

**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
September 30, 2025**

INVESTMENT PROGRAM

OCTA Investment Dashboard

9/30/2025

Safety of Principal

Securities that fell below OCTA's minimum credit quality requirements during the month of September 2025:
N/A

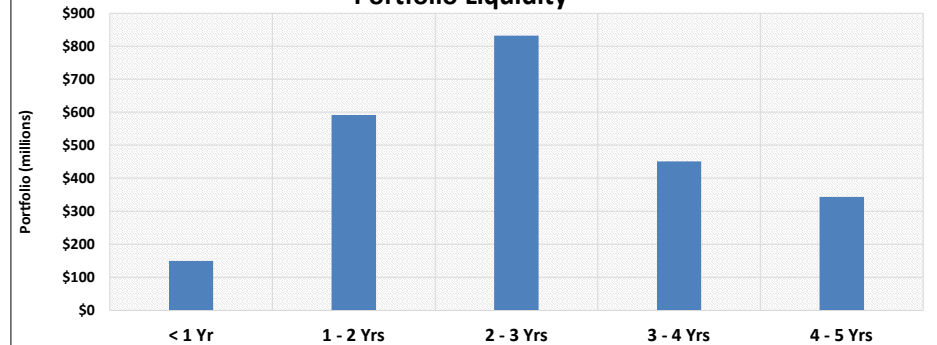
Securities currently held within OCTA's portfolio that fell below OCTA's minimum credit quality requirements during prior reporting periods:

One Keybank security held within OCTA's investment portfolio was downgraded below minimum credit quality requirements for the month of October 2023

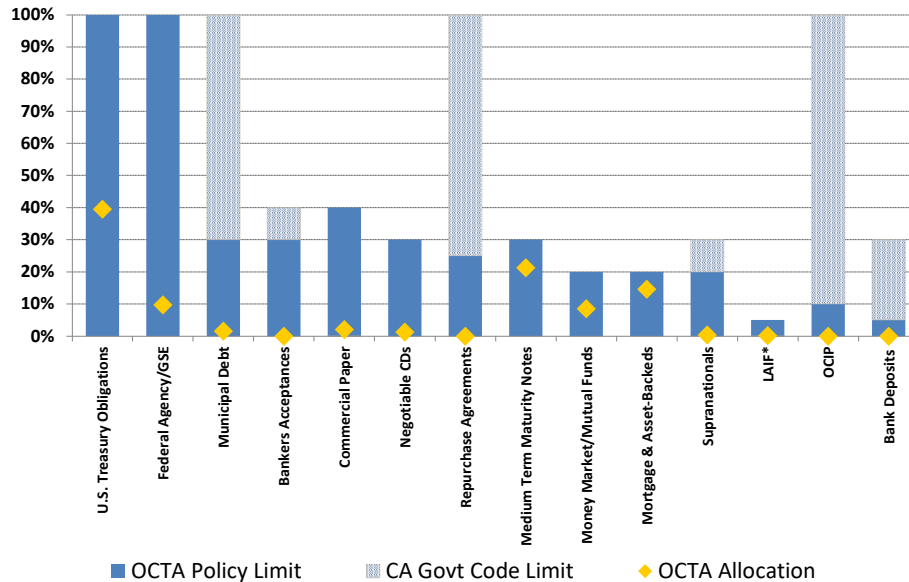
Securities downgraded or placed on Negative Credit Watch during the month of September 2025, but remain in compliance with OCTA's Investment Policy:
N/A

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

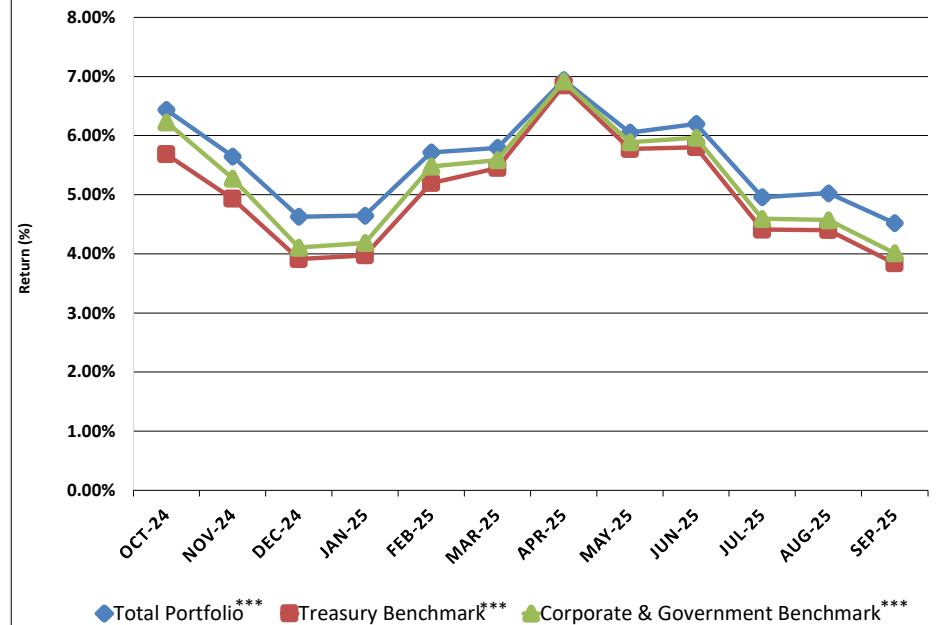
Portfolio Liquidity⁽¹⁾



Portfolio Diversification **



Total Return - 12 Month⁽¹⁾



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 September 30, 2025, 7.9% 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 1-3 Year Treasury Index through September 2024 and transitions to a market value-weighted blend of the 1-3 Year and 1-5 Year Treasury Indices starting October 2024.

The Corporate & Government Benchmark is the 1-3 Year AAA-A U.S. Corporate & Government Index through September 2024 and shifts to a market value-weighted blend of the 1-3 Year and 1-5 Year AAA-A U.S. Corporate & Government Indices beginning October 2024.

Investment Compliance

9/30/2025

Portfolio Subject to Investment Policy			
Managed/Liquid Portfolio ¹	Dollar Amount Invested	Percent Of Portfolio	Maximum Percentages
U.S. Treasury Obligations	\$ 1,053,633,951	39.6%	100%
Federal Agency/GSE	260,806,811	9.8%	100%
Municipal Debt	43,501,263	1.6%	30%
Commercial Paper	57,827,326	2.2%	40%
Negotiable Certificates of Deposit	34,525,000	1.3%	30%
Repurchase Agreements	-	0.0%	25%
Medium Term Maturity Notes/Corporates	568,651,595	21.4%	30%
Money Market/Mutual Funds	228,996,456	8.6%	20%
Mortgage & Asset-Backed	390,699,816	14.7%	20%
Supranationals	11,786,289	0.4%	20%
Local Agency Investment Fund	7,358,822	0.3%	\$ 75 Million
Orange County Investment Pool	96,807	0.0%	10%
Bank Deposits	589,576	0.0%	5%
Total Managed/Liquid Portfolio ²	\$ 2,658,473,713		

1. Excludes portion of Liquid Portfolio subject to Indenture

2. Includes variable & floating rate securities invested in the amount of \$211,642,671 (7.9% 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	\$ 242,167,670	"AAAm"	N/A	AAA Category	N/A
Government Obligations MMKT Fund	17,756,275	"AAAm"/"Aammf"	N/A	AAA Category	N/A
Government Obligations MMKT Fund **	82,352,312	"AAAm"/"Aaa-mf"	N/A	N/A	N/A
Government Obligations MMKT Fund **	25,000,000	"AAAm"/"Aaa-mf"	N/A	N/A	N/A
Government Obligations MMKT Fund **	21,251,147	"AAAm"/"Aaa-mf"	N/A	N/A	N/A
Government Obligations MMKT Fund **	27,749,504	"AAAm"/"Aammf"	N/A	N/A	N/A
Government Obligations MMKT Fund **	26,711,391	"AAAm"/"Aaa-mf"	N/A	N/A	N/A
Government Obligations MMKT Fund **	26,500,000	"AAAm"/"Aaa-mf"	N/A	N/A	N/A
Bank Deposits **	474,934	N/A	N/A	N/A	N/A
Total Liquid Portfolio	\$ 469,963,232				
Reserve Funds Portfolio					
Government Obligations MMKT Fund	\$ 3,921,909	"AAAm"/ "Aaa-mf"/"AAAmmf"	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 ***	34,610	"AAAm"/ "Aaa-mf"/"AAAmmf"	N/A	N/A	N/A
Government Obligations MMKT Fund ****	49,712,850	"AAAm"/ "Aaa-mf"/"AAAmmf"	N/A	N/A	N/A
Bank Deposits ****	43,566	N/A	N/A	N/A	N/A
Total Reserve Funds Portfolio	\$ 61,712,936				
Total Portfolio Subject to Indenture	\$ 531,676,168				

91EL and 405EL Operating Funds *****	
Money Market Funds	\$ 13,030,182
Bank Deposits	694,032
Total for EL Operating Funds	\$ 13,724,215
Portfolio Total	\$ 3,203,874,095

* 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
9/30/2025

Book/Market Value	CHANDLER	METLIFE	PFM	Payden & Rygel	Total Portfolio
Total Portfolio:					
Book Value	\$ 586,474,596	\$ 589,819,112	\$ 591,649,297	\$ 597,428,139	\$ 2,365,371,145
Market Value with Accrued Interest	\$ 600,401,202	\$ 601,401,384	\$ 602,471,497	\$ 607,749,462	\$ 2,412,023,545
1-3 Year Portfolio:					
Book Value	\$ 386,395,456	\$ 393,499,395	\$ 417,557,882	\$ 397,181,703	\$ 1,594,634,436
Market Value with Accrued Interest	\$ 395,471,511	\$ 401,176,069	\$ 425,453,147	\$ 404,691,626	\$ 1,626,792,353
1-5 Year Portfolio:					
Book Value	\$ 200,079,140	\$ 196,319,717	\$ 174,091,415	\$ 200,246,437	\$ 770,736,709
Market Value with Accrued Interest	\$ 204,929,691	\$ 200,225,315	\$ 177,018,350	\$ 203,057,836	\$ 785,231,192

Sector Allocation	CHANDLER	METLIFE	PFM	Payden & Rygel	Total Portfolio
Total Portfolio:					
U.S. Treasury Obligations	36.3%	50.5%	40.3%	50.9%	44.5%
Federal Agency/GSE	24.4%	3.6%	14.1%	2.2%	11.0%
Municipal Debt	0.5%	4.8%	0.3%	1.8%	1.8%
Commercial Paper	0.8%	0.0%	0.0%	0.0%	0.2%
Negotiable Certificates of Deposit	0.0%	0.0%	1.6%	0.0%	0.4%
Repurchase Agreements	0.0%	0.0%	0.0%	0.0%	0.0%
Medium Term Maturity Notes	24.3%	21.9%	25.1%	24.8%	24.0%
Money Market/Mutual Funds	1.7%	0.2%	0.1%	1.6%	0.9%
Mortg & Asset Backed Sec	9.9%	18.9%	18.5%	18.7%	16.5%
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	39.9%	52.3%	41.4%	50.8%	46.1%
Federal Agency/GSE	19.1%	3.5%	12.6%	2.3%	9.4%
Municipal Debt	0.0%	4.5%	0.3%	1.8%	1.6%
Commercial Paper	1.3%	0.0%	0.0%	0.0%	0.3%
Negotiable Certificates of Deposit	0.0%	0.0%	1.6%	0.0%	0.4%
Repurchase Agreements	0.0%	0.0%	0.0%	0.0%	0.0%
Medium Term Maturity Notes	26.0%	20.7%	24.7%	24.8%	24.1%
Money Market/Mutual Funds	1.3%	0.2%	0.2%	1.7%	0.8%
Mortg & Asset Backed Sec	10.3%	18.7%	19.3%	18.6%	16.8%
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	29.4%	46.9%	37.6%	51.1%	41.3%
Federal Agency/GSE	34.8%	3.7%	17.7%	1.9%	14.5%
Municipal Debt	1.4%	5.6%	0.3%	1.7%	2.3%
Commercial Paper	0.0%	0.0%	0.0%	0.0%	0.0%
Negotiable Certificates of Deposit	0.0%	0.0%	1.7%	0.0%	0.4%
Repurchase Agreements	0.0%	0.0%	0.0%	0.0%	0.0%
Medium Term Maturity Notes	21.1%	24.2%	26.1%	24.7%	24.0%
Money Market/Mutual Funds	2.4%	0.4%	0.1%	1.5%	1.1%
Mortg & Asset Backed Sec	9.2%	19.3%	16.5%	19.0%	16.0%
Supranationals	1.7%	0.0%	0.0%	0.0%	0.5%
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	2.24	2.41	2.11	2.27	2.26	n/a	n/a
Duration	2.08	2.17	1.97	2.08	2.07	2.00	2.00
Monthly Yield (Annualized)	3.83%	3.87%	3.85%	3.80%	3.84%	3.65%	3.81%
1-3 Year Portfolio:							
Weighted Average Life	1.94	2.14	1.87	2.00	1.99	n/a	n/a
Duration	1.82	1.92	1.76	1.84	1.83	1.77	1.75
Monthly Yield (Annualized)	3.82%	3.86%	3.84%	3.77%	3.82%	3.65%	3.79%
1-5 Year Portfolio:							
Weighted Average Life	2.81	2.94	2.67	2.80	2.81	n/a	n/a
Duration	2.58	2.67	2.46	2.57	2.57	2.48	2.51
Monthly Yield (Annualized)	3.84%	3.88%	3.87%	3.86%	3.87%	3.66%	3.84%

Portfolio Performance (Total Rate of Return)	CHANDLER	METLIFE	PFM	Payden & Rygel	Total Portfolio	* US Treasury Benchmark	** Corp./Govt. Benchmark
Total Portfolio:							
Monthly Return ***	0.32%	0.35%	0.37%	0.31%	0.34%	0.28%	0.31%
Three Months Return ***	1.26%	1.34%	1.29%	1.28%	1.29%	1.12%	1.19%
1-3 Year Portfolio:							
Monthly Return ***	0.32%	0.35%	0.39%	0.33%	0.35%	0.31%	0.32%
Three Months Return ***	1.22%	1.31%	1.28%	1.26%	1.27%	1.12%	1.17%
1-5 Year Portfolio:							
Monthly Return ***	0.30%	0.34%	0.32%	0.27%	0.31%	0.23%	0.27%
Three Months Return ***	1.33%	1.39%	1.32%	1.30%	1.34%	1.14%	1.23%

* 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.

*** Reflects monthly return and three months only, as the 1-5 year portfolio was launched on October 1, 2024. Additional performance metrics will be reported once sufficient data becomes available.

Rating Downgrades & Negative Credit Watch

9/30/2025

<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:

- Rating below minimum requirements:

KEYBANK NATIONAL ASSOCIATION

\$	355,000	01/26/2026	BBB+	Baa1	BBB+
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In October 2023, Moody's and Fitch each downgraded KeyBank one notch, citing profitability pressures from a higher-for-longer rate environment and a below-average capital ratio when adjusted for unrealized losses. These downgrades placed three KeyBank securities in the portfolio below the minimum credit quality requirements of the Investment Policy. The Treasurer recommended, and the Chief Executive Officer concurred, that the securities be held for the short term.

As of August 31, 2025, of the initial \$3.72 million in KeyBank holdings, \$355,000 remains outstanding, with maturity of January 26, 2026.

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 9/30/2025

Orange County Local Transportation Authority (OCLTA-M2)

2025 M2 Sales Tax Revenue Bonds

Issued:	\$	227,565,000
Outstanding:		227,565,000
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:		301,885,000
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	\$	529,450,000
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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
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405 Express Lanes

2021 TIFIA Loan

Amount Available	\$	628,930,000
Outstanding:		643,734,758
Capitalized Interest:		30,023,463
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	\$	643,734,758
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TOTAL OUTSTANDING DEBT:	\$	1,208,794,758
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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.