



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



THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

**Date:** May 9, 2023  
**To:** Finance, Audit, Insurance, and Real Property Committee  
**From:** Katano Kasaine, Assistant General Manager/Chief Financial Officer  
**Subject:** Treasurer's Monthly Report April 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 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**  
**April 30, 2023**

	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) \$ 796,409	0.30%	0.39%	0.32%	1.97%	2.67%	2.72%	1.80%	1.34%
Core	(3) <u>455,221</u>	0.20%	0.37%	0.47%	1.49%	1.19%	1.04%	2.95%	2.50%
Liquidity and Core	\$ 1,251,630								
Other Funds	(4) 3,551	0.09%	0.47%		0.84%	1.09%		3.87%	
Total	<u><u>\$ 1,255,181</u></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**  
**April 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)	\$ 796,409	0.00	0.24	0.74	0.24
Core	(2)	<u>455,221</u>	1.07	1.96	4.07	2.57
Liquidity and Core		\$ 1,251,630				
Other Funds	(3)	3,551		1.78		
Total		<u><u>\$ 1,255,181</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 )  
**April 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>
United States Treasuries	\$ 302,871	\$ 297,765	23.72%	23.72%
California Asset Management Program	270,965	270,965	21.59%	45.31%
Negotiable Certificates of Deposit	184,195	183,998	14.66%	59.97%
Medium Term Notes	179,906	176,775	14.08%	74.05%
Federal Agencies	140,129	139,578	11.12%	85.17%
Commercial Paper	65,874	65,835	5.24%	90.41%
Asset-Backed Securities	62,921	62,212	4.96%	95.37%
California Local Agency Investment Fund	25,000	25,000	1.99%	97.36%
Supranationals	17,237	16,786	1.34%	98.70%
Mortgage-Backed Securities	14,615	13,931	1.11%	99.81%
Municipals	2,310	2,116	0.17%	99.98%
Money Market Funds	220	220	0.02%	100.00%
Bank Deposits	-	-	-	
Bankers' Acceptances	-	-	-	
Repurchase Agreements	-	-	-	
<b>Total Portfolio</b>	<b>\$ 1,266,243</b>	<b>\$ 1,255,181</b>	<b>100.00%</b>	

Attachment 4  
**Summary Report of Investment & Cash Activity**  
(sorted alphabetically by security)  
**April 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	\$ 66,927	\$ 3,200	\$ 7,206	\$ -	\$ 62,921
Bankers' Acceptances	-	-	-	-	-
California Asset Management Program	221,768	186,875	137,678	-	270,965
California Local Agency Investment Fund	25,000	-	-	-	25,000
Commercial Paper	67,831	24,918	16,875	10,000	65,874
Federal Agencies	138,675	8,954	-	7,500	140,129
Medium Term Notes	214,672	10,212	25,843	19,135	179,906
Money Market Funds	599	52,056	52,435	-	220
Mortgage-Backed Securities	6,966	7,653	4	-	14,615
Municipals	2,310	-	-	-	2,310
Negotiable Certificates of Deposit	184,191	4	-	-	184,195
Repurchase Agreements	-	-	-	-	-
Supranationals	27,057	-	-	9,820	17,237
Time Deposits	-	-	-	-	-
United States Treasuries	280,423	22,448	-	-	302,871
<b>Subtotals</b>	<b>\$ 1,236,419</b>	<b>\$ 316,320</b>	<b>\$ 240,041</b>	<b>\$ 46,455</b>	<b>\$ 1,266,243</b>
	Beginning Balance	Deposits		Withdrawals	Ending Balance
<u>Cash</u>					
Demand Accounts	\$ 17,638	\$ -		\$ 17,637	\$ 1
Petty Cash & Payroll	5				5
Overnight Investment	-				-
<b>Subtotals</b>	<b>\$ 17,643</b>	<b>\$ -</b>		<b>\$ 17,637</b>	<b>\$ 6</b>
<b>Total</b>	<b>\$ 1,254,062</b>	<b>\$ 316,320</b>	<b>\$ 240,041</b>	<b>\$ 64,092</b>	<b>\$ 1,266,249</b>

Attachment 5  
**Credit Quality Compliance Report**  
(sorted alphabetically by Security)  
**April 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"	\$ 62,212	yes
Bank Deposits		Collateralized/FDIC Insured	-	n/a
Bankers' Acceptances		"A-1 or higher"	-	n/a
California Asset Management Program	(1)	"AAAm or higher"	270,965	yes
California Local Agency Investment Fund		N/A	25,000	yes
Commercial Paper		"A1/P1 or higher"	65,835	yes
Federal Agencies	(2)	N/A	139,578	yes
Medium Term Notes		"A or higher"	176,775	yes
Money Market Funds		"AAAm"	220	yes
Mortgage-Backed Securities		"AAA"	13,931	yes
Municipals		"A or higher"	2,116	yes
Negotiable Certificates of Deposit		"A-1 or higher"	183,998	yes
Repurchase Agreements		"AAA"	-	n/a
Supranationals		"AA or higher"	16,786	yes
United States Treasuries	(2,3)	N/A	297,765	yes
Total Portfolio			\$ 1,255,181	

- (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)  
**April 30, 2023**

(\$ in Thousands)

<u>Securities</u>	<u>Market Value</u>	<u>Percent of Portfolio Market Value</u>	<u>Holding Limits</u>
Federal Agencies	\$ 139,578	11.12%	100%
Mortgage-Backed Securities	13,931	1.11%	100%
United States Treasuries	297,765	23.72%	100%
Bankers' Acceptances	-	-	40%
California Asset Management Program	270,965	21.59%	40%
Commercial Paper	65,835	5.24%	40%
Bank Deposits	-	-	30%
Medium Term Notes	176,775	14.08%	30%
Municipals	2,116	0.17%	30%
Negotiable Certificates of Deposit	183,998	14.66%	30%
Supranationals	16,786	1.34%	30%
Asset-Backed Securities	62,212	4.96%	20%
Money Market Funds	220	0.02%	20%
Repurchase Agreements	(1) -	-	20%
California Local Agency Investment Fund	(2) 25,000	1.99%	N/A
Total Portfolio	<u>\$ 1,255,181</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)  
April 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		2.025	3.641	-	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	0.249	-	0.74	yes
Federal Agencies	(1,2)	0.505	2.101	0.416	5.00	yes
Medium Term Notes		0.753	2.921	-	5.00	yes
Money Market Funds		0.003	0.003	0.003	N/A	yes
Mortgage-Backed Securities		-	2.348	-	5.00	yes
Municipals	(2)	-	2.912	-	5.00	yes
Negotiable Certificates of Deposit		0.342	0.863	-	5.00	yes
Repurchase Agreements		-	-	-	0.74	n/a
Supranationals		0.164	1.712	-	5.00	yes
United States Treasuries	(1,2)	0.392	2.200	2.573	5.00	yes
Weighted Average Maturity		0.375	2.255	1.907		

- (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.