

Investment Review Third Quarter 2023

Management Committee Information Item

Mark Thompson, Director Treasury

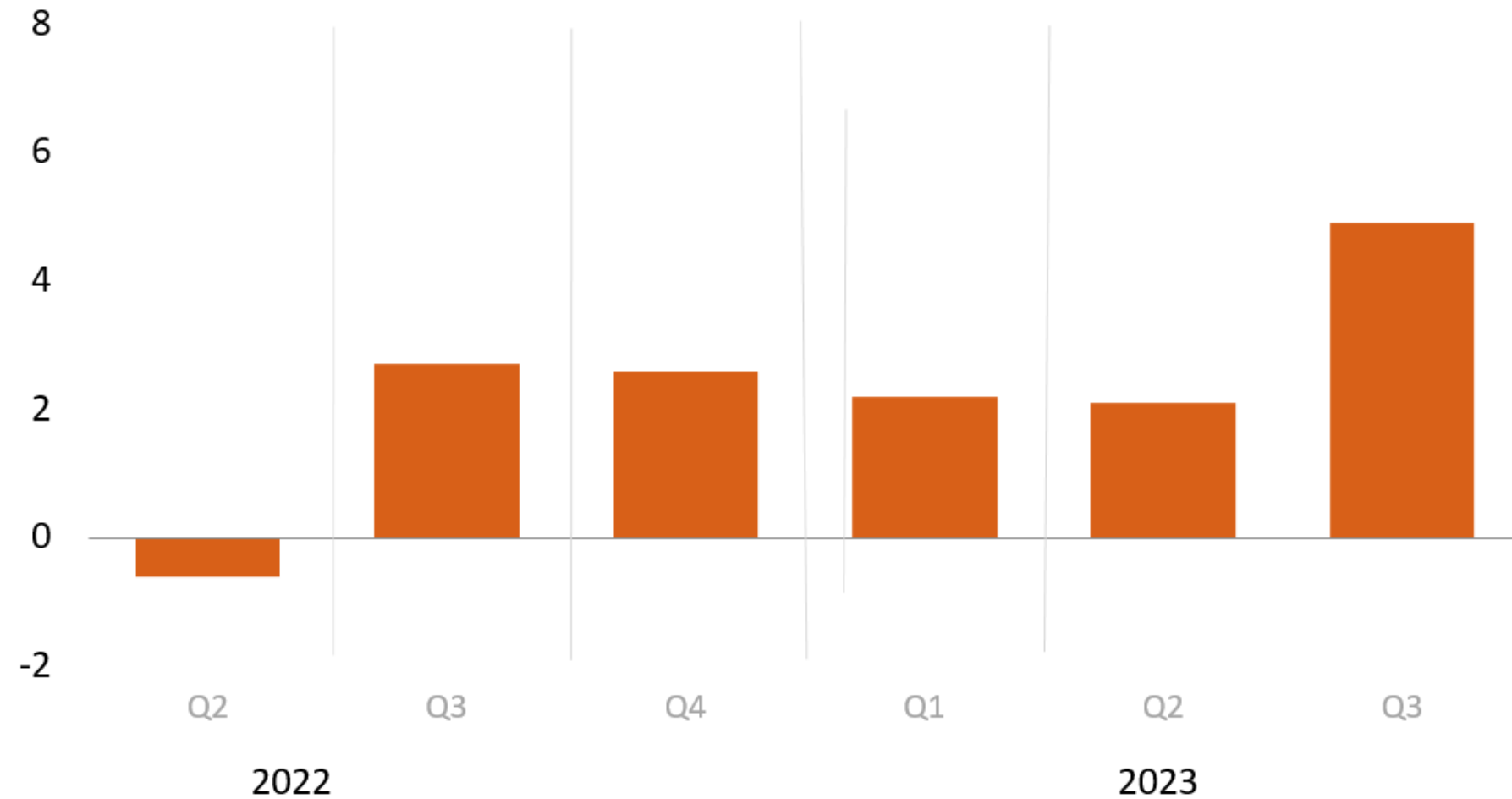


November 8, 2023

Economic Growth

Real GDP: Percent change from preceding quarter

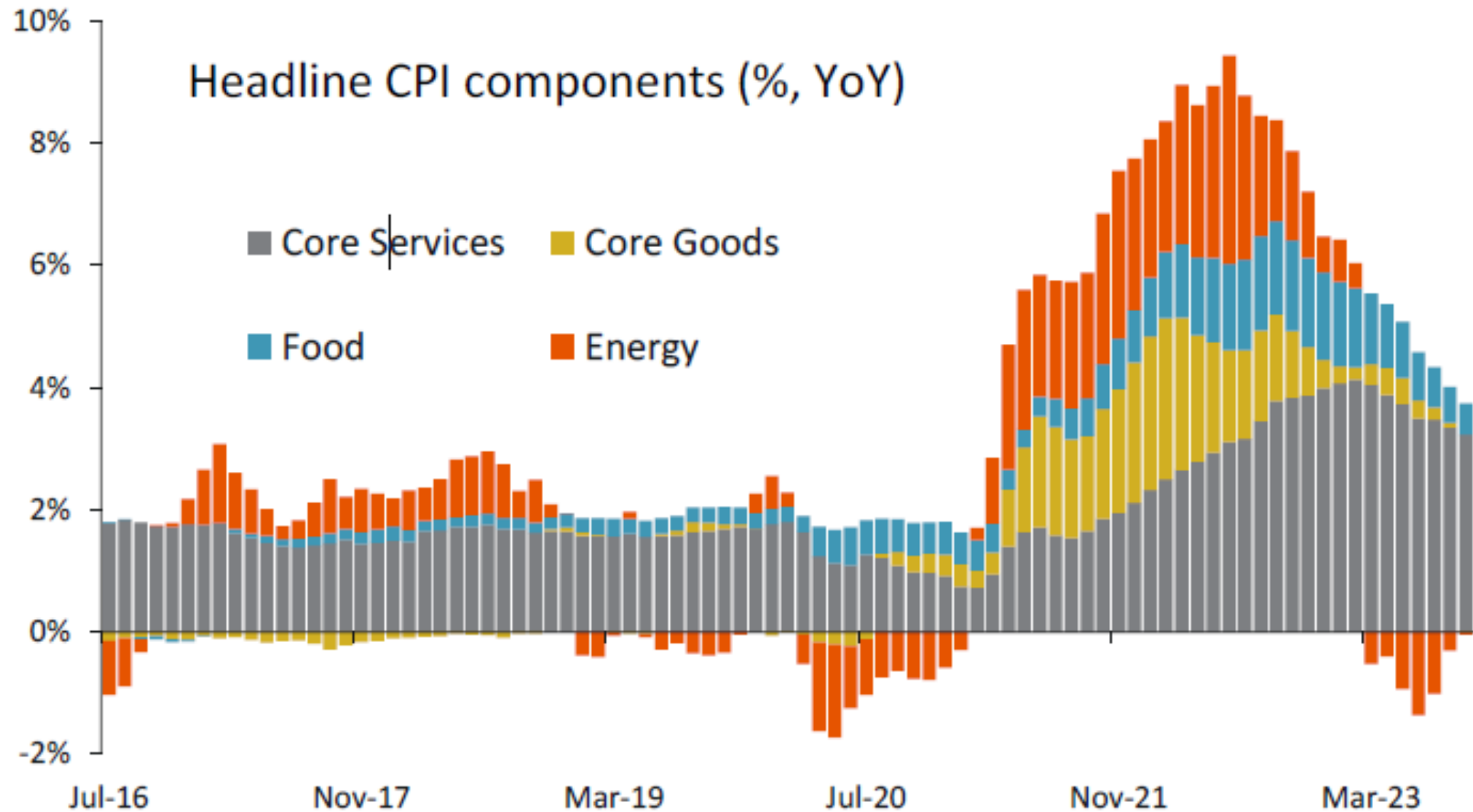
- 2Q22 -0.6%
- 3Q22 3.2%
- 4Q22 2.6%
- 1Q23 2.0%
- 2Q23 2.1%
- 3Q23 4.9%



U.S. Bureau of Economic Analysis

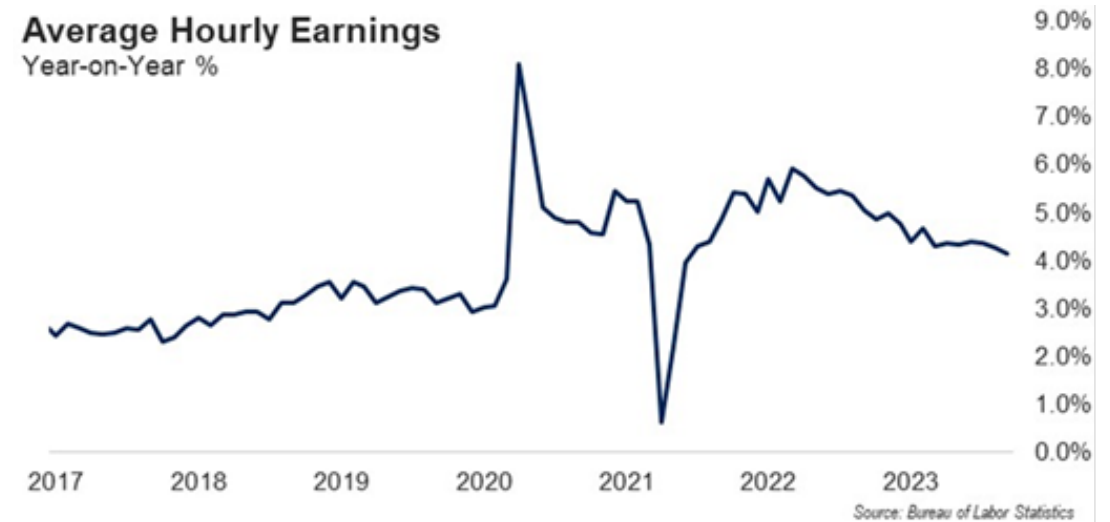
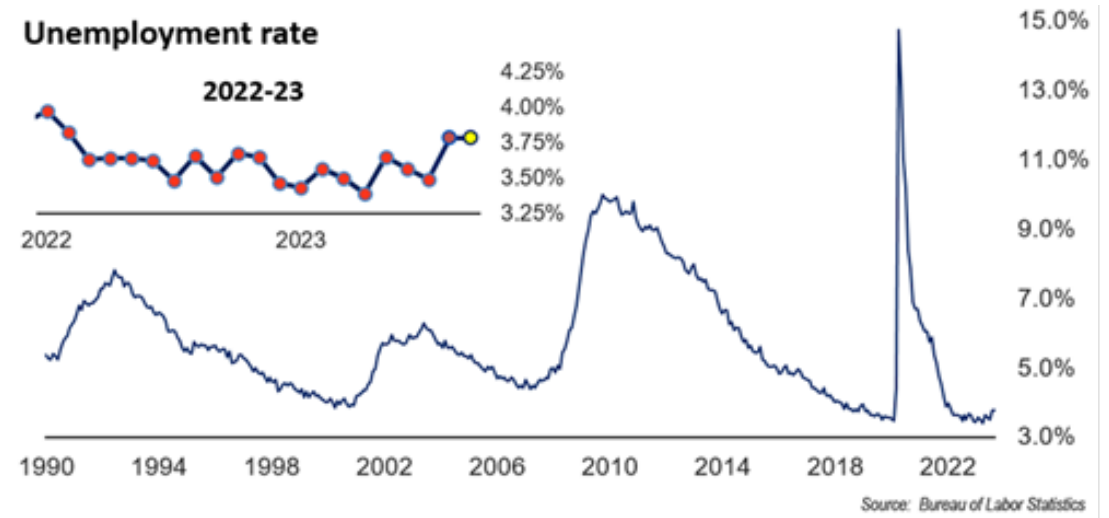
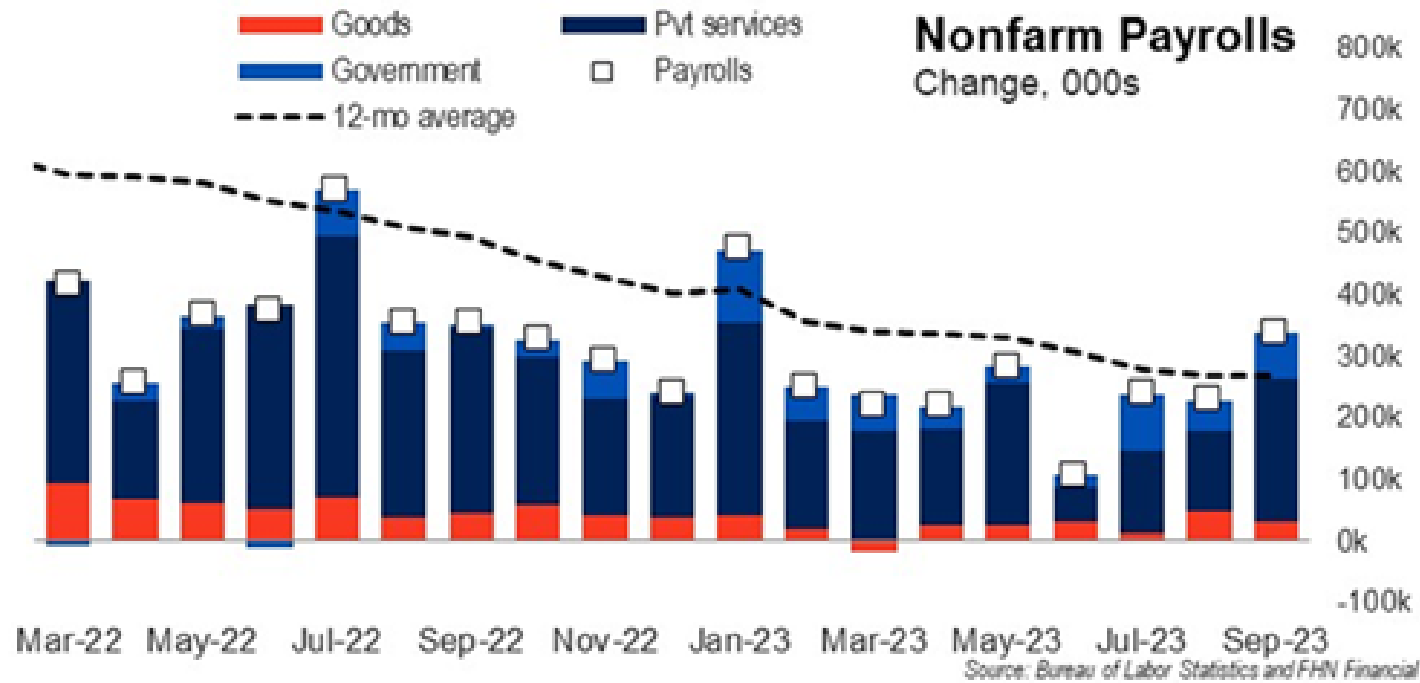
Seasonally adjusted annual rates

Inflation Headed Lower?

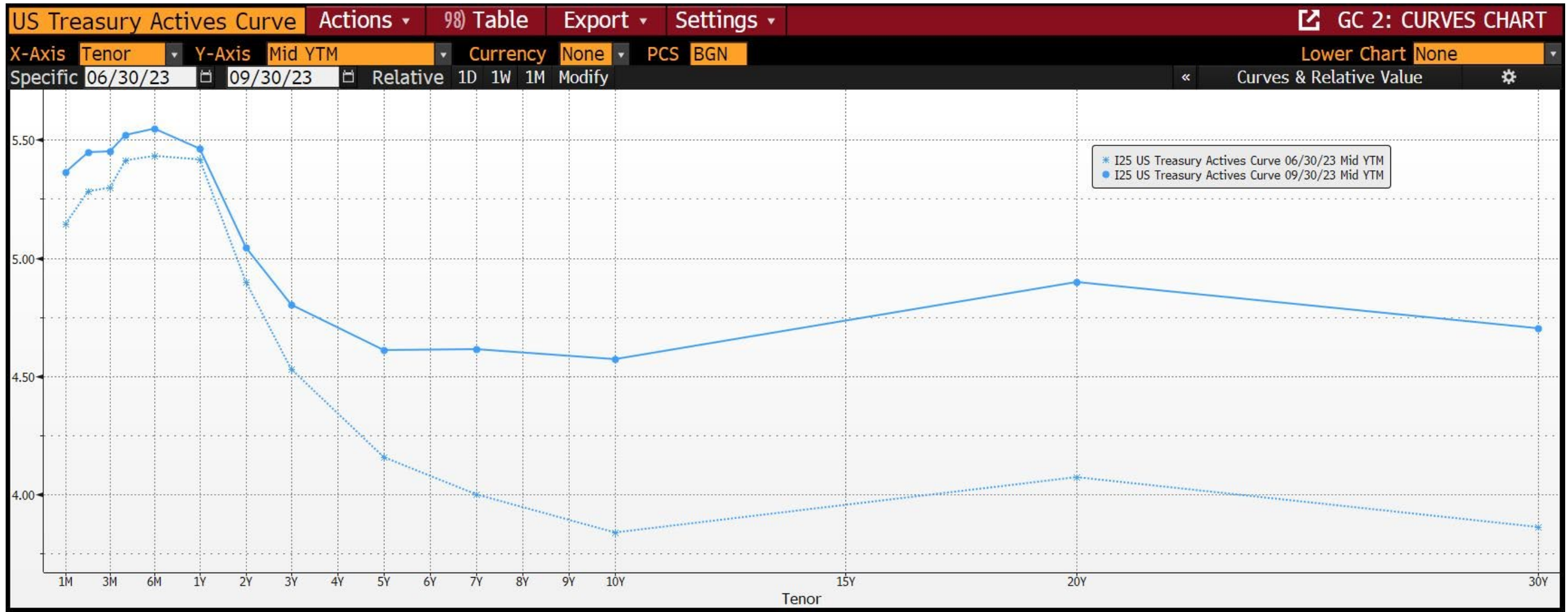


- 3.0% June
- 3.2% July
- 3.7% August
- 3.7% September
- Fed's goal 2.0%

Labor Market



Treasury Yield Curve



Source : Bloomberg

S&P 500 Index

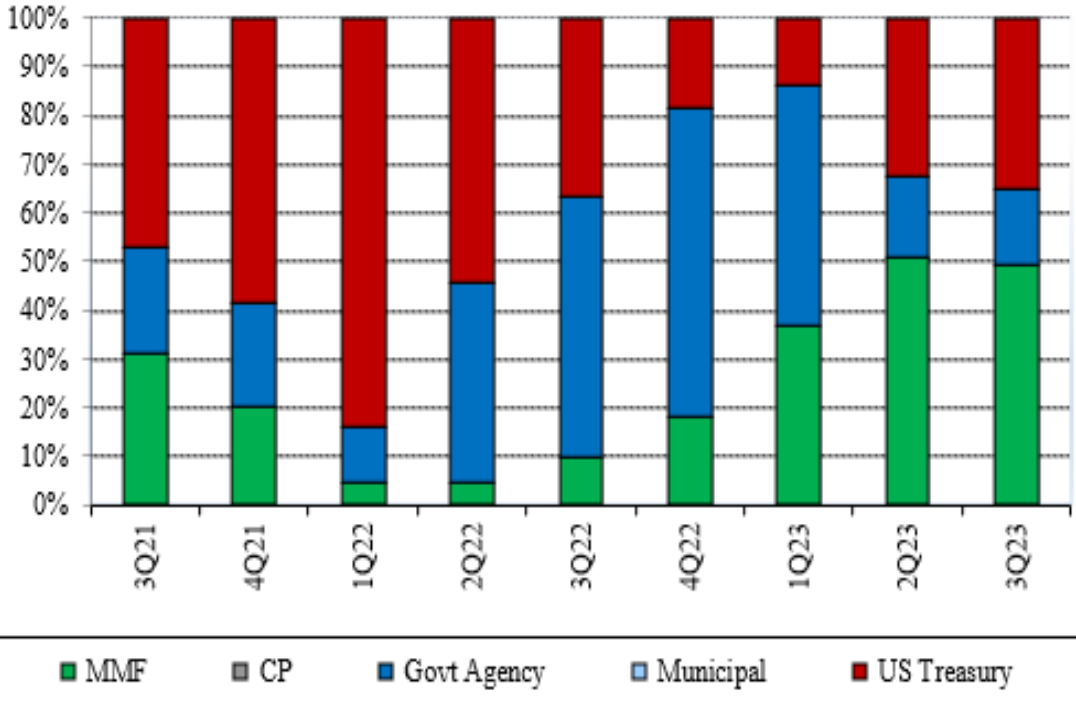
- 59% of OPEB Trust
- Started 3Q at 4450
- Finished 3Q at 4288
- 3Q total return -3.27%
- YTD total return +7.18%



S&P 500 Total Returns by Month											
Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
8.1%	5.6%	-5.9%	6.3%	-2.5%	3.7%	1.6%	0.4%	6.6%	3.2%	-1.6%	-4.8%

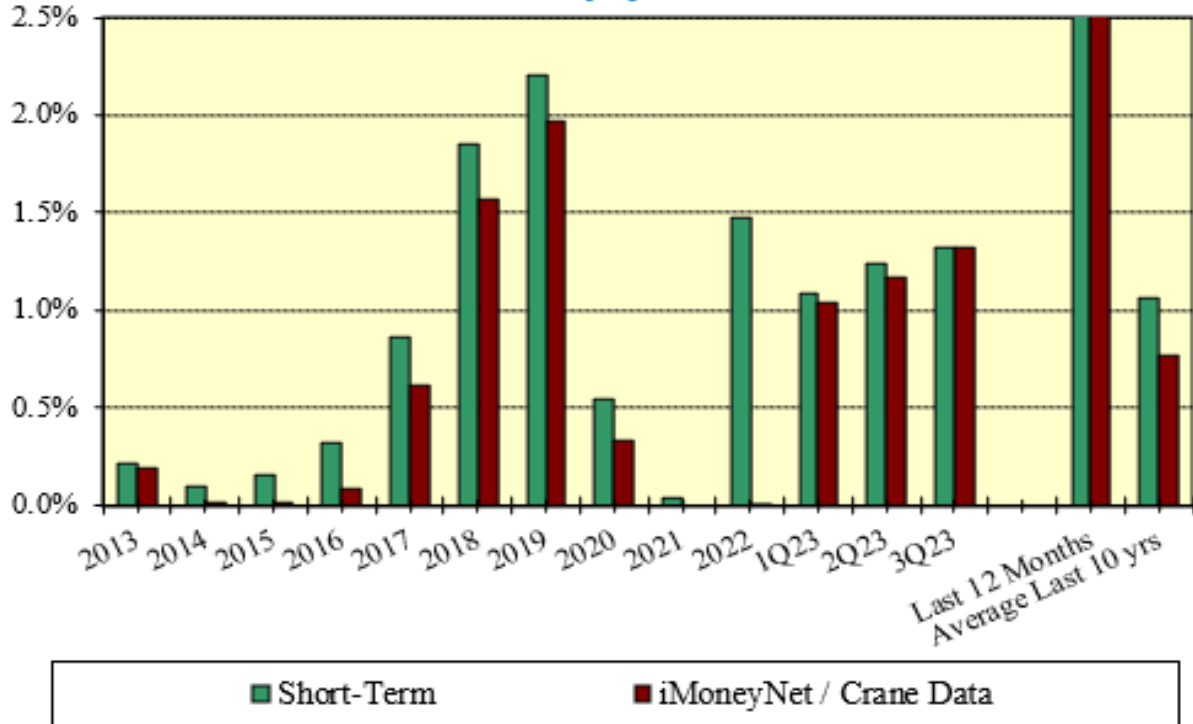
Short-term Portfolio

Sector Allocation



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

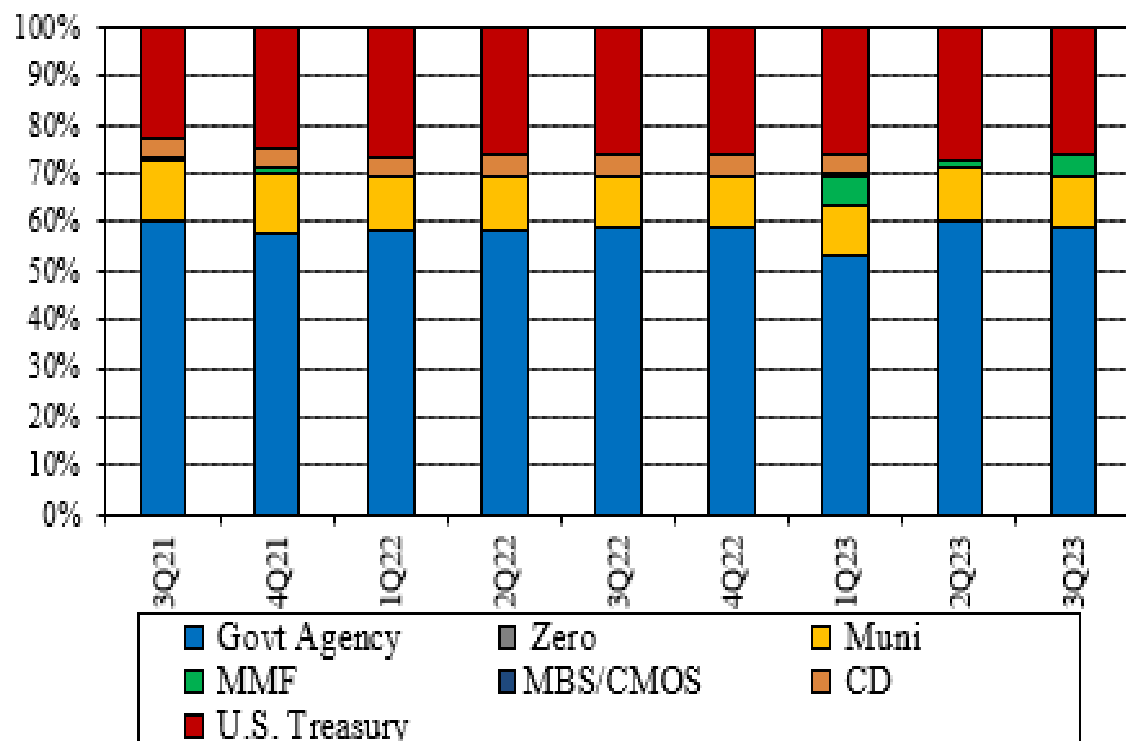
Total Return (by Periods)



- **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**

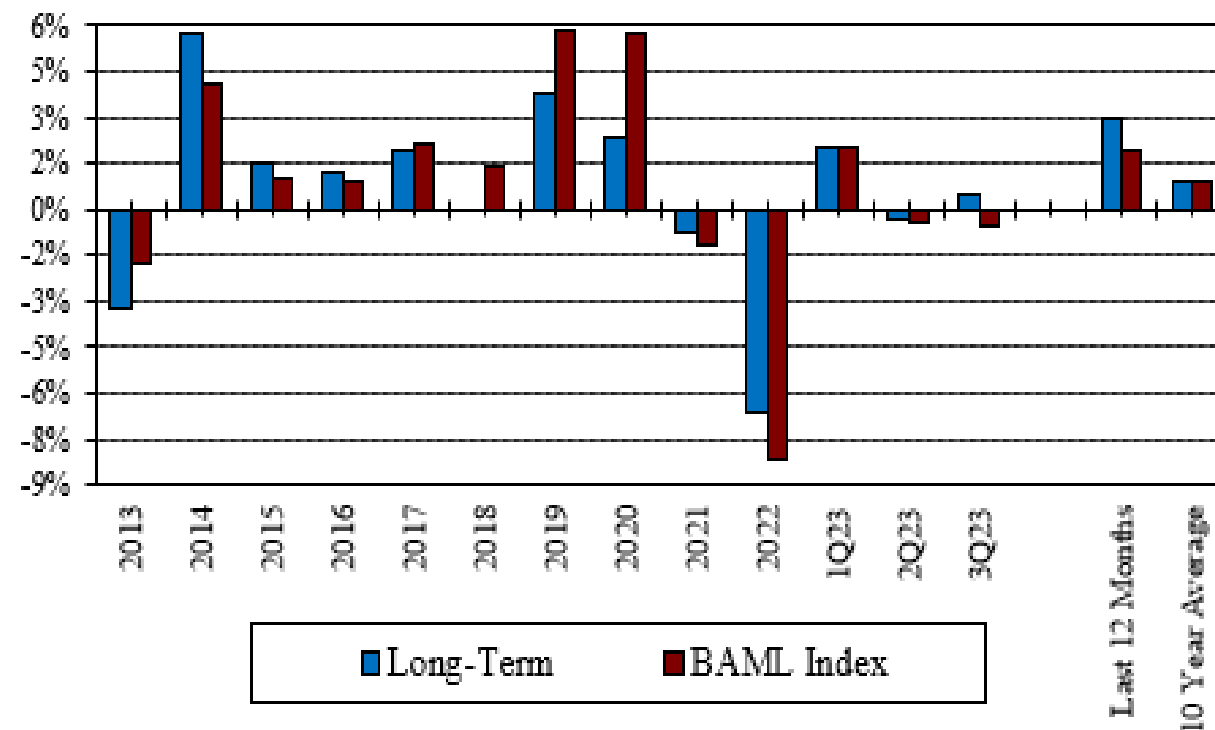
Long-term Portfolio

Sector Allocation



- \$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



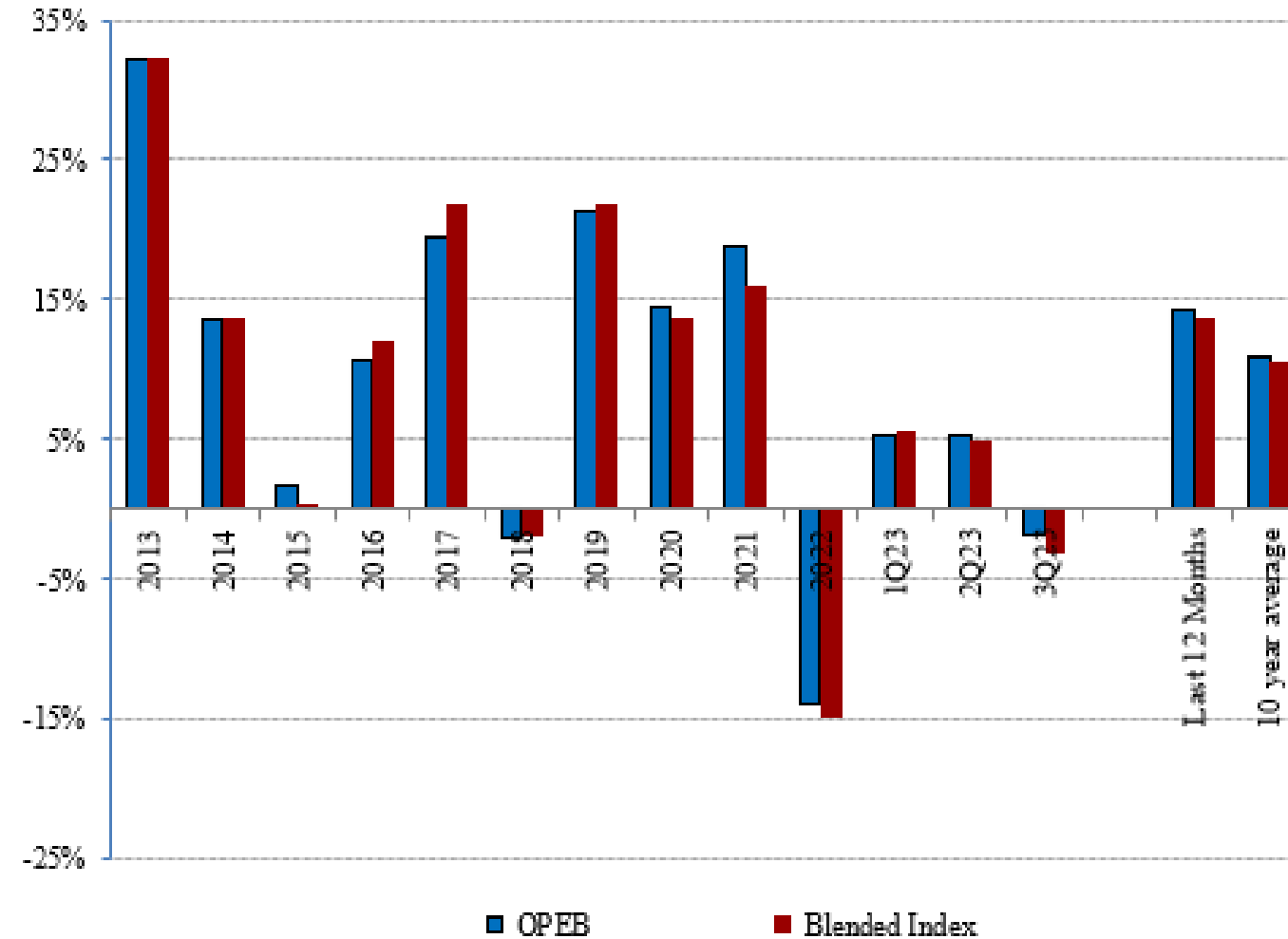
- Total Return .469% vs benchmark -.595%
- Average Yield 1.39% vs 1.21% 1Q
- Duration 1.50 years vs benchmark 3.29 years
- 3Q interest income \$1.46m, \$1.51m 2Q, \$1.44m 1Q

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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