

**Alabama Trust Fund
Board of Trustees Meeting
August 24, 2023
RSA Union Building, Suite 683**

Pursuant to public notice, a meeting of the Alabama Trust Fund Board of Trustees was held on August 24, 2023 in the RSA Union Conference Room in Montgomery, AL, with participation also allowed by electronic means in accordance with §36-17-21, Code of Alabama, as amended.

The meeting was called to order at 10:00 AM by Mr. Nichols, Vice Chair Designee. The roll was called by Secretary Boozer and recorded as follows with a quorum present.

Present:

Mr. Taylor Nichols, Vice Chair Designee
Mr. Young Boozer, Secretary
Ms. Linda Green

Virtual:

Mr. Daniel Hughes
Mr. Alvin Hope, II
Mr. John Hornsby
Mr. Guice Slawson, Jr

Absent:

Mr. John Norris
Mr. Brooks McClendon, Chair Designee

1. Approval of Minutes

The first item on the agenda was the review and approval of the minutes of May 25, 2023. Upon a motion made by Mr. Slawson, and second by Mr. Nichols, the reading of the minutes was dispensed and were unanimously approved as presented.

2. Quarterly Financial Reports

Mr. Boozer then reviewed the quarterly financial reports. He noted the Balance Sheet as of June 30, 2023, indicates total assets of \$3.5 billion, a decrease of approximately \$22.6 million from the previous quarter end. Total capital is \$3.4 billion. The Statement of Revenues and Expenditures indicates total revenues of \$72.5 million and total distributions of \$67.6 million. Oil and gas receipts for the quarter were \$4 million. The remainder of the financial reports were reviewed and received as information.

3(a). Quarterly Performance – ATF

Ms. West, Callan LLC, presented the quarterly investment performance measurement report and market overview. Asset allocation was within rebalancing ranges. The portfolio had an overweight to domestic equity and underweight to real estate. The return for the quarter was 2.94 percent trailing the benchmark by 1bps. The one-year return was a 9.65 percent. Ms. West then reviewed the returns by manager.

4(a). Watch List Review

On the watch list, Ms. West made the recommendation for Algert and Lazard to remain on the watch list and extending Vulcan Value for another year. Upon a motion made by Ms. Green, and second by Mr. Hope, the watch list was unanimously approved as presented.

4(b). Angelo Gordon Consent Letter Resolution

Mr. Boozer presented a resolution to approve Angelo Gordon's letter requesting the Board's consent to the acquisition of Angelo Gordon by TPG and directing the staff to take any necessary actions to effectuate such consent for AG Core Plus Realty Fund III, AG Core Plus Realty Fund IV, AG Realty Fund X, and AG Realty Value Fund XI. Callan recommended the Board consent to the letter. Upon a motion made by Mr. Hughes, and second by Mr. Nichols, the resolution was unanimously approved as presented.

4(c). Investment Policy Update – ATF

Under decision items, Ms. West presented the updated ATF Investment Policy to the Board. Changes were made to reflect TSW’s exception to allow secondary security purchases for the Alabama Trust Fund (ATF) portfolio. Upon a motion made by Mr. Hughes and a second by Ms. Green the Investment Policy was unanimously approved as presented.

4(d). Investment Policy Update - CMT

Ms. West presented the updated CMT Investment Policy to the Board. Changes were made to reflect TSW’s exception to allow secondary security purchases for the County and Municipal Government Capital Improvement Trust Fund (CMT) portfolio. Upon a motion made by Mr. Nichols and a second by Ms. Green on the Investment Policy was unanimously approved as presented.

5(a). Quarterly Performance – CMT

Ms. West then reviewed the CMT fund quarterly performance. For the quarter, the fund was up 2.21 percent and trailing the benchmark by 86 bps. The one-year number is positive 9.68 percent and beating the benchmark by 97 bps.

6. Other Business

There being no other business, the meeting was adjourned.

Approved on _____, 2023.

Brooks McClendon, Chair Designee

Young Boozer, Secretary

**Consideration of Resolution of the Alabama Trust Fund Board of Trustees
at its meeting held August 24, 2023**

Topic: Angelo Gordon Acquisition Consent Letter

WHEREAS, the Board of Trustees of the Alabama Trust Fund (“Board”) is created in Section 3 of Amendment 450 of the Constitution of Alabama of 1901, as amended (the “Act”); and

WHEREAS, the Board has authority, pursuant to the Act, to execute contracts, agreements and other instruments as may be necessary or convenient to accomplish any purpose for which the trust fund was created; and

WHEREAS, since 2011, the Board has had an agreement with Angelo, Gordon & Co., L.P. (Angelo Gordon) for real estate investment management (“Agreement”). The Board currently has four real estate agreements with Angelo Gordon for AG Core Plus Realty Fund III, AG Core Plus Realty Fund IV, AG Realty Fund X, and AG Realty Value Fund XI; and

WHEREAS, on May 15, 2023, Angelo Gordon notified the Board of their acquisition by TPG, Inc. (TPG); and,

WHEREAS, on June 30, 2023, the Treasurer’s Office received letters for consent of the acquisition by TPG from Angelo Gordon for AG Core Plus Realty Fund III, AG Core Plus Realty Fund IV, AG Realty Fund X, and AG Realty Value Fund XI; and,

NOW, THEREFORE, BE IT RESOLVED, following discussions, the Board consents for to the acquisition of Angelo Gordon by TPG, and directs the staff to take any necessary actions to effectuate such consent for AG Core Plus Realty Fund III, AG Core Plus Realty Fund IV, AG Realty Fund X, and AG Realty Value Fund XI.