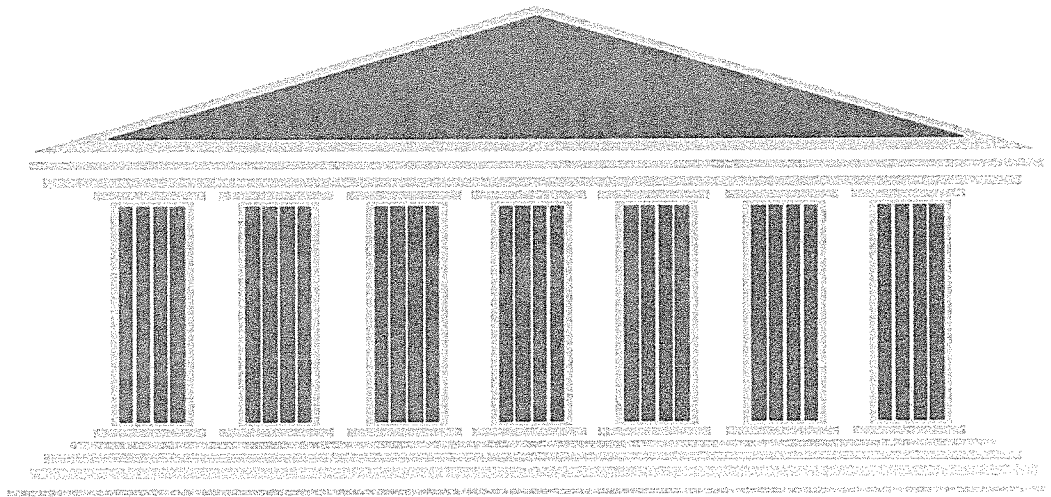


**Treasury/Public Finance Department's
Report On**

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



**Presented to the
Finance and Administration Committee**

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

INVESTMENT PROGRAM

Investment Profile

As of 5/31/17

<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	325.6
State Street Global Advisors	Union Bank	Custodian	Short-Term Operating	325.2
Payden & Rygel Investment Counsel	Union Bank	Custodian	Short-Term Operating	325.7
Western Asset Management	Union Bank	Custodian	Short-Term Operating	324.9
<i>POOLED INVESTMENTS</i>				
California State Treasurer	LAIF	Custodian	Liquid	10.3
Orange County Treasurer	OCIP	Custodian	Legal Requirement	0.0
<i>CASH INVESTMENTS</i>				
OCTA	BNY Mellon	Trustee	Liquid	84.3
OCTA	Bank of the West	Broker	Liquid	44.4
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				0.1
TOTAL				\$1,464.3

Short-Term Portfolio - \$1.3 Billion

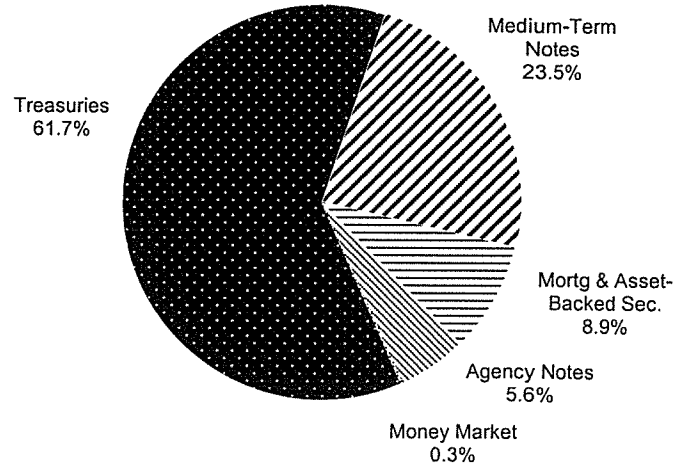
As of 5/31/17

Part 1 of 2

JP Morgan

Book Value \$ 325,566,588

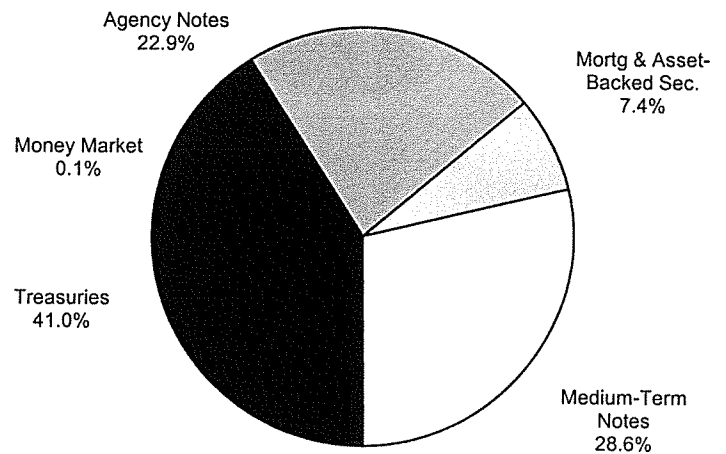
Market Value \$ 323,464,080



State Street Global

Book Value \$ 325,239,179

Market Value \$ 324,741,290



Market Value Reported By Custodial Bank

Short-Term Portfolio - \$1.3 Billion

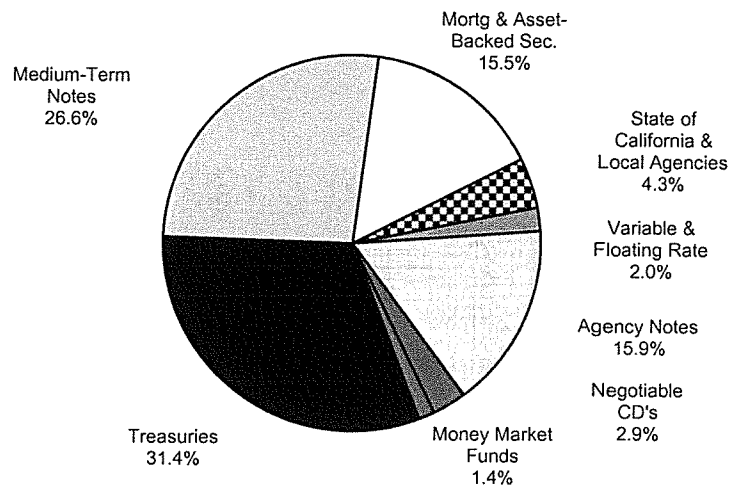
As of 5/31/17

Part 2 of 2

Payden & Rygel

Book Value \$ 325,703,689

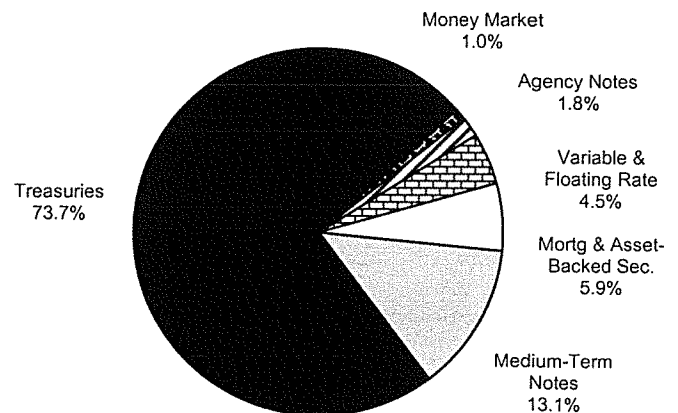
Market Value \$ 325,034,545



Western Asset Management

Book Value \$ 324,903,320

Market Value \$ 325,226,794

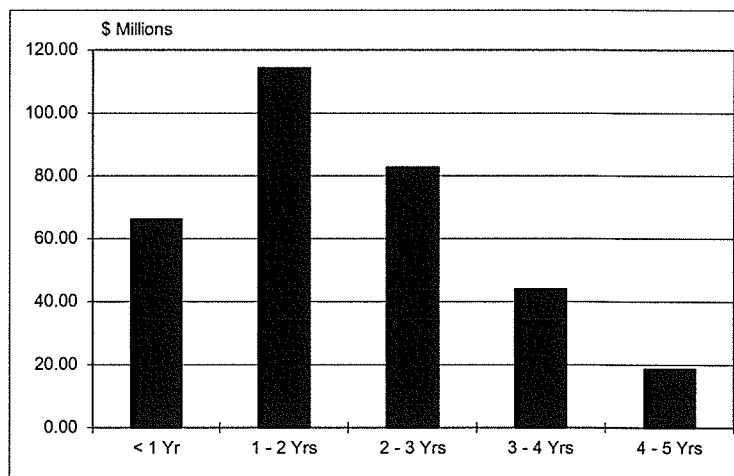


Short-Term Portfolio Maturity Schedule

As of 5/31/17

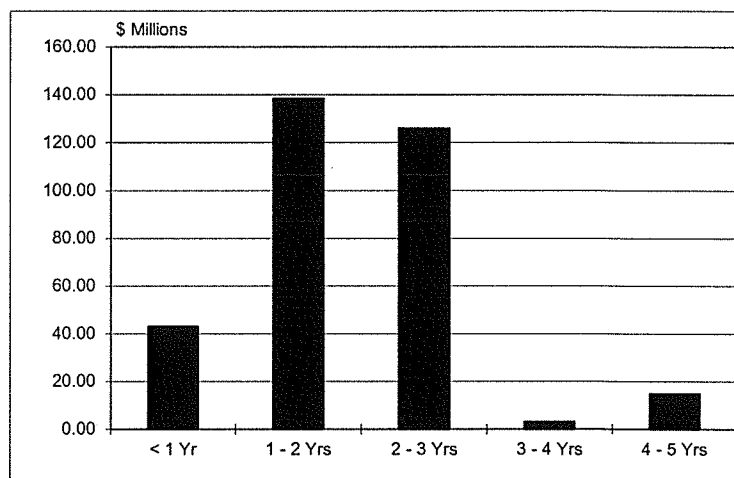
JP Morgan (\$325.6 M)

Monthly Return	0.17%
TSY Benchmark	0.12%
Gov/Corp Benchmark	0.15%
Fiscal YTD Return	0.22%
TSY Benchmark	-0.03%
Gov/Corp Benchmark	0.19%
12 Month Return	0.79%
TSY Benchmark	0.57%
Gov/Corp Benchmark	0.78%



State Street Global (\$325.2 M)

Monthly Return	0.17%
Benchmark Comparison	0.12%
Gov/Corp Benchmark	0.15%
Fiscal YTD Return	0.23%
TSY Benchmark	-0.03%
Gov/Corp Benchmark	0.19%
12 Month Return	0.80%
TSY Benchmark	0.57%
Gov/Corp Benchmark	0.78%

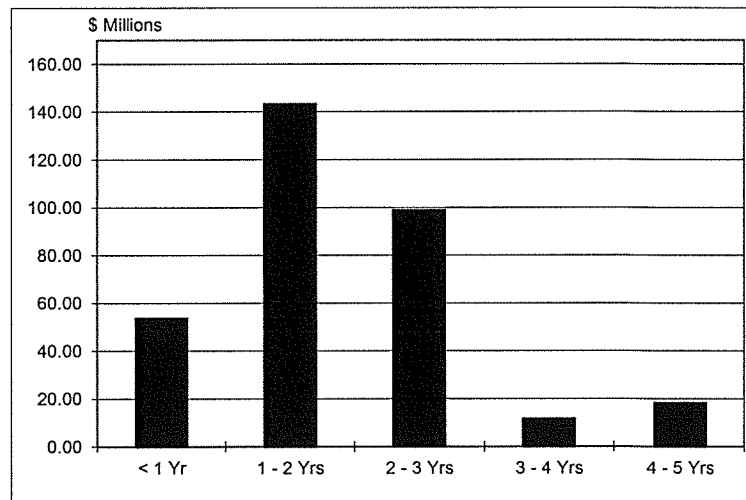


Yield Curve Change From 4/30/17 to 5/31/17			
	<u>4/30/17</u>	<u>5/31/17</u>	<u>Change</u>
1 Year	1.063%	1.153%	0.0900%
2 Year	1.264%	1.284%	0.0200%
3 Year	1.444%	1.434%	-0.0100%
5 Year	1.815%	1.752%	-0.0630%
30 Year	2.952%	2.864%	-0.0880%

Short-Term Portfolio Maturity Schedule As of 5/31/17

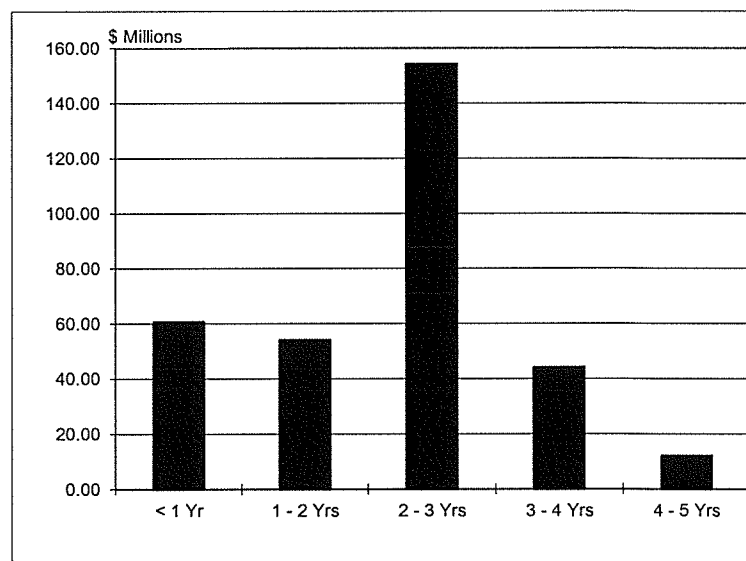
Payden & Rygel (\$325.7 M)

Monthly Return	0.17%
TSY Benchmark	0.12%
Gov/Corp Benchmark	0.15%
Fiscal YTD Return	0.50%
TSY Benchmark	-0.03%
Gov/Corp Benchmark	0.19%
12 Month Return	0.93%
TSY Benchmark	0.57%
Gov/Corp Benchmark	0.78%



Western Asset Management (\$324.9 M)

Monthly Return	0.19%
TSY Benchmark	0.12%
Gov/Corp Benchmark	0.15%
Fiscal YTD Return	0.24%
TSY Benchmark	-0.03%
Gov/Corp Benchmark	0.19%
12 Month Return	0.90%
TSY Benchmark	0.57%
Gov/Corp Benchmark	0.78%

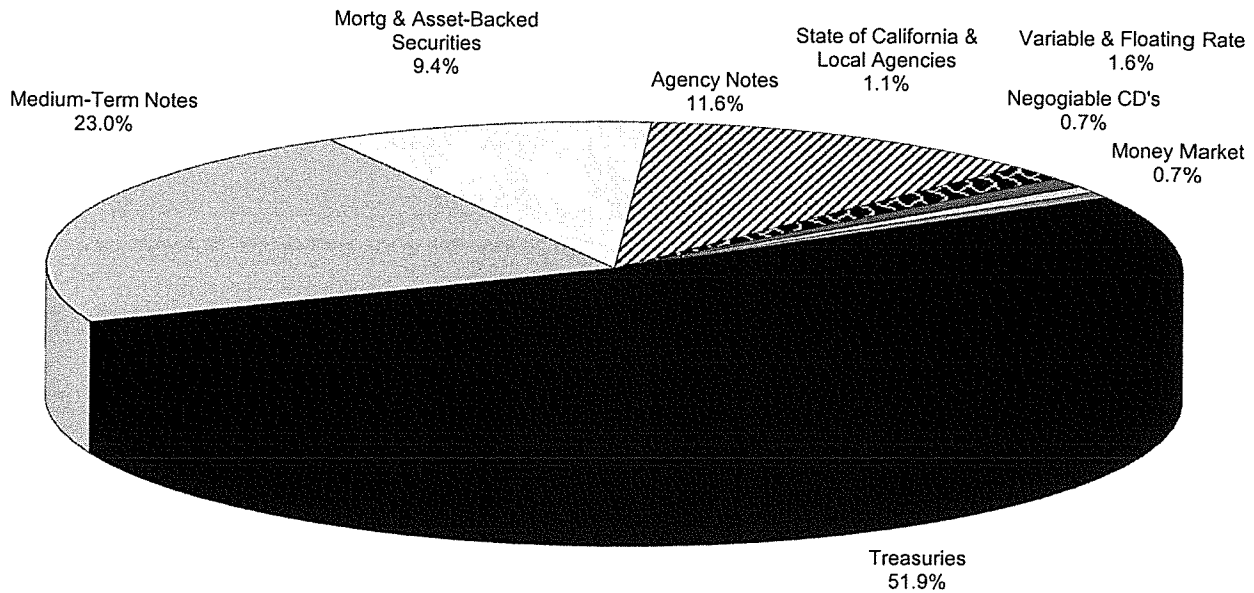


Yield Curve Change From 4/30/17 to 5/31/17			
	4/30/17	5/31/17	Change
1 Year	1.063%	1.153%	0.0900%
2 Year	1.264%	1.284%	0.0200%
3 Year	1.444%	1.434%	-0.0100%
5 Year	1.815%	1.752%	-0.0630%
30 Year	2.952%	2.864%	-0.0880%

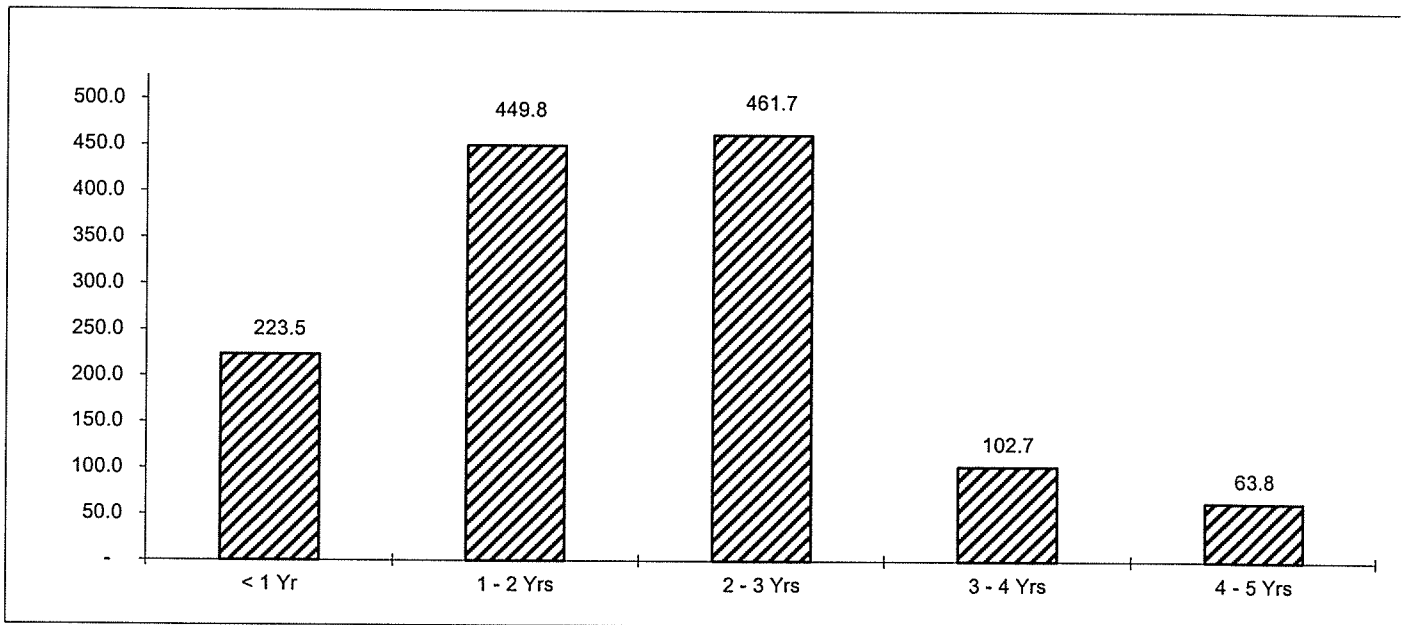
Short-Term Portfolio

As of 5/31/17

Total Portfolio Composition



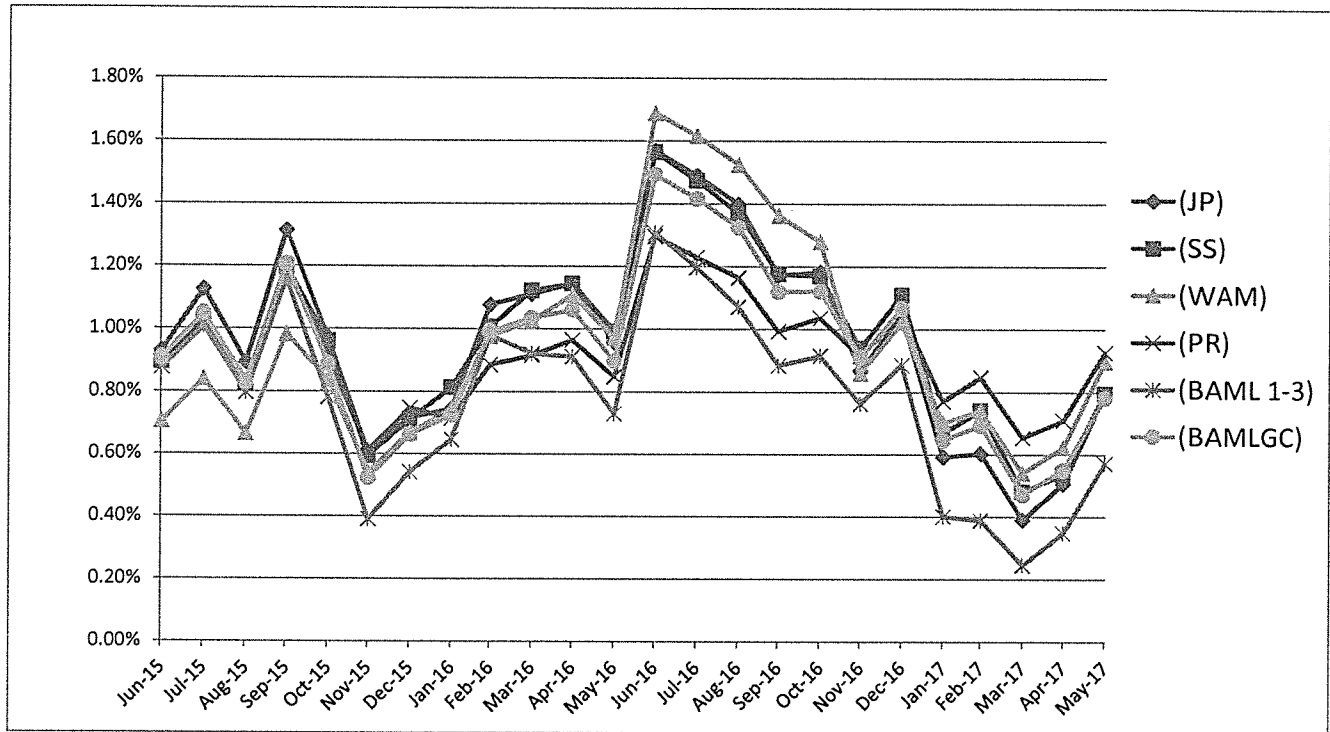
Total Portfolio Maturity Schedule



Short-Term Portfolio Performance

As of 5/31/17

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

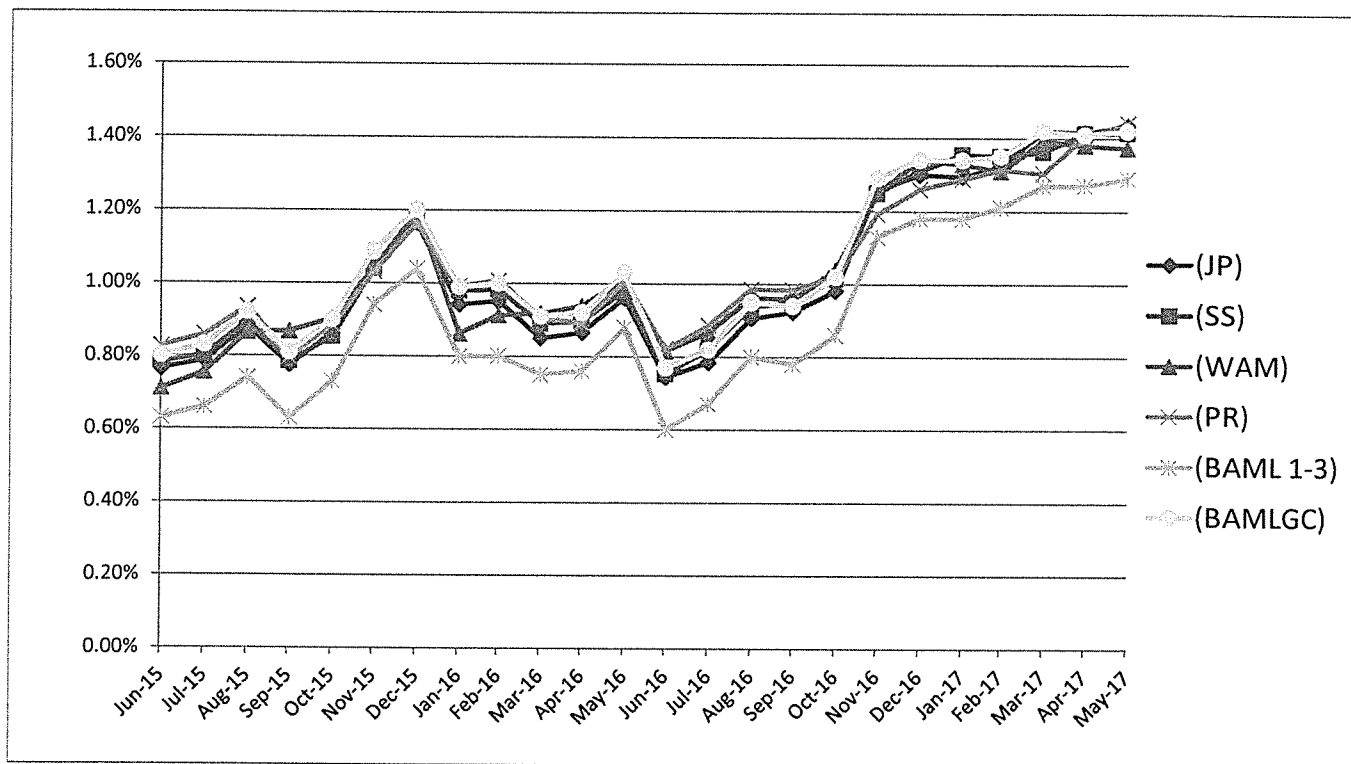


	JP Morgan (JP)	State Street (SS)	Western Asset Mgmt (WAM)	Payden & Rygel (PR)	BAML 1-3 Yr Trsy (BAML 1-3)	BAML 1-3 Yr Gov/Corp (BAMLGC)
Jun-15	0.93%	0.89%	0.70%	0.90%	0.88%	0.91%
Jul-15	1.13%	1.03%	0.84%	1.04%	1.01%	1.05%
Aug-15	0.89%	0.83%	0.66%	0.83%	0.80%	0.83%
Sep-15	1.31%	1.20%	0.98%	1.19%	1.16%	1.21%
Oct-15	0.97%	0.96%	0.84%	0.91%	0.78%	0.89%
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%

Comparative Yield Performance

As of 5/31/17

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



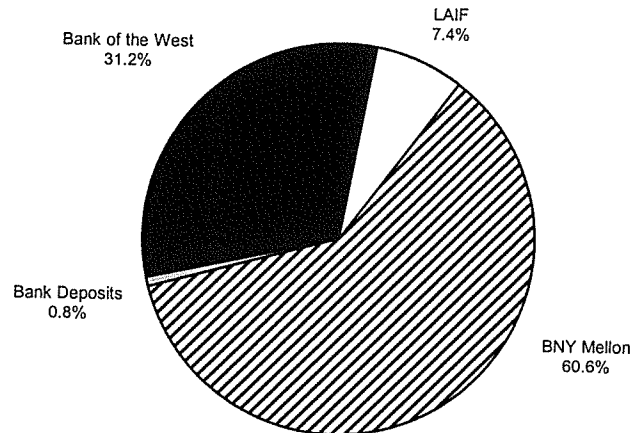
	JP Morgan (JP)	State Street (SS)	Western Asset Mgmt (WAM)	Payden Rygel (PR)	BAML 1-3 Yr Trsy (BAML 1-3)	BAML 1-3 Yr Gov/Corp (BAMLGC)
Jun-15	0.77%	0.78%	0.71%	0.83%	0.63%	0.80%
Jul-15	0.79%	0.80%	0.76%	0.86%	0.66%	0.83%
Aug-15	0.88%	0.89%	0.87%	0.94%	0.74%	0.92%
Sep-15	0.78%	0.79%	0.87%	0.80%	0.63%	0.81%
Oct-15	0.86%	0.85%	0.90%	0.89%	0.73%	0.90%
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%

Liquid Funds Portfolio - \$139.1 M

As of 5/31/17

Other Liquid Funds

Book Value	\$	139,084,489
Market Value	\$	139,084,489



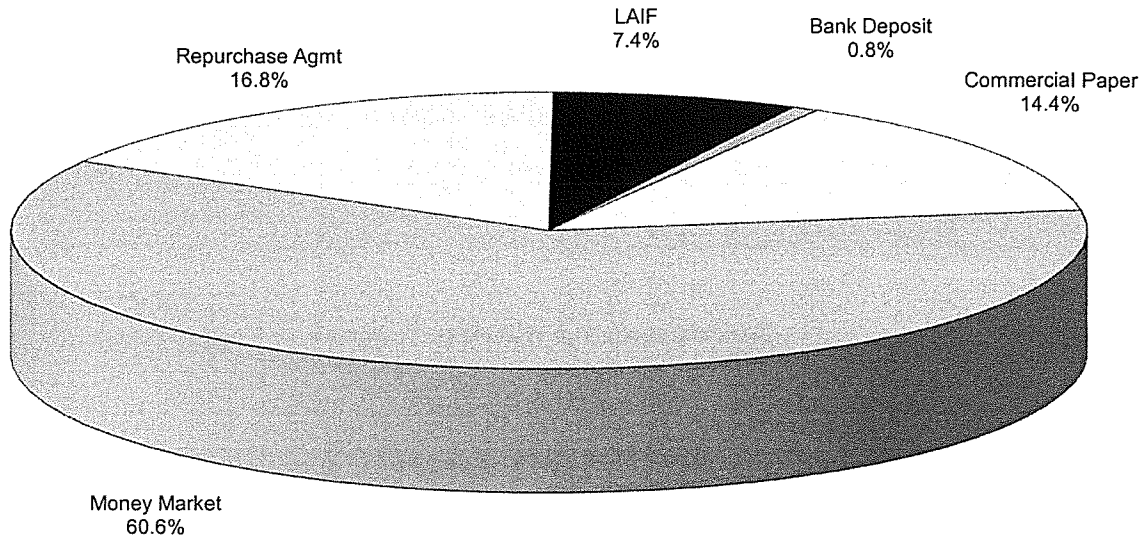
Yield Curve Change From 4/30/17 to 5/31/17			
	<u>4/30/17</u>	<u>5/31/17</u>	<u>Change</u>
1 Month	0.662%	0.860%	0.1980%
3 Month	0.795%	0.973%	0.1780%
6 Month	0.970%	1.068%	0.0980%

Market Value Reported By Custodial Bank

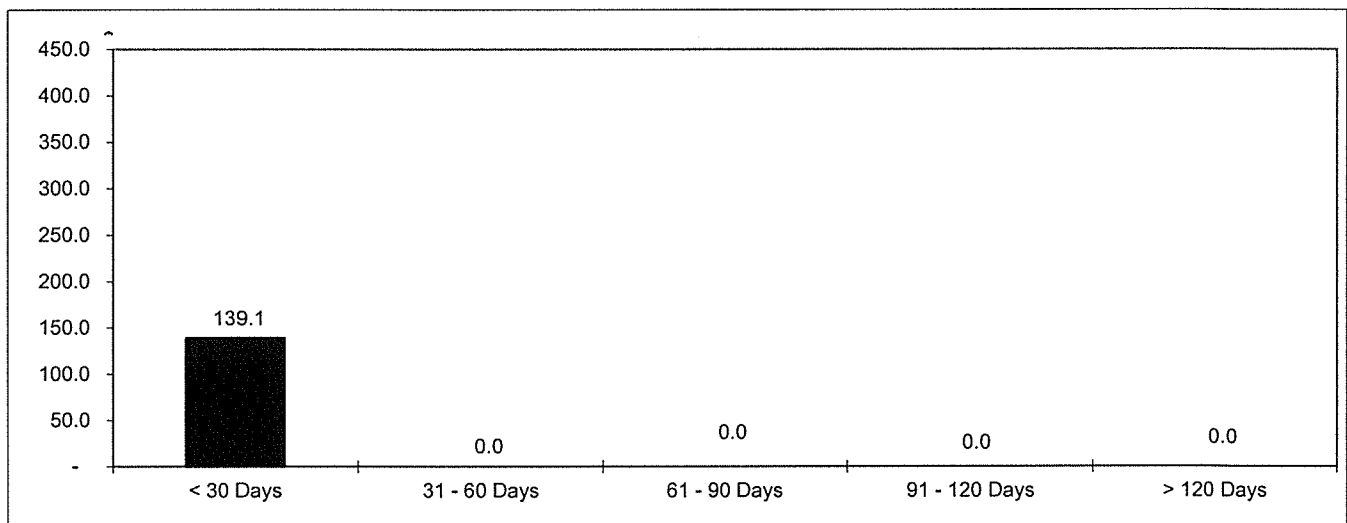
Liquid Portfolio

As of 5/31/17

Total Portfolio Composition



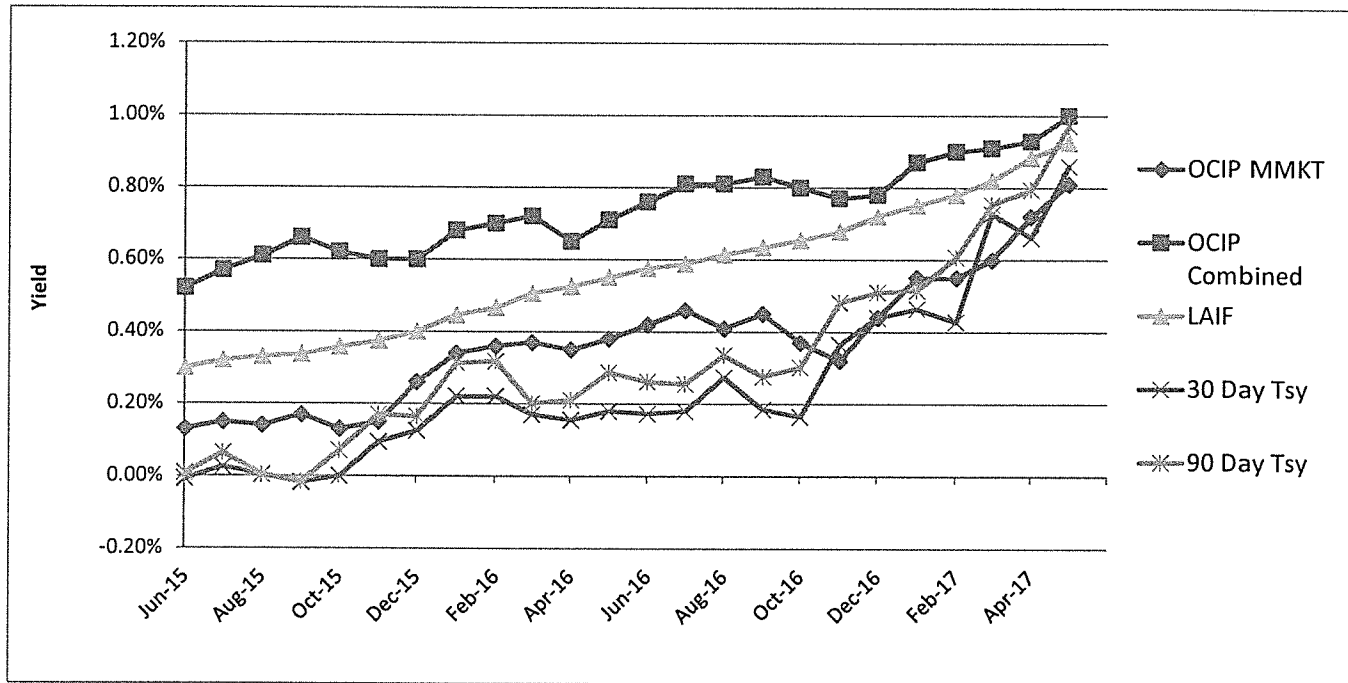
Maturity Schedule For Liquid Portfolio



Liquid Portfolio Performance

As of 5/31/17

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



	OCIP MMKT	OCIP Combined	LAIF	30 Day Tsy	90 Day Tsy
Jun-15	0.13%	0.52%	0.30%	-0.01%	0.01%
Jul-15	0.15%	0.57%	0.32%	0.03%	0.06%
Aug-15	0.14%	0.61%	0.33%	0.00%	0.00%
Sep-15	0.17%	0.66%	0.34%	-0.02%	-0.02%
Oct-15	0.13%	0.62%	0.36%	0.00%	0.07%
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%

Investment Policy Compliance

As of 5/31/17

<u>Investment Instruments</u>	<u>Dollar Amount Invested</u>	<u>Percent Of Portfolio</u>	<u>Investment Policy Maximum Percentages</u>
U.S. Treasuries	675,979,634	46.2%	100%
Federal Agencies & U.S. Government Sponsored *	150,417,956	10.3%	100%
State of California & Local Agencies	14,034,383	1.0%	25%
Money Market Funds & Mutual Funds	92,739,440	6.3%	20%
Bankers Acceptances	0	0.0%	30%
Negotiable Certificates of Deposit	9,458,238	0.6%	30%
Commercial Paper	43,860,888	3.0%	25%
Medium Term Maturity Corporate Securities	298,856,734	20.4%	30%
Mortgage and Asset-backed Securities	122,833,809	8.4%	10%
Repurchase Agreements	23,420,988	1.6%	75%
Investment Agreements Pursuant To Indenture	0	0.0%	100%
Local Agency Investment Fund (LAIF)	10,253,754	0.7%	\$ 40 Million
Orange County Investment Pool (OCIP)	39,305	0.0%	\$ 40 Million
CAMP	0	0.0%	10%
Variable & Floating Rate Securities	21,369,038	1.5%	30%
Debt Service Reserve Funds - Investment Agreements	0	0.0%	Not Applicable
Bank Deposits	1,100,253	0.1%	5%
Derivatives (hedging transactions only)	0	0.0%	5%
TOTAL	1,464,364,419	100.0%	

* See attached page for a detailed listing of this category

Investment Policy Compliance

As of 5/31/17

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)	44,804,329	3.1%	35%
Federal Home Loan Mortgage Corporation (FHLMC)	59,426,560	4.1%	35%
Federal National Mortgage Association (FNMA)	76,853,223	5.2%	35%
Federal Housing and Urban Development	<u>1,000,000</u>	0.1%	35%
	182,084,112 *	12.4%	

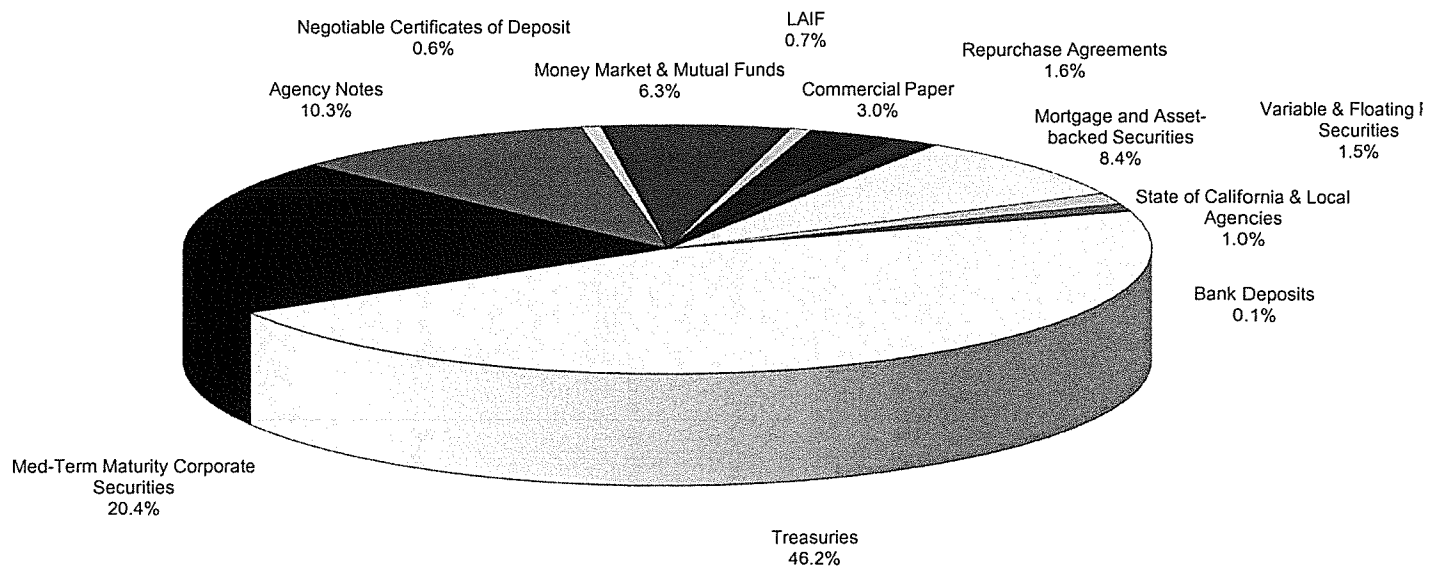
* The Total Dollar Amount Invested Equals The Dollar Amount Invested For Federal Agency Securities, Variable & Floating Rate (Agency) Securities, And A Portion Of Mortgage (Agency) & Asset-back Securities.

Money Market Funds (MMF) & Mutual Funds

First American Obligations Treasury Fund	3,028	0.0%
Goldman Sach Fin. Square Govt. MMF	0	0.0%
Blackrock Institutional T-Fund	8,462,987	0.6%
Fidelity Treasury Obligations MMF	75,843,009	5.2%
Federated Treasury Obligations Fund	<u>8,430,417</u>	<u>0.6%</u>
	92,739,440	6.3%

Investment Allocation

As of 5/31/17



Negative Credit Watch

As of 5/31/17

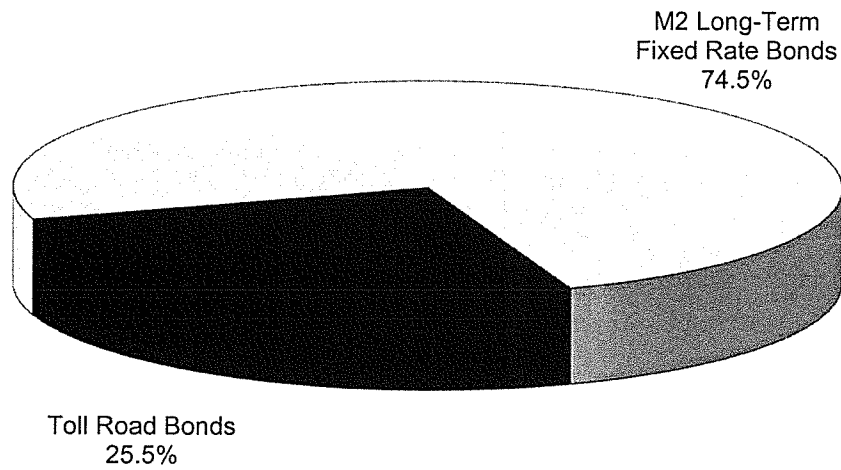
<u>Manager / Security</u>	<u>Par Amount</u>	<u>Maturity</u>	<u>S&P</u>	<u>Moody's</u>	<u>Fitch Ratings</u>
JPM					
<i>McDonalds</i>	140,000	10/15/2017	BBB+	Baa1	BBB+
Removed from negative credit watch, but no longer within Investment Policy guidelines.					
<i>Bayer US Financial</i>	200,000	10/8/2019	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>Georgia Power Company</i>	150,000	6/1/2017	A3	A-	A+
During March 2017, Fitch placed the long-term ratings of Georgia Power Co. under review for possible downgrade.					
<i>Schlumberger Holdings</i>	630,000	12/21/2020	AA-	Baa1	N/A
On May 23, 2017, Slumberger Holdings, an oil services company, was downgraded by Moody's. The security was sold the next day at a gain.					

DEBT PROGRAM

Total Outstanding Debt

As of 5/31/17

Outstanding Debt



TOTAL OUTSTANDING DEBT: \$427,140,000

Outstanding Debt

As of 5/31/17

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 2017:		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 2017:		8,912,100
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:		109,130,000
Debt Service FY 2017:		10,798,525
Pledged Revenue Source:	Toll Road Revenues	
Underlying Ratings		A1/AA-/A
Final Maturity		2030