

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



ITEM: 2.12
(ID # 18326)

MEETING DATE:
Tuesday, March 01, 2022

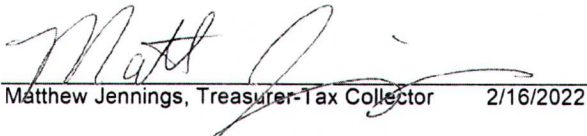
FROM : TREASURER-TAX COLLECTOR:

SUBJECT: TREASURER-TAX COLLECTOR: Receive and File the Treasurer's Monthly Disclosure Report on Investments dated January, 2022, All Districts. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receives and files the 'Monthly Disclosure Report on Investments dated January, 2022'.

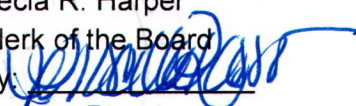
ACTION:Consent


Matthew Jennings, Treasurer-Tax Collector 2/16/2022

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: March 1, 2022
xc: Tax Collector

Kecia R. Harper
Clerk of the Board
By: 
Deputy

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

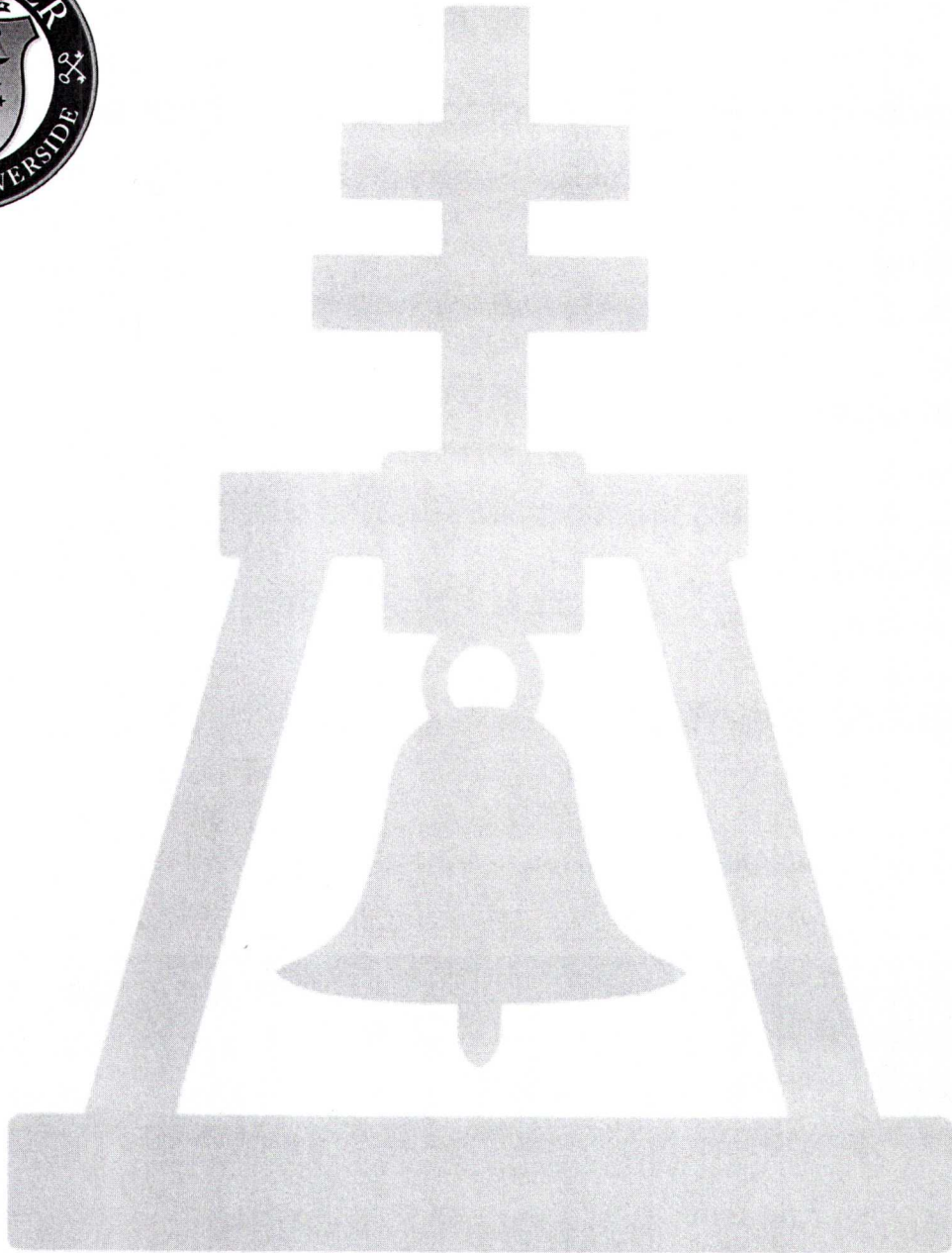
FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 0	\$ 0	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: NA			Budget Adjustment: No	
			For Fiscal Year: 2021-2022	

C.E.O. RECOMMENDATION: Approve.

BACKGROUND:

Summary

The County Treasurer -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 various statistics on the portfolio as to overall composition, liquidity, credit quality on the various securities and provides several trends on earning performance, average weighted maturity, and the portfolio's 'paper loss or gain'.



County of Riverside

Treasurer-Tax Collector's Pooled
Investment Fund

January 2022

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Treasurer-Tax Collector's Pooled Investment Fund

Monthly Commentary

Strong Jobs Growth Continues

With the job market solidifying and inflation continuing to grow, the financial markets acceptance of rate hikes at the Federal Reserve's (FED) March meeting intensified during the month of January. Higher rates in the future would put downward pressure on economic growth and depress prices on stocks and bonds. However, with the FED Funds rate currently anchored near zero, many argue there is plenty of room for rate increases. Higher rates in the market support better earnings on securities held by bond investors like the Treasurer-Tax Collector's Pooled Investment Fund.

Nonfarm Payrolls, released in early January, showed the number of employees on business payrolls increased by 199,000. While this was less than expected, the underlying data showed strong growth. Job growth for prior months was revised higher and the unemployment rate fell to 3.9%. Job gains were fairly broad based. Milder weather helped boost construction payrolls, while manufacturers continued to staff up to meet their huge backlogs. This jobs data gives support to those predicting the

FED will raise rates.

Data on inflation supports the argument that the FED needs to act aggressively in raising short term interest rates. The Consumer Price Index (CPI), a measure of inflation faced by households, jumped 7.0% on a yearly basis for 2021, the strongest annual increase since 1982. Price growth moderated slightly on a monthly basis during December, with the CPI advancing 0.5% compared to a 0.8% in November. Goods prices, which jumped 1.2%, continue to be the primary driver of consumer inflation, with vehicle prices recording yet another substantial gain. Overall, inflation is still running incredibly hot, yet several signs indicate that the sharpest acceleration in the process has already occurred, and inflation is close to topping out. A softer-than-expected rise in the Producer Price Index (PPI) lends credence to that view.

Real estate prices also are beginning to show a slight slowdown in their rate of increase. Riverside County saw single family median prices rise 20.8% year over year, down from the peak of around 23% in mid-2021. One note on home prices; those

numbers are quite lagging, they usually represent sales that took place roughly 90 days earlier.

In interest rate markets, the 2-year Treasury yield began January at 0.75% and ended the month at 1.17%. The 5-year Treasury yield began the month at 1.25% and ended at 1.61%. As the next FOMC meeting is approaching on March 16th, short rates are beginning to fully price in a 25 basis point increase in the Fed Funds Rate. In fact, the Fed funds futures' expectation is a 25 basis point hike at the Fed's March meeting, and there is growing debate over the likelihood of 50. We are seeing May, 2022 T-bills now trade in the 0.26% range, up from their stubbornly low 0.05% levels of 2021.

In equities markets, the Dow Jones Industrial Average fell 4% to 35,200 in January. The Nasdaq dropped 10% to 14,239.88.

Matt Jennings
Treasurer-Tax Collector

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.

Capital Markets Team

Matt Jennings
Treasurer-Tax Collector

Giovane Pizano
Assistant Treasurer

John Byerly
Chief Investment Officer

Steve Faeth
Senior Investment Officer

Isela Licea
Assistant Investment Officer

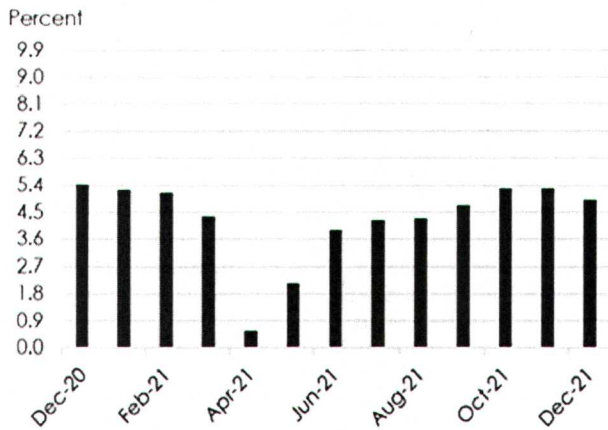
6-Month Pool Performance

	Month End Market Value (\$)*	Month End Book Value (\$)	Paper Gain or Loss (\$)	Paper Gain or Loss (%)	Book Yield (%)	WAM (Yrs)
Jan-22	11,106,132,666.90	11,166,034,565.94	(59,901,899.04)	-0.536%	0.33	1.13
Dec-21	11,219,005,977.66	11,247,581,460.79	(28,575,483.13)	-0.254%	0.30	1.12
Nov-21	9,154,079,077.30	9,175,074,689.36	(20,995,612.06)	-0.229%	0.33	1.31
Oct-21	9,422,575,640.92	9,437,887,551.30	(15,311,910.38)	-0.162%	0.30	1.27
Sep-21	9,560,644,555.86	9,562,128,367.46	(1,483,811.61)	-0.015%	0.28	1.19
Aug-21	9,005,666,395.48	8,998,636,800.02	7,029,595.46	0.078%	0.29	1.21

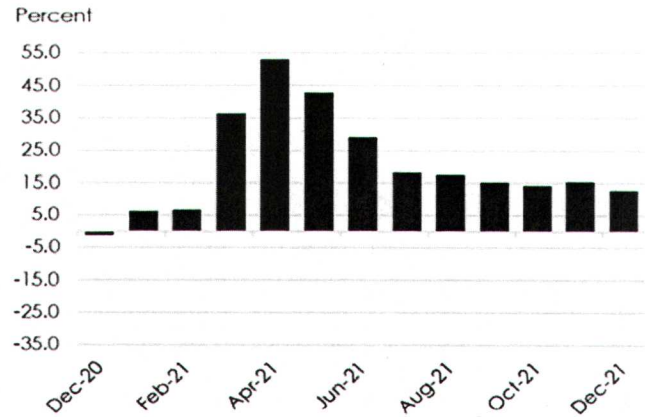
*Market values do not include accrued interest.

Economy

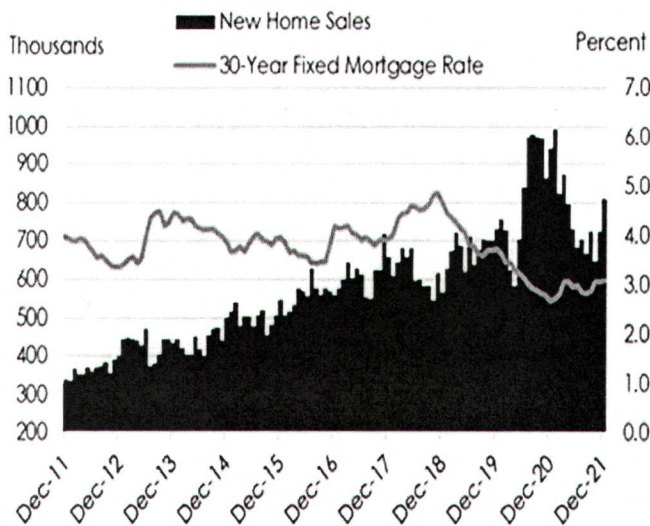
Private Sector Average Hourly Earnings Y/Y



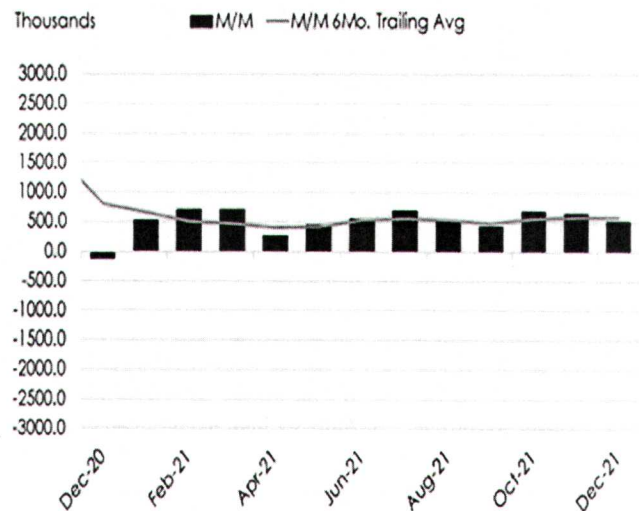
Durable Goods Percent Chg. Y/Y



New Home Sales SAAR



Nonfarm Payrolls Total M/M Change SA



Key Economic Indicators

Release Date	Indicator	Actual	Consensus
01/27/2022	Real GDP - Q/Q Change	6.9%	5.5%
01/07/2022	Unemployment Rate - Seasonally Adjusted	3.9%	4.1%
01/07/2022	Non-Farm Payrolls - M/M Change - Thousands	199	450
01/12/2022	CPI - Y/Y Change	7.0%	7.0%
01/12/2022	CPI Ex Food and Energy - Y/Y Change	5.5%	5.4%
01/06/2022	ISM Non-Manufacturing Index (> 50 indicates growth)	62.0	67.0
01/26/2022	New Home Sales - SAAR - Thousands	811	760
01/06/2022	Factory Orders - M/M Change	1.6%	1.5%
01/06/2022	Durable Goods Orders - New Orders - M/M Change	2.6%	2.5%

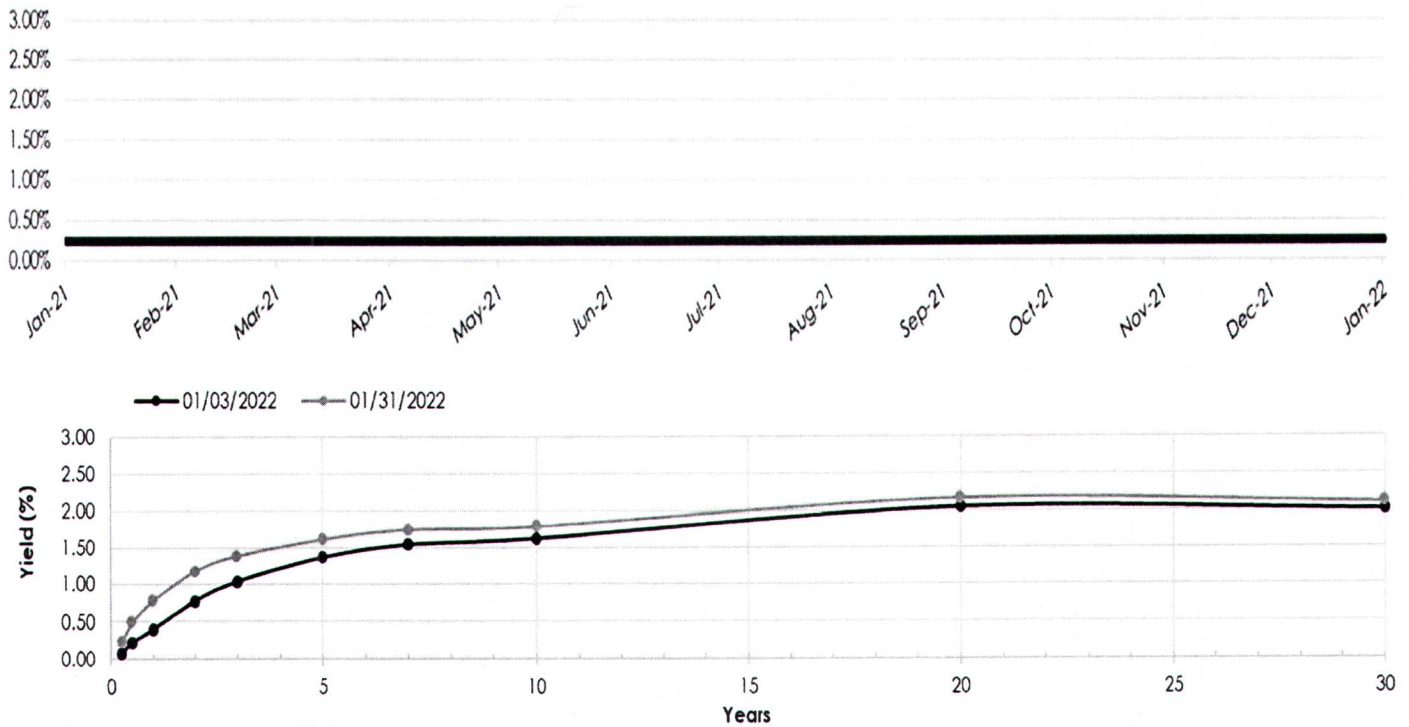
*Note: 'Prior Year' displays final estimates of indicator values from the equivalent period of the prior year.

Market Data

Federal Open Market Committee Meeting

- The FOMC stated that with progress on vaccinations and an easing of supply constraints are expected to support continued gains in economic activity and employment as well as a reduction in inflation, but risks to the economic outlook remain, including from new variants of the virus.
- The FOMC maintained the Fed Funds Target Range of 0.0-0.25%
- The FOMC stated in their January statement, that with inflation well above 2 percent and a strong labor market, the Committee expects it will soon be appropriate to raise the target range for the federal funds rate.
- The Committee decided to continue to reduce the monthly pace of its net asset purchases, bringing them to an end in early March.

Fed Funds Target Rate (Upper Limit)

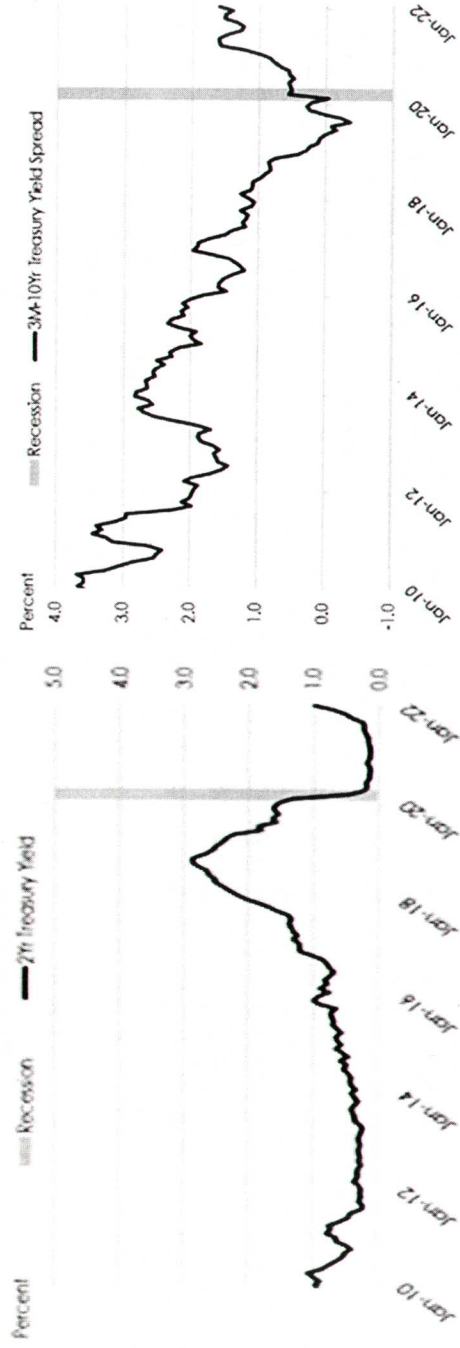


US Treasury Yield Curve	3 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr	30 Yr
01/31/2022 - 01/03/2022	0.14	0.27	0.38	0.40	0.35	0.25	0.16	0.10
01/31/2022	0.22	0.49	0.78	1.18	1.39	1.62	1.79	2.11
01/03/2022	0.08	0.22	0.40	0.78	1.04	1.37	1.63	2.01

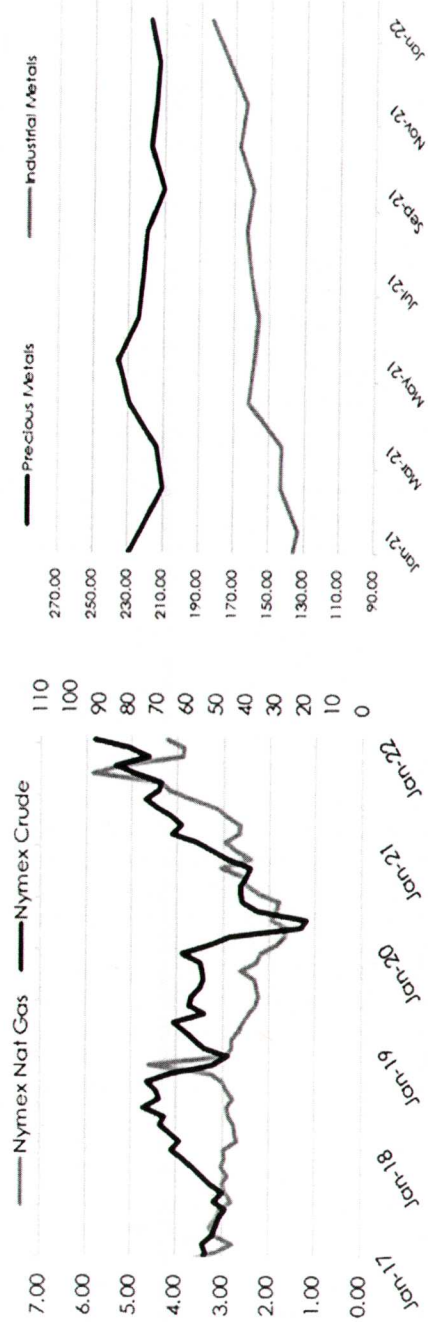
The US Treasury Curve and its values are subject to frequent change and will be updated monthly with each issued TPIF report.

Market Data cont'd

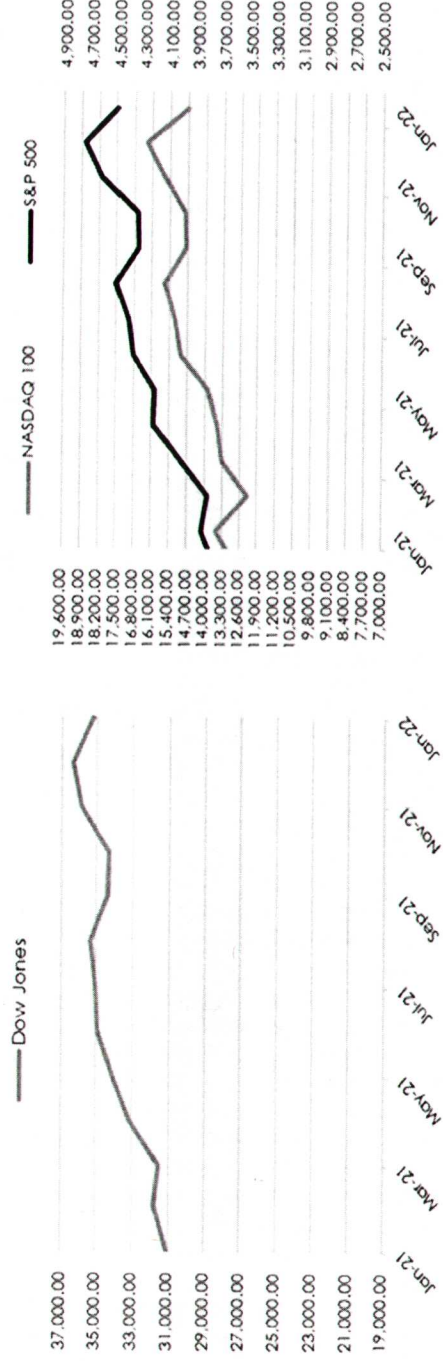
U.S. Treasuries



Commodities



Stocks



* Values listed for commodities and stocks are in US dollars and are as of the final business day of each 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/1** by Fitch Ratings.

Moody's Asset Rating (00's)

Moody (00's)	Par	Book	Market	MKT/Book	Yield
Aaa	7,455,647.48	7,453,666.76	7,393,474.69	99.19%	0.38%
Aa	10,000.00	10,000.00	9,776.00	97.76%	0.70%
Aa1	721,350.00	721,427.15	721,424.23	100.00%	0.26%
Aa2	1,564,150.00	1,564,956.66	1,565,007.60	100.00%	0.23%
Aa3	631,400.00	631,065.00	631,217.83	100.02%	0.17%
A1	630,000.00	629,972.31	629,965.32	100.00%	0.25%
A2	145,000.00	144,998.79	144,999.60	100.00%	0.06%
NR	10,000.00	9,947.90	10,267.40	103.21%	2.96%
Totals (00's):	11,167,387.48	11,166,034.57	11,106,132.67	99.46%	0.33%

S&P Asset Rating (00's)

S&P (00's)	Par	Book	Market	MKT/Book	Yield
AAA	844,305.06	844,212.45	843,292.33	99.89%	0.17%
AA+	6,944,992.42	6,943,670.82	6,884,181.90	99.14%	0.40%
AA	121,795.00	121,778.70	121,766.30	99.99%	0.07%
AA-	1,898,000.00	1,898,011.80	1,898,016.12	100.00%	0.27%
A+	1,124,515.00	1,124,272.65	1,124,477.52	100.02%	0.17%
A	145,000.00	144,998.79	144,999.60	100.00%	0.06%
NR	88,180.00	88,089.36	88,398.90	100.35%	0.46%
NA	1,000.00	1,000.00	1,000.00	100.00%	0.81%
Totals (00's):	11,167,387.48	11,166,034.57	11,106,132.67	99.46%	0.33%

12-Month Projected Cash Flow

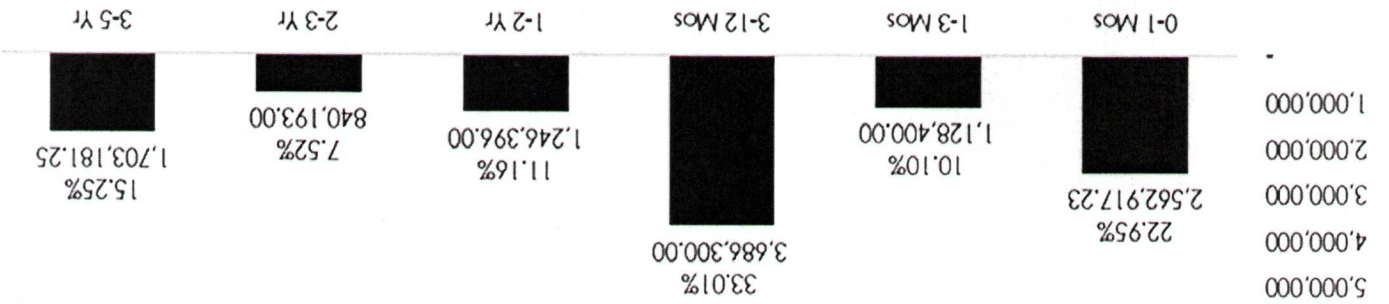
Month	Monthly Re-ceipts	Monthly Dis-bursements	Difference	Required Maturity Investments	Balance	Maturing Investments	Actual In-vestments > 1 Year Available to
02/2022	1,100.00	1,500.00	-400.00	219.72	-	2,512.92	
03/2022	1,300.00	1,551.62	-251.62	251.62	-	878.00	
04/2022	2,476.30	1,542.08	934.22	934.22	934.22	300.40	
05/2022	1,700.00	2,200.00	-500.00	-500.00	434.22	1,057.00	
06/2022	2,000.00	2,400.00	-400.00	-400.00	34.22	469.25	
07/2022	1,500.00	1,800.00	-300.00	-300.00	265.78	383.77	
08/2022	1,398.14	1,552.97	-154.83	-154.83	154.83	190.23	
09/2022	2,050.00	1,804.41	245.59	245.59	245.59	375.50	
10/2022	1,500.00	1,700.00	-200.00	-200.00	45.59	377.31	
11/2022	1,600.00	1,700.00	-100.00	-100.00	54.41	475.00	
12/2022	3,500.00	1,800.00	1,700.00	1,700.00	1,700.00	153.25	
01/2023	1,600.00	2,400.00	-800.00	-800.00	900.00	355.00	
TOTALS	21,724.44	21,951.08	(226.64)	946.36	8.48%	7,527.62	10,219.67
						67.42%	91.52%

* 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

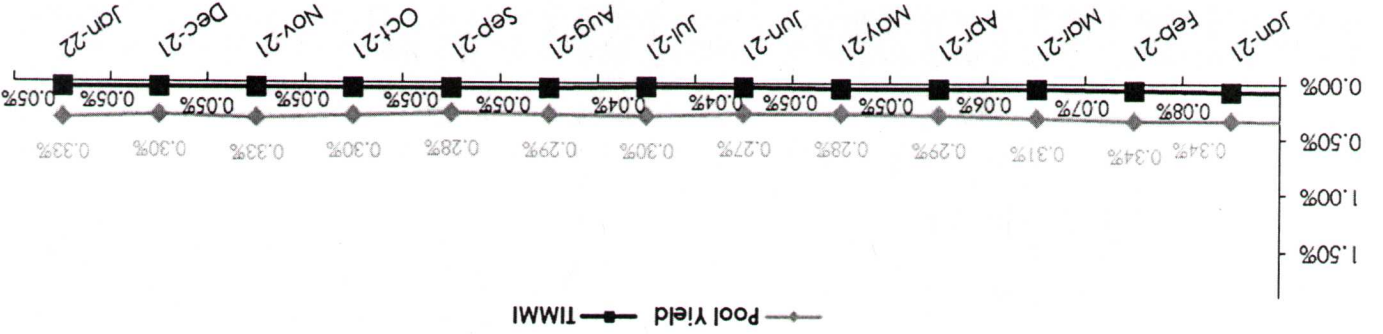
Asset Maturity Distribution (Par Value, 000's)



Asset Allocation (000's)

Assets (000's)	Scheduled Par	Scheduled Book	Scheduled Market	Mkt/Book	WAL(Yr)	Mat(Yr)
MMKT	475,850.06	476,000.00	476,000.00	100.00%	0.038	0.038
CALTRUST FND	93,213.17	94,017.20	94,017.20	100.00%	0.003	0.003
DDA/PASSBK	500,000.00	500,000.00	500,000.00	100.00%	0.003	0.003
US TREAS BILLS	1,135,000.00	1,133,737.60	1,133,681.23	100.00%	0.405	0.405
US TREAS BONDS	1,685,000.00	1,684,345.04	1,667,478.37	99.00%	1.786	1.786
FHLMC BONDS	470,710.00	470,276.36	460,607.75	97.94%	1.883	2.640
FNMA BONDS	474,751.00	475,556.58	464,748.77	97.73%	1.786	2.990
FHFB DISC NOTES	137,739.00	137,704.80	137,672.48	99.98%	0.150	0.150
FHFB BONDS	1,060,171.25	1,059,636.86	1,042,556.03	98.39%	2.447	3.358
FHFB DISC NOTES	95,000.00	94,905.94	94,880.25	99.97%	0.253	0.253
FHFB BONDS	524,768.00	524,446.85	519,395.72	99.04%	1.505	2.048
FARMER MAC	10,000.00	9,947.90	10,267.40	103.21%	1.411	1.411
MUNI BONDS	263,670.00	264,634.21	264,634.21	100.00%	1.311	1.311
COMM PAPER	1,403,115.00	1,402,606.70	1,402,855.20	100.02%	0.112	0.112
NCDS	2,613,400.00	2,613,419.14	2,613,419.14	100.00%	0.392	0.392
IBRD DISC NOTES	100,000.00	99,943.13	99,874.25	99.93%	0.350	0.350
IFC BONDS	125,000.00	124,856.25	124,044.68	99.35%	2.579	2.579
Totals (000's):	11,167,387.48	11,166,034.57	11,106,132.67	99.46%	0.94	1.14

TIMMI



The Treasurer's Institutional Money Market Index (TIMMI) is a composite index of four AA rated prime institutional money market funds. Their average 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 Remaining Maturity	Authorized % Limit	S&P/Moody's	Maximum Remaining Maturity	Authorized % Limit	S&P/Moody's/Fitch	
MUNICIPAL BONDS (MUNI)	5 YEARS	NO LIMIT	NA	4 YEARS	15%	AA-/Aa3/AA-	2.37%
U.S. TREASURIES	5 YEARS	NO LIMIT	NA	5 YEARS	100%	NA	25.24%
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	24.83%
COMMERCIAL PAPER (CP)	270 DAYS	40%	A1/P1	270 DAYS	40%	A1/P1/F1	12.56%
CERTIFICATE & TIME DEPOSITS (NCD & TCD)	5 YEARS	30%	NA	1 YEAR	25% Combined	A1/P1/F1	23.41%
INT'L BANK FOR RECONSTRUCTION AND DEVELOPMENT AND INT'L FINANCE CORPORATION	NA	NA	NA	4 YEARS	20%	AA/Aa/AA	2.01%
REPURCHASE AGREEMENTS (REPO)	1 YEARS	NO LIMIT	NA	45 DAYS	40% max, 25% in term repo over 7 days	A1/P1/F1	0.0%
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	1.00%	NA	0.84%
MONEY MARKET MUTUAL FUNDS (MMF)	60 DAYS ⁽¹⁾	20%	AAA/Aaa ⁽²⁾	DAILY LIQUIDITY	20%	AAA by 2 Of 3 RATINGS AGC.	6.26%
LOCAL AGENCY INVESTMENT FUND (LAIF)	NA	NA	NA	DAILY LIQUIDITY	Max \$50 million	NA	0.00%
CASH/DEPOSIT AC-COUNT	NA	NA	NA	NA	NA	NA	4.48%

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.

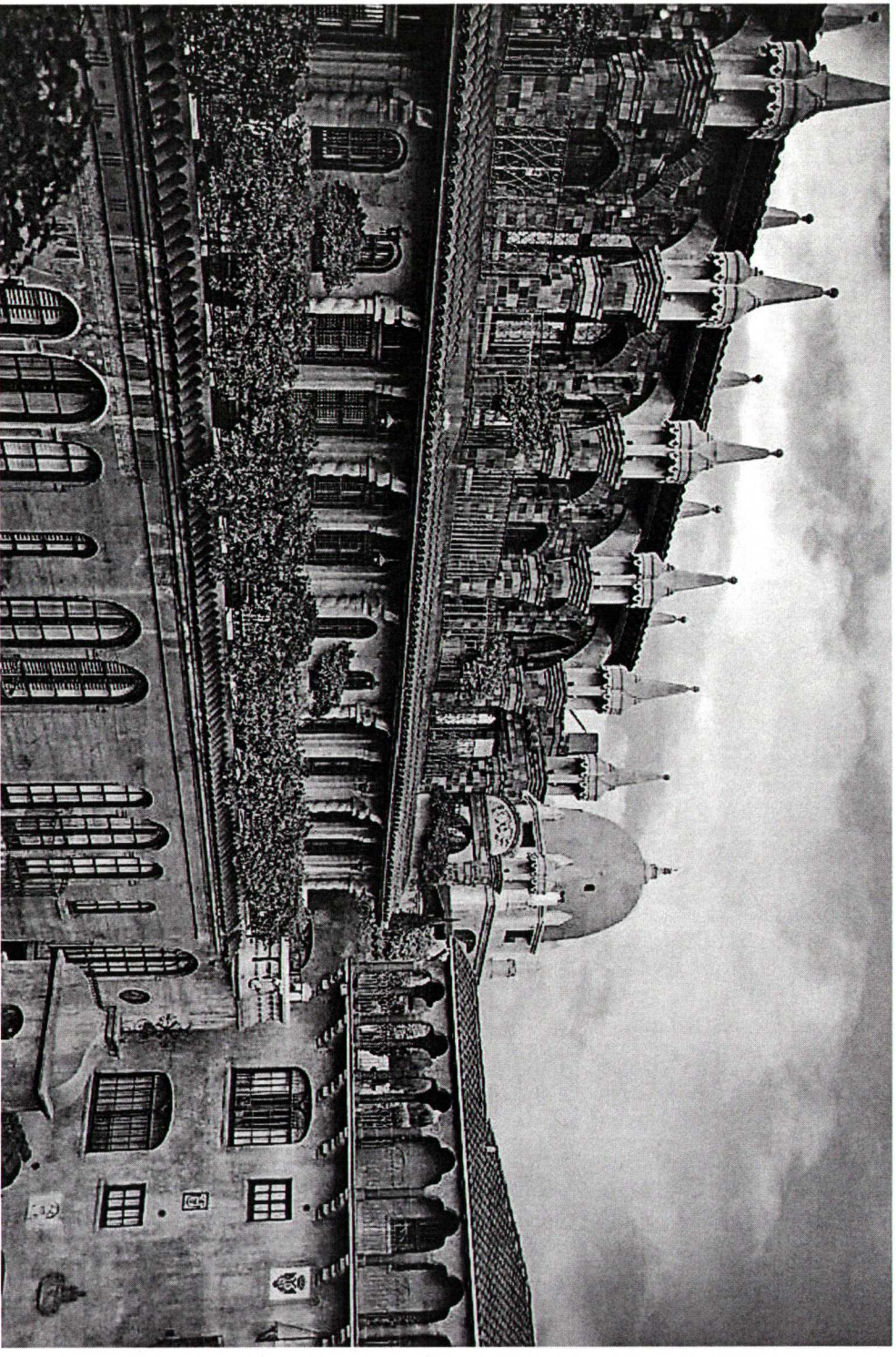
Main table with columns: CUSIP, Description, Coupon, Yield, Maturity, Date, Par, Book, Market, Price, Market, Value, Unrealized, Gain/Loss, Duration, Modified, Years to Maturity. Rows include various bonds like U.S. Treasury Bonds, Pacific Premier Bank, and JPM Prime-Mechanics and Farmers.

Summary table with columns: Fund, 1 Pool Fund, Market Value, Unrealized Gain/Loss, Duration, Modified, Years to Maturity.

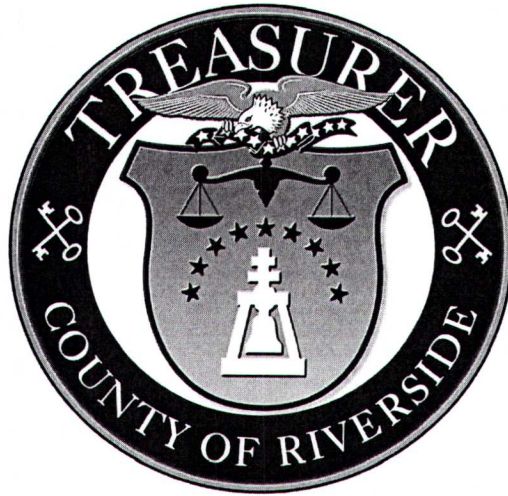
Table with columns: CUSIP, Description, Maturity, Coupon, Yield, Par, Book, Market, and Unrealized. It contains a detailed list of Treasury bonds and notes, including their CUSIP identifiers, descriptions, and various financial metrics.

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
5025:IBRD-DISC NTE				.160	50,000,000.00	50,000,000.00	100.000000	50,000,000.00	0.00	.436	.433
450253W00	IBRDS M ZERO	05/16/2022	.090	.090	50,000,000.00	49,980,000.00	99.919000	49,959,500.00	-20,500.00		.287
450253D92	IBRDS M ZERO	08/31/2022	.160	.160	25,000,000.00	24,971,444.44	99.705000	24,926,250.00	-45,194.44		.579
450253D22	IBRDS M ZERO	04/19/2022	.090	.090	25,000,000.00	24,991,687.50	99.954000	24,988,500.00	-3,187.50		.241
6040:IFC-Fxd S 30/360				.108	100,000,000.00	99,943,131.94	99.874250	99,874,250.00	-68,881.94		.349
45950VQ3	IFC:3Yr	08/22/2024	.250	.273	25,000,000.00	24,980,250.00	97.013000	24,253,250.00	-727,000.00		2.559
45950G4	IFC:3Yr	09/22/2024	.440	.484	25,000,000.00	24,967,250.00	99.869000	24,867,250.00	-100,000.00		2.647
45950Q13	IFC:3Yr	10/29/2024	.680	.719	25,000,000.00	24,971,175.00	99.884700	24,971,175.00	0.00		2.745
45950VQ22	IFC:3Yr	01/19/2024	.790	.829	25,000,000.00	24,980,825.00	99.585000	24,896,250.00	-84,575.00		1.967
45950VR46	IFC:3Yr	01/21/2025	1.040	1.099	25,000,000.00	24,956,750.00	99.827000	24,956,750.00	0.00		2.975
Total Fund											
			.640	.683	125,000,000.00	124,856,250.00	99.235740	124,044,675.00	-811,575.00		2.579
			.344	.330	11,167,387,477.09	11,166,034,565.94	99.451485	11,106,132,666.90	-59,901,899.04		1.127
Grand Total											
			.344	.330	11,167,387,477.09	11,166,034,565.94	99.451485	11,106,132,666.90	-59,901,899.04		1.127



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



COUNTY OF RIVERSIDE
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