



## ● **Treasurer's Monthly Report**

### **Summary**

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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**

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Administrative Code Requirement Section 5114

### **Attachments**

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Attachment 1:	Summary of Portfolio Performance Report – January 2022
Attachment 2:	Summary of Portfolio Duration Report – January 2022
Attachment 3:	Summary of Portfolio Holding Report – January 2022
Attachment 4:	Summary Report of Investment & Cash Activity – January 2022
Attachment 5:	Credit Quality Compliance Report – January 2022
Attachment 6:	Holding Limit Compliance Report – January 2022
Attachment 7:	Maturity Compliance Report – January 2022



THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

**Date:** February 7, 2022  
**To:** Finance and Insurance Committee  
**From:** Katano Kasaine, Assistant General Manager/Chief Financial Officer  
**Subject:** Treasurer's Monthly Report January 2022

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**  
**January 31, 2022**

	Market Value	Monthly Return			Fiscal YTD Return			Annualized Total Return *Inception-to-Date	
		<u>(\$ in Thousands)</u>	<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>
Liquidity	(2) \$ 1,164,308	0.05%	(0.07%)	0.00%	0.33%	(0.04%)	0.02%	1.78%	1.27%
Core	(3) <u>193,297</u>	0.11%	(0.90%)	(0.94%)	0.84%	(1.57%)	(1.61%)	3.24%	2.78%
Liquidity and Core	\$ 1,357,605								
Other Funds	(4) 5,333	0.02%	(0.75%)		0.27%	(0.86%)		4.15%	
Total	<u>\$ 1,362,938</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**  
**January 31, 2022**

		<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)	\$ 1,164,308	0.00	0.48	0.74	0.24
Core	(2)	<u>193,297</u>	1.14	2.48	4.14	2.64
Liquidity and Core		\$ 1,357,605				
Other Funds	(3)	5,333		1.78		
Total		<u><u>\$ 1,362,938</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 )  
**January 31, 2022**

(\$ 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>
United States Treasuries	\$ 300,311	\$ 297,416	21.82%	21.82%
Negotiable Certificates of Deposit	241,003	240,725	17.66%	39.48%
Medium Term Notes	192,949	191,787	14.07%	53.55%
Commercial Paper	187,036	186,960	13.72%	67.27%
California Asset Management Program	134,150	134,150	9.84%	77.11%
Asset-Backed Securities	102,449	102,106	7.49%	84.60%
California Local Agency Investment Fund	75,000	75,000	5.51%	90.11%
Supranationals	70,080	69,659	5.11%	95.22%
Federal Agencies	41,560	41,301	3.03%	98.25%
Mortgage-Backed Securities	18,909	18,703	1.37%	99.62%
Municipals	3,952	4,107	0.30%	99.92%
Money Market Funds	1,024	1,024	0.08%	100.00%
Bank Deposits	-	-	-	
Bankers' Acceptances	-	-	-	
Repurchase Agreements	-	-	-	
<b>Total Portfolio</b>	<b>\$ 1,368,423</b>	<b>\$ 1,362,938</b>	<b>100.00%</b>	

Attachment 4  
**Summary Report of Investment & Cash Activity**  
(sorted alphabetically by security)  
**January 31, 2022**

(Shown at Book Value and \$ in Thousands)

<u>Securities</u>	<b>Beginning Balance</b>	<b>Purchases &amp; Amortization</b>	<b>Sales</b>	<b>Maturities</b>	<b>Ending Balance</b>
Asset-Backed Securities	\$ 94,615	\$ 11,874	\$ 4,040	\$ -	\$ 102,449
Bankers' Acceptances	-	-	-	-	-
California Asset Management Program	210,226	162,115	238,191	-	134,150
California Local Agency Investment Fund	75,000	-	-	-	75,000
Commercial Paper	197,040	29,992	29,996	10,000	187,036
Federal Agencies	41,564	-	4	-	41,560
Medium Term Notes	214,071	6,713	5,708	22,127	192,949
Money Market Funds	4,179	256	3,411	-	1,024
Mortgage-Backed Securities	19,386	-	477	-	18,909
Municipals	3,944	8	-	-	3,952
Negotiable Certificates of Deposit	260,288	40,000	20,000	39,285	241,003
Repurchase Agreements	-	-	-	-	-
Supranationals	90,166	-	86	20,000	70,080
Time Deposits	-	-	-	-	-
United States Treasuries	268,472	31,839	-	-	300,311
<b>Subtotals</b>	<b>\$ 1,478,951</b>	<b>\$ 282,797</b>	<b>\$ 301,913</b>	<b>\$ 91,412</b>	<b>\$ 1,368,423</b>
	Beginning Balance	Deposits	Withdrawals	Ending Balance	
<b>Cash</b>					
Demand Accounts	\$ 82	429		511	
Petty Cash & Payroll	5			5	
Overnight Investment	-			-	
<b>Subtotals</b>	<b>\$ 87</b>	<b>\$ 429</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 516</b>
<b>Total</b>	<b>\$ 1,479,038</b>	<b>\$ 283,226</b>	<b>\$ 301,913</b>	<b>\$ 91,412</b>	<b>\$ 1,368,939</b>

Attachment 5  
**Credit Quality Compliance Report**  
**(sorted alphabetically by Security)**  
**January 31, 2022**

(\$ 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"	\$ 102,106	yes
Bank Deposits		Collateralized/FDIC Insured	-	n/a
Bankers' Acceptances		"A-1 or higher"	-	n/a
California Asset Management Program	(1)	"AAAm or higher"	134,150	yes
California Local Agency Investment Fund		N/A	75,000	yes
Commercial Paper		"A1/P1 or higher"	186,960	yes
Federal Agencies	(2)	N/A	41,301	yes
Medium Term Notes		"A or higher"	191,787	yes
Money Market Funds		"AAA"	1,024	yes
Mortgage-Backed Securities		"AAA"	18,703	yes
Municipals		"A or higher"	4,107	yes
Negotiable Certificates of Deposit		"A-1 or higher"	240,725	yes
Repurchase Agreements		"AAA"	-	n/a
Supranationals		"AA or higher"	69,659	yes
United States Treasuries	(2,3)	N/A	297,416	yes
 Total Portfolio			<u><u>\$ 1,362,938</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)  
**January 31, 2022**

(\$ in Thousands)

<u>Securities</u>	<u>Market Value</u>	<u>Percent of Portfolio Market Value</u>	<u>Holding Limits</u>
Federal Agencies	\$ 41,301	3.03%	100%
Mortgage-Backed Securities	18,703	1.37%	100%
United States Treasuries	297,416	21.82%	100%
Bankers' Acceptances	-	-	40%
California Asset Management Program	134,150	9.84%	40%
Commercial Paper	186,960	13.72%	40%
Bank Deposits	-	-	30%
Medium Term Notes	191,787	14.07%	30%
Municipals	4,107	0.30%	30%
Negotiable Certificates of Deposit	240,725	17.66%	30%
Supranationals	69,659	5.11%	30%
Asset-Backed Securities	102,106	7.49%	20%
Money Market Funds	1,024	0.08%	20%
Repurchase Agreements	(1) -	-	20%
California Local Agency Investment Fund	(2) 75,000	5.51%	N/A
Total Portfolio	<u>\$ 1,362,938</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)  
**January 31, 2022**

(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		2.282	3.945	-	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		0.288	-	-	0.74	yes
Federal Agencies	(1,2)	1.282	-	1.030	5.00	yes
Medium Term Notes		0.655	3.247	-	5.00	yes
Money Market Funds		0.003	0.003	0.003	N/A	yes
Mortgage-Backed Securities		-	1.638	-	5.00	yes
Municipals	(2)	2.499	4.156	2.499	5.00	yes
Negotiable Certificates of Deposit		0.439	-	-	5.00	yes
Repurchase Agreements		-	-	-	0.74	n/a
Supranationals		0.923	2.296	-	5.00	yes
United States Treasuries	(1,2)	0.861	2.608	3.112	5.00	yes
Weighted Average Maturity		0.636	2.704	1.805		

(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.