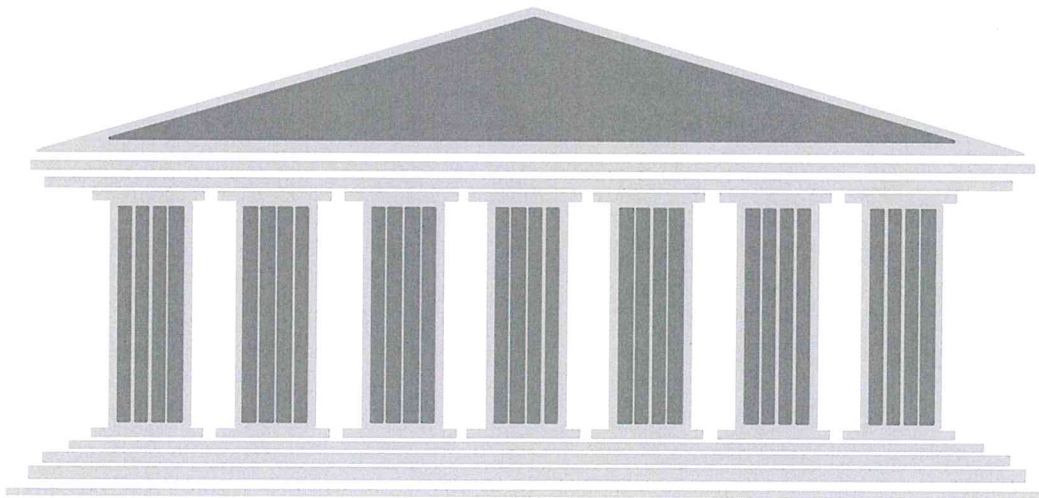


**Treasury/Public Finance Department's
Report On**

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



**Presented to the
Finance and Administration Committee**

**For The Period Ending
November 30, 2018**

INVESTMENT PROGRAM

Investment Profile

11/30/2018

<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	346.8
Chandler Asset Management	Union Bank	Custodian	Short-Term Operating	348.7
Payden & Rygel Investment Counsel	Union Bank	Custodian	Short-Term Operating	349.3
Public Financial Management (PFM)	Union Bank	Custodian	Short-Term Operating	349.0
<i>POOLED INVESTMENTS</i>				
California State Treasurer	LAIF	Custodian	Liquid	10.5
Orange County Treasurer	OCIP	Custodian	Legal Requirement	23.1
<i>CASH INVESTMENTS</i>				
OCTA	BNY Mellon	Trustee	Liquid	104.8
OCTA	Bank of the West	Broker	Liquid	25.9
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	11.1
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				0.4
TOTAL				\$1,582.6

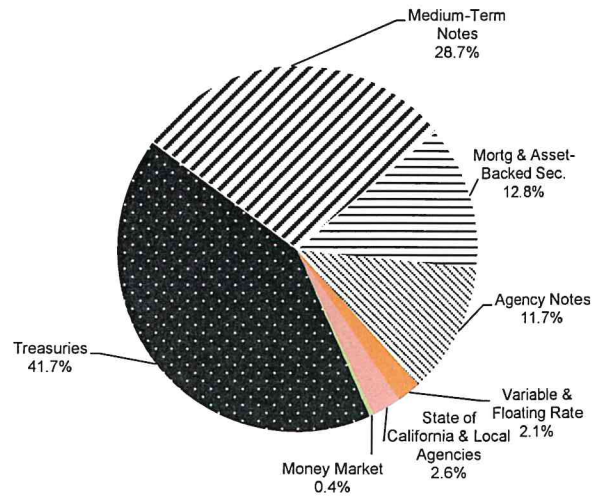
Short-Term Portfolio - \$1.39 Billion

As of 11/30/18

Part 1 of 2

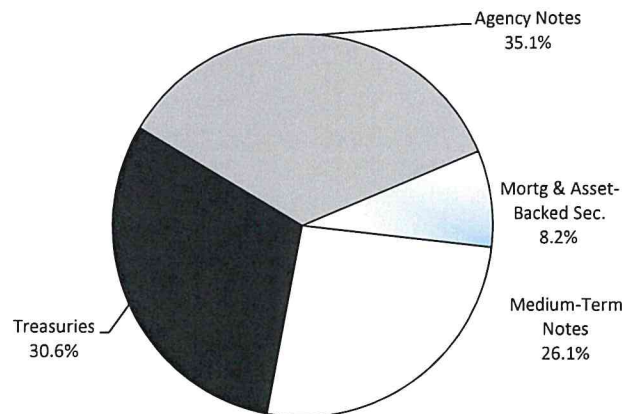
Logan Circle Partners

Book Value	\$	346,794,404
Market Value	\$	344,322,592



Chandler Asset Management

Book Value	\$	348,687,297
Market Value	\$	345,130,486



Market Value Reported By Clearwater

Short-Term Portfolio - \$1.39 Billion

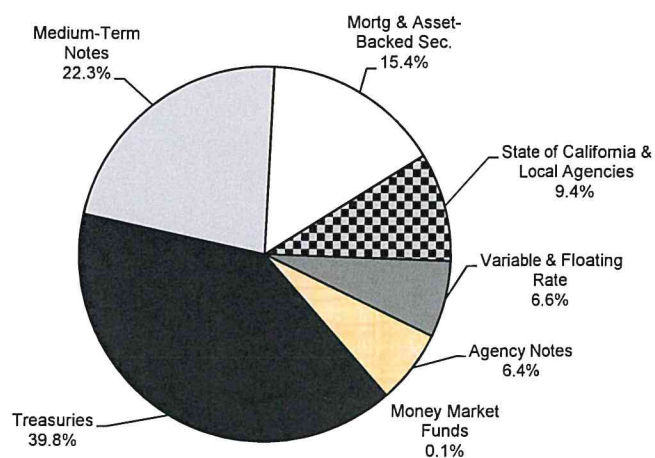
As of 11/30/18

Part 2 of 2

Payden & Rygel

Book Value \$ 349,251,165

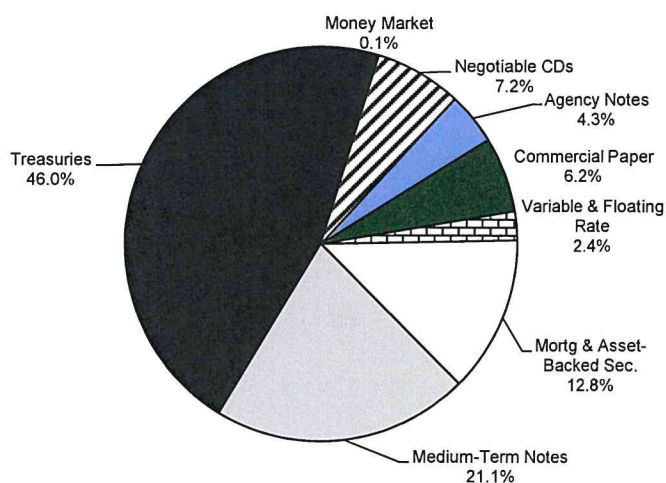
Market Value \$ 346,578,547



Public Financial Management (PFM)

Book Value \$ 349,039,872

Market Value \$ 346,001,883



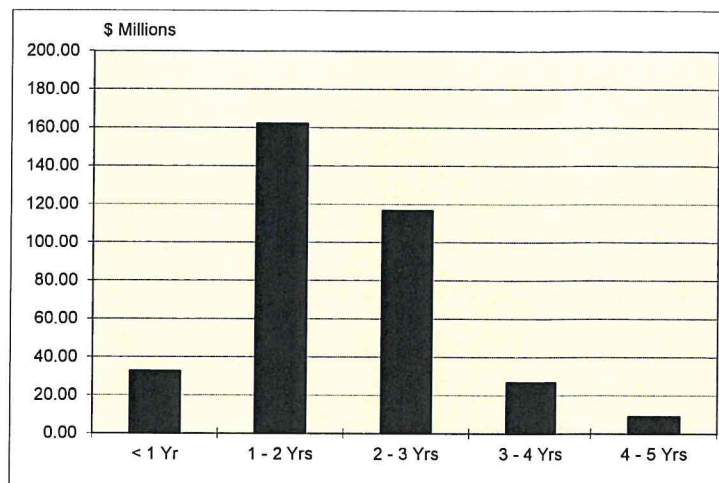
Market Value Reported By Clearwater

Short-Term Portfolio Maturity Schedule

As of 11/30/18

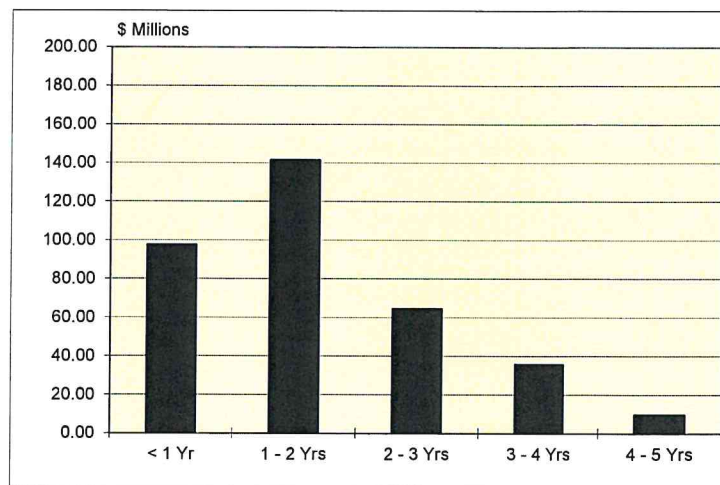
Logan Circle Partners (\$346.8 M)

Monthly Return	0.21%
TSY Benchmark	0.35%
Gov/Corp Benchmark	0.32%
Fiscal YTD Return	0.69%
TSY Benchmark	0.70%
Gov/Corp Benchmark	0.75%
12 Month Return	0.93%
TSY Benchmark	0.80%
Gov/Corp Benchmark	0.88%



Chandler Asset Management (\$348.7 M)

Monthly Return	0.30%
Benchmark Comparison	0.35%
Gov/Corp Benchmark	0.32%
Fiscal YTD Return	0.81%
TSY Benchmark	0.70%
Gov/Corp Benchmark	0.75%
12 Month Return	1.03%
TSY Benchmark	0.80%
Gov/Corp Benchmark	0.88%

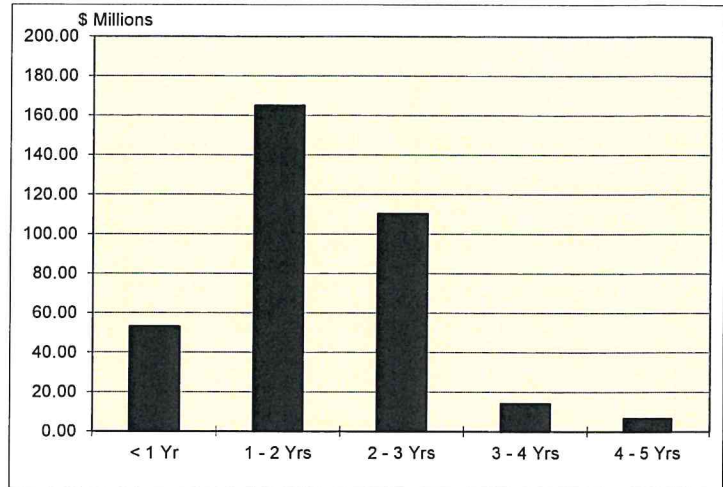


Yield Curve Change From 10/31/18 to 11/30/18			
	10/31/18	11/30/18	Change
1 Year	2.659%	2.680%	0.0210%
2 Year	2.869%	2.787%	-0.0820%
3 Year	2.926%	2.801%	-0.1250%
5 Year	2.976%	2.813%	-0.1630%
30 Year	3.391%	3.291%	-0.1000%

Short-Term Portfolio Maturity Schedule As of 11/30/18

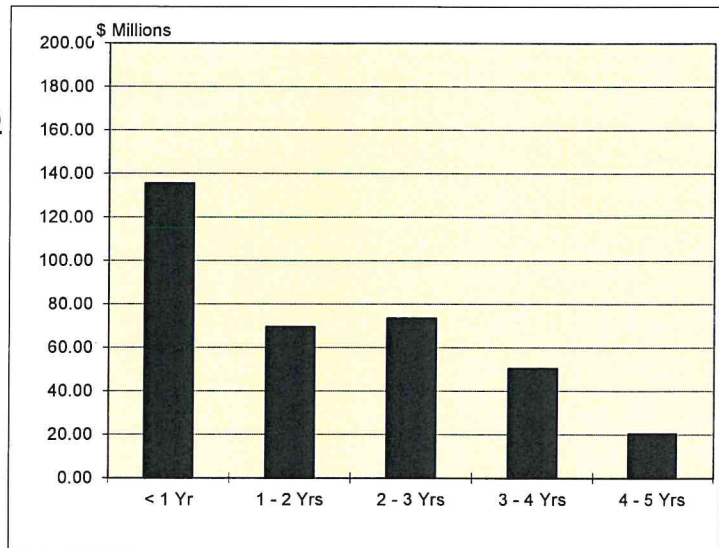
Payden & Rygel (\$349.3 M)

Monthly Return	0.29%
TSY Benchmark	0.35%
Gov/Corp Benchmark	0.32%
Fiscal YTD Return	0.86%
TSY Benchmark	0.70%
Gov/Corp Benchmark	0.75%
12 Month Return	1.22%
TSY Benchmark	0.80%
Gov/Corp Benchmark	0.88%



Public Financial Management (\$349.0 M)

Monthly Return	0.31%
TSY Benchmark	0.35%
Gov/Corp Benchmark	0.32%
Fiscal YTD Return	0.82%
TSY Benchmark	0.70%
Gov/Corp Benchmark	0.75%
12 Month Return	1.02%
TSY Benchmark	0.80%
Gov/Corp Benchmark	0.88%

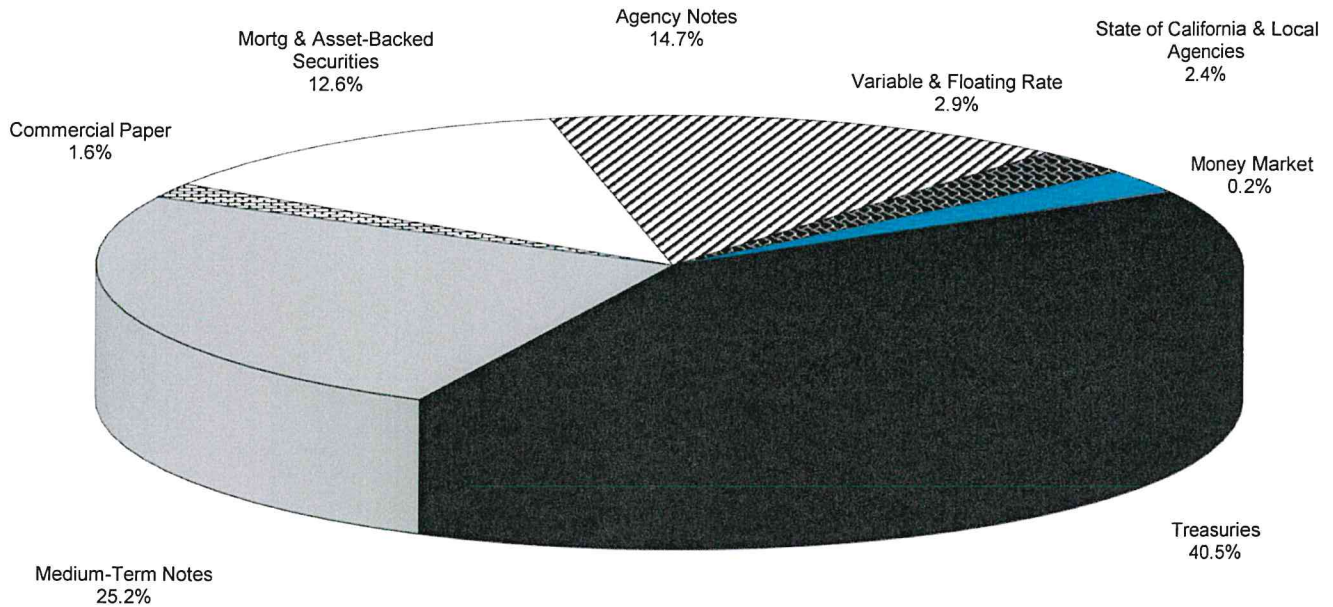


Yield Curve Change From 10/31/18 to 11/30/18			
	10/31/18	11/30/18	Change
1 Year	2.659%	2.680%	0.0210%
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30 Year	3.391%	3.291%	-0.1000%

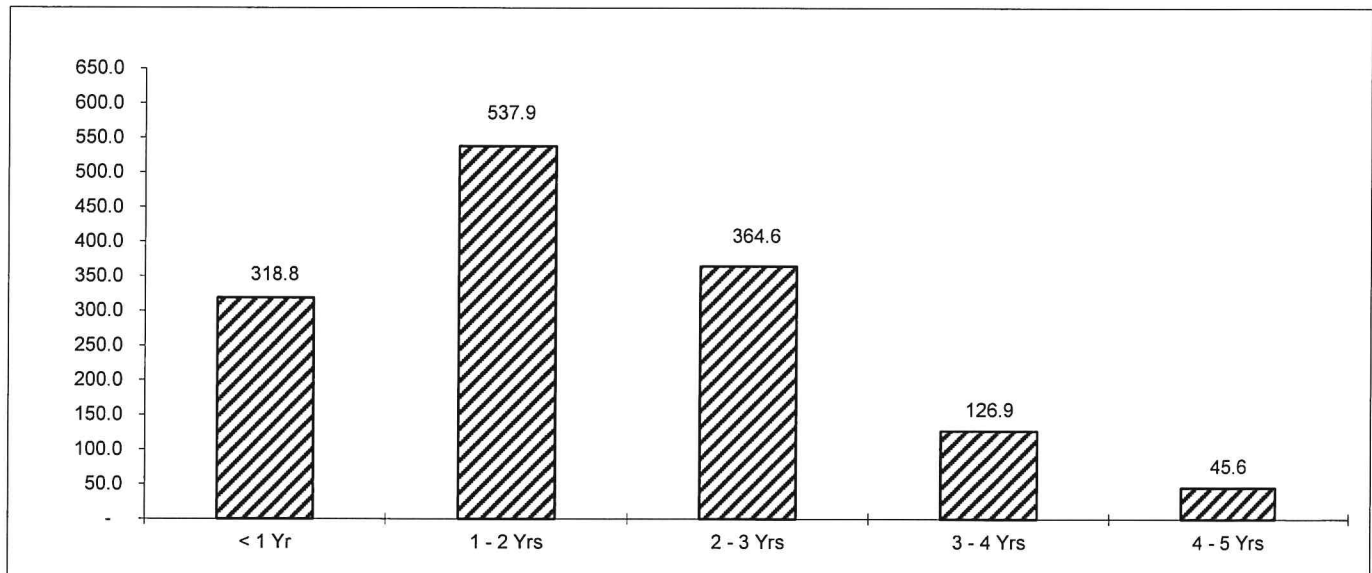
Short-Term Portfolio

As of 11/30/18

Total Portfolio Composition



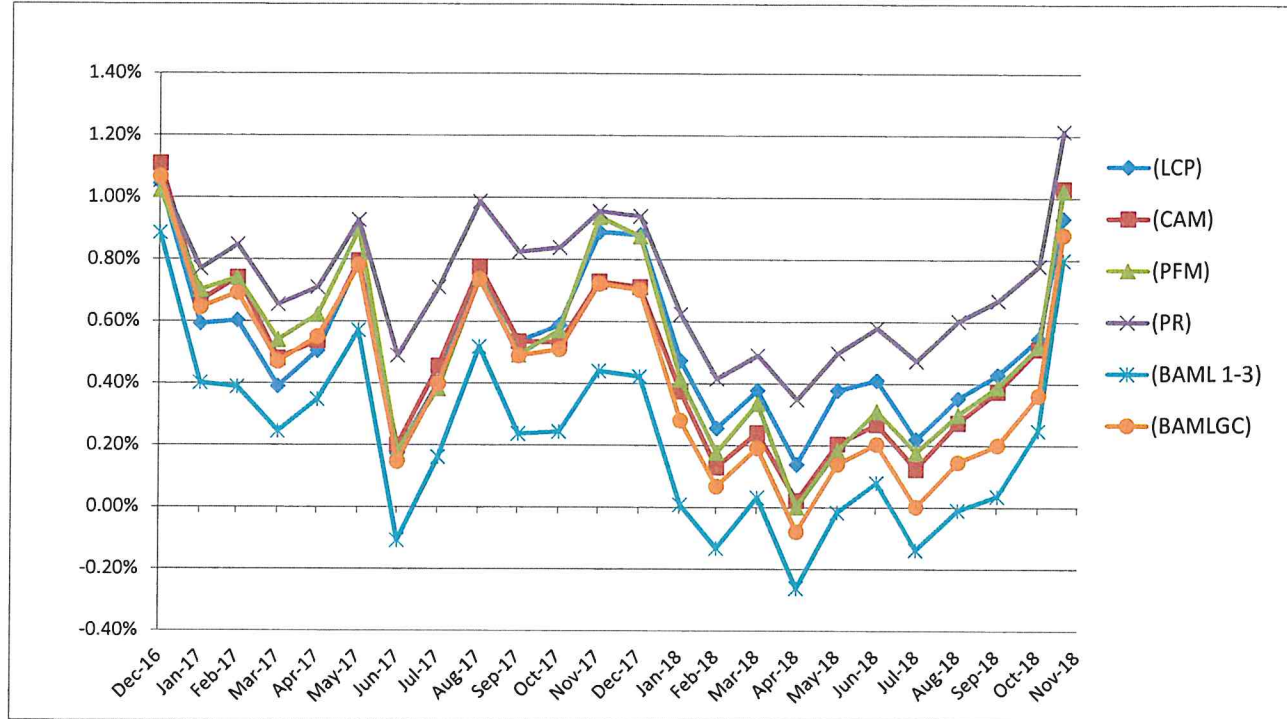
Total Portfolio Maturity Schedule



Short-Term Portfolio Performance

As of 11/30/18

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

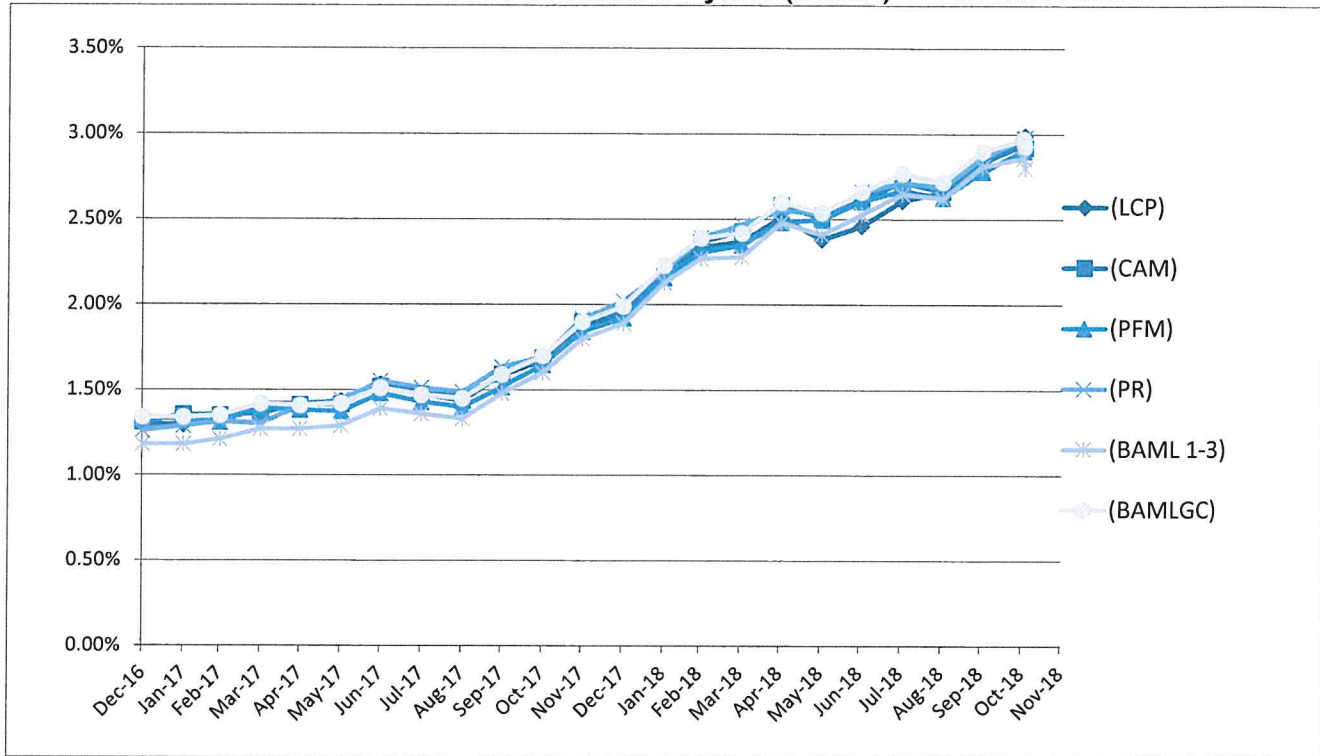


	Logan Circle Partners (LCP)	Chandler Asset Mgmt (CAM)	Public Fin Mgmt (PFM)	Payden & Rygel (PR)	ICE/BAML 1-3 Yr Trsy (BAML 1-3)	ICE/ BAML 1-3 Yr Gov/Corp (BAMLGC)
Dec-16	1.04%	1.11%	1.02%	1.05%	0.89%	1.07%
Jan-17	0.59%	0.67%	0.70%	0.77%	0.40%	0.65%
Feb-17	0.60%	0.74%	0.74%	0.85%	0.39%	0.69%
Mar-17	0.39%	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%
Sep-18	0.43%	0.38%	0.39%	0.67%	0.04%	0.20%
Oct-18	0.55%	0.51%	0.52%	0.78%	0.25%	0.36%
Nov-18	0.93%	1.03%	1.02%	1.22%	0.80%	0.88%

Comparative Yield Performance

As of 11/30/18

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



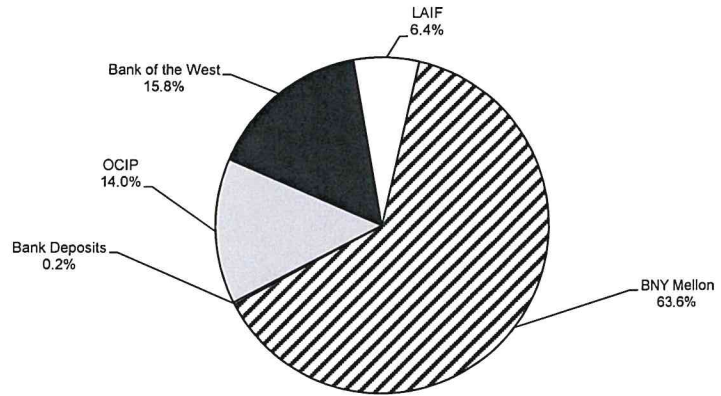
	Logan Circle Partners (LCP)	Chandler Asset Mgmt (CAM)	Public Fin Mgmt (PFM)	Payden Rygel (PR)	ICE/BAML 1-3 Yr Trsy (BAML 1-3)	ICE/ BAML 1-3 Yr Gov/Corp (BAMLGC)
Dec-16	1.30%	1.31%	1.34%	1.26%	1.18%	1.34%
Jan-17	1.29%	1.36%	1.33%	1.29%	1.18%	1.34%
Feb-17	1.32%	1.35%	1.31%	1.31%	1.21%	1.35%
Mar-17	1.42%	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%
Sep-18	2.86%	2.83%	2.78%	2.86%	2.81%	2.90%
Oct-18	2.94%	2.94%	2.90%	2.98%	2.86%	2.97%
Nov-18	2.99%	2.92%	2.93%	2.98%	2.80%	2.93%

Liquid Funds Portfolio - \$164.7 M

As of 11/30/18

Other Liquid Funds

Book Value	\$	164,699,952
Market Value	\$	164,699,952

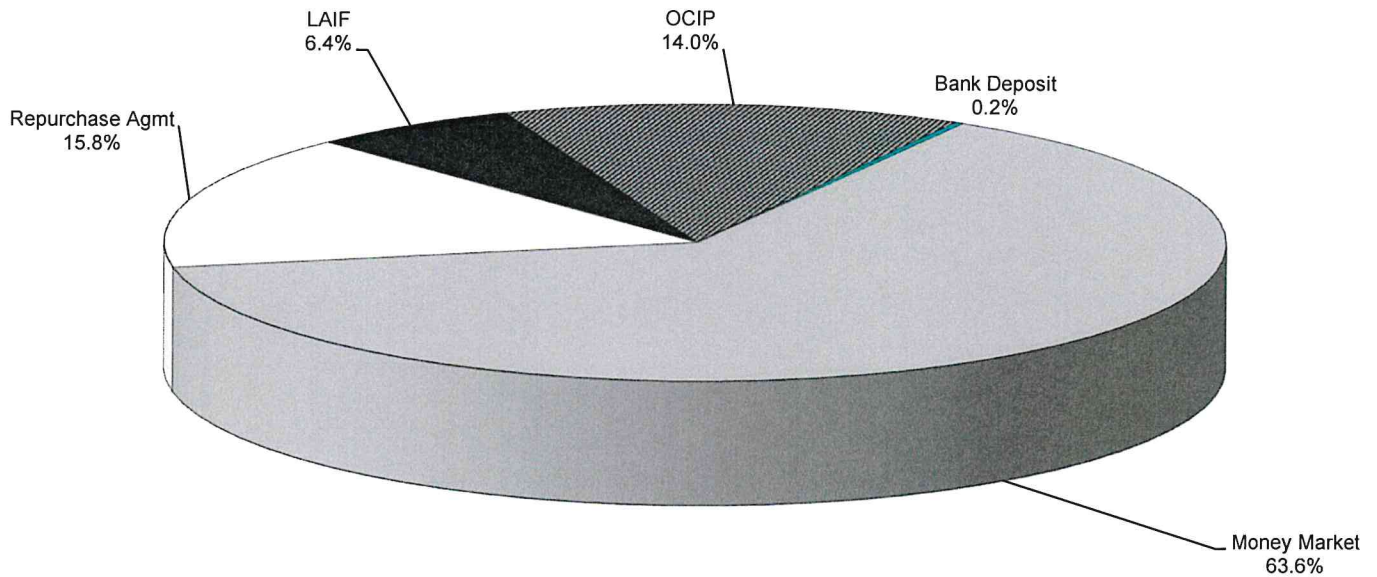


Yield Curve Change From 10/31/18 to 11/30/18			
	10/31/18	11/30/18	Change
1 Month	2.191%	2.306%	0.1150%
3 Month	2.328%	2.345%	0.0170%
6 Month	2.492%	2.524%	0.0320%

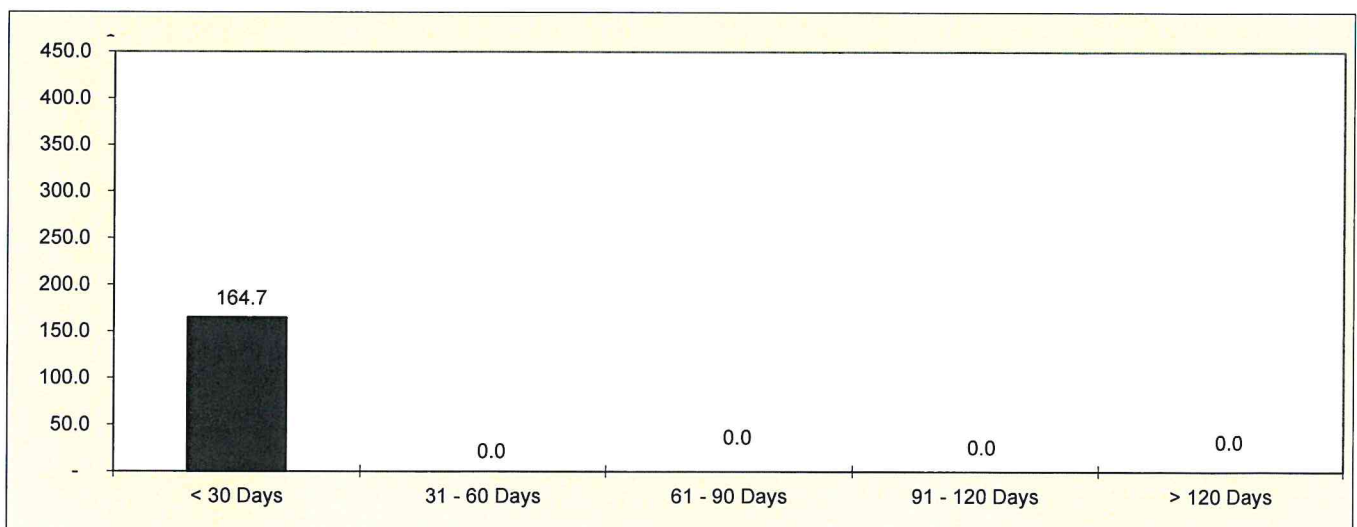
Liquid Portfolio

As of 11/30/18

Total Portfolio Composition



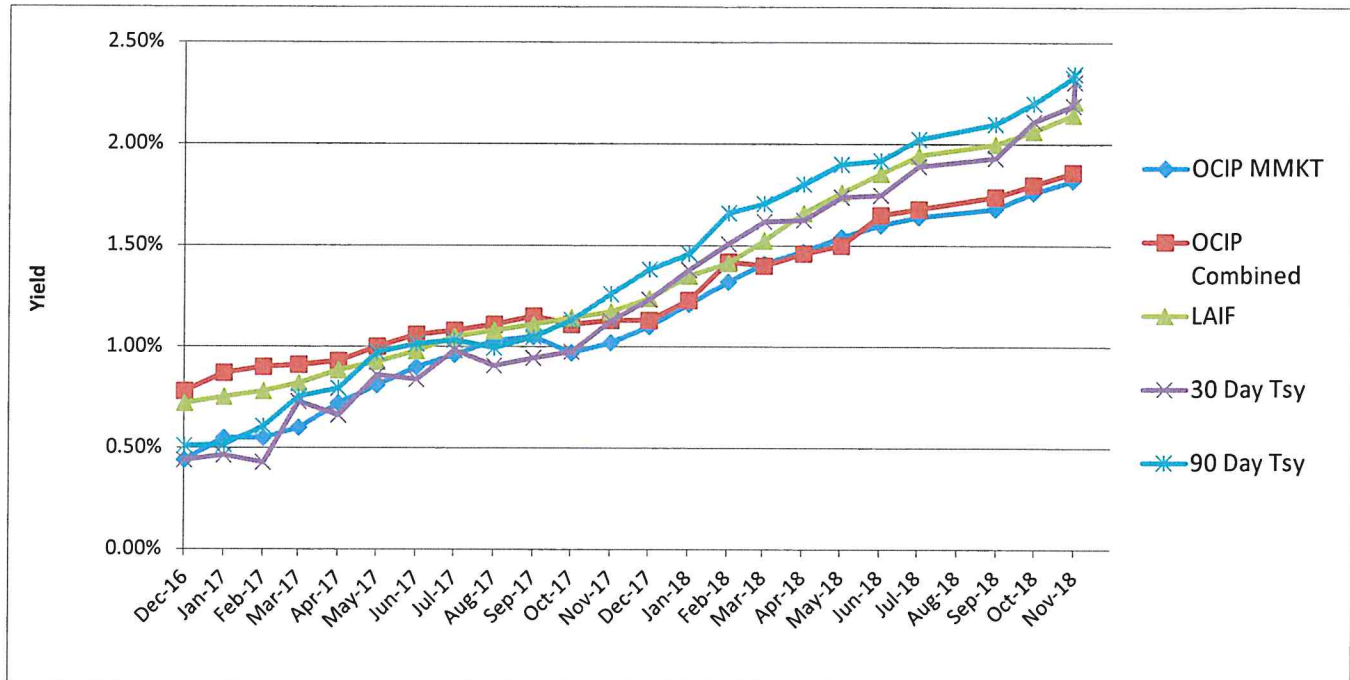
Maturity Schedule For Liquid Portfolio



Liquid Portfolio Performance

As of 11/30/18

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



	OCIP MMKT	OCIP Combined	LAIF	30 Day Tsy	90 Day Tsy
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	1.68%	1.74%	2.00%	1.93%	2.10%
Sep-18	1.76%	1.80%	2.06%	2.11%	2.20%
Oct-18	1.82%	1.86%	2.14%	2.19%	2.33%
Nov-18	N/A	N/A	2.21%	2.31%	2.35%

Investment Policy Compliance

As of 11/30/18

<u>Investment Instruments</u>	<u>Dollar Amount Invested</u>	<u>Percent Of Portfolio</u>	<u>Investment Policy Maximum Percentages</u>
U.S. Treasuries	550,999,349	34.8%	100%
Federal Agencies & U.S. Government Sponsored *	199,958,441	12.6%	100%
State of California & Local Agencies	41,702,662	2.6%	25%
Money Market Funds & Mutual Funds	106,970,522	6.8%	20%
Bankers Acceptances	0	0.0%	30%
Negotiable Certificates of Deposit	25,000,000	1.6%	30%
Commercial Paper	45,708,497	2.9%	25%
Medium Term Maturity Corporate Securities	342,324,449	21.6%	30%
Mortgage and Asset-backed Securities	171,197,344	10.8%	20%**
Repurchase Agreements	25,943,684	1.6%	75%
Investment Agreements Pursuant To Indenture	0	0.0%	100%
Local Agency Investment Fund (LAIF)	10,480,795	0.7%	\$ 40 Million
Orange County Investment Pool (OCIP)	23,051,375	1.5%	\$ 40 Million
CAMP	0	0.0%	10%
Variable & Floating Rate Securities	38,841,127	2.5%	30%
Debt Service Reserve Funds - Investment Agreements	0	0.0%	Not Applicable
Bank Deposits	396,119	0.0%	5%
Derivatives (hedging transactions only)	0	0.0%	5%
TOTAL	1,582,574,366	100.0%	

* See attached page for a detailed listing of this category

** Asset-backed securities, excluding mortgages, may not exceed 10 percent of the allocation

Investment Policy Compliance

As of 11/30/18

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)	63,771,317	4.0%	35%
Federal Home Loan Mortgage Corporation (FHLMC)	64,848,540	4.1%	35%
Federal Farm Credit Bank (FFCB)	11,903,590	0.8%	35%
Federal National Mortgage Association (FNMA)	20,275,937	1.3%	35%
	160,799,384 *	10.2%	

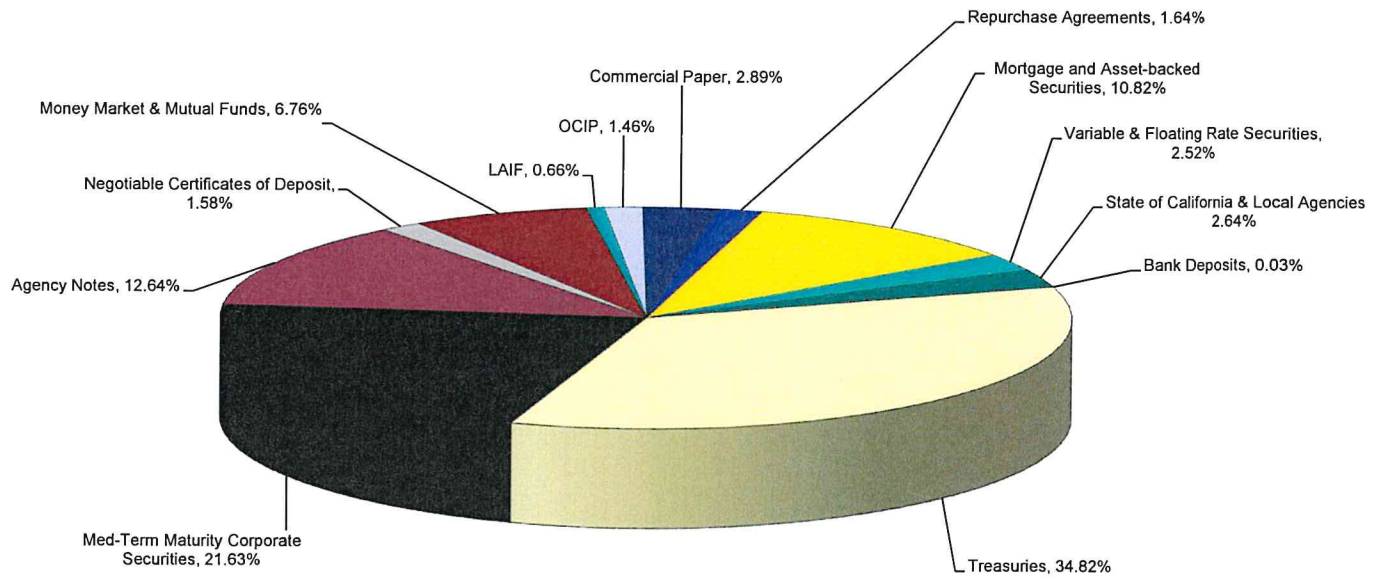
* The Total Dollar Amount Invested Equals The Dollar Amount Invested For Federal Agency Securities, Variable & Floating Rate (Agency) Securities, And A Portion Of Mortgage (Agency) & Asset-back Securities.

Money Market Funds (MMF) & Mutual Funds

First American Obligations Treasury Fund	3,160	0.0%
Goldman Sach Fin. Square Govt. MMF	0	0.0%
Blackrock Institutional T-Fund	2,142,544	0.1%
Fidelity Treasury Obligations MMF	78,974,891	5.0%
Federated Treasury Obligations Fund	<u>25,849,927</u>	<u>1.6%</u>
	106,970,522	6.8%

Investment Allocation

As of 11/30/18



Negative Credit Watch

As of 11/30/18

<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>IBM</i>	1,920,000	Various**	A	A1	A
On October 29, 2018, Moody's and S&P placed the long-term ratings of IBM under review for possible downgrade. On October 30, 2018, Fitch placed the long-term ratings of IBM under review for possible downgrade.					

Payden & Rygel

<i>IBM</i>	1,155,000	1/27/2020	A	A1	A
On October 29, 2018, Moody's and S&P placed the long-term ratings of IBM under review for possible downgrade. On October 30, 2018, Fitch placed the long-term ratings of IBM under review for possible downgrade.					

CAM

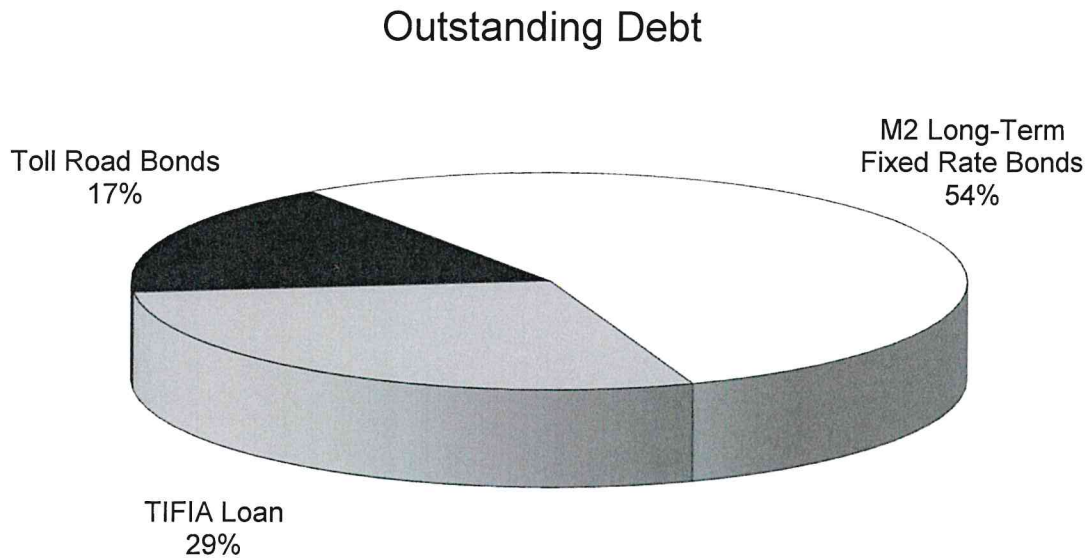
IBM	3,500,000	2/19/2021	A	A1	A
On October 29, 2018, Moody's and S&P placed the long-term ratings of IBM under review for possible downgrade. On October 30, 2018, Fitch placed the long-term ratings of IBM under review for possible downgrade.					

** Securities will mature on 2/12/19 and 2/5/21.

DEBT PROGRAM

Total Outstanding Debt

As of 11/30/18



TOTAL OUTSTANDING DEBT: \$573,030,000

Outstanding Debt

As of 11/30/18

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		2057