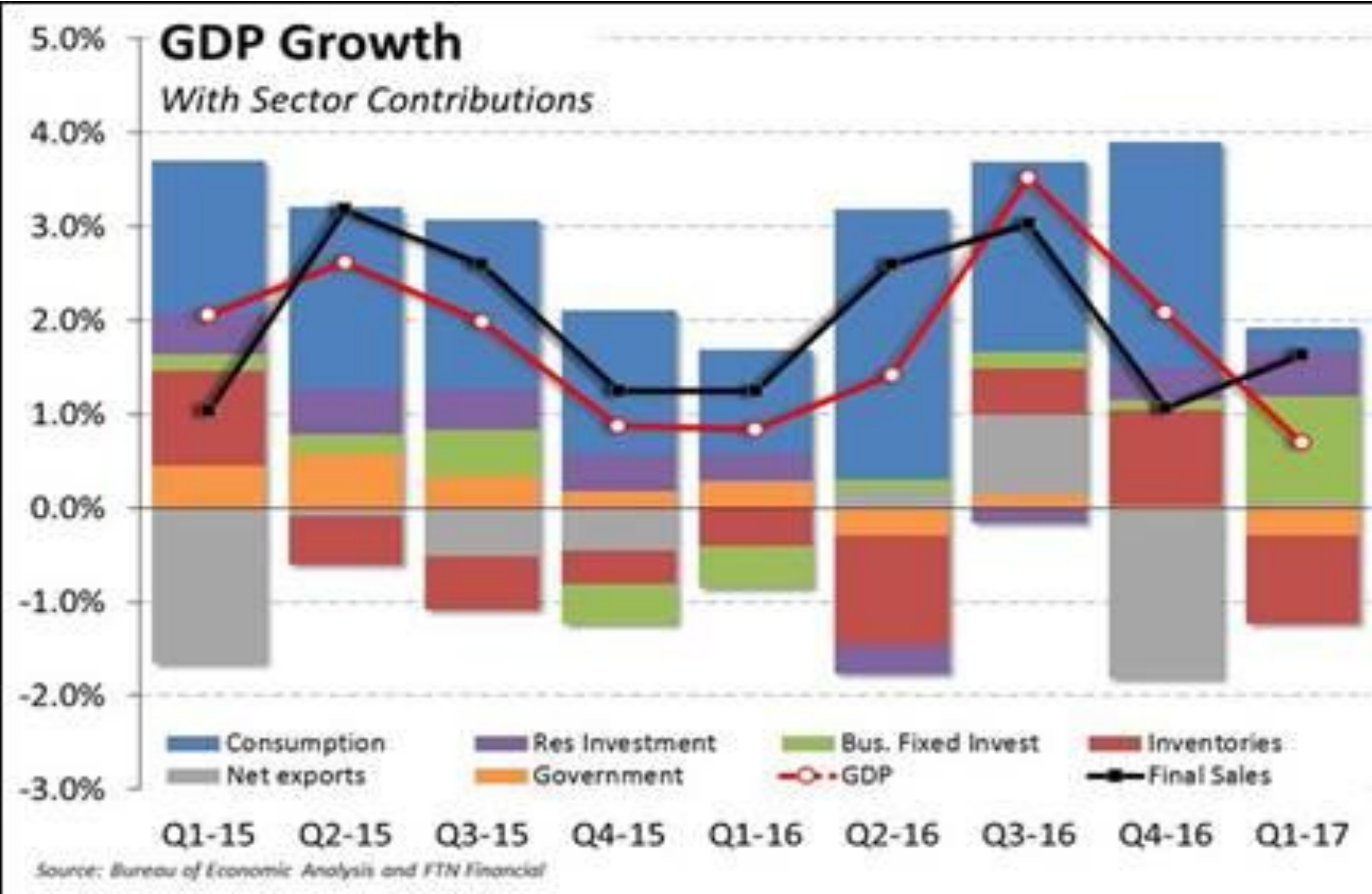


# **1Q17 Investment Results for the Management Committee**

**5-24-17**

# Economic Review: Real GDP

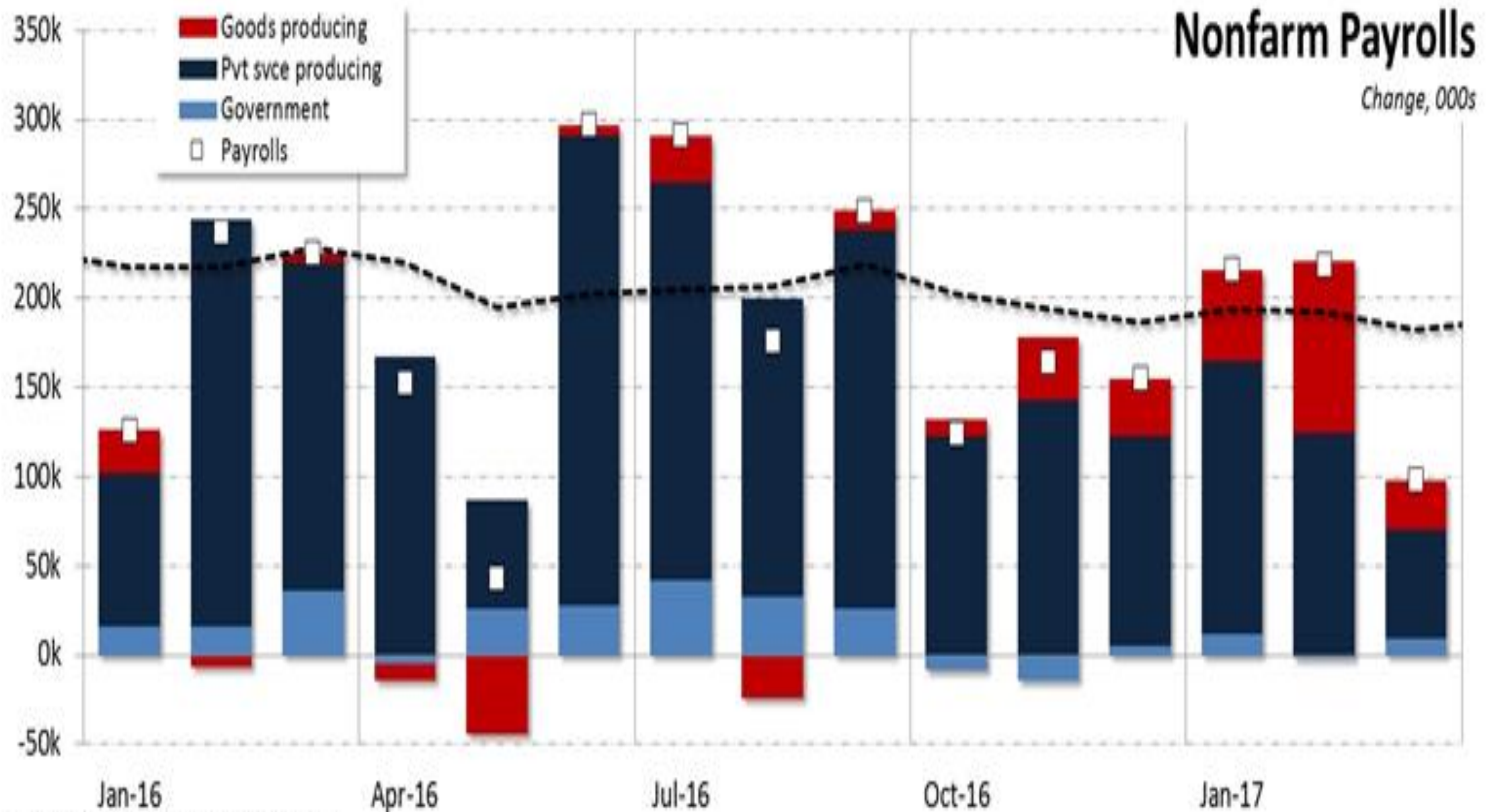


Source: Bureau of Economic Analysis and FTN Financial





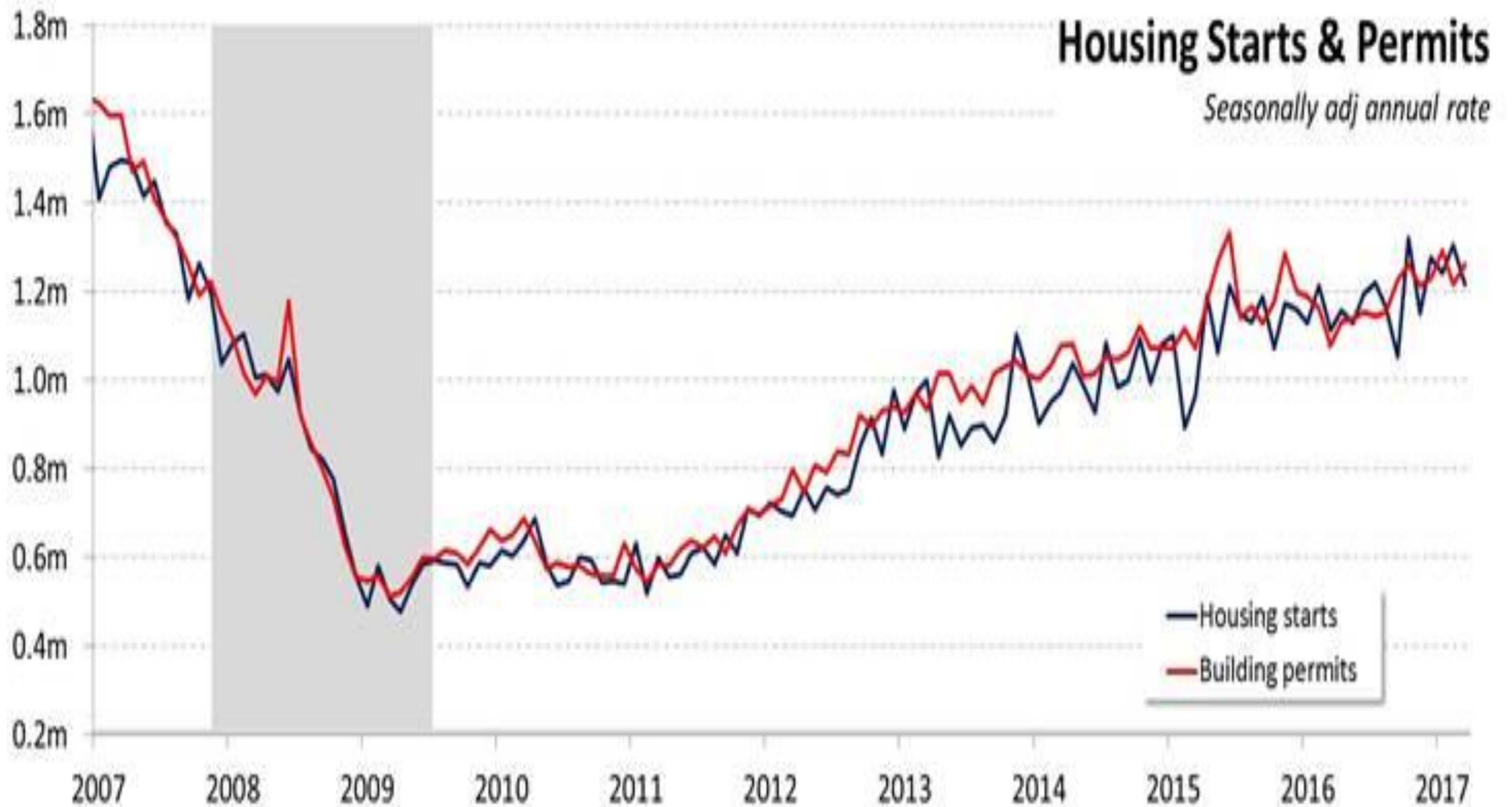
# US Nonfarm Payrolls



Source: Bureau of Labor Statistics and FTN Financial

Source: Bureau of Labor Statistics and FTN Financial

# Housing Starts & Permits

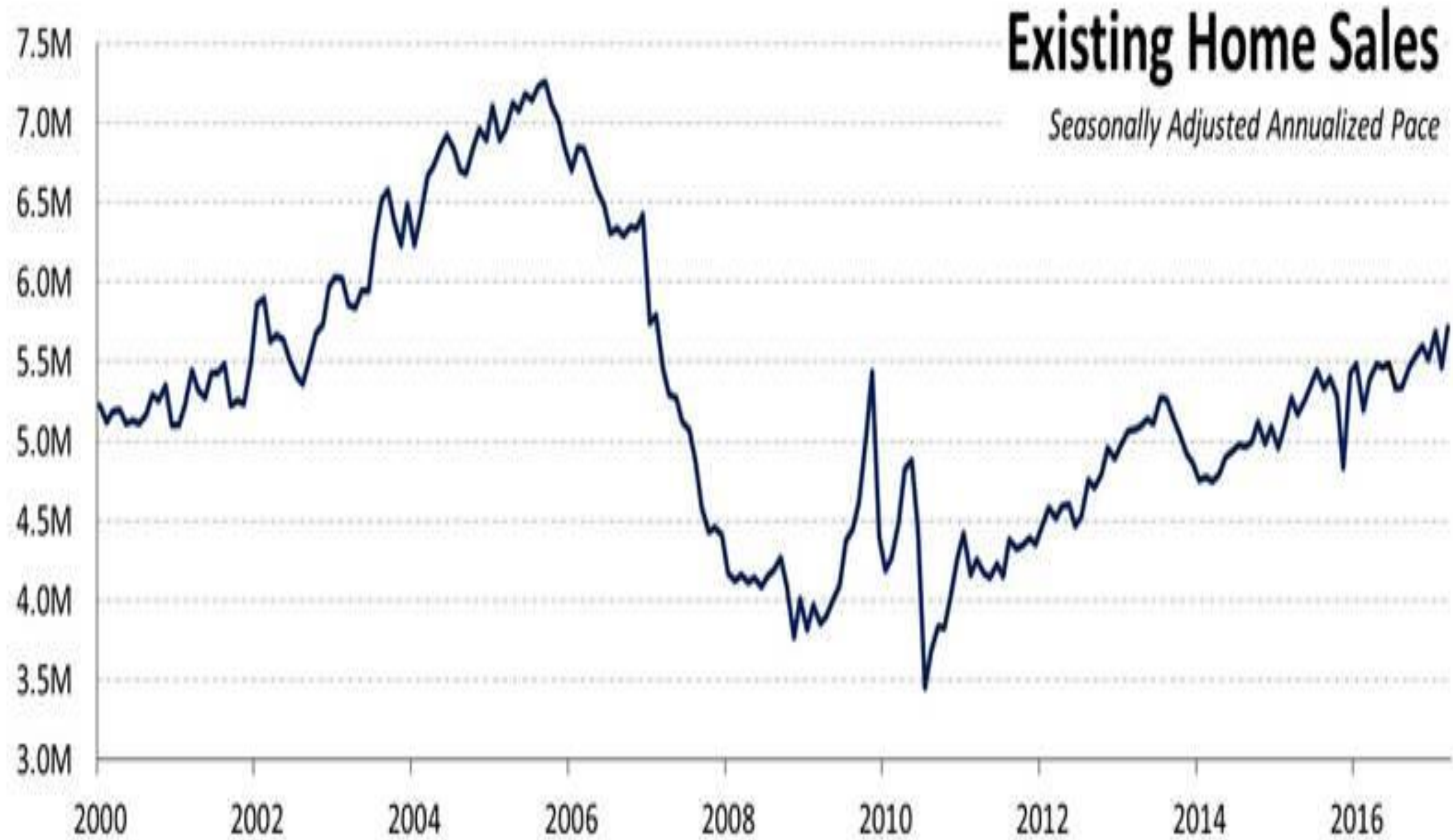


Source: Bureau of the Census and FTN Financial

Source: Bureau of the Consensus & FTN Financial



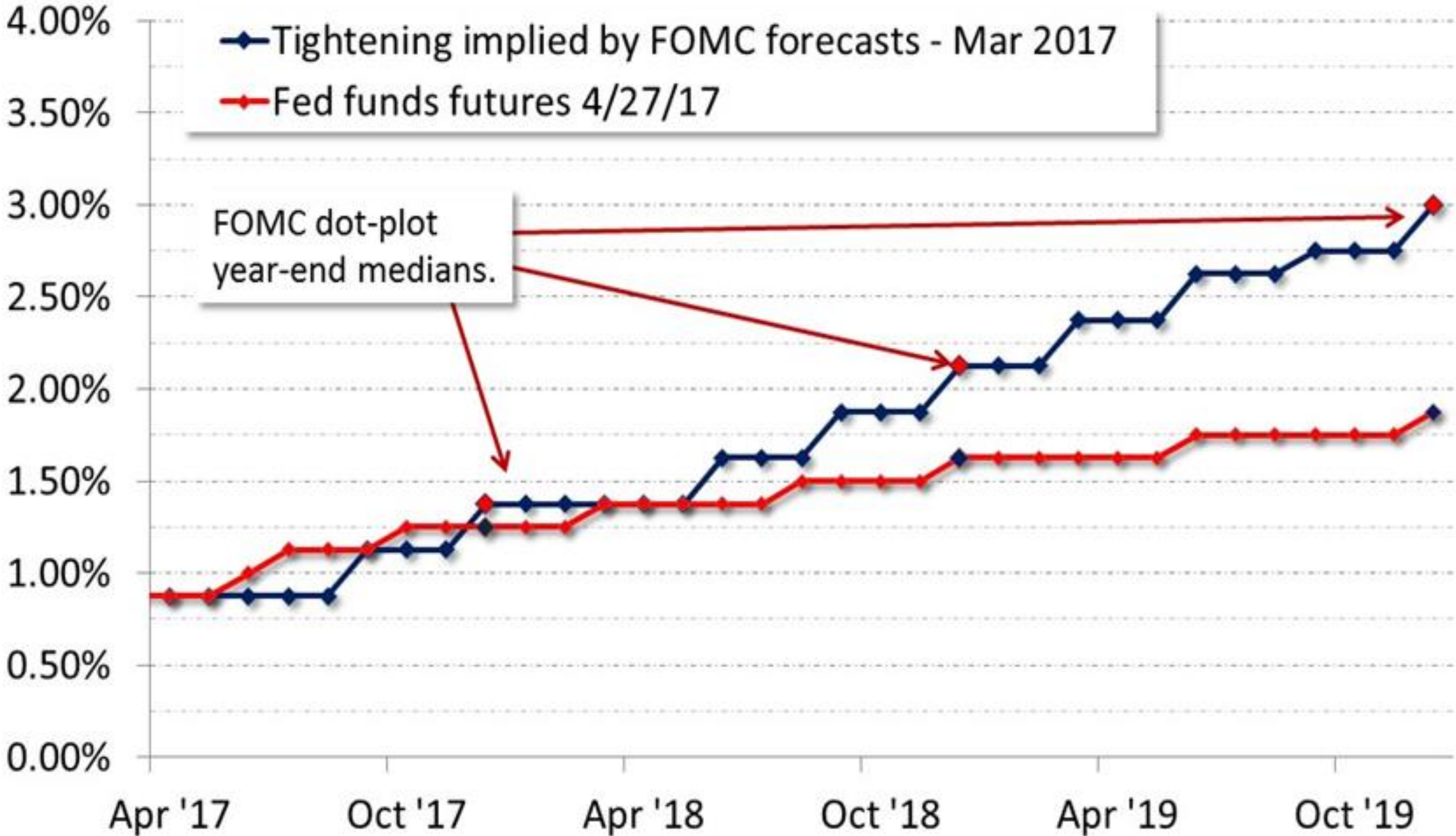
# Existing Home Sales



Source: National Assoc. of Realtors

Source: National Assn. of Realtors

# Fed Rate Hike Probability



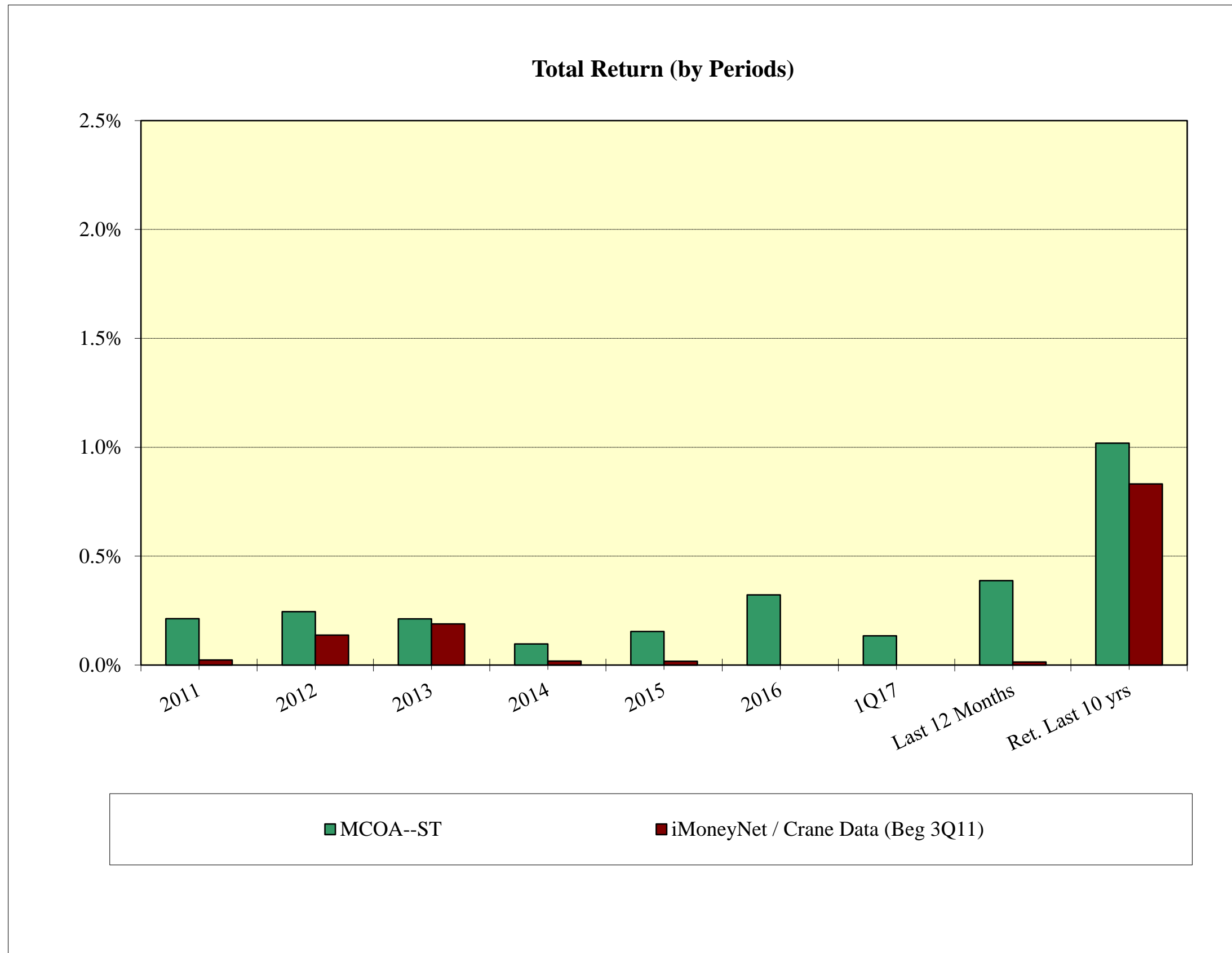
Source: Federal Reserve, Bloomberg & FTN Financial

Source: Federal Reserve, Bloomberg & FTN Financial





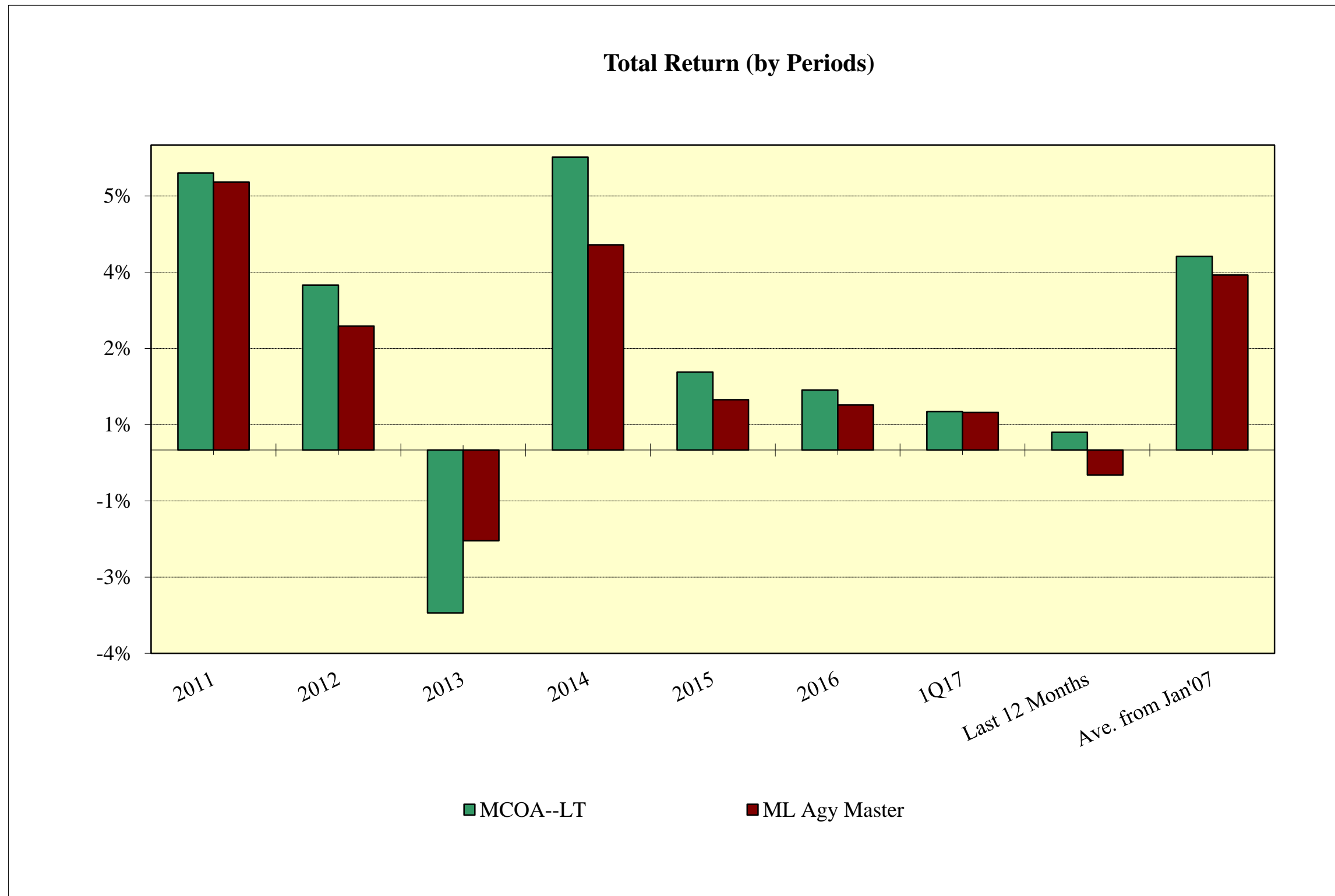
# Total Return, ST Portfolio



- +5 bps (above) Index in 1Q17
- +19 bps/year ave. over the last 10 years

Source: Metropolitan Council, Bloomberg

# Total Return, LT Portfolio



- 2 bps (above) Index in 1Q17
- +37 bps/year ave. over the last 10 years

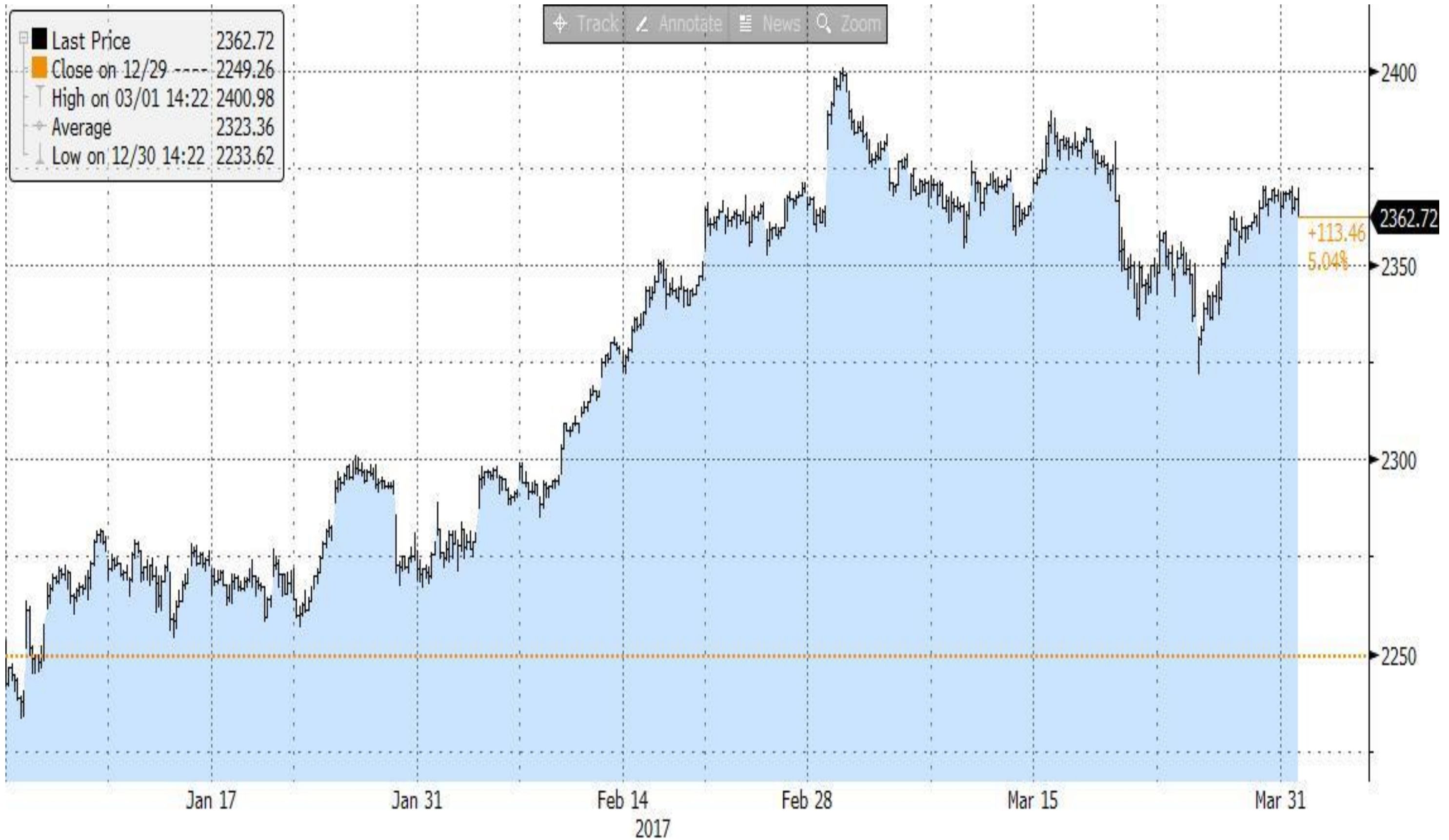
Source: Metropolitan Council, Bloomberg



# 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

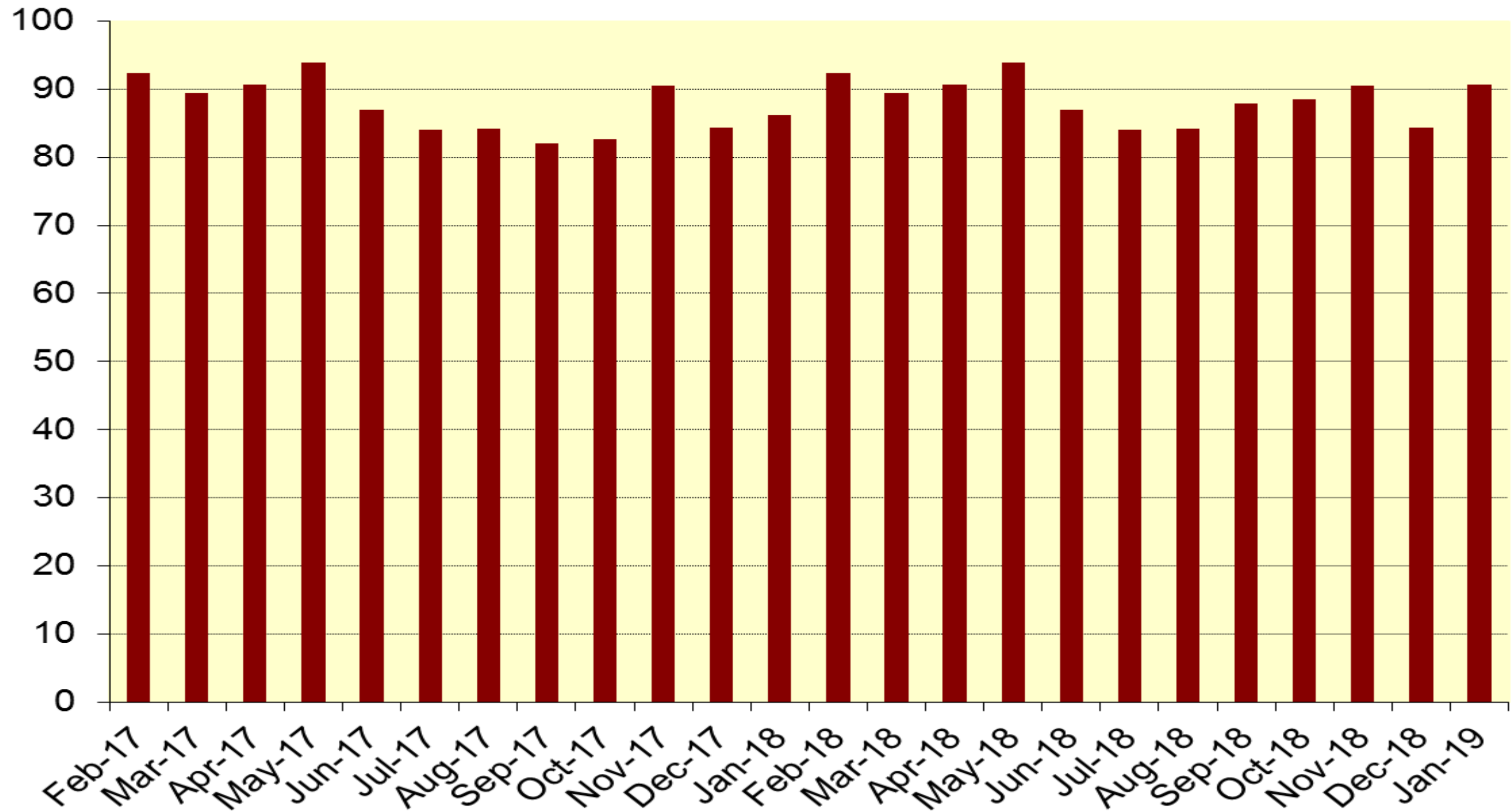


# OPEB 1Q17 Port Results

- OPEB @ 5.51% ; S&P 500 Index @ 6.07%
- 1Q17 unrealized gain is \$ 12.7M

			<u>Total</u>
• Value:		06-30-16:	\$214.9 MM
	Internal	06-30-16:	\$ 9.9 MM
		09-30-16:	\$222.4 MM
	Internal	09-30-16:	\$ 9.4 MM
		12-31-16:	\$229.6 MM
	Internal	12-31-16:	\$ 8.3 MM
		03-31-17:	\$242.3 MM
	Internal	03-31-17:	\$ 7.8 MM
			\$250.1 MM

# Diesel Hedging Program



Source: Metropolitan Council



# Crude Oil: What's Happening



Source: New York Mercantile Exchange

# Questions

