

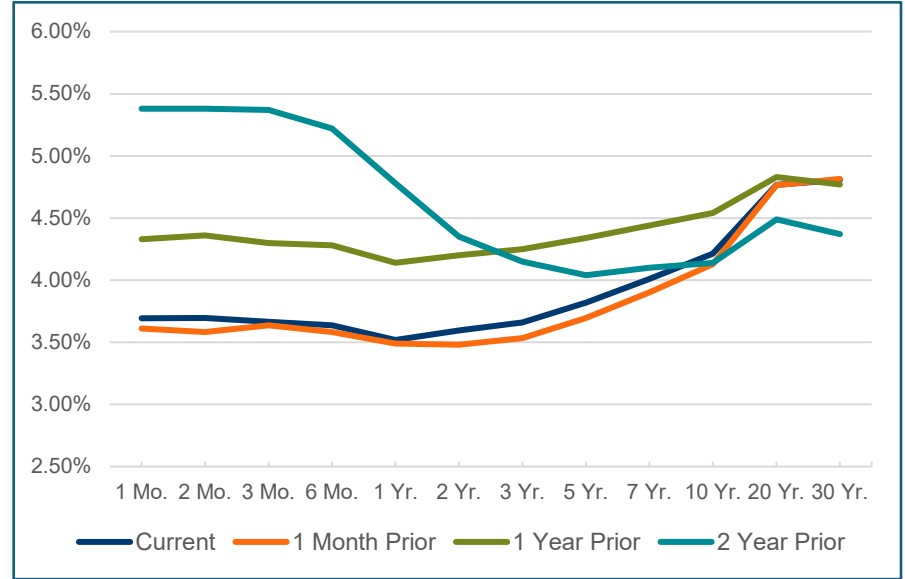


# Protecting Public Funds in Today's Market Environment

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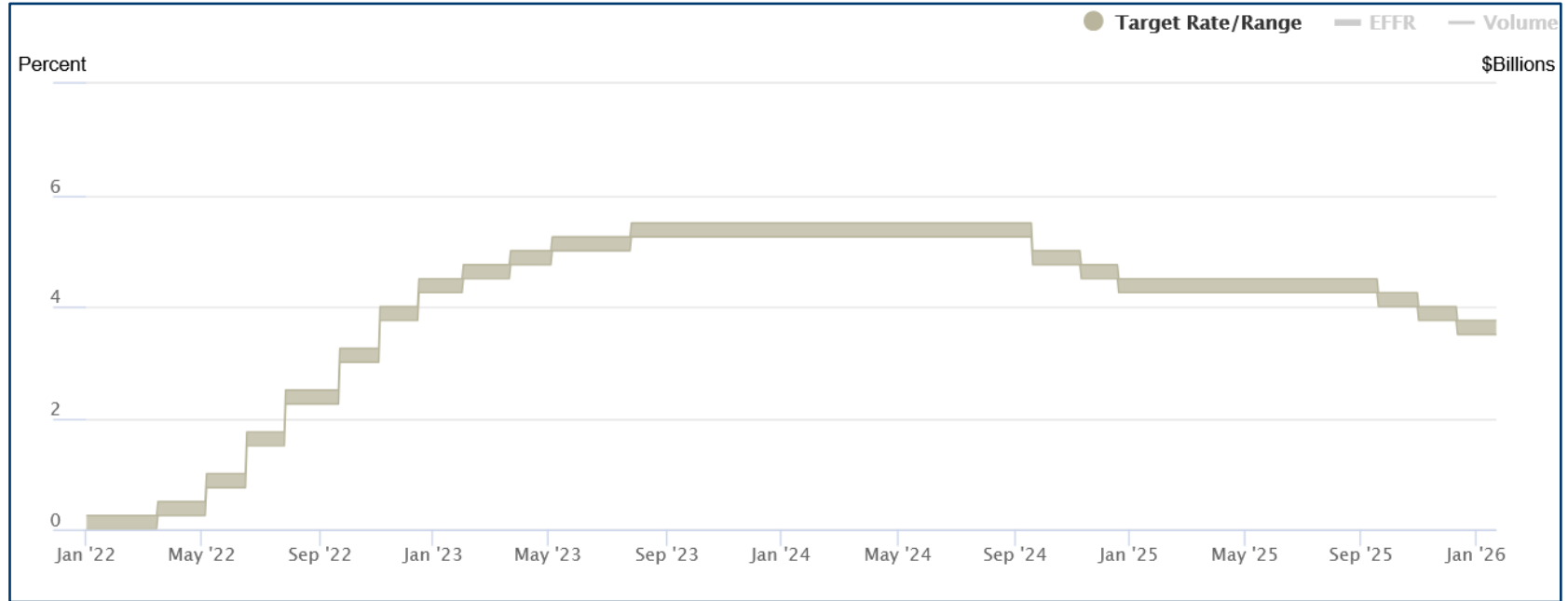
# U.S. Treasury Rates

Treasury Rates							
	1/26/2026	12/26/2025	MoM $\Delta$	1/26/2025	YoY $\Delta$	1/26/2024	2 YoY $\Delta$
<b>1 Mo.</b>	3.69%	3.61%	0.08%	4.33%	-0.64%	5.38%	-1.69%
<b>2 Mo.</b>	3.70%	3.58%	0.11%	4.36%	-0.66%	5.38%	-1.68%
<b>3 Mo.</b>	3.66%	3.64%	0.03%	4.30%	-0.64%	5.37%	-1.71%
<b>6 Mo.</b>	3.64%	3.58%	0.06%	4.28%	-0.64%	5.22%	-1.58%
<b>1 Yr.</b>	3.52%	3.49%	0.03%	4.14%	-0.62%	4.78%	-1.26%
<b>2 Yr.</b>	3.60%	3.48%	0.12%	4.20%	-0.60%	4.35%	-0.75%
<b>3 Yr.</b>	3.66%	3.53%	0.13%	4.25%	-0.59%	4.15%	-0.49%
<b>5 Yr.</b>	3.82%	3.70%	0.12%	4.34%	-0.52%	4.04%	-0.22%
<b>7 Yr.</b>	4.01%	3.90%	0.11%	4.44%	-0.43%	4.10%	-0.09%
<b>10 Yr.</b>	4.21%	4.13%	0.08%	4.54%	-0.33%	4.14%	0.07%
<b>20 Yr.</b>	4.77%	4.77%	0.00%	4.83%	-0.06%	4.49%	0.28%
<b>30 Yr.</b>	4.81%	4.82%	-0.01%	4.77%	0.04%	4.37%	0.44%



Source: FRED  
Date: 1/26/26

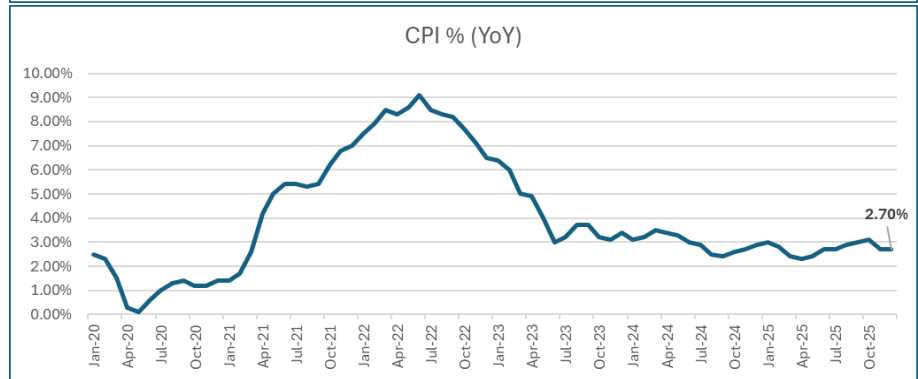
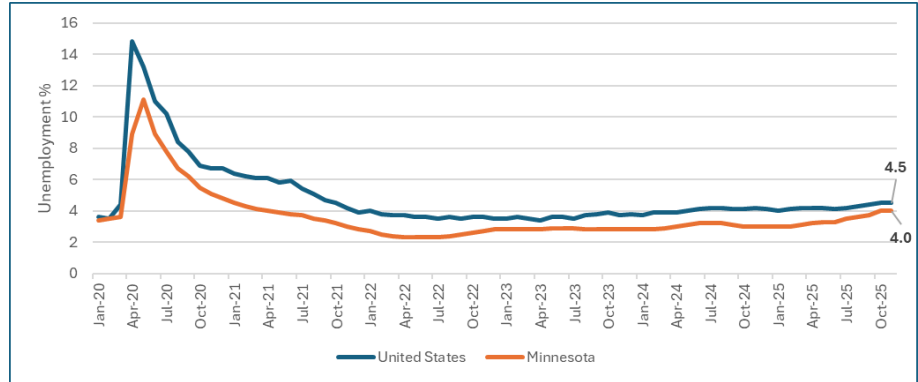
# Federal Funds Effective Rate: Jan '22 - Jan '25



Source: Federal Reserve Bank of New York  
Date: 1/26/26

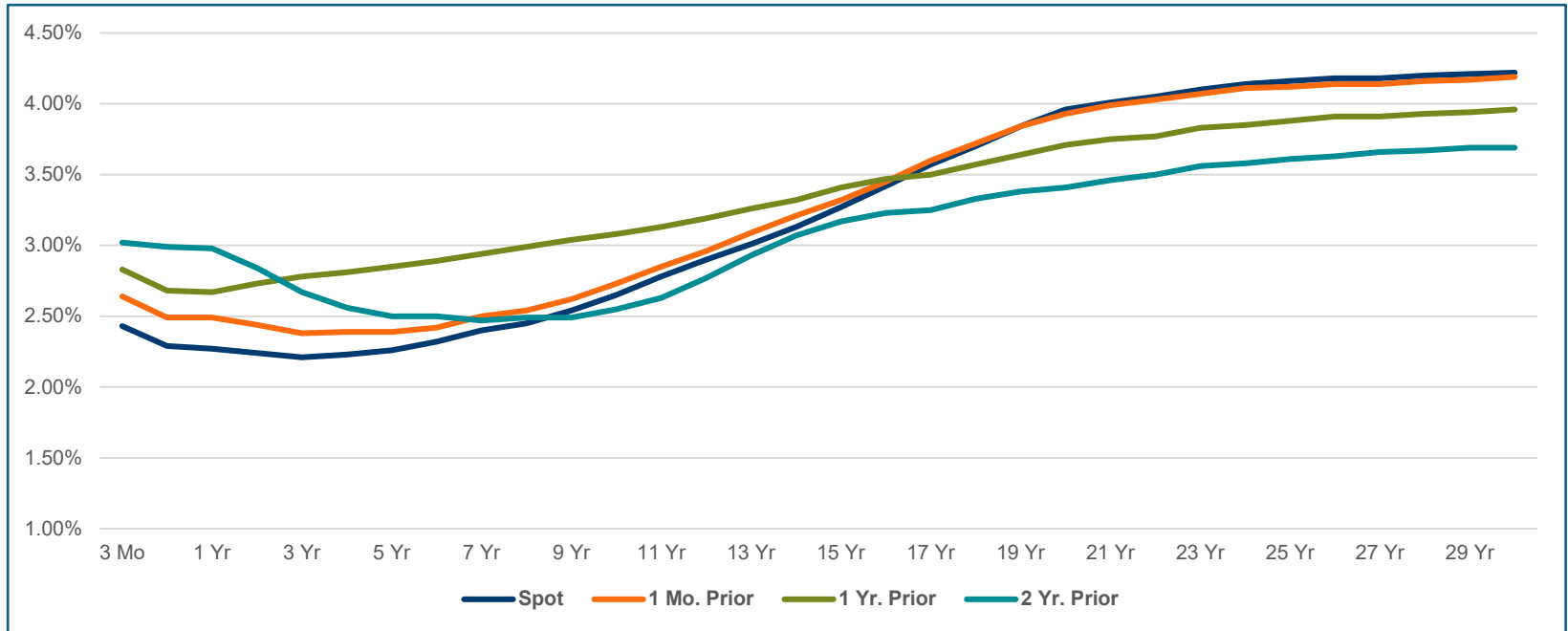
# Unemployment & Inflation

	Unemployment		CPI
	United States	State of Minnesota	United States
2025 November	4.5	4.0	2.7
2025 October	NA*	NA*	NA*
2025 September	4.4	3.7	3.0
2025 August	4.3	3.6	2.9
2025 July	4.2	3.5	2.7
2025 June	4.1	3.3	2.7
2025 May	4.2	3.3	2.4
2025 April	4.2	3.2	2.3
2025 March	4.2	3.1	2.4
2025 February	4.1	3.0	2.8
2025 January	4.0	3.0	3.0
2024 December	4.1	3.0	2.9
2024 November	4.2	3.0	2.7
2024 October	4.1	3.0	2.6
2024 September	4.1	3.1	2.4
2024 August	4.2	3.2	2.5
2024 July	4.2	3.2	2.9
2024 June	4.1	3.2	3.0
2024 May	4.0	3.1	3.3
2024 April	3.9	3.0	3.4
2024 March	3.9	2.9	3.5
2024 February	3.9	2.8	3.2
2024 January	3.7	2.8	3.1



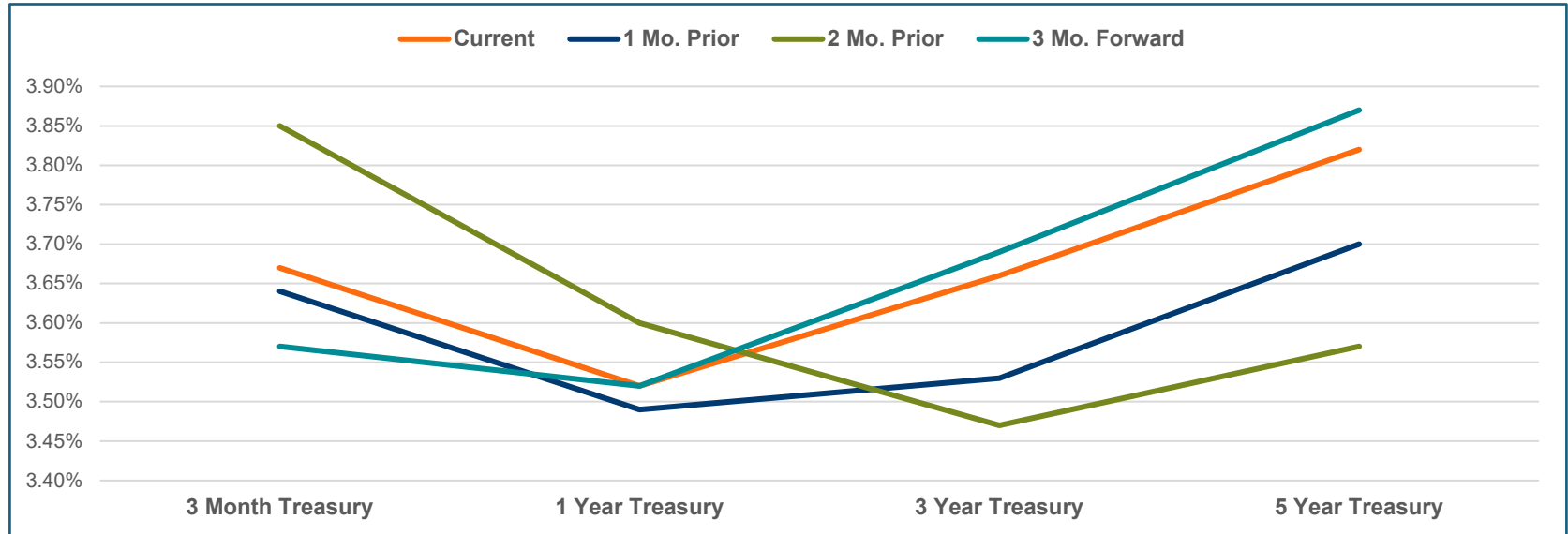
\*Data points were not officially released by Federal Government

# AAA Tax Exempt Yields



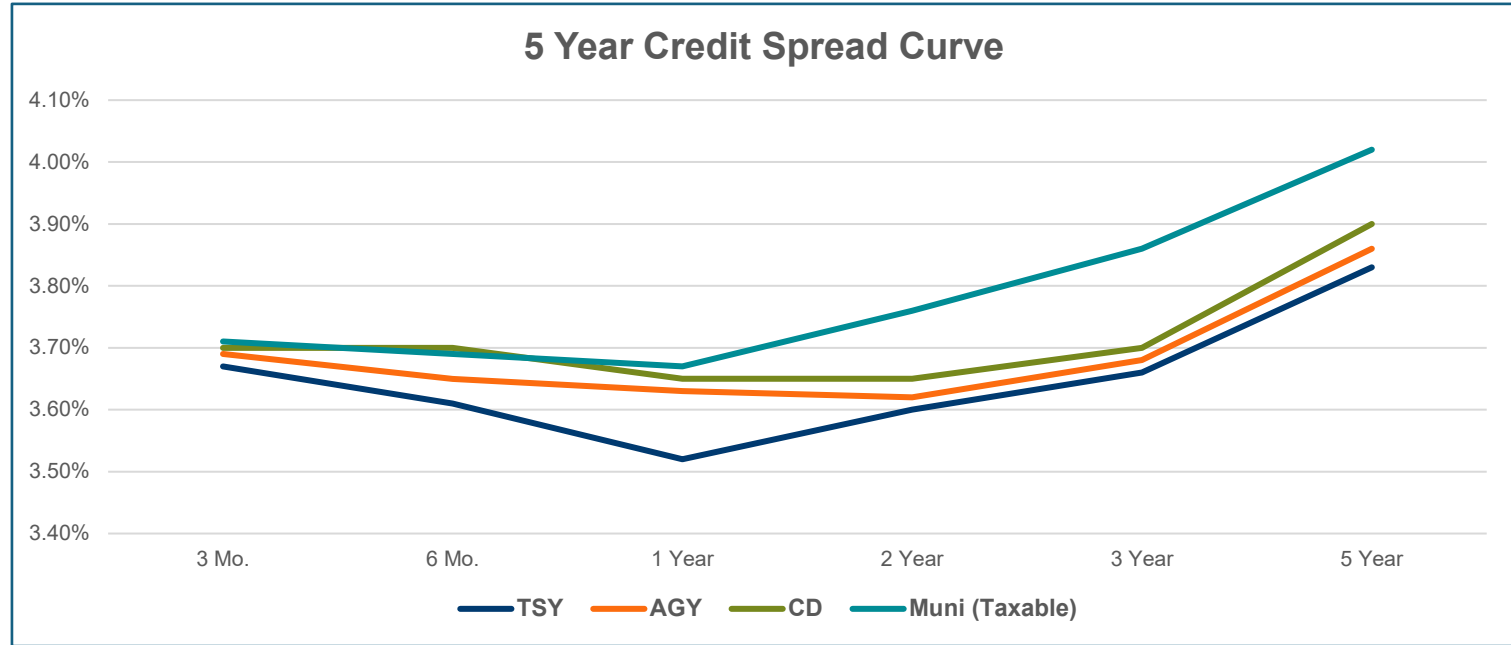
Source: EMMA  
Date: 1/26/26

# Investment Rates



Source: FRED  
Date: 1/26/26

# Credit Spreads



Source: FRED  
Date: 1/26/26

# Borrowing & Reinvestment Rates

Sample Tax Exempt Borrowing Rates <sup>1</sup>	
<u>Term</u>	<u>Rate</u>
10 years	3.29%
15 years	3.62%
20 years	4.01%
25 years	4.30%
30 years	4.53%

U.S. Treasury Rates <sup>2</sup>	
<u>Term</u>	<u>Rate</u>
3 month	3.67%
6 month	3.62%
1 year	3.52%
3 year	3.66%
5 year	3.82%

1. Borrowing rates as of 1/26/2026. Assuming AA rated General Obligation credit, \$2mm issue size and 9-year call dates. For specific pricing information, please contact your Registered Municipal Advisor.

2. U.S. Treasury rates as of 1/26/2026.

# Benefits of Competitive Security Selection

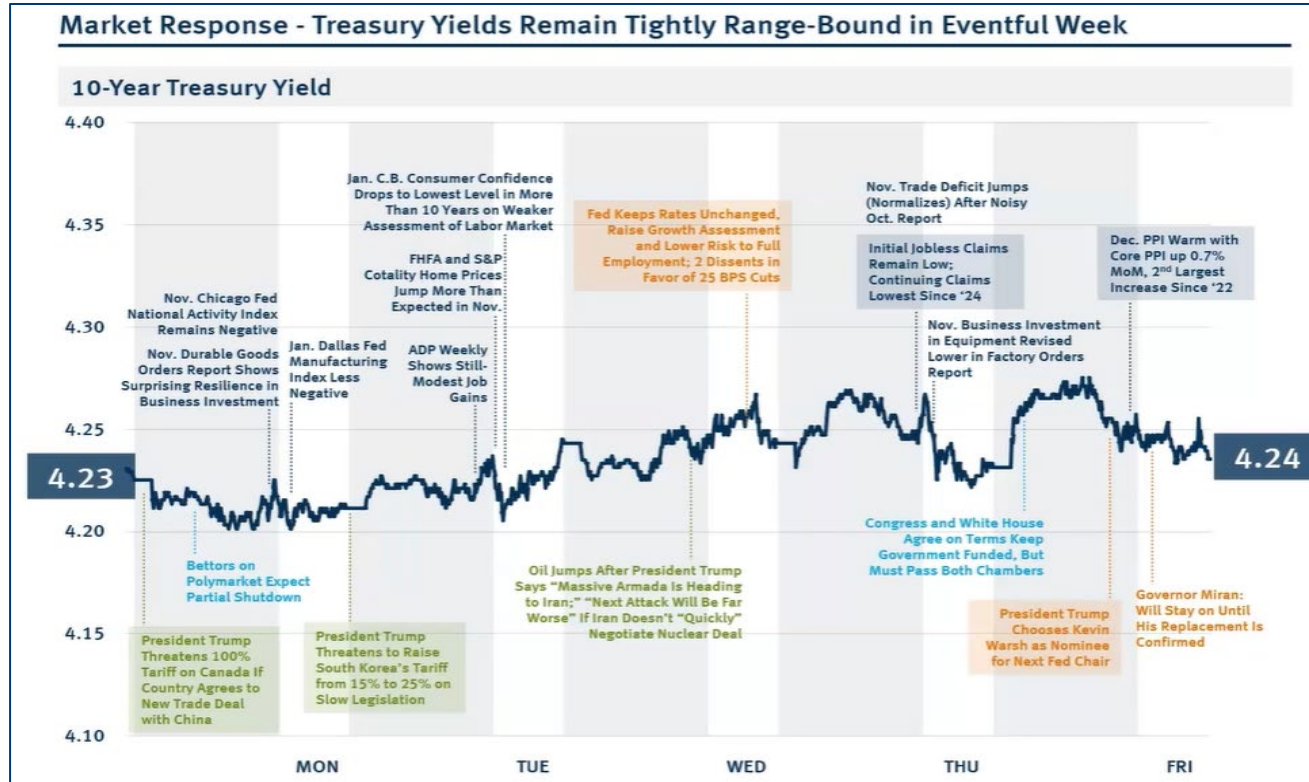
- The difference between securities in the secondary market can be significant
- It is important to competitively shop to obtain best execution for your municipality

Broker-Dealer	Offer Price*	Cost Difference
#1	\$116.22	\$ -
#2	\$116.22	\$ -
#3	\$116.38	\$ 3,140
#4	\$116.38	\$ 3,140
#5	\$116.39	\$ 3,300
#6	\$116.40	\$ 3,560
#7	\$116.45	\$ 4,600
#8	\$116.85	\$ 12,540

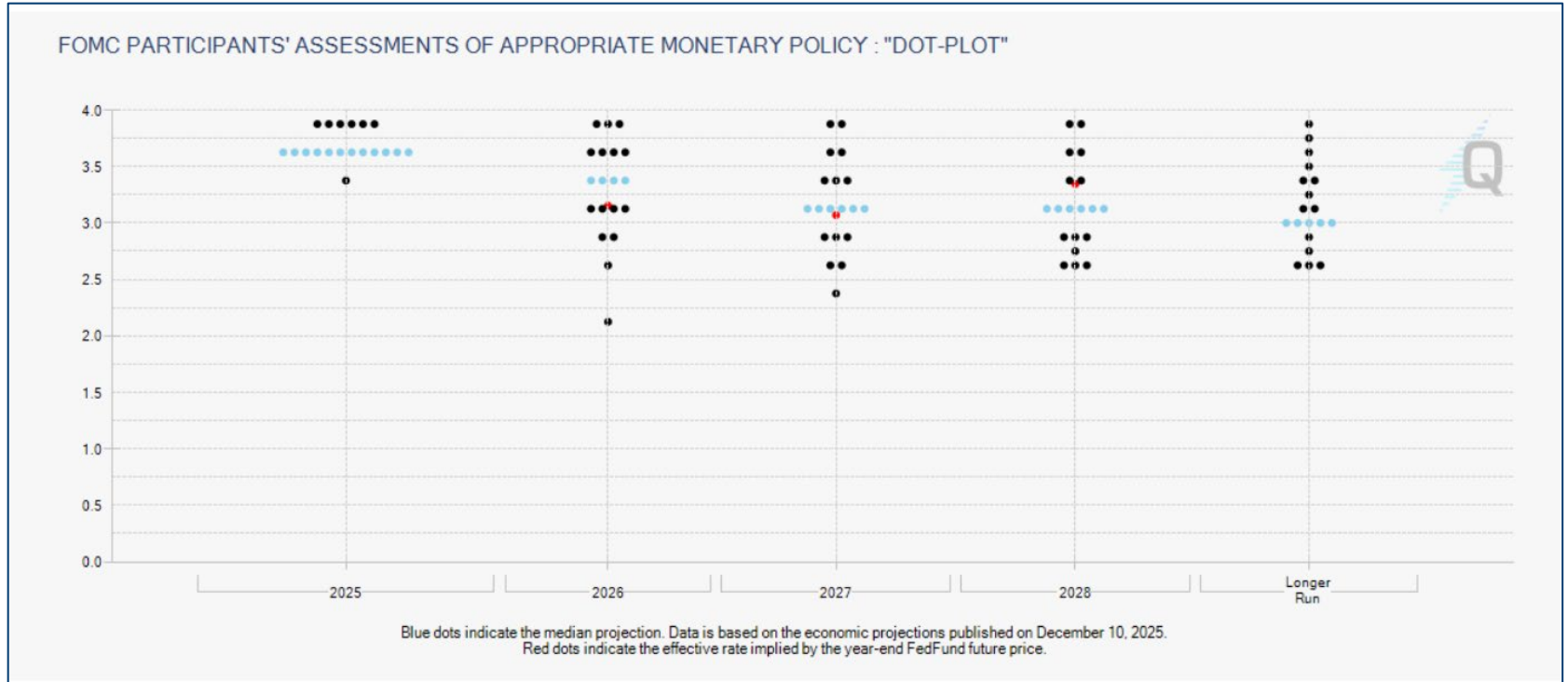
**Issuer:** Fannie Mae  
**Coupon:** 7.125%  
**Maturity Date:** 1/15/2030  
**Par Amount:** \$2 million  
**Cusip:** 31359MFJ7

\*For illustrative purposes only

# Recent 10-Year Treasury Movement



# Federal Reserve Dot Plot



# Portfolio Management Options

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## Discretionary Portfolio Management

- Authority to execute trades on behalf of client
- Advisor can act quickly & efficiently in response to market changes
- Clients benefit from advisor's expertise in implementing strategies and portfolio re-balancing as market conditions change
- Client remains involved through strategy & performance review meetings

## Non-Discretionary Portfolio Management

- Advisor provides trade recommendation with client giving final approval
- Trade execution could be delayed and opportunities missed when seeking client approval
- Clients stays actively engaged in the day-to-day portfolio management with advisor sending trade suggestions for approval

# Permissible Investments

MN. Statute 118A.04

## United States Securities:

- Governmental bonds, notes, bills, mortgages (excluding high-risk mortgage-backed securities), that are direct obligations or guaranteed by the United States, or its agencies or instrumentalities

## State & Local Securities (municipal bonds):

- General obligations of any state or local government with a rating of “A” or better by a national bond rating service
- Revenue obligations of any state or local government with a rating of “AA” or better by a national bond rating service

# Permissible Investments

MN. Statute 118A.04

## Time Deposits:

- Need to be fully insured by the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration (NCUA), or bankers acceptances of United States banks

## Commercial Paper:

- Issued by United States corporations or Canadian subsidiaries rated in the highest credit category by at least two nationally recognized rating agencies with maturities less than 270 days

## Minnesota Joint Powers Investment Trusts:

- Includes Local Government Investment Pools (LGIPs)

# Permissible Investments

MN. Statute 118A.04

## Money Market Funds:

- Registered under the Federal Investment Company act of 1940 and meets the conditions of rule 2a-7 of the Securities and Exchange Commission (SEC)
- Rated in the highest rating category by at least one nationally recognized rating organization

## Repurchase Agreements

- Consisting of collateral allowable by Minnesota Statute 118A.04

## Guaranteed Investment Contracts (GICs)

- Must meet provider eligibility & other requirements

# Additional Investment Authority

MN. Statute 118A.09

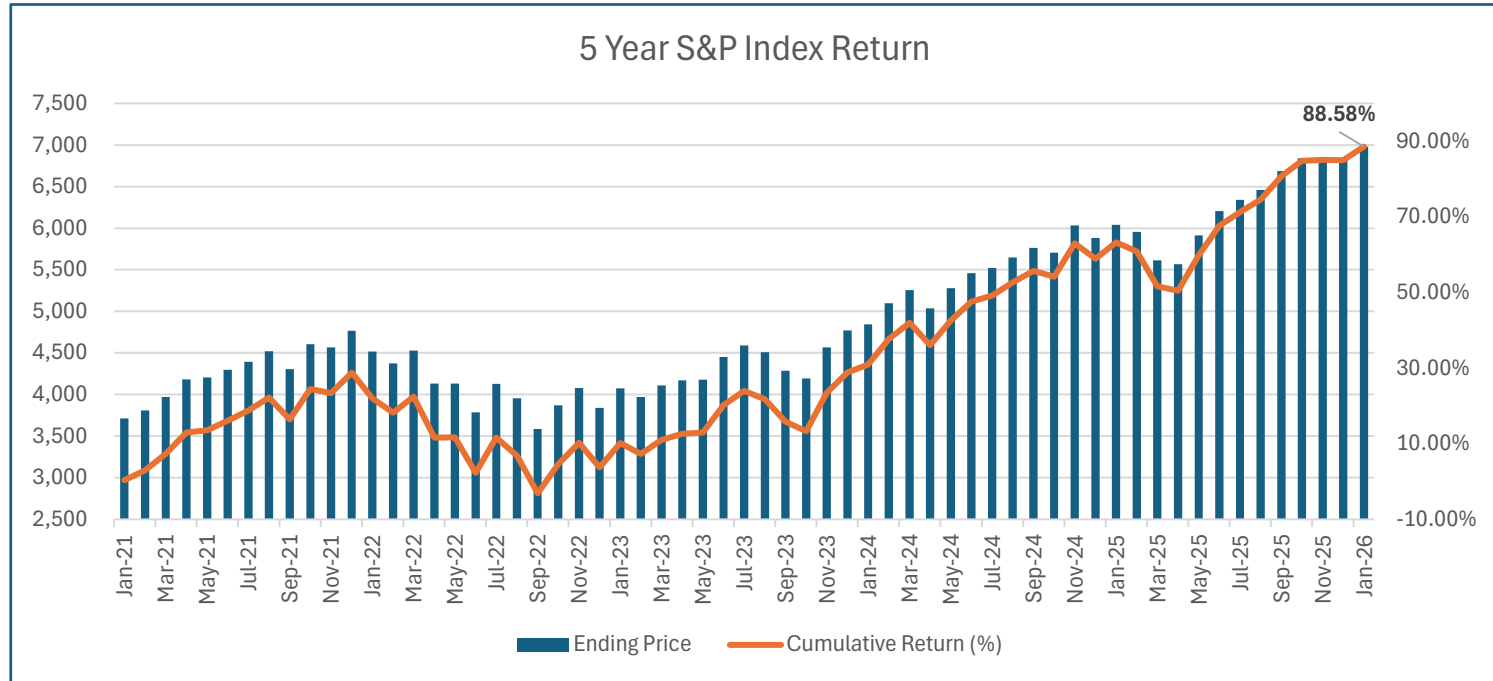
## Equity Investing:

- Qualifying governments may invest additional dollars in index mutual funds indexed to a broad United States equity index or with the Minnesota State Board of Investment
- Up to 15% of unassigned cash or cash equivalents may be invested

## Qualifying Entities:

- A county or home rule charter city with a population greater than 100,000
- A county or home rule charter city whose most recent long-term GO credit rating is AA or better

# S&P 500 Returns



Source: Yahoo Finance (1/27/26)

ACG: 13.5%



# Download the Presentation

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# Your Presenters

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