

## First Quarter 2025 Investment Report

RTD staff provides a quarterly investment report to the Board of Directors per RTD's Investment Policy to provide information on the character of RTD's financial investments as well as the investment return for the period. RTD funds are invested in high-quality, short-term investments which are often affected by changing economic conditions and expectations and also by actions of the Federal Reserve Open Market Committee.

In view of the current economic environment, the Federal Reserve Open Market Committee decided to maintain the target range for the federal funds rate at 4-1/4 to 4-1/2 percent during their most recent meeting. The chairman stated, "In considering the extent and timing of additional adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks. The Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities. The Committee is strongly committed to supporting maximum employment and returning inflation to its two-percent objective."

RTD's Investment Policy (the "Policy") is conservative in nature and seeks to satisfy the three primary objectives of safety, liquidity and yield in that order of importance.

The Policy specifies that:

"Quarterly reports shall outline the District's total investment return and compare the portfolio's performance to a publicly available index of securities having similar quality and duration characteristics to the portfolio or sub-portfolio being measured. For the liquidity tier of the portfolio (cash and cash equivalents), the specified index shall be the 3-month U.S. Treasury Bill Index as published by Bank of America Merrill Lynch for the period being measured. For the enhanced cash portion of the portfolio (securities maturing between 90 days and five years and with a target duration of one year), the designated performance benchmark will be the Merrill Lynch 1-year U.S. Treasury Note Index."

RTD manages its investment holdings in two main tiers:

1. The Liquidity Tier is intended to hold cash in very short-term investments which provide a small yield but allows immediate access for use in RTD's day-to-day operations with no exposure to gains or losses caused by fluctuations in interest rates.
2. The Enhanced Cash Tier has slightly longer holding periods than the Liquidity Tier to attempt to generate additional investment income that may have some minor exposure to gains and losses caused by fluctuations in interest rates if not held to maturity.

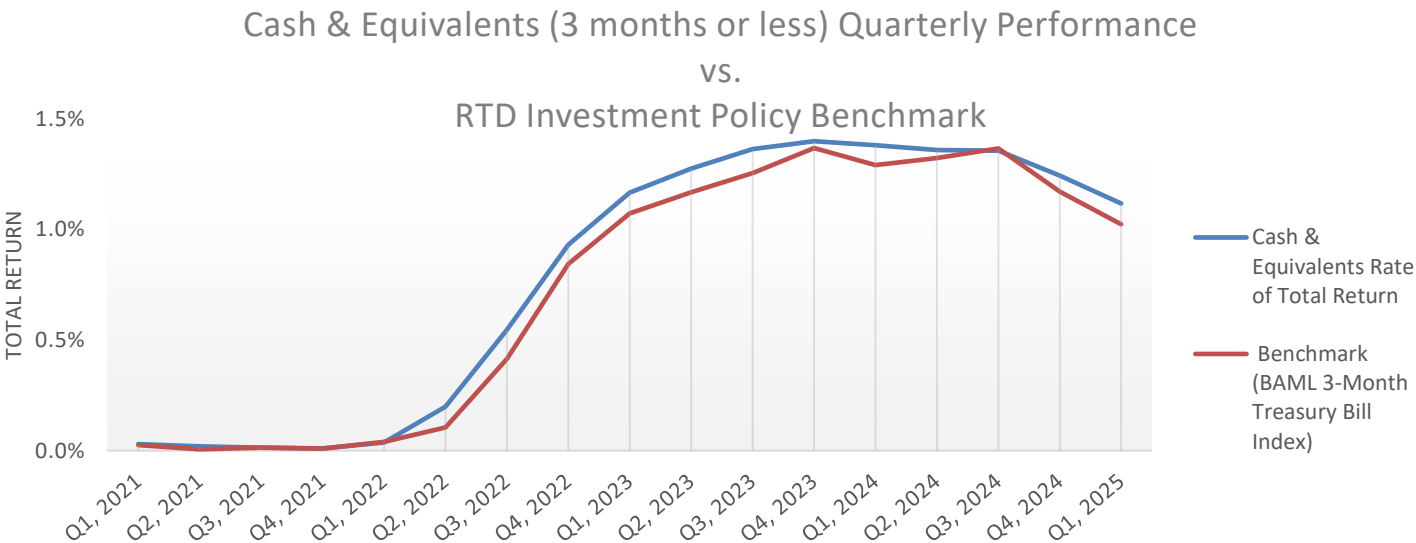


The total return on the liquidity and enhanced cash tiers of the District’s unrestricted portfolio and investment benchmarks were as follows:

<u>Liquidity Tier:</u>	<u>Q1 2025</u>	<u>YTD</u>
RTD cash and cash equivalents	1.118%	1.118%
Bank of America/Merrill Lynch 3-month U.S. T-Bill Index	1.023%	1.023%
<u>Enhanced Cash Tier:</u>		
RTD enhanced cash	1.699%	1.699%
Bank of America/Merrill Lynch 1-year U.S. Treasury Note Index	1.015%	1.015%

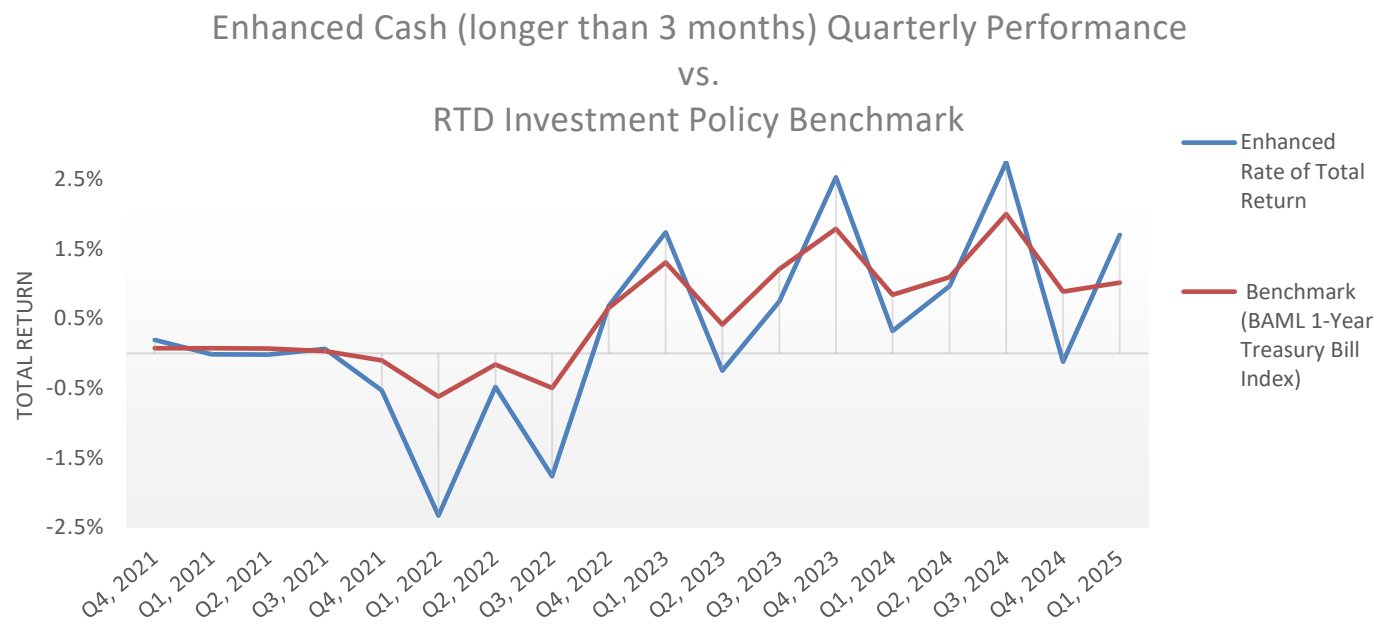
The yield of the District’s unrestricted portfolio for the month of March was 4.3%. Year-to-date investment earnings produced income of approximately \$10.486 million.

Historical performance of the RTD Liquidity Tier investments relative to the Investment Policy benchmark is reflected in the following graph:





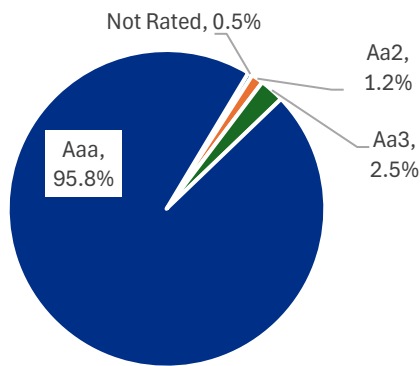
Historical performance of RTD Enhanced Cash Tier investments relative to the Investment Policy benchmark is reflected in the following graph:



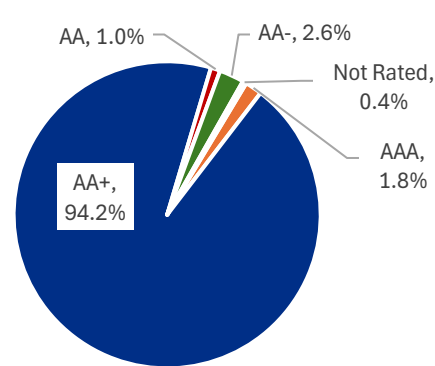
In addition to the Liquidity and Enhanced Cash Tiers of the District’s portfolio, all other reserves are invested in accordance with state law and additional guiding documents such as bond indentures, and escrow agreements.

The following shows a graphical depiction of RTD’s unrestricted, enhanced cash holdings as well as the credit rating distribution of those investments:

Moody’s Rating Distribution



S&P Rating Distribution





The following shows a graphical depiction of RTD’s unrestricted, enhanced cash investment duration (holding term in years) which indicates investment price sensitivity to interest rate changes. Generally, investments with longer durations are more sensitive to interest rate changes which can result in gains or losses if not held to maturity.

