

**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  
November 30, 2025**

## **INVESTMENT PROGRAM**

# OCTA Investment Dashboard

11/30/2025

## Safety of Principal

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

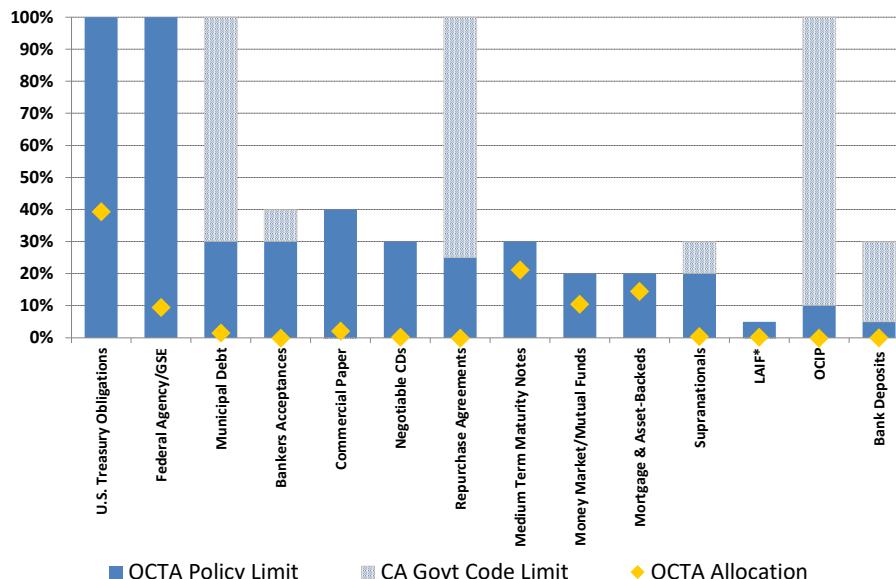
One security held within OCTA's investment portfolio was downgraded and assigned a negative outlook during the month.

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

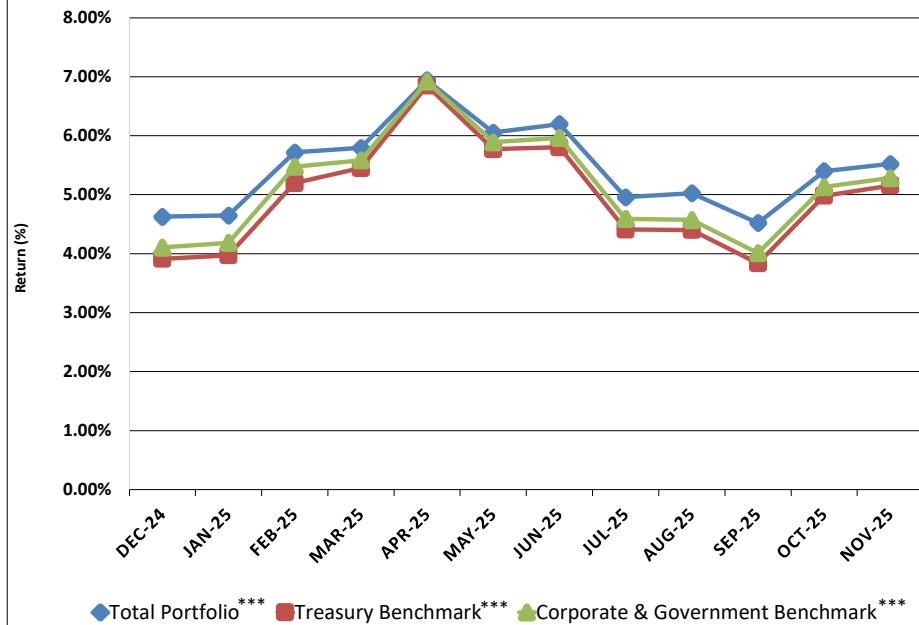
## Portfolio Liquidity<sup>(1)</sup>



## 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 November 30, 2025, 8.1% 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

11/30/2025

Portfolio Subject to Investment Policy			
Managed/Liquid Portfolio	Dollar Amount Invested	Percent Of Portfolio	Maximum Percentages
U.S. Treasury Obligations	\$ 1,065,347,684	39.4%	100%
Federal Agency/GSE	257,711,435	9.5%	100%
Municipal Debt	43,151,263	1.6%	30%
Commercial Paper	57,827,326	2.1%	40%
Negotiable Certificates of Deposit	7,325,000	0.3%	30%
Repurchase Agreements	-	0.0%	25%
Medium Term Maturity Notes/Corporates	573,563,293	21.2%	30%
Money Market/Mutual Funds	285,386,152	10.6%	20%
Mortgage & Asset-Backed	392,973,600	14.5%	20%
Supranationals	11,786,289	0.4%	20%
Local Agency Investment Fund	7,439,208	0.3%	\$ 75 Million
Orange County Investment Pool	115,610	0.0%	10%
Bank Deposits	489,269	0.0%	5%
<b>Total Managed/Liquid Portfolio</b>	<b>\$ 2,703,116,130</b>		

1. Excludes portion of Liquid Portfolio subject to Indenture

2. Includes variable & floating rate securities invested in the amount of \$219,515,445 (8.1% of total Managed/Liquid portfolio) and subject to 30% limit per OCTA's Investment Policy.

Portfolio	Dollar Amount Invested	Portfolio Subject to Indenture/Grant Funding Agreement		Indenture/Funding Agreement Requirements		
		OCTA	Credit Quality	Term	Min. Credit Quality	Max. Term
<b>Liquid Portfolio*</b>						
Government Obligations MMKT Fund	\$ 230,905,954		"AAAm"	N/A	AAA Category	N/A
Government Obligations MMKT Fund	25,800,901		"AAAm" / "Aammf"	N/A	AAA Category	N/A
Government Obligations MMKT Fund **	56,758,315		"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 **	21,396,248		"AAAm" / "Aaa-mf"	N/A	N/A	N/A
Government Obligations MMKT Fund **	27,936,271		"AAAm" / "Aammf"	N/A	N/A	N/A
Government Obligations MMKT Fund **	26,893,656		"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 **	7,360		N/A	N/A	N/A	N/A
<b>Total Liquid Portfolio</b>	<b>\$ 441,198,704</b>					
<b>Reserve Funds Portfolio</b>						
Government Obligations MMKT Fund	\$ 3,946,809		"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 ***	34,829		"AAAm" / "Aaa-mf" / "AAAmf"	N/A	N/A	N/A
Government Obligations MMKT Fund ****	54,814,591		"AAAm" / "Aaa-mf" / "AAAmf"	N/A	N/A	N/A
<b>Total Reserve Funds Portfolio</b>	<b>\$ 66,796,228</b>					
<b>Total Portfolio Subject to Indenture</b>	<b>\$ 507,994,932</b>					

### 91EL and 405EL Operating Funds\*\*\*\*

Money Market Funds	\$ 13,853,838
Bank Deposits	712,302
<b>Total for EL Operating Funds</b>	<b>\$ 14,566,140</b>
<b>Portfolio Total</b>	<b>\$ 3,225,677,203</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**  
**11/30/2025**

Book/Market Value	CHANDLER	METLIFE	PFM	Payden & Rygel	Total Portfolio
<b>Total Portfolio:</b>					
Book Value	\$ 590,275,231	\$ 593,130,112	\$ 596,312,035	\$ 601,952,904	\$ 2,381,670,282
Market Value with Accrued Interest	\$ 605,528,503	\$ 606,738,652	\$ 607,483,467	\$ 613,033,936	\$ 2,432,784,558
<b>1-3 Year Portfolio:</b>					
Book Value	\$ 388,849,441	\$ 395,761,207	\$ 421,089,585	\$ 400,520,957	\$ 1,606,221,189
Market Value with Accrued Interest	\$ 398,702,644	\$ 404,543,205	\$ 428,821,708	\$ 408,080,323	\$ 1,640,147,880
<b>1-5 Year Portfolio:</b>					
Book Value	\$ 201,425,790	\$ 197,368,905	\$ 175,222,451	\$ 201,431,947	\$ 775,449,093
Market Value with Accrued Interest	\$ 206,825,859	\$ 202,195,447	\$ 178,661,759	\$ 204,953,613	\$ 792,636,678

Sector Allocation	CHANDLER	METLIFE	PFM	Payden & Rygel	Total Portfolio
<b>Total Portfolio:</b>					
U.S. Treasury Obligations	35.3%	52.1%	41.1%	50.3%	44.7%
Federal Agency/GSE	25.2%	2.0%	13.4%	2.9%	10.8%
Municipal Debt	0.5%	5.0%	0.3%	1.5%	1.8%
Commercial Paper	0.8%	0.0%	0.0%	0.0%	0.2%
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	24.9%	21.2%	25.0%	25.1%	24.1%
Money Market/Mutual Funds	1.4%	0.3%	0.4%	2.0%	1.0%
Mortg & Asset Backed Sec	9.8%	19.4%	18.6%	18.2%	16.5%
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	39.5%	53.1%	42.0%	49.8%	46.1%
Federal Agency/GSE	20.4%	1.1%	11.8%	3.0%	9.1%
Municipal Debt	0.0%	4.4%	0.3%	1.5%	1.6%
Commercial Paper	1.3%	0.0%	0.0%	0.0%	0.3%
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	25.9%	21.8%	24.8%	25.7%	24.5%
Money Market/Mutual Funds	1.0%	0.4%	0.3%	2.0%	0.9%
Mortg & Asset Backed Sec	9.9%	19.1%	19.5%	17.9%	16.7%
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	27.3%	49.9%	39.0%	51.3%	41.9%
Federal Agency/GSE	34.6%	3.7%	17.0%	2.7%	14.5%
Municipal Debt	1.3%	6.2%	0.3%	1.4%	2.3%
Commercial Paper	0.0%	0.0%	0.0%	0.0%	0.0%
Negotiable Certificates of Deposit	0.0%	0.0%	1.1%	0.0%	0.3%
Repurchase Agreements	0.0%	0.0%	0.0%	0.0%	0.0%
Medium Term Maturity Notes	23.1%	20.0%	25.6%	24.1%	23.1%
Money Market/Mutual Funds	2.3%	0.2%	0.5%	1.9%	1.3%
Mortg & Asset Backed Sec	9.6%	20.0%	16.4%	18.6%	16.1%
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	2.23	2.29	2.12	2.30	2.23	n/a	n/a
Duration	2.09	2.11	1.98	2.13	2.07	1.98	1.99
Monthly Yield (Annualized)	3.72%	3.75%	3.76%	3.69%	3.73%	3.53%	3.70%
<b>1-3 Year Portfolio:</b>							
Weighted Average Life	1.94	2.00	1.88	2.04	1.96	n/a	n/a
Duration	1.83	1.84	1.78	1.89	1.83	1.75	1.75
Monthly Yield (Annualized)	3.71%	3.74%	3.75%	3.66%	3.71%	3.53%	3.68%
<b>1-5 Year Portfolio:</b>							
Weighted Average Life	2.81	2.85	2.67	2.81	2.79	n/a	n/a
Duration	2.59	2.65	2.46	2.59	2.58	2.45	2.50
Monthly Yield (Annualized)	3.75%	3.78%	3.77%	3.76%	3.76%	3.53%	3.73%

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	0.51%	0.53%	0.51%	0.52%	0.51%	0.49%	0.49%
Three Months Return	1.17%	1.23%	1.21%	1.18%	1.20%	1.12%	1.15%
12 Months Return	5.49%	5.63%	5.50%	5.52%	5.54%	5.16%	5.28%
<b>1-3 Year Portfolio:</b>							
Monthly Return	0.48%	0.50%	0.48%	0.49%	0.49%	0.46%	0.46%
Three Months Return	1.14%	1.20%	1.20%	1.16%	1.18%	1.10%	1.13%
12 Months Return	5.35%	5.47%	5.36%	5.39%	5.39%	5.01%	5.12%
<b>1-5 Year Portfolio:</b>							
Monthly Return	0.55%	0.58%	0.56%	0.57%	0.57%	0.54%	0.55%
Three Months Return	1.23%	1.29%	1.26%	1.22%	1.25%	1.16%	1.19%
12 Months Return	5.75%	5.96%	5.84%	5.78%	5.83%	5.46%	5.62%

\* 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

11/30/2025

<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>
<b>Rating Downgrades:</b>					
<b>PFM, Payden &amp; Rygel</b> HORMEL FOODS CORP	\$ 2,285,000	3/30/2027	A-	A2	N/A

On November 14, 2025, Moody's downgraded Hormel Foods' senior unsecured ratings by one notch from A1 to A2 and assigned a negative outlook. The downgrade reflects Moody's view that weak operating performance and ongoing cost and market challenges have limited the company's ability to reduce leverage following its Planters Peanuts acquisition. Despite these challenges, the investment managers maintain a recommendation to hold the position until maturity, citing the company's strong brands, diversified product offerings, innovation, and efforts to improve financial performance as continued support for its credit profile. The security complies with the requirements of the Investment Policy.

**- Rating below minimum requirements:**

KEYBANK NATIONAL ASSOCIATION	\$ 355,000	01/26/2026	BBB+	Baa1	BBB+
------------------------------	------------	------------	------	------	------

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 Debt<sup>1</sup>

As of 11/30/2025

## 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

## 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

## 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

### TOTAL OUTSTANDING DEBT:

\$ 1,208,794,758

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.