

**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
March 31, 2023**

INVESTMENT PROGRAM

OCTA Investment Dashboard

3/31/2023

Safety of Principal

Securities that fell below OCTA's minimum credit quality requirements during the month of March 2023:

Not applicable.

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

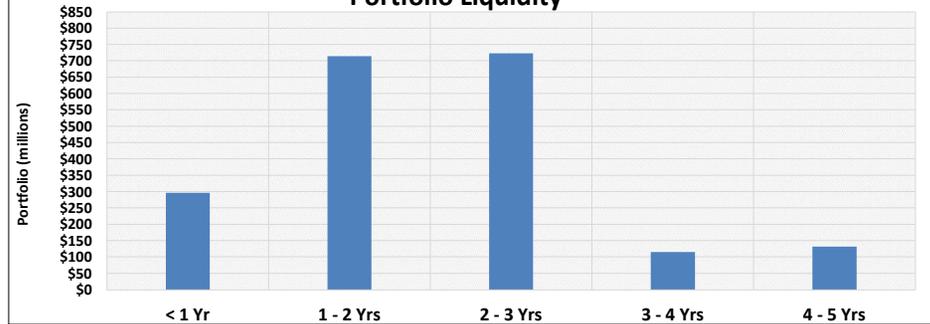
Not applicable.

Securities downgraded or placed on Negative Credit Watch during the month of March 2023, but remain in compliance with OCTA's Investment Policy:

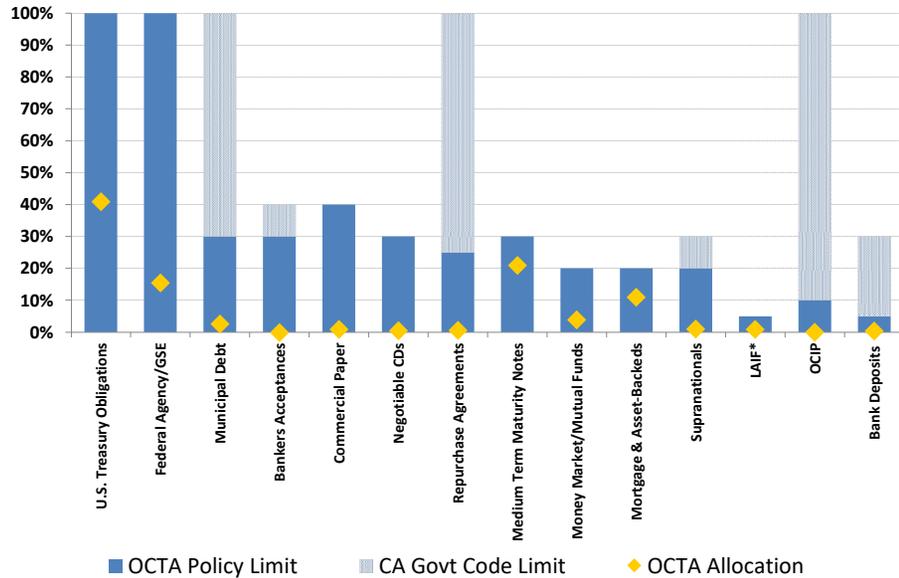
One security held within OCTA's investment portfolio was downgraded during the month.

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

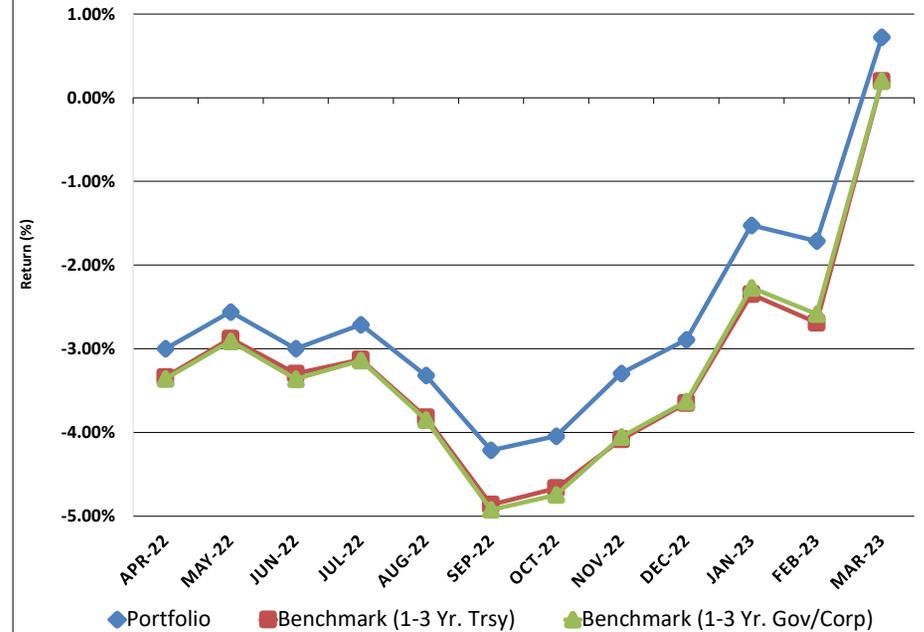
Portfolio Liquidity



Portfolio Diversification



Portfolio Return - 12 Month



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

** Per OCTA's Investment Policy the limit is 30% for variable and floating rate securities. As of March 31, 2023, 7.1% of the portfolio was invested in variable & floating rate securities.

Investment Compliance

3/31/2023

Portfolio Subject to Investment Policy			
	Dollar Amount	Percent Of	Investment Policy
Short-Term/Liquid Portfolio ¹	Invested	Portfolio	Max. Percentages
U.S. Treasury Obligations	\$ 869,191,389	40.9%	100%
Federal Agency/GSE	330,060,571	15.5%	100%
Municipal Debt	\$ 55,867,608	2.6%	30%
Commercial Paper	20,399,085	1.0%	40%
Negotiable Certificates of Deposit	\$ 13,025,000	0.6%	30%
Repurchase Agreements	13,423,196	0.6%	25%
Medium Term Maturity Notes/Corporates	\$ 447,382,496	21.1%	30%
Money Market/Mutual Funds	84,163,582	4.0%	20%
Mortgage & Asset-Backed	\$ 235,468,749	11.1%	20%
Supranationals	22,014,316	1.0%	20%
Local Agency Investment Fund	\$ 21,370,930	1.0%	\$ 75 Million
Orange County Investment Pool	558,948	0.0%	10%
Bank Deposits	\$ 10,000,000	0.5%	5%
Total Short-Term/Liquid Portfolio²	\$ 2,122,925,869		

1. Excludes portion of Liquid Portfolio subject to Indenture

2. Includes variable & floating rate securities invested in the amount of \$150,810,192 (7.1% of total Short-Term/Liquid portfolio) and subject to 30% limit per OCTA's Investment Policy.

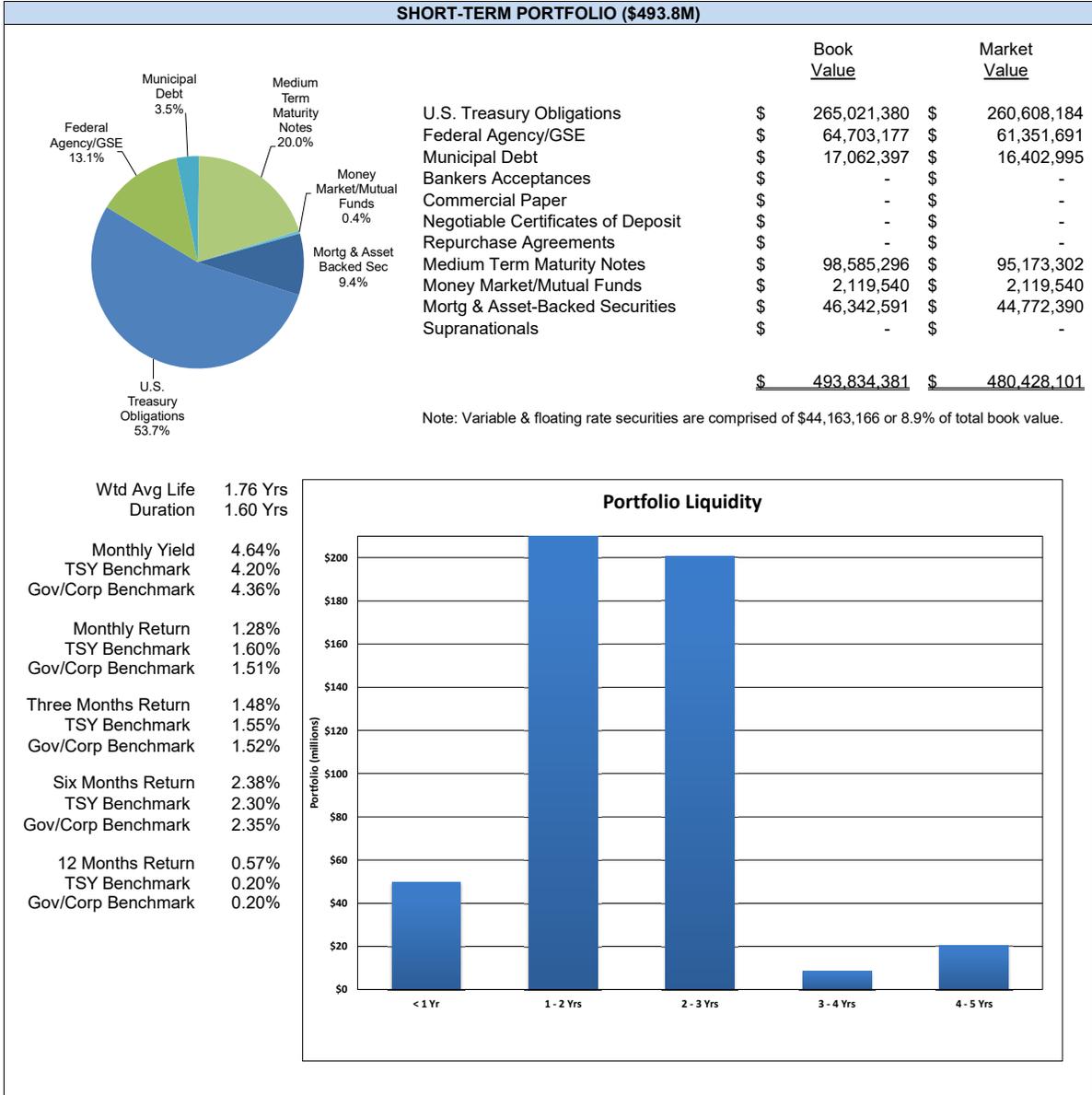
Portfolio Subject to Indenture					
Portfolio	Dollar Amount Invested	OCTA		Indenture Requirements	
		Credit Quality	Term	Min. Credit Quality	Max. Term
Liquid Portfolio*					
Government Obligations MMKT Fund	272,215,249	AAA	N/A	AAA	N/A
Natixis CP	10,799,339	"A-1"/"P-1"/"F1"	180	"A-1" or "P-1"	180 days
Total Liquid Portfolio	\$ 283,014,588				
Bond Proceeds Portfolio					
2021 Bond Anticipation Notes (BANs):					
Government Obligations MMKT Fund	51,972	"AAA-m"/ "Aaa-mf"/"AAAmmf"	N/A	"AAA-m" or "AAA-m-G"	N/A
Total Bond Proceeds Portfolio	\$ 51,972				
Reserve Funds Portfolio					
Government Obligations MMKT Fund	336,484	"AAA-m"/ "Aaa-mf"/"AAAmmf"	N/A	N/A	N/A
Barclays CP	10,263,400	"A-1"/"P-1"/"F1"	169	"A-1" or "P-1"	180 days
Barclays CP	3,030,147	"A-1"/"P-1"/"F1"	169	"A-1" or "P-1"	180 days
Bank Deposits	547,989	N/A	N/A	N/A	N/A
Bank Deposits	211,864	N/A	N/A	N/A	N/A
Government Obligations MMKT Fund**	5,180	"AAA-m"/ "Aaa-mf"/"AAAmmf"	N/A	N/A	N/A
Total Reserve Funds Portfolio	\$ 14,395,063				
Total Portfolio Subject to Indenture	\$ 14,447,035				
Portfolio Total	\$ 2,420,387,492				

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

**91 EL Debt Service Fund

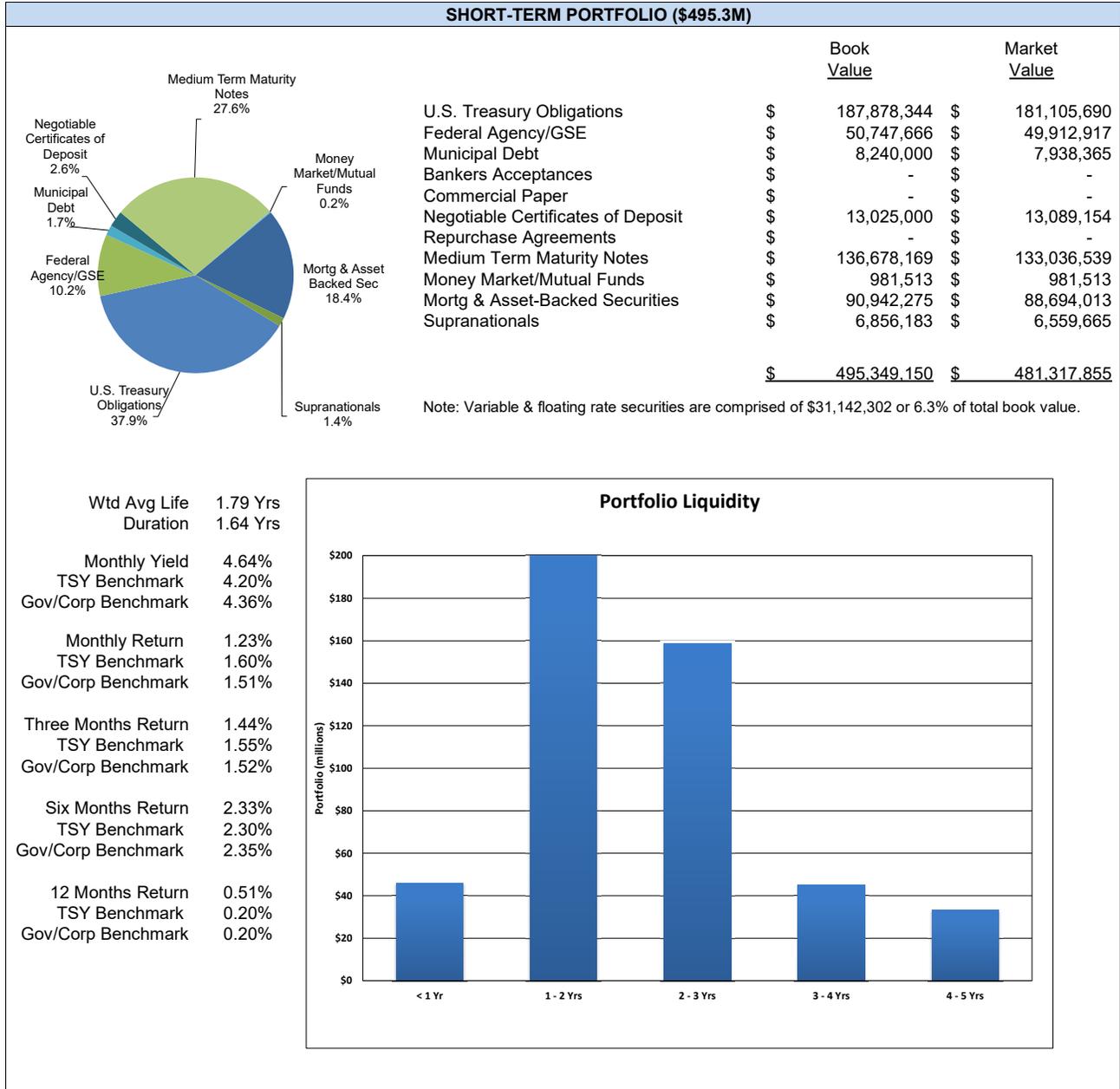
Investment Manager Diversification and Maturity Schedules

**MetLife Investment Management
3/31/2023**



Investment Manager Diversification and Maturity Schedules

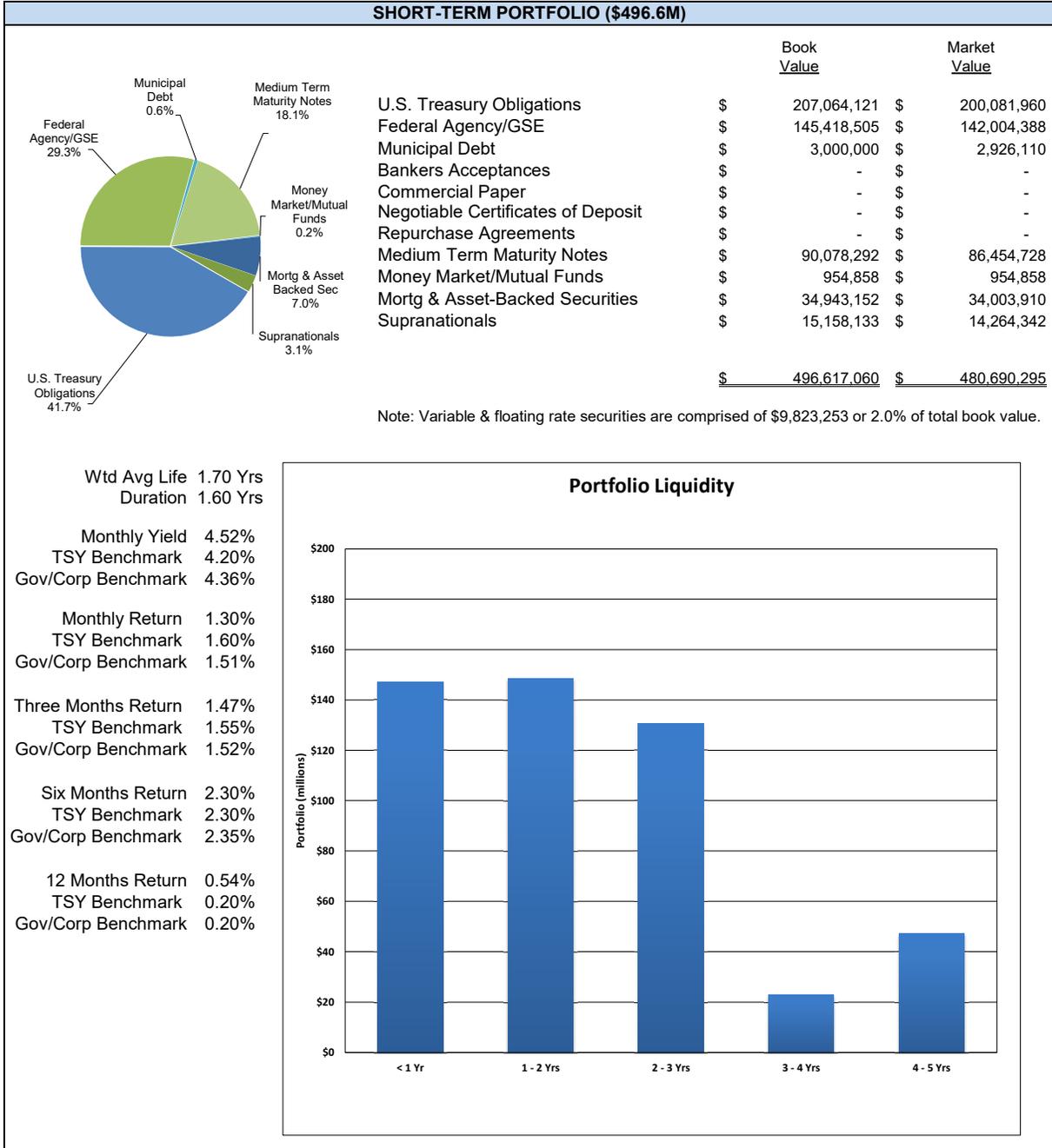
PFM
3/31/2023



Investment Manager Diversification and Maturity Schedules

Chandler Asset Management

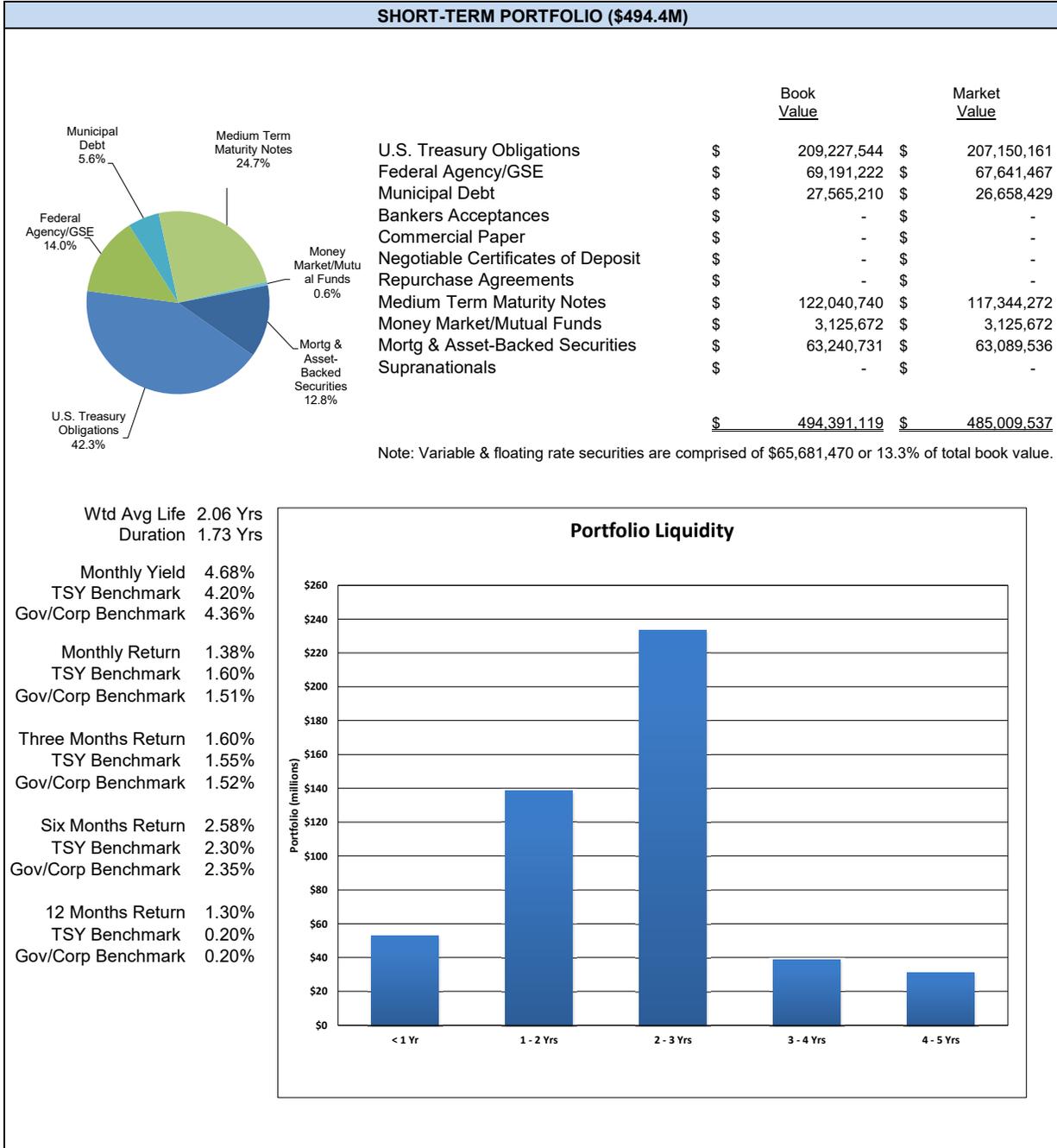
3/31/2023



Investment Manager Diversification and Maturity Schedules

Payden & Rygel

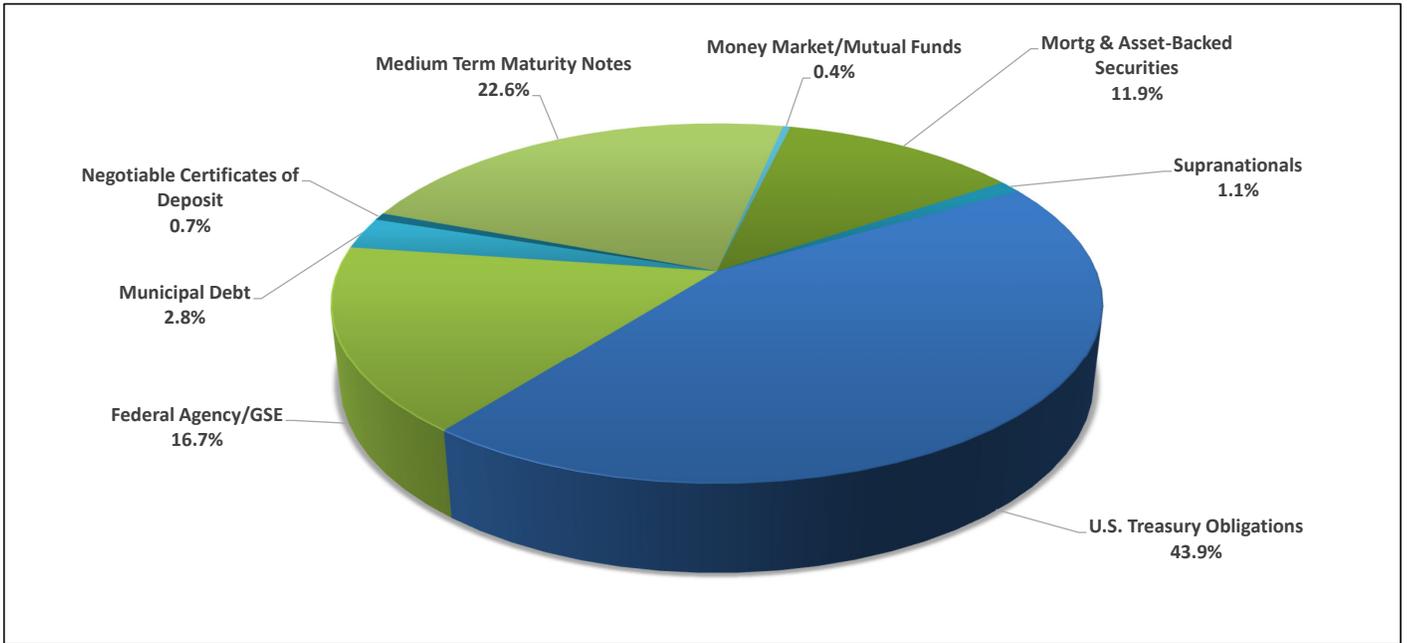
3/31/2023



Short-Term Portfolio

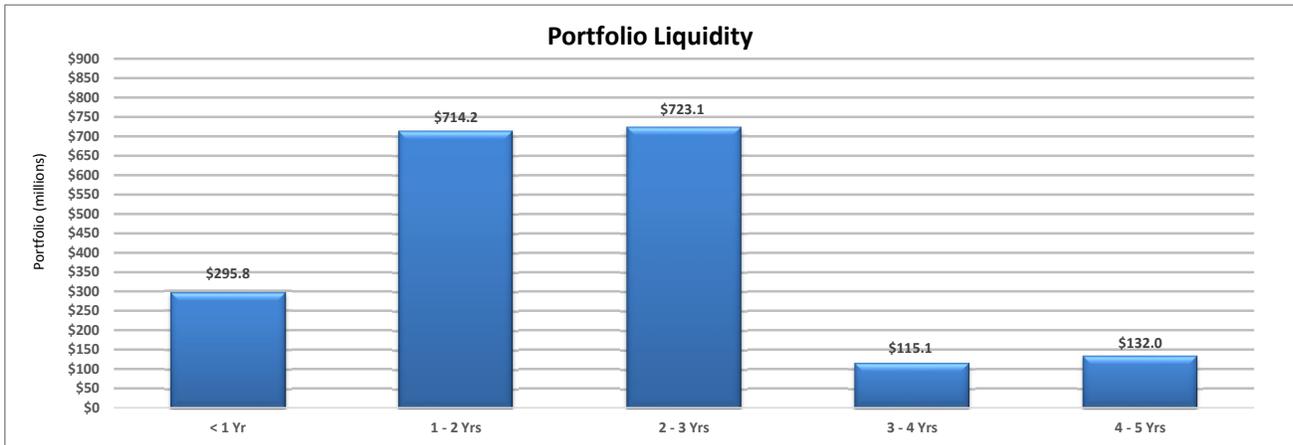
3/31/2023

Portfolio Composition



Note: Variable & floating rate securities are comprised of 7.6% of total book value.

Portfolio Liquidity



Rating Downgrades & Negative Credit Watch

3/31/2023

<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 & MetLife					
HORMEL FOODS CORP	\$ 4,560,000	6/3/2024	A-	A1	N/R
<p><i>During the third week of March 2023, Hormel Foods Corp was downgraded by S&P by one notch to A- from A. The downgrade reflects S&P's expectation that Hormel's leverage will remain elevated compared to historical levels and that its profitability will remain under pressure. The security complies with the requirements of the Investment Policy, and the investment managers maintain a recommendation to hold the position until maturity.</i></p>					

Negative Credit Watch:

N/A

DEBT PROGRAM

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

Outstanding Debt¹

As of 3/31/2023

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:		340,235,000
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

Sub-total M2 Outstanding Debt	\$	590,235,000
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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

Sub-total 91 Express Lanes Outstanding Debt	\$	71,420,000
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405 Express Lanes²

2021 TIFIA Loan

Amount Available	\$	628,930,000
Outstanding:		613,711,295
Accrued Interest:		-
Interest Rate:		1.95%
Pledged Revenue Source:	405 Toll Road Revenues	
Ratings (Moody's/Kroll):		Baa2/BBB-
Final Maturity:		2058

Sub-total 405 Express Lanes Outstanding Debt	\$	613,711,295
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TOTAL OUTSTANDING DEBT:	\$	1,275,366,295
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1. Comprised of OCTA's debt obligations (M2 Sales Tax Revenue Bonds, 91 Toll Revenue Bonds, and 2021 TIFIA Loan (I-405) currently outstanding and irrespective of OCTA's investment program.

2. The 20221 Bond Anticipation Notes, issued on September 9, 2021, in a par amount of \$662,820,000, were legally defeased on December 16, 2022.