

**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
August 31, 2024**

INVESTMENT PROGRAM

OCTA Investment Dashboard

8/31/2024

Safety of Principal

Securities that fell below OCTA's minimum credit quality requirements during the month of August 2024:
N/A

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

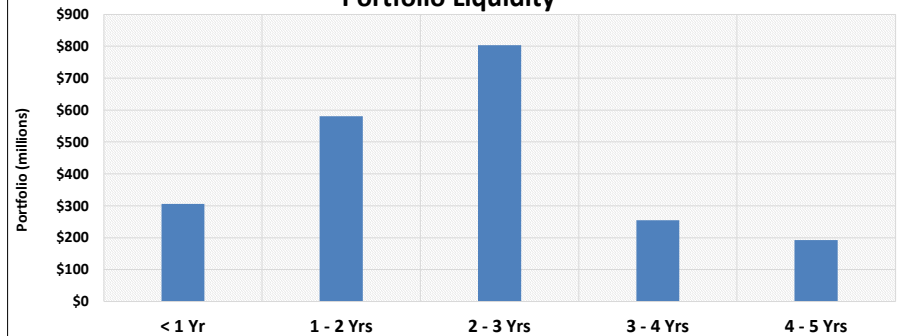
Two Keybank securities held within OCTA's investment portfolio were downgraded below minimum credit quality requirements for the month of October 2023

Securities downgraded or placed on Negative Credit Watch during the month of August 2024, but remain in compliance with OCTA's Investment Policy:

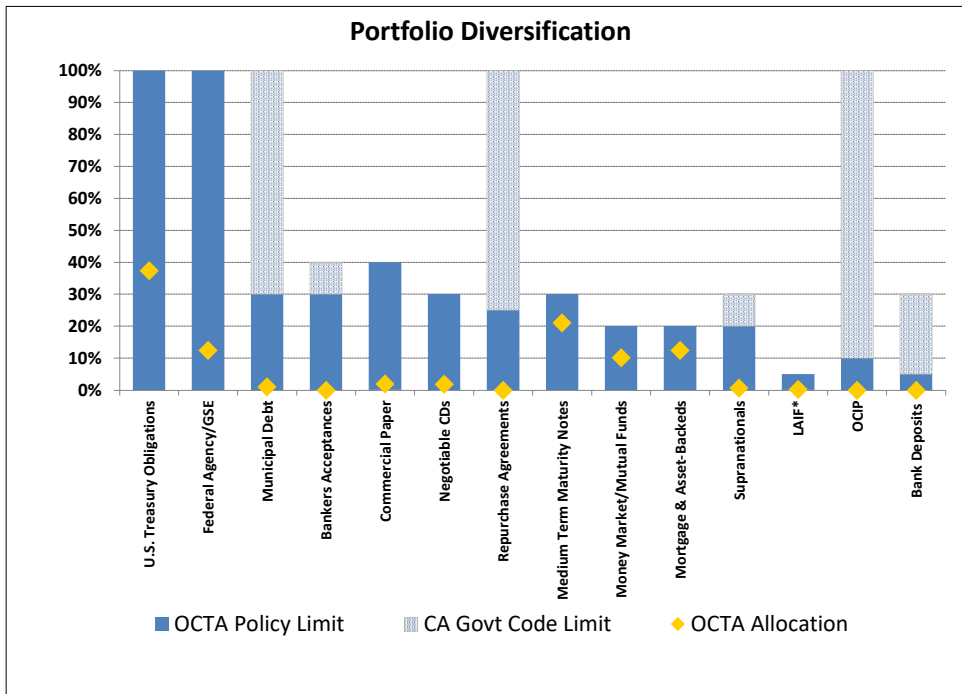
N/A

For further details please refer to A-8 of this report.

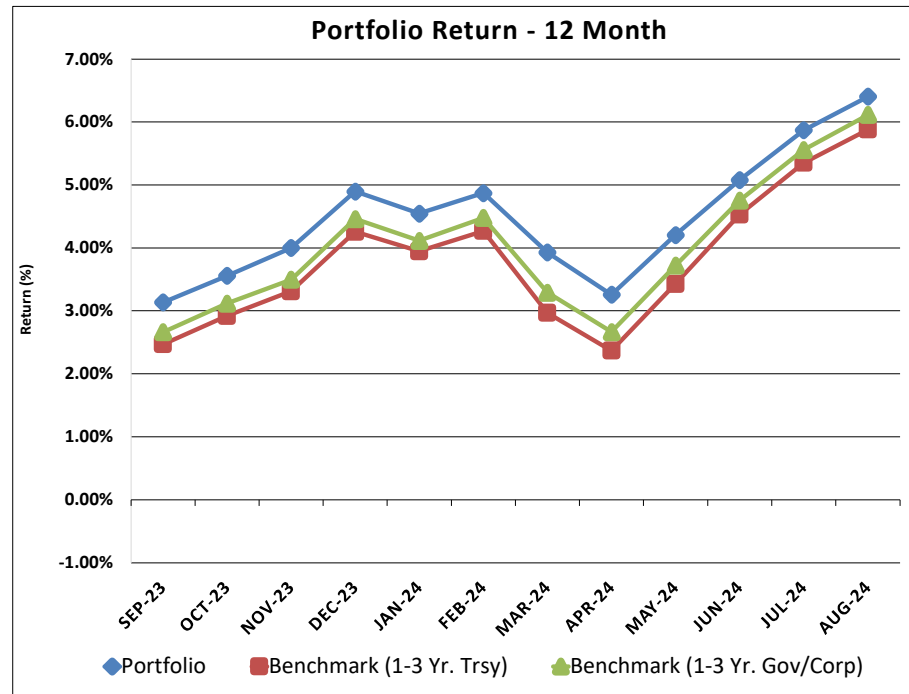
Portfolio Liquidity



Portfolio Diversification



Portfolio Return - 12 Month



* 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 August 31, 2024, 6.4% of the portfolio was invested in variable & floating rate securities.

Investment Compliance

8/31/2024

Portfolio Subject to Investment Policy			
	Dollar Amount	Percent Of	Investment Policy
Short-Term/Liquid Portfolio ¹	Invested	Portfolio	Max. Percentages
U.S. Treasury Obligations	\$ 897,509,635	37.5%	100%
Federal Agency/GSE	298,949,603	12.5%	100%
Municipal Debt	\$ 27,097,996	1.1%	30%
Commercial Paper	48,959,979	2.0%	40%
Negotiable Certificates of Deposit	\$ 45,250,000	1.9%	30%
Repurchase Agreements	-	0.0%	25%
Medium Term Maturity Notes/Corporates	\$ 505,115,662	21.1%	30%
Money Market/Mutual Funds	244,866,440	10.2%	20%
Mortgage & Asset-Backed	\$ 300,960,877	12.6%	20%
Supranationals	16,773,390	0.7%	20%
Local Agency Investment Fund	\$ 7,033,549	0.3%	\$ 75 Million
Orange County Investment Pool	785,754	0.0%	10%
Bank Deposits	\$ 250,000	0.0%	5%
Total Short-Term/Liquid Portfolio²	\$ 2,393,552,886		

1. Excludes portion of Liquid Portfolio subject to Indenture

2. Includes variable & floating rate securities invested in the amount of \$157,075,079 (6.6% of total Short-Term/Liquid portfolio) and subject to 30% limit per OCTA's Investment Policy.

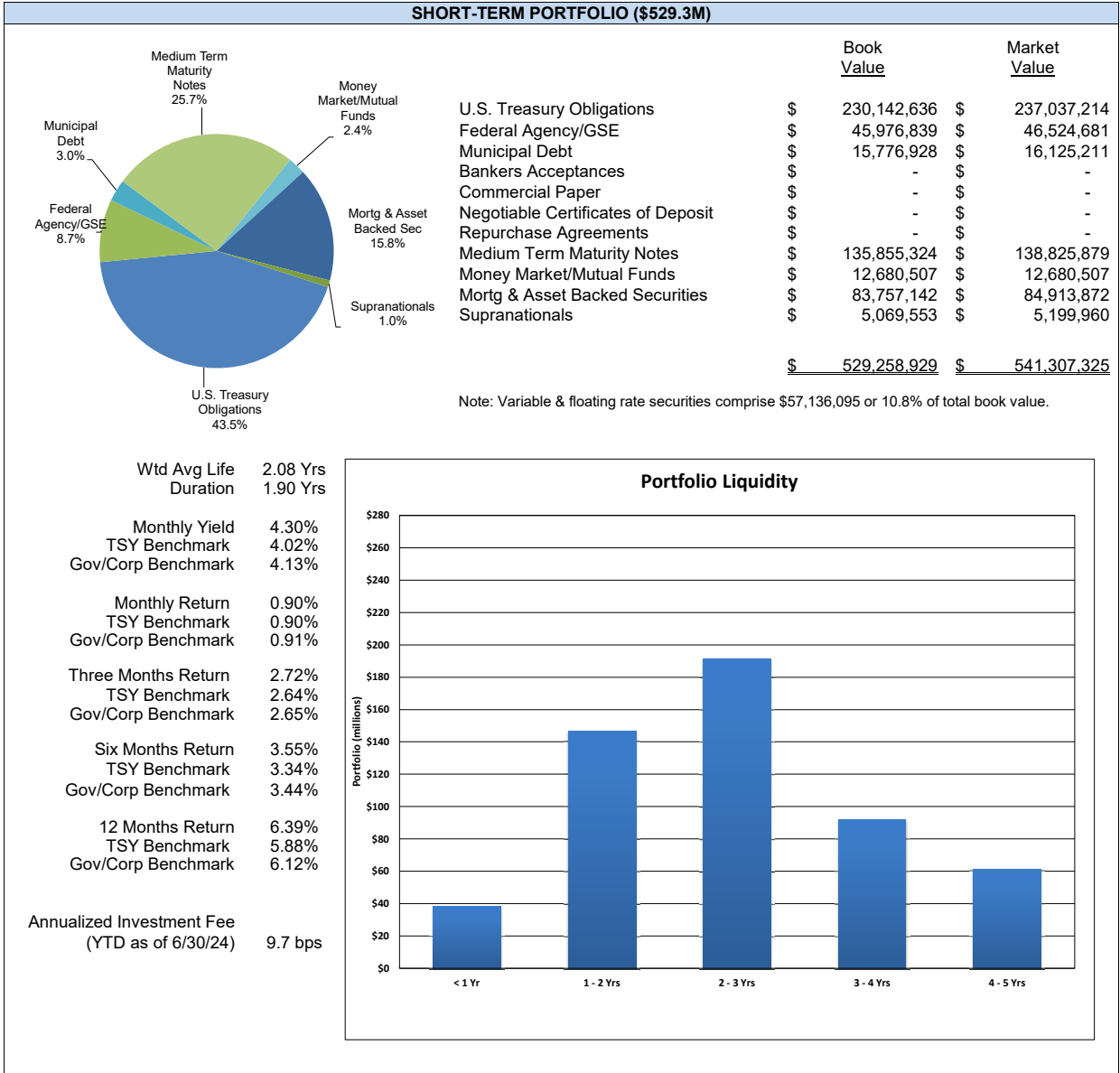
Portfolio Subject to Indenture					
Portfolio	Dollar Amount Invested	OCTA		Indenture Requirements	
		Credit Quality	Term	Min. Credit Quality	Max. Term
Liquid Portfolio*					
Government Obligations MMKT Fund	116,165,202	"AAAm"	N/A	AAA Category	N/A
Government Obligations MMKT Fund	20,822,757	"AAAm"/"Aammf"	N/A	AAA Category	N/A
Total Liquid Portfolio	\$ 136,987,959				
Bond Proceeds Portfolio					
2021 Bond Anticipation Notes (BANs):					
Government Obligations MMKT Fund	55,643	"AAAm"/ "Aaa-mf"/"AAAmmf"	N/A	"AAAm" or "AAAm-G"	N/A
91 Express Lanes 2023 Bonds:					
Government Obligations MMKT Fund	2,626	"AAAm"/ "Aaa-mf"/"AAAmmf"	N/A	N/A	N/A
Total Bond Proceeds Portfolio	\$ 58,270				
Reserve Funds Portfolio					
Bank Deposit	\$ 216,567	N/A	N/A	N/A	N/A
Government Obligations MMKT Fund	5,214,659	"AAAm"/ "Aaa-mf"/"AAAmmf"	N/A	N/A	N/A
Negotiable Certificates of Deposit	5,000,000	"A-1"/"P-1"/"F1+"	267 days	"A-1"/"P-1"/"F1"	270 days
Negotiable Certificates of Deposit	3,000,000	"A-1"/"P-1"/"F1+"	270 days	"A-1"/"P-1"/"F1"	270 days
Government Obligations MMKT Fund**	9	"AAAm"/ "Aaa-mf"/"AAAmmf"	N/A	N/A	N/A
Total Reserve Funds Portfolio	\$ 13,431,235				
Total Portfolio Subject to Indenture	\$ 13,489,504				
Portfolio Total	\$ 2,544,030,349				

*Reflects portion of Liquid Portfolio subject to Indenture (OCTA Sales Tax Revenue)

**91 EL Debt Service Fund

Investment Manager Diversification and Maturity Schedules

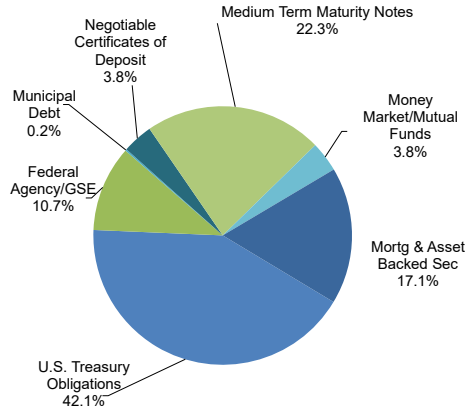
**MetLife Investment Management
8/31/2024**



Investment Manager Diversification and Maturity Schedules

**PFM
8/31/2024**

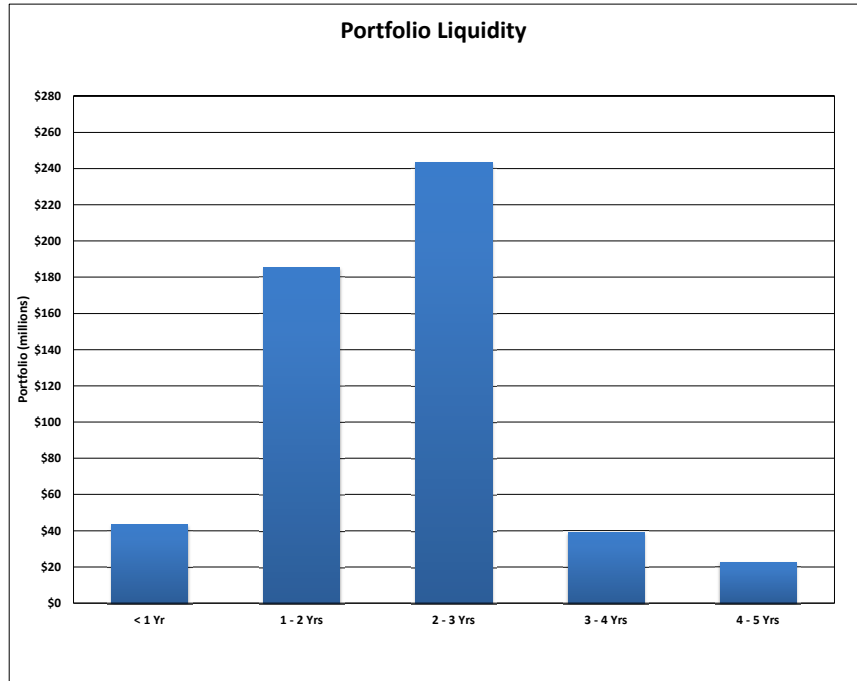
SHORT-TERM PORTFOLIO (\$533.3M)



	<u>Book Value</u>	<u>Market Value</u>
U.S. Treasury Obligations	\$ 224,391,588	\$ 229,257,234
Federal Agency/GSE	\$ 57,283,704	\$ 58,234,955
Municipal Debt	\$ 1,025,000	\$ 998,049
Bankers Acceptances	\$ -	\$ -
Commercial Paper	\$ -	\$ -
Negotiable Certificates of Deposit	\$ 20,250,000	\$ 21,220,653
Repurchase Agreements	\$ -	\$ -
Medium Term Maturity Notes	\$ 118,868,368	\$ 121,522,323
Money Market/Mutual Funds *	\$ 20,150,256	\$ 20,150,256
Mortg & Asset Backed Securities	\$ 91,354,590	\$ 91,706,296
Supranationals	\$ -	\$ -
	\$ 533,323,507	\$ 543,089,767

Note: Variable & floating rate securities comprise \$34,869,089 or 6.5% of total book value.

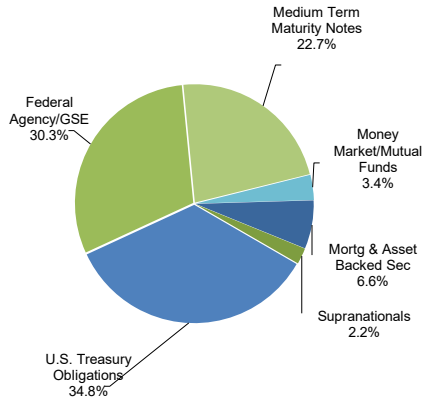
Wtd Avg Life	1.84 Yrs
Duration	1.70 Yrs
Monthly Yield	4.32%
TSY Benchmark	4.02%
Gov/Corp Benchmark	4.13%
Monthly Return	0.89%
TSY Benchmark	0.90%
Gov/Corp Benchmark	0.91%
Three Months Return	2.63%
TSY Benchmark	2.64%
Gov/Corp Benchmark	2.65%
Six Months Return	3.46%
TSY Benchmark	3.34%
Gov/Corp Benchmark	3.44%
12 Months Return	6.40%
TSY Benchmark	5.88%
Gov/Corp Benchmark	6.12%
Annualized Investment Fee (YTD as of 6/30/24)	5.8 bps



Investment Manager Diversification and Maturity Schedules

**Chandler Asset Management
8/31/2024**

SHORT-TERM PORTFOLIO (\$534.0M)

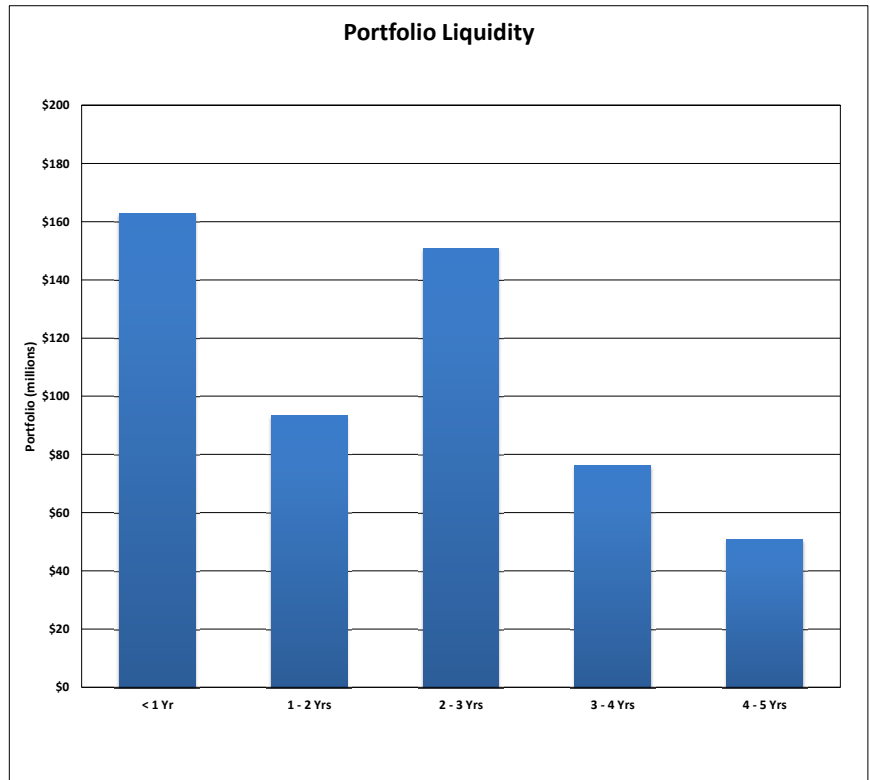


	Book Value	Market Value
U.S. Treasury Obligations	\$ 185,857,708	\$ 187,114,027
Federal Agency/GSE	\$ 161,858,735	\$ 165,081,463
Municipal Debt	\$ -	\$ -
Bankers Acceptances	\$ -	\$ -
Commercial Paper	\$ -	\$ -
Negotiable Certificates of Deposit	\$ -	\$ -
Repurchase Agreements	\$ -	\$ -
Medium Term Maturity Notes	\$ 120,993,934	\$ 123,097,640
Money Market/Mutual Funds	\$ 18,396,128	\$ 18,396,128
Mortg & Asset Backed Sec	\$ 35,202,148	\$ 35,529,131
Supranationals	\$ 11,703,837	\$ 11,795,946
	<u>\$ 534,012,489</u>	<u>\$ 541,014,335</u>

Note: Variable & floating rate securities comprise \$15,953,663 or 3.0% of total book value.

Wtd Avg Life	1.90 Yrs
Duration	1.76 Yrs
Monthly Yield	4.32%
TSY Benchmark	4.02%
Gov/Corp Benchmark	4.13%
Monthly Return	0.87%
TSY Benchmark	0.90%
Gov/Corp Benchmark	0.91%
Three Months Return	2.62%
TSY Benchmark	2.64%
Gov/Corp Benchmark	2.65%
Six Months Return	3.50%
TSY Benchmark	3.34%
Gov/Corp Benchmark	3.44%
12 Months Return	6.30%
TSY Benchmark	5.88%
Gov/Corp Benchmark	6.12%

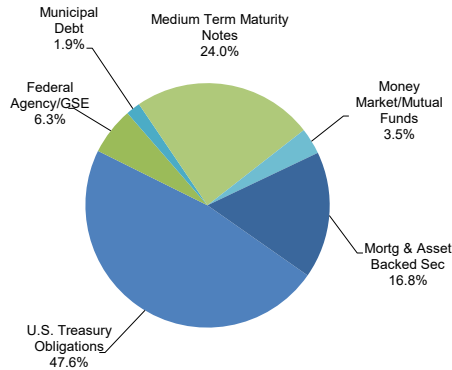
Annualized Investment Fee
(YTD as of 6/30/24) 5.1 bps



Investment Manager Diversification and Maturity Schedules

Payden & Rygel
8/31/2024

SHORT-TERM PORTFOLIO (\$540.1M)

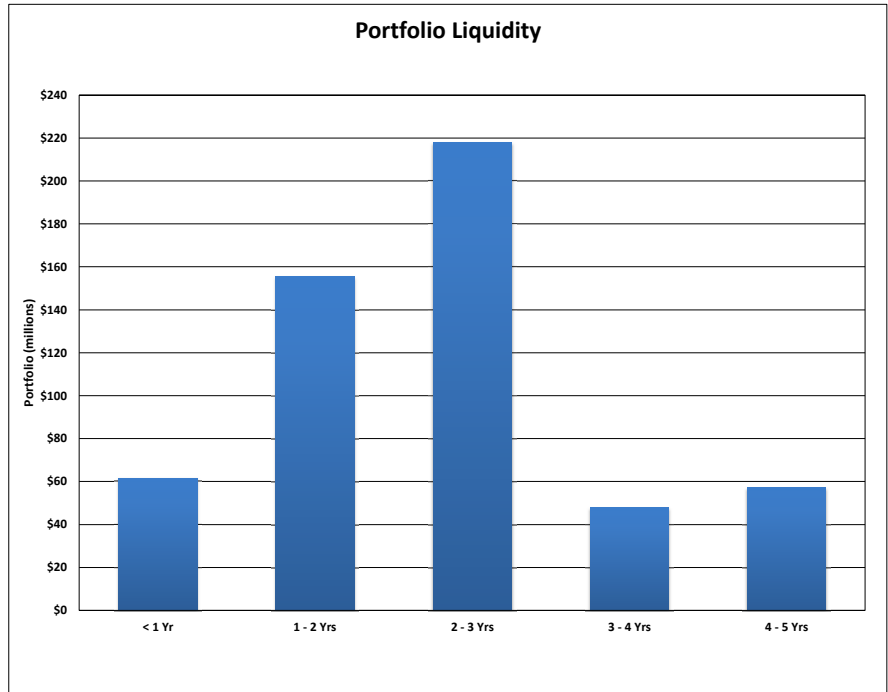


	Book Value	Market Value
U.S. Treasury Obligations	\$ 257,117,703	\$ 258,352,381
Federal Agency/GSE	\$ 33,830,326	\$ 34,326,816
Municipal Debt	\$ 10,296,068	\$ 10,216,103
Bankers Acceptances	\$ -	\$ -
Commercial Paper	\$ -	\$ -
Negotiable Certificates of Deposit	\$ -	\$ -
Repurchase Agreements	\$ -	\$ -
Medium Term Maturity Notes	\$ 129,398,037	\$ 131,220,221
Money Market/Mutual Funds	\$ 18,793,536	\$ 18,793,536
Mortg & Asset Backed Sec	\$ 90,646,997	\$ 91,585,999
Supranationals	\$ -	\$ -
	<u>\$ 540,082,666</u>	<u>\$ 544,495,055</u>

Note: Variable & floating rate securities comprise \$49,116,231 or 9.1% of total book value.

Wtd Avg Life	1.95 Yrs
Duration	1.76 Yrs
Monthly Yield	4.35%
TSY Benchmark	4.02%
Gov/Corp Benchmark	4.13%
Monthly Return	0.88%
TSY Benchmark	0.90%
Gov/Corp Benchmark	0.91%
Three Months Return	2.66%
TSY Benchmark	2.64%
Gov/Corp Benchmark	2.65%
Six Months Return	3.53%
TSY Benchmark	3.34%
Gov/Corp Benchmark	3.44%
12 Months Return	6.54%
TSY Benchmark	5.88%
Gov/Corp Benchmark	6.12%

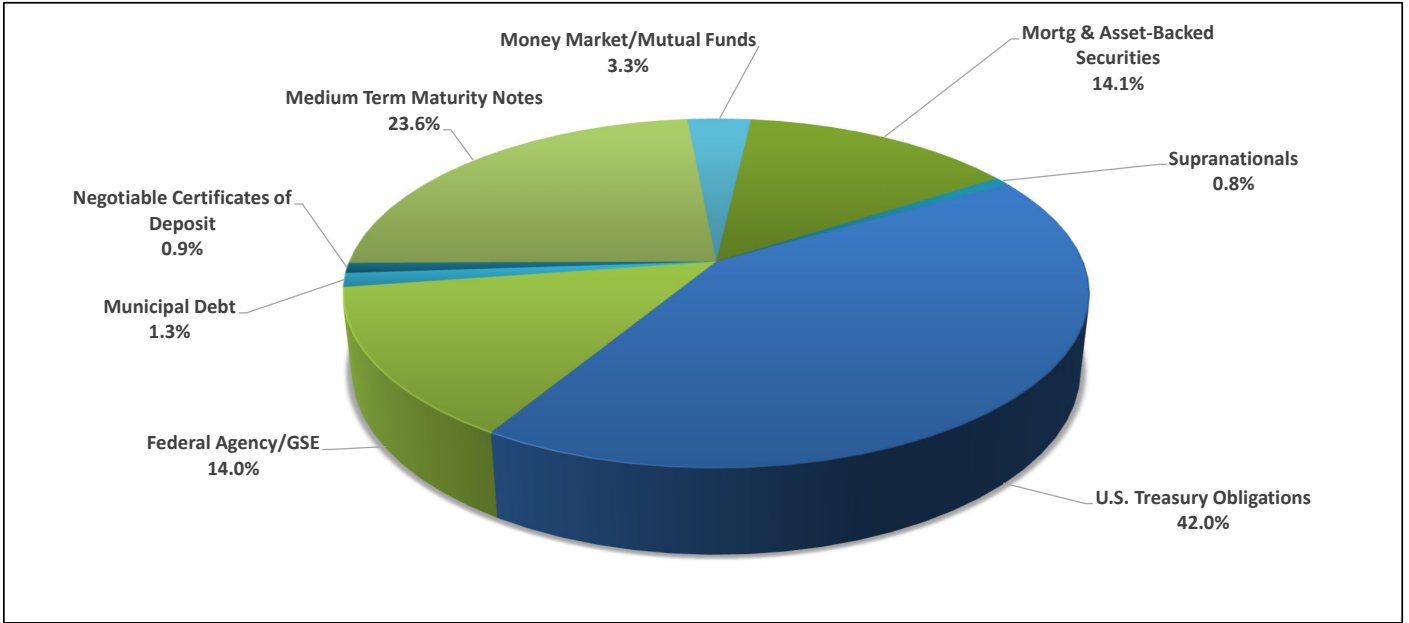
Annualized Investment Fee (YTD as of 6/30/24) 9.8 bps



Short-Term Portfolio

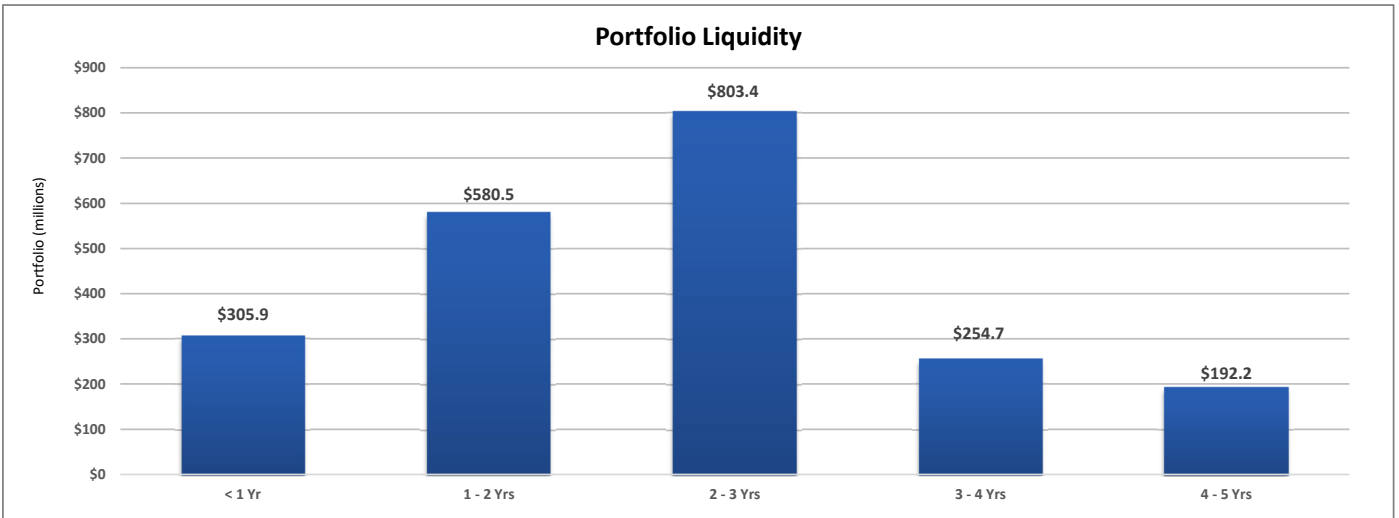
8/31/2024

Portfolio Composition



Note: Variable & floating rate securities comprise 7.4% of total book value.

Portfolio Liquidity



Rating Downgrades & Negative Credit Watch

8/31/2024

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	\$ 1,675,000	08/08/2025 - 01/26/2026	BBB+	Baa1	BBB+
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During October 2023, Moody's and Fitch downgraded Keybank by one notch. The downgrade reflects the agencies' view that a higher-for-longer rate environment is likely to constrain profitability at Keybank more than for other banks of similar size. In addition, Keybank has a lower-than-average capital ratio on a proforma basis when adjusted for unrealized losses on available-for-sale securities. Due to the downgrade by both agencies, the three Keybank securities held within the portfolio fell below the minimum credit quality requirements of the Investment Policy. The Treasurer reviewed the position and recommended the securities be held for the short-term. The Treasurer presented his recommendation to the Chief Executive Officer who concurred. During June 2024, one of three Keybank securities was matured.

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 8/31/2024

Orange County Local Transportation Authority (OCLTA-M2)

2010 Series A Taxable Build America Bonds - Sales Tax Revenue Bonds

Issued:	\$	293,540,000
Outstanding:		250,000,000
Debt Service FY 2025:		21,790,000
All in True Interest Cost:		4.33%
Pledged Revenue Source:	M2 Sales Tax Revenues	
Ratings (Fitch/ Moody's/ S&P):		AA+/Aa2/AA+
Final Maturity:		2041

2019 M2 Sales Tax Revenue Bonds

Issued:	\$	376,690,000
Outstanding:		319,315,000
Debt Service FY 2025:		33,065,900
All in True Interest Cost:		3.14%
Pledged Revenue Source:	M2 Sales Tax Revenues	
Ratings (Fitch/ S&P):		AA+/AA+
Final Maturity:		2041

Sub-total M2 Outstanding Debt	\$	569,315,000
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91 Express Lanes

2023 OCTA 91 Express Lanes Refunding Bonds

Issued:	\$	47,545,000
Outstanding:		41,725,000
Debt Service FY 2025:		8,051,750
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	\$	41,725,000
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405 Express Lanes

2021 TIFIA Loan

Amount Available	\$	628,930,000
Outstanding:		631,379,860
Capitalized Interest:		17,668,565
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	\$	631,379,860
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TOTAL OUTSTANDING DEBT:	\$	1,242,419,860
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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.