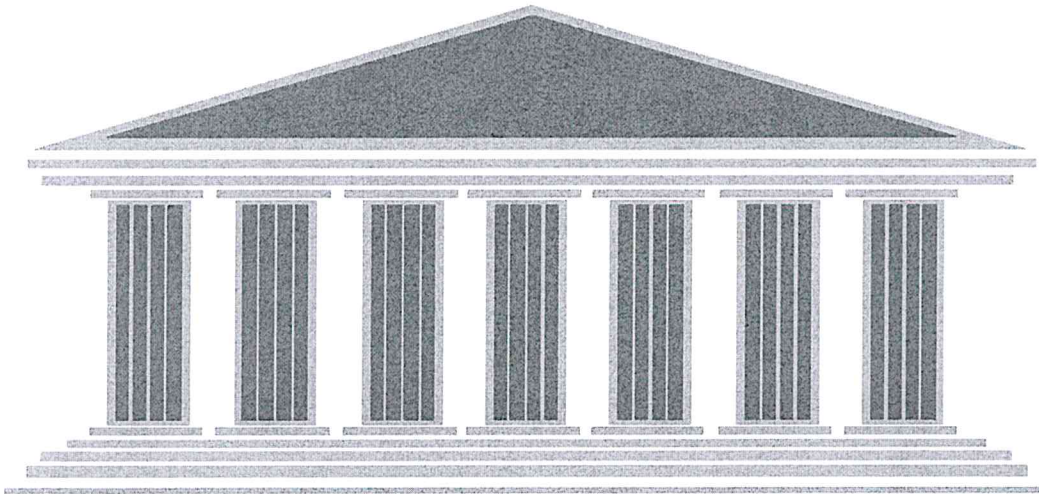


**Treasury/Public Finance Department's
Report On**

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



**Presented to the
Finance and Administration Committee**

**For The Period Ending
August 31, 2018**

INVESTMENT PROGRAM

Investment Profile

8/31/2018

<u>Portfolio Manager</u>	<u>Depository</u>	<u>Role</u>	<u>Type of Investment</u>	<u>Amount (\$ Millions)</u>
<i>ACTIVELY MANAGED INVESTMENTS</i>				
Logan Circle Partners	Union Bank	Custodian	Short-Term Operating	345.9
Chandler Asset Management	Union Bank	Custodian	Short-Term Operating	347.3
Payden & Rygel Investment Counsel	Union Bank	Custodian	Short-Term Operating	347.8
Public Financial Management (PFM)	Union Bank	Custodian	Short-Term Operating	347.8
<i>POOLED INVESTMENTS</i>				
California State Treasurer	LAIF	Custodian	Liquid	10.4
Orange County Treasurer	OCIP	Custodian	Legal Requirement	21.4
<i>CASH INVESTMENTS</i>				
OCTA	BNY Mellon	Trustee	Liquid	35.6
OCTA	Bank of the West	Broker	Liquid	23.1
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	11.0
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				0.3
TOTAL				\$1,503.6

Short-Term Portfolio - \$1.39 Billion

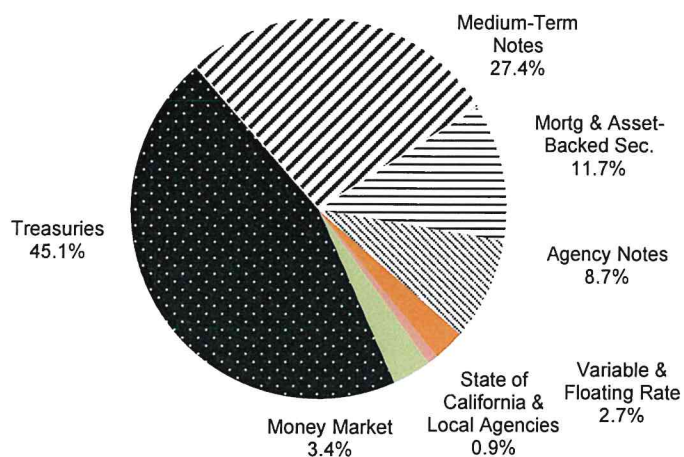
As of 8/31/18

Part 1 of 2

Logan Circle Partners

Book Value \$ 345,870,796

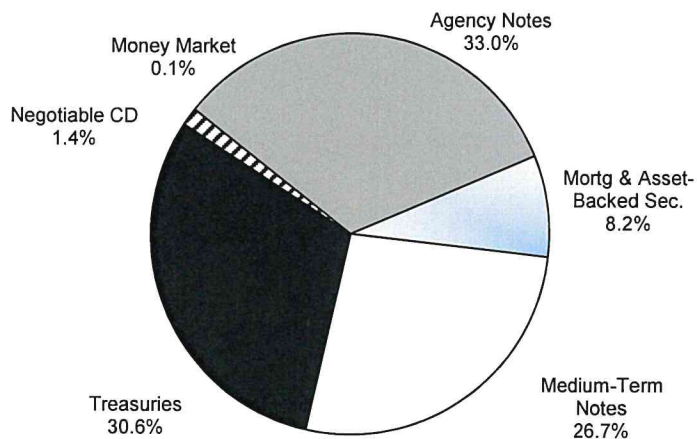
Market Value \$ 343,569,101



Chandler Asset Management

Book Value \$ 347,258,838

Market Value \$ 343,931,683



Market Value Reported By Custodial Bank

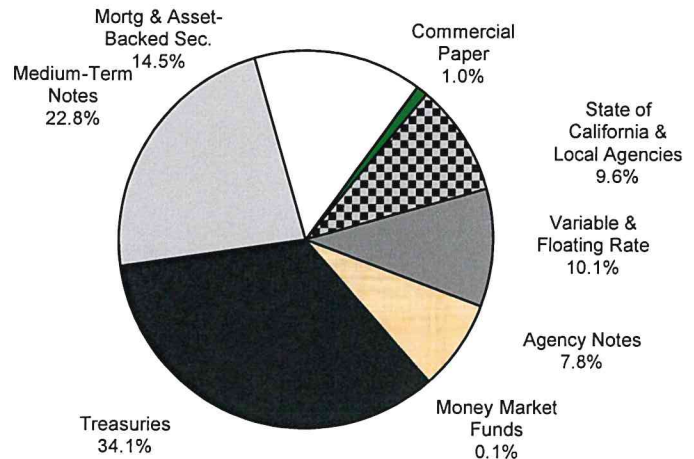
Short-Term Portfolio - \$1.39 Billion

As of 8/31/18

Part 2 of 2

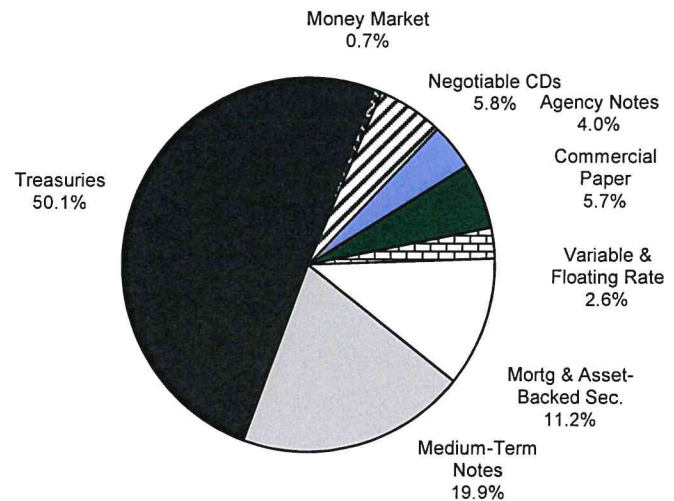
Payden & Rygel

Book Value	\$	347,843,513
Market Value	\$	345,322,943



Public Financial Management (PFM)

Book Value	\$	347,776,167
Market Value	\$	344,851,834

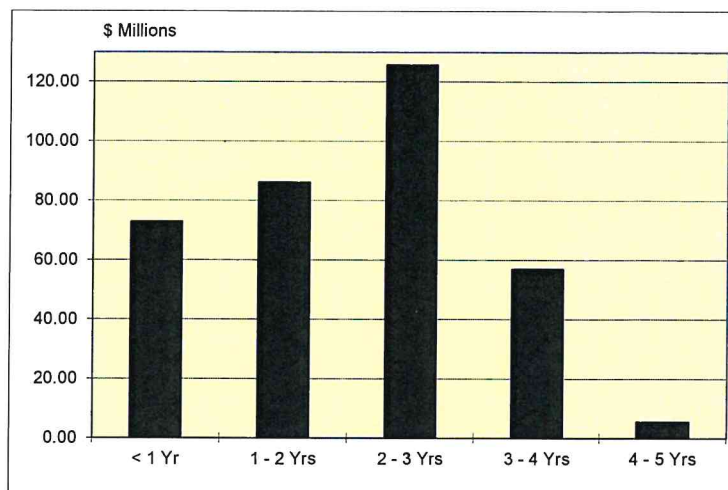


Market Value Reported By Custodial Bank

Short-Term Portfolio Maturity Schedule As of 8/31/18

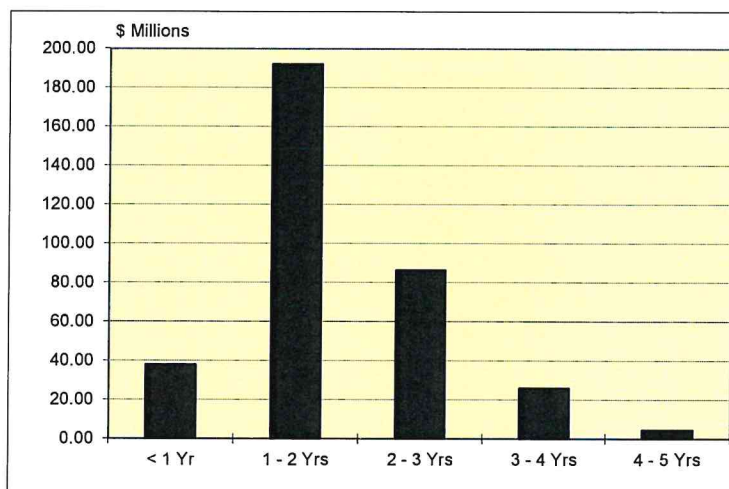
Logan Circle Partners (\$345.9 M)

Monthly Return	0.35%
TSY Benchmark	0.32%
Gov/Corp Benchmark	0.34%
Fiscal YTD Return	0.41%
TSY Benchmark	0.31%
Gov/Corp Benchmark	0.38%
12 Month Return	0.35%
TSY Benchmark	-0.01%
Gov/Corp Benchmark	0.15%



Chandler Asset Management (\$347.3 M)

Monthly Return	0.34%
Benchmark Comparison	0.32%
Gov/Corp Benchmark	0.34%
Fiscal YTD Return	0.43%
TSY Benchmark	0.31%
Gov/Corp Benchmark	0.38%
12 Month Return	0.27%
TSY Benchmark	-0.01%
Gov/Corp Benchmark	0.15%

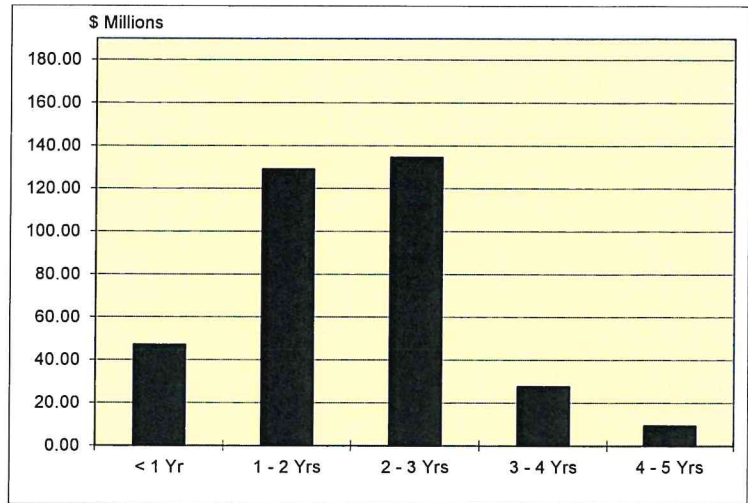


Yield Curve Change From 7/31/18 to 8/31/18			
	7/31/18	8/31/18	Change
1 Year	2.414%	2.450%	0.0360%
2 Year	2.671%	2.628%	-0.0430%
3 Year	2.768%	2.693%	-0.0750%
5 Year	2.849%	2.739%	-0.1100%
30 Year	3.083%	3.020%	-0.0630%

Short-Term Portfolio Maturity Schedule As of 8/31/18

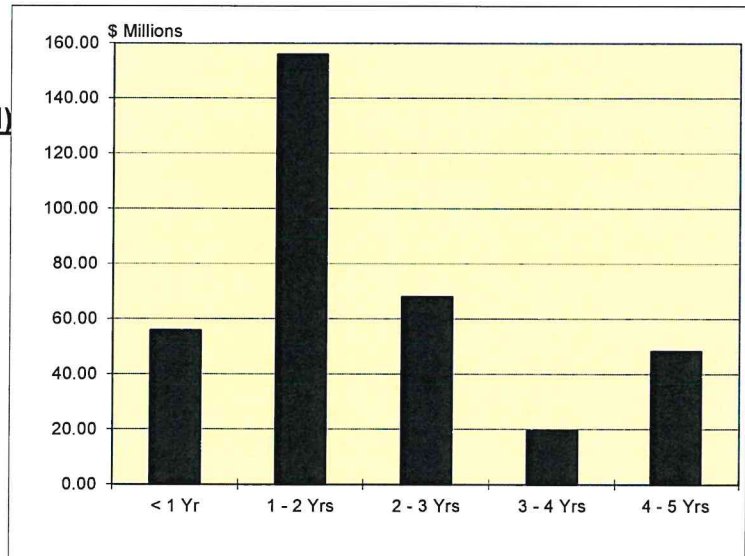
Payden & Rygel (\$347.8 M)

Monthly Return	0.32%
TSY Benchmark	0.32%
Gov/Corp Benchmark	0.34%
Fiscal YTD Return	0.43%
TSY Benchmark	0.31%
Gov/Corp Benchmark	0.38%
12 Month Return	0.60%
TSY Benchmark	-0.01%
Gov/Corp Benchmark	0.15%



Public Financial Management (\$347.8 M)

Monthly Return	0.34%
TSY Benchmark	0.32%
Gov/Corp Benchmark	0.34%
Fiscal YTD Return	0.42%
TSY Benchmark	0.31%
Gov/Corp Benchmark	0.38%
12 Month Return	0.30%
TSY Benchmark	-0.01%
Gov/Corp Benchmark	0.15%

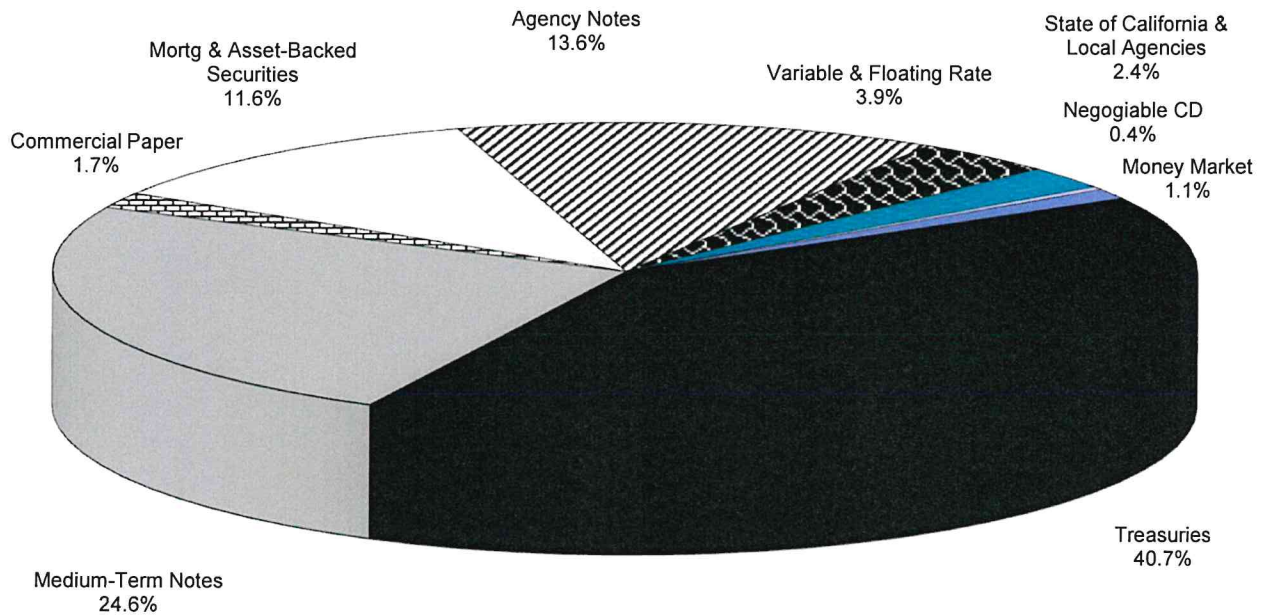


Yield Curve Change From 7/31/18 to 8/31/18			
	7/31/18	8/31/18	Change
1 Year	2.414%	2.450%	0.0360%
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3 Year	2.768%	2.693%	-0.0750%
5 Year	2.849%	2.739%	-0.1100%
30 Year	3.083%	3.020%	-0.0630%

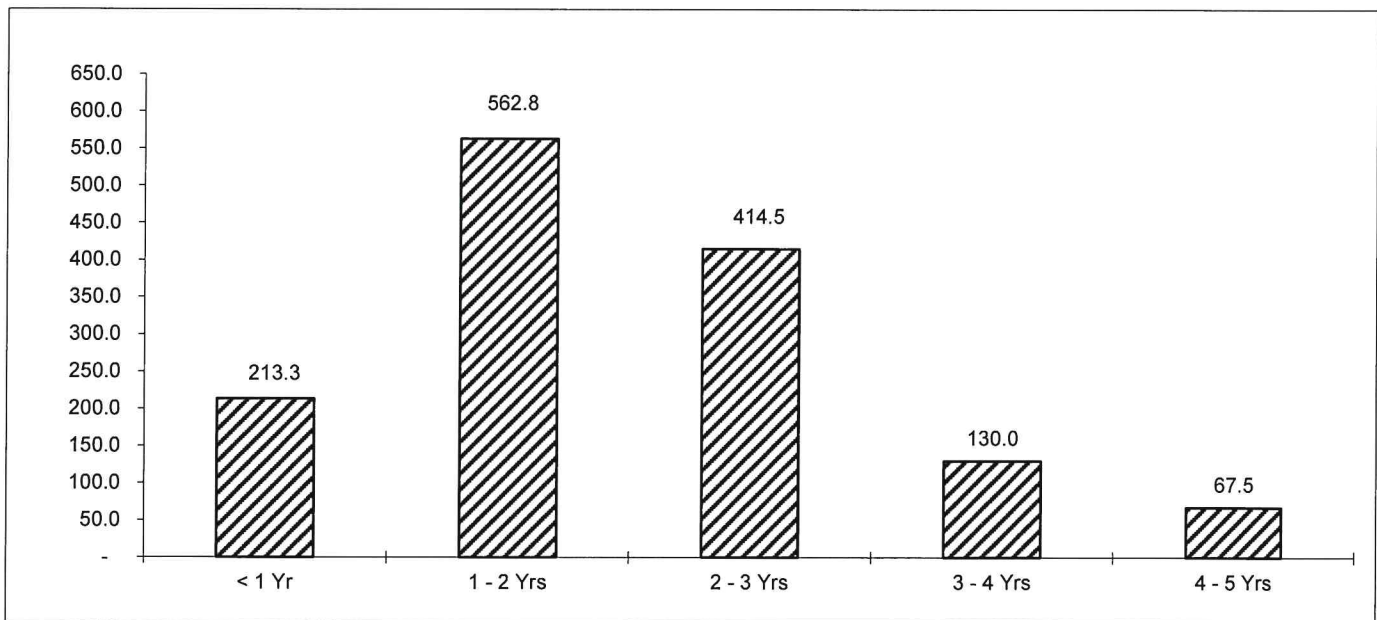
Short-Term Portfolio

As of 8/31/18

Total Portfolio Composition



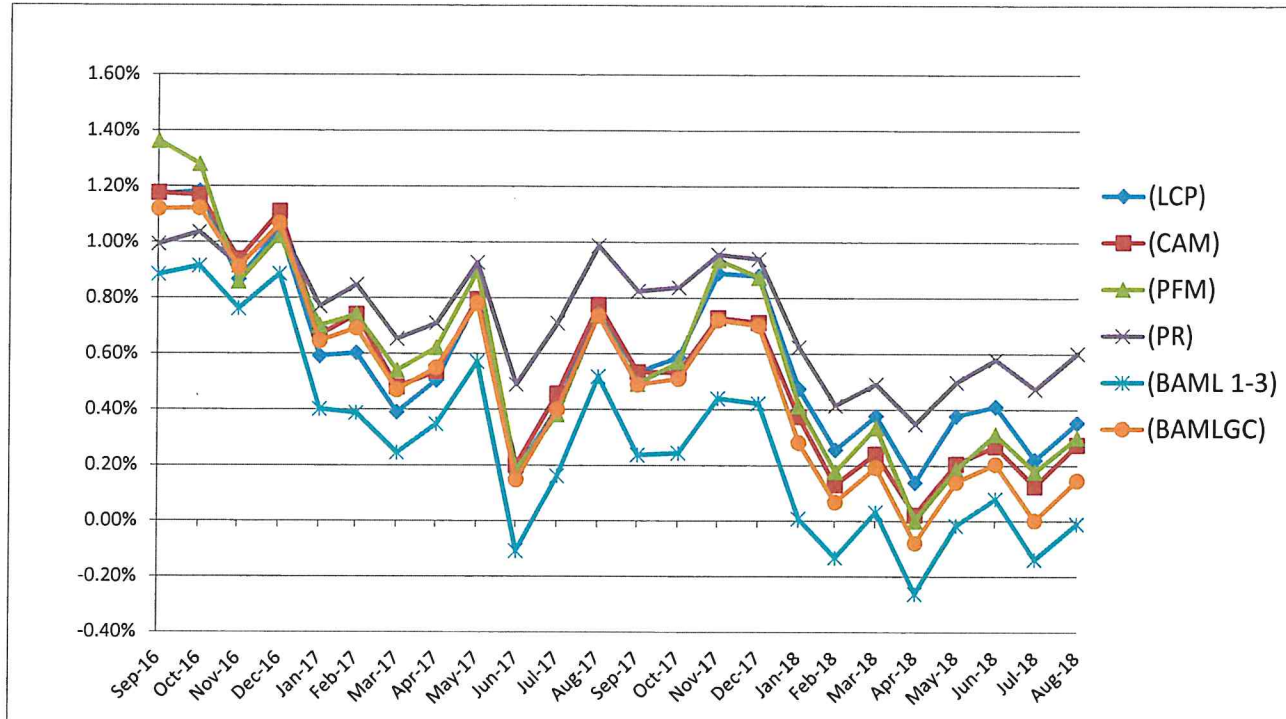
Total Portfolio Maturity Schedule



Short-Term Portfolio Performance

As of 8/31/18

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

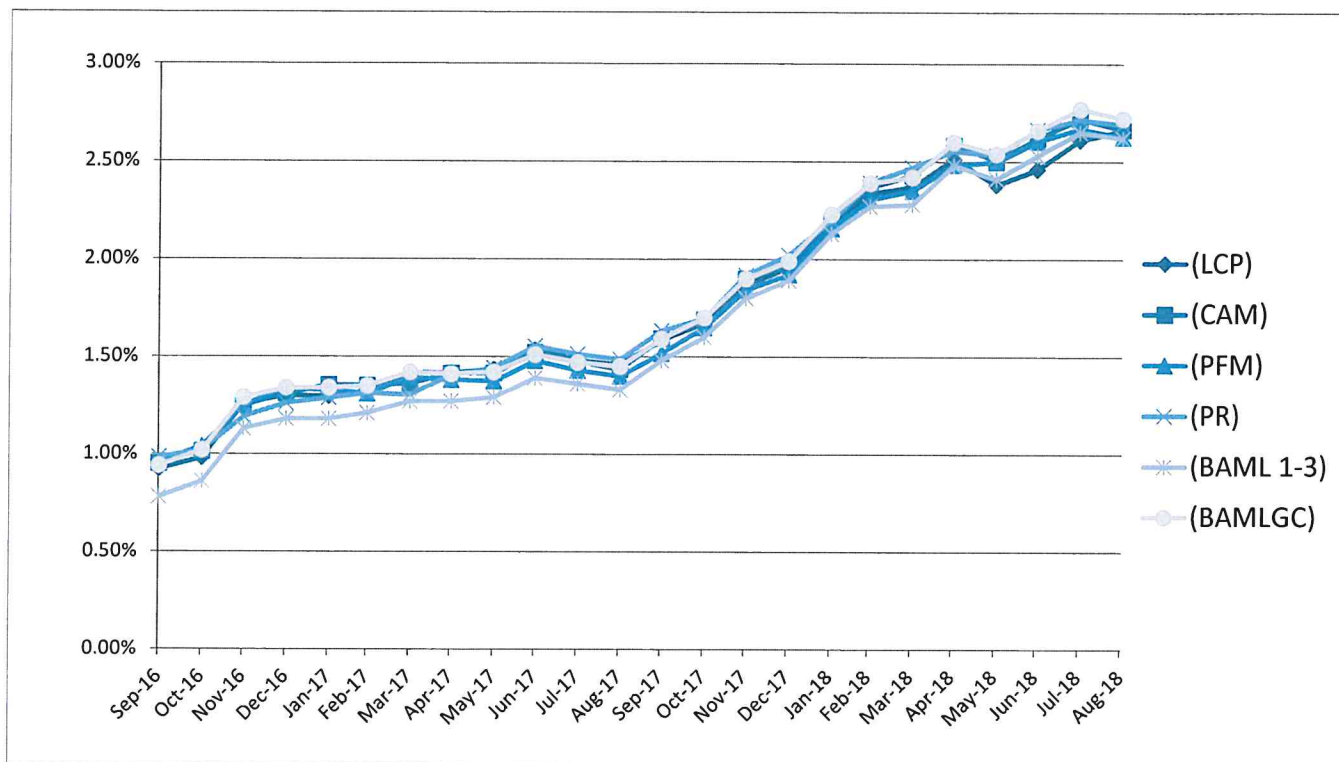


	Logan Circle Partners (LCP)	Chandler Asset Mgmt (CAM)	Public Fin Mgmt (PFM)	Payden & Rygel (PR)	ICE/BAML 1-3 Yr Trsy (BAML 1-3)	ICE/ BAML 1-3 Yr Gov/Corp (BAMLGC)
Sep-16	1.17%	1.18%	1.36%	0.99%	0.88%	1.12%
Oct-16	1.18%	1.17%	1.28%	1.04%	0.92%	1.12%
Nov-16	0.87%	0.94%	0.86%	0.92%	0.76%	0.91%
Dec-16	1.04%	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%
Jun-17	0.17%	0.20%	0.18%	0.49%	-0.11%	0.15%
Jul-17	0.40%	0.46%	0.38%	0.71%	0.16%	0.40%
Aug-17	0.76%	0.78%	0.74%	0.99%	0.52%	0.74%
Sep-17	0.54%	0.54%	0.49%	0.82%	0.24%	0.49%
Oct-17	0.59%	0.53%	0.57%	0.84%	0.24%	0.51%
Nov-17	0.89%	0.73%	0.94%	0.96%	0.44%	0.72%
Dec-17	0.88%	0.71%	0.87%	0.94%	0.42%	0.70%
Jan-18	0.48%	0.38%	0.41%	0.62%	0.01%	0.28%
Feb-18	0.26%	0.13%	0.18%	0.42%	-0.13%	0.07%
Mar-18	0.38%	0.24%	0.34%	0.49%	0.03%	0.19%
Apr-18	0.14%	0.02%	0.00%	0.35%	-0.26%	-0.08%
May-18	0.38%	0.21%	0.18%	0.50%	-0.02%	0.14%
Jun-18	0.41%	0.27%	0.31%	0.58%	0.08%	0.20%
Jul-18	0.22%	0.12%	0.18%	0.47%	-0.14%	0.00%
Aug-18	0.35%	0.27%	0.30%	0.60%	-0.01%	0.15%

Comparative Yield Performance

As of 8/31/18

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



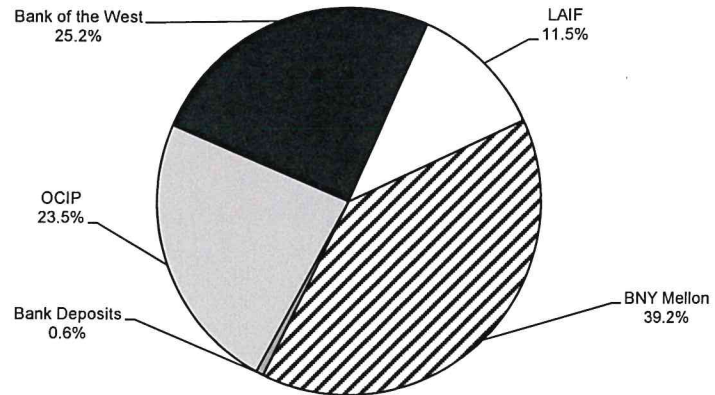
	Logan Circle Partners (LCP)	Chandler Asset Mgmt (CAM)	Public Fin Mgmt (PFM)	Payden Rygel (PR)	ICE/ 1-3 Yr Trsy (BAML 1-3)	ICE/ BAML 1-3 Yr Gov/Corp (BAMLGC)
Sep-16	0.92%	0.95%	0.96%	0.98%	0.78%	0.94%
Oct-16	0.98%	1.02%	1.04%	1.02%	0.86%	1.02%
Nov-16	1.26%	1.25%	1.25%	1.19%	1.13%	1.29%
Dec-16	1.30%	1.31%	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%
Jun-17	1.54%	1.52%	1.48%	1.55%	1.39%	1.51%
Jul-17	1.48%	1.48%	1.43%	1.51%	1.36%	1.47%
Aug-17	1.46%	1.44%	1.40%	1.49%	1.33%	1.45%
Sep-17	1.59%	1.59%	1.52%	1.63%	1.48%	1.59%
Oct-17	1.67%	1.69%	1.65%	1.70%	1.60%	1.70%
Nov-17	1.87%	1.90%	1.84%	1.92%	1.80%	1.90%
Dec-17	1.96%	1.97%	1.92%	2.02%	1.89%	1.99%
Jan-18	2.18%	2.19%	2.16%	2.20%	2.13%	2.23%
Feb-18	2.34%	2.37%	2.31%	2.39%	2.27%	2.39%
Mar-18	2.37%	2.43%	2.35%	2.47%	2.28%	2.42%
Apr-18	2.51%	2.58%	2.48%	2.55%	2.48%	2.60%
May-18	2.38%	2.51%	2.50%	2.53%	2.41%	2.54%
Jun-18	2.46%	2.62%	2.60%	2.66%	2.53%	2.66%
Jul-18	2.61%	2.72%	2.67%	2.72%	2.65%	2.77%
Aug-18	2.66%	2.66%	2.63%	2.69%	2.62%	2.72%

Liquid Funds Portfolio - \$90.8 M

As of 8/31/18

Other Liquid Funds

Book Value	\$	90,837,230
Market Value	\$	90,837,230



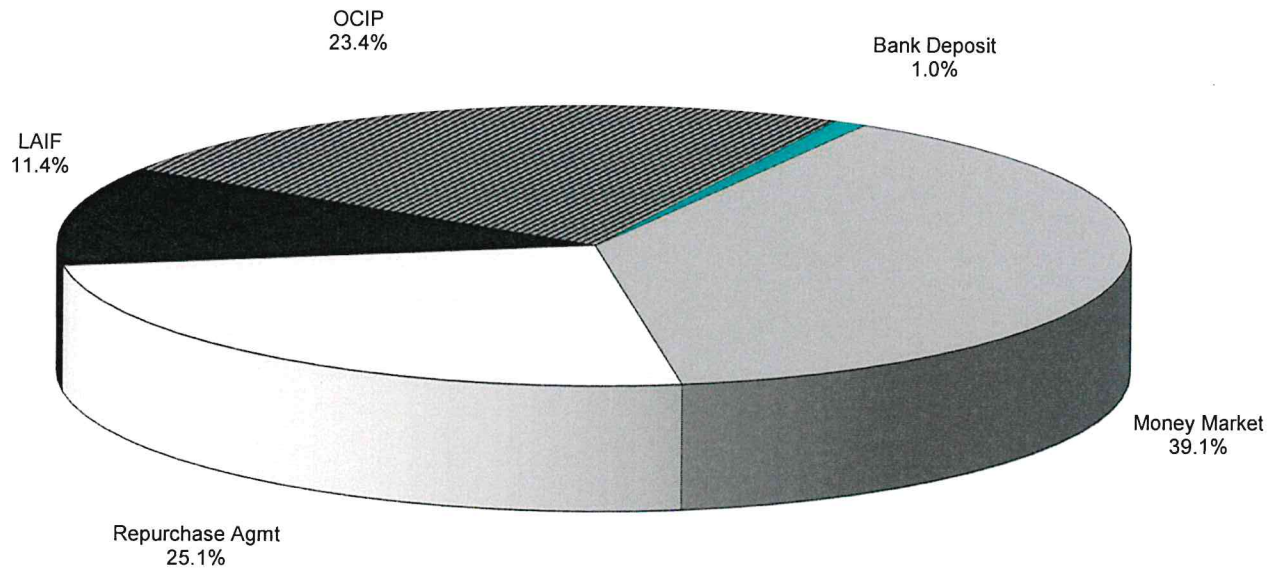
Yield Curve Change From 7/31/18 to 8/31/18			
	7/31/18	8/31/18	Change
1 Month	1.891%	1.931%	0.0400%
3 Month	2.023%	2.098%	0.0750%
6 Month	2.194%	2.265%	0.0710%

Market Value Reported By Custodial Bank

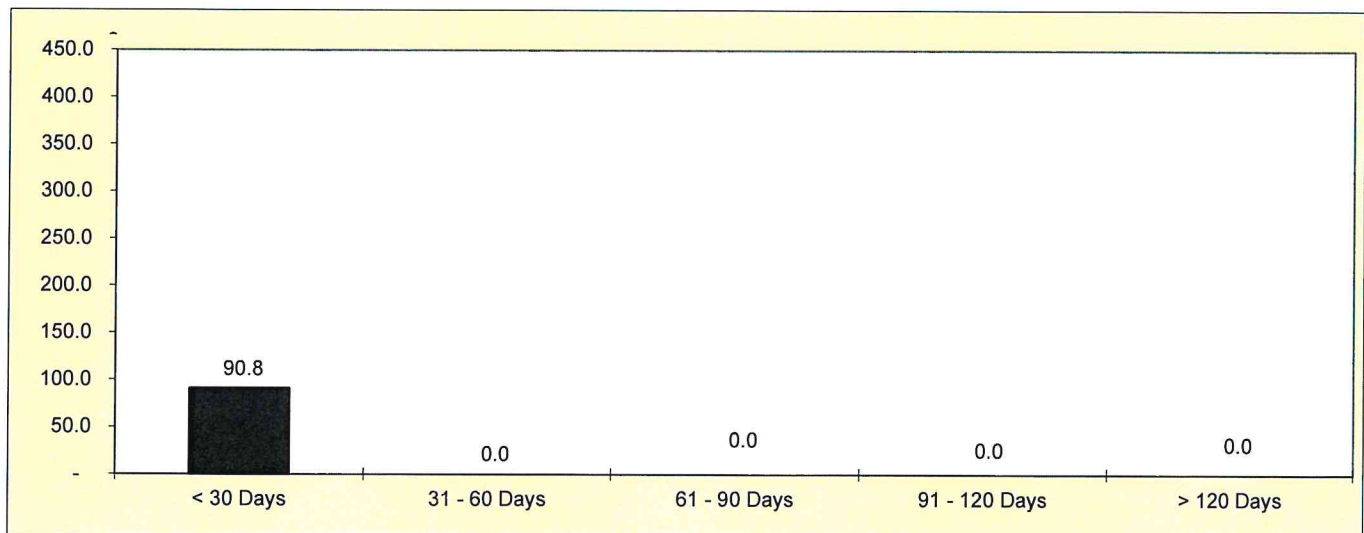
Liquid Portfolio

As of 8/31/18

Total Portfolio Composition



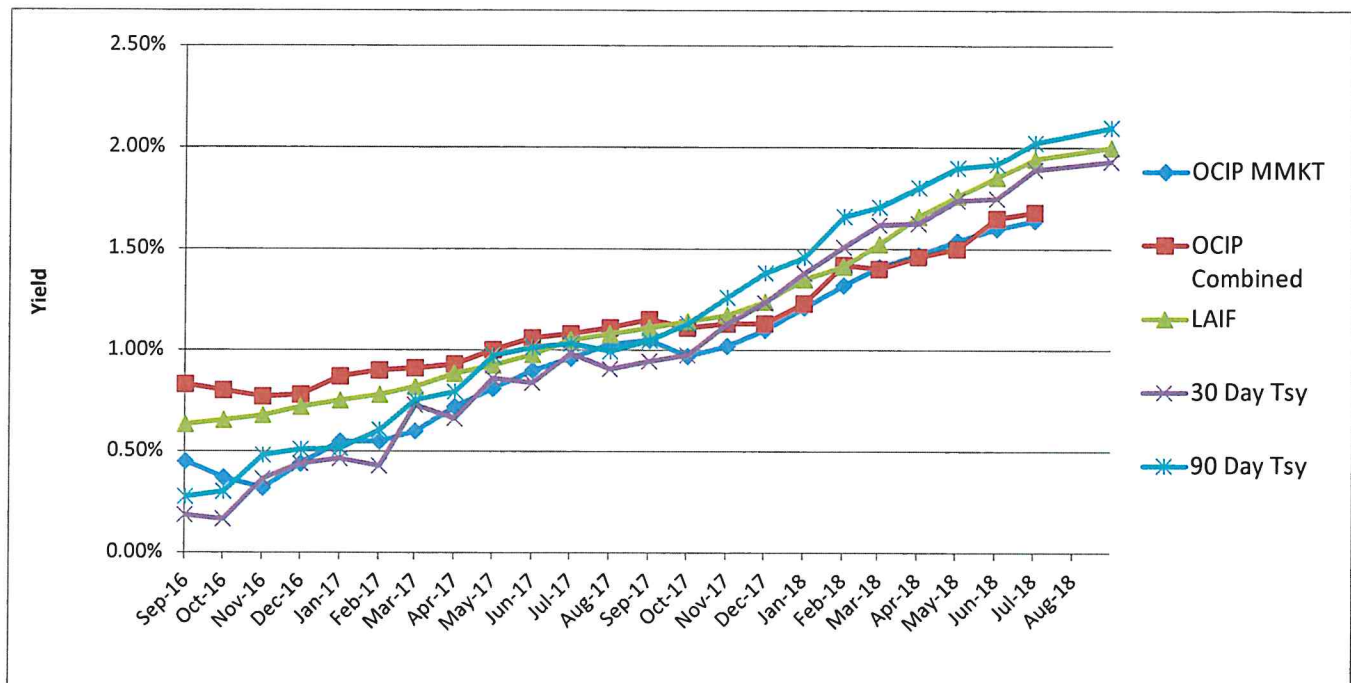
Maturity Schedule For Liquid Portfolio



Liquid Portfolio Performance

As of 8/31/18

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



	<u>OCIP MMKT</u>	<u>OCIP Combined</u>	<u>LAIF</u>	<u>30 Day Tsy</u>	<u>90 Day Tsy</u>
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%
Jun-17	0.90%	1.06%	0.98%	0.84%	1.01%
Jul-17	0.96%	1.08%	1.05%	0.98%	1.03%
Aug-17	1.03%	1.11%	1.08%	0.91%	0.99%
Sep-17	1.05%	1.15%	1.11%	0.94%	1.05%
Oct-17	0.97%	1.11%	1.14%	0.98%	1.13%
Nov-17	1.02%	1.13%	1.17%	1.13%	1.26%
Dec-17	1.10%	1.13%	1.24%	1.23%	1.38%
Jan-18	1.21%	1.23%	1.35%	1.38%	1.46%
Feb-18	1.32%	1.42%	1.41%	1.51%	1.66%
Mar-18	1.41%	1.40%	1.52%	1.62%	1.71%
Apr-18	1.47%	1.46%	1.66%	1.62%	1.80%
May-18	1.54%	1.50%	1.76%	1.74%	1.90%
Jun-18	1.60%	1.65%	1.85%	1.75%	1.92%
Jul-18	1.64%	1.68%	1.94%	1.89%	2.02%
Aug-18	N/A	N/A	2.00%	1.93%	2.10%

Investment Policy Compliance

As of 8/31/18

<u>Investment Instruments</u>	<u>Dollar Amount Invested</u>	<u>Percent Of Portfolio</u>	<u>Investment Policy Maximum Percentages</u>
U.S. Treasuries	555,165,094	36.9%	100%
Federal Agencies & U.S. Government Sponsored *	185,935,685	12.4%	100%
State of California & Local Agencies	36,715,625	2.4%	25%
Money Market Funds & Mutual Funds	50,579,603	3.4%	20%
Bankers Acceptances	0	0.0%	30%
Negotiable Certificates of Deposit	24,983,810	1.7%	30%
Commercial Paper	47,201,160	3.1%	25%
Medium Term Maturity Corporate Securities	335,683,004	22.3%	30%
Mortgage and Asset-backed Securities	158,506,670	10.5%	10%
Repurchase Agreements	22,858,544	1.5%	75%
Investment Agreements Pursuant To Indenture	0	0.0%	100%
Local Agency Investment Fund (LAIF)	10,424,157	0.7%	\$ 40 Million
Orange County Investment Pool (OCIP)	21,375,607	1.4%	\$ 40 Million
CAMP	0	0.0%	10%
Variable & Floating Rate Securities	53,630,215	3.6%	30%
Debt Service Reserve Funds - Investment Agreements	0	0.0%	Not Applicable
Bank Deposits	566,235	0.0%	5%
Derivatives (hedging transactions only)	0	0.0%	5%
TOTAL	1,503,625,407	100.0%	

* See attached page for a detailed listing of this category

Investment Policy Compliance

As of 8/31/18

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)	61,577,135	4.1%	35%
Federal Home Loan Mortgage Corporation (FHLMC)	68,295,228	4.5%	35%
Federal Farm Credit Bank (FFCB)	20,800,936	1.4%	35%
Federal National Mortgage Association (FNMA)	56,662,513	3.8%	35%
	207,335,812 *	13.8%	

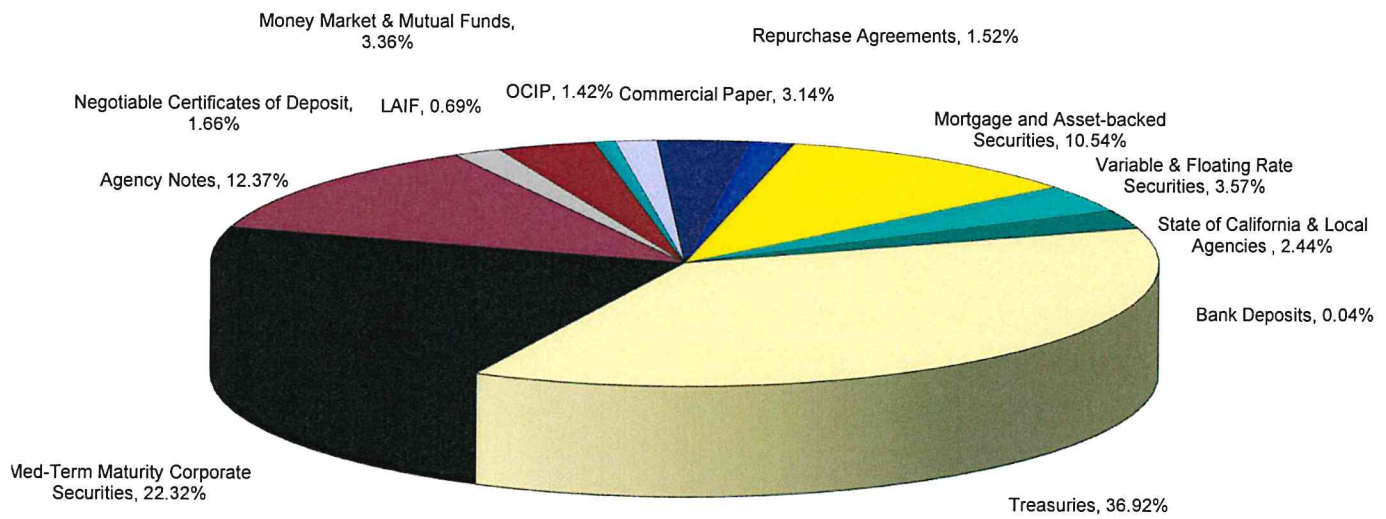
* The Total Dollar Amount Invested Equals The Dollar Amount Invested For Federal Agency Securities, Variable & Floating Rate (Agency) Securities, And A Portion Of Mortgage (Agency) & Asset-back Securities.

Money Market Funds (MMF) & Mutual Funds

First American Obligations Treasury Fund	29,563	0.0%
Goldman Sach Fin. Square Govt. MMF	0	0.0%
Blackrock Institutional T-Fund	14,966,916	1.0%
Fidelity Treasury Obligations MMF	17,030,485	1.1%
Federated Treasury Obligations Fund	<u>18,552,639</u>	<u>1.2%</u>
	50,579,602	3.4%

Investment Allocation

As of 8/31/18



Negative Credit Watch

As of 8/31/18

<u>Manager / Security</u>	<u>Par Amount</u>	<u>Maturity</u>	<u>S&P</u>	<u>Moody's</u>	<u>Fitch Ratings</u>
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PFM

<i>General Electric Company</i>	1,230,000	Various*	A	A2	A
On June 26, 2018, Standard & Poor's placed the long-term ratings of General Electric under review for possible downgrade.					

<i>GE Cap. Int. Funding Co.</i>	1,760,000	11/15/2020	A	A2	A
On June 26, 2018, Standard & Poor's placed the long-term ratings of GE Capital under review for possible downgrade.					

Logan Circle Partners

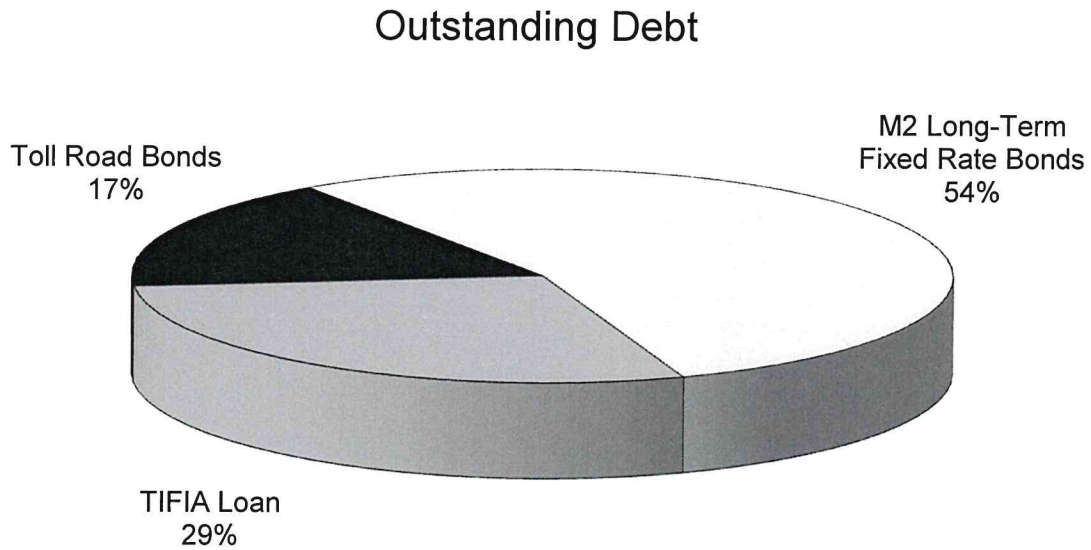
<i>General Electric Company</i>	2,390,000	10/17/2021	A	A2	A
On June 26, 2018, Standard & Poor's placed the long-term ratings of General Electric under review for possible downgrade.					

* Securities will mature on 8/7/19 and 1/8/20.

DEBT PROGRAM

Total Outstanding Debt

As of 8/31/18



TOTAL OUTSTANDING DEBT: \$573,030,000

Outstanding Debt

As of 8/31/18

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 2019:		12,922,317
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:		16,695,000
Debt Service FY 2019:		8,914,350
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:		97,795,000
Debt Service FY 2019:		10,796,325
Pledged Revenue Source:	91 Toll Road Revenues	
Underlying Ratings	A1/AA-/A	
Final Maturity		2030

405 Express Lanes

2017 TIFIA Loan

Outstanding:	\$	165,000,000
Accrued Debt Service FY 2019:	\$	7,514,815
Pledged Revenue Source:	405 Toll Road Revenues	
Ratings	Baa2	
Final Maturity		2058