

# Investment Review Second Quarter 2024

Management Committee Information Item

Mark Thompson, Director Treasury



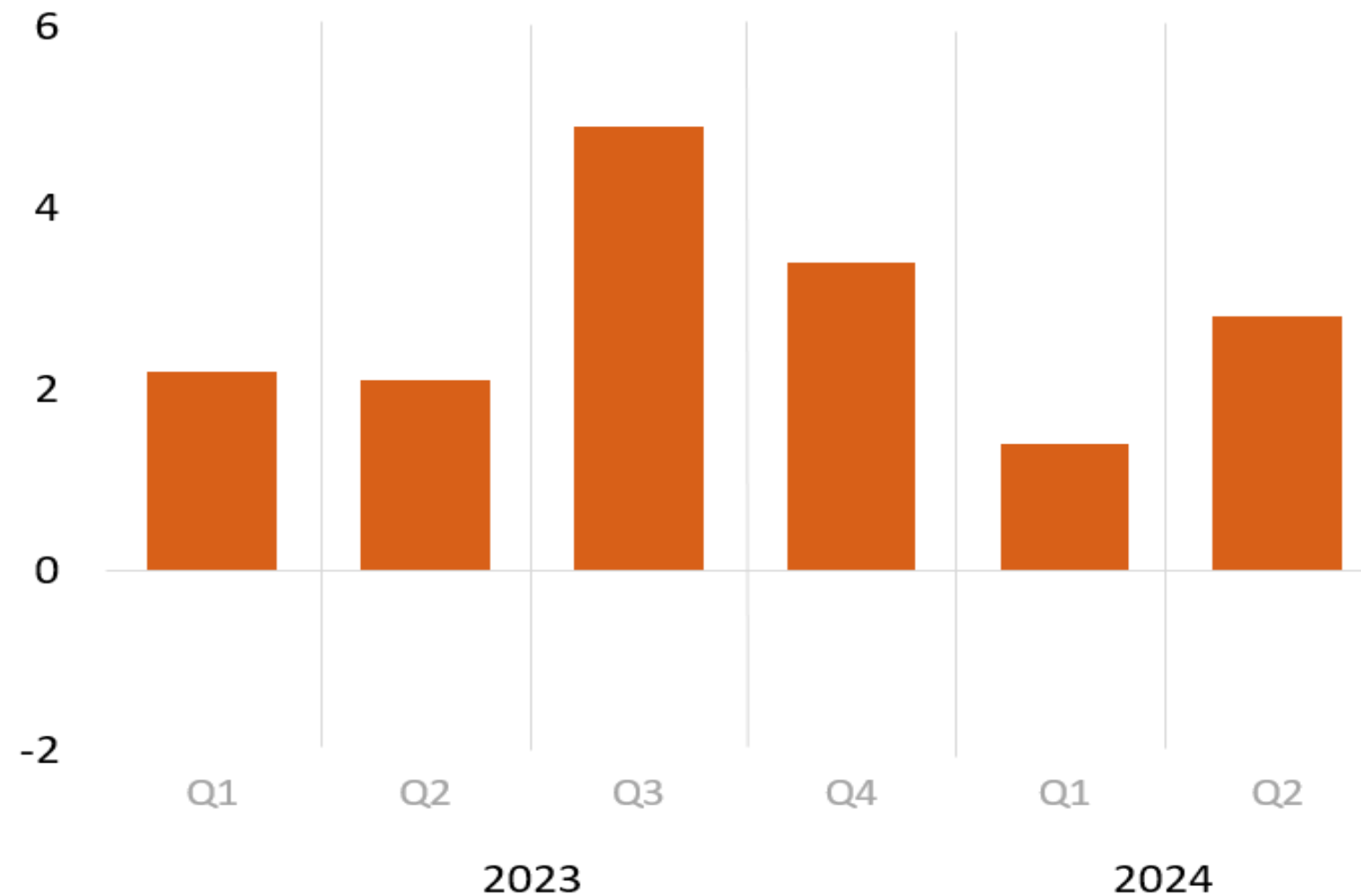
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August 28, 2024

# Economic Growth

Real GDP: Percent change from preceding quarter

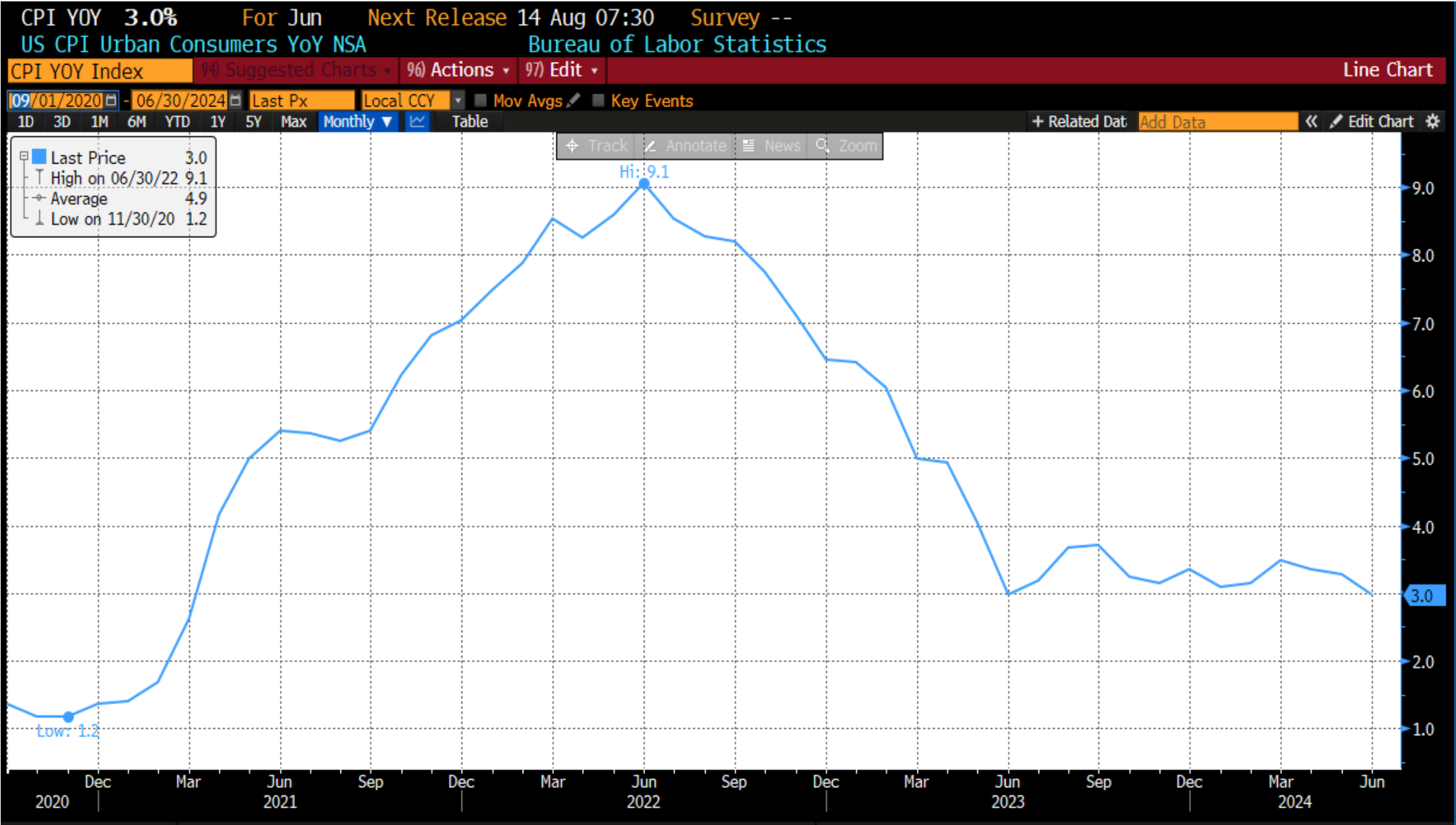
- 1Q23 2.0%
- 2Q23 2.1
- 3Q23 4.9
- 4Q23 3.4
- 1Q24 1.4
- 2Q24 2.8



U.S. Bureau of Economic Analysis

Seasonally adjusted annual rates

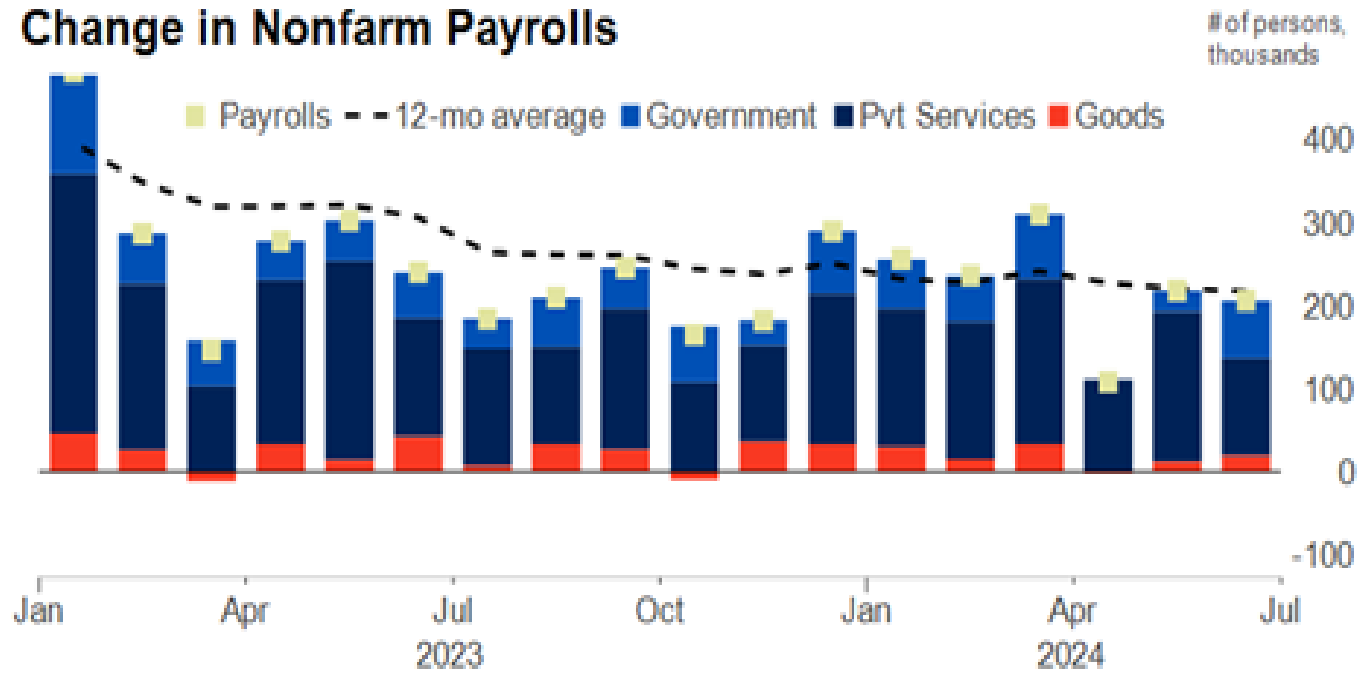
# Inflation



- Fed's Goal 2.00%
- June 2024 CPI 3.0%
- June 2024 Core PCE 2.6%

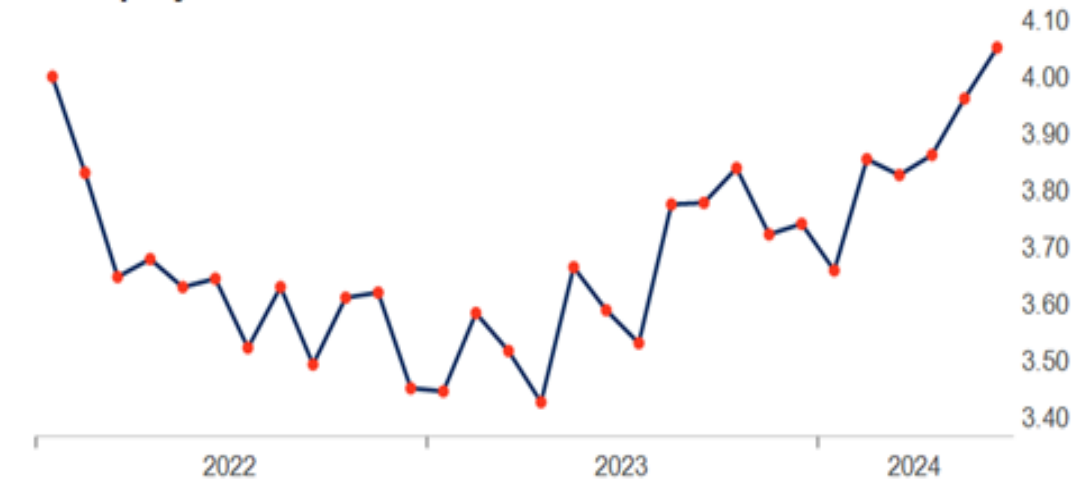
# Labor Market

## Change in Nonfarm Payrolls



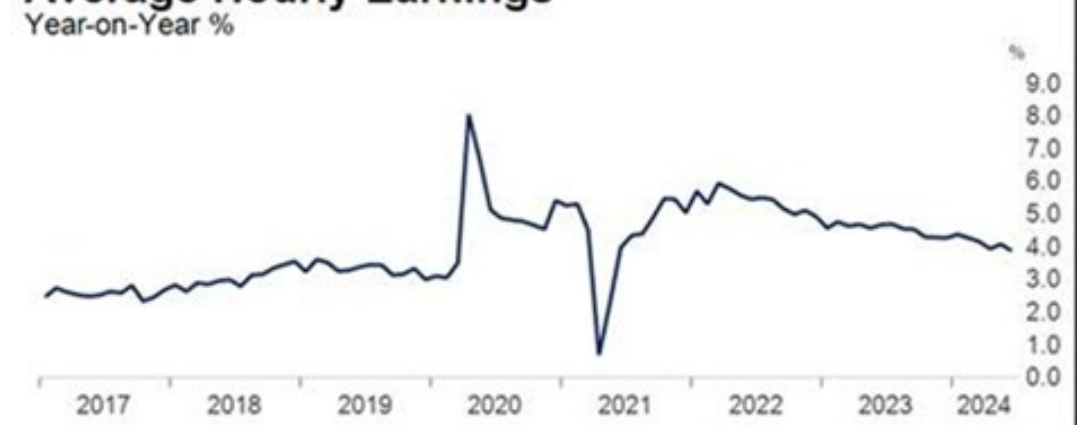
Source: U.S. Bureau of Labor Statistics (BLS), Macrobond

## Unemployment rate 2022-2024



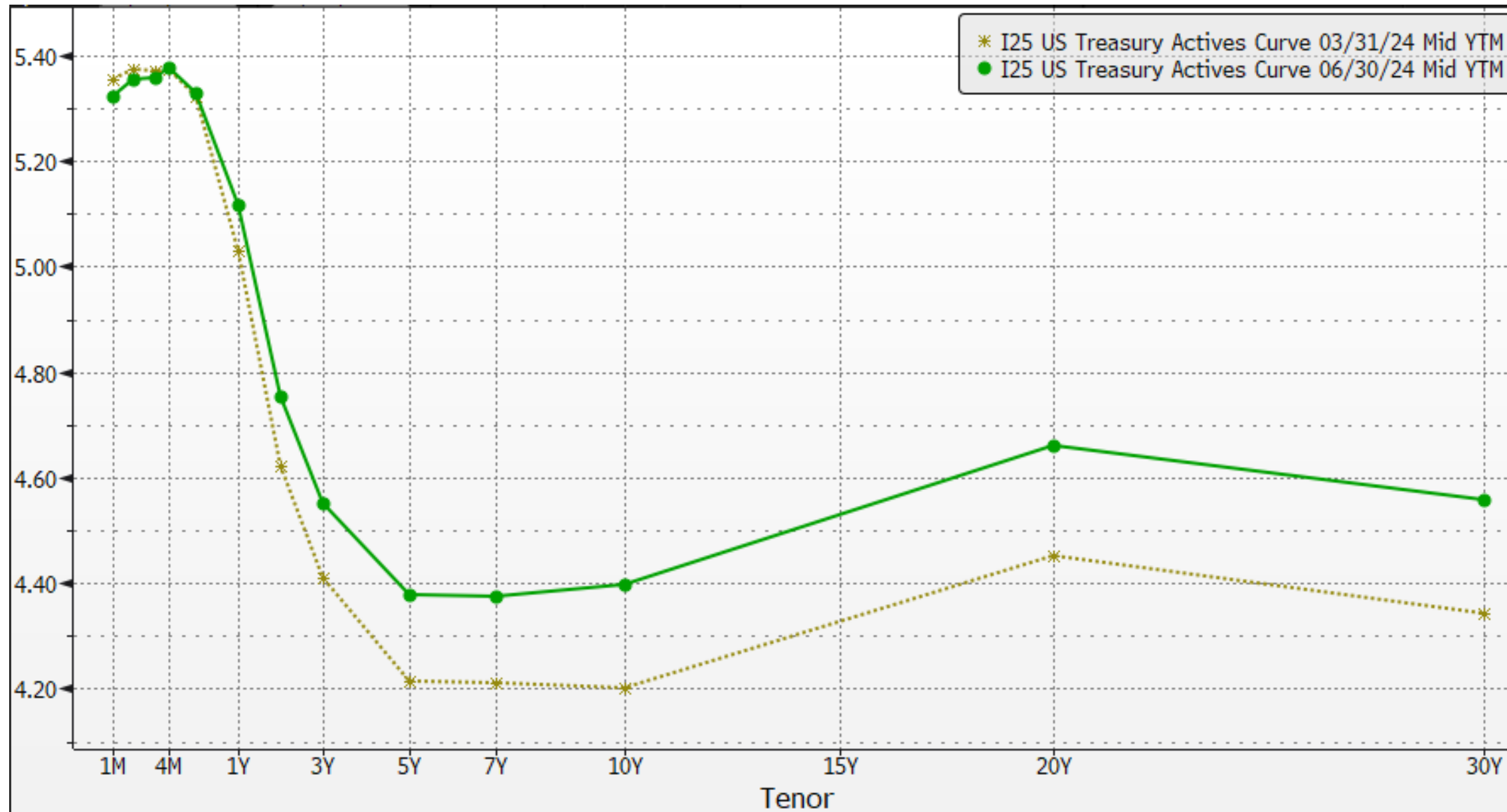
Source: U.S. Bureau of Labor Statistics (BLS), Macrobond

## Average Hourly Earnings



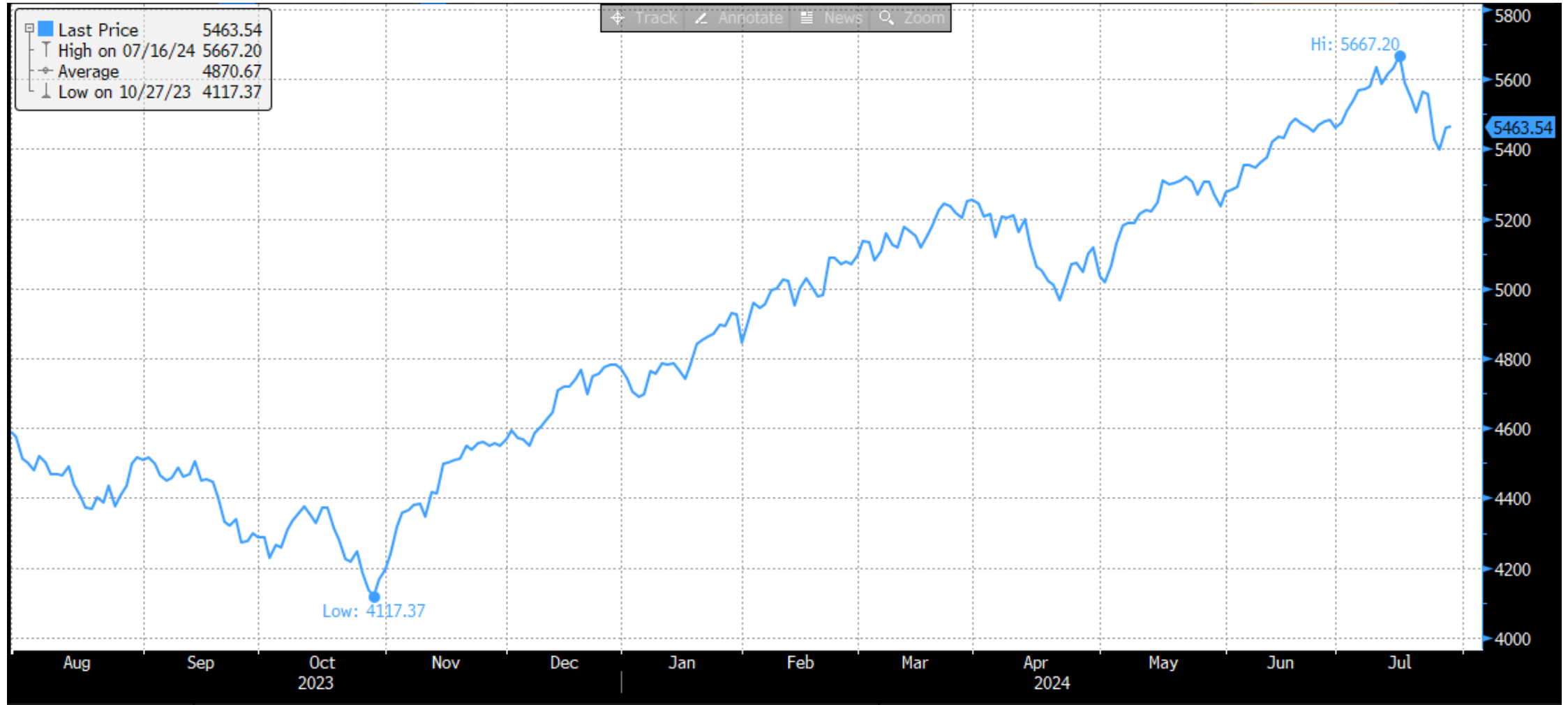
Source: U.S. Bureau of Labor Statistics (BLS), Macrobond

# Treasury Yield Curve



Source : Bloomberg

# S&P 500 Index

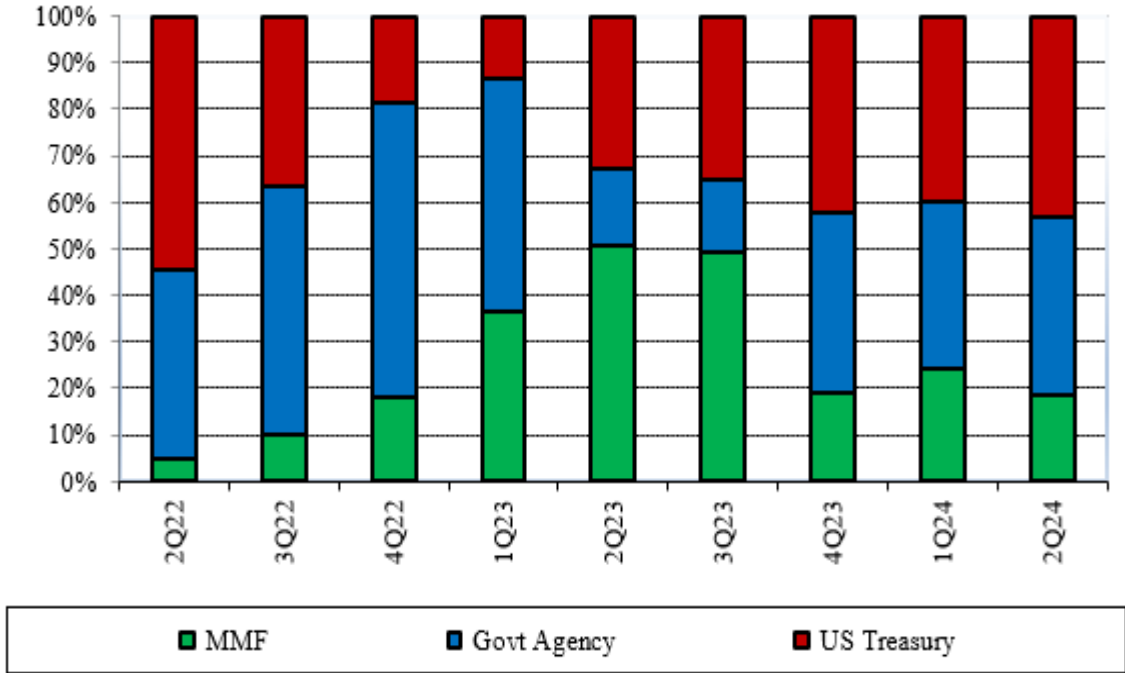


- Started 2Q at 5243
- Finished 2Q at 5460
- 2Q total return 4.28%
- 67% of OPEB Trust

Monthly S&P 500 Total Return											
Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
3.2%	-1.6%	-4.8%	-2.1%	9.1%	4.5%	1.7%	5.3%	3.2%	-4.1%	5.0%	3.6%

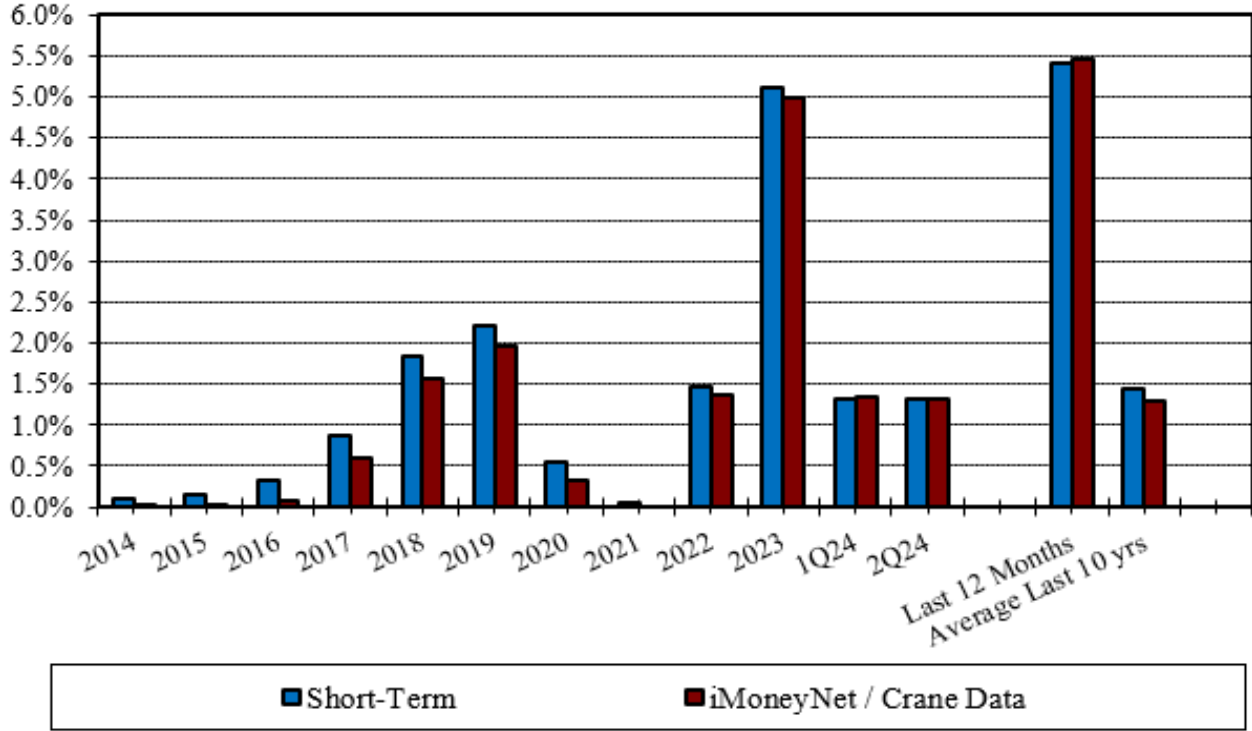
# Short-term Portfolio

Sector Allocation



- \$1.39 billion
- U.S. Treasury Bills - \$602m, 40%
- Government Discount Notes - \$535m, 36%
- Money Market Funds - \$260m, 24%

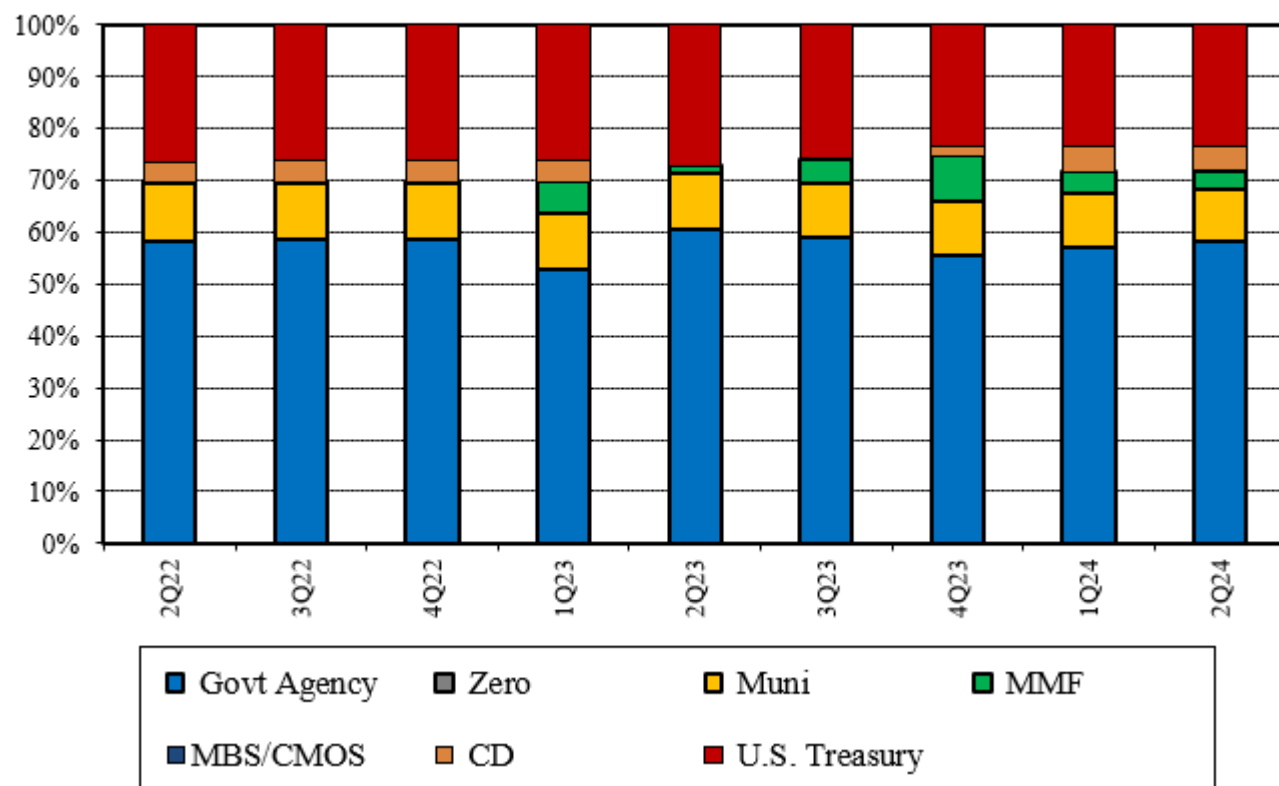
Total Return



- 1Q total return 1.31% vs. benchmark 1.33%
- Average yield 5.31% 2Q, 5.32% 1Q, 5.41% 4Q23, 5.35% 3Q23
- Interest income \$16.7m 2Q, \$16.8m 1Q, \$17.6m 4Q23, \$15.2m 3Q23

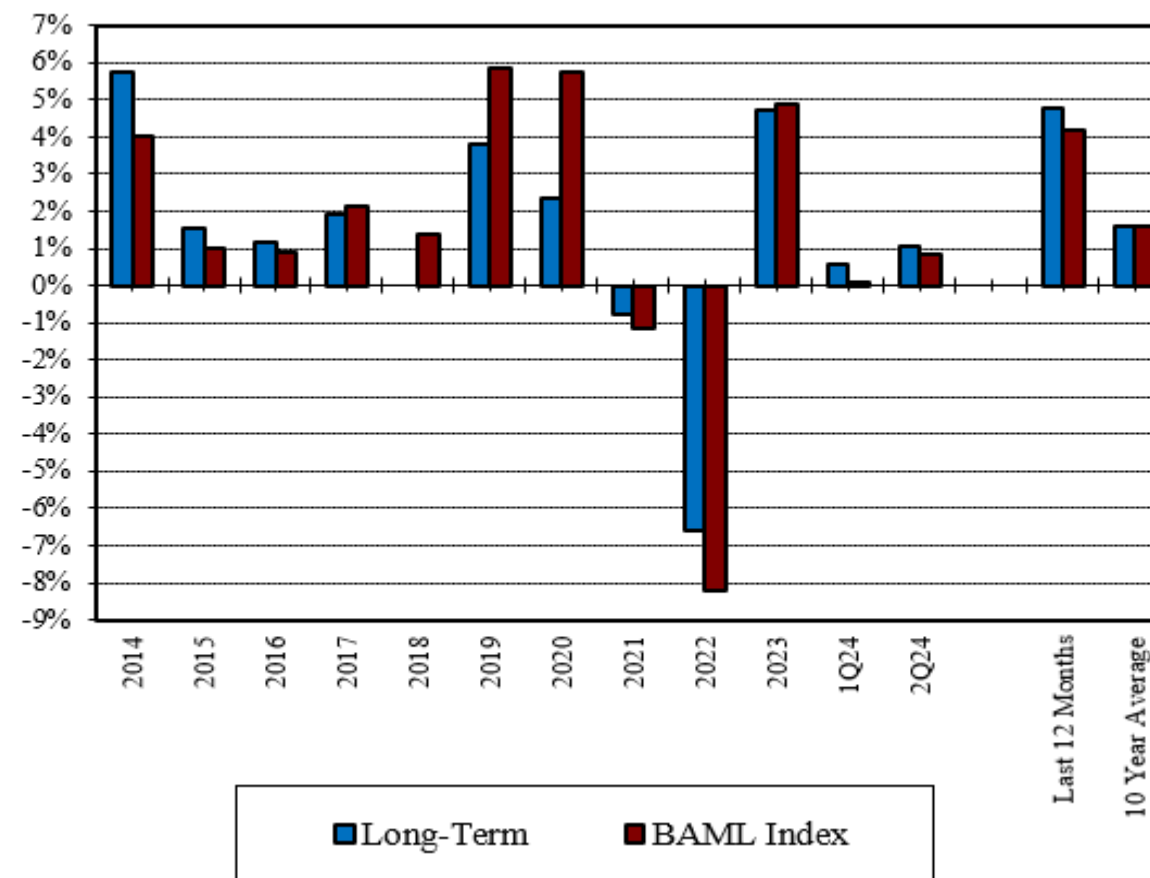
# Long-term Portfolio

Sector Allocation



- \$471 million
- U.S. Government Agency - \$274m, 57%
- U.S. Treasury Notes - \$111m, 24%
- Municipal Bonds - \$48m, 10%
- Certificates of Deposit - \$22m, 5%
- Money Market Fund - \$16m, 4%

Total Return



- 2Q total return 1.04% vs benchmark .82%
- Average book yield 2.17% 2Q vs 1.90% in 1Q
- Duration 1.46 years vs benchmark 3.21 years
- Interest income \$2.5m 2Q, \$2.3m 1Q, \$1.9m 4Q23, \$1.5m 3Q23

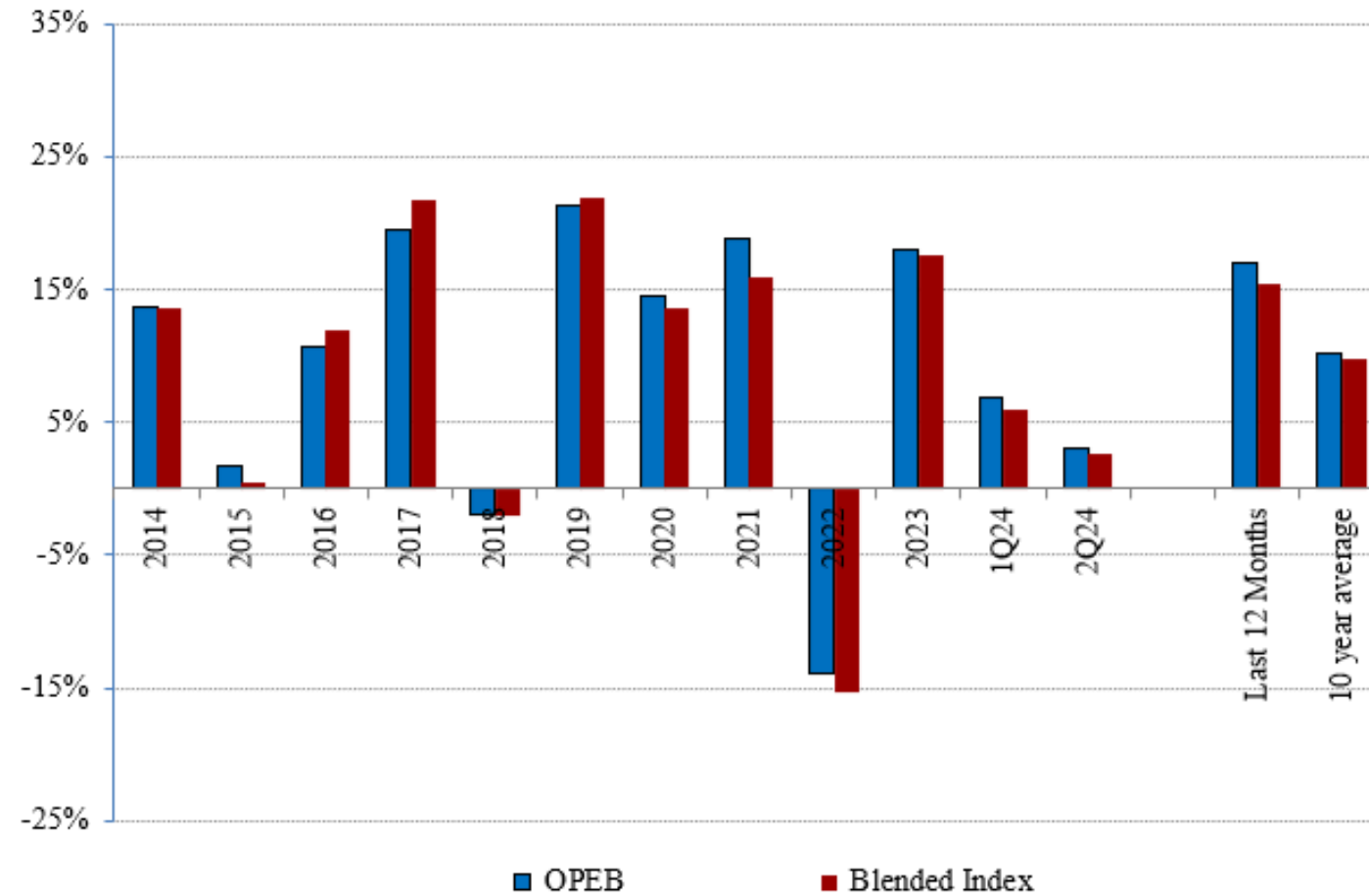


# OPEB Trust

- 2Q total return **3.02%**
- Average returns: **10.40%** 5 years  
**10.20%** 10 years
- Trust Value:
 

6-30-23	<b>\$324.9 million</b>
9-30-23	<b>318.8</b>
12-31-23	<b>330.9</b>
3-31-24	<b>353.7</b>
6-30-24	<b>364.3</b>
- Equity - \$243 million, 67%  
Fixed Income - \$121 million, 33%  
Cash Pool - \$119 thousand, 0%
- Projected OPEB Liabilities Remain Fully Funded

**OPEB Trust Total Return**





Thank you



Mark Thompson, Director Treasury

651-629-1629

[mark.thompson@metc.state.mn.us](mailto:mark.thompson@metc.state.mn.us)