

Management Committee Investment Update Second Quarter 2021

CD Program

Bank	Amount	Date Purchased	Maturity Date	Interest Rate
Bremer Bank	\$ 5,000,000	12/22/2020	12/22/2021	0.200%
Riverland Bank	1,000,000	4/16/2020	4/16/2022	1.100%
Maple Bank	1,000,000	4/28/2021*	4/28/2022	0.500%
Merchants Bank	6,000,000	4/30/2020	4/30/2022	0.950%
21st Century	2,000,000	5/27/2021	5/26/2022	0.200%
Drake Bank	2,000,000	6/24/2021	6/23/2022	0.250%
First Resource Bank	1,000,000	4/9/2020	4/10/2023	0.950%
Total	\$ 18,000,000			
*Renewal				

CD Program Outcomes

Invest with qualifying community banks and credit unions that have a successful track record of supporting local minority and female-owned small businesses, affordable housing initiatives, programs for the unbanked and community development.

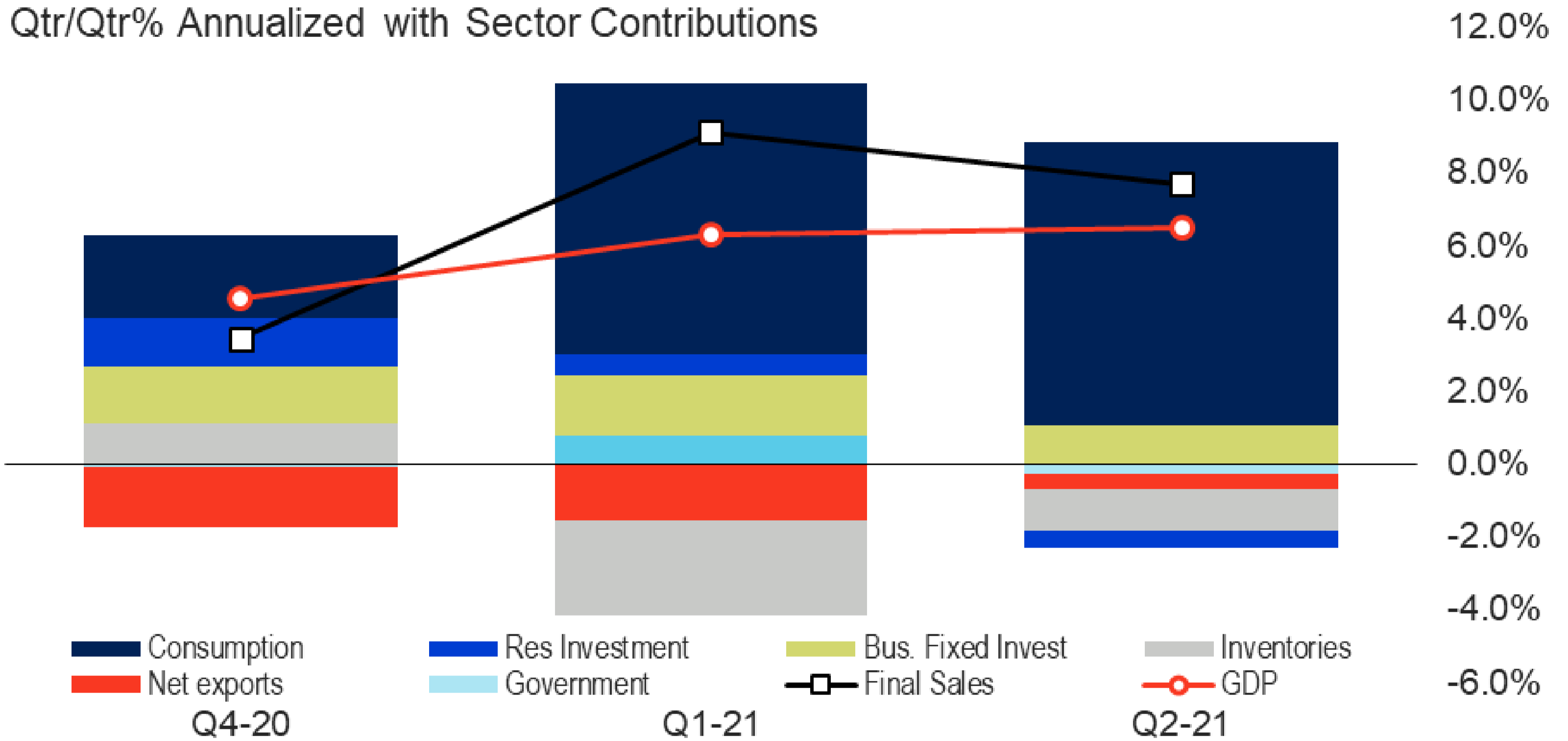
- Down payment assistance programs such as the Urban Indian Housing Program, offering below market rates for Native Americans
- 1000 PPP loans totaling \$116,000,000, all in metro area; 3,000 PPP totaling \$250,000,000
- 7-year partnership with MEDA, a nonprofit whose mission is to help minority entrepreneurs succeed in small business
- Initiated a program to ease account opening restrictions to improve access for the unbanked. Engaged nonprofits and banking associations to increase awareness
- 97% of deposits and loans to small business, 27% of loans to BIPOC small businesses
- Financing a woman-owned small business which provides accessory movable dwelling units for homeless veterans

Economic Themes 2nd Quarter

- Continued Strong Growth
- Inflation Outburst
- Labor Shortages
- Falling Interest Rates

GDP Growth

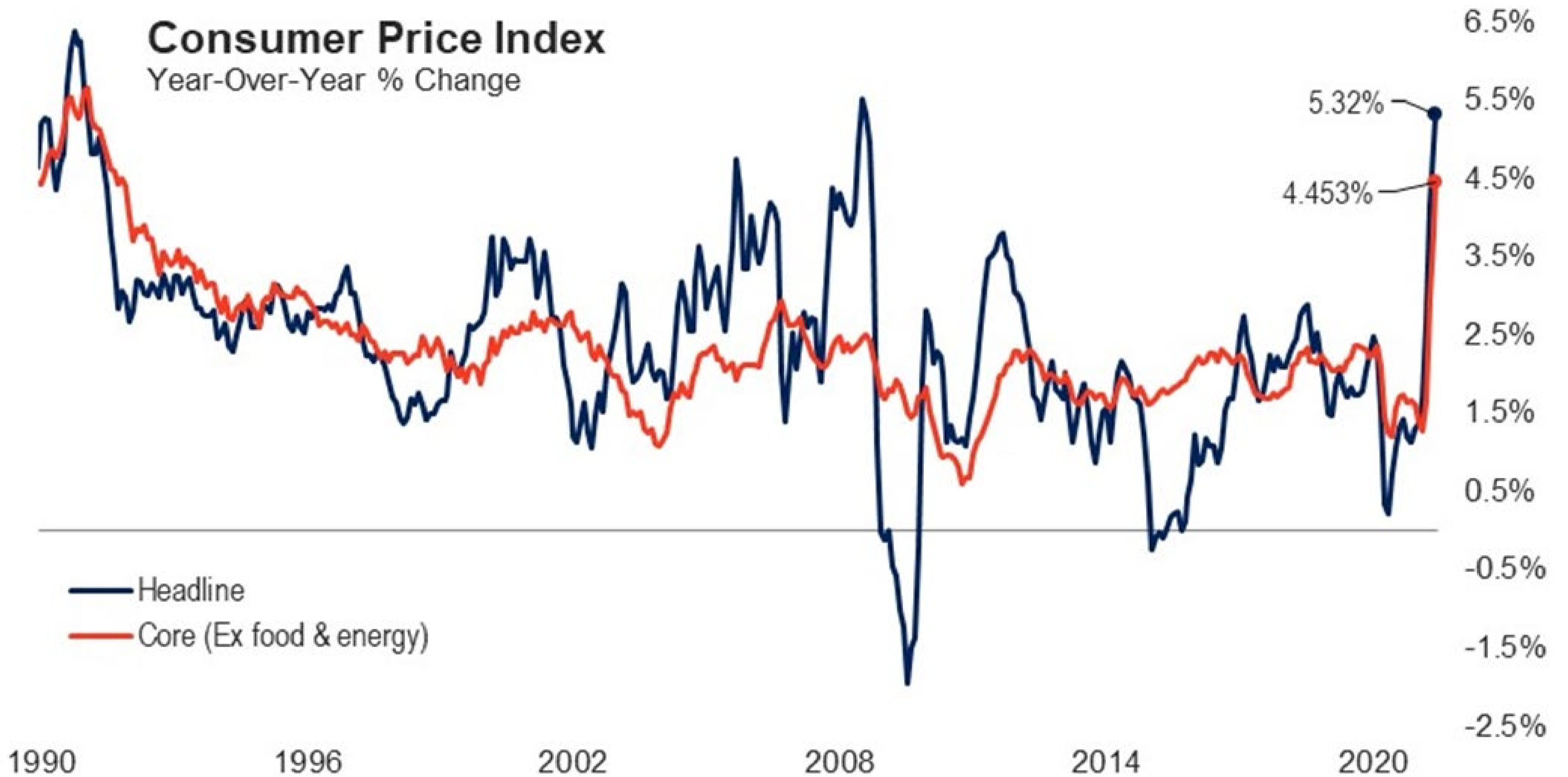
Qtr/Qtr% Annualized with Sector Contributions



Source: Bureau of Labor Statistics, FHN Financial

Consumer Price Index

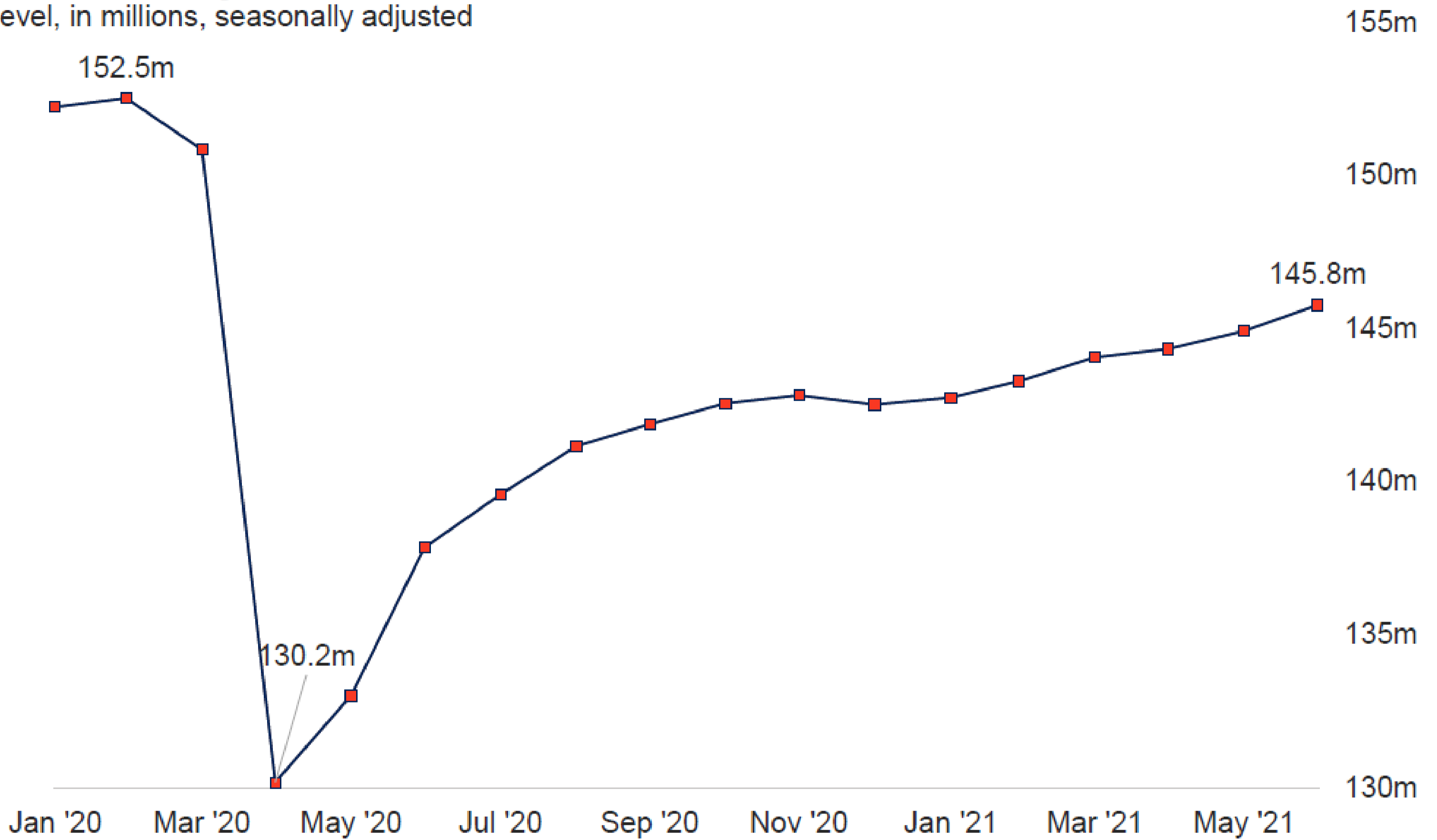
Year-Over-Year % Change



Source: Bureau of Labor Statistics

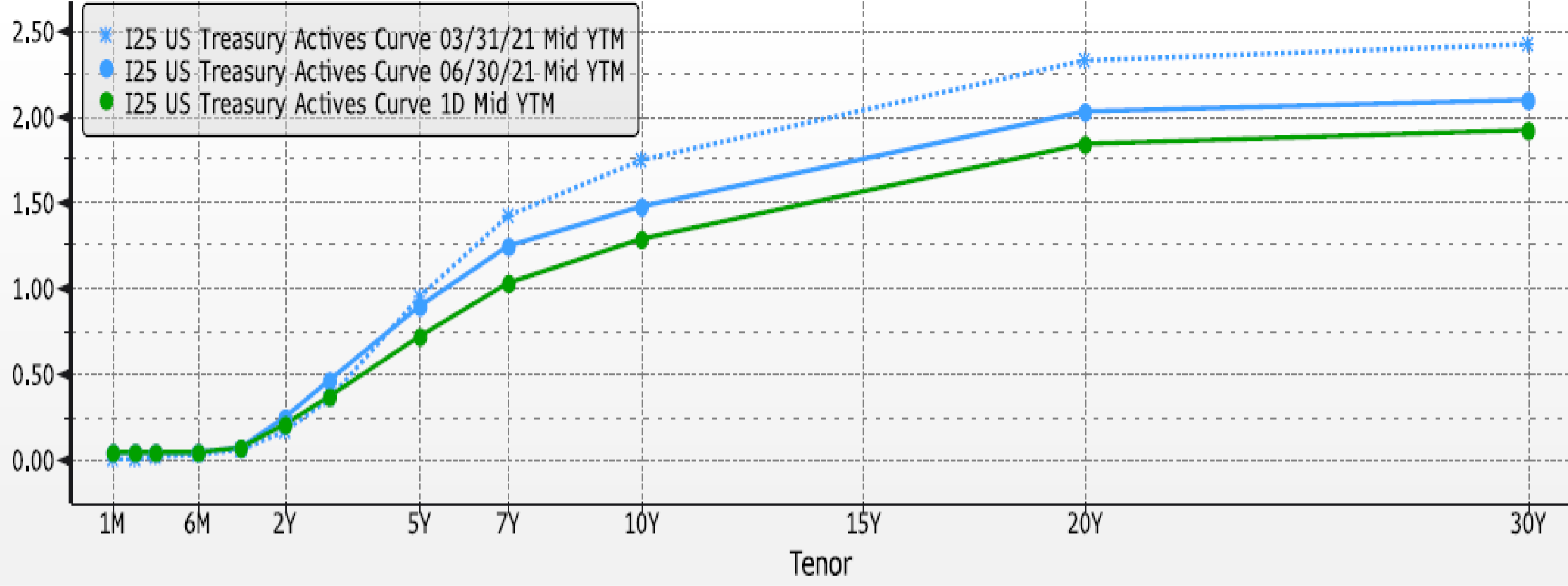
Nonfarm Payrolls

Level, in millions, seasonally adjusted



Source: Bureau of Labor Statistics, FHN Financial

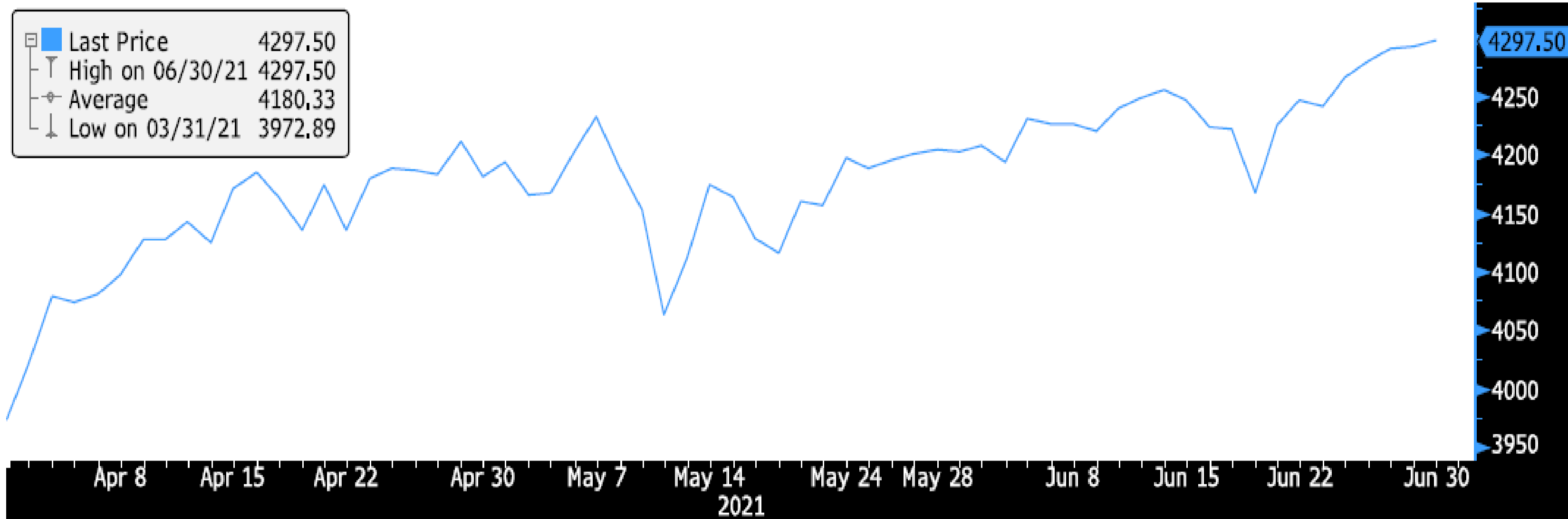
Treasury Yield Curve



Source: Bloomberg



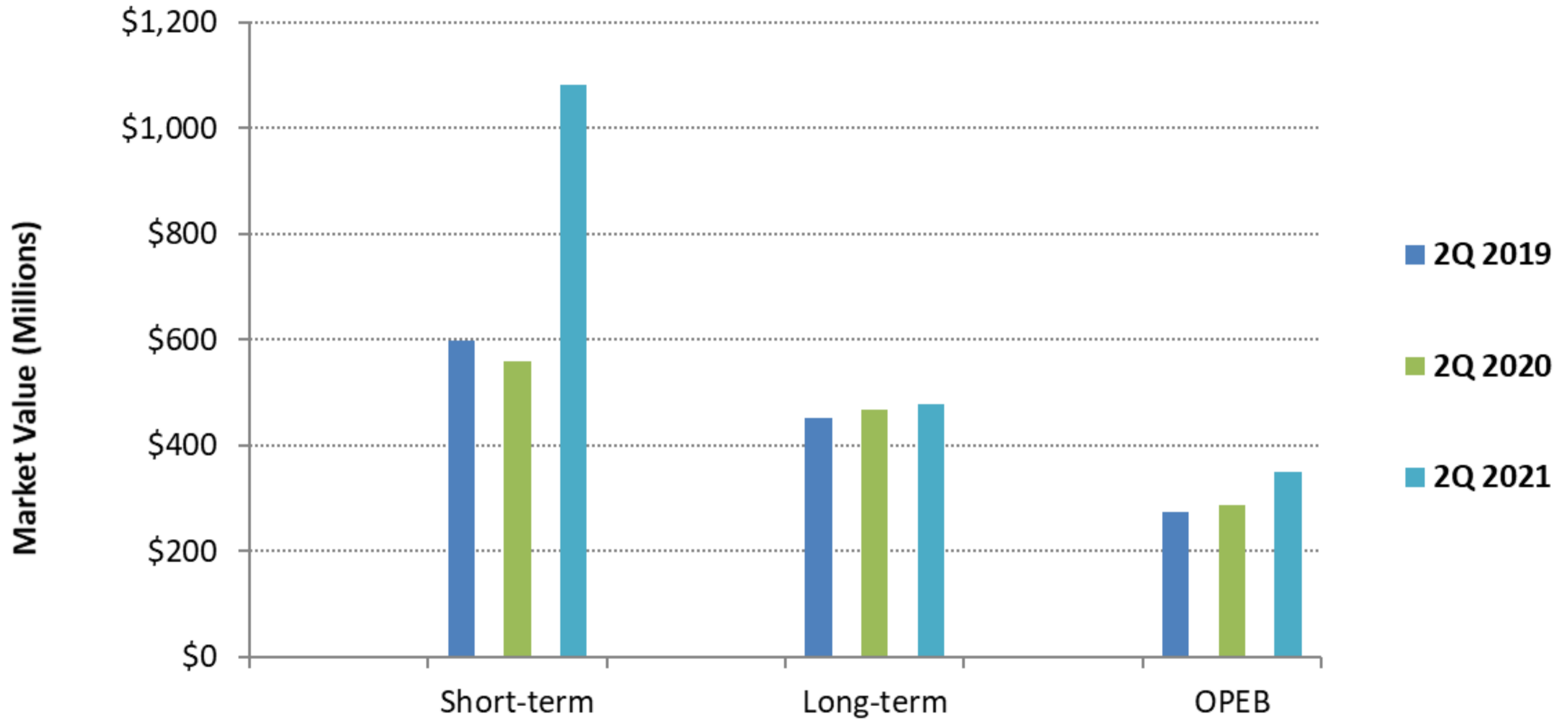
S&P 500 Index



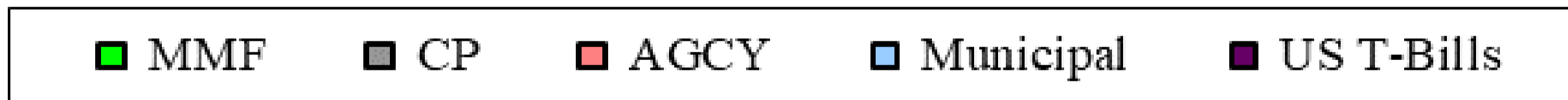
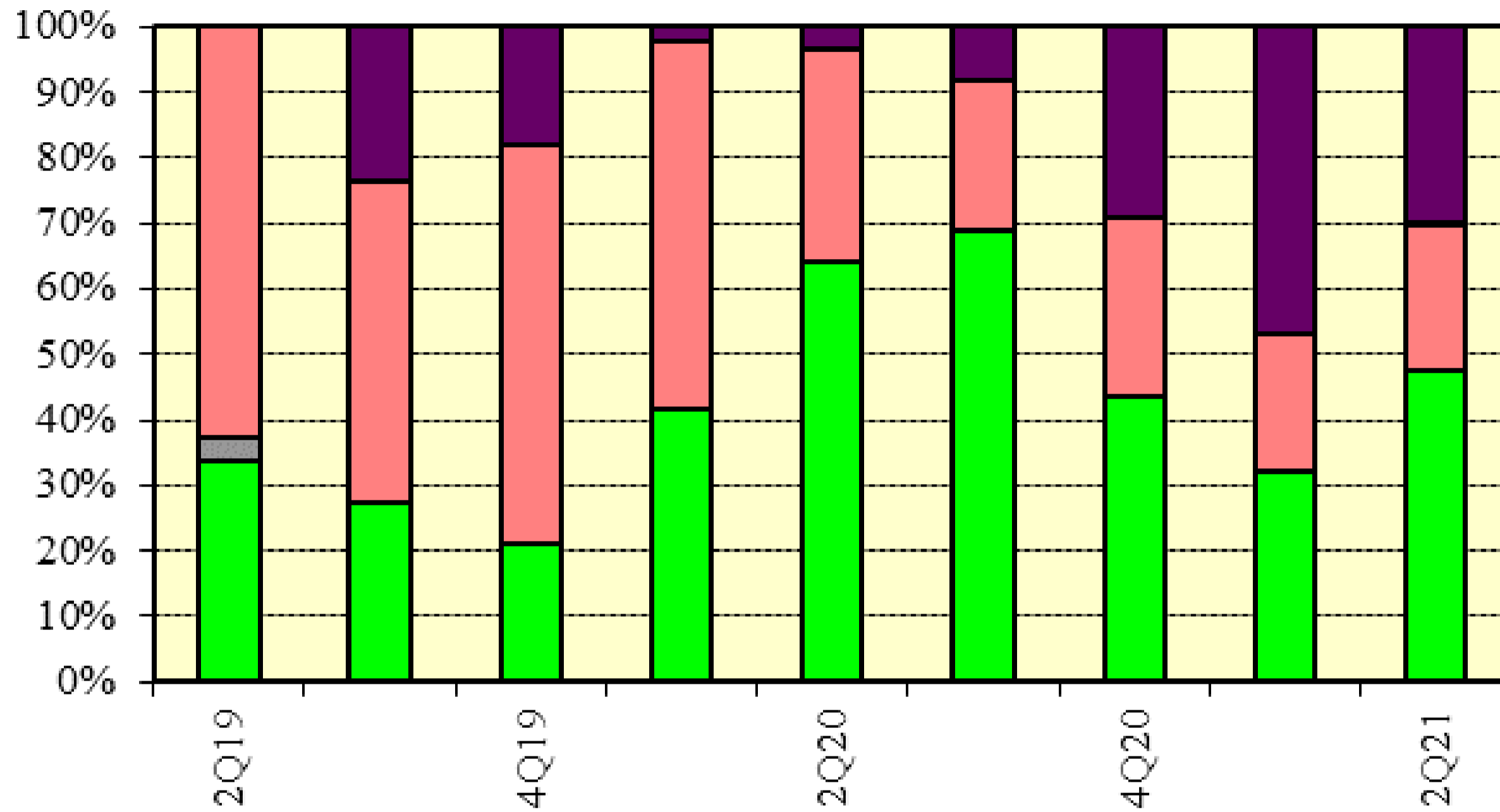
Source: Bloomberg

Investment Results Second Quarter 2021

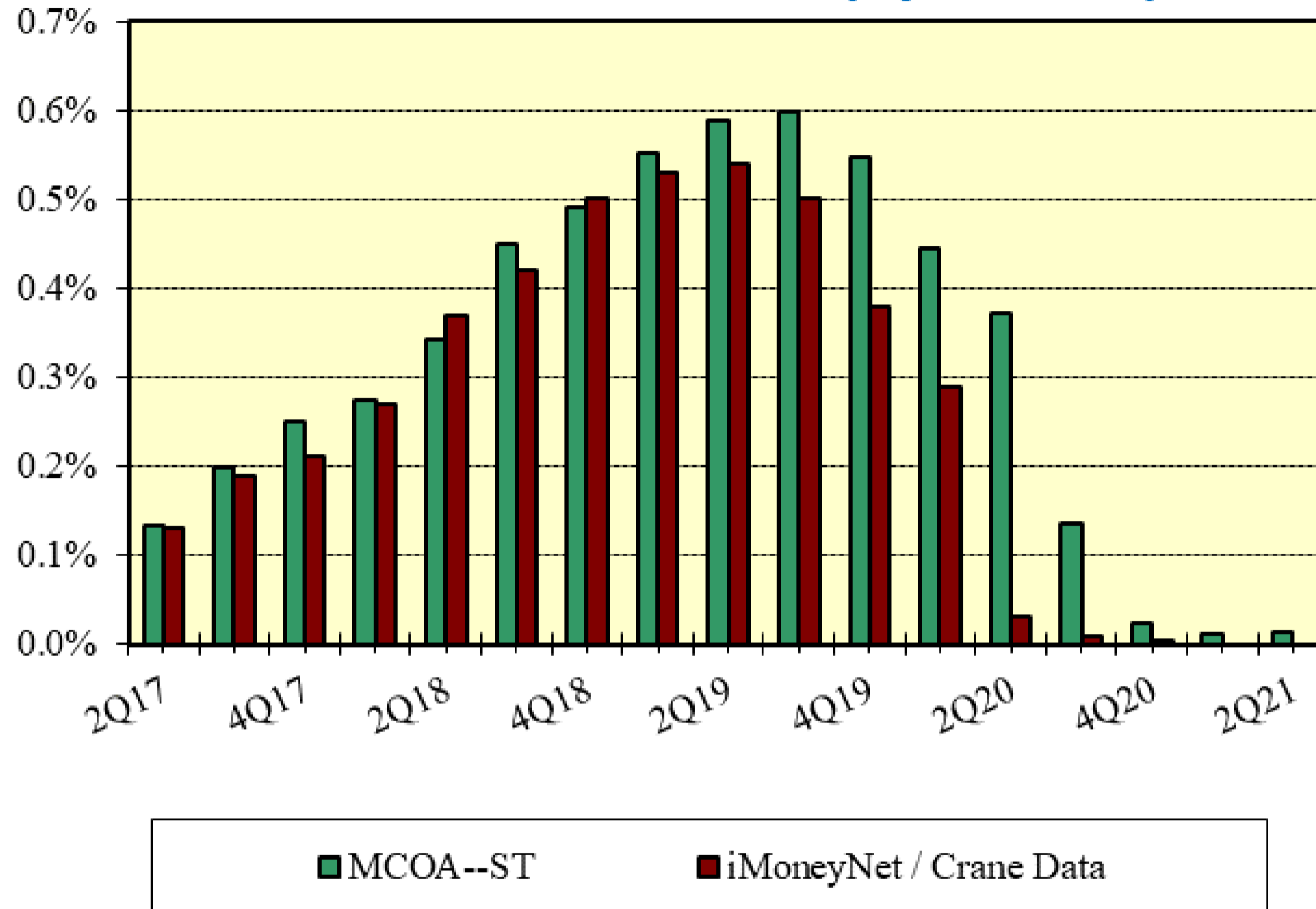
Investment Portfolio Balances



Short-Term Sector Allocation

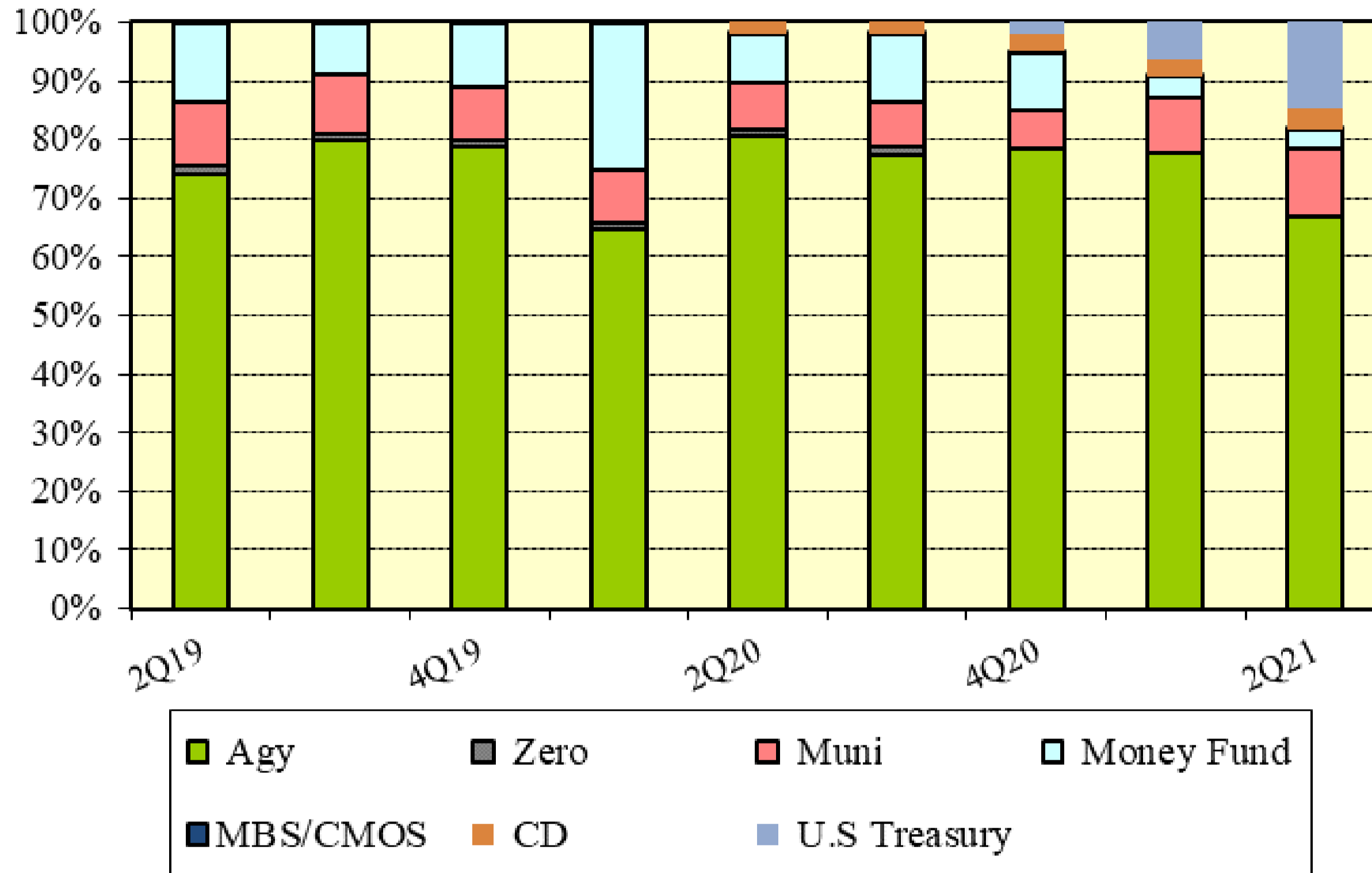


Short-Term Total Return (by Quarter)

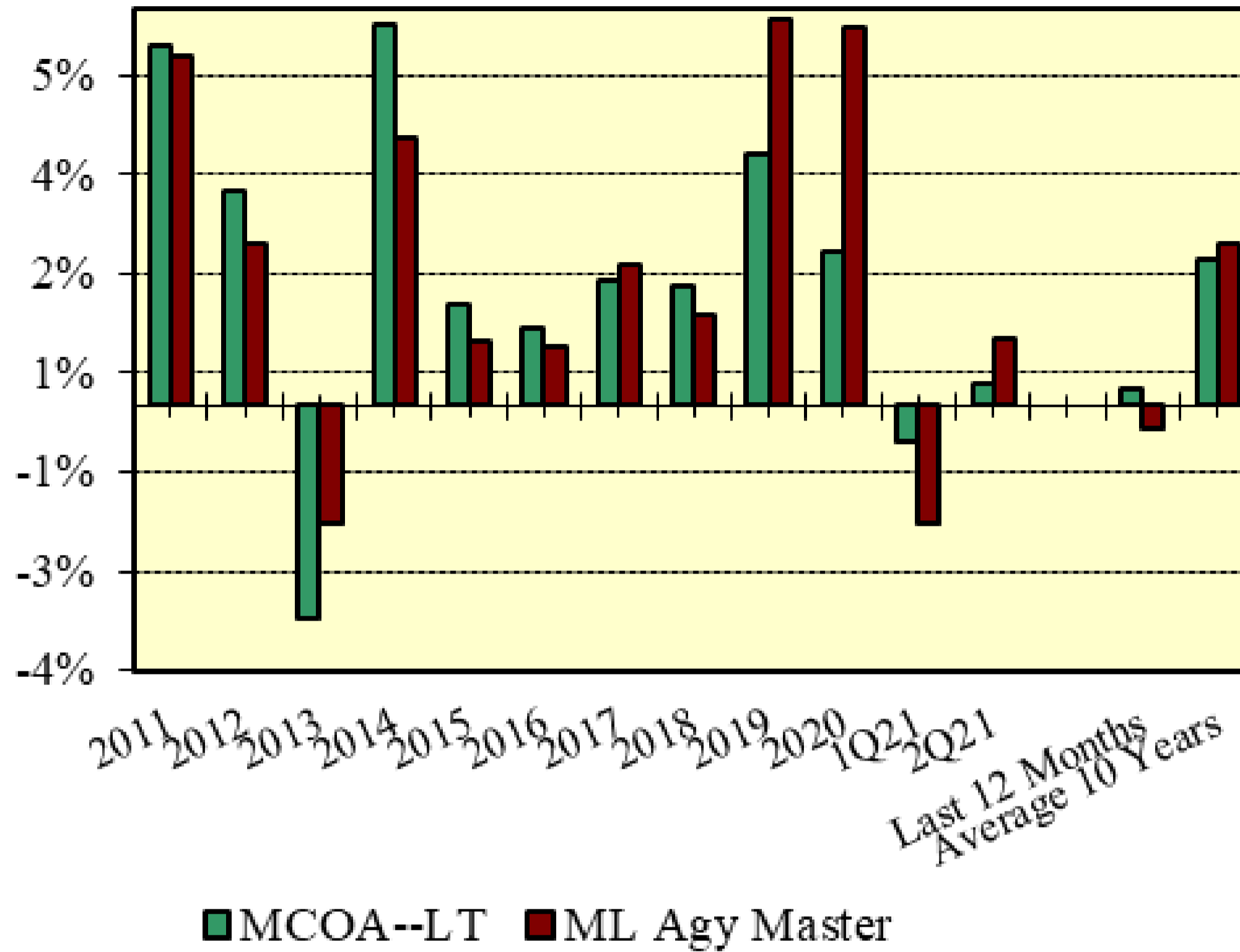


- Total Return +.009% vs. Index .001%
- +17 bps/year average outperformance last 10 years

Sector Diversification Long-Term



Total Return Long-Term



- Total Return .343% vs Index .997%
- +62 bps to Index last 12 months

OPEB Trust

- 2Q return of 5.61%; Blended Index @ 5.86%
- Average annual return of 13.91% last 5 years
- Current Allocation: 64% equity, 32% fixed, 4% cash

- Value:

06-30-20	\$287.9 Million
09-30-20	289.1
12-31-20	315.8
03-31-21	330.4
06-30-21	348.9

Questions



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