

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

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

FROM: Dev Priya Sen, Investment & Debt Manager

DATE: October 6, 2022

SUBJECT: Investment Portfolio Report

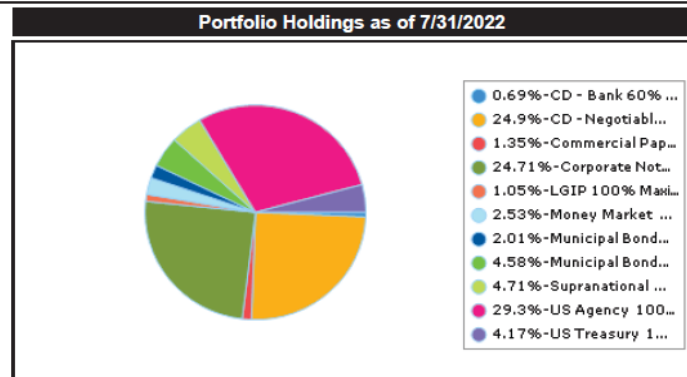
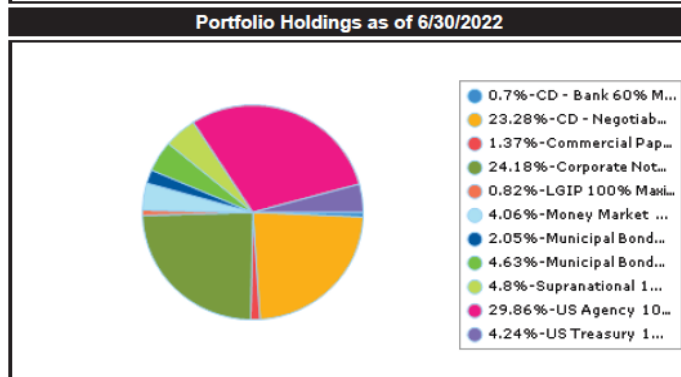
- Purpose:** To provide the Northern Virginia Transportation Authority (NVTA) with required reports on investment activities and portfolio performance through July 31, 2022. This report was presented to the NVTA Finance Committee at their September 2022 meeting.
- Background:** This Report is on investment activity through July 2022 and affirms the portfolio's 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.
- Current Period Reports:**



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

Begin Date: 6/30/2022, End Date: 7/31/2022

Asset Category Allocation				
Asset Category	Book Value 6/30/2022	% of Portfolio 6/30/2022	Book Value 7/31/2022	% of Portfolio 7/31/2022
CD - Bank 60% Maximum	10,000,000.00	0.70	10,000,000.00	0.69
CD - Negotiable 25% Maximum	332,101,502.72	23.28	362,133,166.72	24.90
Commercial Paper 35% / 5% Maximum	19,527,822.18	1.37	19,584,999.96	1.35
Corporate Notes 50% Maximum	345,000,314.96	24.18	359,334,503.98	24.71
LGIP 100% Maximum	11,737,463.62	0.82	15,228,233.75	1.05
Money Market 60% Maximum	57,966,527.54	4.06	36,812,369.27	2.53
Municipal Bonds - US 75% Maximum	29,283,934.73	2.05	29,267,447.61	2.01
Municipal Bonds - Virginia 75% Maximum	66,020,777.04	4.63	66,653,964.31	4.58
Supranational 15% Maximum	68,498,001.46	4.80	68,426,174.11	4.71
US Agency 100% Maximum	426,073,611.83	29.86	426,073,091.32	29.30
US Treasury 100% Maximum	60,555,509.97	4.24	60,584,650.30	4.17
Total / Average	1,426,765,466.05	100.00	1,454,098,601.33	100.00



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

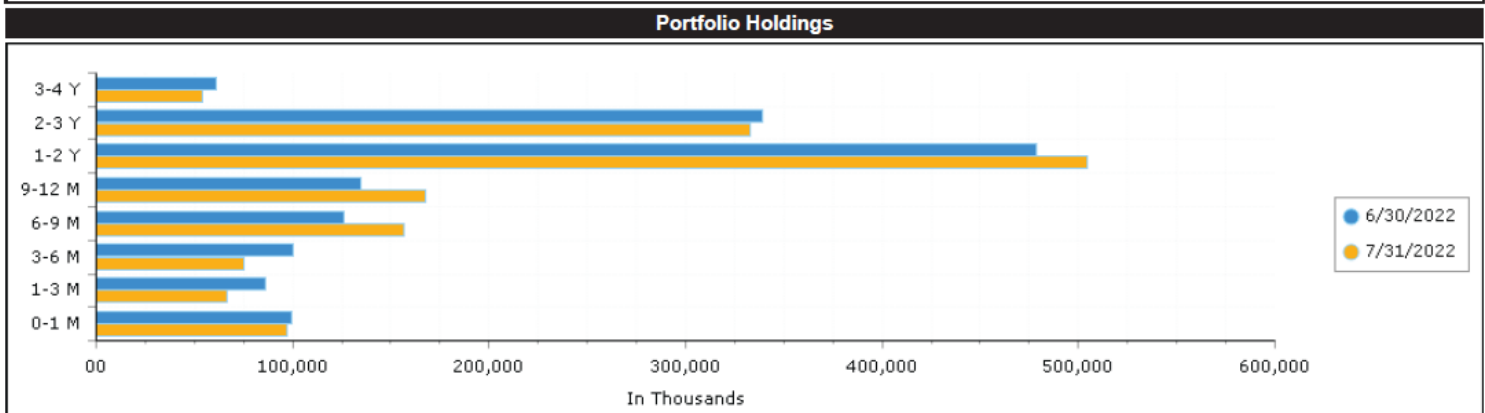


**Northern Virginia Transportation Authority
Distribution by Maturity Range - Book Value**

Report Group: Regional Revenue

Begin Date: 6/30/2022, End Date: 7/31/2022

Maturity Range Allocation				
Maturity Range	Book Value 6/30/2022	% of Portfolio 6/30/2022	Book Value 7/31/2022	% of Portfolio 7/31/2022
0-1 Month	99,703,991.16	6.99	97,041,306.79	6.67
1-3 Months	86,223,123.24	6.04	66,191,176.85	4.55
3-6 Months	100,458,592.07	7.04	75,445,771.39	5.19
6-9 Months	126,488,402.75	8.87	156,464,462.93	10.76
9-12 Months	134,615,435.72	9.44	167,642,244.42	11.53
1-2 Years	478,596,983.50	33.54	504,143,672.82	34.67
2-3 Years	339,283,495.83	23.78	333,248,153.99	22.92
3-4 Years	61,395,441.78	4.30	53,921,812.14	3.71
Total / Average	1,426,765,466.05	100.00	1,454,098,601.33	100.00



The liquidity of the portfolio is reflected in the portfolio's duration of 1.39 (1.0 = 1 year) and the maturity schedule is shown above.

NVTA Investment Benchmarks	Jul-22 Month End
Fed Funds Rate	2.32%
Treasury 90 Day T Bill	2.41%
Local Government Investment Pool	1.69%
Virginia Non-Arbitrage Program	1.69%
NVTA Performance	1.39%

Source: Bloomberg/NVTA Statements

- b. The yield on the portfolio at the end of July 2022 was 1.39%. The NVTA's Investment Policy specifies the benchmarks shown above for yield performance comparison.

4. Portfolio Analysis & Statistics Overview:

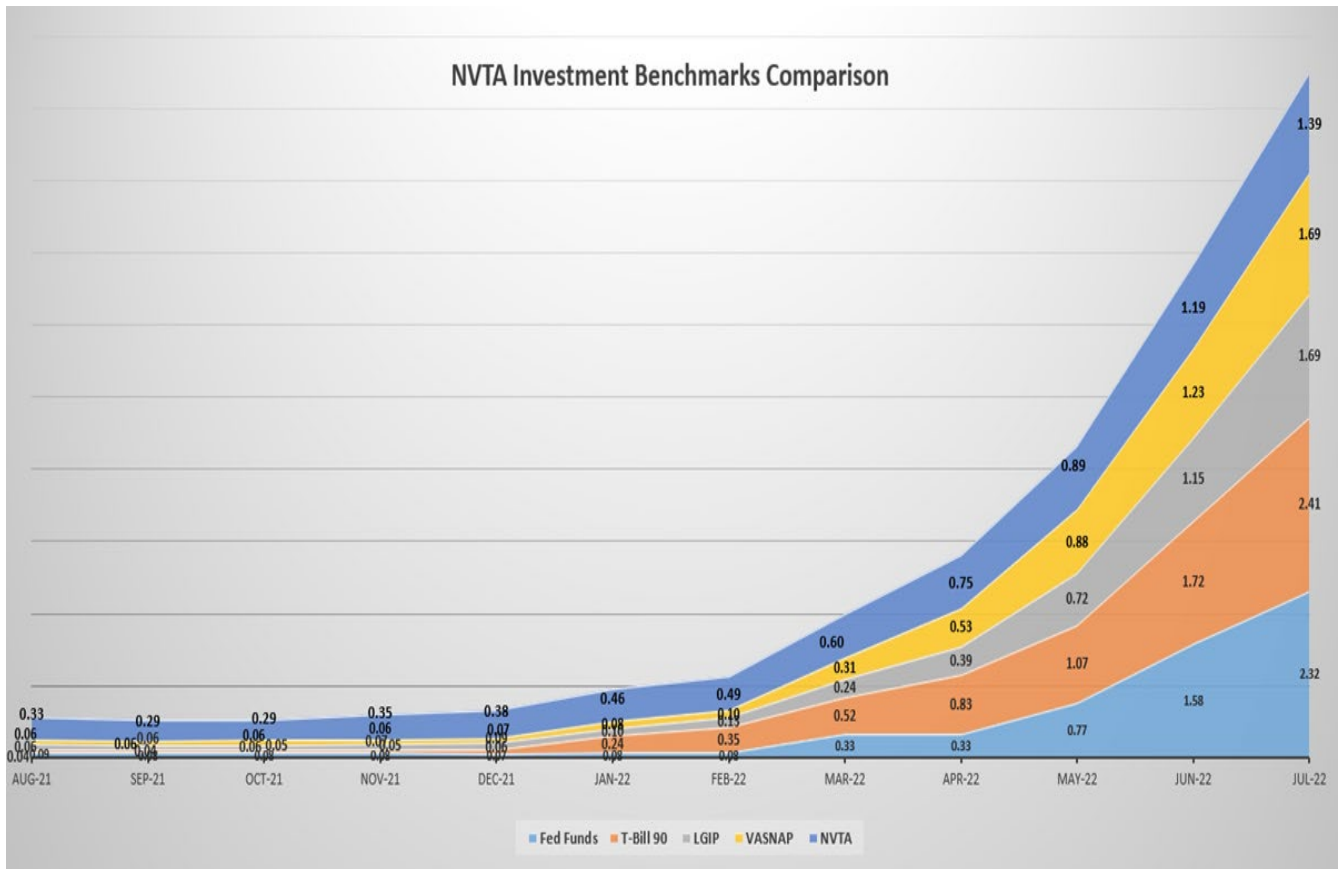
a. Safety The portfolio is invested primarily in:

- I. Local Government Investment Pools (1.05% from 0.82%)
- II. Collateralized bank money market accounts (3.22% from 4.76%)
- III. Commercial Paper (1.35% from 1.37%)
- IV. Negotiable CD's (24.90% from 23.28%)
- V. AAA/AA rated investment grade corporate bonds (24.71% from 24.18%)
- VI. Supranational Securities (4.71% from 4.80%)
- VII. Treasuries and Agencies (33.47% from 34.10%)
- VIII. VA & US Municipals (6.59% from 6.68%)

b. Liquidity: The NVTA Portfolio duration is 1.39 in July 2022 (1.0 = 1 year). In expectation of eventual interest rate increases, NVTA staff initiated a process in early summer to ladder maturities such that approximately \$40 million of securities mature each month. This is resulting in monthly opportunities to re-invest at increasing rates of return.

c. Yield: Market realities continue to work against bank depository rates and daily liquidity pools. During the summer, fixed income security yields have increased approximately 3% across asset classes.

- i. For the last several years, there was very little margin spread between funds placed with daily liquidity and those with a one-year maturity.
- ii. Since May 2022, staff has repositioned approximately \$180 million from community bank negotiated deposit placements to purchased fixed income securities. This action has been in addition to the approximately \$30 million a month in maturities and \$20 million from positive monthly cash flow.
- iii. The withdrawal from the community bank deposits was done with extensive communications with the banking community.
- iv. The intent of this strategy is to take advantage of rising rates in an orderly fashion by each month's maturities (principle and earned interest) being reinvested at higher rates.



5. **Custodian Certification:** Truist Bank 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. This report is fundamental for the Authority’s Annual Financial Statements and annual audit. 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



Northern Virginia Transportation Authority
The Authority for Transportation in Northern Virginia

Portfolio Holdings Compliance - GASB 40 Report - As of 7/31/2022

Description	CUSIP/Ticker	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	YTM @ Cost	Duration To Maturity
Certificate Of Deposit													
Bayerische Landesbank 0.27 12/15/2022	0727MCPE1	30,000,000.00	30,003,414.38	29,733,600.00	Fitch-F1	Moody's-P1	2.07	137	137	12/15/2022		0.240	0.38
Bayerische Landesbank 3.88 7/26/2024	0727MCXA0	30,000,000.00	30,046,153.04	30,306,600.00	Fitch-F1	Moody's-P1	2.07	726	726	7/26/2024		3.799	1.93
Credit Suisse 0.27 11/16/2022	22552G4L1	25,000,000.00	25,002,989.05	24,790,500.00	S&P-A1	Moody's-P1	1.72	108	108	11/16/2022		0.229	0.30
Credit Suisse 0.68 10/10/2023	22552G4R8	15,000,000.00	15,010,767.79	14,567,550.00	S&P-A1	Moody's-P1	1.03	436	436	10/10/2023		0.619	1.21
Credit Suisse 0.75 1/10/2024	22552G4T4	15,000,000.00	15,010,737.31	14,480,550.00	S&P-A1	Moody's-P1	1.03	528	528	1/10/2024		0.700	1.47
John Marshall Bank 2.137 12/15/2022	JMBDC061522	10,000,000.00	10,000,000.00	10,000,000.00	NR	NR	0.69	137	137	12/15/2022		2.137	0.38
Nordea Bank0.26 4/20/2023	65558UGN6	30,000,000.00	30,000,000.00	29,457,000.00	S&P-A1+	Moody's-P1	2.07	263	263	4/20/2023		0.260	0.72
Nordea Bank2.6 12/20/2023	65558USB9	25,000,000.00	25,020,013.16	24,796,500.00	S&P-A1+	Moody's-P1	1.72	507	507	12/20/2023		2.540	1.41
Rabobank 0.26 2/23/2023	21684LAZ5	40,000,000.00	40,000,000.00	39,440,800.00	S&P-A1	Moody's-P1	2.76	207	207	2/23/2023		0.260	0.56
Standard Chartered Bank 0.25 10/21/2022	85325VN71	25,000,000.00	25,001,702.15	24,873,000.00	S&P-A1	Moody's-P1	1.72	82	82	10/21/2022		0.220	0.23
Standard Chartered Bank 0.35 6/16/2023	85325VQ37	25,000,000.00	25,004,411.12	24,434,500.00	S&P-A1	Moody's-P1	1.72	320	320	6/16/2023		0.330	0.89
Standard Chartered Bank 0.36 7/20/2023	85325VQ60	30,000,000.00	30,008,796.38	29,225,400.00	S&P-A1	Moody's-P1	2.07	354	354	7/20/2023		0.330	0.98
Swedbank 0.95 10/22/2024	87019VA42	22,000,000.00	22,024,182.34	20,768,880.00	S&P-A1	Moody's-P1	1.52	814	814	10/22/2024		0.899	2.26
TD Bank 3.63 6/27/2023	89114WZ57	20,000,000.00	20,000,000.00	19,983,600.00	S&P-A1+	Moody's-P1	1.38	331	331	6/27/2023		3.630	0.92
TD Bank 3.75 7/11/2023	89115B5E6	30,000,000.00	30,000,000.00	30,003,000.00	S&P-A1	Moody's-P1	2.07	345	345	7/11/2023		3.750	0.96
Sub Total / Average Certificate Of Deposit		372,000,000.00	372,133,166.72	366,861,480.00			25.62	346	346			1.286	0.95
Corporate													
Apple0.75 5/11/2023	037833DV9	5,000,000.00	5,018,218.01	4,910,350.00	S&P-AA+	Moody's-Aaa	0.34	284	284	5/11/2023		0.280	0.78
Apple1.7 9/11/2022	037833DL1	16,145,000.00	16,143,185.11	16,129,177.90	S&P-AA+	Moody's-Aaa	1.11	42	42	9/11/2022		1.800	0.11
Apple2.4 5/3/2023	037833AK6	2,500,000.00	2,538,802.09	2,489,000.00	S&P-AA+	Moody's-Aaa	0.17	276	276	5/3/2023		0.340	0.75
Apple2.85 5/11/2024-24	037833CU2	2,135,000.00	2,224,197.46	2,125,883.55	S&P-AA+	Moody's-Aaa	0.15	650	589	5/11/2024	3/11/2024	0.484	1.74
Apple2.85 5/11/2024-24	037833CU2	10,000,000.00	10,425,654.01	9,957,300.00	S&P-AA+	Moody's-Aaa	0.69	650	589	5/11/2024	3/11/2024	0.442	1.74
Apple3.45 5/6/2024	037833AS9	10,000,000.00	10,552,150.77	10,090,400.00	S&P-AA+	Moody's-Aaa	0.69	645	645	5/6/2024		0.310	1.71
Asian Development Bank 1.75 9/13/2022	045167ED1	25,000,000.00	25,046,289.59	24,976,000.00	S&P-AAA	Moody's-Aaa	1.72	44	44	9/13/2022		0.210	0.12
Asian Development Bank 2.75 3/17/2023	045167EH2	18,083,000.00	18,366,131.59	18,071,969.37	S&P-AAA	Moody's-Aaa	1.25	229	229	3/17/2023		0.250	0.62
Berkshire Hathaway2.75 3/15/2023-23	084670BR8	10,000,000.00	10,128,206.42	9,981,000.00	S&P-AA	Moody's-Aa2	0.69	227	168	3/15/2023	1/15/2023	0.665	0.62
Berkshire Hathaway2.75 3/15/2023-23	084670BR8	5,000,000.00	5,071,152.23	4,990,500.00	S&P-AA	Moody's-Aa2	0.34	227	168	3/15/2023	1/15/2023	0.449	0.62
Berkshire Hathaway2.75 3/15/2023-23	084670BR8	8,200,000.00	8,313,972.73	8,184,420.00	S&P-AA	Moody's-Aa2	0.56	227	168	3/15/2023	1/15/2023	0.501	0.62
Credit Suisse 0 3/13/2023	2254EBQD6	20,000,000.00	19,584,999.96	19,586,800.00	S&P-A1	Moody's-P1	1.38	225	225	3/13/2023		3.404	0.62
ExxonVar. Corp 8/16/2022	30231GBA9	10,000,000.00	10,000,693.18	9,996,400.00	S&P-AA	Moody's-Aa1	0.69	16	16	8/16/2022		1.741	0.00
Exxon Mobil 2.019 8/16/2024-24	30231GBC5	10,000,000.00	10,266,054.80	9,784,900.00	S&P-AA-	Moody's-Aa1	0.69	747	716	8/16/2024	7/16/2024	0.699	1.99
Exxon Mobil 2.709 3/6/2025-24	30231GAF9	9,500,000.00	9,287,272.76	9,400,630.00	S&P-AA-	Moody's-Aa2	0.65	949	859	3/6/2025	12/6/2024	3.619	2.50
Exxon Mobil 2.992 3/19/2025	30231GBH4	20,000,000.00	19,940,393.73	19,921,200.00	S&P-AA-	Moody's-Aa2	1.38	962	962	3/19/2025		3.110	2.52
Guardian Life 1.1 6/23/2025	40139LAG8	13,000,000.00	12,211,870.08	12,056,720.00	S&P-AA+	Moody's-Aa2	0.90	1,058	1,058	6/23/2025		3.320	2.85
Guardian Life 1.1 6/23/2025	40139LAG8	9,456,000.00	8,756,055.44	8,769,872.64	S&P-AA+	Moody's-Aa2	0.65	1,058	1,058	6/23/2025		3.829	2.85
IBRD 0.25 11/24/2023	459058JM6	25,000,000.00	25,013,752.93	24,143,000.00	S&P-AAA	Moody's-Aaa	1.72	481	481	11/24/2023		0.208	1.31
Mass Mutual Global Funding 0.48 8/28/2023	57629WCV0	15,000,000.00	15,021,854.33	14,528,850.00	S&P-AA+	Moody's-Aa3	1.03	393	393	8/28/2023		0.344	1.08
Mass Mutual Global Funding 0.48 8/28/2023	57629WCV0	15,000,000.00	15,021,877.70	14,528,850.00	S&P-AA+	Moody's-Aa3	1.03	393	393	8/28/2023		0.344	1.08
Mass Mutual Global Funding 2.75 6/22/2024	57629WCE8	5,000,000.00	5,191,987.80	4,921,200.00	S&P-AA+	Moody's-Aa3	0.34	692	692	6/22/2024		0.701	1.85
Mass Mutual Global Funding 3.6 4/9/2024	57629WBV1	7,210,000.00	7,598,006.37	7,239,849.40	S&P-AA+	Moody's-Aa3	0.50	618	618	4/9/2024		0.400	1.64
MetLife 0.45 9/1/2023	59217GEK1	20,000,000.00	20,025,302.36	19,412,600.00	S&P-AA-	Moody's-Aa3	1.38	397	397	9/1/2023		0.333	1.08
MetLife 0.45 9/1/2023	59217GEK1	10,000,000.00	10,016,186.70	9,706,300.00	S&P-AA-	Moody's-Aa3	0.69	397	397	9/1/2023		0.301	1.08
MetLife 0.45 9/1/2023	59217GEK1	13,920,000.00	13,942,615.44	13,511,169.60	S&P-AA-	Moody's-Aa3	0.96	397	397	9/1/2023		0.300	1.08
MetLife 2.8 3/21/2025	59217GEW5	17,500,000.00	17,228,697.21	17,127,075.00	S&P-AA-	Moody's-Aa3	1.21	964	964	3/21/2025		3.420	2.54
Microsoft Corp 3.625 12/15/2023-23	594918AW4	13,000,000.00	13,548,335.36	13,151,840.00	S&P-AAA	Moody's-Aaa	0.90	502	472	12/15/2023	11/15/2023	0.530	1.35
Nestle 3.35 9/24/2023-23	641062AD6	15,665,000.00	16,186,248.92	15,693,980.25	S&P-AA-	Moody's-Aa3	1.08	420	389	9/24/2023	8/24/2023	0.437	1.12
New York Life 0.4 10/21/2023	64952WDT7	20,000,000.00	20,021,957.29	19,328,800.00	S&P-AA+	Moody's-Aaa	1.38	447	447	10/21/2023		0.310	1.22

Description	CUSIP/Ticker	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	YTM @ Cost	Duration To Maturity
FHLB 1.78 4/8/2024-22	3130AR6H9	18,500,000.00	18,500,000.00	18,172,735.00	S&P-AA+	Moody's-Aaa	1.27	617	617	4/8/2024		1.780	2.06
FHLB 2.5 2/28/2024-22	3130ARQX2	25,000,000.00	25,000,000.00	24,842,750.00	S&P-AA+	Moody's-Aaa	1.72	577	577	2/28/2024		2.500	1.54
FHLB 2.64 8/28/2024-22	3130ARKP5	30,000,000.00	30,000,000.00	29,818,500.00	S&P-AA+	Moody's-Aaa	2.07	759	759	8/28/2024		2.640	2.02
FHLMC 0.375 4/8/2024-21	3134GWYD2	15,000,000.00	15,009,222.92	14,388,900.00	Fitch-AAA	Moody's-Aaa	1.03	617	617	4/8/2024		0.338	1.68
FHLMC 2.57 1/22/2024-22	3134GXRZ9	28,500,000.00	28,500,000.00	28,330,710.00	S&P-AA+	Moody's-Aaa	1.96	540	540	1/22/2024		2.570	1.46
Sub Total / Average US Agency		426,100,000.00	426,073,091.32	414,532,357.00			29.35	691	492			1.632	1.84
US Treasury													
T-Note 1.625 5/31/2023	912828R69	21,000,000.00	20,786,884.27	20,769,420.00	Fitch-AAA	Moody's-Aaa	1.45	304	304	5/31/2023		2.867	0.83
T-Note 2.5 4/30/2024	91282CEK3	20,000,000.00	19,930,586.11	19,846,200.00	Moody's-Aaa	None	1.38	639	639	4/30/2024		2.705	1.71
T-Note 2.75 5/15/2025	91282CEQ0	20,000,000.00	19,867,179.92	19,943,800.00	Moody's-Aaa	None	1.38	1,019	1,019	5/15/2025		3.000	2.69
Sub Total / Average US Treasury		61,000,000.00	60,584,650.30	60,559,420.00			4.20	648	648			2.857	1.73
Total / Average		1,451,784,603.02	1,454,098,601.33	1,422,932,731.23			100	515	453			1.393	1.38