

PSDLAF NEWSLETTER | MARKET UPDATE

JANUARY 2025

Market and Economic Highlights

- ▶ Hawkish 25 basis point rate cut by the Federal Reserve
- ▶ Fed dot plots projected only 50 basis points of cuts in 2025
- ▶ U.S. equities were mostly lower but the Nasdaq was positive
- ▶ Strong performance from big tech
- ▶ Inflation in line, nonfarm payrolls higher, but unemployment also higher

Sources: FactSet, Bloomberg

Market Returns

Market Index	1-Month	3-Month	YTD	1-Year
Bloomberg 9-12 Month T-Bill	0.48%	0.95%	5.12%	5.12%
Bloomberg 1-5 Year Government	-0.09%	-0.81%	3.32%	3.32%
Bloomberg Intermediate U.S. Gov/ Credit A or Better	-0.59%	-1.65%	2.74%	2.74%
Bloomberg Intermediate U.S. Agg.	-0.93%	-2.07%	2.47%	2.47%
S&P 500	-2.39%	2.39%	25.00%	25.00%
Russell 2000	-8.26%	0.33%	11.53%	11.53%

Source: Bloomberg; As of 12/31/24

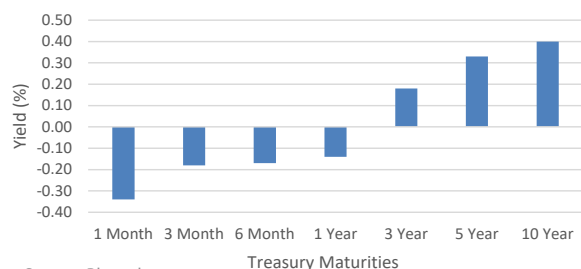
FEATURED MARKET DATA

Steepening Yield Curve

The Federal Reserve cut rates by 0.25% as expected in December to a range of 4.25-4.50%, yet longer-term yields rose for the month. The shift up in longer term yields was due in part to a hawkish tone from the Federal Reserve. In its statement following the December meeting, the Federal Open Markets Committee said it would consider the "extent and timing" of additional rate cuts. In addition, the Fed's dot plot showed a decrease to two expected rate cuts in 2025 and a continued increase in the "longer run," or neutral rate, of interest rates to 3.0%. These factors contributed to rising longer term rates and resulted in negative bond returns for December. Overall, a positively sloping yield curve is considered healthy for markets and the economy.

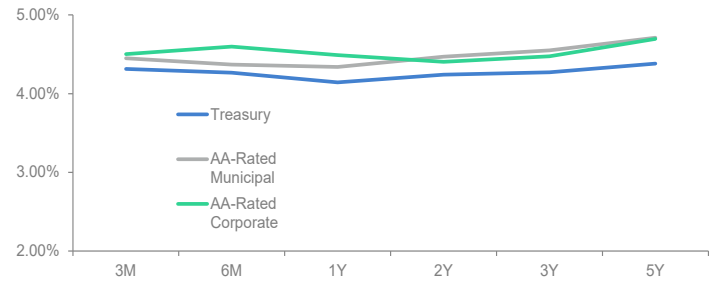
Source: Bloomberg

December Change in Treasury Yields



Source: Bloomberg

Market Yields



Source: Bloomberg Finance L.P. 12/31/24

U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
Consumer Price Index (YoY)	12/11/24	NOV	2.7%	2.7%	2.6%
Personal Income	12/20/24	NOV	0.4%	0.3%	0.7% (R)
Personal Spending	12/20/24	NOV	0.5%	0.4%	0.3% (R)
Core PCE (MoM)	12/20/24	NOV	0.2%	0.1%	0.2%
Core PCE (YoY)	12/20/24	NOV	2.9%	2.8%	2.8%
Chicago Fed National Activity Index	12/23/24	NOV	-0.15	-0.12	-0.50 (R)
Consumer Confidence	12/23/24	DEC	113.2	104.7	112.8 (R)
Change in Nonfarm Payrolls	01/10/25	DEC	153K	--	227K
Unemployment Rate	01/10/25	DEC	4.2%	--	4.2%

Source: Bloomberg Finance L.P. 1/2/25. Glossary terms on following page.

Contact Information



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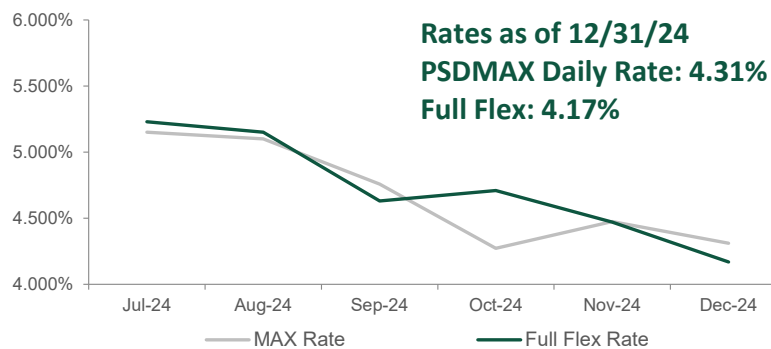
PMA Financial Network, LLC | 2101 Oregon Pike | Lancaster, PA 17601

INVESTMENT RATES

JANUARY 2025

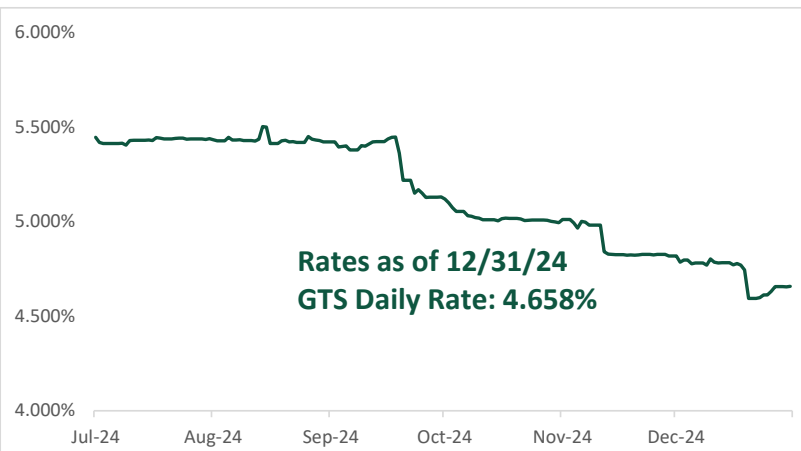
PSDMAX INVESTMENT RATE For School and Municipal Entities

Liquid Investment Rates | Past 6 Months



GTS INVESTMENT RATE For Municipal Entities Only

Liquid Investment Rates | Past 6 Months

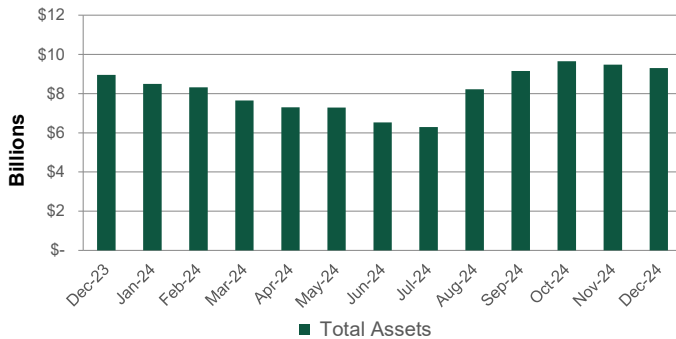


Series Includes Act 10 of 2016 Investments.

TOTAL FUND ASSETS | ANNOUNCEMENTS

JANUARY 2025

Total Fund Assets | Year over Year



As of 12/31/24: \$9,479,809,685.59
(Total Assets)

Dear PSDLAF Settlor:

In honor of former President Jimmy Carter, the U.S. stock market will be closed on **Thursday, January 9, 2025**, and the U.S. Bond Market will close early. For any early market close, it is helpful to enter any required transactions as early as possible.

PSDLAF will remain open for business. Should you have any additional questions, please contact our PSDLAF Client Service Team.

Thank you!

Important

PSDLAF does not offer Act 10 securities to Pennsylvania Schools due to the **Legal Alert that was issued by PSBA** on Negotiable Certificates of Deposits (2016). Excerpt from the legal alert: "Thus, to the extent the amount of a negotiable CD of the uncollateralized kind currently available in the market exceeds \$250,000 (the limit of FDIC deposit protection), **it would be an impermissible investment in violation of the School Code, notwithstanding Act 10.**" Additionally, per PSBA's recommended investment guidelines, **all Act 10 securities are excluded for Intermediate Units and Vocational Technical Schools.** The **GTS program for Municipal Entities Only** does include Act 10 securities. For more information on GTS, please [click here](#).



IMPORTANT

PSDLAF Offers Same-Day Credit for Wire Transfers

For incoming wire transfers, Settlers must initiate the wire transfer directly with their financial institution and **notify the Fund of the deposit by 12:00 A.M. Eastern Time** to receive same-day credit.

There are three options available to notify the Fund:

1. Secure online platform
2. Speak directly with a PSDLAF team member at 866-548-8634
3. Email the team at psdlaf@pmanetwork.com

IMPORTANT INFORMATION:

A PSDLAF team member **must confirm the request and provide a confirmation number prior to 12:00 A.M. Eastern Time** for the Settlor to receive the same-day credit.

If there is a failure to transfer the Funds to PSDLAF on the date indicated, the Settlor may be assessed a fee. This fee is assessed by the Custodian of the Fund based on the number of days the wire failure is outstanding.

If you need additional information, please contact a PSDLAF team member.