



● **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 – June 2022
Attachment 2:	Summary of Portfolio Duration Report – June 2022
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Attachment 4:	Summary Report of Investment & Cash Activity – June 2022
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THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Date: July 11, 2022
To: Finance and Insurance Committee
From: Katano Kasaine, Assistant General Manager/Chief Financial Officer
Subject: Treasurer's Monthly Report June 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". The signature is written in a cursive style.

Katano Kasaine

KK:mt

Attachments

Attachment 1
The Metropolitan Water District of Southern California (MWD)
Summary of Portfolio Performance Report
June 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) \$ 1,349,827	0.07%	(0.02%)	0.02%	0.64%	(0.12%)	0.17%	1.74%	1.26%
Core	(3) 187,398	0.11%	(0.61%)	(0.66%)	1.39%	(4.55%)	(4.81%)	3.01%	2.55%
Liquidity and Core	\$ 1,537,225								
Other Funds	(4) 5,224	0.05%	(0.34%)		0.42%	(2.59%)		3.98%	
Total	<u>\$ 1,542,449</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
June 30, 2022

		Market Value (\$ in Thousands)	Minimum <u>Duration</u>	MWD <u>Duration</u>	Maximum <u>Duration</u>	<u>Benchmark</u>
Liquidity	(1)	\$ 1,349,827	0.00	0.29	0.74	0.24
Core	(2)	<u>187,398</u>	1.11	2.14	4.11	2.61
Liquidity and Core		\$ 1,537,225				
Other Funds	(3)	5,224		1.94		
Total		<u><u>\$ 1,542,449</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)
June 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>
California Asset Management Program	324,888	324,888	21.06%	21.06%
United States Treasuries	\$ 266,591	\$ 258,973	16.79%	37.85%
Negotiable Certificates of Deposit	227,311	226,178	14.67%	52.52%
Commercial Paper	212,617	212,293	13.76%	66.28%
Medium Term Notes	212,654	208,477	13.52%	79.80%
Asset-Backed Securities	94,220	93,055	6.03%	85.83%
California Local Agency Investment Fund	75,000	75,000	4.86%	90.69%
Supranationals	74,682	73,738	4.78%	95.47%
Federal Agencies	50,892	50,226	3.26%	98.73%
Mortgage-Backed Securities	15,356	14,750	0.96%	99.69%
Municipals	3,250	3,139	0.20%	99.89%
Money Market Funds	1,732	1,732	0.11%	100.00%
Bank Deposits	-	-	-	
Bankers' Acceptances	-	-	-	
Repurchase Agreements	-	-	-	
Total Portfolio	\$ 1,559,193	\$ 1,542,449	100.00%	

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

(Shown at Book Value and \$ in Thousands)

<u>Securities</u>	Beginning Balance	Purchases & Amortization	Sales	Maturities	Ending Balance
Asset-Backed Securities	\$ 92,862	\$ 8,759	\$ 7,401	\$ -	\$ 94,220
Bankers' Acceptances	-	-	-	-	-
California Asset Management Program	176,595	265,451	117,158	-	324,888
California Local Agency Investment Fund	75,000	-	-	-	75,000
Commercial Paper	243,600	55,067	-	86,050	212,617
Federal Agencies	41,545	9,997	-	650	50,892
Medium Term Notes	212,829	-	175	-	212,654
Money Market Funds	1,505	5,290	5,063	-	1,732
Mortgage-Backed Securities	15,502	1	147	-	15,356
Municipals	3,246	4	-	-	3,250
Negotiable Certificates of Deposit	252,285	26	-	25,000	227,311
Repurchase Agreements	-	-	-	-	-
Supranationals	74,737	-	55	-	74,682
Time Deposits	-	-	-	-	-
United States Treasuries	271,068	15,523	-	20,000	266,591
Subtotals	\$ 1,460,774	\$ 360,118	\$ 129,999	\$ 131,700	\$ 1,559,193
	Beginning Balance	Deposits		Withdrawals	Ending Balance
<u>Cash</u>					
Demand Accounts	\$ 143	234			377
Petty Cash & Payroll	5				5
Overnight Investment	-				-
Subtotals	\$ 148	\$ 234	\$ -	\$ -	\$ 382
Total	\$ 1,460,922	\$ 360,352	\$ 129,999	\$ 131,700	\$ 1,559,575

Attachment 5
Credit Quality Compliance Report
(sorted alphabetically by Security)
June 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"	\$ 93,055	yes
Bank Deposits		Collateralized/FDIC Insured	-	n/a
Bankers' Acceptances		"A-1 or higher"	-	n/a
California Asset Management Program	(1)	"AAAm or higher"	324,888	yes
California Local Agency Investment Fund		N/A	75,000	yes
Commercial Paper		"A1/P1 or higher"	212,293	yes
Federal Agencies	(2)	N/A	50,226	yes
Medium Term Notes		"A or higher"	208,477	yes
Money Market Funds		"AAA"	1,732	yes
Mortgage-Backed Securities		"AAA"	14,750	yes
Municipals		"A or higher"	3,139	yes
Negotiable Certificates of Deposit		"A-1 or higher"	226,178	yes
Repurchase Agreements		"AAA"	-	n/a
Supranationals		"AA or higher"	73,738	yes
United States Treasuries	(2,3)	N/A	258,973	yes
Total Portfolio			<u>\$ 1,542,449</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)
June 30, 2022

(\$ in Thousands)

<u>Securities</u>	<u>Market Value</u>	<u>Percent of Portfolio Market Value</u>	<u>Holding Limits</u>
Federal Agencies	\$ 50,226	3.26%	100%
Mortgage-Backed Securities	14,750	0.96%	100%
United States Treasuries	258,973	16.79%	100%
Bankers' Acceptances	-	-	40%
California Asset Management Program	324,888	21.06%	40%
Commercial Paper	212,293	13.76%	40%
Bank Deposits	-	-	30%
Medium Term Notes	208,477	13.52%	30%
Municipals	3,139	0.20%	30%
Negotiable Certificates of Deposit	226,178	14.67%	30%
Supranationals	73,738	4.78%	30%
Asset-Backed Securities	93,055	6.03%	20%
Money Market Funds	1,732	0.11%	20%
Repurchase Agreements	(1) -	-	20%
California Local Agency Investment Fund	(2) 75,000	4.86%	N/A
Total Portfolio	<u>\$ 1,542,449</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)
June 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		2.184	3.534	-	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		0.126	-	-	0.74	yes
Federal Agencies	(1,2)	0.800	-	0.956	5.00	yes
Medium Term Notes		0.638	3.049	-	5.00	yes
Money Market Funds		0.003	0.003	0.003	N/A	yes
Mortgage-Backed Securities		-	1.482	-	5.00	yes
Municipals	(2)	-	3.745	2.088	5.00	yes
Negotiable Certificates of Deposit		0.327	-	-	5.00	yes
Repurchase Agreements		-	-	-	0.74	n/a
Supranationals		0.534	1.885	-	5.00	yes
United States Treasuries	(1,2)	0.610	2.203	3.249	5.00	yes
Weighted Average Maturity		0.416	2.389	2.038		

(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.