



## ● 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 – July 2021
Attachment 2:	Summary of Portfolio Duration Report – July 2021
Attachment 3:	Summary of Portfolio Holding Report – July 2021
Attachment 4:	Summary Report of Investment & Cash Activity – July 2021
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Attachment 7:	Maturity Compliance Report – July 2021



THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

**Date:** August 16, 2021  
**To:** Finance and Insurance Committee  
**From:** Katano Kasaine, Assistant General Manager/Chief Financial Officer  
**Subject:** Treasurer's Monthly Report July 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 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**  
**July 31, 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)	\$ 1,052,888	0.03%	0.01%	0.03%	0.01%	1.83%	1.31%
Core	(2)	<u>196,875</u>	0.33%	0.35%	0.33%	0.35%	3.43%	2.95%
Liquidity and Core		\$ 1,249,763						
Other Funds	(3)	5,461	0.14%		0.14%		4.32%	
Total		<u><u>\$ 1,255,224</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**  
**July 31, 2021**

		Market Value (\$ in Thousands)	Minimum Duration	MWD Duration	Maximum Duration	Benchmark
Liquidity	(1)	\$ 1,052,888	0.00	0.48	0.74	0.24
Core	(2)	<u>196,875</u>	1.18	2.55	4.18	2.68
Liquidity and Core		\$ 1,249,763				
Other Funds	(3)	5,461		1.45		
Total		<u><u>\$ 1,255,224</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 )  
**July 31, 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>
Negotiable Certificates of Deposit	\$ 254,092	\$ 254,188	20.25%	20.25%
California Asset Management Program	237,783	237,783	18.94%	39.19%
Medium Term Notes	173,543	174,434	13.90%	53.09%
Commercial Paper	156,394	156,386	12.46%	65.55%
United States Treasuries	153,520	154,863	12.34%	77.89%
Supranationals	79,326	79,321	6.32%	84.21%
California Local Agency Investment Fund	75,000	75,000	5.97%	90.18%
Asset-Backed Securities	52,774	52,795	4.21%	94.39%
Federal Agencies	34,694	34,750	2.77%	97.16%
Mortgage-Backed Securities	31,904	32,195	2.56%	99.72%
Municipals	2,252	2,528	0.20%	99.92%
Money Market Funds	981	981	0.08%	100.00%
Bank Deposits	-	-	-	
Bankers' Acceptances	-	-	-	
Repurchase Agreements	-	-	-	
<b>Total Portfolio</b>	<b>\$ 1,252,263</b>	<b>\$ 1,255,224</b>	<b>100.00%</b>	

Attachment 4  
**Summary Report of Investment & Cash Activity**  
(sorted alphabetically by security)  
**July 31, 2021**

(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	\$ 50,450	\$ 6,683	\$ 4,359	\$ -	\$ 52,774
Bankers' Acceptances	-	-	-	-	-
California Asset Management Program	372,184	168,200	302,601	-	237,783
California Local Agency Investment Fund	75,000	-	-	-	75,000
Commercial Paper	204,638	35,013	-	83,257	156,394
Federal Agencies	34,695	-	1	-	34,694
Medium Term Notes	180,117	1,729	8,303	-	173,543
Money Market Funds	5,139	441	4,599	-	981
Mortgage-Backed Securities	32,072	2	170	-	31,904
Municipals	7,040	7	-	4,795	2,252
Negotiable Certificates of Deposit	266,840	24,252	-	37,000	254,092
Repurchase Agreements	-	-	-	-	-
Supranationals	86,908	-	82	7,500	79,326
Time Deposits	-	-	-	-	-
United States Treasuries	159,325	7,999	13,804	-	153,520
<b>Subtotals</b>	<b>\$ 1,474,408</b>	<b>\$ 244,326</b>	<b>\$ 333,919</b>	<b>\$ 132,552</b>	<b>\$ 1,252,263</b>
	Beginning Balance	Deposits	Withdrawals	Ending Balance	
<u>Cash</u>					
Demand Accounts	\$ 5,004		4,966	38	
Petty Cash & Payroll	5			5	
Overnight Investment	-			-	
<b>Subtotals</b>	<b>\$ 5,009</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,966</b>	<b>\$ 43</b>
<b>Total</b>	<b>\$ 1,479,417</b>	<b>\$ 244,326</b>	<b>\$ 333,919</b>	<b>\$ 137,518</b>	<b>\$ 1,252,306</b>

Attachment 5  
**Credit Quality Compliance Report**  
(sorted alphabetically by Security)  
**July 31, 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"	\$ 52,795	yes
Bank Deposits		Collateralized/FDIC Insured	-	n/a
Bankers' Acceptances		"A-1 or higher"	-	n/a
California Asset Management Program	(1)	"AAAm or higher"	237,783	yes
California Local Agency Investment Fund		N/A	75,000	yes
Commercial Paper		"A1/P1 or higher"	156,386	yes
Federal Agencies	(2)	N/A	34,750	yes
Medium Term Notes		"A or higher"	174,434	yes
Money Market Funds		"AAA"	981	yes
Mortgage-Backed Securities		"AAA"	32,195	yes
Municipals	(3)	"A or higher"	2,528	yes
Negotiable Certificates of Deposit		"A-1 or higher"	254,188	yes
Repurchase Agreements		"AAA"	-	n/a
Supranationals		"AA or higher"	79,321	yes
United States Treasuries	(2,4)	N/A	154,863	yes
Total Portfolio			\$ 1,255,224	

- (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) \$0.183 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)  
**July 31, 2021**

(\$ in Thousands)

<u>Securities</u>	<u>Market Value</u>	<u>Percent of Portfolio Market Value</u>	<u>Holding Limits</u>
Federal Agencies	\$ 34,750	2.77%	100%
Mortgage-Backed Securities	32,195	2.56%	100%
United States Treasuries	154,863	12.34%	100%
Bankers' Acceptances	-	0.00%	40%
California Asset Management Program	237,783	18.94%	40%
Commercial Paper	156,386	12.46%	40%
Bank Deposits	-	0.00%	30%
Medium Term Notes	174,434	13.90%	30%
Municipals	2,528	0.20%	30%
Negotiable Certificates of Deposit	254,188	20.25%	30%
Supranationals	79,321	6.32%	30%
Asset-Backed Securities	52,795	4.21%	20%
Money Market Funds	981	0.08%	20%
Repurchase Agreements	(1) -	0.00%	20%
California Local Agency Investment Fund	(2) 75,000	5.97%	N/A
Total Portfolio	<u>\$ 1,255,224</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)  
**July 31, 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		2.274	4.121	-	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)	1.679	-	1.205	5.00	yes
Medium Term Notes		0.838	3.255	-	5.00	yes
Money Market Funds		0.003	0.003	0.003	N/A	yes
Mortgage-Backed Securities		-	1.753	-	5.00	yes
Municipals	(2)	1.905	-	2.606	5.00	yes
Negotiable Certificates of Deposit		0.574	-	-	5.00	yes
Repurchase Agreements		-	-	-	0.74	n/a
Supranationals		1.107	2.701	-	5.00	yes
United States Treasuries	(1,2)	1.299	2.770	1.374	5.00	yes
<b>Weighted Average Maturity</b>		<b>0.575</b>	<b>2.740</b>	<b>1.405</b>		

(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.