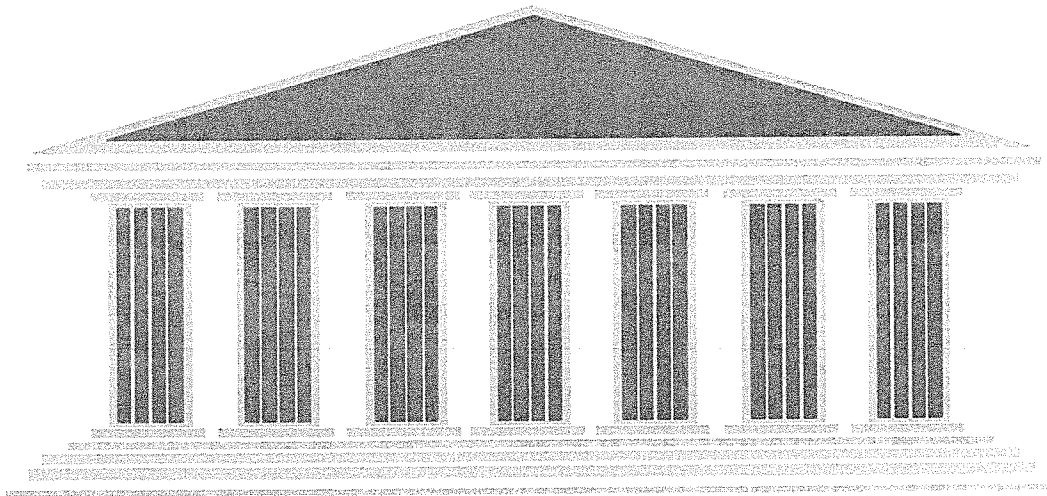


**Treasury/Public Finance Department's
Report On**

**Orange County Transportation Authority
Investment and Debt Programs**



**Presented to the
Finance and Administration Committee**

**For The Period Ending
October 31, 2017**

INVESTMENT PROGRAM

Investment Profile

As of 10/31/17

<u>Portfolio Manager</u>	<u>Depository</u>	<u>Role</u>	<u>Type of Investment</u>	<u>Amount (\$ Millions)</u>
<i>ACTIVELY MANAGED INVESTMENTS</i>				
JP Morgan	Union Bank	Custodian	Short-Term Operating	327.3
State Street Global Advisors	Union Bank	Custodian	Short-Term Operating	326.7
Payden & Rygel Investment Counsel	Union Bank	Custodian	Short-Term Operating	327.2
Western Asset Management	Union Bank	Custodian	Short-Term Operating	326.7
<i>POOLED INVESTMENTS</i>				
California State Treasurer	LAIF	Custodian	Liquid	10.3
Orange County Treasurer	OCIP	Custodian	Legal Requirement	0.1
<i>CASH INVESTMENTS</i>				
OCTA	BNY Mellon	Trustee	Liquid	39.3
OCTA	Bank of the West	Broker	Liquid	25.3
OCTA	U.S Bank	Trustee	Liquid	0.0
<i>DEBT SERVICE RESERVE FUNDS</i>				
91 Express Lanes 2013 Ref. Bonds	U.S Bank	Trustee	Commercial Paper	10.9
91 Express Lanes 2013 Ref. Bonds	Bank of the West	Trustee	Commercial Paper	10.0
91 Express Lanes 2013 Ref. Bonds	Bank of the West	Trustee	Commercial Paper	3.0
Bank Deposits/Cash				0.2
TOTAL				\$1,407.1

Short-Term Portfolio - \$1.3 Billion

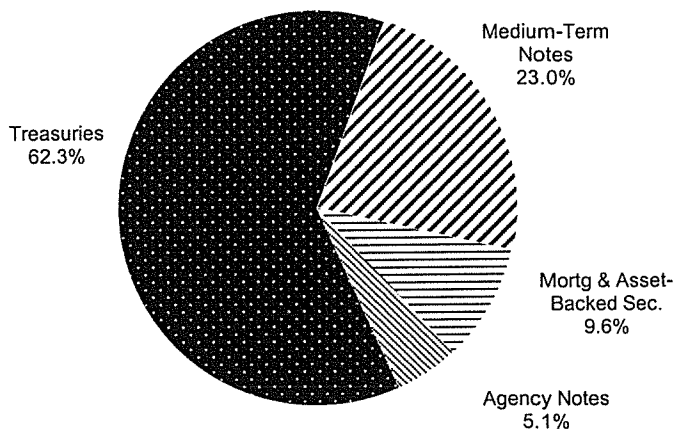
As of 10/31/17

Part 1 of 2

JP Morgan

Book Value \$ 327,338,413

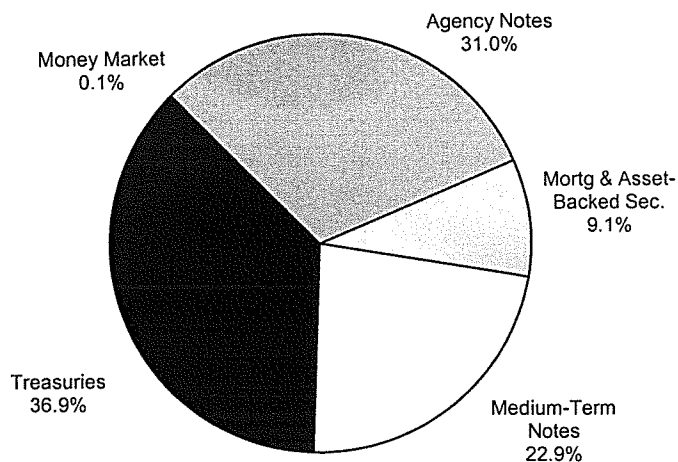
Market Value \$ 324,334,771



State Street Global

Book Value \$ 326,721,231

Market Value \$ 325,395,128



Market Value Reported By Custodial Bank

Short-Term Portfolio - \$1.3 Billion

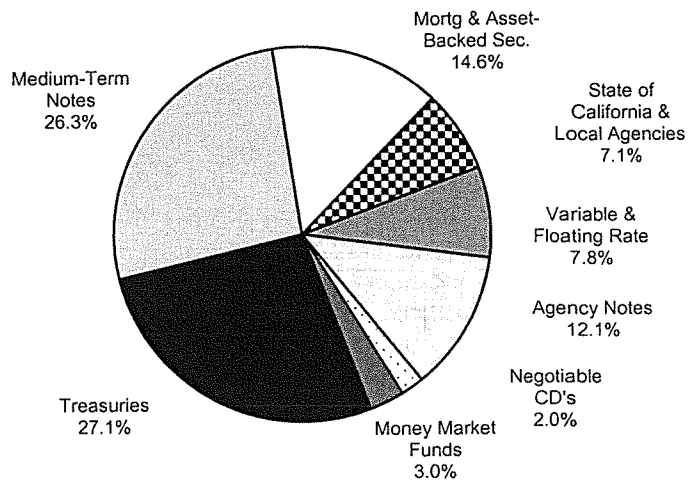
As of 10/31/17

Part 2 of 2

Payden & Rygel

Book Value \$ 327,242,328

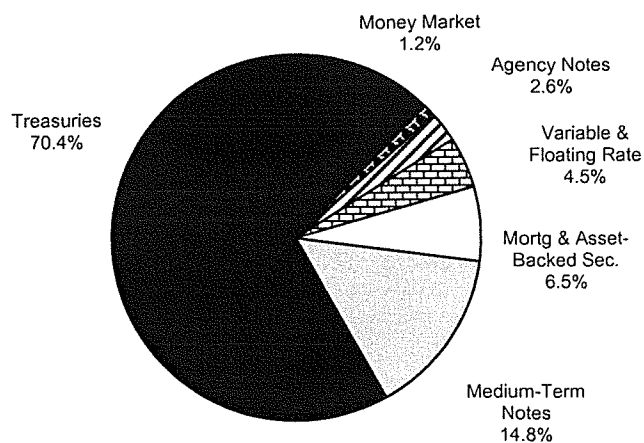
Market Value \$ 326,142,318



Western Asset Management

Book Value \$ 326,680,594

Market Value \$ 326,001,507

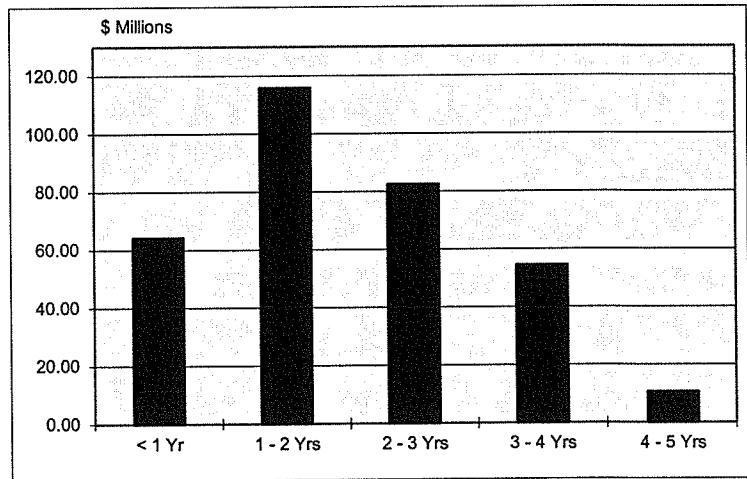


Short-Term Portfolio Maturity Schedule

As of 10/31/17

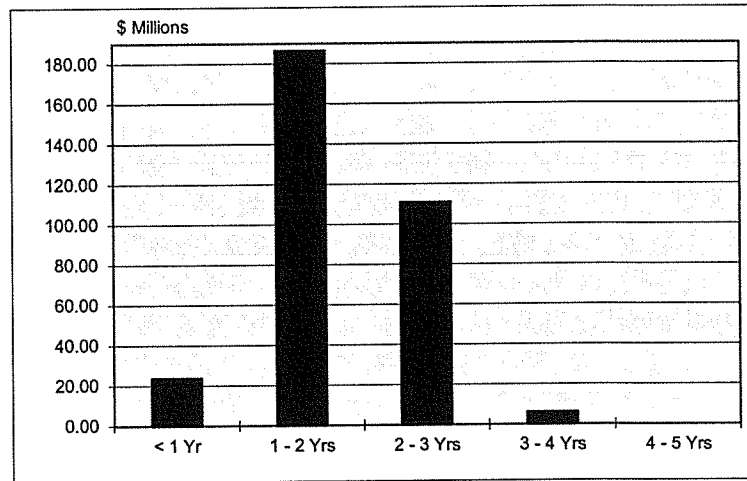
JP Morgan (\$327.3 M)

Monthly Return	-0.01%
TSY Benchmark	-0.06%
Gov/Corp Benchmark	-0.03%
Fiscal YTD Return	0.34%
TSY Benchmark	0.18%
Gov/Corp Benchmark	0.27%
12 Month Return	0.59%
TSY Benchmark	0.24%
Gov/Corp Benchmark	0.51%



State Street Global (\$326.7 M)

Monthly Return	-0.03%
Benchmark Comparison	-0.06%
Gov/Corp Benchmark	-0.03%
Fiscal YTD Return	0.26%
TSY Benchmark	0.24%
Gov/Corp Benchmark	0.27%
12 Month Return	0.53%
TSY Benchmark	0.24%
Gov/Corp Benchmark	0.51%



Yield Curve Change From 9/30/17 to 10/31/17			
	9/30/17	10/31/17	Change
1 Year	1.294%	1.426%	0.1320%
2 Year	1.486%	1.602%	0.1160%
3 Year	1.624%	1.727%	0.1030%
5 Year	1.937%	2.017%	0.0800%
30 Year	2.860%	2.880%	0.0200%

Short-Term Portfolio Maturity Schedule

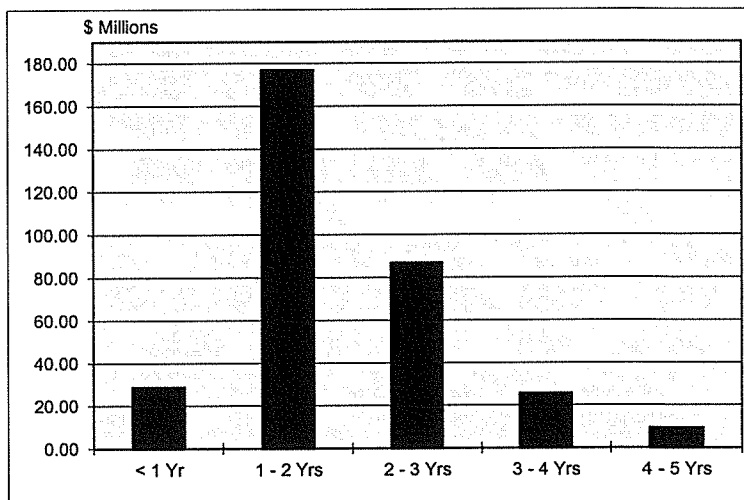
As of 10/31/17

Payden & Rygel (\$327.2 M)

Monthly Return 0.02%
 TSY Benchmark -0.06%
 Gov/Corp Benchmark -0.03%

Fiscal YTD Return 0.37%
 TSY Benchmark 0.18%
 Gov/Corp Benchmark 0.27%

12 Month Return 0.84%
 TSY Benchmark 0.24%
 Gov/Corp Benchmark 0.51%

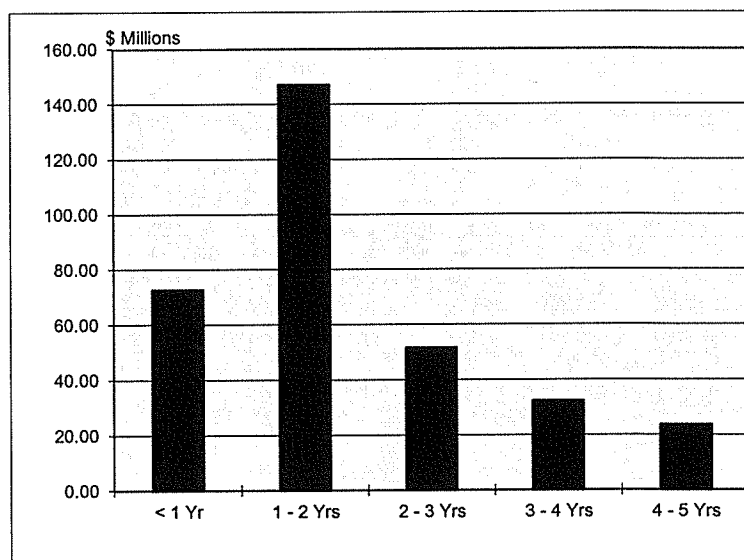


Western Asset Management (\$326.7 M)

Monthly Return -0.02%
 TSY Benchmark -0.06%
 Gov/Corp Benchmark -0.03%

Fiscal YTD Return 0.29%
 TSY Benchmark 0.18%
 Gov/Corp Benchmark 0.27%

12 Month Return 0.57%
 TSY Benchmark 0.24%
 Gov/Corp Benchmark 0.51%

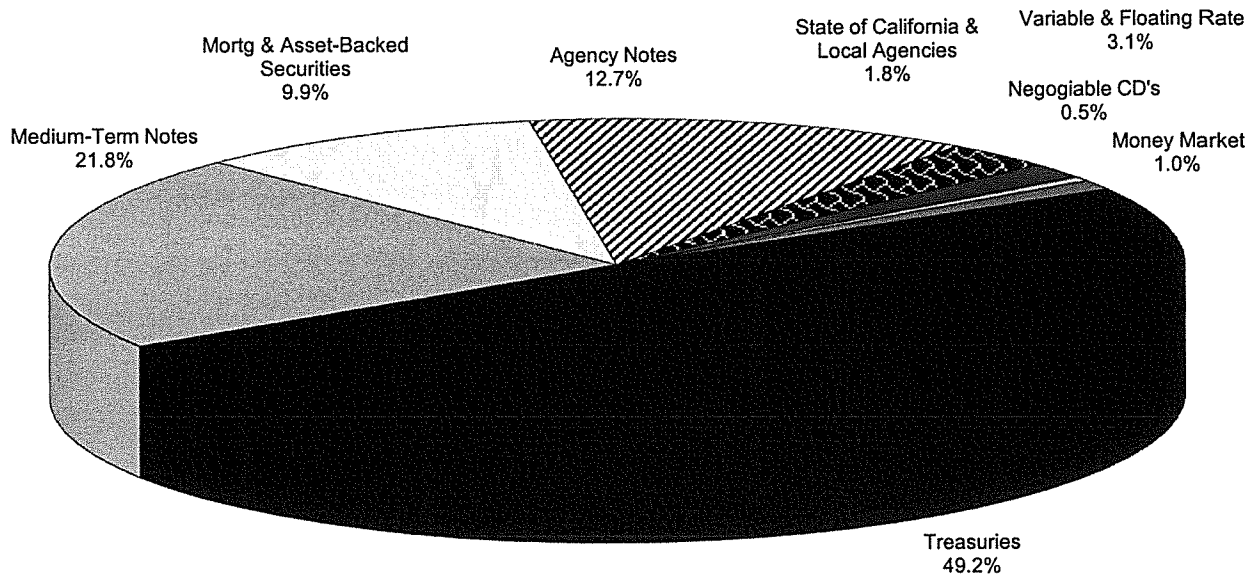


Yield Curve Change From 9/30/17 to 10/31/17			
	9/30/17	10/31/17	Change
1 Year	1.294%	1.426%	0.1320%
2 Year	1.486%	1.602%	0.1160%
3 Year	1.624%	1.727%	0.1030%
5 Year	1.937%	2.017%	0.0800%
30 Year	2.860%	2.880%	0.0200%

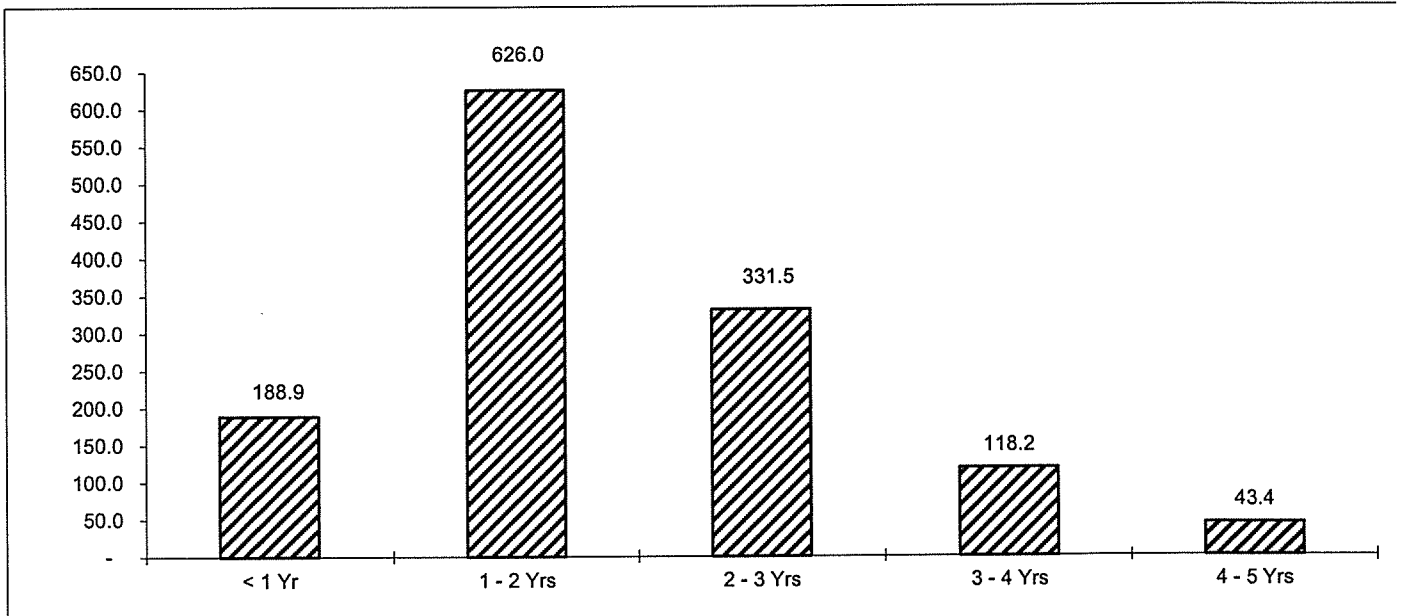
Short-Term Portfolio

As of 10/31/17

Total Portfolio Composition



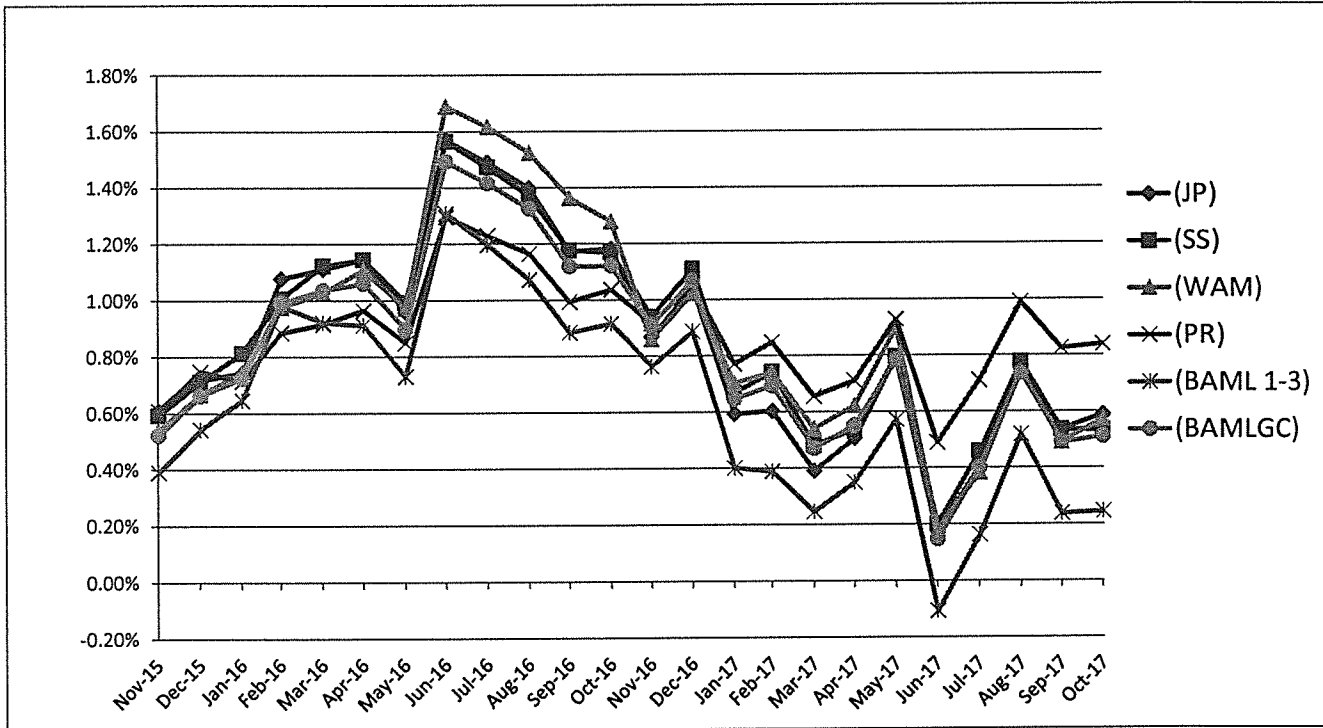
Total Portfolio Maturity Schedule



Short-Term Portfolio Performance

As of 10/31/17

Trailing 1-Year Total Return
Vs. The Bank of America Merrill Lynch (BAML) 1-3 Benchmarks

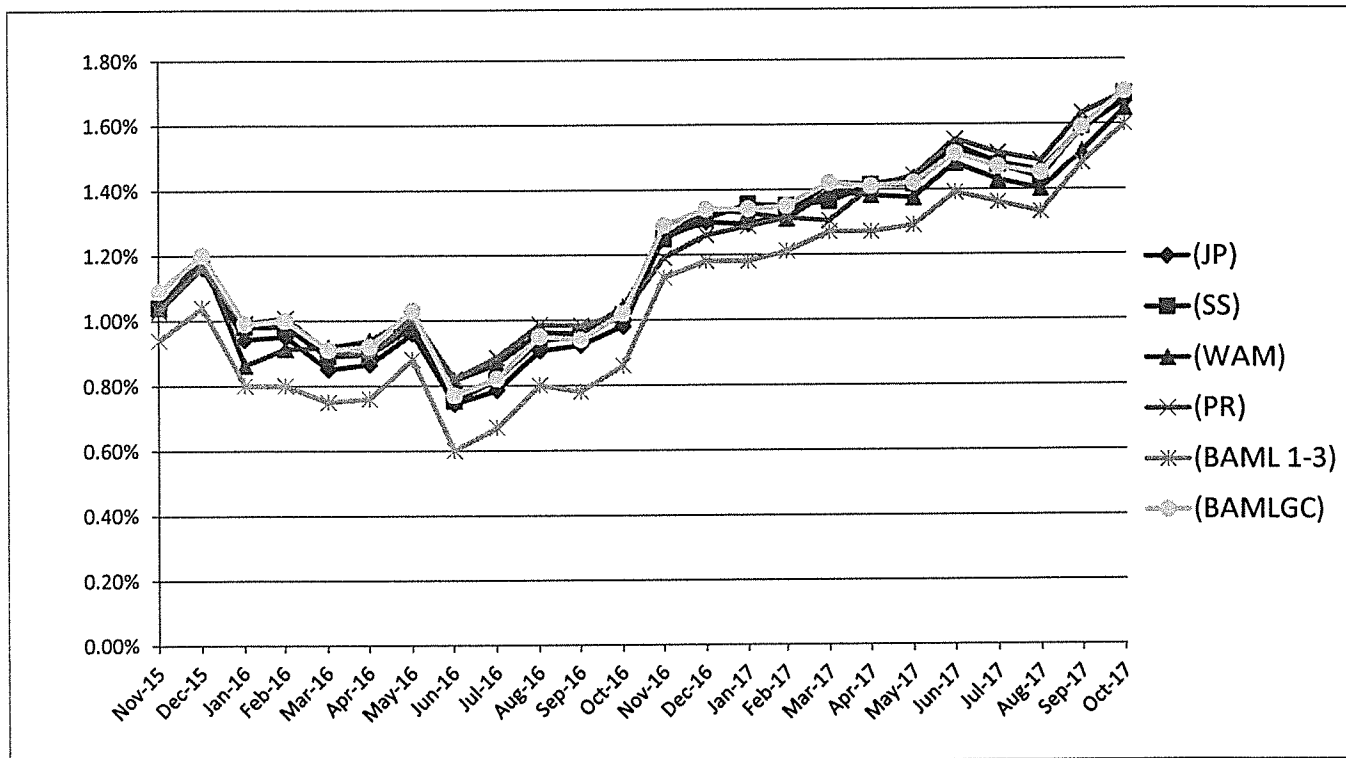


	JP Morgan (JP)	State Street (SS)	Western Asset Mgmt (WAM)	Payden & Rygel (PR)	BAML 1-3 Yr Trsy (BAML 1-3)	BAML 1-3 Yr Gov/Corp (BAMLGC)
Nov-15	0.61%	0.59%	0.54%	0.61%	0.39%	0.52%
Dec-15	0.72%	0.71%	0.67%	0.75%	0.54%	0.66%
Jan-16	0.74%	0.81%	0.74%	0.71%	0.65%	0.72%
Feb-16	1.08%	1.01%	0.98%	0.89%	0.98%	0.99%
Mar-16	1.11%	1.12%	1.03%	0.92%	0.92%	1.04%
Apr-16	1.15%	1.14%	1.11%	0.96%	0.91%	1.06%
May-16	0.96%	0.99%	0.97%	0.85%	0.73%	0.90%
Jun-16	1.57%	1.56%	1.69%	1.30%	1.31%	1.49%
Jul-16	1.49%	1.47%	1.62%	1.23%	1.20%	1.42%
Aug-16	1.40%	1.37%	1.52%	1.16%	1.07%	1.32%
Sep-16	1.17%	1.18%	1.36%	0.99%	0.88%	1.12%
Oct-16	1.18%	1.17%	1.28%	1.04%	0.92%	1.12%
Nov-16	0.87%	0.94%	0.86%	0.92%	0.76%	0.91%
Dec-16	1.04%	1.11%	1.02%	1.05%	0.89%	1.07%
Jan-17	0.59%	0.67%	0.70%	0.77%	0.40%	0.65%
Feb-17	0.60%	0.74%	0.74%	0.85%	0.39%	0.69%
Mar-17	0.39%	0.48%	0.54%	0.65%	0.25%	0.47%
Apr-17	0.51%	0.54%	0.62%	0.71%	0.35%	0.55%
May-17	0.79%	0.80%	0.90%	0.93%	0.57%	0.78%
Jun-17	0.17%	0.20%	0.18%	0.49%	-0.11%	0.15%
Jul-17	0.40%	0.46%	0.38%	0.71%	0.16%	0.40%
Aug-17	0.76%	0.78%	0.74%	0.99%	0.52%	0.74%
Sep-17	0.54%	0.54%	0.49%	0.82%	0.24%	0.49%
Oct-17	0.59%	0.53%	0.57%	0.84%	0.24%	0.51%

Comparative Yield Performance

As of 10/31/17

Historical Yields Vs. The Bank of America Merrill Lynch (BAML) 1-3 Benchmarks



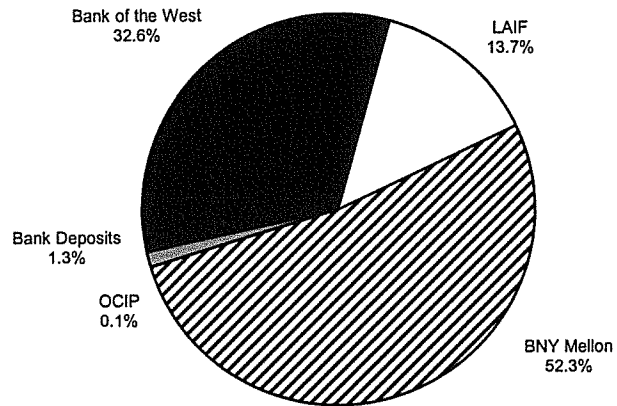
	JP Morgan (JP)	State Street (SS)	Western Asset Mgmt (WAM)	Payden Rygel (PR)	BAML 1-3 Yr Trsy (BAML 1-3)	BAML 1-3 Yr Gov/Corp (BAMLGC)
Nov-15	1.04%	1.04%	1.04%	1.03%	0.94%	1.09%
Dec-15	1.16%	1.17%	1.19%	1.16%	1.04%	1.20%
Jan-16	0.94%	0.98%	0.86%	0.99%	0.80%	0.99%
Feb-16	0.95%	0.98%	0.91%	1.01%	0.80%	1.00%
Mar-16	0.85%	0.89%	0.92%	0.91%	0.75%	0.91%
Apr-16	0.87%	0.90%	0.94%	0.89%	0.76%	0.92%
May-16	0.96%	0.98%	1.01%	1.01%	0.88%	1.03%
Jun-16	0.74%	0.75%	0.82%	0.82%	0.60%	0.77%
Jul-16	0.79%	0.82%	0.87%	0.89%	0.67%	0.82%
Aug-16	0.91%	0.94%	0.96%	0.99%	0.80%	0.95%
Sep-16	0.92%	0.95%	0.96%	0.98%	0.78%	0.94%
Oct-16	0.98%	1.02%	1.04%	1.02%	0.86%	1.02%
Nov-16	1.26%	1.25%	1.25%	1.19%	1.13%	1.29%
Dec-16	1.30%	1.31%	1.34%	1.26%	1.18%	1.34%
Jan-17	1.29%	1.36%	1.33%	1.29%	1.18%	1.34%
Feb-17	1.32%	1.35%	1.31%	1.31%	1.21%	1.35%
Mar-17	1.42%	1.36%	1.39%	1.30%	1.27%	1.42%
Apr-17	1.42%	1.41%	1.38%	1.41%	1.27%	1.41%
May-17	1.44%	1.42%	1.37%	1.44%	1.29%	1.42%
Jun-17	1.54%	1.52%	1.48%	1.55%	1.39%	1.51%
Jul-17	1.48%	1.48%	1.43%	1.51%	1.36%	1.47%
Aug-17	1.46%	1.44%	1.40%	1.49%	1.33%	1.45%
Sep-17	1.59%	1.59%	1.52%	1.63%	1.48%	1.59%
Oct-17	1.67%	1.69%	1.65%	1.70%	1.60%	1.70%

Liquid Funds Portfolio - \$75.2 M

As of 10/31/17

Other Liquid Funds

Book Value	\$	75,176,798
Market Value	\$	75,176,798



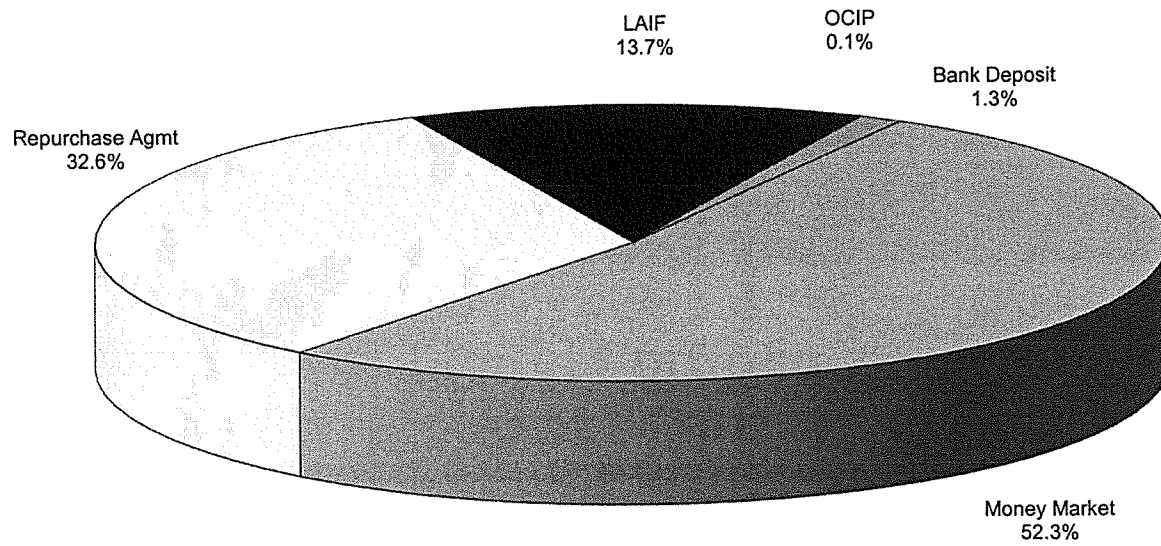
Yield Curve Change From 9/30/17 to 10/31/17			
	<u>9/30/17</u>	<u>10/31/17</u>	<u>Change</u>
1 Month	0.944%	0.975%	0.0310%
3 Month	1.049%	1.132%	0.0830%
6 Month	1.194%	1.281%	0.0870%

Market Value Reported By Custodial Bank

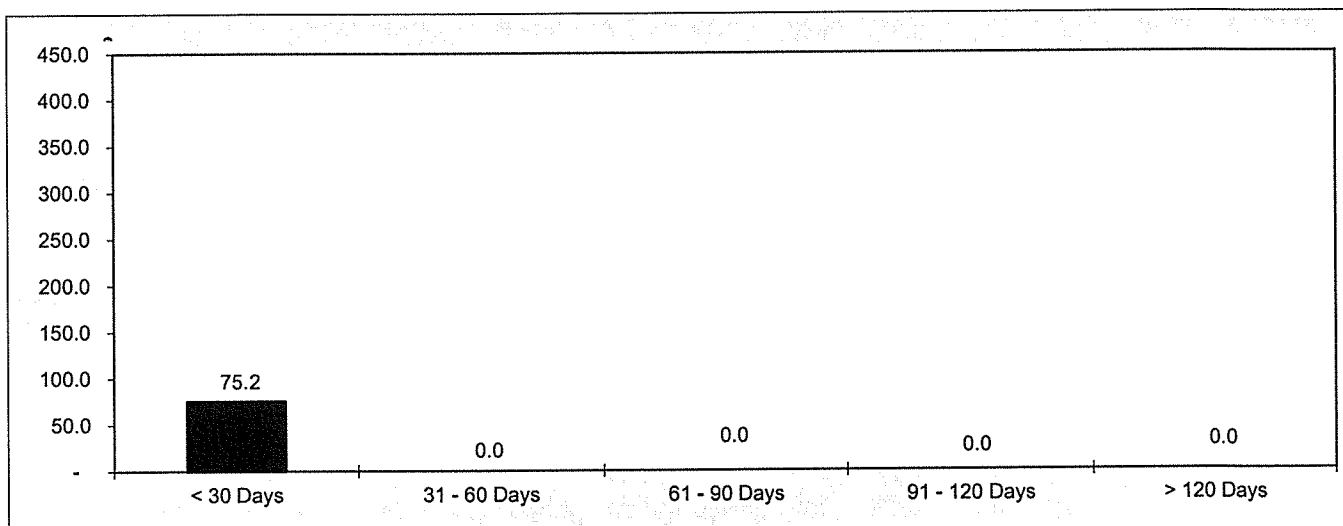
Liquid Portfolio

As of 10/31/17

Total Portfolio Composition



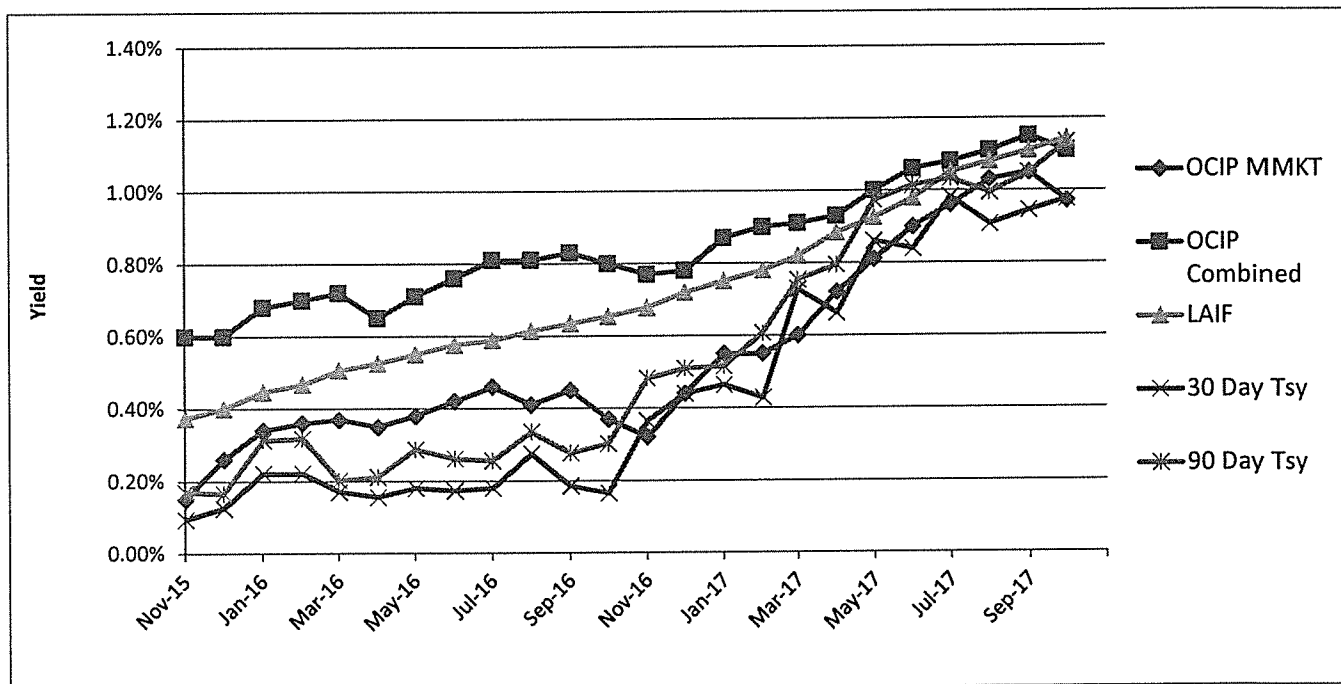
Maturity Schedule For Liquid Portfolio



Liquid Portfolio Performance

As of 10/31/17

Trailing 2-Year Yield OCIP, LAIF, 30 & 90 Day Treasury Bills



	<u>OCIP MMKT</u>	<u>OCIP Combined</u>	<u>LAIF</u>	<u>30 Day Tsy</u>	<u>90 Day Tsy</u>
Nov-15	0.15%	0.60%	0.37%	0.09%	0.17%
Dec-15	0.26%	0.60%	0.40%	0.13%	0.17%
Jan-16	0.34%	0.68%	0.45%	0.22%	0.31%
Feb-16	0.36%	0.70%	0.47%	0.22%	0.32%
Mar-16	0.37%	0.72%	0.51%	0.17%	0.20%
Apr-16	0.35%	0.65%	0.53%	0.16%	0.21%
May-16	0.38%	0.71%	0.55%	0.18%	0.29%
Jun-16	0.42%	0.76%	0.58%	0.17%	0.26%
Jul-16	0.46%	0.81%	0.59%	0.18%	0.26%
Aug-16	0.41%	0.81%	0.61%	0.27%	0.34%
Sep-16	0.45%	0.83%	0.63%	0.19%	0.28%
Oct-16	0.37%	0.80%	0.65%	0.17%	0.30%
Nov-16	0.32%	0.77%	0.68%	0.37%	0.48%
Dec-16	0.44%	0.78%	0.72%	0.44%	0.51%
Jan-17	0.55%	0.87%	0.75%	0.46%	0.52%
Feb-17	0.55%	0.90%	0.78%	0.43%	0.61%
Mar-17	0.60%	0.91%	0.82%	0.73%	0.75%
Apr-17	0.72%	0.93%	0.88%	0.66%	0.80%
May-17	0.81%	1.00%	0.93%	0.86%	0.97%
Jun-17	0.90%	1.06%	0.98%	0.84%	1.01%
Jul-17	0.96%	1.08%	1.05%	0.98%	1.03%
Aug-17	1.03%	1.11%	1.08%	0.91%	0.99%
Sep-17	1.05%	1.15%	1.11%	0.94%	1.05%
Oct-17	0.97%	1.11%	1.14%	0.98%	1.13%

Investment Policy Compliance

As of 10/31/17

<u>Investment Instruments</u>	<u>Dollar Amount Invested</u>	<u>Percent Of Portfolio</u>	<u>Investment Policy Maximum Percentages</u>
U.S. Treasuries	643,023,198	45.7%	100%
Federal Agencies & U.S. Government Sponsored *	166,397,238	11.8%	100%
State of California & Local Agencies	23,181,658	1.6%	25%
Money Market Funds & Mutual Funds	53,349,806	3.8%	20%
Bankers Acceptances	0	0.0%	30%
Negotiable Certificates of Deposit	6,450,000	0.5%	30%
Commercial Paper	23,915,958	1.7%	25%
Medium Term Maturity Corporate Securities	284,555,646	20.2%	30%
Mortgage and Asset-backed Securities	130,100,851	9.2%	10%
Repurchase Agreements	24,520,859	1.7%	75%
Investment Agreements Pursuant To Indenture	0	0.0%	100%
Local Agency Investment Fund (LAIF)	10,305,183	0.7%	\$ 40 Million
Orange County Investment Pool (OCIP)	62,774	0.0%	\$ 40 Million
CAMP	0	0.0%	10%
Variable & Floating Rate Securities	40,240,538	2.9%	30%
Debt Service Reserve Funds - Investment Agreements	0	0.0%	Not Applicable
Bank Deposits	971,612	0.1%	5%
Derivatives (hedging transactions only)	0	0.0%	5%
TOTAL	1,407,075,322	100.0%	

* See attached page for a detailed listing of this category

Investment Policy Compliance

As of 10/31/17

Detail Composition

<u>Investment Instruments</u>	<u>Dollar Amount Invested</u>	<u>Percent Of Total Portfolio</u>	<u>Investment Policy Guidelines</u>
<u>Federal Agencies & U.S. Government Sponsored</u>			
Federal Home Loan Bank (FHLB)	73,417,738	5.2%	35%
Federal Home Loan Mortgage Corporation (FHLMC)	62,359,730	4.4%	35%
Federal Farm Credit Bank (FFCB)	9,190,000	0.7%	35%
Federal National Mortgage Association (FNMA)	54,863,213	3.9%	35%
	199,830,680 *	14.2%	

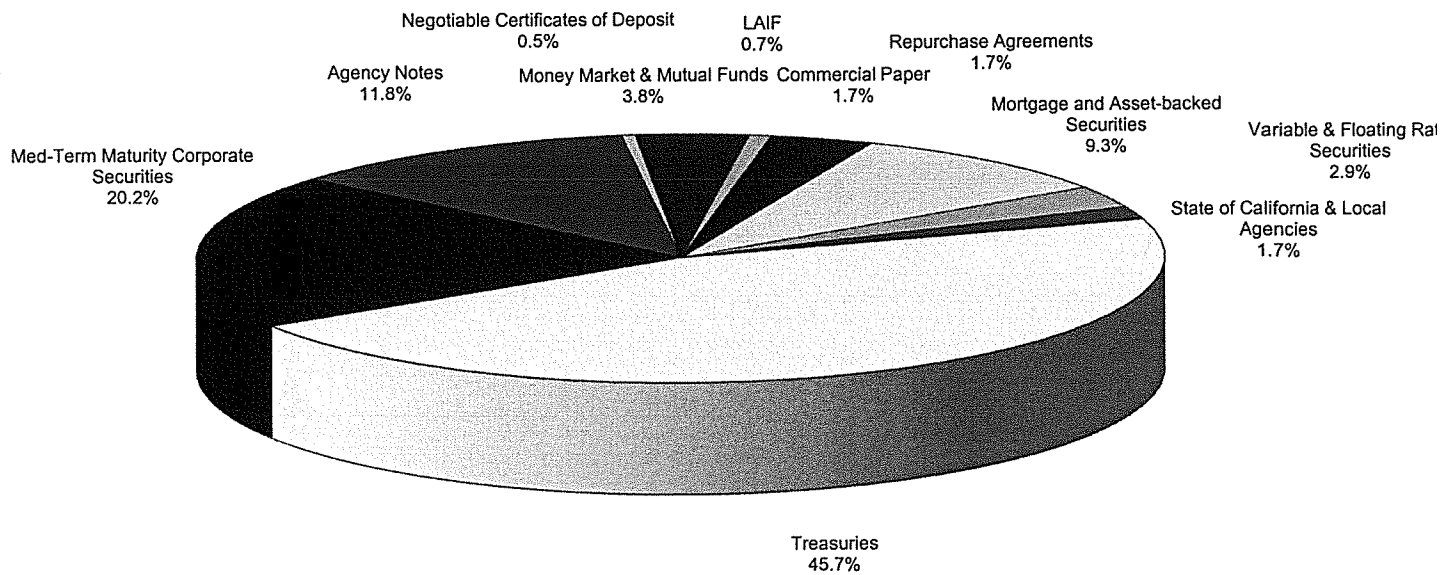
* The Total Dollar Amount Invested Equals The Dollar Amount Invested For Federal Agency Securities, Variable & Floating Rate (Agency) Securities, And A Portion Of Mortgage (Agency) & Asset-back Securities.

Money Market Funds (MMF) & Mutual Funds

First American Obligations Treasury Fund	1,630	0.0%
Goldman Sach Fin. Square Govt. MMF	0	0.0%
Blackrock Institutional T-Fund	14,033,436	1.0%
Fidelity Treasury Obligations MMF	24,075,854	1.7%
Federated Treasury Obligations Fund	<u>15,238,885</u>	<u>1.1%</u>
	53,349,806	3.8%

Investment Allocation

As of 10/31/17



Negative Credit Watch

As of 10/31/17

<u>Manager / Security</u>	<u>Par Amount</u>	<u>Maturity</u>	<u>S&P</u>	<u>Moody's</u>	<u>Fitch Ratings</u>
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JPM

<i>Bayer US Financial</i>	200,000	10/8/2019	A-	A3	NA
During May 2016, Standard & Poor's and Moody's placed the long-term ratings of Bayer Financial under review for possible downgrade.					

<i>General Electric Cap Corp</i>	150,000	2/11/2021	A+	A2	A+
On October 20, 2017, Standard & Poor's placed the long-term ratings of General Electric Capital Corp under review for possible downgrade.					

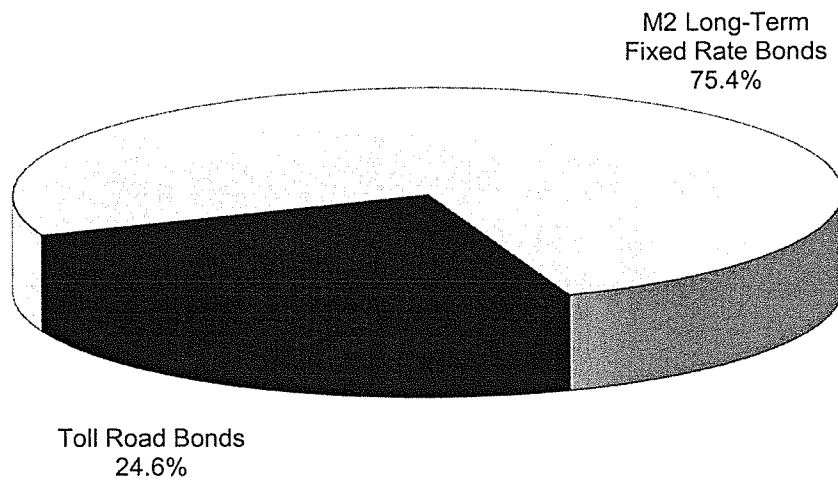
<i>General Electric</i>	1,200,000	Various	AA-	A1	AA-
On October 20, 2017, Standard & Poor's placed the long-term ratings of General Electric under review for possible downgrade.					

DEBT PROGRAM

Total Outstanding Debt

As of 10/31/17

Outstanding Debt



TOTAL OUTSTANDING DEBT: \$421,615,000

Outstanding Debt

As of 10/31/17

Orange County Local Transportation Authority (OCLTA-M2)

2010 Series A Taxable Build America Bonds - Sales Tax Revenue Bonds

Issued:	\$	293,540,000
Outstanding:	\$	293,540,000
Debt Service FY 2018:		13,409,389
Pledged Revenue Source:	M2 Sales Tax Revenues	
Ratings	Aa2/AA+/AA+	
Final Maturity		2041

2010 Series B Tax-Exempt Sales Tax Revenue Bonds

Issued:	\$	59,030,000
Outstanding:	\$	24,470,000
Debt Service FY 2018:		8,913,100
Pledged Revenue Source:	M2 Sales Tax Revenues	
Ratings	Aa2/AA+/AA+	
Final Maturity		2020

91 Express Lanes

2013 OCTA 91 Express Lanes Refunding Bonds

Issued:	\$	124,415,000
Outstanding:		103,605,000
Debt Service FY 2018:		10,794,700
Pledged Revenue Source:	91 Toll Road Revenues	
Underlying Ratings	A1/AA-/A	
Final Maturity		2030

405 Express Lanes

2017 TIFIA Loan

Outstanding:	\$	0
Debt Service FY 2018:		0
Pledged Revenue Source:	405 Toll Road Revenues	
Ratings	Baa2/BBB-/BBB-	
Final Maturity		2058