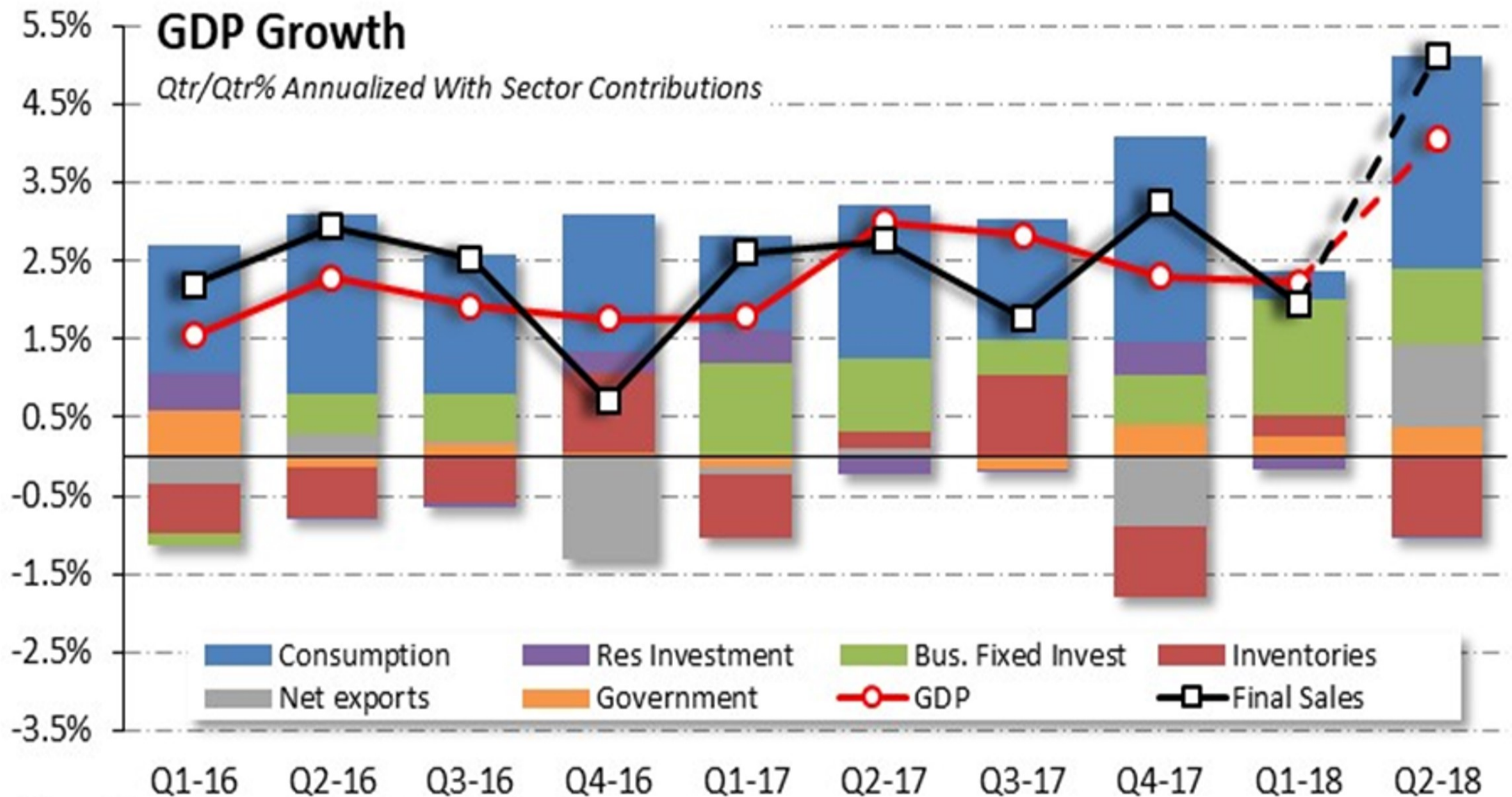


2Q18 Investment Results for the Management Committee

8-22-18

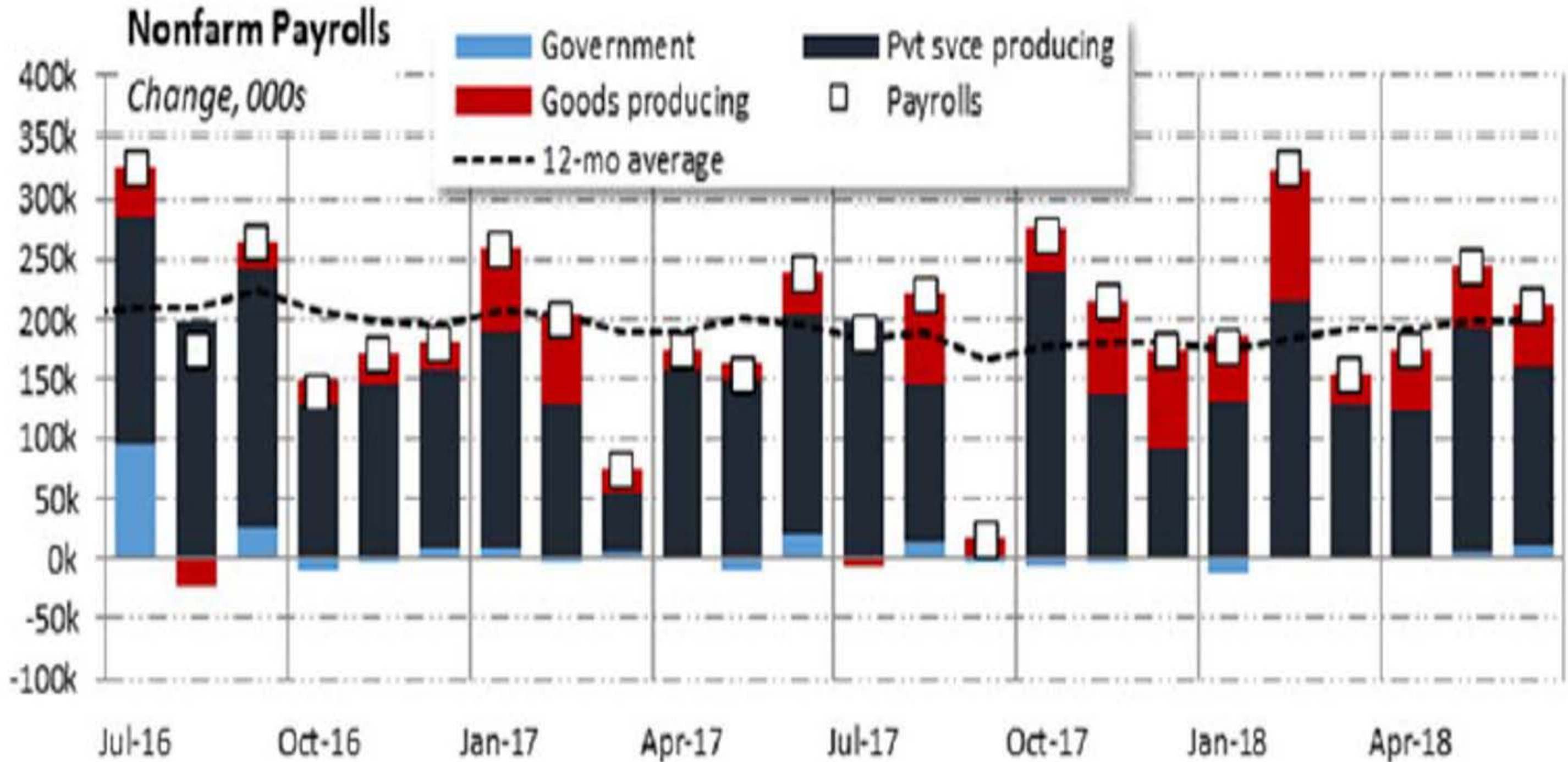
Economic Review: Real GDP



Source: Bureau of Economic Analysis and FTN Financial

Source: Bureau of Economic Analysis and FTN Financial

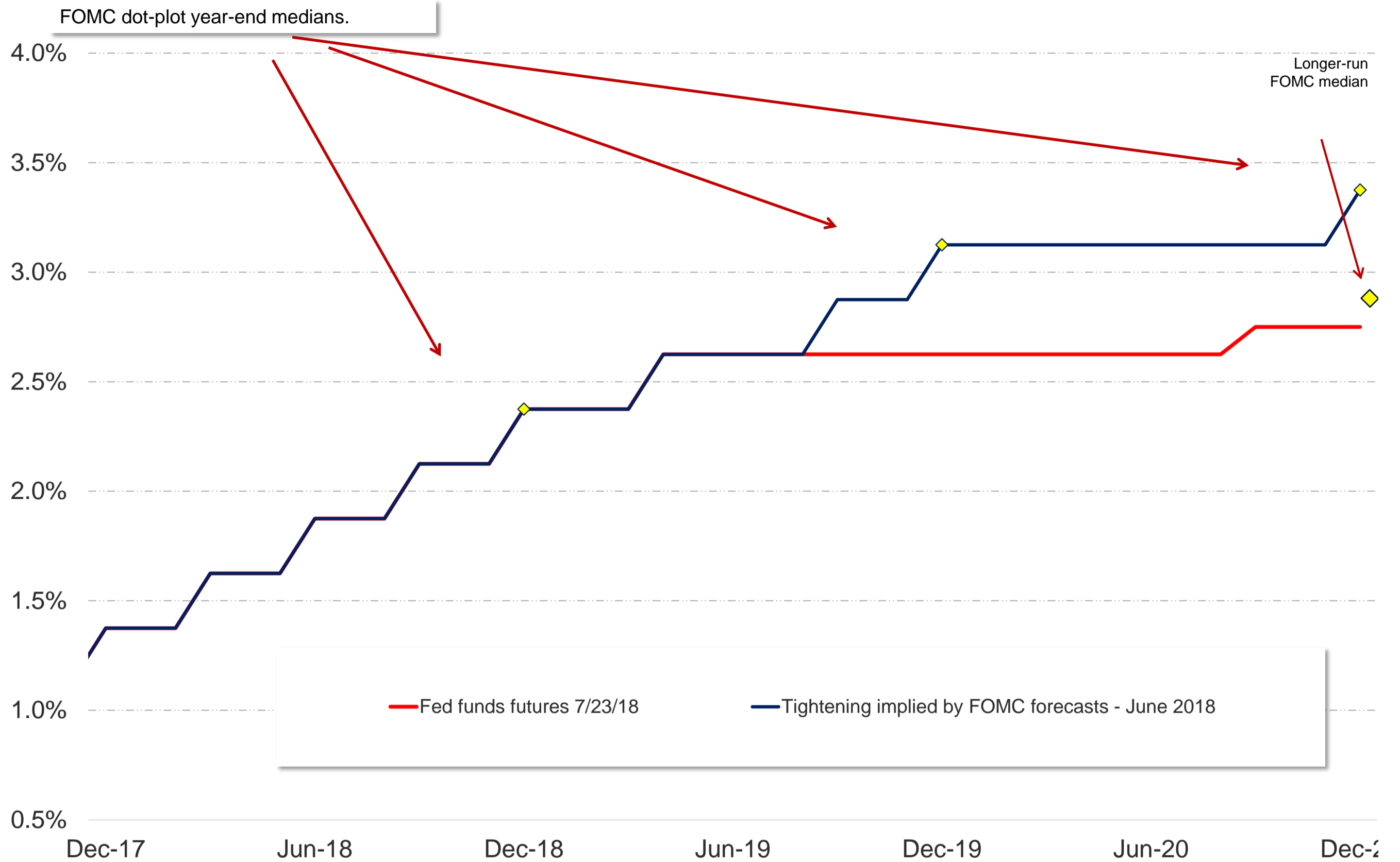
US Nonfarm Payrolls



Source: Bureau of Labor Statistics and FTN Financial

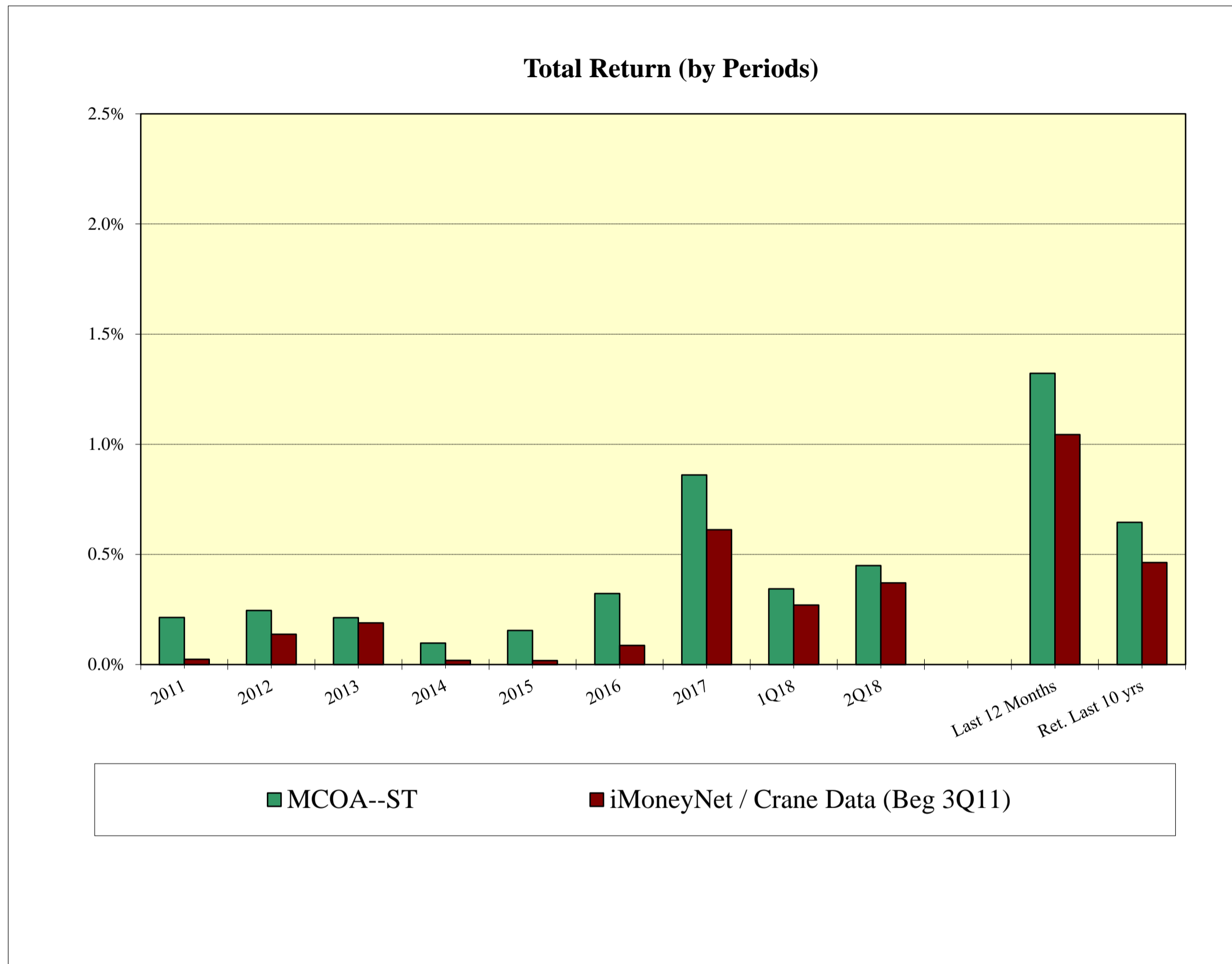
Source: Bureau of Labor Statistics and FTN Financial

Fed Fund Futures



Source: Federal Reserve & FTN Financial

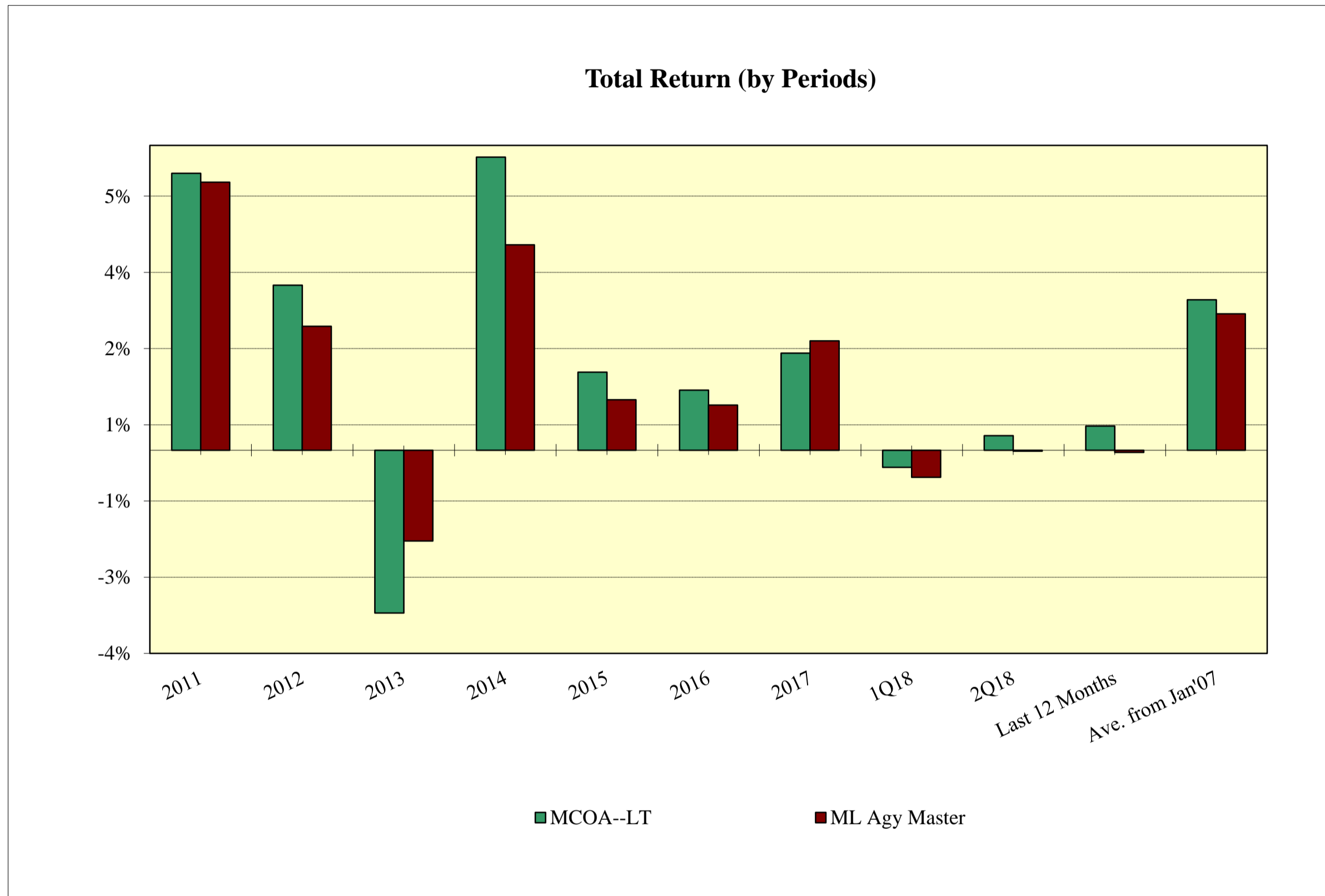
Total Return, ST Portfolio



- +8 bps (above) Index in 2Q18
- +18 bps/year ave. over the last 10 years

Source: Metropolitan Council, Bloomberg

Total Return, LT Portfolio



- 30 bps (above) Index in 2Q18
- +28 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



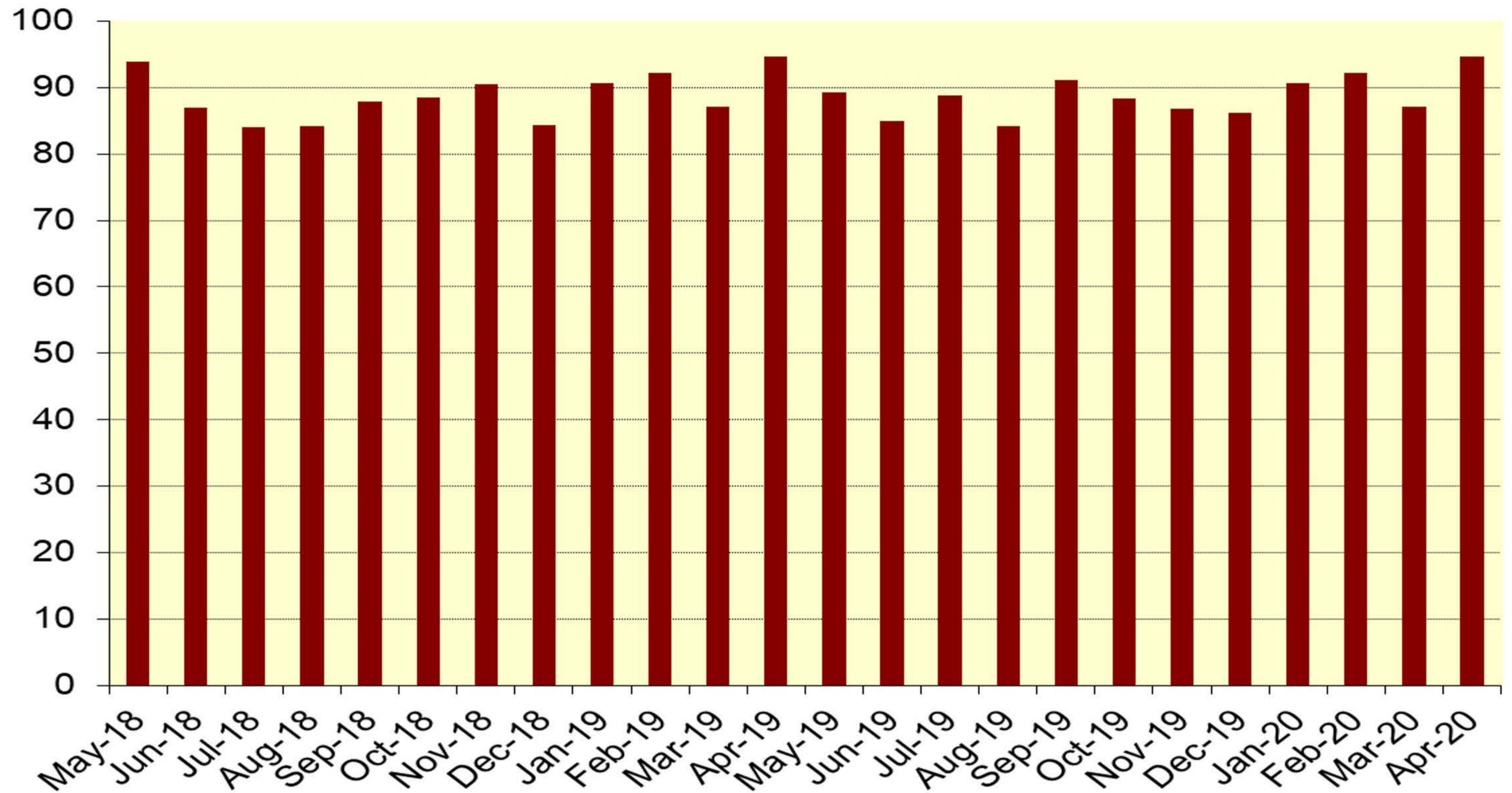
Source: Bloomberg

OPEB 2Q18 Results

- OPEB @ 2.31% ; Blended Index @ 1.99%
- 2Q18 unrealized gain is \$ 5.0M

			<u>Total</u>
• Value:		09-30-17:	\$259.2 MM
	Internal	09-30-17:	\$ 2.5 MM
		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)
			\$273.0 MM

Diesel Hedging Program



Source: Metropolitan Council

Crude Oil: What's Happening



Source: Bloomberg

Questions

