

County of Riverside

Treasurer's Pooled Investment Fund

April 2018

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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

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>.

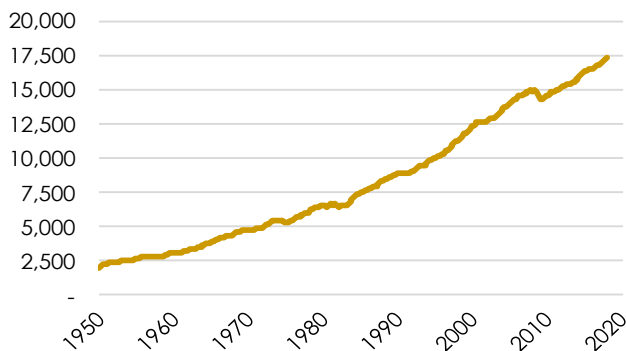
Economy

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



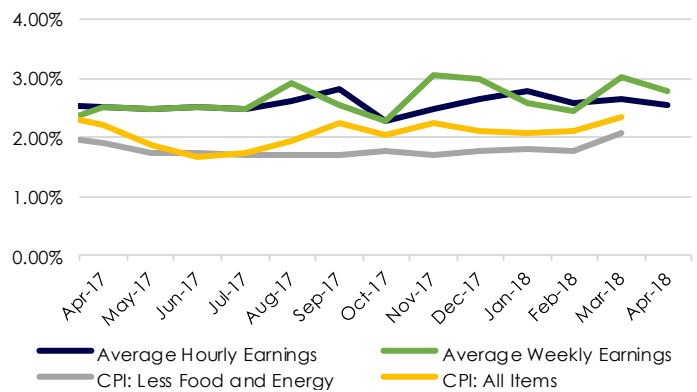
Values in billions of USD. Based on 2009 price levels.

State Economy

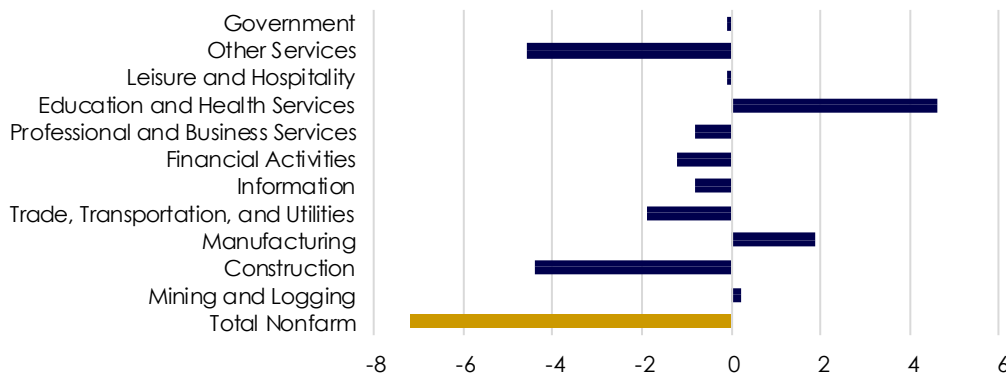
Following the longest run of job growth since WWII, California lost 7,200 jobs in March. [\[LA Times; 05/03/2018\]](#)

- 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

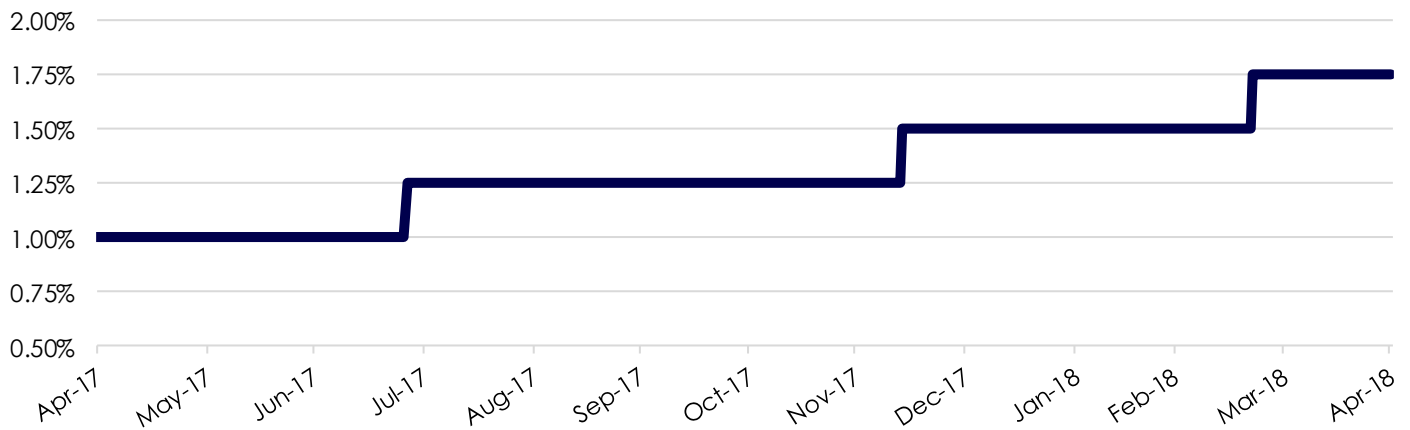
Release Date	Indicator	Actual	Consensus	Difference
04/27/2018	Real Gross Domestic Product - Q/Q Change	2.30%	2.00%	0.30%
04/06/2018	Unemployment Rate - Seasonally Adjusted	4.10%	4.00%	0.10%
04/06/2018	Non-Farm Payrolls - M/M Change	102,000	175,000	-73,000
04/11/2018	CPI - Y/Y Change	2.40%	2.40%	0.00%
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

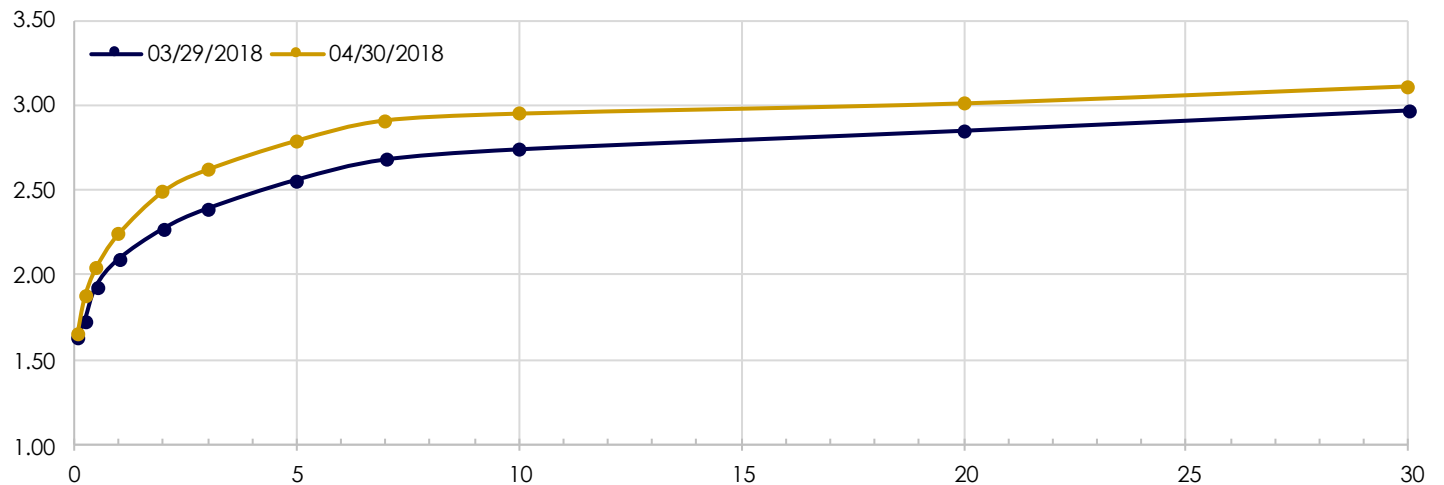
FOMC Meeting 03/21/2018

- 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

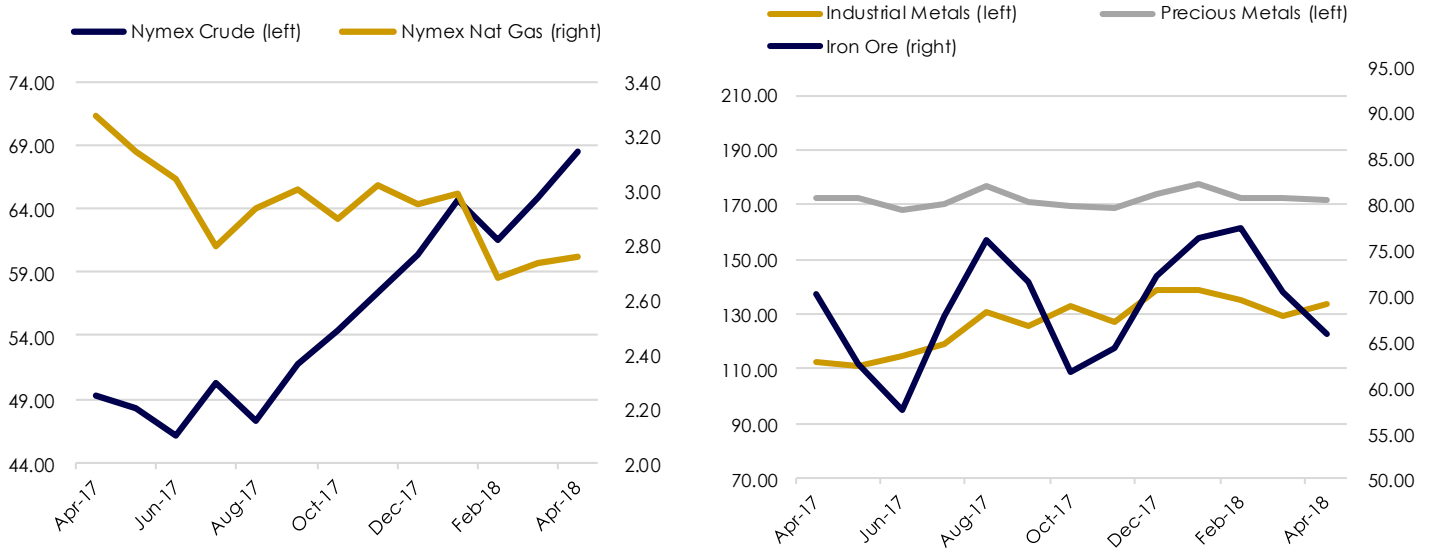


Treasury Curve Differentials	3 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr	30 Yr
04/30/2018 - 03/29/2018	0.14	0.11	0.15	0.22	0.23	0.23	0.21	0.14
04/30/2018	1.87	2.04	2.24	2.49	2.62	2.79	2.95	3.11
03/29/2018	1.73	1.93	2.09	2.27	2.39	2.56	2.74	2.97

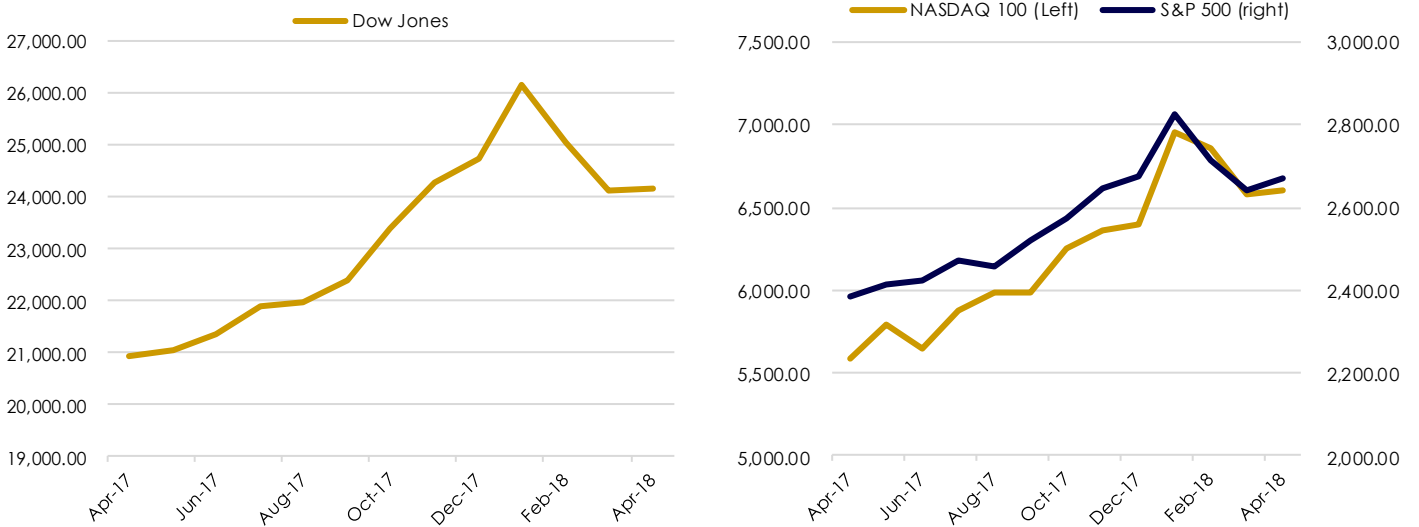
The US Treasury Curve and its forecasted values are subject to frequent change and will be updated monthly with each issued TPIF report.

Market Data cont'd

Commodities



Stocks



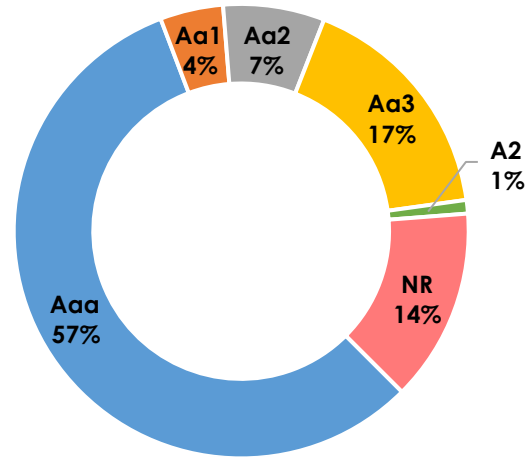
* Values listed on this page are in US dollars and are based on the final business day of the month.

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**.

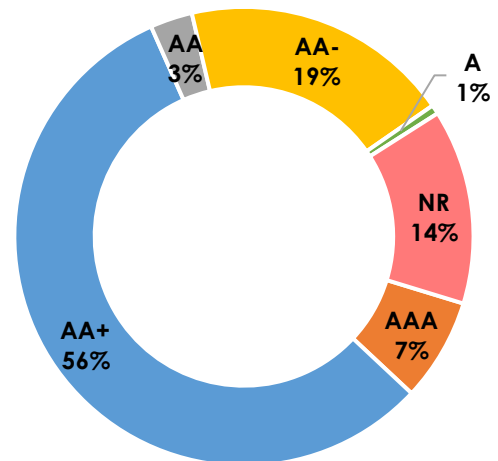
Moody's Asset Rating (000's)

	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

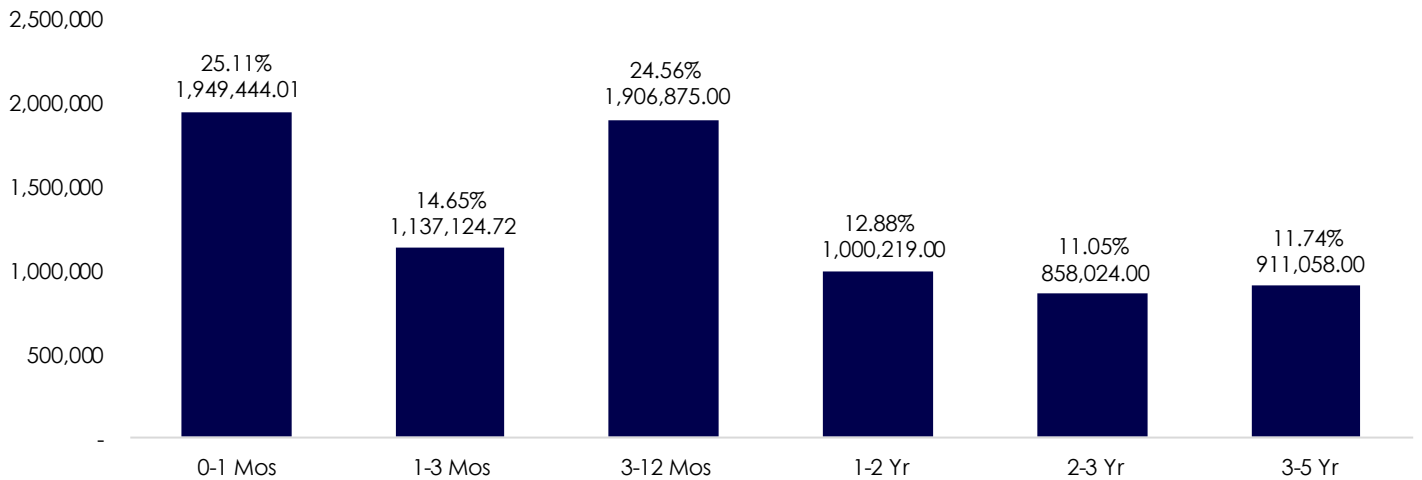
Month	Monthly Receipts	Monthly Disbursements	Difference	Required Matured Investments	Balance	Actual Investments Maturing	Available to Invest > 1 Year
05/2018					117.01		
05/2018	912.13	1,500.00	(587.87)	470.86	-	1,949.44	
06/2018	1,153.32	1,900.00	(746.68)	746.68	-	766.38	
07/2018	1,006.35	1,300.00	(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)

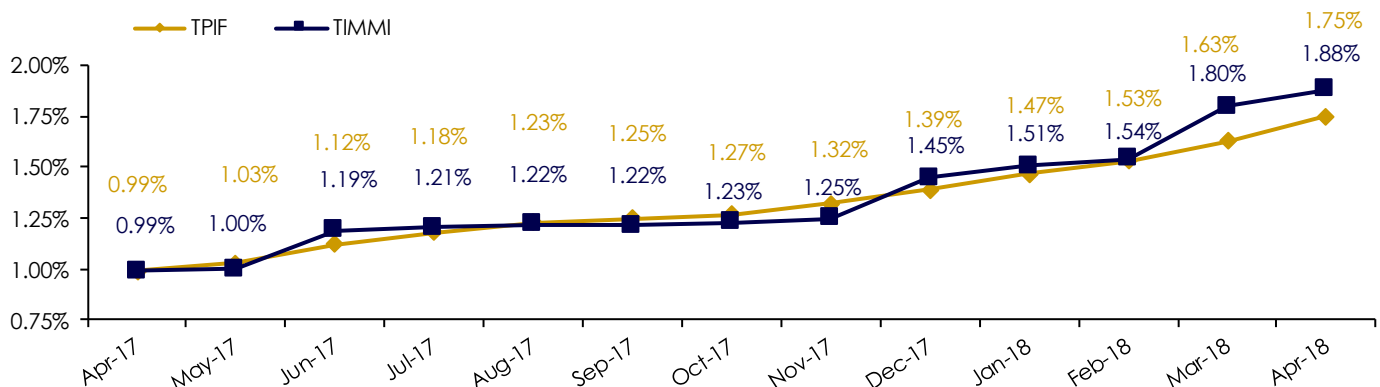


Asset Allocation (000's)

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 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 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. Includes various bond entries such as 3134GBKC5, 3134GBMD4, 3134G9JD0, etc.

1.454 1.501 1,257,958,000.00 1,256,838,732.75 97.833393 1,230,702,990.55 -26,135,742.20 2.368 2.446

FNMA BONDS

Table with 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. Includes various FNMA bond entries such as 3134G3BX2, 3134G3EH4, 3134G3DV4, etc.

1.336 1.443 386,082,000.00 385,281,976.44 97.969522 378,242,690.22 -7,039,286.22 1.906 1.959

FHLB BONDS

Table with 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. Includes various FHLB bond entries such as 313383EP2, 3130A7H57, 3130A7PV1, etc.

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
			1.882	1.882	969,000,000.00	969,000,000.00	100.000000	969,000,000.00	0.00	.242	.247
	Total Fund		1.697	1.753	7,762,744,733.18	7,744,877,200.23	99.260304	7,705,324,013.51	-39,553,186.72	1.012	1.043
Grand Total			1.697	1.753	7,762,744,733.18	7,744,877,200.23	99.260304	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

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