

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



ITEM: 2.12
(ID # 25039)

MEETING DATE:
Tuesday, June 04, 2024

FROM : TREASURER-TAX COLLECTOR

SUBJECT: TREASURER-TAX COLLECTOR: Receive and File the Treasurer's Monthly Disclosure Report on Investments dated April, 2024, All Districts. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receives and files the 'Monthly Disclosure Report on Investments dated April, 2024.

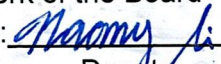
ACTION:Consent


Giovane R. Pizano, Chief Investment Manager 5/23/2024

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None
Date: June 4, 2024
xc: Tax Collector

Kimberly A. Rector
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:	2023-2024

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

MANAGED BY

Matt Jennings
Treasurer-Tax Collector

Giovane Pizano
Assistant Treasurer

John Byerly
Chief Investment Officer

Steve Faeth
Senior Investment Officer

Isela Licea
Investment Officer

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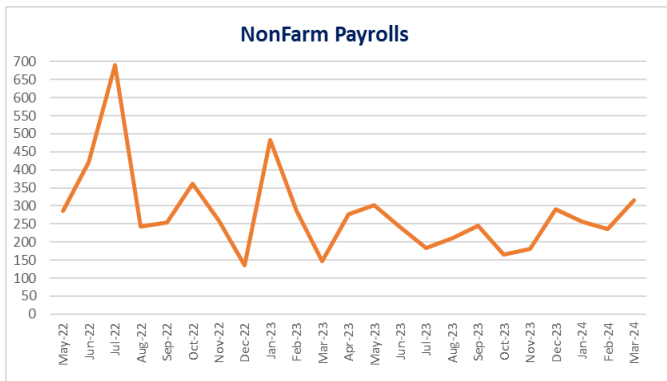
**TREASURER-TAX COLLECTOR'S
POOLED INVESTMENT FUND**

APRIL 2024 REPORT

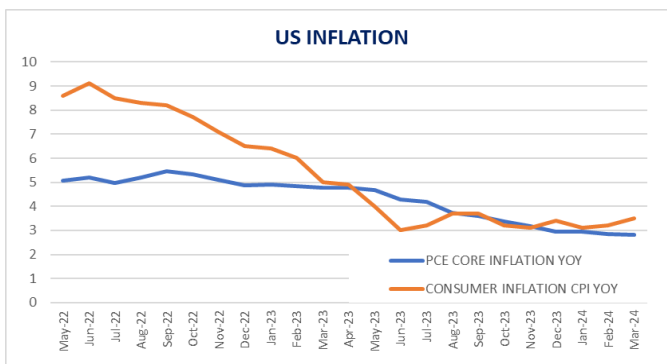
Jobs Strong, Inflation Strong

In April, the markets digested surprisingly strong economic reports which confounded many who had expected short term rates to fall and hoped that a less punishing mortgage rate might loosen up supply in the housing market.

Nonfarm Payrolls at 303,000 surpassed all estimates. Modest revisions to the prior two months of data also surprised to the upside, providing strong evidence that the United States economy is still in growth mode. Healthcare, Government, and Hospitality added 81,000, 71,000 and 49,000 jobs respectively. The unemployment rate ticked 0.1% lower to 3.8%. Average hourly earnings picked up 0.3% on a month over month basis.



The Consumer Price Index (CPI) was stubbornly strong. While not the Federal Reserve’s (FED) preferred measure of inflation, CPI is highly anticipated because of the FED’s focus on inflation. Defiant of FED policy, CPI reported a 0.4% month over month, which equates to a 4.8% annualized rate, an **acceleration** of inflation.



Retail Sales also exceeded expectations, rising 0.7% month over month. Excluding autos, sales rose 1.1%, the biggest monthly pop in more than a year. The better-than-expected gain was further bolstered by sharp upward revisions to the data in the previous month. Sizable jumps for non-store retailers (+2.7%), general merchandise (+1.1%) and building materials (+0.7%) lifted the headline gain.

The data dashed investor expectations of meaningful rate cuts this year by the FED and telegraphed to home buyers, sellers and builders, a 7% mortgage rate may be with us for longer than hoped. By the end of the month, FED FUNDS future traders had no bets on rate cuts for the remainder of the year that were better than 50/50. Sustained higher short-term yields mean better returns on investment pools like the Treasurer’s Pooled Investment Fund.

Locally, the Inland Empire has enjoyed strong construction growth, in part benefitting from its central location in southern California and establishing itself as a key hub for big-box and logistics buildings. This activity has supported construction growth and employment in prior quarters. Now though, supply seems to have over delivered as reports mount of downward pressure on rent. Residential home sales, though, grew 2.1% on a year over year basis even as prices increased 5.7%.

In interest rate markets, the 2-year Treasury note began the month at a yield of 4.70% and ended the month at 5.03%. 5-year Treasury Notes began the month trading at a 4.33% yield and ended the month at 4.71%. Stocks fell with the Dow Jones Industrial Average starting the month at 39,600 and ending at 37,800.

Matt Jennings

Treasurer-Tax Collector

Treasurer Tax-Collector Statement



PORTFOLIO SUMMARY

Month End Values \$ are

Expressed in 000,000

	Apr-24	Oct-23	Apr-23
Principal Value	16,377.47	13,310.26	15,023.34
Market Value*	16,209.72	13,049.91	14,849.44
Book Value*	16,439.71	13,354.19	15,080.01
Unrealized Gain/Loss*	-229.99	-304.28	-230.57
Paper Gain or Loss %	-1.399%	-2.279%	-1.529%
Yield	4.41	4.07	3.66
WAM (Yrs)	1.23	1.44	1.15

* Market values do not include accrued interest.

* Book Value is amount paid changed by amortization. Accretion, adjustments, write downs

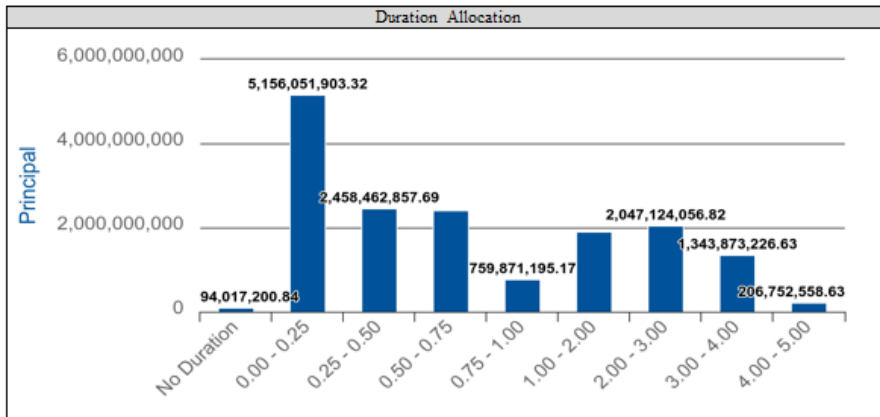
* Unrealized Gain/Loss is Market Value - Book Value

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.

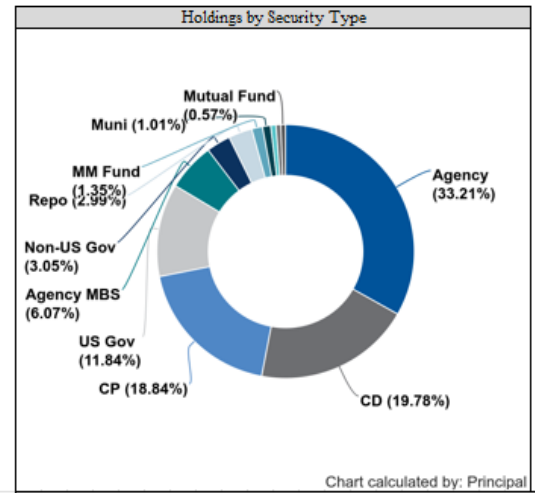
Since its inception, the Treasurer's Pooled Investment Fund has been in **full compliance** with the Treasurer's Statement of Investment Policy, which is more restrictive than California Government Code 53646.

TPIF STATS



Rating	Market Value
AAA	7,394,804,413.25
AA+	6,923,550.45
AA	102,022,984.24
NA	959,465,168.24
NR	91,658,431.10
A-1+	7,654,846,010.77

Security Type Category	Days to Final Maturity	Par Value	Market Price	Yield	Principal
Mutual Fund	---	93,213,169.12	1.0086	4.880	94,017,200.84
Agency CMO	488	101,987,933.25	97.4864	5.082	99,191,340.65
Corporate	735	112,674,000.00	97.9664	4.691	111,287,587.12
Muni	514	164,420,000.00	98.2311	2.610	165,624,065.00
MM Fund	0	221,000,000.00	1.0000	5.244	221,000,000.00
Repo	2	490,000,000.00	100.0000	5.360	490,000,000.00
Non-US Gov	564	505,000,000.00	98.3311	4.060	498,994,341.67
Agency MBS	1267	1,014,016,242.39	96.1672	4.535	993,284,658.29
US Gov	448	1,965,000,000.00	96.9199	3.654	1,938,551,415.48
CP	55	3,128,450,000.00	99.4828	5.399	3,086,150,580.75
CD	162	3,240,000,000.00	100.0002	5.435	3,240,013,791.91
Agency	727	5,477,559,250.00	96.8480	3.428	5,439,359,288.64
Total	448	16,513,320,594.75	96.2729	4.410	16,377,474,270.35



PORTFOLIO CASHFLOWS

Month	Monthly Receipts	Monthly Disbursements	Difference	Required Matures Investments	Balance	Actual Investments Maturing	Available to Invest > 1 Year
05/2024					105.50		
05/2024	2,300.00	3,075.25	(775.25)	669.75	0.00	2,347.30	
06/2024	2,100.00	2,300.00	(200.00)	200.00	0.00	1,321.00	
07/2024	1,200.00	2,300.00	(1,100.00)	1,100.00	0.00	918.21	
08/2024	1,700.00	2,000.00	(300.00)	300.00	0.00	675.91	
09/2024	2,300.00	1,900.00	400.00		400.00	747.72	
10/2024	2,691.73	3,100.00	(408.27)	8.27	0.00	930.83	
11/2024	2,200.00	2,050.00	150.00		150.00	730.12	
12/2024	3,082.00	1,933.00	1,149.00		1,299.00	661.97	
01/2025	1,905.00	3,521.06	(1,616.06)	317.06	0.00	1,248.63	
02/2025	2,106.00	2,756.00	(650.00)	650.00	0.00	384.74	
03/2025	3,334.00	3,227.00	107.00		107.00	247.02	
04/2025	4,276.00	3,329.00	947.00		1,054.00	297.38	
TOTALS	29,194.73	31,491.31	(2,296.58)	3,245.08	3,115.50	10,510.84	13,268.24
				19.65%		63.65%	80.35%

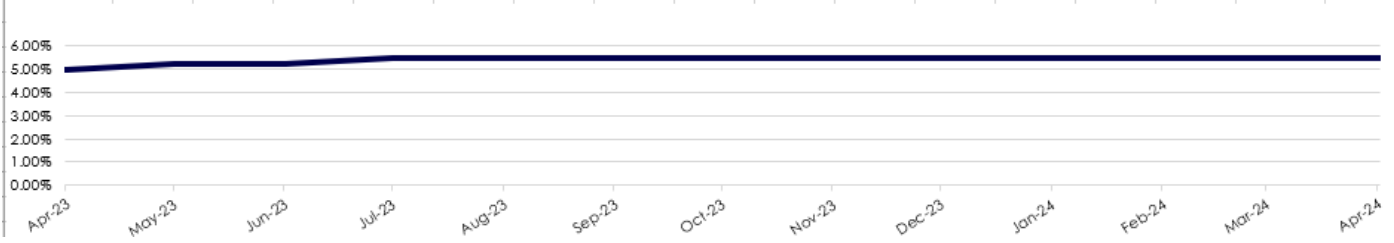
*Values listed in Cash Flow table are in millions

FIXED INCOME MARKETS

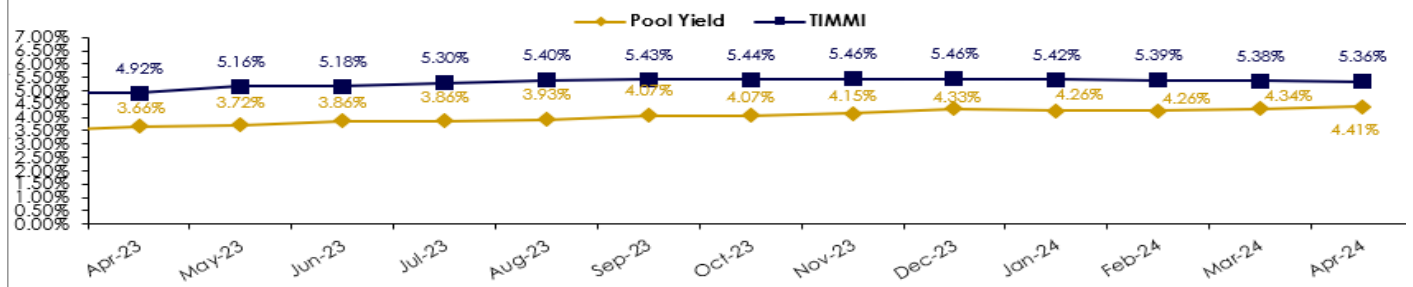
FED FUNDS UPPER LIMIT RATE

Fed Fund Rate: 5.25% to 5.50%

Next FOMC Scheduled Meeting: 05/1/2024



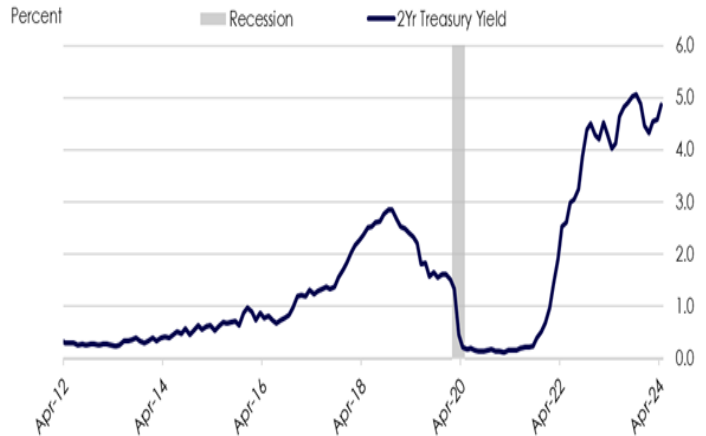
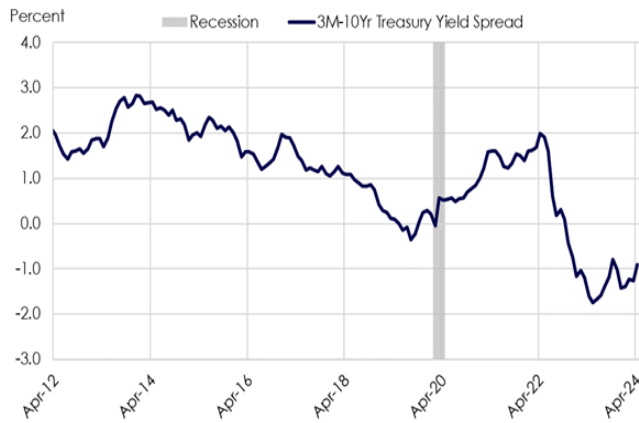
TIMMI



The Treasurer's Institutional Money Market Index (TIMMI) is a composite index of four AAA 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.

US Treasury Market



US Treasury Yield Curve	3 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr	30 Yr
04/30/2024 - 04/01/2024	0.02	0.08	0.19	0.32	0.36	0.38	0.36	0.32
04/30/2024	5.46	5.44	5.25	5.04	4.87	4.72	4.69	4.79
04/01/2024	5.44	5.36	5.06	4.72	4.51	4.34	4.33	4.47

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 % of Boon Value
	Maximum Maturity	Authorized % Limit	S&P/ Moody's	Maximum Maturity	Authorized % Limit	S&P/ Moody's	
MUNICIPAL BONDS (MUNI)	5 YEARS	NO LIMIT	NA	5 YEARS	15%	AA-/Aa3/AA-	1.00%
U.S. TREASURIES	5 YEARS	NO LIMIT	NA	5 YEARS	100%	NA	11.85%
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	39.88%
COMMERCIAL PAPER (CP)	270 DAYS	40%	A1/P1	270 DAYS	40%	A1/P1/F1	18.93%
NEGOTIABLE CERTIFICATE OF DEPOSITS & COLLATERALIZED TIME DEPOSITS (NCD & TCD)	5 YEARS	30%	NA	2 YEAR	20%	A1/P1/F1	19.71%
INT'L BANK FOR RECONSTRUCTION AND DEVELOPMENT, INT'L FINANCE CORPORATION, AND INTER-AMERICAN DEVELOPMENT BANK	NA	NA	NA	5 YEARS	20%	AA/Aa/AA	3.05%
REPURCHASE AGREEMENTS (REPO)	1 YEARS	NO LIMIT	NA	45 DAYS	40% max, 25% in term repo over 7 days	NA	2.98%
REVERSE REPOS	92 DAYS	20%	NA	60 DAYS	10%	NA	0.00%
MEDIUM TERM NOTES (MTNO) CORPORATE NOTES	5 YEARS	30%	A	4 YEARS	20%	A/A2/A	0.68%
CALTRUST SHORT TERM FUND	NA	NA	NA	DAILY LIQUIDITY	1.00%	NA	0.57%
MONEY MARKET MUTUAL FUNDS (MMF)	60 DAYS ⁽¹⁾	20%	AAA/Aaa ⁽²⁾	DAILY LIQUIDITY	20%	AAA by 2 Of 3 RATINGS AGC.	1.34%
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	0.60%



COUNTY OF RIVERSIDE
TREASURER-TAX COLLECTOR
CAPITAL MARKETS

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