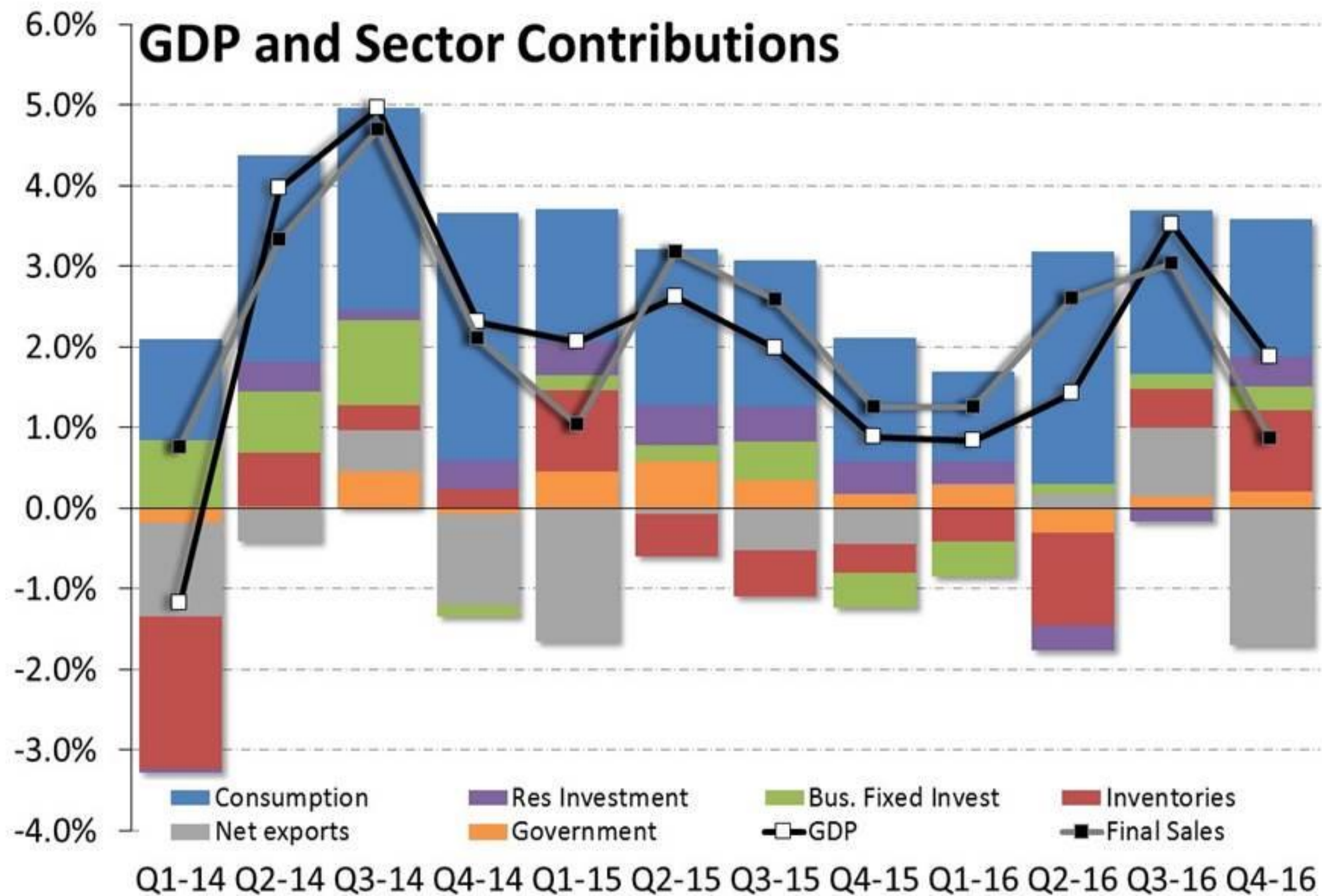


# **4Q16 Investment Results for the Management Committee**

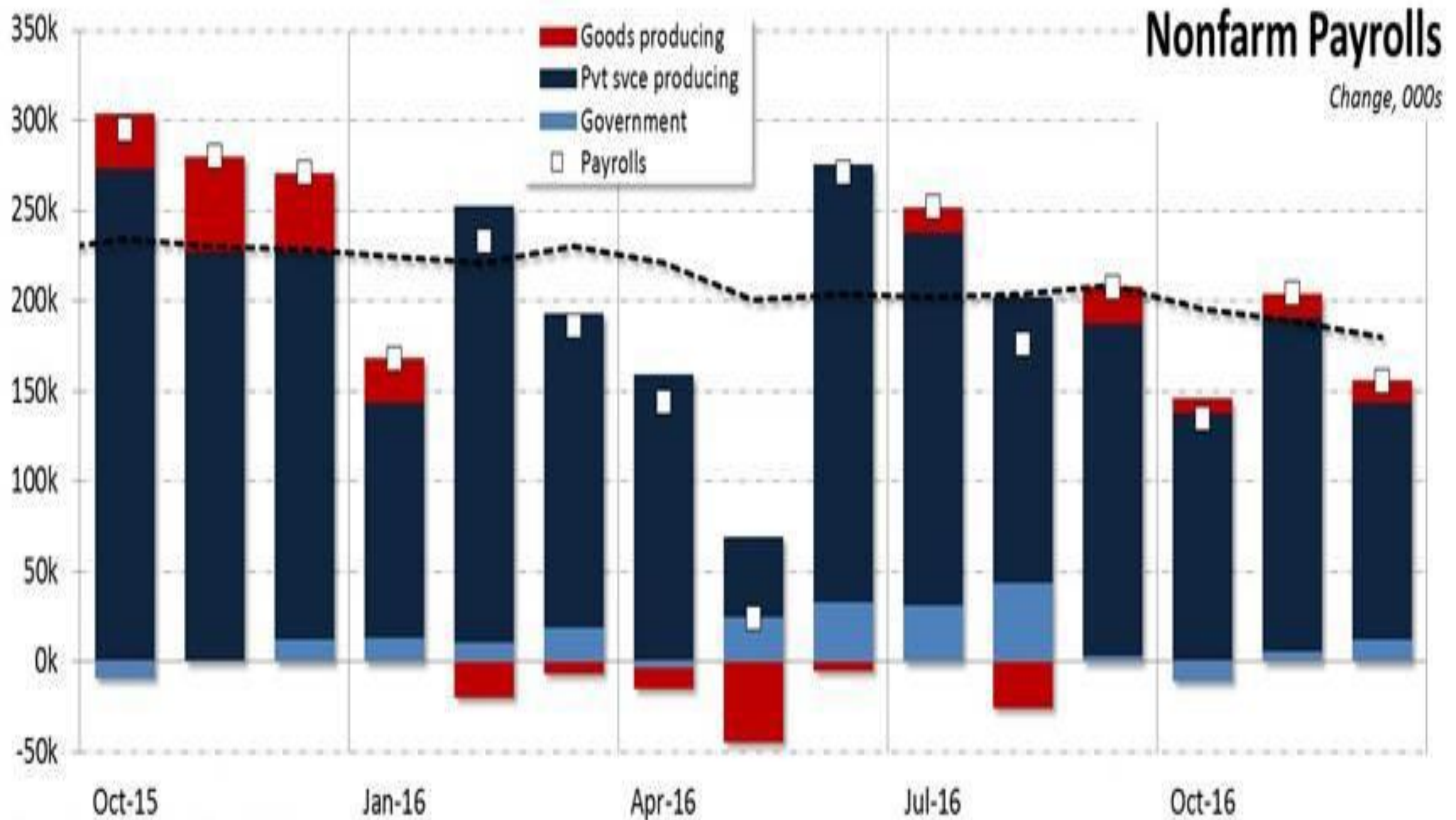
**2-22-17**

# Economic Review: Real GDP



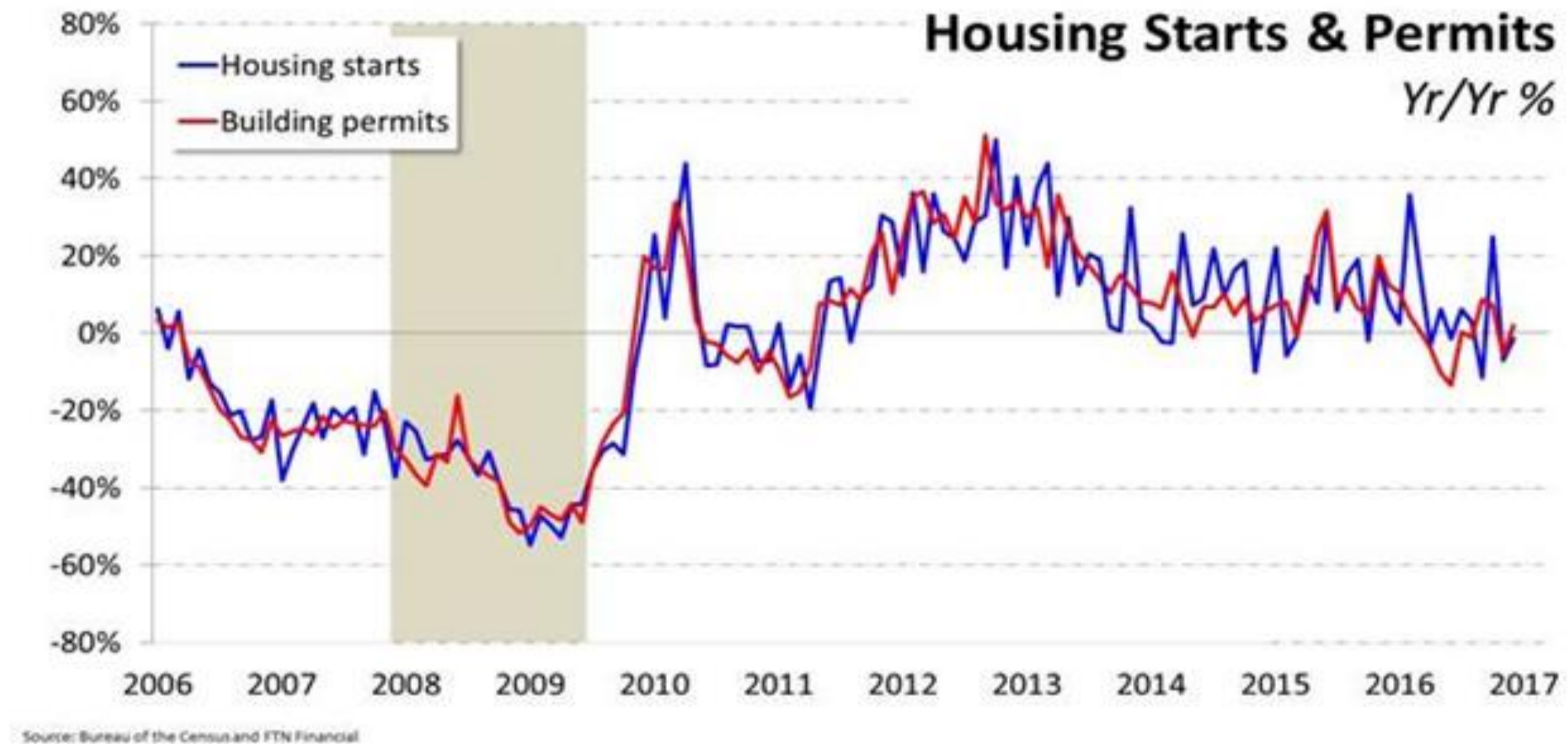
Source: Bureau of Economic Analysis and FTN Financial

# US Nonfarm Payrolls

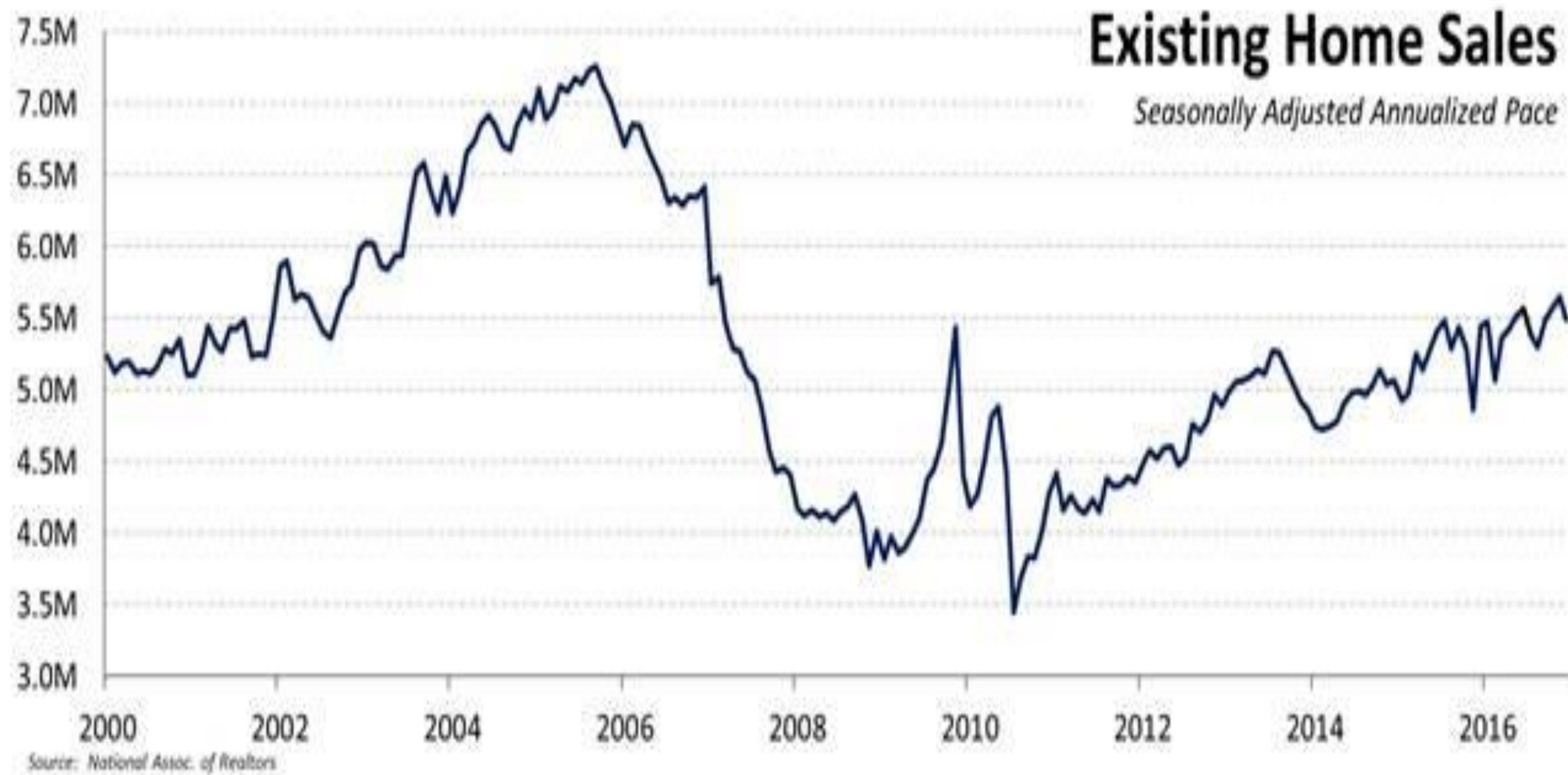


Source: Bureau of Labor Statistics and FTN Financial

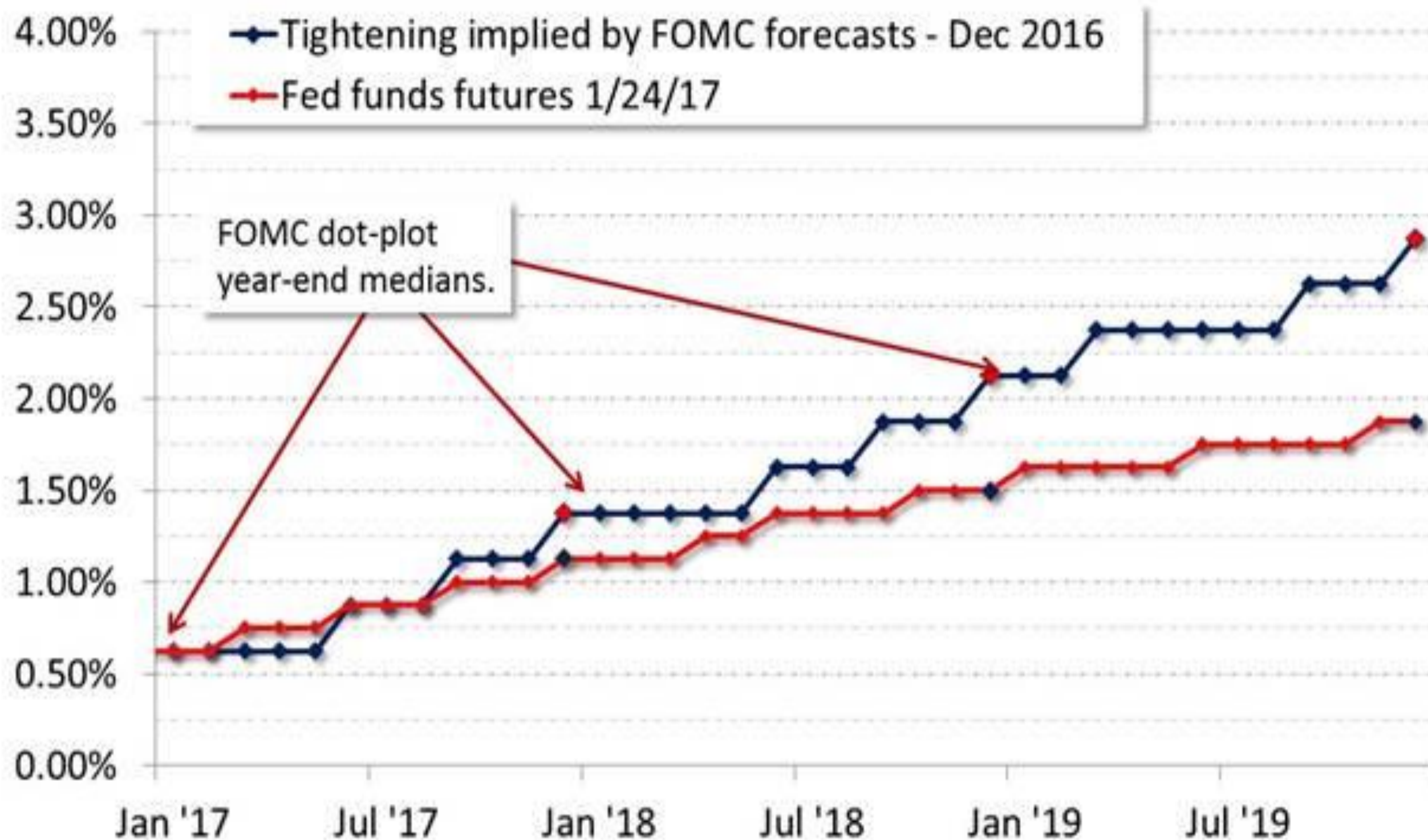
# Housing Starts & Permits



# Existing Home Sales



# Fed Rate Hike Probability



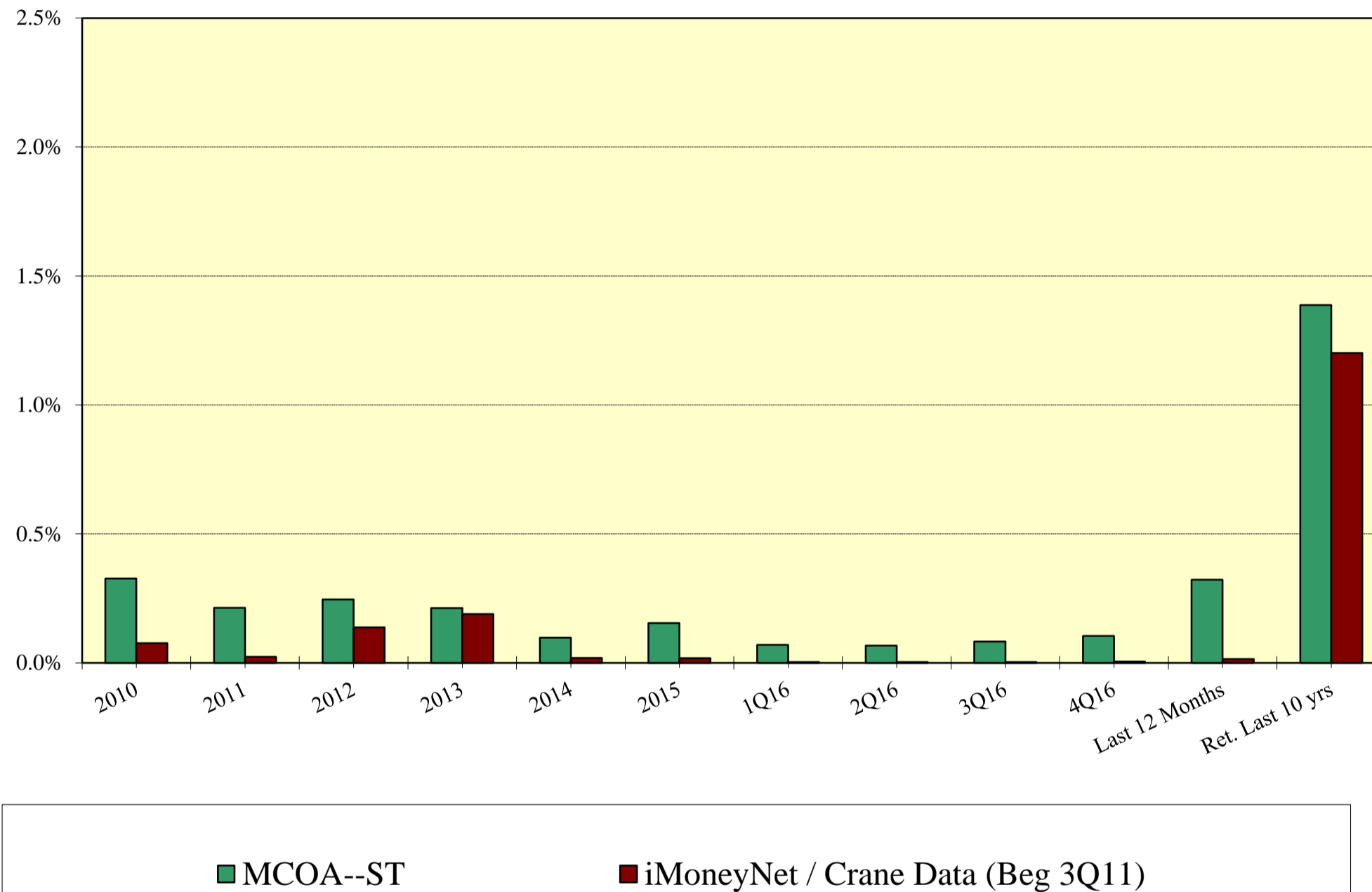
Source: Federal Reserve, Bloomberg & FTN Financial

# Thrive Lens

- Stewardship – The Metropolitan Council will direct the investment of all public funds under its care through prudent financial management practices and in conformity with applicable laws, regulations and statutes.

# Total Return, ST Portfolio

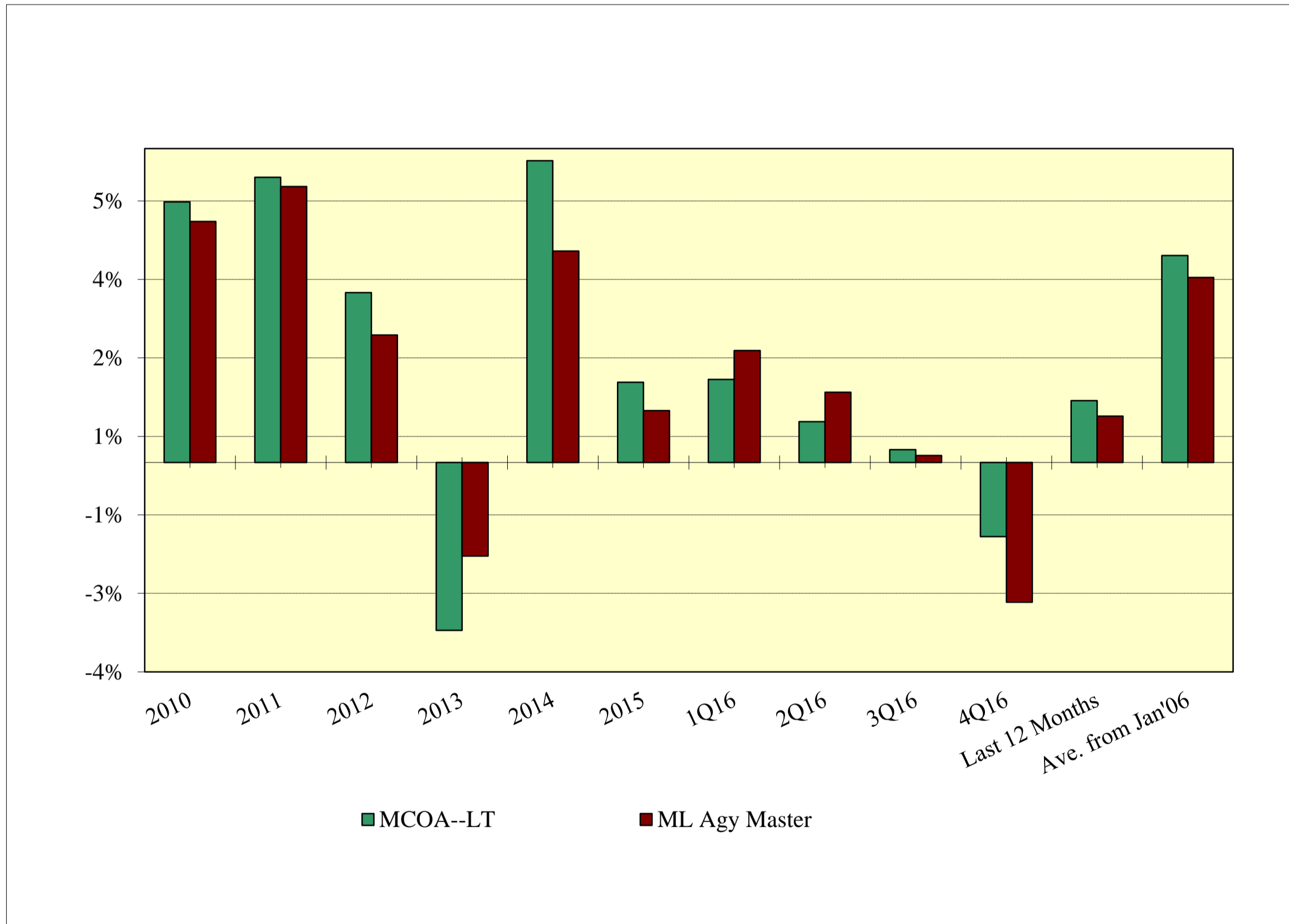
Total Return (by Periods)



- +5 bps (above) Index in 4Q16
- +19 bps/year ave. over the last 10 years



# Total Return, LT Portfolio



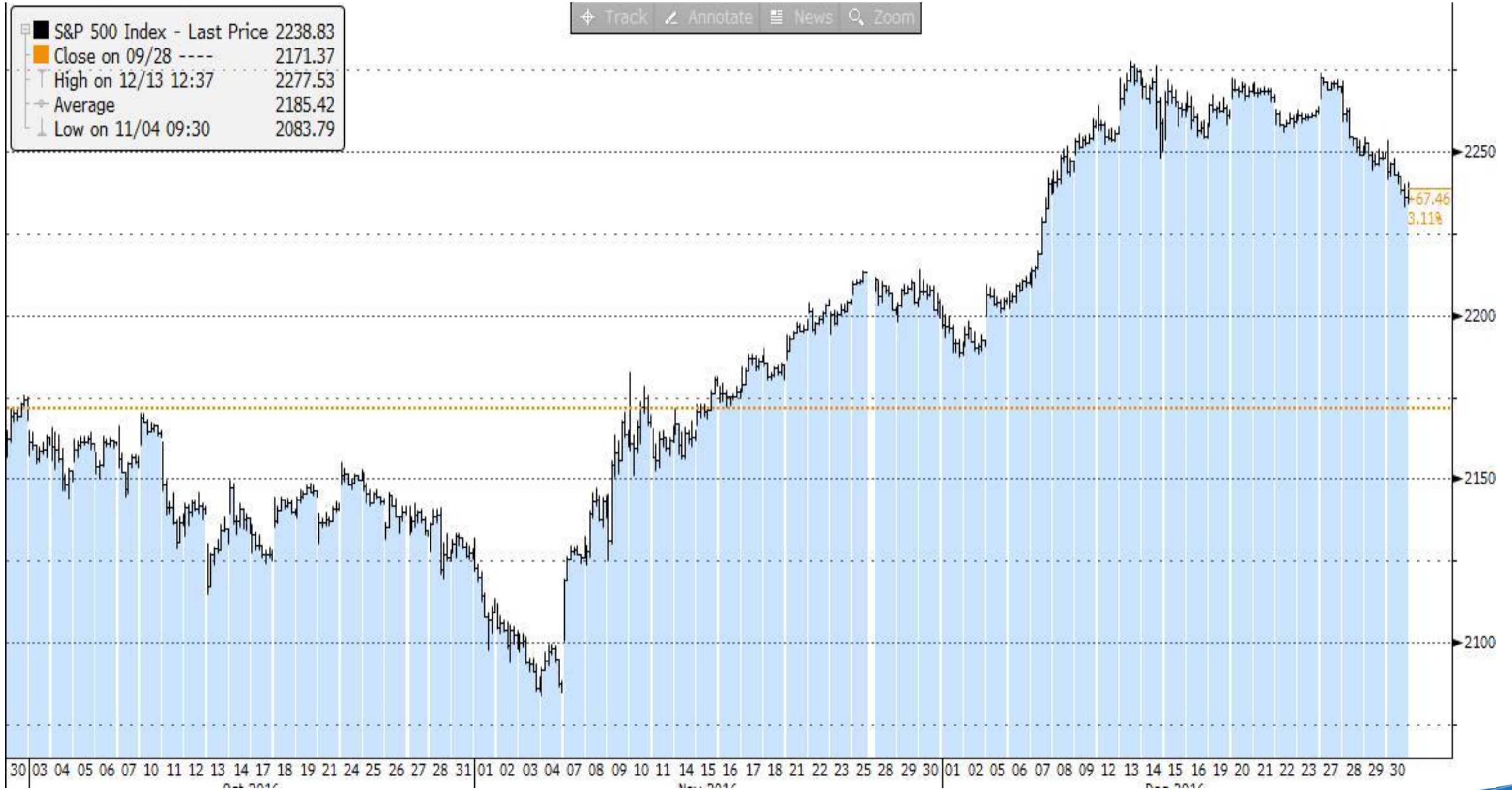
- 125 bps (above) Index in 3Q16
- +42 bps/year ave. over the last 10 years



# 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

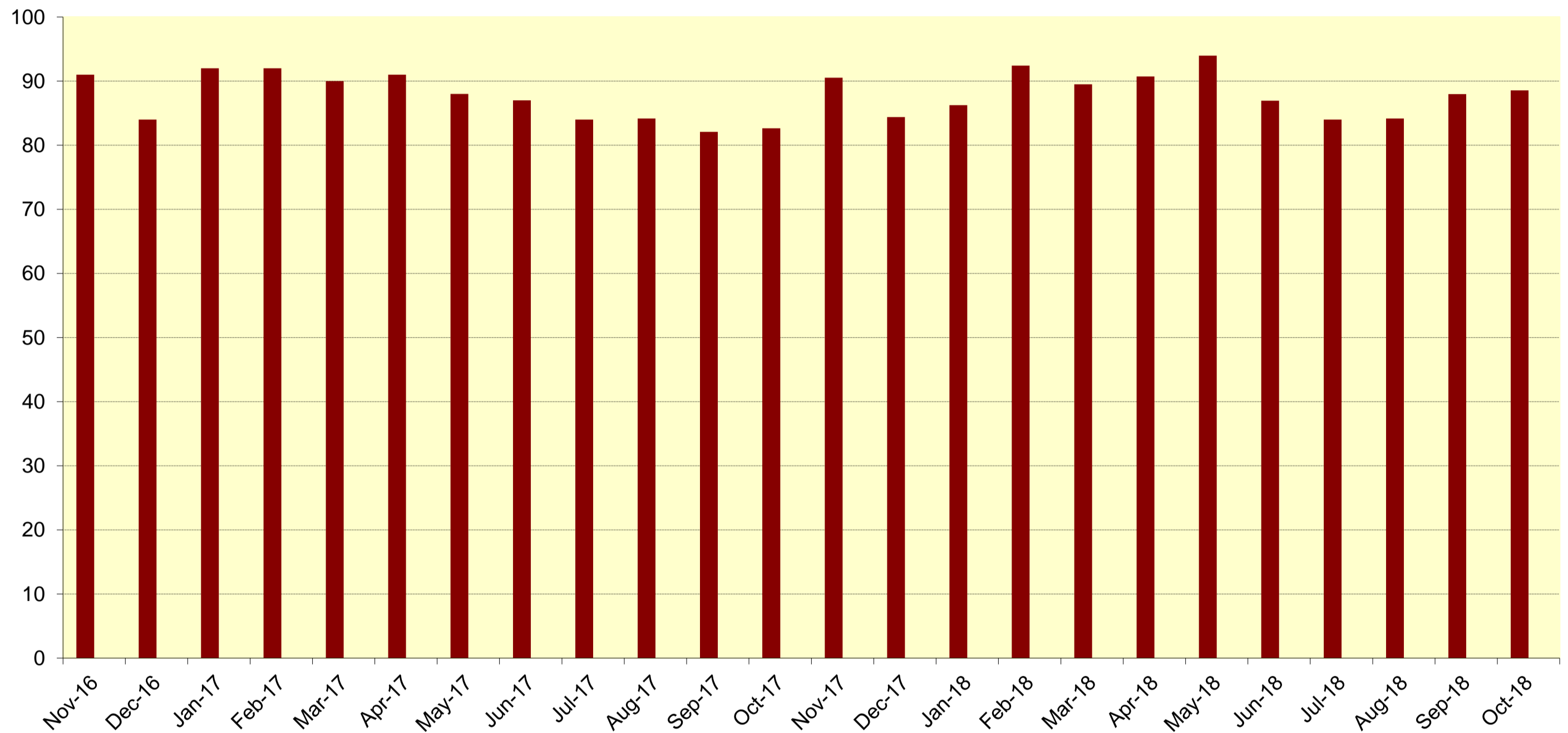


# OPEB 4Q16 Port Results

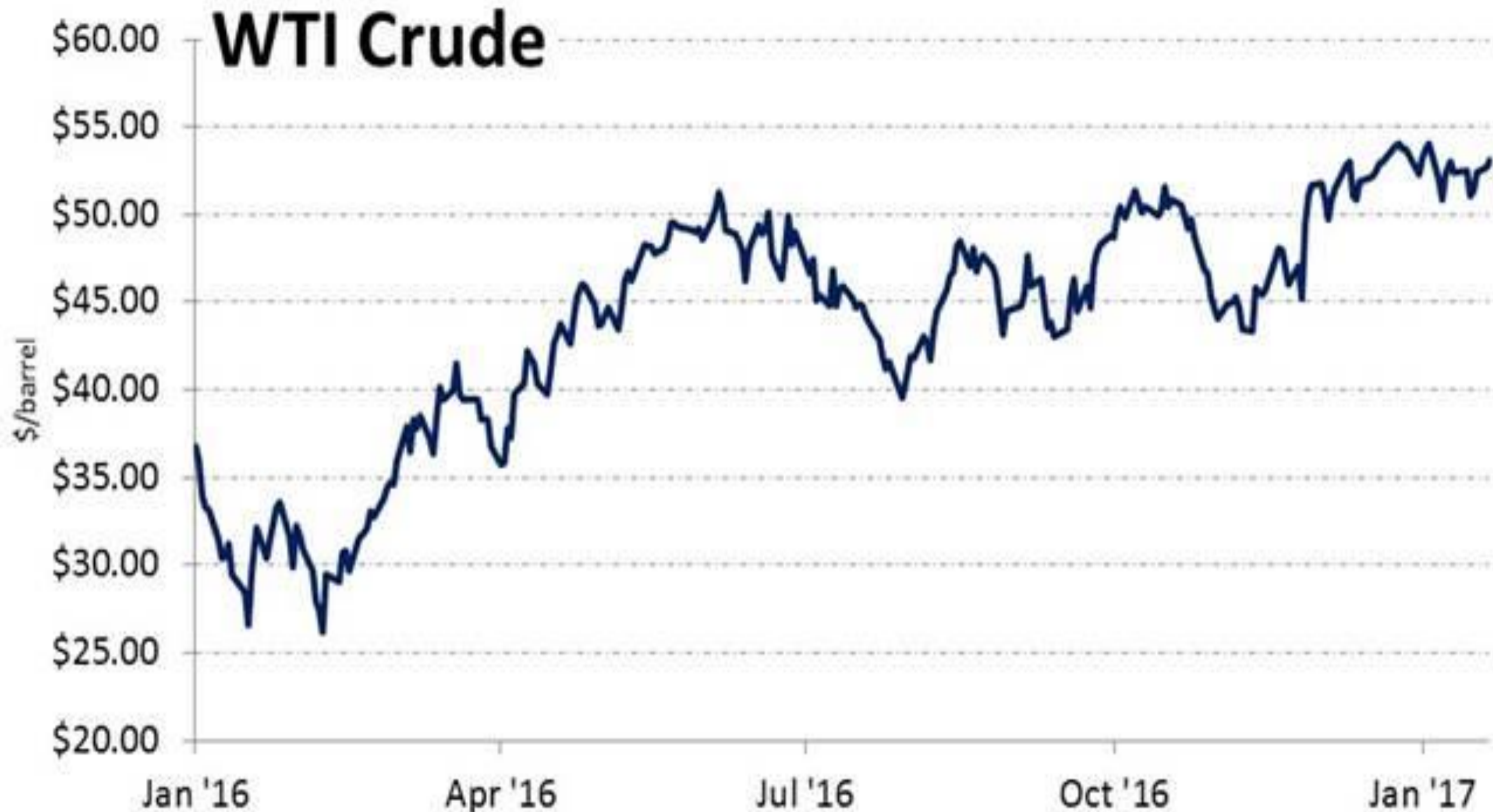
- OPEB @ 3.23% ; S&P 500 Index @ 3.83%
- 4Q16 unrealized gain is \$ 7.2M

			<u>Total</u>
• Value:	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
	09-30-16:	\$222.4 MM	
	Internal 09-30-16:	\$ 9.4 MM	\$231.8 MM
	12-31-16:	\$229.6 MM	
	Internal 09-30-16:	\$ 12.4 MM	\$242.0 MM

# Diesel Hedging Program



# Crude Oil: What's Happening



Source: New York Mercantile Exchange

# Questions

