Regions Investment Management

State of Alabama Treasurer's Office

Prepaid Affordable College Tuition (PACT) Program

As of June 30, 2026

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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 Adrian Hughes, CFA – 28 years experience Brian Herron, CFA – 23 years experience Willard McCall, CFA – 18 years experience	Landon Connell- 4 years experience	Brian Cox, CFA – 18 years experience Zach Dark, CFA – 17 years experience David Oldham, CFA – 14 years experience	Kristie Jones – 25 years experience Jaren Hayes – 14 years experience Jesse Handlon, CFA- 6 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

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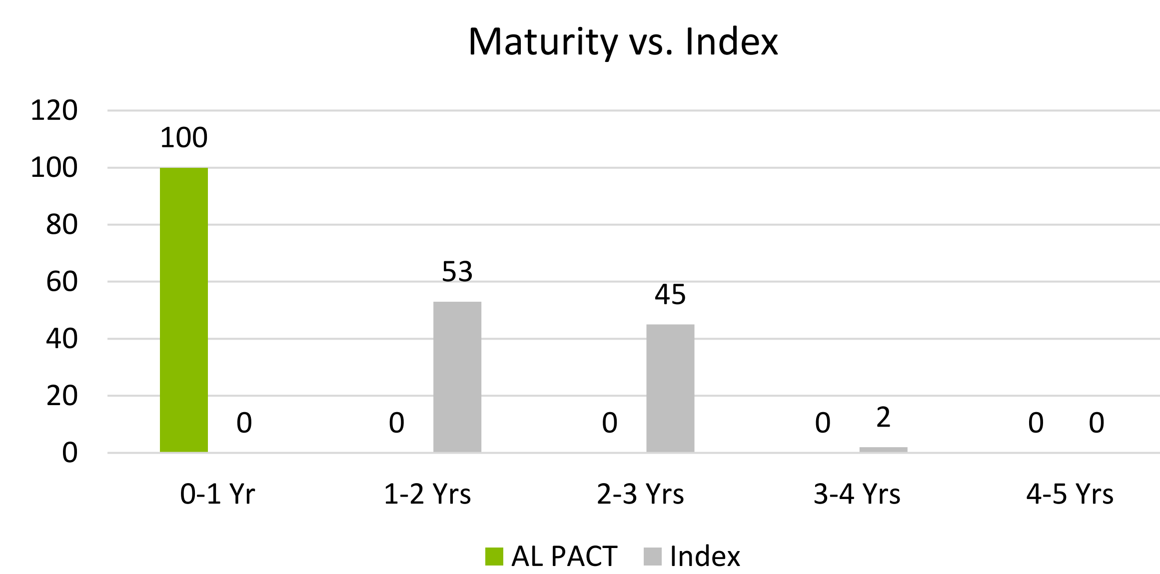
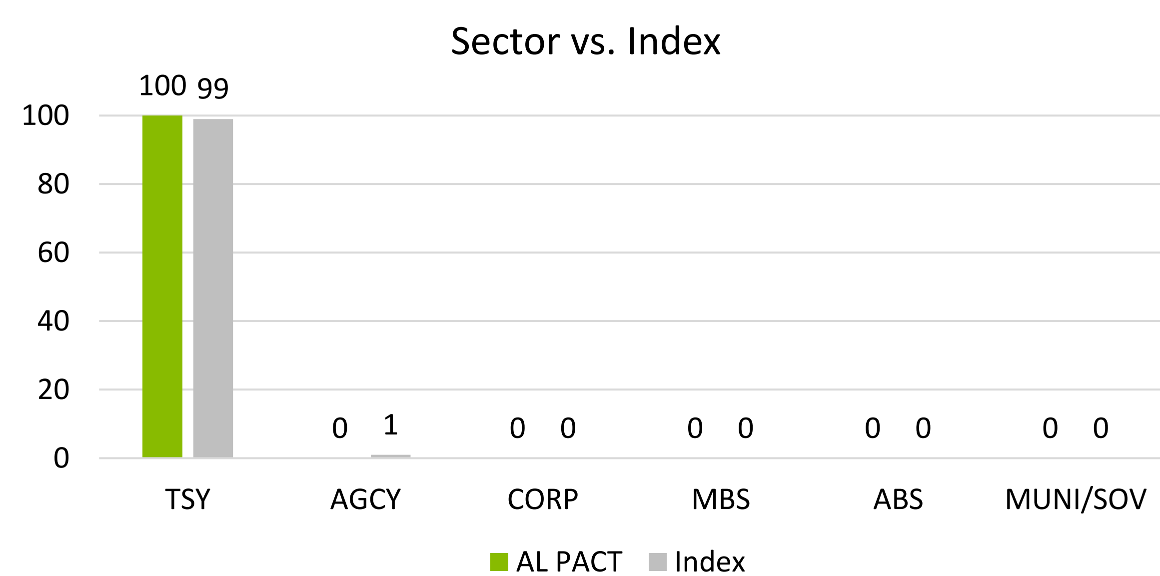
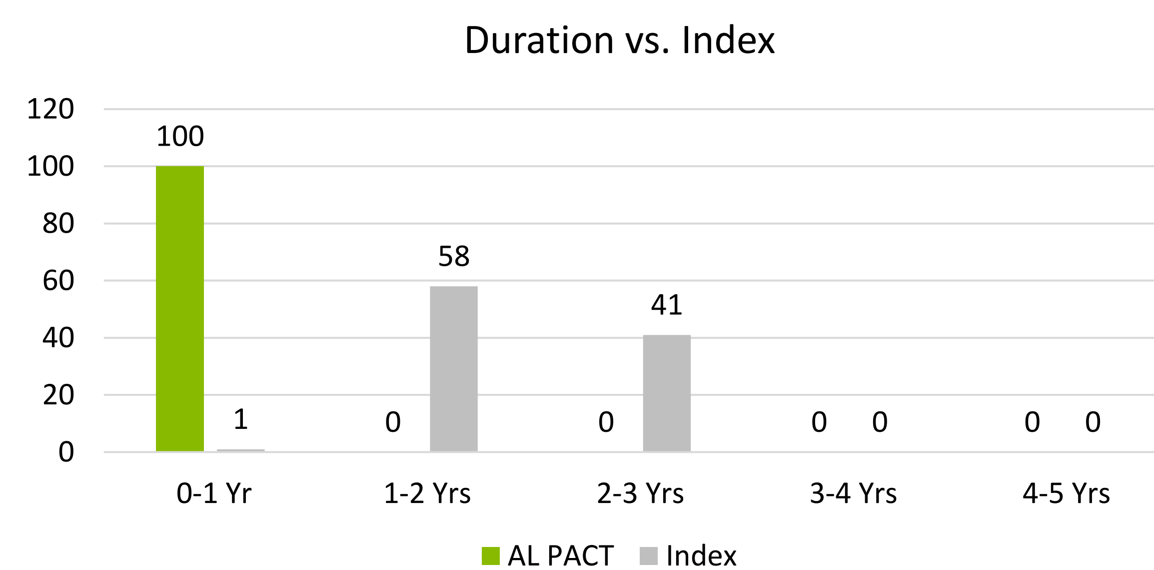
State of Alabama Treasurer’s Office – PACT Program
Fixed Income Portfolio Characteristics as of 6.30.2026

Portfolio Characteristics

	AL PACT	Index
Yield to Maturity	3.94%	4.16%
Average Coupon	4.30%	3.15%
Effective Duration	0.41 years	1.87 years
Average Life	0.46 years	1.98 years
Average Quality	Aa1/AA+	Aa1/AA+







Source: BondEdge

Index: Bloomberg 1-3 Year US Govt Index; Bloomberg Index Services Limited. BLOOMBERG is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively “Bloomberg”). Bloomberg or Bloomberg’s licensors own all proprietary rights in the Bloomberg Indices. Bloomberg does not approve or endorse this material or guarantee the accuracy or completeness of any information herein, nor does Bloomberg make any warranty, express or implied, as to the results to be obtained therefrom, and, to the maximum extent allowed by law, Bloomberg shall not have any liability or responsibility for injury or damages arising in connection therewith.

State of Alabama Treasurer's Office – PACT Program
Performance as of 6.30.2026

	Qtr	YTD	1-Yr	3 Years *	5 Years *	7 Years *	10 Years *	Inception *
Consolidated Portfolio	**0.87%**	**1.71%**	**3.83%**	**4.63%**	**3.12%**	**2.77%**	**2.44%**	**2.48%**

Money Market Fund	**0.88%**	**1.78%**	**3.86%**	**4.64%**	**3.54%**	**2.70%**	**2.31%**	**2.21%**

Fixed Income Portfolio	**0.86%**	**1.62%**	**3.87%**	**4.71%**	**2.68%**	**2.55%**	**2.35%**	**2.41%**
1-3 YR Govt Only	0.37%	0.64%	2.92%	4.38%	1.91%	1.95%	1.76%	1.81%
Excess Return	*0.49%*	*0.98%*	*0.95%*	*0.33%*	*0.77%*	*0.60%*	*0.59%*	*0.60%*

*** Market Values: Consolidated: $174.9mm / Money Market: $132.1mm / Fixed Income: $42.8mm***

*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; Bloomberg Index Services Limited. BLOOMBERG is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg"). Bloomberg or Bloomberg's licensors own all proprietary rights in the Bloomberg Indices. Bloomberg does not approve or endorse this material or guarantee the accuracy or completeness of any information herein, nor does Bloomberg make any warranty, express or implied, as to the results to be obtained therefrom, and, to the maximum extent allowed by law, Bloomberg shall not have any liability or responsibility for injury or damages arising in connection therewith.

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State of Alabama Treasurer's Office – PACT Program
Allocation Detail as of 6.30.2026

INVESTMENT RETURN SUMMARY - QUARTER ENDING JUNE 30, 2026

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	0.86%	$51,398,701	($9,550,000)	$0	$436,107	$42,284,808
Money Market Mutual Fund	0.88%	$121,061,034	$9,550,000	$0	$1,084,078	$131,695,112
Demand Deposit	0.00%	$1,036,954	($636,727)	$0	$0	$400,227
Total Portfolio	**0.87%**	**$173,496,689**	**($636,727)**	**$0**	**$1,520,185**	**$174,380,147**

* The total market value of the Alabama PACT Composite portfolio does not include the cash balance of $5,955,404.16 that was in the Treasury Account on June 30, 2026.

MANAGER ALLOCATION SUMMARY - QUARTER ENDING JUNE 30, 2026

Prior Quarter Market Value	%	Fund Name	Style	Adj. for Portion of Fixed Income Account Instructed to Hold in Money Market	Current Quarter Market Value *	%
$51,398,701	30%	Fixed Income	(STFX)	$0	$42,284,808	24%
$121,061,034	70%	Money Market Mutual Fund	(CASH)	$0	$131,695,112	76%
$1,036,954	1%	Demand Deposit	(CASH)	$0	$400,227	0%
$173,496,689	**100%**		**(TOTL)**	**$0**	**174,380,147**	**100%**

* The total market value of the Alabama PACT Composite portfolio does not include the cash balance of $5,955,404.16 that was in the Treasury Account on June 30, 2026.

Source: SEI

Market Updates

- Market Returns
- Economic Update
- Asset Class Review

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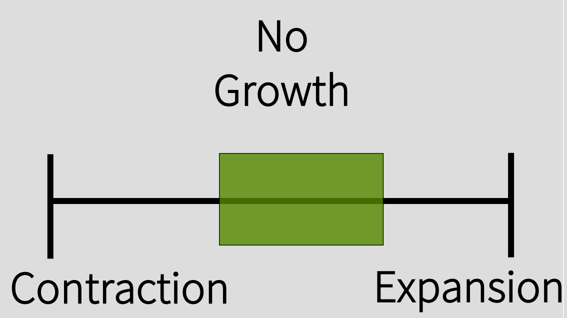
Economy: Overview & Outlook

Economy



Risks:

▪Renewed supply chain disruptions, prospect of broadly based trade wars, inflation accelerating further, 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.

Opportunities:

▪Still-strong household and business balance sheets, accommodative financial conditions, faster than anticipated deceleration in core inflation, faster job growth, solid business investment, and sustained acceleration in labor productivity growth pose upside risks to our baseline outlook.

Economy Resilient, Not Immune

▪Revised and more complete source data show real GDP grew at an annual rate of 1.6 percent in Q1, compared to the initial estimate of 2.0 percent. The biggest factor in the downward revision was a larger drawdown in business inventories than initially estimated. The revised data show real private domestic demand – combined business and household spending – grew at a 2.4 percent rate in Q1, little changed from the initial estimate of 2.5 percent and overwhelmingly driven by business fixed investment, which grew at an annual rate of 10.1 percent.[1]

▪Thus far, consumers have been able to spend at the faster pace dictated by rising prices. Still, there is cause for concern. The cushion from income tax refunds is being rapidly pared down and consumers could easily reach the point where they're inclined to cut back on spending rather than further deplete savings. At the same time, faster inflation means the gap between growth in labor earnings and inflation is much narrower at present than had been the case. To that point, growth in after-tax personal income excluding transfer payments, which we consider the most relevant measure of income available for consumer spending and servicing debt, is failing to keep pace with inflation.[1,3] As such, coming months could see a marked slowdown in the growth of consumer spending, particularly were a sharp decline in equity prices to trigger negative wealth effects, as well as some deterioration in household credit performance.

▪Both before-tax and after-tax corporate profits grew strongly in Q1 2026, each posting a double-digit year-on-year increase. Profit margins remain meaningfully above longer-term norms.[1] One caveat is that the Q1 data do not fully reflect the increases in costs stemming from the conflict with Iran. Even so, wide margins and ample liquidity are supportive of capital spending and employment.

▪That helps account for the ongoing improvement in the factory sector. The Institute of Supply Management's (ISM) Manufacturing Index rose to 54.4 percent in May, a four-year high, with continued broad based growth in new orders.[2]

No "Easing In" Period For New Fed Chair Warsh

▪The ISM's surveys of both the manufacturing and services sectors continue to show intense and broadly based upward pressure on input prices, which comes on top of the spikes in energy prices seen since the start of the conflict with Iran.[2] At the same time, the Federal Reserve Bank of New York's index of global supply chain stress shows significant supply chain disruptions.[3] Higher costs for diesel fuel are adding to costs of transporting both inputs and finished goods. All of this points to further upward pressure on prices of finished goods, i.e., consumer level inflation, headline and core. We are already seeing early signs of supply chain stresses adding to inflation pressures.

▪The Consumer Price Index (CPI) rose by 0.5 percent in May, while the core CPI rose by 0.2 percent, yielding year-on-year increases of 4.1 percent and 2.9 percent, respectively.[4] With gasoline prices falling over recent weeks, May will likely mark the peak of headline inflation but we think there is further upside room for core inflation.

▪Total nonfarm payrolls rose by 172,000 jobs in May, more than double the consensus forecast, with private sector payrolls up by 120,000 jobs and public sector payrolls up by 52,000 jobs, while prior estimates of job growth in March and April were revised upward by a net 93,000 jobs. The unemployment rate held at 4.3 percent.[4]

▪ The May employment is being taken by many as a sign that all is again well with the labor market, an assessment with which we strongly disagree. Hiring related to the World Cup – local government excluding education (43,500 jobs), leisure and hospitality services (70,000 jobs) – dominated May job growth. Hiring in health care (47,200 jobs) and leisure and hospitality services accounted for almost the entire increase (120,000 jobs) in private sector payrolls. Aggregate private sector hours worked were flat in May despite the increase in jobs. At the same time labor force growth remains anemic and the duration of unemployment continues to rise.[4]

▪New Fed Chair Kevin Warsh was welcomed with downside risks to growth, upside risks to inflation, a labor market not firing on all cylinders, and elevated market interest rates. This set of circumstances is likely to keep the FOMC on hold for some time.

Source: 1) Bureau of Economic Analysis (BEA); 2) Institute for Supply Management (ISM); 3) U.S. Census Bureau; 4) Bureau of Labor Statistics (BLS)

Market Returns

Equities	Trailing 3 Months 6/30/26	YTD As of 6/30/26	2025	2024	2023	2022	2021	2020	2019	2018
S&P 500 Index (Large Cap Stocks)	15.20%	10.21%	17.88%	25.02%	26.29%	-18.11%	28.71%	18.40%	31.49%	-4.38%
S&P 500 (Large Cap Growth)	21.89%	12.01%	22.18%	35.86%	30.03%	-29.41%	32.01%	33.47%	31.13%	-0.01%
S&P 500 (Large Cap Value)	8.00%	8.03%	13.19%	12.29%	22.23%	-5.22%	24.90%	1.36%	31.93%	-8.95%
Russell 2000 Index (Small Cap Stocks)	21.49%	22.57%	12.81%	11.54%	16.93%	-20.44%	14.82%	19.96%	25.52%	-11.01%
Russell 2500 Index (Small to Mid Cap Stocks)	20.26%	22.71%	11.91%	12.00%	17.42%	-18.37%	18.18%	19.99%	27.77%	-10.00%
Russell Mid Cap TR USD	13.83%	15.30%	10.60%	15.34%	17.23%	-17.32%	22.58%	17.10%	30.54%	-9.06%
MSCI EAFE Index (Foreign Stocks)	10.82%	9.44%	31.22%	3.82%	18.24%	-14.45%	11.26%	7.82%	22.01%	-13.79%
MSCI ACWI Ex-U.S. (Foreign Stocks)	14.49%	13.68%	32.39%	5.53%	15.62%	-16.00%	7.82%	10.65%	21.51%	-14.20%
MSCI EM (Foreign Stocks)	24.05%	23.85%	33.57%	7.50%	9.83%	-20.09%	-2.54%	18.31%	18.42%	-14.58%
Bloomberg U.S. Aggregate Bond	0.67%	0.62%	7.30%	1.25%	5.53%	-13.01%	-1.54%	7.51%	8.72%	0.01%
ICE BofA 1-12 Year Municipal	1.33%	1.04%	5.04%	1.37%	4.47%	-4.90%	0.59%	4.02%	5.64%	1.62%
ICE BofA U.S. 3-Month T-Bill	0.89%	1.74%	4.18%	5.25%	5.01%	1.46%	0.05%	0.67%	2.28%	1.87%
Bloomberg Global Aggregate Ex USD	0.99%	-0.90%	8.85%	-4.22%	5.72%	-18.70%	-7.05%	10.11%	5.09%	-2.15%
Bloomberg U.S. Corporate High Yield	2.47%	1.96%	8.62%	8.19%	13.45%	-11.19%	5.28%	7.11%	14.32%	-2.08%
Bloomberg U.S. TIPS	0.89%	1.15%	7.01%	1.84%	3.90%	-11.85%	5.96%	10.99%	8.43%	-1.26%

Source: Bloomberg

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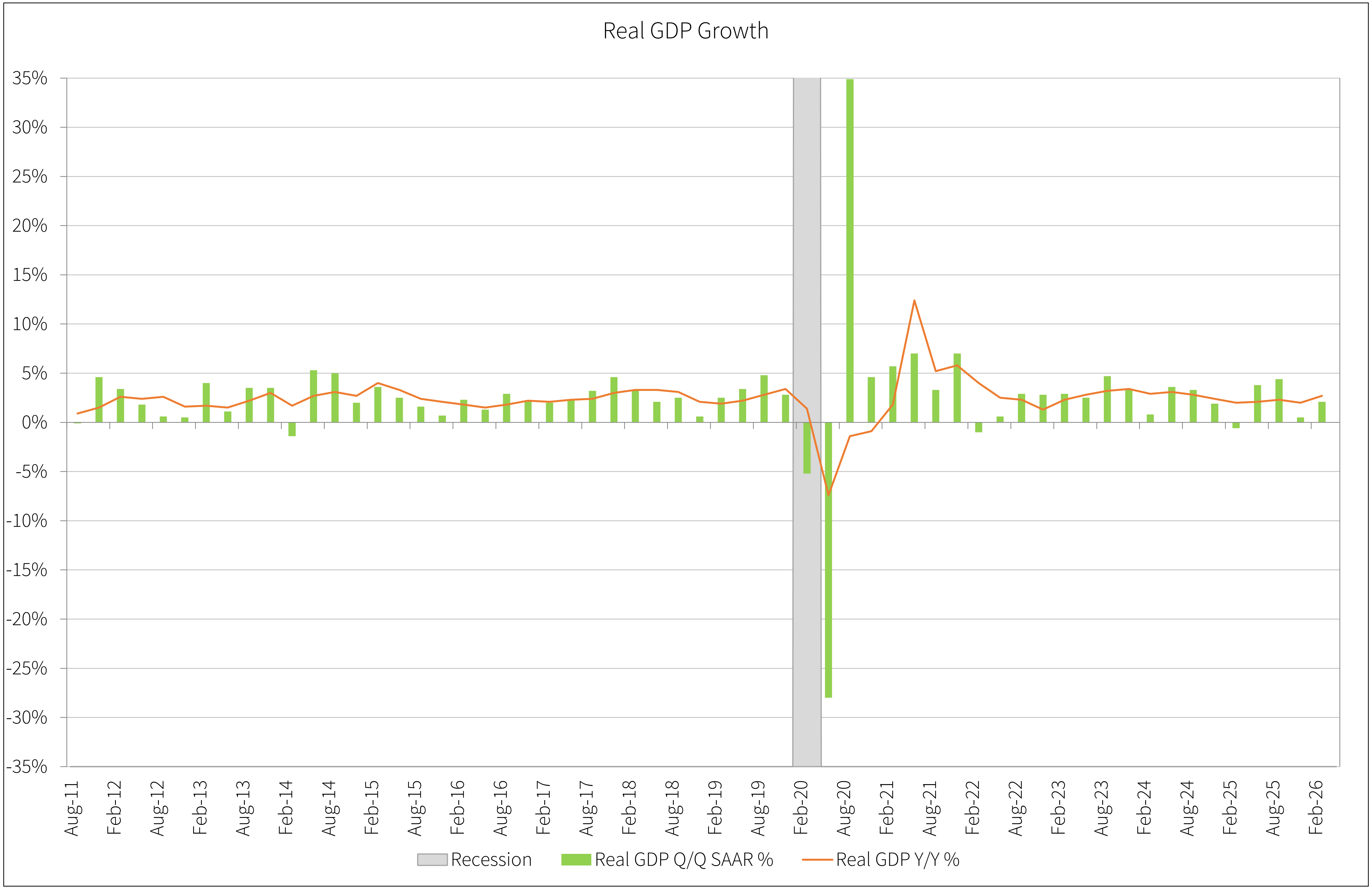
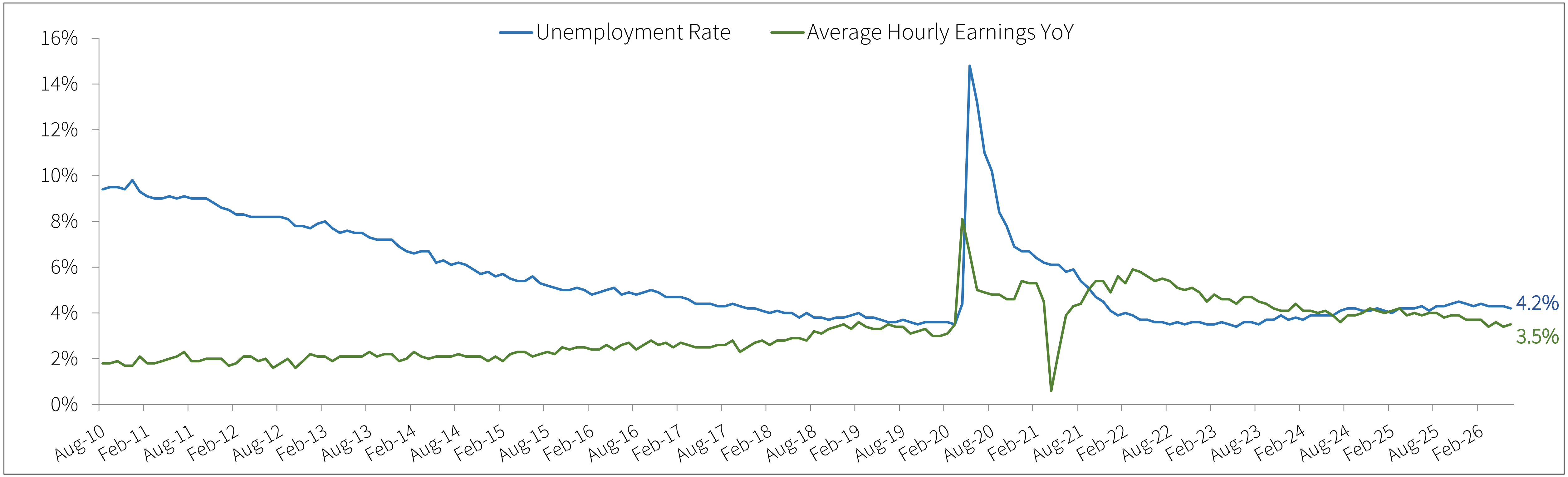
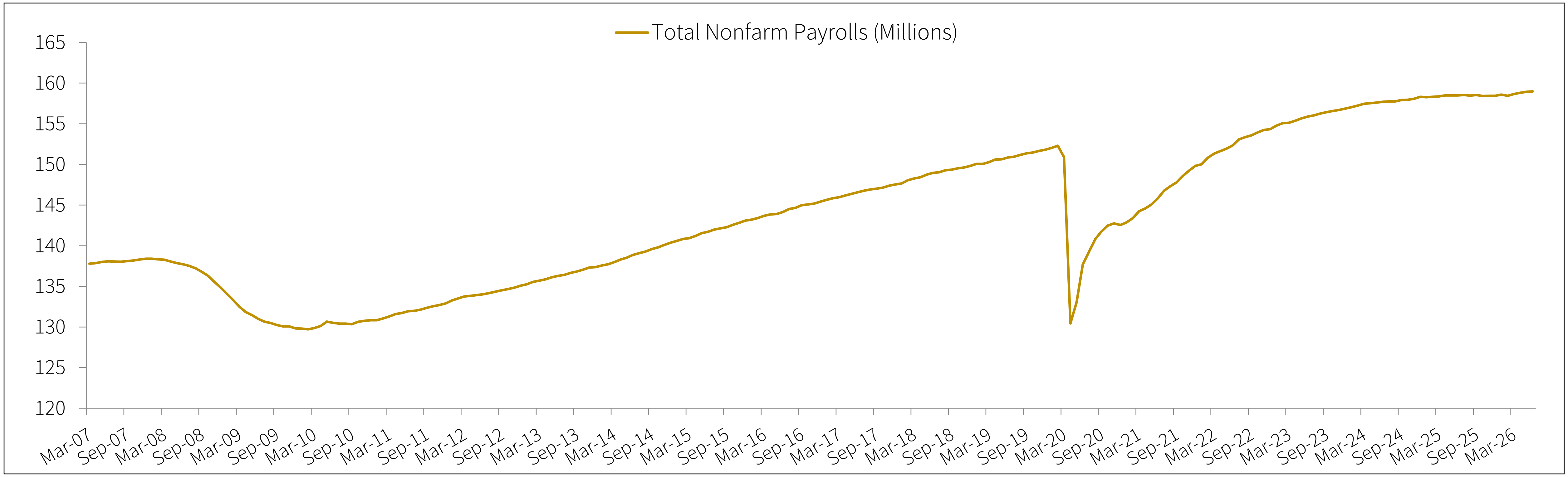
U.S. Real GDP Growth



Source: Bloomberg

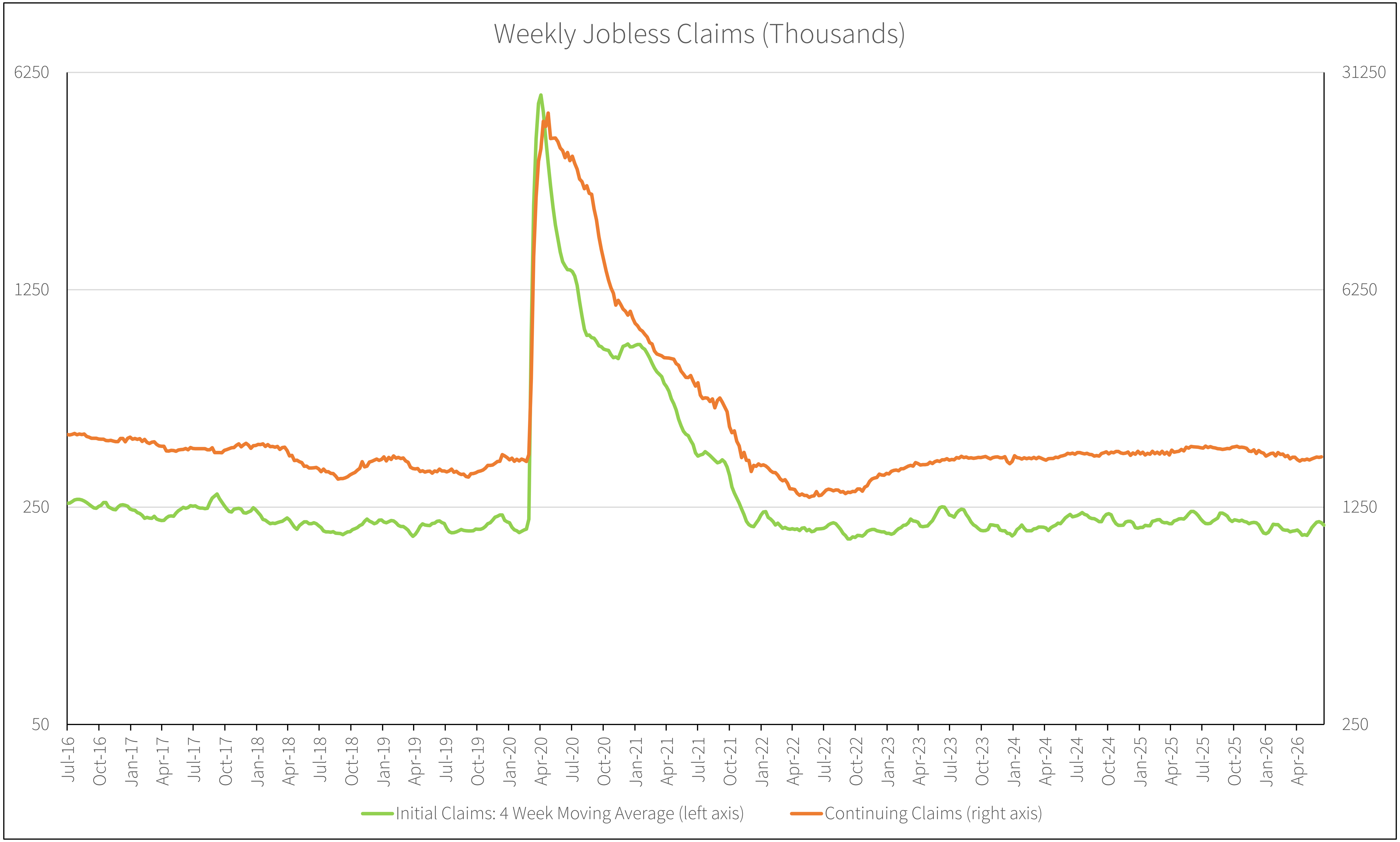
Payrolls, Unemployment, and Wages





Source: Bloomberg

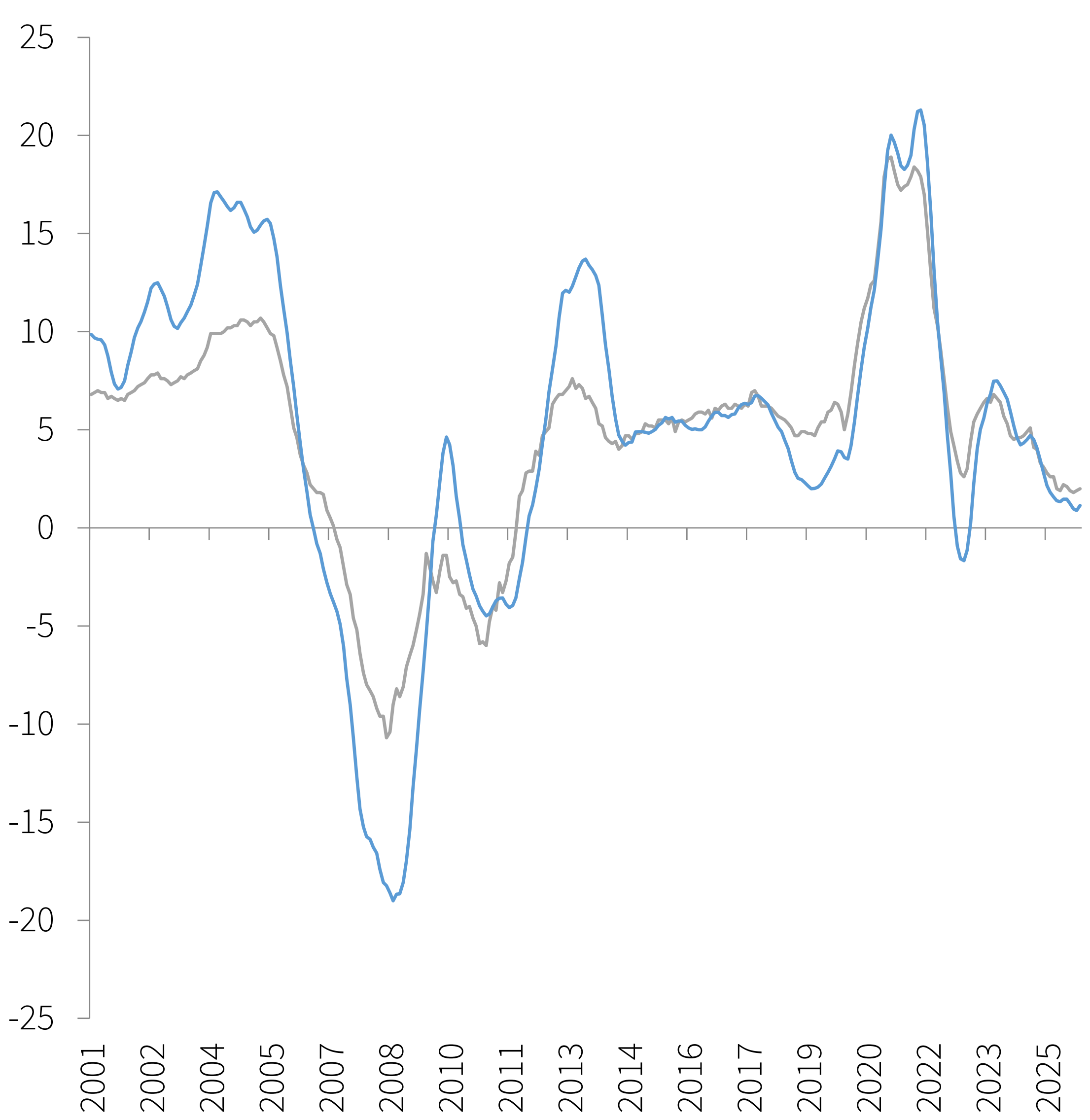
Jobless Claims



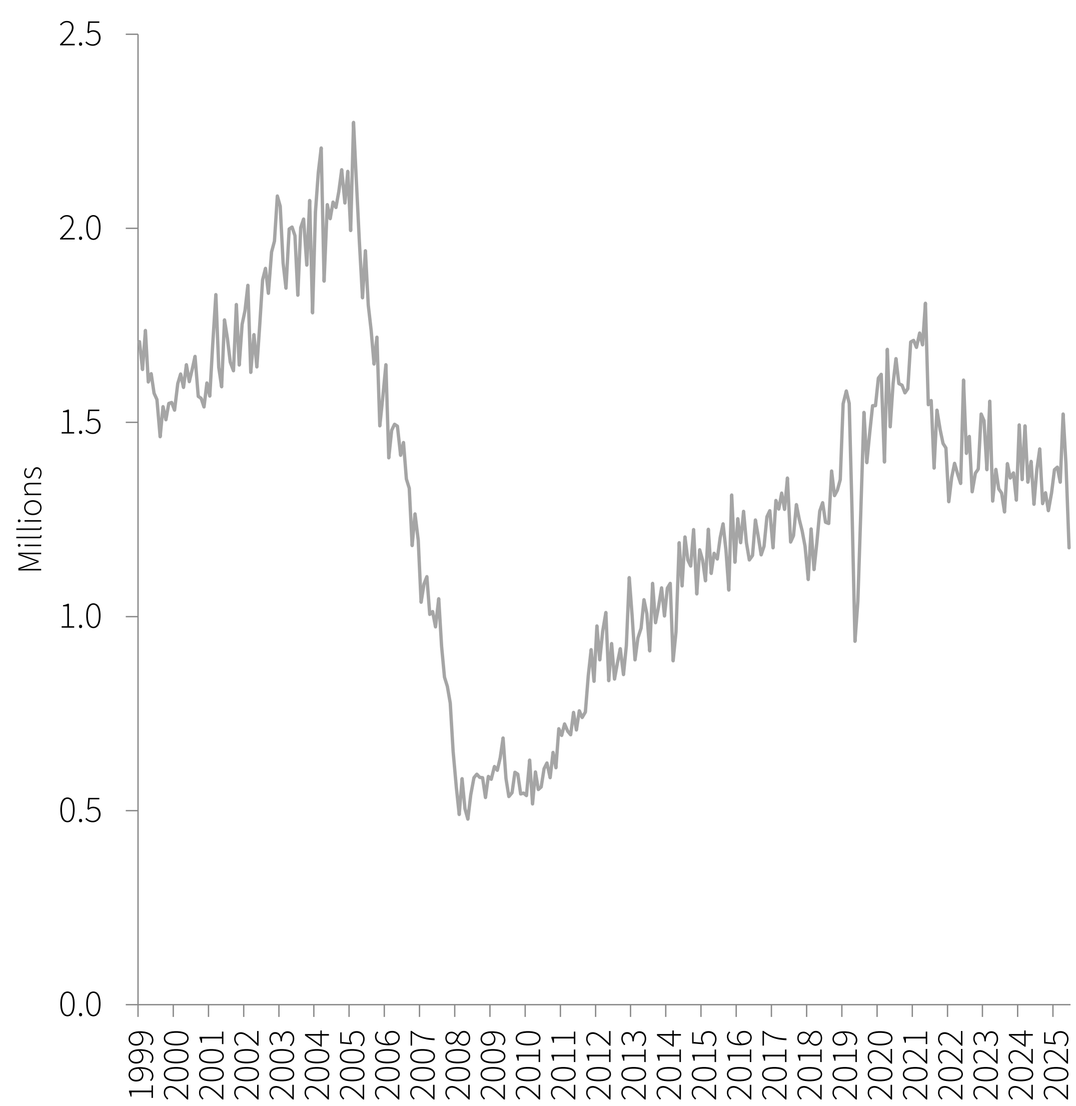
Source: Bloomberg

U.S. Housing

Housing Prices (YoY % Change)

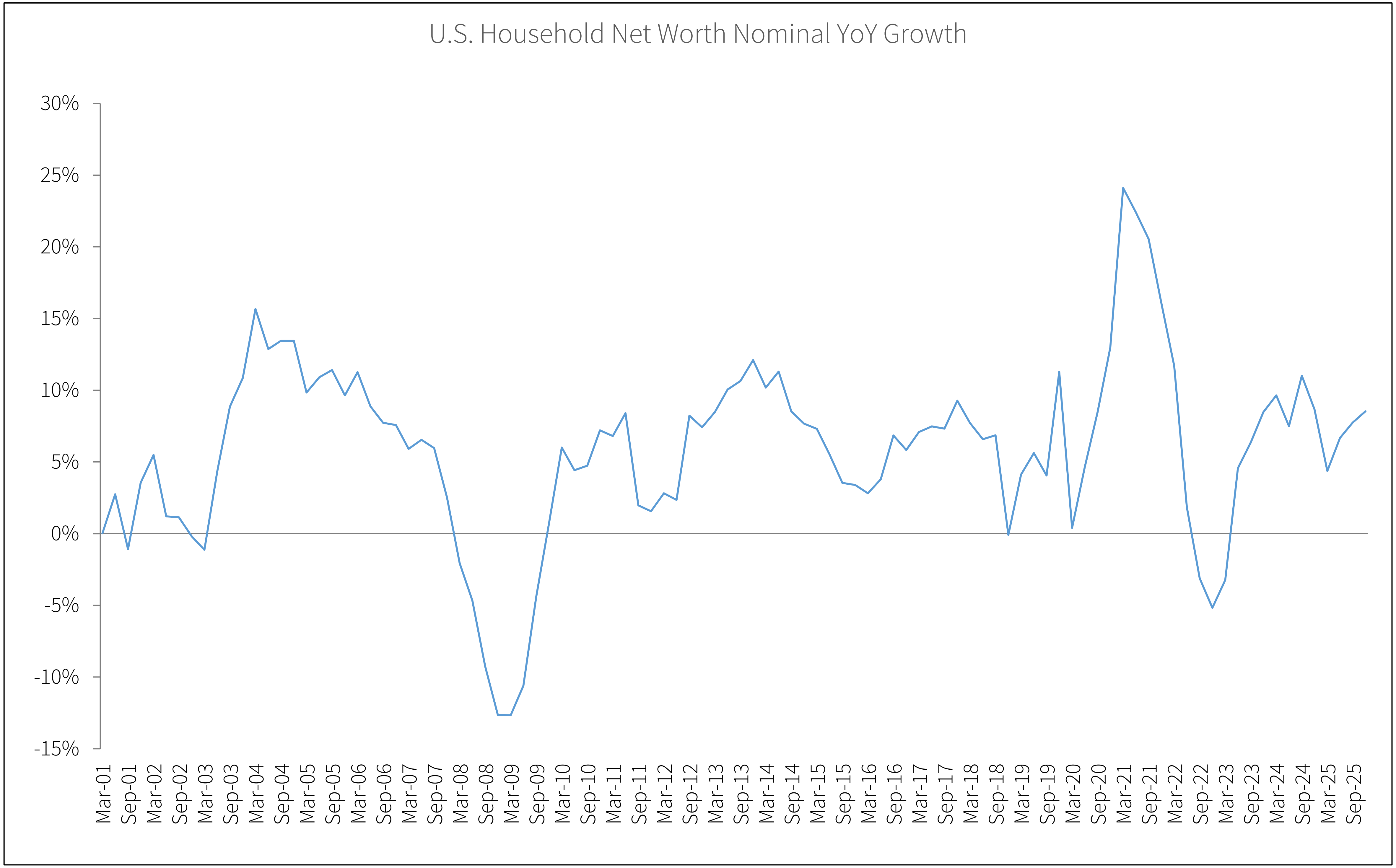


Total Housing Starts
(Annualized Rate)



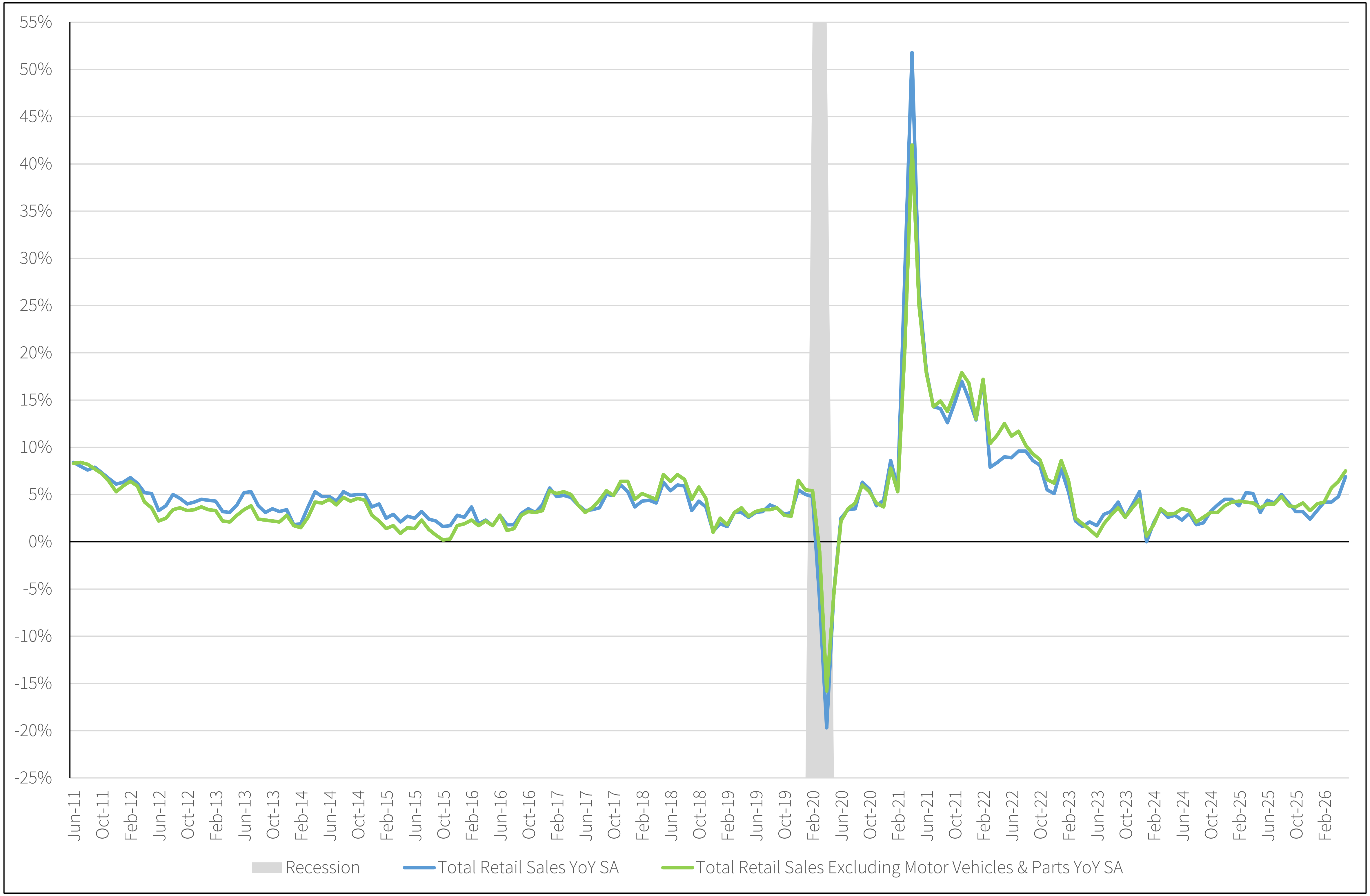
Source: Bloomberg

Household Net Worth



Source: Bloomberg

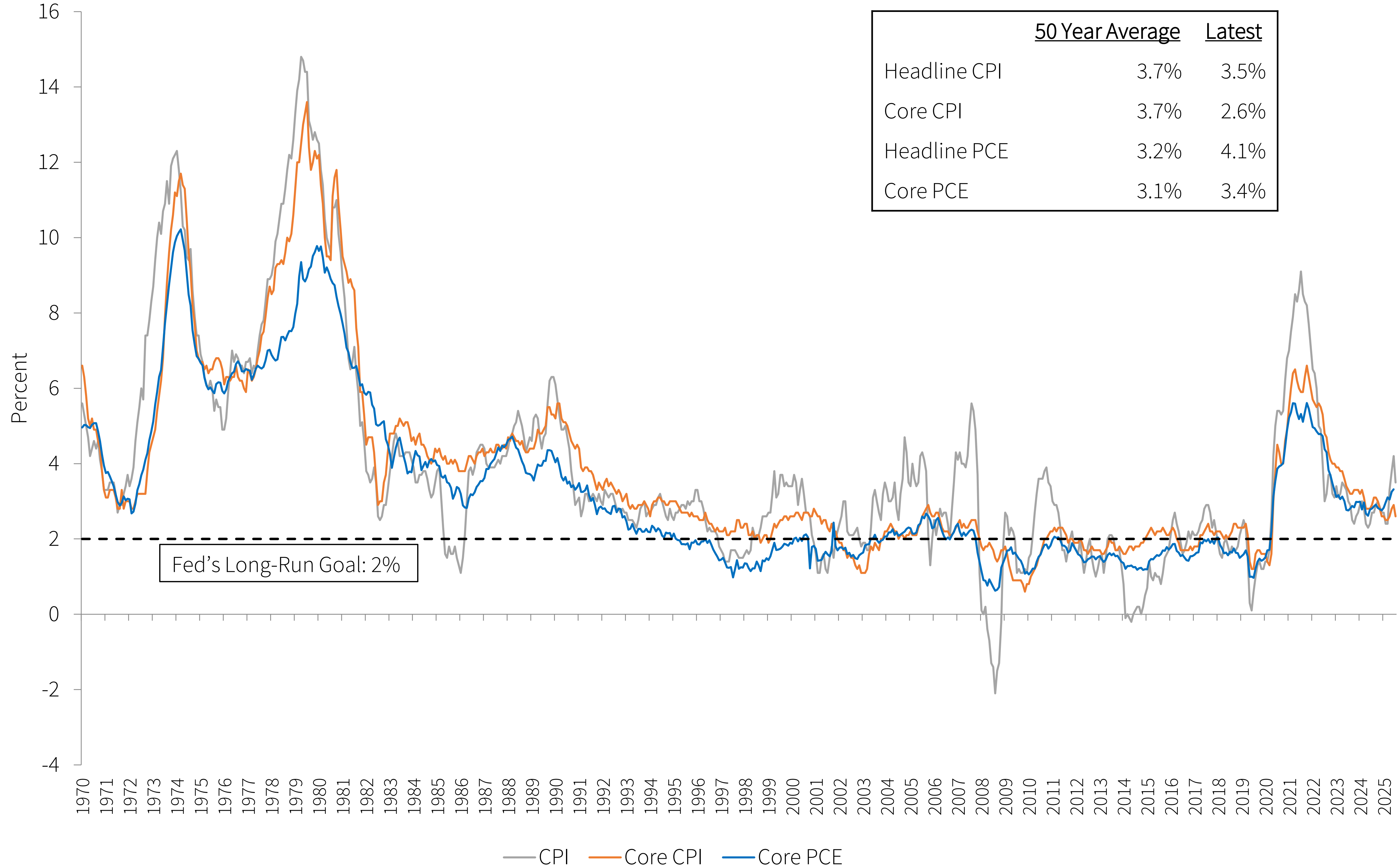
U.S. Retail Sales



Source: Bloomberg

Inflation

CPI and Core CPI

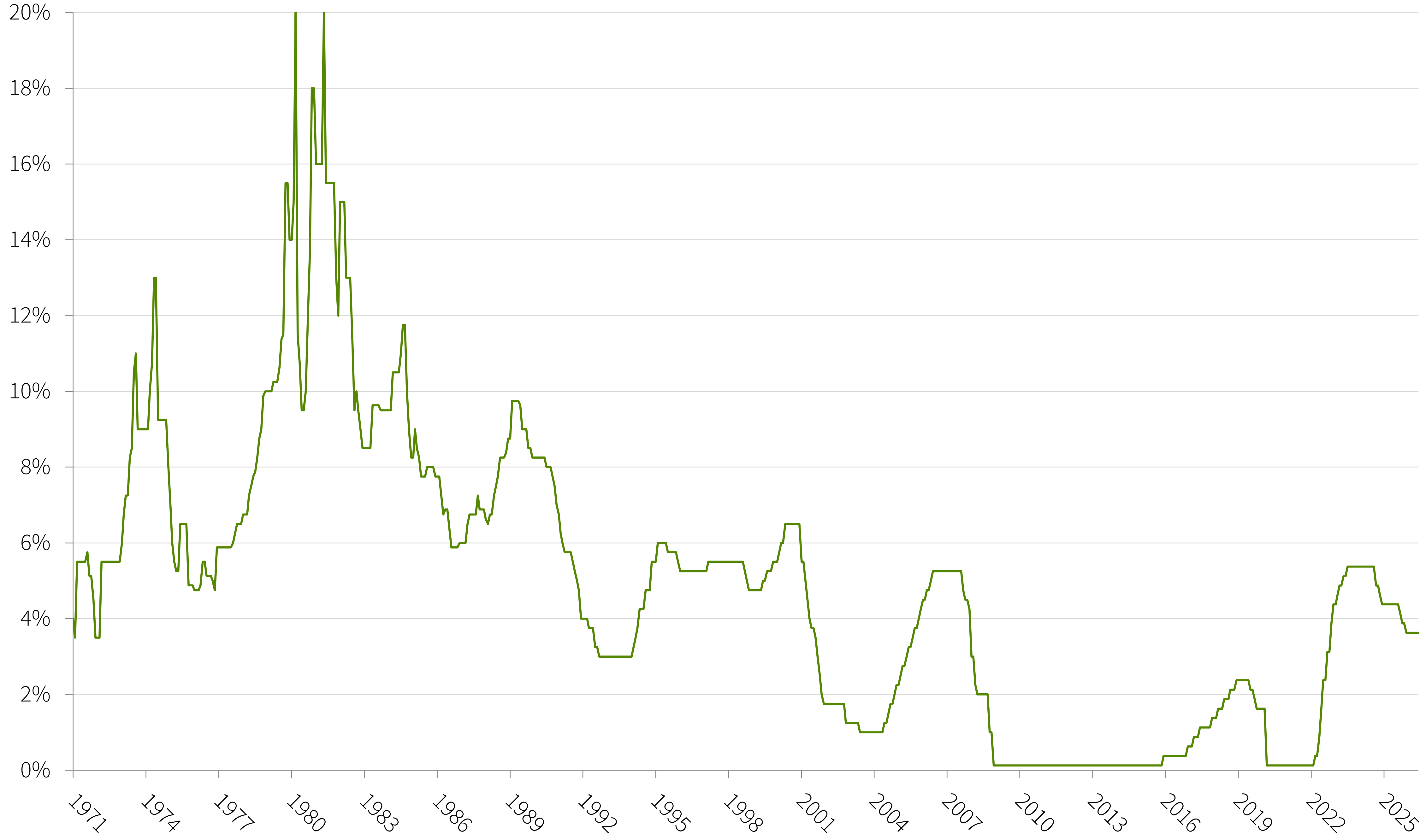


	50 Year Average	Latest
Headline CPI	3.7%	3.5%
Core CPI	3.7%	2.6%
Headline PCE	3.2%	4.1%
Core PCE	3.1%	3.4%

Source: Bloomberg

U.S. Fed Funds Rate

U.S. Federal Reserve – Fed Funds Rate Target Range Midpoint



Source: Bloomberg

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10-Year U.S. Treasury Yield

Source: Bloomberg

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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.

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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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