

INVESTMENT REPORT

Greater Miami Expressway Agency

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September 1 to September 30, 2025



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Market Recap

The Fed officially pivoted in September, lowering the fed funds rate by 25 basis points to a new target range of 4.00% to 4.25%. While the move was widely priced-in, Chair Powell called it a “risk management” cut. He emphasized that “inflation risks remain tilted to the upside,” pointing to persistent price pressures in services and energy. At the same time, he acknowledged that “employment risks are increasingly tilted to the downside,” reflecting the overwhelming concern over labor market weakness.

The FOMC action came on the heels of weak data. The August jobs report showed nonfarm payrolls rising by just +22k, well below consensus expectations of +75k. Revisions to prior months subtracted another 21k jobs, bringing the three-month average to a mere +29k. The unemployment rate rose to 4.3%, its highest level since early 2022. The few job gains were concentrated in health care, while private sector hiring remained soft. Wage growth also slowed, with average hourly earnings rising +0.3% MoM.

The August CPI report showed headline inflation rising +0.4% MoM and +2.9% YoY, driven by higher energy and transportation costs. Core CPI rose +0.3% MoM and held steady at +3.1% YoY. Services inflation remained elevated, particularly in medical care and shelter. Goods prices were mixed, with declines in apparel and electronics offset by increases in household items and auto insurance. The persistence of sticky inflation, especially in non-discretionary categories, continues to complicate the Fed’s path to more accommodative monetary policy.

Despite the soft labor data, the broader economic picture was buoyed by a large upward revision to Q2 GDP. The final estimate showed real GDP grew at an annualized rate of +3.8%, up from the prior estimate of +3.3%. The massive upward revision was driven by stronger consumer spending and a narrowing trade deficit, with real final sales to private domestic purchasers revised up to +2.9%. The data underscores the resilience of the U.S. economy, even as pockets of weakness emerge.

Equity markets responded positively to the Fed’s pivot and the Q2 GDP revision. The S&P 500 and Nasdaq posted their best September performance in over 15 years, rising +3.3%

and +5.3%, respectively. The rally was fueled by strong earnings, optimism around artificial intelligence, and expectations for further rate cuts. Year-to-date, the S&P 500 is now up nearly +15%, with growth stocks and tech leading the charge.

Treasury yields fluctuated throughout the month. Short-term rates eased modestly following the Fed’s rate cut, while longer-term yields remained elevated amid persistent inflation concerns and fiscal uncertainty. The yield curve steepened slightly, reflecting diverging expectations for near-term policy easing versus long-term inflation risks. The government shutdown, which began on September 29th, adds further confusion, raising concerns about delays in key data releases and fiscal stability.

Political dynamics remain tense. Stephen Miran, Trump’s newly appointed Fed Governor, publicly advocated for a deeper 50bps rate cut. His comments drew sharp criticism from more hawkish members of the FOMC, underscoring the growing divide within the Committee. Powell reiterated the Fed’s commitment to “data dependency,” but acknowledged that the path forward may require “greater flexibility” given the evolving economic landscape.

With persistent inflation, faltering job growth, and political dysfunction escalating, the Fed faces a tough road ahead. September’s rate cut may mark the beginning of a broader easing cycle, with markets currently pricing in a 100% probability of another rate cut at the end of October.

Portfolio Overview

Portfolio Summary

	Prior 31 Aug-25	Current 30 Sep-25
Par Value	547,527,907.30	569,902,144.94
Original Cost	544,057,256.40	566,430,369.04
Book Value	545,287,639.55	567,912,907.99
Market Value	546,140,980.32	568,861,240.13
Accrued Interest	2,264,617.33	1,758,401.40
Book Value Plus Accrued	547,552,256.88	569,671,309.39
Market Value Plus Accrued	548,405,597.64	570,619,641.53
Net Unrealized Gain/(Loss)	853,340.77	948,332.14

Income Summary

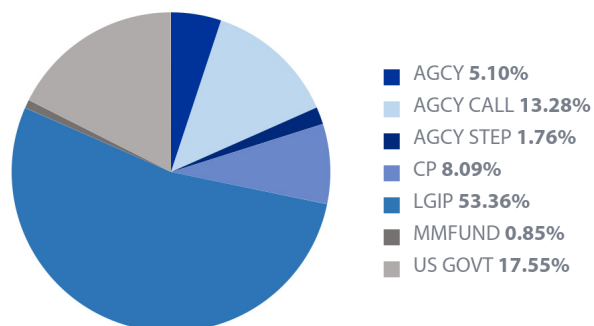
Current Period	1 Sep-25 to 30 Sep-25
Interest Income	1,725,003.28
Net Amortization/Accretion	251,030.80
Realized Gain/(Loss)	0.00
Net Income	1,976,034.08

Fiscal Year-to-Date	1 Jul-25 to 30 Sep-25
Net Income	5,836,254.08

Portfolio Characteristics

	Prior 31 Aug-25	Current 30 Sep-25
Yield to Maturity	4.328%	4.301%
Yield to Worst	4.317%	4.291%
Days to Final Maturity	270	278
Days to Effective Maturity	242	251
Duration	1.33	1.41

Asset Allocation

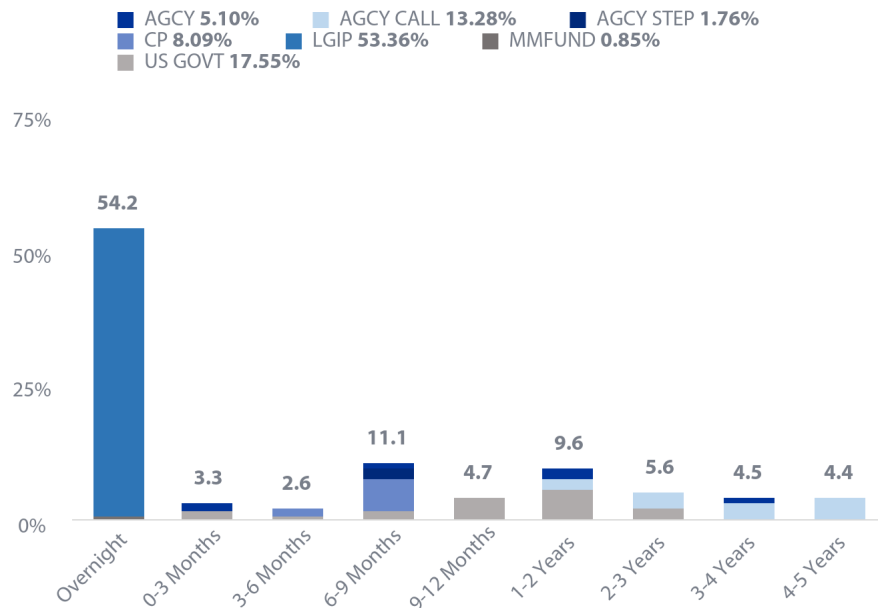


Transaction Summary

Transaction Type	Quantity	Principal	Interest	Total Amount	Realized Gain/Loss
Buy	10,000,000.00	(10,000,000.00)	0.00	(10,000,000.00)	0.00
Maturity	(7,500,000.00)	7,500,000.00	0.00	7,500,000.00	0.00
Coupon	0.00	0.00	979,375.00	979,375.00	0.00

Portfolio Overview

Maturity Distribution by Security Type



Top Ten Holdings

Issuer	Allocation
FL PRIME	53.36%
United States Department of The Treasury	17.55%
Federal Home Loan Banks	15.84%
Royal Bank of Canada	4.64%
Federal Home Loan Mortgage Corporation	4.30%
Toyota Motor Credit Corporation	3.45%
Dreyfus Treasury Securities Cash Management	0.85%

Maturity Distribution by Security Type

Security Type	Overnight	0-3 Months	3-6 Months	6-9 Months	9-12 Months	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Portfolio Total
AGCY	--	7,004,267.78	--	6,916,781.32	--	9,026,155.70	--	6,016,336.19	--	28,963,540.99
AGCY CALL	--	1,995,535.14	--	--	--	12,219,764.36	16,940,947.55	19,342,019.17	24,914,056.69	75,412,322.91
AGCY STEP	--	--	--	10,000,000.00	--	--	--	--	--	10,000,000.00
CP	--	--	9,835,902.78	36,122,818.90	--	--	--	--	--	45,958,721.67
LGIP	303,062,880.42	--	--	--	--	--	--	--	--	303,062,880.42
MMFUND	4,839,264.52	--	--	--	--	--	--	--	--	4,839,264.52
US GOVT	--	9,950,788.89	4,988,967.12	9,935,069.41	26,516,298.37	33,456,502.23	14,828,551.46	--	--	99,676,177.48
Total	307,902,144.94	18,950,591.81	14,824,869.90	62,974,669.63	26,516,298.37	54,702,422.29	31,769,499.01	25,358,355.35	24,914,056.69	567,912,907.99