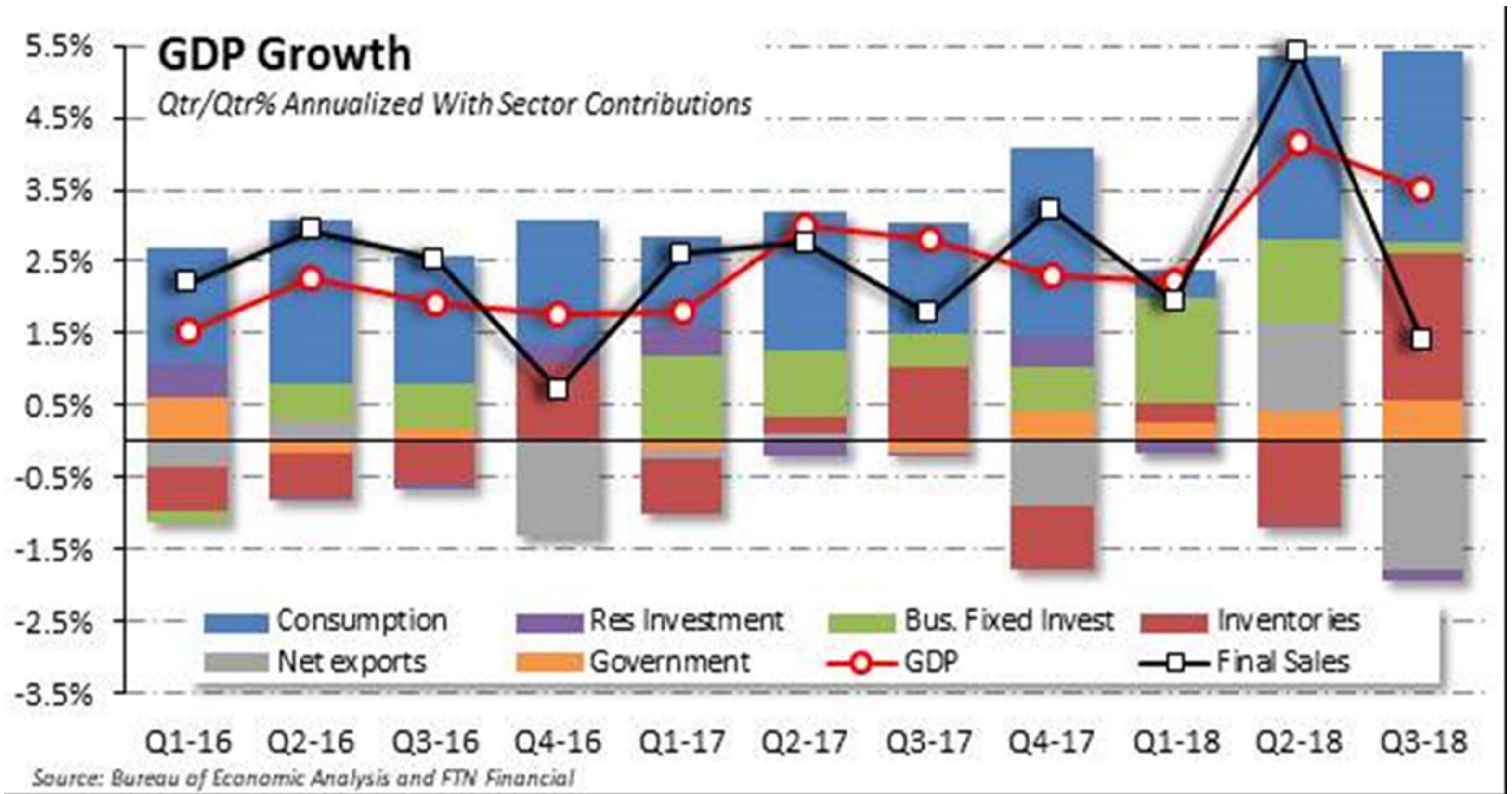


# **3Q18 Investment Results for the Management Committee**

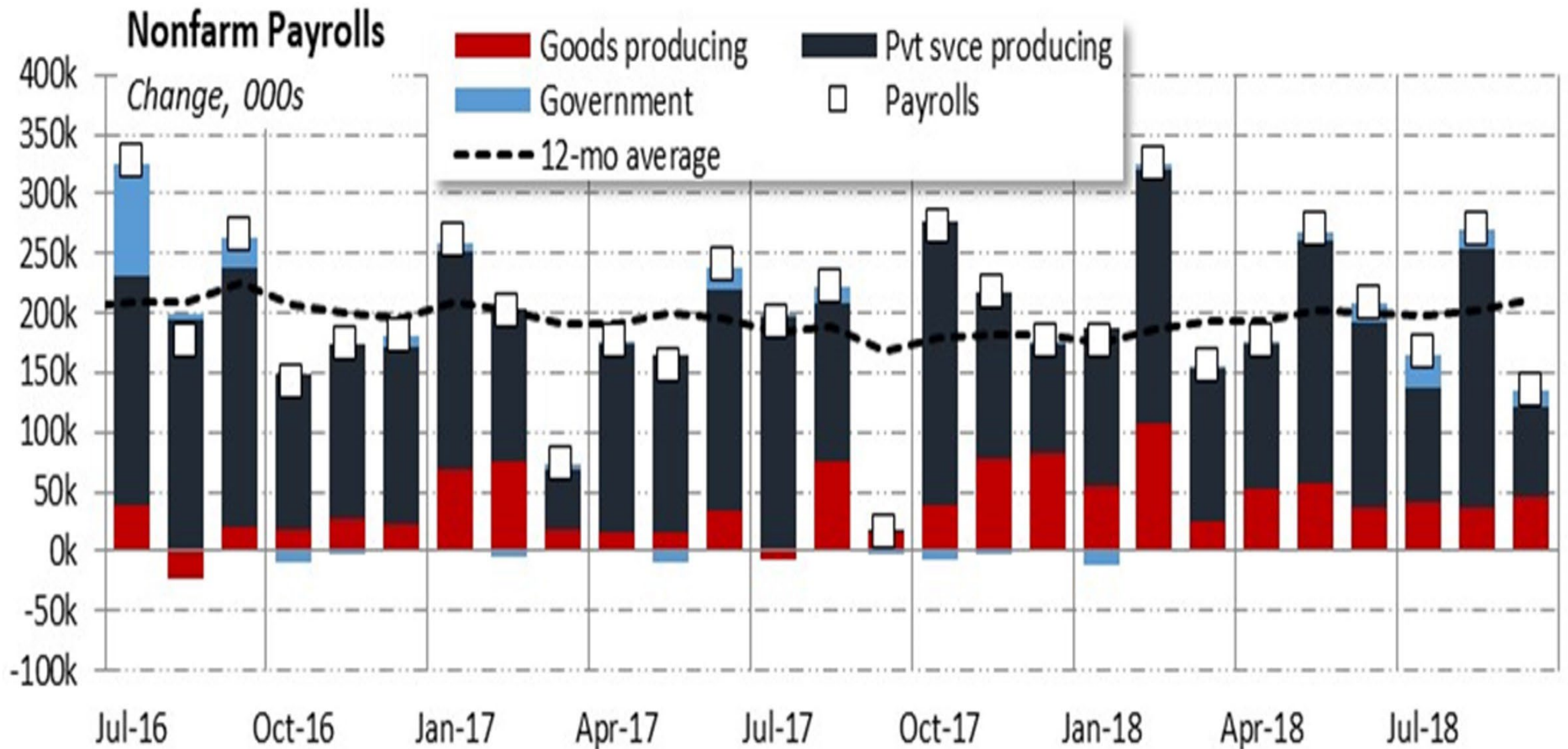
**12-12-18**

# Economic Review: Real GDP



Source: Bureau of Economic Analysis and FTN Financial

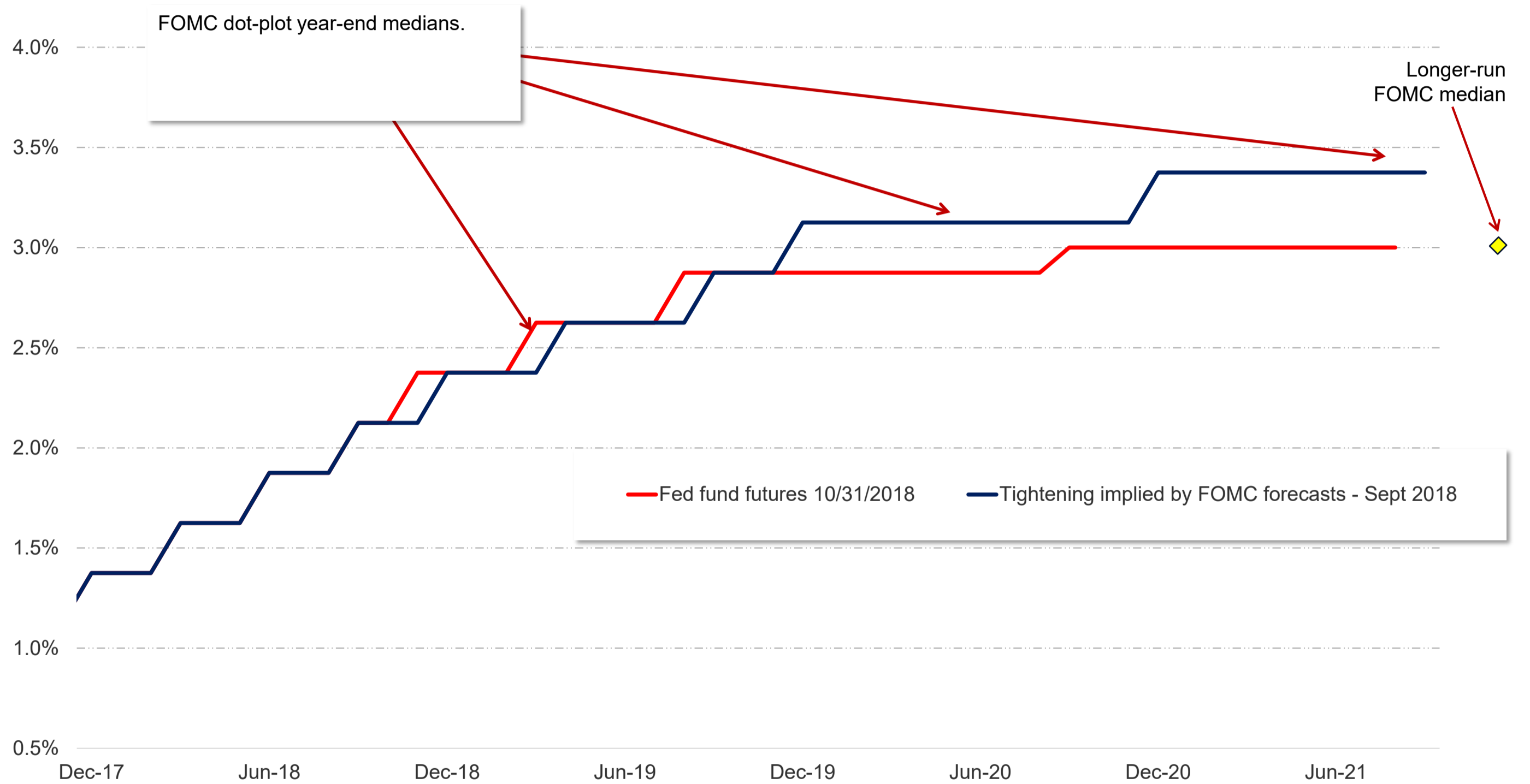
# US Nonfarm Payrolls



Source: Bureau of Labor Statistics and FTN Financial

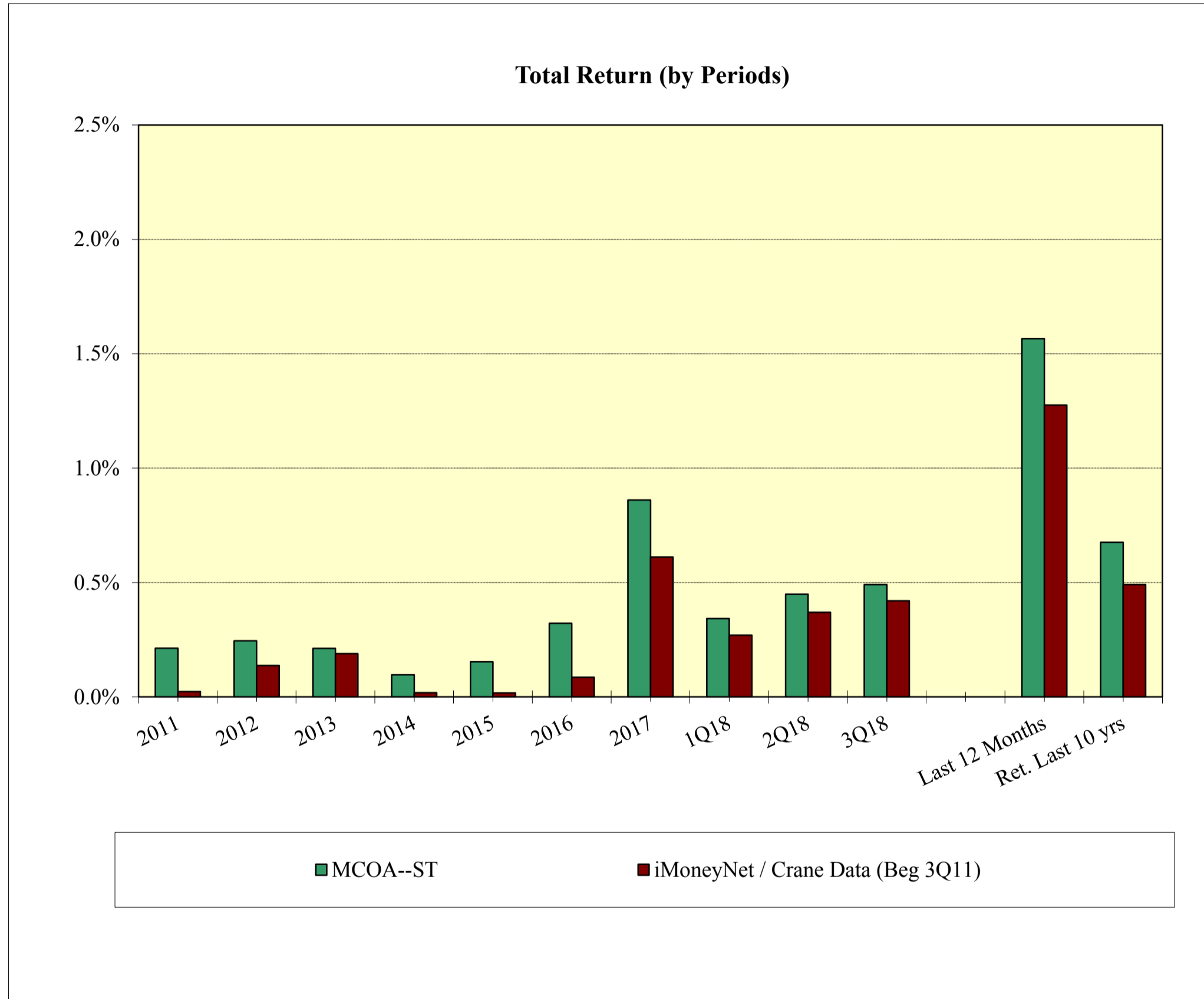
Source: Bureau of Labor Statistics and FTN Financial

# Fed Fund Futures



Source: Federal Reserve & FTN Financial

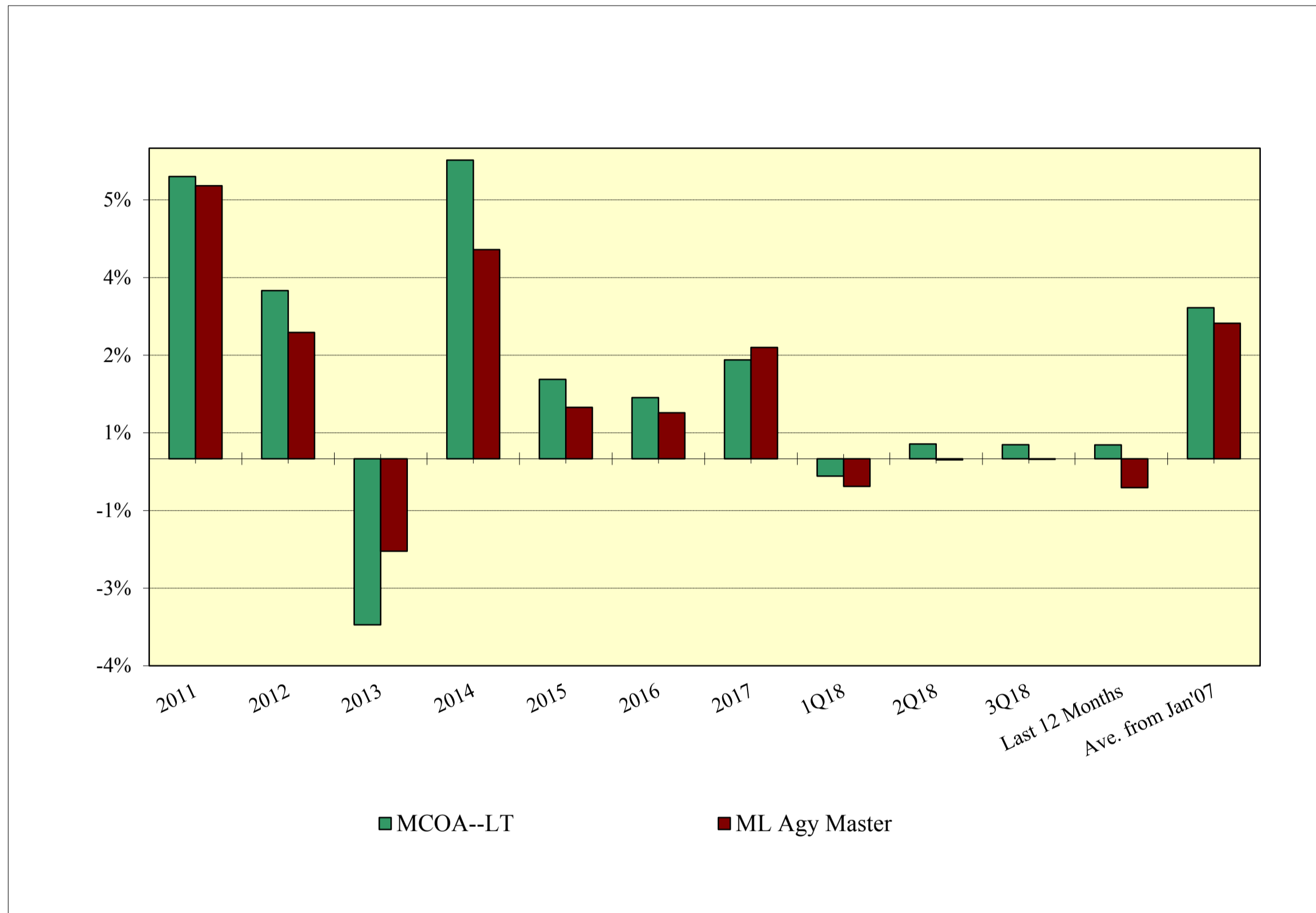
# Total Return, ST Portfolio



- +7 bps (above) Index in 3Q18
- +19 bps/year ave. over the last 10 years

Source: Metropolitan Council, Bloomberg

# Total Return, LT Portfolio



- 28 bps (above) Index in 3Q18
- +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 yields rising, expect duration to increase and experience unrealized losses.

# S&P 500 Index



Source: Bloomberg

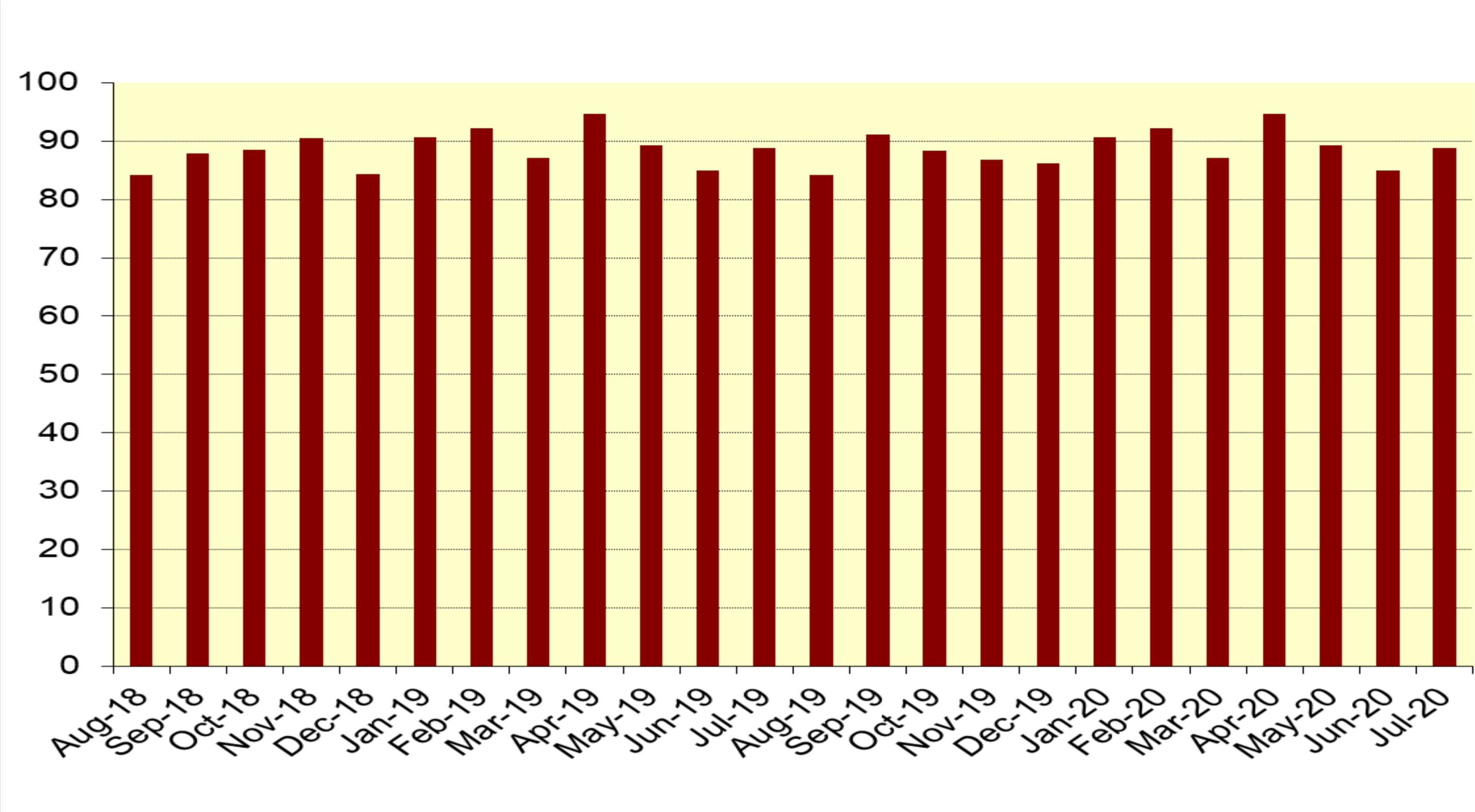


# OPEB 3Q18 Results

- OPEB @ 4.80% ; Blended Index @ 4.63%
- 3Q18 unrealized gain is \$ 13.3M

			<u>Total</u>
• Value:		12-31-17:	\$274.6 MM
	Internal	12-31-17:	\$ (1.9 MM)
		03-30-18:	\$274.1 MM
	Internal	03-30-18:	\$ (3.9 MM)
		06-30-18:	\$280.5 MM
	Internal	06-30-18:	\$ (7.5 MM)
		09-30-18:	\$278.9 MM
	Internal	09-30-18:	\$ 2.7 MM
			\$281.6 MM

# Diesel Hedging Program



Source: Metropolitan Council



# Crude Oil: What's Happening



Source: Bloomberg

# Questions

