

Aiken Electric Cooperative Board Meeting

June 25, 2026



**Aiken Electric
Cooperative, Inc.**

®

Approval or Changes in Agenda

Mark Santero – Homestead Funds



Homestead
Advisers | Funds

6/25/2026

Aiken Electric Cooperative

Account Review

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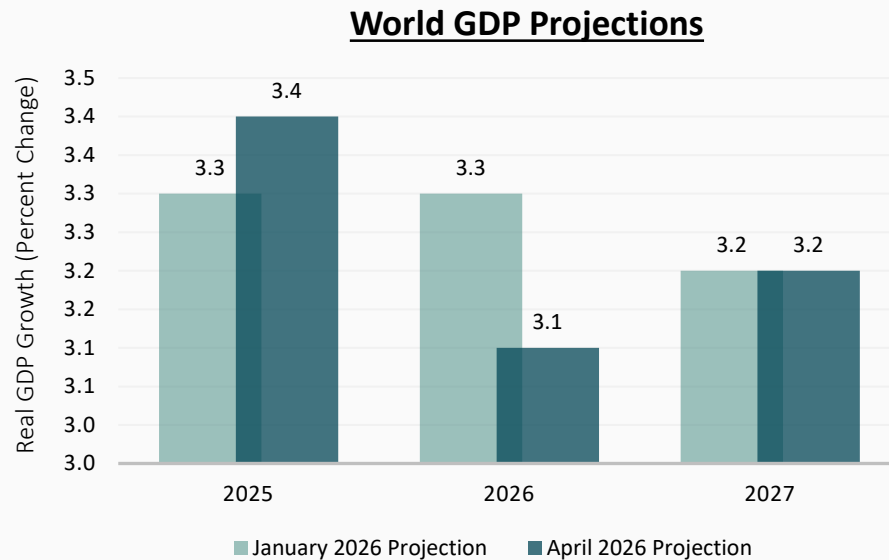
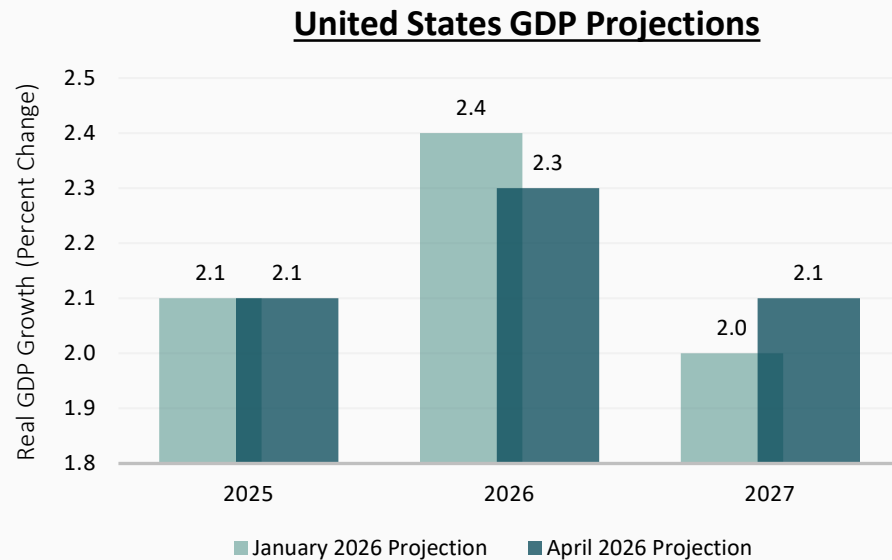
Economic Update

2026 Markets: A Year of Two Halves

- The U.S. economy entered 2026 growing steadily, with inflation easing toward the Federal Reserve's (Fed) target and cautious optimism about the year ahead
- U.S. and Israeli military strikes against Iran triggered a historic rise in energy prices, stoking inflation fears and pushing back expectations for Fed rate cuts
- Three major equity indexes retreated in late February and March as the conflict escalated, but markets recovered, with stocks reaching new highs by the end of May
- Treasury yields rose sharply in March and stayed elevated, as inflation concerns shifted market expectations from rate cuts toward a possible hike
- The University of Michigan Consumer Sentiment Index fell to its lowest level on record, while a resilient labor market and solid corporate earnings provided a measure of stability

Growth Holds, but Expectations Have Shifted

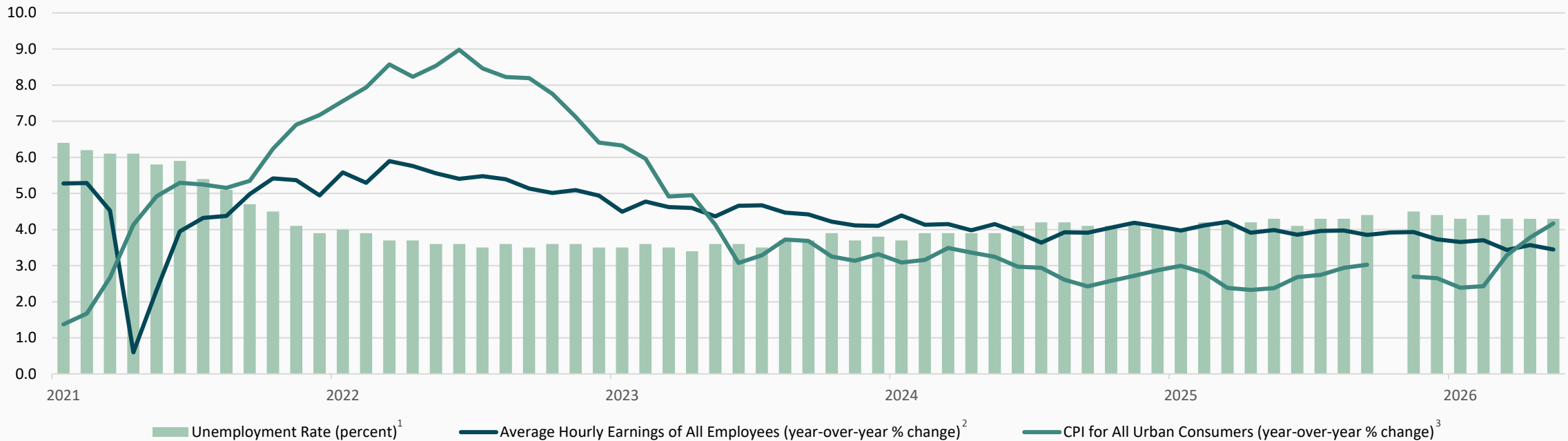
Heading into 2026, the U.S. economy was on solid footing. Growth was steady, and the global outlook was holding up. Since then, forecasters have revised their expectations downward for 2026 as new risks have emerged, though the economy has shown more resilience than many anticipated.



Source: IMF, “World Economic Outlook,” January 2026 and April 2026 publications. Order for bars of each group indicates (left to right): 2025 estimates, 2026 projections, and 2027 projections. There is no guarantee that the projected forecasted gross domestic product growth is accurate or will be achieved.

Hiring Holds Steady

Labor market conditions have remained relatively stable through mid-2026. Unemployment has stayed low and wage growth has continued, though as of April, wage gains no longer outpace inflation.



¹U.S. Bureau of Labor Statistics via FRED®, Unemployment Rate [UNRATE], retrieved June 10, 2026.

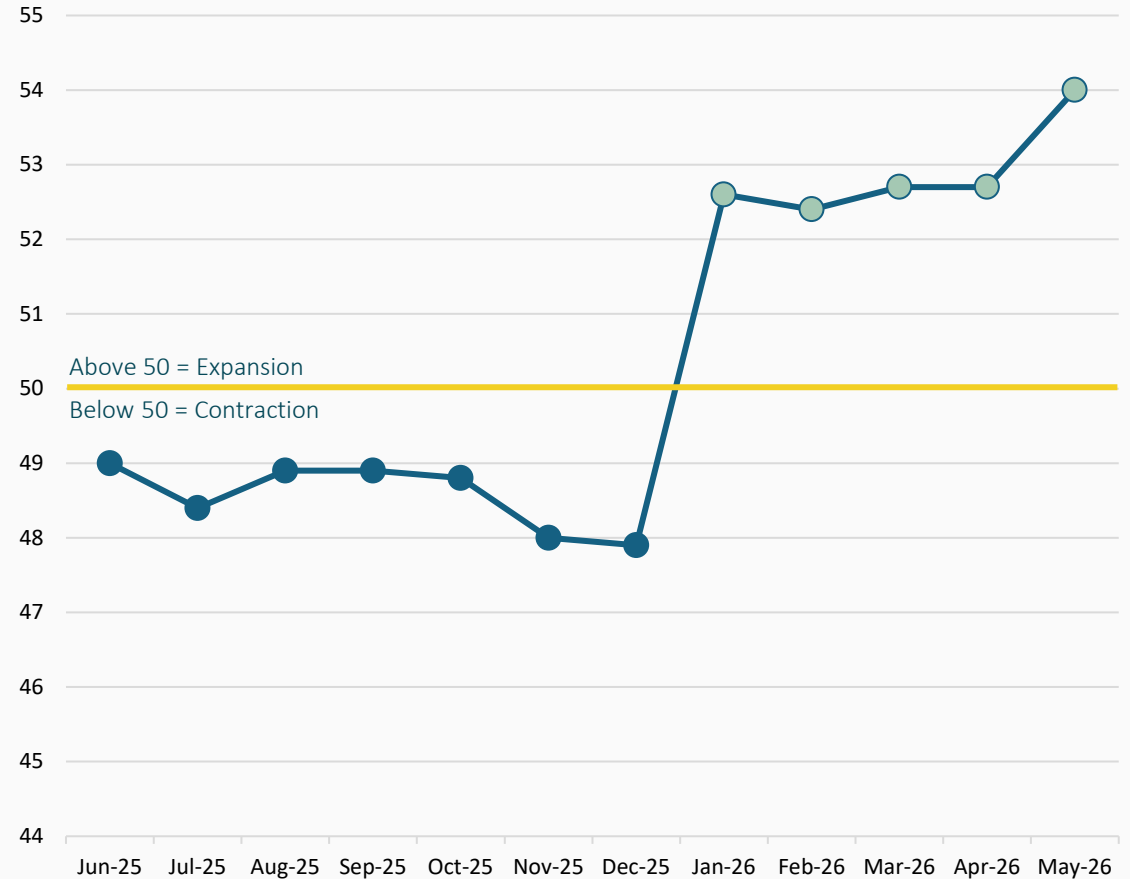
²U.S. Bureau of Labor Statistics via FRED®, U.S. Bureau of Labor Statistics, Average Hourly Earnings of All Employees, Total Private [CES0500000003], retrieved June 10, 2026.

³U.S. Bureau of Labor Statistics via FRED®, Consumer Price Index for All Urban Consumers: All Items in U.S. City Average [CPIAUCSL], retrieved June 10, 2026.

Data for October 2025 is unavailable due to the federal government shutdown.

Growth in Manufacturing, Pressure on Prices

Manufacturing expanded for five consecutive months through May 2026, reaching its highest reading in four years. New orders also grew for the fifth straight month, suggesting that demand is holding up alongside production. Cost pressures remain a concern, driven by elevated energy costs and tariff-related price pressures.



Source: Bloomberg, retrieved on June 3, 2026

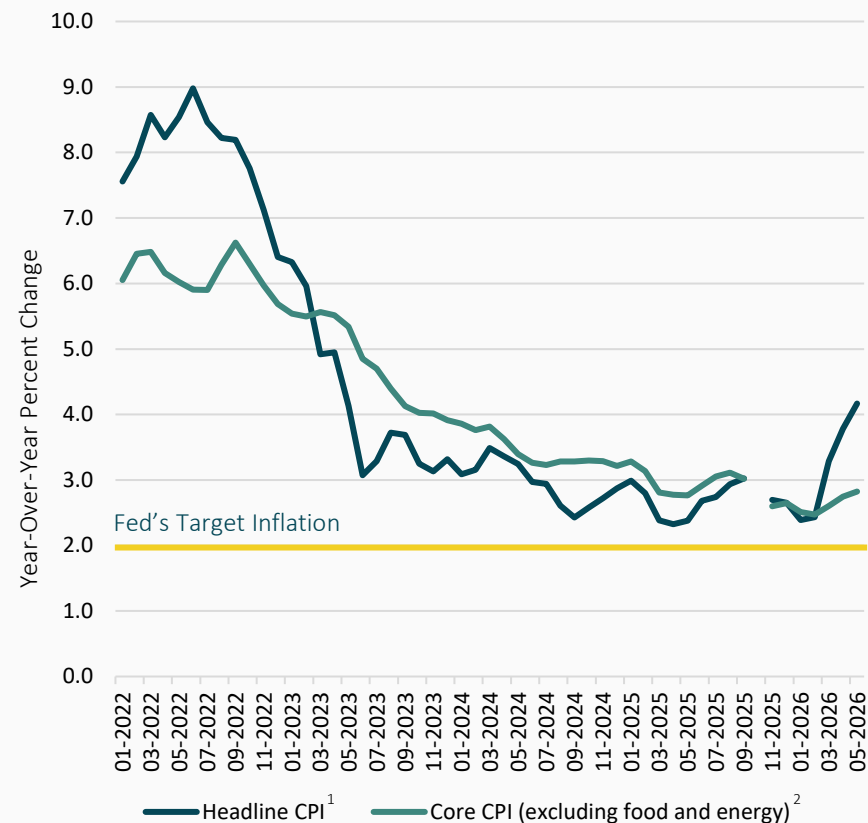
The ISM Manufacturing Index, or Purchasing Managers' Index (PMI), is a monthly economic indicator tracking the U.S. manufacturing sector's health via surveys of purchasing managers.

Disinflation Progress Interrupted

Inflation had moved steadily lower from its mid-2022 peak and was approaching the Fed's 2% target by early 2026. That progress was interrupted by a renewed energy price shock tied to the Middle East conflict, which pushed headline inflation higher and increased the risk of a spillover into core prices.

With inflation still above target and energy prices elevated, the Fed's path has become more complicated, pushing back expectations for potential rate cuts.

The Long Path Back to the Fed's 2% Target



Data for October 2025 is unavailable due to the federal government shutdown.

¹U.S. Bureau of Labor Statistics via FRED®, Consumer Price Index for All Urban Consumers: All Items Less Food and Energy in U.S. City Average [CPILFESL], retrieved June 10, 2026.

²U.S. Bureau of Labor Statistics via FRED®, Consumer Price Index for All Urban Consumers: All Items in U.S. City Average [CPIAUCSL], retrieved June 10, 2026.

The Consumer Price Index (CPI) is a key economic indicator that measures the average change over time in the prices consumers pay for a representative "basket" of goods and services, such as food, housing, transportation, and healthcare. It is the primary gauge of inflation, indicating whether the cost of living is rising or falling.

From Surplus to Shock

Oil markets were well-supplied at the start of the year. That changed in March when U.S. and Israeli military strikes against Iran disrupted shipping through the Strait of Hormuz, a critical route for roughly one-fifth of the world's oil supply. A ceasefire reached in early April provided some relief, though the Strait has yet to fully reopen and the situation remains unresolved.

January 2, 2026

~\$62/barrel

Oil prices stable

Mid-March 2026

~\$101/barrel

Strikes on Iran cause a surge in oil prices

Early April 2026

~\$138/barrel

Strait of Hormuz closes

June 1, 2026

~\$98/barrel

Prices start to ease as ceasefire talks continue

Source: U.S. Energy Information Administration via FRED®, U.S. Energy Information Administration, Crude Oil Prices: Brent - Europe [DCOILBRETEU], retrieved on June 3, 2026.

Markets Have Navigated This Before

Uncertainty isn't new. Markets have absorbed crises, policy shifts, and geopolitical shocks over the decades — and have historically recovered.

Cumulative Total Return for the S&P 500 Index (log scale)



Source: Bloomberg, retrieved March 18, 2026

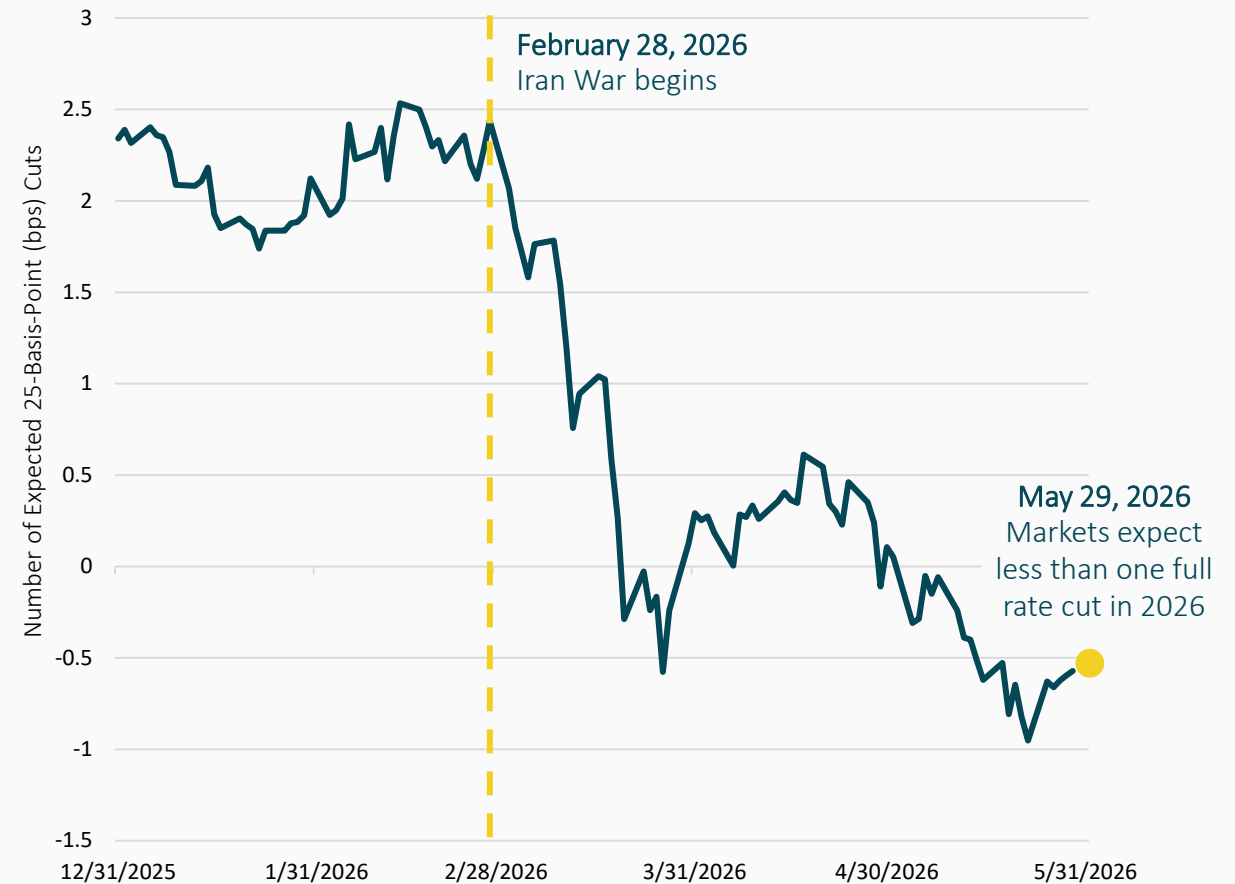
Past performance is no guarantee of future results. The Standard & Poor's 500 Index is a broad-based measure of U.S. stock market performance and includes 500 widely held common stocks. Returns include reinvested dividends. Indices are unmanaged, and investors cannot invest directly in an index. Unless otherwise noted, the performance of indices does not account for any fees, commissions, or other expenses that would be incurred.

The Rate Cut Timeline Moves Out

Markets entered 2026 expecting two or three rate cuts this year. Rising energy prices and stubborn inflation have pushed that timeline back. The Fed held rates steady at the January and March meetings, and investors have scaled back their expectations for the number of rate cuts this year.

Source: Bloomberg, retrieved June 3, 2026

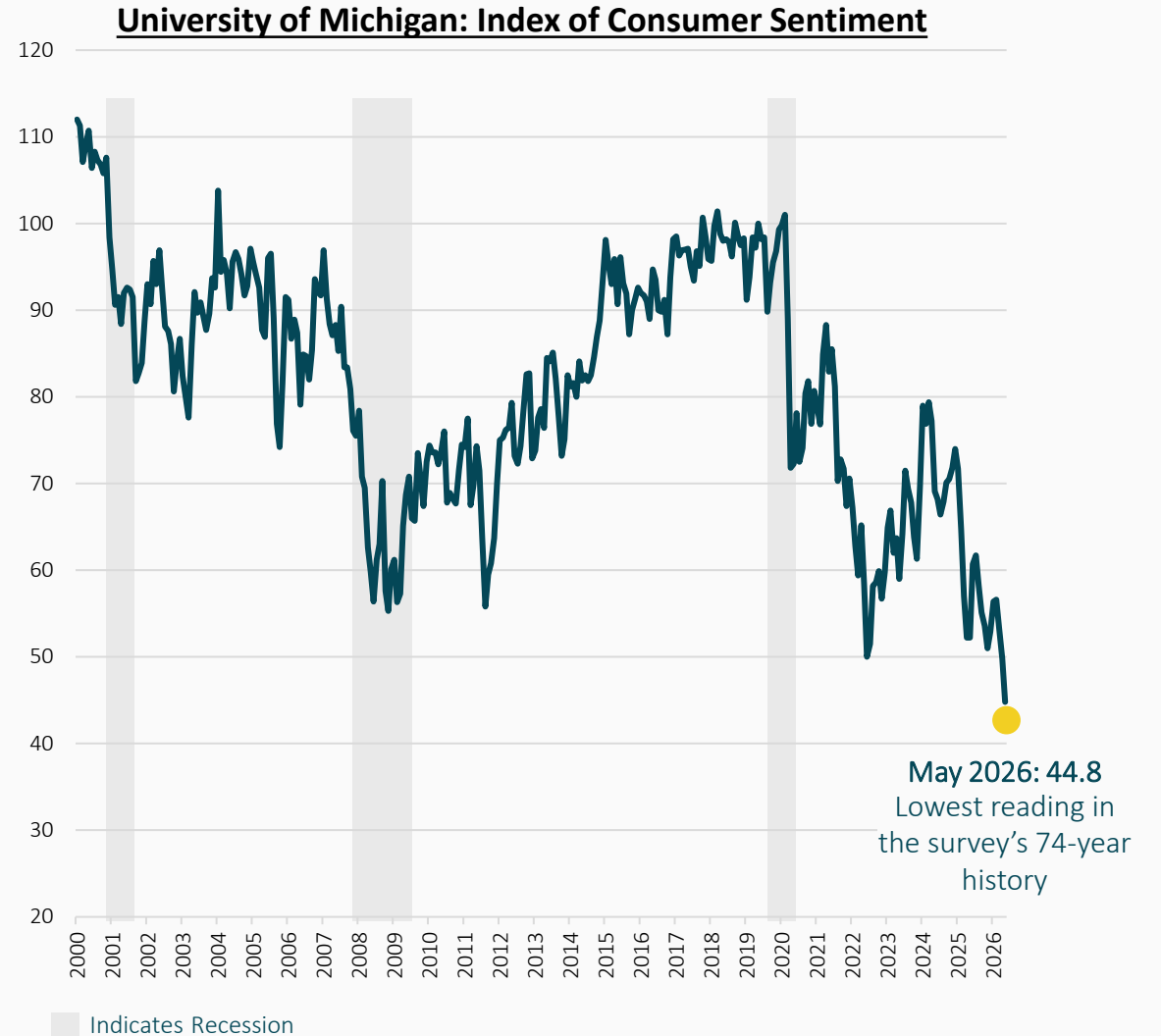
Waiting on the Fed: Rate Cut Expectations



Confidence at a Historic Low

Consumer confidence has declined in 2026, reaching a historic low amid higher gas prices and economic uncertainty. With consumer spending accounting for roughly two-thirds of U.S. economic activity, how households feel is an important indicator of overall economic conditions.

Source: University of Michigan, Survey Research Center, Surveys of Consumers, retrieved June 12, 2026.



Our Investment Outlook

Here are some factors driving our investment team's outlook:

Constructive Signals

- Growth slowing, but still expanding
- Labor market remains resilient, supporting income and consumption
- Corporate earnings generally resilient, though dispersion is increasing
- All-in fixed income yields remain attractive
- Credit fundamentals remain stable, especially in higher-quality issuers
- Secular themes — AI, infrastructure, energy security — support select equity sectors

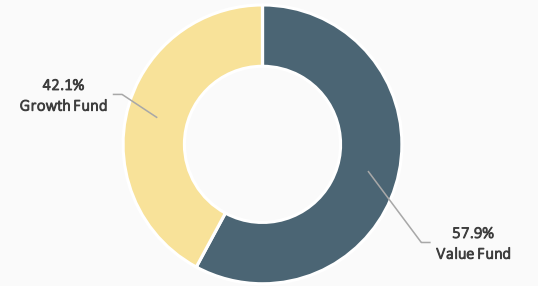
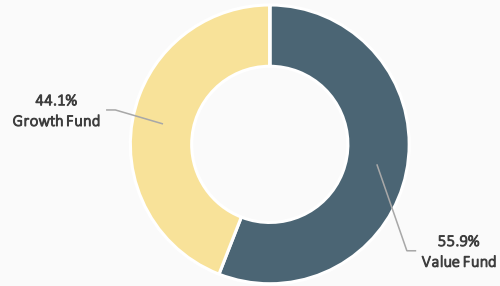
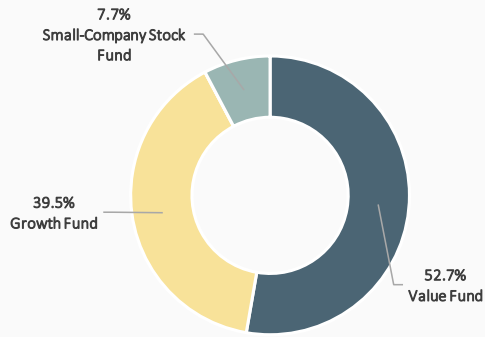
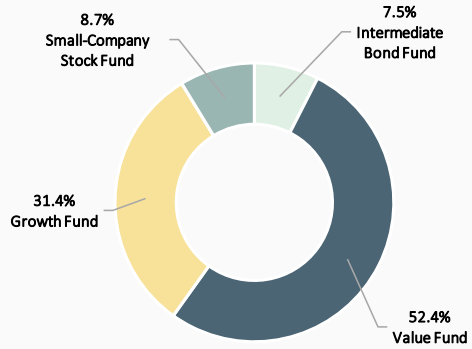
Potential Risks

- Inflation re-acceleration risk from elevated oil and sticky services prices
- New Fed leadership adds uncertainty around the policy reaction function
- Higher-for-longer rates could pressure equity multiples and duration-sensitive assets
- Long-term yields remain volatile due to deficits, supply, and term-premium pressure
- Consumer fatigue may build as borrowing, energy, and living costs remain elevated
- Elevated equity valuations and tight credit spreads leave less cushion for disappointment

Homestead Funds Account Review



Corporate Account Summary



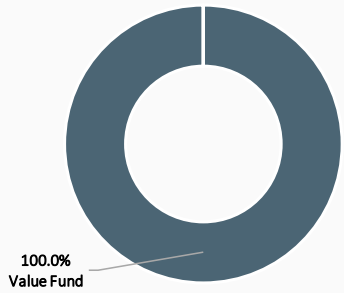
Fund	12/31/2024
Daily Income Fund	\$ -
Short-Term Government Securities Fund	\$ -
Short-Term Bond Fund	\$ -
Intermediate Bond Fund	\$ 4,283,009.58
Stock Index Fund	\$ -
Value Fund	\$ 29,901,908.26
Growth Fund	\$ 17,915,910.38
International Equity Fund	\$ -
Small-Company Stock Fund	\$ 4,981,439.04
	<u>\$ 57,082,267.26</u>

Fund	6/30/2025
Daily Income Fund	\$ -
Short-Term Government Securities Fund	\$ -
Short-Term Bond Fund	\$ -
Intermediate Bond Fund	\$ -
Stock Index Fund	\$ -
Value Fund	\$ 31,846,908.76
Growth Fund	\$ 23,875,592.77
International Equity Fund	\$ -
Small-Company Stock Fund	\$ 4,671,550.04
	<u>\$ 60,394,051.57</u>

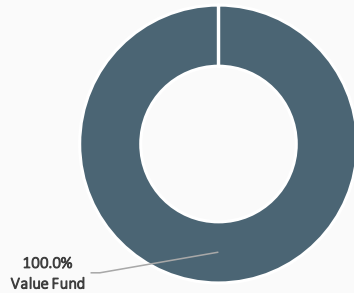
Fund	12/31/2025
Daily Income Fund	\$ -
Short-Term Government Securities Fund	\$ -
Short-Term Bond Fund	\$ -
Intermediate Bond Fund	\$ -
Stock Index Fund	\$ -
Value Fund	\$ 36,080,297.85
Growth Fund	\$ 28,421,052.86
International Equity Fund	\$ -
Small-Company Stock Fund	\$ -
	<u>\$ 64,501,350.71</u>

Fund	6/15/2026
Daily Income Fund	\$ -
Short-Term Government Securities Fund	\$ -
Short-Term Bond Fund	\$ -
Intermediate Bond Fund	\$ -
Stock Index Fund	\$ -
Value Fund	\$ 39,847,636.14
Growth Fund	\$ 28,998,901.99
International Equity Fund	\$ -
Small-Company Stock Fund	\$ -
	<u>\$ 68,846,538.13</u>

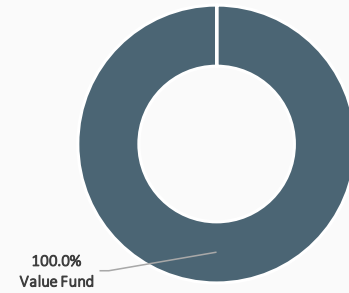
FAS-106 Account Summary



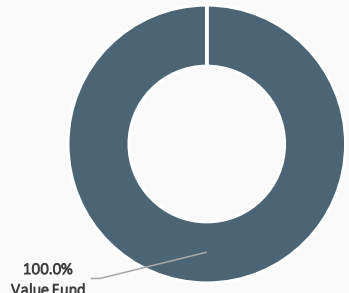
Fund	12/31/2024
Daily Income Fund	\$ -
Short-Term Government Securities Fund	\$ -
Short-Term Bond Fund	\$ -
Intermediate Bond Fund	\$ -
Stock Index Fund	\$ -
Value Fund	\$ 25,818,747.62
Growth Fund	\$ -
International Equity Fund	\$ -
Small-Company Stock Fund	\$ -
	<u>\$ 25,818,747.62</u>



Fund	06/30/2025
Daily Income Fund	\$ -
Short-Term Government Securities Fund	\$ -
Short-Term Bond Fund	\$ -
Intermediate Bond Fund	\$ -
Stock Index Fund	\$ -
Value Fund	\$ 26,167,046.70
Growth Fund	\$ -
International Equity Fund	\$ -
Small-Company Stock Fund	\$ -
	<u>\$ 26,167,046.70</u>



Fund	12/31/2025
Daily Income Fund	\$ -
Short-Term Government Securities Fund	\$ -
Short-Term Bond Fund	\$ -
Intermediate Bond Fund	\$ -
Stock Index Fund	\$ -
Value Fund	\$ 26,380,443.42
Growth Fund	\$ -
International Equity Fund	\$ -
Small-Company Stock Fund	\$ -
	<u>\$ 26,380,443.42</u>



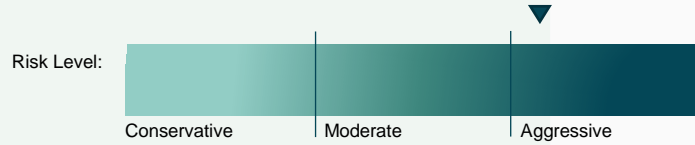
Fund	06/15/2026
Daily Income Fund	\$ -
Short-Term Government Securities Fund	\$ -
Short-Term Bond Fund	\$ -
Intermediate Bond Fund	\$ -
Stock Index Fund	\$ -
Value Fund	\$ 27,665,842.66
Growth Fund	\$ -
International Equity Fund	\$ -
Small-Company Stock Fund	\$ -
	<u>\$ 27,665,842.66</u>

Fund Profiles



Value Fund

Investment Objective: The Value Fund seeks long-term growth of capital and income for the long-term investor. Current income is a secondary objective.



Inception Date	November 19, 1990
Morningstar Category	Large Value
Ticker Symbol	HOVLX
Fee Structure	No Load
Expense Ratio	Gross 0.61% (Net 0.61%) (12/31/2025)

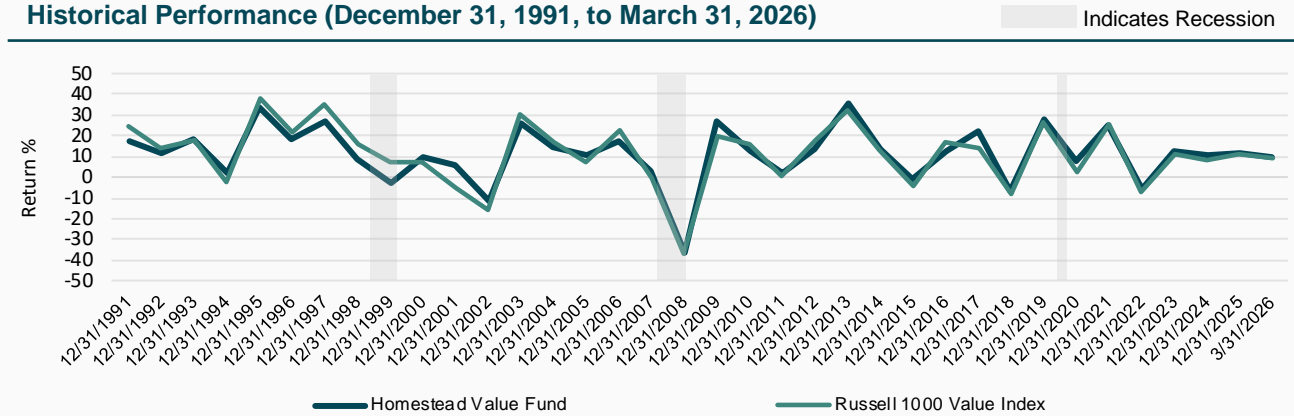
The Russell 1000 Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. Indices are unmanaged, and investors cannot invest directly in an index. Unless otherwise noted, performances of indices do not account for any fees, commissions or other expenses that would be incurred. Returns include reinvested dividends.

The expense ratio shows the percentage of fund assets deducted annually to cover operating costs. Fund expense ratios shown here do not include acquired fund fees and expenses. The gross expense ratio is the total annual operating expenses of a fund expressed as a percentage of average net assets, before any fee waivers or expense reimbursements. The net expense ratio is the expense ratio minus the portion of expenses waived or reimbursed. If applicable, these additional costs are disclosed in the prospectus.

Total Returns (as of March 31, 2026)

	Aggregate YTD	Aggregate Quarter	AVERAGE ANNUAL				Since Fund's Inception
			1 Year	3 Year	5 Year	10 Year	
Value Fund	1.29%	1.29%	14.67%	14.86%	9.95%	11.99%	10.46%
Russell 1000 Value Index	2.10%	2.10%	15.87%	14.31%	9.43%	10.58%	10.42%
Fund Return Above/Below Index	-0.81%	-0.81%	-1.20%	0.55%	0.52%	1.41%	0.04%

Historical Performance (December 31, 1991, to March 31, 2026)



The total returns shown above represent past performance, which does not guarantee future results. Investment return and principal value of an investment will fluctuate. An investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than the performance data quoted. For performance data current to the most recent month-end, call 800.258.3030 or visit homesteadadvisers.com. Fund total returns include changes in principal value and reinvested dividends, income and capital gain distributions.

The standard definition of a recession, as defined by the National Bureau of Economic Research (NBER), is two consecutive quarters of declining economic growth.

Growth Fund

Investment Objective: The Growth Fund is a stock fund that seeks to provide long-term capital appreciation through investments in common stocks of growth companies.



Inception Date	January 22, 2001
Morningstar Category	Large Growth
Ticker Symbol	HNASX
Fee Structure	No Load
Expense Ratio	Gross 0.79% (Net 0.79%) (12/31/2025)

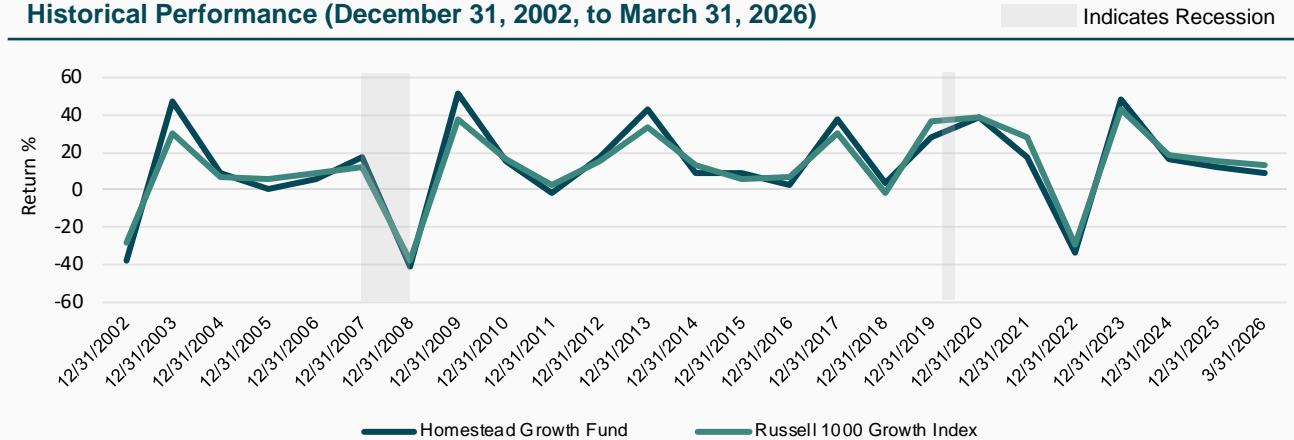
The Russell 1000 Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. Indices are unmanaged, and investors cannot invest directly in an index. Unless otherwise noted, performances of indices do not account for any fees, commissions or other expenses that would be incurred. Returns include reinvested dividends. Performance information for the Growth Fund (formerly the Nasdaq-100 Index Tracking Stock Fund) reflects its previous investment strategy of matching, as closely as possible, before expenses, the performance of the Nasdaq-100 Index.

The expense ratio shows the percentage of fund assets deducted annually to cover operating costs. Fund expense ratios shown here do not include acquired fund fees and expenses. The gross expense ratio is the total annual operating expenses of a fund expressed as a percentage of average net assets, before any fee waivers or expense reimbursements. The net expense ratio is the expense ratio minus the portion of expenses waived or reimbursed. If applicable, these additional costs are disclosed in the prospectus.

Total Returns (as of March 31, 2026)

	Aggregate YTD	Aggregate Quarter	AVERAGE ANNUAL				
			1 Year	3 Year	5 Year	10 Year	Since Fund's Inception
Growth Fund	-11.99%	-11.99%	11.77%	20.27%	8.85%	15.82%	7.04%
Russell 1000 Growth Index	-9.78%	-9.78%	18.81%	21.18%	12.76%	16.83%	8.85%
Fund Return Above/Below Index	-2.21%	-2.21%	-7.04%	-0.91%	-3.91%	-1.01%	-1.81%

Historical Performance (December 31, 2002, to March 31, 2026)



The total returns shown above represent past performance, which does not guarantee future results. Investment return and principal value of an investment will fluctuate. An investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than the performance data quoted. For performance data current to the most recent month-end, call 800.258.3030 or visit homesteadadvisers.com. Fund total returns include changes in principal value and reinvested dividends, income and capital gain distributions.

The standard definition of a recession, as defined by the National Bureau of Economic Research (NBER), is two consecutive quarters of declining economic growth.

Questions





Let's Work Together

Mark Santero

President and CEO

703.907.6030

mark.santero@homesteadfunds.com

Check the background of this investment professional on [FINRA BrokerCheck](#).

**If you would like more information,
send us an email or give us a call.**

Definitions

Active Share: A measure of the percentage of stock holdings in a manager's portfolio that differs from the benchmark index.

Alpha Generation: Is any security that, when added to an existing portfolio of assets, generates excess returns or returns higher than a pre-selected benchmark without additional risk.

Basis points (BPS): a common unit of measure for interest rates and other percentages in finance. One basis point is equal to 1/100th of 1%, or 0.01%, or 0.0001, and is used to denote the percentage change in a financial instrument.

Core Personal Consumption Expenditures Price Index (PCEPI): Measures price changes for household goods and services, excluding food and energy.

Dividend Yield: A financial ratio that shows how much a company pays out in dividends each year relative to its stock price.

Earnings Per Share (EPS): A company's profit divided by the outstanding shares of its common stock.

Federal Funds Rate: The target interest rate set by the Fed at which commercial banks borrow and lend their excess reserves to each other overnight.

Price to Book: Companies use the price-to-book ratio to compare a firm's market to book value by dividing price per share by book value per share.

Price to Cash Flow: A ratio used to compare a company's market value to its cash flow. It is calculated by dividing the company's market cap by the company's operating cash flow in the most recent fiscal year; or, equivalently, divide the per-share stock price by the per-share operating cash flow.

Price to Earnings: The ratio of a company's stock price to the company's earnings per share. The ratio is used in valuing companies.

Long Term Debt to Capital: Ratio that shows the financial leverage of the firm. This ratio is calculated by dividing the long-term debt with the total capital available of a company.

Personal Consumption Expenditures (PCEs): A measure of imputed household expenditures defined for a period of time.

Personal Consumption Expenditures Price Index (PCEPI): Measures price changes for household goods and services.

Return on Equity: A measure of the profitability of a business in relation to the equity, also known as net assets or assets minus liabilities.

Index Definitions

The **ICE BofA 1–5 Year U.S. Treasury Index** measures the performance of short-term U.S. Treasury securities.

The **ICE BofA 1–5 Year Corp./Gov. Index** measures the performance of U.S. government and investment-grade corporate debt.

The **Bloomberg U.S. Aggregate Index** is a broad-based flagship benchmark that measures the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market.

The **Bloomberg Intermediate U.S. Government/Credit Index** is a broad-based flagship benchmark that measures the non-securitized component of the U.S. Aggregate Index with less than 10 years to maturity.

The **MSCI EAFE Index** represents the performance of large- and mid-cap securities across 21 developed markets, including countries in Europe, Australasia and the Far East, excluding the U.S. and Canada. The **MSCI Emerging Markets Index** represents the performance of large- and mid-cap securities in emerging market countries, including China, South Korea, Taiwan, India and Brazil.

The **Russell 3000 Index** measures the performance of the largest 3,000 U.S. companies based on total market capitalization.

The **Russell 2000 Index** is a subset of the Russell 3000 Index and measures the performance of the 2,000 largest companies in the Russell 3000 Index.

The **Russell 1000 Growth Index** measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

The **Russell 1000 Value Index** measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

The **Standard & Poor's 500 Index** is a broad-based measure of U.S. stock market performance and includes 500 widely held common stocks.

Indices are unmanaged, and investors cannot invest directly in an index. Index performance does not account for any fees, commissions or other expenses that would be incurred. Index performance reflects the reinvestment of dividends, except for the MSCI indexes, which exclude dividends from performance calculations.

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The preceding document is designed to be presented in its entirety to the intended audience. Please do not distribute without permission. This material represents an assessment of the market and economic environment at a specific point in time and is not intended to be a forecast of future events, or a guarantee of future results. Forward-looking statements are subject to certain risks and uncertainties. Actual results, performance or achievements may differ materially from those expressed or implied. Information is based on data gathered from what we believe are reliable sources. It is not guaranteed as to accuracy, does not purport to be complete and is not intended to be used as a primary basis for investment decisions. It should also not be construed as advice meeting the particular investment needs of any investor.

All advisory services are provided by Homestead Advisers Corp., a wholly owned subsidiary of Homestead Financial Services Corp.

Past performance does not guarantee future results. Investing in any mutual fund, including Homestead Funds, involves risk, including the possible loss of principal. *An investment in a mutual fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.*

Homestead Funds, Inc. and Homestead Funds Trust (collectively, "Homestead Funds") are registered investment companies under the Investment Company Act of 1940, as amended.

Before investing in any Homestead Fund, you should carefully consider the Fund's investment objectives, risks, charges and expenses before investing. The prospectus contains this and other information about each of the Homestead Funds and should be read carefully before investing. To obtain a prospectus, call 800.258.3030 or visit homesteadadvisers.com.

As a money market fund, the Daily Income Fund has limited potential for income production. You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not a bank account and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor is not required to reimburse the Fund for losses, and you should not expect that the sponsor will provide financial support to the Fund at any time, including during periods of market stress.

Debt securities are subject to various risks, including, among others, interest rate risk, credit risk, extension risk, income risk, issuer risk and market risk. The value of U.S. government securities can decrease due to, among other reasons, changes in interest rates or changes to the financial condition or credit rating of the U.S. government. Investments in asset-backed and mortgage-backed securities are also subject to prepayment risk as well as increased susceptibility to adverse economic developments. High-yield, lower-rated securities involve greater risk than higher-rated securities.

Equity securities generally have greater price volatility than fixed-income securities. The market price of equity securities may go up or down, sometimes rapidly or unpredictably. Equity securities may decline in value due to a number of factors including those relating to the issuer or equity securities markets generally, among others.

Growth and value stocks are subject to the risk, among others, that returns on stocks within these style categories will trail returns of stocks representing another style or the market overall over any period of time and each style category may shift in and out of favor with investors generally, sometimes rapidly, depending on changes in market, economic, and other factors. Growth stocks can be volatile. These companies typically invest a higher portion of their earnings in their businesses and therefore may not offer the level of dividends provided by a number of value stocks, which may have the potential to cushion stock prices in a falling market. Also, earnings disappointments can lead to sharply falling prices because investors frequently buy growth stocks in anticipation of superior earnings growth. Investments in value securities may be subject to risks that (1) the issuer's potential business prospects will not be realized; (2) their potential values will not be recognized by the market; and (3) they will not perform as anticipated.

(1 of 2)

The Stock Index Fund pursues its objective by investing substantially all of its assets in another pooled investment vehicle (“Master Fund”). The Master Fund’s investment objective is to match, as closely as possible, the performance of Standard & Poor’s 500 Stock Index. Accordingly, the ability of the Stock Index Fund to meet its investment objective is directly related to the ability of the master fund to meet its investment objective. Index funds may hold securities of companies that present risks that an investment adviser actively managing individual securities might otherwise seek to avoid and also are subject to tracking error risk.

As a general matter, securities of small and medium-sized companies tend to be riskier than those of larger companies. Compared to large companies, small and medium-sized companies may face greater business risks because, among other factors, they may lack the management depth or experience, financial resources, product diversification or competitive strengths of larger companies, and they may be more adversely affected by prevailing economic conditions. There also may be less publicly available information about smaller companies than larger companies. In addition, these companies may have been recently organized and may have little or no operational or performance track record. Diversification does not ensure a profit or protect against loss. It is a method used to help manage investment risk.

Foreign securities are subject to political, regulatory, and economic risks not generally present in domestic investments and may experience more extreme changes in value than securities of U.S. companies. Investing in emerging and frontier markets may be subject to greater political and economic instability, less developed securities markets, and different and enhanced risks from those in more developed markets. will not perform as anticipated.

The preceding document does not constitute an offer to sell, or a solicitation of an offer to buy, shares of any Homestead Fund or any other security. Offers are made only by means of a prospectus, statement of additional information, or other offering materials, which should be read carefully before investing.

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Minutes

Annual Meeting—May 16, 2026

Regular Board Meeting—May 28, 2026

Legal Report

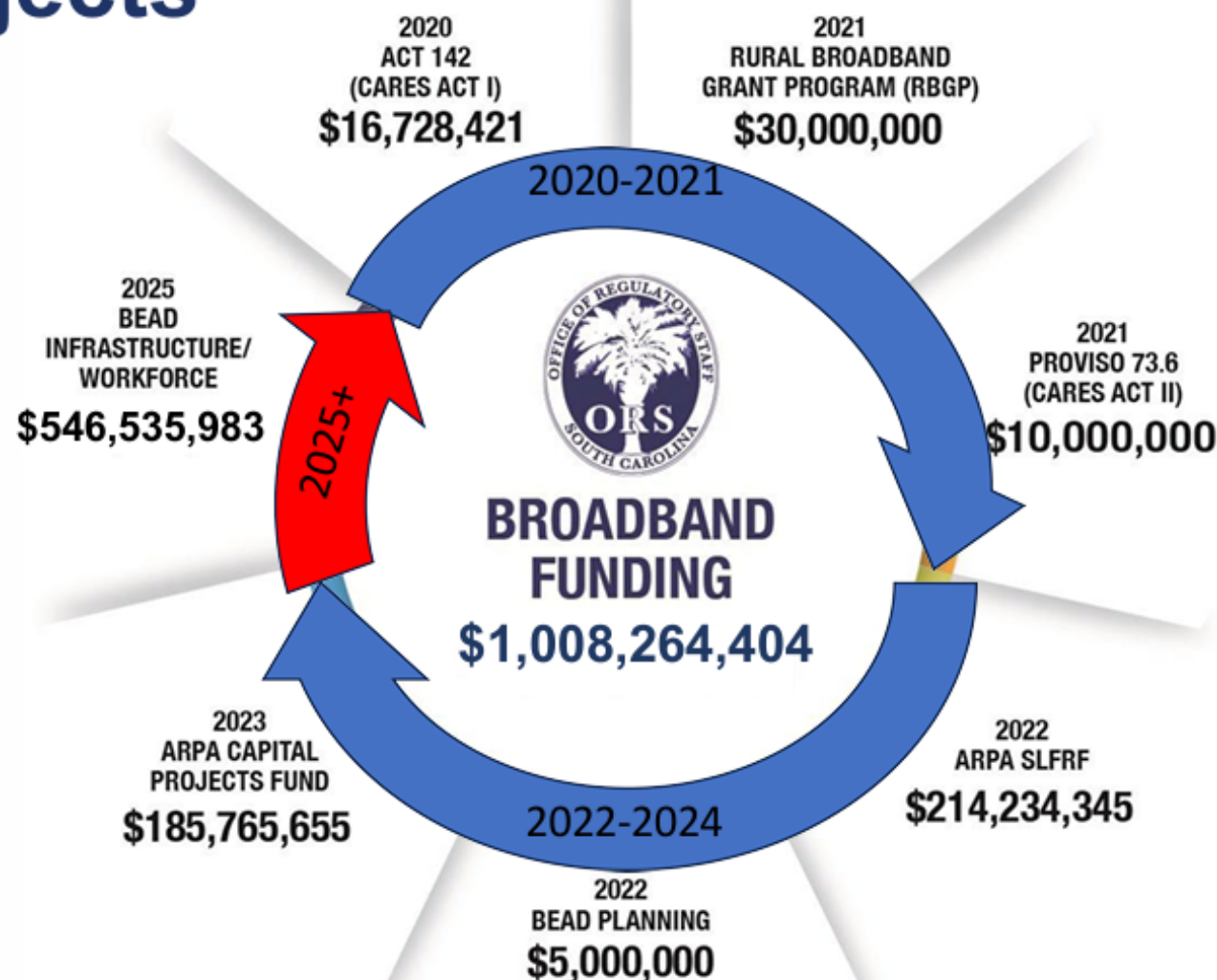
Report: ECSC Summer Conference

Report: Broadband Cooperatives Board

Meeting

SCBBO Infrastructure Projects

- ✓ Office created July 2021
- ✓ 2021-22 Budget Proviso Ratified by SC General Assembly Sections 73.6-73.7
- ✓ Administering Broadband Deployment Grants
 - ✓ Established Broadband Advisory Council (BBAC)
 - ✓ Map/Model statewide broadband availability annually
 - ✓ Evaluate grant applications, issue grant awards
 - ✓ Provide management and oversight of funded projects
 - ✓ Eligible Applicants are Internet Service Providers (ISPs)
 - ✓ Financial match is required by the ISP
 - ✓ Prioritize Fiber to the Premise (FTTP)
 - ✓ ~2-year build for ARPA projects



<https://ors.sc.gov/broadband>

BEAD South Carolina (April 2026)

	Broadband Serviceable Locations
Residential	15,133
Business	3,661
Community Anchor Institutions	231
Total	19,025

< 1% Statewide

Report: CEEUS and Line Equipment
Board Meeting

Report: ECSC Board Meeting

AIKEN ELECTRIC COOPERATIVE, INC.

STATISTICAL DATA

5/31/2026

Electric Sales

CLASS	NO. CONS.	KWH	KWH CHANGE	% CHANGE	KWH PER CONS.	REVENUE	CENTS PER KWH
RESIDENTIAL	52,130	49,994,877	3,725,253	8.05%	959	\$ 10,205,783	\$ 0.204
IRRIGATION	195	1,075,948	197,579	22.49%	5,518	\$ 193,001	\$ 0.179
SMALL COMM.	3,221	12,167,185	767,049	6.73%	3,777	\$ 2,016,289	\$ 0.166
LARGE COMM.	16	20,552,584	1,196,514	6.18%	1,284,537	\$ 1,895,419	\$ 0.092
PUBLIC ST/HWY LTG.	33	28,140	(513)	-1.79%	853	\$ 6,758	\$ 0.240
TOTAL - 2026	55,595	83,818,734	5,885,882	7.55%	1,508	\$ 14,317,250	\$ 0.171
TOTAL - 2025	54,057	77,932,852			1,442	\$ 11,609,676	\$ 0.149

YEAR-TO-DATE

RESIDENTIAL	259,705	271,650,068	3,150,030	1.17%	1,046	\$ 52,274,619	\$ 0.192
IRRIGATION	965	2,816,191	846,009	42.94%	2,918	\$ 567,777	\$ 0.202
SMALL COMM.	16,043	55,285,198	2,823,891	5.38%	3,446	\$ 9,023,437	\$ 0.163
LARGE COMM.	80	97,613,324	7,678,114	8.54%	1,220,167	\$ 8,811,124	\$ 0.090
PUBLIC ST/HWY LTG.	165	142,956	(1,183)	-0.82%	866	\$ 33,745	\$ 0.236
TOTAL - 2026	276,958	427,507,737	14,496,861	3.51%	1,544	\$ 70,710,702	\$ 0.165
TOTAL - 2025	269,098	413,010,876			1,535	\$ 61,516,160	\$ 0.149

AIKEN ELECTRIC COOPERATIVE, INC.
STATISTICAL DATA
5/31/2026

Purchased Power

		KWH	KWH CHANGE	% CHANGE	KW	COST	CENTS PER KWH
MONTH	31-May-26	87,016,954	6,212,175	7.69%	222,239	\$ 8,704,817	\$ 0.100
MONTH	31-May-25	80,804,779			216,681	\$ 7,165,880	\$ 0.089
YEAR-TO- DATE	2026	443,823,607	13,237,962	3.07%	1,196,331	\$ 44,760,738	\$ 0.101
YEAR-TO- DATE	2025	430,585,645			1,133,611	\$ 39,155,124	\$ 0.091

Weather Data

	NORMAL		CURRENT MONTH		PREVIOUS YEAR	
	31-May-26	Y-T-D	31-May-26	Y-T-D	31-May-25	Y-T-D
DD-HEATING	18	1,480	19	1,335	2	1,393
DD-COOLING	239	348	252	512	254	448

Aiken Electric Cooperative
Statement of Income
May 31, 2026

	May Actual	May Budget	YTD Actual	YTD Budget
Operating Revenue and Patronage Capital	14,386,125	14,357,396	71,945,032	72,749,086
Fiber Lease Revenue	548,685	548,685	2,743,424	2,743,425
Under Recovery of Revenue- 2025	(370,148)	-	(1,429,299)	-
Cost of Purchased Power	8,704,817	9,123,563	44,742,042	47,627,435
Distribution Expenses-Taxes	684,434	684,916	3,432,460	3,450,580
Distribution Expense-Operations	426,751	383,223	2,213,978	1,918,695
Distribution Expense-Maintenance	482,611	947,042	5,764,931	4,644,380
Consumer Account Expense	315,667	290,710	1,922,272	1,803,850
Customer Service and Informational Expense	3,466	2,000	16,652	12,400
Sales Expense	56,155	69,216	448,221	552,930
Administrative and General Expense	765,139	896,608	3,987,897	3,889,166
Total Operation & Maintenance Expense	11,439,039	12,397,278	62,528,452	63,899,436

Aiken Electric Cooperative

Statement of Income

May 31, 2026

Depreciation and Amortization Expense	1,412,404	1,468,336	7,019,611	7,268,718
Interest on Long-Term Debt	1,571,969	1,537,250	7,637,175	7,416,887
Other Deductions	1,597	3,156	(243,481)	15,780
Total Cost of Electric Service	14,425,010	15,406,020	76,941,756	78,600,821
Patronage Capital & Operating Margins	139,652	(499,939)	(3,682,599)	(3,108,310)
Non-Operating Margins & Income From Equity Invest.	9,077	10,500	58,548	52,500
Income (Loss) From AEConnect	(182,850)	(151,897)	(924,692)	(847,811)
Non-Operating Margins - Other	381	381	1,903	1,905
Other Capital Credits and Patronage Dividends	-	-	1,433,164	1,030,000
Patronage Capital or Margins	(33,740)	(640,955)	(3,113,676)	(2,871,716)

Budget to Actual of Operating Expenses

May 2026

	Budget	Actual	Over (Under)	% from Budget	Explanation
Distribution Expenses - Taxes	684,916	684,434	(482)	-0.07%	
Distribution Expenses - Operations	383,223	426,751	43,528	11.36%	OH & UG Line Expenses - Outages
Distribution Expenses - Maintenance	947,042	482,611	(464,431)	-49.04%	Maint of Fiber.
Consumer Account Expense	290,710	315,667	24,957	8.58%	
Customer Service & Info Expense	2,000	3,466	1,466	73.30%	
Sales Expense	69,216	56,155	(13,061)	-18.87%	Water Heater Program
Administrative & General Expenses	896,608	765,139	(131,469)	-14.66%	Annual Meeting Under Budget - Timing
Total Operating Expenses	3,273,715	2,734,223	(539,492)	-16.48%	

Aiken Electric Cooperative
Pro Forma
Annual Projection - 5 Month Actual and 7 Months Projected

	Projected 2026	Budget 2026	Difference
Operating Revenue and Patronage Capital	196,995,646	194,256,612	2,739,034
Fiber Lease Revenue	6,584,220	6,584,220	-
Under Recovery of Revenue		3,100,000	(3,100,000)
Cost of Purchased Power	126,779,717	129,129,412	(2,349,695)
Distribution Expenses-Taxes	8,307,318	8,273,492	33,826
Distribution Expense-Operations	5,327,805	4,706,122	621,683
Distribution Expense-Maintenance	12,989,266	11,218,714	1,770,552
Consumer Account Expense	4,234,792	4,116,370	118,422
Customer Service and Informational Expense	33,253	29,000	4,253
Sales Expense	1,053,490	1,158,200	(104,710)
Administrative and General Expense	8,837,401	8,676,161	161,240
Total Operation & Maintenance Expense	167,563,042	167,307,471	255,571
			-
Depreciation and Amortization Expense	17,112,261	17,802,369	(690,108)
Interest on Long-Term Debt	16,890,599	16,625,393	265,206
Interest Expense - Other	1,600,544	1,645,458	(44,914)
Other Deductions	(221,389)	37,872	(259,261)
Total Cost of Electric Service	202,945,057	203,418,563	(473,506)
			-
Patronage Capital & Operating Margins	634,809	522,269	112,540
			-
Non-Operating Margins & Income From Equity Invest.	4,136,620	4,130,572	6,048
Income (Loss) From AEConnect	(1,560,795)	(1,483,914)	(76,881)
Generation and Transmission Capital Credits	358,898	350,000	8,898
Other Capital Credits and Patronage Dividends	2,004,766	1,610,500	394,266
			-
Patronage Capital or Margins	5,574,298	5,129,427	444,871

Aiken Electric Cooperative
Comparative Balance Sheet
May 31, 2026

Assets	May	2025
Total Utility Plant in Service-Electric	427,823,016	416,740,543
Total Utility Plant in Service-Fiber	151,748,616	146,662,903
Construction Work in Progress	45,573,601	50,025,906
Construction Work in Progress-Fiber	17,048,736	20,735,569
Total Utility Plant	642,193,969	634,164,921
Accum. Prov. Depreciation & Amortization	128,324,911	125,467,204
Net Utility	513,869,058	508,697,716
Invest. in Subsidiary Companies	(10,785,274)	(9,860,583)
Invest. in Assoc. Org. Patronage Capital	17,785,436	17,308,493
Invest. in Assoc. Org. Other Non-gen Funds	2,958,660	2,237,594
DirecTV Investment	64,501,351	64,501,351
Other Investment	1,216,403	1,347,880
Total Other Property & Investments	75,676,576	75,534,735

**Aiken Electric Cooperative
Comparative Balance Sheet
May 31, 2026**

	May	2025
Cash - General Funds	2,194,378	1,168,170
Temporary Investments	-	-
Accounts Receivable - Sales of Energy (Net)	23,972,309	18,985,211
Materials & Supplies - Electric and other	10,178,047	11,955,767
Prepayments	1,225,967	845,524
Other Current & Accrued Assets	10,400	15,600
Total Current & Accrued Assets	37,581,102	32,970,273
Other Deferred Debits	30,297,078	25,312,601
Under Recovery of Revenue- 2025	2,820,701	4,250,000
Total Assets & Other Debits	660,244,514	646,765,326

Aiken Electric Cooperative
Comparative Balance Sheet
May 31, 2026

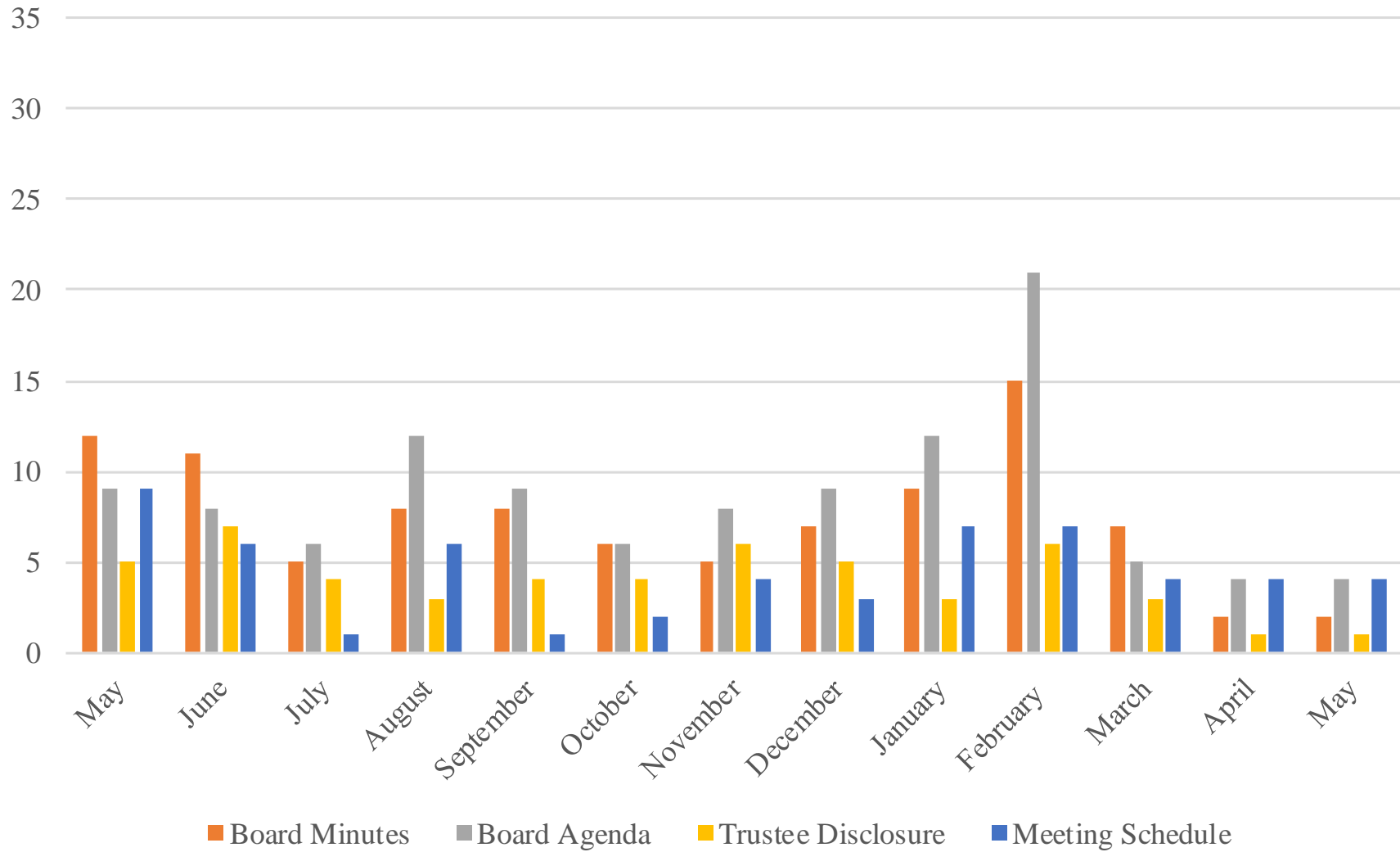
Liabilities and Other Credits

	May	2025
Memberships	418,343	413,873
Patronage Capital	71,592,308	71,679,336
Current Year Margins	(3,113,676)	8,833,538
Equity & Non-Operating Margins	74,111,956	62,019,876
Total Margins & Equities	143,008,931	142,946,623
Long-Term Debt - RUS (Net)	85,298,108	75,342,258
Long-Term Debt - FFB (Net)	144,582,799	143,688,746
Long-Term Debt - CoBank	149,355,212	152,098,200
Long-Term Debt - CFC	17,526,031	17,649,787
Long-Term Debt - RUS - Econ. Devel. (Net)	225,000	262,037
Total Long Term Debt	396,987,150	389,041,027

Aiken Electric Cooperative
Comparative Balance Sheet
May 31, 2026

	May	2025
Obligations Under Capital Leases	4,394,620	4,416,363
Accumulated Operating Provisions	1,216,403	2,457,359
Total Other Noncurrent Liabilities	5,611,023	6,873,722
Notes Payable	84,287,086	79,220,165
Accounts Payable	13,696,272	20,678,366
Consumer Deposits	4,929,633	4,694,403
Current Maturities- Capital Leases	1,363,472	435,716
Other Current & Accrued Liabilities	7,819,776	2,875,303
Total Current & Accrued Liabilities	112,096,239	107,903,954
Other Deferred Credits	2,541,170	-
Total Liabilities & Other Credits	660,244,514	646,765,326
Equity Ratio	21.66%	22.10%

Website Hits



**AIKEN ELECTRIC COOPERATIVE, INC
HOMESTEAD INVESTMENTS
5/31/2026**

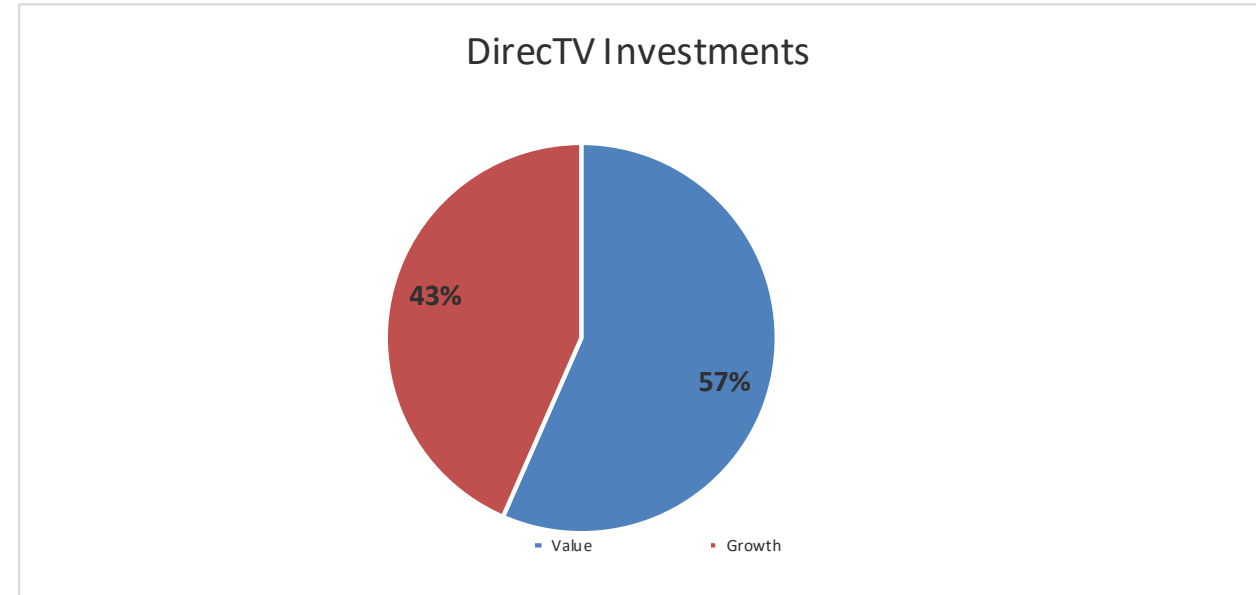
DIRECTV INVESTMENTS

AMOUNT INVESTED \$ 13,521,609.65

DATE	FUND	VALUE
5/31/2026	Value	\$ 38,910,929.52
5/31/2026	Growth	\$ 29,880,882.23
5/31/2026	TOTAL PORTFOLIO VALUE	<u>\$ 68,791,811.75</u>

FAS106 TRUST - POST RETIREMENT BENEFITS

DATE	FUND	VALUE
5/31/2026	Value	\$ 28,450,085.94
5/31/2026	TOTAL PORTFOLIO VALUE	<u>\$ 28,450,085.94</u>



Homestead Fund Performance as of 5/31/26

	AGGREGATE YTD	1 YR	3 YR	5 YR	10 YR	SINCE FUND'S INCEPTION
Value Fund	7.85%	21.86%	17.91%	9.66%	12.31%	10.60%
Growth Fund	5.14%	21.01%	24.30%	11.56%	17.57%	7.75%

Healthcare Costs

Month of May:	\$ 265,752
Year-to-date:	\$ 1,433,441
Trending for the year:	\$ 3.4 million

CEO Comments

NRECA Regions Meeting

Dates: October 14 – 16, 2026

Location: Orlando, FL

FEMA - Obligated

Project	Pending Approval	Obligated	Paid as of 6/22/26
1066073-100% CS Debris Removal	\$ 8,553,958.06		
814184- 75% CS Debris Removal			\$ 69,490.00
814649- 100% CS Emergency Repairs Mutual Aid		\$ 214,994.52	\$ 5,884,422.52
814670- 100% CS Emergency Repairs- Contractors	\$ 26,833,829.90		
814682- 75% CS Contract Restoration Material			\$ 16,784.98
814688- 100% CS Emergency Response			\$ 921,827.82
814691- 100% CS Contract Restoration Material			\$ 7,244,057.26
814697- 100% CS Logistical Services (Storm Services)			\$ 5,084,487.27
951459- 100% CS Cut & Toss Contractors		\$ 2,935,724.01	
953674- 100% CS Emergency Repairs Force Account			\$ 2,202,501.67
953838- Transformer Cleanup			\$ 869,305.07
959306- 500 kVA OH Step-up/down transformers			\$ 63,517.23
	\$ 35,387,787.96	\$ 3,150,718.53	\$ 22,356,393.82

CFC Planning

Dates: December 3 – 4, 2026

FAS 106

FINANCIAL INFORMATION

Certain Balance Sheet Items

A. Accumulated Postretirement Benefit Obligation as of 05/31/2026	
1. Retirees and dependents	\$ (7,418,347)
2. Fully eligible active participants	(1,205,346)
3. Non-fully eligible active participants	(2,721,372)
4. Total, sum of the above	<u>\$ (11,345,065)</u>
B. Market Value of Plan Assets as of 05/31/2026	\$ 28,450,086
C. Funded Status as of 05/31/2026, (A4) + (B)	\$ 17,105,021