PSDLAF NEWSLETTER | MARKET UPDATE

FEBRUARY 2025

Market and Economic Highlights

- **The Fed held rates steady in January as Fedspeak expressed caution on inflation**
- **AI-linked U.S. stocks declined on China's low-cost DeepSeek AI model**
- **Fourth quarter corporate earnings and revenue growth have been strong**
- **The Russell 2000 small cap index was positive in January after an 8% loss in December**
- **December nonfarm payrolls were stronger than expected and unemployment declined to 4.1%**

Sources: FactSet, Bloomberg

Market Returns

Market Index	1-Month	3-Month	YTD	1-Year
Bloomberg 9-12 Month T-Bill	0.34%	1.16%	0.34%	5.10%
Bloomberg 1-5 Year Government	0.50%	0.78%	0.50%	3.51%
Bloomberg Intermediate U.S. Gov/ Credit A or Better	0.56%	0.53%	0.56%	3.09%
Bloomberg Intermediate U.S. Agg.	0.55%	0.46%	0.55%	3.03%
S&P 500	2.78%	6.21%	2.78%	26.35%
Russell 2000	2.62%	4.47%	2.62%	19.08%

Source: Bloomberg; As of 1/31/25

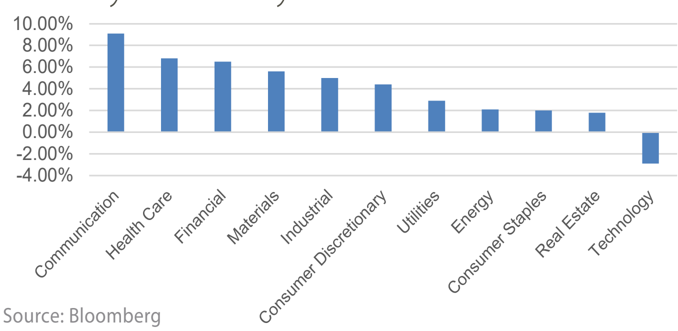
FEATURED MARKET DATA

Stocks Turn Higher in January

U.S. equities ended higher in January following December declines as markets expressed relief from no immediate actions on tariffs. However, news on possible Mexico, Canada and China tariffs was quickly developing near month-end and in the first days of February. Turning to sector performance for January, Communications saw the strongest growth driven by tech-related names like META and Google. Health Care bounced back from December and Financials gained on deregulation dynamics. Technology was the only sector to decline as U.S. stocks linked to AI, such as Nvidia, fell after China's low-cost DeepSeek AI model sparked a selloff on concerns U.S. companies have spent too much on development of AI.

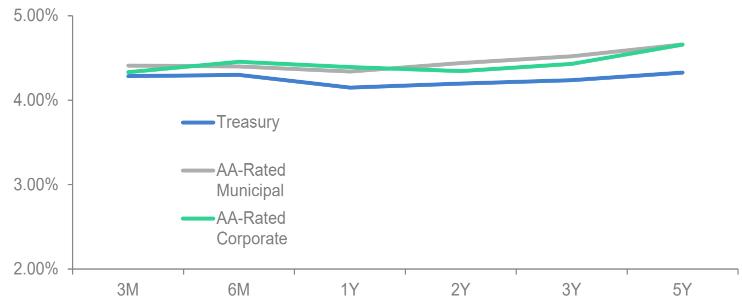
Source: Bloomberg

January Returns by S&P 500 Sector



Source: Bloomberg

Market Yields



Source: Bloomberg Finance L.P. 1/31/25

U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
Consumer Price Index (YoY)	01/15/25	DEC	2.9%	2.9%	2.7%
S&P Case Shiller 20-City Home Price Index (YoY)	01/28/25	NOV	4.24%	4.33%	4.23% (R)
Consumer Confidence	01/28/25	JAN	105.7	104.1	109.5 (R)
GDP Annualized QoQ	01/30/25	4Q A	2.6%	2.3%	3.1%
Personal Consumption	01/30/25	4Q A	3.2%	4.2%	3.7%
Core PCE (YoY)	01/31/25	DEC	2.8%	2.8%	2.8%
ISM Manufacturing	02/03/25	JAN	50.0	50.9	49.2 (R)
Change in Nonfarm Payrolls	02/07/25	JAN	141K	--	223K
Unemployment Rate	02/07/25	JAN	4.1%	--	4.1%

Source: Bloomberg Finance L.P. 2/3/25. Glossary terms on following page.

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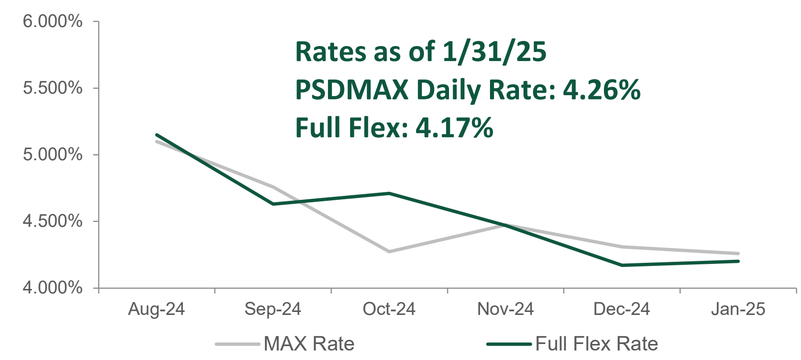
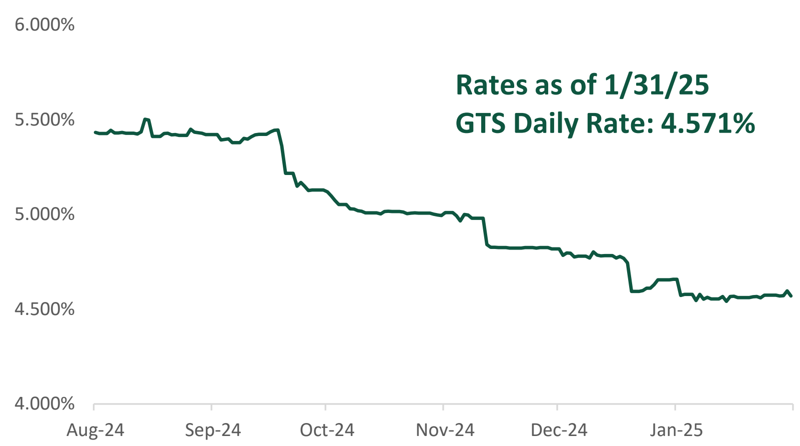
PSDMAX INVESTMENT RATE
For School and Municipal Entities

Liquid Investment Rates | Past 6 Months



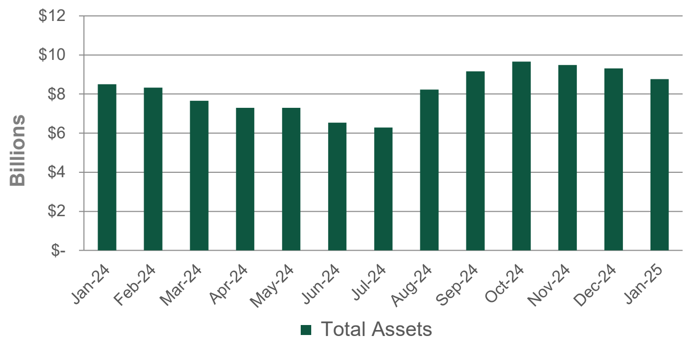
GTS INVESTMENT RATE
For Municipal Entities Only

Liquid Investment Rates | Past 6 Months



Series Includes Act 10 of 2016 Investments.

Total Fund Assets | Year over Year



As of 1/31/25: $8,764,679,041.72
(Total Assets)

Holiday Calendar 2025

Fund Closed	Holiday Observed
Monday, February 17	Presidents Day
Monday, May 26	Memorial Day
Wednesday, June 19	Juneteenth Day
Friday, July 4	Independence Day

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**.

PSDLAF Offers Same-Day Credit for Wire Transfers
For incoming wire transfers, Settlors must initiate the wire transfer directly with their financial institution and **notify the Fund of the deposit by 12:00 P.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 P.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.