



- 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

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|---------------|-----------------------------------------------------------|
| Attachment 1: | Portfolio Performance Report – March 2021 |
| Attachment 2: | Portfolio Summary Report – March 2021 |
| Attachment 3: | Summary Report of Investment & Cash Activity – March 2021 |
| Attachment 4: | Duration Report – March 2021 |



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Date: April 12, 2021
To: Finance and Insurance Committee
From: Katano Kasaine, Assistant General Manager/Chief Financial Officer
Subject: Treasurer's Monthly Report March 2021

This letter transmits a summary report of investments, cash balances and performance report with total return, and duration comparisons for the end of the current 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 9, 2020. 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)
Portfolio Performance Report
March 31, 2021

		Market Value (\$ in Thousands)	Duration		Monthly Return		Fiscal YTD Return		Annualized Return *Inception-to-Date	
			MWD	Benchmark	MWD	Benchmark	MWD	Benchmark	MWD	Benchmark
Liquidity	(1)	\$ 1,095,452	0.48	0.23	0.01%	0.01%	0.35%	0.09%	1.86%	1.33%
Core	(2)	<u>195,572</u>	2.61	2.69	(0.13%)	(0.12%)	0.16%	(0.14%)	3.46%	2.98%
Liquidity and Core		\$ 1,291,024								
Other Funds	(3)	5,458	1.46		0.04%		0.28%		4.39%	
Total		<u><u>\$ 1,296,482</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 US Corporate and Government Index, A Rated and Higher.

(3) Debt Service Reserve Funds and Lake Mathews Trust.

* Inception Date 5/01/2002

Attachment 2
Portfolio Summary Report
March 31, 2021

(\$ in Thousands)

<u>Securities</u>	<u>Credit Quality</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Percent of Portfolio Market Value</u>	<u>Investment Policy Limits</u>
United States Treasuries	(1,2)	\$ 131,182	\$ 129,814	10.12%	100%
Mortgage-Backed Securities		35,858	35,357	2.77%	100%
Federal Agencies	(2)	34,731	34,698	2.68%	100%
Supranationals		67,355	67,438	5.19%	30%
Repurchase Agreements	(3)	-	-	0.00%	20%
Bankers' Acceptances		-	-	0.00%	40%
Commercial Paper		230,071	230,090	17.75%	25%
Negotiable Certificates of Deposit		249,170	249,019	19.22%	30%
Bank Deposits		-	-	0.00%	30%
Money Market Funds		3,590	3,590	0.28%	20%
California Asset Management Program	(4)	214,879	214,878	16.57%	30%
California Local Agency Investment Fund	(5)	75,000	75,000	5.78%	N/A
Medium Term Notes	(6)	206,183	205,465	15.90%	30%
Asset-Backed Securities		41,134	41,085	3.17%	20%
Municipals	(7)	7,329	7,023	0.57%	30%
Total Portfolio		<u>\$ 1,296,482</u>	<u>\$ 1,293,457</u>	<u>100.00%</u>	

- (1) Securities have an explicit United States Government guarantee.
- (2) United States Treasuries and Federal Agencies are rated 'AAA' by two nationally recognized rating agencies and 'AA+' by one nationally recognized rating agency.
- (3) Repurchase agreements can only be executed with primary dealers and collateral consists of Treasuries and/or Federal Agencies with maturities under 5 years.
- (4) 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).
- (5) \$75 million maximum allowed by California Local Agency Investment Fund.
- (6) In March 2020, Delta Airlines (Cusip 247367BH7) security was downgraded by S&P from A- to BB+. Management had determined to hold securities to maturity.
- (7) \$0.186 million (market value) of the municipal bond portfolio was rated AAA by two nationally recognized rating agencies.

Attachment 3
Summary Report of Investment & Cash Activity
March 31, 2021

(Shown at Book Value and \$ in Thousands)

	Beginning Balance	Purchases & Amortization	Sales	Maturities	Ending Balance
United States Treasuries	\$ 133,099	7,340	\$ 625	\$ 10,000	\$ 129,814
Mortgage-Backed Securities	42,953	2	7,598	-	35,357
Federal Agencies	62,593	-	17,895	10,000	34,698
Supranationals	72,495	4,943	-	10,000	67,438
Repurchase Agreements	-	-	-	-	-
Bankers' Acceptances	-	-	-	-	-
Commercial Paper	161,840	78,250	-	10,000	230,090
Negotiable Certificates of Deposit	252,027	16,992	20,000	-	249,019
Time Deposits	-	-	-	-	-
Money Market Funds	99,925	19,327	115,662	-	3,590
California Asset Management Program	160,412	204,588	150,122	-	214,878
California Local Agency Investment Fund	75,000	-	-	-	75,000
Medium Term Notes	187,618	24,849	2,002	5,000	205,465
Asset-Backed Securities	42,152	3,065	4,132	-	41,085
Municipals	7,017	6	-	-	7,023
Subtotals	\$ 1,297,131	\$ 359,362	\$ 318,036	\$ 45,000	\$ 1,293,457
	Beginning Balance	Deposits		Withdrawals	Ending Balance
Cash					
Demand Accounts	\$ 12	248			260
Petty Cash & Payroll	5				5
Overnight Investment	-				-
Subtotals	\$ 17	\$ 248	\$ -	\$ -	\$ 265
Total	\$ 1,297,148	\$ 359,610	\$ 318,036	\$ 45,000	\$ 1,293,722

Attachment 4
Duration Report
March 31, 2021

(\$ in Thousands)

Securities Available for Metropolitan's Self-Liquidity Program	<u>Market Value</u>	<u>Duration (1)</u>
Municipal Discount Bonds	\$ 816	3.326
US Treasury Notes	110,967	2.425
Asset Backed	39,573	1.774
Mortgage Backed	34,497	1.766
Federal Agency Coupons	30,854	1.850
Medium Term Notes	172,829	1.191
Supranationals	64,799	1.330
Federal Agency Discount Notes	-	-
US Treasury Strips	14,696	0.624
Negotiable Certificates of Deposit	239,714	0.595
Municipal Bonds	5,086	0.256
Commercial Paper	221,339	0.252
Money Market Funds	3,025	0.000
California Asset Management Program	206,724	0.000
California Local Agency Investment Fund	72,154	0.000
Bankers' Acceptances	-	-
Federal Agency Strips	-	-
Gov't National Mtge Assoc.	-	-
US Treasury Bills	-	-
Total	<u>\$ 1,217,073</u>	
Weighted Average Duration		0.789

(1) Duration is a measure of the sensitivity in the price of a bond to changes in interest rates, so it is a measure of risk in a fixed income portfolio. As a rule of thumb, a fixed income portfolio with a duration of 5 (years) will decline 5% in value for every 1% upward movement in comparable interest rates.