

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Michael Longhi, Chief Financial Officer

DATE: June 2, 2017

SUBJECT: Initial Investment Portfolio Report

1. **Purpose:** To provide the Authority with summary reports of investment activities and the Authority's investment portfolio performance.
2. **Background:**
 - a. This is the first month which the Authority is receiving investment reports. These are high level summary reports and are intended to:
 - i. Follow best practices of public funds/fixed income investment reporting for clarity and transparency.
 - ii. Provide transparency and accountability of investments to the Authority.
 - b. Detailed reports were presented to the Finance Committee for accountability and compliance with reporting requirements prescribed in the NVRTA Investment Policy.
 - c. As stated in the NVRTA Investment Policy, the objectives of the Authority's investment activities in priority order are:
 - i. Safety.
 - ii. Liquidity.
 - iii. Yield.
 - d. The Authority's investment program was activated in January 2017.
 - e. As of April 30, 2017, approximately \$438.4 million in investment trades were transacted, settled and reconciled. This level of activity is reflective of the initial positioning of the portfolio.
3. **Discussion:** Report presentation can be modified as the Authority desires. Since these are the first monthly reports they show the transition from cash holdings in liquidity pools and bank accounts to the purchase and holding of individual securities. The reports as attached are:
 - a. **Distribution by Asset Category – Book Value.** This report is intended to show the composition and changes in the portfolio by asset category. It shows a starting point of \$500 million in the Commonwealth LGIP transitioning to \$438.4 million in purchased securities such as Treasuries, Agencies, Corporate Notes, Commercial Paper and Negotiable or 'Yankee' Certificates of Deposit. The

investments as a percent of portfolio information is useful to show investment policy compliance.

- b. Compliance Report – GASB 40.** This report lists each security, its CUSIP or Ticker, Issuer Face Amount, Book Value, Market Value, Credit Ratings, Days to Call, Maturity Date and Duration. Significant information in this report is the credit ratings of securities (when rated), Market Value and Duration to Maturity. This report is fundamental for the Authority’s Annual Financial Statements and Annual Audit.
- 4. Performance to Benchmarks.** The Investment Policy sets four benchmarks with which to compare the NVTAs portfolio performance. The Authority portfolio is achieving a 1.15% rate of return with the implementation of the investment program. The rates of return of the four benchmarks for the end of April are:
- a.** Fed Funds Rate: 0.90%
 - b.** Treasury 90 Day T-Bill: 0.88%
 - c.** Virginia Local Government Investment Pool: 0.89%
 - d.** Virginia State Non-Arbitrage Program: 1.09%
- 5. Fiscal Implications:** The initial interest earnings estimate for FY 2017 was \$1.9 million. With the implementation of the investment program, FY 2017 interest earnings have the potential to exceed \$5.0 million.

Attachments:

- A.** Distribution by Asset Category – Book Value
- B.** Compliance – GASB 40 Report



**Northern Virginia Transportation Authority
Distribution by Asset Category - Book Value
Report Group: Regional Revenue Fund**

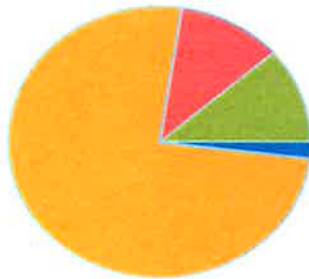
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Begin Date: 1/31/2017, End Date: 4/30/2017

Asset Category Allocation

	Book Value 1/31/2017	% of Portfolio 1/31/2017	Book Value 4/30/2017	% of Portfolio 4/30/2017
Total / Average	662,513,069.84	100.00	699,072,663.60	100.00

Portfolio Holdings as of 1/31/2017



- 1.89%-CD - Bank 60% ...
- 75.47%-LGIP 100% Max...
- 11.23%-Money Market ...
- 11.41%-Mutual Funds ...
- 0%-CD - Negotiable 2...
- 0%-Commercial Paper ...
- 0%-Corporate Notes 5...
- 0%-US Agency 100% M...

Portfolio Holdings as of 4/30/2017



- 1.79%-CD - Bank 60% ...
- 15.67%-LGIP 100% Max...
- 11.2%-Money Market ...
- 10.85%-Mutual Funds ...
- 12.87%-CD - Negotiab...
- 11.66%-Commercial Pa...
- 31.03%-Corporate Not...
- 4.94%-US Agency 100...

Northern Virginia Transportation Authority
 Compliance - GASB 40 Report
 Report Format: By Transaction
 Group By: Security Type
 Average By: Face Amount / Shares
 Portfolio / Report Group: Regional Revenue Fund
 As of 4/30/2017

Description	CUSIP/Ticker	Issuer	Face Amount/Shares	Book Value	Market Value	Credit Rating 1	Credit Rating 2	% of Portfolio	Days To Maturity	Days To Call/Maturity	Maturity Date	Next Call Date	Duration To Maturity
Certificate Of Deposit													
United Bank of VA 1.045 9/9/2017	CDARS3427	United Bank of VA	12,500,000.00	12,500,000.00	12,500,000.00	NR	NR	1.79	132	132	9/9/2017		0.36
Sub Total / Average			12,500,000.00	12,500,000.00	12,500,000.00			1.79	132	132			0.36
Commercial Paper													
Caterpillar 0 7/5/2017	24023GU54	Caterpillar	12,000,000.00	11,973,600.00	11,963,600.00	S&P-A1	Fitch-F1	1.72	66	66	7/5/2017		0.18
Credit Suisse New York 0 11/30/2017	2254EAYW7	Credit Suisse New York	10,000,000.00	9,918,351.09	9,917,206.48	Moody's-P1	S&P-A1	1.43	214	214	11/30/2017		0.59
GE Capital 0 11/9/2017	36164JY99	GE Capital	25,000,000.00	24,849,888.89	24,821,111.11	Moody's-P1	S&P-A1+	3.58	193	193	11/9/2017		0.53
Inova Hospital 0 7/13/2017	45778NUD4	Inova Hospital	18,800,000.00	18,759,809.77	18,753,292.44	Moody's-P1	S&P-A1+	2.69	74	74	7/13/2017		0.20
JP Morgan Securities 0 11/1/2017	46640PY15	JP Morgan Securities	10,000,000.00	9,933,194.45	9,914,055.56	Moody's-A1	S&P-SP-1	1.43	185	185	11/1/2017		0.51
JP Morgan Securities 0 12/1/2017	46640PZ14	JP Morgan Securities	20,000,000.00	19,838,750.00	19,799,000.00	Moody's-P1	S&P-A1	2.86	215	215	12/1/2017		0.59
Prudential Funding LLC 0 10/31/2017	74433GXX9	Prudential Funding LLC	15,000,000.00	14,912,600.00	14,895,025.00	Moody's-P1	S&P-A1+	2.15	184	184	10/31/2017		0.50
Sub Total / Average			110,800,000.00	110,186,194.20	110,063,290.59			15.86	163	163			0.45
Corporate Bond													
Berkshire Hathaway 1.45 3/7/2018	084464CE9	Berkshire Hathaway	29,175,000.00	29,224,271.12	29,211,468.75	Moody's-Aa2	S&P-AA	4.18	311	311	3/7/2018		0.85
Berkshire Hathaway 1.45 3/7/2018	084664CE9	Berkshire Hathaway	2,240,000.00	2,242,833.91	2,242,800.00	Moody's-Aa2	S&P-AA	0.32	311	311	3/7/2018		0.85
Berkshire Hathaway 1.55 2/9/2018	084670BH0	Berkshire Hathaway	5,828,000.00	5,845,891.76	5,838,840.08	Moody's-Aa2	S&P-AA	0.83	285	285	2/9/2018		0.77
Coca Cola 1.65 3/14/2018	191216AY6	Coca Cola	1,895,000.00	1,902,013.13	1,900,268.10	Moody's-Aa3	S&P-AA-	0.27	318	318	3/14/2018		0.87
Coca Cola 1.65 3/14/2018	191216AY6	Coca Cola	1,405,000.00	1,410,199.71	1,408,905.90	Moody's-Aa3	S&P-AA-	0.20	318	318	3/14/2018		0.87
Coca Cola 1.65 3/14/2018	191216AY6	Coca Cola	10,099,000.00	10,136,482.99	10,127,075.22	Moody's-Aa3	S&P-AA-	1.45	318	318	3/14/2018		0.87
Coca Cola 1.65 3/14/2018	191216AY6	Coca Cola	9,421,000.00	9,455,937.80	9,447,190.38	Moody's-Aa3	S&P-AA-	1.35	318	318	3/14/2018		0.87
Exxon Mobile 1.305 3/6/2018	30231GAL6	Exxon Mobile	20,000,000.00	20,023,484.85	19,998,800.00	Moody's-Aaa	S&P-AA+	2.86	310	310	3/6/2018		0.85
IBM 1.125 2/6/2018	459200HZ7	IBM	3,300,000.00	3,301,011.52	3,296,964.00	Moody's-Aa3	S&P-AA-	0.47	282	282	2/6/2018		0.76
IBM 1.125 2/6/2018	459200HZ7	IBM	8,429,000.00	8,431,583.67	8,421,245.32	Moody's-Aa3	S&P-AA-	1.21	282	282	2/6/2018		0.76
IBM 1.125 2/6/2018	459200HZ7	IBM	7,000,000.00	7,002,145.65	6,993,560.00	Moody's-Aa3	S&P-AA-	1.00	282	282	2/6/2018		0.76
IBM 1.125 2/6/2018	459200HZ7	IBM	4,775,000.00	4,776,463.64	4,770,807.00	Moody's-Aa3	S&P-AA-	0.68	282	282	2/6/2018		0.76
Nestle Holdings Inc 1.375 7/24/2018	U64106BW3	Nestle Holdings Inc	3,085,000.00	3,084,750.49	3,084,710.01	Moody's-Aa2	S&P-AA	0.44	450	450	7/24/2018		1.22
Standard Charter Bank NY 1.54 1/9/2018	85325TSB2	Standard Charter Bank NY	10,000,000.00	10,006,279.44	10,006,897.50	Moody's-P1	S&P-A1	1.43	254	254	1/9/2018		0.69
Standard Charter Bank of NY 1.37 10/23/2017	85325TSQ9	Standard Charter Bank of NY	10,000,000.00	10,000,000.00	9,999,500.00	Moody's-P1	S&P-A1	1.43	176	176	10/23/2017		0.48
Stanford University 4.75 5/1/2019	854403AC6	Stanford University	5,000,000.00	5,319,663.83	5,308,000.00	Moody's-Aaa	S&P-AAA	0.72	731	731	5/1/2019		1.89
Stanford University 4.75 5/1/2019	854403AC6	Stanford University	5,515,000.00	5,867,589.20	5,854,724.00	Moody's-Aaa	S&P-AAA	0.79	731	731	5/1/2019		1.89

Description	CUSIP/Ticker	Issuer	Face Amount/Shares	Book Value	Market Value	Credit Rating 1	Credit Rating 2	% of Portfolio	Days To Maturity	Days To Call/Maturity	Maturity Date	Next Call Date	Duration To Maturity
Toyota Motor Corp 1.2 4/6/2018	89236TCX1	Toyota Motor Corp	12,845,000.00	12,830,006.84	12,828,044.60	Moody's-Aa3	S&P-AA-	1.84	341	341	4/6/2018		0.93
Toyota Motor Corp 1.375 1/10/2018	89233P7E0	Toyota Motor Corp	20,000,000.00	20,023,929.62	19,997,000.00	Moody's-Aa3	S&P-AA-	2.86	255	255	1/10/2018		0.69
Wells Fargo Bank 1.65 1/22/2018	94988J5A1	Wells Fargo Bank	10,000,000.00	10,025,409.55	10,016,000.00	Moody's-Aa2	S&P-AA-	1.43	267	267	1/22/2018		0.72
Wells Fargo Bank 1.65 1/22/2018	94988J5A1	Wells Fargo Bank	10,000,000.00	10,018,995.14	10,016,000.00	Moody's-Aa2	S&P-AA-	1.43	267	267	1/22/2018		0.72
Wells Fargo Bank 1.65 1/22/2018	94988J5A1	Wells Fargo Bank	555,000.00	556,176.92	555,888.00	Moody's-Aa2	S&P-AA-	0.08	267	267	1/22/2018		0.72
Wells Fargo Bank 1.65 1/22/2018	94988J5A1	Wells Fargo Bank	1,400,000.00	1,402,947.53	1,402,240.00	Moody's-Aa2	S&P-AA-	0.20	267	267	1/22/2018		0.72
Wells Fargo Bank 1.65 1/22/2018	94988J5A1	Wells Fargo Bank	1,160,000.00	1,162,493.70	1,161,858.00	Moody's-Aa2	S&P-AA-	0.17	267	267	1/22/2018		0.72
Wells Fargo Bank 1.8 11/28/2018	94988J5F0	Wells Fargo Bank	15,200,000.00	15,237,872.18	15,210,184.00	Moody's-Aa2	Fitch-AA	2.18	577	577	11/28/2018		1.55
Wells Fargo Bank 1.8 11/28/2018	94988J5F0	Wells Fargo Bank	8,850,000.00	8,871,950.80	8,855,929.50	Moody's-Aa2	Fitch-AA	1.27	577	577	11/28/2018		1.55
Sub Total / Average			217,177,000.00	218,160,384.79	217,954,698.36			31.09	343	343			0.93
FFCB Bond													
FFCB 1.4 3/27/2019	3133EHDR1	FFCB	10,000,000.00	10,009,343.56	9,998,500.00	Moody's-Aaa	S&P-AA+	1.43	696	696	3/27/2019		1.89
Sub Total / Average			10,000,000.00	10,009,343.56	9,998,500.00			1.43	696	696			1.89
FHLB Bond													
FHLB 1.75 12/14/2018	313376BR5	FHLB	5,000,000.00	5,038,441.83	5,037,650.00	Moody's-Aaa	S&P-AA+	0.72	593	593	12/14/2018		1.60
Sub Total / Average			5,000,000.00	5,038,441.83	5,037,650.00			0.72	593	593			1.60
FHLMC Bond													
FHLMC 1.35 1/25/2019-17	3134GAK78	FHLMC	10,000,000.00	10,000,000.00	9,994,400.00	Moody's-Aaa	S&P-AA+	1.43	635	86	1/25/2019	7/25/2017	1.72
FHLMC 1.375 3/15/2019	3134GA5A8	FHLMC	5,000,000.00	5,000,000.00	4,998,100.00	S&P-AA+	Fitch-AAA	0.72	684	684	3/15/2019		1.85
FHLMC Step 9/30/2019-17	3134GAKN3	FHLMC	4,500,000.00	4,488,813.34	4,480,335.00	Moody's-Aaa	S&P-AA+	0.64	883	61	9/30/2019	6/30/2017	2.39
Sub Total / Average			19,500,000.00	19,488,813.34	19,472,835.00			2.79	705	234			1.91
Local Government Investment Pool													
Commonwealth of Virginia LGIP	LGIP0825	Commonwealth of Virginia	1,589,254.24	1,589,254.24	1,589,254.24	S&P-AAA	NR	0.23	1	1	N/A	N/A	0.00
Commonwealth of Virginia LGIP	LGIP0549	Commonwealth of Virginia	48,685,431.30	48,685,431.30	48,685,431.30	S&P-AAA	NR	6.97	1	1	N/A	N/A	0.00
VIP 1-3 Year LGIP	LGIP0001	VIP 1-3 Year	75,847,921.07	75,847,921.07	75,847,921.07	S&P-AA+	NR	10.86	1	1	N/A	N/A	0.00
VIP Stable NAV LGIP	LGIP5001	VIP Stable NAV	59,262,458.72	59,262,458.72	59,262,458.72	S&P-AAA	NR	8.48	1	1	N/A	N/A	0.00
Sub Total / Average			185,385,065.33	185,385,065.33	185,385,065.33			26.54	1	1			0.00
Money Market													
Access National Bank MM	MM7182	Access National Bank	60,762,883.22	60,762,883.22	60,762,883.22	NR	NR	8.70	1	1	N/A	N/A	0.00
BB&T MM	MM1006	BB&T	3,318,755.38	3,318,755.38	3,318,755.38	NR	NR	0.48	1	1	N/A	N/A	0.00
John Marshall Bank MM	MM0080	John Marshall Bank	14,189,805.86	14,189,805.86	14,189,805.86	NR	NR	2.03	1	1	N/A	N/A	0.00
Sub Total / Average			78,271,444.46	78,271,444.46	78,271,444.46			11.20	1	1			0.00
Negotiable Certificate Of Deposit													
CitiBank NA 1.25 7/25/2017	17305TKP6	CitiBank NA	20,000,000.00	20,006,187.05	20,008,200.00	Moody's-P1	S&P-A1	2.86	86	86	7/25/2017		0.24
Mizuho Bank Ltd/NY 1.3 9/18/2017	60689D4K6	Mizuho Bank Ltd/NY	15,000,000.00	15,005,869.38	15,003,600.00	Moody's-P1	S&P-A1	2.15	141	141	9/18/2017		0.39

Description	CUSIP/Ticker	Issuer	Face Amount/Shares	Book Value	Market Value	Credit Rating 1	Credit Rating 2	% of Portfolio	Days To Maturity	Days To Call/Maturity	Maturity Date	Next Call Date	Duration To Maturity
Standard Charter Bank of NY 1.66 2/12/2018	85325TQZ1	Standard Charter Bank of NY	10,000,000.00	10,007,876.78	10,007,600.00	Moody's-P1	S&P-A1	1.43	288	288	2/12/2018		0.80
UBS Bank Stamford CT Branch 1.46 12/13/2017	90275DFE5	UBS Bank Stamford CT Branch	15,000,000.00	15,013,042.88	15,006,900.00	Moody's-P1	S&P-A1	2.15	227	227	12/13/2017		0.62
Sub Total / Average			60,000,000.00	60,032,976.09	60,026,300.00			8.59	169	169			0.47
Total / Average			698,633,509.79	699,072,663.60	698,709,783.74			100	183	170			0.50