

Investment Report

Shannon Baird, Finance Director
January 2025 Regular School Board Meeting

FY25 Quarter 2

AMLIP Series I

- Realized \$7,483.93 in revenue during quarter two of FY25.

AMLIP Series II

- Realized \$3.64 in revenue during quarter two of FY25.
- Additionally had an unrealized gain on investment of \$5,944.96 in quarter two of FY25.
- Total value increase of \$5,948.60

Please see attached

FY25 Overview

- Our interest rates have decreased from FY25 Q1. See the AMLIP quarterly newsletter attached for details, investment fund recaps, and a 5-Year Money Market Comparison.
- Our new(as of FY24 Q4) investments are still earning a lot, but they will be more volatile and follow market trends. In a bad year we should still be earning more than FY23 and prior. However, we should not expect our current interest rates to continue perpetually.
- See yearly interest revenue comparison below.

	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		\$219.92	\$257.07	\$158.00
Q4		\$12,125.64	\$258.69	\$158.91
TOTAL		\$12,866.22	\$976.08	\$636.34

Petersburg School District

Cash Balances

Fiscal Year: 2024-2025

Date Range: 10/01/2024 - 12/31/2024

Account Number	Title	Beginning Balance	Increases Debits	Decreases Credits	Cash Balance
100.000.000.000.621	AMLIP SERIES I INVESTMENT	628,623.31	7,483.93	0.00	636,107.24
		<u>628,623.31</u>	<u>7,483.93</u>	<u>0.00</u>	<u>636,107.24</u>
		628,623.31	7,483.93	0.00	636,107.24
		End of Report			

Petersburg School District

Reprint Deposit Listing

Fiscal Year: 2024-2025

Criteria:

Bank Account: AMLIP SERIES I INVESTMENT XX01761 From Date: 10/01/2024 To Date: 12/31/2024
 From Deposit: To Deposit:

Deposit Number	Date	Memo	Cash/Other	Checks/Credit	Deposit Total	Cleared?	Clear Date	Void Date
7	10/01/2024	OCTOBER 2024 INTEREST - AMLIP 1	\$2,576.77	\$0.00	\$2,576.77	<input checked="" type="checkbox"/>	10/31/2024	
8	11/01/2024	NOVEMBER 2024 INTERST - AMLIP 1	\$2,540.07	\$0.00	\$2,540.07	<input checked="" type="checkbox"/>	11/30/2024	
9	12/01/2024	DECEMBER 2024 INTEREST - AMLIP 1	\$2,367.09	\$0.00	\$2,367.09	<input checked="" type="checkbox"/>	12/31/2024	
Total Deposits :		3	Total Amount:	\$7,483.93	\$0.00	\$7,483.93		

End of Report

Petersburg School District

Reprint Deposit Listing

Fiscal Year: 2024-2025

Criteria:

Bank Account: AMLIP SERIES II INVESTMENT XX01762 From Date: 10/01/2024 To Date: 12/31/2024
 From Deposit: To Deposit:

Deposit Number	Date	Memo	Cash/Other	Checks/Credit	Deposit Total	Cleared?	Clear Date	Void Date
10	10/01/2024	OCT 2024 INTEREST/GAIN - AMLIP 2	\$2,110.71	\$0.00	\$2,110.71	<input checked="" type="checkbox"/>	10/31/2024	
11	11/01/2024	NOV 2024 INTEREST/GAIN - AMLIP 2	\$1,871.02	\$0.00	\$1,871.02	<input checked="" type="checkbox"/>	11/30/2024	
12	12/01/2024	DEC 2024 INTEREST/GAIN - AMLIP 2	\$1,966.87	\$0.00	\$1,966.87	<input checked="" type="checkbox"/>	12/31/2024	
Total Deposits :		3	Total Amount:	\$5,948.60	\$0.00	\$5,948.60		

End of Report

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Safeguarding public investments for over 30 years
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Quarterly Letter: Land of Confusion

Publication produced by KeyBank Institutional Advisors

The Federal Open Market Committee voted to cut interest rates by 0.25%, setting the benchmark federal funds rate target range at 4.25% to 4.50%. The interest on reserve balances and the discount rate were also adjusted lower by 0.25%. With these actions, the Fed now has lowered interest rates by a cumulative total of 100 basis points (1.00%) in the past three months.

The accompanying statement received only a slight adjustment with the addition of “the extent and timing of” into the sentence discussing future policy. The revised sentence now reads: “In considering the extent and timing of additional adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks.” This addition opens the door for the possibility of alternating decisions at future meetings (e.g., cut-pause-cut-pause), or possibly an outright pause of future rate cuts.

The bigger change came in the form of several notable shifts in the SEP (the Fed’s own economic projections) which were more dramatic than expected. The median year-end projections for interest rates for 2025 and 2026 rose by 0.50% each, implying two fewer rate cuts over that time frame than the Fed had forecasted three months ago in September. The longer-run projection for interest rates was also revised up to 3.00% – a level last seen in 2017/2018.

Although the shift is a bit larger than economists anticipated, the revisions are at least directionally consistent with the changes that the Committee has made over the past year. However, the decrease in interest rate cuts conflicts with the Committee's economic forecasts, which show higher near-term growth, higher near-term inflation, and lower near-term unemployment. At this stage, it is unclear why more rate cuts were not taken out of their projections, or the longer-run dot was not revised higher, given this context. This seems to indicate that the Committee will tolerate above-target inflation for even longer than previously communicated.

The projection for real GDP growth for year-end 2024 was adjusted higher to 2.5% from 2.0%, reflecting the momentum seen recently in the data and is going to carry through to 2025 as well. The Unemployment Rate projection was revised down 0.2% in 2024 and 0.1% in 2025. The projections for Headline PCE inflation were revised up 0.1% to 2.4% for 2024 and up 0.4% to 2.5% for 2025. Finally, projections for Core PCE inflation were also revised up 0.2% in 2024, 0.3% in 2025 and 0.2% in 2026.

Nothing in the forecasts really sticks out here, but it is difficult to understand why there weren't bigger shifts. The bottom line is that the Committee does not expect to continue with aggressive rate cuts and will proceed cautiously while assessing the incoming economic data releases.

In light of the Fed's more cautious approach to future rate cuts, investors should reassess their portfolios. Continued emphasis on diversification and a bias toward higher credit quality will help navigate the evolving economic landscape and uncertainty as to the direction of fiscal policy with the incoming administration.

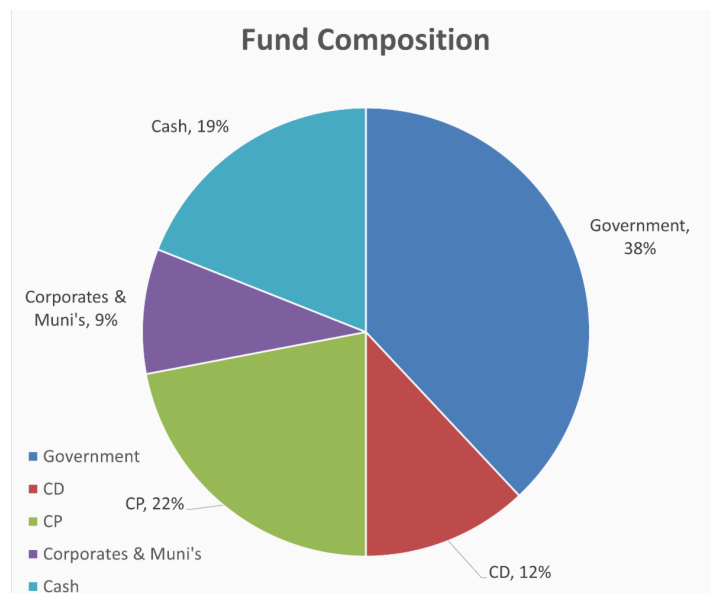
Any opinions, projections or recommendations in this report are subject to change without notice and are not intended as individual investment advice. The information in this letter is based on data obtained from recognized sources and is believed to be reliable. Past performance is not indicative of future results.

INVESTMENTS ARE: NOT FDIC INSURED. NOT BANK GUARANTEED. MAY LOSE VALUE. NOT A DEPOSIT. NOT INSURED BY ANY FEDERAL OR STATE GOVERNMENT AGENCY

Series I Recap

The month opened with a \$842,958,013 share balance and closed with a balance of \$831,156,028. The seven-day effective yield ended the month at 4.44%. The monthly seven-day average effective yield for the month was 4.50%. Average maturity ended the month at 11 days.

At the end of the month, the Series I portfolio had 19% of its portfolio assets allocated to overnight



investments/cash, corporate securities made up 9% of the assets, Commercial Paper represented 22%, CDs represented 12%, and Treasury & Agency represented 38%.

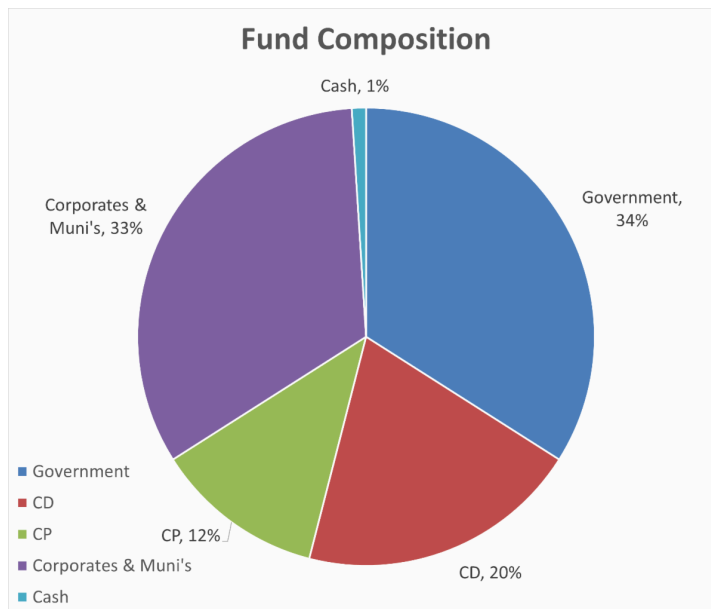
Data: KeyBank, NA

Series I Fact Sheet

Series II Recap

The month opened with a \$57,209,243 share balance and closed with a balance of \$57,492,738. The thirty-day SEC yield ended the month at 4.56%.

At the end of the month, the Series II portfolio had 1% of its portfolio assets allocated to overnight investments/cash, corporate securities made up 33% of the assets, Commercial Paper represented 12%, CDs represented 20%, and Treasury & Agency represented 34%.

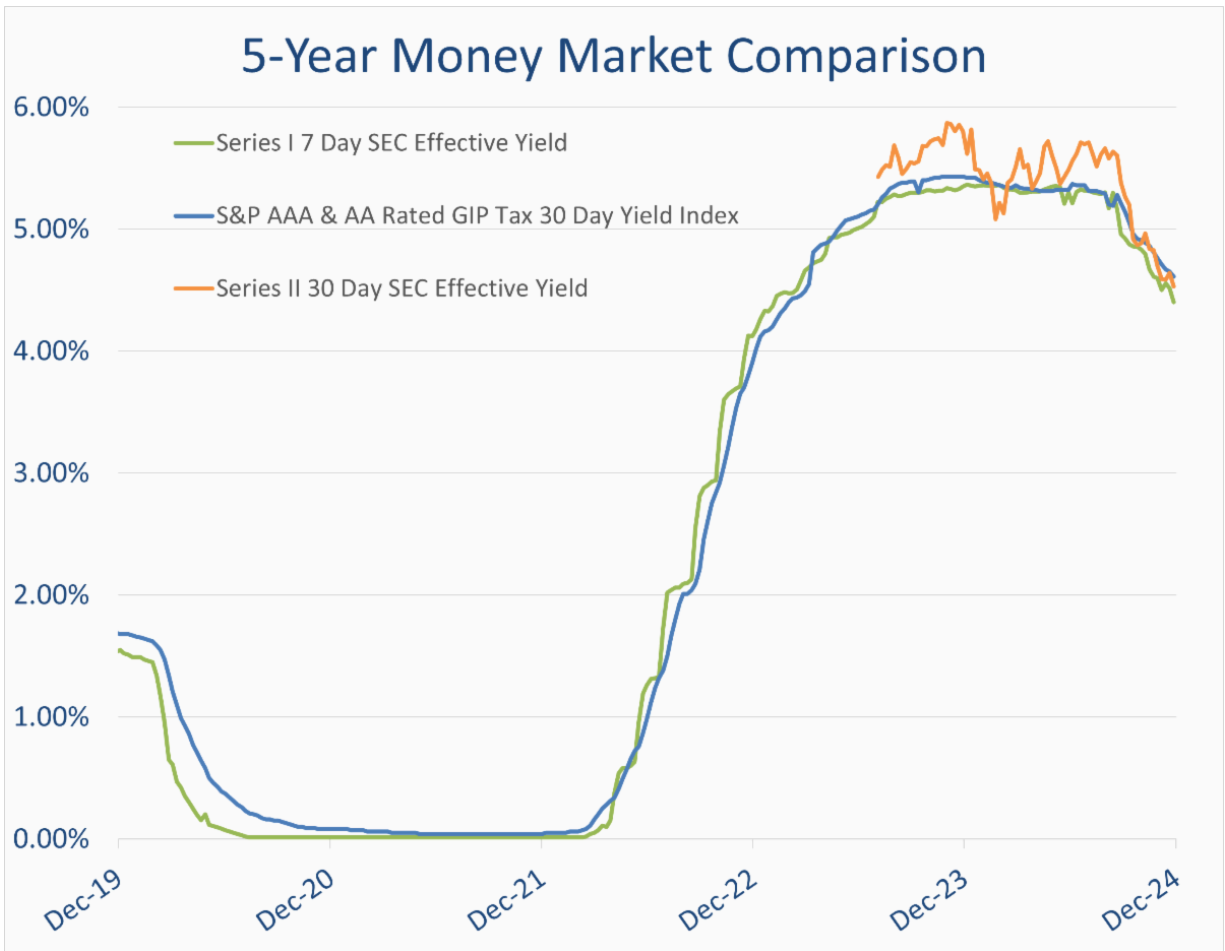


Data: KeyBank, NA

SERIES II Fact Sheet

Comparisons

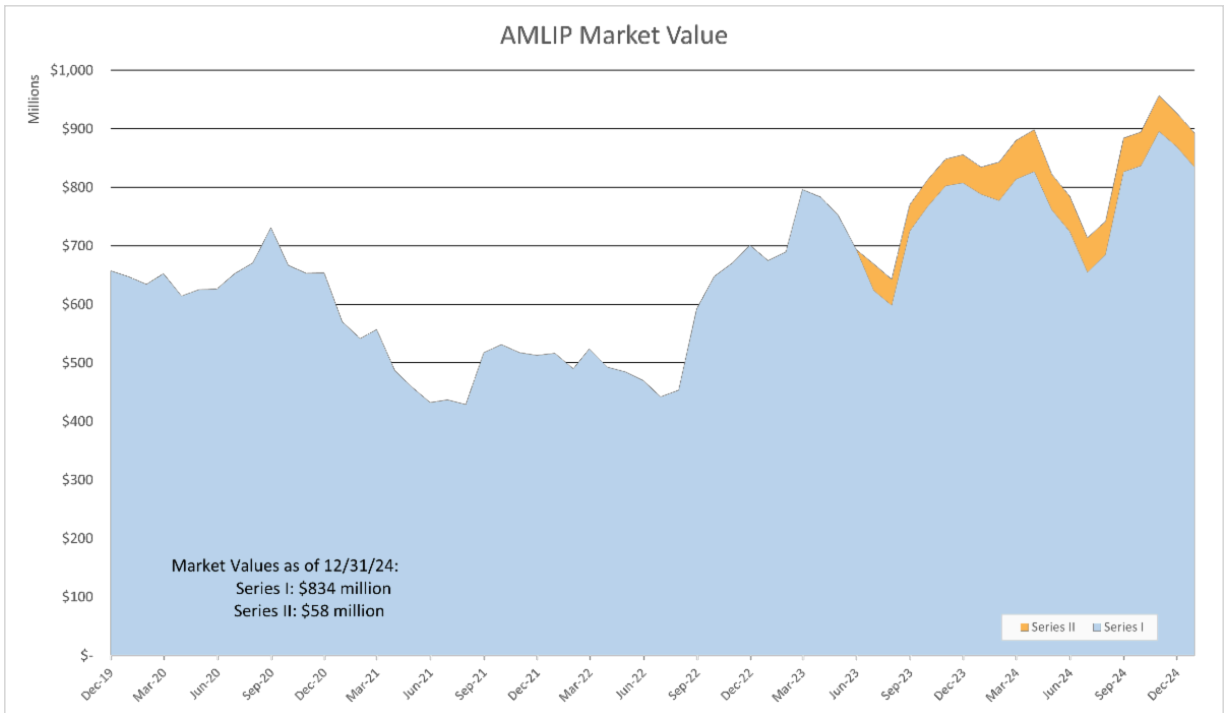
On December 27th, 2024, the S&P AAA & AA Rated GIP Tax 30 Day Yield Index was 4.61%, the Series I Pool's 7-day SEC effective rate was 4.40%, and the Series II Pool's 30-day SEC effective rate was 4.53%. *All Pool rates are quoted net of fees and expenses.*



Data: KeyBank, NA & S&P

Portfolio Comparison

AMLIP Market Values



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Angie Flick - Vice President
 City & Borough of Juneau

Melissa Haley
 City & Borough of Sitka

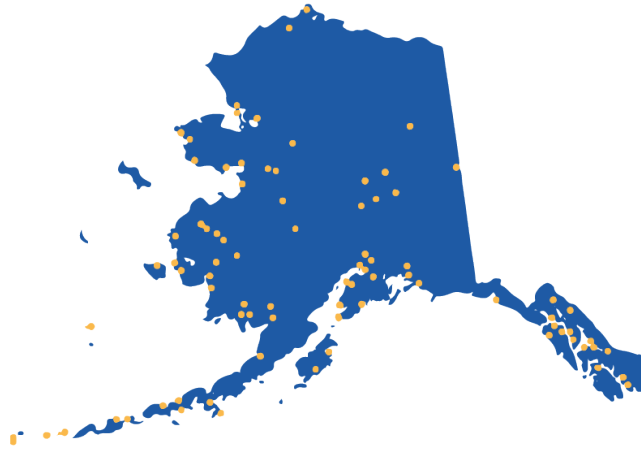
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Mason Villarma
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Brennan Hickok
 AMLJIA

Kris Erchinger
 City of Whittier

Nils Andreassen - Executive Director
 Alaska Municipal League



AMLIP Membership

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

89 Members Representing 228 Total Accounts

Adak, City of	Fairbanks, City of	Nulato, City of
AIDEA	False Pass, City of	Old Harbor, City of
Akutan, City of	Fort Yukon, City of	Palmer, City of
Alaska Association of Municipal Clerks	Galena, City of	Pelican City School District
Alaska Govt Finance Officers Association	Gustavus, City of	Pelican, City of
Alaska Municipal League	Haines, City and Borough	Petersburg School District
Alaska Municipal Management Association	Homer, City of	Petersburg Borough
Aleknagik, City of	Hoonah, City of	Pilot Station, City of
Aleutians East Borough	Huslia, City of	Pribilof School District
AML/JIA	Juneau, City and Borough	Quinhagak, City of
Angoon, City of	Kachemak, City of	Sand Point, City of
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Atka, City of	Kenai Peninsula Borough	Seldovia, City of
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Cold Bay, City of	Koyuk, City of	Toksook Bay
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Delta Junction, City of	Marshall, City of	Unalaska, City of
Denali Borough	Matanuska-Susitna Borough	Upper Kalskag, City of
Dillingham, City of	McGrath, City of	Utqiagvik, City of
Eagle, City of	Mekoryuk, City of	Wasilla, City of
Eek, City of	Mekoryuk, Village of	Whale Pass, City of
Egegik, City of	New Stuyahok, City of	Whittier, City of
Elim, City of	Nome, City of	Wrangell School District
	North Pole, City of	Wrangell, City and Borough
	Northwest Arctic Borough	Yakutat, City and Borough
	Nulato, City of	
	Old Harbor, City of	

Fairbanks North Star
Borough

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