

**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, 2021**

OCTA Investment Dashboard

8/31/2021

Safety of Principal

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

Not applicable.

Securities currently held within OCTA's portfolio that fell below OCTA's minimum credit quality requirements during prior reporting periods:

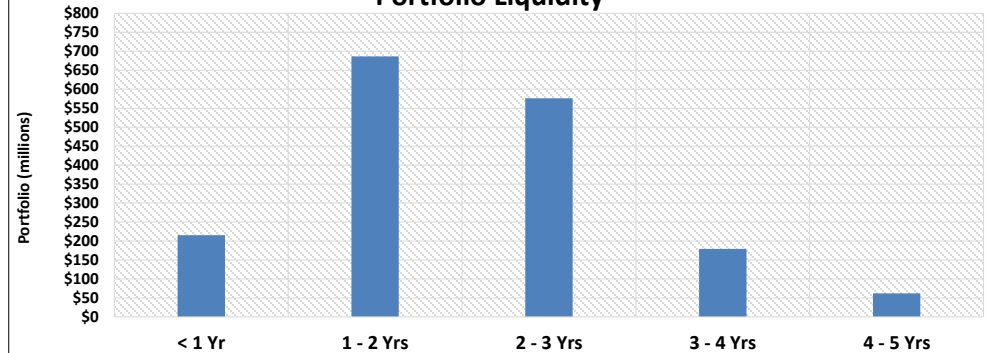
Not applicable.

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

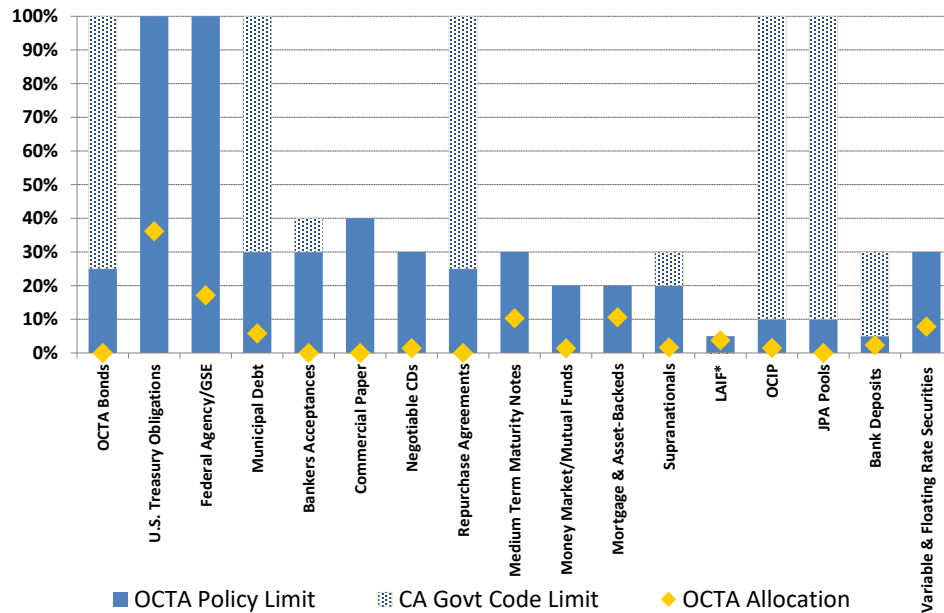
There were zero securities held within OCTA's investment portfolio that were downgraded during the month. The total number of securities on the Negative Credit Watch list remained at zero securities for the month.

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

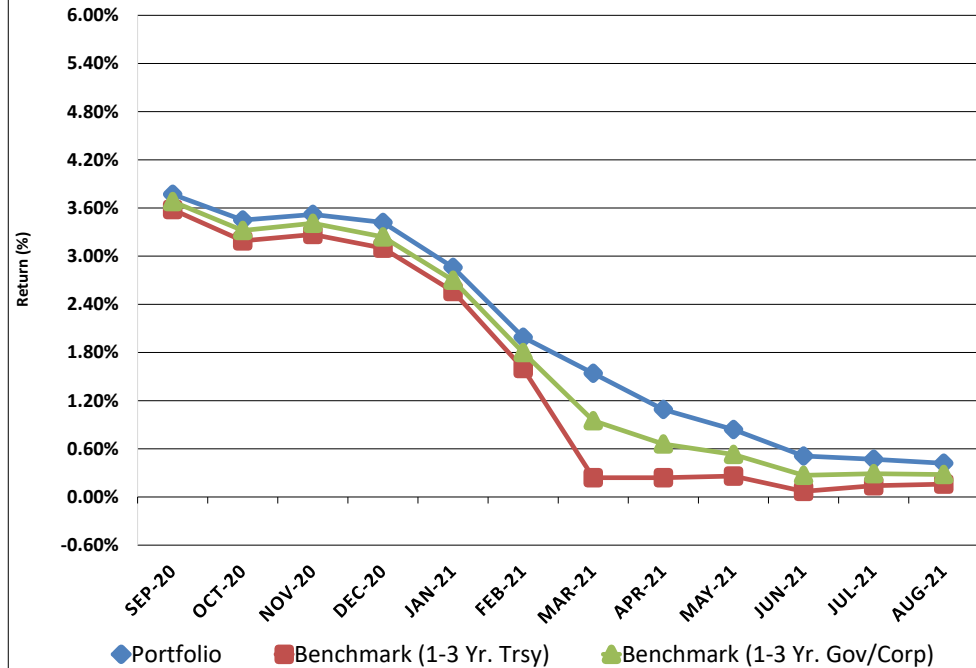
Portfolio Liquidity



Portfolio Diversification



Portfolio Return - 12 Month



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

Investment Compliance

8/31/2021

| Portfolio Subject to Investment Policy | | | |
|------------------------------------------|-------------------------|---------------|---------------------|
| | Dollar Amount | Percent Of | Investment Policy |
| Short-Term/Liquid Portfolio ¹ | Invested | Portfolio | Maximum Percentages |
| U.S. Treasury Obligations | \$ 678,785,139 | 36.2% | 100% |
| Federal Agency/GSE | 321,430,411 | 17.1% | 100% |
| Municipal Debt | 108,931,420 | 5.8% | 30% |
| Commercial Paper | - | 0.0% | 40% |
| Negotiable Certificates of Deposit | 27,000,000 | 1.4% | 30% |
| Repurchase Agreements | - | 0.0% | 25% |
| Medium Term Maturity Notes/Corporates | 193,497,389 | 10.3% | 30% |
| Money Market/Mutual Funds | 25,994,737 | 1.4% | 20% |
| Mortgage & Asset-Backed | 199,211,905 | 10.6% | 20% |
| Supranationals | 30,904,063 | 1.6% | 20% |
| Local Agency Investment Fund | 71,054,530 | 3.8% | \$ 75 Million |
| Orange County Investment Pool | 27,863,700 | 1.5% | 10% |
| Joint Powers Authority Pools | - | 0.0% | 10% |
| Bank Deposits | 44,005,594 | 2.3% | 5% |
| Variable & Floating Rate Securities | 147,307,197 | 7.9% | 30% |
| Total Short-Term/Liquid Portfolio | \$ 1,875,986,084 | 100.0% | |

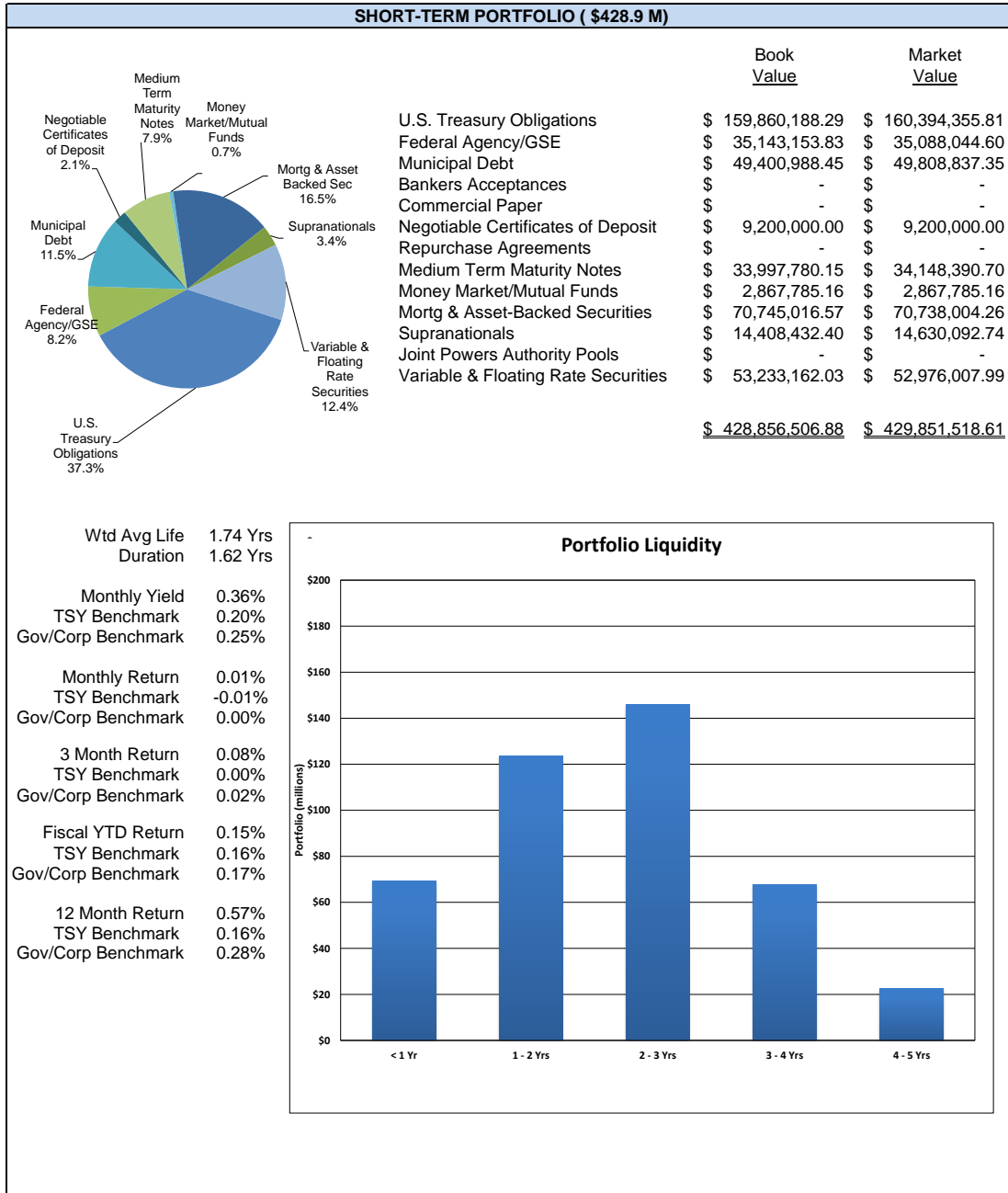
1. Excludes portion of Liquid Portfolio subject to Indenture

| Portfolio Subject to Indenture | | | | | |
|---------------------------------------------|-------------------------|----------------|-------------|------------------------|---------------|
| | Dollar Amount | OCTA | | Indenture Requirements | |
| | Invested | Credit Quality | Term | Credit Quality | Term |
| Liquid Portfolio* | | | | | |
| Money Market Funds | \$ 83,132,458 | AAA/Aaa | 45 days | Min. A2/A | Max. 4 years |
| Total Liquid Portfolio | \$ 83,132,458 | | | | |
| Bond Proceeds Portfolio | | | | | |
| Money Market Funds | \$ 13,296 | AAA/Aaa | 45 days | Min. A2/A | Max. 4 years |
| Total Bond Proceeds Portfolio | \$ 13,296 | | | | |
| Reserve Funds Portfolio | | | | | |
| Commercial Paper | \$ 25,090,963 | P-1/F-1 | 60-150 days | Min. A-1/P-1 | Max. 180 days |
| Bank Deposits | \$ 220,659 | | | | |
| US Treasuries Obligations | 366 | AAA/Aaa | 30 days | Min. A2/A | Max. 5 years |
| Total Reserve Funds Portfolio | \$ 25,311,988 | | | | |
| Total Portfolio Subject to Indenture | \$ 25,325,284 | | | | |
| Portfolio Total | \$ 1,984,443,826 | | | | |

*Reflects portion of Liquid Portfolio subject to Indenture (OCTA Sales Tax Revenue)

Investment Manager Diversification and Maturity Schedules

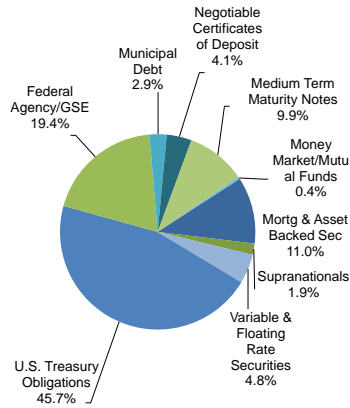
MetLife Investment Management
8/31/2021



Investment Manager Diversification and Maturity Schedules

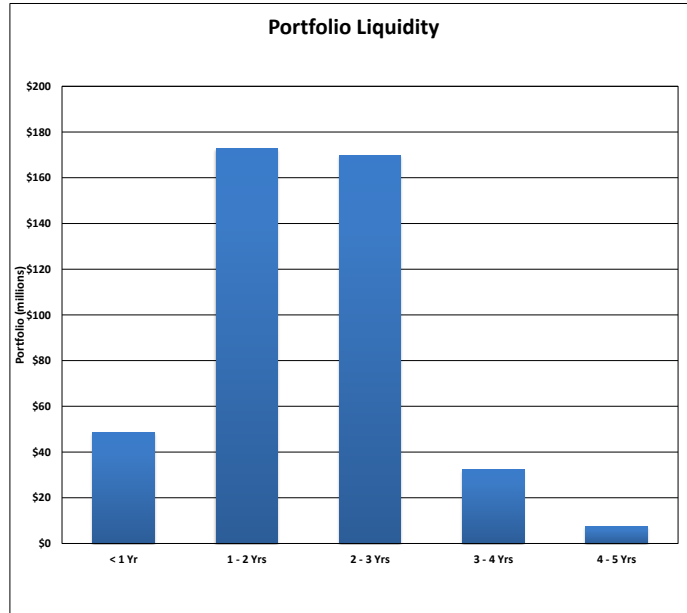
PFM
8/31/2021

SHORT-TERM PORTFOLIO (\$431.0 M)



| | Book Value | Market Value |
|-------------------------------------|--------------------------|--------------------------|
| U.S. Treasury Obligations | \$ 196,849,976.22 | \$ 198,198,395.20 |
| Federal Agency/GSE | \$ 83,407,520.43 | \$ 83,646,503.30 |
| Municipal Debt | \$ 12,286,343.25 | \$ 12,335,480.05 |
| Bankers Acceptances | \$ - | \$ - |
| Commercial Paper | \$ - | \$ - |
| Negotiable Certificates of Deposit | \$ 17,800,000.00 | \$ 18,007,488.25 |
| Repurchase Agreements | \$ - | \$ - |
| Medium Term Maturity Notes | \$ 42,581,870.40 | \$ 42,851,822.10 |
| Money Market/Mutual Funds | \$ 1,639,961.26 | \$ 1,639,961.26 |
| Mortg & Asset-Backed Securities | \$ 47,526,814.25 | \$ 47,881,598.53 |
| Supranationals | \$ 8,102,487.95 | \$ 8,122,877.55 |
| Joint Powers Authority Pools | \$ - | \$ - |
| Variable & Floating Rate Securities | \$ 20,773,530.74 | \$ 20,834,363.54 |
| | <u>\$ 430,968,504.50</u> | <u>\$ 433,518,489.78</u> |

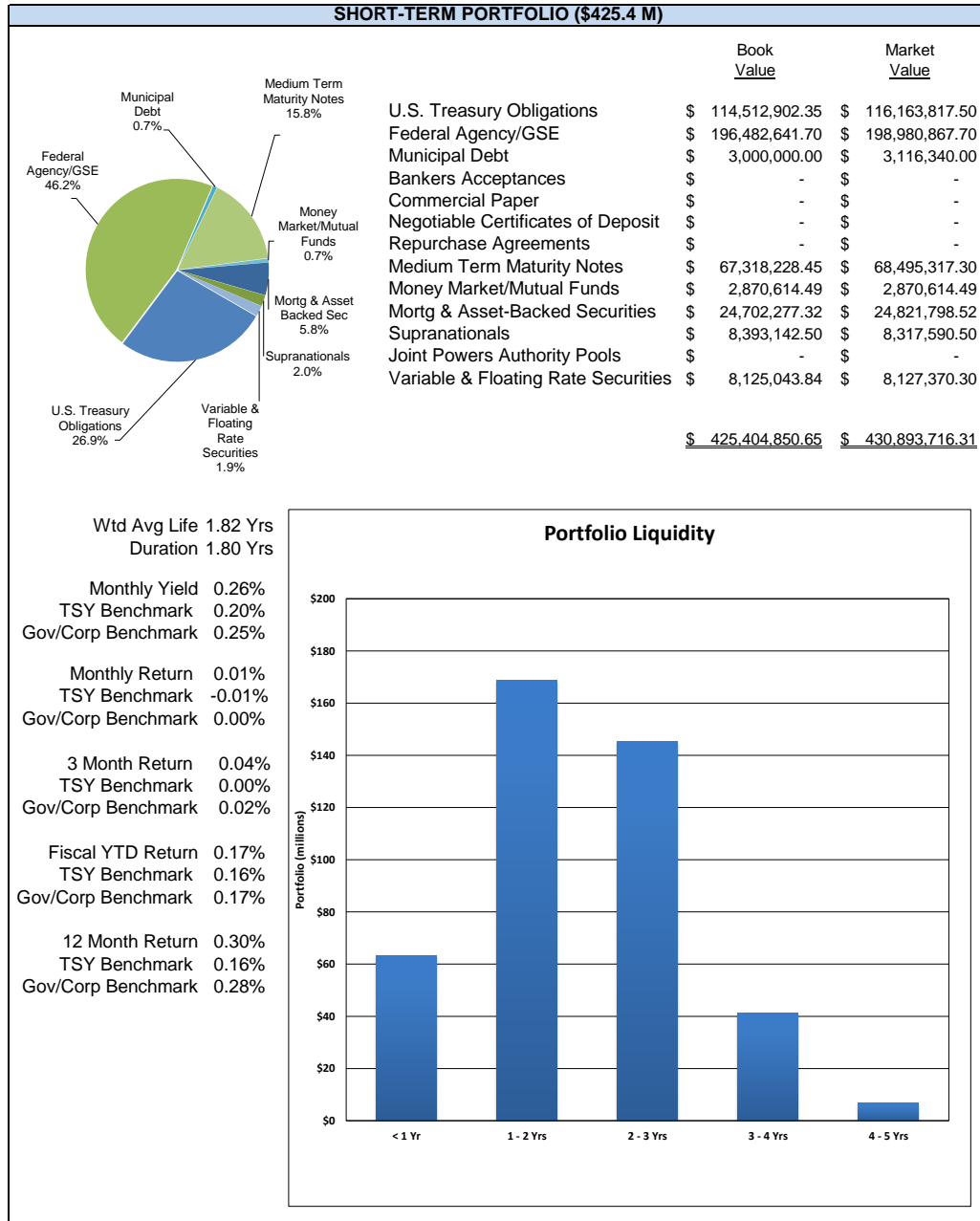
| | |
|--------------------|----------|
| Wtd Avg Life | 1.82 Yrs |
| Duration | 1.80 Yrs |
| Monthly Yield | 0.23% |
| TSY Benchmark | 0.20% |
| Gov/Corp Benchmark | 0.25% |
| Monthly Return | 0.01% |
| TSY Benchmark | -0.01% |
| Gov/Corp Benchmark | 0.00% |
| 3 Month Return | 0.05% |
| TSY Benchmark | 0.00% |
| Gov/Corp Benchmark | 0.02% |
| Fiscal YTD Return | 0.16% |
| TSY Benchmark | 0.16% |
| Gov/Corp Benchmark | 0.17% |
| 12 Month Return | 0.39% |
| TSY Benchmark | 0.16% |
| Gov/Corp Benchmark | 0.28% |



Investment Manager Diversification and Maturity Schedules

Chandler Asset Management

8/31/2021

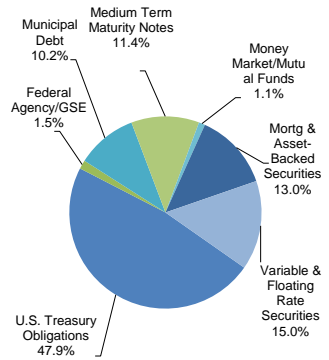


Investment Manager Diversification and Maturity Schedules

Payden & Rygel

8/31/2021

SHORT-TERM PORTFOLIO (\$433.8 M)



| | Book Value | Market Value |
|-------------------------------------|--------------------------|--------------------------|
| U.S. Treasury Obligations | \$ 207,562,071.70 | \$ 207,506,337.75 |
| Federal Agency/GSE | \$ 6,397,095.00 | \$ 6,377,678.00 |
| Municipal Debt | \$ 44,244,088.09 | \$ 44,287,620.93 |
| Bankers Acceptances | \$ - | \$ - |
| Commercial Paper | \$ - | \$ - |
| Negotiable Certificates of Deposit | \$ - | \$ - |
| Repurchase Agreements | \$ - | \$ - |
| Medium Term Maturity Notes | \$ 49,599,509.82 | \$ 50,009,425.56 |
| Money Market/Mutual Funds | \$ 4,555,783.86 | \$ 4,555,783.86 |
| Mortg & Asset-Backed Securities | \$ 56,237,797.28 | \$ 56,395,225.88 |
| Supranationals | \$ - | \$ - |
| Joint Powers Authority Pools | \$ - | \$ - |
| Variable & Floating Rate Securities | \$ 65,175,459.92 | \$ 65,072,642.11 |
| | <u>\$ 433,771,805.67</u> | <u>\$ 434,204,714.09</u> |

Wtd Avg Life 1.76 Yrs
Duration 1.72 Yrs

Monthly Yield 0.32%
TSY Benchmark 0.20%
Gov/Corp Benchmark 0.25%

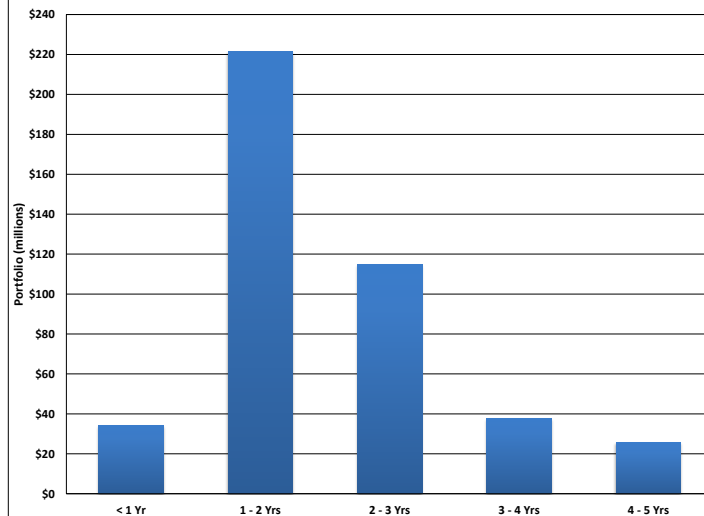
Monthly Return 0.00%
TSY Benchmark -0.01%
Gov/Corp Benchmark 0.00%

3 Month Return 0.05%
TSY Benchmark 0.00%
Gov/Corp Benchmark 0.02%

Fiscal YTD Return 0.17%
TSY Benchmark 0.16%
Gov/Corp Benchmark 0.17%

12 Month Return 0.41%
TSY Benchmark 0.16%
Gov/Corp Benchmark 0.28%

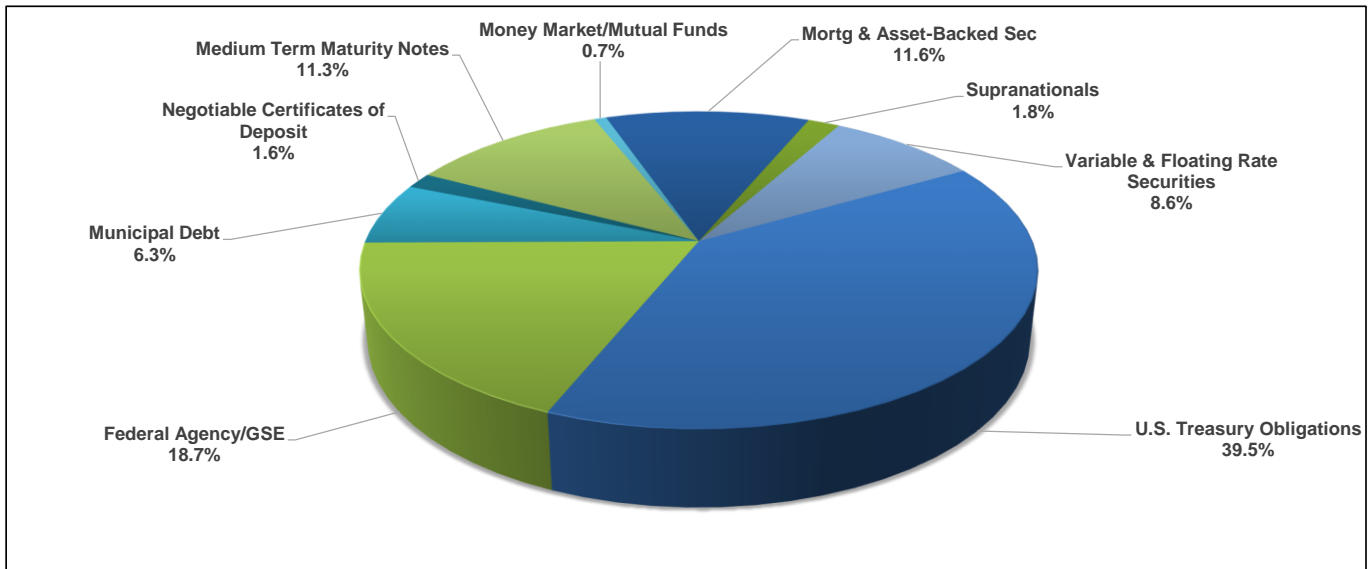
Portfolio Liquidity



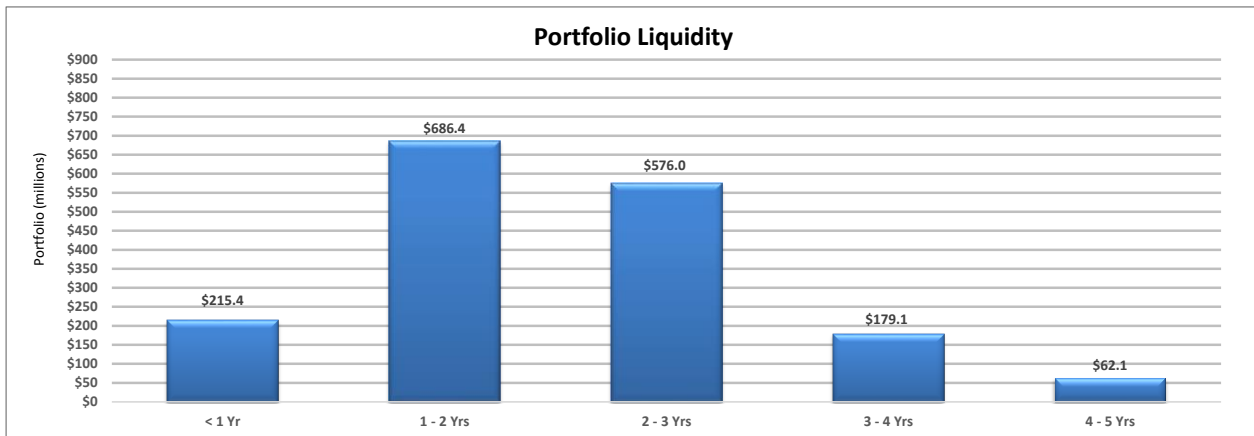
Short-Term Portfolio

8/31/2021

Portfolio Composition



Portfolio Liquidity



Rating Downgrades & Negative Credit Watch

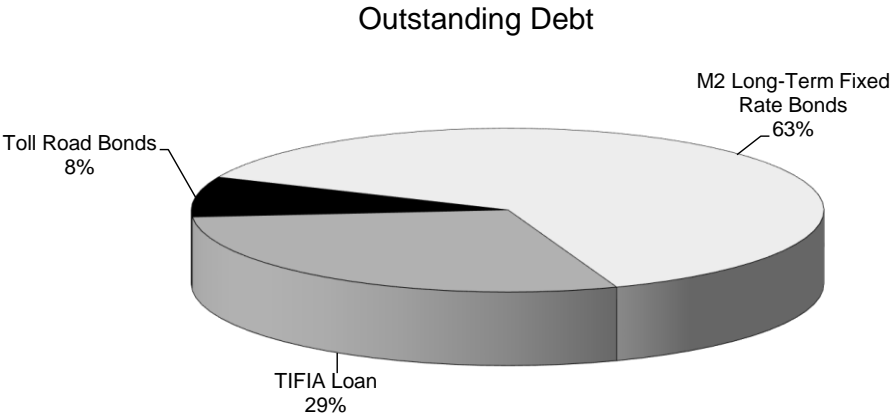
8/31/2021

| <u>Investment Manager / Security</u> | <u>Par Amount</u> | <u>Maturity</u> | <u>S&P</u> | <u>Moody's</u> | <u>Fitch Ratings</u> |
|--------------------------------------|-------------------|-----------------|----------------|----------------|----------------------|
| Rating Downgrades: | | | | | |
| N/A | | | | | |
| Negative Credit Watch: | | | | | |
| N/A | | | | | |

DEBT PROGRAM

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

Total Outstanding Debt*
As of 8/31/21



TOTAL OUTSTANDING DEBT: \$984,140,000

*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 8/31/21

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 2022: | | 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 2022: | | 26,556,400 |
| 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: | | 78,515,000 |
| Debt Service FY 2022: | | 10,795,825 |
| 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: | | 25,829,718 |
| 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.