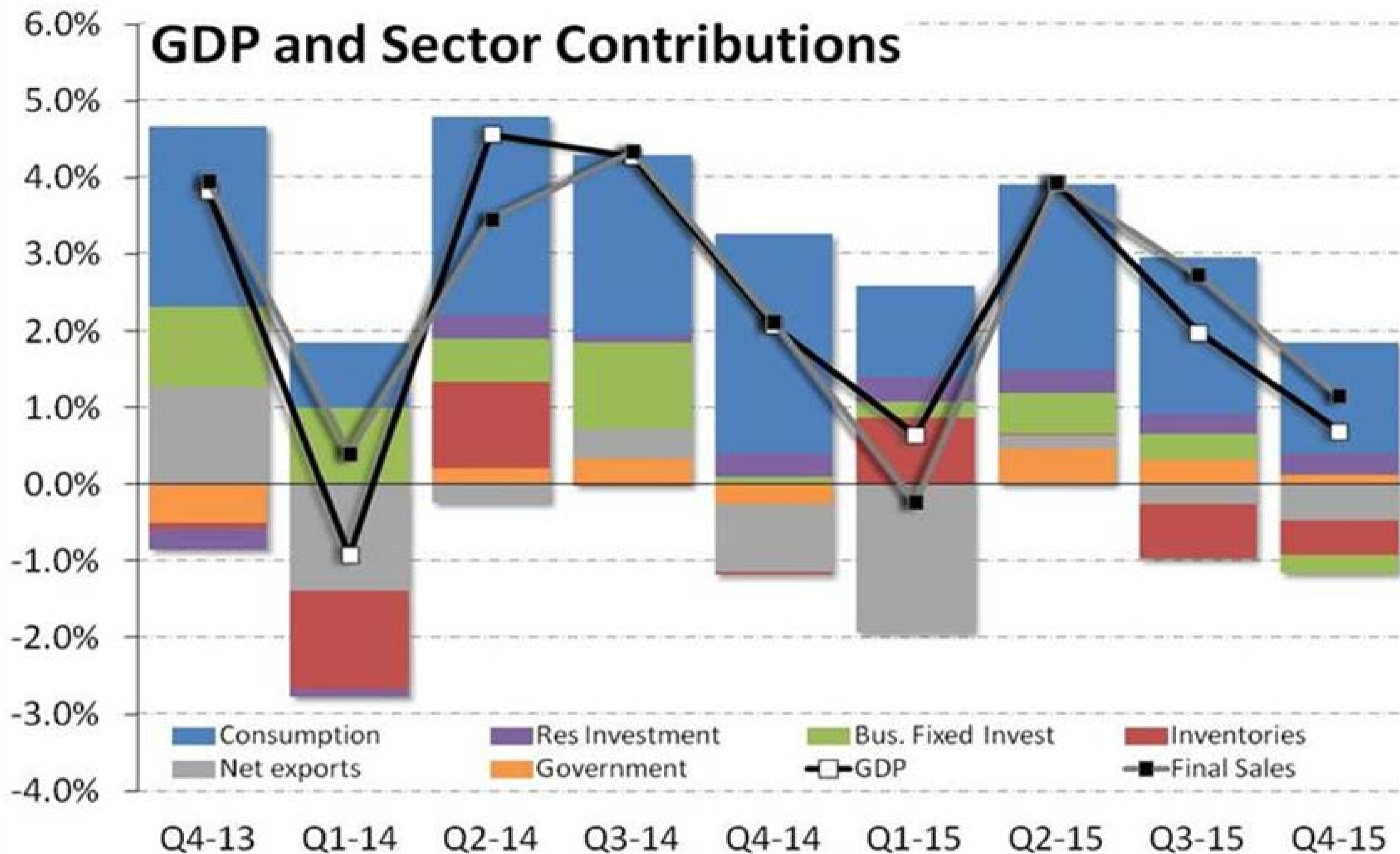


4Q15 Investment Results for the Management Committee

2-24-16

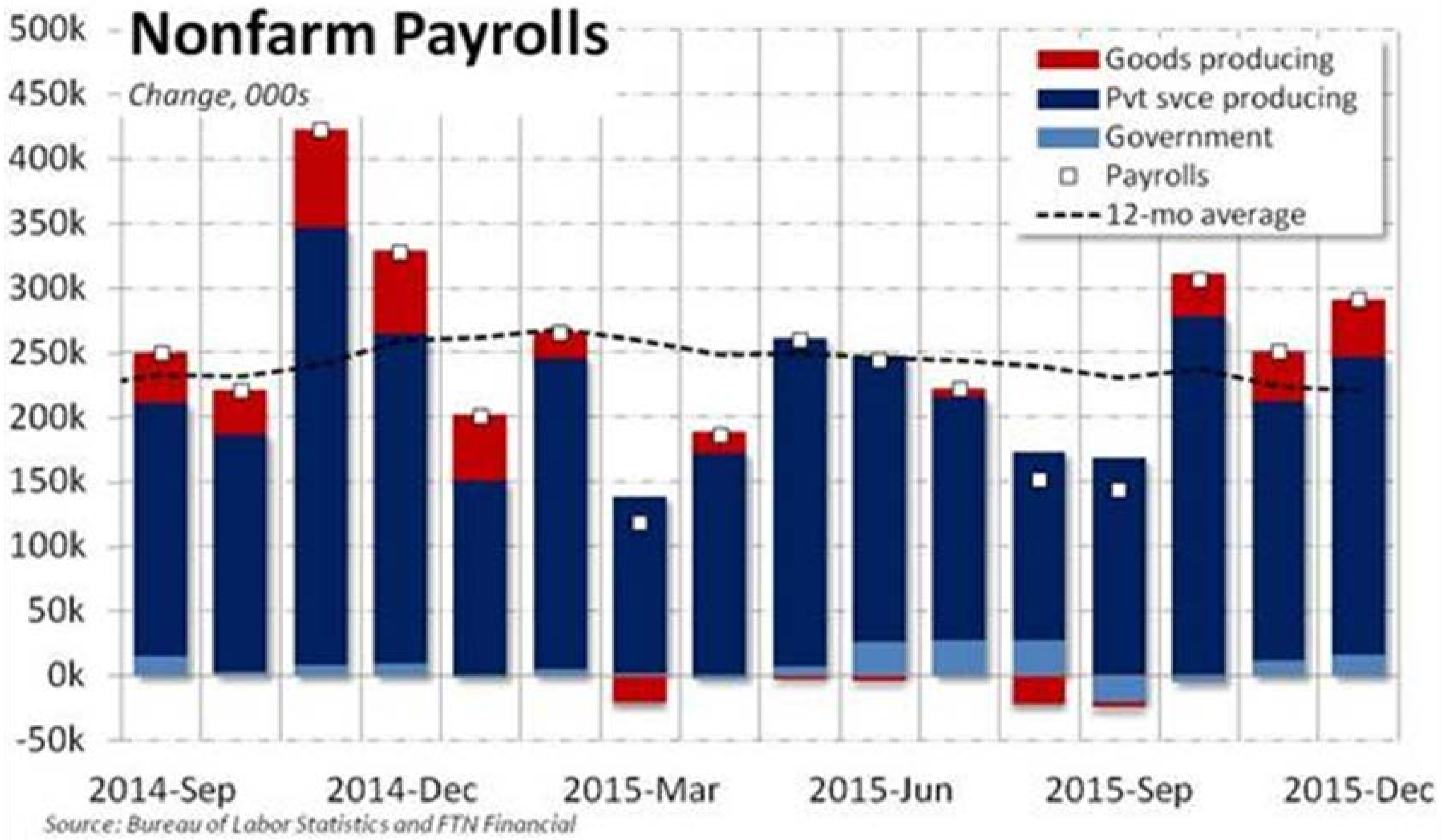
Economic Review: Real GDP



Source: Bureau of Economic Analysis and FTN Financial

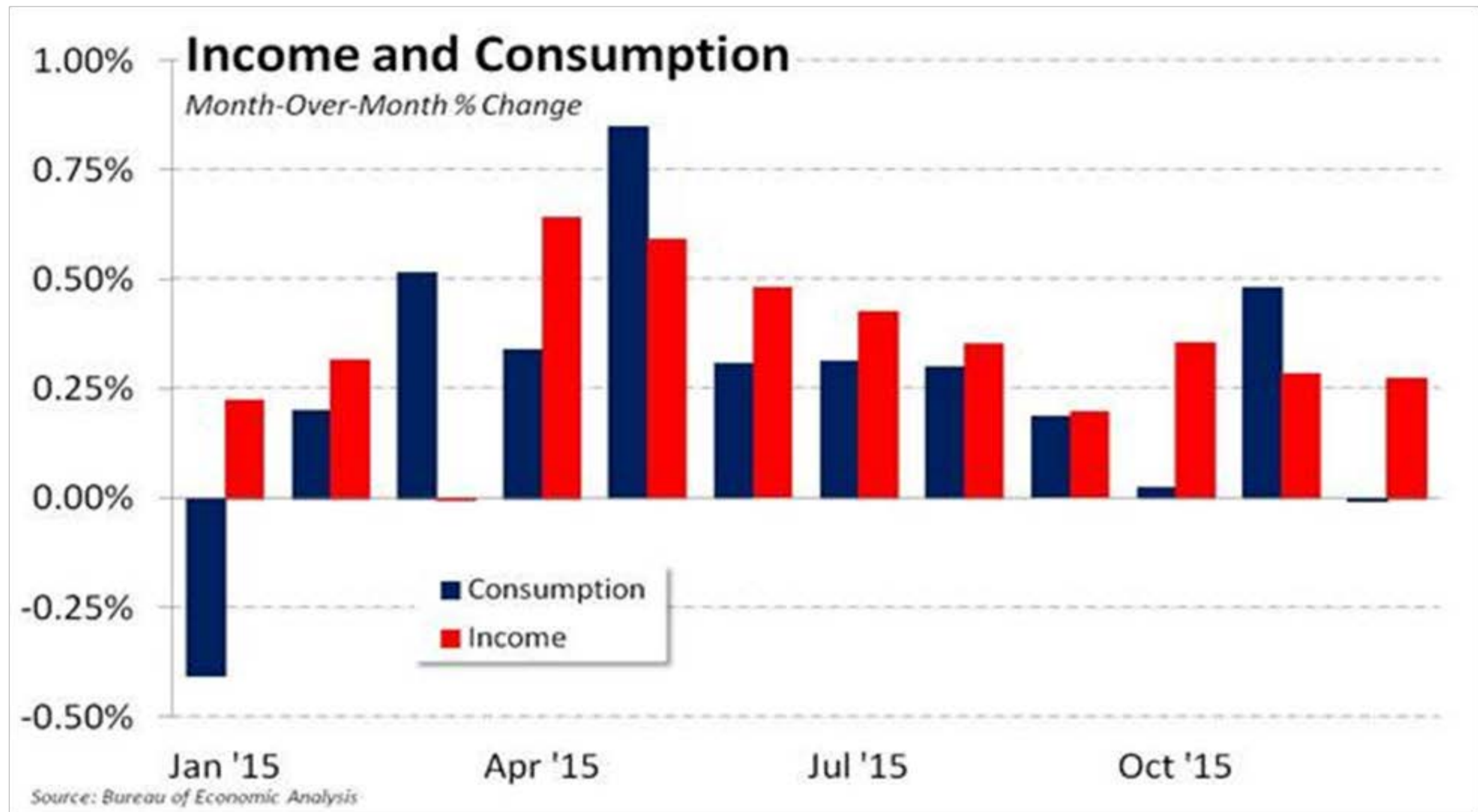
Source: Bureau of Economic Analysis and FTN Financial

US Nonfarm Payroll



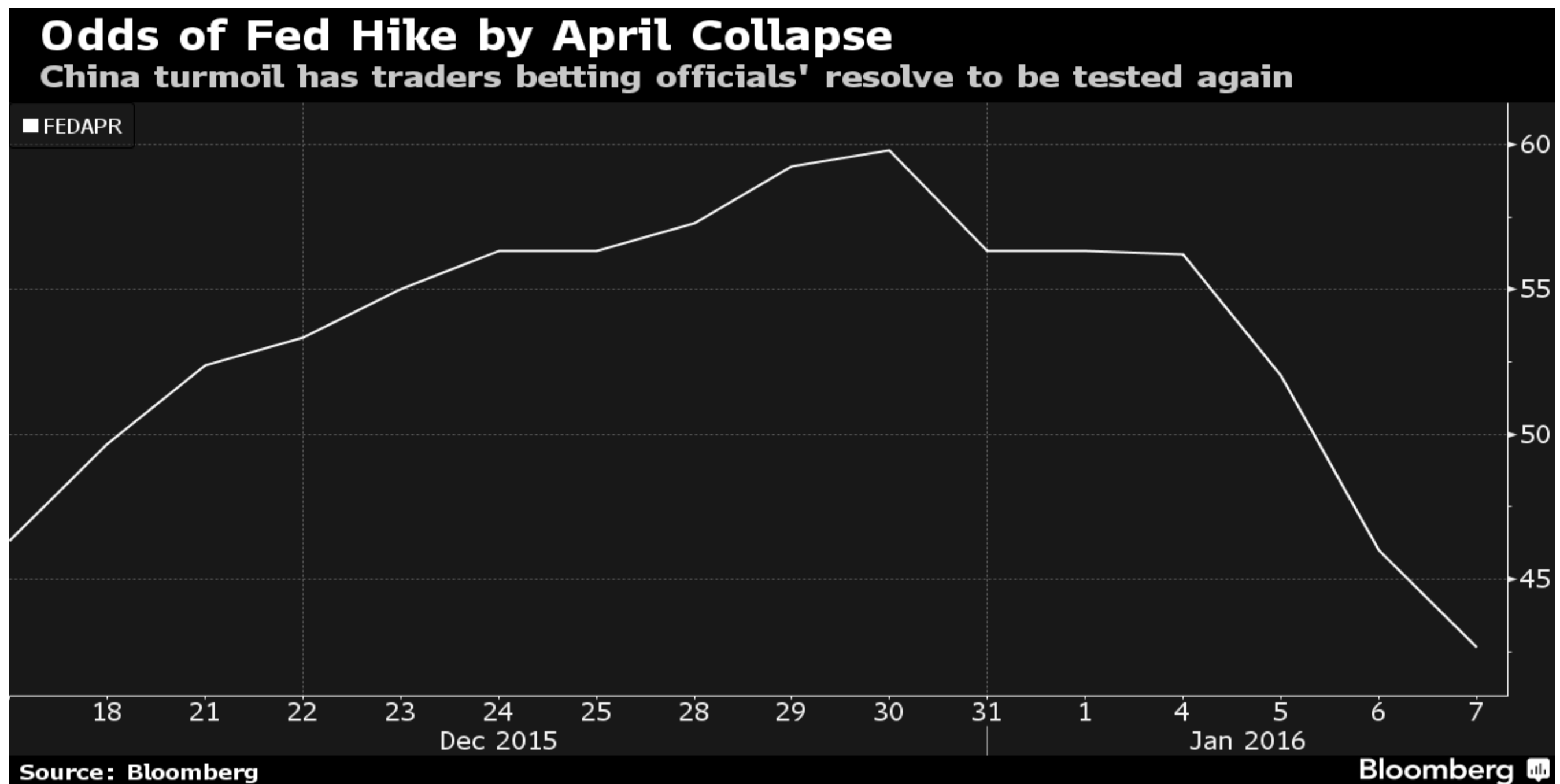
Source: Bureau of Labor Statistics and FTN Financial

Income and Consumption



Source: Bureau of Economic Analysis and FTN Financial

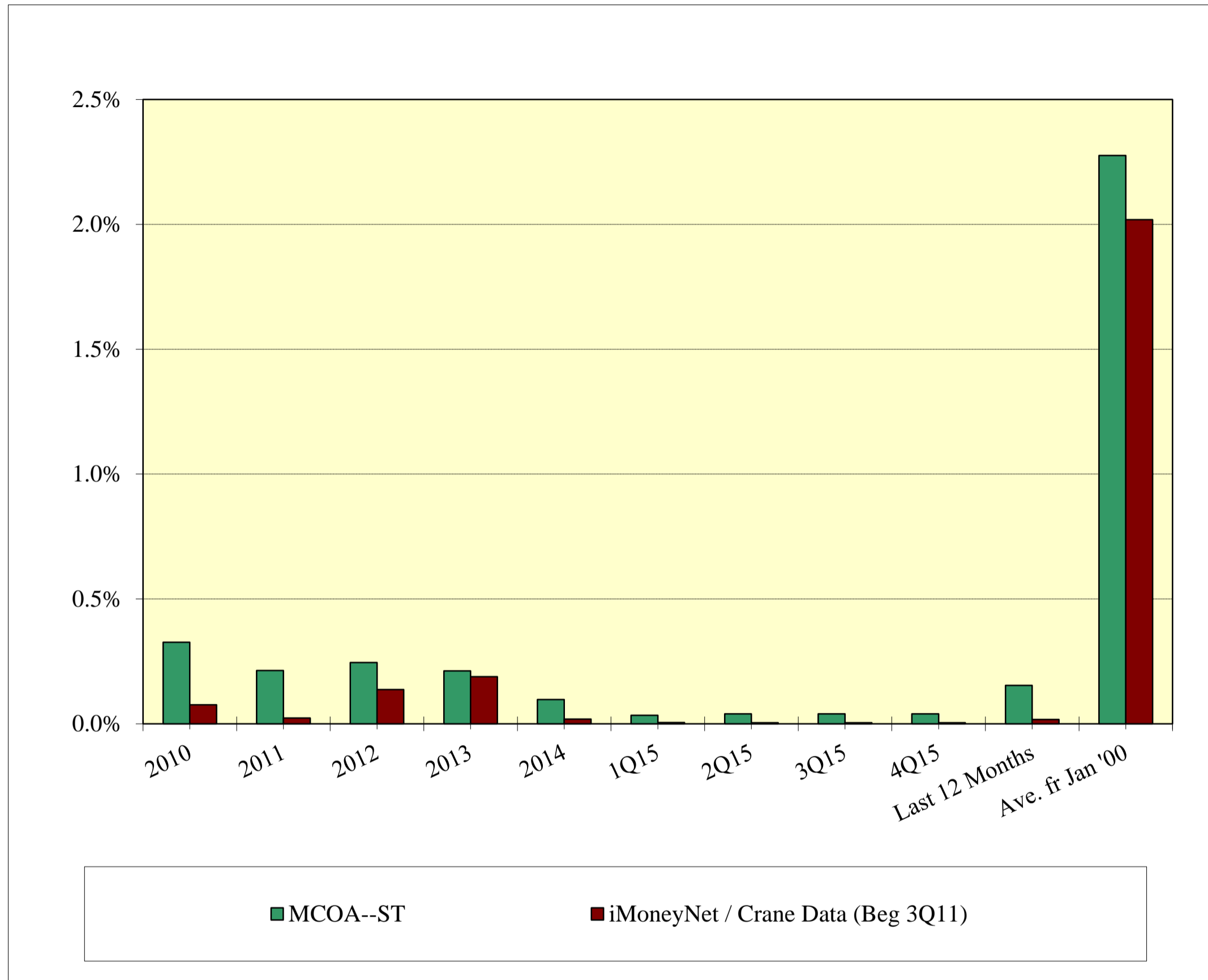
Fed Rate Hike Probability



The resurgence of Chinese stock-market turmoil in 2016 has investors increasingly betting that Federal Reserve officials will lose some of their resolve and delay future interest-rate boosts. Traders see a 43 percent chance that policy makers in Washington will lift the benchmark rate by their April meeting, down from 52 percent.

Source: Bloomberg

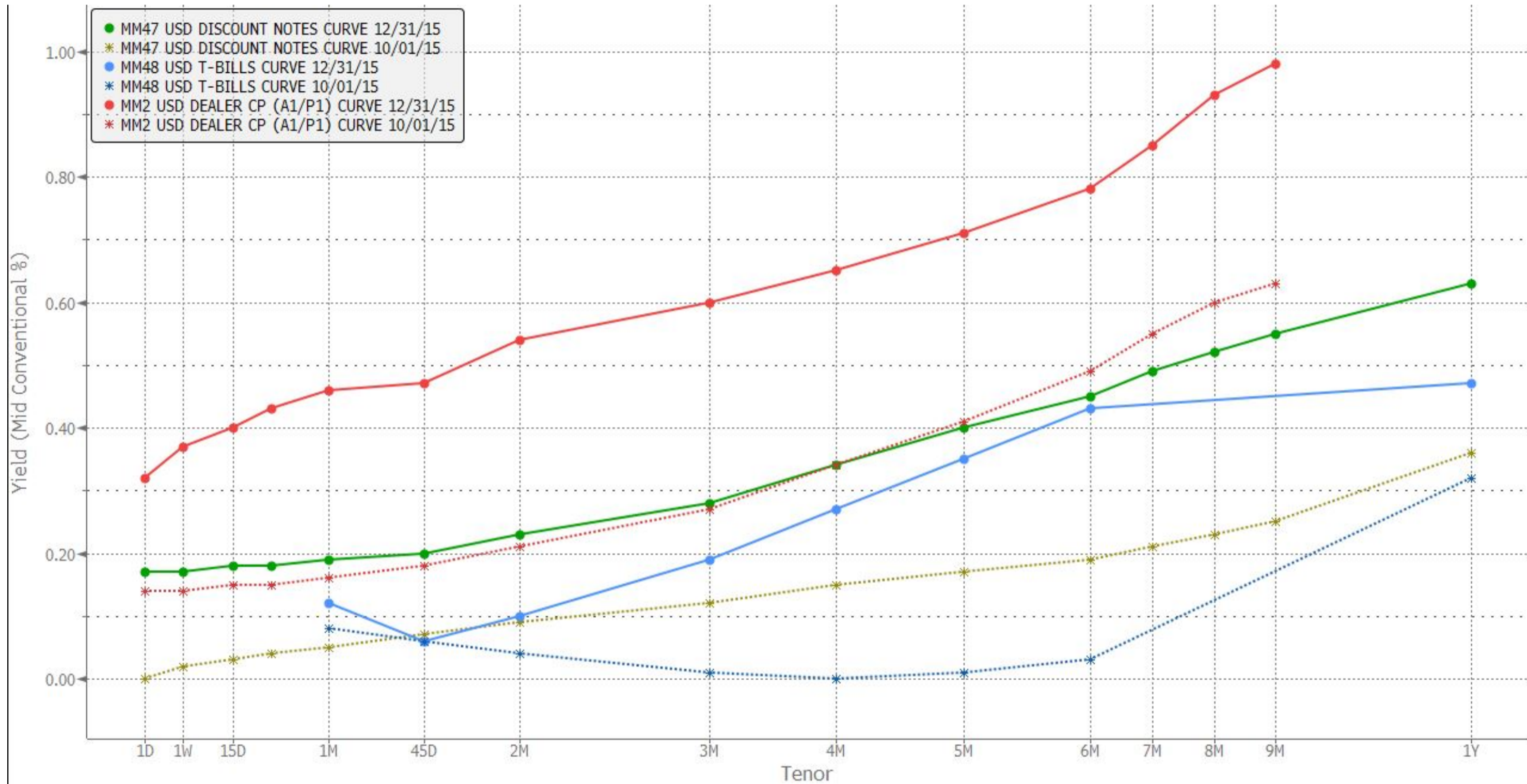
Total Return, ST Portfolio



- +2 bps (above) Index in 4Q15
- +26 bps/year ave. over index for last 17 yrs

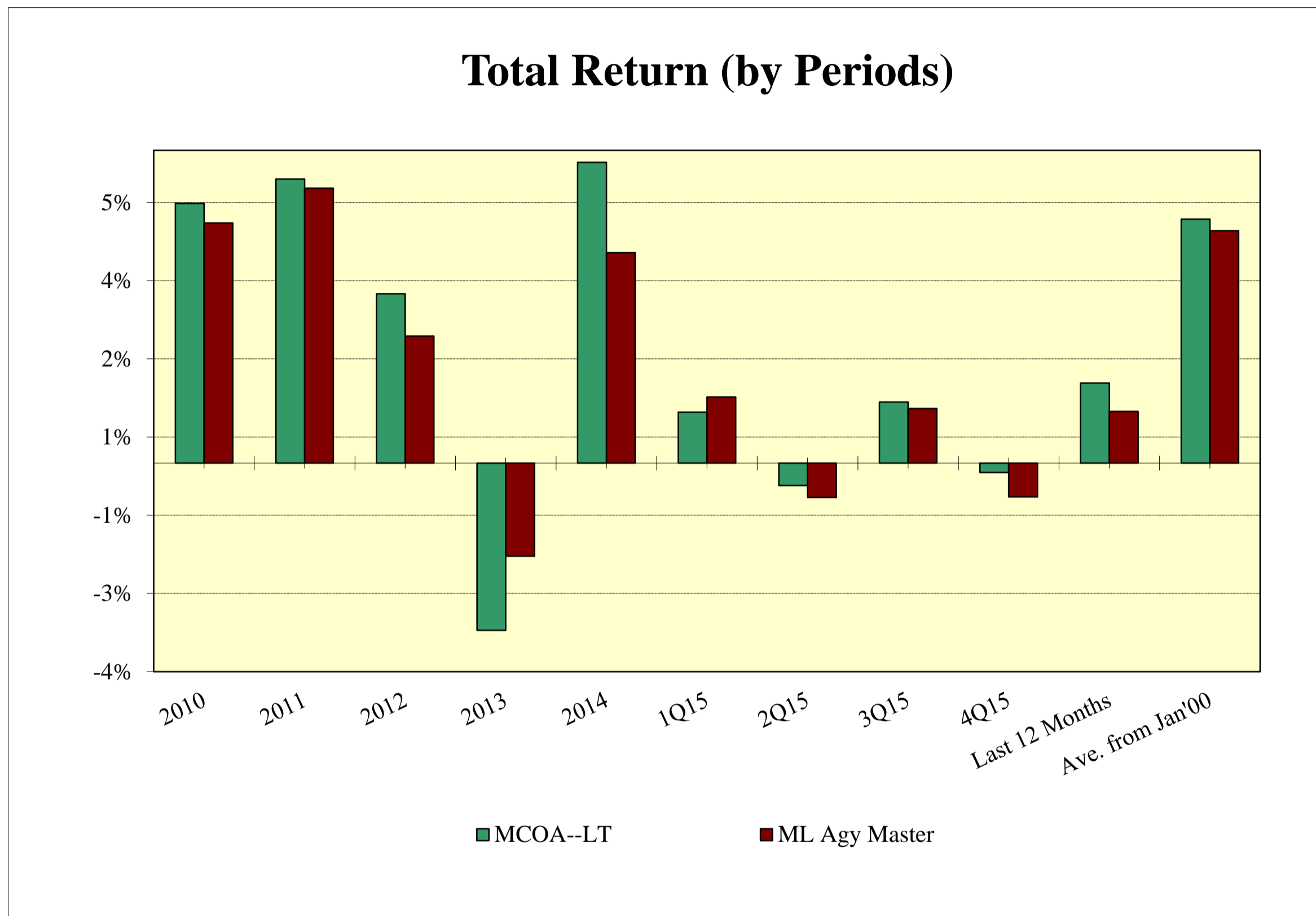
Source: Metropolitan Council, Bloomberg

US Short rates have remained at stable, low levels



Source: Bloomberg

Total Return, LT Portfolio



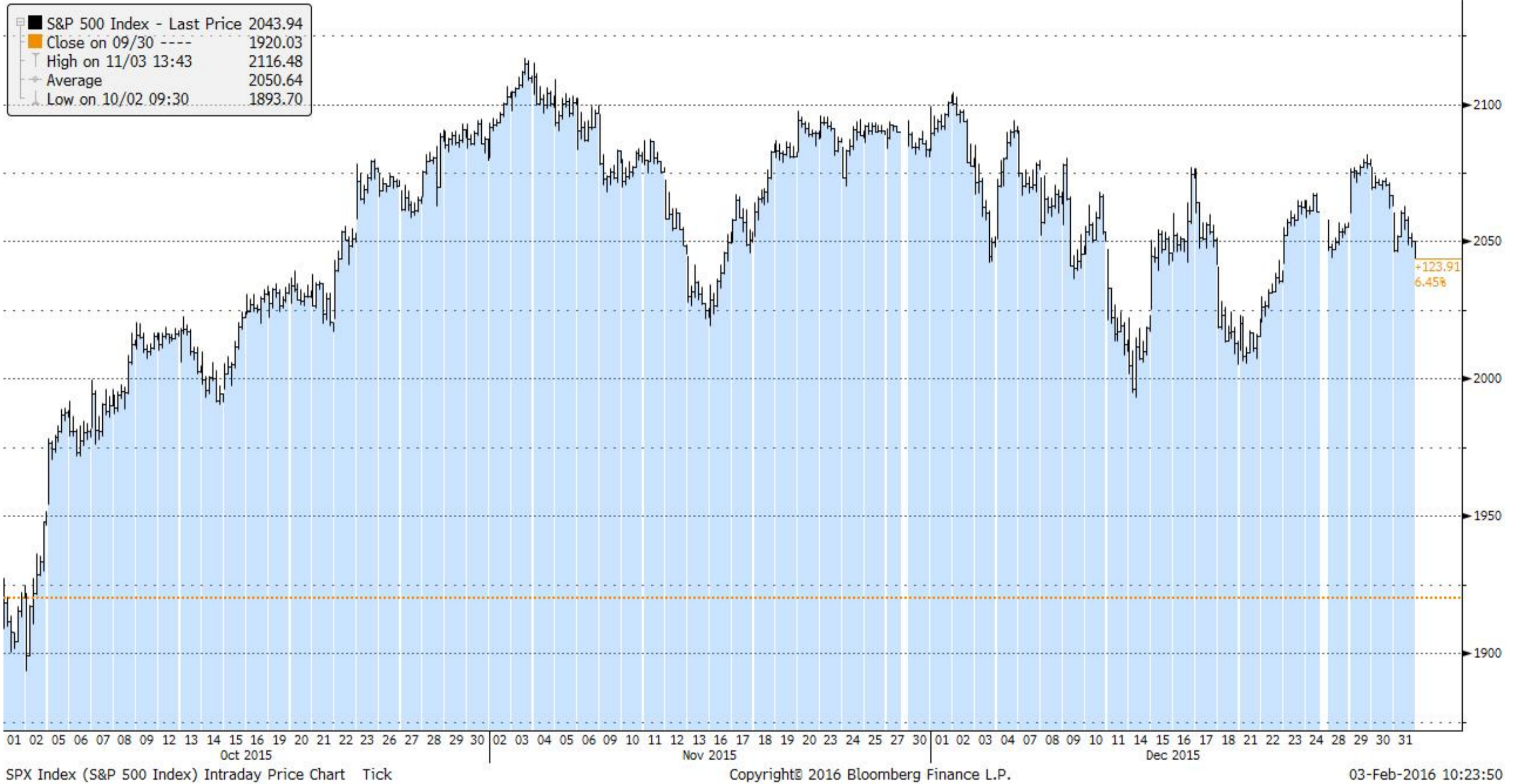
- +47 bps (above) Index in 4Q15
- +22 bps/year ave. over index for last 17 yrs

Source: Metropolitan Council, Bloomberg

Investment Plans for Long-term Portfolio

- Use cash balances to maintain effective duration within a range of 2 - 6.
- Cash can be utilized to purchase high yielding securities should rates rise in the near future.
- With lower yields, a lot of activity in 1Q16 with bonds being called.

S&P 500 Index



Source: Bloomberg

OPEB 4Q15 Port Results

- OPEB @ 7.23% ; S&P 500 Index @ 6.81%
- 4Q15 realized & unrealized gain is \$ 14.0M

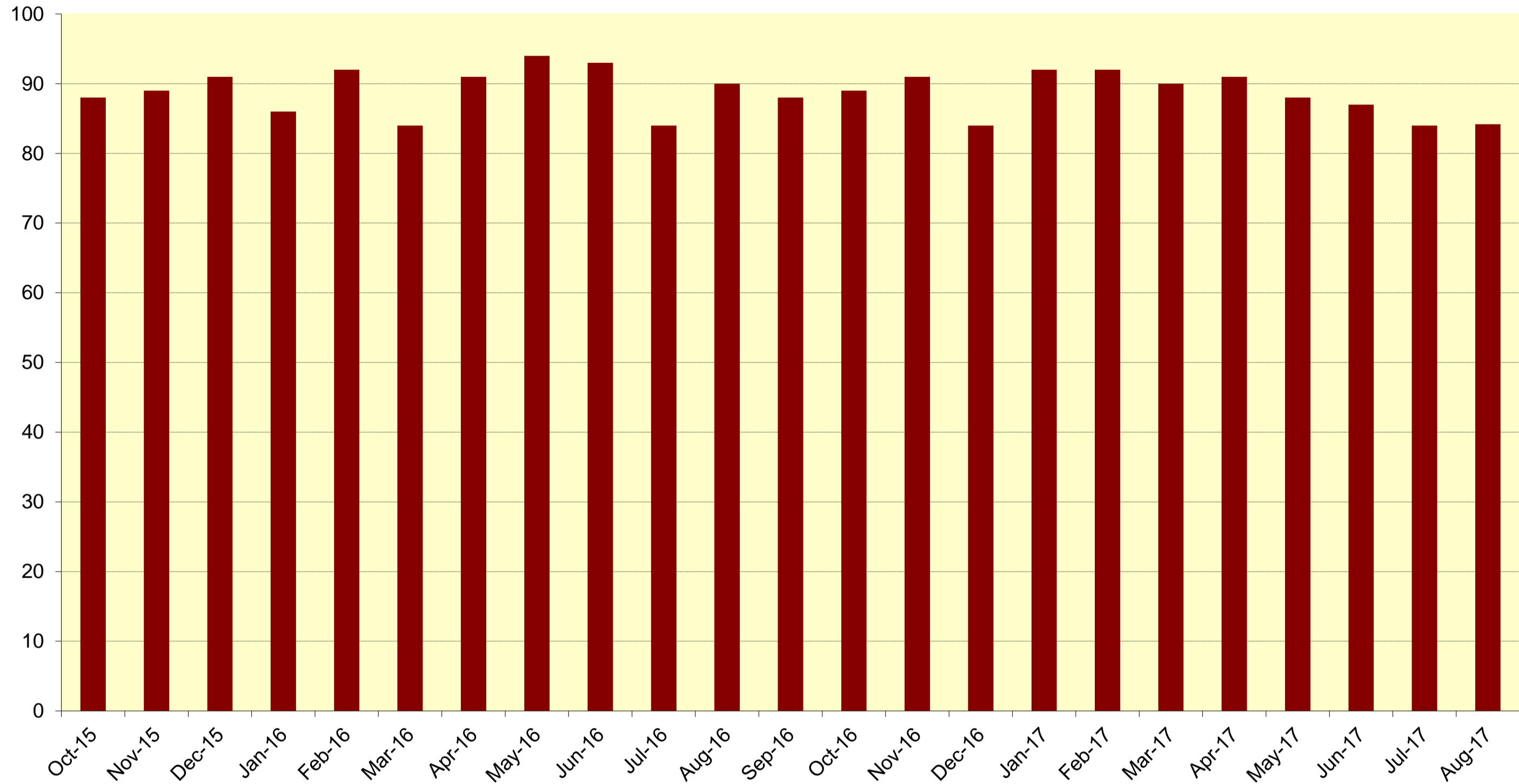
- Value:

	03-31-15:	\$	205.7 MM
	06-30-15:	\$	206.6 MM
	09-30-15:	\$	193.4 MM
	12-31-15:	\$	207.4 MM
Internal Cash	12-31-15:	\$	10.9 MM

Allocation Expectations: OPEB

- A new investment strategy has been implemented. We changed the asset allocation to 88% Equities and 12% US Treasury's. The actual purchase of the Treasury's took place in late November.
- Equity markets will remain volatile due to market uncertainty fueled by geopolitical risks.

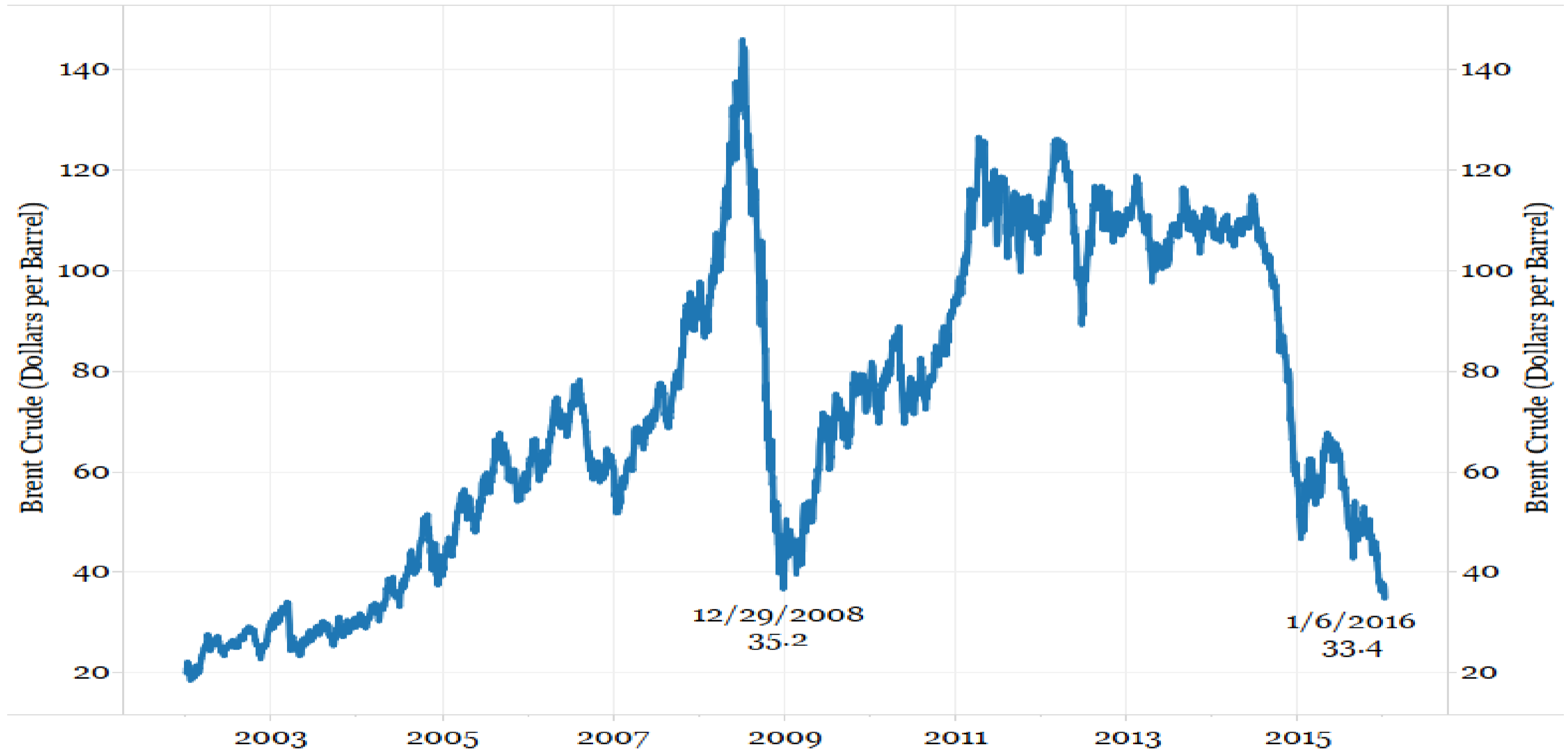
Diesel Hedging Program



Source: Metropolitan Council

Brent Crude Oil: What's Happening

Brent Crude Oil



Source: Bianco Research

Price At The Pump



Source: American Automobile Association

Source: American Automobile Association

What Will The Feds Do?



Source: Bianco Research

Questions

