



- 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

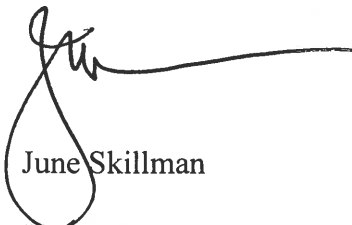
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| Attachment 1: | Portfolio Performance Report – May 2019 |
| Attachment 2: | Portfolio Summary Report – May 2019 |
| Attachment 3: | Summary Report of Investment & Cash Activity – May 2019 |
| Attachment 4: | Duration Report – May 2019 |



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Date: June 10, 2019
To: Finance and Insurance Committee
From: June Skillman, Interim Assistant General Manager/Chief Financial Officer
Subject: Treasurer's Monthly Report May 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
May 31, 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)	\$ 796,087	0.40	0.24	0.27%	0.23%	2.38%	2.09%	1.90%	1.36%
Long-Term	(2)	361,383	2.24	2.61	0.95%	0.95%	4.47%	4.39%	3.38%	2.95%
Total Core Funds		\$ 1,157,470								
Other Funds	(3)	16,853	0.63		0.28%		3.48%		6.44%	
Total		<u>\$ 1,174,323</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
May 31, 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"	\$ 219,332	\$ 216,382	18.68%	100%
Gov't National Mtge Assoc.	(1)	"AAA"	2	2	0.00%	100%
Federal Agencies	(2)	"AAA"	233,543	233,527	19.89%	100%
Repurchase Agreements	(3)	"AAA"	-	-	0.00%	50%
Bankers' Acceptances		"F1 or higher"	-	-	0.00%	40%
Commercial Paper		"A1/P1 or higher"	109,342	109,428	9.31%	25%
Negotiable Certificates of Deposit		"F1 or higher"	214,673	214,618	18.28%	30%
Time Deposits		"F1 or better"	-	-	0.00%	N/A
Shares of Beneficial Interest		"AAA"	35,967	35,967	3.06%	20%
California Local Agency Investment Fund	(4)		65,000	65,000	5.54%	N/A
Medium Term Notes		"A or higher"	228,929	228,461	19.49%	30%
Asset & Mortgage-Backed Securities		"AAA"	65,433	64,789	5.57%	20%
Municipals	(5)	"A or higher"	2,102	1,770	0.18%	30%
Total Portfolio			<u>\$ 1,174,323</u>	<u>\$ 1,169,944</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
May 31, 2019

(Shown at Book Value and \$ in Thousands)

	Beginning Balance	Purchases	Sales	Maturities	Ending Balance
United States Treasuries	\$ 232,698	\$ 23,833	\$ 22,194	\$ 17,955	\$ 216,382
Gov't National Mtge Assoc.	2	-	-	-	2
Federal Agencies	182,902	174,686	114,061	10,000	233,527
Repurchase Agreements	-	-	-	-	-
Bankers' Acceptances	-	-	-	-	-
Commercial Paper	114,447	29,938	9,957	25,000	109,428
Negotiable Certificates of Deposit	204,120	17,998	7,500	-	214,618
Time Deposits	-	-	-	-	-
Shares of Beneficial Interest	43,004	64,105	71,142	-	35,967
California Local Agency Investment Fund	65,000	-	-	-	65,000
Medium Term Notes	257,151	27,010	12,022	43,678	228,461
Asset & Mortgage-Backed Securities	64,530	2,254	1,995	-	64,789
Municipals	2,214	6	-	450	1,770
Subtotals	\$ 1,166,068	\$ 339,830	\$ 238,871	\$ 97,083	\$ 1,169,944
	Beginning Balance	Deposits		Withdrawals	Ending Balance
Cash					
Demand Accounts	\$ 2			1,329	(1,327)
Petty Cash & Payroll	15				15
Overnight Investment	(1) (1,900)				(1,900)
Subtotals	\$ (1,883)	\$ -	\$ -	\$ 1,329	\$ (3,212)
Total	\$ 1,164,185	\$ 339,830	\$ 238,871	\$ 98,412	\$ 1,166,732

(1) Includes investment of outstanding checks.

Attachment 4
Duration Report
May 31, 2019

(\$ in Thousands)

Securities Available for Metropolitan's Self-Liquidity Program	Market Value	Duration (1)
US Treasury Bills	\$ -	-
US Treasury Notes	190,019	2.019
US Treasury Strips	14,076	3.948
Federal Agency Coupons	43,232	1.819
Federal Agency Strips	-	-
Federal Agency Discount Notes	177,434	0.096
Shares of Beneficial Interest	22,945	0.000
California Local Agency Investment Fund	61,481	0.000
Commercial Paper	103,423	0.209
Bankers' Acceptances	-	-
Negotiable Certificates of Deposit	203,051	0.345
Medium Term Notes	216,536	1.300
Municipal Bonds	-	-
Municipal Discount Bonds	722	5.127
Gov't National Mtge Assoc.	2	3.257
Asset Backed	-	-
Mortgage Backed	61,891	2.479
Total	<u>\$ 1,094,812</u>	
Weighted Average Duration		0.973

(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.