Economic Growth

Real GDP: Percent change from preceding quarter

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

2022
U.S. Bureau of Economic Analysis

2023
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

Unemployment rate

Average Hourly Earnings
Year-on-Year %

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

Source: Bureau of Labor Statistics
Treasury Yield Curve

Source: Bloomberg
• 64% of OPEB Trust
• Started 4Q at 4288
• Finished 4Q at 4769
• 4Q total return 11.7%
• 2023 total return 26.3%
Short-term Portfolio

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

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

- $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 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
Thank you

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