

**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
March 31, 2026**

INVESTMENT PROGRAM

OCTA Investment Dashboard

3/31/2026

Safety of Principal

Securities that fell below OCTA's minimum credit quality requirements during the month of March 2026:

N/A

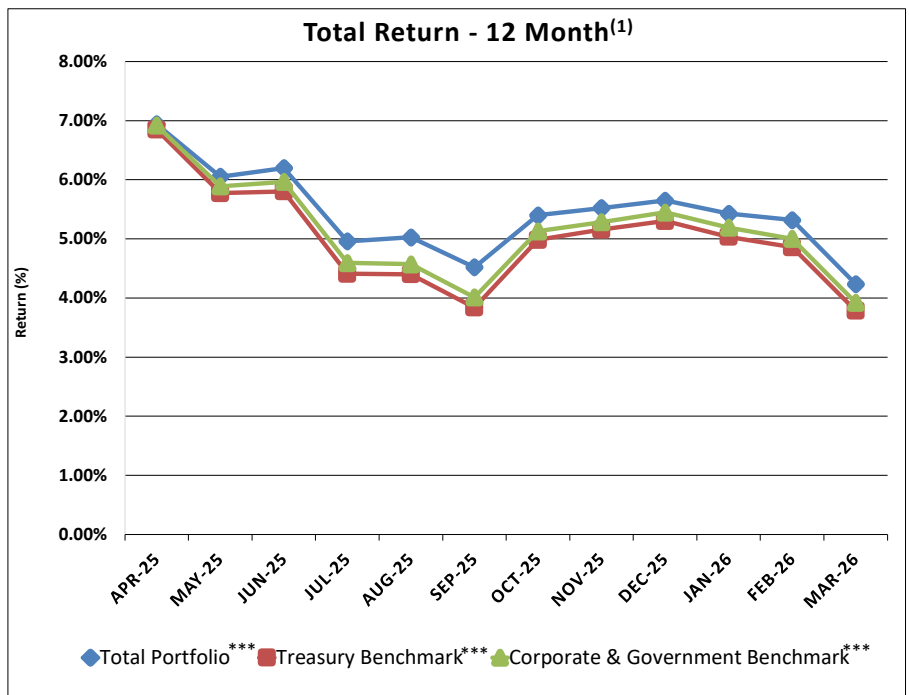
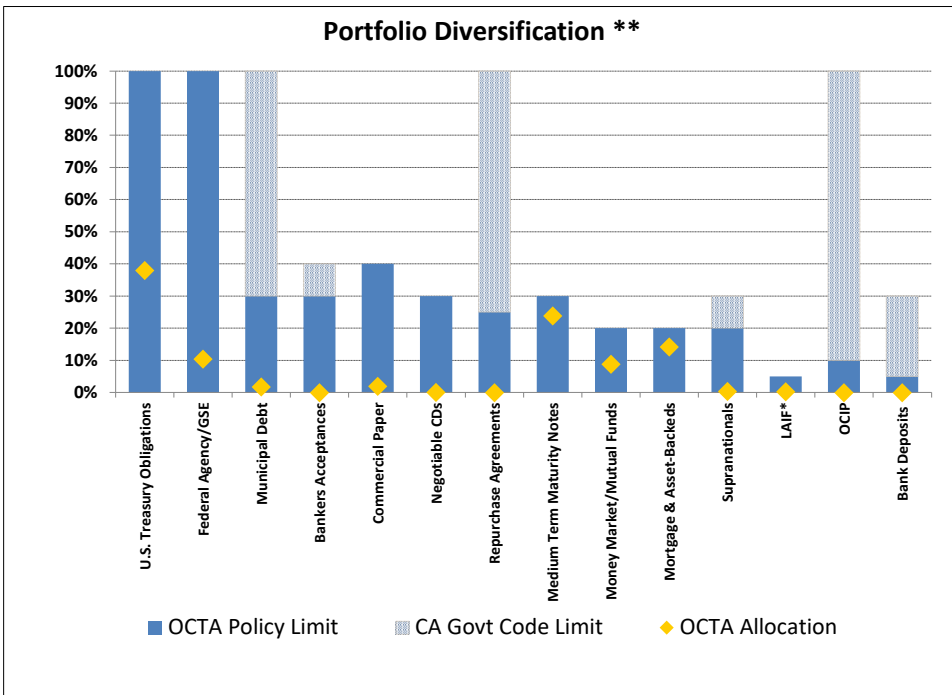
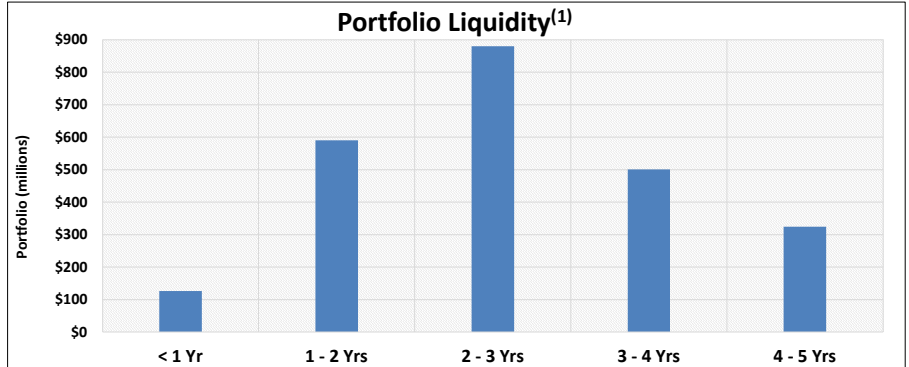
Securities currently held within OCTA's portfolio that fell below OCTA's minimum credit quality requirements during prior reporting periods:

N/A

Securities downgraded or placed on Negative Credit Watch during the month of March 2026, but remain in compliance with OCTA's Investment Policy:

Four securities held within OCTA's investment portfolio were downgraded or placed on Negative Credit Watch during the month.

For further details please refer to A-4 of this report.



1. Reflects Managed Portfolio.

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

** Per OCTA's Investment Policy the limit is 30% for variable and floating rate securities. As of March 31, 2026, 9.3% of the portfolio was invested in variable & floating rate securities.

*** Actual portfolio returns represent the aggregate performance of the managed portfolio.

The Treasury Benchmark is the market value-weighted blend of the 1-3 Year and 1-5 Year Treasury Indices.

The Corporate & Government Benchmark is the market value-weighted blend of the 1-3 Year and 1-5 Year AAA-A U.S. Corporate & Government Indices.

Investment Compliance

3/31/2026

Portfolio Subject to Investment Policy			
Managed/Liquid Portfolio ¹	Dollar Amount Invested	Percent Of Portfolio	Maximum Percentages
U.S. Treasury Obligations	\$ 1,032,996,274	38.0%	100%
Federal Agency/GSE	283,225,756	10.4%	100%
Municipal Debt	47,665,575	1.8%	30%
Commercial Paper	53,807,477	2.0%	40%
Negotiable Certificates of Deposit	3,750,000	0.1%	30%
Repurchase Agreements	-	0.0%	25%
Medium Term Maturity Notes/Corporates	648,047,914	23.9%	30%
Money Market/Mutual Funds	241,714,258	8.9%	20%
Mortgage & Asset-Backed	385,486,417	14.2%	20%
Supranationals	11,786,289	0.4%	20%
Local Agency Investment Fund	7,517,868	0.3%	\$ 75 Million
Orange County Investment Pool	168,478	0.0%	10%
Bank Deposits	475,492	0.0%	5%
Total Managed/Liquid Portfolio²	\$ 2,716,641,799		

1. Excludes portion of Liquid Portfolio subject to Indenture

2. Includes variable & floating rate securities invested in the amount of \$253,577,663 (9.3% of total Managed/Liquid portfolio) and subject to 30% limit per OCTA's Investment Policy.

Portfolio Subject to Indenture/Grant Funding Agreement						
Portfolio	Dollar Amount Invested	OCTA		Indenture/Funding Agreement Requirements		
		Credit Quality	Term	Min. Credit Quality	Max. Term	
Liquid Portfolio*						
Government Obligations MMKT Fund	\$ 222,923,097	"AAAm"	N/A	AAA Category	N/A	
Government Obligations MMKT Fund	8,526,543	"AAAm"/"Aammf"	N/A	AAA Category	N/A	
Government Obligations MMKT Fund **	54,972,459	"AAAm"/"Aaa-mf"	N/A	N/A	N/A	
Government Obligations MMKT Fund **	25,144,802	"AAAm"/"Aaa-mf"	N/A	N/A	N/A	
Government Obligations MMKT Fund **	21,656,244	"AAAm"/"Aaa-mf"	N/A	N/A	N/A	
Government Obligations MMKT Fund **	28,274,860	"AAAm"/"Aammf"	N/A	N/A	N/A	
Government Obligations MMKT Fund **	27,223,561	"AAAm"/"Aaa-mf"	N/A	N/A	N/A	
Government Obligations MMKT Fund **	26,653,909	"AAAm"/"Aaa-mf"	N/A	N/A	N/A	
Bank Deposits **	-	N/A	N/A	N/A	N/A	
Total Liquid Portfolio	\$ 415,375,475					
Reserve Funds Portfolio						
Government Obligations MMKT Fund	\$ 3,991,180	"AAAm"/ "Aaa-mf"/"AAAmf"	N/A	N/A	N/A	
Negotiable Certificates of Deposit	5,000,000	"A-1"/"P-1"/"F1+"	266 days	"A-1"/"P-1"/"F1"	270 days	
Negotiable Certificates of Deposit	3,000,000	"A-1"/"P-1"/"F1+"	266 days	"A-1"/"P-1"/"F1"	270 days	
Government Obligations MMKT Fund ***	868	"AAAm"/ "Aaa-mf"/"AAAmf"	N/A	N/A	N/A	
Government Obligations MMKT Fund ****	61,528,768	"AAAm"/ "Aaa-mf"/"AAAmf"	N/A	N/A	N/A	
Bank Deposits ****	-	N/A	N/A	N/A	N/A	
Total Reserve Funds Portfolio	\$ 73,520,816					
Total Portfolio Subject to Indenture	\$ 488,896,290					

91EL and 405EL Operating Funds****	
Money Market Funds	\$ 13,289,365
Bank Deposits	818,439
Total for EL Operating Funds	\$ 14,107,804
Portfolio Total	\$ 3,219,645,893

* Reflects portion of Liquid Portfolio subject to Indenture (OCTA Sales Tax Revenue) or Grant Funding Agreement

** Senate Bill (SB) 125 Grant Funding

*** 91 EL Debt Service Fund

**** Funds subject to 2021 TIFIA Loan Agreement

***** Reflects Express Lanes customers' prepaid balances held in the 91EL and 405EL operating accounts. These funds are invested by OCTA but represent customer liabilities and are therefore disclosed for transparency but excluded from investment policy compliance calculations.

Managed Portfolio
Sector Allocation and Performance Overview
3/31/2026

Book/Market Value	CHANDLER	METLIFE	PFM	Payden & Rygel	Total Portfolio
Total Portfolio:					
Book Value	\$ 599,193,570	\$ 604,155,013	\$ 606,091,527	\$ 612,372,457	\$ 2,421,812,568
Market Value with Accrued Interest	\$ 609,413,271	\$ 610,319,023	\$ 611,833,641	\$ 616,149,812	\$ 2,447,715,747
1-3 Year Portfolio:					
Book Value	\$ 394,901,027	\$ 402,792,753	\$ 427,901,247	\$ 407,342,541	\$ 1,632,937,568
Market Value with Accrued Interest	\$ 401,496,728	\$ 407,197,996	\$ 432,184,237	\$ 410,402,151	\$ 1,651,281,114
1-5 Year Portfolio:					
Book Value	\$ 204,292,543	\$ 201,362,260	\$ 178,190,280	\$ 205,029,916	\$ 788,874,999
Market Value with Accrued Interest	\$ 207,916,543	\$ 203,121,027	\$ 179,649,403	\$ 205,747,661	\$ 796,434,633

Sector Allocation	CHANDLER	METLIFE	PFM	Payden & Rygel	Total Portfolio
Total Portfolio:					
U.S. Treasury Obligations	37.3%	47.0%	41.9%	44.3%	42.7%
Federal Agency/GSE	25.0%	4.1%	11.0%	6.8%	11.7%
Municipal Debt	0.5%	3.6%	0.3%	3.5%	2.0%
Commercial Paper	0.0%	0.0%	0.0%	0.0%	0.0%
Negotiable Certificates of Deposit	0.0%	0.0%	0.6%	0.0%	0.2%
Repurchase Agreements	0.0%	0.0%	0.0%	0.0%	0.0%
Medium Term Maturity Notes	25.7%	28.6%	27.6%	25.1%	26.8%
Money Market/Mutual Funds	0.1%	0.3%	0.0%	1.0%	0.4%
Mortg & Asset Backed Sec	9.3%	16.4%	18.5%	19.3%	15.9%
Supranationals	2.0%	0.0%	0.0%	0.0%	0.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

1-3 Year Portfolio:					
U.S. Treasury Obligations	42.6%	49.4%	42.3%	44.4%	44.7%
Federal Agency/GSE	20.3%	3.3%	9.1%	6.8%	9.8%
Municipal Debt	0.0%	2.8%	0.3%	3.4%	1.6%
Commercial Paper	0.0%	0.0%	0.0%	0.0%	0.0%
Negotiable Certificates of Deposit	0.0%	0.0%	0.6%	0.0%	0.2%
Repurchase Agreements	0.0%	0.0%	0.0%	0.0%	0.0%
Medium Term Maturity Notes	25.5%	28.1%	28.0%	25.1%	26.7%
Money Market/Mutual Funds	0.1%	0.1%	0.0%	0.9%	0.3%
Mortg & Asset Backed Sec	9.3%	16.3%	19.6%	19.4%	16.3%
Supranationals	2.1%	0.0%	0.0%	0.0%	0.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

1-5 Year Portfolio:					
U.S. Treasury Obligations	27.1%	42.2%	41.0%	44.0%	38.5%
Federal Agency/GSE	34.1%	5.7%	15.4%	6.9%	15.5%
Municipal Debt	1.3%	5.2%	0.3%	3.7%	2.7%
Commercial Paper	0.0%	0.0%	0.0%	0.0%	0.0%
Negotiable Certificates of Deposit	0.0%	0.0%	0.6%	0.0%	0.1%
Repurchase Agreements	0.0%	0.0%	0.0%	0.0%	0.0%
Medium Term Maturity Notes	26.3%	29.6%	26.7%	25.1%	26.9%
Money Market/Mutual Funds	0.1%	0.7%	0.1%	1.1%	0.5%
Mortg & Asset Backed Sec	9.3%	16.5%	15.9%	19.2%	15.2%
Supranationals	1.7%	0.0%	0.0%	0.0%	0.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Portfolio Characteristics	CHANDLER	METLIFE	PFM	Payden & Rygel	Total Portfolio	* US Treasury Benchmark	** Corp./Govt. Benchmark
Total Portfolio:							
Weighted Average Life	2.21	2.33	2.18	2.48	2.30	n/a	n/a
Duration	2.05	2.13	2.00	2.27	2.11	1.99	2.00
Monthly Yield (Annualized)	3.98%	4.09%	4.04%	4.06%	4.04%	3.82%	4.01%
1-3 Year Portfolio:							
Weighted Average Life	1.93	2.07	1.94	2.21	2.04	n/a	n/a
Duration	1.82	1.89	1.79	2.03	1.88	1.76	1.75
Monthly Yield (Annualized)	3.96%	4.07%	4.03%	4.02%	4.02%	3.81%	3.98%
1-5 Year Portfolio:							
Weighted Average Life	2.76	2.84	2.75	3.02	2.85	n/a	n/a
Duration	2.52	2.62	2.51	2.76	2.60	2.47	2.51
Monthly Yield (Annualized)	4.03%	4.14%	4.06%	4.12%	4.09%	3.84%	4.06%

Portfolio Performance (Total Rate of Return)	CHANDLER	METLIFE	PFM	Payden & Rygel	Total Portfolio	* US Treasury Benchmark	** Corp./Govt. Benchmark
Total Portfolio:							
Monthly Return	-0.53%	-0.59%	-0.51%	-0.66%	-0.57%	-0.54%	-0.56%
Three Months Return	0.37%	0.30%	0.35%	0.26%	0.32%	0.26%	0.26%
12 Months Return	4.23%	4.32%	4.25%	4.14%	4.24%	3.79%	3.92%
1-3 Year Portfolio:							
Monthly Return	-0.43%	-0.49%	-0.41%	-0.56%	-0.47%	-0.44%	-0.45%
Three Months Return	0.40%	0.33%	0.38%	0.29%	0.35%	0.29%	0.30%
12 Months Return	4.17%	4.28%	4.21%	4.09%	4.19%	3.75%	3.87%
1-5 Year Portfolio:							
Monthly Return	-0.71%	-0.80%	-0.73%	-0.87%	-0.78%	-0.75%	-0.78%
Three Months Return	0.29%	0.23%	0.28%	0.21%	0.25%	0.19%	0.19%
12 Months Return	4.35%	4.40%	4.35%	4.24%	4.34%	3.86%	4.03%

* Represents the ICE/BAML 1-3 Year U.S. Treasury Index for the 1-3 Year Portfolio and the ICE/BAML 1-5 Year U.S. Treasury Index for the 1-5 Year Portfolio. The benchmarks for duration and monthly yield are weighted for the Total Portfolio.

** Represents the ICE/BAML 1-3 Year AAA-A U.S. Corporate & Government Index for the 1-3 Year Portfolio and the ICE/BAML 1-5 Year AAA-A U.S. Corporate & Government Index for the 1-5 Year Portfolio. The benchmarks for duration and monthly yield are weighted for the Total Portfolio.

Rating Downgrades & Negative Credit Watch

3/31/2026

Investment Manager / Security	Par Amount	Maturity	S&P	Moody's	Fitch Ratings
-------------------------------	------------	----------	-----	---------	---------------

Rating Downgrades:

CAM, MetLife, and PFM

ABBOTT LABORATORIES	\$ 13,115,000	3/9/2029	A+	Aa3	N/A
---------------------	---------------	----------	----	-----	-----

On March 24, 2026, S&P downgraded Abbott Laboratories' (Abbott) senior unsecured long-term rating from AA- to A+. The downgrade reflects the heightened leverage as a result of the \$23 billion acquisition of Exact Sciences, plus assumption of \$1.8 billion of net debt. Deleveraging efforts are expected to be modest as discretionary cash flow will be low and Abbott is expected to continue with modest acquisitions. Despite these challenges, the investment managers maintain a recommendation to hold the position until maturity, citing the company's strong market positions in pharmaceutical products and medical devices in addition to being well diversified geographically. The security complies with the requirements of the Investment Policy.

MetLife and PFM

AMERICAN HONDA FINANCE CORP	\$ 3,425,000	10/22/2027 & 9/5/2029	BBB+	A3	A-
-----------------------------	--------------	-----------------------	------	----	----

In March 2026, S&P and Fitch downgraded the credit ratings of Honda Motor Co. (Honda) and its wholly owned subsidiary, American Honda Finance Corp. S&P lowered its rating from A- to BBB+, while Fitch downgraded its rating from A to A-. The downgrades reflect the agencies' view that Honda's profitability will deteriorate significantly over the next two years due to electric vehicle-related losses and increasing competition. Despite these challenges, the investment managers recommend holding the position to maturity, citing Honda's strong credit profile, supported by its well-established reputation for quality, strong brand franchise, and global leadership in the motorcycle industry, along with modest debt levels and a net cash position. The security remains in compliance with the Investment Policy.

Negative Credit Watch:

MetLife and Payden & Rygel

EQUITABLE AMERICA GLOBAL FUNDING	\$ 4,640,000	6/9/2028 & 6/9/2030	A+	A1	N/A
EQUITABLE FINANCIAL LIFE GLOBAL FUNDING	\$ 435,000	3/27/2030	A+	A1	N/A

On March 26, 2026, Moody's has placed on review for downgrade, Equitable Holdings, Inc. (Equitable) and its various subsidiaries. The rating action follows the announcement of the merger between Corebridge Financial, Inc. (Corebridge) and Equitable by way of an all-stock merger. The rationale for the action reflects the execution and integration risks associated with the proposed merger, which could weigh on financial performance, governance, and risk management during the transition period. In addition, Corebridge's higher risk investment portfolio could potentially weaken the overall credit quality of the combined entity's investment profile. The investment manager recommends holding the securities given relative valuation.

DEBT PROGRAM

(M2 Sales Tax Revenue Bonds, 91 Express Lanes Toll Road Revenue Bonds, 2021 TIFIA Loan)

Outstanding Debt¹

As of 3/31/2026

Orange County Local Transportation Authority (OCLTA-M2)

2025 M2 Sales Tax Revenue Bonds

Issued:	\$	227,565,000
Outstanding:		219,985,000
Debt Service FY 2026:		17,662,394
All in True Interest Cost:		3.04%
Pledged Revenue Source:		M2 Sales Tax Revenues
Ratings (Fitch/ S&P):		AA+/AAA
Final Maturity:		2041

2019 M2 Sales Tax Revenue Bonds

Issued:	\$	376,690,000
Outstanding:		289,070,000
Debt Service FY 2026:		27,579,400
All in True Interest Cost:		3.14%
Pledged Revenue Source:		M2 Sales Tax Revenues
Ratings (Fitch/ S&P):		AA+/AAA
Final Maturity:		2041

Sub-total M2 Outstanding Debt	\$	509,055,000
--------------------------------------	-----------	--------------------

91 Express Lanes

2023 OCTA 91 Express Lanes Refunding Bonds

Issued:	\$	47,545,000
Outstanding:		35,610,000
Debt Service FY 2026:		8,048,375
All in True Interest Cost:		2.80%
Pledged Revenue Source:		91 Toll Road Revenues
Ratings (Fitch/ Moody's/ S&P):		AA-/Aa3/AA-
Final Maturity:		2030

Sub-total 91 Express Lanes Outstanding Debt	\$	35,610,000
--	-----------	-------------------

405 Express Lanes

2021 TIFIA Loan

Amount Available	\$	628,930,000
Outstanding:		650,028,368
Capitalized Interest:		36,317,073
Interest Rate:		1.95%
Pledged Revenue Source:		405 Toll Road Revenues
Ratings (Moody's):		Baa2
Final Maturity:		2058

Sub-total 405 Express Lanes Outstanding Debt	\$	650,028,368
---	-----------	--------------------

TOTAL OUTSTANDING DEBT:	\$	1,194,693,368
--------------------------------	-----------	----------------------

1. Comprises OCTA's debt obligations (M2 Sales Tax Revenue Bonds, 91 Express Lanes Toll Road Revenue Bonds, and 2021 TIFIA Loan) currently outstanding and irrespective of OCTA's investment program.