

**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
January 31, 2024**

INVESTMENT PROGRAM

OCTA Investment Dashboard

1/31/2024

Safety of Principal

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

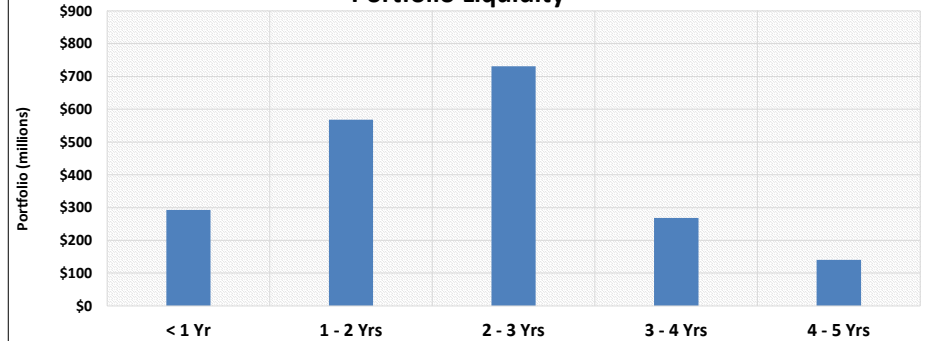
Securities currently held within OCTA's portfolio that fell below OCTA's minimum credit quality requirements during prior reporting periods:

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

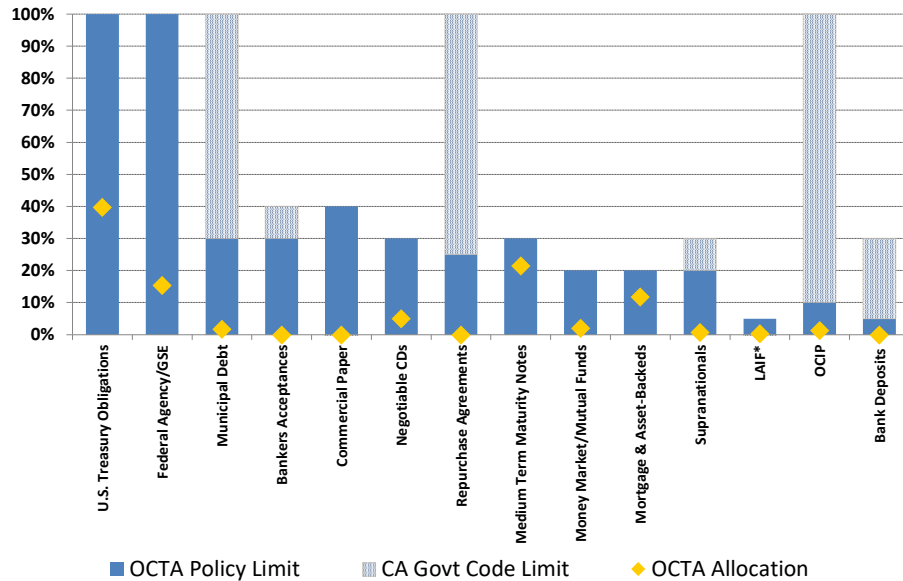
Securities downgraded or placed on Negative Credit Watch during the month of January 2024, but remain in compliance with OCTA's Investment Policy:
N/A

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

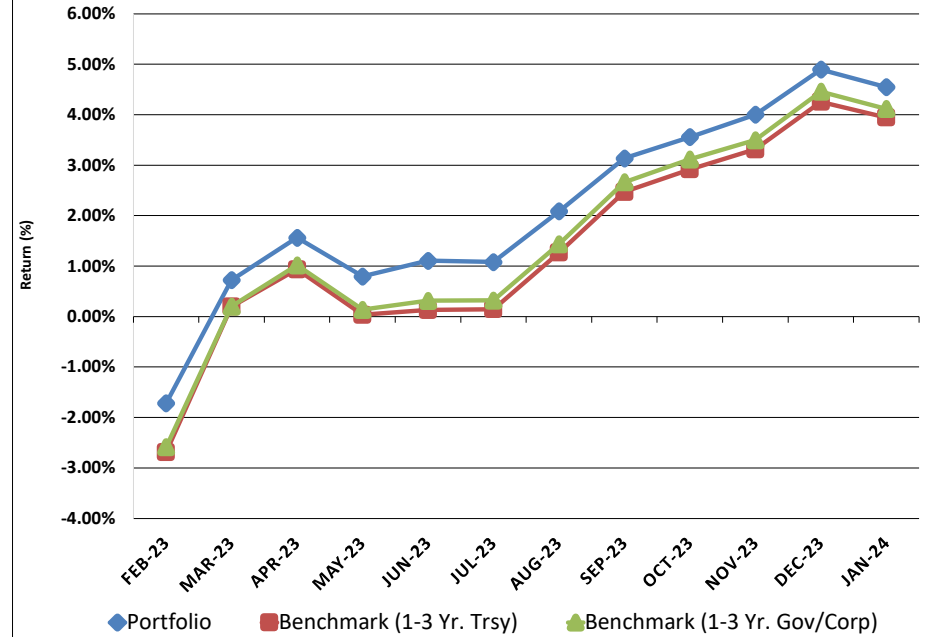
Portfolio Liquidity



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 January 31, 2024, 6.7% of the portfolio was invested in variable & floating rate securities.

Investment Compliance

1/31/2024

Portfolio Subject to Investment Policy			
	Dollar Amount	Percent Of	Investment Policy
Short-Term/Liquid Portfolio ¹	Invested	Portfolio	Max. Percentages
U.S. Treasury Obligations	\$ 860,708,327	39.8%	100%
Federal Agency/GSE	333,799,954	15.4%	100%
Municipal Debt	\$ 37,241,204	1.7%	30%
Commercial Paper	-	0.0%	40%
Negotiable Certificates of Deposit	\$ 110,050,000	5.1%	30%
Repurchase Agreements	-	0.0%	25%
Medium Term Maturity Notes/Corporates	\$ 464,837,366	21.5%	30%
Money Market/Mutual Funds	44,976,616	2.1%	20%
Mortgage & Asset-Backed	\$ 256,498,377	11.9%	20%
Supranationals	17,053,537	0.8%	20%
Local Agency Investment Fund	\$ 6,881,548	0.3%	\$ 75 Million
Orange County Investment Pool	29,931,780	1.4%	10%
Bank Deposits	\$ 250,000	0.0%	5%
Total Short-Term/Liquid Portfolio²	\$ 2,162,228,709		

1. Excludes portion of Liquid Portfolio subject to Indenture

2. Includes variable & floating rate securities invested in the amount of \$145,515,109 (6.7% of total Short-Term/Liquid portfolio) and subject to 30% limit per OCTA's Investment Policy.

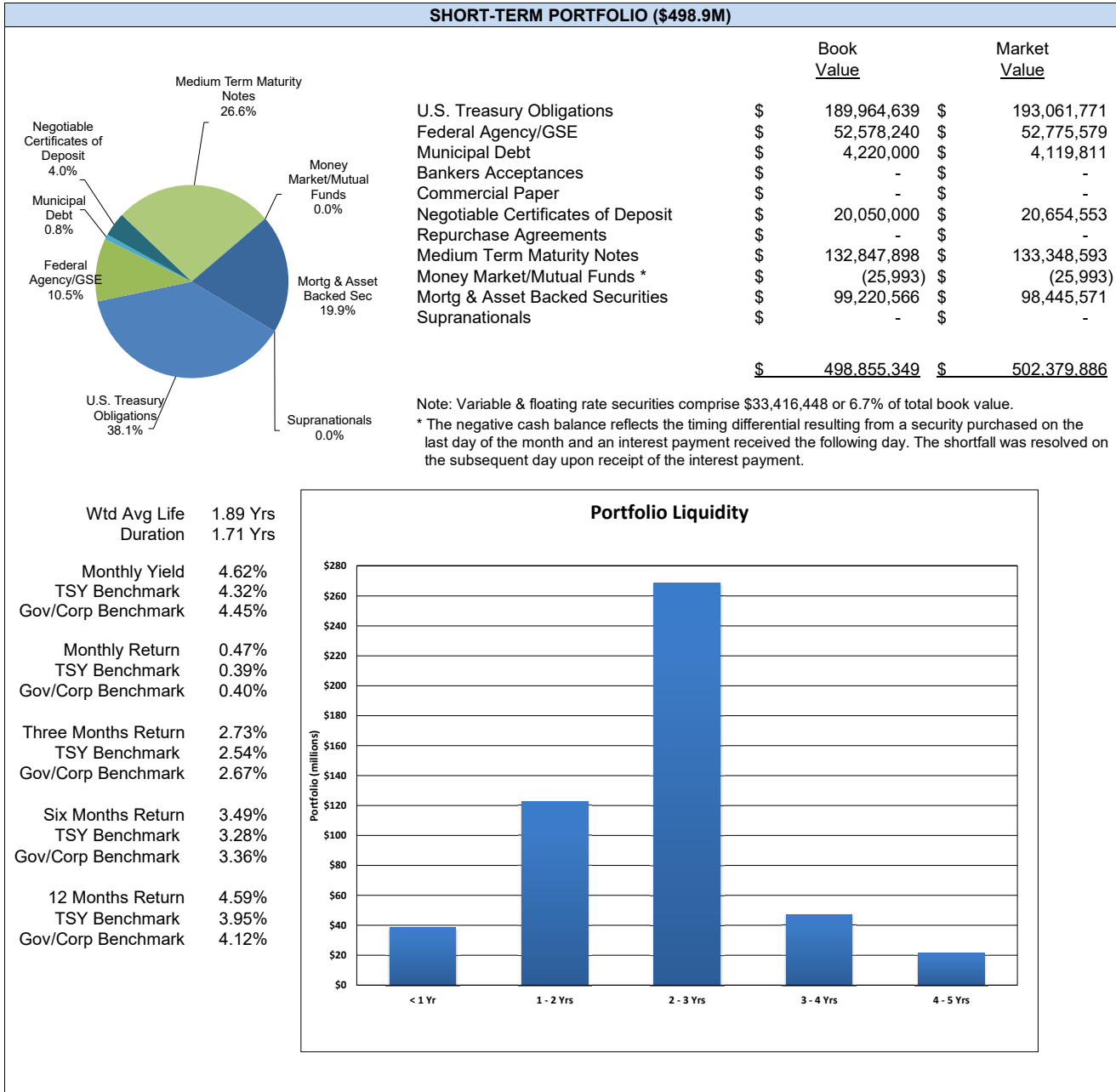
Portfolio Subject to Indenture					
Portfolio	Dollar Amount Invested	OCTA		Indenture Requirements	
		Credit Quality	Term	Min. Credit Quality	Max. Term
Liquid Portfolio*					
Government Obligations MMKT Fund	271,213,682	"AAAm"	N/A	AAA Category	N/A
Government Obligations MMKT Fund	49,652,528	"AAAm"/"Aammf"	N/A	AAA Category	N/A
Total Liquid Portfolio	\$ 320,866,210				
Bond Proceeds Portfolio					
2021 Bond Anticipation Notes (BANs):					
Government Obligations MMKT Fund	54,071	"AAAm"/ "Aaa-mf"/"AAAmf"	N/A	"AAAm" or "AAAm-G"	N/A
91 Express Lanes 2023 Bonds:					
Government Obligations MMKT Fund	2,552	"AAAm"/ "Aaa-mf"/"AAAmf"	N/A	N/A	N/A
Total Bond Proceeds Portfolio	\$ 56,623				
Reserve Funds Portfolio					
Bank Deposit	\$ -	N/A	N/A	N/A	N/A
Government Obligations MMKT Fund	5,341,117	"AAAm"/ "Aaa-mf"/"AAAmf"	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+"	180 days	"A-1"/"P-1"/"F1"	270 days
Government Obligations MMKT Fund**	247	"AAAm"/ "Aaa-mf"/"AAAmf"	N/A	N/A	N/A
Total Reserve Funds Portfolio	\$ 13,341,364				
Total Portfolio Subject to Indenture	\$ 13,397,987				
Portfolio Total	\$ 2,496,492,907				

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

**91 EL Debt Service Fund

Investment Manager Diversification and Maturity Schedules

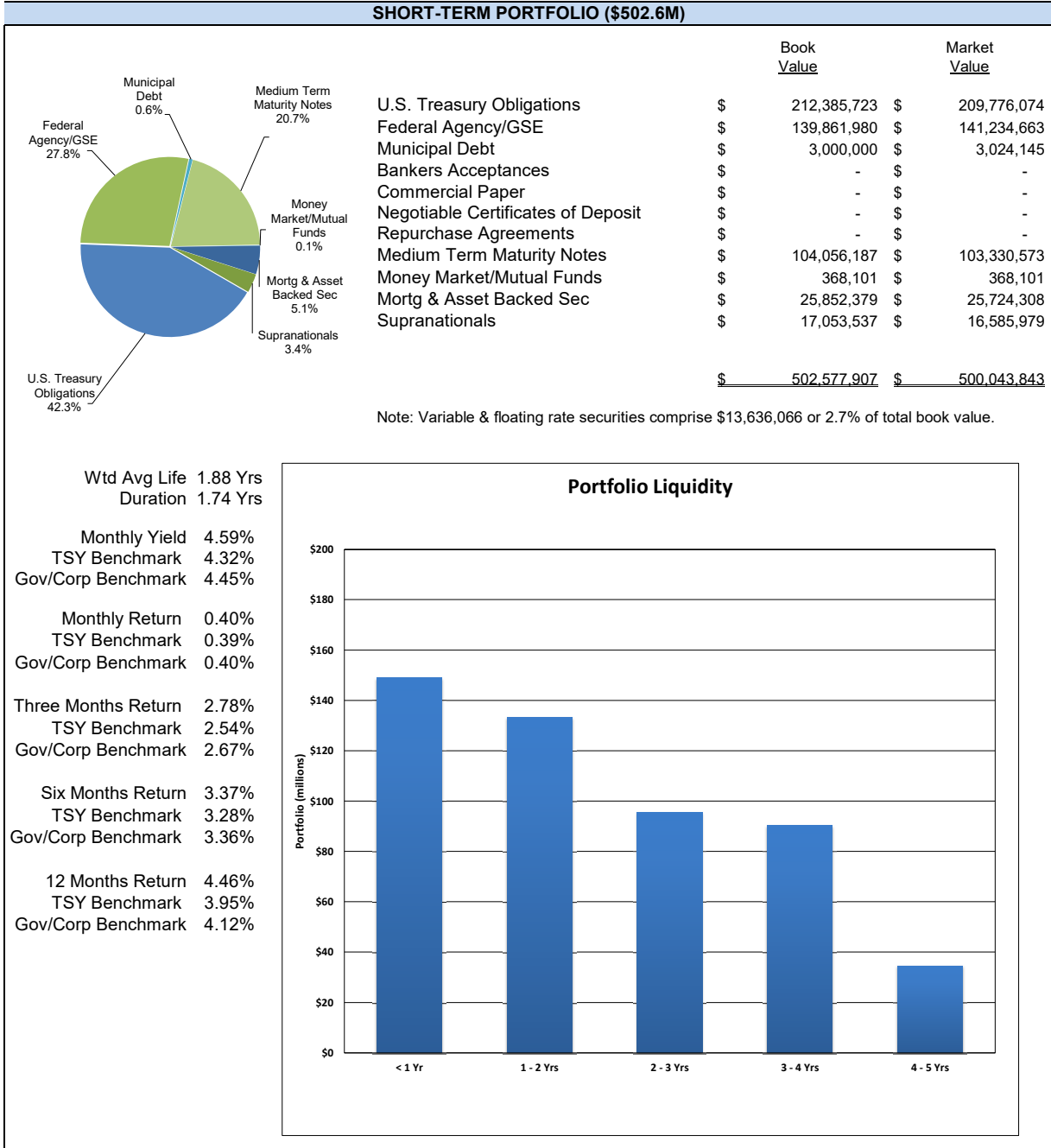
PFM
1/31/2024



Investment Manager Diversification and Maturity Schedules

Chandler Asset Management

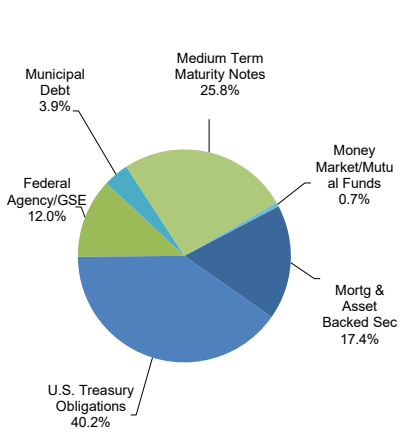
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Investment Manager Diversification and Maturity Schedules

Payden & Rygel
1/31/2024

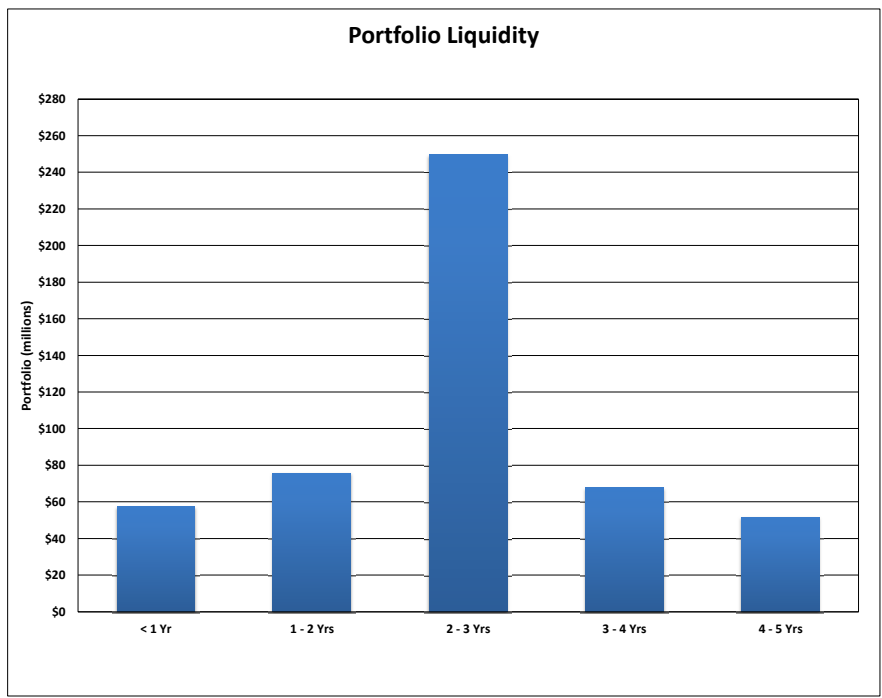
SHORT-TERM PORTFOLIO (\$502.8M)



	Book Value	Market Value
U.S. Treasury Obligations	\$ 202,052,295	\$ 189,284,325
Federal Agency/GSE	\$ 60,529,917	\$ 61,045,438
Municipal Debt	\$ 19,541,278	\$ 19,142,578
Bankers Acceptances	\$ -	\$ -
Commercial Paper	\$ -	\$ -
Negotiable Certificates of Deposit	\$ -	\$ -
Repurchase Agreements	\$ -	\$ -
Medium Term Maturity Notes	\$ 129,636,295	\$ 129,226,231
Money Market/Mutual Funds	\$ 3,529,357	\$ 3,529,357
Mortg & Asset Backed Sec	\$ 87,468,968	\$ 87,937,948
Supranationals	\$ -	\$ -
	\$ 502,758,111	\$ 490,165,876

Note: Variable & floating rate securities comprise \$50,027,385 or 10.0% of total book value.

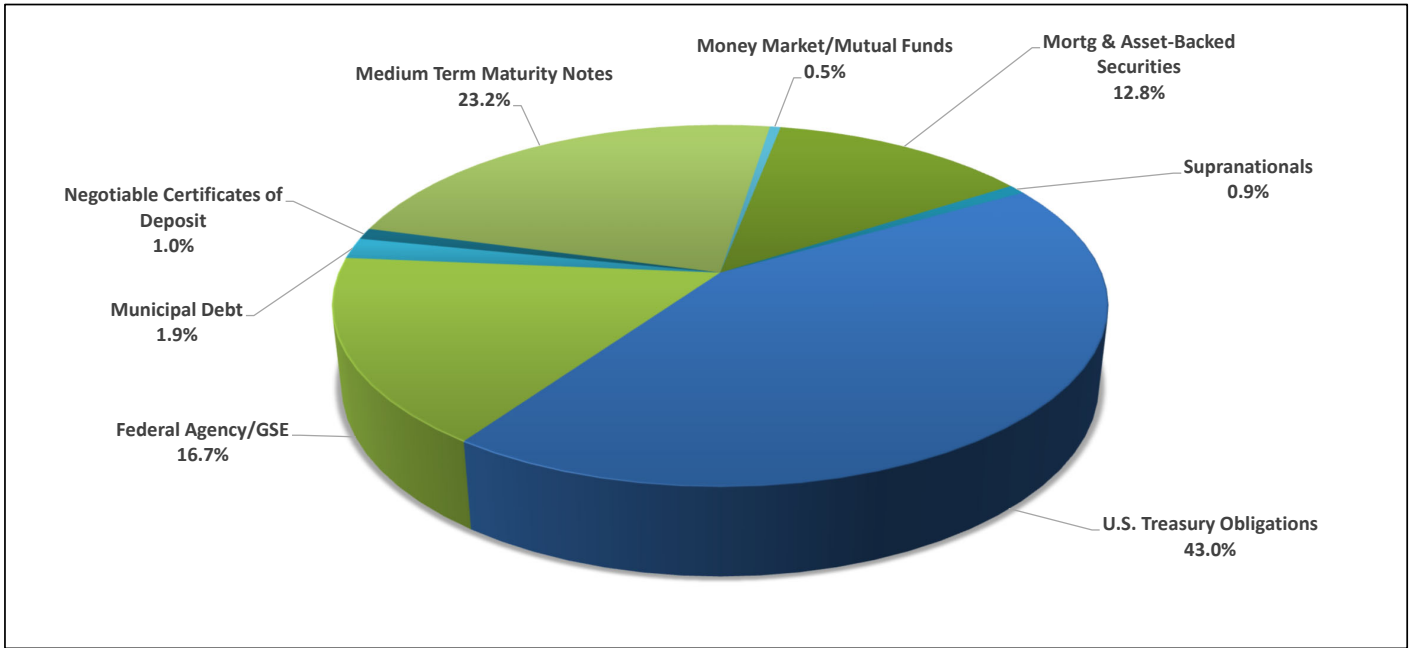
Wtd Avg Life	2.08 Yrs
Duration	1.75 Yrs
Monthly Yield	4.74%
TSY Benchmark	4.32%
Gov/Corp Benchmark	4.45%
Monthly Return	0.45%
TSY Benchmark	0.39%
Gov/Corp Benchmark	0.40%
Three Months Return	2.88%
TSY Benchmark	2.54%
Gov/Corp Benchmark	2.67%
Six Months Return	3.54%
TSY Benchmark	3.28%
Gov/Corp Benchmark	3.36%
12 Months Return	4.68%
TSY Benchmark	3.95%
Gov/Corp Benchmark	4.12%



Short-Term Portfolio

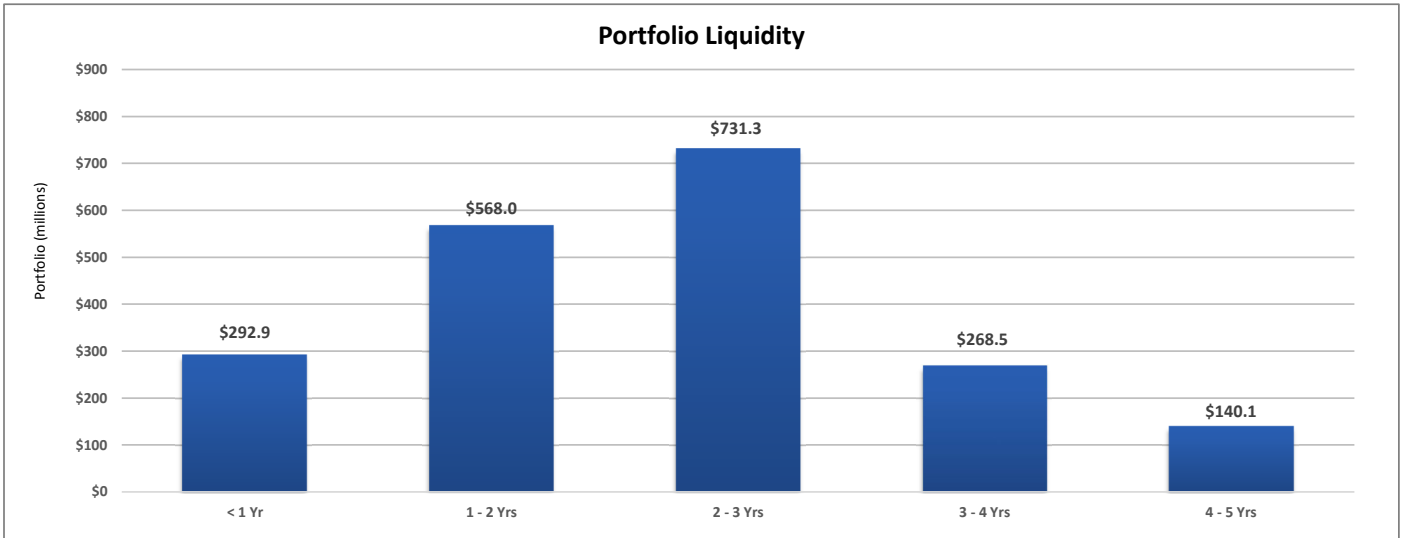
1/31/2024

Portfolio Composition



Note: Variable & floating rate securities comprise 7.3% of total book value.

Portfolio Liquidity



Rating Downgrades & Negative Credit Watch

1/31/2024

Investment Manager / Security

Par Amount

Maturity

S&P

Moody's

Fitch Ratings

Rating Downgrades:

- Rating below minimum requirements:

KEYBANK NATIONAL ASSOCIATION

\$	3,720,000	06/14/2024 - 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.

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 1/31/2024

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 2024:		17,270,000
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:		340,235,000
Debt Service FY 2024:		37,601,900
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	\$	590,235,000
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91 Express Lanes

2023 OCTA 91 Express Lanes Refunding Bonds

Issued:	\$	47,545,000
Outstanding:		47,545,000
Debt Service FY 2024:		1,446,160
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	\$	47,545,000
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405 Express Lanes

2021 TIFIA Loan

Amount Available	\$	628,930,000
Outstanding:		613,711,295
Accrued Interest:		-
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	\$	613,711,295
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TOTAL OUTSTANDING DEBT:	\$	1,251,491,295
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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.