



September 9, 2020

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Environmental Mitigation Program Endowment Fund Investment Report for June 30, 2020

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 programs. The California Community Foundation manages the non-wasting endowment required to fund 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 its performance.

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 Environmental Mitigation Program. Annually, approximately \$2.9 million will be deposited in the endowment. As of June 30, 2020, the Orange County Transportation Authority has made four deposits to the CCF Endowment Pool, each in the amount of \$2,877,000. These annual deposits are expected to continue for ten to 12 years, or until the fund totals approximately \$46.2 million.

Discussion

Per Attachment A, the balance as of June 30, 2020, was \$12,419,908. The balance is slightly below the June 30, 2020 target of \$12,440,408, due to capital markets experiencing sharp declines due to the coronavirus and its adverse effects on the economic activity. Throughout the second quarter, markets continued to experience various price swings with United States stocks ending the quarter on a positive note, but with continued high volatility. The CCF's Endowment Pool portfolio is well diversified, with various asset classes that can handle changes in market volatility.

Per Attachment B, as of June 30, 2020, total pool assets in the CCF Endowment Pool were \$1.14 billion. Total foundation assets were \$1.9 billion. Performance for the CCF Endowment Pool was 1.2 percent for the month, 0.6 percent below the benchmark; 11.5 percent for the quarter, 1.4 percent below the benchmark. The one-year return was 0.1 percent, 1.2 percent below the benchmark.

Summary

The Orange County Transportation Authority is submitting a copy of the California Community Foundation Investment Report to the Board of Directors. The report is for the quarter ending June 30, 2020.

Attachments

- A. California Community Foundation Fund Statement – 4/1/2020 – 6/30/2020
- B. California Community Foundation Endowment Pool Investments – June 2020

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