

Investment Report FY26 Quarter 2

January 2026 Regular School Board Meeting

Shannon Baird, Finance Director

AMLIP Series I

- Realized \$16,472.54 in revenue during quarter two of FY26.

AMLIP Series II

- Realized \$2.73 in revenue during quarter one of FY26.
- Additionally had an unrealized gain on investment of \$5,321.70 in quarter two of FY26.
- Total value increase of \$5,324.43

Please see attached

FY26 Q1 & Q2 - 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.
- The District invested another \$1,000,000.00 into its AMLIP Series 1 investment account on July 30, 2025. Even though our rates are down, our total investment revenue for quarter one is up from a year ago. This is because we invested more capital in quarter one.
- We will be investing more from other funds in Q3 to maximize our capital.

Yearly interest revenue comparison

	FY2024	FY2025	FY2026
Q1	\$260.30	\$15,005.34	\$16,191.69
Q2	\$260.36	\$13,432.53	\$21,796.97
Q3	\$219.92	\$11,993.84	
Q4	\$12,125.64	\$12,303.11	
TOTAL	\$12,866.22	\$52,734.82	\$37,988.66

Looking Ahead...

We anticipate the district will increase earnings from FY25 to FY26, even if our rates continue to decline a moderate amount. This is because we will be investing more of our cash on hand. This requires us to move capital in and out of our investments as needed to meet the fluctuating cash activity in our checking account throughout each month and the year.

Petersburg School District

Cash Balances

Fiscal Year: 2025-2026		Date Range: 10/01/2025 - 12/31/2025			
Account Number	Title	Beginning Balance	Increases Debits	Decreases Credits	Cash Balance
100.000.000.000.621	AMLIP SERIES I INVESTMENT	1,660,047.02	16,472.54	0.00	1,676,519.56
		1,660,047.02	16,472.54	0.00	1,676,519.56
End of Report					

Petersburg School District

Reprint Deposit Listing

Fiscal Year: 2025-2026

Criteria:

Bank Account: AMLIP SERIES I INVESTMENT XX01761

From Date: 10/01/2025

To Date: 12/31/2025

From Deposit:

To Deposit:

Deposit Number	Date	Memo	Cash/Other	Checks/Credit	Deposit Total	Cleared?	Clear Date	Void Date
19	10/01/2025	OCTOBER 2025 INTEREST AMLIP 1	\$5,596.29	\$0.00	\$5,596.29	<input checked="" type="checkbox"/>	10/31/2025	
20	11/01/2025	NOVEMBER 2025 INTEREST AMLIP 1	\$5,620.21	\$0.00	\$5,620.21	<input checked="" type="checkbox"/>	11/30/2025	
21	12/01/2025	DECEMBER 2025 INTEREST AMLIP 1	\$5,256.04	\$0.00	\$5,256.04	<input checked="" type="checkbox"/>	12/31/2025	
Total Deposits : 3			Total Amount:	\$16,472.54	\$0.00	\$16,472.54		
End of Report								

Petersburg School District

Cash Balances

Fiscal Year: 2025-2026		Date Range: 10/01/2025 - 12/31/2025			
Account Number	Title	Beginning Balance	Increases Debits	Decreases Credits	Cash Balance
100.000.000.000.622	AMLIP SERIES II INVESTMENT	536,019.43	5,324.43	0.00	541,343.86
		536,019.43	5,324.43	0.00	541,343.86
End of Report					

Petersburg School District

Reprint Deposit Listing

Fiscal Year: 2025-2026

Criteria:

Bank Account: AMLIP SERIES II INVESTMENT XX01762

From Date: 10/01/2025

To Date: 12/31/2025

From Deposit:

To Deposit:

Deposit Number	Date	Memo	Cash/Other	Checks/Credit	Deposit Total	Cleared?	Clear Date	Void Date
22	10/01/2025	OCTOBER 2025 INTEREST/GAIN - AMLIP 2	\$1,870.69	\$0.00	\$1,870.69	<input checked="" type="checkbox"/>	10/31/2025	
23	11/01/2025	NOVEMBER 2025 INTEREST/GAIN - AMLIP 2	\$1,583.05	\$0.00	\$1,583.05	<input checked="" type="checkbox"/>	11/30/2025	
24	12/01/2025	DECEMBER 2025 INTERST/GAIN - AMLIP 2	\$1,870.69	\$0.00	\$1,870.69	<input checked="" type="checkbox"/>	12/31/2025	
Total Deposits :			3	Total Amount:	\$5,324.43	\$0.00	\$5,324.43	
End of Report								

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Quarterly Letter to Members

Steady at the Helm: A Fourth-Quarter Perspective on Cash and Confidence

Publication produced by KeyBank Institutional Advisors

Key Takeaways

- The Federal Open Market Committee delivered three rate cuts totaling 75 basis points during the quarter, bringing the target range to 3.50%–3.75%.
- Money-market yields remained attractive, with short-term investments continuing to generate income while preserving liquidity.
- Market conditions remained orderly, supported by stable Treasury issuance and ample liquidity.
- The outlook favors patience, as yields remain well above pre-pandemic norms despite modest easing.

The fourth quarter of 2025 underscored an essential truth: stability is not achieved by reacting quickly, but by remaining disciplined when conditions change.

From October through December, financial markets focused squarely on the direction of monetary policy. Over the course of the quarter, the Federal Reserve implemented three rate cuts totaling 75 basis points, lowering the federal funds target range to 3.50%–3.75% by year-end. While the cumulative move was meaningful, the message accompanying it was deliberately cautious.

Chair Jerome Powell emphasized that these adjustments should not be interpreted as a return to highly accommodative policy. Inflation had moderated meaningfully, but economic growth remained resilient and labor markets tight. As a result, the Federal Reserve characterized the quarter's actions as a recalibration toward neutral rather than the start of an open-ended easing cycle.

Despite the cumulative rate cuts, money-market yields remained attractive throughout the quarter, particularly relative to long-term historical norms. Overnight and short-duration instruments continued to generate meaningful income while maintaining a high degree of liquidity. Funding markets remained orderly, supported by the Fed's administered rates, standing liquidity facilities, and a steady pace of Treasury issuance consistent with regular financing needs.

This environment rewarded conservative portfolio structures. Diversification, disciplined maturity ladders, and a continued emphasis on liquidity helped portfolios remain resilient during a period of policy transition. Rather than reacting to headlines or attempting to anticipate the precise timing of future rate moves, effective cash strategies remained focused on preserving principal, ensuring liquidity, and capturing income at the front end of the yield curve.

Looking ahead to 2026, the outlook suggests cautious optimism rather than urgency. While additional rate cuts remain possible, the Federal Reserve has been clear that future moves will be gradual and data dependent. Even so, yields remain well above pre-pandemic levels, continuing to offer a compelling combination of income and stability.

In an environment defined by uncertainty and shifting expectations, the fourth quarter of 2025 reinforced a familiar lesson: effective cash management is not about timing the market. It is about structure, discipline, and consistency.

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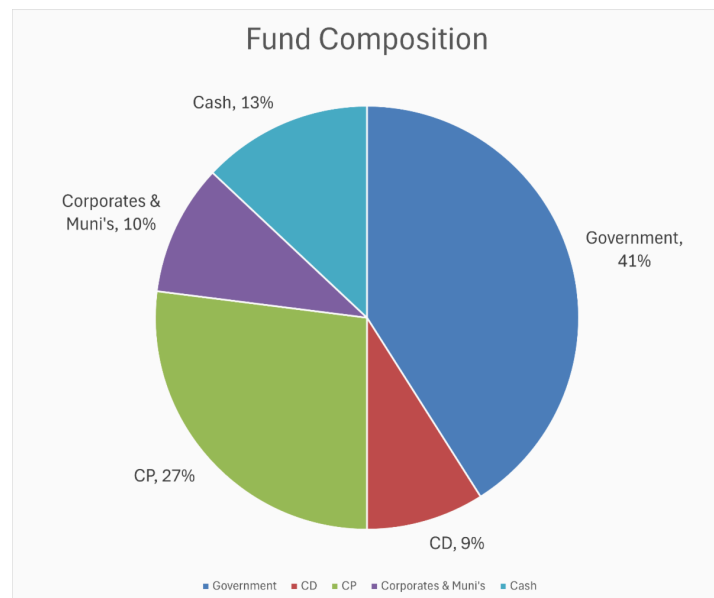
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Series I Recap

The month opened with a \$929,354,980 share balance and closed with a balance of \$853,076,234. The seven-day effective yield ended the month at 3.67%. The monthly

seven-day average yield in December was 3.75%. Average maturity ended the month at 14 days.

As of December 31st, 2025, the Series I portfolio had 13% of its portfolio assets allocated to overnight investments/cash, corporate securities made up 10% of the assets, Commercial Paper represented 27%, CDs represented 9%, and Treasury & Agency represented 41%.



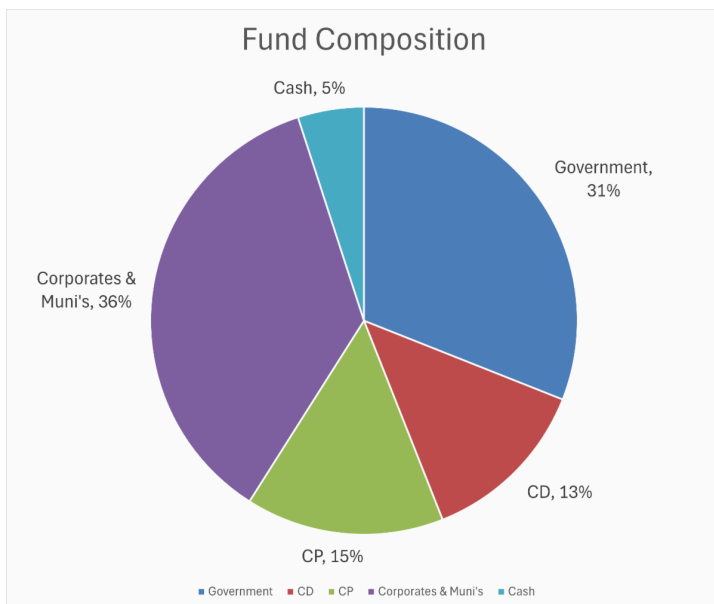
Data: KeyBank, NA

Series I Fact Sheet

Series II Recap

The month opened with a \$111,645,948 share balance and closed with a balance of \$112,004,606. The thirty-day SEC yield ended the month at 3.81%.

On December 31st, 2025, the Series II portfolio had 5% of its portfolio assets allocated to overnight investments/cash, corporate securities made up 36% of the assets, Commercial Paper represented 15%, CDs represented 13%, and Treasury & Agency represented 31%.

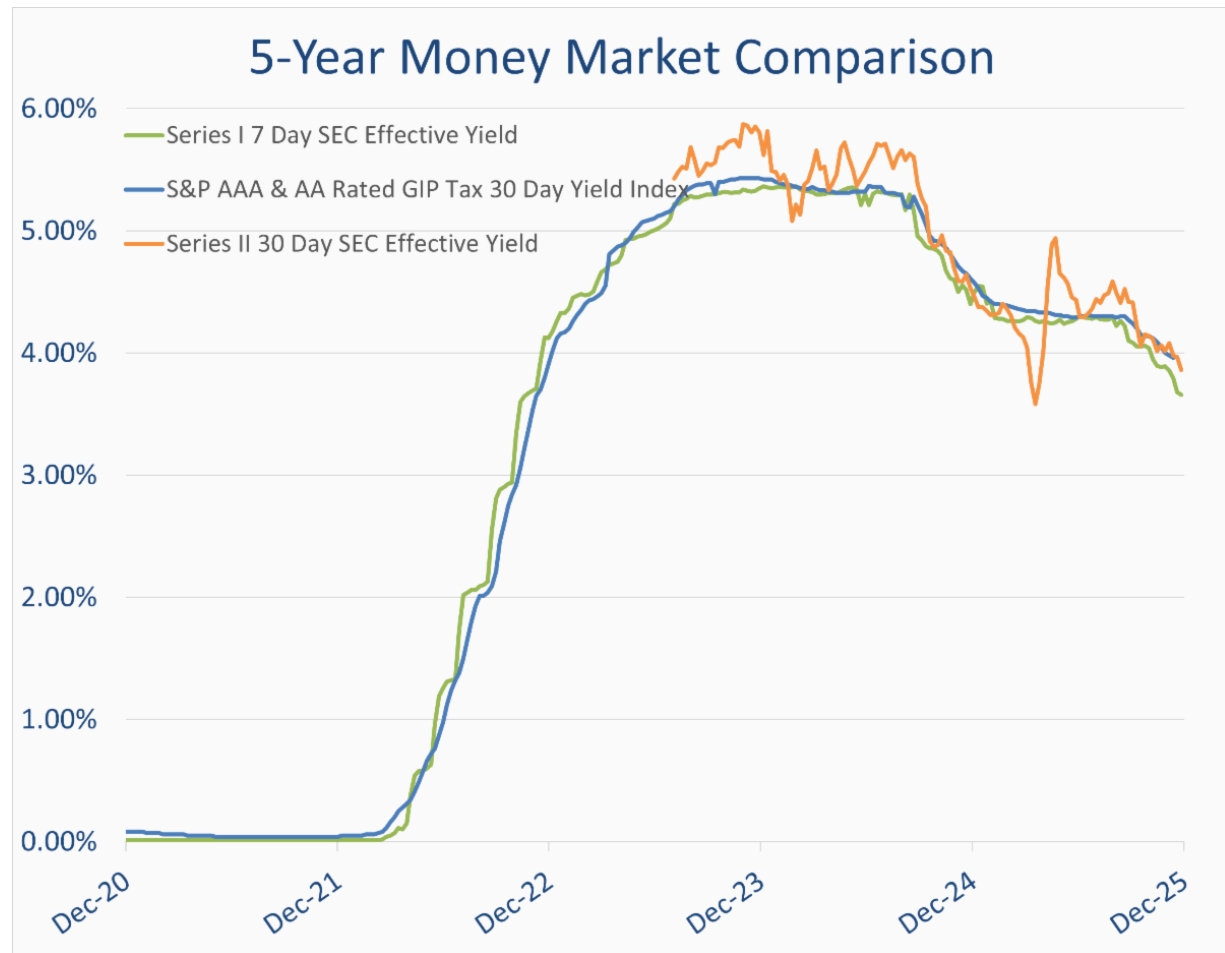


Data: KeyBank, NA

SERIES II Fact Sheet

Comparisons

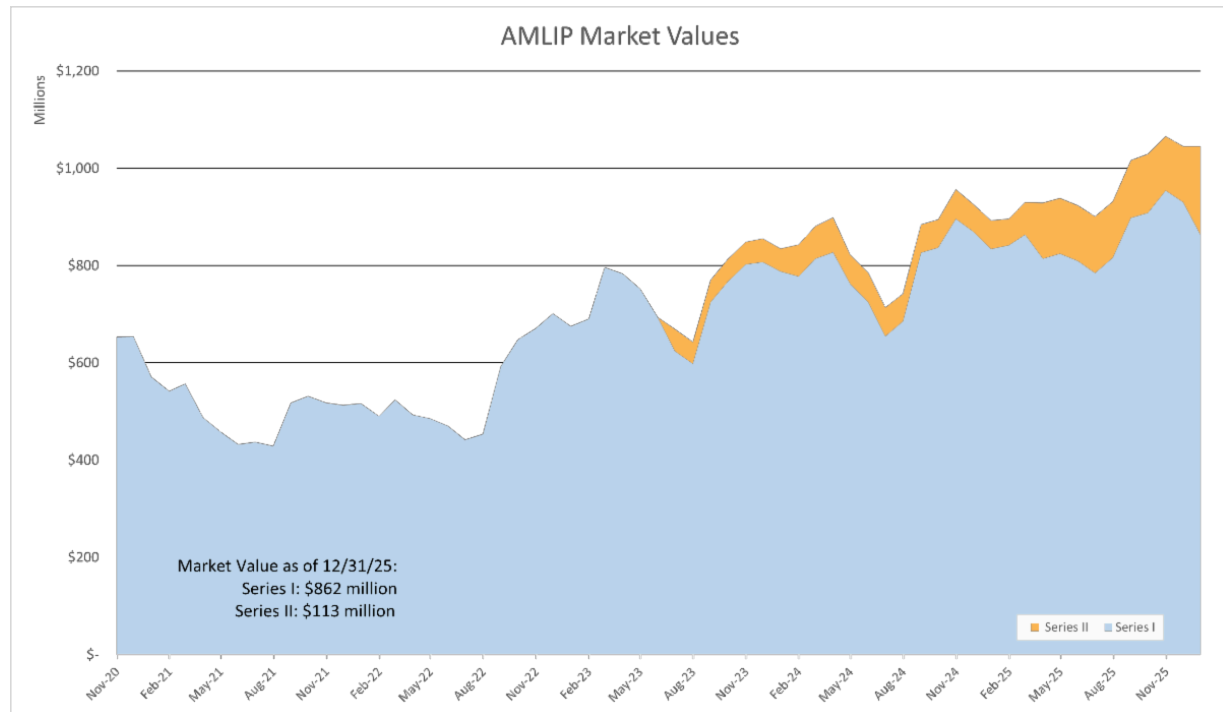
On December 31st, 2025, the S&P AAA & AA Rated GIP Tax 30 Day Yield Index was 3.88%, the Series I Pool's 7-day SEC effective rate was 3.67%, and the Series II Pool's 30-day SEC effective rate was 3.81%. *All Pool rates are quoted net of fees and expenses.*



Data: KeyBank, NA & S&P

Portfolio Comparison

AMLIP Market Values



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Jody Tow - Vice President
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Cheyenne Heindel
Matanuska-Susitna Borough

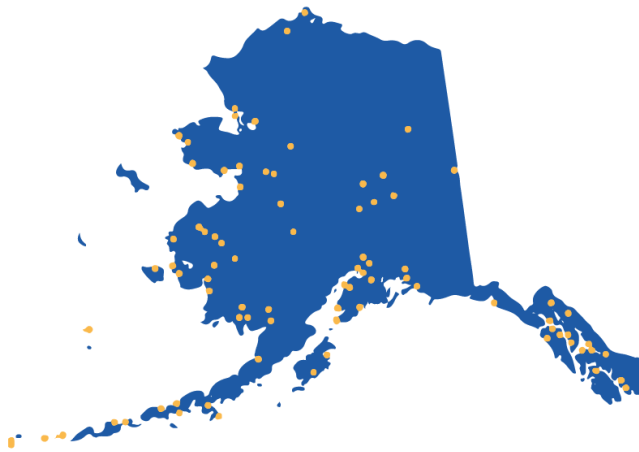
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Galena City School District

Brennan Hickok
APRA

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.

91 Members Representing 236 Total Accounts

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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
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Bristol Bay Borough	Kodiak, City of	Southwest Alaska Municipal Conference
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Cordova, City of	Marshall, City of	Unalakleet, City of
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Denali Borough	McGrath, City of	Upper Kalskag, City of
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Eagle, City of	Mekoryuk, Village of	Wasilla, City of
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Egegik, City of	Nome, City of	Whittier, City of
Elim, City of	North Pole, City of	Wrangell School District
	Northwest Arctic Borough	Wrangell, City and Borough
	Nulato, City of	Yakutat, City and Borough
	Old Harbor, City of	

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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