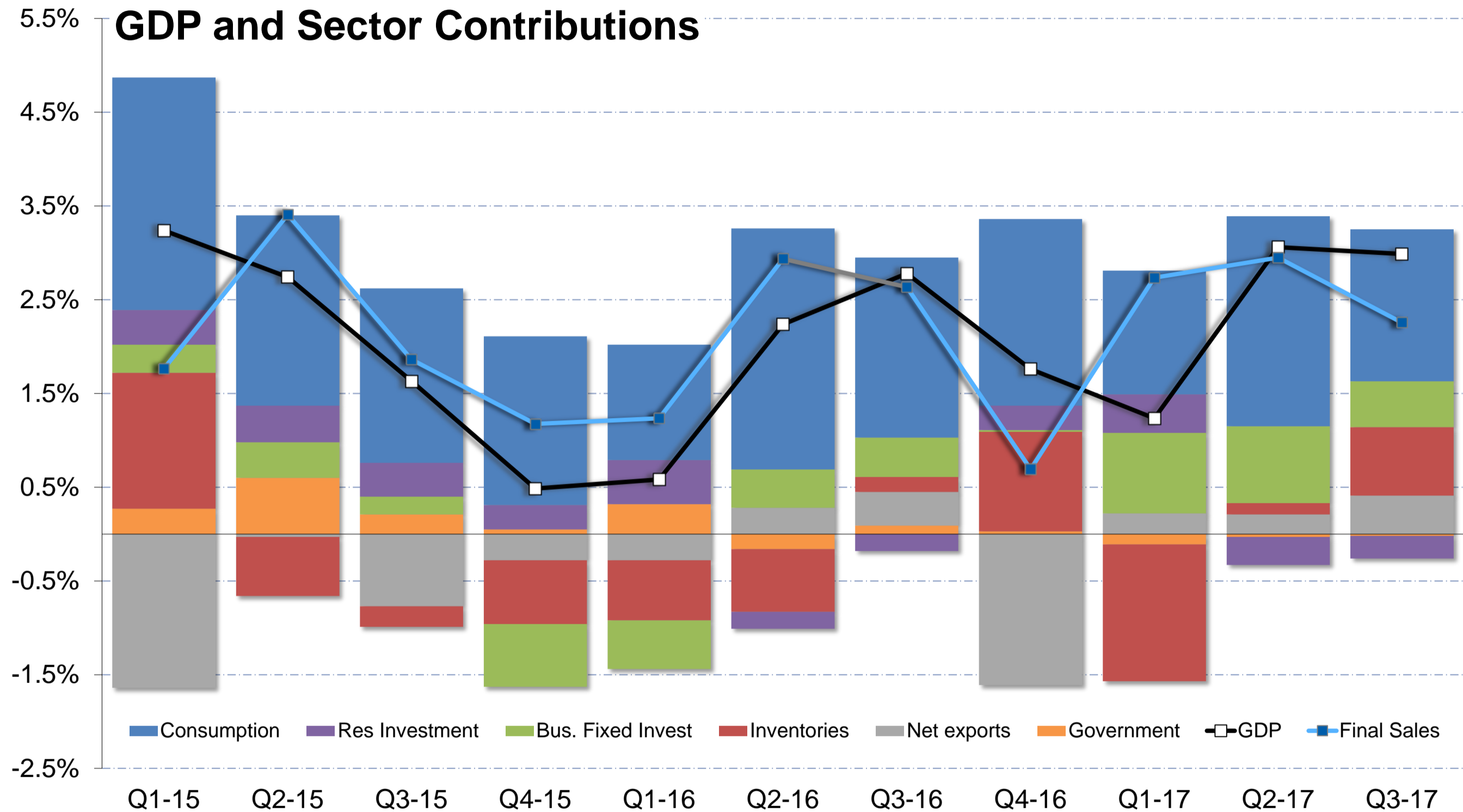


3Q17 Investment Results for the Management Committee

12-13-17

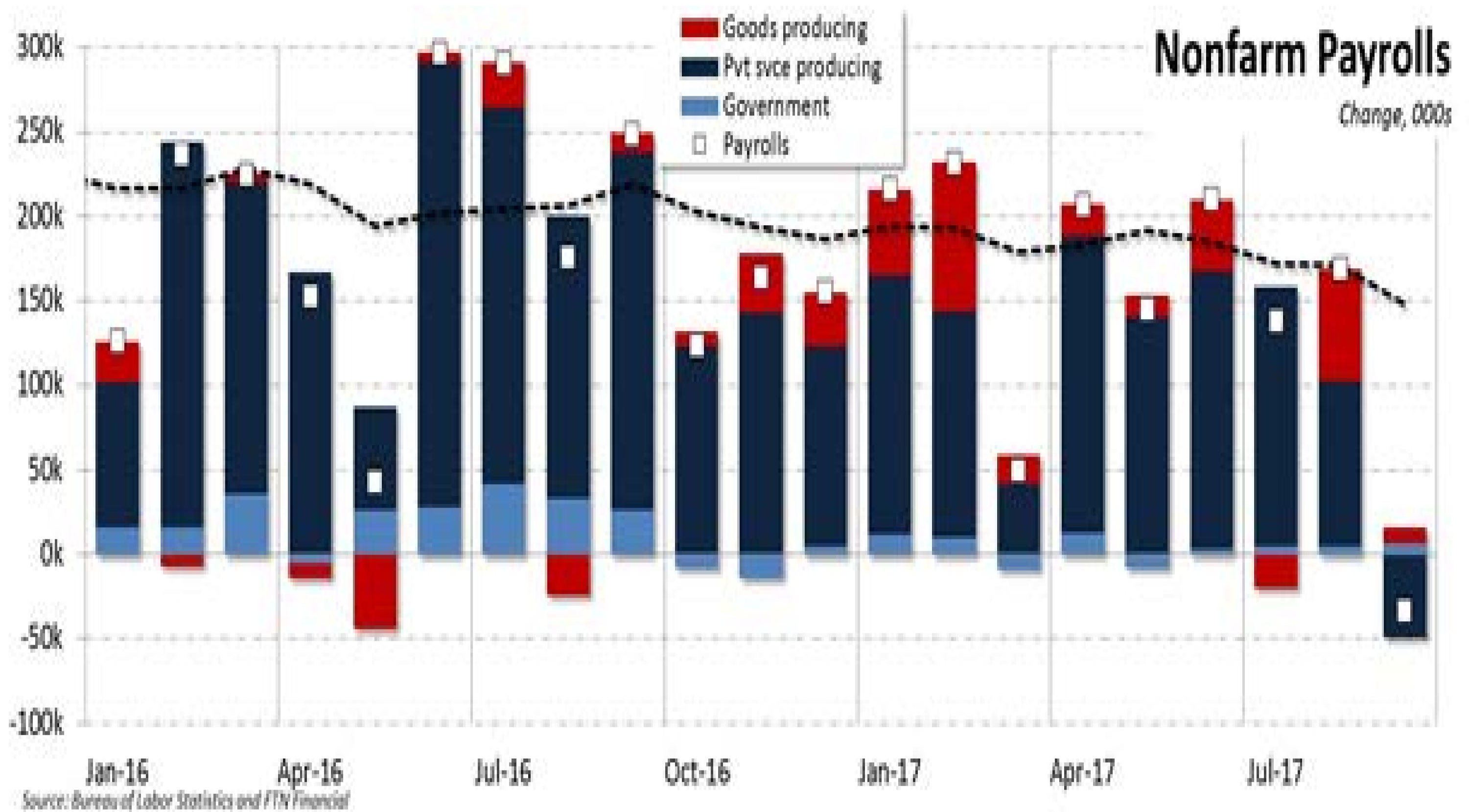
Economic Review: Real GDP



Source: Bureau of Economic Analysis and FTN Financial

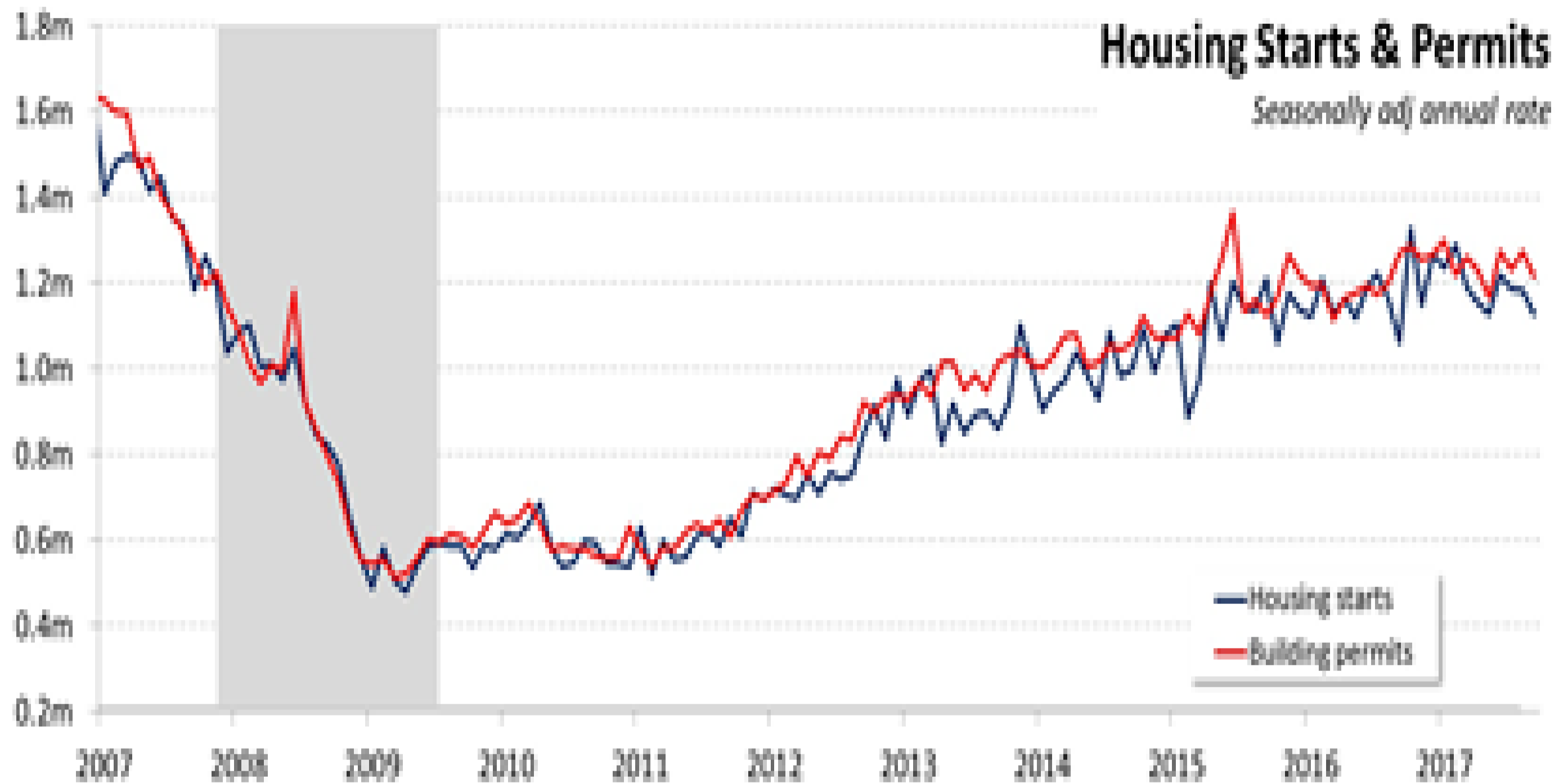
Source: Bureau of Economic Analysis and FTN Financial

US Nonfarm Payrolls



Source: Bureau of Labor Statistics and FTN Financial

Housing Starts & Permits



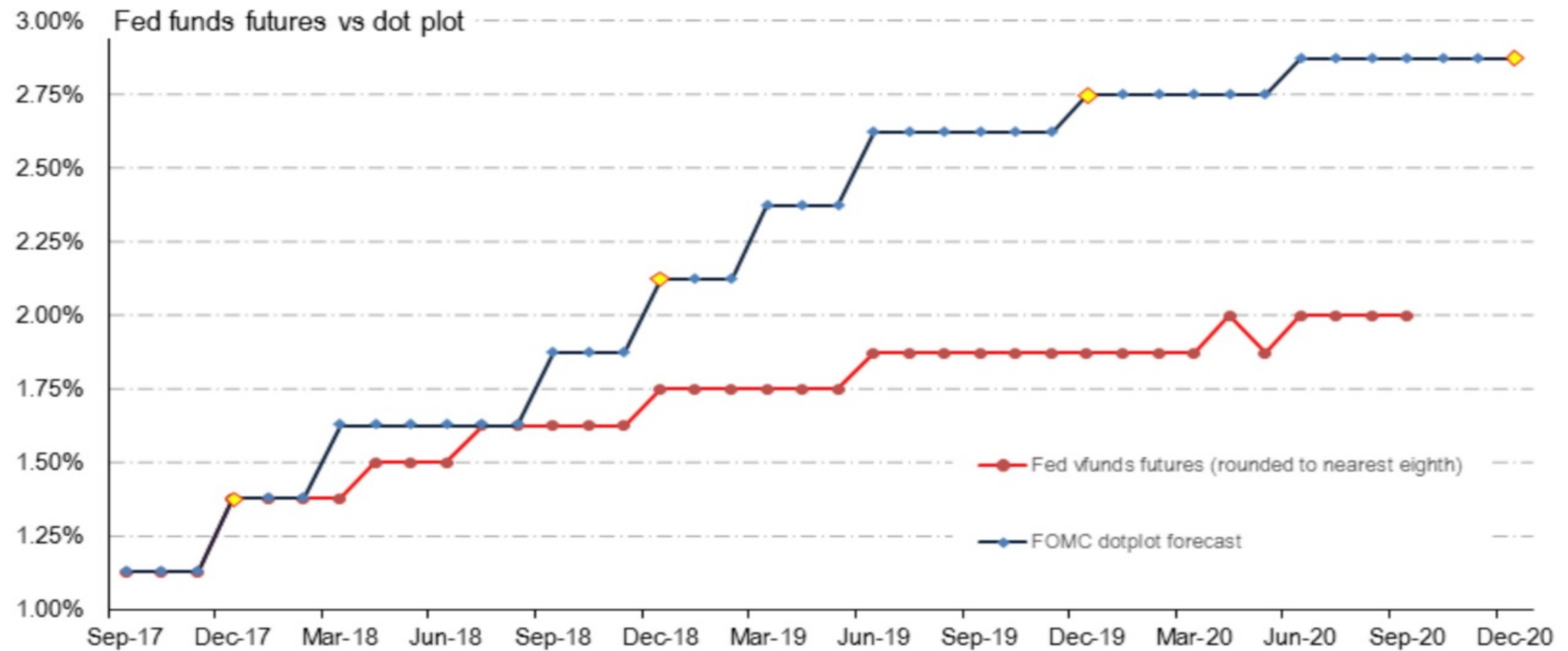
Source: Bureau of the Census and FTN Financial

Source: Bureau of the Consensus & FTN Financial

Fed Rate Hike Probability

Fed Fund Futures v FOMC Dot Plot

0



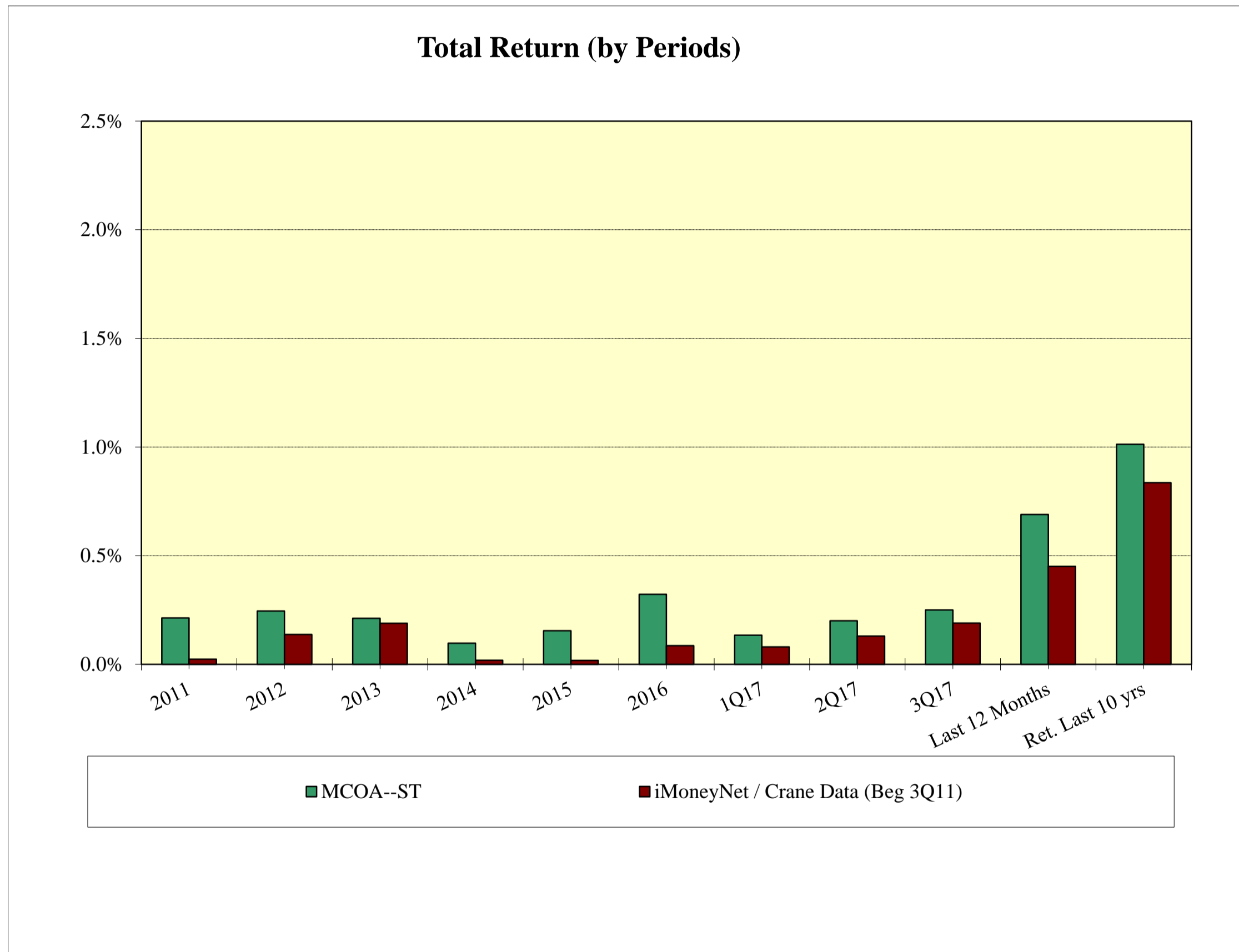
Source: Federal Reserve and Bloomberg



Source: Federal Reserve, Bloomberg & FTN Financial



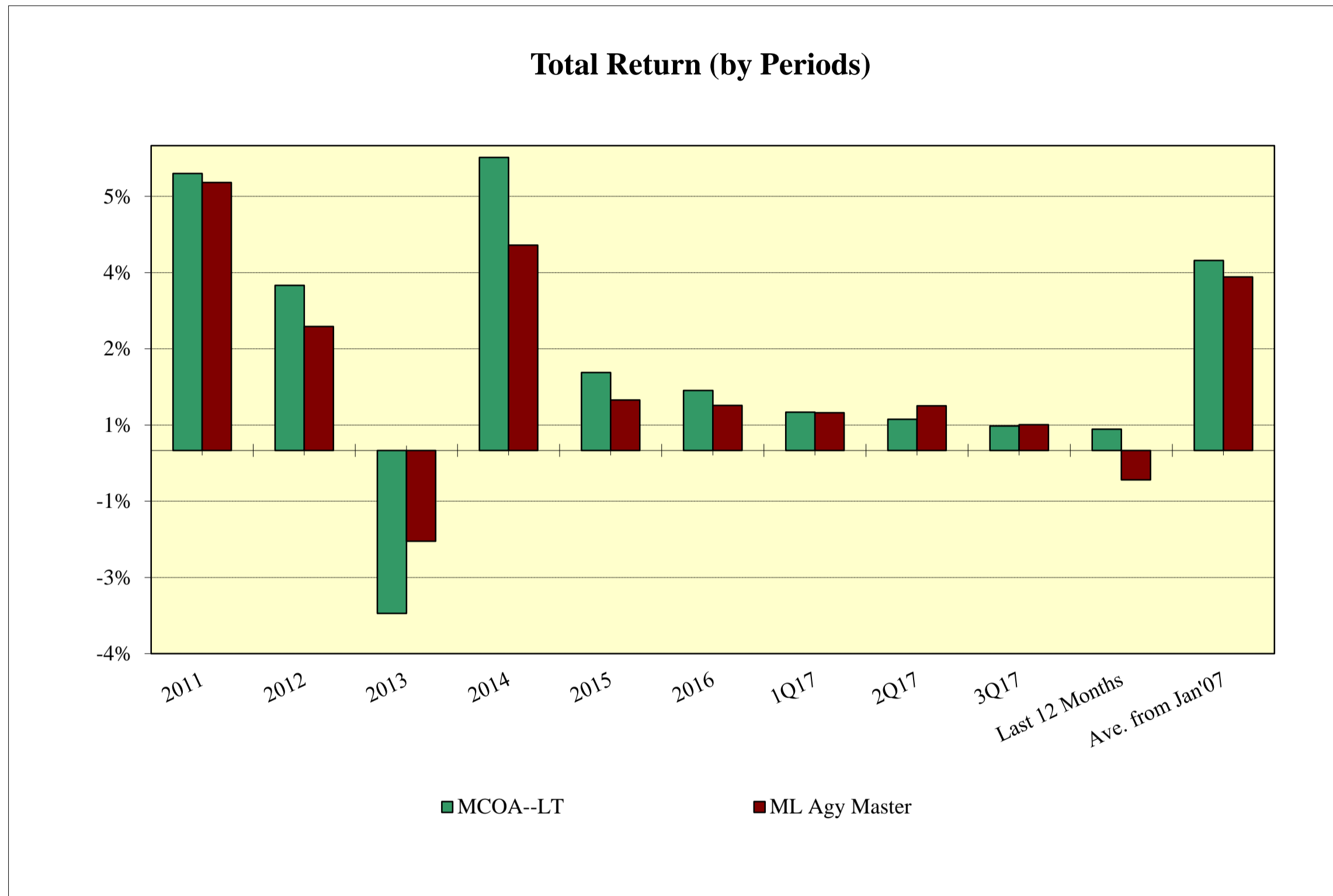
Total Return, ST Portfolio



- +6 bps (above) Index in 3Q17
- +18 bps/year ave. over the last 10 years

Source: Metropolitan Council, Bloomberg

Total Return, LT Portfolio



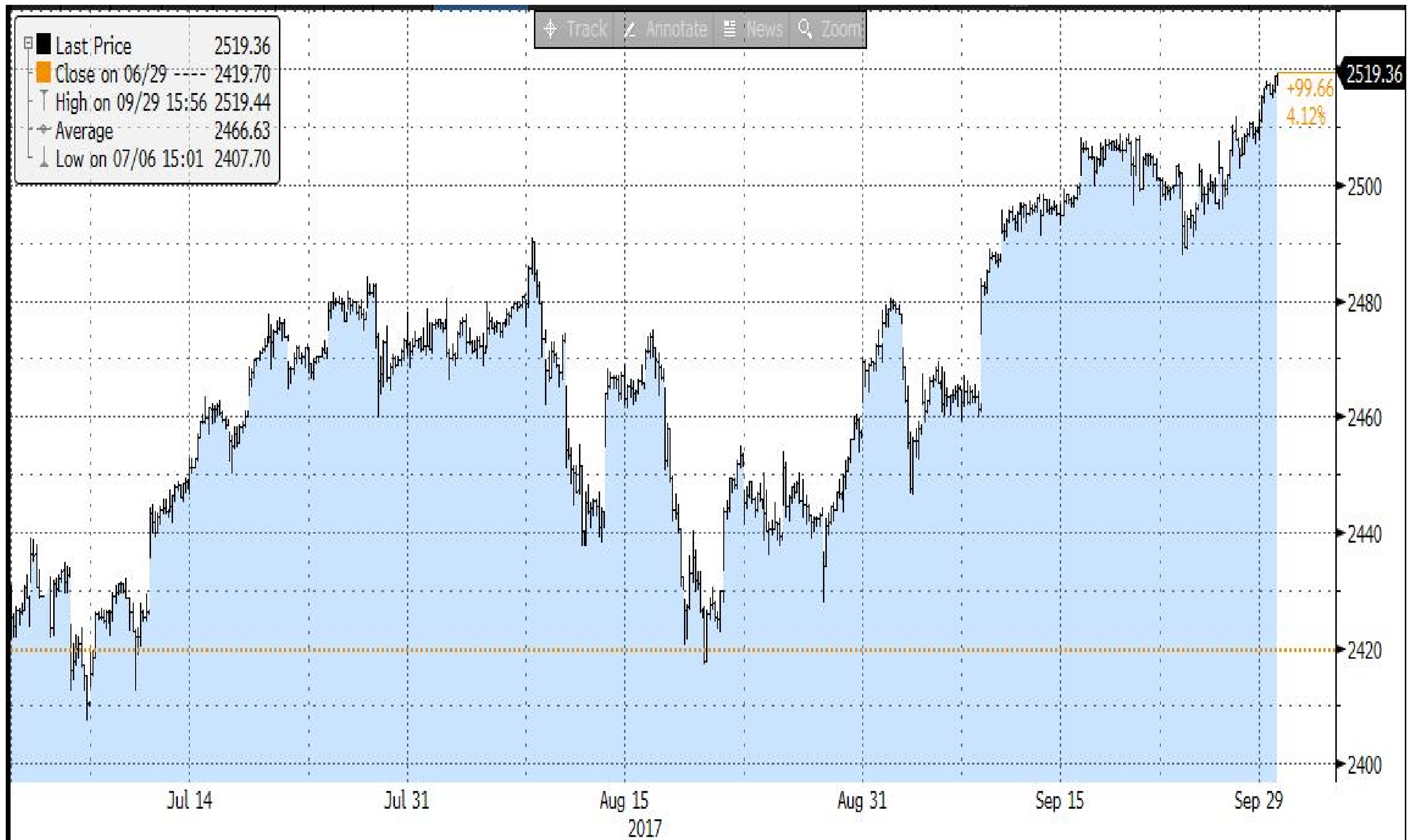
- 3 bps (below) Index in 3Q17
- +32 bps/year ave. over the last 10 years

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 yields rising, expect duration to increase and experience unrealized losses.

S&P 500 Index



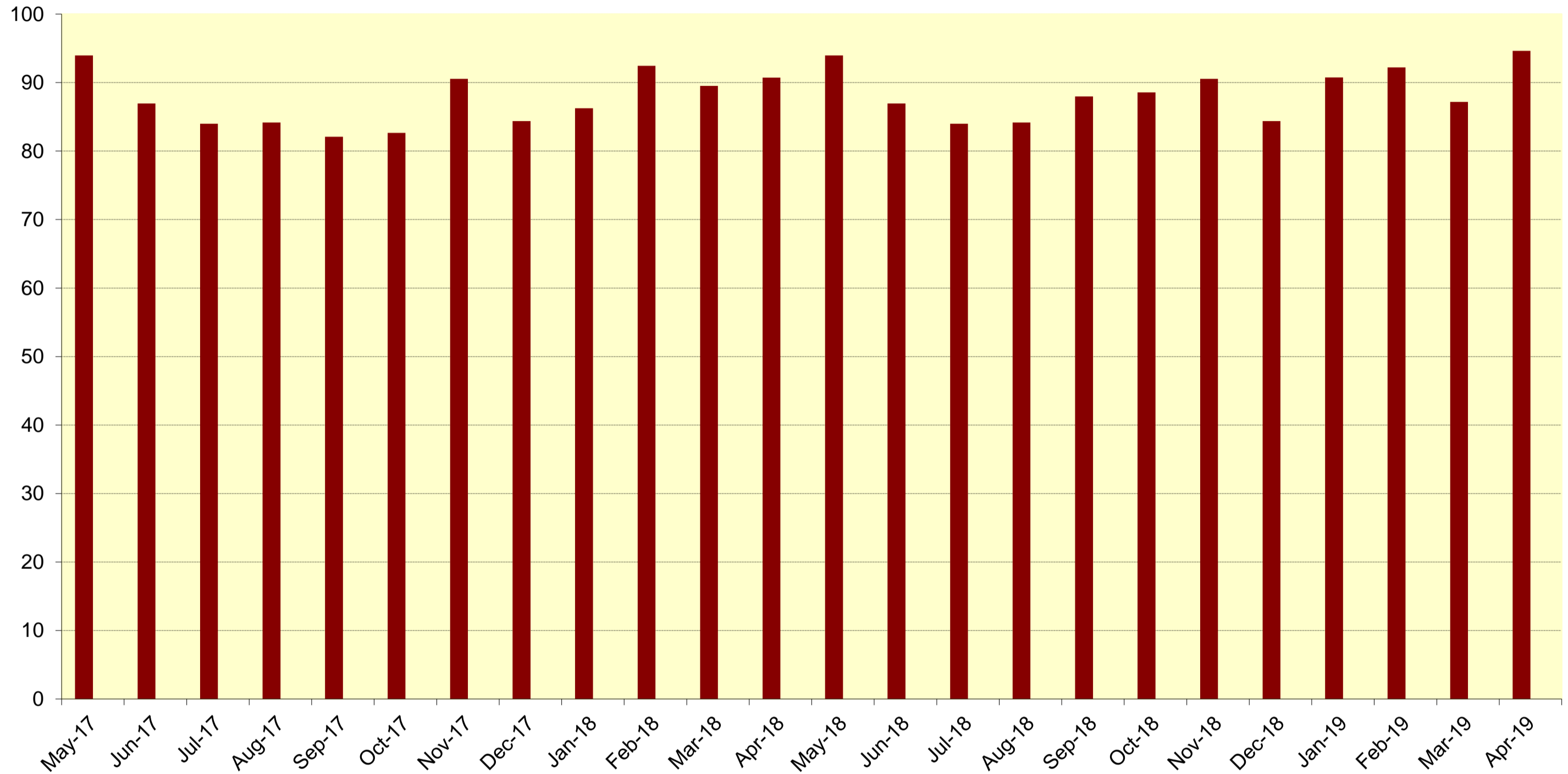
Source: Bloomberg

OPEB 3Q17 Results

- OPEB @ 4.05% ; S&P 500 Index @ 4.49%
- 3Q17 unrealized gain is \$ 10.1M

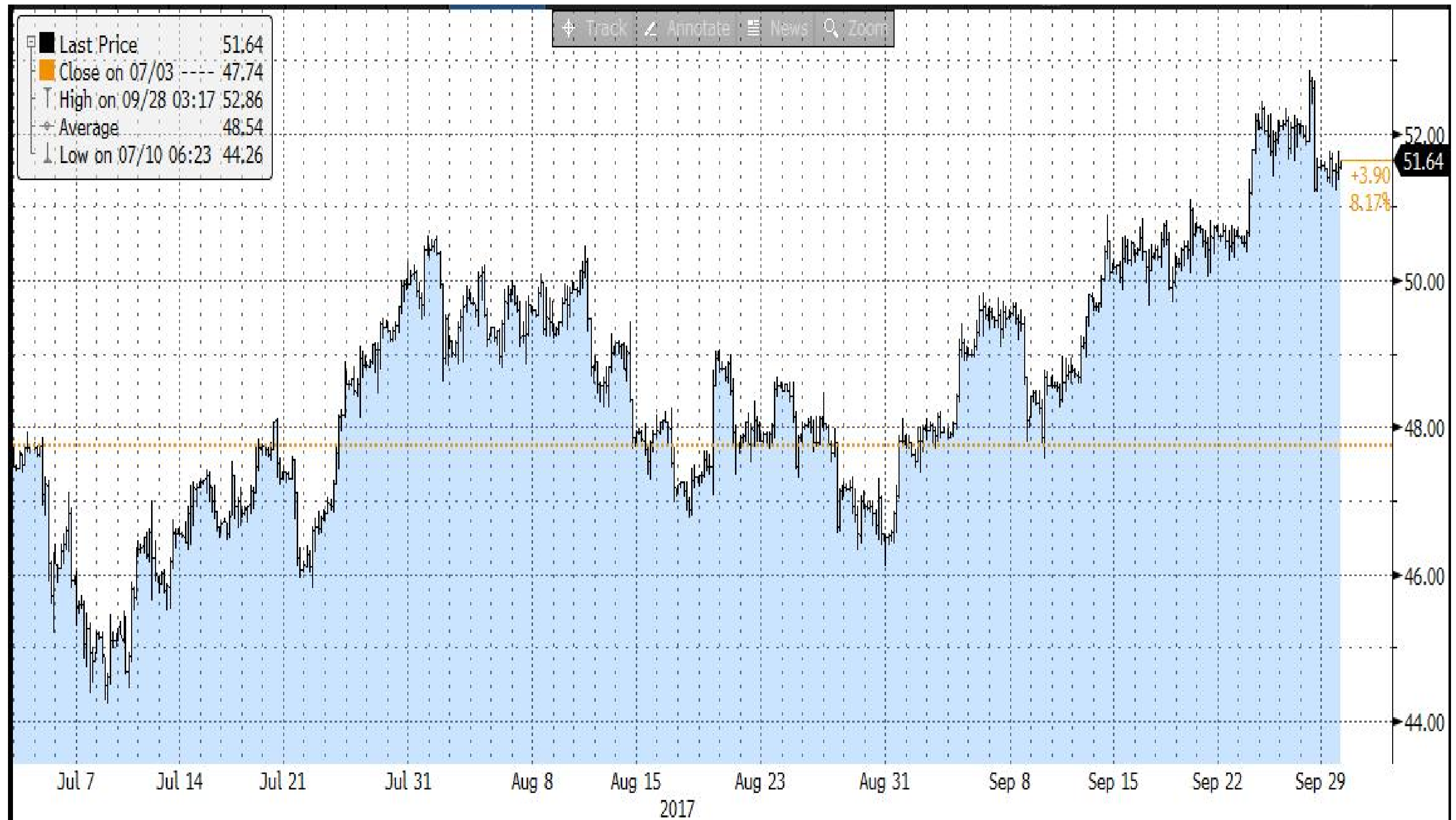
			<u>Total</u>
• Value:	12-31-16:	\$229.6 MM	
	Internal 12-31-16:	\$ 8.3 MM	\$237.9 MM
	03-31-17:	\$242.3 MM	
	Internal 03-31-17:	\$ 7.8 MM	\$250.1 MM
	06-30-17:	\$249.1 MM	
	Internal 06-30-17:	\$ 5.2 MM	\$254.3 MM
	09-30-17:	\$259.2 MM	
	Internal 09-30-17:	\$ 2.5 MM	\$261.7 MM

Diesel Hedging Program



Source: Metropolitan Council

Crude Oil: What's Happening



Source: Bloomberg

Questions

