



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 17-1092, **Version:** 1

TRANSMITTAL LETTER FOR BOARD MEETING OF OCTOBER 19, 2017

COMMITTEE ON FINANCE

Mr. David St. Pierre, Executive Director

Report on investments purchased during September 2017

Dear Sir:

Attached is a report indicating the investments made in securities and overnight money market funds for the various District Funds during the month of September 2017.

During the month, 27 individual investments were made with a total par value of \$105,000,000.00 at an average annual yield of 1.24%. The interest income to maturity of these investments is \$442,423.62.

Additionally, 6 investments were made in Money Market Funds during the month, with a par value of \$59,183.97 at an average annual yield of 1.00%.

The fixed income market continues to be challenged by exceptionally low investment yields. There is very little risk premium to be earned by extending maturities for uncollateralized investments such as commercial paper beyond a 60-day period. As such, investments continue to be made to meet the District's liquidity demands for debt service, payroll, and other operating expenditures, based upon the best yield offered on the date of investment as well as the diversification requirements of the District's Investment Policy. See the last page of the attachment for the average market interest rates offered for purchases during the month. Commercial Paper and Money Markets continue to provide the highest yields for short-term investment requirements.

Respectfully Submitted, Mary Ann Boyle, Treasurer, MAB:st

Attachment