

City of St. Louis Airport - 2024A Construction AC

September 30, 2025

Loop Capital Asset Management



Investment Perspective

Market:

For the quarter ended September 30, 2025, U.S. Treasuries returned 1.51% during the quarter as the 10-year yield declined from 4.23% to 4.15% with long Treasuries (+2.49%) outperforming intermediate Treasuries (+1.26%).

Mortgage-backed securities (MBS) returned 2.43% during the quarter, outperforming Treasuries by 83 basis points on a duration-adjusted basis. The option adjusted spread (OAS) of the Bloomberg U.S. Mortgage Index tightened 6 basis point during the quarter, ending the period at 31 bps.

Credit securities returned 2.57% during the quarter, outperforming Treasuries by 97 basis points on a duration-adjusted basis. The OAS of the Bloomberg U.S. Credit Index tightened 9 bps during the quarter, ending the period at 70 bps. For the quarter, utilities delivered 131 basis points of excess return on a duration-adjusted basis, outperforming industrials, financials, and non-corporates by 37, 37, and 43 basis points, respectively. BBB-rated securities were the best performing investment grade quality segment for the quarter, delivering 124 basis points of excess return and outperforming AAA, AA and A-rated securities by 112, 61, and 34 basis points of excess return, respectively. High Yield delivered 129 basis points of excess return for the quarter.

Economy & Policy:

The August non-farm payrolls report released in September showed an increase of 22,000 jobs, well below expectations of 75,000 new jobs. Unemployment rose 0.1% to 4.3%, while the labor force participation rate held steady at 62.3%, though it was down 0.4 percentage points over the past year. Notably, revisions to prior months included June's figure revised downward to a net loss of 13,000 jobs, marking the first monthly decline since late 2020. Annual revisions to the non-farm payrolls showed 911,000 fewer jobs than previously reported, the largest such annual adjustment on record, which contributed to the narrative of a weakening labor market.

The final estimate of second quarter GDP was released, which showed a meaningful increase to 3.8% growth from the previously reported 3.3%. The Consumer Price Index (CPI) inflation increased 0.4% for the month of August and 2.9% for the trailing twelve months. Core CPI, which excludes food and energy, rose 0.3% for the month (the same as July) and 3.1% for the trailing twelve months.

In the September FOMC meeting, the Fed lowered interest rates by 25 basis points, bringing the federal funds rate to a target range of 4.00% to 4.25%. Following the decision, Chairman Powell commented on both labor market weakness and inflation, stating: "While the

unemployment rate remains low, it has edged up, job gains have slowed, and downside risks to employment have risen. At the same time, inflation has risen recently and remains somewhat elevated.” Alongside the rate cut, the Fed also decided to continue reducing its balance sheet, maintaining its policy of allowing Treasury securities, agency debt, and agency mortgage-backed securities (MBS) to mature without reinvestment. Additional rate cuts are expected by the market later this year. As the quarter ended, the U.S. Government shutdown due to the inability to pass a funding bill.

Outlook:

Labor market softening is likely to be temporary as the growth outlook is stabilizing, financial conditions are easy, and meaningful stimulus is in the pipeline. Fiscal stimulus is expected to support growth in upcoming quarters as corporate and personal tax benefits take effect and as the budget deficit is still running near 6% of GDP, despite increased tariff revenues. Additionally, banking and financial market deregulation should increase bank lending capacity and support M&A activity. There could also be additional fiscal measures rolled out to support housing and potentially tariff ‘refunds’ if courts rule against reciprocal tariff measures. Alongside fiscal stimulus, Fed easing will reduce economy-wide financing costs and may help stabilize the housing market.

Multi-faceted policy stimulus and already easy financial conditions should continue to support market sentiment, despite stretched valuations. Our overall risk bias is unchanged, but we remain selective due to valuations and focused on relative value. The Securitized segment still screens as relatively attractive with MBS spreads at reasonable valuations, despite recent richening, while ABS has lagged moves in related sectors. Fed policy easing should support duration; however, inflation uncertainty and fiscal stimulus may limit the Fed’s ability to ease as much as markets are currently discounting.

Disclosures

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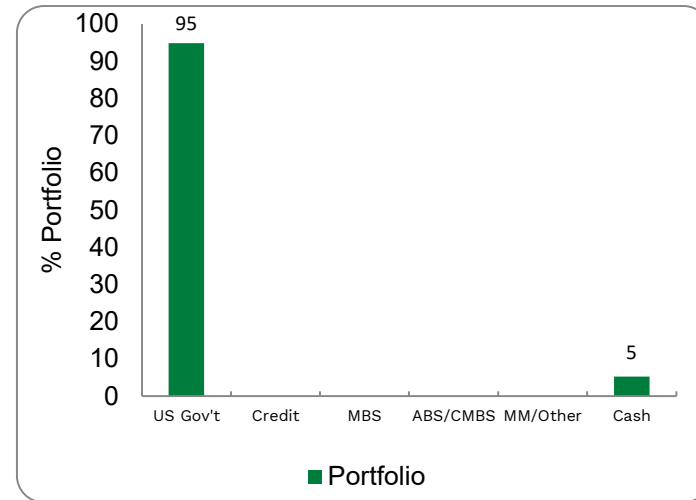
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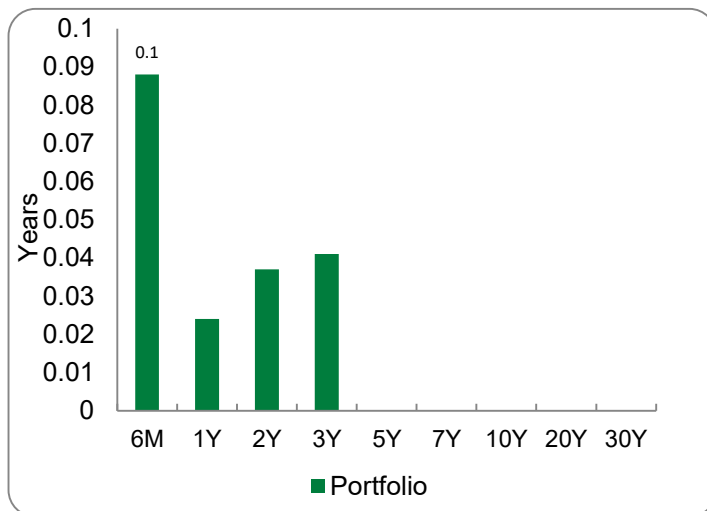
Key Portfolio Characteristics

	Portfolio
Market Value (\$M)	264.5
Yield to Worst (%)	3.80
Coupon (%)	1.21
Maturity (yrs)	0.1
Average Quality	Aa1
Effective Duration (yrs)	0.20

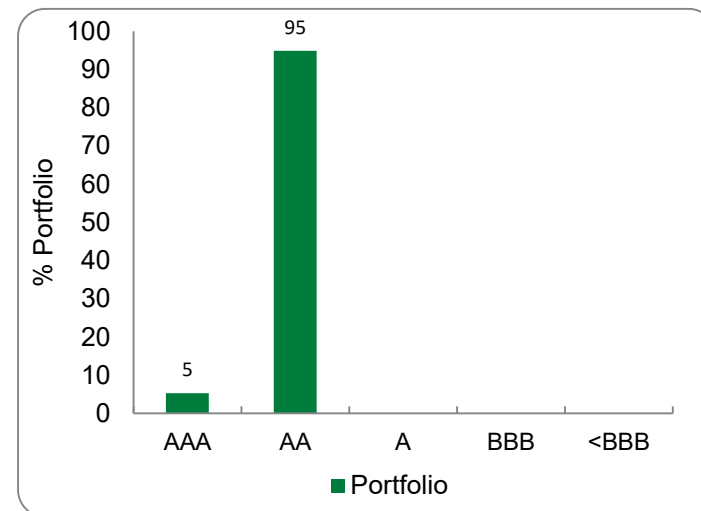
Sector Distribution



Key Rate Durations



Credit Quality Distribution



Performance History

Portfolio	Month To Date	Latest 3 Months	Year To Date	Latest 1 Year	Annualized Since Inception 6/11/2024
Account	0.37	1.17	3.26	4.38	4.68

Quantity	Symbol	Security	Unit Cost	Total Cost	Price	Market Value	% Assets	Curr. Yield
TREASURY BILLS (USD)								
99,800,000	912797RB5	UNITED STATES TREAS BILLS 0.000% Due 10/7/2025	98.67	98,468,289	99.93	99,732,348	37.7	0.0
54,750,000	912797RM1	UNITED STATES TREAS BILLS 0.000% Due 11/4/2025	98.61	53,986,268	99.62	54,542,426	20.6	0.0
35,850,000	912797QZ3	UNITED STATES TREAS BILLS 0.000% Due 12/18/2025	99.03	35,501,672	99.16	35,549,646	13.4	0.0
		Accrued Interest				0	0.0	
				187,956,229		189,824,420	71.8	0.0
CASH AND EQUIVALENTS (USD)								
	cash	CASH ACCOUNT		13,772,705		13,772,705	5.2	0.0
				13,772,705		13,772,705	5.2	0.0
GOVERNMENT AGENCY (USD)								
60,570,000	3130B7HS6	FEDERAL HOME LOAN BANKS 4.375% Due 8/18/2028	100.00	60,570,000	100.06	60,603,877	22.9	4.4
		Accrued Interest				309,159	0.1	
				60,570,000		60,913,037	23.0	4.4
Total Portfolio				262,298,934		264,510,162	100.0	1.0

Purchases

Trade Date	Settle Date	Quantity	Symbol	Security	Unit Cost	Total Cost		
7/7/2025	7/8/2025	54,750,000	912797RM1	UNITED STATES TREAS BILLS 0.000% Due 11/4/2025	98.61	53,986,267.92		
8/14/2025	8/18/2025	60,570,000	3130B7HS6	FEDERAL HOME LOAN BANKS 4.375% Due 8/18/2028	100.00	60,570,000.00		
9/4/2025	9/5/2025	13,750,000	912797QW0	UNITED STATES TREAS BILLS 0.000% Due 9/30/2025	99.71	13,710,129.77		
9/18/2025	9/19/2025	35,850,000	912797QZ3	UNITED STATES TREAS BILLS 0.000% Due 12/18/2025	99.03	35,501,672.44		
Total Purchases						163,768,070.13		

Sales

Trade Date	Settle Date	Quantity	Symbol	Security	Unit Cost	Total Cost	Unit Price	Proceeds	Gain/Loss
7/2/2025	7/2/2025	54,000,000	912797NX1	UNITED STATES TREAS BILLS 0.000% Due 7/3/2025	99.98	53,991,262.36	99.20	53,566,749.00	-424,513.36
8/14/2025	8/15/2025	600,000	912797RB5	UNITED STATES TREAS BILLS 0.000% Due 10/7/2025	99.38	596,250.22	99.39	596,320.21	69.99
8/15/2025	8/15/2025	60,000,000	3130B6FW1	FEDERAL HOME LOAN BANKS 4.800% Due 5/15/2028	100.00	60,000,000.00	100.00	60,000,000.00	0.00
9/3/2025	9/3/2025	12,630,000	3130B5AG3	FEDERAL HOME LOAN BANKS 4.600% Due 3/3/2027	100.00	12,630,000.00	100.00	12,630,000.00	0.00
9/16/2025	9/16/2025	35,000,000	3130B6EF9	FEDERAL HOME LOAN BANKS 4.410% Due 5/15/2026	100.00	35,000,000.00	100.00	35,000,000.00	0.00
Total Sales						162,217,512.58		161,793,069.21	-424,443.37

Trade Date	Settle Date	Tran Code	Activity	Symbol	Security	Amount
CASH ACCOUNT						
7/1/2025			Beginning Balance			39,552.83
7/1/2025	7/1/2025	dp	Interest	cash	CASH ACCOUNT	56,042.39
7/2/2025	7/2/2025	dp	Interest	912797NX1	UNITED STATES TREAS BILLS 0.000% Due 7/3/2025	433,251.00
7/2/2025	7/2/2025	dp	Sale	912797NX1	UNITED STATES TREAS BILLS 0.000% Due 7/3/2025	53,566,749.00
7/7/2025	7/8/2025	wd	Purchase	912797RM1	UNITED STATES TREAS BILLS 0.000% Due 11/4/2025	-53,986,267.92
7/7/2025	7/8/2025	dp	Accrued Interest	912797RM1	UNITED STATES TREAS BILLS 0.000% Due 11/4/2025	0.00
8/1/2025	8/1/2025	dp	Interest	cash	CASH ACCOUNT	27,886.13
8/14/2025	8/18/2025	wd	Purchase	3130B7HS6	FEDERAL HOME LOAN BANKS 4.375% Due 8/18/2028	-60,570,000.00
8/14/2025	8/18/2025	dp	Accrued Interest	3130B7HS6	FEDERAL HOME LOAN BANKS 4.375% Due 8/18/2028	0.00
8/14/2025	8/15/2025	dp	Sale	912797RB5	UNITED STATES TREAS BILLS 0.000% Due 10/7/2025	596,320.21
8/14/2025	8/15/2025	dp	Accrued Interest	912797RB5	UNITED STATES TREAS BILLS 0.000% Due 10/7/2025	0.00
8/15/2025	8/15/2025	dp	Sale	3130B6FW1	FEDERAL HOME LOAN BANKS 4.800% Due 5/15/2028	60,000,000.00
8/15/2025	8/15/2025	dp	Interest	3130B6FW1	FEDERAL HOME LOAN BANKS 4.800% Due 5/15/2028	616,000.00
9/2/2025	9/2/2025	dp	Interest	cash	CASH ACCOUNT	19,983.72
9/3/2025	9/3/2025	dp	Interest	3130B5AG3	FEDERAL HOME LOAN BANKS 4.600% Due 3/3/2027	290,490.00
9/3/2025	9/3/2025	dp	Sale	3130B5AG3	FEDERAL HOME LOAN BANKS 4.600% Due 3/3/2027	12,630,000.00
9/4/2025	9/5/2025	wd	Purchase	912797QW0	UNITED STATES TREAS BILLS 0.000% Due 9/30/2025	-13,710,129.77
9/4/2025	9/5/2025	dp	Accrued Interest	912797QW0	UNITED STATES TREAS BILLS 0.000% Due 9/30/2025	0.00
9/16/2025	9/16/2025	dp	Sale	3130B6EF9	FEDERAL HOME LOAN BANKS 4.410% Due 5/15/2026	35,000,000.00
9/16/2025	9/16/2025	dp	Accrued Interest	3130B6EF9	FEDERAL HOME LOAN BANKS 4.410% Due 5/15/2026	514,500.00
9/18/2025	9/19/2025	wd	Purchase	912797QZ3	UNITED STATES TREAS BILLS 0.000% Due 12/18/2025	-35,501,672.44
9/18/2025	9/19/2025	dp	Accrued Interest	912797QZ3	UNITED STATES TREAS BILLS 0.000% Due 12/18/2025	0.00
9/30/2025	9/30/2025	dp	Sale	912797QW0	UNITED STATES TREAS BILLS 0.000% Due 9/30/2025	13,750,000.00
9/30/2025			Ending Balance			13,772,705.15