

# Investment Review Fourth Quarter 2025

Management Committee Presentation

Mark Thompson, Director Treasury



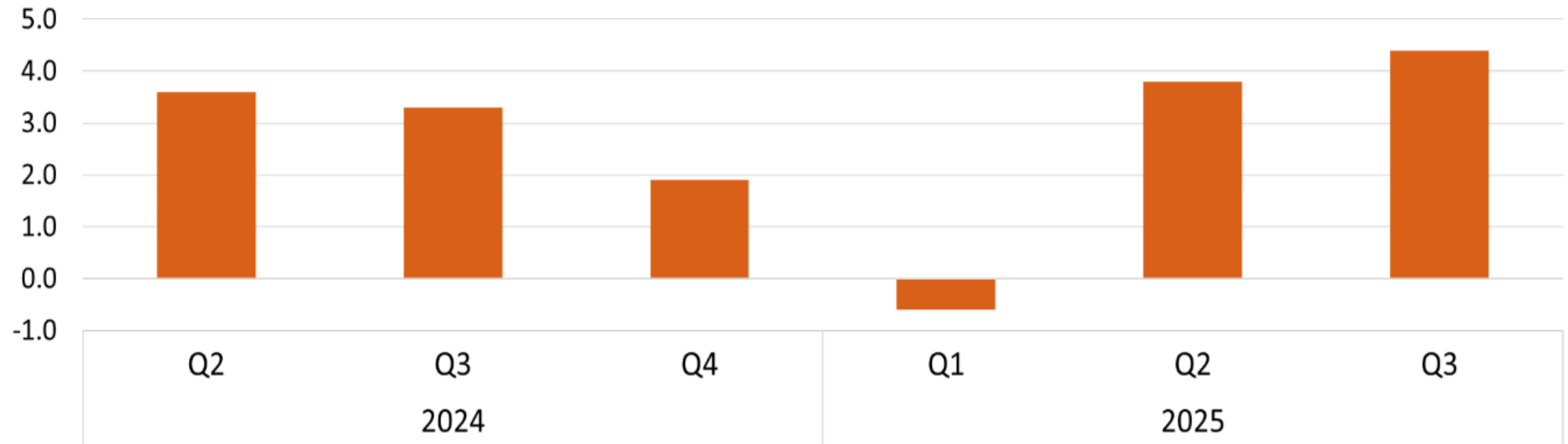
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February 25, 2026

# Economic Growth

- 2Q24 3.0%
- 3Q24 3.1%
- 4Q24 2.3
- 1Q25 -0.6
- 2Q25 3.8
- 3Q25 4.4

### Real GDP, Percent Change From Preceding Quarter



U.S. Bureau of Economic Analysis

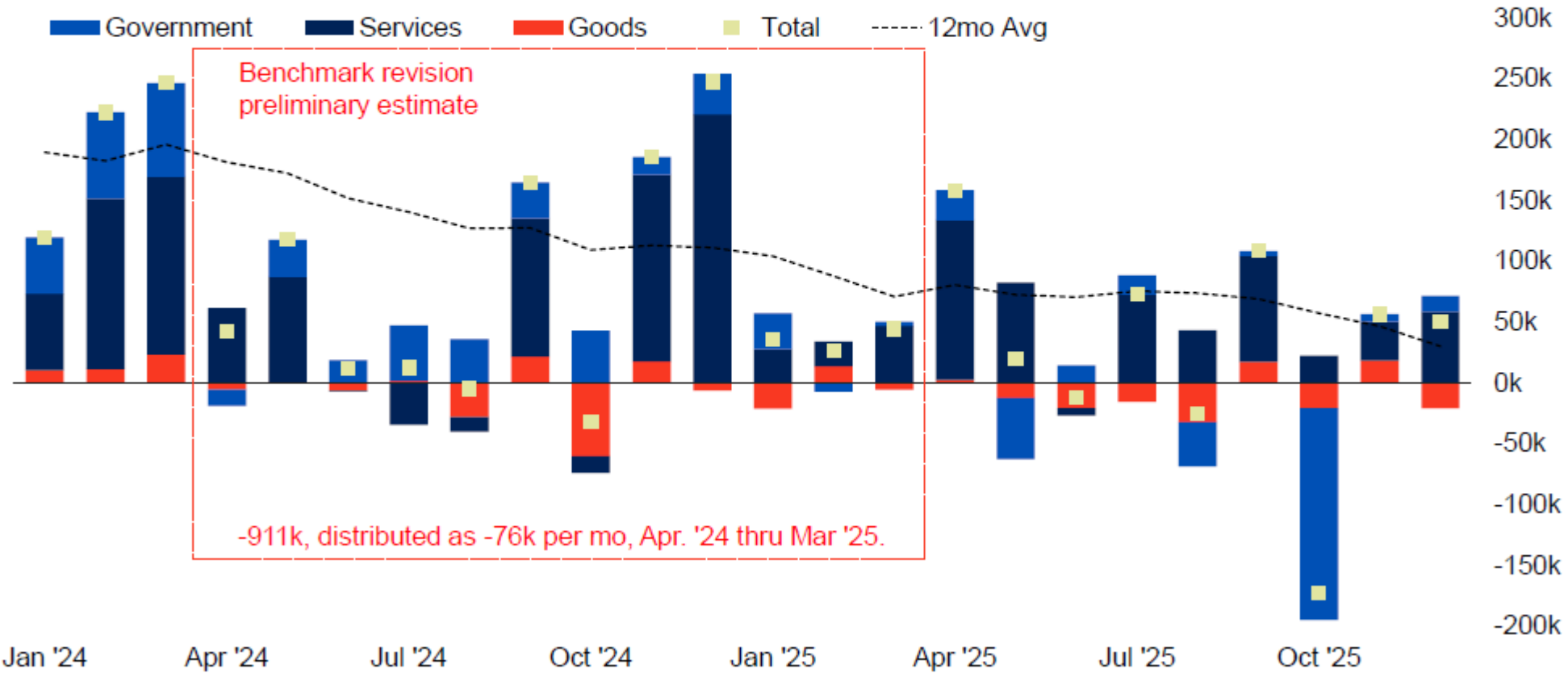
Seasonally adjusted annual rates

# Labor Market

## Payroll job growth still slowing

2024 avg 111k; 2025 avg 30k; Q4-25 avg -22k

Nonfarm payroll growth with annual revision



# Inflation

## Consumer Price Index

Yr/Yr%

- Core
- Headline



October year-on-year calculated by splitting the difference between September and November index levels.

Source: BLS, Macrobond

## Mth/Mth CPI Inflation Contributions

- Core services
- Core goods
- Food
- Energy

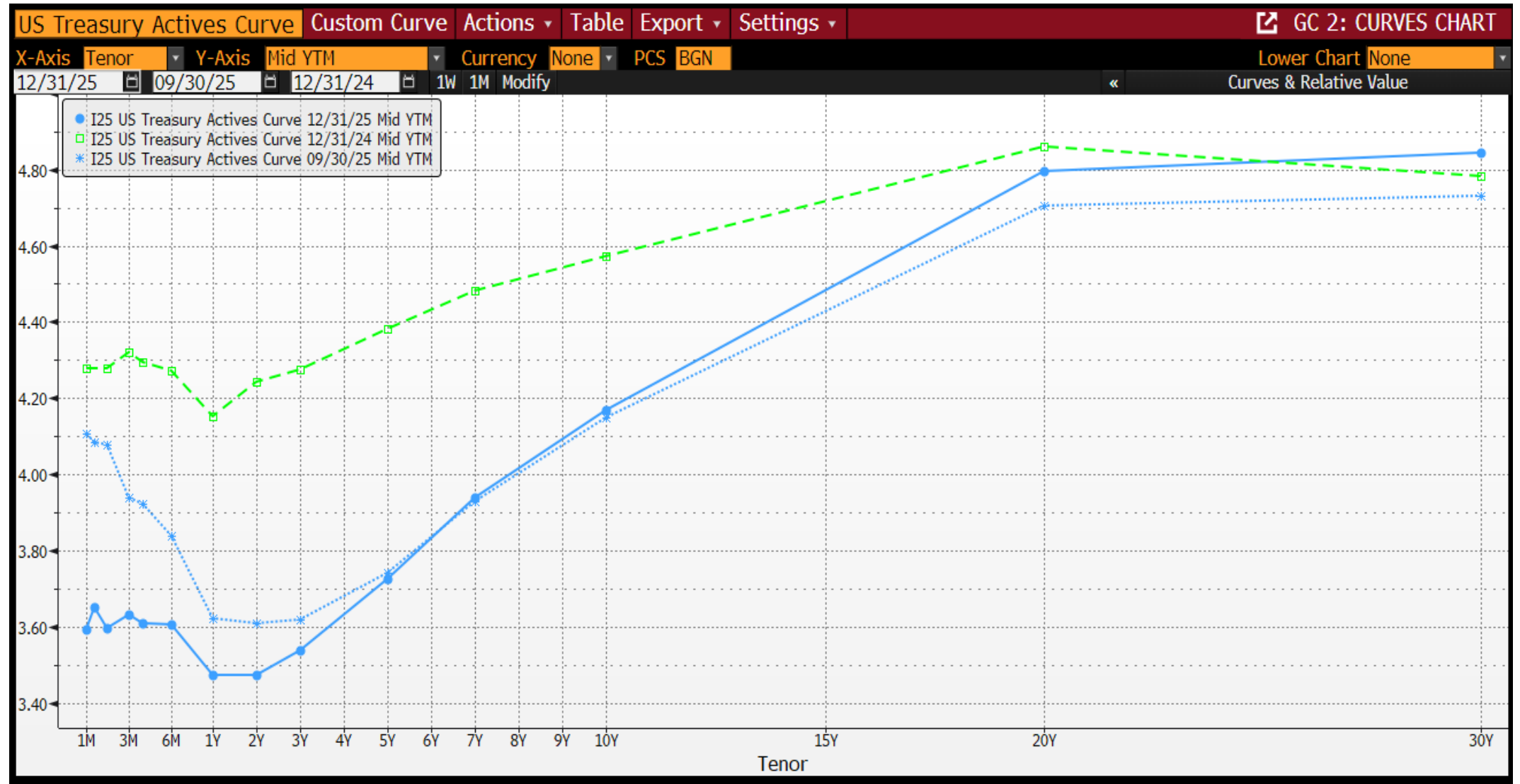
10%  
9%  
8%  
7%  
6%  
5%  
4%  
3%  
2%  
1%  
0%

0.75%  
0.50%  
0.25%  
0.00%  
-0.25%  
-0.50%

Jan '23 Apr '23 Jul '23 Oct '23 Jan '24 Apr '24 Jul '24 Oct '24 Jan '25 Apr '25 Jul '25 Oct '25

Note: Due to the government shutdown, Oct '25 CPI index levels were not reported. We calculated monthly changes using Sept & Nov indices and distributing two-month changes equally between Oct & Nov. Source: Bureau of Labor Statistics, FHN Financial

# Treasury Yield Curve



Metropolitan Council

Source : Bloomberg

	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	4.25 - 4.50
5)	July 30	13:00	4.25 - 4.50
6)	September 17	13:00	4.00 - 4.25
7)	October 29	13:00	3.75 - 4.00
8)	December 10	13:00	3.50 - 3.75

# S&P 500 Index

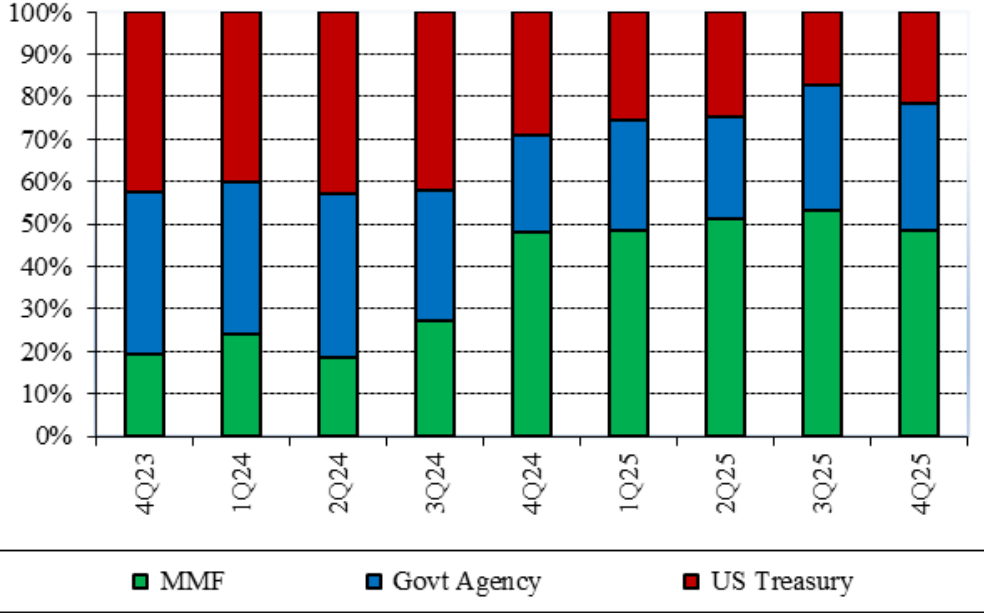
- 2.65% 4Q return
- 17.86% in 2025
- Start 2025 at 5881
- End 2025 at 6845
- Exposure 62% OPEB Trust



Monthly S&P 500 Total Return											
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2.8%	-1.3%	-5.6%	-0.7%	6.3%	5.1%	2.2%	2.0%	3.6%	2.3%	0.2%	0.6%

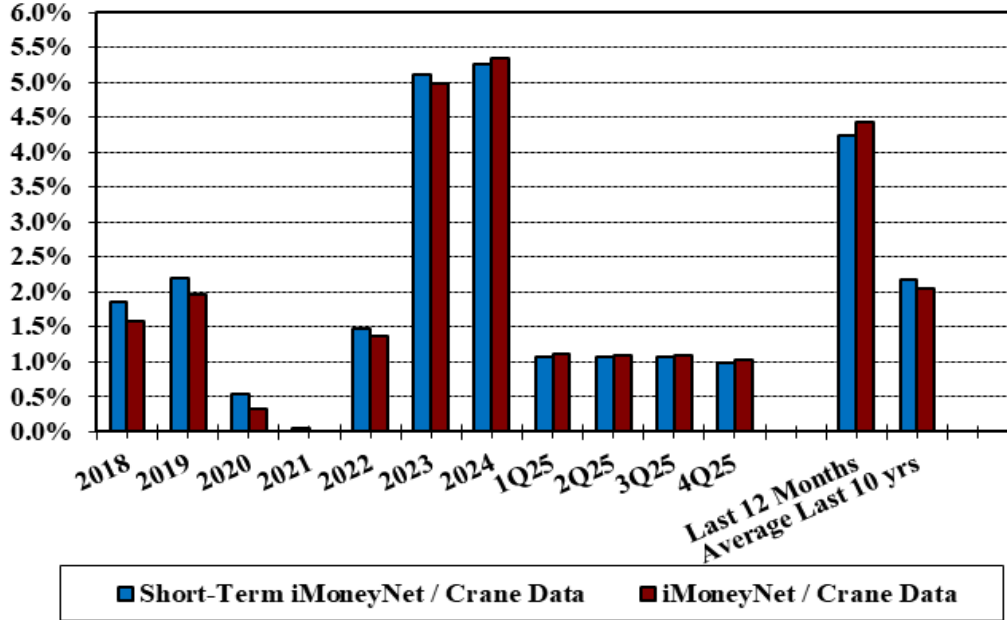
# Short-term Portfolio

Sector Allocation



- \$1.62 billion
- U.S. Treasury Bills - \$347m, 21%
- Government Discount Notes - \$486m, 30%
- Money Market Funds - \$787m, 49%

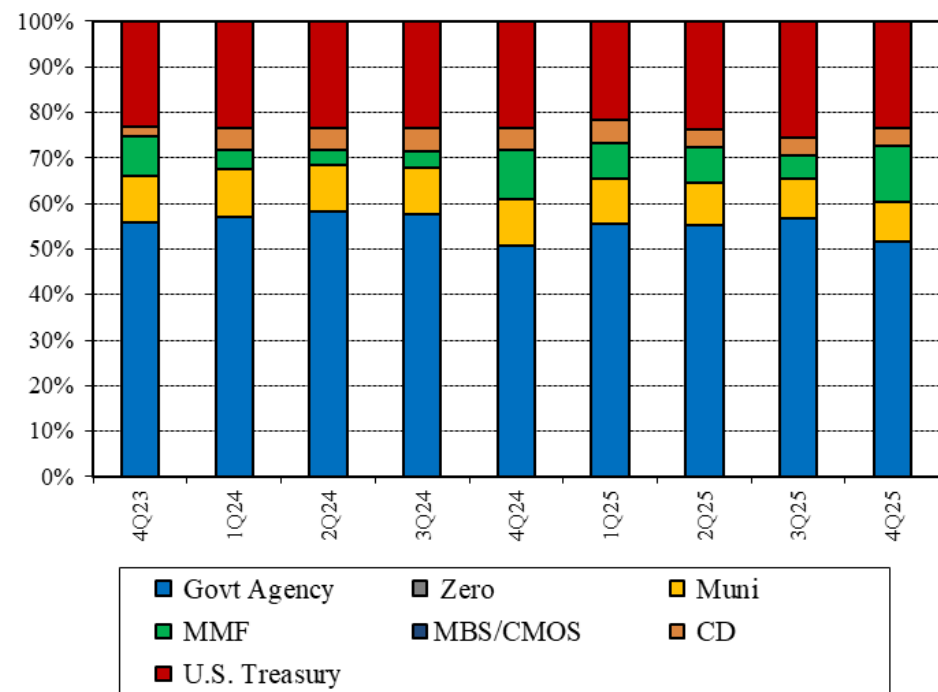
Total Return



- 4Q total return .97% vs. benchmark 1.03%
- Average book yield 3.48% 4Q vs. 3.87% 3Q
- Interest income \$16.0m 4Q vs. \$18.1m 3Q

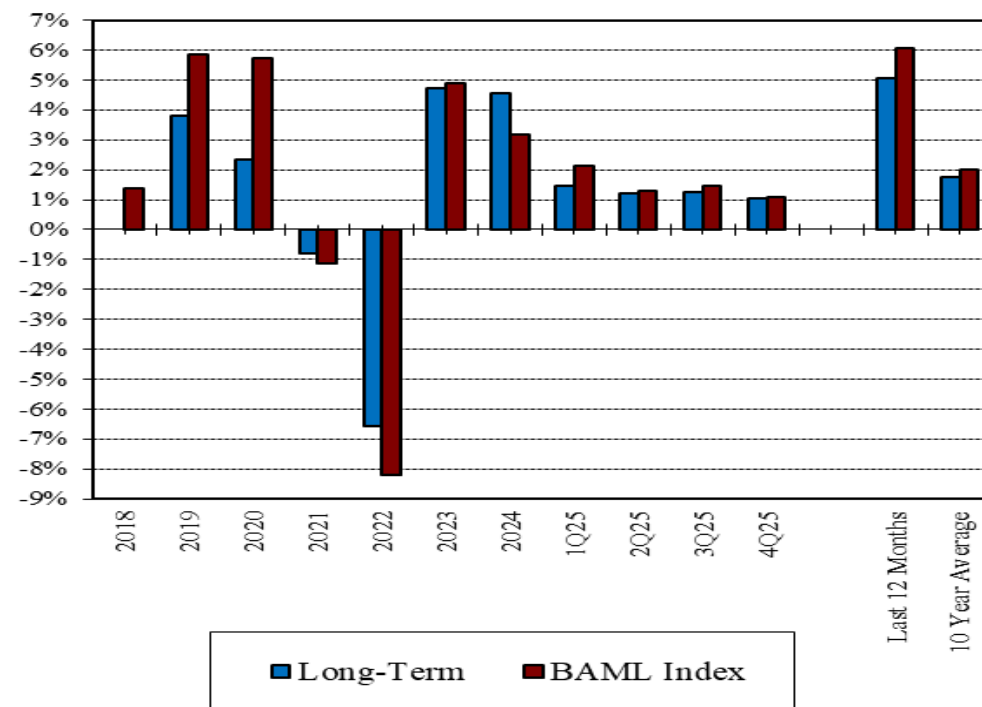
# Long-term Portfolio

Sector Allocation



- \$509 million
- U.S. Government Agency - \$263m, 52%
- U.S. Treasury Notes - \$119m, 23%
- Municipal Bonds - \$45m, 9%
- Certificates of Deposit - \$20m, 4%
- Money Market Funds - \$62m, 12%

Total Return



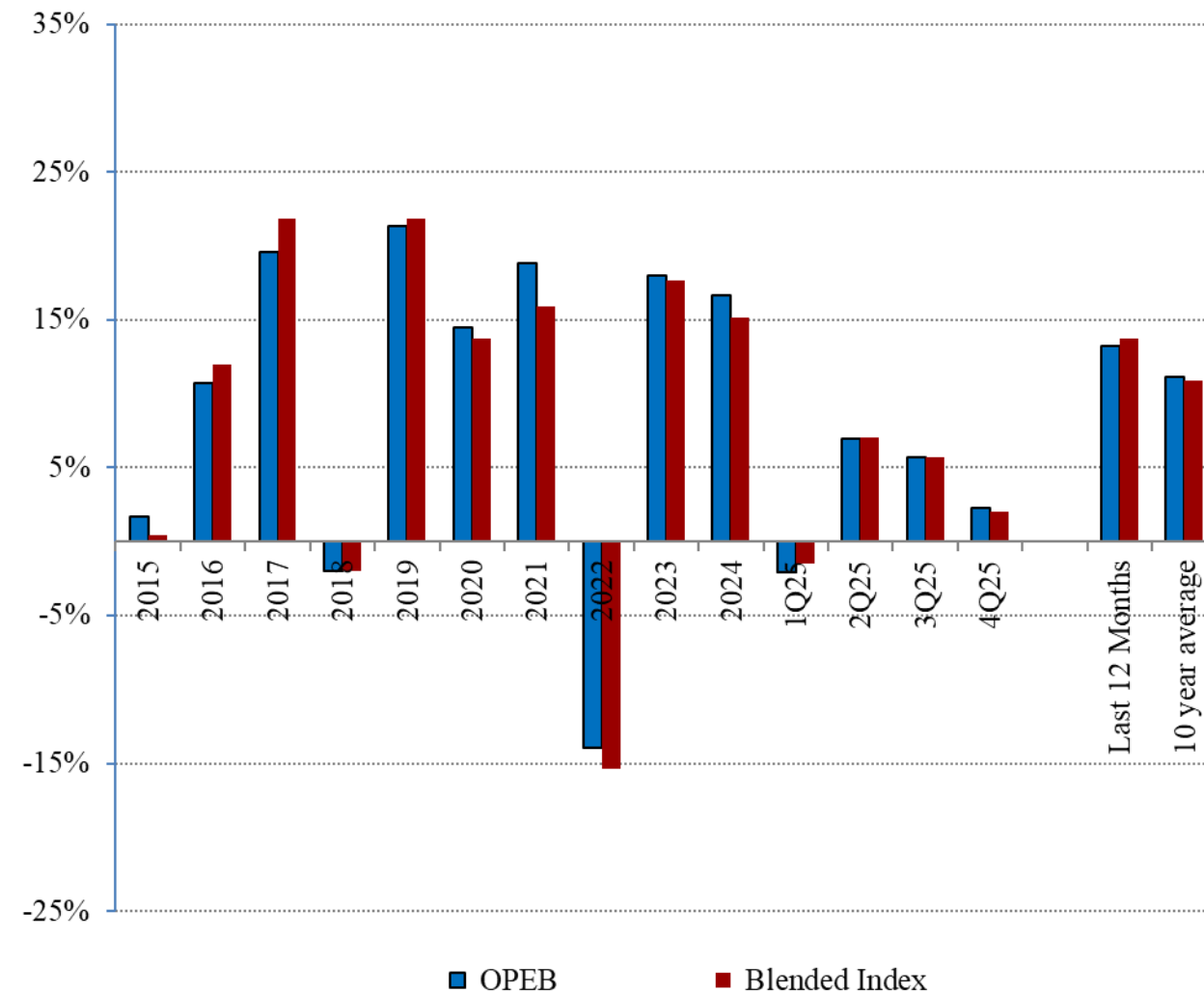
- Quarterly total return 1.05% vs benchmark 1.09%
- Average book yield 3.05% 4Q vs 2.93% in 3Q
- Interest income \$3.8m 4Q vs. \$3.5m 3Q
- Duration 1.47 years vs benchmark 3.37 years

# OPEB Trust

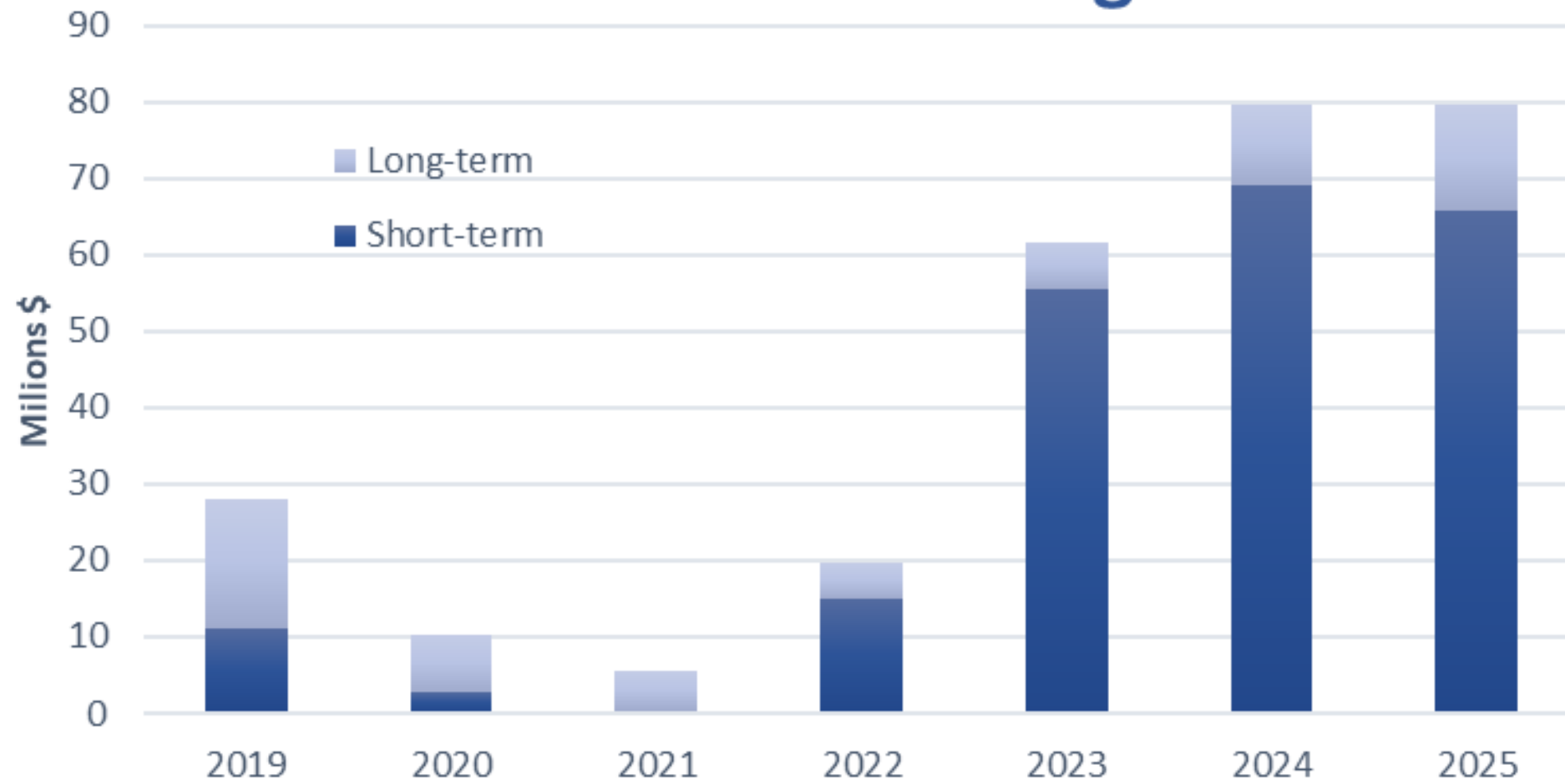
- 4Q Total Return 2.31%
- YTD Total return 13.24%
- Historical average returns: 9.83% 5 years  
11.12% 10 years
- Trust Value:
 

4Q 2025	\$410.6 million
3Q 2025	414.8
2Q 2025	392.5
1Q 2025	365.7
- Equity - \$253 million, 62%  
Fixed Income - \$131 million, 32%  
Cash Pool - \$26 million, 6%
- Projected OPEB Liabilities Remain Fully Funded

OPEB Trust Total Return



# Investment Earnings





Thank you



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