

Second Quarter 2026 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 3.50% - 3.75% percent during their April 26, 2026, meeting and then later raised the federal funds rate target range to 3.75% to 4.00% at their September 16, 2026, meeting. The chairman stated, "Inflation remains elevated. Today's policy action will support a timelier return to the Committee's 2 percent goal. The Committee will deliver price stability."

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 investment reports shall be submitted to the Board of Directors and shall outline RTD's total investment return and compare the Portfolio's performance to a publicly available index of securities having similar quality and duration characteristics... The current Board-approved index for the liquidity tier of the Portfolio (cash and cash equivalents) is the ICE BofAML 3-month U.S. Treasury Bill Index. 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 is the ICE BofAML 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.

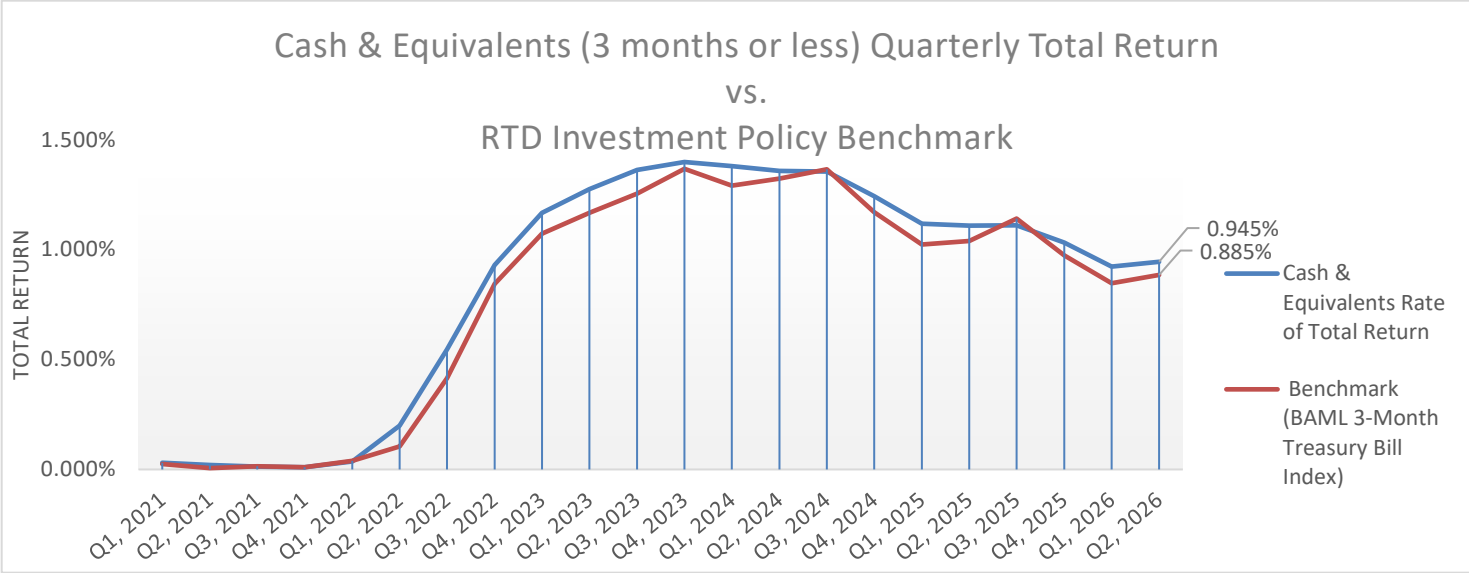
The total return on the liquidity and enhanced cash tiers of the District's unrestricted portfolio and investment benchmarks were as follows:

<u>Liquidity Tier:</u>	<u>Q2 2026</u>	<u>YTD</u>
RTD cash and cash equivalents	0.945%	1.868%
Bank of America/Merrill Lynch 3-month U.S. T-Bill Index	0.885%	1.733%
 <u>Enhanced Cash Tier:</u>		
RTD enhanced cash	0.560%	0.951%
Bank of America/Merrill Lynch 1-year U.S. Treasury Note Index	0.689%	1.305%

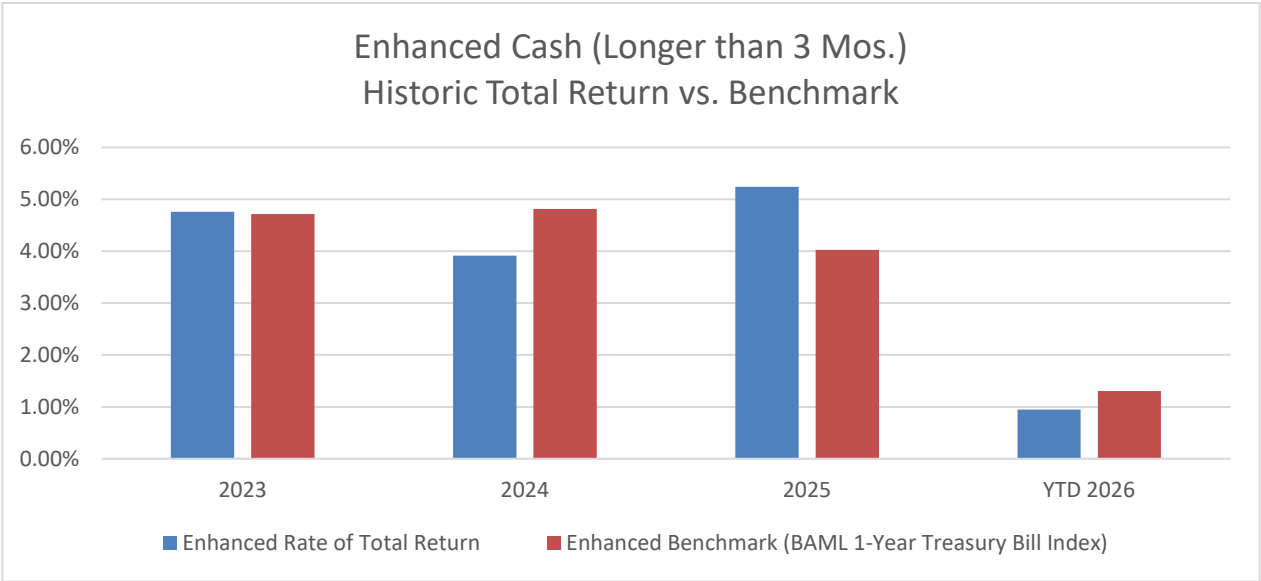


The yield of the District’s unrestricted portfolio for the month of June was 3.9%. Year-to-date investment earnings produced income of approximately \$15.2 million.

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 portfolio, all other reserves are invested in accordance with state law and additional guiding documents such as bond indentures and escrow agreements.