

Investment Review Fourth Quarter 2023

Management Committee February 14, 2024

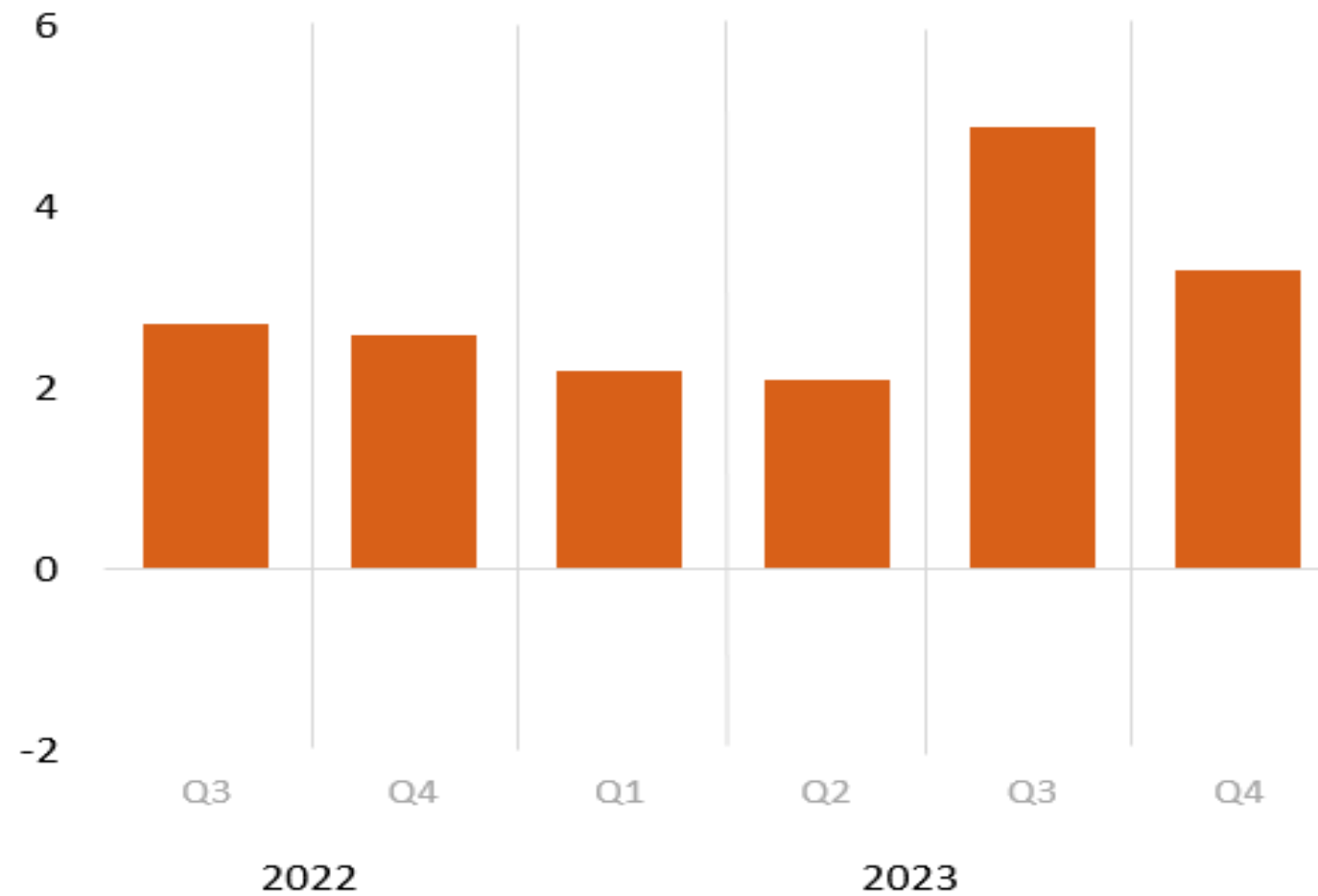
Mark Thompson, Director Treasury



Economic Growth

- 1Q23 2.0%
- 2Q23 2.1%
- 3Q23 4.9%
- 4Q23 3.3%

Real GDP: Percent change from preceding quarter

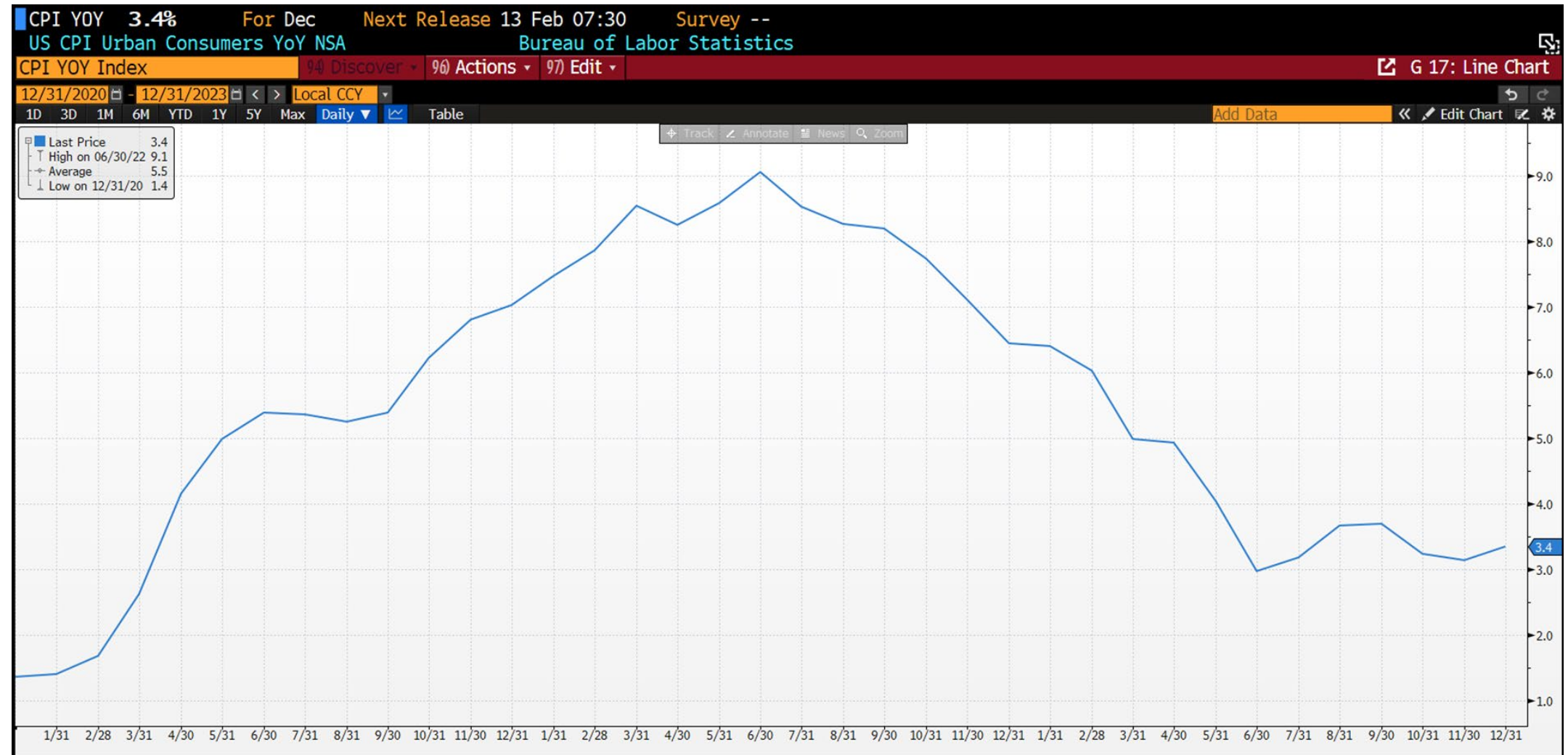


U.S. Bureau of Economic Analysis

Seasonally adjusted annual rates

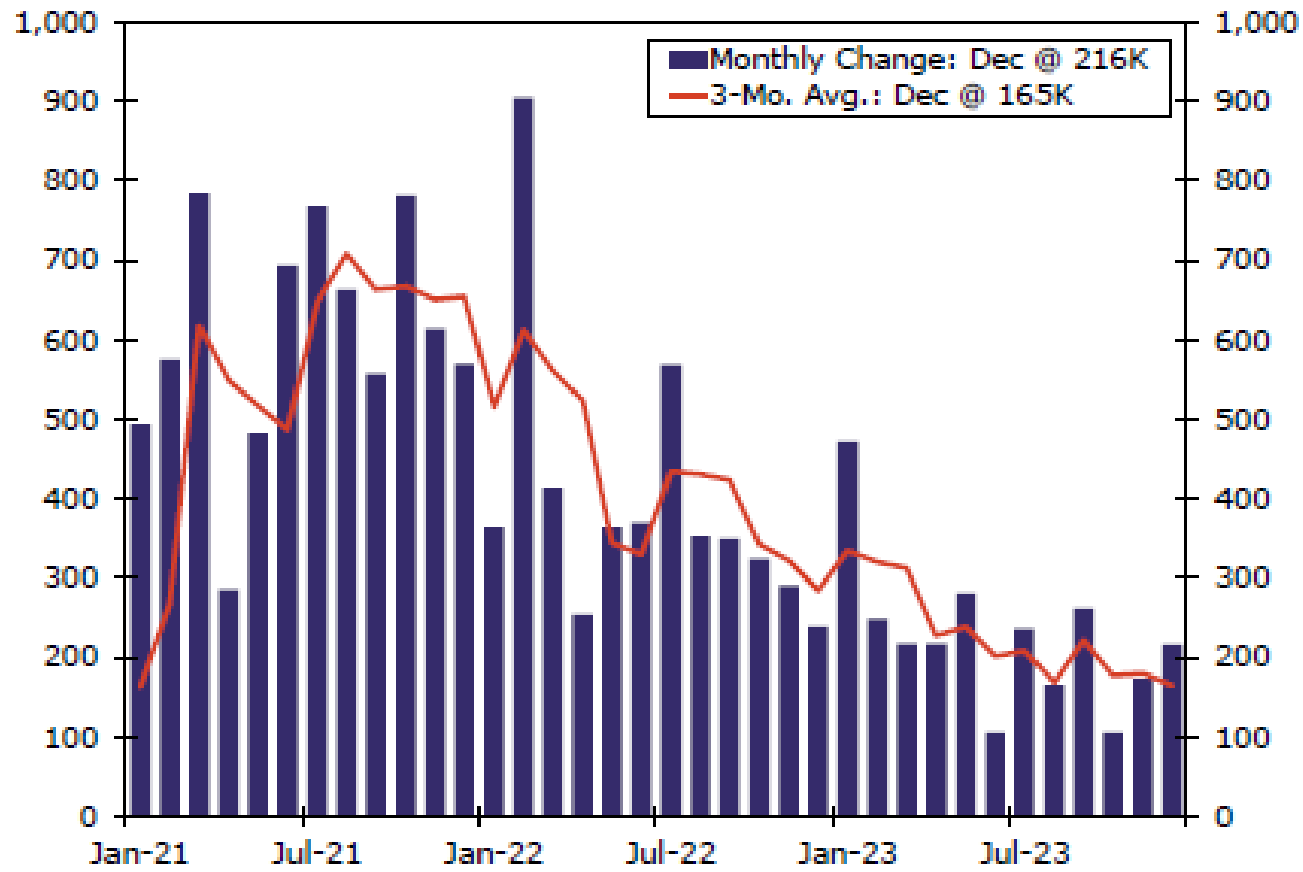
Inflation

- Fed's Goal 2.00%
- Dec. 2023 CPI 3.4%
- Dec. 2023 Core PCE 2.9%



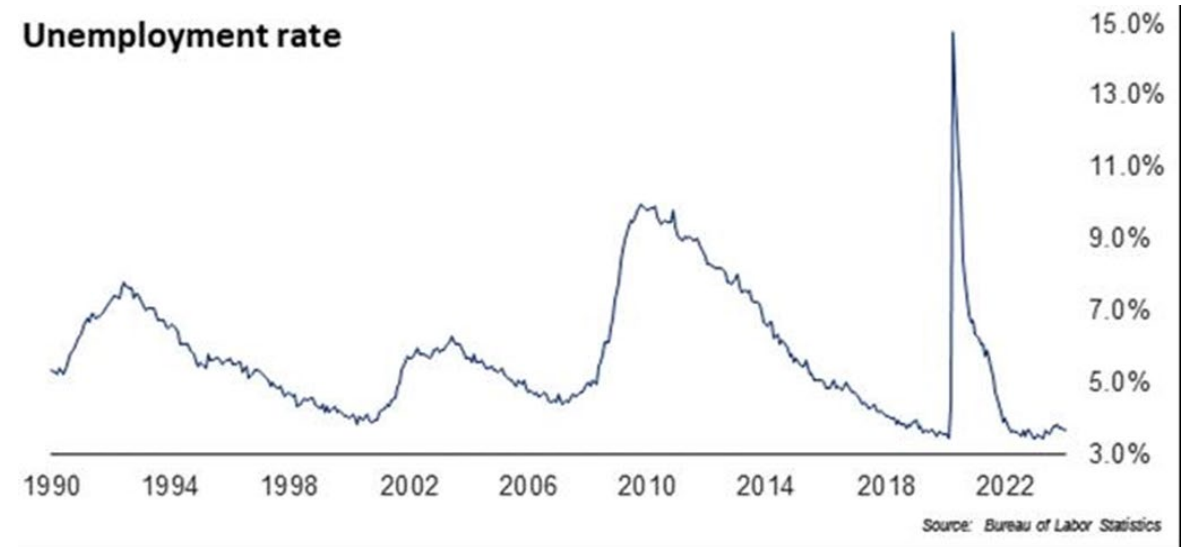
Labor Market

U.S. Nonfarm Employment Change
Thousands



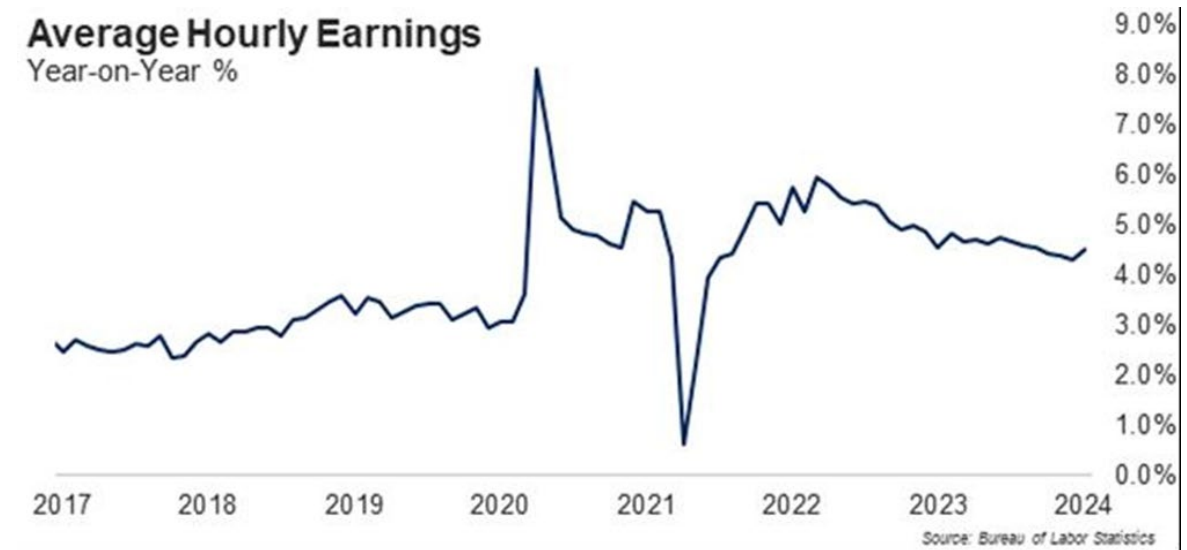
Source: U.S. Department of Labor and Wells Fargo Economics

Unemployment rate



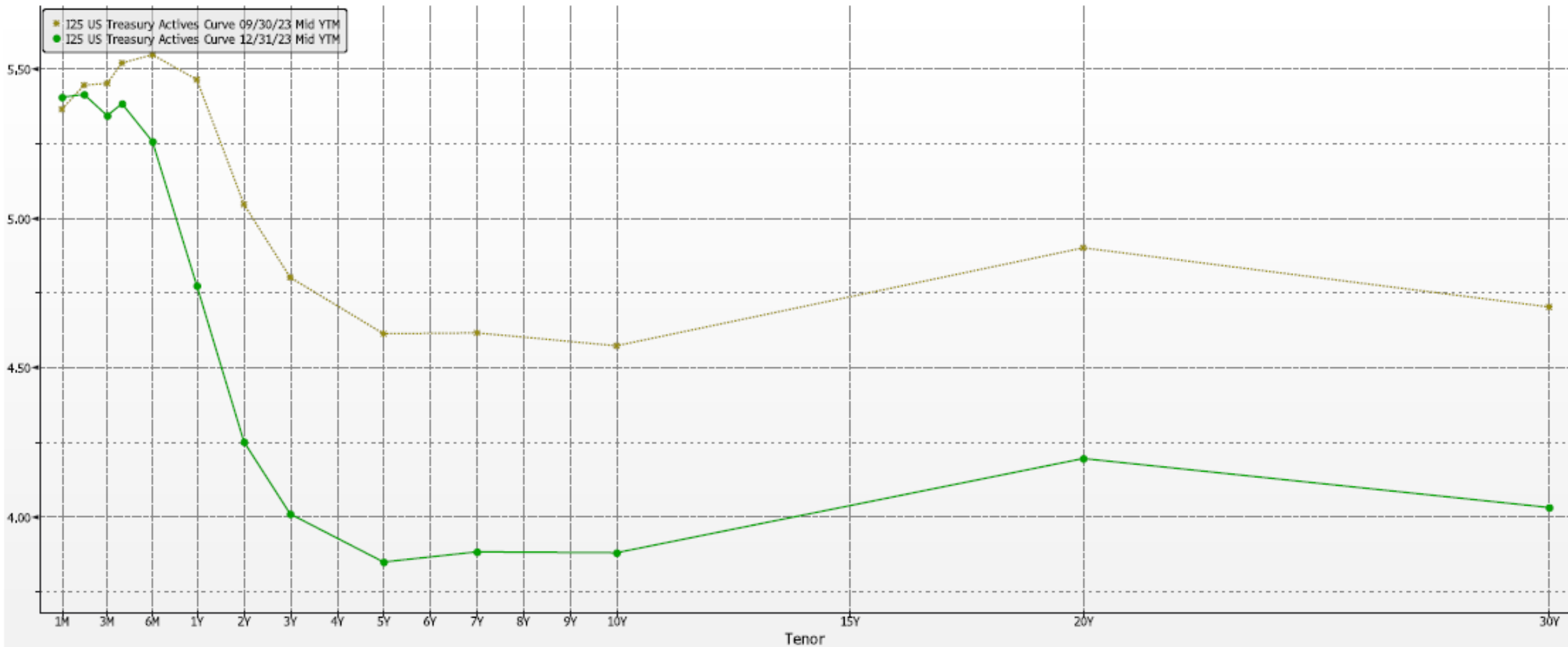
Source: Bureau of Labor Statistics

Average Hourly Earnings
Year-on-Year %



Source: Bureau of Labor Statistics

Treasury Yield Curve



Source : Bloomberg

S&P 500 Index

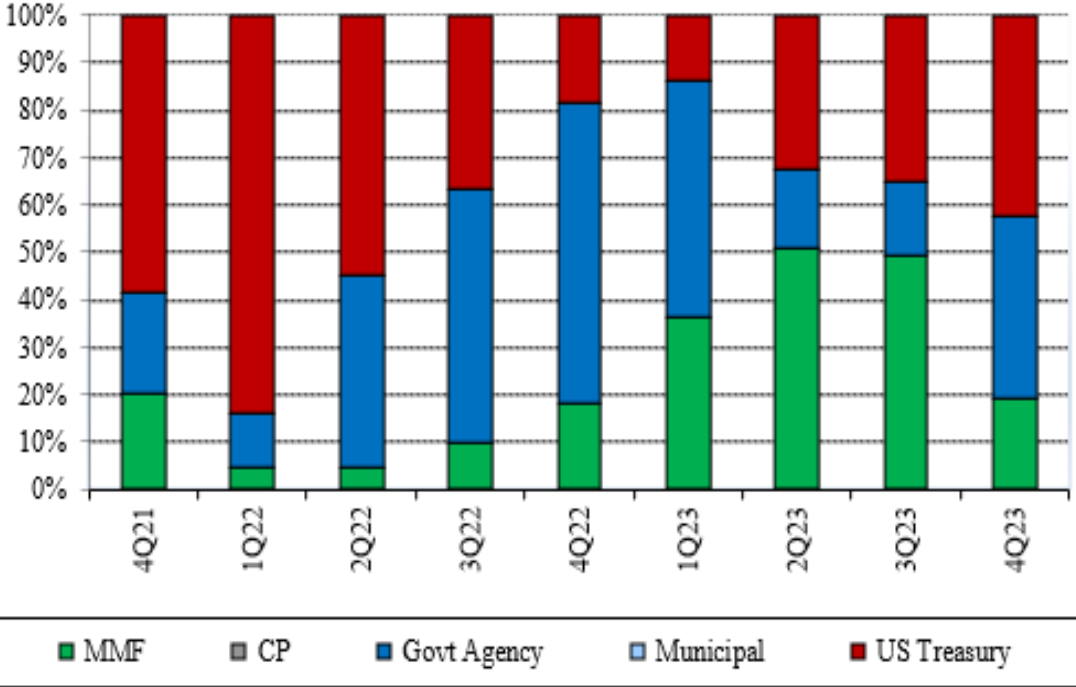
- 64% of OPEB Trust
- Started 4Q at 4288
- Finished 4Q at 4769
- 4Q total return 11.7%
- 2023 total return 26.3%



S&P 500 Total Returns by Month											
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
6.3%	-2.5%	3.7%	1.6%	0.4%	6.6%	3.2%	-1.6%	-4.8%	-2.1%	9.1%	4.5%

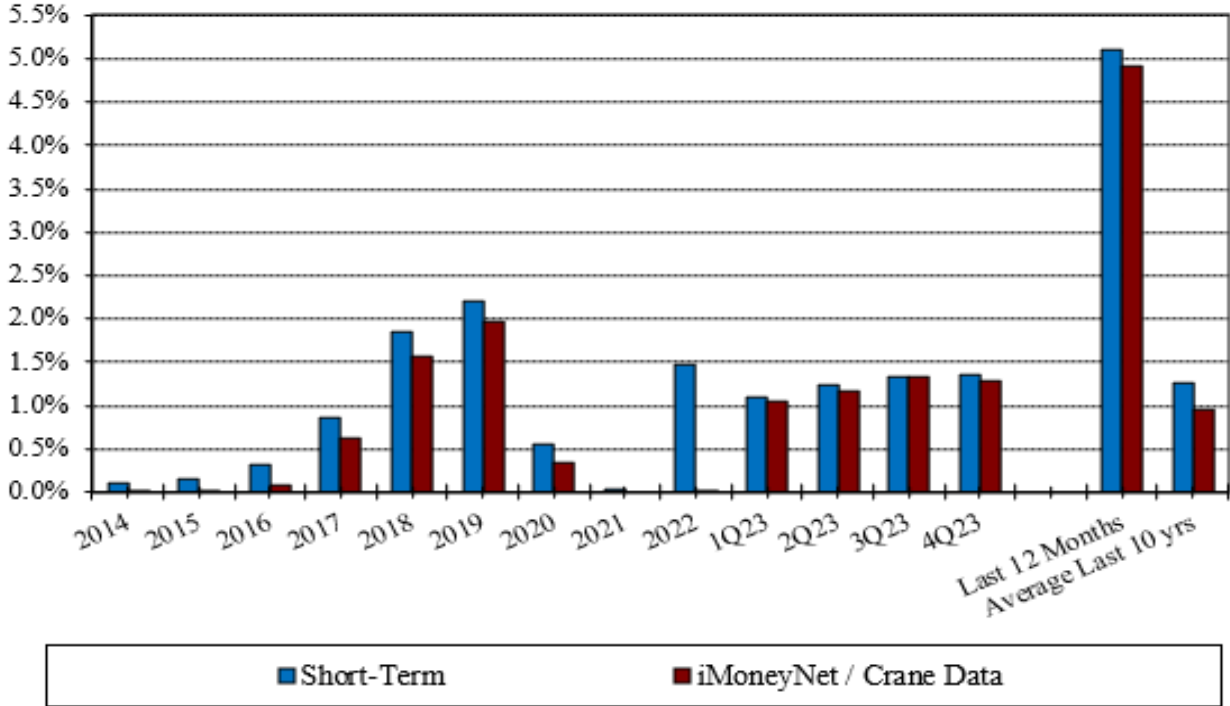
Short-term Portfolio

Sector Allocation



- \$1.3 Billion
- U.S. Treasury Bills - \$544 million, 42%
- Government Discount Notes - \$494 million, 39%
- Money Market Funds - \$247 million, 19%

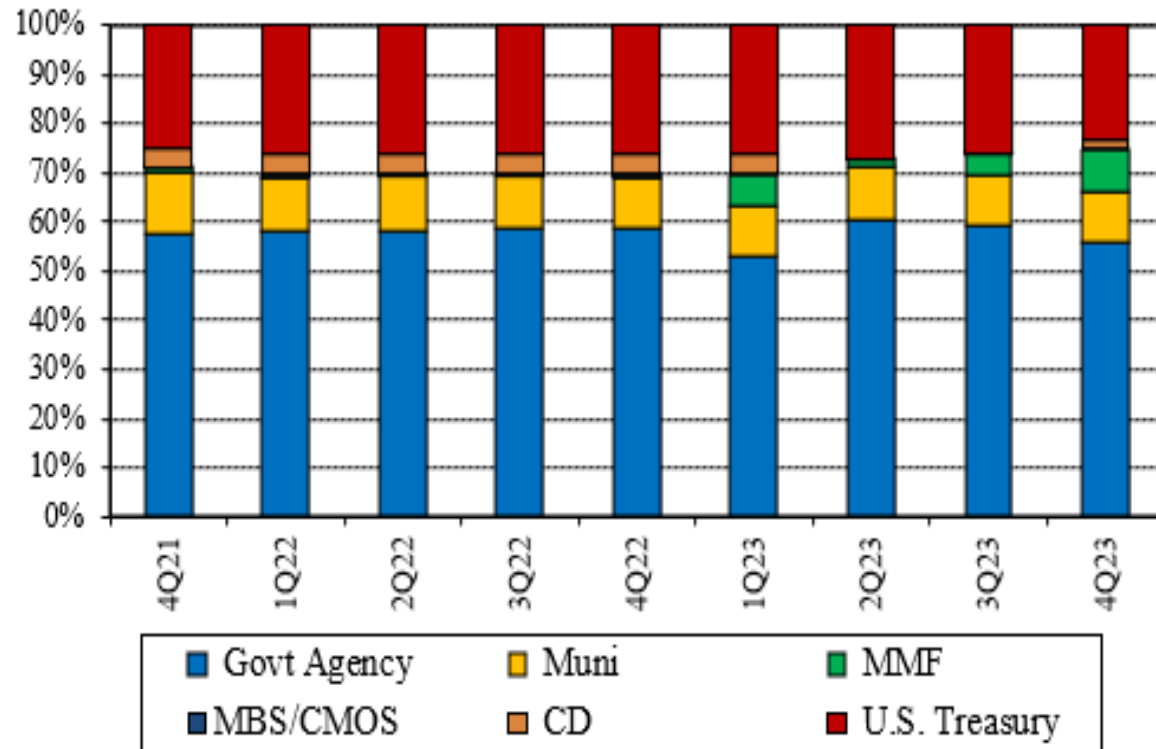
Total Return



- 4Q total return 1.35% vs. benchmark 1.29%
- Average yield 5.45% 4Q, 5.35% 3Q, 5.14% 2Q, 4.77% 1Q
- Interest income \$17.6m 4Q, \$15.2m 3Q, \$11.9m 2Q, \$10.8m 1Q

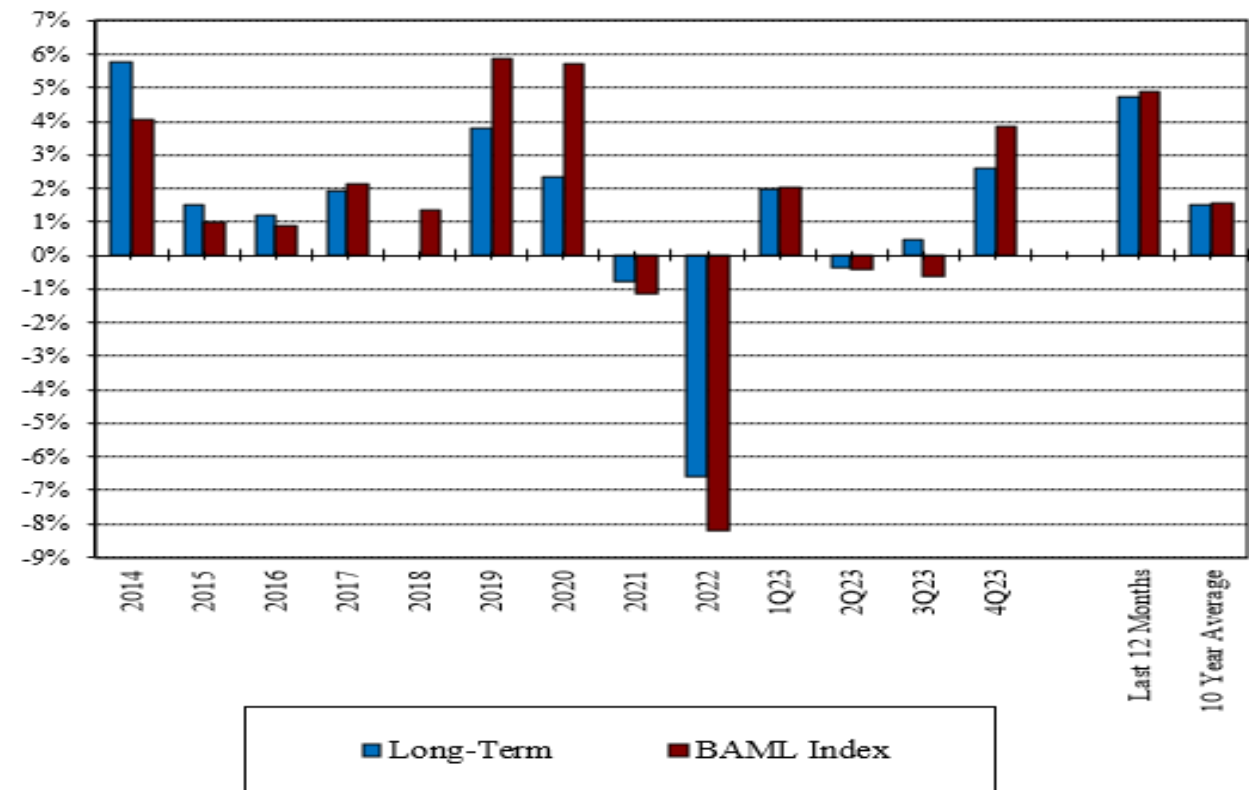
Long-term Portfolio

Sector Allocation



- \$473 million
- U.S. Government Agency - \$264 million, 56%
- U.S. Treasury Notes - \$110 million, 23%
- Municipal Bonds - \$49 million, 10%
- Money Market Fund - \$41 million, 9%
- Certificates of Deposit - \$9 million, 2%

Total Return



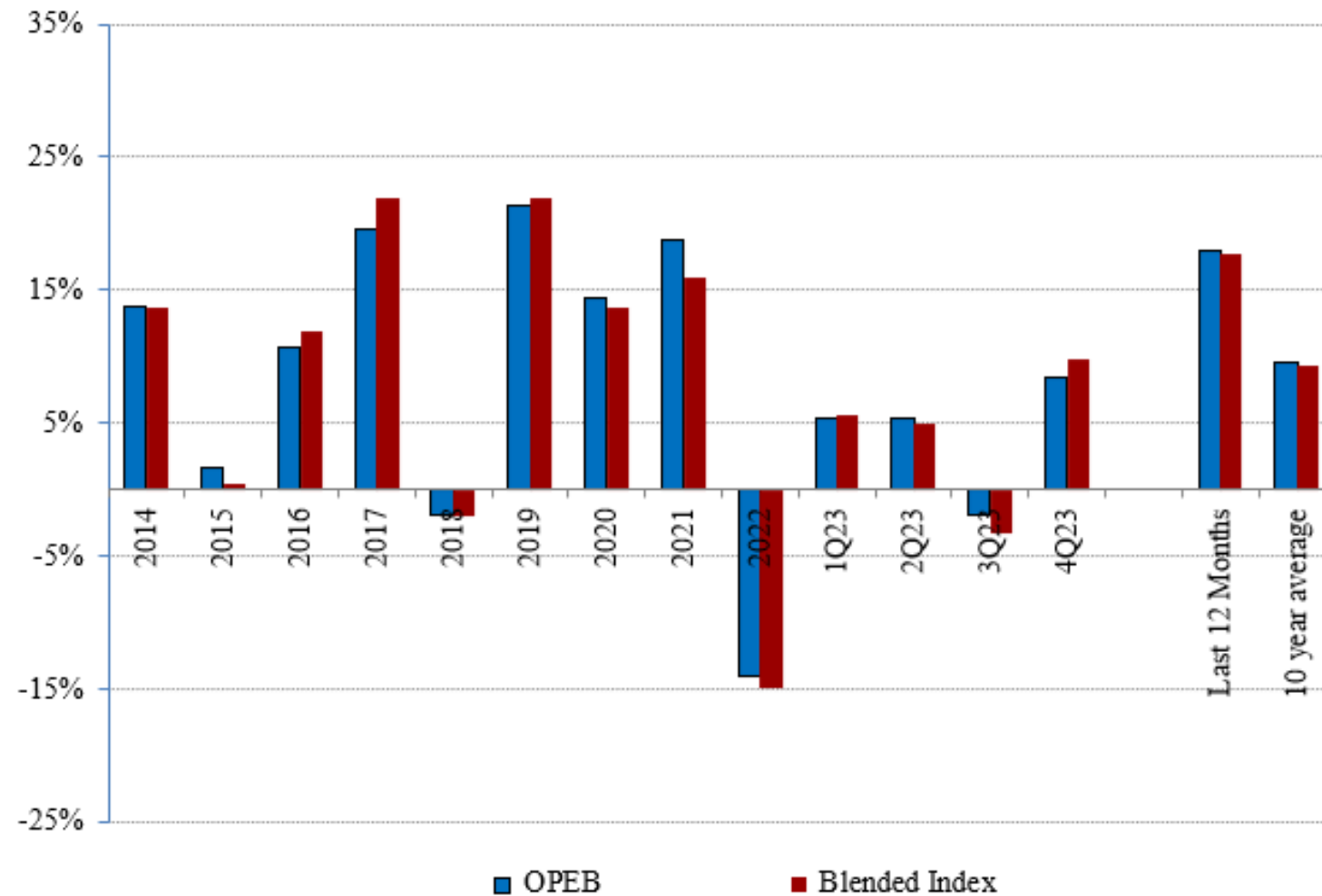
- Total Return 2.6% vs benchmark 3.9%
- Average Yield 1.73% vs 1.39% in 3Q
- Duration 1.37 years vs benchmark 3.35 years
- Interest income \$1.88m 4Q, \$1.46m 3Q, \$1.51m 2Q, \$1.44m 1Q

OPEB Trust

- 4Q23 Total Return 8.4%
- 2023 Total Return 17.95%
- 10.9% 5 years
9.6% 10 years
- Trust Value:

12-31-22	\$296.8 million
3-31-23	308.5
6-30-23	324.9
9-30-23	318.8
12-31-23	330.9
- Equity - \$211 million, 64%
- Fixed Income - \$120 million, 36%
- Cash Pool - \$129K, ~0%
- Projected OPEB Liabilities Remain Fully Funded

OPEB Trust Total Return





Thank you



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