

NOTICE OF MEETING AND AGENDA

GHI INVESTMENT COMMITTEE

THURSDAY, AUGUST 10, 2023, 5:00 PM

VIRTUAL ZOOM MEETING

1. Discussion of agenda
2. Member comment period
3. Discussion of minutes – April 24, 2023
4. Review investment portfolio as of June 30, 2023
5. Review Draft Investment Committee report to Board of Directors June 30, 2023

Supporting Documents:

1. Minutes – April 24, 2023
2. Investment portfolio – June 30, 2023
3. Draft Investment Committee report to Board of Directors June 30, 2023

Chuck Hess  
Investment Committee Chair

Distribution:

Committee Members: Kapfer, Hess, James, B. Jones, McClelland  
Board of Directors, Audit Committee, Holland, L. Irwin, Lester, Legendre,  
Miller  
James Claggett, General Manager  
Joseph Perry, Jr., CPA, Director of Finance (Staff Liaison)  
Hamid Abdelmoneim, Accounting Manager

## GHI INVESTMENT COMMITTEE MEETING NOTES 2023

Draft

Date of Meeting: April 24, 2023

### Attending:

Committee: (circle names) Chuck Hess, Ed James, Bill Jones, Jason Luly, Andrea McClelland

Guests: H. Haslinger, S. Holland, S. Legendre, M. Lester

Farr, Miller, Washington: Scott Stroud, Andrew

Staff: Joseph Perry, Jr., Director of Finance (Staff Liaison)

### Meeting called to order by Chair, Chuck Hess, at 5:00 PM.

**1. Agenda:** Was it revised? No.

Motion to approve by: McClelland

Seconded: Hess

Motion carried: 2-0

**B. Jones entered the meeting.**

**2. Member Comment Period**

No comments

**3. Minutes:** Were there changes to the minutes? No.

Move to approve the minutes of the April 4, 2023, meeting as presented.

Motion by: McClelland

Seconded: Jones

Motion carried: 3-0

**E. James entered the meeting.**

**4. Review of investment portfolio**

Staff reviewed the investment portfolio which was changed to include the acquisition yield to maturity for bond investments. Additional comments and explanations were offered to the investment committee by Scott Stroud of Farr, Miller, Washington.

- Don't think the Fed is done raising interest. So far employment is holding up well.
- Key number FMW follows is the weekly jobless claims number. Key indicator of what the employment picture is.
- Like a ladder of maturities. Right now we are not getting paid to extend the maturities.
- At the present time it is easier to get taxable municipal bonds with a AA rating than corporate bonds with AA rating. Taxable municipal bonds are counter cyclical meaning they hold up very well in an economic slowdown cycle.
- Equities are not off the table, but this equity market has surprised a lot of people. The number one rule is preservation of capital then income production or yield second. Corporate earnings are slowing so that usually indicates a softer equity market is around the corner.
  - \$3 Million T Bill coming due this week may be split into separate positions.

**No action taken.**

**5. Next Meeting:** Will be held at the call of the chair.

**6. Meeting adjourned at 5:30 pm.**

Move to adjourn.

Motion by: James

Seconded: Jones

Motion carried: 4-0

Respectfully submitted,

*Joseph Perry, Jr.*

**Greenbelt Homes, Inc**  
**Schedule of Investments**  
For the Month Ended June 30, 2023

**I. Fidelity Investments**

**a) Bonds**

**Corporate Bonds**

Moody	S&P	Face Value	Cost	Market Value	Bond Issuer	Rate	Maturity	Y-T-M	Gain/(Loss)
Baa1	BBB+	\$ 750,000	\$ 736,440	\$ 735,690	Sryker Corp Note	3.375%	5/15/24	5.20%	\$ (750)
A2	A	750,000	693,427	692,723	Truist Bk	1.500%	3/10/25	5.00%	(705)
Baa2	BBB	750,000	735,968	733,883	CVS Health	4.100%	3/25/25	5.10%	(2,086)
Baa1	BBB+	750,000	743,137	735,023	Lowes Cos	4.400%	9/8/25	4.70%	(8,115)
Baa1	BBB	750,000	717,683	720,398	Mondelez Intl	3.625%	2/13/26	5.10%	2,715
Baa1	A-	750,000	751,535	749,018	Raytheon Technologies	5.000%	2/27/26	4.90%	(2,518)
A2	BBB+	500,000	424,408	434,590	Goldman Sachs	1.450%	9/14/26	5.90%	10,182
Baa1	BBB+	750,000	677,003	673,530	Starbucks	2.000%	3/12/27	4.80%	(3,473)
Baa2	BBB	750,000	715,320	713,085	Becton Dickinson	3.700%	6/6/27	5.00%	(2,235)
		<u>\$ 6,500,000</u>	<u>\$ 6,194,921</u>	<u>\$ 6,187,938</u>					<u>\$ (6,983)</u>

**b) Bond fund**

			\$ 153,431	\$ 145,522	Vanguard ST Invmt Grade Bond Fund (VFSUX)				\$ (7,909)
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**c) Municipal Bonds**

Aa2	NR	\$ 750,000	\$ 751,460	\$ 736,943	Tulsa Cnty Okla Indpt Sch	4.300%	5/1/25	4.0%	\$ (14,517)
A1	A+	700,000	638,816	635,586	Port Oakland Calif Rev SR	1.517%	5/1/26	4.7%	(3,230)
NR	AA-	750,000	659,790	670,395	Jacksonville, FL Trans. Rev	1.300%	10/1/26	5.0%	10,605
Aa2	AA-	750,000	660,382	652,785	California St trans Rev	1.330%	11/1/27	4.3%	(7,597)
		<u>\$ 2,950,000</u>	<u>\$ 2,710,448</u>	<u>\$ 2,695,709</u>					<u>\$ (14,739)</u>

**c) US Treasury/Agency Securities**

		\$ 750,000	\$ 732,550	\$ 748,230	US T Bills (zero coup)	0.000%	7/20/23	4.80%	\$ 15,680
		2,000,000	1,950,740	1,985,040	US T Bills (zero coup)	0.000%	8/24/23	5.10%	34,300
		1,000,000	957,068	982,370	US T Bills (zero coup)	0.000%	11/2/23	4.70%	25,302
Aaa	AA+	1,500,000	1,500,004	1,492,695	Fed Home Loan BA	4.750%	3/8/24	4.80%	(7,309)
Aaa	AA+	1,500,000	1,497,758	1,485,900	Fed Farm Cr Bks Bond	5.480%	10/25/27	5.50%	(11,858)
		<u>\$ 6,750,000</u>	<u>\$ 6,638,120</u>	<u>\$ 6,694,235</u>					<u>\$ 56,115</u>

**d) Fidelity Government Cash Reserves**

			\$ 59,849						<u>N/A</u>
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Total bonds, bond fund, US Securities, and cash reserves

			<u>\$ 15,783,253</u>			Unrealized gain			<u>\$ 26,484</u>
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## Investment Committee Report as of June 30, 2023

The Investment Committee has the responsibility of investing funds on behalf of Greenbelt Homes, Inc. (GHI). Those funds include amounts that are set aside for replacement reserves. Building components (roofs, windows, doors, hot water heaters, for example) wear out. GHI has a plan for their replacement, and has set up a replacement reserve fund to take care of future capital costs. Members' coop fees include the cost of maintaining an adequate reserve to meet this need. The current replacement reserve plan from 2018 is scheduled to be updated this year.

In the 4th quarter of 2022, GHI signed an agreement with Farr, Miller & Washington, LLC (FMW), an investment advisory firm, to manage GHI's investment portfolio. The agreement includes an annual fee to FMW of 0.50% of assets under management.

As of June 30, 2023, GHI held \$15,753,432 in investments. Our investment portfolio was comprised of individual corporate bonds, United States Treasury and Agency securities and the Vanguard Short Term Investment Grade Fund Admiral Shares (VFSUX). All investments are custodied with Fidelity Investments.

Net loss from Greenbelt Development Corporation (The Parkway Apartments) totaled \$12,036 through June 30, 2023.

GHI income from investments totaled \$129,483 through June of 2023. The yield-to-maturity on individual bonds held in GHI's corporate bond ladder currently range between 4.3% and 5.9%. The aggregate market value of these bonds was \$8,883,646. The yield-to-maturity on Treasury securities range from 4.7% to 5.1% and on Agency securities range from 4.0% and 5.5%. The aggregate market value of the Treasury/Agency securities was \$6,694,235. As of June 30, 2023, the second quarter return for the VFSUX was (-0.12%).

<b>Corporate Bond Investments</b>					
<u>Face Value</u>	<u>Company Name</u>	<u>Coupon</u>	<u>Maturity</u>		
750,000	Stryker Cop	3.4%	05/15/24	\$ 9,450,000	Total Corporate Bonds
750,000	Truist Bk	1.5%	03/10/25	6,750,000	Total Treasury/Agency Securities
750,000	CVS Corp	4.1%	03/25/23	(656,511)	Unamortized Bond Discount
750,000	Lowes Cos	4.4%	09/08/25	153,431	Vanguard ST Investment Grade Fund (VFSUX)
750,000	Mondelez Intl	3.6%	02/13/26		
750,000	Raytheon Tec Corp	5.0%	02/27/26		
500,000	Goldman Sachs	1.5%	09/14/26		
750,000	Starbucks	2.0%	03/12/27		
750,000	Becton Dickinson	3.7%	06/06/27		
750,000	Tulsa Cnty Okla	4.3%	05/01/25		
700,000	Port Oakland Calif	1.2%	05/01/26		
750,000	Jacksonville Fla Rev	1.3%	10/01/26		
750,000	California St Univ	1.3%	11/01/27		
<b>\$ 9,450,000</b>	<b>Total Corporate Bonds</b>			<b>15,696,920</b>	Total Investments
<b>Treasury/Agency Securities</b>					<b>Cash &amp; Cash Equivalent</b>
<u>Face Value</u>	<u>Company Name</u>	<u>Coupon</u>	<u>Maturity</u>		
750,000	US T Bills (zero coup)	0.00%	07/20/23		
2,000,000	US T Bills (zero coup)	0.00%	08/24/23		
1,000,000	US T Bills (zero coup)	0.00%	11/02/23		
1,500,000	Fed Home Loan BA	4.75%	03/08/24		
1,500,000	Fed Farm Cr Bks Bond	5.48%	10/25/27		
<b>\$ 6,750,000</b>	<b>Total Treasury/Agency Securities</b>			<b>\$ 15,756,769</b>	<b>Total Investments and Cash Equivalents</b>
				59,849	Fidelity Government Cash Reserves

National Cooperative Bank stock of \$885,000 recorded at cost is not included above.