

**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  
October 31, 2025**

# INVESTMENT PROGRAM

# OCTA Investment Dashboard

10/31/2025

## Safety of Principal

Securities that fell below OCTA's minimum credit quality requirements during the month of October 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 October 2025, but remain in compliance with OCTA's Investment Policy:

N/A

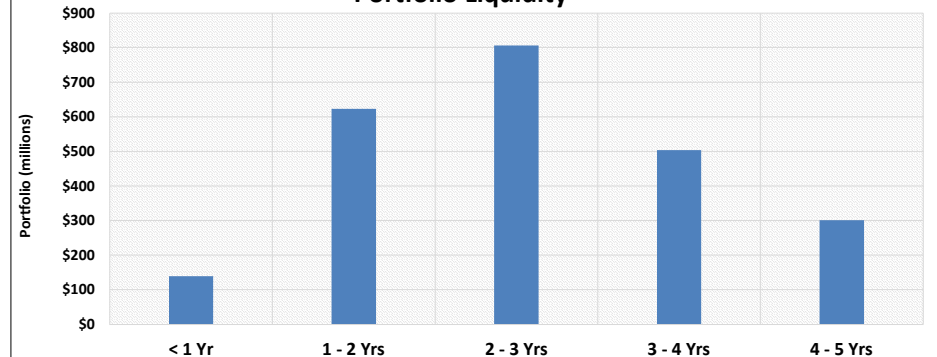
Other:

Fitch withdrew its ratings for Novartis AG and its subsidiaries for commercial reasons on October 8, 2025.

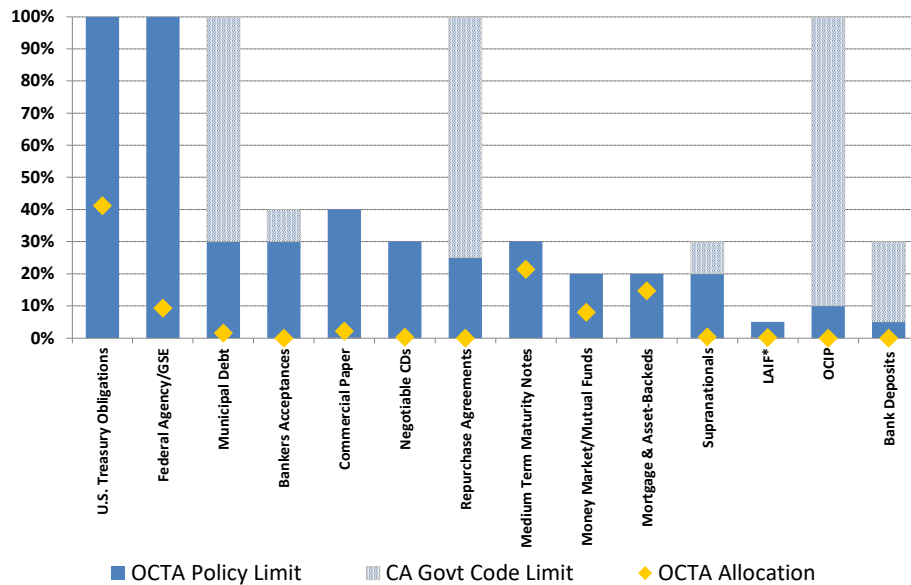
The withdrawal does not affect compliance with OCTA's Investment Policy.

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

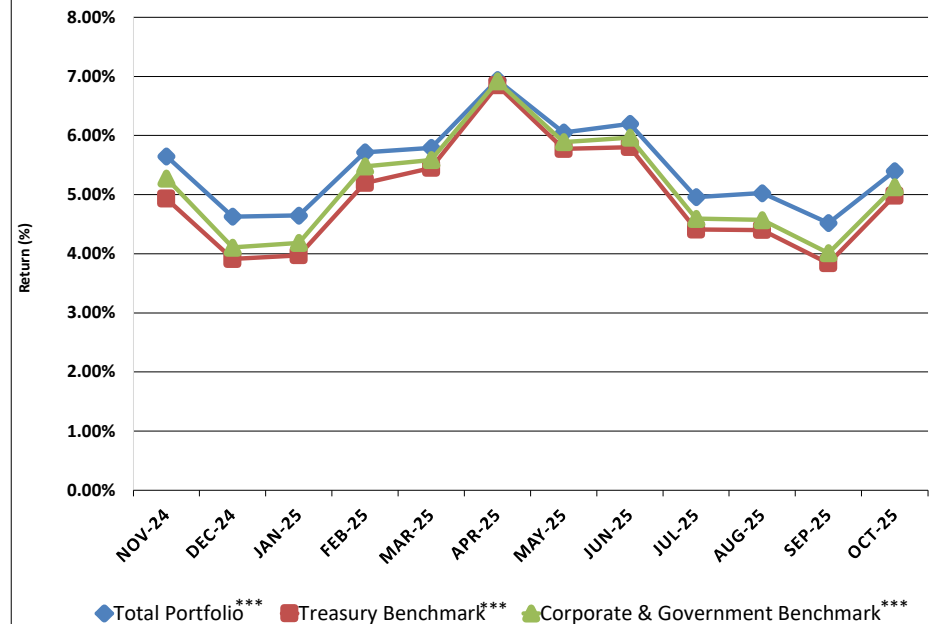
## Portfolio Liquidity<sup>(1)</sup>



## Portfolio Diversification \*\*



## Total Return - 12 Month<sup>(1)</sup>



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 October 31, 2025, 8.4% 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

10/31/2025

Portfolio Subject to Investment Policy			
Managed/Liquid Portfolio <sup>1</sup>	Dollar Amount Invested	Percent Of Portfolio	Maximum Percentages
U.S. Treasury Obligations	\$ 1,082,894,522	41.2%	100%
Federal Agency/GSE	248,204,815	9.5%	100%
Municipal Debt	43,501,263	1.7%	30%
Commercial Paper	57,827,326	2.2%	40%
Negotiable Certificates of Deposit	9,525,000	0.4%	30%
Repurchase Agreements	-	0.0%	25%
Medium Term Maturity Notes/Corporates	563,599,685	21.5%	30%
Money Market/Mutual Funds	213,338,255	8.1%	20%
Mortgage & Asset-Backed	387,462,045	14.8%	20%
Supranationals	11,786,289	0.4%	20%
Local Agency Investment Fund	7,439,208	0.3%	\$ 75 Million
Orange County Investment Pool	104,710	0.0%	10%
Bank Deposits	489,269	0.0%	5%
<b>Total Managed/Liquid Portfolio <sup>2</sup></b>	<b>\$ 2,626,172,388</b>		

1. Excludes portion of Liquid Portfolio subject to Indenture

2. Includes variable & floating rate securities invested in the amount of \$219,763,478 (8.4% 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
<b>Liquid Portfolio*</b>					
Government Obligations MMKT Fund	\$ 272,388,103	"AAAm"	N/A	AAA Category	N/A
Government Obligations MMKT Fund	21,772,746	"AAAm"/"Aammf"	N/A	AAA Category	N/A
Government Obligations MMKT Fund **	82,624,775	"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 **	21,323,463	"AAAm"/"Aaa-mf"	N/A	N/A	N/A
Government Obligations MMKT Fund **	27,842,372	"AAAm"/"Aammf"	N/A	N/A	N/A
Government Obligations MMKT Fund **	26,801,931	"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 **	649,719	N/A	N/A	N/A	N/A
<b>Total Liquid Portfolio</b>	<b>\$ 504,903,110</b>				
<b>Reserve Funds Portfolio</b>					
Government Obligations MMKT Fund	\$ 3,934,303	"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 ***	34,718	"AAAm"/ "Aaa-mf"/"AAAmmf"	N/A	N/A	N/A
Government Obligations MMKT Fund ****	52,088,010	"AAAm"/ "Aaa-mf"/"AAAmmf"	N/A	N/A	N/A
<b>Total Reserve Funds Portfolio</b>	<b>\$ 64,057,031</b>				
<b>Total Portfolio Subject to Indenture</b>	<b>\$ 568,960,141</b>				

<b>91EL and 405EL Operating Funds *****</b>	
Money Market Funds	\$ 13,707,023
Bank Deposits	705,896
<b>Total for EL Operating Funds</b>	<b>\$ 14,412,918</b>
<b>Portfolio Total</b>	<b>\$ 3,209,545,447</b>

\* 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**  
**10/31/2025**

Book/Market Value	CHANDLER	METLIFE	PFM	Payden & Rygel	Total Portfolio
<b>Total Portfolio:</b>					
Book Value	\$ 587,779,179	\$ 591,742,452	\$ 593,430,495	\$ 599,865,916	\$ 2,372,818,043
Market Value with Accrued Interest	\$ 602,484,626	\$ 603,537,125	\$ 604,420,168	\$ 609,093,370	\$ 2,420,345,289
<b>1-3 Year Portfolio:</b>					
Book Value	\$ 387,243,575	\$ 394,870,877	\$ 418,856,703	\$ 398,888,914	\$ 1,599,860,069
Market Value with Accrued Interest	\$ 396,795,941	\$ 402,539,913	\$ 426,755,416	\$ 406,092,933	\$ 1,632,184,202
<b>1-5 Year Portfolio:</b>					
Book Value	\$ 200,535,603	\$ 196,871,575	\$ 174,573,793	\$ 200,977,003	\$ 772,957,974
Market Value with Accrued Interest	\$ 205,688,685	\$ 200,997,213	\$ 177,664,752	\$ 203,810,437	\$ 788,161,087

Sector Allocation	CHANDLER	METLIFE	PFM	Payden & Rygel	Total Portfolio
<b>Total Portfolio:</b>					
U.S. Treasury Obligations	37.1%	52.5%	40.8%	52.0%	45.6%
Federal Agency/GSE	24.3%	2.0%	13.8%	2.1%	10.5%
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	24.4%	21.1%	25.1%	24.4%	23.8%
Money Market/Mutual Funds	1.0%	1.1%	0.1%	1.3%	0.9%
Mortg & Asset Backed Sec	10.0%	18.5%	18.3%	18.5%	16.3%
Supranationals	2.0%	0.0%	0.0%	0.0%	0.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
<b>1-3 Year Portfolio:</b>					
U.S. Treasury Obligations	40.3%	54.4%	41.7%	52.0%	47.0%
Federal Agency/GSE	18.8%	1.1%	12.2%	2.2%	8.6%
Municipal Debt	0.0%	4.4%	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%	25.0%	24.5%	24.0%
Money Market/Mutual Funds	1.4%	1.2%	0.1%	1.2%	1.0%
Mortg & Asset Backed Sec	10.1%	18.2%	19.2%	18.3%	16.5%
Supranationals	2.1%	0.0%	0.0%	0.0%	0.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
<b>1-5 Year Portfolio:</b>					
U.S. Treasury Obligations	30.8%	48.8%	38.8%	52.0%	42.7%
Federal Agency/GSE	34.7%	3.7%	17.4%	1.8%	14.4%
Municipal Debt	1.4%	5.5%	0.3%	1.6%	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	21.4%	21.8%	25.5%	24.2%	23.2%
Money Market/Mutual Funds	0.3%	1.0%	0.1%	1.4%	0.7%
Mortg & Asset Backed Sec	9.7%	19.1%	16.2%	18.9%	15.9%
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
<b>Total Portfolio:</b>							
Weighted Average Life	2.23	2.31	2.12	2.31	2.24	n/a	n/a
Duration	2.07	2.10	1.97	2.11	2.06	1.98	1.98
Monthly Yield (Annualized)	3.80%	3.85%	3.84%	3.78%	3.82%	3.63%	3.79%
<b>1-3 Year Portfolio:</b>							
Weighted Average Life	1.93	2.03	1.89	2.05	1.97	n/a	n/a
Duration	1.81	1.84	1.77	1.88	1.82	1.75	1.74
Monthly Yield (Annualized)	3.79%	3.83%	3.84%	3.74%	3.80%	3.63%	3.78%
<b>1-5 Year Portfolio:</b>							
Weighted Average Life	2.81	2.87	2.68	2.81	2.80	n/a	n/a
Duration	2.58	2.61	2.45	2.57	2.56	2.46	2.49
Monthly Yield (Annualized)	3.82%	3.88%	3.86%	3.84%	3.85%	3.64%	3.82%

Portfolio Performance (Total Rate of Return)	CHANDLER	METLIFE	PFM	Payden & Rygel	Total Portfolio	* US Treasury Benchmark	** Corp./Govt. Benchmark
<b>Total Portfolio:</b>							
Monthly Return	0.35%	0.35%	0.34%	0.35%	0.34%	0.35%	0.35%
Three Months Return	1.61%	1.68%	1.63%	1.64%	1.64%	1.56%	1.59%
12 Months Return	5.41%	5.50%	5.38%	5.43%	5.43%	4.98%	5.13%
<b>1-3 Year Portfolio:</b>							
Monthly Return	0.34%	0.34%	0.32%	0.34%	0.33%	0.34%	0.34%
Three Months Return	1.54%	1.62%	1.59%	1.58%	1.58%	1.51%	1.53%
12 Months Return	5.30%	5.36%	5.23%	5.29%	5.30%	4.83%	4.97%
<b>1-5 Year Portfolio:</b>							
Monthly Return	0.37%	0.37%	0.37%	0.37%	0.37%	0.37%	0.38%
Three Months Return	1.75%	1.81%	1.75%	1.75%	1.76%	1.67%	1.70%
12 Months Return	5.59%	5.80%	5.74%	5.69%	5.71%	5.29%	5.47%

\* 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

10/31/2025

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

### Other:

#### PFM

NOVARTIS CAPITAL CORP	\$ 930,000	09/18/2029	AA-	Aa3	WD
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On October 8, 2025, Fitch Ratings affirmed Novartis AG's Long-Term Issuer Default Rating at 'AA-' with a Stable Outlook and subsequently withdrew its ratings for Novartis AG and its subsidiaries, including Novartis Capital Corporation, for commercial reasons. Fitch stated that it will no longer provide ratings or analytical coverage of the company. Fitch provided no additional rationale or explanation for its ratings withdrawal. Per the investment manager, ratings withdrawals are often driven by the rating agency discontinuing an unsolicited rating or by the issuer determining that maintaining a third rating is an unnecessary expense.

Novartis is a leading global pharmaceutical company with diversified product lines across multiple therapeutic areas and a robust drug pipeline. The security complies with the requirements of the Investment Policy, and the investment manager intends to continue to transact in Novartis securities as appropriate.

# **DEBT PROGRAM**

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

# Outstanding Debt<sup>1</sup>

## As of 10/31/2025

### 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

<b>Sub-total M2 Outstanding Debt</b>	<b>\$</b>	<b>529,450,000</b>
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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

<b>Sub-total 91 Express Lanes Outstanding Debt</b>	<b>\$</b>	<b>35,610,000</b>
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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

<b>Sub-total 405 Express Lanes Outstanding Debt</b>	<b>\$</b>	<b>643,734,758</b>
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<b>TOTAL OUTSTANDING DEBT:</b>	<b>\$</b>	<b>1,208,794,758</b>
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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.