

**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
September 30, 2023**

INVESTMENT PROGRAM

OCTA Investment Dashboard

9/30/2023

Safety of Principal

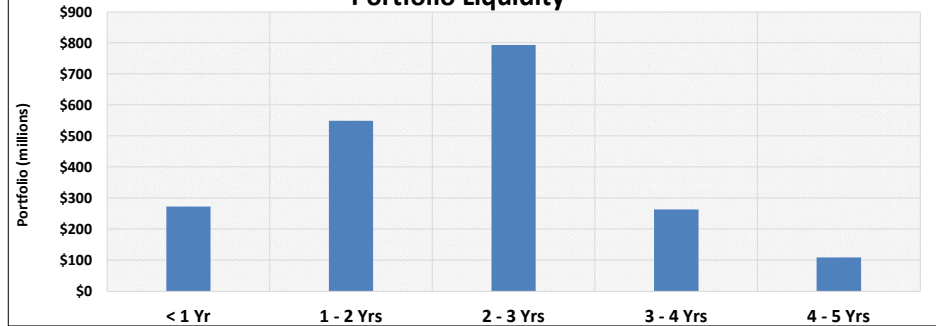
Securities that fell below OCTA's minimum credit quality requirements during the month of September 2023:
Not applicable.

Securities currently held within OCTA's portfolio that fell below OCTA's minimum credit quality requirements during prior reporting periods:
Not applicable.

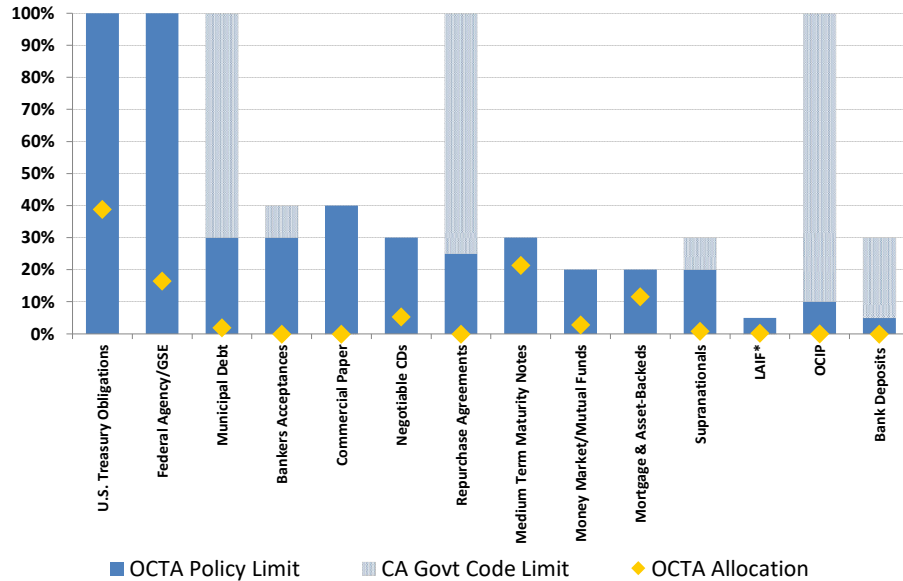
Securities downgraded or placed on Negative Credit Watch during the month of September 2023, but remain in compliance with OCTA's Investment Policy:
Not applicable.

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

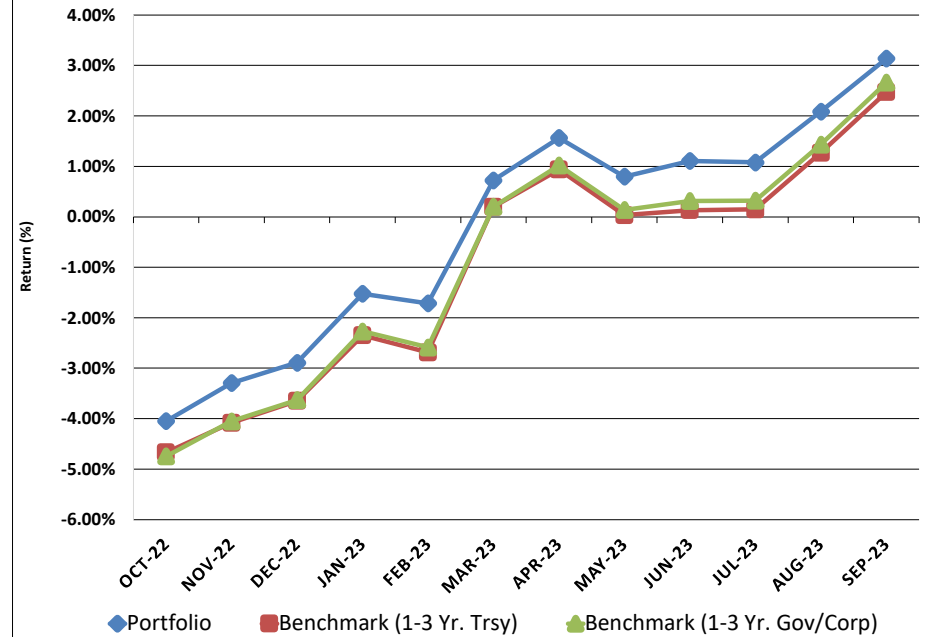
Portfolio Liquidity



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 September 30, 2023, 7.2% of the portfolio was invested in variable & floating rate securities.

Investment Compliance

9/30/2023

| Portfolio Subject to Investment Policy | | | |
|--|-------------------------|------------|-------------------|
| | Dollar Amount | Percent Of | Investment Policy |
| Short-Term/Liquid Portfolio ¹ | Invested | Portfolio | Max. Percentages |
| U.S. Treasury Obligations | \$ 834,725,521 | 38.9% | 100% |
| Federal Agency/GSE | 354,383,581 | 16.5% | 100% |
| Municipal Debt | \$ 41,860,577 | 2.0% | 30% |
| Commercial Paper | - | 0.0% | 40% |
| Negotiable Certificates of Deposit | \$ 115,050,000 | 5.4% | 30% |
| Repurchase Agreements | - | 0.0% | 25% |
| Medium Term Maturity Notes/Corporates | \$ 459,230,954 | 21.4% | 30% |
| Money Market/Mutual Funds | 62,323,975 | 2.9% | 20% |
| Mortgage & Asset-Backed | \$ 250,905,240 | 11.7% | 20% |
| Supranationals | 19,370,014 | 0.9% | 20% |
| Local Agency Investment Fund | \$ 6,683,889 | 0.3% | \$ 75 Million |
| Orange County Investment Pool | 636,719 | 0.0% | 10% |
| Bank Deposits | \$ 250,000 | 0.0% | 5% |
| Total Short-Term/Liquid Portfolio² | \$ 2,145,420,469 | | |

1. Excludes portion of Liquid Portfolio subject to Indenture

2. Includes variable & floating rate securities invested in the amount of \$154,784,835 (7.2% of total Short-Term/Liquid portfolio) and subject to 30% limit per OCTA's Investment Policy.

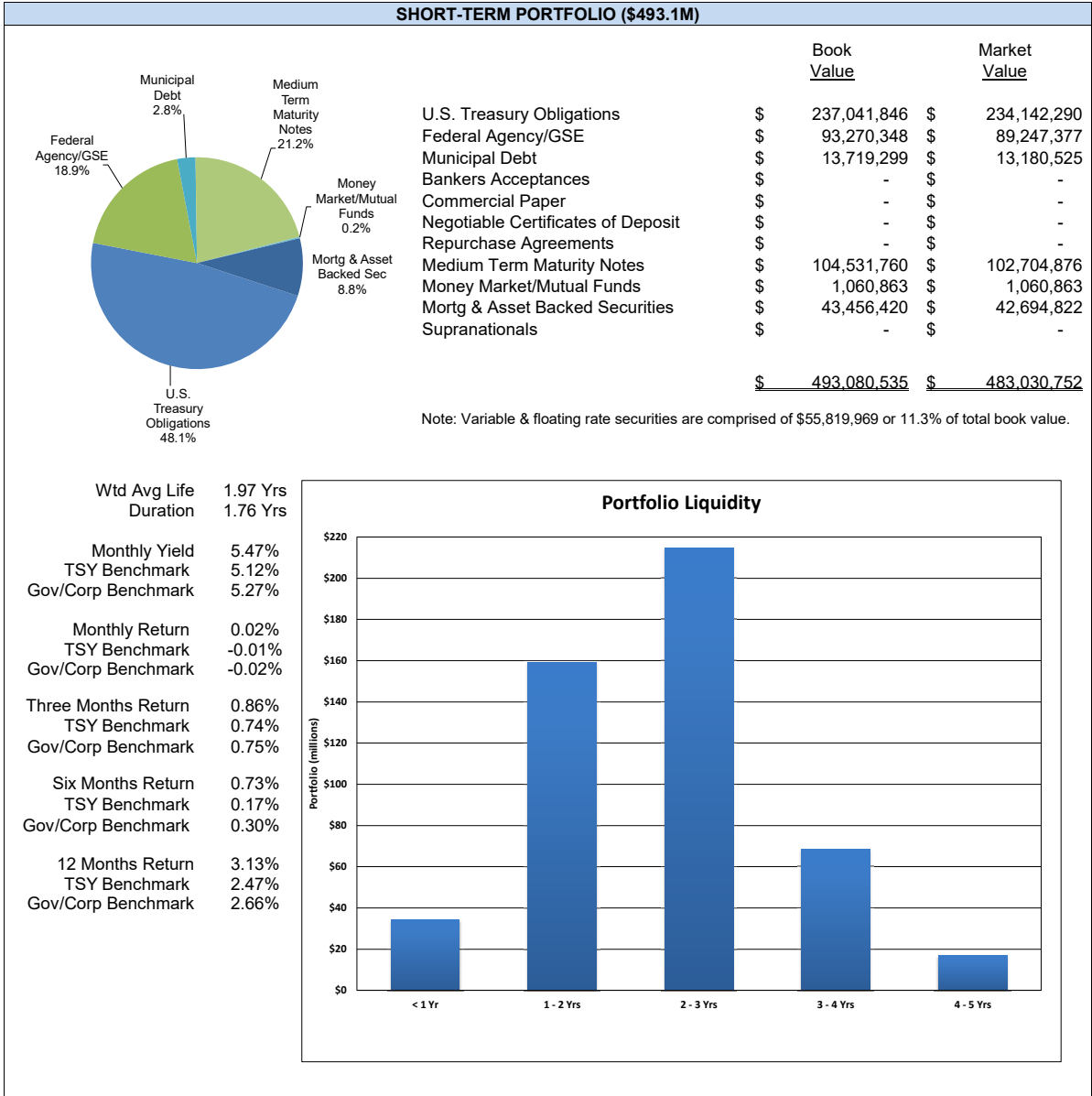
| Portfolio Subject to Indenture | | | | | |
|---|-------------------------|--------------------------|----------|------------------------|-----------|
| Portfolio | Dollar Amount Invested | OCTA | | Indenture Requirements | |
| | | Credit Quality | Term | Min. Credit Quality | Max. Term |
| Liquid Portfolio* | | | | | |
| Government Obligations MMKT Fund | 275,712,303 | "AAAm" | N/A | AAA Category | N/A |
| Government Obligations MMKT Fund | 29,017,651 | "AAAm"/"Aammf" | N/A | AAA Category | N/A |
| Total Liquid Portfolio | \$ 304,729,954 | | | | |
| Bond Proceeds Portfolio | | | | | |
| 2021 Bond Anticipation Notes (BANs): | | | | | |
| Government Obligations MMKT Fund | 53,184 | "AAAm"/ "Aaa-mf"/"AAAmf" | N/A | "AAAm" or "AAAm-G" | N/A |
| 91 Express Lanes 2023 Bonds: | | | | | |
| Government Obligations MMKT Fund | 4,319 | "AAAm"/ "Aaa-mf"/"AAAmf" | N/A | N/A | N/A |
| Total Bond Proceeds Portfolio | \$ 57,503 | | | | |
| Reserve Funds Portfolio | | | | | |
| Bank Deposit | \$ 11,864 | N/A | N/A | N/A | N/A |
| Government Obligations MMKT Fund | 5,260,692 | "AAAm"/ "Aaa-mf"/"AAAmf" | N/A | N/A | N/A |
| Negotiable Certificates of Deposit | 5,000,000 | "A-1"/"P-1"/"F1+" | 90 days | "A-1"/"P-1"/"F1" | 270 days |
| Negotiable Certificates of Deposit | 3,300,000 | "A-1"/"P-1"/"F1+" | 180 days | "A-1"/"P-1"/"F1" | 270 days |
| Government Obligations MMKT Fund** | 5,544 | "AAAm"/ "Aaa-mf"/"AAAmf" | N/A | N/A | N/A |
| Total Reserve Funds Portfolio | \$ 13,578,100 | | | | |
| Total Portfolio Subject to Indenture | \$ 13,635,604 | | | | |
| Portfolio Total | \$ 2,463,786,026 | | | | |

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

**91 EL Debt Service Fund

Investment Manager Diversification and Maturity Schedules

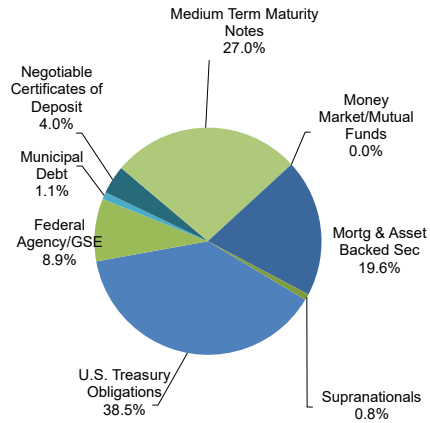
**MetLife Investment Management
9/30/2023**



Investment Manager Diversification and Maturity Schedules

**PFM
9/30/2023**

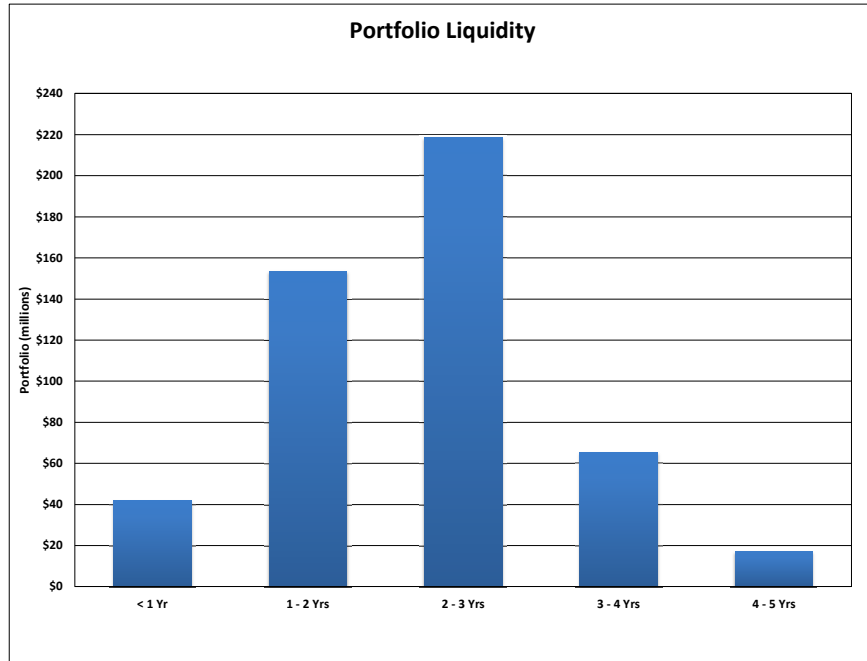
SHORT-TERM PORTFOLIO (\$496.3M)



| | <u>Book Value</u> | <u>Market Value</u> |
|------------------------------------|-----------------------|-----------------------|
| U.S. Treasury Obligations | \$ 191,293,321 | \$ 186,591,945 |
| Federal Agency/GSE | \$ 44,200,287 | \$ 43,289,768 |
| Municipal Debt | \$ 5,220,000 | \$ 5,045,529 |
| Bankers Acceptances | \$ - | \$ - |
| Commercial Paper | \$ - | \$ - |
| Negotiable Certificates of Deposit | \$ 20,050,000 | \$ 19,996,074 |
| Repurchase Agreements | \$ - | \$ - |
| Medium Term Maturity Notes | \$ 134,053,662 | \$ 130,330,771 |
| Money Market/Mutual Funds | \$ 25,455 | \$ 25,455 |
| Mortg & Asset Backed Securities | \$ 97,213,233 | \$ 94,781,451 |
| Supranationals | \$ 4,211,881 | \$ 4,010,067 |
| | <u>\$ 496,267,839</u> | <u>\$ 484,071,061</u> |

Note: Variable & floating rate securities are comprised of \$32,075,290 or 6.5% of total book value.

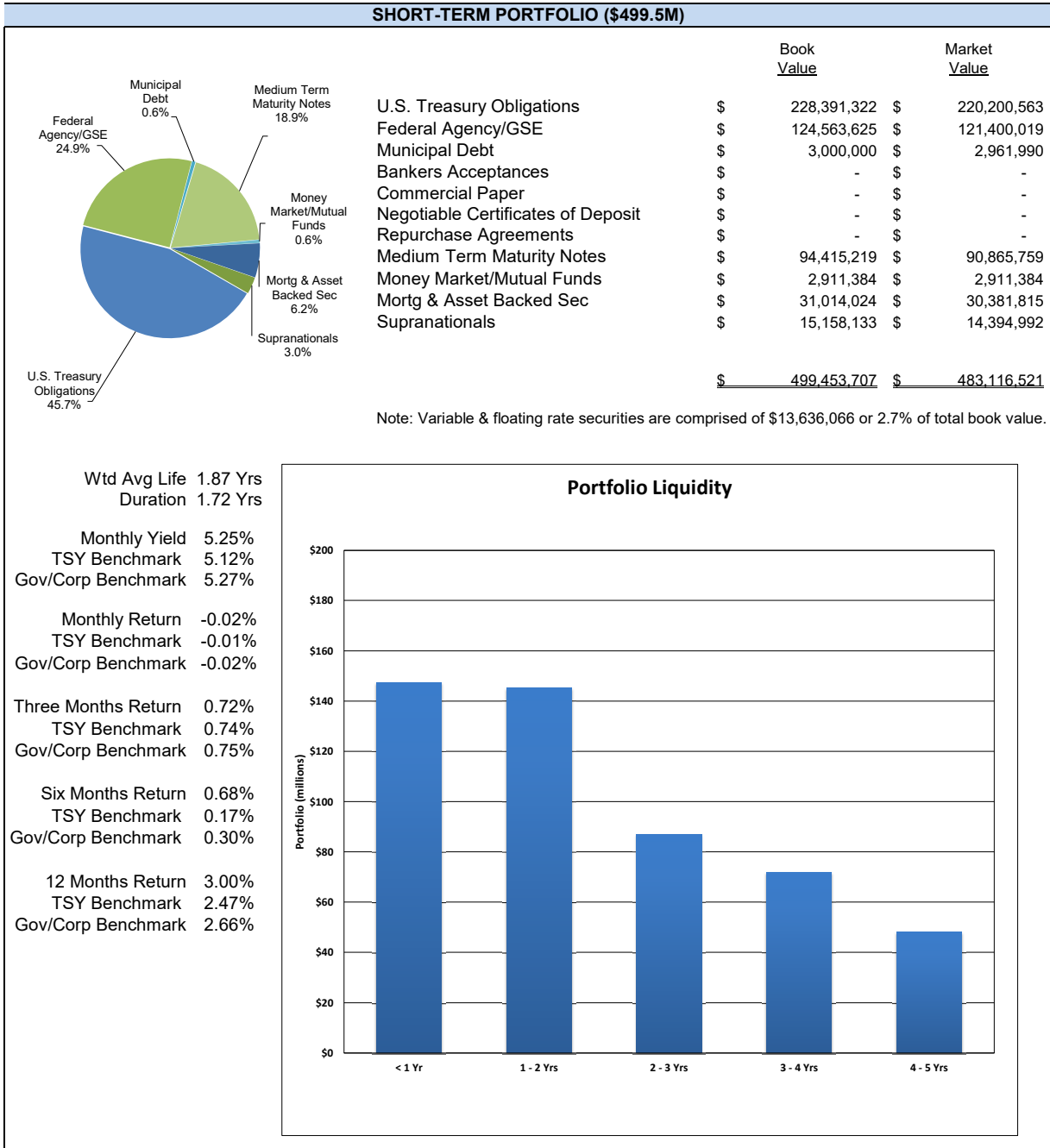
| | |
|---------------------|----------|
| Wtd Avg Life | 1.85 Yrs |
| Duration | 1.67 Yrs |
| Monthly Yield | 5.40% |
| TSY Benchmark | 5.12% |
| Gov/Corp Benchmark | 5.27% |
| Monthly Return | 0.05% |
| TSY Benchmark | -0.01% |
| Gov/Corp Benchmark | -0.02% |
| Three Months Return | 0.86% |
| TSY Benchmark | 0.74% |
| Gov/Corp Benchmark | 0.75% |
| Six Months Return | 0.79% |
| TSY Benchmark | 0.17% |
| Gov/Corp Benchmark | 0.30% |
| 12 Months Return | 3.14% |
| TSY Benchmark | 2.47% |
| Gov/Corp Benchmark | 2.66% |



Investment Manager Diversification and Maturity Schedules

Chandler Asset Management

9/30/2023

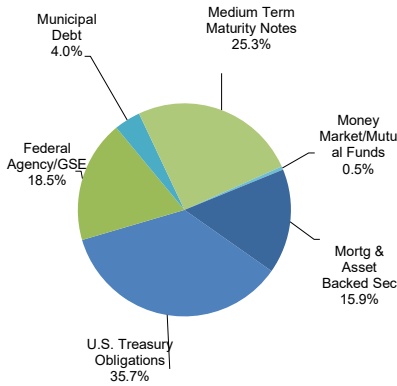


Investment Manager Diversification and Maturity Schedules

Payden & Rygel

9/30/2023

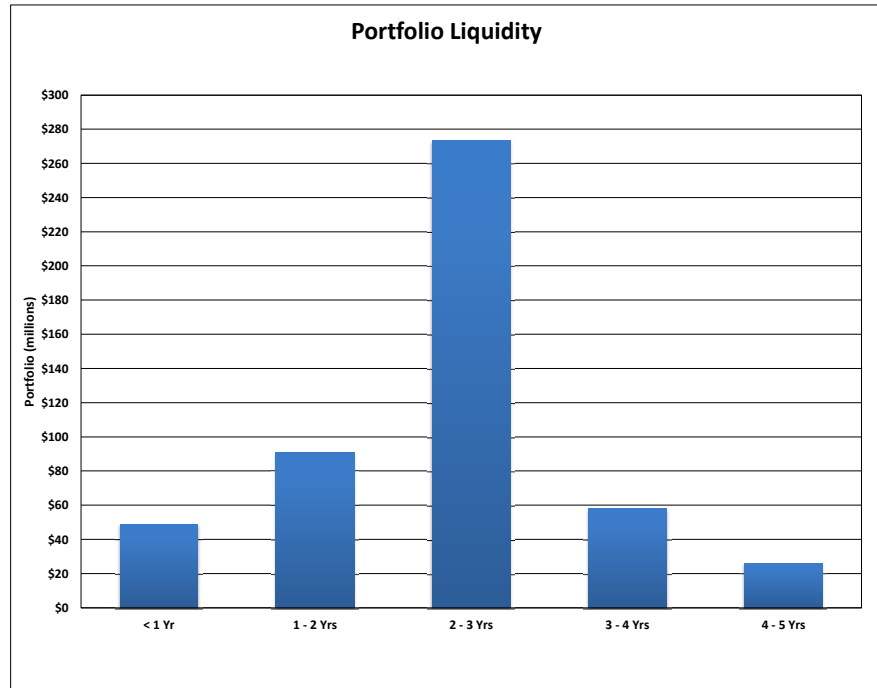
SHORT-TERM PORTFOLIO (\$498.1M)



| | Book Value | Market Value |
|------------------------------------|-----------------------|-----------------------|
| U.S. Treasury Obligations | \$ 177,999,032 | \$ 174,713,889 |
| Federal Agency/GSE | \$ 92,349,321 | \$ 90,506,332 |
| Municipal Debt | \$ 19,921,278 | \$ 19,071,237 |
| Bankers Acceptances | \$ - | \$ - |
| Commercial Paper | \$ - | \$ - |
| Negotiable Certificates of Deposit | \$ - | \$ - |
| Repurchase Agreements | \$ - | \$ - |
| Medium Term Maturity Notes | \$ 126,230,314 | \$ 122,111,697 |
| Money Market/Mutual Funds | \$ 2,412,672 | \$ 2,412,672 |
| Mortg & Asset Backed Sec | \$ 79,221,563 | \$ 78,485,301 |
| Supranationals | \$ - | \$ - |
| | \$ 498,134,180 | \$ 487,301,127 |

Note: Variable & floating rate securities are comprised of \$53,253,300 or 10.7% of total book value.

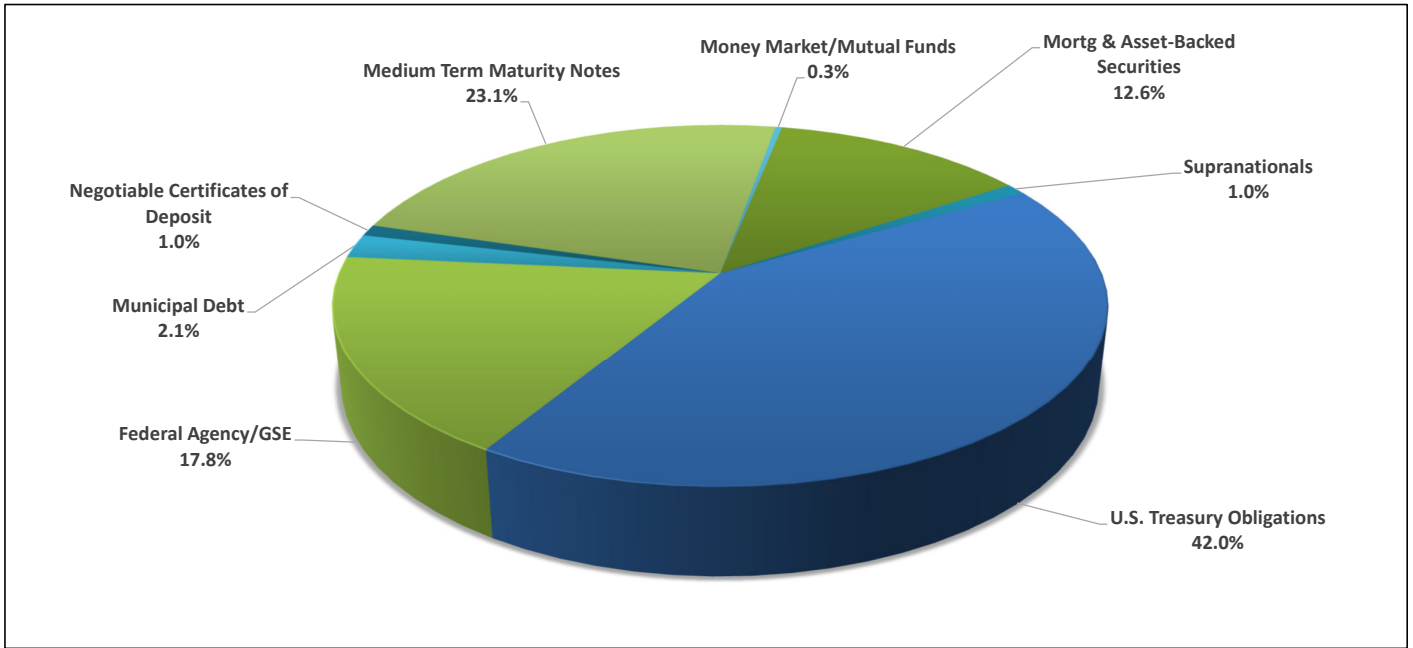
| | |
|---------------------|----------|
| Wtd Avg Life | 2.11 Yrs |
| Duration | 1.76 Yrs |
| Monthly Yield | 5.52% |
| TSY Benchmark | 5.12% |
| Gov/Corp Benchmark | 5.27% |
| Monthly Return | 0.02% |
| TSY Benchmark | -0.01% |
| Gov/Corp Benchmark | -0.02% |
| Three Months Return | 0.84% |
| TSY Benchmark | 0.74% |
| Gov/Corp Benchmark | 0.75% |
| Six Months Return | 0.69% |
| TSY Benchmark | 0.17% |
| Gov/Corp Benchmark | 0.30% |
| 12 Months Return | 3.29% |
| TSY Benchmark | 2.47% |
| Gov/Corp Benchmark | 2.66% |



Short-Term Portfolio

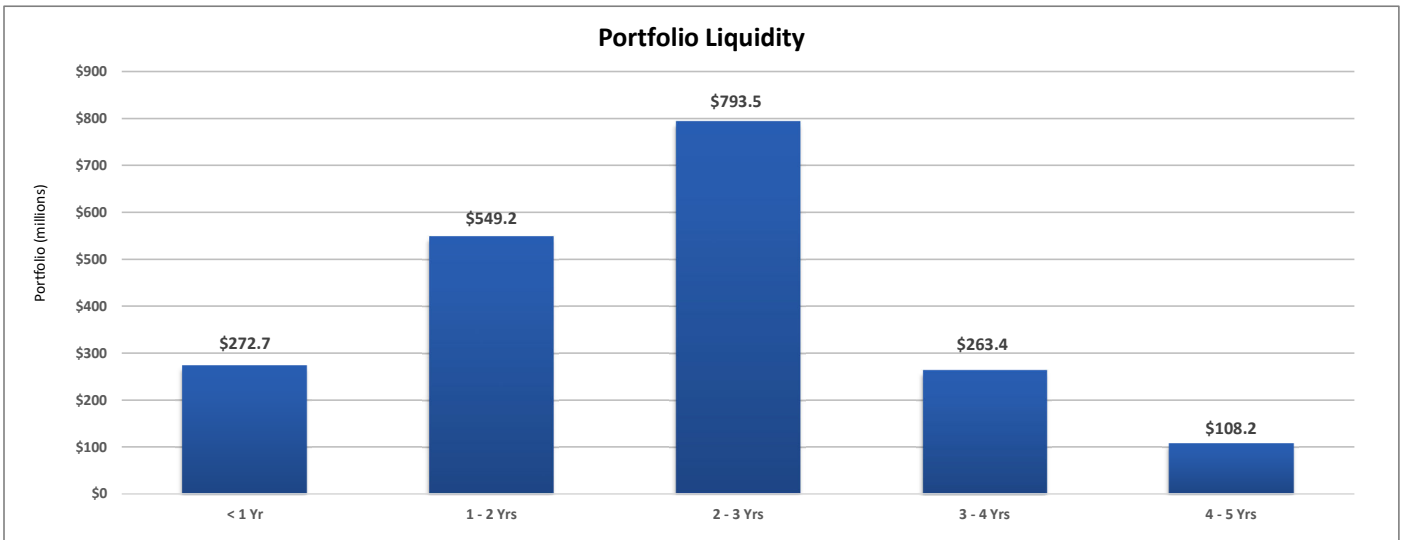
9/30/2023

Portfolio Composition



Note: Variable & floating rate securities are comprised of 7.8% of total book value.

Portfolio Liquidity



Rating Downgrades & Negative Credit Watch

9/30/2023

Investment Manager / Security

Par Amount

Maturity

S&P

Moody's

Fitch Ratings

Rating Downgrades:

N/A

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 9/30/2023

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 2024: | | 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 2024: | | 37,601,900 |
| 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 |
|--------------------------------------|-----------|--------------------|

91 Express Lanes

2023 OCTA 91 Express Lanes Refunding Bonds

| | | |
|--------------------------------|-----------------------|-------------|
| Issued: | \$ | 47,545,000 |
| Outstanding: | | 47,545,000 |
| Debt Service FY 2024: | | 1,446,160 |
| All in True Interest Cost: | | 2.80% |
| Pledged Revenue Source: | 91 Toll Road Revenues | |
| Ratings (Fitch/ Moody's/ S&P): | | AA-/Aa3/AA- |
| Final Maturity: | | 2030 |

| | | |
|--|-----------|-------------------|
| Sub-total 91 Express Lanes Outstanding Debt | \$ | 47,545,000 |
|--|-----------|-------------------|

405 Express Lanes

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): | | Baa2 |
| Final Maturity: | | 2058 |

| | | |
|---|-----------|--------------------|
| Sub-total 405 Express Lanes Outstanding Debt | \$ | 613,711,295 |
|---|-----------|--------------------|

| | | |
|--------------------------------|-----------|----------------------|
| TOTAL OUTSTANDING DEBT: | \$ | 1,251,491,295 |
|--------------------------------|-----------|----------------------|

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.