

**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  
June 30, 2021**

# OCTA Investment Dashboard

6/30/2021

## Safety of Principal

Securities that fell below OCTA's minimum credit quality requirements during the month of June 2021:

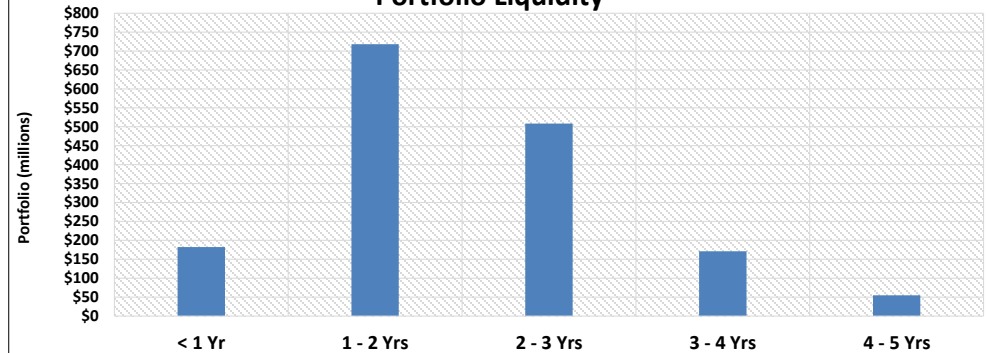
Securities currently held within OCTA's portfolio that fell below OCTA's minimum credit quality requirements during prior reporting periods:  
Not applicable.

Securities downgraded or placed on Negative Credit Watch during the month of June 2021, but remain in compliance with OCTA's Investment Policy:

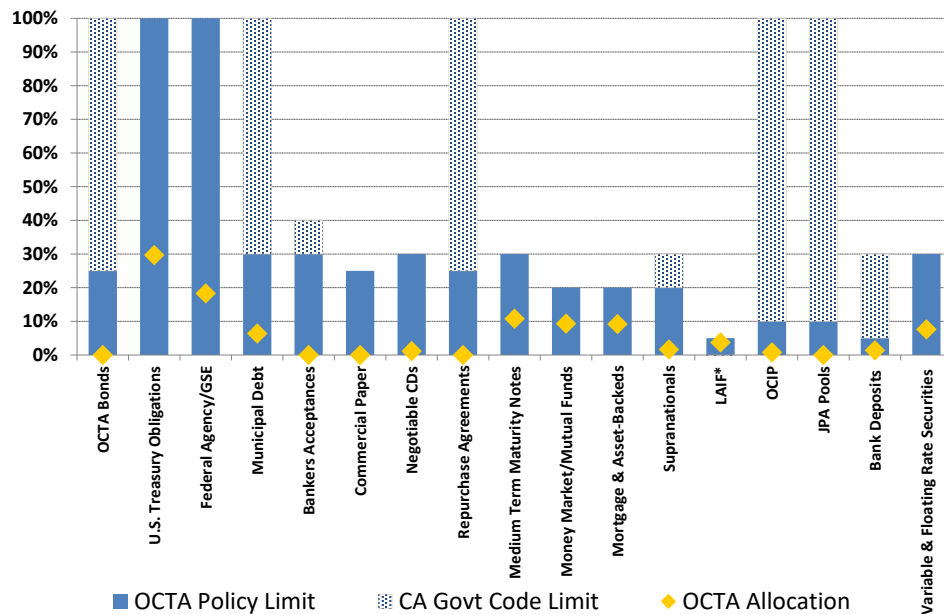
There were no securities held within OCTA's investment portfolio that were downgraded during the month. The total number of securities on the Negative Credit Watch list remained at one security for the month.

For further details please refer to A-8 of this report.

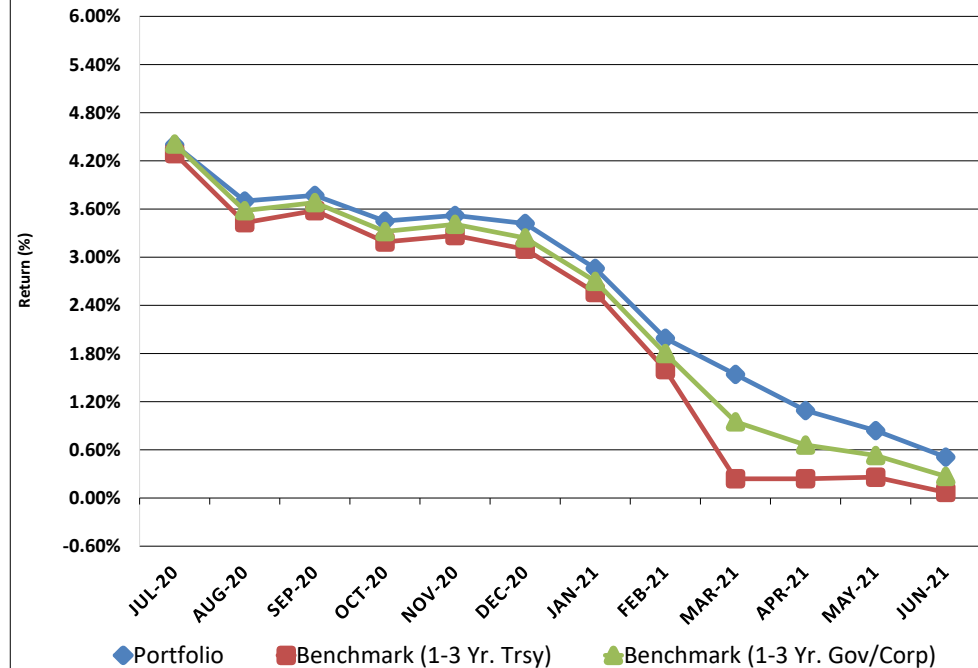
## Portfolio Liquidity



## Portfolio Diversification



## Portfolio Return - 12 Month



\*Per CA Government Code LAIF limit is \$75 million

# Investment Compliance

6/30/2021

Portfolio Subject to Investment Policy			
Short-Term/Liquid Portfolio <sup>1</sup>	Dollar Amount Invested	Percent Of Portfolio	Investment Policy Maximum Percentages
U.S. Treasury Obligations	\$ 563,875,544	29.7%	100%
Federal Agency/GSE	347,561,994	18.3%	100%
Municipal Debt	121,392,836	6.4%	30%
Commercial Paper	-	0.0%	25%
Negotiable Certificates of Deposit	21,800,000	1.1%	30%
Repurchase Agreements	-	0.0%	25%
Medium Term Maturity Notes/Corporates	204,661,458	10.8%	30%
Money Market/Mutual Funds	177,086,558	9.3%	20%
Mortgage & Asset-Backed	174,466,196	9.2%	20%*
Supranationals	30,904,063	1.6%	20%
Local Agency Investment Fund**	70,996,561	3.7%	\$ 75 Million
Orange County Investment Pool	15,221,463	0.8%	10%
Joint Powers Authority Pools	-	0.0%	10%
Bank Deposits	26,313,126	1.4%	5%
Variable & Floating Rate Securities	145,152,496	7.6%	30%
<b>Total Short-Term/Liquid Portfolio</b>	<b>\$ 1,899,432,295</b>	<b>100.0%</b>	

1. Excludes portion of Liquid Portfolio subject to Indenture

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

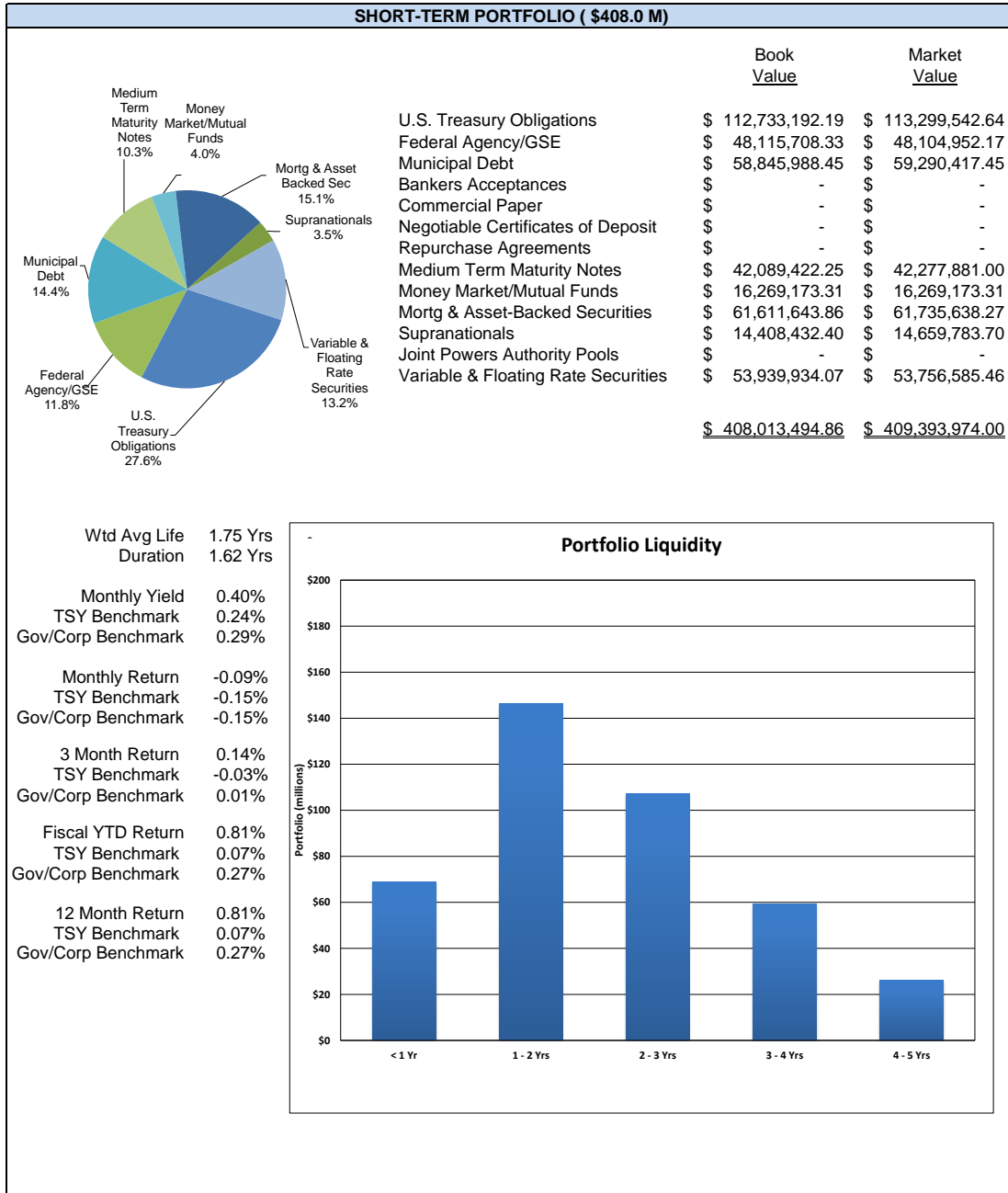
\*\*OCTA increased the balance in the LAIF (Pool) from \$46m to \$71m during the month of February.

Portfolio Subject to Indenture						
	Dollar Amount		OCTA		Indenture Requirements	
	<u>Invested</u>	<u>Credit Quality</u>	<u>Term</u>		<u>Credit Quality</u>	<u>Term</u>
<u>Liquid Portfolio*</u>						
Money Market Funds	\$ 71,423,376	AAA/Aaa	45 days		Min. A2/A	Max. 4 years
<b>Total Liquid Portfolio</b>	<b>\$ 71,423,376</b>					
<u>Bond Proceeds Portfolio</u>						
Money Market Funds	\$ 10,553	AAA/Aaa	45 days		Min. A2/A	Max. 4 years
<b>Total Bond Proceeds Portfolio</b>	<b>\$ 10,553</b>					
<b>Reserve Funds Portfolio</b>						
Commercial Paper	\$ 25,084,570	P-1/F-1	60-150 days		Min. A-1/P-1	Max. 180 days
Bank Deposits	\$ 218,921					
US Treasuries Obligations	68	AAA/Aaa	30 days		Min. A2/A	Max. 5 years
<b>Total Reserve Funds Portfolio</b>	<b>\$ 25,303,558</b>					
<b>Total Portfolio Subject to Indenture</b>	<b>\$ 25,314,111</b>					
<b>Portfolio Total</b>	<b>\$ 1,996,169,783</b>					

\*Reflects portion of Liquid Portfolio subject to Indenture

## Investment Manager Diversification and Maturity Schedules

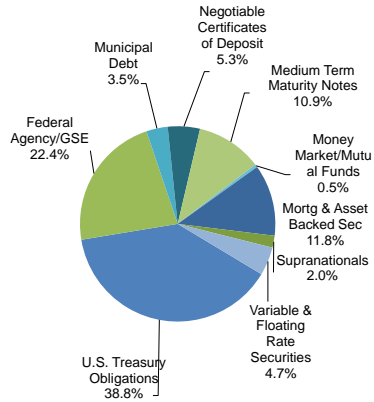
**MetLife Investment Management**  
6/30/2021



# Investment Manager Diversification and Maturity Schedules

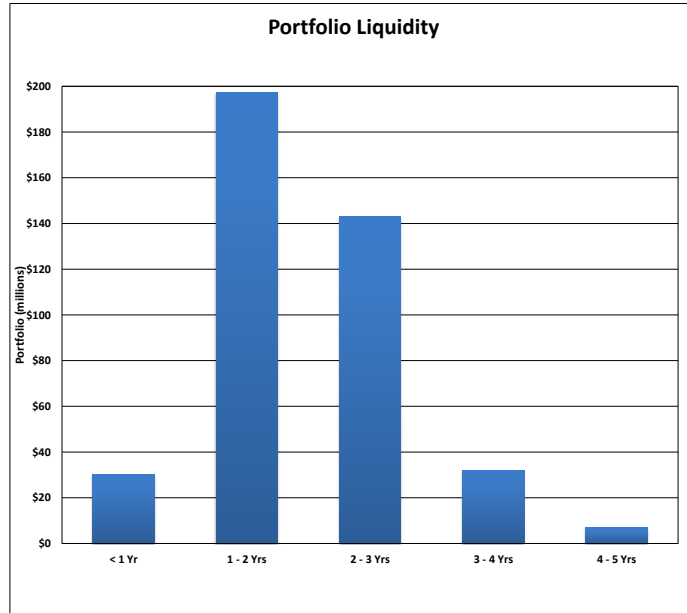
**PFM**  
**6/30/2021**

## SHORT-TERM PORTFOLIO ( \$409.7 M)



	Book Value	Market Value
U.S. Treasury Obligations	\$ 158,923,371.14	\$ 160,509,803.55
Federal Agency/GSE	\$ 91,870,469.13	\$ 92,028,866.19
Municipal Debt	\$ 14,512,759.95	\$ 14,563,162.35
Bankers Acceptances	\$ -	\$ -
Commercial Paper	\$ -	\$ -
Negotiable Certificates of Deposit	\$ 21,800,000.00	\$ 22,093,341.50
Repurchase Agreements	\$ -	\$ -
Medium Term Maturity Notes	\$ 44,759,067.30	\$ 45,103,387.85
Money Market/Mutual Funds	\$ 2,028,469.70	\$ 2,028,469.70
Mortgage & Asset-Backed Securities	\$ 48,483,862.88	\$ 48,960,436.62
Supranationals	\$ 8,102,487.95	\$ 8,110,919.90
Joint Powers Authority Pools	\$ -	\$ -
Variable & Floating Rate Securities	\$ 19,243,588.42	\$ 19,300,346.16
	<u>\$ 409,724,076.47</u>	<u>\$ 412,698,733.82</u>

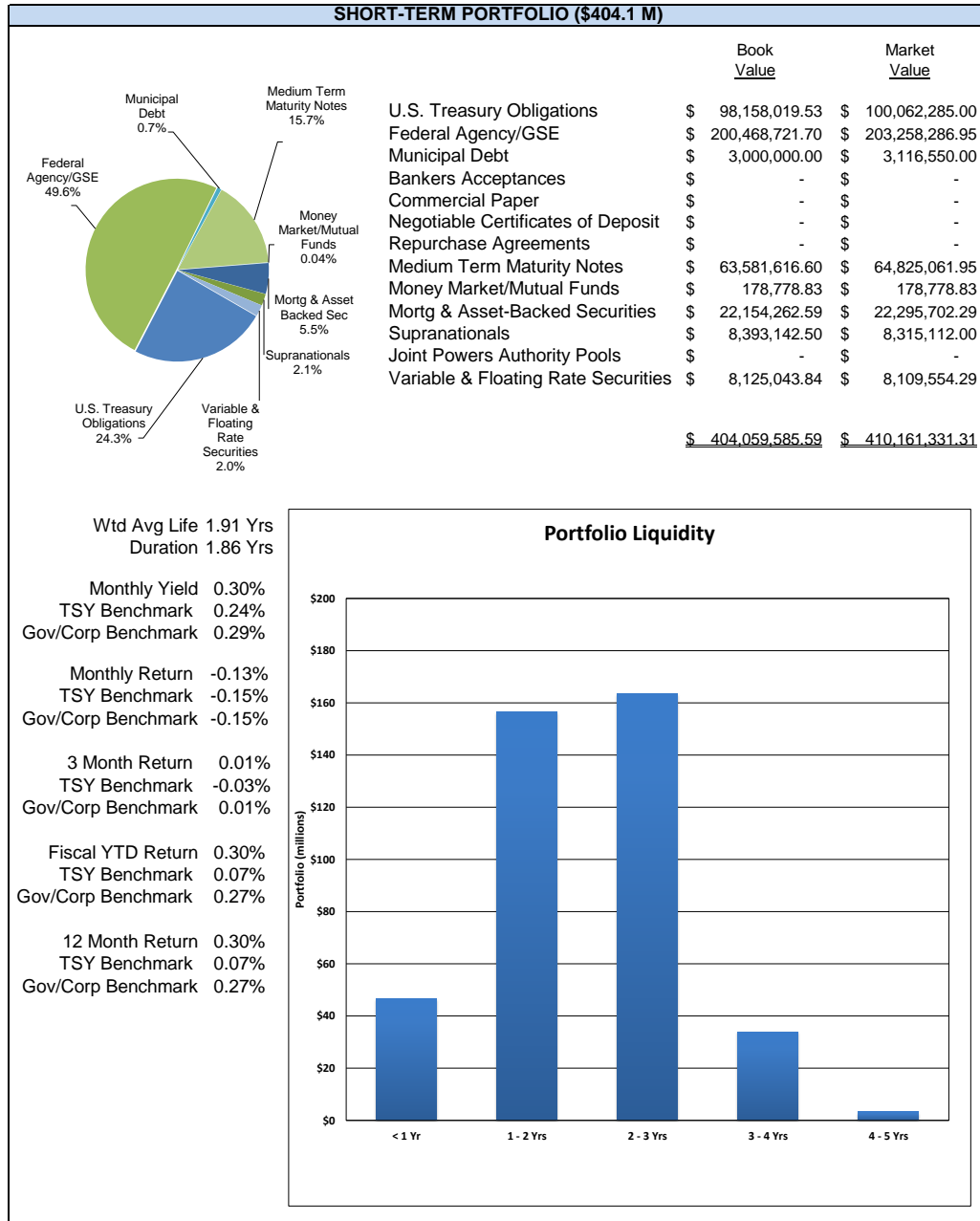
Wtd Avg Life	1.78 Yrs
Duration	1.75 Yrs
Monthly Yield	0.32%
TSY Benchmark	0.24%
Gov/Corp Benchmark	0.29%
Monthly Return	-0.13%
TSY Benchmark	-0.15%
Gov/Corp Benchmark	-0.15%
3 Month Return	0.05%
TSY Benchmark	-0.03%
Gov/Corp Benchmark	0.01%
Fiscal YTD Return	0.43%
TSY Benchmark	0.07%
Gov/Corp Benchmark	0.27%
12 Month Return	0.43%
TSY Benchmark	0.07%
Gov/Corp Benchmark	0.27%



## Investment Manager Diversification and Maturity Schedules

### Chandler Asset Management

6/30/2021

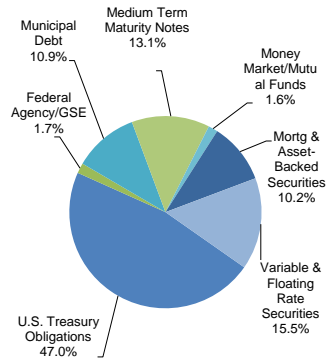


# Investment Manager Diversification and Maturity Schedules

**Payden & Rygel**

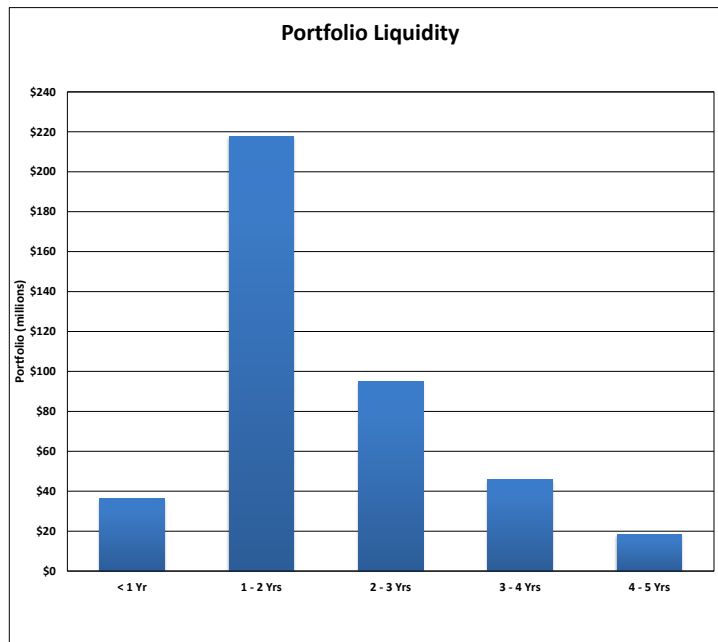
6/30/2021

## SHORT-TERM PORTFOLIO (\$413.1 M)



	Book Value	Market Value
U.S. Treasury Obligations	\$ 194,060,960.69	\$ 193,736,552.51
Federal Agency/GSE	\$ 7,107,095.00	\$ 7,048,014.00
Municipal Debt	\$ 45,034,088.09	\$ 45,246,490.33
Bankers Acceptances	\$ -	\$ -
Commercial Paper	\$ -	\$ -
Negotiable Certificates of Deposit	\$ -	\$ -
Repurchase Agreements	\$ -	\$ -
Medium Term Maturity Notes	\$ 54,231,351.91	\$ 54,817,423.03
Money Market/Mutual Funds	\$ 6,564,134.02	\$ 6,564,134.02
Mortg & Asset-Backed Securities	\$ 42,216,426.60	\$ 42,389,198.91
Supranationals	\$ -	\$ -
Joint Powers Authority Pools	\$ -	\$ -
Variable & Floating Rate Securities	\$ 63,843,929.72	\$ 63,840,676.20
	<u>\$ 413,057,986.03</u>	<u>\$ 413,642,489.00</u>

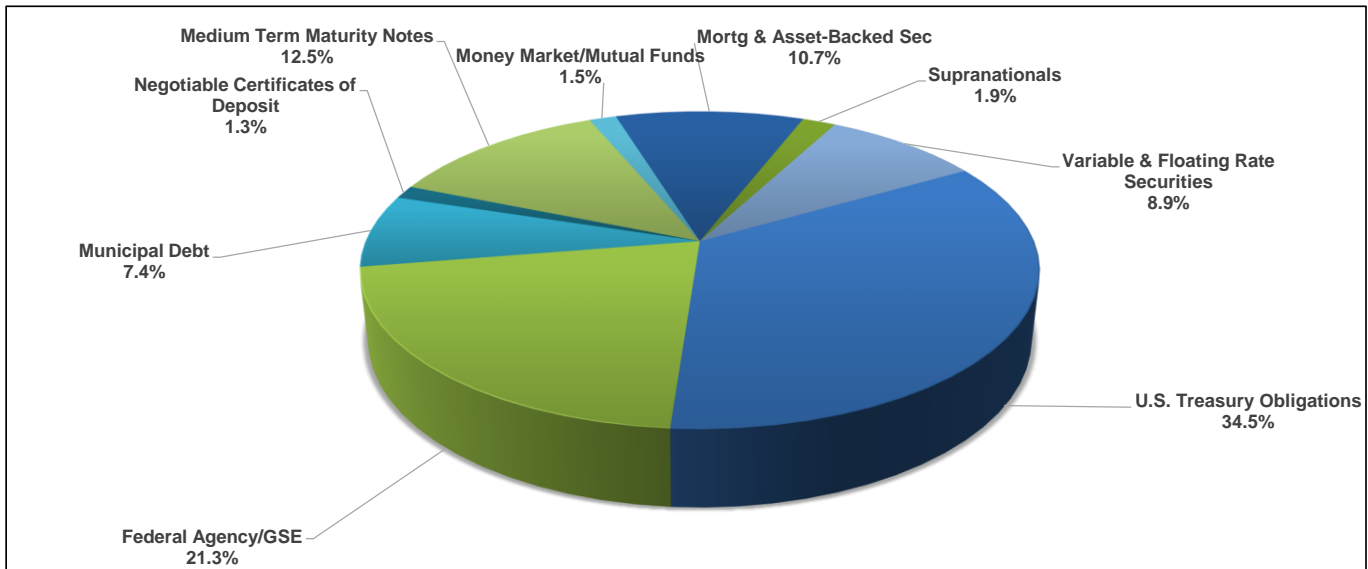
Wtd Avg Life	1.82 Yrs
Duration	1.76 Yrs
Monthly Yield	0.36%
TSY Benchmark	0.24%
Gov/Corp Benchmark	0.29%
Monthly Return	-0.14%
TSY Benchmark	-0.15%
Gov/Corp Benchmark	-0.15%
3 Month Return	0.07%
TSY Benchmark	-0.03%
Gov/Corp Benchmark	0.01%
Fiscal YTD Return	0.50%
TSY Benchmark	0.07%
Gov/Corp Benchmark	0.27%
12 Month Return	0.50%
TSY Benchmark	0.07%
Gov/Corp Benchmark	0.27%



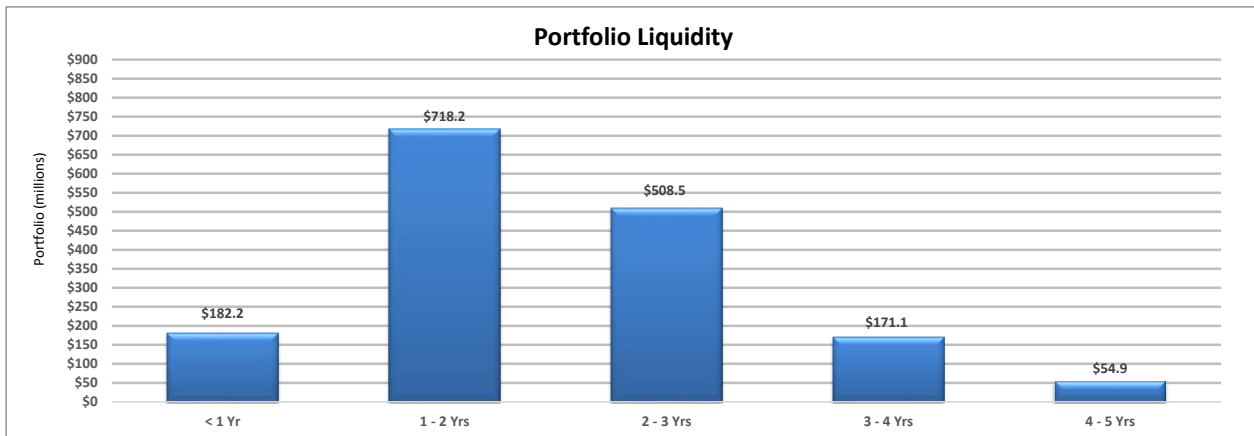
# Short-Term Portfolio

6/30/2021

## Portfolio Composition



## Portfolio Liquidity





## Rating Downgrades & Negative Credit Watch

### 6/30/2021

Investment Manager / Security	Par Amount	Maturity	S&P	Moody's	Fitch Ratings
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**Negative Credit Watch:**

**Chandler Asset Management**

US Bancorp

\$ 4,500,000

Various\*\*

A+

A1

A+

On March 16, 2021, Moody's placed the long-term ratings of US Bancorp (US Bank) under review for possible downgrade. The credit watch placement is due to the narrowing outperformance of US Bank compared to its peers which is currently attributed to coronavirus related struggles. The security remains in compliance with the requirements of the Investment Policy, and the investment manager is comfortable holding the security due to US Bank's consistent financial performance and the quality of their balance sheet.

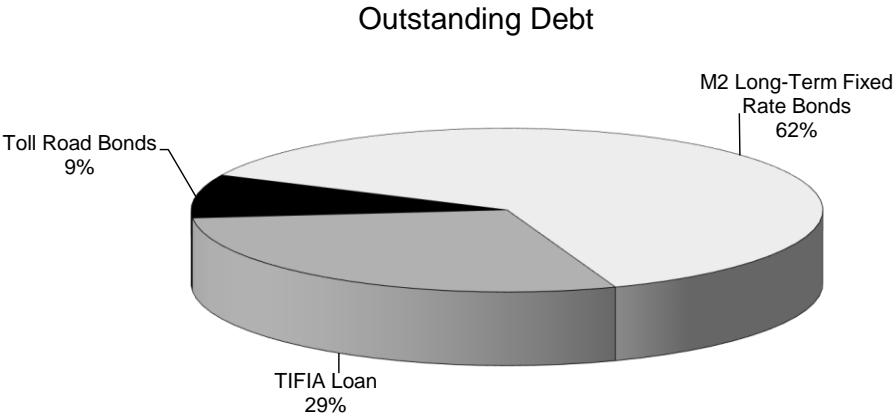
\*\*2/5/24 & 7/30/24

# **DEBT PROGRAM**

(M2 Sales Tax Revenue Bonds, 91 Toll Revenue Bonds, 2017 TIFIA Loan (I-405))

**Total Outstanding Debt\***  
**As of 6/30/21**

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**TOTAL OUTSTANDING DEBT:     \$990,890,000**

\*Comprised of OCTA's debt obligations (M2 Sales Tax Revenue Bonds, 91 Toll Revenue Bonds, and 2017 TIFIA Loan (I-405)) currently outstanding and irrespective of OCTA's investment program.

# Outstanding Debt\*

## As of 6/30/21

### Orange County Local Transportation Authority (OCLTA-M2)

#### 2010 Series A Taxable Build America Bonds - Sales Tax Revenue Bonds

Issued:	\$ 293,540,000
Outstanding:	250,000,000
Debt Service FY 2021:	17,270,000
Pledged Revenue Source:	M2 Sales Tax Revenues
Ratings (Fitch/ Moody's/ S&P):	AA+/Aa2/AA+
Final Maturity:	2041

#### 2019 M2 Sales Tax Bond

Issued:	\$ 376,690,000
Outstanding:	368,625,000
Debt Service FY 2021:	26,569,650
Pledged Revenue Source:	M2 Sales Tax Revenues
Ratings (Fitch/ S&P):	AA+/AA+
Final Maturity:	2041

### 91 Express Lanes

#### 2013 OCTA 91 Express Lanes Refunding Bonds

Issued:	\$ 124,415,000
Outstanding:	85,265,000
Debt Service FY 2021:	10,795,075
Pledged Revenue Source:	91 Toll Road Revenues
Ratings (Fitch/ Moody's/ S&P):	A+/A1/AA-
Final Maturity:	2030

### 405 Express Lanes

#### 2017 TIFIA Loan

Outstanding:	\$ 287,000,000
Accrued Interest:	24,411,073
Pledged Revenue Source:	405 Toll Road Revenues
Ratings (Moody's):	Baa2
Final Maturity:	2058

\*Comprised of OCTA's debt obligations (M2 Sales Tax Revenue Bonds, 91 Toll Revenue Bonds, and 2017 TIFIA Loan (I-405)) currently outstanding and irrespective of OCTA's investment program.