

County of Riverside

Treasurer-Tax Collector's Pooled
Investment Fund

February 2022

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Treasurer-Tax Collector's Pooled Investment Fund

Monthly Commentary

Russia Does the Unthinkable

Record-setting economic data vied with historic geopolitical events for the markets' attention in February. The Federal Reserve (FED) is inclined to raise short term interest rates when inflation is rising and when the economy, particularly job growth, is strong. However, investors were presented with the unwieldy task of incorporating the analysis of a new global conflict in Europe and its potential impact on the economy. By the end of the month, yields on short term securities remained higher and set to continue increasing through the end of the year. This is a welcome change for investors like the Treasurer -Tax Collector Pooled Investment Fund.

The fixed income markets began the month emboldened by economic releases including labor data, housing and inflation, supporting the market view of impending aggressive FED fund rate hikes. The non-farm payroll release showed 444,000 jobs were created, double that of expectations. This report also included a strong upward revision for its prior release.

Existing home sales jumped 6.7% to a 6.5

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.

million-unit pace despite mortgage rates being significantly higher since the start of the year. One would expect that higher rates would slow real-estate sales, but the opposite occurred. The higher rates prompted hesitant buyers to get ahead of even higher rates and move forward with purchases. The leap in sales coincides with a reduction in supply. Inventories fell to just 860,000 homes for sale in the United States, an all-time low. Over the course of the year, Riverside saw home prices grow 19.1% outpacing the nation's 15.9% rate.

The Consumer Price Index, a measure of inflation, came in at 7.5%, its fastest pace in 40 years. Inflation broadened to include more industries, fueling the argument for Fed intervention through raising rates and leading most investors to expect a more aggressive 50 basis point hike in rates at the Federal Open Market Committee (FOMC) March 16 meeting.

The anticipation of a 50 basis point move, however, moderated as war broke out in Europe. Russia's invasion of Ukraine triggered severe economic sanctions supported

by much of the west against Russia. The sanctions, meant to cripple Russia's economy, will very likely create havoc on trade relations, impacting a number of countries. Unfortunately, this will likely disrupt supply chains and exacerbate the growing inflation problem. By the end of the month, though, investors wary of the potential drag to the global economy, generally agreed that interest rates will continue to rise through the year, albeit at a more tempered pace.

In fixed income markets, rates rose across the curve and the curve flattened in February. The 2-year Treasury began the month at 1.18% and ended at 1.43%. The 5-year Treasury yield began the month at 1.62% and ended at 1.72%. Stocks dropped, with the Dow Jones Industrial Average starting the month at 35,300 and ending at 33,900.

Matt Jennings
Treasurer-Tax Collector

Capital Markets Team

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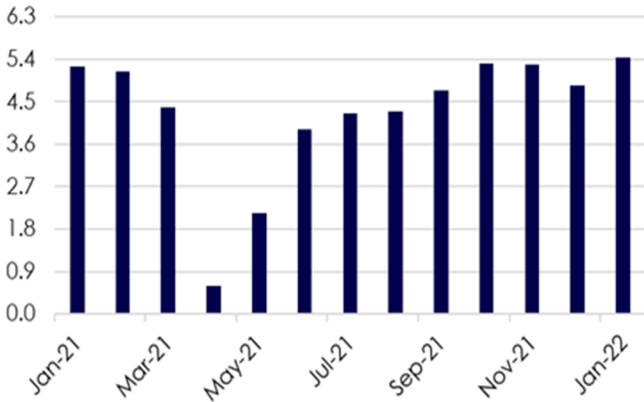
6-Month Pool Performance

	Month End Market Value (\$)*	Month End Book Value (\$)	Paper Gain or Loss (\$)	Paper Gain or Loss (%)	Book Yield (%)	WAM (Yrs)
Feb-22	10,647,353,094.73	10,725,034,718.84	(77,681,624.11)	-0.724%	0.39	1.17
Jan-22	11,106,132,666.90	11,166,034,565.94	(59,901,899.04)	-0.536%	0.33	1.13
Dec-21	11,219,005,977.66	11,247,581,460.79	(28,575,483.13)	-0.254%	0.30	1.12
Nov-21	9,154,079,077.30	9,175,074,689.36	(20,995,612.06)	-0.229%	0.33	1.31
Oct-21	9,422,575,640.92	9,437,887,551.30	(15,311,910.38)	-0.162%	0.30	1.27
Sep-21	9,560,644,555.86	9,562,128,367.46	(1,483,811.61)	-0.015%	0.28	1.19

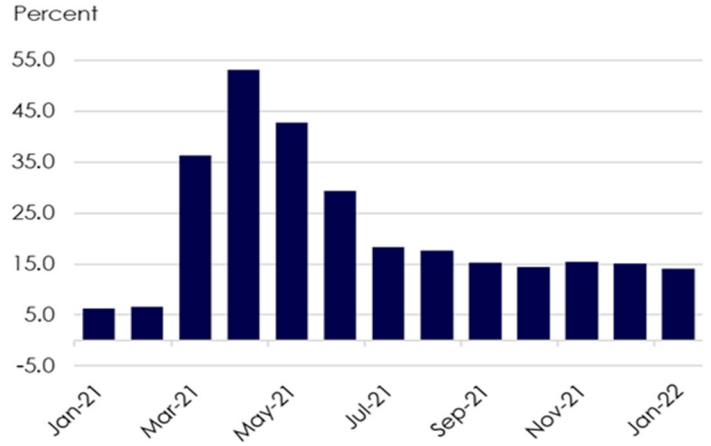
*Market values do not include accrued interest.

Economy

Private Sector Average Hourly Earnings Y/Y
Percent

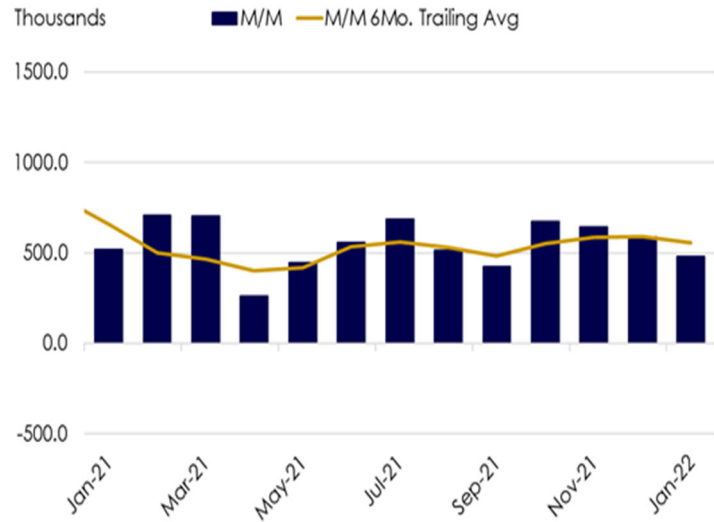
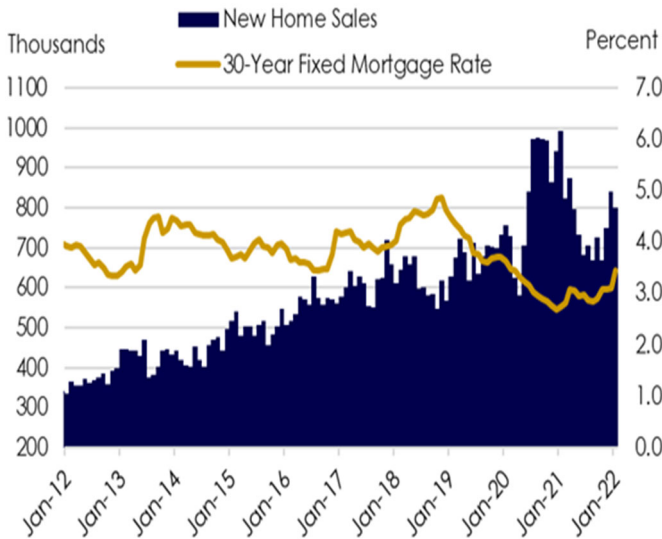


Durable Goods Percent Chg. Y/Y



New Home Sales SAAR

Nonfarm Payrolls Total M/M Change SA



Key Economic Indicators

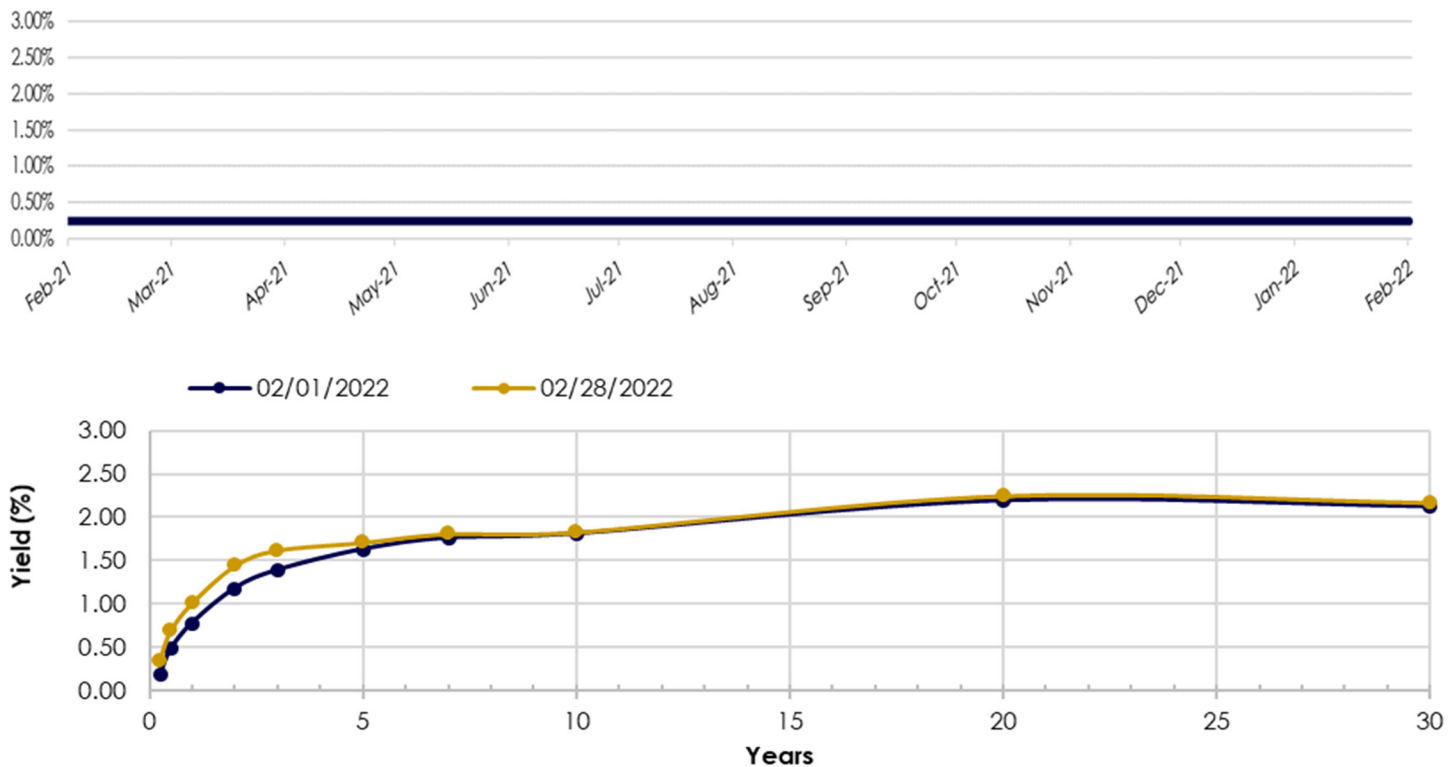
Release Date	Indicator	Actual	Consensus
02/03/2022	ISM Non-Manufacturing Index (> 50 indicates growth)	59.9	59.5
02/03/2022	Factory Orders - M/M Change	-0.4%	-0.4%
02/03/2022	Durable Goods Orders - New Orders - M/M Change	-0.7%	-0.9%
02/04/2022	Unemployment Rate - Seasonally Adjusted	4.0%	3.9%
02/04/2022	Non-Farm Payrolls - M/M Change - Thousands	467	125
02/10/2022	CPI - Y/Y Change	7.5%	7.3%
02/10/2022	CPI Ex Food and Energy - Y/Y Change	6.0%	5.9%
02/24/2022	Real GDP - Q/Q Change	7.0%	7.0%
02/24/2022	New Home Sales - SAAR - Thousands	801	803

Market Data

Federal Open Market Committee Meeting

- The FOMC stated that progress on vaccinations and an easing of supply constraints are expected to support continued gains in economic activity and employment as well as a reduction in inflation, but risks to the economic outlook remain, including from new variants of the virus.
- The FOMC maintained the Fed Funds Target Range of 0.0-0.25%
- The FOMC stated in their January statement, that with inflation well above 2 percent and a strong labor market, the Committee expects it will soon be appropriate to raise the target range for the federal funds rate.
- The Committee decided to continue to reduce the monthly pace of its net asset purchases, bringing them to an end in early March.

Fed Funds Target Rate (Upper Limit)

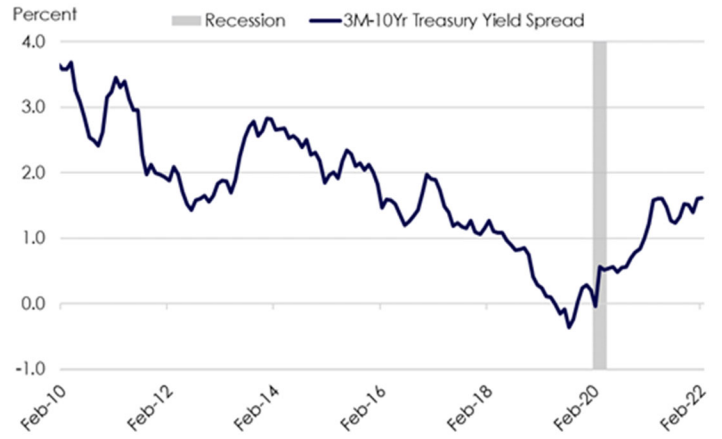
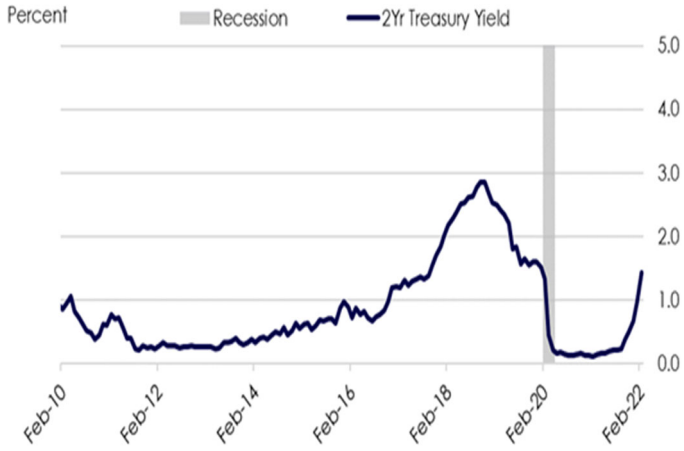


US Treasury Yield Curve	3 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr	30 Yr
02/28/2022 - 02/01/2022	0.16	0.21	0.23	0.26	0.23	0.08	0.02	0.05
02/28/2022	0.35	0.69	1.01	1.44	1.62	1.71	1.83	2.17
02/01/2022	0.19	0.48	0.78	1.18	1.39	1.63	1.81	2.12

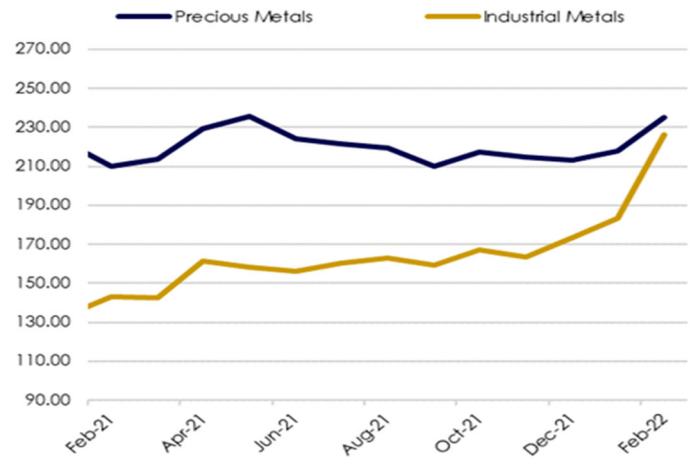
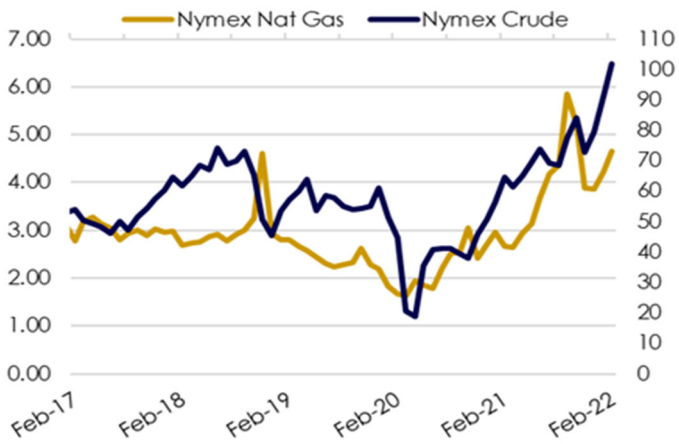
The US Treasury Curve and its values are subject to frequent change and will be updated monthly with each issued TPIF report.

Market Data cont'd

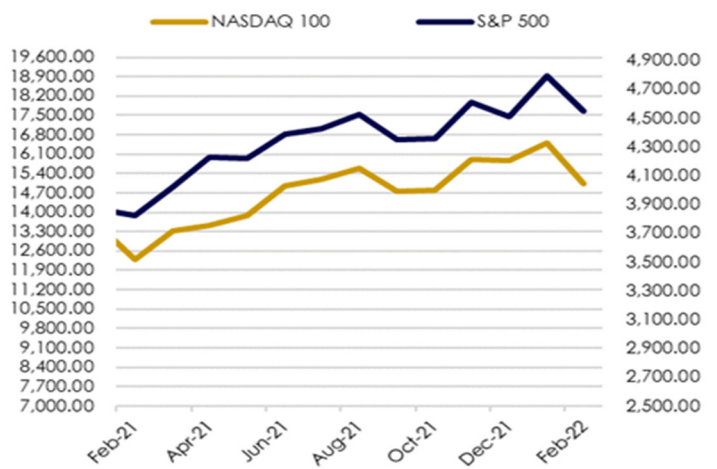
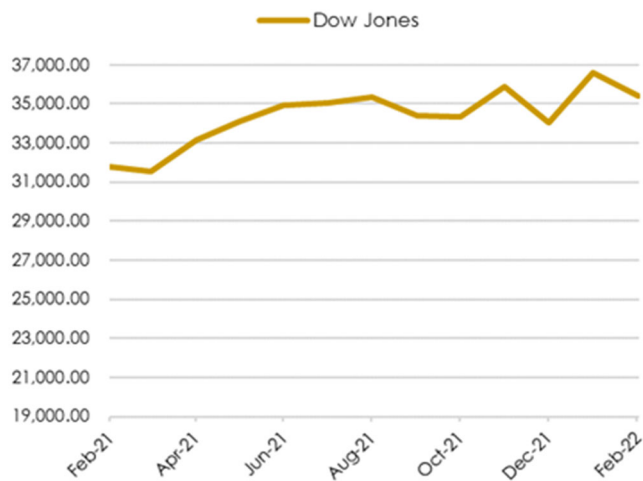
U.S. Treasuries



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**.

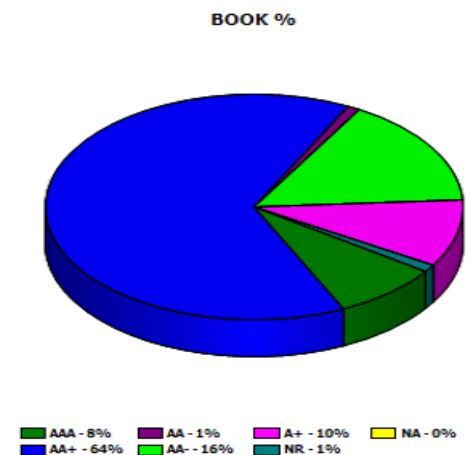
Moody's Asset Rating (000's)

Moody (000's)	Par	Book	Market	MKT/Book	Yield
Aaa	7,676,808.48	7,672,679.96	7,594,669.83	98.98%	0.42%
Aa	10,000.00	10,000.00	9,706.30	97.06%	0.70%
Aa1	541,575.00	541,659.66	541,659.38	100.00%	0.33%
Aa2	1,320,900.00	1,321,760.73	1,321,760.73	100.00%	0.26%
Aa3	550,125.00	549,154.02	549,488.98	100.06%	0.41%
A1	619,900.00	619,832.46	619,847.07	100.00%	0.27%
NR	10,000.00	9,947.90	10,220.80	102.74%	2.96%
Totals (000's):	10,729,308.48	10,725,034.72	10,647,353.09	99.28%	0.39%



S&P Asset Rating (000's)

S&P (000's)	Par	Book	Market	MKT/Book	Yield
AAA	884,305.06	884,178.45	882,971.52	99.86%	0.18%
AA+	6,915,978.42	6,913,014.84	6,835,910.81	98.88%	0.45%
AA	104,695.00	104,641.29	104,643.34	100.00%	0.19%
AA-	1,673,000.00	1,673,015.63	1,673,015.63	100.00%	0.29%
A+	1,035,400.00	1,034,409.46	1,034,757.00	100.03%	0.31%
NR	114,930.00	114,775.05	115,054.80	100.24%	0.51%
NA	1,000.00	1,000.00	1,000.00	100.00%	0.81%
Totals (000's):	10,729,308.48	10,725,034.72	10,647,353.09	99.28%	0.39%



12-Month Projected Cash Flow

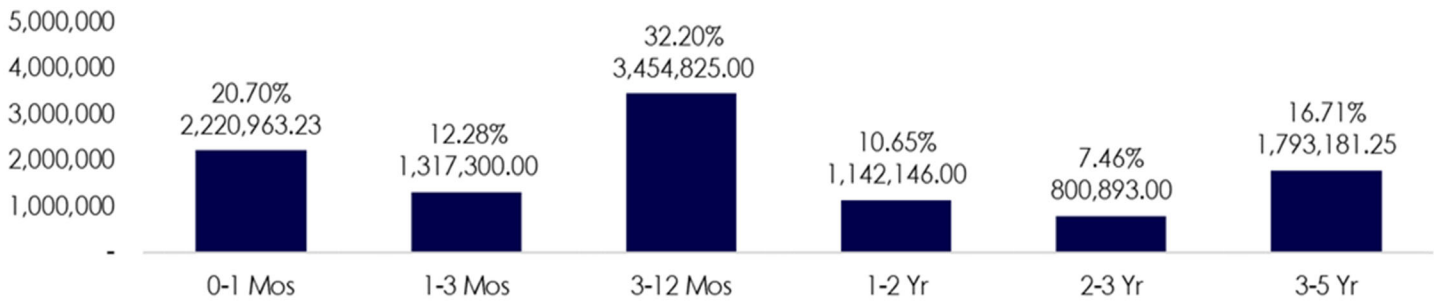
Month	Monthly Receipts	Monthly Disbursements	Difference	Required Matured Investments	Balance	Actual Investments Maturing	Available to Invest > 1 Year
03/2022					84.59		
03/2022	1,300.00	1,551.62	-251.62	167.03	-	2,220.96	
04/2022	2,476.30	1,542.08	934.22		934.22	300.40	
05/2022	1,700.00	2,200.00	-500.00		434.22	1,216.90	
06/2022	2,000.00	2,400.00	-400.00		34.22	519.25	
07/2022	1,500.00	1,800.00	-300.00	265.78	-	408.77	
08/2022	1,398.14	1,552.97	-154.83	154.83	-	440.76	
09/2022	2,050.00	1,804.41	245.59		245.59	475.50	
10/2022	1,500.00	1,700.00	-200.00		45.59	427.31	
11/2022	1,600.00	1,700.00	-100.00	54.41	-	475.00	
12/2022	3,500.00	1,800.00	1700.00		1,700.00	153.25	
01/2023	1,600.00	2,400.00	-800.00		900.00	355.00	
02/2023	1,500.00	1,800.00	-300.00		600.00	75.00	
TOTALS	22,124.44	22,251.08	(126.64)	642.05	4,978.43	7,068.09	10,087.25
				5.98%		65.88%	94.02%

* 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

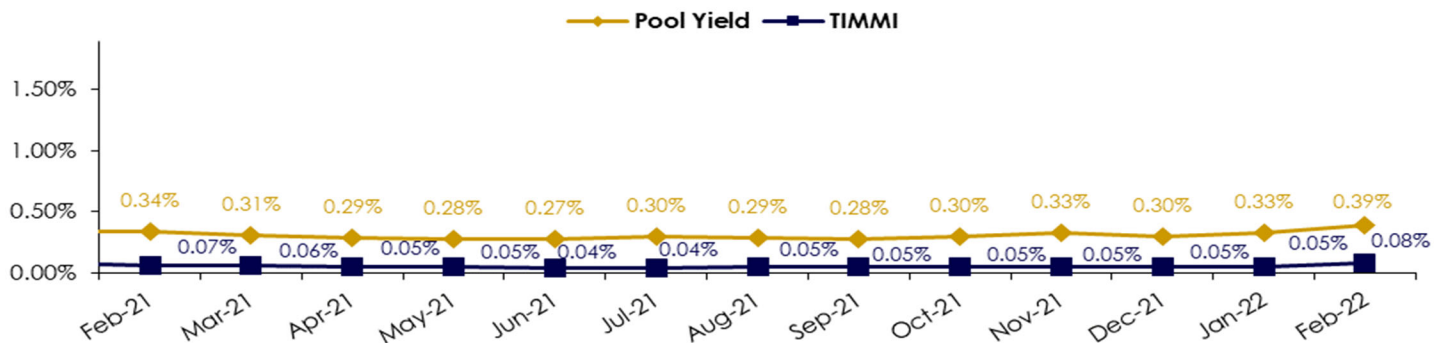
Asset Maturity Distribution (Par Value, 000's)



Asset Allocation (000's)

Assets (000's)	Scheduled Par	Scheduled Book	Scheduled Market	Mkt/Book	YIELD	Mat(Yr)
MMKT	465,850.06	466,000.00	466,000.00	100.00%	0.06%	0.003
CALTRUST FND	93,213.17	94,017.20	94,017.20	100.00%	0.19%	0.003
DDA/PASSBK	500,000.00	500,000.00	500,000.00	100.00%	0.07%	0.003
US TREAS BILLS	1,105,000.00	1,103,282.20	1,103,227.43	100.00%	0.26%	0.413
US TREAS BONDS	1,735,000.00	1,734,186.84	1,712,807.67	98.77%	0.44%	1.675
FHLMC BONDS	470,710.00	470,276.36	458,026.41	97.40%	0.49%	2.564
FNMA BONDS	474,751.00	475,556.58	461,471.11	97.04%	0.70%	2.913
FHLB DISC NOTES	50,000.00	49,967.64	49,941.50	99.95%	0.13%	0.279
FHLB BONDS	1,105,171.25	1,103,462.97	1,080,717.25	97.94%	0.89%	3.459
FFCB DISC NOTES	45,000.00	44,925.46	44,875.05	99.89%	0.22%	0.409
FFCB BONDS	549,768.00	549,201.94	542,560.07	98.79%	0.60%	2.087
FARMER MAC	10,000.00	9,947.90	10,220.80	102.74%	2.96%	1.334
MUNI BONDS	260,645.00	261,609.21	261,609.21	100.00%	0.38%	1.261
COMM PAPER	1,265,800.00	1,264,416.52	1,264,880.20	100.04%	0.23%	0.158
NCDS	2,323,400.00	2,323,418.51	2,323,418.51	100.00%	0.28%	0.378
IBRD DISC NOTES	150,000.00	149,909.13	149,847.00	99.96%	0.15%	0.252
IFC BONDS	125,000.00	124,856.25	123,733.68	99.10%	0.68%	2.502
Totals (000's):	10,729,308.48	10,725,034.72	10,647,353.09	99.28%	0.39%	1.19

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-	2.44%
U.S. TREASURIES	5 YEARS	NO LIMIT	NA	5 YEARS	100%	NA	26.46%
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	25.21%
COMMERCIAL PAPER (CP)	270 DAYS	40%	A1/P1	270 DAYS	40%	A1/P1/F1	11.79%
CERTIFICATE & TIME DEPOSITS (NCD & TCD)	5 YEARS	30%	NA	1 YEAR	25% Combined	A1/P1/F1	21.66%
INT'L BANK FOR RECONSTRUCTION AND DEVELOPMENT AND INT'L FINANCE CORPORATION	NA	NA	NA	4 YEARS	20%	AA/Aa/AA	2.56%
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	0.88%
MONEY MARKET MUTUAL FUNDS (MMF)	60 DAYS ⁽¹⁾	20%	AAA/Aaa ⁽²⁾	DAILY LIQUIDITY	20%	AAA by 2 Of 3 RATINGS AGC.	4.34%
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	4.66%

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
65558UKX9	NORDEA BK	04/05/2022	.150	.150	55,000,000.00	55,000,000.00	100.000000	55,000,000.00	0.00	.099	.099
23344NPS9	DNB BANK NY	04/06/2022	.140	.140	50,000,000.00	50,000,000.00	100.000000	50,000,000.00	0.00	.101	.101
89114WPN9	TORONTO DOMINION	01/20/2023	.800	.800	20,000,000.00	20,000,000.00	100.000000	20,000,000.00	0.00	.885	.893
06367CRU3	BANK OF MONTREAL	03/21/2022	.130	.130	50,000,000.00	50,000,000.00	100.000000	50,000,000.00	0.00	.057	.058
78012U3E3	ROYAL BANK OF CANADA	01/24/2023	.800	.800	25,000,000.00	25,000,000.00	100.000000	25,000,000.00	0.00	.896	.904
89114WPS8	TORONTO DOMINION	01/25/2023	.810	.810	25,000,000.00	25,000,000.00	100.000000	25,000,000.00	0.00	.899	.907
06417MVW2	BANK OF NOVA SCOTIA	09/22/2022	.220	.220	50,000,000.00	50,000,000.00	100.000000	50,000,000.00	0.00	.566	.564
06367CSD0	BANK OF MONTREAL YCD	08/26/2022	.700	.700	30,000,000.00	30,000,000.00	100.000000	30,000,000.00	0.00	.488	.490
			.277	.276	2,323,400,000.00	2,323,418,513.81	100.000797	2,323,418,513.81	0.00	.377	.378
IBRD DISC NOTES											
459053WW0	IBRD5 M ZERO	05/16/2022	.090	.090	50,000,000.00	49,980,000.00	99.937000	49,968,500.00	-11,500.00	.211	.211
459053WD2	IBRD4 M ZERO	04/29/2022	.090	.090	25,000,000.00	24,991,687.50	99.969000	24,992,250.00	562.50	.164	.164
459053D92	IBRD8 M ZERO	08/31/2022	.160	.160	25,000,000.00	24,971,444.44	99.671000	24,917,750.00	-53,694.44	.503	.504
459053WW0	IBRD3 M ZERO	05/16/2022	.240	.240	50,000,000.00	49,966,000.00	99.937000	49,968,500.00	2,500.00	.210	.211
			.152	.152	150,000,000.00	149,909,131.94	99.898000	149,847,000.00	-62,131.94	.251	.252
IFC BONDS											
45950VPQ3	IFC3.5Yr	08/22/2024	.250	.273	25,000,000.00	24,980,250.00	96.489000	24,122,250.00	-858,000.00	2.474	2.482
45950VQG4	IFC 3Yr	09/23/2024	.440	.484	25,000,000.00	24,967,250.00	99.869000	24,967,250.00	0.00	2.547	2.570
45950VQL3	IFC 3Yr	10/29/2024	.680	.719	25,000,000.00	24,971,175.00	99.884700	24,971,175.00	0.00	2.635	2.668
45950VQZ2	IFC 2Yr	01/19/2024	.790	.829	25,000,000.00	24,980,825.00	98.865000	24,716,250.00	-264,575.00	1.872	1.890
45950VRA6	IFC 3Yr	01/21/2025	1.040	1.099	25,000,000.00	24,956,750.00	99.827000	24,956,750.00	0.00	2.843	2.899
			.640	.683	125,000,000.00	124,856,250.00	98.986940	123,733,675.00	-1,122,575.00	2.475	2.503
Total Fund			.397	.388	10,729,308,477.09	10,725,034,718.84	99.236154	10,647,353,094.73	-77,681,624.11	1.154	1.171
Grand Total			.397	.388	10,729,308,477.09	10,725,034,718.84	99.236154	10,647,353,094.73	-77,681,624.11	1.154	1.171



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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