTES | 234,397.06 | 234,368.54 | 99.99% | 1.99% | 1.090 | 1.098 |
| MUNI | 271,371.03 | 271,371.03 | 100.00% | 1.48% | 1.045 | 1.045 |
| LOCAL AGCY OBLIG | 195.00 | 195.00 | 100.00% | 2.03% | 2.129 | 2.129 |
| Totals: | 7,744,877.20 | 7,705,324.01 | 99.49% | 1.75% | 1.036 | 1.054 |

* 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 Authorized Maturity | Authorized % Limit | S&P/ Moody's | Maximum Maturity | Authorized % Limit | S&P/ Moody's | |
| MUNICIPAL BONDS | 5 YEARS | NO LIMIT | NA | 4 YEARS | 15% | AA-/Aa3/AA- | 3.50% |
| U.S. TREASURIES | 5 YEARS | NO LIMIT | NA | 5 YEARS | 100% | NA | 4.11% |
| 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 | 42.79% |
| COMMERCIAL PAPER | 270 DAYS | 40% | A1/P1 | 270 DAYS | 40% | A1/P1/F1 | 20.42% |
| CERTIFICATE & TIME DEPOSITS (NCD & TCD) | 5 YEARS | 30% | NA | 1 YEAR | 25% Combined | A1/P1/F1 | 12.51% |
| 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 | 3.03% |
| CALTRUST SHORT TERM FUND | NA | NA | NA | DAILY LIQUIDITY | 1.00% | NA | 0.70% |
| MONEY MARKET MUTUAL FUNDS (MMF) | 60 DAYS ⁽¹⁾ | 20% | AAA/Aaa ⁽²⁾ | DAILY LIQUIDITY | 20% | AAA by 2 Of 3 RATINGS | 2.61% |
| 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 | 10.33% |

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

Table with 12 columns: CUSIP, Description, Maturity Date, Coupon, Yield To Mat, Par Value, Book Value, Market Price, Market Value, Unrealized Gain/Loss, Modified Duration, Years To Maturity. Lists various corporate bonds under FHLMC.

FNMA BONDS

Table with 12 columns: CUSIP, Description, Maturity Date, Coupon, Yield To Mat, Par Value, Book Value, Market Price, Market Value, Unrealized Gain/Loss, Modified Duration, Years To Maturity. Lists various bonds under FNMA.

FHBL BONDS

Table with 12 columns: CUSIP, Description, Maturity Date, Coupon, Yield To Mat, Par Value, Book Value, Market Price, Market Value, Unrealized Gain/Loss, Modified Duration, Years To Maturity. Lists various bonds under FHBL.

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 |
|--------------------|--------------------------|---------------|--------------|--------------|-------------------------|-------------------------|-------------------|-------------------------|-----------------------|-------------------|-------------------|
| 96121T6K9 | WESTPAC | 11/02/2018 | 2.080 | 2.080 | 35,000,000.00 | 35,000,000.00 | 100.000000 | 35,000,000.00 | 0.00 | .499 | .510 |
| 65590ASC1 | NORDEA BK | 05/07/2018 | 1.720 | 1.720 | 25,000,000.00 | 25,000,000.00 | 100.000000 | 25,000,000.00 | 0.00 | .019 | .019 |
| 96121T6P8 | WESTPAC BANK NY | 11/06/2018 | 2.091 | 2.091 | 25,000,000.00 | 25,000,000.00 | 100.000000 | 25,000,000.00 | 0.00 | .513 | .521 |
| 65590ASK3 | NORDEA BK | 08/23/2018 | 2.000 | 2.000 | 20,000,000.00 | 20,000,000.00 | 100.000000 | 20,000,000.00 | 0.00 | .309 | .315 |
| 05252WNG4 | AUSTRALIA NZ BK GRP | 09/12/2018 | 1.950 | 1.950 | 35,000,000.00 | 35,000,000.00 | 100.000000 | 35,000,000.00 | 0.00 | .363 | .370 |
| 89113XXW9 | TORONTO DOMINION | 05/14/2018 | 1.910 | 1.910 | 30,000,000.00 | 30,000,000.00 | 100.000000 | 30,000,000.00 | 0.00 | .038 | .038 |
| 05252WNN9 | AUSTRALIA NZ BK GRP | 10/31/2018 | 2.100 | 2.100 | 20,000,000.00 | 20,000,000.00 | 100.000000 | 20,000,000.00 | 0.00 | .493 | .504 |
| 05252WNR0 | AUSTRALIA NZ BK GRP | 10/10/2018 | 2.130 | 2.130 | 30,000,000.00 | 30,000,000.00 | 100.000000 | 30,000,000.00 | 0.00 | .437 | .447 |
| 87019VDY0 | SWEDBANK AB | 05/14/2018 | 1.920 | 1.920 | 35,000,000.00 | 35,000,000.00 | 100.000000 | 35,000,000.00 | 0.00 | .038 | .038 |
| 63253TN95 | NATIONAL AUSTRALIAN BANK | 09/04/2018 | 2.130 | 2.130 | 50,000,000.00 | 50,000,000.00 | 100.000000 | 50,000,000.00 | 0.00 | .340 | .348 |
| 65590ATX4 | NORDEA BK | 06/20/2018 | 2.150 | 2.150 | 40,000,000.00 | 40,000,000.00 | 100.000000 | 40,000,000.00 | 0.00 | .137 | .140 |
| 89113XD43 | TORONTO DOMINION | 10/24/2018 | 2.380 | 2.380 | 30,000,000.00 | 30,000,000.00 | 100.000000 | 30,000,000.00 | 0.00 | .473 | .485 |
| 87019VFF9 | SWEDBANK AB | 10/03/2018 | 2.330 | 2.330 | 30,000,000.00 | 30,000,000.00 | 100.000000 | 30,000,000.00 | 0.00 | .417 | .427 |
| 65590AUP9 | NORDEA BK | 10/04/2018 | 2.370 | 2.370 | 24,000,000.00 | 24,000,000.00 | 100.000000 | 24,000,000.00 | 0.00 | .420 | .430 |
| 05252WPB3 | AUSTRALIA NZ BK GRP | 01/08/2019 | 2.400 | 2.400 | 20,000,000.00 | 20,000,000.00 | 100.000000 | 20,000,000.00 | 0.00 | .676 | .693 |
| 89113XL77 | TORONTO DOMINION | 10/30/2018 | 2.370 | 2.370 | 20,000,000.00 | 20,000,000.00 | 100.000000 | 20,000,000.00 | 0.00 | .489 | .501 |
| 65590AVR4 | NORDEA BK | 01/25/2019 | 2.450 | 2.450 | 25,000,000.00 | 25,000,000.00 | 100.000000 | 25,000,000.00 | 0.00 | .722 | .740 |
| | | | 1.862 | 1.862 | 989,000,000.00 | 989,000,000.00 | 100.000000 | 989,000,000.00 | 0.00 | .342 | .247 |
| | Total Fund | | 1.497 | 1.753 | 7,742,744,733.18 | 7,744,877,200.23 | 99.240304 | 7,705,324,013.51 | -39,553,186.72 | 1.012 | 1.043 |
| Grand Total | | | 1.497 | 1.753 | 7,742,744,733.18 | 7,744,877,200.23 | 99.240304 | 7,705,324,013.51 | -39,553,186.72 | 1.012 | 1.043 |



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

COUNTY ADMINISTRATIVE CENTER
4080 LEMON STREET,
4TH FLOOR,
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