

Investment Review First Quarter 2024

Management Committee

Mark Thompson, Director Treasury

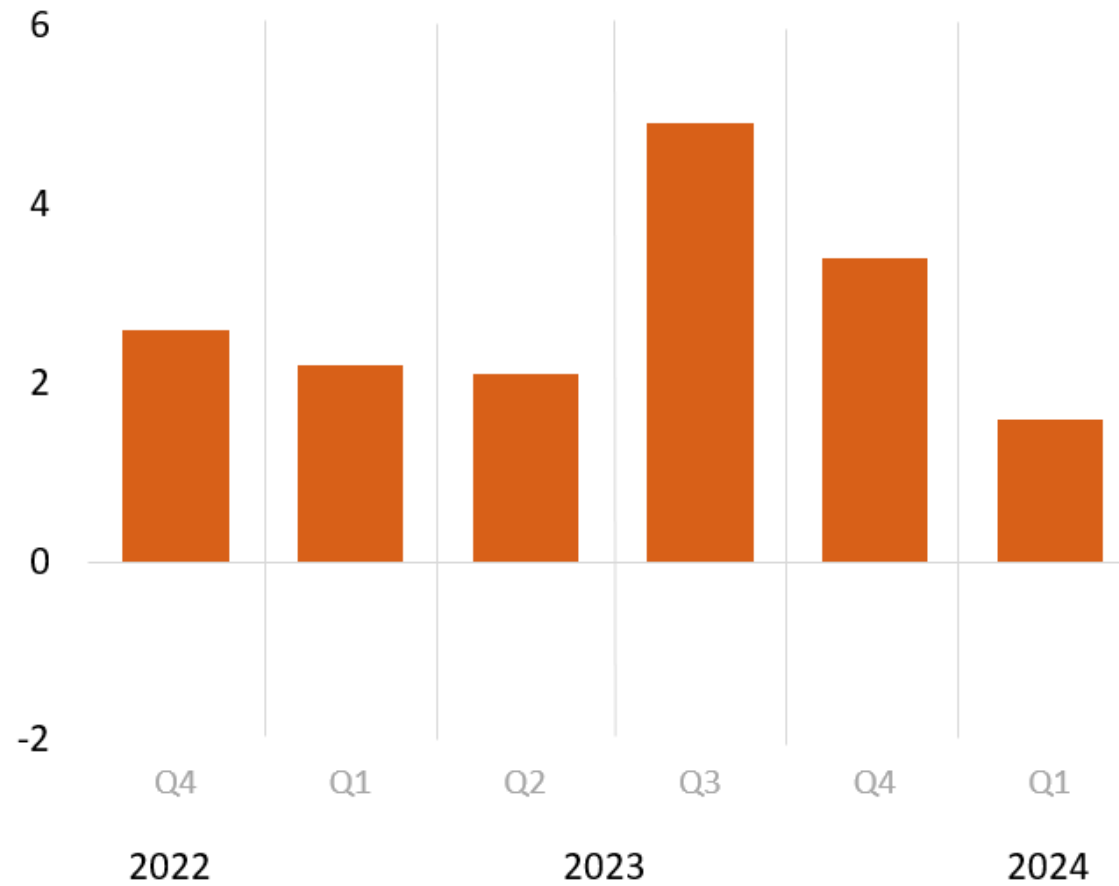


May 8, 2024

Economic Growth

- 4Q22 2.6%
- 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

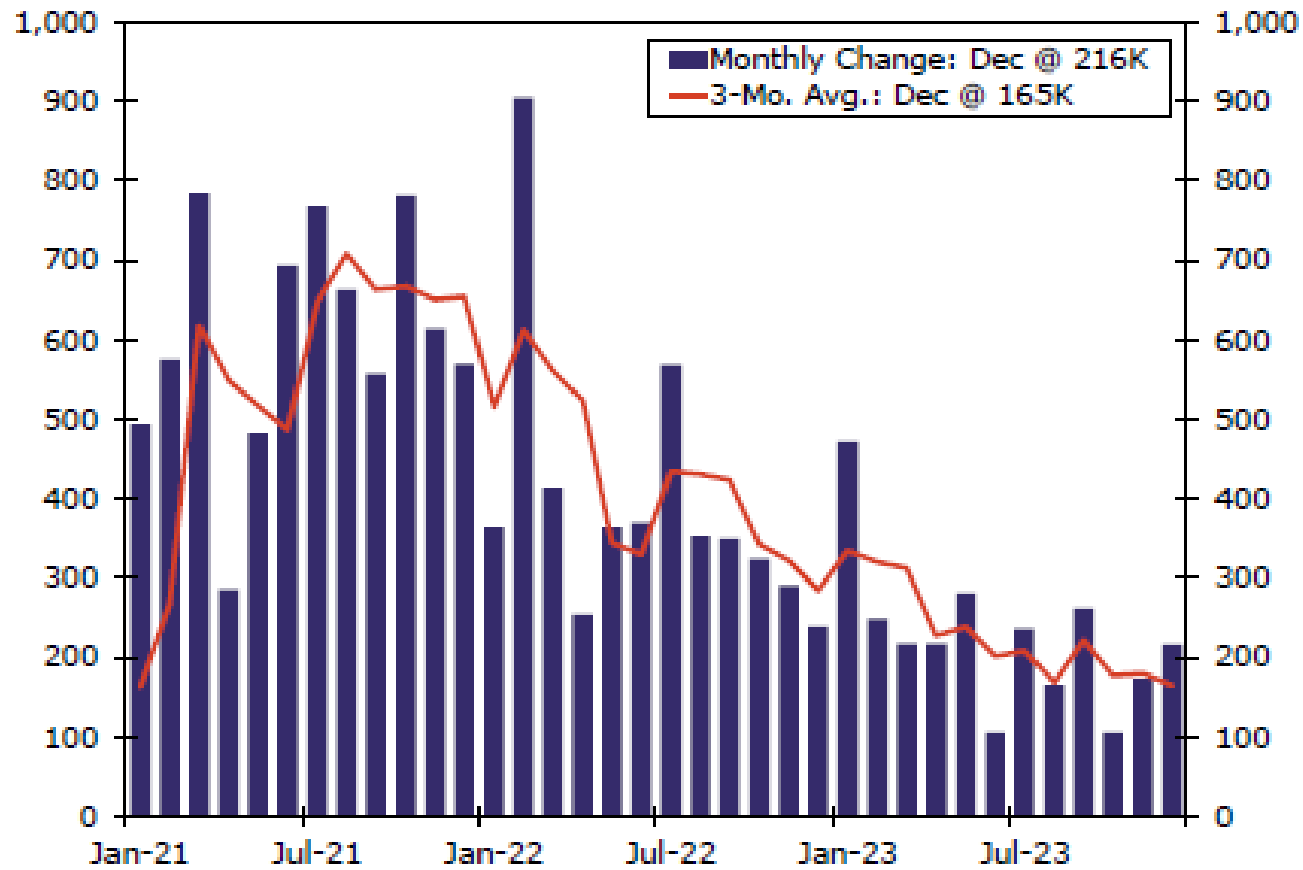
Inflation

- Fed's Goal 2.00%
- March 2024 CPI 3.5%
- March 2024 PCE 2.7%



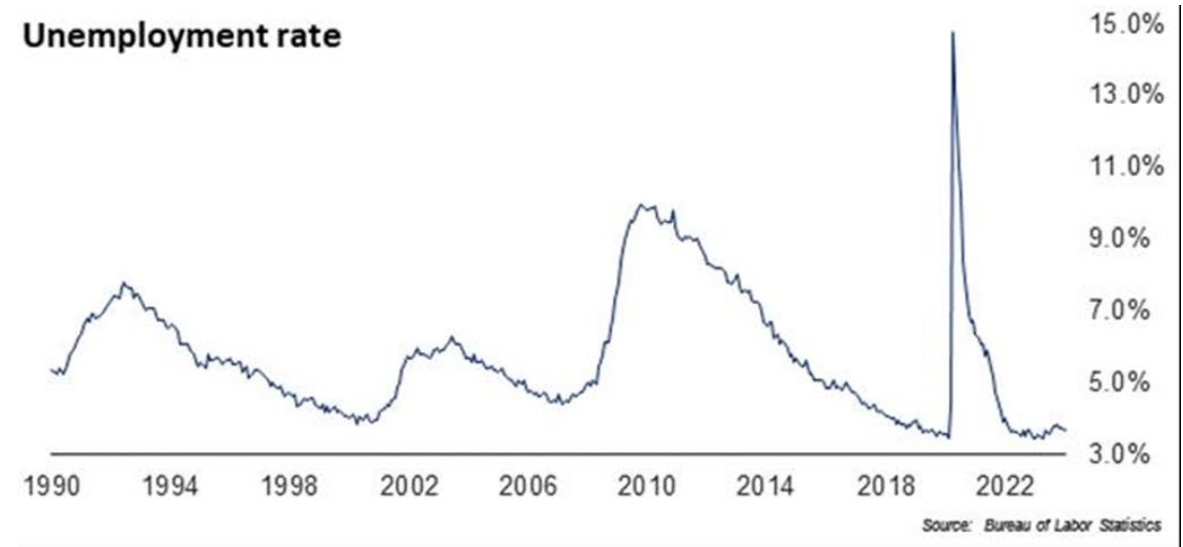
Labor Market

U.S. Nonfarm Employment Change
Thousands



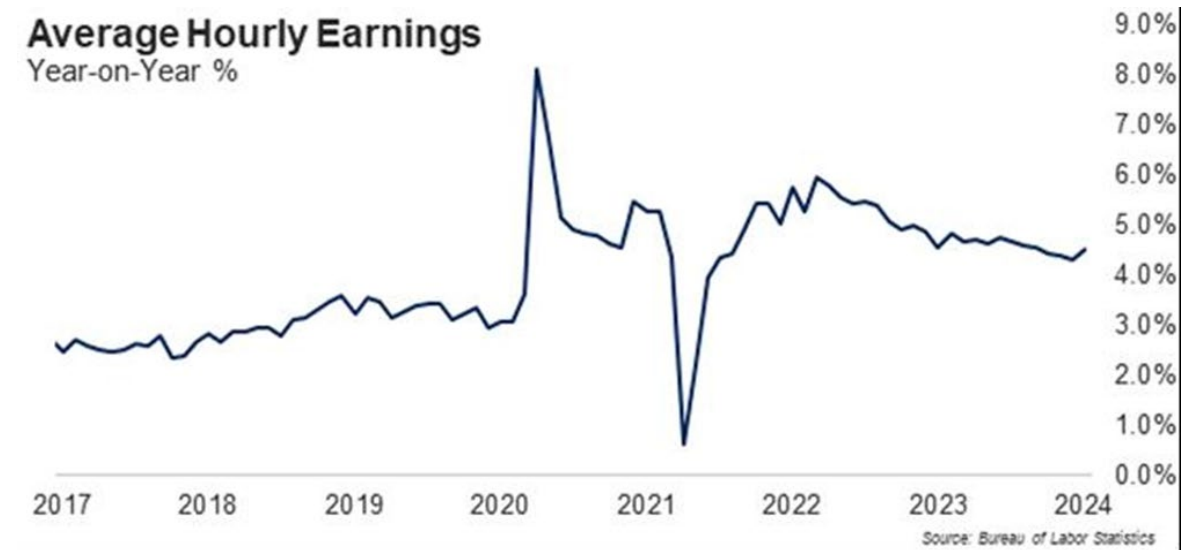
Source: U.S. Department of Labor and Wells Fargo Economics

Unemployment rate



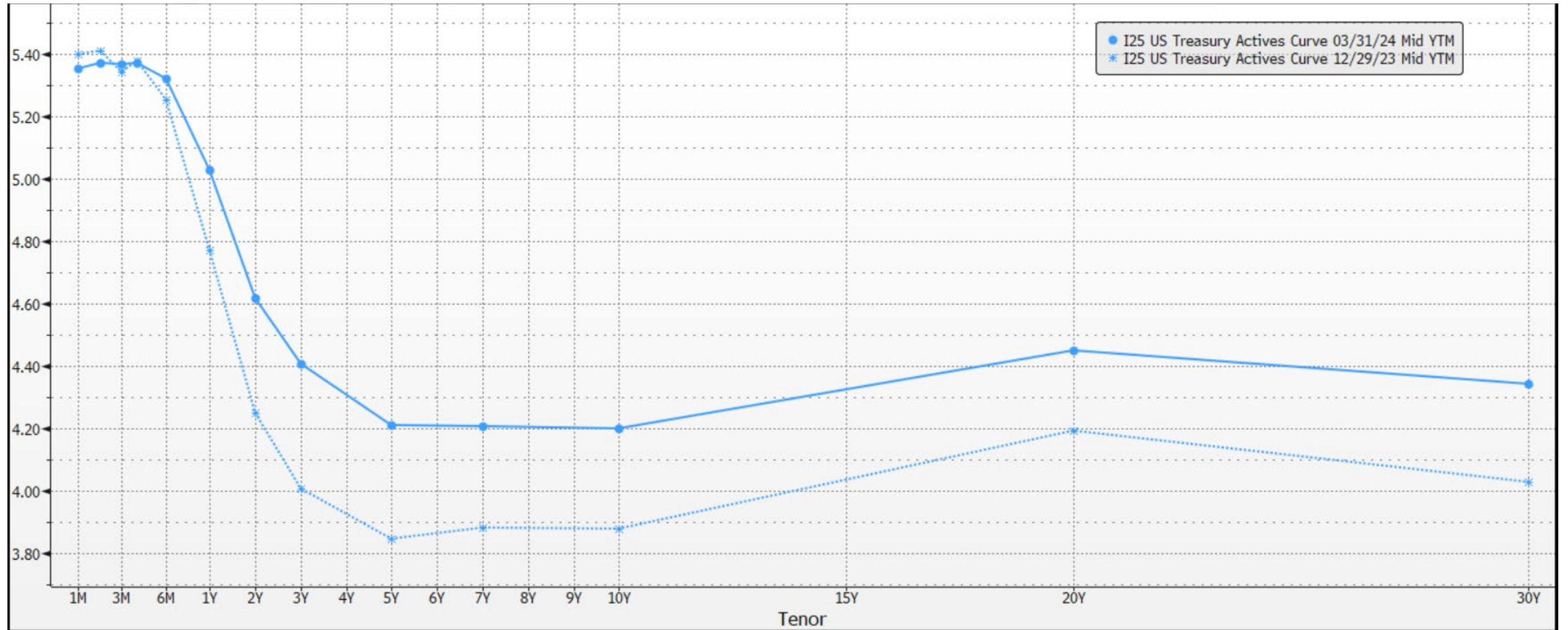
Source: Bureau of Labor Statistics

Average Hourly Earnings
Year-on-Year %



Source: Bureau of Labor Statistics

Treasury Yield Curve



Source : Bloomberg

S&P 500 Index

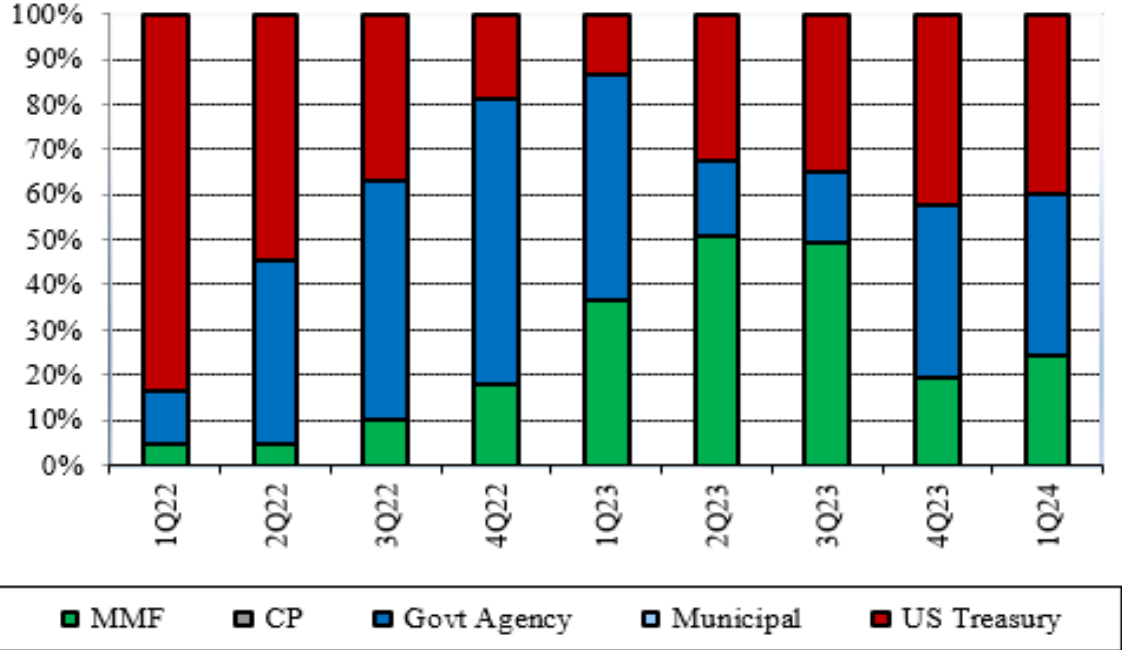
- Started 1Q at 4742
- Finished 1Q at 5254
- 1Q total return 10.5%
- 66% of OPEB Trust



Monthly S&P 500 Total Return											
Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
1.6%	0.4%	6.6%	3.2%	-1.6%	-4.8%	-2.1%	9.1%	4.5%	1.7%	5.3%	3.2%

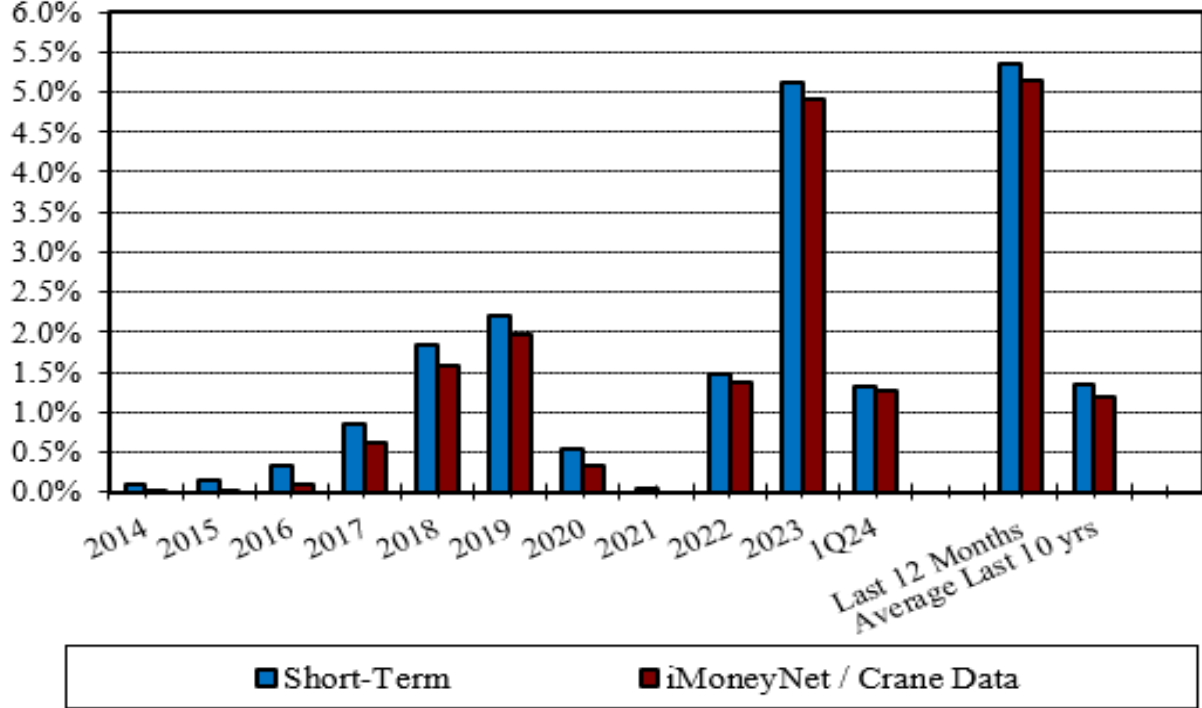
Short-term Portfolio

Sector Allocation



- \$1.24 Billion
- U.S. Treasury Bills - \$494 million, 40%
- Government Discount Notes - \$444 million, 36%
- Money Market Funds - \$299 million, 24%

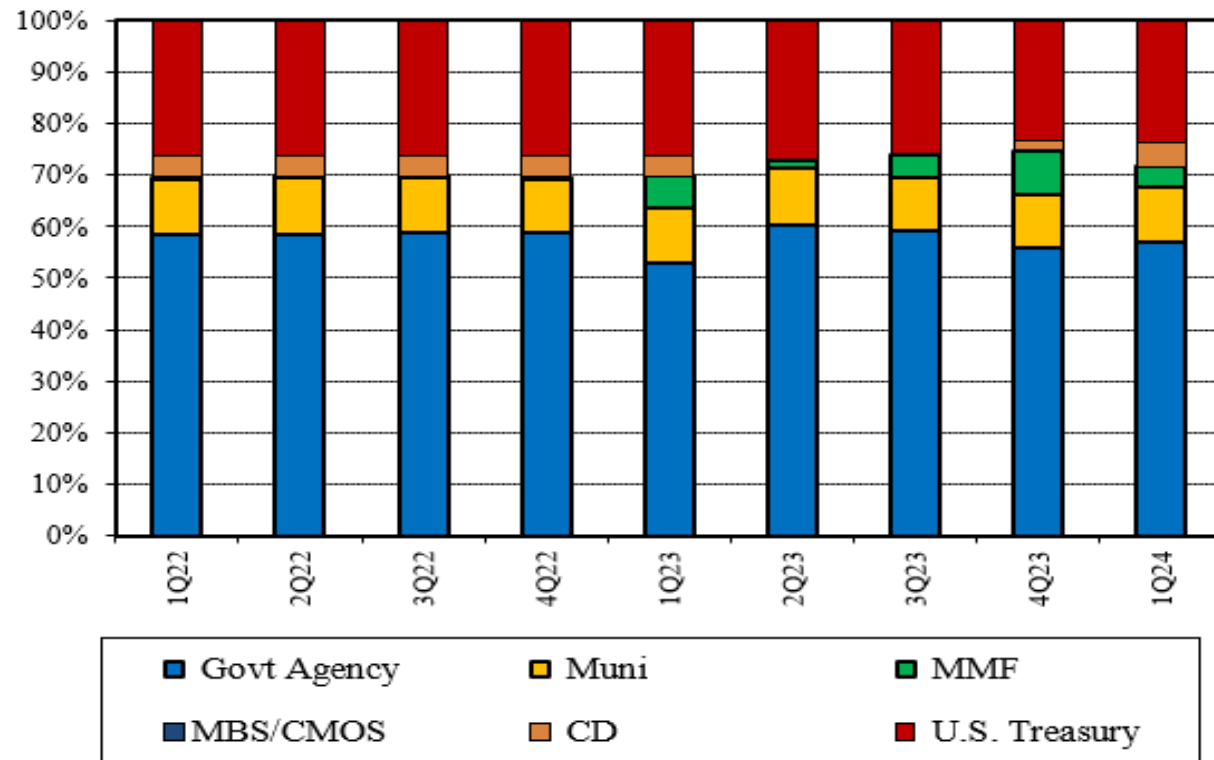
Total Return



- 1Q total return 1.32% vs. benchmark 1.27%
- Average yield 5.32 1Q, 5.45% 4Q, 5.35% 3Q, 5.14% 2Q
- Interest income \$16.8 million 1Q, \$17.6m 4Q, \$15.2m 3Q, \$11.9m 2Q

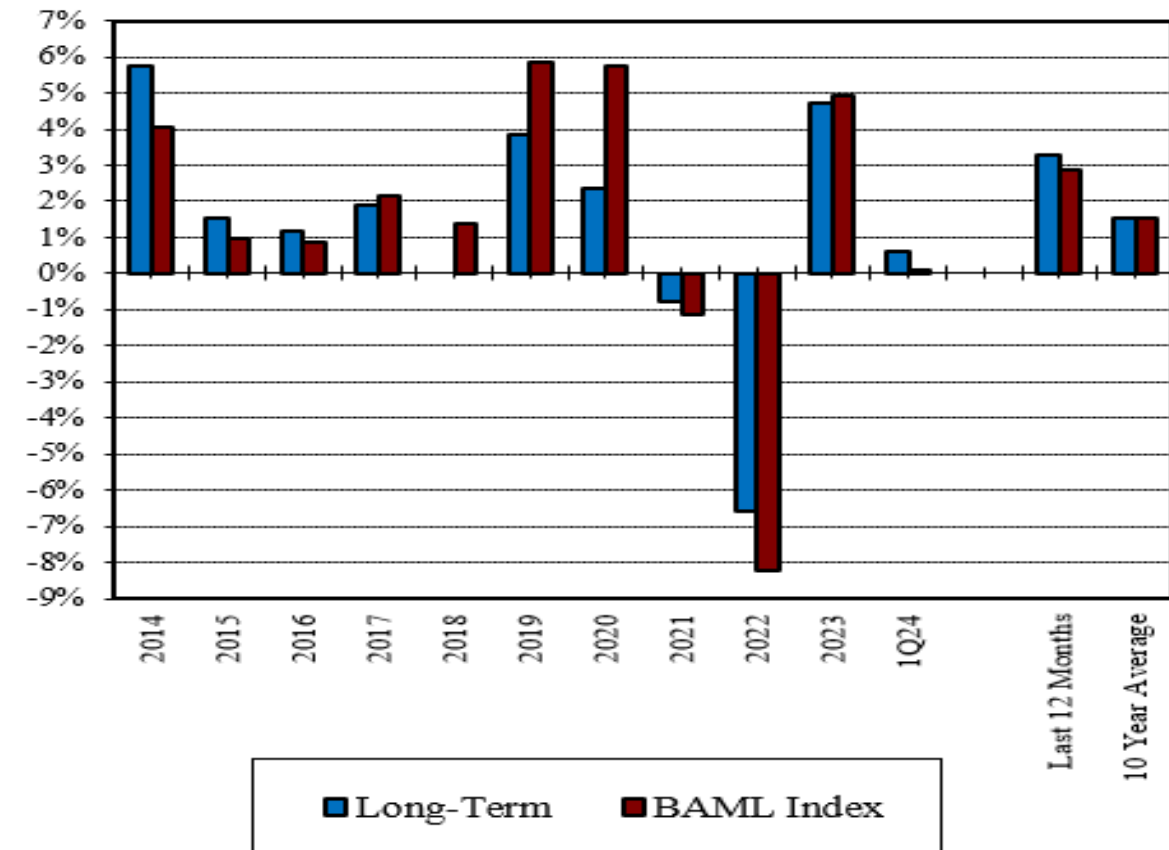
Long-term Portfolio

Sector Allocation



- \$466 million
- U.S. Government Agency - \$266 million, 57%
- U.S. Treasury Notes - \$110 million, 24%
- Municipal Bonds - \$48 million, 10%
- Money Market Fund - \$19 million, 4%
- Certificates of Deposit - \$22 million, 5%

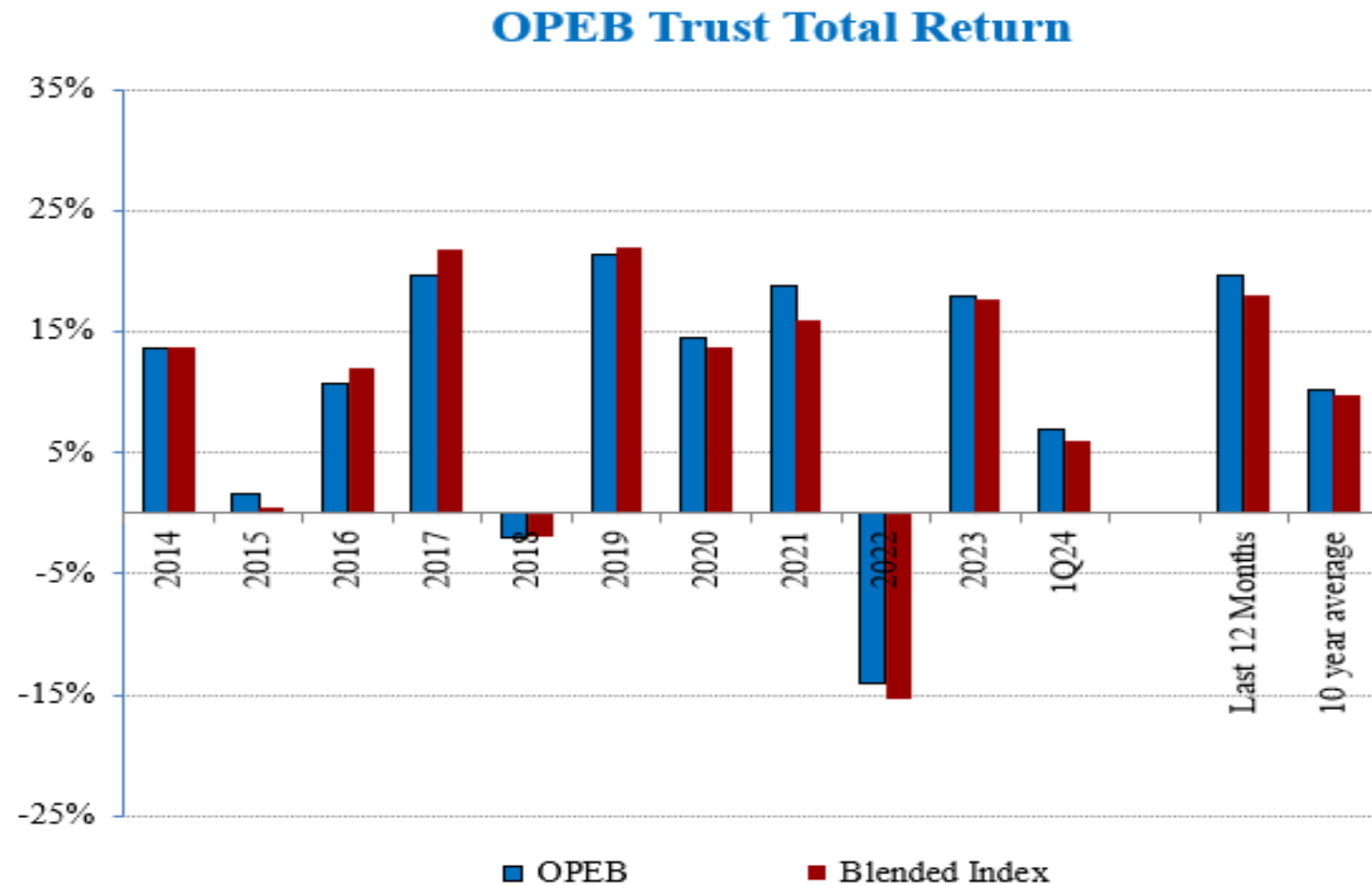
Total Return



- Total Return .60% vs benchmark .09%
- Average Yield 1.90% vs 1.79% in 4Q
- Duration 1.32 years vs benchmark 3.32 years
- Interest income \$2.3m 1Q, \$1.9m 4Q, \$1.5m 3Q, \$1.5m 2Q

OPEB Trust

- **1Q24 Total Return** **6.89%**
- **Average Returns:** **10.47%** **5 years**
 10.11% **10 years**
- **Trust Value:**
 - 3-31-23** **\$308.5 million**
 - 6-30-23** **324.9**
 - 9-30-23** **318.8**
 - 12-31-23** **330.9**
 - 3-31-24** **353.7**
- **Equity - \$233 million, 66%**
Fixed Income - \$120 million, 34%
Cash Pool - \$125K, 0%
- **Projected OPEB Liabilities Remain Fully Funded**





Thank you



Mark Thompson, Director Treasury

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