

Regions Investment Management

State of Alabama Treasurer's Office

Prepaid Affordable College Tuition (PACT) Program

As of September 30, 2025

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Regions Asset Management

Regions Investment Management Fixed Income Team Structure

Regions Investment Management’s fixed income team has over 258 years of combined experience or approximately 18 years per employee.

PORTFOLIO MGRS	MBS/ABS/CMBS	CORPORATE	MUNICIPAL
Scott Flurry, CFA – 32 years experience	Landon Connell- 4 years experience	Brian Cox, CFA – 18 years experience	Kristie Jones – 25 years experience
Adrian Hughes, CFA – 28 years experience		Zach Dark, CFA – 17 years experience	Jaren Hayes – 14 years experience
Brian Herron, CFA – 23 years experience		David Oldham, CFA – 14 years experience	Jesse Handlon, CFA- 6 years experience
Willard McCall, CFA – 18 years experience			
Alla Korovin – Trader 27 Years experience	Jennifer Whittemore – Trader 8 Years experience	Charles Mathews - Trader < 5 years	Sandy Scott – Operations Analyst 24 Years experience

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Bond Portfolio Review

- Characteristics
- Performance
- Allocation Detail

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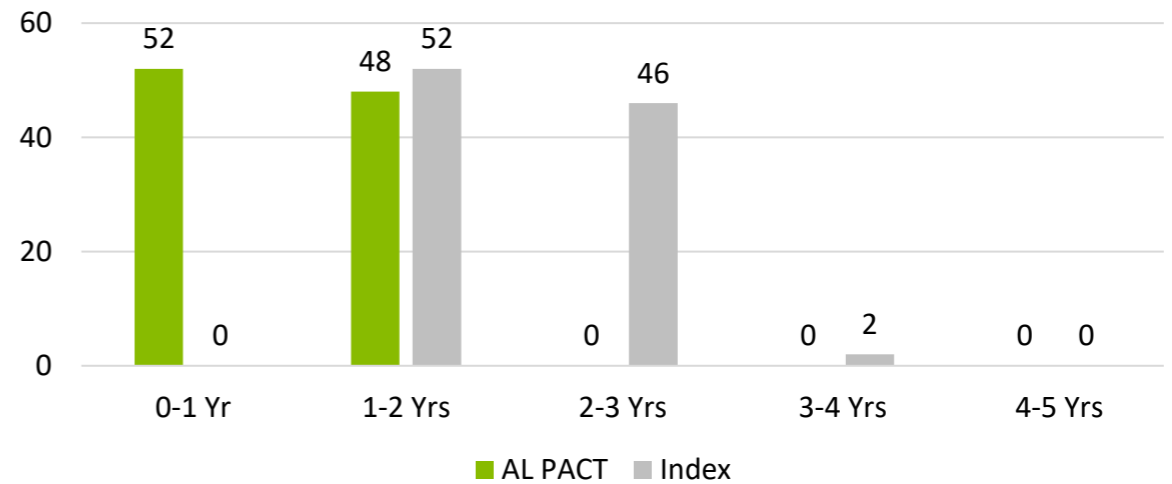
State of Alabama Treasurer's Office – PACT Program

Fixed Income Portfolio Characteristics as of 9.30.2025

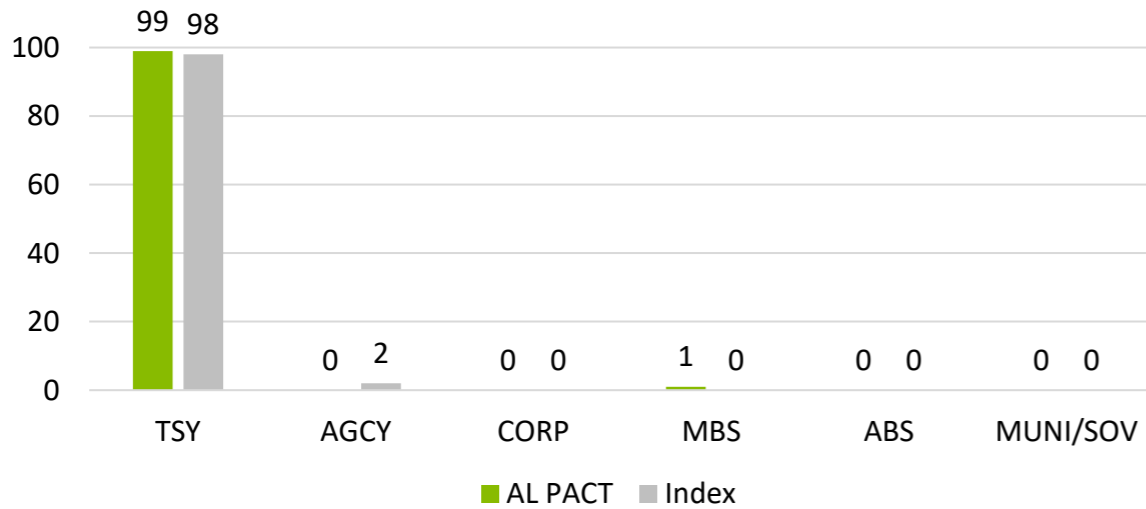
Portfolio Characteristics

	AL PACT	Index
Yield to Maturity	3.81%	3.65%
Average Coupon	3.88%	2.99%
Effective Duration	0.83 years	1.88 years
Average Life	0.90 years	1.98 years
Average Quality	Aa1	Aa1

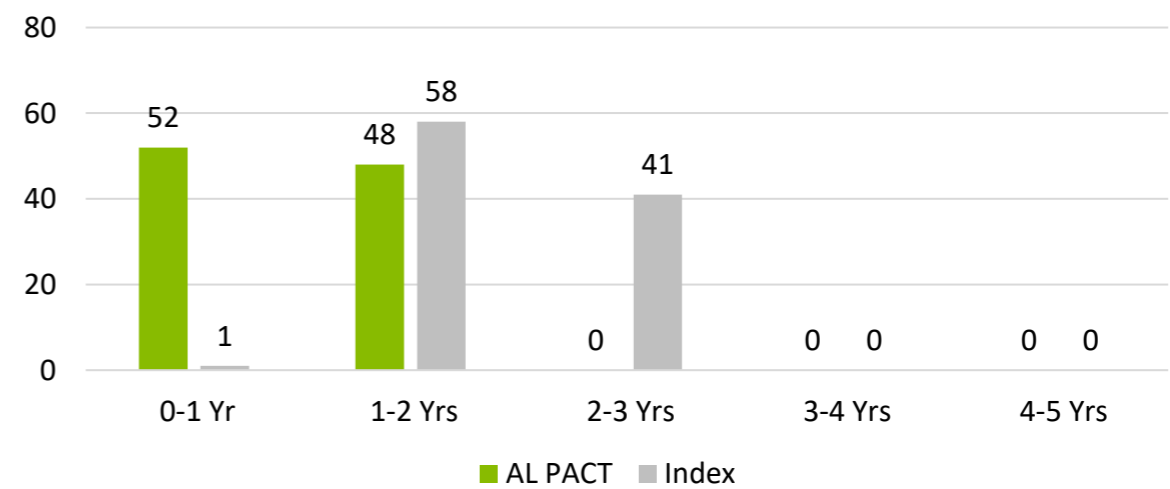
Maturity vs. Index



Sector vs. Index



Duration vs. Index



Source: BondEdge

State of Alabama Treasurer's Office – PACT Program

Performance as of 9.30.2025

	Qtr	YTD	1-Yr	3 Years *	5 Years *	7 Years *	Inception *
Consolidated Portfolio	1.08%	3.34%	4.09%	4.59%	2.57%	2.83%	2.39%

Money Market Fund	1.05%	3.22%	4.43%	4.79%	2.97%	2.55%	2.09%
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Fixed Income Portfolio	1.14%	3.59%	4.08%	4.61%	2.16%	2.71%	2.32%
1-3 YR Govt Only	1.12%	3.98%	3.89%	4.37%	1.54%	2.24%	1.77%
<i>Excess Return</i>	<i>0.02%</i>	<i>-0.39%</i>	<i>0.19%</i>	<i>0.24%</i>	<i>0.62%</i>	<i>0.47%</i>	<i>0.55%</i>

*** Market Values: Consolidated: \$180.1mm / Money Market: \$109.7mm / Fixed Income: \$70.4mm***

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 9.30.2025

INVESTMENT RETURN SUMMARY - QUARTER ENDING SEPTEMBER 30, 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	1.14%	\$69,860,766	(\$900,000)	\$0	\$757,178	\$69,717,944
Money Market Mutual Fund	1.05%	\$117,231,668	(\$9,100,000)	\$0	\$1,157,699	\$109,289,367
Demand Deposit	0.00%	\$971,834	\$6,851	\$0	\$0	\$978,685
Total Portfolio	1.08%	\$188,064,268	(\$9,993,149)	\$0	\$1,914,877	\$179,985,996

* The total market value of the Alabama PACT Composite portfolio does not include the cash balance of \$10,932,222.61 that was in the Treasury Account on September 30, 2025.

MANAGER ALLOCATION SUMMARY - QUARTER ENDING SEPTEMBER 30, 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 *	%
\$69,860,766	37%	Fixed Income	(STFX)	\$0	\$69,717,944	39%
\$117,231,668	62%	Money Market Mutual Fund	(CASH)	\$0	\$109,289,367	61%
\$971,834	1%	Demand Deposit	(CASH)	\$0	\$978,685	1%
\$188,064,268	100%		(TOTL)	\$0	179,985,996	100%

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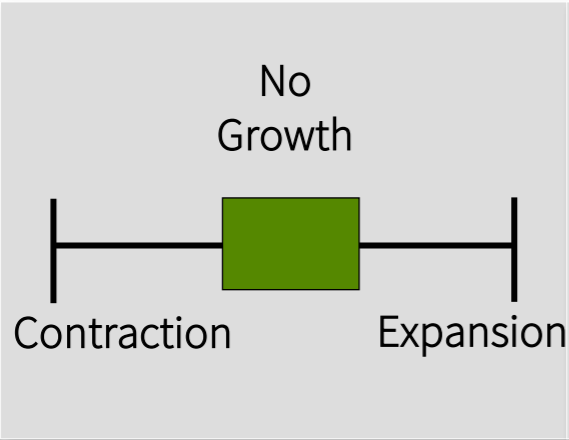
Market Updates

- Market Returns
- Economic Update
- Asset Class Review

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Economy: Overview & Outlook

Economy	 <p>The diagram illustrates the economic cycle with three phases: Contraction, No Growth, and Expansion. A green box highlights the 'No Growth' phase, which is positioned between 'Contraction' and 'Expansion'.</p>	<p><u>Risks:</u></p> <ul style="list-style-type: none"> Renewed supply chain disruptions, prospect of broadly based trade wars, persistent inflation pressures, labor shortages tied to immigration reform, negative wealth effects triggered by a sharp decline in equity prices, global capital flowing out of U.S. dollar denominated assets, and an unsustainable fiscal path 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, accommodative financial conditions, faster than anticipated deceleration in core inflation, corporate tax reform and clarity around the policy outlook, and sustained acceleration in labor productivity growth pose upside risks to our baseline outlook.
	<h2>Lack Of Data Further Clouds The View</h2> <ul style="list-style-type: none"> The shutdown of the federal government, still ongoing at this writing, will significantly curtail the flow of economic data. With the major agencies tasked with collecting and reporting the economic data, including the Bureau of Economic Analysis, the Bureau of Labor Statistics, and the U.S. Census Bureau, being shut down, publication of the regular reports produced by these and other agencies is suspended for the duration. The last batch of data available prior to the start of the shutdown showed the economy to be on fairly firm footing. The third estimate from the Bureau of Economic Analysis, which incorporated the results of the annual revisions to the GDP data, put Q2 real GDP growth at an annual rate of 3.8 percent¹, and our estimate shows Q3 growth was tracking at an annual rate of around 3.0 percent Real personal spending rose by 0.4 percent in August, matching July's gain, leaving Q3 growth in real consumer spending tracking at a rate faster than the 2.5 percent growth seen in Q2.¹ After having softened earlier in the summer, growth in discretionary services spending firmed up by the end of summer. Consumers remain very opportunistic in their spending decisions. Orders for core capital goods, an early indicator of the data on business investment in equipment and machinery in the GDP data, followed up July's 0.8 percent increase by rising 0.6 percent in August.² More favorable tax treatment seems to have prompted firms to proceed with planned spending that had been deferred earlier in 2025. As measured by the PCE Deflator, the FOMC's preferred gauge of price changes, headline inflation rose to 2.7 percent in August with core inflation holding at 2.9 percent. Thus far, the data show limited tariff pass-through into core goods prices but core goods price inflation is nonetheless at its fastest pace since July 2023.¹ If we are correct in anticipating tariff pass-through to intensify in the months ahead, inflation will push further above the FOMC's 2.0 percent target rate. <p>Source: 1) Bureau of Economic Analysis (BEA); 2) U.S. Census Bureau; 3) Bureau of Labor Statistics (BLS)</p>	<h2>Another "Risk Management" Cut On Tap This Month?</h2> <ul style="list-style-type: none"> While the release of the September employment report has been delayed by the shutdown, the various labor market indicators continue to point to a "low hire-low fire" labor market. We continue to argue that slowing job growth is largely a labor supply story as opposed to being strictly a labor demand story. Despite a drop-off in hiring, the rate at which workers are being laid off is still below pre-pandemic norms. While the FOMC cut the Fed funds rate by twenty-five basis points at their September meeting, ongoing concerns over the upside risks to inflation likely limit the scope of further funds rate cuts barring a more pronounced deterioration in labor market conditions. That said, with Chair Powell having characterized the September funds rate cut as a "risk management" cut, concerns over the state of the labor market amid a lack of timely data could lead the FOMC to cut the funds rate by another twenty-five basis points at this month's meeting. As for the effects of the shutdown, past shutdowns have tended to be nonevents for the U.S. economy, which likely helps explain why the markets have thus far taken a fairly sanguine view of this one. While there are disruptions in activity and furloughed federal government employees are not being paid, activity deferred during shutdowns tends to ultimately be made up for and furloughed workers are given back pay. Not made whole, however, are private sector contractors to the federal government who suffer a loss of income during shutdowns. The longer the duration of a shutdown, the greater the potential for more significant and lasting impacts on the economy will last. Moreover, one thing that could make this shutdown different than those in the past is the threat of permanent reductions in the federal government workforce, which could add thousands of workers to the ranks of those who have already taken voluntary buyouts/early retirement. Indeed, most of those workers would have officially come off the books at the end of the fiscal year on September 30, which is why we and most others expect the October employment report, when it is ultimately published, to show a decline of around 200,000 federal government jobs <p>See important disclosure at the end of this presentation.</p>	

Lack Of Data Further Clouds The View

- The shutdown of the federal government, still ongoing at this writing, will significantly curtail the flow of economic data. With the major agencies tasked with collecting and reporting the economic data, including the Bureau of Economic Analysis, the Bureau of Labor Statistics, and the U.S. Census Bureau, being shut down, publication of the regular reports produced by these and other agencies is suspended for the duration.
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Source: 1) Bureau of Economic Analysis (BEA); 2) U.S. Census Bureau; 3) Bureau of Labor Statistics (BLS)

Another "Risk Management" Cut On Tap This Month?

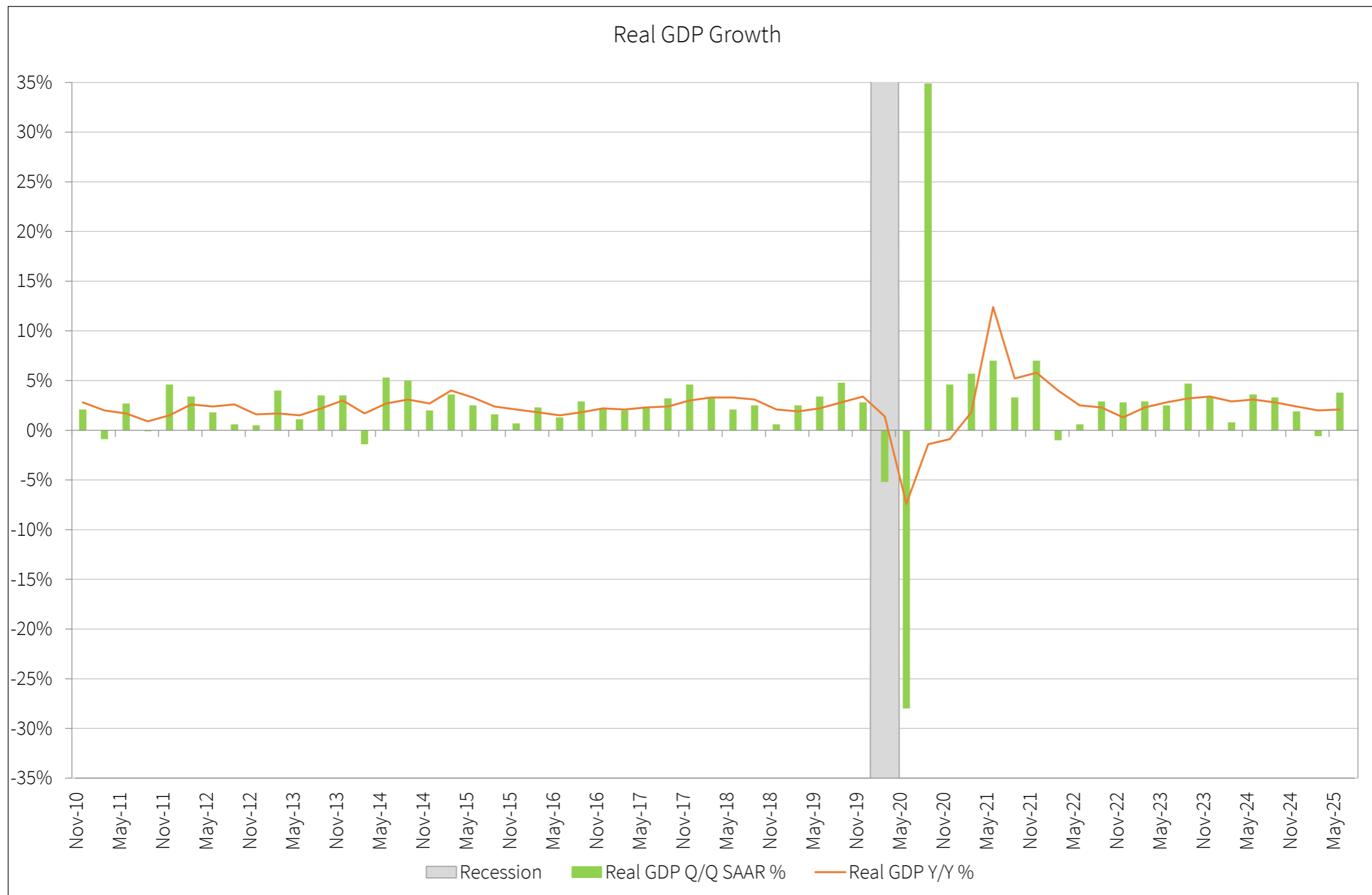
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- While the FOMC cut the Fed funds rate by twenty-five basis points at their September meeting, ongoing concerns over the upside risks to inflation likely limit the scope of further funds rate cuts barring a more pronounced deterioration in labor market conditions. That said, with Chair Powell having characterized the September funds rate cut as a "risk management" cut, concerns over the state of the labor market amid a lack of timely data could lead the FOMC to cut the funds rate by another twenty-five basis points at this month's meeting.
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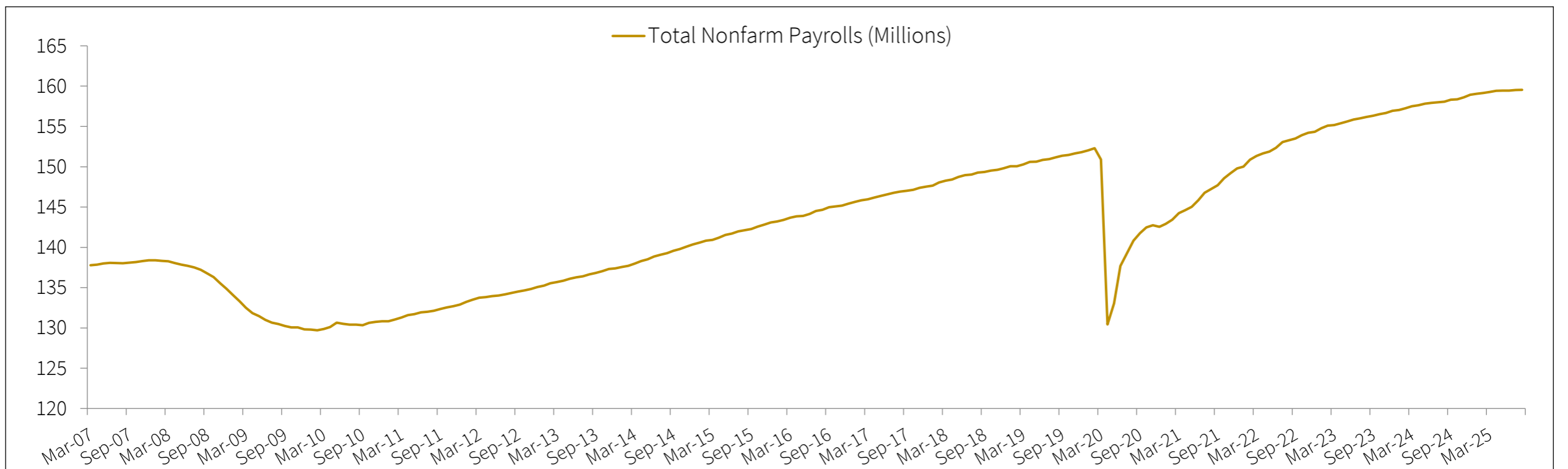
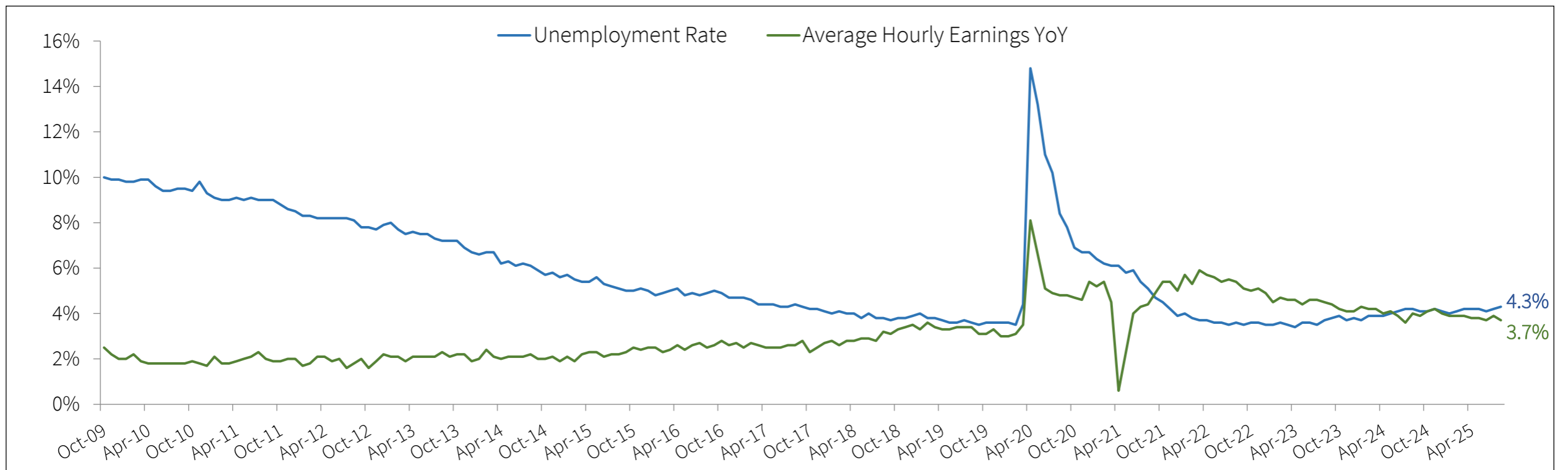
Market Returns

	Trailing 3 Months 9/30/25	YTD As of 9/30/25	2024	2023	2022	2021	2020	2019	2018
Equities									
S&P 500 Index (Large Cap Stocks)	8.12%	14.83%	25.02%	26.29%	-18.11%	28.71%	18.40%	31.49%	-4.38%
S&P 500 (Large Cap Growth)	9.80%	19.53%	35.86%	30.03%	-29.41%	32.01%	33.47%	31.13%	-0.01%
S&P 500 (Large Cap Value)	6.20%	9.68%	12.29%	22.23%	-5.22%	24.90%	1.36%	31.93%	-8.95%
Russell 2000 Index (Small Cap Stocks)	12.39%	10.39%	11.54%	16.93%	-20.44%	14.82%	19.96%	25.52%	-11.01%
Russell 2500 Index (Small to Mid Cap Stocks)	9.00%	9.48%	12.00%	17.42%	-18.37%	18.18%	19.99%	27.77%	-10.00%
Russell Mid Cap TR USD	5.33%	10.42%	15.34%	17.23%	-17.32%	22.58%	17.10%	30.54%	-9.06%
MSCI EAFE Index (Foreign Stocks)	4.77%	25.14%	3.82%	18.24%	-14.45%	11.26%	7.82%	22.01%	-13.79%
MSCI ACWI Ex-U.S. (Foreign Stocks)	6.89%	26.02%	5.53%	15.62%	-16.00%	7.82%	10.65%	21.51%	-14.20%
MSCI EM (Foreign Stocks)	10.64%	27.53%	7.50%	9.83%	-20.09%	-2.54%	18.31%	18.42%	-14.58%
Bonds									
Bloomberg U.S. Aggregate Bond	2.03%	6.13%	1.25%	5.53%	-13.01%	-1.54%	7.51%	8.72%	0.01%
ICE BofA 1-12 Year Municipal	2.37%	4.07%	1.37%	4.47%	-4.90%	0.59%	4.02%	5.64%	1.62%
ICE BofA U.S. 3-Month T-Bill	1.08%	3.17%	5.25%	5.01%	1.46%	0.05%	0.67%	2.28%	1.87%
Bloomberg Global Aggregate Ex USD	-0.59%	9.36%	-4.22%	5.72%	-18.70%	-7.05%	10.11%	5.09%	-2.15%
Bloomberg U.S. Corporate High Yield	2.54%	7.22%	8.19%	13.45%	-11.19%	5.28%	7.11%	14.32%	-2.08%
Bloomberg U.S. TIPS	2.10%	6.87%	1.84%	3.90%	-11.85%	5.96%	10.99%	8.43%	-1.26%

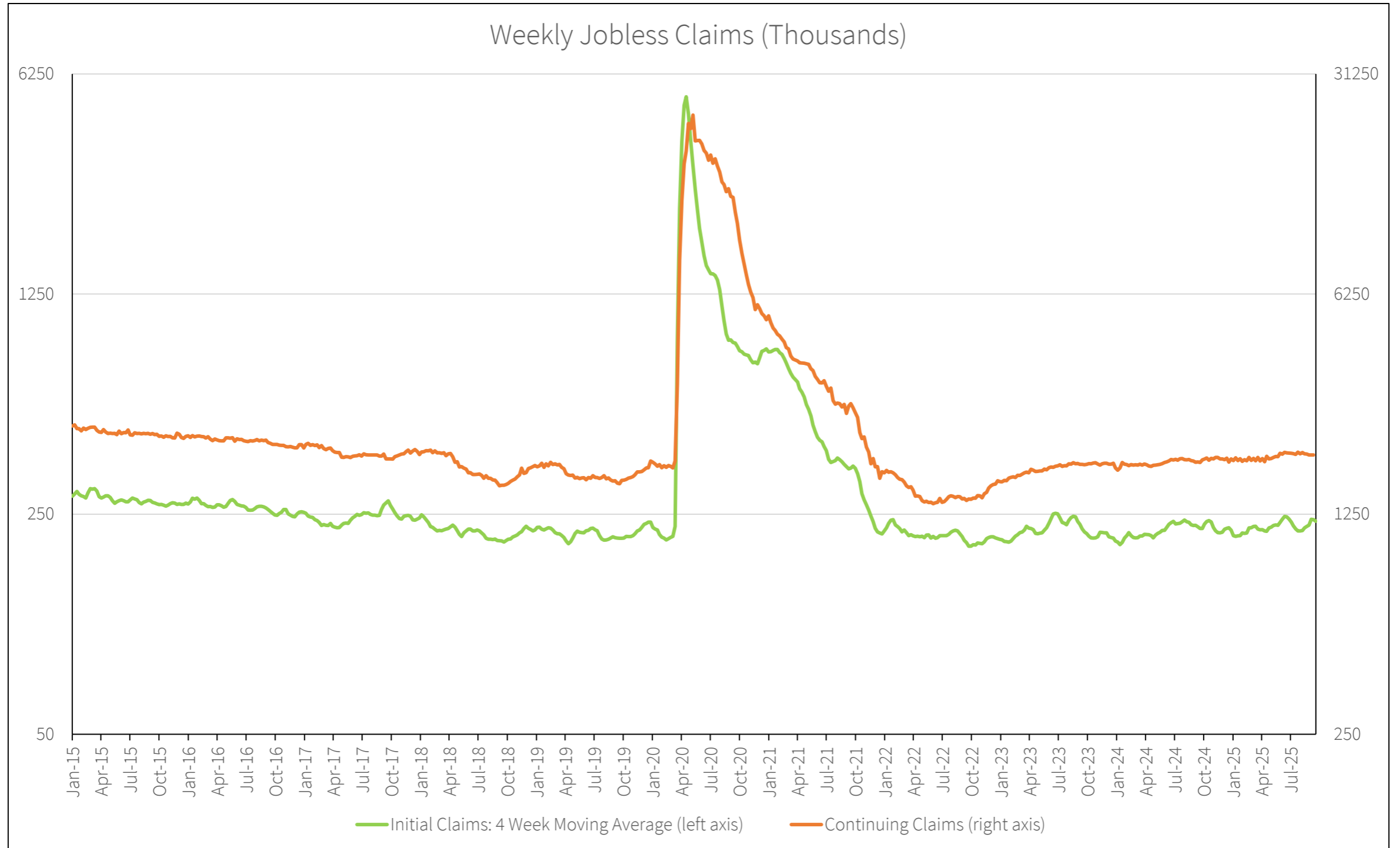
U.S. Real GDP Growth



Payrolls, Unemployment, and Wages



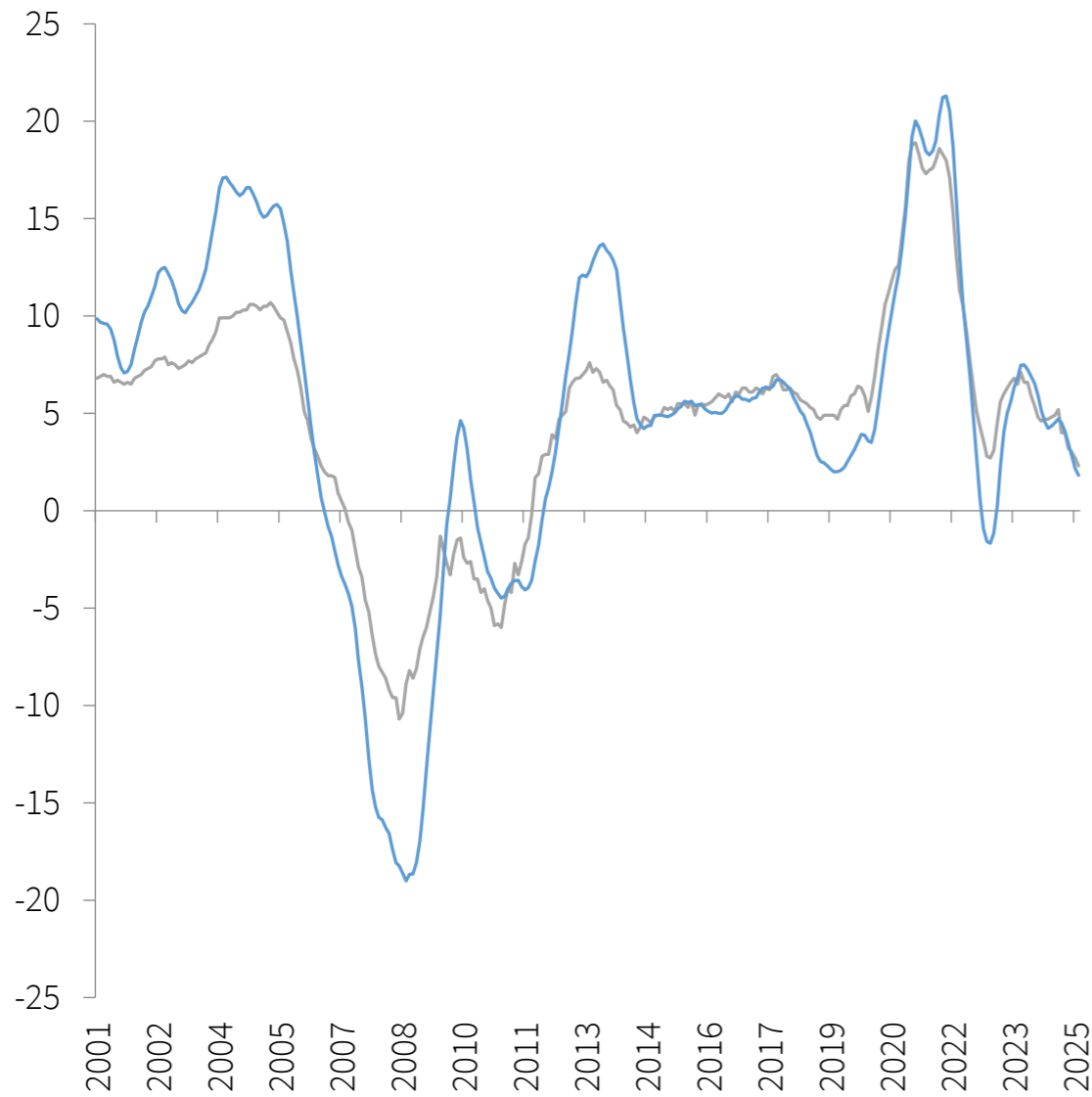
Jobless Claims



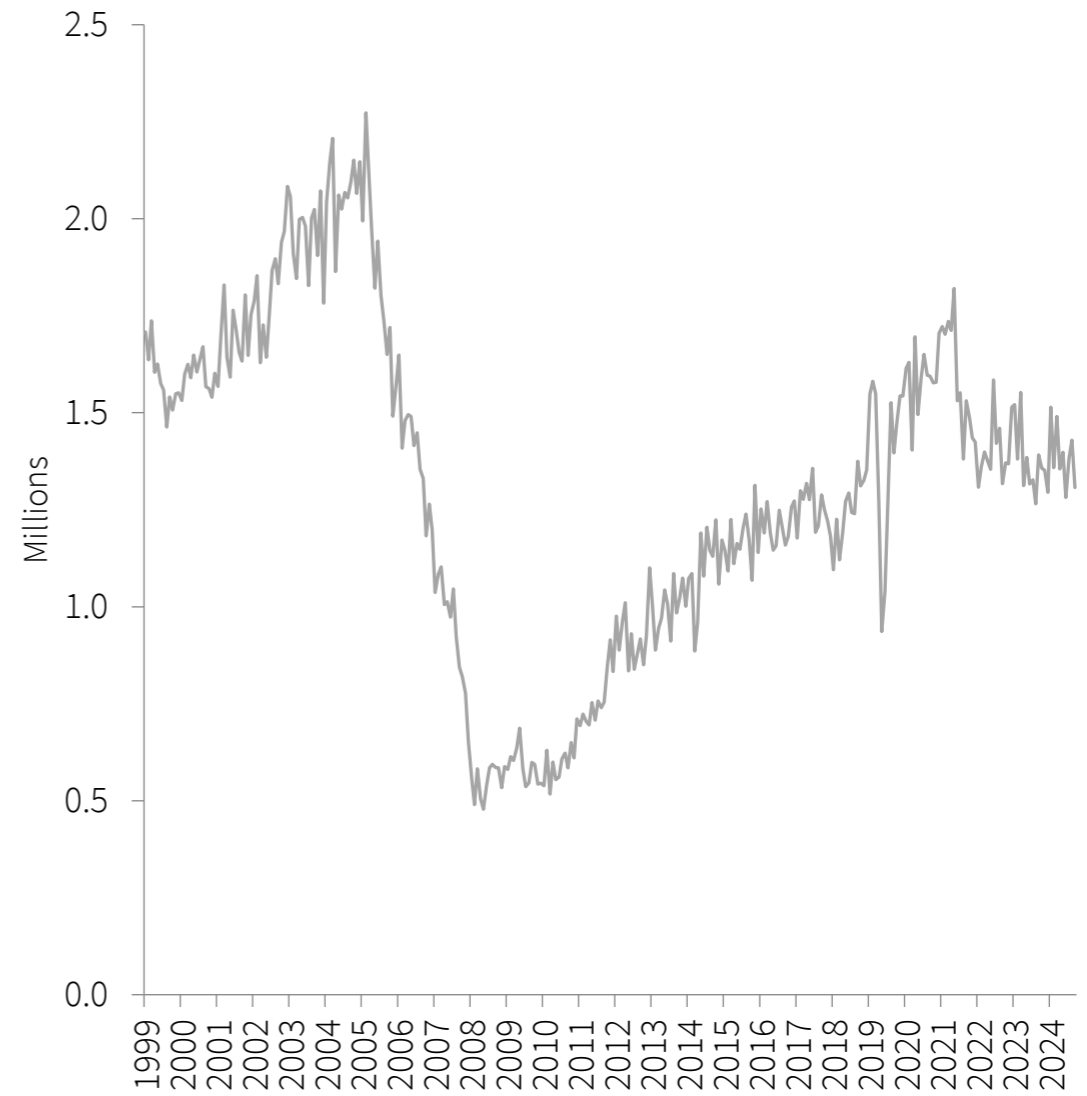
U.S. Housing

Housing Prices (YoY % Change)

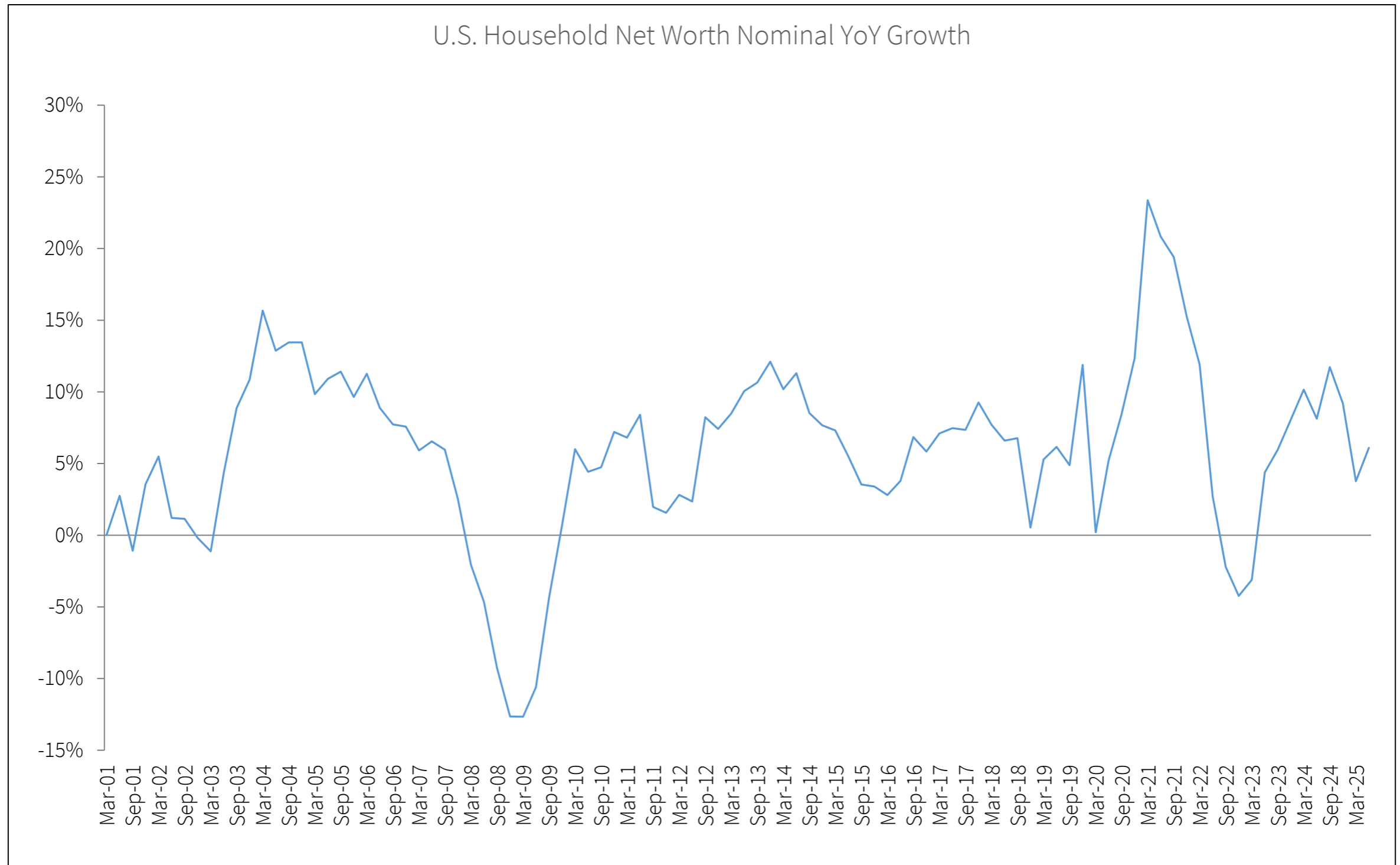
— FHFA Conventional Purchases Only Index — Case-Shiller 20 City Index



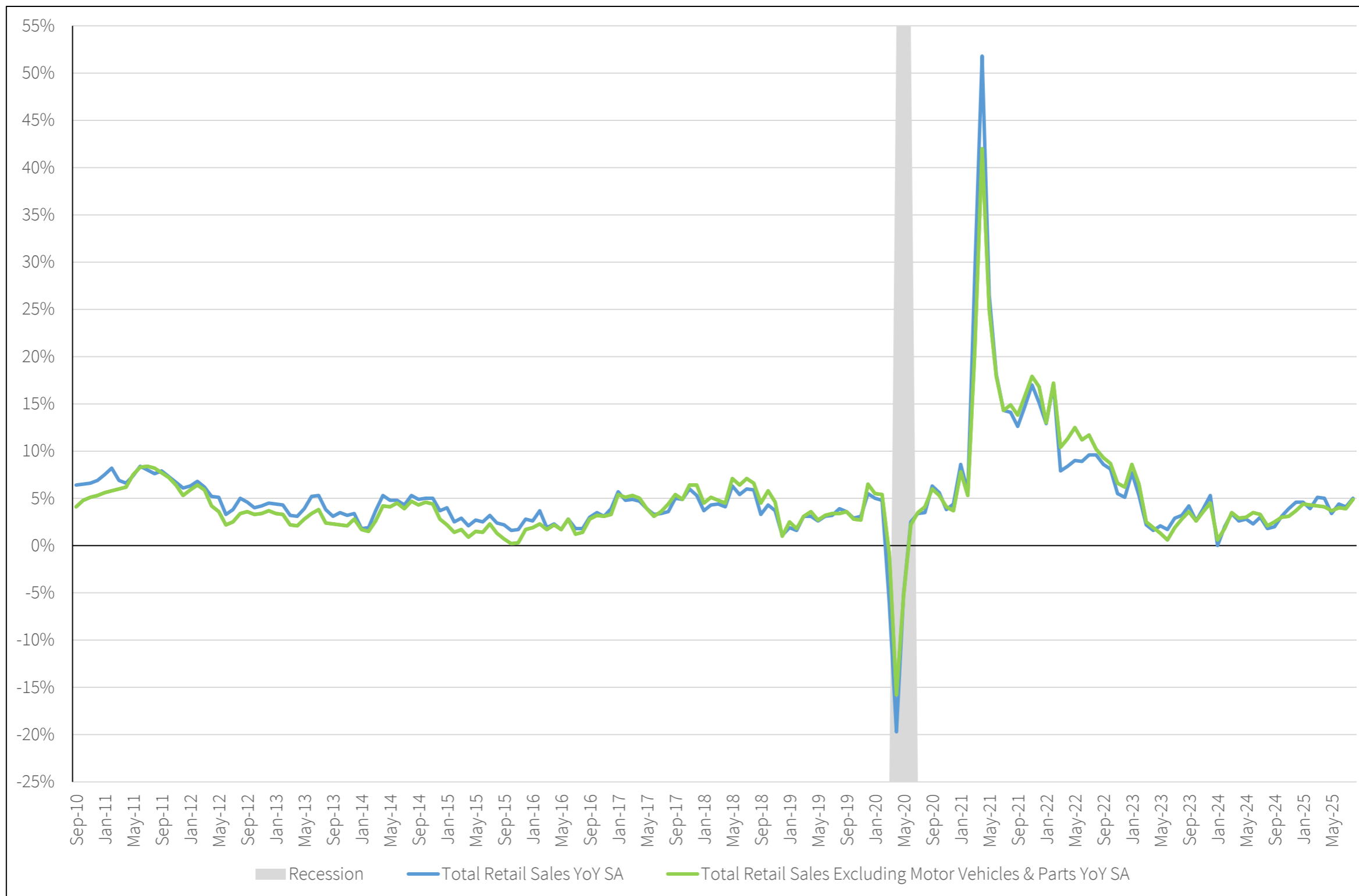
Total Housing Starts (Annualized Rate)



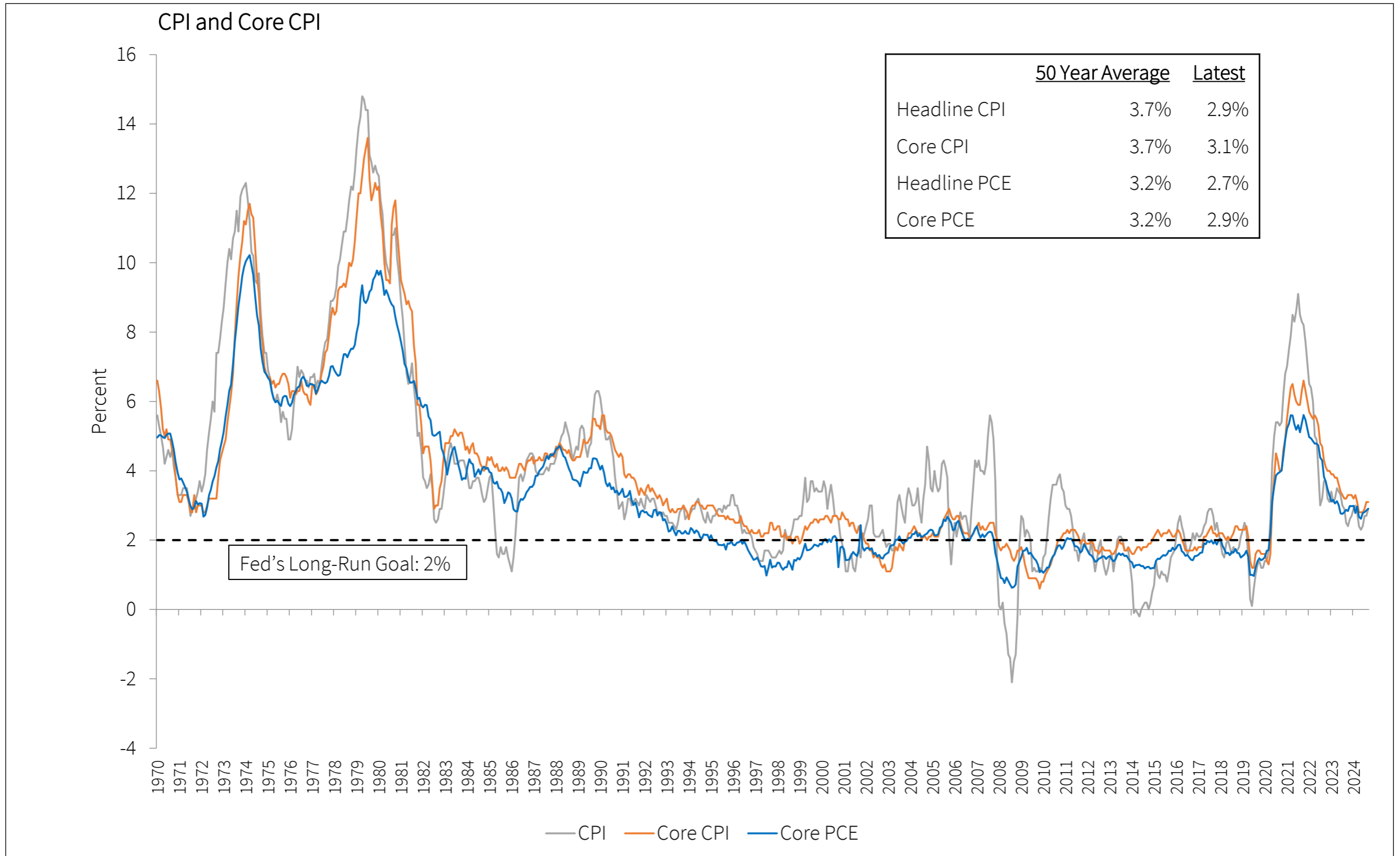
Household Net Worth



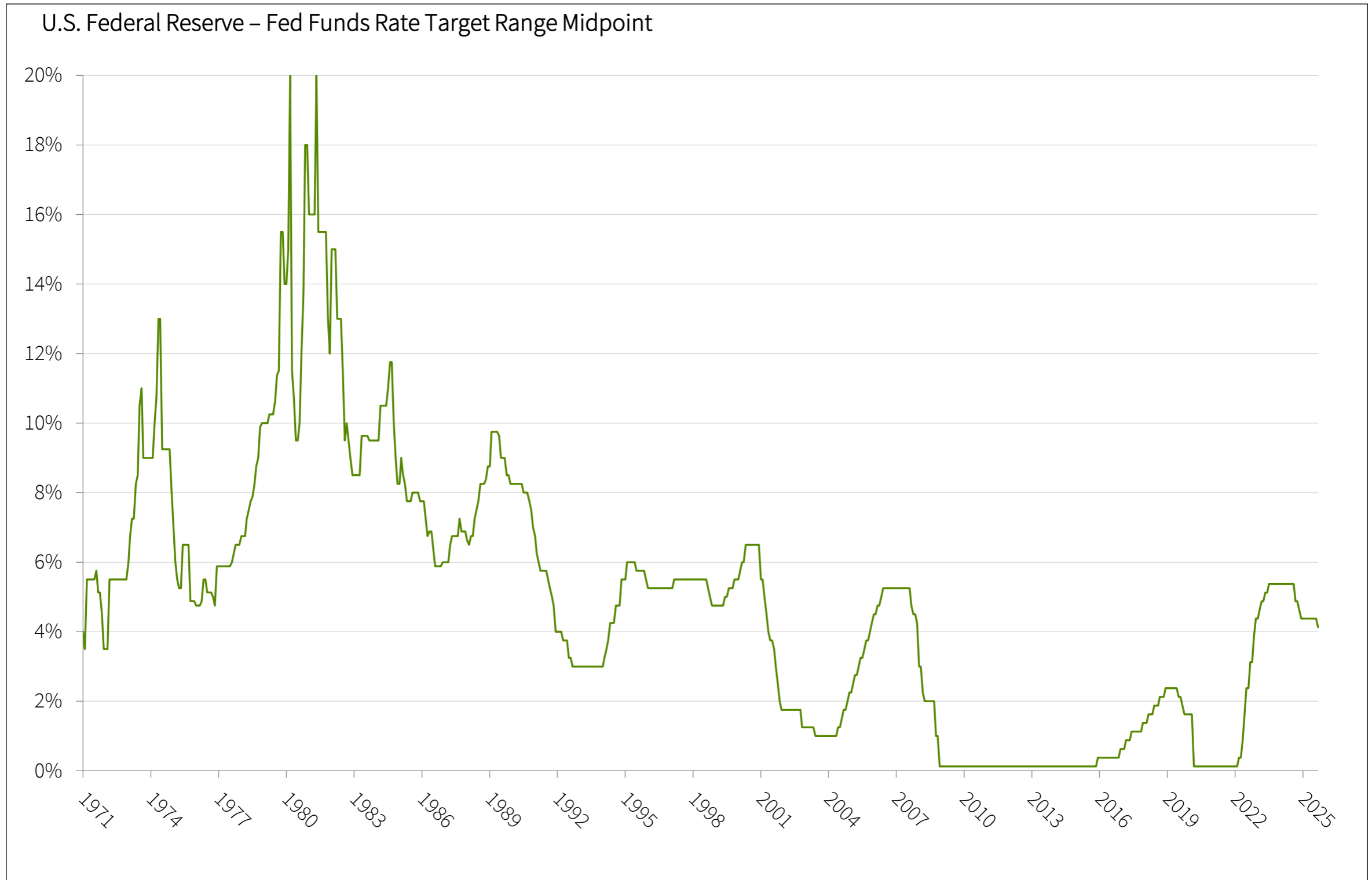
U.S. Retail Sales



Inflation



U.S. Fed Funds Rate



Source: Bloomberg

10-Year U.S. Treasury Yield



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Performance presented is gross of fees. Performance figures include reinvestment of coupon payments, dividends and other earnings. Fees would reduce the actual performance results. For example, a portfolio which earned 7% per annum for ten years would result in a cumulative return of 100.16% before investment management fees and 72.68% net of such fees, assuming a 37.5 basis point (0.375%) fee per quarter. 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 returns; current yield is the annual coupon income divided by the 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.

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