



● **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:	Summary of Portfolio Performance Report – May 2023
Attachment 2:	Summary of Portfolio Duration Report – May 2023
Attachment 3:	Summary of Portfolio Holding Report – May 2023
Attachment 4:	Summary Report of Investment & Cash Activity – May 2023
Attachment 5:	Credit Quality Compliance Report – May 2023
Attachment 6:	Holding Limit Compliance Report – May 2023
Attachment 7:	Maturity Compliance Report – May 2023



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Date: June 13, 2023
To: Finance, Audit, Insurance, and Real Property Committee
From: Katano Kasaine, Assistant General Manager/Chief Financial Officer
Subject: Treasurer's Monthly Report May 2023

This letter transmits a summary report of investments, cash balances, and performance report with interest and total return, as well as duration comparisons for the end of the reported 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 14, 2022. Metropolitan has sufficient liquidity to pay for the next six months of expenditures.

A handwritten signature in cursive script that reads "Katano Kasaine".

Katano Kasaine

KK: mt

Attachments

Attachment 1
The Metropolitan Water District of Southern California (MWD)
Summary of Portfolio Performance Report
May 31, 2023

	Market Value	Monthly Return			Fiscal YTD Return			Annualized Total Return *Inception-to-Date	
		<u>Interest</u> Return	<u>Total</u> Return (1)	<u>Benchmark</u>	<u>Interest</u> Return	<u>Total</u> Return (1)	<u>Benchmark</u>	<u>MWD</u>	<u>Benchmark</u>
Liquidity	(2) \$ 792,020	0.31%	0.39%	0.39%	2.26%	3.06%	3.12%	1.81%	1.35%
Core	(3) 504,024	0.21%	(0.22%)	(0.50%)	1.71%	0.97%	0.54%	2.93%	2.46%
Liquidity and Core	\$ 1,296,044								
Other Funds	(4) 3,550	0.10%	(0.08%)		0.93%	1.01%		3.85%	
Total	<u>\$ 1,299,594</u>								

(1) Total return includes: (a) interest income from fixed income investments (interest return) and (b) changes in the market price of securities (realized/unrealized gains and/or unrealized losses) over a given evaluation period.

(2) The Liquidity Portfolio Benchmark is the ICE BofAML 3-Month Treasury Bill Index, which serves as a comparative performance metric to the Portfolio's Total Return.

(3) The Core Portfolio Benchmark is the ICE BofAML 1 - 5 Years AAA-A US Corporate and Government Index, which serves as a comparative performance metric to the Portfolio's Total Return.

(4) Lake Mathews Trust; Debt Service Reserve Funds were closed in September 2022.

* Inception Date 5/01/2002

Attachment 2
The Metropolitan Water District of Southern California (MWD)
Summary of Portfolio Duration Report
May 31, 2023

		<u>Market Value</u> (\$ in Thousands)	<u>Minimum</u> <u>Duration</u>	<u>MWD</u> <u>Duration</u>	<u>Maximum</u> <u>Duration</u>	<u>Benchmark</u>
Liquidity	(1)	\$ 792,020	0.00	0.23	0.72	0.22
Core	(2)	<u>504,024</u>	1.08	1.98	4.08	2.58
Liquidity and Core		\$ 1,296,044				
Other Funds	(3)	3,550		1.69		
Total		<u><u>\$ 1,299,594</u></u>				

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

(2) The Core Portfolio Benchmark is the ICE BofAML 1 - 5 years AAA-A US Corporate and Government Index.

(3) Lake Mathews Trust; Debt Service Reserve Funds were closed in September 2022.

Attachment 3
Summary of Portfolio Holding Report
(sorted in descending order by Market Value)
May 31, 2023

(\$ in Thousands)

<u>Securities</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Percent of Portfolio Market Value</u>	<u>Cumulative % of Portfolio</u>
California Asset Management Program	\$ 311,823	\$ 311,823	23.99%	23.99%
United States Treasuries	299,818	293,609	22.59%	46.58%
Medium Term Notes	191,491	187,648	14.44%	61.02%
Negotiable Certificates of Deposit	132,198	131,951	10.15%	71.17%
Federal Agencies	127,033	126,126	9.71%	80.88%
Commercial Paper	122,318	122,254	9.41%	90.29%
Asset-Backed Securities	61,551	60,800	4.68%	94.97%
California Local Agency Investment Fund	25,000	25,000	1.92%	96.89%
Supranationals	17,232	16,762	1.29%	98.18%
Mortgage-Backed Securities	13,725	13,094	1.01%	99.19%
Money Market Funds	8,435	8,435	0.65%	99.84%
Municipals	2,310	2,092	0.16%	100.00%
Bank Deposits	-	-	-	
Bankers' Acceptances	-	-	-	
Repurchase Agreements	-	-	-	
Total Portfolio	\$ 1,312,934	\$ 1,299,594	100.00%	

Attachment 4
Summary Report of Investment & Cash Activity
(sorted alphabetically by security)
May 31, 2023

(Shown at Book Value and \$ in Thousands)

<u>Securities</u>	Beginning Balance	Purchases & Amortization	Sales	Maturities	Ending Balance
Asset-Backed Securities	\$ 62,921	\$ 4,870	\$ 6,240	\$ -	\$ 61,551
Bankers' Acceptances	-	-	-	-	-
California Asset Management Program	270,965	207,550	166,692	-	311,823
California Local Agency Investment Fund	25,000	-	-	-	25,000
Commercial Paper	65,874	56,444	-	-	122,318
Federal Agencies	140,129	104	1,200	12,000	127,033
Medium Term Notes	179,906	29,040	3,000	14,455	191,491
Money Market Funds	220	76,783	68,568	-	8,435
Mortgage-Backed Securities	14,615	-	890	-	13,725
Municipals	2,310	-	-	-	2,310
Negotiable Certificates of Deposit	184,195	3	-	52,000	132,198
Repurchase Agreements	-	-	-	-	-
Supranationals	17,237	-	5	-	17,232
Time Deposits	-	-	-	-	-
United States Treasuries	302,871	11,722	-	14,775	299,818
Subtotals	\$ 1,266,243	\$ 386,516	\$ 246,595	\$ 93,230	\$ 1,312,934
	Beginning Balance	Deposits	Withdrawals	Ending Balance	
Cash					
Demand Accounts	\$ 1	\$ 20,441	\$ -	\$ 20,442	
Petty Cash & Payroll	5			5	
Overnight Investment	-			-	
Subtotals	\$ 6	\$ 20,441	\$ -	\$ 20,447	
Total	\$ 1,266,249	\$ 406,957	\$ 246,595	\$ 93,230	\$ 1,333,381

Attachment 5
Credit Quality Compliance Report
(sorted alphabetically by Security)
May 31, 2023

(\$ in Thousands)

<u>Securities</u>	<u>Credit Quality</u>	<u>Market Value</u>	<u>Meets Policy Credit Requirement</u>
Asset-Backed Securities	"AA or higher"	\$ 60,800	yes
Bank Deposits	Collateralized/FDIC Insured	-	n/a
Bankers' Acceptances	"A-1 or higher"	-	n/a
California Asset Management Program (1)	"AAAm or higher"	311,823	yes
California Local Agency Investment Fund	N/A	25,000	yes
Commercial Paper	"A1/P1 or higher"	122,254	yes
Federal Agencies (2)	N/A	126,126	yes
Medium Term Notes	"A or higher"	187,648	yes
Money Market Funds	"AAAm"	8,435	yes
Mortgage-Backed Securities	"AAA"	13,094	yes
Municipals	"A or higher"	2,092	yes
Negotiable Certificates of Deposit	"A-1 or higher"	131,951	yes
Repurchase Agreements	"AAA"	-	n/a
Supranationals	"AA or higher"	16,762	yes
United States Treasuries (2,3)	N/A	293,609	yes
Total Portfolio		<u><u>\$ 1,299,594</u></u>	

- (1) The California Asset Management Program is a program created through a joint powers agency as a pooled short-term portfolio and cash management vehicle for California public agencies. CAMP is a permitted investment for all local agencies under California Government Code Section 53601(p).
- (2) Federal Agencies and United States Treasuries are rated 'AAA' by two nationally recognized rating agencies and 'AA+' by one nationally recognized rating agency.
- (3) Securities have an explicit United States Government guarantee.

Attachment 6
Holding Limit Compliance Report
(sorted in descending order by Holding Limit)
May 31, 2023

(\$ in Thousands)

<u>Securities</u>	<u>Market Value</u>	<u>Percent of Portfolio Market Value</u>	<u>Holding Limits</u>
Federal Agencies	\$ 126,126	9.71%	100%
Mortgage-Backed Securities	13,094	1.01%	100%
United States Treasuries	293,609	22.59%	100%
Bankers' Acceptances	-	-	40%
California Asset Management Program	311,823	23.99%	40%
Commercial Paper	122,254	9.41%	40%
Bank Deposits	-	-	30%
Medium Term Notes	187,648	14.44%	30%
Municipals	2,092	0.16%	30%
Negotiable Certificates of Deposit	131,951	10.15%	30%
Supranationals	16,762	1.29%	30%
Asset-Backed Securities	60,800	4.68%	20%
Money Market Funds	8,435	0.65%	20%
Repurchase Agreements	(1) -	-	20%
California Local Agency Investment Fund	(2) 25,000	1.92%	N/A
Total Portfolio	<u>\$ 1,299,594</u>	<u>100.00%</u>	

(1) Repurchase agreements can only be executed with primary dealers and collateral consists of Treasuries and/or Federal Agencies with maturities under 5 years.

(2) \$75 million maximum allowed by California Local Agency Investment Fund for Operating Accounts.

Attachment 7
Maturity Compliance Report
(sorted alphabetically by Security)
May 31, 2023

(weighted average maturity in years)

<u>Securities</u>		<u>Liquidity Portfolio</u>	<u>Core Portfolio</u>	<u>Other Funds</u>	<u>Maximum Maturity</u>	<u>Compliance (3)</u>
Asset-Backed Securities		1.962	3.953	-	5.00	yes
Bankers' Acceptances		-	-	-	0.49	n/a
California Asset Management Program		0.003	-	-	N/A	yes
California Local Agency Investment Fund		0.003	-	-	N/A	yes
Commercial Paper		0.179	0.260	-	0.74	yes
Federal Agencies	(1,2)	0.508	2.022	0.332	5.00	yes
Medium Term Notes		0.797	3.227	-	5.00	yes
Money Market Funds		0.003	0.003	0.003	N/A	yes
Mortgage-Backed Securities		-	2.315	-	5.00	yes
Municipals	(2)	-	2.827	-	5.00	yes
Negotiable Certificates of Deposit		0.381	0.778	-	5.00	yes
Repurchase Agreements		-	-	-	0.74	n/a
Supranationals		0.079	1.627	-	5.00	yes
United States Treasuries	(1,2)	0.373	2.142	3.570	5.00	yes
Weighted Average Maturity		0.326	2.296	1.825		

(1) The Core Portfolio may be invested in Federal Agency and United States Treasury securities with maturities in excess of five years.

(2) The Treasurer is authorized to invest special trust funds in investment with a term to maximum maturity in excess of five years. These funds included, but are not limited to, the Water Revenue Bond Reserve Funds, Debt Service Funds, the Iron Mountain Landfill Closure/Post-Closure Maintenance Trust Fund, and the Lake Mathews Multi-Species Reserve Trust Fund.

(3) While the Maturity Compliance Report displays the weighted average maturity by security type, the response regarding compliance to the investment policy is at the individual security level.