

**Proposed Resolution for Consideration by the
PACT Board of Trustees at its meeting on May 24, 2022**

Topic: Portfolio Management

WHEREAS, the Legislature has created the Wallace-Folsom College Savings Investment Plan (the “Plan”) pursuant to Title 16, Chapter 33C of the *Code of Alabama*, 1975, in recognition that the advancement of higher education in the State of Alabama is a proper governmental function and purpose of the State of Alabama;

WHEREAS, the Plan consists of three programs, one of which is the Prepaid Affordable College Tuition Program (“Program”); and,

WHEREAS, Regions Bank (“Regions”) has served as the Program’s investment manager and custodian since 2015; and,

WHEREAS, in 2018, the Board updated the Program’s Investment Policy Statement to direct Regions to transition the investment of the portfolio to the Bloomberg Barclays 1-3 Year Government Index by 2023, in order to maintain liquidity and preserve principal; and,

WHEREAS, in 2020, based on actuarial reports and liquidity needs, the Board adopted a resolution to direct Regions to further transition the portfolio into cash equivalent funds over the next few years in the most cost effective manner; and,

WHEREAS, in April 2022, HB 138 was signed into law that allows a supplemental appropriation of \$177,377,600 from the Education Trust Fund to the State Treasurer’s office for the benefit of the Program, and which was received by the Program on May 2, 2022; and,

WHEREAS, the receipt of these monies substantially improves the Program’s cash flow analysis based on updated actuarial reports;

NOW, THEREFORE, BE IT RESOLVED, the Board rescinds its Resolution dated August 18, 2020, regarding the transition of the portfolio into cash equivalent funds; and,

BE IT FURTHER RESOLVED, the Board fully reinstates the Investment Policy and Guidelines Statement dated November 14, 2018, where the Asset Allocation is comprised of Short Duration Fixed Income and Cash & Cash Equivalents and directs Regions to manage the assets accordingly.

Young Boozer, Chair