

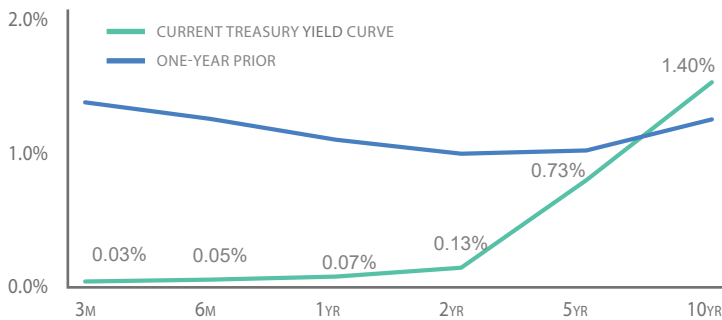
# PSDLAF LIQUID NEWS

MARCH 2021

## Monthly Market Update

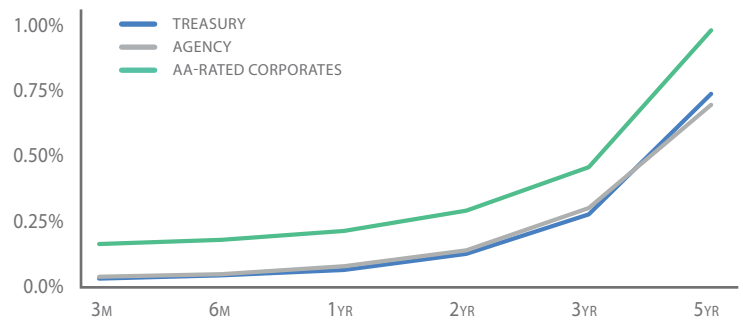
Prepared by PMA Asset Management, LLC

### Historical Treasury Yield Curve



Source: Bloomberg Finance L.P. 2/28/21

### Market Yields



Source: Bloomberg Finance L.P. 2/28/21

### FEATURED MARKET DATA

#### What is Driving Yields Higher?

Federal Reserve officials are actively working to reassure markets that the recent climb in market yields represents improving expectations for economic growth rather than future inflation. It is clear that the rise in rates is driven by multiple factors ranging from fundamentals supporting stronger growth to technical factors such as banks hedging mortgage portfolios and increased Treasury supply. Looking beyond US Treasuries, at PMA we are watching Eurodollar futures, which are also rising. These contracts provide insight to expected Federal Reserve policy. The table below shows that the market believes the likelihood of a rate hike in 2022 or 2023 increased in the past month as market participants price in a faster recovery fueled by fiscal stimulus and dovish monetary policy.

Source: Wall Street Journal, PMA Asset Management

#### Eurodollar Futures

3-Month Rates	3/1/21	2/1/21	Month Δ
6/16/21	0.06%	0.05%	0.01%
12/15/21	0.07%	0.06%	0.01%
6/15/22	0.10%	0.07%	0.03%
12/21/22	0.22%	0.11%	0.11%
6/21/23	0.47%	0.21%	0.26%
12/20/23	0.76%	0.37%	0.39%

Source: Bloomberg

### RECENT NEWS

#### Small Investors Moving Markets

As the CEOs of the trading platform Robinhood, hedge fund Citadel LLC and market-maker Citadel Securities testified to Congress in February, market professionals were also examining the impacts of January's GameStop stock frenzy. Many hedge funds pared short selling strategies after recognizing the large impact that organized, small investors can have on the market. Others have noted tools like free trading apps and message boards can promote extreme volatility in less liquid parts of the market. While pure speculation may be driving some traders, the market is also recognizing the influence of small investors may have staying power.

Source: Wall Street Journal

### U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
Core CPI (YoY)	02/10/21	JAN	1.5%	1.4%	1.6%
Retail Sales Ex. Auto (MoM)	02/17/21	JAN	1.1%	5.3%	-1.0% (R)
Building Permits	02/18/21	JAN	1.68m	1.88m	1.70m (R)
S&P Case Shiller 20-City Home Price Index (YoY)	02/23/21	DEC	9.90%		9.20% (R)
Consumer Confidence	02/23/21	FEB	90.0	91.3	88.9 (R)
Personal Spending	02/26/21	JAN	2.5%	2.4%	-0.4% (R)
ISM Manufacturing	03/01/21	FEB	58.9	60.8	58.7
Change in Nonfarm Payrolls	03/05/21	FEB	188K	--	49K
Unemployment Rate	03/05/21	FEB	6.3%	--	6.3%

Source: Bloomberg Finance L.P. 3/2/21. Glossary terms on following page.

### Contact Information

#### RAJESH CHAINANI

Senior Vice President, Director

717-519-5922

rchainani@pmanetwork.com

PMA Financial Network, LLC

2101 Oregon Pike | Suite 200 | Lancaster, PA 17601

# Enhancements to Your Fund

## PSDLAF Full Flex Interest Payments

As of February 2021, all earned interest will be posted at month end directly to your corresponding Full Flex investment instead of the MAX account as before.

This means:

- You will no longer have to wait until the following month to receive an interest payment (Interest now posts at month end).
- Also, the Full Flex interest posts directly to the corresponding Full Flex investment. This will mean less book entries and the ability to reinvest interest at the Full Flex rate.

## New Look Monthly Statements

As you may have already seen, the new look monthly statements have been released as of February 2021! These statements are just one of the many enhancements that have been rolled out and there are still more to come! The new statements include the following:

- Clear the Clutter! A new simplified clean format, allowing for greater ease in reconciliation.
- A separate tracking of any Flex deposits, withdrawals, and interest payments all on a single page.
- Immediately access your PSDLAF Representative's contact information directly from your statement.

As these new enhancements continue to roll out, we know that questions may arise. Please do not hesitate to reach out to any PSDLAF team member if you would like to discuss.

## Updated PSDMAX S & P Ratings Report – AAAM Rated\*

As of 2/4/21, PSDMAX maintained its AAAM rating with S & P Global Ratings. Please click the below link to view the most recent report.

[CLICK HERE TO VIEW](#)

\*The rating is based on Standard & Poor's analysis of the fund's credit quality, market price exposure, and management. The rating signifies excellent safety of invested principal and a superior capacity to maintain a \$1.00 per share net asset value. However, it should be understood that the rating is neither a "market" rating nor a recommendation to buy, hold or sell securities.

**S&P Global Ratings**  
Principal Stability Fund  
Ratings Definitions

**AAAM** A fund rated AAAM demonstrates very strong capacity to maintain principal stability and to meet obligations in the normal course of operations. It is the highest rating assigned by S&P Global Ratings.

**AA** A fund rated AA demonstrates strong capacity to maintain principal stability and to meet obligations in the normal course of operations. It is the second highest rating assigned by S&P Global Ratings.

**A** A fund rated A demonstrates adequate capacity to maintain principal stability and to meet obligations in the normal course of operations. It is the third highest rating assigned by S&P Global Ratings.

**B** A fund rated B demonstrates adequate capacity to maintain principal stability and to meet obligations in the normal course of operations. It is the fourth highest rating assigned by S&P Global Ratings.

**C** A fund rated C demonstrates adequate capacity to maintain principal stability and to meet obligations in the normal course of operations. It is the fifth highest rating assigned by S&P Global Ratings.

**Plus (+) or Minus (-)** The plus or minus rating is assigned to a fund when the rating agency believes that the fund's performance is likely to be above or below the rating category.

**POOL PROFILE**  
**Pennsylvania School District Liquid Asset Fund - Max Series**

**About the Pool**  
Pool Type: AAAM Stable NAV Government Investment Pool  
Investment Adviser: PMA Asset Management, LLC

**Portfolio Manager**: Team Managed  
**Custodian**: U.S. Bank  
**Distributor**: PMA Securities, LLC

**Pool Rated Since**: November 1997  
**Pool Rated By**: U.S. Bank

**Portfolio Composition as of February 4, 2021**

**Rationale**  
The Pennsylvania School District Liquid Asset Fund - MAX Series (PSDLAF) is rated AAAM by S&P Global. This rating is based on S&P Global's analysis of the pool's credit quality, market price exposure, and management. The rating signifies our forward-looking opinion about a fixed-income fund's ability to maintain principal value (i.e., stable net asset value (NAV) of \$1.00 per share). This is accomplished through conservative investment practices and strict internal controls. The pool is monitored on a weekly basis by S&P Global.

**Overview**  
Established in January 1982, PSDLAF is a common law trust organized and existing under the laws of the Commonwealth of Pennsylvania, in accordance with the Pennsylvania Intergovernmental Cooperation Act and Section 521 of the Pennsylvania Public School Code of 1981. The fund has the following series and programs: the Liquid Series (currently inactive), the MAX Series, the Government Transparency Series (GTS), the Fixed Flow Optimization Series and the Certificate of Deposit Program. S&P Global rates the MAX Series and the GTS Series "AAAM". Of these series, a rating has been requested and assigned to the MAX Series. The objectives of the fund are to provide its investors current income while it preserves capital in a manner compatible with the needs and requirements of public schools and local governmental entities in Pennsylvania. While each series applies a slightly different investment approach, the MAX Series achieves its objectives by using a principal investment strategy of investing in short-term money-market instruments and maintaining a constant net asset value (NAV) of \$1.00 per share.

**Management**  
The pool's investment adviser is PMA Asset Management, LLC, a registered investment adviser focused on serving the investment needs of public entities, insurance companies and institutional investors in various states throughout the United States. As of December 31, 2020, PMA Asset Management had over \$13.5 billion in assets under management, with approximately \$1.5 billion of that amount under management with a sub-advisor. In addition to PSDLAF, PMA Asset Management also serves as investment adviser for other "AAAM" rated local government investment pools. PMA Financial Network, LLC serves as administrator to PSDLAF and its affiliate, PMA Securities, LLC serves as the distributor. US Bank is the custodian for PSDLAF.

**Portfolio Assets**  
In order to meet its investment objectives, the PSDLAF - MAX Series invests in securities such as U.S. Treasury obligations, securities issued by the U.S. government, its agencies and instrumentalities, collateralized or government agency (LOC-backed) bank deposits and repurchase agreements collateralized by such securities and contracted with highly-rated counterparties. The fund is required to maintain WAM(R) of no longer than 60 days.

**Participants should consider the investment objectives, risks and charges and expenses of the pool before investing. The investment objectives which can be obtained from your broker-dealer, contain this and other information about the pool and should be read carefully before investing.**



## Easy Procure

Payment Calendar – 7 Calendar Days After Cycle End Date

Easy Procure - Commercial Card  
2021 Settlement Schedule (7 Day Pay Terms)

Cycle Date = 25<sup>th</sup> Calendar Day



Month	Billing Date Range		Due Date
	Start Date	End Date	
January	12/29/2020	1/25/2021	2/1/2021
February	1/26/2021	2/25/2021	3/3/2021
March	2/26/2021	3/25/2021	4/1/2021
April	3/26/2021	4/25/2021	5/2/2021
May	4/26/2021	5/25/2021	6/1/2021
June	5/26/2021	6/27/2021	7/4/2021
July	6/28/2021	7/25/2021	8/1/2021
August	7/26/2021	8/25/2021	9/1/2021
September	8/26/2021	9/26/2021	10/3/2021
October	9/27/2021	10/25/2021	11/1/2021
November	10/26/2021	11/25/2021	12/2/2021
December	11/26/2021	12/26/2021	1/2/2022

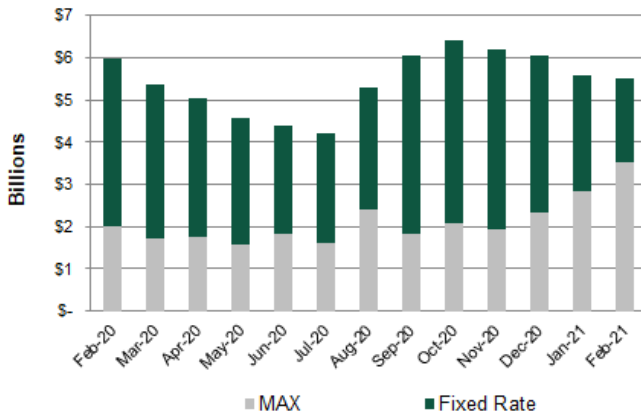
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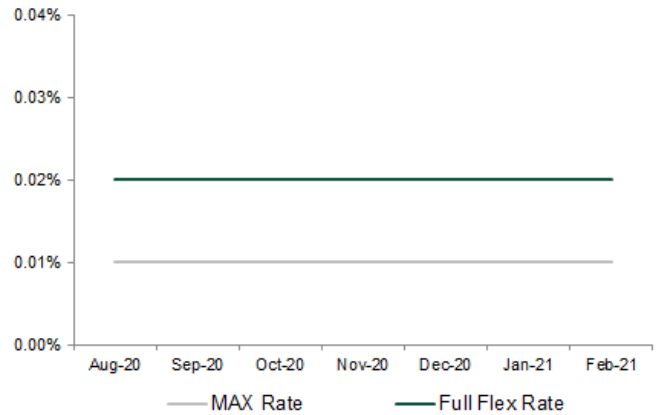


### Total Fund Assets | Year over Year



As of 2/28/2021: \$5,496,250,789.69 (Total Assets)

### Liquid Investment Rates | Past 6 Months



Rates as of 2/28/2021. Full Flex: 0.02%. PSDMAX: 0.01%.

### Holiday Calendar 2021

Fund Closed	Holiday Observed
Friday, April 2	Good Friday
Monday, May 31	Memorial Day
Monday, July 5	Independence Day - Observed
Monday, September 6	Labor Day
Monday, October 11	Columbus Day
Thursday, November 11	Veterans Day
Thursday, November 25	Thanksgiving
Friday, December 24	Christmas – Observed



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