

**REGIONAL TRANSPORTATION COMMISSION OF WASHOE COUNTY (RTC)
INVESTMENT COMMITTEE MEETING**

Thursday

11:00 a.m.

November 21, 2024

PRESENT:

**Christian Schonlau, RTC Director of Finance/CFO
Dale Keller, RTC Deputy Executive Director
Jelena Williams, RTC Financial Manager
Nelia Belen, RTC Accountant
Annette Gaston, Senior Managing Consultant, PFM Asset Management LLC**

ABSENT:

Bill Thomas, AICP, RTC Executive Director

The RTC Investment Committee Meeting was held on November 21, 2024 at 11:00 a.m. via Zoom and was called to order by Christian Schonlau. The following business was conducted:

Item 1 APPROVAL OF AGENDA

Christian Schonlau opened the meeting and asked for a motion for approval of the Agenda. Jelena Williams moved to approve and Nelia Belena seconded. Motion passed.

Item 2 PUBLIC INPUT

Christian Schonlau asked if there were any public comments. As there were none, we moved onto the approval of the meeting minutes.

Item 3 APPROVAL OF MINUTES

Christian Schonlau asked if everyone had a chance to look at the minutes, and if there were any changes or comments? As there were no changes or comments, Jelena Williams moved for approval of the October 29, 2024, minutes, with Nelia Belen seconding. Motion passed.

***Item 4 DISCUSSION OF THE RTC DEBT SERVICE RESERVE INVESTMENT
PERFORMANCE AND POSSIBLE APPROVAL OF A RECOMMENDATION
TO BE PRESENTED TO THE RTC BOARD OF DIRECTORS***

Annette Gaston, PFM Asset Management Senior Managing Consultant gave a presentation on the 3rd Quarter Investment Performance Review.



WASHOE COUNTY REGIONAL TRANS COMMISSION

Investment Performance Review For the Quarter Ended September 30, 2024

Client Management Team

Annette Gaston, Director

PFM Asset Management LLC

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San Francisco, CA 94111-5411
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Agenda

- Market Update
- Account Summary
- Portfolio Review

Market Update

Current Market Themes



- ▶ The U.S. economy is characterized by:
 - ▶ A labor market that reached better balance and supports consumer activity
 - ▶ Inflation that has made meaningful progress towards the Federal Reserve's (Fed) 2% target, although shelter costs remain a headwind
 - ▶ Resilient economic growth and consumer spending that support the 'soft landing' scenario



- ▶ Fed begins the easing cycle
 - ▶ The Fed cut the federal funds target rate by 50 basis points (bps) to 4.75% - 5.00% at its September FOMC meeting
 - ▶ Fed officials note they have gained greater confidence the risks to their dual mandate are "roughly" in balance
 - ▶ The Fed's September "dot plot" implies 50 bps of additional cuts in 2024 and 100 bps through 2025



- ▶ Treasury yields continued their descent
 - ▶ Yields on maturities between 3 months and 10 years fell 62-112 bps during the 3rd quarter
 - ▶ The yield curve began to disinvert in the 3rd quarter as the spread between the 2-year and 10-year Treasury reached positive territory for the first time in over 2 years
 - ▶ Despite intra-quarter spread widening, yield spreads across most credit sectors were range bound at tight levels, reflecting the strength of the economy

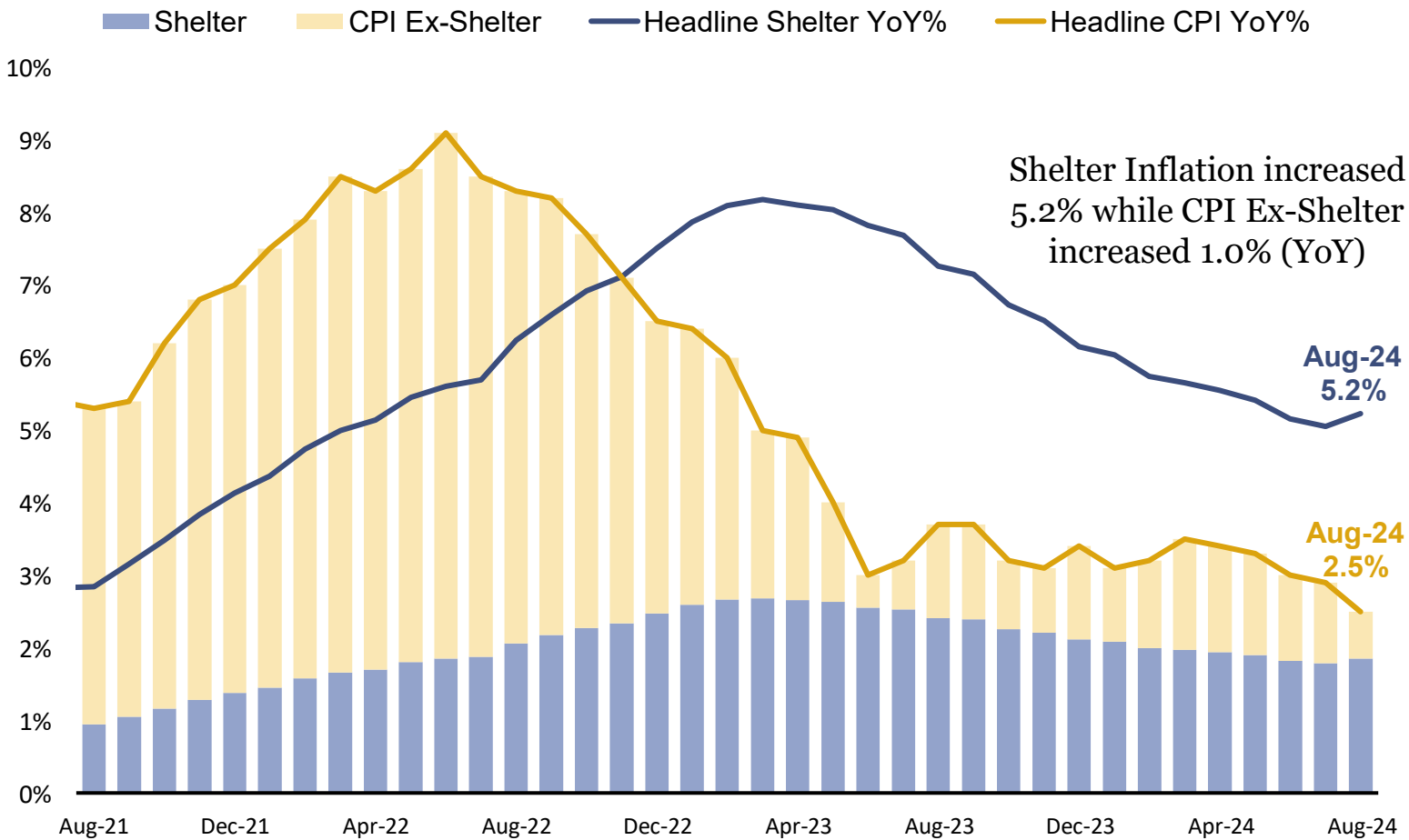
Source: Bloomberg Finance L.P., as of September 30, 2024.

Inflation Trends Lower

Fed Chair Powell: “[H]ousing inflation is the ... one piece that is kind of dragging a bit ... it’s been slower than we expected”

Consumer Price Index (CPI)

Top-Line Contributions, Year-over-Year Changes



Shelter Inflation increased 5.2% while CPI Ex-Shelter increased 1.0% (YoY)

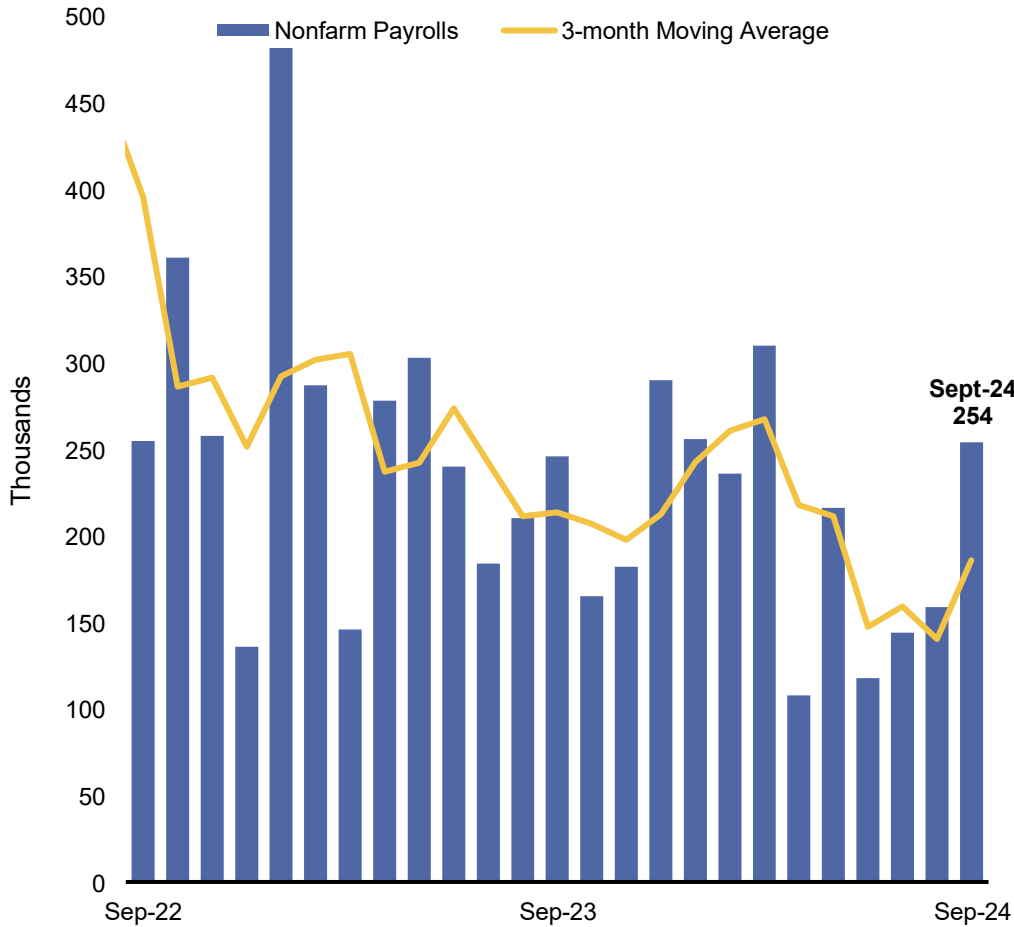
The shelter component of CPI continues to remain outsized accounting for 74% of the increase in the headline figure

Source: Federal Reserve Chair Jerome Powell Press Conference as of September 18, 2024; Bureau of Labor Statistics and Bloomberg Finance L.P., as of August 2024.

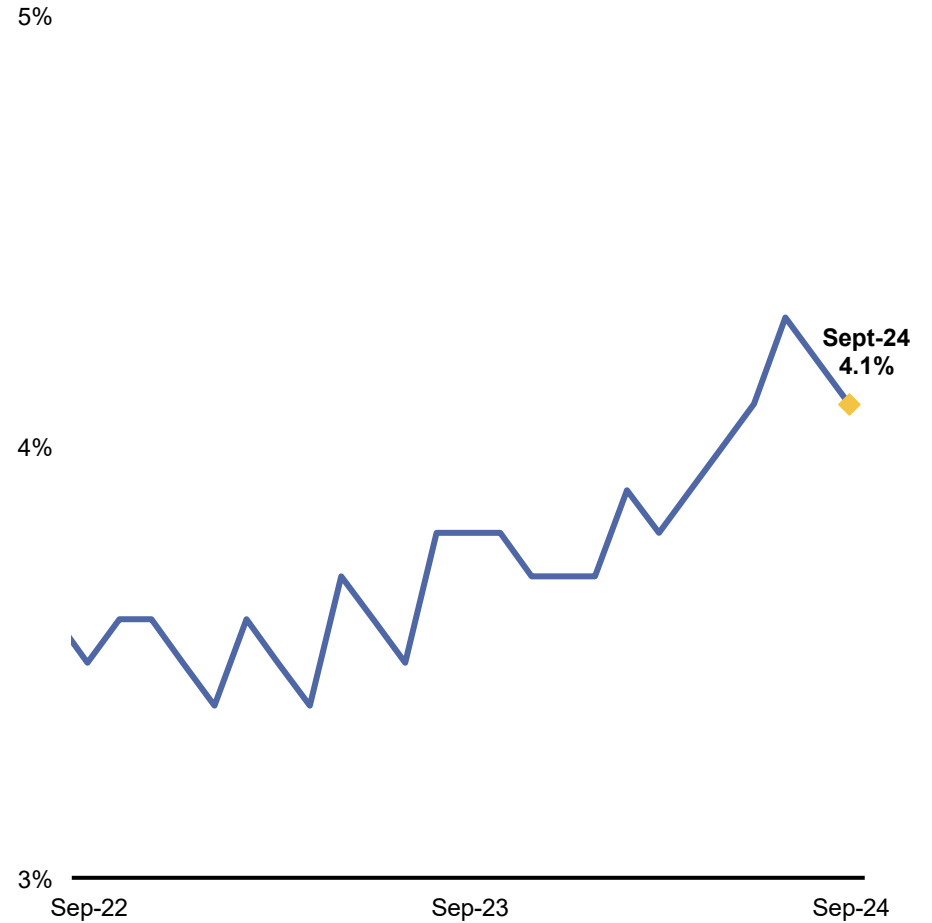
Labor Market Moves Into Better Balance

Fed Chair Powell: "...labor market conditions have cooled off by any measure ... [but] the level of those conditions is actually pretty close to what I would call maximum employment"

Monthly Change In Nonfarm Payrolls



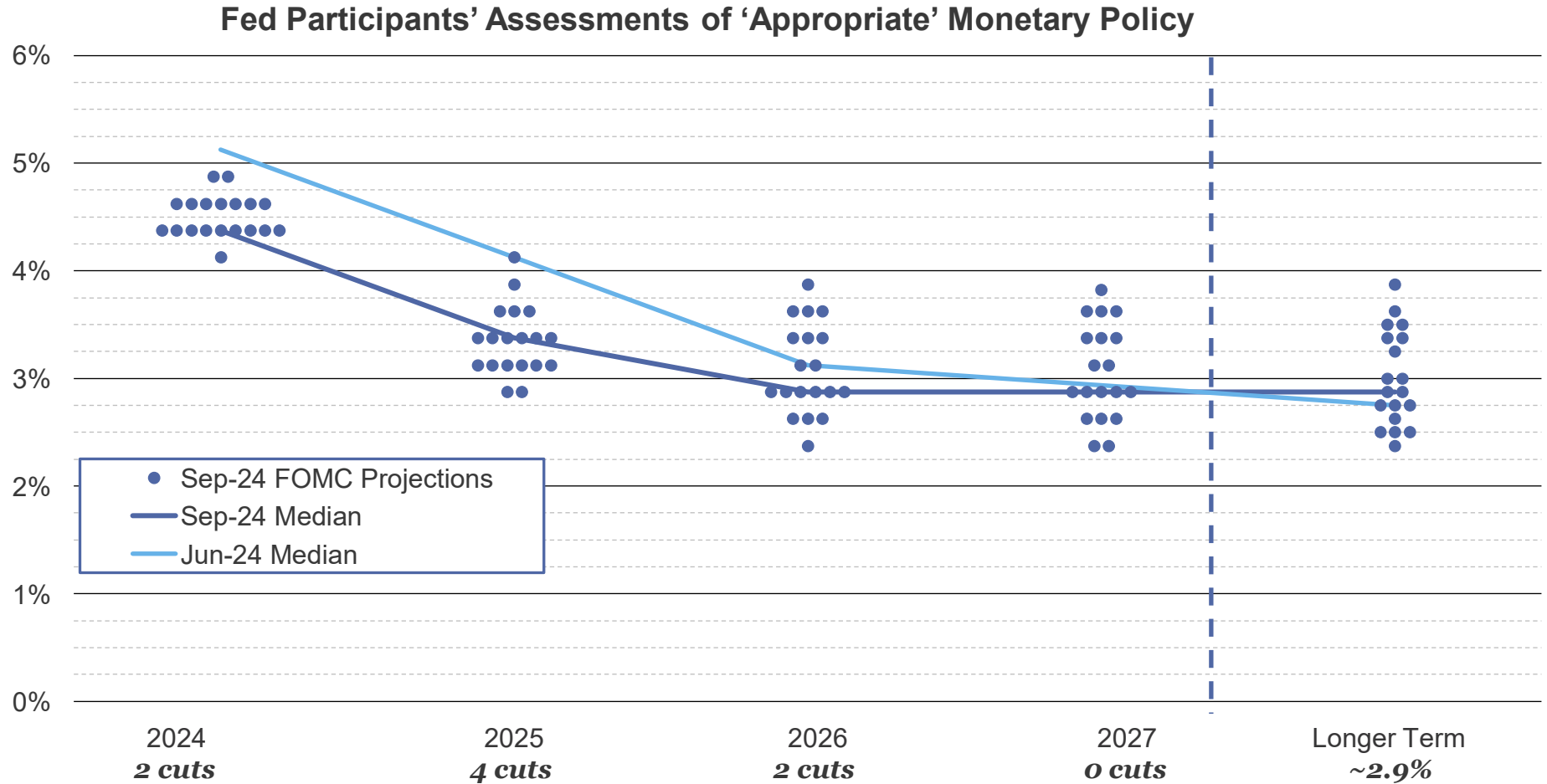
Unemployment Rate



Source: Federal Reserve Chair Jerome Powell Press Conference as of September 18, 2024; Bureau of Labor Statistics and Bloomberg Finance L.P., as of September 2024. Data is seasonally adjusted.

The Fed's Latest "Dot Plot"

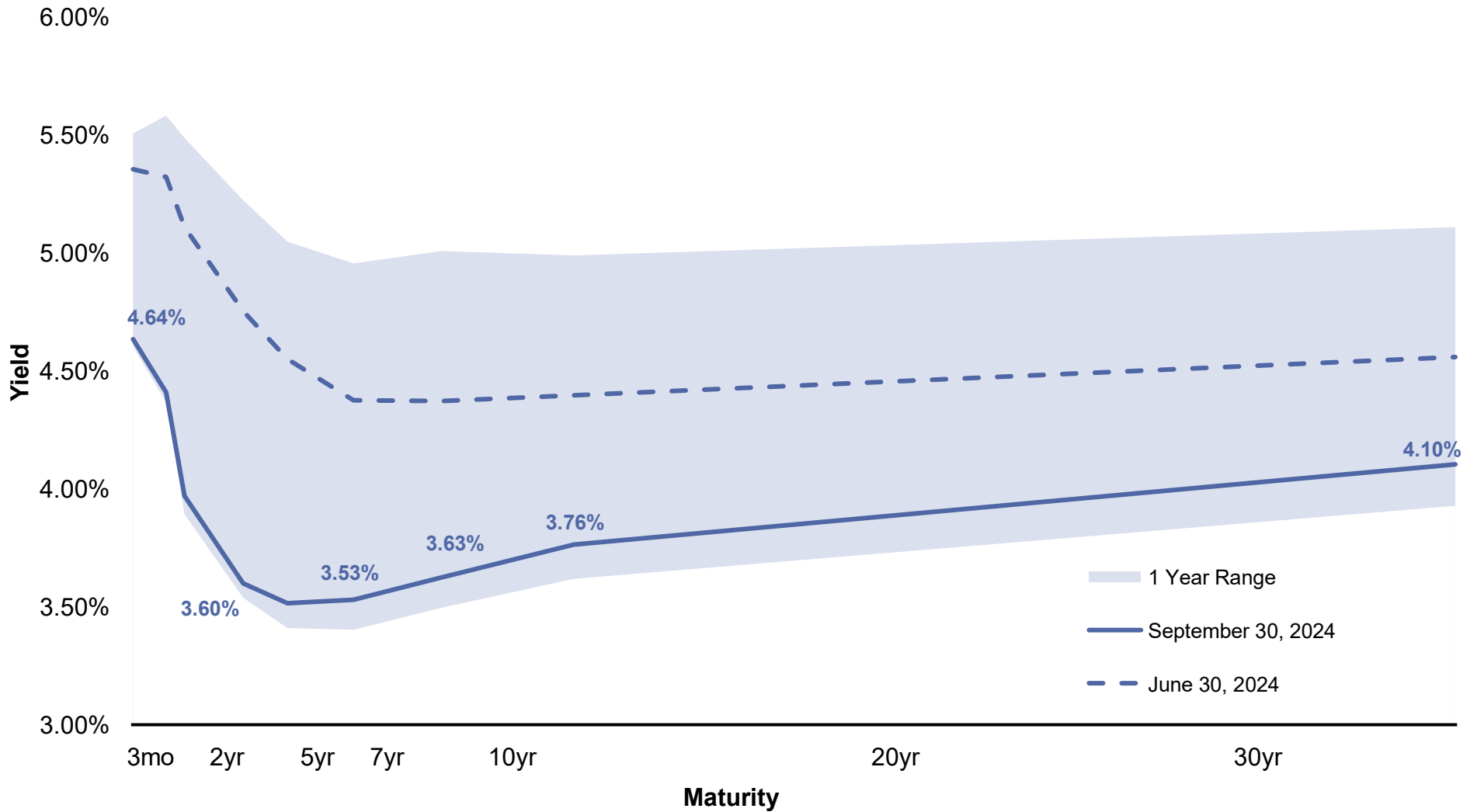
Fed Chair Powell: "There's nothing in the [dots] that suggests the committee is in a rush to get this done."



Source: Federal Reserve Chair Jerome Powell Press Conference as of September 18, 2024; Federal Reserve; Bloomberg Finance L.P.. Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end.

U.S. Treasury Yields Fall as the Yield Curve Begins to Disinvert

U.S. Treasury Yield Curve



Source: Bloomberg Finance L.P., as of September 30, 2024

Account Summary

Fixed-Income Sector Commentary – 3Q 2024

- ▶ **U.S. Treasury** yields spent most of the quarter preparing for the first Fed rate cut resulting in the 2-year U.S. Treasury yield rallying over 100 bps. The Fed noted in July that the risks to jobs and prices have come into better balance and delivered a much-anticipated interest rate cut at its September meeting, reducing the overnight rate by 50 bps. After spending a record amount of time inverted, the yield curve steepened notably (as measured by the yield difference between the 2- and 10-year U.S. Treasury notes) and dis-inverted for the first time since July 2022. As a result of the Treasury rally, total returns were strong for the period.
- ▶ **Federal Agency & Supranational** spreads remained low and range bound throughout Q3. These sectors produced muted excess returns relative to other investment grade fixed income sectors as issuance has remained quite light and the incremental income from the sectors is near zero.
- ▶ **Investment-Grade (IG) Corporates** posted a strong quarter as sustained high issuance in Q3 was well-absorbed by robust investor demand. As a result, yield spreads ended the quarter very near their two-year lows. From an excess return perspective, lower-quality and longer-duration issuers outperformed in general in Q3. Excess returns of financial and banking issuers once again led most other industries across the majority of the yield curve during the quarter.
- ▶ **Asset-Backed Securities** generated muted excess returns for the quarter as yield spreads widened modestly and remained elevated for both automobile and credit card collateral. Attractive incremental income helped offset the adverse price impact of wider spreads during the quarter.
- ▶ **Mortgage-Backed Securities** were top of class performers during Q3 as spreads continued to test 12-month lows. Regardless of collateral and coupon, agency-backed mortgages rebounded soundly in Q3 following an underwhelming Q2. Declining mortgage rates and positive optimism in the housing market provided a tailwind for the sector during the quarter.
- ▶ **Short-term credit** (commercial paper and negotiable bank CDs) yields fell over the quarter in response to the expected Fed rate cut. Yield spreads continued to tighten relative to similar maturity USTs. However, the sector selectively provided value with incremental yields ranging 17 to 20 basis points in 9- to 12-month maturities.

Fixed-Income Sector Outlook – 3Q 2024

- ▶ **U.S. Treasury** yields move sharply lower throughout the quarter given building expectations for aggressive Fed rate cuts. Even after the outsized 50 basis point cut in September, the recent move in rates appears overdone, and we expect to see some upward pressure on rates as markets digest emerging economic data. The 2-to-10 year area of the yield curve has disinverted, a trend we expect to continue consistent with prior rate cutting cycles.
- ▶ **Federal Agency & Supranational** spreads are likely to remain at tight levels due to low issuance. Government-heavy accounts may find occasional value on an issue-by-issue basis.
- ▶ **Taxable Municipals** continue to see little activity due to an ongoing lack of supply and strong demand which continues to suppress yields in both the new issue and secondary markets. We expect few opportunities in the near term.
- ▶ **Investment-Grade Corporates** are expected to produce modest excess returns for the remainder of 2024. We believe the beginning of the Fed's easing cycle and the strength of the economy will continue to be supportive of front-end credit. Risk-return dynamics are now asymmetric with longer-duration and lower-rated segments appearing less attractive than higher-quality and shorter-term segments due to lower starting yields and narrow yield spreads.
- ▶ **Asset-Backed Securities** are expected to continue to produce modest excess returns as economic conditions remain supportive of consumer fundamentals, although that requires close monitoring. Incremental income is likely to be the main contributor to performance as we expect spreads to remain rangebound. We plan to maintain allocations in the sector by actively offsetting any natural paydowns.
- ▶ **Mortgage-Backed Securities** are expected to produce more muted excess returns for the remainder of the year. Since the sector is highly rate sensitive, uncertainty related to the election and economy may increase volatility. We may use any meaningful spread widening to add at more attractive levels.
- ▶ **Short-term credit** (commercial paper and negotiable bank CDs) yield spreads continue to tighten closer to similar-maturity U.S. Treasuries; however, we believe spreads of 15 to 25 basis points still offer good relative value. Given the deeply inverted money market curve, our analysis seeks to balance the wider spreads available on 6- to 12-month maturities against lower absolute yields that reflect multiple rate cut expectations.

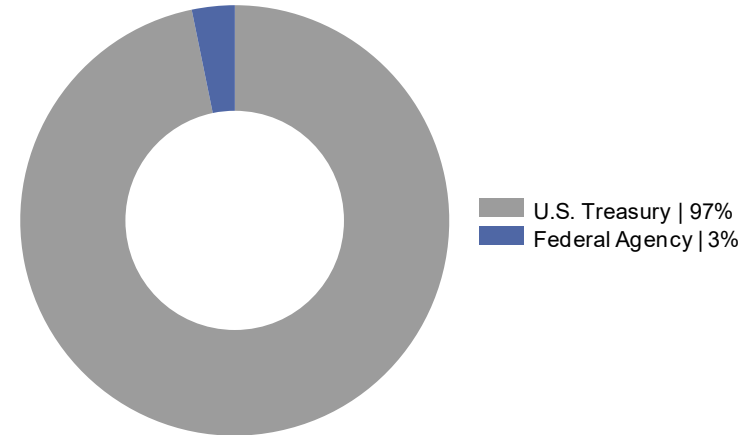
The views expressed within this material constitute the perspective and judgment of PFM Asset Management LLC at the time of distribution (9/30/2024) and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management LLC cannot guarantee its accuracy, completeness, or suitability.

Consolidated Summary

Account Summary

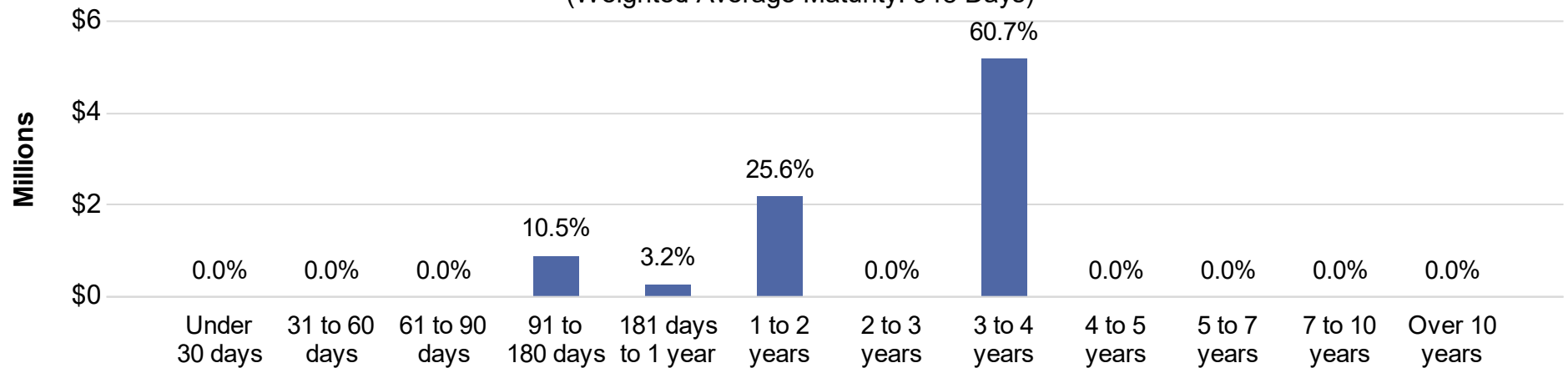
PFMAM Managed Account	\$8,621,424
Total Program	\$8,621,424

Sector Allocation



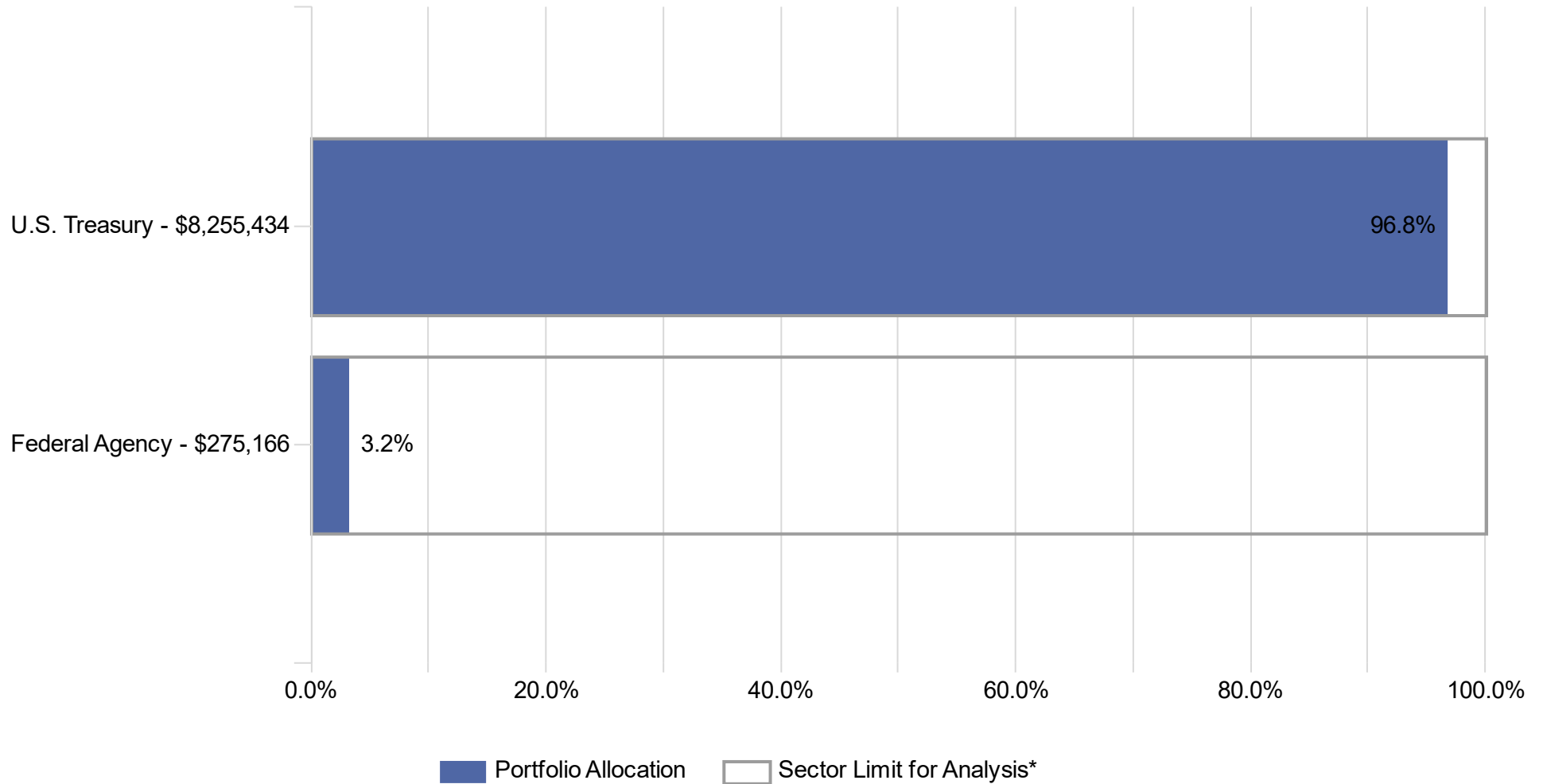
Maturity Distribution

(Weighted Average Maturity: 948 Days)



1. Account summary and sector allocation include market values, accrued interest, and overnight balances. Maturity distribution includes market values and excludes accrued interest and overnight balances

Sector Allocation Analytics



For informational/analytical purposes only and is not provided for compliance assurance. Includes accrued interest.

*Sector Limit for Analysis is as derived from our interpretation of your most recent Investment Policy as provided.

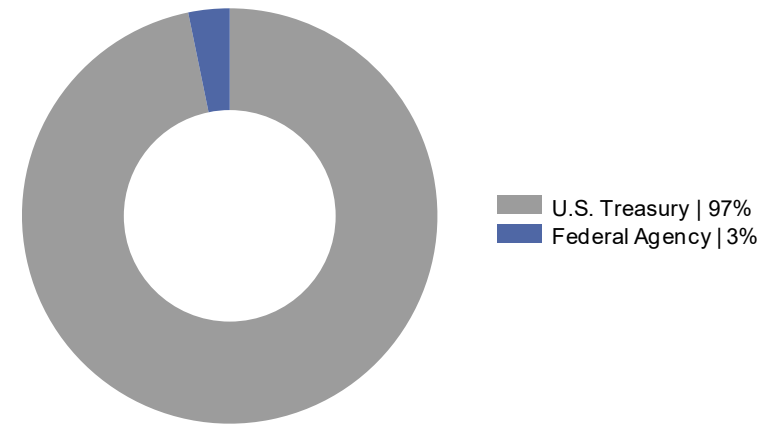
Portfolio Review:
WASHOE RTC BOND PROCEEDS AGG PORTFOLIO

Portfolio Snapshot - WASHOE RTC BOND PROCEEDS AGG PORTFOLIO¹

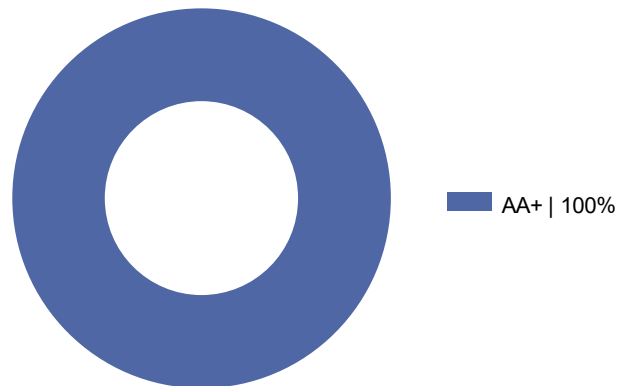
Portfolio Statistics

Total Market Value	\$8,621,424.20
<i>Securities Sub-Total</i>	\$8,506,264.63
<i>Accrued Interest</i>	\$24,335.17
<i>Cash</i>	\$90,824.40
Portfolio Effective Duration	2.48 years
Yield At Cost	3.95%
Yield At Market	3.76%
Portfolio Credit Quality	AA

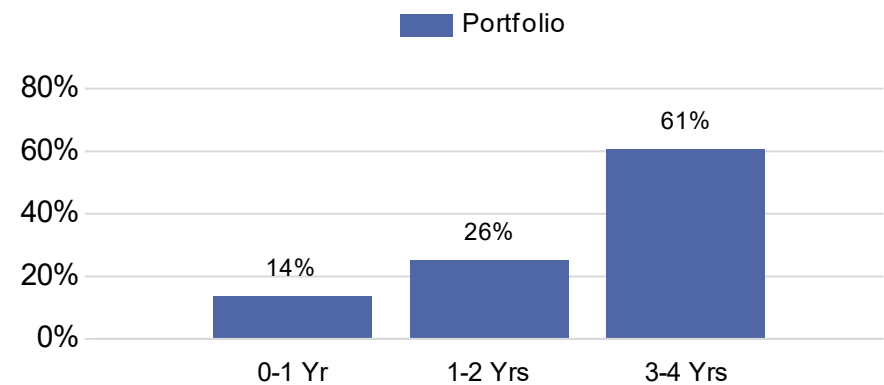
Sector Allocation



Credit Quality - S&P²



Duration Distribution

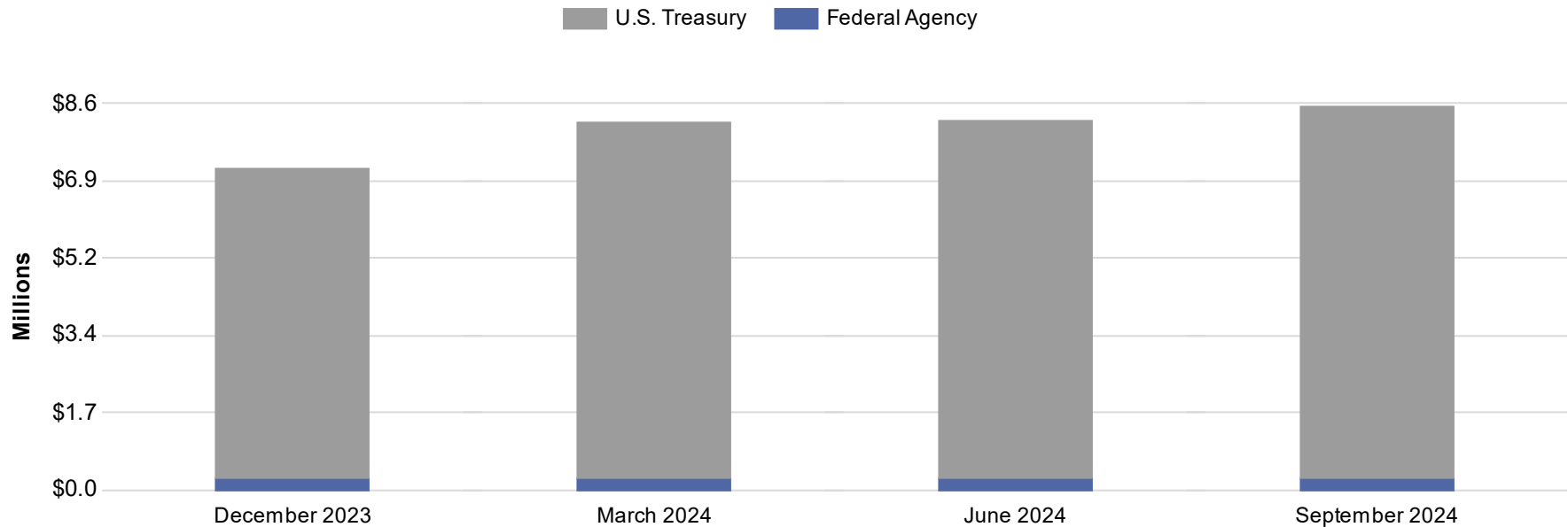


1. Yield and duration calculations exclude cash and cash equivalents. Sector allocation includes market values and accrued interest.

2. An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

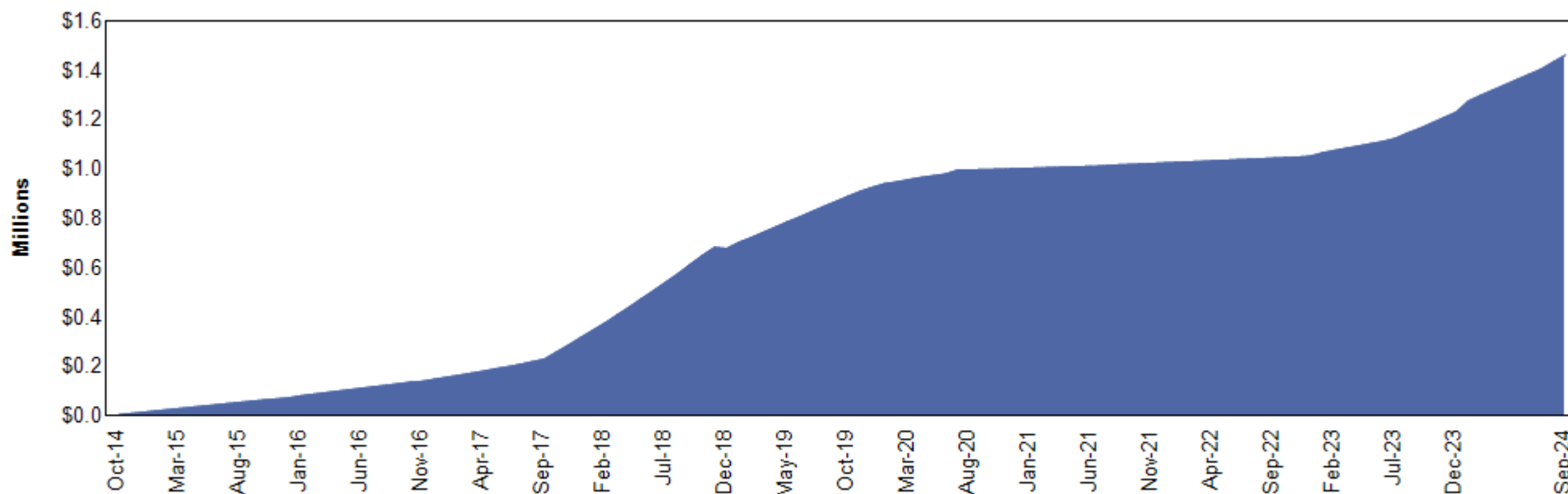
Sector Allocation Review - WASHOE RTC BOND PROCEEDS AGG PORTFOLIO

Security Type	Dec-23	% of Total	Mar-24	% of Total	Jun-24	% of Total	Sep-24	% of Total
U.S. Treasury	\$6.9	96.3%	\$7.9	96.7%	\$8.0	96.7%	\$8.2	96.8%
Federal Agency	\$0.3	3.7%	\$0.3	3.3%	\$0.3	3.3%	\$0.3	3.2%
Total	\$7.1	100.0%	\$8.2	100.0%	\$8.2	100.0%	\$8.5	100.0%



Market values, excluding accrued interest. Only includes fixed-income securities held within the separately managed account(s) and LGIPs managed by PFMAM. Detail may not add to total due to rounding.

Accrual Basis Earnings - WASHOE RTC BOND PROCEEDS AGG PORTFOLIO



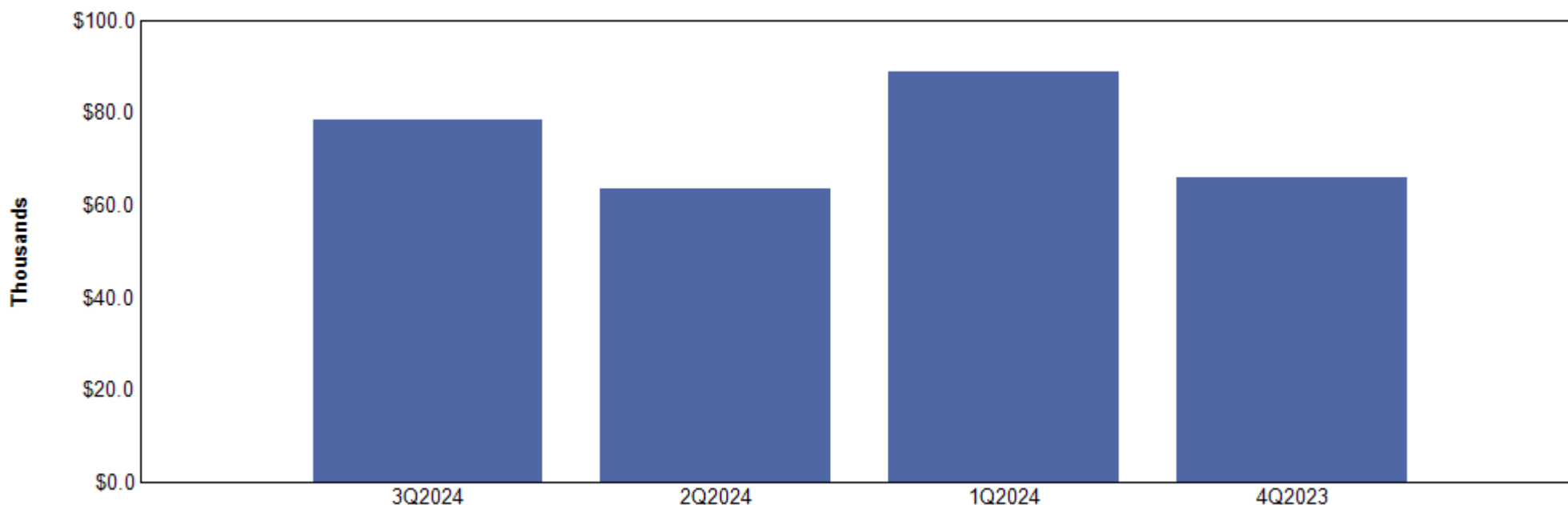
Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	10 Year ¹
Interest Earned ²	\$34,200	\$132,027	\$263,480	\$384,527	\$1,214,036
Realized Gains / (Losses) ³	-	\$20,915	\$20,915	\$30,610	(\$4,560)
Change in Amortized Cost	\$44,356	\$144,367	\$159,084	\$177,525	\$253,190
Total Earnings	\$78,556	\$297,309	\$443,479	\$592,662	\$1,462,666

1. The lesser of 10 years or since inception is shown. Performance inception date is March 31, 2012.

2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

3. Realized gains / (losses) are shown on an amortized cost basis.

Accrual Basis Earnings - WASHOE RTC BOND PROCEEDS AGG PORTFOLIO



Accrual Basis Earnings	3Q2024	2Q2024	1Q2024	4Q2023
Interest Earned ¹	\$34,200	\$26,806	\$32,814	\$38,207
Realized Gains / (Losses) ²	-	-	\$20,915	-
Change in Amortized Cost	\$44,356	\$36,867	\$35,238	\$27,906
Total Earnings	\$78,556	\$63,673	\$88,967	\$66,113

1. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

2. Realized gains / (losses) are shown on an amortized cost basis.

Portfolio Holdings and Transactions

Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
U.S. Treasury	96.8%	
United States Treasury	96.8%	AA / Aaa / AA
Federal Agency	3.2%	
Federal Home Loan Mortgage Corp	3.2%	AA / Aaa / AA
Total	100.0%	

Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Includes accrued interest and excludes balances invested in overnight funds.

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY N/B DTD 01/31/2018 2.500% 01/31/2025	9128283V0	900,000.00	AA+	Aaa	1/16/2024	1/17/2024	880,734.38	4.63	3,790.76	893,814.72	893,960.10
US TREASURY N/B DTD 02/01/2021 0.375% 01/31/2026	91282CBH3	2,280,000.00	AA+	Aaa	1/6/2023	1/9/2023	2,044,340.63	4.00	1,440.49	2,177,346.95	2,179,091.76
US TREASURY N/B DTD 01/31/2023 3.500% 01/31/2028	91282CGH8	2,350,000.00	AA+	Aaa	7/31/2024	8/1/2024	2,304,835.94	4.10	13,857.34	2,306,850.67	2,343,850.05
US TREASURY N/B DTD 08/02/2021 1.000% 07/31/2028	91282CCR0	3,100,000.00	AA+	Aaa	1/16/2024	1/17/2024	2,727,273.44	3.92	5,222.83	2,785,308.11	2,814,220.30
Security Type Sub-Total		8,630,000.00					7,957,184.39	4.07	24,311.42	8,163,320.45	8,231,122.21
Federal Agency											
FREDDIE MAC DTD 09/25/2020 0.375% 09/23/2025	3137EAEX3	285,000.00	AA+	Aaa	9/23/2020	9/25/2020	284,142.15	0.44	23.75	284,832.06	275,142.42
Security Type Sub-Total		285,000.00					284,142.15	0.44	23.75	284,832.06	275,142.42
Managed Account Sub Total		8,915,000.00					8,241,326.54	3.95	24,335.17	8,448,152.51	8,506,264.63
Securities Sub Total		\$8,915,000.00					\$8,241,326.54	3.95%	\$24,335.17	\$8,448,152.51	\$8,506,264.63
Accrued Interest											\$24,335.17
Total Investments											\$8,530,599.80

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
BUY									
7/31/2024	8/1/2024	2,350,000.00	91282CGH8	US TREASURY N/B	3.50%	1/31/2028	2,305,059.45	4.10%	
Total BUY		2,350,000.00					2,305,059.45		0.00
INTEREST									
7/2/2024	7/2/2024		MONEY0002	MONEY MARKET FUND	0.00%		396.87		
7/31/2024	7/31/2024	3,100,000.00	91282CCR0	US TREASURY N/B	1.00%	7/31/2028	15,500.00		
7/31/2024	7/31/2024	900,000.00	9128283V0	US TREASURY N/B	2.50%	1/31/2025	11,250.00		
7/31/2024	7/31/2024	2,280,000.00	91282CBH3	US TREASURY N/B	0.37%	1/31/2026	4,275.00		
8/1/2024	8/1/2024		MONEY0002	MONEY MARKET FUND	0.00%		721.59		
9/3/2024	9/3/2024		MONEY0002	MONEY MARKET FUND	0.00%		374.52		
9/23/2024	9/23/2024		3137EAEX3	FREDDIE MAC	0.37%	9/23/2025	534.38		
Total INTEREST		6,280,000.00					33,052.36		0.00
MATURITY									
7/31/2024	7/31/2024	2,245,000.00	912828Y87	US TREASURY NOTES	1.75%	7/31/2024	2,264,643.75		
Total MATURITY		2,245,000.00					2,264,643.75		0.00

Important Disclosures

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It is not possible to invest directly in an index. The index returns shown throughout this material do not represent the results of actual trading of investor assets. Third-party providers maintain the indices shown and calculate the index levels and performance shown or discussed. Index returns do not reflect payment of any sales charges or fees an investor would pay to purchase the securities they represent. The imposition of these fees and charges would cause investment performance to be lower than the performance shown.

The views expressed within this material constitute the perspective and judgment of PFMAM at the time of distribution and are subject to change. Any forecast, projection, or prediction of the market, the economy, economic trends, and equity or fixed-income markets are based upon certain assumptions and current opinion as of the date of issue and are also subject to change. Some, but not all assumptions are noted in the report. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Opinions and data presented are not necessarily indicative of future events or expected performance.

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- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Refinitiv, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield-based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. **Past performance is not indicative of future returns.**
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

Glossary

- **Accrued Interest:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **Agencies:** Federal agency securities and/or Government-sponsored enterprises.
- **Amortized Cost:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **Asset-Backed Security:** A financial instrument collateralized by an underlying pool of assets – usually ones that generate a cash flow from debt, such as loans, leases, credit card balances, and receivables.
- **Bankers' Acceptance:** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **Commercial Paper:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **Contribution to Total Return:** The weight of each individual security multiplied by its return, then summed for each sector to determine how much each sector added or subtracted from the overall portfolio performance.
- **Effective Duration:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **Effective Yield:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **Interest Rate:** Interest per year divided by principal amount and expressed as a percentage.
- **Market Value:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.
- **Negotiable Certificates of Deposit:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **Par Value:** The nominal dollar face amount of a security.
- **Pass-through Security:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.

Glossary

- Repurchase Agreements: A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- Settle Date: The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- Supranational: A multinational union or association in which member countries cede authority and sovereignty on at least some internal matters to the group, whose decisions are binding on its members.
- Trade Date: The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- Unsettled Trade: A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- U.S. Treasury: The department of the U.S. government that issues Treasury securities.
- Yield: The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- YTM at Cost: The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- YTM at Market: The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.

Annette Gaston, the Federal Reserve's perspective over the last 12 to 18 months has been the Labor Market which is at 4% and is extremely tight, meaning that the unemployment rate has really hovered below 4%, which is what they like to see. The other item they have been keeping an eye on is price stability, which is inflation and keeping it close to or near their 2% target. .

The most impactful thing that came out of the end of third quarter was the Fed's move to cut the federal funds target rate by 50 basis points. There was a lot of commentary that we'd likely see a rate cut, but to the tune of what, I think was still uncertain. We did see a 50 basis point rate cut that brought the federal target range to about 4.75%. I think the 50 basis point rate cut really threw the market for a little bit of a curve ball, because I think ultimately the market started to price in those future rate cuts. We've seen one additional rate cut and we saw an additional 25 basis point rate cut. So as of right now, we are at three rate cuts for the year. If I look at what the markets are pricing in for the remainder of the year, it's an additional 25 basis point rate cut in December. So that's what I'm seeing right now out there. Midway through the fourth quarter, yields between 3 and 10 years really fell, so that was absolutely a value add.

We're seeing deflation in goods services still very elevated. But the one area that we have yet to really make some headway on that has been extremely sticky is shelter. At the end of August, I'm showing shelter inflation that looks like 5.2%.

The other factor is the CPI or the consumer price index. That's that headline inflation number that affects you and me. We tend to watch this closely and that came in at 2.5% at the end of August. So, if we remove shelter from that inflation reading, we can see its overall impact and how much of a weighting it has overall. Yes, inflation is coming down, but when I think about what the fed is looking at, and they are very data dependent, they want to see shelter come down.

Yields dropped quite drastically the end of September. Those were really for a few reasons. One, we were entering the election season, but even more so, there was a lot of volatility on the heels with what was going on and the markets starting to price in those additional rate cuts. As I mentioned at the start of the meeting, we have seen yields start to pick up ever so slightly as markets have really started to digest where we're at in the markets.

The total market value for the portfolio is 8.6 million and continuing to grow. I feel very pleased with the direction of the portfolio. I'm glad that we took on that additional duration, as it really boosted that yield at cost. This tells me that for about the next two and a half years, the portfolio will be yielding about 3.95, likely 4%, which is very positive overall. We are very pleased with how the portfolio is positioned and have no recommendations at the moment.

Christian Schonlau asked for a motion to accept report. Jelena Williams motioned to accept, Nelia Belen seconded, and Motion carried unanimously.

Item 5 MEMBER ITEMS

Christian Schonlau asked if anyone had any member items. Being none, we moved onto public input.

Item 6 PUBLIC INPUT

Christian Schonlau asked if there was any public input. Being none, we moved to adjournment.

Item 7 ADJOURNMENT

Christian Schonlau asked for a motion for adjournment. Jelena Williams gave a motion to adjourn, which was seconded by Nelia Belen. Motion carried unanimously and meeting was adjourned.

The meeting adjourned at 11:30 a.m.

Christian Schonlau

Christian Schonlau
Director of Finance/CFO
Regional Transportation Commission