

**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
April 30, 2026**

INVESTMENT PROGRAM

OCTA Investment Dashboard

4/30/2026

Safety of Principal

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

N/A

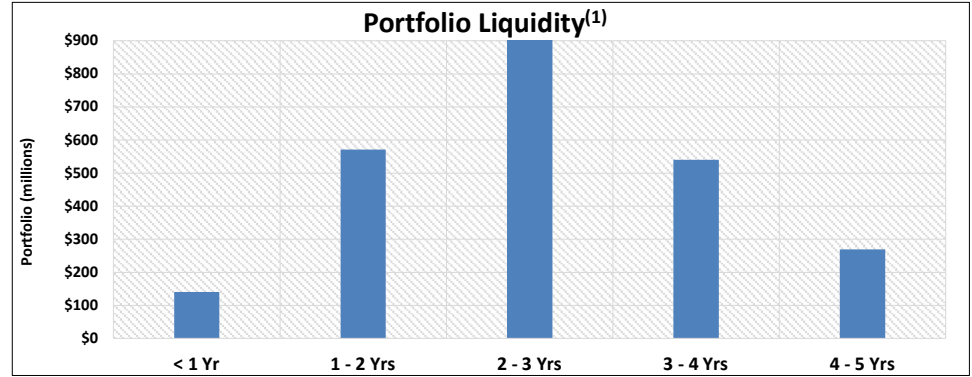
Securities currently held within OCTA's portfolio that fell below OCTA's minimum credit quality requirements during prior reporting periods:

N/A

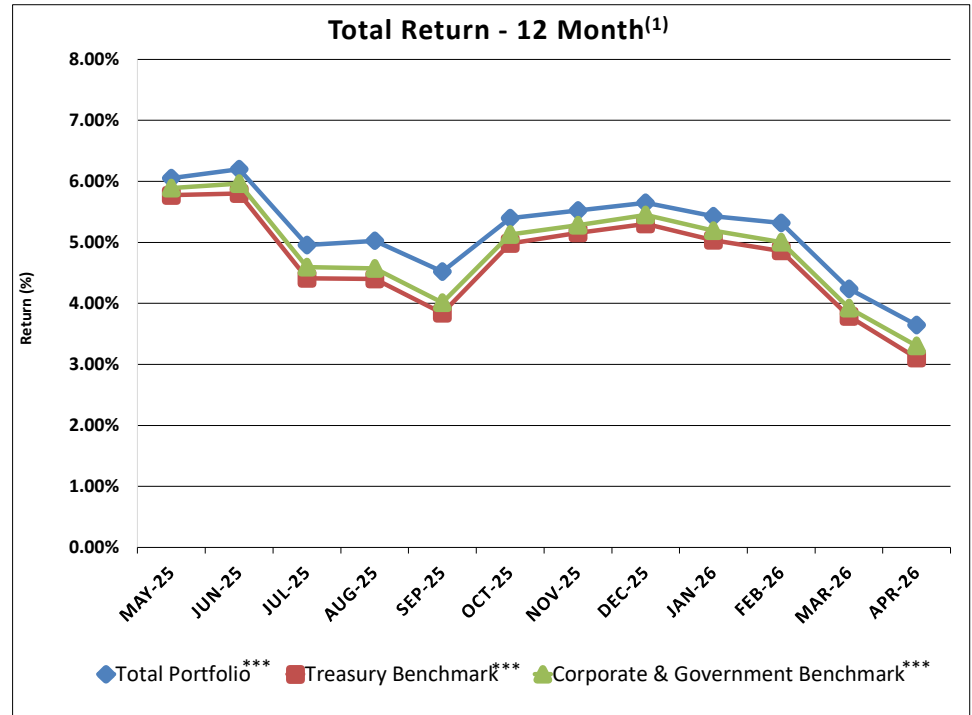
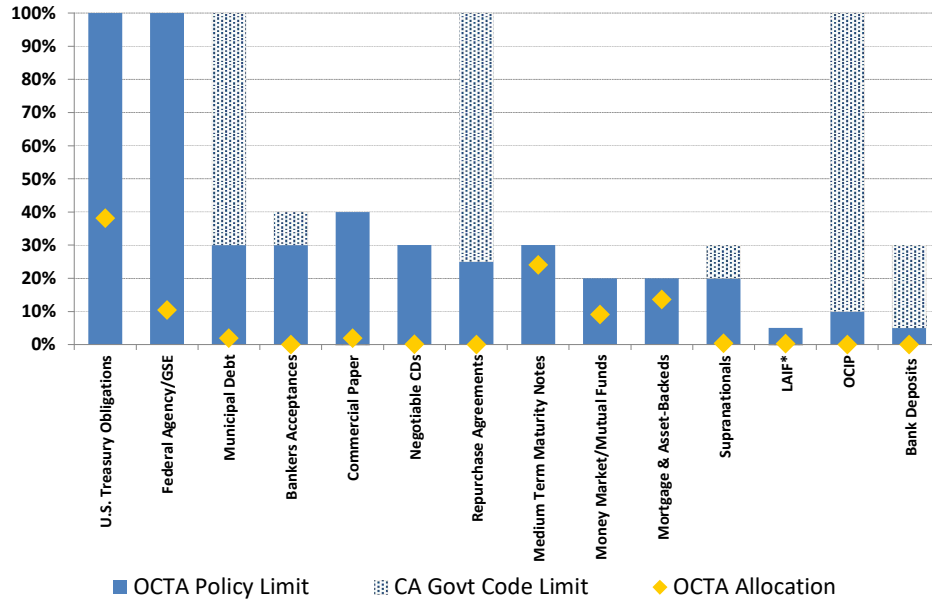
Securities downgraded or placed on Negative Credit Watch during the month of April 2026, but remain in compliance with OCTA's Investment Policy:

Two 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.



Portfolio Diversification **



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 April 30, 2026, 9.7% 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

4/30/2026

Portfolio Subject to Investment Policy			
Managed/Liquid Portfolio ¹	Dollar Amount Invested	Percent Of Portfolio	Maximum Percentages
U.S. Treasury Obligations	\$ 1,035,616,653	38.1%	100%
Federal Agency/GSE	282,210,785	10.4%	100%
Municipal Debt	52,065,575	1.9%	30%
Commercial Paper	54,097,431	2.0%	40%
Negotiable Certificates of Deposit	3,750,000	0.1%	30%
Repurchase Agreements	-	0.0%	25%
Medium Term Maturity Notes/Corporates	653,031,838	24.0%	30%
Money Market/Mutual Funds	245,833,785	9.0%	20%
Mortgage & Asset-Backed	371,183,432	13.7%	20%
Supranationals	11,786,289	0.4%	20%
Local Agency Investment Fund	7,591,540	0.3%	\$ 75 Million
Orange County Investment Pool	180,540	0.0%	10%
Bank Deposits	463,236	0.0%	5%
Total Managed/Liquid Portfolio ²	\$ 2,717,811,105		

1. Excludes portion of Liquid Portfolio subject to Indenture

2. Includes variable & floating rate securities invested in the amount of \$262,483,091 (9.7% 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	\$ 233,607,435	"AAAm"	N/A	AAA Category	N/A
Government Obligations MMKT Fund	12,597,795	"AAAm"/"Aammf"	N/A	AAA Category	N/A
Government Obligations MMKT Fund **	55,134,167	"AAAm"/"Aaa-mf"	N/A	N/A	N/A
Government Obligations MMKT Fund **	25,220,300	"AAAm"/"Aaa-mf"	N/A	N/A	N/A
Government Obligations MMKT Fund **	21,721,242	"AAAm"/"Aaa-mf"	N/A	N/A	N/A
Government Obligations MMKT Fund **	28,360,193	"AAAm"/"Aammf"	N/A	N/A	N/A
Government Obligations MMKT Fund **	27,306,121	"AAAm"/"Aaa-mf"	N/A	N/A	N/A
Government Obligations MMKT Fund **	26,734,336	"AAAm"/"Aaa-mf"	N/A	N/A	N/A
Bank Deposits **	-	N/A	N/A	N/A	N/A
Total Liquid Portfolio	\$ 430,681,589				
Reserve Funds Portfolio					
Government Obligations MMKT Fund	\$ 4,002,295	"AAAm"/ "Aaa-mf"/"AAAmf"	N/A	N/A	N/A
Negotiable Certificates of Deposit	5,000,000	"A-1"/"P-1"/"F1+"	184 days	"A-1"/"P-1"/"F1"	270 days
Negotiable Certificates of Deposit	3,000,000	"A-1"/"P-1"/"F1+"	184 days	"A-1"/"P-1"/"F1"	270 days
Government Obligations MMKT Fund ***	870	"AAAm"/ "Aaa-mf"/"AAAmf"	N/A	N/A	N/A
Government Obligations MMKT Fund ****	63,141,429	"AAAm"/ "Aaa-mf"/"AAAmf"	N/A	N/A	N/A
Bank Deposits ****	-	N/A	N/A	N/A	N/A
Total Reserve Funds Portfolio	\$ 75,144,594				
Total Portfolio Subject to Indenture	\$ 505,826,183				

91EL and 405EL Operating Funds *****	
Money Market Funds	\$ 13,382,796
Bank Deposits	891,676
Total for EL Operating Funds	\$ 14,274,471
Portfolio Total	\$ 3,237,911,759

* 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
4/30/2026

Book/Market Value	CHANDLER	METLIFE	PFM	Payden & Rygel	Total Portfolio
Total Portfolio:					
Book Value	\$ 600,852,597	\$ 605,691,808	\$ 607,530,206	\$ 614,341,632	\$ 2,428,416,244
Market Value with Accrued Interest	\$ 610,800,424	\$ 611,851,256	\$ 612,971,262	\$ 617,644,492	\$ 2,453,267,433
1-3 Year Portfolio:					
Book Value	\$ 395,889,590	\$ 403,847,749	\$ 428,853,719	\$ 408,849,695	\$ 1,637,440,753
Market Value with Accrued Interest	\$ 402,434,696	\$ 408,308,483	\$ 433,027,951	\$ 411,454,883	\$ 1,655,226,012
1-5 Year Portfolio:					
Book Value	\$ 204,963,007	\$ 201,844,059	\$ 178,676,487	\$ 205,491,937	\$ 790,975,491
Market Value with Accrued Interest	\$ 208,365,728	\$ 203,542,774	\$ 179,943,311	\$ 206,189,609	\$ 798,041,421

Sector Allocation	CHANDLER	METLIFE	PFM	Payden & Rygel	Total Portfolio
Total Portfolio:					
U.S. Treasury Obligations	37.3%	47.8%	41.3%	44.1%	42.6%
Federal Agency/GSE	25.0%	4.1%	10.8%	6.8%	11.6%
Municipal Debt	0.5%	3.6%	0.3%	4.2%	2.1%
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	26.0%	28.5%	28.7%	24.4%	26.9%
Money Market/Mutual Funds	0.3%	1.3%	0.1%	1.4%	0.8%
Mortg & Asset Backed Sec	9.0%	14.7%	18.2%	19.1%	15.3%
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	42.5%	51.1%	41.3%	44.2%	44.7%
Federal Agency/GSE	20.3%	3.3%	9.0%	6.8%	9.8%
Municipal Debt	0.0%	2.8%	0.3%	4.0%	1.8%
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	25.9%	28.0%	29.4%	24.3%	27.0%
Money Market/Mutual Funds	0.3%	0.3%	0.1%	1.5%	0.6%
Mortg & Asset Backed Sec	8.9%	14.5%	19.3%	19.1%	15.6%
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	27.4%	41.1%	41.4%	43.9%	38.3%
Federal Agency/GSE	34.0%	5.7%	15.2%	6.8%	15.5%
Municipal Debt	1.3%	5.2%	0.3%	4.6%	2.9%
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	26.2%	29.5%	26.8%	24.6%	26.8%
Money Market/Mutual Funds	0.3%	3.4%	0.0%	1.0%	1.2%
Mortg & Asset Backed Sec	9.2%	15.0%	15.8%	19.1%	14.7%
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	2.20	2.29	2.17	2.46	2.28	n/a	n/a
Duration	2.03	2.08	1.99	2.24	2.09	1.98	2.00
Monthly Yield (Annualized)	4.02%	4.13%	4.08%	4.10%	4.08%	3.87%	4.05%
1-3 Year Portfolio:							
Weighted Average Life	1.90	2.07	1.93	2.20	2.02	n/a	n/a
Duration	1.79	1.87	1.78	2.00	1.86	1.75	1.76
Monthly Yield (Annualized)	4.00%	4.10%	4.07%	4.07%	4.06%	3.86%	4.02%
1-5 Year Portfolio:							
Weighted Average Life	2.76	2.73	2.74	2.98	2.81	n/a	n/a
Duration	2.51	2.51	2.49	2.72	2.56	2.45	2.51
Monthly Yield (Annualized)	4.08%	4.17%	4.11%	4.16%	4.13%	3.90%	4.10%

Portfolio Performance (Total Rate of Return)	CHANDLER	METLIFE	PFM	Payden & Rygel	Total Portfolio	* US Treasury Benchmark	** Corp./Govt. Benchmark
Total Portfolio:							
Monthly Return	0.23%	0.24%	0.24%	0.22%	0.23%	0.19%	0.21%
Three Months Return	0.34%	0.28%	0.32%	0.25%	0.30%	0.25%	0.25%
12 Months Return	3.63%	3.76%	3.68%	3.51%	3.65%	3.10%	3.30%
1-3 Year Portfolio:							
Monthly Return	0.23%	0.26%	0.25%	0.23%	0.24%	0.21%	0.23%
Three Months Return	0.37%	0.31%	0.35%	0.28%	0.33%	0.29%	0.29%
12 Months Return	3.63%	3.82%	3.71%	3.53%	3.67%	3.15%	3.33%
1-5 Year Portfolio:							
Monthly Return	0.22%	0.21%	0.21%	0.19%	0.21%	0.15%	0.19%
Three Months Return	0.27%	0.21%	0.23%	0.18%	0.22%	0.18%	0.18%
12 Months Return	3.63%	3.64%	3.61%	3.46%	3.58%	3.00%	3.25%

* 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

4/30/2026

<u>Investment 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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Rating Downgrades:

PFM

COOPERATIEVE RABOBANK UA	\$ 7,665,000	5/27/2027 ~ 4/1/2029	A+	Aa3	N/A
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On April 21, 2026, Moody's implemented rating actions on several banks in the Netherlands and Luxembourg following the adoption of full depositor preference across the European Union (EU) under new legislation passed in March 2026. The change elevates deposits above senior unsecured debt in the creditor hierarchy, resulting in one-notch downgrades to certain long-term ratings, while short-term ratings remain unchanged and outlooks are stable. The downgrades reflect a methodological change rather than a deterioration in underlying credit fundamentals. The investment manager expects similar actions across EU banks and recommends continuing to transact in these securities as appropriate.

CAM and PFM

AIR PRODUCTS AND CHEMICALS INC	\$ 4,000,000	5/15/2027 ~ 2/8/2029	A	A3	N/A
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On April 29, 2026, Moody's downgraded Air Products and Chemicals, Inc. (APD) to A3 from A2 with a stable outlook. The downgrade reflects weakened credit metrics driven by rising debt and negative free cash flow after dividends. Increased leverage is primarily due to significant capital spending on large-scale projects and joint ventures, with debt growth outpacing earnings and cash flow over the past three years. The rating remains supported by APD's strong market position, profitability, liquidity, and stable cash flow profile. Despite these pressures, the investment manager recommends continuing to transact in APD opportunistically, citing stable underlying fundamentals.

Negative Credit Watch:

N/A

DEBT PROGRAM

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

Outstanding Debt¹

As of 4/30/2026

Orange County Local Transportation Authority (OCLTA-M2)

<u>2025 M2 Sales Tax Revenue Bonds</u>		
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
<u>2019 M2 Sales Tax Revenue Bonds</u>		
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

<u>2023 OCTA 91 Express Lanes Refunding Bonds</u>		
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

<u>2021 TIFIA Loan</u>		
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.