

PSDLAF NEWSLETTER | MARKET UPDATE

JULY 2025

Market and Economic Highlights

- ▶ The S&P 500 and NASDAQ both hit new highs in June
- ▶ Treasury prices rose as 2-year and 10-year yields declined
- ▶ The Fed's June meeting showed a growing split on whether to cut rates
- ▶ Markets are now pricing in more than 50 basis points of Fed rate cuts in 2025
- ▶ Tariffs, trade, the reconciliation bill and geopolitics all made big headlines

Sources: Bloomberg, FactSet

Market Returns

Market Index	1-Month	3-Month	YTD	1-Year
Bloomberg 9-12 Month T-Bill	0.42%	0.98%	2.06%	5.08%
Bloomberg 1-5 Year Government	0.75%	1.38%	3.45%	6.11%
Bloomberg Intermediate U.S. Gov/ Credit A or Better	1.00%	1.57%	4.06%	6.51%
Bloomberg Intermediate U.S. Agg.	1.28%	1.51%	4.16%	6.69%
S&P 500	5.08%	10.94%	6.20%	15.14%
Russell 2000	5.43%	8.50%	-1.79%	7.66%

Source: Bloomberg; As of 6/30/25

FEATURED MARKET DATA

Drivers of Bond Yields

Term premium is the additional compensation investors require to hold longer-dated bonds and it is a primary driver of the upward-sloping yield curve. Treasury rates, considered the risk-free benchmark for each maturity, typically reflect the average expected federal funds rate over that period plus the term premium for bearing duration risk. In the years following the Great Financial Crisis, term premiums were persistently negative, as investors saw limited risk for higher short-term rates or inflation. However, term premiums have turned mostly positive in recent years. This shift is indicative of renewed investor focus on risks including inflation, government debt levels and dollar strength.

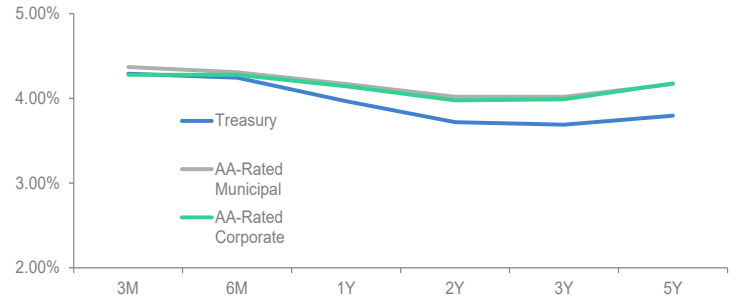
Source: Bloomberg, FactSet

10-Year Treasury Yields and Term Premium



Source: Bloomberg

Market Yields



Source: Bloomberg; As of 6/30/25

U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
Consumer Price Index (YoY)	06/11/25	MAY	2.4%	2.4%	2.3%
Existing Home Sales	06/23/25	MAY	3.95M	4.03M	4.00M
Consumer Confidence	06/24/25	JUN	99.8	93.0	98.4 (R)
Chicago Fed National Activity Index	06/26/25	MAY	-0.13	-0.28	-0.36 (R)
Personal Income	06/27/25	MAY	0.3%	-0.4%	0.7% (R)
Personal Spending	06/27/25	MAY	0.1%	-0.1%	0.2%
Core PCE (YoY)	06/27/25	MAY	2.6%	2.7%	2.6% (R)
Change in Nonfarm Payrolls	07/03/25	JUN	106K	147K	144K (R)
Unemployment Rate	07/03/25	JUN	4.3%	4.1%	4.2%

Source: Bloomberg; As of 7/3/25. Glossary terms on following page.

Contact Information



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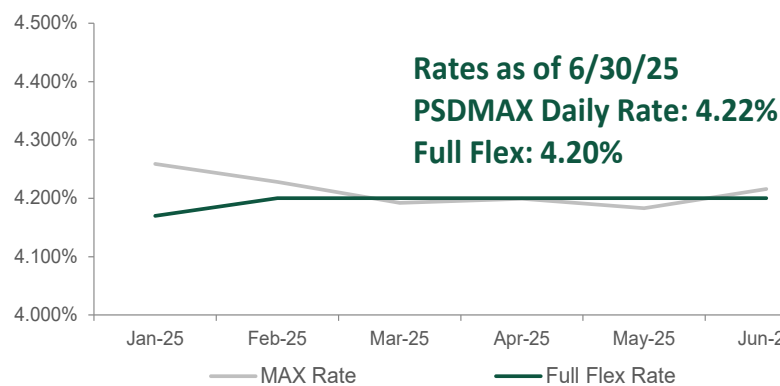
PMA Financial Network, LLC | 2101 Oregon Pike | Lancaster, PA 17601

INVESTMENT RATES

JULY 2025

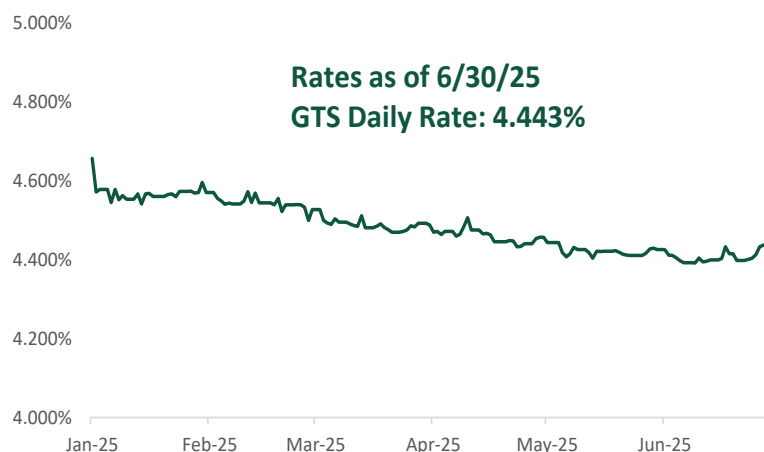
PSDMAX INVESTMENT RATE For School and Municipal Entities

Liquid Investment Rates | Past 6 Months



GTS INVESTMENT RATE For Municipal Entities Only

Liquid Investment Rates | Past 6 Months

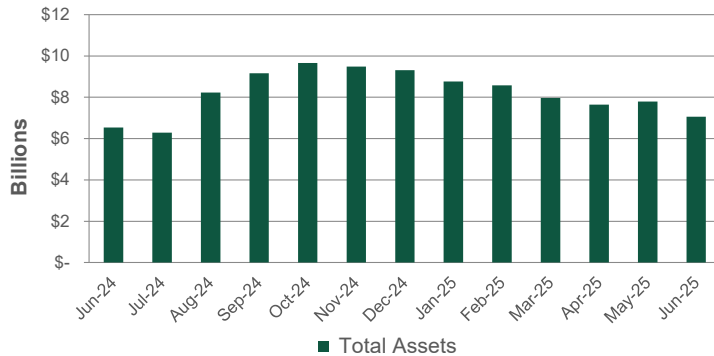


Series Includes Act 10 of 2016 Investments.

TOTAL FUND ASSETS | ANNOUNCEMENTS

JULY 2025

Total Fund Assets | Year over Year



As of 6/30/25: \$7,056,448,402.93
(Total Assets)

Holiday Calendar 2025

Fund Closed	Holiday Observed
Monday, September 1	Labor Day
Monday, October 13	Columbus Day
Tuesday, November 11	Veterans Day

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 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.