

## NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

### MEMORANDUM

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

**FROM:** Michael Longhi, Chief Financial Officer

**DATE:** December 10, 2020

**SUBJECT:** Investment Portfolio Report

- 1) **Purpose:** To provide the Northern Virginia Transportation Authority (NVRTA) with required reports on investment activities and portfolio performance through October 31, 2020.
- 2) **Background:** This report is on investment activity through October 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 NVRTA Investment Policy.

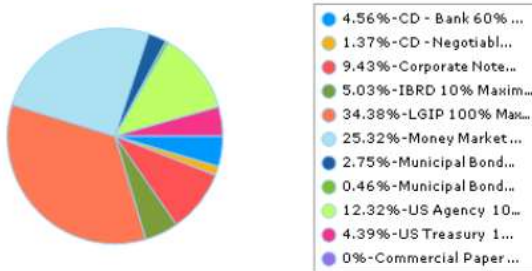


#### Northern Virginia Transportation Authority Distribution by Asset Category - Book Value Report Group: Regional Revenue

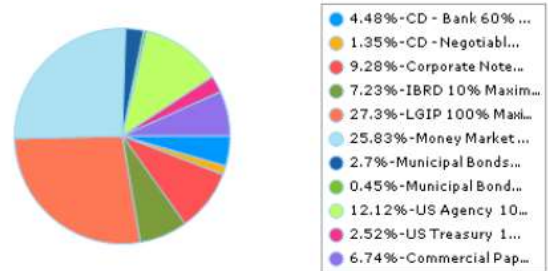
Begin Date: 9/30/2020, End Date: 10/31/2020

Asset Category Allocation				
Asset Category	Book Value 9/30/2020	% of Portfolio 9/30/2020	Book Value 10/31/2020	% of Portfolio 10/31/2020
CD - Bank 60% Maximum	49,815,273.30	4.56	49,815,273.30	4.48
CD - Negotiable 25% Maximum	15,000,000.00	1.37	15,000,000.00	1.35
Corporate Notes 50% Maximum	103,092,009.77	9.43	103,145,851.88	9.28
IBRD 10% Maximum	55,015,847.46	5.03	80,284,573.83	7.23
LGIP 100% Maximum	375,903,900.86	34.38	303,281,965.17	27.30
Money Market 60% Maximum	276,819,141.52	25.32	287,011,913.07	25.83
Municipal Bonds - US 75% Maximum	30,013,623.89	2.75	30,012,631.88	2.70
Municipal Bonds - Virginia 75% Maximum	5,043,169.20	0.46	5,042,436.72	0.45
US Agency 100% Maximum	134,667,492.78	12.32	134,639,797.67	12.12
US Treasury 100% Maximum	47,978,777.10	4.39	27,987,238.32	2.52
Commercial Paper 30% / 5% Maximum	0.00	0.00	74,885,781.95	6.74
<b>Total / Average</b>	<b>1,093,349,235.88</b>	<b>100.00</b>	<b>1,111,107,463.79</b>	<b>100.00</b>

Portfolio Holdings as of 9/30/2020



Portfolio Holdings as of 10/31/2020



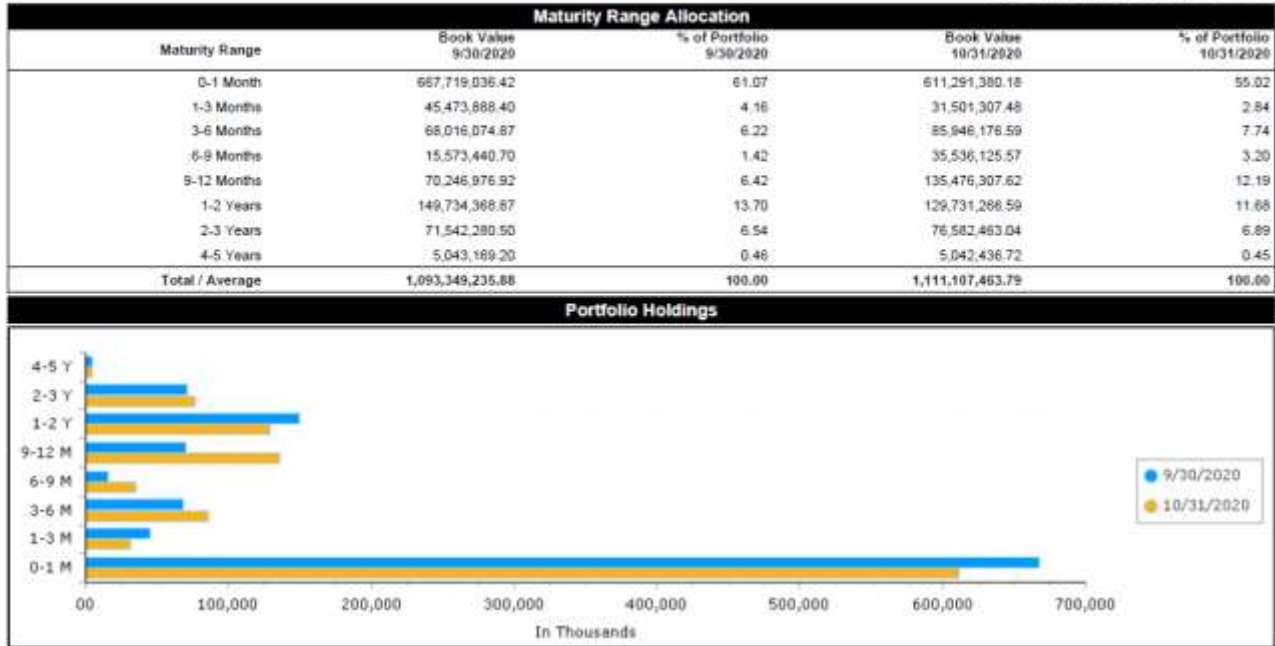
3) **Current Period Reports:**

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



**Northern Virginia Transportation Authority  
Distribution by Maturity Range - Book Value  
Report Group: Regional Revenue**

Begin Date: 9/30/2020, End Date: 10/31/2020



- b. The liquidity of the portfolio is reflected in the portfolio's duration of .38 (1.0 = 1 year) and the maturity schedule shown above.

NVTA Investment Benchmarks	Oct-20 Month End
Fed Funds Rate	0.09%
Treasury 90 Day T Bill	0.10%
Local Government Investment Pool	0.19%
Virginia Non-Arbitrage Program	0.22%
<b>NVTA Performance</b>	<b>0.59%</b>

Source: Bloomberg/NVTA Statements

- c. The yield on the portfolio at the end of October 2020 was .589%. 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;

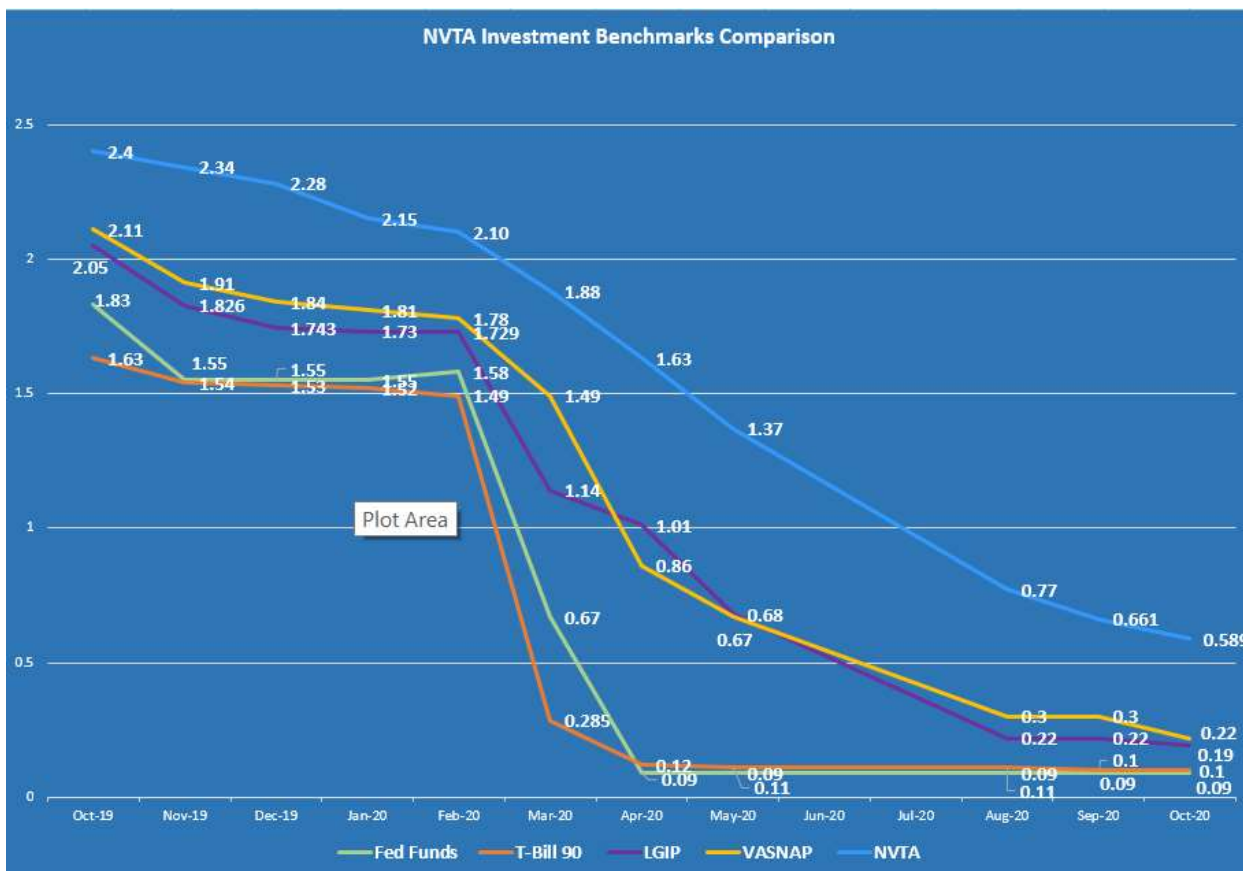
- i) Local Government Investment Pools (27% from 34%)
- ii) Collateralized bank money market accounts (remains at 26%)
- iii) AAA/AA rated investment grade corporate bonds (remains at 16%)
- iv) Treasuries and Agencies (15% from 17%)

b) **Liquidity:**

The NVTA Portfolio average duration was .38 – approximately a little more than one third of a year. As yields have fallen in the local government investment pools Treasury and Agency purchases have been made without a significant impact to liquidity.

c) **Yield:**

- i) Given the change in market dynamics - the Federal Reserve has dropped rates near zero because of the pandemic. With local government investment pools declining with the market, investment activity has centered around consolidating those funds and making short duration purchases of taxable municipal bonds, commercial paper and treasuries and agencies.
- ii) The NVTA portfolio is showing declines while still retaining value 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.



# Attachment.

## Northern Virginia Transportation Authority The Authority for Transportation in Northern Virginia

### Portfolio Holdings Compliance - GASB 40 Report - As of 10/31/2020

Issuer	Face Amount Shares	Book Value	Market Value	Credit Rating 1	Credit Rating 2	Portfolio %	Days To Maturity	Maturity Date	YTM @ Cost	Duration To Maturity
<b>Certificate Of Deposit</b>										
Atlantic Union Bank 1.7 12/26/2020	9,500,000.00	9,500,000.00	9,500,000.00	NR	NR	0.86	56	12/26/2020	1.700	0.15
United Bank 1.9 1/14/2021	10,000,000.00	10,000,000.00	10,000,000.00	NR	NR	0.90	75	01/14/2021	1.900	0.21
United Bank 0.2 9/2/2021	30,315,273.30	30,315,273.30	30,315,273.30	NR	NR	2.73	306	09/02/2021	0.200	0.84
Sub Total / Average Certificate Of Deposit	49,815,273.30	49,815,273.30	49,815,273.30			4.49	212		0.827	0.58
<b>Commercial Paper</b>										
Barclays Bank 0 7/16/2021	10,000,000.00	9,979,216.67	9,978,411.11	S&P-A1	Moody's-P1	0.90	258	07/16/2021	0.291	0.71
Lloyds Bank PLC 0 4/16/2021	25,000,000.00	24,977,965.28	24,974,165.28	S&P-A1	Moody's-P1	2.25	167	04/16/2021	0.190	0.46
Lloyds Bank PLC 0 4/27/2021	10,000,000.00	9,989,122.22	9,989,274.17	S&P-A1	Moody's-P1	0.90	178	04/27/2021	0.220	0.49
Royal Bank of Canada 0 10/19/2021	10,000,000.00	9,978,427.78	9,977,816.67	S&P-A1+	Moody's-P1	0.90	353	10/19/2021	0.220	0.97
Royal Bank of Canada 0 10/28/2021	10,000,000.00	9,975,866.67	9,975,666.67	S&P-A1+	Moody's-P1	0.90	362	10/28/2021	0.241	0.99
Toyota Industries 0 7/12/2021	10,000,000.00	9,985,183.33	9,981,818.06	S&P-A1	Moody's-P1	0.90	254	07/12/2021	0.210	0.70
Sub Total / Average Commercial Paper	75,000,000.00	74,885,781.95	74,877,151.96			6.76	243		0.221	0.67
<b>Corporate Bond</b>										
Apple Corp. 1.7 9/11/2022	16,145,000.00	16,115,616.10	16,567,353.20	S&P-AA+	Moody's-Aa1	1.45	680	09/11/2022	1.800	1.84
Apple Corp. Var. Corp 2/9/2022	5,011,000.00	5,034,678.38	5,040,915.67	S&P-AA+	Moody's-Aa1	0.45	466	02/09/2022	0.743	0.00
Apple Corp. 2 11/13/2020	5,000,000.00	4,998,768.76	5,001,800.00	S&P-AA+	Moody's-Aa1	0.45	13	11/13/2020	2.718	0.03
Apple Inc 0.75 5/11/2023	5,000,000.00	5,059,144.37	5,048,900.00	S&P-AA+	Moody's-Aa1	0.45	922	05/11/2023	0.280	2.50
Berkshire Hathaway 2.2 3/15/2021	7,386,000.00	7,369,435.28	7,427,730.90	S&P-AA	Moody's-Aa2	0.67	135	03/15/2021	2.833	0.37
Berkshire Hathaway 2.2 3/15/2021	10,000,000.00	10,004,998.79	10,056,500.00	S&P-AA	Moody's-Aa2	0.90	135	03/15/2021	2.061	0.37
Berkshire Hathaway 2.75 3/15/2023-23	10,000,000.00	10,488,539.88	10,515,600.00	S&P-AA	Moody's-Aa2	0.90	865	03/15/2023	0.665	2.31
Chevron Corp. 2.1 5/16/2021	5,560,000.00	5,536,410.20	5,605,703.20	S&P-AA	Moody's-Aa2	0.50	197	05/16/2021	2.923	0.54
Chevron Corp. 2.1 5/16/2021	5,000,000.00	5,030,206.67	5,041,100.00	S&P-AA	Moody's-Aa2	0.45	197	05/16/2021	0.973	0.54
Exxon Mobil Corp Var. Corp 3/6/2022	1,000,000.00	1,003,339.80	1,004,500.00	S&P-AA	Moody's-Aa1	0.09	491	03/06/2022	0.618	0.00

Issuer	Face Amount Shares	Book Value	Market Value	Credit Rating 1	Credit Rating 2	Portfolio %	Days To Maturity	Maturity Date	YTM @ Cost	Duration To Maturity
Exxon Mobil Corp Var. Corp 3/6/2022	7,500,000.00	7,523,780.28	7,533,750.00	S&P-AA	Moodys-Aa1	0.68	491	03/06/2022	0.618	0.00
Exxon Mobil Corp Var. Corp 8/16/2022	10,000,000.00	10,028,333.89	10,041,600.00	S&P-AA	Moodys-Aa1	0.90	654	08/16/2022	0.610	0.00
IBRD 1.375 9/20/2021	25,000,000.00	25,269,761.06	25,248,500.00	S&P-AAA	Moodys-Aaa	2.25	324	09/20/2021	0.157	0.88
IBRD 1.75 1/27/2023-21	30,000,000.00	30,002,261.75	30,089,700.00	S&P-AAA	Moodys-Aaa	2.70	818	01/27/2023	1.746	2.20
IBRD ADBVar. Corp 12/15/2021	25,000,000.00	25,012,551.02	24,997,250.00	S&P-AAA	Moodys-Aaa	2.25	410	12/15/2021	0.260	0.00
Microsoft Corp 1.55 8/8/2021	5,000,000.00	4,952,363.56	5,043,600.00	S&P-AAA	Moodys-Aaa	0.45	281	08/08/2021	2.850	0.77
WalmartVar. Corp 6/23/2021	5,000,000.00	5,005,108.70	5,008,100.00	S&P-AA	Moodys-Aa2	0.45	235	06/23/2021	0.453	0.00
Walmart Corp 1.9 12/15/2020	5,000,000.00	4,995,127.22	5,010,000.00	S&P-AA	Moodys-Aa2	0.45	45	12/15/2020	2.722	0.12
Sub Total / Average Corporate Bond	182,602,000.00	183,430,425.71	184,282,602.97			16.45	479		1.212	0.93
FFCB Bond										
FFCBVar. FFCB 8/1/2022	25,000,000.00	25,000,000.00	24,984,500.00	S&P-AA+	Moodys-Aaa	2.25	639	08/01/2022	0.160	0.00
FFCBVar. FFCB 9/13/2021	5,000,000.00	5,000,000.00	5,004,800.00	S&P-AA+	Moodys-Aaa	0.45	317	09/13/2021	0.259	0.00
FFCB 0.23 8/3/2022	20,000,000.00	20,000,000.00	19,905,200.00	S&P-AA	Moodys-Aaa	1.80	641	08/03/2022	0.230	1.75
FFCB Var. FFCB 10/27/2021	20,000,000.00	19,998,740.86	19,995,000.00	S&P-AA+	Moodys-Aaa	1.80	361	10/27/2021	0.117	0.00
FFCB Var. FFCB 11/7/2022	10,000,000.00	10,032,517.04	10,066,500.00	S&P-AA+	Moodys-Aaa	0.90	737	11/07/2022	0.520	0.00
FFCB Var. FFCB 5/16/2022	10,000,000.00	10,006,202.93	10,029,600.00	S&P-AA+	Moodys-Aaa	0.90	562	05/16/2022	0.370	0.00
Sub Total / Average FFCB Bond	90,000,000.00	90,037,460.83	89,985,600.00			8.11	562		0.235	0.39
FHLB Bond										
FHLB 1.67 8/25/2023-21	21,000,000.00	21,000,000.00	21,097,020.00	S&P-AA+	Moodys-Aaa	1.89	1,028	08/25/2023	1.670	2.76
Sub Total / Average FHLB Bond	21,000,000.00	21,000,000.00	21,097,020.00			1.89	1,028		1.670	2.76
FHLMC Bond										
FHLMC 1.875 11/17/2020	5,000,000.00	4,997,681.82	5,003,700.00	S&P-AA+	Moodys-Aaa	0.45	17	11/17/2020	2.910	0.04
Sub Total / Average FHLMC Bond	5,000,000.00	4,997,681.82	5,003,700.00			0.45	17		2.910	0.04
Local Government Investment Pool										
Commonwealth of VirginiaLGIP	12,000.08	12,000.08	12,000.08	S&P-AAA	NR	0.00	1	N/A	0.187	0.00
Commonwealth of Virginia LGIP	140,062,074.87	140,062,074.87	140,062,074.87	S&P-AAA	NR	12.62	1	N/A	0.187	0.00
VIP Stable NAV LGIP	163,207,890.22	163,207,890.22	163,207,890.22	S&P-AAA	NR	14.70	1	N/A	0.190	0.00
Sub Total / Average Local Government Investment Pool	303,281,965.17	303,281,965.17	303,281,965.17			27.32	1		0.188	0.00
Money Market										
Access National Bank MM	57,727,557.85	57,727,557.85	57,727,557.85	NR	NR	5.20	1	N/A	0.210	0.00
BB&T MM	10,604,181.56	10,604,181.56	10,604,181.56	NR	NR	0.96	1	N/A	0.010	0.00
John Marshall Bank ICS MM	47,641,719.24	47,641,719.24	47,641,719.24	NR	NR	4.29	1	N/A	0.310	0.00
United Bank ICS Checking MM	28,015,649.47	28,015,649.47	28,015,649.47	NR	NR	2.52	1	N/A	0.200	0.00
United Bank ICS Savings MM	52,029,348.38	52,029,348.38	52,029,348.38	NR	NR	4.69	1	N/A	0.200	0.00
United Bank MM	90,993,456.57	90,993,456.57	90,993,456.57	NR	NR	8.20	1	N/A	0.210	0.00

Issuer	Face Amount Shares	Book Value	Market Value	Credit Rating 1	Credit Rating 2	Portfolio %	Days To Maturity	Maturity Date	YTM @ Cost	Duration To Maturity
Sub Total / Average Money Market	287,011,913.07	287,011,913.07	287,011,913.07			25.85	1		0.216	0.00
Municipal Bond										
FFX CNTY VA GO 0.645 10/1/2025	5,000,000.00	5,042,436.72	4,989,800.00	S&P-AAA	Moodys-Aaa	0.45	1,796	10/01/2025	0.470	4.84
NYC GO 1.58 8/1/2021	20,000,000.00	20,005,867.69	20,169,800.00	S&P-AA	Moodys-Aa1	1.80	274	08/01/2021	1.541	0.75
NYC GO 1.58 8/1/2022	10,000,000.00	10,006,764.19	10,176,900.00	S&P-AA	Moodys-Aa1	0.90	639	08/01/2022	1.541	1.73
Sub Total / Average Municipal Bond	35,000,000.00	35,055,068.60	35,336,500.00			3.15	596		1.388	1.61
Negotiable Certificate Of Deposit										
TD Bank NY 2.5 3/23/2021	15,000,000.00	15,000,000.00	15,067,050.00	S&P-A1+	Moodys-P1	1.35	143	03/23/2021	2.500	0.39
Sub Total / Average Negotiable Certificate Of Deposit	15,000,000.00	15,000,000.00	15,067,050.00			1.35	143		2.500	0.39
Treasury Note										
T-Note 2 11/30/2020	5,000,000.00	5,000,291.22	5,007,100.00	S&P-AA+	Moodys-Aaa	0.45	30	11/30/2020	1.927	0.08
T-Note 2 11/30/2020	6,000,000.00	6,000,760.14	6,008,520.00	S&P-AA+	Moodys-Aaa	0.54	30	11/30/2020	1.842	0.08
T-Note 2.375 12/31/2020	7,000,000.00	7,006,180.26	7,024,920.00	S&P-AA+	Moodys-Aaa	0.63	61	12/31/2020	1.835	0.17
T-Note 2.75 9/15/2021	10,000,000.00	9,980,006.70	10,226,200.00	S&P-AA+	Moodys-Aaa	0.90	319	09/15/2021	2.990	0.87
Sub Total / Average Treasury Note	28,000,000.00	27,987,238.32	28,266,740.00			2.52	141		2.266	0.38
TVA Bond										
TVA 3.875 2/15/2021	5,000,000.00	5,012,006.40	5,052,400.00	S&P-AA+	Moodys-Aaa	0.45	107	02/15/2021	3.017	0.29
TVA 3.875 2/15/2021	13,500,000.00	13,592,648.62	13,641,480.00	S&P-AA+	Moodys-Aaa	1.22	107	02/15/2021	1.500	0.29
Sub Total / Average TVA Bond	18,500,000.00	18,604,655.02	18,693,880.00			1.67	107		1.910	0.29
Total / Average	1,110,211,151.54	1,111,107,463.79	1,112,719,396.47			100	196		0.589	0.38