

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

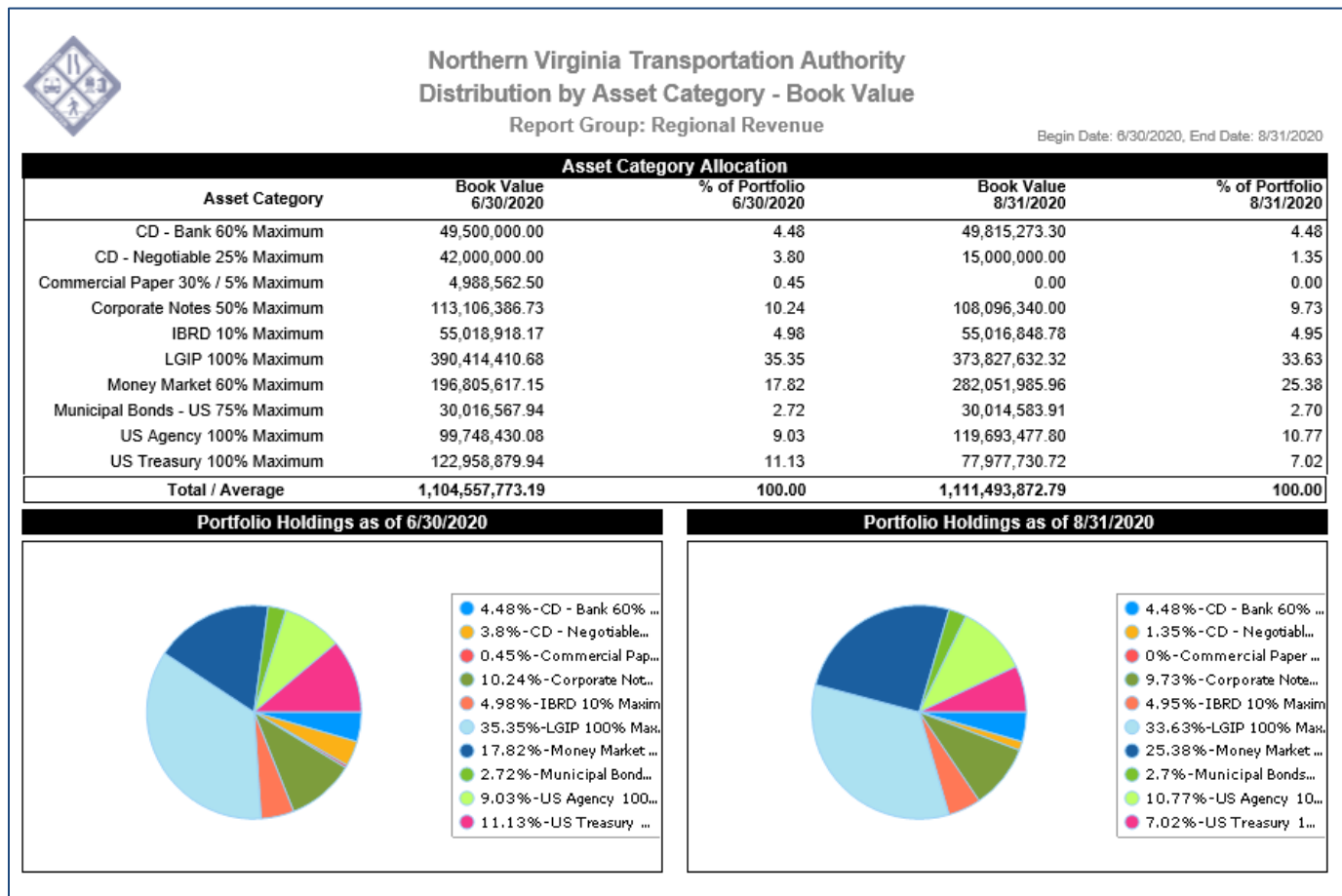
FOR: Chair Phyllis J. Randall and Members
Northern Virginia Transportation Authority

FROM: Michael Longhi, Chief Financial Officer

DATE: October 2, 2020

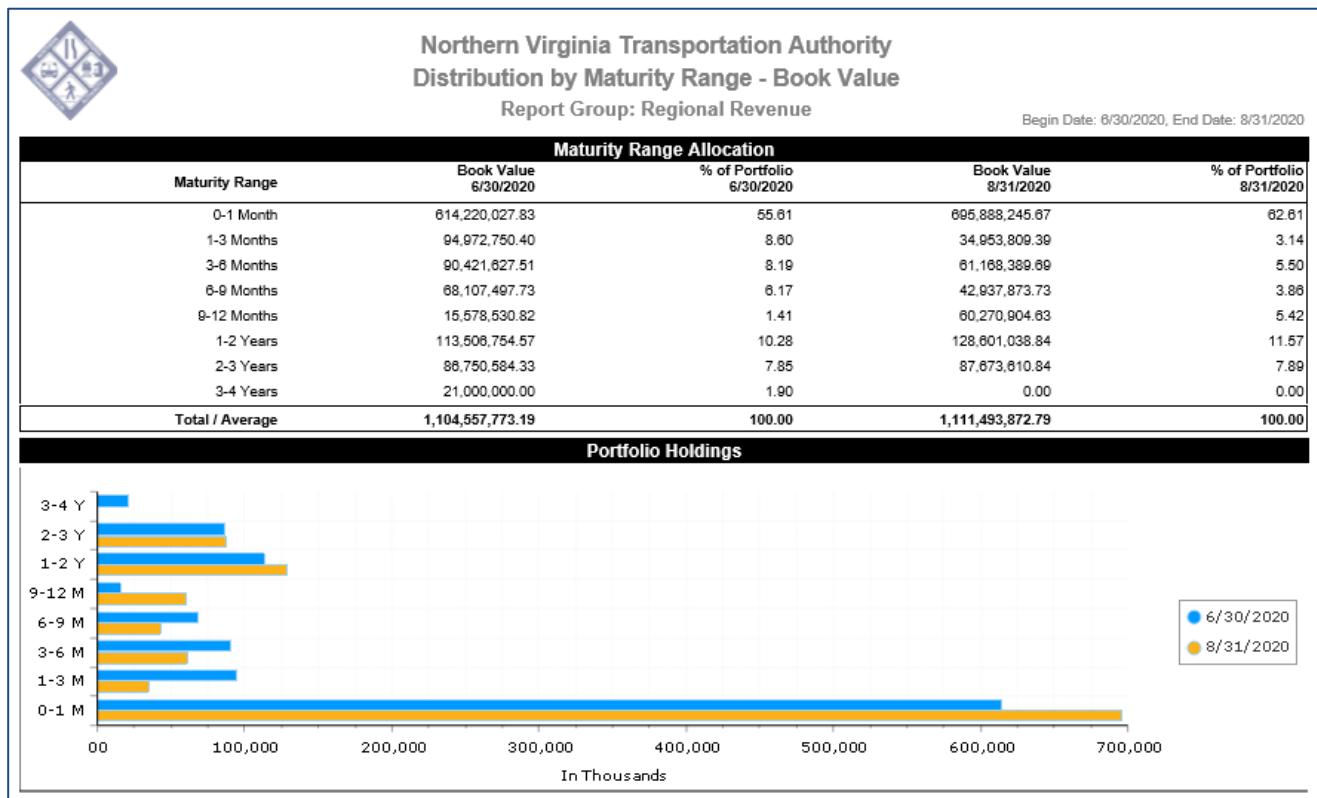
SUBJECT: Monthly Investment Portfolio Report

- 1) **Purpose:** To provide the Northern Virginia Transportation Authority (NVTA) with required reports on investment activities and portfolio performance through August 31, 2020. This report was reviewed by the NVTA Finance Committee on September 17, 2020.
- 2) **Background:** This report is on investment activity through August 2020 and affirms the portfolio investments were acquired on the basis of safety, liquidity and then yield. This report summarizes the portfolio structure, and adherence to the NVTA Investment Policy.



3) Current Period Reports:

a. The safety of the portfolio is reflected in the actual composition of the portfolio as shown above.



b. The liquidity of the portfolio is reflected in the portfolio’s duration of .34 (1.0 = 1 year) and the maturity schedule shown above.

NVTA Investment Benchmarks	Aug-20 Month End
Fed Funds Rate	0.09%
Treasury 90 Day T Bill	0.11%
Local Government Investment Pool	0.22%
Virginia Non-Arbitrage Program	0.30%
NVTA Performance	0.77%

Source: Bloomberg/NVTA Statements

c. The yield on the portfolio at the end of August 2020 was .77. The NVTA’s Investment Policy specifies the benchmarks shown above for yield performance comparison.

4) Portfolio Analysis & Statistics Overview

a) **Safety** The portfolio is invested primarily in;

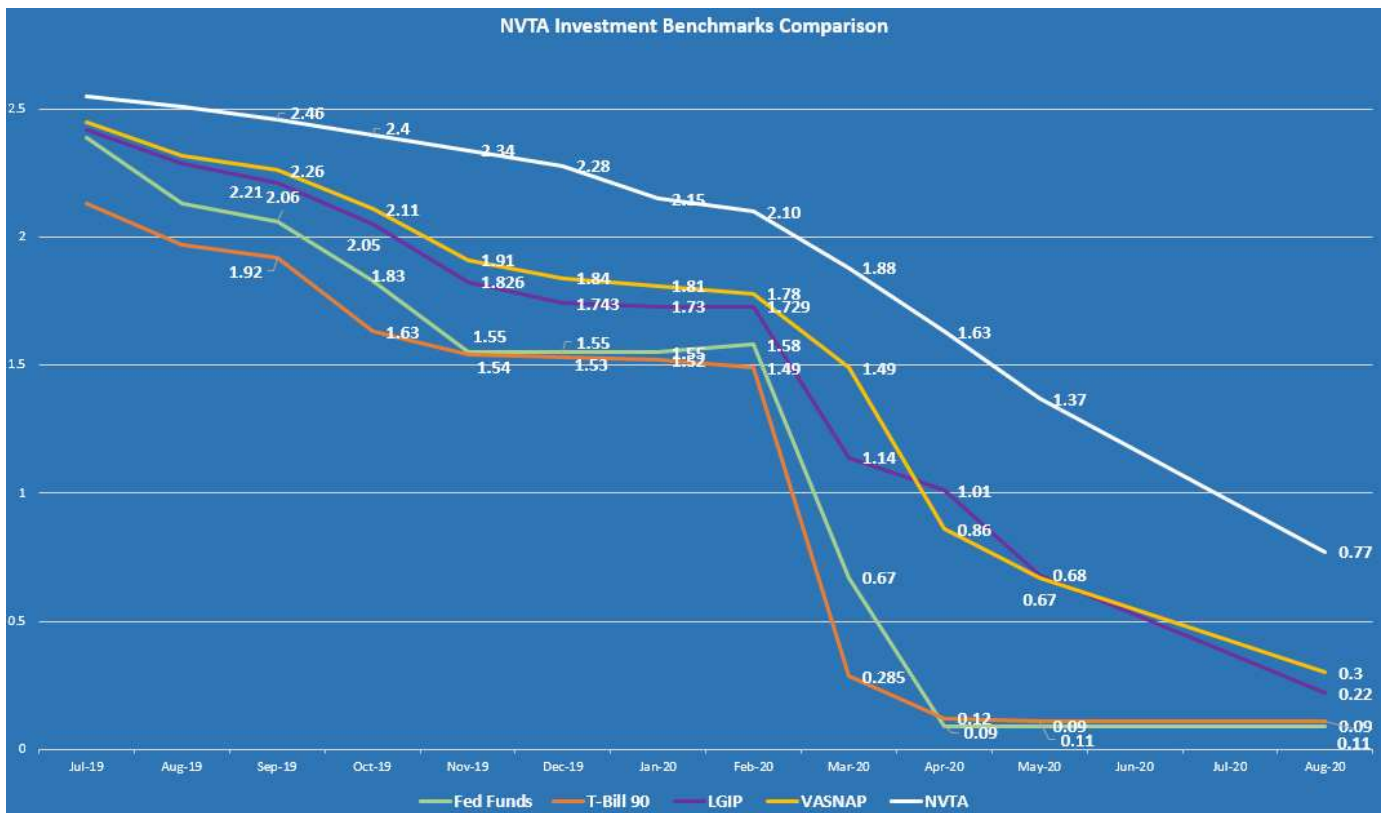
- i) Local Government Investment Pools (34% from 25%)
- ii) Collateralized bank money market accounts (25% from 17%)
- iii) AAA/AA rated investment grade corporate bonds (15% from 20%)
- iv) Treasuries and Agencies (16% from 20%)

b) **Liquidity:**

The NVTA Portfolio average duration was .34 – approximately one third of a year – reflecting a strategy to use local government investment pools to delay buying into the low market rates caused by the Federal Reserve’s economic intervention.

c) **Yield:**

- i) Given the change in market dynamics - the Federal Reserve has dropped rates near zero because of the pandemic – longer-dated maturities pay suboptimal rates. As such, NVTA intends to focus on shorter-term investments once the positive differences between the LGIP rates and Treasuries, Agencies and Corporates plays out (October/November 2020).
- ii) The NVTA portfolio is showing declines while still retaining valued compared to the benchmarks. However, over time NVTA’s portfolio performance will move (decline) with the market. The portfolio is well positioned to take early advantage of rising rates as COVID-19 lockdowns end and the economy begins to recover.



- 5) **Custodian Certification:** BB&T Retirement & Institutional Services is the custodian of all of NVTA's investment purchases and is where all of NVTA's non-deposit investments are held. Deposit type investments are protected through the Commonwealth of Virginia collateralization program or FDIC Insurance.
- 6) **Policy Required Reports:** The attached Compliance - GASB 40 Report addresses specific Investment Policy requirements regarding the purchase and holding of securities. The attached report, documents:
- a. **Compliance – Investment Policy, Summary.** The report shows the percentage of the portfolio by each type of investment.
 - b. **Investment Portfolio – By Maturity Range.** The report shows the yield to maturity, and percentage of the portfolio which each type of investment represents.
 - c. **Portfolio Holdings by Custodian.** This report shows each depository, investment firm or custodian holding NVTA securities or cash.

Attachments: Compliance - GASB 40 Report shows reporting requirements as listed above, and not otherwise presented. This report is also fundamental for the Authority's Annual Financial Statements and annual audit.

12.i. Attachment.



Northern Virginia Transportation Authority The Authority for Transportation in Northern Virginia

Portfolio Holdings Compliance - GASB 40 Report - As of 8/31/2020

Issuer	Face Amount Shares	Book Value	Market Value Market Value	Credit Rating 1	Credit Rating 2	Portfolio %	Days To Maturity	Maturity Date	YTM @ Cost	Duration To Maturity
Certificate Of Deposit										
Atlantic Union Bank1.7 12/26/2020	9,500,000.00	9,500,000.00	9,500,000.00	NR	NR	0.86	117	12/26/2020	1.700	0.32
United Bank1.9 1/14/2021	10,000,000.00	10,000,000.00	10,000,000.00	NR	NR	0.90	136	01/14/2021	1.900	0.37
United Bank 0.2 9/2/2021	30,315,273.30	30,315,273.30	30,315,273.30	NR	NR	2.73	367	09/02/2021	0.200	1.01
Sub Total / Average Certificate Of Deposit	49,815,273.30	49,815,273.30	49,815,273.30			4.48	273		0.827	0.75
Corporate Bond										
Apple Corp.1.7 9/11/2022	16,145,000.00	16,112,980.19	16,626,443.90	S&P-AA+	Moody's-Aa1	1.45	741	09/11/2022	1.800	1.99
Apple Corp.Var. Corp 2/9/2022	5,011,000.00	5,036,910.81	5,047,580.30	S&P-AA+	Moody's-Aa1	0.45	527	02/09/2022	0.743	0.00
Apple Corp. 2 11/13/2020	5,000,000.00	4,992,991.39	5,018,250.00	S&P-AA+	Moody's-Aa1	0.45	74	11/13/2020	2.718	0.20
Berkshire Hathaway2.2 3/15/2021	7,386,000.00	7,361,950.48	7,452,769.44	S&P-AA	Moody's-Aa2	0.66	196	03/15/2021	2.833	0.53
Berkshire Hathaway2.2 3/15/2021	10,000,000.00	10,007,257.51	10,090,400.00	S&P-AA	Moody's-Aa2	0.90	196	03/15/2021	2.061	0.53
Berkshire Hathaway2.75 3/15/2023-23	10,000,000.00	10,522,991.83	10,576,000.00	S&P-AA	Moody's-Aa2	0.90	926	03/15/2023	0.665	2.44
Chevron Corp. 2.1 5/16/2021	5,560,000.00	5,529,105.74	5,623,272.80	S&P-AA	Moody's-Aa2	0.50	258	05/16/2021	2.923	0.70
Chevron Corp. 2.1 5/16/2021	5,000,000.00	5,039,560.00	5,056,900.00	S&P-AA	Moody's-Aa2	0.45	258	05/16/2021	0.973	0.70
Exxon Mobil Corp Var. Corp 3/6/2022	1,000,000.00	1,003,754.72	1,005,380.00	S&P-AA	Moody's-Aa1	0.09	552	03/06/2022	0.688	0.00
Exxon Mobil Corp Var. Corp 3/6/2022	7,500,000.00	7,526,734.65	7,540,350.00	S&P-AA	Moody's-Aa1	0.68	552	03/06/2022	0.688	0.00
Exxon Mobil Corp Var. Corp 8/16/2022	10,000,000.00	10,030,976.66	10,044,700.00	S&P-AA	Moody's-Aa1	0.90	715	08/16/2022	0.610	0.00
IBRD 1.75 1/27/2023-21	30,000,000.00	30,002,430.41	30,156,900.00	S&P-AAA	Moody's-Aaa	2.70	879	01/27/2023	1.746	2.36
IBRD ADBVar. Corp 12/15/2021	25,000,000.00	25,014,418.37	24,988,250.00	S&P-AAA	Moody's-Aaa	2.25	471	12/15/2021	0.323	0.00
Johnson and Johnson2.95 9/1/2020	5,000,000.00	5,000,063.24	5,000,000.00	S&P-AAA	Moody's-Aaa	0.45	1	09/01/2020	2.472	0.00
Microsoft Corp 1.55 8/8/2021	5,000,000.00	4,942,022.55	5,057,000.00	S&P-AAA	Moody's-Aaa	0.45	342	08/08/2021	2.850	0.93
Proctor and Gamble Co. 1.9 10/23/2020	5,000,000.00	4,994,083.56	5,012,350.00	S&P-AA-	Moody's-Aa3	0.45	53	10/23/2020	2.746	0.14

Issuer	Face Amount	Book	Market Value	Credit	Credit	Portfolio	Days To	Maturity	YTM @	Duration
	Shares	Value	Market Value	Rating 1	Rating 2	%	Maturity	Date	Cost	Maturity
WalmartVar. Corp 6/23/2021	5,000,000.00	5,006,434.78	5,009,850.00	S&P-AA	Moody's-Aa2	0.45	296	06/23/2021	0.535	0.00
Walmart Corp 1.9 12/15/2020	5,000,000.00	4,988,521.89	5,024,250.00	S&P-AA	Moody's-Aa2	0.45	106	12/15/2020	2.722	0.29
Sub Total / Average Corporate Bond	162,602,000.00	163,113,188.78	164,330,646.44			14.64	519		1.505	0.93
FFCB Bond										
FFCBVar. FFCB 9/13/2021	5,000,000.00	5,000,000.00	5,005,700.00	S&P-AA+	Moody's-Aaa	0.45	378	09/13/2021	0.323	0.00
FFCB 0.23 8/3/2022	20,000,000.00	20,000,000.00	19,908,400.00	S&P-AA	Moody's-Aaa	1.80	702	08/03/2022	0.230	1.92
FFCB 1.85 3/3/2022-20	5,000,000.00	4,999,245.88	5,000,350.00	S&P-AA+	Moody's-Aaa	0.45	549	03/03/2022	1.860	1.48
FFCB Var. FFCB 10/27/2021	20,000,000.00	19,998,528.10	20,000,000.00	S&P-AA+	Moody's-Aaa	1.80	422	10/27/2021	0.145	0.00
FFCB Var. FFCB 11/7/2022	10,000,000.00	10,035,208.41	10,031,100.00	S&P-AA+	Moody's-Aaa	0.90	798	11/07/2022	0.525	0.00
FFCB Var. FFCB 5/16/2022	10,000,000.00	10,006,876.20	10,031,300.00	S&P-AA+	Moody's-Aaa	0.90	623	05/16/2022	0.370	0.00
Sub Total / Average FFCB Bond	70,000,000.00	70,039,858.59	69,976,850.00			6.30	590		0.391	0.65
FHLB Bond										
FHLB 1.67 8/25/2023-21	21,000,000.00	21,000,000.00	21,133,980.00	S&P-AA+	Moody's-Aaa	1.89	1,089	08/25/2023	1.670	2.92
FHLB 2.875 9/11/2020	5,000,000.00	4,999,937.41	5,003,650.00	S&P-AA+	Moody's-Aaa	0.45	11	09/11/2020	2.917	0.03
Sub Total / Average FHLB Bond	26,000,000.00	25,999,937.41	26,137,630.00			2.34	882		1.910	2.37
FHLMC Bond										
FHLMC 1.875 11/17/2020	5,000,000.00	4,989,363.64	5,018,400.00	S&P-AA+	Moody's-Aaa	0.45	78	11/17/2020	2.910	0.21
Sub Total / Average FHLMC Bond	5,000,000.00	4,989,363.64	5,018,400.00			0.45	78		2.910	0.21
Local Government Investment Pool										
Commonwealth of VirginiaLGIP	11,996.03	11,996.03	11,996.03	S&P-AAA	NR	0.00	1	N/A	0.258	0.00
Commonwealth of Virginia LGIP	130,427,631.83	130,427,631.83	130,427,631.83	S&P-AAA	NR	11.74	1	N/A	0.258	0.00
VIP Stable NAV LGIP	243,388,004.46	243,388,004.46	243,388,004.46	S&P-AAA	NR	21.91	1	N/A	0.270	0.00
Sub Total / Average Local Government Investment Po	373,827,632.32	373,827,632.32	373,827,632.32			33.65	1		0.266	0.00
Money Market										
Access National Bank MM	57,705,939.75	57,705,939.75	57,705,939.75	NR	NR	5.20	1	N/A	0.296	0.00
BB&T MM	5,752,054.59	5,752,054.59	5,752,054.59	NR	NR	0.52	1	N/A	0.030	0.00
John Marshall Bank ICS MM	47,615,612.15	47,615,612.15	47,615,612.15	NR	NR	4.29	1	N/A	0.370	0.00
United Bank ICS Checking MM	28,006,288.95	28,006,288.95	28,006,288.95	NR	NR	2.52	1	N/A	0.200	0.00
United Bank ICS Savings MM	52,011,964.31	52,011,964.31	52,011,964.31	NR	NR	4.68	1	N/A	0.200	0.00
United Bank MM	90,960,126.21	90,960,126.21	90,960,126.21	NR	NR	8.19	1	N/A	0.310	0.00
Sub Total / Average Money Market	282,051,985.96	282,051,985.96	282,051,985.96			25.39	1		0.280	0.00
Municipal Bond										

Issuer	Face Amount	Book	Market Value	Credit	Credit	Portfolio	Days To	Maturity	YTM @	Duration
	Shares	Value	Market Value	Rating 1	Rating 2	%	Maturity	Date	Cost	Maturity
NYC GO 1.58 8/1/2021	20,000,000.00	20,007,174.00	20,209,400.00	S&P-AA	Moody's-Aa1	1.80	335	08/01/2021	1.541	0.91
NYC GO 1.58 8/1/2022	10,000,000.00	10,007,409.91	10,208,200.00	S&P-AA	Moody's-Aa1	0.90	700	08/01/2022	1.541	1.89
Sub Total / Average Municipal Bond	30,000,000.00	30,014,583.91	30,417,600.00			2.70	457		1.541	1.24
Negotiable Certificate Of Deposit										
TD Bank NY 2.5 3/23/2021	15,000,000.00	15,000,000.00	15,093,750.00	S&P-A1+	Moody's-P1	1.35	204	03/23/2021	2.500	0.56
Sub Total / Average Negotiable Certificate Of Deposit	15,000,000.00	15,000,000.00	15,093,750.00			1.35	204		2.500	0.56
Treasury Note										
T-Note 1.375 10/31/2020	10,000,000.00	9,981,686.15	10,020,500.00	S&P-AA+	Moody's-Aaa	0.90	61	10/31/2020	2.504	0.17
T-Note 1.625 10/15/2020	10,000,000.00	9,995,684.65	10,018,100.00	S&P-AA+	Moody's-Aaa	0.90	45	10/15/2020	1.981	0.12
T-Note 2 11/30/2020	5,000,000.00	5,000,883.37	5,023,000.00	S&P-AA+	Moody's-Aaa	0.45	91	11/30/2020	1.927	0.25
T-Note 2 11/30/2020	6,000,000.00	6,002,305.74	6,027,600.00	S&P-AA+	Moody's-Aaa	0.54	91	11/30/2020	1.842	0.25
T-Note 2.375 12/31/2020	7,000,000.00	7,012,360.53	7,051,940.00	S&P-AA+	Moody's-Aaa	0.63	122	12/31/2020	1.835	0.33
T-Note 2.75 9/15/2021	10,000,000.00	9,976,183.54	10,268,400.00	S&P-AA+	Moody's-Aaa	0.90	380	09/15/2021	2.990	1.02
T-Note 2.75 9/30/2020	10,000,000.00	9,999,355.23	10,020,900.00	S&P-AA+	Moody's-Aaa	0.90	30	09/30/2020	2.831	0.08
T-Note 2.75 9/30/2020	10,000,000.00	10,001,939.37	10,020,900.00	S&P-AA+	Moody's-Aaa	0.90	30	09/30/2020	2.507	0.08
T-Note 2.75 9/30/2020	5,000,000.00	5,003,658.15	5,010,450.00	S&P-AA+	Moody's-Aaa	0.45	30	09/30/2020	1.845	0.08
T-Note 2.75 9/30/2020	5,000,000.00	5,003,673.99	5,010,450.00	S&P-AA+	Moody's-Aaa	0.45	30	09/30/2020	1.841	0.08
Sub Total / Average Treasury Note	78,000,000.00	77,977,730.72	78,472,240.00			7.02	98		2.309	0.26
TVA Bond										
TVA 3.875 2/15/2021	5,000,000.00	5,018,851.16	5,083,200.00	S&P-AA+	Moody's-Aaa	0.45	168	02/15/2021	3.017	0.46
TVA 3.875 2/15/2021	13,500,000.00	13,645,467.00	13,724,640.00	S&P-AA+	Moody's-Aaa	1.22	168	02/15/2021	1.500	0.46
Sub Total / Average TVA Bond	18,500,000.00	18,664,318.16	18,807,840.00			1.67	168		1.910	0.46
Total / Average	1,110,796,891.58	1,111,493,872.79	1,113,949,848.02			100	172		0.770	0.34