

INVESTMENT REPORT

Western Municipal Water District | Finance Committee Meeting | As of March 31, 2025

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Chandler Team:

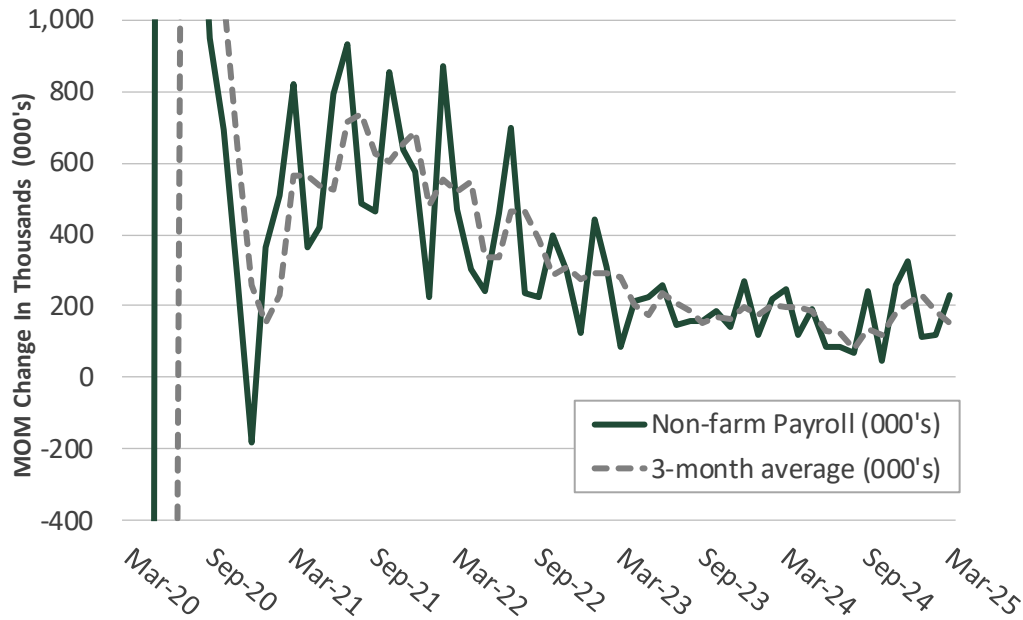
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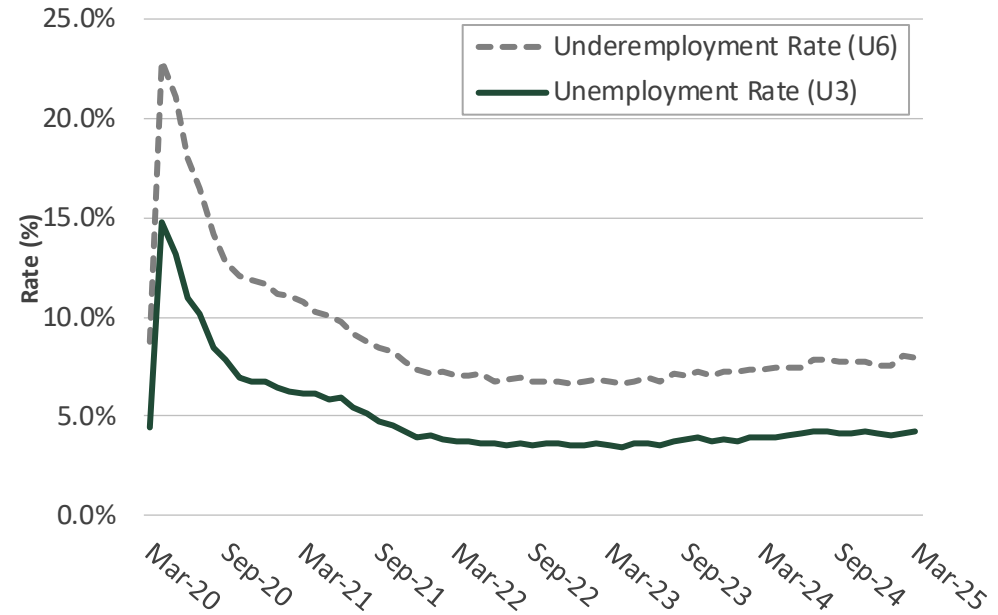
ECONOMIC UPDATE

Nonfarm Payroll (000's)



Source: US Department of Labor

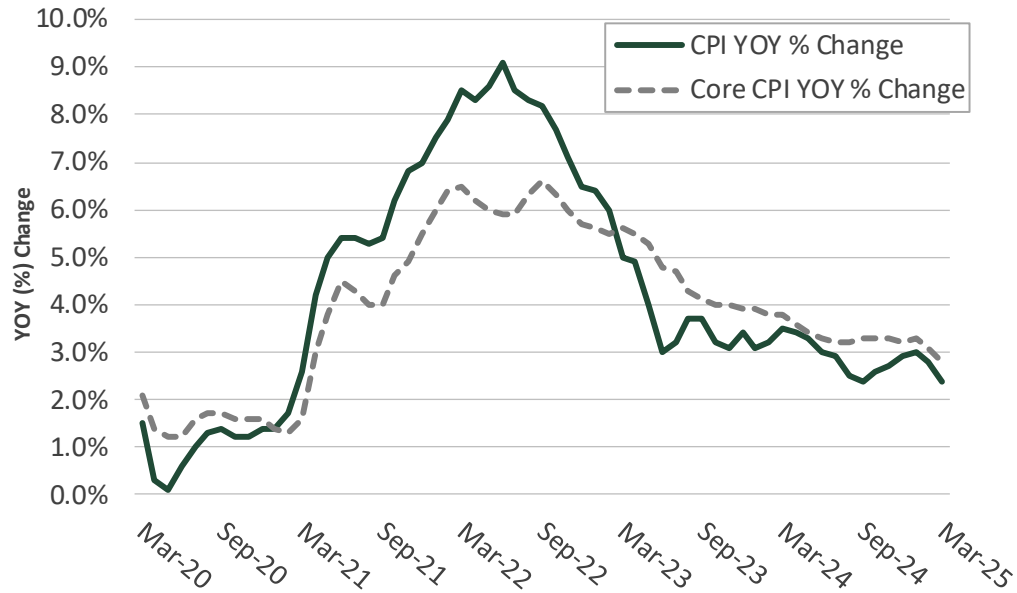
Unemployment Rate



Source: US Department of Labor

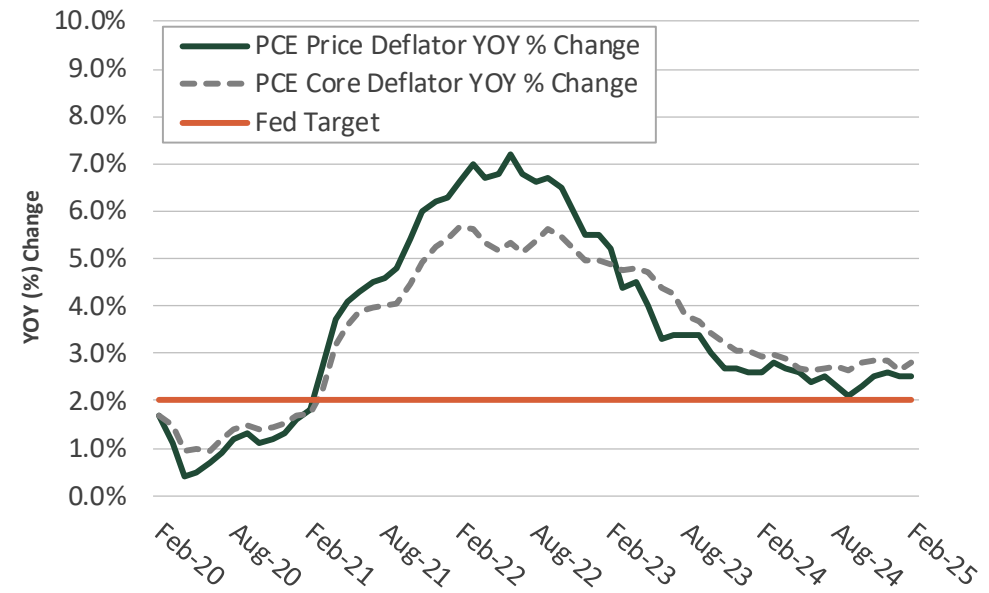
The U.S. economy added 228,000 jobs in March, exceeding consensus expectations, and the last two months were revised down by 48,000. Gains were led by healthcare, retail, social assistance, and transportation. The three-month moving average and six-month moving average payrolls totaled 152,000 and 181,000 respectively. The unemployment rate rose to 4.2% in March, and the labor participation rate edged up to 62.5%, remaining below the pre-pandemic level of 63.3%. The U-6 underemployment rate, which includes those who are marginally attached to the labor force and employed part time for economic reasons edged down to 7.9% in March from 8.0% in February. Average hourly earnings ticked down to an increase of 3.8% year-over-year in March.

Consumer Price Index (CPI)



Source: US Department of Labor

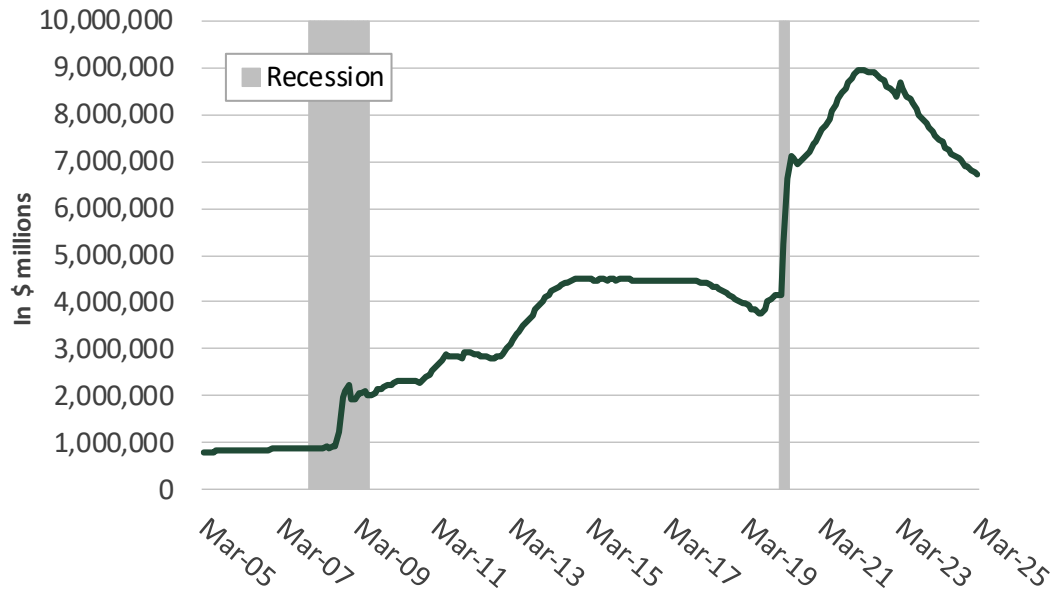
Personal Consumption Expenditures (PCE)



Source: US Department of Commerce

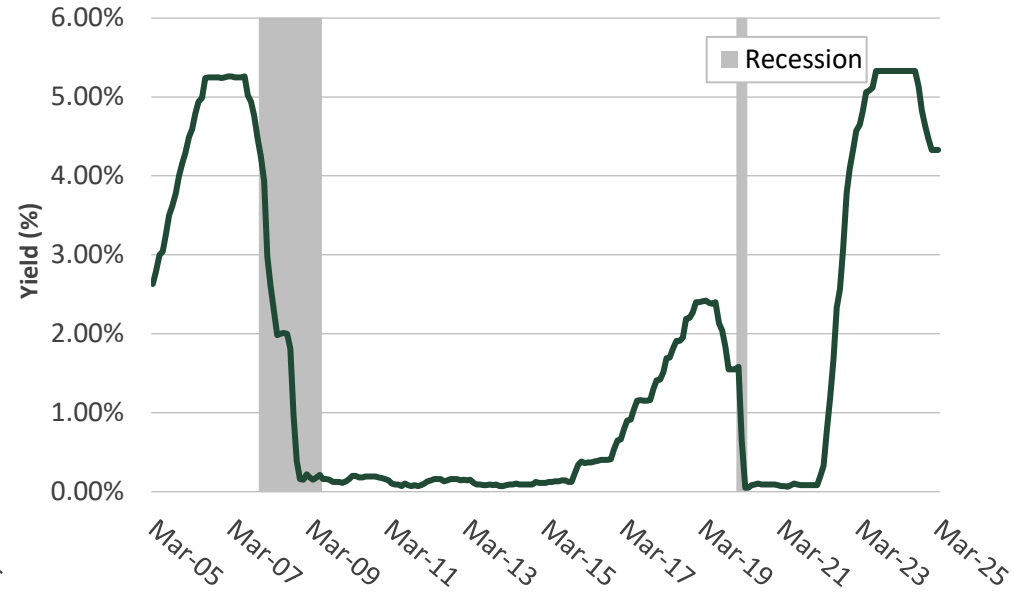
In March, price increases measured by both the Consumer Price Index (CPI) and Core CPI, which excludes volatile food and energy components, decelerated from last month and came in lower than consensus expectations. The headline CPI dropped 0.1% month-over-month and rose 2.4% year-over-year, while the Core CPI rose 0.1% month-over-month and 2.8% year-over-year. The Personal Consumption Expenditures (PCE) price index increased by 0.3% from the previous month and 2.5% year-over-year in February. The Core PCE deflator, which excludes food and energy and is the Fed's preferred gauge, accelerated its increase to 0.4% month-over-month and 2.8% from 2.6% year-over-year. Inflation remains above the Fed's 2% target.

Federal Reserve Balance Sheet Assets



Source: Federal Reserve

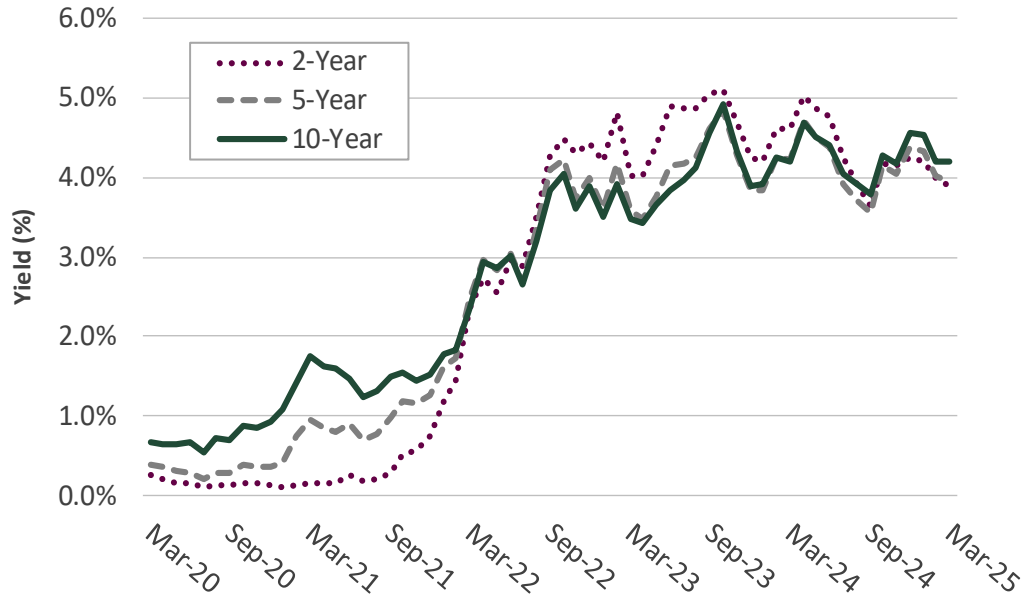
Effective Federal Funds Rate



Source: Bloomberg

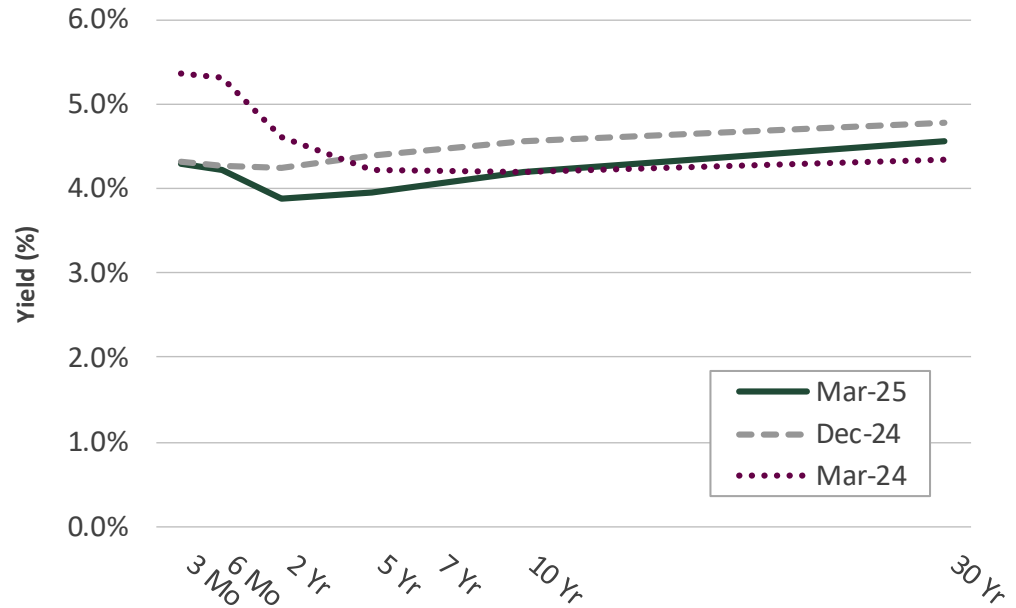
As broadly anticipated, the Federal Open Market Committee (FOMC) left the Federal Funds Rate unchanged at the range of 4.25 - 4.50% at the March meeting. Fed Chair Powell emphasized increased uncertainty around the economic outlook and the need for “greater clarity” before making changes to interest rate policy. He also acknowledged possible transitory inflationary impacts from tariffs. The summary of economic projections (SEP) indicated lower GDP growth, higher inflation, and higher unemployment estimates than December projections, along with roughly two 25-basis point rate cuts this year. The FOMC also announced a slowdown in the pace of balance sheet reduction. The monthly redemption cap on Treasuries will be reduced from \$25 billion to \$5 billion, while the cap on agencies and mortgage-backed securities will be maintained at \$35 billion. Since the Fed began its Quantitative Tightening campaign in June 2022, securities holdings have declined by approximately \$2.2 trillion to approximately \$6.8 trillion.

US Treasury Note Yields



Source: Bloomberg

US Treasury Yield Curve



Source: Bloomberg

At the end of March, the 2-year Treasury yield was 74 basis points lower, and the 10-Year Treasury yield was 6 basis points higher, year-over-year. The spread between the 2-year and 10-year Treasury yield points on the curve widened to +32 basis points at March month-end versus +22 basis points at February month-end. The recent yield curve inversion which began in July 2022 was historically long. The average historical spread (since 2005) is about +99 basis points. The spread between the 3-month and 10-year Treasury yield points on the curve was -9 basis points in March, unchanged from February.

ACCOUNT PROFILE

STATEMENT OF COMPLIANCE

Western Municipal Water District | Account #250 | As of March 31, 2025

Rules Name	Limit	Actual	Compliance Status	Notes
AGENCY MORTGAGE SECURITIES (CMOS)				
Max % (MV)	100.0	15.3	Compliant	
Max % Issuer (MV)	25.0	15.3	Compliant	
Max Maturity (Years)	10.0	7.7	Compliant	
ASSET-BACKED SECURITIES (ABS)				
Max % (MV; Non Agency ABS & MBS)	20.0	4.4	Compliant	
Max % Issuer (MV)	5.0	1.5	Compliant	
Max Maturity (Years)	5	4	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
BANKERS' ACCEPTANCES				
Max % (MV)	40.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	180	0.0	Compliant	
Min Rating (A-1 by 1 or A- by 1)	0.0	0.0	Compliant	
CERTIFICATE OF DEPOSIT PLACEMENT SERVICE (CDARS)				
Max % (MV)	30.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
COLLATERALIZED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)				
Max % (MV)	20.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
COMMERCIAL PAPER				
Max % (MV)	40.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	270	0.0	Compliant	
Min Rating (A-1 by 1 or A- by 1)	0.0	0.0	Compliant	
CORPORATE MEDIUM TERM NOTES				
Max % (MV)	30.0	27.0	Compliant	

STATEMENT OF COMPLIANCE

Western Municipal Water District | Account #250 | As of March 31, 2025

Rules Name	Limit	Actual	Compliance Status	Notes
Max % Issuer (MV)	5.0	1.2	Compliant	
Max Maturity (Years)	5	4	Compliant	
Min Rating (A- by 1)	0.0	0.0	Compliant	
FDIC INSURED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)				
Max % (MV)	20.0	0.0	Compliant	
Max Amount Issuer	250,000.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
FEDERAL AGENCIES				
Max % (MV)	100.0	12.9	Compliant	
Max % Issuer (MV)	25.0	6.3	Compliant	
Max Maturity (Years)	10	6	Compliant	
LOCAL AGENCY INVESTMENT FUND (LAIF)				
Max Concentration (MV)	75.0	0.0	Compliant	
MONEY MARKET MUTUAL FUNDS				
Max % (MV)	20.0	0.3	Compliant	
Min Rating (AAA by 2)	0.0	0.0	Compliant	
MORTGAGE-BACKED SECURITIES (NON-AGENCY)				
Max % (MV)	20.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
MUNICIPAL SECURITIES (CA, LOCAL AGENCY)				
Max % (MV)	30.0	1.9	Compliant	
Max % Issuer (MV)	5.0	1.9	Compliant	
Max Maturity (Years)	10	8	Compliant	
Min Rating (A- by 1)	0.0	0.0	Compliant	
MUNICIPAL SECURITIES (CA, OTHER STATES)				
Max % (MV)	30.0	1.2	Compliant	
Max % Issuer (MV)	5.0	0.6	Compliant	

STATEMENT OF COMPLIANCE

Western Municipal Water District | Account #250 | As of March 31, 2025

Rules Name	Limit	Actual	Compliance Status	Notes
Max Maturity (Years)	10	6	Compliant	
Min Rating (A- by 1)	0.0	0.0	Compliant	
MUTUAL FUNDS				
Max % (MV)	10.0	0.0	Compliant	
Max % Issuer (MV)	10.0	0.0	Compliant	
Min Rating (AAA by 2)	0.0	0.0	Compliant	
NEGOTIABLE CERTIFICATES OF DEPOSIT (NCD)				
Max % (MV)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
Min Rating (A-1 by 1 or A- by 1 if > FDIC Limit)	0.0	0.0	Compliant	
REPURCHASE AGREEMENTS				
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	90.0	0.0	Compliant	
SUPRANATIONAL OBLIGATIONS				
Max % (MV)	30.0	2.9	Compliant	
Max % Issuer (MV)	10.0	1.5	Compliant	
Max Maturity (Years)	5	1	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
U.S. TREASURIES				
Max % (MV)	100.0	34.2	Compliant	
Max Maturity (Years)	10	8	Compliant	

PORTFOLIO CHARACTERISTICS



Western Municipal Water District | Account #250 | As of March 31, 2025

	Benchmark*	3/31/2025 Portfolio	12/31/2024 Portfolio
Average Maturity (yrs)	3.86	4.03	4.06
Average Modified Duration	3.48	3.48	3.52
Average Purchase Yield		3.20%	3.01%
Average Market Yield	3.97%	4.23%	4.55%
Average Quality**	AA+	AA+	AA+
Total Market Value		274,018,796	267,362,580

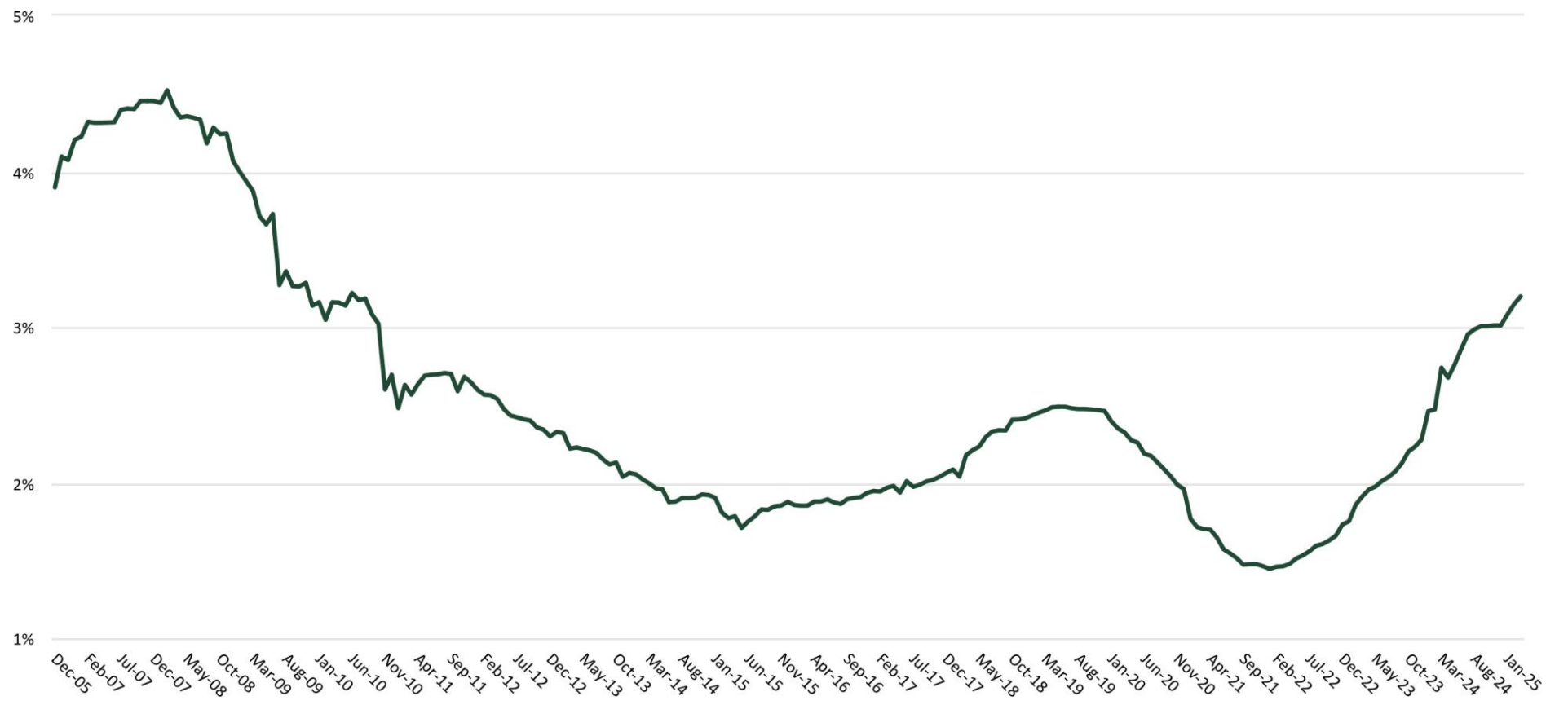
*Benchmark: ICE BofA 1-10 Year Unsubordinated US Treasury & Agency Index
**The credit quality is a weighted average calculation of the highest of S&P, Moody's and Fitch.

HISTORICAL AVERAGE PURCHASE YIELD



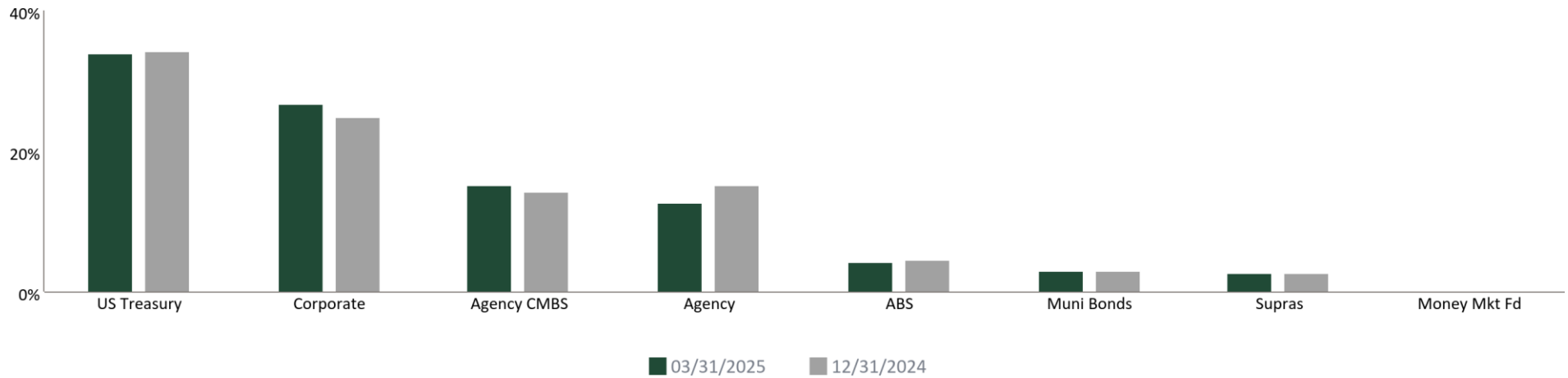
Western Municipal Water District | Account #250 | As of March 31, 2025

Purchase Yield as of 03/31/25 = 3.20%



SECTOR DISTRIBUTION

Western Municipal Water District | Account #250 | As of March 31, 2025



Sector as a Percentage of Market Value

Sector	03/31/2025	12/31/2024
US Treasury	34.19%	34.31%
Corporate	26.99%	24.97%
Agency CMBS	15.35%	14.42%
Agency	12.85%	15.39%
ABS	4.35%	4.82%
Muni Bonds	3.11%	3.13%
Supras	2.89%	2.93%
Money Mkt Fd	0.26%	0.02%

ISSUERS

Western Municipal Water District | Account #250 | As of March 31, 2025

Issuer	Investment Type	% Portfolio
Government of The United States	US Treasury	34.19%
FHLMC	Agency CMBS	15.35%
Federal Home Loan Banks	Agency	6.31%
FNMA	Agency	4.35%
State of California	Muni Bonds	1.90%
Inter-American Development Bank	Supras	1.49%
American Express Credit Master Trust	ABS	1.48%
International Bank for Recon and Dev	Supras	1.40%
The Toronto-Dominion Bank	Corporate	1.17%
Toyota Motor Corporation	Corporate	1.17%
Amazon.com, Inc.	Corporate	1.13%
New York Life Insurance Company	Corporate	1.12%
Guardian Life Global Funding	Corporate	1.12%
Metropolitan Life Global Funding I	Corporate	1.08%
Bank of America Corporation	Corporate	1.04%
Massachusetts Mutual Life Insurance	Corporate	0.96%
Farm Credit System	Agency	0.95%
Caterpillar Inc.	Corporate	0.93%
Morgan Stanley	Corporate	0.93%
Deere & Company	Corporate	0.93%
PACCAR Inc	Corporate	0.90%
Tennessee Valley Authority	Agency	0.90%
PepsiCo, Inc.	Corporate	0.88%
Northwestern Mutual Global Funding	Corporate	0.85%
Chubb Limited	Corporate	0.85%
John Deere Owner Trust	ABS	0.85%
Honda Motor Co., Ltd.	Corporate	0.83%
Florida Power & Light	Corporate	0.75%
National Rural Utilities Cooperative	Corporate	0.74%
The Home Depot, Inc.	Corporate	0.74%

ISSUERS

Western Municipal Water District | Account #250 | As of March 31, 2025

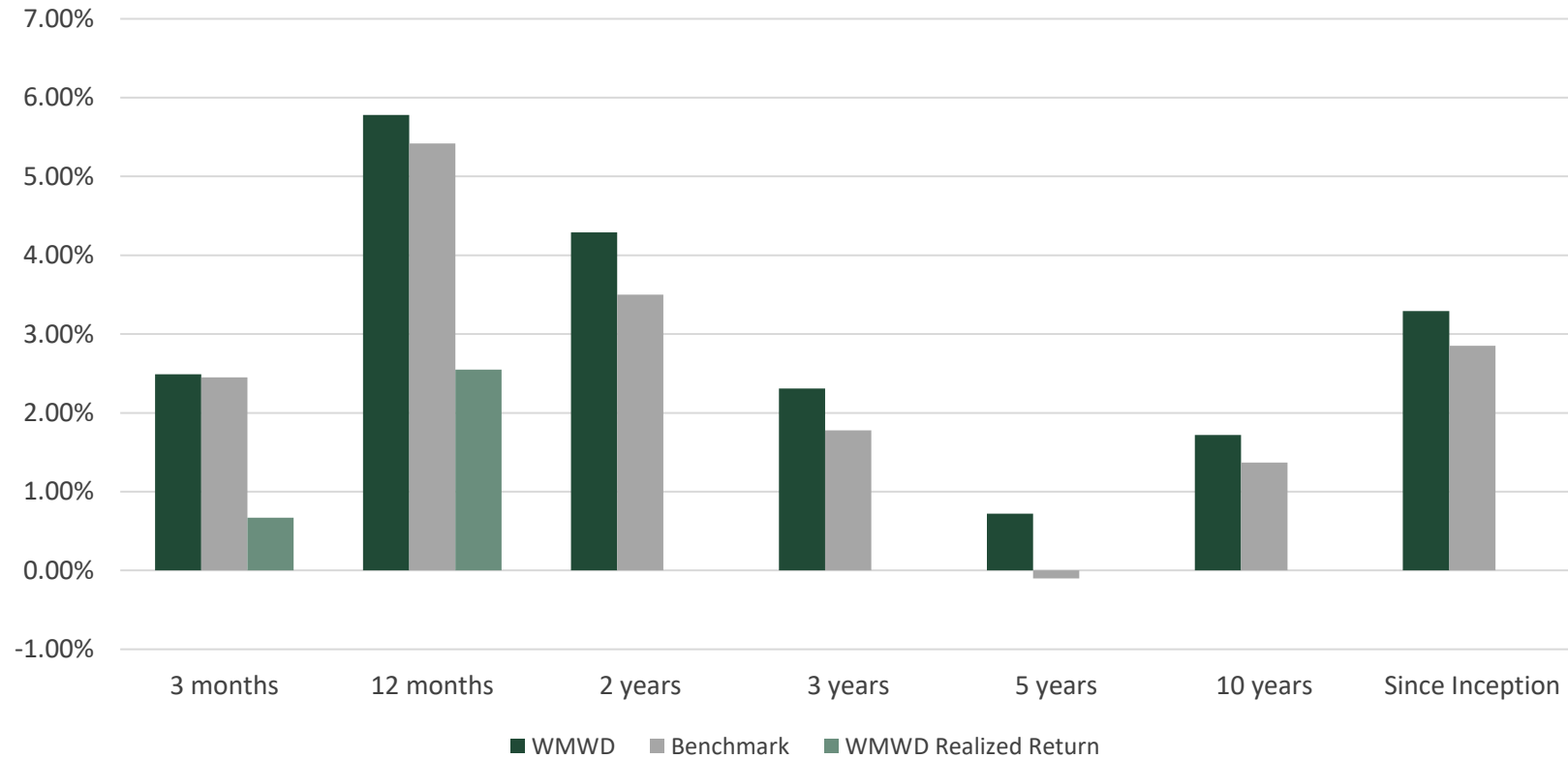
Issuer	Investment Type	% Portfolio
Marsh & McLennan Companies, Inc.	Corporate	0.74%
Berkshire Hathaway Inc.	Corporate	0.73%
The Charles Schwab Corporation	Corporate	0.73%
Duke Energy Corporation	Corporate	0.72%
Public Service Enterprise Group Inco	Corporate	0.72%
Bank of Montreal	Corporate	0.70%
Dominion Energy, Inc.	Corporate	0.70%
GM Financial Automobile Leasing Trus	ABS	0.68%
Eli Lilly and Company	Corporate	0.66%
Hyundai Auto Receivables Trust	ABS	0.65%
State Of Georgia	Muni Bonds	0.64%
Texas Public Finance Authority	Muni Bonds	0.57%
Honeywell International Inc.	Corporate	0.56%
BNY Mellon Corp	Corporate	0.55%
JPMorgan Chase & Co.	Corporate	0.54%
Bank of America Credit Card Trust	ABS	0.49%
Met Tower Global Funding	Corporate	0.42%
Prologis, Inc.	Corporate	0.36%
Royal Bank of Canada	Corporate	0.35%
Federal Home Loan Mortgage Corp	Agency	0.34%
First American Govt Oblig fund	Money Mkt Fd	0.26%
Walmart Inc.	Corporate	0.19%
UnitedHealth Group Incorporated	Corporate	0.18%
GM Financial Securitized Term	ABS	0.13%
BMW Vehicle Owner Trust	ABS	0.06%
Toyota Auto Receivables Owner Trust	ABS	0.01%
Honda Auto Receivables Owner Trust	ABS	0.01%
Cash	Cash	0.00%
TOTAL		100.00%

INVESTMENT PERFORMANCE



Western Municipal Water District | Account #250 | As of March 31, 2025

Total and Realized Rate of Return : Inception | 09/01/2001



	3 Months	12 Months	2 Years	3 Years	5 Years	10 Years	Since Inception
TOTAL RATE OF RETURN							
WMWD	2.49%	5.78%	4.29%	2.31%	0.72%	1.72%	3.29%
Benchmark	2.45%	5.42%	3.50%	1.78%	(0.01%)	1.37%	2.85%
REALIZED RATE OF RETURN							
WMWD	0.67%	2.55%					

*Periods over 1 year are annualized.

Benchmark: ICE BofA 1-10 Year Unsubordinated US Treasury & Agency Index

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending market value; it includes interest earnings, realized and unrealized gains and losses in the portfolio. Realized rate of return: A measure of a portfolio's return over time. It is the internal rate which equates the beginning book value of the portfolio with the ending book value; it includes interest earnings, realized gains and losses in the portfolio.

INVESTMENT REPORT

Western Municipal Water District VEBA Account | As of March 31, 2025

CHANDLER ASSET MANAGEMENT | chandlerasset.com

Chandler Team:

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STATEMENT OF COMPLIANCE



Western Municipal Water District VEBA Account | Account #254 | As of March 31, 2025

Rules Name	Limit	Actual	Compliance Status	Notes
CASH EQUIVALENTS				
Max % (MV)	10.0	0.3	Compliant	
Min % (MV)	0.0	0.3	Compliant	
COMMODITIES				
Max % (MV)	25.0	0.6	Compliant	
Min % (MV)	0.0	0.6	Compliant	
DOMESTIC BONDS				
Max % (MV)	75.0	31.4	Compliant	
Min % (MV)	15.0	31.4	Compliant	
DOMESTIC EQUITIES				
Max % (MV)	75.0	37.9	Compliant	
Min % (MV)	20.0	37.9	Compliant	
FIXED INCOME				
Max % (MV)	75.0	36.5	Compliant	
Min % (MV)	25.0	36.5	Compliant	
INTERNATIONAL BONDS				
Max % (MV)	35.0	1.9	Compliant	
Min % (MV)	0.0	1.9	Compliant	
INTERNATIONAL EQUITIES				
Max % (MV)	50.0	15.8	Compliant	
Min % (MV)	5.0	15.8	Compliant	
INTERNATIONAL REAL ESTATE				
Max % (MV)	10.0	1.4	Compliant	
Min % (MV)	0.0	1.4	Compliant	
US REAL ESTATE				
Max % (MV)	25.0	5.5	Compliant	
Min % (MV)	0.0	5.5	Compliant	

CURRENT ASSET ALLOCATION

Western Municipal Water District VEBA Account | Account #254 | As of March 31, 2025

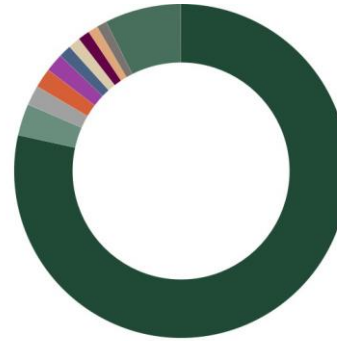
Asset Allocation



Equity 53.74%	Bonds 38.42%
Real Estate (REIT) 6.94%	Commodities 0.65%
Cash 0.25%	

	Market Value	% Held
Equity	12,569,055.00	53.74%
Bonds	8,985,160.00	38.42%
Real Estate (REIT)	1,623,257.20	6.94%
Commodities	151,192.80	0.65%
Cash	58,481.62	0.25%
Total	23,387,146.62	100.00%

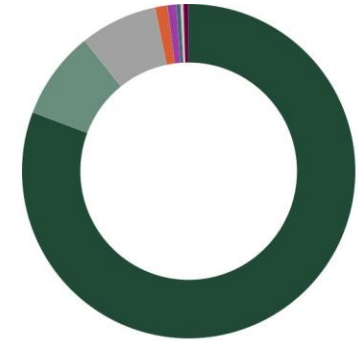
Country Allocation



United States 78.46%	Japan 3.07%
China 1.92%	Canada 1.90%
United Kingdom 1.79%	Germany 1.22%
India 1.18%	France 1.12%
Australia 0.97%	Taiwan 0.96%
Other 7.41%	

Country	Region	% held
United States	North America	78.46%
Japan	Asia	3.07%
China	Asia	1.92%
Canada	North America	1.90%
United Kingdom	Europe	1.79%
Germany	Europe	1.22%
India	Asia	1.18%
France	Europe	1.12%
Australia	Australia	0.97%
Taiwan	Asia	0.96%
Other	Various	7.41%
Total		100.00%

Regional Allocation

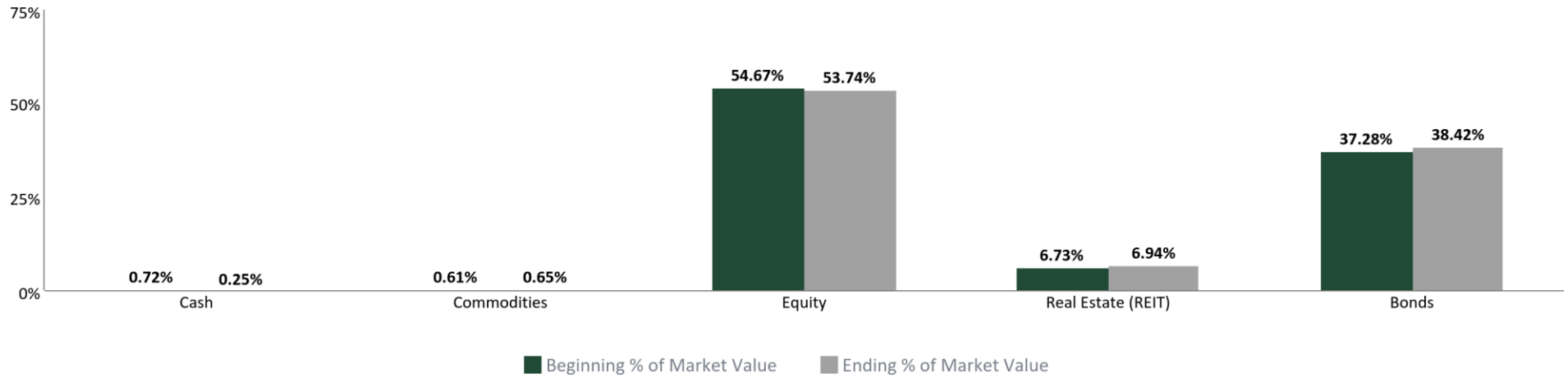


North America 80.73%	Asia Pacific 8.53%
Western Europe 7.51%	Central Asia 1.18%
Africa / Middle East 0.85%	South & Central America 0.43%
Eastern Europe 0.27%	Other 0.50%

Region	% held
North America	80.73%
Asia Pacific	8.53%
Western Europe	7.51%
Central Asia	1.18%
Africa / Middle East	0.85%
South & Central America	0.43%
Eastern Europe	0.27%
Other	0.50%
Total	100.00%

CHANGE IN PORTFOLIO HOLDINGS

Western Municipal Water District VEBA Account | Account #254 | As of March 31, 2025



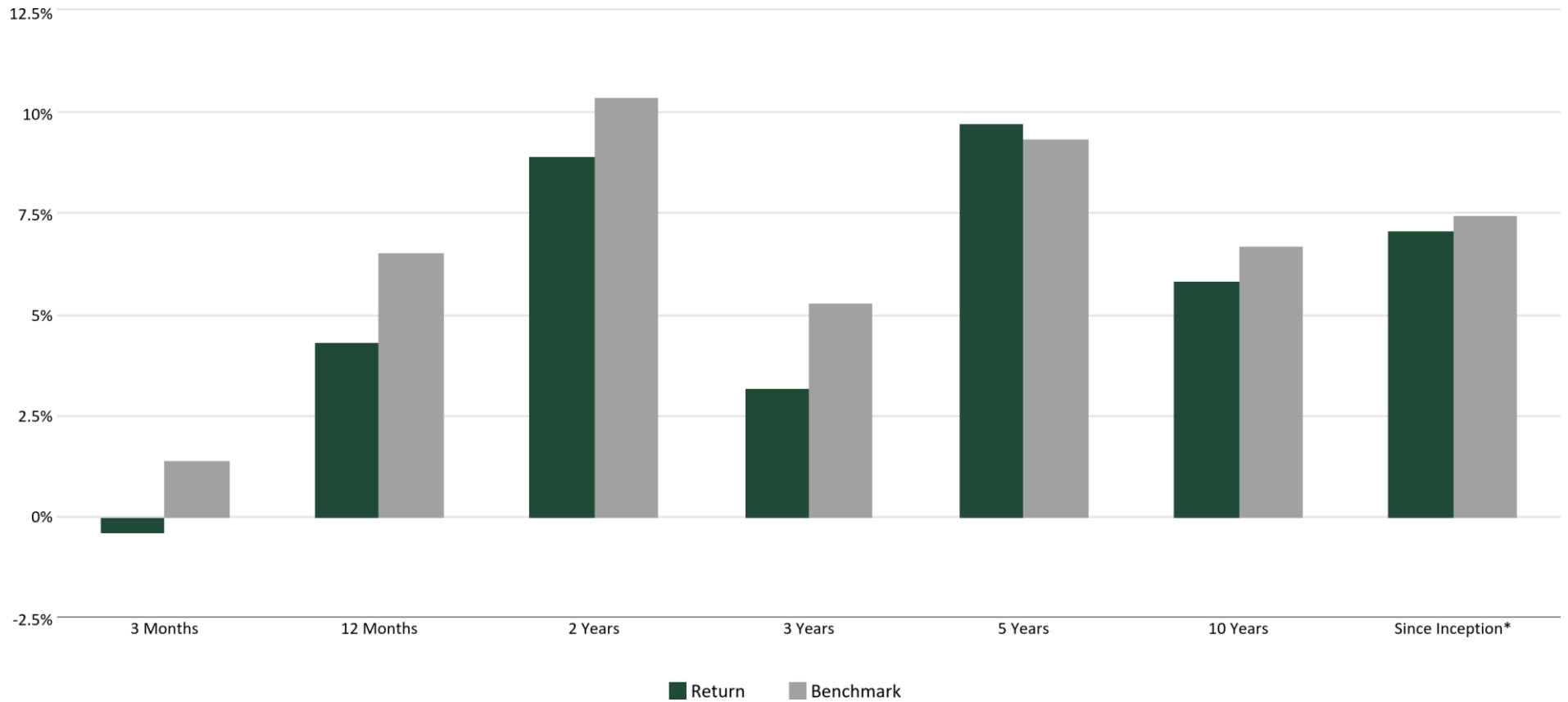
	March 31, 2025		December 31, 2024		Change	
	Market Value	% Held	Market Value	% Held	Market Value	% Held
Cash	58,481.62	0.25%	170,669.24	0.72%	(112,187.62)	(0.47)
Commodities	151,192.80	0.65%	144,552.80	0.61%	6,640.00	0.04%
Equity	12,569,055.00	53.74%	12,957,164.00	54.67%	(388,109.00)	(0.92)
Real Estate (REIT)	1,623,257.20	6.94%	1,595,071.20	6.73%	28,186.00	0.21%
Bonds	8,985,160.00	38.42%	8,835,372.00	37.28%	149,788.00	1.14%

INVESTMENT PERFORMANCE



Western Municipal Water District VEBA Account | Account #254 | As of March 31, 2025

Total Rate of Return Annualized Since Inception | 12/01/2009



	3 Months	12 Months	2 Years	3 Years	5 Years	10 Years	Since Inception
TOTAL RATE OF RETURN							
WMWD VEBA Account	(0.38%)	4.34%	8.94%	3.18%	9.76%	5.86%	7.07%
Benchmark*	1.42%	6.53%	10.39%	5.29%	9.36%	6.73%	7.47%

*Periods over one year are annualized.

Benchmark: 40% ICE BofA US Corporate, Government and Mortgage Index, 35% S&P 500 Index and 25% MSCI EAFE

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.