



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



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Date: December 12, 2022
To: Finance and Insurance Committee
From: Katano Kasaine, Assistant General Manager/Chief Financial Officer
Subject: Treasurer's Monthly Report November 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
November 30, 2022

	Market Value	Monthly Return			Fiscal YTD Return			Annualized Total Return *Inception-to-Date	
		<u>(\$ in Thousands)</u>	<u>Interest</u> Return	<u>Total</u> Return (1)	<u>Benchmark</u>	<u>Interest</u> Return	<u>Total</u> Return (1)	<u>Benchmark</u>	<u>MWD</u>
Liquidity	(2) \$ 1,075,065	0.19%	0.33%	0.32%	0.72%	0.76%	0.94%	1.74%	1.28%
Core	(3) <u>185,897</u>	0.12%	0.94%	1.22%	0.56%	(0.86%)	(1.29%)	2.91%	2.43%
Liquidity and Core	\$ 1,260,962								
Other Funds	(4) 3,516	0.09%	1.04%		0.39%	(1.18%)		3.84%	
Total	<u>\$ 1,264,478</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
November 30, 2022

		Market Value (\$ in Thousands)	Minimum <u>Duration</u>	MWD <u>Duration</u>	Maximum <u>Duration</u>	<u>Benchmark</u>
Liquidity	(1)	\$ 1,075,065	0.00	0.35	0.72	0.22
Core	(2)	<u>185,897</u>	1.07	1.84	4.07	2.57
Liquidity and Core		\$ 1,260,962				
Other Funds	(3)	3,516		2.14		
Total		<u><u>\$ 1,264,478</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)
November 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	\$ 289,788	\$ 289,788	22.92%	22.92%
Medium Term Notes	211,530	206,899	16.36%	39.28%
Negotiable Certificates of Deposit	187,100	186,153	14.72%	54.00%
United States Treasuries	185,440	176,574	13.97%	67.97%
Federal Agencies	117,252	116,360	9.20%	77.17%
Asset-Backed Securities	92,129	90,702	7.17%	84.34%
California Local Agency Investment Fund	75,000	75,000	5.93%	90.27%
Commercial Paper	59,314	59,201	4.68%	94.95%
Supranationals	54,598	53,743	4.25%	99.20%
Mortgage-Backed Securities	8,059	7,332	0.58%	99.78%
Municipals	2,310	2,067	0.17%	99.95%
Money Market Funds	659	659	0.05%	100.00%
Bank Deposits	-	-	-	
Bankers' Acceptances	-	-	-	
Repurchase Agreements	-	-	-	
Total Portfolio	\$ 1,283,179	\$ 1,264,478	100.00%	

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

(Shown at Book Value and \$ in Thousands)

<u>Securities</u>	Beginning Balance	Purchases & Amortization	Sales	Maturities	Ending Balance
Asset-Backed Securities	\$ 99,298	\$ 1	\$ 7,170	\$ -	\$ 92,129
Bankers' Acceptances	-	-	-	-	-
California Asset Management Program	233,500	180,434	124,146	-	289,788
California Local Agency Investment Fund	75,000	-	-	-	75,000
Commercial Paper	81,093	221	-	22,000	59,314
Federal Agencies	88,235	29,017	-	-	117,252
Medium Term Notes	179,901	52,405	-	20,776	211,530
Money Market Funds	996	1,933	2,270	-	659
Mortgage-Backed Securities	8,782	-	723	-	8,059
Municipals	2,310	-	-	-	2,310
Negotiable Certificates of Deposit	197,600	14,500	-	25,000	187,100
Repurchase Agreements	-	-	-	-	-
Supranationals	54,629	-	31	-	54,598
Time Deposits	-	-	-	-	-
United States Treasuries	195,480	-	40	10,000	185,440
Subtotals	\$ 1,216,824	\$ 278,511	\$ 134,380	\$ 77,776	\$ 1,283,179
	Beginning Balance	Deposits		Withdrawals	Ending Balance
<u>Cash</u>					
Demand Accounts	\$ 61	\$ -		\$ 53	\$ 8
Petty Cash & Payroll	5				5
Overnight Investment	-				-
Subtotals	\$ 66	\$ -		\$ 53	\$ 13
Total	\$ 1,216,890	\$ 278,511	\$ 134,380	\$ 77,829	\$ 1,283,192

Attachment 5
Credit Quality Compliance Report
(sorted alphabetically by Security)
November 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"	\$ 90,702	yes
Bank Deposits		Collateralized/FDIC Insured	-	n/a
Bankers' Acceptances		"A-1 or higher"	-	n/a
California Asset Management Program	(1)	"AAAm or higher"	289,788	yes
California Local Agency Investment Fund		N/A	75,000	yes
Commercial Paper		"A1/P1 or higher"	59,201	yes
Federal Agencies	(2)	N/A	116,360	yes
Medium Term Notes		"A or higher"	206,899	yes
Money Market Funds		"AAA"	659	yes
Mortgage-Backed Securities		"AAA"	7,332	yes
Municipals		"A or higher"	2,067	yes
Negotiable Certificates of Deposit	(3)	"A-1 or higher"	186,153	yes
Repurchase Agreements		"AAA"	-	n/a
Supranationals		"AA or higher"	53,743	yes
United States Treasuries	(2,4)	N/A	176,574	yes
Total Portfolio			\$ 1,264,478	

- (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) In November 2022, Credit Suisse New York Security (\$9.8 million market value or 0.78% of total portfolio) was downgraded by S&P from A-1 to A-2. Management had determined to hold security to maturity.
- (4) Securities have an explicit United States Government guarantee.

Attachment 6
Holding Limit Compliance Report
(sorted in descending order by Holding Limit)
November 30, 2022

(\$ in Thousands)

<u>Securities</u>	<u>Market Value</u>	<u>Percent of Portfolio Market Value</u>	<u>Holding Limits</u>
Federal Agencies	\$ 116,360	9.20%	100%
Mortgage-Backed Securities	7,332	0.58%	100%
United States Treasuries	176,574	13.97%	100%
Bankers' Acceptances	-	-	40%
California Asset Management Program	289,788	22.92%	40%
Commercial Paper	59,201	4.68%	40%
Bank Deposits	-	-	30%
Medium Term Notes	206,899	16.36%	30%
Municipals	2,067	0.17%	30%
Negotiable Certificates of Deposit	186,153	14.72%	30%
Supranationals	53,743	4.25%	30%
Asset-Backed Securities	90,702	7.17%	20%
Money Market Funds	659	0.05%	20%
Repurchase Agreements	(1) -	-	20%
California Local Agency Investment Fund	(2) 75,000	5.93%	N/A
Total Portfolio	<u>\$ 1,264,478</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)
November 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		2.197	3.140	-	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		0.222	0.553	-	0.74	yes
Federal Agencies	(1,2)	0.527	-	0.830	5.00	yes
Medium Term Notes		0.814	2.827	-	5.00	yes
Money Market Funds		0.003	0.003	0.003	N/A	yes
Mortgage-Backed Securities		-	1.814	-	5.00	yes
Municipals	(2)	-	3.326	-	5.00	yes
Negotiable Certificates of Deposit		0.483	2.907	-	5.00	yes
Repurchase Agreements		-	-	-	0.74	n/a
Supranationals		0.301	1.468	-	5.00	yes
United States Treasuries	(1,2)	0.652	1.819	2.986	5.00	yes
Weighted Average Maturity		0.499	2.118	2.290		

- (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.