



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

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TRANSMITTAL LETTER FOR BOARD MEETING OF FEBRUARY 2, 2023

COMMITTEE ON FINANCE

Mr. Brian A. Perkovich, Executive Director

Report on investments purchased during December 2022

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 December 2022.

During the month, 27 individual investments were made with a total par value of \$157,200,000.00 at an average annual yield of 4.310%; the interest income to maturity of these investments is \$1,346,013.07. Additionally, 13 investments were made in Money Market Funds during the month, with a par value of \$140,669,652.66 at an average annual yield of 4.180%.

The current investment landscape continues to be in extreme flux due to the impacts of the COVID-19 pandemic, the war in Ukraine, high inflation rates, and the actions the Federal Reserve (Fed) has taken and will continue to take to bring inflation to its desired level; these market factors have caused interest rates to continuously rise since the beginning of 2022. In response to the steep rise in interest rates along with the lack of clarity in the timing of property tax receipts, the District was even more conservative than usual in its investment activities during the fourth quarter of 2022. The District continued to purchase investments to meet funding needs to cover debt service, payroll, and other operating expenditures, and all decisions were based upon the best option available on the date of investment, given the District investment time horizon, investment constraints, diversification needs, and adherence to the District's Investment Policy; however, investment maturities have been and will continue to be kept short until more visibility is available on the pending issues. As of this report, commercial paper and high-yield savings provide the highest yields for such short-term investment requirements of the District.

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

Attachment