



## ● **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 – June 2023
Attachment 2:	Summary of Portfolio Duration Report – June 2023
Attachment 3:	Summary of Portfolio Holding Report – June 2023
Attachment 4:	Summary Report of Investment & Cash Activity – June 2023
Attachment 5:	Credit Quality Compliance Report – June 2023
Attachment 6:	Holding Limit Compliance Report – June 2023
Attachment 7:	Maturity Compliance Report – June 2023



THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

**Date:** July 11, 2023  
**To:** Finance, Audit, Insurance, and Real Property Committee  
**From:** Katano Kasaine, Assistant General Manager/Chief Financial Officer  
**Subject:** Treasurer's Monthly Report June 2023

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 cursive script that reads "Katano Kasaine".

Katano Kasaine

KK: mt

Attachments

Attachment 1  
**The Metropolitan Water District of Southern California (MWD)**  
**Summary of Portfolio Performance Report**  
**June 30, 2023**

	Market Value	Monthly Return			Fiscal YTD Return			Annualized Total Return *Inception-to-Date	
		<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>	<u>Benchmark</u>
Liquidity	(2) \$ 1,003,420	0.30%	0.42%	0.46%	2.54%	3.49%	3.59%	1.82%	1.37%
Core	(3) <u>551,577</u>	0.21%	(0.36%)	(0.67%)	1.95%	0.60%	(0.13%)	2.90%	2.42%
Liquidity and Core	\$ 1,554,997								
Other Funds	(4) -	0.00%	0.00%		0.00%	0.00%		0.00%	
Total	<u>\$ 1,554,997</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**  
**June 30, 2023**

		<u>Market Value</u> (\$ in Thousands)	<u>Minimum</u> <u>Duration</u>	<u>MWD</u> <u>Duration</u>	<u>Maximum</u> <u>Duration</u>	<u>Benchmark</u>
Liquidity	(1)	\$ 1,003,420	0.00	0.15	0.73	0.23
Core	(2)	<u>551,577</u>	1.07	1.99	4.07	2.57
Liquidity and Core		\$ 1,554,997				
Other Funds	(3)	-		0.00		
Total		<u><u>\$ 1,554,997</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.

Attachment 3  
**Summary of Portfolio Holding Report**  
(sorted in descending order by Market Value )  
**June 30, 2023**

(\$ 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	\$ 559,817	\$ 559,817	35.11%	35.11%
United States Treasuries	313,916	305,957	19.19%	54.30%
Medium Term Notes	216,582	211,609	13.27%	67.57%
Commercial Paper	150,148	150,024	9.41%	76.98%
Federal Agencies	143,906	142,858	8.96%	85.94%
Negotiable Certificates of Deposit	122,202	122,040	7.65%	93.59%
Asset-Backed Securities	55,273	54,547	3.42%	97.01%
California Local Agency Investment Fund	25,000	25,000	1.57%	98.58%
Mortgage-Backed Securities	13,723	12,995	0.81%	99.39%
Supranationals	7,227	6,728	0.42%	99.81%
Municipals	2,310	2,083	0.13%	99.94%
Money Market Funds	1,022	1,022	0.06%	100.00%
Bank Deposits	-	-	-	
Bankers' Acceptances	-	-	-	
Repurchase Agreements	-	-	-	
<b>Total Portfolio</b>	<b><u>\$ 1,611,126</u></b>	<b><u>\$ 1,594,680</u></b>	<b><u>100.00%</u></b>	

Attachment 4  
**Summary Report of Investment & Cash Activity**  
(sorted alphabetically by security)  
**June 30, 2023**

(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	\$ 61,551	\$ -	\$ 6,278	\$ -	\$ 55,273
Bankers' Acceptances	-	-	-	-	-
California Asset Management Program	311,823	450,256	202,262	-	559,817
California Local Agency Investment Fund	25,000	-	-	-	25,000
Commercial Paper	122,318	39,730	-	11,900	150,148
Federal Agencies	127,033	19,873	3,000	-	143,906
Medium Term Notes	191,491	25,091	-	-	216,582
Money Market Funds	8,435	62,326	69,739	-	1,022
Mortgage-Backed Securities	13,725	-	2	-	13,723
Municipals	2,310	-	-	-	2,310
Negotiable Certificates of Deposit	132,198	4	-	10,000	122,202
Repurchase Agreements	-	-	-	-	-
Supranationals	17,232	-	5	10,000	7,227
Time Deposits	-	-	-	-	-
United States Treasuries	299,818	41,008	-	26,910	313,916
<b>Subtotals</b>	<b>\$ 1,312,934</b>	<b>\$ 638,288</b>	<b>\$ 281,286</b>	<b>\$ 58,810</b>	<b>\$ 1,611,126</b>
	Beginning Balance	Deposits		Withdrawals	Ending Balance
<u>Cash</u>					
Demand Accounts	\$ 20,442	\$ -		\$ 20,390	\$ 52
Petty Cash & Payroll	5				5
Overnight Investment	-				-
<b>Subtotals</b>	<b>\$ 20,447</b>	<b>\$ -</b>		<b>\$ 20,390</b>	<b>\$ 57</b>
<b>Total</b>	<b>\$ 1,333,381</b>	<b>\$ 638,288</b>	<b>\$ 281,286</b>	<b>\$ 79,200</b>	<b>\$ 1,611,183</b>

Attachment 5  
**Credit Quality Compliance Report**  
**(sorted alphabetically by Security)**  
**June 30, 2023**

(\$ 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"	\$ 54,547	yes
Bank Deposits	Collateralized/FDIC Insured	-	n/a
Bankers' Acceptances	"A-1 or higher"	-	n/a
California Asset Management Program (1)	"AAAm or higher"	559,817	yes
California Local Agency Investment Fund	N/A	25,000	yes
Commercial Paper	"A1/P1 or higher"	150,024	yes
Federal Agencies (2)	N/A	142,858	yes
Medium Term Notes	"A or higher"	211,609	yes
Money Market Funds	"AAAm"	1,022	yes
Mortgage-Backed Securities	"AAA"	12,995	yes
Municipals	"A or higher"	2,083	yes
Negotiable Certificates of Deposit	"A-1 or higher"	122,040	yes
Repurchase Agreements	"AAA"	-	n/a
Supranationals	"AA or higher"	6,728	yes
United States Treasuries (2,3)	N/A	305,957	yes
Total Portfolio		\$ 1,594,680	

- (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)  
**June 30, 2023**

(\$ in Thousands)

<u>Securities</u>	<u>Market Value</u>	<u>Percent of Portfolio Market Value</u>	<u>Holding Limits</u>
Federal Agencies	\$ 142,858	8.96%	100%
Mortgage-Backed Securities	12,995	0.81%	100%
United States Treasuries	305,957	19.19%	100%
Bankers' Acceptances	-	-	40%
California Asset Management Program	559,817	35.11%	40%
Commercial Paper	150,024	9.41%	40%
Bank Deposits	-	-	30%
Medium Term Notes	211,609	13.27%	30%
Municipals	2,083	0.13%	30%
Negotiable Certificates of Deposit	122,040	7.65%	30%
Supranationals	6,728	0.42%	30%
Asset-Backed Securities	54,547	3.42%	20%
Money Market Funds	1,022	0.06%	20%
Repurchase Agreements	(1) -	-	20%
California Local Agency Investment Fund	(2) 25,000	1.57%	N/A
Total Portfolio	<u>\$ 1,594,680</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)  
**June 30, 2023**

(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		1.907	3.918	-	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		0.108	0.499	-	0.74	yes
Federal Agencies	(1,2)	0.378	1.951	0.249	5.00	yes
Medium Term Notes		0.715	3.195	-	5.00	yes
Money Market Funds		0.003	0.003	0.003	N/A	yes
Mortgage-Backed Securities		-	2.233	-	5.00	yes
Municipals	(2)	-	2.745	-	5.00	yes
Negotiable Certificates of Deposit		0.330	0.696	-	5.00	yes
Repurchase Agreements		-	-	-	0.74	n/a
Supranationals		-	1.545	-	5.00	yes
United States Treasuries	(1,2)	0.290	2.219	3.879	5.00	yes
Weighted Average Maturity		0.211	2.315	2.792		

- (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.