

JANUARY 6, 2025

Virginia Passenger Rail Authority Investment Strategy Update

PRESENTED BY:





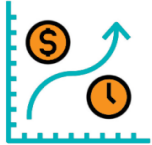
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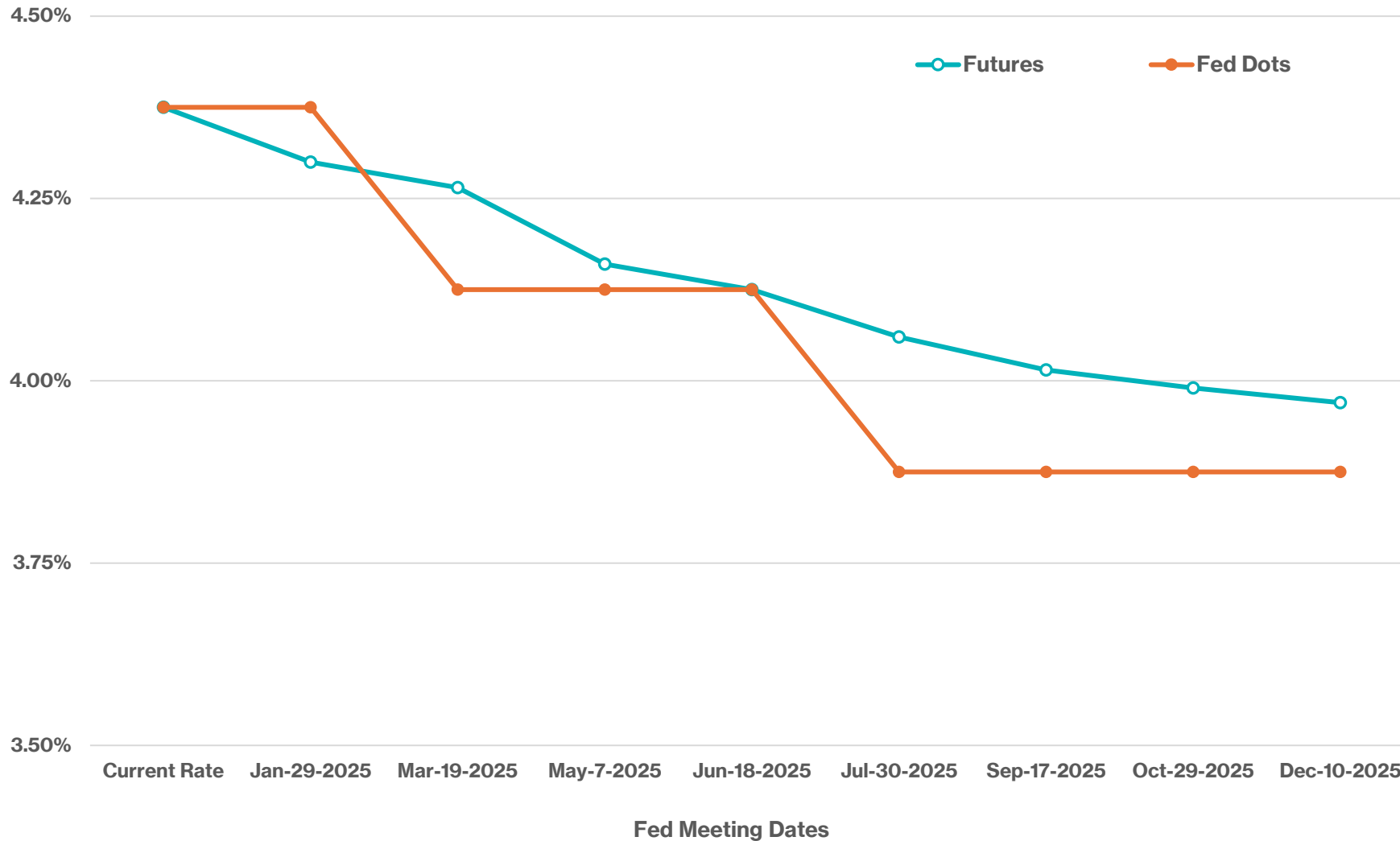
MEEDER
PUBLIC FUNDS



	Metric	Analysis
	Fed Funds Rate	As the Federal Reserve attempts to navigate a “soft landing” for the economy, both the Fed Funds futures market and the FOMC dot plot are pricing in about 50 basis points (0.50%) of cuts for 2025.
	Inflation	The Fed's preferred inflation gauge, Core PCE YoY, has dropped from its cycle high of 5.6% to 2.8%. The Fed is expecting this inflation metric to increase to 2.5% in 2025, not reaching their 2% target rate.
	Growth	GDP had another stellar quarter (Q3 2024), growing by 3.1% . Additionally, the Fed is expecting the GDP YoY rate for 2025 to be 2.1%.
	Employment	Nonfarm payrolls rebounded in November from October’s depressed number due to hurricane and strike impacts. The unemployment rate remains historically low. The Federal Reserve projects the unemployment rate will rise slightly from its current 4.2% to 4.3% in 2025.
	Yields	The 2-year Treasury yield has dropped about 90 basis points from its cycle high (Oct 2023) but is still approximately 240 basis points above its average of the past 20 years.

Fed Funds

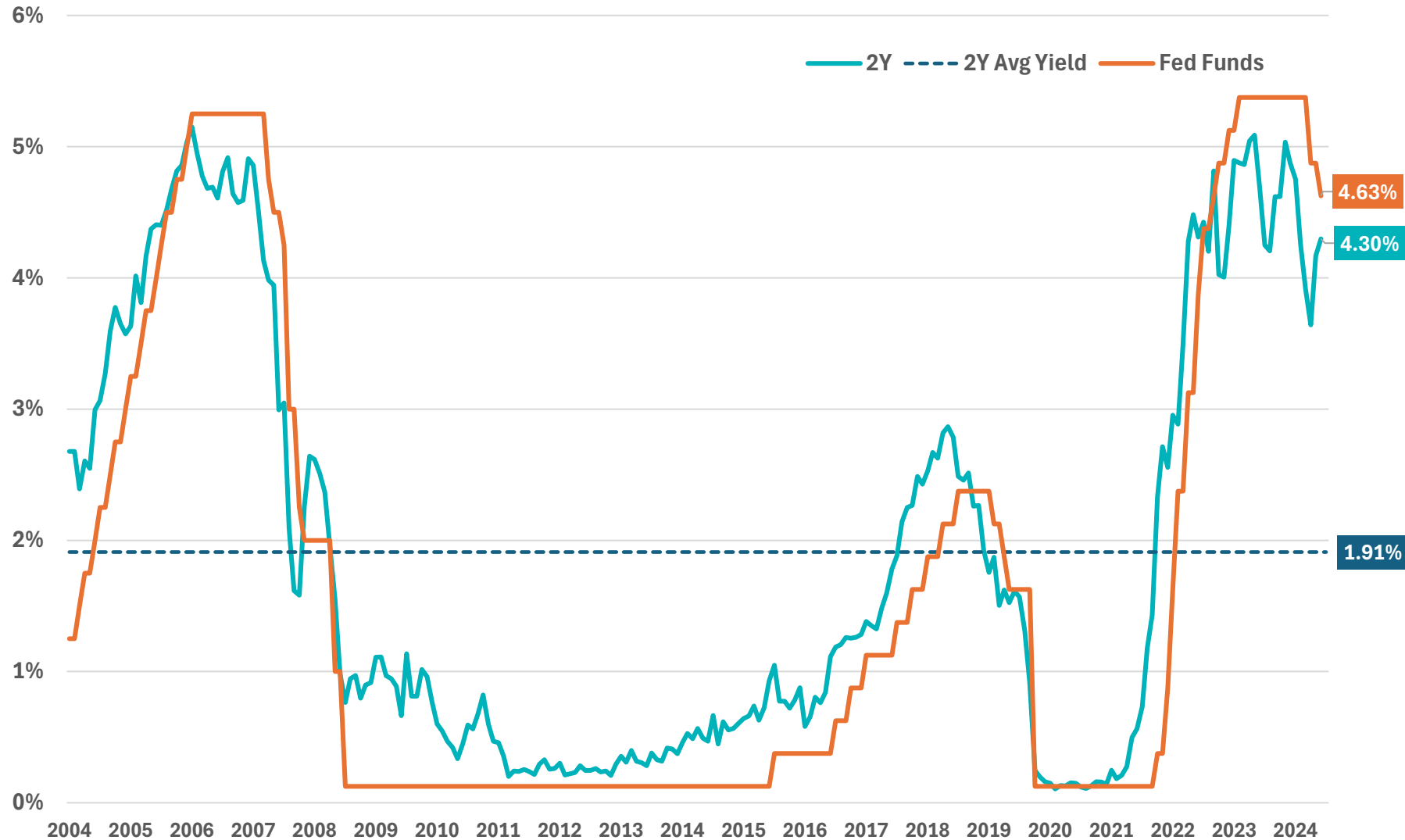
Fed Funds Futures Yields & Fed Dots



- The Federal Reserve executed the first lowering of the Fed Funds rate since 2020 at the September 18th meeting by .50%, followed by .25% cuts at the November 7th and December 18th meetings.
- The Fed expects to cut the Fed Funds rate by .50% or 50 basis points by the end of 2025.

Yields

Fed Funds and 2 Year Treasury Yields Past 20 Years



- Intermediate-term interest rates peaked in October of 2023, with the 2-year Treasury hitting a cycle high of 5.22%.
- Even though interest rates have declined with lower inflation, they are still materially higher than the average the past 20 years.
- We expect the short-term rates (one year and in) to continue their recent decline with future Fed rate cuts on the horizon.
- Intermediate-term rates may pause their decline as market participants evaluate the balance between economic growth and inflation.

Current Portfolio

Virginia Passenger Rail Authority portfolio as of 11/30/2024

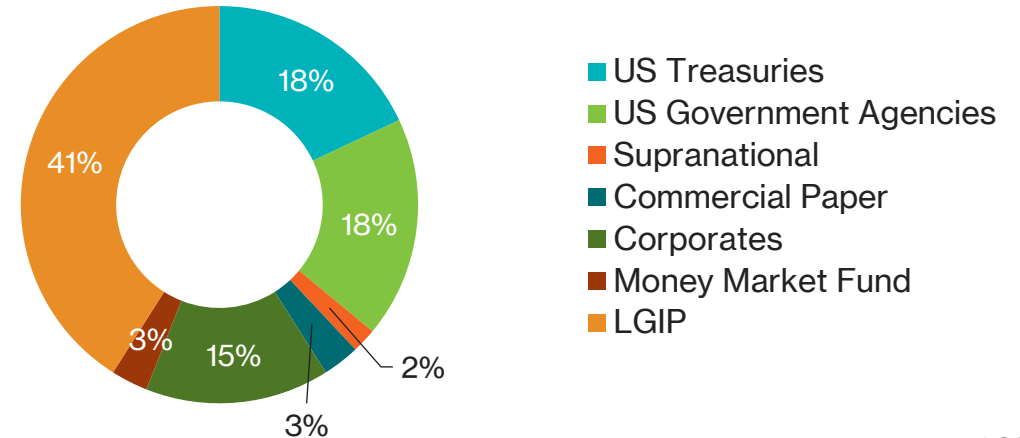
Your Portfolio

LGIP (as of 11/30/2024)	\$178,412,810
Securities	\$261,607,691
Total Portfolio	\$440,020,501

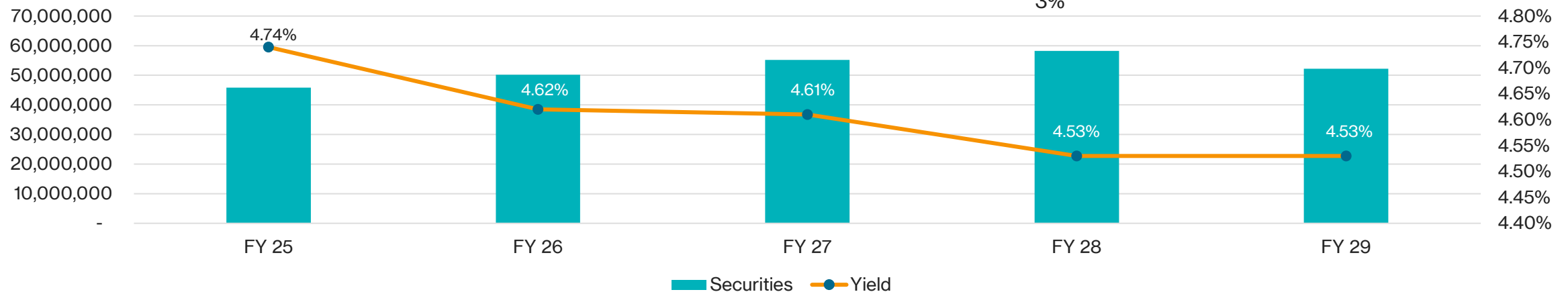
Your Securities

Weighted Average Maturity	2.19 years
Weighted Average Yield	4.60%

Your Asset Allocation

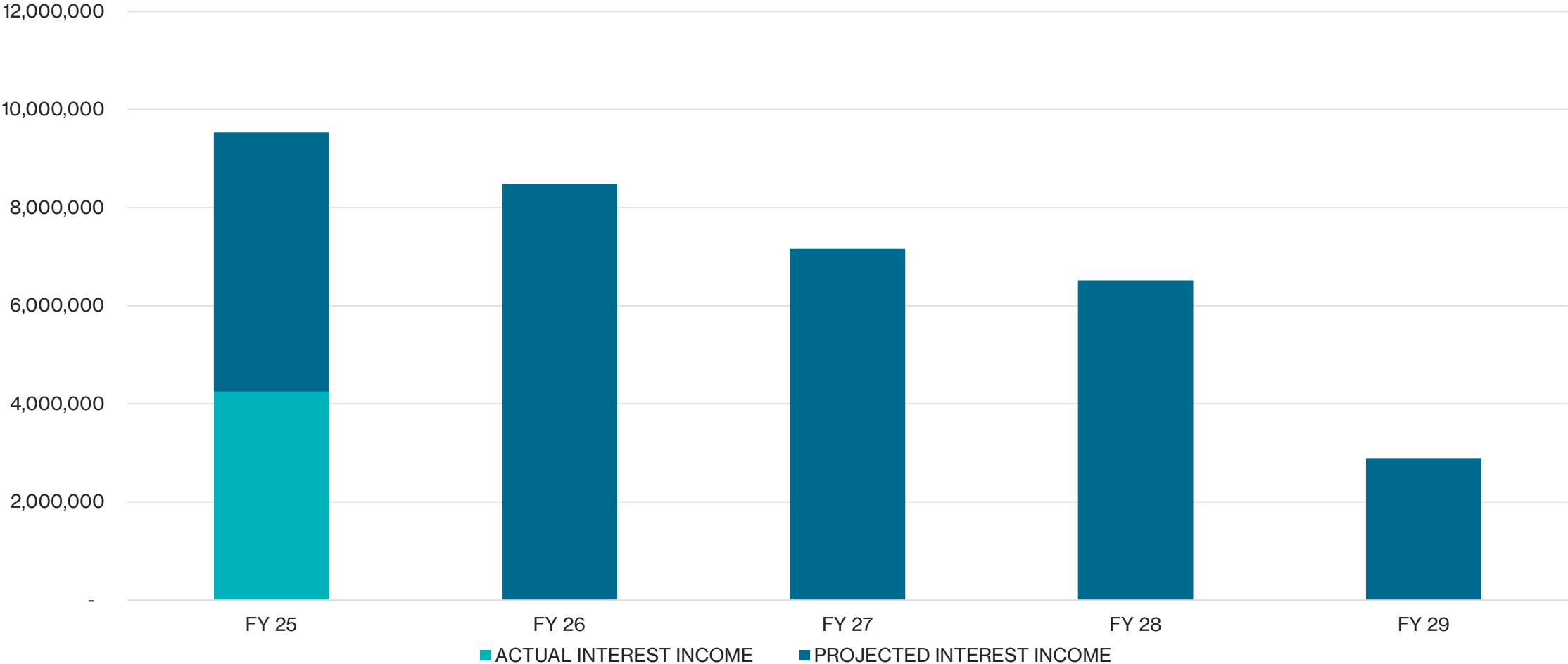


Your Maturity Distribution



YIELD AND INTEREST INCOME INFORMATION IS ANNUALIZED. ALL YIELD INFORMATION IS SHOWN GROSS OF ANY ADVISORY AND CUSTODY FEES AND IS BASED ON YIELD TO MATURITY AT COST. PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE RESULTS.

Projected Interest Income Received



ACTUAL INTEREST INCOME REFLECTS INCOME RECEIVED ON SECURITIES HELD IN THE CUSTODY ACCOUNT AND DOES NOT INCLUDE INCOME RECEIVED ON CLIENT MANAGED ASSETS.

PROJECTED INTEREST INCOME REFLECTS INTEREST TO BE RECEIVED ON EXISTING SECURITY HOLDINGS AS OF 12/26/2024. PROJECTED INTEREST INCOME DOES NOT ASSUME ANY REINVESTMENT OF MATURITIES.

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