



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



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Date: October 11, 2021
To: Finance and Insurance Committee
From: Katano Kasaine, Assistant General Manager/Chief Financial Officer
Subject: Treasurer's Monthly Report September 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.

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
September 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)	\$ 1,067,705	0.01%	0.01%	0.06%	0.02%	1.82%	1.30%
Core	(2)	<u>196,260</u>	(0.27%)	(0.28%)	(0.01%)	0.01%	3.38%	2.91%
Liquidity and Core		\$ 1,263,965						
Other Funds	(3)	5,427	(0.06%)		0.09%		4.28%	
Total		<u><u>\$ 1,269,392</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
September 30, 2021

		Market Value (\$ in Thousands)	Minimum <u>Duration</u>	MWD <u>Duration</u>	Maximum <u>Duration</u>	<u>Benchmark</u>
Liquidity	(1)	\$ 1,067,705	0.00	0.51	0.75	0.25
Core	(2)	<u>196,260</u>	1.19	2.54	4.19	2.69
Liquidity and Core		\$ 1,263,965				
Other Funds	(3)	5,427		1.30		
Total		<u><u>\$ 1,269,392</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)
September 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>
Negotiable Certificates of Deposit	\$ 243,381	\$ 243,460	19.18%	19.18%
Commercial Paper	177,916	177,926	14.02%	33.20%
Medium Term Notes	174,723	175,102	13.79%	46.99%
California Asset Management Program	174,357	174,357	13.74%	60.73%
United States Treasuries	173,825	173,868	13.70%	74.43%
Asset-Backed Securities	88,413	88,414	6.96%	81.39%
Supranationals	85,257	85,200	6.71%	88.10%
California Local Agency Investment Fund	75,000	75,000	5.91%	94.01%
Federal Agencies	42,225	42,240	3.33%	97.34%
Mortgage-Backed Securities	30,704	30,827	2.43%	99.77%
Municipals	1,791	2,049	0.16%	99.93%
Money Market Funds	949	949	0.07%	100.00%
Bank Deposits	-	-	-	
Bankers' Acceptances	-	-	-	
Repurchase Agreements	-	-	-	
Total Portfolio	<u>\$ 1,268,541</u>	<u>\$ 1,269,392</u>	<u>100.00%</u>	

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

(Shown at Book Value and \$ in Thousands)

<u>Securities</u>	Beginning Balance	Purchases & Amortization	Sales	Maturities	Ending Balance
Asset-Backed Securities	\$ 68,733	\$ 22,783	\$ 3,103	\$ -	\$ 88,413
Bankers' Acceptances	-	-	-	-	-
California Asset Management Program	142,762	161,573	129,978	-	174,357
California Local Agency Investment Fund	75,000	-	-	-	75,000
Commercial Paper	177,907	10,008	9,999	-	177,916
Federal Agencies	42,231	-	6	-	42,225
Medium Term Notes	181,725	5,952	7,573	5,381	174,723
Money Market Funds	1,311	5,657	6,019	-	949
Mortgage-Backed Securities	31,300	3	599	-	30,704
Municipals	1,784	7	-	-	1,791
Negotiable Certificates of Deposit	268,382	4,999	30,000	-	243,381
Repurchase Agreements	-	-	-	-	-
Supranationals	82,907	2,350	-	-	85,257
Time Deposits	-	-	-	-	-
United States Treasuries	153,508	30,653	10,336	-	173,825
Subtotals	\$ 1,227,550	\$ 243,985	\$ 197,613	\$ 5,381	\$ 1,268,541
	Beginning Balance	Deposits	Withdrawals	Ending Balance	
Cash					
Demand Accounts	\$ 1,892		1,845	47	
Petty Cash & Payroll	5			5	
Overnight Investment	-			-	
Subtotals	\$ 1,897	\$ -	\$ -	\$ 1,845	\$ 52
Total	\$ 1,229,447	\$ 243,985	\$ 197,613	\$ 7,226	\$ 1,268,593

Attachment 5
Credit Quality Compliance Report
(sorted alphabetically by Security)
September 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"	\$ 88,414	yes
Bank Deposits		Collateralized/FDIC Insured	-	n/a
Bankers' Acceptances		"A-1 or higher"	-	n/a
California Asset Management Program	(1)	"AAA _m or higher"	174,357	yes
California Local Agency Investment Fund		N/A	75,000	yes
Commercial Paper		"A1/P1 or higher"	177,926	yes
Federal Agencies	(2)	N/A	42,240	yes
Medium Term Notes		"A or higher"	175,102	yes
Money Market Funds		"AAA"	949	yes
Mortgage-Backed Securities		"AAA"	30,827	yes
Municipals	(3)	"A or higher"	2,049	yes
Negotiable Certificates of Deposit		"A-1 or higher"	243,460	yes
Repurchase Agreements		"AAA"	-	n/a
Supranationals		"AA or higher"	85,200	yes
United States Treasuries	(2,4)	N/A	173,868	yes
Total Portfolio			\$ 1,269,392	

- (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)
September 30, 2021

(\$ in Thousands)

<u>Securities</u>	<u>Market Value</u>	<u>Percent of Portfolio Market Value</u>	<u>Holding Limits</u>
Federal Agencies	\$ 42,240	3.33%	100%
Mortgage-Backed Securities	30,827	2.43%	100%
United States Treasuries	173,868	13.70%	100%
Bankers' Acceptances	-	0.00%	40%
California Asset Management Program	174,357	13.74%	40%
Commercial Paper	177,926	14.02%	40%
Bank Deposits	-	0.00%	30%
Medium Term Notes	175,102	13.79%	30%
Municipals	2,049	0.16%	30%
Negotiable Certificates of Deposit	243,460	19.18%	30%
Supranationals	85,200	6.71%	30%
Asset-Backed Securities	88,414	6.96%	20%
Money Market Funds	949	0.07%	20%
Repurchase Agreements	(1) -	0.00%	20%
California Local Agency Investment Fund	(2) 75,000	5.91%	N/A
Total Portfolio	<u>\$ 1,269,392</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)
September 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		2.378	4.129	-	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		0.296	-	-	0.74	yes
Federal Agencies	(1,2)	1.619	-	1.038	5.00	yes
Medium Term Notes		0.751	3.258	-	5.00	yes
Money Market Funds		0.003	0.003	0.003	N/A	yes
Mortgage-Backed Securities		-	1.605	-	5.00	yes
Municipals	(2)	2.836	-	2.441	5.00	yes
Negotiable Certificates of Deposit		0.515	-	-	5.00	yes
Repurchase Agreements		-	-	-	0.74	n/a
Supranationals		0.940	2.633	-	5.00	yes
United States Treasuries	(1,2)	1.366	2.808	1.207	5.00	yes
Weighted Average Maturity		0.660	2.745	1.263		

- (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.