

Regions Investment Management

State of Alabama Treasurer's Office

Prepaid Affordable College Tuition (PACT) Program

As of March 31, 2025

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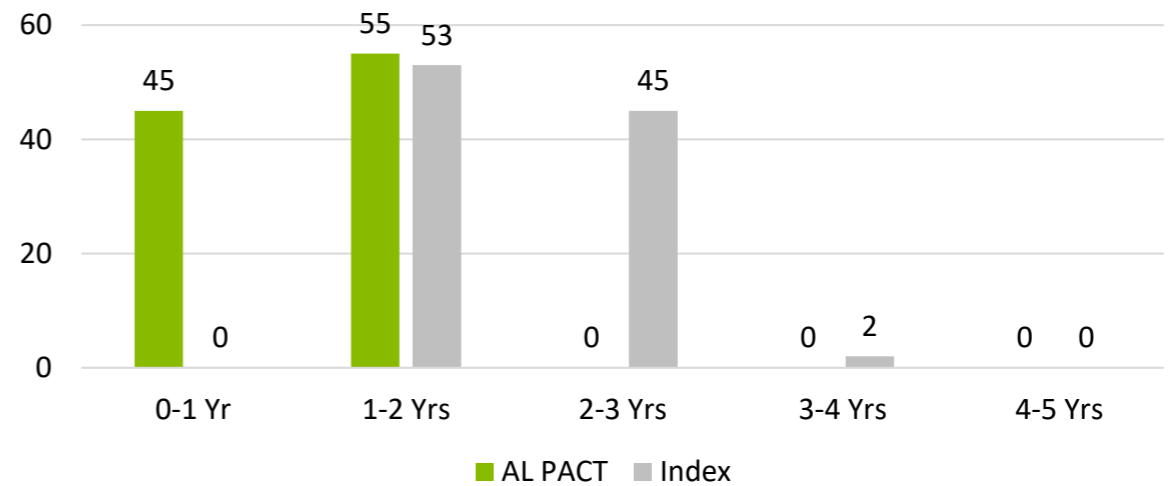
State of Alabama Treasurer's Office – PACT Program

Fixed Income Portfolio Characteristics as of 03.31.2025

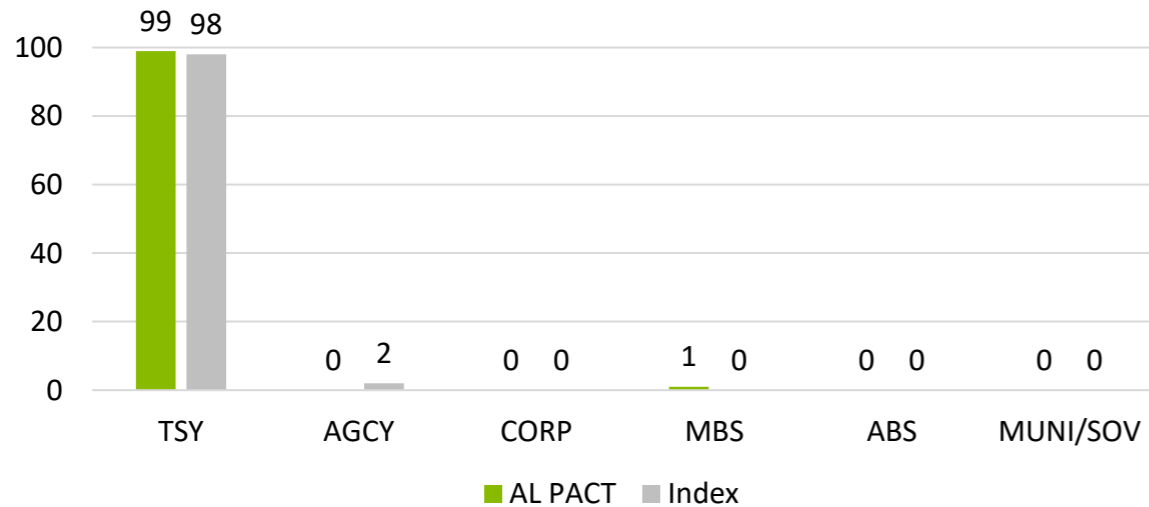
Portfolio Characteristics

	AL PACT	Index
Yield to Maturity	4.08%	3.94%
Average Coupon	3.62%	2.91%
Effective Duration	1.01 years	1.87 years
Average Life	1.06 years	1.98 years
Average Quality	Aa1	Aa1

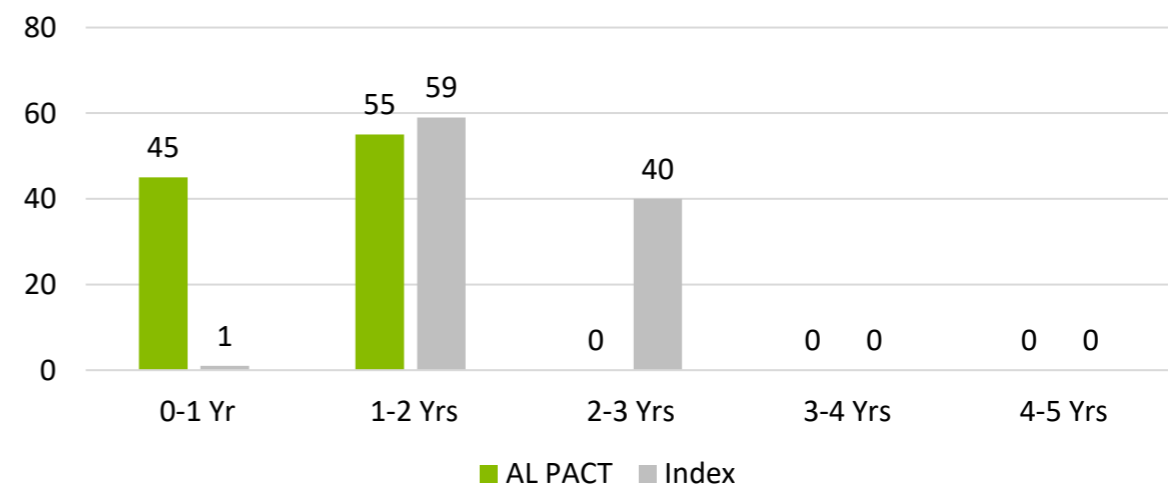
Maturity vs. Index



Sector vs. Index



Duration vs. Index



Index: Bloomberg Barclays 1-3 Year US Govt Index

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State of Alabama Treasurer's Office – PACT Program

Performance as of 03.31.2025

	Qtr	YTD	1-Yr	3 Years *	5 Years *	7 Years *	Inception *
Consolidated Portfolio	1.18%	1.18%	5.06%	3.71%	2.26%	2.64%	2.29%
Money Market Fund	1.08%	1.08%	5.00%	4.26%	2.55%	2.37%	1.98%
Fixed Income Portfolio	1.32%	1.32%	5.25%	3.41%	1.87%	2.50%	2.20%
1-3 YR Govt Only	1.62%	1.62%	5.39%	2.85%	1.15%	1.97%	1.61%
<i>Excess Return</i>	<i>-0.30%</i>	<i>-0.30%</i>	<i>-0.14%</i>	<i>0.56%</i>	<i>0.72%</i>	<i>0.53%</i>	<i>0.59%</i>

*** Market Values: Consolidated: \$186.2mm / Money Market: \$90.7mm / Fixed Income: \$95.5mm***

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 03.31.2025

INVESTMENT RETURN SUMMARY - QUARTER ENDING MARCH 31, 2025

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	1.32%	\$170,709,604	(\$76,000,000)	\$0	\$1,809,434	\$96,519,038
Money Market Mutual Fund	1.08%	22,153,615	66,000,000	0	249,548	\$88,403,163
Demand Deposit	0.00%	921,280	22,559	0	0	\$943,839
Total Portfolio	1.18%	\$193,784,499	(\$9,977,441)	\$0	\$2,058,982	\$185,866,040

* The total market value of the Alabama PACT Composite portfolio does not include the cash balance of \$6,631,460.66 that was in the Treasury Account on March 31, 2025.

MANAGER ALLOCATION SUMMARY - QUARTER ENDING MARCH 31, 2025

Prior Quarter Market Value	%	Fund Name	Style	Adj. for Portion of Fixed Income Account Instructed to Hold in Money Market	Current Quarter Market Value *	%
\$170,709,604	88%	Fixed Income	(STFX)	0	96,519,038	52%
\$22,153,615	11%	Money Market Mutual Fund	(CASH)	0	88,403,163	48%
\$921,280	0%	Demand Deposit	(CASH)	0	943,839	1%
\$193,784,499	100%		(TOTL)	\$0	185,866,040	100%

* The total market value of the Alabama PACT Composite portfolio does not include the cash balance of \$6,631,460.66 that was in the Treasury Account on March 31, 2025.

Market Updates

- Market Returns
- Economic Update
- Asset Class Review

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Economy: Overview & Outlook

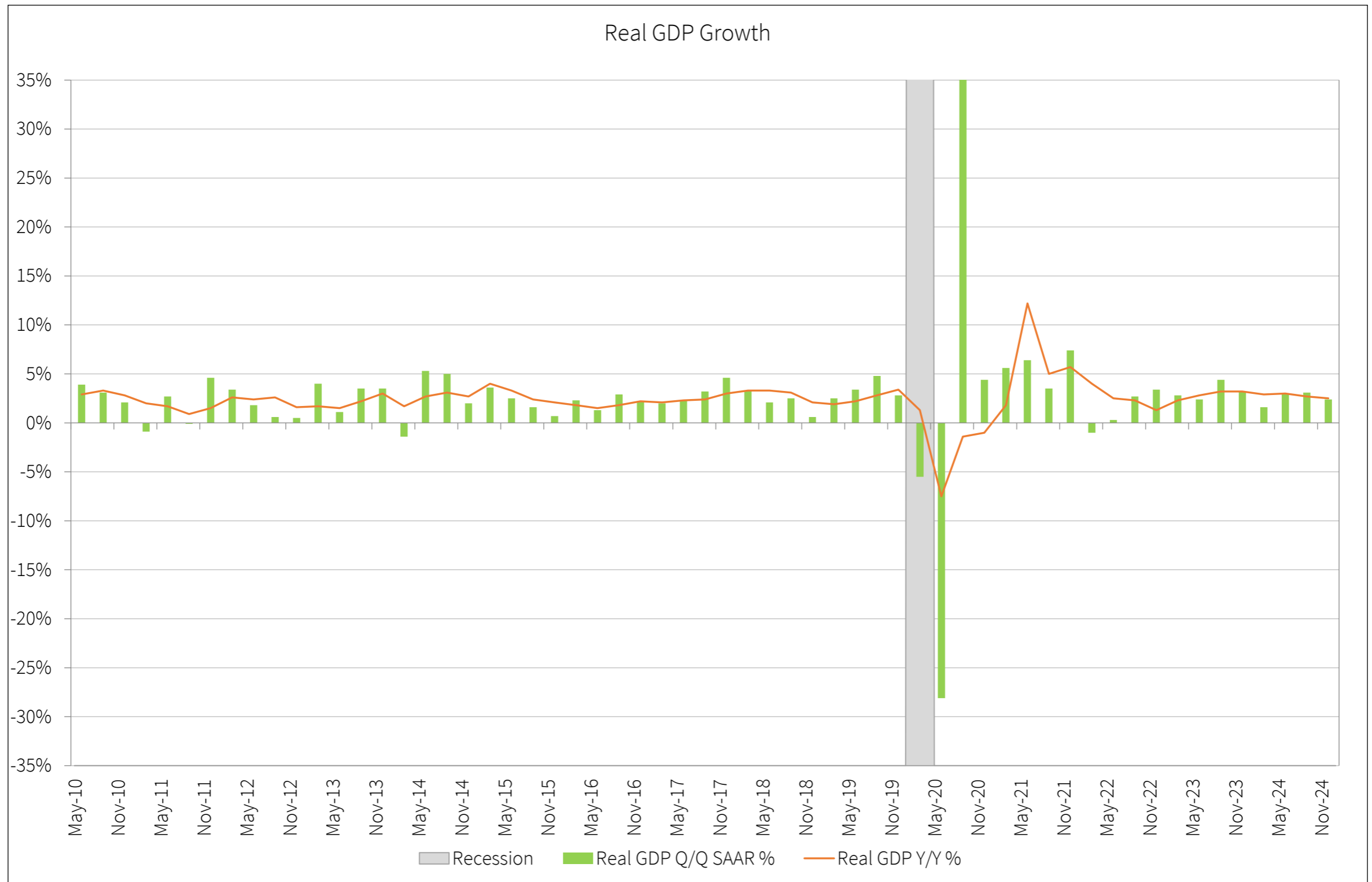
Economy		<p><u>Risks:</u></p> <ul style="list-style-type: none"> Renewed supply chain disruptions, prospect of broadly based trade wars, persistent inflation pressures, immigration reform triggering a labor supply shock, “higher for longer” interest rate profile; marked deterioration in credit performance and refinancing stresses all 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, corporate tax reform and clarity around the policy outlook unlocking pent-up demand for business investment spending, and sustained acceleration in labor productivity growth pose upside risks to our baseline outlook.
	<p>Heightened Uncertainty and Volatility Taking A Toll On The U.S. Economy</p> <ul style="list-style-type: none"> A highly volatile and uncertain policy landscape, particularly in terms of trade policy, and rapid, sweeping cuts in federal government employment and funding are weighing on the pace of economic activity, which clearly slowed as we moved through February and into March. Consumer and business confidence have waned over the past two months, with concerns over inflation and uncertainty over trade policy significant drivers of falling confidence. These factors pose downside risks to growth until there is greater clarity on the policy front, while higher and more broadly based tariffs threaten to put upward pressure on prices, not only prices of consumer goods but also prices of raw materials and intermediate goods used in the production of final goods. The uncertain and volatile policy environment will remain a source of volatility in our U.S. economic forecasts. To that point, relative to our February forecast, our March baseline forecast anticipates meaningfully slower real GDP growth, higher inflation, and a higher unemployment rate. February marked a second straight month of the ISM Manufacturing index above the 50.0 percent break between contraction and expansion after what has been a twenty-six-month run on the wrong side of that break.¹ Orders for core capital goods, a leading indicator of business investment in equipment and machinery in the GDP data, have been notably strong over the past three months.² The question, however, is whether, or to what extent, what look to be improving conditions in the manufacturing reflects firms pulling orders and production forward to front-run higher tariffs, as opposed to marking the early stages of an enduring rebound. It is simply too soon to know. The February CPI data show moderation in headline and core inflation.³ That could, however, prove somewhat fleeting. The ISM’s surveys of the manufacturing and services sectors show continued upward pressure on input prices, and higher tariffs will put upward pressure on raw, intermediate, and final goods. 	<p>Growing Concerns Over Labor Market Conditions</p> <ul style="list-style-type: none"> Total nonfarm payrolls rose by 151,000 jobs in February, neither as strong as some expected nor as weak as some feared. There was, however, very little impact from cuts in federal government staffing and spending in the February data, which will likely be more visible in the March data. For a second straight month, however, there were clear effects of atypically harsh winter weather. More than 1.7 million people either did not work at all or worked only part-time hours, which helps account for why average weekly hours remained stuck at 34.1 hours, having been pushed down by January’s bout of atypically harsh winter weather.³ One sign of softening economic conditions in February was the broad “U6” measure, which accounts for both unemployment and underemployment, rising to 8.0 percent from 7.5 percent in January. One-half of this increase was due to an increase in the number of people working part-time hours due to slack business conditions.³ Though often volatile from month-to-month, this metric is clearly something to be watched closely in the months ahead. There is some uncertainty around when the cuts in the federal government workforce will turn up in the labor market data. Severance payments spaced out over time will delay jobs being eliminated from the count of nonfarm payrolls. Moreover, it could be that older workers simply retire rather than attempt to find new jobs, in which case they will be counted neither in the labor force nor the ranks of the unemployed. Cuts in federal government research and grant funding will spill over into the education segment of state and local governments and into the private sector, and in some instances hiring freezes have already been implemented. Interpreting the monthly employment reports over the next several months will require some care. With inflation firmly above their 2.0 percent target and higher tariffs likely to put further upward pressure on prices as overall economic activity slows, the FOMC is in “watch and wait” mode. The updated economic and financial projections to be issued at this month’s meeting may shed some light on how they are processing the uncertainty. 	<p>See important disclosure at the end of this presentation.</p>

Source: 1) Institute for Supply Management (ISM); 2) U.S. Census Bureau; 3) Bureau of Labor Statistics (BLS)

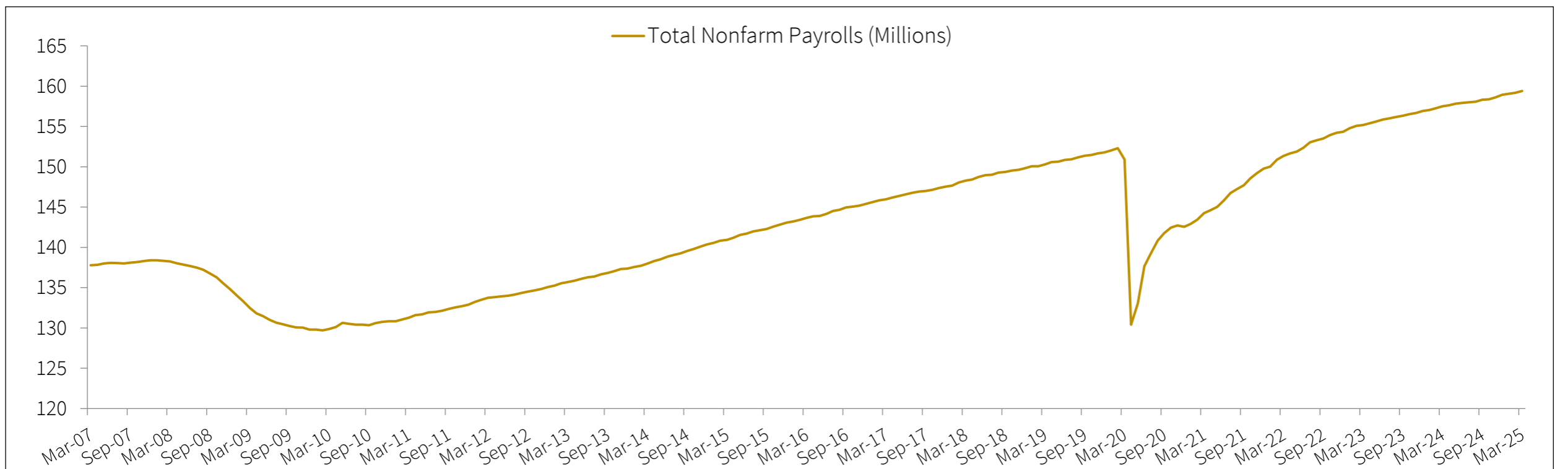
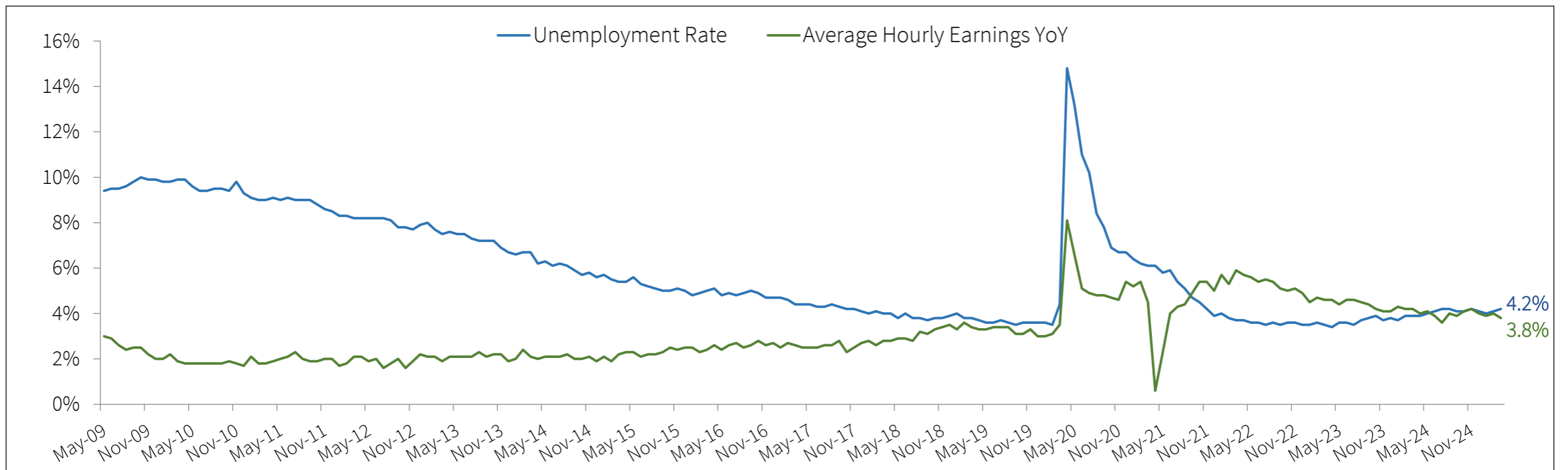
Market Returns

	Trailing 3 Months 3/31/25	YTD As of 3/31/25	2024	2023	2022	2021	2020	2019	2018
Equities									
S&P 500 Index (Large Cap Stocks)	-4.27%	-4.27%	25.02%	26.29%	-18.11%	28.71%	18.40%	31.49%	-4.38%
S&P 500 (Large Cap Growth)	-8.47%	-8.47%	35.86%	30.03%	-29.41%	32.01%	33.47%	31.13%	-0.01%
S&P 500 (Large Cap Value)	0.28%	0.28%	12.29%	22.23%	-5.22%	24.90%	1.36%	31.93%	-8.95%
Russell 2000 Index (Small Cap Stocks)	-9.48%	-9.48%	11.54%	16.93%	-20.44%	14.82%	19.96%	25.52%	-11.01%
Russell 2500 Index (Small to Mid Cap Stocks)	-7.50%	-7.50%	12.00%	17.42%	-18.37%	18.18%	19.99%	27.77%	-10.00%
Russell Mid Cap TR USD	-3.40%	-3.40%	15.34%	17.23%	-17.32%	22.58%	17.10%	30.54%	-9.06%
MSCI EAFE Index (Foreign Stocks)	6.86%	6.86%	3.82%	18.24%	-14.45%	11.26%	7.82%	22.01%	-13.79%
MSCI ACWI Ex-U.S. (Foreign Stocks)	5.24%	5.24%	5.53%	15.62%	-16.00%	7.82%	10.65%	21.51%	-14.20%
MSCI EM (Foreign Stocks)	2.93%	2.93%	7.50%	9.83%	-20.09%	-2.54%	18.31%	18.42%	-14.58%
Bonds									
Bloomberg U.S. Aggregate Bond	2.78%	2.78%	1.25%	5.53%	-13.01%	-1.54%	7.51%	8.72%	0.01%
ICE BofA 1-12 Year Municipal	0.51%	0.51%	1.37%	4.47%	-4.90%	0.59%	4.02%	5.64%	1.62%
ICE BofA U.S. 3-Month T-Bill	1.02%	1.02%	5.25%	5.01%	1.46%	0.05%	0.67%	2.28%	1.87%
Bloomberg Global Aggregate Ex USD	2.53%	2.53%	-4.22%	5.72%	-18.70%	-7.05%	10.11%	5.09%	-2.15%
Bloomberg U.S. Corporate High Yield	1.00%	1.00%	8.19%	13.45%	-11.19%	5.28%	7.11%	14.32%	-2.08%
Bloomberg U.S. TIPS	4.17%	4.17%	1.84%	3.90%	-11.85%	5.96%	10.99%	8.43%	-1.26%

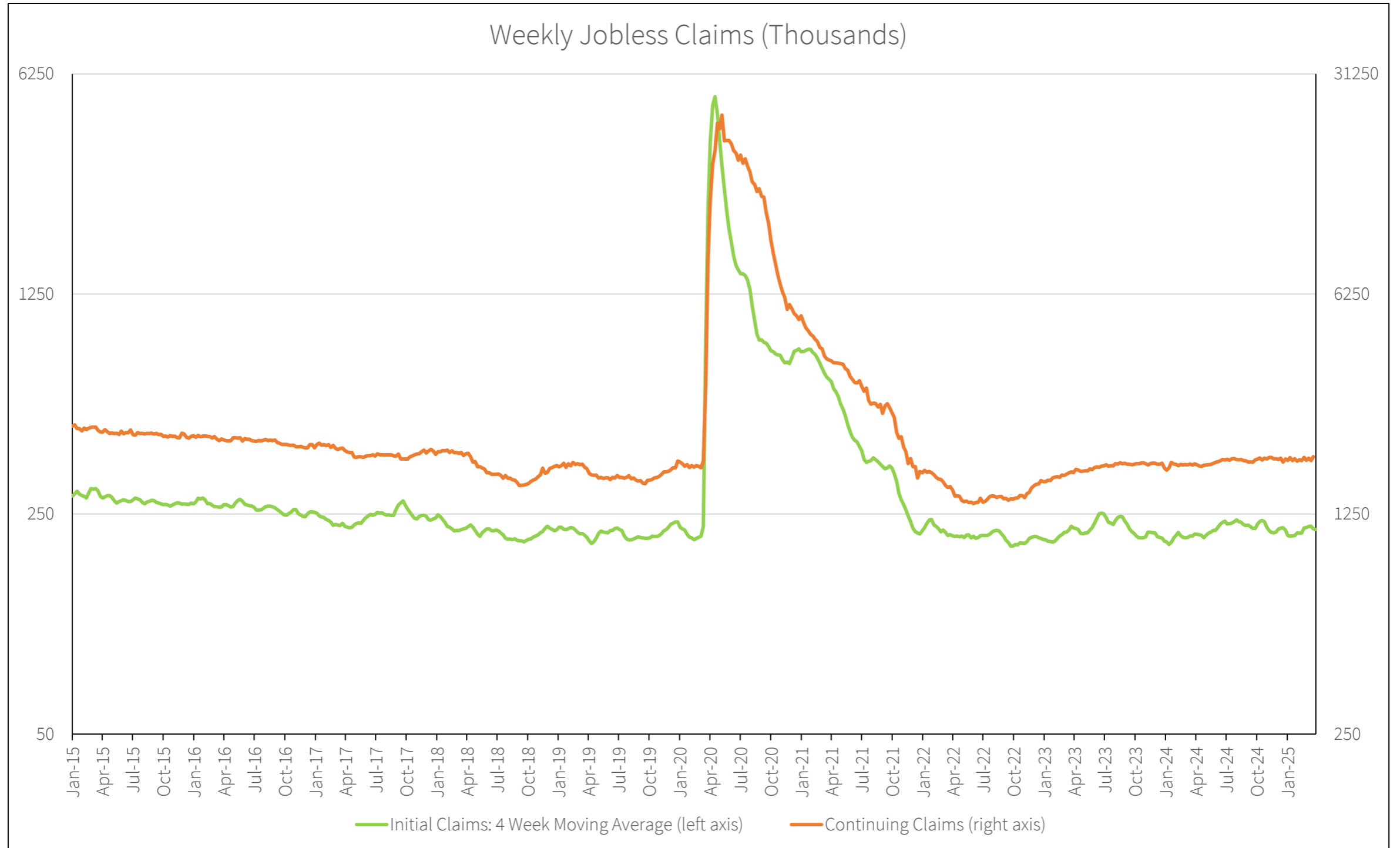
U.S. Real GDP Growth



Payrolls, Unemployment, and Wages



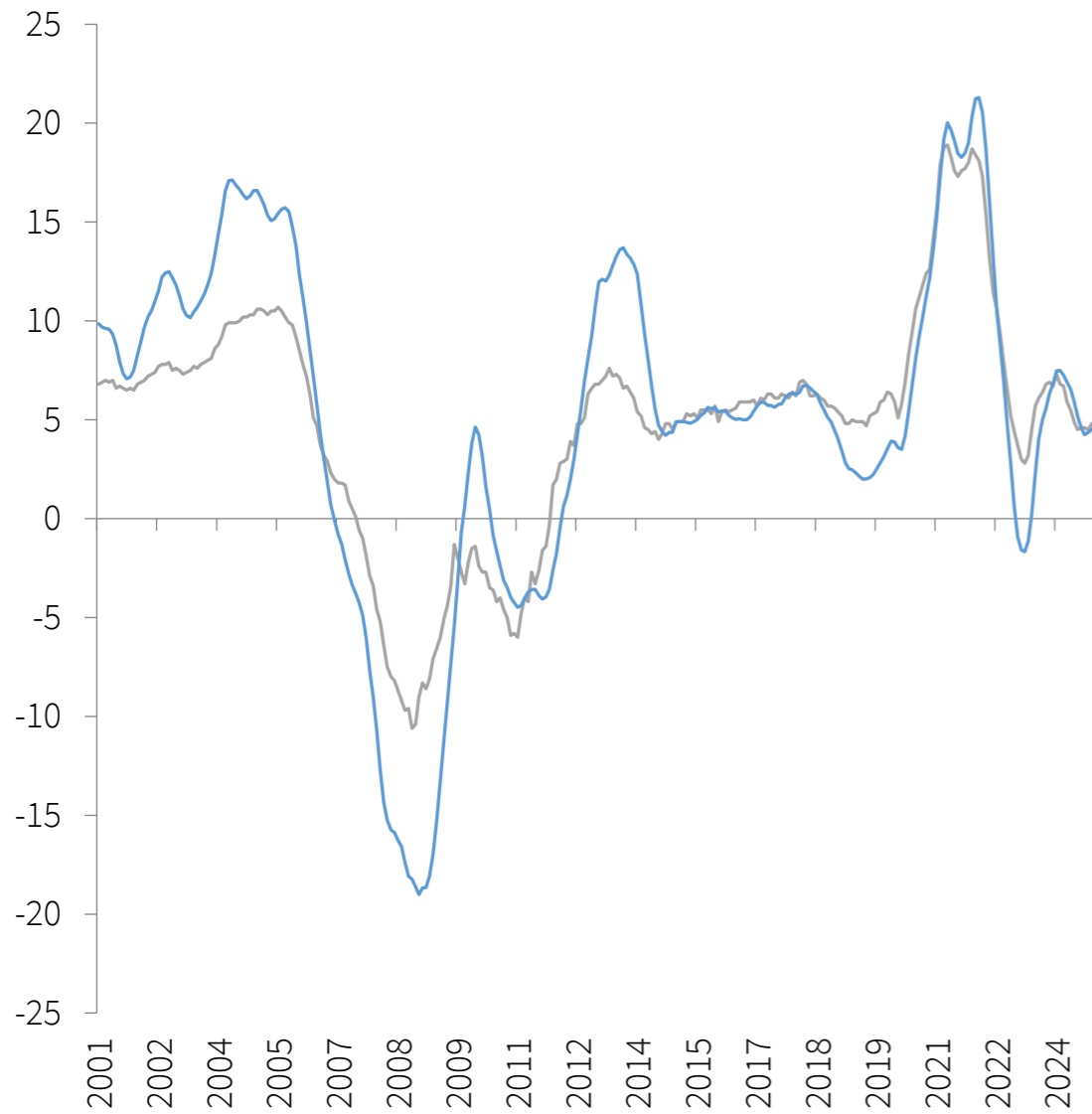
Jobless Claims



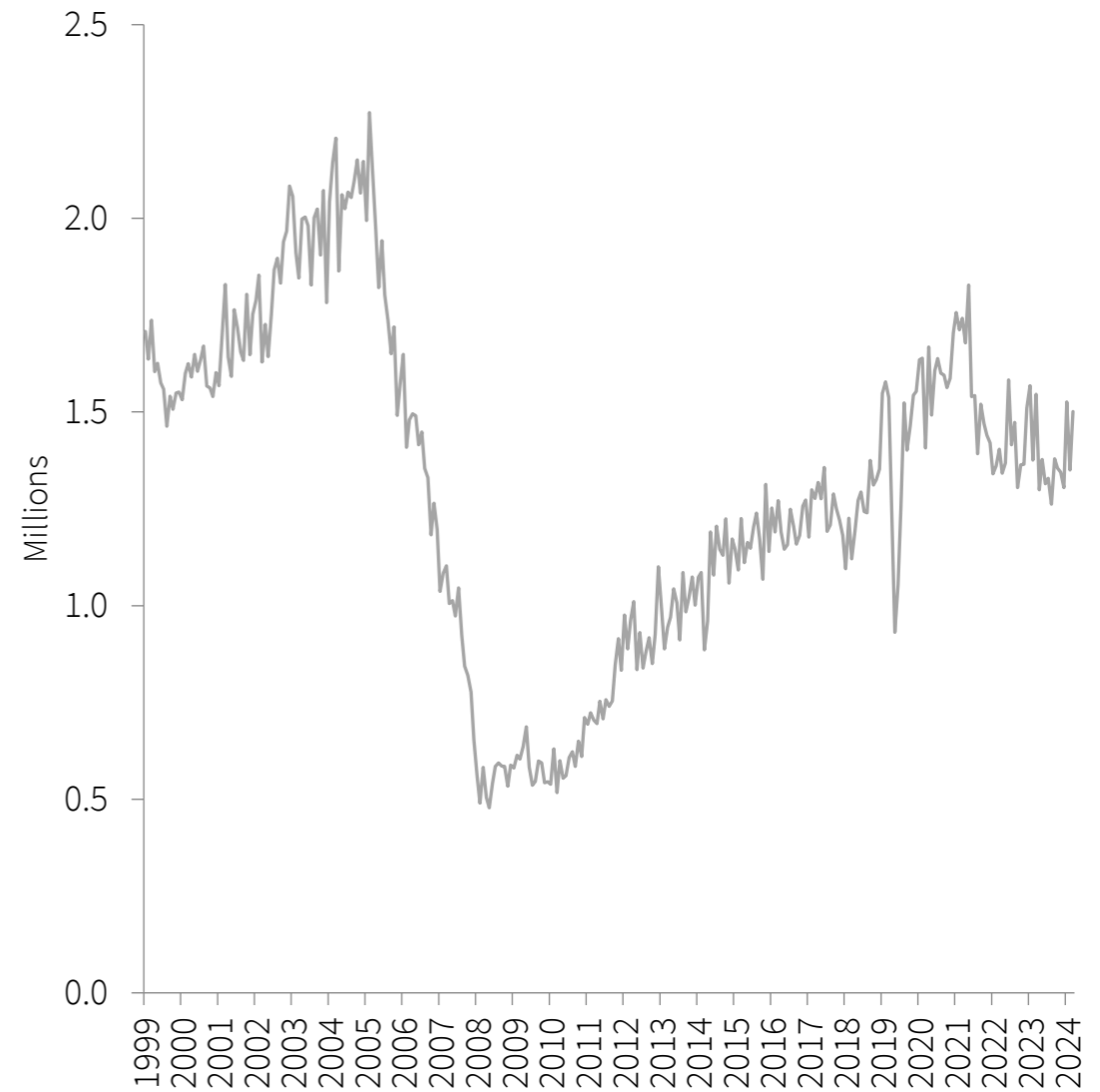
U.S. Housing

Housing Prices (YoY % Change)

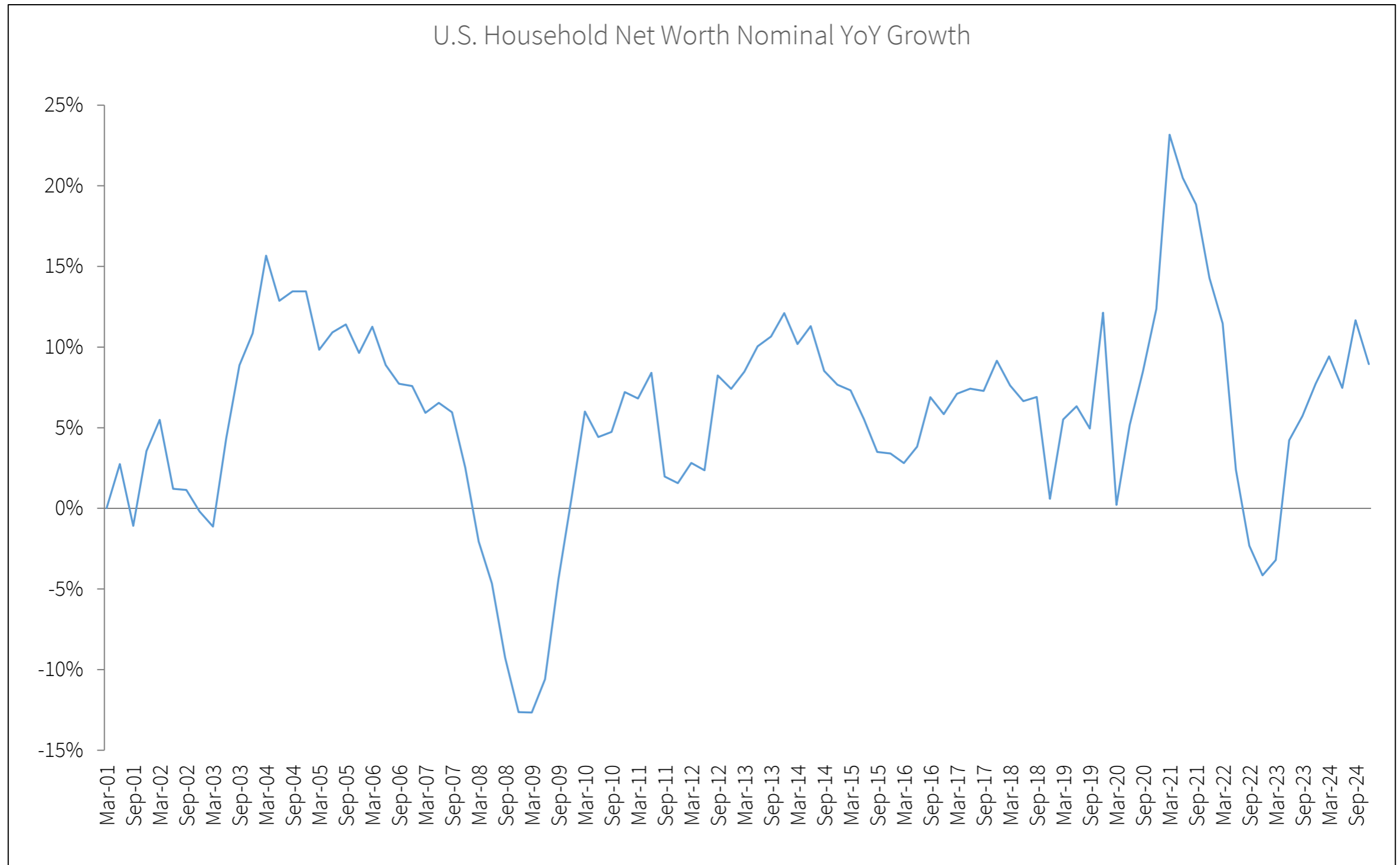
— FHFA Conventional Purchases Only Index — Case-Shiller 20 City Index



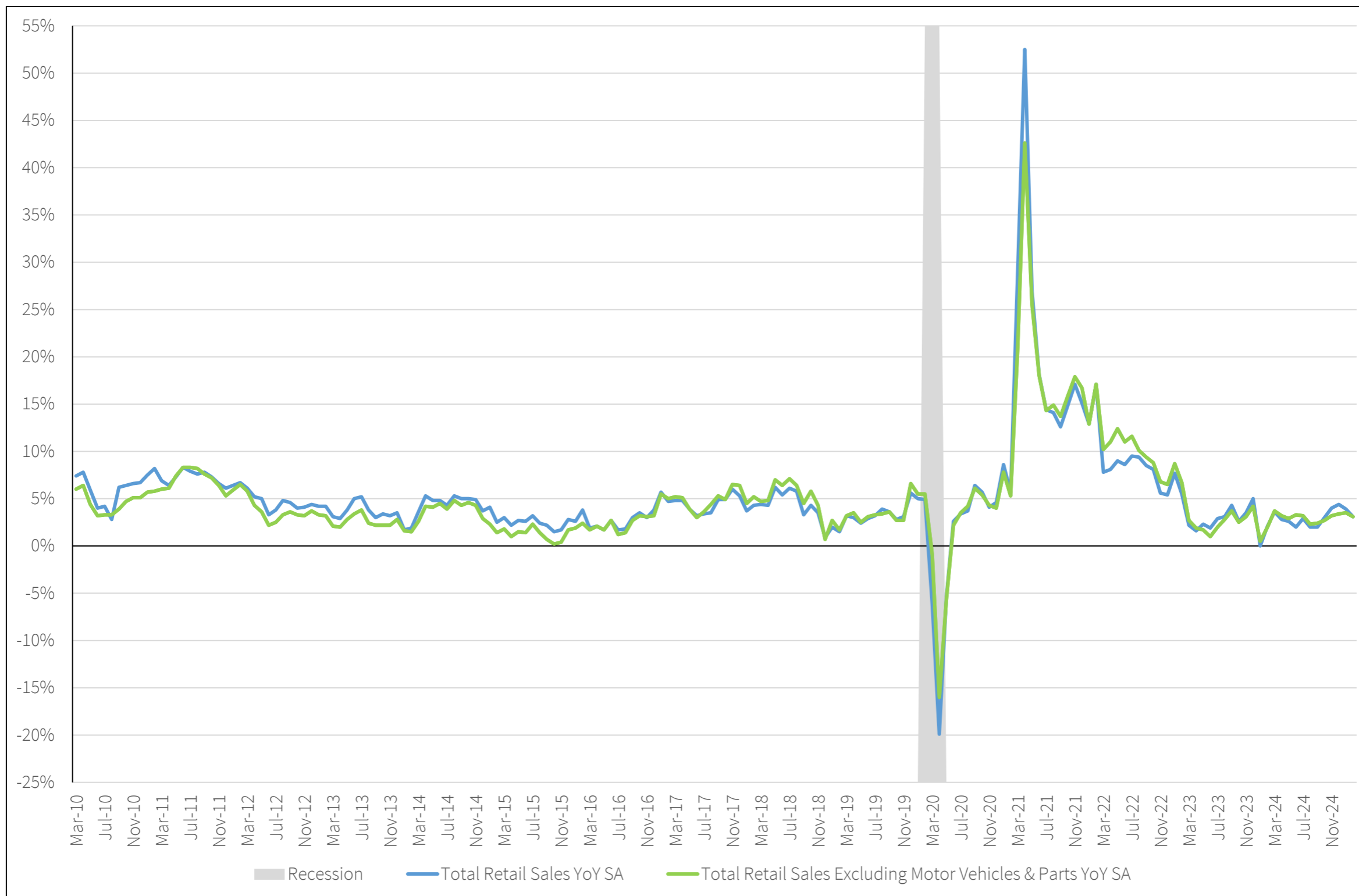
Total Housing Starts (Annualized Rate)



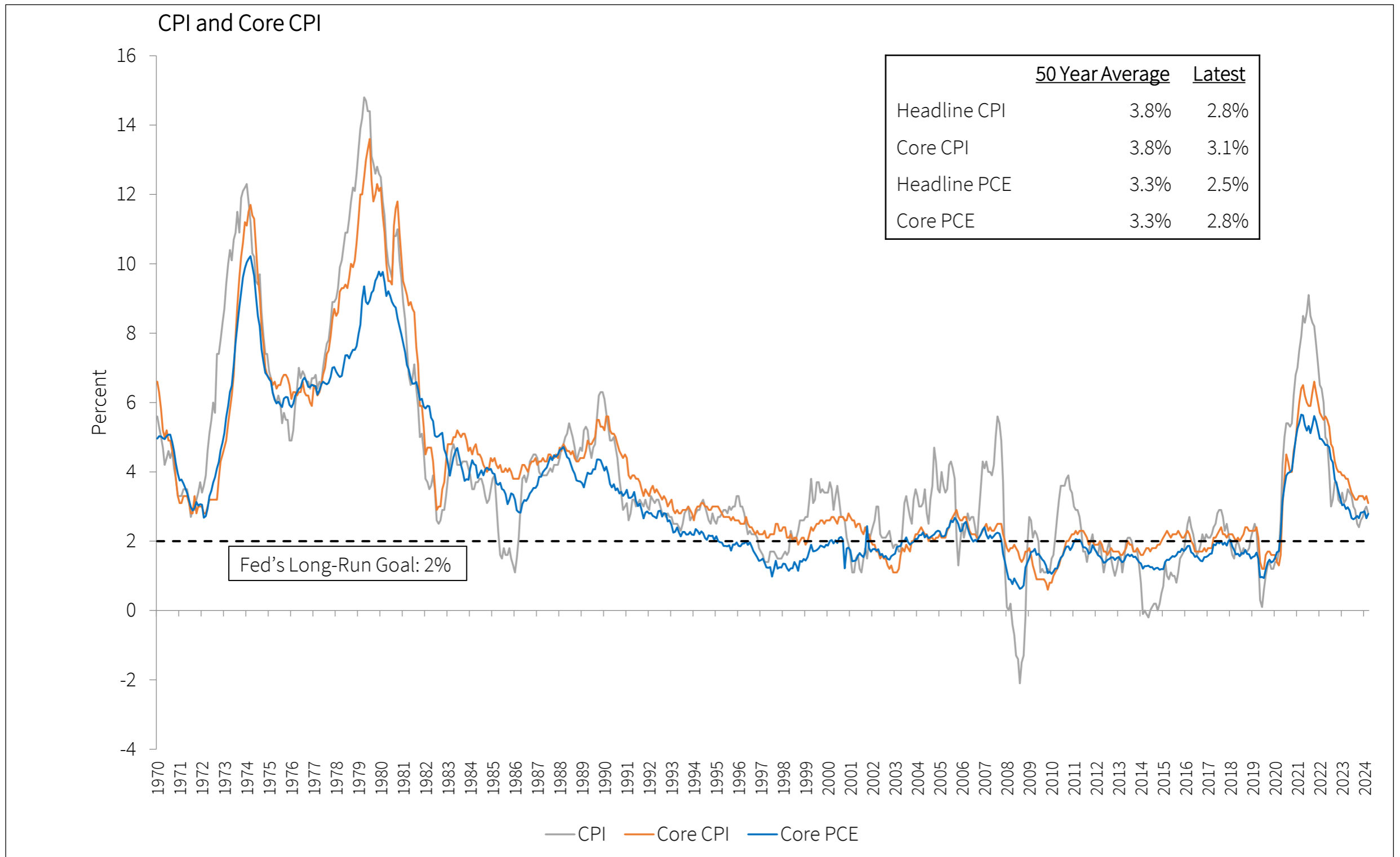
Household Net Worth



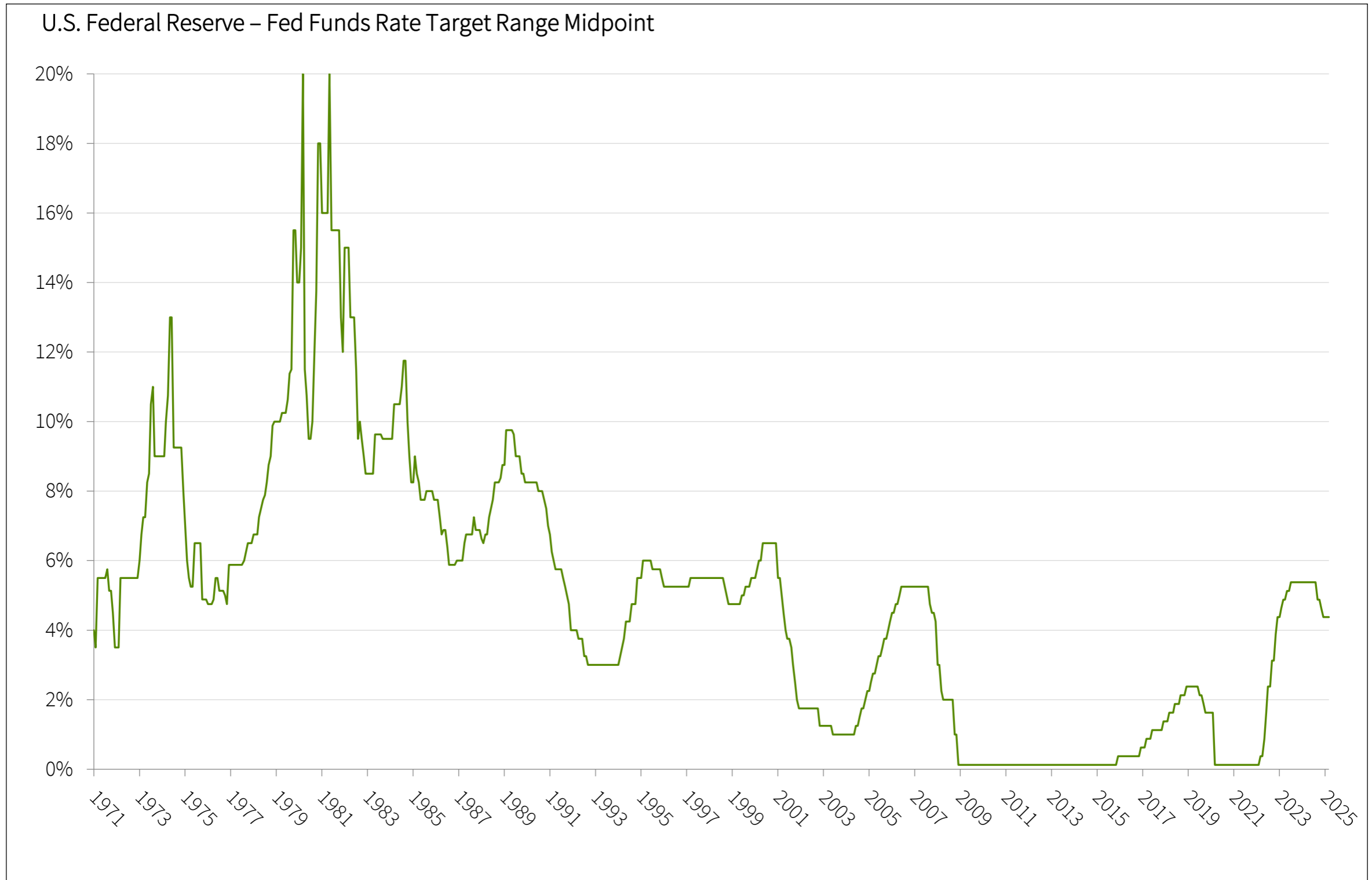
U.S. Retail Sales



Inflation



U.S. Fed Funds Rate



10-Year U.S. Treasury Yield



Average: 5.83%

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