



INFORMATIONAL REPORT

DATE ISSUED: August 14, 2015 **REPORT NO:** HCR15-070

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of September 11, 2015

SUBJECT: Investment Report – Fourth Quarter Fiscal Year 2015

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 June 30, 2015. The report includes both summary and detailed information on all liquid cash and cash equivalents and core investments owned by the Housing Commission. The market value of the portfolio at June 30, 2015, was \$110.29 million with a yield to maturity of 1.13 percent, average days to maturity of 379, and an effective duration of 1.01 years.

Cash and cash equivalents (liquid)

1. \$30.0 million is held in the Commission's bank and other various authorized accounts required by lending agreements and program obligations.
2. \$9.1 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 0.38 percent for the quarter and the same as the prior quarter.

Core investments

3. \$68.78 million is held in Agency Debentures and/or Agency Mortgage-Backed Securities (MBS).
4. \$2.45 million is held in various Federal Deposit Insurance Corporation (FDIC) insured Certificates of Deposit (CD).

The blended yield for the quarter was 1.54 percent, a slight increase from the previous reporting period of 1.52 percent.

DISCUSSION

The overall market value of the investment portfolio decreased from \$119.50 to \$110.30 million during the period. The primary reason for the decrease was cash flows used in operating activities, which includes completing the acquisition of the Village Senior North property.

The overall portfolio yield decreased slightly from 1.14 percent to 1.13 percent this quarter. We continue to maintain a short effective duration, falling this quarter to 1.01 years as we anticipate interest rate increases. The overall portfolio yield of 1.13 percent continues to outpace the 2-year Treasury note rate of 0.64 percent. Due to the conservative investment requirements of government funds, the two-year U.S. Treasury note continues to be a reasonable benchmark for measuring performance.

The core investment holdings decreased by \$8.8 million. Cash generated from scheduled principal and interest payments along with bond maturities were retained in cash to complete the aforementioned transaction. We maintain a healthy 1.56 percent portfolio yield in government agency bonds, our largest holding.

CONCLUSION

At the June Federal Open Market Committee (FOMC) meeting the Fed Committee, as expected, once again left rates unchanged. Softer first quarter U.S. economic data, the continued issues in the European Union (Greece) and the economic slowdown - volatile equity markets in China - had market participants pushing back the rate increase. The International Monetary Fund (IMF) commented to the Fed Committee to delay rate increases until 2016.

Given the uncertainty around interest rate movements in the current market, we continue to prefer staying short duration which includes our use of Government Mortgage Backed Securities to provide a steady monthly cash flow in what is likely to be a rising rate environment. We will continue to monitor the steepness of the yield curve and as information evolves, we will make use of other investment options that may be beneficial to the portfolio, such as Agency Step Up coupon and Agency floating rate structures. These securities coupons increase as interest rates increase, thus provide an opportunity for the Housing Commission in this interest rate environment.

We also note that the investment policy of the Housing Commission is designed to minimize investment risk and protect the principal invested, which is why we believe that in the current volatile market, the Housing Commission investments will be largely sheltered due to investing primarily in Government Bonds and Certificates of Deposit.

Respectfully submitted,

Daniel Brown

Daniel Brown
Director
Financial Services

Approved by,

Jeff Davis

Jeff Davis
Executive Vice President & Chief Operating Officer
San Diego Housing Commission

Attachments: 1) SDHC Quarterly Financial Investment Report Ending June 30, 2015

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 on the San Diego Housing Commission website at www.sdhc.org.



SAN DIEGO
HOUSING
COMMISSION

Attachment 1

San Diego Housing Commission

Quarterly Financial Investment Report

For the Quarter Ending
June 30, 2015



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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

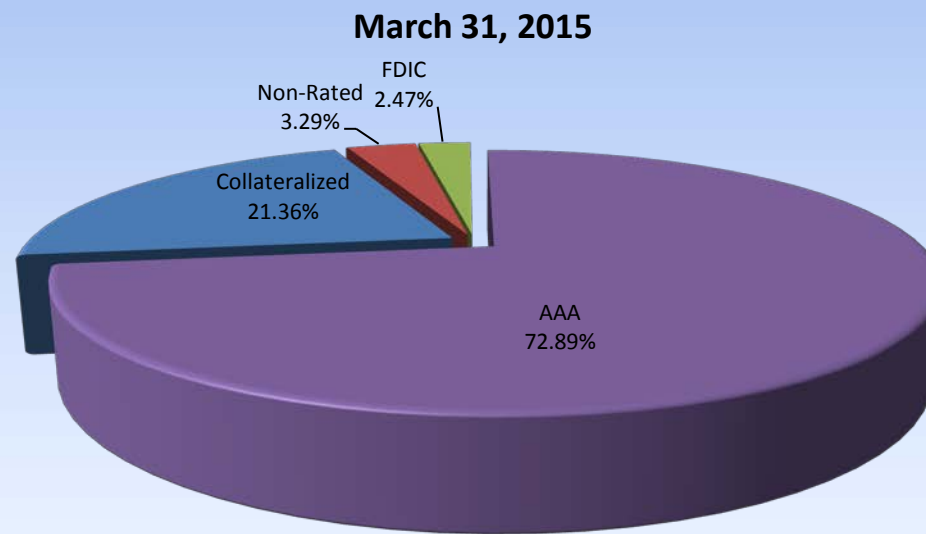
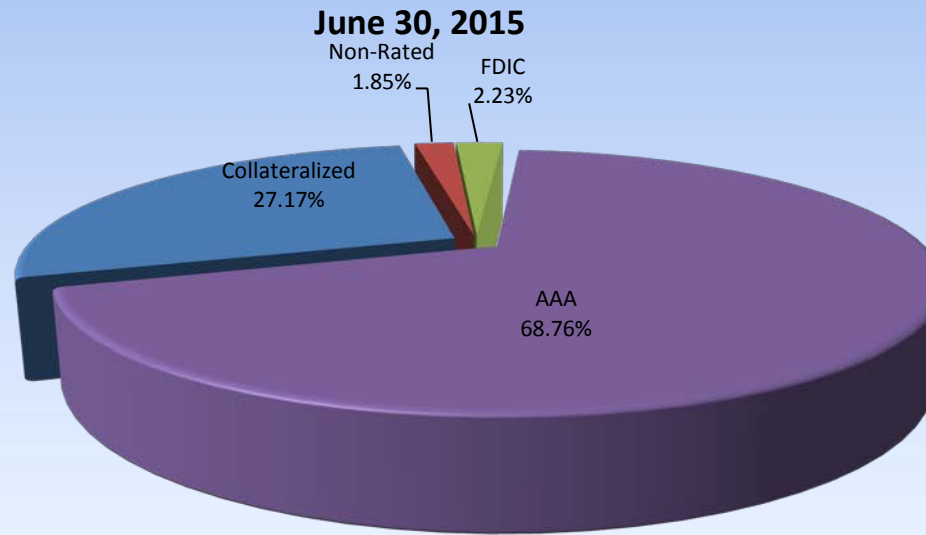
June 30, 2015

Investments	Book Value (millions)	Percent of Portfolio	Market Value (millions)	Market Price	Unrealized Gain/(Loss)	Original Term	Yield to Maturity	Days to Maturity
Cash	\$29.97	27.17%	\$29.97	100.00%	\$0.00	1	0.35%	1
Local Agency Investment Fund (LAIF)	\$2.04	1.85%	\$2.04	100.00%	\$0.00	1	0.28%	1
San Diego County Investment Pool (SDCIP)	\$7.05	6.39%	\$7.05	100.00%	\$0.00	1	0.50%	1
Total liquid investments	<u>\$39.06</u>	<u>35.41%</u>	<u>\$39.06</u>	<u>100.00%</u>	<u>\$0.00</u>	<u>1</u>	<u>0.38%</u>	<u>1</u>
Agency Bonds	\$68.54	62.36%	\$68.78	101.62%	\$0.24	1,372	1.56%	595
Certificate of Deposits (FDIC)	\$2.45	2.23%	\$2.45	100.19%	\$0.00	1,060	1.04%	330
Total core investments	<u>\$70.99</u>	<u>64.59%</u>	<u>\$71.23</u>	<u>101.57%</u>	<u>\$0.24</u>	<u>1,362</u>	<u>1.54%</u>	<u>586</u>
Total liquid and core investments	\$110.05	100%	\$110.29	101.02%	\$0.24	880	1.13%	379
Current Portfolio Effective Duration		1.09 Years						

March 31, 2015

Investments	Book Value (millions)	Percent of Portfolio	Market Value (millions)	Market Price	Unrealized Gain/(Loss)	Original Term	Yield to Maturity	Days to Maturity
Cash	\$25.52	21.36%	\$25.52	100.00%	\$0.00	1	0.35%	1
Local Agency Investment Fund (LAIF)	\$3.94	3.29%	\$3.94	100.00%	\$0.00	1	0.28%	1
San Diego County Investment Pool (SDCIP)	\$10.04	8.40%	\$10.04	100.00%	\$0.00	1	0.50%	1
Total liquid investments	<u>\$39.50</u>	<u>33.05%</u>	<u>\$39.50</u>	<u>100.00%</u>	<u>\$0.00</u>	<u>1</u>	<u>0.38%</u>	<u>1</u>
Agency Bonds	\$74.19	64.49%	\$77.08	103.96%	\$2.89	1,357	1.54%	647
Certificate of Deposits (FDIC)	\$2.94	2.47%	\$2.95	100.28%	\$0.01	1,036	1.00%	358
Total core investments	<u>\$77.13</u>	<u>66.95%</u>	<u>\$80.02</u>	<u>103.83%</u>	<u>\$2.90</u>	<u>1,346</u>	<u>1.52%</u>	<u>636</u>
Total liquid and core investments	\$116.63	100.00%	\$119.52	102.56%	\$2.90	901	1.14%	426
Current Portfolio Effective Duration		1.09 Years						

PORTFOLIO CREDIT QUALITY* BY QUARTER

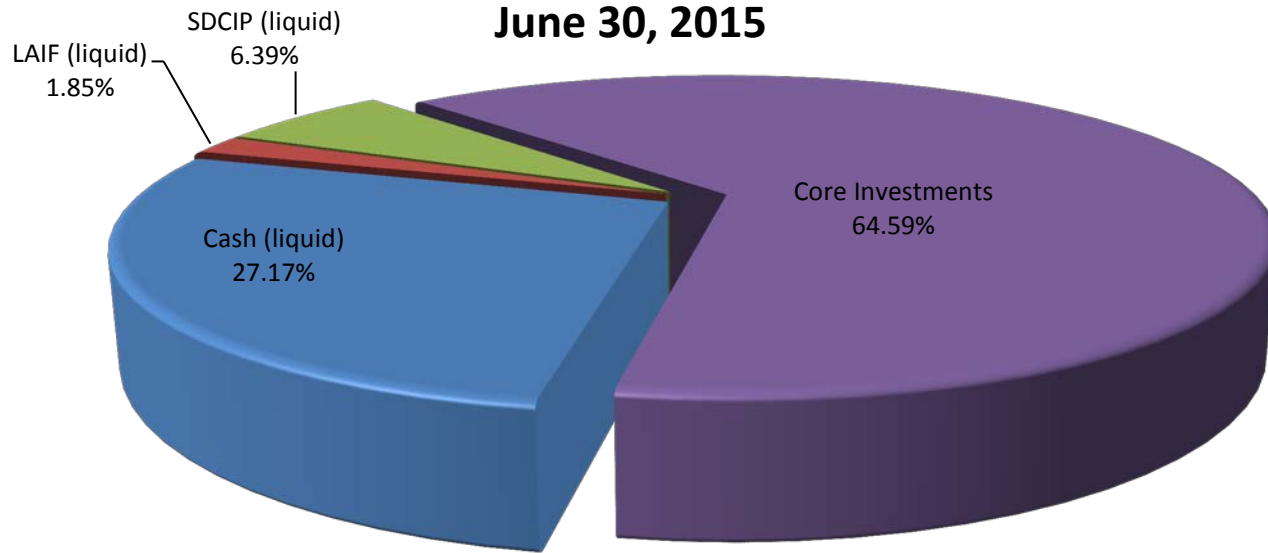


Note: Mortgage-backed securities (MBS) are included with other AAA rated securities. While the rating agencies do not specifically rate MBS, they carry an implied AAA rating based on the collateral and the rating of the Agency (Fannie/Freddie) that issues/guarantees them.

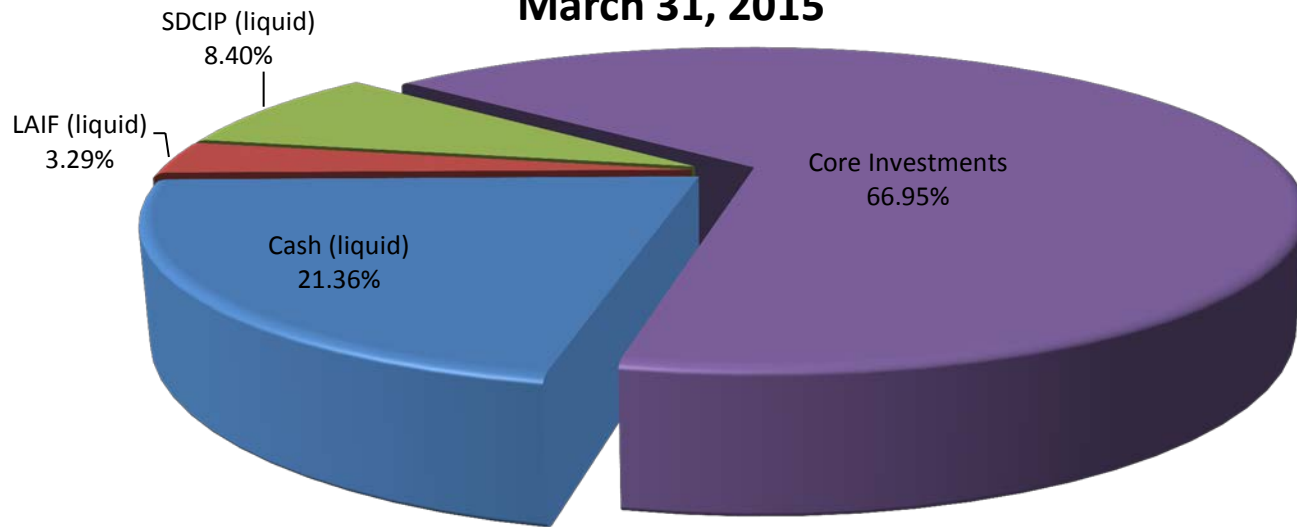
Non-Rated securities in SDHC's portfolio represents investments in the State of California's Local Agency Investment Fund (LAIF). The lack of a rating does not imply a negative credit quality.

ASSET ALLOCATION BY QUARTER

June 30, 2015



March 31, 2015



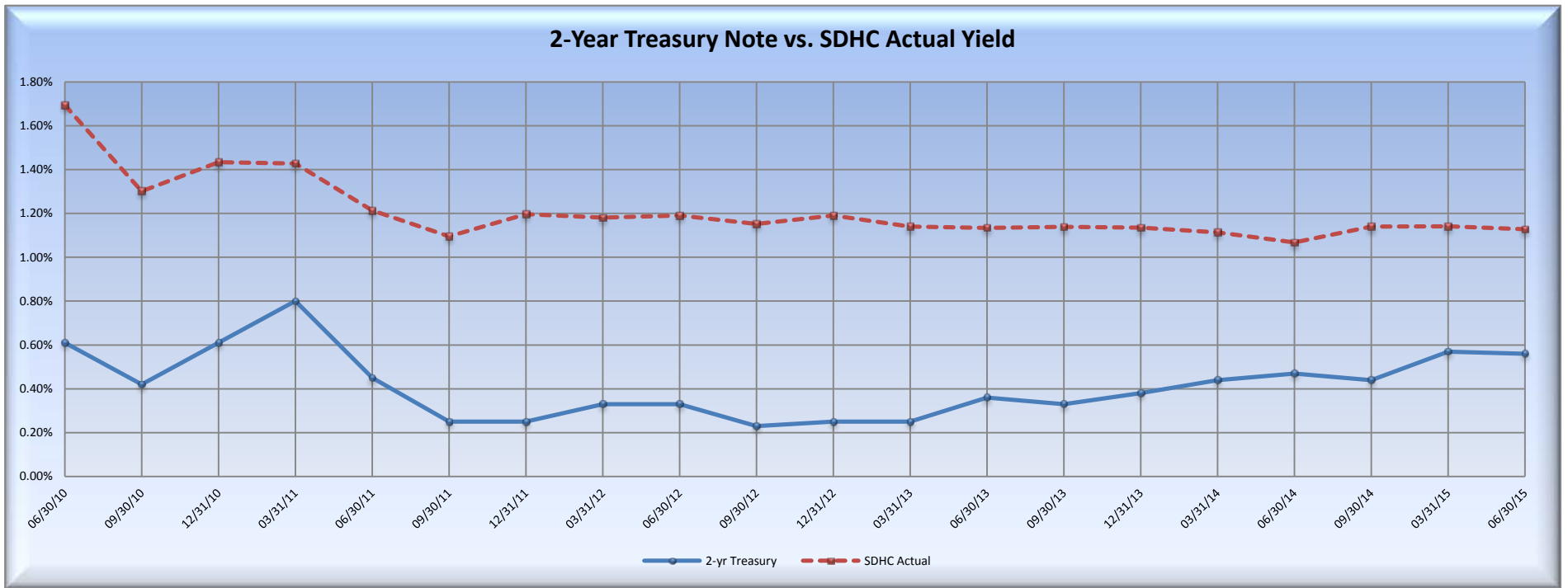
Market Value in Millions			
	03/31/15	06/30/15	Variance
Cash (liquid)	\$ 25.52	\$ 29.97	\$ 4.44
LAIF (liquid)	\$ 3.94	\$ 2.04	\$ (1.90)
SDCIP (liquid)	\$ 10.04	\$ 7.05	\$ (2.99)
Core Investments	\$ 80.02	\$ 71.23	\$ (8.79)
Total	\$ 119.52	\$ 110.29	\$ (9.23)

* Based on Market Value of Assets

Portfolio Maturity Schedule

Investments	1 day to 30 days	31 days to 90 days	91 days to 180 days	181 days to 270 days	271 days to 1 year	1 year to 2 years	2 years to 5 years	Total by Asset
Cash	\$ 29.97	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29.97
LAIF	2.04	-	-	-	-	-	-	\$ 2.04
SDCIP	7.05	-	-	-	-	-	-	\$ 7.05
Agency Bonds	-	0.38	0.82	7.96	2.36	37.03	20.22	\$ 68.78
CD (FDIC)	-	0.25	1.23	-	-	0.49	0.49	\$ 2.45
Total	\$ 39.06	\$ 0.63	\$ 2.05	\$ 7.96	\$ 2.36	\$ 37.52	\$ 20.71	\$ 110.29
Percent	35.41%	0.57%	1.86%	7.22%	2.14%	34.02%	18.78%	100.00%

PORTFOLIO YIELD COMPARISON



**San Diego Housing Commission
Portfolio Holdings Detail**

As of
June 30, 2015

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	\$20.35	18.45%	\$20.35	100.00%	\$0.00	1	0.40%	1
Belden FNMA LLC Operating	U.S. Bank	\$0.63	0.57%	\$0.63	100.00%	\$0.00	1	0.40%	1
Belden FNMA LLC Security Deposit	U.S. Bank	\$0.10	0.09%	\$0.10	100.00%	\$0.00	1	0.40%	1
Belden FNMA LLC Res. (10002)	Greystone	\$0.31	0.28%	\$0.31	100.00%	\$0.00	1	0.05%	1
Central FNMA LLC Operating	U.S. Bank	\$0.45	0.40%	\$0.45	100.00%	\$0.00	1	0.40%	1
Central FNMA LLC Security Deposit	U.S. Bank	\$0.11	0.10%	\$0.11	100.00%	\$0.00	1	0.40%	1
Central FNMA LLC Res. (10003)	Greystone	\$0.31	0.28%	\$0.31	100.00%	\$0.00	1	0.05%	1
North FNMA LLC Operating	U.S. Bank	\$0.32	0.29%	\$0.32	100.00%	\$0.00	1	0.40%	1
North FNMA LLC Security Deposit	U.S. Bank	\$0.07	0.07%	\$0.07	100.00%	\$0.00	1	0.40%	1
North FNMA LLC Res. (10004)	Greystone	\$0.20	0.18%	\$0.20	100.00%	\$0.00	1	0.05%	1
Central FHA LLC Operating	U.S. Bank	\$0.84	0.76%	\$0.84	100.00%	\$0.00	1	0.40%	1
Central FHA LLC Security Deposit	U.S. Bank	\$0.13	0.12%	\$0.13	100.00%	\$0.00	1	0.40%	1
Central FHA LLC Res. (0538)	PNC Bank	\$1.20	1.08%	\$1.20	100.00%	\$0.00	1	0.05%	1
Northern FHA LLC Operating	U.S. Bank	\$1.13	1.02%	\$1.13	100.00%	\$0.00	1	0.40%	1
Northern FHA LLC Security Deposit	U.S. Bank	\$0.09	0.08%	\$0.09	100.00%	\$0.00	1	0.40%	1
Northern FHA LLC Res. (0539)	PNC Bank	\$0.81	0.74%	\$0.81	100.00%	\$0.00	1	0.05%	1
Southern FHA LLC Operating	U.S. Bank	\$1.51	1.37%	\$1.51	100.00%	\$0.00	1	0.40%	1
Southern FHA LLC Security Deposit	U.S. Bank	\$0.18	0.16%	\$0.18	100.00%	\$0.00	1	0.40%	1
Southern FHA LLC Res. (0540)	PNC Bank	\$0.73	0.66%	\$0.73	100.00%	\$0.00	1	0.05%	1
Hotel Sandford Operating (6341)	Wells Fargo	\$0.00	0.00%	\$0.00	100.00%	\$0.00	1	0.00%	1
Hotel Sandford Security Dep. (6366)	Wells Fargo	\$0.00	0.00%	\$0.00	100.00%	\$0.00	1	0.00%	1
Hotel Sandford Rep. Res. (7828)	U.S. Bank	\$0.38	0.34%	\$0.38	100.00%	\$0.00	1	0.00%	1
Hotel Sandford Operating Savings (7836)	U.S. Bank	\$0.12	0.11%	\$0.12	100.00%	\$0.00	1	0.40%	1
Total Cash Accounts		\$29.97	27.17%	\$29.97	100.00%	\$0.00	1	0.35%	1

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	\$2.04	1.85%	\$2.04	100.00%	\$0.00	1	0.28%	1
SD County Investment Pool	County of SD	\$7.05	6.39%	\$7.05	100.00%	\$0.00	1	0.50%	1
Total Pooled Investments		\$9.09	8.24%	\$9.09	100.00%	\$0.00	1	0.45%	1

**San Diego Housing Commission
Portfolio Holdings Detail**

As of
June 30, 2015

Investments 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
Agency MBS									
31377UP64	FNMA P	\$0.38	0.34%	\$0.38	100.08%	\$0.00	814	1.31%	32
31381JG30	FNMA P	\$0.00	0.00%	\$0.00	99.93%	\$0.00	861	1.41%	63
31381JJ60	FNMA P	\$0.82	0.74%	\$0.82	100.39%	\$0.00	1,305	1.62%	124
31403DA82	FNMA P	\$1.24	1.13%	\$1.24	99.87%	\$0.00	1,463	1.52%	185
31403DA82	FNMA P	\$0.00	0.00%	\$0.01	8813.98%	\$0.01	966	1.49%	185
31413W3G8	FNMA P	\$2.87	2.60%	\$2.86	99.83%	\$0.00	1,085	1.05%	185
31413W3G8	FNMA P	\$1.19	1.08%	\$1.19	100.47%	\$0.01	742	1.79%	185
31413W3G8	FNMA P	\$1.35	1.23%	\$1.35	100.03%	\$0.00	617	1.48%	185
31413W3X1	FNMA P	\$1.11	1.01%	\$1.11	99.94%	\$0.00	1,157	1.02%	185
31403DGM5	FNMA P	\$0.20	0.18%	\$0.20	99.84%	\$0.00	910	1.35%	216
31381QPG5	FNMA P	\$0.28	0.26%	\$0.28	100.18%	\$0.00	651	1.09%	276
31409KTE7	FNMA P	\$1.80	1.64%	\$1.82	100.90%	\$0.02	1,017	1.44%	306
31381QV60	FNMA P	\$0.26	0.24%	\$0.26	99.72%	\$0.00	712	0.98%	337
31403DTJ8	FNMA P	\$3.29	2.99%	\$3.30	100.46%	\$0.02	1,655	1.84%	367
31403DTJ8	FNMA P	\$1.14	1.04%	\$1.15	100.68%	\$0.01	1,411	1.24%	367
31403DV48	FNMA P	\$0.49	0.44%	\$0.49	100.57%	\$0.00	1,495	1.66%	398
31409K5M5	FNMA P	\$1.18	1.07%	\$1.18	99.93%	\$0.00	1,480	1.45%	429
31381LLR6	FNMA P	\$7.16	6.50%	\$7.15	99.98%	\$0.00	1,649	1.60%	459
31381LET0	FNMA P	\$3.50	3.18%	\$3.49	99.82%	-\$0.01	1,572	1.91%	490
31381LET0	FNMA P	\$0.50	0.45%	\$0.50	99.82%	\$0.00	1,538	1.99%	490
3137ANLP8	FHLMC	\$1.52	1.38%	\$1.53	100.50%	\$0.01	1,670	1.20%	514
31409LRF4	FNMA P	\$0.59	0.53%	\$0.59	100.31%	\$0.00	1,280	1.35%	520
31402RL23	FNMA P	\$0.01	0.01%	\$0.01	63.93%	\$0.00	1,839	1.79%	551

**San Diego Housing Commission
Portfolio Holdings Detail**

As of
June 30, 2015

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
31409LJ55	FNMA P	\$2.10	1.90%	\$2.12	101.04%	\$0.02	1,055	1.21%	551
31410FY58	FNMA P	\$7.84	7.13%	\$7.89	100.62%	\$0.05	1,839	2.13%	551
31381MV77	FNMA P	\$0.96	0.87%	\$0.97	100.40%	\$0.00	972	1.22%	702
31381M2F1	FNMA P	\$2.99	2.72%	\$3.02	100.79%	\$0.02	1,164	1.27%	702
31381M2F1	FNMA P	\$3.00	2.73%	\$3.02	100.45%	\$0.01	1,179	1.10%	702
31381ULQ8	FNMA P	\$0.63	0.57%	\$0.63	100.35%	\$0.00	1,802	1.36%	702
31381VEF8	FNMA P	\$0.40	0.37%	\$0.40	100.24%	\$0.00	1,100	1.13%	732
31410GKC6	FNMA P	\$1.77	1.61%	\$1.78	100.57%	\$0.01	1,110	1.60%	763
31410GWR0	FNMA P	\$1.10	1.00%	\$1.09	99.28%	-\$0.01	867	1.26%	763
3130A36J8	FHLB	\$0.50	0.45%	\$0.50	100.09%	\$0.00	1,096	1.49%	839
31381P3Z9	FNMA P	\$2.04	1.85%	\$2.07	101.46%	\$0.03	1,231	2.22%	916
31381QAA4	FNMA P	\$0.50	0.45%	\$0.50	100.67%	\$0.00	1,197	1.49%	916
31381QAA4	FNMA P	\$0.99	0.90%	\$1.00	100.84%	\$0.01	1,196	1.55%	916
31381QAA4	FNMA P	\$1.01	0.92%	\$1.00	99.49%	-\$0.01	1,105	1.37%	916
31381UJT5	FNMA P	\$0.71	0.64%	\$0.71	99.93%	\$0.00	1,231	1.32%	916
31381QDY9	FNMA P	\$3.15	2.87%	\$3.17	100.47%	\$0.01	1,688	1.41%	947
31381QFF8	FNMA P	\$0.23	0.21%	\$0.23	101.70%	\$0.00	1,708	2.00%	975
31381QPX8	FNMA P	\$0.99	0.90%	\$0.99	100.07%	\$0.00	1,189	1.40%	975
31381QPX8	FNMA P	\$1.06	0.97%	\$1.06	100.05%	\$0.00	1,165	1.41%	975
31381RAY0	FNMA P	\$1.06	0.96%	\$1.07	100.64%	\$0.01	1,306	1.63%	1,036
31381RAY0	FNMA P	\$1.06	0.97%	\$1.07	100.41%	\$0.00	1,280	1.51%	1,036
31381RAY0	FNMA P	\$0.22	0.20%	\$0.22	100.52%	\$0.00	1,218	1.70%	1,036
31418MEX6	FNMA P	\$2.22	2.01%	\$2.21	99.92%	\$0.00	1,281	1.51%	1,067
31418MEX6	FNMA P	\$0.65	0.59%	\$0.65	100.04%	\$0.00	1,281	1.51%	1,067
31381S5X6	FNMA P	\$0.48	0.44%	\$0.48	100.25%	\$0.00	1,531	1.79%	1,250
Total Agency Bond Investments		\$68.54	62.36%	\$68.78	101.62%	\$0.24	1,372	1.56%	595

**San Diego Housing Commission
Portfolio Holdings Detail**

As of
June 30, 2015

Investments - Core Certificate of Deposit (CD)	Identifier	Book Value (millions)	Percent of Portfolio	Market Value (millions)	Market Price	Unrealized Gain/(Loss)	Original Term	Yield to Maturity	Days to Maturity
Issuer									
DISCOVER BANK, DE	254671GN4	\$0.25	0.22%	\$0.25	100.28%	\$0.00	1,097	1.05%	90
ALLY BANK, UT	02005QS87	\$0.25	0.22%	\$0.25	100.31%	\$0.00	1,098	1.10%	93
SALLIE MAE, UT	795450PL3	\$0.25	0.22%	\$0.25	100.32%	\$0.00	1,097	1.10%	97
STATE BANK INDIA, NY	856284G73	\$0.25	0.22%	\$0.25	100.36%	\$0.00	1,096	1.15%	105
BMW BANK, UT	05568PZ91	\$0.25	0.22%	\$0.25	100.34%	\$0.00	1,095	0.95%	125
SAFRA NATL BANK, NY	7865806H8	\$0.25	0.22%	\$0.25	100.31%	\$0.00	1,097	0.80%	139
MERRICK BANK, UT	59013JAY5	\$0.25	0.22%	\$0.25	100.00%	\$0.00	732	0.80%	412
COMPASS BANK, AL	20451PJY3	\$0.25	0.22%	\$0.25	100.00%	\$0.00	1,098	1.05%	700
MEDALLION BANK, UT	58403BR24	\$0.25	0.22%	\$0.25	100.00%	\$0.00	1,096	1.15%	763
BARCLAYS BANK, DE	06740KHQ3	\$0.25	0.22%	\$0.25	100.00%	\$0.00	1,096	1.25%	776
Total Certificate of Deposits		\$2.45	2.23%	\$2.45	100.19%	\$0.00	1,060	1.04%	330
Total Cash & Investments		\$110.05	100.00%	\$110.29	101.02%	\$0.24	880	1.13%	379

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.

Leslie Levinson

Leslie Levinson
CFO

June 30, 2015

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.