Investment Report

October 2025 Regular School Board Meeting
Shannon Baird, Finance Director

FY26 Quarter 1

AMLIP Series I

- Realized $10,435.74 in revenue during quarter one of FY26.

AMLIP Series II

- Realized $2.76 in revenue during quarter one of FY26.
- Additionally had an unrealized gain on investment of $5,753.19 in quarter one of FY26.
- Total value increase of $16,191.69

Please see attached

FY26 Q1 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 this quarter.
- 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

	FY2026	FY2025	FY2024	FY2023
Q1	$16,191.69	$15,005.34	$260.30	$200.23
Q2		$13,432.53	$260.36	$260.09
Q3		$11,993.84	$219.92	$257.07
Q4		$12,303.11	$12,125.64	$258.69
TOTAL	**$16,191.69**	**$52,734.82**	**$12,866.22**	**$976.08**

Looking Ahead…

We anticipate the district will increase earnings from FY25 to 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: 2025-2026

Date Range: 07/01/2025 - 09/30/2025

Account Number	Title	Beginning Balance	Increases Debits	Decreases Credits	Cash Balance
100.000.000.000.621	AMLIP SERIES I INVESTMENT	649,611.28	1,010,435.74	0.00	1,660,047.02
		649,611.28	1,010,435.74	0.00	1,660,047.02

End of Report

Reprint Deposit Listing

Fiscal Year: 2025-2026

Criteria:

Bank Account: AMLIP SERIES I INVESTMENT XX01761 From Date: 07/01/2025 To Date: 09/30/2025
From Deposit: To Deposit:

Deposit Number	Date	Memo	Cash/Other	Checks/Credit	Deposit Total	Cleared?	Clear Date	Void Date
16	07/01/2025	JULY 2025 INTEREST AMLIP 1	$2,229.80	$0.00	$2,229.80	☑	07/31/2025	
17	08/01/2025	AUGUST 2025 INTEREST AMLIP 1	$2,326.04	$0.00	$2,326.04	☑	08/31/2025	
18	09/01/2025	SEPTEMBER 2025 INTEREST AMLIP 1	$5,879.90	$0.00	$5,879.90	☑	09/30/2025	
Total Deposits :	3	Total Amount:	$10,435.74	$0.00	$10,435.74			

End of Report

Cash Balances

Fiscal Year: 2025-2026

Date Range: 07/01/2025 - 09/30/2025

Account Number	Title	Beginning Balance	Increases Debits	Decreases Credits	Cash Balance
100.000.000.000.622	AMLIP SERIES II INVESTMENT	530,263.48	5,755.95	0.00	536,019.43
		530,263.48	5,755.95	0.00	536,019.43

End of Report

Reprint Deposit Listing

Fiscal Year: 2025-2026

Criteria:

Bank Account: AMLIP SERIES II INVESTMENT XX01762 From Date: 07/01/2025 To Date: 09/30/2025
From Deposit: To Deposit:

Deposit Number	Date	Memo	Cash/Other	Checks/Credit	Deposit Total	Cleared?	Clear Date	Void Date
19	07/01/2025	JULY 2025 INTEREST/GAIN AMLIP 2	$1,870.69	$0.00	$1,870.69	☑	07/31/2025	
20	08/01/2025	AUGUST 2025 INTERST/GAIN AMLIP 2	$1,918.66	$0.00	$1,918.66	☑	08/31/2025	
21	09/01/2025	SEPTEMBER 2025 INTEREST/GAIN - AMLIP 2	$1,966.60	$0.00	$1,966.60	☑	09/30/2025	
Total Deposits :	3	Total Amount:	$5,755.95	$0.00	$5,755.95			

End of Report

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Quarterly Letter to Members

The Fed Cut Rates, But Didn't Cut Loose
By KeyBank Institutional Advisors

The Federal Reserve's September meeting delivered what markets expected – but the real story is the nuance. With a 0.25% rate cut bringing the federal funds target range to 4.00% - 4.25%, policymakers opened the door to further easing but deliberately avoided over-committing.

Powell's Balanced Approach
In his press conference, Chair Jerome Powell leaned heavily on the phrase "balanced approach." He framed the move as a response to cooling job growth and rising downside risks to employment – but he was quick to remind markets that inflation is still above the 2% goal and could flare back if policy gets too loose. The message was clear: the Fed is ready to cut more if conditions warrant, but it will proceed one meeting at a time.

The SEP Speaks: Lower, Slower
The Fed's latest projections reinforce its patient stance. The median policy path now shows the federal funds rate ending 2025 at 3.6%, down from 3.9% in June, with a further drift lower to 3.4% in 2026 and 3.1% in 2027. Growth expectations have actually ticked up slightly, with real GDP now projected to expand 1.6% in 2025 and rising toward 1.9% by 2027, suggesting the Fed believes it can deliver rate relief without derailing expansion. Unemployment is expected to edge up to 4.5% before gradually drifting lower in later years – a sign the Fed is comfortable with modest labor market softening if it helps bring inflation

back to target. Inflation projections remain above the 2% goal for some time. With PCE inflation at 3.0% in 2025, easing to 2.6% in 2026 and near 2% by 2027. Together, the projections signal a measured glide path: lower rates, but not a rush to the bottom.

Investor Implications

For investors, the combination of a modest rate cut, and lower projected path is supportive of risk assets – but the “careful step” message tempers expectations for a rapid cutting cycle. Front-end duration stands to benefit the most, while tight credit spreads argue for selectivity. Equity multiples may get a gentle tailwind from lower discount rates, but slower growth means earnings quality matters.

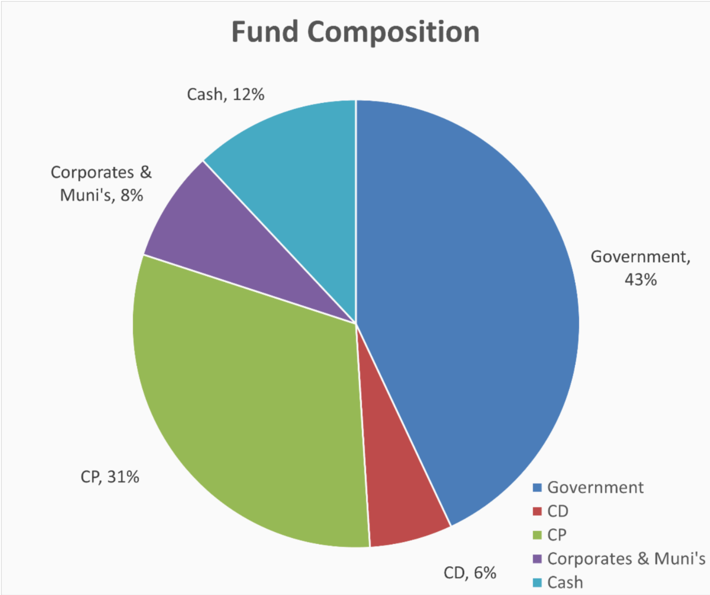
Bottom Line

This is the Fed’s opening move, not its endgame. The central bank is cutting, but not cutting loose. Aiming to thread the needle between keeping the expansion alive and avoiding an inflation resurgence. Powell’s emphasis on balance suggests each meeting will be a fresh decision, and markets will have to trade the data, not the dots.

Series I Recap

The month opened with a $896,807,133 share balance and closed with a balance of $903,641,902. The seven-day effective yield ended the month at 4.09%. The monthly seven-day average yield in September was 4.20%. Average maturity ended the month at 17 days.

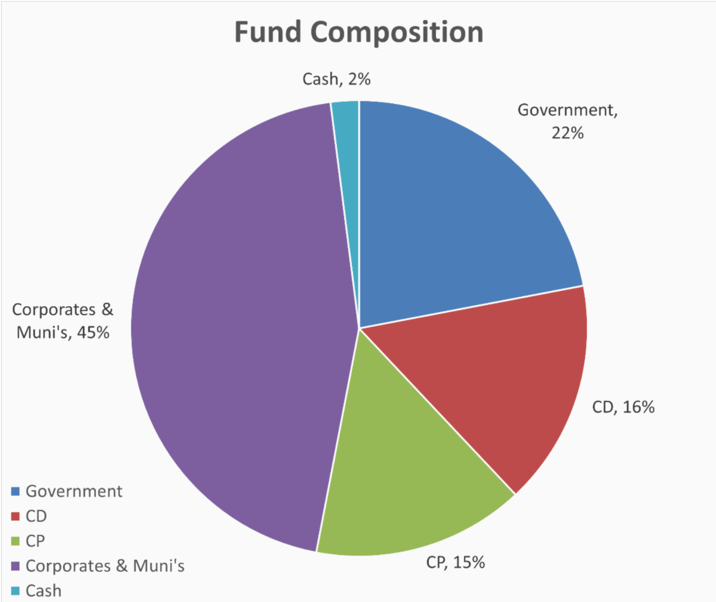
As of September 30th, 2025, the Series I portfolio had 12% of its portfolio assets allocated to overnight investments/cash, corporate securities made up 8% of the assets, Commercial Paper represented 31%, CDs represented 6%, and Treasury & Agency represented 43%.



Data: KeyBank, NA

Series I Fact Sheet

Series II Recap



The month opened with a $116,321,088 share balance and closed with a balance of $122,082,694. The thirty-day SEC yield ended the month at 4.35%.

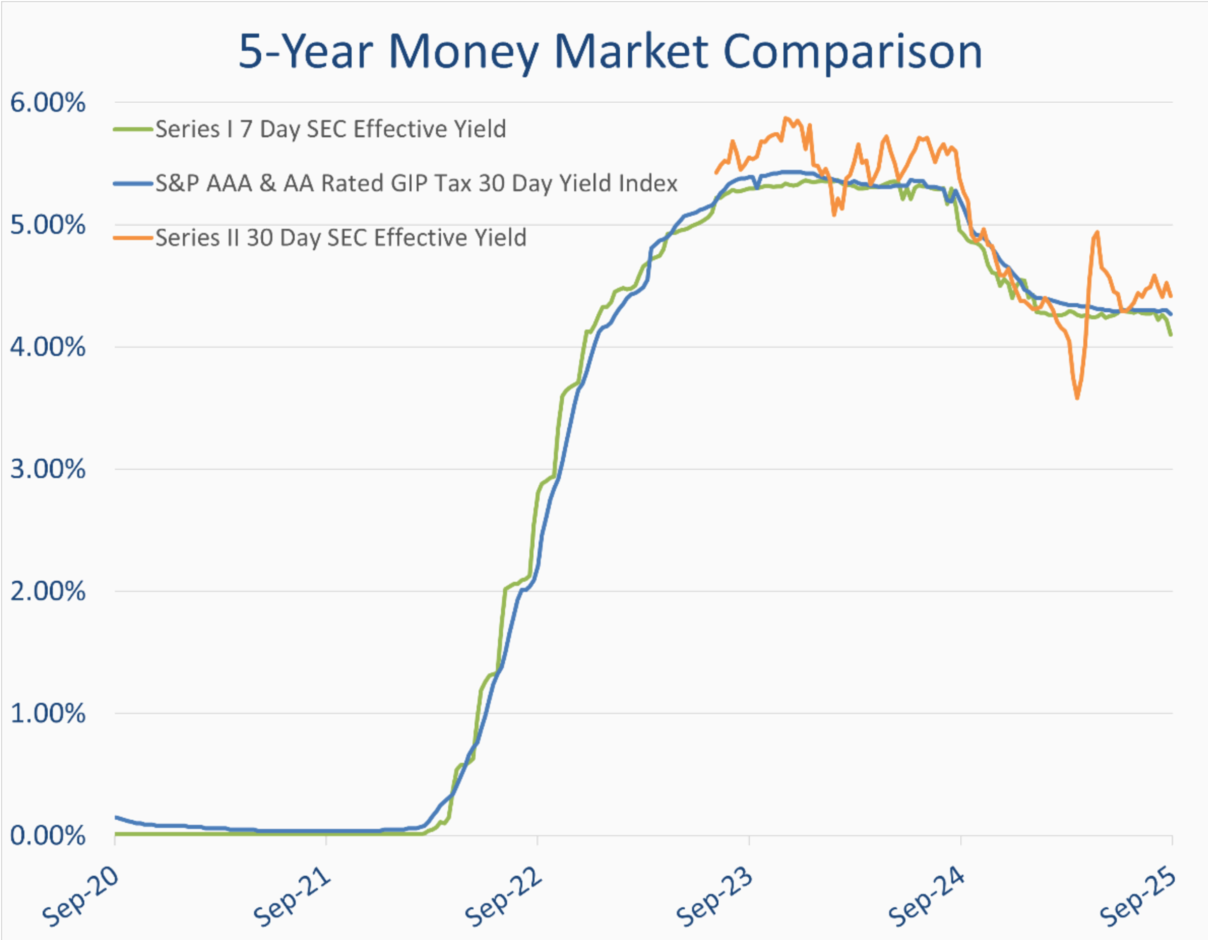
On September 30th, 2025, the Series II portfolio had 2% of its portfolio assets allocated to overnight investments/cash, corporate securities made up 45% of the assets, Commercial Paper represented 15%, CDs represented 16%, and Treasury & Agency represented 22%.

Data: KeyBank, NA

SERIES II Fact Sheet

Comparisons

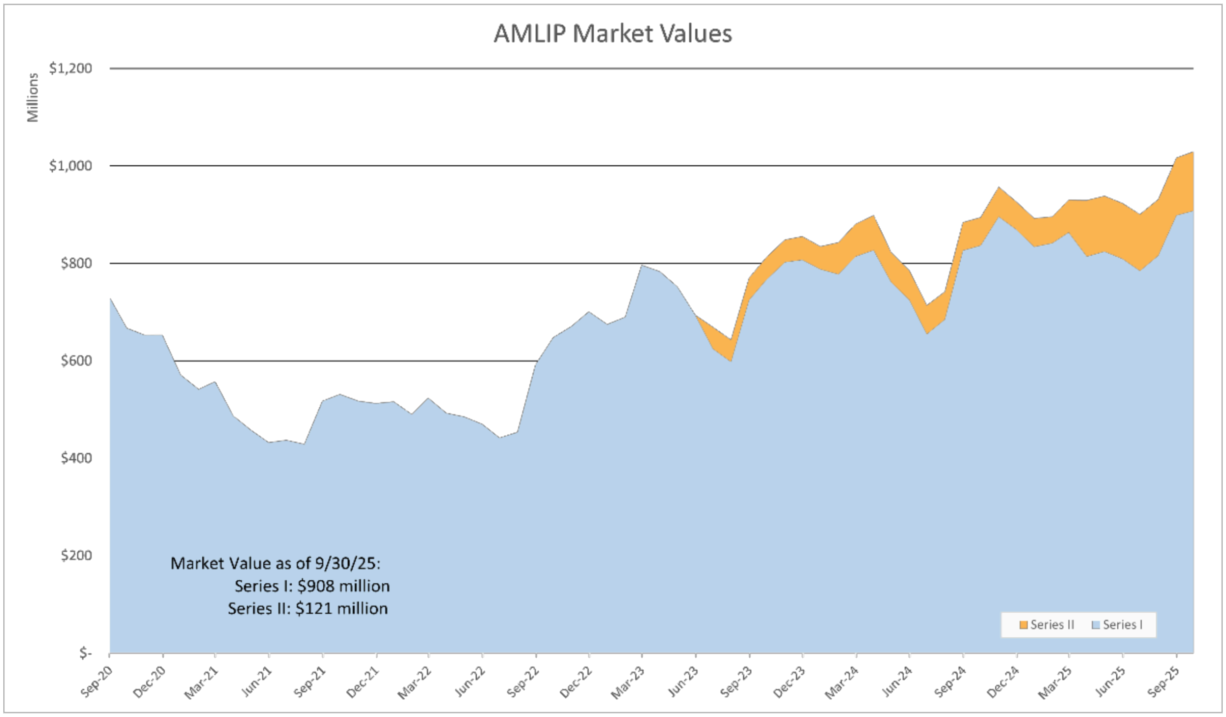
On September 30th, 2025, the S&P AAA & AA Rated GIP Tax 30 Day Yield Index was 4.27%, the Series I Pool's 7-day SEC effective rate was 4.10%, and the Series II Pool's 30-day SEC effective rate was 4.42%. *All Pool rates are quoted net of fees and expenses.*



Data: KeyBank, NA & S&P

Portfolio Comparison

AMLIP Market Values



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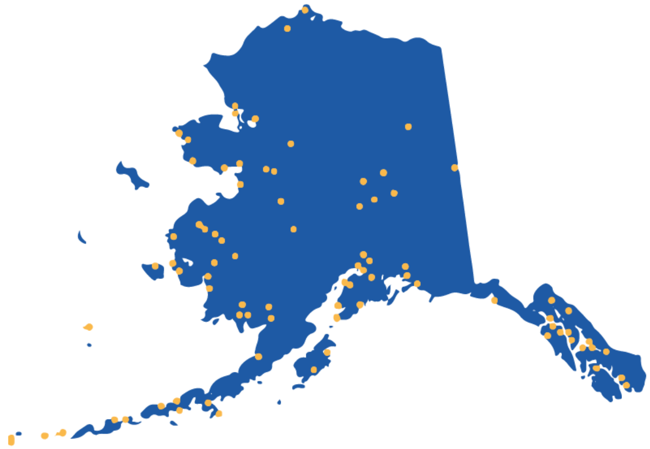

AMLIP Membership

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

90 Members Representing 234 Total Accounts

Adak, City of
AIDEA
Akutan, City of
Alaska Association of Municipal Clerks
Alaska Govt Finance Officers Association
Alaska Municipal League
Alaska Municipal Management Association
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Fairbanks, City of
False Pass, City of
Fort Yukon, City of
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Hoonah, City of
Huslia, City of
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Kake City School District
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McGrath, City of
Mekoryuk, City of
Mekoryuk, Village of
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Nulato, City of
Old Harbor, City of
Nulato, City of
Old Harbor, City of
Palmer, City of
Pelican City School District
Pelican, City of
Petersburg School District
Petersburg Borough
Pilot Station, City of
Pribilof School District
Quinhagak, City of
Sand Point, City of
Selawik, City of
Seldovia, City of
Seward, City of
Sitka, City and Borough
Soldotna, City of
Southwest Alaska Municipal Conference
St. Paul, City of
Tenakee Springs, City of
Toksook Bay
Unalakleet, City of
Unalaska, City of
Upper Kalskag, City of
Utqiagvik, City of
Wasilla, City of
Whale Pass, City of
Whittier, City of
Wrangell School District
Wrangell, City and Borough
Yakutat, City and Borough

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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