

# 10.i.

## NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

### MEMORANDUM

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

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

**DATE:** February 4, 2021

**SUBJECT:** Investment Portfolio Report

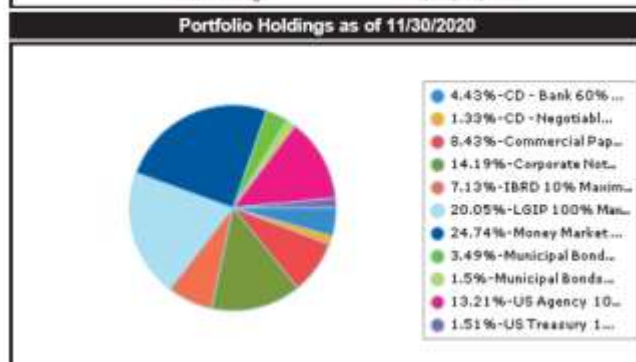
- 1) **Purpose:** To provide the Northern Virginia Transportation Authority (NVTa) with required reports on investment activities and portfolio performance through December 31, 2020.
- 2) **Background:** This report is on investment activity through December 2020 and affirms the portfolio investments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



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

Begin Date: 11/30/2020, End Date: 12/31/2020

Asset Category	Asset Category Allocation			
	Book Value 11/30/2020	% of Portfolio 11/30/2020	Book Value 12/31/2020	% of Portfolio 12/31/2020
CD - Bank 60% Maximum	49,815,273.30	4.43	40,315,273.30	3.62
CD - Negotiable 25% Maximum	15,000,000.00	1.33	15,000,000.00	1.35
Commercial Paper 30% / 5% Maximum	94,871,673.61	8.43	106,367,670.85	9.55
Corporate Notes 50% Maximum	159,775,214.99	14.19	154,651,527.52	13.89
IBRD 10% Maximum	80,258,594.63	7.13	80,231,749.48	7.20
LGIP 100% Maximum	225,673,935.51	20.05	211,528,341.28	18.99
Money Market 60% Maximum	278,503,415.65	24.74	279,472,380.00	25.10
Municipal Bonds - US 75% Maximum	39,265,043.18	3.49	43,800,179.79	3.93
Municipal Bonds - Virginia 75% Maximum	16,869,321.65	1.50	23,581,867.42	2.12
US Agency 100% Maximum	148,701,699.39	13.21	148,669,939.20	13.35
US Treasury 100% Maximum	16,985,027.74	1.51	9,983,829.87	0.90
<b>Total / Average</b>	<b>1,125,719,199.65</b>	<b>100.00</b>	<b>1,113,602,758.71</b>	<b>100.00</b>



3) Current Period Reports:

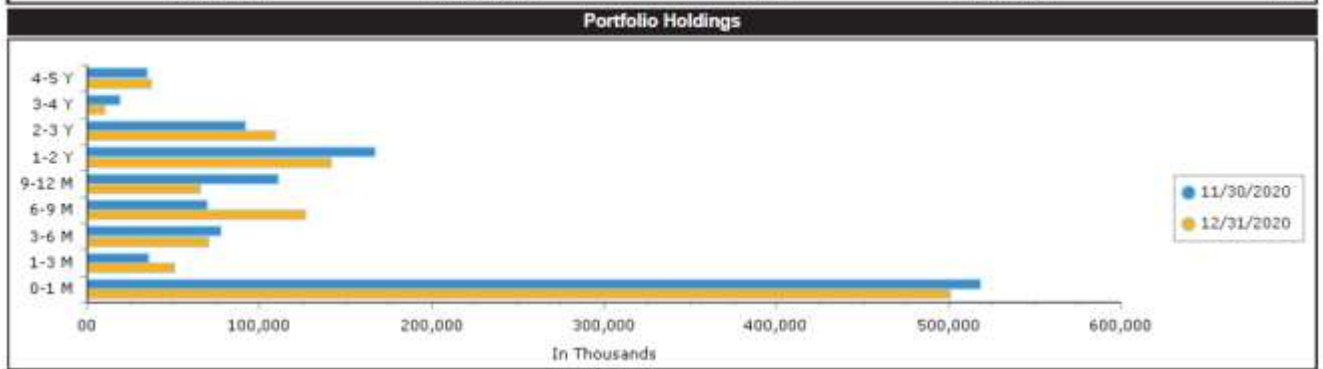
- a. The safety of the portfolio is reflected in the actual composition of the portfolio as shown above.



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

Begin Date: 11/30/2020, End Date: 12/31/2020

Maturity Range Allocation				
Maturity Range	Book Value 11/30/2020	% of Portfolio 11/30/2020	Book Value 12/31/2020	% of Portfolio 12/31/2020
0-1 Month	516,675,726.90	46.08	501,000,721.28	44.99
1-3 Months	35,578,453.28	3.16	50,924,652.04	4.57
3-6 Months	77,845,712.68	6.92	70,554,139.62	6.34
6-9 Months	69,807,797.72	6.21	126,935,309.90	11.40
9-12 Months	111,063,916.71	9.87	65,536,726.19	5.89
1-2 Years	166,703,435.57	14.81	141,653,139.82	12.72
2-3 Years	91,734,737.38	8.15	108,966,613.79	9.79
3-4 Years	18,962,296.73	1.68	10,432,656.52	0.94
4-5 Years	35,147,122.68	3.12	37,596,799.55	3.38
Total / Average	1,125,719,199.65	100.00	1,113,602,758.71	100.00



- b. The liquidity of the portfolio is reflected in the portfolio's duration of 0.63 (1.0 = 1 year) and the maturity schedule shown above.

NVTA Investment Benchmarks	Dec-20 Month End
Fed Funds Rate	0.09%
Treasury 90 Day T Bill	0.09%
Local Government Investment Pool	0.13%
Virginia Non-Arbitrage Program	0.15%
<b>NVTA Performance</b>	<b>0.51%</b>

Source: Bloomberg/NVTA Statements

- c. The yield on the portfolio at the end of December 2020 was 0.513%. 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;

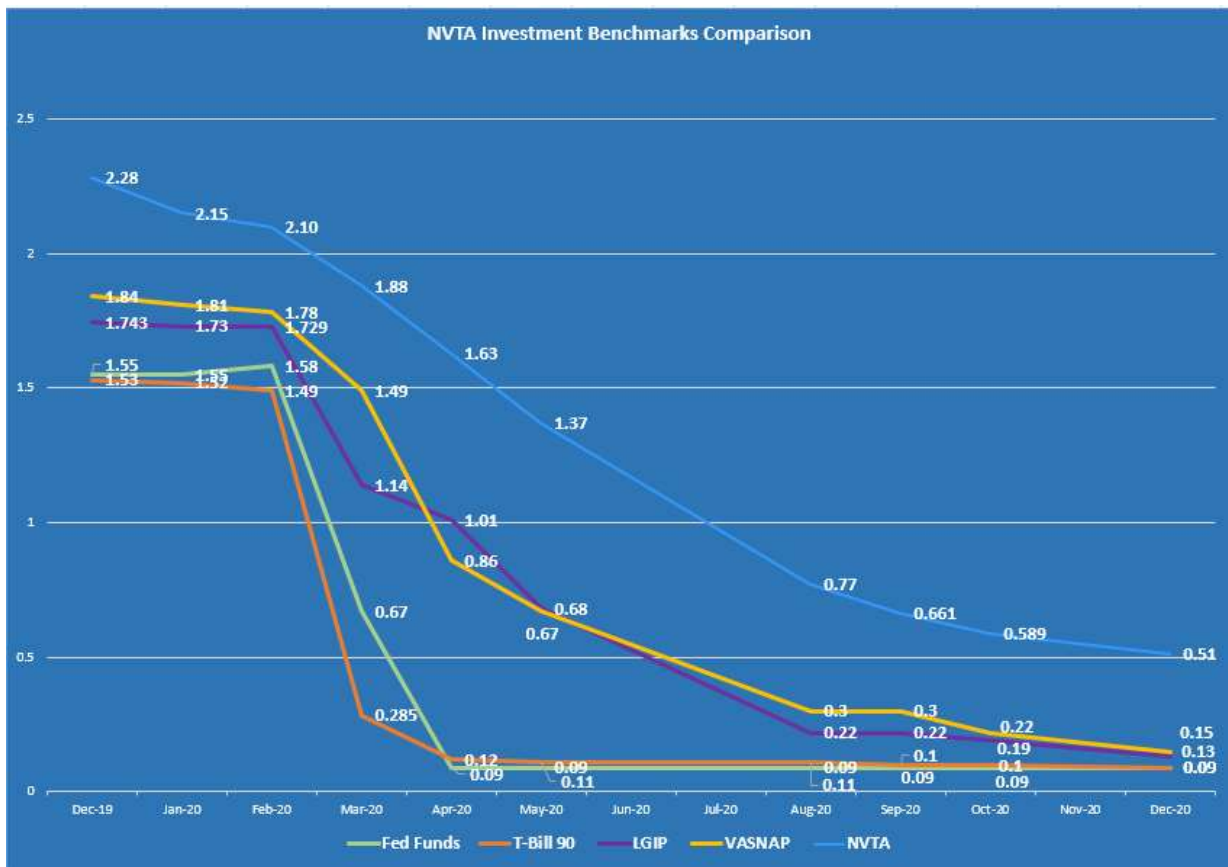
- i) Local Government Investment Pools (19% from 20%)
- ii) Collateralized bank money market accounts (remains at 25%)
- iii) AAA/AA rated investment grade corporate bonds (remains at 14%)
- iv) Treasuries and Agencies (14% from 15%)
- v) VA & US Municipals (6% from 5%)

b) **Liquidity:**

The NVTA Portfolio average duration was 0.6338 – approximately a little more than half of a year. As yields have fallen in the local government investment pools, taxable municipal and US Treasury/Agency purchases have been made which resulted in moving the duration out from 0.38 to 0.63 (1.0 = 1 year).

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' rates 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/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 restrictions 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 12/31/2020**

Description	Face Amount/Shares	Book Value	Market Value	Credit Rating 1	Credit Rating 2	% of Portfolio	Days To Maturity	Maturity Date	YTM @ Cost	Duration To Maturity
<b>Certificate Of Deposit</b>										
United Bank1.9 1/14/2021	10,000,000.00	10,000,000.00	10,000,000.00	NR	NR	0.90	14	01/14/2021	1.900	0.04
United Bank 0.2 9/2/2021	30,315,273.30	30,315,273.30	30,315,273.30	NR	NR	2.73	245	09/02/2021	0.200	0.67
Sub Total / Average Certificate Of Deposit	40,315,273.30	40,315,273.30	40,315,273.30			3.64	188		0.622	0.51
<b>Commercial Paper</b>										
Barclays Bank 0 7/16/2021	10,000,000.00	9,984,130.56	9,978,411.11	S&P-A1	Moodys-P1	0.90	197	07/16/2021	0.291	0.54
Barclays Bank PLC 0 8/27/2021	11,500,000.00	11,477,095.83	11,474,220.83	S&P-A1	Moodys-P1	1.04	239	08/27/2021	0.301	0.65
Lloyds Bank PLC 0 4/16/2021	25,000,000.00	24,986,013.89	24,974,165.28	S&P-A1	Moodys-P1	2.25	106	04/16/2021	0.190	0.29
Lloyds Bank PLC 0 4/27/2021	10,000,000.00	9,992,850.00	9,989,274.17	S&P-A1	Moodys-P1	0.90	117	04/27/2021	0.220	0.32
Lloyds Bank PLC 0 6/4/2021	20,000,000.00	19,976,750.00	19,977,115.00	S&P-A1	Moodys-P1	1.80	155	06/04/2021	0.270	0.42
Royal Bank of Canada 0 10/19/2021	10,000,000.00	9,982,155.56	9,977,816.67	S&P-A1+	Moodys-P1	0.90	292	10/19/2021	0.220	0.80
Royal Bank of Canada 0 10/28/2021	10,000,000.00	9,979,933.34	9,975,666.67	S&P-A1+	Moodys-P1	0.90	301	10/28/2021	0.241	0.82
Toyota Industries0 7/12/2021	10,000,000.00	9,988,741.67	9,981,818.06	S&P-A1	Moodys-P1	0.90	193	07/12/2021	0.210	0.53
Sub Total / Average Commercial Paper	106,500,000.00	106,367,670.85	106,328,487.79			9.60	183		0.239	0.50
<b>Corporate Bond</b>										
Apple Corp.1.7 9/11/2022	16,145,000.00	16,118,252.01	16,552,984.15	S&P-AA+	Moodys-Aa1	1.46	619	09/11/2022	1.800	1.67
Apple Corp.Var. Corp 2/9/2022	5,011,000.00	5,032,445.95	5,037,758.74	S&P-AA+	Moodys-Aa1	0.45	405	02/09/2022	0.713	0.00
Apple Inc 0.75 5/11/2023	5,000,000.00	5,055,231.35	5,059,650.00	S&P-AA+	Moodys-Aa1	0.45	861	05/11/2023	0.280	2.34
Apple Inc 2.4 5/3/2023	2,500,000.00	2,619,920.94	2,622,400.00	S&P-AA+	Moodys-Aa1	0.23	853	05/03/2023	0.340	2.28
Asian Development Bank 1.75 9/13/2022	25,000,000.00	25,653,314.48	25,650,000.00	S&P-AAA	Moodys-Aaa	2.25	621	09/13/2022	0.210	1.67
Asian Development Bank 2.75 3/17/2023	18,083,000.00	19,079,524.28	19,091,669.74	S&P-AAA	Moodys-Aaa	1.63	806	03/17/2023	0.250	2.15
Berkshire Hathaway2.2 3/15/2021	7,386,000.00	7,376,920.08	7,402,027.62	S&P-AA	Moodys-Aa2	0.67	74	03/15/2021	2.833	0.21
Berkshire Hathaway2.2 3/15/2021	10,000,000.00	10,002,740.08	10,021,700.00	S&P-AA	Moodys-Aa2	0.90	74	03/15/2021	2.061	0.21
Berkshire Hathaway2.75 3/15/2023-23	10,000,000.00	10,454,087.94	10,501,600.00	S&P-AA	Moodys-Aa2	0.90	804	03/15/2023	0.665	2.14

**Portfolio Holdings Compliance - GASB 40 Report - As of 12/31/2020**

Description	Face Amount/Shares	Book Value	Market Value	Credit Rating 1	Credit Rating 2	% of Portfolio	Days To Maturity	Maturity Date	YTM @ Cost	Duration To Maturity
Chevron Corp. 2.1 5/16/2021	5,560,000.00	5,543,714.65	5,590,302.00	S&P-AA	Moody's-Aa2	0.50	136	05/16/2021	2.923	0.38
Chevron Corp. 2.1 5/16/2021	5,000,000.00	5,020,853.33	5,027,250.00	S&P-AA	Moody's-Aa2	0.45	136	05/16/2021	0.973	0.38
Exxon Mobil Corp Var. Corp 3/6/2022	1,000,000.00	1,002,924.87	1,003,600.00	S&P-AA	Moody's-Aa1	0.09	430	03/06/2022	0.595	0.00
Exxon Mobil Corp Var. Corp 3/6/2022	7,500,000.00	7,520,825.91	7,527,000.00	S&P-AA	Moody's-Aa1	0.68	430	03/06/2022	0.595	0.00
Exxon Mobil Corp Var. Corp 8/16/2022	10,000,000.00	10,025,691.13	10,036,400.00	S&P-AA	Moody's-Aa1	0.90	593	08/16/2022	0.551	0.00
IBRD 1.375 9/20/2021	25,000,000.00	25,218,972.72	25,213,500.00	S&P-AAA	Moody's-Aaa	2.25	263	09/20/2021	0.157	0.72
IBRD 1.75 1/27/2023-21	30,000,000.00	30,002,093.09	30,027,000.00	S&P-AAA	Moody's-Aaa	2.71	757	01/27/2023	1.746	2.03
IBRD ADBVar. Corp 12/15/2021	25,000,000.00	25,010,683.67	24,998,250.00	S&P-AAA	Moody's-Aaa	2.25	349	12/15/2021	0.227	0.00
Microsoft Corp 1.55 8/8/2021	5,000,000.00	4,962,704.57	5,034,400.00	S&P-AAA	Moody's-Aaa	0.45	220	08/08/2021	2.850	0.60
Microsoft Corp 3.625 12/15/2023-23	13,000,000.00	14,178,593.34	14,198,210.00	S&P-AAA	Moody's-Aaa	1.17	1,079	12/15/2023	0.530	2.83
WalmartVar. Corp 6/23/2021	5,000,000.00	5,003,782.61	5,004,400.00	S&P-AA	Moody's-Aa2	0.45	174	06/23/2021	0.475	0.00
Sub Total / Average Corporate Bond	231,185,000.00	234,883,277.00	235,600,102.25			20.85	532		0.909	1.18
<b>FFCB Bond</b>										
FFCBVar. FFCB 8/1/2022	25,000,000.00	25,000,000.00	24,996,250.00	S&P-AA+	Moody's-Aaa	2.25	578	08/01/2022	0.155	0.00
FFCBVar. FFCB 9/13/2021	5,000,000.00	5,000,000.00	5,003,800.00	S&P-AA+	Moody's-Aaa	0.45	256	09/13/2021	0.230	0.00
FFCB 0.23 8/3/2022	20,000,000.00	20,000,000.00	19,927,400.00	S&P-AA	Moody's-Aaa	1.80	580	08/03/2022	0.230	1.59
FFCB 0.6 11/24/2025-21	19,100,000.00	19,090,638.38	19,105,157.00	S&P-AA+	Moody's-Aaa	1.72	1,789	11/24/2025	0.610	4.83
FFCB Var. FFCB 10/27/2021	20,000,000.00	19,998,953.62	19,993,200.00	S&P-AA+	Moody's-Aaa	1.80	300	10/27/2021	0.117	0.00
FFCB Var. FFCB 11/7/2022	10,000,000.00	10,029,825.67	10,065,400.00	S&P-AA+	Moody's-Aaa	0.90	676	11/07/2022	0.515	0.00
FFCB Var. FFCB 5/16/2022	10,000,000.00	10,005,529.65	10,029,600.00	S&P-AA+	Moody's-Aaa	0.90	501	05/16/2022	0.365	0.00
Sub Total / Average FFCB Bond	109,100,000.00	109,124,947.32	109,120,807.00			9.84	727		0.297	1.14
<b>FHLB Bond</b>										
FHLB 1.67 8/25/2023-21	21,000,000.00	21,000,000.00	21,046,200.00	S&P-AA+	Moody's-Aaa	1.89	967	08/25/2023	1.670	2.59
Sub Total / Average FHLB Bond	21,000,000.00	21,000,000.00	21,046,200.00			1.89	967		1.670	2.59
<b>Local Government Investment Pool</b>										
Commonwealth of VirginiaLGIP	12,002.92	12,002.92	12,002.92	S&P-AAA	NR	0.00	1	N/A	0.131	0.00
Commonwealth of Virginia LGIP	211,307,482.78	211,307,482.78	211,307,482.78	S&P-AAA	NR	19.06	1	N/A	0.131	0.00
VIP Stable NAV LGIP	208,855.58	208,855.58	208,855.58	S&P-AAA	NR	0.02	1	N/A	0.135	0.00
Sub Total / Average Local Government Investment Po	211,528,341.28	211,528,341.28	211,528,341.28			19.08	1		0.131	0.00
<b>Money Market</b>										
Atlantic Union/Access Bank MM	47,970,723.27	47,970,723.27	47,970,723.27	NR	NR	4.33	1	N/A	0.130	0.00
BB&T MM	12,752,500.82	12,752,500.82	12,752,500.82	NR	NR	1.15	1	N/A	0.010	0.00
John Marshall Bank ICS MM	47,661,913.22	47,661,913.22	47,661,913.22	NR	NR	4.30	1	N/A	0.230	0.00
United Bank ICS Checking MM	28,025,013.17	28,025,013.17	28,025,013.17	NR	NR	2.53	1	N/A	0.200	0.00

**Portfolio Holdings Compliance - GASB 40 Report - As of 12/31/2020**

Description	Face Amount/Shares	Book Value	Market Value	Credit Rating 1	Credit Rating 2	% of Portfolio	Days To Maturity	Maturity Date	YTM @ Cost	Duration To Maturity
United Bank ICS Savings MM	52,046,738.16	52,046,738.16	52,046,738.16	NR	NR	4.69	1	N/A	0.200	0.00
United Bank MM	91,005,534.36	91,005,534.36	91,005,534.36	NR	NR	8.21	1	N/A	0.132	0.00
United Bank/Chk MM	9,957.00	9,957.00	9,957.00	NR	NR	0.00	1	N/A	0.000	0.00
Sub Total / Average Money Market	279,472,380.00	279,472,380.00	279,472,380.00			25.20	1		0.162	0.00
<b>Municipal Bond</b>										
Arlington County 0.79 8/1/2025	7,000,000.00	7,059,987.43	7,120,960.00	S&P-AAA	Moody's-Aaa	0.63	1,674	08/01/2025	0.600	4.01
Calvert County MD 2 5/1/2021	30,000.00	30,175.14	30,171.60	S&P-AAA	Fitch-AAA	0.00	121	05/01/2021	0.251	0.34
Calvert County MD 2 5/1/2022	805,000.00	823,211.68	824,014.10	S&P-AAA	Fitch-AAA	0.07	486	05/01/2022	0.300	1.32
Calvert County MD 2 5/1/2023	2,640,000.00	2,738,039.70	2,744,570.40	S&P-AAA	Fitch-AAA	0.24	851	05/01/2023	0.400	2.29
Calvert County MD 2 5/1/2024	2,330,000.00	2,445,406.88	2,456,146.20	S&P-AAA	Fitch-AAA	0.21	1,217	05/01/2024	0.500	3.24
Calvert County MD 2 5/1/2025	2,620,000.00	2,770,864.08	2,786,736.80	S&P-AAA	Fitch-AAA	0.24	1,582	05/01/2025	0.650	4.17
Carroll CNTY MD 2 11/1/2024	2,385,000.00	2,528,148.77	2,538,021.60	S&P-AAA	Moody's-Aaa	0.22	1,401	11/01/2024	0.420	3.71
Carroll CNTY MD 2 11/1/2025	1,890,000.00	2,018,653.69	2,027,799.90	S&P-AAA	Moody's-Aaa	0.17	1,766	11/01/2025	0.570	4.63
City Richmond GO 2 7/15/2023	3,000,000.00	3,121,123.15	3,131,850.00	S&P-AA+	Moody's-Aa1	0.27	926	07/15/2023	0.400	2.49
City Richmond GO 2 7/15/2024	3,000,000.00	3,157,637.78	3,172,860.00	S&P-AA+	Moody's-Aa1	0.27	1,292	07/15/2024	0.500	3.43
City Richmond GO 2 7/15/2025	410,000.00	435,660.59	438,203.90	S&P-AA+	Moody's-Aa1	0.04	1,657	07/15/2025	0.600	4.36
FFX CNTY VA GO 0.645 10/1/2025	5,000,000.00	5,040,995.38	5,043,700.00	S&P-AAA	Moody's-Aaa	0.45	1,735	10/01/2025	0.470	4.68
NYC GO 1.58 8/1/2021	20,000,000.00	20,004,561.38	20,147,000.00	S&P-AA	Moody's-Aa1	1.80	213	08/01/2021	1.541	0.58
NYC GO 1.58 8/1/2022	10,000,000.00	10,006,118.47	10,181,100.00	S&P-AA	Moody's-Aa1	0.90	578	08/01/2022	1.541	1.56
VA Resources Auth Infrastructure Rev 0.249 11/1/20	565,000.00	565,000.00	565,067.80	S&P-AAA	Moody's-Aaa	0.05	305	11/01/2021	0.249	0.83
VA Resources Auth Infrastructure Rev 0.329 11/1/20	435,000.00	435,000.00	435,813.45	S&P-AAA	Moody's-Aaa	0.04	670	11/01/2022	0.329	1.83
VA Resources Auth Infrastructure Rev 0.436 11/1/20	720,000.00	720,000.00	722,174.40	S&P-AAA	Moody's-Aaa	0.06	1,035	11/01/2023	0.436	2.82
VA Resources Auth Infrastructure Rev 0.636 11/1/20	1,000,000.00	1,000,000.00	1,005,140.00	S&P-AAA	Moody's-Aaa	0.09	1,401	11/01/2024	0.636	3.79
VA Resources Auth Infrastructure Rev 0.736 11/1/20	1,180,000.00	1,180,000.00	1,187,103.60	S&P-AAA	Moody's-Aaa	0.11	1,766	11/01/2025	0.736	4.75
VA Resources Auth Infrastructure Rev 0.75 11/1/202	1,300,000.00	1,301,463.09	1,309,815.00	S&P-AA	Moody's-Aa1	0.12	1,401	11/01/2024	0.720	3.78
Sub Total / Average Municipal Bond	66,310,000.00	67,382,047.21	67,868,248.75			5.98	914		0.980	2.40
<b>Negotiable Certificate Of Deposit</b>										
TD Bank NY 2.5 3/23/2021	15,000,000.00	15,000,000.00	15,038,400.00	S&P-A1+	Moody's-P1	1.35	82	03/23/2021	2.500	0.22
Sub Total / Average Negotiable Certificate Of Deposit	15,000,000.00	15,000,000.00	15,038,400.00			1.35	82		2.500	0.22
<b>Treasury Note</b>										
T-Note 2.75 9/15/2021	10,000,000.00	9,983,829.87	10,184,400.00	S&P-AA+	Moody's-Aaa	0.90	258	09/15/2021	2.990	0.70
Sub Total / Average Treasury Note	10,000,000.00	9,983,829.87	10,184,400.00			0.90	258		2.990	0.70
<b>TVA Bond</b>										
TVA 3.875 2/15/2021	5,000,000.00	5,005,161.63	5,021,400.00	S&P-AA+	Moody's-Aaa	0.45	46	02/15/2021	3.017	0.12

**Portfolio Holdings Compliance - GASB 40 Report - As of 12/31/2020**

Description	Face Amount/Shares	Book Value	Market Value	Credit Rating 1	Credit Rating 2	% of Portfolio	Days To Maturity	Maturity Date	YTM @ Cost	Duration To Maturity
TVA 3.875 2/15/2021	13,500,000.00	13,539,830.25	13,557,780.00	S&P-AA+	Moody's-Aaa	1.22	46	02/15/2021	1.500	0.12
Sub Total / Average TVA Bond	18,500,000.00	18,544,991.88	18,579,180.00			1.67	46		1.910	0.12
Total / Average	1,108,910,994.58	1,113,602,758.71	1,115,081,820.37			100	284		0.513	0.63