

Investment Review Third Quarter 2024

Management Committee

Mark Thompson, Director Treasury

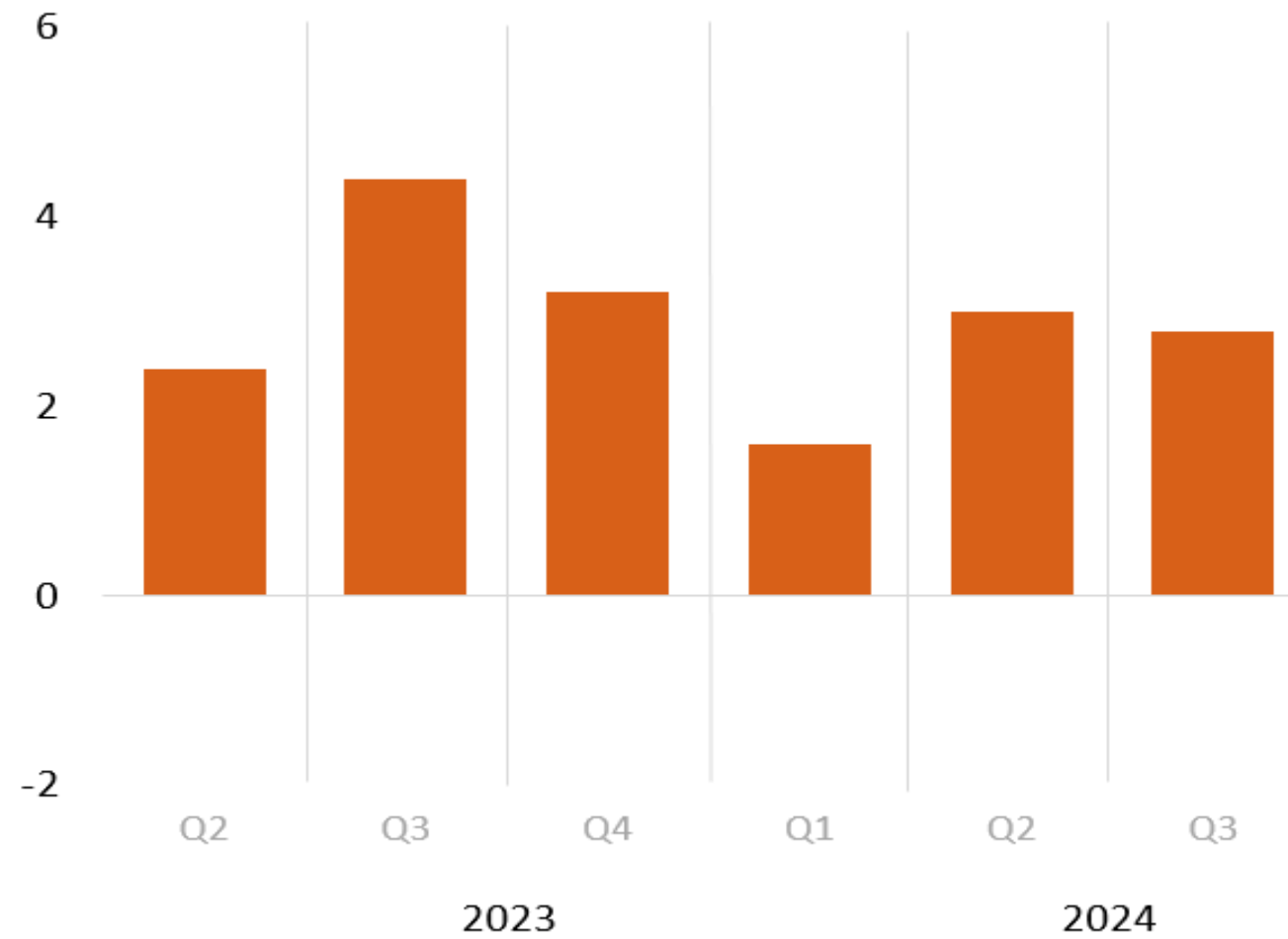


November 13, 2024

Economic Growth

Real GDP: Percent change from preceding quarter

- 2Q23 2.4%
- 3Q23 4.4
- 4Q23 3.2
- 1Q24 1.6
- 2Q24 3.0
- 3Q24 2.8

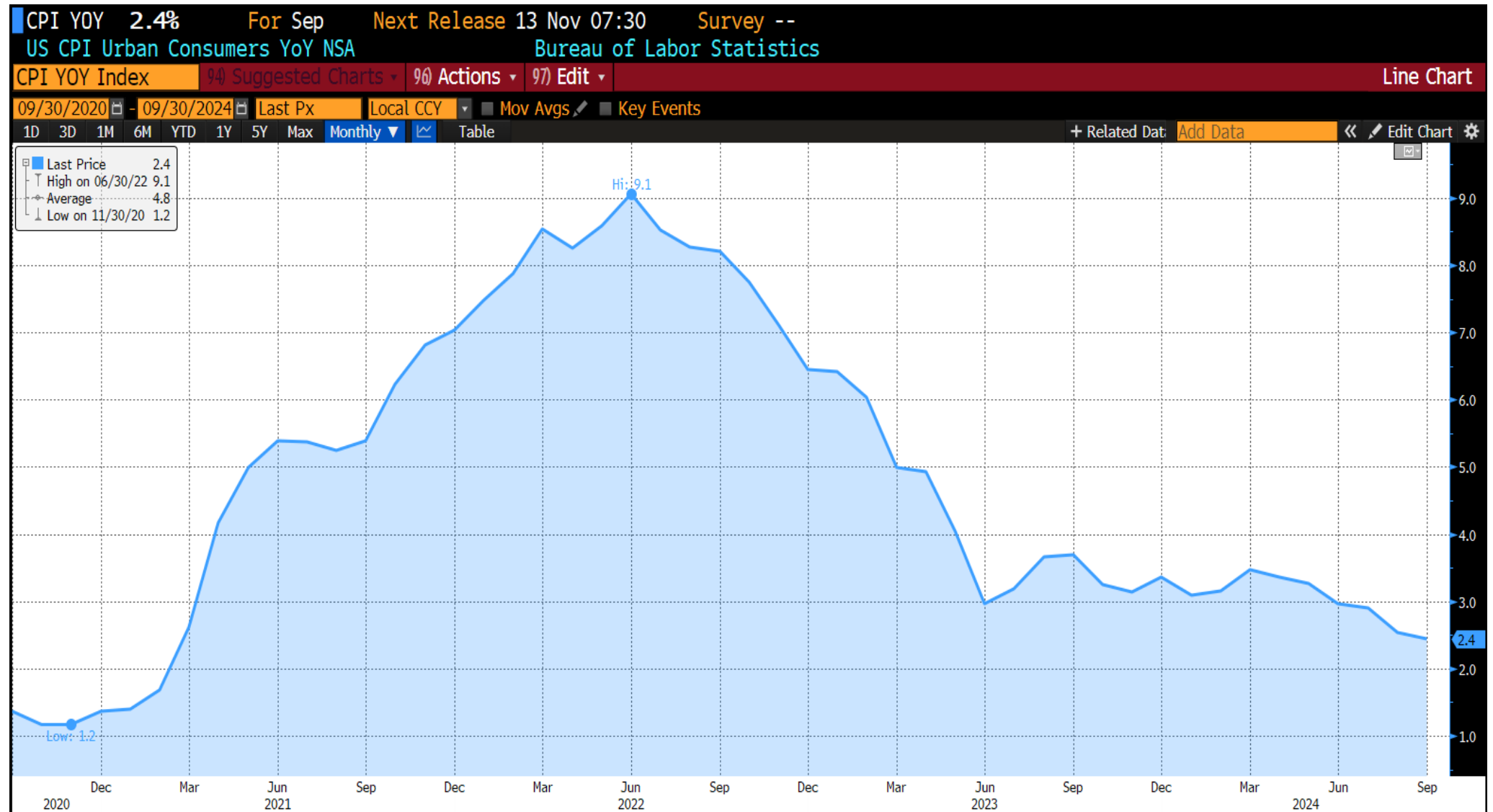


U.S. Bureau of Economic Analysis

Seasonally adjusted annual rates

Inflation

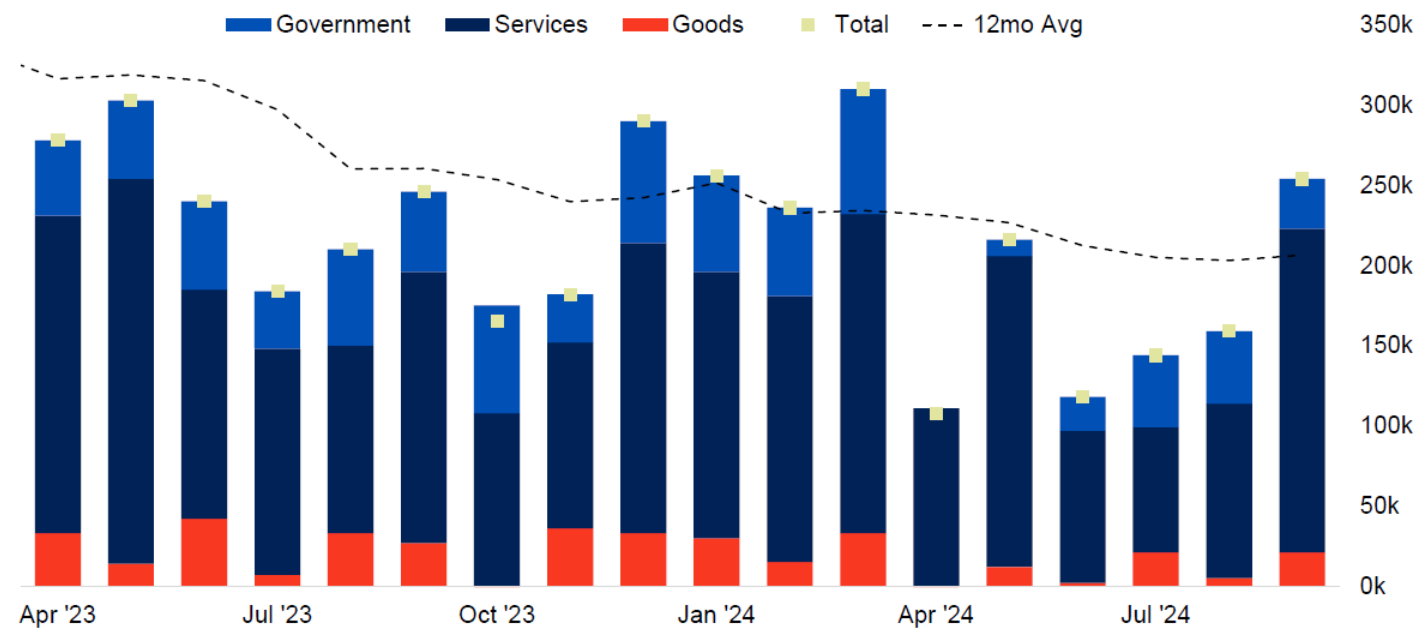
- Fed's Goal 2.00%
- Sept. 2024 CPI 2.4%
- Sept. 2024 Core PCE 2.7%



Labor Market

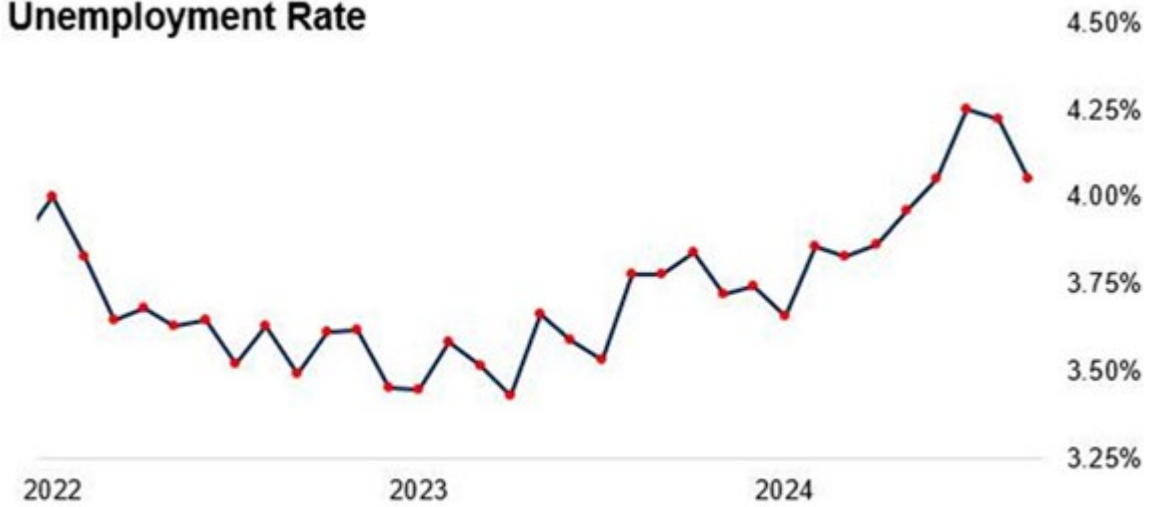
Big September job growth

Three-month average 197k



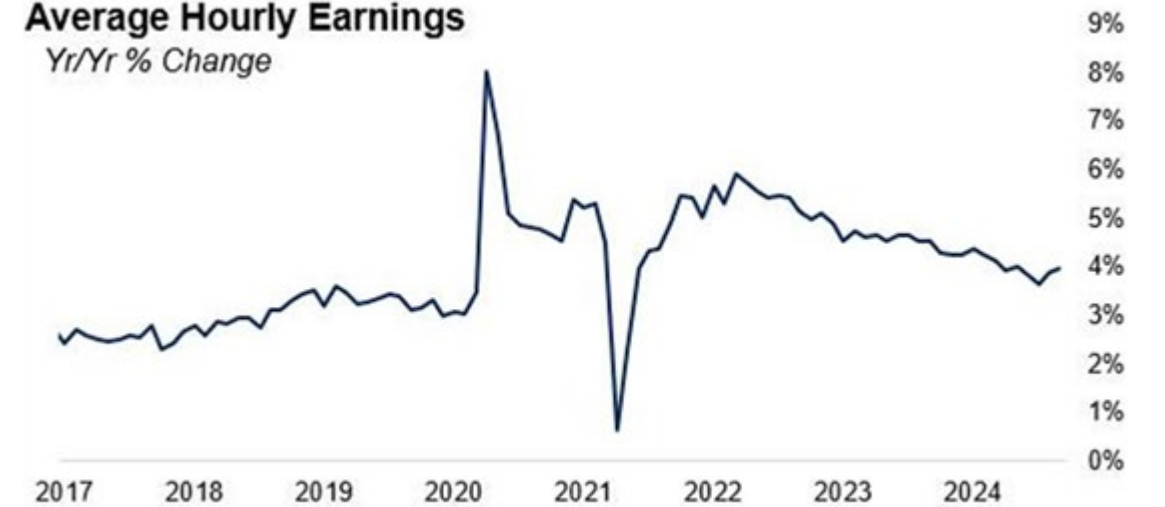
Source: BLS, FHN Financial, Macrobond

Unemployment Rate



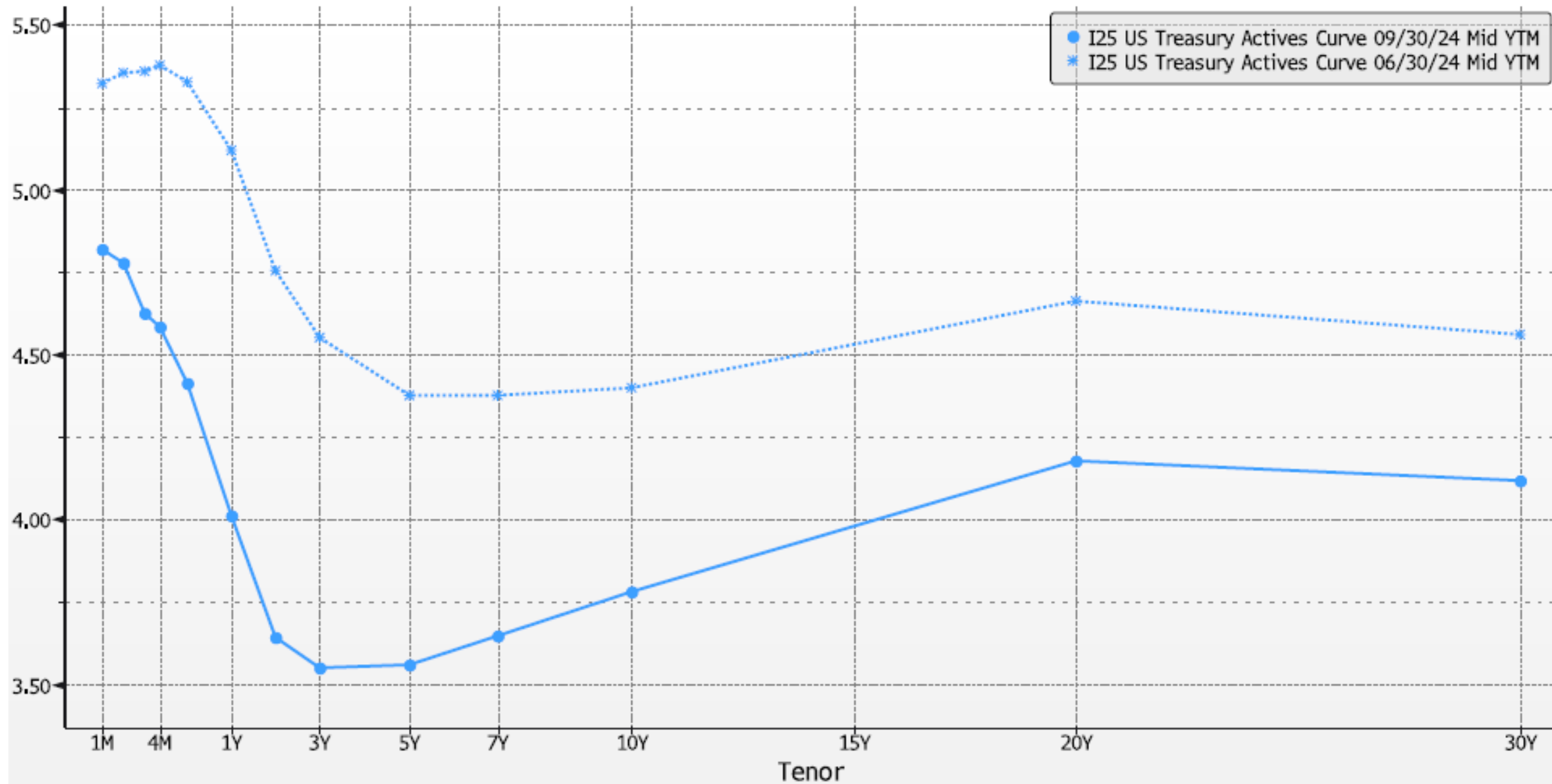
Source: BEA, Macrobond

Average Hourly Earnings Yr/Yr % Change



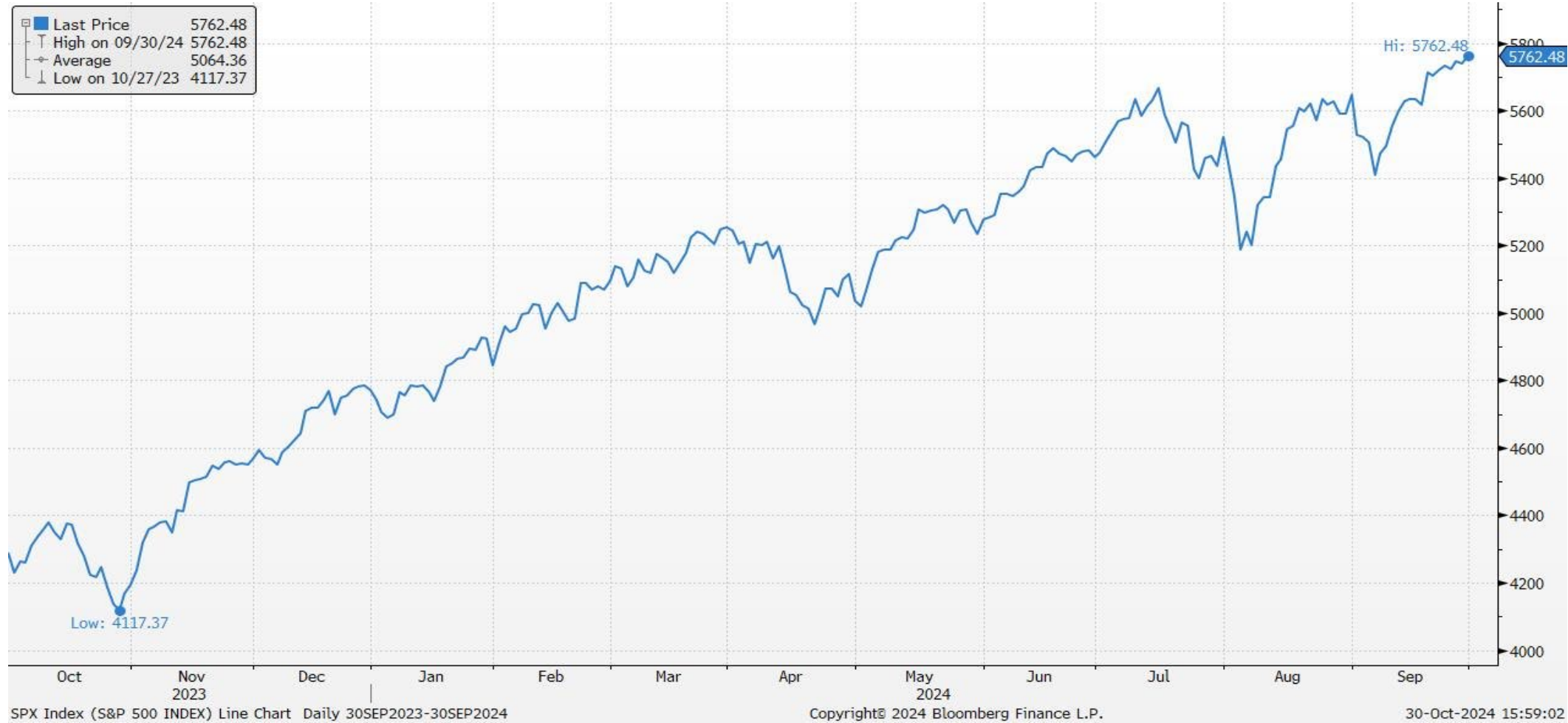
Source: BLS, Macrobond

Treasury Yield Curve



Source : Bloomberg

S&P 500 Index

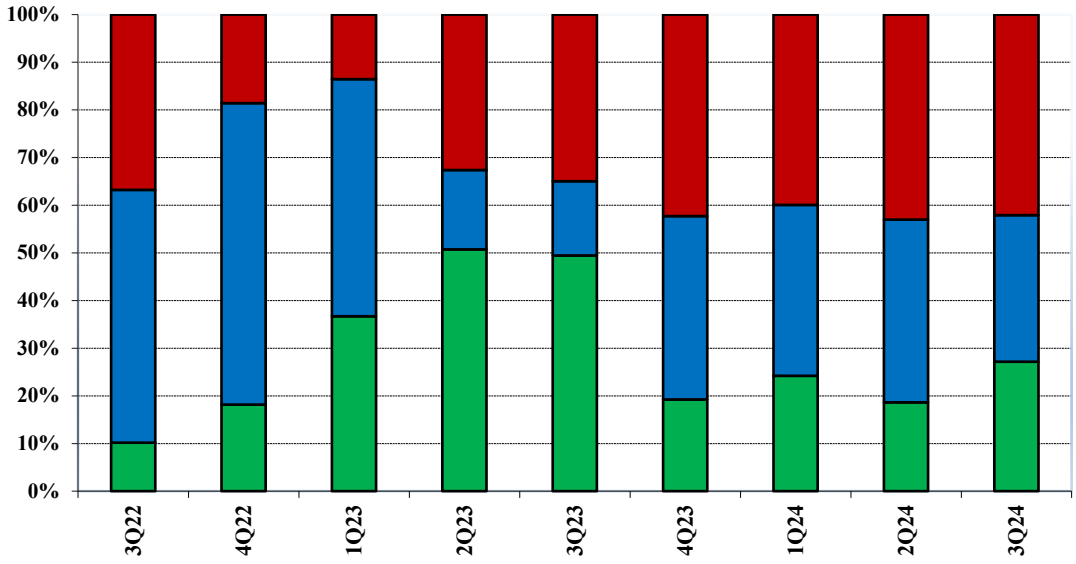


- Started 3Q at 5460
- Finished 3Q at 5762
- 3Q total return 5.88%
- 62% of OPEB Trust

Monthly S&P 500 Total Return											
Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
-2.1%	9.1%	4.5%	1.7%	5.3%	3.2%	-4.1%	5.0%	3.6%	1.2%	2.4%	2.1%

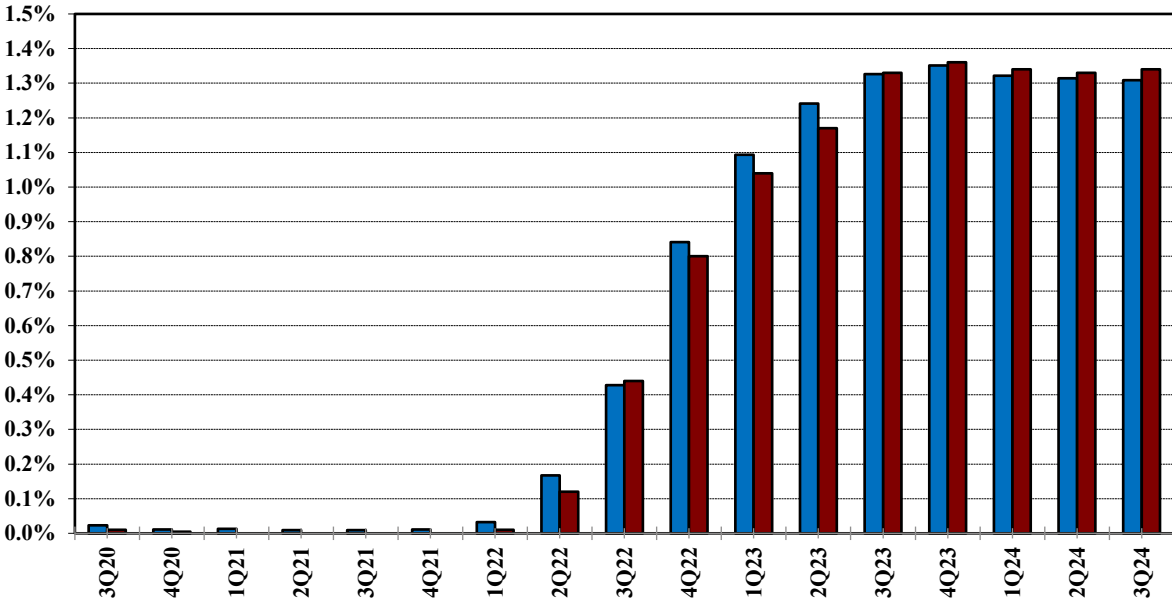
Short-term Portfolio

Sector Allocation



- \$1.41 billion
- U.S. Treasury Bills - \$595m, 40%
- Government Discount Notes - \$434m, 36%
- Money Market Funds - \$382m, 24%

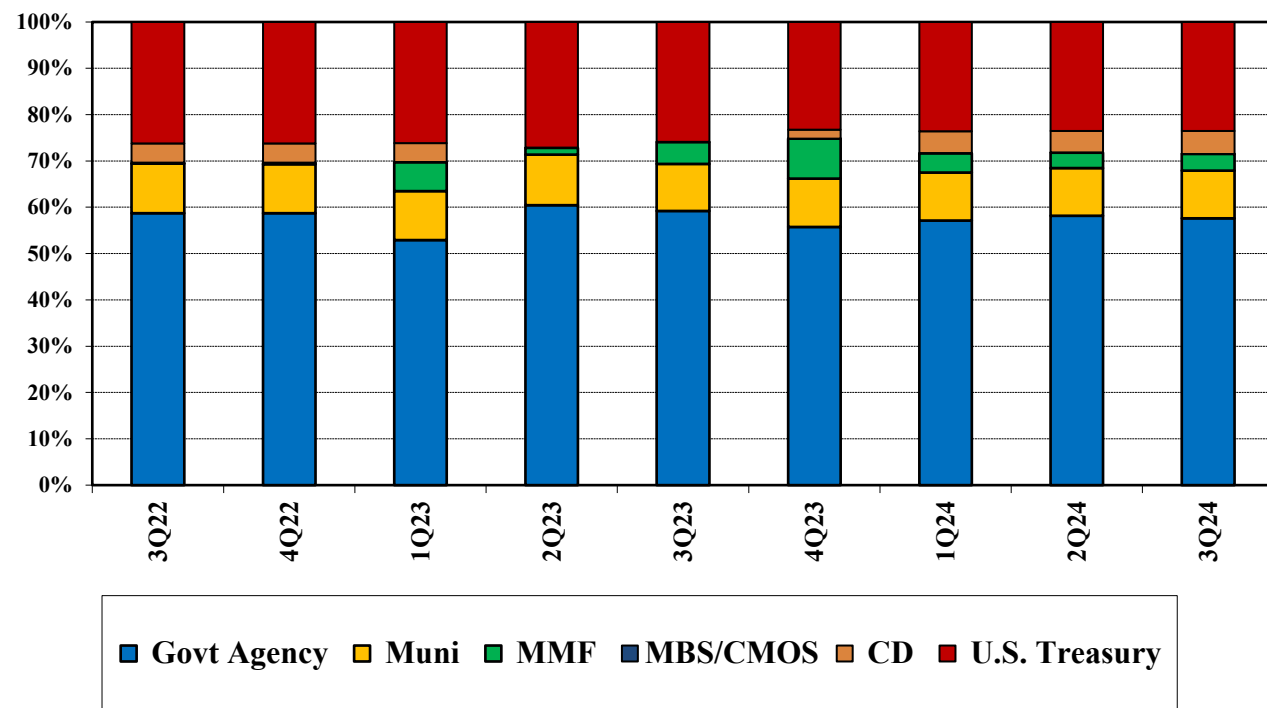
Total Return



- 3Q total return 1.31% vs. benchmark 1.34%
- Average yield 5.04 3Q, 5.31% 2Q, 5.32% 1Q, 5.41% 4Q23
- Interest income \$18.7m 3Q, \$16.7m 2Q, \$16.8m 1Q, \$17.6m 4Q23

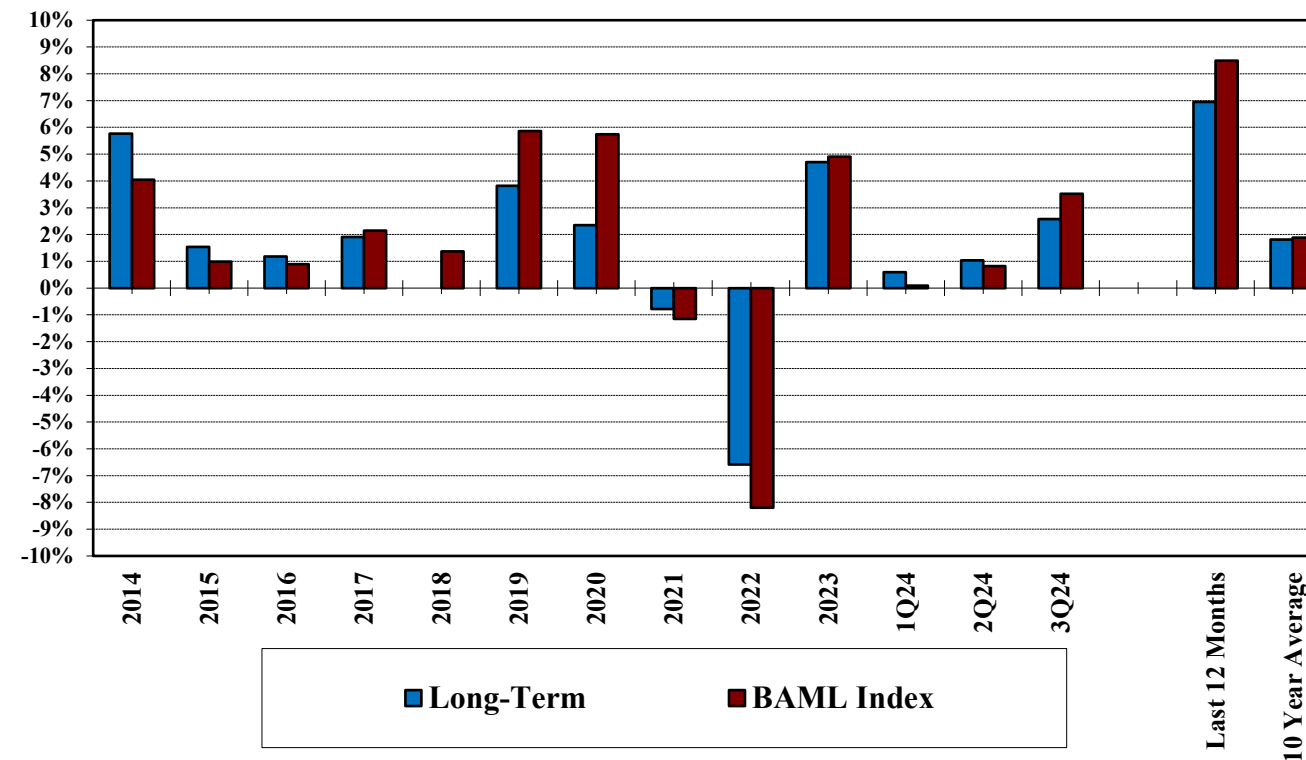
Long-term Portfolio

Sector Allocation



- \$482 million
- U.S. Government Agency - \$278m, 57%
- U.S. Treasury Notes - \$113m, 24%
- Municipal Bonds - \$50m, 10%
- Certificates of Deposit - \$24m, 5%
- Money Market Fund - \$17m, 4%

Total Return



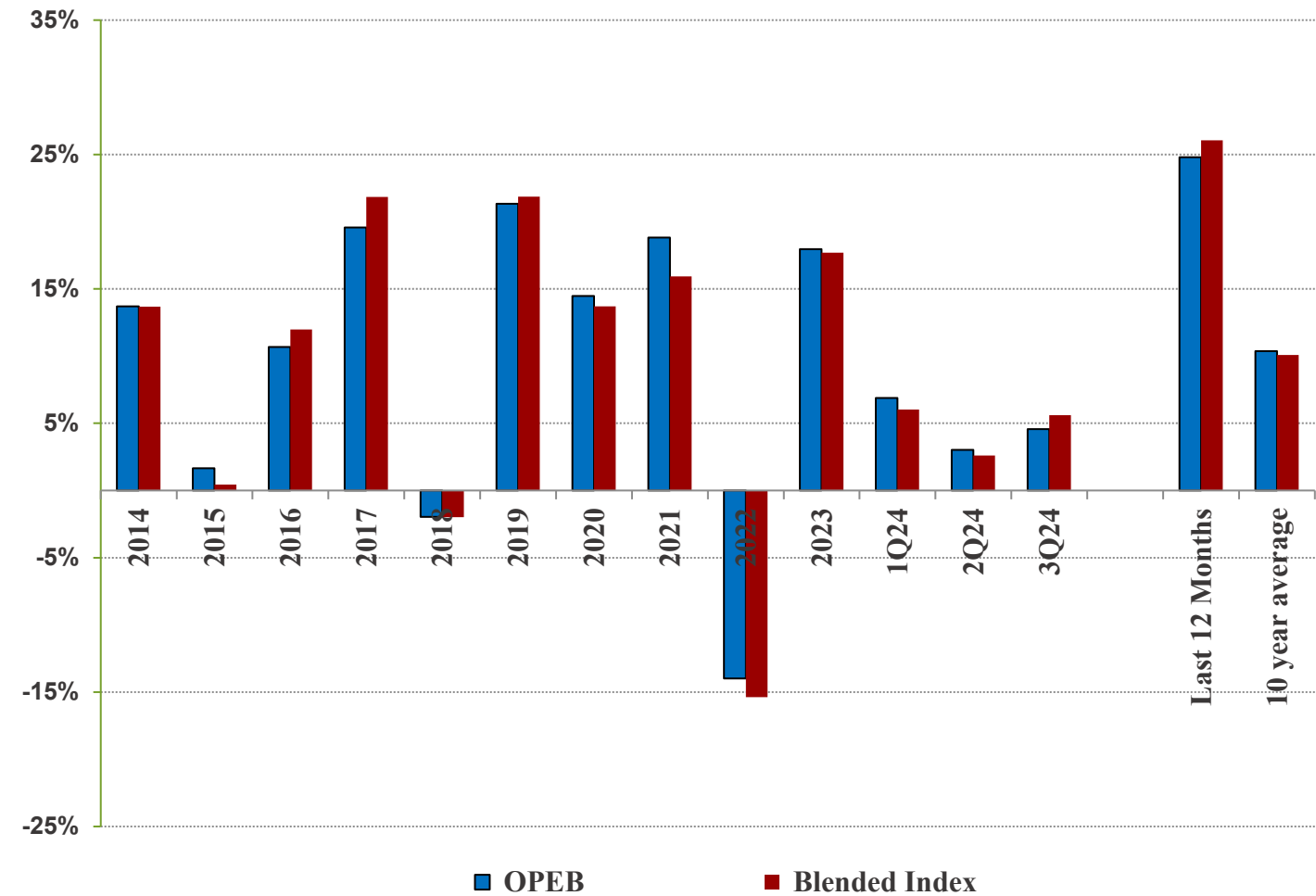
- 3Q total return 2.57% vs benchmark 3.51%
- Average book yield 2.22% 3Q vs 2.17% in 2Q
- Duration 1.38 years vs benchmark 3.38 years
- Interest income \$2.7m 3Q, \$2.5m 2Q, \$2.3m 1Q, \$1.9m 4Q23

OPEB Trust

- 3Q total return **4.57%**
- Average returns: **11.60%** 5 years
10.38% 10 years
- Trust Value:

9-30-23	\$318.8 million
12-31-23	330.9
3-31-24	353.7
6-30-24	364.3
9-30-24	380.9
- Equity - \$236 million, 62%
- Fixed Income - \$125 million, 33%
- Cash Pool - \$20 million, 5%
- Projected OPEB Liabilities Remain Fully Funded

OPEB Trust Total Return





Thank you



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