



## INFORMATIONAL REPORT

**DATE ISSUED:** February 27, 2020

**REPORT NO:** HCR20-025

**ATTENTION:** Chair and Members of the San Diego Housing Commission  
For the Agenda of March 6, 2020

**SUBJECT:** Investment Report – Second Quarter Fiscal Year 2020

**COUNCIL DISTRICT:** Citywide

### NO ACTION IS REQUIRED ON THE PART OF THE HOUSING COMMISSION

#### **SUMMARY**

The attached Quarterly Investment Report details the San Diego Housing Commission's (Housing Commission) investment portfolio as of December 31, 2019. The report includes both summary and detailed information on all liquid cash and cash equivalents, and core investments owned by the Housing Commission. These funds, however, are not indicative of funds available for discretionary use as they are: 1) earmarked for loans and grants that the Housing Commission has committed to fund through Board approval; 2) restricted to federal/state/local programmatic requirements; 3) designated for property maintenance; and 4) required 3.5 percent of budgeted new revenue contingency reserves.

The market value of the portfolio on December 31, 2019, was \$159.29 million, compared to \$164.67 million in the previous quarter, resulting in an overall investment portfolio decrease of \$5.38 million. On December 31, 2019, the overall investment portfolio had a yield to maturity of 2.04 percent, average days to maturity of 461, and an effective duration of 1.21 years, compared to the overall investment portfolio on September 30, 2019, which had a yield to maturity of 2.07 percent, average days to maturity of 465, and an effective duration of 1.22.

#### Cash and cash equivalents (liquid)

1. \$24.19 million is held in various accounts, including the Housing Commission's bank, US Bank (\$10.62 million) and other various authorized accounts required by lending agreements and program obligations (\$13.57 million).
2. \$37.30 million is held in pooled investment funds. Pooled funds include California's Local Agency Investment Fund (LAIF) and the San Diego County Investment Pool (SDCIP).

The blended yield on these liquid accounts was 1.39 percent for the quarter, which down 0.19 percent from the 1.58 percent in the previous quarter. The decline was due to a decrease in both LAIF and San Diego County Pool Investments effective yield to maturity.

#### Core investments

3. \$94.85 million is held in Agency Debentures and/or Agency Mortgage-Backed Securities (MBS).

4. \$2.95 million is held in various FDIC-insured Certificates of Deposit (CD).

The blended yield on core investments for the quarter was 2.34 percent, which is the same as the previous quarter.

### **DISCUSSION**

The overall market value of the investment portfolio decreased to \$159.29 million compared to the prior quarter of \$164.67 million. The \$5.38 million decrease during the quarter was principally due to \$15.38 million of expenditures primarily related to loans made for affordable housing projects (14<sup>th</sup> & Commercial, Hollister, and Quality Inn), offset by the receipt of \$10.00 million from the U.S. Department of Housing and Urban Development (HUD) related to funding for additional Section 8 Housing Choice Voucher program expenditures and Housing Assistance Payments.

The overall investment portfolio yield was 2.04 percent, compared to 2.07 percent from the prior quarter. The effective duration was also lower at 1.21 compared to 1.22 in the previous quarter. These decreases reflect the downward financial market move in the yield curve due to Federal Reserve commentary and actions. In addition, the Housing Commission remains conservative in its approach to duration to ensure liquidity to cover operational requirements.

### **CONCLUSION**

The Federal Reserve held the Fed Funds rate steady at 1.50-1.75 percent at the December 11 meeting. With the start of 2020, the Federal Reserve has indicated it will hold the Fed Funds rate steady until economic news warrants movement. The financial markets, however, anticipate Federal Reserve movements by June.

The Housing Commission's investment strategy will continue to focus on ensuring the safety of the principal, monitoring duration while maintaining sufficient liquidity to meet operational requirements, generating investment yield, and when possible, investing locally. The Housing Commission will continue to manage its investment portfolio with these underlying objectives in mind.

Respectfully submitted,



Marie Lalas  
Controller –  
Financial Services Department

Approved by,



Jeff Davis  
Executive Vice President & Chief Of Staff  
San Diego Housing Commission

Attachments: 1) SDHC Quarterly Financial Investment Report Ending December 31, 2019

Hard copies are available for review during business hours in the main lobby of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101 and at the Office of the San Diego City Clerk, 202 C Street, San Diego, CA 92101. You may also review complete docket materials in the "Governance & Legislative Affairs" section of the San Diego Housing Commission website at [www.sdhc.org](http://www.sdhc.org)

## Table of Contents

|       |                                       |      |
|-------|---------------------------------------|------|
| I.    | Investment Policy Summary             | 1    |
| II.   | Portfolio Summary by Investment Type  | 2    |
| III.  | Portfolio Credit Quality by Quarter   | 3    |
| IV.   | Portfolio Asset Allocation by Quarter | 4    |
| V.    | Portfolio Maturity Schedule           | 5    |
| VI.   | Portfolio Yield Comparison            | 6    |
| VII.  | Portfolio Holdings Detail             | 7-11 |
| VIII. | Glossary of Investment Terms          | 12   |

## INVESTMENT POLICY SUMMARY

In 2005, SDHC approved an Investment Policy which allows the agency to invest surplus funds in accordance with the provisions of U.S. Department of Housing & Urban Development (HUD) Notice PIH 96-33 and California Government Code Sections 5922 and 53601.

The Investment Policy contains the required standards of care that include prudence, ethics, conflict of interest and delegation of authority. Additionally, the policy states the general objectives of safety, liquidity, yield and local considerations must be followed. Finally, the policy provides guidance concerning authorized financial institutions, depositories and broker/dealers; asset safekeeping and custody; authorized and suitable investment types; collateralization and diversification.

# SAN DIEGO HOUSING COMMISSION

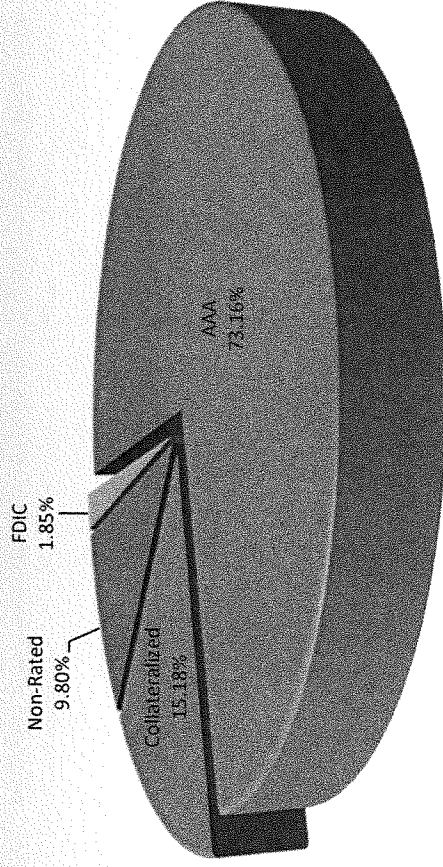
## PORTFOLIO SUMMARY BY INVESTMENT TYPE

| December 31, 2019                           |                          |                         |                            |                 |                           |                  |                      |                     |  |
|---------------------------------------------|--------------------------|-------------------------|----------------------------|-----------------|---------------------------|------------------|----------------------|---------------------|--|
| Investments                                 | Book Value<br>(millions) | Percent of<br>Portfolio | Market Value<br>(millions) | Market<br>Price | Unrealized<br>Gain/(Loss) | Original<br>Term | Yield to<br>Maturity | Days to<br>Maturity |  |
| Cash -unrestricted                          | \$10.62                  | 6.69%                   | \$10.62                    | 100.00%         | \$0.00                    | 1                | 0.40%                | 1                   |  |
| Cash - restricted                           | \$13.57                  | 8.55%                   | \$13.57                    | 100.00%         | \$0.00                    | 1                | 0.33%                | 1                   |  |
| Local Agency Investment Fund (LAIF)         | \$15.61                  | 9.83%                   | \$15.61                    | 100.00%         | \$0.00                    | 1                | 2.11%                | 1                   |  |
| San Diego Foundation (TSDF)                 | \$0.00                   | 0.00%                   | \$0.00                     | 100.00%         | \$0.00                    | 1                | 0.40%                | 1                   |  |
| San Diego County Investment Pool (SDCIP)    | \$21.69                  | 13.66%                  | \$21.69                    | 100.00%         | \$0.00                    | 1                | 2.02%                | 1                   |  |
| Total liquid investments                    | \$61.49                  | 38.73%                  | \$61.49                    | 100.00%         | \$0.00                    | 1                | 1.39%                | 1                   |  |
| Agency Bonds                                | \$94.34                  | 59.42%                  | \$94.85                    | 100.56%         | \$0.52                    | 1,246            | 2.33%                | 762                 |  |
| Certificate of Deposits (FDIC)              | \$2.94                   | 1.85%                   | \$2.95                     | 100.31%         | \$0.01                    | 964              | 2.63%                | 349                 |  |
| Total core investments                      | \$97.28                  | 61.27%                  | \$97.80                    | 100.55%         | \$0.53                    | 1,237            | 2.34%                | 750                 |  |
| <b>Total liquid and core investments</b>    | <b>\$158.77</b>          | <b>100%</b>             | <b>\$159.29</b>            | <b>100.34%</b>  | <b>\$0.53</b>             | <b>760</b>       | <b>2.04%</b>         | <b>461</b>          |  |
| <b>Current Portfolio Effective Duration</b> |                          | <b>1.21</b>             | <b>Years</b>               |                 |                           |                  |                      |                     |  |

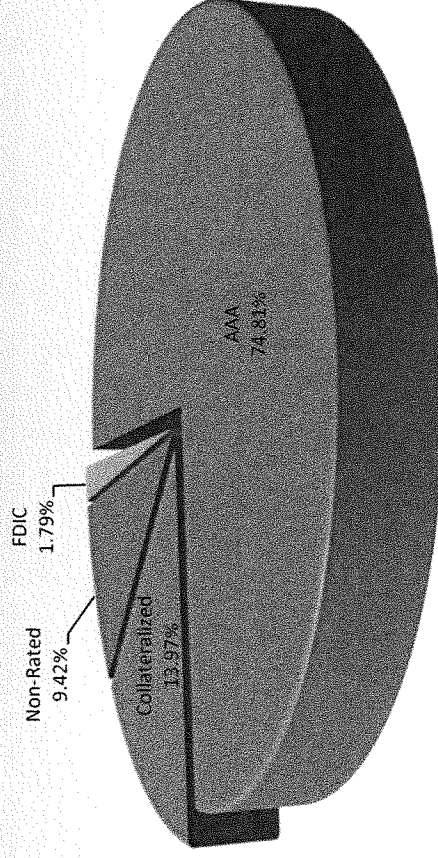
| September 30, 2019                          |                          |                         |                            |                 |                           |                  |                      |                     |  |
|---------------------------------------------|--------------------------|-------------------------|----------------------------|-----------------|---------------------------|------------------|----------------------|---------------------|--|
| Investments                                 | Book Value<br>(millions) | Percent of<br>Portfolio | Market Value<br>(millions) | Market<br>Price | Unrealized<br>Gain/(Loss) | Original<br>Term | Yield to<br>Maturity | Days to<br>Maturity |  |
| Cash -unrestricted                          | \$10.44                  | 6.37%                   | \$10.44                    | 100.00%         | \$0.00                    | 1                | 0.40%                | 1                   |  |
| Cash - restricted                           | \$12.57                  | 7.67%                   | \$12.57                    | 100.00%         | \$0.00                    | 1                | 0.33%                | 1                   |  |
| Local Agency Investment Fund (LAIF)         | \$15.52                  | 9.47%                   | \$15.52                    | 100.00%         | \$0.00                    | 1                | 2.28%                | 1                   |  |
| San Diego Foundation (TSDF)                 | \$0.00                   | 0.00%                   | \$0.00                     | 100.00%         | \$0.00                    | 1                | 0.40%                | 1                   |  |
| San Diego County Investment Pool (SDCIP)    | \$21.57                  | 13.16%                  | \$21.57                    | 100.00%         | \$0.00                    | 1                | 2.39%                | 1                   |  |
| Total liquid investments                    | \$60.09                  | 36.67%                  | \$60.09                    | 100.00%         | \$0.00                    | 1                | 1.58%                | 1                   |  |
| Agency Bonds                                | \$100.85                 | 61.54%                  | \$101.63                   | 100.86%         | \$0.78                    | 1,231            | 2.34%                | 740                 |  |
| Certificate of Deposits (FDIC)              | \$2.94                   | 1.79%                   | \$2.95                     | 100.25%         | \$0.01                    | 964              | 2.63%                | 441                 |  |
| Total core investments                      | \$103.79                 | 63.33%                  | \$104.58                   | 100.85%         | \$0.79                    | 1,224            | 2.34%                | 731                 |  |
| <b>Total liquid and core investments</b>    | <b>\$163.88</b>          | <b>100%</b>             | <b>\$164.67</b>            | <b>100.54%</b>  | <b>\$0.79</b>             | <b>778</b>       | <b>2.07%</b>         | <b>465</b>          |  |
| <b>Current Portfolio Effective Duration</b> |                          | <b>1.22</b>             | <b>Years</b>               |                 |                           |                  |                      |                     |  |

# PORTFOLIO CREDIT QUALITY\* BY QUARTER

December 31, 2019



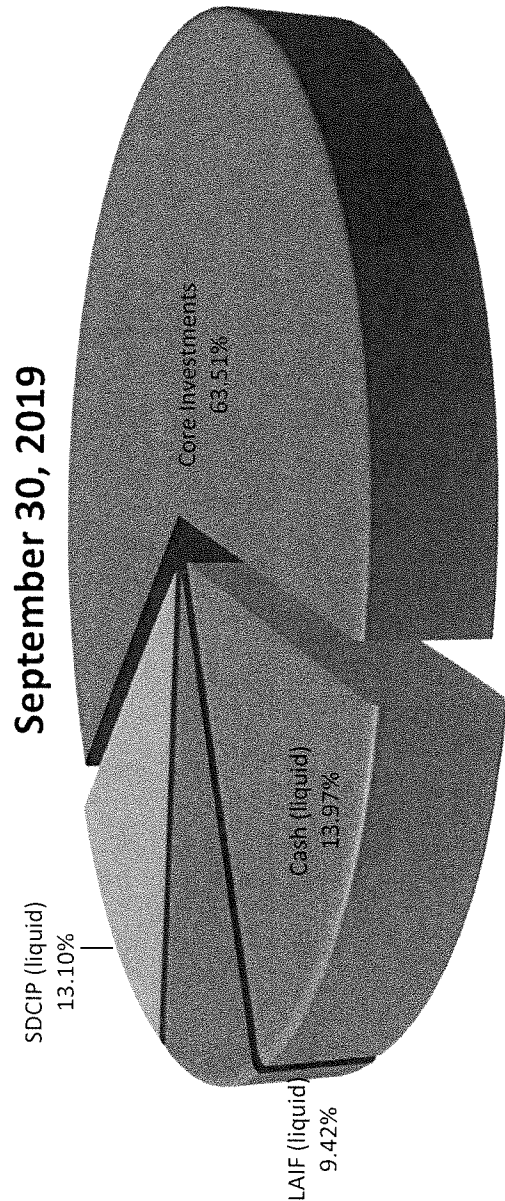
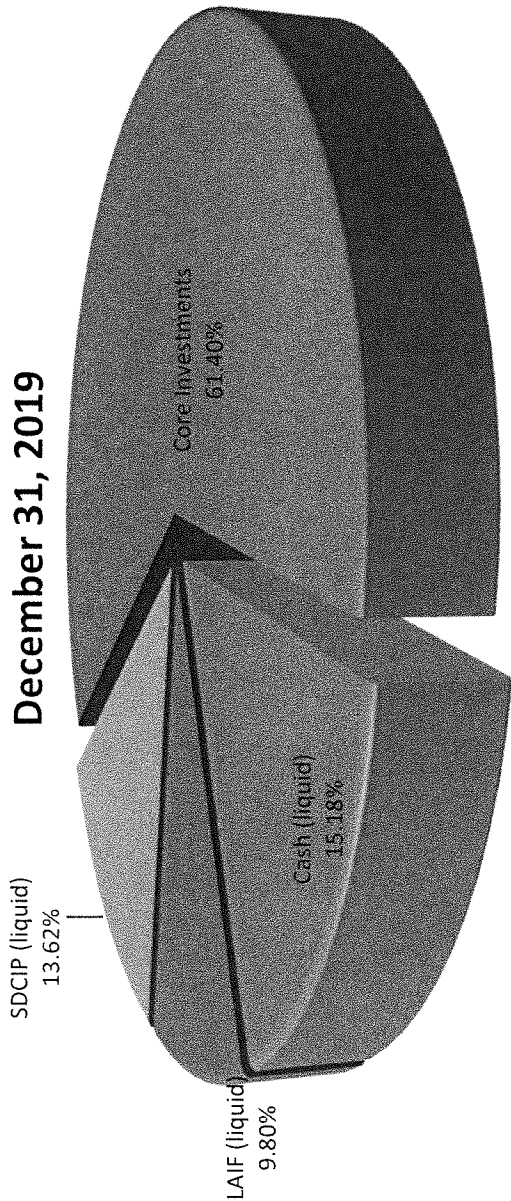
September 30, 2019



Note: Mortgage-backed securities (MBS) are included with other AAA rated securities. While the rating agencies do not specifically rate MBS, they carry an implied AAA rating based on the collateral and the rating of the Agency (Fannie/Freddie) that issues/guarantees them.

Non-Rated securities in SDHC's portfolio represents investments in the State of California's Local Agency Investment Fund (LAIF). The lack of a rating does not imply a negative credit quality.

ASSET ALLOCATION BY QUARTER



| Market Value in Millions |           |           |           |  |
|--------------------------|-----------|-----------|-----------|--|
|                          | 09/30/19  | 12/31/19  | Variance  |  |
| Cash (liquid)            | \$ 23.01  | \$ 24.19  | \$ 1.18   |  |
| LAIF (liquid)            | \$ 15.52  | \$ 15.61  | \$ 0.10   |  |
| SDCIP (liquid)           | \$ 21.57  | \$ 21.69  | \$ 0.12   |  |
| Core Investments         | \$ 104.58 | \$ 97.80  | \$ (6.78) |  |
| TSDf (liquid)            | \$ -      | \$ -      | \$ -      |  |
| Total                    | \$ 164.67 | \$ 159.29 | \$ (5.38) |  |

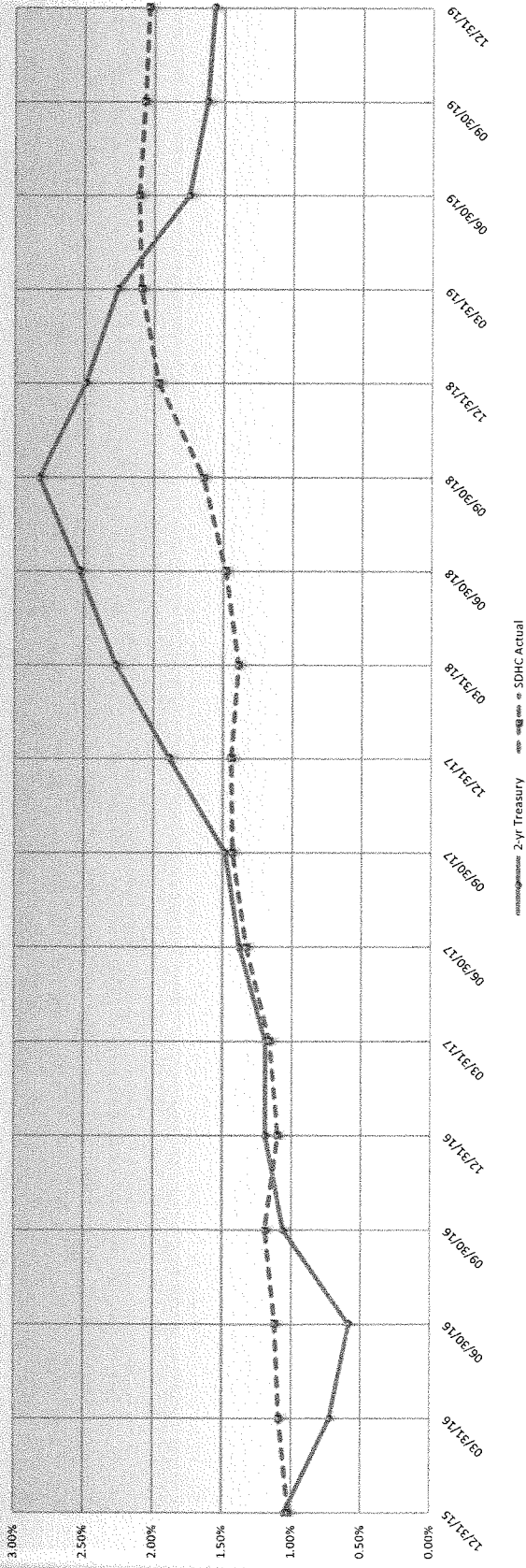
\* Based on Market Value of Assets

Portfolio Maturity Schedule

| Investments  | 1 day<br>to<br>90 days | 91 days<br>to<br>1 year | 1 year<br>to<br>2 years | 2 years<br>to<br>3 years | 3 years<br>to<br>4 years | 4 years<br>to<br>5 years | Total<br>by<br>Asset |
|--------------|------------------------|-------------------------|-------------------------|--------------------------|--------------------------|--------------------------|----------------------|
| Cash         | 24.19                  | \$ -                    | \$ -                    | \$ -                     | \$ -                     | \$ -                     | \$ 24.19             |
| LAIF         | 15.61                  | -                       | -                       | -                        | -                        | -                        | \$ 15.61             |
| TSDf         | -                      | -                       | -                       | -                        | -                        | -                        | \$ -                 |
| SDCIP        | 21.69                  | -                       | -                       | -                        | -                        | -                        | \$ 21.69             |
| Agency Bonds | 1.20                   | 18.87                   | 23.26                   | 35.82                    | 10.84                    | 4.86                     | \$ 94.85             |
| CD (FDIC)    | -                      | 1.72                    | 1.23                    | -                        | -                        | -                        | \$ 2.95              |
| Total        | \$ 62.69               | \$ 20.59                | \$ 24.49                | \$ 35.82                 | \$ 10.84                 | \$ 4.86                  | \$ 159.29            |
| Percent      | 39.35%                 | 12.93%                  | 15.37%                  | 22.49%                   | 6.81%                    | 3.05%                    | 100.00%              |



2-Year Treasury Note vs. SDHC Actual Yield



# San Diego Housing Commission Portfolio Holdings Detail

As of

December 31, 2019

| Investments - Liquid Cash Accounts            | Issuer             | Book Value (millions) | Percent of Portfolio | Market Value (millions) | Market Price   | Unrealized Gain/(Loss) | Original Term | Yield to Maturity | Days to Maturity |
|-----------------------------------------------|--------------------|-----------------------|----------------------|-------------------------|----------------|------------------------|---------------|-------------------|------------------|
| SDHC Operating Account                        | U.S. Bank          | \$10.62               | 6.66%                | \$10.62                 | 100.00%        | \$0.00                 | 1             | 0.40%             | 1                |
| Belden FNMA LLC Operating                     | U.S. Bank          | \$1.70                | 1.06%                | \$1.70                  | 100.00%        | \$0.00                 | 1             | 0.40%             | 1                |
| Belden FNMA LLC Security Deposit              | U.S. Bank          | \$0.11                | 0.07%                | \$0.11                  | 100.00%        | \$0.00                 | 1             | 0.40%             | 1                |
| Belden FNMA LLC Res. (10002)                  | Greystone          | \$0.25                | 0.16%                | \$0.25                  | 100.00%        | \$0.00                 | 1             | 0.05%             | 1                |
| Central FNMA LLC Operating                    | U.S. Bank          | \$1.73                | 1.09%                | \$1.73                  | 100.00%        | \$0.00                 | 1             | 0.40%             | 1                |
| Central FNMA LLC Security Deposit             | U.S. Bank          | \$0.12                | 0.08%                | \$0.12                  | 100.00%        | \$0.00                 | 1             | 0.40%             | 1                |
| Central FNMA LLC Res. (10003)                 | Greystone          | \$0.21                | 0.13%                | \$0.21                  | 100.00%        | \$0.00                 | 1             | 0.05%             | 1                |
| North FNMA LLC Operating                      | U.S. Bank          | \$1.36                | 0.85%                | \$1.36                  | 100.00%        | \$0.00                 | 1             | 0.40%             | 1                |
| North FNMA LLC Security Deposit               | U.S. Bank          | \$0.08                | 0.05%                | \$0.08                  | 100.00%        | \$0.00                 | 1             | 0.40%             | 1                |
| North FNMA LLC Res. (10004)                   | Greystone          | \$0.06                | 0.04%                | \$0.06                  | 100.00%        | \$0.00                 | 1             | 0.05%             | 1                |
| Central FHA LLC Operating                     | U.S. Bank          | \$1.56                | 0.98%                | \$1.56                  | 100.00%        | \$0.00                 | 1             | 0.40%             | 1                |
| Central FHA LLC Security Deposit              | U.S. Bank          | \$0.15                | 0.10%                | \$0.15                  | 100.00%        | \$0.00                 | 1             | 0.40%             | 1                |
| Central FHA LLC Res. (0538)                   | PNC Bank           | \$0.71                | 0.44%                | \$0.71                  | 100.00%        | \$0.00                 | 1             | 0.05%             | 1                |
| Northern FHA LLC Operating                    | U.S. Bank          | \$0.77                | 0.49%                | \$0.77                  | 100.00%        | \$0.00                 | 1             | 0.40%             | 1                |
| Northern FHA LLC Security Deposit             | U.S. Bank          | \$0.10                | 0.06%                | \$0.10                  | 100.00%        | \$0.00                 | 1             | 0.40%             | 1                |
| Northern FHA LLC Res. (0539)                  | PNC Bank           | \$0.38                | 0.24%                | \$0.38                  | 100.00%        | \$0.00                 | 1             | 0.05%             | 1                |
| Southern FHA LLC Operating                    | U.S. Bank          | \$2.32                | 1.45%                | \$2.32                  | 100.00%        | \$0.00                 | 1             | 0.40%             | 1                |
| Southern FHA LLC Security Deposit             | U.S. Bank          | \$0.18                | 0.11%                | \$0.18                  | 100.00%        | \$0.00                 | 1             | 0.40%             | 1                |
| Southern FHA LLC Res. (0540)                  | PNC Bank           | \$0.77                | 0.48%                | \$0.77                  | 100.00%        | \$0.00                 | 1             | 0.05%             | 1                |
| Hotel Sandford Rep. Res. (7828)               | U.S. Bank          | \$0.26                | 0.16%                | \$0.26                  | 100.00%        | \$0.00                 | 1             | 0.40%             | 1                |
| Hotel Sandford Operating Savings (7836)       | U.S. Bank          | \$0.00                | 0.00%                | \$0.00                  | 100.00%        | \$0.00                 | 1             | 0.40%             | 1                |
| Town & Country Operating                      | Wells Fargo        | \$0.00                | 0.00%                | \$0.00                  | 100.00%        | \$0.00                 | 1             | 0.40%             | 1                |
| Town & Country Security Deposits              | Wells Fargo        | \$0.00                | 0.00%                | \$0.00                  | 100.00%        | \$0.00                 | 1             | 0.40%             | 1                |
| Town & Country Savings                        | Wells Fargo        | \$0.00                | 0.00%                | \$0.00                  | 100.00%        | \$0.00                 | 1             | 0.40%             | 1                |
| FSS Escrow                                    | U.S. Bank          | \$0.51                | 0.32%                | \$0.51                  | 100.00%        | \$0.00                 | 1             | 0.40%             | 1                |
| SDHC Building Opportunities                   | Bank of California | \$0.23                | 0.15%                | \$0.23                  | 100.00%        | \$0.00                 | 1             | 0.40%             | 1                |
| Red Loan Courtyard                            | Red Mortgage       | \$0.02                | 0.01%                | \$0.02                  | 100.00%        | \$0.00                 | 1             | 0.40%             | 1                |
| Village North Senior Res                      | Red Mortgage       | \$0.00                | 0.00%                | \$0.00                  | 100.00%        | \$0.00                 | 1             | 0.40%             | 1                |
| Village North Senior Operating Savings (9747) | U.S. Bank          | \$0.00                | 0.00%                | \$0.00                  | 100.00%        | \$0.00                 | 1             | 0.40%             | 1                |
| Village North Senior Security Dep. (9788)     | U.S. Bank          | \$0.00                | 0.00%                | \$0.00                  | 100.00%        | \$0.00                 | 1             | 0.40%             | 1                |
| <b>Total Cash Accounts</b>                    |                    | <b>\$24.19</b>        | <b>15.18%</b>        | <b>\$24.19</b>          | <b>100.00%</b> | <b>\$0.00</b>          | <b>1</b>      | <b>0.37%</b>      | <b>1</b>         |
| Investments - Liquid Pooled Investments       | Issuer             | Book Value (millions) | Percent of Portfolio | Market Value (millions) | Market Price   | Unrealized Gain/(Loss) | Original Term | Yield to Maturity | Days to Maturity |
| Local Agency Investment Fund                  | State of CA        | \$15.61               | 9.80%                | \$15.61                 | 100.00%        | \$0.00                 | 1             | 2.28%             | 1                |
| San Diego Foundation                          | TSDf               | \$0.00                | 0.00%                | \$0.00                  | 100.00%        | \$0.00                 | 1             | 0.40%             | 1                |
| SD County Investment Pool                     | County of SD       | \$21.69               | 13.62%               | \$21.69                 | 100.00%        | \$0.00                 | 1             | 2.39%             | 1                |
| <b>Total Pooled Investments</b>               |                    | <b>\$37.30</b>        | <b>23.42%</b>        | <b>\$37.30</b>          | <b>100.00%</b> | <b>\$0.00</b>          | <b>1</b>      | <b>2.34%</b>      | <b>1</b>         |
| Investments - Core Bond Investments (CUSIP)   | Issuer             | Book Value (millions) | Percent of Portfolio | Market Value (millions) | Market Price   | Unrealized Gain/(Loss) | Original Term | Yield to Maturity | Days to Maturity |

**As of**

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# San Diego Housing Commission Portfolio Holdings Detail

As of

December 31, 2019

|            |        |        |       |        |         |        |      |       |      |
|------------|--------|--------|-------|--------|---------|--------|------|-------|------|
| 3138L1P37  | FNMA P | \$0.51 | 0.32% | \$0.52 | 102.15% | \$0.01 | 1579 | 2.91% | 1036 |
| 31381R5T7  | FNMA P | \$1.01 | 0.64% | \$1.02 | 101.26% | \$0.01 | 1128 | 2.90% | 610  |
| 3136A1AB1  | FNMA P | \$0.48 | 0.30% | \$0.48 | 101.23% | \$0.01 | 1047 | 2.82% | 542  |
| 3137AME60  | FNMA P | \$0.75 | 0.47% | \$0.76 | 101.26% | \$0.01 | 1226 | 2.80% | 725  |
| 3137AJMF8  | FHMS   | \$0.94 | 0.59% | \$0.95 | 101.48% | \$0.01 | 1169 | 2.84% | 664  |
| 3137AJMF8  | FHMS   | \$1.04 | 0.66% | \$1.05 | 100.50% | \$0.01 | 1165 | 2.78% | 664  |
| 3137B3N95  | FHMS   | \$0.31 | 0.19% | \$0.31 | 100.84% | \$0.00 | 1488 | 2.71% | 999  |
| 3136ALHX2  | FNA    | \$0.65 | 0.41% | \$0.65 | 101.14% | \$0.01 | 1153 | 2.75% | 664  |
| 31381VFW00 | FNMA P | \$0.73 | 0.46% | \$0.74 | 102.29% | \$0.02 | 1400 | 2.89% | 913  |
| 3136A4M55  | FNMA P | \$0.88 | 0.56% | \$0.90 | 101.77% | \$0.02 | 1229 | 2.88% | 756  |
| 3138NJAD0  | FNMA P | \$0.80 | 0.51% | \$0.82 | 101.65% | \$0.01 | 835  | 2.92% | 367  |
| 3137AH6C7  | FHMS   | \$0.96 | 0.61% | \$0.97 | 100.87% | \$0.01 | 1040 | 2.87% | 572  |
| 3138LCVX0  | FNMA P | \$1.00 | 0.63% | \$1.01 | 100.65% | \$0.01 | 1534 | 3.01% | 1066 |
| 3136A8G61  | FNA    | \$0.55 | 0.35% | \$0.56 | 102.34% | \$0.01 | 1344 | 2.95% | 876  |
| 3137AME60  | FNMA P | \$0.93 | 0.59% | \$0.94 | 101.47% | \$0.01 | 1185 | 2.94% | 725  |
| 3137AYCE9  | FHMS   | \$1.03 | 0.65% | \$1.06 | 102.88% | \$0.03 | 1488 | 3.04% | 1029 |
| 3138L5HK9  | FNMA P | \$0.64 | 0.40% | \$0.65 | 102.07% | \$0.01 | 1174 | 3.10% | 732  |
| 3137818S0  | FHMS   | \$0.99 | 0.62% | \$1.01 | 102.87% | \$0.03 | 1486 | 3.03% | 1060 |
| 3136A77K2  | FNA    | \$0.35 | 0.22% | \$0.36 | 102.63% | \$0.01 | 1430 | 3.10% | 999  |
| 3138EMJG7  | FNMA P | \$0.36 | 0.23% | \$0.36 | 101.13% | \$0.00 | 805  | 2.98% | 367  |
| 3138L44C4  | FNMA P | \$0.77 | 0.48% | \$0.79 | 102.95% | \$0.02 | 1382 | 3.19% | 944  |
| 31379LUR7  | FHMS   | \$0.99 | 0.63% | \$1.02 | 102.15% | \$0.02 | 1333 | 2.98% | 907  |
| 3137AXHP1  | FHMS   | \$0.99 | 0.62% | \$1.02 | 102.95% | \$0.03 | 1410 | 3.12% | 999  |
| 31381R5T7  | FNMA P | \$1.01 | 0.64% | \$1.02 | 101.40% | \$0.01 | 1020 | 3.03% | 610  |
| 31381TKC3  | FNMA P | \$1.69 | 1.06% | \$1.72 | 101.83% | \$0.03 | 1142 | 3.06% | 732  |
| 3137B1BS0  | FHMS   | \$1.48 | 0.93% | \$1.52 | 102.83% | \$0.04 | 1460 | 3.03% | 1060 |
| 31381QZH2  | FNMA P | \$1.01 | 0.64% | \$1.02 | 100.67% | \$0.01 | 853  | 3.02% | 457  |
| 31381RZ23  | FNMA P | \$0.88 | 0.55% | \$0.88 | 100.94% | \$0.01 | 975  | 3.00% | 579  |
| 31381RB45  | FNMA P | \$0.97 | 0.61% | \$0.97 | 100.88% | \$0.01 | 931  | 3.01% | 548  |
| 31381RQD9  | FNMA P | \$1.73 | 1.09% | \$1.75 | 100.92% | \$0.02 | 931  | 2.97% | 548  |
| 31381R2C7  | FNMA P | \$1.31 | 0.83% | \$1.32 | 100.80% | \$0.01 | 954  | 2.85% | 579  |
| 3136AMM48  | FNA    | \$0.48 | 0.30% | \$0.49 | 101.47% | \$0.01 | 1312 | 2.84% | 937  |
| 3137AVXN2  | FHMS   | \$0.99 | 0.62% | \$1.01 | 101.85% | \$0.02 | 1309 | 2.78% | 937  |
| 3138EKQW8  | FNMA P | \$0.74 | 0.46% | \$0.75 | 101.76% | \$0.01 | 1477 | 2.76% | 1128 |
| 3138L8XW9  | FNMA P | \$0.93 | 0.58% | \$0.94 | 101.79% | \$0.02 | 1446 | 2.71% | 1097 |
| 3138LEQT1  | FNMA P | \$1.42 | 0.90% | \$1.43 | 100.82% | \$0.01 | 1587 | 2.70% | 1278 |
| 3137FKK88  | FNMA P | \$2.05 | 1.29% | \$2.08 | 101.09% | \$0.02 | 1378 | 2.62% | 1090 |
| 31381VEY7  | FNMA P | \$1.20 | 0.76% | \$1.22 | 101.26% | \$0.02 | 1192 | 2.45% | 913  |
| 3138L42J1  | FNMA P | \$1.84 | 1.16% | \$1.86 | 101.47% | \$0.03 | 1599 | 2.55% | 1340 |
| 3138LJ4Y3  | FNMA P | \$2.19 | 1.38% | \$2.21 | 100.92% | \$0.02 | 1134 | 2.35% | 913  |
| 3138ET4Y9  | FNMA P | \$2.65 | 1.67% | \$2.66 | 100.40% | \$0.01 | 1009 | 1.95% | 822  |
| 3138L1UV9  | FNMA P | \$0.86 | 0.54% | \$0.86 | 99.58%  | \$0.00 | 1252 | 1.92% | 1066 |
| 3138L1FW4  | FNMA P | \$0.93 | 0.58% | \$0.93 | 99.98%  | \$0.00 | 1191 | 1.92% | 1005 |
| 3138L1UHN0 | FNMA P | \$0.86 | 0.54% | \$0.86 | 99.92%  | \$0.00 | 1008 | 1.93% | 822  |

# San Diego Housing Commission Portfolio Holdings Detail

As of

December 31, 2019

| 3138EH3A8                                         | FNMA P    | \$1.19                   | 0.75%                   | \$94.85                    | 100.45%         | \$0.01                    | 977              | 2.01%                | 822                 |
|---------------------------------------------------|-----------|--------------------------|-------------------------|----------------------------|-----------------|---------------------------|------------------|----------------------|---------------------|
| 31381VKE4                                         | FNMA P    | \$1.03                   | 0.65%                   | \$1.03                     | 100.12%         | \$0.00                    | 1068             | 2.07%                | 913                 |
| 3138LC5B7                                         | FNMA P    | \$2.05                   | 1.29%                   | \$2.03                     | 99.08%          | -\$0.02                   | 1253             | 1.83%                | 1128                |
| 3138LAAM1                                         | FNMA P    | \$0.95                   | 0.60%                   | \$0.95                     | 99.48%          | -\$0.01                   | 975              | 1.80%                | 852                 |
| 3138L1YR49                                        | FNMA P    | \$1.39                   | 0.88%                   | \$1.39                     | 99.70%          | \$0.00                    | 1231             | 2.02%                | 1066                |
| 3138EPJW5                                         | FNMA P    | \$1.13                   | 0.71%                   | \$1.13                     | 100.49%         | \$0.01                    | 989              | 1.92%                | 883                 |
| 31381URW9                                         | FNMA P    | \$0.69                   | 0.43%                   | \$0.68                     | 99.87%          | \$0.00                    | 978              | 1.86%                | 883                 |
| 3138LCQN8                                         | FNMA P    | \$1.03                   | 0.65%                   | \$1.03                     | 99.46%          | -\$0.01                   | 1523             | 2.03%                | 1431                |
| 3138LDCV3                                         | FNMA P    | \$0.81                   | 0.51%                   | \$0.79                     | 97.92%          | -\$0.02                   | 1247             | 1.84%                | 1128                |
| 3138LCW68                                         | FNMA P    | \$1.47                   | 0.93%                   | \$1.47                     | 99.48%          | -\$0.01                   | 717              | 1.82%                | 640                 |
| 3140JAU97                                         | FNMA P    | \$1.01                   | 0.63%                   | \$1.00                     | 99.15%          | -\$0.01                   | 1288             | 1.87%                | 1217                |
| 3137BWWWD2                                        | FHMS      | \$1.30                   | 0.82%                   | \$1.29                     | 99.32%          | -\$0.01                   | 1550             | 1.90%                | 1486                |
| 3138LOEU1                                         | FNMA P    | \$0.62                   | 0.39%                   | \$0.61                     | 99.80%          | \$0.00                    | 1008             | 1.84%                | 944                 |
| 3138L3PR0                                         | FNMA P    | \$1.01                   | 0.64%                   | \$1.01                     | 99.28%          | -\$0.01                   | 1312             | 1.85%                | 1248                |
| 31381UK48                                         | FNMA P    | \$0.51                   | 0.32%                   | \$0.51                     | 99.76%          | \$0.00                    | 868              | 2.00%                | 822                 |
| 3140HULZ7                                         | FNMA P    | \$1.55                   | 0.98%                   | \$1.54                     | 98.90%          | -\$0.02                   | 1683             | 2.15%                | 1644                |
| 31381UB89                                         | FNMA P    | \$0.69                   | 0.43%                   | \$0.68                     | 99.63%          | \$0.00                    | 856              | 1.90%                | 822                 |
| 3138LJPRT1                                        | FNMA P    | \$2.06                   | 1.30%                   | \$2.03                     | 98.70%          | -\$0.03                   | 1658             | 1.87%                | 1644                |
| Total Agency Bond Investments                     |           | \$94.34                  | 59.55%                  | \$94.85                    | 100.56%         | \$0.52                    | 1,246            | 2.33%                | 762                 |
| Investments - Core<br>Certificate of Deposit (CD) | Issuer    | Book Value<br>(millions) | Percent of<br>Portfolio | Market Value<br>(millions) | Market<br>Price | Unrealized<br>Gain/(Loss) | Original<br>Term | Yield to<br>Maturity | Days to<br>Maturity |
| AMEX                                              | 02587CGG9 | \$0.25                   | 0.15%                   | \$0.25                     | 100.28%         | \$0.00                    | 1098             | 1.95%                | 258                 |
| TIAA FSB                                          | 87270LAQ6 | \$0.25                   | 0.15%                   | \$0.25                     | 100.24%         | \$0.00                    | 1092             | 1.90%                | 258                 |
| Connectone                                        | 20786ABS3 | \$0.25                   | 0.15%                   | \$0.25                     | 100.17%         | \$0.00                    | 1097             | 1.80%                | 258                 |
| Synchrony                                         | 87164WWL8 | \$0.25                   | 0.15%                   | \$0.25                     | 100.48%         | \$0.00                    | 731              | 2.75%                | 139                 |
| GMATBK                                            | 02007GCS0 | \$0.25                   | 0.15%                   | \$0.25                     | 100.45%         | \$0.00                    | 732              | 2.70%                | 139                 |
| Stearns                                           | 857894WY1 | \$0.25                   | 0.15%                   | \$0.25                     | 100.00%         | \$0.00                    | 1089             | 2.90%                | 532                 |
| Sallie Mae                                        | 795450548 | \$0.25                   | 0.15%                   | \$0.25                     | 100.00%         | \$0.00                    | 1097             | 3.00%                | 538                 |
| First Source                                      | 33646CKB9 | \$0.25                   | 0.15%                   | \$0.25                     | 100.00%         | \$0.00                    | 980              | 2.85%                | 423                 |
| Marlin                                            | 57116ARL4 | \$0.25                   | 0.15%                   | \$0.25                     | 100.00%         | \$0.00                    | 1096             | 2.95%                | 545                 |
| Citibank                                          | 17312QN54 | \$0.25                   | 0.15%                   | \$0.25                     | 100.00%         | \$0.00                    | 1096             | 3.00%                | 545                 |
| Barclay                                           | 06740KN89 | \$0.25                   | 0.15%                   | \$0.25                     | 101.45%         | \$0.00                    | 733              | 3.05%                | 356                 |
| Morgan Stanley                                    | 61760AMW6 | \$0.25                   | 0.15%                   | \$0.25                     | 100.67%         | \$0.00                    | 732              | 2.75%                | 202                 |
| Total Certificate of Deposits                     |           | \$2.94                   | 1.85%                   | \$2.95                     | 100.31%         | \$0.01                    | 964              | 2.63%                | 349                 |
| Total Cash & Investments                          |           | \$158.77                 | 100.00%                 | \$159.29                   | 100.34%         | \$0.53                    | 760              | 2.04%                | 461                 |

## Statement of Compliance:

I certify to the best of my knowledge and belief that all investment transactions executed have been in full compliance with the investment policy of the San Diego Housing Commission.

San Diego Housing Commission  
Portfolio Holdings Detail  
As of  
December 31, 2019

**Marie Lalas**

Controller

December 31, 2019  
Date

## GLOSSARY OF INVESTMENT TERMS

**Agency** - Privately owned, publicly chartered entities, such as Fannie Mae or Freddie Mac, created by Congress to reduce the cost of capital for certain borrowing sectors of the economy.

**Blended Rate of Return** - See Weighted Average Return.

**Book Value** - The value at which a security is carried on the financial records of an investor. The book value may differ significantly from the security's current value in the market or market value.

**Basis Point (BP)** - is one hundredth of a percentage point (0.01%). Basis points are often used to measure changes in yields between securities that often move in very small

**Certificate of Deposit (CD)** - A time deposit with a specific maturity evidenced by a certificate. CDs are 100% collateralized and/or FDIC insured.

**Collateralization** - Process by which financial institutions pledge securities, property, or other deposits for the purpose of securing cash and investments.

**CUSIP** - Committee on Uniform Security Identification Procedures. A unique 9-character alphanumeric identifier assigned to a bond at the time it is issued.

**Debenture** - A bond secured only by the general credit of the issuer.

**Effective Duration** - A measure of price sensitivity of a fixed income portfolio given a parallel shift in interest rates. Lower duration (in years) = lower price sensitivity.

**FDIC** - Federal Deposit Insurance Corporation a federally sponsored corporation that insures accounts in national banks and other qualified institutions.

**FFCB** - Federal Farm Credit Bank, a GSE.

**FHLB** - Federal Home Loan Banks, a GSE.

**FHLMC** - Federal Home Loan Mortgage Corporation or Freddie Mac, a GSE.

**FNMA** - Federal National Mortgage Association or Fannie Mae, a GSE.

**GSE (Agency)** - Government Sponsored Enterprise. Privately owned, publicly chartered entities, such as Fannie Mae or Freddie Mac, created by Congress to reduce the cost of capital for certain borrowing sectors of the economy.

**Liquidity** - The ability to convert an asset to cash quickly.

**Market Value** - An estimation of the price that could be obtained for a particular investment or asset if it were sold in an arm's length transaction on the current market.

**MBS** - Mortgage-Backed Security is a type of asset-backed security that is secured by a mortgage or collection of mortgages where monthly interest and principle payments are often redirected to bondholders.

**SDCIP** - San Diego County Investment Pool.

**SLY** - Safety, Liquidity & Yield. An investment strategy where the primary objective is the Safety of principle first, the Liquidity of investments to meet operating requirements second and where Yield only considered after the requirements of Safety and Liquidity have been met.

**S&P** - Standard and Poors, a credit ratings agency

**Unrealized Gain (Loss)** - The difference between the book value of an investment and the current market value/price.

**Weighted Average Return** - The average yield on a group of investment that takes into account the proportional relevance of each component.

**Yield-To-Maturity (YTM)** - The rate of return yielded on a bond or other investment if it is held until the maturity date.