



- Treasurer's Monthly Report

## Summary

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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

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Administrative Code Requirement Section 5114

## Attachments

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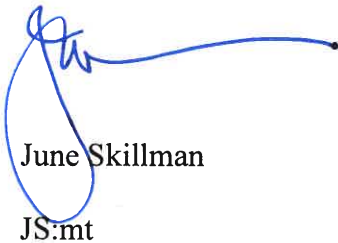
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|---------------|---|
| Attachment 1: | Portfolio Performance Report – April 2019                 |
| Attachment 2: | Portfolio Summary Report – April 2019                     |
| Attachment 3: | Summary Report of Investment & Cash Activity – April 2019 |
| Attachment 4: | Duration Report – April 2019                              |



THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

**Date:** May 13, 2019  
**To:** Finance and Insurance Committee  
**From:** June Skillman, Interim Assistant General Manager/Chief Financial Officer  
**Subject:** Treasurer's Monthly Report April 2019

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 Board Executive Secretary. These reports are required by Section 5114 of the MWD Administrative Code. All of the investments comply with Section 5101 of the MWD Administrative Code and the Investment Policy dated June 13, 2018. Metropolitan has sufficient liquidity to pay for the next six months of expenditures.



June Skillman

JS:mt

Attachments

Attachment 1  
**The Metropolitan Water District of Southern California (MWD)**  
**Portfolio Performance Report**  
**April 30, 2019**

		Market Value (\$ in Thousands)	Duration		Monthly Return		Fiscal YTD Return		Annualized Return *Inception-to-Date	
			MWD	Benchmark	MWD	Benchmark	MWD	Benchmark	MWD	Benchmark
Short-Term	(1)	\$ 792,563	0.40	0.23	0.22%	0.19%	2.11%	1.85%	1.89%	1.35%
Long-Term	(2)	358,206	2.58	2.59	0.16%	0.19%	3.48%	3.41%	3.34%	2.91%
Total Core Funds		\$ 1,150,769								
Other Funds	(3)	16,799	0.65		0.14%		3.19%		6.46%	
Total		<u>\$ 1,167,568</u>								

(1) The Short-Term Portfolio Benchmark is the ICE BofAML, 3-Month Treasury Bill Index.

(2) The Long-Term Portfolio Benchmark is the ICE BofAML, 1 - 5 years US Corporate and Government Index, A Rated and Higher.

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

\* Inception Date 5/01/2002

Attachment 2  
**Portfolio Summary Report**  
**April 30, 2019**

(\$ 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"	\$ 233,935	\$ 232,698	20.03%	100%
Gov't National Mtge Assoc.	(1)	"AAA"	2	2	0.00%	100%
Federal Agencies	(2)	"AAA"	182,683	182,902	15.64%	100%
Repurchase Agreements	(3)	"AAA"	-	-	0.00%	50%
Bankers' Acceptances		"F1 or higher"	-	-	0.00%	40%
Commercial Paper		"A1/P1 or higher"	114,390	114,447	9.80%	25%
Negotiable Certificates of Deposit		"F1 or higher"	204,167	204,120	17.49%	30%
Time Deposits		"F1 or better"	-	-	0.00%	N/A
Shares of Beneficial Interest		"AAA"	43,004	43,004	3.68%	20%
California Local Agency Investment Fund	(4)		65,000	65,000	5.57%	N/A
Medium Term Notes		"A or higher"	257,199	257,151	22.03%	30%
Asset & Mortgage-Backed Securities		"AAA"	64,660	64,530	5.54%	20%
Municipals	(5)	"A or higher"	2,528	2,214	0.22%	30%
Total Portfolio			<u>\$ 1,167,568</u>	<u>\$ 1,166,068</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) \$65 million maximum allowed by California Local Agency Investment Fund.  
(5) \$0.197 million (market value) of the municipal bond portfolio was rated AAA.

Attachment 3  
**Summary Report of Investment & Cash Activity**  
**April 30, 2019**

(Shown at Book Value and \$ in Thousands)

	<b>Beginning Balance</b>	<b>Purchases</b>	<b>Sales</b>	<b>Maturities</b>	<b>Ending Balance</b>
United States Treasuries	\$ 305,178	\$ 25,759	\$ 98,239	\$ -	\$ 232,698
Gov't National Mtge Assoc.	2	-	-	-	2
Federal Agencies	101,140	185,014	92,052	11,200	182,902
Repurchase Agreements	-	-	-	-	-
Bankers' Acceptances	-	-	-	-	-
Commercial Paper	122,911	25,036	-	33,500	114,447
Negotiable Certificates of Deposit	214,461	30,019	20,000	20,360	204,120
Time Deposits	-	-	-	-	-
Shares of Beneficial Interest	30,130	88,441	75,567	-	43,004
California Local Agency Investment Fund	65,000	-	-	-	65,000
Medium Term Notes	237,564	46,872	2,472	24,813	257,151
Asset & Mortgage-Backed Securities	67,601	2,234	5,305	-	64,530
Municipals	2,209	5	-	-	2,214
<b>Subtotals</b>	<b>\$ 1,146,196</b>	<b>\$ 403,380</b>	<b>\$ 293,635</b>	<b>\$ 89,873</b>	<b>\$ 1,166,068</b>
	Beginning Balance	Deposits		Withdrawals	Ending Balance
<b>Cash</b>					
Demand Accounts	\$ 463			461	2
Petty Cash & Payroll	15				15
Overnight Investment	(1) (1,223)			677	(1,900)
<b>Subtotals</b>	<b>\$ (745)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,138</b>	<b>\$ (1,883)</b>
<b>Total</b>	<b>\$ 1,145,451</b>	<b>\$ 403,380</b>	<b>\$ 293,635</b>	<b>\$ 91,011</b>	<b>\$ 1,164,185</b>

(1) Includes investment of outstanding checks.

Attachment 4  
**Duration Report**  
**April 30, 2019**

(\$ in Thousands)

<b>Securities Available for Metropolitan's Self-Liquidity Program</b>	<b>Market Value</b>	<b>Duration (1)</b>
US Treasury Bills	\$ 16,968	0.041
US Treasury Notes	187,113	2.568
US Treasury Strips	13,865	3.895
Federal Agency Coupons	62,008	1.326
Federal Agency Strips	2,219	6.417
Federal Agency Discount Notes	108,354	0.161
Shares of Beneficial Interest	30,055	0.000
California Local Agency Investment Fund	61,489	0.000
Commercial Paper	108,211	0.197
Bankers' Acceptances	-	-
Negotiable Certificates of Deposit	193,139	0.410
Medium Term Notes	243,307	1.096
Municipal Bonds	-	-
Municipal Discount Bonds	712	5.206
Gov't National Mtge Assoc.	2	3.304
Asset Backed	-	-
Mortgage Backed	61,168	2.457
<b>Total</b>	<b><u><u>\$ 1,088,610</u></u></b>	
<b>Weighted Average Duration</b>		<b>1.075</b>

- (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.