

County of Riverside

Treasurer-Tax Collector's Pooled
Investment Fund

January 2021

Contents

2 | Treasurer-Tax Collector's Pooled Investment Fund

3 | Economy

4 | Market Data

6 | Portfolio Data

8 | Compliance Report

9 | Month End Holdings



Chair Jerome Powell during FOMC Press Conference January 27, 2021 — [FOMC Press Conference Introductory Statement, January 27, 2021 - YouTube](#)

Treasurer-Tax Collector's Pooled Investment Fund

Monthly Commentary

COVID Downturn, Vaccine Hope

The resurgence in COVID cases and slower rollout of vaccinations across much of the country has caused concerns over the pace of the economic recovery. The market was focused on fiscal stimulus spending, dovish monetary policy, and vaccination progress as fixed income rates changed slightly.

United States' GDP contracted 3.5% in 2020, its first annual contraction since 2009 following the financial crisis of 2007–2008. The level of this contraction marked the year 2020 as the country's worst economic performer since 1946. Nonfarm employment fell by 140,000, following a 336,000 job gain a month earlier. Most of that drop was in the leisure & hospitality sector, which lost 498,000 jobs as the resurgence of COVID caused consumers to pull back from high contact activities.

Construction remains exceptionally strong and the industry added 51,000 jobs, with large gains in both the residential and commercial categories. Home construction continues to heat up as builders move to satisfy rising buyer demand. Total housing starts jumped 5.8% to a 1.67-million-unit pace, which is the strongest pace since 2006.

Housing has benefited from record low mortgage rates and desire for more living space.

Riverside County has seen higher home price gains versus the majority of similar size counties in the United States. The most recent single-family median home price data for Riverside County shows a 15.9% year over year gain, with the price now at \$445,000, still much lower than San Diego County (\$716,000), Los Angeles County (\$752,000), and Orange County (\$890,000).

The yield curve became steeper as news on fiscal stimulus pushed long rates higher while fiscal policy continued to anchor short rates at near zero. About \$4.1 trillion in fiscal stimulus has been authorized so far to support the economy, including tax relief provisions. The President-Elect unveiled a plan that would further add \$1.9 trillion in support, this caused rates in the long end to move higher. On January 27, the FOMC voted to leave FED rates at the current target rate of 0.00% to 0.25%. The official statement and press conference did not include any new guidance related to changes in their asset purchase program that would change the view that short term rates will remain low for longer.

Monetary support is truly historic. The Federal Reserve opened their new year balance sheet with \$7.36 trillion, an increase of more than \$3 trillion over the prior 12 months. The Fed continues to purchase Treasuries and MBS at a monthly pace of \$80 billion and \$40 billion, respectively, with no signs of tapering soon.

As a result, the equity markets retreated slightly, with the Dow Jones Industrial Average starting the month at 30,600 and ending at 30,000. In Fixed Income Markets, the 2-year Treasury yield began the month at 0.12% and ended the month at 0.11%. The 5-year Treasury yield began the month at .36% and ended the month at .42%. Note that the 5-year yield rose while the 2-year yield declined slightly. This is known in the business as 'curve steepening' and is commonly thought to show inflation fear entering the Fixed Income Markets. The Treasurer-Tax Collector's office will continue to monitor these types of signals and adjust strategies accordingly.

Matt Jennings
Treasurer-Tax Collector

Capital Markets Team

Matt Jennings
Treasurer-Tax Collector

Giovane Pizano
Assistant Treasurer

Steve Faeth
Senior Investment Manager

Isela Licea
Assistant Investment Manager

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

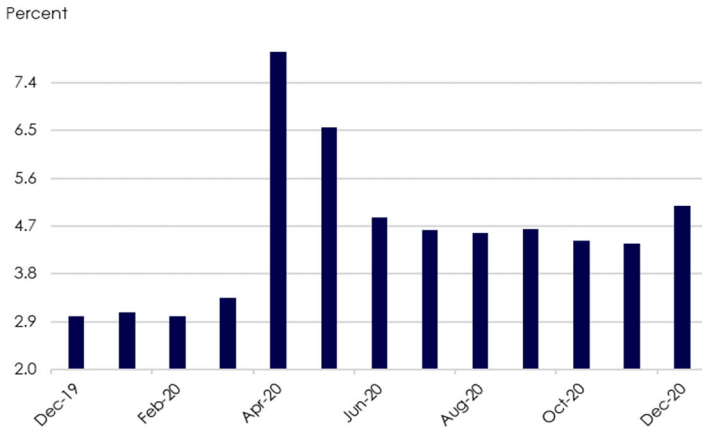
6-Month Pool Performance

	Month End Market ue (\$)*	Val-	Month End Book Value (\$)	Paper Gain or Loss (\$)	Paper Gain or Loss (%)	Book Yield (%)	WAM (Yrs)
Jan-21	8,926,362,228.01		8,911,959,146.12	14,403,081.89	0.16%	0.34	1.03
Dec-20	9,623,955,692.78		9,608,151,280.02	15,804,412.76	0.16%	0.35	1.04
Nov-20	8,067,105,046.19		8,050,899,851.53	16,205,194.66	0.20%	0.48	1.13
Oct-20	7,802,946,914.04		7,786,725,788.42	16,221,125.62	0.21%	0.52	1.11
Sep-20	8,238,993,333.67		8,218,185,162.14	20,808,171.53	0.25%	0.54	1.08
Aug-20	7,359,900,292.26		7,337,259,138.44	22,641,153.82	0.31%	0.62	1.14

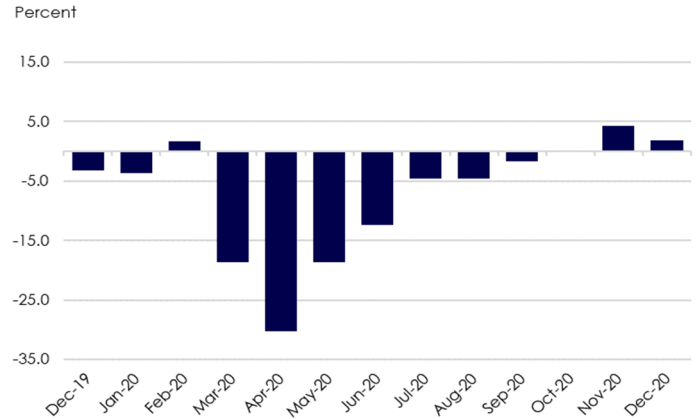
*Market values do not include accrued interest.

Economy

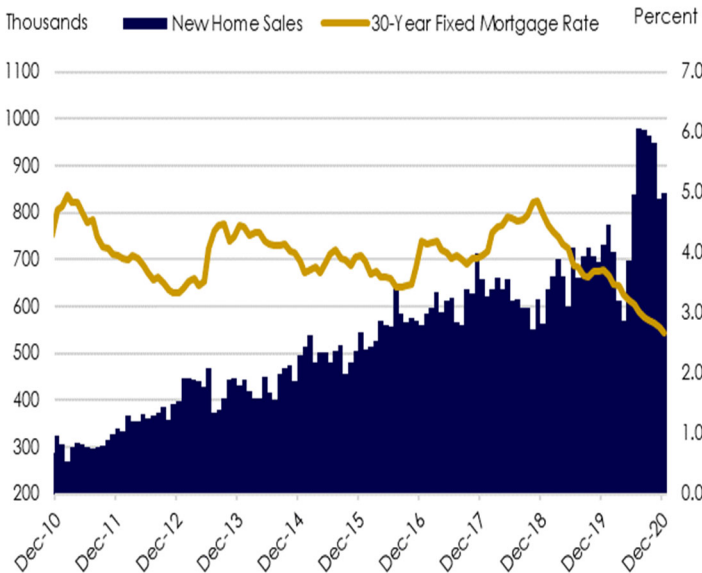
Private Sector Average Hourly Earnings Y/Y



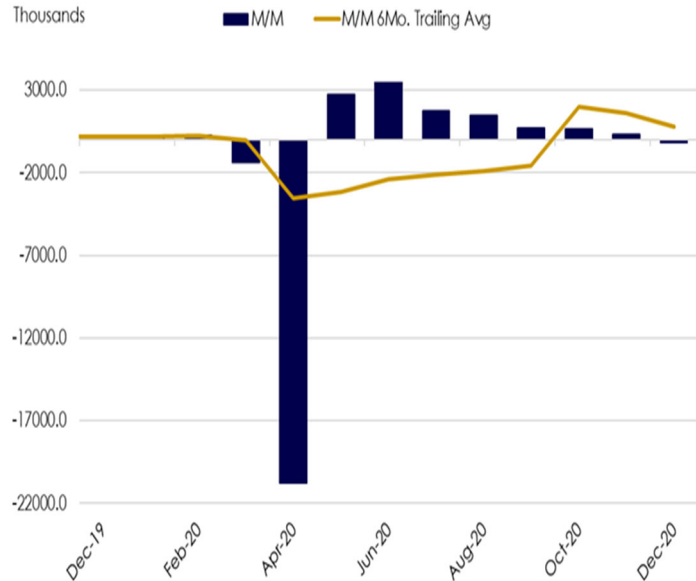
Durable Goods Percent Chg. Y/Y



New Home Sales SAAR



Nonfarm Payrolls Total M/M Change SA



Key Economic Indicators

Release Date	Indicator	Actual	Consensus	Prior Year
01/28/2021	Real GDP - Q/Q Change	4.0%	4.2%	2.1%
01/08/2021	Unemployment Rate - Seasonally Adjusted	6.7%	6.8%	3.5%
01/08/2021	Non-Farm Payrolls - M/M Change - Thousands	-140	50	145
01/13/2021	CPI - Y/Y Change	1.4%	1.3%	2.3%
01/13/2021	CPI Ex Food and Energy - Y/Y Change	1.6%	1.6%	2.3%
01/07/2021	ISM Non-Manufacturing Index (> 50 indicates growth)	57.2	54.5	55.0
01/28/2021	New Home Sales - SAAR - Thousands	842	870	694
01/06/2021	Factory Orders - M/M Change	1.0%	0.7%	-0.7%
01/06/2021	Durable Goods Orders - New Orders - M/M Change	1.0%	0.9%	-2.1%

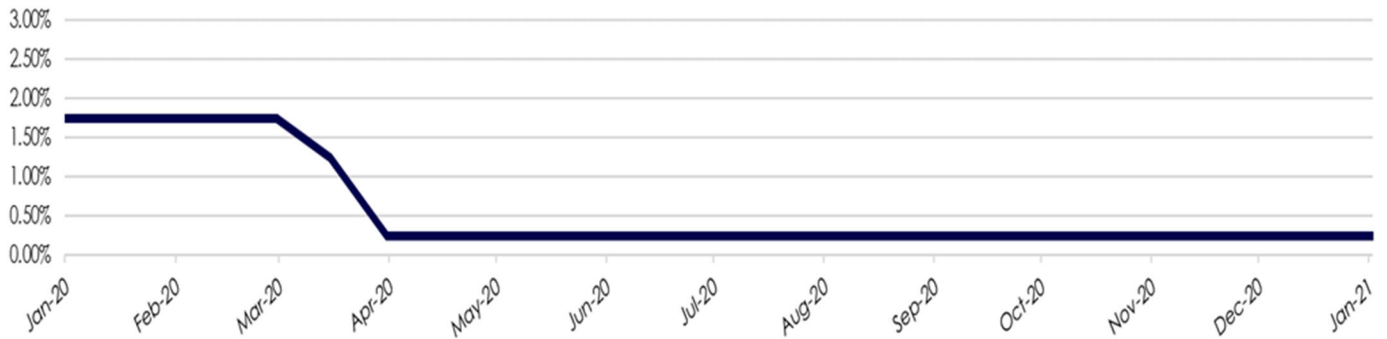
*Note: 'P rior Year' displays final estimates of indicat or values from the equivalent period of the prior year.

Market Data

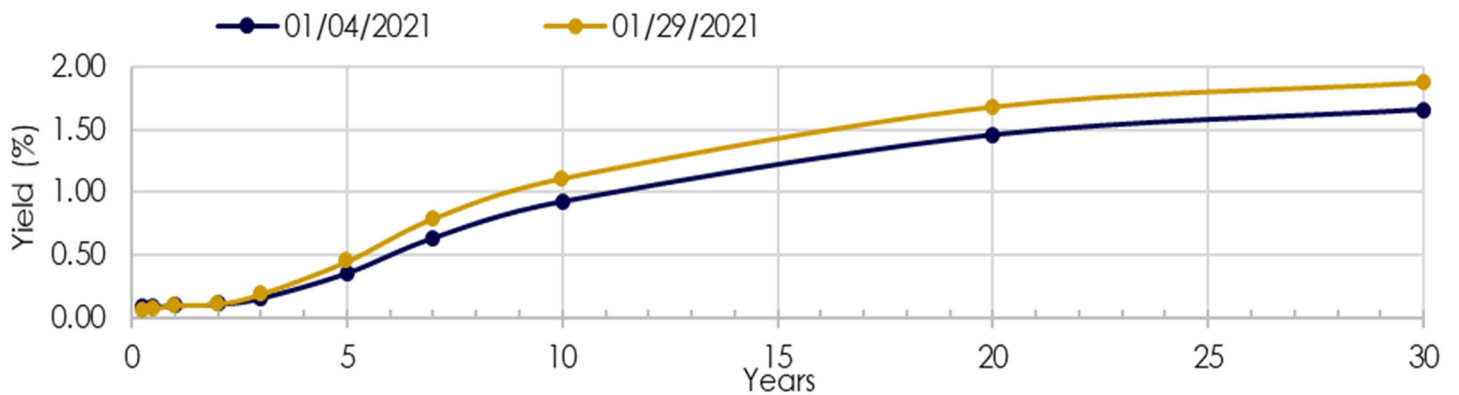
Federal Open Market Committee Meeting

- The FOMC stated that the COVID-19 pandemic is causing tremendous human and economic hardship across the U.S., and will continue to weigh on economic activity, employment, and inflation in the near term, and poses considerable risk to the economic outlook over the medium term.
- The FOMC maintained the Fed Funds Target Range of 0.0-0.25%
- The FOMC stated in their January statement that "it is committed to using its full range of tools to support the U.S. economy in this challenging time, thereby promoting its maximum employment and price stability goals."

Fed Funds Target Rate (Upper Limit)



U.S. Treasury Curve

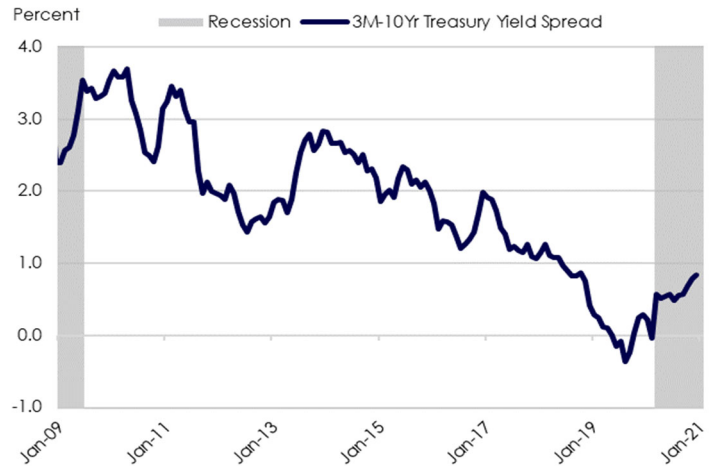
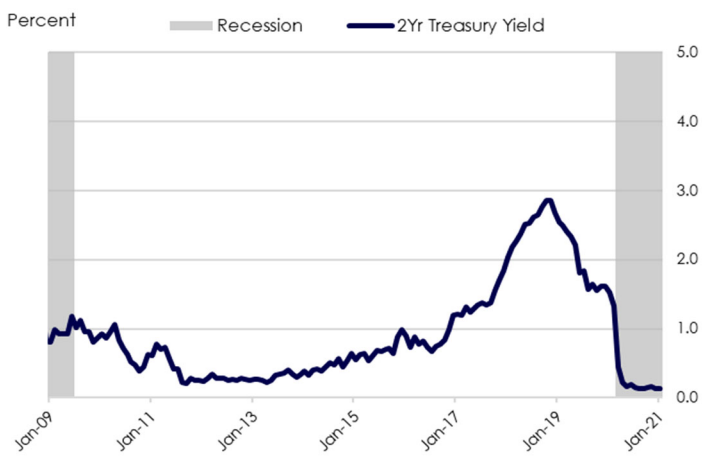


US Treasury Yield Curve	3 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr	30 Yr
01/29/2021 - 01/04/2021	-0.03	-0.02	0.00	0.00	0.03	0.09	0.18	0.21
01/29/2021	0.06	0.07	0.10	0.11	0.19	0.45	1.11	1.87
01/04/2021	0.09	0.09	0.10	0.11	0.16	0.36	0.93	1.66

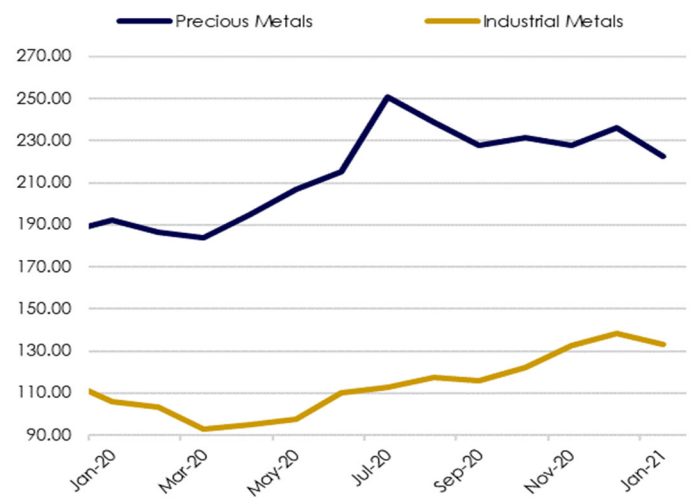
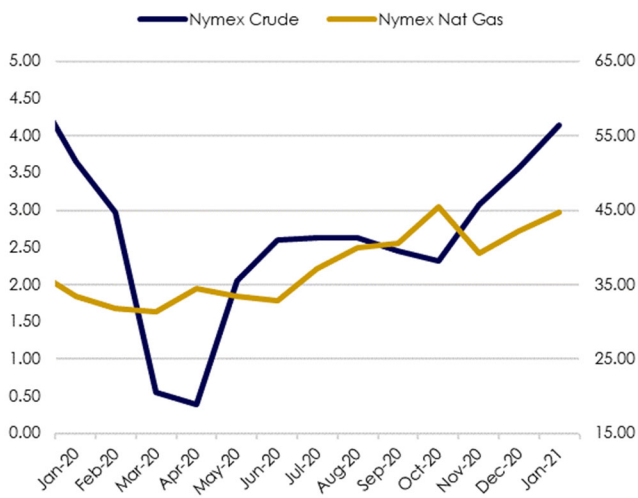
The US Treasury Curve and its values are subject to frequent change and will be updated monthly with each issued TPIF report.

Market Data cont'd

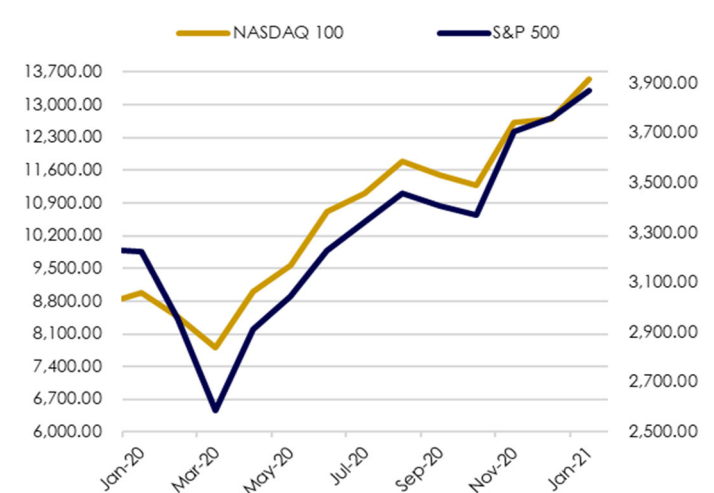
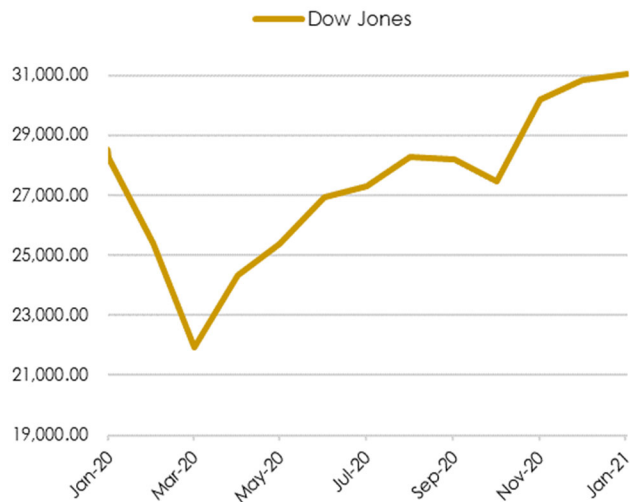
U.S. Treasuries



Commodities



Stocks



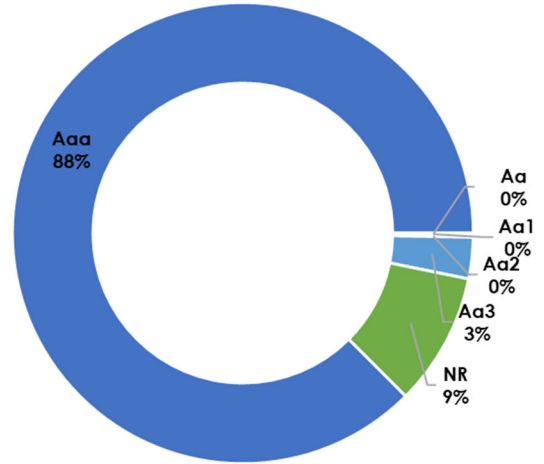
* Values listed for commodities and stocks are in US dollars and are as of the final business day of each month.

Portfolio Data

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

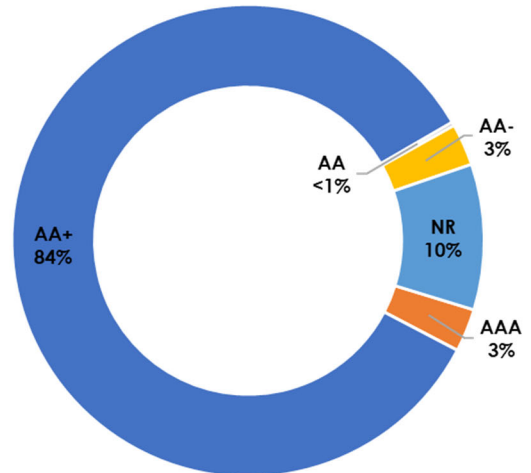
Moody's Asset Rating (000's)

	Book	MKT/Book	% Book	Yield
Aaa	7,797,876.05	100.17%	87.50%	0.33%
Aa	10,000.00	100.67%	0.11%	2.22%
Aa1	3,500.00	100.00%	0.04%	2.77%
Aa2	12,368.76	100.00%	0.14%	2.83%
Aa3	258,273.14	100.01%	2.90%	1.02%
NR	829,941.20	100.10%	9.31%	0.19%
Totals:	8,911,959.15	100.16%	100.00%	0.34%



S&P Asset Rating (000's)

	Book	MKT/Book	% Book	Yield
AAA	265,000.00	100.00%	2.97%	0.03%
AA+	7,536,376.05	100.18%	84.56%	0.34%
AA	22,368.76	100.01%	0.25%	1.76%
AA-	258,273.14	100.01%	2.90%	10.20%
NR	894,941.20	100.10%	10.04%	0.19%
Totals:	8,911,959.15	100.16%	100.00%	0.34%



12-Month Projected Cash Flow

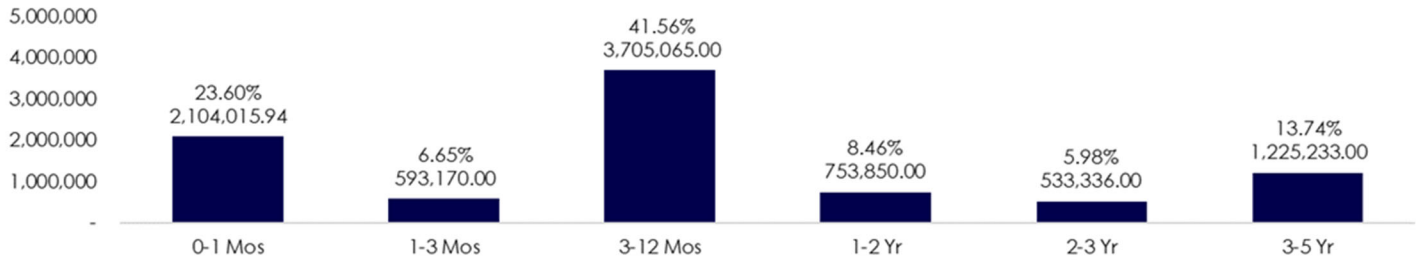
Month	Monthly Receipts	Monthly Disbursements	Difference	Required Matured Investments	Balance	Actual Investments Maturing	Available to Invest > 1 Year
02/2021					134.78		
02/2021	1,005.21	1,217.34	-212.13	77.35	-	2094.02	
03/2021	1,497.96	1,092.59	405.37		405.37	291.50	
04/2021	2,103.36	1,289.52	813.84		1,219.21	311.67	
05/2021	1,086.87	2,100.00	-1013.13		206.08	1197.65	
06/2021	1,044.31	1,802.91	-758.60	552.52	-	885.00	
07/2021	1,034.19	1,472.64	-438.45	438.45	-	460.00	
08/2021	965.41	1,004.62	-39.21	39.21	-	425.00	
09/2021	1,146.18	1,214.91	-68.73	68.73	-	398.92	
10/2021	1,249.55	1,343.18	-93.63	93.63	-	265.00	
11/2021	1,371.49	1,197.65	173.84		173.84	60.00	
12/2021	2,634.19	1,400.00	1234.19		1,408.03	-	
01/2022	1,150.00	2,000.00	-850.00		558.03	13.50	
TOTALS	16,288.72	17,135.36	(846.64)	1,269.89	4,105.34	6,402.25	7,642.06
				14.25%		71.84%	85.75%

* 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

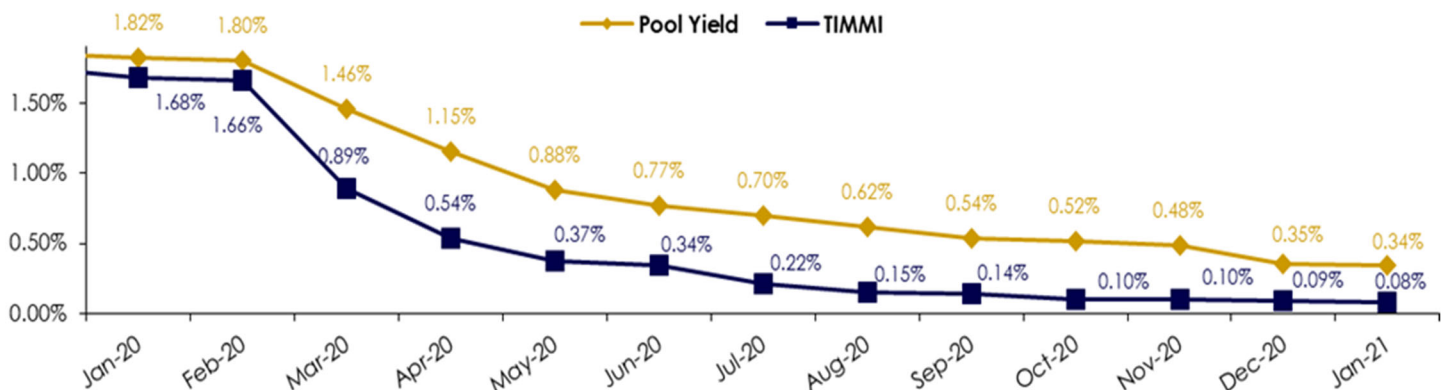
Asset Maturity Distribution (Par Value, 000's)



Asset Allocation (000's)

Assets (000's)	Scheduled Par	Scheduled Book	Scheduled Market	Mkt/Book	Yield	WAL(Yr)	Mat(Yr)
REPOS	250,000.00	250,000.00	250,000.00	100.00%	0.04%	.003	.003
MMKT	365,000.00	365,000.00	365,000.00	100.00%	0.03%	.003	.003
CALTRUST FND	4,015.94	4,023.98	4,023.98	100.00%	0.37%	.003	.003
DDA/PASSBK	425,000.00	425,000.00	425,000.00	100.00%	0.15%	.003	.003
US TREAS BILLS	3,460,000.00	3,458,118.31	3,459,104.75	100.03%	0.09%	.347	.347
US TREAS BONDS	215,000.00	215,230.27	217,756.35	101.17%	0.67%	1.159	1.159
FHLMC BONDS	901,495.00	901,389.07	901,415.95	100.00%	0.54%	.778	2.780
FNMA BONDS	764,251.00	764,832.78	767,921.55	100.40%	0.64%	1.343	3.258
FHLB DISC NOTES	435,000.00	434,841.44	434,976.10	100.03%	0.10%	.092	.092
FHLB BONDS	629,925.00	629,568.32	632,078.37	100.40%	0.66%	.560	1.155
FFCB DISC NOTES	100,000.00	99,885.79	99,975.50	100.09%	0.14%	.319	.319
FFCB BONDS	860,203.00	860,016.89	864,156.61	100.48%	0.73%	1.076	2.032
FARMER MAC	155,000.00	154,941.20	155,788.95	100.55%	0.53%	.545	.545
MUNI BONDS	102,780.00	102,194.98	102,194.98	100.00%	2.85%	.656	.656
COMM PAPER	247,000.00	246,916.10	246,969.13	100.02%	0.11%	.126	.126
Totals (000's):	8,914,669.94	8,911,959.15	8,926,362.23	100.16%	0.34%	.529	1.030

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.

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-	1.15%
U.S. TREASURIES	5 YEARS	NO LIMIT	NA	5 YEARS	100%	NA	41.22%
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	43.15%
COMMERCIAL PAPER (CP)	270 DAYS	40%	A1/P1	270 DAYS	40%	A1/P1/F1	2.77%
CERTIFICATE & TIME DEPOSITS (NCD & TCD)	5 YEARS	30%	NA	1 YEAR	25% Combined	A1/P1/F1	0.0%
INT'L BANK FOR RECONSTRUCTION AND DEVELOPMENT AND INT'L FINANCE CORPORATION	NA	NA	NA	4 YEARS	20%	AA/Aa/AA	0.00%
REPURCHASE AGREEMENTS (REPO)	1 YEARS	NO LIMIT	NA	45 DAYS	40% max, 25% in term repo over 7 days	A1/P1/F1	2.81%
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	0.05%
MONEY MARKET MUTUAL FUNDS (MMF)	60 DAYS ⁽¹⁾	20%	AAA/Aaa ⁽²⁾	DAILY LIQUIDITY	20%	AAA by 2 Of 3 RATINGS	4.10%
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	4.77%

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. Rows include various bond holdings such as FNMA 3YrNc1YrB, FHLB DISC NTE, and FHLB-Fxd-S 30/360.

1767: FHLB-Var-M A/360

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
13063DAC2	STATE OF CALIFORNIA	04/01/2021	2.625	2.850	1,795,000.00	1,784,301.80	99.404000	1,784,301.80	0.00	.162	.164
13063DAD0	STATE OF CALIFORNIA	04/01/2022	2.367	2.960	1,500,000.00	1,468,800.00	97.920000	1,468,800.00	0.00	1.132	1.164
544351MM8	CITY OF LOS ANGELES	09/01/2021	4.000	2.919	8,915,000.00	9,200,993.20	103.208000	9,200,993.20	0.00	.565	.584
13063DAD0	STATE OF CALIFORNIA	04/01/2022	2.367	3.120	17,695,000.00	17,256,340.95	97.521000	17,256,340.95	0.00	1.131	1.164
13063DAD0	STATE OF CALIFORNIA	04/01/2022	2.367	3.290	25,000,000.00	24,275,250.00	97.101000	24,275,250.00	0.00	1.130	1.164
13063DGA0	STATE OF CALIFORNIA	04/01/2021	2.800	2.680	10,825,000.00	10,852,170.75	100.251000	10,852,170.75	0.00	.162	.164
419792YL4	STATE OF HAWAII	01/01/2022	2.770	2.770	3,500,000.00	3,500,000.00	100.000000	3,500,000.00	0.00	.897	.918
			2.688	2.849	102,780,000.00	102,194,982.70	99.430806	102,194,982.70	0.00	.631	.648
3020: COMMERCIAL PAPER											
63763PPS2	NATL SEC CLEARING CORP	02/26/2021	.120	.120	50,000,000.00	49,977,666.67	99.993056	49,996,527.78	18,861.11	.071	.071
63763PPA1	NATL SEC CLEARING CORP	02/10/2021	.110	.110	25,000,000.00	24,991,520.83	99.997500	24,999,375.00	7,854.17	.027	.027
74271TQX4	PROCTER & GAMBLE	03/31/2021	.130	.130	61,500,000.00	61,467,353.75	99.983889	61,490,091.67	22,737.92	.161	.162
74271TRN5	PROCTER & GAMBLE	04/22/2021	.100	.100	15,500,000.00	15,495,393.06	99.977778	15,496,555.56	1,162.50	.222	.222
74271TRS4	PROCTER & GAMBLE	04/26/2021	.100	.100	45,000,000.00	44,986,500.00	99.976667	44,989,500.00	3,000.00	.232	.233
19416EPN1	COLGATE-PALM	02/22/2021	.070	.070	50,000,000.00	49,997,666.67	99.994167	49,997,083.33	-583.34	.060	.060
			.106	.106	247,000,000.00	246,916,100.98	99.987504	246,969,133.34	53,032.36	.126	.126
Total Fund			.352	.343	8,914,669,944.14	8,911,959,146.12	100.131158	8,926,362,228.01	14,403,081.89	1.018	1.031
Grand Total			.352	.343	8,914,669,944.14	8,911,959,146.12	100.131158	8,926,362,228.01	14,403,081.89	1.018	1.031



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,
RIVERSIDE, CA 92502-2205

WWW.COUNTYTREASURER.ORG