




DATE: February 12, 1996

TO: MTA Board of Directors

FROM: Ronny Goldsmith 
Chief Financial Officer

SUBJECT: Report on Cash and Investments as of October 31, 1995
Report on Cash and Investments as of November 30, 1995

Los Angeles County
Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
90012

213.922.6000

Mailing Address:

P.O. Box 194
Los Angeles, CA 90053

ISSUE

The purpose of the monthly report on investments is to certify that the Authority's cash and investment portfolios are in compliance with the MTA Investment Policy adopted August 24, 1995.

BACKGROUND

The following exceptions to compliance with the Investment Policy are noted for your information.

1. The Investment Policy prohibits holdings in derivatives. Amervest and Bear Stearns held derivative securities as of November 30, 1995. The sale of these securities will be reflected in the Cash and Investment Report for the month ended December 31, 1995.
2. As of December 31, 1995, all funds and securities were withdrawn from the California Arbitrage Management Program (CAMP) except for \$1,152,143. These funds have been frozen as a result of CAMP's investment in the Orange County Pension Obligation Bonds Series 1994B. Orange County has continued to make monthly interest payments on the bonds at a rate that is equivalent to taxable commercial paper. (Merrill Lynch 1-3 Year Government/Corporate Index).
3. For the month ended October 31, 1995, Bear Stearns did not meet the portfolio benchmark for all intermediate duration portfolio managers. (Merrill Lynch 1-3 Year Government/Corporate Index).
4. For the month ended November 30, 1995, Bear Stearns and VA Reid did not meet the portfolio benchmark for all intermediate duration portfolio managers. (Merrill Lynch 1-3 Year Government/Corporate Index).

Attachment A: Report on Cash and Investments as of October 31, 1995

Attachment B: Report on Cash and Investments as of November 30, 1995

ATTACHMENT A

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

REPORT ON CASH & INVESTMENTS

OCTOBER 1995

Los Angeles County Metropolitan Transportation Authority

**CASH AND INVESTMENT REPORT
OVERVIEW
OCTOBER 31, 1995**

The Los Angeles County Metropolitan Transportation Authority Treasury Department is responsible for various funds which can be divided into four categories:

	<u>Current Month October 31, 1995</u>	<u>Prior Month September 30, 1995</u>	<u>Change</u>
Discretionary/Operating Funds	500,539,657 ¹	547,614,830	(47,075,173)
Bond proceeds, debt service reserves, and other debt related funds	1,830,217,565	1,816,632,834	13,584,731
Pension & Deferred Compensation Reserves	743,117,598 ²	742,524,261	593,337
Other (Transit Guarantee Bond Program, escrows)	<u>22,766,216</u>	<u>14,427,548</u>	<u>8,338,668</u>
TOTAL	3,096,641,036	3,121,199,473	(24,558,437)

Additionally, the LACMTA Treasury Department administers funds (approximately \$158 million) for various government programs such as the State Transit Assistance program and the Transportation Development Act programs, and provides Treasury services to other organizations such as the SCRRA.

¹ Includes accrued income

² Reported at market value

Los Angeles County Transportation Authority

SUMMARY and COMPARISON DISCRETIONARY / OPERATING FUNDS OCTOBER 31, 1995

<u>Description</u>	<u>CURRENT MONTH</u> <u>October 31, 1995</u>	<u>PRIOR MONTH</u> <u>September 30, 1995</u>	<u>August 31, 1995</u>	<u>July 31, 1995</u>	<u>June 30, 1995</u>
Yield to Maturity (at market)					
Bank Deposits	3.70%	3.46%	3.35%	2.69%	3.61%
LA County Investment Pool	5.84%	5.84%	5.76%	5.89%	5.91%
Minority CD Program	5.26%	5.32%	5.36%	5.41%	5.37%
Managed Investments	<u>5.80%</u>	<u>6.02%</u>	<u>5.98%</u>	<u>5.98%</u>	<u>5.99%</u>
Total Wtd Avg YTM (at mkt)	5.70%	5.89%	5.59%	5.41%	5.66%
Wtd. Avg. Maturity	448 days	399 days	449 days	441 days	437 days
Balances					
Bank Deposits	20,641,394	23,717,949	78,387,704	99,804,239	78,437,902
LA County Investment Pool	38,286,921	59,285,362	36,043,117	34,228,083	81,856,305
Minority CD Program	2,381,000	2,381,000	2,881,000	2,881,000	2,980,000
Managed Investments	<u>439,279,346</u>	<u>462,230,519</u>	<u>441,999,484</u>	<u>451,208,779</u>	<u>432,370,863</u>
Total Book Value	500,588,661	547,614,830	559,311,305	588,122,101	595,645,070
Total Market Value	496,869,991	543,087,418	555,480,365	583,160,601	592,277,548
Total Par Value	484,337,433	531,800,492	544,570,464	572,553,900	581,223,567
Interest - Earned	\$ 2,451,771	\$ 2,609,042	\$ 2,904,921	\$ 2,352,190	\$ 3,052,484
Interest - Received	\$ 2,798,895	\$ 2,310,300	\$ 3,251,256	\$ 2,273,312	\$ 2,929,523

Note: Book Value is the original cost of the investment, plus accrued interest and amortization of any discount or premium. Market Value is the current market price of the investment. Par Value (or face value) is the principal amount paid at maturity.

Los Angeles County Metropolitan Transportation Authority

CASH and INVESTMENT SUMMARY DISCRETIONARY/OPERATING FUNDS OCTOBER 31, 1995

<u>Description</u>	<u>Balance</u> (at cost)	Wtd. Avg. <u>YTM</u> (at mkt)	Wtd. Avg. <u>Maturity</u> (days)	<u>Percentage</u>
Bank Deposits	20,641,394	3.69% ¹	1	4.1%
LA County Investment Pool	38,286,921	5.84%	14	7.6%
Minority Bank CD Program	2,381,000	5.26%	108	0.5%
Managed Investments				
Money Market Funds	21,694,143	5.40%	1	4.3%
Mutual Fund (Adj. Rate Mortg)	15,000,000	5.75%	1,095	3.0%
Commercial Paper	50,254,636	5.69%	18	10.0%
Treasuries	151,690,727	5.62%	520	30.3%
Federal Agencies	75,970,038	5.82%	628	15.2%
Municipal Obligations	3,248,619	6.98%	987	0.6%
Corporate Notes	112,260,835	6.01%	562	22.4%
Mortgages	4,707,133	6.68%	2,166	0.9%
Asset Backed Securities	4,453,214	6.13%	563	0.9%
<i>SUBTOTAL - Managed</i>	<i>439,279,346</i>	<i>5.80%</i>	<i>507</i>	<i>87.8%</i>
Total Cash & Investments	500,588,660	5.70%	447	100.0%

¹ Earnings on Bank Deposits include interest earned plus service fees offset by the balance credit allowance

Los Angeles County Metropolitan Transportation Authority

LIQUIDITY SCHEDULE DISCRETIONARY/OPERATING FUNDS OCTOBER 31, 1995

	Availability	Balance	YTM ¹ at mkt	Cumulative Availability
Bank Deposits	Immediate	20,641,394	3.69%	20,641,394
Money Market Funds	Immediate	21,694,143	5.40%	42,335,537
Mutual Fund (Adj Rate Bond)	Immediate	15,000,000	5.75%	57,335,537
LA County Invest. Pool	< 14 days	38,286,921	5.84%	95,622,458
Minority CD Program	See attached schedule	2,381,000	5.26%	98,003,458
Investments Maturing:	< 30 days	47,912,205	5.51%	145,915,663
	30 -60 days	58,649,963	5.61%	204,565,626
	60-90 days	6,616,165	5.78%	211,181,791
	90- 1 year	112,296,169	5.72%	323,477,960
	1 to 2 years	50,349,238	5.83%	373,827,198
	2 to 3 years	61,517,124	5.94%	435,344,322
	3 to 4 years	38,713,129	6.07%	474,057,451
	4 to 5 years	19,580,662	6.21%	493,638,113
	> 5 years	6,950,546	6.90%	500,588,659
Total Cash & Investments		500,588,660	5.70%	

¹ Yield to Maturity is a single rate of return earned on an investment considering all cash flows and timing factors

Los Angeles County Metropolitan Transportation Authority

INVESTMENT MANAGER PERFORMANCE DISCRETIONARY/OPERATING FUNDS OCTOBER 31, 1995

<u>Investment Manager</u>	<u>Balance</u> (at market)	<u>Balance</u> (at cost)	<u>YTM</u> (at mkt)	<u>Avg. Mat.</u> (days) (years)	<u>PERFORMANCE</u>				
					<u>Month</u> 10/31/95	<u>Quarters Ending</u> 9/30/95 6/30/95 3/31/95			<u>Fiscal YTD</u>
<u>Short Duration</u>					<u>Total Return (gross of fees)</u>				
Internal (Sanwa)	79,452,037	79,905,441	5.58%	298 .8 yrs	0.29	1.48	2.66	0.75	1.77
Sanwa	126,604,886	127,601,639	5.61%	132 .4 yrs	0.51	1.53	1.76	1.28	2.04
Benchmark - 6 month Treasury plus 20 basis points					0.50	1.31	1.58	1.49	1.91
<u>Intermediate Duration</u>					<u>Total Return (gross of fees)</u>				
Amervest	37,258,946	37,419,593	6.12%	1,004 2.8	0.95	1.67	3.90	3.21	2.64
Bear Stearns	36,876,072	37,654,436	5.85%	652 1.8	0.83	1.55	3.53	3.68	2.39
Danson & Neuhar	16,254,215	16,200,073	5.94%	870 2.4	0.93	1.64	3.58	3.57	2.58
LM Capital	38,946,618	38,064,268	6.03%	813 2.2	0.92	1.56	3.91	4.77	2.49
VA Reid	36,272,556	36,738,180	5.86%	829 2.3	0.94	1.54	3.85	2.96	2.50
Schroder Wertheim	53,076,621	53,872,245	5.97%	818 2.2	0.90	1.62	3.64	3.86	2.53
Benchmark - Merrill Lynch 1 - 3 year Government/Corporate Index					0.86	1.51	3.23	3.40	2.34
(Previous Benchmark - Merrill Lynch 1 - 5 year Gov/Corp Index)					0.98	1.53	4.01	3.88	2.52

Los Angeles County Metropolitan Transportation Authority

CERTIFICATE OF DEPOSIT PROGRAM OCTOBER 31, 1995

<u>Institution</u>	<u>Amount</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>Days to Maturity</u>
American International Bank	99,000.00	5.38%	2/26/96	118
Broadway Federal Bank	99,000.00	4.70%	11/23/95	23
Cathay Bank	500,000.00	5.20%	3/12/96	133
Cathay Bank	99,000.00	5.45%	2/6/96	98
East - West Federal Bank	99,000.00	5.12%	4/19/96	171
Family Savings Bank	99,000.00	5.10%	4/19/96	171
Far East Bank	99,000.00	5.25%	1/13/96	74
Far East Bank	99,000.00	4.75%	12/7/95	37
First Continental Bank	99,000.00	5.12%	3/17/96	138
First Public Savings Bank	99,000.00	4.80%	11/15/95	15
Founders National Bank	99,000.00	5.10%	3/20/96	141
Grand National Bank	99,000.00	5.25%	4/29/96	181
Hamni Bank	99,000.00	5.40%	2/5/96	97
Omni Bank	99,000.00	5.50%	2/5/96	97
Pacific Heritage Bank	99,000.00	5.12%	3/11/96	132
Preferred Bank	99,000.00	6.50%	4/17/96	169
Standard Savings Bank	99,000.00	5.50%	11/10/95	10
Transit District FCU	99,000.00	5.25%	4/29/96	181
Western State Bank	99,000.00	5.75%	4/29/96	181
Wilshire Bank	99,000.00	5.12%	12/25/95	55
TOTAL PROGRAM	2,381,000.00	5.26%		115

Los Angeles County Metropolitan Transportation Authority

LA County Treasurer's Investment Pool OCTOBER 31, 1995

The MTA has \$38.3 million invested and available for expenditure with the Los Angeles County Treasurer's Investment Pool as of October 31, 1995. The earnings rate for October 1995 is 5.84%.

The MTA is also administrator of various funds which must be invested with the Los Angeles County Treasurer by enabling legislation or by court directive.

	<u>\$ thousands</u>
HOV Project Funds	517.3
State Transit Assistance Bus Funds	1,733.6
State Transit Assistant Rail Funds	11,588.5
TDA Local Transportation Account	<u>144,503.5</u>
Total Administered Funds	\$ 158,342.9

Additionally, approximately \$83.5 million of trusteed bond proceeds and debt service reserve funds are invested with the LA County Treasurer.

ATTACHMENT B

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

REPORT ON CASH & INVESTMENTS

NOVEMBER 1995

Los Angeles County Metropolitan Transportation Authority

CASH AND INVESTMENT REPORT OVERVIEW NOVEMBER 30, 1995

The Los Angeles County Metropolitan Transportation Authority Treasury Department is responsible for various funds which can be divided into four categories:

	<u>Current Month November 30, 1995</u>	<u>Prior Month October 31, 1995</u>	<u>Change</u>
Discretionary/Operating Funds	533,467,574 ¹	500,539,657	32,927,917
Bond proceeds, debt service reserves, and other debt related funds	1,851,752,129	1,830,217,565	21,534,564
Pension & Deferred Compensation Reserves	765,038,424 ²	743,117,598	21,920,826
Other (Transit Guarantee Bond Program, escrows)	<u>22,796,905</u>	<u>22,766,216</u>	<u>30,689</u>
TOTAL	3,173,055,032	3,096,641,036	76,413,996

Additionally, the LACMTA Treasury Department administers funds (approximately \$170 million) for various government programs such as the State Transit Assistance program and the Transportation Development Act programs, and provides Treasury services to other organizations such as the SCRRA.

¹ Includes accrued income

² Reported at market value

Los Angeles County Transportation Authority

**SUMMARY and COMPARISON
DISCRETIONARY / OPERATING FUNDS
NOVEMBER 30, 1995**

<u>Description</u>	<u>November 30, 1995</u>	<u>October 31, 1995</u>	<u>September 30, 1995</u>	<u>August 31, 1995</u>	<u>July 31, 1995</u>	<u>June 30, 1995</u>
Yield to Maturity (at market)						
Bank Deposits	4.15%	3.69%	3.46%	3.35%	2.69%	3.61%
A County Investment Pool	5.88%	5.84%	5.84%	5.76%	5.89%	5.91%
Minority CD Program	5.26%	5.26%	5.32%	5.36%	5.41%	5.37%
Managed Investments	<u>5.64%</u>	<u>5.80%</u>	<u>6.02%</u>	<u>5.98%</u>	<u>5.98%</u>	<u>5.99%</u>
Total Wtd Avg YTM (at mkt)	5.65%	5.70%	5.89%	5.59%	5.41%	5.66%
Wtd. Avg. Maturity	425 days	448 days	399 days	449 days	441 days	437 days
Balances						
Bank Deposits	4,214,190	20,641,394	23,717,949	78,387,704	99,804,239	78,437,902
A County Investment Pool	54,123,010	38,286,921	59,285,362	36,043,117	34,228,083	81,856,305
Minority CD Program	2,381,000	2,381,000	2,381,000	2,881,000	2,881,000	2,980,000
Managed Investments	<u>472,749,374</u>	<u>439,729,346</u>	<u>462,230,519</u>	<u>441,999,484</u>	<u>451,208,779</u>	<u>432,370,863</u>
Total Book Value	533,467,574	500,588,661	547,614,830	559,311,305	588,122,101	595,645,070
Total Market Value	530,694,549	496,869,991	543,087,418	555,480,365	583,160,601	592,277,548
Total Par Value	517,077,776	484,337,433	531,800,492	544,570,464	572,553,900	581,223,567
Interest - Earned	\$ 2,309,848	\$ 2,451,771	\$ 2,609,042	\$ 2,904,921	\$ 2,352,190	\$ 3,052,484
Interest - Received	\$ 2,454,605	\$ 2,798,895	\$ 2,310,300	\$ 3,251,256	\$ 2,273,312	\$ 2,929,523

Note: Book Value is the original cost of the investment, plus accrued interest and amortization
any discount or premium. Market Value is the current market price of the investment.
Par Value (or face value) is the principal amount paid at maturity.

Los Angeles County Metropolitan Transportation Authority

CASH and INVESTMENT SUMMARY DISCRETIONARY/OPERATING FUNDS NOVEMBER 30, 1995

<u>Description</u>	<u>Balance</u> (at cost)	<u>Wtd. Avg.</u> <u>YTM</u> (at mkt)	<u>Wtd. Avg.</u> <u>Maturity</u> (days)	<u>Percentage</u>
Bank Deposits	4,214,190	4.15%	1	0.8%
LA County Investment Pool	54,123,010	5.88%	14	10.1%
Minority Bank CD Program	2,381,000	5.26%	108	0.4%
Managed Investments				
Money Market Funds	29,418,789	5.18%	1	5.5%
Mutual Fund (Adj. Rate Mortg)	15,000,000	5.62%	1,095	2.8%
Commercial Paper	47,235,776	5.10%	10	8.9%
Treasuries	152,303,527	5.45%	536	28.5%
Federal Agencies	133,739,385	5.94%	350	25.1%
Municipal Obligations	3,253,914	6.98%	1,013	0.6%
Corporate Notes	83,468,348	5.88%	770	15.6%
Mortgages	3,944,115	6.71%	2,589	0.7%
Asset Backed Securities	4,385,520	5.97%	544	0.8%
<i>SUBTOTAL - Managed</i>	<i>472,749,375</i>	<i>5.64%</i>	<i>477</i>	<i>88.6%</i>
Total Cash & Investments	533,467,574	5.65%	425	100.0%

¹ Earnings on Bank Deposits include interest earned plus service fees offset by the balance credit allowance

Los Angeles County Metropolitan Transportation Authority

LIQUIDITY SCHEDULE DISCRETIONARY/OPERATING FUNDS NOVEMBER 30, 1995

	Availability	Balance	YTM ¹ at mkt	Cumulative Availability
Bank Deposits	Immediate	4,214,190	4.15%	4,214,190
Money Market Funds	Immediate	29,418,789	5.18%	33,632,979
Mutual Fund (Adj Rate Bond)	Immediate	15,000,000	5.62%	48,632,979
LA County Invest. Pool	< 14 days	54,123,010	5.88%	102,755,989
Minority CD Program	See attached schedule	2,381,000	5.26%	105,136,989
Investments Maturing:	< 30 days	103,893,182	5.56%	209,030,171
	30 -60 days	8,294,520	5.88%	217,324,691
	60-90 days	33,021,442	5.67%	250,346,133
	90- 1 year	106,930,468	5.61%	357,276,601
	1 to 2 years	47,900,723	5.57%	405,177,324
	2 to 3 years	62,361,920	5.66%	467,539,244
	3 to 4 years	40,856,523	5.84%	508,395,767
	4 to 5 years	19,104,620	5.97%	527,500,387
	> 5 years	5,967,188	6.59%	533,467,575
Total Cash & Investments		533,467,574	5.64%	

¹ Yield to Maturity is the single rate of return earned on an investment considering all cash flows and timing factors

Los Angeles County Metropolitan Transportation Authority

INVESTMENT MANAGER PERFORMANCE DISCRETIONARY/OPERATING FUNDS NOVEMBER 30, 1995

<u>Investment Manager</u>	<u>Balance</u> (at market)	<u>Balance</u> (at cost)	<u>YTM</u> (at mkt)	<u>Avg. Mat.</u> (days) (years)	<u>PERFORMANCE</u>				<u>Fiscal YTD</u>	
					<u>Month</u> 11/30/95	<u>Quarters Ending</u> 9/30/95 6/30/95 3/31/95				
<u>Short Duration</u>					<u>Total Return (gross of fees)</u>					
Internal (Sanwa)	105,581,284	106,160,349	5.46%	362	1.0	0.50	1.48	2.66	0.75	2.28
Sanwa	132,743,376	133,795,453	5.59%	147	0.4	0.52	1.53	1.76	1.28	2.57
Benchmark - 6 month Treasury plus 20 basis points						0.47	1.31	1.58	1.49	2.30
<u>Intermediate Duration</u>					<u>Total Return (gross of fees)</u>					
Amervest	37,510,062	37,593,724	5.92%	1,025	2.8	1.09	1.67	3.90	3.21	3.75
Bear Stearns	37,164,497	37,880,157	5.73%	632	1.7	0.88	1.55	3.53	3.68	3.29
Danson & Neuhar	16,460,596	16,297,376	5.77%	889	2.4	0.94	1.64	3.58	3.57	3.55
LM Capital	39,313,469	39,236,050	5.84%	842	2.3	0.99	1.56	3.91	4.77	3.51
VA Reid	36,678,183	36,808,857	5.55%	774	2.1	0.79	1.54	3.85	2.96	3.31
Schroder Wertheim	53,703,158	54,108,379	5.70%	786	2.2	1.02	1.62	3.64	3.86	3.57
Benchmark - Merrill Lynch 1 - 3 year Government/Corporate Index						0.89	1.51	3.23	3.40	3.28
(Previous Benchmark - Merrill Lynch 1 - 5 year Gov/Corp Index)						1.05	1.53	4.01	3.88	3.60

Los Angeles County Metropolitan Transportation Authority

CERTIFICATE OF DEPOSIT PROGRAM

NOVEMBER 30, 1995

<u>Institution</u>	<u>Amount</u>	<u>Rate</u>	<u>Maturity</u> <u>Date</u>	<u>Days to</u> <u>Maturity</u>
American International Bank	99,000.00	5.38%	2/26/96	88
Broadway Federal Bank	99,000.00	4.90%	5/28/96	180
Cathay Bank	500,000.00	5.20%	3/12/96	103
Cathay Bank	99,000.00	5.45%	2/6/96	68
East - West Federal Bank	99,000.00	5.12%	4/19/96	141
Family Savings Bank	99,000.00	5.10%	4/19/96	141
Far East Bank	99,000.00	5.25%	1/13/96	44
Far East Bank	99,000.00	4.75%	12/7/95	7
First Continental Bank	99,000.00	5.12%	3/17/96	108
First Public Savings Bank	99,000.00	5.00%	5/14/96	166
Founders National Bank	99,000.00	5.10%	3/20/96	111
Grand National Bank	99,000.00	5.25%	4/29/96	151
Hamni Bank	99,000.00	5.40%	2/5/96	67
Omni Bank	99,000.00	5.50%	2/5/96	67
Pacific Heritage Bank	99,000.00	5.12%	3/11/96	102
Preferred Bank	99,000.00	6.50%	4/17/96	139
Standard Savings Bank	99,000.00	5.25%	5/10/96	162
Transit District FCU	99,000.00	5.25%	4/29/96	151
Western State Bank	99,000.00	5.75%	4/29/96	151
Wilshire Bank	99,000.00	5.12%	12/25/95	25
TOTAL PROGRAM	2,381,000.00	5.26%		108

Los Angeles County Metropolitan Transportation Authority

LA County Treasurer's Investment Pool

NOVEMBER 30, 1995

The MTA has \$54.1 million invested and available for expenditure with the Los Angeles County Treasurer's Investment Pool as of November 30, 1995. The earnings rate for November 1995 is 5.88%.

The MTA is also administrator of various funds which must be invested with the Los Angeles County Treasurer by enabling legislation or by court directive.

	<u>\$ thousands</u>
HOV Project Funds	537.0
State Transit Assistance Bus Funds	4,834.9
State Transit Assistant Rail Funds	14,178.9
TDA Local Transportation Account	<u>150,000.7</u>
Total Administered Funds	\$ 169,551.5

Additionally, approximately \$84 million of trusted bond proceeds and debt service reserve funds are invested with the LA County Treasurer.