

Regions Investment Management

State of Alabama Treasurer's Office

Prepaid Affordable College Tuition (PACT) Program

As of December 31, 2025

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

Willard McCall III, CFA
Sr. Vice President & Portfolio Manager
Regions Investment Management
willard.mccall@regions.com
205-264-4273

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



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

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.



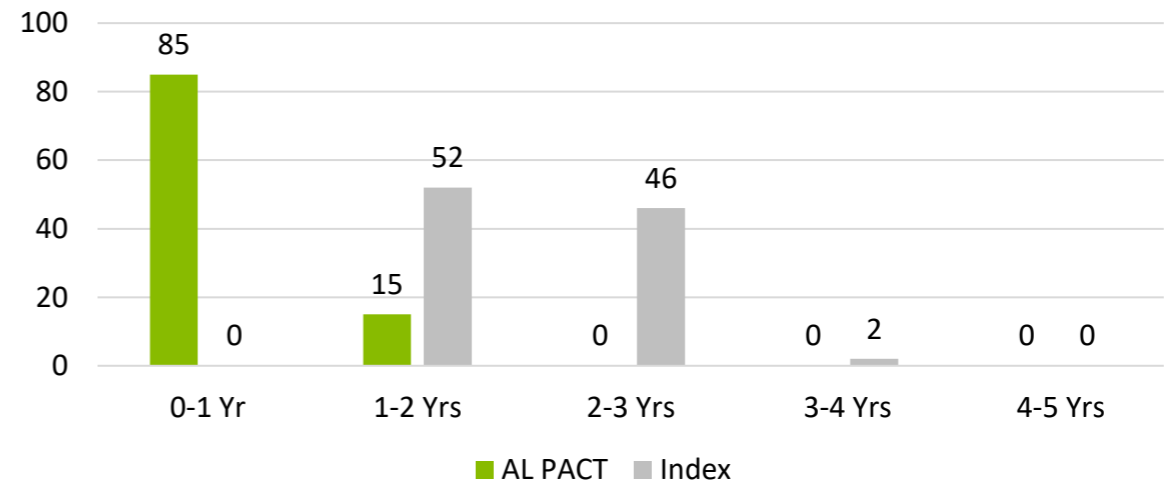
State of Alabama Treasurer's Office – PACT Program

Fixed Income Portfolio Characteristics as of 12.31.2025

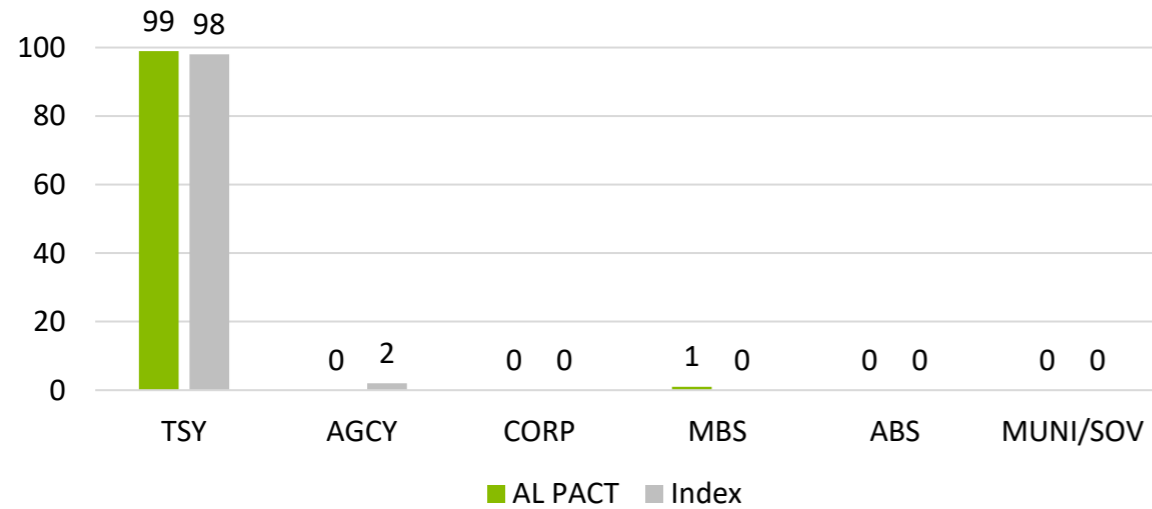
Portfolio Characteristics

	AL PACT	Index
Yield to Maturity	3.56%	3.51%
Average Coupon	3.79%	3.02%
Effective Duration	0.70 years	1.88 years
Average Life	0.76 years	2.00 years
Average Quality	Aa1	Aa1

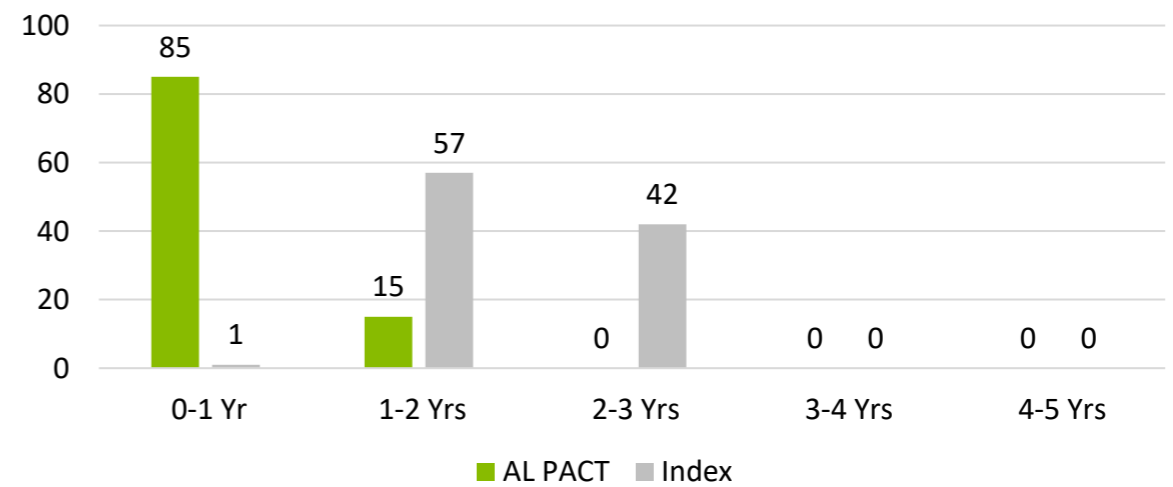
Maturity vs. Index



Sector vs. Index



Duration vs. Index



Source: BondEdge

State of Alabama Treasurer's Office – PACT Program

Performance as of 12.31.2025

	Qtr	YTD	1-Yr	3 Years *	5 Years *	7 Years *	Inception *
Consolidated Portfolio	1.00%	4.37%	4.37%	4.68%	2.77%	2.86%	2.43%

Money Market Fund	0.98%	4.24%	4.24%	4.83%	3.17%	2.61%	2.14%
--------------------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------

Fixed Income Portfolio	1.07%	4.70%	4.70%	4.72%	2.36%	2.73%	2.37%
1-3 YR Govt Only	1.14%	5.17%	5.17%	4.50%	1.76%	2.22%	1.84%
<i>Excess Return</i>	<i>-0.07%</i>	<i>-0.47%</i>	<i>-0.47%</i>	<i>0.22%</i>	<i>0.60%</i>	<i>0.51%</i>	<i>0.53%</i>

*** Market Values: Consolidated: \$181.9mm / Money Market: \$120.6mm / Fixed Income: \$61.3.4mm***

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 DECEMBER 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	1.07%	\$69,717,944	(\$9,840,000)	\$0	\$795,721	\$60,673,664
Money Market Mutual Fund	0.98%	\$109,289,367	\$9,840,000	\$0	\$1,096,289	\$120,225,657
Demand Deposit	0.00%	\$978,685	\$23,291	\$0	\$0	\$1,001,975
Total Portfolio	1.00%	\$179,985,996	\$23,291	\$0	\$1,892,010	\$181,901,296

* The total market value of the Alabama PACT Composite portfolio does not include the cash balance of \$3,599,310.49 that was in the Treasury Account on September 30, 2025.

MANAGER ALLOCATION SUMMARY - QUARTER ENDING DECEMBER 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 *	%
\$69,717,944	39%	Fixed Income	(STFX)	\$0	\$60,673,664	33%
\$109,289,367	61%	Money Market Mutual Fund	(CASH)	\$0	\$120,225,657	66%
\$978,685	1%	Demand Deposit	(CASH)	\$0	\$1,001,975	1%
\$179,985,996	100%		(TOTL)	\$0	181,901,296	100%

* The total market value of the Alabama PACT Composite portfolio does not include the cash balance of \$3,599,310.49 that was in the Treasury Account on September 30, 2025.

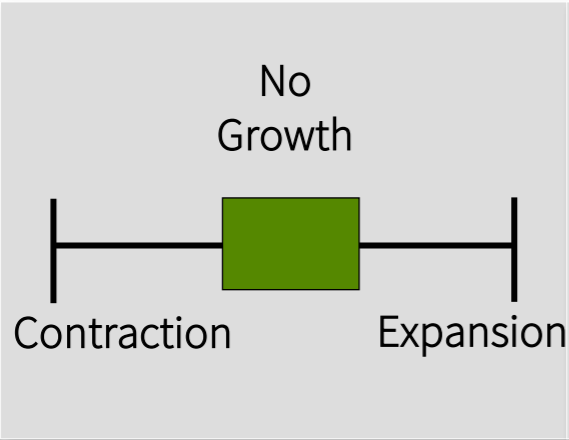
Market Updates

- 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, 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.
	<p>More Data, Same View . . .</p> <ul style="list-style-type: none"> The various data providing agencies are still working on their post-shutdown release schedules, and it could take months to have a full slate of data releases that are comparable from month to month. The gaps in the economic data add some uncertainty around assessments of current economic conditions and could add to forecast imprecision. Our December baseline forecast anticipates full-year 2025 real GDP growth of 2.0 percent with real private domestic demand growth of 2.5 percent. It is anticipated that real GDP will grow by 2.2 percent in 2026, with 1.9 percent growth in real private domestic demand. It is still anticipated that the 43-day shutdown of the federal government will take between 1.00 and 1.50 percentage points off annualized Q4 2025 real GDP growth. Most of the activity put off during Q4 will be made up for in Q1 2026, but some lost activity, particularly amongst contractors with the federal government and their employees, will not be made up for. The November data on the Consumer Price Index (CPI) and the PCE Deflator have been delayed by the government shutdown, but both are expected to show inflation continues to hover around 3.0 percent. The monthly surveys of the manufacturing and services sectors conducted by the Institute for Supply Management (ISM) continue to show broadly based upward pressure on input prices, and prices for industrial commodities have been rising at a notably rapid rate over recent weeks.^{1,2} These metrics suggest persistent inflation pressures which will likely keep inflation above the FOMC's 2.0 percent target rate. Total retail sales were flat in October, with motor vehicle sales and gasoline sales acting as significant drags. Still, control group sales, a direct input into the GDP data on consumer spending on goods, rose by 0.8 percent in October, setting the stage for a healthy increase in goods spending in Q4.³ Keep in mind, however, that at least some of the growth in consumer spending on goods reflects rising goods prices. 	<p>“Low Hire-Low Fire” Labor Market Narrative Still Holds</p> <ul style="list-style-type: none"> Total nonfarm payrolls fell by 105,000 jobs in October, with private sector payrolls up by 52,000 jobs and public sector payrolls falling by 157,000 jobs. The decline in public sector payrolls is more than accounted for by a decline of 162,000 jobs in federal government payrolls, reflecting those workers who earlier this year accepted DOGE buyouts but who remained on the books until the end of the fiscal year on September 30.⁴ Total nonfarm payrolls rose by 64,000 jobs in November, with private sector payrolls up by 69,000 jobs and public sector payrolls down by 5,000 jobs. For the two-month period (October and November), private sector payrolls rose by a net 121,000 jobs, compared to our forecast of an increase of 139,000 jobs. Private sector payrolls have increased by an average of 75,000 jobs per month over the past three months.⁴ While markedly slower than the pace of job growth over recent years, this is nonetheless above what we consider to be the breakeven pace of job growth, which we peg between 40,000-50,000 jobs per month. The unemployment rate printed at 4.6 percent in November, but this could in part reflect the government shutdown ending midway through the November household survey week. Furloughed government workers would have been classified as unemployed during the shutdown and should have been classified as employed when the shutdown ended, but the data show a significantly higher number of unemployed public sector workers than is typical for the month of November.⁴ We anticipate this effect fading in the December employment report, set for release on January 9. A deeply divided FOMC cut the Fed funds rate by twenty-five basis points at their December meeting. The updated dot plot implies a single twenty-five basis point cut in the funds rate in 2026, though the Committee emphasized the path of policy will be dependent on the evolution of the incoming economic data. That said, absent further deterioration in labor market conditions, persistent inflation pressures and a boost from fiscal stimulus over 1H 2026 likely raise the bar on further cuts in the Fed funds rate, particularly with overall financial conditions remaining accommodative. 	<p>See important disclosure at the end of this presentation.</p>

More Data, Same View . . .

- The various data providing agencies are still working on their post-shutdown release schedules, and it could take months to have a full slate of data releases that are comparable from month to month. The gaps in the economic data add some uncertainty around assessments of current economic conditions and could add to forecast imprecision.
- Our December baseline forecast anticipates full-year 2025 real GDP growth of 2.0 percent with real private domestic demand growth of 2.5 percent. It is anticipated that real GDP will grow by 2.2 percent in 2026, with 1.9 percent growth in real private domestic demand. It is still anticipated that the 43-day shutdown of the federal government will take between 1.00 and 1.50 percentage points off annualized Q4 2025 real GDP growth. Most of the activity put off during Q4 will be made up for in Q1 2026, but some lost activity, particularly amongst contractors with the federal government and their employees, will not be made up for.
- The November data on the Consumer Price Index (CPI) and the PCE Deflator have been delayed by the government shutdown, but both are expected to show inflation continues to hover around 3.0 percent. The monthly surveys of the manufacturing and services sectors conducted by the Institute for Supply Management (ISM) continue to show broadly based upward pressure on input prices, and prices for industrial commodities have been rising at a notably rapid rate over recent weeks.^{1,2} These metrics suggest persistent inflation pressures which will likely keep inflation above the FOMC's 2.0 percent target rate.
- Total retail sales were flat in October, with motor vehicle sales and gasoline sales acting as significant drags. Still, control group sales, a direct input into the GDP data on consumer spending on goods, rose by 0.8 percent in October, setting the stage for a healthy increase in goods spending in Q4.³ Keep in mind, however, that at least some of the growth in consumer spending on goods reflects rising goods prices.

“Low Hire-Low Fire” Labor Market Narrative Still Holds

- Total nonfarm payrolls fell by 105,000 jobs in October, with private sector payrolls up by 52,000 jobs and public sector payrolls falling by 157,000 jobs. The decline in public sector payrolls is more than accounted for by a decline of 162,000 jobs in federal government payrolls, reflecting those workers who earlier this year accepted DOGE buyouts but who remained on the books until the end of the fiscal year on September 30.⁴ Total nonfarm payrolls rose by 64,000 jobs in November, with private sector payrolls up by 69,000 jobs and public sector payrolls down by 5,000 jobs. For the two-month period (October and November), private sector payrolls rose by a net 121,000 jobs, compared to our forecast of an increase of 139,000 jobs. Private sector payrolls have increased by an average of 75,000 jobs per month over the past three months.⁴ While markedly slower than the pace of job growth over recent years, this is nonetheless above what we consider to be the breakeven pace of job growth, which we peg between 40,000-50,000 jobs per month.
- The unemployment rate printed at 4.6 percent in November, but this could in part reflect the government shutdown ending midway through the November household survey week. Furloughed government workers would have been classified as unemployed during the shutdown and should have been classified as employed when the shutdown ended, but the data show a significantly higher number of unemployed public sector workers than is typical for the month of November.⁴ We anticipate this effect fading in the December employment report, set for release on January 9.
- A deeply divided FOMC cut the Fed funds rate by twenty-five basis points at their December meeting. The updated dot plot implies a single twenty-five basis point cut in the funds rate in 2026, though the Committee emphasized the path of policy will be dependent on the evolution of the incoming economic data. That said, absent further deterioration in labor market conditions, persistent inflation pressures and a boost from fiscal stimulus over 1H 2026 likely raise the bar on further cuts in the Fed funds rate, particularly with overall financial conditions remaining accommodative.

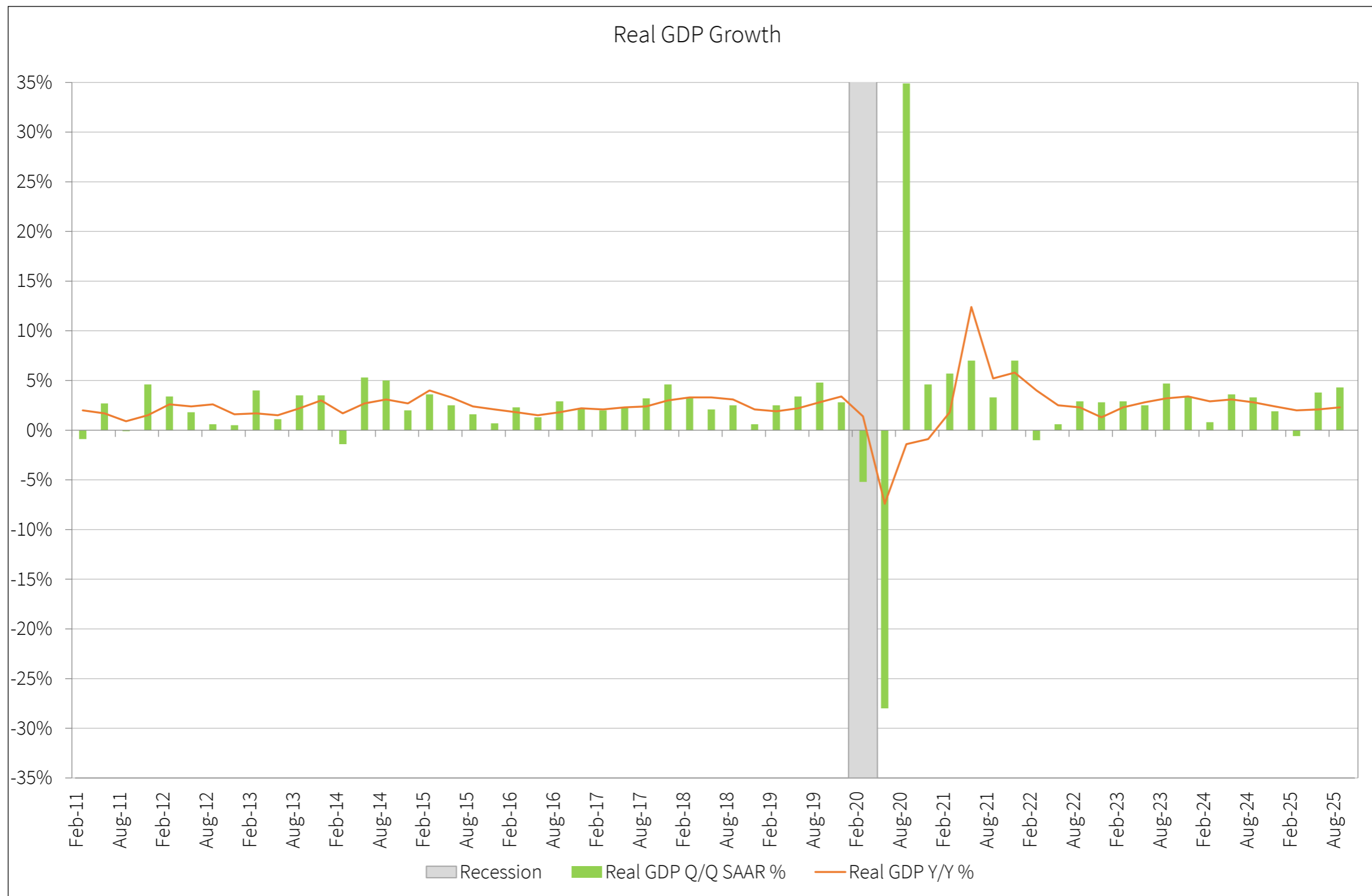
Source: 1) Bureau of Economic Analysis (BEA); 2) U.S. Census Bureau; 3) Bureau of Labor Statistics (BLS)

See important disclosure at the end of this presentation.

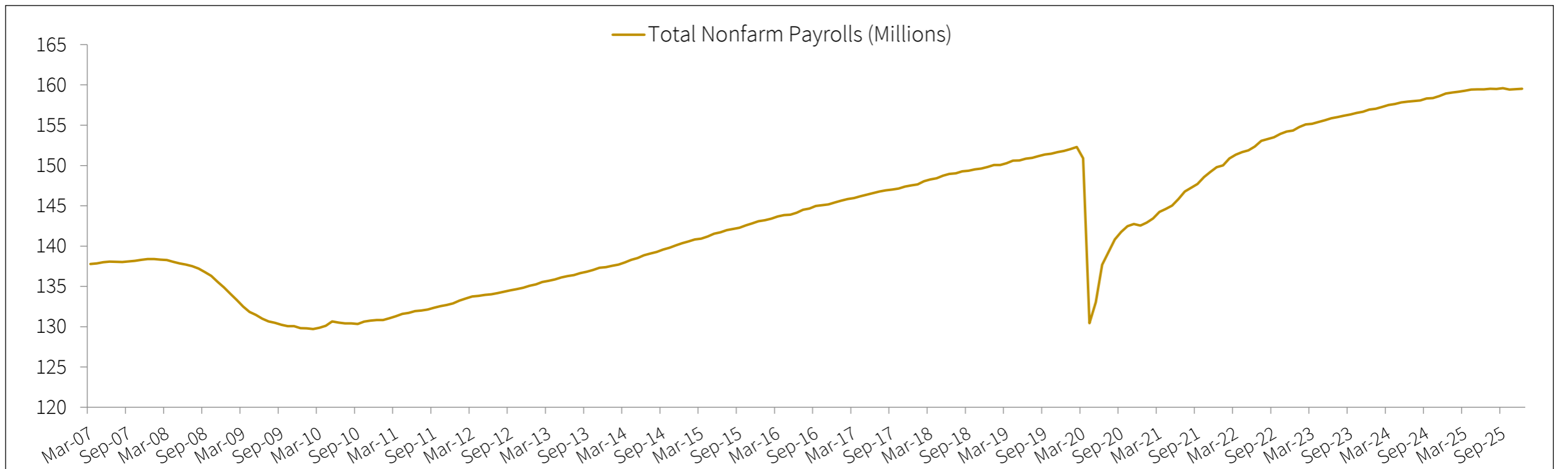
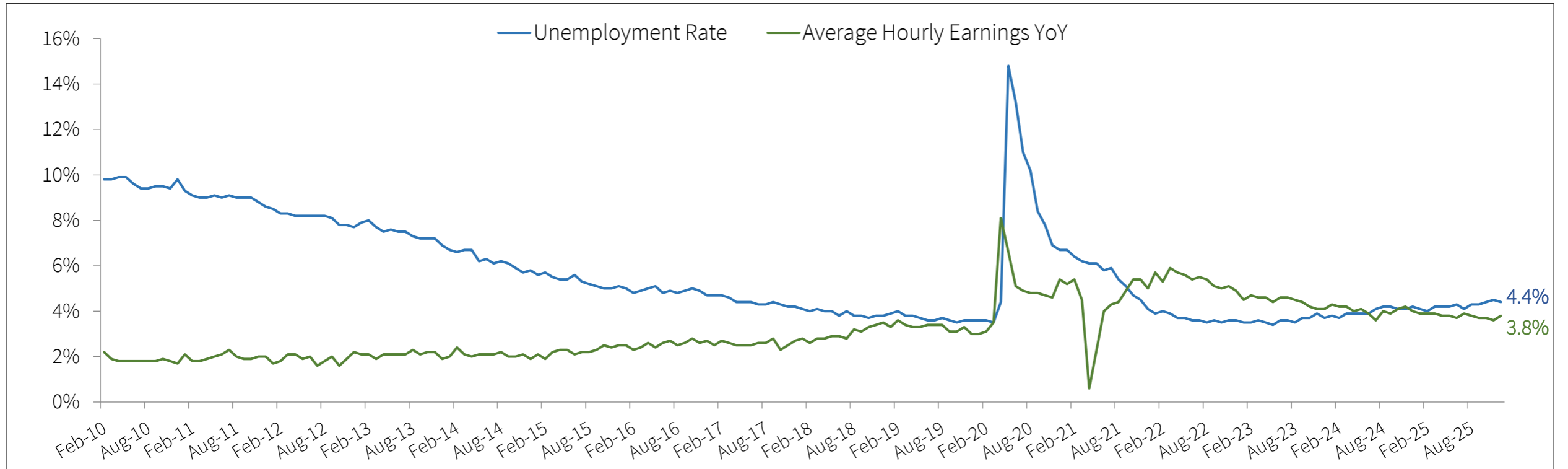
Market Returns

	Trailing 3 Months 12/31/25	YTD As of 12/31/25	2024	2023	2022	2021	2020	2019	2018
Equities									
S&P 500 Index (Large Cap Stocks)	2.65%	17.88%	25.02%	26.29%	-18.11%	28.71%	18.40%	31.49%	-4.38%
S&P 500 (Large Cap Growth)	2.21%	22.18%	35.86%	30.03%	-29.41%	32.01%	33.47%	31.13%	-0.01%
S&P 500 (Large Cap Value)	3.20%	13.19%	12.29%	22.23%	-5.22%	24.90%	1.36%	31.93%	-8.95%
Russell 2000 Index (Small Cap Stocks)	2.19%	12.81%	11.54%	16.93%	-20.44%	14.82%	19.96%	25.52%	-11.01%
Russell 2500 Index (Small to Mid Cap Stocks)	2.22%	11.91%	12.00%	17.42%	-18.37%	18.18%	19.99%	27.77%	-10.00%
Russell Mid Cap TR USD	0.16%	10.60%	15.34%	17.23%	-17.32%	22.58%	17.10%	30.54%	-9.06%
MSCI EAFE Index (Foreign Stocks)	4.86%	31.22%	3.82%	18.24%	-14.45%	11.26%	7.82%	22.01%	-13.79%
MSCI ACWI Ex-U.S. (Foreign Stocks)	5.05%	32.39%	5.53%	15.62%	-16.00%	7.82%	10.65%	21.51%	-14.20%
MSCI EM (Foreign Stocks)	4.73%	33.57%	7.50%	9.83%	-20.09%	-2.54%	18.31%	18.42%	-14.58%
Bloomberg U.S. Aggregate Bond	1.10%	7.30%	1.25%	5.53%	-13.01%	-1.54%	7.51%	8.72%	0.01%
ICE BofA 1-12 Year Municipal	0.94%	5.04%	1.37%	4.47%	-4.90%	0.59%	4.02%	5.64%	1.62%
ICE BofA U.S. 3-Month T-Bill	0.97%	4.18%	5.25%	5.01%	1.46%	0.05%	0.67%	2.28%	1.87%
Bloomberg Global Aggregate Ex USD	-0.47%	8.85%	-4.22%	5.72%	-18.70%	-7.05%	10.11%	5.09%	-2.15%
Bloomberg U.S. Corporate High Yield	1.31%	8.62%	8.19%	13.45%	-11.19%	5.28%	7.11%	14.32%	-2.08%
Bloomberg U.S. TIPS	0.13%	7.01%	1.84%	3.90%	-11.85%	5.96%	10.99%	8.43%	-1.26%

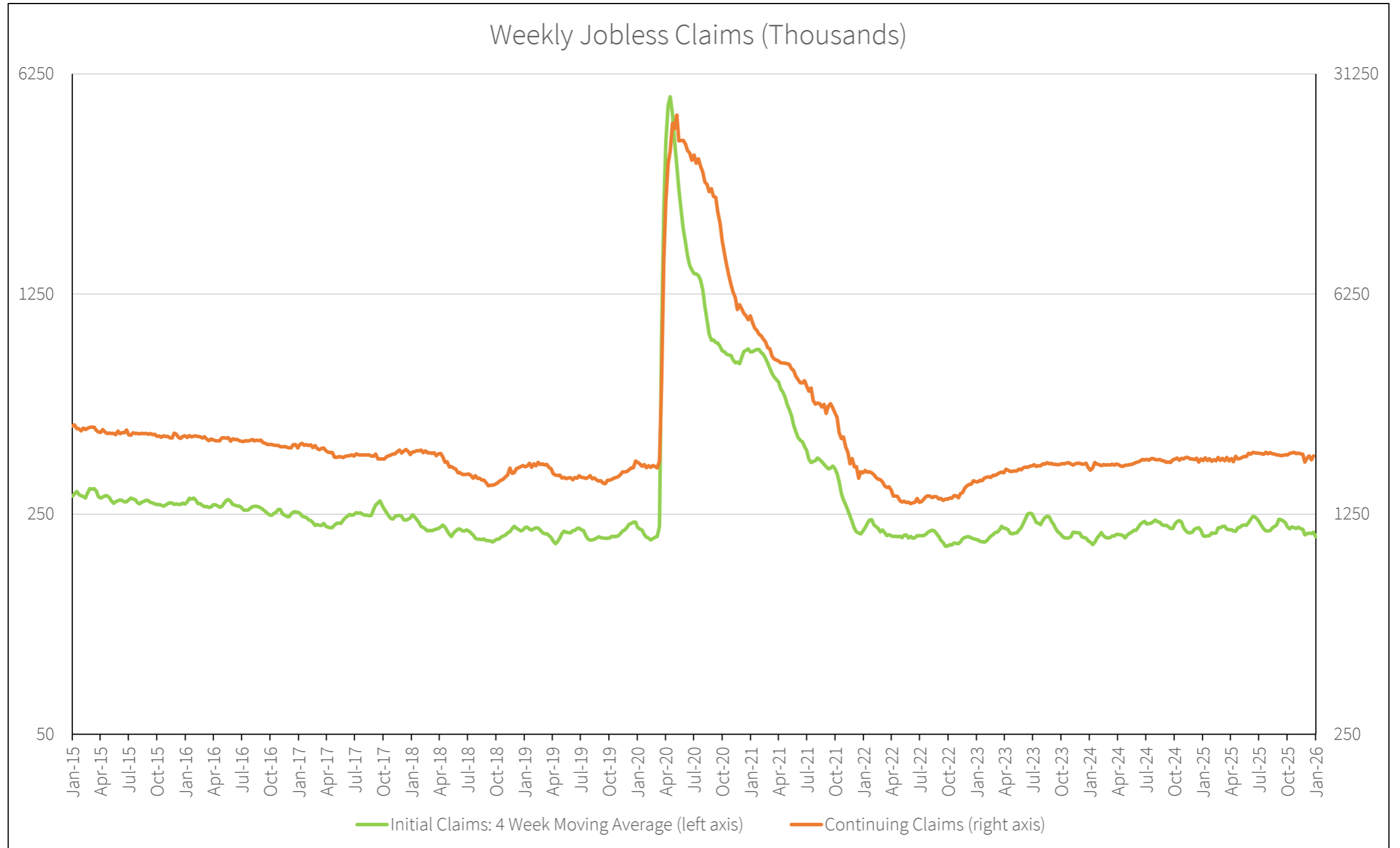
U.S. Real GDP Growth



Payrolls, Unemployment, and Wages



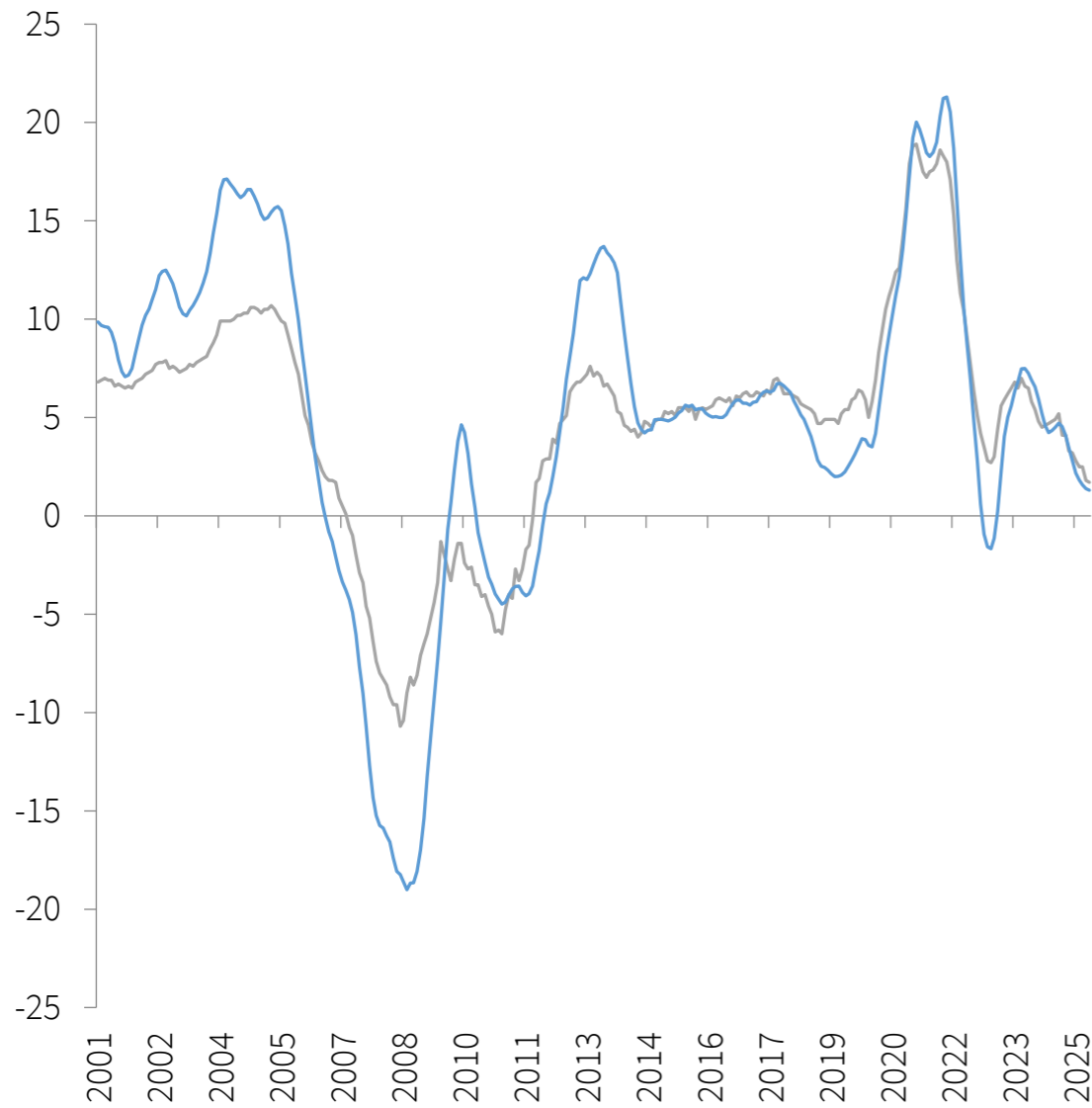
Jobless Claims



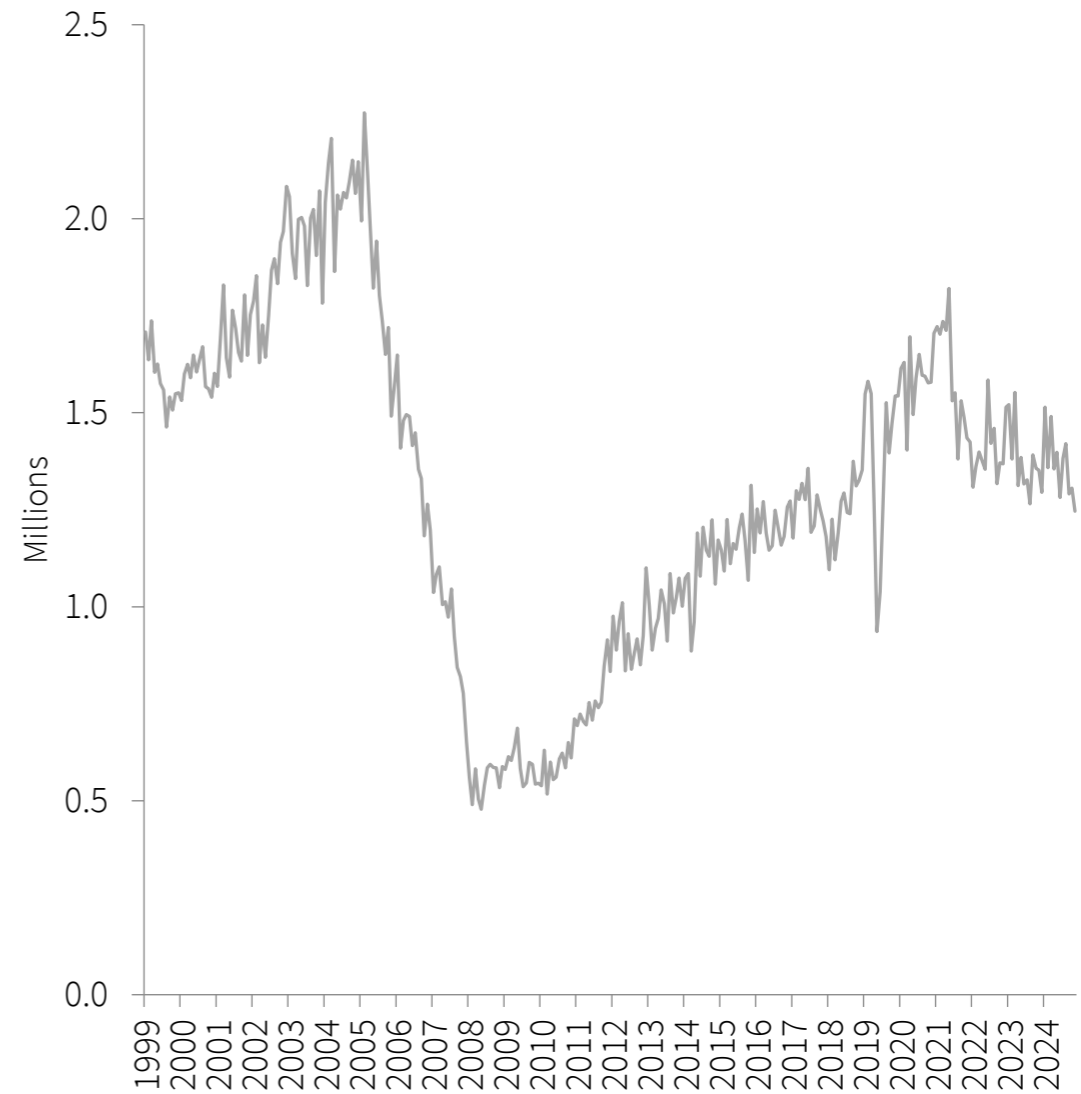
U.S. Housing

Housing Prices (YoY % Change)

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

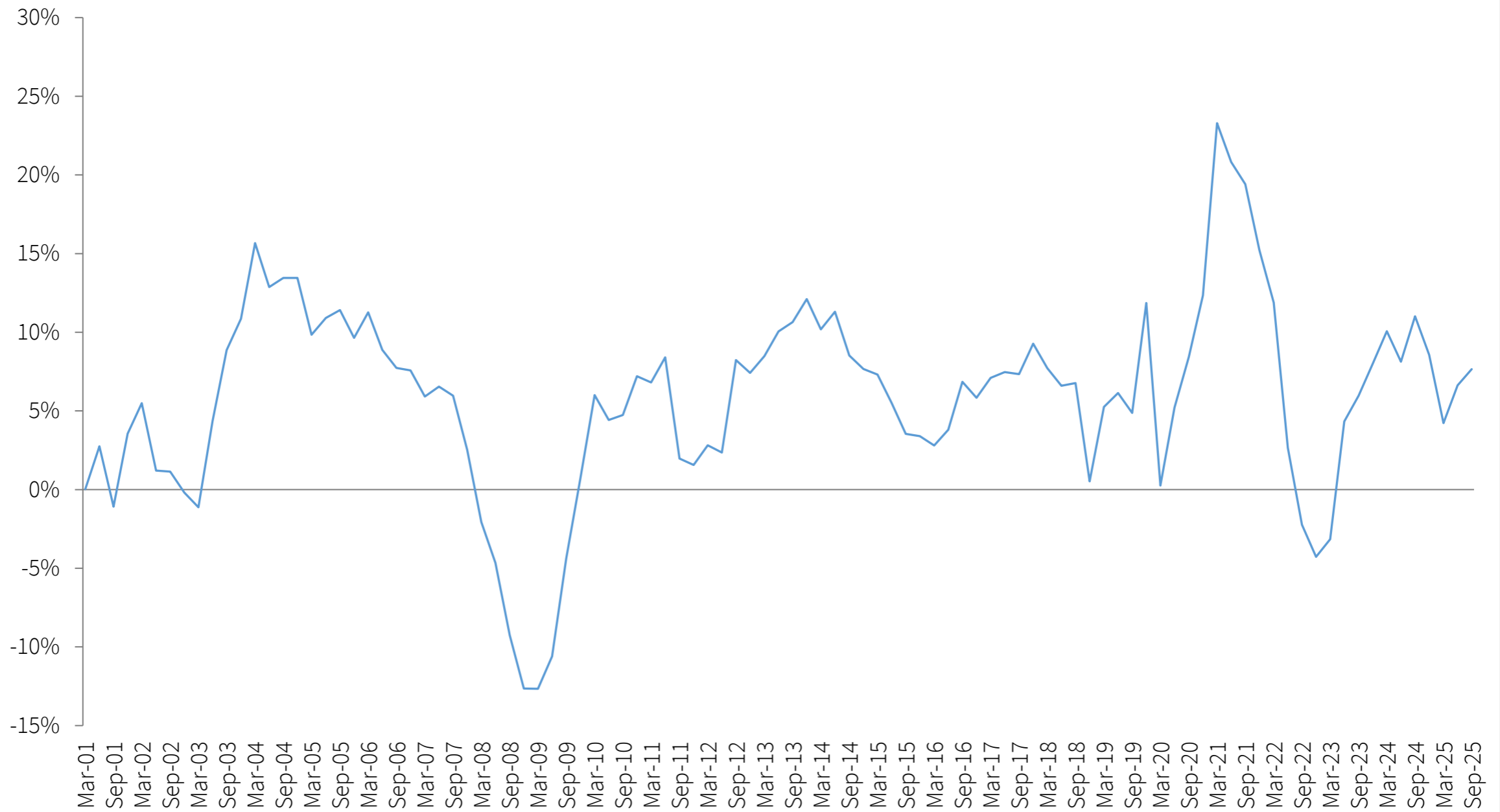


Total Housing Starts (Annualized Rate)

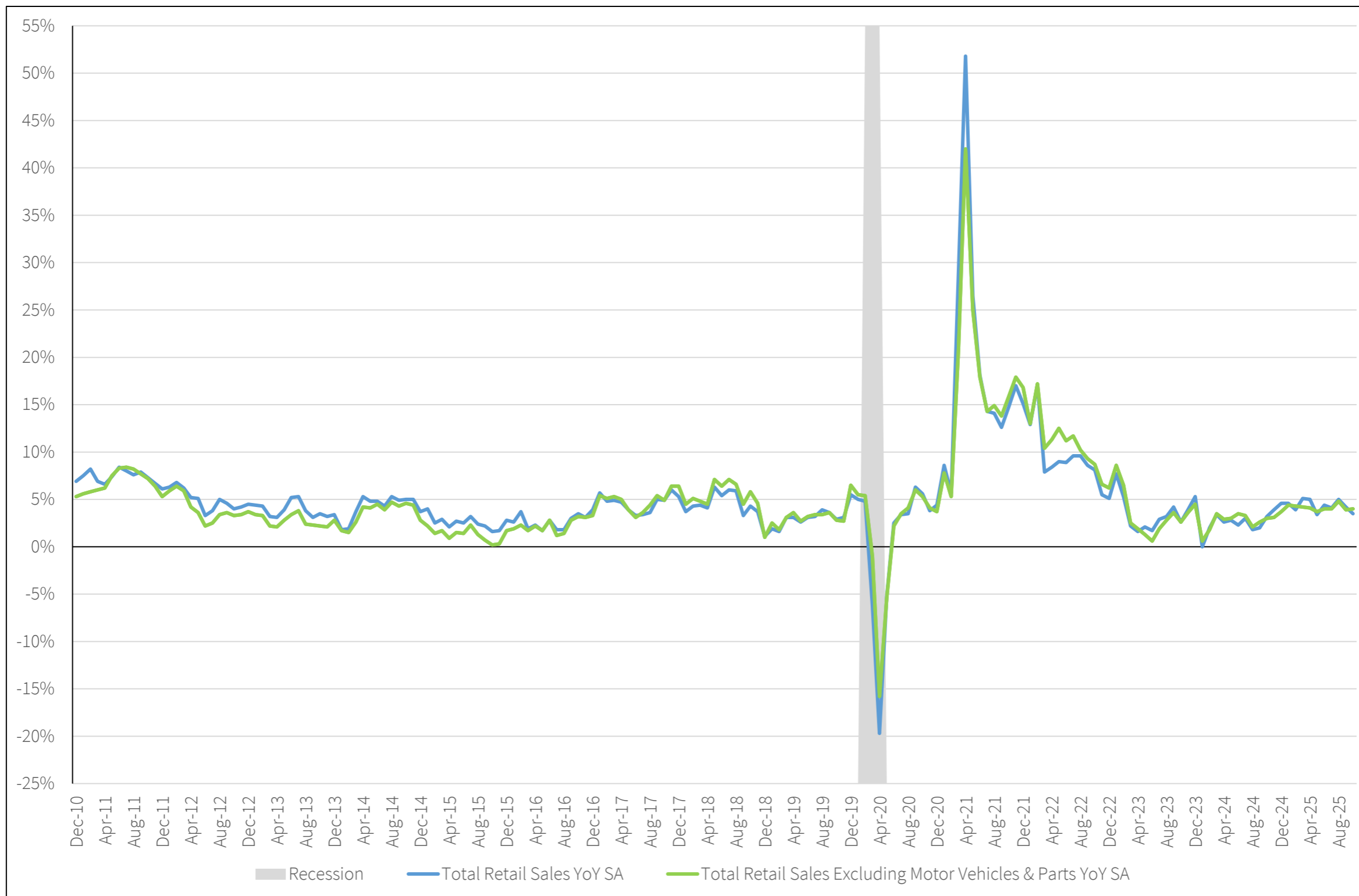


Household Net Worth

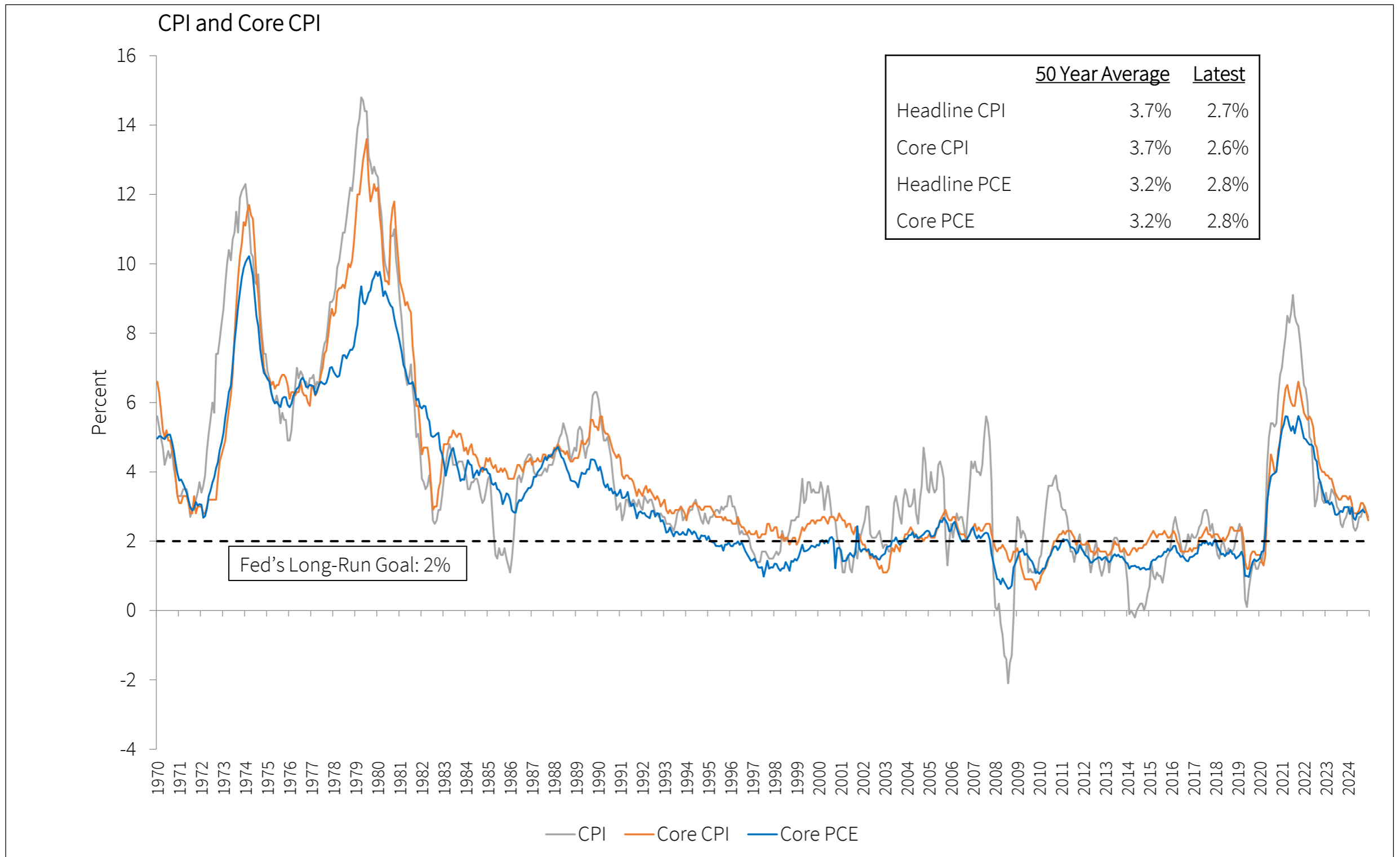
U.S. Household Net Worth Nominal YoY Growth



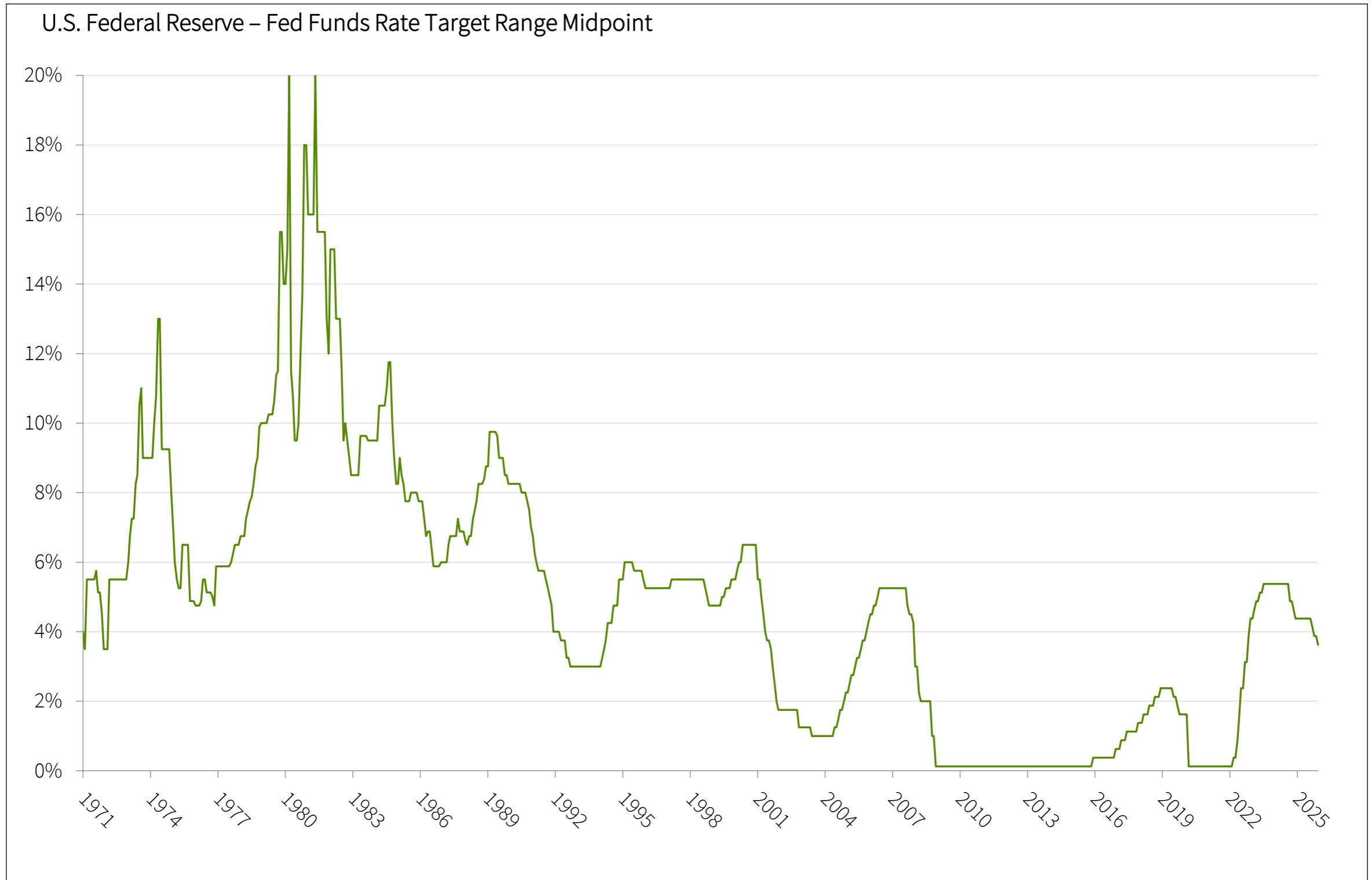
U.S. Retail Sales



Inflation



U.S. Fed Funds Rate



10-Year U.S. Treasury Yield



Average: 5.81%

Important Disclosure

This material and all accompanying documents are provided for the sole use of the individual(s) it is presented to. Performance results, asset allocation, and holdings information contained in this presentation reflect trading in your account(s). The returns are calculated using a third party vendor, SEI Performance Workstation. 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 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.

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 Institutional Services, a business unit within Regions Bank. Investment advisory services are offered through Regions Investment Management, Inc. "RIM". RIM is a Registered Investment Adviser and subsidiary of Regions Bank, which in turn, is a wholly owned subsidiary of Regions Financial Corporation.

Neither Regions Bank, nor 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.

For additional information regarding RIM or its strategies, please contact us at (205) 264-6735.

Copyright 2020 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 Agency	Are Not a Condition of Any Banking Activity