

**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  
February 28, 2026**

# INVESTMENT PROGRAM

# OCTA Investment Dashboard

2/28/2026

## Safety of Principal

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

N/A

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

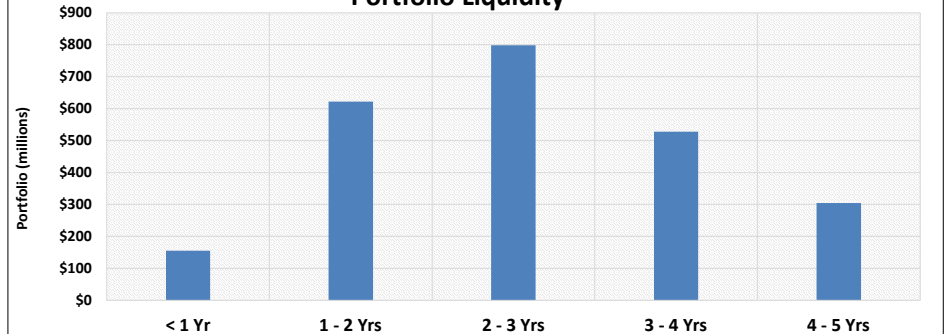
N/A

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

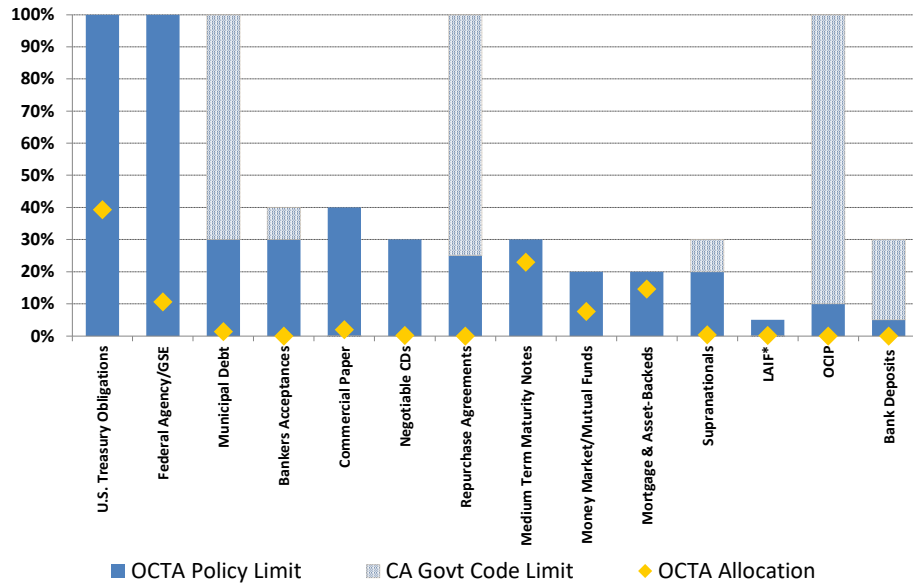
One Security held within OCTA's investment portfolio was placed on Negative Credit Watch during the month.

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

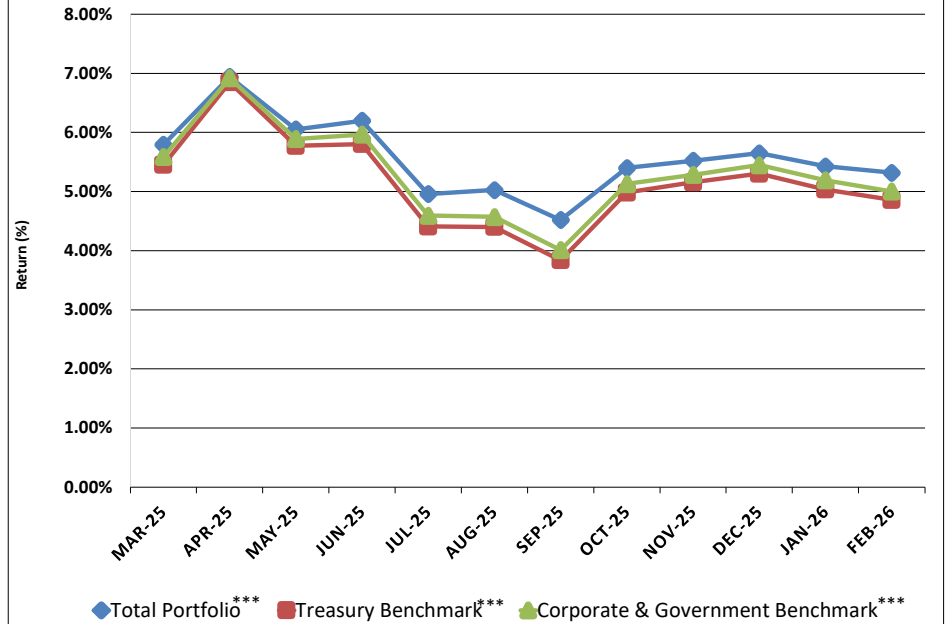
## Portfolio Liquidity<sup>(1)</sup>



## 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 February 28, 2026, 10.0% 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 2/28/2026

Portfolio Subject to Investment Policy			
Managed/Liquid Portfolio <sup>1</sup>	Dollar Amount Invested	Percent Of Portfolio	Maximum Percentages
U.S. Treasury Obligations	\$ 1,046,235,481	39.4%	100%
Federal Agency/GSE	283,467,671	10.7%	100%
Municipal Debt	39,391,628	1.5%	30%
Commercial Paper	53,807,477	2.0%	40%
Negotiable Certificates of Deposit	7,325,000	0.3%	30%
Repurchase Agreements	-	0.0%	25%
Medium Term Maturity Notes/Corporates	610,966,208	23.0%	30%
Money Market/Mutual Funds	205,725,074	7.7%	20%
Mortgage & Asset-Backed	389,255,662	14.7%	20%
Supranationals	11,786,289	0.4%	20%
Local Agency Investment Fund	7,517,868	0.3%	\$ 75 Million
Orange County Investment Pool	145,672	0.0%	10%
Bank Deposits	470,032	0.0%	5%
<b>Total Managed/Liquid Portfolio <sup>2</sup></b>	<b>\$ 2,656,094,063</b>		

1. Excludes portion of Liquid Portfolio subject to Indenture

2. Includes variable & floating rate securities invested in the amount of \$265,572,232 (10.0% 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	\$ 264,157,416	"AAAm"	N/A	AAA Category	N/A
Government Obligations MMKT Fund	4,416,171	"AAAm"/"Aammf"	N/A	AAA Category	N/A
Government Obligations MMKT Fund **	54,815,485	"AAAm"/"Aaa-mf"	N/A	N/A	N/A
Government Obligations MMKT Fund **	25,076,347	"AAAm"/"Aaa-mf"	N/A	N/A	N/A
Government Obligations MMKT Fund **	21,597,306	"AAAm"/"Aaa-mf"	N/A	N/A	N/A
Government Obligations MMKT Fund **	28,197,719	"AAAm"/"Aammf"	N/A	N/A	N/A
Government Obligations MMKT Fund **	27,148,722	"AAAm"/"Aaa-mf"	N/A	N/A	N/A
Government Obligations MMKT Fund **	26,580,950	"AAAm"/"Aaa-mf"	N/A	N/A	N/A
Bank Deposits **	-	N/A	N/A	N/A	N/A
<b>Total Liquid Portfolio</b>	<b>\$ 451,990,116</b>				
<b>Reserve Funds Portfolio</b>					
Government Obligations MMKT Fund	\$ 3,981,108	"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 ***	200	"AAAm"/ "Aaa-mf"/"AAAmf"	N/A	N/A	N/A
Government Obligations MMKT Fund ****	61,865,289	"AAAm"/ "Aaa-mf"/"AAAmf"	N/A	N/A	N/A
Bank Deposits ****	36,642	N/A	N/A	N/A	N/A
<b>Total Reserve Funds Portfolio</b>	<b>\$ 73,883,239</b>				
<b>Total Portfolio Subject to Indenture</b>	<b>\$ 525,873,355</b>				

<b>91EL and 405EL Operating Funds *****</b>	
Money Market Funds	\$ 13,644,526
Bank Deposits	737,067
<b>Total for EL Operating Funds</b>	<b>\$ 14,381,593</b>
<b>Portfolio Total</b>	<b>\$ 3,196,349,011</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**  
**2/28/2026**

Book/Market Value	CHANDLER	METLIFE	PFM	Payden & Rygel	Total Portfolio
<b>Total Portfolio:</b>					
Book Value	\$ 596,722,169	\$ 601,977,948	\$ 602,403,475	\$ 608,790,298	\$ 2,409,893,890
Market Value with Accrued Interest	\$ 612,625,730	\$ 613,960,774	\$ 614,699,675	\$ 620,209,274	\$ 2,461,495,453
<b>1-3 Year Portfolio:</b>					
Book Value	\$ 393,202,285	\$ 401,534,283	\$ 425,370,550	\$ 405,512,528	\$ 1,625,619,645
Market Value with Accrued Interest	\$ 403,216,450	\$ 409,213,876	\$ 433,789,654	\$ 412,730,484	\$ 1,658,950,465
<b>1-5 Year Portfolio:</b>					
Book Value	\$ 203,519,884	\$ 200,443,665	\$ 177,032,925	\$ 203,277,771	\$ 784,274,244
Market Value with Accrued Interest	\$ 209,409,280	\$ 204,746,898	\$ 180,910,021	\$ 207,478,790	\$ 802,544,989

Sector Allocation	CHANDLER	METLIFE	PFM	Payden & Rygel	Total Portfolio
<b>Total Portfolio:</b>					
U.S. Treasury Obligations	36.9%	45.4%	42.2%	49.1%	43.4%
Federal Agency/GSE	25.1%	4.1%	12.5%	5.5%	11.8%
Municipal Debt	0.5%	4.2%	0.3%	1.6%	1.6%
Commercial Paper	0.0%	0.0%	0.0%	0.0%	0.0%
Negotiable Certificates of Deposit	0.0%	0.0%	1.2%	0.0%	0.3%
Repurchase Agreements	0.0%	0.0%	0.0%	0.0%	0.0%
Medium Term Maturity Notes	24.4%	26.9%	25.2%	25.0%	25.4%
Money Market/Mutual Funds	1.5%	1.3%	0.2%	0.6%	0.9%
Mortg & Asset Backed Sec	9.6%	18.2%	18.4%	18.3%	16.2%
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	42.3%	47.6%	43.2%	48.8%	45.5%
Federal Agency/GSE	20.4%	3.3%	10.7%	5.5%	9.9%
Municipal Debt	0.0%	3.2%	0.3%	1.5%	1.3%
Commercial Paper	0.0%	0.0%	0.0%	0.0%	0.0%
Negotiable Certificates of Deposit	0.0%	0.0%	1.3%	0.0%	0.3%
Repurchase Agreements	0.0%	0.0%	0.0%	0.0%	0.0%
Medium Term Maturity Notes	23.3%	26.6%	24.8%	25.1%	25.0%
Money Market/Mutual Funds	2.1%	1.2%	0.1%	0.7%	1.0%
Mortg & Asset Backed Sec	9.7%	18.0%	19.6%	18.4%	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	26.5%	40.9%	39.7%	49.5%	39.1%
Federal Agency/GSE	34.2%	5.8%	16.8%	5.5%	15.6%
Municipal Debt	1.3%	6.1%	0.3%	1.8%	2.4%
Commercial Paper	0.0%	0.0%	0.0%	0.0%	0.0%
Negotiable Certificates of Deposit	0.0%	0.0%	1.1%	0.0%	0.2%
Repurchase Agreements	0.0%	0.0%	0.0%	0.0%	0.0%
Medium Term Maturity Notes	26.4%	27.4%	26.0%	24.9%	26.1%
Money Market/Mutual Funds	0.4%	1.4%	0.5%	0.2%	0.6%
Mortg & Asset Backed Sec	9.5%	18.6%	15.6%	18.1%	15.4%
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
<b>Total Portfolio:</b>							
Weighted Average Life	2.17	2.26	2.07	2.45	2.24	n/a	n/a
Duration	2.03	2.10	1.95	2.29	2.09	1.98	1.98
Monthly Yield (Annualized)	3.60%	3.67%	3.62%	3.63%	3.63%	3.42%	3.59%
<b>1-3 Year Portfolio:</b>							
Weighted Average Life	1.89	2.00	1.84	2.18	1.97	n/a	n/a
Duration	1.78	1.85	1.74	2.05	1.85	1.75	1.74
Monthly Yield (Annualized)	3.58%	3.65%	3.62%	3.60%	3.61%	3.42%	3.57%
<b>1-5 Year Portfolio:</b>							
Weighted Average Life	2.73	2.79	2.61	3.02	2.79	n/a	n/a
Duration	2.52	2.58	2.42	2.80	2.58	2.45	2.49
Monthly Yield (Annualized)	3.65%	3.71%	3.64%	3.70%	3.68%	3.43%	3.63%

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	0.64%	0.63%	0.59%	0.70%	0.64%	0.61%	0.60%
Three Months Return	1.17%	1.26%	1.18%	1.21%	1.20%	1.09%	1.11%
12 Months Return	5.28%	5.42%	5.26%	5.33%	5.32%	4.86%	5.00%
<b>1-3 Year Portfolio:</b>							
Monthly Return	0.57%	0.54%	0.52%	0.62%	0.56%	0.52%	0.52%
Three Months Return	1.13%	1.24%	1.15%	1.17%	1.17%	1.06%	1.08%
12 Months Return	5.11%	5.25%	5.10%	5.17%	5.16%	4.69%	4.82%
<b>1-5 Year Portfolio:</b>							
Monthly Return	0.78%	0.81%	0.76%	0.86%	0.80%	0.79%	0.78%
Three Months Return	1.25%	1.29%	1.25%	1.28%	1.27%	1.15%	1.18%
12 Months Return	5.60%	5.74%	5.63%	5.65%	5.66%	5.20%	5.38%

\* 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

2/28/2026

<u>Investment Manager / Security</u>	<u>Par Amount</u>	<u>Maturity</u>	<u>S&amp;P</u>	<u>Moody's</u>	<u>Fitch Ratings</u>
--------------------------------------	-------------------	-----------------	----------------	----------------	----------------------

**Rating Downgrades:**

N/A

**Negative Credit Watch:**

**CAM**

HONEYWELL INTERNATIONAL INC

\$	2,000,000	8/15/2029	A	A2	A
----	-----------	-----------	---	----	---

*On February 2, 2026, Moody's placed Honeywell International Inc. (Honeywell) on negative credit watch. This action was taken in response to Honeywell's plans to spin off its Aerospace division later in 2026. The credit watch placement reflects concerns that the restructuring will alter Honeywell's competitive position. Despite the rating watch, the security remains in compliance with the investment policy's credit rating requirements. The investment manager recommends holding the securities at this time. While the bonds are currently subject to a tender offer and potential early redemption provisions, Honeywell is expected to remain a high-quality, investment-grade issuer.*

# **DEBT PROGRAM**

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

# Outstanding Debt<sup>1</sup>

## As of 2/28/2026

### 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

<b>Sub-total M2 Outstanding Debt</b>	<b>\$</b>	<b>509,055,000</b>
--------------------------------------	-----------	--------------------

### 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>
--	-----------	-------------------

### 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

<b>Sub-total 405 Express Lanes Outstanding Debt</b>	<b>\$</b>	<b>650,028,368</b>
---	-----------	--------------------

<b>TOTAL OUTSTANDING DEBT:</b>	<b>\$</b>	<b>1,194,693,368</b>
--------------------------------	-----------	----------------------

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.