

Moulton Niguel Water District

Period Ending
June 30, 2017



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SECTION 1

Consolidated Information

Investment Objectives

Safety – Safety of principal is the foremost objective of the investment program. Investments will be undertaken in a manner that seeks to ensure to preservation of capital in the overall portfolio.

Liquidity – The investment portfolio will remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

Return – The investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints for safety and liquidity needs.

Chandler Asset Management Performance Objective

The performance objective for the District is to earn a return in excess of the strategy benchmarks:

Liquid Fund: Bank of America Merrill Lynch 3-Month US Treasury Bill Index.

Limited Maturity Fund: Bank of America Merrill Lynch 0-3 Yr US Treasury/Agency Index.

Operating Reserve Fund: Bank of America Merrill Lynch 1-10 Yr Treasury/Agency Index.

Bond Reserves: To earn a commensurate rate of return over market cycles while ensuring compliance with the District's indentured funds.



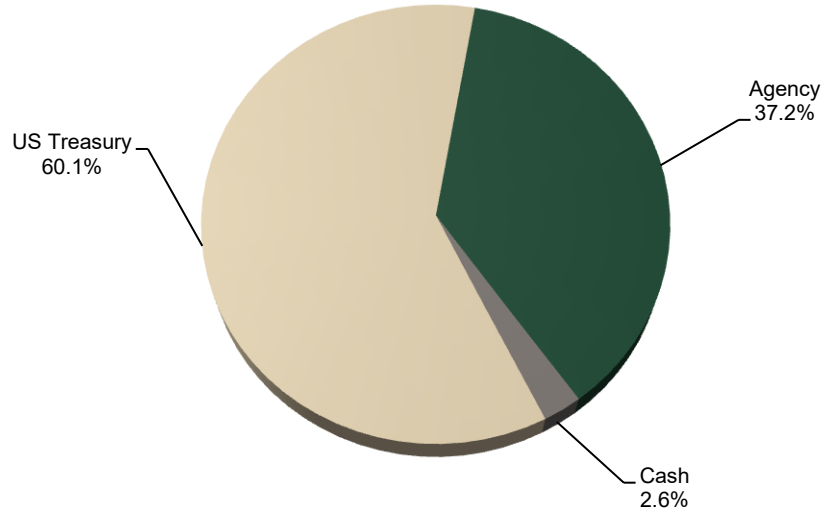
Moulton Niguel Water District Bond Reserves

	6/30/2017	3/31/2017
	Portfolio	Portfolio
Average Maturity (yrs)	2.99	2.96
Modified Duration	2.88	2.86
Average Purchase Yield	1.20%	1.11%
Average Market Yield	1.55%	1.50%
Average Quality	AA+/Aaa	AA+/Aaa
Contributions/Withdrawals	0	
Total Market Value	7,654,158	7,736,000

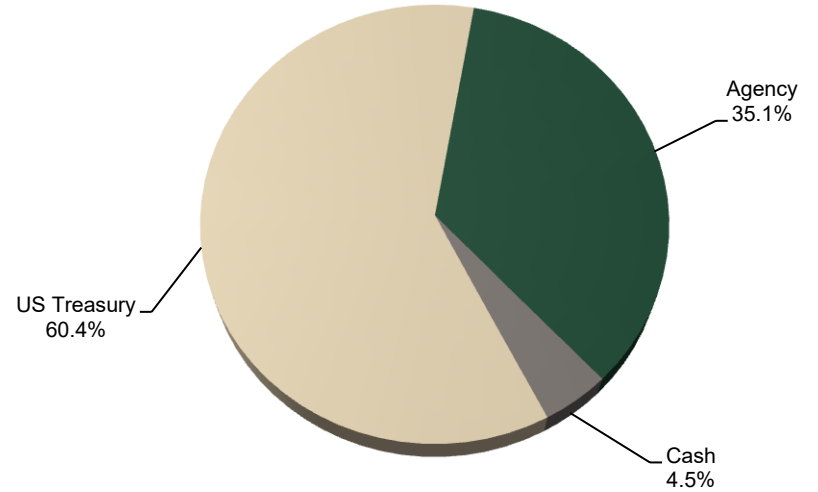


Moulton Niguel Water District Bond Reserves

June 30, 2017



March 31, 2017





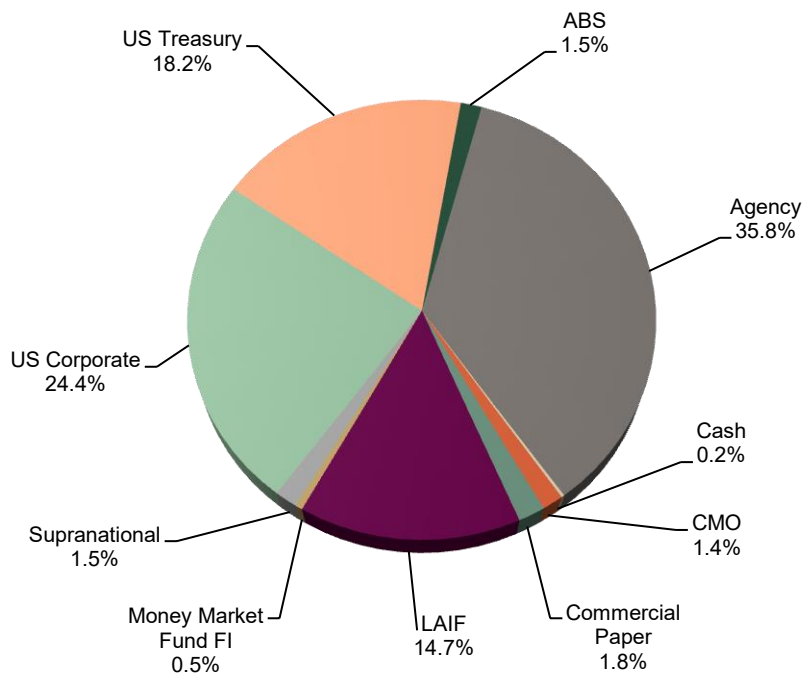
Moulton Niguel Water District Consolidated

	6/30/2017	3/31/2017
	Portfolio	Portfolio
Average Maturity (yrs)	2.80	2.92
Modified Duration	2.61	2.71
Average Purchase Yield	1.86%	1.82%
Average Market Yield	1.64%	1.62%
Average Quality	AA/Aa1	AA/Aa1
Contributions/Withdrawals	0	
Total Market Value	125,901,422	124,624,228

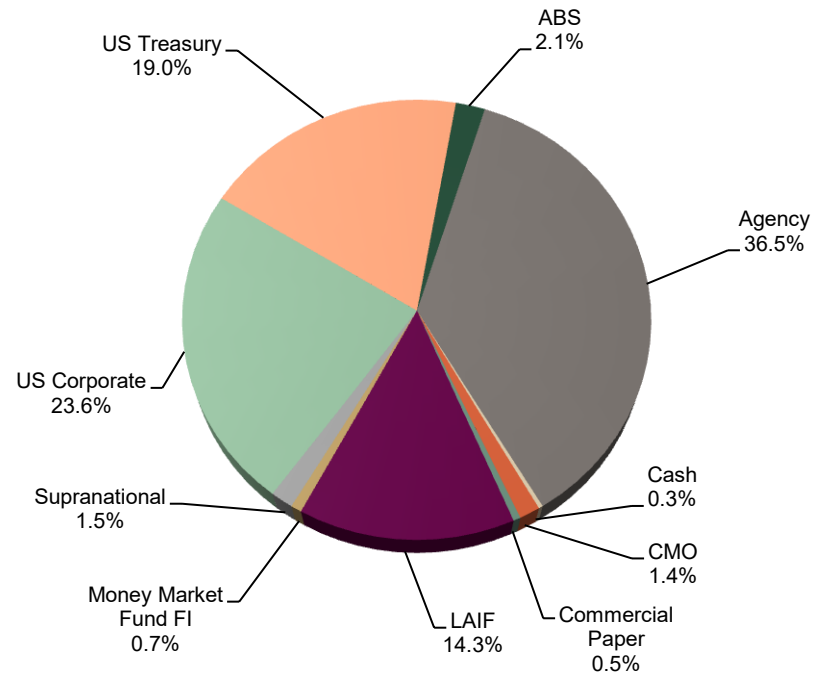


Moulton Niguel Water District Consolidated

June 30, 2017



March 31, 2017



Moulton Niguel Water District Consolidated – Account #43
As of 6/30/2017

Issue Name	Investment Type	Avg Mkt Yield	Avg Maturity	% Portfolio
Government of United States	US Treasury	1.78%	4.37	18.22%
Local Agency Investment Fund	LAIF	1.01%	0.00	14.71%
Federal Home Loan Bank	Agency	1.75%	3.60	11.31%
Federal National Mortgage Association	Agency	1.94%	5.27	9.86%
Federal Home Loan Mortgage Corp	Agency	1.64%	3.10	8.00%
Tennessee Valley Authority	Agency	1.74%	3.43	5.18%
Charles Schwab Corp/The	US Corporate	1.51%	0.78	1.71%
HSBC USA Corp	US Corporate	1.72%	1.07	1.63%
ChevronTexaco Corp	US Corporate	1.40%	0.77	1.54%
Inter-American Dev Bank	Supranational	1.99%	4.56	1.51%
Federal Farm Credit Bank	Agency	1.54%	2.11	1.45%
Qualcomm Inc	US Corporate	1.80%	2.38	1.44%
US Bancorp	US Corporate	1.82%	2.42	1.44%
JP Morgan Chase & Co	US Corporate	1.85%	1.19	1.38%
Federal Home Loan Mortgage Corp	CMO	1.53%	1.15	1.36%
Bank of New York	US Corporate	1.82%	2.20	1.33%
Paccar Financial	US Corporate	1.70%	1.78	1.30%
Honda Motor Corporation	US Corporate	1.61%	1.28	1.29%
Bank of Tokyo-Mit UFJ	Commercial Paper	1.28%	0.20	1.28%
Oracle Corp	US Corporate	2.12%	4.21	1.07%
Apple Inc	US Corporate	1.43%	0.84	0.99%
Exxon Mobil Corp	US Corporate	2.04%	3.67	0.99%
State Street Bank	US Corporate	2.29%	3.89	0.99%
JP Morgan ABS	ABS	1.48%	2.79	0.98%
Toyota Motor Corp	US Corporate	1.70%	1.55	0.97%
Cisco Systems	US Corporate	1.63%	1.67	0.97%
Deere & Company	US Corporate	1.60%	1.45	0.93%
Berkshire Hathaway	US Corporate	1.98%	3.71	0.84%
Pepsico Inc	US Corporate	1.87%	2.84	0.77%
Microsoft	US Corporate	2.10%	4.11	0.68%

Moulton Niguel Water District Consolidated – Account #43
As of 6/30/2017

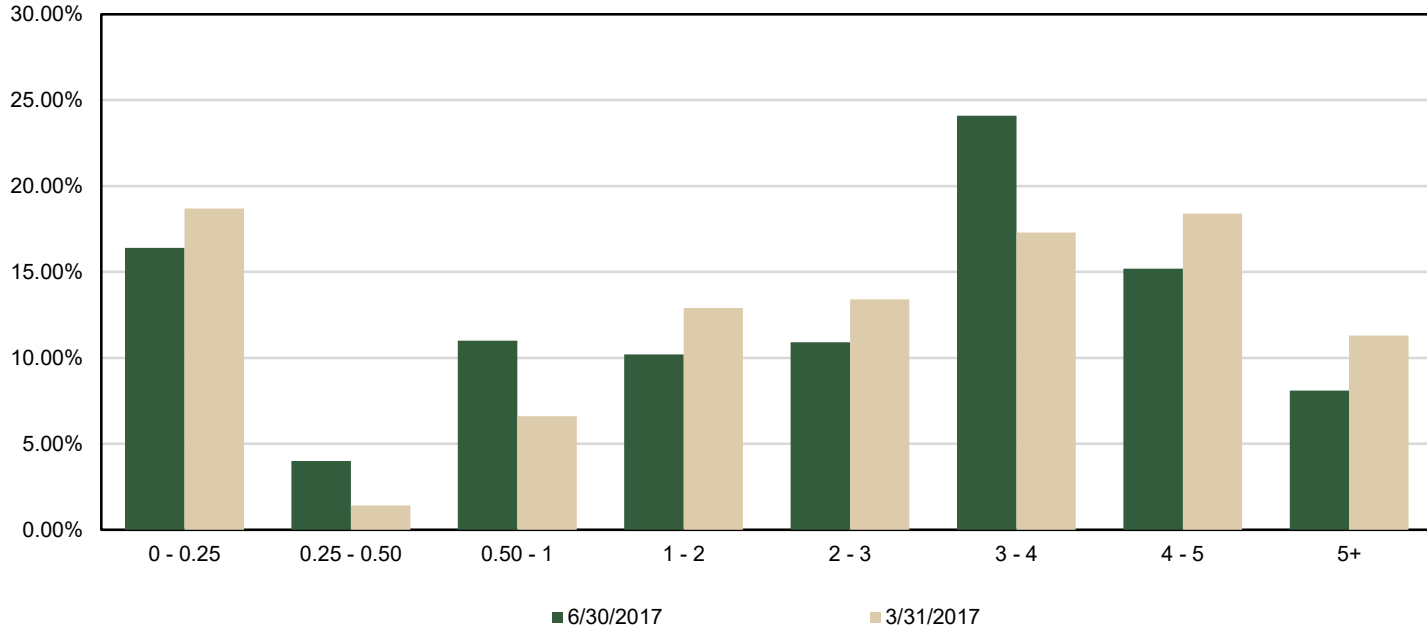
Issue Name	Investment Type	Avg Mkt Yield	Avg Maturity	% Portfolio
PNC Financial Services Group	US Corporate	2.45%	4.64	0.66%
Intel Corp	US Corporate	1.40%	0.46	0.65%
Toyota Motor Corp	Commercial Paper	1.36%	0.53	0.51%
Wells Fargo Adv Govt Money Market Fund	Money Market Fund FI	0.67%	0.00	0.51%
Wells Fargo Corp	US Corporate	1.56%	0.55	0.32%
General Electric Co	US Corporate	1.70%	1.54	0.31%
Air Products & Chemicals	US Corporate	1.51%	0.29	0.24%
Honda ABS	ABS	1.41%	1.37	0.22%
John Deere ABS	ABS	1.55%	1.33	0.19%
Bank Cash Account	Cash	0.00%	0.00	0.16%
Toyota ABS	ABS	1.43%	1.63	0.10%
Total		1.64%	2.80	100%



Duration Distribution

Moulton Niguel Water District Consolidated

June 30, 2017 vs. March 31, 2017



	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
06/30/17	16.4%	4.0%	11.0%	10.2%	10.9%	24.1%	15.2%	8.1%
03/31/17	18.7%	1.4%	6.6%	12.9%	13.4%	17.3%	18.4%	11.3%

SECTION 2

Account Profile



Bond Reserves

	Bond Reserves	
	6/30/2017	3/31/2017
Portfolio book value	\$7,719,643	\$7,829,544
Market value	\$7,654,158	\$7,736,000
Net Contribution/Withdrawal for the Period	-\$121,776	--
Average book yield	1.20%	1.11%
Average maturity (yrs)	3.00	2.96
Modified duration	2.88	2.86
\$ change in value for 1% change in rates	\$220,699	\$221,210
% maturing within two years	14.4%	16.2%
Average credit quality	AA+/Aaa	AA+/Aaa



Liquid Fund

	BAML 3-Month US Treasury Bill Index	Liquid Fund	
	6/30/2017	6/30/2017	3/31/2017
Portfolio book value	--	\$18,471,152	\$17,837,671
Market value	--	\$18,518,300	\$17,873,804
Net Contribution/Withdrawal for the Period	--	\$600,000	--
Average book yield	--	1.01%	0.78%
Average maturity (yrs)	0.15	0.00	0.00
Modified duration	0.15	0.00	0.00
\$ change in value for 1% change in rates	--	\$0	\$0
% maturing within one year	100%	100%	100%
Average credit quality	AAA	Not Rated	Not Rated



Limited Maturity Fund

	BAML 0-3 Yr US Treasury Index	Limited Maturity Fund	
	6/30/2017	6/30/2017	3/31/2017
Portfolio book value	--	\$17,440,556	\$17,432,494
Market value	--	\$17,125,870	\$17,082,110
Net Contribution/Withdrawal for the Period	--	\$1,758	--
Average book yield	--	1.95%	1.91%
Average maturity (yrs)	1.40	1.16	1.20
Modified duration	1.37	0.93	0.92
\$ change in value for 1% change in rates	--	\$159,271	\$157,155
% maturing within two years	68.6%	75.9%	73.0%
Average credit quality	AAA	AA/Aa2	AA/Aa2



Operating Reserve Fund

	BAML 1-10 Yr US Treasury/Agency Index	Operating Reserve Fund	
	6/30/2017	6/30/2017	3/31/2017
Portfolio book value	--	\$81,446,467	\$81,104,368
Market value	--	\$82,603,095	\$81,934,524
Net Contribution/Withdrawal for the Period	--	(\$3,633)	--
Average book yield	--	2.09%	2.08%
Average maturity (yrs)	3.89	3.74	3.91
Modified duration	3.64	3.51	3.67
\$ change in value for 1% change in rates	--	\$2,899,369	\$3,006,997
% maturing within two years	22.5%	19.8%	20.1%
Average credit quality	AAA	AA/Aa1	AA/Aa1

SECTION 3

Economic Update



■ Federal Open Market Committee (FOMC)

- The FOMC raised the fed funds target rate by 25 basis points to a range of 1.00% - 1.25% in June.

■ Labor Markets

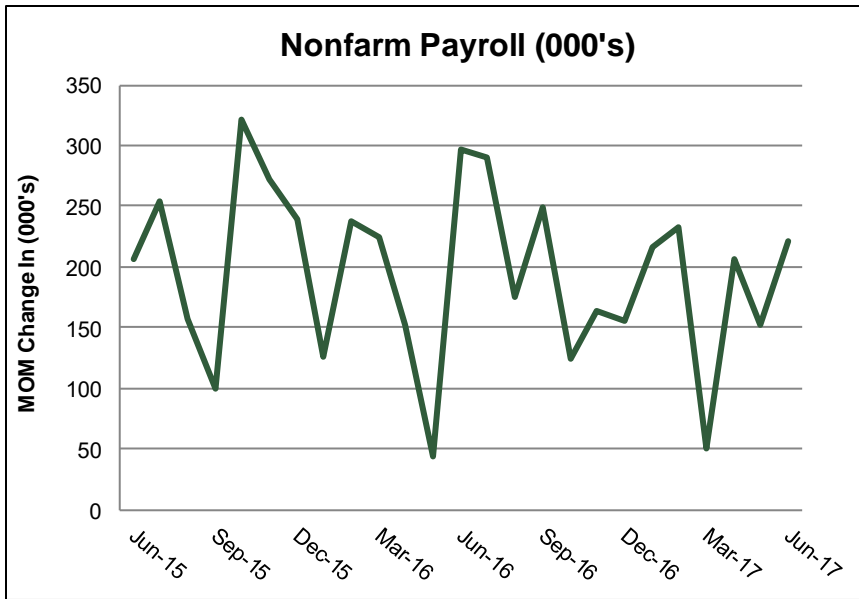
- The economy is likely at or near full employment, consumer confidence is strong, manufacturing indicators are indicative of modest expansion, and housing trends remain favorable.

■ Inflation

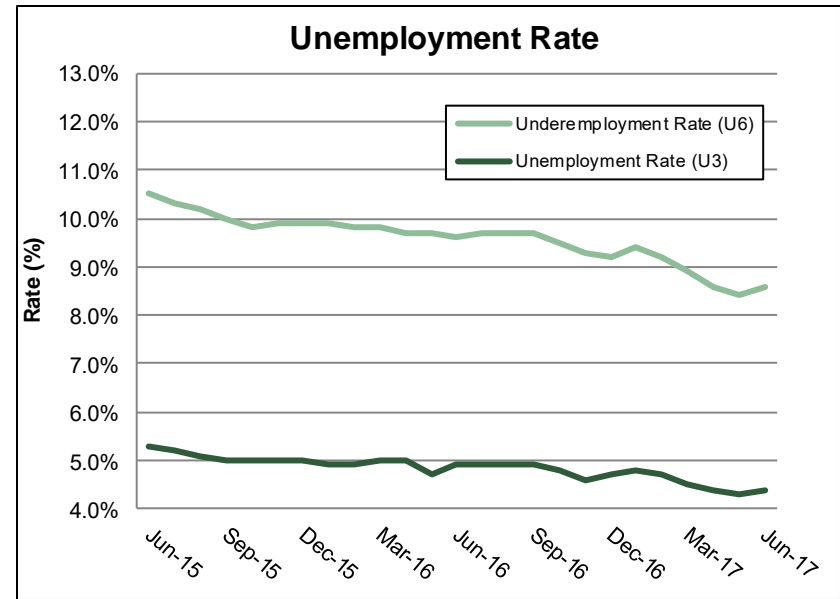
- Core Personal Consumption Expenditures (PCE; excluding food and energy) was up just 1.4% year-over-year in May.

■ Economic growth

- GDP grew by 1.4% in the first quarter, following growth of 2.1% in the fourth quarter.

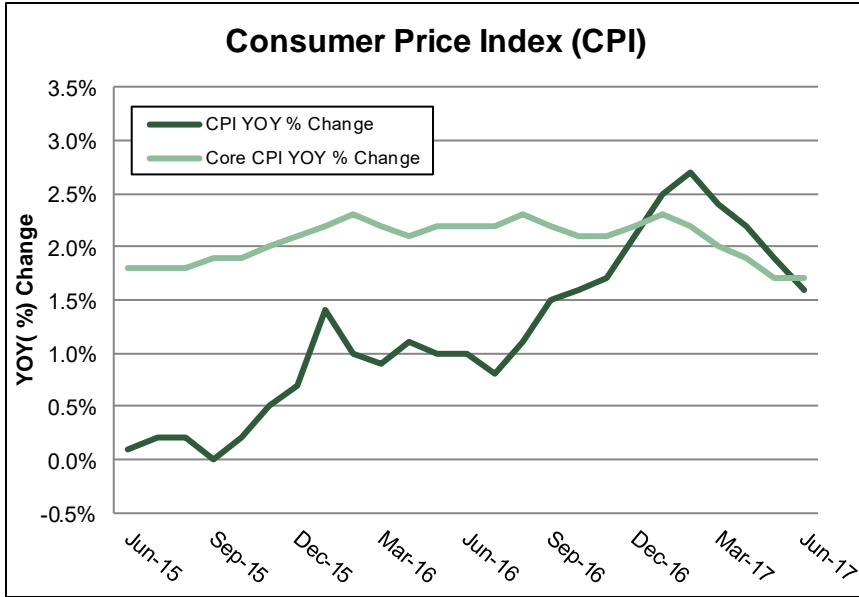


Source: US Department of Labor

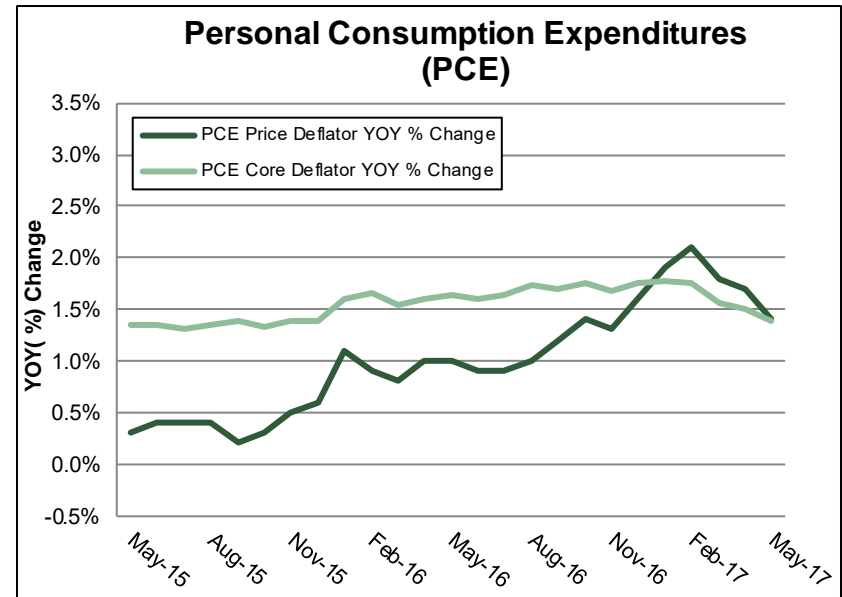


Source: US Department of Labor

Job growth was stronger than expected in June but wages remained lackluster. Nonfarm payrolls increased by 222,000 versus the consensus forecast of 178,000. In addition, April and May payrolls were revised up by 47,000 in total. The average increase in monthly payrolls was 194,000 during the second quarter, up from 166,000 per month during the first quarter. The unemployment rate ticked up to 4.4% in June from 4.3% in May, but the labor participation rate also edged up to 62.8% from 62.7%. A broader measure of unemployment called the U-6, which includes those who are marginally attached to the labor force and employed part time for economic reasons, increased to 8.6% in June from 8.4% in May, however this compares to 9.6% in June 2016. Wage growth rose just 0.2% in June, following a downwardly revised gain of 0.1% in May. On a year-over-year basis, wages were up 2.5% in June, versus 2.4% in May.

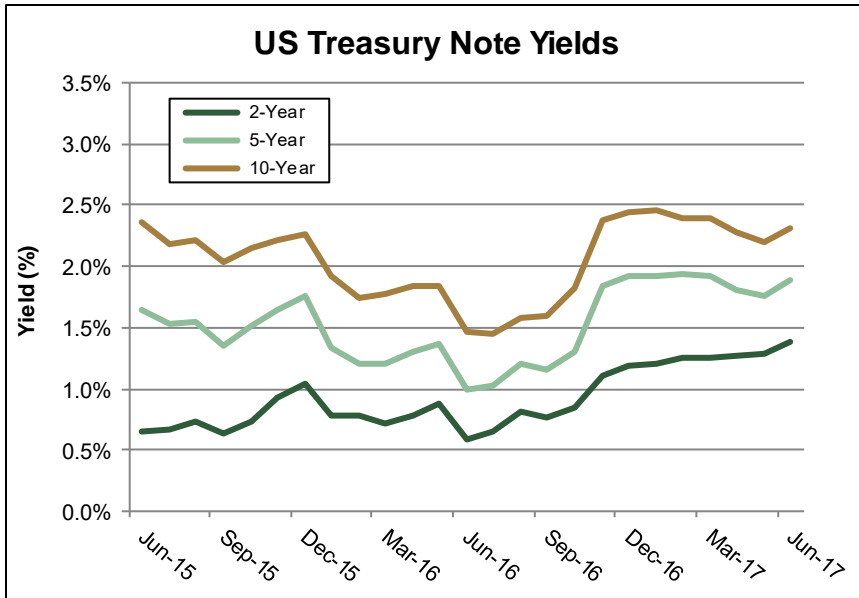


Source: US Department of Labor

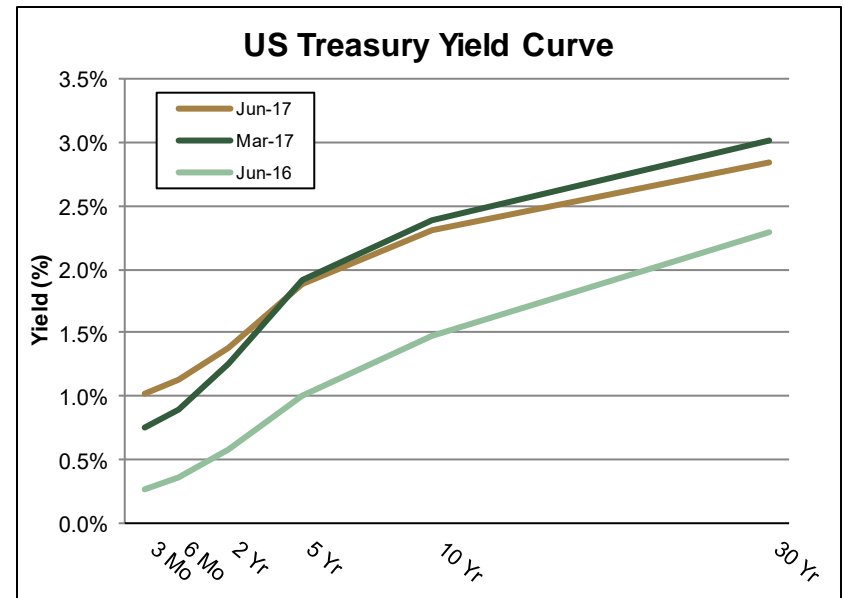


Source: US Department of Labor

The Consumer Price Index (CPI) was up 1.6% year-over-year in June, versus up 1.9% year-over-year in May. Core CPI (CPI less food and energy) was up just 1.7% year-over-year in June. The Personal Consumption Expenditures (PCE) index was up 1.4% year-over-year in May, versus up 1.7% year-over-year in April. Core PCE (excluding food and energy) was also up just 1.4% year-over-year in May, versus up 1.5% year-over-year in April. Core CPI is has fallen back below the Fed's 2.0% target, and the Fed's primary inflation gauge (PCE) also remains below the target.



Source: Bloomberg



Source: Bloomberg

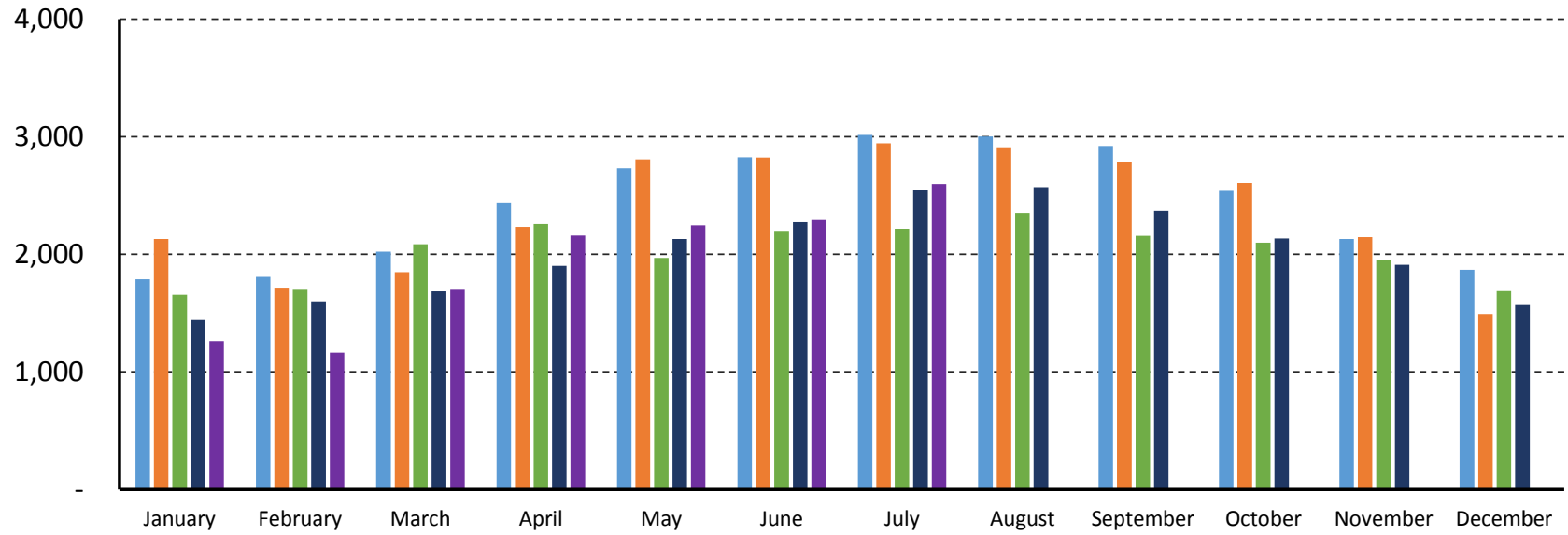
Over the past three months the yield curve flattened. The spread between 2-year and 10-year Treasury yields narrowed to 92 basis points as of June 30, compared to 114 basis points on March 31. In the three months ending in June, the 2-year Treasury yield increased nearly 13 basis points while the 10-year Treasury yield decreased eight basis points. Immediately following the US Presidential election last fall, the Treasury yield curve steepened meaningfully, driven by heightened expectations for fiscal stimulus and economic growth under the Trump administration. However, as the post-election exuberance started to wane earlier this year, the yield curve flattened. Since the election, the 2-year Treasury yield is up about 60 basis points and the 10-year Treasury yield is up about 50 basis points.



Information contained herein is confidential. Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

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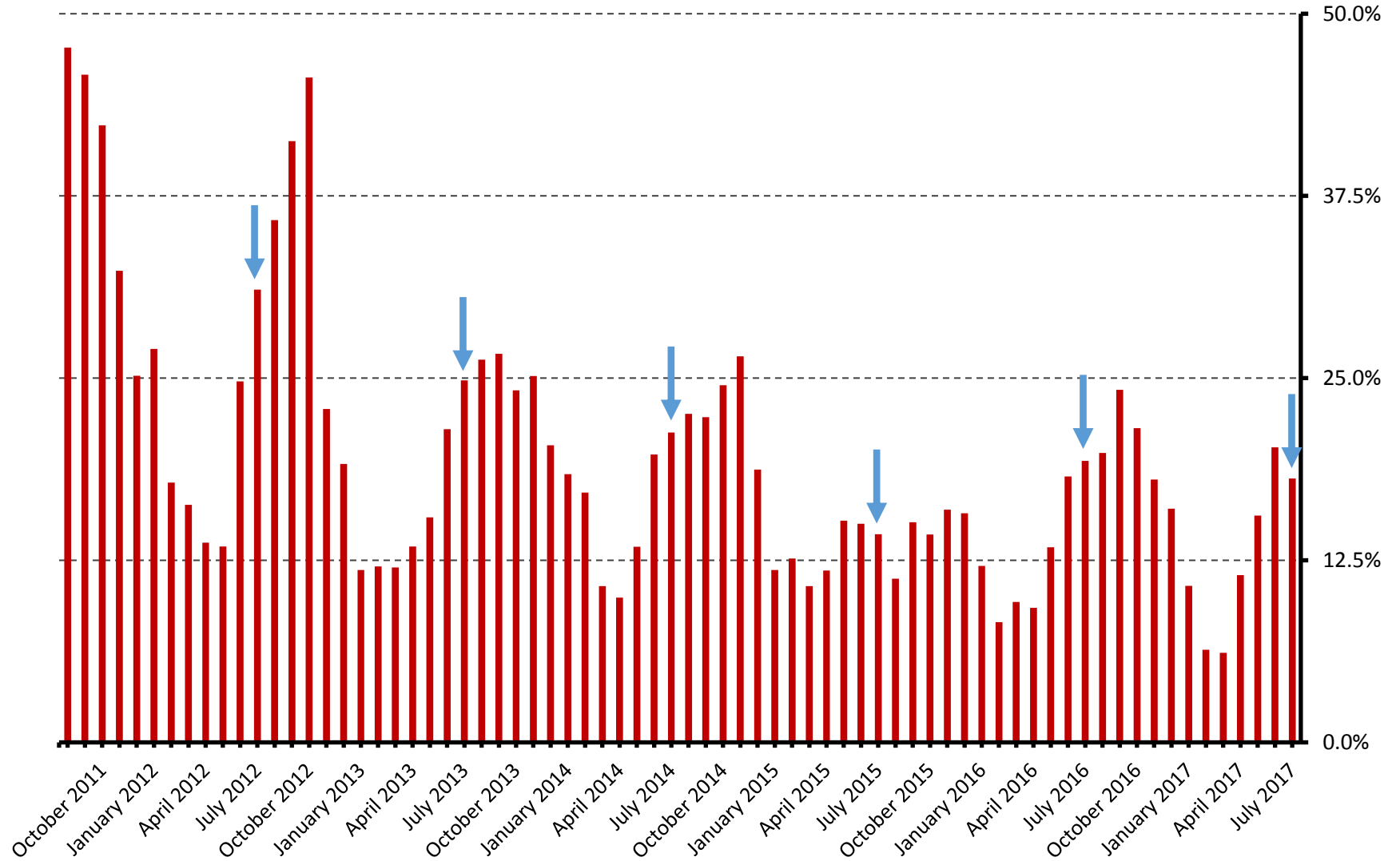
Historical Monthly MNWD Water Purchases & Evapotranspiration



Year	ET (Inches)												
2013	2.54	2.88	4.08	4.79	5.99	6.07	5.81	6.53	5.26	3.92	2.52	2.49	
2014	2.82	2.64	4.09	5.54	6.39	6.45	6.54	6.23	5.21	3.94	3.16	1.91	
2015	2.52	3.02	4.96	5.31	4.48	5.75	5.69	6.27	5	3.88	3.24	2.35	
2016	1.87	3.82	3.98	5.16	4.63	5.77	6.77	5.97	4.51	3.23	2.75	1.89	
2017	1.96	1.75	4.24	5.17	4.7	5.24	6.36						

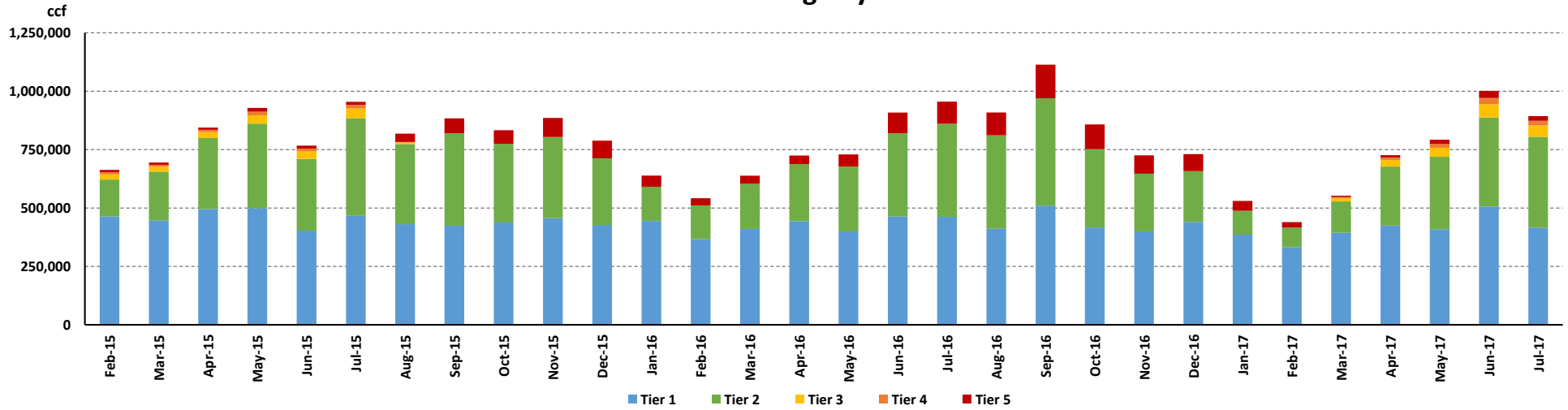
August 14, 2017

Single Family Residential Accounts Above Tier 2



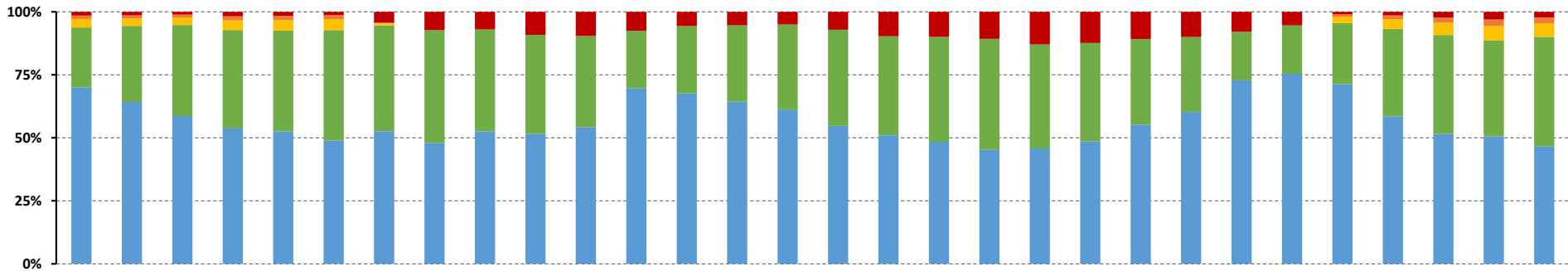
August 14, 2017

Potable Usage by Tier



AF in Tier 3, 4, 5	94	89	101	154	131	159	102	148	134	187	173	110	70	78	83	119	202	218	224	331	243	180	167	96	54	56	112	167	260	204
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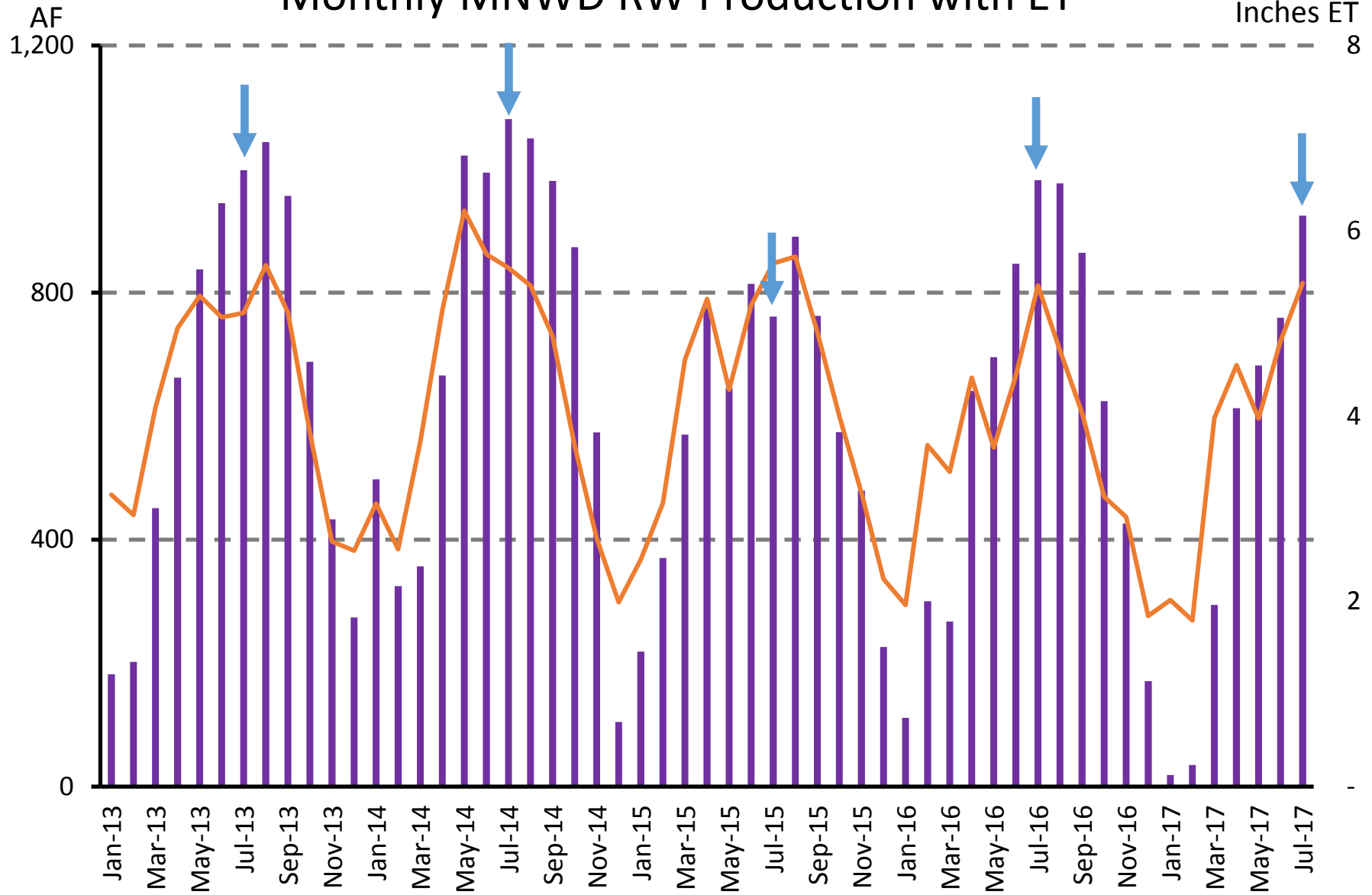
Percent Potable Usage by Tier



	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17
Tier 5	1.5%	1.4%	1.1%	1.8%	1.6%	1.4%	4.3%	7.3%	7.0%	9.2%	9.6%	7.5%	5.6%	5.4%	5.0%	7.1%	9.7%	9.9%	10.7%	12.9%	12.4%	10.8%	10.0%	7.9%	5.4%	1.0%	1.5%	2.3%	3.0%	2.2%
Tier 4	1.4%	1.2%	1.1%	1.7%	1.7%	1.6%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%	1.5%	2.0%	2.6%	2.3%
Tier 3	3.3%	3.0%	3.0%	3.8%	4.1%	4.3%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.5%	3.8%	4.9%	5.7%	5.4%
Tier 2	23.8%	30.1%	36.1%	39.0%	40.0%	43.8%	41.9%	44.7%	40.4%	39.2%	36.2%	22.9%	26.8%	30.3%	33.7%	38.1%	39.3%	41.6%	44.0%	41.2%	39.1%	34.1%	29.7%	19.3%	19.2%	24.3%	34.8%	39.2%	38.1%	43.5%
Tier 1	70.0%	64.3%	58.7%	53.7%	52.6%	48.9%	52.6%	48.0%	52.6%	51.6%	54.3%	69.6%	67.6%	64.3%	61.3%	54.8%	51.0%	48.4%	45.2%	45.8%	48.6%	55.1%	60.3%	72.8%	75.4%	71.3%	58.5%	51.6%	50.6%	46.6%

Tier 1 Tier 2 Tier 3 Tier 4 Tier 5

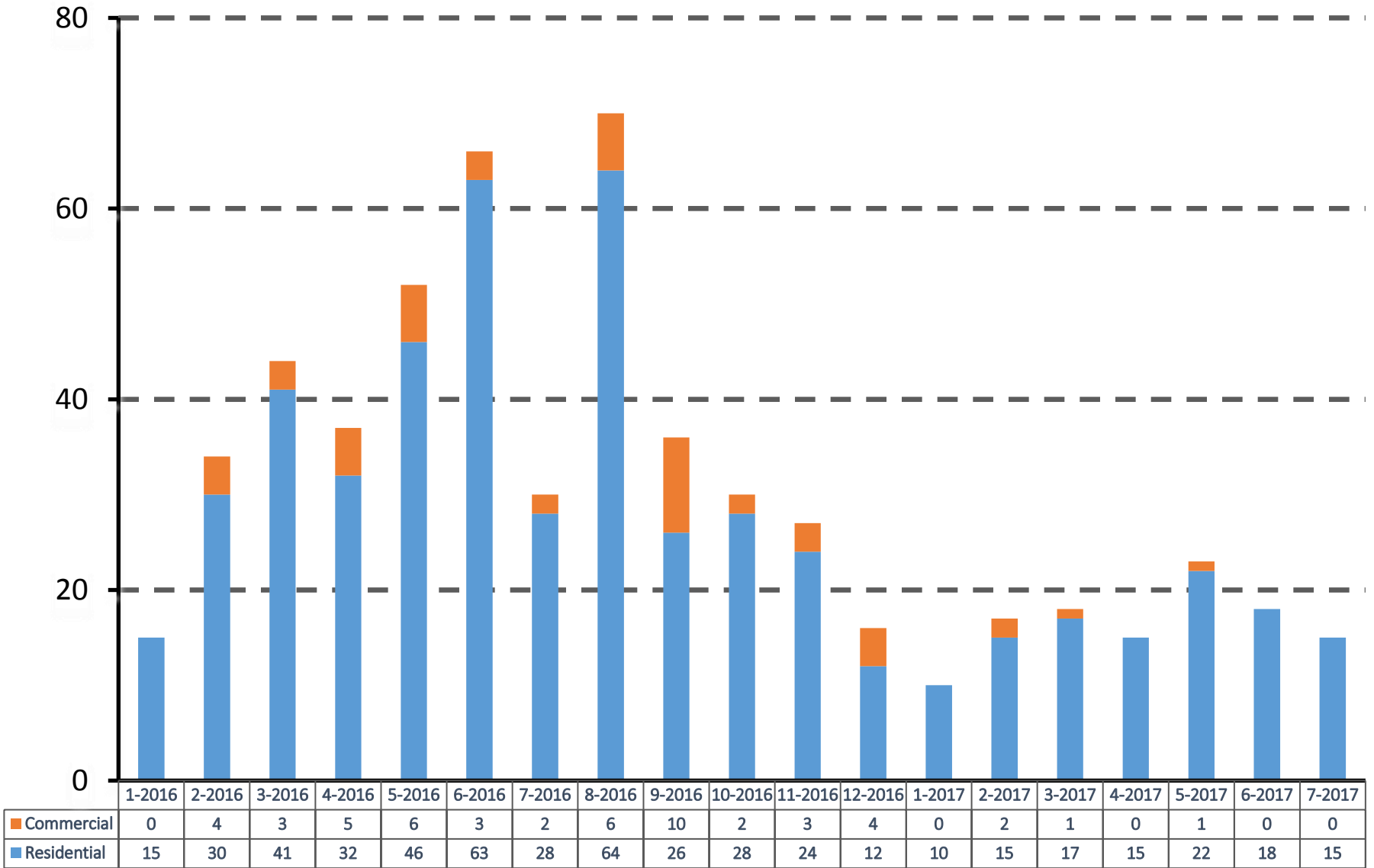
Monthly MNWD RW Production with ET



August 14, 2017

Total Turf Removal Applications by Month

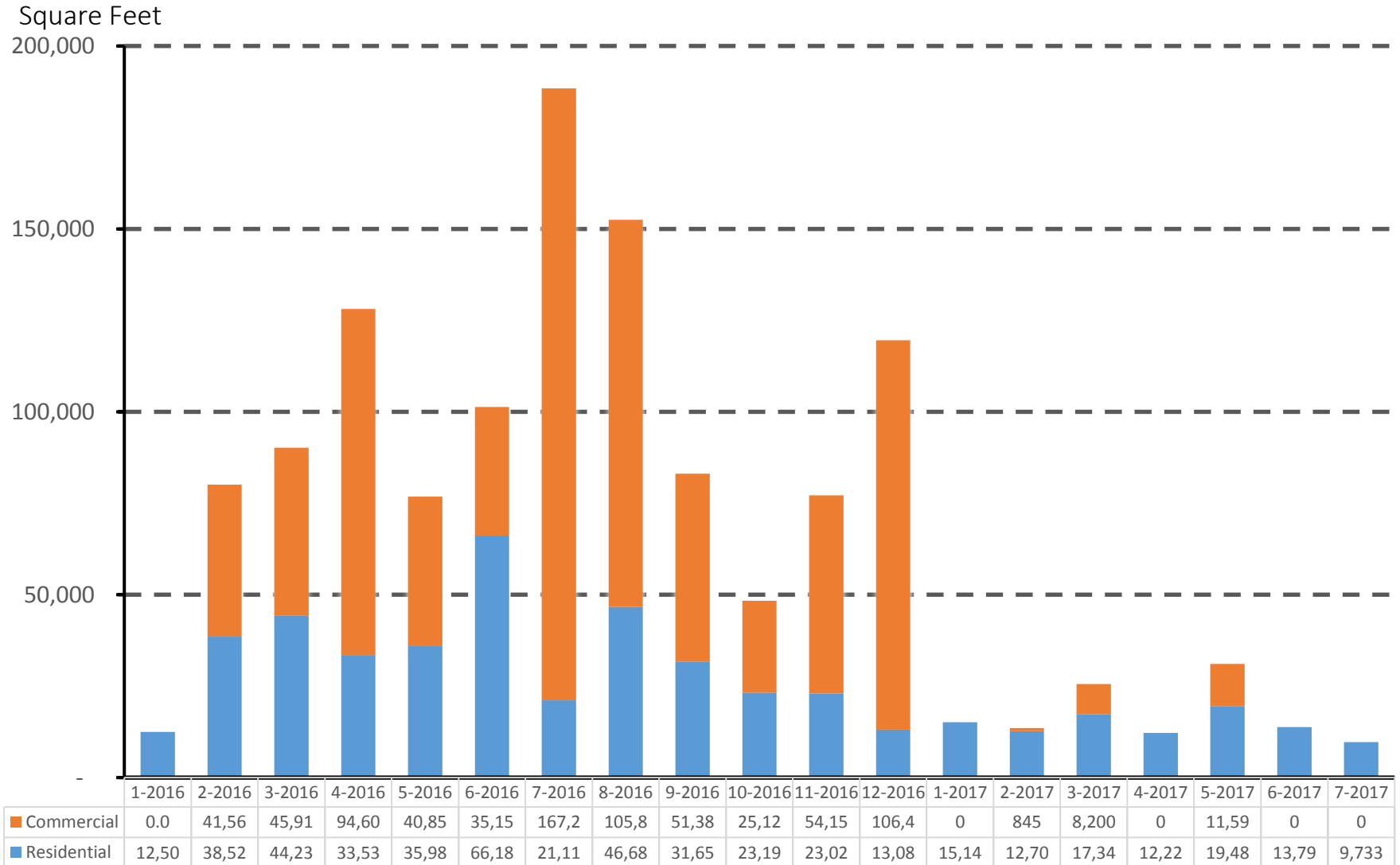
Applications



■ Residential ■ Commercial

August 14, 2017

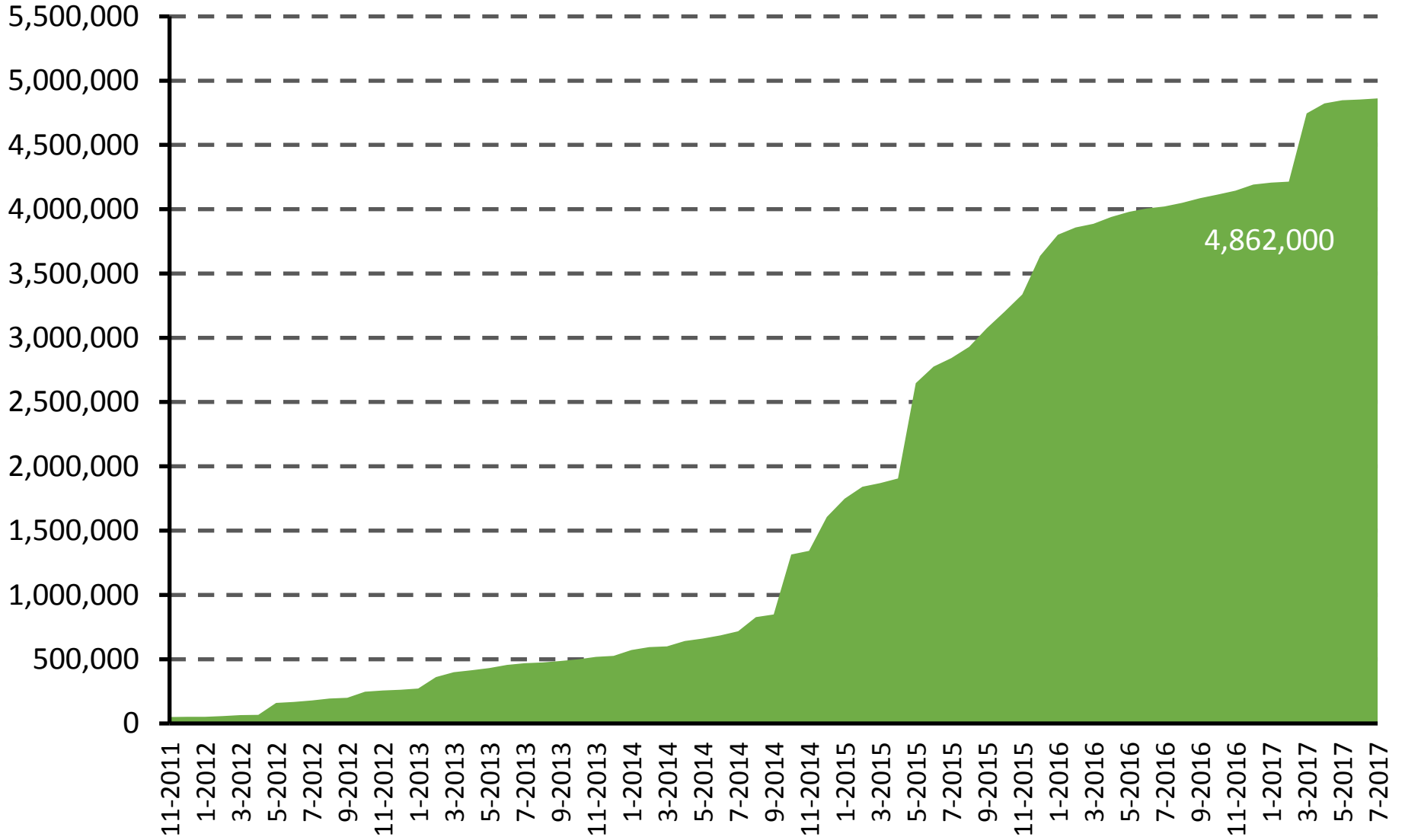
Total Turf Removal Application Size by Month



August 14, 2017

Square Feet

Total Turf Removed



August 14, 2017