17 MAR 2026

Fitch Rates VIP Term Series II 'AAA(EXP)f'

Fitch Ratings - New York - 17 Mar 2026: Fitch Ratings has assigned the International Fund Credit Quality Rating (FCQR) of 'AAA(EXP)f' to VIP Term Series II. The fund will be managed by PTMA Investment Advisors, which is comprised of PMA Asset Management, LLC (PMA) and Public Trust Advisors, LLC (PTA). PTMA Investment Advisors is part of PTMA Financial Solutions (PTMA).

VIP Term Series II is part of the Virginia Investment Pool Trust Fund (VIP), a government trust fund created to provide Virginia's public entities with an investment vehicle to pool their funds and to invest into one or more investment portfolios.

The first VIP Term Series II portfolio is expected to launch in March 2026. Fitch used a representative model portfolio received from PTMA for the analysis and considered the investment policy and applicable state statutes.

KEY RATING DRIVERS

The expected rating reflects Fitch's review of the VIP Term Series II model portfolio, investment and credit guidelines, expected credit quality and diversification, and PTMA's asset management capabilities. The 'AAAf' FCQR indicates the highest underlying credit quality (or lowest vulnerability to default). FCQRs do not address the probability of extraordinary liquidity management measures or the fund's redemption risk. Consistent with ratings assigned to other term series, local government investment pool (LGIP) products, Fitch is not assigning a market risk sensitivity rating (MRSR).

Portfolio Credit Quality

The model portfolio's weighted average rating factor (WARF) primarily drives the FCQR. The WARF reflects the credit ratings and remaining term to maturity of the securities, weighted by market value. The model portfolio's WARF of 0.08 falls below the threshold of 0.30, corresponding to a 'AAAf' WARF-implied FCQR.

VIP Term Series II follows the investment policy implemented by the Board of Trustees of the Virginia Investment Pool. This policy, designed for municipal and governmental entities, complies with Virginia state statutes. Permitted investments include state-level debt, U.S. federal government and agency debt, municipal debt, time deposits, repurchase agreements, bankers' acceptances, prime commercial paper, high-quality corporate notes, mutual funds, and certificates of deposit. Its primary objectives are to provide safety of principal, competitive returns, and liquidity at a planned redemption date.

Maturity Profile

VIP Term Series II offers fixed-term portfolios, each with a series-specific final maturity termination date and maximum maturity term for the overall series of two years. Each VIP Term Series II portfolio has a maximum maturity term for the overall portfolio of two years, and a participant may invest in any VIP Term Series II portfolio with a minimum investment period of 90 days and a maximum investment term of one year. Each VIP Term Series II portfolio seeks to return all invested principal at certain pre-determined dates and to select a planned redemption date.

It is anticipated that after the launch of the initial VIP Term Series II portfolio, multiple portfolios will be in existence with maturity dates in successive periods.

Participant Profile

VIP Term Series II is an investment vehicle available to political subdivisions in the Commonwealth of Virginia, including counties, cities, towns, authorities, and other governmental entities. Each prospective participant must become a party to the Trust and agree to abide by the terms and conditions as set forth in the Trust Agreement.

Stress Tests

Fitch conducted stress tests as outlined in its "Bond Fund Rating Criteria," including concentration and market-based stresses, to test the sensitivity of the VIP Term Series II rating against potential changes in the portfolio's credit quality. There was no material deterioration in the WARF of the model portfolio because of these stressed scenarios, supporting Fitch's view that the model portfolio's credit quality is consistent with criteria guidelines at the assigned rating level.

Fitch conducted additional stress tests beyond those outlined in its criteria to test the model portfolio's WARF resiliency, applying greater credit risk factors to the portfolio holdings. These tests included multiple down-notches of all portfolio securities. There was no material deterioration in the WARF across these scenarios, supporting Fitch's view that the model portfolio's credit quality meets the criteria guidelines for the assigned rating level.

Portfolio Composition

As of the initial analysis, 32.3% of the market value of the VIP Term Series II model portfolio was allocated to U.S. Treasuries, 33.5% was allocated to certificates of deposit, 18.4% was allocated to asset-backed commercial paper, and 15.8% was allocated to commercial paper.

Surveillance

Fitch expects to receive monthly fund portfolio holdings information including credit quality, market value and duration of the individual securities to conduct surveillance against the "Bond Fund Rating Criteria," once the fund is launched.

LEGAL AND REGULATORY REVIEW

Fitch views the legal and regulatory environment in which VIP Term series II operates as appropriate.

The fund is governed under Virginia state code.

INVESTMENT MANAGER

VIP Term Series II is managed by PTMA Investment Advisors, which is comprised of PMA Asset Management, LLC (PMA) and Public Trust Advisors, LLC (PTA). PTA and PMA are both SEC-registered investment advisors and continue to operate as individual investment advisors (collectively PTMA Investment Advisors). PTA, PMA, PMA Financial Network, LLC, and PMA Securities, LLC are under common ownership as part of PTMA Financial Solutions, LLC (PTMA). PTMA is an integrated financial services firm that was formed as a result of the merger between Public Trust Advisors, LLC and PMA Financial Network, LLC which was first announced on Oct. 29, 2024.

As of Dec. 31, 2025, the combined firm had over $158 billion assets under administration. Total assets under administration include both money market pool assets for which the firm serves as fund administrator/accountant, marketer/distributer, fixed income program provider (brokerage services), and/or investment advisory, or separate institutional accounts.

Fitch views the investment management capabilities, resource commitment, operational controls, compliance and oversight processes of the investment advisor, PTMA, as appropriate for the assigned rating and investment strategy.

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/ Downgrade

--A material decrease in portfolio credit quality and/or a material increase in portfolio duration could result in the series' WARFs exceeding 0.30, which could result in the FCQR being lowered. However, Fitch perceives this as unlikely in the near term without significant credit migration or a change in the fund's investment strategy.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

A positive rating action is not applicable as the assigned ratings are the highest rating outcome under Fitch's "Bond Fund Rating Criteria."

SOURCES OF INFORMATION

The sources of information used to assess these ratings include the investment policy, model portfolio, and information from both the investment advisor and the public domain.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

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Rating Actions

ENTITY/DEBT	RATING			RECOVERY	PRIOR
VIP Term Series II	Fund Cr Qual Rtg	AAA(EXP)f	Expected Rating		

RATINGS KEY	OUTLOOK	WATCH
POSITIVE		
NEGATIVE		
EVOLVING		
STABLE		

Applicable Criteria

Bond Fund Rating Criteria (pub.13 Jun 2025)

Additional Disclosures

Solicitation Status

Endorsement Status

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