



● **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 – April 2022 |
| Attachment 2: | Summary of Portfolio Duration Report – April 2022 |
| Attachment 3: | Summary of Portfolio Holding Report – April 2022 |
| Attachment 4: | Summary Report of Investment & Cash Activity – April 2022 |
| Attachment 5: | Credit Quality Compliance Report – April 2022 |
| Attachment 6: | Holding Limit Compliance Report – April 2022 |
| Attachment 7: | Maturity Compliance Report – April 2022 |



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Date: May 9, 2022
To: Finance and Insurance Committee
From: Katano Kasaine, Assistant General Manager/Chief Financial Officer
Subject: Treasurer's Monthly Report April 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.

A handwritten signature in blue ink that reads "Katano Kasaine".

Katano Kasaine

KK:mt

Attachments

Attachment 1
The Metropolitan Water District of Southern California (MWD)
Summary of Portfolio Performance Report
April 30, 2022

| | 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) \$ 1,237,217 | 0.06% | (0.02%) | 0.01% | 0.50% | (0.20%) | 0.08% | 1.75% | 1.26% |
| Core | (3) 187,435 | 0.11% | (0.83%) | (0.93%) | 1.16% | (4.52%) | (4.78%) | 3.04% | 2.57% |
| Liquidity and Core | \$ 1,424,652 | | | | | | | | |
| Other Funds | (4) 5,223 | 0.03% | (0.55%) | | 0.34% | (2.71%) | | 4.01% | |
| Total | <u>\$ 1,429,875</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
April 30, 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) | \$ 1,237,217 | 0.00 | 0.36 | 0.74 | 0.24 |
| Core | (2) | <u>187,435</u> | 1.12 | 2.29 | 4.12 | 2.62 |
| Liquidity and Core | | \$ 1,424,652 | | | | |
| Other Funds | (3) | 5,223 | | 1.54 | | |
| Total | | <u><u>\$ 1,429,875</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)
April 30, 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 | \$ 291,148 | \$ 283,724 | 19.84% | 19.84% |
| Negotiable Certificates of Deposit | 237,367 | 236,414 | 16.53% | 36.37% |
| Medium Term Notes | 219,917 | 216,066 | 15.11% | 51.48% |
| California Asset Management Program | 206,041 | 206,041 | 14.41% | 65.89% |
| Commercial Paper | 188,768 | 188,497 | 13.18% | 79.07% |
| Asset-Backed Securities | 93,268 | 92,306 | 6.46% | 85.53% |
| California Local Agency Investment Fund | 75,000 | 75,000 | 5.25% | 90.78% |
| Supranationals | 69,890 | 68,948 | 4.82% | 95.60% |
| Federal Agencies | 41,549 | 40,960 | 2.86% | 98.46% |
| Mortgage-Backed Securities | 15,972 | 15,389 | 1.08% | 99.54% |
| Money Market Funds | 3,398 | 3,398 | 0.24% | 99.78% |
| Municipals | 3,241 | 3,132 | 0.22% | 100.00% |
| Bank Deposits | - | - | - | |
| Bankers' Acceptances | - | - | - | |
| Repurchase Agreements | - | - | - | |
| Total Portfolio | \$ 1,445,559 | \$ 1,429,875 | 100.00% | |

Attachment 4
Summary Report of Investment & Cash Activity
(sorted alphabetically by security)
April 30, 2022

(Shown at Book Value and \$ in Thousands)

| <u>Securities</u> | Beginning Balance | Purchases & Amortization | Sales | Maturities | Ending Balance |
|---|------------------------------|---|-------------------|-------------------|---------------------------|
| Asset-Backed Securities | \$ 98,660 | \$ 2,029 | \$ 7,421 | \$ - | \$ 93,268 |
| Bankers' Acceptances | - | - | - | - | - |
| California Asset Management Program | 162,923 | 162,523 | 119,405 | - | 206,041 |
| California Local Agency Investment Fund | 75,000 | - | - | - | 75,000 |
| Commercial Paper | 141,997 | 66,771 | - | 20,000 | 188,768 |
| Federal Agencies | 41,553 | - | 4 | - | 41,549 |
| Medium Term Notes | 222,295 | 7,179 | 9,557 | - | 219,917 |
| Money Market Funds | 2,058 | 2,374 | 1,034 | - | 3,398 |
| Mortgage-Backed Securities | 16,313 | - | 341 | - | 15,972 |
| Municipals | 3,237 | 4 | - | - | 3,241 |
| Negotiable Certificates of Deposit | 244,366 | 1 | - | 7,000 | 237,367 |
| Repurchase Agreements | - | - | - | - | - |
| Supranationals | 69,953 | - | 63 | - | 69,890 |
| Time Deposits | - | - | - | - | - |
| United States Treasuries | 301,223 | - | 75 | 10,000 | 291,148 |
| Subtotals | \$ 1,379,578 | \$ 240,881 | \$ 137,900 | \$ 37,000 | \$ 1,445,559 |
| | Beginning Balance | Deposits | Withdrawals | Ending Balance | |
| <u>Cash</u> | | | | | |
| Demand Accounts | \$ 319 | | 318 | 1 | |
| Petty Cash & Payroll | 5 | | | 5 | |
| Overnight Investment | - | | | - | |
| Subtotals | \$ 324 | \$ - | \$ - | \$ 318 | \$ 6 |
| Total | \$ 1,379,902 | \$ 240,881 | \$ 137,900 | \$ 37,318 | \$ 1,445,565 |

Attachment 5
Credit Quality Compliance Report
(sorted alphabetically by Security)
April 30, 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" | \$ 92,306 | yes |
| Bank Deposits | | Collateralized/FDIC Insured | - | n/a |
| Bankers' Acceptances | | "A-1 or higher" | - | n/a |
| California Asset Management Program | (1) | "AAAm or higher" | 206,041 | yes |
| California Local Agency Investment Fund | | N/A | 75,000 | yes |
| Commercial Paper | | "A1/P1 or higher" | 188,497 | yes |
| Federal Agencies | (2) | N/A | 40,960 | yes |
| Medium Term Notes | | "A or higher" | 216,066 | yes |
| Money Market Funds | | "AAA" | 3,398 | yes |
| Mortgage-Backed Securities | | "AAA" | 15,389 | yes |
| Municipals | | "A or higher" | 3,132 | yes |
| Negotiable Certificates of Deposit | | "A-1 or higher" | 236,414 | yes |
| Repurchase Agreements | | "AAA" | - | n/a |
| Supranationals | | "AA or higher" | 68,948 | yes |
| United States Treasuries | (2,3) | N/A | 283,724 | yes |
| Total Portfolio | | | \$ 1,429,875 | |

- (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)
April 30, 2022

(\$ in Thousands)

| <u>Securities</u> | <u>Market Value</u> | <u>Percent of Portfolio Market Value</u> | <u>Holding Limits</u> |
|---|---------------------|--|-----------------------|
| Federal Agencies | \$ 40,960 | 2.86% | 100% |
| Mortgage-Backed Securities | 15,389 | 1.08% | 100% |
| United States Treasuries | 283,724 | 19.84% | 100% |
| Bankers' Acceptances | - | - | 40% |
| California Asset Management Program | 206,041 | 14.41% | 40% |
| Commercial Paper | 188,497 | 13.18% | 40% |
| Bank Deposits | - | - | 30% |
| Medium Term Notes | 216,066 | 15.11% | 30% |
| Municipals | 3,132 | 0.22% | 30% |
| Negotiable Certificates of Deposit | 236,414 | 16.53% | 30% |
| Supranationals | 68,948 | 4.82% | 30% |
| Asset-Backed Securities | 92,306 | 6.46% | 20% |
| Money Market Funds | 3,398 | 0.24% | 20% |
| Repurchase Agreements | (1) - | - | 20% |
| California Local Agency Investment Fund | (2) 75,000 | 5.25% | N/A |
| Total Portfolio | <u>\$ 1,429,875</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)
April 30, 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 | | 2.153 | 3.701 | - | 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 | | 0.208 | - | - | 0.74 | yes |
| Federal Agencies | (1,2) | 1.038 | - | 0.786 | 5.00 | yes |
| Medium Term Notes | | 0.625 | 3.189 | - | 5.00 | yes |
| Money Market Funds | | 0.003 | 0.003 | 0.003 | N/A | yes |
| Mortgage-Backed Securities | | - | 1.608 | - | 5.00 | yes |
| Municipals | (2) | - | 3.912 | 2.255 | 5.00 | yes |
| Negotiable Certificates of Deposit | | 0.343 | - | - | 5.00 | yes |
| Repurchase Agreements | | - | - | - | 0.74 | n/a |
| Supranationals | | 0.679 | 2.052 | - | 5.00 | yes |
| United States Treasuries | (1,2) | 0.659 | 2.370 | 2.868 | 5.00 | yes |
| Weighted Average Maturity | | 0.493 | 2.540 | 1.597 | | |

- (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.