

# Investment Report Update



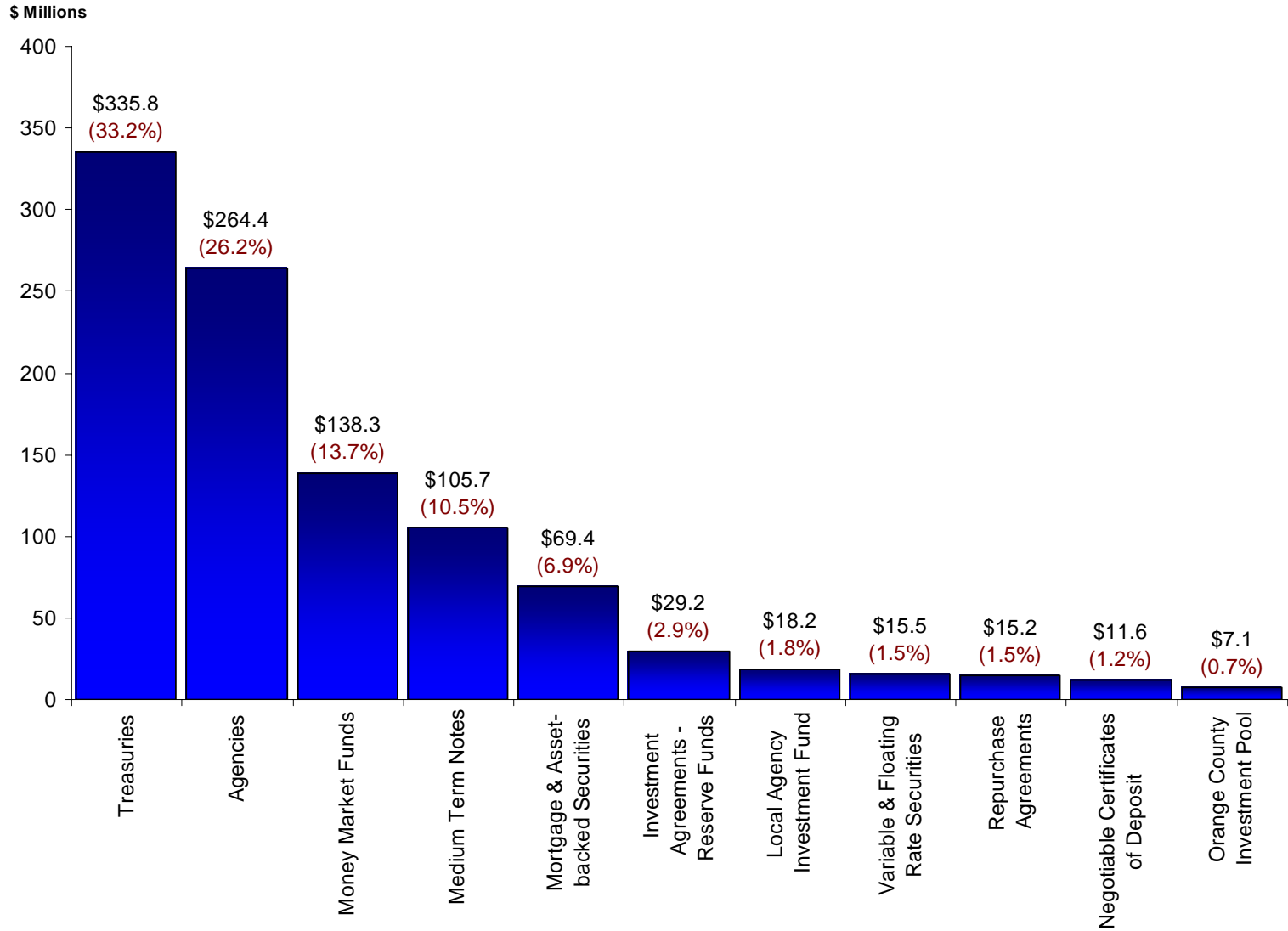
**Board of Directors' Meeting  
October 10, 2008**

# OCTA Investment Portfolio

- Portfolio totals \$1.01 billion as of September 30, 2008
- Portfolio invests solely in fixed income securities
- 77% of portfolio managed by external investment managers:
  - JP Morgan
  - Payden & Rygel
  - State Street Global Advisors
  - Western Asset Management
- 23% of portfolio managed internally through direct investments, Local Agency Investment Fund, and Orange County Investment Pool



# Investment Diversification



# Lehman Brothers Investments

- Medium term note
  - Par amount: 2,000,000
  - Purchase date: 5/30/07
  - Purchase price: 97.57% of par
  - Coupon: 4.5%
  - Final maturity: 7/26/10
  
- Medium term note
  - Par amount: 1,000,000
  - Purchase date: 2/12/08
  - Purchase price: 101.33% of par
  - Coupon: 5.63%
  - Final maturity: 1/24/13

# Next Steps

- Monitor Lehman medium term notes
- Review debt service reserve fund investments
- Continue to monitor financial market changes
- Update Finance and Administration Committee and Board of Directors on market changes