

**D.B. Fitzpatrick & Co., Inc. - Idaho Commercial Mortgage Portfolio**

Domestic Fixed: Barclays Capital Mortgage Benchmark

For the month of: **September** 2020**Manager Performance Calculations**

\* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Idaho Commercial Mortgages	0.39%	0.75%	10.20%	7.63%	5.72%
BC Mortgage	-0.11%	0.11%	4.36%	3.68%	2.98%

**Portfolio Summary**

Market Value: \$ 950,141,931

**Delinquencies/REOs**

<b>Originations/Payoffs</b>			<u>\$ Amt</u>	<u>% of Portfolio</u>
		30 days	\$ -	0.00%
Month:	\$ 8,893,000	60 days	\$ -	0.00%
Year to Date:	\$ 93,658,611	90 days	\$ -	0.00%
		120+ days	\$ -	0.00%
Payoffs:	\$ -	REOs	\$ -	0.00%

**Performance Attribution & Strategy Comments**

The Idaho Commercial Mortgage Portfolio outperformed the Bloomberg Barclays US MBS Index in September by 50 basis points. Outperformance over the long term is due to the portfolio's yield advantage over its benchmark and low delinquency rate (currently 0.0%). The portfolio's weighted average coupon was 4.15% at the end of September, though we expect this figure to tick down in coming months if interest rates remain near current levels.

The Idaho Commercial Mortgage Portfolio is holding up well despite strain in some areas of the commercial real estate market (especially hotels and retail properties). All but two of the portfolio's loans that went on deferred payments in the immediate outbreak of the health crisis have returned to at least interest-only payments, and the last two are set to return to principal and interest payments November 1. The portfolio experienced no delinquent payments in September.

The Idaho housing market remains a bright spot despite a broader slowdown in the local economy triggered by the health crisis. Some commercial real estate investors believe that the surging local housing market – along with significant population growth – could help Idaho recover at a more rapid pace compared with other areas of the US when the health crisis ends. Others are more cautious with their forecasts, but investor interest in Idaho commercial real estate remains high.

**Manager Style Summary**

*The Idaho Commercial Mortgage portfolio is managed by DBF and consists of directly owned Idaho commercial mortgages. DBF oversees the origination process, the monitoring of the portfolio, and services 50% of the portfolio.*

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