



**Massachusetts Bay  
Transportation Authority**

# Investment Policy Update & Vote

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MBTA Board of Directors

March 27, 2025

Patrick Landers, Treasurer

# Investment Policy Update

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The MBTA investment policy requires a biennial review and approval by the MBTA Board of Directors.

The investment policy provides guidelines for investment of operating funds, bond proceeds and debt service funds.

Primary Objectives of the Investment Policy  
Safety, Liquidity, Return, and Sustainability

In 2023, we did a substantial update to the policy. For 2025, after circulating it with our investment advisors, bond counsel and financial advisors, we are not recommending any additional changes for this biennial review.



# Investment Performance and Funds Under Management

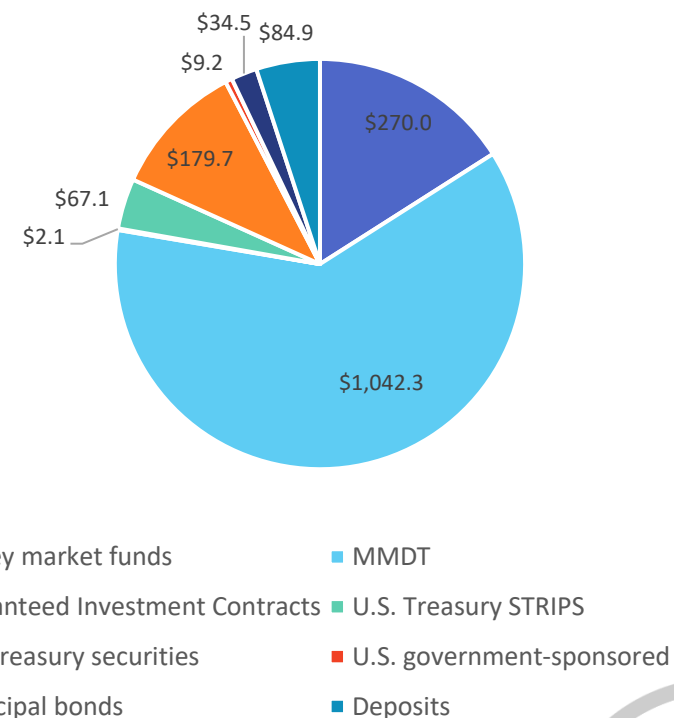
Per Clause 11 of the Investment Policy, the investment officer shall report on the status of the investment portfolio to the Board of Directors at least annually.

## INTEREST EARNINGS FY12 – FY24

	Operating	Capital	Total
2012	\$ 1,496,873	\$ 207,214	\$ 1,704,087
2013	\$ 1,202,022	\$ 599,123	\$ 1,801,146
2014	\$ 779,604	\$ 379,591	\$ 1,159,195
2015	\$ 1,065,426	\$ 563,374	\$ 1,628,800
2016	\$ 1,973,154	\$ 589,756	\$ 2,562,910
2017	\$ 8,043,237	\$ 509,197	\$ 8,552,434
2018	\$ 18,588,570	\$ 4,892,024	\$ 23,480,594
2019	\$ 25,644,818	\$ 5,241,138	\$ 30,885,956
2020	\$ 24,219,801	\$ 1,817,544	\$ 26,037,346
2021	\$ 16,846,839	\$ 379,287	\$ 17,226,126
2022	\$ 18,940,907	\$ 2,063,898	\$ 21,004,805
2023	\$ 24,877,656	\$ 24,351,746	\$ 49,229,402
2024	\$ 30,803,830	\$ 26,675,460	\$ 57,479,290

The MBTA has an established investment committee comprised of the CFO, comptroller, and budget director, which is supported by the MBTA's investment advisors. This committee votes to approve active investment strategies.

## MBTA Holdings as of FY 2024 (in millions)



Total deposits and investments = \$1.7B

# Vote

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The Board of Directors of the Massachusetts Bay Transportation Authority hereby approves the Investment Policy in the form presented to this meeting.



# Appendix



# Proactive Portfolio Management – MBTA Treasury

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- The MBTA **formed an Investment Committee** comprised of the CFO, comptroller, and budget director, which is supported by the MBTA's investment advisors.
- The MBTA is **also investing the float in the debt service fund** set asides, the duration of which is prescribed in the trust agreement. This allows us to maximize yield over that holding period.
- Applying an opportunity cost of capital approach to our liquid cash investments has favored **maintaining invested balances in MMDT** (currently returning a 4.53%) while using short-term commercial paper borrowings for liquidity (currently costing 2.70%).

