



- Treasurer's Monthly Report

Summary

The attached Treasurer's monthly report provides Metropolitan's investments, as well as portfolio compliance with Metropolitan's Statement of Investment Policy and investment programs.

Purpose

Administrative Code Requirement Section 5114

Attachments

- | | |
|---------------|---|
| Attachment 1: | Portfolio Performance Report – April 2014 |
| Attachment 2: | Portfolio Summary Report – April 2014 |
| Attachment 3: | Summary Report of Investment & Cash Activity – April 2014 |
| Attachment 4: | Duration Report – April 2014 |



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Date: May 12, 2014
To: Finance and Insurance Committee
From: Gary Breaux, Assistant General Manager/Chief Financial Officer
Subject: Treasurer's Monthly Report April 2014

This letter transmits a summary report of investments, cash balances and performance report with total return, and duration comparisons for the end of the current month. A detailed report of investments is filed each month with the Executive Secretary. These reports are required by Section 5114 of the MWD Administrative Code. All of the investments comply with Chapter 5101 of the MWD Administrative Code and the Investment Policy dated June 10, 2013. Metropolitan has sufficient liquidity to pay for the next six months of expenditures.

A handwritten signature in blue ink, appearing to read "Gary Breaux".

for Gary Breaux

GB/mt

Attachments

Attachment 1
The Metropolitan Water District of Southern California (MWD)
Portfolio Performance Report
April 30, 2014

		Market Value (\$ in Thousands)	Duration		Monthly Return		Annualized Monthly Return		Annualized Return *Inception-to-Date	
			MWD	Benchmark	MWD	Benchmark	MWD	Benchmark	MWD	Benchmark
Short-Term	(1)	\$ 987,608	0.25	0.21	0.18%	0.00%	2.13%	0.05%	2.19%	1.59%
Long-Term	(2)	329,608	2.92	2.72	0.32%	0.28%	3.88%	3.36%	4.04%	3.53%
Total Core Funds		\$ 1,317,216								
Other Funds	(3)	123,158	6.80		1.07%		13.68%		8.04%	
Total		<u>\$ 1,440,374</u>								

(1) The Short-Term Portfolio Benchmark is the Bank of America Merrill Lynch, Three Month Treasury Bill Index.

(2) The Long-Term Portfolio Benchmark is the Bank of America Merrill Lynch, Corporate and Government, 1 to 5 years, A Rated and Higher Index.

(3) Debt Service Reserve Funds and Lake Mathews Trust.

* Inception Date 5/01/2002

Attachment 2
Portfolio Summary Report
April 30, 2014

(\$ in Thousands)

<u>Securities</u>		<u>Credit Quality</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Percent of Portfolio Market Value</u>	<u>Investment Policy Limits</u>
United States Treasuries	(1,2)	"AAA"	\$ 234,660	\$ 229,468	16.29%	100%
Gov't National Mtge Assoc.	(1)	"AAA"	9	8	0.00%	100%
Federal Agencies	(2)	"AAA"	245,678	248,191	17.06%	100%
Repurchase Agreements	(3)	"AAA"	-	-	0.00%	50%
Bankers' Acceptances		"F1 or higher"	163	163	0.01%	40%
Commercial Paper		"A1/P1 or higher"	304,847	304,897	21.16%	25%
Negotiable Certificates of Deposit		"F1 or higher"	310,906	310,911	21.59%	30%
Time Deposits		"F1 or better"	-	-	0.00%	N/A
Shares of Beneficial Interest		"AAA"	321	321	0.02%	20%
California Local Agency Investment Fund			50,000	50,000	3.47%	N/A
Medium Term Notes		"A or higher"	146,668	146,376	10.18%	30%
Asset & Mortgage-Backed Securities		"AAA"	65,606	65,633	4.56%	20%
Municipals	(4)	"A or higher"	81,516	77,173	5.66%	30%
Total Portfolio			<u>\$ 1,440,374</u>	<u>\$ 1,433,141</u>	<u>100.00%</u>	

- (1) Securities have an explicit United States Government guarantee.
- (2) United States Treasuries and Federal Agencies are rated 'AAA' by two nationally recognized rating agencies and 'AA+' by one nationally recognized rating agency.
- (3) Repurchase agreements can only be executed with primary dealers and collateral consists of Treasuries and/or Federal Agencies with maturities under 5 years.
- (4) \$17.939 million (market value) of the municipal bond portfolio was rated AAA.

Attachment 3
Summary Report of Investment & Cash Activity
April 30, 2014

(Shown at Book Value and \$ in Thousands)

	Beginning Balance	Purchases	Sales	Maturities	Ending Balance
United States Treasuries	\$ 229,685	\$ 39,131	\$ 6,852	\$ 32,496	\$ 229,468
Gov't National Mtge Assoc.	8	-	-	-	8
Federal Agencies	284,284	1,670	14,319	23,444	248,191
Repurchase Agreements	-	-	-	-	-
Bankers' Acceptances	318	163	-	318	163
Commercial Paper	264,833	440,718	-	400,654	304,897
Negotiable Certificates of Deposit	254,610	146,301	-	90,000	310,911
Time Deposits	-	-	-	-	-
Shares of Beneficial Interest	795	2,150	2,624	-	321
California Local Agency Investment Fund	50,000	-	-	-	50,000
Medium Term Notes	148,320	64,458	3,211	63,191	146,376
Asset & Mortgage-Backed Securities	68,948	-	3,315	-	65,633
Municipals	76,836	337	-	-	77,173
Subtotals	\$ 1,378,637	\$ 694,928	\$ 30,321	\$ 610,103	\$ 1,433,141
	Beginning Balance	Deposits		Withdrawals	Ending Balance
Cash					
Demand Accounts	\$ 175	23			198
Petty Cash & Payroll	15				15
Overnight Investment	-				-
Subtotals	\$ 190	\$ 23	\$ -	\$ -	\$ 213
Total	\$ 1,378,827	\$ 694,951	\$ 30,321	\$ 610,103	\$ 1,433,354

Attachment 4
Duration Report
April 30, 2014

(\$ in Thousands)

Securities Available for Metropolitan's Self-Liquidity Program	Market Value	Duration (1)
US Treasury Bills	\$ 30,448	0.153
US Treasury Notes	145,736	2.667
US Treasury Strips	11,810	10.716
Federal Agency Coupons	209,487	0.431
Federal Agency Strips	6,274	3.140
Federal Agency Discount Notes	5,447	0.472
Shares of Beneficial Interest	299	0.000
California Local Agency Investment Fund	46,557	0.000
Commercial Paper	283,853	0.152
Bankers' Acceptances	152	0.287
Negotiable Certificates of Deposit	289,495	0.189
Medium Term Notes	135,168	1.391
Municipals	680	0.167
Gov't National Mtge Assoc.	8	6.397
Asset Backed	-	-
Mortgage Backed	61,088	3.330
Total	\$ 1,226,502	
 Weighted Average Duration		 0.915

- (1) Duration is a measure of the sensitivity in the price of a bond to changes in interest rates, so it is a measure of risk in a fixed income portfolio. As a rule of thumb, a fixed income portfolio with a duration of 5 (years) will decline 5% in value for every 1% upward movement in comparable interest rates.