



● **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

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| Attachment 1: | Summary of Portfolio Performance Report – August 2021 |
| Attachment 2: | Summary of Portfolio Duration Report – August 2021 |
| Attachment 3: | Summary of Portfolio Holding Report – August 2021 |
| Attachment 4: | Summary Report of Investment & Cash Activity – August 2021 |
| Attachment 5: | Credit Quality Compliance Report – August 2021 |
| Attachment 6: | Holding Limit Compliance Report – August 2021 |
| Attachment 7: | Maturity Compliance Report – August 2021 |



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Date: September 13, 2021
To: Finance and Insurance Committee
From: Katano Kasaine, Assistant General Manager/Chief Financial Officer
Subject: Treasurer's Monthly Report August 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
August 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)	\$ 1,027,616	0.02%	0.00%	0.05%	0.01%	1.83%	1.30%
Core	(2)	<u>196,706</u>	(0.07%)	(0.05%)	0.26%	0.29%	3.41%	2.94%
Liquidity and Core		\$ 1,224,322						
Other Funds	(3)	5,432	0.01%		0.15%		4.30%	
Total		<u><u>\$ 1,229,754</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
August 31, 2021

		Market Value (\$ in Thousands)	Minimum <u>Duration</u>	MWD <u>Duration</u>	Maximum <u>Duration</u>	<u>Benchmark</u>
Liquidity	(1)	\$ 1,027,616	0.00	0.53	0.74	0.24
Core	(2)	<u>196,706</u>	1.19	2.55	4.19	2.69
Liquidity and Core		\$ 1,224,322				
Other Funds	(3)	5,432		1.38		
Total		<u><u>\$ 1,229,754</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)
August 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	\$ 268,382	\$ 268,464	21.83%	21.83%
Medium Term Notes	181,725	182,472	14.84%	36.67%
Commercial Paper	177,907	177,919	14.47%	51.14%
United States Treasuries	153,508	154,325	12.55%	63.69%
California Asset Management Program	142,762	142,762	11.61%	75.30%
Supranationals	82,907	82,905	6.74%	82.04%
California Local Agency Investment Fund	75,000	75,000	6.10%	88.14%
Asset-Backed Securities	68,733	68,750	5.59%	93.73%
Federal Agencies	42,231	42,279	3.44%	97.17%
Mortgage-Backed Securities	31,300	31,513	2.56%	99.73%
Municipals	1,784	2,054	0.17%	99.90%
Money Market Funds	1,311	1,311	0.10%	100.00%
Bank Deposits	-	-	-	
Bankers' Acceptances	-	-	-	
Repurchase Agreements	-	-	-	
Total Portfolio	\$ 1,227,550	\$ 1,229,754	100.00%	

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

(Shown at Book Value and \$ in Thousands)

<u>Securities</u>	Beginning Balance	Purchases & Amortization	Sales	Maturities	Ending Balance
Asset-Backed Securities	\$ 52,774	\$ 19,001	\$ 3,042	\$ -	\$ 68,733
Bankers' Acceptances	-	-	-	-	-
California Asset Management Program	237,783	131,433	226,454	-	142,762
California Local Agency Investment Fund	75,000	-	-	-	75,000
Commercial Paper	156,394	85,972	9,999	54,460	177,907
Federal Agencies	34,694	12,073	4,536	-	42,231
Medium Term Notes	173,543	27,278	3,896	15,200	181,725
Money Market Funds	981	15,794	15,464	-	1,311
Mortgage-Backed Securities	31,904	7	611	-	31,300
Municipals	2,252	7	-	475	1,784
Negotiable Certificates of Deposit	254,092	39,290	-	25,000	268,382
Repurchase Agreements	-	-	-	-	-
Supranationals	79,326	10,001	6,420	-	82,907
Time Deposits	-	-	-	-	-
United States Treasuries	153,520	7,978	7,990	-	153,508
Subtotals	\$ 1,252,263	\$ 348,834	\$ 278,412	\$ 95,135	\$ 1,227,550
	Beginning Balance	Deposits		Withdrawals	Ending Balance
Cash					
Demand Accounts	\$ 38	1,854			1,892
Petty Cash & Payroll	5				5
Overnight Investment	-				-
Subtotals	\$ 43	\$ 1,854	\$ -	\$ -	\$ 1,897
Total	\$ 1,252,306	\$ 350,688	\$ 278,412	\$ 95,135	\$ 1,229,447

Attachment 5
Credit Quality Compliance Report
(sorted alphabetically by Security)
August 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"	\$ 68,750	yes
Bank Deposits	Collateralized/FDIC Insured	-	n/a
Bankers' Acceptances	"A-1 or higher"	-	n/a
California Asset Management Program (1)	"AAA or higher"	142,762	yes
California Local Agency Investment Fund	N/A	75,000	yes
Commercial Paper	"A1/P1 or higher"	177,919	yes
Federal Agencies (2)	N/A	42,279	yes
Medium Term Notes	"A or higher"	182,472	yes
Money Market Funds	"AAA"	1,311	yes
Mortgage-Backed Securities	"AAA"	31,513	yes
Municipals (3)	"A or higher"	2,054	yes
Negotiable Certificates of Deposit	"A-1 or higher"	268,464	yes
Repurchase Agreements	"AAA"	-	n/a
Supranationals	"AA or higher"	82,905	yes
United States Treasuries (2,4)	N/A	154,325	yes
 Total Portfolio		 <u>\$ 1,229,754</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) \$0.182 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)
August 31, 2021

(\$ in Thousands)

<u>Securities</u>	<u>Market Value</u>	<u>Percent of Portfolio Market Value</u>	<u>Holding Limits</u>
Federal Agencies	\$ 42,279	3.44%	100%
Mortgage-Backed Securities	31,513	2.56%	100%
United States Treasuries	154,325	12.55%	100%
Bankers' Acceptances	-	0.00%	40%
California Asset Management Program	142,762	11.61%	40%
Commercial Paper	177,919	14.47%	40%
Bank Deposits	-	0.00%	30%
Medium Term Notes	182,472	14.84%	30%
Municipals	2,054	0.17%	30%
Negotiable Certificates of Deposit	268,464	21.83%	30%
Supranationals	82,905	6.74%	30%
Asset-Backed Securities	68,750	5.59%	20%
Money Market Funds	1,311	0.10%	20%
Repurchase Agreements	(1) -	0.00%	20%
California Local Agency Investment Fund	(2) 75,000	6.10%	N/A
Total Portfolio	<u>\$ 1,229,754</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)
August 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		2.370	4.022	-	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		0.345	-	-	0.74	yes
Federal Agencies	(1,2)	1.701	-	1.121	5.00	yes
Medium Term Notes		0.789	3.249	-	5.00	yes
Money Market Funds		0.003	0.003	0.003	N/A	yes
Mortgage-Backed Securities		-	1.682	-	5.00	yes
Municipals	(2)	2.918	-	2.522	5.00	yes
Negotiable Certificates of Deposit		0.542	-	-	5.00	yes
Repurchase Agreements		-	-	-	0.74	n/a
Supranationals		1.022	2.616	-	5.00	yes
United States Treasuries	(1,2)	1.212	2.808	1.289	5.00	yes
Weighted Average Maturity		0.655	2.742	1.337		

- (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.