SAN DIEGO HOUSING COMMISSION
SDHC

INFORMATIONAL REPORT

DATE ISSUED: September 26, 2019 **REPORT NO:** HCR19-112

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of October 04, 2019

SUBJECT: Investment Report – Fourth Quarter Fiscal Year 2019

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, 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 5 percent of budgeted new revenue contingency reserves.

The market value of the portfolio on June 30, 2019, was $162.37 million, compared to $159.44 million in the previous quarter, resulting in an overall investment portfolio increase of $2.93 million. On June 30, 2019, the overall investment portfolio had a yield to maturity of 2.11 percent, average days to maturity of 485, and an effective duration of 1.26 years, compared to the overall investment portfolio on March 31, 2019, which had a yield to maturity of 2.09 percent, average days to maturity of 486, and an effective duration of 1.26 years.

Cash and cash equivalents (liquid)

1. $22.02 million is held in various accounts, including the Housing Commission's bank, US Bank ($13.11 million) and other various authorized accounts required by lending agreements and program obligations ($8.91 million).
2. $36.86 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 1.65 percent for the quarter, which is an increase of 0.01 percent from 1.64 percent in the previous quarter.

Core investments

3. $100.05 million is held in Agency Debentures and/or Agency Mortgage-Backed Securities (MBS).

4. $3.43 million is held in various FDIC insured Certificates of Deposit (CD).

The blended yield on core investments for the quarter was 2.37 percent, which is an increase of 0.01 percent from 2.36 percent in the previous quarter.

DISCUSSION

The overall market value of the investment portfolio increased to $162.37 million compared to the prior quarter of $159.44 million. The $2.93 million increase during the quarter was primarily due to the receipt of an additional $6.67 million in housing assistance payments from the U.S. Department of Housing and Urban Development, offset by $2.52 million of loan funding, principally related to the first-time homebuyer program and the return of Redevelopment Agency (RDA) funds in the amount of $1.22 million to the City of San Diego due to the termination of the RDA program.

The overall investment portfolio yield was 2.11 percent, compared to 2.09 percent in the prior quarter. The increase was the result of reinvesting principal and interest payments into higher yielding Agency bonds, coupled with the maturity of lower yielding bonds. The effective duration remained unchanged at 1.26, even though the Housing Commission purchased longer-term government bonds with higher yields, with minimal additional risk.

CONCLUSION

With indicators pointing to slower growth in household spending and overall inflation declining, rate hikes in calendar year 2019 are not anticipated. To that point, on July 31, 2019, the Federal Reserve lowered the Fed Funds rate by 25 basis points, as trade wars, global accommodative monetary policy and declining U.S. core inflation remain a threat to U.S. domestic growth.

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

Respectfully submitted,	Approved by,
Marie Lalas	*Jeff Davis*
Marie Lalas	Jeff Davis
Controller	Executive Vice President & Chief of Staff
Financial Services Department	San Diego Housing Commission

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

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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, 2019

Investments	Book Value (millions)	Percent of Portfolio	Market Value (millions)	Market Price	Unrealized Gain/(Loss)	Original Term	Yield to Maturity	Days to Maturity
Cash -unresticted	$13.11	8.11%	$13.11	100.00%	$0.00	1	0.40%	1
Cash - restricted	$8.87	5.49%	$8.87	100.00%	$0.00	1	0.33%	1
Local Agency Investment Fund (LAIF)	$15.42	9.54%	$15.42	100.00%	$0.00	1	2.43%	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)	$21.44	13.27%	$21.44	100.00%	$0.00	1	2.39%	1
Total liquid investments	$58.84	36.42%	$58.84	100.00%	$0.00	1	1.65%	1
Agency Bonds	$99.29	61.46%	$100.05	100.82%	$0.76	1,236	2.37%	770
Certificate of Deposits (FDIC)	$3.43	2.12%	$3.43	100.12%	$0.00	931	2.50%	464
Total core investments	$102.72	63.58%	$103.49	100.79%	$0.77	1,226	2.37%	760
Total liquid and core investments	**$161.56**	**100%**	**$162.33**	**100.50%**	**$0.77**	**782**	**2.11%**	**485**

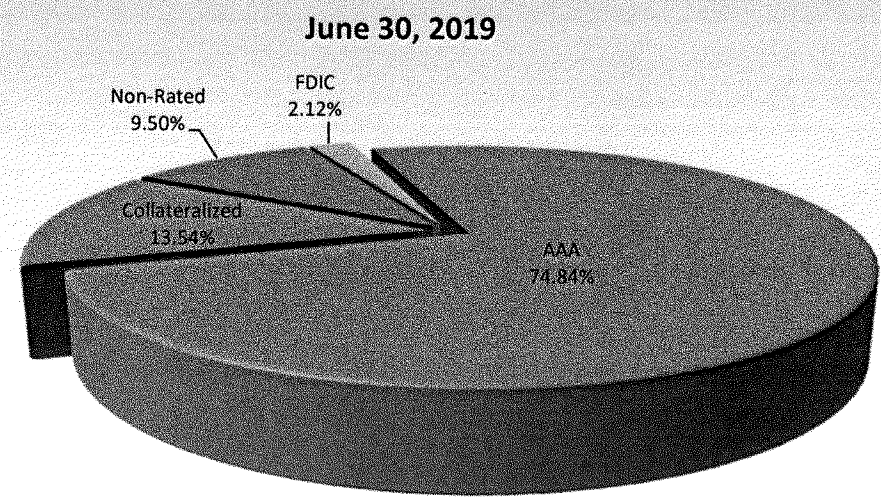
Current Portfolio Effective Duration **1.26 Years**

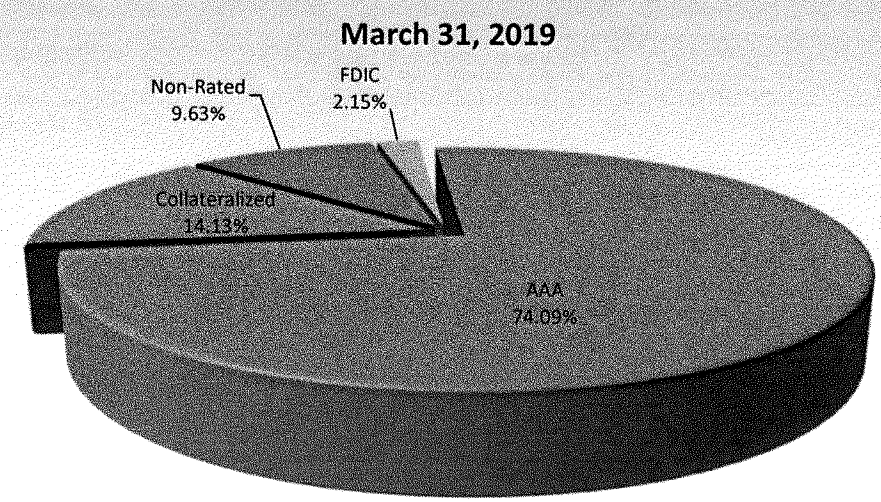
March 31, 2019

Investments	Book Value (millions)	Percent of Portfolio	Market Value (millions)	Market Price	Unrealized Gain/(Loss)	Original Term	Yield to Maturity	Days to Maturity
Cash -unresticted	$14.17	8.90%	$14.17	100.00%	$0.00	1	0.40%	1
Cash - restricted	$8.36	5.25%	$8.36	100.00%	$0.00	1	0.33%	1
Local Agency Investment Fund (LAIF)	$15.32	9.62%	$15.32	100.00%	$0.00	1	2.44%	1
San Diego Foundation (TSDF)	$0.02	0.02%	$0.02	100.00%	$0.00	1	0.40%	1
San Diego County Investment Pool (SDCIP)	$21.31	13.39%	$21.31	100.00%	$0.00	1	2.42%	1
Total liquid investments	$59.19	37.18%	$59.19	100.00%	$0.00	1	1.64%	1
Agency Bonds	$96.60	60.67%	$96.81	100.26%	$0.21	1,232	2.36%	780
Certificate of Deposits (FDIC)	$3.43	2.15%	$3.43	99.97%	$0.00	931	2.50%	555
Total core investments	$100.03	62.82%	$100.24	100.25%	$0.21	1,221	2.36%	772
Total liquid and core investments	**$159.23**	**100%**	**$159.44**	**100.15%**	$0.21	**768**	**2.09%**	**486**

Current Portfolio Effective Duration **1.26 Years**

PORTFOLIO CREDIT QUALITY* BY QUARTER





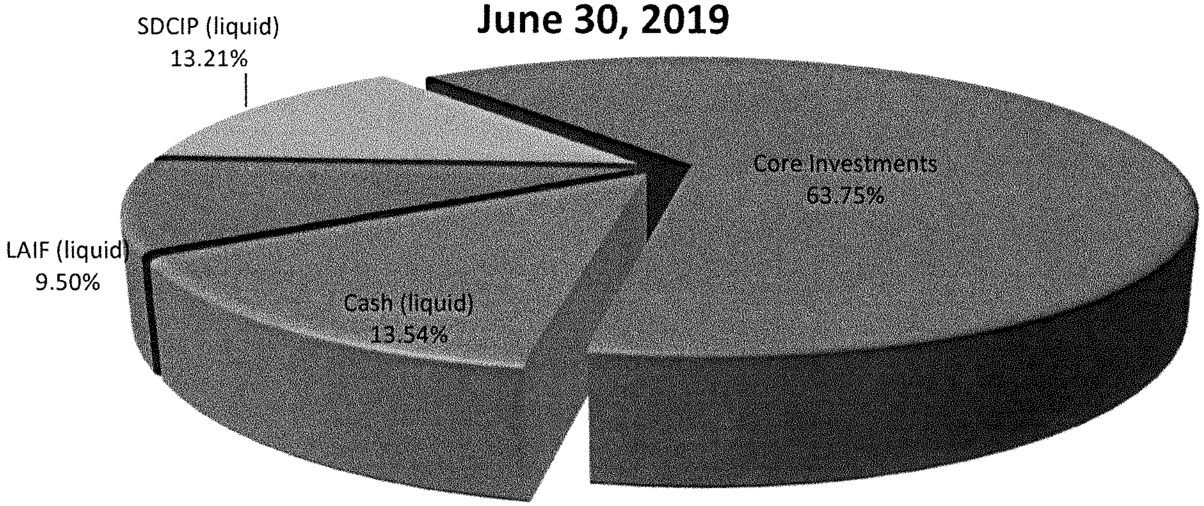
Note: Mortgage-backed securities (MBS) are included with other AAA rated securities. While the rating agencies do not specifically rate MBS, they carry an implied AAA rating based on the collateral and the rating of the Agency (Fannie/Freddie) that issues/guarantees them.

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.

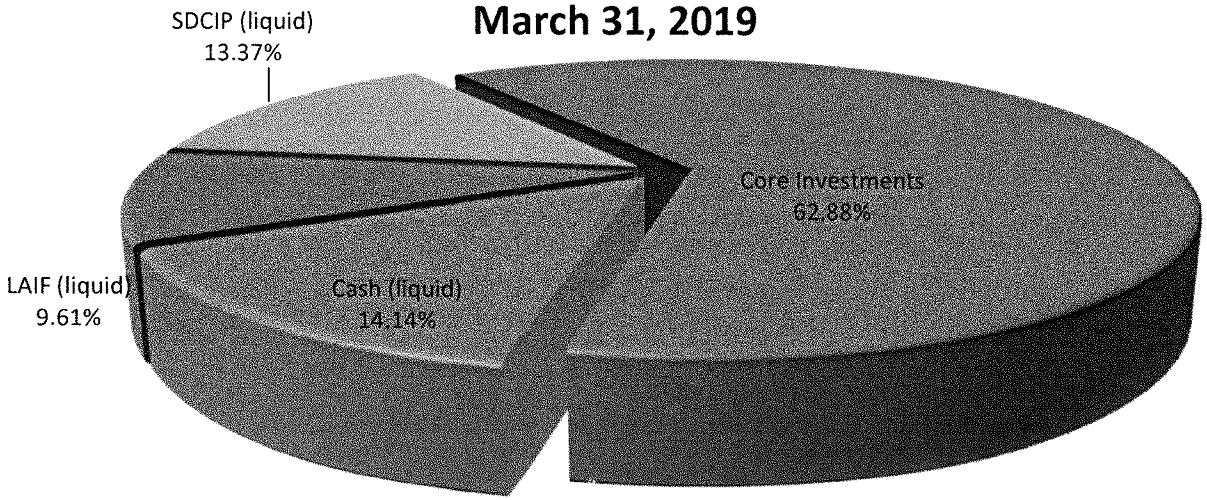
*Market Value of Assets

ASSET ALLOCATION BY QUARTER

June 30, 2019



March 31, 2019



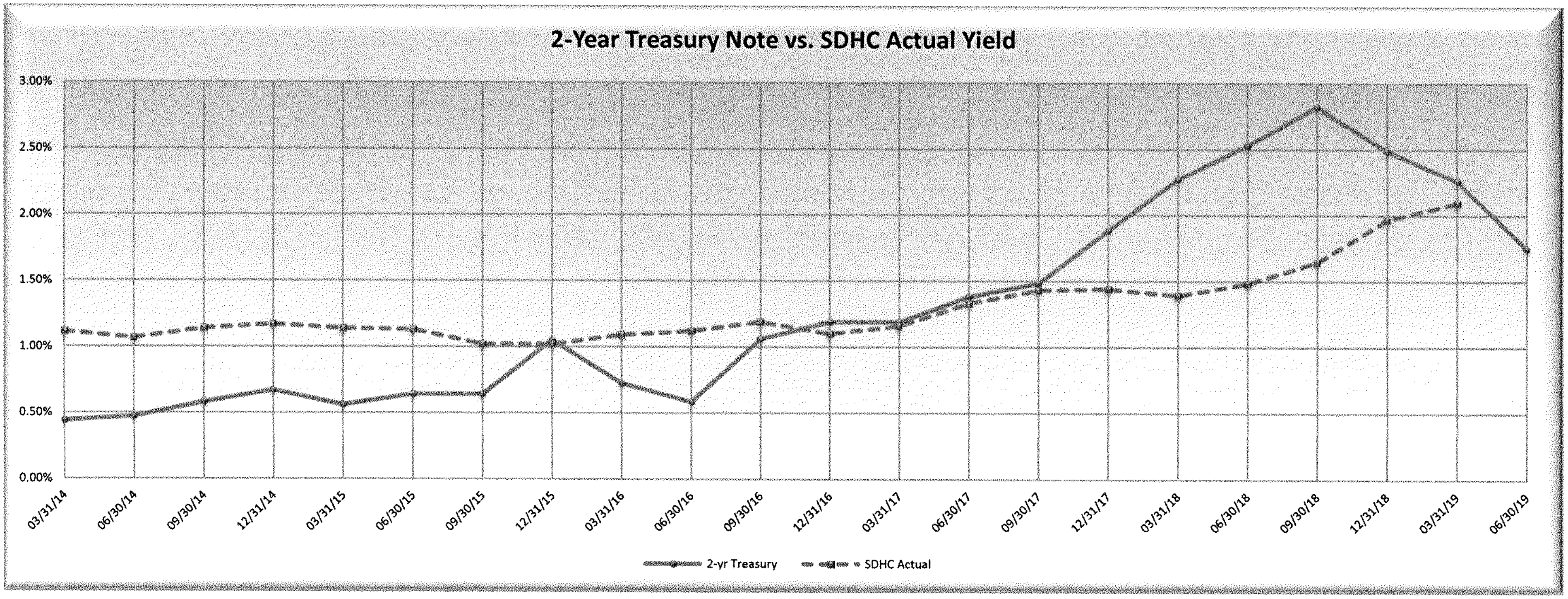
Market Value in Millions			
	03/31/19	06/30/19	Variance
Cash (liquid)	$ 22.53	$ 21.98	$ (0.55)
LAIF (liquid)	$ 15.32	$ 15.42	$ 0.10
SDCIP (liquid)	$ 21.31	$ 21.44	$ 0.13
Core Investments	$ 100.24	$ 103.49	$ 3.25
TSDF (liquid)	$ 0.02	$ -	$ (0.02)
Total	$ 159.44	$ 162.33	$ 2.89

* Based on Market Value of Assets

Portfolio Maturity Schedule

Investments	1 day to 90 days	91 days to 1 year	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 years	Total by Asset
Cash	21.98	$ -	$ -	$ -	$ -	$ -	$ 21.98
LAIF	15.42	-	-	-	-	-	$ 15.42
TSDF	-	-	-	-	-	-	$ -
SDCIP	21.44	-	-	-	-	-	$ 21.44
Agency Bonds	-	13.57	30.56	30.08	22.50	3.35	$ 100.05
CD (FDIC)	0.49	0.49	2.45	-	-	-	$ 3.43
Total	$ 59.33	$ 14.07	$ 33.01	$ 30.08	$ 22.50	$ 3.35	$ 162.33
Percent	**36.55%**	**8.67%**	**20.33%**	**18.53%**	**13.86%**	**2.06%**	**100.00%**

PORTFOLIO YIELD COMPARISON



San Diego Housing Commission
Portfolio Holdings Detail
As of
June 30, 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	$13.11	8.07%	$13.11	100.00%	$0.00	1	0.40%	1
Belden FNMA LLC Operating	U.S. Bank	$0.75	0.46%	$0.75	100.00%	$0.00	1	0.40%	1
Belden FNMA LLC Security Deposit	U.S. Bank	$0.11	0.06%	$0.11	100.00%	$0.00	1	0.40%	1
Belden FNMA LLC Res. (10002)	Greystone	$0.22	0.14%	$0.22	100.00%	$0.00	1	0.05%	1
Central FNMA LLC Operating	U.S. Bank	$0.80	0.49%	$0.80	100.00%	$0.00	1	0.40%	1
Central FNMA LLC Security Deposit	U.S. Bank	$0.13	0.08%	$0.13	100.00%	$0.00	1	0.40%	1
Central FNMA LLC Res. (10003)	Greystone	$0.18	0.11%	$0.18	100.00%	$0.00	1	0.05%	1
North FNMA LLC Operating	U.S. Bank	$0.68	0.42%	$0.68	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	$0.01	0.00%	$0.01	100.00%	$0.00	1	0.05%	1
Central FHA LLC Operating	U.S. Bank	$0.75	0.46%	$0.75	100.00%	$0.00	1	0.40%	1
Central FHA LLC Security Deposit	U.S. Bank	$0.15	0.09%	$0.15	100.00%	$0.00	1	0.40%	1
Central FHA LLC Res. (0538)	PNC Bank	$0.67	0.41%	$0.67	100.00%	$0.00	1	0.05%	1
Northern FHA LLC Operating	U.S. Bank	$0.76	0.47%	$0.76	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	$0.36	0.22%	$0.36	100.00%	$0.00	1	0.05%	1
Southern FHA LLC Operating	U.S. Bank	$1.32	0.81%	$1.32	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	$0.73	0.45%	$0.73	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	0.31%	$0.51	100.00%	$0.00	1	0.40%	1
SDHC Building Opportunities	Bank of California	$0.13	0.08%	$0.13	100.00%	$0.00	1	0.40%	1
Red Loan Courtyard	Red Mortgage	$0.01	0.01%	$0.01	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
Total Cash Accounts		**$21.98**	**13.54%**	**$21.98**	**100.00%**	**$0.00**	**1**	**0.37%**	**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	$15.42	9.50%	$15.42	100.00%	$0.00	1	2.43%	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	$21.44	13.21%	$21.44	100.00%	$0.00	1	2.39%	1
Total Pooled Investments		**$36.86**	**22.71%**	**$36.86**	**100.00%**	**$0.00**	**1**	**2.41%**	**1**

Investments - Core	Issuer	Book Value	Percent of	Market Value	Market	Unrealized	Original	Yield to	Days to

San Diego Housing Commission
Portfolio Holdings Detail
As of
June 30, 2019

Bond Investments (CUSIP)		(millions)	Portfolio	(millions)	Price	Gain/(Loss)	Term	Maturity	Maturity
Agency MBS									
31418MWW8	FNMA P	$0.59	0.36%	$0.59	99.89%	$0.00	1416	1.71%	154
31418M4K5	FNMA P	$0.12	0.07%	$0.12	100.27%	$0.00	1440	1.80%	216
31381LRN9	FNMA P	$1.44	0.89%	$1.43	99.71%	$0.00	1408	1.60%	185
31381NWR0	FNMA P	$0.85	0.53%	$0.84	99.39%	-$0.01	1646	1.71%	429
3138NJAL2	FNMA P	$0.50	0.31%	$0.51	101.53%	$0.01	1649	1.73%	429
31418M5M8	FNMA P	$0.77	0.48%	$0.69	89.14%	-$0.08	1405	1.75%	216
3138L9J37	FNMA P	$0.92	0.57%	$0.92	99.86%	$0.00	1418	1.83%	245
31381NLA9	FNMA P	$0.51	0.32%	$0.51	99.47%	$0.00	1617	1.80%	459
3138NJAA6	FNMA P	$1.10	0.68%	$1.11	101.36%	$0.01	1576	1.56%	429
31381NC43	FNMA P	$0.36	0.22%	$0.36	99.84%	$0.00	1518	1.60%	367
3138L1DK25	FNMA P	$2.00	1.24%	$1.99	99.60%	-$0.01	1197	1.43%	93
31418MXY3	FNMA P	$0.60	0.37%	$0.59	99.83%	$0.00	1165	1.31%	124
31418MWW8	FNMA P	$0.50	0.31%	$0.50	99.89%	$0.00	1207	1.55%	154
31381K5J4	FNMA P	$0.81	0.50%	$0.81	99.83%	$0.00	1128	1.28%	93
31418M5M0	FNMA P	$0.30	0.19%	$0.32	105.56%	$0.02	1236	1.57%	216
31381NB93	FNMA P	$0.44	0.27%	$0.44	99.35%	$0.00	1356	1.71%	367
31381NLA9	FNMA P	$0.26	0.16%	$0.25	99.32%	$0.00	1455	1.71%	459
31381NQY2	FNMA P	$0.69	0.43%	$0.69	99.29%	$0.00	1328	1.65%	398
31381RZF4	FNMA P	$0.89	0.55%	$0.89	99.35%	-$0.01	1275	1.51%	276
31381PAU2	FNMA P	$0.58	0.36%	$0.57	99.44%	$0.00	1420	1.81%	490
31418M4KS	FNMA P	$0.13	0.08%	$0.13	99.62%	$0.00	1145	1.85%	216
3137A2B26	FNMA P	$2.01	1.24%	$2.00	99.43%	-$0.01	1351	1.70%	422
3138NJAE8	FNMA P	$1.17	0.72%	$1.16	98.83%	-$0.01	1411	1.97%	520
31419AEJ2	FNMA P	$1.31	0.81%	$1.32	101.24%	$0.02	1164	2.03%	276
31418M5M0	FNMA P	$0.31	0.19%	$0.39	123.17%	$0.07	1080	1.82%	216
31398VJ98	FHMS	$1.57	0.97%	$1.57	100.33%	$0.01	1065	1.68%	209
3137A8PP7	FHMS	$0.71	0.44%	$0.72	100.09%	$0.00	1374	1.94%	544
31419AEG8	FNMA P	$0.10	0.06%	$0.10	101.13%	$0.00	1039	1.77%	216
3137A6B27	FHMS	$0.51	0.32%	$0.51	99.83%	$0.00	1280	1.70%	483
31419AEG8	FNMA P	$0.11	0.07%	$0.09	81.80%	-$0.02	1013	1.64%	216
31419BAU9	FNMA P	$0.71	0.44%	$0.71	99.66%	$0.00	1252	1.85%	459
31418M5M0	FNMA P	$0.96	0.59%	$0.97	100.63%	$0.01	981	1.93%	216
31419BAU9	FNMA P	$0.40	0.25%	$0.40	99.41%	$0.00	1232	1.78%	459
3138NJAE8	FNMA P	$0.47	0.29%	$0.46	98.58%	-$0.01	1293	1.83%	520
3138L9N65	FNMA P	$1.01	0.62%	$1.00	99.44%	-$0.01	1264	1.79%	520
3138L5CF5	FNMA P	$2.17	1.34%	$2.15	99.37%	-$0.01	1166	1.73%	429
3138L3QTS	FNMA P	$0.46	0.29%	$0.46	99.36%	$0.00	1196	1.85%	459
3138L6ZUS	FNMA P	$1.29	0.80%	$1.29	100.12%	$0.00	1441	1.95%	732
3138L6PN2	FNMA P	$0.94	0.58%	$0.93	99.33%	-$0.01	1380	1.85%	671
3137A8PP7	FHMS	$1.03	0.63%	$1.02	99.95%	$0.00	1243	1.82%	544
3138L6YJ1	FNMA P	$0.50	0.31%	$0.50	100.15%	$0.00	1401	2.06%	702

San Diego Housing Commission
Portfolio Holdings Detail
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31397U3N7	FNA	$0.95	0.59%	$0.93	98.32%	-$0.02	1342	1.82%	665
3138L54T4	FNMA P	$1.54	0.95%	$1.53	99.41%	-$0.01	1352	1.85%	702
31381PEB0	FNMA P	$0.48	0.29%	$0.47	99.61%	$0.00	1133	2.00%	490
3137AA4W0	FHMS	$1.54	0.95%	$1.53	99.84%	$0.00	1218	1.89%	575
3138L5CF5	FNMA P	$1.84	1.14%	$1.83	99.47%	-$0.01	1068	1.85%	429
31381LPG6	FNMA P	$0.16	0.10%	$0.16	100.02%	$0.00	584	2.85%	154
31381RLL6	FNMA P	$0.22	0.13%	$0.22	101.19%	$0.00	1162	2.90%	732
31419BAU9	FNMA P	$0.24	0.15%	$0.23	99.59%	$0.00	889	2.70%	459
3138EGYB4	FNMA P	$0.03	0.02%	$0.03	101.26%	$0.00	938	2.68%	520
3138L5C40	FNMA P	$0.48	0.30%	$0.48	100.16%	$0.00	829	2.72%	459
3138NJAK4	FNMA P	$0.15	0.09%	$0.15	101.27%	$0.00	829	2.72%	459
31381Q5C6	FNMA P	$0.89	0.55%	$0.90	100.93%	$0.01	1038	2.88%	671
3138L56T2	FNMA P	$0.38	0.23%	$0.39	102.16%	$0.01	1373	3.00%	1006
3138NJAB4	FNMA P	$0.36	0.22%	$0.37	100.84%	$0.00	886	2.71%	520
31381TS43	FNMA P	$0.42	0.26%	$0.42	101.89%	$0.01	1402	2.85%	1036
31381NWH2	FNMA P	$1.09	0.67%	$1.09	100.27%	$0.00	771	2.80%	429
3136AEGQ4	FNA	$0.76	0.47%	$0.78	102.81%	$0.02	1623	2.88%	1276
3136AEGQ4	FNA	$0.76	0.47%	$0.78	103.06%	$0.02	1624	2.87%	1276
3138L1P37	FNMA P	$0.52	0.32%	$0.53	102.42%	$0.01	1579	2.91%	1220
31381R5T7	FNMA P	$1.02	0.63%	$1.04	101.78%	$0.02	1128	2.90%	794
31381N7G2	FNMA P	$0.49	0.30%	$0.49	100.49%	$0.00	830	2.68%	520
3136A1AB1	FNMA P	$0.84	0.52%	$0.85	101.51%	$0.01	1047	2.82%	726
3137AME60	FNMA P	$0.77	0.48%	$0.79	101.67%	$0.01	1226	2.80%	909
3137AJMF8	FHMS	$0.95	0.59%	$0.97	101.97%	$0.02	1169	2.84%	848
3137AJMF8	FHMS	$1.05	0.65%	$1.06	101.20%	$0.01	1165	2.78%	848
3137B3N95	FHMS	$0.37	0.23%	$0.38	101.09%	$0.00	1488	2.71%	1183
3136ALHX2	FNA	$0.80	0.50%	$0.81	101.12%	$0.01	1153	2.75%	848
31381VFW00	FNMA P	$0.73	0.45%	$0.74	102.21%	$0.02	1400	2.89%	1097
3136A4M55	FNMA P	$1.09	0.68%	$1.11	101.56%	$0.02	1229	2.88%	940
3138NJAD0	FNMA P	$0.84	0.52%	$0.86	101.53%	$0.01	835	2.92%	551
3137AH6C7	FHMS	$1.01	0.62%	$1.02	101.52%	$0.02	1040	2.87%	756
3138LCVX0	FNMA P	$1.00	0.62%	$1.01	100.78%	$0.01	1534	3.01%	1250
3136A8G61	FNA	$0.57	0.35%	$0.58	102.53%	$0.01	1344	2.95%	1060
3137AME60	FNMA P	$0.97	0.60%	$0.98	101.97%	$0.02	1185	2.94%	909
3137AYCE9	FHMS	$1.03	0.64%	$1.07	103.18%	$0.03	1488	3.04%	1213
3138L5HK9	FNMA P	$0.64	0.40%	$0.66	102.61%	$0.02	1174	3.10%	916
3137818S0	FHMS	$0.98	0.61%	$1.02	103.27%	$0.03	1486	3.03%	1244
3138LKFV4	FNMA P	$0.69	0.43%	$0.71	103.31%	$0.02	1497	3.17%	1250
3136A77K2	FNA	$0.54	0.33%	$0.56	103.39%	$0.02	1430	3.10%	1183
3138EMJG7	FNMA P	$0.44	0.27%	$0.45	101.33%	$0.01	805	2.98%	551
3138L44C4	FNMA P	$0.78	0.48%	$0.80	102.88%	$0.02	1382	3.19%	1128
31379LUR7	FHMS	$0.99	0.61%	$1.02	102.33%	$0.02	1333	2.98%	1091
3137AXHP1	FHMS	$0.98	0.61%	$1.02	103.60%	$0.04	1410	3.12%	1183
31381R5T7	FNMA P	$1.01	0.63%	$1.04	101.99%	$0.02	1020	3.03%	794

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31381TKC3	FNMA P	$1.71	1.06%	$1.75	102.52%	$0.04	1142	3.06%	916
3137B1BS0	FHMS	$1.48	0.91%	$1.52	103.23%	$0.05	1460	3.03%	1244
31381QZH2	FNMA P	$1.02	0.63%	$1.03	100.96%	$0.01	853	3.02%	641
31381RZ23	FNMA P	$0.89	0.55%	$0.90	101.26%	$0.01	975	3.00%	763
31381RB45	FNMA P	$0.98	0.61%	$0.99	101.18%	$0.01	931	3.01%	732
31381RQD9	FNMA P	$1.76	1.09%	$1.78	101.23%	$0.02	931	2.97%	732
31381SAZ5	FNMA P	$2.32	1.43%	$2.34	101.08%	$0.03	1024	2.86%	824
31381R2C7	FNMA P	$1.34	0.83%	$1.36	101.06%	$0.01	954	2.85%	763
3136AMM48	FNA	$0.51	0.32%	$0.52	101.86%	$0.01	1312	2.84%	1121
31381T3P3	FNMA P	$0.91	0.56%	$0.90	99.53%	$0.00	1166	2.84%	975
3137AVXN2	FHMS	$0.99	0.61%	$1.01	102.28%	$0.02	1309	2.78%	1121
3138EKQW8	FNMA P	$0.76	0.47%	$0.77	101.91%	$0.01	1477	2.76%	1312
3138L8XW9	FNMA P	$0.94	0.58%	$0.96	101.94%	$0.02	1446	2.71%	1281
3138L9HJ4	FNMA P	$1.39	0.86%	$1.41	101.43%	$0.02	1100	2.61%	975
3138LEQT1	FNMA P	$1.43	0.89%	$1.45	101.38%	$0.02	1587	2.70%	1462
3137FKK88	FNMA P	$2.06	1.28%	$2.09	101.15%	$0.02	1378	2.62%	1274
31381SUW0	FNMA P	$1.17	0.72%	$1.17	100.31%	$0.00	955	2.63%	855
31381VEY7	FNMA P	$1.22	0.75%	$1.23	100.93%	$0.01	1192	2.45%	1097
3138L3SH9	FNMA P	$0.99	0.61%	$0.99	100.66%	$0.01	1499	2.55%	1432
3138L42J1	FNMA P	$1.87	1.15%	$1.89	101.48%	$0.03	1599	2.55%	1524
3138LJ4Y3	FNMA P	$2.21	1.37%	$2.23	100.53%	$0.01	1134	2.35%	1097
31381UQ34	FNMA P	$0.50	0.31%	$0.51	100.30%	$0.00	1066	2.26%	1036
3138ET4Y9	FNMA P	$2.69	1.67%	$2.69	100.07%	$0.00	1009	1.95%	1006
3138L1UV9	FNMA P	$0.88	0.54%	$0.87	99.37%	-$0.01	1252	1.92%	1250
3138L1FW4	FNMA P	$0.94	0.58%	$0.93	99.39%	-$0.01	1191	1.92%	1189
31381UHN0	FNMA P	$0.87	0.54%	$0.87	99.84%	$0.00	1008	1.93%	1006
Total Agency Bond Investments		**$99.29**	**61.64%**	**$100.05**	**100.82%**	**$0.76**	**1,236**	**2.37%**	**770**

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									
WFB	949763JM9	$0.25	0.15%	$0.24	99.98%	$0.00	730	1.70%	19
AMEX	02587CGG9	$0.25	0.15%	$0.25	100.00%	$0.00	1098	1.95%	442
Comenity	20033AWN2	$0.25	0.15%	$0.24	99.96%	$0.00	732	1.75%	71
TIAA FSB	87270LAQ6	$0.25	0.15%	$0.25	100.00%	$0.00	1092	1.90%	442
Connectone	20786ABS3	$0.25	0.15%	$0.25	100.00%	$0.00	1097	1.80%	442
Synchrony	87164WWL8	$0.25	0.15%	$0.25	100.84%	$0.00	731	2.75%	323
GMATBK	02007GCS0	$0.25	0.15%	$0.25	100.89%	$0.00	732	2.70%	323
Stearns	857894WY1	$0.25	0.15%	$0.25	100.00%	$0.00	1089	2.90%	716
Sallie Mae	795450548	$0.25	0.15%	$0.25	100.00%	$0.00	1097	3.00%	722
First Source	33646CKB9	$0.25	0.15%	$0.25	100.00%	$0.00	980	2.85%	607

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Marlin	57116ARL4	$0.25	0.15%	$0.25	100.00%	$0.00	1096	2.95%	729
Citibank	17312QN54	$0.25	0.15%	$0.25	100.00%	$0.00	1096	3.00%	729
Barclay	06740KN89	$0.25	0.15%	$0.25	100.00%	$0.00	733	3.05%	540
Morgan Stanley	61760AMW6	$0.25	0.15%	$0.25	100.00%	$0.00	732	2.75%	386
Total Certificate of Deposits		**$3.43**	**2.12%**	**$3.43**	**100.12%**	**$0.00**	**931**	**2.50%**	**464**
Total Cash & Investments		**$161.56**	**100.00%**	**$162.33**	**100.50%**	**$0.77**	**782**	**2.11%**	**485**

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.

Marie Lalas June 30, 2019

Controller 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-charater 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.