



June 28, 2017

To: Finance and Administration Committee

From: Darrell Johnson, Chief Executive Officer

Subject: Environmental Mitigation Program Endowment Fund Investment Report

Overview

The Orange County Transportation Authority has developed a Natural Community Conservation Plan/Habitat Conservation Plan; acquired conservation properties; and funded habitat restoration projects to mitigate the impacts of Measure M2 freeway projects. California Community Foundation manages the non-wasting endowment required to pay for the long-term management of the conservation properties. Each quarter, the California Community Foundation publishes a comprehensive report detailing the composition of the pool and the performance. Attached is the first quarterly investment report for the Endowment Pool. The report has been reviewed and is consistent with the pool objectives.

Recommendation

Receive and file as an information item.

Background

On September 26, 2016, the Board of Directors approved the selection of the California Community Foundation (CCF) as an endowment fund manager for the Measure M2 Freeway Environmental Mitigation Program. Approximately \$2.9 million on an annual basis will be deposited in the endowment. On February 28, 2017, Orange County Transportation Authority (OCTA) wired \$2,877,000 to CCF to be deposited in the Endowment Pool. These annual deposits are expected to continue for ten to 12 years or until the fund totals approximately \$46.2 million.

Discussion

As of March 31, 2017, total pool assets in the CCF Endowment Pool were \$912.8 million. Total foundation assets were \$1.66 billion. Performance for the Endowment Pool was 0.8 percent for the month, exceeding the benchmark by 0.2 percent; 4.9 percent for the quarter, exceeding the customized benchmark by 1.3 percent. The one year return was 13.2 percent, exceeding the benchmark by 3.1 percent.

Summary

The OCTA is submitting a copy of the CCF Investment Report to the Finance and Administration Committee. The report is for the quarter ending March 31, 2017.

Attachments

- A. California Community Fund Statement - March 31, 2017
- B. California Community Fund Endowment Pool Investments – March 2017

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