



● **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

Attachment 1:	Summary of Portfolio Performance Report – April 2021
Attachment 2:	Summary of Portfolio Duration Report – April 2021
Attachment 3:	Summary of Portfolio Holding Report – April 2021
Attachment 4:	Summary Report of Investment & Cash Activity – April 2021
Attachment 5:	Credit Quality Compliance Report – April 2021
Attachment 6:	Holding Limit Compliance Report – April 2021
Attachment 7:	Maturity Compliance Report – April 2021



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Date: May 10, 2021
To: Finance and Insurance Committee
From: Katano Kasaine, Assistant General Manager/Chief Financial Officer
Subject: Treasurer's Monthly Report April 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 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, 2021

		Market Value (\$ in Thousands)	Monthly Return		Fiscal YTD Return		Annualized Return *Inception-to-Date	
			<u>MWD</u>	<u>Benchmark</u>	<u>MWD</u>	<u>Benchmark</u>	<u>MWD</u>	<u>Benchmark</u>
Liquidity	(1)	\$ 1,139,596	0.02%	0.00%	0.37%	0.10%	1.85%	1.32%
Core	(2)	<u>196,036</u>	0.27%	0.20%	0.44%	0.06%	3.46%	2.98%
Liquidity and Core		\$ 1,335,632						
Other Funds	(3)	5,455	0.10%		0.39%		4.38%	
Total		<u><u>\$ 1,341,087</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
The Metropolitan Water District of Southern California (MWD)
Summary of Portfolio Duration Report
April 30, 2021

		<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)	\$ 1,139,596	0.00	0.44	0.74	0.24
Core	(2)	<u>196,036</u>	1.18	2.57	4.18	2.68
Liquidity and Core		\$ 1,335,632				
Other Funds	(3)	5,455		1.39		
Total		<u><u>\$ 1,341,087</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 3
Summary of Portfolio Holding Report
(sorted in descending order by Market Value)
April 30, 2021

(\$ 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>
Negotiable Certificates of Deposit	\$ 291,013	\$ 291,154	21.71%	21.71%
Commercial Paper	225,143	225,129	16.79%	38.50%
California Asset Management Program	218,126	218,126	16.26%	54.76%
Medium Term Notes	213,908	214,781	16.01%	70.77%
United States Treasuries	119,832	121,232	9.04%	79.81%
California Local Agency Investment Fund	75,000	75,000	5.59%	85.40%
Supranationals	72,165	72,102	5.38%	90.78%
Asset-Backed Securities	44,646	44,679	3.33%	94.11%
Mortgage-Backed Securities	34,936	35,416	2.64%	96.75%
Federal Agencies	34,697	34,729	2.59%	99.34%
Municipals	7,028	7,330	0.55%	99.89%
Money Market Funds	1,409	1,409	0.11%	100.00%
Bank Deposits	-	-	-	
Bankers' Acceptances	-	-	-	
Repurchase Agreements	-	-	-	
Total Portfolio	<u>\$ 1,337,903</u>	<u>\$ 1,341,087</u>	<u>100.00%</u>	

Attachment 4
Summary Report of Investment & Cash Activity
(sorted alphabetically by security)
April 30, 2021

(Shown at Book Value and \$ in Thousands)

<u>Securities</u>	Beginning Balance	Purchases & Amortization	Sales	Maturities	Ending Balance
Asset-Backed Securities	\$ 41,085	\$ 9,127	\$ 5,566	\$ -	\$ 44,646
Bankers' Acceptances	-	-	-	-	-
California Asset Management Program	214,878	157,698	154,450	-	218,126
California Local Agency Investment Fund	75,000	-	-	-	75,000
Commercial Paper	230,090	32,535	19,982	17,500	225,143
Federal Agencies	34,698	-	1	-	34,697
Medium Term Notes	205,465	28,848	15,405	5,000	213,908
Money Market Funds	3,590	8,595	10,776	-	1,409
Mortgage-Backed Securities	35,357	-	421	-	34,936
Municipals	7,023	5	-	-	7,028
Negotiable Certificates of Deposit	249,019	56,994	15,000	-	291,013
Repurchase Agreements	-	-	-	-	-
Supranationals	67,438	4,727	-	-	72,165
Time Deposits	-	-	-	-	-
United States Treasuries	129,814	18	-	10,000	119,832
Subtotals	\$ 1,293,457	\$ 298,547	\$ 221,601	\$ 32,500	\$ 1,337,903
	Beginning Balance	Deposits	Withdrawals	Ending Balance	
<u>Cash</u>					
Demand Accounts	\$ 260		272	(12)	
Petty Cash & Payroll	5			5	
Overnight Investment	-			-	
Subtotals	\$ 265	\$ -	\$ -	\$ 272	\$ (7)
Total	\$ 1,293,722	\$ 298,547	\$ 221,601	\$ 32,772	\$ 1,337,896

Attachment 5
Credit Quality Compliance Report
(sorted alphabetically by Security)
April 30, 2021

(\$ 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"	\$ 44,679	yes
Bank Deposits		Collateralized/FDIC Insured	-	n/a
Bankers' Acceptances		"A-1 or higher"	-	n/a
California Asset Management Program	(1)	"AAA _m or higher"	218,126	yes
California Local Agency Investment Fund		N/A	75,000	yes
Commercial Paper		"A1/P1 or higher"	225,129	yes
Federal Agencies	(2)	N/A	34,729	yes
Medium Term Notes	(3)	"A or higher"	214,781	exception
Money Market Funds		"AAA"	1,409	yes
Mortgage-Backed Securities		"AAA"	35,416	yes
Municipals	(4)	"A or higher"	7,330	yes
Negotiable Certificates of Deposit		"A-1 or higher"	291,154	yes
Repurchase Agreements		"AAA"	-	n/a
Supranationals		"AA or higher"	72,102	yes
United States Treasuries	(2,5)	N/A	121,232	yes
Total Portfolio			<u><u>\$ 1,341,087</u></u>	

- (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 March 2020, Delta Airlines security (\$1.099 million market value or 0.08% of total portfolio) was downgraded by S&P from A- to BB+. In alignment with primary investment objective #1 of MWD Investment Policy, management elected to hold this security to final maturity as a credit exception in order to avoid realizing any estimated market loss.
- (4) \$0.185 million (market value) of the municipal bond portfolio was rated AAA by two nationally recognized rating agencies.
- (5) Securities have an explicit United States Government guarantee.

Attachment 6
Holding Limit Compliance Report
(sorted in descending order by Holding Limit)
April 30, 2021

(\$ in Thousands)

<u>Securities</u>	<u>Market Value</u>	<u>Percent of Portfolio Market Value</u>	<u>Holding Limits</u>
Federal Agencies	\$ 34,729	2.59%	100%
Mortgage-Backed Securities	35,416	2.64%	100%
United States Treasuries	121,232	9.04%	100%
Bankers' Acceptances	-	0.00%	40%
Bank Deposits	-	0.00%	30%
California Asset Management Program	218,126	16.26%	30%
Medium Term Notes	214,781	16.01%	30%
Municipals	7,330	0.55%	30%
Negotiable Certificates of Deposit	291,154	21.71%	30%
Supranationals	72,102	5.38%	30%
Commercial Paper	225,129	16.79%	25%
Asset-Backed Securities	44,679	3.33%	20%
Money Market Funds	1,409	0.11%	20%
Repurchase Agreements	(1) -	0.00%	20%
California Local Agency Investment Fund	(2) 75,000	5.59%	N/A
Total Portfolio	<u>\$ 1,341,087</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, 2021

(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		2.106	3.986	-	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		0.176	-	-	0.74	yes
Federal Agencies	(1,2)	1.932	-	1.455	5.00	yes
Medium Term Notes		0.797	3.088	-	5.00	yes
Money Market Funds		0.003	0.003	0.003	N/A	yes
Mortgage-Backed Securities		-	1.932	-	5.00	yes
Municipals	(2)	0.590	-	2.852	5.00	yes
Negotiable Certificates of Deposit		0.504	-	-	5.00	yes
Repurchase Agreements		-	-	-	0.74	n/a
Supranationals		1.093	2.953	-	5.00	yes
United States Treasuries	(1,2)	0.338	-	0.215	5.00	yes
Weighted Average Maturity		0.479	2.775	1.340		

(1) The core portfolio may be invested in Federal Agency and United States Treasury securities with maturities in excess 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.