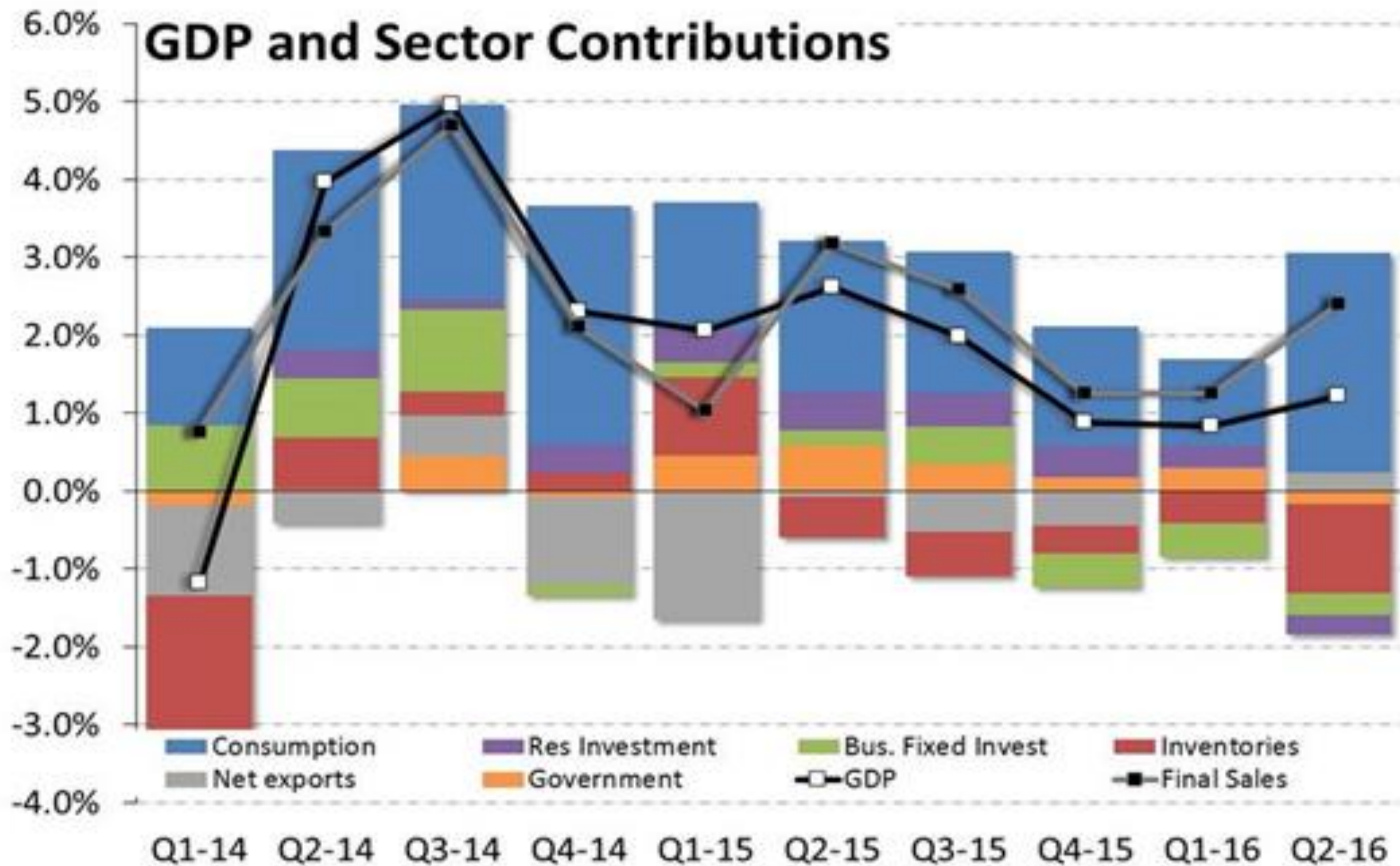


2Q16 Investment Results for the Management Committee

8-24-16

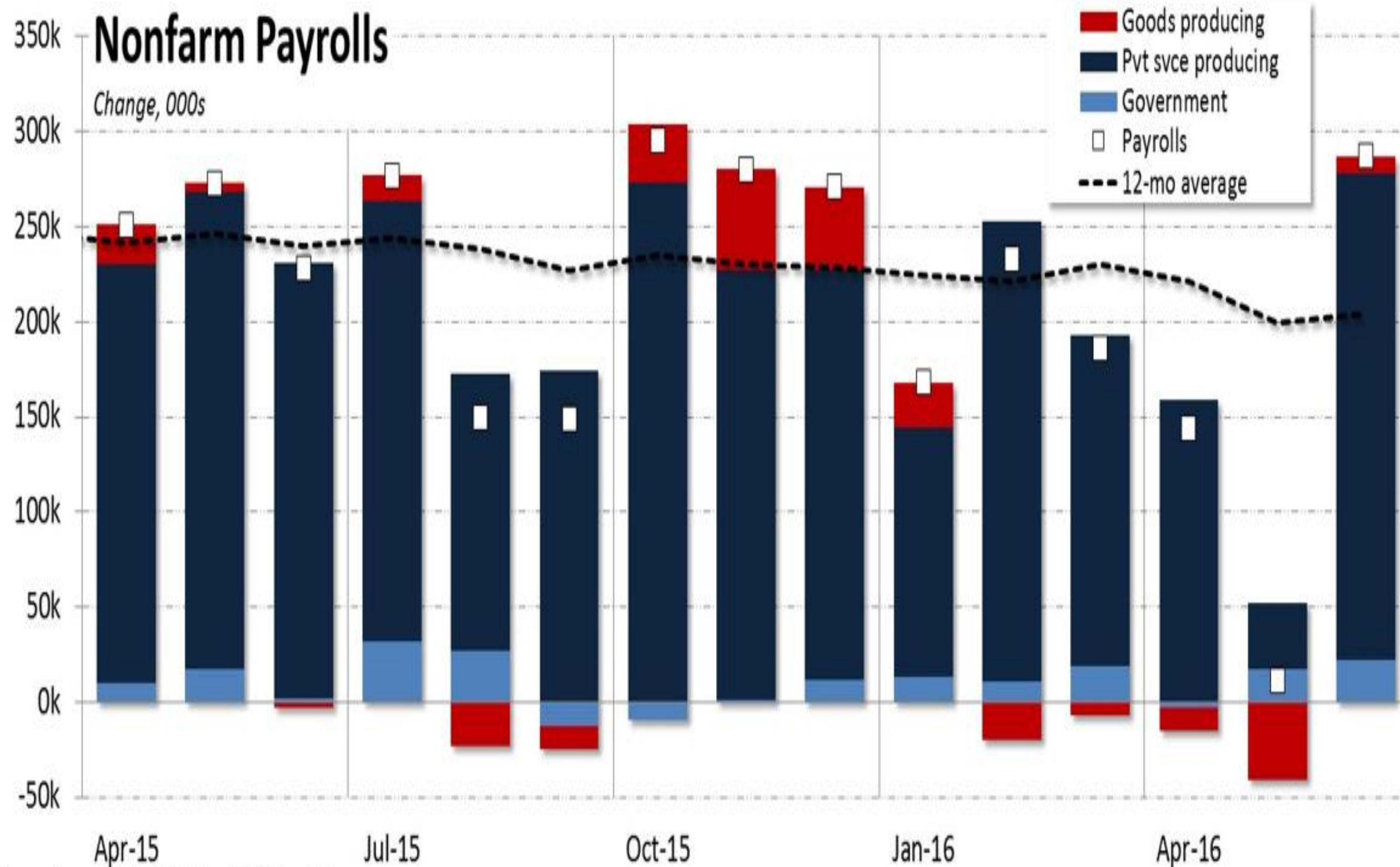
Economic Review: Real GDP



Source: Bureau of Economic Analysis and FTN Financial

Source: Bureau of Economic Analysis and FTN Financial

US Nonfarm Payrolls



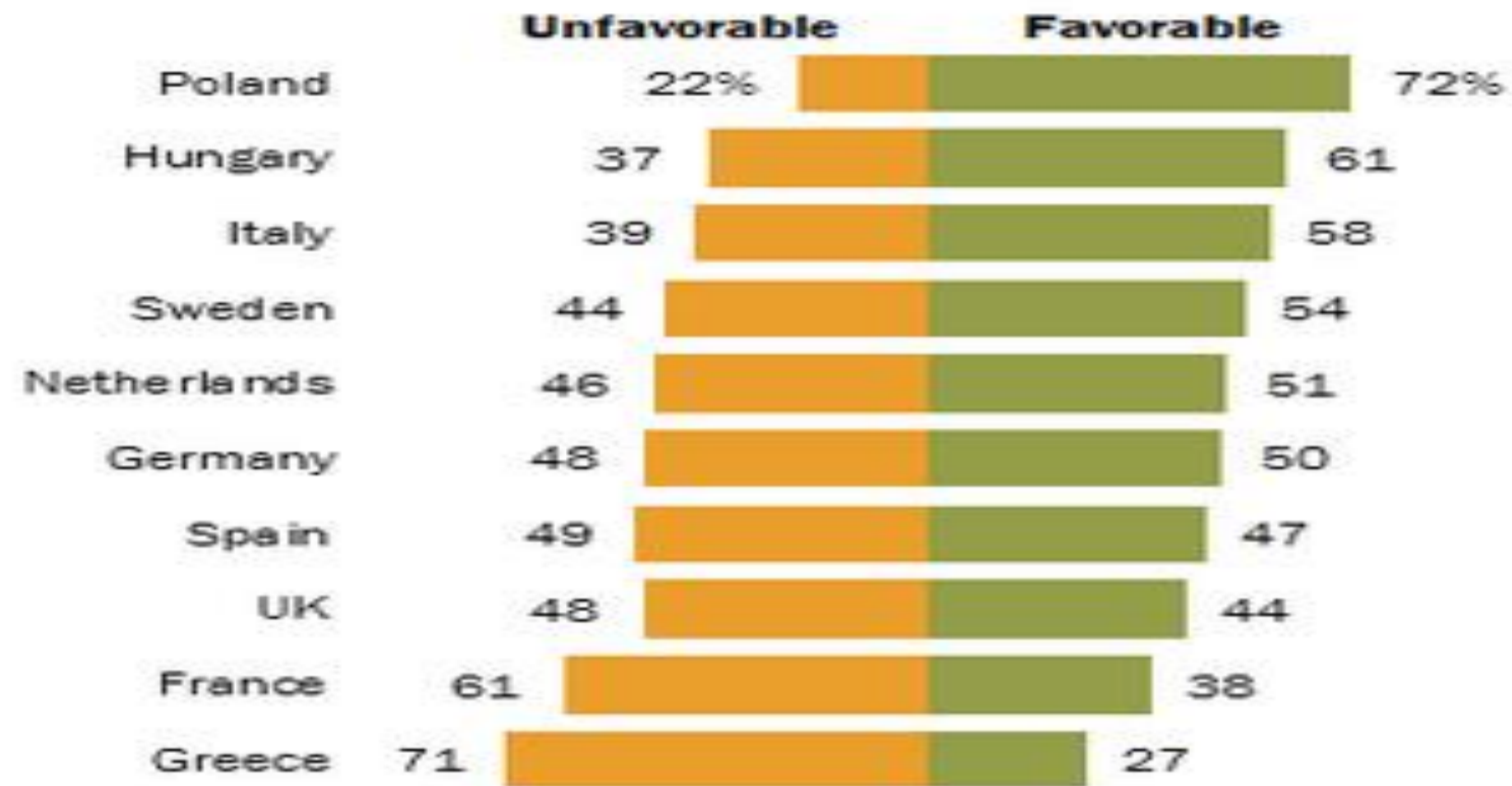
Source: Bureau of Labor Statistics and FTN Financial

Source: Bureau of Labor Statistics and FTN Financial

Country Views Of EU

EU favorability varies widely in Europe

Views of EU



Source: Spring 2016 Global Attitudes Survey, Q10c.

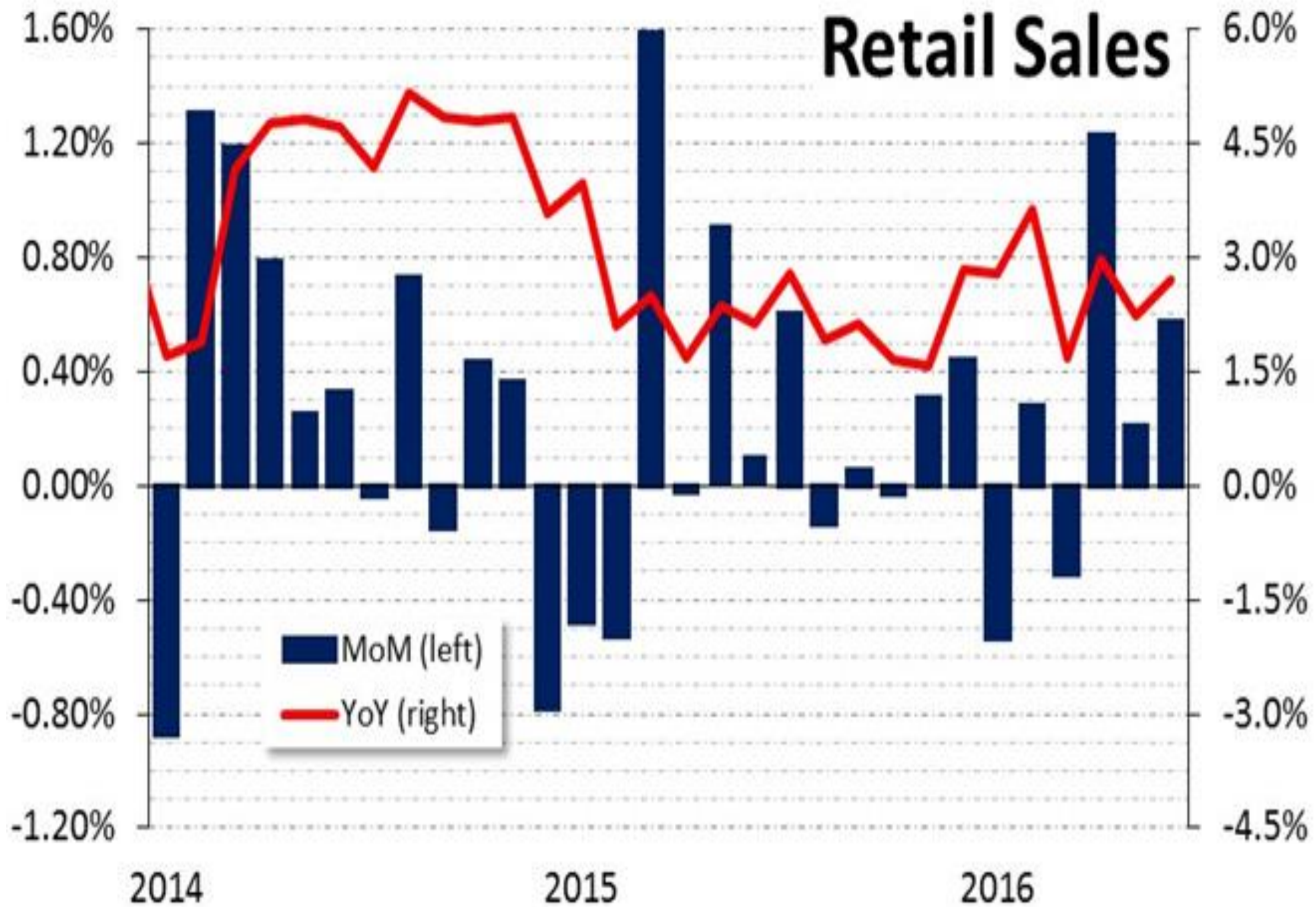
"Euroskepticism Beyond Brexit"

PEW RESEARCH CENTER

Greece is the most eurosceptic country, followed by France. The UK is comparable to Germany CREDIT: PEW

Source: Pew Research Center

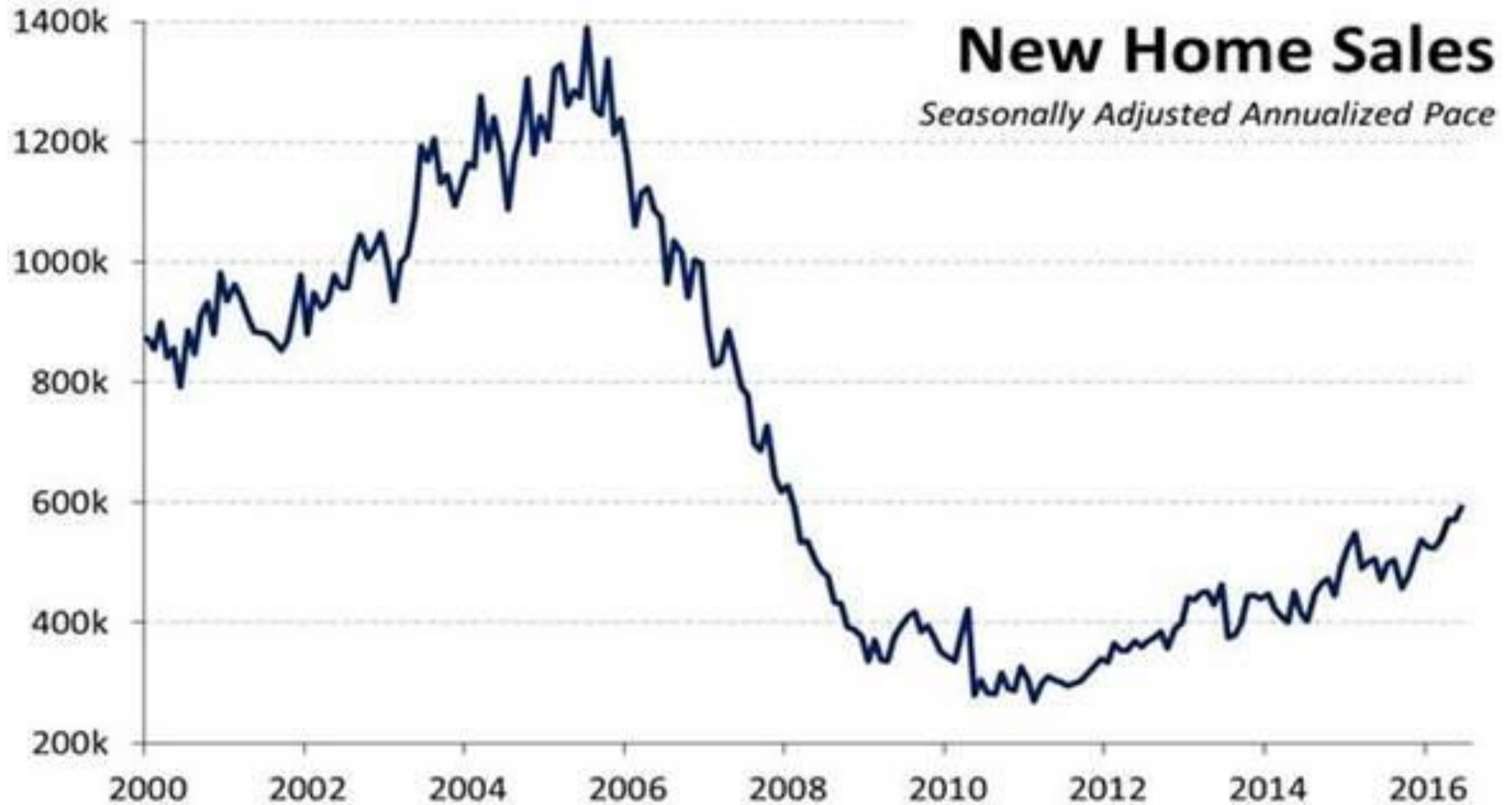
Retail Sales



Source: U.S. Census Bureau

Source: U.S. Census Bureau

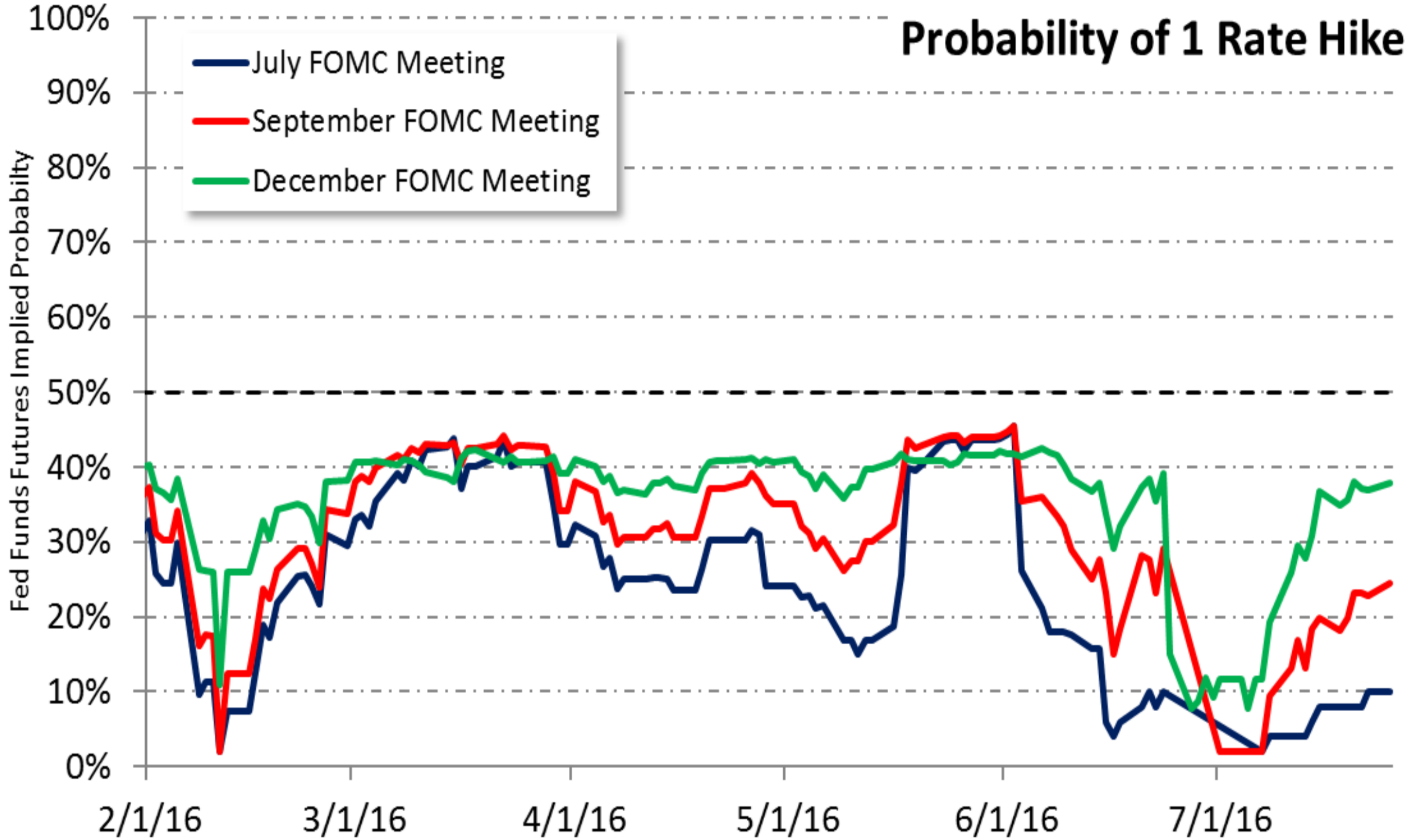
New Home Sales



Source: U.S. Census Bureau

Source: U.S. Census Bureau

Fed Rate Hike Probability

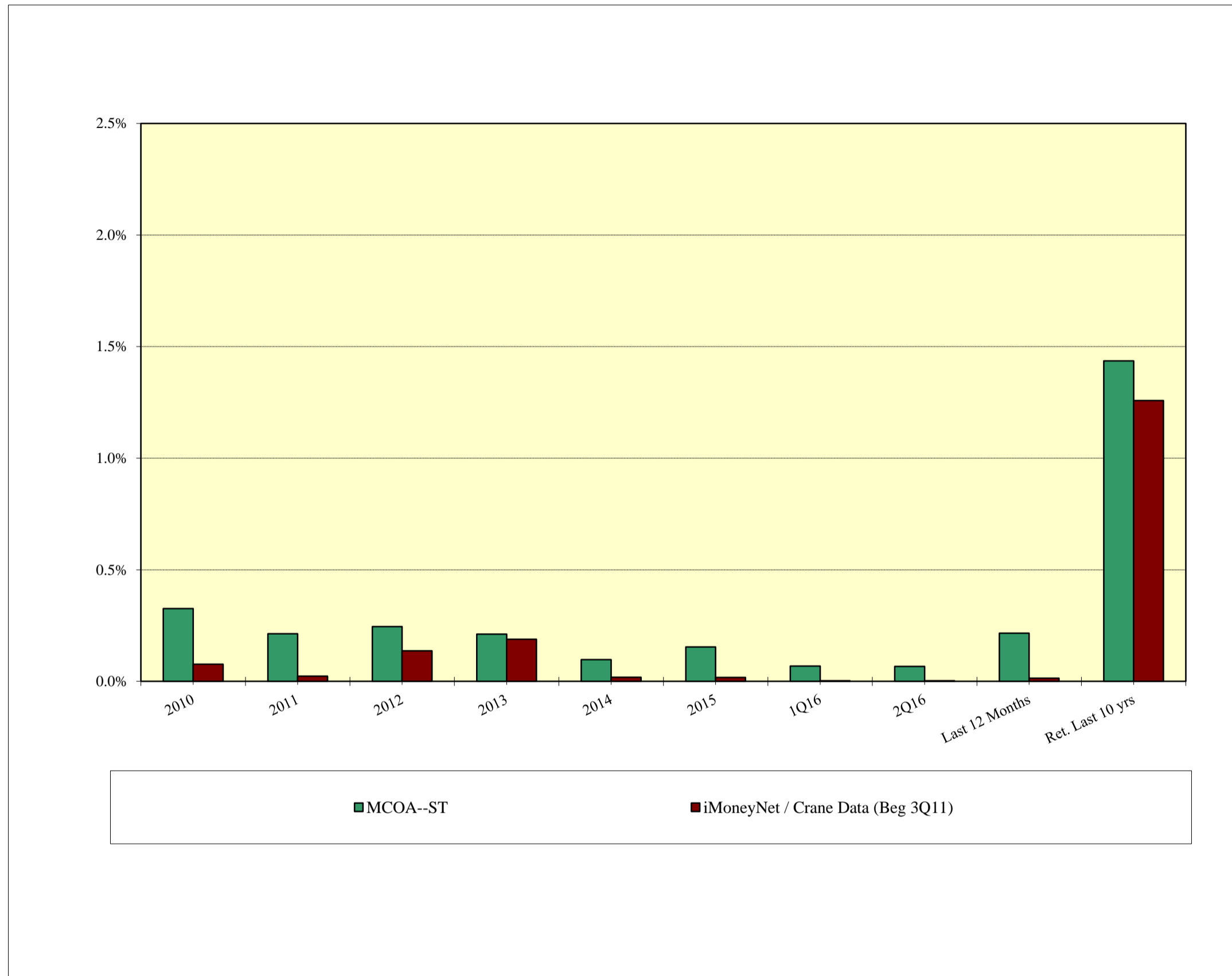


Source: Bloomberg

Source: Bloomberg



Total Return, ST Portfolio



- +4 bps (above) Index in 2Q16
- +18 bps/year ave. over the last 10 years

Source: Metropolitan Council, Bloomberg

Total Return, LT Portfolio



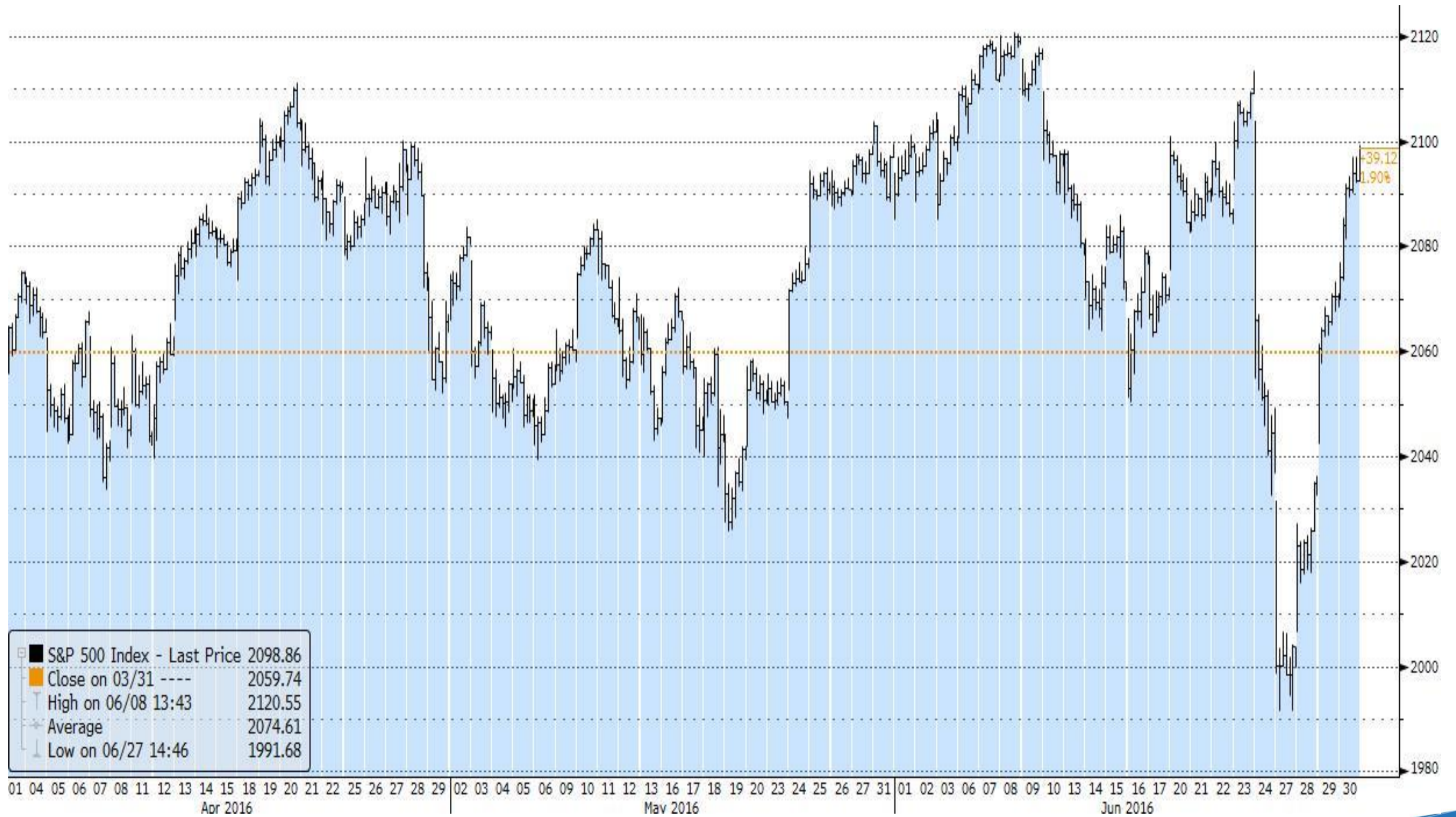
- -56 bps (below) Index in 2Q16
- +30 bps/year ave. over the last 10 years

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 2Q16 with bonds being called.

S&P 500 Index



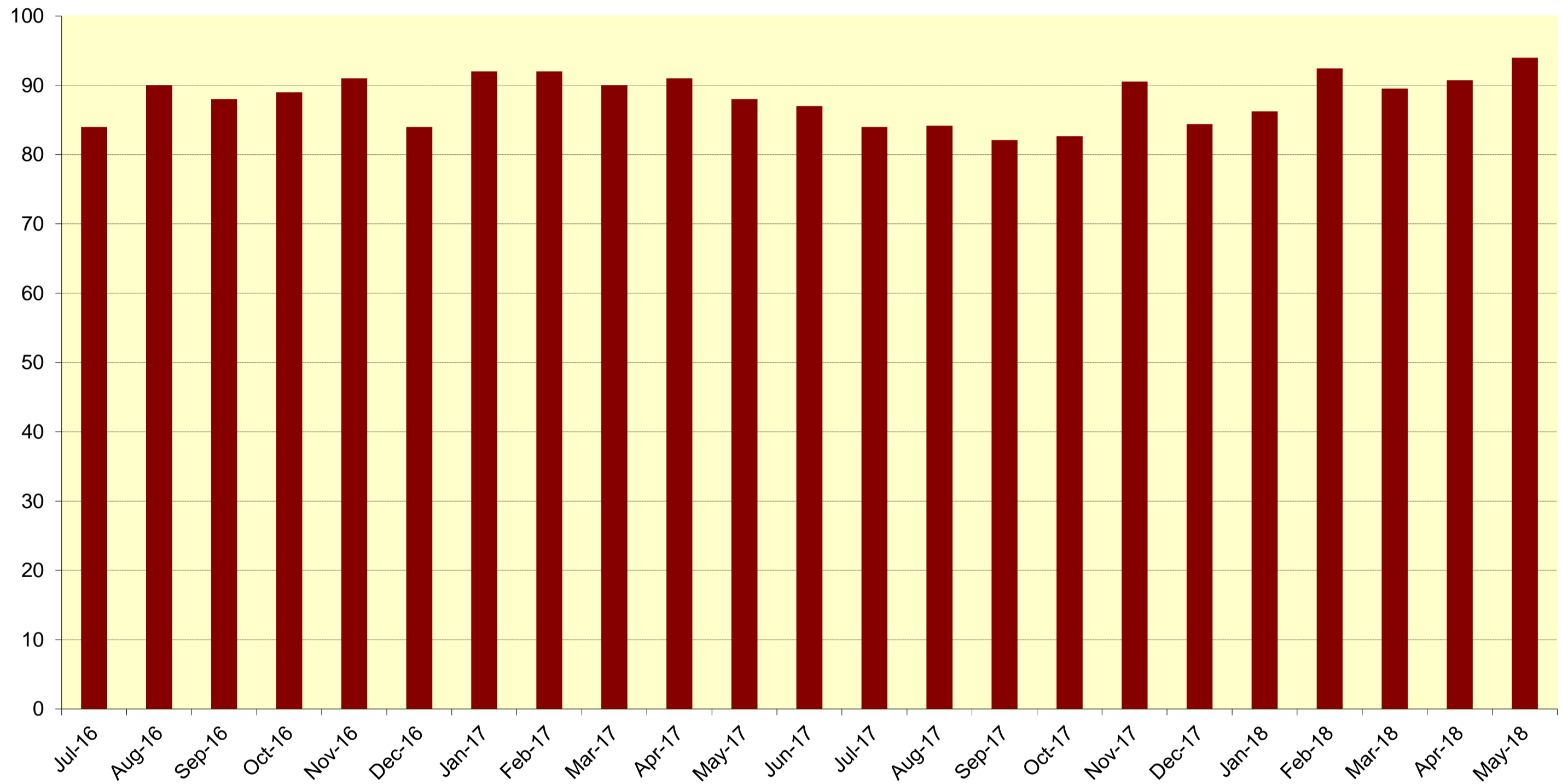
Source: Bloomberg

OPEB 2Q16 Port Results

- OPEB @ 2.22% ; S&P 500 Index @ 2.46%
- 2Q16 unrealized gain is \$ 4.7M

			<u>Total</u>
• Value:	09-30-15:	\$193.4 MM	
	Internal 09-30-15:	\$ 5.9 MM	\$199.3 MM
	12-31-15:	\$207.4 MM	
	Internal 12-31-15:	\$ 10.9 MM	\$218.3 MM
	03-31-16:	\$210.2 MM	
	Internal 03-31-16:	\$ 11.3 MM	\$221.5 MM
	06-30-16:	\$214.9 MM	
	Internal 06-30-16:	\$ 9.9 MM	\$224.8 MM

Diesel Hedging Program



Source: Metropolitan Council

Crude Oil: What's Happening



Source: New York Mercantile Exchange

Source: New York Mercantile Exchange

What Will the Fed Do?



Source: Bianco Research

Questions

