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State Affordable Housing Corporation

Quarterly Investment Report

May 31, 2014 – August 31, 2014

PATTERSON & ASSOCIATES



INVESTMENT PROFESSIONALS

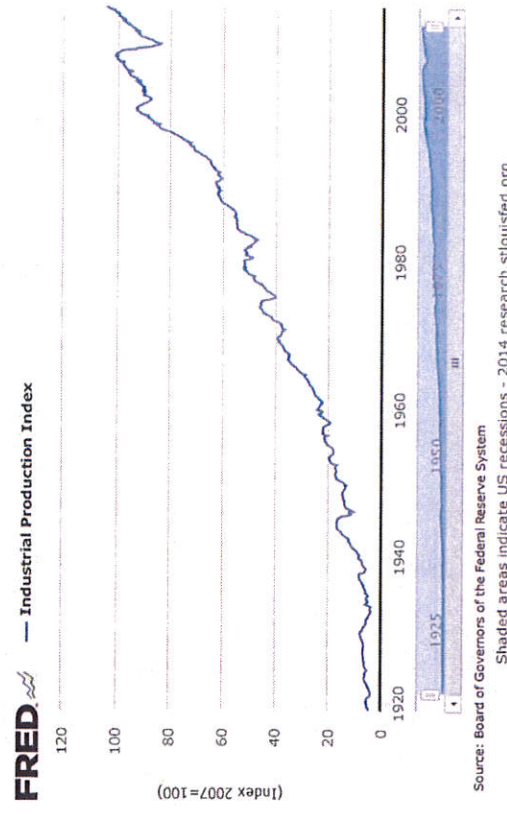
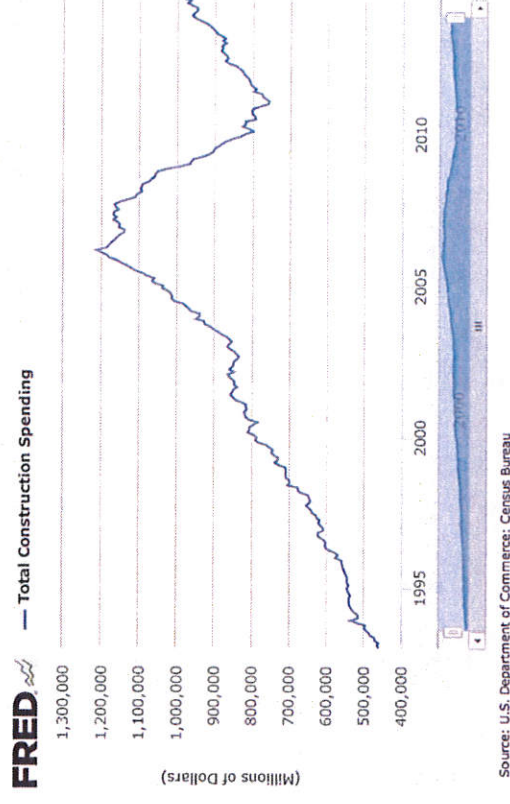
It Was All Geo-Politics



- This month the entire focus of the market has been geo-political in nature with a grudging nod to the actions of the Federal Reserve. Where no one expected any changes in the Fed's position, no one could foretell from day-to-day what changes would come about on any of a number of uncertain borders or rebel groups around the world.
- The FOMC's minutes changed slightly to include a somewhat more positive read on the economy. Chairman Yellen's speech at Jackson Hole painted her slightly less dovish in allowing rates to rise. Now the question will be the timing.
- But with escalating and fluctuating violence in Syria, Gaza, and particularly the Ukraine bond markets around the world felt the rush to safety and yields dropped once again.
- The rush to safety is built on some rocky foundations because of perceived threats to banks. The pending bankruptcies in Argentina and Italy send shock waves into the global banking arena. Especially in Europe the structure of the banking system, with much tied to Italy, has moved again to a rocky and uncertain foundation.

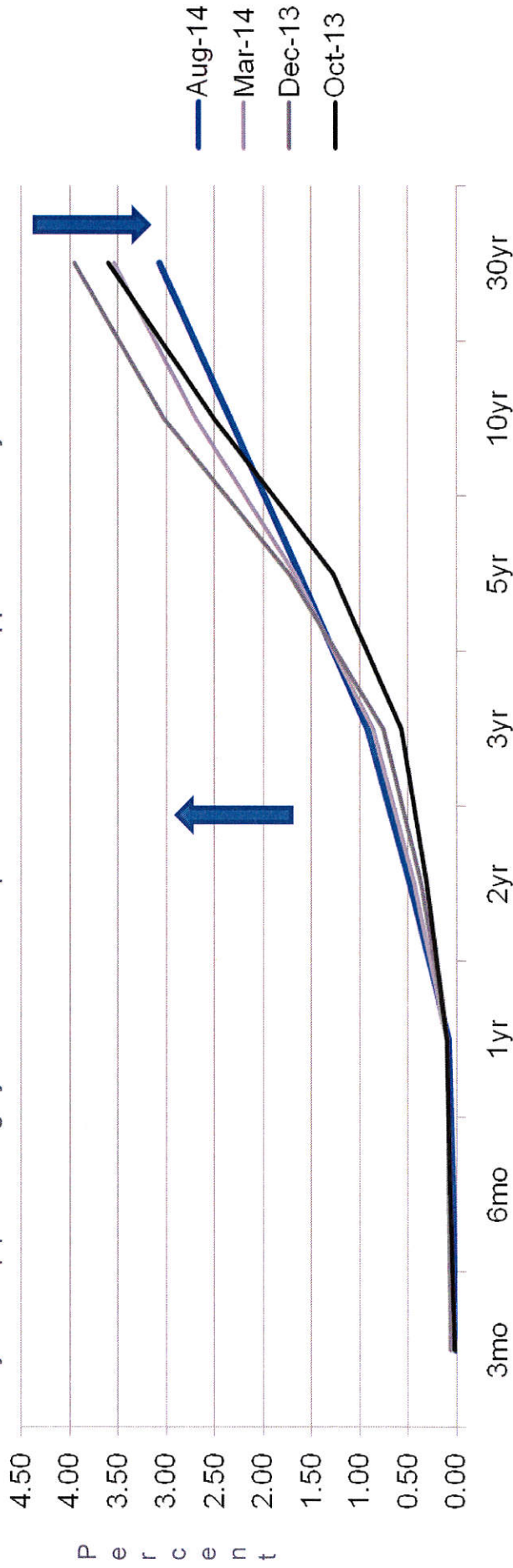
The US Economy Strengthens in the Background

- With all the disruption the economy has been given a bit of a short shrift. Much of the recent information on the US however has been positively upbeat.
- Construction spending came in strong for a 3 month run.
- ISM shows a solid jump in manufacturing in every sector
- Wages and salaries in personal income are higher
- Pending home sales are up slightly
- GDP 2Q was revised up
- These accumulating data points appear to be good news and may be building a base for a very slow but hopefully sustainable recovery. We still have counter forces however too. It is the sustainability that the Fed wants.
- A major factor beside geo-politics that can once again stall rates will be Europe's handling of support to the banks and their effort to fight off Deflation. But, this is difficult when Russia is knocking on the Eastern door and their currencies stay strong versus the dollar.
- The EU is now mulling a quantitative easing – a la Bernanke – to keep rates low and stimulate their economies. This could back-fire on the US's attempts to move forward. It is a move worth watching which could lower our rates again.



An Economic Balancing Act

- The markets had multiple shocks this month and shaken rudely from their summer doldrums. The downing of a passenger jet, Iraq insurgents, Kurd uprisings and Israel remain as underlying concern for all markets.
- The close of the month, which always brings fund and active portfolio adjustments, felt the final straw of the Argentinean default and the Dow was hit by a 2% correction.
- Funds flowed back to the fixed income market but not enough to move rates appreciably because all markets are nervous and keeping a "risk-on" approach in which all risks are amplified.
- The conflicting trends and news have pushed the short-end and belly of the curve somewhat lower during the month, but the ultimate - and for the market makers - the inevitable higher inflation, has pushed the longer-end higher, teasingly close to 4.0%.
- The FOMC has continued its tapering and again reduced its purchases of treasuries and MBS and unless there is a major event - they will stop purchasing by October. At this point rate increases appear to be likely in mid-2015.



End of Month Rates - Full Yield Curve - Fed Funds to 30yr

Texas State Affordable Housing Corporation

Quarterly Investment Report
 May 31, 2014 – August 31, 2014
 Portfolio Summary Management Report

This quarterly report is in compliance with the investment policy and strategy as established by the Corporation and the Public Funds Investment Act (Chapter 2256, Texas Government Code).

<u>Portfolio as of May 31, 2014</u>		<u>Portfolio as of August 31, 2014</u>	
Beginning Book Value	\$ 7,602,756	Ending Book Value	\$ 10,398,107
Beginning Market Value	\$ 7,601,177	Ending Market Value	\$ 10,397,763
Unrealized Gain/Loss	\$ (1,579)	Investment Income for the period	\$ 10,002
		Unrealized Gain/Loss	\$ (344)
		Change in Unrealized Gain/Loss	\$ 1,235
WAM at Beginning Period Date ¹	284 days	WAM at Ending Period Date ¹	289 days
		Change in Market Value	\$ 2,796,586
		Average Yield to Maturity for period	0.450%
		Average Yield 3 month Treasury bill for period	0.030%
		Average Yield 6 month Treasury bill for period	0.060%

Authorized by:



Ms. Melinda Smith, CFO
 Texas State Affordable Housing Corporation



Ms. Linda Patterson, President
 Patterson & Associates, Registered Investment Advisor

¹ WAM, represents weighted average maturity.

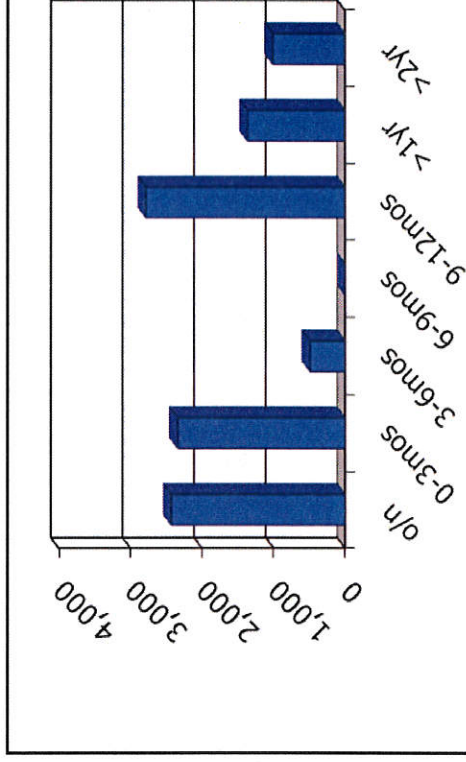
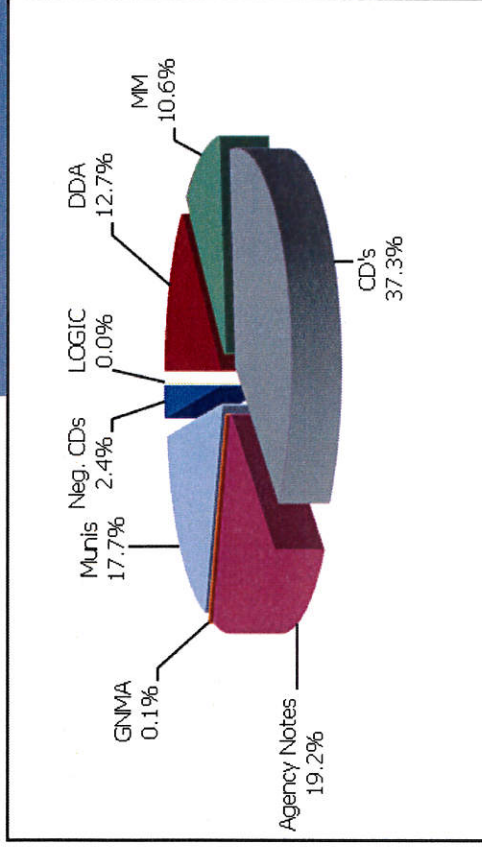
Your Portfolio

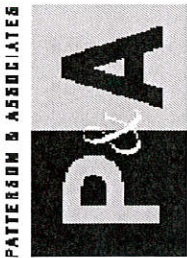
As of August 31, 2014

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- P&A constantly reviews your portfolio for optimal asset allocation and a controlled average maturity because a diversified portfolio can better adjust to volatile market conditions.
- The extremely low short-term rates make diversification difficult and they are reasonably expected to continue now at least through 2015. Longer term rates have moved lower and do not provide reward for extension risks.
- Banks remain *uninterested* in new deposits and although state and local bonds continue to add value they have been discovered and are declining in yields.
- Portfolios are cash heavy as we struggle to find value with a flat yield curve which provides little value under six months. Going too long has its risks if rates do rise quickly on news.
- Your net yield of 0.45% compared to some basic benchmarks generated additional quarterly earnings of:
 - Q 3 mo. T-Bill \$ 9,305.47
 - Q 6 mo. T-Bill \$ 8,605.21
 - Q 1 yr T-Bill \$ 7,671.53





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**Texas State Affordable Housing
 Portfolio Management
 Portfolio Summary
 August 31, 2014**

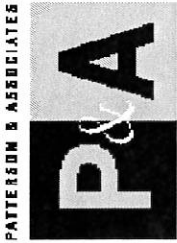
Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 365 Equiv.
CD's - Interest at Maturity	1,718,000.00	1,716,785.06	1,718,000.00	16.52	292	210	0.493
Federal Agency Coupon Securities	2,000,000.00	1,999,684.50	1,999,933.91	19.23	887	803	0.692
Municipal Obligations	1,840,000.00	1,842,067.60	1,841,729.53	17.71	329	39	0.510
Negotiable CDs - 2	245,000.00	246,322.02	246,606.27	2.37	350	343	0.400
Pass Through Securities (GNMA)	9,110.05	10,176.89	9,110.05	0.09	8,646	7,354	5.971
FHLB Dallas-Money Fund	96,669.46	96,669.46	96,669.46	0.93	1	1	0.011
MM Funds/NOW Accounts	1,008,313.35	1,008,313.35	1,008,313.35	9.70	1	1	0.182
CD's - Interest monthly/quarterly	2,158,918.06	2,158,918.06	2,158,918.06	20.76	539	375	0.551
Bank Accounts	1,318,826.31	1,318,826.31	1,318,826.31	12.68	1	1	0.005
Investments	10,394,837.23	10,397,763.25	10,398,106.94	100.00%	405	289	0.452

Cash and Accrued Interest
 Accrued Interest at Purchase 271.35
 Subtotal 271.35
Total Cash and Investments 10,394,837.23

Total Earnings	August 31	Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year	3,495.58		31,800.55	31,800.55

The following reports are submitted in accordance with the Public Funds Investment Act (Texas Gov't Code 2256). The reports also offer supplemental information not required by the Act in order to fully inform the governing body of the Texas State Affordable Housing Corporation of the position and activity within the Corporation's portfolio of investments. The reports include a management summary overview, a detailed inventory report for the end of the period, a transaction report, as well as graphic representations of the portfolio to provide full disclosure to the governing body.

Melinda Smith 9/30/2014
 Melinda Smith, Chief Financial Officer



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**Texas State Affordable Housing
 Summary by Type
 August 31, 2014
 Grouped by Fund**

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Security Type	Number of Investments	Par Value	Book Value	% of Portfolio	Average YTM 365	Average Days to Maturity
Fund: Bunker Hill Debt						
Bank Accounts	1	22,844.79	22,844.79	0.22	0.030	1
Subtotal	1	22,844.79	22,844.79	0.22	0.030	1
Fund: Bunker Hill Operating						
Bank Accounts	1	22,834.53	22,834.53	0.22	0.030	1
Subtotal	1	22,834.53	22,834.53	0.22	0.030	1
Fund: Bunker Hill Replacement Res						
Bank Accounts	1	34,719.26	34,719.26	0.33	0.030	1
Subtotal	1	34,719.26	34,719.26	0.33	0.030	1
Fund: General Investments						
CD's - Interest at Maturity	7	1,718,000.00	1,718,000.00	16.52	0.493	210
Bank Accounts	1	1,034,171.12	1,034,171.12	9.95	0.000	1
Federal Agency Coupon Securities	3	2,000,000.00	1,999,933.91	19.23	0.692	803
FHLB Dallas-Money Fund	1	96,669.46	96,669.46	0.93	0.011	1
Pass Through Securities (GNMA)	1	9,110.05	9,110.05	0.09	5.971	7,354
CD's - Interest monthly/quarterly	4	2,158,918.06	2,158,918.06	20.76	0.551	375
MM Funds/NOW Accounts	2	1,008,313.35	1,008,313.35	9.70	0.182	1
Municipal Obligations	3	1,840,000.00	1,841,729.53	17.71	0.510	39
Negotiable CDs - 2	1	245,000.00	246,606.27	2.37	0.400	343
Subtotal	23	10,110,182.04	10,113,451.75	97.26	0.464	297
Fund: NFMC Account						
Bank Accounts	1	660.76	660.76	0.01	0.000	1
Subtotal	1	660.76	660.76	0.01	0.000	1
Fund: Neighborhood Stabilization Prog.						
Bank Accounts	1	2,960.17	2,960.17	0.03	0.000	1

Texas State Affordable Housing
 Summary by Type
 August 31, 2014
 Grouped by Fund

Security Type	Number of Investments	Par Value	Book Value	% of Portfolio	Average YTM 365	Average Days to Maturity
Fund: Sagebrush Apartments - Debt						
Bank Accounts	1	2,960.17	2,960.17	0.03	0.000	1
Subtotal	1	2,960.17	2,960.17	0.03	0.000	1
Fund: Sagebrush Apartments - Oper.						
Bank Accounts	1	39,200.91	39,200.91	0.38	0.030	1
Subtotal	1	39,200.91	39,200.91	0.38	0.030	1
Fund: Sagebrush Replacement Res						
Bank Accounts	1	23,191.83	23,191.83	0.22	0.030	1
Subtotal	1	23,191.83	23,191.83	0.22	0.030	1
Fund: Texas Foreclosure Prevention						
Bank Accounts	1	83,073.96	83,073.96	0.80	0.030	1
Subtotal	1	83,073.96	83,073.96	0.80	0.030	1
Fund: Wells Fargo - CDC						
Bank Accounts	1	6,087.94	6,087.94	0.06	0.000	1
Subtotal	1	6,087.94	6,087.94	0.06	0.000	1
Fund: Willows Operating						
Bank Accounts	1	4,772.50	4,772.50	0.05	0.000	1
Subtotal	1	4,772.50	4,772.50	0.05	0.000	1
Fund: Willows Replacement Reserve						
Bank Accounts	1	0.00	0.00	0.00	0.000	0
Subtotal	1	0.00	0.00	0.00	0.000	0
Total and Average						
	35	10,394,837.23	10,398,106.94	100.00	0.452	289



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**Texas State Affordable Housing
 Fund BHDEBT - Bunker Hill Debt
 Investments by Fund
 August 31, 2014**

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Bank Accounts											
591398016	76	Frost Bank Checking	04/20/2010	22,844.79	22,844.79	22,844.79	0.030	0.029	0.030		1
		Subtotal and Average		22,844.79	22,844.79	22,844.79	0.030	0.030	0.030		1
		Total Investments and Average		22,844.79	22,844.79	22,844.79	0.030	0.030	0.030		1

Fund BHOPER - Bunker Hill Operating
Investments by Fund
August 31, 2014

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Bank Accounts											
591398261	75	Frost Bank Checking	04/20/2010	22,834.53	22,834.53	22,834.53	0.030	0.029	0.030		1
		Subtotal and Average		22,834.53	22,834.53	22,834.53	0.030	0.030	0.030		1
		Total Investments and Average		22,834.53	22,834.53	22,834.53	0.030	0.030	0.030		1

Fund BHRR - Bunker Hill Replacement Res
Investments by Fund
August 31, 2014

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Bank Accounts											
591398288	77	Frost Bank Checking	04/09/2010	34,719.26	34,719.26	34,719.26	0.030	0.029	0.030		1
		Subtotal and Average		34,719.26	34,719.26	34,719.26	0.030	0.030	0.030		1
		Total Investments and Average		34,719.26	34,719.26	34,719.26	0.030	0.030	0.030		1

Fund GENERAL - General Investments
Investments by Fund
August 31, 2014

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
CD's - Interest at Maturity											
06426RP49	141	Bank of China CD FDIC# 33653	08/20/2014	245,000.00	245,000.00	244,764.07	0.600	0.591	0.600	08/20/2015	353
75524KDC5	139	Citizens Bank CD FDIC# 57957	08/20/2014	245,000.00	245,000.00	244,838.55	0.350	0.345	0.350	02/20/2015	172
15985	133	Crockett National Bank	03/05/2014	245,000.00	245,000.00	245,000.00	0.750	0.739	0.750	10/05/2014	34
2546714K3	140	Discover Bank CD FDIC# 5649	08/20/2014	245,000.00	245,000.00	244,895.14	0.400	0.394	0.400	02/20/2015	172
38147J2Y7	144	Goldman Sachs CD FDIC# 33124	08/27/2014	245,000.00	245,000.00	244,647.69	0.400	0.394	0.400	08/27/2015	360
8901159	129	Plains Capital Bank CD	09/18/2013	248,000.00	248,000.00	248,000.00	0.450	0.443	0.450	09/18/2014	17
78658QEW9	145	Safra Nat'l Bk CD FDIC# 26876	08/28/2014	245,000.00	245,000.00	244,639.61	0.500	0.493	0.500	08/28/2015	361
				Subtotal and Average	1,718,000.00	1,716,785.06		0.486	0.493		209
Federal Agency Coupon Securities											
3130A2U95	143	FHLB Call Note	08/26/2014	500,000.00	500,000.00	499,587.50	0.500	0.493	0.500	05/26/2016	633
3134G4Z92	135	FHLMC Call Note	04/23/2014	999,933.91	1,000,000.00	1,000,810.00	0.875	0.871	0.883	04/17/2017	959
3134G56P5	136	FHLMC Call Note	06/24/2014	500,000.00	500,000.00	499,287.00	0.500	0.493	0.500	06/24/2016	662
				Subtotal and Average	1,999,933.91	1,999,684.50		0.682	0.692		803
Municipal Obligations											
442404BG3	126	Houston TX ISD	10/16/2013	309,945.91	310,000.00	309,963.50		0.443	0.450	09/15/2014	14
63165TLR4	127	Nassau County NY	12/11/2013	1,001,762.89	1,000,000.00	1,002,130.00	2.000	0.543	0.550	10/15/2014	44
967244W91	125	Wichita KS	10/15/2013	530,020.73	530,000.00	529,984.10	0.500	0.461	0.467	10/15/2014	44
				Subtotal and Average	1,841,729.53	1,842,067.60		0.503	0.510		38
Negotiable CDs - 2											
795450NT8	142	Sallie Mae Bank CD FDIC# 58177	08/25/2014	246,606.27	245,000.00	246,322.02	1.100	0.394	0.400	08/10/2015	343
				Subtotal and Average	246,606.27	246,322.02		0.395	0.400		343
Pass Through Securities (GNMA)											
36201LFC3	100	Gov't National Mtg. Assn	02/17/2011	9,110.05	9,110.05	10,176.89	5.990	5.889	5.971	10/20/2034	7,354
				Subtotal and Average	9,110.05	10,176.89		5.889	5.971		7,354
FHLB Dallas-Money Fund											
99999995	9002	FHLB Money Market Fund	09/01/2006	96,669.46	96,669.46	96,669.46	0.011	0.011	0.011		1
				Subtotal and Average	96,669.46	96,669.46		0.011	0.011		1

Fund GENERAL - General Investments
Investments by Fund
August 31, 2014

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
MM Funds/NOW Accounts											
20115959	52	Hillcrest Bank NOW Account	07/31/2009	767,079.61	767,079.61	767,079.61	0.050	0.049	0.050		1
5001506	83	Libertad Bank MM	10/20/2010	241,233.74	241,233.74	241,233.74	0.600	0.591	0.600		1
		Subtotal and Average		1,008,313.35	1,008,313.35	1,008,313.35		0.179	0.182		1
CD's - Interest monthly/quarterly											
172088715A	137	East West Bank	07/12/2014	753,718.06	753,718.06	753,718.06	0.400	0.394	0.400	07/12/2015	314
172002714	138	East West Bank	08/01/2014	45,200.00	45,200.00	45,200.00	0.400	0.394	0.400	08/01/2015	334
8410000117	130	Hillcrest Bank CD	12/13/2013	1,000,000.00	1,000,000.00	1,000,000.00	0.600	0.591	0.600	07/13/2015	315
8310000287	134	Hillcrest Bank CD	04/04/2014	360,000.00	360,000.00	360,000.00	0.750	0.739	0.750	07/04/2016	672
		Subtotal and Average		2,158,918.06	2,158,918.06	2,158,918.06		0.543	0.551		374
Bank Accounts											
591359967	69	Frost Bank Checking	03/05/2010	1,034,171.12	1,034,171.12	1,034,171.12					1
		Subtotal and Average		1,034,171.12	1,034,171.12	1,034,171.12		0.000	0.000		1
		Total Investments and Average		10,113,451.75	10,110,182.04	10,113,108.06		0.458	0.464		296

Fund NFMC - NFMC Account
Investments by Fund
August 31, 2014

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Bank Accounts											
591359924	68	Frost Bank Checking	03/16/2010	660.76	660.76	660.76					1
		Subtotal and Average		660.76	660.76	660.76		0.000	0.000		1
		Total Investments and Average		660.76	660.76	660.76		0.000	0.000		1

**Fund NSP - Neighborhood Stabilization Prog.
Investments by Fund
August 31, 2014**

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Bank Accounts											
591359932	71	Frost Bank Checking	04/20/2010	2,960.17	2,960.17	2,960.17					1
		Subtotal and Average		2,960.17	2,960.17	2,960.17		0.000	0.000		1
		Total Investments and Average		2,960.17	2,960.17	2,960.17		0.000	0.000		1

Fund SBDEBT - Sagebrush Apartments - Debt
Investments by Fund
August 31, 2014

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Bank Accounts											
591398253	79	Frost Bank Checking	04/20/2010	39,200.91	39,200.91	39,200.91	0.030	0.029	0.030		1
		Subtotal and Average		39,200.91	39,200.91	39,200.91	0.030	0.030	0.030		1
		Total Investments and Average		39,200.91	39,200.91	39,200.91	0.030	0.030	0.030		1

Fund SBOPER - Sagebrush Apartments - Oper.
Investments by Fund
August 31, 2014

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Bank Accounts											
591398237	78	Frost Bank Checking	04/20/2010	23,191.83	23,191.83	23,191.83	0.030	0.029	0.030		1
		Subtotal and Average		23,191.83	23,191.83	23,191.83	0.030	0.030	0.030		1
		Total Investments and Average		23,191.83	23,191.83	23,191.83	0.030	0.030	0.030		1

Fund SBRR - Sagebrush Replacement Res
Investments by Fund
August 31, 2014

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
591398245	80	Frost Bank Checking	04/09/2010	83,073.96	83,073.96	83,073.96	0.030	0.029	0.030		1
		Subtotal and Average		83,073.96	83,073.96	83,073.96		0.030	0.030		1
		Total Investments and Average		83,073.96	83,073.96	83,073.96		0.030	0.030		1

Bank Accounts

Fund TXFORE - Texas Foreclosure Prevention
Investments by Fund
August 31, 2014

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Bank Accounts											
591359940	73	Frost Bank Checking	04/14/2010	6,087.94	6,087.94	6,087.94					1
		Subtotal and Average		6,087.94	6,087.94	6,087.94		0.000	0.000		1
		Total Investments and Average		6,087.94	6,087.94	6,087.94		0.000	0.000		1

Fund WELLS - Wells Fargo - CDC
Investments by Fund
August 31, 2014

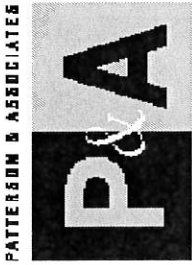
CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Bank Accounts											
999999994	0014	Wells Fargo Non-Profit Chkg	09/01/2006	4,772.50	4,772.50	4,772.50					1
		Subtotal and Average		4,772.50	4,772.50	4,772.50		0.000	0.000		1
		Total Investments and Average		4,772.50	4,772.50	4,772.50		0.000	0.000		1

Fund WOPER - Willows Operating
Investments by Fund
August 31, 2014

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Bank Accounts											
591501356	106	Frost Bank Checking	11/17/2011	0.00	0.00	0.00					1
Subtotal and Average				0.00	0.00	0.00		0.000	0.000		0
Total Investments and Average				0.00	0.00	0.00		0.000	0.000		0

**Fund WRR - Willows Replacement Reserve
Investments by Fund
August 31, 2014**

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Bank Accounts											
591501224	108	Frost Bank Checking	11/17/2011	44,308.54	44,308.54	44,308.54					1
		Subtotal and Average		44,308.54	44,308.54	44,308.54		0.000	0.000		1
		Total Investments and Average		44,308.54	44,308.54	44,308.54		0.000	0.000		1

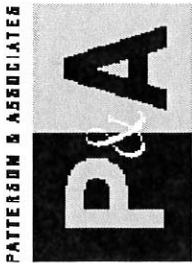


**Texas State Affordable Housing
Cash Reconciliation Report
For the Period June 1, 2014 - August 31, 2014
Grouped by Fund**

Patterson & Associates
901 S. MoPac
Suite 195
Austin, TX 78746

Trans. Date	Investment #	Fund	Trans. Type	Security ID	Par Value	Security Description	Maturity Date	Purchases	Interest	Redemptions	Cash
General Investments											
06/20/2014	100	GENERAL	Interest	36201LFC3	22,957.26	GNMA 0.0M 5.99% Mat. 10/20/2034	10/20/2034	0.00	45.94	27.89	73.83
06/24/2014	136	GENERAL	Purchase	3134G56P5	500,000.00	FHLMCC 0.5M 0.50% Mat.	06/24/2016	-500,000.00	0.00	0.00	-500,000.00
06/30/2014	124	GENERAL	Interest	172088715	750,000.00	EWB 0.8M 0.50% Mat. 07/12/2014	07/12/2014	0.00	938.83	0.00	938.83
06/30/2014	124	GENERAL	Interest	172088715	750,000.00	EWB 0.8M 0.50% Mat. 07/12/2014	07/12/2014	-938.83	0.00	0.00	-938.83
07/12/2014	124	GENERAL	Interest	172088715	750,000.00	EWB 0.8M 0.50% Mat. 07/12/2014	07/12/2014	0.00	113.57	0.00	113.57
07/12/2014	124	GENERAL	Interest	172088715	750,000.00	EWB 0.8M 0.50% Mat. 07/12/2014	07/12/2014	-113.57	0.00	0.00	-113.57
07/12/2014	137	GENERAL	Purchase	172088715A	753,718.06	EWB 0.8M 0.40% Mat. 07/12/2015	07/12/2015	-753,718.06	0.00	0.00	-753,718.06
07/20/2014	100	GENERAL	Interest	36201LFC3	22,957.26	GNMA 0.0M 5.99% Mat. 10/20/2034	10/20/2034	0.00	45.80	34.68	80.48
08/01/2014	138	GENERAL	Purchase	172002714	45,200.00	EWB 0.0M 0.40% Mat. 08/01/2015	08/01/2015	-45,200.00	0.00	0.00	-45,200.00
08/19/2014	131	GENERAL	Interest	05967EE39	150,000.00	BANCO 0.2M 0.30% Mat.	08/19/2014	0.00	223.15	0.00	223.15
08/19/2014	131	GENERAL	Maturity	05967EE39	150,000.00	BANCO 0.2M 0.30% Mat.	08/19/2014	0.00	0.00	150,000.00	150,000.00
08/20/2014	100	GENERAL	Interest	36201LFC3	22,957.26	GNMA 0.0M 5.99% Mat. 10/20/2034	10/20/2034	0.00	45.63	31.37	77.00
08/20/2014	139	GENERAL	Purchase	75524KDC5	245,000.00	CITIBK 0.2M 0.35% Mat. 02/20/2015	02/20/2015	-245,000.00	0.00	0.00	-245,000.00
08/20/2014	140	GENERAL	Purchase	2546714K3	245,000.00	DISCBK 0.2M 0.40% Mat.	02/20/2015	-245,000.00	0.00	0.00	-245,000.00
08/20/2014	141	GENERAL	Purchase	06426RP49	245,000.00	BANKCH 0.2M 0.60% Mat.	08/20/2015	-245,000.00	0.00	0.00	-245,000.00
08/25/2014	142	GENERAL	Purchase	795450N8	245,000.00	SALLIE 0.2M 1.10% Mat. 08/10/2015	08/10/2015	-246,639.05	-125.52	0.00	-246,764.57
08/26/2014	143	GENERAL	Purchase	3130A2U95	500,000.00	FHLBC 0.5M 0.50% Mat. 05/26/2016	05/26/2016	-500,000.00	0.00	0.00	-500,000.00
08/27/2014	144	GENERAL	Purchase	38147J2Y7	245,000.00	GOLDSK 0.2M 0.40% Mat.	08/27/2015	-245,000.00	0.00	0.00	-245,000.00
08/28/2014	132	GENERAL	Interest	86789VJQ1	150,000.00	SUNTR 0.2M 0.73% Mat. 08/29/2014	08/29/2014	0.00	275.75	0.00	275.75
08/28/2014	145	GENERAL	Purchase	78658QEJW9	245,000.00	SAFRA 0.2M 0.50% Mat. 08/28/2015	08/28/2015	-245,000.00	0.00	0.00	-245,000.00
08/29/2014	132	GENERAL	Interest	86789VJQ1	150,000.00	SUNTR 0.2M 0.73% Mat. 08/29/2014	08/29/2014	0.00	3.00	0.00	3.00
08/29/2014	132	GENERAL	Maturity	86789VJQ1	150,000.00	SUNTR 0.2M 0.73% Mat. 08/29/2014	08/29/2014	0.00	0.00	150,000.00	150,000.00
Subtotal								-3,271,609.51	1,566.15	300,093.94	-2,969,949.42
Total								-3,271,609.51	1,566.15	300,093.94	-2,969,949.42

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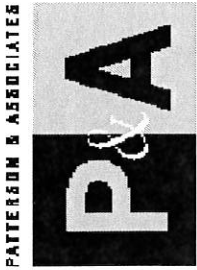


PATTERSON & ASSOCIATES

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Texas State Affordable Housing Purchases Report Sorted by Fund - Fund June 1, 2014 - August 31, 2014

CUSIP	Investment #	Fund	Sec. Type	Issuer	Original Par Value	Purchase Date	Payment Periods	Principal Purchased	Accrued Interest at Purchase	Rate at Purchase	Maturity Date	YTM	Ending Book Value
General Investments													
3134G56P5	136	GENERAL	FAC	FHLMCC	500,000.00	06/24/2014	12/24 - 06/24	500,000.00		0.500	06/24/2016	0.500	500,000.00
172088715A	137	GENERAL	RR4	EWB	753,718.06	07/12/2014	/ - Monthly	753,718.06		0.400	07/12/2015	0.400	753,718.06
172002714	138	GENERAL	RR4	EWB	45,200.00	08/01/2014	/ - Quarterly	45,200.00		0.400	08/01/2015	0.400	45,200.00
06426RP49	141	GENERAL	BCD	BANKCH	245,000.00	08/20/2014	08/20 - At Maturity	245,000.00		0.600	08/20/2015	0.600	245,000.00
75524KDC5	139	GENERAL	BCD	CITIBK	245,000.00	08/20/2014	02/20 - At Maturity	245,000.00		0.350	02/20/2015	0.350	245,000.00
2546714K3	140	GENERAL	BCD	DISCBK	245,000.00	08/20/2014	02/20 - At Maturity	245,000.00		0.400	02/20/2015	0.400	245,000.00
795450NT8	142	GENERAL	MC2	SALLIE	245,000.00	08/25/2014	02/08 - 08/08	246,639.05	125.52	1.100	08/10/2015	0.400	246,606.27
3130A2U95	143	GENERAL	FAC	FHLBC	500,000.00	08/26/2014	11/26 - 05/26	500,000.00		0.500	05/26/2016	0.500	500,000.00
38147J2Y7	144	GENERAL	BCD	GOLDSC	245,000.00	08/27/2014	08/27 - At Maturity	245,000.00		0.400	08/27/2015	0.400	245,000.00
78658QEWS9	145	GENERAL	BCD	SAFRA	245,000.00	08/28/2014	08/28 - At Maturity	245,000.00		0.500	08/28/2015	0.500	245,000.00
Subtotal					3,268,918.06			3,270,557.11	125.52				3,270,524.33
Total Purchases					3,268,918.06			3,270,557.11	125.52				3,270,524.33



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Texas State Affordable Housing Maturity Report

Sorted by Maturity Date
 Amounts due during June 1, 2014 - August 31, 2014

CUSIP	Investment #	Fund	Sec. Type	Issuer	Par Value	Maturity Date	Purchase Date	Rate at Maturity	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
172088715	124	GENERAL	RR4	EWB	753,604.49	07/12/2014	07/12/2013	0.500	753,604.49	0.00	753,604.49	0.00
05967EE39	131	GENERAL	BCD	BANCO	150,000.00	08/19/2014	02/19/2014	0.300	150,000.00	223.15	150,223.15	223.15
86789VJQ1	132	GENERAL	NCB	SUNTR	150,000.00	08/29/2014	03/05/2014	0.729 V	150,000.00	3.00	150,003.00	3.00
Total Maturities					1,053,604.49				1,053,604.49	226.15	1,053,830.64	226.15

V - Security with variable rate change.



**Texas State Affordable Housing
Interest Earnings**
Sorted by Fund - Fund
June 1, 2014 - August 31, 2014
Yield on Average Book Value

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	Current Annualized Rate	Yield	Adjusted Interest Earnings		
										Interest Earned	Amortization/ Accretion	Adjusted Interest Earnings
Fund: Bunker Hill Debt												
591398016	76	BHDEBT	RR5	22,844.79	22,843.07	22,843.67		0.030	0.030	1.72	0.00	1.72
		Subtotal		22,844.79	22,843.07	22,843.67		0.030	0.030	1.72	0.00	1.72
Fund: Bunker Hill Operating												
591398261	75	BHOPER	RR5	22,834.53	22,832.81	22,833.41		0.030	0.030	1.72	0.00	1.72
		Subtotal		22,834.53	22,832.81	22,833.41		0.030	0.030	1.72	0.00	1.72
Fund: Bunker Hill Replacement Res												
591398288	77	BHRR	RR5	34,719.26	68,322.16	55,893.27		0.030	0.030	4.22	0.00	4.22
		Subtotal		34,719.26	68,322.16	55,893.27		0.030	0.030	4.22	0.00	4.22
Fund: General Investments												
99999995	9002	GENERAL	RR2	96,669.46	28,634.79	70,408.81		0.011	0.011	1.94	0.00	1.94
20115959	52	GENERAL	RR3	767,079.61	766,984.00	767,018.63		0.050	0.049	95.61	0.00	95.61
3130A2U95	143	GENERAL	FAC	500,000.00	0.00	32,608.70	05/26/2016	0.500	0.422	34.72	0.00	34.72
8410000117	130	GENERAL	RR4	1,000,000.00	1,000,000.00	1,000,000.00	07/13/2015	0.600	0.600	1,512.33	0.00	1,512.33
8310000287	134	GENERAL	RR4	360,000.00	360,000.00	360,000.00	07/04/2016	0.750	0.750	680.55	0.00	680.55
8901159	129	GENERAL	BCD	248,000.00	248,000.00	248,000.00	09/18/2014	0.450	0.450	281.29	0.00	281.29
5001506	83	GENERAL	RR3	241,233.74	240,869.27	240,994.67		0.600	0.600	364.47	0.00	364.47
3134G4Z92	135	GENERAL	FAC	1,000,000.00	999,804.60	999,870.89	04/17/2017	0.875	0.919	2,187.50	129.31	2,316.81
3134G56P5	136	GENERAL	FAC	500,000.00	0.00	375,000.00	06/24/2016	0.500	0.492	465.28	0.00	465.28
36201LFC3	100	GENERAL	GN1	9,110.05	9,203.99	9,161.56	10/20/2034	5.990	0.064	136.90	0.00	136.90
172002714	138	GENERAL	RR4	45,200.00	0.00	15,230.43	08/01/2015	0.400	0.400	15.36	0.00	15.36
172088715	124	GENERAL	RR4	0.00	752,665.66	335,549.54	07/12/2014	0.500	0.500	423.08	0.00	423.08
172088715A	137	GENERAL	RR4	753,718.06	0.00	417,821.97	07/12/2015	0.400	0.400	421.26	0.00	421.26
967244W91	125	GENERAL	MC1	530,000.00	530,063.13	530,041.39	10/15/2014	0.500	0.464	662.50	-42.40	620.10
442404BG3	126	GENERAL	MC1	310,000.00	309,598.22	309,776.48	09/15/2014	0.445	0.445	0.00	347.69	347.69
63165TLR4	127	GENERAL	MC1	1,000,000.00	1,005,368.82	1,003,520.13	10/15/2014	2.000	0.551	5,000.00	-3,605.93	1,394.07
05967EE39	131	GENERAL	BCD	0.00	150,000.00	128,804.35	08/19/2014	0.300	0.300	97.40	0.00	97.40

Texas State Affordable Housing
Interest Earnings
June 1, 2014 - August 31, 2014

CUSIP	Investment #	Fund	Security Type	Ending Par Value	Beginning Book Value	Average Book Value	Maturity Date	Current Rate	Annualized Yield	Interest Earned	Adjusted Interest Earnings	
											Amortization/ Accretion	Adjusted Interest Earnings
Fund: General Investments												
86789VJQ1	132	GENERAL	NCB	0.00	150,109.36	145,161.00	08/29/2014	0.729	0.430	266.76	-109.36	157.40
15985	133	GENERAL	BCD	245,000.00	245,000.00	245,000.00	10/05/2014	0.750	0.750	463.15	0.00	463.15
75524KDC5	139	GENERAL	BCD	245,000.00	0.00	31,956.52	02/20/2015	0.350	0.350	28.19	0.00	28.19
2546714K3	140	GENERAL	BCD	245,000.00	0.00	31,956.52	02/20/2015	0.400	0.400	32.22	0.00	32.22
06426RP49	141	GENERAL	BCD	245,000.00	0.00	31,956.52	08/20/2015	0.600	0.600	48.33	0.00	48.33
795450NT8	142	GENERAL	MC2	245,000.00	0.00	18,764.59	08/10/2015	1.100	0.400	51.69	-32.78	18.91
38147J2Y7	144	GENERAL	BCD	245,000.00	0.00	13,315.22	08/27/2015	0.400	0.400	13.42	0.00	13.42
78658QEWS	145	GENERAL	BCD	245,000.00	0.00	10,652.17	08/28/2015	0.500	0.500	13.42	0.00	13.42
			Subtotal	9,076,010.92	6,796,301.84	7,372,570.09			0.537	13,297.37	-3,313.47	9,983.90
Fund: Sagebrush Apartments - Debt												
591398253	79	SBDEBT	RR5	39,200.91	39,197.94	39,198.98		0.030	0.030	2.97	0.00	2.97
			Subtotal	39,200.91	39,197.94	39,198.98			0.030	2.97	0.00	2.97
Fund: Sagebrush Apartments - Oper.												
591398237	78	SBOPER	RR5	23,191.83	23,190.08	23,190.69		0.030	0.030	1.75	0.00	1.75
			Subtotal	23,191.83	23,190.08	23,190.69			0.030	1.75	0.00	1.75
Fund: Sagebrush Replacement Res												
591398245	80	SBRR	RR5	83,073.96	79,317.83	81,262.90		0.030	0.030	6.13	0.00	6.13
			Subtotal	83,073.96	79,317.83	81,262.90			0.030	6.13	0.00	6.13
			Total	9,301,876.20	7,052,005.73	7,617,793.03			0.521	13,315.88	-3,313.47	10,002.41



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**Texas State Affordable Housing
Amortization Schedule
June 1, 2014 - August 31, 2014
Sorted By Fund - Fund**

Investment #	Fund	Maturity Date	Beginning Par Value	Current Rate	Purchase Principal	Original Premium or Discount	Ending Book Value	Amounts Amortized And Unamortized As of 06/01/2014	Amount Amortized This Period	Amt Amortized Through 08/31/2014	Amount Unamortized Through 08/31/2014
General Investments											
135	GENERAL	04/17/2017	1,000,000.00		999,750.00	-250.00	999,933.91	54.60	129.31	183.91	-66.09
	FHLMC Call Note	10/17/2014	0.875					-195.40			
126	GENERAL	09/15/2014	310,000.00		308,729.00	-1,271.00	309,945.91	869.22	347.69	1,216.91	-54.09
	Houston TX ISD							-401.78			
127	GENERAL	10/15/2014	1,000,000.00	2.000	1,012,180.00	12,180.00	1,001,762.89	-6,811.18	-3,605.93	-10,417.11	1,762.89
	Nassau County NY							5,368.82			
142	GENERAL	08/10/2015	245,000.00	1.100	246,639.05	1,639.05	246,606.27	0.00	-32.78	-32.78	1,606.27
	Sallie Mae Bank CD FDIC# 58177							1,639.05			
132	GENERAL	08/29/2014	150,000.00	0.729	150,217.50	217.50	0.00	-108.14	-109.36	-217.50	0.00
	Suntrust Bank							109.36			
125	GENERAL	10/15/2014	530,000.00	0.500	530,169.60	169.60	530,020.73	-106.47	-42.40	-148.87	20.73
	Wichita KS							63.13			
			Subtotal		3,247,685.15	12,685.15	3,088,269.71	-6,101.97	-3,313.47	-9,415.44	3,269.71
			Total		3,247,685.15	12,685.15	3,088,269.71	-6,101.97	-3,313.47	-9,415.44	3,269.71



**Texas State Affordable Housing
Projected Cashflow Report
Sorted by Fund
For the Period September 1, 2014 - March 31, 2015**

Projected Trans. Date	Investment #	Fund	Security ID	Transaction Type	Issuer	Par Value	Original Cost	Principal	Interest	Total
General Investments										
09/15/2014	126	GENERAL	442404BG3	Maturity	Houston TX ISD	310,000.00	308,729.00	310,000.00	0.00	310,000.00
09/18/2014	129	GENERAL	8901159	Maturity	Plains Capital Bank CD	248,000.00	248,000.00	248,000.00	1,116.00	249,116.00
10/05/2014	133	GENERAL	15985	Maturity	Crockett National Bank	245,000.00	245,000.00	245,000.00	1,077.33	246,077.33
10/15/2014	125	GENERAL	967244W91	Maturity	Wichita KS	530,000.00	334,511.77	530,000.00	2,650.00	532,650.00
10/15/2014	127	GENERAL	63165TLR4	Maturity	Nassau County NY	1,000,000.00	1,012,180.00	1,000,000.00	16,888.89	1,016,888.89
10/17/2014	135	GENERAL	3134G4Z92	Interest	FHLMC Call Note	0.00	0.00	0.00	4,375.00	4,375.00
10/17/2014	135	GENERAL	3134G4Z92	Call	FHLMC Call Note	1,000,000.00	999,750.00	1,000,000.00	0.00	1,000,000.00
11/26/2014	143	GENERAL	3130A2U95	Interest	FHLB Call Note	0.00	0.00	0.00	625.00	625.00
11/26/2014	143	GENERAL	3130A2U95	Call	FHLB Call Note	500,000.00	500,000.00	500,000.00	0.00	500,000.00
12/24/2014	136	GENERAL	3134G56P5	Interest	FHLMC Call Note	0.00	0.00	0.00	1,250.00	1,250.00
12/24/2014	136	GENERAL	3134G56P5	Call	FHLMC Call Note	500,000.00	500,000.00	500,000.00	0.00	500,000.00
02/08/2015	142	GENERAL	795450NT8	Interest	Sallie Mae Bank CD FDIC# 58177	0.00	0.00	0.00	1,358.58	1,358.58
02/20/2015	139	GENERAL	75524KDC5	Maturity	Citizens Bank CD FDIC# 57957	245,000.00	245,000.00	245,000.00	432.27	245,432.27
02/20/2015	140	GENERAL	2546714K3	Maturity	Discover Bank CD FDIC# 5649	245,000.00	245,000.00	245,000.00	494.03	245,494.03
Total for General Investments						4,823,000.00	4,638,170.77	4,823,000.00	30,267.10	4,853,267.10
GRAND TOTALS:						4,823,000.00	4,638,170.77	4,823,000.00	30,267.10	4,853,267.10