

**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
August 31, 2022**

OCTA Investment Dashboard

8/31/2022

Safety of Principal

Securities that fell below OCTA's minimum credit quality requirements during the month of July 2022:

Not applicable.

Securities currently held within OCTA's portfolio that fell below OCTA's minimum credit quality requirements during prior reporting periods:

Not applicable.

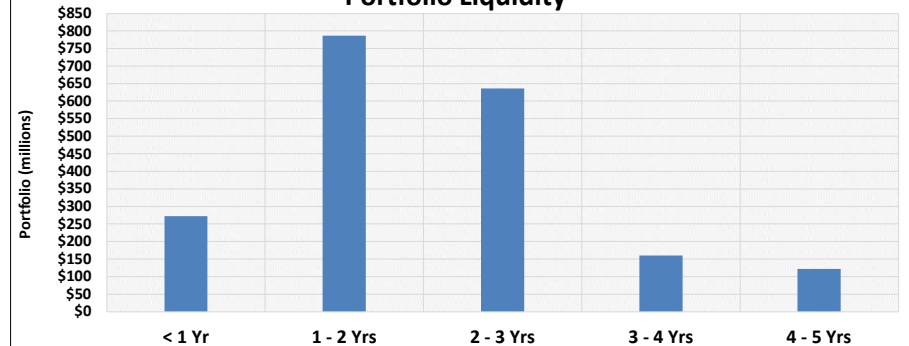
Securities downgraded or placed on Negative Credit Watch during the month of July 2022:

but remain in compliance with OCTA's Investment Policy:

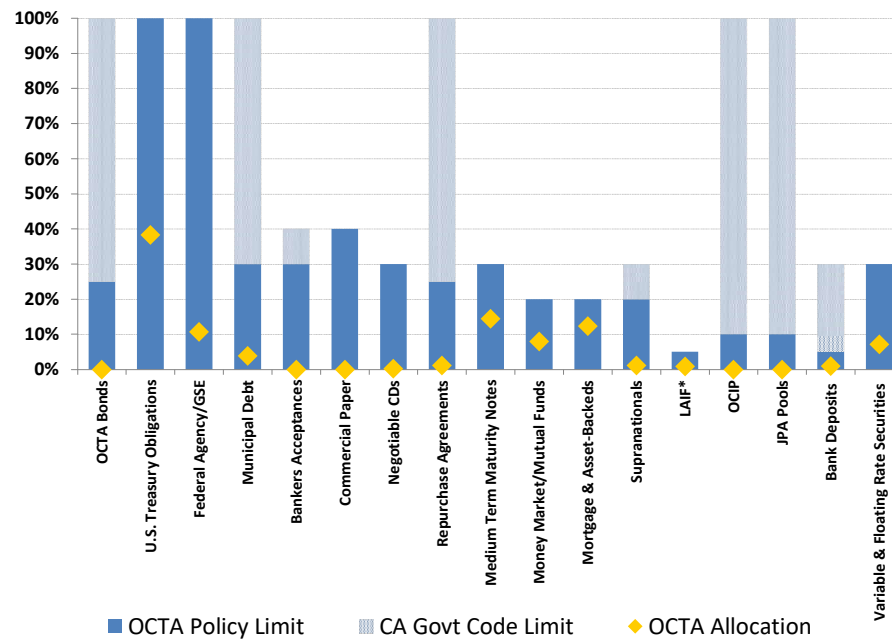
One security held within OCTA's investment portfolio was downgraded during the month.

For further details please refer to A-8 of this report.

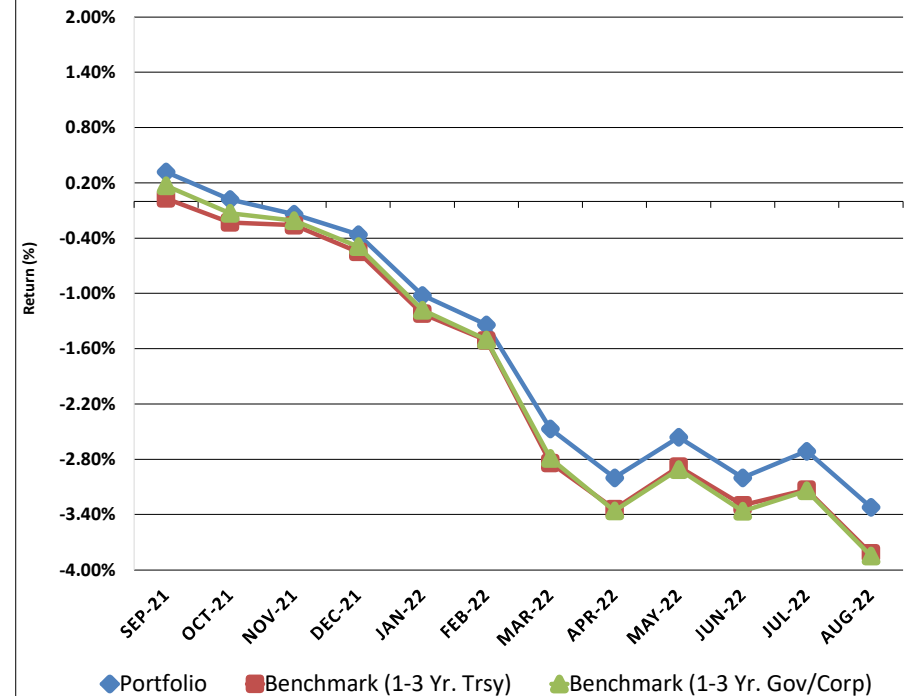
Portfolio Liquidity



Portfolio Diversification



Portfolio Return - 12 Month



*Per CA Government Code LAIF limit is \$75 million

Investment Compliance

8/31/2022

Portfolio Subject to Investment Policy			
	Dollar Amount	Percent Of	Investment Policy
Short-Term/Liquid Portfolio ¹	Invested	Portfolio	Max. Percentages
U.S. Treasury Obligations	\$ 848,513,195	38.7%	100%
Federal Agency/GSE	237,658,276	10.8%	100%
Municipal Debt	\$ 87,708,996	4.0%	30%
Commercial Paper	-	0.0%	40%
Negotiable Certificates of Deposit	\$ 6,650,000	0.3%	30%
Repurchase Agreements	8,000,000	0.4%	25%
Medium Term Maturity Notes/Corporates	\$ 321,567,998	14.7%	30%
Money Market/Mutual Funds	178,480,982	8.1%	20%
Mortgage & Asset-Backed	\$ 273,599,742	12.5%	20%
Supranationals	27,472,502	1.3%	20%
Local Agency Investment Fund	\$ 21,187,775	1.0%	\$ 75 Million
Orange County Investment Pool	502,940	0.0%	10%
Joint Powers Authority Pools	\$ -	0.0%	10%
Bank Deposits	22,965,355	1.0%	5%
Variable & Floating Rate Securities	\$ 158,654,970	7.2%	30%
Total Short-Term/Liquid Portfolio	\$ 2,192,962,728		

1. Excludes portion of Liquid Portfolio subject to Indenture

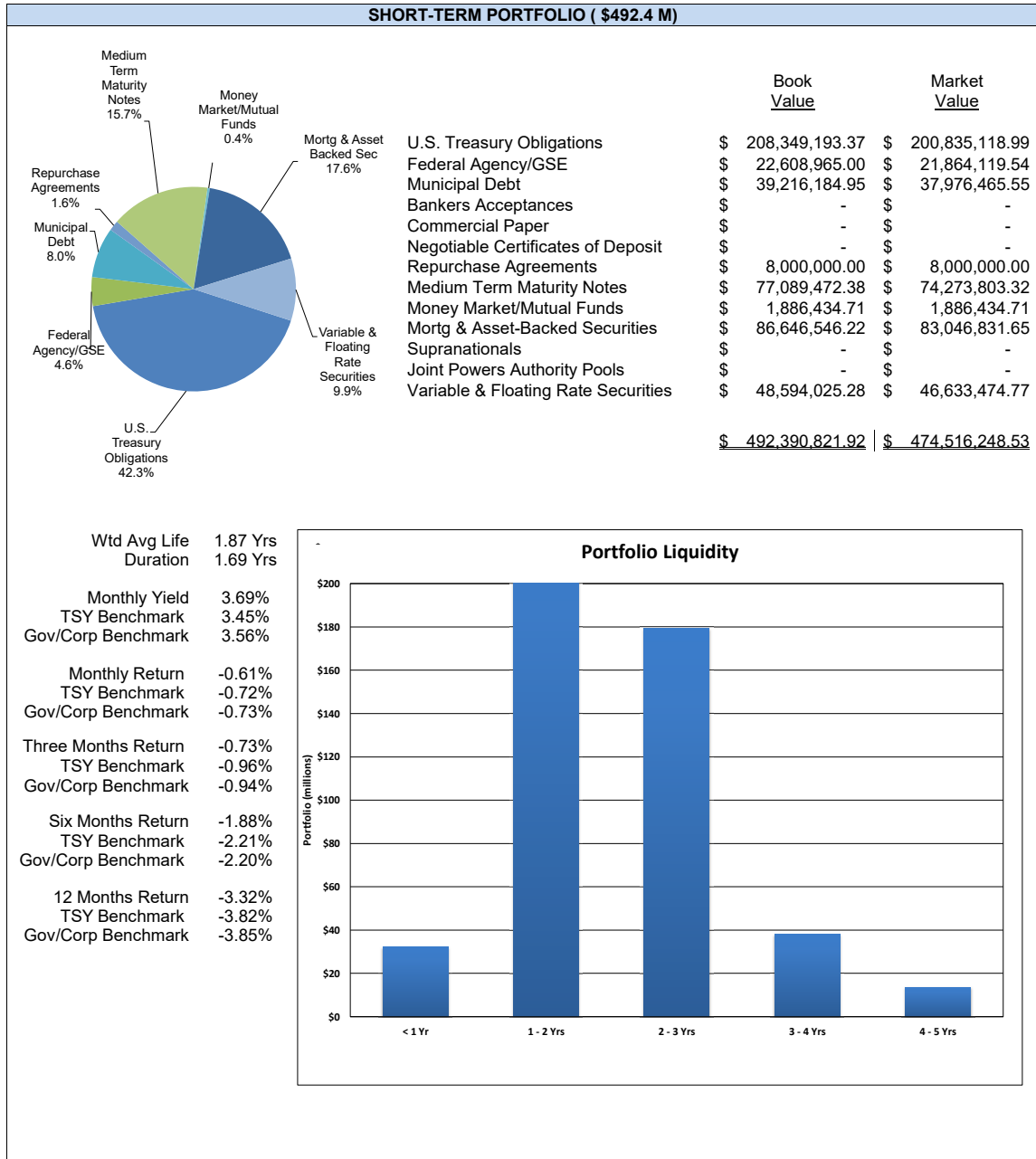
Portfolio Subject to Indenture					
	Dollar Amount		OCTA	Indenture Requirements	
	Invested	Credit Quality	Term	Credit Quality	Term
Liquid Portfolio*					
Money Market Funds	92,658,846	AAA	N/A	AAA	N/A
Total Liquid Portfolio	\$ 92,658,846				
Bond Proceeds Portfolio					
2021 Bond Anticipation Notes (BANs)					
Government Obligatons MMKT Fund (Interest Fund)	51,083	AAAm	N/A	Min. AAAm (S&P)	N/A
Government Obligatons MMKT Fund (Project Fund)	80,234,529	AAAm	N/A	Min. AAAm (S&P)	N/A
Total Bond Proceeds Portfolio	80,285,612				
Reserve Funds Portfolio					
Commercial Paper	\$ 24,388,186	P-1/A-1	122 - 179 days	Min. P-1/A-1	Max. 180 days
Bank Deposits	453,400	N/A	N/A	N/A	N/A
Government Obligatons MMKT Fund**	551,513	Aaa-mf/AAAm/AAAmmf	Varies	N/A	N/A
Total Reserve Funds Portfolio	25,393,100				
Total Portfolio Subject to Indenture	105,678,711				
Portfolio Total	\$ 2,391,300,285				

*Reflects portion of Liquid Portfolio subject to Indenture (OCTA Sales Tax Revenue)

**91 EL Debt Service Fund

Investment Manager Diversification and Maturity Schedules

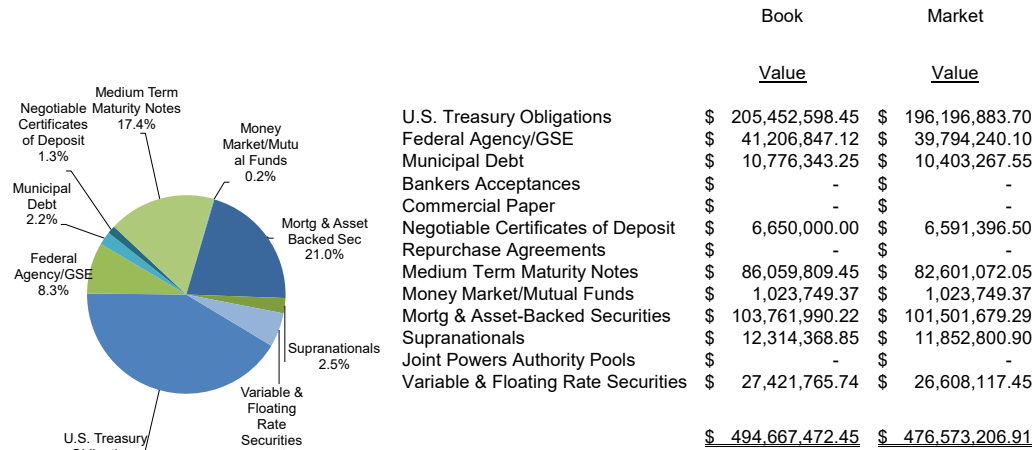
MetLife Investment Management
8/31/2022



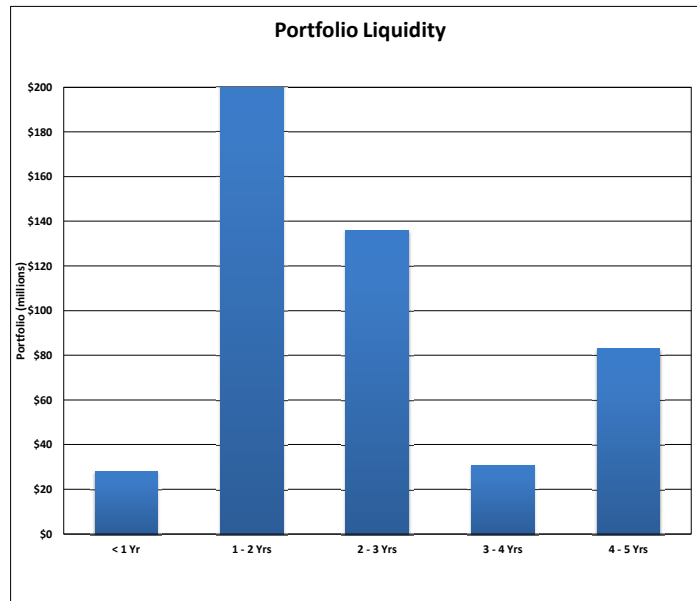
Investment Manager Diversification and Maturity Schedules

PFM
8/31/2022

SHORT-TERM PORTFOLIO (\$494.7 M)



Wtd Avg Life	1.86 Yrs
Duration	1.73 Yrs
Monthly Yield	3.67%
TSY Benchmark	3.45%
Gov/Corp Benchmark	3.56%
Monthly Return	-0.66%
TSY Benchmark	-0.72%
Gov/Corp Benchmark	-0.73%
Three Months Return	-0.77%
TSY Benchmark	-0.96%
Gov/Corp Benchmark	-0.94%
Six Months Return	-1.95%
TSY Benchmark	-2.21%
Gov/Corp Benchmark	-2.20%
12 Months Return	-3.59%
TSY Benchmark	-3.82%
Gov/Corp Benchmark	-3.85%



Chandler Asset Management
8/31/2022

SHORT-TERM PORTFOLIO (\$493.0 M)

Asset Class	Percentage
U.S. Treasury Obligations	36.5%
Federal Agency/GSE	30.8%
Medium Term Maturity Notes	18.1%
Mortg & Asset-Backed Sec	8.5%
Supranationals	3.1%
Variable & Floating Rate Securities	2.0%
Money Market/Mutual Funds	0.3%
Municipal Debt	0.6%

	Book Value	Market Value
U.S. Treasury Obligations	\$ 180,016,171.88	\$ 171,996,265.00
Federal Agency/GSE	\$ 151,867,862.15	\$ 147,446,258.48
Municipal Debt	\$ 3,000,000.00	\$ 2,932,110.00
Bankers Acceptances	\$ -	\$ -
Commercial Paper	\$ -	\$ -
Negotiable Certificates of Deposit	\$ -	\$ -
Repurchase Agreements	\$ -	\$ -
Medium Term Maturity Notes	\$ 89,322,306.90	\$ 85,739,354.00
Money Market/Mutual Funds	\$ 1,588,596.88	\$ 1,588,596.88
Mortg & Asset-Backed Securities	\$ 42,113,742.45	\$ 41,047,694.27
Supranationals	\$ 15,158,132.70	\$ 14,211,454.20
Joint Powers Authority Pools	\$ -	\$ -
Variable & Floating Rate Securities	\$ 9,949,963.54	\$ 9,565,294.91
Total	\$ 493,016,776.50	\$ 474,527,027.71

Wtd Avg Life 1.76 Yrs
Duration 1.67 Yrs

Monthly Yield	3.60%
TSY Benchmark	3.45%
Gov/Corp Benchmark	3.56%
Monthly Return	-0.67%
TSY Benchmark	-0.72%
Gov/Corp Benchmark	-0.73%
Three Months Return	-0.78%
TSY Benchmark	-0.96%
Gov/Corp Benchmark	-0.94%
Six Months Return	-1.98%
TSY Benchmark	-2.21%
Gov/Corp Benchmark	-2.20%
12 Months Return	-3.57%
TSY Benchmark	-3.82%
Gov/Corp Benchmark	-3.85%

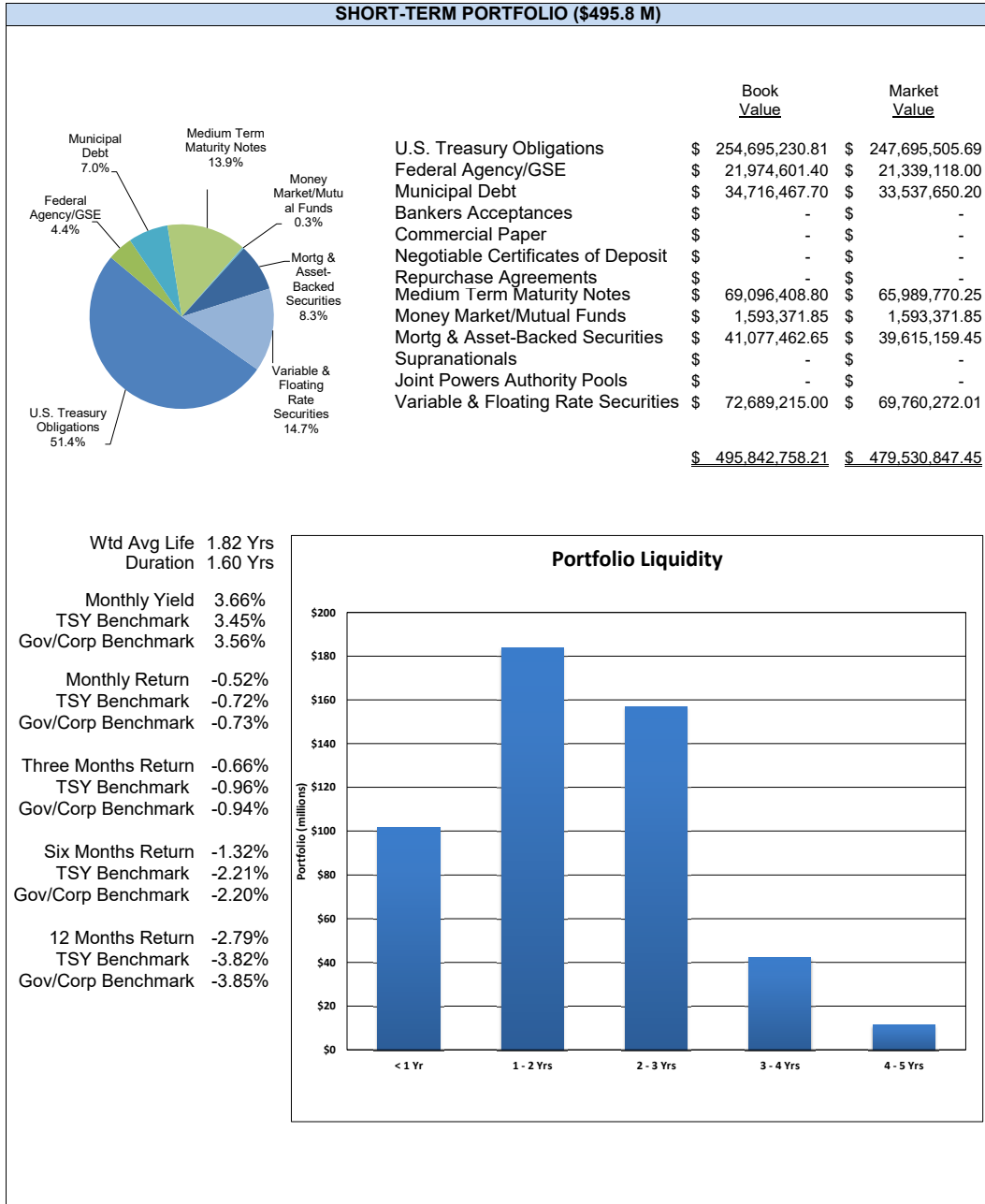
Portfolio Liquidity

Maturity	Liquidity (millions)
< 1 Yr	~110
1 - 2 Yrs	~155
2 - 3 Yrs	~165
3 - 4 Yrs	~50
4 - 5 Yrs	~15

Investment Manager Diversification and Maturity Schedules

Payden & Rygel

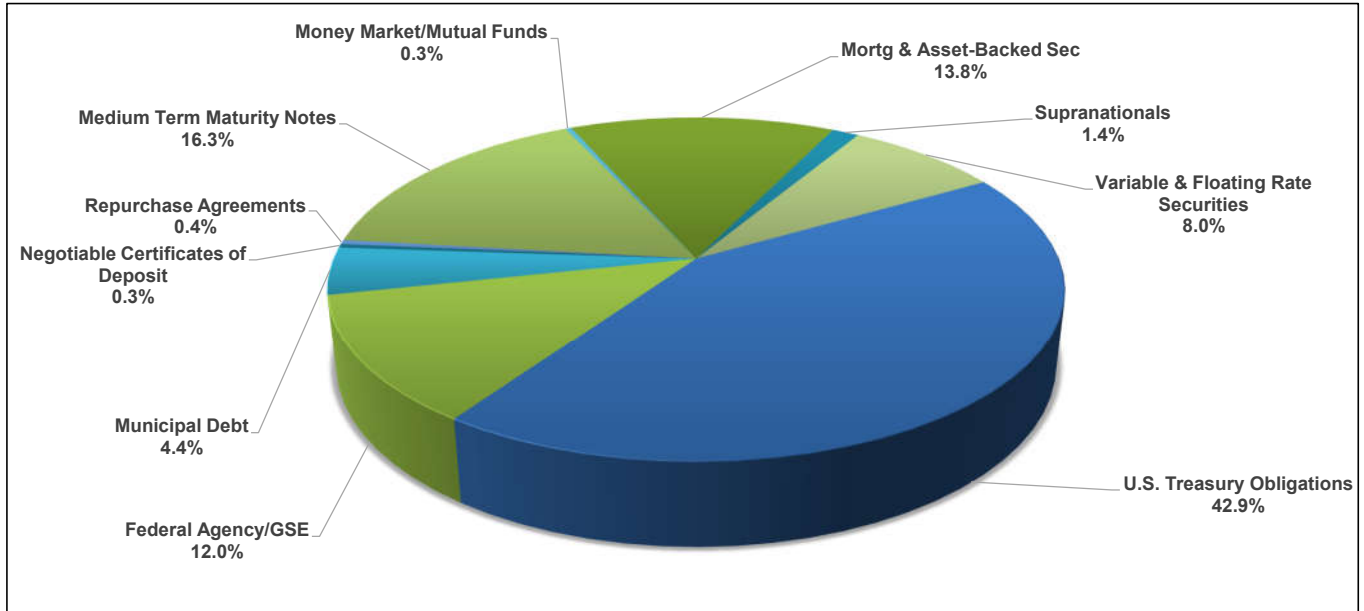
8/31/2022



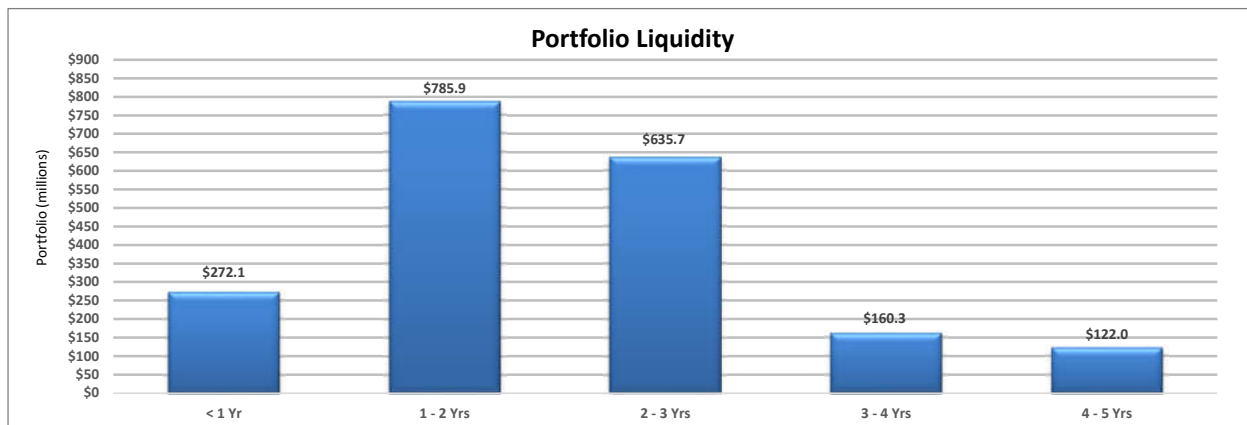
Short-Term Portfolio

8/31/2022

Portfolio Composition



Portfolio Liquidity



Rating Downgrades & Negative Credit Watch

8/31/2022

<u>Investment Manager / Security</u>	<u>Par Amount</u>	<u>Maturity</u>	<u>S&P</u>	<u>Moody's</u>	<u>Fitch Ratings</u>
Rating Downgrades:					
PFM					
Credit Suisse AG/New York Branch	\$ 3,100,000	3/17/2023	A	A2	BBB+
On August 1, 2022, Moody's downgraded the rating of Credit Suisse AG/New York Branch, from "A1" to "A2", and Fitch downgraded the issuer on August 4, 2022 from from "A-" to "BBB+". The Rating Outlook is Negative. The downgrade reflects Credit Suisse's weak operating profitability compared with peers' and highlights execution risk during the group's restructuring in a difficult market environment. The rating agencies have acknowledged the banks strong capitalization and liquidity profile. The security complies with the requirements of the Investment Policy, and the investment manager is comfortable holding the security					
Negative Credit Watch:					
N/A					

DEBT PROGRAM

(M2 Sales Tax Revenue Bonds, 91 Toll Revenue Bonds, 2021 TIFIA Loan (I-405), 2021 Bond Anticipation Notes (BANs))

Outstanding Debt¹

As of 8/31/22

Orange County Local Transportation Authority (OCLTA-M2)

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

Issued:	\$	293,540,000
Outstanding:		250,000,000
Debt Service FY 2023:		17,270,000
All in True Interest Cost:		4.33%
Pledged Revenue Source:	M2 Sales Tax Revenues	
Ratings (Fitch/ Moody's/ S&P):		AA+/Aa2/AA+
Final Maturity:		2041

2019 M2 Sales Tax Bond

Issued:	\$	376,690,000
Outstanding:		360,170,000
Debt Service FY 2023:		37,613,650
All in True Interest Cost:		3.14%
Pledged Revenue Source:	M2 Sales Tax Revenues	
Ratings (Fitch/ S&P):		AA+/AA+
Final Maturity:		2041

91 Express Lanes

2013 OCTA 91 Express Lanes Refunding Bonds

Issued:	\$	124,415,000
Outstanding:		71,420,000
Debt Service FY 2023:		10,794,700
All in True Interest Cost:		3.83%
Pledged Revenue Source:	91 Toll Road Revenues	
Ratings (Fitch/ Moody's/ S&P):		A+/A1/AA-
Final Maturity:		2030

405 Express Lanes

2021 Bond Anticipation Notes

Issued:	\$	662,820,000
Outstanding:		662,820,000
Debt Service FY 2023:		32,141,000
All in True Interest Cost:		0.34%
Pledged Revenue Source:	Collateral ²	
Ratings (Moody's/ S&P):		Aa3/AA
Final Maturity:		2024

2021 TIFIA Loan

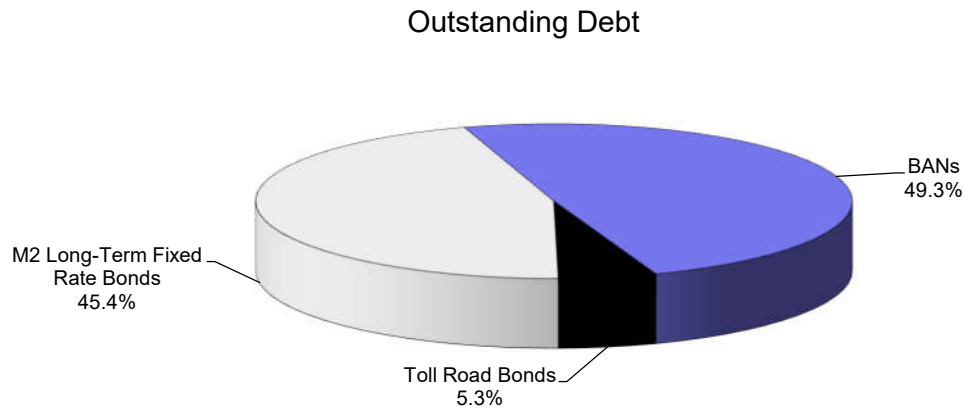
Amount Available	\$	628,930,000
Outstanding:		-
Accrued Interest:		-
Interest Rate:		1.95%
Pledged Revenue Source:	405 Toll Road Revenues	
Ratings (Moody's/Kroll):		Baa2/BBB-
Final Maturity:		2058

1. Comprised of OCTA's debt obligations (M2 Sales Tax Revenue Bonds, 91 Toll Revenue Bonds, 2021 TIFIA Loan (I-405), and 2021 BANS) currently outstanding and irrespective of OCTA's investment program.

2. Comprised of (a) proceeds from draws under the TIFIA Loan Agreement; (b) any legally available funds of OCTA except (i) LTF Revenue, (ii) federal grant funds, (iii) any revenues and assets with respect to the SR 91 Express Lanes, and (iv) any revenues received from operation of the freeway callbox system in Orange County and the freeway service patrol; (c) proceeds from the purchase and sale of OCTA bonds by OCLTA under and pursuant to the Standby Bond Purchase Agreement; and (d) all amounts held by the Trustee in the funds and accounts established under the indenture, including investment earnings thereon, excluding amounts deposited to the Rebate Fund

Total Outstanding Debt*

As of 8/31/22



TOTAL OUTSTANDING DEBT: \$1,344,410,000

*Comprised of OCTA's debt obligations (M2 Sales Tax Revenue Bonds, 91 Toll Revenue Bonds, 2021 TIFIA Loan (I-405), and 2021 BANs) currently outstanding and irrespective of OCTA's investment program.