

PSDLAF NEWSLETTER | MARKET UPDATE

OCTOBER 2025

Market and Economic Highlights

- The Federal Reserve resumed rate cuts with their first 25bps reduction of 2025
- Forward guidance indicated a more rapid pace of cuts but some post-meeting comments have been more hawkish
- Equities climbed another month with the S&P 500 finishing 3.5% higher
- Credit spreads tightened as corporate bond demand remained strong
- Nonfarm payrolls again missed expectations, signaling further labor market cooling
- Government shutdown threatening key data release schedules

Sources: Bloomberg, FactSet

Market Returns

Market Index	1-Month	3-Month	YTD	1-Year
Bloomberg 9-12 Month T-Bill	0.43%	1.20%	3.29%	4.27%
Bloomberg 1-5 Year Government	0.23%	1.14%	4.63%	3.78%
Bloomberg Intermediate U.S. Gov/ Credit A or Better	0.36%	1.39%	5.50%	3.76%
Bloomberg Intermediate U.S. Agg.	0.66%	1.79%	6.02%	3.82%
S&P 500	3.64%	8.11%	14.81%	17.56%
Russell 2000	3.11%	12.39%	10.38%	10.74%

Source: Bloomberg; As of 9/30/25.

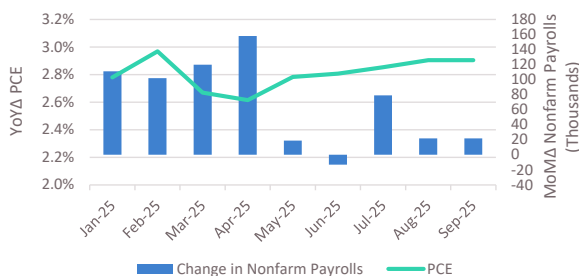
FEATURED MARKET DATA

The Fed and a Government Shutdown

Lawmakers failed to reach an agreement by the end of the day on September 30, resulting in a government shutdown that has furloughed hundreds of thousands of government workers. There are at least three important pieces of information to know about a government shutdown. First, the Federal Reserve will continue to operate as normal. Second, markets have historically performed well during past government shutdowns. Third, a government shutdown is different than the debt ceiling limit, which risks a Treasury default. This government shutdown, which last occurred in 2018, has arrived at a unique time where the Fed is in the middle of a policy easing cycle and is in need of current data on labor and inflation. This data will be delayed as a result of the government shutdown.

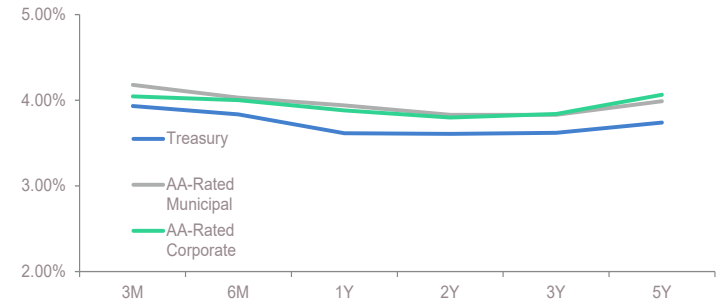
Source: Bloomberg, FactSet; As of 8/31/25.

Recent Labor and Inflation Data



Source: Bloomberg; As of 9/30/25.

Market Yields



Source: Bloomberg Finance L.P. As of 9/30/25.

U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
Consumer Price Index (YoY)	09/11/25	AUG	2.9%	2.9%	2.7%
Initial Jobless Claims	09/25/25	Sept. 20	233K	218K	232K (R)
Existing Home Sales	09/25/25	AUG	3.95M	4.00M	4.01M
Personal Income	09/26/25	AUG	0.3%	0.4%	0.4%
Personal Spending	09/26/25	AUG	0.5%	0.6%	0.5%
Core PCE (YoY)	09/26/25	AUG	2.9%	2.9%	2.9%
Consumer Confidence	09/30/25	SEP	96.0	94.2	97.8 (R)
Change in Nonfarm Payrolls	TBD	SEP	51K	--	2K
Unemployment Rate	TBD	SEP	4.3%	--	4.3%

Source: Bloomberg Finance L.P. As of 10/1/25. Glossary terms on following page.

Contact Information



RAJESH CHAINANI

Senior Vice President,
Head of Business Development
rajesh.chainani@ptma.com

2101 Oregon Pike | Lancaster, PA 17601

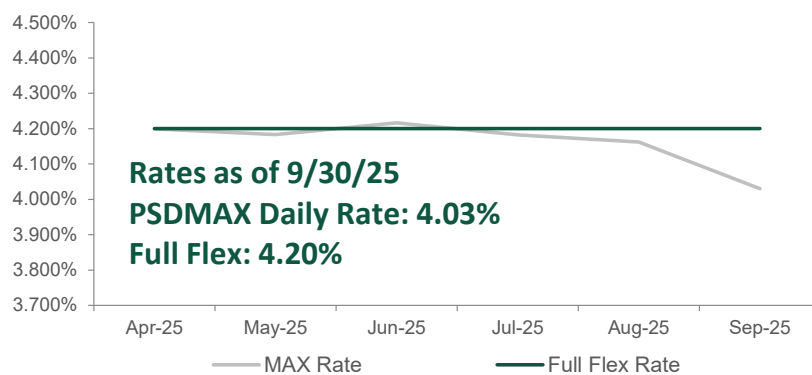


INVESTMENT RATES

OCTOBER 2025

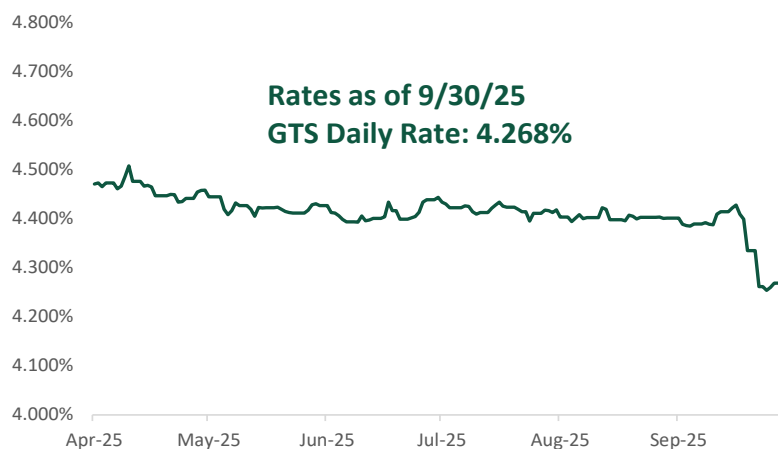
PSDMAX INVESTMENT RATE For School and Municipal Entities

Liquid Investment Rates | Past 6 Months



GTS INVESTMENT RATE For Municipal Entities Only

Liquid Investment Rates | Past 6 Months

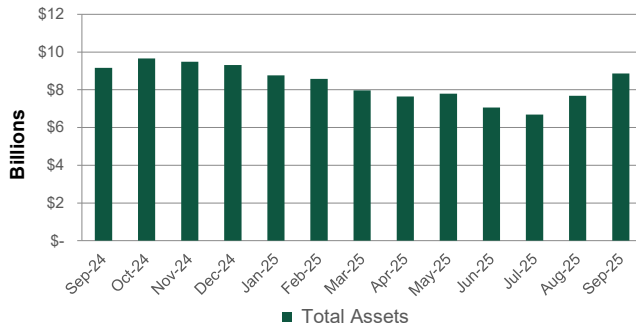


Series Includes Act 10 of 2016 Investments.

TOTAL FUND ASSETS | ANNOUNCEMENTS

OCTOBER 2025

Total Fund Assets | Year over Year



As of 9/30/25: \$8,864,702,169.01
(Total Assets)

Holiday Calendar 2025

Fund Closed	Holiday Observed
Monday, October 13	Columbus Day
Tuesday, November 11	Veterans Day
Thursday, November 27	Thanksgiving Day
Thursday, December 25	Christmas 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@ptma.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.



SECURITY ANNOUNCEMENT

OCTOBER 2025

Protecting Your Information: A Friendly Reminder

At PSDLAF, your security is our top priority.

As part of our ongoing commitment to protecting your financial information, we kindly ask that you **avoid sending sensitive details—such as routing numbers, account numbers, or transfer instructions—via unsecured email.**



Instead, we encourage you to use PSDLAF GPS, our secure online portal. It features enhanced multifactor authentication and is specifically designed to safely handle transactions and communications. All transactions follow pre-approved wire and ACH instructions, and free-form transfers are not permitted—helping minimize risk and improve efficiency.

An added benefit? You'll receive **instant confirmation of your request**—no waiting, no uncertainty.

If you have any questions or need help getting started, our team is always happy to assist. Please don't hesitate to reach out at psdlaf@ptma.com.

Thank you for partnering with us to keep your information safe.

