

Investment Report

August 2025 Regular School Board Meeting

Shannon Baird, Finance Director

FY25 Quarter 4

AMLIP Series I

- Realized \$6,786.88 in revenue during quarter four of FY25.

AMLIP Series II

- Realized \$2.76 in revenue during quarter four of FY25.
- Additionally had an unrealized gain on investment of \$5,513.47 in quarter four of FY25.
- Total value increase of \$5,516.23

Please see attached

FY25 Overview

- Our interest rates are decreasing compared to a year ago. See the AMLIP quarterly newsletter attached for details, investment fund recaps, and a 5-Year Money Market Comparison.
- Our total investment revenue for FY25, \$52,734.82, is way up from previous years.
- Our new(as of FY24 Q4) investments are still out earning our old portfolio, but they will be more volatile and follow market trends. In a bad year we should still be earning more than FY23 and prior.

Yearly interest revenue comparison

	FY2025	FY2024	FY2023	FY2022
Q1	\$15,005.34	\$260.30	\$200.23	\$159.70
Q2	\$13,432.53	\$260.36	\$260.09	\$159.73
Q3	\$11,993.84	\$219.92	\$257.07	\$158.00
Q4	\$12,303.11	\$12,125.64	\$258.69	\$158.91
TOTAL	\$52,734.82	\$12,866.22	\$976.08	\$636.34

Looking Ahead...

We anticipate the district will increase earnings in FY26, even if our rates decline a moderate amount. This is because we will be investing more of our cash on hand. This will require us to move capital in and out of our investments as needed to meet the fluctuating cash activity in our checking account throughout the year.

Petersburg School District

Cash Balances

Fiscal Year: 2024-2025		Date Range: 04/01/2025 - 06/30/2025			
Account Number	Title	Beginning Balance	Increases Debits	Decreases Credits	Cash Balance
100.000.000.000.621	AMLIP SERIES I INVESTMENT	642,824.40	6,786.88	0.00	649,611.28
		642,824.40	6,786.88	0.00	649,611.28
End of Report					

Petersburg School District

Reprint Deposit Listing

Fiscal Year: 2024-2025

Criteria:

Bank Account: AMLIP SERIES I INVESTMENT XX01761

From Date: 04/01/2025

To Date: 06/30/2025

From Deposit:

To Deposit:

Deposit Number	Date	Memo	Cash/Other	Checks/Credit	Deposit Total	Cleared?	Clear Date	Void Date
13	04/01/2025	APRIL 2025 INTEREST - AMLIP 1	\$2,280.05	\$0.00	\$2,280.05	<input checked="" type="checkbox"/>	04/30/2025	
14	05/01/2025	MAY 2025 INTEREST - AMLIP 2	\$2,217.23	\$0.00	\$2,217.23	<input checked="" type="checkbox"/>	05/31/2025	
15	06/01/2025	JUNE 2025 INTEREST - AMLIP 1	\$2,289.60	\$0.00	\$2,289.60	<input checked="" type="checkbox"/>	06/30/2025	
Total Deposits : 3			Total Amount:	\$6,786.88	\$0.00	\$6,786.88		
End of Report								

Petersburg School District

Cash Balances

Fiscal Year: 2024-2025		Date Range: 04/01/2025 - 06/30/2025			
Account Number	Title	Beginning Balance	Increases Debits	Decreases Credits	Cash Balance
100.000.000.000.622	AMLIP SERIES II INVESTMENT	524,747.25	5,516.23	0.00	530,263.48
		524,747.25	5,516.23	0.00	530,263.48
End of Report					

Petersburg School District

Reprint Deposit Listing

Fiscal Year: 2024-2025

Criteria:

Bank Account: AMLIP SERIES II INVESTMENT XX01762

From Date: 04/01/2025

To Date: 06/30/2025

From Deposit:

To Deposit:

Deposit Number	Date	Memo	Cash/Other	Checks/Credit	Deposit Total	Cleared?	Clear Date	Void Date
16	04/01/2025	APRIL 2025 INTEREST/GAIN - AMLIP 2	\$1,678.94	\$0.00	\$1,678.94	<input checked="" type="checkbox"/>	04/30/2025	
17	05/01/2025	MAY 2025 INTEREST/GAIN - AMLIP 2	\$1,966.58	\$0.00	\$1,966.58	<input checked="" type="checkbox"/>	05/31/2025	
18	06/01/2025	JUNE 2025 INTEREST/GIAN - AMLIP 2	\$1,870.71	\$0.00	\$1,870.71	<input checked="" type="checkbox"/>	06/30/2025	
Total Deposits : 3			Total Amount:	\$5,516.23	\$0.00	\$5,516.23		
End of Report								

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Quarterly Letter to Members

A Pause in the Fog

By KeyBank Institutional Advisors

The Federal Reserve held its benchmark interest rate steady at 4.25% to 4.50%, extending its pause into a fourth consecutive meeting in 2025. But beneath the surface of the status quo lies a more complicated story – one marked by slower growth, persistent inflation, and a policy path growing harder to read.

Today's updated Summary of Economic Projections ("SEP") still shows two rate cuts penciled in for 2025, maintaining the median outlook from March. But that apparent consistency masks growing internal division. A rising number of Fed participants now foresee fewer or even zero cuts this year. The once-clear road to easing has become a narrowing trail, surrounded by geopolitical uncertainty and stubborn price pressures. Powell's Message: Data Will Decide In his post-meeting press conference, Chair Powell emphasized a familiar refrain: patience, flexibility, and vigilance. He acknowledged the Fed's progress on inflation but stopped well short of declaring victory. "We need greater confidence that inflation is sustainably moving toward 2%," he said, reiterating that policy decisions will remain data dependent, not calendar driven.

When pressed on whether two cuts remain realistic this year, Powell avoided commitment, noting that "the risks are two-sided." He pointed to recent economic crosscurrents: softening consumer spending, improving supply chains, but also tariff-related price pressures and

labor market resilience. The implication was clear: the Fed isn't yet convinced it can cut without consequence.

Slower Growth, Stubborn Inflation

The Fed revised its 2025 GDP growth estimate downward to 1.4%, a notable slowdown from the prior 1.7%. At the same time, core PCE inflation remains above target, projected at 3.0% by year-end. The labor market is expected to soften modestly, with unemployment rising to 4.5%, but remains relatively stable by historical standards.

Taken together, the projections paint a portrait of a slow-moving economy with sticky inflation – a mix that justifies the Fed's reluctance to ease prematurely. It also underscores the challenge of achieving a so-called "soft landing" without leaving policy too tight for too long.

Markets Watch the Dots and the Silence Between Them

While the SEP remains technically unchanged, Powell's caution and the widening range of views within the Committee are resonating with markets. Treasury yields nudged higher on the day, and the futures markets trimmed their odds of a September rate cut. What markets once viewed as a near certainty is now a question of timing, conditionality, and inflation's unpredictable path.

What It Means for Investors

The June announcement reinforces a single theme: the Fed is in no rush to cut, and investors shouldn't rush to reposition.

The "higher-for-longer" stance strengthens. Short-term debt and U.S. Treasury Bills remain attractive for income and flexibility. The yield curve could stay flat or even invert further. Consider barbell strategies that balance short-term liquidity with selective long-term exposure. With a rate relief delayed, valuation pressure persists in the equity market. Growth in stocks may wobble; defensive sectors gain appeal. Stick to quality. Prolonged high rates challenge lower-rated corporate debt, especially near refinancing windows. Cash yields are still compelling. Liquid alternatives and ultra-short duration vehicles can help manage volatility while preserving optionality.

The Fed hasn't ruled out easing, but it's made it clear it will only do so with conviction, not hope. In this environment, discipline, diversification, and patience matter more than ever.

Still Walking Through the Fog

The June decision offers no surprise in substance, but the context around it has shifted. The Fed remains in a holding pattern, but the grip is tighter and the room to maneuver narrower. With inflation not yet yielding and growth decelerating, the Fed's margin for error has grown thin.

The pause continues. But so does the fog.

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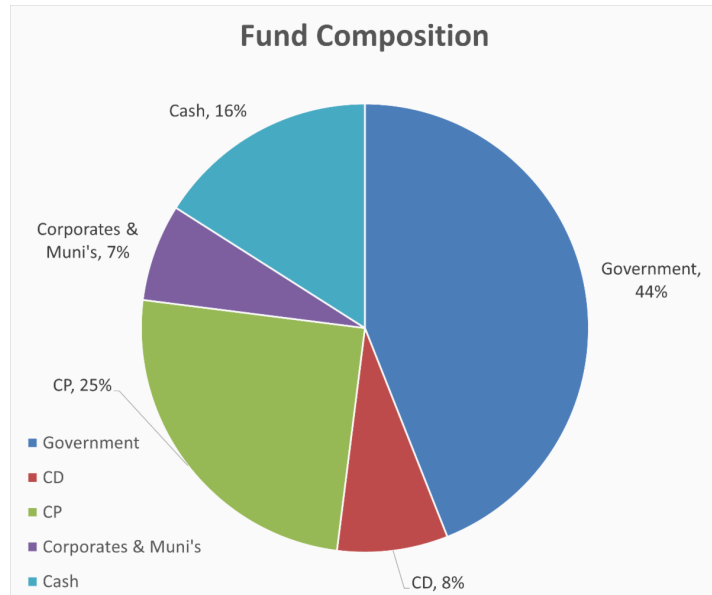
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Series I Recap

The month opened with a \$807,640,578 share balance and closed with a balance of \$773,115,105. The seven-day effective yield ended the month at 4.30%. The monthly seven-day average yield in June was 4.26%. Average maturity ended the month at 25 days.

As of June 30, 2025, the Series I portfolio had 16% of its portfolio assets allocated to overnight

investments/cash, corporate securities made up 7% of the assets, Commercial Paper represented 25%, CDs represented 8%, and Treasury & Agency represented 44%.



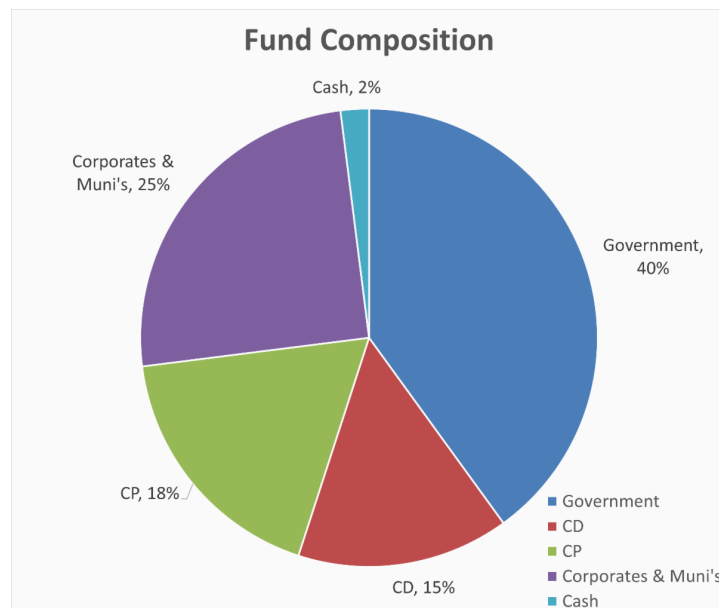
Data: KeyBank, NA

Series I Fact Sheet

Series II Recap

The month opened with a \$114,904,470 share balance and closed with a balance of \$115,308,367. The thirty-day SEC yield ended the month at 4.30%.

At June 30, 2025, the Series II portfolio had 2% of its portfolio assets allocated to overnight investments/cash, corporate securities made up 25% of the assets, Commercial Paper represented 18%, CDs represented 15%, and Treasury & Agency represented 40%.

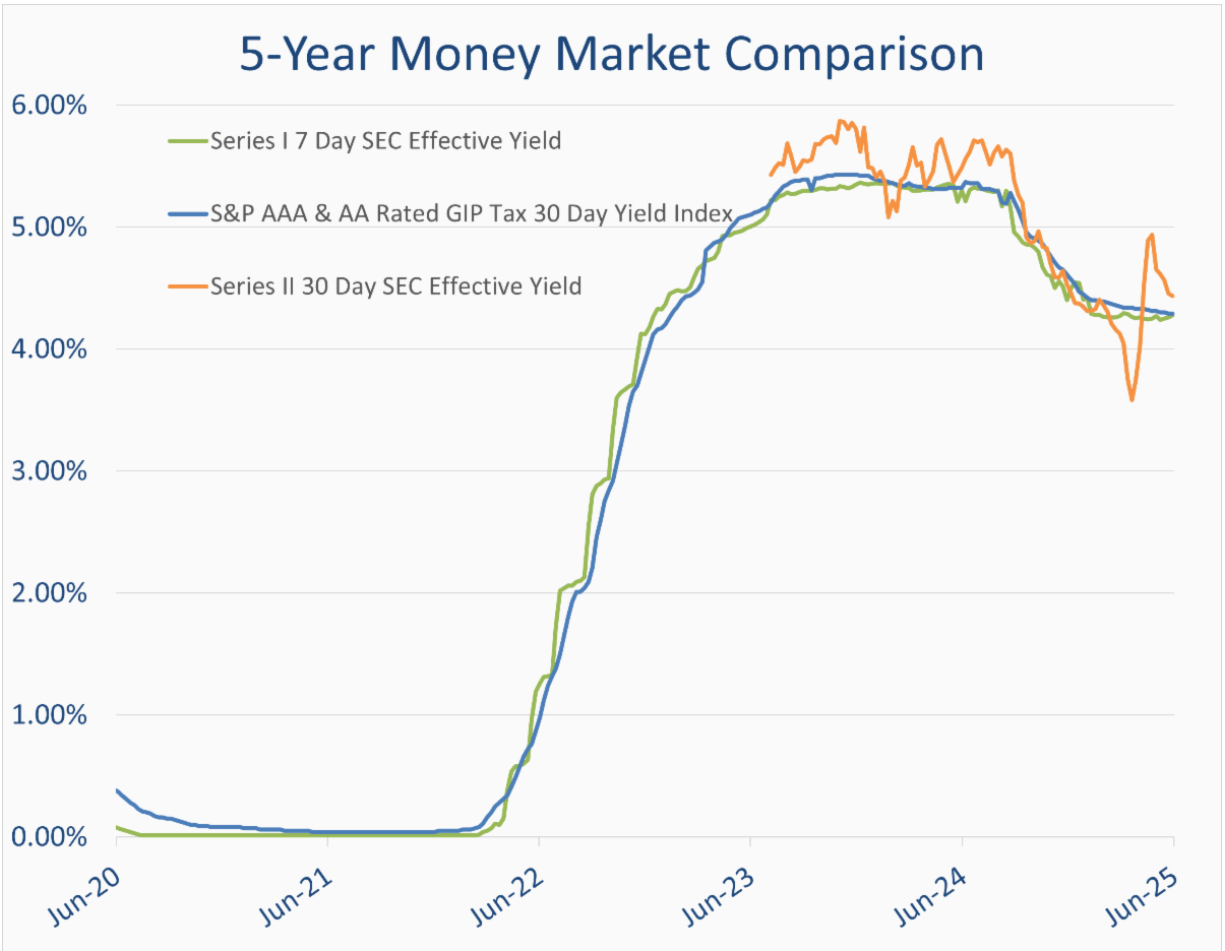


Data: KeyBank, NA

SERIES II Fact Sheet

Comparisons

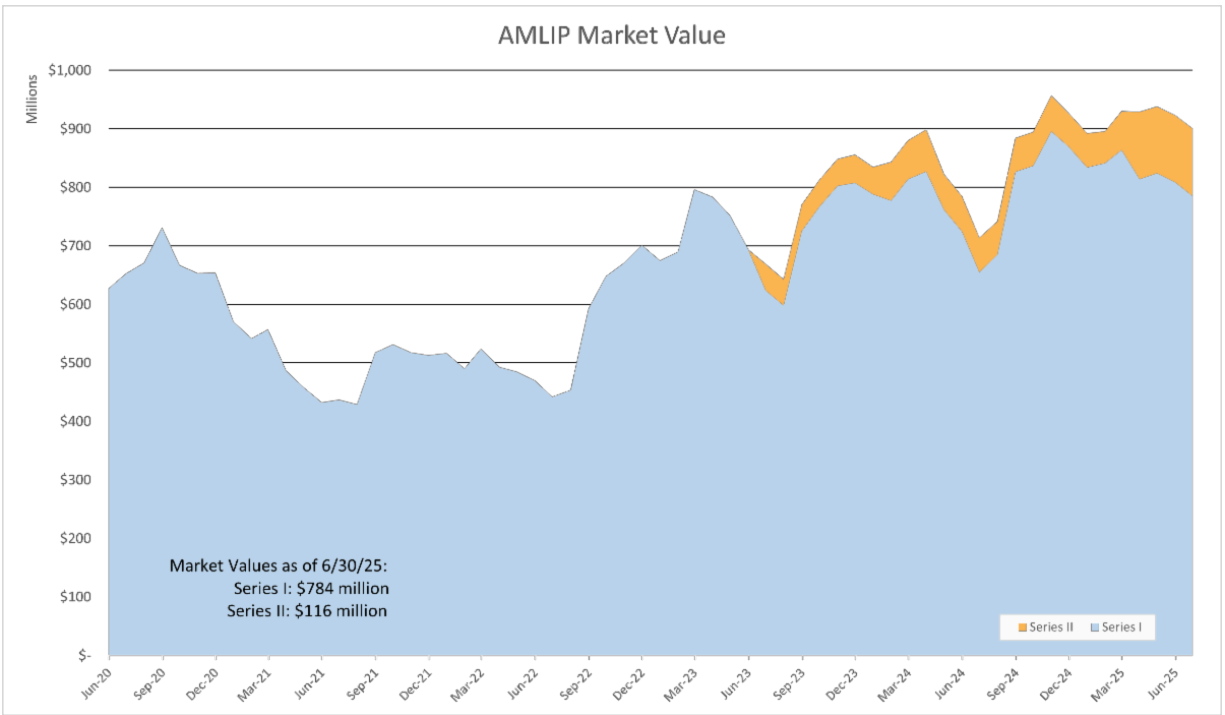
On June 30th, 2025, the S&P AAA & AA Rated GIP Tax 30 Day Yield Index was 4.29%, the Series I Pool's 7-day SEC effective rate was 4.30%, and the Series II Pool's 30-day SEC effective rate was 4.30%. *All Pool rates are quoted net of fees and expenses.*



Data: KeyBank, NA & S&P

Portfolio Comparison

AMLIP Market Values



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Angie Flick - Vice President
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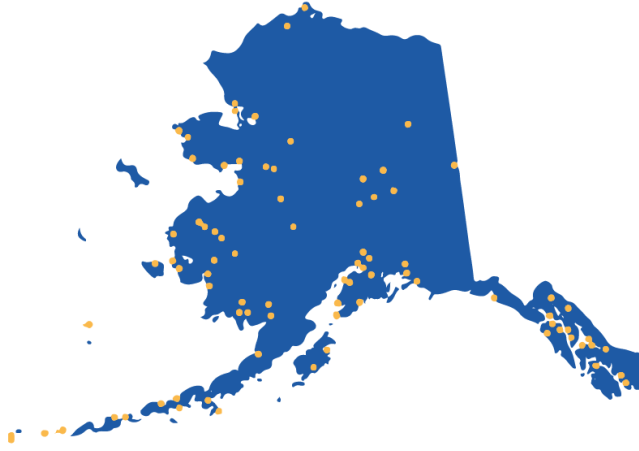
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Brennan Hickok
APRA

Kris Erchinger
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Alaska Municipal League



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If any of your local school districts or municipal agencies are interested in enrolling, please reach out to info@amlip.org.

90 Members Representing 240 Total Accounts

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AIDEA	False Pass, City of	Old Harbor, City of
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Association	Homer, City of	Petersburg Borough
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Fairbanks North Star
Borough

Interested in enrolling one of your municipal agencies or school districts?

Contact us at info@amlip.org!

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