

County of Riverside

Treasurer-Tax Collector's Pooled
Investment Fund

July 2021

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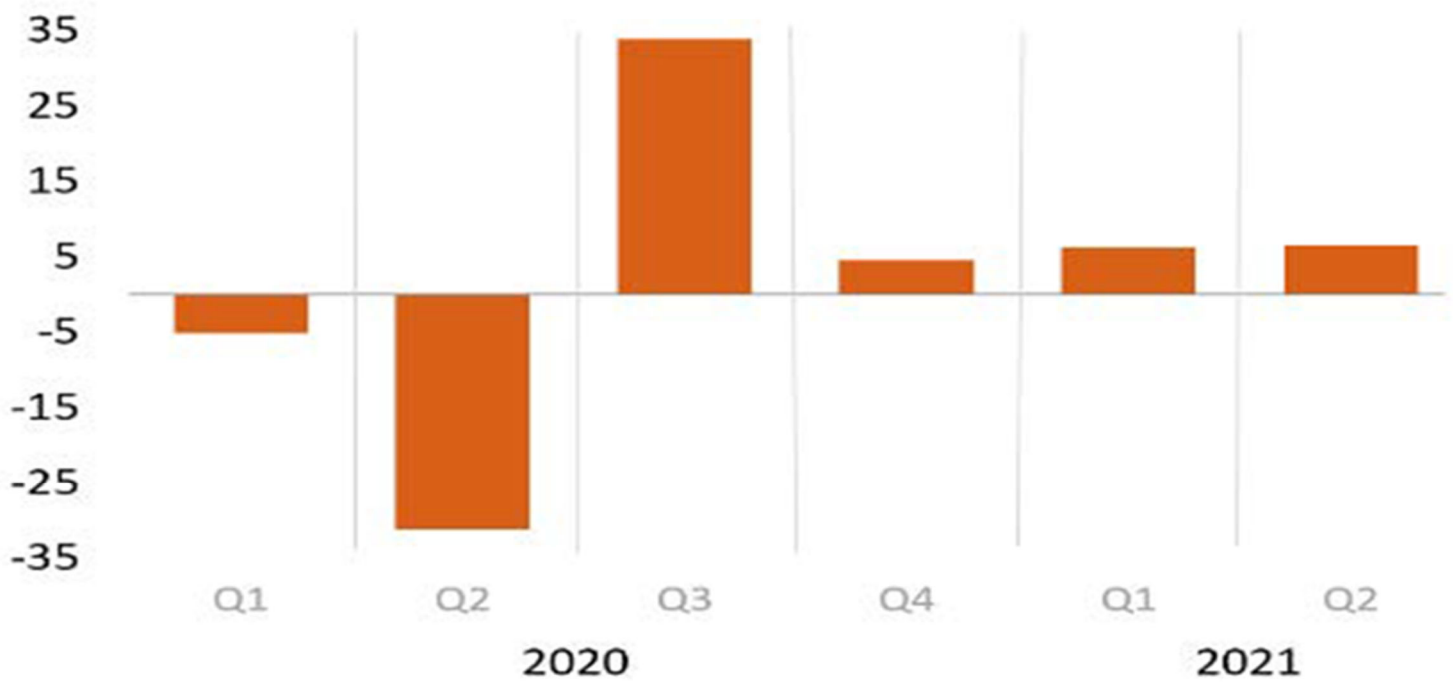
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Real GDP: Percent change from preceding quarter



U.S. Bureau of Economic Analysis

Seasonally adjusted at annual rates

Treasurer-Tax Collector's Pooled Investment Fund

Monthly Commentary

Supply Shortages Drive Prices Higher

The spread of the Covid-19 Delta variant damped the re-opening optimism of previous months, and as a result, Treasury yields past two years experienced a drop, while short term rates remained mostly unchanged. July was marked by economic indicators pointing to strong growth, a debate on the persistence of inflation, and renewed Covid-19 concern. The Treasurer – Tax Collector Pooled Investment Fund (TPIF) continues to face near zero yield re-investment options but remains well positioned in safety and liquidity.

The Centers for Disease Control and Prevention said counties across the United States were experiencing a “high” or “substantial” transmission of COVID-19 as a result of the Delta variant. Despite this, the economic data in July continued to point to growth.

The US GDP for the period of April to June was reported in July. While the annualized growth rate of 6.5% was strong, the growth was below expectations of 8.4%, perhaps reflecting a slower reopening and shortages.

Retail Sales Ex Auto and Gas increased by 1.1%. The increase was more than expected and higher than the previous period. Consumers are feeling more upbeat about their own short-term financial prospects as the share of those who expect their income to increase

rose to 20.6%, the highest reading since the pandemic struck. Eager consumers with pent-up demand and supply disruption drove shortages in the chip and other markets.

Wages moved higher as firms are having to pay more to attract workers. Average Hourly Earnings YoY increased by 3.6%. Last month we reported on the challenge of employers filling positions, and in July that trend continued. The JOLTS Job opening indicator only improved slightly from 9,286K to 9,209K.

Economic growth was reflected in the employment data. Initial Jobless Claims ranged in the 360k to 419K level, roughly similar to the previous month. The Unemployment rate increased marginally from 5.8% to 5.9% and the Change in Nonfarm Payrolls improved to 850K from 559K.

Inflation continued to be elevated. CPI Ex Food and energy YoY was reported as 4.5%, an increase from previous level of 3.8% and above the 4.0% consensus view. The CPI was not alone in signaling. The share of small businesses planning to raise prices over the next three months rose to a 41 year high of 44%. Some attributed supply shortages and excessive amounts of cash floating around the system as the cause for the rise in inflation.

Despite significant growth in the economy and elevated inflation trends, on July 28th the Federal Open Market Committee (FOMC) once again voted to keep rates at the target range of 0.0% to 0.25%. Chairman Powell stated that the US economy has not reached “substantial further progress” and the Fed would continue to keep short term rates at near zero to support economic growth. With regard to inflation, the Fed maintained its view that elevated consumer price inflation is temporary and is expected to abate once demand and supply reach more normalized levels.

In fixed income markets, the 3 Month T-Bill began the month at 0.041% and ended the month at 0.041%. While the 2-Year, and 5-Year Treasury Note yields began the month at 0.25% and 0.88%; and ended the month at 0.19% and 0.70%, respectively. Equities rose slightly, with the Dow Jones Industrial Average starting the month at 34,600 and ending the month at 34,900.

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.

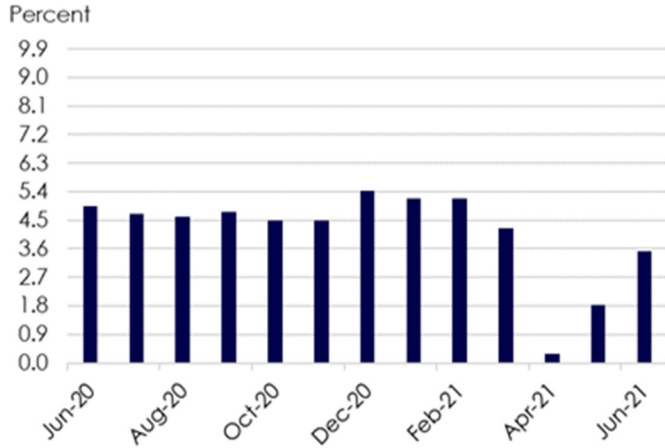
6-Month Pool Performance

	Month End Market Value (\$)*	Month End Book Value (\$)	Paper Gain or Loss (\$)	Paper Gain or Loss (%)	Book Yield (%)	WAM (Yrs)
Jul-21	8,738,462,044.75	8,729,419,196.20	9,042,848.55	0.104%	0.30	1.24
Jun-21	9,505,561,665.45	9,503,657,508.92	1,904,156.53	0.020%	0.27	1.15
May-21	9,566,648,736.34	9,558,825,055.66	7,823,680.68	0.082%	0.28	1.13
Apr-21	9,911,455,098.24	9,906,827,680.01	4,627,418.23	0.047%	0.29	1.14
Mar-21	9,083,152,137.41	9,083,444,252.70	(292,115.29)	-0.003%	0.31	1.21
Feb-21	8,400,688,973.68	8,393,142,956.65	7,546,017.03	0.090%	0.34	1.12

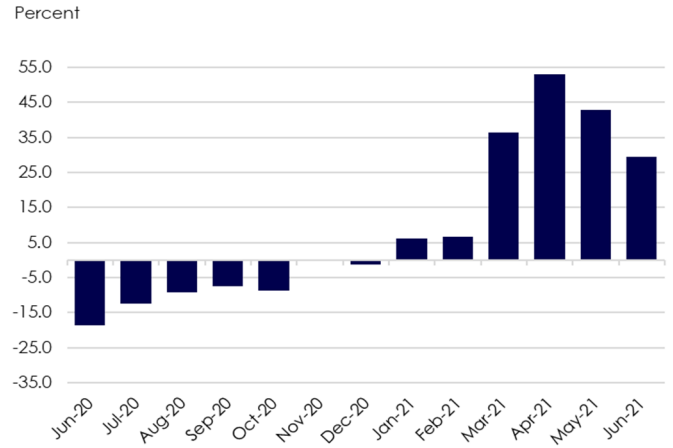
*Market values do not include accrued interest.

Economy

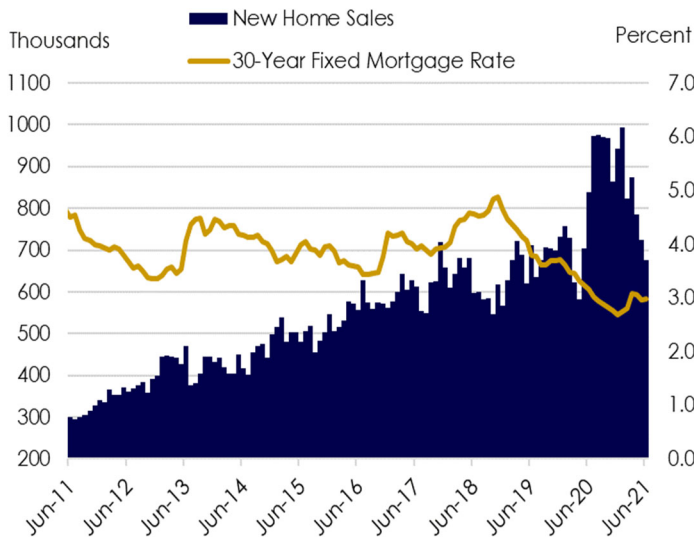
Private Sector Average Hourly Earnings Y/Y



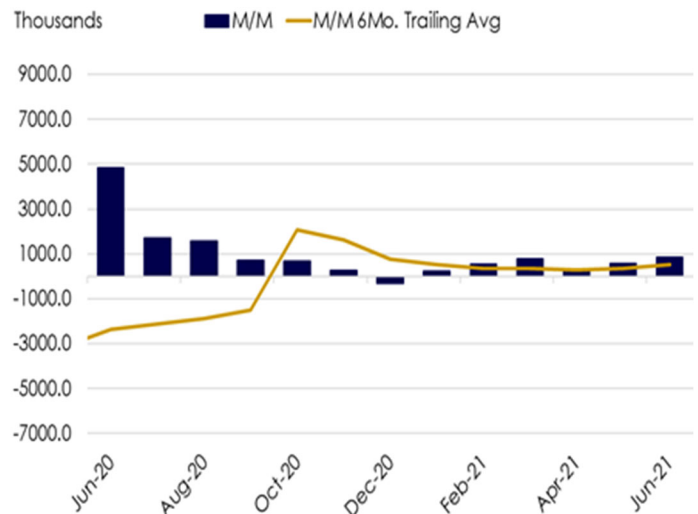
Durable Goods Percent Chg. Y/Y



New Home Sales SAAR



Nonfarm Payrolls Total M/M Change SA



Key Economic Indicators

Release Date	Indicator	Actual	Consensus	Prior Year
07/29/2021	Real GDP - Q/Q Change	6.5%	8.4%	-32.9%
07/02/2021	Unemployment Rate - Seasonally Adjusted	5.9%	5.6%	11.1%
07/02/2021	Non-Farm Payrolls - M/M Change - Thousands	850	720	4,800
07/13/2021	CPI - Y/Y Change	5.4%	4.9%	0.6%
07/13/2021	CPI Ex Food and Energy - Y/Y Change	4.5%	4.0%	1.2%
07/06/2021	ISM Non-Manufacturing Index (> 50 indicates growth)	60.1	63.5	57.1
07/26/2021	New Home Sales - SAAR - Thousands	676	796	776
07/02/2021	Factory Orders - M/M Change	1.7%	1.6%	8.0%
07/02/2021	Durable Goods Orders - New Orders - M/M Change	2.3%	2.3%	15.7%

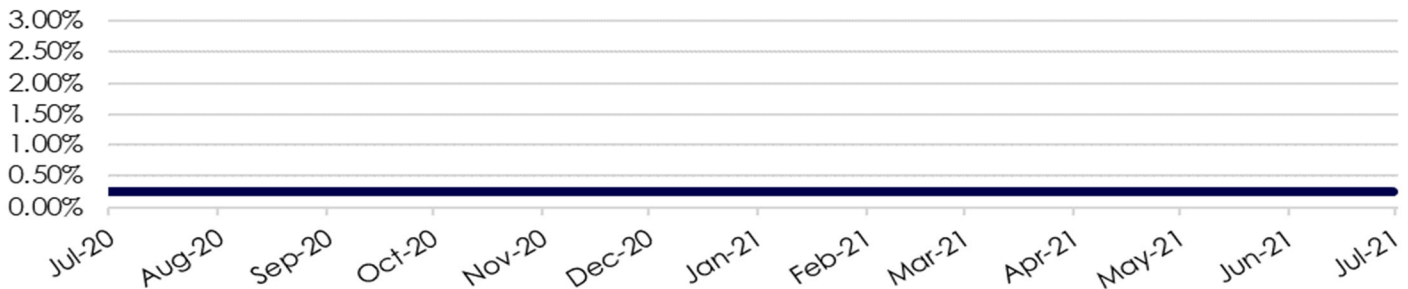
*Note: 'Prior Year' displays final estimates of indicator values from the equivalent period of the prior year.

Market Data

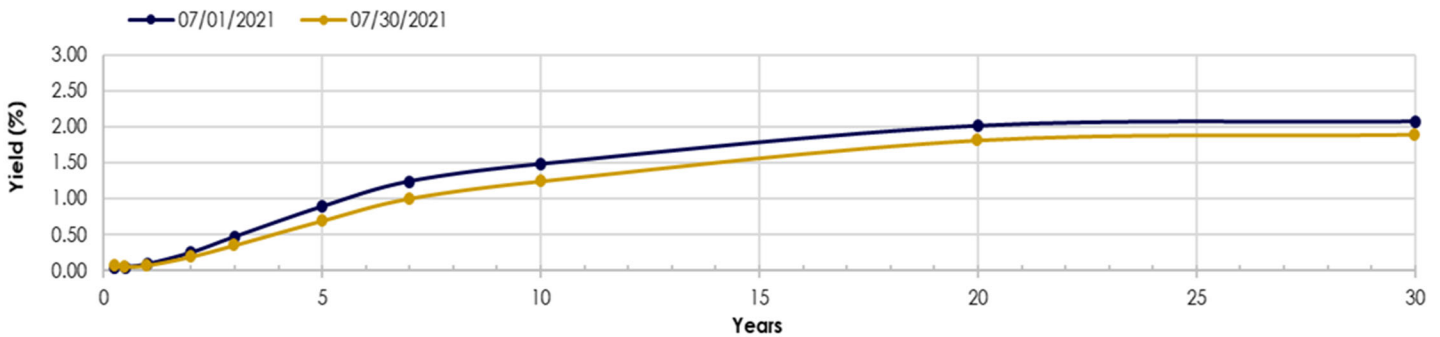
Federal Open Market Committee Meeting

- The FOMC stated that with progress on vaccinations and strong policy support, indicators of economic activity and employment have continued to strengthen, but risks to the economic outlook remain.
- The FOMC maintained the Fed Funds Target Range of 0.0-0.25%
- The FOMC stated in their June statement, that they will continue their asset purchase program until substantial further progress has been.
- The FOMC 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

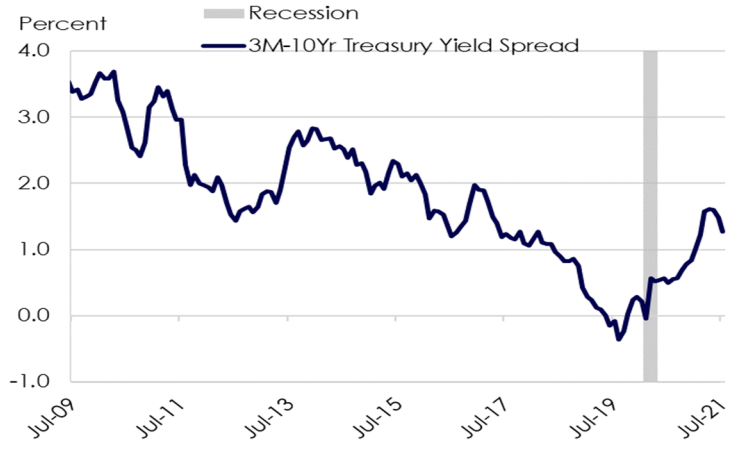
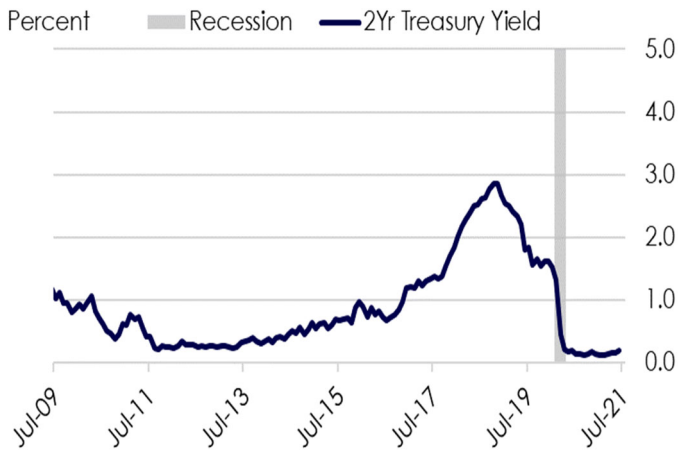


US Treasury Yield Curve	3 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr	30 Yr
07/30/2021 - 07/01/2021	0.01	0.00	-0.02	-0.06	-0.12	-0.20	-0.24	-0.18
07/30/2021	0.06	0.05	0.07	0.19	0.35	0.69	1.24	1.89
07/01/2021	0.05	0.05	0.09	0.25	0.47	0.89	1.48	2.07

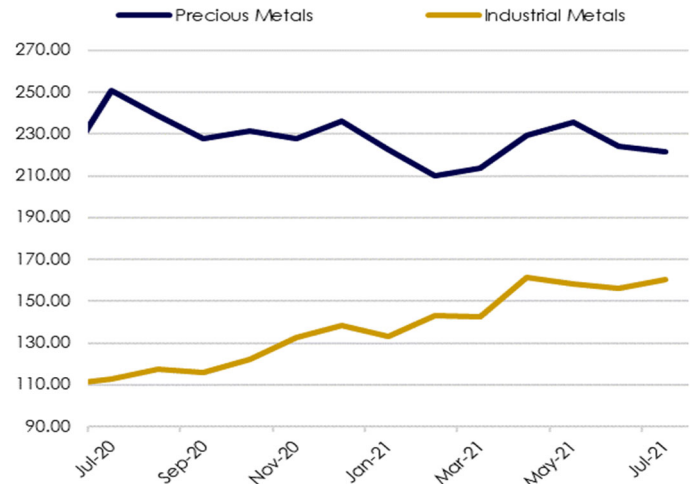
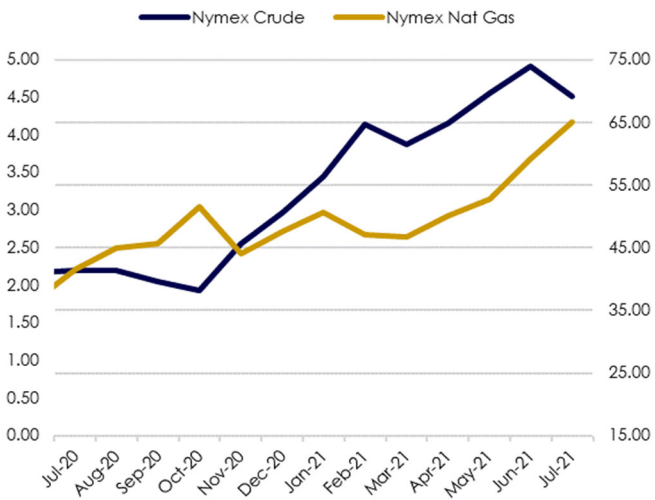
The US Treasury Curve and its values are subject to frequent change and will be updated monthly with each issued TPIF report.

Market Data cont'd

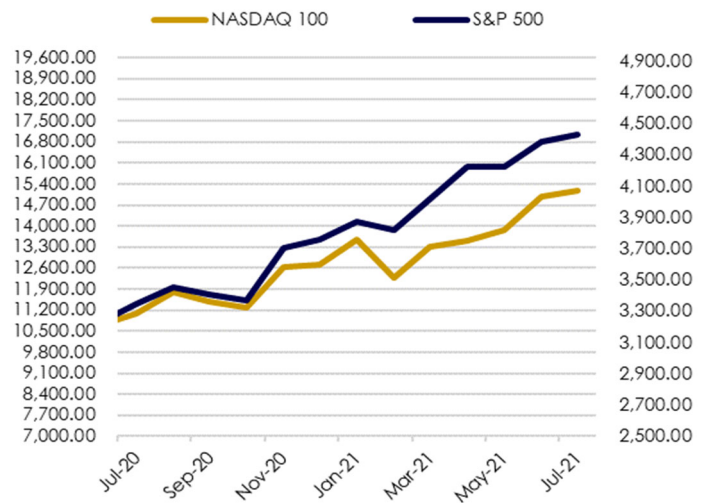
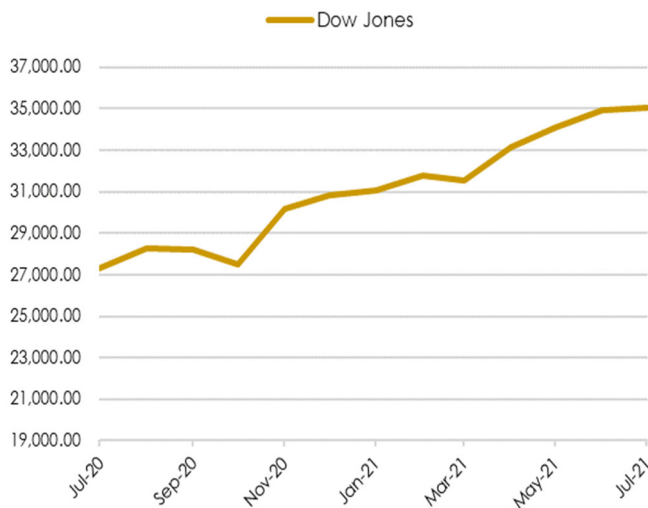
U.S. Treasuries



Commodities



Stocks



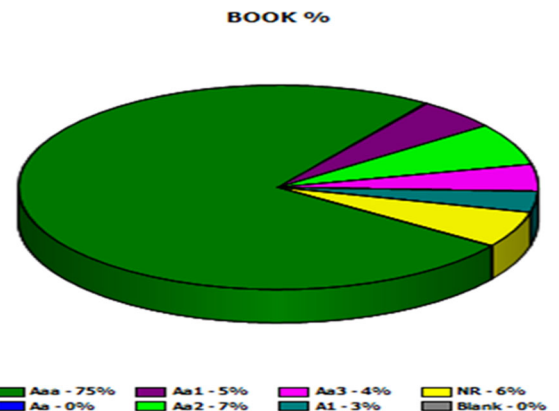
* Values listed for commodities and stocks are in US dollars and are as of the final business day of each month.

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**.

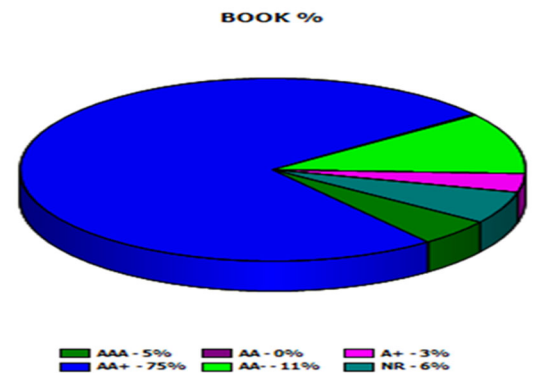
Moody's Asset Rating (000's)

Moody (000's)	Par	Book	Market	MKT/Book	Yield
Aaa	6,535,233.48	6,534,836.80	6,543,225.69	100.13%	0.34%
Aa	10,000.00	10,000.00	10,001.40	100.01%	0.70%
Aa1	433,590.00	433,605.77	433,585.33	100.00%	0.08%
Aa2	584,310.00	584,595.99	584,595.99	100.00%	0.17%
Aa3	374,195.00	372,809.61	372,892.78	100.02%	0.46%
A1	290,000.00	289,968.13	289,988.75	100.01%	0.15%
NR	503,655.00	503,602.90	504,172.10	100.11%	0.12%
Totals (000's):	8,730,983.48	8,729,419.20	8,738,462.04	100.10%	0.30%



S&P Asset Rating (000's)

S&P (000's)	Par	Book	Market	MKT/Book	Yield
AAA	417,515.06	417,670.25	417,590.25	99.98%	0.08%
AA+	6,556,458.42	6,555,922.31	6,564,372.17	100.13%	0.34%
AA	15,160.00	15,445.99	15,445.99	100.00%	1.83%
AA-	951,850.00	950,604.53	950,627.22	100.00%	0.25%
A+	290,000.00	289,828.21	289,909.31	100.03%	0.16%
NR	500,000.00	499,947.90	500,517.10	100.11%	0.12%
Totals (000's):	8,730,983.48	8,729,419.20	8,738,462.04	100.10%	0.30%



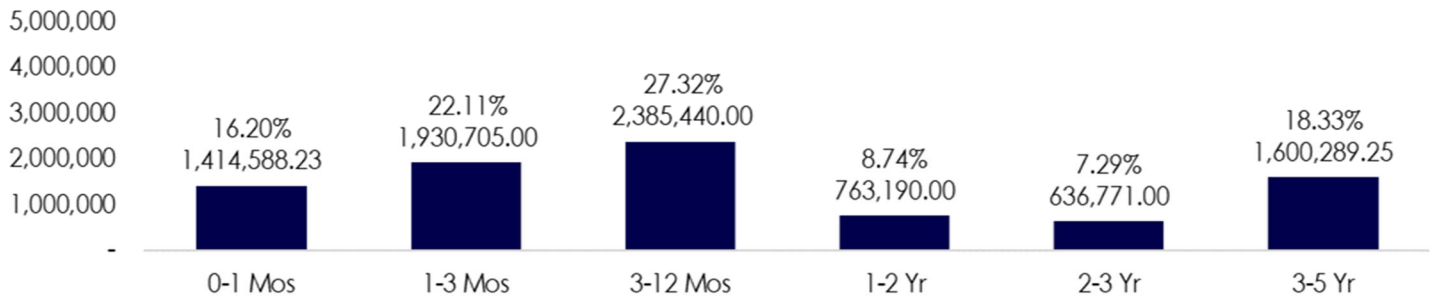
12-Month Projected Cash Flow

Month	Monthly Receipts	Monthly Disbursements	Difference	Required Matured Investments	Balance	Actual Investments Maturing	Available to Invest > 1 Year
08/2021					99.27		
08/2021	965.41	1,004.62	-39.21	39.21	99.27	1,459.59	
09/2021	1,146.18	1,214.91	-68.73		30.54	1,275.71	
10/2021	1,249.55	1,343.18	-93.63	63.09	-	610.00	
11/2021	1,371.49	1,197.65	173.84		173.84	514.00	
12/2021	2,634.19	1,400.00	1,234.19		1,408.03	15.00	
01/2022	1,150.00	2,000.00	-850.00		558.03	465.50	
02/2022	1,100.00	1,500.00	-400.00		158.03	350.00	
03/2022	1,300.00	1,551.62	-251.62	93.59	-	490.00	
04/2022	2,476.30	1,542.08	934.22		934.22	179.20	
05/2022	1,700.00	2,200.00	-500.00		434.22	225.00	
06/2022	2,000.00	2,400.00	-400.00		34.22	87.98	
07/2022	1,500.00	1,800.00	-300.00	265.78	-	58.77	
TOTALS	18,593.12	19,154.06	(560.94)	461.67	3,929.67	5,730.73	8,267.74
				5.29%		65.65%	94.71%

Based on historic and current financial conditions within the County, the Pool is expected to maintain sufficient liquidity of

Portfolio Data cont'd

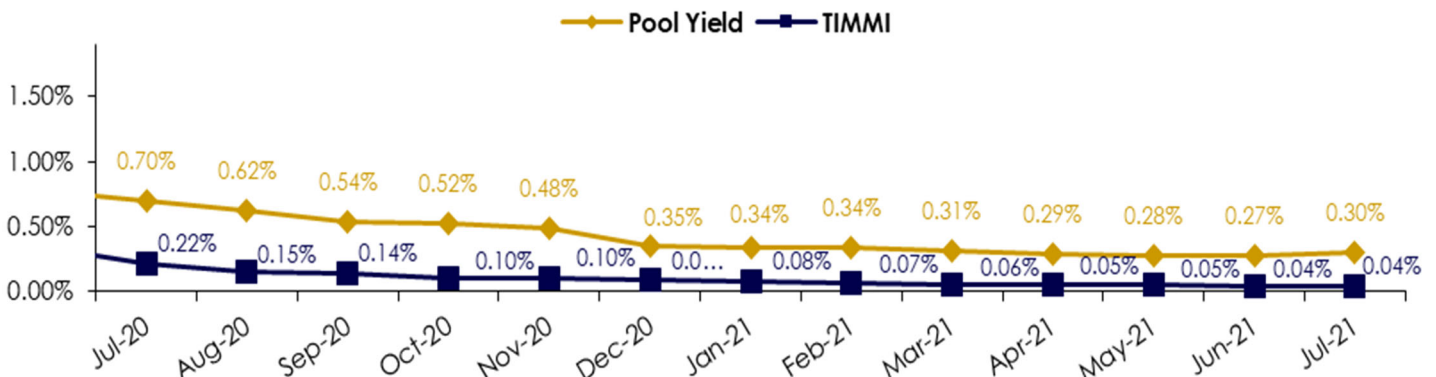
Asset Maturity Distribution (Par Value, 000's)



Asset Allocation (000's)

Assets (000's)	Scheduled Par	Scheduled Book	Scheduled Market	Mkt/Book	Yield	WAL(Yr)	Mat(Yr)
MMKT	380,875.06	381,050.00	381,050.00	100%	0.06%	0.003	0.003
CALTRUST FND	93,213.17	94,017.20	94,017.20	100%	0.13%	0.003	0.003
DDA/PASSBK	440,000.00	440,000.00	440,000.00	100%	0.05%	0.003	0.003
US TREAS BILLS	1,960,000.00	1,959,124.38	1,959,718.30	100%	0.06%	0.288	0.288
US TREAS BONDS	645,000.00	644,626.33	646,688.90	100%	0.38%	2.428	2.428
FHLMC BONDS	685,710.00	685,606.07	685,606.10	100%	0.43%	1.128	2.365
FNMA BONDS	589,751.00	590,338.78	592,563.32	100%	0.68%	1.465	2.934
FHLB DISC NOTES	185,000.00	184,968.18	184,989.55	100%	0.04%	0.142	0.142
FHLB BONDS	781,896.25	781,598.59	782,555.88	100%	0.87%	1.946	3.774
FFCB DISC NOTES	67,000.00	66,971.82	66,982.42	100%	0.05%	0.533	0.533
FFCB BONDS	863,203.00	863,100.57	865,700.87	100%	0.44%	1.241	1.817
FARMER MAC	60,000.00	59,947.90	60,517.10	101%	0.62%	0.499	0.499
MUNI BONDS	137,585.00	136,734.38	136,734.38	100%	1.36%	0.734	0.734
COMM PAPER	977,750.00	977,354.75	977,437.77	100%	0.08%	0.318	0.318
NCDS	839,000.00	839,000.00	839,000.00	100%	0.13%	0.315	0.315
IFC BONDS	25,000.00	24,980.25	24,900.25	100%	0.27%	3.063	3.063
Totals (000's):	8,730,983.48	8,729,419.20	8,738,462.04	100%	0.30%	0.826	1.243

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-	1.57%
U.S. TREASURIES	5 YEARS	NO LIMIT	NA	5 YEARS	100%	NA	29.83%
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	37.03%
COMMERCIAL PAPER (CP)	270 DAYS	40%	A1/P1	270 DAYS	40%	A1/P1/F1	11.20%
CERTIFICATE & TIME DEPOSITS (NCD & TCD)	5 YEARS	30%	NA	1 YEAR	25% Combined	A1/P1/F1	9.61%
INT'L BANK FOR RECONSTRUCTION AND DEVELOPMENT AND INT'L FINANCE CORPORATION	NA	NA	NA	4 YEARS	20%	AA/Aa/AA	0.29%
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	1.08%
MONEY MARKET MUTUAL FUNDS (MMF)	60 DAYS ⁽¹⁾	20%	AAA/Aaa ⁽²⁾	DAILY LIQUIDITY	20%	AAA by 2 Of 3 RATINGS AGC.	4.37%
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	5.04%

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

CUSIP	Description	Maturity Date	Coupon	Yield To Mat	Par Value	Book Value	Market Price	Market Value	Unrealized Gain/Loss	Modified Duration	Years To Maturity
46640QD81	JP MORGAN	04/08/2022	.170	.170	35,000,000.00	34,955,705.56	99.930556	34,975,694.44	19,988.88	.686	.688
63763PW88	NATL SEC CLEARING CORP	09/08/2021	.060	.060	25,000,000.00	24,997,666.67	99.989444	24,997,361.11	-305.56	.107	.107
03785DWU6	APPLE	09/28/2021	.050	.050	28,000,000.00	27,997,083.33	99.983889	27,995,488.89	-1,594.44	.161	.162
03785DWN2	APPLE	09/22/2021	.050	.050	20,000,000.00	19,998,083.33	99.985556	19,997,111.11	-972.22	.145	.145
03785DXM3	APPLE	10/21/2021	.060	.060	20,000,000.00	19,996,766.67	99.977500	19,995,500.00	-1,266.67	.224	.225
03785DXR2	APPLE	10/25/2021	.060	.060	100,000,000.00	99,984,333.33	99.976389	99,976,388.89	-7,944.44	.235	.236
03785DXT8	APPLE	10/27/2021	.060	.060	25,000,000.00	24,996,000.00	99.975833	24,993,958.33	-2,041.67	.241	.241
03785DWP7	APPLE	09/23/2021	.050	.050	38,000,000.00	37,996,727.78	99.985278	37,994,405.56	-2,322.22	.148	.148
			.078	.078	977,750,000.00	977,354,745.23	99.968066	977,437,765.29	83,020.06	.317	.318
4500: NCD-Mat A/360											
89114W3D5	TORONTO DOMINION	11/03/2021	.170	.170	115,000,000.00	115,000,000.00	100.000000	115,000,000.00	0.00	.260	.260
78012UH24	ROYAL BANK OF CANADA	11/17/2021	.160	.160	115,000,000.00	115,000,000.00	100.000000	115,000,000.00	0.00	.298	.299
78012UH81	ROYAL BANK OF CANADA	11/24/2021	.170	.170	7,000,000.00	7,000,000.00	100.000000	7,000,000.00	0.00	.317	.318
89114W3Z6	TORONTO DOMINION	11/30/2021	.160	.160	7,000,000.00	7,000,000.00	100.000000	7,000,000.00	0.00	.333	.334
89114W6J9	TORONTO DOMINION	12/30/2021	.170	.170	15,000,000.00	15,000,000.00	100.000000	15,000,000.00	0.00	.415	.416
06367CE60	BMO YCD	11/08/2021	.170	.170	60,000,000.00	60,000,000.00	100.000000	60,000,000.00	0.00	.273	.274
06367CE52	BMO YCD	01/03/2022	.190	.190	60,000,000.00	60,000,000.00	100.000000	60,000,000.00	0.00	.426	.427
06367CEJ2	BMO	01/10/2022	.150	.150	25,000,000.00	25,000,000.00	100.000000	25,000,000.00	0.00	.446	.447
89114WBG9	TORONTO DOMINION	08/25/2021	.060	.060	30,000,000.00	30,000,000.00	100.000000	30,000,000.00	0.00	.068	.068
89114WBL8	TORONTO DOMINION	08/30/2021	.070	.070	45,000,000.00	45,000,000.00	100.000000	45,000,000.00	0.00	.082	.082
89114WCD5	TORONTO DOMINION	09/14/2021	.100	.100	20,000,000.00	20,000,000.00	100.000000	20,000,000.00	0.00	.123	.123
89114WCR4	TORONTO DOMINION	09/21/2021	.090	.090	20,000,000.00	20,000,000.00	100.000000	20,000,000.00	0.00	.142	.142
06367CHM2	BMO	09/28/2021	.080	.080	35,000,000.00	35,000,000.00	100.000000	35,000,000.00	0.00	.161	.162
06367CHN0	BMO	09/29/2021	.080	.080	70,000,000.00	70,000,000.00	100.000000	70,000,000.00	0.00	.164	.164
06367CHS9	BMO	10/04/2021	.090	.090	35,000,000.00	35,000,000.00	100.000000	35,000,000.00	0.00	.178	.178
89114WDK8	TORONTO DOMINION	10/08/2021	.080	.080	30,000,000.00	30,000,000.00	100.000000	30,000,000.00	0.00	.189	.189
78012UQ57	ROYAL BANK OF CANADA	02/22/2022	.130	.130	50,000,000.00	50,000,000.00	100.000000	50,000,000.00	0.00	.563	.564
78012UQ65	ROYAL BANK OF CANADA	03/22/2022	.130	.130	50,000,000.00	50,000,000.00	100.000000	50,000,000.00	0.00	.640	.641
78012UQ73	ROYAL BANK OF CANADA	04/18/2022	.150	.150	50,000,000.00	50,000,000.00	100.000000	50,000,000.00	0.00	.714	.715
			.133	.133	839,000,000.00	839,000,000.00	100.000000	839,000,000.00	0.00	.315	.315
6040: IFC-Fxd-S 30/360											
45950VPQ3	IFC3.5Yr	08/22/2024	.250	.273	25,000,000.00	24,980,250.00	99.601000	24,900,250.00	-80,000.00	3.041	3.063
			.250	.273	25,000,000.00	24,980,250.00	99.601000	24,900,250.00	-80,000.00	3.041	3.063
	Total Fund		.296	.300	8,730,983,481.59	8,729,419,196.20	100.085655	8,738,462,044.75	9,042,848.55	1.225	1.243
Grand Total			.296	.300	8,730,983,481.59	8,729,419,196.20	100.085655	8,738,462,044.75	9,042,848.55	1.225	1.243



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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