



● **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 – November 2021
Attachment 2:	Summary of Portfolio Duration Report – November 2021
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THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Date: December 13, 2021
To: Finance and Insurance Committee
From: Katano Kasaine, Assistant General Manager/Chief Financial Officer
Subject: Treasurer's Monthly Report November 2021

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 8, 2021. Metropolitan has sufficient liquidity to pay for the next six months of expenditures.

Katano Kasaine

Katano Kasaine

KK:mt

Attachments

Attachment 1
The Metropolitan Water District of Southern California (MWD)
Summary of Portfolio Performance Report
November 30, 2021

	Market Value	Monthly Return			Fiscal YTD Return			Annualized Total Return *Inception-to-Date	
		<u>(\$ in Thousands)</u>	<u>Interest</u> <u>Return</u>	<u>Total</u> <u>Return (1)</u>	<u>Benchmark</u>	<u>Interest</u> <u>Return</u>	<u>Total</u> <u>Return (1)</u>	<u>Benchmark</u>	<u>MWD</u>
Liquidity	(2) \$ 1,152,552	0.05%	0.01%	0.01%	0.23%	0.04%	0.02%	1.81%	1.29%
Core	(3) <u>195,523</u>	0.14%	(0.01%)	0.02%	0.63%	(0.48%)	(0.44%)	3.33%	2.86%
Liquidity and Core	\$ 1,348,075								
Other Funds	(4) 5,412	0.03%	0.12%		0.23%	0.04%		4.24%	
Total	<u>\$ 1,353,487</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) Debt Service Reserve Funds and Lake Mathews Trust.

* Inception Date 5/01/2002

Attachment 2
The Metropolitan Water District of Southern California (MWD)
Summary of Portfolio Duration Report
November 30, 2021

		<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)	\$ 1,152,552	0.00	0.47	0.73	0.23
Core	(2)	<u>195,523</u>	1.19	2.40	4.19	2.69
Liquidity and Core		\$ 1,348,075				
Other Funds	(3)	5,412		1.93		
Total		<u><u>\$ 1,353,487</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) Debt Service Reserve Funds and Lake Mathews Trust.

* Inception Date 5/01/2002

Attachment 3
Summary of Portfolio Holding Report
(sorted in descending order by Market Value)
November 30, 2021

(\$ 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>
Medium Term Notes	\$ 230,212	\$ 229,959	16.99%	16.99%
Negotiable Certificates of Deposit	229,129	229,079	16.93%	33.92%
California Asset Management Program	202,769	202,769	14.98%	48.90%
United States Treasuries	190,548	189,758	14.02%	62.92%
Commercial Paper	172,089	172,080	12.71%	75.63%
Asset-Backed Securities	92,840	92,699	6.85%	82.48%
Supranationals	85,187	85,025	6.28%	88.76%
California Local Agency Investment Fund	75,000	75,000	5.54%	94.30%
Federal Agencies	41,568	41,484	3.06%	97.36%
Mortgage-Backed Securities	26,454	26,448	1.96%	99.32%
Money Market Funds	4,827	4,827	0.36%	99.68%
Municipals	4,116	4,359	0.32%	100.00%
Bank Deposits	-	-	-	
Bankers' Acceptances	-	-	-	
Repurchase Agreements	-	-	-	
Total Portfolio	\$ 1,354,739	\$ 1,353,487	100.00%	

Attachment 4
Summary Report of Investment & Cash Activity
(sorted alphabetically by security)
November 30, 2021

(Shown at Book Value and \$ in Thousands)

<u>Securities</u>	Beginning Balance	Purchases & Amortization	Sales	Maturities	Ending Balance
Asset-Backed Securities	\$ 87,123	\$ 8,403	\$ 2,686	\$ -	\$ 92,840
Bankers' Acceptances	-	-	-	-	-
California Asset Management Program	226,865	151,178	175,274	-	202,769
California Local Agency Investment Fund	75,000	-	-	-	75,000
Commercial Paper	149,108	39,979	16,998	-	172,089
Federal Agencies	41,571	-	3	-	41,568
Medium Term Notes	167,153	63,059	-	-	230,212
Money Market Funds	876	6,032	2,081	-	4,827
Mortgage-Backed Securities	30,414	-	3,960	-	26,454
Municipals	3,799	317	-	-	4,116
Negotiable Certificates of Deposit	233,380	19,999	19,250	5,000	229,129
Repurchase Agreements	-	-	-	-	-
Supranationals	85,168	10,034	10,015	-	85,187
Time Deposits	-	-	-	-	-
United States Treasuries	185,919	20,869	1,203	15,037	190,548
Subtotals	\$ 1,286,376	\$ 319,870	\$ 231,470	\$ 20,037	\$ 1,354,739
	Beginning Balance	Deposits		Withdrawals	Ending Balance
<u>Cash</u>					
Demand Accounts	\$ 45	3,852			3,897
Petty Cash & Payroll	5				5
Overnight Investment	-				-
Subtotals	\$ 50	\$ 3,852	\$ -	\$ -	\$ 3,902
Total	\$ 1,286,426	\$ 323,722	\$ 231,470	\$ 20,037	\$ 1,358,641

Attachment 5
Credit Quality Compliance Report
(sorted alphabetically by Security)
November 30, 2021

(\$ 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"	\$ 92,699	yes
Bank Deposits	Collateralized/FDIC Insured	-	n/a
Bankers' Acceptances	"A-1 or higher"	-	n/a
California Asset Management Program (1)	"AAAm or higher"	202,769	yes
California Local Agency Investment Fund	N/A	75,000	yes
Commercial Paper	"A1/P1 or higher"	172,080	yes
Federal Agencies (2)	N/A	41,484	yes
Medium Term Notes	"A or higher"	229,959	yes
Money Market Funds	"AAA"	4,827	yes
Mortgage-Backed Securities	"AAA"	26,448	yes
Municipals	"A or higher"	4,359	yes
Negotiable Certificates of Deposit	"A-1 or higher"	229,079	yes
Repurchase Agreements	"AAA"	-	n/a
Supranationals	"AA or higher"	85,025	yes
United States Treasuries (2,3)	N/A	189,758	yes
 Total Portfolio		<u><u>\$ 1,353,487</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)
November 30, 2021

(\$ in Thousands)

<u>Securities</u>	<u>Market Value</u>	<u>Percent of Portfolio Market Value</u>	<u>Holding Limits</u>
Federal Agencies	\$ 41,484	3.06%	100%
Mortgage-Backed Securities	26,448	1.96%	100%
United States Treasuries	189,758	14.02%	100%
Bankers' Acceptances	-	-	40%
California Asset Management Program	202,769	14.98%	40%
Commercial Paper	172,080	12.71%	40%
Bank Deposits	-	-	30%
Medium Term Notes	229,959	16.99%	30%
Municipals	4,359	0.32%	30%
Negotiable Certificates of Deposit	229,079	16.93%	30%
Supranationals	85,025	6.28%	30%
Asset-Backed Securities	92,699	6.85%	20%
Money Market Funds	4,827	0.36%	20%
Repurchase Agreements	(1) -	-	20%
California Local Agency Investment Fund	(2) 75,000	5.54%	N/A
Total Portfolio	<u>\$ 1,353,487</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)
November 30, 2021

(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		2.312	4.115	-	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		0.310	-	-	0.74	yes
Federal Agencies	(1,2)	1.452	-	1.200	5.00	yes
Medium Term Notes		0.597	3.258	-	5.00	yes
Money Market Funds		0.003	0.003	0.003	N/A	yes
Mortgage-Backed Securities		-	1.362	-	5.00	yes
Municipals	(2)	2.668	4.326	2.277	5.00	yes
Negotiable Certificates of Deposit		0.492	-	-	5.00	yes
Repurchase Agreements		-	-	-	0.74	n/a
Supranationals		0.849	2.466	-	5.00	yes
United States Treasuries	(1,2)	1.276	2.652	3.282	5.00	yes
Weighted Average Maturity		0.614	2.614	1.940		

(1) The core portfolio may be invested in Federal Agency and United States Treasury securities with maturities in excess 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.