



● 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 2022
Attachment 2:	Summary of Portfolio Duration Report – September 2022
Attachment 3:	Summary of Portfolio Holding Report – September 2022
Attachment 4:	Summary Report of Investment & Cash Activity – September 2022
Attachment 5:	Credit Quality Compliance Report – September 2022
Attachment 6:	Holding Limit Compliance Report – September 2022
Attachment 7:	Maturity Compliance Report – September 2022



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Date: October 10, 2022
To: Finance and Insurance Committee
From: Katano Kasaine, Assistant General Manager/Chief Financial Officer
Subject: Treasurer's Monthly Report September 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 14, 2022. 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, 2022

	Market Value	Monthly Return			Fiscal YTD Return			Annualized Total Return *Inception-to-Date	
		<u>(\$ in Thousands)</u>	<u>Interest</u> <u>Return</u>	<u>Total</u> <u>Return (1)</u>	<u>Benchmark</u>	<u>Interest</u> <u>Return</u>	<u>Total</u> <u>Return (1)</u>	<u>Benchmark</u>	<u>MWD</u>
Liquidity	(2) \$ 1,052,342	0.15%	0.06%	0.25%	0.36%	0.28%	0.46%	1.73%	1.26%
Core	(3) <u>184,417</u>	0.11%	(1.35%)	(1.79%)	0.34%	(1.60%)	(2.26%)	2.90%	2.40%
Liquidity and Core	\$ 1,236,759								
Other Funds	(4) 3,504	0.08%	(1.47%)		0.22%	(1.97%)		3.83%	
Total	<u>\$ 1,240,263</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) Lake Mathews Trust; Debt Service Reserve Funds were closed in September 2022.

* Inception Date 5/01/2002

Attachment 2
The Metropolitan Water District of Southern California (MWD)
Summary of Portfolio Duration Report
September 30, 2022

		Market Value (\$ in Thousands)	Minimum Duration	MWD Duration	Maximum Duration	Benchmark
Liquidity	(1)	\$ 1,052,342	0.00	0.33	0.74	0.24
Core	(2)	<u>184,417</u>	1.07	1.93	4.07	2.57
Liquidity and Core		\$ 1,236,759				
Other Funds	(3)	3,504		2.28		
Total		<u><u>\$ 1,240,263</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) Lake Mathews Trust; Debt Service Reserve Funds were closed in September 2022.

* Inception Date 5/01/2002

Attachment 3
Summary of Portfolio Holding Report
(sorted in descending order by Market Value)
September 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	\$ 252,790	\$ 252,790	20.38%	20.38%
Negotiable Certificates of Deposit	207,000	205,929	16.60%	36.98%
United States Treasuries	206,158	196,503	15.84%	52.82%
Medium Term Notes	177,241	171,687	13.84%	66.66%
Federal Agencies	106,361	105,444	8.50%	75.16%
Asset-Backed Securities	106,293	104,955	8.46%	83.62%
California Local Agency Investment Fund	75,000	75,000	6.05%	89.67%
Supranationals	59,666	58,636	4.73%	94.40%
Commercial Paper	56,288	56,142	4.53%	98.93%
Mortgage-Backed Securities	9,811	9,136	0.74%	99.67%
Municipals	2,310	2,057	0.17%	99.84%
Money Market Funds	1,984	1,984	0.16%	100.00%
Bank Deposits	-	-	-	
Bankers' Acceptances	-	-	-	
Repurchase Agreements	-	-	-	
Total Portfolio	\$ 1,260,902	\$ 1,240,263	100.00%	

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

(Shown at Book Value and \$ in Thousands)

<u>Securities</u>	Beginning Balance	Purchases & Amortization	Sales	Maturities	Ending Balance
Asset-Backed Securities	\$ 113,812	\$ 1	\$ 7,520	\$ -	\$ 106,293
Bankers' Acceptances	-	-	-	-	-
California Asset Management Program	201,474	155,757	104,441	-	252,790
California Local Agency Investment Fund	75,000	-	-	-	75,000
Commercial Paper	81,658	19,630	-	45,000	56,288
Federal Agencies	60,534	45,827	-	-	106,361
Medium Term Notes	178,795	3,461	5,015	-	177,241
Money Market Funds	1,655	3,959	3,630	-	1,984
Mortgage-Backed Securities	13,495	-	3,684	-	9,811
Municipals	2,310	-	-	-	2,310
Negotiable Certificates of Deposit	191,991	40,009	-	25,000	207,000
Repurchase Agreements	-	-	-	-	-
Supranationals	64,604	-	38	4,900	59,666
Time Deposits	-	-	-	-	-
United States Treasuries	221,204	-	46	15,000	206,158
Subtotals	\$ 1,206,532	\$ 268,644	\$ 124,374	\$ 89,900	\$ 1,260,902
	Beginning Balance	Deposits		Withdrawals	Ending Balance
<u>Cash</u>					
Demand Accounts	\$ 82	234			316
Petty Cash & Payroll	5				5
Overnight Investment	-				-
Subtotals	\$ 87	\$ 234	\$ -	\$ -	\$ 321
Total	\$ 1,206,619	\$ 268,878	\$ 124,374	\$ 89,900	\$ 1,261,223

Attachment 5
Credit Quality Compliance Report
(sorted alphabetically by Security)
September 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"	\$ 104,955	yes
Bank Deposits		Collateralized/FDIC Insured	-	n/a
Bankers' Acceptances		"A-1 or higher"	-	n/a
California Asset Management Program	(1)	"AAAm or higher"	252,790	yes
California Local Agency Investment Fund		N/A	75,000	yes
Commercial Paper		"A1/P1 or higher"	56,142	yes
Federal Agencies	(2)	N/A	105,444	yes
Medium Term Notes		"A or higher"	171,687	yes
Money Market Funds		"AAA"	1,984	yes
Mortgage-Backed Securities		"AAA"	9,136	yes
Municipals		"A or higher"	2,057	yes
Negotiable Certificates of Deposit		"A-1 or higher"	205,929	yes
Repurchase Agreements		"AAA"	-	n/a
Supranationals		"AA or higher"	58,636	yes
United States Treasuries	(2,3)	N/A	196,503	yes
Total Portfolio			\$ 1,240,263	

- (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)
September 30, 2022

(\$ in Thousands)

<u>Securities</u>	<u>Market Value</u>	<u>Percent of Portfolio Market Value</u>	<u>Holding Limits</u>
Federal Agencies	\$ 105,444	8.50%	100%
Mortgage-Backed Securities	9,136	0.74%	100%
United States Treasuries	196,503	15.84%	100%
Bankers' Acceptances	-	-	40%
California Asset Management Program	252,790	20.38%	40%
Commercial Paper	56,142	4.53%	40%
Bank Deposits	-	-	30%
Medium Term Notes	171,687	13.84%	30%
Municipals	2,057	0.17%	30%
Negotiable Certificates of Deposit	205,929	16.60%	30%
Supranationals	58,636	4.73%	30%
Asset-Backed Securities	104,955	8.46%	20%
Money Market Funds	1,984	0.16%	20%
Repurchase Agreements	(1) -	-	20%
California Local Agency Investment Fund	(2) 75,000	6.05%	N/A
Total Portfolio	<u>\$ 1,240,263</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, 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		2.274	3.288	-	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		0.293	0.721	-	0.74	yes
Federal Agencies	(1,2)	0.540	-	0.997	5.00	yes
Medium Term Notes		0.658	2.888	-	5.00	yes
Money Market Funds		0.003	0.003	0.003	N/A	yes
Mortgage-Backed Securities		-	1.740	-	5.00	yes
Municipals	(2)	-	3.493	-	5.00	yes
Negotiable Certificates of Deposit		0.425	-	-	5.00	yes
Repurchase Agreements		-	-	-	0.74	n/a
Supranationals		0.425	1.636	-	5.00	yes
United States Treasuries	(1,2)	0.661	1.951	3.153	5.00	yes
Weighted Average Maturity		0.521	2.192	2.444		

- (1) The Core Portfolio may be invested in Federal Agency and United States Treasury securities with maturities in excess of 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.