



● 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 – March 2022
Attachment 2:	Summary of Portfolio Duration Report – March 2022
Attachment 3:	Summary of Portfolio Holding Report – March 2022
Attachment 4:	Summary Report of Investment & Cash Activity – March 2022
Attachment 5:	Credit Quality Compliance Report – March 2022
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THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Date: April 11, 2022
To: Finance and Insurance Committee
From: Katano Kasaine, Assistant General Manager/Chief Financial Officer
Subject: Treasurer's Monthly Report March 2022

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

Katano Kasaine

Katano Kasaine

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Attachments

Attachment 1
The Metropolitan Water District of Southern California (MWD)
Summary of Portfolio Performance Report
March 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) \$ 1,172,025	0.06%	(0.11%)	0.03%	0.44%	(0.19%)	0.07%	1.76%	1.27%
Core	(3) <u>189,080</u>	0.11%	(1.73%)	(1.85%)	1.05%	(3.72%)	(3.89%)	3.10%	2.63%
Liquidity and Core	\$ 1,361,105								
Other Funds	(4) 5,264	0.02%	(1.05%)		0.32%	(2.17%)		4.05%	
Total	<u>\$ 1,366,369</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
March 31, 2022

		Market Value (\$ in Thousands)	Minimum Duration	MWD Duration	Maximum Duration	Benchmark
Liquidity	(1)	\$ 1,172,025	0.00	0.43	0.75	0.25
Core	(2)	<u>189,080</u>	1.14	2.34	4.14	2.64
Liquidity and Core		\$ 1,361,105				
Other Funds	(3)	5,264		1.62		
Total		<u><u>\$ 1,366,369</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)
March 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	\$ 301,223	\$ 294,876	21.58%	21.58%
Negotiable Certificates of Deposit	244,366	243,539	17.82%	39.40%
Medium Term Notes	222,295	219,311	16.05%	55.45%
California Asset Management Program	162,923	162,923	11.92%	67.37%
Commercial Paper	141,997	141,775	10.38%	77.75%
Asset-Backed Securities	98,660	97,751	7.16%	84.91%
California Local Agency Investment Fund	75,000	75,000	5.49%	90.40%
Supranationals	69,953	69,134	5.06%	95.46%
Federal Agencies	41,553	41,031	3.00%	98.46%
Mortgage-Backed Securities	16,313	15,808	1.16%	99.62%
Municipals	3,237	3,163	0.23%	99.85%
Money Market Funds	2,058	2,058	0.15%	100.00%
Bank Deposits	-	-	-	
Bankers' Acceptances	-	-	-	
Repurchase Agreements	-	-	-	
Total Portfolio	\$ 1,379,578	\$ 1,366,369	100.00%	

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

(Shown at Book Value and \$ in Thousands)

<u>Securities</u>	Beginning Balance	Purchases & Amortization	Sales	Maturities	Ending Balance
Asset-Backed Securities	\$ 103,402	\$ 1,349	\$ 6,091	\$ -	\$ 98,660
Bankers' Acceptances	-	-	-	-	-
California Asset Management Program	173,425	109,314	119,816	-	162,923
California Local Agency Investment Fund	75,000	-	-	-	75,000
Commercial Paper	167,031	16,966	-	42,000	141,997
Federal Agencies	41,557	-	4	-	41,553
Medium Term Notes	191,374	41,322	-	10,401	222,295
Money Market Funds	25,869	4,065	27,876	-	2,058
Mortgage-Backed Securities	17,210	-	897	-	16,313
Municipals	3,232	5	-	-	3,237
Negotiable Certificates of Deposit	259,366	15,000	-	30,000	244,366
Repurchase Agreements	-	-	-	-	-
Supranationals	70,017	-	64	-	69,953
Time Deposits	-	-	-	-	-
United States Treasuries	300,970	253	-	-	301,223
Subtotals	\$ 1,428,453	\$ 188,274	\$ 154,748	\$ 82,401	\$ 1,379,578
	Beginning Balance	Deposits		Withdrawals	Ending Balance
Cash					
Demand Accounts	\$ 1	318			319
Petty Cash & Payroll	5				5
Overnight Investment	-				-
Subtotals	\$ 6	\$ 318	\$ -	\$ -	\$ 324
Total	\$ 1,428,459	\$ 188,592	\$ 154,748	\$ 82,401	\$ 1,379,902

Attachment 5
Credit Quality Compliance Report
(sorted alphabetically by Security)
March 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"	\$ 97,751	yes
Bank Deposits		Collateralized/FDIC Insured	-	n/a
Bankers' Acceptances		"A-1 or higher"	-	n/a
California Asset Management Program	(1)	"AAAm or higher"	162,923	yes
California Local Agency Investment Fund		N/A	75,000	yes
Commercial Paper		"A1/P1 or higher"	141,775	yes
Federal Agencies	(2)	N/A	41,031	yes
Medium Term Notes		"A or higher"	219,311	yes
Money Market Funds		"AAA"	2,058	yes
Mortgage-Backed Securities		"AAA"	15,808	yes
Municipals		"A or higher"	3,163	yes
Negotiable Certificates of Deposit		"A-1 or higher"	243,539	yes
Repurchase Agreements		"AAA"	-	n/a
Supranationals		"AA or higher"	69,134	yes
United States Treasuries	(2,3)	N/A	294,876	yes
Total Portfolio			\$ 1,366,369	

- (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)
March 31, 2022

(\$ in Thousands)

<u>Securities</u>	<u>Market Value</u>	<u>Percent of Portfolio Market Value</u>	<u>Holding Limits</u>
Federal Agencies	\$ 41,031	3.00%	100%
Mortgage-Backed Securities	15,808	1.16%	100%
United States Treasuries	294,876	21.58%	100%
Bankers' Acceptances	-	-	40%
California Asset Management Program	162,923	11.92%	40%
Commercial Paper	141,775	10.38%	40%
Bank Deposits	-	-	30%
Medium Term Notes	219,311	16.05%	30%
Municipals	3,163	0.23%	30%
Negotiable Certificates of Deposit	243,539	17.82%	30%
Supranationals	69,134	5.06%	30%
Asset-Backed Securities	97,751	7.16%	20%
Money Market Funds	2,058	0.15%	20%
Repurchase Agreements (1)	-	-	20%
California Local Agency Investment Fund (2)	75,000	5.49%	N/A
Total Portfolio	<u>\$ 1,366,369</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)
March 31, 2022

(weighted average maturity in years)

<u>Securities</u>	<u>Liquidity</u>	<u>Core</u>	<u>Other</u>	<u>Maximum</u>	<u>Compliance (3)</u>
	<u>Portfolio</u>	<u>Portfolio</u>	<u>Funds</u>	<u>Maturity</u>	
Asset-Backed Securities	2.192	3.784	-	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	0.271	-	-	0.74	yes
Federal Agencies	(1,2) 1.121	-	0.868	5.00	yes
Medium Term Notes	0.682	3.137	-	5.00	yes
Money Market Funds	0.003	0.003	0.003	N/A	yes
Mortgage-Backed Securities	-	1.677	-	5.00	yes
Municipals	(2) -	3.995	2.337	5.00	yes
Negotiable Certificates of Deposit	0.414	-	-	5.00	yes
Repurchase Agreements	-	-	-	0.74	n/a
Supranationals	0.762	2.134	-	5.00	yes
United States Treasuries	(1,2) 0.705	2.452	2.951	5.00	yes
Weighted Average Maturity	0.581	2.578	1.666		

(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.