

Office of the State Treasurer

At a Glance

SHAWN T. WOODEN, State Treasurer

Darrell V. Hill, Deputy State Treasurer

Established – 1638

Statutory authority – State Constitution

Central office – 165 Capitol Avenue – 2nd Floor, Hartford, CT 06106

Number of full-time employees at June 30, 2021 – 122

Assets managed as of June 30, 2021

Pension Plans and Trust Funds: \$ 44,037,687,265

Short-Term Investment Fund: \$ 9,980,155,953

Other Short-Term Investments: \$ 7,684,612,842

Fiduciary assets as of June 30, 2021

Connecticut Higher Education Trust: \$ 5,221,601,607

ABLE CT: \$ 610,477

Recurring operating expenses

General Fund: \$ 3,016,144

Bond Funds: \$ 120,424,192

Pension Plans and Trust Funds: \$ 172,829,878

Second Injury Fund: \$ 7,574,926

Unclaimed Property Fund: \$ 6,571,651

Short-Term Investment Fund: \$ 2,103,408

Total abandoned property receipts: \$ 150,651,391

Amount returned to owners: \$ 33,281,007

Organizational structure – Executive Office; Cash Management Division; Debt Management Division; Management Services Division; Pension Funds Management Division; Second Injury Fund Division; and Unclaimed Property Division.

Mission

To serve as the premier Treasurer’s Office in the nation through effective financial management of public resources, high standards of professionalism and integrity, and expansion of opportunity for the residents and businesses of Connecticut.

Statutory Authority

The Office of the Treasurer was established following the adoption of the Fundamental Orders of Connecticut in 1638. As described in Article Four, Section 22 of the Connecticut State

Constitution, the Treasurer shall receive all funds belonging to the State and disburse the same only as may be directed by law. Chapter 32 of the Connecticut General Statutes requires the Treasurer to manage the State's cash transactions, issue and manage the State's debt, act as principal fiduciary for six State pension and nine State trust funds, administer the Second Injury Fund, and safeguard assets escheated to the State and return such assets to the rightful owners.

Connecticut General Statutes outline that the State Treasurer serves as a member, ex-officio member, or can designate a representative, on several State boards and commissions. The Treasurer serves on the following boards, commissions and legislatively-mandated committees: Banking Commission, State Bond Commission, Connecticut Airport Authority, Connecticut Data Analysis Technology Advisory Board, Connecticut Green Bank, Connecticut Health and Educational Facilities Authority, Connecticut Higher Education Supplemental Loan Authority, Connecticut Higher Education Trust Advisory Committee, Connecticut Housing Finance Authority, Connecticut Innovations, Connecticut Lottery Corporation, Connecticut Port Authority, Connecticut Retirement Security Authority, Family and Medical Leave Insurance Authority, Finance Advisory Committee, Investment Advisory Council, Municipal Accountability Review Board, Nitrogen Credit Advisory Board, Standardization Committee, State Employees' Retirement Commission, Connecticut Student Loan Foundation and Teachers' Retirement Board, Governor's Council on Women and Girls. Newly established during Fiscal Year 2021 (FY2021), are the Community Investment Fund 2030 Board and Social Equity Council.

Treasurer Wooden - Brief Biography

Treasurer Shawn T. Wooden was sworn in as Connecticut's 83rd State Treasurer on January 9, 2019. He previously spent 21-years as an investment attorney focused on public pension plans. Treasurer Wooden is the Sole Trustee of the \$44 billion Connecticut Retirement Plans and Trust Funds, administers a \$27 billion debt management program, manages over \$242 billion in annual cash transactions and has a seat on 25 quasi-governmental authorities, boards and commissions. He serves as Senior Vice President of the bi-partisan National Association of State Treasurers. Treasurer Wooden was born and raised in Hartford, graduated from Trinity College and worked in key roles for the Mayor of Hartford and the state Commissioner of Social Services. He's the former president of the Hartford City Council, Connecticut Director of Project Vote and served on the Connecticut Citizen's Ethics Advisory Board, which has oversight responsibility for the Connecticut Office of State Ethics. Treasurer Wooden holds a J.D. from the New York University School of Law and worked in the AFL-CIO's Office of Investment in Washington, D.C. He has been recognized as a Connecticut Super Lawyer for Securities and Corporate Finance, Business/Corporate. Pensions and Investments Magazine named him one of the "25 Investment Professionals to Watch" and Savoy Magazine identified him as one of the most influential black lawyers in the country. He is the father of two teenage sons.

Public Service

The Treasurer is the chief elected financial officer of the State. The Office of the Treasurer includes an Executive Office and six divisions, each with specific responsibilities: Cash Management, Debt Management, Management Services, Pension Funds Management, the

Second Injury Fund, and Unclaimed Property. The Treasurer is responsible for the safe custody of the property and money belonging to the State by receiving all money, making disbursements as directed by statute, and managing, borrowing, and investing funds. The Treasurer is the principal fiduciary of each of the Connecticut Retirement Plans and Trust Funds (CRPTF) and, as such, is responsible for prudently investing the State's pension and trust fund assets. The Cash Management Division also manages the Short-Term Investment Fund, which serves as an investment vehicle for the operating cash of the State Treasury, state agencies and authorities, municipalities, and other political subdivisions of the State. As the public finance arm of state government, the Treasury is responsible for issuing and managing the State's debt in a vigilant and cost-effective manner.

The Executive Office is responsible for overall policy, planning, and general administration to enhance the financial integrity and soundness of Treasury operations within each division, providing direction and leadership in carrying out Treasury functions and fostering the economic well-being of the State and its residents and businesses within the confines of fiduciary standards. The Executive Office also administers the Treasury's corporate governance program, which was developed in accordance with its fiduciary duty to protect and grow the value of the State's pension and trust fund investments; promotes, in accordance with state law, environmental, social, and governance best practices among the companies in which it invests and with its financial service providers; and serves as a catalyst and advocate for the financial fitness of residents across the State. Other specific activities include legislative affairs, public information and community outreach, legal services, compliance, and financial reporting. The Treasurer is Trustee of the Connecticut Higher Education Trust, the state's 529 college savings program and the Achieving a Better Life Experience savings program. The Executive Office provides overall supervision of these savings program as managed by financial service providers.

Notable Achievements

Since entering office in January of 2019, Treasurer Wooden has made improving Connecticut's credit standing one of his top priorities, along with paying down long-term unfunded pension liabilities.

In both May and December of 2020, the major credit rating agencies affirmed the State of Connecticut's General Obligation credit ratings and stable outlooks, sending a strong signal that the State was headed in the right fiscal direction.

In the reports, the credit rating agencies cited that Connecticut's sizable Budget Reserve Fund (BRF) was seen as a stabilizing factor and indicated that the State was prepared to successfully manage its financial affairs through the economic downturn caused by the COVID-19 pandemic. Treasurer Wooden consistently advocated protecting the BRF from being used for other purposes. He prioritized growing the BRF, giving the State greater liquidity, and the ability to maintain a strong cash position. As a result, in FY2020, the BRF grew to an historic high and exceeded the statutory limit of 15%. In October of 2020, following the release of the State's financial statements for FY2020, this allowed Treasurer Wooden to contribute the excess BRF amount of \$61.6 million to the State Employees' Retirement Fund. This was the first time in history that the growth of the State's BRF allowed the State to responsibly pay down long-term unfunded pension liabilities.

In the second half of FY2021, Connecticut's consistent fiscal discipline and strong cash position, paved the way for it to achieve its first credit rating upgrade in over two decades. Starting in March and concluding in May, Connecticut's General Obligation (GO) bonds received credit rating upgrades by all four of the major credit rating agencies, Moody's Investors Service, S&P Global Ratings, Fitch Ratings, and Kroll Bond Ratings. In addition, Connecticut's Special Tax Obligation (STO) bonds received credit rating upgrades by three major credit rating agencies, Moody's Investors Service, S&P Global Ratings, and Fitch Ratings. This has and will continue to allow the Office of the Treasurer to borrow at even lower interest rates, generating greater demand from investors, and saving taxpayers millions of dollars by reducing future debt service costs.

In April of 2021, following the start of Connecticut's sequence of credit rating upgrades, the Office of the Treasurer completed a successful \$1 billion STO, Transportation Infrastructure bond issuance. The sale achieved an overall interest cost of 2.12%, which was a record low cost for the STO bonding program. It led to \$875 million of new money bonds that will provide \$1.03 billion for transportation projects and included two series of refunding bonds to refinance existing bonds for a total savings of \$32.2 million over the remaining life of the bonds.

While the State's cash position remained strong, and Connecticut continued to make significant improvements in its fiscal standing throughout FY2021, Treasurer Wooden also prioritized rebuilding an inclusive economy that reached all of Connecticut's hard-working families, including those who continue to struggle due to the impacts of the COVID-19 pandemic. In this effort, he championed CT Baby Bonds, a racial equity, anti-generational poverty, economic growth bill that was passed by the Legislature and signed into law by Governor Lamont. The CT Baby Bonds program is the first-of-its-kind and funded through State General Obligation bonds, with \$50 million per year authorized for each of the next 12 fiscal years.

At the end of FY2021, budget estimates indicated that Connecticut was projecting another historically high Budget Reserve Fund balance of nearly \$4.5 billion, exceeding the BRF's 15% limit for the second consecutive year. Treasurer Wooden will - for the second time in history - have the opportunity to contribute the excess amount towards paying down the State's long-term unfunded pension liabilities once the State's financial statements are finalized.

The Office of the Treasurer is committed to remaining diligent and continuing to reduce our debt and strengthen our fiscal standing while rebuilding an inclusive economy that is more prosperous for everyone.

Highlights Fiscal Year 2021

During FY2021, achievements at the Office of the Treasurer that will benefit state residents and businesses included:

Short-Term Investment Fund Outperforms Benchmark—The Short-Term Investment Fund (STIF) earned 0.10 percent in FY2021, while its benchmark returned 0.07 percent. Consequently, STIF investors earned an additional \$5.9 million in interest income. The STIF's

superior performance has earned State and local governments and their taxpayers an additional \$74 million over the last ten years.

Connecticut’s Pension Funds — The CRPTF posted an unaudited net asset value of \$44.0 billion as of June 30, 2021. Accounting for fees and expenses, including \$1.1 billion of benefit payments in excess of total contribution receipts, the value rose by approximately \$8.1 billion during the fiscal year. Connecticut's three largest pension plans; the Teachers' Retirement System, State Employees' Retirement System, and Municipal Employees' Retirement System had assets of \$21.9 billion, \$16.2 billion, and \$3.3 billion, respectively.

Unclaimed Property Division—Added \$98 Million to the General Fund, Returned \$33 Million to Rightful Owners—Unclaimed property receipts totaled \$151 million during FY2021. Of the total, the Office deposited \$98 million into the State’s General Fund and transferred \$12.3 million to the Citizens’ Election Fund. The Office returned \$33 million in unclaimed assets to 6,851 rightful owners.

Second Injury Fund Assessment Rates Remain Unchanged—The Second Injury Fund continues to maintain the assessment rates for Connecticut businesses at the lowest levels in the history of the Second Injury Fund. As a result, Connecticut businesses have realized an estimated \$97 million in savings during FY2021 and \$86 million in projected savings for FY2022

Unfunded Liabilities for Injured Workers Continue to Decline—Unfunded liabilities in the Second Injury Fund for injured workers during FY2021 decreased 20 percent from \$254 million to \$202 million. -The Second Injury Fund’s open claim inventory decreased from 2,402 to 2,375 as of June 30, 2021.

Assets Recovered from Claims and Litigation — During FY2021, the Treasury recovered \$2.9 million in class action lawsuits. The Office has regained \$65.0 million since 2000 by closely monitoring and participating in class action settlements.

Connecticut's College Savings Plan Administration Transitioned to Fidelity Investments—The Connecticut Higher Education Trust ("CHET") transitioned to a new program manager, Fidelity Investments, for both the CHET Direct-sold and CHET Advisor-sold programs during the first quarter of calendar 2021. The CHET program continued its steady growth, surpassing \$5.22 billion in assets under management and more than 174,129 accounts. Since CHET's transition to Fidelity in February 2021, more than \$74.4 million in qualified withdrawals in CHET Direct have been redeemed to cover higher education costs for students attending nearly every public and private college in Connecticut and several out-of-state schools.

College Scholarships Awarded—During FY2021, under the legacy CHET Advance Scholarship program, approximately \$260,000 in scholarships was awarded to 118 students. Since 2013, the Treasury has awarded \$3.8 million in scholarships to 1,542 students through the CHET Advance Scholarship program, at no cost to the State’s general fund.

Financial Reports Receive Excellence Awards—The Government Finance Officers Association (“GFOA”) of the United States and Canada awarded the Treasury *Certificates of*

Achievement for Excellence in Financial Reporting for the annual comprehensive financial reports for the fiscal year that ended June 30, 2020. The Treasury received the GFOA’s annual award each year for its financial reports for STIF. The FY2020 certificate marks the 21st consecutive year of this distinction.

Cash Management Division

Short-Term Investment Fund—For FY2021, the STIF achieved an annual return of 0.10 percent, exceeding its primary benchmark by 0.03 basis points, earning an additional \$15.3 million in interest income for Connecticut’s agencies, authorities, municipalities and their taxpayers during the fiscal year, while also adding \$8.6 million to its required reserves.

At the end of FY2021, the STIF had \$9.9 billion in assets under management. Municipalities had 545 active accounts, an increase of 8 accounts from the prior fiscal year. S&P Global Ratings reaffirmed the STIF’s AAAM rating, the highest rating available.

Community Bank and Credit Union Initiative—Pursuant to Conn. General Statute Section 3-24k, the Treasury continued the Community Bank and Credit Union Initiative to support Connecticut-based banks and credit unions—with assets not exceeding \$1 billion—through investments in their certificates of deposit. During FY2021, a monthly competitive bidding process was held, through which \$46.5 million was invested at an average interest rate of 0.13 percent. Since inception, 13 banks and one credit union have signed up for the initiative with \$625.6 million invested at an average yield of 2.13 percent through June 30, 2021.

Cash Management Operations—The Division works with State agencies to improve the efficiency of the State’s cash management program by accelerating receipts via electronic payments and the internet, streamlining the flow of funds between concentration accounts and individual disbursement accounts to reduce manual processes, increase invested funds, and speed the flow of banking information to State agencies.

Debt Management Division

During FY2021, the Division administered the State’s \$26.7 billion debt portfolio and managed the issuance of \$2.4 billion of new bonds to fund the State’s capital programs, including local school construction, economic development initiatives, municipal aid, transportation infrastructure, and continued improvements at the University of Connecticut. These projects help to bolster the local economy throughout the State. All three of the bonding programs that funded these new projects achieved record low 20-year borrowing costs during the fiscal year based on the State’s improving fiscal condition and favorable market conditions.

The Division also issued a total of \$343.1 million of refunding bonds for the General Obligation; Special Tax Obligation, Transportation Infrastructure Purposes; and University of Connecticut bonding programs that will provide aggregate debt service savings of \$38.1 million over the remaining life of the bonds. In addition, the Division executed two “forward refunding” transactions to lock in additional refunding savings of \$83.9 million. The State also assisted with the redemption of the remaining \$15.8 million Bradley Airport Parking Revenue

bonds and \$45.8 million of State Revolving Fund, Clean Water Fund bonds, utilizing available funds.

Continuing its market leadership, Connecticut sold its first issue of “Social Bonds” that will fund socially beneficial and progressive local school construction programs and updated the bondholder disclosure sections of its Official Statement for the Social Bonds as well as COVID, Climate Change, and Cybersecurity, all areas of increased focus for investors nationwide.

During the year, Connecticut was able to continue to build its fiscal health and manage effectively through the pandemic as compared to other states, which culminated in many credit rating upgrades. All four of the major credit rating agencies upgraded the State’s General Obligation bonds, three of them upgraded the State’s Special Tax Obligation bond program, and two upgraded the University of Connecticut bonds. These were the first credit rating upgrades of the State’s General Obligation bonds in over 20 years and the first time ever that three credit rating agencies all upgraded the State at once.

The Division continued its support in the General Assembly’s consideration of various legislative initiatives including the CT Baby Bonds Trust program and the Community Investment Fund program as well as other miscellaneous proposals related to bonding.

Pension Funds Management Division

The two largest pension funds in the CRPTF, the Teachers' Retirement Fund ("TERF") and the State Employees' Retirement Fund ("SERF"), both generated net investment results of 24.28 percent and 24.36 percent respectively for FY2021. For the longer-term period of 15-years, ending June 30, 2021, both the TERF and the SERF plans generated net investment results of 6.94 percent and 6.89 percent, respectively, in line with the funds' composite benchmark return.

The Investment Advisory Council (IAC) was very active during FY2021, having reviewed 35 investments across the CRPTF. During FY2021, 28 managers were added to the private market asset classes, five (5) managers were added to the public markets asset classes, and one (1) consultant was replaced on our vendor list.

During FY2021, the CRPTF made significant new investment commitments totaling \$5.24 billion. In private markets, the CRPTF committed a total of \$4.14 billion – comprised of \$1.43 billion in private equity, \$1.06 billion in private credit, \$1.15 billion in real estate, and \$500 million in infrastructure and natural resources. In the public markets, the CRPTF invested \$500 million in the equity asset classes and \$630 million in the fixed income asset classes.

The Connecticut Horizon Program, our legacy emerging and diverse manager program, was reimagined and launched in August 2020 as the Connecticut Inclusive Investment Initiative (Ci³). As a result, the CRPTF added three Ci³ Manager-of-Managers to replace the incumbent partners to oversee 22 sub-managers in the public market asset classes. Total assets invested represented \$1 billion in invested capital to emerging and diverse investment managers.

Corporate Governance—The Treasury’s corporate governance activities are guided by the core principle that the exercise of shareholder rights — either through the voting of proxies or the

filing of shareholder resolutions — is central to the fiduciary obligation to enhance shareholder value. The CRPTF’s proxy voting guidelines, as set forth in its Investment Policy Statement, detail the standards governing the manner in which proxies are to be voted on an array of issues — including election of directors, executive compensation, governance best practices, labor standards and other environmental, social, and governance issues. These issues have financial implications for the long-term shareholder value of the CRPTF’s investments, which is why the voting of proxies is considered a plan asset.

During FY2021, the Treasury focused on a number of corporate governance issues, including:

- The CRPTF filed four shareholder resolutions for the 2021 proxy season on issues related to clawback disclosure, oversight of workforce equity issues, and disclosure of climate-related lobbying activities and risks. Agreements were reached with three companies, leading to the withdrawal of the resolutions filed with Chipotle, Valero Energy and Wells Fargo. One resolution, seeking disclosure of clawbacks at Eli Lilly, received the support of 40.8% of shareholders at the Company’s annual general meeting in May 2021.
- The Connecticut Treasury leads the *Northeast Investors’ Diversity Initiative* (NIDI), a regional partnership dedicated to increasing corporate board diversity inclusive of gender, race and ethnicity at companies headquartered in the Northeast. Launched in 2019, the coalition members have engaged roughly two dozen companies, which have resulted in: three companies adding their first woman to the board; six companies adding a second woman to the board; and one company adding its first ethnically diverse director. In addition, many companies amended their corporate governance guidelines and/or nominating guidelines to commit to seeking women and minority candidates.
- As a member of the *Investors for Opioids and Pharmaceutical Accountability* (IOPA), Connecticut joined Rhode Island in filing two exempt solicitation letters with the Securities and Exchange Commission urging shareholders to vote against the executive compensation proposals on the ballots of Cardinal Health and AmerisourceBergen -- two of the “big three” distributors of opioids. Each compensation proposal reflected payouts for certain executives that were significantly above target, despite each company booking opioid-related settlement claims of \$5.6 billion and \$6.6 billion, respectively. These settlements were the largest litigation charges ever booked at either company. There was strong investor sentiment against each of these pay proposals. At the November, 2020 meeting of Cardinal Health, 38% of shareholders voted against the compensation proposal, representing nearly 90 million shares. At the March, 2021 meeting of AmerisourceBergen, 48% of shareholders voted to reject the compensation package.
- The Treasury has been an active participant with the *Human Capital Management Coalition* (HCMC), a group of 26 investors with more than \$3 trillion in combined assets under management advocacy for greater disclosure of labor force metrics. For the 2021 proxy season, HCMC targeted seven companies to engage on workforce equity issues and COVID-related impacts.
- The CRPTF is a member of *Climate Action 100+*, a global, investor-led initiative engaging the world’s largest corporate greenhouse gas emitters to take necessary action on climate change. As part of this work, the CRPTF joined the New York State Common Fund in co-leading an engagement with American Electric Power Company, leading to

the Company's announcement in February 2021 of new goals to achieve an 80% reduction in greenhouse gas emissions by 2030 and reach net zero emissions by 2050.

- In March of 2021, the Treasurer and IAC revised the CRPTF's Domestic Proxy Voting Guidelines to allow for a vote against directors of companies that have failed to align their capital expenditures with their stated goal of achieving net-zero carbon emissions and a pathway consistent with limiting global warming to 1.5 Celsius. In accordance with this provision, the CRPTF's votes were cast against the election/reelection of directors at more than a dozen of its portfolio companies.

International Investment Restrictions—The Treasury is charged with administering two laws that authorize investment restrictions on companies doing business in Sudan and Iran.

Connecticut's Iran law, set forth in Connecticut General Statutes Section 3-13g, authorizes the Treasurer to engage with companies doing business in Iran. As of June 30, 2021, the Treasury prohibited direct investment in thirteen companies: Bongaigaon Refinery & Petrochemicals; Ca La Electricidad de Caracas; Chennai Petroleum Corp.; China Bluechemical; China National Offshore Oil Corporation; China Oilfield Services Ltd.; CNOOC; IBP Co. Ltd.; Indian Oil Corporation Ltd.; Lanka Ioc Plc; Offshore Oil Engineering Co.; Oil India Ltd.; and Petroleos de Venezuela S.A.

The Treasury monitored companies doing business in Sudan pursuant to Connecticut General Statutes Section 3-21e. The Sudan law, adopted in 2006, authorizes the Treasurer to engage companies doing business in Sudan and potentially divest holdings in those companies if their business contributes to the government's perpetuation of genocide in Sudan. On May 19, 2021, the U.S. Department of the Treasury, Office of Foreign Asset Control issued a notification that the U.S. Secretary of State rescinded the designation of Sudan as a State Sponsor of Terrorism. As of June 30, 2021, the Treasury prohibited direct investment in 18 companies: Bharat Heavy Electricals Ltd.; China North Industries Group; China North Industries Corporation a.k.a. NORINCO; NORINCO International Cooperation Ltd.; North Huajin Chemical Industries Co. Ltd.; North Navigation Control Technology Co. Ltd.; China Petroleum and Chemical Corp.; CNPC (Hong Kong); Dongfeng Motor Corporation; Jiangxi Hongdu Aviation Industry Ltd.; Oil and Natural Gas Corp.; Mangalore Refinery and Petrochemicals Ltd.; ONGC Nile Ganga BV, Amsterdam; ONGC Videsh Limited; ONGC Videsh Vankorneft; PetroChina Co. Ltd.; Petronas Capital Ltd.; and Sinopec Shanghai Petrochemical Corp.

Second Injury Fund Division

The Second Injury Fund provided \$23 million in indemnity, medical, and settlement payments to injured workers during FY2021. The number of injured workers receiving bi-weekly benefits (indemnity payments only) decreased from 204 to 193 during the fiscal year.

The Second Injury Fund continues to maintain the assessment rates for insured employers and self-insured employers at the lowest levels in the history of the Second Injury Fund. The rate for insured employers is at 2.25 percent and the rate for self-insured employers at 2.75 percent. The estimated savings to Connecticut businesses for FY2021 is \$96.5 million and the projection for FY2022 is an estimated \$86 million in savings.

As of June 30, 2021, the Second Injury Fund’s open claim inventory was 2,375. The unfunded liabilities of the Second Injury Fund for all open claims as of June 30, 2021 has reduced by 20 percent for the fiscal year from \$254 million to \$202 million.

Unclaimed Property Division

The Division returned \$33 million in unclaimed property to 6,851 rightful owners during FY2021. In addition, the division received \$151 million in unclaimed property—\$114 million in receipts from holders, \$10 million from examination of holder records, and \$27 million from securities sold in accordance with Connecticut General Statutes Section 3-68a (d). Connecticut General Statutes Section 3-69a (2) required the Division to deposit \$12.3 million into the Citizens’ Election Fund and the balance into the General Fund.

During FY2021, 2.3 million searches for abandoned property were performed through the unclaimed property website, 42,905 claims were filed, and the division responded to 21,977 inquires via the telephone. As of June 30, 2021, the Unclaimed Property website contained \$1.15 billion in escheated property for 1.2 million rightful owners.

Connecticut Higher Education Trust (CHET)

The Connecticut Higher Education Trust (CHET) transitioned to a new program manager, Fidelity Investments, for both the CHET Direct-sold and CHET Advisor-sold programs in the first quarter of calendar year 2021. The Office of the Treasurer issued an RFP on January 31, 2020, to find a program manager for the direct-sold and advisor-sold plans. On August 12, 2020, the Treasurer selected Fidelity Investments as the new program manager for the direct-sold and advisor-sold plans. The CHET Direct plan administration formally transitioned to Fidelity on February 8, 2021 and the CHET Advisor plan on March 22, 2021. Fidelity continues to improve the investment lineup, product choices, and user experience for CHET participants.

CHET surpassed \$5.2 billion in assets under management and more than 174,129 accounts in two trust plans: CHET Direct (marketed directly to individuals) and CHET Advisor (available through financial advisors).

The CHET Direct plan managed by Fidelity increased the number of accounts over the previous year from 135,340 on June 30, 2020, to 143,069, and total assets reached \$4.32 billion. The CHET Advisor plan also managed by Fidelity increased the number of accounts from 29,575 to 31,060 with total assets of \$898 million in the previous year.

Achieving A Better Life Experience (“ABLE”) Trust

The Office of the Treasurer issued a Request for Proposal in December 2019 to select a partner to implement the Connecticut Achieving a Better Life Experience Savings (ABLE CT) program. In April 2020, Treasurer Wooden decided to join the National ABLE Alliance, a

consortium of states working together to offer individual ABLE programs to persons with disabilities in their respective states.

The Office of the Treasurer launched ABLE CT on October 15, 2020. ABLE CT allows individuals living with a disability or their legal guardian the opportunity to save for qualified disability expenses using a federally tax-advantaged savings plan. Ascensus, LLC is the program manager of ABLE CT. As of June 30, 2021, the ABLE CT program has \$610,477 in net assets across 110 accounts.

Information Reported as Required by State Statute

Affirmative Action—The Office of the Treasurer’s annual affirmative action program, submitted in compliance with Connecticut General Statutes Section 46a-78 of the to the State Commission on Human Rights and Opportunities, was approved by the Commission. The Treasury pledges to make every good-faith effort to achieve all objectives, goals, and timetables in its affirmative action plan. Contracts, leases, and purchase orders of the Treasury contain clauses requiring non-discrimination, and vendors are required to certify the same. The Office of the Treasurer, under the leadership of Treasurer Wooden, has met its annual Set-Aside Program goals.