Investment Review
Third Quarter 2023

Management Committee Information Item
Mark Thompson, Director Treasury

November 8, 2023
Economic Growth

Real GDP: Percent change from preceding quarter

- 2Q22: -0.6%
- 3Q22: 3.2%
- 4Q22: 2.6%
- 1Q23: 2.0%
- 2Q23: 2.1%
- 3Q23: 4.9%

U.S. Bureau of Economic Analysis

Seasonally adjusted annual rates
Inflation Headed Lower?

- 3.0% June
- 3.2% July
- 3.7% August
- 3.7% September
- Fed’s goal 2.0%
Treasury Yield Curve

Source: Bloomberg
5 Metropolitan Council

S&P 500 Index

- 59% of OPEB Trust
- Started 3Q at 4450
- Finished 3Q at 4288
- 3Q total return -3.27%
- YTD total return +7.18%
Short-term Portfolio

- $1.3 Billion
- U.S. Treasury Bills - $456 million, 32%
- Government Discount Notes - $203 million, 17%
- Money Market Funds - $644 million, 51%

- 3Q total return 1.33% vs. benchmark 1.32%
- Average yield 5.35%, 5.14% 2Q, 4.77% 1Q
- Interest income $15.2m, $11.9m 2Q, $10.8m 1Q
Long-term Portfolio

$452 million
U.S. Government Agency -$268 million, 60%
U.S. Treasury Notes - $117 million, 27%
Municipal Bonds - $46 million, 11%
Money Market Fund - $21 million, 2%

Total Return .469% vs benchmark -.595%
Average Yield 1.39% vs 1.21% 1Q
Duration 1.50 years vs benchmark 3.29 years
3Q interest income $1.46m, $1.51m 2Q, $1.44m 1Q
OPEB Trust

- Total Return 3Q23: -1.89% vs -3.26% Benchmark
- YTD Total Return: 8.85%
- Average Return: 7.15% (5 years), 10.97% (10 years)
- Equity: $189 million, 59%
- Fixed Income: $116 million, 37%
- Cash Pool: $13 million, 4%
- Trust Value:
  - 12-31-22: $296.8 million
  - 3-31-23: 308.5
  - 6-30-23: 324.9
  - 9-30-23: 318.8
- Projected OPEB Liabilities Fully Funded

OPEB Trust Total Return
Thank you

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