



STATE OF ALABAMA
OFFICE OF STATE TREASURER

State Capitol, 600 Dexter Avenue, S-106
Montgomery, Alabama 36104

YOUNG BOOZER
TREASURER

MEMORANDUM

TO: Alabama Trust Fund Board Members

RE: Mellon Investment Management Sub-Advisor Appointment Disclosure

Mellon Investment Management has appointed an affiliated Sub-Advisor to the Fund. The active equity and multi asset investment capabilities of Mellon Investments Corporation (Mellon) are transitioning to Newton Investment Management, North America (Newton).

Newton has become a \$145 billion global investment firm with the addition of the former Mellon's equity and multi-asset capabilities. Once the capabilities of the equity team from BNY Mellon Investment Management Japan are also transferred (which we expect to happen by mid-2022), the integrated firm will operate in three core regions (the US, Europe and Asia) and be headquartered in London, with offices also in the US and Asia. All regions will benefit from the worldwide resources and support of BNY Mellon Investment Management.

The enhancements we're making will, we believe, ideally position the enlarged firm to exploit its significant growth opportunities. The combined businesses have highly complementary capabilities, which we believe will greatly benefit from a robust global research platform, which will allow portfolio managers to leverage the same inputs in pursuit of their particular investment outcomes. Further, we believe, the scale created by bringing Newton, the former Mellon equity and multi-asset teams, and the Japanese equity team from BNY Mellon IMJ together greatly accelerates what these organizations could accomplish individually for clients. The IMJ capabilities are expected to transfer by mid-2022.

There is very little overlap in the combined product sets, and broadly there will be no change to investment processes. Where there is commonality, we will be thoughtful about how the strategies are managed by the combined business. We believe the deepening of our research platform, in terms of both qualitative and quantitative resources, will be additive to the management teams of all of our strategies.

Upon completion, the transferring Mellon employees joined Newton Investment Management North America, LLC, a registered investment adviser located in the US. For the Japan equity team, Newton and BNY Mellon IMJ have begun a process of engaging with the JFSA to agree an appropriate regulatory profile and legal entity structure ahead of integration in mid2022.