

Regions Investment Management

State of Alabama Treasurer's Office

Prepaid Affordable College Tuition (PACT) Program

As of September 30, 2024

Robert E. Richardson, CEBS
Vice President & Relationship Consultant
Regions Institutional Services
robert.richardson@regions.com
205-264-5748

R. J. Williams, CIMA
Vice President & Portfolio Manager
Regions Institutional Services
rj.williams@regions.com
205-264-6582

George R. McCurdy IV, CFA
Sr. Vice President & Portfolio Manager
Regions Investment Management
george.mccurdy@regions.com
205-264-7554



Table of Contents

Bond Portfolio Review

- Characteristics
- Performance
- Allocation Detail

The results of this presentation are intended for the sole use of the prospect and should not be distributed to any other party. Please read important disclosures at the end of this document.



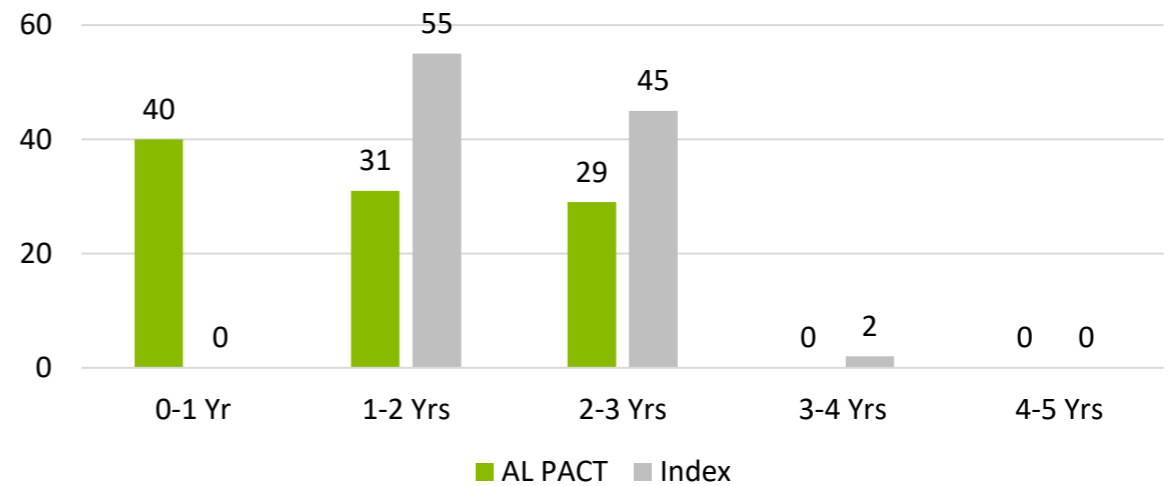
State of Alabama Treasurer's Office – PACT Program

Fixed Income Portfolio Characteristics as of 09.30.2024

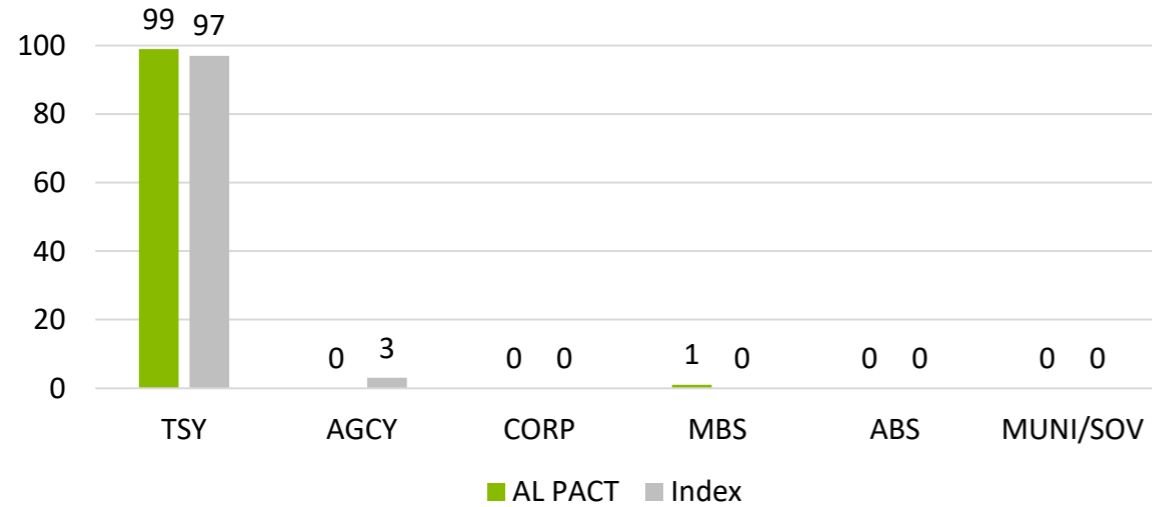
Portfolio Characteristics

| | AL PACT | Index |
|--------------------|------------|------------|
| Yield to Maturity | 3.97% | 3.62% |
| Average Coupon | 3.13% | 2.79% |
| Effective Duration | 1.24 years | 1.85 years |
| Average Life | 1.36 years | 1.94 years |
| Average Quality | Aa1 | Aa1 |

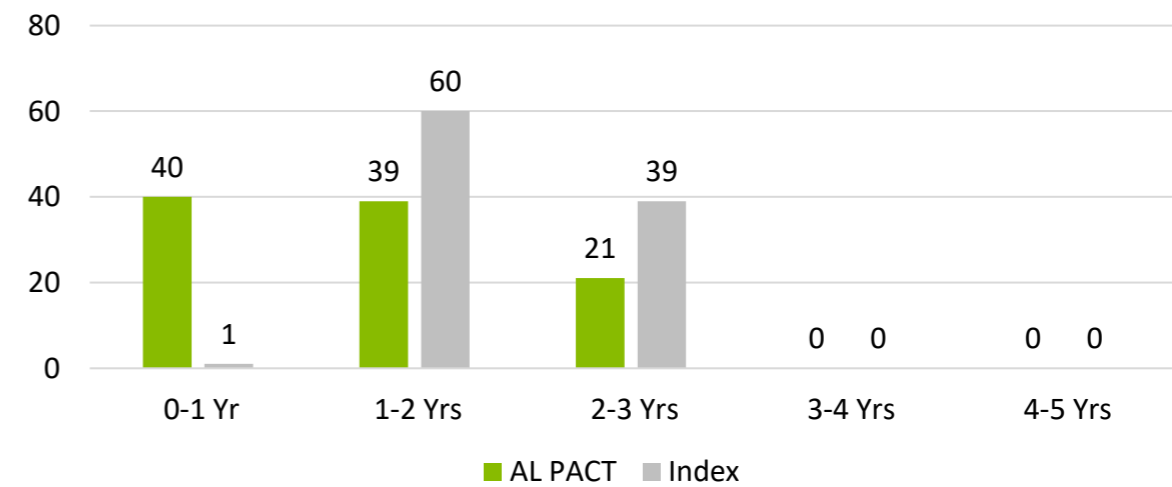
Maturity vs. Index



Sector vs. Index



Duration vs. Index



Index: Bloomberg Barclays 1-3 Year US Govt Index

Source: BondEdge & Bloomberg Barclays Capital; Bloomberg Index Services Limited. BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg"). BARCLAYS® is a trademark and service mark of Barclays Bank Plc (collectively with its affiliates, "Barclays"), used under license. Bloomberg or Bloomberg's licensors, including Barclays, own all proprietary rights in the Bloomberg Barclays Indices. Neither Bloomberg nor Barclays approves or endorses this material, or guarantees the accuracy or completeness of any information herein, or makes any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, neither shall have any liability or responsibility for injury or damages arising in connection therewith."

State of Alabama Treasurer's Office – PACT Program

Performance as of 09.30.2024

| | Qtr | YTD | 1-Yr | 3 Years * | 5 Years * | 7 Years * | Inception * |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Consolidated Portfolio | 1.99% | 4.22% | 5.83% | 2.93% | 2.40% | 2.35% | 2.20% |

| | | | | | | | |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Money Market Fund | 1.33% | 4.01% | 5.39% | 3.49% | 2.24% | 2.13% | 1.83% |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|

| | | | | | | | |
|-------------------------------|---------------|--------------|---------------|--------------|--------------|--------------|--------------|
| Fixed Income Portfolio | 2.35% | 4.34% | 6.16% | 2.17% | 2.09% | 2.21% | 2.12% |
| 1-3 YR Govt Only | 2.89% | 4.13% | 6.78% | 1.28% | 1.49% | 1.68% | 1.53% |
| <i>Excess Return</i> | <i>-0.54%</i> | <i>0.21%</i> | <i>-0.62%</i> | <i>0.89%</i> | <i>0.60%</i> | <i>0.53%</i> | <i>0.59%</i> |

*** Market Values: Consolidated: \$192.6mm / Money Market: \$73.8mm / Fixed Income: \$118.8mm***

Returns are net of fees. Past performance does not guarantee future returns. *Figures for periods greater than one year are annualized; Inception Date: 12/31/2015

Index: Bloomberg Barclays 1-3 Year US Govt Index

Source: SEI for client returns & Bloomberg Barclays Capital for index returns; Bloomberg Index Services Limited. BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg"). BARCLAYS® is a trademark and service mark of Barclays Bank Plc (collectively with its affiliates, "Barclays"), used under license. Bloomberg or Bloomberg's licensors, including Barclays, own all proprietary rights in the Bloomberg Barclays Indices. Neither Bloomberg nor Barclays approves or endorses this material, or guarantees the accuracy or completeness of any information herein, or makes any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, neither shall have any liability or responsibility for injury or damages arising in connection therewith."

State of Alabama Treasurer's Office – PACT Program

Allocation Detail as of 09.30.2024

INVESTMENT RETURN SUMMARY - QUARTER ENDING SEPTEMBER 30, 2024

| Name | Current Quarter Total Return | Prior Quarter Market Value | Net Cashflow | Adj. for Portion of Fixed Income Account Instructed to Hold in Money Market | Investment Return | Current Quarter Market Value * |
|--------------------------|------------------------------|----------------------------|----------------------|---|--------------------|--------------------------------|
| Fixed Income | 2.35% | \$165,962,963 | \$0 | \$0 | \$3,421,544 | \$169,384,506 |
| Money Market Mutual Fund | 1.33% | 31,450,022 | -10,000,000 | 0 | 410,167 | \$21,860,189 |
| Demand Deposit | 0.00% | 865,782 | 20,120 | 0 | 0 | \$885,901 |
| Total Portfolio | 1.99% | \$198,278,766 | (\$9,979,880) | \$0 | \$3,831,711 | \$192,130,596 |

* The total market value of the Alabama PACT Composite portfolio does not include the cash balance of \$13,116,554.01 that was in the Treasury Account on June 30, 2024.

MANAGER ALLOCATION SUMMARY - QUARTER ENDING SEPTEMBER 30, 2024

| Prior Quarter Market Value | % | Fund Name | Style | Adj. for Portion of Fixed Income Account Instructed to Hold in Money Market | Current Quarter Market Value * | % |
|----------------------------|-------------|--------------------------|---------------|---|--------------------------------|-------------|
| \$165,962,963 | 84% | Fixed Income | (STFX) | 0 | 169,384,506 | 88% |
| \$31,450,022 | 16% | Money Market Mutual Fund | (CASH) | 0 | 21,860,189 | 11% |
| \$865,782 | 0% | Demand Deposit | (CASH) | 0 | 885,901 | 0% |
| \$198,278,766 | 100% | | (TOTL) | \$0 | 192,130,596 | 100% |

* The total market value of the Alabama PACT Composite portfolio does not include the cash balance of \$13,116,554.01 that was in the Treasury Account on June 30, 2024.

Market Updates

- Market Returns
- Economic Update
- Asset Class Review

The results of this presentation are intended for the sole use of the prospect and should not be distributed to any other party. Please read important disclosures at the end of this document.



Economy: Overview & Outlook

| | | | |
|---------|--|---|---|
| Economy | | <p><u>Risks:</u></p> <ul style="list-style-type: none"> Renewed supply chain disruptions, growing pressure on corporate profit margins, a more pronounced deterioration in credit performance, and refinancing stresses in the commercial real estate and nonfinancial corporate sector pose downside risks to our baseline outlook. | <p><u>Opportunities:</u></p> <ul style="list-style-type: none"> Still-strong household and business balance sheets, faster than anticipated deceleration in core inflation, a stronger response to lower mortgage interest rates, and stronger labor force participation and/or labor productivity growth pose upside risks to our baseline outlook. |
| | | | |

What A Short, Strange Trip It's Been . . . Wait, What?

- Given growing concerns that equity valuations, particularly amongst the “tech giants,” were on the lofty side, one could argue that the stage was set for a pullback in equity prices, with the only thing missing being a catalyst. That catalyst apparently arrived at 8:30 AM on August 2 in the form of the July employment report. A set of weak headline numbers – a marked slowdown in job growth, a drop in average weekly hours, and the unemployment rate rising to 4.3 percent – seemed to validate concerns over a slowing pace of economic activity, thus acting as a catalyst for the sell-off in equities.
- That sell-off, however, was likely intensified by a number of analysts reacting to the July employment report by making sudden and sharp changes to their forecasts of the paths of monetary policy and the broader economy. For instance, many who prior to the release of that report had a “soft landing” scenario and fifty basis points of Fed funds rate cuts by year-end as their base case suddenly pivoted to recession calls and forecasts of 125 basis points, or more, of funds rate cuts by year-end, with some going as far as to call for the a fifty-basis point cut prior to the September FOMC meeting. Such pivots added to worries over economic growth, which contributed to the steep decline in yields on U.S. Treasury securities on August 2.
- While the sell-off in equities was to some extent understandable, the reaction amongst those analysts making sharp and sudden pivots in their forecasts was somewhat puzzling. Signs of a slowing pace of economic growth did not suddenly materialize during the first few days of August. To that point, we noted in this space last month that “there is little doubt that the pace of economic activity is slowing” and for months have been pointing to cooling demand for labor while citing a host of issues that have made the monthly employment reports less reliable snapshots of labor market conditions.

Slowing Inflation, Slowing Growth Give FOMC Grounds For Fed Funds Rate Cuts

- Contrary to the BLS’s assertion that Hurricane Beryl had “no discernible effect” on the July data, we see several likely effects. The household survey show 436,000 people did not work at all during the July survey period due to adverse weather while 1.079 million people who normally work full-time worked only part-time due to adverse weather, while July saw the biggest jump in the number of those reporting to be on temporary layoff since the early stages of the pandemic, a number which entirely accounted for the increase in the unemployment report. Moreover, the initial collection rate to the July establishment survey was the lowest July rate since 1991.¹ Though the July employment report may be an extreme case, it nonetheless is another example of our point that the monthly employment reports are so riddled with noise – such as sampling issues, collection rates, seasonal adjustment – that getting an accurate read on the state of the labor market is more and more difficult.
- The BEA’s initial estimate puts Q2 real GDP growth at an annual rate of 2.8 percent, ahead of expectations, with consumer spending, business fixed investment, and a faster pace of inventory accumulation the primary supports.² Still, we have noted that we see a rate more or less in the middle of the real GDP growth rates reported for the first two quarters of 2024 – 1.4 percent in Q1 and 2.8 percent in Q2 – as closer to the economy’s underlying growth rate.
- It could be that enough FOMC members interpreted the July employment report as a warning that policy is too restrictive and, as such, now feel a more aggressive course of Fed funds rate cuts is in order. While we have added a third 25-basis point funds rate cut to the baseline forecast, with cuts at the September, November, and December FOMC meetings, this in our view reflects the FOMC making policy less restrictive at a faster pace in response to the considerable progress made to date on inflation and signs of a slowing pace of economic growth, as opposed to the FOMC shifting to an accommodative policy stance in response to recession worries.

Source: 1) Bureau of Economic Analysis (BEA); 2) Institute for Supply Management (ISM); 3) Bureau of Labor Statistics (BLS)

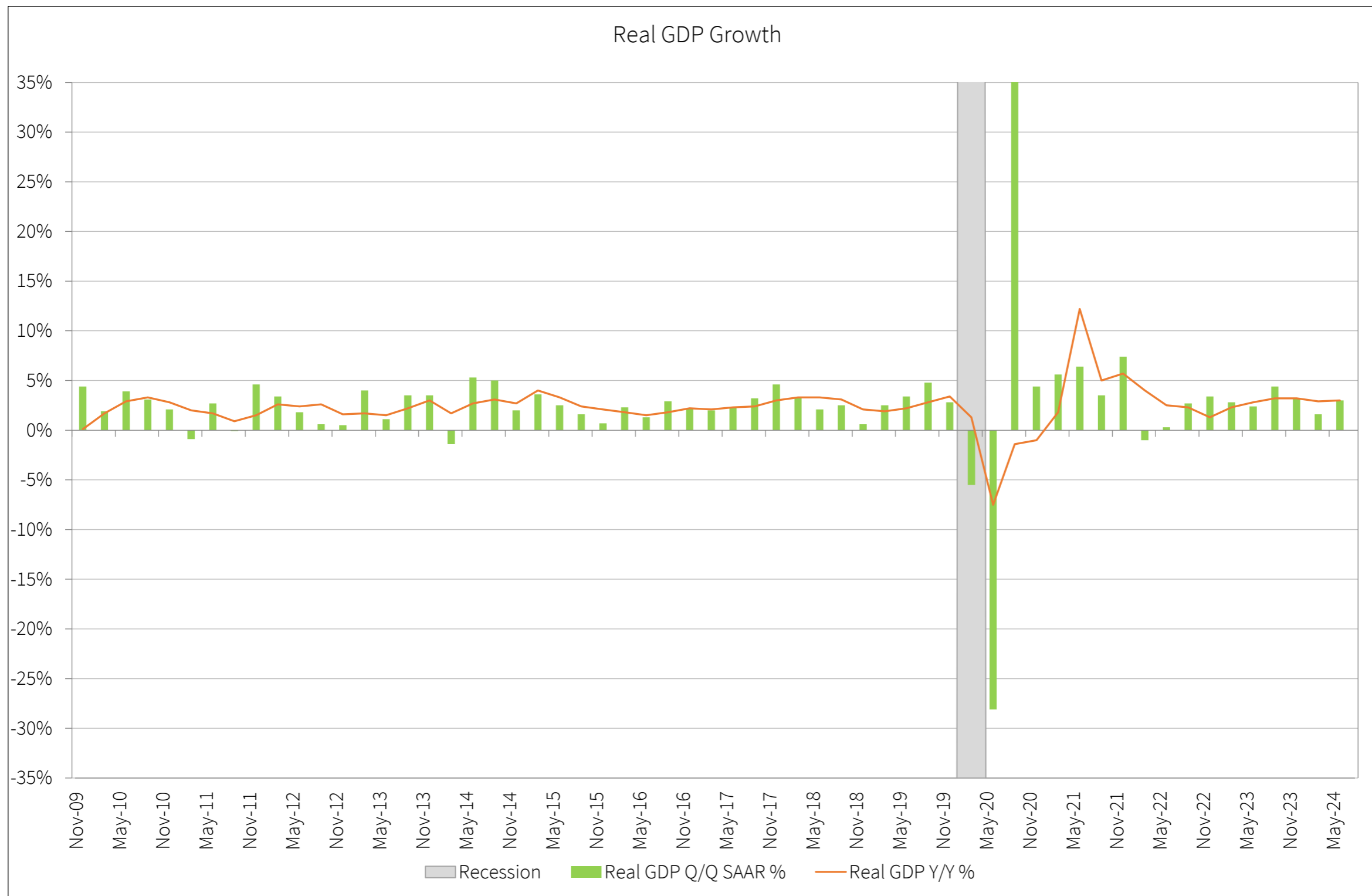
See important disclosure at the end of this presentation.

Market Returns

| Equities | Trailing 3 Months 9/30/24 | YTD As of 9/30/24 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|------------------------------|-------------------------|--------|---------|--------|--------|--------|---------|
| S&P 500 Index (Large Cap Stocks) | 5.89% | 22.08% | 26.29% | -18.11% | 28.71% | 18.40% | 31.49% | -4.38% |
| S&P 500 (Large Cap Growth) | 3.72% | 28.16% | 30.03% | -29.41% | 32.01% | 33.47% | 31.13% | -0.01% |
| S&P 500 (Large Cap Value) | 9.05% | 15.36% | 22.23% | -5.22% | 24.90% | 1.36% | 31.93% | -8.95% |
| Russell 2000 Index (Small Cap Stocks) | 9.27% | 11.17% | 16.93% | -20.44% | 14.82% | 19.96% | 25.52% | -11.01% |
| Russell 2500 Index (Small to Mid Cap Stocks) | 8.75% | 11.30% | 17.42% | -18.37% | 18.18% | 19.99% | 27.77% | -10.00% |
| Russell Mid Cap TR USD | 9.21% | 14.63% | 17.23% | -17.32% | 22.58% | 17.10% | 30.54% | -9.06% |
| MSCI EAFE Index (Foreign Stocks) | 7.26% | 12.99% | 18.24% | -14.45% | 11.26% | 7.82% | 22.01% | -13.79% |
| MSCI ACWI Ex-U.S. (Foreign Stocks) | 8.06% | 14.21% | 15.62% | -16.00% | 7.82% | 10.65% | 21.51% | -14.20% |
| MSCI EM (Foreign Stocks) | 8.72% | 16.86% | 9.83% | -20.09% | -2.54% | 18.31% | 18.42% | -14.58% |
| | | | | | | | | |
| Bloomberg U.S. Aggregate Bond | 5.20% | 4.45% | 5.53% | -13.01% | -1.54% | 7.51% | 8.72% | 0.01% |
| ICE BofA 1-12 Year Municipal | 2.67% | 2.25% | 4.47% | -4.90% | 0.59% | 4.02% | 5.64% | 1.62% |
| ICE BofA U.S. 3-Month T-Bill | 1.37% | 4.03% | 5.01% | 1.46% | 0.05% | 0.67% | 2.28% | 1.87% |
| Bloomberg Global Aggregate Ex USD | 8.52% | 2.81% | 5.72% | -18.70% | -7.05% | 10.11% | 5.09% | -2.15% |
| Bloomberg U.S. Corporate High Yield | 5.28% | 8.00% | 13.45% | -11.19% | 5.28% | 7.11% | 14.32% | -2.08% |
| Bloomberg U.S. TIPS | 4.12% | 4.85% | 3.90% | -11.85% | 5.96% | 10.99% | 8.43% | -1.26% |

Source: Bloomberg

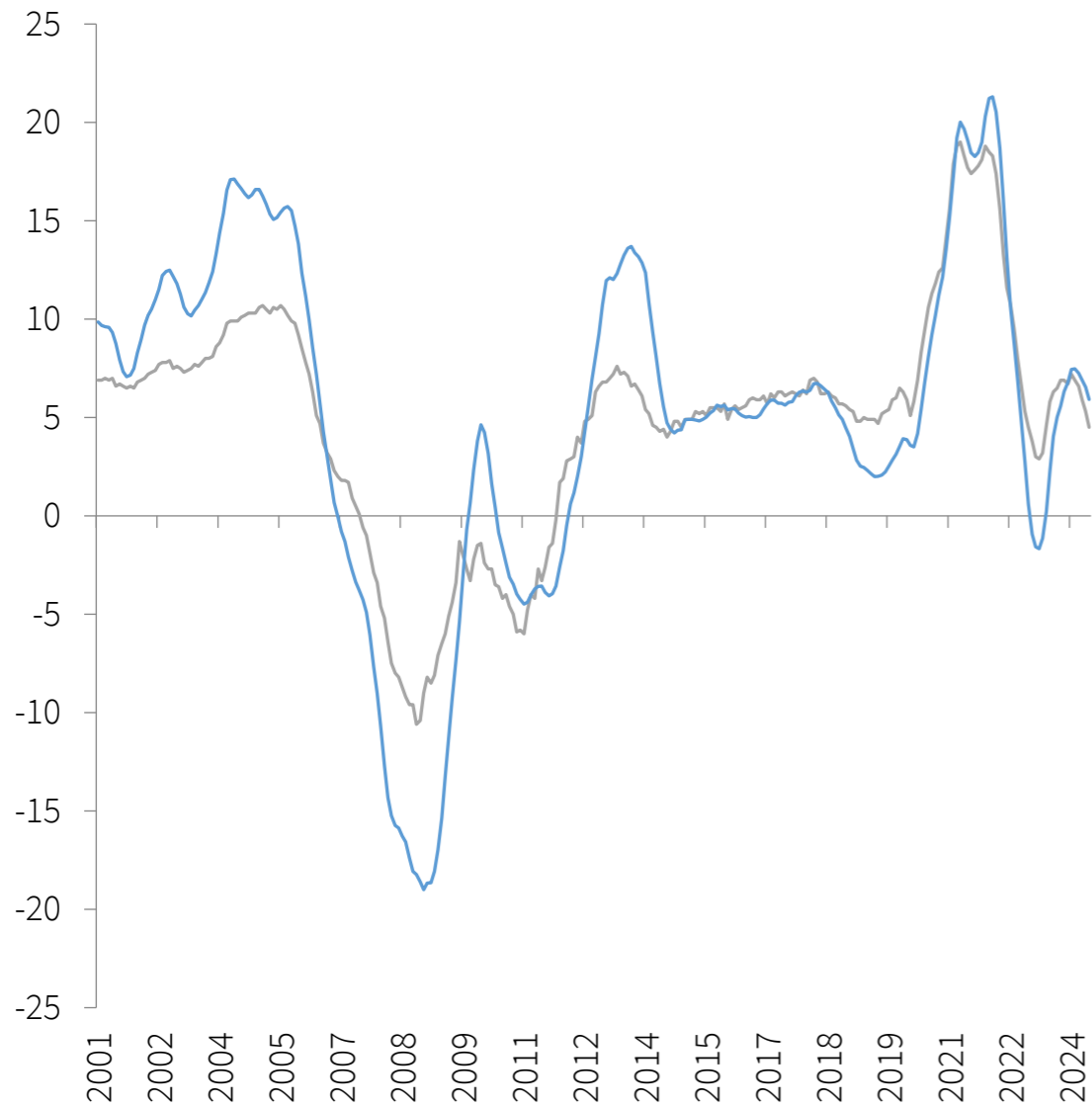
U.S. Real GDP Growth



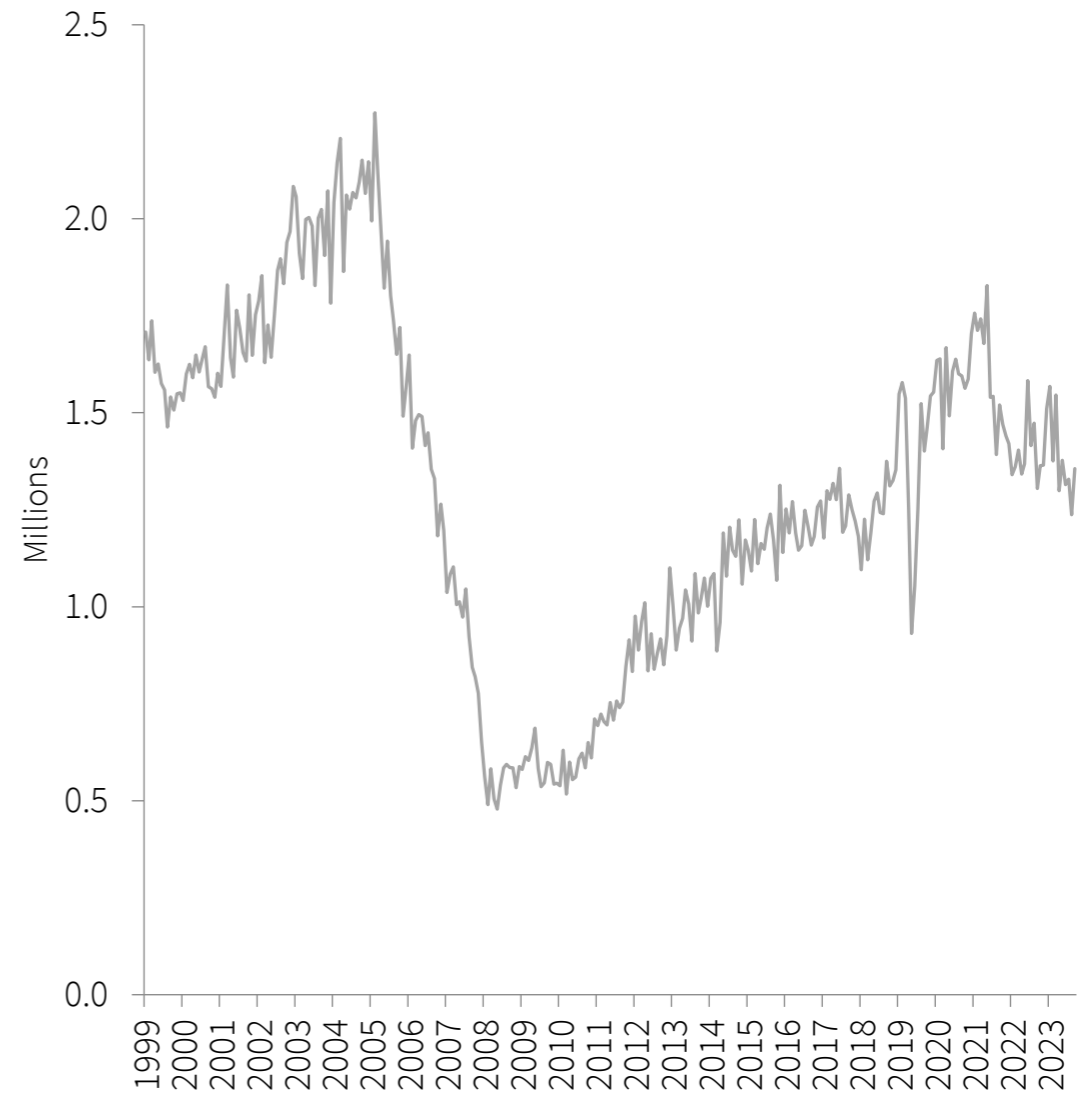
U.S. Housing

Housing Prices (YoY % Change)

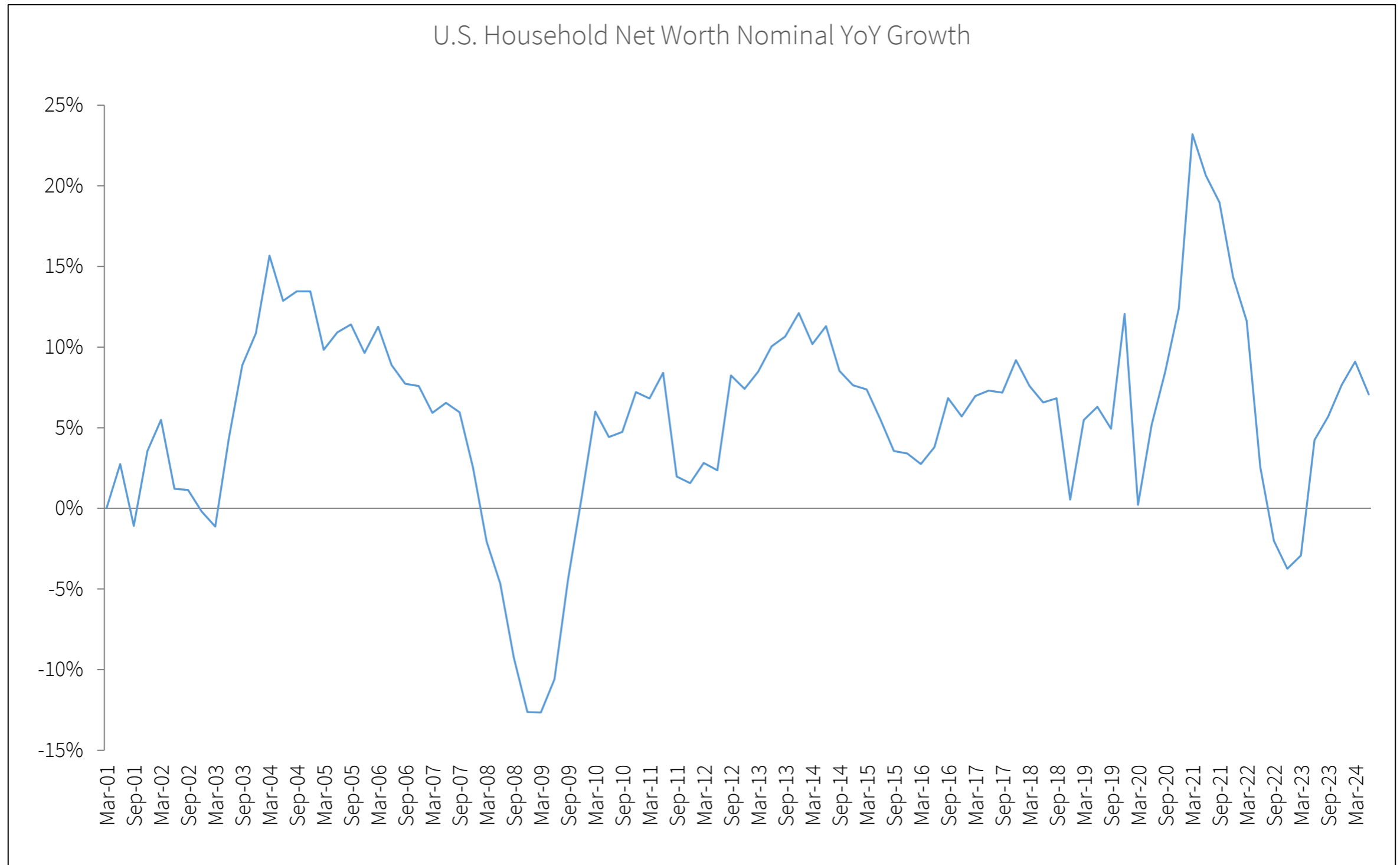
— FHFA Conventional Purchases Only Index — Case-Shiller 20 City Index



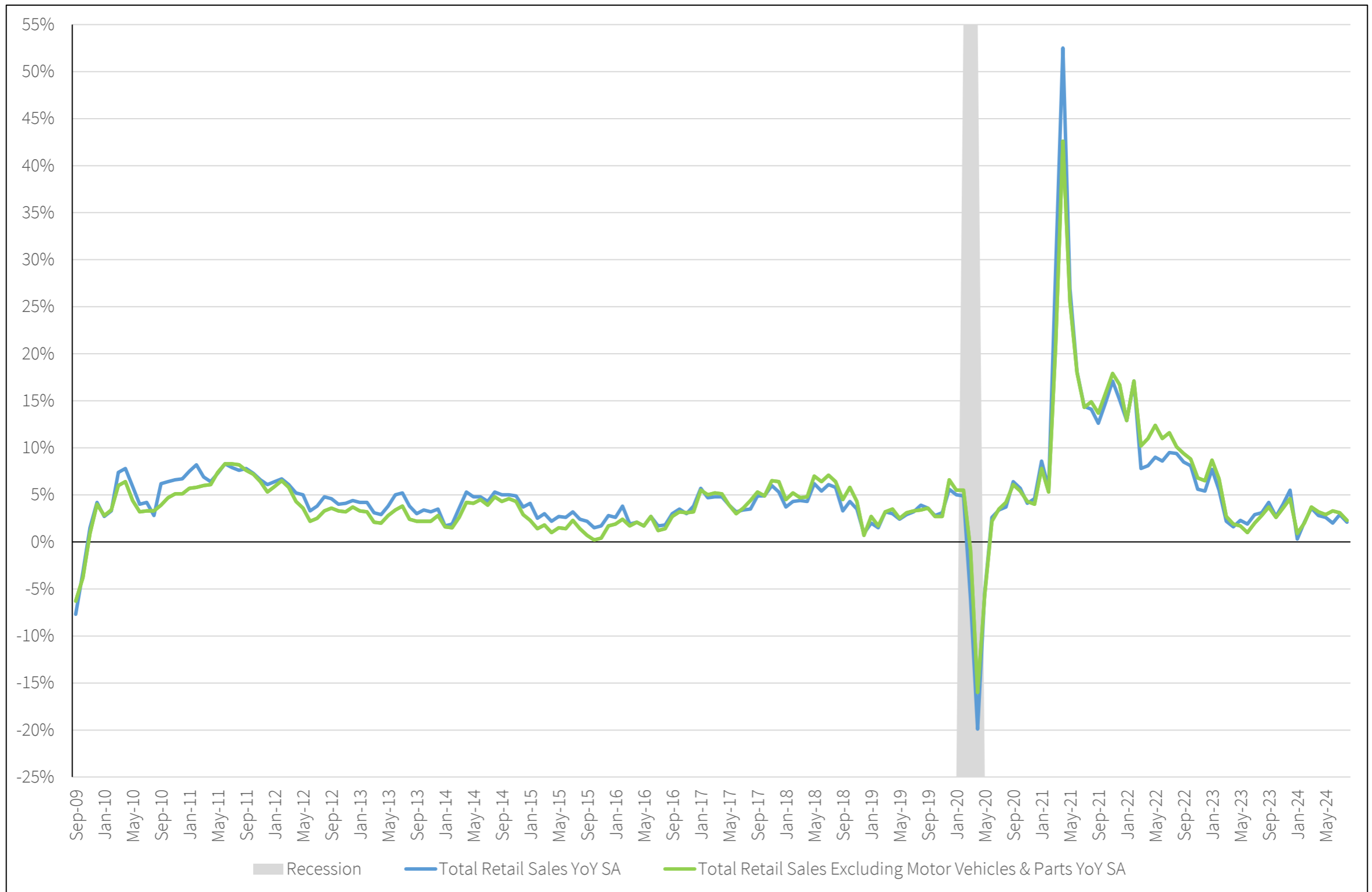
Total Housing Starts (Annualized Rate)



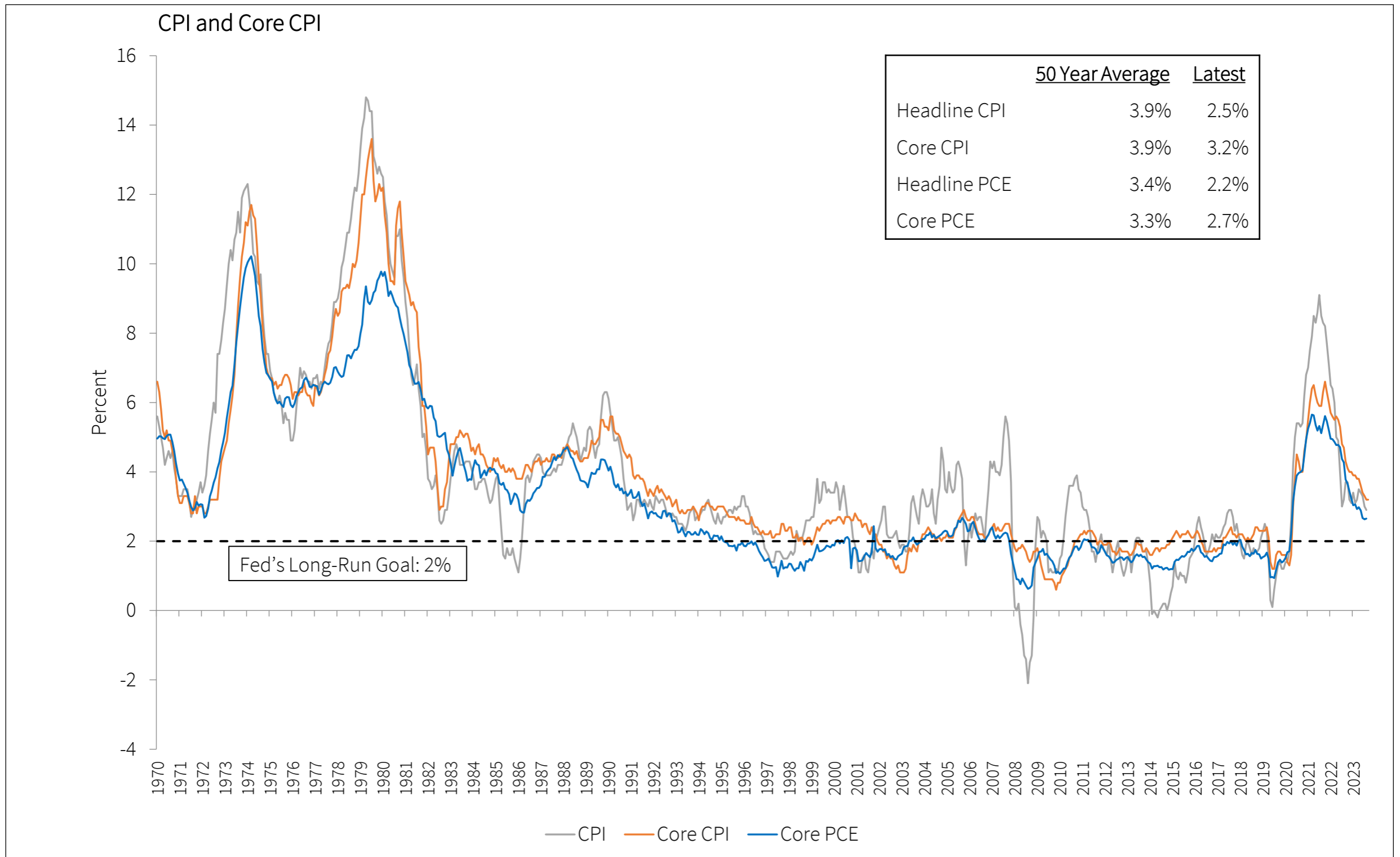
Household Net Worth



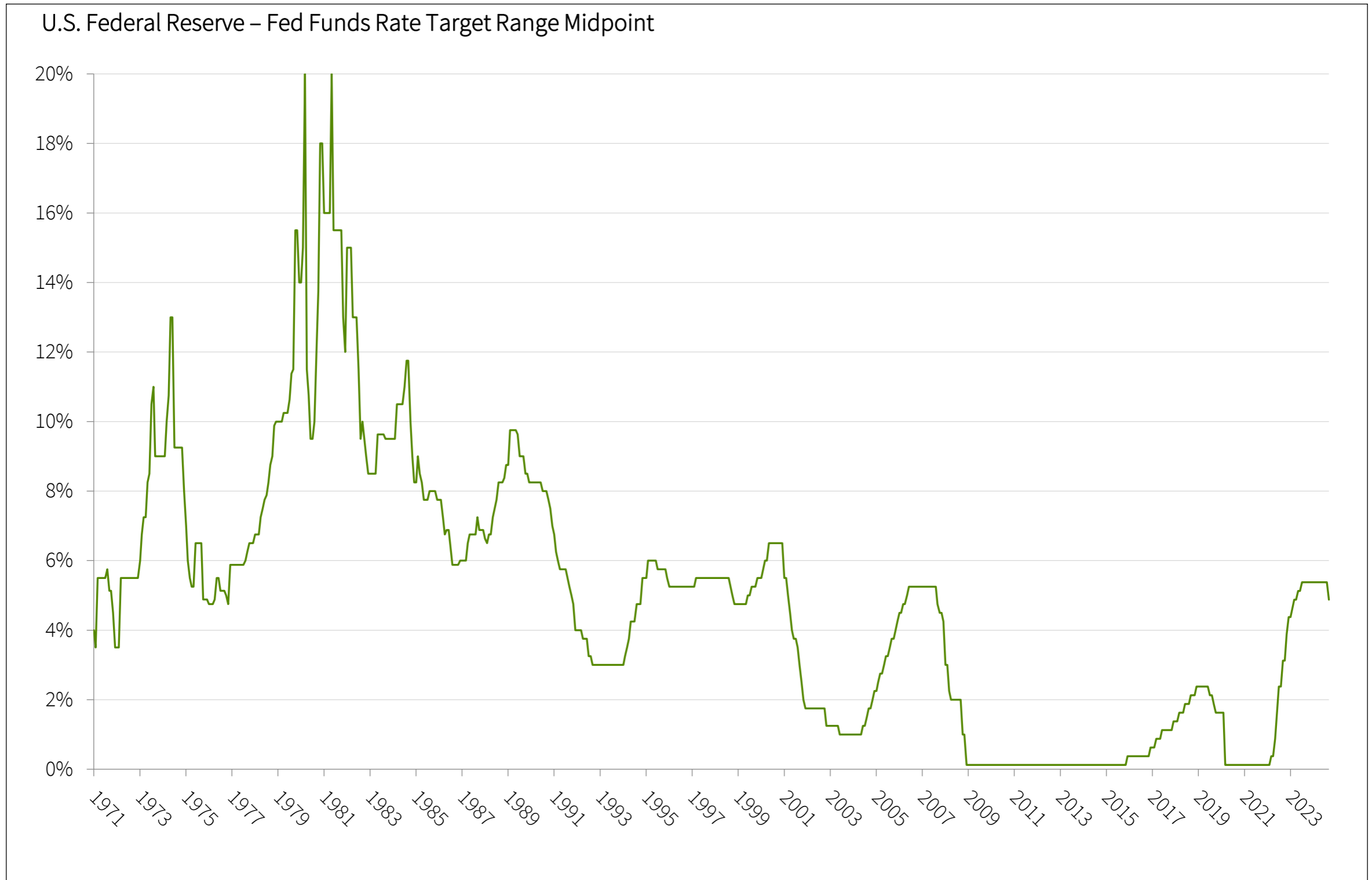
U.S. Retail Sales



Inflation



U.S. Fed Funds Rate



Important Disclosure

While the commentary accurately reflects the opinions of the Analyst by whom it is written, it does not necessarily reflect those of Regions Bank or RIM. This publication is solely for information and educational purposes and nothing contained in this publication constitutes an offer or solicitation to purchase any security, the recommendation of any particular security or strategy or a complete analysis of any security, company or industry or constitutes tax, accounting or legal advice. Information is based on sources believed by RIM to be reliable but is not guaranteed as to accuracy by Regions Bank, RIM or any of their affiliates. Commentary and opinions provided in this publication reflect the judgment of the authors as of the date of this publication and are subject to change without notice. Certain sections of this publication contain forward looking statements that are based on the reasonable expectations, estimates, projections and assumptions of the authors, but forward-looking statements are not guarantees of future performance and involve risks and uncertainties, which are difficult to predict. Investment ideas and strategies presented may not be suitable for all investors. No responsibility or liability is assumed by Regions Bank, RIM or their affiliates for any loss that may directly or indirectly result from use of information, commentary or opinions in this publication by you or any other person.

Trust and investment management services are offered through Regions Wealth Management, a business unit of Regions Bank. The information contained herein was gathered from sources believed to be reliable but is not guaranteed by Regions Bank nor is it to be considered all-inclusive. It is not meant to replace or supersede the information provided on your statement of account, which is the official record of all activity and balances in your account for the period of time specified on the account statement. Further, the information does not purport to be a complete analysis of any security, company or industry mentioned. The rationales contained in this presentation are the result of internal Working Groups and Committees within Regions Wealth Management, and does not necessarily reflect the opinion of Regions Bank or its affiliates. The rationales are included for informative purposes only, and to provide thought processes behind the investment decisions made on behalf of some clients. Opinions regarding any securities and/or sectors mentioned are subject to change at any time. Neither the information nor any opinion expressed shall constitute a solicitation for the purchase or sale of any security.

This proposal is intended for the sole use of the present or prospective client named and is not to be distributed to any other party. The presentation also may contain information concerning your current portfolio asset allocation, if applicable, a selected portfolio asset allocation (or reallocation if you currently maintain a portfolio), including selected information concerning the proposed investment managers or investment vehicles to be used for your portfolio, and certain types of analytical information concerning your proposed portfolio or certain broad market indices. The presentation is not intended as nor does it constitute tax or legal advice. You should consult your own lawyer, accountant or other professional advisor when planning to implement a strategy. All charts presented are illustrations provided for informational purposes only and are not indicative of present or future results. The presentation should not be considered to be investment advice. No guarantee is given that any specific investment or strategy referenced or described herein will be profitable or will achieve results equal to or exceeding historical, simulated or hypothetical results presented. There is no guarantee that a diversified portfolio will outperform a non-diversified portfolio or assure a profit or protect against loss in any given market environment. Some strategies may involve above average turnover which could negatively impact any net after tax gain experienced within a taxable account. The volatility of an index may be materially different from the individual performance attained by a specific investor. Indices are unmanaged, and you cannot invest directly into an index. Index returns do not reflect the deduction of fees and/or expenses, which would have the effect of decreasing the historical performance results.

Neither Regions Bank, Regions Wealth Management, Regions Asset Management, Multi-Asset Solutions nor any affiliates or subsidiaries of Regions Bank (collectively, "Regions") are registered municipal advisors nor provide advice to municipal entities or obligated persons with respect to municipal financial products or the issuance of municipal securities (including regarding the structure, timing, terms and similar matters concerning municipal financial products or municipal securities issuances) or engage in the solicitation of municipal entities or obligated persons for such services. With respect to this presentation and any other information, materials or communications provided by Regions, (a) Regions is not recommending an action to any municipal entity or obligated person, (b) Regions is not acting as an advisor to any municipal entity or obligated person and does not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to any municipal entity or obligated person with respect to such presentation, information, materials or communications, (c) Regions is acting for its own interests, and (d) you should discuss this presentation and any such other information, materials or communications with any and all internal and external advisors and experts that you deem appropriate before acting on this presentation or any such other information, materials or communications.

Some investment commentary referenced in this document has been excerpted from the Regions Wealth Management Economic & Market Commentary. In all cases, while the commentary accurately reflects the opinions of the Analyst by whom it is written, it does not necessarily reflect the opinion of Regions Bank or its affiliates.

Past performance is not a guarantee of future results. Copyright 2024 Regions Bank, Member FDIC.

| Investment, Insurance and Annuity Products | | |
|--|--|---|
| Are Not FDIC-insured | Are Not Bank Guaranteed | May Lose Value |
| Are Not Deposits | Are Not Insured by Any Federal Government Entity | Are Not a Condition of Any Banking Activity |

Important Disclosure

This material and all accompanying documents are provided is for the sole use of the individual(s) it is presented to. Performance results contained in this presentation reflect trading in your account(s). The returns are calculated using a third party vendor, SEI. Factors impacting the returns include individual client risk tolerance, restrictions a client may place on the account, investment objectives, choice of broker/dealers or custodians, as well as other factors. Your account(s) performance may differ from that of other clients due to, among other things, commission, timing of order entry, or the manner in which the trades were executed.

Performance presented is net of fees, which means that the performance includes the deduction of management and other fees associated with your account(s). Performance figures include reinvestment of coupon payments, dividends and other earnings. The fee schedule is described in your investment management contract. Performance results do not reflect the impact of taxes. Some strategies may involve above average turnover which could negatively impact any net after tax gain experienced within a taxable account. Clients are encouraged to seek the advice of a tax professional.

Maturity, duration and yield characteristics reflect call features and are calculated using a third party vendor, BondEdge. Yield to maturity is the internal rate of return and the best indication of realized return; current yield is the annual coupon income divided by current price.

The index characteristics are not intended as a direct comparison to the characteristics of the portfolio, but are intended to represent the characteristics of certain sectors of the overall securities market. The investment strategy and types of securities held by the comparison index may be substantially different from the investment strategy and the type of securities held within this strategy. Indices are unmanaged, and you cannot invest directly into an index.

Past performance is not a guarantee of future results. Current performance may be lower or higher than the performance data presented. The investment return and principle value of an investment will fluctuate so that, when redeemed, it may be worth more or less than the original value. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities presented herein. Neither the information nor any opinion expressed constitutes a solicitation for the purchase or sale of any security.

Trust and investment management services are offered through Regions Wealth Management, a business unit of Regions Bank.

Some investment commentary referenced in this document has been excerpted from the Regions Wealth Management Economic & Market Commentary. In all cases, while the commentary accurately reflects the opinions of the Analyst by whom it is written, it does not necessarily reflect the opinion of Regions Bank or its affiliates.

Investment advisory services are offered through Regions Investment Management, Inc. ("RIM"), a Registered Investment Adviser. RIM is a wholly owned subsidiary of Regions Bank, which in turn, is a wholly owned subsidiary of Regions Financial Corporation. Additional information regarding RIM is set forth in RIM's current Form ADV Part 2A, a copy of which is available upon request at 205-264-6735.

Neither Regions Bank, Regions Institutional Services (collectively, "Regions") nor the Regions Bank subsidiary, Regions Investment Management, Inc. (RIM), are registered municipal advisors, nor provide advice to municipal entities or obligated persons with respect to municipal financial products or the issuance of municipal securities (including regarding the structure, timing, terms and similar matters concerning municipal financial products or municipal securities issuances) or engage in the solicitation of municipal entities or obligated persons for such services. With respect to this presentation and any other information, materials or communications provided by Regions or RIM, (a) Regions and RIM are not recommending an action to any municipal entity or obligated person, (b) Regions and RIM are not acting as an advisor to any municipal entity or obligated person and do not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to any municipal entity or obligated person with respect to such presentation, information, materials or communications, (c) Regions and RIM are acting for their own interests, and (d) you should discuss this presentation and any such other information, materials or communications with any and all internal and external advisors and experts that you deem appropriate before acting on this presentation or any such other information, materials or communications.

| Investment, Insurance and Annuity Products | | |
|--|--|---|
| Are Not FDIC-insured | Are Not Bank Guaranteed | May Lose Value |
| Are Not Deposits | Are Not Insured by Any Federal Government Agency | Are Not a Condition of Any Banking Activity |