

Investment Report FY26 Quarter 3

April 2026 Regular School Board Meeting

Shannon Baird, Finance Director

AMLIP Series I

- Realized \$22,847.07 in revenue during quarter three of FY26.

AMLIP Series II

- Realized \$2.70 in revenue during quarter three of FY26.
- Additionally had an unrealized gain on investment of \$4,507.20 in quarter three of FY26.
- Total value increase of \$4,509.90

Please see attached

FY26 Q3 - Overview

- The General Operating Fund has earned 84.93% of its budget investment earnings.
- 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 \$2,331,725.04 into its AMLIP Series 1 investment account on January 22, 2026. This transfer is from a combination of General Operating, Pupil Transportation and multiple Capital Funds. Prior to this transfer we only had General Operating cash invested. Even though our rates are down, our total investment revenue has increased because we invested more cash. The total cash value of our investment accounts is \$4,576,945.43 as of March 31st. See the next two pages for details.

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	\$27,356.97
Q4	\$12,125.64	\$12,303.11	
TOTAL	\$12,866.22	\$52,734.82	\$65,345.63

Looking Ahead...

We have been 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. The District will have less cash to invest in FY27, and with interest rates also decreasing, we are projecting decreased investment revenue for FY27.

AMLIP Series 1 Account	Earnings	FUND							
		100 - General Operating	205 - Pupil Trans.	255 - Food Service	500 - Main Captial	501 - ADA Capital	504 - Floor Replacement	505 - Vehicle Replacement	TOTAL
Ending June 30, 2025		\$ 649,611.28	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 649,611.28
<i>July 1, 2025 Interest</i>	\$ 2,229.80	\$ 2,229.80	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,229.80
<i>July 30, 2025 Transfer in</i>		\$1,000,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,000,000.00
Ending July 31, 2025		\$1,651,841.08	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,651,841.08
<i>August 1, 2025 Interest</i>	\$ 2,326.04	\$ 2,326.04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,326.04
Ending August 31, 2025		\$1,654,167.12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,654,167.12
<i>September 1, 2025 Interest</i>	\$ 5,879.90	\$ 5,879.90	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,879.90
Ending September 30, 2025		\$1,660,047.02	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,660,047.02
<i>October 1, 2025 Interest</i>	\$ 5,596.29	\$ 5,596.29	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,596.29
Ending October 31, 2025		\$1,665,643.31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,665,643.31
<i>November 1, 2025 Interest</i>	\$ 5,620.21	\$ 5,620.21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,620.21
Ending November 31, 2025		\$1,671,263.52	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,671,263.52
<i>December 1, 2025 Interest</i>	\$ 5,256.04	\$ 5,256.04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,256.04
Ending December 31, 2025		\$1,676,519.56	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,676,519.56
<i>January 1, 2026 Interest</i>	\$ 5,211.91	\$ 5,211.91	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,211.91
<i>January 2026 Transfer in</i>		\$1,000,000.00	\$ 334,663.93	\$ 220,845.71	\$ 378,325.95	\$ 259,274.07	\$ 77,163.94	\$ 61,451.44	\$2,331,725.04
Ending January 31, 2026		\$2,681,731.47	\$ 334,663.93	\$ 220,845.71	\$ 378,325.95	\$ 259,274.07	\$ 77,163.94	\$ 61,451.44	\$4,013,456.51
<i>February 1, 2026 Interest</i>	\$ 6,827.14	\$ 4,561.79	\$ 569.28	\$ 375.67	\$ 643.56	\$ 441.04	\$ 131.26	\$ 104.53	\$ 6,827.14
Ending February 28, 2026		\$2,686,293.26	\$ 335,233.21	\$ 221,221.38	\$ 378,969.51	\$ 259,715.11	\$ 77,295.20	\$ 61,555.97	\$4,020,283.65
<i>March 1, 2026 Interest</i>	\$ 10,808.02	\$ 7,221.76	\$ 901.23	\$ 594.73	\$ 1,018.81	\$ 698.21	\$ 207.80	\$ 165.49	\$ 10,808.02
Ending March 31, 2026		\$2,693,515.02	\$ 336,134.45	\$ 221,816.11	\$ 379,988.32	\$ 260,413.32	\$ 77,503.00	\$ 61,721.46	\$4,031,091.67

AMLIP Series 2 Account	Earnings	FUND	
		100 - General Operatin	TOTAL
Ending June 30, 2025		\$ 530,263.48	\$ 530,263.48
<i>July 1, 2025 Gain</i>	\$ 1,870.69	\$ 1,870.69	\$ 1,870.69
<i>No Transfer</i>		\$ -	\$ -
Ending July 31, 2025		\$ 532,134.17	\$ 532,134.17
<i>August 1, 2025 Gain</i>	\$ 1,918.66	\$ 1,918.66	\$ 1,918.66
Ending August 31, 2025		\$ 534,052.83	\$ 534,052.83
<i>September 1, 2025 Gain</i>	\$ 1,966.60	\$ 1,966.60	\$ 1,966.60
Ending September 30, 2025		\$ 536,019.43	\$ 536,019.43
<i>October 1, 2025 Gain</i>	\$ 1,870.69	\$ 1,870.69	\$ 1,870.69
Ending October 31, 2025		\$ 537,890.12	\$ 537,890.12
<i>November 1, 2025 Gain</i>	\$ 1,583.05	\$ 1,583.05	\$ 1,583.05
Ending November 31, 2025		\$ 539,473.17	\$ 539,473.17
<i>December 1, 2025 Gain</i>	\$ 1,870.69	\$ 1,870.69	\$ 1,870.69
Ending December 31, 2025		\$ 541,343.86	\$ 541,343.86
<i>January 1, 2026 Gain</i>	\$ 1,583.06	\$ 1,583.06	\$ 1,583.06
<i>No Transfer</i>		\$ -	\$ -
Ending January 31, 2026		\$ 542,926.92	\$ 542,926.92
<i>February 1, 2026 Gain</i>	\$ 1,487.17	\$ 1,487.17	\$ 1,487.17
Ending February 28, 2026		\$ 544,414.09	\$ 544,414.09
<i>March 1, 2026 Gain</i>	\$ 1,439.67	\$ 1,439.67	\$ 1,439.67
Ending March 31, 2026		\$ 545,853.76	\$ 545,853.76

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Quarterly Letter to Members March 2026

The Fed is Standing Still – But the Ground is Shifting

Publication produced by KeyBank Institutional Advisors

Key Takeaways:

- The Fed held rates steady at 3.50% to 3.75%, signaling continued patience but also an uncertain outlook
- Changes in the Statement point to a more balanced framework
- Fed Governor Miran dissented in favor of a 0.25% cut
- Inflation concerns remain, but upside growth is encouraging
- The dot-plot suggests a measured path forward, not an urgent easing cycle
- This is not yet a pivot, but the formation of one might be developing

Policy Decision: Steady, But Not Static

The fed funds rate was left unchanged at a target range of 3.50%-3.75%. The policy statement showed only modest adjustments. Chairman Jerome Powell struck a familiar tone: data-dependent, patient, and measured.

Importantly, the changes to the statement were subtle but telling. The Committee acknowledged a more gradual balanced set of risks, with a modestly reduced emphasis on upside inflation concerns and a growing recognition of potential softening in economic momentum. The statement also noted geopolitical developments, including tensions in the

Middle East, as a source of uncertainty. While the overall framework remains intact, these adjustments suggest a Fed that is beginning to shift from a predominantly inflation-focused stance toward a more two-sided risk assessment.

This does not yet constitute a policy pivot, but it does mark a meaningful evolution in how the Committee is framing the balance of risks. If sustained, this shift in tone lays the groundwork for a policy path that is increasingly sensitive to downside risks, not just inflation persistence.

The Dot Plot: A Measured Path, not a Rush

The updated dot plot reinforces a message of patience. While the distribution shows some dispersion, the center of gravity suggests a gradual and deliberate path, not an aggressive easing cycle.

A meaningful number of participants continue to signal limited cuts this year, with only a small cohort projecting a more pronounced easing path. The presence of lower-end dots highlights growing concern around downside risks – but these remain in the minority. The takeaway is clear; the Committee is open to easing but not yet convinced it is necessary.

SEP: A More Resilient Economy, But Not Yet Mission Accomplished

The March Summary of Economic Projections (SEP) delivered a subtle but important shift in the Fed’s narrative: the economy is proving more resilient than previously expected, even as the path back to price stability remains incomplete. The Fed upgraded its real GDP outlook across all forecast years, signaling stronger underlying momentum:

Table 1: Real GDP Projections

2026		2027		2028		Longer Run	
December	March	December	March	December	March	December	March
2.3%	2.4%	2.0%	2.3%	1.9%	2.1%	1.8%	2.0%

This broad-based upward revision – particularly the increase in the longer-run estimate – suggests policymakers see less structural drag and greater economic capacity than previously assumed. In short, the economy is not slowing as quickly as expected.

Labor Market: Still Tight, Gradual Cooling

The unemployment rate projections were largely steady, reinforcing the view that labor market rebalancing remains gradual:

Table 2: Unemployment Rate Projections

2026		2027		2028		Longer Run	
December	March	December	March	December	March	December	March
4.4%	4.4%	4.2%	4.3%	4.2%	4.2%	4.2%	4.2%

Despite restrictive policy, the Fed continues to expect only modest softening in labor conditions, consistent with a soft-landing baseline rather than a recession scenario.

Inflation: Progress, But Still Above Target Near-Term

Personal Consumption Expenditures (PCE) Inflation projections reflect continued disinflation, but not a clean victory:

Table 3: Inflation Projections

PCE Inflation	2026		2027		2028	
	December	March	December	March	December	March
Overall	2.4%	2.7%	2.1%	2.2%	2.0%	2.0%
Core	2.5%	2.7%	2.1%	2.2%	2.0%	2.0%

The upward revision to 2026 inflation underscores a key tension: while inflation is trending lower, it is doing so more slowly than previously expected, keeping the Fed cautious.

What It Means: Stronger Growth Complicates the Policy Path

Taken together, the updated projections reinforce a critical message:

- Stronger growth reduces urgency for rate cuts
- Persistent inflation limits the Fed's flexibility
- A soft landing remains the base case, but not a guaranteed outcome

The combination of firmer growth and stickier inflation helps explain why the Committee remains hesitant to signal an aggressive easing cycle. If anything, the SEP suggests the Fed is becoming more confident in the economy's durability, but less confident that inflation will return to target quickly.

Powell's Press Conference: Calm, Controlled, Intentional

Chair Powell's messaging was consistent with the statement and projections. He emphasized continued data dependence, confidence that policy is appropriately restrictive, and a willingness to remain patient as conditions evolve. As Powell emphasized, "We are well positioned to wait for greater confidence before making any adjustments to our policy stance." Importantly, Powell avoided signaling urgency around rate cuts. At the same time, he did not push back against the idea that risks are becoming more balanced.

Chair Powell said he will serve as chairman until his successor is confirmed by the Senate. He also said he has no intention of leaving the Fed until the ongoing DOJ investigation is over. He stated that he has not yet decided as to whether he will complete his term as a Fed board member (which ends in 2028). This pushes back against the case for a dovish tilt premised on Kevin Warsh taking over as Chair in the near term.

On broader issues – including geopolitical developments and leadership uncertainty – Powell remained measured, reinforcing the Fed's commitment to its mandate while acknowledging an increasingly complex backdrop. In the words of Powell himself, "I want to emphasize, nobody knows, the economic effects could be smaller or much bigger. **We just don't know.**"

What This Means for Investors

For Investors, this meeting reinforces a critical shift that the Fed is moving from a one-sided inflation fight to a two-sided risk framework. This shift has meaningful implications:

- Front-end rates may remain anchored in the near term
- Volatility could increase as markets recalibrate around timing and magnitude of rate cuts
- Credit markets will continue to balance higher yields against widening risk considerations
- Portfolio positioning should remain disciplined, with a focus on liquidity, high credit quality and flexibility

Importantly, today's environment continues to reward incremental yield capture, particularly as spreads have widened relative to earlier in the year.

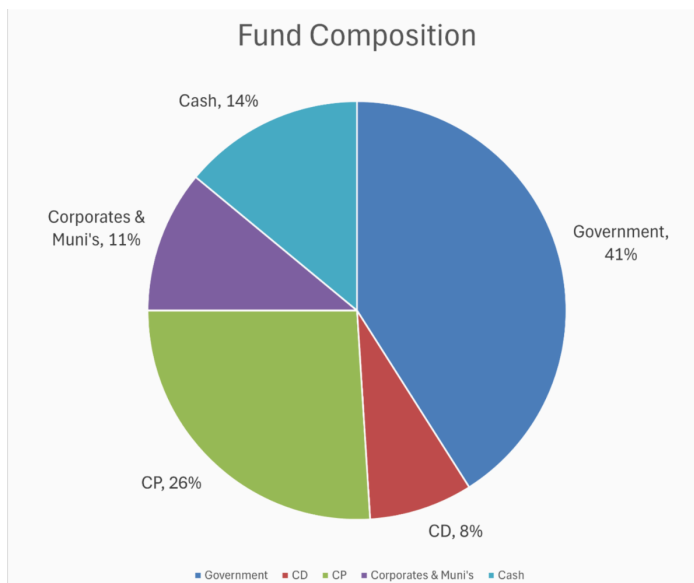
The Bottom Line

The Fed did not move rates, but their narrative is evolving. This is not yet a pivot or a signal of imminent easing. This is something more subtle and arguably more important; it's a shift in how the Fed sees the world. And when that changes, policy is never far behind.

Series I Recap

The month opened with a \$861,205,394 share balance and closed with a balance of \$852,247,083. The seven-day effective yield ended the month at 3.61%. The monthly seven-day average yield in March was 3.56%. Average maturity ended the month at 15 days.

As of March 31st, 2026, the Series I portfolio had 14% of its portfolio assets allocated to overnight investments/cash, corporate securities made up 11% of the assets, Commercial Paper represented 26%, CDs represented 8%, and Treasury & Agency represented 41%.



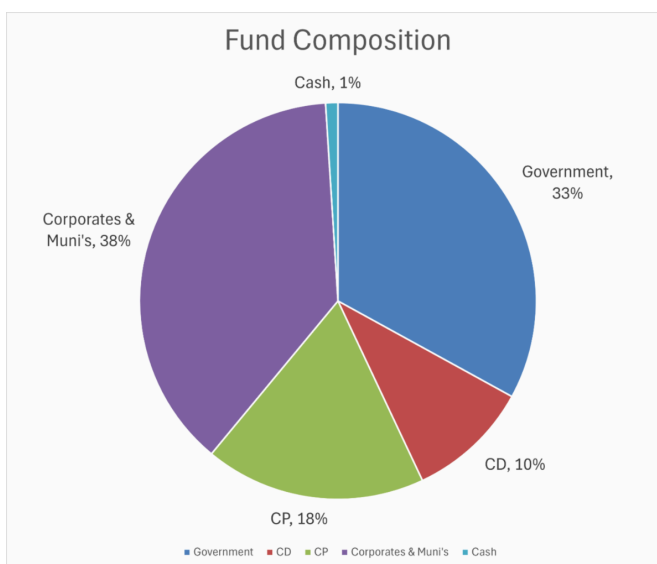
Data: KeyBank, NA

Series I Fact Sheet

Series II Recap

The month opened with a \$117,791,314 share balance and closed with a balance of \$118,080,596. The thirty-day SEC yield ended the month at 3.04%.

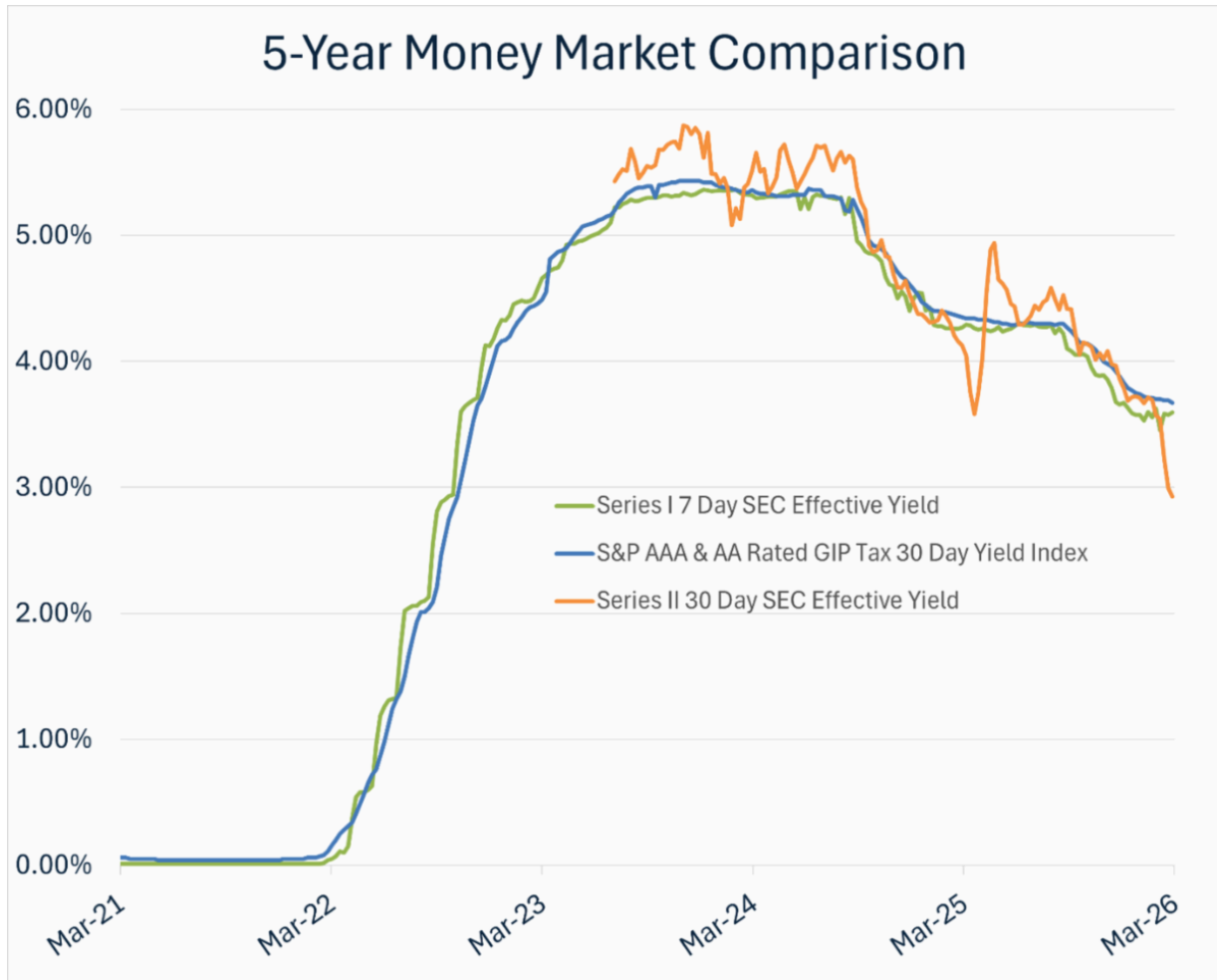
On March 31st, 2026, the Series II portfolio had 1% of its portfolio assets allocated to overnight investments/cash, corporate securities made up 38% of the assets, Commercial Paper represented 18%, CDs represented 10%, and Treasury & Agency represented 33%.



Data: KeyBank, NA

SERIES II Fact Sheet

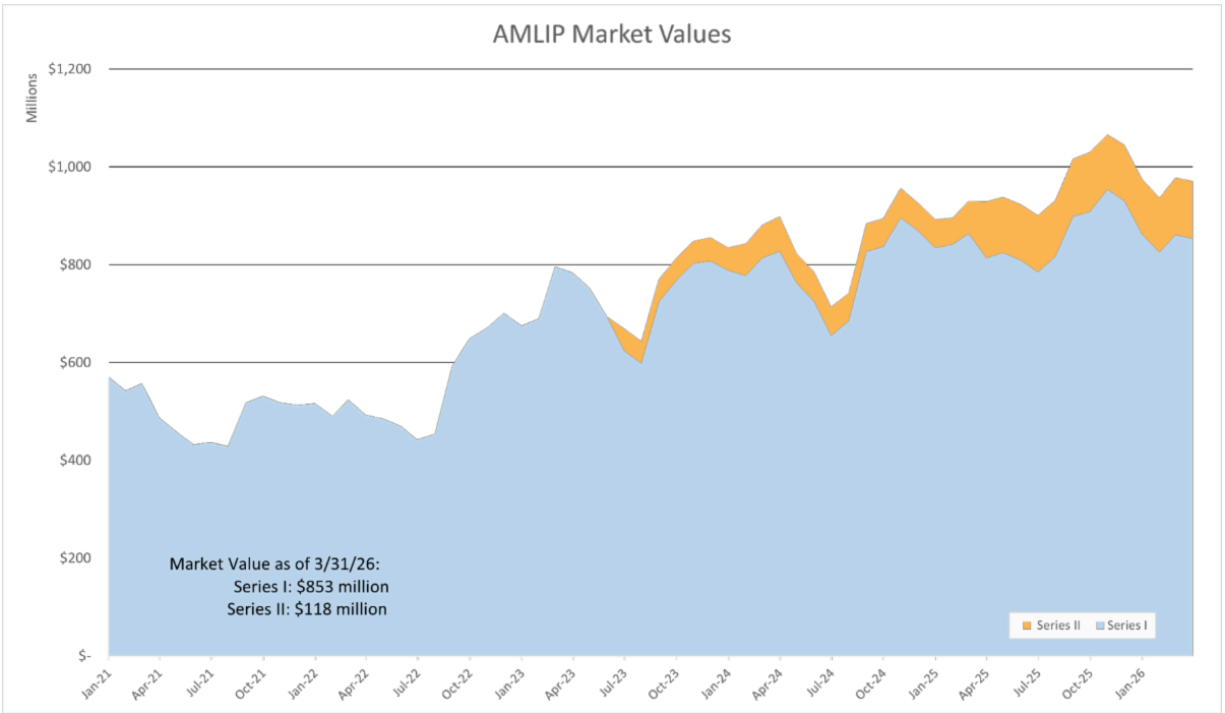
On March 31st, 2026, the S&P AAA & AA Rated GIP Tax 30 Day Yield Index was 3.67%, the Series I Pool's 7-day SEC effective rate was 3.61%, and the Series II Pool's 30-day SEC effective rate was 3.04%. All Pool rates are quoted net of fees and expenses.



Data: KeyBank, NA & S&P

Portfolio Comparison

AMLIP Market Values



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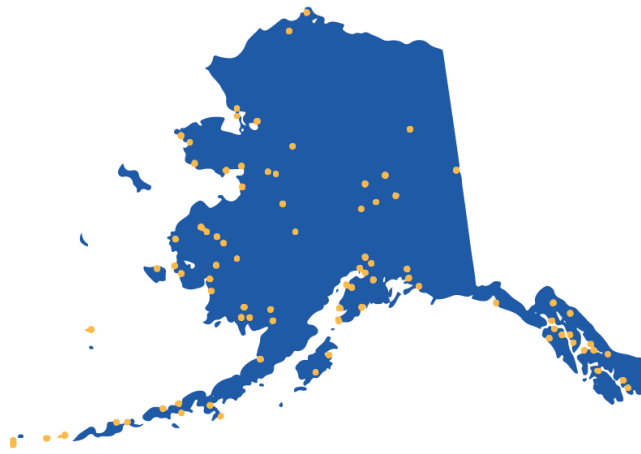
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If any of your local school districts or municipal agencies are interested in enrolling, please reach out to info@amlip.org.

92 Members Representing 236 Total Accounts

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Alaska Govt Finance Officers Association	Fort Yukon, City of	Petersburg Borough
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