



- 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 2021
Attachment 2:	Summary of Portfolio Duration Report – June 2021
Attachment 3:	Summary of Portfolio Holding Report – June 2021
Attachment 4:	Summary Report of Investment & Cash Activity – June 2021
Attachment 5:	Credit Quality Compliance Report – June 2021
Attachment 6:	Holding Limit Compliance Report – June 2021
Attachment 7:	Maturity Compliance Report – June 2021



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Date: July 12, 2021
To: Finance and Insurance Committee
From: Katano Kasaine, Assistant General Manager/Chief Financial Officer
Subject: Treasurer's Monthly Report June 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 9, 2020. 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
June 30, 2021

		Market Value (\$ in Thousands)	Monthly Return		Fiscal YTD Return		Annualized Return *Inception-to-Date	
			<u>MWD</u>	<u>Benchmark</u>	<u>MWD</u>	<u>Benchmark</u>	<u>MWD</u>	<u>Benchmark</u>
Liquidity	(1)	\$ 1,275,215	0.00%	0.00%	0.40%	0.09%	1.84%	1.31%
Core	(2)	<u>196,227</u>	(0.22%)	(0.20%)	0.45%	0.06%	3.43%	2.95%
Liquidity and Core		\$ 1,471,442						
Other Funds	(3)	5,457	(0.04%)		0.32%		4.33%	
Total		<u><u>\$ 1,476,899</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 US Corporate and Government Index, A Rated and Higher.

(3) 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, 2021

		Market Value (\$ in Thousands)	Minimum <u>Duration</u>	MWD <u>Duration</u>	Maximum <u>Duration</u>	<u>Benchmark</u>
Liquidity	(1)	\$ 1,275,215	0.00	0.43	0.73	0.23
Core	(2)	<u>196,227</u>	1.19	2.47	4.19	2.69
Liquidity and Core		\$ 1,471,442				
Other Funds	(3)	5,457		1.52		
Total		<u><u>\$ 1,476,899</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 US Corporate and Government Index, A Rated and Higher.

(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, 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>
California Asset Management Program	\$ 372,184	\$ 372,184	25.20%	25.20%
Negotiable Certificates of Deposit	266,840	266,953	18.07%	43.27%
Commercial Paper	204,638	204,626	13.85%	57.12%
Medium Term Notes	180,117	180,932	12.25%	69.37%
United States Treasuries	159,325	160,361	10.86%	80.23%
Supranationals	86,908	86,842	5.88%	86.11%
California Local Agency Investment Fund	75,000	75,000	5.08%	91.19%
Asset-Backed Securities	50,450	50,465	3.42%	94.61%
Federal Agencies	34,695	34,707	2.35%	96.96%
Mortgage-Backed Securities	32,072	32,373	2.19%	99.15%
Municipals	7,040	7,317	0.50%	99.65%
Money Market Funds	5,139	5,139	0.35%	100.00%
Bank Deposits	-	-	-	
Bankers' Acceptances	-	-	-	
Repurchase Agreements	-	-	-	
Total Portfolio	<u>\$ 1,474,408</u>	<u>\$ 1,476,899</u>	<u>100.00%</u>	

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

(Shown at Book Value and \$ in Thousands)

<u>Securities</u>	Beginning Balance	Purchases & Amortization	Sales	Maturities	Ending Balance
Asset-Backed Securities	\$ 43,056	\$ 12,417	\$ 5,023	\$ -	\$ 50,450
Bankers' Acceptances	-	-	-	-	-
California Asset Management Program	261,475	237,812	127,103	-	372,184
California Local Agency Investment Fund	75,000	-	-	-	75,000
Commercial Paper	225,134	31,997	9,993	42,500	204,638
Federal Agencies	34,696	-	1	-	34,695
Medium Term Notes	215,316	1,482	8,681	28,000	180,117
Money Market Funds	1,905	11,735	8,501	-	5,139
Mortgage-Backed Securities	34,598	7	2,533	-	32,072
Municipals	7,034	6	-	-	7,040
Negotiable Certificates of Deposit	293,005	23,835	35,000	15,000	266,840
Repurchase Agreements	-	-	-	-	-
Supranationals	72,081	14,827	-	-	86,908
Time Deposits	-	-	-	-	-
United States Treasuries	112,850	50,096	2,821	800	159,325
Subtotals	\$ 1,376,150	\$ 384,214	\$ 199,656	\$ 86,300	\$ 1,474,408
	Beginning Balance	Deposits		Withdrawals	Ending Balance
Cash					
Demand Accounts	\$ 1	5,003			5,004
Petty Cash & Payroll	5				5
Overnight Investment	-				-
Subtotals	\$ 6	\$ 5,003	\$ -	\$ -	\$ 5,009
Total	\$ 1,376,156	\$ 389,217	\$ 199,656	\$ 86,300	\$ 1,479,417

Attachment 5
Credit Quality Compliance Report
(sorted alphabetically by Security)
June 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"	\$ 50,465	yes
Bank Deposits		Collateralized/FDIC Insured	-	n/a
Bankers' Acceptances		"A-1 or higher"	-	n/a
California Asset Management Program	(1)	"AAA or higher"	372,184	yes
California Local Agency Investment Fund		N/A	75,000	yes
Commercial Paper		"A1/P1 or higher"	204,626	yes
Federal Agencies	(2)	N/A	34,707	yes
Medium Term Notes		"A or higher"	180,932	yes
Money Market Funds		"AAA"	5,139	yes
Mortgage-Backed Securities		"AAA"	32,373	yes
Municipals	(3)	"A or higher"	7,317	yes
Negotiable Certificates of Deposit		"A-1 or higher"	266,953	yes
Repurchase Agreements		"AAA"	-	n/a
Supranationals		"AA or higher"	86,842	yes
United States Treasuries	(2,4)	N/A	160,361	yes
Total Portfolio			\$ 1,476,899	

- (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) \$0.184 million (market value) of the municipal bond portfolio was rated AAA by two nationally recognized rating agencies.
- (4) Securities have an explicit United States Government guarantee.

Attachment 6
Holding Limit Compliance Report
(sorted in descending order by Holding Limit)
June 30, 2021

(\$ in Thousands)

<u>Securities</u>	<u>Market Value</u>	<u>Percent of Portfolio Market Value</u>	<u>Holding Limits</u>
Federal Agencies	\$ 34,707	2.35%	100%
Mortgage-Backed Securities	32,373	2.19%	100%
United States Treasuries	160,361	10.86%	100%
Bankers' Acceptances	-	0.00%	40%
Bank Deposits	-	0.00%	30%
California Asset Management Program	372,184	25.20%	30%
Medium Term Notes	180,932	12.25%	30%
Municipals	7,317	0.50%	30%
Negotiable Certificates of Deposit	266,953	18.07%	30%
Supranationals	86,842	5.88%	30%
Commercial Paper	204,626	13.85%	25%
Asset-Backed Securities	50,465	3.42%	20%
Money Market Funds	5,139	0.35%	20%
Repurchase Agreements	(1) -	0.00%	20%
California Local Agency Investment Fund	(2) 75,000	5.08%	N/A
Total Portfolio	\$ 1,476,899	100.00%	

(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, 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		2.243	3.819	-	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		0.230	-	-	0.74	yes
Federal Agencies	(1,2)	1.764	-	1.288	5.00	yes
Medium Term Notes		0.893	3.088	-	5.00	yes
Money Market Funds		0.003	0.003	0.003	N/A	yes
Mortgage-Backed Securities		-	1.833	-	5.00	yes
Municipals	(2)	0.423	-	2.688	5.00	yes
Negotiable Certificates of Deposit		0.564	-	-	5.00	yes
Repurchase Agreements		-	-	-	0.74	n/a
Supranationals		1.082	2.786	-	5.00	yes
United States Treasuries	(1,2)	1.334	2.775	1.459	5.00	yes
Weighted Average Maturity		0.510	2.647	1.482		

(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.