



# SWS Capital Management

A SHANK WILLIAMS CISNEROS COMPANY

## Quarterly Report

Account

City of St. Louis

9/30/2024



# Disclosure



## **Disclosure**

Portfolio Inception Date: April 1, 2023

SWS Capital Management LLC (“SWSCM”) has prepared this report (“Report”) for a specific advisory client (St. Louis Treasurer’s Office) for general informational purposes only and should not be considered an individualized recommendation or personalized investment advice. The investment strategies described in this Report may not be suitable for everyone. Readers need to review an investment strategy for his or her own particular situation before making any investment decision. Investing involves risk including loss of principal.

All opinions, estimates and forecasts are based on information as of the date of this Report (unless an earlier date has been specified), and are subject to change. The inclusion of estimated or projected figures should not be regarded as an indication that SWSCM considers such figures to be a reliable prediction of future events and such figures should not be relied upon by readers. Due to various risks and uncertainties, actual events or results may differ materially from those reflected or contemplated in such forward-looking statements.

The index comparisons herein should not be used as the basis for making an investment decision. Indices are unmanaged and do not reflect any deduction for fees or expenses.

Performance quoted reflects the management of SWSCM in the period commencing on the last day of the calendar month after a full month of performance, to present, from each individual portfolio’s inception date. Performance data quoted represents un-audited past performance. Past performance is no guarantee of future results, and current performance may be higher or lower than performance data quoted.

All securities pricing and data is provided by ICE Data Services. UMB Bank and Regions Bank securities data are used as a secondary sources for security valuations as each is a designated custodian. Data contained herein from third-party providers is obtained from what are considered reliable sources. However, its accuracy, completeness, or reliability cannot be guaranteed.

Investment advisory services are provided by SWSCM, an investment adviser registered with the U.S. Securities and Exchange Commission. Registration does not imply a certain level of skill or training. The information contained is not an offer to purchase or sell any securities. Additional regulatory information about SWSCM is available at: <https://adviserinfo.sec.gov/>

Sources: ICE Data Services, UMB Bank, Regions Bank

# Assets Under Management (AUM)



SWS Capital Management  
**ASSETS UNDER MANAGEMENT**  
*Assets Under Management*  
 September 30, 2024

<b>Portfolio</b>	<b>Money Market/Cash</b>	<b>Fixed Income</b>	<b>Equity</b>	<b>Other</b>	<b>Cash and Equiv.</b>	<b>Total</b>
STL Airports	0.00	17,811,392.82	0.00	1.00	34,689,912.41	52,501,306.23
STL Debt Service Reserve	0.00	272,875.69	0.00	0.00	542,269.98	815,145.66
STL Forest Park	0.00	0.00	0.00	0.00	771,415.44	771,415.44
STL MFC Improvement	0.00	6,172,157.57	0.00	0.00	14,694,673.38	20,866,830.95
STL Parking	0.00	3,088,618.03	0.00	1.00	3,847,799.21	6,936,418.23
<b>TOTAL</b>	<b>0.00</b>	<b>27,345,044.11</b>	<b>0.00</b>	<b>2.00</b>	<b>54,546,070.41</b>	<b>81,891,116.52</b>

# Fixed Income Overview

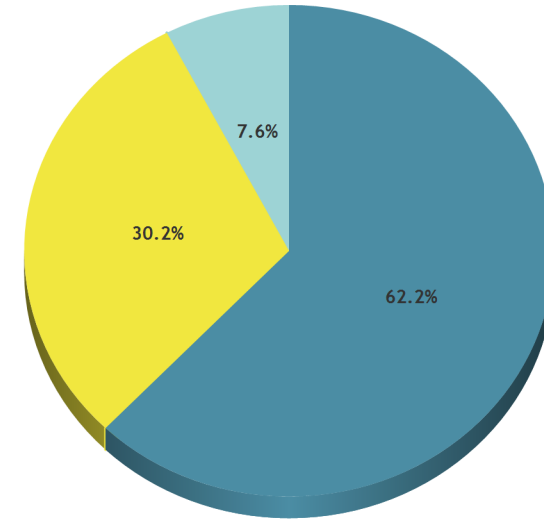




## Weighted Averages

Average Yield	4.34
Average Maturity	0.17
Average Coupon	0.59
Average Duration	0.17
Average Moody	Aaa
Average S&P	AA+
Average Fitch	Not Rated

## Fixed Income Allocation



## Fixed Income Totals

Par Value	47,300,000
Market Value	47,102,568.76
Total Cost	46,561,170.44
Net Gain/Loss	541,398.32
Annual Income	277,128.00
Accrued Interest	104,399.75

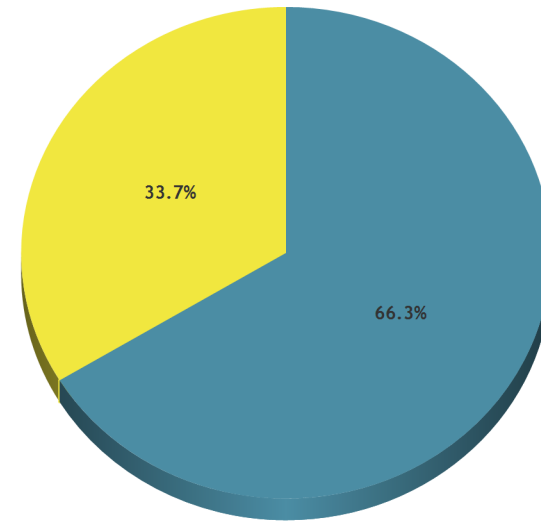
Security Type	Market Value	% Fixed Income	% Assets
TREASURY BILLS (USD)	29,291,175.94	62.2	55.8
GOVERNMENT AGENCY (USD)	14,214,655.82	30.2	27.1
COMMERCIAL PAPER (USD)	3,596,737.00	7.6	6.9
<b>Fixed Income Total</b>	<b>47,102,568.76</b>	<b>100.0</b>	<b>89.7</b>



## Weighted Averages

Average Yield	4.52
Average Maturity	0.11
Average Coupon	1.07
Average Duration	0.11
Average Moody	Aaa
Average S&P	AA+
Average Fitch	Not Rated

## Fixed Income Allocation



## Fixed Income Totals

Par Value	810,000
Market Value	810,273.12
Total Cost	803,626.37
Net Gain/Loss	6,646.75
Annual Income	8,675.00
Accrued Interest	3,145.87

Security Type	Market Value	% Fixed Income	% Assets
TREASURY BILLS (USD)	537,397.44	66.3	65.9
GOVERNMENT AGENCY (USD)	272,875.69	33.7	33.5
<b>Fixed Income Total</b>	<b>810,273.12</b>	<b>100.0</b>	<b>99.4</b>

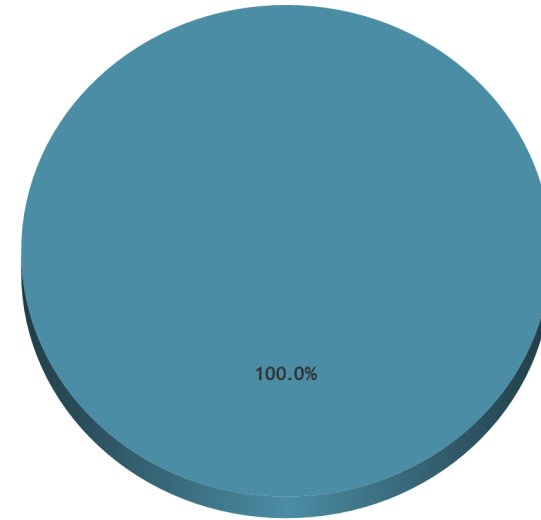




## Weighted Averages

Average Yield	4.38
Average Maturity	0.08
Average Coupon	0.00
Average Duration	0.08
Average Moody	Aaa
Average S&P	AA+
Average Fitch	Not Rated

## Fixed Income Allocation



## Fixed Income Totals

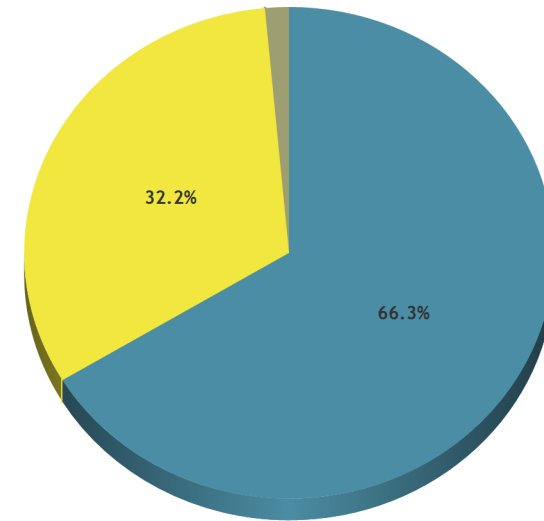
Par Value	700,000
Market Value	697,410.65
Total Cost	687,741.39
Net Gain/Loss	9,669.26
Annual Income	0.00
Accrued Interest	0.00

Security Type	Market Value	% Fixed Income	% Assets
TREASURY BILLS (USD)	697,410.65	100.0	90.4
<b>Fixed Income Total</b>	<b>697,410.65</b>	<b>100.0</b>	<b>90.4</b>

## Weighted Averages

Average Yield	4.56
Average Maturity	0.17
Average Coupon	0.70
Average Duration	0.17
Average Moody	Aaa
Average S&P	AA+
Average Fitch	Not Rated

## Fixed Income Allocation



## Fixed Income Totals

Par Value	19,247,000
Market Value	19,164,792.92
Total Cost	18,958,566.92
Net Gain/Loss	206,226.00
Annual Income	134,906.20
Accrued Interest	50,331.94

Security Type	Market Value	% Fixed Income	% Assets
TREASURY BILLS (USD)	12,713,575.54	66.3	60.9
GOVERNMENT AGENCY (USD)	6,172,157.57	32.2	29.6
CERTIFICATES OF DEPOSIT (USD)	279,059.81	1.5	1.3
<b>Fixed Income Total</b>	<b>19,164,792.92</b>	<b>100.0</b>	<b>91.8</b>



STL Parking

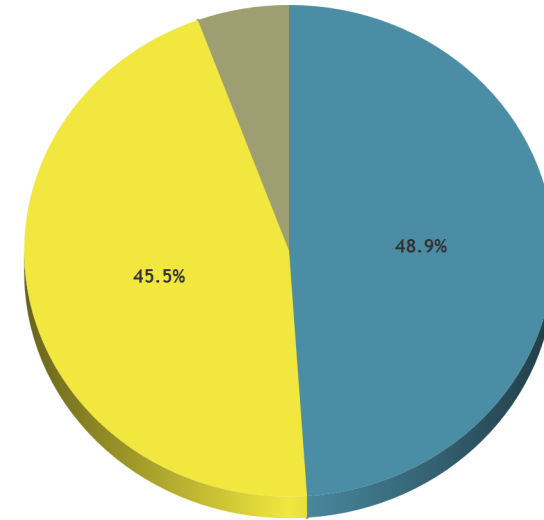
# Fixed Income Overview

US Dollar  
9/30/2024

## Weighted Averages

Average Yield	4.58
Average Maturity	0.18
Average Coupon	1.38
Average Duration	0.18
Average Moody	Aaa
Average S&P	AA+
Average Fitch	Not Rated

## Fixed Income Allocation



## Fixed Income Totals

Par Value	6,803,000
Market Value	6,790,364.71
Total Cost	6,714,616.25
Net Gain/Loss	75,748.46
Annual Income	93,538.50
Accrued Interest	28,468.56

Security Type	Market Value	% Fixed Income	% Assets
TREASURY BILLS (USD)	3,321,759.58	48.9	47.9
GOVERNMENT AGENCY (USD)	3,088,618.03	45.5	44.5
CERTIFICATES OF DEPOSIT (USD)	379,987.10	5.6	5.5
<b>Fixed Income Total</b>	<b>6,790,364.71</b>	<b>100.0</b>	<b>97.9</b>

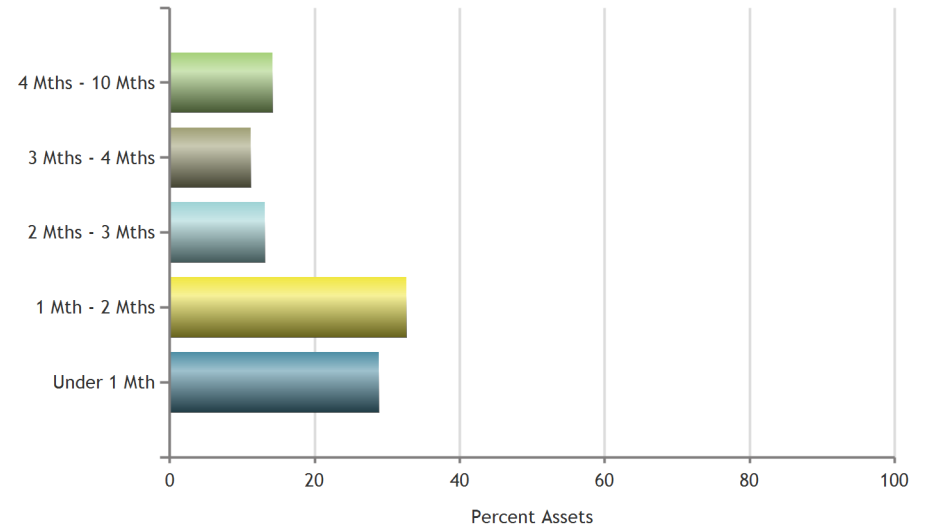
# Fixed Income Distribution



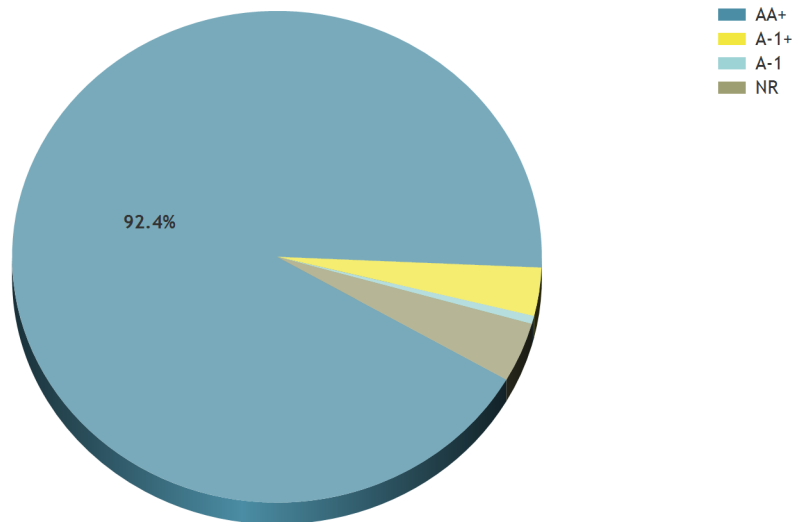
## Distribution by Duration

Duration	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Under 1 Yr	23	47,102,568.76	100.0	4.3	0.588%	0.2

## Distribution by Maturity



## Distribution by S&P Rating



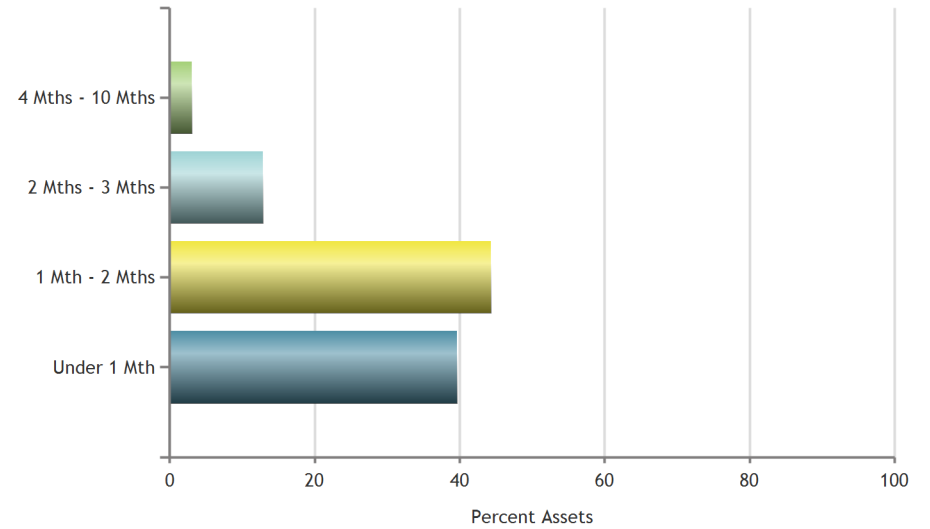
## Distribution by Coupon

Coupon	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Under 1%	16	36,407,662.14	77.3	4.2	0.042%	0.2
1% - 2%	3	7,324,373.61	15.5	4.6	1.408%	0.3
3% - 4%	1	141,157.23	0.3	4.7	3.125%	0.2
4% - 5%	2	3,178,077.38	6.7	4.8	4.858%	0.0
Over 5%	1	51,298.41	0.1	4.9	5.250%	0.0

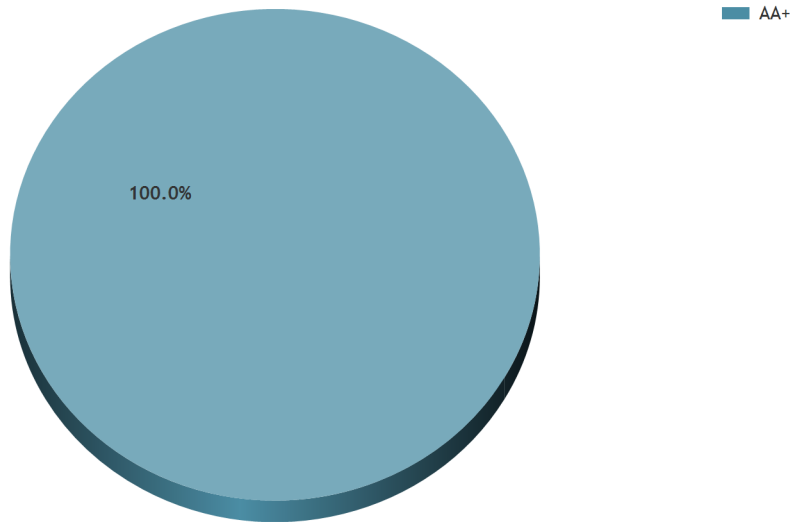
## Distribution by Duration

Duration	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Under 1 Yr	18	810,273.12	100.0	4.5	1.074%	0.1

## Distribution by Maturity



## Distribution by S&P Rating



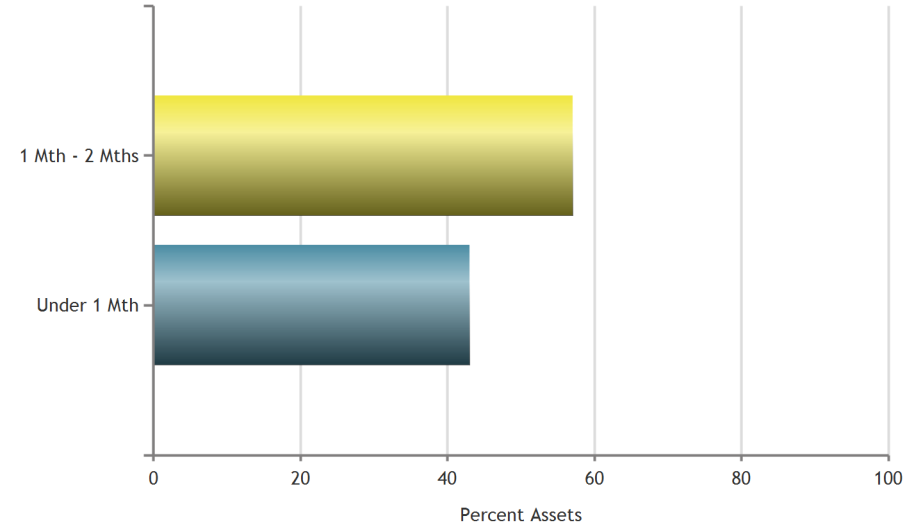
## Distribution by Coupon

Coupon	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Under 1%	12	577,426.94	71.3	4.4	0.059%	0.1
1% - 2%	1	24,999.51	3.1	4.8	1.000%	0.1
2% - 3%	1	70,709.23	8.7	4.4	2.300%	0.0
4% - 5%	2	76,443.34	9.4	4.8	4.542%	0.1
Over 5%	2	60,694.11	7.5	4.9	5.115%	0.3

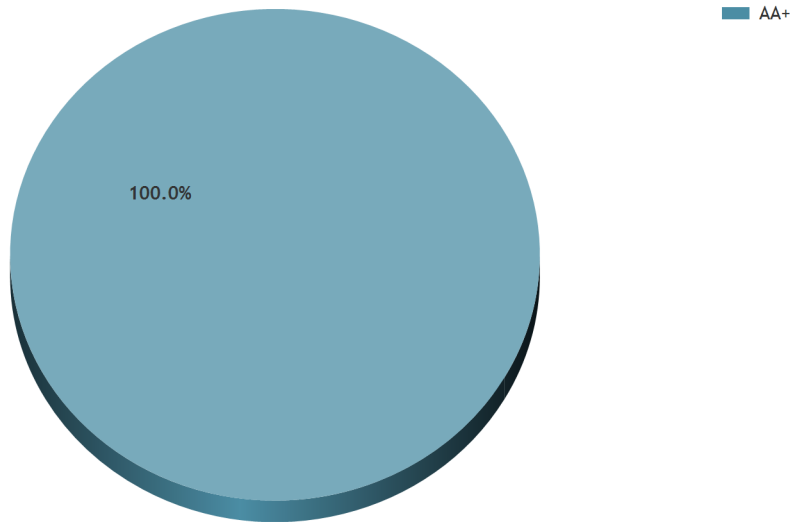
## Distribution by Duration

Duration	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Under 1 Yr	3	697,410.65	100.0	4.4	0.000%	0.1

## Distribution by Maturity



## Distribution by S&P Rating



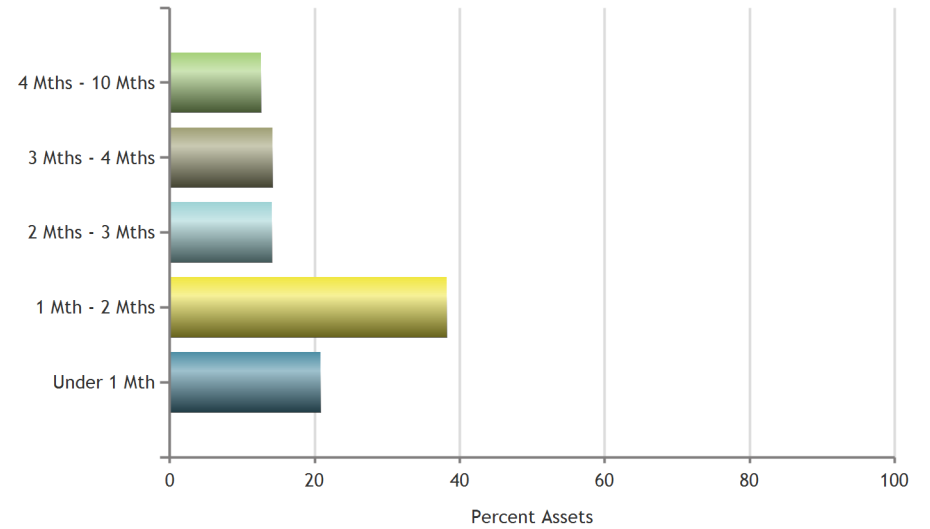
## Distribution by Coupon

Coupon	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Under 1%	3	697,410.65	100.0	4.4	0.000%	0.1

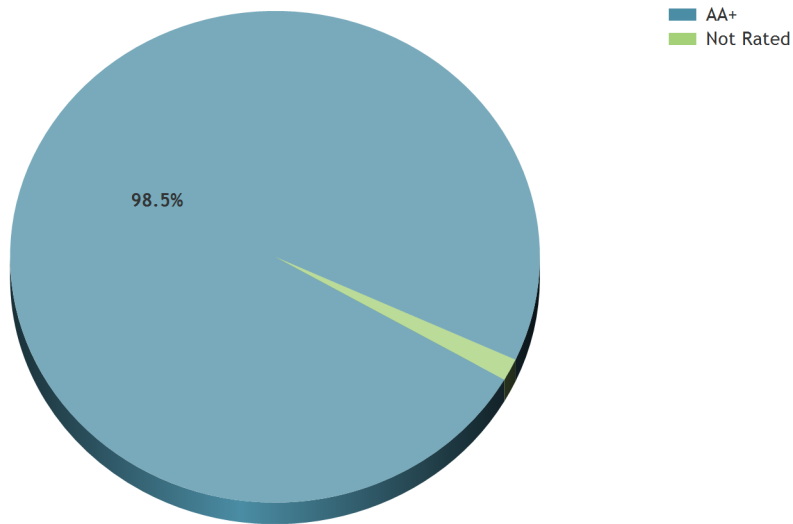
## Distribution by Duration

Duration	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Under 1 Yr	35	19,164,792.92	100.0	4.6	0.704%	0.2

## Distribution by Maturity



## Distribution by S&P Rating



## Distribution by Coupon

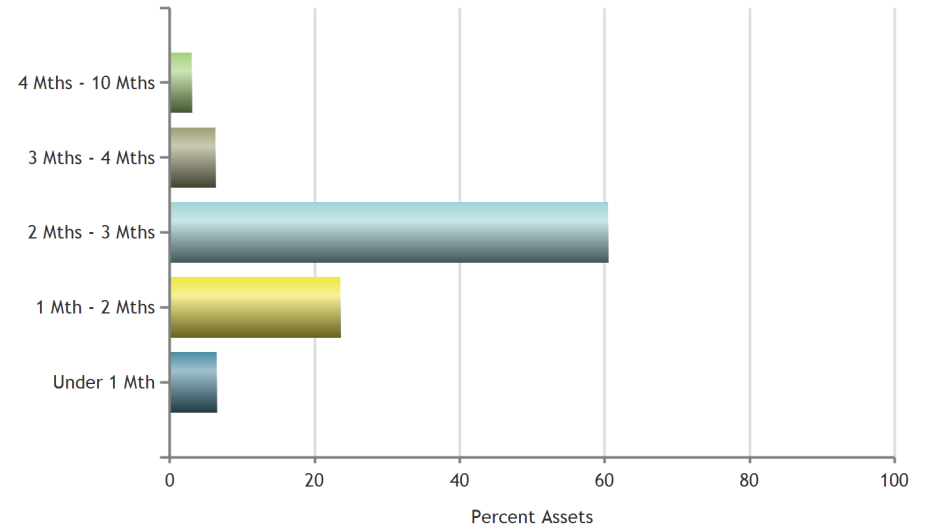
Coupon	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Under 1%	16	15,317,467.68	79.9	4.5	0.086%	0.2
1% - 2%	6	1,874,177.99	9.8	4.6	1.482%	0.3
4% - 5%	5	1,622,269.67	8.5	4.7	4.755%	0.1
Over 5%	8	350,877.59	1.8	4.8	5.254%	0.1



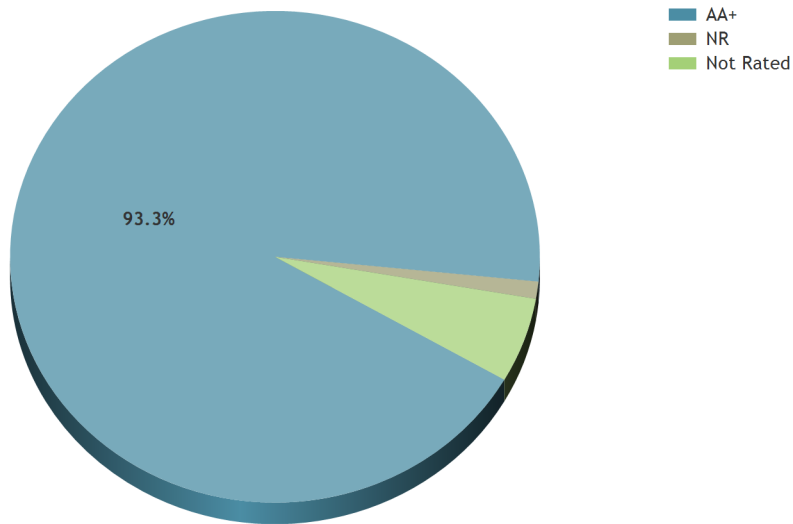
## Distribution by Duration

Duration	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Under 1 Yr	44	6,790,364.71	100.0	4.6	1.380%	0.2

## Distribution by Maturity



## Distribution by S&P Rating



## Distribution by Coupon

Coupon	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Under 1%	16	4,240,059.23	62.4	4.5	0.148%	0.2
1% - 2%	5	176,549.29	2.6	4.7	1.590%	0.2
2% - 3%	1	888,881.31	13.1	4.6	2.750%	0.2
3% - 4%	2	718,764.76	10.6	4.7	3.256%	0.2
4% - 5%	6	369,648.53	5.4	4.7	4.562%	0.1
Over 5%	14	396,461.60	5.8	4.7	5.191%	0.1

# Performance





STL Airports

# Performance Overview

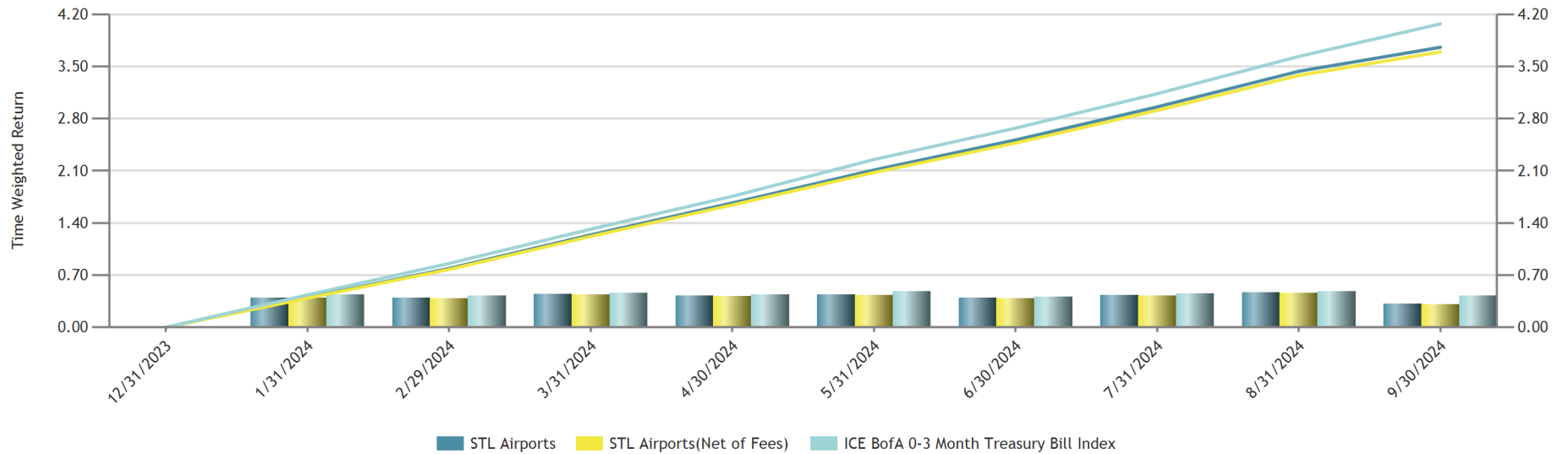
Gross of Fees | US Dollar  
9/30/2024

## Performance History

Portfolio	Month To Date	Latest 3 Months	Year To Date	Annualized Latest 1 Year	Annualized Since Inception 5/31/2023
Account	0.31	1.21	3.76	5.11	4.99
Account (Net of Fees)	0.30	1.19	3.69	5.03	4.93

Index	Month To Date	Latest 3 Months	Year To Date	Annualized Latest 1 Year	Annualized Since Inception 5/31/2023
ICE BofA 0-3 Month Treasury Bill Index	0.42	1.36	4.07	5.49	5.48

## Time Weighted Return Year To Date





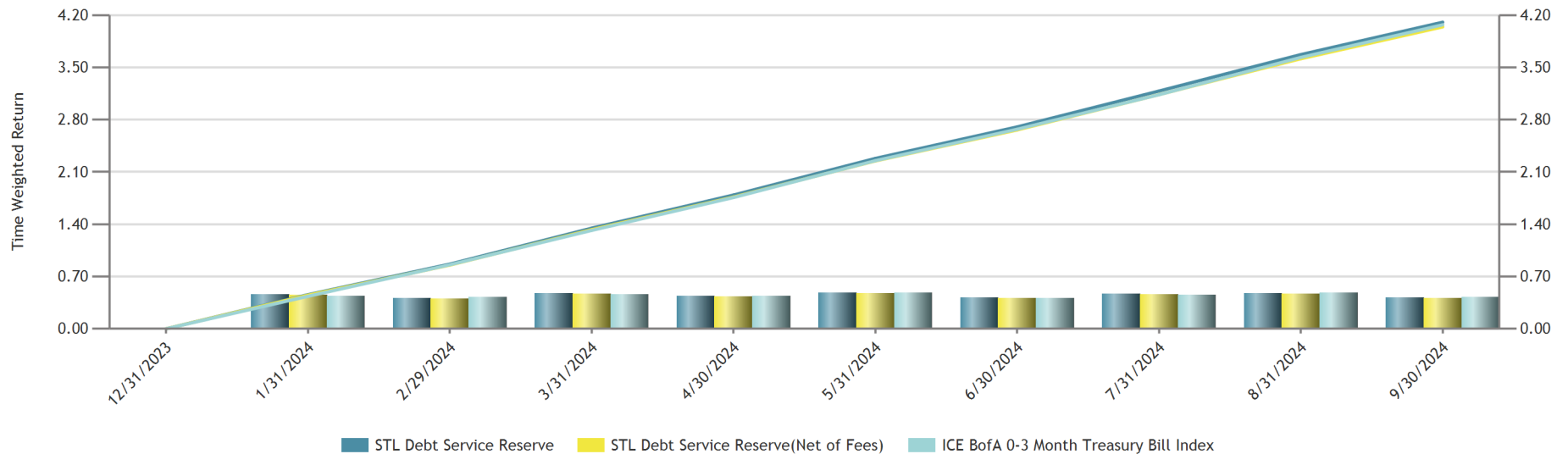
## Performance History

Portfolio	Month To Date	Latest 3 Months	Year To Date	Annualized Latest 1 Year	Annualized Since Inception 5/31/2023
Account	0.42	1.36	4.10	5.58	5.61
Account (Net of Fees)	0.41	1.34	4.04	5.50	5.54

### Index

ICE BofA 0-3 Month Treasury Bill Index	0.42	1.36	4.07	5.49	5.48
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## Time Weighted Return Year To Date





STL Forest Park

# Performance Overview

Gross of Fees | US Dollar  
9/30/2024

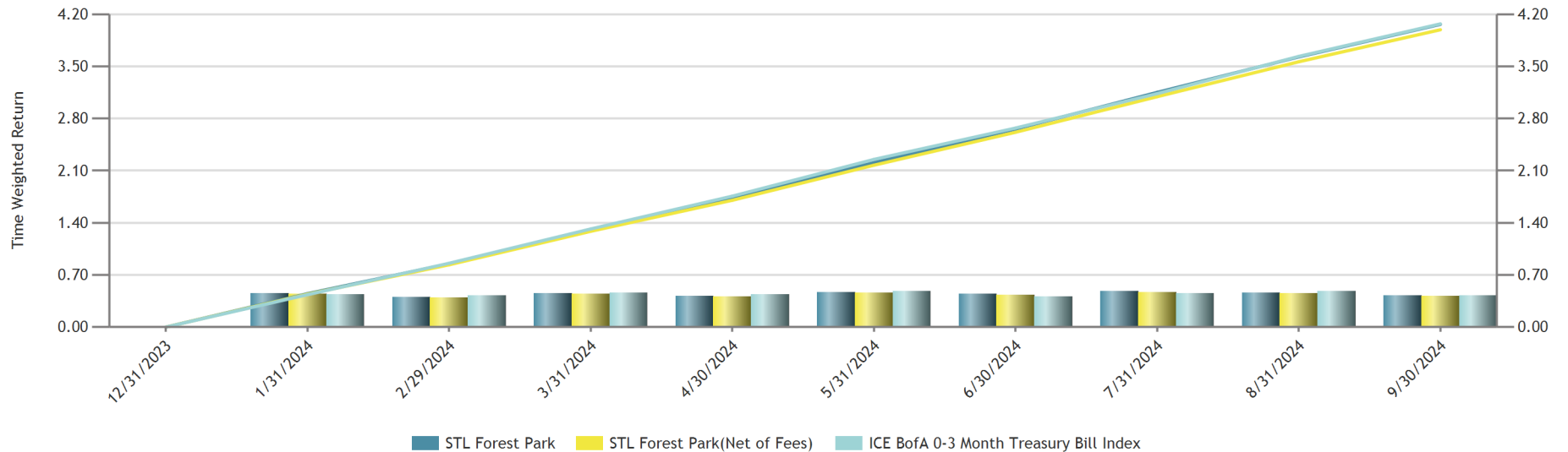
## Performance History

Portfolio	Month To Date	Latest 3 Months	Year To Date	Annualized Latest 1 Year	Annualized Since Inception 5/31/2023
Account	0.42	1.37	4.06	5.51	5.58
Account (Net of Fees)	0.42	1.34	3.99	5.42	5.51

### Index

ICE BofA 0-3 Month Treasury Bill Index	0.42	1.36	4.07	5.49	5.48
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## Time Weighted Return Year To Date





STL MFC Improvement

# Performance Overview

Gross of Fees | US Dollar  
9/30/2024

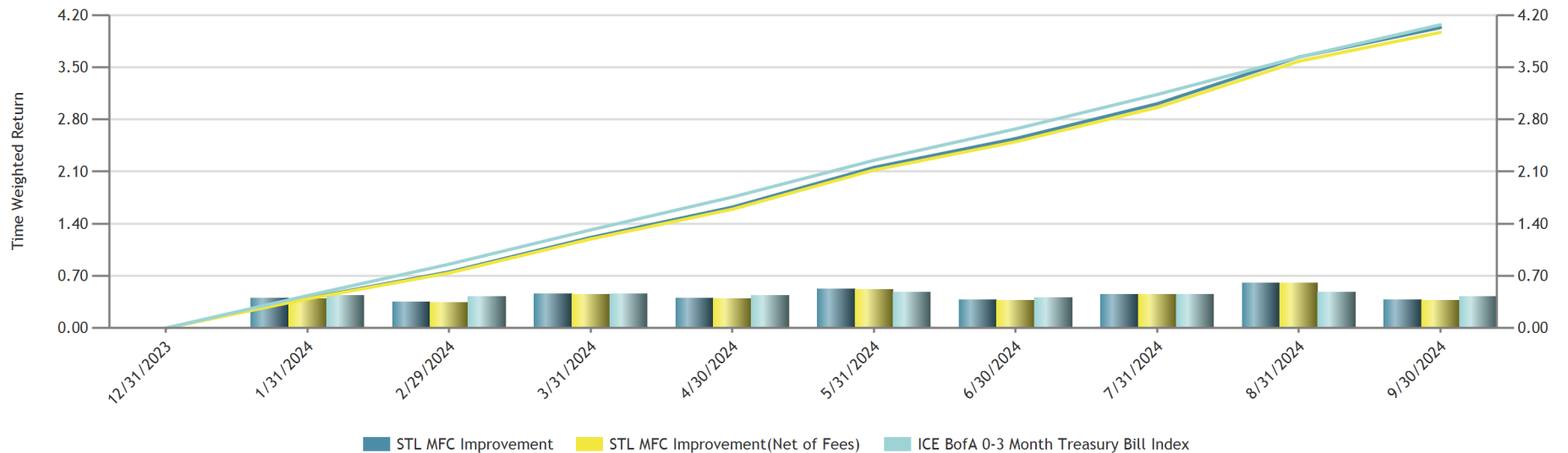
## Performance History

Portfolio	Month To Date	Latest 3 Months	Year To Date	Annualized Latest 1 Year	Annualized Since Inception 5/31/2023
Account	0.38	1.45	4.03	5.06	5.14
Account (Net of Fees)	0.37	1.43	3.97	4.97	5.08

### Index

ICE BofA 0-3 Month Treasury Bill Index	0.42	1.36	4.07	5.49	5.48
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## Time Weighted Return Year To Date





STL Parking

# Performance Overview

Gross of Fees | US Dollar  
9/30/2024

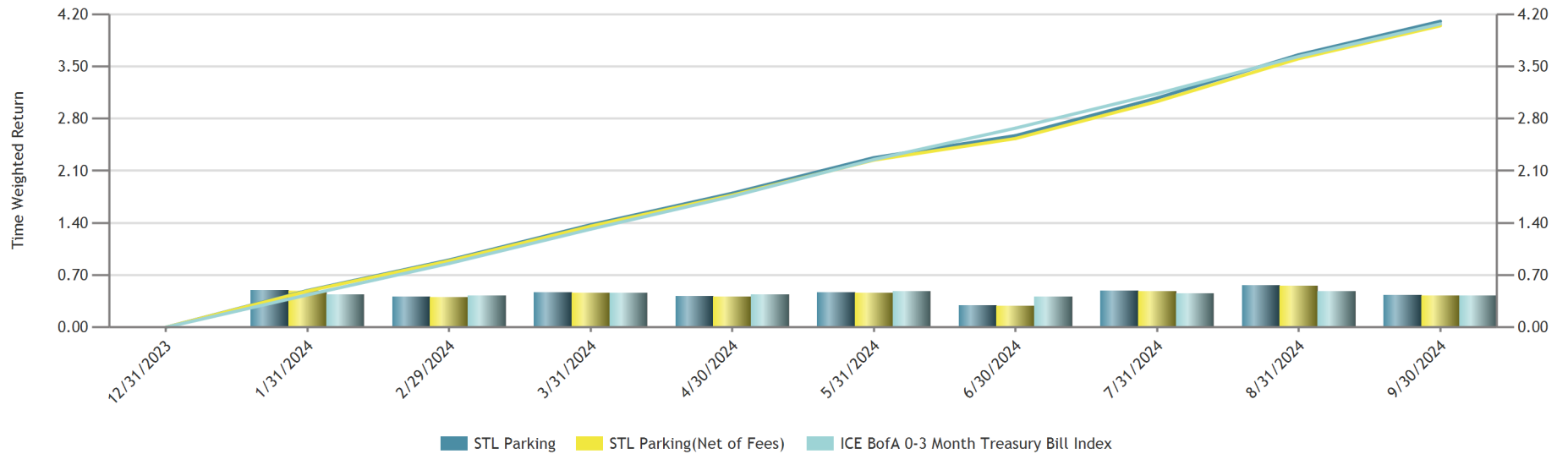
## Performance History

Portfolio	Month To Date	Latest 3 Months	Year To Date	Annualized Latest 1 Year	Annualized Since Inception 5/31/2023
Account	0.43	1.50	4.11	5.47	5.54
Account (Net of Fees)	0.43	1.48	4.05	5.38	5.47

### Index

ICE BofA 0-3 Month Treasury Bill Index	0.42	1.36	4.07	5.49	5.48
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## Time Weighted Return Year To Date



# Earned Income





SWS Capital Management  
**EARNED INCOME REPORT**  
*STL Airports*  
From 07-01-24 To 09-30-24

Security Symbol	Description	Beginning Accrued Interest	Purchased Interest	Sold Interest	Interest Received	Ending Accrued Interest	Earned Interest	Amortization/ Accretion	Earned Income
<b>TREASURY BILLS (USD)</b>									
912797KN6	UNITED STATES TREAS BILLS 0.000% Due 07-09-24	0.00	0.00	0.00	0.00	0.00	0.00	-0.49	-0.49
912797kq9	UNITED STATES TREAS BILLS 0.000% Due 07-23-24	0.00	0.00	0.00	-7,933.01	0.00	7,933.01	-77.63	7,855.38
912797KR7	UNITED STATES TREAS BILLS 0.000% Due 07-30-24	0.00	0.00	-2,274.12	-32,371.99	0.00	34,646.11	-94.19	34,551.92
912797KW6	UNITED STATES TREAS BILLS 0.000% Due 08-06-24	0.00	0.00	0.00	-24,505.00	0.00	24,505.00	-128.26	24,376.74
912797kb2	UNITED STATES TREAS BILLS 0.000% Due 08-15-24	0.00	0.00	0.00	-12,796.95	0.00	12,796.95	-2.52	12,794.43
912797KC0	UNITED STATES TREAS BILLS 0.000% Due 08-22-24	0.00	0.00	0.00	-2,258.91	0.00	2,258.91	-210.08	2,048.83
912797KZ9	UNITED STATES TREAS BILLS 0.000% Due 08-27-24	0.00	0.00	0.00	-1,111.50	0.00	1,111.50	-61.42	1,050.08
912797GL5	UNITED STATES TREAS BILLS 0.000% Due 09-05-24	0.00	0.00	-684.51	-31,079.06	0.00	31,763.57	-415.47	31,348.10
912797LG0	UNITED STATES TREAS BILLS 0.000% Due 09-10-24	0.00	0.00	0.00	-30,965.58	0.00	30,965.58	-494.88	30,470.70
912797LH8	UNITED STATES TREAS BILLS 0.000% Due 09-17-24	0.00	0.00	0.00	-35,330.51	0.00	35,330.51	-211.11	35,119.40
912797KM8	UNITED STATES TREAS BILLS 0.000% Due 09-26-24	0.00	0.00	0.00	-36,885.31	0.00	36,885.31	0.23	36,885.54
912797gw1	UNITED STATES TREAS BILLS 0.000% Due 10-03-24	0.00	0.00	0.00	0.00	0.00	0.00	-816.92	-816.92
912797LT2	UNITED STATES TREAS BILLS 0.000% Due 10-15-24	0.00	0.00	0.00	0.00	0.00	0.00	-101.61	-101.61
912797KU0	UNITED STATES TREAS BILLS 0.000% Due 10-17-24	0.00	0.00	0.00	0.00	0.00	0.00	-129.09	-129.09
912797KV8	UNITED STATES TREAS BILLS 0.000% Due 10-24-24	0.00	0.00	0.00	0.00	0.00	0.00	-507.74	-507.74
912797HE0	UNITED STATES TREAS BILLS 0.000% Due 10-31-24	0.00	0.00	0.00	0.00	0.00	0.00	-334.52	-334.52
912797MB0	UNITED STATES TREAS BILLS 0.000% Due 11-12-24	0.00	0.00	0.00	0.00	0.00	0.00	-1,016.42	-1,016.42
912797hp5	UNITED STATES TREAS BILLS 0.000% Due 11-29-24	0.00	0.00	0.00	0.00	0.00	0.00	1,330.70	1,330.70
912797LP0	UNITED STATES TREAS BILLS 0.000% Due 12-12-24	0.00	0.00	0.00	0.00	0.00	0.00	-563.26	-563.26
912797LR6	UNITED STATES TREAS BILLS 0.000% Due 01-02-25	0.00	0.00	0.00	0.00	0.00	0.00	-424.49	-424.49
912797MX2	UNITED STATES TREAS BILLS 0.000% Due 01-14-25	0.00	0.00	0.00	0.00	0.00	0.00	-249.96	-249.96

SWS Capital Management  
**EARNED INCOME REPORT**  
*STL Airports*  
From 07-01-24 To 09-30-24

Security Symbol	Description	Beginning Accrued Interest	Purchased Interest	Sold Interest	Interest Received	Ending Accrued Interest	Earned Interest	Amortization/ Accretion	Earned Income
912797MJ3	UNITED STATES TREAS BILLS 0.000% Due 02-06-25	0.00	0.00	0.00	0.00	0.00	0.00	-174.16	-174.16
		0.00	0.00	-2,958.63	-215,237.82	0.00	218,196.45	-4,683.29	213,513.16
<b>GOVERNMENT BONDS (USD)</b>									
912828ZW3	UNITED STATES TREASURY NOTES 0.250% Due 06-30-25	0.00	0.00	0.00	0.00	286.87	286.87	2,161.25	2,448.12
91282CHL8	UNITED STATES TREASURY NOTES 4.625% Due 06-30-25	0.00	0.00	0.00	0.00	2,566.87	2,566.87	368.50	2,935.37
		0.00	0.00	0.00	0.00	2,853.75	2,853.75	2,529.75	5,383.50
<b>GOVERNMENT AGENCY (USD)</b>									
3135g0v75	FEDERAL NATL MTG ASSN 1.750% Due 07-02-24	3,263.02	0.00	0.00	-1,225.00	0.00	-2,038.02	36.50	-2,001.53
3130axp51	FEDERAL HOME LOAN BANKS 5.460% Due 07-05-24	39,773.07	0.00	0.00	-40,677.00	0.00	903.93	0.00	903.93
3134GYFM9	FEDERAL HOME LOAN MTG CORP 5.050% Due 08-01-24	10,520.83	0.00	0.00	-6,312.50	0.00	-4,208.33	318.09	-3,890.24
3135g0zr7	FEDERAL NATL MTG ASSN 2.625% Due 09-06-24	12,536.20	0.00	0.00	-19,621.88	0.00	7,085.68	7,132.37	14,218.05
3130a2uw4	FEDERAL HOME LOAN BANKS 2.875% Due 09-13-24	172.50	0.00	0.00	-287.50	0.00	115.00	1,135.83	1,250.83
3130ATVD6	FEDERAL HOME LOAN BANKS call 6/26/23 4.875% Due 09-13-24	0.00	11,480.62	0.00	-13,162.50	0.00	1,681.88	419.67	2,101.55
3133ENL40	FEDERAL FARM CREDIT BANKS 3.500% Due 09-13-24	0.00	17,441.67	0.00	-22,750.00	0.00	5,308.33	3,591.77	8,900.10
880591ER9	TENNESSEE VALLEY AUTH FED BE 2.875% Due 09-15-24	23,406.49	0.00	0.00	-37,734.38	0.00	14,327.89	14,744.60	29,072.49
3134GWVE3	FEDERAL HOME LOAN MTG CORP 0.400% Due 09-25-24	0.00	1,897.77	0.00	-2,440.00	0.00	542.23	8,360.00	8,902.23
3130APHG3	FEDERAL HOME LOAN BANKS 0.610% Due 09-26-24	2,202.78	0.00	0.00	-5,083.34	0.00	2,880.56	21,433.19	24,313.76
3133ENP79	FEDERAL FARM CREDIT BANKS 4.250% Due 09-26-24	2,938.40	0.00	0.00	-5,567.50	0.00	2,629.10	694.89	3,323.98
3130AMV74	FEDERAL HOME LOAN BANKS 0.400% Due 09-30-24	0.00	924.44	0.00	-1,300.00	0.00	375.56	4,621.72	4,997.28

SWS Capital Management  
**EARNED INCOME REPORT**  
*STL Airports*  
From 07-01-24 To 09-30-24

Security Symbol	Description	Beginning Accrued Interest	Purchased Interest	Sold Interest	Interest Received	Ending Accrued Interest	Earned Interest	Amortization/ Accretion	Earned Income
3134gx3d4	FEDERAL HOME LOAN MTG CORP 4.500% Due 09-30-24	1,421.87	0.00	0.00	-2,812.50	0.00	1,390.62	266.16	1,656.79
3133epv77	FEDERAL FARM CREDIT BANKS 4.875% Due 10-01-24	35,343.75	0.00	0.00	0.00	70,294.79	34,951.04	979.74	35,930.78
3133EPVK8	FEDERAL FARM CREDIT BANKS 5.250% Due 10-02-24	648.96	0.00	0.00	0.00	1,297.92	648.96	7.56	656.52
3135G0W66	FEDERAL NATL MTG ASSN 1.625% Due 10-15-24	0.00	4,022.33	0.00	0.00	7,038.28	3,015.95	3,181.27	6,197.22
3134GXDZ4	FEDERAL HOME LOAN MTG CORP 0.450% Due 11-25-24	0.00	3,412.49	0.00	0.00	4,882.81	1,470.32	8,108.04	9,578.36
3130ARX55	FEDERAL HOME LOAN BANKS 3.125% Due 11-26-24	0.00	0.00	0.00	0.00	1,506.94	1,506.94	390.65	1,897.60
3130amr53	FEDERAL HOME LOAN BANKS 0.620% Due 12-09-24	0.00	446.40	0.00	0.00	458.80	12.40	102.86	115.26
3130atur6	FEDERAL HOME LOAN BANKS 4.625% Due 12-13-24	0.00	2,818.04	0.00	0.00	2,818.04	0.00	1.26	1.26
3130AQ4B6	FEDERAL HOME LOAN BANKS 1.200% Due 12-23-24	0.00	6,935.50	0.00	0.00	8,552.17	1,616.67	717.16	2,333.83
3137EAEP0	FEDERAL HOME LOAN MTG CORP 1.500% Due 02-12-25	1,158.33	5,765.63	0.00	-1,500.00	7,550.00	2,126.04	2,891.13	5,017.17
313385CW4	FEDERAL HOME LOAN BANKS 0.000% Due 03-10-25	0.00	0.00	0.00	0.00	0.00	0.00	2,150.41	2,150.41
		133,386.21	55,144.89	0.00	-160,474.10	104,399.75	76,342.75	81,284.88	157,627.63
<b>COMMERCIAL PAPER (USD)</b>									
06741fg35	BARCLAYS BANK PLC/BARCLAYS US 0.000% Due 07-03-24	0.00	0.00	0.00	-50,147.30	0.00	50,147.30	663.21	50,810.51
59515mgf6	MICROSOFT CORP 0.000% Due 07-15-24	0.00	0.00	0.00	-16,755.55	0.00	16,755.55	1,622.11	18,377.66
59157th97	METLIFE SHORT TERM FUNDING LLC DIS 0.000% Due 08-09-24	0.00	0.00	-30,617.59	0.00	0.00	30,617.59	9,389.62	40,007.21
69372AHC9	PACCAR FIN CORP 0.000% Due 08-12-24	0.00	0.00	0.00	0.00	0.00	0.00	221.25	221.25
63763PHE2	NATL SEC CLEARING CORP 0.000% Due 08-14-24	0.00	0.00	0.00	0.00	0.00	0.00	883.71	883.71
22533thp4	CREDIT AGRICOLE CORP 0.000% Due 08-23-24	0.00	0.00	0.00	-42,511.33	0.00	42,511.33	14,792.33	57,303.66

SWS Capital Management  
**EARNED INCOME REPORT**  
*STL Airports*  
From 07-01-24 To 09-30-24

Security Symbol	Description	Beginning Accrued Interest	Purchased Interest	Sold Interest	Interest Received	Ending Accrued Interest	Earned Interest	Amortization/ Accretion	Earned Income
59157TJ38	METLIFE SHORT TERM FUNDING LLC DIS 0.000% Due 09-03-24	0.00	0.00	0.00	-4,359.44	0.00	4,359.44	4,802.37	9,161.81
91058TJ31	UNITED HEALTHCARE CORP 0.000% Due 09-03-24	0.00	0.00	0.00	-2,061.12	0.00	2,061.12	2,061.12	4,122.24
71708EJ55	PFIZER INC 0.000% Due 09-05-24	0.00	0.00	0.00	-43,084.45	0.00	43,084.45	21,600.22	64,684.67
24422CJ61	DEERE JOHN CR INC 0.000% Due 09-06-24	0.00	0.00	0.00	0.00	0.00	0.00	1,921.11	1,921.11
4497W0J66	ING US FUNDING LLC 0.000% Due 09-06-24	0.00	0.00	0.00	-28,179.55	0.00	28,179.55	13,196.79	41,376.34
45685QJ91	ING US FUNDING LLC DISC CP 4/A2 0.000% Due 09-09-24	0.00	0.00	0.00	-11,433.62	0.00	11,433.62	4,482.38	15,916.00
45685QJA8	ING US FUNDING LLC DISC CP 4/A2 0.000% Due 09-10-24	0.00	0.00	0.00	-4,904.17	0.00	4,904.17	2,630.10	7,534.27
9113A2JT4	UNITED PARCEL SVC 0.000% Due 09-27-24	0.00	0.00	0.00	-836.67	0.00	836.67	1,115.56	1,952.23
91058TJW7	UNITED HEALTHCARE CORP 0.000% Due 09-30-24	0.00	0.00	0.00	-7,155.00	0.00	7,155.00	4,090.58	11,245.58
63873JK17	NATIXIS DISC COML PAPER 0.000% Due 10-01-24	0.00	0.00	0.00	0.00	0.00	0.00	2,498.89	2,498.89
59157TKG7	METLIFE SHORT TERM FUNDING LLC DIS 0.000% Due 10-16-24	0.00	0.00	0.00	0.00	0.00	0.00	5,471.88	5,471.88
10924hn75	BRIGHTHOUSE FINL CP DTD 9/5/2024 0% 1/7/2025 0.000% Due 01-07-25	0.00	0.00	0.00	0.00	0.00	0.00	944.55	944.55
		0.00	0.00	-30,617.59	-211,428.20	0.00	242,045.79	92,387.78	334,433.57
<b>TOTAL PORTFOLIO</b>		<b>133,386.21</b>	<b>55,144.89</b>	<b>-33,576.22</b>	<b>-587,140.12</b>	<b>107,253.50</b>	<b>539,438.74</b>	<b>171,519.12</b>	<b>710,957.86</b>

SWS Capital Management  
**EARNED INCOME REPORT**  
*STL Debt Service Reserve*  
From 07-01-24 To 09-30-24

Security Symbol	Description	Beginning Accrued Interest	Purchased Interest	Sold Interest	Interest Received	Ending Accrued Interest	Earned Interest	Amortization/ Accretion	Earned Income
<b>TREASURY BILLS (USD)</b>									
912797JS7	UNITED STATES TREAS BILLS 0.000% Due 07-18-24	0.00	0.00	-67.86	0.00	0.00	67.86	2.84	70.70
912797kq9	UNITED STATES TREAS BILLS 0.000% Due 07-23-24	0.00	0.00	0.00	0.00	0.00	0.00	-2.82	-2.82
912797KW6	UNITED STATES TREAS BILLS 0.000% Due 08-06-24	0.00	0.00	0.00	0.00	0.00	0.00	-4.10	-4.10
912797KX4	UNITED STATES TREAS BILLS 0.000% Due 08-13-24	0.00	0.00	0.00	0.00	0.00	0.00	-2.82	-2.82
912797kb2	UNITED STATES TREAS BILLS 0.000% Due 08-15-24	0.00	0.00	0.00	0.00	0.00	0.00	5.54	5.54
912797KC0	UNITED STATES TREAS BILLS 0.000% Due 08-22-24	0.00	0.00	0.00	0.00	0.00	0.00	6.54	6.54
912797KK2	UNITED STATES TREAS BILLS 0.000% Due 09-12-24	0.00	0.00	0.00	0.00	0.00	0.00	10.69	10.69
912797LJ4	UNITED STATES TREAS BILLS 0.000% Due 09-24-24	0.00	0.00	0.00	0.00	0.00	0.00	-4.87	-4.87
912797gw1	UNITED STATES TREAS BILLS 0.000% Due 10-03-24	0.00	0.00	0.00	0.00	0.00	0.00	-10.54	-10.54
912797LS4	UNITED STATES TREAS BILLS 0.000% Due 10-08-24	0.00	0.00	0.00	0.00	0.00	0.00	-10.91	-10.91
912797LT2	UNITED STATES TREAS BILLS 0.000% Due 10-15-24	0.00	0.00	0.00	0.00	0.00	0.00	-26.67	-26.67
912797KU0	UNITED STATES TREAS BILLS 0.000% Due 10-17-24	0.00	0.00	0.00	0.00	0.00	0.00	-8.86	-8.86
912797HE0	UNITED STATES TREAS BILLS 0.000% Due 10-31-24	0.00	0.00	0.00	0.00	0.00	0.00	-10.90	-10.90
912797MA2	UNITED STATES TREAS BILLS 0.000% Due 11-05-24	0.00	0.00	0.00	0.00	0.00	0.00	-9.05	-9.05
912797MB0	UNITED STATES TREAS BILLS 0.000% Due 11-12-24	0.00	0.00	0.00	0.00	0.00	0.00	-6.73	-6.73
912797LD7	UNITED STATES TREAS BILLS 0.000% Due 11-14-24	0.00	0.00	0.00	0.00	0.00	0.00	-12.78	-12.78
912797MC8	UNITED STATES TREAS BILLS 0.000% Due 11-19-24	0.00	0.00	0.00	0.00	0.00	0.00	-6.13	-6.13
912797hp5	UNITED STATES TREAS BILLS 0.000% Due 11-29-24	0.00	0.00	0.00	0.00	0.00	0.00	-4.13	-4.13
912797MN4	UNITED STATES TREAS BILLS 0.000% Due 12-10-24	0.00	0.00	0.00	0.00	0.00	0.00	1.21	1.21
		0.00	0.00	-67.86	0.00	0.00	67.86	-94.52	-26.66
<b>GOVERNMENT AGENCY (USD)</b>									
3130aqkr3	FEDERAL HOME LOAN BANKS 1.060% Due 07-26-24	91.28	0.00	0.00	-106.00	0.00	14.72	59.30	74.02

SWS Capital Management  
**EARNED INCOME REPORT**  
*STL Debt Service Reserve*  
From 07-01-24 To 09-30-24

Security Symbol	Description	Beginning Accrued Interest	Purchased Interest	Sold Interest	Interest Received	Ending Accrued Interest	Earned Interest	Amortization/ Accretion	Earned Income
3130AQL68	FEDERAL HOME LOAN BANKS 1.080% Due 07-26-24	69.75	0.00	0.00	-81.00	0.00	11.25	44.53	55.78
31331KTG5	FEDERAL FARM CREDIT BANKS 3.875% Due 08-05-24	392.88	0.00	-484.38	0.00	0.00	91.50	38.14	129.64
3133EL3R3	FEDERAL FARM CREDIT BANKS 0.440% Due 08-12-24	33.98	0.00	0.00	-44.00	0.00	10.02	111.70	121.72
3130AGWK7	FEDERAL HOME LOAN BANKS 1.500% Due 08-15-24	113.33	0.00	0.00	-150.00	0.00	36.67	94.77	131.44
3135g0zr7	FEDERAL NATL MTG ASSN 2.625% Due 09-06-24	0.00	887.40	-1,181.25	0.00	0.00	293.85	319.73	613.58
3130AT6G7	FEDERAL HOME LOAN BANKS 3.500% Due 09-13-24	0.00	772.92	-875.00	0.00	0.00	102.08	59.97	162.05
3133ENL40	FEDERAL FARM CREDIT BANKS 3.500% Due 09-13-24	157.50	0.00	0.00	-262.50	0.00	105.00	57.23	162.23
3133XVDG3	FEDERAL HOME LOAN BANKS 4.375% Due 09-13-24	262.50	0.00	0.00	-437.50	0.00	175.00	39.09	214.09
3130ANTP5	FEDERAL HOME LOAN BANKS 0.500% Due 09-16-24	65.62	0.00	0.00	-112.50	0.00	46.87	454.43	501.31
3130APHG3	FEDERAL HOME LOAN BANKS 0.610% Due 09-26-24	0.00	42.36	0.00	-63.54	0.00	21.18	163.51	184.69
3134GY7F3	FEDERAL HOME LOAN MTG CORP 5.200% Due 09-27-24	11.56	0.00	0.00	-260.00	0.00	248.44	13.16	261.60
3130ATFL6	FEDERAL HOME LOAN BANKS 4.600% Due 09-30-24	0.00	424.86	-575.00	0.00	0.00	150.14	27.19	177.33
3130ATT31	FEDERAL HOME LOAN BANKS 4.500% Due 10-03-24	0.00	993.75	0.00	0.00	1,106.25	112.50	17.25	129.75
3130ARFX4	FEDERAL HOME LOAN BANKS 2.300% Due 10-11-24	0.00	554.56	0.00	0.00	755.81	201.25	267.77	469.01
3130APLB9	FEDERAL HOME LOAN BANKS 0.850% Due 10-28-24	0.00	83.11	0.00	0.00	143.56	60.45	321.66	382.11
3130APQ81	FEDERAL HOME LOAN BANKS 1.000% Due 11-08-24	0.00	60.42	0.00	0.00	98.61	38.19	126.11	164.30
3134GY3P5	FEDERAL HOME LOAN MTG CORP 5.125% Due 11-22-24	0.00	284.01	0.00	0.00	637.78	353.77	22.76	376.53
3130atur6	FEDERAL HOME LOAN BANKS 4.625% Due 12-13-24	0.00	343.66	0.00	0.00	343.66	0.00	0.13	0.14
3130B0GL7	FEDERAL HOME LOAN BANKS 5.100% Due 03-13-25	0.00	46.04	0.00	0.00	60.21	14.17	-0.45	13.72
		1,198.40	4,493.09	-3,115.63	-1,517.04	3,145.87	2,087.05	2,237.97	4,325.02

SWS Capital Management  
**EARNED INCOME REPORT**  
*STL Debt Service Reserve*  
 From 07-01-24 To 09-30-24

Security Symbol	Description	Beginning Accrued Interest	Purchased Interest	Sold Interest	Interest Received	Ending Accrued Interest	Earned Interest	Amortization/ Accretion	Earned Income
<b>CERTIFICATES OF DEPOSIT (USD)</b>									
06051V2E5	BANK OF AMERICA NA 5.300% Due 08-22-24	135.69	0.00	0.00	-159.00	0.00	23.31	1.75	25.06
46593LEX3	JPMORGAN CHASE BANK NA 3.450% Due 08-30-24	46.88	0.00	-69.19	0.00	0.00	22.31	13.60	35.90
		182.58	0.00	-69.19	-159.00	0.00	45.61	15.35	60.96
<b>TOTAL PORTFOLIO</b>		<b>1,380.98</b>	<b>4,493.09</b>	<b>-3,252.68</b>	<b>-1,676.04</b>	<b>3,145.87</b>	<b>2,200.52</b>	<b>2,158.80</b>	<b>4,359.33</b>

SWS Capital Management  
**EARNED INCOME REPORT**  
*STL Forest Park*  
From 07-01-24 To 09-30-24

Security Symbol	Description	Beginning Accrued Interest	Purchased Interest	Sold Interest	Interest Received	Ending Accrued Interest	Earned Interest	Amortization/ Accretion	Earned Income
<b>TREASURY BILLS (USD)</b>									
912797kb2	UNITED STATES TREAS BILLS 0.000% Due 08-15-24	0.00	0.00	-5,854.07	0.00	0.00	5,854.07	-0.02	5,854.05
912797GL5	UNITED STATES TREAS BILLS 0.000% Due 09-05-24	0.00	0.00	0.00	-1,308.87	0.00	1,308.87	-46.19	1,262.68
912797LG0	UNITED STATES TREAS BILLS 0.000% Due 09-10-24	0.00	0.00	-2,138.24	0.00	0.00	2,138.24	-0.39	2,137.85
912797LH8	UNITED STATES TREAS BILLS 0.000% Due 09-17-24	0.00	0.00	-2,491.44	0.00	0.00	2,491.44	-1.13	2,490.31
912797KM8	UNITED STATES TREAS BILLS 0.000% Due 09-26-24	0.00	0.00	-2,702.60	0.00	0.00	2,702.60	2.83	2,705.43
912797LS4	UNITED STATES TREAS BILLS 0.000% Due 10-08-24	0.00	0.00	0.00	0.00	0.00	0.00	-67.06	-67.06
912797KV8	UNITED STATES TREAS BILLS 0.000% Due 10-24-24	0.00	0.00	-4,639.50	0.00	0.00	4,639.50	-7.33	4,632.17
912797HE0	UNITED STATES TREAS BILLS 0.000% Due 10-31-24	0.00	0.00	0.00	0.00	0.00	0.00	-39.56	-39.56
912797hp5	UNITED STATES TREAS BILLS 0.000% Due 11-29-24	0.00	0.00	0.00	0.00	0.00	0.00	11.39	11.39
		0.00	0.00	-17,825.85	-1,308.87	0.00	19,134.72	-147.46	18,987.26
<b>GOVERNMENT AGENCY (USD)</b>									
3134GYFM9	FEDERAL HOME LOAN MTG CORP 5.050% Due 08-01-24	6,312.50	0.00	0.00	-7,575.00	0.00	1,262.50	190.85	1,453.35
3130ATVD6	FEDERAL HOME LOAN BANKS call 6/26/23 4.875% Due 09-13-24	0.00	538.28	0.00	-609.38	0.00	71.10	9.22	80.32
880591ER9	TENNESSEE VALLEY AUTH FED BE 2.875% Due 09-15-24	4,232.64	0.00	-4,791.67	0.00	0.00	559.03	384.05	943.09
3134gx3d4	FEDERAL HOME LOAN MTG CORP 4.500% Due 09-30-24	1,137.50	0.00	0.00	-2,250.00	0.00	1,112.50	212.93	1,325.43
3133epv77	FEDERAL FARM CREDIT BANKS 4.875% Due 10-01-24	4,265.62	0.00	-4,929.17	0.00	0.00	663.54	14.22	677.76
		15,948.26	538.28	-9,720.84	-10,434.38	0.00	3,668.68	811.27	4,479.95
<b>TOTAL PORTFOLIO</b>		<b>15,948.26</b>	<b>538.28</b>	<b>-27,546.69</b>	<b>-11,743.25</b>	<b>0.00</b>	<b>22,803.40</b>	<b>663.81</b>	<b>23,467.21</b>



SWS Capital Management  
**EARNED INCOME REPORT**  
***STL MFC Improvement***  
From 07-01-24 To 09-30-24

Security Symbol	Description	Beginning Accrued Interest	Purchased Interest	Sold Interest	Interest Received	Ending Accrued Interest	Earned Interest	Amortization/ Accretion	Earned Income
<b>TREASURY BILLS (USD)</b>									
912797KN6	UNITED STATES TREAS BILLS 0.000% Due 07-09-24	0.00	0.00	0.00	-13,536.91	0.00	13,536.91	-7.77	13,529.14
912797JS7	UNITED STATES TREAS BILLS 0.000% Due 07-18-24	0.00	0.00	0.00	-3,973.67	0.00	3,973.67	25.30	3,998.97
912797kq9	UNITED STATES TREAS BILLS 0.000% Due 07-23-24	0.00	0.00	-78.17	-19,382.74	0.00	19,460.91	-134.70	19,326.21
912797KW6	UNITED STATES TREAS BILLS 0.000% Due 08-06-24	0.00	0.00	0.00	-25,608.15	0.00	25,608.15	-157.20	25,450.95
912797kb2	UNITED STATES TREAS BILLS 0.000% Due 08-15-24	0.00	0.00	-11,183.54	-23,546.19	0.00	34,729.73	-1.20	34,728.53
912797KC0	UNITED STATES TREAS BILLS 0.000% Due 08-22-24	0.00	0.00	-128.25	-2,078.19	0.00	2,206.44	-170.95	2,035.49
912797GL5	UNITED STATES TREAS BILLS 0.000% Due 09-05-24	0.00	0.00	0.00	-16,647.57	0.00	16,647.57	-169.38	16,478.19
912797LG0	UNITED STATES TREAS BILLS 0.000% Due 09-10-24	0.00	0.00	0.00	-15,228.20	0.00	15,228.20	-142.25	15,085.95
912797LH8	UNITED STATES TREAS BILLS 0.000% Due 09-17-24	0.00	0.00	0.00	-19,993.42	0.00	19,993.42	-118.35	19,875.07
912797KL0	UNITED STATES TREAS BILLS 0.000% Due 09-19-24	0.00	0.00	0.00	-10,006.47	0.00	10,006.47	-32.17	9,974.30
912797KM8	UNITED STATES TREAS BILLS 0.000% Due 09-26-24	0.00	0.00	0.00	-17,386.04	0.00	17,386.04	73.75	17,459.79
912797gw1	UNITED STATES TREAS BILLS 0.000% Due 10-03-24	0.00	0.00	-5,733.34	-16,444.68	0.00	22,178.02	-300.66	21,877.36
912797LS4	UNITED STATES TREAS BILLS 0.000% Due 10-08-24	0.00	0.00	0.00	0.00	0.00	0.00	-89.41	-89.41
912797KU0	UNITED STATES TREAS BILLS 0.000% Due 10-17-24	0.00	0.00	-2,420.46	0.00	0.00	2,420.46	-119.82	2,300.64
912797KV8	UNITED STATES TREAS BILLS 0.000% Due 10-24-24	0.00	0.00	0.00	0.00	0.00	0.00	-72.86	-72.86
912797HE0	UNITED STATES TREAS BILLS 0.000% Due 10-31-24	0.00	0.00	0.00	0.00	0.00	0.00	-179.13	-179.13
912797MB0	UNITED STATES TREAS BILLS 0.000% Due 11-12-24	0.00	0.00	0.00	0.00	0.00	0.00	-390.93	-390.93
912797md6	UNITED STATES TREAS BILLS 0.000% Due 11-26-24	0.00	0.00	0.00	0.00	0.00	0.00	-85.12	-85.12
912797hp5	UNITED STATES TREAS BILLS 0.000% Due 11-29-24	0.00	0.00	0.00	0.00	0.00	0.00	361.13	361.13
912797LP0	UNITED STATES TREAS BILLS 0.000% Due 12-12-24	0.00	0.00	0.00	0.00	0.00	0.00	-214.58	-214.58
912797MR5	UNITED STATES TREAS BILLS 0.000% Due 12-31-24	0.00	0.00	0.00	0.00	0.00	0.00	-64.90	-64.90

SWS Capital Management  
**EARNED INCOME REPORT**  
***STL MFC Improvement***  
From 07-01-24 To 09-30-24

Security Symbol	Description	Beginning Accrued Interest	Purchased Interest	Sold Interest	Interest Received	Ending Accrued Interest	Earned Interest	Amortization/ Accretion	Earned Income
912797MX2	UNITED STATES TREAS BILLS 0.000% Due 01-14-25	0.00	0.00	0.00	0.00	0.00	0.00	-89.48	-89.48
912797MJ3	UNITED STATES TREAS BILLS 0.000% Due 02-06-25	0.00	0.00	0.00	0.00	0.00	0.00	-73.09	-73.09
		0.00	0.00	-19,543.76	-183,832.23	0.00	203,375.99	-2,153.74	201,222.25
<b>GOVERNMENT AGENCY (USD)</b>									
3134GXZZ0	FEDERAL HOME LOAN MTG CORP 4.000% Due 07-12-24	6,853.89	0.00	0.00	-7,300.00	0.00	446.11	177.76	623.87
313384B99	FEDERAL HOME LOAN BANKS 0.000% Due 08-14-24	0.00	0.00	0.00	-22,791.11	0.00	22,791.11	6,280.89	29,072.00
3133X8EW8	FEDERAL HOME LOAN BANKS 5.375% Due 08-15-24	507.64	0.00	0.00	-671.88	0.00	164.24	2.26	166.51
3135GA4R9	FEDERAL NATL MTG ASSN 0.420% Due 08-23-24	634.67	0.00	-259.47	-556.50	0.00	181.30	2,078.88	2,260.18
3135g0zr7	FEDERAL NATL MTG ASSN 2.625% Due 09-06-24	3,454.79	0.00	0.00	-5,407.50	0.00	1,952.71	1,997.31	3,950.02
3130a2uw4	FEDERAL HOME LOAN BANKS 2.875% Due 09-13-24	4,441.87	4,420.31	0.00	-13,871.88	0.00	5,009.69	4,467.74	9,477.43
3130ATVD6	FEDERAL HOME LOAN BANKS call 6/26/23 4.875% Due 09-13-24	0.00	17,038.12	0.00	-20,840.63	0.00	3,802.51	487.04	4,289.55
3133XVDG3	FEDERAL HOME LOAN BANKS 4.375% Due 09-13-24	590.62	0.00	0.00	-984.38	0.00	393.75	97.60	491.35
880591ER9	TENNESSEE VALLEY AUTH FED BE 2.875% Due 09-15-24	5,460.10	0.00	0.00	-9,271.88	0.00	3,811.78	3,439.52	7,251.30
3130ASZG7	FEDERAL HOME LOAN BANKS 4.000% Due 09-16-24	4,666.67	0.00	-1,933.33	-5,000.00	0.00	2,266.66	838.30	3,104.96
3134GWVE3	FEDERAL HOME LOAN MTG CORP 0.400% Due 09-25-24	0.00	1,330.00	-82.22	-1,610.00	0.00	362.22	4,479.75	4,841.97
3130APHG3	FEDERAL HOME LOAN BANKS 0.610% Due 09-26-24	550.69	0.00	0.00	-1,270.83	0.00	720.14	5,358.30	6,078.44
3130AMXE7	FEDERAL HOME LOAN BANKS 0.520% Due 09-30-24	0.00	32.93	0.00	-52.00	0.00	19.07	181.21	200.28
3133epv77	FEDERAL FARM CREDIT BANKS 4.875% Due 10-01-24	12,857.81	0.00	0.00	0.00	25,572.76	12,714.95	356.42	13,071.36
3133EPVK8	FEDERAL FARM CREDIT BANKS 5.250% Due 10-02-24	908.54	0.00	0.00	0.00	1,817.08	908.54	10.59	919.13
3133EK4Y9	FEDERAL FARM CREDIT BANKS 1.650% Due 11-01-24	0.00	1,355.20	0.00	0.00	2,403.87	1,048.67	2,374.69	3,423.36

SWS Capital Management  
**EARNED INCOME REPORT**  
***STL MFC Improvement***  
From 07-01-24 To 09-30-24

Security Symbol	Description	Beginning Accrued Interest	Purchased Interest	Sold Interest	Interest Received	Ending Accrued Interest	Earned Interest	Amortization/ Accretion	Earned Income
3133ENZ94	FEDERAL FARM CREDIT BANKS 4.500% Due 11-18-24	322.50	0.00	0.00	0.00	990.00	667.50	133.27	800.77
3134GXDZ4	FEDERAL HOME LOAN MTG CORP 0.450% Due 11-25-24	0.00	2,165.63	0.00	0.00	2,578.12	412.49	4,281.05	4,693.54
3130amr53	FEDERAL HOME LOAN BANKS 0.620% Due 12-09-24	0.00	1,674.00	0.00	0.00	1,720.50	46.50	385.72	432.22
3130AQ3N1	FEDERAL HOME LOAN BANKS 1.080% Due 12-13-24	86.40	0.00	0.00	0.00	513.60	427.20	1,641.24	2,068.44
3130atur6	FEDERAL HOME LOAN BANKS 4.625% Due 12-13-24	0.00	3,780.30	0.00	0.00	3,780.30	0.00	1.69	1.68
3135G06M0	FEDERAL NATL MTG ASSN 0.500% Due 12-16-24	5.21	0.00	0.00	0.00	36.11	30.90	291.56	322.46
3133EN4N7	FEDERAL FARM CREDIT BANKS 4.250% Due 12-20-24	0.00	401.39	0.00	0.00	1,180.56	779.17	184.35	963.52
3134GYAT9	FEDERAL HOME LOAN MTG CORP 5.050% Due 12-30-24	14.03	0.00	0.00	-1,262.50	0.00	1,248.47	85.28	1,333.75
3133EN5Q9	FEDERAL FARM CREDIT BANKS 4.500% Due 01-10-25	2,137.50	0.00	0.00	-2,250.00	1,000.00	1,112.50	202.26	1,314.76
3130AQHK2	FEDERAL HOME LOAN BANKS 1.200% Due 01-27-25	513.33	0.00	0.00	-600.00	210.00	296.67	991.68	1,288.35
3133EMER9	FEDERAL FARM CREDIT BANKS 0.470% Due 01-27-25	86.45	0.00	0.00	-101.05	35.37	49.96	503.53	553.50
3137EAEP0	FEDERAL HOME LOAN MTG CORP 1.500% Due 02-12-25	4,198.96	843.75	0.00	-5,437.50	2,350.00	2,744.79	6,545.07	9,289.87
3133ENPG9	FEDERAL FARM CREDIT BANKS 1.750% Due 02-14-25	486.16	0.00	0.00	-638.75	163.24	315.83	623.11	938.94
3133elqy3	FEDERAL FARM CREDIT BANKS 1.210% Due 03-03-25	103.12	0.00	0.00	-157.30	23.59	77.78	258.12	335.90
		48,880.97	33,041.63	-2,275.02	-100,075.69	44,375.10	64,803.21	48,756.20	113,559.41
<b>CERTIFICATES OF DEPOSIT (USD)</b>									
46656MYS4	JPMORGAN CHASE BANK NA 5.100% Due 08-05-24	994.85	0.00	0.00	-1,017.21	0.00	22.36	2.21	24.57
06051V7U4	BANK OF AMERICA NA 5.000% Due 08-07-24	1,072.60	0.00	0.00	-1,346.30	0.00	273.70	30.57	304.26
949764EK6	WELLS FARGO BANK NA 5.300% Due 08-07-24	3,223.85	0.00	0.00	-3,604.00	0.00	380.15	28.36	408.51
9497636f8	WELLS FARGO BANK NA 4.700% Due 08-15-24	113.32	0.00	0.00	-432.02	0.00	318.70	52.05	370.76

SWS Capital Management  
**EARNED INCOME REPORT**  
***STL MFC Improvement***  
From 07-01-24 To 09-30-24

Security Symbol	Description	Beginning Accrued Interest	Purchased Interest	Sold Interest	Interest Received	Ending Accrued Interest	Earned Interest	Amortization/ Accretion	Earned Income
949764FH2	WELLS FARGO BANK NA 5.350% Due 08-27-24	1,119.47	0.00	0.00	-1,333.84	0.00	214.37	13.86	228.23
46656ME23	JPMORGAN CHASE BANK NA 5.200% Due 09-16-24	1,198.85	0.00	0.00	-1,426.08	0.00	227.23	15.98	243.22
38150VSV2	GOLDMAN SACHS BANK USA 5.150% Due 10-16-24	536.16	0.00	0.00	0.00	1,178.15	641.99	50.04	692.02
46656mav3	JPMORGAN CHASE BANK NA 5.250% Due 10-28-24	92.05	0.00	0.00	0.00	222.95	130.89	6.16	137.05
17312Q4S5	CITIBANK NA 5.300% Due 11-04-24	308.42	0.00	0.00	0.00	784.11	475.69	22.16	497.85
61768ETP8	MORGAN STANLEY PRIVATE BANK NATL 5.050% Due 11-18-24	311.30	0.00	0.00	0.00	940.82	629.52	58.02	687.54
15987UCG1	CHARLES SCHWAB BANK SSB WESTLAKE 5.350% Due 12-04-24	278.49	0.00	0.00	0.00	945.41	666.92	21.63	688.54
46656M3J8	JPMORGAN CHASE BANK NA 5.300% Due 01-10-25	0.00	444.33	0.00	0.00	502.41	58.08	0.15	58.23
46656M4K4	JPMORGAN CHASE BANK NA 5.400% Due 01-21-25	615.60	0.00	0.00	0.00	1,382.99	767.39	27.85	795.24
46656MQ95	JPMORGAN CHASE BANK NA 5.400% Due 01-28-25	752.15	0.00	0.00	-1,292.01	0.00	539.86	8.16	548.02
		10,617.12	444.33	0.00	-10,451.46	5,956.84	5,346.85	337.20	5,684.05
<b>COMMERCIAL PAPER (USD)</b>									
59157th97	METLIFE SHORT TERM FUNDING LLC DIS 0.000% Due 08-09-24	0.00	0.00	-6,494.64	0.00	0.00	6,494.64	1,991.74	8,486.38
22533thp4	CREDIT AGRICOLE CORP 0.000% Due 08-23-24	0.00	0.00	0.00	-10,305.78	0.00	10,305.78	3,114.17	13,419.95
59157TJ38	METLIFE SHORT TERM FUNDING LLC DIS 0.000% Due 09-03-24	0.00	0.00	0.00	-4,359.44	0.00	4,359.44	2,354.10	6,713.54
91058TJ31	UNITED HEALTHCARE CORP 0.000% Due 09-03-24	0.00	0.00	0.00	-1,030.56	0.00	1,030.56	1,030.56	2,061.12
71708EJ55	PFIZER INC 0.000% Due 09-05-24	0.00	0.00	0.00	-5,385.56	0.00	5,385.56	2,400.03	7,785.59
24422CJ95	DEERE JOHN CR INC 0.000% Due 09-09-24	0.00	0.00	0.00	-1,810.28	0.00	1,810.28	1,810.28	3,620.56
45685QJ91	ING US FUNDING LLC DISC CP 4/A2 0.000% Due 09-09-24	0.00	0.00	0.00	-10,441.67	0.00	10,441.67	4,093.50	14,535.17
		0.00	0.00	-6,494.64	-33,333.29	0.00	39,827.93	16,794.38	56,622.31



SWS Capital Management  
**EARNED INCOME REPORT**  
***STL MFC Improvement***  
 From 07-01-24 To 09-30-24

Security Symbol	Description	Beginning Accrued Interest	Purchased Interest	Sold Interest	Interest Received	Ending Accrued Interest	Earned Interest	Amortization/ Accretion	Earned Income
<b>TOTAL PORTFOLIO</b>		59,498.09	33,485.96	-28,313.42	-327,692.67	50,331.94	313,353.98	63,734.03	377,088.01

SWS Capital Management  
**EARNED INCOME REPORT**  
*STL Parking*  
From 07-01-24 To 09-30-24

Security Symbol	Description	Beginning Accrued Interest	Purchased Interest	Sold Interest	Interest Received	Ending Accrued Interest	Earned Interest	Amortization/ Accretion	Earned Income	
<b>TREASURY BILLS (USD)</b>										
912797KN6	UNITED STATES TREAS BILLS 0.000% Due 07-09-24	0.00	0.00	0.00	-2,876.60	0.00	2,876.60	-1.65	2,874.95	
912797kq9	UNITED STATES TREAS BILLS 0.000% Due 07-23-24	0.00	0.00	0.00	-245.35	0.00	245.35	-1.70	243.65	
912797KW6	UNITED STATES TREAS BILLS 0.000% Due 08-06-24	0.00	0.00	0.00	-1,014.00	0.00	1,014.00	-5.31	1,008.69	
912797kb2	UNITED STATES TREAS BILLS 0.000% Due 08-15-24	0.00	0.00	0.00	-767.82	0.00	767.82	-0.09	767.73	
912797KC0	UNITED STATES TREAS BILLS 0.000% Due 08-22-24	0.00	0.00	0.00	-1,423.12	0.00	1,423.12	-110.29	1,312.83	
912797GL5	UNITED STATES TREAS BILLS 0.000% Due 09-05-24	0.00	0.00	0.00	-3,334.72	0.00	3,334.72	-21.81	3,312.91	
912797LG0	UNITED STATES TREAS BILLS 0.000% Due 09-10-24	0.00	0.00	0.00	-1,350.19	0.00	1,350.19	-24.99	1,325.20	
912797LH8	UNITED STATES TREAS BILLS 0.000% Due 09-17-24	0.00	0.00	0.00	-3,916.15	0.00	3,916.15	-20.45	3,895.70	
912797KL0	UNITED STATES TREAS BILLS 0.000% Due 09-19-24	0.00	0.00	0.00	-859.54	0.00	859.54	-6.94	852.60	
912797KM8	UNITED STATES TREAS BILLS 0.000% Due 09-26-24	0.00	0.00	0.00	-1,599.94	0.00	1,599.94	6.79	1,606.73	
912797gw1	UNITED STATES TREAS BILLS 0.000% Due 10-03-24	0.00	0.00	0.00	0.00	0.00	0.00	-7.70	-7.70	
912797LT2	UNITED STATES TREAS BILLS 0.000% Due 10-15-24	0.00	0.00	0.00	0.00	0.00	0.00	-16.16	-16.16	
912797KU0	UNITED STATES TREAS BILLS 0.000% Due 10-17-24	0.00	0.00	0.00	0.00	0.00	0.00	-6.04	-6.04	
912797KV8	UNITED STATES TREAS BILLS 0.000% Due 10-24-24	0.00	0.00	0.00	0.00	0.00	0.00	-12.27	-12.27	
912797HE0	UNITED STATES TREAS BILLS 0.000% Due 10-31-24	0.00	0.00	0.00	0.00	0.00	0.00	-26.71	-26.71	
912797MB0	UNITED STATES TREAS BILLS 0.000% Due 11-12-24	0.00	0.00	0.00	0.00	0.00	0.00	-46.91	-46.91	
912797md6	UNITED STATES TREAS BILLS 0.000% Due 11-26-24	0.00	0.00	0.00	0.00	0.00	0.00	-4.41	-4.41	
912797hp5	UNITED STATES TREAS BILLS 0.000% Due 11-29-24	0.00	0.00	0.00	0.00	0.00	0.00	56.17	56.17	
912797LF2	UNITED STATES TREAS BILLS 0.000% Due 12-05-24	0.00	0.00	0.00	0.00	0.00	0.00	-118.62	-118.62	
912797LP0	UNITED STATES TREAS BILLS 0.000% Due 12-12-24	0.00	0.00	0.00	0.00	0.00	0.00	-402.49	-402.49	
912797MR5	UNITED STATES TREAS BILLS 0.000% Due 12-31-24	0.00	0.00	0.00	0.00	0.00	0.00	-10.81	-10.81	

SWS Capital Management  
**EARNED INCOME REPORT**  
***STL Parking***  
From 07-01-24 To 09-30-24

Security Symbol	Description	Beginning Accrued Interest	Purchased Interest	Sold Interest	Interest Received	Ending Accrued Interest	Earned Interest	Amortization/ Accretion	Earned Income
912797MX2	UNITED STATES TREAS BILLS 0.000% Due 01-14-25	0.00	0.00	0.00	0.00	0.00	0.00	-12.68	-12.68
912797MJ3	UNITED STATES TREAS BILLS 0.000% Due 02-06-25	0.00	0.00	0.00	0.00	0.00	0.00	-9.33	-9.33
		0.00	0.00	0.00	-17,387.43	0.00	17,387.43	-804.41	16,583.02
<b>GOVERNMENT AGENCY (USD)</b>									
3134GXZZ0	FEDERAL HOME LOAN MTG CORP 4.000% Due 07-12-24	1,164.22	0.00	0.00	-1,240.00	0.00	75.78	30.19	105.97
3134GYFM9	FEDERAL HOME LOAN MTG CORP 5.050% Due 08-01-24	1,052.08	0.00	0.00	-1,262.50	0.00	210.42	31.81	242.23
3130ASN62	FEDERAL HOME LOAN BANKS 4.000% Due 08-08-24	238.33	0.00	0.00	-300.00	0.00	61.67	22.92	84.59
3134GYJY9	FEDERAL HOME LOAN MTG CORP 5.300% Due 08-28-24	633.79	0.00	0.00	-927.50	0.00	293.71	14.20	307.90
3130a2uw4	FEDERAL HOME LOAN BANKS 2.875% Due 09-13-24	431.25	245.57	0.00	-1,078.13	0.00	401.31	346.77	748.08
3130ATVD6	FEDERAL HOME LOAN BANKS call 6/26/23 4.875% Due 09-13-24	0.00	7,105.31	0.00	-8,043.76	0.00	938.45	121.68	1,060.13
3130AVB84	FEDERAL HOME LOAN BANKS 5.250% Due 09-13-24	1,575.00	0.00	0.00	-2,625.00	0.00	1,050.00	39.52	1,089.52
880591ER9	TENNESSEE VALLEY AUTH FED BE 2.875% Due 09-15-24	550.24	0.00	0.00	-934.38	0.00	384.14	346.62	730.76
3130ASZG7	FEDERAL HOME LOAN BANKS 4.000% Due 09-16-24	933.33	0.00	0.00	-1,600.00	0.00	666.67	226.70	893.37
3134GWVE3	FEDERAL HOME LOAN MTG CORP 0.400% Due 09-25-24	0.00	194.45	0.00	-250.00	0.00	55.55	687.50	743.05
3134gx3d4	FEDERAL HOME LOAN MTG CORP 4.500% Due 09-30-24	3,128.12	0.00	0.00	-6,187.50	0.00	3,059.37	585.55	3,644.93
3133epv77	FEDERAL FARM CREDIT BANKS 4.875% Due 10-01-24	365.62	0.00	0.00	0.00	727.19	361.56	10.14	371.70
3135G0W66	FEDERAL NATL MTG ASSN 1.625% Due 10-15-24	0.00	210.12	0.00	0.00	260.68	50.56	117.83	168.38
3130ATN78	FEDERAL HOME LOAN BANKS 5.000% Due 10-25-24	91.67	0.00	0.00	0.00	215.28	123.61	10.68	134.30

SWS Capital Management  
**EARNED INCOME REPORT**  
***STL Parking***  
From 07-01-24 To 09-30-24

Security Symbol	Description	Beginning Accrued Interest	Purchased Interest	Sold Interest	Interest Received	Ending Accrued Interest	Earned Interest	Amortization/ Accretion	Earned Income
3133EK4Y9	FEDERAL FARM CREDIT BANKS 1.650% Due 11-01-24	0.00	77.00	0.00	0.00	136.58	59.58	134.92	194.51
3133EK6J0	FEDERAL FARM CREDIT BANKS 1.625% Due 11-08-24	47.85	0.00	0.00	0.00	128.19	80.35	182.39	262.74
31315PCY3	FEDERAL AGRIC MTG CORP 5.250% Due 11-20-24	0.00	557.81	0.00	0.00	1,421.87	864.06	-110.07	753.99
3133EN6N5	FEDERAL FARM CREDIT BANKS 4.250% Due 11-20-24	0.00	421.46	0.00	0.00	1,074.31	652.85	183.42	836.27
3134GXDZ4	FEDERAL HOME LOAN MTG CORP 0.450% Due 11-25-24	3.60	295.32	0.00	0.00	364.06	65.14	678.38	743.52
3130ARX55	FEDERAL HOME LOAN BANKS 3.125% Due 11-26-24	0.00	3,188.80	0.00	0.00	5,005.21	1,816.41	1,297.53	3,113.94
3130AU2V5	FEDERAL HOME LOAN BANKS 5.060% Due 12-05-24	54.82	0.00	0.00	0.00	242.46	187.64	14.86	202.51
3130AU2C7	FEDERAL HOME LOAN BANKS 5.300% Due 12-06-24	0.00	2,164.17	0.00	-4,637.50	0.00	2,473.33	8.30	2,481.63
3130amr53	FEDERAL HOME LOAN BANKS 0.620% Due 12-09-24	0.00	669.60	0.00	0.00	688.20	18.60	154.29	172.89
3133engq7	FEDERAL FARM CREDIT BANKS 0.920% Due 12-09-24	0.00	253.00	0.00	0.00	936.10	683.10	3,240.29	3,923.39
3130ar2l4	FEDERAL HOME LOAN BANKS 3.500% Due 12-10-24	0.00	413.19	0.00	0.00	486.11	72.92	30.82	103.74
3130A3GE8	FEDERAL HOME LOAN BANKS 2.750% Due 12-13-24	0.00	2,251.55	0.00	0.00	7,233.65	4,982.10	4,621.43	9,603.52
3130atur6	FEDERAL HOME LOAN BANKS 4.625% Due 12-13-24	0.00	2,474.38	0.00	0.00	2,474.37	0.00	1.10	1.10
3133ELJM7	FEDERAL FARM CREDIT BANKS 1.650% Due 01-23-25	289.67	0.00	0.00	-330.00	122.83	163.17	353.08	516.25
3137EAEP0	FEDERAL HOME LOAN MTG CORP 1.500% Due 02-12-25	359.08	0.00	0.00	-465.00	124.00	229.92	547.61	777.53
		10,918.69	20,521.73	0.00	-29,881.27	21,641.10	20,081.95	13,930.46	34,012.41
<b>CERTIFICATES OF DEPOSIT (USD)</b>									
38150vdh9	GOLDMAN SACHS BANK USA 3.350% Due 07-08-24	57.36	0.00	0.00	-73.43	0.00	16.07	9.52	25.59
949764DS0	WELLS FARGO BANK NA 5.300% Due 07-24-24	346.10	0.00	0.00	-371.00	0.00	24.90	1.42	26.32
61768exj7	MORGAN STANLEY PRIVATE BANK NATL 5.250% Due 08-01-24	143.48	0.00	0.00	-157.50	0.00	14.02	0.94	14.96



SWS Capital Management  
**EARNED INCOME REPORT**  
***STL Parking***  
From 07-01-24 To 09-30-24

Security Symbol	Description	Beginning Accrued Interest	Purchased Interest	Sold Interest	Interest Received	Ending Accrued Interest	Earned Interest	Amortization/ Accretion	Earned Income
9497635Y8	WELLS FARGO BANK NA 4.700% Due 08-06-24	38.63	0.00	0.00	-94.26	0.00	55.63	9.18	64.81
06051V4Y9	BANK OF AMERICA NA 5.400% Due 08-15-24	509.30	0.00	0.00	-608.05	0.00	98.75	4.42	103.17
06051XAC6	BANK OF AMERICA NA 4.950% Due 08-15-24	278.69	0.00	0.00	-370.23	0.00	91.54	11.16	102.70
61768EYV9	MORGAN STANLEY PRIVATE BANK NATL 5.350% Due 09-12-24	557.35	0.00	0.00	-695.50	0.00	138.15	7.26	145.41
61773TKZ5	MORGAN STANLEY BANK NA 4.400% Due 10-11-24	0.00	48.22	0.00	0.00	114.52	66.30	10.92	77.22
38150vvq9	GOLDMAN SACHS BANK USA 5.250% Due 10-16-24	0.00	289.83	0.00	0.00	338.88	49.05	-1.49	47.56
949764BT0	WELLS FARGO BANK NA 5.000% Due 11-05-24	178.08	0.00	0.00	-630.14	171.23	623.29	62.57	685.86
38150VPF0	GOLDMAN SACHS BANK USA 5.400% Due 11-12-24	0.00	263.64	0.00	0.00	285.39	21.75	-0.34	21.41
61768ETP8	MORGAN STANLEY PRIVATE BANK NATL 5.050% Due 11-18-24	193.01	0.00	0.00	0.00	583.31	390.30	35.98	426.28
38150VUE7	GOLDMAN SACHS BANK USA 5.300% Due 11-21-24	83.35	0.00	0.00	0.00	268.34	184.99	10.24	195.23
46656MVR9	JPMORGAN CHASE BANK NA 5.550% Due 11-29-24	489.24	0.00	0.00	-624.95	0.00	135.71	0.43	136.14
9497633x2	WELLS FARGO BANK NA 4.850% Due 11-29-24	0.00	74.41	0.00	-102.98	6.64	35.21	0.28	35.50
38150VQB8	GOLDMAN SACHS BANK USA 5.300% Due 12-03-24	0.00	145.20	0.00	-450.13	0.00	304.93	0.06	304.99
06051V5S1	BANK OF AMERICA NA 5.250% Due 12-05-24	0.00	1,003.25	0.00	0.00	1,330.98	327.73	12.33	340.06
38150vqe2	GOLDMAN SACHS BANK USA 5.150% Due 12-10-24	0.00	726.64	0.00	0.00	1,031.76	305.12	23.69	328.82
17312q4n6	CITIBANK NA 5.200% Due 12-11-24	0.00	293.48	0.00	0.00	416.71	123.23	6.32	129.55
46656MV32	JPMORGAN CHASE BANK NA 5.350% Due 12-13-24	0.00	1,186.08	0.00	-1,833.95	0.00	647.87	17.37	665.24
61690DSE9	MORGAN STANLEY BANK NA 5.350% Due 12-13-24	0.00	396.63	0.00	0.00	1,054.46	657.83	-11.06	646.77
90355UBT1	US BANK NA 5.000% Due 12-20-24	0.00	540.41	0.00	0.00	580.48	40.07	2.38	42.45
46656mf55	JPMORGAN CHASE BANK NA 5.200% Due 01-02-25	0.00	278.24	0.00	0.00	309.65	31.41	0.00	31.41

SWS Capital Management  
**EARNED INCOME REPORT**  
*STL Parking*  
 From 07-01-24 To 09-30-24

Security Symbol	Description	Beginning Accrued Interest	Purchased Interest	Sold Interest	Interest Received	Ending Accrued Interest	Earned Interest	Amortization/ Accretion	Earned Income
949764kv5	WELLS FARGO BANK NA 4.750% Due 01-15-25	0.00	303.22	0.00	0.00	335.10	31.88	2.21	34.09
		2,874.59	5,549.25	0.00	-6,012.12	6,827.46	4,415.75	215.80	4,631.55
<b>TOTAL PORTFOLIO</b>		<b>13,793.27</b>	<b>26,070.98</b>	<b>0.00</b>	<b>-53,280.82</b>	<b>28,468.56</b>	<b>41,885.13</b>	<b>13,341.85</b>	<b>55,226.98</b>

# Economic Commentary and Investment Outlook



## Q3 2024 Commentary and Investment Outlook

The third quarter of 2024 has been marked by a significant change in interest rate policy by the Federal Reserve and the beginning of a new cycle of interest rate movements. This will likely lead to the federal funds target rate being lowered over the next year. These cuts might not occur at every Federal Open Market Committee (FOMC) meeting, however the signal has been made by Chairman Powell that the Fed is now entering a phase of less restrictive monetary policy going forward.

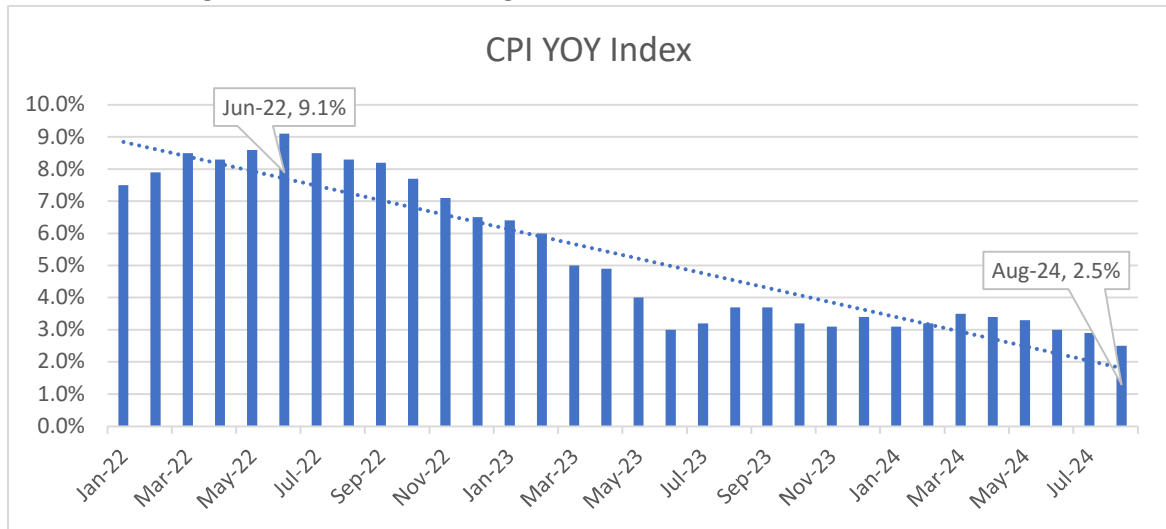
In the FOMC September meeting, in a rate decision that came as a slight surprise, the committee voted to reduce its benchmark overnight borrowing rate by 50 basis points<sup>1</sup>. It was the first time the committee had cut rates by that much since the COVID-19 pandemic, and before that, the Great Financial Crisis of 2008. The current fed funds rate is targeted in the range of 4.75% - 5.00%<sup>2</sup>.

The rate cut intimated that the Fed is on its way to lowering the policy rate to a more “neutral” position. In the latest economic projections, the Federal Reserve indicated that the “neutral” rate is around 2.9%.

As Chairman Powell noted, the shift in policy was needed because economic data stabilized, including inflation data, employment figures, and GDP growth. Powell noted that, “We can go quicker or slower, or pause on rate cuts if it is appropriate.” This signals a more cautious approach to future rate cuts.

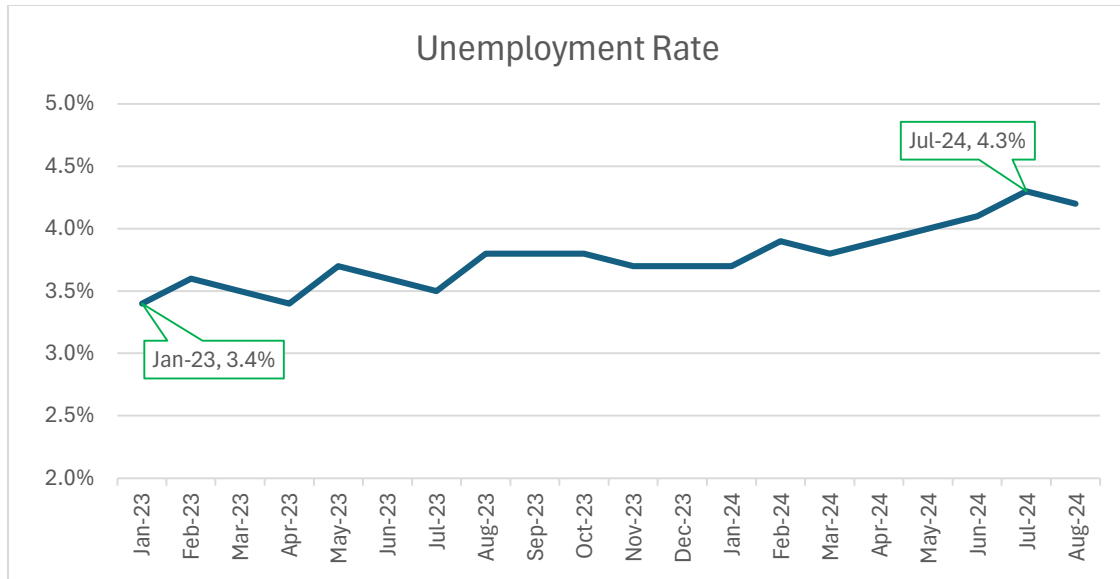
Several key economic indicators suggested that a more accommodative policy would be appropriate.

1. Inflation trending towards the FOMC’s target of 2%, as reflected in headline CPI chart below.



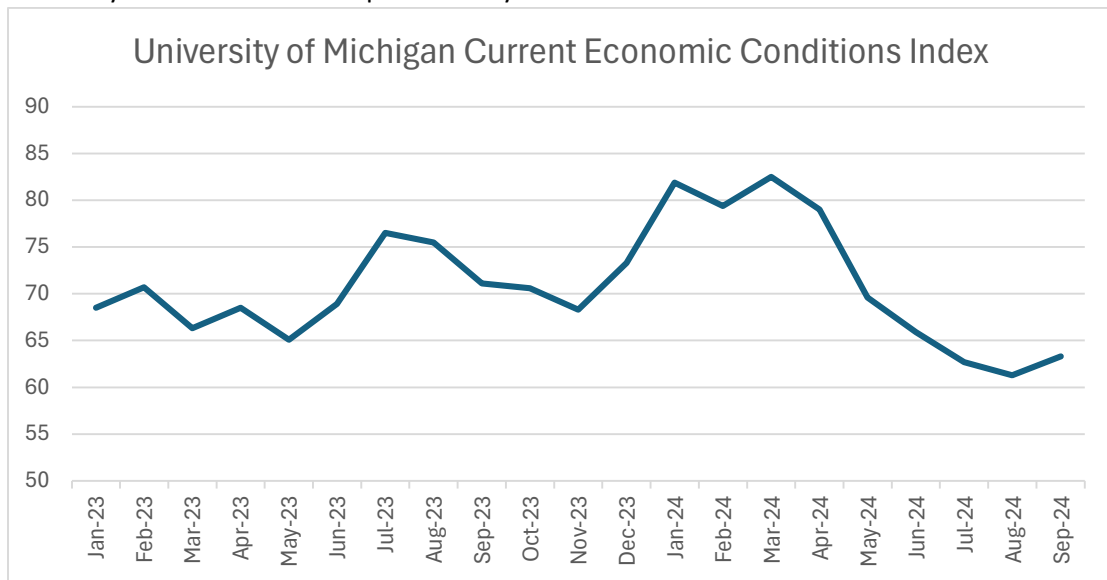
US CPI Urban Consumers YoY NSA - Bureau of Labor Statistics as of 9/30/2024

2. Unemployment rates have remained low at 4.1% in September, but have moved higher from the low of 3.4% in January 2023 as indicated in the chart below. Year-over-year wage growth has decelerated, which may signal a reduction of future inflationary pressures.<sup>3</sup>



U-3 US Unemployment Rate Total in Labor Force Seasonally Adjusted – Bureau of Labor Statistics as of 9/30/2024

- Consumer confidence has been trending lower, raising concerns about future spending, which could indicate a slowing economy going forward. The University of Michigan Current Economic Conditions Index indicated a drop in overall consumer confidence for 2024. Current domestic uncertainty about the presidential election and recent natural disasters have created some hesitancy with consumers to spend money.



University of Michigan Current Economic Conditions Index – University of Michigan as of 9/30/2024

The performance expectations for fixed income securities during this cycle should be very positive. Overall investor sentiment towards fixed income is likely to remain favorable for the next year as well. Anticipated rate cuts are expected to lead to price appreciation for fixed income securities. When

interest rates decline, the prices of existing bonds typically become more attractive. Investors seeking stable returns may flock to bonds, pushing prices higher, and increasing returns for bondholders. The extraordinary bull market in equities may cause a strategic reallocation to fixed income markets as participants may opt to lock in gains and reallocate to a less volatile asset class. Ongoing geopolitical tensions in Ukraine/Russia and the Middle East may lead to pressures on global supply chains and energy prices, which may also trigger a flight-to-quality environment.

As we enter the fourth quarter, our longer maturity strategies will be duration neutral to respective benchmarks as we increased duration throughout 2024. We will also maximize corporate credit exposure in portfolios where applicable, as we favor the asset class in this environment. Moreover, government agency holdings will likely decrease in our portfolios as spreads are often in line with those of Treasuries.

SWS Capital Management’s (SWSCM) philosophy is based on a value-oriented, active management style which emphasizes liquidity and risk management. This philosophy is woven into all our strategies. Security selection, sector allocation, and yield curve positioning are based upon our interest rate forecast as well as our fundamental economic outlook.

As always, we appreciate your business.

#### **SWS Capital Management, LLC**

<b>US Indices</b>	<b>Q3</b>	<b>2024 YTD</b>
ICE BofA US 3-Month Treasury Bill Index	1.37%	4.03%
ICE BofA US 1-Year Treasury Bill Index	2.00%	3.98%
Bloomberg U.S. Aggregate Index	5.20%	4.45%
Bloomberg US Corporate Investment Grade Index	5.84%	5.32%
Bloomberg U.S. Treasury Index	4.74%	3.84%
S&P 500 Index	5.53%	20.81%

Source: Bloomberg as of 9/30/2024  
Disclosure

The information provided here is for general informational purposes only and should not be considered an individualized recommendation or personalized investment advice. The investment strategies mentioned here may not be suitable for everyone. Each investor needs to review an investment strategy for his or her own particular situation before making any investment decision. All expressions of opinion are subject to change without notice in reaction to shifting market conditions. Data contained herein from third-party providers is obtained from what are considered reliable sources. However, its accuracy, completeness or reliability cannot be guaranteed. Past performance is no guarantee of future results and the opinions presented cannot be viewed as an indicator of future performance. Investing involves risk including loss of principal. Forecasts contained herein are for illustrative purposes only, may be based upon proprietary research and are developed through analysis of historical public data.

<sup>1</sup> FOMC Rate Decision – 9/18/2024

<sup>2</sup> Federal Funds Target Rate – Upper Bound/Lower Bound – 9/18/2024

<sup>3</sup> Atlanta Federal Reserve – US Atlanta Fed Wage Growth Tracker Overall as of 8/31/2024

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## Economic Commentary – September 2024

On Wall Street, it’s seldom that a scheduled central bank policy meeting would command the significance to overshadow the continued upward surge and positive performance of both the equity and bond markets. September 2024 happened to be that outlier. After holding its overnight benchmark rate range steady at a 23-year high since July 2023 at 5.25% - 5.50%, on September 18, at the conclusion of the Fed’s sixth policy meeting of the calendar year, the FOMC enacted an outsized rate cut of 50 basis points, reducing the federal funds target rate range to 4.75% - 5.00%. While a myriad of market participants and the interest rates futures market expected (and yearned) for the aggressive half-percentage-point reduction, there was a large cohort of economists that held the notion that only a 25 basis point abatement was necessary. In fact, Fed Governor Michelle Bowman was the lone dissenting vote, favoring a 25 basis point cut, which marked the first dissenting vote from a Fed Governor since 2005.

In addition to the highly anticipated rate-cut decision, the Fed also released its quarterly updated Summary of Economic Projections (SEP), which provided deeper insights into the Committee’s assumptions and forecasted trajectory for the remainder of 2024. Revised from June’s projections, headline PCE inflation and core PCE inflation were scaled down -0.3% and -0.2%, to 2.3% and 2.6%, respectively. The change in real GDP was slightly lowered to 2.0% from 2.1%, while the unemployment rate was lifted to 4.4% from 4.0%. Regarding interest rates, the longer-run neutral rate was ticked up +0.1% to 2.9%, and most compellingly, the year-end median federal funds rate was reduced to 4.4% from 5.1%, indicating that in aggregate, policymakers expect to further slash rates a combined 50 basis points in 2024, augmenting the 50 basis point curtailment that was just undertaken at the September meeting.

While the SEP forecasted 50 more basis points in cumulative rate cuts before the conclusion of the year, parsing the updated dot plot highlighted stark divergences amongst policymakers. Of the 19 Fed officials, two anticipated no further reductions, seven expected to make one additional 25 basis point reduction, nine penciled in a total of 50 basis points more in rate cuts, and one official projected an additional 75 basis points in total cuts.

In his post-meeting press conference, Chairman Powell described the rate-cut decision as a recalibration of monetary policy, moving from a restrictive stance that was geared toward quelling inflation, to a position that is more suitable to hinder any further deterioration in the labor market. Asserting that he and other Fed officials view the economy as strong and that a recession is not the central bank’s base case, he did not shy away from underscoring that signs of weakening in the labor market were the main determinants behind the initial 50 basis point reduction. However, he made it a point to emphasize that the FOMC was not on a preset course regarding the size, scope, and timing of future rate-cut decisions. It’s clear the Fed has shifted its attention in its dual mandate more towards preserving the strength of the employment landscape. Traditionally, absent looming recession risks, it’s unusual for the FOMC to commence a rate-cutting cycle with a half-percentage-point reduction. The Committee usually opts to begin with a 25 basis point cut, employing a disposition of gradualism in their alteration of monetary policy.



U.S. Treasury yield curve extended its bull steepening trend as yields in all tenors subsided. Money-market yields underwent the largest descents on the backdrop of the Fed decision, while the longer end of the yield curve continued to normalize, disinverting the key 2y/10y pair.

2-year/10-year spread: 14 basis points  
 3-month/10-year spread: -85 basis points  
 2-year/5-year spread: -8 basis points  
 3-month/30-year spread: -51 basis points

U.S. Treasury Yield Curve Source: Bloomberg

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## September 2024 Macroeconomic Highlights

### Inflation, Expectations, and Consumer Sentiment<sup>1</sup>:

**CPI:** 2.5% year-over-year (+0.2% month-over-month); **Core CPI:** 3.2% year-over-year (+0.3% month-over-month)

**PCE:** 2.2% year-over-year (+0.1% month-over-month); **Core PCE:** 2.7% year-over-year (+0.1% month-over-month)

**PPI:** 1.7% year-over-year (+0.2% month-over-month); **Core PPI:** 2.4% year-over-year (+0.3% month-over-month)

**Core PPI** less trade services: 3.3% year-over-year (+0.3% month-over-month)

**Inflation Expectations:** 1-year horizon: 3.0%, 3-year horizon: 2.5%, and 5-year horizon: 2.8%

**Consumer Sentiment:** 70.1 vs. 67.9 in August; **Current Conditions:** 63.3 vs. 61.3 in August

**Consumer Expectations:** 74.4 vs. 72.1 in August

**Labor Market<sup>2</sup>:** The U.S. economy added 142,000 nonfarm payrolls in August, slightly short of the 165,000 expected by economists surveyed by Bloomberg. Notable job gains occurred in construction (+34,000), health care (+31,000), and social assistance (+13,000).

- U-3 **official** unemployment rate: 4.2% vs. 4.2% expectation: -0.1% from July 2024.
- U-6 unemployment rate (marginalized, part-time workers for economic reasons): 7.9% (+0.1%).
- Labor force participation rate: 62.7% (unchanged); Employment-to-population ratio: 60.0% (unchanged).
- Average hourly earnings for private nonfarm payrolls rose 14 cents to \$35.21 (+0.4% month-over-month, +3.8% year-over-year).
- Employment revisions: July 2024 pared -25,000 to 89,000; June 2024 clipped -61,000 to 118,000.

**Gross Domestic Product (GDP)<sup>3</sup>:** According to the **third and final** estimate, real GDP increased at an annual rate of +3.0% in the second quarter of 2024 vs. +1.6% in the first quarter of 2024.

- **Second Quarter 2024:** GDP Price Index: +2.5%; PCE Price Index: +2.5%; Core PCE Price Index +2.8%.
- Real disposable personal income: +2.4% vs. +5.6% in the first quarter of 2024.
- Personal savings rate as a percentage of disposable income: 5.2% vs. 5.4% in the first quarter of 2024.
- Average of Real GDP and Real GDI: +3.2% vs. +2.3% in the first quarter of 2024.

**Housing Market<sup>4</sup>:** Existing-home sales abated -2.5% (month-over-month) from July to a seasonally-adjusted annual rate of 3.86 million in August. Month-over-month sales in the South, West, and Northeast faded -3.9%, -2.7%, and -2.0%, respectively, while sales in the Midwest were unchanged.

- Year-over-year sales ebbed -4.2%, down from 4.03 million in August 2023.
- Total housing inventory registered 1.35 million units, +0.7% from July, and +22.7% from one year ago (1.10 million units). Unsold inventory sits at a 4.2-month supply at the current sales pace.
- The median existing-home price for all housing types was \$416,700, +3.1% from August 2023 (\$404,200), as prices rose in all four major U.S. regions.
- Average commitment rate for a 30-year, conventional, fixed-rate mortgage: 6.08%.
- New Home Sales: 716,000 (-4.7% month-over-month).

<sup>1</sup>Source: Bureau of Labor Statistics (BLS), Bureau of Economic Analysis (BEA), Federal Reserve Bank of New York – Survey of Consumer Expectations, and University of Michigan Surveys of Consumers

<sup>2</sup>Source: Bureau of Labor Statistics (BLS)

<sup>3</sup>Source: Bureau of Economic Analysis (BEA)

<sup>4</sup>Source: National Association of Realtors (NAR), U.S. Census Bureau, and The Department of Housing and Urban Development

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