

Tuesday July 21, 2020

Meeting of Investment Committee of Life Insurance Company of Alabama

Members present: Clarence Daugeette, President, Ray Renfrow EVP & Chief Marketing Officer, Alie Renfrow Causey, Chief Investment Officer, Mr. Warren Cobb, Steve Keck, Exec. V.P. & Secretary

The meeting was held in the Florence T. Daugeette Board Room

This meeting was held to have a review of how the portfolio has performed over the last month and to discuss market performance and expectations.

Kelly Sullivan, from NEAM, indicated that the economy was bouncing back relatively well, although nowhere near pre-COVID levels, and that the data was now showing a V shaped recovery although a U shape is more expected. She warned that the next few months will be very telling as to how the recovery is going. The growth in new cases is indicative of why it is expected that the economy will plateau and the recovery will be U shaped.

She also indicated that the capital markets are taking the negative news relatively well as indicated by the index levels. The Fed is giving liquidity with future stimulus payments expected to go to people and the states. NEAM anticipates the treasury rates to increase slightly and for spreads to tighten.

We currently have sufficient cash on hand to bring the risk asset investments to the desired levels. Holding some cash to provide liquidity as the company continues to work through the transition to the new administrative system.

Alton Cogart echoed much of Kelly's statements. He further pointed out that the portfolio underperformed the benchmark for the quarter but has overperformed for the year. He warned of some of the more pessimistic concerns such as the potential for the unemployment help to end and increase in foreclosures due to the real estate forgiveness coming to an end.

The committee accepted the reports of Ms. Sullivan and Mr. Cogart.