



# County of Riverside

## Treasurer's Pooled Investment

July 2017



### Capital Markets

#### Team

**Don Kent**

Treasurer-Tax Collector

**Jon Christensen**

Asst. Treasurer-Tax Collector

**Giovane Pizano**

Investment Manager

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Asst. Investment Manager

### Investment Objectives

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 achieve a **return on the funds** under his or her control.

**COUNTY OF RIVERSIDE TREASURER'S POOLED INVESTMENT FUND IS CURRENTLY RATED: Aaa-bf BY MOODY'S INVESTOR'S SERVICE AND AAA/V1 BY FITCH RATINGS**

	Month End Market Value (\$)*	Month End Book Value (\$)	Paper Gain or Loss (\$)	Paper Gain or Loss (%)	Book Yield (%)	Yrs to Maturity	Modified Duration
<b>July</b>	6,452,047,376.04	6,460,673,961.40	(8,626,585.36)	(0.13)	1.18	1.20	1.17
<b>June</b>	6,735,867,498.24	6,749,832,051.31	(13,964,553.07)	(0.21)	1.12	1.13	1.10
<b>May</b>	7,612,527,848.46	7,618,718,525.29	(6,190,676.83)	(0.08)	1.03	1.06	1.04
<b>April</b>	7,852,739,843.99	7,860,165,695.74	(7,425,851.75)	(0.09)	0.99	1.05	1.02
<b>March</b>	6,833,805,197.25	6,846,497,352.55	(12,692,155.31)	(0.19)	0.95	1.18	1.15
<b>February</b>	6,692,173,247.08	6,704,345,453.07	(12,172,205.99)	(0.18)	0.90	1.26	1.23

*The Treasurer's Pooled Investment Fund is comprised of the County, Schools, Special Districts, and other Discretionary Depositors.*

# Current Market Data

## Economic Indicators

Release Date	Indicator	Consensus	Actual
07/07/2017	<b>Non-Farm Payrolls M/M change:</b> Counts the number of paid employees working part-time or full-time in the nation's business and government establishments.	178,000	<b>222,000</b>
07/07/2017	<b>Employment Situation:</b> Measures the number of unemployed as a percentage of the labor force.	4.3%	<b>4.4%</b>
07/05/2017	<b>Durable Goods Orders - M/M change:</b> Reflects the new orders placed with domestic manufacturers for immediate and future delivery of factory hard goods.	-0.6%	<b>-0.8%</b>
07/28/2017	<b>Real Gross Domestic Product - Q/Q change:</b> The broadest measure of aggregate economic activity and encompasses every sector of the economy. GDP is the country's most comprehensive economic scorecard.	2.7%	<b>2.6%</b>
07/25/2017	<b>Consumer Confidence:</b> Measures consumer attitudes on present economic conditions and expectations of future conditions.	116.5	<b>121.1</b>
07/05/2017	<b>Factory Orders M/M change:</b> Represents the dollar level of new orders for both durable and nondurable goods.	-0.5%	<b>-0.8%</b>
07/14/2017	<b>Consumer Price Index - M/M change:</b> The Consumer Price Index is a measure of the average price level of a fixed basket of goods and services purchased by consumers.	0.1%	<b>0.0%</b>
07/14/2017	<b>CPI Ex Food and Energy - M/M change:</b> CPI Ex Food and Energy excludes food and energy.	0.2%	<b>0.1%</b>

## Stock Indices

	Value	Change
Dow Jones (DJIA)	\$ 21,891.12	\$ 541.49
S&P 500 Index	\$ 2,470.30	\$ 46.89
NASDAQ (NDX)	\$ 5,880.32	\$ 233.41

## Commodities

	Value	Change
Nymex Crude	\$ 46.04	\$ (2.28)
Gold (USD/OZ)	\$ 1,241.55	\$ (27.39)

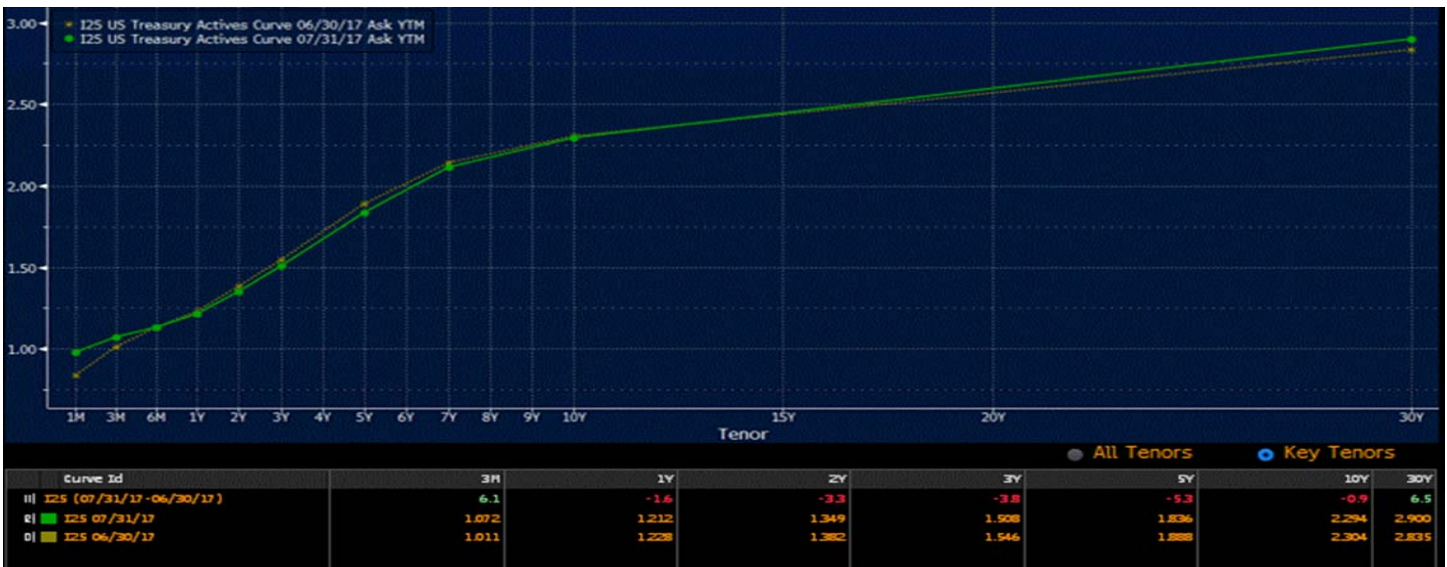
## Fed Funds Target Rate

Current Fed Funds Rate: 1.00% - 1.25%		
Probability for FOMC Dates:		
Fed Move	09/20/2017	11/01/2017
Increase to 1- 1.25%	94.4%	91.7%
Increase to 1.50%	5.6%	8.2%
Increase to 1.75%	0.0%	0.2%
Increase to 2.00%	0.0%	0.0%

## FOMC Meeting Schedule

Release	%	Risk Assessment
03-May	0.75 - 1%	Roughly Balanced
14-Jun	1 - 1.25%	Balanced

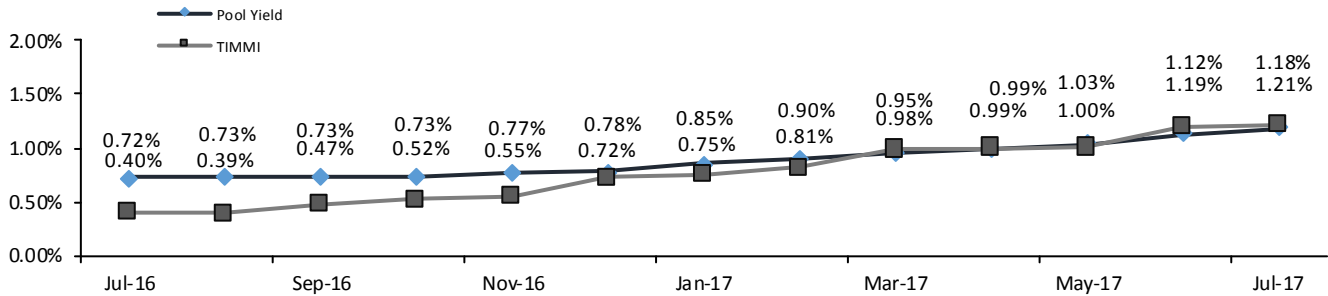
## US Treasury Curve (M/M)



# TIMMI

The Treasurer’s Institutional Money Market Index (TIMMI) is compiled and reported by the Riverside County Treasurer’s Capital Markets division. It is a composite index derived from four AAA rated prime institutional money market funds. Similar to the Treasurer’s Office, prime money market funds invest in a diversified portfolio of U.S. dollar denominated money market instruments including U.S. Treasuries, government agencies, commercial paper, certificates of deposits, repurchase agreements, etc. TIMMI is currently comprised of the four multi billion dollar funds listed below.

AAA Rated Prime Institutional Money-Market Funds		
Fund	Symbol	7 Day Yield
Fidelity Prime Institutional MMF	FIPXX	1.22%
Federated Prime Obligations Fund	POIXX	1.16%
Wells Fargo Advantage Heritage	WFJXX	1.23%
JP Morgan	CJPXX	1.21%



## Cash Flows

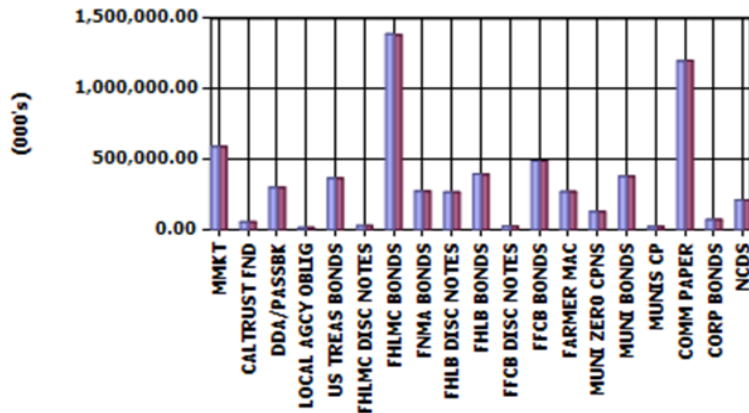
Month	Monthly Receipts	Monthly Disbursements	Difference	Required Matured Investments	Balance	Actual Investments Maturing	Available to Invest > 1 Year
08/2017					139.02		
08/2017	1,017.89	1,200.00	(182.11)	43.09	-	1,670.93	
09/2017	1,004.10	1,110.00	(105.90)	105.90	-	672.10	
10/2017	1,127.50	1,200.00	(72.50)	72.50	-	300.65	
11/2017	1,165.00	1,050.00	115.00		115.00	329.48	
12/2017	990.00	2,250.00	(1,260.00)	1,145.00	-	240.70	
01/2018	1,050.00	1,710.00	(660.00)	660.00	-	210.00	
02/2018	860.00	1,000.00	(140.00)	140.00	-	167.59	
03/2018	1,200.00	1,000.00	200.00		200.00	25.00	
04/2018	1,946.22	1,100.00	846.22		1,046.22	226.00	
05/2018	912.13	1,500.00	(587.87)		458.35	174.19	
06/2018	1,153.32	1,900.00	(746.68)	288.33	-	72.37	
07/2018	1,006.35	1,300.00	(293.65)	293.65	-	75.75	
<b>TOTALS</b>	<b>13,432.51</b>	<b>16,320.00</b>	<b>(2,887.49)</b>	<b>2,748.47</b>	<b>1,958.59</b>	<b>4,164.76</b>	<b>3,712.20</b>
				<b>42.54%</b>		<b>64.46%</b>	<b>57.46%</b>

\* All values reported in millions (\$).

The Pooled Investment Fund cash flow requirements are based upon a 12 month historical cash flow model. Based upon projected cash receipts and maturing investments, there are sufficient funds to meet future cash flow disbursements over the next 12 months.

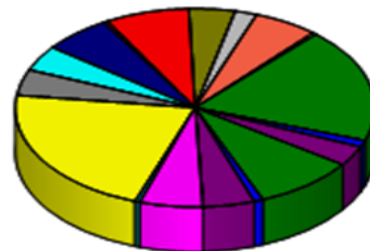
# Asset Allocation

Assets (000's)	Scheduled Par	Scheduled Book	Scheduled Market	Mkt/ Sch Book	Yield	WAL (Yr)	Mat (Yr)
MMKT	589,877.55	590,000.00	590,000.00	100.00%	1.12%	.003	.003
CALTRUST FND	54,000.00	54,000.00	54,021.60	100.04%	1.12%	.003	.003
DDA/PASSBK	300,000.00	300,000.00	300,000.00	100.00%	1.17%	.003	.003
LOCAL AGCY OBLIG	230.00	230.00	230.00	100.00%	1.12%	2.877	2.877
US TREAS BONDS	365,000.00	364,817.38	364,697.25	99.97%	1.00%	.703	.703
FHLMC DISC NOTES	30,000.00	29,792.81	29,805.90	100.04%	1.13%	.567	.567
FHLMC BONDS	1,392,950.00	1,392,744.25	1,384,719.63	99.42%	1.37%	2.495	2.942
FNMA BONDS	275,000.00	274,936.85	272,162.93	98.99%	1.21%	2.653	2.653
FHLB DISC NOTES	267,700.00	266,421.02	267,320.31	100.34%	0.87%	.138	.138
FHLB BONDS	395,359.72	395,163.31	394,118.21	99.74%	1.18%	2.011	2.193
FFCB DISC NOTES	25,000.00	24,783.33	24,863.00	100.32%	1.05%	.485	.485
FFCB BONDS	488,260.00	488,350.40	488,550.38	100.04%	1.33%	1.706	2.024
FARMER MAC	268,850.00	268,846.00	268,953.62	100.04%	1.21%	.655	.776
MUNI ZERO CPNS	127,450.00	127,132.75	127,280.07	100.12%	1.07%	.118	.118
MUNI BONDS	375,980.00	378,594.14	378,594.14	100.00%	1.02%	.844	.844
MUNIS CP	23,000.00	23,000.00	23,000.00	100.00%	1.25%	.122	.122
COMM PAPER	1,205,000.00	1,200,886.77	1,202,750.56	100.16%	1.12%	.152	.152
CORP BONDS	71,137.00	70,974.95	70,979.79	100.01%	1.28%	.731	.731
NCDS	210,000.00	210,000.00	210,000.00	100.00%	1.18%	.151	.151
<b>Totals (000's):</b>	<b>6,464,794.27</b>	<b>6,460,673.96</b>	<b>6,452,047.38</b>	<b>99.87%</b>	<b>1.18%</b>	<b>1.073</b>	<b>1.209</b>



SCHEDULED PAR %

Scheduled Book Market

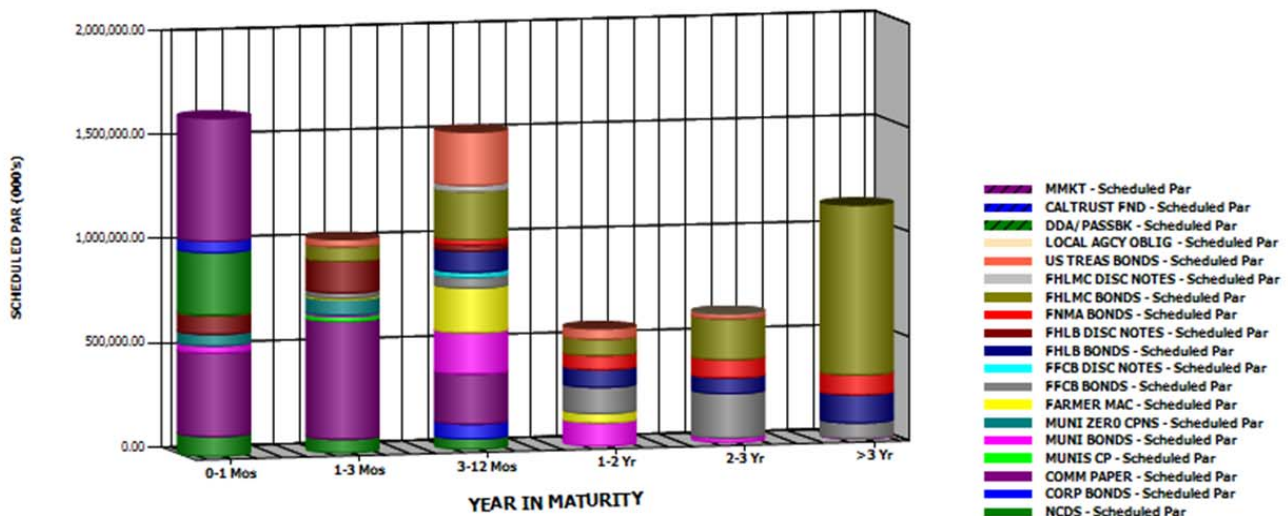


- MMKT - 9%
- FFCB DISC NOTES - 0%
- CALTRUST FND - 1%
- FFCB BONDS - 8%
- DDA/PASSBK - 5%
- FARMER MAC - 4%
- LOCAL AGCY OBLIG - 0%
- MUNI ZERO CPNS - 2%
- US TREAS BONDS - 6%
- MUNI BONDS - 6%
- FHLMC DISC NOTES - 0%
- MUNIS CP - 0%
- FHLB BONDS - 22%
- COMM PAPER - 19%
- FNMA BONDS - 4%
- CORP BONDS - 1%
- FHLB DISC NOTES - 4%
- FHLB BONDS - 6%
- FHLB BONDS - 6%



# Maturity Distribution

Scheduled Par (000's)	0-1 Mos	1-3 Mos	3-12 Mos	1-2 Yr	2-3 Yr	>3 Yr	Totals (000's)
MMKT	589,877.55	-	-	-	-	-	589,877.55
CALTRUST FND	54,000.00	-	-	-	-	-	54,000.00
DDA/PASSBK	300,000.00	-	-	-	-	-	300,000.00
LOCAL AGCY OBLIG	-	-	-	-	230.00	-	230.00
US TREAS BONDS	-	35,000.00	255,000.00	50,000.00	25,000.00	-	365,000.00
FHLMC DISC NOTES	-	-	30,000.00	-	-	-	30,000.00
FHLMC BONDS	5,000.00	70,000.00	230,895.00	78,000.00	195,275.00	813,780.00	1,392,950.00
FNMA BONDS	-	-	25,000.00	67,500.00	87,500.00	95,000.00	275,000.00
FHLB DISC NOTES	87,000.00	150,700.00	30,000.00	-	-	-	267,700.00
FHLB BONDS	-	-	100,859.72	84,500.00	75,000.00	135,000.00	395,359.72
FFCB DISC NOTES	-	-	25,000.00	-	-	-	25,000.00
FFCB BONDS	-	25,250.00	50,000.00	125,310.00	212,700.00	75,000.00	488,260.00
FARMER MAC	-	8,850.00	215,000.00	45,000.00	-	-	268,850.00
MUNI ZERO CPNS	55,000.00	72,450.00	-	-	-	-	127,450.00
MUNI BONDS	35,050.00	7,500.00	198,275.00	111,115.00	21,790.00	2,250.00	375,980.00
MUNIS CP	-	23,000.00	-	-	-	-	23,000.00
COMM PAPER	400,000.00	565,000.00	240,000.00	-	-	-	1,205,000.00
CORP BONDS	-	-	71,137.00	-	-	-	71,137.00
NCDS	95,000.00	95,000.00	50,000.00	-	-	-	210,000.00
<b>Totals (000's):</b>	<b>1,620,927.55</b>	<b>1,022,750.00</b>	<b>1,521,166.72</b>	<b>561,425.00</b>	<b>617,495.00</b>	<b>1,121,030.00</b>	<b>6,464,794.27</b>
<b>%</b>	<b>25.07%</b>	<b>15.82%</b>	<b>23.53%</b>	<b>8.68%</b>	<b>9.55%</b>	<b>17.34%</b>	
<b>Cumulative %</b>	<b>25.07%</b>	<b>40.89%</b>	<b>64.42%</b>	<b>73.11%</b>	<b>82.66%</b>	<b>100.0%</b>	

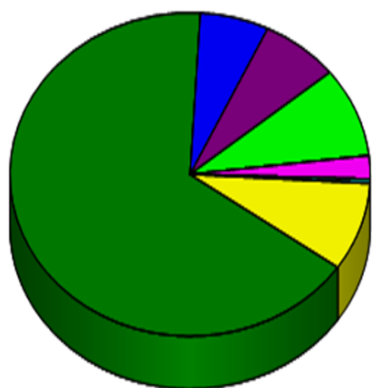


# Credit Quality

Moody (000's)	Par	Book	Market	MKT/Book	Yield
Aaa	4,278,282.27	4,276,132.98	4,265,825.94	99.76%	1.21%
Aa1	400,225.00	400,009.33	400,420.60	100.10%	1.09%
Aa2	455,437.00	454,705.51	455,183.04	100.11%	1.12%
Aa3	581,770.00	581,070.00	581,619.05	100.09%	1.13%
A	150,000.00	149,699.90	149,818.08	100.08%	1.13%
A2	30,000.00	29,980.23	29,997.05	100.06%	1.13%
NR	569,080.00	569,076.00	569,183.62	100.02%	1.19%
<b>Totals (000's):</b>	<b>6,464,794.27</b>	<b>6,460,673.96</b>	<b>6,452,047.38</b>	<b>99.87%</b>	<b>1.18%</b>

## MOODY'S

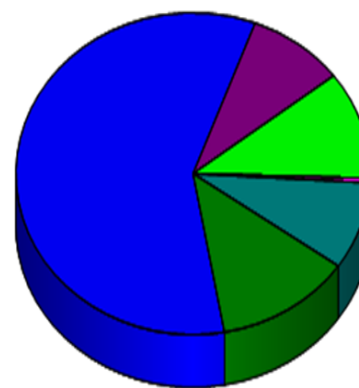
BOOK %



■ Aaa - 66% 
 ■ Aa2 - 7% 
 ■ A - 2% 
 ■ NR - 9%  
■ Aa1 - 6% 
 ■ Aa3 - 9% 
 ■ A2 - 0%

## S & P

BOOK %



■ AAA - 12% 
 ■ AA - 9% 
 ■ A - 0%  
■ AA+ - 59% 
 ■ AA- - 11% 
 ■ NR - 9%

S&P (000's)	Par	Book	Market	MKT/Book	Yield
AAA	802,407.55	803,974.04	804,140.51	100.02%	1.11%
AA+	3,76,099.72	3,782,168.28	3,772,106.02	99.73%	1.22%
AA	575,437.00	574,411.35	575,248.24	100.15%	1.14%
AA-	701,770.00	701,064.07	701,371.93	100.04%	1.11%
A	30,000.00	29,980.23	29,997.05	100.06%	1.13%
NR	569,080.00	569,076.00	569,183.62	100.02%	1.19%
<b>Totals (000's):</b>	<b>6,464,794.27</b>	<b>6,460,673.96</b>	<b>6,452,047.38</b>	<b>99.87%</b>	<b>1.18%</b>











# Full Compliance

The Treasurer's Pooled Investment Fund was in **FULL COMPLIANCE** with the Treasurer's Statement of Investment Policy. The County's Investment Policy is more restrictive than the California Government Code. This policy is reviewed annually by the County's Investment Oversight Committee and approved by the County 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 (MUNI)	5 YEARS	NO LIMIT	NA	4 YEARS	15%	AA-/Aa3/AA-	7.93%
U.S. TREASURIES	5 YEARS	NO LIMIT	NA	5 YEARS	100%	NA	5.40%
LOCAL AGENCY OBLIGATIONS (LAO)	5 YEARS	NO LIMIT	NA	3 YEARS	2.5%	INVESTMENT GRADE	0.003%
FEDERAL AGENCIES	5 YEARS	NO LIMIT	AAA	5 YEARS	100%	NA	45.26%
COMMERCIAL PAPER (CP)	270 DAYS	40%	A1/P1	270 DAYS	40%	A1/P1/F1	21.22%
CERTIFICATE & TIME DEPOSITS (NCD & TCD)	5 YEARS	30%	NA	1 YEAR	25% Combined	A1/P1/F1	3.11%
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	0.94%
CALTRUST SHORT TERM FUND	NA	NA	NA	DAILY LIQUIDITY	1.0%	NA	0.80%
MONEY MARKET MUTUAL FUNDS (MMF)	60 DAYS <sup>(1)</sup>	20%	AAA/Aaa <sup>(2)</sup>	DAILY LIQUIDITY	20%	AAA by 2 Of 3 RATINGS AGC.	11.63%
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	3.70%

<sup>1</sup> Mutual Funds maturity may be interpreted as weighted average maturity not exceeding 60 days.

<sup>2</sup> Or must have an investment advisor with not less than 5 years experience and with assets under management of \$500,000,000.



**THIS COMPLETES THE REPORT REQUIREMENTS OF CALIFORNIA GOVERNMENT CODE 53646**



County of Riverside  
Treasurer-Tax Collector  
Capital Markets

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