

**Alabama Trust Fund
Board of Trustees Meeting
November 21, 2024
RSA Union Building, Suite 683**

Pursuant to public notice, a meeting of the Alabama Trust Fund Board of Trustees was held on November 21, 2024 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. McClendon, Chair Designee. The roll was called by Secretary Boozer and recorded as follows with a quorum present.

Present:

Mr. Brooks McClendon, Chair Designee
Mr. Young Boozer, Secretary

Virtual:

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

Absent:

Mr. Bill Poole, Vice Chair
Mr. John Norris

1. Approval of Minutes

The first item on the agenda was the review and approval of the minutes of September 4, 2024. Upon a motion made by Mr. Boozer and second by Mr. Hughes, 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 September 30, 2024, indicates total assets of \$3.4 billion, a decrease of approximately \$18 million from the previous quarter end. Total capital is \$3.4 billion. The Statement of Revenues and Expenditures indicates total revenues of \$22 million and total disbursements of \$40 million. Oil and gas receipts for the quarter were \$6.3 million. Mr. Boozer noted the significant decline in oil and gas revenues compared to the previous year resulted from lower gas prices and decline in oil production. 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 large cap equity and an underweight to fixed income and real estate. The return for the quarter was positive 5.47 percent trailing the benchmark by 27 bps. Ms. West noted international equity managers mostly contributed to underperformance this quarter. The one-year return was 21.22 percent. Ms. West then reviewed the returns by manager. Ms. West noted Callan is working to find a peer group that matches close to the Trust Fund, but it is difficult to find. The group used for peer ranking here is most in line with the Trust Fund in terms of asset allocation.

4(a). Watch List Review

On the watch list, Ms. West noted Algert and American Century will be terminated as previously voted when the transition to GSAM occurs in 2025. Vulcan Value will remain on the watch list until they can present to the Board at the February quarterly meeting before making a decision as voted on at the previous quarterly meeting. At the special called September meeting, the Board voted to terminate Western Asset and transition the assets to Fidelity and Manulife. No changes to the watch list were recommended. Upon a motion made by Mr. Boozer, and second by Mr. Hughes, the watch list was unanimously approved.

4(b). ATF Asset Allocation and Spending Study

Jay Kloepfer, Callan LLC, presented the ATF asset allocation and spending study to the Board. Mr. Kloepfer noted the current spending policy and asset allocation have been beneficial to the Trust Fund, but the Trust Fund could possibly benefit from a more aggressive asset allocation. Mr. Kloepfer presented various allocation mixes to further diversify the portfolio. After further discussion, Mr. Boozer noted the portfolio has done well with the current spending policy and asset allocations. Mr. Hughes recommended the Board complete another study in the near future to capture the market changes. Upon a motion made by Mr. Hornsby and a second by Ms. Green the recommendation was unanimously approved.

5(a). Quarterly Performance – CMT

Ms. West then reviewed the CMT fund quarterly performance. For the quarter, the fund was positive 5.68 percent trailing the benchmark by 12 bps. Ms. West noted the underperformance was mainly due to international equity, multi-asset class, and real estate managers. The one-year number was positive 20.23 percent trailing the benchmark by 59 bps.

6(a). International Equity Restructure Update

Ms. West provided the Board with an update on the international equity restructure process.

Approved on _____, 2025.

Bill Poole, Vice Chair

Young Boozer, Secretary