



## ● 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 – January 2023
Attachment 2:	Summary of Portfolio Duration Report – January 2023
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Attachment 4:	Summary Report of Investment & Cash Activity – January 2023
Attachment 5:	Credit Quality Compliance Report – January 2023
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THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

**Date:** February 13, 2023  
**To:** Finance, Audit, Insurance, and Real Property Committee  
**From:** Katano Kasaine, Assistant General Manager/Chief Financial Officer  
**Subject:** Treasurer's Monthly Report January 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.

*Katano Kasaine*

Katano Kasaine

KK: mt

Attachments

Attachment 1  
**The Metropolitan Water District of Southern California (MWD)**  
**Summary of Portfolio Performance Report**  
**January 31, 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) \$ 927,249	0.25%	0.39%	0.31%	1.19%	1.52%	1.63%	1.77%	1.30%
Core	(3) <u>297,275</u>	0.15%	0.76%	1.12%	0.85%	0.00%	(0.10%)	2.93%	2.47%
Liquidity and Core	\$ 1,224,524								
Other Funds	(4) 3,540	0.09%	0.91%		0.57%	(0.07%)		3.86%	
Total	<u>\$ 1,228,064</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**  
**January 31, 2023**

		Market Value (\$ in Thousands)	Minimum <u>Duration</u>	MWD <u>Duration</u>	Maximum <u>Duration</u>	<u>Benchmark</u>
Liquidity	(1)	\$ 927,249	0.00	0.40	0.73	0.23
Core	(2)	<u>297,275</u>	1.05	1.98	4.05	2.55
Liquidity and Core		\$ 1,224,524				
Other Funds	(3)	3,540		1.99		
Total		<u><u>\$ 1,228,064</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 )  
**January 31, 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	\$ 251,534	\$ 251,534	20.48%	20.48%
Medium Term Notes	243,110	239,689	19.52%	40.00%
United States Treasuries	217,722	210,135	17.11%	57.11%
Negotiable Certificates of Deposit	179,100	178,752	14.56%	71.67%
Federal Agencies	132,501	131,832	10.73%	82.40%
Asset-Backed Securities	79,014	78,019	6.35%	88.75%
Commercial Paper	71,959	71,922	5.86%	94.61%
Supranationals	32,051	31,429	2.56%	97.17%
California Local Agency Investment Fund	25,392	25,392	2.07%	99.24%
Mortgage-Backed Securities	7,008	6,334	0.52%	99.76%
Municipals	2,310	2,101	0.17%	99.93%
Money Market Funds	925	925	0.07%	100.00%
Bank Deposits	-	-	-	
Bankers' Acceptances	-	-	-	
Repurchase Agreements	-	-	-	
<b>Total Portfolio</b>	<b>\$ 1,242,626</b>	<b>\$ 1,228,064</b>	<b>100.00%</b>	

Attachment 4  
**Summary Report of Investment & Cash Activity**  
(sorted alphabetically by security)  
**January 31, 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	\$ 84,862	\$ 1,764	\$ 7,612	\$ -	\$ 79,014
Bankers' Acceptances	-	-	-	-	-
California Asset Management Program	336,520	180,945	265,931	-	251,534
California Local Agency Investment Fund	75,000	392	50,000	-	25,392
Commercial Paper	77,960	15,999	-	22,000	71,959
Federal Agencies	119,457	23,044	-	10,000	132,501
Medium Term Notes	243,856	24,759	-	25,505	243,110
Money Market Funds	1,829	60,758	61,662	-	925
Mortgage-Backed Securities	7,130	-	122	-	7,008
Municipals	2,310	-	-	-	2,310
Negotiable Certificates of Deposit	179,100	10,000	-	10,000	179,100
Repurchase Agreements	-	-	-	-	-
Supranationals	54,567	(16)	-	22,500	32,051
Time Deposits	-	-	-	-	-
United States Treasuries	213,187	19,535	-	15,000	217,722
<b>Subtotals</b>	<b>\$ 1,395,778</b>	<b>\$ 337,180</b>	<b>\$ 385,327</b>	<b>\$ 105,005</b>	<b>\$ 1,242,626</b>
	Beginning Balance	Deposits		Withdrawals	Ending Balance
<u>Cash</u>					
Demand Accounts	\$ 194	\$ -		\$ 160	\$ 34
Petty Cash & Payroll	5				5
Overnight Investment	-				-
<b>Subtotals</b>	<b>\$ 199</b>	<b>\$ -</b>		<b>\$ 160</b>	<b>\$ 39</b>
<b>Total</b>	<b>\$ 1,395,977</b>	<b>\$ 337,180</b>	<b>\$ 385,327</b>	<b>\$ 105,165</b>	<b>\$ 1,242,665</b>

Attachment 5  
**Credit Quality Compliance Report**  
**(sorted alphabetically by Security)**  
**January 31, 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"	\$ 78,019	yes
Bank Deposits		Collateralized/FDIC Insured	-	n/a
Bankers' Acceptances		"A-1 or higher"	-	n/a
California Asset Management Program	(1)	"AAAm or higher"	251,534	yes
California Local Agency Investment Fund		N/A	25,392	yes
Commercial Paper		"A1/P1 or higher"	71,922	yes
Federal Agencies	(2)	N/A	131,832	yes
Medium Term Notes		"A or higher"	239,689	yes
Money Market Funds		"AAAm"	925	yes
Mortgage-Backed Securities		"AAA"	6,334	yes
Municipals		"A or higher"	2,101	yes
Negotiable Certificates of Deposit	(3)	"A-1 or higher"	178,752	yes
Repurchase Agreements		"AAA"	-	n/a
Supranationals		"AA or higher"	31,429	yes
United States Treasuries	(2,4)	N/A	210,135	yes
Total Portfolio			\$ 1,228,064	

- (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 was downgraded by S&P from A-1 to A-2. As of January 2023, Credit Suisse New York Security's market value was \$10.0 million or 0.81% of the total portfolio. 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)  
**January 31, 2023**

(\$ in Thousands)

<u>Securities</u>	<u>Market Value</u>	<u>Percent of Portfolio Market Value</u>	<u>Holding Limits</u>
Federal Agencies	\$ 131,832	10.73%	100%
Mortgage-Backed Securities	6,334	0.52%	100%
United States Treasuries	210,135	17.11%	100%
Bankers' Acceptances	-	-	40%
California Asset Management Program	251,534	20.48%	40%
Commercial Paper	71,922	5.86%	40%
Bank Deposits	-	-	30%
Medium Term Notes	239,689	19.52%	30%
Municipals	2,101	0.17%	30%
Negotiable Certificates of Deposit	178,752	14.56%	30%
Supranationals	31,429	2.56%	30%
Asset-Backed Securities	78,019	6.35%	20%
Money Market Funds	925	0.07%	20%
Repurchase Agreements	(1) -	-	20%
California Local Agency Investment Fund	(2) 25,392	2.07%	N/A
Total Portfolio	<u>\$ 1,228,064</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)  
**January 31, 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		2.137	3.348	-	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		0.248	0.490	-	0.74	yes
Federal Agencies	(1,2)	0.719	2.159	0.660	5.00	yes
Medium Term Notes		0.844	2.981	-	5.00	yes
Money Market Funds		0.003	0.003	0.003	N/A	yes
Mortgage-Backed Securities		-	1.836	-	5.00	yes
Municipals	(2)	-	3.156	-	5.00	yes
Negotiable Certificates of Deposit		0.431	1.227	-	5.00	yes
Repurchase Agreements		-	-	-	0.74	n/a
Supranationals		0.279	1.688	-	5.00	yes
United States Treasuries	(1,2)	0.816	2.077	2.816	5.00	yes
Weighted Average Maturity		0.551	2.230	2.132		

- (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.