



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



THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

**Date:** April 11, 2023  
**To:** Finance, Audit, Insurance, and Real Property Committee  
**From:** Katano Kasaine, Assistant General Manager/Chief Financial Officer  
**Subject:** Treasurer's Monthly Report March 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**  
**March 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) \$ 816,851	0.28%	0.51%	0.43%	1.69%	2.27%	2.40%	1.79%	1.33%
Core	(3) <u>404,353</u>	0.20%	1.56%	1.88%	1.28%	0.82%	0.57%	2.95%	2.49%
Liquidity and Core	\$ 1,221,204								
Other Funds	(4) 3,570	0.10%	1.45%		0.75%	0.62%		3.86%	
Total	<u><u>\$ 1,224,774</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**  
**March 31, 2023**

		Market Value (\$ in Thousands)	Minimum Duration	MWD Duration	Maximum Duration	Benchmark
Liquidity	(1)	\$ 816,851	0.00	0.34	0.73	0.23
Core	(2)	<u>404,353</u>	1.06	1.97	4.06	2.56
Liquidity and Core		\$ 1,221,204				
Other Funds	(3)	3,570		1.84		
Total		<u><u>\$ 1,224,774</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 )  
**March 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>
United States Treasuries	\$ 280,423	\$ 274,827	22.44%	22.44%
California Asset Management Program	221,768	221,768	18.11%	40.55%
Medium Term Notes	214,672	211,345	17.26%	57.81%
Negotiable Certificates of Deposit	184,191	184,063	15.03%	72.84%
Federal Agencies	138,675	138,291	11.29%	84.13%
Commercial Paper	67,831	67,795	5.53%	89.66%
Asset-Backed Securities	66,927	66,103	5.40%	95.06%
Supranationals	27,057	26,576	2.17%	97.23%
California Local Agency Investment Fund	25,000	25,000	2.04%	99.27%
Mortgage-Backed Securities	6,966	6,298	0.51%	99.78%
Municipals	2,310	2,109	0.17%	99.95%
Money Market Funds	599	599	0.05%	100.00%
Bank Deposits	-	-	-	
Bankers' Acceptances	-	-	-	
Repurchase Agreements	-	-	-	
<b>Total Portfolio</b>	<b>\$ 1,236,419</b>	<b>\$ 1,224,774</b>	<b>100.00%</b>	

Attachment 4  
**Summary Report of Investment & Cash Activity**  
(sorted alphabetically by security)  
**March 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	\$ 71,956	\$ 1,740	\$ 6,769	\$ -	\$ 66,927
Bankers' Acceptances	-	-	-	-	-
California Asset Management Program	278,981	85,638	142,851	-	221,768
California Local Agency Investment Fund	25,000	-	-	-	25,000
Commercial Paper	67,613	218	-	-	67,831
Federal Agencies	128,979	22,701	13,005	-	138,675
Medium Term Notes	221,303	9,024	14,210	1,445	214,672
Money Market Funds	34,107	57,443	90,951	-	599
Mortgage-Backed Securities	6,971	-	5	-	6,966
Municipals	2,310	-	-	-	2,310
Negotiable Certificates of Deposit	189,188	15,003	-	20,000	184,191
Repurchase Agreements	-	-	-	-	-
Supranationals	32,054	3	-	5,000	27,057
Time Deposits	-	-	-	-	-
United States Treasuries	254,118	55,321	10,016	19,000	280,423
<b>Subtotals</b>	<b>\$ 1,312,580</b>	<b>\$ 247,091</b>	<b>\$ 277,807</b>	<b>\$ 45,445</b>	<b>\$ 1,236,419</b>
	Beginning Balance	Deposits		Withdrawals	Ending Balance
<u>Cash</u>					
Demand Accounts	\$ 1	\$ 17,637		\$ -	\$ 17,638
Petty Cash & Payroll	5				5
Overnight Investment	-				-
<b>Subtotals</b>	<b>\$ 6</b>	<b>\$ 17,637</b>		<b>\$ -</b>	<b>\$ 17,643</b>
<b>Total</b>	<b>\$ 1,312,586</b>	<b>\$ 264,728</b>	<b>\$ 277,807</b>	<b>\$ 45,445</b>	<b>\$ 1,254,062</b>

Attachment 5  
**Credit Quality Compliance Report**  
(sorted alphabetically by Security)  
**March 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"	\$ 66,103	yes
Bank Deposits	Collateralized/FDIC Insured	-	n/a
Bankers' Acceptances	"A-1 or higher"	-	n/a
California Asset Management Program (1)	"AAAm or higher"	221,768	yes
California Local Agency Investment Fund	N/A	25,000	yes
Commercial Paper	"A1/P1 or higher"	67,795	yes
Federal Agencies (2)	N/A	138,291	yes
Medium Term Notes	"A or higher"	211,345	yes
Money Market Funds	"AAAm"	599	yes
Mortgage-Backed Securities	"AAA"	6,298	yes
Municipals	"A or higher"	2,109	yes
Negotiable Certificates of Deposit	"A-1 or higher"	184,063	yes
Repurchase Agreements	"AAA"	-	n/a
Supranationals	"AA or higher"	26,576	yes
United States Treasuries (2,3)	N/A	274,827	yes
Total Portfolio		\$ 1,224,774	

- (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)  
**March 31, 2023**

(\$ in Thousands)

<u>Securities</u>	<u>Market Value</u>	<u>Percent of Portfolio Market Value</u>	<u>Holding Limits</u>
Federal Agencies	\$ 138,291	11.29%	100%
Mortgage-Backed Securities	6,298	0.51%	100%
United States Treasuries	274,827	22.44%	100%
Bankers' Acceptances	-	-	40%
California Asset Management Program	221,768	18.11%	40%
Commercial Paper	67,795	5.53%	40%
Bank Deposits	-	-	30%
Medium Term Notes	211,345	17.26%	30%
Municipals	2,109	0.17%	30%
Negotiable Certificates of Deposit	184,063	15.03%	30%
Supranationals	26,576	2.17%	30%
Asset-Backed Securities	66,103	5.40%	20%
Money Market Funds	599	0.05%	20%
Repurchase Agreements	(1) -	-	20%
California Local Agency Investment Fund	(2) 25,000	2.04%	N/A
Total Portfolio	<u>\$ 1,224,774</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)  
**March 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		2.077	3.499	-	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		0.226	0.332	-	0.74	yes
Federal Agencies	(1,2)	0.540	2.140	0.499	5.00	yes
Medium Term Notes		0.849	2.986	-	5.00	yes
Money Market Funds		0.003	0.003	0.003	N/A	yes
Mortgage-Backed Securities		-	1.682	-	5.00	yes
Municipals	(2)	-	2.995	-	5.00	yes
Negotiable Certificates of Deposit		0.425	0.945	-	5.00	yes
Repurchase Agreements		-	-	-	0.74	n/a
Supranationals		0.156	1.526	-	5.00	yes
United States Treasuries	(1,2)	0.474	2.260	2.655	5.00	yes
Weighted Average Maturity		0.477	2.268	1.970		

- (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.