Investment Review First Quarter 2025

Management Committee

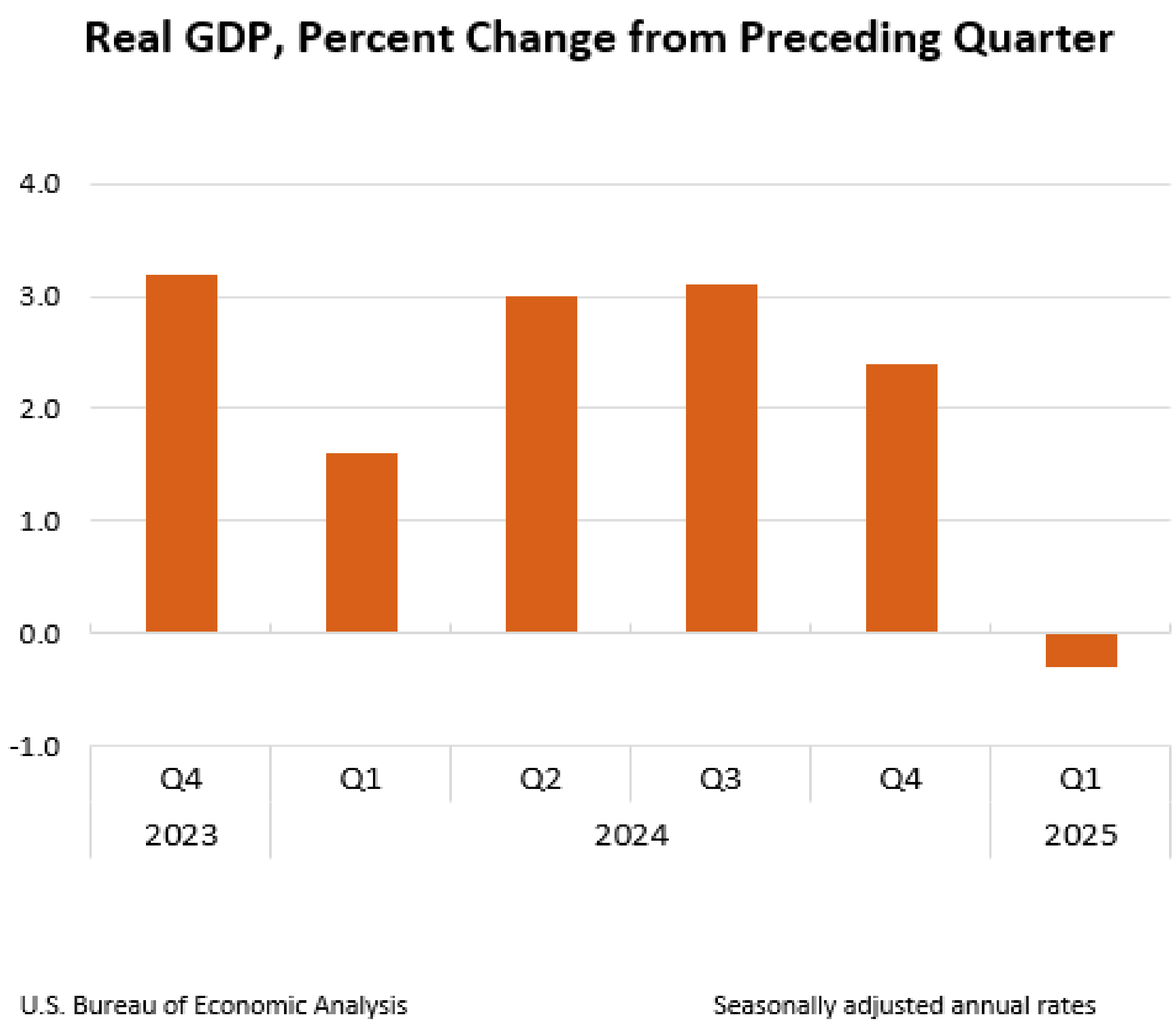
Mark Thompson, Director Treasury

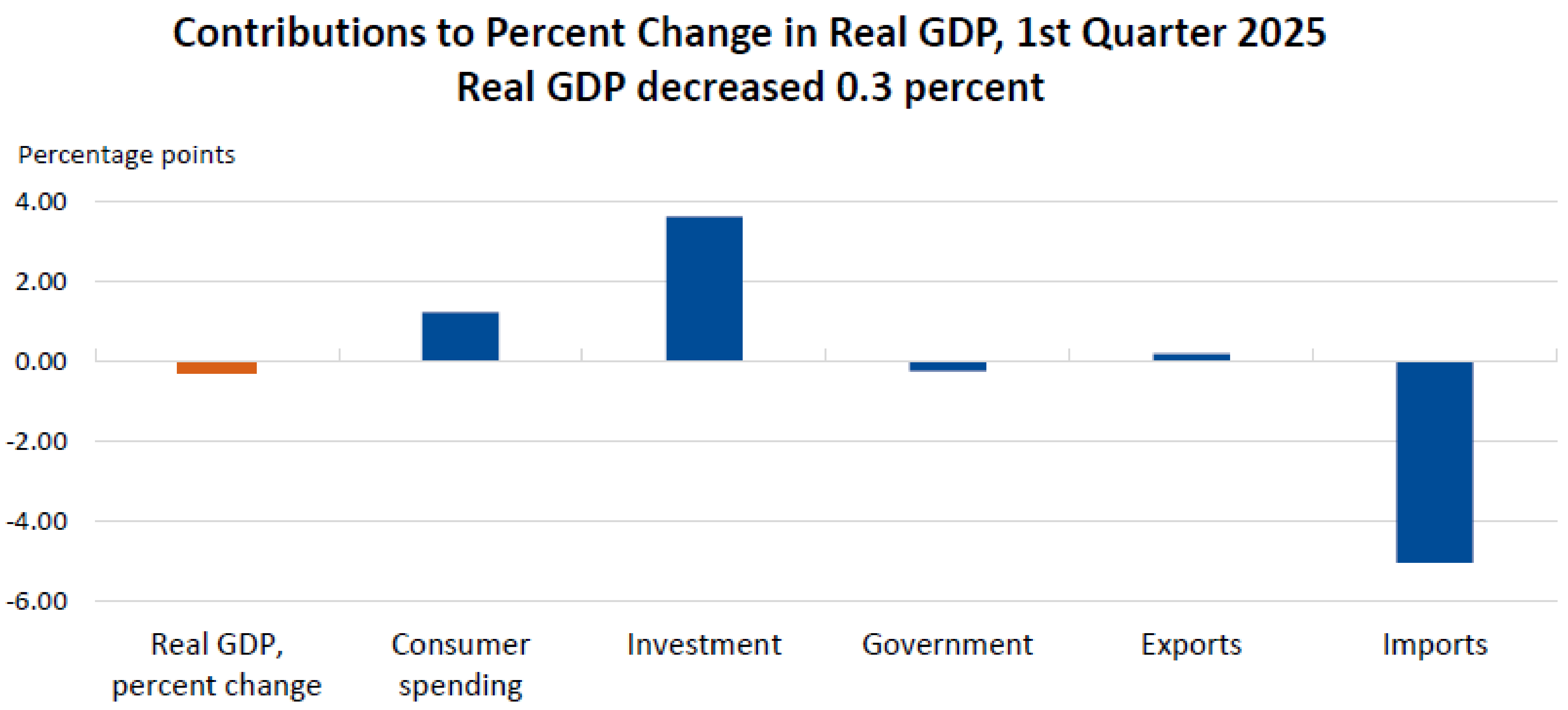
METROPOLITAN COUNCIL

May 28, 2025

Economic Growth

- 4Q23 3.2%
- 1Q24 1.6
- 2Q24 3.0
- 3Q24 3.1
- 4Q24 2.3
- 1Q25 -0.3





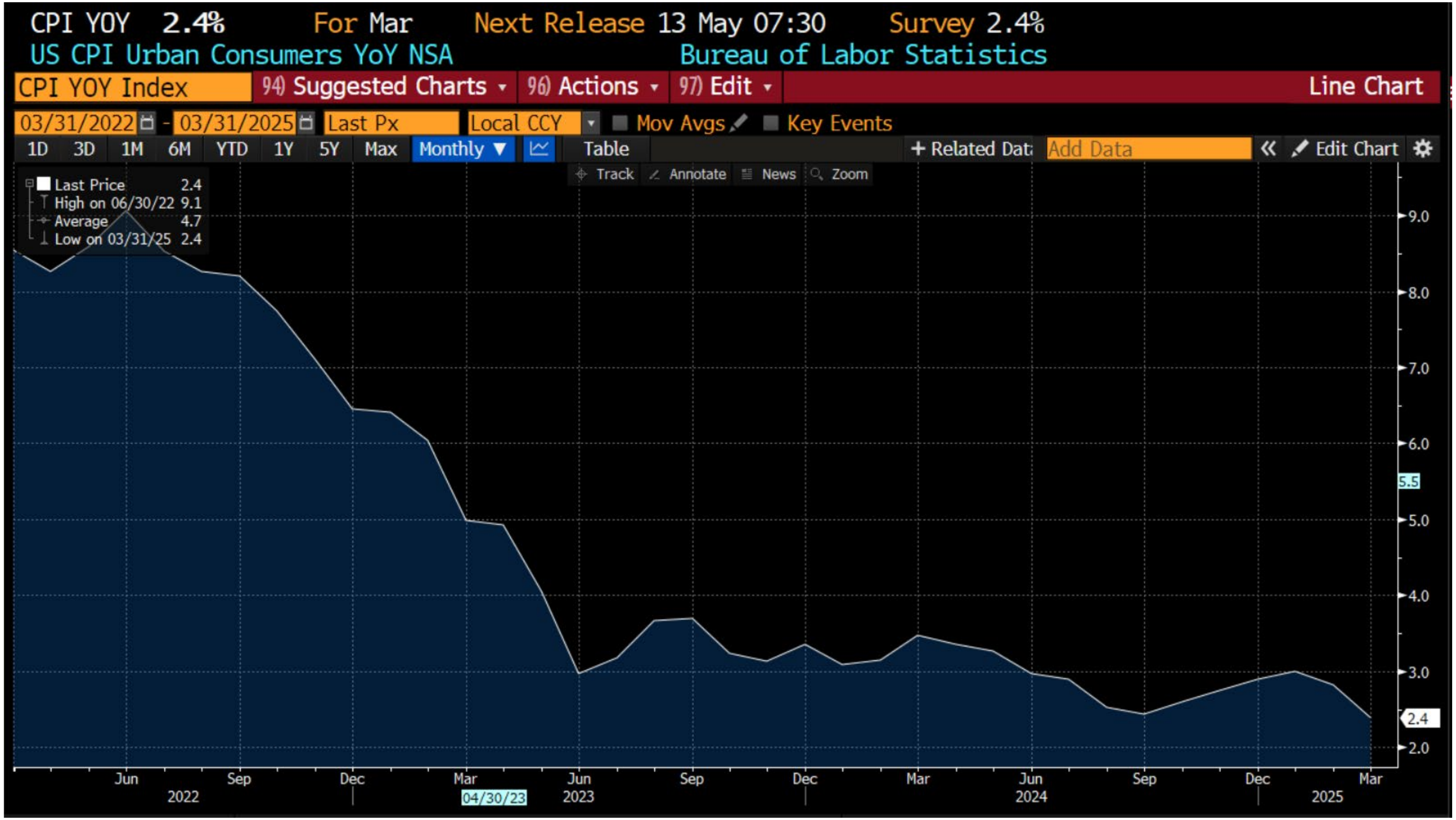
Note. Imports are a subtraction in the calculation of GDP; thus, an increase in imports results in a negative contribution to GDP.

U.S. Bureau of Economic Analysis

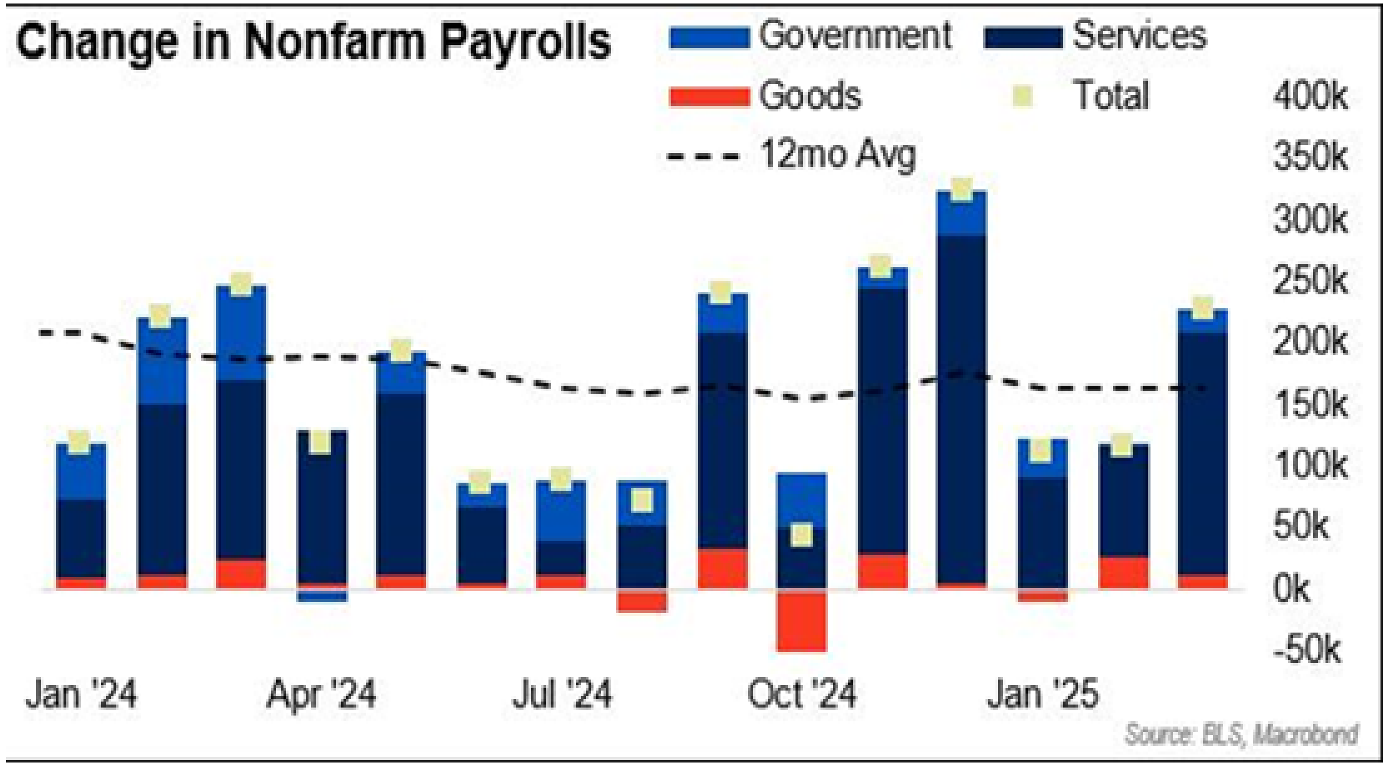
Seasonally adjusted annual rates

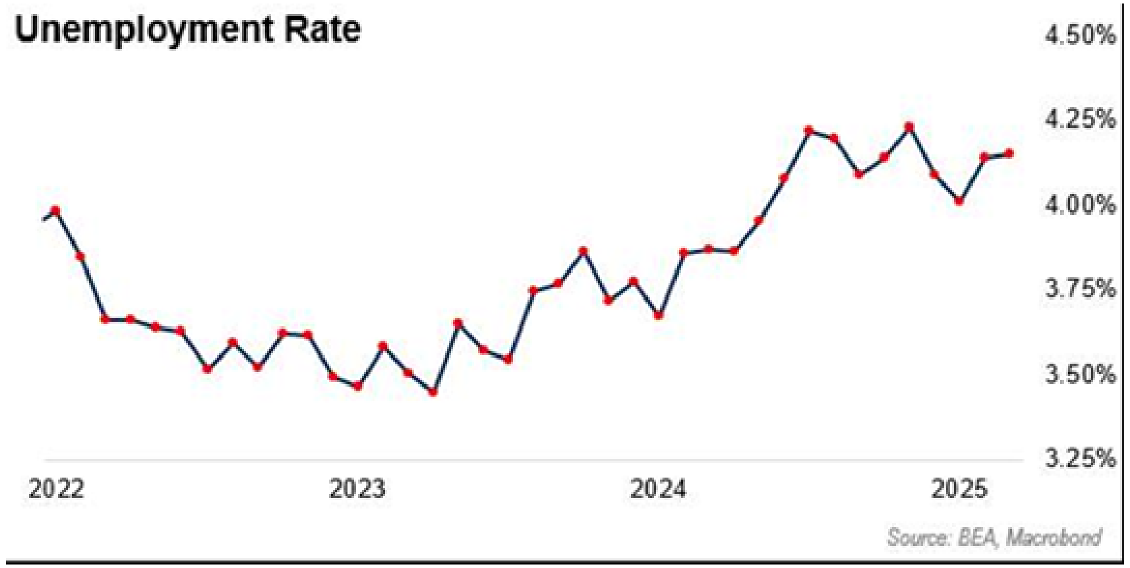
Inflation

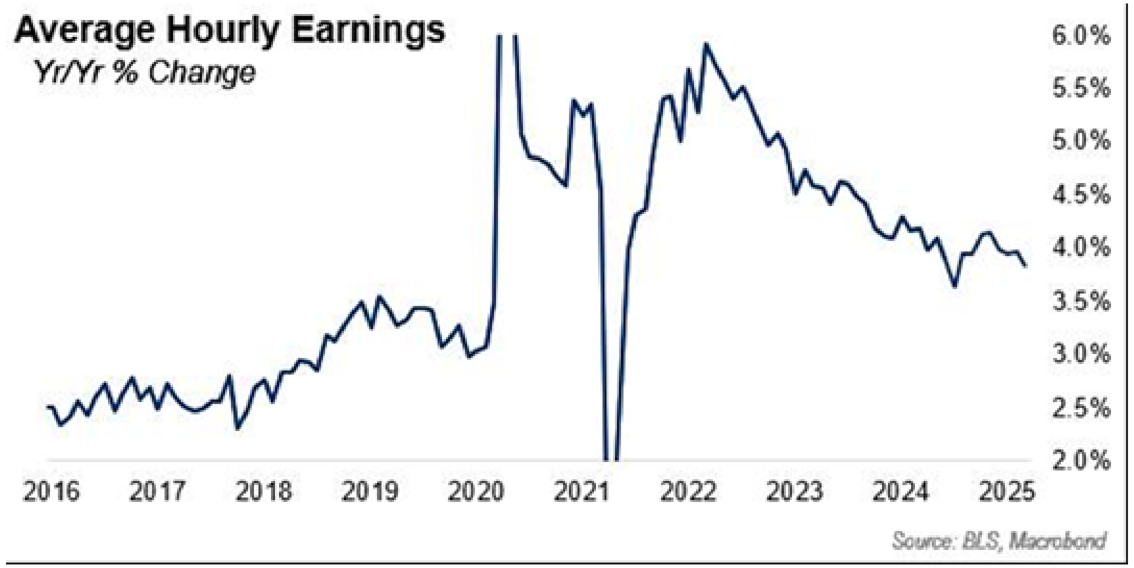
- **Fed's Goal 2.00%**
- **1Q25 CPI 2.4%**
- **March CPI -.1%**



Labor Market







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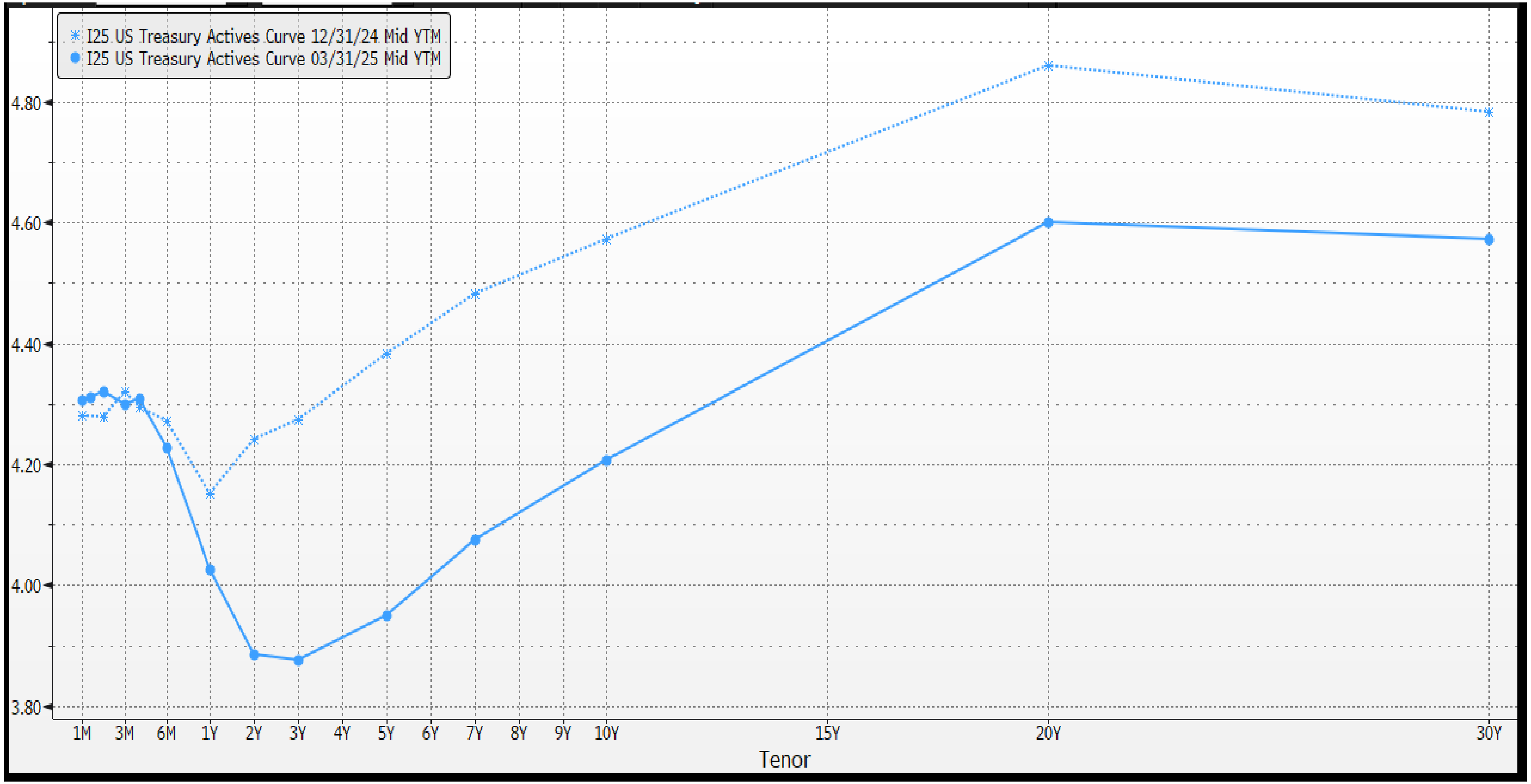
Treasury Yield Curve

	Announcement Date	Time	Rate (%)
1)	January 29	13:00	4.25 - 4.50
2)	March 19	13:00	4.25 - 4.50
3)	May 7	13:00	4.25 - 4.50
4)	June 18	13:00	--
5)	July 30	13:00	--
6)	September 17	13:00	--
7)	October 29	13:00	--
8)	December 10	13:00	--



Source : Bloomberg

S&P 500 Index

- 1Q total return -4.59%
- Started 1Q at 5881
- Ended 1Q at 5612
- 62% of OPEB Trust

Monthly S&P 500 Total Return											
Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
-4.1%	5.0%	3.6%	1.2%	2.4%	2.1%	-0.9%	5.9%	-2.4%	2.8%	-1.3%	-5.6%

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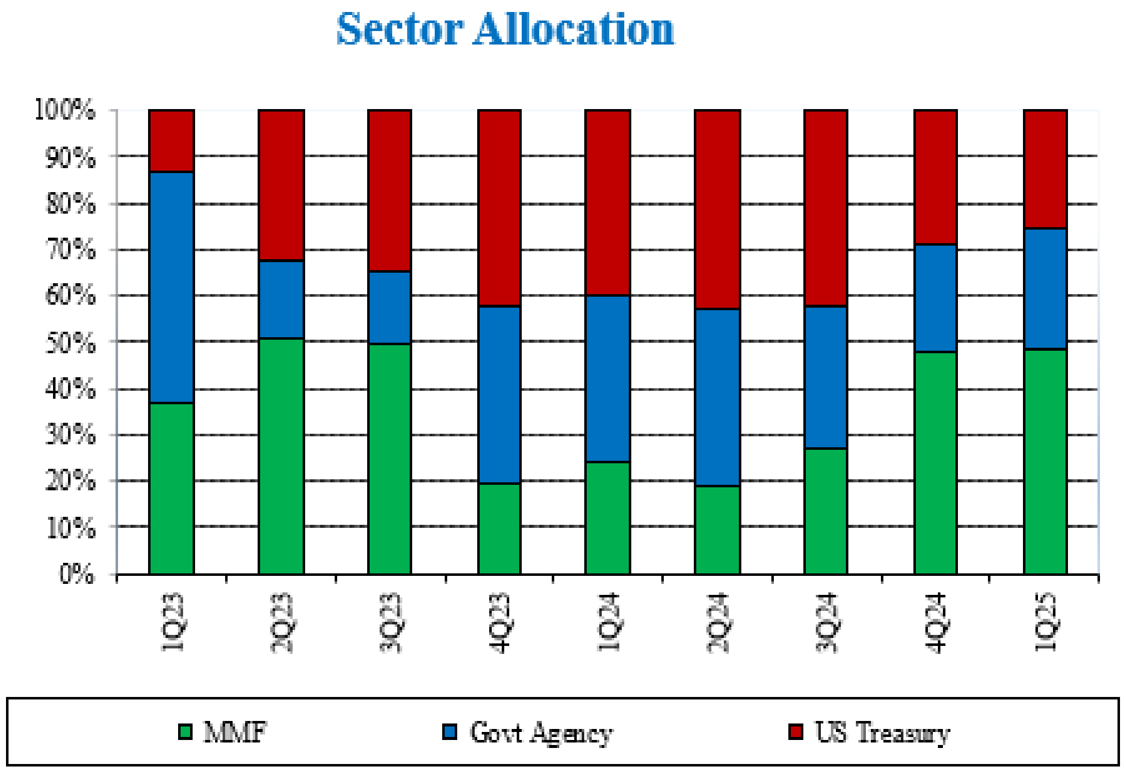
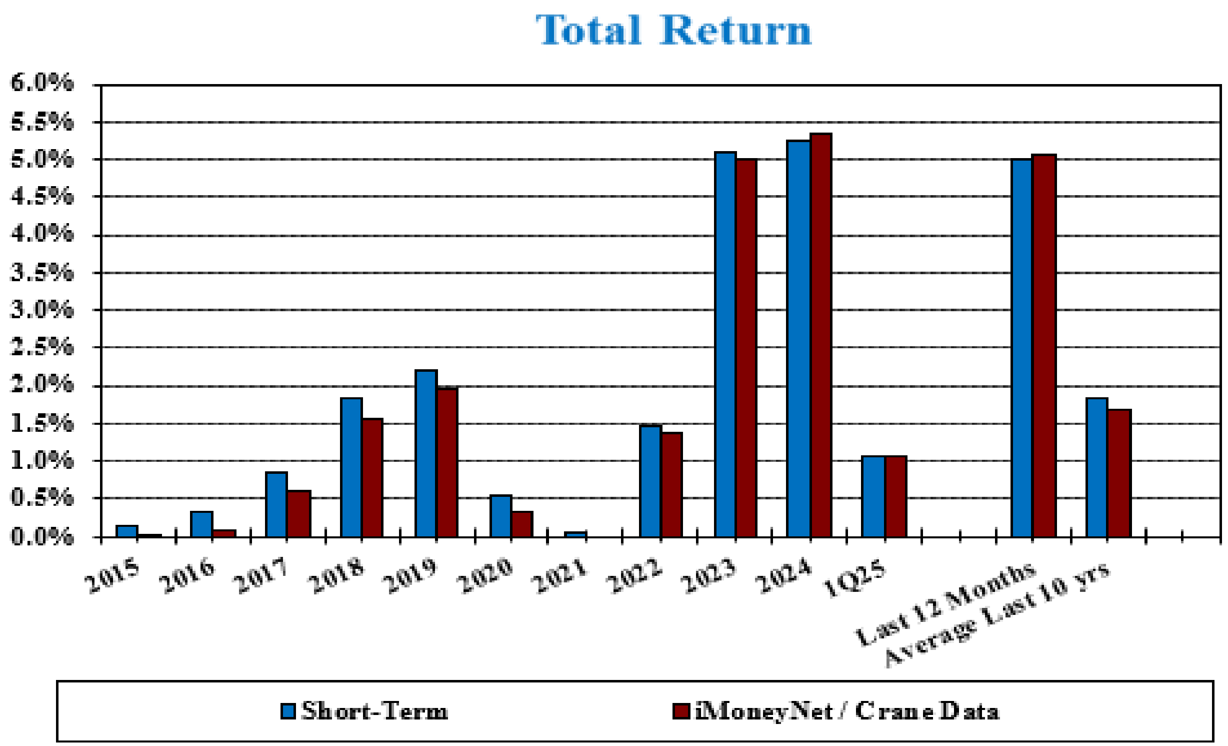
Short-term Portfolio





- $1.4 billion
- U.S. Treasury Bills - $357m, 29%
- Government Discount Notes - $362m, 23%
- Money Market Funds - $675m, 48%

- 1Q total return 1.07% vs. benchmark 1.06%
- Average yield 4.29% 1Q vs. 4.60% 4Q
- Interest income $15.3m 1Q vs. $17.1m 4Q

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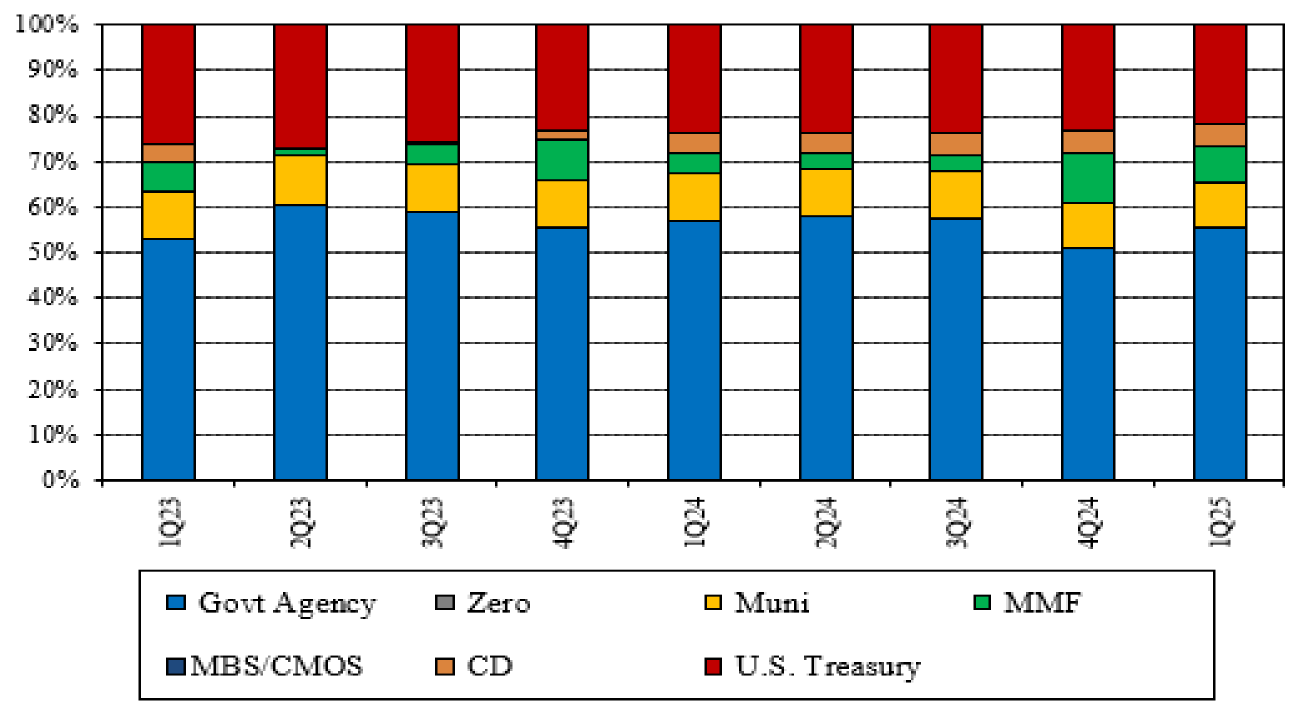
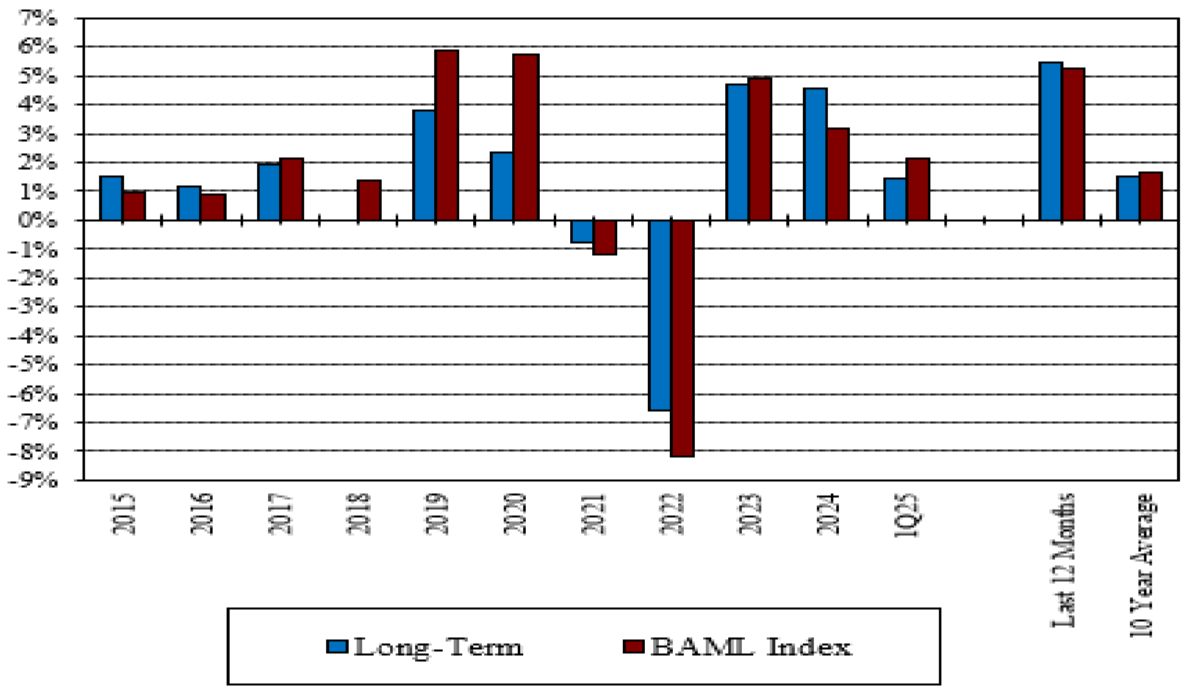
Long-term Portfolio

Sector Allocation



Total Return



- $489 million
- U.S. Government Agency - $272m, 51%
- U.S. Treasury Notes - $106m, 23%
- Municipal Bonds - $47m, 10%
- Certificates of Deposit - $24m, 5%
- Money Market Fund - $40m, 11%

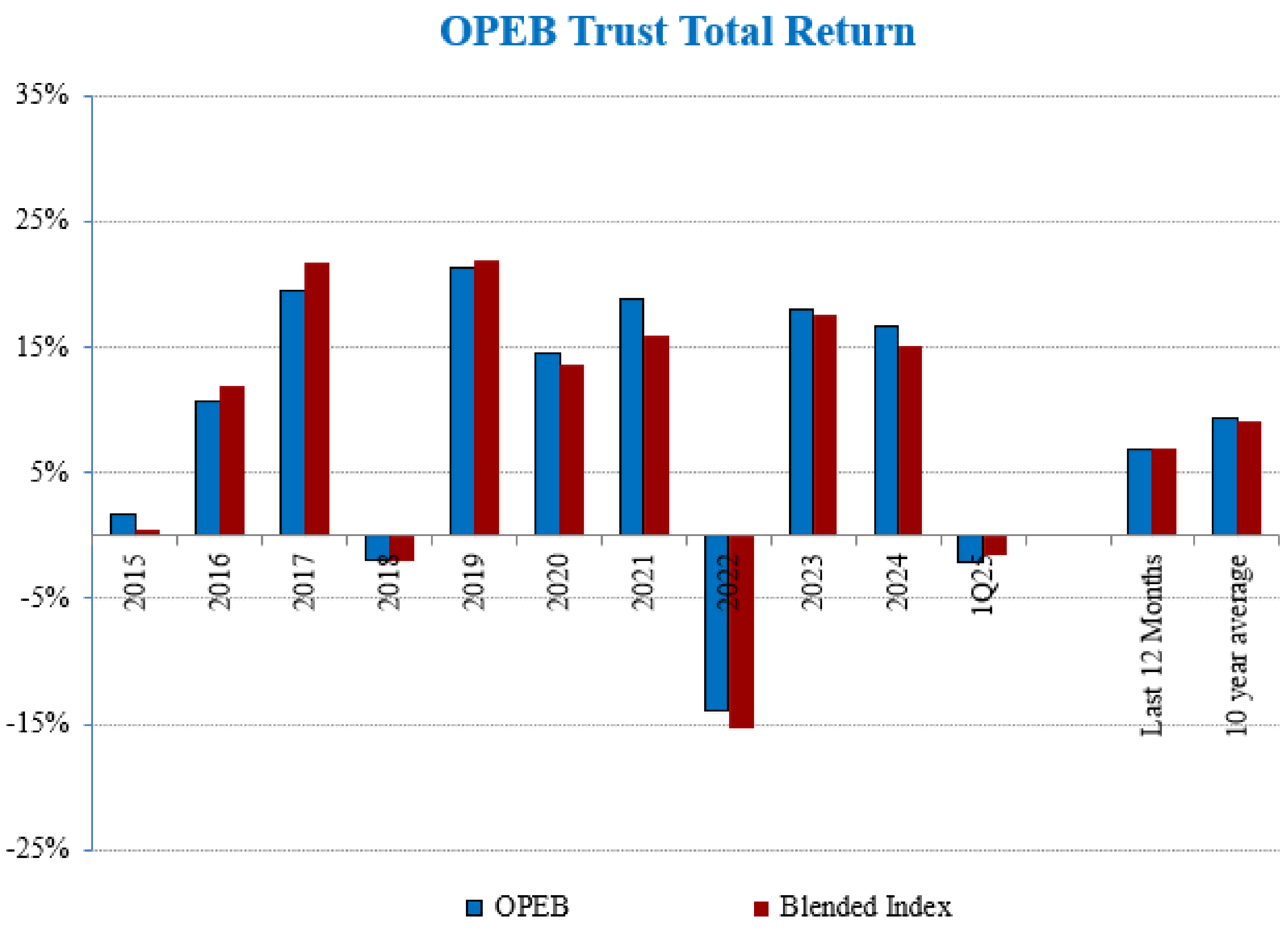
- 1Q total return 1.46% vs benchmark 2.11%
- Average book yield 2.62% 1Q vs 2.48% in 4Q
- Interest income $3.2 1Q vs. $2.9m 4Q
- Duration 1.28 years vs benchmark 3.44 years

OPEB Trust

- 1Q Total Return -2.04%
- Historical average returns: 12.70% 5 years
  9.45% 10 years
- Trust Value:

1Q 2024	$353.7 million
2Q 2024	364.3
3Q 2024	380.9
4Q 2024	373.4
1Q 2025	365.7

- Equity - $228 million, 62%
  Fixed Income - $126 million, 35%
  Cash Pool - $11 million, 3%
- Projected OPEB Liabilities Remain Fully Funded



Thank you

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