

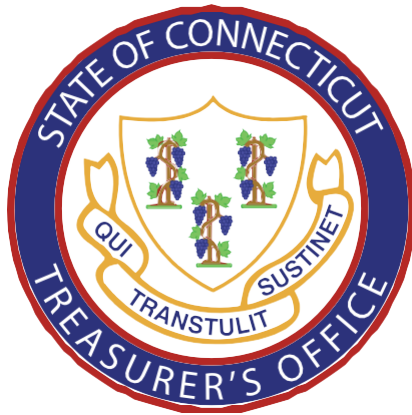


# STATE OF CONNECTICUT

2021 ANNUAL REPORT OF THE TREASURER

The Office of  
Treasurer Shawn T. Wooden





The State Motto,  
“Qui Transtulit Sustinet”  
(He Who Transplanted Still Sustains)

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# Introduction

## MISSION STATEMENT

The Connecticut State Treasurer's Office's mission is to perform in the highest professional and ethical manner to safeguard the state's public resources. Our office policy, investment, and borrowing decisions encourage greater financial literacy, education, job and economic growth, and equal opportunity for all who call Connecticut home, a place to do business, and invest

### Duties of the Office of the Treasurer

The duties and authority of the Office of the Treasurer are set out in Article Four, Section 22 of the Connecticut State Constitution and in Title 3 of the Connecticut General Statutes. In general, the Treasurer is responsible for the safe custody of the property and money belonging to the State.

The Treasurer receives all money belonging to the State, makes disbursements as directed by statute, and manages, borrows, and invests all funds for the State.

The Treasurer, as chief elected financial officer for the State, oversees the prudent preservation and management of State funds, including the investment of a \$44.6 billion portfolio of pension and trust fund net assets, \$17.8 billion in total state and local short-term investments (including EIP portfolio), and \$5.2 billion of assets in the Connecticut Higher Education Trust as well as management of a \$26.7 billion State debt portfolio. The Treasurer maintains an accurate account of all funds through sophisticated security measures and procedures.

### Boards, Committees, and Commissions

Connecticut state statutes provide 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 Trust Fund, Finance Advisory Committee, Investment Advisory Council, Municipal Accountability Review Board, Nitrogen Credit Advisory Board, Standardization Committee, State Employees' Retirement Commission, Community Investment Fund 2030, Social Equity Council, Teachers' Retirement Board and Governor's Council on Women and Girls. Additional information on the responsibilities of each is provided on Supplemental pages.

### Office of the Treasurer Organization

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, 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 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 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 economic well-being of the State and its citizens 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. The Executive Office provides overall supervision of this savings

program as managed by financial service providers.

## A Record of Accomplishments

During FY21 achievements by the Office of the Treasurer that will benefit state residents and businesses included:

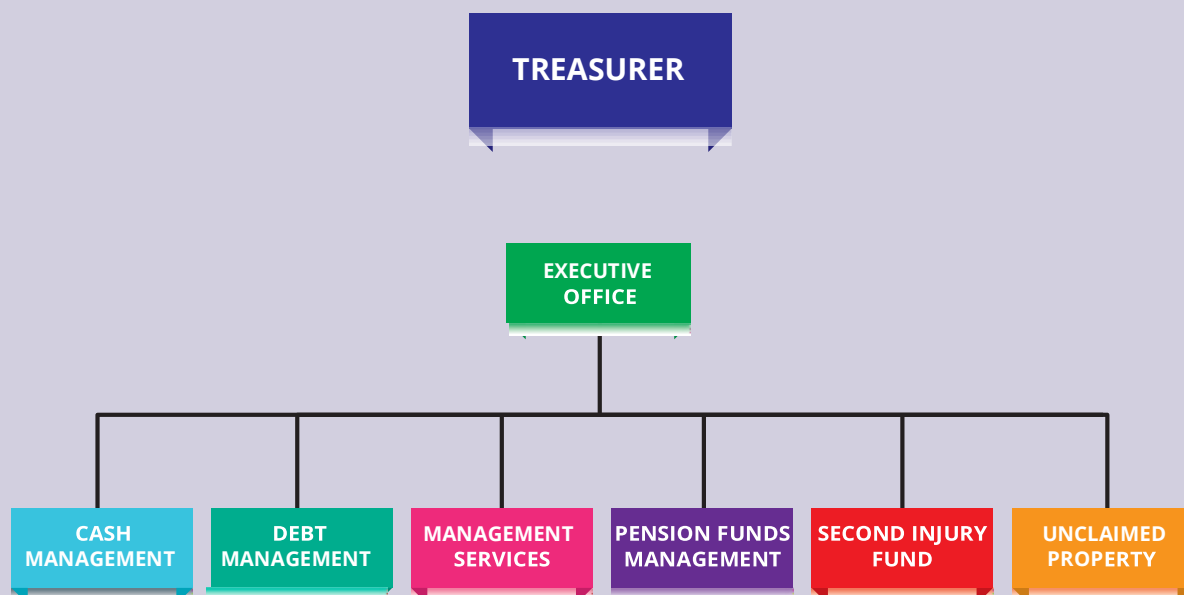
### Short-Term Investment Fund Outperforms Benchmark

— The Short-Term Investment Fund ("STIF") earned 0.10 percent in FY 21, while its benchmark returned 0.04 percent. Consequently, STIF investors earned an additional \$5.0 million in interest income. The Fund's superior performance has earned the State and local governments and their taxpayers an additional \$74 million over the last ten years.

### Connecticut's Funds Hit All-Time High in Market Value

— The CRPTF posted a net asset value of \$44.6 billion as of June 30, 2021, an all-time fiscal year-end record. Accounting for fees and expenses, including \$1 billion of benefit payments in excess of total contribution receipts, the value increased by approximately \$8.5 billion during the fiscal year. Connecticut's three largest pension plans; Teachers' Retirement System, State Employees' Retirement System and Municipal Employees' Retirement System had assets of \$22.2 billion, \$16.3 billion, and \$3.3 billion respectively.

## Office of the Treasurer Organization



## Unclaimed Property Division Added \$98 Million to General Fund, Returned \$33 Million to Rightful Owners

— Unclaimed property receipts totaled \$151 million during FY21, a 25% increase over the prior year. Of the total, the Office deposited \$98 million into the State's General Fund representing approximately three times as much as the year before. In addition, \$12.3 million was transferred to the Citizens' Election Fund. During the Covid 19 pandemic, The Office returned \$33 million in unclaimed assets to 6,851 rightful owners.

## Second Injury Fund Assessment Rates Remain Unchanged

— continues to maintain the assessment rates for Connecticut businesses at the lowest levels in the history of the Fund. As a result, Connecticut businesses have realized an estimated \$5.8 million in savings during FY21 and

\$5.1 million in projected savings for FY22.

## Unfunded Liabilities for Injured Workers Continue to Decline

— Unfunded liabilities in the Second Injury Fund for injured workers during FY21 decreased 20 percent from \$254 million to \$202 million. The Fund's open claim inventory decreased from 2,402 to 2,375 as of June 30, 2021.

## Assets Recovered from Claims and Litigation

— During FY 21, the Treasury recovered \$2.9 million in class action lawsuits. The Office has regained \$65 million since 2000 by closely monitoring and participating in class action settlements.

## Historic Credit Rating Upgrades, Record Setting Bond Sales, Inaugural Social Bond Issue, and Refunding Savings

— The State General Obligation Bonds earned four credit rating upgrades this year, the first in 20 years and the first time ever that three credit rating upgrades occurred at once. The Treasurer completed several bond sales totaling \$2.8 billion, many of which achieved record lower borrowing costs and/or record level of retail orders. Connecticut sold its first issue of "Social Bonds" to fund the State's socially progressive local school construction program and attract new investors. In addition, Treasurer Wooden refunded bonds during the year, saving taxpayers \$122 million over the life of the bonds including two "forward refunding" bond sales closing in the next fiscal year.

## Connecticut's College Savings Plan surpassed \$5.22 Billion in Assets

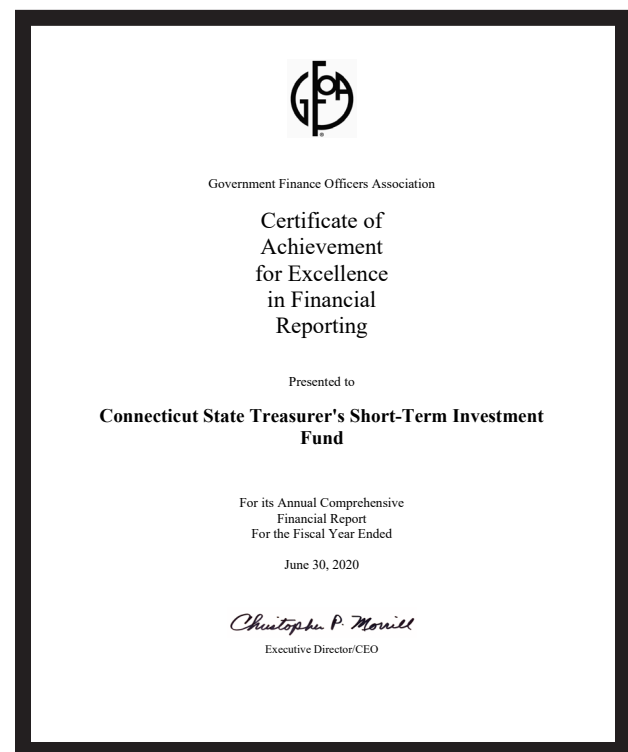
— The Connecticut Higher Education Trust ("CHET") converted to a new program manager, Fidelity Investments, for both the CHET Direct-sold and CHET Advisor-sold programs in Q1-2021. The CHET program continued its steady growth, surpassing \$5.22 billion in assets under management and more than 174,129 accounts. Since CHET's conversion in February 2021, more than \$74.4 million in qualified withdrawals

in CHET Direct have been redeemed to cover college costs for students attending nearly every public and private college in Connecticut and several out-of-state schools.

**College Scholarships Awarded** — During FY 2021, under the legacy CHET Advance Scholarship program, approximately \$260,000 in scholarships was awarded to 118 students. 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.

**ABLE CT Launched** — The Office of the Treasurer launched the Achieving A Better Life Experience ("ABLE") program branded as ABLE CT on October 15, 2020. ABLE CT allows individuals living with a disability or their legal guardian the opportunity to open an account and save for qualified disability expenses using a federally tax-advantaged savings plan. The Connecticut ABLE Program is sponsored via the National ABLE Alliance, a consortium of states working together to offer individual ABLE programs to the member states. As of June 30, 2021, the ABLE CT program has \$610,477 in net assets across 110 accounts.

**Financial Report Receive Excellence Award** — 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 report 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 FY20 certificate marks the 21st consecutive year of this distinction.



# A RECORD OF ACCOMPLISHMENTS

## Connecticut's Funds Hit All-Time High in Market Value

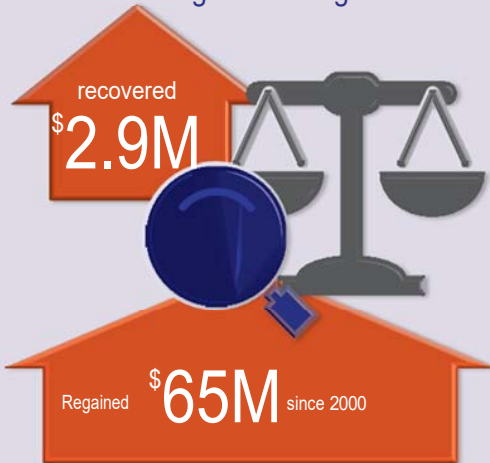
Total Assets Managed  
(as of June 30, 2021)

**\$67.6B**

CRPTF Net Asset Value  
(as of June 30, 2021)

**\$44.6B**

### Assets Recovered from Claims and Litigation During FY21



### Unclaimed Property Division Added \$98 Million to General Fund



### Connecticut's Higher Education Trust (CHET) Surpasses \$5.22 Billion in Assets

Total assets managed  
**\$5.22B**

Qualified withdrawals  
**\$1.76B**

Student's College costs covered  
**\$91.7M**

### Short-Term Investment Fund Outperforms Benchmark



STIF earnings in FY21

**0.10%**

STIF investors earned

**\$17.8M**

State, local governments and taxpayers earned an additional \$74 million

### Treasury Sets Record GO Bond Sale in FY21





SHAWN T. WOODEN  
TREASURER

**State of Connecticut**  
Office of the Treasurer

DARRELL V. HILL  
DEPUTY TREASURER

December 30, 2021

The Honorable Ned L. Lamont  
Governor  
State of Connecticut  
210 Capitol Avenue  
Hartford, Connecticut 06106

Dear Governor Lamont:

In accordance with Section 3-37 of the Connecticut General Statutes, it is an honor to submit this Annual Report for the fiscal year ended June 30, 2021. Thus, this report will include the measures our office has taken over the past year to help navigate the COVID-19 pandemic while making progress towards further enhancing our fiscal stability, including paying down our unfunded pension liabilities, achieving historic credit rating upgrades, and completing record-breaking bond sales. My office's top priorities continue to be focused on being a strong fiscal steward for our state and offering a path to a strong and sustainable economic recovery for everyone.

Beginning with our cash position, the State's efforts to protect our Budget Reserve Fund (BRF) from being used for other purposes has been critical to the stability of Connecticut's fiscal health throughout this pandemic. Preserving and growing it has given us greater liquidity and financial flexibility, which has allowed us to consistently maintain a strong cash position. As you know, following fiscal year 2020, the BRF grew to a historical high and exceeded the 15% of General Fund expenditures threshold. Since the amount exceeded the 15% threshold, by statute, in October of 2020, I was happy to join you as we announced that the excess amount of \$61.6 million would be transferred into the State Employees' Retirement Fund (SERF) to responsibly pay down our unfunded pension liabilities. Subsequently, following the close of fiscal year 2021, the State experienced another historically high BRF with an estimated \$480.9 million General Fund budget surplus. As a result, for the second year in a row, and only the second time in history, Connecticut had the opportunity to transfer the very sizable amount of \$1.6 billion towards continuing to responsibly pay down our unfunded pension liabilities. In accordance with the options available in Connecticut statutes, in September, I announced that I would direct \$903.6 million of the excess to be deposited into the Teachers' Retirement Fund and the estimated remaining \$720 million to be deposited into the SERF. Lastly, in October, I was pleased to learn that following the close of fiscal year 2021, Pew Charitable Trusts ranked Connecticut in having the second largest Budget Reserve Fund increase in the nation. These achievements continue to send a clear signal to residents across the state about Connecticut's Comeback, telling the story of how the state is on the right fiscal path.

Maintaining a healthy BRF and responsibly paying down our long-term unfunded pension liabilities also contributed to the exceptional news we received earlier this year in achieving upgrades from all four major credit rating agencies. Since entering office, improving our credit standing has been a top

165 CAPITOL AVENUE, HARTFORD, CONNECTICUT 06106, TELEPHONE: (860) 702-3000  
AN EQUAL OPPORTUNITY EMPLOYER



priority of mine. That's why I was pleased when beginning in March of 2021, Connecticut's General Obligation (GO) bonds received credit rating upgrades from all four of the major credit rating agencies, Moody's Investors Service, S&P Global Ratings, Fitch Ratings, and Kroll Bond Ratings. Further, by the end of May 2021, Connecticut's Special Tax Obligation (STO) bonds received credit rating upgrades from three credit rating agencies, Moody's Investors Service, S&P Global Ratings, and Fitch Ratings. As you know, Connecticut had not achieved a credit rating upgrade in over two decades. Moreover, never in the State's history has it received three credit rating upgrades at one time. It was exceptional news for the state and means that Connecticut now has the ability to access funding for critical infrastructure investments at even more attractive interest rates, which will strengthen its economic recovery and save taxpayer dollars over the long-term.

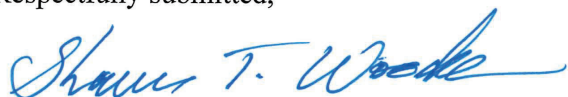
As a result of the credit rating upgrades, on April 23<sup>rd</sup>, we announced that the State's \$1 billion of STO bonds for transportation infrastructure achieved an overall interest cost of 2.12%, an all-time record low cost for the STO bonding program. The sale included \$875 million of new money bonds that will provide \$1.03 billion in new funding for transportation projects. The sale also included two series of refunding bonds to refinance previously issued bonds for a total debt service savings of \$32.2 million over the remaining life of the bonds.

Additionally, on May 20<sup>th</sup>, we announced the results of the successful \$1 billion State of Connecticut GO bond offering. The sale included \$600 million of bonds to fund new projects, including local school construction, economic development, housing, and grants to municipalities across Connecticut and approximately \$400 million of refunding bonds to refinance previously issued bonds to lower interest rates and produce debt service savings. Our Office has consistently exercised conservative debt management practices, including a relatively rapid repayment of our bonds once issued. We also continue to monitor our existing debt proactively and refinance to lower debt service cost when possible. Since I came into office, the State has achieved \$190 million of debt service savings that will be realized over the remaining life of the bonds.

Finally, our Office celebrated the end of fiscal year 2021 with the enactment of CT Baby Bonds on July 1, 2021. CT Baby Bonds is a bill that I championed, in which I'm grateful for your and the Legislature's support. I was proud that Connecticut was the first state in the nation to enact such a program, especially given how we have one of the starkest wealth and income inequality gaps, and CT Baby Bonds is designed to narrow the wealth gap and break the cycle of poverty. On top of this, we've also seen how the pandemic and economic downturn have exacerbated already existing economic disparities, and how by making a long-term investment in Connecticut's future with CT Baby Bonds, we will change the life trajectories of thousands of Connecticut residents while also enhancing the economic trajectory of our State.

While many of our State's fiscal challenges will not be solved overnight, it's clear that the State is on the right path and making progress towards finding and implementing long-term solutions. I look forward to continuing our work together to reduce our debt and strengthen our fiscal standing while rebuilding an inclusive economy that is more prosperous for everyone.

Respectfully submitted,



Shawn T. Wooden  
*State Treasurer*



SHAWN T. WOODEN  
TREASURER

State of Connecticut  
Office of the Treasurer

DARRELL V. HILL  
DEPUTY TREASURER

December 30, 2021

The Honorable Ned Lamont  
Governor of Connecticut  
State Capitol  
210 Capitol Avenue  
Hartford, Connecticut

Dear Governor Lamont:

As Chair of the Investment Advisory Council (IAC), I am pleased to present this report on the activities of the IAC for the fiscal year ending June 30, 2021. The IAC continued to meet virtually during our monthly meetings and remained engaged during the historic COVID-19 period.

First and foremost, I want to thank IAC member Carol Thomas, who stepped down after decades of service and was the interim chair when I joined the IAC in May 2020. Carol was a thoughtful, diligent, and insightful resource to the IAC and the PFM staff for over two decades. She enhanced the quality of our discourse and put the interests of the pension beneficiaries at the top of her many professional and personal priorities. Thank you, Carol!

Chief Investment Officer Laurie Martin resigned in February 2021. The IAC and I are grateful to Laurie for her leadership and her steady hand during her tenure, a period that included the election of a new Treasurer and volatile markets during the onset of the COVID pandemic.

The IAC worked alongside the Treasurer with the assistance of an executive search consultant in vetting candidates for the Chief Investment Officer (CIO) position. Consistent with its statutory requirement to consent to the Treasurer's recommended appointment, the IAC approved the Treasurer's recommendation to appoint Edward (Ted) Wright as CIO, who began his assignment in August 2021. I want to thank Steve Meier, who served as the interim CIO over the course of the search process, for his superb guidance. Steve departed PFM at the end of the search to return to his home in Boston.

Investment performance of 24.30 percent was strong in absolute terms, soundly beating the actuarial target of 6.9 percent that is the financial objective we expect to achieve over a market cycle, and essentially equaling the Teachers Retirement policy benchmark of 24.36%. Notable results include the returns of global equities (41.70 percent), private equity (46.05 percent), and high yield debt (17.22 percent).

The return of 24.30 percent caused the net asset value of the Connecticut Retirement Plans and Trust Funds (CRPTF) to reach an all-time high of over \$44 billion as of June 30, 2021. Subsequent to the fiscal year end, the state used \$1.6 billion of its volatility cap and operating surplus to make supplemental payments to pension assets invested on behalf of teachers and state employees.

Over 90% of portfolio assets outperformed their respective benchmarks during the fiscal year, an impressive result. Only private equity and private credit, at 9.7 percent of total assets, underperformed, because these private asset classes utilize public benchmarks, lagged by one quarter, which are often not relevant over shorter periods.

Over 10 years, CRPTF investment performance of 8.0 percent has exceeded the long-term financial objective for the plans, which is currently 6.9 percent. This target was lowered from 8.0 percent to reflect capital markets headwinds we expect to face over the next decade, that include:

- Historically high public and private equity valuations, particularly in the U.S., which dampen the outlook for future returns;
- Low levels of interest rates that make it mathematically unlikely for these assets to contribute meaningfully to the future return of CRPTF; and,
- The likelihood of Fed tapering which would cause bond prices to fall as interest rates rise.

Given these headwinds, the IAC and the PFM will re-evaluate asset allocation during calendar 2022 under the Treasurer's leadership. To achieve exceptional risk-adjusted returns over the next decade we must utilize the long-time horizon of our assets, the manager selection skills of the investment team, and the strong reputation of the State of Connecticut as a thoughtful investor among public pension plans.

The Treasurer has been a champion of fostering a culture of investment excellence and identifying and retaining talent at PFM. Going forward in 2022, the IAC will focus on whether PFM has adequate resources to invest CRPTF assets, now over \$45 billion.

Fiscal 2021 saw a high level of portfolio activity, with nearly \$4 billion committed to 35 investment opportunities, a significant achievement of the PFM team and the Treasurer. Within the Real Asset Fund, the Treasurer committed \$1.8 billion to 15 strategies across real estate, infrastructure, and natural resources. Within the Private Investment Fund, \$1 billion was committed across 12 buyout, growth equity, and venture capital strategies. The Private Credit Fund closed on eight investment opportunities totaling \$1.1 billion

There was significant activity in public equity and fixed income markets. The IAC supported and endorsed competitive searches for high-quality managers, including U.S. small-cap equity, core fixed income, and the competitive procurement of a master custodian.

Several new managers were reviewed for Treasurer Wooden's newly revised emerging and diverse manager program, the Connecticut Inclusive Investment Initiative ("Ci3"). The Treasurer committed \$1 billion to three managers in the public markets for Ci3.

The IAC maintained its review of shareholder engagement activities and incorporating environmental, social, and governance (ESG) considerations into the investment process. Under the direction of Treasurer Wooden, the fund's engagements resulted in important commitments by several of the CRPTF's portfolio companies to enhance the transparency of material issues to investors, such as executive compensation, workforce equity, climate risks, and board diversity.

It remains a great privilege to serve the State of Connecticut as Chair of the Investment Advisory Council and work with my fellow council members, Treasurer Wooden, and CIO Ted Wright and his team, to provide oversight of pension and trust assets. As our economy emerges from the pandemic and we return to normalcy, we continue to foster better decision-making and oversight, ultimately resulting in strong risk-adjusted returns over the long term. It is with this sense of duty that I submit this summary on behalf of the IAC.

Sincerely,

A handwritten signature in black ink that reads "D. Ellen Shuman". The signature is written in a cursive style with a long, sweeping tail on the final letter.

D. Ellen Shuman, Chair  
Investment Advisory Council

## Investment Advisory Council

The Investment Advisory Council (IAC) consists of the State Treasurer and the Secretary of the Office of Policy and Management (as ex-officio members of the Council); five public members, all of whom shall be experienced in matters relating to investments, appointed by the Governor and legislative leadership; three representatives of the State teachers' unions and two representatives of the State employees' unions (CGS Sec.3-13b).

Pursuant to CGS Sec.3-13b, the IAC annually reviews the Investment Policy Statement (IPS) recommended by the Treasurer, which outlines the standards governing investment of the Connecticut Retirement Plans and Trust Funds (CRPTF) assets by the Treasurer. The IPS includes, with respect to each plan and trust fund, (A) investment objectives; (B) asset allocation policies and risk tolerances; (C) asset class definitions, including specific types of permissible investments within each asset class and any specific limitations or other considerations governing the investment of any funds; (D) investment performance evaluation guidelines; (E) guidelines for the selection and termination of providers of investment related services, which shall include, but not be limited to, external investment and money managers, investment consultants, custodians, broker-dealers, legal counsel, and similar investment industry professionals; and (F) proxy voting guidelines. The Treasurer shall thereafter adopt the IPS, including any such changes recommended by the IAC the Treasurer deems appropriate, with the approval of a majority of the

members appointed to the IAC. The latest IPS was adopted by the Treasurer and approved by the IAC in August 2012, and amended four times, reflecting revisions including the projected capital market returns, the liquidity needs of each plan and trust fund and other financial scenarios for the CRPTF, emanating from the 2012 Asset Liability Study that the Treasurer led, with the assistance of IAC members.

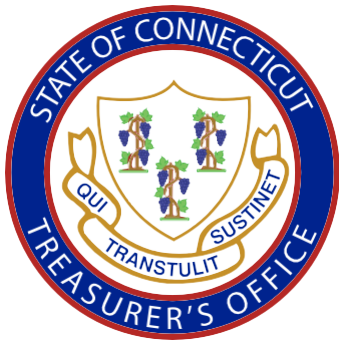
All plan and trust fund investments by the State Treasurer shall be reviewed by the IAC along with all information regarding such investments provided to the IAC which the Treasurer deems relevant to the Council's review and such other information as may be requested by the Council. The IAC shall also review the report provided by the Treasurer at each regularly scheduled meeting of the IAC as to the status of the plan and trust funds and any significant changes which may have occurred or which may be pending with regard to the funds. The Council shall promptly notify the Auditors of Public Accounts and the Comptroller of any unauthorized, illegal, irregular or unsafe handling or expenditure of plan and trust funds or breakdown in the safekeeping of plan and trust fund assets or contemplated action to do the same within their knowledge.

At the close of the fiscal year, the IAC shall make a complete examination of the security investments of the State and determine the value of such investments in the custody of the Treasurer and report thereon to the Governor, the General Assembly and beneficiaries of plan and trust fund assets administered, held or invested by the Treasurer (CGS Sec. 3-13b(c) (2)).

### Council members who contributed their time and knowledge to the IAC during Fiscal Year 2021 include:

IAC Chair - D. Ellen Shuman	Representative, State Governor
Honorable Shawn T. Wooden	State Treasurer (Ex Officio member)
Honorable Melissa McCaw	Secretary, Office of Policy and Management
Joshua M. Hall	Representative, State Teachers' Unions; Hartford Federation of Teachers
Michael Knight	Representative, State House Minority Leader
Michael LeClair	Representative, State Senate Minority Leader
Steven Muench	Representative, State Teachers' Unions; Connecticut Education Association
William Murray	Representative, State Teachers' Unions; National Education Association
Patrick Sampson	Representative, State Employees Bargaining Agent Coalition; AFSCME, Council 4
Carol M. Thomas *	Representative, State Department of Developmental Services

\* Retired May 2021



## 2021 Annual Report Year at a Glance, as of June 30

### COMBINED INVESTMENT FUNDS

Investments in Securities, at Fair Value	\$	45,000,115,213
Net Position Held in Trust for Participants	\$	44,554,594,733
Total Net Return		24.30%
Total Investment Returns for the Fiscal Year	\$	9,014,200,470
Total Management Fees for the Fiscal Year	\$	172,829,878
Total Numbers of Advisors		138

### CONNECTICUT HIGHER EDUCATION TRUST

Direct Plan Number of Participant Accounts		143,069
Direct Plan Net Position	\$	4,323,436,103
Advisor Plan Number of Participant Accounts		31,060
Advisor Plan Net Position	\$	897,793,878

### ABLE CT CONSORTIUM TRUST

Net Position	\$	610,477
Number of Participant Accounts		110

### DEBT MANAGEMENT

Total Debt Outstanding	\$	26,669,986,736
General Obligation Debt included above	\$	16,909,051,736
General Obligation Debt issued included above	\$	1,569,265,000
Total Debt Retired and Defeased During the Fiscal Year	\$	2,378,061,206
General Obligation Debt Retired and Defeased included above	\$	1,571,071,206
Total Debt Service Paid on Outstanding Debt During the Fiscal Year	\$	3,107,392,666
General Obligation Debt Service Paid included above	\$	2,116,230,105

### CASH MANAGEMENT

Total Cash Inflows During the Fiscal Year	\$	129,268,048,962
Total Cash Outflows During the Fiscal Year	\$	129,561,758,635

### SHORT-TERM INVESTMENT FUND

Total Net Position of the Fund	\$	8,936,191,029
One-Year Total Return		0.10%
Five Year Compounded Annual Total Return		1.1800%
Ten Year Compounded Annual Total Return		0.6800%
Weighted Average Maturity		31
Number of Participant Accounts		935

### SECOND INJURY FUND

Second Injury Fund Estimated Unfunded Liability (expressed as reserves)	\$	202,439,413
Number of Claims Outstanding		2,375
Number of Claims Settled During the Fiscal Year		221
Total Cost of Claims Settled and Paid	\$	5,129,979

### UNCLAIMED PROPERTY

Dollar Value of Gross Unclaimed Property Receipts	\$	150,651,391
Dollar Value of Claims Paid	\$	33,281,007
Number of Property Claims Paid		6,851

CONNECTICUT

### 'CT residents, you've got money': About \$915 million in unclaimed funds in the state and some of it could be yours



Moody's gives Connecticut a higher credit rating for first time in two decades in "a significant milestone"

By CHRISTOPHER KEATING  
HARTFORD COURANT | MAR 21, 2021 AT 4:14 PM

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BUSINESS

### 'Accountability is an important component': CT treasurer challenges pharma execs' pay



Paul Schott

Updated: March 26, 2021 4:04 p.m.



CONNECTICUT

### ABLE accounts can help people with disabilities create a secure future; Connecticut finally created one

By SUSAN DUNNE  
HARTFORD COURANT | OCT 23, 2020 AT 1:41 PM

On Oct. 15, [state Treasurer Shawn T. Wooden](#) announced that Connecticut residents with disabilities, or their legal guardians, can now open accounts under the ABLE Act.

"I think we should maximize every opportunity available to help people in our state," Wooden said. "Given the pandemic and everything that has happened, that only heightened the need to provide some relief."



### THE BOND BUYER

LEADERS WASHINGTON REGIONAL NEWS MARKETS EVENTS MORE

CONNECTICUT

### Connecticut rides ratings grand slam into \$1 billion GO sale

By Paul Burton May 17, 2021, 9:56 a.m. EDT 4 Min Read

March 30, 2021

### State bets on renewable energy with shift in investment strategy

WTNH News 8 @WTNH · Dec 19, 2020

State @TreasurerWooden looks to erase doubts about Covid-19 vaccine effectiveness. Watch @ctcapitolreport Sunday at 10a on News 8.



### Connecticut puts aside \$62M for state employee pensions but \$2B deficits loom this year and beyond

By CHRISTOPHER KEATING  
HARTFORD COURANT | OCT 01, 2020 AT 7:14 PM



December 10, 2020

### UConn bonds spark record demand and \$455M in orders





# Treasurer Biography



Shawn T. Wooden was sworn-in as Connecticut's 83rd State Treasurer on January 9, 2019, following a successful 21-year career as an investment attorney and service as City Council President of Hartford, Connecticut.

Born and raised in Hartford as the youngest of six children, his passion for public service began at home. From a young age, his parents instilled in him the importance of a good education, hard work and giving back to the community.

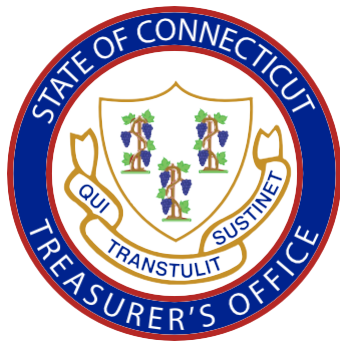
Starting in third grade, Treasurer Wooden participated in a desegregation busing program and attended Manchester Public Schools. After graduating with honors, he earned a four-year academic scholarship to Trinity College. He later attended New York University School of Law before moving back to his hometown of Hartford to begin his career at Day Pitney, LLP (formerly Day, Berry & Howard LLP), where he would go on to become a Partner and lead its public pension plan investment practice.

He has been recognized as a Connecticut Super Lawyer for Securities and Corporate Finance, Business/Corporate. Pensions and Investments 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.

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 related to housing, finance, student loans, air and water ports, venture capital, the lottery, private sector retirement security and a hosts of other areas.

He is the only Black elected State Treasurer in the country and the only Black elected official serving statewide in New England. He serves as Senior Vice President of the bi-partisan National Association of State Treasurers.

He is also the proud father of two teenage boys.



# Pension Funds

## MANAGEMENT DIVISION OVERVIEW



### Introduction

As principal fiduciary of six state pension funds and nine trust funds (known collectively as the Connecticut Retirement Plans and Trust Funds (CRPTF)), the Treasurer is responsible for managing investment assets for retirement plans serving approximately 296,000 state and municipal employees, teachers, retirees and survivor, as well as trust funds that support academic programs, grants, and initiatives throughout the state.

Prudent investment management requires the proper safeguarding of the CRPTF assets to ensure the retirement security of the beneficiaries and to support the spending policies of the trust funds. Funding of the pension benefit liability is dependent upon state contributions, investment returns and the contribution requirements of eligible retirement plan participants. The spending requirements of the trust funds are met through the generation of investment income and capital gains with a focus on the preservation of capital.

The Combined Investment Funds (CIF) were established pursuant to Connecticut General Statutes Section 3-31b as a means to invest pension and other trust fund assets in a variety of investment asset classes. The CIF's are comprised of the following separate pooled investment funds: Liquidity Fund; Domestic Equity Fund; Core Fixed Income Fund; Emerging Markets Debt Fund; High Yield Debt Fund; Developed Markets International Stock Fund; Emerging Markets International Stock Fund; Real Assets Fund; Private Investment Fund; Private Credit Fund and Alternative Investment Fund.

At the end of the fiscal year, the net asset value of the CRPTF investments under the management of the Office of the Treasurer has significantly increased by over \$8.5 billion to approximately \$44.6 billion. The Teachers' Retirement Fund, with approximately \$22.2 billion of assets under management at June 30, 2021 is the largest

participating plan. The State Employees' Retirement Fund and the Connecticut Municipal Employees' Retirement Fund have approximately \$16.3 billion and \$3.3 billion of assets, respectively. For the fiscal year ended June 30, 2021, total investment income (comprised of interest income, dividends, securities lending income, and net realized and unrealized capital gains, net of operating expenses) before allocation of administrative expenses, was approximately \$9 billion.

### Fund Management

Under the supervision of a Chief Investment Officer, appointed by the Treasurer with the approval of the Investment Advisory Council (IAC), the Pension Funds Management Division (PFM) executes and manages the investment programs of the pension and trust funds with a 13-member professional staff. Internal resources are augmented by several outside consulting firms that provide research and analytical expertise to the Treasurer, the Chief Investment Officer and PFM professionals. During Fiscal Year 2021, The Bank of New York Mellon (BNY Mellon) served as the custodian of record for the CRPTF, maintaining physical custody of and safe-guarding plan assets. BNY Mellon also provided recordkeeping services under the supervision of PFM, and Deutsche Bank was the provider of securities lending services.

The Treasurer employs external investment managers to manage the portfolios underlying each CIF. Investment managers are selected based upon asset class expertise, investment performance and style. Investment managers are expected to comply with the parameters, guidelines, and restrictions set forth in the CRPTF Investment Policy Statement (IPS). As of June 30, 2021, 138 external investment managers were employed by the Office of the Treasurer to invest the pension and trust assets (See Figure 1-5).

FIG 1-4

SUMMARY OF THE TOTAL INVESTMENT IN THE CIF AS OF JUNE 30, 2021		
	Fair Value (1)(3)	% of Total Fund Fair Value
Liquidity Fund (LF)(2)	\$ 146,729,296	0.33%
Domestic Equity Fund (DEF)	10,431,686,811	23.18%
Developed Markets International Stock Fund (DMISF)	5,777,059,322	12.84%
Emerging Markets International Stock Fund (EMISF)	5,518,556,060	12.26%
Real Assets Fund (RAF)	5,295,772,872	11.77%
Core Fixed Income Fund (CFIF)	6,093,559,042	13.54%
Emerging Market Debt Fund (EMDF)	2,249,661,695	5.00%
High Yield Debt Fund (HYDF)	2,695,114,869	5.99%
Alternative Investment Fund (AIF)	1,965,476,884	4.37%
Private Credit Fund (PCF)	423,638,905	0.94%
Private Investment Fund (PIF)	4,402,859,457	9.78%
<b>Total Fund</b>	<b>\$ 45,000,115,213</b>	<b>100.00%</b>

(1) "Fair value" includes securities and cash invested in the Liquidity Fund (LF), and excludes receivables (FX contracts, interest, dividends due from brokers, foreign tax, securities lending receivables, reserve for doubtful accounts, invested securities lending collateral and prepaid expenses), payables (FX contracts, due to brokers, income distribution, securities lending collateral and accrued expenses), and cash not invested in the LF.

(2) The fair value of the LF represents the pension and trust assets allocated to the LF (excluding receivables and payables); the LF balances of the other combined investment funds are shown in the fair value of each fund.

(3) Fair Value (\$45.0 billion) differs slightly from net assets (\$44.6 billion) as net assets include additional balance sheet items.

All operating overhead is allocated directly to the earnings of the pension and trust fund assets under management. The Office of the Treasurer manages assets in a cost-effective manner, consistent with the maximization of long-term returns.

## Investment Policy

One of the immutable principles of investment management is that asset allocation decisions are responsible for as much as 90 percent of investment returns. In September 2012, the IAC approved the Treasurer's adopted IPS, including the asset allocation plan, which governs the CRPTF investment portfolios and each of the CIFs. Subsequently, in December 2012, January 2013, April 2013, July 2013, December 2017, May 2019, February 2020, and March 2021 the IAC approved the Treasurer's adopted modifications.

The asset allocation plan is customized for each plan and trust with the main objective being the maximization of investment returns over the long term at an acceptable level of risk, primarily through diversification. Risk, in this context, is defined as volatility of investment returns. (See Understanding Investment Performance under Supplemental Information.)

Diversification across asset classes is a critical component in structuring portfolios to maximize return at a given level of risk. In developing an asset allocation strategy, there is thorough analysis of the expected risk/return tradeoffs under different economic scenarios predicated on established correlations of investment returns and the diversification benefits of the available asset classes (i.e., those not restricted by statute).

As shown in Figure 1-4, the number and complexity of asset

classes comprising the asset allocation policy have fluctuated during the last ten years. As of June 30, 2021, multiple asset classes were integrated in the IPS, including global public market equities and fixed income, as well as alternative investments such as real estate, private equity, hedge fund private credit and real asset investment strategies. At fiscal year-end, domestic, international developed and emerging-markets equities (stocks) comprised the largest percentage of the- total CRPTF, at approximately 48 percent. Publicly traded equities have an established record of maximizing investment returns over the long term. Fixed income, real estate and alternative investments were also included to enhance portfolio returns during highly inflationary or deflationary environments, to mitigate the effects of volatility in the stock market and to provide current income.

FIG 1-5

PENSION AND TRUST FUNDS (Advisor Breakdown)		
Fund	June 30, 2021	June 30, 2020
DEF	5	5
DMISF	5	5
EMISF	6	5
PIF	51	46
PCF	7	2
CFIF	7	7
EMDF	5	2
HYDF	7	6
RAF	41	29
LF	1	1
AIF	3	4
<b>Total(1)</b>	<b>138</b>	<b>112</b>

(1) Actual total advisors was 165 and 150, respectively when factoring in advisors across multiple funds. Private Investment Partnerships with nonmaterial balances are not included.

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# ASSET CLASSES

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## Asset Classes

To realize the asset allocations set forth in the IPS for each plan and trust, the Treasurer administers the CIFs as a series of combined investment funds in which the various retirement plans and trusts may invest through the purchase of ownership interests. The asset mix for each of the 15 plans and trusts is established by the Treasurer, with approval of the independent IAC, based upon (1) capital market theory, (2) financial and fiduciary requirements and (3) liquidity needs. However, there are instances in which the asset mix for a trust is set by the trust's governing document.

The Asset Classes That Make Up The CRPTF Portfolio Include:

### Domestic Equity

The Domestic Equity Fund (DEF) assets are allocated across the broad U.S. stock market to ensure diversification by market capitalization and investment style, such as value and growth. The DEF may opportunistically invest up to 30 percent of assets to take advantage of shifts in the investment landscape or opportunities that offer diversification and/or risk-return benefits, and may include investments in any market capitalization and/or investment style as well as an allocation to stocks outside the US. As of June 30, 2021, the DEF structure was approximately 83 percent invested in large-cap stocks, 11 percent in small/ mid-cap stocks, and approximately 6 percent held temporarily in cash equivalents and other net assets. The DEF's ten largest holdings, aggregating 21.58 percent of Fund investments, included a variety of blue chip and technology companies and were broadly diversified, with the largest holding of 4.6 percent in Apple Inc. Performance of the DEF is measured against the Russell 3000 Index (R3000).

Management of the DEF includes the use of pure indexing, enhanced indexing, active management, and opportunistic strategies executed by external investment managers. Index and enhanced index strategies are referred to as passive strategies since their investment portfolios are similar to the index. The goal of enhanced indexing is to generate a return slightly in excess of the selected index. Indexing is particularly appropriate for the "large-cap" segment of the equity markets, which is defined as the securities of the largest capitalized public companies. Given the overall efficiency of the domestic equity market, approximately 83 percent of the portfolio is invested in passive strategies. The balance of the portfolio is actively managed, primarily in the less efficient small and mid-capitalization sectors of the equity markets.

These securities are issued by companies that are smaller and not as closely monitored, researched or analyzed as the larger capitalization companies. As a result of this relative inefficiency, active investment managers have the potential to outperform these markets over the long term, while earning an acceptable level of return per unit of risk. Based on returns over the last five years, DEF has exhibited a similar degree of risk as that of its benchmark, the Russell 3000 Index. The relative volatility of the CRPTF domestic equity portfolio is approximately the same as the market, with its Beta at 1.03.

### International Equity

Exposure to international equities is provided through two CIFs: the Developed Markets International Stock Fund (DMISF) and the Emerging Markets International Stock Fund (EMISF), each of which has distinct risk/return profiles. Stocks from developed market countries tend to offer lower risk and return potential compared to emerging market securities as a result of generally more stable economic and political environments and the depth and liquidity of their financial markets. DMISF and EMISF assets are allocated across foreign markets so that there is diversification by country, sector, capitalization and style, in a mix that is structured to replicate the characteristics of the comparable non-U.S. developed and emerging stock market indices to which each combined investment fund is benchmarked.

External investment managers invest DMISF assets primarily in common stocks issued by companies in developed market countries domiciled outside of the U.S. The benchmark for DMISF is the Morgan Stanley Capital International Europe Australasia and Far East Invest- able Market Index (MSCI EAFE IMI). The DMISF is comprised of passive indexing, core developed markets and opportunistic strategies. As of June 30, 2021, the DMISF structure was approximately 96 percent invested in large-cap stocks, nearly 4 percent in small-cap stocks, and a remainder in cash equivalents and other net assets. Mandates for active growth, small cap and value developed market strategies represent roughly 28 percent, 4 percent and 19 percent of the DMISF, respectively while approximately 49 percent of the portfolio is invested in passive strategies. Given the DMISF's investment policies and objectives, the Fund is exposed to several forms of risk. These include, but are not limited to, political and economic risk, currency risk, market risk, and individual company risk. The Fund's volatility is only slightly lower than the benchmark at 0.91.

The EMISF invests primarily in the common stocks of non-U.S. corporations domiciled in countries included in the EMISF benchmark, which is the Morgan Stanley Capital International Emerging Markets Investable Market Index (MSCI EM IMI). EMISF investments are made through portfolios managed by external investment managers. The EMISF is invested 100 percent in active, unhedged emerging markets strategies. Given the EMISF's investment policies and objectives, the Fund is exposed to several forms of risk. These include, but are not limited to, political and economic risk, currency risk, market risk, and individual company risk. Fund's risk profile closely resembles that of the benchmark as evidenced by a relative volatility of 0.98.

## Fixed Income

Fixed income assets are diversified across three funds: the Core Fixed Income Fund (CFIF), the Emerging Markets Debt Fund (EMDF), and the High Yield Debt Fund (HYDF). Investments in the various fixed income CIFs serve to reduce the overall volatility of CRPTF returns under numerous economic scenarios. Further, the fixed income CIFs provide cash flow to the CRPTF in the form of interest and principal payments.

The CFIF consists of externally managed, primarily investment grade, fixed income portfolios that include debt instruments issued by the U.S. Government and its agencies, quasi-government agencies, U.S. corporations and any other public or private

U.S. corporation whose debt security is regulated by the Securities and Exchange Commission (including Eurobonds and quasi or sovereign debt). Assets are diversified across sectors, industries, credit quality and duration, and up to 30 percent may be opportunistically invested based on changes in the investment landscape that may improve diversification, reduce risk or enhance return. As of June 30, 2021, the CFIF structure approximated 32 percent invested in Treasury and Government related agency securities, 33 percent in corporate securities, 26 percent in mortgage-backed securities, 6 percent in asset-backed securities, and 5 percent in commercial mortgage backed securities with small allocation to cash equivalents and other assets. The benchmark for CFIF is the Barclays U.S. Aggregate Bond Index. Given the CFIF's investment policies and objectives, the Fund is exposed to several forms of risk, such as credit default risk, interest rate risk, liquidity risk, inflation risk, reinvestment risk, counter party risk and geopolitical risk. These risks are monitored on an ongoing basis, and actions are taken to mitigate identified risks. External rating agencies assign credit ratings to individual securities reflecting their views of the underlying firm's credit worthiness or the underlying assets in the case of securitized debt. As of fiscal year end, over half or approximately 58 percent of the CFIF exposure was rated Aaa.

The EMDF consists of externally managed fixed income portfolios that contain debt instruments issued by governments and companies located in emerging countries as defined by the

benchmark and The World Bank. The benchmark for EMDF is the J.P. Morgan Emerging Markets Bond Index Global Diversified J.P. Morgan Government Bond Index - Emerging Markets Global Diversified (50 percent/50 percent). As of June 30, 2021, the EMDF structure approximated 36 percent invested in Latin America, 22 percent in Europe, 18 percent in Asia, 23 percent in Africa and the Middle East with remainder invested in cash equivalents, foreign currency, and other net assets. The benchmark accounts for U.S. dollar-denominated debt and for debt issued in local currencies. The local currency debt is not hedged as the foreign currency is considered an additional source of alpha, or return in excess of that predicted by its benchmark. Given the EMDF's investment policies and objectives, the Fund is exposed to multiple types of risk. These risks include, but are not limited to, credit risk, currency risk, interest rate risk, liquidity risk, inflation risk and geopolitical risk. The fund's risk profile closely resembles that of the benchmark.

The HYDF consists of externally managed fixed income portfolios that include debt instruments rated below investment grade by a nationally recognized rating agency service. The assets are diversified by sector, industry, credit quality and duration. The majority of the bonds are U.S. dollar-denominated. As of June 30, 2021, the HYDF structure approximated 90 percent investment in corporate securities with an average credit agency rating of B1 and average coupon of 5.68 percent. The benchmark for HYDF is the Bloomberg Barclays U.S. High Yield 2% Issuer Capped Index. Given the HYDF's investment policies and objective, the Fund is exposed to several forms of risk. These risks include, but are not limited to, credit default risk, interest rate risk, liquidity risk, pre-payment risk, reinvestment risk and inflation risk. In addition, the Fund is occasionally exposed to political, economic and currency risk resulting from investments in international high yield securities. The average quality of the Fund is B-1 and portfolio's duration stood at 5.06 with approximately 71 percent of securities maturing within 5 years. Funds beta or measure of volatility stands at 2.67 making it highly uncorrelated to overall market.

## Liquidity Fund

The Liquidity Fund (LF) is an internally managed fixed income portfolio intended to provide a liquid source of funds for investment operations and earn a return greater than money market funds, with minimal exposure to risk of principal. As of June 30, 2021, nearly 100 percent of the LF assets are invested in money market instruments. The benchmark for the LF is the 50% U.S. 3-Month Treasury Bills and 50% Bloomberg Barclays U.S. Government Treasury 1 to 3 Year Index

## Real Assets

The Real Assets Fund (RAF) consists of a number of different investment strategies and investment vehicles, including externally managed commingled funds, open-end funds, separate accounts, publicly traded real estate securities and U.S. Treasury Inflation Protection Securities (TIPS). The RAF invests in real estate properties and mortgages and is designed to dampen the volatility of overall returns through diversification and to generate attractive risk-adjusted rates of return. The RAF will invest in the following: core strategies; value added strategies (investments involving efforts to increase property value through repositioning, development and redevelopment); opportunistic strategies (strategies that target niche opportunities, market inefficiencies, or special purpose markets); and publicly traded securities (primarily Real Estate Investment Trusts and Real Estate Operating Companies and U.S. TIPS). Leverage at the aggregate of the RAF is limited to 60 percent of RAF's total valuation. These investments also adhere to the Responsible Contractor Policy. As of June 30, 2021, the RAF structure excluding Inflation Protection Securities was approximately 67 percent invested in core and core-plus, 21 percent in value-added, 12 percent in opportunistic strategy. Additionally approximately 4 percent is invested in publicly traded REIT strategies within Real Estate. The benchmark for RAF is the market weighted Real Estate: Open End Diversified Core Equity (NFI-ODCE Index) lagged by one quarter, Infrastructure and Natural Resources: CPI + 400 basis points, and TIPS – S&P US TIPS Index.

The RAF takes both a total portfolio and asset class specific approach to risk management. Risk is managed at the portfolio level through diversification and strategic asset allocation and the implementation of strategy. Risks to private real asset investments, such as management, operations, local/ regional property markets, and liquidity risk, are managed at the asset class level with additional risk management focused on financing, geography, and property type risks specific to a fund manager's portfolio investments.

The RAF has lower volatility largely due to allocations to core funds, which generally have lower leverage than value-add and opportunistic strategies and have reduced risk. The RAF volatility is typical and not excessive relative to a benchmark comprised of unlevered core properties.

## Private Investments

The Private Investment Fund (PIF) is the vehicle used to invest in private equity and venture capital. PIF investments generally are made in externally managed limited partnerships or through separate accounts that focus on private investments. These vehicles include investments in both venture capital and corporate finance investment strategies. Venture capital typically involves equity capital invested in young or development stage companies, and may include start-up, early, mid or late-stage companies.

Corporate finance typically involves equity and debt capital invested in growth, mature or distressed stage companies, often through the financing of acquisitions, spin-offs, mergers or changes in capitalization. As of June 30, 2021, the Corporate Finance and Venture Capital investments and commitments represented 83 percent and 17 percent, respectively, of the PIF's total market exposure. The benchmark for PIF is the Russell 3000 Index plus 250 basis points, lagged by one quarter. PIF's risk profile is complex given the valuation judgments and liquidity constraints placed on it consistent with an alternative investment strategy. Longer term (e.g., 10 years) returns are more meaningful in evaluating private equity portfolio risk adjusted performance. Long term horizons better reflect the illiquid nature of PIF's holdings and the time it takes for investments to realize their potential.

## Alternative Investments

The Alternative Investment Fund (AIF) invests in strategies that offer the potential to enhance return and/or reduce risk. The AIF provides a vehicle for investment in portfolio strategies which are not easily classified, categorized, or described in other CIFs. Hybrid strategies which contain multiple asset classes are also considered part of the opportunity set. As of June 30, 2021, the AIF assets were primarily invested in absolute return hedge funds with approximately 6 percent invested in opportunistic strategies, and the remainder in cash equivalents and other net assets. AIF's blended benchmark is comprised of the weightings of each of the investments utilized in the portfolio multiplied by their respective benchmarks. Given the AIF's investment policy and objectives, the Fund is exposed to several forms of risk. These include, but are not limited to, risks attendant with alternative investments, such as management, operations and product risk, overall liquidity risk, leverage, short selling, derivative use, and transparency. Assuming these risks as part of a prudent, total portfolio strategy assists the AIF in achieving its investment objectives.

## Private Credit

The Private Credit Fund (PCF) is the vehicle used by CRPTF to invest in private credit opportunities. The PCF investments are made either through externally managed limited partnerships or through separate accounts that focus on private credit strategies. This may include credit-related strategies not available through other CIFs and may include senior, mezzanine, special situations funds and distressed debt funds, and co-investments. As of June 30, 2021, PCF's exposure to senior credit and special situations strategy was approximately 32% and 45% respectively with balance across mezzanine and distressed strategies. The benchmark for PCF is the S&P / LSTA Leveraged Loan Index plus 150 basis points, lagged by one quarter. Given the PCF's investment policy and objectives, the Fund is exposed to several forms of risk: product risk, overall liquidity risk and leverage. The

PCF portfolio will seek to be diversified by investment strategy, risk and liquidity profile, manager, and underlying asset or sector-level exposures to mitigate risk.

### Securities Lending

The CRPTF maintains a securities lending program designed to provide incremental risk adjusted returns. This program involves the lending of portfolio securities to broker/dealers in return for payment. Each loan is secured by collateral valued slightly in excess of the market value of the loaned securities. To further

mitigate the risks of securities lending transactions, the CRPTF's securities lending bank carefully monitors the credit ratings of each counter-party and overall collateral levels.

Deutsche Bank was responsible for marketing the program, lending the securities, and obtaining adequate collateral during Fiscal Year 2021. As of June 30, 2021, securities with a market value of approximately \$4.3 billion had been loaned against collateral of approximately \$4.3 billion. Income generated by securities lending totaled \$11.4 million for the fiscal year.



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# THE YEAR IN REVIEW

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## Total Fund Performance

For the fiscal year ending June 30, 2021, the CRPTF achieved an annual total return of 24.30 percent, net of all fees and expenses. The three largest pension plans, the Teachers' Retirement Fund, the State Employees' Retirement Fund, and the Connecticut Municipal Employees' Retirement Fund -- which represent approximately 95 percent of total assets -- returned 24.28 percent, 24.36 percent and 24.39 percent respectively.

After paying fees and expenses, including \$1 billion of benefit payments in excess of contribution, the CRPTF ended the fiscal year with assets of \$44.6 billion.

The DMISF returned an impressive 35.03 percent versus its benchmark return of 33.57 percent. Overall performance was challenging for developed international markets, attributed to COVID-related economic shock and geopolitical risks which drove changes in sentiment on a quarterly basis. Developed international markets experienced a COVID-driven decline in February and March, followed by a partial recovery through year-end with global stimulus and partial re-opening drivers. For the trailing three-, five- and seven-year periods, the DMISF compounded returns, net of all fees and expenses, were 8.83 percent, 11.38 percent and 6.98 percent, respectively.

The EMISF returned 46.10 percent, significantly outperforming its benchmark return of 43.21 percent. Emerging market equities experienced increased volatility during the year driven by the impact of COVID-19 and escalating global trade tensions. Following the decline in February and March, emerging markets partially recovered through year-end, a beneficiary of unprecedented economic stimulus and partial economic reopening. For the trailing three-, five- and seven-year periods, the EMISF compounded returns, net of all fees and expenses, were 14.56 percent, 14.12 percent and 7.62 percent, respectively.

The DEF returned 43.70 percent, slightly underperforming its benchmark return of 44.16 percent. Domestic equity was a strong performance contributor for the year, in a historic market environment. Prior to the COVID-driven major market decline in February and March that dropped the market by 33%, the market had been rising largely due to economic strength and a new U.S./China trade pact. The market decline was followed by a partial recovery through year-end, driven by swift, unprecedented economic stimulus and partial economic reopening. For the trailing three-, five- and seven-year periods, the DEF compounded

returns, net of all fees and expenses, were 18.48 percent, 17.88 percent and 13.89 percent, respectively.

The HYDF returned 17.21 percent, in line with its benchmark return of 15.34 percent. The portfolio ended the year relatively neutral to the benchmark primarily due to diversified active management. For the trailing three-, five- and seven-year periods, the HYDF compounded returns, net of all fees and expenses, were 7.13 percent, 7.27 percent and 4.90 percent, respectively.

The PIF returned 46.07 percent, underperforming its benchmark return of 65.03 percent. The PIF portfolio performed relatively well during the fiscal year 2021 as the U.S. and global economies continued to recover from the economic societal shocks caused by COVID-19 pandemic. Utilizing the institutional standard for measuring private equity performance, Internal Rate of Return (IRR), PIF generated a net IRR of 48 percent. Due to lower exit activity during the second half of the year and an increased capital calls from recent fund commitments, the PIF portfolio generated net positive cash flow of approximately \$89.8 million for the year. For the trailing three-, five- and seven-year periods, the PIF compounded returns, net of all fees and expenses, were 20.60 percent, 17.59 percent and 15.79 percent, respectively.

The EMDF returned 10.10 percent, outperforming its blended benchmark return of 7.07 percent. US dollar strength was evident throughout the fiscal year in a world of trade tensions, response to COVID-19 and geopolitical risks. For the trailing three-, five- and seven- year periods, the EMDF compounded returns, net of all fees and expenses, were 4.78 percent, 4.27 percent and 2.73 percent, respectively.

The AIF, which primarily invests in hedge funds returned 9.56 percent, outperforming its benchmark return of 2.63 percent. For the trailing three- five- and seven-year periods, the AIF compounded returns, net of all fees and expenses, were 3.02 percent, 4.43 percent and 2.91 percent, respectively.

The RAF which invests in a variety of real estate sectors returned 6.48 percent, outperforming its benchmark return of 4.23 percent. Industrial and apartment sectors showed resilience throughout the ongoing COVID-19 crisis and investors became more optimistic on re-start of U.S. economy following the shutdown. Within infrastructure and natural resources, the portfolio's diversification across sectors helped overall performance with improving commodities the energy markets. Overall. US TIPS showed

strong performance for the year, offsetting declines in other sectors. For the trailing three-, five- and seven-year periods, the RAF compounded returns, net of all fees and expenses, were 4.97 percent, 6.19 percent and 7.87 percent, respectively.

The CFIF returned 0.53 percent, outperforming benchmark return of -0.33 percent. The portfolio closely mirrored its benchmark up until start of COVID-19 in March. When the economic shutdown occurred, Treasuries rallied, the yield curve dropped, and consumer and state debt-related sectors widened suddenly creating temporary dislocation. For the trailing three-, five- and seven-year periods, the CFIF compounded returns, net of all fees and expenses, were 5.25 percent, 3.32 percent and 3.13 percent, respectively.

The LF returned 0.13 percent, outperforming its benchmark return of 0.06 percent, reacting to Federal Reserves' rate cuts in response to COVID-19 economic slowdown. For the trailing three-, five- and seven-year periods, the LF compounded returns, net of all fees and expenses, were 1.40 percent, 1.36 percent and 0.91 percent, respectively.

The Private Credit Fund (PCF) was established during fiscal year 2020, with certain existing private credit investments transferred into the PCF from other CIF's. During fiscal year 2021, the buildout of the PCF portfolio toward the 5% targeted allocation began with \$1.1 billion of commitments made during the year. For the fiscal year 2021, the PCF returned 16.99 percent, underperforming its benchmark return of 22.21 percent. The PCF portfolio performed well during the year with a net IRR of 27.0 percent; IRR is the institutional standard for measuring private credit performance

## 2021 Management Initiatives

The two largest pension funds in the Connecticut Retirement Plans and Trust Funds ("CRPTF"), the Teachers' Retirement Fund ("TERF") and the State Employees' Retirement Fund ("SERF"), generated net investment results of 24.28 and 24.36 percent respectively for Fiscal Year 2021. For the longer-term period of twenty years, ending June 30, 2021, TERF and SERF generated net investment results of 6.74 percent and 6.67 percent, slightly above the plans' composite benchmark returns of 6.79 percent.

CRPTF asset classes performance results were mixed for Fiscal Year 2021 as a result of unprecedented volatility resulting from the COVID-19 pandemic. The strongest investment performances at the asset class level were realized in fixed income, the public

and private equity investment portfolios, and the real assets portfolios. For Fiscal Year 2021, returns were: Domestic Equity Fund, 43.7 percent Private Investment Fund, 46.10 percent, while the Developed and Emerging International Equities returned 35.03 and 46.10 percent, respectively.

Over the course of the fiscal year, the CRPTF made new investment commitments to private markets totaling nearly \$4 billion and representing 35 opportunities: 12 in Private Investment Fund totaling \$1 billion, eight in the Private Credit Fund totaling \$1.1 billion, and 15 in the Real Assets Fund totaling \$1.8 billion.

## 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 Connecticut Retirement Plans and Trust Funds' ("CRPTF") 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 CRPTF's investments, which is why the voting of proxies is considered a plan asset.

During Fiscal Year 2021, the Treasury focused on a number of corporate governance issues, including the following:

- The CRPTF filed four (4) 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 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 Investment

Advisory Council 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/re-election of directors at more than a dozen of its portfolio companies.

## 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 Section 3-21e of the Connecticut General Statutes. 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.

## Asset Recovery and Loss Prevention

The Treasurer's Legal Unit works to manage risk by limiting opportunities for loss due to the malfeasance of others. Extensive precontracting due diligence helps the Office of the Treasurer select the best available vendors and suitable products to meet the needs of the Office. Careful contract negotiation, coupled with periodic review, development and implementation of best practice contract language, helps to ensure clarity with respect to the obligations of the Office of the Treasurer and its vendors and investment partners. The Office maintains regular contact with other similar governmental offices and institutional investors, sharing ideas for enhancement of contract language, frequently sharing advice with counterparts in other states. The Office of the Treasurer deters malfeasance with its reputation for active and diligent pursuit of all opportunities to recover assets lost due to the misfeasance or malfeasance of others. The Office of the Treasurer believes that most disputes can be resolved through dialogue designed to enforce contract terms or clarify misunderstanding. The Office is however prepared, when necessary, to pursue judicial solutions where negotiation is unsuccessful. Although very limited as a percentage of all investments, the Office, like all other investors, experiences losses due to corporate malfeasance. In these instances, the Office believes that litigation managed by investors is more effectively negotiated, efficiently litigated and achieves larger settlements for the benefit of all investors. As such, the Office is committed to taking on its fair share of the management responsibility of such litigation and will consider making application to serve as lead plaintiff in class action litigation where appropriate. From time to time, the Office has used litigation to encourage corporate governance enhancements. The Office has filed individual and group actions to pursue specific rights where disputing parties are unwilling or unable to reach an extrajudicial conclusion. Since

the U.S. Supreme Court's 2010 decision in Morrison

v. National Australia Bank, the Office has experienced an increase in its participation in group actions as a means of seeking recovery of lost assets. The Office works with other institutional investors to collaborate and monitor Morrison-related matters.

## Class Action Securities Litigation

The Combined Investment Funds recovered approximately \$2.9 million from class action settlements in the fiscal year ended June 30, 2021. The Office continues to closely monitor opportunities to recover lost assets through participation in class action litigation. As of the close of the fiscal year, the class action filing portion of the asset recovery program has exceeded \$65.0 million since inception.

The Office of the Treasurer, as the Trustee for the CRPTF, served as lead plaintiff in the matter known as In Re Amgen, Inc. Securities Litigation, filed in the federal district court for the Southern District of California. The case settled for \$95 million prior to the commencement of the trial. The court approved the terms of the settlement.

## Other Litigation

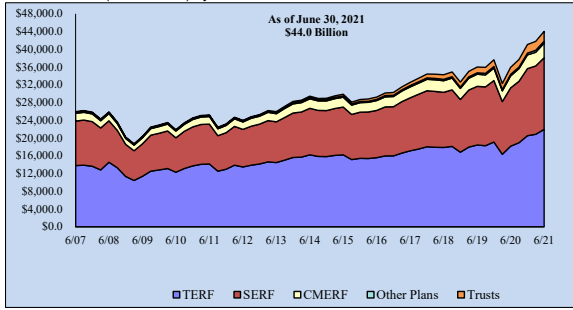
In appropriate circumstances, the OTT will participate in foreign litigation on a group basis. Examples are the following cases: Novo Nordisk, Steinhoff, OW Bunker and Volkswagen. Further, the OTT may opt out of U.S. related class actions and file separate litigation in these cases where the likelihood of recovery is greater than remaining as passive class member.

Figure 1-1

PENSION AND TRUST FUNDS ASSET ALLOCATION (Actual vs. Policy at June 30, 2021)	TERF				SERF				CMERF			
		Target	Lower	Upper		Target	Lower	Upper		Target	Lower	Upper
	Actual	Policy	Range	Range	Actual	Policy	Range	Range	Actual	Policy	Range	Range
<b>U.S. EQUITY</b>												
Domestic Equity Fund (DEF)	22.4%	20.0%	15.0%	25.0%	22.3%	20.0%	15.0%	25.0%	22.3%	20.0%	15.0%	25.0%
<b>INTERNATIONAL EQUITY</b>												
Developed Market International Stock Fund (DMISF)	13.2%	11.0%	6.0%	16.0%	13.2%	11.0%	6.0%	16.0%	13.2%	11.0%	6.0%	16.0%
Emerging Market International Stock Fund (EMISF)	12.6%	9.0%	4.0%	14.0%	12.6%	9.0%	4.0%	14.0%	12.5%	9.0%	4.0%	14.0%
<b>REAL ASSETS</b>												
Real Assets Fund (RAF)	11.8%	19.0%	10.0%	25.0%	11.8%	19.0%	10.0%	25.0%	11.8%	19.0%	10.0%	25.0%
<b>FIXED INCOME</b>												
Core Fixed Income Fund (CFIF)	12.4%	13.0%	8.0%	18.0%	12.4%	13.0%	8.0%	18.0%	12.4%	13.0%	8.0%	18.0%
Emerging Market Debt Fund (EMDF)	5.2%	5.0%	0.0%	10.0%	5.2%	5.0%	0.0%	10.0%	5.1%	5.0%	0.0%	10.0%
High Yield Debt Fund (HYDF)	6.2%	3.0%	0.0%	8.0%	6.2%	3.0%	0.0%	8.0%	6.1%	3.0%	0.0%	8.0%
Liquidity Fund (LF)	2.0%	2.0%	0.0%	3.0%	2.2%	2.0%	0.0%	3.0%	2.5%	2.0%	0.0%	3.0%
<b>PRIVATE CREDIT</b>												
Private Credit Fund (PCF)	0.9%	5.0%	0.0%	10.0%	0.9%	5.0%	0.0%	10.0%	0.9%	5.0%	0.0%	10.0%
<b>PRIVATE EQUITY</b>												
Private Investment Fund (PIF)	8.8%	10.0%	5.0%	15.0%	8.8%	10.0%	5.0%	15.0%	8.8%	10.0%	5.0%	15.0%
<b>Alternative Investment</b>												
Alternative Investment Fund (AIF)	4.5%	3.0%	0.0%	10.0%	4.4%	3.0%	0.0%	10.0%	4.4%	3.0%	0.0%	10.0%
<b>TOTAL</b>	100.0%	100.0%			100.0%	100.0%			100.0%	100.0%		

Figure 1-2  
**PENSION AND TRUST FUNDS**

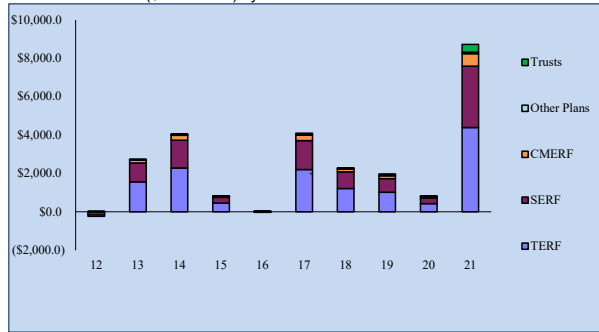
Growth in Assets (\$ in millions) by Fiscal Year



TERF - Teachers' Retirement Fund  
 SERF - State Employees' Retirement Fund  
 CMERF - Connecticut Municipal Employees' Retirement Fund

Figure 1-3  
**PENSION AND TRUST FUNDS**

Investment returns (\$ in millions) by Fiscal Year



TERF - Teachers' Retirement Fund  
 SERF - State Employees' Retirement Fund  
 CMERF - Connecticut Municipal Employees' Retirement Fund

Figure 1-4  
**PENSION AND TRUST FUNDS**

Asset Class Diversification by Fiscal Year

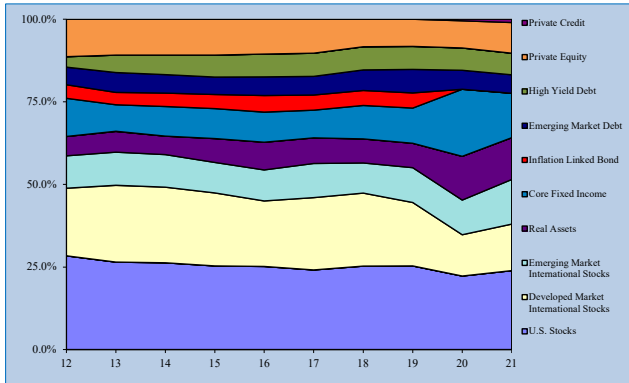
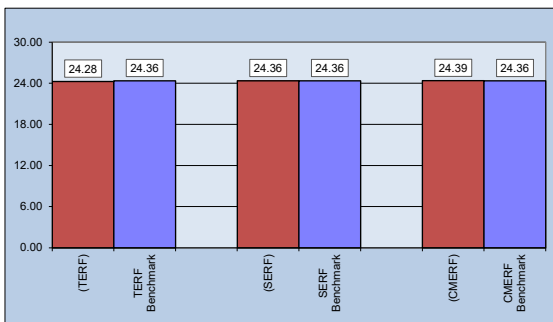


Figure 1-5  
**PENSION AND TRUST FUNDS**  
 Advisor Breakdown as of June 30:

Fund	2021	2020
DEF	5	5
DMISF	5	5
EMISF	6	5
PIF	51	46
PCF	7	2
CFIF	7	7
EMDF	5	2
HYDF	7	6
RAF	41	29
LF	1	1
AIF	3	4
<b>Total</b>	<b>138</b>	<b>112</b>

Figure 1-6

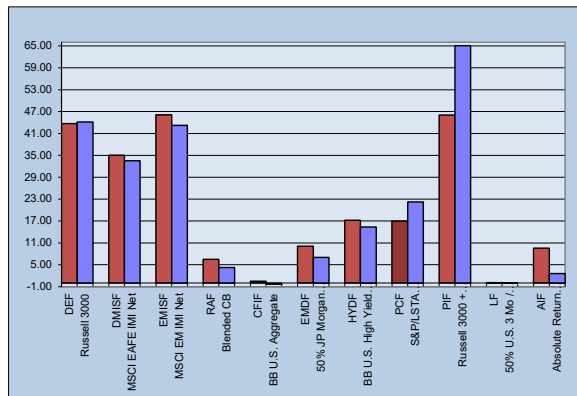
**PENSION AND TRUST FUNDS**  
 Annuals Returns at June 30, 2021<sup>(1)</sup>

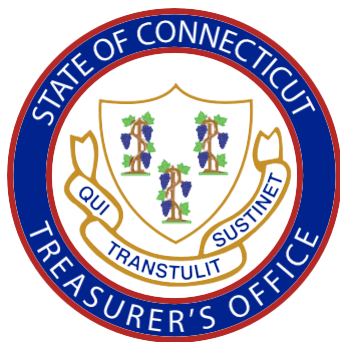


<sup>(1)</sup> Each Plan benchmark composite represents the Plan's policy allocation weights times each investment Fund's return

Figure 1-7

**PENSION AND TRUST FUNDS**  
 Annual Funds Returns vs. Benchmarks at June 30, 2021





# Debt Management Division



## Division Overview

The Office of the Treasurer, through its Debt Management Division, is responsible for the cost-effective issuance and management of the State of Connecticut's bonded debt. The State's strategic investments in local school construction, roads, bridges, airports, higher education, clean water, and economic development are the foundation of Connecticut's physical, environmental and social infrastructure.

Key to obtaining the lowest cost of funds for the State is continual contact with the investment community and credit rating agencies: Moody's Investors Service, S&P Global Ratings, Fitch Ratings, and Kroll Bond Ratings. The latest financial instruments available in the public financing market are utilized when issuing new debt in order to attain the lowest interest rates possible. Relationships are maintained and expanded with institutional and retail investors who have demonstrated confidence in the State's economy by purchasing bonds and notes at attractive interest rates.

The Office of the Treasurer is also a critical resource in the drafting of new laws, working with the executive and legislative branches on proposed legislative initiatives. This has resulted in the design of new bonding programs that have been well received in the financial markets, while maintaining exemption from federal and State taxes where appropriate. Specific examples include: the authorization of bonding backed by future federal transportation

funds; a program to eliminate the State's accumulated GAAP deficit; a transportation lockbox; legislation to allow the State to access certain federal loans; a new alternative tax secured bonding program to fund projects and purposes authorized for funding with general obligation bonds; restructuring the funding of the Teachers' Retirement Fund to make it more sustainable over time; and most recently, the new Baby Bonds program, a first in the nation.

The Debt Management Division manages the State's four public financing programs: General Obligation Bonds, Special Tax Obligation Bonds (Transportation Infrastructure), University of Connecticut Bonds, and State Revolving Fund (Clean Water and Drinking Water Funds) Bonds, and coordinates the issuance of bonds with State quasi-public authorities including Capital Region Development Authority (CRDA), Connecticut Airport Authority (CAA), Connecticut Green Bank (CGB), Connecticut Health and Educational Facilities Authority (CHEFA), Connecticut Higher Education Supplemental Loan Authority (CHESLA), Connecticut Housing Finance Authority (CHFA), Connecticut Innovations (CI), and Materials Innovation and Recycling Authority (MIRA).

The Debt Management Division consists of 11 professionals under the direction of an Assistant Treasurer.

# THE YEAR IN REVIEW

During Fiscal Year 2021, the Debt Management Division actively managed the State's \$26.7 billion debt portfolio.

Significant accomplishments included:

- **New Money Bonds** - A total of \$2.4 billion of new money bonds were issued to continue funding of the State's capital programs including local school construction grants, economic development initiatives, transportation infrastructure, improvements at the state universities and colleges, and Clean Water and Drinking Water grants. These projects help bolster the local economy and improve the lives of all Connecticut citizens.

- **Refunding Bonds** - As interest rates continue to remain very low, bonds were refunded through the issuance of \$343.1 million of General Obligation, Special Tax Obligation (Transportation Infrastructure), and University of Connecticut refunding bonds. These refundings will provide \$38.1 million in aggregate debt service savings over the life of the bonds. The Division also assisted with the issuance of CHEFA and CHFA refunding bonds. In addition, the Division redeemed \$15.8 million of Bradley Airport Parking Revenue bonds and \$45.8 million of State Revolving Fund, Clean Water Fund bonds, with available funds.

Furthermore, the Division executed two "forward refunding" transactions to lock in additional refunding savings of \$83.9 million over the life of the bonds, a new industry trend.

- **Credit Ratings Upgrades** – 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 several significant credit rating upgrades. In November 2020, and again in May 2021, Treasurer Wooden and the Office of Policy and Management's Secretary McCaw and staff met with the four major bond rating agencies through video conference calls. The presentations highlighted the State's strong fiscal practices and included specific comparisons of Connecticut to higher-rated states using each specific credit rating agencies' own metrics and criteria. All four of the credit rating agencies upgraded the State's General Obligation bonds, three 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.

- **Industry Leadership** – Continuing its market leadership, Connecticut sold its first issue of "Social Bonds" to fund the State's socially beneficial and progressive local school construction program, 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.

- **General Obligation Bond Sales** – The Division's first General Obligation bond sale of the fiscal year occurred in January 2021 with a \$800 million new money offering. This sale was significant as it marked a continual trend of narrower bond pricing spreads, which indicates investor confidence in the State's bonds. General Obligation bond spreads had widened in recent years due to investor concerns over the State's long-term pension and low budget reserves but have been moving back to more historic levels as pension reform measures were adopted and reserve levels reached an all-time high. The January sale achieved the lowest bond pricing spreads since 2014, resulting in an overall interest cost of 1.80% on the 20-year new money bonds, the lowest tax-exempt borrowing cost on record.

Carefully monitoring market conditions, the Division successfully brought the sale of \$990.5 million General Obligation bond sales at the end of the fiscal year in four series. The \$300 million ten-year taxable sale achieved an overall interest cost of 1.61%, the lowest taxable interest rate on record. The \$300 million tax-exempt General Obligation bond sale was marketed as Social Bonds, the State's first. The sale also included two series of refunding bonds, one a forward refunding, that will save \$61 million over the life of the bonds.

- **Transportation Bonding Program** – In May 2021, the Division managed the issuance of \$875 million of new Special Tax Obligation bonds to fund new and ongoing transportation infrastructure improvements, which achieved a record low 2.12% borrowing cost for the program. The bond sale provided total funding of \$1.03 billion for statewide transportation infrastructure investments. The sale also included two series of refunding bonds refinancing existing bonds for a total savings of \$32.2 million over the life of the bonds. The sale attracted record participation by retail investors as total retail orders were \$512 million, breaking the previous retail record for the Special Tax Obligation program established in 2020. Throughout the year the year, the Division continued to consult with the State's Department of Transportation and the Office of Policy and Management on bonding matters



including various funding sources and alternative financing strategies related to the transportation bonding program.

- University of Connecticut – The Division worked in conjunction with the University of Connecticut on issuing new money UConn 2000 bonds totaling \$160.2 million as well as \$119.1 million of refunding bonds. The bond sale attracted \$455 million of retail orders, a record for this program; achieved an overall interest cost on the funding of 2.19%, also a record for this program; and saved \$29 million through refunding savings.
- State Revolving Fund (SRF) (Clean Water and Drinking Water Fund) Green Bonds - The Division worked closely with the State’s Department of Energy and Environmental Protection and the Department of Public Health to successfully commit low-cost funding for program participants throughout the State. Given the very low level of interest rates, the Division developed

policies and procedures to effectively manage Clean Water loan prepayments in a manner designed to mitigate long-term impacts on the Fund while being fair to borrowers.

- Quasi-Public Agencies – Interfaces with the State’s quasi-public agencies continued as the Division worked with the several quasi-public agencies on debt issuance and refundings that require the Treasurer approval and State disclosure. They include CHFA, CHEFA, CHESLA, and CGB.
- Vendor Searches - The Division continues to manage several important vendor searches. A request for Proposals for bond underwriting and another for auditing and accounting services were successfully completed. Requests for Proposals for bond counsel as well as for a new debt management computer system were both issued and are still underway.

### Active Public Financing Programs for the State of Connecticut, as of June 30, 2021, include:

Amount Outstanding June 30, 2021

<b>GENERAL OBLIGATION BONDS</b>	<b>\$ 16,909,051,736</b>
General Obligation bonds are paid out of the revenues of the State General Fund and are supported by the full faith and credit of the State of Connecticut. General Obligation bonds are issued for construction of State buildings, municipal grants, local school construction, economic development, State parks, and open space. Outstanding amounts include \$2,208,066,524 of Teachers’ Retirement Fund bonds issued in April 2008 pursuant to Public Act 07-186 and \$344,875,000 of GAAP Conversion bonds issued in October 2013, which were used to fund half of the State’s accumulated General Fund GAAP Deficit at the time.	
<b>UCONN 2000 BONDS</b>	<b>1,583,660,000</b>
The University of Connecticut pays debt service on UConn 2000 bonds from a debt service commitment appropriated from the State General Fund originally established under Public Act 95-230 and extended in 2010, 2013, and 2018. Up to \$4.3 billion of Debt Service Commitment bonds will be issued under a 32-year \$4.6 billion capital program to rebuild and refurbish the University of Connecticut.	
<b>OTHER GENERAL FUND APPROPRIATION DEBT</b>	<b>136,085,000</b>
The State has committed to pay interest and principal on these bonds by appropriation from the State’s General Fund. This debt consists of the following programs: Connecticut Health and Educational Facilities Authority (CHEFA) Revenue Bonds, Child Care Facilities Program for a childcare facilities program assumed by the State in July 1999 (\$41,225,000), Connecticut Housing Finance Authority (CHFA) Special Needs Housing Mortgage Finance Program bonds that funded a supportive housing program (\$39,770,000), and CHFA Emergency Mortgage Assistance Program bonds that were issued pursuant to Public Act 08-176 to fund the Emergency Mortgage Assistance Program (\$29,040,000). The State is required to make all debt service payments on these bonds pursuant to a contract assistance agreement between CHFA, the State Treasurer, and the Office of Policy and Management. Other appropriation debt includes Connecticut Innovations, Inc. (CI) Tax Increment Financing (\$16,400,000) and a Certificate of Participation issue for the Connecticut Juvenile Training School Energy Center Project (\$9,650,000). This figure does not include \$453,185,000 in outstanding City of Hartford General Obligation debt that the State is obligated to pay under a contract assistance agreement entered into in April 2018.	
<b>SPECIAL TAX OBLIGATION BONDS</b>	<b>6,959,265,000</b>
Special Tax Obligation Bonds are special obligations of the State payable solely from the revenues of the State pledged in the State’s Special Transportation Fund. The bonds are issued for the construction and maintenance of the State’s highway and bridge system and mass transportation and transit facilities. The bonds are secured by transportation-related taxes, fees and charges, and a portion of the State’s general retail sales tax. Additional security for the bonds is provided by a debt service reserve fund that totaled \$716,003,983 on June 30, 2021.	

STATE REVOLVING FUND (SRF) (CLEAN WATER AND DRINKING WATER FUND) BONDS	928,250,000
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The Clean Water Fund and the Drinking Water Fund constitute the SRF program. Revenue bonds provide below-market-rate loans to Connecticut municipalities for the planning, design, and construction of wastewater treatment projects and to Connecticut municipalities and private water companies for drinking water quality improvement projects. The bonds are secured by loan repayments from Connecticut municipalities, private borrowers, and general revenues of the program. The State also provides grants and some loans for the program through its General Obligation bond program.

CAPITAL REGION DEVELOPMENT AUTHORITY BONDS	66,895,000
--	------------

CRDA bonds were issued to provide funding for the Adriaen's Landing Development project in Hartford. The State is required to make all debt service payments on the bonds up to a maximum annual amount of \$9 million pursuant to a contract assistance agreement between CRDA, the State Treasurer, and the Office of Policy and Management. CRDA is required to reimburse the State for the debt service payments from net parking and central utility plant revenues.

BRADLEY INTERNATIONAL AIRPORT GENERAL AIRPORT REVENUE BONDS	86,780,000
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Airport revenue bonds are payable solely from gross operating revenues of Bradley International Airport, and proceeds are used for capital improvements at the airport.

BRADLEY INTERNATIONAL AIRPORT PARKING GARAGE REVENUE BONDS	0
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Parking garage bonds are payable from parking garage revenues and by a guarantee from the project developer/ lessee. The bonds financed the design and construction of a parking garage at Bradley International Airport. These bonds were fully redeemed with available funds during the 2021 fiscal year.

<b>TOTAL DEBT OUTSTANDING AT JUNE 30, 2021</b>	<b>\$26,669,986,736</b>
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### Bonds Issued During Fiscal Year 2021:

Bond Type	Par Amount	True Interest Cost <sup>(1)</sup>	Average Life (Years)	Issue Date
<b>NEW MONEY BONDS:</b>				
<b>GENERAL OBLIGATION</b>				
2021 Series A	\$ 800,000,000	1.80%	10.53	01/06/2021
2021 Series B	300,000,000	1.90%	10.49	06/04/2021
2021 Series A Taxable	300,000,000	1.61%	5.49	06/04/2021
<b>UConn 2000</b>				
2020 Series A	160,230,000	2.19%	10.66	12/17/2020
<b>SPECIAL TAX OBLIGATION</b>				
2021 Series A	875,000,000	2.12%	12.11	05/12/2021
<b>Fiscal Year 2021 Subtotal New Money Issues</b>	<b><u>\$2,435,230,000</u></b>			
<b>REFUNDING BONDS:</b>				
UConn 2020 Series A Refunding	\$ 119,085,000	0.92%	5.26	12/17/2020
CHFA 2021 Special Obligation Refunding Bonds	29,300,000	1.85%	4.86	05/04/2021
Special Tax Obligation 2021 Series B Refunding	11,695,000	0.69%	2.72	05/12/2021
General Obligation 2021 Series C Refunding	169,265,000	0.34%	1.27	06/04/2021
CHEFA 2021 Childcare Refunding Bonds	13,725,000	0.96%	4.41	06/24/2021
<b>Fiscal Year 2021 Subtotal Refunding Issues</b>	<b><u>\$ 343,070,000</u></b>			
<b>TOTAL</b>	<b><u>\$2,778,300,000</u></b>			

(1) An industry-defined term representing a composite overall present-value based interest rate for an entire bond issue excluding cost of issuance and other costs.

# Debt Management Division

Figure 14-1

DEBT MANAGEMENT  
Bond Issuance (\$ in millions) Fiscal Years 2012 - 2021

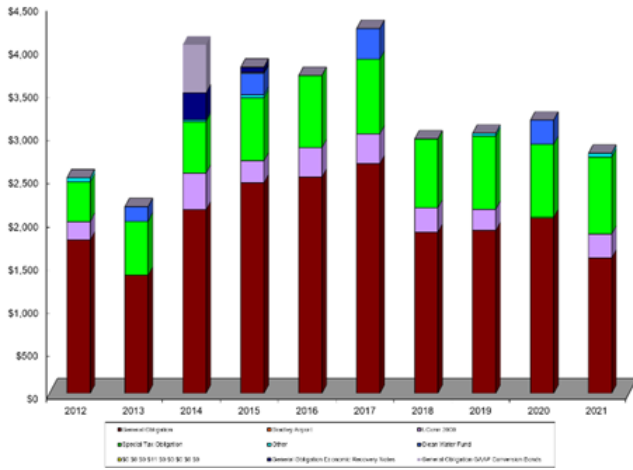


Figure 14-2

DEBT MANAGEMENT  
Total Debt Outstanding (\$ in millions) at June 30, 2021

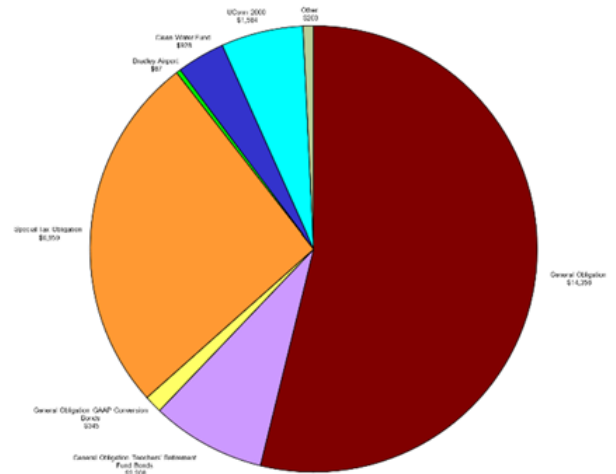
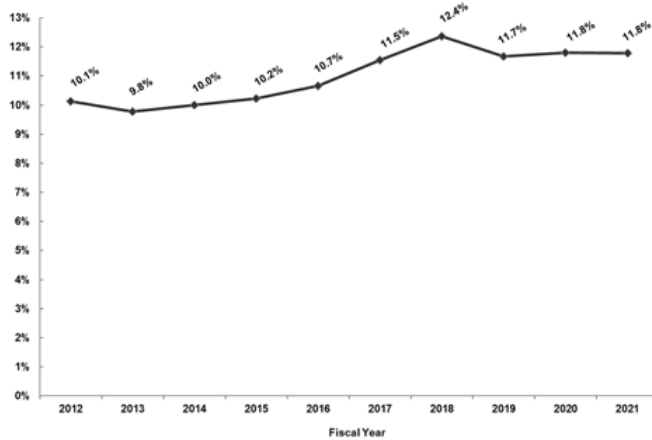
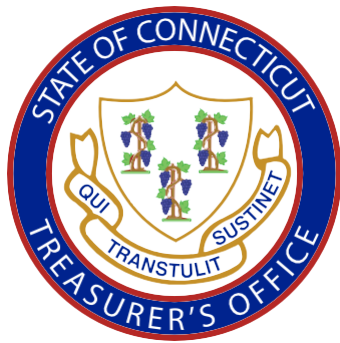


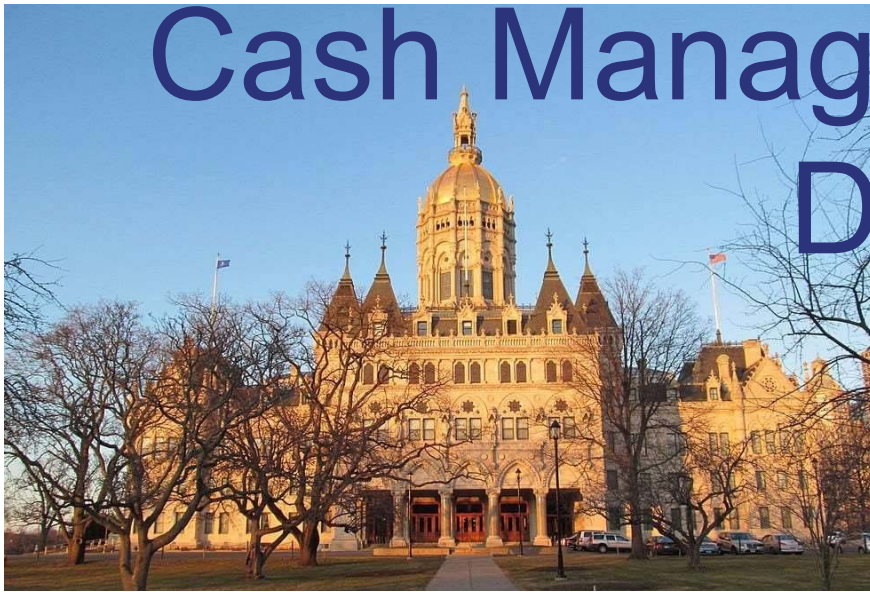
Figure 14-3

DEBT MANAGEMENT  
General Fund Debt Service Appropriation as a Percentage of the General Fund Appropriation





# Cash Management Division



## Division Overview

The Office of the Treasurer, through its Cash Management Division, is responsible for managing the state's cash movements, banking relationships and short-term investments, including:

- Maintaining maximum investment balances by ensuring more timely deposits, controlling disbursements, minimizing bank balances, and banking costs, and providing accurate cash forecasts.
- Earning the highest current income level in the Short-Term Investment Fund (STIF), providing for the safety of principal, first, and the provision of liquidity, second.
- Providing responsive services to STIF investors.
- Prudently investing more stable fund balances for longer periods and higher yields, including banks that meet standards for financial strength and community support.
- Protecting State deposits through well-controlled internal operations and use of banks that meet standards for financial strength.
- Improving operating efficiency by increased use of electronic data communication and funds processing; and
- Providing and partnering with State agencies for technical assistance on cash management and banking issues.

The Cash Management Division consists of 18 employees under the direction of an Assistant Treasurer, organized into three areas of specific responsibility:

The Bank Control and Reconciliation unit maintains accountability for the State's internal and external cash flow. The unit tracks the flow of funds through 18 Treasury bank accounts and authorizes the release of State payroll, retirement and vendor checks. More than three million transactions are accounted for and reconciled

annually. The unit also processes stop payments and check reissues. In addition, the unit works with state agencies to speed the deposit of funds and identify mechanisms to reduce banking costs, reviews state agencies' requests to open new bank accounts, maintains records of the State's bank accounts held by individual banks, reviews bank invoices and compensation, and manages the Division's procurement efforts for new bank services. The unit also manages the insurance collateral program in conjunction with the Department of Insurance, which requires companies writing insurance policies in the State to deposit securities and funds totaling a fixed percentage of the policies' value. On June 30, 2021, approximately \$ 354 million in securities were pledged to the program.

The Cash Control unit, on a daily basis, forecasts available cash, funds disbursement accounts, concentrates cash from depository banks, sweeps available cash into short-term investment vehicles to maximize investment balances, and executes electronic transfers. The unit also prepares annual cash flow projections for various State and bond rating credit agencies, monitors actual cash receipts and disbursements, and prepares the monthly cash report for the legislature. During Fiscal Year 2021, the unit controlled the movement of \$36.8 billion to and from state bank accounts and investment vehicles.

The Short-Term Investments unit invests STIF assets, monitors custodian activity, and prepares monthly, quarterly, and annual information reports on the Fund. During Fiscal Year 2021, the unit managed an average of \$9.0 billion in short-term money market instruments. As of June 30, 2021, the unit administered 935 active STIF accounts for 72 State agencies and authorities and 234 municipalities and local entities. In addition, the unit manages the Grant Express program that enables municipalities to deposit certain grant payments directly into their STIF accounts, and the Debt Express and Clean Water Fund Express programs

that allow towns to make debt payments automatically from their STIF accounts.

The unit also invests state funds in the Extended Investment Portfolio, which totaled \$8.8 billion at fiscal year-end. Pursuant to CGS 3-24k, the unit oversees the Community Bank and Credit Union Initiative, in which the Office of the Treasurer

supports Connecticut-based banks and credit unions with assets not exceeding \$1 billion by allowing them to compete for the investment of State funds in certificates of deposit at the qualifying institutions.

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## THE YEAR IN REVIEW

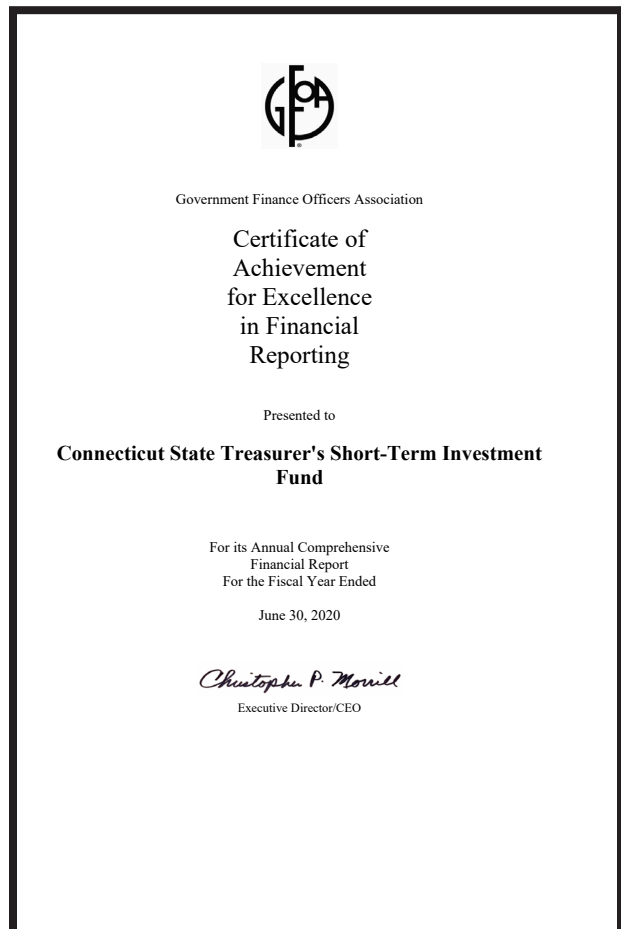
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During Fiscal Year 2021, the Cash Management Division's noteworthy accomplishments included:

- Total annual return of 0.10 percent in STIF exceeded its primary benchmark by 0.03 percent, resulting in \$5.9 million in additional interest income for Connecticut governments and their taxpayers, while adding \$5.9 million to its reserves. During the past 10 years, STIF has earned an additional \$74 million, while increasing the designated surplus reserve by \$39.4 million
- STIF's credit rating of AAAM, the highest available, was reaffirmed by S & P Global Ratings.
- Municipalities had 530 active accounts, an increase of 15 accounts from the prior fiscal year. STIF's Comprehensive Annual Financial Report was awarded the Certificate of Achievement for Excellence in Financial Reporting for 2020 by the Government Finance Officers Association.
- Investments of \$46.5 million were made with community financial institutions under the Connecticut Community Bank and Credit Union initiative at an average annualized interest rate of 0.13 percent. Since inception, program investments have totaled \$625.6 million.
- A total of \$18,000 in annualized bank overcharges was identified and recaptured during 2021.
- The Division expanded electronic payments to municipalities and vendors, working in collaboration with the Office of the State Comptroller, with payments totaling \$ 16.8 billion during the year.
- The division continued to partner with state agencies. To speed the receipt of funds through remote deposits and online

credit card, electronic check, and Automated Clearing House payments, and to expand the use of payee positive pay services to protect against check fraud.

- The division has performed its critical functions at a high level throughout the Covid-19 pandemic through a combination of in-office and remote work protocols.



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# SHORT-TERM INVESTMENT FUND

## FUND FACTS at JUNE 30, 2021

Basis of Presentation: Amortized Cost

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**DATE OF INCEPTION: 1972**

**TOTAL NET POSITION: \$ 8.9 BILLION**

**INTERNALLY MANAGED**

**EXTERNAL MANAGEMENT FEES: NONE**

**INVESTMENT STRATEGY/GOALS:**

To provide a safe, liquid, and effective investment vehicle for the operating cash of the State, municipalities, and other Connecticut political subdivisions.

**PERFORMANCE OBJECTIVE:**

As high a level of current income as is consistent with, first, the safety of principal and, second, the provision of liquidity.

**BENCHMARKS:**

iMoneyNet Money Fund Average™ - Rated First Tier Institutional Average (MFR) Index, Three-Month U.S. Treasury Bills.

**EXPENSE RATIO:**

Approximately 1-4 basis points (includes all costs associated with the management and operations of the Fund)

## Description of the Fund

The Treasurer's Short-Term Investment Fund (STIF or the Fund) is an AAAM rated investment pool of high-quality, short-term money market instruments managed by the Treasurer's Cash Management Division. Created in 1972, it 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 (See Figure 1-1). STIF's objective is to provide as high a level of current income as is consistent with, first, the safety of principal and, second, the provision of liquidity to meet participants' daily cash flow requirements. During the 2021 fiscal year, STIF's portfolio averaged \$9.0 billion.

STIF employs a top-down approach to developing its investment strategy for the management of its assets. Starting with the objectives of the Fund, STIF considers constraints outlined in its investment policy, which include among other parameters: liquidity management, limitations on the portfolio's weighted average maturity and permissible investment types. Next, an asset allocation is developed to identify securities that are expected to perform well in the current market environment. Over the long-term, STIF continually analyzes expectations of future interest rate movements and changes in the shape of the yield curve to ensure the most prudent and effective short-term money management for its clients. Ongoing credit analysis enables STIF to enhance its yield by identifying high-quality credits in undervalued sectors of the economy.

STIF pays interest monthly based on the daily earnings of the Fund less Fund expenses and an allocation to the Fund's designated sur-plus reserve. The daily reserve allocations equal one-tenth of one percent of the Fund's daily balances divided by the number of days in the year, until the reserve totals one percent of the Fund's daily balance. The reserve on June 30, 2021, totaled \$82.8 million.

To help the Fund and its investors evaluate performance, STIF compares its returns to various benchmarks. The primary benchmark is the iMoneyNet Money Fund Average™ - Rated First Tier Institutional Average (MFR) Index. This index represents an average of institutional money market mutual funds rated AAAM that invest primarily in first-tier (securities rated A-1, P-1) taxable securities. While STIF's investment policy allows for somewhat greater flexibility than these SEC-registered funds, the MFR Index is the most appropriate benchmark against which to judge STIF's performance. During the past year, STIF's actual investment strategy has been considerably more conservative than most private money funds and its own investment policy would permit. (See Figure 1-3)

STIF's yields also are compared to the average three-month

Treasury Bills rate. The Treasury Bill rate is used to measure STIF's effectiveness in achieving yields in excess of a "risk-free" investment. It is important to note that the 90-day benchmark exceeds STIF's shorter average maturity. In order to maintain its AAAM rating, the STIF cannot exceed a 60-day weighted average maturity (WAM) limit. Furthermore, these benchmarks are "unmanaged" and are not affected by management fees or operating expenses.

Among the Fund's several achievements during the 2021 fiscal year was the reaffirmation and continuation of its AAAM rating by S&P Global Ratings (S&P). In S&P's view, "a fund rated 'AAAM' demonstrates extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk."

## Portfolio Characteristics

During Fiscal Year 2021, the STIF portfolio continued its conservative investment approach of balancing liquidity and stability while maximizing yield for investors. STIF's conservative investment practices include maintaining abundant liquidity, a well-diversified portfolio, and significant holdings of securities issued, guaranteed or insured by the U.S. government and federal agencies.

Accordingly, at year-end STIF held 38 percent of Fund assets in overnight investments or investments that are available on a same-day basis. During the fiscal year, the Fund's WAM fluctuated between a low of 24 days and a high of 44 days and ended the year at 31 days. Fifty-five percent of the Fund's assets were invested in securities with maturities, or interest rate reset dates for adjustable rate securities, of less than 30 days. (See Figure 1-2)

The Fund ended the year with a 46% percent concentration in securities issued, guaranteed or insured by the U.S. government or federal agencies (including deposit instruments backed by irrevocable Federal Home Loan Bank letters of credit) or in repurchase agreements backed by such securities. In total, 85 percent of STIF's assets are rated A-1+ or have some form of government support. The Fund's three largest security weightings included bank deposits (45 percent), U.S. Treasury securities (25 percent), and government agency securities (11 percent). (See Figure 1-5)

## Market Review

Fiscal 2021, while not as volatile as the second half of fiscal 2020, continued to be volatile in terms of economic growth, inflation, and the resultant impact upon the capital markets. The effects of the COVID-19 pandemic began to abate during the fiscal year as business opened and a gradual "return to normalcy" began to occur. Some of the positive effects were subsequently paused



as the Delta variant of the virus emerged and some restrictions were re-introduced.

Economic growth in the United States, as measured by Gross Domestic Product (GDP), averaged 1.9 percent during the fiscal year, up significantly from the prior fiscal year average of -6.3 percent. Most of the increase took place in the second half of the fiscal year, with the fourth quarter GDP increasing 12.2 percent. During the same period, the Eurozone GDP has averaged -1.1 percent, with all the gain due to the fourth quarter's increase of 14.3 percent. Despite the continuation of supply and logistics constraints and the resurgence of COVID-19, it is expected that domestic GDP growth will be approximately 5.9 percent in 2021 and 4.2 percent in 2022. Globally, GDP is expected to increase approximately 5.9 percent in 2021 and 4.5 percent in 2022. In the Eurozone growth, as measured by GDP, averaged -2.0 percent, with the only increase taking place in the fourth quarter of the fiscal year, which was a staggering 14.3 percent.

Domestic inflation during the fiscal year, as measured by the year-over-year change in the consumer price index, averaged 2.3 percent during the fiscal year, which was significantly higher than the 1.6 percent recorded during fiscal 2020. Most of the increase in consumer inflation took place in the final quarter of the fiscal year, with inflation averaging 4.8 percent, whereas it averaged 1.5 percent during the first three quarters of the fiscal year. While the rate of domestic inflation was higher than the Federal Reserve Bank's target of two percent, the Fed stated that it believes inflationary pressures are transitory in nature and should recede and, as a result, a change in monetary policy was not required. Using a market-based inflation expectation, specifically the two-year breakeven inflation rate (the difference between two-year real yields and nominal yields in the US Treasury market), the expectations for inflation over the next two years averaged 2 percent and is currently approximately 2.6 percent, which reflects expectations that much of the recent increase in prices is transitory and will settle back into a range just slightly higher than Fed targets. Similarly, average Eurozone inflation was below the European Central Bank's (ECB) target of two percent as well. Eurozone inflation averaged 1.6 percent for fiscal 2021, starting off at 1.7 percent and ending at 2.9 percent during the fiscal year.

While above trend GDP growth and increasing inflation would normally lead to a sell-off in bonds and higher rates, the increase in rates, as measured by the ten-year U.S. Treasury was limited to 80 basis points (0.80 percent). The front-end of the rates market, those rates one-year and less, remained anchored near zero. The one-year bill fell from 16 basis points (0.16 percent) to seven basis points (0.07 percent) during the fiscal year. Growth in GDP and inflation is, however, traditionally good for equities.

This became apparent as the Russell 3000 Index returned 44 percent for the fiscal year and the S&P500 returned 41 percent. The MSCI All Country World Index (MSCI ACWI) returned 40 percent for the fiscal year.

As the fiscal year ended, the Federal Open Market Committee (Fed) began discussing the eventual "tapering", or reduction of asset purchases which is meant to add liquidity to the capital markets and affect interest rates. The Fed has also been discussing an increase in the Federal Funds rate, although it does not appear likely until the second half of 2022. These discussions, while not set in stone, show that the economy is in the process of turning the corner and that data, while not as strong as it currently is, will begin to reflect this with a greater consistency.

## Performance Summary

For the one-year period ending June 30, 2021 STIF reported an annual total return of 0.10 percent, net of all expenses and \$5.9 million in allocations to Fund reserves. Annual total return measures the total investment income a participant would earn with monthly compounding at the Fund's monthly net earned rate during the year. This figure exceeded that achieved by its benchmark, the MFR Index, which equaled 0.04 percent, by six basis points. STIF's performance bested that of three-month T-Bills by three basis points, which yielded 0.07 percent. STIF's relative performance was limited by the Fund's more cautious investment strategy that is focused on safety and liquidity.

The principal reasons for STIF's continued strong performance, despite its cautious strategy, was the selective addition of more bank deposit instruments and the active management of maturities within the portfolio, as well as the low overall expense rate.

Over the long-term, STIF has performed exceptionally well. For the trailing three-, five-, seven-, and ten-year periods, STIF's compounded annual total return was 1.31 percent, 1.18 percent, 0.91 percent, and 0.68 percent, net of all expenses and contributions to reserves, exceeding returns of its primary benchmark for all time periods. Viewed on a dollar-for-dollar basis, had one invested \$10 million in STIF ten years ago, that investment would have been worth \$10.7 million on June 30, 2021, versus \$10.57 million for a hypothetical investment in the MFR Index (See Figure 1-6). During the past ten years, STIF has earned \$74 million above its benchmark while adding \$39 million to its reserves.

## Risk Profile

STIF is considered extremely low risk for several reasons. First, its portfolio is comprised of high-quality, highly liquid securities, which insulate the Fund from default and liquidity risk. (See Figure

1-4) Second, its relatively short average maturity reduces the Fund's price sensitivity to changes in market interest rates. Third, STIF has a strong degree of asset diversification by security type and issuer, as required by its investment policy, strengthening its overall risk profile. And finally, STIF's reserves are available to protect against security defaults or the erosion of security values due to dramatic and unforeseen market changes. As the primary short-term investment vehicle for the operating cash of the State,

STIF has the ultimate confidence of the State government.

While STIF is managed diligently to protect against losses from credit and market changes, the Fund is not insured or guaranteed by any government. Therefore, the maintenance of capital cannot be fully assured.

FIG. 1-1

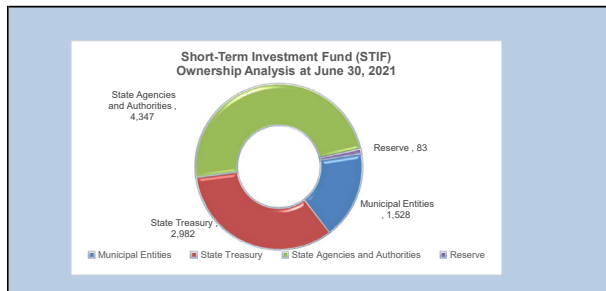


FIG. 1-2

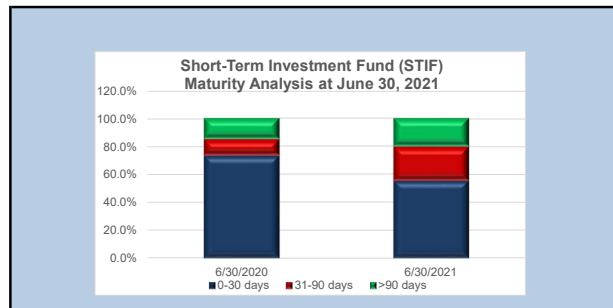


FIG. 1-3

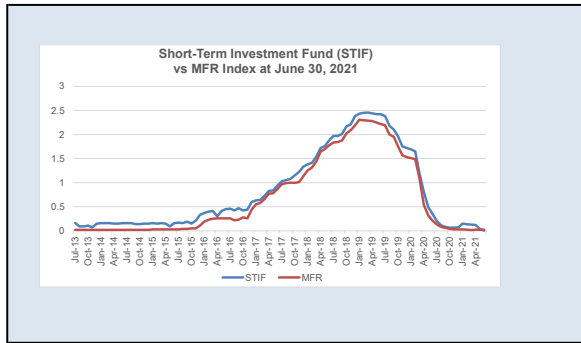
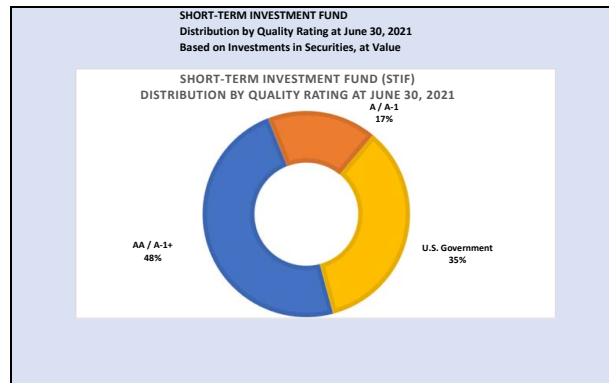


FIG. 1-4



\* A-2 securities are backed by irrevocable standby letters of credit provided by federal home loan banks.  
 \*\* AA/A-1+ Includes federal agency and repurchase agreements backed by U.S. Govt Guaranteed Securities

FIG. 1-5

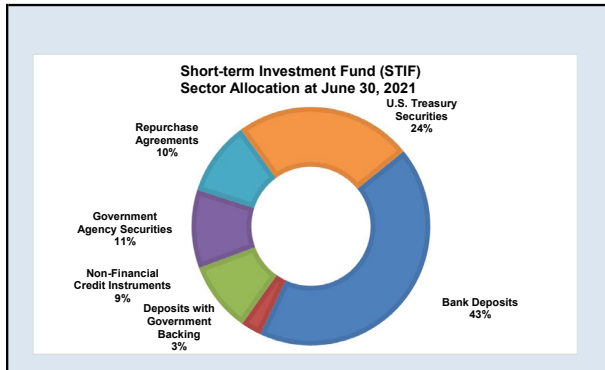
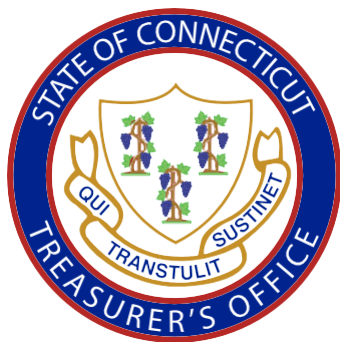


FIG. 1-6

Short-Term Investment Fund vs MFR Index at June 30, 2021					
<b>Compounded Annual Total Return (%)</b>					
	1 YR	3 YRS	5 YRS	7 YRS	10 YRS
STIF	0.10	1.31	1.18	0.91	0.68
MFR Index*	0.04	1.18	1.06	0.78	0.56
Fed. Three-Month T-Bill	0.07	1.17	1.11	0.82	0.59
<b>Cumulative Total Return (%)</b>					
	1 YR	3 YRS	5 YRS	7 YRS	10 YRS
STIF	0.10	3.97	6.06	6.53	7.02
MFR Index*	0.04	3.58	5.42	5.61	5.74
Fed. Three-Month T-Bill	0.07	3.54	5.65	5.88	6.07

STIF uses a time-weighted linked rate of return formula to calculate rates of return.  
 \* Represents iMoneyNet Money Fund Average TM - Rated first Tier Institutional Average (MFR) Index.



# Unclaimed Property



## Division Overview

The Office of the Treasurer's Unclaimed Property Division is responsible for safeguarding assets turned over to the Office in accordance with state law, until the rightful owners are located. The primary objective of the unclaimed property program is to reunite rightful owners or heirs with their unclaimed property, which is remitted to the Office of the Treasurer by business entities after the business loses contact with a customer for a period of three to five years. Unclaimed assets include but are not limited to: deposits in savings or checking accounts, uncashed checks, matured certificates of deposit, stocks, bonds or mutual funds, travelers' checks or money orders and proceeds of life insurance policies.

A permanent record of reports of unclaimed property filed annually by holders of such property is maintained by the Division. Unclaimed property holders include banks, credit unions, insurance companies, brokerage firms, utility companies, and businesses. The Division prescribes holder report forms and monitors reporting by holders.

Assets must be reported and remitted within 90 days following the close of each calendar year. These assets are held in the custody of the Treasurer until claimants come forward to claim the property. Rightful owners or their heirs always have the right to claim funds held by the Treasury. There is no time limit to claim funds.

To determine whether a holder is complying with its duties under the law, the Division is permitted to conduct examinations of company records. Upon receipt of unclaimed securities (stocks and mutual funds), the Treasurer may proceed with the sale of the securities and retains the proceeds for the benefit of the owner of the property.

Efforts to locate the owners of unclaimed property include the biannual publication of abandoned property reported and transferred to the Treasurer. The Division also maintains a user-friendly website that is updated with new names weekly, called CT Big List at [www.ctbiglist.com](http://www.ctbiglist.com).

All unclaimed property receipts are deposited into the General Fund until rightful owners come forward to claim the property.

The Unclaimed Property Division consists of twenty-one employees under the direction of an Assistant Treasurer.

# THE YEAR IN REVIEW

- As of June 30, 2021 the unclaimed property website contained over \$1.1 billion in escheated property held for 1,968,001 owners.
- There are 2.9 million shares (estimated value of \$17 million) (Figure 16-1) in the custodian account as of June 30, 2021.
- Holder reports received through June 30, 2021 were loaded to the database.

## 2021 Division Performance

During Fiscal Year 2021, the Unclaimed Property Division:

- Returned \$33 million (Figure 16-2) to 6,851 rightful owners (Figure 16-3).
- Received \$151 million in unclaimed property (Figure 16-4) of which \$114 million was voluntarily reported by businesses, \$10 million came from examinations of company records and \$27 million from the sale of 3.6 million shares of securities.
- In February 2021 the Unclaimed Property Division migrated from a computer system implemented in 2006 to a more robust, user friendly, web-based system. Prior to this

implementation, the division processed claims using only paper. Since deployment of the new system, the division has been electronically processing claims. Both claimants and holders are now permitted to upload documents directly to the Unclaimed Property website, [www.CTBigList.com](http://www.CTBigList.com).

- Over the past 10 years, the Unclaimed Property Division has received a total of \$864 million in unclaimed property voluntarily reported by holders, an additional \$110 million from examinations, and \$277 million from the sale of stocks, bonds or mutual funds, or \$1.25 billion in total. During the same period, it returned \$588 million to rightful owners.
- In accordance with Connecticut General Statute section 3-69a (a) (2), \$12,334,172 of unclaimed property receipts was deposited into the Citizen's Election Fund and the balance into the General Fund for Fiscal Year 2021.

Figure 16-1

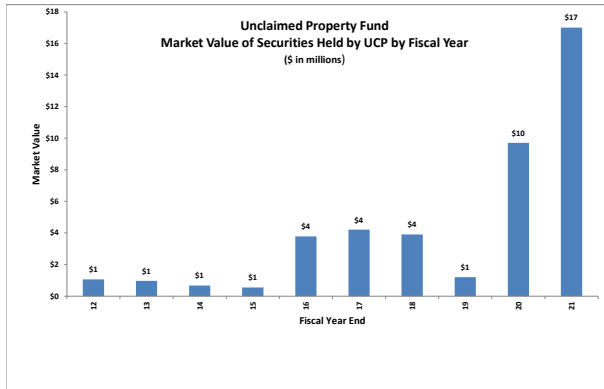


Figure 16-2

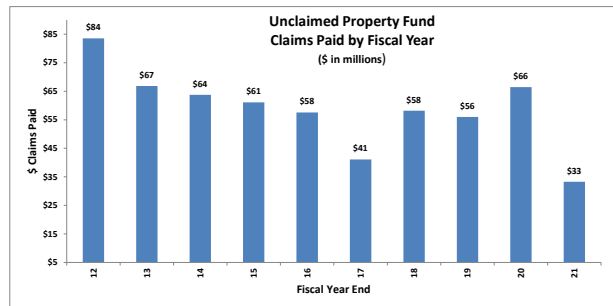


Figure 16-3

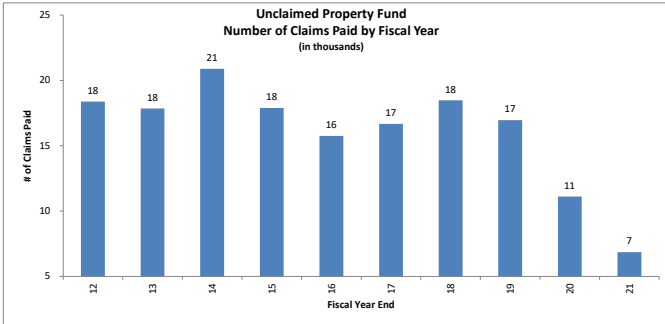
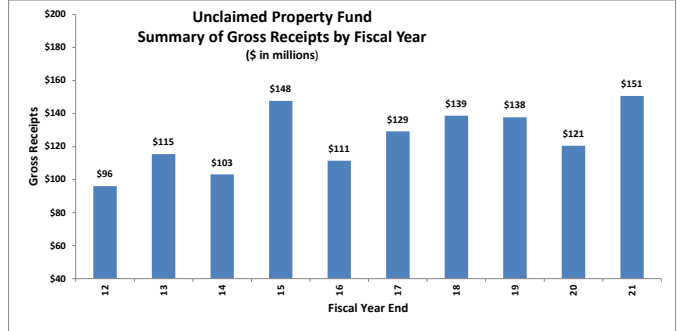
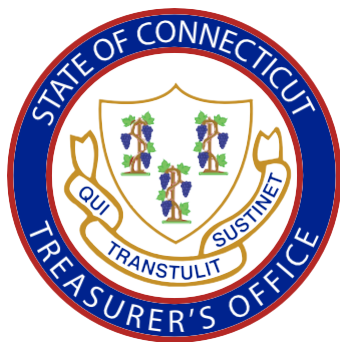


Figure 16-4







# Second Injury Fund



## Division Overview

The Second Injury Fund (SIF or the Fund) is a state operated workers' compensation insurance fund established in 1945 to discourage discrimination against veterans and encourage the assimilation of workers with a pre-existing injury into the workforce. Public Act 95-277 closed the Fund to new "second injury" claims for injuries sustained on or after July 1, 1995 and expanded enforcement, fines and penalties against employers who fail to provide workers' compensation coverage. Prior to July 1, 1995, the Fund provided relief to employers where a worker, who already had a pre-existing injury or condition, was hurt on the job and that second injury was made "materially and substantially" worse by the first injury. Such employers transferred liability for these workers' compensation claims to the Fund if certain criteria were met under the Connecticut Workers' Compensation Act (thus the term "Second Injury Fund").

Today the Fund continues to be liable for those claims transferred prior to the closing of the Fund as well as claims involving uninsured employers, reimbursement of cost of living adjustments for certain injuries involving payment of benefits or dependent spouse's benefits and, on a pro rata basis, reimbursement claims to employers of any worker who had more than one employer at the time of the injury.

The Fund is responsible for adjudicating qualifying workers' compensation claims fairly and in accordance with applicable law, industry standards and best practices. Where possible, the Fund seeks to return injured workers to gainful employment or seeks

settlement of claims, which will ultimately reduce the burden of Fund liabilities on Connecticut businesses.

The Second Injury Fund is financed by assessments on all Connecticut employers. The State Treasurer, as Custodian of the Fund, establishes the assessment rate on or before May 1st of each year.

Insured employers pay a surcharge on their workers' compensation insurance policies based on "standard premiums" calculated and issued by insurance companies who also collect and remit this assessment to the Fund. The assessment for self-insured employers is based on "paid losses" for medical and indemnity benefits incurred in the prior calendar year.

Under the administration of an Assistant Treasurer, the division employed 30 employees.

# THE YEAR IN REVIEW

- There were four assessments made on insured employers totaling \$22.7 million and self-insured employers were assessed four times totaling \$4.9 million, for a combined assessment on all Connecticut employers of \$27.6 million for Fiscal Year 2021. The assessment rate for insured employers is 2.25 percent and 2.75 percent for self-insured employers in Fiscal Year 2021.
- Reserves (estimated unfunded liability) for all open claims total \$202 million, a decrease of \$52 million from a year ago. The Fund expects the unfunded liabilities will continue to decline in Fiscal Year 2022. (See Figure 17-1).

## 2021 Division Performance

During fiscal year 2021 the Second Injury Fund:

- Maintained assessment rates at historic low levels for Connecticut;
- Provided \$23 million in indemnity, medical and settlement payments to injured workers;
- Saw the number of injured workers receiving bi-weekly benefits (indemnity payments only) decreased from 204 a year ago to 193;
- Participated in 221 settlements at a cost of \$5.1 million. The Fund's caseload is at a low of 2,375 as of June 30, 2021 (See Figure 17-2);

- Realized a total savings of \$1.3 million in medical costs using a Preferred Provider Organization Network offered by contracted medical vendors;
- Worked with the Second Injury Fund Advisory Board to help the Fund carry out its mission.

## Second Injury Fund Advisory Board

Two meetings were held during Fiscal Year 2021 – October 15, 2020 and June 16, 2021.

As of July 1, 2021, the Advisory Board members were:

- State Senator Julie Kushner, Chair, Labor & Public Employees Committee of the General Assembly
- State Representative Robyn Porter, Chair, Labor & Public Employees Committee of the General Assembly
- Sal Luciano, Connecticut AFL-CIO, Chair, Advisory Board
- Clifford G. Leach, The Hartford Financial Service Group, Inc.
- John Blair, Connecticut Business and Industry Association
- Marko Kaar, Connecticut Construction Industries Association
- Brian Anderson, Council 4 AFSCME
- Kimberly Harrison, Hartford Healthcare

Figure 17-1

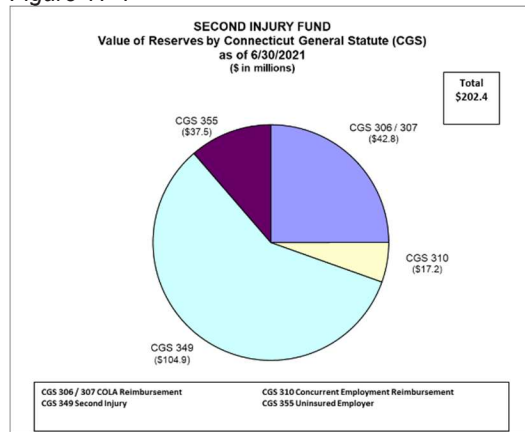
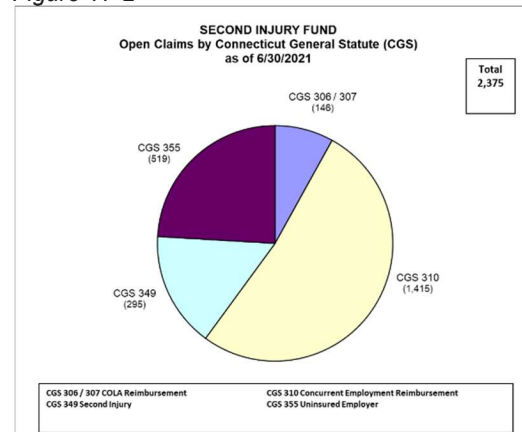


Figure 17-2



# Connecticut Higher Education Trust



## TRUST OVERVIEW

### Establishment of the Trust

The Connecticut Higher Education Trust (CHET or Trust) is a Qualified State Tuition Program established pursuant to Section 529 of the Internal Revenue Code. CHET was unanimously approved by the Connecticut General Assembly in Public Act No. 97-224 (the Act) and signed into law by the Governor in July 1997. The program began operating on January 1, 1998. While the Trust is considered an instrumentality of the State, the assets of the Trust do not constitute property of the State and the Trust is not a department, institution or agency of the State.

CHET is a trust, available for families to save and invest for higher education expenses. It is privately managed under the supervision of the State Treasurer as Trustee. Current Internal Revenue Service regulations provide that total contributions to an individual account may not exceed the amount determined by actuarial estimates as necessary to pay qualified higher education expenses of the designated beneficiary for five years of undergraduate enrollment at the highest cost institution allowed by the program. CHET's account balance limit for contributions is \$300,000 per beneficiary, whether held in CHET Direct, CHET Advisor, or both.

While money is invested in CHET, there are no federal or state taxes on investment earnings. Amounts may be withdrawn to pay for tuition, room and board, fees, books, supplies and equipment required by the beneficiary for enrollment or attendance at any eligible public or private educational institution. Investment earnings withdrawn for qualified education expenses are exempt from federal and Connecticut State income taxes. Earnings withdrawn for non-qualified expenses are taxable income to the account owner and incur an additional federal tax penalty of 10 percent.

### State Income Tax Deduction

The state income tax deduction for CHET, which became effective July 1, 2006, provides Connecticut taxpayers with the ability to deduct program contributions of up to \$5,000 for single filers or \$10,000 for joint filers per year from their Connecticut adjusted gross income.

### Direct-Sold Program

The Connecticut Higher Education Trust ("CHET") converted to a new program manager, Fidelity Investments ("Fidelity"), for the CHET Direct-sold program on February 5, 2021. The Office of the Treasurer selected Fidelity as the new program manager in August 2021.

The CHET program continued its steady growth, surpassing \$4.3 billion in assets under management and more than 174,129 accounts. Since CHET's conversion in February 2021, more than \$74.4 million in qualified withdrawals in CHET Direct have been redeemed to cover college costs for students attending nearly every public and private college in Connecticut and several out-of-state schools.

CHET Direct managed by Fidelity brings more options for CHET participants. The CHET Direct program offers 37 investment options consisting of a range of portfolios for educational investors, allowing participants to choose from three types of investment options; Age-Based Portfolios which automatically adjust their asset allocation as the beneficiary gets closer to college, Static Portfolios which see to maintain a constant asset allocation, allowing participants to choose an asset mix that aligns with their risk tolerance, and Individual Portfolios which allow investors to construct their own portfolio or obtain a targeted exposure choosing from a lineup of equity, fixed income and

short-term options.

Educational investors have the option to choose from a low-cost index or passive portfolio options, actively managed portfolio options or a blend of both active and passive portfolio options available in the Age-Based portfolios.

Program features of CHET Direct no initial minimum contribution and no account fees, and the convenience of automated payroll and bank Electronic Funds Transfers (EFT) for contributions with a minimum systematic contribution of \$15 per month. The program allows for transferability of account funds to other eligible members of the original beneficiary's family without penalty. Connecticut taxpayers are permitted a deduction of \$5,000 (or \$10,000 for joint filers) per individual from state adjusted gross income for contributions to CHET accounts. Other programs include both Baby Scholars, which provides \$100 toward a newborn's future college costs, and the Dream Big! Competition, a scholarship competition for high school seniors.

### Advisor-Sold Program

The CHET Advisor program converted to a new program manager. Fidelity Investments was selected for the CHET Advisor-sold program and converted on March 19, 2021. The Office of the Treasurer selected Fidelity as the new program manager in August 2021.

CHET Advisor is not marketed directly to individuals. Fidelity has developed a network of financial advisors through the state that now offers CHET Advisor to clients as an investment option. As with the direct-sold program, CHET Advisor offers four types of investment options for participants: Age-Based Portfolios that automatically reallocate assets as a beneficiary approaches college age, Static Portfolios which allows participants to choose an allocation based on risk tolerance, Individual Portfolios which allows advisors to help participants construct a unique asset allocation plan, and a Stable Value option that maintains a consistent level of current income.

The Advisor-Sold plan has four investment classes: A, C, I and P. Class A has an up-front sales charge, Class C has no up-front sales charge but has a contingent deferred sales charge for withdrawals made within one year of deposit, and Class I, which is only available to certain groups associated with Fidelity, has no sales charge or deferred sales charge. Class P shares are only available through a plan's workplace savings program. CHET Advisor also offers a Fidelity-managed CHET Advisor 529 plan to firms to set up participation to CHET in their firms. There are annual management fees for both CHET Direct and CHET Advisor, which vary based on investment options chosen.

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## THE YEAR IN REVIEW

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This year was a year of transition for the CHET program. The Office of the Treasurer worked with Fidelity and our incumbent plan managers, TIAA-CREF and The Hartford to successfully convert the 529 Trust to Fidelity's stewardship. Fidelity is continuing to work with our office to make the necessary improvements in the user experience from account management to customer service interactions to deliver a high quality 529 experience for CHET participants. With Fidelity comes a few key advantages relative to our incumbent 529 providers: 1) Low-cost options via the Index portfolios are considered the lowest in the industry and a new option for CHET participants. 2) Fidelity uses a "smooth" glide path approach with its age-based options to minimize the volatility of changes to the asset allocation over time. 3) Fidelity as a robust 529 provider with a track record of high quality, long-term investment outcomes that make a meaningful difference in saving for college. The Fidelity team is focused on delivering new improvements to the CHET offering in 2022 while maintaining existing programs like CHET Baby Scholars and CHET Dream Big! Competition.

Both the CHET Direct program and the CHET Advisor program

provide means of accumulating assets to pay for educational opportunities. Each program works to increase the number of new accounts and beneficiaries, even as existing CHET account holders begin to use accumulated savings to pay for the costs of higher education.

The CHET Direct program received high marks during the fiscal year from Morningstar, a leading independent investment research firm that monitors college savings plans across the country. In October 2020 CHET Direct was one of 21 direct-sold plans that received a "Bronze" medal rating, placing it among the top plans in the country.

### CHET Direct

The Connecticut Higher Education Trust ("CHET") converted to a new program manager, Fidelity Investments, for both the CHET Direct-sold and CHET Advisor-sold programs in Q1-2021. During Fiscal Year 2020, the number of accounts in the CHET Direct program grew from 128,827 to 143,069. During the same period, total assets grew from \$3.5 billion to \$4.3 billion. As of June 30, 2021, Fidelity has activated close to 110,000 accounts

(80%) representing 62,000 households (79%). Since 1999 when the direct-sold program was launched, CHET Direct had about 4,000 accounts and \$18.5 million in total assets.

In addition, the CHET Baby Scholars continues under Fidelity leadership. The Baby Scholar program was converted to an opt-in program to enable more families to participate in the program resulting in additional CHET participation overall. Account openings since the conversion to Fidelity has resulted in a 20% improvement in CHET participation after the grant has been made. Since the program's inception in 2014, over 16,600 CHET Baby Scholars accounts have been opened, representing a total investment of \$4.1 million in grants given to Baby Scholar families to start saving early for future college costs. CHET also continued the annual Dream Big! essay and drawing competition for elementary and middle school students, rounding out CHET's major initiatives and ensuring that the programs reach families with children of all ages from birth to college age. Integrated advertising and direct marketing campaigns ran throughout the year, focusing on tax time, graduation time, back-to-school and year-end contributions. CHET's advertising and direct marketing efforts served to increase CHET's brand awareness among state residents. The campaigns focused on the value of saving for college and the specific benefits of Connecticut's 529 college savings program.

### CHET Advisor

Fidelity Investments manages the CHET Advisor plan as of March 19, 2021. As of June 30, 2021, there were 31,060 accounts. During the year, total assets grew from \$685 million to \$898 million, representing a 31% increase in total assets.

### CHET Advisory Committee

State law created the CHET Advisory Committee, which meets annually pursuant to section 3-22e of the Connecticut General Statutes.

The Committee consists of the State Treasurer; the Executive Director of the Office of Higher Education; the Secretary of the Office of Policy and Management; the co-chairpersons and ranking members of the joint standing committees of the General Assembly having cognizance of matters relating to education and finance, revenue and bonding (or their designees); one student financial aid officer and one finance officer at a public institution of higher education in the state, each appointed by the Board of Regents for Higher Education; and one student financial aid officer and one finance officer at an independent institution of higher education in the state, each appointed by the Connecticut Conference of Independent Colleges.

One meeting of the Advisory Committee was held in Fiscal Year 2020: on December 7, 2020. At this meeting, Fidelity Investments presented highlights for 2020, discussed the selection of Fidelity as the new program manager for CHET Direct and CHET Advisor and received a presentation from Fidelity Investments concerning the conversion in 2021. Minutes of this meeting are available on the Treasury's website.

### Members of the Advisory Committee are as follows:

STATE TREASURER, SHAWN T. WOODEN, Chairperson

TIMOTHY D. LARSON, Executive Director, Office of Higher Education

STATE REP. ROBERT SANCHEZ, House Co-Chair, Education Committee

STATE SEN. DOUGLAS MCCRORY, Senate Co-Chair, Education Committee

STATE REP. KATHLEEN M. MCCARTY, Ranking Member, Education Committee

STATE SEN. ERIC C. BERTHEL, Ranking Member, Education Committee

STATE REP. SEAN SCANLON, House Co-Chair, Finance, Revenue and Bonding Committee

STATE SEN. JOHN FONFARA, Senate Co-Chair, Finance, Revenue and Bonding Committee

STATE REP. HOLLY H. CHEESEMAN, Ranking Member, Finance, Revenue and Bonding Committee

STATE SEN. HENRI MARTIN, Ranking Member, Finance, Revenue and Bonding Committee

STEVEN MCDOWELL JR., Associate Vice President for Financial Aid Services and Title IX Services, Connecticut State Community College

KERRY KELLY, Interim CFO, Connecticut State Community College

HOLLY WILLIAMS, Fiscal and Program Policy Section Director, Office of Policy and Management

JULIE SAVINO, Executive Director, University Financial Assistance, Sacred Heart University

PATRICK TORRE, Vice President of Finance, University of New Haven

# ABLE Program



## Achieving A Better Life Experience (ABLE) Trust

Pursuant to Section 3-39k(e) of the Connecticut General Statutes, set forth below is the annual report of the Achieving a Better Life Experience (ABLE) Trust for the fiscal year ending June 30, 2021.

### Background

In 2014, the U.S. Congress passed the ABLE Act, a framework that would allow persons with disabilities who are on Supplemental Security Income (SSI) to amass assets without putting benefits at risk. The Act created 529(a) accounts as a subset of the 529 college savings program. Many of the tax advantages offered through 529 accounts are available in ABLE 529(a) accounts, including exempting investment earnings from federal and state income taxes. This federal legislation required states to enact their own statutory frameworks for establishing programs for their respective state residents.

Accordingly, in 2015 Connecticut passed Public Act 15-80, An Act Implementing the Recommendations of the Program Review and Investigations Committee Concerning the Federal Achieving a Better Life Experience Act (Public Act). Mirroring the federal legislation, it allows families to accumulate assets for expenses without affecting state and federally mandated maximums to qualify for governmental services. The Public Act designated the State Treasurer as Trustee of the ABLE program with the responsibility to establish a federally qualified ABLE program and administer individual ABLE accounts. The Public Act was passed without an appropriation of funds for implementation.

In an effort to implement an ABLE Program in Connecticut that meets the objectives of the federal mandate, the Office of the Treasurer formed an advisory committee comprised of 20 individuals with relevant experience, including those who have served as disability advocates, representatives of key constituencies and organizations for persons with disabilities, and leaders of state agencies with purview over disability issues.

## Status of Connecticut's ABLE Program

In December of 2019, the Office of the Treasurer issued a Request for Proposal ("RFP") to solicit proposals for potential program partners to implement a federally qualified ABLE program for Connecticut residents in a cost-effective manner. The responses were evaluated for services related to investment management options, program administration, recordkeeping, customer service, and program implementation assistance.

In April of 2020, as a result of the RFP process, State Treasurer Shawn Wooden selected the National ABLE Alliance as Connecticut's ABLE partner. The National ABLE Alliance is a consortium of seventeen states working together to offer individual ABLE programs to persons with disabilities in their respective states. The National ABLE Alliance plan manager is Ascensus College Savings Recordkeeping Services, LLC, the largest independent recordkeeping services firm in the U.S.

In October of 2020, Treasurer Wooden launched Connecticut Achieving a Better Life Experience Savings Program ("ABLE CT"). ABLE CT is a federally qualified ABLE savings plan for the benefit of the State of Connecticut residents offered through the National ABLE Alliance and Ascensus. ABLE CT will allow individuals living with a disability the opportunity to open an account and save money using a tax-advantaged savings plan. You can find the ABLE CT website at <http://CT.savewithABLE.com>.

As of June 30, 2021, the ABLE CT Trust has \$610,477 in assets. Net contributions over the nine months since the program's inception were \$664,467 with \$65,780 in withdrawals at the fiscal year end.

# STATE OF CONNECTICUT



## AUDITORS OF PUBLIC ACCOUNTS

State Capitol  
210 Capitol Avenue  
Hartford, Connecticut 06106-1559

JOHN C. GERAGOSIAN

CLARK J. CHAPIN

### **INDEPENDENT AUDITORS' REPORT AND STATUTORY CERTIFICATION**

Governor Ned Lamont  
Members of the General Assembly:

#### **Report on the Financial Statements and Schedules included in the Treasurer's Annual Report**

We have audited the accompanying financial statements of the Combined Investment Funds, which comprise the statement of net position as of June 30, 2021, the statement of changes in net position for the fiscal year ended June 30, 2021, and the related notes to the financial statements. We have audited the accompanying financial statements of the Short-Term Investment Fund, which comprise the statement of net position, including the list of investments as of June 30, 2021, the statement of changes in net position for the fiscal year ended June 30, 2021, and the related notes to the financial statements. We have audited the accompanying financial statements of the Second Injury Fund, which comprise the statement of net position as of June 30, 2021, and the related statement of revenues, expenses and changes in net position and the statement of cash flows for the fiscal year ended June 30, 2021, and the related notes to the financial statements. We have audited the accompanying statement of net position of the other Non-Civil List Trust Funds as of June 30, 2021, together with the related statement of revenue and expenditures, and statement of changes in net position and the statement of cash flows for the other Non-Civil List Trust Funds and the related notes to the financial statements for the fiscal year ended June 30, 2021. We have audited the accompanying schedule of Civil List Funds investments and the summary schedule of cash receipts and disbursements of the Civil List Funds for the fiscal year ended June 30, 2021. We have audited the accompanying schedule of debt outstanding and the changes in debt outstanding for the fiscal year ended June 30, 2021.

#### ***Management's Responsibility***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial

statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

As described in the notes to the financial schedules, management has prepared the schedules of Civil List Funds investments and the summary schedule of cash receipts and disbursements of the Civil List Funds as well as the schedule of debt outstanding and the changes in debt outstanding using accounting practices prescribed by the State Comptroller, which practices differ from accounting principles generally accepted in the United States of America. Management has not included accrued interest earned in the presentation of the Civil List Funds. Management has not presented the current portion of long-term debt obligations in accordance with Generally Accepted Accounting Principles. The effects on the financial schedules of the variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### ***Opinion***

#### ***Debt Outstanding and Changes in Debt Outstanding and Civil List Funds***

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the schedule of the Civil List Fund investments, the summary schedule of cash receipts and disbursements of the Civil List Funds, the schedule of debt outstanding, and the changes in debt outstanding as of and for the fiscal year ended June 30, 2021, do not present fairly in conformity with accounting principles generally accepted in the United States of America the financial position or changes in financial position for the fiscal year ended June 30, 2021. In our opinion, the schedule of the Civil List Fund investments, the summary schedule of cash receipts and disbursements of the Civil List Funds, the schedule of debt outstanding and the changes in debt outstanding as of and for the fiscal year ended June 30, 2021, are presented fairly in all material respects, in accordance with the financial and budgetary requirements referred to as the statutory basis of accounting and described within the related notes to those schedules.

#### ***Combined Investment, Short-Term Investment Funds, Second Injury Fund and the Other Non-Civil List Trust Funds***

In our opinion, the financial statements the statement of net position of the Combined Investment Funds as of June 30, 2021, and the related statement of changes in net position for the fiscal year ended June 30, 2021, the statement of net position of the Short-Term Investment Fund, including the list of investments, as of June 30, 2021, and the related statement of changes in net position for the fiscal year ended June 30, 2021, the statement of net position of the Second Injury Fund as of June 30, 2021, and the related statement of revenues, expenses and changes in net position and the statement of cash flows for the fiscal year then ended, and the statement of net position of other Non-Civil List Trust Funds as of June 30, 2021, and the related statement of revenue and expenditures, statement of changes in net position and the statement of cash flows for the fiscal year then ended, are presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles.

### ***Emphasis of Matter***

As explained in Note 1B to the financial statements of the Combined Investment Funds, the Real Asset, Private Credit, Private Investment, and Alternative Investment Funds include investments that are carried at the investment advisors' June 30, 2021 fair value, or net asset value equivalent. The Treasurer's staff reviews the estimated fair values provided by the investment advisors for reasonableness. In instances in which an advisor's value appears to be overstated, the Treasurer's staff adjusts this estimated fair value accordingly. We reviewed the Treasury's documentation and procedures used to determine the fair values, and found them to be appropriate and reasonable; however, because of the inherent uncertainty in valuing these investments, determination of the estimated fair value market values may differ from the actual values had a ready market existed for these investments. Our opinion is not modified with respect to this matter.



As discussed in the notes to the financial statements and schedules, the financial statements or schedules of the Combined Investment Funds, Short-Term Investment Fund, Second Injury Fund, Non-Civil List Trust Funds, and Civil List Funds referred to in the first paragraph are intended to present only the funds and accounts administered by the Office of the Treasurer. They do not purport to, and do not, present fairly the financial position of the State of Connecticut as of June 30, 2021, and the changes in financial position for the fiscal year end June 30, 2021, or where applicable, its cash flows for the fiscal year ended June 30, 2021, in conformity with generally accepted accounting principles in the United States of America. Our opinion is not modified with respect to this matter.

### ***Report of Other Auditors***

We did not audit the accompanying financial statements of the Connecticut Higher Education Trust. These financial statements were audited by other auditors whose reports thereon have been included with the accompanying financial statements.

### ***Other Matters***

#### ***Required Supplementary Information***

Management's Discussion and Analysis, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary Information***

Our audit was made for the purpose of forming an opinion on the financial statements of the Combined Investment Funds as a whole. Certain other financial information, which includes the Schedule of Net Position by Investment Fund, Schedules of Changes in Net Position by Investment Fund, Total Net Position Value by Pension Plans and Trust Funds and the Schedules of Investment Activity by Pension Plan and by Trust contained within the supplemental section of this document, is presented for purposes of additional analysis and is not a required part of the financial statements of the combined investment funds. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements of the combined investment funds and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

#### ***Other Information***

The introduction, division operations, supplemental information and the statutory appendix sections include information presented for purposes of additional analysis that is not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, except as specifically noted in this audit opinion. Accordingly, we do not express an opinion or provide any assurance on it.

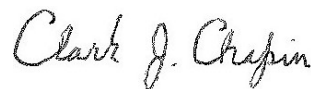
### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2021, on our consideration of the State Treasury's internal control over financial reporting and on our tests of its

compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Office of the Treasurer's internal control over financial reporting or on compliance. That report will be issued under separate cover in the *Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and other matters based on an audit of Financial Statements Performed in Accordance with Government Auditing Standards for the fiscal year ended June 30, 2021*, and is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit. This particular certification is issued by the Auditors of Public Accounts and the State Comptroller in accordance with Section 2-90 of the Connecticut General Statutes.



John C. Geragosian  
State Auditor



Clark J. Chapin  
State Auditor



Kevin Lembo  
State Comptroller

December 30, 2021  
State Capitol  
Hartford, Connecticut

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# MANAGEMENT'S DISCUSSION AND ANALYSIS

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The following Management's Discussion and Analysis (MD&A) provides an overview of the Annual Report of the Office of the Treasurer's financial performance for the fiscal year ended June 30, 2021.

## FINANCIAL STATEMENTS PRESENTED IN THIS REPORT

The State Treasurer is the chief elected financial officer of the State of Connecticut, overseeing a wide variety of activities regarding the prudent conservation and management of State funds. These include as of June 30, 2021 the asset investment administration of a \$44.6 billion portfolio for the Connecticut Retirement Plans and Trust Funds, the \$8.9 billion Short-Term Investment Funds, and the \$5.2 billion Connecticut Higher Education Trust (Direct Plan and Advisor Plan), a qualified state tuition program designed to promote and enhance affordability and accessibility of higher education to State residents.

The organizational structure of the Treasury comprises an Executive Office, which coordinates all financial reporting, administration and support functions within the Treasury, and oversees administration of the Connecticut Higher Education Trust, and six divisions including: Pension Funds Management, responsible for managing the assets of active and retired teachers, state, and municipal employees as well as trust funds financing academic programs, grants, and initiatives throughout the state; Debt Management, the public finance department for the State, responsible for issuing and managing the State's debt including issuing bonds to finance State capital projects and managing debt service payments and cash flow borrowing, administering the Clean Water Fund and maintaining the State's rating agency relationships; Management Services, responsible for the central management and operations of the Office of the Treasurer including financial reporting, administrative, and support functions. Cash Management, responsible for all the State's cash inflows and outflows and managing the State's cash transactions, banking relationships and short-term investments; Unclaimed Property responsible for returning unclaimed property to rightful owners or heirs; and the Second Injury Fund, responsible for managing the workers' compensation claim operation in Connecticut, serving injured workers whose claims are paid by the Fund.

The financial statements include: the Combined Investment Funds (which includes Civil and Non-Civil List Trust Funds), Short-Term Investment Fund, Connecticut Higher Education Trust, Unclaimed Property, and the Second Injury Fund.

## Combined Investment Funds and Short-Term Investment Funds:

The Statement of Net Position and the Statement of Changes in Net Position are two financial statements that report information about the Funds as a whole, and about its activities that should help explain how the Funds are performing as a result of this year's activities. These statements include all assets and liabilities using the accrual basis of accounting. The current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position presents assets and liabilities, with the difference between the two reported as "net position held in trust for participants."

The Statement of Changes in Net Position presents information showing how the net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying events giving rise to the change occur, regardless of the timing of related cash flows.

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

## Civil and Non-Civil List Trust Funds:

The Civil List Pension and Trust Funds schedule includes all cash and investment balances, and activity for the fiscal year. The Non-Civil List Trust Funds Financial Statements include all assets and liabilities, revenues and expenditures, and changes in fund balances using the accrual basis of accounting. The Notes to the Civil and Non-Civil List Trust Funds Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

## Connecticut Higher Education Trust (Direct Plan and Advisor Plan):

The Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position are two financial statements that report information about the Connecticut Higher Education Trust Program.

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the Connecticut Higher Education Trust Program financial statements.

### The Second Injury Fund:

The Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position are financial statements that report information about the Second Injury Fund.

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the Second Injury Fund's financial statements.

## FINANCIAL HIGHLIGHTS OF FISCAL YEAR 2021

On June 30, 2021, the Combined Investment Funds reported net position of \$44.6 billion. The Short-Term Investment Fund reported a fund balance of \$8.9 billion. These two funds account for 99 percent of the investments in the fiduciary funds managed by the Office of the Treasurer.

The Connecticut Retirement Plans and Trust Funds (CRPTF) Fiscal Year 2021 performance resulted in a net position of \$44.6 billion on June 30, 2021 an increase of \$8.4 billion from \$36.1 billion on June 30, 2020. The two largest pension funds among the CRPTF, the Teachers' Retirement Fund and the State Employees' Retirement Fund, both generated a net investment result of 24.28 and 24.36 percent respectively for Fiscal Year 2021. Total returns are calculated after reflecting management fees, other pension fund operating expenses and distributions primarily for benefit payments.

The Short-Term Investment Fund, on June 30, 2021, achieved an annual return of 0.10 percent, exceeding its primary benchmark of .04 percent, by 6 basis points, thereby earning an additional \$5.0 million in interest income for the state, state agencies and municipalities and their taxpayers while also adding \$5.9 million to

its reserves. At the end of the 2021 Fiscal Year, the Short-Term Investment Fund had \$8.9 billion in assets under management.

The State General Obligation Bonds earned four credit rating upgrades this year, the first in 20 years and the first time ever that three credit rating upgrades occurred at once. The Treasurer completed several bond sales totaling \$2.8 billion, many of which achieved record lower borrowing costs and/or record level of retail orders. Connecticut sold its first issue of "Social Bonds" to fund the State's socially progressive local school construction program and attract new investors. In addition, Treasurer Wooden refunded bonds during the year, saving taxpayers \$122 million over the life of the bonds including two "forward refunding" bond sales closing in the next fiscal year.

The Connecticut Higher Education Trust (CHET) Direct Plan held 143,069 accounts with total assets of \$4.3 billion at the end of the 2021 Fiscal Year compared to over 135,277 accounts and \$3.50 billion in assets in the prior fiscal year. The Connecticut Higher Education Trust (CHET) Advisor plan held 31,060 accounts with total assets of \$898 million at the end of the 2021 Fiscal Year compared to 29,575 accounts and \$685 million in assets in the prior fiscal year.

The Office of the Treasurer recovered \$2.9 million in the fiscal year from class action lawsuits and \$65 million since 2000 when the Treasury asset recovery and loss prevention program was initiated.

## Condensed Financial Information

Combined Investment Funds represent investments available to the pension funds of the State employees and teachers, municipal employees, as well as academic programs, grants and initiatives throughout the State.

### Net Position and Changes in Net Position

The net position of the Combined Investment Funds at the close of the 2021 Fiscal Year was \$44.6 billion, an increase of \$8.4 billion from the previous year. The change in net position resulted from a \$8.4 billion increase from operations (realized and unrealized gains and investment income) partly offset by net redemptions from the Combined Investment Funds.

**Table 1 - Net Position**

Assets	2021	Increase/(Decrease)	2020
Investments in Securities, at Fair Value	\$ 45,000,115,213	\$ 8,410,619,544	\$ 36,589,495,669
Cash, Receivables and Other	5,891,049,236	2,255,649,442	3,635,399,794
Total Assets	50,891,164,449	10,666,268,986	40,224,895,463
Liabilities	6,336,569,716	2,249,779,934	4,086,789,782
Net Position	\$ 44,554,594,733	\$ 8,416,489,052	\$ 36,138,105,681

**Table 2 - Changes in Net Position**

	2021	Increase/(Decrease)	2020
<b>Additions</b>			
Dividends	\$ 481,343,998	\$ (7,143,702)	\$ 488,487,700
Interest	400,436,448	(34,797,132)	435,233,580
Securities Lending & Other Income	28,467,788	(20,786,679)	49,254,467
<b>Total Investment Income</b>	<b>910,248,234</b>	<b>(62,727,513)</b>	<b>972,975,747</b>
Total Investment Expenses	177,348,209	36,656,266	140,691,943
<b>Net Investment Income</b>	<b>\$ 732,900,025</b>	<b>\$ (99,383,779)</b>	<b>\$ 832,283,804</b>
<b>Net Increase (Decrease) in Fair Value of Investments and Foreign Currency</b>	<b>\$ 8,281,025,664</b>	<b>\$ 8,295,483,341</b>	<b>\$ (14,457,677)</b>
<b>Net Increase (Decrease) in Net Net Position resulting from Operations</b>	<b>9,013,925,689</b>	<b>8,196,099,562</b>	<b>817,826,127</b>
Purchase of Units by Participants	4,602,811,713	(6,218,098,434)	10,820,910,147
<b>Total Additions</b>	<b>\$ 13,616,737,402</b>	<b>\$ 1,978,001,128</b>	<b>\$ 11,638,736,274</b>
<b>Deductions</b>			
Administrative Expense	\$ (6,713,830)	\$ (490,240)	\$ (6,223,590)
Distributions of Income to Unit Owners	(795,417)	12,474,352	(13,269,769)
Redemption of Units by Participants	(5,192,739,100)	6,403,076,805	(11,595,815,905)
<b>Total Deductions</b>	<b>\$ (5,200,248,347)</b>	<b>\$ 6,415,060,917</b>	<b>\$ (11,615,309,264)</b>
Change in Net Position	8,416,489,055	8,393,062,045	23,427,010
Net Position-Beginning of year	36,138,105,678	23,427,007	36,114,678,671
<b>Net Position-End of year</b>	<b>\$ 44,554,594,733</b>	<b>\$ 8,416,489,052</b>	<b>\$ 36,138,105,681</b>

Short-Term Investment Fund represents an investment pool of short-term money market instruments serving the State and State agencies, authorities, municipalities, and other public subdivisions of the State.

### Net Position and Change in Net Position

The net position in the Short-Term Investment Fund at the close of the 2021 Fiscal Year was \$8.9 billion, versus \$9.5 billion the

previous year. General financial market conditions resulted in an annual total return of 0.10 percent, net of operating expenses and allocations to Fund reserves in fiscal 2021. The annual total return exceeded that achieved by its benchmark, which was 0.04 percent, by 6 basis points, resulting in \$4.9 million in additional interest income for Connecticut governments and their taxpayers while also adding \$5.9 million to the Fund's reserves.

**Table 3 - Net Position**

	2021	Increase/(Decrease)	2020
<b>Assets</b>			
Investments in Securities at Amortized Cost	\$ 8,934,656,061	\$ (584,477,450)	\$ 9,519,133,511
Receivables and Other	1,737,588	(3,290,125)	5,027,713
<b>Total Assets</b>	<b>8,936,393,649</b>	<b>(587,767,575)</b>	<b>9,524,161,224</b>
Liabilities	202,620	(2,293,628)	2,496,248
<b>Net Position</b>	<b>\$ 8,936,191,029</b>	<b>\$ (585,473,947)</b>	<b>\$ 9,521,664,976</b>

**Table 4 - Changes in Net Position**

	2021	Increase/(Decrease)	2020
Additions			
Interest Income	\$ 16,323,634	\$ (124,688,284)	\$ 141,011,918
Net Realized Gains	1,512	(69,274)	70,786
Total Increase from Operations	<u>16,325,146</u>	<u>(124,757,558)</u>	<u>141,082,704</u>
Purchase of Units by			
Participants	15,148,941,521	(5,805,254,867)	20,954,196,388
Total Additions	<u>\$ 15,165,266,667</u>	<u>\$ (5,930,012,425)</u>	<u>\$ 21,095,279,092</u>
Deductions			
Distributions of Income to			
Participants	\$ (8,949,473)	\$ 121,975,215	\$ (130,924,688)
Redemption of Units by			
Participants	(15,740,315,111)	3,796,544,760	(19,536,859,871)
Operating Expenses	(1,476,030)	110,562	(1,586,592)
Total Deductions	<u>\$ (15,750,740,614)</u>	<u>\$ 3,918,630,537</u>	<u>\$ (19,669,371,151)</u>
Change in Net Position	(585,473,947)	(2,011,381,888)	1,425,907,941
Net Position-Beginning of year	9,521,664,976	1,425,907,941	8,095,757,035
Net Position-End of year	<u>\$ 8,936,191,029</u>	<u>\$ (585,473,947)</u>	<u>\$ 9,521,664,976</u>

**Connecticut Higher Education Trust****Fiduciary Net Position and Changes in Fiduciary Net Position (Direct Plan)**

Fiduciary Net Position of the Direct Plan at the close of the current fiscal year was \$4.3 billion, an increase of \$825 million from the

previous year. Change in Fiduciary Net Position in Fiscal Year 2021 resulted from \$124.8 million of contributions to active accounts, net of redemptions, in addition to net investment income of \$64.6 million and by an increase in the fair value of assets by \$636 million.

**Table 5 - Fiduciary Net Position**

	2021	Increase/(Decrease)	2020
Assets			
Investments	\$ 4,324,626,779	\$ 826,323,618	\$ 3,498,303,161
Cash, Receivables and Other	30,140,886	24,552,039	5,588,847
Total Assets	<u>4,354,767,665</u>	<u>850,875,657</u>	<u>3,503,892,008</u>
Liabilities	31,331,562	25,464,157	5,867,405
Net Position	<u>\$ 4,323,436,103</u>	<u>\$ 825,411,500</u>	<u>\$ 3,498,024,603</u>

**Table 6 - Fiduciary Changes in Net Position**

	2021	Increase/(Decrease)	2020
Additions			
Subscriptions	\$ 1,524,072,224	\$ (231,136,462)	\$ 1,755,208,686
Total Investment Income	72,302,458	(15,927,976)	88,230,434
Net Increase (Decrease) in Fair Value of investments	636,011,304	656,077,587	(20,066,283)
Total Additions (Deductions)	\$ 2,232,385,986	\$ 409,013,149	\$ 1,823,372,837
Redemptions	\$ (1,399,314,676)	\$ 268,414,474	\$ (1,667,729,150)
Advisor Plan Manager and Administrative fees	(7,659,810)	(4,305,112)	(3,354,698)
Total Deductions	\$ (1,406,974,486)	\$ 264,109,362	\$ (1,671,083,848)
Change in Net Position	\$ 825,411,500	673,122,511	\$ 152,288,989
Net Position-Beginning of year	3,498,024,603	152,288,989	3,345,735,614
Net Position-End of year	\$ 4,323,436,103	\$ 825,411,500	\$ 3,498,024,603

### Fiduciary Net Position and Changes in Fiduciary Net Position (Advisor Plan)

Fiduciary Net Position of the Advisor Plan at the close of the current fiscal year was \$897.8 million, an increase of \$213 million from the previous year. Change in Fiduciary Net Position in Fiscal

Year 2021 resulted from \$38.4 million of contributions to active accounts, net of redemptions, in addition to net investment income of \$14.5 million and by an increase in the fair value of assets by \$160.2 million.

**Table 7 - Fiduciary Net Position**

	2021	Increase/(Decrease)	2020
Assets			
Investments	\$ 898,480,512	\$ 213,701,973	\$ 684,778,539
Cash, Receivables and Other	5,595,973	5,017,680	578,293
Total Assets	904,076,485	218,719,653	685,356,832
Liabilities	6,282,607	5,640,162	642,445
Net Position	\$ 897,793,878	\$ 213,079,491	\$ 684,714,387

**Table 8 - Change in Fiduciary Net Position**

	2021	Increase/(Decrease)	2020
Additions			
Contributions	\$ 321,024,590	\$ 229,336,656	\$ 91,687,934
Transfers	-	(238,950,546)	238,950,546
Total Investment Income	19,354,968	(1,453,265)	20,808,233
Net Increase (Decrease) in Fair Value of investments	160,170,437	164,062,687	(3,892,250)
Total additions	\$ 500,549,995	\$ 152,995,532	\$ 347,554,463
Deductions			
Withdrawals	\$ (282,628,794)	\$ (227,139,510)	\$ (55,489,284)
Transfers	-	238,964,180	(238,964,180)
Advisor Plan Manager and Administrative fees	(2,442,587)	(1,340,896)	(1,101,691)
Distribution fees	(2,399,123)	(300,740)	(2,098,383)
Total deductions	\$ (287,470,504)	\$ 10,183,034	\$ (297,653,538)
Change in Net Position	\$ 213,079,491	\$ 163,178,566	\$ 49,900,925
Net Position-Beginning of year	684,714,387	49,900,925	634,813,462
Net Position-End of year	\$ 897,793,878	\$ 213,079,491	\$ 684,714,387

## Fiduciary Net Position and Change in Fiduciary Net Position (Consolidated)

Fiduciary Net Position of the CHET Direct and Advisor Plans at the close of the current fiscal year was \$5.2 billion, an increase of \$1 billion from the previous year. Change in Fiduciary Net Position

in Fiscal Year 2021 resulted from \$163.2 million of contributions to active accounts, net of redemptions, in addition to net investment income of \$79.1 million and by an increase in the fair value of assets by \$796.2 million.

**Table 9 - Fiduciary Net Position**

Assets	2021	Increase/(Decrease)	2020
Investments	\$ 5,223,107,291	1,040,025,591	\$ 4,183,081,700
Cash, Receivables and Other	35,736,859	29,569,719	6,167,140
<b>Total Assets</b>	<b>\$ 5,258,844,150</b>	<b>1,069,595,310</b>	<b>\$ 4,189,248,840</b>
Liabilities	37,614,169	31,104,319	6,509,850
<b>Net Position</b>	<b>\$ 5,221,229,981</b>	<b>1,038,490,991</b>	<b>\$ 4,182,738,990</b>

**Table 10 - Change in Fiduciary Net Position**

Additions	2021	Increase/(Decrease)	2020
Contributions	\$ 1,845,096,814	(1,799,806)	\$ 1,846,896,620
Transfers	-	(238,950,546)	238,950,546
Total Investment Income	91,657,426	(17,381,241)	109,038,667
Net Increase (Decrease) in Fair Value of investments	796,181,741	820,140,274	(23,958,533)
<b>Total additions</b>	<b>\$ 2,732,935,981</b>	<b>562,008,681</b>	<b>\$ 2,170,927,300</b>
Deductions			
Withdrawals	\$ (1,681,943,470)	41,274,964	\$ (1,723,218,434)
Transfers	-	238,964,180	(238,964,180)
Advisor Plan Manager and Administrative fees	(10,102,397)	(5,646,008)	(4,456,389)
Distribution fees	(2,399,123)	(300,740)	(2,098,383)
<b>Total deductions</b>	<b>\$ (1,694,444,990)</b>	<b>274,292,396</b>	<b>\$ (1,968,737,386)</b>
<b>Change in Net Position</b>	<b>\$ 1,038,490,991</b>	<b>836,301,077</b>	<b>\$ 202,189,914</b>
Net Position-Beginning of year	4,182,738,990	202,189,914	3,980,549,076
<b>Net Position-End of year</b>	<b>\$ 5,221,229,981</b>	<b>1,038,490,991</b>	<b>\$ 4,182,738,990</b>

## Second Injury Fund

The Net Position of the Second Injury Fund (SIF) at the close of Fiscal Year 2021 was \$45.1 million, a decrease of \$2.2 million from the previous year net position balance of \$47.3 million. The Change in Net Position was a decrease of \$2.2 million mainly due to higher operating expenses.

## Required Supplementary Information

Following the Financial Statements section of this annual report is a Supplemental Information section that further explains and supports the financial information and includes additional schedules for the Combined Investment Funds, debt schedules, cash management activities including Civil List Funds, and information on Unclaimed Property and fiscal year division expenses for the Office of the Treasurer.

## Debt Administration

Long-term debt obligations of the State consist of General Obligation bonds and revenue dedicated bonded debt. General obligation bonds, issued by the State, are backed by the full faith and credit of the State. Dedicated revenue debt payments are made from legally restricted revenues.

At June 30, 2021, the State had \$26.7 billion in bonds outstanding, approximately \$400 million greater than the end of June 30, 2020, issued to fund local school construction projects, state grants and economic development initiatives, Clean Water and Drinking Water Fund loans and grants, improvements to state universities and transportation projects.



**Table 11 - Outstanding Debt as of June 30, 2021**

Bond Type	2021	Increase/(Decrease)	2020
General Obligation -			
Tax Supported	\$ 14,356,110,212	\$ 38,358,794	\$ 14,317,751,418
Teachers Retirement Fund	2,208,066,524	-	2,208,066,524
GAAP Conversion Bonds	344,875,000	(40,165,000)	385,040,000
Special Tax Obligation	6,959,265,000	534,560,000	6,424,705,000
Bradley International Airport	86,780,000	(7,815,000)	94,595,000
Clean Water Fund	928,250,000	(101,985,000)	1,030,235,000
UConn 2000	1,583,660,000	14,755,000	1,568,905,000
CI Incremental Financing	16,400,000	(2,160,000)	18,560,000
CHEFA Childcare Facilities Program	41,225,000	(4,730,000)	45,955,000
CT Juvenile Training School	9,650,000	(740,000)	10,390,000
Bradley International			
Parking Operations	-	(19,195,000)	19,195,000
CHFA Special Needs Housing Bonds	39,770,000	(4,470,000)	44,240,000
CHFA Emergency Mortgage			
Assistance Program	29,040,000	(2,400,000)	31,440,000
CRDA Bonds	66,895,000	(3,775,000)	70,670,000
<b>Total</b>	<b>\$ 26,669,986,736</b>	<b>\$ 400,238,794</b>	<b>\$ 26,269,747,942</b>

During Fiscal Year 2021, the State issued \$2.8 billion of bonds for capital projects, refunding's and other purposes. The issued bonds were offset by bonds retired of \$1.9 billion and bonds refunded of \$0.4 billion, resulting in a net increase of \$0.4 billion in bonds outstanding. Since 1999, debt refunding and defeasances have produced \$1.4 billion in debt savings to taxpayers.

More detailed information about outstanding bonds and other long-term debt can be found in the Supplemental and Statistical Sections of this report.

### Economic Conditions and Outlook

Economic growth in the United States, as measured by Gross Domestic Product (GDP), averaged 1.9 percent during the fiscal year, up significantly from the prior fiscal year average of -6.3 percent. Most of the increase took place in the second half of the fiscal year, with the fourth quarter GDP increasing 12.2 percent. During the same period, the Eurozone GDP has averaged -1.1 percent, with all the gain due to the fourth quarter's increase of 14.3 percent. Despite the continuation of supply and logistics constraints and the resurgence of COVID-19, it is expected that domestic GDP growth will be approximately 5.9 percent in 2021 and 4.2 percent in 2022. Globally, GDP is expected to increase approximately 5.9 percent in 2021 and 4.5 percent in 2022.

Domestic inflation during the fiscal year, as measured by the year-over-year change in the consumer price index, averaged 2.3 percent during the fiscal year, which was significantly higher than the 1.6 percent recorded during fiscal 2020. Most of the increase in consumer inflation took place in the final quarter of the fiscal year, with inflation averaging 4.8 percent, whereas it averaged 1.5 percent

during the first three quarters of the fiscal year. While the rate of domestic inflation was higher than the Federal Reserve Bank's target of two percent, the Fed stated that it believes inflationary pressures are transitory in nature and should recede and, as a result, a change in monetary policy was not required. Using a market-based inflation expectation, specifically the two-year breakeven inflation rate (the difference between two-year real yields and nominal yields in the US Treasury market), the expectations for inflation over the next two years averaged 2 percent and is currently approximately 2.6 percent, which reflects expectations that much of the recent increase in prices is transitory and will settle back into a range just slightly higher than Fed targets. Similarly, average Eurozone inflation was below the European Central Bank's (ECB) target of two percent as well. Eurozone inflation averaged 1.6 percent for fiscal 2021, starting off at 1.7 percent and ending at 2.9 percent during the fiscal year.

### Contacting the Office of the Treasurer

This financial report is designed to provide a general overview of the Office of the Treasurer's finances and to show the Office's accountability for the money it receives.

Questions about this report or request for additional information should be address to :

#### Connecticut Office of the Treasurer

**165 Capitol Avenue, Suite 2000**

**Hartford, CT 06106-1666**

**Telephone (860) 702-3000**

**portal.ct.gov/ott**



SHAWN T. WOODEN  
TREASURER

**State of Connecticut**  
Office of the Treasurer

DARRELL V. HILL  
DEPUTY TREASURER

December 30, 2021

The Honorable Ned L. Lamont, Governor of Connecticut  
The Honorable Shawn T. Wooden, Treasurer of Connecticut  
The Honorable Members of the Connecticut General Assembly  
Residents of the State of Connecticut

This Annual Report was prepared by the Office of the Treasurer, which is responsible for the accuracy of the data contained herein, the completeness and fairness of the presentation, and all disclosures. We present the financial statements and data as accurate in all material respects and prepared in conformity with generally accepted accounting principles. The financial statements are audited annually by the State's independent Auditors of Public Accounts.

To successfully meet our responsibilities, the Office of the Treasurer maintains financial policies, procedures, accounting systems, and internal controls that management believes provide reasonable, but not absolute, assurance that accurate financial records are maintained and investments and other assets are safeguarded.

It is our belief that the contents of this Annual Report, including Management's Discussion & Analysis, make evident the Office of the Treasurer's commitment to its fiduciary responsibility for the safe custody and conscientious stewardship of the State's property and money, including Trusts and Custodial accounts held by the State Treasurer. In addition, the Office of the Treasurer has sought to maximize earnings on the assets held by the State Treasurer within the boundaries of the reasonable and prudent investment guidelines authorized by Article Fourth, Section 22 of the Connecticut Constitution and by Title 3 of the Connecticut General Statutes. The Connecticut Treasurer's work contributes to the stabilization of taxpayer costs and secures the safety of benefit commitments established by various General Statutes covering the State retirement systems and other retirement systems administered by the State.

The State of Connecticut also issues a Comprehensive Annual Financial Report ("CAFR") available from the State Comptroller's Office. The information presented herein is intended to complement and expand on the State's CAFR.

It is management's opinion that the internal control structure of the Office of the Treasurer is adequate to ensure that the financial information in this Annual Report fairly presents the financial condition and results of operations of the funds for the reporting period.

Sincerely,

A handwritten signature in dark ink, appearing to read "Darrell Hill", is written over a circular blue ink stamp. The stamp contains the text "Darrell V. Hill" and "Deputy Treasurer" in a serif font.

Darrell V. Hill  
Deputy Treasurer

165 CAPITOL AVENUE, HARTFORD, CONNECTICUT 06106, TELEPHONE: (860) 702-3000  
AN EQUAL OPPORTUNITY EMPLOYER

# Financial Statements



**COMBINED INVESTMENT FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2021**

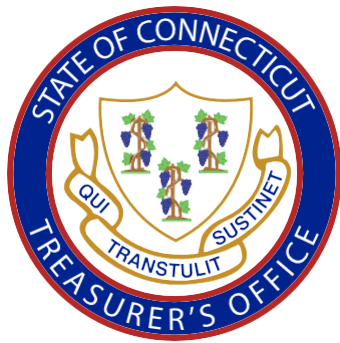
	<u>TOTAL</u>
<b>ASSETS</b>	
Investments in Securities , at Fair Value	
Cash Equivalents	\$ 850,308,330
Asset Backed Securities	176,736,493
Government Securities	5,722,907,755
Government Agency Securities	1,553,273,555
Mortgage Backed Securities	547,084,104
Corporate Debt	4,916,629,564
Convertible Securities	160,126,225
Common Stock	19,642,019,647
Preferred Stock	161,479,694
Real Estate Investment Trust	748,732,296
Mutual Fund	565,046,229
Limited Liability Corporation	71,637
Limited Partnerships	9,955,699,684
Total Investments in Securities, at Fair Value	<u>45,000,115,213</u>
Cash	71,893,836
Receivables	
Foreign Exchange Contracts	1,050,559,710
Interest Receivable	106,896,485
Dividends Receivable	27,924,274
Due from Brokers	286,650,646
Foreign Taxes	20,443,828
Securities Lending Receivable	1,167,999
Reserve for Doubtful Receivables	(4,504,217)
Total Receivables	<u>1,489,138,725</u>
Invested Securities Lending Collateral	4,329,752,925
Prepaid Expenses	263,750
<b>Total Assets</b>	<u><u>50,891,164,449</u></u>
<b>LIABILITIES</b>	
Payables	
Foreign Exchange Contracts	1,050,656,287
Due to Brokers	936,110,896
Income Distribution	15,385
Other Payable	138,166
Total Payables	<u>1,986,920,734</u>
Securities Lending Collateral	4,329,752,925
Accrued Expenses	19,896,057
<b>Total Liabilities</b>	<u>6,336,569,716</u>
<b>NET POSITION HELD IN TRUST FOR PARTICIPANTS</b>	<u><u>\$ 44,554,594,733</u></u>

The accompanying notes are an integral part of these financial statements

**COMBINED INVESTMENT FUNDS  
STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>TOTAL</u>
<b>ADDITIONS</b>	
<b>OPERATIONS</b>	
Dividends	\$ 481,343,998
Interest	400,436,448
Other Income	12,592,807
Securities Lending	<u>15,874,981</u>
<b>Total Income</b>	910,248,234
<b>Expenses</b>	
Investment Advisory Fees	69,932,327
Custody and Transfer Agent Fees	3,235,225
Professional Fees	3,673,386
Security Lending Fees	1,262,282
Security Lending Rebates	3,252,165
Investment Expenses	<u>95,992,824</u>
<b>Total Expenses</b>	<u>177,348,209</u>
<b>Net Investment Income</b>	732,900,025
<b>Net Increase (Decrease) in the Fair Value of Investments and Foreign Currency</b>	<u>8,281,025,664</u>
<b>Net Increase (Decrease) in Net Position Resulting from Operations</b>	9,013,925,689
<b>Unit Transactions</b>	
Purchase of Units by Participants	<u>4,602,811,713</u>
<b>TOTAL ADDITIONS</b>	<u>13,616,737,402</u>
<b>DEDUCTIONS</b>	
<b>Administrative Expenses:</b>	
Salary and Fringe Benefits	(6,713,830)
<b>Distributions to Unit Owners:</b>	
Income Distributed	(795,417)
<b>Unit Transactions</b>	
Redemption of Units by Participants	<u>(5,192,739,100)</u>
<b>TOTAL DEDUCTIONS</b>	<u>(5,200,248,347)</u>
<b>Change in Net Position Held in Trust for Participants</b>	8,416,489,055
<b>Net Position- Beginning of Period</b>	<u>36,138,105,678</u>
<b>Net Position- End of Period</b>	<u>\$ 44,554,594,733</u>

**The accompanying notes are an integral part of these financial statements**



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# COMBINED INVESTMENT FUNDS NOTES TO FINANCIAL STATEMENTS

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## **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Combined Investment Funds (CIF) are separate legally defined funds, which have been created by the Treasurer of the State of Connecticut (the "Treasurer") under the authority of the Connecticut General Statutes (CGS) Section 3-31b. The CIF are open-end, unitized portfolios consisting of the Liquidity Fund, Alternative Investment Fund, Domestic Equity Fund, Core Fixed Income Fund, Emerging Market Debt Fund, High Yield Debt Fund, Developed Market International Stock Fund, Emerging Market International Stock Fund, Real Assets Fund, Private Credit Fund and the Private Investment Fund. The CIF were established to provide a means for investing pension and other trust fund assets entrusted to the Treasurer in a variety of investment classes. The units of the CIF are owned by these pension and trust funds. For financial reporting purposes of the State of Connecticut, the CIF are considered to be external investment pools and are not reported in the State's combined financial statements. Instead, each fund type's investment in the CIF is reported as "equity in combined investment funds" in the State's combined balance sheet.

The Treasurer, as sole fiduciary of the CIF, is authorized to invest in a broad range of fixed income and equity securities, as well as real estate properties, mortgages and private equity. This authority is restricted only by statute. Such limitations include prohibitions against investment in companies doing business in Iran. Connecticut's MacBride Law (CGS Section 3-13h) expired on January 1, 2020. Other legislation restricts the maximum aggregate investment in equity securities to 60% of the fair value of the Trust Funds.

The CIF are not subject to regulatory oversight and are not registered with the Securities and Exchange Commission as an investment company.

The following is a summary of significant accounting policies consistently followed by the CIF in the preparation of their financial statements.

### **A. NEW PRONOUNCEMENTS**

There were no applicable new pronouncements for the fiscal year ending June 30, 2021.

### **B. SECURITY VALUATION**

Investments are stated at fair value for each of the CIF as

described below. For the Alternative Investment, Real Assets, Private Credit and Private Investment Funds substantially all of the investments, other than those in the Liquidity Fund, are shown at values that are carried at the general partner's June 30, 2021 fair value, or net asset value ("NAV") equivalent. The Emerging Markets International Stock Fund also include investments that are carried at the Investments Advisor's June 30, 2021 fair value. The CIF's assets are fair valued quarterly by the General Partner and at such other times as determined by the General Partner and are based on Accounting Standards Codification ("ASC") 820 "Fair Value Measurements and Disclosures". The fair value the General Partner assigned to these investments is based upon available information and does not represent necessarily the amount that ultimately might be realized upon sale or maturity. Because of the inherent uncertainty of the fair valuation process, this estimated fair value presented by the General Partner may differ significantly from the fair value that would have been used had a ready market for the security existed, and the difference could be material. The General Partner is responsible for coordination and oversight of all investment valuations.

The Treasurer's staff reviews the valuations for all investments in these alternative asset classes to see that they are reasonable and consistent. Due to the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the securities existed and the differences could be material.

**Liquidity Fund** – The Liquidity portfolio is valued at amortized cost, which approximates fair value. A standard price hierarchy is utilized in the daily valuation of the Liquidity Fund.

Repurchase agreements held in the fund are collateralized at 100 percent of the securities' value. Such transactions are only entered into with primary government securities dealers who report directly to the Federal Reserve Bank of New York. When-issued securities held in the fund are fully collateralized by U.S Government securities and such collateral is in the possession of the CIF's custodial bank. The collateral is evaluated daily to ensure its fair value exceeds the current fair value of the repurchase agreements including accrued interest.

**Alternative Investment Fund** - Investments in securities not listed on security exchanges and investments in limited partnerships, which comprise substantially all of the CIF's investments, are carried at the general partner's June 30,

## Notes to Financial Statements (Continued)

2021 fair value, or net asset value (“NAV”) equivalent. The Treasurer’s staff reviews the estimated fair values provided by the investment advisors for reasonableness. In those instances where an advisor’s value appears to be overstated, this estimated fair value is adjusted accordingly. The Alternative Investment Fund invests in hedge fund strategies that offer the potential to enhance return and/or reduce risk. Limited Partnerships in the CIF are considered long-term holdings often taking many years to realize their potential.

**Domestic Equity Fund** - Securities traded on securities exchanges are valued at the last reported sales price on the last business day of the fiscal year. Corporate bonds and certain over-the-counter stocks are valued at the mean of bid and asked prices as furnished by broker-dealers.

**Core Fixed Income Fund Investments** - are valued based on quoted market prices when available. For securities that have no quoted market value, fair value is estimated based on yields currently available on comparable securities of issuers with similar credit ratings and maturities.

“When-issued” securities held in the CIF are fully collateralized by U.S. Government securities and such collateral is in the possession of the CIF’s custodial bank. The collateral is evaluated daily to ensure its market value exceeds the current market value of the instruments including accrued interest.

The Core Fixed Income Fund invests in Mortgage Backed Securities (MBSs) and Asset Backed Securities (ABSs), which are included in the Statement of Net Position. These are bonds issued by a special purpose trust that collects payments on an underlying collateral pool of mortgage or other loans and remits payments to bondholders. The bonds are structured in a series of classes or tranches, each with a different coupon rate and stated maturity date. Interest payments to the bondholders are made in accordance with the trust indentures and amounts received from borrowers in excess of interest payments and expenses are used to amortize the principal on the bonds. Such principal payments are made to retire the tranches of bonds in order of their stated maturity. Because mortgage prepayments are largely dependent on market interest rates, the ultimate maturity date of the bonds is unpredictable and is sensitive to changes in market interest rates but is generally prior to the stated maturity date. At June 30, 2021, the CIF held MBSs of \$544,551,408 and ABSs of \$164,840,732.

Interest-only stripped mortgage backed securities (IOs), a specialized type of Collateralized Mortgage Obligation (CMO), are included as Mortgage Backed Securities on the Statement of Net Position. The cash flow on these investments is derived from the interest payments on the underlying mortgage loans.

Prepayments on the underlying loans curtail these interest payments, reducing the value of the IOs and, as such, these instruments are sensitive to changes in interest rates, which encourage or discourage such prepayments. At June 30, 2021 the CIF’s holdings had a fair value of \$14,357,912. The valuations were provided by the custodian.

Investments in non-U. S. fixed income securities are utilized on an opportunistic basis. Certain advisors within the Core Fixed Income Fund are authorized to invest in global fixed income securities.

**Emerging Market Debt Fund** - Investments are valued based on quoted market prices when available. For securities that have no quoted market value, fair value is estimated based on yields currently available on comparable securities of issuers with similar credit ratings.

The Emerging Market Debt Fund invests in securities in emerging market countries that are either U.S. dollar-denominated or issued in the local currency of the country. In addition to bond interest rate sensitivity, the local currency bonds’ values will fluctuate with exchange rates.

“When-issued” securities held in the CIF are fully collateralized by U.S. Government securities and such collateral is in the possession of the CIF’s custodian. The collateral is evaluated daily to ensure its market value exceeds the current market value of the instruments including accrued interest.

The Emerging Market Debt Fund sometimes invests in Asset Backed Securities (ABSs), which are included in the Statement of Net Position. These are bonds issued by a special purpose trust that collects payments on an underlying collateral pool of mortgage or other loans and remits payments to bondholders. The bonds are structured in a series of classes or tranches, each with a different coupon rate and stated maturity date. Interest payments to the bondholders are made in accordance with the trust indentures and amounts received from borrowers in excess of interest payments and expenses are used to amortize the principal on the bonds. Such principal payments are made to retire the tranches of bonds in order of their stated maturity. Because mortgage prepayments are largely dependent on market interest rates, the ultimate maturity date of the bonds is unpredictable and is sensitive to changes in market interest rates but is generally prior to the stated maturity date. At June 30, 2021, the CIF held MBSs of \$2,532,696 and ABSs, consisting of swaps and resulting in a fair value of \$11,631,707.

**High Yield Debt Fund** - Investments are valued based on quoted market prices when available. For securities that have no quoted market value, fair value is estimated based on yields currently available on comparable securities of issuers with



## Notes to Financial Statements (Continued)

similar credit ratings and maturities.

"When-issued" securities held in the fund are fully collateralized by U.S. Government securities and such collateral is in the possession of the CIF's custodial bank. The collateral is evaluated daily to ensure its market value exceeds the current market value of the instruments including accrued interest.

Investments in non-U.S. fixed income securities are utilized on an opportunistic basis. Certain advisors within the High Yield Debt Fund are authorized to invest in global fixed income securities.

The High Yield Debt Fund invests in Asset Backed Securities (ABSs), which are included in the Statement of Net Position. These are bonds issued by a special purpose trust that collects payments on an underlying collateral pool of mortgage or other loans and remits payments to bondholders. The bonds are structured in a series of classes or tranches, each with a different coupon rate and stated maturity date. Interest payments to the bondholders are made in accordance with the trust indentures and amounts received from borrowers in excess of interest payments and expenses are used to amortize the principal on the bonds. Such principal payments are made to retire the tranches of bonds in order of their stated maturity. Because mortgage prepayments are largely dependent on market interest rates, the ultimate maturity date of the bonds is unpredictable and is sensitive to changes in market interest rates but is generally prior to the stated maturity date. At June 30, 2021, the CIF held ABSs, consisting of swaps and resulting in a fair value of \$264,054.

**Developed Market International Stock Fund** - The Developed Market International Stock Fund at times may utilize foreign currency contracts to facilitate transactions in foreign securities and to manage the CIF's currency exposure. Contracts to buy are used to acquire exposure to foreign currencies, while contracts to sell are used to hedge the CIF's' investments against currency fluctuations. Also, a contract to buy or sell can offset a previous contract. Losses may arise from changes in the value of the foreign currency or failure of the counterparties to perform under the contracts' terms.

Investing in forward currency contracts may increase the volatility of the CIF's' performance. Price movements of currency contracts are influenced by, among other things, international trade, fiscal, monetary, and exchange control programs and policies; national and international political and economic events; and changes in worldwide interest rates. Governments from time to time intervene in the currency markets with the specific intent of influencing currency prices. Such intervention may cause certain currency prices to move rapidly. Additionally, the currency markets may be particularly sensitive to interest rate fluctuations.

The U. S. dollar value of forward foreign currency contracts is

determined using forward currency exchange rates supplied by a quotation service.

Investments in securities listed on security exchanges are valued at the last reported sales price on the last business day of the fiscal year; securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the mean of the last reported bid and asked prices.

Certain cash held in non-U.S. dollar denominated trading accounts is non-interest bearing.

**Emerging Market International Stock Fund** - The Emerging Market International Stock Fund at times may utilize foreign currency contracts to facilitate transactions in foreign securities and to manage the CIF's' currency exposure. Contracts to buy are used to acquire exposure to foreign currencies, while contracts to sell are used to hedge the CIF's' investments against currency fluctuations. Also, a contract to buy or sell can offset a previous contract. Losses may arise from changes in the value of the foreign currency or failure of the counterparties to perform under the contracts' terms.

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The U. S. dollar value of forward foreign currency contracts is determined using forward currency exchange rates supplied by a quotation service.

Investments in securities listed on security exchanges are valued at the last reported sales price on the last business day of the fiscal year; securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the mean of the last reported bid and asked prices. Certain investments in the CIF are carried at the Investment Advisor's June 30, 2021 fair value. The Treasurer's staff reviews the estimated fair values provided by the investment advisors for reasonableness. In those instances where an advisor's value appears to be overstated, this estimated fair value is adjusted accordingly.

Certain cash held in non-U.S. dollar denominated trading accounts is non-interest bearing.

**Real Assets Fund** - Investments in securities not listed on

## Notes to Financial Statements (Continued)

security exchanges and investments in trusts, limited partnerships, and annuities, which comprise substantially all of the CIF's investments, are carried at the general partner's June 30, 2021 fair value, or net asset value ("NAV") equivalent. The Treasurer's staff reviews estimated fair values provided by the investment advisors for reasonableness. In those instances where an advisor's value appears to be overstated, this estimated fair value is adjusted accordingly. The Real Assets Fund invests in core strategies, value added strategies, opportunistic strategies, a U.S. Treasury Inflation Protection Securities (TIPSs) and publicly traded securities (REITs). Limited Partnerships in the CIF are considered long-term holdings often taking many years to realize their potential.

**Private Credit Fund** - Investments in securities not listed on security exchanges and investments in limited liability, limited partnerships, or co-investments, which comprise substantially all of the CIF's investments, are carried at the general partner's June 30, 2021 fair value, or net asset value ("NAV") equivalent. The Treasurer's staff reviews estimated fair values provided by the investment advisors for reasonableness. In those instances where an advisor's value appears to be overstated, this estimated fair value is adjusted accordingly. The Private Credit Fund invests in, but are not limited to, senior or direct lending, mezzanine or subordinated debt, distressed debt and special situations funds. Limited Partnerships in the CIF are considered long-term holdings often taking many years to realize their potential.

**Private Investment Fund** - Investments in securities not listed on security exchanges and investments in limited partnerships and limited liability corporations, which comprise substantially all of the CIF's investments, are carried at the general partner's June 30, 2021 fair value, or net asset value ("NAV") equivalent. The Treasurer's staff reviews estimated fair values provided by the investment advisors for reasonableness. In those instances where an advisor's value appears to be overstated, this estimated fair value is adjusted accordingly. The Private Investment Fund invests in both venture capital and corporate finance investment strategies. Limited Partnerships in the CIF are considered long-term holdings often taking many years to realize their potential.

### C. INVESTMENT TRANSACTIONS AND RELATED INCOME

Investment transactions are accounted for on a trade date basis. Dividend income is recognized as earned on the ex-dividend date. Interest income is recorded on the accrual basis as earned. Realized gains and losses are computed on the basis of the average cost of investments sold. Such amounts are calculated independent of and are presented as part of the Net Increase (Decrease) in Fair value of Investments on the Statement of Changes in Net Position. Realized gains and

losses on investments held more than one fiscal year and sold in the current year were included as a change in the fair value of investments reported in the prior year(s) and the current year. Unrealized gains and losses represent the difference between the fair value and the cost of investments. The increase (decrease) in such difference is also accounted for in the Net Increase (Decrease) in Fair Value of Investments. In the CIF's' cost basis records, premiums are amortized using the straight-line method that approximates the interest method.

Dividends earned by the Private Investment, Real Assets, Private Credit and Alternative Investment Funds relate to investments that are not listed on security exchanges. Such dividends are recognized as income when earned, generally net of advisory fees.

### D. FOREIGN CURRENCY TRANSLATION

The value of investments, assets and liabilities denominated in currencies other than U.S. dollars are translated into U.S. dollars based upon appropriate fiscal year end foreign exchange rates. Purchases and sales of foreign investments and income and expenses are converted into U.S. dollars based on currency exchange rates prevailing on the respective dates of such transactions. The CIF do not isolate that portion of the results of operations arising from changes in the exchange rates from that portion arising from changes in the market prices of securities.

### E. SHARE TRANSACTIONS AND PRICING

All unit prices are determined at the end of each month based on the net asset value of each CIF divided by the number of units outstanding. Purchases and redemptions of units are based on the prior month end price and are generally processed on the first business day of the month.

### F. EXPENSES

Expenses of the CIF, excluding certain management fees as discussed in more detail in note 1J, are recognized on the accrual basis and are deducted in calculating net investment income and net asset value on a monthly basis. Each of the CIF bears its direct expenses, such as investment advisory fees, and, in addition, each of the CIF is allocated a portion of the overhead expenses of the Pension Funds Management Division of the Office of the State Treasurer, which services the CIF. These expenses include salary and fringe benefit costs and other administrative expenses. Certain of these costs are allocated among the CIF based on relative net asset values. Other costs are charged directly based on the specific duties of personnel.

### G. DISTRIBUTIONS

Distributions to unit holders of the CIF were discontinued after September 30, 2013.

## Notes to Financial Statements (Continued)

### H. DERIVATIVE FINANCIAL INSTRUMENTS

GASB Statement Number 53 Accounting and Financial Reporting for Derivative Instruments, requires that the fair value of financial arrangements called derivatives or derivative instruments be reported in the financial statements. GASB defines a derivative instrument as a financial instrument or other contract with all of the following characteristics: a) It has one or more reference rates and (2) one or more notional amounts or payment provisions or both. b) It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors. c) Its terms require or permit net settlement, it can readily be settled net by a means outside the contract, or it provides for delivery of an asset that puts the recipient in a position not substantially different from net settlement.

The Core Fixed Income Fund held futures with a negative notional cost of \$283,985,939 and an unrealized loss of \$3,082,989 reported in the Due from Brokers in the Statement of Net Position. The Emerging Market Debt Fund held futures with a negative notional cost of \$53,190,890 and an unrealized loss of \$446,271 reported in the Due from Brokers in the Statement of Net Position. The Developed Market International Stock held futures with a notional cost of \$23,741,115 and an unrealized loss of \$584,910 reported in the Due from Brokers in the Statement of Net Position. The Real Assets Fund also held futures with a notional cost of \$843,597 and an unrealized loss of \$10,107 reported in the Due

from Brokers in the Statement of Net Position

The Core Fixed Income, Emerging Market Debt, High Yield Debt, Developed Market International Stock and Emerging Market International Stock Funds were invested in foreign exchange contracts. The specific nature of these investments is discussed more fully in the foreign exchange contract note for each respective fund, where appropriate. These financial instruments are utilized for trading and other purposes. Those that are used for other than trading purposes are foreign exchange contracts, which can be used to facilitate trade settlements, and may serve as foreign currency hedges. The credit exposure resulting from such contracts is limited to the recorded fair value of the contracts on the Statement of Net Position.

The remaining such securities are utilized for trading purposes and are intended to enhance investment returns. All positions are reported at fair value and changes in fair value are reflected in income as they occur. The CIF's' credit exposure resulting from such investments is limited to the recorded fair value of the derivative financial instruments.

The Domestic Equity, Emerging Market Debt, and the Emerging Market International Stock Funds also utilize derivatives indirectly through participation in mutual funds. These mutual funds may hold derivatives from time to time. Such derivatives may be used for hedging, investment and risk management purposes.

#### Adjustable Rate Securities:

CIF	Cost	Fair Value
Core Fixed Income	\$567,776,262	\$574,566,716
Emerging Market Debt	19,821,334	20,741,126
High Yield Debt	30,189,704	36,194,990

#### Asset Backed Securities:

CIF	Cost	Fair Value
Core Fixed Income	\$162,776,211	\$164,840,732
Emerging Market Debt	12,514,331	12,522,629
High Yield Debt	237,913	264,054

#### Mortgage Backed Securities, Net of CMO's:

CIF	Cost	Fair Value
Core Fixed Income	\$388,201,483	\$389,866,843
Emerging Market Debt	2,579,208	2,532,696

#### CMO's:

CIF	Cost	Fair Value
Core Fixed Income	\$150,905,171	\$154,684,565

#### TBA's:

CIF	Cost	Fair Value
Core Fixed Income	\$537,172,467	\$536,956,664

#### Interest Only:

CIF	Cost	Fair Value
Core Fixed Income	\$16,923,069	\$14,357,913

## Notes to Financial Statements (Continued)

These transactions subject the investor to credit and market risk. For the fiscal year ended June 30, 2021, the CIF maintained positions in a variety of such securities that are all reported at fair value on the Statement of Net Position. The above table is a listing of such securities.

### I. COMBINATION/ELIMINATION ENTRY

The financial statements depict a full presentation of each of the CIF. However, one of these funds, the Liquidity Fund, is owned both directly by the pension plans and trust funds which have accounts in the Liquidity Fund, and also indirectly because each of the other CIF has an account with the Liquidity Fund. As a result, elimination entries are presented for the purpose of netting out balances and transactions relating to the ownership of the Liquidity Fund by the other CIF. The combined presentation totals to the overall net assets owned by the pension plans and trust funds.

### J. FEES

Investment advisory fees incurred for certain investments in the Alternative Investment, Real Asset, Private Credit and Private Investment Funds are generally charged to the entity in which the CIF has been invested. In such cases, these amounts are either capitalized in the cost basis of the investment on a cash basis and become a component of unrealized gain (loss) or are netted against the corresponding income generated. Certain other fees are incurred directly by the CIF and are expensed. These expensed amounts are accrued, and the expense is reflected as Investment Advisory Fees on the Statement of Changes in Net Position. The appropriate treatment is determined depending on the terms of the investment agreement. Capitalized fees are not separately presented on the Statement of Changes in Net Position. These fees are borne by the partners in their respective shares. The following is a listing of the Funds total fees for the fiscal year ended June 30, 2021:

<b>CIF</b>	<b>Netted</b>	<b>Capitalized</b>	<b>Expensed</b>	<b>Total</b>
Alternative Investment	\$8,173,422	\$ -	\$ -	\$8,173,422
Real Asset	17,878,106	21,905,969	2,172,413	41,956,488
Private Credit	3,104,485	227,448	-	3,331,933
Private Investment	10,530,142	33,677,410	682,685	44,890,237

## Notes to Financial Statements (Continued)

Periodically the Private Investment and Real Asset Funds may receive security distributions in lieu of cash. These securities are included as Common Stock and Real Estate Investment Trust, respectively on the Statement of Net Position. When one of these individual securities is sold the realized gain or loss is included in the Net Increase (Decrease) in the Fair Value of Investments presented on the Statement of Changes in Net Position.

Fees incurred from investments in mutual funds are deducted from the operations and are not separately presented on the Statement of Changes in Net Position.

Investment advisory fees for the Liquidity, Domestic Equity, Core Fixed Income, Emerging Market Debt, High Yield Debt, Developed Market International Stock, Emerging Market International Stock Funds and Real Assets Fund's U.S. Treasury Inflation Protection Securities (TIPS), except those noted above are estimated monthly based on periodic reviews of asset values. Accordingly, the amounts listed as Investment Advisory Fees on the Statement of Changes in Net Position represent estimates of annual management fee expenses.

### **K. RELATED PARTY AND OTHER TRANSACTIONS**

There were no related party transactions during the fiscal year. Additionally, there were no "soft dollar" transactions. Soft dollar transactions result from arrangements whereby firms doing business with organizations such as the Treasury arrange for third parties to provide other services in lieu of cash payment. These arrangements tend to obscure the true cost of operations and can result in potential overpayment for services. Such transactions have been prohibited by the Treasurer.

### **L. ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### **NOTE 2: DEPOSITS, INVESTMENTS AND SECURITIES LENDING PROGRAM**

**Deposits:** The CIF minimize custodial credit risk by maintaining certain restrictions set forth in the Investment Policy Statement. Custodial credit risk is risk associated with the failure of a depository financial institution. In the event of a depository financial institution's failure the CIF would not be able to recover its deposits or collateralized securities that are in the possession of the outside parties. The CIF utilize a Liquidity Account that is a cash management pool investing primarily in highly liquid money market securities such as commercial paper, certificates of deposit, bank notes and other cash equivalents, asset backed securities, and floating rate corporate bonds. Deposits shall consist of cash instruments generally maturing in less than one year and having a quality rating, by at least one widely recognized rating agency, of A-1 or P-1 and earn interest at a rate equal to or better than the International Business Communications ("IBC") First Tier Institutions-Only Rated Money Fund Report Index.

At June 30, 2021, the reported amount of Funds deposits was \$71,893,836 and the bank balance was \$71,893,836. Of the bank amount, \$71,893,836 was uncollateralized and uninsured. Through the Securities Lending Program, \$4,331,453,995 was collateralized with securities held by the counterparty's trust

## Notes to Financial Statements (Continued)

department or agent in the State's name.

**Investments:** The CIF measure and record their investments using fair value measurement guidelines established by GAAP. The guidelines recognize a three tier fair value hierarchy, as follows:

Level 1: Quoted prices for identical investments in active market;  
Level 2: Observable inputs other than quoted market price; and,  
Level 3 Unobservable inputs. At June 30, 2021 the CIF have the following recurring fair value measurements.

Investments by Fair Value Level	Fair Value Measurements			
	Total	Level 1	Level 2	Level 3
Liquidity Fund	\$ -	\$ -	\$ -	\$ -
Cash Equivalents	850,308,330	487,109,634	363,198,696	-
Asset Backed Securities	176,736,493	-	176,736,493	-
Government Securities	5,722,907,755	3,708,393,384	2,014,514,371	-
Government Agency Securities	1,553,273,555	-	1,553,273,555	-
Mortgage Backed Securities	547,084,104	-	547,084,104	-
Corporate Debt	4,916,629,563	-	4,798,492,535	118,137,028
Convertible Securities	160,126,225	-	160,126,225	-
Common Stock	19,642,019,647	19,641,675,728	-	343,919
Preferred Stock	161,479,694	147,465,399	14,014,295	-
Real Estate Investment Trust	748,732,296	592,860,564	155,871,732	-
Mutual Fund	565,046,230	565,046,230	-	-
Limited Partnerships (publicly traded)	241,400,660	241,400,660	-	-
<b>Total</b>	<b>\$ 35,285,744,552</b>	<b>\$ 25,383,951,599</b>	<b>\$ 9,783,312,006</b>	<b>\$ 118,480,947</b>

Investments Measured at the Net Asset value (NAV)	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Limited Liability Corporation	71,637	-	Illiquid
Limited Partnerships	9,714,299,024	5,483,831,239	Illiquid
<b>Total</b>	<b>\$ 9,714,370,661</b>	<b>\$ 5,483,831,239</b>	
<b>Total Investments in Securities at Fair Value</b>	<b>\$ 45,000,115,213</b>		

Pursuant to the Connecticut General Statutes, the Treasurer is the principal fiduciary of the plans and trusts, authorized to invest in a broad range of equity and fixed income securities, as well as real estate properties, mortgages and private equity. The CIF minimize credit risk, the risk of loss due to the failure of the security issuer or backer, in accordance with a comprehensive Investment Policy Statement (IPS), as developed by The Office of the Treasurer and the State's Investment Advisory Council (IAC), that provides policy guidelines for the plans and trusts and the CIF and includes an asset allocation plan. The asset allocation plan's

main objective is to maximize investment returns over the long term at an acceptable level of risk. There have been no violations of these investment restrictions during the 2021 fiscal year.

The CIF's concentration of credit risk is the risk attributed to the magnitude of an investment in a single issuer. There are no restrictions in the amount that can be invested in Government Securities and Government Agency Securities.

The following table provides average credit quality and exposure levels information on the credit ratings associated with Funds'

## Notes to Financial Statements (Continued)

	Fair Value	Percentage of Fair Value
Aaa	\$ 5,611,389,531	40.22%
Aa	382,562,354	2.74
A	806,402,686	5.78
Baa	1,501,551,813	10.76
Ba	1,260,563,143	9.03
B	1,236,025,465	8.86
Caa	555,233,743	3.98
Ca	15,034,201	.11
C	6,732,326	.05
Prime 1	256,914,318	1.84
Prime 2	17,506,763	.13
U.S. Government fixed income securities (not rated)	578,761,801	4.15
Non US Government fixed income securities (not rated)	595,850,766	4.27
Not Rated	1,127,537,117	8.08
	<u>\$ 13,952,066,027</u>	<u>100%</u>

investments in debt securities.

The investments in the Private Equity, Private Credit, Real Asset and Alternative Investment Funds generally utilize investment vehicles such as annuity contracts, common stocks, limited partnerships and trusts to comply with investment guidelines.

The investments of the Domestic Equity, Core Fixed Income, Emerging Market Debt, High Yield Debt, Developed Market International Stock and the Emerging Market International Stock Funds have securities registered under the Bank of New York Mellon's nominee name MAC & Co. and held by a designated agency of the Pension Plans and Trust Funds of the State of Connecticut, or bearer and held by a designated agency of the Pension Plans and Trust Funds of the State of Connecticut.

Investments of cash collateral received and invested under securities lending arrangements are registered and maintained by a third-party administrator exclusively for the CIF. In circumstances where securities or letters of credit are received as collateral under securities lending arrangements, the collateral

is held by the master custodian in a commingled pool in the third-party administrator's name as trustee. Securities Lending collateral of \$4,331,453,995 is invested in various short term repurchase agreements classified which is classified as cash equivalents.

The following table provides information about the interest rate risks associated with the CIF investments. Interest rate risk is the risk that the value of fixed income securities will decline because of rising interest rates. The prices of fixed income securities with a longer time to maturity tend to be more sensitive to changes in interest rates and therefore, more volatile than those with shorter maturities. Investment Managers that manage the CRPTF portfolio are given full discretion to manage their portion of CRPTF assets within their respective guidelines and constraints. The guidelines and constraints require each manager to maintain a diversified portfolio at all times. In addition, each core manager is required to maintain a target duration that is similar to its respective benchmark which is typically the Barclay's Aggregate – an intermediate duration index.

## Notes to Financial Statements (Continued)

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	6 - 10	More Than 10
Cash Equivalents	\$ 850,308,330	\$ 850,308,330	\$ -	\$ -	\$ -
Asset Backed Securities	176,736,493	608,146	44,608,076	49,841,467	81,678,804
Government Securities	5,722,907,755	492,042,159	2,306,911,460	1,359,767,050	1,564,187,086
Government Agency Securities	1,553,273,555	7,103	40,196,996	61,386,637	1,451,682,819
Mortgage Backed Securities	547,084,104	-	21,729,171	27,229,998	498,124,935
Corporate Debt	4,916,629,564	370,203,076	1,991,665,454	1,724,130,522	830,630,512
Convertible Debt	160,126,225	671,346	134,089,261	22,095,361	3,270,257
	<u>\$ 13,927,066,026</u>	<u>\$ 1,713,840,160</u>	<u>\$ 4,539,200,418</u>	<u>\$ 3,244,451,035</u>	<u>\$ 4,429,574,413</u>

The investments include certain short-term cash equivalents which include certificate of deposits and collateral, various long-term items, and restricted assets by maturity in years.

Exposure to foreign currency risk results from investments in foreign currency-denominated equity or fixed income securities. While managers within the fixed income portion of the portfolio

are allowed to invest in non-U.S. dollar denominated securities, managers are required to limit that investment to a portion of their respective portfolios. The following table provides information on deposits and investments held in various foreign currencies, which are stated in U.S. dollars. Negative amounts are reflective of short positions.



## Notes to Financial Statements (Continued)

Foreign Currency	Total	Fixed Income Securities						Equities		
		Cash	Cash Equiv Collateral	Government Securities	Corporate Debt	Asset Backed	Convertible Bonds	Common Stock	Preferred Stock	Real Estate Investment Trust
Argentine Peso	\$ 928,011	\$ 204,997	\$ -	\$ 723,014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Australian Dollar	316,252,584	1,335,672	-	2,964,970	5,866,721	-	551,951	291,255,816	-	14,277,454
Brazilian Real	444,978,491	4,161,488	-	116,579,778	6,008,216	27,252	-	247,590,017	70,611,740	-
Canadian Dollar	52,011,243	1,126,154	-	-	-	-	494,922	50,390,167	-	-
Chilean Peso	17,163,897	-	40,287	17,425,965	-	(302,355)	-	-	-	-
Chinese Yuan Renminbi	60,799	62	483,417	-	-	(422,680)	-	-	-	-
Colombian Peso	67,506,970	2,231,581	(47,725)	57,362,927	7,643,778	316,409	-	-	-	-
Czech Koruna	43,576,903	117,474	8,107	37,451,130	-	(10,146)	-	6,010,338	-	-
Danish Krone	162,452,879	129,010	-	-	-	-	-	162,323,869	-	-
Dominican Rep Peso	7,461,032	-	-	7,461,032	-	-	-	-	-	-
Egyptian Pound	37,177,262	(52,928)	-	17,303,304	18,466,964	-	-	1,459,922	-	-
Euro Currency	2,156,023,402	8,774,568	862	77,363,003	28,454,922	1,187,446	18,991,557	1,986,294,153	24,622,961	10,333,930
Hong Kong Dollar	1,074,719,446	2,609,340	-	-	524,089	-	2,530,888	1,065,565,051	-	3,490,078
Hungarian Forint	64,612,445	200,412	(728)	24,017,136	-	-	-	40,395,625	-	-
Indonesian Rupiah	143,168,896	871,671	-	54,844,641	43,267,864	-	-	44,184,720	-	-
Israileli Shekel	50,409,868	144,952	-	9,859,125	-	-	-	40,405,791	-	-
Japanese Yen	1,078,099,060	8,630,392	-	-	-	-	3,169,655	1,045,784,195	-	20,514,818
Kazakhstan Tenge	11,061,413	-	-	-	11,061,413	-	-	-	-	-
Kenyan Shilling	1,721,766	-	-	-	1,721,766	-	-	-	-	-
Georgian Lari	1,473,880	-	-	1,473,880	-	-	-	-	-	-
Malaysian Ringgit	69,411,729	522,380	-	64,123,763	-	16,670	-	4,748,916	-	-
Mexican Peso	163,770,899	1,516,505	1,414,509	111,110,399	4,091,795	(285,816)	-	45,923,507	-	-
New Zealand Dollar	11,985,144	493,482	-	-	-	-	-	11,046,771	-	444,891
Norwegian Krone	27,432,450	213,960	-	-	-	-	-	27,218,490	-	-
Peruvian Nouveau Sol	28,934,266	368,378	-	24,518,888	4,047,000	-	-	-	-	-
Philippine Peso	1,122,916	-	-	1,122,916	-	-	-	-	-	-
Polish Zloty	60,747,491	51,556	143,163	13,954,234	-	(101,592)	-	46,700,130	-	-
Pound Sterling	1,127,719,675	3,983,475	-	(85,678)	296,289	-	2,159,896	1,111,386,063	-	9,979,630
Romanian Leu	18,084,243	281,342	-	17,802,901	-	-	-	-	-	-
Russian Ruble	199,968,175	837,904	-	92,633,003	-	-	-	106,497,268	-	-
Singapore Dollar	42,942,120	375,919	46,033	2,486,033	-	(47,294)	410,653	33,057,146	-	6,613,630
South African Rand	290,814,427	1,842,854	(3,959,508)	104,420,429	175,452	(93,093)	-	188,428,293	-	-
South Korean Won	762,271,118	796	-	-	-	-	-	718,732,194	43,538,128	-
Swedish Krona	211,074,946	368,773	-	-	-	-	-	210,706,173	-	-
Swiss Franc	675,428,661	2,043,286	-	-	3,716,306	-	2,138,049	667,531,020	-	-
Thailand Baht	66,491,529	8,611	-	30,078,230	-	493	-	36,404,195	-	-
Turkish Lira	28,331,737	122,312	-	6,892,249	-	-	-	21,317,176	-	-
Uganda Shilling	1,447,371	-	-	1,447,371	-	-	-	-	-	-
Ukraine Hryvana	25,793,085	-	-	19,497,136	6,295,949	-	-	-	-	-
Uruguayan Peso	32,036,592	-	-	32,036,592	-	-	-	-	-	-
Uzbekistan Sum	3,482,614	-	-	3,482,614	-	-	-	-	-	-
	<b>\$ 9,580,151,435</b>	<b>\$ 43,516,378</b>	<b>\$ (1,871,583)</b>	<b>\$ 950,350,985</b>	<b>\$ 141,638,524</b>	<b>\$ 285,294</b>	<b>\$ 30,447,571</b>	<b>\$ 8,211,357,006</b>	<b>\$ 138,772,829</b>	<b>\$ 65,654,431</b>

**Securities Lending** - Certain of the CIF engage in securities lending transactions to provide incremental returns. The CIF are permitted to enter into securities lending transactions pursuant to Section 3-13d of the Connecticut General Statutes. The CIF's third-party securities lending administrator is authorized to lend available securities in designated accounts to authorized broker-dealers and banks subject to a formal loan agreement.

During the period ended June 30, 2021, the Agent lent certain securities and received cash or other collateral as indicated on the Agency Securities Lending Agreement. The Agent did not have the ability to pledge or sell collateral securities delivered

therefore absent a borrower default. Borrowers were required to deliver collateral for each loan equal to at least 102% of the fair value of domestic loaned securities or 105% of the fair value of foreign loaned securities.

Pursuant to the Agency Securities Lending Agreement, the Agent has an obligation to indemnify the CIFs in the event any borrower failed to return the loaned securities or pay distributions thereon. There were no such failures by any borrowers to return loaned securities or pay distributions thereon during the fiscal year that resulted in a declaration or notice of default by a borrower. During the fiscal year, the CIF and the borrowers maintained the right to terminate all securities lending transactions upon notice. The

## Notes to Financial Statements (Continued)

cash collateral received on each loan is eligible for investment in cash, securities guaranteed by the U. S. government or any agency of the U. S. government, securities guaranteed by a sovereign government that participates in the General Arrangements to Borrow (Group of 10 or G10) and rated AA or better, or reverse transactions on an overnight or term basis. On June 30, 2021, the CIF had no credit risk exposure to borrowers. The fair value of collateral held for the CIF as of June 30, 2021 was \$4,329,752,925 as cash. The fair value of securities on loan for the CIF as of June

30, 2021 was \$4,251,234,850 as cash.

Under ordinary circumstances, the net weighted average maturity (weighted average maturity of assets less the weighted average maturities of liabilities) will not exceed 60 days. As of June 30, 2021, the cash collateral investment pool had an average duration of 7.38 days and an average weighted final maturity 44.21 days.

The fair value of collateral held and the fair value of securities on loan including loans pending within DMISF (to be collateralized) are as follows for the CIF as of June 30, 2021:

CIF	Fair Value of Collateral	Fair Value of Securities Lent
Domestic Equity	\$394,347,556	\$385,770,303
Core Fixed Income	1,073,204,209	1,054,130,972
Emerging Market Debt	47,316,955	46,292,104
High Yield Debt	710,201,802	694,122,275
Developed Market International Stock	46,400,090	44,407,793
Emerging Market International Stock	295,207,792	287,670,950
Real Asset Fund	1,763,573,750	1,739,312,770
	\$4,330,252,154	\$4,251,707,167

Investments made using the cash collateral received from security loans were included in the Statement of Net Position. The fair value of these amounts is as follows:

CIF	Cash Equivalents
Domestic Equity	\$ 394,502,500
Core Fixed Income	1,073,625,839
Emerging Market Debt Fund	47,335,542
High Yield Debt	710,480,815
Developed Market International Stock	45,918,893
Emerging Market International Stock	295,323,762
Real Asset	1,764,266,644
Total	\$ 4,331,453,995

### NOTE 3: FOREIGN EXCHANGE CONTRACTS

From time to time the Inflation Linked Bond Fund, Emerging Market Debt, High Yield Debt Fund, Developed Market International Stock, Emerging Market International Funds utilize foreign currency contracts to facilitate transactions in foreign securities and to manage the CIF's currency exposure. Contracts to buy are used to acquire exposure to foreign currencies, while contracts to sell are used to hedge the CIF's investments against currency fluctuations. Also, a contract to buy or sell can offset a previous contract. Losses may arise from changes in the value of the foreign currency or failure of the counterparties to perform under the contracts' terms.

The U. S. dollar value of forward foreign currency contracts is determined using forward currency exchange rates supplied by a quotation service.

Investing in forward currency contracts may increase the volatility

of the CIF's performance. Price movements of currency contracts are influenced by, among other things, international trade, fiscal, monetary, and exchange control programs and policies; national and international political and economic events; and changes in worldwide interest rates. Governments from time to time intervene in the currency markets with the specific intent of influencing currency prices. Such intervention may cause certain currency prices to move rapidly. Additionally, the currency markets may be particularly sensitive to interest rate fluctuations.

## Notes to Financial Statements (Continued)

At June 30, 2021, the CIF had recorded unrealized gains (losses) from open forward currency contracts as follow:

### Core Fixed Income Fund

Local Currency Proper Name	Value	Unrealized Gain/Loss
<b>Contracts to Sell:</b>		
Australian Dollar	\$ 9,009,386	\$ 273,645
Euro Currency Unit	25,064,577	514,769
	34,073,963	788,414
Grand total	\$ 34,073,963	\$ 788,414

### Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 34,073,963	\$ 34,073,963	\$ -
Unrealized Gain/Loss	-	788,414	788,414
Net	\$ 34,073,963	\$ 33,285,549	\$ 788,414

### Emerging Market Debt Fund:

Local Currency Proper Name	Value	Unrealized Gain/Loss
<b>Contracts to Buy:</b>		
Australian Dollar	\$ 1,605,525	\$ (48,891)
Brazil Real	65,717,856	1,362,901
Canadian Dollar	1,618,475	(33,269)
Chilean Peso	7,520,970	4,671
Chinese R Yuan Hk	28,192,147	38,597
Chinese Yuan Renminbi	47,935,279	(543,659)
Colombian Peso	2,265,554	(70,029)
Czech Koruna	37,609,976	(510,225)
Dominican Rep Peso	2,569,532	6,489
Egyptian Pound	13,259,403	85,784
Euro Currency Unit	9,410,910	(23,363)
Hungarian Forint	39,570,983	(217,668)
Indian Rupee	19,737,940	(68,515)
Indonesian Rupiah	7,255,074	(66,386)
Israeli Shekel	103,750	(321)
Kazakhstan Tenge	3,323,737	18,321
Kenyan Shilling	391,450	28,050
Malaysian Ringgit	17,427,317	(77,577)
Mexican Peso	24,064,448	419,696
New Taiwan Dollar	812,868	(9,838)
Peruvian Sol	16,011,298	(49,774)
Philippines Peso	565,951	(12,875)
Polish Zloty	45,632,175	(153,976)
Pound Sterling	5,580	(54)
Romanian Leu	12,045,383	(184,522)
Russian Ruble (New)	15,070,019	3,857
Singapore Dollar	2,494,430	(9)
South African Rand	9,010,319	(57,034)
South Korean Won	819,385	(11,708)
Thailand Baht	61,556,354	(807,085)
Turkish Lira	6,247,369	(8,254)
Ukraine Hryvana	755,000	13,601
Uruguayan Peso	1,389,149	17,482
	501,995,606	(955,583)

### Contracts to Sell:

Australian Dollar	1,559,781	31,681
Brazil Real	59,782,434	(3,173,063)
Canadian Dollar	1,586,742	10,419

**COMBINED INVESTMENT FUNDS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

Chilean Peso	12,114,226	272,987
Chinese Yuan Renminbi	15,564,000	209,514
Colombian Peso	32,156,282	606,200
Czech Koruna	6,753,833	50,022
Dominican Rep Peso	8,793,776	(112,045)
Egyptian Pound	791,907	(4,941)
Euro Currency Unit	95,405,118	976,533
Hungarian Forint	9,151,563	(87,324)
Indonesian Rupiah	5,268,187	9,884
Israeli Shekel	9,774,186	(128,046)
Malaysian Ringgit	2,907,153	2,359
Mexican Peso	23,731,666	(224,045)
New Taiwan Dollar	780,000	4,260
Peruvian Sol	37,384,567	519,257
Philippines Peso	968,061	4,372
Polish Zloty	17,535,613	213,678
Pound Sterling	306,833	5,643
Romanian Leu	2,091,201	43,917
Russian Ruble (New)	16,876,764	(24,937)
Singapore Dollar	2,541,780	(51)
South African Rand	41,691,402	265,934
South Korean Won	806,000	(1,797)
Thailand Baht	12,212,257	137,902
Turkish Lira	4,669,853	53,795
Ukraine Hryvana	2,743,783	(52,672)
	<u>425,948,968</u>	<u>(390,564)</u>
Grand total	<u>\$ 927,944,574</u>	<u>\$ (1,346,147)</u>

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 927,944,574	\$ 927,944,574	\$ -
Unrealized Gain/Loss	(955,583)	(390,564)	(1,346,147)
Net	<u>\$ 926,988,991</u>	<u>\$ 928,335,138</u>	<u>\$ (1,346,147)</u>

**High Yield Debt Fund:**

Local Currency Proper Name	Value	Unrealized Gain/Loss
<b>Contracts to Buy:</b>		
Euro Currency Unit	\$ 1,552,656	\$ (33,494)
	<u>1,552,656</u>	<u>(33,494)</u>
<b>Contracts to Sell:</b>		
Australian Dollar	553,679	17,646
Canadian Dollar	512,011	5,788
Euro Currency Unit	21,649,979	371,152
Hong Kong Dollar	4,044,095	(588)
Japanese Yen	3,717,313	65,021
Pound Sterling	2,205,207	27,303
Singapore Dollar	418,217	2,920
Swiss Franc	2,724,547	48,676
	<u>35,825,048</u>	<u>537,918</u>
Grand total	<u>\$ 37,377,704</u>	<u>\$ 504,424</u>

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 37,377,704	\$ 37,377,704	\$ -
Unrealized Gain/Loss	(33,494)	537,918	504,424
Net	<u>\$ 37,344,210</u>	<u>\$ 36,839,786</u>	<u>\$ 504,424</u>

**COMBINED INVESTMENT FUNDS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**Developed Market International Stock Fund:**

Local Currency Proper Name	Value	Unrealized Gain/Loss
<b>Contracts to Buy:</b>		
Danish Krone	\$ 100,000	\$ 54
Euro Currency Unit	1,065,963	(3,964)
Indonesian Rupiah	248,683	349
Israeli Shekel	281,147	(249)
Pound Sterling	5,467,476	(5,694)
Swedish Krona	490,000	195
Swiss Franc	200,000	262
	<u>7,853,269</u>	<u>(9,047)</u>
<b>Contracts to Sell:</b>		
Euro Currency Unit	5,460,005	9,334
Israeli Shekel	-	242
Japanese Yen	1,330,443	1,320
Pound Sterling	471,667	546
Swiss Franc	1,315,148	1,290
	<u>8,577,263</u>	<u>12,732</u>
Grand total	<u>\$ 16,430,532</u>	<u>\$ 3,685</u>

**Financial Statement Amounts:**

	Receivable	Payable	Net
FX Value	\$ 16,430,532	\$ 16,430,532	\$ -
Unrealized Gain/Loss	(9,047)	12,732	3,685
Net	<u>\$ 16,421,485</u>	<u>\$ 16,417,800</u>	<u>\$ 3,685</u>

**Emerging Market International Stock Fund:**

Local Currency Proper Name	Value	Unrealized Gain/Loss
<b>Contracts to Buy:</b>		
Brazil Real	\$ 90,203	\$ 136
Euro Currency Unit	355,837	(611)
Hong Kong Dollar	10,876,470	(2,522)
Malaysian Ringgit	92,228	(116)
Polish Zloty	151,488	(583)
Pound Sterling	68,858	(171)
South Korean Won	631,787	626
Thailand Baht	4,266,621	(5,524)
	<u>16,533,492</u>	<u>(8,765)</u>
<b>Contracts to Sell:</b>		
Brazil Real	7,568,626	15,725
Hong Kong Dollar	1,507,325	(298)
Mexican Peso	1,227,042	2,306
Polish Zloty	2,324,302	1,766
South African Rand	2,337,331	5,007
South Korean Won	4,284,332	(20,070)
	<u>19,248,958</u>	<u>4,436</u>
Grand total	<u>\$ 35,782,450</u>	<u>\$ (4,329)</u>

**Financial Statement Amounts:**

	Receivable	Payable	Net
FX Value	\$ 35,782,450	\$ 35,782,450	\$ -
Unrealized Gain/Loss	(8,765)	4,436	(4,329)
Net	<u>\$ 35,773,685</u>	<u>\$ 35,778,014</u>	<u>\$ (4,329)</u>

## Notes to Financial Statements (Continued)

The net unrealized gain has been included in the Statement of Changes in Net Position as a component of Net Change in Unrealized Gain (Loss) on Investments and Foreign Currency.

### **NOTE 4: COMMITMENTS**

In accordance with the terms of the individual investment agreements, the Private Investment, Real Asset, and Private

Credit Fund have outstanding commitments to make additional investments. These commitments will be fulfilled as suitable investment opportunities become available. Commitments at June 30, 2021 were as follows:

<b>Fund</b>	<b>Total Commitment</b>	<b>Cumulative Amounts Funded</b>	<b>Unfunded Commitment</b>
Real Asset	\$5,673,247,996	\$3,665,924,421	\$2,007,323,575
Private Investment	8,398,034,775	5,766,156,849	2,631,877,926
Private Credit	1,212,625,000	367,995,262	844,629,738

Certain Private Investment Funds allow the General Partner to recycle distributions without a reduction in unfunded commitments and accordingly have no impact upon the above amounts. Capital recycling is a tool frequently used by investment managers to fully invest the committed capital in portfolio investments. Since fees and expenses are a component of a General Partner's total capital commitments, capital recycling generally allows managers to: (i) mitigate the impact of fees and expenses and (ii) increase the possibility that limited partner capital is invested in portfolio companies. Recycling provisions allow managers to recall capital distributions if certain criteria are met. The use of recycling provisions varies by manager but generally limits capital

recycling to a range between 0% and 20% of total commitments. As a result, the actual commitment could be as much as 120% of the stated commitment amount.

### **NOTE 5: SUBSEQUENT EVENT**

The CRPTF has performed an evaluation of subsequent events through December 30, 2021, the date the basic financial statements were available to be issued. No material events were identified.

**SHORT-TERM INVESTMENT FUND  
STATEMENT OF NET POSITION  
JUNE 30, 2021**

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	<u>Total</u>
<b>Assets</b>	
Investment in Securities, at Amortized Cost (Note 7)	\$ 8,934,656,061
Accrued Interest and Other Receivables	1,638,913
Prepaid Assets	98,675
<b>Total Net Positions</b>	<u>\$ 8,936,393,649</u>
<b>Liabilities</b>	
Distribution Payable	202,620
<b>Total Liabilities</b>	<u>\$ 202,620</u>
<b>NET POSITION - Held in Trust for Participants (includes reserve)</b>	<u>\$ 8,936,191,029</u>

The accompanying notes are an integral part of the financial statements

**SHORT-TERM INVESTMENT FUND  
STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Total</u>
<b>ADDITIONS</b>	
<b>Operations</b>	
Interest Income	\$ 16,323,634
Interest Expense on Reverse Repurchase Agreements	
Net Investment Income	<u>16,323,634</u>
Net Realized Gains	<u>1,512</u>
<b>Net Increase in Net Position Resulting from Operations</b>	<b>16,325,146</b>
<b>Share Transactions at Net Position Value of \$1.00 per Share</b>	
Purchase of Units	<u>15,148,941,521</u>
<b>TOTAL ADDITIONS</b>	<b>15,165,266,667</b>
 <b>DEDUCTIONS</b>	
<b>Distribution to Participants (Notes 2 &amp; 6)</b>	
Distributions to Participants	<u>(8,949,473)</u>
Total Distributions Paid and Payable	<u>(8,949,473)</u>
<b>Share Transactions at Net Position Value of \$1.00 per Share</b>	
Redemption of Units	(15,740,315,111)
<b>Operations</b>	
Operating Expenses	<u>(1,476,030)</u>
<b>TOTAL DEDUCTIONS</b>	<b>(15,750,740,614)</b>
 <b>CHANGE IN NET POSITON</b>	 <b>(585,473,947)</b>
 <b>Net Position Held in Trust for Participants</b>	
Beginning of Year	\$ 9,521,664,976
End of Year	<u>\$ 8,936,191,029</u>

The accompanying notes are an integral part of the financial statements



# SHORT-TERM INVESTMENT FUND NOTES TO FINANCIAL STATEMENTS

## **Note 1: Introduction and Basis of Presentation**

The Short-Term Investment Fund (STIF or the Fund) is a money market investment pool managed by the Treasurer of the State of Connecticut. Section 3-27 of the Connecticut General Statutes (CGS) created STIF. Pursuant to CGS 3-27a - 3-27f, the State, municipal entities, and political subdivisions of the State are eligible to invest in the Fund. Securities in which the State Treasurer is authorized to invest monies of STIF include United States government and agency obligations, certificates of deposit, commercial paper, corporate bonds, saving accounts, bankers' acceptances, repurchase agreements, and asset-backed securities. STIF is authorized to issue an unlimited number of units.

For State of Connecticut financial reporting purposes, STIF is considered to be a mixed investment pool – a pool having external and internal portions. The internal portion (i.e., the portion that belongs to investors that are part of the State's financial reporting entity) is not displayed in the State's basic financial statements. Instead, each fund type's investment in STIF is reported as "cash equivalents" in the Statement of Net Position. The external portion (i.e., the portion that belongs to investors which are not part of the State's financial reporting entity) is recorded in an investment trust fund in the basic financial statements.

The fund is considered a "2a7-like" pool and reports the investments at amortized cost (which approximates fair value). A 2a7-like pool is not necessarily registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that is similar to the SEC's requirements of rule 2a7 of the Investment Company Act of 1940. The Fund reports net assets at amortized cost for financial reporting purposes and the determination of net asset value, consistent with Government Accounting Standards Board (GASB) financial reporting standards, while SEC rule 2a7 requires a floating rate, market price-based valuation for institutional prime money market funds.

## **Related Party Transactions**

STIF had no related party transactions during the fiscal year with the State of Connecticut and its component units including leasing arrangements, the performance of administrative services and the execution of securities transactions.

## **Note 2: Summary of Significant Accounting Policies**

### **Financial Reporting Entity**

The Fund is a Fiduciary Investment Trust Fund. A fiduciary fund is used to account for governmental activities that are similar to those found in the private sector where the determination of net income is necessary or useful to sound financial administration. The generally accepted accounting principles (GAAP) used for fiduciary funds are generally those applicable to similar businesses in the private sector. The Fund uses the accrual basis of accounting.

### **Security Valuation of Financial Instruments**

The assets of the Fund are carried at amortized cost (which approximates fair value). All premiums and discounts on securities are amortized or accreted on a straight line basis. The Fund's custodian calculates the fair value of investments daily and the Fund calculates a fair value shadow price once a month (at a minimum) in compliance with GASB 79.

As of June 30, 2021 the shadow price of the Fund was \$1.0092, the NAV at amortized cost was \$1.0092 and the ratio of fair market value to amortized cost was 1.0001.

### **Security Transactions**

Purchases and sales of investments are recorded on a trade date basis. Gains and losses on investments are realized at the time of the sales and are calculated on the basis of an identified block or blocks of securities having an identified amortized cost. Bond cost is determined by identified lot.

### **Interest Income**

Interest income, which includes amortization of premiums and accretion of discounts, is accrued as earned.

### **Expenses**

Operating and interest expenses are accounted for on an accrual basis.

### **Fiscal Year**

The fiscal year of STIF ends on June 30, 2021.

### **Distributions to Investors**

Distributions to investors are earned on units outstanding from date of purchase to date of redemption. Income is calculated daily based upon the actual earnings of the Fund net of administrative expenses and, if applicable, an allocation to the designated surplus reserve. Distributions are paid monthly within two business days of the end of the month, and are based upon actual number of days in a year. Shares are sold and redeemed at a constant \$1.00 net asset value per share, which is consistent with the

## NOTES TO FINANCIAL STATEMENTS (Continued)

per share net asset value of the Fund, excluding the designated surplus reserve.

### Designated Surplus Reserve

While STIF is managed prudently to protect against losses from credit and market changes, the Fund is not insured or guaranteed by any government. Therefore, the maintenance of capital cannot be fully assured. In order to provide some protection to the shareholders of STIF from potential credit and market risks, the Treasurer has designated that a portion of each day's net earnings be transferred to the designated surplus reserve (reserve). Such amounts are restricted in nature and are not available for current distribution to shareholders. The amount transferred daily to the designated surplus reserve is equal to 0.1 percent of end-of-day investment balance divided by the actual number of days in the year until the reserve account is equal to or greater than 1.0 percent of the daily investment balance. If net losses significant to the aggregate portfolio are realized, the Treasurer is authorized to transfer funds from the reserve to Participants with Units Outstanding. At the end of the fiscal year, the transfer to the designated surplus reserve was temporarily suspended due the impact of the reserve transfer on the Fund's

### Uninsured Bank Accounts

Bank	Amortized Cost	Uninsured/Uncollateralized
ANZ Bank	\$ 425,000,000	\$ 425,000,000
Svenska Handelsbanken	400,000,000	400,000,000
MUFG Bank Ltd	400,000,000	400,000,000
Cooperatieve Rabobank UA	400,000,000	400,000,000
DZ Bank AG	400,000,000	400,000,000
ScotiaBank	350,000,000	350,000,000
National Bank of Canada	350,000,000	350,000,000
Toronto-Dominion Bank	300,000,000	270,000,000
Nordea Bank Abp	300,000,000	300,000,000
Royal Bank of Canada/New York NY	299,981,500	299,981,500
Citizens Bank	200,000,000	0
US Bank NA	100,005,417	100,005,417
Commonwealth Bank of Australia	100,000,000	100,000,000
Santander Bank	50,000,000	0
<b>TOTAL</b>	<b>\$ 4,074,986,917</b>	<b>\$ 3,794,986,917</b>

\*Dexia Credit Local deposit guaranteed by the governments of France, Belgium and Luxembourg.

ability to maintain a positive yield. The decision to suspend the designated surplus transfer was based on the assessment of market conditions and portfolio characteristics.

As of June 30, 2021, the balance in the designated surplus reserve was \$82,802,345, which reflects \$5.9 million in contributions during the year.

### Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities in the financial

statements as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### Note 3: Deposit And Investment Disclosures

A formal investment policy (as adopted August 21, 1996 and revised June 16, 2008, April 17, 2009, and November 19, 2019) specifies policies and guidelines that provide for the systematic management of STIF and prudent and productive investment of funds. All securities of STIF are registered under the Bank of New York Mellon nominee name, MAC & Co.

### Custodial Credit Risk – Deposits

The custodial credit risk for deposits is the risk that in the event of a bank failure, the STIF's deposits may not be recovered. The STIF follows policy parameters that limit deposits in any one entity to a maximum of ten percent of total assets with a ten-business-day cure period. Further, the certificates of deposits must be issued from commercial banks whose short-term debt is rated at least A-1 by S&P Global Ratings and F-1 by Fitch and whose long-term debt is rated at least A- by S&P and Fitch, or backed by a letter of credit issued by a Federal Home Loan Bank.

Deposits in FDIC insured banks are insured up to \$250,000 (as

of June 30, 2021); any amount above this limit is considered uninsured. Additionally, state banking regulation requires all Connecticut public depositories to segregate collateral against public deposits in an amount equal to at least ten percent of the outstanding deposit. As of fiscal year-end, deposit instruments in STIF totaled \$4,074,986,917. Of that amount, \$3,794,986,917 was exposed to custodial credit risk representing the portion that was uninsured, uncollateralized or not backed by a letter of credit. .

### Interest Rate Risk – Investments

Interest rate risk is the risk that changes in the general level of interest rates will adversely affect the fair value of an investment. The STIF's policy for managing interest rate risk is to limit

## NOTES TO FINANCIAL STATEMENTS (Continued)

### Investment Maturity in Years

Investment Type	Amortized Cost	Less than one	One - five
<b>Bank Deposit Instruments</b>			
Fixed	\$ 4,074,986,917	\$ 4,074,986,917	
Floater			
<b>Treasury Securities</b>			
Fixed	2,135,045,593	2,135,045,593	
Floater	19,999,791	19,999,791	
<b>Federal Agency Securities</b>			
Fixed			
Floater	949,123,769	489,131,628	459,992,141
<b>Non-Financial Commercial Paper</b>			
Fixed	853,122,991	853,122,991	
Floater			
<b>Repurchase Agreements</b>	902,377,000	902,377,000	
<b>Money Market Funds</b>			
<b>TOTAL</b>	<b>\$ 8,934,656,061</b>	<b>\$ 8,474,663,920</b>	<b>\$ 459,992,141</b>

investments to a very short weighted average maturity, not to exceed 90 days, and to comply with S&P Global Ratings' requirement that the weighted average maturity not exceed 60 days. The weighted-average maturity is calculated daily and reported to S&P Global Ratings weekly to ensure compliance. As of June 30, 2021 the weighted average maturity of STIF was 31 days. The breakdown of STIF's maturity profile is outlined above.

Additionally, STIF is allowed by policy to invest in floating-rate debt securities. Further, investment in floating rate securities with maturities greater than two years is limited to no more than 20 percent of the overall portfolio. For purposes of the weighted average maturity calculation and classification in the chart above, variable-rate securities are calculated using their interest rate reset dates. Because these securities reset frequently to

Investment credit risk and concentration of credit risk of debt securities will be managed as follows:

- The STIF will purchase short-term, high-quality fixed income securities as allowed by CGS 3-27c - 3-27e and further defined within Connecticut State Treasurer's Short-Term Investment Fund Investment Policy, S&P Global Ratings' AAAM Principal Stability Fund Guidelines and the Governmental Accounting Standards Board Statement Number 79. To be considered high-quality, a security must be rated in the highest short-term rating category by one or more Nationally Recognized Statistical Rating Organizations ("NRSRO").
- STIF will perform a fundamental credit analysis to develop and approve a database of issuers that meet the Fund's

### STIF's credit quality ratings were as follows at June 30, 2021

#### CREDIT QUALITY RATING

Credit Quality Rating	Amortized Cost	Percentage of Amortized Cost
A-1+	\$ 4,348,906,485	48.7%
A-1	2,430,704,193	27.2%
A-2*	0	0.0%
<b>U.S. Government Securities</b>	<b>2,155,045,384</b>	<b>24.1%</b>
<b>Total</b>	<b>\$ 8,934,656,061</b>	<b>100.0%</b>

\*Securities with a LOC guarantee from the Federal Home Loan Bank are carried at the guarantors rating.

\*A-2 and N/R investments are backed by irrevocable standby letters of credit provided by Federal Home Loan Banks or 100% FDIC Insured. \*\*Investments with implicit government guarantees such as government sponsored enterprises and repurchase agreements backed by the collateral and carried under their respective credit rating of AA/A 1+. Investments with explicit government guarantees are carried under U.S. Government Securities.

prevailing market rates, interest rate risk is substantially reduced. As of fiscal year-end, the STIF portfolio held \$969.1 million in variable rate securities.

### Credit Risk of Debt Securities

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Concentration of credit risk is the risk of loss attributed to the magnitude of the investment in a single issuer.

standard for minimal credit risk. STIF will monitor the credit risks of all portfolio securities on an ongoing basis by reviewing the financial data, issuer news and developments, and ratings of designated NRSROs.

- STIF generally will comply with the following diversification limitations that are additional to those set forth in SEC Rule 2a-7, GASB Statement Number 79 and S&P Global Ratings' AAAM Principal Stability Fund Guidelines. First, at least 60 percent of fund assets will be invested in

## NOTES TO FINANCIAL STATEMENTS (Continued)

As of June 30, 2021, the table below lists issuers with concentrations of greater than 5 percent.

Issuer	Fair Value	Percent of Total Portfolio
Federal Farm Credit Bank	\$ 778,517,825	8.7%
ScotiaBank and Treasury Repo with Scotia	650,000,000	7.3%
Bank of America REPO	602,377,000	6.7%

\*Investments with explicit government guarantees are excluded from this disclosure

securities rated “A-1+” or equivalent. Second, exposure to any single non-governmental issuer’s securities will not exceed 5 percent (at the time a security is purchased), exposure to any single money market mutual fund (rated AAAm) will not exceed 5 percent of fund assets and exposure to money market mutual funds in total will not exceed 15 percent.

### Investments, Fair Value Hierarchy

STIF investments are carried at amortized cost, but fair value is reported in certain note disclosures as required by GAAP. STIF investments are measured and reported at fair value and classified according to the following hierarchy:

Level 1 – Investments reflect unadjusted quoted prices in active markets for identical assets.

Level 2 – Investments reflect prices that are based on inputs that are either directly or indirectly observable for an asset (including quoted prices for similar assets), which may include inputs in markets that are not considered to be active.

Level 3 – Investments reflect prices based upon unobservable inputs for an asset.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment’s risk.

Debt securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a pricing methodology that uses evaluation models, such as matrix pricing, to value securities based on a security’s relationship to benchmark quoted prices. Debt securities classified in Level 3 of the fair value hierarchy are subject to being priced by an alternative pricing source utilizing discounted cash flow models and broker bids, or may have an estimated fair value equal to cost, due to the absence of an independent pricing source.

Certain investments, such as bank deposit instruments, money market funds and repurchase agreements, are not included in the following tables because they are not negotiable instruments and are valued at cost.

**STIF has the following fair value measurements as of June 30, 2021:**

Fair Value by Input Level	6/30/2021	Quoted Prices in Active Market for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
<b>Investments by fair value level:</b>				
Federal Agency Securities	\$ 949,760,993	--	\$ 949,760,993	--
US Treasury Securities	2,155,055,152	2,155,055,152		
Corporate & Bank Commercial Paper	853,186,954	--	853,186,954	--
<b>Total debt securities measured at fair value</b>	<b>\$ 3,958,003,099</b>	<b>\$ 2,155,055,152</b>	<b>\$ 1,802,947,947</b>	<b>--</b>

Certain investments, such as bank deposit instruments, money market funds and repurchase agreements, are not included in the following tables because they are not negotiable instruments and are valued at cost.

### Note 4: Custodian

BNY Mellon was appointed as custodian for STIF effective December 9, 2013. STIF pays an approximately \$282,000 annual custodial fee for the Short-Term Investment Unit.

### Note 5: Administration

STIF is managed and administered by employees of the State of Connecticut Treasury. Salaries and fringe benefit costs as well as operating expenses are charged directly to the Fund.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### Note 6: Distributions to Investors

The components of the distributions to investors are as follows for the income earned during the twelve months ended:

<b>Distributions:</b>	<b>2021</b>	<b>2020</b>
July	\$ 1,683,853	\$ 16,926,801
August	1,027,684	17,968,727
September	716,193	15,919,057
October	552,809	14,161,568
November	482,851	11,294,077
December	523,890	10,908,861
January	1,005,599	11,863,524
February	825,998	12,021,912
March	859,976	8,712,351
April	781,500	5,229,300
May	286,502	3,422,261
June (Payable at June 30)	202,620	2,496,248
<b>Total Distribution Paid &amp; Payable</b>	<b>\$ 8,949,473</b>	<b>\$ 130,924,688</b>

### Note 7: Investments in Securities

The following is a summary of investments in securities, at amortized cost and fair value as of June 30, 2021:

Repurchase agreements are agreements to purchase securities from an entity for a specified amount of cash and to resell the securities to the entity at an agreed upon price and time. They are used to enhance returns with minimal risk on overnight investments of the Fund. Such transactions are only entered into with counterparties who report directly to the Federal Reserve Bank of New York and commercial banks that meet certain quality standards. All repurchase agreements are collateralized at between 100 percent and 102 percent of the securities' value. As of fiscal year end, STIF held \$903 million in repurchase agreements.

In response to changes to SEC rule 2a-7 and in an effort to enhance comparability of financial statements among governments the Government Accounting Standards Board (GASB) issued GASB Statement No. 79, Certain External Investment Pools and Pool Participants, effective December 15, 2015. Statement 79 addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow

price. Significant noncompliance would prevent the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. If an external investment pool meets the criteria in this Statement and measures all of its investments at amortized cost, the pool's participants also should measure their investments in that external investment pool at amortized cost for financial reporting purposes. STIF is in compliance with GASB Statement No. 79 and has elected to measure its investments on an amortized cost basis.

In an effort to improve disclosures associated with derivative contracts, the Government Accounting Standards Board (GASB) issued GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, effective for the fiscal years beginning after June 15, 2009. Statement No. 53 requires that all derivatives be reported on the Statement of Net Position and defines a derivative instrument as a financial instrument or other contract that has all of the following characteristics: a) Settlement factors. It has (1) one or more reference rates and (2) one or more notional amounts or payment provisions or both, b) Leverage. It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors, and c) Net settlement. Its terms require or permit net settlement, it can readily be settled net by a means outside the contract, or it provides for delivery of an asset that puts the recipient in a position not substantially different from net settlement.

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the fiscal year ended June 30, 2021 STIF held adjustable-rate securities whose interest rates vary directly with short-term

money market indices and are reset either daily, weekly, monthly or quarterly. Such securities allow the Fund to earn higher interest

Investment Type	Amortized Cost	Fair Value
Bank Deposits	\$ 3,824,986,917	\$ 3,825,213,267
Deposits with Government Backing	250,000,000	250,000,000
Non-Financial Credit Instruments	853,122,991	853,186,954
Government Agency Securities	949,123,769	949,760,993
U.S. Treasury Securities	2,155,045,384	2,155,055,152
Repurchase Agreements	902,377,000	902,377,000
<b>Total</b>	<b>\$ 8,934,656,061</b>	<b>\$ 8,935,593,367</b>

rates as market rates increase, thereby increasing fund yields and protecting against the erosion of market values from rising interest rates. These adjustable rate securities have similar risks as fixed-rate securities from the same issuers.

### **Note 8: Credit Rating of the Fund**

Throughout the year ended June 30, 2021 STIF was rated AAAM, its highest rating, by S&P Global Ratings (S&P). In September 2020, following a review of the portfolio and STIF's investment policies, management and procedures, S&P reaffirmed STIF's AAAM rating and has continued to maintain this high rating throughout the current fiscal year. In order to maintain an AAAM rating, STIF adheres to the following guidelines:

- Weekly portfolio and market value calculations;
- Maintenance of credit quality standards for portfolio securities with at least 50% of such securities rated A-1+ or invested in overnight repurchase agreements with dealers or banks rated A-1;
- Ensuring adequate portfolio diversification standards

with no more than 5% of the portfolio invested in an individual security and no more than 10% invested in an individual issuer, with a ten-business day cure period, excluding one and two day repurchase agreements and U.S. government agency securities; and

- A limit on the overall portfolio weighted average maturity (currently no more than 60 days).

It is the Treasurer's intention to take any and all such actions as are needed from time to time to maintain the AAAM rating.

### **Note 9: Subsequent Events**

The Fund management has evaluated the events and transactions that have occurred through December 30, 2021 the date the basic financial statements were available to be issued. There were no subsequent events identified related to STIF that could have a material impact on STIF's financial statements.

**CONNECTICUT STATE TREASURER'S SHORT-TERM INVESTMENT FUND**  
**LIST OF INVESTMENTS AS OF June 30, 2021**

Par	Issuer	YTM	Reset / Maturity	Amortized Cost	Fair Market Value	Rating
<b>Bank Deposit Instruments</b>						<b>42.8%</b>
\$ 25,000,000	ANZ Bank	0.14%	8/26/2021	\$ 25,000,000	\$ 25,000,000	A-1+
50,000,000	ANZ Bank	0.15%	8/19/2021	50,000,000	50,000,000	A-1+
50,000,000	ANZ Bank	0.15%	9/20/2021	50,000,000	50,000,000	A-1+
25,000,000	ANZ Bank	0.17%	12/1/2021	25,000,000	25,000,000	A-1+
50,000,000	ANZ Bank	0.27%	7/6/2021	50,000,000	50,000,000	A-1+
50,000,000	ANZ Bank	0.19%	7/14/2021	50,000,000	50,000,000	A-1+
50,000,000	ANZ Bank	0.20%	9/15/2021	50,000,000	50,000,000	A-1+
25,000,000	ANZ Bank	0.20%	8/9/2021	25,000,000	25,000,000	A-1+
25,000,000	ANZ Bank	0.21%	8/25/2021	25,000,000	25,000,000	A-1+
50,000,000	ANZ Bank	0.19%	7/22/2021	50,000,000	50,000,000	A-1+
25,000,000	ANZ Bank	0.21%	10/6/2021	25,000,000	25,000,000	A-1+
50,000,000	COMMONWEALTH BK AUSTR NY	0.12%	11/17/2021	50,000,000	50,005,000	A-1+
50,000,000	COMMONWEALTH BK AUSTR NY	0.11%	7/27/2021	50,000,000	50,001,000	A-1+
200,000,000	DEXIA CREDIT LOCAL	0.04%	7/1/2021	200,000,000	200,000,000	A-1+
50,000,000	DEXIA CREDIT LOCAL	0.07%	9/7/2021	50,000,000	50,000,000	A-1+
50,000,000	DEXIA CREDIT LOCAL	0.11%	8/17/2021	50,000,000	50,000,000	A-1+
50,000,000	DZ BANK NY	0.16%	7/1/2021	50,000,000	50,000,000	A-1+
50,000,000	DZ BANK NY	0.14%	7/8/2021	50,000,000	50,000,000	A-1+
50,000,000	MUFG BANK LTD/NY	0.19%	7/28/2021	50,000,000	50,005,000	A-1
50,000,000	MUFG BANK LTD/NY	0.19%	8/2/2021	50,000,000	50,006,000	A-1
50,000,000	MUFG BANK LTD/NY	0.16%	8/23/2021	50,000,000	50,007,500	A-1
50,000,000	MUFG BANK CD	0.18%	10/13/2021	50,000,000	50,013,000	A-1
50,000,000	MUFG BANK LTD/NY	0.19%	10/21/2021	50,000,000	50,015,000	A-1
25,000,000	MUFG BANK LTD/NY	0.16%	8/26/2021	25,000,000	25,004,000	A-1
50,000,000	MUFG BANK LTD/NY	0.14%	11/29/2021	50,000,000	50,004,000	A-1
50,000,000	MUFG BANK LTD/NY	0.17%	11/10/2021	50,000,000	50,011,500	A-1
25,000,000	MUFG BANK LTD/NY	0.20%	7/14/2021	25,000,000	25,001,250	A-1
150,000,000	NATIONAL BANK OF CANADA (2)	0.25%	7/1/2021	150,000,000	150,000,000	A-1
50,000,000	NATIONAL BANK OF CANADA (2)	0.25%	7/1/2021	50,000,000	50,000,000	A-1
50,000,000	NATIONAL BANK OF CANADA (2)	0.25%	7/1/2021	50,000,000	50,000,000	A-1
50,000,000	NATIONAL BANK OF CANADA (2)	0.25%	7/1/2021	50,000,000	50,000,000	A-1
50,000,000	NORDEA BANK ABP NEW YORK	0.15%	9/27/2021	50,000,000	50,000,000	A-1+
25,000,000	NORDEA BANK ABP NEW YORK	0.15%	10/20/2021	25,000,000	25,005,500	A-1+
50,000,000	NORDEA BANK ABP NEW YORK	0.11%	8/16/2021	50,000,000	50,002,000	A-1+
35,000,000	NORDEA BANK ABP NEW YORK	0.15%	11/5/2021	35,000,000	35,008,050	A-1+
50,000,000	NORDEA BANK ABP NEW YORK	0.16%	9/9/2021	50,000,000	50,008,000	A-1+
50,000,000	NORDEA BANK ABP NEW YORK	0.17%	7/21/2021	50,000,000	50,002,500	A-1+
50,000,000	NORDEA BANK ABP NEW YORK	0.14%	10/12/2021	50,000,000	50,008,500	A-1+
40,000,000	NORDEA BANK ABP NEW YORK	0.18%	9/15/2021	40,000,000	40,006,800	A-1+
50,000,000	COOPERATIEVE RABOBANK UA	0.15%	9/9/2021	50,000,000	50,005,500	A-1
25,000,000	COOPERATIEVE RABOBANK UA	0.15%	10/22/2021	25,000,000	25,003,250	A-1
50,000,000	COOPERATIEVE RABOBANK UA	0.12%	11/26/2021	50,000,000	50,006,000	A-1
50,000,000	COOPERATIEVE RABOBANK UA	0.14%	8/16/2021	50,000,000	50,003,500	A-1
50,000,000	COOPERATIEVE RABOBANK UA	0.14%	11/15/2021	50,000,000	50,008,000	A-1
50,000,000	COOPERATIEVE RABOBANK UA	0.15%	8/25/2021	50,000,000	50,004,500	A-1
25,000,000	COOPERATIEVE RABOBANK UA	0.16%	10/7/2021	25,000,000	25,004,000	A-1
50,000,000	COOPERATIEVE RABOBANK UA	0.15%	8/23/2021	50,000,000	50,004,500	A-1
50,000,000	COOPERATIEVE RABOBANK UA	0.15%	9/1/2021	50,000,000	50,005,000	A-1
50,000,000	ROYAL BANK OF CANADA NY	0.16%	8/9/2021	50,000,000	50,000,000	A-1+
50,000,000	ROYAL BANK OF CANADA NY	0.18%	7/1/2021	50,000,000	50,000,000	A-1+
50,000,000	ROYAL BANK OF CANADA NY	0.17%	7/14/2021	50,000,000	50,000,000	A-1+

**CONNECTICUT STATE TREASURE'S SHORT-TERM INVESTMENT FUND  
LIST OF INVESTMENTS AS OF JUNE 30, 2021**

Par	Issuer	YTM	Reset / Maturity	Amortized Cost	Fair Market Value	Rating
50,000,000	ROYAL BANK OF CANADA NY	0.18%	8/2/2021	50,000,000	50,000,000	A-1+
50,000,000	ROYAL BANK OF CANADA NY	0.18%	9/1/2021	50,000,000	50,000,000	A-1+
50,000,000	ROYAL BANK OF CANADA NY	0.18%	9/13/2021	49,981,500	49,991,000	A-1+
25,000,000	SCOTIA BANK (2)	0.25%	7/1/2021	25,000,000	25,000,000	A-1
250,000,000	SCOTIA BANK (2)	0.25%	7/1/2021	250,000,000	250,000,000	A-1
50,000,000	SCOTIA BANK (2)	0.25%	7/1/2021	50,000,000	50,000,000	A-1
25,000,000	SCOTIA BANK (2)	0.25%	7/1/2021	25,000,000	25,000,000	A-1
50,000,000	SVENSKA HANDELSBANKEN NY	0.16%	9/1/2021	50,000,000	50,007,000	A-1+
25,000,000	SVENSKA HANDELSBANKEN NY	0.16%	10/18/2021	25,000,000	25,004,250	A-1+
50,000,000	SVENSKA HANDELSBANKEN NY	0.16%	11/2/2021	50,000,000	50,008,000	A-1+
50,000,000	SVENSKA HANDELSBANKEN NY	0.18%	10/6/2021	50,000,000	50,011,500	A-1+
50,000,000	SVENSKA HANDELSBANKEN NY	0.10%	8/13/2021	50,000,000	50,001,000	A-1+
50,000,000	SVENSKA HANDELSBANKEN NY	0.15%	8/16/2021	50,000,000	50,004,500	A-1+
25,000,000	SVENSKA HANDELSBANKEN NY	0.15%	8/6/2021	25,000,000	25,001,750	A-1+
50,000,000	SVENSKA HANDELSBANKEN NY	0.18%	9/10/2021	50,000,000	50,009,500	A-1+
50,000,000	SVENSKA HANDELSBANKEN NY	0.18%	9/22/2021	50,000,000	50,010,500	A-1+
100,000,000	TORONTO DOMINION BANK(2)	0.20%	7/1/2021	100,000,000	100,000,000	A-1+
100,000,000	TORONTO DOMINION BANK(2)	0.20%	7/1/2021	100,000,000	100,000,000	A-1+
50,000,000	TORONTO DOMINION BANK(2)	0.20%	7/1/2021	50,000,000	50,000,000	A-1+
25,000,000	TORONTO DOMINION BANK(2)	0.20%	7/1/2021	25,000,000	25,000,000	A-1+
25,000,000	TORONTO DOMINION BANK(2)	0.20%	7/1/2021	25,000,000	25,000,000	A-1+
100,005,417	US BANK	0.05%	7/1/2021	100,005,417	100,005,417	A-1+
\$ 3,825,005,417				\$ 3,824,986,917	\$ 3,825,213,267	
<b>Bank Deposit Instruments with Government Backing</b>						<b>2.8%</b>
200,000,000	CITIZENS BANK (2,3)	0.10%	7/1/2021	200,000,000	200,000,000	A-2
50,000,000	SANTANDER BANK (2,3)	0.10%	7/1/2021	50,000,000	50,000,000	A-2
\$ 250,000,000				\$ 250,000,000	\$ 250,000,000	
<b>Commercial Paper and Corporate Notes</b>						<b>9.5%</b>
50,000,000	EXXON MOBIL CORP	0.10%	7/26/2021	49,996,528	49,998,000	A-1+
50,000,000	EXXON MOBIL CORP	0.17%	9/3/2021	49,984,889	49,994,500	A-1+
50,000,000	EXXON MOBIL CORP	0.14%	10/4/2021	49,981,528	49,990,500	A-1+
25,000,000	LVMH MOET HENNESSY VUITT	0.15%	3/25/2022	24,972,188	24,968,500	A-1+
25,000,000	LVMH MOET HENNESSY VUITT	0.12%	12/23/2021	24,985,417	24,983,000	A-1+
28,400,000	LVMH MOET HENNESSY VUITT	0.15%	3/15/2022	28,369,588	28,366,204	A-1+
50,000,000	NATL SEC CLEARING CORP	0.06%	7/1/2021	50,000,000	50,000,000	A-1+
50,000,000	NATL SEC CLEARING CORP	0.06%	7/15/2021	49,998,833	49,998,500	A-1+
50,000,000	NATL SEC CLEARING CORP	0.05%	8/23/2021	49,996,319	49,994,000	A-1+
50,000,000	NATL SEC CLEARING CORP	0.08%	9/21/2021	49,990,889	49,990,000	A-1+
100,000,000	PROCTER & GAMBLE CO	0.07%	9/24/2021	99,983,472	99,990,000	A-1+
25,000,000	TOYOTA MOTOR CREDIT CORP	0.21%	1/10/2022	24,971,854	24,981,250	A-1+
50,000,000	TOYOTA MOTOR CREDIT CORP	0.22%	1/18/2022	49,938,583	49,959,500	A-1+
50,000,000	TOYOTA MOTOR CREDIT CORP	0.18%	7/13/2021	49,997,000	49,999,000	A-1+
50,000,000	TOYOTA MOTOR CREDIT CORP	0.15%	8/3/2021	49,993,125	49,996,500	A-1+
50,000,000	TOYOTA MOTOR CREDIT CORP	0.15%	8/19/2021	49,989,792	49,994,000	A-1+
50,000,000	TOYOTA MOTOR CREDIT CORP	0.16%	9/24/2021	49,981,111	49,988,000	A-1+
50,000,000	TOYOTA MOTOR CREDIT CORP	0.15%	8/9/2021	49,991,875	49,995,500	A-1+
\$ 853,400,000				\$ 853,122,991	\$ 853,186,954	



**CONNECTICUT STATE TREASURER'S SHORT-TERM INVESTMENT FUND**  
**LIST OF INVESTMENTS AS OF June 30, 2021**

Par	Issuer	YTM	Reset / Maturity	Amortized Cost	Fair Market Value	Rating
<b>Government Agency Securities</b>						<b>10.6%</b>
25,000,000	FANNIE MAE	0.16%	7/1/2021	25,000,000	25,015,981	AA+
25,000,000	FEDERAL FARM CREDIT BANK	0.26%	7/1/2021	25,000,000	25,014,001	AA+
25,000,000	FEDERAL FARM CREDIT BANK	0.29%	7/1/2021	25,000,000	25,020,079	AA+
25,000,000	FEDERAL FARM CREDIT BANK	0.45%	7/1/2021	25,029,656	25,039,909	AA+
50,000,000	FEDERAL FARM CREDIT BANK	0.08%	7/1/2021	50,000,000	49,995,843	AA+
20,000,000	FEDERAL FARM CREDIT BANK	0.15%	7/1/2021	20,000,000	20,010,870	AA+
8,000,000	FEDERAL FARM CREDIT BANK	0.18%	7/1/2021	8,000,000	8,004,242	AA+
25,000,000	FEDERAL FARM CREDIT BANK	0.08%	7/1/2021	24,997,964	24,993,947	AA+
12,000,000	FEDERAL FARM CREDIT BANK	0.11%	7/1/2021	12,000,000	11,999,101	AA+
25,000,000	FEDERAL FARM CREDIT BANK	0.20%	7/1/2021	25,000,000	25,024,078	AA+
25,000,000	FEDERAL FARM CREDIT BANK	0.20%	7/1/2021	24,991,390	25,024,078	AA+
10,000,000	FEDERAL FARM CREDIT BANK	0.20%	7/1/2021	9,986,766	10,009,631	AA+
58,000,000	FEDERAL FARM CREDIT BANK	0.11%	7/1/2021	57,994,987	58,001,692	AA+
50,000,000	FEDERAL FARM CREDIT BANK	0.08%	7/1/2021	50,000,000	49,982,713	AA+
50,000,000	FEDERAL FARM CREDIT BANK	0.11%	7/1/2021	50,000,000	50,001,459	AA+
25,000,000	FEDERAL FARM CREDIT BANK	0.16%	7/1/2021	24,998,981	25,017,753	AA+
25,000,000	FEDERAL FARM CREDIT BANK	0.28%	7/1/2021	25,000,000	25,047,444	AA+
25,000,000	FEDERAL FARM CREDIT BANK	0.28%	7/1/2021	24,997,715	25,047,444	AA+
25,000,000	FEDERAL FARM CREDIT BANK	0.28%	7/1/2021	24,998,814	25,048,874	AA+
25,000,000	FEDERAL FARM CREDIT BANK	0.28%	7/1/2021	25,000,000	25,048,874	AA+
25,000,000	FEDERAL FARM CREDIT BANK	0.18%	7/1/2021	25,000,000	25,001,847	AA+
25,000,000	FEDERAL FARM CREDIT BANK	0.29%	7/1/2021	25,000,000	25,055,461	AA+
25,000,000	FEDERAL FARM CREDIT BANK	0.18%	7/1/2021	24,999,190	25,027,403	AA+
15,000,000	FEDERAL FARM CREDIT BANK	0.24%	7/1/2021	15,000,000	15,025,075	AA+
50,000,000	FEDERAL FARM CREDIT BANK	0.20%	7/1/2021	49,999,418	50,009,833	AA+
25,000,000	FEDERAL FARM CREDIT BANK	0.20%	7/1/2021	24,997,064	25,004,917	AA+
10,000,000	FEDERAL FARM CREDIT BANK	0.11%	7/1/2021	10,000,000	10,000,430	AA+
20,000,000	FEDERAL FARM CREDIT BANK	0.12%	7/1/2021	20,000,000	20,001,685	AA+
50,000,000	FEDERAL FARM CREDIT BANK	0.18%	7/1/2021	50,000,000	50,059,146	AA+
9,125,000	FEDERAL HOME LOAN BANK	0.28%	7/28/2021	9,131,824	9,130,723	AA+
25,000,000	FEDERAL HOME LOAN BANK	0.14%	7/1/2021	25,000,000	25,017,662	AA+
22,000,000	FEDERAL HOME LOAN BANK	0.17%	7/1/2021	22,000,000	22,012,282	AA+
25,000,000	FEDERAL HOME LOAN BANK	0.14%	7/1/2021	25,000,000	25,017,283	AA+
25,000,000	FEDERAL HOME LOAN BANK	0.14%	7/1/2021	25,000,000	25,017,768	AA+
25,000,000	FEDERAL HOME LOAN BANK	0.14%	7/1/2021	25,000,000	25,017,768	AA+
15,000,000	FREDDIE MAC	0.20%	7/1/2021	15,000,000	15,013,701	AA+
\$ 949,125,000				\$ 949,123,769	\$ 949,760,993	
<b>US Treasury Securities</b>						<b>24.1%</b>
500,000,000	TREASURY BILL	0.04%	7/6/2021	499,997,569	499,997,845	A-1+
400,000,000	TREASURY BILL	0.04%	7/1/2021	400,000,000	400,000,000	A-1+
250,000,000	TREASURY BILL	0.04%	7/1/2021	250,000,000	250,000,000	A-1+
250,000,000	TREASURY BILL	0.04%	7/1/2021	250,000,000	250,000,000	A-1+
250,000,000	TREASURY BILL	0.04%	7/20/2021	249,994,722	249,993,898	A-1+
250,000,000	TREASURY BILL	0.04%	7/27/2021	249,992,326	249,992,778	A-1+
100,000,000	TREASURY BILL	0.06%	9/2/2021	99,989,500	99,991,425	A-1+
100,000,000	TREASURY BILL	0.06%	9/9/2021	99,988,333	99,990,958	A-1+

**CONNECTICUT STATE TREASURER'S SHORT-TERM INVESTMENT FUND**  
**LIST OF INVESTMENTS AS OF June 30, 2021**

Par	Issuer	YTM	Reset / Maturity	Amortized Cost	Fair Market Value	Rating
20,000,000	US TREASURY FRN	0.27%	7/1/2021	19,999,791	20,003,855	A-1+
35,000,000	US TREASURY N/B	0.07%	8/31/2021	35,083,142	35,084,394	A-1+
<u>\$ 2,155,000,000</u>				<u>\$ 2,155,045,384</u>	<u>\$ 2,155,055,152</u>	
<b>Repurchase Agreements</b>						<b>10.1%</b>
602,377,000	BANK OF AMERICA SECURITIES R	0.03%	7/1/2021	602,377,000	602,377,000	A-1
300,000,000	SCOTIA BANK REPO	0.04%	7/1/2021	300,000,000	300,000,000	A-1
<u>\$ 902,377,000</u>				<u>\$ 902,377,000</u>	<u>\$ 902,377,000</u>	
<u>\$ 8,934,907,417</u>				<u>\$ 8,934,656,061</u>	<u>\$ 8,935,593,367</u>	

**Fund Summary Statistics and Notes**

Amortized Cost	\$ 8,934,656,061
Fair market value	\$ 8,935,593,367
Shares Outstanding	\$ 8,853,388,685
Fund Net Asset Value (4)	\$1.01
Effective 7-Day Net Yield (5)	0.118%
Effective 7-Day Gross Yield	0.135%
WAM(R) (6)	31 Days
WAM(F) (7)	68 Days
Ratio of Fair Market Value to Amortized Cost	1.0001

(1) Securities rounded to the nearest dollar.

(2) Issues have a daily put option, and thus are calculated as 1 day for WAL and WAM purposes.

(3) Santander Bank and Citizens Bank N.A. deposits are backed by irrevocable standby letter of credit provided by the Federal Home Loan Bank of Pittsburgh and Boston guaranteeing principal amount.

(4) Includes designated surplus reserve. NAV is calculated as the total amortized cost / participant shares.

(5) Includes approximately 2-4 basis points of expenses and a 10 basis point contribution to the designated surplus reserve each day the size of the reserve is less than one percent of the size of the Short-Term Investment Fund. Gross Yield is prior to reserve transfers, after operating expenses.

(6) Weighted average maturity to the next reset date.

(7) Weighted average maturity to final maturity date.

**CONNECTICUT STATE TREASURER'S SHORT-TERM INVESTMENT FUND  
SCHEDULE OF ANNUAL RATES OF RETURN**

<b>Year Ended June 30,</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
STIF Total Rate of Return (%)	0.10	1.53	2.30	1.39	0.61	0.29	0.15	0.14	0.16	0.16
First Tier Institutional-only Rated Money Fund Report Averages <sup>TM</sup> (MFR) Index (%) (1)	0.04	1.36	2.15	1.27	0.49	0.15	0.03	0.02	0.05	0.05
Total Assets in STIF, End of Period (\$ - Millions)	8,936	9,522	8,096	6,797	6,470	4,903	5,037	4,211	4,427	4,894
Percent of State Assets in Fund (3)	83%	82%	82%	81%	82%	82%	84%	83%	83%	83%
Number of Participant Accounts in Composite, End of Year (2)										
State Treasury	58	54	55	55	54	52	53	58	67	52
Municipal and Local Entities	530	545	537	523	546	541	551	475	685	671
State Agencies and Authorities	347	361	361	342	329	330	335	341	428	429
Total	935	960	953	920	929	923	939	874	1180	1155

(1) Represents iMoneyNet Money Fund Report Average <sup>TM</sup> - Rated First Tier Institutional Average (MFR) Index.

(2) As of January 2014 and going forward, inactive accounts were closed and only active accounts containing balances were included in the total number of participant accounts.

(3) Represents the state and agencies and authorities of the state.

**See Notes to Schedules of Rates of Return.**

**CONNECTICUT STATE TREASURER'S SHORT-TERM INVESTMENT FUND  
SCHEDULE OF QUARTERLY RATES OF RETURN**

<b>FISCAL YEAR</b>	<b>Rate of Return(%)</b>	<b>Institutional-only Rated Money Fund Report Averages TM (MFR) Index(%) (1)</b>
<b>2021</b>		
Sep-20	0.03	0.03
Dec-20	0.02	0.01
Mar-21	0.03	0.01
Jun-21	0.02	0.01
<b>YEAR</b>	<b>0.10</b>	<b>0.04</b>

<b>2020</b>		
Sep-19	0.56	0.51
Dec-19	0.46	0.45
Mar-20	0.37	0.34
Jun-20	0.13	0.09
<b>YEAR</b>	<b>1.53</b>	<b>1.36</b>

<b>2019</b>		
Sep-18	0.50	0.47
Dec-18	0.57	0.53
Mar-19	0.60	0.58
Jun-19	0.61	0.56
<b>YEAR</b>	<b>2.30</b>	<b>2.15</b>

<b>2018</b>		
Sep-17	0.27	0.25
Dec-17	0.31	0.26
Mar-18	0.36	0.33
Jun-18	0.45	0.43
<b>YEAR</b>	<b>1.39</b>	<b>1.27</b>

<b>2017</b>		
Sep-16	0.11	0.06
Dec-16	0.12	0.08
Mar-17	0.16	0.15
Jun-17	0.22	0.20
<b>YEAR</b>	<b>0.61</b>	<b>0.49</b>

<b>FISCAL YEAR</b>	<b>Rate of Return(%)</b>	<b>Institutional-only Rated Money Fund Report Averages TM (MFR) Index(%) (1)</b>
<b>2016</b>		
Sep-15	0.04	0.01
Dec-15	0.05	0.02
Mar-16	0.10	0.06
Jun-16	0.09	0.06
<b>YEAR</b>	<b>0.29</b>	<b>0.15</b>

<b>2015</b>		
Sep-14	0.04	0.005
Dec-14	0.04	0.005
Mar-15	0.04	0.01
Jun-15	0.03	0.01
<b>YEAR</b>	<b>0.15</b>	<b>0.03</b>

<b>2014</b>		
Sep-13	0.03	0.01
Dec-13	0.03	0.01
Mar-14	0.04	0.01
Jun-14	0.04	0.01
<b>YEAR</b>	<b>0.14</b>	<b>0.02</b>

<b>2013</b>		
Sep-12	0.05	0.02
Dec-12	0.05	0.02
Mar-13	0.03	0.01
Jun-13	0.03	0.01
<b>YEAR</b>	<b>0.16</b>	<b>0.05</b>

<b>2012</b>		
Sep-11	0.04	0.03
Dec-11	0.06	0.05
Mar-12	0.03	0.07
Jun-12	0.03	0.07
<b>YEAR</b>	<b>0.16</b>	<b>0.05</b>

CIVIL LIST PENSION AND TRUST FUNDS  
 SCHEDULE OF CASH AND INVESTMENTS, BALANCES AND ACTIVITY (At Fair Value)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Teachers' Retirement	State Employees' Retirement	Municipal Employees' Retirement	Probate Court Retirement	Judges' Retirement	State's Attorneys' Retirement	Soldiers Sailors & Marines Fund	Arts Endowment Fund	Police & Firement's Survivor's Fund
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Income Receivable	436,094	275,677	52,178	2,751	4,556	50	2,325	501	886
Interest in Investment Funds	22,200,625,660	16,345,927,449	3,328,689,021	140,859,297	298,259,003	2,698,485	90,958,033	24,592,228	47,611,005
Total Cash and Investments	\$ 22,201,061,754	\$ 16,346,203,126	\$ 3,328,741,199	\$ 140,862,048	\$ 298,263,559	\$ 2,698,545	\$ 90,960,358	\$ 24,592,729	\$ 47,611,891
Schedule of Activity:									
Cash and Investments at July 1, 2020	\$ 18,275,299,971	\$ 13,199,411,900	\$ 2,710,912,741	\$ 110,655,629	\$ 239,674,742	\$ 2,137,648	\$ 82,735,964	\$ 19,919,675	\$ 37,916,392
Shares Purchased (Excluding Liquidity Fund)	1,044,044,894	779,500,000	178,000,000	8,275,000	18,100,000	176,000	3,900,000	2,585,000	3,080,000
Shares Redeemed (Excluding Liquidity Fund)	(1,364,609,399)	(825,327,570)	(190,623,849)	(8,996,271)	(13,951,510)	(118,908)	(5,510,000)	(2,700,000)	(2,086,492)
Net Purchase and Redemptions of Liquidity Fund	(281,944,342)	(108,233,207)	(42,312,280)	3,342,446	(3,433,007)	(32,038)	(108,326)	(687,453)	(797,468)
Net Investment Income	568,750	366,376	73,786	3,389	6,364	66	2,838	678	1,194
Net Increase (Decrease) in the Fair Value of Investments and Foreign Currency	4,527,974,297	3,300,673,461	672,735,164	27,583,396	59,870,691	535,811	9,940,984	5,475,187	9,498,895
Increase (Decrease) in Receivables - Net (1)	296,333	178,542	29,423	1,848	2,643	32	1,736	320	564
Distributions	(568,750)	(366,376)	(73,786)	(3,389)	(6,364)	(66)	(2,838)	(678)	(1,194)
Cash and Investments at June 30, 2021	\$ 22,201,061,754	\$ 16,346,203,126	\$ 3,328,741,199	\$ 140,862,048	\$ 298,263,559	\$ 2,698,545	\$ 90,960,358	\$ 24,592,729	\$ 47,611,891

See Notes to Civil and Non-Civil List Trust Fund Financial Statements.  
 (1) Reflects timing differences in the recognition of income by the Plans

**NON-CIVIL LIST TRUST FUNDS  
FINANCIAL STATEMENTS  
June 30, 2021**

	SCHOOL FUND	AGRICUL- TURAL COLLEGE FUND	IDA EATON COTTON FUND	ANDREW C. CLARK FUND	HOPEMEAD STATE PARK TRUST FUND	OPEB FUND
<b>STATEMENT OF NET POSITION, at Fair Value</b>						
<b>ASSETS</b>						
Cash & Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest & Dividends Receivable	7	-	3	1	4	215
Investments in Combined Investment Funds, at Fair Value	13,858,240	696,960	3,079,956	1,449,002	4,941,301	2,050,349,075
<b>Total Assets</b>	<b>\$ 13,858,247</b>	<b>\$ 696,960</b>	<b>\$ 3,079,959</b>	<b>\$ 1,449,003</b>	<b>\$ 4,941,305</b>	<b>\$ 2,050,349,290</b>
<b>LIABILITIES &amp; NET POSITION</b>						
Due to Other Funds	\$ 128,142	\$ 19,633	\$ 70,759	\$ 33,416	\$ -	\$ -
Fund Balance	13,730,105	677,327	3,009,200	1,415,587	4,941,305	2,050,349,290
<b>Total Liabilities &amp; Fund Balance</b>	<b>\$ 13,858,247</b>	<b>\$ 696,960</b>	<b>\$ 3,079,959</b>	<b>\$ 1,449,003</b>	<b>\$ 4,941,305</b>	<b>\$ 2,050,349,290</b>

See Notes to Civil and Non-Civil List Trust Fund Financial Statements.

**STATEMENT OF REVENUE AND EXPENDITURES**

<b>REVENUE</b>						
Net Investment Income	\$ 436	\$ 2	\$ 107	\$ 35	\$ 176	\$ 26,105
Net Increase (Decrease) in the Fair Value of Investments and Foreign Currenc	1,521,998	3,785	332,667	156,622	533,167	389,753,424
Increase (Decrease) in Liquidity Fund Income Receivables - (1)	(79)	2	(19)	(3)	(28)	(7,807)
<b>Total Revenue</b>	<b>\$ 1,522,355</b>	<b>\$ 3,789</b>	<b>\$ 332,755</b>	<b>\$ 156,654</b>	<b>\$ 533,315</b>	<b>\$ 389,771,722</b>
<b>EXPENDITURES</b>						
Excess of Revenue over Expenditures	\$ 1,522,355	\$ 3,789	\$ 332,755	\$ 156,654	\$ 533,315	\$ 389,771,722

See Notes to Civil and Non-Civil List Trust Fund Financial Statements.

(1) Reflects timing differences in the recognition of income by the Plans and Trusts

**STATEMENT OF CHANGES IN NET POSITION**

<b>Net Position at July 1, 2020</b>	\$ 12,530,083	\$ 693,171	\$ 2,747,203	\$ 1,292,347	\$ 4,407,990	\$ 1,437,839,039
Excess of Revenue over Expenditures	1,522,355	3,789	332,755	156,654	533,315	389,771,722
Net Cash Transactions	-	-	-	-	-	-
Transfer from Other Funds	29,667	-	-	-	-	222,738,529
Transfer to Other Funds	(317,926)	(16,188)	(62,992)	(29,667)	-	-
Increase in Due to Other Funds	(34,074)	(3,445)	(7,766)	(3,747)	-	-
<b>Net Position at June 30, 2021</b>	<b>\$ 13,730,105</b>	<b>\$ 677,327</b>	<b>\$ 3,009,200</b>	<b>\$ 1,415,587</b>	<b>\$ 4,941,305</b>	<b>\$ 2,050,349,290</b>

See Notes to Civil and Non-Civil List Trust Fund Financial Statements.

**NON-CIVIL LIST TRUST FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	SCHOOL FUND	AGRICULTURAL COLLEGE FUND	IDA EATON COTTON FUND	ANDREW C. CLARK FUND	HOPEMEAD STATE PARK TRUST FUND	OPEB FUND
	\$ 1,522,355	\$ 3,789	\$ 332,755	\$ 156,654	\$ 533,315	\$ 389,771,722
	(1,521,998)	(3,785)	(332,667)	(156,622)	(533,167)	(389,753,424)
	79	(2)	19	3	28	7,807
	\$ 436	\$ 2	\$ 107	\$ 35	\$ 176	\$ 26,105
	(317,926)	(16,188)	(62,992)	(29,667)	-	-
	29,667	-	-	-	-	222,738,529
	(288,259)	(16,188)	(62,992)	(29,667)	-	222,738,529
	92,823	(814)	(2,115)	(14,368)	(176)	22,119,361
	(775,000)	(3,000)	(125,000)	(50,000)	(270,000)	(306,500,000)
	970,000	20,000	190,000	94,000	270,000	61,616,005
	287,823	16,186	62,885	29,632	(176)	(222,764,634)
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Cash Flows from Operating Activities:**

Excess of Revenues over Expenditures  
 Net Increase (Decrease) in the Fair Value of Investments and Foreign Currency  
 (Increase) Decrease in Liquidity Fund Income Receivables  
 Net Cash Provided by Operations

**Cash Flows from Non Capital Financing Activities:**

Operating Transfers - Out to Other Funds  
 Operating Transfers - In from Other Funds  
 Net Cash Used for Non-Capital Financing Activities

**Cash Flows from Investing Activities:**

Net Purchase and Redemptions of Liquidity Fund  
 Purchase of Investments  
 Proceeds from Sale of Investment  
 Net Cash Provided by (Used for) Investing Activities

**Net Increase (Decrease) In Cash**

Cash June 30, 2020  
 Cash June 30, 2021

See Notes to Civil and Non-Civil List Trust Fund Financial Statements.

# CIVIL AND NON-CIVIL LIST TRUST FUND

## **Note 1. Summary of Significant Accounting Policies**

Civil List and Non-Civil list trust funds (the “trust funds”) are entrusted to the Treasurer for investment purposes. Civil List trust funds are mandated by the State Legislature and are administered by the Office of the State Comptroller. Accordingly, the presentation of the Civil List funds in the Treasurer’s Annual Report (see Civil List trust funds cash and investments schedules in the Supplemental Information section of these documents) is intended to present only the cash and investments under the Treasurer’s care and does not depict a full financial statement presentation. The Non-Civil List Trust funds are not administered by the Office of the Comptroller.

Accordingly, the financial statements presented for the Non-Civil List funds are designed to provide a full set of financial statements for the trusts’ investment assets and provide the necessary detail for the respective Boards that administer these trust funds.

Significant account policies of the trust funds are as follows:

**Basis of Presentation:** The foregoing Non-Civil List trust fund financial statements represent the financial position, results of operations and cash flows of the investment trust assets of the funds in accordance with generally accepted accounting principles. These financial statements present all of the financial statements of the Non-Civil List funds except for the Second Injury Fund which, due to the unique nature of its operation, is presented separately in this Annual Report. The financial statements do not include a Statement of Revenue and Expenditures for the Miscellaneous Agency and Trust Funds because agency funds do not report operations. These statements were prepared on the fair value basis. A Statement of Condition on a cost basis is also presented for informational purposes.

**Valuation of Combined Investment Fund Shares:** All unit prices are determined at the end of each month based on the fair value of the applicable investment fund.

**Expenses:** The Non-Civil List trust funds are not charged with any expenses for administration of the trust funds.

**Investment expenses of the Combined Investment Funds** are deducted in calculating net investment income. **Purchases and Redemptions of Units:** Purchases and redemptions of units are generally processed on the first day of the month based on the prior month end price. Purchases represent cash that has been

allocated to a particular investment fund in accordance with directions from the Treasurer’s office. Redemptions represent the return of principal back to the plan. In the case of certain funds, a portion of the redemption can also include a distribution of income.

## **Note 2. Statement of Cash Flows**

A statement of cash flows is presented for the non-expendable Non-Civil List trust funds. This presentation is in accordance with Governmental Accounting Standards Board (GASB) Statement No. 9. No such statement of cash flows is presented for the Miscellaneous Agency and Trust Funds as none is required.

## **Note 3. Miscellaneous Agency and Trust Fund Transfers**

These transactions comprise principal and income transfers to trustees as well as transfers and expenditure payments made on their behalf. Certain of these transfers are made to the General Fund and other Civil List funds as well as various state agencies.



**SECOND INJURY FUND  
STATEMENT OF NET POSITION  
JUNE 30, 2021**

	<u>Total</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 48,369,149
Receivables, net of allowance for uncollectible accounts - \$11,400,689	5,194,803
Other assets	650
Total current assets	<u>53,564,602</u>
<b>LIABILITIES</b>	
Current liabilities:	
Claims benefits payable	4,437,125
Settlement payable	1,156,800
Accounts payable and other accrued liabilities	1,316,267
Compensated absences	570,954
Total current liabilities	<u>7,481,146</u>
Noncurrent liabilities:	
Accounts payable and accrued expenses	612,338
Compensated absences	314,642
Total noncurrent liabilities	<u>926,980</u>
Total liabilities	<u>8,408,126</u>
<b>NET POSITION</b>	
Unrestricted	<u>45,156,476</u>
Total Net Position	<u>\$ 45,156,476</u>

The accompanying notes are an integral part of the financial statements

**SECOND INJURY FUND  
STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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	<b>Total</b>
<b>OPERATING REVENUES</b>	
Assessment revenues	\$ 27,636,383
Fund recoveries	461,887
Other income	274,718
Total operating revenues	<u>28,372,988</u>
<b>OPERATING EXPENSES</b>	
Injured worker benefits:	
Settlements	5,028,243
Indemnity claims benefits	15,014,560
Medical claims benefits	2,935,379
Total injured worker benefits	<u>22,978,182</u>
Administrative expenses	7,620,929
Total operating expenses	<u>30,599,111</u>
Operating Income	(2,226,123)
<b>NON-OPERATING INCOME</b>	
Interest income	<u>47,891</u>
Change in Net Position	(2,178,232)
Net Position - Beginning of Year	<u>47,334,708</u>
Net Position - End of Year	<u>\$ 45,156,476</u>

The accompanying notes are an integral part of the financial statements

**SECOND INJURY FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Assessment revenues	\$ 26,873,963
Fund recoveries	461,887
Other income	274,718
Other assets	(1,602)
Payments for injured worker benefits	(22,336,006)
Payments for administrative expenses	(7,576,535)
Net Cash Provided by (Used in) Operating Activities	<u>(2,303,575)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest income	<u>54,632</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,248,943)
Cash and Cash Equivalents, Beginning of Year	<u>50,618,092</u>
Cash and Cash Equivalents, End of Year	<u>\$ 48,369,149</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>	
Operating income (loss)	\$ (2,226,123)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Change in assets and liabilities:	
Decrease (increase) in receivables, net	(1,144,238)
Decrease (increase) in other assets	(1,602)
Increase (decrease) in accounts payable & accrued expenses	1,063,414
Increase (decrease) in compensated absences	4,974
Total adjustments	<u>(77,452)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (2,303,575)</u>

The accompanying notes are an integral part of the financial statements

## SECOND INJURY FUND NOTES TO FINANCIAL STATEMENTS

### Note 1: Introduction and Basis of Presentation

- The Second Injury Fund (“SIF” or the “Fund”) is an extension of the Workers’ Compensation Act managed by the Treasurer of the State of Connecticut and operates under Chapter 568, of the Connecticut General Statutes (C.G.S.). Prior to July 1, 1995, the Fund provided relief to employers where a worker, who already had a preexisting injury or medical condition, was hurt on the job and that second injury was made “materially and substantially” worse by the pre-existing injury or medical condition.
- In 1995 the Connecticut General Assembly closed the Fund to new “second injury” claims sustained on or after July 1, 1995. However, the Fund continues to be liable for payment of claims which involve an uninsured or bankrupt employer and, on a pro rata basis, be liable for reimbursement claims to employers of any worker who had more than one employer at the time of the injury.
- In addition, the Fund will continue to be liable for and make payments with respect to:
  - Widow and dependent death benefits
  - Reimbursement for cost of living adjustments on certain claims
  - Second injury claims transferred to the Fund prior to July 1999 with a date of injury prior to July 1, 1995.
  - For State of Connecticut financial reporting purposes, SIF is reported as an Enterprise Fund. (See Note 2)

### Note 2: Summary of Significant Accounting Policies

#### Financial Reporting Entity

The accompanying financial statements of SIF have been prepared in conformity with generally accepted accounting principles as prescribed in pronouncements of the Governmental Accounting Standards Board (GASB).

The Fund utilizes the enterprise fund form of reporting. The reporting focuses on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. The full accrual form of accounting is employed, and revenues are recognized when earned, and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash. GASB No. 34 has defined an enterprise fund as a governmental unit in which the pricing policies of the activity establish fees and charges designed to recover its costs.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund’s principal ongoing operations. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The principal operating

revenues of the Fund are the monies assessed to Connecticut employers for their share of the Fund’s expenses for managing workers’ compensation claims assigned to the Fund by statute.

#### Cash and Cash Equivalents

Cash consists of funds in bank checking accounts and deposits held by the State General Fund in the Treasury Business Office account. Cash equivalents include investments in the State of Connecticut Short-Term Investment Fund (STIF). Custodial Credit Risk for Cash and Cash Equivalents is the risk that in the event of a bank failure, the SIF deposits may not be returned to them. Deposits in FDIC insured banks are insured up to \$250,000. Cash balances, excluding STIF accounts, as of June 30, 2021 totaled \$692,550 of which \$442,550 was uninsured, but collateralized as set forth in Conn. Gen. Statute section 36a-333; and, therefore, not subject to custodial credit risk. STIF Investment Policy ensures strong asset diversification by security type and issuer, comprised of high quality, very liquid securities with a relatively short average maturity. SIF has 99.1% of its cash invested in STIF which is rated AAAM by Standard & Poor’s Corporation (“S&P”). Deposits are presented in the basic financial statements at cost plus accrued interest which is also the market or fair value.

#### Receivables, Net of Allowance for Uncollectible Accounts

The receivables balance is composed of assessment receivables and other receivables. Assessment receivables are recorded inclusive of interest due and result from amounts billed in accordance with C.G.S. 31-354 Assessments: SIF’s primary source of revenue is from the levying of assessments against self-insured and insured Connecticut employers. Insurance carriers who insure Connecticut employers are responsible to collect the assessments from employers and submit the revenue to SIF. (see Note 3)

Other receivables are recorded inclusive of interest due and result from amounts billed in accordance with either statute C.G.S. 31-301 or C.G.S.355.

C.G.S. 31-301, Appeal Cases, provides for the payment of indemnity (lost wages) and medical benefits to an injured worker while their claims are under appeal. Upon a decision in the appeal, the injured worker (in cases of denial of compensation), or insurer (in cases of award of compensation), must reimburse the SIF for monies expended during the appeal process. This statute was repealed with passage of P.A. 95-277 for appeals filed on injuries occurring after July 1, 1995. During fiscal year 2021, there were no benefits paid for appeals cases.

C.G.S. 31-355, Non Compliance, mandates that SIF pay indemnity and medical benefits for injured workers whose employers fail to or are unable to pay the compensation. The most common examples of these cases involve employers who did not carry worker’s compensation insurance or are bankrupt.

Appeal Cases and Non Compliance transactions are recorded as

## SECOND INJURY FUND NOTES TO FINANCIAL STATEMENTS (CONTINUED)

injured worker benefits when paid by the Fund.

Concurrently, the Fund seeks recovery of the amounts paid from the party statutorily responsible and a receivable is established. The receivable is offset by a credit to Allowance for Uncollectible Accounts. Recoveries are recorded as revenue when cash is received.

The Fund records other receivables for penalties and citations and certain other payments made under other statutes where the Fund has a right to seek reimbursement. The receivable is offset by a credit to Allowance for Uncollectible Accounts. Recoveries are recorded as revenue when cash is received. Revenue is recorded for these receivables when cash is received.

The allowance for uncollectible account represents those amounts estimated to be uncollectible as of the balance sheet date. The Fund fully reserves for the other receivable balances. (see Note 4)

### Capital Assets

The category of capital assets consists of computers and office equipment. The Fund is recording these capital assets at cost with a useful life of 5 years on a straight-line method. In the year of acquisition of the capital asset, the Fund has elected to take a half a year depreciation expense.

### Claims Benefits Payable

This category of liability includes various unpaid reimbursement, indemnity and medical benefit claims incurred as of the balance sheet date and will be paid during the subsequent fiscal year. The long-term portion of claims benefits payable represents an estimate of the amount of liability of as June 30, 2021 of the concurrent employment until a year or more for reimbursement. (see Note 5)

### Settlements Payable

Settlements are negotiated agreements for resolving the Fund's future exposure on injured worker claims. An accrual is made for all settlements committed as of the balance sheet date. (see Note 5)

### Accounts Payable and Other Accrued Liabilities

Accounts payable and other accrued liabilities represent administrative expenses of the Fund outstanding as of June 30, 2021 as well as assessments owed to Connecticut Workers' Compensation and other Connecticut employers. (see Note 5)

### Compensated Absences

Vacation and sick policy is as follows: Employees hired on or before June 30, 1977 can accumulate up to a maximum of 120 vacation days. Employees hired after that date can accumulate up to a maximum of 60 days.

Upon termination or death, the employee is entitled to be paid for the full amount of vacation days owed. No limit is placed on the number of sick days that an employee can accumulate. However, the employee is entitled to payment for accumulated sick time only upon retirement, or after ten years of service upon death, for an amount equal to one-fourth of his/her accrued sick leave up to a maximum payment equivalent of sixty days. (see Note 5)

### Note 3: Assessments

The assessment method for carriers paying on behalf of insured employers is on an actual premium basis. The premium surcharge, which is paid by insured employers through their worker's compensation insurance carrier within 45 days of the close of a quarter, is the premium surcharge rate multiplied by the employer's "SIF's surcharge base" premium on all policies with an effective date for that quarter. "SIF's surcharge base" means direct written premium on policies prior to application of any deductible policy premium credits. The premium surcharge is set yearly based on the Fund's budgetary needs prior to the start of the fiscal year. The annual insured employers' assessment rate for the fiscal years ending June 30, 2021 was 2.25%.

The method of assessment for self-insured employers is a quarterly billing based on the previous calendar year's paid losses. The annual assessment rate for self-insured employers for the fiscal year ending June 30, 2021 was 2.75%.

## SECOND INJURY FUND NOTES TO FINANCIAL STATEMENTS (Continued)

### Note 4: Receivables

The following is an analysis of the changes in the Fund receivable balances as of June 30, 2021:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Cash Receipts</u>	<u>Write-offs</u>	<u>Ending Balance</u>	<u>Due within one year</u>	<u>Allowance for Uncollectible</u>
Assessments	\$ 4,068,154	\$ 51,618,235	\$ 50,474,336	\$ -	\$ 5,212,053	\$ 5,194,803	\$ 17,250
Non-Compliance 355	9,409,390	3,465,039	416,006	1,545,868	10,912,555	-	10,912,555
Other Receivables	421,950	101,361	52,427	-	470,884	-	470,884
Total Receivables	<u>\$ 13,899,494</u>	<u>\$ 55,184,635</u>	<u>\$ 50,942,769</u>	<u>\$ 1,545,868</u>	<u>\$ 16,595,492</u>	<u>\$ 5,194,803</u>	<u>\$ 11,400,689</u>

### Note 5: Liabilities and Compensated Absences

The following is an analysis of the changes in the Fund liabilities and compensated absence balances as of June 30, 2021.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Cash Disbursements</u>	<u>Ending Balance</u>	<u>Due within one year</u>
Claims and Benefits Payable	\$ 4,305,551	\$ 17,958,876	\$ 17,214,964	\$ 5,049,463	\$ 4,437,125
Settlements Payable	1,258,536	5,028,243	5,129,979	1,156,800	1,156,800
Accounts Payable & Accrued Expenses	895,029	7,624,573	7,203,335	1,316,267	1,316,267
Compensated Absences	880,622	4,974	-	885,596	570,954
Total Liabilities & Compensated Absences	<u>\$ 7,339,738</u>	<u>\$ 30,616,666</u>	<u>\$ 29,548,278</u>	<u>\$ 8,408,126</u>	<u>\$ 7,481,146</u>

### Note 6: Settlements

Negotiations were at various stages of completion for settlements valued and accrued. As of June 30, 2021 they were \$1,156,800.

### Note 7: Subsequent Events

The Fund management has evaluated the events and transactions that have occurred through December 30, 2021, the date the financial statements were available for issuance, and identified no events or transactions that have occurred requiring recognition or disclosure in the financial statements.

## Report of Independent Auditors

To the Management of the Connecticut Higher Education Trust ("CHET") - the CHET 529 College Savings Program Direct Plan

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the CHET 529 College Savings Program Direct Plan (a savings program of the Connecticut Higher Education Trust) (the "Plan"), which comprise the statement of fiduciary net position as of June 30, 2021 and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the CHET 529 College Savings Program Direct Plan as of June 30, 2021, and the changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 1, the financial statements of the Plan are intended to present the financial position and the changes in financial position of the CHET 529 College Savings Program Direct Plan and do not purport to, and do not, present fairly the financial position of the Connecticut Higher Education Trust or the State of Connecticut as of June 30, 2021, the changes in their financial position, or, where applicable, their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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## **Other Matters**

### ***Required Supplementary Information***

The accompanying management's discussion and analysis on pages 4 through 7 is required by accounting principles generally accepted in the United States of America to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board* who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that comprise the Plan's basic financial statements. The supplemental information on pages 21 through 62 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2021 on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and compliance.

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts

November 1, 2021



# CONNECTICUT HIGHER EDUCATION TRUST – DIRECT PLAN MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)

As past plan manager of the Connecticut Higher Education Trust – Direct Plan (the “Direct Plan”), TIAA-CREF Tuition Financing, Inc. (“TFI”) offers readers of the Direct Plan’s financial statements this discussion and analysis of the financial performance for the period beginning on July 1, 2020 and ending on February 5, 2021. Readers should consider the information presented in this section in conjunction with the Direct Plan’s financial statements and notes to financial

statements. The Direct Plan was comprised of 14 investment options (the “Options”) in which account owners (“Account Owners”) may have invested.

As of the close of business on February 5, 2021 (Conversion Date), the trustee of the Connecticut Higher Education Trust, transferred program management of the Program from TFI to Fidelity Investments (“Fidelity”), the new Direct Plan Manager.

## Financial Highlights

During the period beginning on July 1, 2020 and ending on February 5, 2021, the Options within the Direct Plan total returns were as follows:

<u>Conservative Managed Allocation Option*†</u>		<u>Aggressive Managed Allocation Option*†</u>	
Ages 0-4	15.56%	Ages 0-4	24.70%
Ages 5-8	14.51	Ages 5-8	23.53
Ages 9-10	12.43	Ages 9-10	22.43
Ages 11-12	10.13	Ages 11-12	20.29
Ages 13-14	9.01	Ages 13-14	18.12
Ages 15	7.26	Ages 15	16.71
Ages 16	6.21	Ages 16	14.53
Ages 17	4.69	Ages 17	12.43
Ages 18 & Over	2.78	Ages 18 & Over	10.50
<u>Moderate Managed Allocation Option*†</u>		<u>Multi-Fund Investment Options*†</u>	
Ages 0-4	22.51%	Global Equity Index Option	28.77%
Ages 5-8	19.36	Global Tactical Asset Allocation Option	19.05
Ages 9-10	16.31	International Equity Index Option	23.25
Ages 11-12	14.61	Active Global Equity Option	31.27
Ages 13-14	12.49	U.S. Equity Index Option	30.91
Ages 15	11.43	High Equity Balanced Option	23.07
Ages 16	10.06	Active Fixed-Income Option	3.84
Ages 17	8.87	Social Choice Option	29.19
Ages 18 & Over	7.04	Index Fixed-Income Option	0.16
		Money Market Option	0.04
		Principal Plus Interest Option	1.07

\* Based on net position prior to liquidation.

† Total returns for periods of less than one year are not annualized.

For the period beginning on July 1, 2020 to February 5, 2021 (Conversion Date), the Direct Plan received subscriptions of \$1,000.7 million; redemptions of \$5,035.6 million (include liquidation transfers to Fidelity of \$1,849.3 million and

\$2,178.3 million of in-kind transfers, including the transfer of the Funding Agreement, both payable to Fidelity). The rights to the Funding Agreements in the Principal Plus Interest Option and Managed Allocation Option of \$347.0 million and \$220.9 million respectively, have been transferred to Fidelity as of the close of business on the Conversion Date.

Portfolios	Total Return (At FNP)*†	Portfolios	(At FNP)*†
CHET 529 College Portfolio (Fidelity Funds)	1.20	CHET 529 Portfolio 2039 (Fidelity Index)	9.00
CHET 529 Portfolio 2021 (Fidelity Funds)	1.40	CHET 529 Conservative Portfolio (Fidelity Index)	-0.30
CHET 529 Portfolio 2024 (Fidelity Funds)	2.80	CHET 529 Moderate Growth Portfolio (Fidelity Index)	6.20
CHET 529 Portfolio 2027 (Fidelity Funds)	4.30	CHET 529 Aggressive Growth Portfolio (Fidelity Index)	9.40
CHET 529 Portfolio 2030 (Fidelity Funds)	5.70	CHET 529 Intermediate Treasury Index Portfolio	-1.80
CHET 529 Portfolio 2033 (Fidelity Funds)	7.20	CHET 529 International Index Portfolio	5.60
CHET 529 Portfolio 2036 (Fidelity Funds)	8.80	CHET 529 Fidelity 500 Index Portfolio	13.00
CHET 529 Portfolio 2039 (Fidelity Funds)	9.90	CHET 529 Total Market Index Portfolio	12.00
CHET 529 Conservative Portfolio (Fidelity Funds)	0.10	CHET 529 US Sustainability Index Portfolio	13.70
CHET 529 Moderate Growth Portfolio (Fidelity Funds)	7.10	CHET 529 Bank Deposit Portfolio	0.00
CHET 529 Aggressive Growth Portfolio (Fidelity Funds)	10.50	CHET 529 College Portfolio (Fidelity Blend)	1.30
CHET 529 Money Market	0.00	CHET 529 Portfolio 2021 (Fidelity Blend)	1.40
CHET 529 College Portfolio (Fidelity Index)	1.10	CHET 529 Portfolio 2024 (Fidelity Blend)	2.60
CHET 529 Portfolio 2021 (Fidelity Index)	1.10	CHET 529 Portfolio 2027 (Fidelity Blend)	3.90
CHET 529 Portfolio 2024 (Fidelity Index)	2.40	CHET 529 Portfolio 2030 (Fidelity Blend)	5.30
CHET 529 Portfolio 2027 (Fidelity Index)	3.70	CHET 529 Portfolio 2033 (Fidelity Blend)	6.60
CHET 529 Portfolio 2030 (Fidelity Index)	5.00	CHET 529 Portfolio 2036 (Fidelity Blend)	8.10
CHET 529 Portfolio 2033 (Fidelity Index)	6.30	CHET 529 Portfolio 2039 (Fidelity Blend)	9.40
CHET 529 Portfolio 2036 (Fidelity Index)	7.70	Principal Plus Interest	0.71

\* For the period February 5, 2021 (commencement of operations) to June 30, 2021

† Total returns for periods of less than one year are not annualized.

FNP - Fiduciary Net Position per Unit

For the period beginning on July 1, 2020 to February 5, 2021 (Conversion Date), the Direct Plan results included \$62.6 million from investment income, incurred \$2.2 million for operating expenses and had a net increase in fair value of investments of \$476.5 million during the period. Effective February 5, 2021, the trustee of the Connecticut Higher Education Trust selected Fidelity to succeed TFI as the distributor and Program manager, respectively, for the Direct Plan. On February 5, 2021, all of the Direct Plan's former portfolios were liquidated and units were purchased in new investment portfolios. On June 30, 2021, the Direct Plan is comprised of 38 investment portfolios ("Portfolios") in which account owners ("Account Owners") may invest.

For the period February 5, 2021 (Conversion Date) to June 30, 2021, the Direct Plan received subscriptions of \$4,573.4 million (includes \$4,050.1 million, which moved from TFI to Fidelity) and redemptions of \$413.7 million. The rights to the Funding Agreements in the Principal Plus Interest Option and Managed Allocation Option of \$347.0 million

and \$220.9 million respectively, have been transferred to Fidelity as of the close of business on the Conversion Date.

For the period February 5, 2021 (Conversion Date) to June 30, 2021, the Direct Plan resulted included \$9.7 million from investment income, incurred \$5.4 million for operating expenses and had a net increase in fair value of investments of \$159.5 million during the period.

## Overview of the Financial Statements

This report consists of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The basic financial statements are comprised of a Statement of Fiduciary Net Position, a Statement of Changes in Fiduciary Net Position and Notes to Financial Statements that explain the information in the financial statements and provide more detailed information. The measurement focus of economic resources is where a set of financial statements report all inflows, outflows and balances effecting an entity's net position.

The Direct Plan's financial statements are prepared in accordance with Governmental Accounting Standards Board ("GASB") No.

34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.

The Statement of Fiduciary Net Position presents information on the Direct Plan's assets and liabilities, with the difference between the two reported as net position as of June 30, 2021. This statement, along with all of the Direct Plan's financial statements, is prepared using the accrual basis of accounting. Subscriptions are recognized when enrollment in the Direct Plan is finalized; subsequent subscriptions and redemptions are recognized on trade date; expenses and liabilities are recognized when services are provided, regardless of when cash is disbursed.

The Statement of Changes in Fiduciary Net Position presents information showing how the Direct Plan's assets changed

during the year. Changes in net position are reported as soon as the underlying event giving rise to the current change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal years.

The Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

This report presents the operating results and financial status of the Direct Plan, which the State of Connecticut reports as a fiduciary fund. Fiduciary fund reporting is used to account for resources held for the benefit of parties outside the governmental entity.

### Financial Analysis

#### Fiduciary Net Position

The following are condensed Statements of Fiduciary Net Position as of June 30, 2021 and 2020:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Investments	\$4,324,626,779	\$3,498,303,161
Cash	-	93,612
Receivables	30,140,886	5,495,235
<b>Total Assets</b>	<u>4,354,767,665</u>	<u>3,503,892,008</u>
Payables	31,331,562	5,867,405
<b>Total Liabilities</b>	<u>31,331,562</u>	<u>5,867,405</u>
<b>Fiduciary Net Position</b>	<u>\$4,323,436,103</u>	<u>\$3,498,024,603</u>

Net position represents total subscriptions from Account Owners, plus the net increases (decreases) from operations, less redemptions and expenses.

For the years ended June 30, 2021 and June 30, 2020, receivables include subscriptions, securities sold and accrued income.

Liabilities include payables for redemptions, securities purchased and accrued expenses.

### Changes in Fiduciary Net Position

The following are condensed Statements of Changes in Fiduciary Net Position for the years ended June 30, 2021 and 2020:

	Year ended June 30, 2021	Year ended June 30, 2020
<b>Additions</b>		
Subscriptions	\$ 1,524,072,224	\$ 1,755,208,686
Investment Income	72,302,458	88,230,434
Net increase in fair value of investments	636,011,304	(20,066,283)
<b>Total Additions</b>	<u>2,232,385,986</u>	<u>1,823,372,837</u>
<b>Deductions</b>		
Redemptions	(1,399,314,676)	(1,667,729,150)
Direct Plan Manager and Administrative fee	(7,744,102)	(3,354,698)
Less: Fee waived by Direct Plan Manager	84,292	-
<b>Total Deductions</b>	<u>(1,406,974,486)</u>	<u>(1,671,083,848)</u>
<b>Increase in Net Position</b>	825,411,500	152,288,989
Fiduciary Net Position - Beginning of Year	3,498,024,603	3,345,735,614
Fiduciary Net Position - End of Year	<u>\$ 4,323,436,103</u>	<u>\$ 3,498,024,603</u>

Subscriptions and redemptions for the year ended June 30, 2021 exclude \$4,050,051,380 which moved from TFI to Fidelity. (See Note 1 in Notes to Financial Statements)

**CONNECTICUT HIGHER EDUCATION TRUST - DIRECT PLAN  
STATEMENT OF FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2021**

<b>ASSETS</b>	
Investments, at value (Cost: \$4,177,943,325)	\$4,324,626,779
Receivable for investments sold	25,920,276
Receivable for units sold	2,833,749
Distributions receivable	1,386,861
<b>Total assets</b>	<u>4,354,767,665</u>
<b>LIABILITIES</b>	
Payable for investments purchased	27,482,250
Payable for units redeemed	2,647,515
Accrued expenses	1,201,797
<b>Total liabilities</b>	<u>31,331,562</u>
<b>NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, END OF YEAR</b>	<u><u>\$4,323,436,103</u></u>

**CONNECTICUT HIGHER EDUCATION TRUST - DIRECT PLAN  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2021**

	Year ended June 30, 2021
<b>ADDITIONS</b>	
Subscriptions	<u>\$1,524,072,224</u>
Investment Income:	
Interest	6,372,377
Income distributions from underlying funds	57,568,564
Capital gain distributions from underlying funds	8,361,517
Total investment income	<u>72,302,458</u>
Net increase in fair value of investments	<u>636,011,304</u>
<b>Total Additions</b>	<u>2,232,385,986</u>
<b>DEDUCTIONS</b>	
Redemptions	(1,399,314,676.00)
Direct Plan Manager and Administrative fee	(7,744,102.00)
Less: Fee waived by Direct Plan Manager	<u>84,292.00</u>
<b>Total Deductions</b>	<u>(1,406,974,486.00)</u>
<b>CHANGE IN NET POSITION</b>	825,411,500
<b>YEAR</b>	<u>3,498,024,603</u>
<b>NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, END OF YEAR</b>	<u><u>\$4,323,436,103</u></u>

Footnote: Subscriptions and redemptions exclude \$4,050,051,380 which moved from TFI to Fidelity. (See Note 1 in Notes to Financial Statements)

## **Notes to Financial Statements** **For the year ended June 30, 2021**

### **1 – Organization:**

The Connecticut Higher Education Trust (Trust) was established to promote and operate a higher education savings program – The CHET 529 College Savings Program Direct Plan (“Direct Plan”)– under section 529 of the Internal Revenue Code (IRC) of 1986, as amended. The Treasurer of the Connecticut (State of Connecticut) is the Trustee of the Trust. The Trustee has the authority to establish, develop, implement and maintain the Direct Plan and to make and enter into contracts to service the Direct Plan.

This report consists of a Statement of Fiduciary Net Position, which presents information on the Direct Plan’s assets and

liabilities. The Statement of Fiduciary Net Position presents only the Direct Plan and does not purport to, and does not, present fairly the financial position of the Connecticut Higher Education Trust or the State of Connecticut as of June 30, 2021 and June 30, 2020, and the changes to its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

From July 1, 2020 to February 5, 2021 (“Conversion Date”), the Direct Plan offered conservative managed allocation options, moderate managed allocation options, aggressive managed allocation options and Multi-Fund Investment options (“Former Plan Options”) managed by the previous Program manager, TIAA-CREF Tuition Financing, Inc. (TFI), as follows:

Fidelity Funds Portfolios invest in a combination of Fidelity equity,

#### **Conservative Managed Allocation Options**

Ages 0-4  
Ages 5-8  
Ages 9-10  
Ages 11-12  
Ages 13-14  
Ages 15  
Ages 16  
Ages 17  
Ages 18 & Over

#### **Moderate Managed Allocation Options**

Ages 0-4  
Ages 5-8  
Ages 9-10  
Ages 11-12  
Ages 13-14  
Ages 15  
Ages 16  
Ages 17  
Ages 18 & Over

#### **Aggressive Managed Allocation Options**

Ages 0-4  
Ages 5-8  
Ages 9-10  
Ages 11-12  
Ages 13-14  
Ages 15  
Ages 16  
Ages 17  
Ages 18 & Over

#### **Multi-Fund Investment Options**

Global Equity Index Option  
Global Tactical Asset Allocation Option  
International Equity Index Option  
Active Global Equity Option  
U.S. Equity Index Option  
High Equity Balanced Option  
Active Fixed-Income Option  
Social Choice Option  
Index Fixed-Income Option  
Money Market Option  
Principal Plus Interest Option

## NOTES TO FINANCIAL STATEMENTS (Continued)

On February 5, 2021, the Trustee changed Direct Plan manager from TFI to Fidelity Investments (Fidelity). As of June 30, 2021, the Direct Plan is comprised of 38 investment portfolios (“Portfolios”, “Options” or “Fidelity Plan Options”) in which account owners (“Account Owners”) may invest, as follows:

### Fidelity Plan Options

CHET 529 College Portfolio (Fidelity Funds) CHET 529 Portfolio 2021 (Fidelity Funds) CHET 529 Portfolio 2024 (Fidelity Funds) CHET 529 Portfolio 2027 (Fidelity Funds) CHET 529 Portfolio 2030 (Fidelity Funds) CHET 529 Portfolio 2033 (Fidelity Funds) CHET 529 Portfolio 2036 (Fidelity Funds) CHET 529 Portfolio 2039 (Fidelity Funds) Conservative Portfolio (Fidelity Funds) Moderate Growth Portfolio (Fidelity Funds) CHET 529 Aggressive Growth Portfolio (Fidelity Funds) CHET 529 Money Market CHET 529 College Portfolio (Fidelity Index) CHET 529 Portfolio 2021 (Fidelity Index) CHET 529 Portfolio 2024 (Fidelity Index) CHET 529 Portfolio 2027 (Fidelity Index) CHET 529 Portfolio 2030 (Fidelity Index) CHET 529 Portfolio 2033 (Fidelity Index) CHET 529 Portfolio 2036 (Fidelity Index) CHET 529 Portfolio 2039 (Fidelity Blend)	CHET 529 Portfolio 2039 (Fidelity Index) CHET 529 Conservative Portfolio (Fidelity Index) CHET 529 Moderate Growth Portfolio (Fidelity Index) CHET 529 Aggressive Growth Portfolio (Fidelity Index) CHET 529 Intermediate Treasury Index Portfolio CHET 529 International Index Portfolio CHET 529 Fidelity 500 Index Portfolio CHET 529 Total Market Index Portfolio CHET 529 CHET 529 US Sustainability Index Portfolio CHET 529 CHET 529 Bank Deposit Portfolio CHET 529 College Portfolio (Fidelity Blend) CHET 529 Portfolio 2021 (Fidelity Blend) CHET 529 Portfolio 2024 (Fidelity Blend) CHET 529 Portfolio 2027 (Fidelity Blend) CHET 529 Portfolio 2030 (Fidelity Blend) CHET 529 Portfolio 2033 (Fidelity Blend) CHET 529 Portfolio 2036 (Fidelity Blend) Principal Plus Interest
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commodity, fixed-income and short-term funds, which are primarily actively-managed by Fidelity Management & Research Company LLC (FMR), an affiliated adviser or sub- adviser, or Geode Capital Management, LLC (Geode), a registered investment adviser. Fidelity Index Portfolios invest in a combination of Fidelity equity, commodity, fixed-income and short-term funds, which are primarily passively managed by FMR, an affiliated adviser or sub-adviser, or Geode. There are individual fund Portfolios which invest in a single equity, fixed-income or money market fund, also managed by FMR, an affiliated adviser or sub-adviser,

or Geode. CHET 529 Bank Deposit Portfolio invests in an interest-bearing account held at Wells Fargo Bank, N.A. Fidelity Blend Portfolios invest in a combination of Fidelity equity, commodity, fixed-income and short-term funds which are both actively- and passively-managed by FMR, an affiliated adviser or sub-adviser, or Geode. Fidelity equity, commodity, fixed-income and short-term funds are collectively referred to as Underlying Funds.

Below are the amounts that liquidated from the Former Plan Options and the Fidelity Plan Options they were mapped to:

<b>Former Plan Options</b>	<b>Value</b>	<b>Fidelity Plan Options</b>	<b>Value (\$)</b>
<b>Conservative Managed Allocation Options:</b>			
Ages 18 & Over	(44,502,049)	CHET 529 College Portfolio (Fidelity Blend)	44,502,049
Age 17	(19,437,291)	CHET 529 Portfolio 2021 (Fidelity Blend)	19,437,291
Age 16	(14,952,410)	CHET 529 Portfolio 2024 (Fidelity Blend)	14,952,410
Age 15	(11,361,060)	CHET 529 Portfolio 2024 (Fidelity Blend)	11,361,060
Ages 13-14	(21,361,662)	CHET 529 Portfolio 2024 (Fidelity Blend)	21,361,662
Ages 11-12	(17,778,312)	CHET 529 Portfolio 2027 (Fidelity Blend)	17,778,312
Ages 9-10	(16,551,668)	CHET 529 Portfolio 2030 (Fidelity Blend)	16,551,668
Ages 5-8	(26,467,893)	CHET 529 Portfolio 2033 (Fidelity Blend)	26,467,893
Ages 0-4	(14,447,280)	CHET 529 Portfolio 2036 (Fidelity Blend)	14,447,280

## NOTES TO FINANCIAL STATEMENTS (Continued)

### Moderate Managed Allocation Options:

Ages 18 & Over	(352,705,939)	CHET 529 College Portfolio (Fidelity Blend)	352,705,939
Age 17	(128,897,249)	CHET 529 Portfolio 2021 (Fidelity Blend)	128,897,249
Age 16	(115,939,535)	CHET 529 Portfolio 2024 (Fidelity Blend)	115,939,535
Age 15	(111,460,601)	CHET 529 Portfolio 2024 (Fidelity Blend)	111,460,601
Ages 13-14	(195,257,862)	CHET 529 Portfolio 2024 (Fidelity Blend)	195,257,862
Ages 11-12	(139,673,515)	CHET 529 Portfolio 2027 (Fidelity Blend)	139,673,515
Ages 9-10	(110,660,895)	CHET 529 Portfolio 2030 (Fidelity Blend)	110,660,895
Ages 5-8	(137,980,245)	CHET 529 Portfolio 2033 (Fidelity Blend)	137,980,245
Ages 0-4	(60,751,174)	CHET 529 Portfolio 2036 (Fidelity Blend)	60,751,174

### Aggressive Managed Allocation Options:

Ages 18 & Over	(89,565,255)	CHET 529 College Portfolio (Fidelity Blend)	89,565,255
Age 17	(43,722,130)	CHET 529 Portfolio 2021 (Fidelity Blend)	43,722,130
Age 16	(48,266,792)	CHET 529 Portfolio 2024 (Fidelity Blend)	48,266,792
Age 15	(56,794,335)	CHET 529 Portfolio 2024 (Fidelity Blend)	56,794,335
Ages 13-14	(123,058,107)	CHET 529 Portfolio 2024 (Fidelity Blend)	123,058,107
Ages 11-12	(134,589,673)	CHET 529 Portfolio 2027 (Fidelity Blend)	134,589,673
Ages 9-10	(115,166,066)	CHET 529 Portfolio 2030 (Fidelity Blend)	115,166,066
Ages 5-8	(180,296,014)	CHET 529 Portfolio 2033 (Fidelity Blend)	180,296,014
Ages 0-4	(107,860,239)	CHET 529 Portfolio 2036 (Fidelity Blend)	107,860,239

### Multi-Fund Investment Options:

Global Tactical Asset Allocation Option	(8,908,013)	CHET 529 Moderate Growth Portfolio (Fidelity Funds)	8,908,013
Active Global Equity Option	(79,516,125)	CHET 529 Aggressive Growth Portfolio (Fidelity Funds)	79,516,125
Money Market Option	(68,893,775)	CHET 529 Money Market	68,893,775
High Equity Balanced Option	(339,372,162)	CHET 529 Moderate Growth Portfolio (Fidelity Index)	339,372,162
Global Equity Index Option	(280,178,073)	CHET 529 Aggressive Growth Portfolio (Fidelity Index)	280,178,073
Active Fixed-Income Option	(60,715,086)	CHET 529 Intermediate Treasury Index Portfolio	60,715,086
Index Fixed-Income Option	(38,761,420)	CHET 529 Intermediate Treasury Index Portfolio	38,761,420
International Equity Index Option	(25,945,897)	CHET 529 International Index Portfolio	25,945,897
U.S. Equity Index Option	(274,590,623)	CHET 529 Total Market Index Portfolio	274,590,623
Social Choice Option	(86,629,925)	CHET 529 US Sustainability Index Portfolio	86,629,925
Principal Plus Interest Option	(347,035,030)	Principal Plus Interest	347,035,030
Total Redemption from Former Plan	<u>(4,050,051,380)</u>	Total Subscription to Fidelity	<u>4,050,051,380</u>

## 2 - Significant Accounting Policies:

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed by Governmental Accounting Standards Board (GASB), which require management to make certain estimates and assumptions at the date of the financial statements. Actual results could differ from those estimates. The following summarizes the significant accounting policies of the Direct Plan:

**Investment Valuation.** Investments are valued as of 4:00 p.m. Eastern time on the last calendar day of the period. Each

Portfolio, except Principal Plus Interest, categorizes the inputs to valuation techniques used to value its investments into a disclosure hierarchy consisting of three levels as shown below:

Level 1 - quoted prices in active markets for identical investments

Level 2 - other significant observable inputs

Level 3 - unobservable inputs (including each Portfolio's own assumptions based on the best information available)

Valuation techniques used to value each Portfolio's investment by major category are as follows:



## NOTES TO FINANCIAL STATEMENTS (Continued)

Investments in the Underlying Funds are valued at their closing net asset value (NAV) each business day and are categorized as Level 1 in the hierarchy.

The Funding Agreements, to which certain Portfolios allocate assets, are considered non-participating interest-earning investment contracts. The Funding Agreements seek to preserve capital and provide a stable return. The rights and responsibilities of management of the Funding Agreements were transferred to Fidelity as of the close of business on the Conversion Date. At year end, the Funding Agreements are held at contract value and are excluded from the fair value hierarchy.

**Investment Transactions and Income.** For financial reporting purposes, the Portfolios' investment holdings and net position value (NPV) include trades executed through the end of the last business day of the period. The NPV per unit for processing participant transactions is calculated as of the close of business of the New York Stock Exchange (NYSE), normally 4:00 p.m. Eastern time, and includes trades executed through the end of the prior business day. Gains and losses on securities sold are determined on the basis of average cost. Income and capital gain distributions from the Underlying Funds, if any, are recorded on the ex-dividend date. Interest income is accrued as earned. There are no distributions of net investment gains or net investment income to the Portfolios' participants or beneficiaries.

**Expenses.** Expenses are recorded on the accrual basis. Expense estimates are accrued in the period to which they relate and adjustments are made when actual amounts are known. Expenses included in the accompanying financial statements reflect the expenses of each Portfolio and do not include any expenses associated with the Underlying Funds.

**Units.** The beneficial interests for each account owner (Account Owner) in the Portfolios are represented by Direct Plan units. Subscriptions and redemptions are recorded upon receipt of Account Owner's instructions in good order, based on the next determined net position value per unit (Unit Value). Unit Values for each Portfolio are determined at the close of business of the NYSE. The Unit Value for financial reporting purposes may differ from the Unit Value for processing transactions. The Unit Value for financial reporting purposes includes security and shareholder transactions through the date of this report.

**Subscriptions and redemptions.** Subscriptions on the Statement of Changes in Fiduciary Net Position include any subscriptions to the Direct Plan made by Account Owners and any exchanges within the Direct Plan that result in a reinvestment of assets. Redemptions on the Statement of Changes in Fiduciary Net Position include any redemptions from the Direct Plan made by Account Owners and any exchanges within the Direct Plan

that result in a withdrawal and subsequent reinvestment of assets.

Other. There are no unrecognized tax benefits in the accompanying financial statements in connection with the tax positions taken by each Portfolio. The Portfolios do not file any tax returns since the Trust is exempt from federal and state income tax under Section 529 of the IRC. Amounts withdrawn for reasons other than payment of qualified education expenses generally will be subject to a 10% federal tax penalty on earnings in addition to the income tax that is due. These taxes are payable directly by Account Owners and therefore are not deducted from the assets of the Portfolios.

### 3 – Fees:

Prior to Conversion Date, each Former Plan Option (with the exception of the Principal Plus Interest Option) paid TFI a Direct Plan manager fee of 0.10% of the average daily net assets of the Former Plan Option. The Direct Plan manager fee was subject to reductions if total assets in the Direct Plan reach certain levels. In addition, Teachers Advisors, LLC (Advisors) was paid investment management fees on the underlying investments in the mutual funds managed by Advisors.

The Principal Plus Interest Option did not pay a Direct Plan manager fee nor an administrative fee to the Trustee. TIAA Life, the issuer of the funding agreement in which this Former Plan Option invests and an affiliate of TFI, made payments to TFI. As a result, the participant did not incur any expense related to this Former Plan Option.

For its services in administering the Direct Plan, each Former Plan Option (with the exception of the Principal Plus Interest Option) paid to the Trustee an administrative fee at an annual rate of 0.01% of the average daily net assets of each Former Plan Option. TIAA Life also paid the Trustee a fee equal to 0.01% of the average daily net assets held by the Principal Plus Interest Option. The fee was deposited in an administrative fund held by the Trustee and then used to pay certain administrative expenses.

These amounts are reflected in the expenses on the Statement of Changes in Fiduciary Net Position.

On Conversion Date, the Trustee entered into a Management and Administrative Services agreement with Fidelity Brokerage Services, LLC (FBS) to provide administrative, record keeping, distribution and marketing services to the Trust. According to this agreement and a related investment advisory agreement with FMR, an investment adviser registered under the Investment Advisers Act of 1940 that provides investment management services to the Trust, a Management and Administration Fee is charged to the Portfolios at an annual rate based on the net assets of each Portfolio. The Management and Administration Fee has up to three components, a Program Manager Fee that is paid to FMR, a Bank Administration Fee that is paid to FBS and a State Fee

## NOTES TO FINANCIAL STATEMENTS (Continued)

that is paid to the Trustee.

For Fidelity Funds Portfolios that invest primarily in actively-managed Fidelity mutual funds, the Program Manager Fee is charged at an annual rate of .19%. For Fidelity Index Portfolios that invest in Fidelity index mutual funds, the Program Manager Fee is charged at an annual rate of .08%. For Fidelity Blend Portfolios that invest in a combination of actively-managed Fidelity mutual funds and Fidelity index mutual funds, the Program Manager Fee is charged at an annual rate of .11%. For CHET 529 Bank Deposit Portfolio, the Program Manager Fee is charged at an annual rate ranging from .04% to .09% depending on the daily Federal Funds Target Rate.

The Bank Administration Fee paid to Fidelity for its administration services in connection with CHET 529 Bank Deposit Portfolio is charged at an annual rate ranging from .00% to .40% depending on the daily Federal Funds Target Rate. The Bank Administration Fee is charged only to the CHET 529 Bank Deposit Portfolio.

For Fidelity Funds Portfolios that invest primarily in actively-

managed Fidelity mutual funds, the State Fee is charged at an annual rate of .01%. For Fidelity Index Portfolios that invest in Fidelity index mutual funds, the State Fee is charged at an annual rate of .01%. For Fidelity Blend Portfolios that invest in a combination of actively-managed Fidelity mutual funds and Fidelity index mutual funds, the State fee is charged at an annual rate of .01%. For CHET 529 Bank Deposit Portfolio, the State Fee is charged at an annual rate of .01%.

**Management Fees.** Portfolio Management Fees are assessed against assets and paid to the Program Manager for Fidelity Funds Portfolios, Fidelity Index Portfolios and Fidelity Blend Portfolios. For Age-Based Fidelity Funds Portfolios and Age-Based Fidelity Blend Portfolios, this fee will be reduced annually until a Portfolio's asset allocation aligns and merges with the College Portfolio. The fee reduction is reflected in the following Portfolio Management Fee Rolldown Schedule. The current Portfolio Management Fees for all Portfolios is disclosed in the most recent Direct Plan Fact Kit

**Portfolio Management Fee Rolldown Schedule:**

<u>Portfolio Years*</u>	<u>Years to College</u>	<u>Fidelity Funds Portfolios (%)</u>	<u>Fidelity Blend Portfolios (%)</u>
	20	0.79	0.49
	19	0.78	0.48
2039	18	0.76	0.48
	17	0.75	0.47
	16	0.73	0.46
2036	15	0.72	0.45
	14	0.70	0.44
	13	0.69	0.43
2033	12	0.67	0.43
	11	0.66	0.42
	10	0.64	0.41
2030	9	0.63	0.40
	8	0.61	0.39
	7	0.59	0.38
2027	6	0.58	0.37
	5	0.56	0.36
	4	0.54	0.35
2024	3	0.52	0.33
	2	0.50	0.32
	1	0.48	0.31
2021	0	0.45	0.29
College Portfolio	-	0.43	0.28

*\* Portfolio Years represents each Age-Based Fidelity Funds Portfolio and Fidelity Blend Portfolio and the approximate year ranges between each Portfolio until the oldest Age-Based Portfolio reaches the year that it merges with the College Portfolio. For example, as of January 1, 2023, the Age-Based Portfolio 2039 is expected to be next to 16 Years to College and 0.73% for Fidelity Funds Portfolios and 0.46% for Fidelity Blend Portfolios.*

For the year ended June 30, 2021 TFI and FMR voluntarily agreed to waive certain fees in order to avoid a negative yield. Waivers are shown on the Statements of Changes in Fiduciary Net Position under the caption "Fee waived by Direct Plan Manager".

CHET 529 Money Market	\$57,499
TFI Money Market Option	26,693
CHET 529 Bank Deposit Portfolio	100
	<u>\$84,292</u>

## NOTES TO FINANCIAL STATEMENTS (Continued)

### 4 – Investments:

As of June 30, 2021, net unrealized appreciation (depreciation) of portfolio investments was \$146,683,454, consisting of gross

unrealized appreciation of \$160,571,368 and gross unrealized depreciation of \$13,887,914. At June 30, 2021, the Plan's investments consist of the following:

<u>Investments</u>	<u>Shares</u>	<u>Cost</u>	<u>Value</u>
Fidelity 500 Index Fund	346,079	\$ 48,015,734	\$ 51,770,019
Fidelity Global ex U.S. Index Fund	2,319,350	35,650,123	36,924,059
Fidelity Government Cash Reserves Fund	79,632,211	79,632,211	79,632,211
Fidelity Intermediate Treasury Bond Index Fund	7,671,302	88,690,105	86,455,569
Fidelity Series All-Sector Equity Fund	226,571	2,724,727	2,884,245
Fidelity Series Blue Chip Growth Fund	5,542,877	101,743,422	106,755,793
Fidelity Series Bond Index Fund	11,129,995	117,754,165	116,976,263
Fidelity Series Canada Fund	2,385,619	29,058,873	33,446,367
Fidelity Series Commodity Strategy Fund	12,693,925	61,987,494	70,705,152
Fidelity Series Corporate Bond Fund	13,427,271	150,549,711	149,714,081
Fidelity Series Emerging Markets Debt Fund	1,472,642	13,900,210	13,725,022
Fidelity Series Emerging Markets Debt Local Currency Fund	436,966	4,664,369	4,531,354
Fidelity Series Emerging Markets Fund	1,908,841	23,879,217	23,287,843
Fidelity Series Emerging Markets Opportunities Fund	7,790,820	212,359,923	209,261,380
Fidelity Series Floating Rate High Income Fund	299,300	2,748,540	2,768,536
Fidelity Series Global ex U.S. Index Fund	14,989,189	226,767,001	234,880,576
Fidelity Series Government Bond Index Fund	17,586,029	189,151,641	186,763,633
Fidelity Series Government Money Market Fund	33,613,693	33,613,693	33,613,693
Fidelity Series Growth Company Fund	435,240	10,687,902	11,512,125
Fidelity Series High Income Fund	1,652,721	15,600,450	15,849,603
Fidelity Series Inflation-Protected Bond Index Fund	21,424,365	231,654,087	235,239,540
Fidelity Series International Growth Fund	4,055,367	74,157,056	79,322,958
Fidelity Series International Index Fund	2,355,289	27,301,992	28,970,044
Fidelity Series International Small Cap Fund	1,234,330	25,901,879	27,488,509
Fidelity Series International Value Fund	7,074,591	74,549,080	79,023,177
Fidelity Series Intrinsic Opportunities Fund	522,473	10,642,277	11,891,474
Fidelity Series Investment Grade Bond Fund	18,506,077	218,080,312	216,891,241
Fidelity Series Investment Grade Securitized Fund	13,697,332	143,113,904	141,767,386
Fidelity Series Large Cap Growth Index Fund	3,706,071	60,632,362	65,189,792
Fidelity Series Large Cap Stock Fund	4,168,097	73,148,148	82,528,322
Fidelity Series Large Cap Value Index Fund	9,153,700	127,665,209	141,424,620
Fidelity Series Long-Term Treasury Bond Index Fund	10,663,533	90,127,433	89,253,776
Fidelity Series Opportunistic Insights Fund	262,272	5,486,144	5,943,116
Fidelity Series Overseas Fund	5,809,122	73,853,153	79,178,324
Fidelity Series Real Estate Income Fund	822,969	8,847,036	9,562,885
Fidelity Series Short-Term Credit Fund	3,617,931	37,002,655	36,758,183
Fidelity Series Small Cap Discovery Fund	92,479	1,268,958	1,287,327
Fidelity Series Small Cap Opportunities Fund	2,121,776	38,152,484	38,658,736
Fidelity Series Stock Selector Large Cap Value Fund	581,017	7,885,070	8,784,960
Fidelity Series Total Market Index Fund	23,767,304	322,928,859	352,231,444
Fidelity Series Treasury Bill Index Fund	13,320,032	133,200,305	133,200,305
Fidelity Series Value Discovery Fund	3,430,042	51,716,786	57,693,291
Fidelity Total Market Index Fund	2,407,366	272,200,560	298,537,397
Fidelity U.S. Sustainability Index Fund	4,896,497	83,236,798	92,788,623
Connecticut Managed Allocation Funding Agreement	22,088,990	220,889,907	222,436,139
Connecticut Stand Alone Funding Agreement	18,148,414	307,252,655	309,248,981
FDIC Insured Deposits on Account Wells Fargo Bank	7,868,705	7,868,705	7,868,705
Total Investments Value		<u>\$4,177,943,325</u>	<u>\$4,324,626,779</u>

## NOTES TO FINANCIAL STATEMENTS (Continued)

### 5 – Other Information:

In the normal course of business, the Direct Plan may enter into contracts that provide general indemnifications. The Direct Plan's maximum exposure under these arrangements is unknown as this would be dependent on future claims that may be made against the Direct Plan. The risk of material loss from such claims is considered remote.

The Portfolios do not invest in the Underlying Funds for the purpose of exercising management or control; however, investments by

the Portfolios within their principal investment strategies may represent a significant portion of an Underlying Fund's net assets. At the end of the period, CHET 529 Portfolio 2024 (Fidelity Blend) was the owner of record of 12% of the total outstanding shares of Fidelity Series Investment Grade Securitized Fund, Fidelity Series Corporate Bond Fund and Fidelity Series Government Bond Index Fund.

As of June 30, 2021, FMR or its affiliates owned 20% of the outstanding shares of the following Underlying Funds:

<u>Underlying Fund</u>	<u>% of shares held</u>
Fidelity Series Investment Grade Securitized Fund	34%
Fidelity Series Corporate Bond Fund	34%
Fidelity Series Government Bond Index Fund	34%

### 6 - Investment Risk:

Certain investments are subject to a variety of investment risks based on the amount of risk in the Underlying Funds. GASB requires that entities disclose certain essential risk information about deposits and investments. All of the Direct Plan's Portfolios are uninsured, unregistered and are held by a custodian in the Direct Plan's name.

**Investment policy.** The Direct Plan does not have specific investment policies which address credit, interest rate, foreign currency or custodial credit risk. The Direct Plan's Portfolios are managed based on specific investment objectives and strategies which are disclosed in the current Direct Plan Fact Kit.

**Custodial credit risk.** Custodial credit risk represents the potential inability of a custodian to return Direct Plan deposits and investments in the event of a failure. An Account Owner has an investment in a Portfolio and not a direct investment in any

underlying mutual fund or other investment vehicle to which funds in that Portfolio may be allocated. Because of this ownership structure, the custodial credit risk is mitigated.

**Credit risk.** The mutual funds investing primarily in fixed income securities are subject to credit risk. Credit risk refers to the ability of the issuer to make timely payments of interest and principal. The Underlying Funds do not carry a formal credit quality rating. The Funding Agreement is a guaranteed insurance product issued by TIAA Life. TIAA Life had a Standard & Poor's credit rating of AA+ at June 30, 2021.

**Interest rate risk.** Interest rate risk represents exposure to changes in the fair value of investments due to volatility in interest rates. At June 30, 2021, the average maturities for the fixed income mutual funds with at least one year of operations are as follows:

<u>Investment</u>	<u>Value</u>	<u>Weighted Average Maturity</u>
Fidelity Intermediate Treasury Bond Index Fund	\$ 86,455,569	7.10 years
Fidelity Series Bond Index Fund	116,976,263	7.80 years
Fidelity Series Corporate Bond Fund	149,714,081	10.90 years
Fidelity Series Emerging Markets Debt Fund	13,725,022	9.50 years
Fidelity Series Emerging Markets Debt Local Currency Fund	4,531,354	9.50 years
Fidelity Series Floating Rate High Income Fund	2,768,536	4.70 years
Fidelity Series Government Bond Index Fund	186,763,633	8.10 years
Fidelity Series High Income Fund	15,849,603	3.60 years
Fidelity Series Inflation-Protected Bond Index Fund	235,239,540	4.90 years
Fidelity Series Investment Grade Bond Fund	216,891,241	7.80 years
Fidelity Series Investment Grade Securitized Fund	141,767,386	3.60 years
Fidelity Series Long-Term Treasury Bond Index Fund	89,253,776	24.20 years

## NOTES TO FINANCIAL STATEMENTS (Continued)

Foreign currency risk. Foreign currency risk represents exposure to changes in the fair value of investments due to volatility in exchange rates. The Direct Plan does not have any direct investment in foreign securities. Certain Direct Plan Portfolios allocate assets to mutual funds that are exposed to foreign currency risk. At June 30, 2021, the value of investments in mutual funds that significantly invest in foreign denominated securities are as follows:

<b><u>Investment</u></b>	<b><u>Value</u></b>
Fidelity Global ex U.S. Index Fund	\$ 36,924,059
Fidelity Series Canada Fund	33,446,367
Fidelity Series Emerging Markets Debt Fund	13,725,022
Fidelity Series Emerging Markets Debt Local Currency Fund	4,531,354
Fidelity Series Emerging Markets Fund	23,287,843
Fidelity Series Emerging Markets Opportunities Fund	209,261,380
Fidelity Series Global ex U.S. Index Fund	234,880,576
Fidelity Series International Growth Fund	79,322,958
Fidelity Series International Index Fund	28,970,044
Fidelity Series International Small Cap Fund	27,488,509
Fidelity Series International Value Fund	79,023,177
Fidelity Series Overseas Fund	79,178,324

### **7 – Coronavirus (COVID-19) Pandemic.**

An outbreak of COVID-19 first detected in China during December 2019 has since spread globally and was declared a pandemic by the World Health Organization during March 2020. Developments that disrupt global economies and financial markets, such as the COVID-19 pandemic, may magnify factors that affect the Portfolios' performance.

**CONNECTICUT HIGHER EDUCATION TRUST - DIRECT PLAN  
FINANCIAL HIGHLIGHTS  
FOR THE YEAR ENDED JUNE 30, 2021**

Former Plan Options

<u>Portfolio</u>	<u>\$ Net Position value at Beginning of Period</u>	<u>\$ Net Investment Income (Loss) (a)</u>	<u>\$ Net Realized and Unrealized Gain (Loss)</u>	<u>‡ Total gain (loss) from investment operations (11.15)</u>	<u>\$ Net Position Value at End of Period</u>
Conservative Managed Allocation Option Ages 0-4	11.15	0.19	(11.34)	-	-
Conservative Managed Allocation Option Ages 5-8	11.14	0.19	(11.33)	(11.14)	-
Conservative Managed Allocation Option Ages 9-10	11.12	0.18	(11.30)	(11.12)	-
Conservative Managed Allocation Option Ages 11-12	11.06	0.18	(11.24)	(11.06)	-
Conservative Managed Allocation Option Ages 13-14	11.01	0.18	(11.19)	(11.01)	-
Conservative Managed Allocation Option Ages 15	10.93	0.16	(11.09)	(10.93)	-
Conservative Managed Allocation Option Ages 16	10.87	0.14	(11.01)	(10.87)	-
Conservative Managed Allocation Option Ages 17	10.82	0.14	(10.96)	(10.82)	-
Conservative Managed Allocation Option Ages 18 & Over	10.74	0.12	(10.86)	(10.74)	-
Moderate Managed Allocation Option Age 0-4	11.17	0.22	(11.39)	(11.17)	-
Moderate Managed Allocation Option Age 5-8	11.18	0.20	(11.38)	(11.18)	-
Moderate Managed Allocation Option Age 9-10	11.13	0.20	(11.33)	(11.13)	-
Moderate Managed Allocation Option Age 11-12	11.16	0.19	(11.35)	(11.16)	-
Moderate Managed Allocation Option Age 13-14	11.19	0.18	(11.37)	(11.19)	-
Moderate Managed Allocation Option Age 15	11.12	0.17	(11.29)	(11.12)	-
Moderate Managed Allocation Option Age 16	11.08	0.17	(11.25)	(11.08)	-
Moderate Managed Allocation Option Age 17	10.99	0.16	(11.15)	(10.99)	-
Moderate Managed Allocation Option Age 18 & Over	10.84	0.15	(10.99)	(10.84)	-
Aggressive Managed Allocation Option Ages 0-4	11.24	0.22	(11.46)	(11.24)	-
Aggressive Managed Allocation Option Ages 5-8	11.25	0.21	(11.46)	(11.25)	-
Aggressive Managed Allocation Option Ages 9-10	11.24	0.21	(11.45)	(11.24)	-
Aggressive Managed Allocation Option Ages 11-12	11.23	0.20	(11.43)	(11.23)	-
Aggressive Managed Allocation Option Ages 13-14	11.23	0.19	(11.42)	(11.23)	-
Aggressive Managed Allocation Option Ages 15	11.21	0.19	(11.40)	(11.21)	-
Aggressive Managed Allocation Option Ages 16	11.22	0.19	(11.41)	(11.22)	-
Aggressive Managed Allocation Option Ages 17	11.24	0.17	(11.41)	(11.24)	-
Aggressive Managed Allocation Option Ages 18 & Over	11.03	0.16	(11.19)	(11.03)	-
Global Equity Index Option	20.81	0.42	(21.23)	(20.81)	-
Global Tactical Asset Allocation Option	10.96	0.33	(11.29)	(10.96)	-
International Equity Index Option	11.22	0.26	(11.48)	(11.22)	-
Active Global Equity Option	20.51	0.18	(20.69)	(20.51)	-
U.S. Equity Index Option	16.03	0.28	(16.31)	(16.03)	-
High Equity Balanced Option	25.09	0.41	(25.50)	(25.09)	-
Active Fixed- Income Option	18.21	0.26	(18.47)	(18.21)	-
Social Choice Option	27.33	0.39	(27.72)	(27.33)	-
Index Fixed- Income Option	13.81	0.16	(13.97)	(13.81)	-
Money Market Option	10.61	-	(10.61)	(10.61)	-
Principal Plus Interest Option	16.73	0.17	(16.90)	(16.73)	-

\* TFI Financial Highlights, for the period July 1, 2020 to Conversion Date.

(a) Based on average units outstanding

(b) Does not include expenses on Direct Plan investments in the TIAA-CREF Funds and other third party mutual funds

(c) Annualized

(d) Based on net position prior to liquidation.

(e) Final amounts transferred to the Fidelity Plan Options are included in Net Realized and Unrealized Gain (Loss).

**CONNECTICUT HIGHER EDUCATION TRUST - DIRECT PLAN  
FINANCIAL HIGHLIGHTS (Continued)**

<b>Total Return Based on Net Position Value per Unit %*(e)</b>	<b>\$ Fiduciary Net Position (in thousands)</b>	<b>Ratio of Net Expenses to Average Net Position%(b,c)</b>	<b>Ratio of Net Investment Income (Loss) to Average Net Position % (c)</b>
15.56	-	0.11	2.69
14.51	-	0.11	2.65
12.43	-	0.11	2.58
10.13	-	0.11	2.56
9.01	-	0.11	2.53
7.26	-	0.11	2.35
6.21	-	0.11	2.14
4.69	-	0.11	2.06
2.78	-	0.11	1.83
22.51	-	0.11	2.90
19.36	-	0.11	2.73
16.31	-	0.11	2.72
14.61	-	0.11	2.58
12.49	-	0.11	2.49
11.43	-	0.11	2.45
10.06	-	0.11	2.42
8.87	-	0.11	2.31
7.04	-	0.11	2.18
24.70	-	0.11	2.91
23.53	-	0.11	2.82
22.43	-	0.11	2.77
20.29	-	0.11	2.72
18.12	-	0.11	2.64
16.71	-	0.11	2.64
14.53	-	0.11	2.56
12.43	-	0.11	2.42
10.50	-	0.11	2.29
28.77	-	0.11	2.99
19.05	-	0.11	4.70
23.25	-	0.11	3.44
31.27	-	0.11	1.29
30.91	-	0.11	2.51
23.07	-	0.11	2.47
3.84	-	0.11	2.27
29.19	-	0.11	2.09
0.16	-	0.11	1.90
0.04	-	0.05	-
1.07	-	-	1.69

## CONNECTICUT HIGHER EDUCATION TRUST - DIRECT PLAN FINANCIAL HIGHLIGHTS (Continued)

### Fidelity Plan Options

<u>Portfolio</u>	<u>\$ Net Position value at Beginning of Period</u>	<u>\$ Net Investment Income (Loss) (a)</u>	<u>\$ Net Realized and Unrealized Gain (Loss)</u>	<u>‡ Total gain (loss) from investment operations</u>	<u>\$ Net Position Value at End of Period</u>
CHET 529 College Portfolio (Fidelity)	10.00	0.01	0.11	0.12	10.12
CHET 529 Portfolio 2021 (Fidelity)	10.00	0.01	0.13	0.14	10.14
CHET 529 Portfolio 2024 (Fidelity)	10.00	0.01	0.27	0.28	10.28
CHET 529 Portfolio 2027 (Fidelity)	10.00	-	0.43	0.43	10.43
CHET 529 Portfolio 2030 (Fidelity)	10.00	(0.01)	0.58	0.57	10.57
CHET 529 Portfolio 2033 (Fidelity)	10.00	(0.01)	0.73	0.72	10.72
CHET 529 Portfolio 2036 (Fidelity)	10.00	(0.03)	0.91	0.88	10.88
CHET 529 Portfolio 2039 (Fidelity)	10.00	(0.04)	1.03	0.99	10.99
CHET 529 Conservative Portfolio (Fidelity)	10.00	0.01	-	0.01	10.01
CHET 529 Moderate Growth Portfolio (Fidelity)	10.00	(0.01)	0.72	0.71	10.71
CHET 529 Aggressive Growth Portfolio (Fidelity)	10.00	(0.04)	1.09	1.05	11.05
CHET 529 Money Market	10.00	-	-	-	10.00
CHET 529 College Portfolio (Index)	10.00	0.02	0.09	0.11	10.11
CHET 529 Portfolio 2021 (Index)	10.00	0.02	0.09	0.11	10.11
CHET 529 Portfolio 2024 (Index)	10.00	0.03	0.21	0.24	10.24
CHET 529 Portfolio 2027 (Index)	10.00	0.02	0.35	0.37	10.37
CHET 529 Portfolio 2030 (Index)	10.00	0.02	0.48	0.50	10.50
CHET 529 Portfolio 2033 (Index)	10.00	0.02	0.61	0.63	10.63
CHET 529 Portfolio 2036 (Index)	10.00	0.02	0.75	0.77	10.77
CHET 529 Portfolio 2039 (Index)	10.00	0.01	0.89	0.90	10.90
CHET 529 Conservative Portfolio (Index)	10.00	0.02	(0.05)	(0.03)	9.97
CHET 529 Moderate Growth Portfolio (Index)	10.00	0.02	0.60	0.62	10.62
CHET 529 Aggressive Growth Portfolio (Index)	10.00	0.01	0.93	0.94	10.94
CHET 529 Intermediate Treasury Index Portfolio	10.00	0.04	(0.22)	(0.18)	9.82
CHET 529 International Index Portfolio	10.00	-	0.56	0.56	10.56
CHET 529 Fidelity 500 Index Portfolio	10.00	0.03	1.27	1.30	11.30
CHET 529 Total Market Index Portfolio	10.00	0.01	1.19	1.20	11.20
CHET 529 US Sustainability Index Portfolio	10.00	-	1.37	1.37	11.37
CHET 529 Bank Deposit Portfolio	10.00	-	-	-	10.00
CHET 529 College Portfolio (Blend)	10.00	0.01	0.12	0.13	10.13
CHET 529 Portfolio 2021 (Blend)	10.00	0.01	0.13	0.14	10.14
CHET 529 Portfolio 2024 (Blend)	10.00	0.01	0.25	0.26	10.26
CHET 529 Portfolio 2027 (Blend)	10.00	0.01	0.38	0.39	10.39
CHET 529 Portfolio 2030 (Blend)	10.00	-	0.53	0.53	10.53
CHET 529 Portfolio 2033 (Blend)	10.00	-	0.66	0.66	10.66
CHET 529 Portfolio 2036 (Blend)	10.00	(0.01)	0.82	0.81	10.81
CHET 529 Portfolio 2039 (Blend)	10.00	(0.02)	0.96	0.94	10.94
Principal Plus Interest	16.92	-	0.12	0.12	17.04

\* Fidelity Financial Highlights, for the period Conversion Date to June 30, 2021

- (a) Calculated based on average units outstanding during the period.
- (b) Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Portfolio's expense ratio.
- (c) Annualized
- (d) Total returns for periods of less than one year are not annualized.



**CONNECTICUT HIGHER EDUCATION TRUST - DIRECT PLAN  
FINANCIAL HIGHLIGHTS (Continued)**

<u>Total Return Based on Net Position Value per Unit %*(d)</u>	<u>\$ Fiduciary Net Position (in thousands)</u>	<u>Ratio of Net Expenses to Average Net Position%(b,c)</u>	<u>Ratio of net Investment Income (Loss) to Average Net Position % (c)</u>
1.20	2,165	0.63	0.22
1.40	4,234	0.65	0.20
2.80	5,938	0.72	0.19
4.30	4,089	0.78	10.00
5.70	3,205	0.83	(0.17)
7.20	3,113	0.87	(0.34)
8.80	1,680	0.92	(0.62)
9.90	1,613	0.96	(0.87)
0.10	3,849	0.50	0.36
7.10	19,555	0.87	(0.32)
10.50	104,952	0.99	(0.92)
-	79,632	0.01	0.01
1.10	7,893	0.14	0.53
1.10	16,068	0.14	0.54
2.40	21,300	0.14	0.65
3.70	17,131	0.14	0.60
5.00	13,294	0.14	0.55
6.30	12,398	0.14	0.50
7.70	6,350	0.14	0.36
9.00	2,245	0.14	0.17
(0.30)	6,333	0.13	0.43
6.20	342,928	0.13	0.48
9.40	306,733	0.13	0.15
(1.80)	86,449	0.09	1.13
5.60	36,921	0.09	(0.09)
13.00	51,766	0.09	0.63
12.00	298,516	0.09	0.20
13.70	92,782	0.09	(0.09)
-	54	0.20	-
1.30	456,629	0.40	0.26
1.40	192,198	0.41	0.25
2.60	693,312	0.45	0.28
3.90	297,859	0.49	0.16
5.30	251,984	0.52	0.04
6.60	356,280	0.55	(0.08)
8.10	201,376	0.57	(0.26)
9.40	3,550	0.60	(0.46)
0.71	309,249	-	-

# Report of Independent Auditors

To the Management of the Connecticut Higher Education Trust ("CHET") - the CHET 529 College Savings Program Advisor Plan

## **Report on the Financial Statements**

We have audited the accompanying financial statements of the CHET 529 College Savings Program Advisor Plan (a savings program of the Connecticut Higher Education Trust) (the "Plan"), which comprise the statement of fiduciary net position as of June 30, 2021 and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

## **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditors' Responsibility**

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the CHET 529 College Savings Program Advisor Plan as of June 30, 2021, and the changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1, the financial statements of the Plan are intended to present the financial position and the changes in financial position of the CHET 529 College Savings Program Advisor Plan and do not purport to, and do not, present fairly the financial position of the Connecticut Higher Education Trust or the State of Connecticut as of June 30, 2021, the changes in their financial position, or, where applicable, their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

The accompanying management's discussion and analysis on pages 4 through 7 is required by accounting principles generally accepted in the United States of America to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board* who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that comprise the Plan's basic financial statements. The supplemental information on pages 23 through 54 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2021 on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and compliance.

/s/ PricewaterhouseCoopers LLP  
Boston, Massachusetts

November 1, 2021

# CONNECTICUT HIGHER EDUCATION TRUST – ADVISOR PLAN MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)

Hartford Funds Management Company, LLC (“HFMC”) (the “Former Plan Manager”) served as plan manager to the CHET 529 College Savings Program Advisor Plan (“Advisor Plan”) through March 19, 2021. As the Former Plan Manager of the Advisor Plan, HFMC has provided the financial performance for the period from July 1, 2020 through March 19, 2021. The Advisor Plan was comprised of 25 investment options (the “Options”) in which account owners (“Account Owners”) may have invested.

As of the close of business on March 19, 2021 (“Conversion Date”), the trustee of the Connecticut Higher Education Trust, transferred program management of the Advisor Plan from HFMC

to Fidelity Investments (“Fidelity”), the New Plan Manager.

For the period beginning on July 1, 2020 to the Conversion Date, the Advisor Plan had subscriptions of \$278.0 million and redemptions of \$1,096.4 million (\$841.0 million transitioned to Fidelity Investments).

For the period beginning on July 1, 2020 to the Conversion Date, the Advisor Plan’s results included \$18.0 million from investment income, incurred \$2.6 million for operating expenses and had a net increase in fair value of investments of \$118.2 million.

## Financial Highlights

During the period beginning on July 1, 2020 and ending on March 19, 2021 (“Conversion Date”), the Options within the Plan’s total returns were as follows:

	<u>Class A*†</u>	<u>Class C*†</u>	<u>Class E*†</u>
CHET Advisor Age-Based Portfolio 0-3	33.06	32.34	33.39
CHET Advisor Age-Based Portfolio 4-6	27.42	26.75	27.63
CHET Advisor Age-Based Portfolio 7-9	23.41	22.81	23.71
CHET Advisor Age-Based Portfolio 10-11	20.34	19.71	20.59
CHET Advisor Age-Based Portfolio 12-13	17.03	16.38	17.26
CHET Advisor Age-Based Portfolio 14-15	14.73	14.07	14.94
CHET Advisor Age-Based Portfolio 16	10.25	9.69	10.41
CHET Advisor Age-Based Portfolio 17	7.08	6.57	7.21
CHET Advisor Age-Based Portfolio 18+	4.96	4.31	5.08
CHET Advisor Aggressive Growth Portfolio	33.12	32.38	33.35
CHET Advisor Balanced Portfolio	20.37	19.66	20.54
CHET Advisor Conservative Portfolio	10.22	9.73	10.52
CHET Advisor Growth Portfolio	27.47	26.79	27.71
CHET Advisor Stable Value 529 Portfolio	0.77	0.77	0.95
Hartford Balanced Income 529 Portfolio	11.32	10.84	11.60
Hartford Core Equity 529 Portfolio	26.81	26.17	27.07
Hartford Dividend and Growth 529 Portfolio	31.79	31.05	32.03
Hartford Equity Income 529 Portfolio	28.35	27.65	28.55
Hartford Growth Opportunities 529 Portfolio	36.45	35.73	36.70
Hartford Inflation Plus 529 Portfolio	4.62	3.99	4.83
Hartford International Opportunities 529 Portfolio	29.54	28.84	29.73
Hartford MidCap 529 Portfolio	39.23	38.51	39.49
Hartford Small Cap Growth 529 Portfolio	45.84	45.05	46.10
Hartford Total Return Bond 529 Portfolio	(0.63)	(1.13)	(0.48)
Hartford World Bond 529 Portfolio	1.48	0.92	1.54

\* Based on net position prior to liquidation.

† Total returns for periods of less than one year are not annualized.

Effective March 19, 2021, the trustee of the Connecticut Higher Education Trust selected Fidelity to succeed HFMC as the distributor and Program manager for the Advisor Plan. On March 19, 2021, all of the Advisor Plan's former portfolios were liquidated and units were purchased in new investment portfolios. On June 30, 2021, the Advisor Plan is comprised of 27 investment portfolios ("Portfolios") in which account owners ("Account Owners") may invest.

## Financial Highlights

Portfolios	Class A Units		Total Returns* Class C Units		Class I	Class P
	(at NPV)	(at MOP)	(at NPV)	(at MOP)	Units (at NPV)	Units (at NPV)
CHET Advisor 529 College Portfolio	2.10	(1.47)	1.90	0.90	2.10	2.00
CHET Advisor 529 Portfolio 2022	2.40	(1.18)	2.20	1.20	2.50	2.50
CHET Advisor 529 Portfolio 2025	3.10	(0.51)	2.90	1.90	3.20	3.10
CHET Advisor 529 Portfolio 2028	3.80	0.17	3.50	2.50	3.80	3.60
CHET Advisor 529 Portfolio 2031	4.40	0.75	4.20	3.20	4.40	4.50
CHET Advisor 529 Portfolio 2034	5.00	1.33	4.70	3.70	5.00	5.10
CHET Advisor 529 Portfolio 2037	5.60	1.90	5.40	4.40	5.70	5.50
CHET Advisor 529 Portfolio 2039	5.90	2.19	5.70	4.70	6.00	6.00
CHET Advisor 529 Aggressive Growth Portfolio	5.90	2.19	5.70	4.70	6.00	5.90
CHET Advisor 529 Moderate Growth Portfolio	4.80	1.13	4.60	3.60	4.90	4.90
CHET Advisor 529 Asset Manager 60% Portfolio	4.90	1.23	4.70	3.70	5.00	5.00
CHET Advisor 529 Diversified International Portfolio	5.70	2.00	5.50	4.50	5.80	5.80
CHET Advisor 529 Dividend Growth Portfolio	7.40	3.64	7.20	6.20	7.50	7.50
CHET Advisor 529 Equity Growth Portfolio	9.10	5.28	8.90	7.90	9.20	9.20
CHET Advisor 529 Equity Income Portfolio	5.90	2.19	5.60	4.60	5.90	6.00
CHET Advisor 529 Growth Opportunities Portfolio	7.90	4.12	7.70	6.70	8.00	7.90
CHET Advisor 529 High Income Portfolio	3.20	(0.41)	2.90	1.90	3.30	3.30
CHET Advisor 529 Inflation-Protected Bond Portfolio	3.00	(0.60)	2.80	1.80	3.10	3.10
CHET Advisor 529 Limited Term Bond Portfolio	0.30	(3.21)	0.10	(0.90)	0.40	0.40
CHET Advisor 529 New Insights Portfolio	11.70	7.79	11.50	10.50	11.80	11.90
CHET Advisor 529 Small Cap Portfolio	2.90	(0.70)	2.70	1.70	3.00	3.10
CHET Advisor 529 Stock Selector Mid Cap Portfolio	2.80	(0.80)	2.60	1.60	2.90	2.90
CHET Advisor 529 Strategic Dividend & Income Portfolio	5.60	1.90	5.30	4.30	5.60	5.60
CHET Advisor 529 Strategic Income Portfolio	2.50	(1.09)	2.30	1.30	2.60	2.70
CHET Advisor 529 Total Bond Portfolio	2.10	(1.47)	1.90	0.90	2.10	2.20
CHET Advisor 529 Value Strategies Portfolio	5.50	1.81	5.30	4.30	5.60	5.70
CHET Advisor 529 Stable Value Portfolio	0.20	-	-	(1.00)	0.30	0.30

\* For the period March 19, 2021 (commencement of operations) to June 30, 2021

† Total returns for periods of less than one year are not annualized.

NPV - Net Position Value per Unit

MOP - Maximum Offering Price (The sum of the Unit Value and the sales charge per Unit)

Maximum sales charge (load) on purchases (as a % of offering price) for Class A, excluding CHET Advisor 529 Stable Value Portfolio, are 3.50%.

Maximum contingent deferred sales charge (as a % of the lesser of original purchase price or redemption proceeds) for Class C are 1.00%, if redeemed in less than 1 year.

For the period from the Conversion Date to June 30, 2021, the Advisor Plan had subscriptions of \$883.9 (\$841.0 million transitioned to Fidelity Investments) million and redemptions of \$27.2 million. At June 30, 2021, the Advisor Plan's Fiduciary Net Position totaled \$897.8 million, an increase of \$213.1 million, or 31.1%, since June 30, 2020.

For the period from the Conversion Date to June 30, 2021, the Advisor Plan's results included \$1.3 million from investment income, incurred \$2.2 million for operating expenses and had a net increase in fair value of investments of \$42.0 million during the period.

## Overview of the Financial Statements

This report consists of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The basic financial statements are comprised of a Statement of Fiduciary Net Position, a Statement of Changes in Fiduciary Net Position and Notes to Financial Statements that explain the information in the financial statements and provide more detailed information. The measurement focus of economic resources is where a set of financial statements report all inflows, outflows and balances effecting an entity's net position.

The Advisor Plan's financial statements are prepared in accordance with Governmental Accounting Standards Board ("GASB") No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.

The Statement of Fiduciary Net Position presents information on the Plan's assets and liabilities, with the difference between the

two reported as net position as of June 30, 2021. This statement, along with all of the Plan's financial statements, is prepared using the accrual basis of accounting. Subscriptions are recognized when enrollment in the Plan is finalized; subsequent subscriptions and redemptions are recognized on trade date; expenses and liabilities are recognized when services are provided, regardless of when cash is disbursed.

The Statement of Changes in Fiduciary Net Position presents information showing how the Advisor Plan's assets changed during the year. Changes in net position are reported as soon as the underlying event giving rise to the current change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal years.

The Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

This report presents the operating results and financial status of the Advisor Plan, which the State of Connecticut reports as a fiduciary fund. Fiduciary fund reporting is used to account for resources held for the benefit of parties outside the governmental entity.

## Financial Analysis

### Fiduciary Net Position:

The following are condensed Statements of Fiduciary Net Position as of June 30, 2021 and 2020:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
<b>Assets</b>		
Investments	\$ 898,480,512	\$ 684,778,539
Receivables	5,595,973	578,293
<b>Total Assets</b>	<u>904,076,485</u>	<u>685,356,832</u>
<b>Liabilities</b>		
Payables	6,282,607	642,445
<b>Total Liabilities</b>	<u>6,282,607</u>	<u>642,445</u>
<b>Fiduciary Net Position</b>	<u>\$ 897,793,878</u>	<u>\$ 684,714,387</u>

Fiduciary Net Position represents total subscriptions from Account Owners, plus the net increases (decreases) from operations, less redemptions and expenses.

For the years ended June 30, 2021 and June 30, 2020, receivables include subscriptions, securities sold and accrued income. Liabilities include payables for redemptions, securities purchased and accrued expenses.

**Changes in Fiduciary Net Position:**

The following are condensed Statements of Changes in Fiduciary Net Position for the years ended June 30, 2021 and 2020:

	<b>Year ended June 30, 2021</b>	<b>Year ended June 30, 2020</b>
<b>Additions</b>		
Subscriptions	\$ 321,024,590	\$ 330,638,480
Investment Income	19,354,968	20,808,233
Net increase in fair value of investments	160,170,437	(3,892,250)
<b>Total Additions</b>	<u>500,549,995</u>	<u>347,554,463</u>
<b>Deductions</b>		
Redemptions	(282,628,794)	(294,453,464)
Advisor Plan Manager and Administrative fee	(2,442,587)	(1,101,691)
Distribution fees	(2,399,123)	(2,098,383)
<b>Total Deductions</b>	<u>(287,470,504)</u>	<u>(297,653,538)</u>
<b>Increase in Net Position</b>	213,079,491	49,900,925
Fiduciary Net Position - Beginning of Year	684,714,387	634,813,462
Fiduciary Net Position - End of Year	<u>\$ 897,793,878</u>	<u>\$ 684,714,387</u>

Subscriptions and redemptions for the year ended June 30, 2021 exclude \$840,965,783 which moved from HFMC to Fidelity on Conversion Date. (See Note 1 in Notes to Financial Statements)

**CONNECTICUT HIGHER EDUCATION TRUST - ADVISOR PLAN**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2021**

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**STATEMENT OF FIDUCIARY NET POSITION**

	<u>June 30, 2021</u>
<b>ASSETS</b>	
Investments, at value (Cost: \$858,169,909)	\$ 898,480,512
Receivable for investments sold	4,463,218
Receivable for units sold	760,250
Distributions receivable	372,505
<b>Total assets</b>	<u>904,076,485</u>
<b>LIABILITIES</b>	
Payable for investments purchased	5,335,551
Payable for units redeemed	259,682
Accrued expenses	687,374
<b>Total liabilities</b>	<u>6,282,607</u>
Net Position	
NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, END OF YEAR	<u>\$ 897,793,878</u>

See accompanying notes which are an integral part of the financial statements

**CONNECTICUT HIGHER EDUCATION TRUST - ADVISOR PLAN**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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	<u>Year ended June 30, 2021</u>
<b>ADDITIONS</b>	
Subscriptions	<u>\$ 321,024,590</u>
Investment Income:	
Income distributions from underlying funds	8,119,120
Capital gain distributions from underlying funds	11,235,848
Total net investment income	<u>19,354,968</u>
Net increase in fair value of investments	<u>160,170,437</u>
<b>Total Additions</b>	<u>500,549,995</u>
<b>DEDUCTIONS</b>	
Redemptions	(282,628,794)
Advisor Plan Manager and Administrative fee	(2,442,587)
Distribution fees	(2,399,123)
<b>Total Deductions</b>	<u>(287,470,504)</u>
CHANGE IN NET POSITION	213,079,491
NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, BEGINNING OF YEAR	<u>684,714,387</u>
NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, END OF YEAR	<u>\$ 897,793,878</u>

Subscriptions and redemptions for the year ended June 30, 2021 exclude \$840,965,783 which moved from HFMC to Fidelity on the Conversion Date. (See Note 1 in Notes to Financial Statements)

See accompanying notes which are an integral part of the financial statements



## NOTES TO FINANCIAL STATEMENTS

### 1 - Organization:

The Connecticut Higher Education Trust (Trust) was established to promote and operate a higher education savings program – The CHET 529 College Savings Program Advisor Plan (Advisor Plan) – under section 529 of the Internal Revenue Code (IRC) of 1986, as amended. The Treasurer of the State of Connecticut (State of Connecticut) is the Trustee of the Trust. The Trustee has the authority to establish, develop, implement, and maintain the Advisor Plan and to make and enter into contracts to service the Advisor Plan.

This report consists of a Statement of Fiduciary Net Position, which presents information on the Advisor Plan's assets and

liabilities. The Statement of Fiduciary Net Position presents only the Advisor Plan and does not purport to, and does not, present fairly the financial position of the Connecticut Higher Education Trust or the State of Connecticut as of June 30, 2021 and June 30, 2020, and the changes to its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. From July 1, 2020 to March 19, 2021 ("Conversion Date"), the Advisor Plan offered Age-based investment options, Static investment options and Individual investment options. The Former Plan Options managed by the previous Program manager, Hartford Funds Management Company, LLC ("HFMC") as follows:

#### Age-Based Investment Options

CHET Advisor Age-Based Portfolio 0-3  
CHET Advisor Age-Based Portfolio 4-6  
CHET Advisor Age-Based Portfolio 7-9  
CHET Advisor Age-Based Portfolio 10-11  
CHET Advisor Age-Based Portfolio 12-13  
CHET Advisor Age-Based Portfolio 14-15  
CHET Advisor Age-Based Portfolio 16  
CHET Advisor Age-Based Portfolio 17  
CHET Advisor Age-Based Portfolio 18+

#### Static Investment Options

CHET Advisor Aggressive Growth Portfolio  
CHET Advisor Balanced Portfolio  
CHET Advisor Conservative Portfolio  
CHET Advisor Growth Portfolio

#### Individual Investment Options

Hartford Balanced Income 529 Portfolio  
Hartford Core Equity 529 Portfolio  
Hartford Dividend and Growth 529 Portfolio  
Hartford Equity Income 529 Portfolio  
Hartford Growth Opportunities 529 Portfolio  
Hartford Inflation Plus 529 Portfolio  
Hartford International Opportunities 529 Portfolio  
Hartford MidCap 529 Portfolio  
Hartford Small Cap Growth 529 Portfolio  
Hartford Total Return Bond 529 Portfolio  
Hartford World Bond 529 Portfolio  
CHET Advisor Stable Value 529 Portfolio

On March 19, 2021 (Conversion Date) the Trustee changed the Plan manager from HFMC to Fidelity Investments (Fidelity). As of June 30, 2021, the Advisor Plan is comprised of 27 investment portfolios ("Portfolios", "Options" or "Fidelity Plan Options") in which account owners ("Account Owners") may invest, as follows:

#### Fidelity Plan Options

CHET Advisor 529 College Portfolio  
CHET Advisor 529 Portfolio 2022  
CHET Advisor 529 Portfolio 2025  
CHET Advisor 529 Portfolio 2028  
CHET Advisor 529 Portfolio 2031  
CHET Advisor 529 Portfolio 2034  
CHET Advisor 529 Portfolio 2037  
CHET Advisor 529 Portfolio 2039  
CHET Advisor 529 Aggressive Growth Portfolio  
CHET Advisor 529 Moderate Growth Portfolio  
CHET Advisor 529 Asset Manager 60% Portfolio  
CHET Advisor 529 Diversified International Portfolio  
CHET Advisor 529 Dividend Growth Portfolio  
CHET Advisor 529 Equity Growth Portfolio

CHET Advisor 529 Equity Income Portfolio  
CHET Advisor 529 Growth Opportunities Portfolio  
CHET Advisor 529 High Income Portfolio  
CHET Advisor 529 Inflation-Protected Bond Portfolio  
CHET Advisor 529 Limited Term Bond Portfolio  
CHET Advisor 529 New Insights Portfolio  
CHET Advisor 529 Small Cap Portfolio  
CHET Advisor 529 Stable Value Portfolio  
CHET Advisor 529 Stock Selector Mid Cap Portfolio  
CHET Advisor 529 Strategic Dividend & Income Portfolio  
CHET Advisor 529 Strategic Income Portfolio  
CHET Advisor 529 Total Bond Portfolio  
CHET Advisor 529 Value Strategies Portfolio

## NOTES TO FINANCIAL STATEMENTS (Continued)

The Portfolios invest primarily in a combination of other Fidelity equity, fixed-income, and short-term funds, collectively referred to as the Underlying Funds, managed by Fidelity Management & Research Company LLC (FMR). There are individual Fund Portfolios which invest in a single equity, fixed-income, or money market fund, also managed by FMR. Each Portfolio may offer up to four classes of units: Class A, Class C, Class I and Class P Units. Class P Units are only available through employer sponsored

payroll deduction arrangements. Investment income realized and unrealized capital gains and losses and the Portfolio level expenses are allocated on a pro rata basis to each class based on relative net assets of each Class to the total net assets of each Portfolio. Each Class is also subject to Class specific fees. Certain expenses and sales loads differ by class.

Below are the amounts liquidating from the Former Plan Portfolios and the Fidelity Portfolios they are mapping to:

<b>Former Plan Options</b>	<b>Value (\$)</b>	<b>Fidelity Plan Options</b>	<b>Value (\$)</b>
CHET Advisor Age-Based Portfolio 18+	(73,232,798)	CHET Advisor 529 College Portfolio	73,232,798
CHET Advisor Age-Based Portfolio 17	(36,965,423)	CHET Advisor 529 Portfolio 2022	36,965,423
CHET Advisor Age-Based Portfolio 16	(37,992,052)	CHET Advisor 529 Portfolio 2022	37,992,052
CHET Advisor Age-Based Portfolio 14-15	(74,406,983)	CHET Advisor 529 Portfolio 2025	74,406,983
CHET Advisor Age-Based Portfolio 12-13	(61,609,045)	CHET Advisor 529 Portfolio 2025	61,609,045
CHET Advisor Age-Based Portfolio 10-11	(62,737,029)	CHET Advisor 529 Portfolio 2028	62,737,029
CHET Advisor Age-Based Portfolio 7-9	(75,871,382)	CHET Advisor 529 Portfolio 2031	75,871,382
CHET Advisor Age-Based Portfolio 4-6	(47,742,546)	CHET Advisor 529 Portfolio 2034	47,742,546
CHET Advisor Age-Based Portfolio 0-3	(22,442,458)	CHET Advisor 529 Portfolio 2037	22,442,458
CHET Advisor Aggressive Growth Portfolio	(41,136,186)	CHET Advisor 529 Aggressive Growth Portfolio	41,136,186
CHET Advisor Growth Portfolio	(47,586,686)	CHET Advisor 529 Moderate Growth Portfolio	47,586,686
CHET Advisor Balanced Portfolio	(40,641,808)	CHET Advisor 529 Asset Manager 60% Portfolio	40,641,808
Hartford Balanced Income 529 Portfolio	(3,840,738)	CHET Advisor 529 Asset Manager 60% Portfolio	3,840,738
Hartford International Opportunities 529 Portfolio	(14,401,662)	CHET Advisor 529 Diversified International Portfolio	14,401,662
Hartford Dividend and Growth 529 Portfolio	(33,791,717)	CHET Advisor 529 Dividend Growth Portfolio	33,791,717
Hartford Equity Income 529 Portfolio	(13,491,948)	CHET Advisor 529 Equity Income Portfolio	13,491,948
Hartford Growth Opportunities 529 Portfolio	(35,620,683)	CHET Advisor 529 Growth Opportunities Portfolio	35,620,683
Hartford Inflation Plus 529 Portfolio	(6,711,273)	CHET Advisor 529 Inflation-Protected Bond Portfolio	6,711,273
Hartford Core Equity 529 Portfolio	(21,842,899)	CHET Advisor 529 New Insights Portfolio	21,842,899
Hartford Small Cap Growth 529 Portfolio	(14,765,755)	CHET Advisor 529 Small Cap Portfolio	14,765,755
Hartford MidCap 529 Portfolio	(19,922,177)	CHET Advisor 529 Stock Selector Mid Cap Portfolio	19,922,177
CHET Advisor Conservative Portfolio	(8,959,796)	CHET Advisor 529 Strategic Income Portfolio	8,959,796
Hartford World Bond 529 Portfolio	(3,023,360)	CHET Advisor 529 Strategic Income Portfolio	3,023,360
Hartford Total Bond 529 Portfolio	(10,796,655)	CHET Advisor 529 Total Bond Portfolio	10,796,655
CHET Advisor Stable Value 529 Portfolio	(31,432,724)	CHET Advisor 529 Stable Value Portfolio	31,432,724
Total Redemption from Former Plan	<u>(840,965,783)</u>	Total Subscription to Fidelity	<u>840,965,783</u>

### 2 – Significant Accounting Policies:

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed by Governmental Accounting

Standards Board (GASB), which require management to make certain estimates and assumptions at the date of the financial statements. Actual results could differ from those estimates. The following summarizes the significant accounting policies of the Plan:

## NOTES TO FINANCIAL STATEMENTS (Continued)

Investment Valuation. Investments are valued as of 4:00 p.m. Eastern time on the last calendar day of the period. Each Portfolio categorizes the inputs to valuation techniques used to value its investments into a disclosure hierarchy consisting of three levels as shown below:

Level 1 - quoted prices in active markets for identical investments

Level 2 - other significant observable inputs

Level 3 - unobservable inputs (including each Portfolio's own assumptions based on the best information available)

Valuation techniques used to value each Portfolio's investments by major category are as follows: Investments in the Underlying Funds are valued at their closing net asset value (NAV) each business day and are categorized as Level 1 in the hierarchy. As of June 30, 2021, all investments held by the Portfolios are categorized as Level 1 under the Fair Value Hierarchy.

The underlying assets in the CHET Advisor Stable Value Account are marked to market daily and reported to the Plan. In addition, wrap contracts with respect to the underlying assets in the CHET Advisor Stable Value Account seek to provide for minimal fluctuation in principal values. The wrap contracts are valued by various insurance wrap providers and reported to Fidelity monthly at contract value (also known as book value). At year end, CHET Advisor Stable 529 Portfolio investments are held at contract value and are excluded from the fair value hierarchy.

**Investment Transactions and Income.** For financial reporting purposes, the Portfolios' investment holdings and net position value (NPV) include trades executed through the end of the last business day of the period. The NPV per unit for processing participant transactions is calculated as of the close of business of the New York Stock Exchange (NYSE), normally 4:00 p.m. Eastern time, and includes trades executed through the end of the prior business day. Gains and losses on securities sold were determined on the basis of identified cost by HFMC and are now determined on the basis of average cost by Fidelity. Income and capital gain distributions from the Underlying Funds, if any, are recorded on the ex-dividend date. Interest income is accrued as earned. There are no distributions of net investment gains or net investment income to the Portfolios' participants or beneficiaries.

**Expenses.** Expenses are recorded on the accrual basis. Expense estimates are accrued in the period to which they relate and adjustments are made when actual amounts are known. Expenses included in the accompanying financial statements reflect the expenses of each Portfolio and do not include any expenses associated with the Underlying Funds.

**Units.** The beneficial interests for each account owner (Account Owner) in the Portfolios are represented by Plan units. Subscriptions and redemptions are recorded upon receipt of

Account Owner's instructions in good order, based on the next determined net position value per unit (Unit Value). Unit Values for each Portfolio are determined at the close of business of the NYSE. The Unit Value for financial reporting purposes may differ from the Unit Value for processing transactions. The Unit Value for financial reporting purposes includes security and shareholder transactions through the date of this report.

**Subscriptions and redemptions.** Subscriptions on the Statements of Changes in Fiduciary Net Position include any subscriptions to the Advisor Plan made by Account Owners and any exchanges within the Advisor Plan that result in a reinvestment of assets. Redemptions on the Statements of Changes in Fiduciary Net Position include any redemptions from the Advisor Plan made by Account Owners and any exchanges within the Advisor Plan that result in a withdrawal and subsequent reinvestment of assets.

**Other.** There are no unrecognized tax benefits in the accompanying financial statements in connection with the tax positions taken by each Portfolio. The Advisor Plan do not file any tax returns since the Trust is exempt from federal and state income tax under Section 529 of the IRC. Amounts withdrawn for reasons other than payment of qualified education expenses generally will be subject to a 10% federal tax penalty on earnings in addition to the income tax that is due. These taxes are payable directly by account owners and therefore are not deducted from the assets of the Advisor Plan.

### 3 – Fees:

Prior to conversion date, here are the Plan Management and Other Fees:

**Plan Manager Fees.** The Former Plan Manager entered into a Plan Management Agreement with the Trust which provided for the payment of a Plan Management Fee for services performed with respect to the Plan, which was terminated on March 19, 2021. For the Period, the Former Plan Manager Fee was 0.16% and was accrued daily and paid monthly to HFMC. In addition, HFMC received investment management fees from the underlying Hartford mutual funds. The Former Plan Manager also received fees from the unaffiliated investment products.

**Portfolio Fee.** The CHET Advisor Stable Value Account, the underlying account, incurred a fee of 0.22% which included an investment management fee and other expenses, but did not include wrap fees. This was an indirect fee charged on the underlying account and not a direct fee incurred by Account Owners.

**Administrative Fee.** The Administrative Fee of 0.01% was charged to pay the Trust's expenses related to the overall operation of the Connecticut Higher Education Trust. This fee was accrued and deducted daily as a percentage of average daily fiduciary net position of the Investment Options and paid monthly.

## NOTES TO FINANCIAL STATEMENTS (Continued)

**Annual Distribution Fee.** The Advisor Plan was authorized to charge an annual distribution fee to compensate Hartford Funds Distributors, LLC (“HFD”), an affiliate of HFMC, for activities intended to result in the sale and distribution of Classes A and C units and for providing services for Account Owners. This fee was accrued and deducted daily as a percentage of average fiduciary

net position in the Former Plan and paid monthly. From its receipt of the annual distribution fee, HFD could compensate other entities for distributing units of the Advisor Plan. During the period from July 1, 2020 to Conversion Date the amount of distribution fees paid was \$1,675,253. The schedule below reflects the distribution fee effective rate:

<u>Class of Units</u>	<u>Annual</u>
Class A	0.25%
Class C	1.00%*

\* All Former Plan Options other than CHET Advisor Stable Value 529 Portfolio, for which the fee was 0.25%.

**Sales Charges.** The Investment Options offered Class A Units, Class C Units and Class E Units. Each Class of Units had a different fee structure determined by the sales charge. The following Class

A front-end sales charge schedule was for all Former Plan Options except the CHET Advisor Stable Value 529 Portfolio\* for which there was no front-end sales charge:

<u>Contribution and Value of Accounts</u>	<u>Sales Charge as a Percentage of Contribution</u>	<u>Dealer Concession</u>
Less than \$99,999.99	2.50%	2.50%
\$100,000 – \$249,999.99	2.25%	2.25%
\$250,000 – \$499,999.99	1.75%	1.75%
\$500,000 – \$999,999.99	1.25%	1.25%
\$1,000,000 and greater	0.00%**	1.00%

\* A transfer into another investment option at a later date would have resulted in an Account being charged the sales charge of the new investment option.

\*\* There was a contingent deferred sales charge of 1.00% for units sold within 18 months unless a dealer waives its right to an up-front commission.

Class C units were sold with a contingent deferred sales charge of up to 1.00% on units redeemed within 12 months for all Former Plan Options other than CHET Advisor Stable Value 529 Portfolio for which there was no contingent deferred sales charge. Class C units converted to Class A units after four years. Class E units were sold without sales charges to certain eligible investors. All classes of units have had identical withdrawal, dividend, liquidation, and other rights and the same terms and conditions, with the exception that each class may have different expenses, which may have affected performance.

From conversion date forward, here are the Plan Management and Other Fees:

The Trustee has entered into a Management and Administrative Services agreement with FMR LLC (the parent company of the group of companies commonly known as Fidelity Investments) and Fidelity Brokerage Services, LLC (together Fidelity) to provide administrative, recordkeeping, distribution, marketing, and investment management services to the Plan. According to

this agreement, a Management and Administration Fee is charged to the Portfolios at an annual rate based on the net assets of each Portfolio. The Management and Administration Fee has two components, a Program Management Fee that is paid to Fidelity and State Fee that is paid to the Trustee. The Program Management Fee is charged at an annual rate of .19% and the State Fee is charged at an annual rate of .01%.

**Management Fees.** Post conversion date, Portfolio Management Fees are assessed against assets and paid to the Program Manager. For Age-Based Portfolios, this fee will be reduced annually until a Portfolio’s asset allocation aligns and merges with the College Portfolio. The fee reduction is reflected in the following Portfolio Management Fee Roll-down Schedule. The current Portfolio Management Fees for all Portfolios is disclosed in the most recent Fidelity Advisor Plan Offering Statement.

**NOTES TO FINANCIAL STATEMENTS (Continued)**

<b>Portfolio Management Fee Rolldown Schedule: <u>Portfolio Years*</u></b>	<b><u>Years to College</u></b>	<b><u>CHET Advisor Portfolios (%)</u></b>
	20	0.79
	19	0.78
2039	18	0.76
	17	0.75
2037	16	0.74
	15	0.73
	14	0.72
2034	13	0.71
	12	0.70
	11	0.68
2031	10	0.67
	9	0.65
	8	0.64
2028	7	0.62
	6	0.61
	5	0.59
2025	4	0.58
	3	0.56
	2	0.54
2022	1	0.52
	0	0.49
College Portfolio	-	0.47

\* *Portfolio Years represent each Age-Based Portfolio and the approximate year ranges between each Portfolio until the oldest Portfolio reaches the year that it merges with the College Portfolio.*

**Stable Value Insurance Wrap Fee.** There is a Stable Value Insurance Wrap Fee that is paid to the third-party insurance issuers of the insurance contracts that wrap the underlying investments of the Stable Value Portfolio. This fee is a contractual fee assessed against the assets of the Stable Value Portfolio and is currently at an annual rate of 0.15% to 0.16% but may increase based on the contract terms with the insurance providers.

## NOTES TO FINANCIAL STATEMENTS (Continued)

The following classes are also subject to a distribution fee. As of June 30, 2021, distribution fees were charged at the following annual rates:

<u>Portfolio</u>	<u>Class A</u>	<u>Class C</u>	<u>Class P</u>
CHET Advisor 529 College Portfolio	.25%	1.00%	.75%
CHET Advisor 529 Portfolio 2022	.25%	1.00%	.75%
CHET Advisor 529 Portfolio 2025	.25%	1.00%	.75%
CHET Advisor 529 Portfolio 2028	.25%	1.00%	.75%
CHET Advisor 529 Portfolio 2031	.25%	1.00%	.75%
CHET Advisor 529 Portfolio 2034	.25%	1.00%	.75%
CHET Advisor 529 Portfolio 2037	.25%	1.00%	.75%
CHET Advisor 529 Portfolio 2039	.25%	1.00%	.75%
CHET Advisor 529 Aggressive Growth Portfolio	.25%	1.00%	.75%
CHET Advisor 529 Moderate Growth Portfolio	.25%	1.00%	.75%
CHET Advisor 529 Asset Manager 60% Portfolio	.25%	1.00%	.75%
CHET Advisor 529 Diversified International Portfolio	.25%	1.00%	.75%
CHET Advisor 529 Dividend Growth Portfolio	.25%	1.00%	.75%
CHET Advisor 529 Equity Growth Portfolio	.25%	1.00%	.75%
CHET Advisor 529 Equity Income Portfolio	.25%	1.00%	.75%
CHET Advisor 529 Growth Opportunities Portfolio	.25%	1.00%	.75%
CHET Advisor 529 High Income Portfolio	.15%	1.00%	.75%
CHET Advisor 529 Inflation-Protected Bond Portfolio	.15%	1.00%	.75%
CHET Advisor 529 Limited Term Bond Portfolio	.15%	1.00%	.75%
CHET Advisor 529 New Insights Portfolio	.25%	1.00%	.75%
CHET Advisor 529 Small Cap Portfolio	.25%	1.00%	.75%
CHET Advisor 529 Stable Value Portfolio	.25%	1.00%	.75%
CHET Advisor 529 Stock Selector Mid Cap Portfolio	.25%	1.00%	.75%
CHET Advisor 529 Strategic Dividend & Income Portfolio	.25%	1.00%	.75%
CHET Advisor 529 Strategic Income Portfolio	.15%	1.00%	.75%
CHET Advisor 529 Total Bond Portfolio	.15%	1.00%	.75%
CHET Advisor 529 Value Strategies Portfolio	.25%	1.00%	.75%

From Conversion Date to June 30, 2021, the amount of class specific expenses for each Portfolio were as follows:

<u>Portfolio</u>	<u>Class A</u>	<u>Class C</u>	<u>Class P</u>	<u>Total</u>
CHET Advisor 529 College Portfolio	\$ 37,542	\$ 31,156	\$ 2	\$ 68,700
CHET Advisor 529 Portfolio 2022	41,310	26,606	-	67,916
CHET Advisor 529 Portfolio 2025	79,355	30,705	1	110,061
CHET Advisor 529 Portfolio 2028	37,803	10,167	2	47,972
CHET Advisor 529 Portfolio 2031	45,474	16,411	1	61,886
CHET Advisor 529 Portfolio 2034	28,293	12,413	-	40,706
CHET Advisor 529 Portfolio 2037	13,493	6,423	2	19,918
CHET Advisor 529 Portfolio 2039	281	40	-	321
CHET Advisor 529 Aggressive Growth Portfolio	18,751	12,888	1	31,640
CHET Advisor 529 Moderate Growth Portfolio	26,373	18,166	-	44,539
CHET Advisor 529 Asset Manager 60% Portfolio	23,492	17,825	-	41,317
CHET Advisor 529 Diversified International Portfolio	7,237	4,468	-	11,705
CHET Advisor 529 Dividend Growth Portfolio	16,649	18,275	-	34,924
CHET Advisor 529 Equity Growth Portfolio	126	70	-	196
CHET Advisor 529 Equity Income Portfolio	6,803	7,506	-	14,309
CHET Advisor 529 Growth Opportunities Portfolio	18,645	12,175	-	30,820
CHET Advisor 529 High Income Portfolio	1	7	-	8
CHET Advisor 529 Inflation-Protected Bond Portfolio	1,589	7,142	-	8,731
CHET Advisor 529 Limited Term Bond Portfolio	11	30	-	41
CHET Advisor 529 New Insights Portfolio	11,387	5,668	-	17,055
CHET Advisor 529 Small Cap Portfolio	7,427	3,341	-	10,768
CHET Advisor 529 Stable Value Portfolio	14,039	12,797	-	26,836
CHET Advisor 529 Stock Selector Mid Cap Portfolio	9,973	5,566	-	15,539
CHET Advisor 529 Strategic Dividend & Income Portfolio	14	23	-	37
CHET Advisor 529 Strategic Income Portfolio	3,574	6,191	-	9,765
CHET Advisor 529 Total Bond Portfolio	3,184	4,839	3	8,026
CHET Advisor 529 Value Strategies Portfolio	111	23	-	134

In addition, each Plan account is charged a \$20 annual fee, which is waived under certain circumstances. Any annual fees imposed by the Trustee are in turn paid to Fidelity. Annual fees received during the year are included in redemptions in the Statements

of Changes in Fiduciary Net Position. For the period March 19, 2021 (Conversion Date) to June 30, 2021, total annual fees charged were \$90.

## NOTES TO FINANCIAL STATEMENTS (Continued)

**Sales Load:** FMR receives from the Trust an amount equal to the proceeds of a front-end sales charge imposed by the Advisor Plan on the sale of Class A Units. Front-end sales loads may be waived or reduced at the discretion of the Trustee. As of June 30, 2021, the Advisor Plan charged the following maximum sales loads:

<u>Portfolio</u>	<u>Class A</u>
CHET Advisor 529 College Portfolio	3.50%
CHET Advisor 529 Portfolio 2022	3.50%
CHET Advisor 529 Portfolio 2025	3.50%
CHET Advisor 529 Portfolio 2028	3.50%
CHET Advisor 529 Portfolio 2031	3.50%
CHET Advisor 529 Portfolio 2034	3.50%
CHET Advisor 529 Portfolio 2037	3.50%
CHET Advisor 529 Portfolio 2039	3.50%
CHET Advisor 529 Aggressive Growth Portfolio	3.50%
CHET Advisor 529 Moderate Growth Portfolio	3.50%
CHET Advisor 529 Asset Manager 60% Portfolio	3.50%
CHET Advisor 529 Diversified International Portfolio	3.50%
CHET Advisor 529 Dividend Growth Portfolio	3.50%
CHET Advisor 529 Equity Growth Portfolio	3.50%
CHET Advisor 529 Equity Income Portfolio	3.50%
CHET Advisor 529 Growth Opportunities Portfolio	3.50%
CHET Advisor 529 High Income Portfolio	3.50%
CHET Advisor 529 Inflation-Protected Bond Portfolio	3.50%
CHET Advisor 529 Limited Term Bond Portfolio	3.50%
CHET Advisor 529 New Insights Portfolio	3.50%
CHET Advisor 529 Small Cap Portfolio	3.50%
CHET Advisor 529 Stable Value Portfolio	3.50%
CHET Advisor 529 Stock Selector Mid Cap Portfolio	3.50%
CHET Advisor 529 Strategic Dividend & Income Portfolio	3.50%
CHET Advisor 529 Strategic Income Portfolio	3.50%
CHET Advisor 529 Total Bond Portfolio	3.50%
CHET Advisor 529 Value Strategies Portfolio	3.50%

FMR also receives from the Plan an amount equal to the proceeds of a contingent deferred sales charge (CDSC) imposed by the Plan on the redemption of Class C Units. The CDSC is based on declining rates over the holding period. These charges do not apply to redemptions for qualified withdrawals or to any attributed

investment gains. The CDSC is 1.00% for Class C.

For the period March 19, 2021 (Conversion Date) to June 30, 2021, total sales charge amounts paid to and retained by FMR were as follows:

**Paid to FMR:**

<u>Portfolio</u>	<u>Class A</u>	<u>Class C</u>	<u>Total</u>
CHET Advisor 529 College Portfolio	\$ 13,608	\$ 191	\$ 13,799
CHET Advisor 529 Portfolio 2022	21,811	4	21,815
CHET Advisor 529 Portfolio 2025	50,821	303	51,124
CHET Advisor 529 Portfolio 2028	44,971	203	45,174
CHET Advisor 529 Portfolio 2031	49,993	5	49,998
CHET Advisor 529 Portfolio 2034	36,504	3	36,507
CHET Advisor 529 Portfolio 2037	-	3	3
CHET Advisor 529 Portfolio 2039	61,926	-	61,926
CHET Advisor 529 Aggressive Growth Portfolio	20,629	3	20,632
CHET Advisor 529 Moderate Growth Portfolio	16,668	3	16,671
CHET Advisor 529 Asset Manager 60% Portfolio	9,780	3	9,783
CHET Advisor 529 Diversified International Portfolio	4,854	3	4,857
CHET Advisor 529 Dividend Growth Portfolio	6,779	4	6,783
CHET Advisor 529 Equity Growth Portfolio	3,648	-	3,648
CHET Advisor 529 Equity Income Portfolio	4,045	3	4,048
CHET Advisor 529 Growth Opportunities Portfolio	15,744	3	15,747
CHET Advisor 529 High Income Portfolio	923	-	923
CHET Advisor 529 Inflation-Protected Bond Portfolio	-	13	13
CHET Advisor 529 Limited Term Bond Portfolio	287	-	287

## NOTES TO FINANCIAL STATEMENTS (Continued)

CHET Advisor 529 New Insights Portfolio	-	7	7
CHET Advisor 529 Small Cap Portfolio	4,467	3	4,470
CHET Advisor 529 Stable Value Portfolio	-	129	129
CHET Advisor 529 Stock Selector Mid Cap Portfolio	5,064	3	5,067
CHET Advisor 529 Strategic Dividend & Income Portfolio	5,728	-	5,728
CHET Advisor 529 Strategic Income Portfolio	1,527	7	1,534
CHET Advisor 529 Total Bond Portfolio	1,890	123	2,013
CHET Advisor 529 Value Strategies Portfolio	1,940	-	1,940

### Retained by FMR:

<u>Portfolio</u>	<u>Class A</u>	<u>Class C</u>	<u>Total</u>
CHET Advisor 529 College Portfolio	\$ 3,775	\$ 191	\$ 3,966
CHET Advisor 529 Portfolio 2022	5,126	4	5,130
CHET Advisor 529 Portfolio 2025	11,050	303	11,353
CHET Advisor 529 Portfolio 2028	9,486	203	9,689
CHET Advisor 529 Portfolio 2031	11,226	5	11,231
CHET Advisor 529 Portfolio 2034	8,073	3	8,076
CHET Advisor 529 Portfolio 2037	-	3	3
CHET Advisor 529 Portfolio 2039	51,997	-	51,997
CHET Advisor 529 Aggressive Growth Portfolio	4,556	3	4,559
CHET Advisor 529 Moderate Growth Portfolio	3,158	3	3,161
CHET Advisor 529 Asset Manager 60% Portfolio	2,003	3	2,006
CHET Advisor 529 Diversified International Portfolio	1,176	3	1,179
CHET Advisor 529 Dividend Growth Portfolio	1,650	4	1,654
CHET Advisor 529 Equity Growth Portfolio	746	-	746
CHET Advisor 529 Equity Income Portfolio	866	3	869
CHET Advisor 529 Growth Opportunities Portfolio	3,936	3	3,939
CHET Advisor 529 High Income Portfolio	923	-	923
CHET Advisor 529 Inflation-Protected Bond Portfolio	-	13	13
CHET Advisor 529 Limited Term Bond Portfolio	45	-	45
CHET Advisor 529 New Insights Portfolio	-	7	7
CHET Advisor 529 Small Cap Portfolio	1,365	3	1,368
CHET Advisor 529 Stable Value Portfolio	-	129	129
CHET Advisor 529 Stock Selector Mid Cap Portfolio	1,260	3	1,263
CHET Advisor 529 Strategic Dividend & Income Portfolio	5,646	-	5,646
CHET Advisor 529 Strategic Income Portfolio	267	7	274
CHET Advisor 529 Total Bond Portfolio	358	123	481
CHET Advisor 529 Value Strategies Portfolio	351	-	351

### 4 – Investments:

As of June 30, 2021, net unrealized appreciation (depreciation) of portfolio investments was \$40,310,603, consisting of gross unrealized appreciation of \$40,327,078 and gross unrealized depreciation of \$16,475.

At June 30, 2021, the Advisor Plan's investments consist of the following:

<u>Investments</u>	<u>Shares</u>	<u>Cost</u>	<u>Value</u>
CHET Advisor 529 Stable Value Guaranteed Insurance Contracts	-	\$ 30,798,434	\$ 30,798,434
Fidelity Advisor Asset Manager 60% Fund Class I	2,939,820	44,472,173	47,095,915
Fidelity Advisor Diversified International Fund Class I	492,892	14,682,996	15,604,967
Fidelity Advisor Dividend Growth Fund Class I	1,737,010	33,657,079	36,511,950
Fidelity Advisor Equity Growth Fund Class I	20,431	394,404	415,771
Fidelity Advisor Equity Income Fund Class I	420,295	14,112,080	14,903,673
Fidelity Advisor Growth Opportunities Class I	227,920	36,234,353	40,004,569
Fidelity Advisor High Income Fund Class I	1,341	11,675	11,802
Fidelity Advisor Limited Term Bond Fund Class I	18,994	225,074	224,884
Fidelity Advisor New Insights Fund Class I	588,502	22,093,308	24,917,165
Fidelity Advisor Series Equity Growth Fund	1,026,951	17,021,282	18,844,566



## NOTES TO FINANCIAL STATEMENTS (Continued)

Fidelity Advisor Series Growth Opportunities Fund	696,756	11,789,023	12,966,643
Fidelity Advisor Series Small Cap Fund	533,736	8,214,668	8,577,146
Fidelity Advisor Small Cap Fund Class I	420,264	14,826,401	15,448,899
Fidelity Advisor Stock Selector Mid Cap Fund Class I	423,965	19,935,884	20,744,599
Fidelity Advisor Strategic Dividend & Income Fund Class	4,544	80,274	81,382
Fidelity Advisor Strategic Income Fund Class I	929,120	11,758,590	12,013,517
Fidelity Advisor Total Bond Fund Class I	978,416	10,688,640	10,889,766
Fidelity Advisor Value Strategies Fund Class I	9,255	445,052	443,600
Fidelity Inflation-Protected Bond Index Fund	655,255	7,100,571	7,358,509
Fidelity Series All-Sector Equity Fund	639,635	7,459,630	8,142,563
Fidelity Series Canada Fund	636,688	8,241,299	8,926,354
Fidelity Series Commodity Strategy Fund	2,848,151	14,190,298	15,864,205
Fidelity Series Emerging Markets Debt Fund	335,855	3,084,246	3,130,172
Fidelity Series Emerging Markets Debt Local Currency	99,655	1,016,494	1,033,420
Fidelity Series Emerging Markets Fund	477,992	5,656,879	5,831,491
Fidelity Series Emerging Markets Opportunities Fund	1,950,813	50,677,831	52,398,815
Fidelity Series Floating Rate High Income Fund	71,217	654,691	658,762
Fidelity Series Government Money Market Fund	66,955,585	66,955,585	66,955,585
Fidelity Series High Income Fund	384,529	3,579,789	3,687,631
Fidelity Series Inflation-Protected Bond Index Fund	4,322,230	46,343,298	47,458,086
Fidelity Series International Growth Fund	1,213,952	21,743,266	23,744,907
Fidelity Series International Small Cap Fund	328,769	\$ 6,914,454	\$ 7,321,664
Fidelity Series International Value Fund	2,117,640	23,219,248	23,654,020
Fidelity Series Investment Grade Bond Fund	13,152,858	151,510,027	154,151,500
Fidelity Series Large Cap Stock Fund	1,518,480	27,982,480	30,065,908
Fidelity Series Large Cap Value Index Fund	209,654	3,067,721	3,239,167
Fidelity Series Long-Term Treasury Bond Index Fund	2,074,494	16,360,206	17,363,513
Fidelity Series Opportunistic Insights Fund	774,053	15,618,968	17,540,054
Fidelity Series Overseas Fund	1,738,915	22,034,811	23,701,432
Fidelity Series Real Estate Income Fund	192,234	2,110,045	2,233,753
Fidelity Series Short-Term Credit Fund	1,409,051	14,330,795	14,315,962
Fidelity Series Small Cap Opportunities Fund	581,886	10,537,107	10,601,964
Fidelity Series Stock Selector Large Cap Value Fund	1,263,349	18,011,480	19,101,845
Fidelity Series Value Discovery Fund	1,159,334	18,439,266	19,499,982
Total Investments Value		<u>\$ 858,169,909</u>	<u>\$ 898,480,512</u>

### 5 – Other Information:

In the normal course of business, the Advisor Plan may enter into contracts that provide general indemnifications. The Advisor Plan's maximum exposure under these arrangements is unknown as this would be dependent on future claims that may be made against the Advisor Plan. The risk of material loss from such claims is considered remote.

The Portfolios do not invest in the Underlying Funds for the purpose of exercising management or control; however, investments by the Portfolios within their principal investment strategies may represent a significant portion of an Underlying Fund's net assets. At the end of the period, no Portfolios held a significant portion of the outstanding shares of any Underlying Fund.

### 6 – Investment Risk:

Certain investments are subject to a variety of investment risks based on the amount of risk in the underlying funds. GASB requires that entities disclose certain essential risk information about deposits and investments. All of the Advisor Plan's Portfolios are uninsured, unregistered and are held by a custodian in the Advisor Plan's name.

**Interest Rate Risk.** Interest rate risk represents exposure to changes in the fair value of investments due to volatility in interest rates.

## NOTES TO FINANCIAL STATEMENTS (Continued)

At June 30, 2021, the average maturities for the fixed income mutual funds with at least one year of operations are as follows:

<u>Investment</u>	<u>Value</u>	<u>Weighted Average Maturity</u>
Fidelity Advisor High Income Fund	\$ 11,802	3.70 years
Fidelity Advisor Limited Term Bond Fund	224,884	3.00 years
Fidelity Advisor Strategic Income Fund	12,013,517	6.80 years
Fidelity Advisor Total Bond Fund	10,889,766	7.80 years
Fidelity Series Emerging Markets Debt Fund	3,130,172	9.50 years
Fidelity Series Emerging Markets Debt Local Currency Fund	1,033,420	9.50 years
Fidelity Series Floating Rate High Income Fund	658,762	4.70 years
Fidelity Series High Income Fund	3,687,631	3.60 years
Fidelity Series Inflation-Protected Bond Index Fund	47,458,086	4.90 years
Fidelity Series Investment Grade Bond Fund	154,151,500	7.80 years
Fidelity Series Long-Term Treasury Bond Index Fund	17,363,513	24.20 years

**Foreign Currency Risk.** Foreign currency risk represents exposure to changes in the fair value of investments due to volatility in exchange rates. The Advisor Plan does not have any direct investment in foreign securities. Certain Advisor Plan Portfolios allocate assets to mutual funds that are exposed to foreign currency risk. At June 30, 2021, the value of investments in mutual funds that significantly invest in foreign denominated securities are as follows:

<u>Investment</u>	<u>Value</u>
Fidelity Advisor Diversified International Fund	\$ 15,604,967
Fidelity Series Canada Fund	8,926,354
Fidelity Series Emerging Markets Debt Fund	3,130,172
Fidelity Series Emerging Markets Debt Local Currency Fund	1,033,420
Fidelity Series Emerging Markets Fund	5,831,491
Fidelity Series Emerging Markets Opportunities Fund	52,398,815
Fidelity Series International Growth Fund	23,744,907
Fidelity Series International Small Cap Fund	7,321,664
Fidelity Series International Value Fund	23,654,020
Fidelity Series Overseas Fund	23,701,432

**Credit Risk.** The mutual funds investing primarily in fixed income securities are subject to credit risk. Credit risk refers to the ability of the issuer to make timely payments of interest and principal. The mutual funds do not carry a formal credit quality rating. the World Health Organization during March 2020. Developments that disrupt global economies and financial markets, such as the COVID-19 pandemic, may magnify factors that affect the Portfolios' performance.

### 7 – Coronavirus (COVID-19) Pandemic:

An outbreak of COVID-19 first detected in China during December 2019 has since spread globally and was declared a pandemic by

**CONNECTICUT HIGHER EDUCATION TRUST - ADVISOR PLAN  
FINANCIAL HIGHLIGHTS  
FOR THE YEAR ENDED JUNE 30,2021**

Former Plan Options

Portfolio Series	Selected Per Unit data(1)					Total Return Based on Net Position Value per Unit%(3)	Ratios and Supplemental Data		
	\$ Net Position value at Beginning of Period	\$ Net Investment Income (Loss)	\$ Net Realized and Unrealized Gain (Loss)	\$ Total from Investment Operations	\$ Net Position Value at End of Period(2)		\$ Fiduciary Net Position (in thousands)	Ratio of Net Expenses to Average Net Position %	Ratio of Net Investment Income(Loss) to Average Net Position%(4)
<b>CHET Advisor Age-Based Portfolio 0-3</b>									
Class A	10.92	0.09	3.52	3.61	14.53	33.06	-	0.42	1.03
Class C	10.70	0.03	3.43	3.46	14.16	32.34	-	1.17	0.33
Class E	10.99	0.13	3.54	3.67	14.66	33.39	-	0.17	1.38
<b>CHET Advisor Age-Based Portfolio 4-6</b>									
Class A	20.31	0.19	5.38	5.57	25.88	27.42	-	0.42	1.14
Class C	18.88	0.05	5.00	5.05	23.93	26.75	-	1.17	0.35
Class E	20.81	0.22	5.53	5.75	26.56	27.63	-	0.17	1.31
<b>CHET Advisor Age-Based Portfolio 7-9</b>									
Class A	11.19	0.11	2.51	2.62	13.81	23.41	-	0.42	1.23
Class C	10.96	0.04	2.46	2.50	13.46	22.81	-	1.17	0.46
Class E	11.26	0.14	2.53	2.67	13.93	23.71	-	0.17	1.54
<b>CHET Advisor Age-Based Portfolio 10-11</b>									
Class A	18.39	0.17	3.57	3.74	22.13	20.34	-	0.42	1.18
Class C	17.10	0.06	3.31	3.37	20.47	19.71	-	1.17	0.44
Class E	18.84	0.21	3.67	3.88	22.72	20.59	-	0.17	1.40
<b>CHET Advisor Age-Based Portfolio 12-13</b>									
Class A	11.10	0.11	1.78	1.89	12.99	17.03	-	0.42	1.24
Class C	10.87	0.03	1.75	1.78	12.65	16.38	-	1.17	0.40
Class E	11.18	0.13	1.80	1.93	13.11	17.26	-	0.17	1.50
<b>CHET Advisor Age-Based Portfolio 14-15</b>									
Class A	17.04	0.16	2.35	2.51	19.55	14.73	-	0.42	1.23
Class C	15.85	0.06	2.17	2.23	18.08	14.07	-	1.17	0.47
Class E	17.47	0.21	2.40	2.61	20.08	14.94	-	0.17	1.51
<b>CHET Advisor Age-Based Portfolio 16</b>									
Class A	14.44	0.08	1.40	1.48	15.92	10.25	-	0.42	0.70
Class C	13.41	(0.01)	1.31	1.30	14.71	9.69	-	1.17	(0.06)
Class E	14.80	0.11	1.43	1.54	16.34	10.41	-	0.17	0.96
<b>CHET Advisor Age-Based Portfolio 17</b>									
Class A	10.88	0.04	0.73	0.77	11.65	7.08	-	0.42	0.49
Class C	10.65	(0.02)	0.72	0.70	11.35	6.57	-	1.17	(0.27)
Class E	10.96	0.06	0.73	0.79	11.75	7.21	-	0.17	0.73
<b>CHET Advisor Age-Based Portfolio 18+</b>									
Class A	12.49	0.03	0.59	0.62	13.11	4.96	-	0.42	0.34
Class C	11.61	(0.04)	0.54	0.50	12.11	4.31	-	1.17	(0.42)
Class E	12.79	0.06	0.59	0.65	13.44	5.08	-	0.17	0.59
<b>CHET Advisor Aggressive Growth Portfolio</b>									
Class A	22.19	0.20	7.15	7.35	29.54	33.12	-	0.42	1.06
Class C	20.63	0.05	6.63	6.68	27.31	32.38	-	1.17	0.30
Class E	22.73	0.25	7.33	7.58	30.31	33.35	-	0.17	1.30
<b>CHET Advisor Balanced Portfolio</b>									
Class A	17.72	0.16	3.45	3.61	21.33	20.37	-	0.42	1.15
Class C	16.48	0.05	3.19	3.24	19.72	19.66	-	1.17	0.37
Class E	18.16	0.20	3.53	3.73	21.89	20.54	-	0.17	1.39
<b>CHET Advisor Conservative Portfolio</b>									
Class A	14.48	0.07	1.41	1.48	15.96	10.22	-	0.42	0.65
Class C	13.46	(0.01)	1.32	1.31	14.77	9.73	-	1.17	(0.12)
Class E	14.83	0.10	1.46	1.56	16.39	10.52	-	0.17	0.92
<b>CHET Advisor Growth Portfolio</b>									
Class A	20.31	0.19	5.39	5.58	25.89	27.47	-	0.42	1.12
Class C	18.89	0.05	5.01	5.06	23.95	26.79	-	1.17	0.34
Class E	20.82	0.23	5.54	5.77	26.59	27.71	-	0.17	1.36

**CONNECTICUT HIGHER EDUCATION TRUST - ADVISOR PLAN  
FINANCIAL HIGHLIGHTS (Continued)**

Portfolio Series	\$ Net Position value at Beginning of Period	\$ Net Investment Income (Loss)	\$ Net Realized and Unrealized Gain (Loss)	\$ Total from Investment Operations	\$ Net Position Value at End of Period(2)	Total Return Based on Net Position Value per Unit%(3)	\$ Fiduciary Net Position (in thousands)	Ratio of Net Expenses to Average Net Position %	Ratio of Net Investment Income(Loss) to Average Net Position %(4)
<b>CHET Advisor Stable Value 529 Portfolio</b>									
Class A	10.45	(0.03)	0.11	0.08	10.53	0.77	-	0.42	(0.42)
Class C	10.34	(0.03)	0.11	0.08	10.42	0.77	-	0.42	(0.42)
Class E	10.52	(0.01)	0.11	0.10	10.62	0.95	-	0.17	(0.17)
<b>Hartford Balanced Income 529 Portfolio</b>									
Class A	11.40	0.11	1.18	1.29	12.69	11.32	-	0.42	1.30
Class C	11.16	0.05	1.16	1.21	12.37	10.84	-	1.17	0.60
Class E	11.47	0.14	1.19	1.33	12.80	11.60	-	0.17	1.54
<b>Hartford Core Equity 529 Portfolio</b>									
Class A	13.54	0.09	3.54	3.63	17.17	26.81	-	0.42	0.80
Class C	13.26	-	3.47	3.47	16.73	26.17	-	1.17	0.02
Class E	13.63	0.12	3.57	3.69	17.32	27.07	-	0.17	1.06
<b>Hartford Dividend and Growth 529 Portfolio</b>									
Class A	25.95	0.18	8.07	8.25	34.20	31.79	-	0.42	0.85
Class C	24.12	0.02	7.47	7.49	31.61	31.05	-	1.17	0.09
Class E	26.57	0.25	8.26	8.51	35.08	32.03	-	0.17	1.13
<b>Hartford Equity Income 529 Portfolio</b>									
Class A	24.27	0.21	6.67	6.88	31.15	28.35	-	0.42	1.05
Class C	22.57	0.05	6.19	6.24	28.81	27.65	-	1.17	0.29
Class E	24.87	0.28	6.82	7.10	31.97	28.55	-	0.17	1.39
<b>Hartford Growth Opportunities 529 Portfolio</b>									
Class A	43.95	(0.16)	16.18	16.02	59.97	36.45	-	0.42	(0.42)
Class C	40.86	(0.42)	15.02	14.60	55.46	35.73	-	1.17	(1.17)
Class E	45.04	(0.07)	16.60	16.53	61.57	36.70	-	0.17	(0.17)
<b>Hartford Inflation Plus 529 Portfolio</b>									
Class A	12.13	0.21	0.35	0.56	12.69	4.62	-	0.42	2.35
Class C	11.28	0.13	0.32	0.45	11.73	3.99	-	1.17	1.54
Class E	12.42	0.24	0.36	0.60	13.02	4.83	-	0.17	2.60
<b>Hartford International Opportunities 529 Portfolio</b>									
Class A	15.27	0.09	4.42	4.51	19.78	29.54	-	0.42	0.69
Class C	14.18	(0.01)	4.10	4.09	18.27	28.84	-	1.17	(0.06)
Class E	15.64	0.13	4.52	4.65	20.29	29.73	-	0.17	0.96
<b>Hartford MidCap 529 Portfolio</b>									
Class A	30.36	(0.11)	12.02	11.91	42.27	39.23	-	0.42	(0.42)
Class C	28.23	(0.28)	11.15	10.87	39.10	38.51	-	1.17	(1.17)
Class E	31.10	(0.05)	12.33	12.28	43.38	39.49	-	0.17	(0.17)
<b>Hartford Small Cap Growth 529 Portfolio</b>									
Class A	28.38	(0.11)	13.12	13.01	41.39	45.84	-	0.42	(0.42)
Class C	26.37	(0.27)	12.15	11.88	38.25	45.05	-	1.17	(1.17)
Class E	29.07	(0.04)	13.44	13.40	42.47	46.10	-	0.17	(0.17)
<b>Hartford Total Return Bond 529 Portfolio</b>									
Class A	14.28	0.20	(0.29)	(0.09)	14.19	(0.63)	-	0.42	1.96
Class C	13.26	0.12	(0.27)	(0.15)	13.11	(1.13)	-	1.17	1.21
Class E	14.63	0.24	(0.31)	(0.07)	14.56	(0.48)	-	0.17	2.21
<b>Hartford World Bond 529 Portfolio</b>									
Class A	11.47	0.02	0.15	0.17	11.64	1.48	-	0.42	0.24
Class C	10.89	(0.04)	0.14	0.10	10.99	0.92	-	1.17	(0.53)
Class E	11.67	0.04	0.14	0.18	11.85	1.54	-	0.17	0.46

- (1) HFMC Financial Highlights for the period July 1, 2020 to Conversion Date
- (2) Represents the ending Net Position Value prior to the transition to Fidelity Investments as described in Note 1 to the financial statements.
- (3) Not annualized.
- (4) Annualized.
- (5) Calculated based on average units outstanding during the period.

**CONNECTICUT HIGHER EDUCATION TRUST - ADVISOR PLAN  
FINANCIAL HIGHLIGHTS (Continued)**

Fidelity Plan Options

<u>Portfolio Series</u>	<u>\$ Net Position value at Beginning of Period</u>	<u>\$ Net Investment Income (Loss)</u>	<u>\$ Net Realized and Unrealized Gain (Loss)</u>	<u>\$ Total from Investment Operations</u>	<u>\$ Net Position Value at End of Period(2)</u>	<u>Total Return Based on Net Position Value per Unit%(3)</u>	<u>\$ Fiduciary Net Position (in thousands)</u>	<u>Ratio of Net Expenses to Average Net Position %</u>	<u>Ratio of Net Investment Income(Loss)t Average Net Position%(4)</u>
<b>CHET Advisor 529 College Portfolio</b>									
Class A	10.00	-	0.21	0.21	10.21	2.10	54,351	0.92	(0.07)
Class C	10.00	(0.02)	0.21	0.19	10.19	1.90	11,649	0.92	(0.81)
Class I	10.00	0.01	0.20	0.21	10.21	2.10	7,155	0.67	0.18
Class P	10.00	(0.02)	0.22	0.20	10.20	2.00	2	1.42	(0.54)
<b>CHET Advisor 529 Portfolio 2022</b>									
Class A	10.00	-	0.24	0.24	10.24	2.40	61,308	0.97	(0.10)
Class C	10.00	(0.02)	0.24	0.22	10.22	2.20	10,025	1.72	(0.84)
Class I	10.00	-	0.25	0.25	10.25	2.50	6,757	0.72	0.15
Class P	10.00	-	0.25	0.25	10.25	2.50	1	1.47	(0.13)
<b>CHET Advisor 529 Portfolio 2025</b>									
Class A	10.00	-	0.31	0.31	10.31	3.10	118,049	1.03	(0.17)
Class C	10.00	(0.03)	0.32	0.29	10.29	2.90	11,568	1.78	(0.91)
Class I	10.00	-	0.32	0.32	10.32	3.20	13,335	0.78	0.08
Class P	10.00	(0.02)	0.33	0.31	10.31	3.10	1	1.53	(0.48)
<b>CHET Advisor 529 Portfolio 2028</b>									
Class A	10.00	(0.01)	0.39	0.38	10.38	3.80	57,278	1.07	(0.33)
Class C	10.00	(0.03)	0.38	0.35	10.35	3.50	3,854	1.82	(1.08)
Class I	10.00	-	0.38	0.38	10.38	3.80	6,678	0.82	(0.09)
Class P	10.00	(0.01)	0.37	0.36	10.36	3.60	1	1.57	(0.79)
<b>CHET Advisor 529 Portfolio 2031</b>									
Class A	10.00	(0.02)	0.46	0.44	10.44	4.40	68,671	1.12	(0.52)
Class C	10.00	(0.04)	0.46	0.42	10.42	4.20	6,203	1.87	(1.26)
Class I	10.00	(0.01)	0.45	0.44	10.44	4.40	7,529	0.87	(0.27)
Class P	10.00	(0.01)	0.46	0.45	10.45	4.50	3	1.62	(0.71)
<b>CHET Advisor 529 Portfolio 2034</b>									
Class A	10.00	(0.02)	0.52	0.50	10.50	5.00	42,855	1.16	(0.70)
Class C	10.00	(0.04)	0.51	0.47	10.47	4.70	4,728	1.91	(1.44)
Class I	10.00	(0.01)	0.51	0.50	10.50	5.00	4,941	0.91	(0.43)
Class P	10.00	(0.04)	0.55	0.51	10.51	5.10	263	0.91	(0.23)
<b>CHET Advisor 529 Portfolio 2037</b>									
Class A	10.00	(0.03)	0.59	0.56	10.56	5.60	21,217	1.19	(1.00)
Class C	10.00	(0.05)	0.59	0.54	10.54	5.40	2,445	1.94	(1.74)
Class I	10.00	(0.02)	0.59	0.57	10.57	5.70	2,494	0.94	(0.75)
Class P	10.00	(0.04)	0.59	0.55	10.55	5.50	1	1.69	(1.42)
<b>CHET Advisor 529 Portfolio 2039</b>									
Class A	10.00	(0.03)	0.62	0.59	10.59	5.90	776	1.21	(1.13)
Class C	10.00	(0.06)	0.63	0.57	10.57	5.70	23	1.96	(1.88)
Class I	10.00	(0.03)	0.63	0.60	10.60	6.00	19	0.96	(0.88)
Class P	10.00	(0.03)	0.63	0.60	10.60	6.00	1	1.71	(1.00)
<b>CHET Advisor 529 Aggressive Growth Portfolio</b>									
Class A	10.00	(0.04)	0.63	0.59	10.59	5.90	28,152	1.25	(1.23)
Class C	10.00	(0.06)	0.63	0.57	10.57	5.70	4,796	2.00	(1.97)
Class I	10.00	(0.03)	0.63	0.60	10.60	6.00	12,130	1.00	(0.98)
Class P	10.00	(0.04)	0.63	0.59	10.59	5.90	1	1.75	(1.48)

**CONNECTICUT HIGHER EDUCATION TRUST - ADVISOR PLAN  
FINANCIAL HIGHLIGHTS (Continued)**

<u>Portfolio Series</u>	<u>\$ Net Position value at Beginning of Period</u>	<u>\$ Net Investment Income (Loss)</u>	<u>\$ Net Realized and Unrealized Gain (Loss)</u>	<u>\$ Total from Investment Operations</u>	<u>\$ Net Position Value at End of Period(2)</u>	<u>Total Return Based on Net Position Value per Unit%(3)</u>	<u>\$ Fiduciary Net Position (in thousands)</u>	<u>Ratio of Net Expenses to Average Net Position %</u>	<u>Ratio of Net Investment Income (Loss) to Average Net Position%(4)</u>
<b>CHET Advisor 529 Moderate Growth Portfolio</b>									
Class A	10.00	(0.02)	0.50	0.48	10.48	4.80	38,981	1.16	(0.62)
Class C	10.00	(0.04)	0.50	0.46	10.46	4.60	7,063	1.91	(1.36)
Class I	10.00	(0.01)	0.50	0.49	10.49	4.90	4,655	0.91	(0.37)
Class P	10.00	(0.04)	0.53	0.49	10.49	4.90	262	1.66	(0.12)
<b>CHET Advisor 529 Asset Manager 60% Portfolio</b>									
Class A	10.00	(0.01)	0.50	0.49	10.49	4.90	34,965	0.45	(0.45)
Class C	10.00	(0.04)	0.51	0.47	10.47	4.70	6,638	1.20	(1.19)
Class I	10.00	(0.01)	0.51	0.50	10.50	5.00	5,473	0.20	(0.20)
Class P	10.00	-	0.50	0.50	10.50	5.00	262	0.20	-
<b>CHET Advisor 529 Diversified International Portfolio</b>									
Class A	10.00	(0.01)	0.58	0.57	10.57	5.70	10,860	0.45	(0.45)
Class C	10.00	(0.04)	0.59	0.55	10.55	5.50	1,719	1.20	(1.19)
Class I	10.00	(0.01)	0.59	0.58	10.58	5.80	3,020	0.20	(0.20)
Class P	10.00	-	0.58	0.58	10.58	5.80	-	0.20	-
<b>CHET Advisor 529 Dividend Growth Portfolio</b>									
Class A	10.00	(0.01)	0.75	0.74	10.74	7.40	24,790	0.45	(0.45)
Class C	10.00	(0.04)	0.76	0.72	10.72	7.20	6,934	1.20	(1.19)
Class I	10.00	(0.01)	0.76	0.75	10.75	7.50	4,770	0.20	(0.20)
Class P	10.00	-	0.75	0.75	10.75	7.50	1	0.95	(0.55)
<b>CHET Advisor 529 Equity Growth Portfolio</b>									
Class A	10.00	(0.01)	0.92	0.91	10.91	9.10	317	0.45	(0.44)
Class C	10.00	(0.04)	0.93	0.89	10.89	8.90	73	1.20	(1.17)
Class I	10.00	(0.01)	0.93	0.92	10.92	9.20	27	0.20	(0.20)
Class P	10.00	-	0.92	0.92	10.92	9.20	273	0.20	-
<b>CHET Advisor 529 Equity Income Portfolio</b>									
Class A	10.00	0.02	0.57	0.59	10.59	5.90	10,244	0.45	0.62
Class C	10.00	-	0.56	0.56	10.56	5.60	2,789	1.20	(0.10)
Class I	10.00	0.03	0.56	0.59	10.59	5.90	1,864	0.20	0.86
Class P	10.00	0.04	0.56	0.60	10.60	6.00	265	0.20	1.01
<b>CHET Advisor 529 Growth Opportunities Portfolio</b>									
Class A	10.00	(0.01)	0.80	0.79	10.79	7.90	29,270	0.45	(0.45)
Class C	10.00	(0.03)	0.80	0.77	10.77	7.70	4,977	1.20	(1.19)
Class I	10.00	(0.01)	0.81	0.80	10.80	8.00	5,741	0.20	(0.20)
Class P	10.00	-	0.79	0.79	10.79	7.90	1	0.95	(0.43)
<b>CHET Advisor 529 High Income Portfolio</b>									
Class A	10.00	0.11	0.21	0.32	10.32	3.20	8	0.35	3.68
Class C	10.00	0.08	0.21	0.29	10.29	2.90	3	1.20	2.93
Class I	10.00	0.12	0.21	0.33	10.33	3.30	258	0.20	4.22
Class P	10.00	0.12	0.21	0.33	10.33	3.30	258	0.20	4.14
<b>CHET Advisor 529 Inflation-Protected Bond Portfolio</b>									
Class A	10.00	(0.01)	0.31	0.30	10.30	3.00	3,932	0.35	(0.35)
Class C	10.00	(0.01)	0.29	0.28	10.28	2.80	2,817	1.20	(1.19)
Class I	10.00	-	0.31	0.31	10.31	3.10	606	0.20	(0.20)
Class P	10.00	-	0.31	0.31	10.31	3.10	258	0.20	-
<b>CHET Advisor 529 Limited Term Bond Portfolio</b>									
Class A	10.00	0.03	-	0.03	10.03	0.30	61	0.35	0.87
Class C	10.00	-	0.01	0.01	10.01	0.10	23	1.20	0.01
Class I	10.00	0.03	0.01	0.04	10.04	0.40	141	0.20	1.00
Class P	10.00	0.04	-	0.04	10.04	0.40	251	0.20	1.24

**CONNECTICUT HIGHER EDUCATION TRUST - ADVISOR PLAN  
FINANCIAL HIGHLIGHTS (Continued)**

<u>Portfolio Series</u>	<u>\$ Net Position value at Beginning of Period</u>	<u>\$ Net Investment Income (Loss)</u>	<u>\$ Net Realized and Unrealized Gain (Loss)</u>	<u>\$ Total from Investment Operations</u>	<u>\$ Net Position Value at End of Period(2)</u>	<u>Total Return Based on Net Position Value per Unit%(3)</u>	<u>\$ Fiduciary Net Position (in thousands)</u>	<u>Ratio of Net Expenses to Average Net Position %</u>	<u>Ratio of Net Investment Income(Loss) to Average Net Position %(4)</u>
<b>CHET Advisor 529 New Insights Portfolio</b>									
Class A	10.00	(0.01)	1.18	1.17	11.17	11.70	17,543	0.45	(0.45)
Class C	10.00	(0.04)	1.19	1.15	11.15	11.50	2,234	1.20	(1.19)
Class I	10.00	(0.01)	1.19	1.18	11.18	11.80	5,131	0.20	(0.20)
Class P	10.00	-	1.20	1.20	11.20	11.90	280	0.20	-
<b>CHET Advisor 529 Small Cap Portfolio</b>									
Class A	10.00	(0.01)	0.30	0.29	10.29	2.90	11,147	0.45	(0.45)
Class C	10.00	(0.03)	0.30	0.27	10.27	2.70	1,248	1.20	(1.19)
Class I	10.00	(0.01)	0.31	0.30	10.30	3.00	3,048	0.20	(0.20)
Class P	10.00	-	0.31	0.31	10.31	3.10	258	0.20	-
<b>CHET Advisor 529 Stable Value Portfolio</b>									
Class A	10.00	(0.02)	0.04	0.02	10.02	0.20	20,466	0.33	(0.62)
Class C	10.00	(0.04)	0.04	-	10.00	-	4,873	1.08	(1.37)
Class I	10.00	(0.01)	0.04	0.03	10.03	0.30	6,191	0.08	(0.38)
Class P	10.00	-	0.03	0.03	10.03	0.30	251	0.08	(0.30)
<b>CHET Advisor 529 Stock Selector Mid Cap Portfolio</b>									
Class A	10.00	(0.01)	0.29	0.28	10.28	2.80	14,503	0.45	(0.45)
Class C	10.00	(0.04)	0.30	0.26	10.26	2.60	1,996	1.20	(1.19)
Class I	10.00	(0.01)	0.30	0.29	10.29	2.90	4,238	0.20	(0.20)
Class P	10.00	-	0.29	0.29	10.29	2.90	257	0.20	-
<b>CHET Advisor 529 Strategic Dividend &amp; Income Portfolio</b>									
Class A	10.00	0.01	0.55	0.56	10.56	5.60	49	0.45	0.36
Class C	10.00	(0.03)	0.56	0.53	10.53	5.30	30	1.20	(1.11)
Class I	10.00	0.02	0.55	0.57	10.57	5.70	2	0.20	0.67
Class P	10.00	0.04	0.53	0.57	10.57	5.70	264	0.20	1.59
<b>CHET Advisor 529 Strategic Income Portfolio</b>									
Class A	10.00	0.06	0.19	0.25	10.25	2.50	8,528	0.35	2.21
Class C	10.00	0.04	0.19	0.23	10.23	2.30	2,301	1.20	1.36
Class I	10.00	0.07	0.19	0.26	10.26	2.60	1,179	0.20	2.35
Class P	10.00	0.08	0.19	0.27	10.27	2.70	257	0.20	2.58
<b>CHET Advisor 529 Total Bond Portfolio</b>									
Class A	10.00	0.05	0.16	0.21	10.21	2.10	7,663	0.35	1.69
Class C	10.00	0.02	0.17	0.19	10.19	1.90	1,798	1.20	0.85
Class I	10.00	0.05	0.16	0.21	10.21	2.10	1,423	0.20	1.84
Class P	10.00	0.03	0.17	0.20	10.20	2.00	2	0.95	1.17
<b>CHET Advisor 529 Value Strategies Portfolio</b>									
Class A	10.00	(0.01)	0.56	0.55	10.55	5.50	358	0.45	(0.44)
Class C	10.00	(0.03)	0.56	0.53	10.53	5.30	60	1.20	(1.11)
Class I	10.00	(0.01)	0.57	0.56	10.56	5.60	25	0.20	(0.20)
Class P	10.00	-	0.57	0.57	10.57	5.70	264	0.20	-

\* Fidelity Financial Highlights, for the period Conversion Date to June 30, 2021

- (a) Calculated based on average units outstanding during the period.
- (b) Fees and expenses of any underlying mutual funds or exchange-traded funds (ETFs) are not included in the Portfolio's expense ratio
- (c) Annualized
- (d) Total returns for periods of less than one year are not annualized.

# Supplemental Information





**COMBINED INVESTMENT FUNDS  
TOTAL NET POSITION VALUE BY PENSION PLANS AND TRUST FUNDS  
JUNE 30, 2021**

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**Retirement Funds**

	<b><u>Net Position Value</u></b>
Teachers' Retirement Fund	\$ 22,200,625,660
State Employees' Retirement Fund	16,345,927,449
Municipal Employees' Retirement Fund	3,328,689,021
State Judges' Retirement Fund	298,259,003
The Probate Court Retirement Fund	140,859,297
State's Attorneys Retirement Fund	2,698,495

**Non-retirement Trust Funds**

Soldiers' Sailors' & Marines' Fund	90,958,033
Police & Firemans' Survivors' Benefit Fund	47,611,005
Connecticut Arts Endowment Fund	24,592,228
School Fund	13,858,240
Ida Eaton Cotton Fund	3,079,955
Hopemead State Park Fund	4,941,301
Andrew C. Clark Fund	1,449,007
Agricultural College Fund	696,957
OPEB Fund	2,050,349,082
<b>TOTAL</b>	<b>\$ <u><u>44,554,594,733</u></u></b>

**COMBINED INVESTMENT FUNDS**  
**SCHEDULE OF NET POSITION BY INVESTMENT FUND**  
**JUNE 30, 2021**

	LIQUIDITY FUND	ALTERNATIVE INVESTMENT FUND	DOMESTIC EQUITY FUND	CORE FIXED INCOME FUND	EMERGING MARKET DEBT FUND	HIGH YIELD DEBT FUND
<b>ASSETS</b>						
Investments in Securities, at Fair Value						
Liquidity Fund	\$ -	\$ 13,180,935	\$ 603,781,286	\$ 3,618,164	\$ 3,413,802	\$ 3,426,331
Cash Equivalents	362,326,842	-	41,957,757	196,082,206	61,221,945	50,750,178
Asset Backed Securities	-	-	-	164,840,732	11,631,707	264,054
Government Securities	359,990,841	-	-	1,746,391,427	1,689,928,619	-
Government Agency Securities	-	-	-	1,553,273,555	-	-
Mortgage Backed Securities	-	-	-	544,551,408	2,532,696	-
Corporate Debt	264,956,707	-	3	1,798,469,282	476,848,993	2,372,638,272
Convertible Securities	-	-	-	-	1,911,629	158,214,596
Common Stock	-	-	9,306,372,516	-	-	19,451,207
Preferred Stock	-	-	-	2,175,726	435,000	20,096,139
Real Estate Investment Trust	-	-	301,606,894	84,156,542	1,737,304	69,977,887
Business Development Corporation	-	-	-	-	-	-
Mutual Fund	-	-	177,968,355	-	-	-
Limited Liability Corporation	-	-	-	-	-	-
Trusts	-	-	-	-	-	-
Limited Partnerships	-	1,952,295,949	-	-	-	296,205
Total Investments in Securities, at Fair Value	987,274,390	1,965,476,884	10,431,686,811	6,093,559,042	2,249,661,695	2,695,114,869
Cash	-	3	-	8,514,395	19,265,397	4,063,598
Receivables						
Foreign Exchange Contracts	-	-	-	34,073,963	926,988,991	37,344,210
Interest Receivable	(3,348)	272	1,852	27,908,695	37,455,445	37,174,236
Dividends Receivable	-	-	6,466,091	-	-	3,681
Due from Brokers	-	-	37,446,865	170,577,866	11,549,921	15,926,972
Foreign Taxes	-	-	640	-	1,266,269	2,119
Securities Lending Receivable	-	-	107,926	225,285	14,129	154,069
Reserve for Doubtful Receivables	-	-	(523,681)	-	(1,119,716)	1,337
Total Receivables	(3,348)	272	43,499,693	232,785,809	976,155,039	90,606,624
Invested Securities Lending Collateral	-	-	394,347,556	1,073,204,209	47,316,955	710,201,802
Prepaid Expenses	-	-	-	-	-	-
<b>Total Assets</b>	<b>987,271,042</b>	<b>1,965,477,159</b>	<b>10,869,534,060</b>	<b>7,408,063,455</b>	<b>3,292,399,086</b>	<b>3,499,986,893</b>
<b>LIABILITIES</b>						
Payables						
Foreign Exchange Contracts	-	-	-	33,285,549	928,335,138	36,839,786
Due to Brokers	-	-	39,738,574	760,334,366	32,292,616	43,982,310
Income Distribution	28,139	-	-	-	-	-
Other Payable	-	-	135,408	-	-	-
Total Payables	28,139	-	39,873,982	793,619,915	960,627,754	80,822,096
Securities Lending Collateral	-	-	394,347,556	1,073,204,209	47,316,955	710,201,802
Accrued Expenses	31,157	(1,352)	2,239,180	1,516,501	1,990,648	2,453,587
<b>Total Liabilities</b>	<b>59,296</b>	<b>(1,352)</b>	<b>436,460,718</b>	<b>1,868,340,625</b>	<b>1,009,935,357</b>	<b>793,477,485</b>
<b>NET POSITION HELD IN TRUST FOR PARTICIPANTS</b>	<b>\$ 987,211,746</b>	<b>\$ 1,965,478,511</b>	<b>\$ 10,433,073,342</b>	<b>\$ 5,539,722,830</b>	<b>\$ 2,282,463,729</b>	<b>\$ 2,706,509,408</b>
Units Outstanding	987,211,746	1,418,224,579	2,956,214	36,430,020	11,592,191	13,857,758
Net Position Value and Redemption Price per Unit	\$ 1.00	\$ 1.39	\$ 3,529.20	\$ 152.06	\$ 196.90	\$ 195.31

**COMBINED INVESTMENT FUNDS**  
**SCHEDULE OF NET POSITION BY INVESTMENT FUND (Continued)**  
**JUNE 30, 2021**

DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ASSETS FUND	PRIVATE CREDIT FUND	PRIVATE INVESTMENT FUND	ELIMINATION ENTRY	TOTAL
\$ 3,806,694	\$ 3,755,565	\$ 52,589,226	\$ 13,124,272	\$ 139,848,819	\$ (840,545,094)	\$ -
43,125,968	93,534,887	1,308,547	-	-	-	850,308,330
-	-	-	-	-	-	176,736,493
-	-	1,926,596,868	-	-	-	5,722,907,755
-	-	-	-	-	-	1,553,273,555
3,716,307	-	-	-	-	-	547,084,104
-	-	-	-	-	-	4,916,629,564
5,637,272,620	4,678,933,411	(10,107)	-	-	-	160,126,225
24,622,961	114,149,868	-	-	-	-	19,642,019,647
64,514,772	-	226,738,897	-	-	-	161,479,694
-	-	-	-	-	-	748,732,296
-	387,077,874	-	-	-	-	-
-	-	-	-	71,637	-	565,046,229
-	-	-	-	-	-	71,637
-	241,104,455	3,088,549,441	410,514,633	4,262,939,001	-	9,955,699,684
5,777,059,322	5,518,556,060	5,295,772,872	423,638,905	4,402,859,457	(840,545,094)	45,000,115,213
24,942,565	6,713,752	7,377,891	2	1,016,233	-	71,893,836
16,421,485	35,773,685	-	-	-	(42,624)	1,050,559,710
14,344	1,197	4,333,976	1,640	4,828	3,348	106,896,485
6,390,966	14,519,009	544,527	-	-	-	27,924,274
8,347,490	31,928,543	10,872,989	-	-	-	286,650,646
18,459,535	715,265	-	-	-	-	20,443,828
88,447	240,940	337,203	-	-	-	1,167,999
(2,815,967)	(46,190)	-	-	-	-	(4,504,217)
46,906,300	83,132,449	16,088,695	1,640	4,828	(39,276)	1,489,138,725
45,900,861	295,207,792	1,763,573,750	-	-	-	4,329,752,925
-	-	-	-	263,750	-	263,750
5,894,809,048	5,903,610,053	7,082,813,208	423,640,547	4,404,144,268	(840,584,370)	50,891,164,449
16,417,800	35,778,014	-	-	-	-	1,050,656,287
14,426,546	34,248,438	11,088,046	-	-	-	936,110,896
-	-	-	-	-	(12,754)	15,385
-	-	2,758	-	-	-	138,166
30,844,346	70,026,452	11,090,804	-	-	(12,754)	1,986,920,734
45,900,861	295,207,792	1,763,573,750	-	-	-	4,329,752,925
3,181,878	7,297,123	689,779	19,914	504,168	(25,871)	19,896,057
79,927,085	372,531,367	1,775,354,333	19,914	504,168	(39,280)	6,336,569,716
\$ 5,814,881,963	\$ 5,531,078,686	\$ 5,307,458,875	\$ 423,620,633	\$ 4,403,640,100	\$ (840,545,090)	\$ 44,554,594,733
7,877,189	8,324,806	77,965,624	34,338,922	26,146,365	-	-
\$ 738.19	\$ 664.41	\$ 68.07	\$ 12.34	\$ 168.42	-	-

**COMBINED INVESTMENT FUNDS  
SCHEDULE OF CHANGES IN NET POSITION BY INVESTMENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	LIQUIDITY FUND	ALTERNATIVE INVESTMENT FUND	DOMESTIC EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
<b>ADDITIONS</b>						
<b>OPERATIONS</b>						
<b>Investment Income</b>						
Dividends	\$ 9,042	\$ -	\$ 130,727,987	\$ 72,859	\$ -	\$ -
Interest	1,492,223	31,659	46,724	137,431,061	(285,035)	122,322,793
Other Income	-	-	343,110	885,197	-	543,928
Securities Lending	-	-	1,854,356	3,609,813	-	148,111
<b>Total Income</b>	<b>1,501,265</b>	<b>31,659</b>	<b>132,972,177</b>	<b>141,998,930</b>	<b>(285,035)</b>	<b>123,014,832</b>
<b>Expenses</b>						
Investment Advisory Fees	168,905	-	10,112,768	5,694,591	-	6,994,309
Custody and Transfer Agent Fees	45,043	185,179	624,400	469,133	-	123,561
Professional Fees	23,040	488,446	345,352	192,546	-	63,507
Security Lending Fees	-	-	152,359	268,605	-	14,525
Security Lending Rebates	-	-	330,771	923,763	-	2,858
Investment Expenses	5,232	19,662	83,550	117,040	3,884	1,166,059
<b>Total Expenses</b>	<b>242,220</b>	<b>693,287</b>	<b>11,649,200</b>	<b>7,665,678</b>	<b>3,884</b>	<b>8,364,819</b>
<b>Net Investment Income</b>	<b>1,259,045</b>	<b>(661,628)</b>	<b>121,322,977</b>	<b>134,333,252</b>	<b>(288,919)</b>	<b>114,650,013</b>
<b>Net Increase (Decrease) in the Fair Value of Investments and Foreign Currency</b>	<b>2,205</b>	<b>222,576,196</b>	<b>3,054,313,701</b>	<b>(85,844,181)</b>	<b>14,138</b>	<b>73,689,866</b>
<b>Net Increase (Decrease) in Net Position Resulting from Operations</b>	<b>1,261,250</b>	<b>221,914,568</b>	<b>3,175,636,678</b>	<b>48,489,071</b>	<b>(274,781)</b>	<b>188,339,879</b>
<b>Unit Transactions</b>						
Purchase of Units by Participants	6,546,064,576	8,601,000	93,760,000	47,866,000	76,000	230,400,000
<b>TOTAL ADDITIONS</b>	<b>6,547,325,826</b>	<b>230,515,568</b>	<b>3,269,396,678</b>	<b>96,355,071</b>	<b>(198,781)</b>	<b>418,739,879</b>
<b>DEDUCTIONS</b>						
<b>Administrative Expenses:</b>						
Salary and Fringe Benefits	(62,066)	(295,963)	(1,505,762)	(813,044)	(83,429)	(318,204)
<b>Distributions to Unit Owners:</b>						
Income Distributed	(1,199,184)	-	-	-	-	-
<b>Unit Transactions</b>						
Redemption of Units by Participants	(6,437,954,574)	(803,696,000)	(97,565,000)	(1,181,559,000)	(14,900,000)	(29,980,000)
<b>TOTAL DEDUCTIONS</b>	<b>(6,439,215,824)</b>	<b>(803,991,963)</b>	<b>(99,070,762)</b>	<b>(1,182,372,044)</b>	<b>(14,983,429)</b>	<b>(30,298,204)</b>
<b>Change in Net Position Held in Trust for Participants</b>	<b>108,110,002</b>	<b>(573,476,395)</b>	<b>3,170,325,916</b>	<b>(1,086,016,973)</b>	<b>(15,182,210)</b>	<b>388,441,675</b>
<b>Net Position- Beginning of Period</b>	<b>879,101,744</b>	<b>2,538,954,906</b>	<b>7,262,747,426</b>	<b>6,625,739,803</b>	<b>15,182,210</b>	<b>1,894,022,054</b>
<b>Net Position- End of Period</b>	<b>\$ 987,211,746</b>	<b>\$ 1,965,478,511</b>	<b>\$ 10,433,073,342</b>	<b>\$ 5,539,722,830</b>	<b>\$ -</b>	<b>\$ 2,282,463,729</b>
<b>Other Information:</b>						
<b>Units</b>						
Purchased	6,546,064,576	6,691,180	32,806	315,199	-	1,158,775
Redeemed	(6,437,954,574)	(595,676,352)	(33,764)	(7,684,665)	(90,774)	(158,264)
<b>Net Increase (Decrease)</b>	<b>108,110,002</b>	<b>(588,985,172)</b>	<b>(957)</b>	<b>(7,369,466)</b>	<b>(90,774)</b>	<b>1,000,511</b>

**COMBINED INVESTMENT FUNDS  
SCHEDULE OF CHANGES IN NET POSITION BY INVESTMENT FUND (Continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

HIGH YIELD INVESTMENT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ASSETS FUND	PRIVATE CREDIT FUND	PRIVATE INVESTMENT FUND	ELIMINATION ENTRY	TOTAL
\$ 2,734,891	\$ 132,694,482	\$ 87,296,561	\$ 89,143,891	\$ 9,215,110	\$ 29,452,219	\$ (3,044)	\$ 481,343,998
139,613,584	94,003	50,861	(3)	34,904	106,111	(502,437)	400,436,448
2,987,264	2,479,978	5,353,330	-	-	-	-	12,592,807
2,045,471	774,114	2,822,434	4,620,682	-	-	-	15,874,981
<u>147,381,210</u>	<u>136,042,577</u>	<u>95,523,186</u>	<u>93,764,570</u>	<u>9,250,014</u>	<u>29,558,330</u>	<u>(505,481)</u>	<u>910,248,234</u>
8,602,486	11,425,887	23,845,624	2,426,592	-	718,036	(56,871)	69,932,327
178,007	355,543	413,854	493,583	20,405	341,683	(15,166)	3,235,225
75,743	163,293	143,894	492,483	210,223	1,482,617	(7,758)	3,673,386
191,007	75,524	267,924	292,338	-	-	-	1,262,282
135,403	18,870	143,198	1,697,302	-	-	-	3,252,165
79,948	89,917	726,084	21,215,424	1,098	72,486,688	(1,762)	95,992,824
<u>9,262,594</u>	<u>12,129,034</u>	<u>25,540,578</u>	<u>26,617,722</u>	<u>231,726</u>	<u>75,029,024</u>	<u>(81,557)</u>	<u>177,348,209</u>
138,118,616	123,913,543	69,982,608	67,146,848	9,018,288	(45,470,694)	(423,924)	732,900,025
<u>248,778,858</u>	<u>1,342,323,769</u>	<u>1,558,266,008</u>	<u>336,942,743</u>	<u>50,320,722</u>	<u>1,479,642,370</u>	<u>(731)</u>	<u>8,281,025,664</u>
386,897,474	1,466,237,312	1,628,248,616	404,089,591	59,339,010	1,434,171,676	(424,655)	9,013,925,689
<u>140,267,000</u>	<u>333,804,000</u>	<u>534,112,000</u>	<u>602,550,000</u>	<u>215,884,000</u>	<u>136,095,000</u>	<u>(4,286,667,863)</u>	<u>4,602,811,713</u>
527,164,474	1,800,041,312	2,162,360,616	1,006,639,591	275,223,010	1,570,266,676	(4,287,092,518)	13,616,737,402
(384,809)	(662,466)	(611,812)	(1,074,238)	(63,914)	(859,021)	20,898	(6,713,830)
-	-	-	-	-	-	403,767	(795,417)
<u>(44,250,000)</u>	<u>(57,662,000)</u>	<u>(48,822,000)</u>	<u>(49,100,000)</u>	<u>(1,000,000)</u>	<u>(148,408,000)</u>	<u>3,722,157,474</u>	<u>(5,192,739,100)</u>
(44,634,809)	(58,324,466)	(49,433,812)	(50,174,238)	(1,063,914)	(149,267,021)	3,722,582,139	(5,200,248,347)
482,529,665	1,741,716,846	2,112,926,804	956,465,353	274,159,096	1,420,999,655	(564,510,379)	8,416,489,055
2,223,979,743	4,073,165,117	3,418,151,882	4,350,993,522	149,461,537	2,982,640,445	(276,034,711)	36,138,105,678
<u>\$ 2,706,509,408</u>	<u>\$ 5,814,881,963</u>	<u>\$ 5,531,078,686</u>	<u>\$ 5,307,458,875</u>	<u>\$ 423,620,633</u>	<u>\$ 4,403,640,100</u>	<u>\$ (840,545,090)</u>	<u>\$ 44,554,594,733</u>
754,632	523,011	895,215	9,324,197	20,041,506	1,142,379	-	-
(244,944)	(96,313)	(85,780)	(773,379)	(87,528)	(1,221,643)	-	-
<u>509,688</u>	<u>426,698</u>	<u>809,435</u>	<u>8,550,818</u>	<u>19,953,978</u>	<u>(79,263)</u>	-	-

**PENSION FUNDS MANAGEMENT DIVISION  
COMBINED INVESTMENT FUNDS  
SCHEDULE OF INVESTMENT ACTIVITY BY PENSION PLAN  
FOR THE FISCAL YEAR ENDING JUNE 30, 2021**

	LIQUIDITY FUND	ALTERNATIVE INVESTMENT FUND	DOMESTIC EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
<b>Teachers' Retirement Fund</b>						
Book Value at June 30, 2020	\$ 305,884,816	\$ 1,167,591,056	\$ 408,598,033	\$ 2,931,709,324	\$ 6,588,101	\$ 718,791,062
Market Value at June 30, 2020	\$ 305,884,826	\$ 1,288,511,002	\$ 3,675,561,862	\$ 3,326,781,374	\$ 7,676,603	\$ 961,214,331
Shares Purchased	1,650,351,762	-	12,000,000	3,000,000	31,106	107,000,000
Shares Redeemed	(1,932,296,104)	(415,000,000)	(68,500,000)	(622,000,000)	(7,467,395)	(20,500,000)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	62,314,627	61,981,431	82,467,176	848,188	5,715,648
Net Investment Income Earned	568,750	-	-	-	-	-
Net Investment Income Distributed	(568,750)	-	-	-	-	-
Changes in Market Value of Fund Shares	10	49,467,964	1,534,656,384	(58,537,716)	(1,088,502)	89,030,361
Market Value at Jun. 30, 2021	\$ 23,940,494	\$ 985,293,593	\$ 5,215,699,677	\$ 2,731,710,834	\$ -	\$ 1,142,460,340
Book Value/Cost at Jun 30, 2021	\$ 23,940,474	\$ 814,905,683	\$ 414,079,464	\$ 2,395,176,500	\$ -	\$ 811,006,710
Shares Outstanding	23,940,478	710,955,444	1,477,870	17,964,127	-	5,802,335
Market Value per Share	\$ 1.00	\$ 1.39	\$ 3,529.20	\$ 152.06	\$ -	\$ 196.90
	-	-	-	-	-	-
<b>State Employees' Retirement Fund</b>						
Book Value at June 30, 2020	\$ 176,571,627	\$ 856,398,680	\$ 425,414,339	\$ 2,092,760,080	\$ 4,652,169	\$ 561,615,504
Market Value at June 30, 2020	\$ 176,571,619	\$ 934,957,294	\$ 2,659,552,982	\$ 2,409,107,168	\$ 5,582,527	\$ 695,304,266
Shares Purchased	308,613,880	-	20,000,000	5,000,000	-	78,000,000
Shares Redeemed	(416,847,087)	(292,000,000)	(16,000,000)	(420,500,000)	(5,527,570)	(4,000,000)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	41,294,127	13,603,437	61,277,488	875,401	905,739
Net Investment Income Earned	366,376	-	-	-	-	-
Net Investment Income Distributed	(366,376)	-	-	-	-	-
Changes in Market Value of Fund Shares	-	40,233,562	1,147,952,239	(43,795,144)	(930,358)	68,092,588
Market Value at Jun. 30, 2021	\$ 68,338,412	\$ 724,484,983	\$ 3,825,108,658	\$ 2,011,089,512	\$ -	\$ 838,302,593
Book Value/Cost at Jun 30, 2021	\$ 68,338,420	\$ 605,692,807	\$ 443,017,776	\$ 1,738,537,568	\$ -	\$ 636,521,243
Shares Outstanding	68,338,418	522,764,489	1,083,846	13,225,216	-	4,257,577
Market Value per Share	\$ 1.00	\$ 1.39	\$ 3,529.20	\$ 152.06	\$ -	\$ 196.90
	-	-	-	-	-	-
<b>Municipal Employees' Retirement Fund</b>						
Book Value at June 30, 2020	\$ 65,900,588	\$ 166,281,501	\$ 256,877,857	\$ 429,952,759	\$ 945,135	\$ 118,775,826
Market Value at June 30, 2020	\$ 65,900,584	\$ 188,055,278	\$ 541,428,898	\$ 489,486,210	\$ 1,135,030	\$ 141,696,523
Shares Purchased	61,642,936	3,500,000	7,000,000	7,000,000	-	18,500,000
Shares Redeemed	(103,955,216)	(63,000,000)	(7,500,000)	(90,500,000)	(1,123,849)	(5,000,000)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	10,618,186	4,617,339	12,172,404	178,714	1,020,171
Net Investment Income Earned	73,786	-	-	-	-	-
Net Investment Income Distributed	(73,786)	-	-	-	-	-
Changes in Market Value of Fund Shares	-	5,933,593	232,282,973	(8,610,701)	(189,895)	12,985,125
Market Value at Jun. 30, 2021	\$ 23,588,304	\$ 145,107,057	\$ 777,829,210	\$ 409,547,913	\$ -	\$ 169,201,819
Book Value/Cost at Jun 30, 2021	\$ 23,588,308	\$ 117,399,687	\$ 260,995,196	\$ 358,625,163	\$ -	\$ 133,295,997
Shares Outstanding	23,588,313	104,704,468	220,398	2,693,246	-	859,343
Market Value per Share	\$ 1.00	\$ 1.39	\$ 3,529.20	\$ 152.06	\$ -	\$ 196.90

**PENSION FUNDS MANAGEMENT DIVISION  
 COMBINED INVESTMENT FUNDS  
 SCHEDULE OF INVESTMENT ACTIVITY BY PENSION PLAN (Continued)  
 FOR THE FISCAL YEAR ENDING JUNE 30, 2021**

HIGH YIELD DEBT FUND	DEVELOPED MKT INTERN'L STOCK FUND	EMERGING MKT INTN'L STOCK FUND	REAL ASSET FUND	PRIVATE CREDIT FUND	PRIVATE INVESTMENT FUND	TOTALS
\$ 836,125,118	\$ 1,063,117,256	\$ 1,025,327,959	\$ 1,886,225,316	\$ 72,780,826	\$ 929,857,128	\$ 11,352,595,995
\$ 1,131,651,735	\$ 2,060,118,962	\$ 1,730,837,687	\$ 2,202,947,792	\$ 75,620,278	\$ 1,508,353,758	\$ 18,275,160,210
56,000,000	150,000,000	253,000,000	288,044,894	106,000,000	69,000,000	2,694,427,762
(29,500,000)	(39,500,000)	(35,000,000)	(31,000,000)	(1,000,000)	(95,000,000)	(3,296,763,499)
-	-	-	-	-	-	-
9,385,123	20,450,253	17,525,440	4,705,295	85,447	39,985,734	305,464,362
-	-	-	-	-	-	568,750
-	-	-	-	-	-	(568,750)
185,739,754	714,536,633	801,804,491	197,957,198	29,295,903	679,474,345	4,222,336,825
\$ 1,353,276,612	\$ 2,905,605,848	\$ 2,768,167,618	\$ 2,662,655,179	\$ 210,001,628	\$ 2,201,813,837	\$ 22,200,625,660
\$ 872,010,241	\$ 1,194,067,509	\$ 1,260,853,399	\$ 2,147,975,505	\$ 177,866,273	\$ 943,842,862	\$ 11,055,724,620
6,928,991	3,936,109	4,166,359	39,113,930	17,022,848	13,073,146	844,381,637
\$ 195.31	\$ 738.19	\$ 664.41	\$ 68.07	\$ 12.34	\$ 168.42	\$
-	-	-	-	-	-	-
\$ 648,033,002	\$ 726,073,834	\$ 772,269,325	\$ 1,380,018,204	\$ 53,206,902	\$ 679,690,766	\$ 8,376,704,432
\$ 816,377,582	\$ 1,490,631,241	\$ 1,253,009,313	\$ 1,602,608,538	\$ 55,282,696	\$ 1,100,329,539	\$ 13,199,314,765
48,500,000	113,000,000	190,000,000	212,000,000	76,000,000	37,000,000	1,088,113,880
(11,500,000)	(10,000,000)	(9,300,000)	(14,000,000)	-	(42,500,000)	(1,242,174,657)
-	-	-	-	-	-	-
2,867,933	5,376,848	4,408,625	2,055,129	-	17,210,357	149,875,084
-	-	-	-	-	-	366,376
-	-	-	-	-	-	(366,376)
138,793,833	531,248,258	592,557,261	146,019,352	21,490,284	509,136,502	3,150,798,377
\$ 995,039,348	\$ 2,130,256,347	\$ 2,030,675,199	\$ 1,948,683,019	\$ 152,772,980	\$ 1,621,176,398	\$ 16,345,927,449
\$ 687,900,935	\$ 834,450,682	\$ 957,377,950	\$ 1,580,073,333	\$ 129,206,902	\$ 691,401,123	\$ 8,372,518,739
5,094,760	2,885,774	3,056,362	28,625,806	12,383,862	9,625,644	671,341,754
\$ 195.31	\$ 738.19	\$ 664.41	\$ 68.07	\$ 12.34	\$ 168.42	\$
\$ 154,809,417	\$ 166,908,457	\$ 192,385,640	\$ 271,123,745	\$ 10,746,516	\$ 127,921,260	\$ 1,962,628,701
\$ 165,163,269	\$ 303,601,078	\$ 255,626,610	\$ 324,001,711	\$ 11,165,777	\$ 223,629,018	\$ 2,710,889,986
10,000,000	25,000,000	36,000,000	47,000,000	16,000,000	8,000,000	239,642,936
(3,000,000)	(5,000,000)	(2,000,000)	(4,000,000)	-	(9,500,000)	(294,579,065)
-	-	-	-	-	-	-
396,186	2,502,532	853,932	681,115	-	4,180,886	37,221,465
-	-	-	-	-	-	73,786
-	-	-	-	-	-	(73,786)
28,481,154	107,054,419	120,836,230	29,453,998	4,440,485	102,846,318	635,513,699
\$ 201,040,609	\$ 433,158,029	\$ 411,316,772	\$ 397,136,824	\$ 31,606,262	\$ 329,156,222	\$ 3,328,689,021
\$ 162,205,603	\$ 189,410,989	\$ 227,239,572	\$ 314,804,860	\$ 26,746,516	\$ 130,602,146	\$ 1,944,914,037
1,029,360	586,782	619,071	5,833,869	2,562,021	1,954,347	144,651,218
\$ 195.31	\$ 738.19	\$ 664.41	\$ 68.07	\$ 12.34	\$ 168.42	\$

**PENSION FUNDS MANAGEMENT DIVISION  
COMBINED INVESTMENT FUNDS  
SCHEDULE OF INVESTMENT ACTIVITY BY PENSION PLAN  
FOR THE FISCAL YEAR ENDING JUNE 30, 2021**

	LIQUIDITY FUND	ALTERNATIVE INVESTMENT FUND	DOMESTIC EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
<b>Probate Court Retirement Fund</b>						
Book Value at June 30, 2020	\$ 2,383,102	\$ 7,361,251	\$ 7,932,611	\$ 17,669,851	\$ 38,431	\$ 4,903,868
Market Value at June 30, 2020	\$ 2,383,106	\$ 7,864,602	\$ 22,129,945	\$ 20,040,219	\$ 46,742	\$ 5,820,322
Shares Purchased	10,719,375	-	800,000	150,000	-	700,000
Shares Redeemed	(7,376,929)	(2,550,000)	(1,025,000)	(3,700,000)	(46,271)	(150,000)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	314,500	708,102	485,390	7,840	32,559
Net Investment Income Earned	3,389	-	-	-	-	-
Net Investment Income Distributed	(3,389)	-	-	-	-	-
Changes in Market Value of Fund Shares	-	370,795	9,007,111	(341,786)	(8,311)	546,355
Market Value at Jun. 30, 2021	\$ 5,725,552	\$ 5,999,897	\$ 31,620,158	\$ 16,633,823	\$ -	\$ 6,949,236
Book Value/Cost at Jun 30, 2021	\$ 5,725,548	\$ 5,125,751	\$ 8,415,713	\$ 14,605,241	\$ -	\$ 5,486,427
Shares Outstanding	5,725,551	4,329,328	8,960	109,386	-	35,294
Market Value per Share	\$ 1.00	\$ 1.39	\$ 3,529.04	\$ 152.07	\$ -	\$ 196.90
<b>Judges' Retirement Fund</b>						
Book Value at June 30, 2020	\$ 5,835,106	\$ 15,219,996	\$ 16,610,567	\$ 38,582,338	\$ 83,996	\$ 10,523,283
Market Value at June 30, 2020	\$ 5,835,103	\$ 16,849,675	\$ 47,777,642	\$ 43,435,168	\$ 102,535	\$ 12,475,185
Shares Purchased	2,251,447	100,000	700,000	200,000	-	1,700,000
Shares Redeemed	(5,684,454)	(5,300,000)	-	(7,500,000)	(101,510)	(200,000)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	815,106	-	946,796	17,514	43,344
Net Investment Income Earned	6,364	-	-	-	-	-
Net Investment Income Distributed	(6,364)	-	-	-	-	-
Changes in Market Value of Fund Shares	-	669,325	21,030,144	(630,535)	(18,539)	1,212,810
Market Value at Jun. 30, 2021	\$ 2,402,096	\$ 13,134,106	\$ 69,507,786	\$ 36,451,429	\$ -	\$ 15,231,339
Book Value/Cost at Jun 30, 2021	\$ 2,402,099	\$ 10,835,102	\$ 17,310,567	\$ 32,229,134	\$ -	\$ 12,066,627
Shares Outstanding	2,402,097	9,477,138	19,695	239,710	-	77,357
Market Value per Share	\$ 1.00	\$ 1.39	\$ 3,529.21	\$ 152.06	\$ -	\$ 196.90
<b>State's Attorneys' Retirement Fund</b>						
Book Value at June 30, 2020	\$ 61,269	\$ 154,794	\$ 164,797	\$ 327,973	\$ 821	\$ 86,844
Market Value at June 30, 2020	\$ 61,268	\$ 150,159	\$ 423,976	\$ 385,967	\$ 914	\$ 111,094
Shares Purchased	39,015	1,000	15,000	3,000	-	15,000
Shares Redeemed	(71,053)	(46,000)	-	(64,000)	(908)	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	1,632	-	10,484	87	-
Net Investment Income Earned	66	-	-	-	-	-
Net Investment Income Distributed	(66)	-	-	-	-	-
Changes in Market Value of Fund Shares	-	11,659	188,037	(7,699)	(93)	11,018
Market Value at Jun. 30, 2021	\$ 29,230	\$ 118,450	\$ 627,013	\$ 327,752	\$ -	\$ 137,112
Book Value/Cost at Jun 30, 2021	\$ 29,231	\$ 111,426	\$ 179,797	\$ 277,457	\$ -	\$ 101,844
Shares Outstanding	29,228	85,469	178	2,155	-	696
Market Value per Share	\$ 1.00	\$ 1.39	\$ 3,522.54	\$ 152.09	\$ -	\$ 197.00



**PENSION FUNDS MANAGEMENT DIVISION  
 COMBINED INVESTMENT FUNDS  
 SCHEDULE OF INVESTMENT ACTIVITY BY PENSION PLAN (Continued)  
 FOR THE FISCAL YEAR ENDING JUNE 30, 2021**

HIGH YIELD DEBT FUND	DEVELOPED MKT INTERN'L STOCK FUND	EMERGING MKT INTN'L STOCK FUND	REAL ASSET FUND	PRIVATE CREDIT FUND	PRIVATE INVESTMENT FUND	TOTALS
\$ 5,254,690	\$ 8,300,793	\$ 7,592,487	\$ 11,884,882	\$ 452,606	\$ 5,787,600	\$ 79,562,172
\$ 6,708,752	\$ 12,439,507	\$ 10,413,477	\$ 13,262,118	\$ 470,264	\$ 9,075,672	\$ 110,654,726
450,000	1,250,000	1,800,000	1,850,000	625,000	650,000	18,994,375
(50,000)	(475,000)	(350,000)	(100,000)	-	(550,000)	(16,373,200)
-	-	-	-	-	-	-
12,661	202,800	146,526	12,305	-	225,967	2,148,650
-	-	-	-	-	-	3,389
-	-	-	-	-	-	(3,389)
1,168,482	4,290,163	4,820,961	1,217,531	175,008	4,188,437	25,434,746
\$ 8,289,895	\$ 17,707,470	\$ 16,830,964	\$ 16,241,954	\$ 1,270,272	\$ 13,590,076	\$ 140,859,297
\$ 5,667,351	\$ 9,278,593	\$ 9,189,013	\$ 13,647,187	\$ 1,077,606	\$ 6,113,567	\$ 84,331,997
42,446	23,988	25,332	238,591	102,969	80,690	10,722,535
\$ 195.30	\$ 738.18	\$ 664.42	\$ 68.07	\$ 12.34	\$ 168.42	\$
\$ 11,368,684	\$ 17,788,687	\$ 16,126,882	\$ 25,773,851	\$ 963,284	\$ 13,018,686	\$ 171,895,360
\$ 14,546,452	\$ 26,874,654	\$ 22,424,407	\$ 28,716,129	\$ 1,000,865	\$ 19,635,014	\$ 239,672,829
1,000,000	2,100,000	3,600,000	4,000,000	1,500,000	1,200,000	18,351,447
(100,000)	-	-	-	-	(750,000)	(19,635,964)
-	-	-	-	-	-	-
25,859	-	-	-	-	283,147	2,131,766
-	-	-	-	-	-	6,364
-	-	-	-	-	-	(6,364)
2,550,119	9,751,813	10,769,030	2,679,708	385,297	9,339,753	57,738,925
\$ 18,022,430	\$ 38,726,467	\$ 36,793,437	\$ 35,395,837	\$ 2,886,162	\$ 29,707,914	\$ 298,259,003
\$ 12,294,543	\$ 19,888,687	\$ 19,726,882	\$ 29,773,851	\$ 2,463,284	\$ 13,751,833	\$ 172,742,609
92,278	52,461	55,378	519,959	233,954	176,389	13,346,416
\$ 195.31	\$ 738.20	\$ 664.41	\$ 68.07	\$ 12.34	\$ 168.42	\$
\$ 96,945	\$ 204,340	\$ 170,341	\$ 252,219	\$ 8,782	\$ 149,851	\$ 1,678,976
\$ 128,426	\$ 238,946	\$ 199,812	\$ 255,347	\$ 9,124	\$ 172,597	\$ 2,137,630
12,000	24,000	37,000	40,000	14,000	15,000	215,015
-	-	-	-	-	(8,000)	(189,961)
-	-	-	-	-	-	-
-	-	-	-	-	1,696	13,899
-	-	-	-	-	-	66
-	-	-	-	-	-	(66)
22,833	87,326	96,586	24,053	3,463	84,729	521,912
\$ 163,259	\$ 350,272	\$ 333,398	\$ 319,400	\$ 26,587	\$ 266,022	\$ 2,698,495
\$ 108,945	\$ 228,340	\$ 207,341	\$ 292,219	\$ 22,782	\$ 158,547	\$ 1,717,929
836	475	502	4,692	2,155	1,580	127,966
\$ 195.29	\$ 737.41	\$ 664.14	\$ 68.07	\$ 12.34	\$ 168.37	\$

**PENSION FUNDS MANAGEMENT DIVISION  
COMBINED INVESTMENT FUNDS  
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST  
FOR THE FISCAL YEAR ENDING JUNE 30, 2021**

	LIQUIDITY FUND	ALTERNATIVE INVESTMENT FUND	DOMESTIC EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
<b>Soldiers' Sailors' &amp; Marines' Fund</b>						
Book Value at June 30, 2020	\$ 1,891,596	\$ -	\$ 4,503,112	\$ 41,153,378	\$ -	\$ -
Market Value at June 30, 2020	\$ 1,891,602	\$ -	\$ 13,064,940	\$ 54,766,339	\$ -	\$ -
Shares Purchased	1,112,824	-	-	3,900,000	-	-
Shares Redeemed	(1,221,150)	-	(2,860,000)	-	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	-	2,030,936	-	-	-
Net Investment Income Earned	2,838	-	-	-	-	-
Net Investment Income Distributed	(2,838)	-	-	-	-	-
Changes in Market Value of Fund Shares	-	-	3,081,748	248,514	-	-
Market Value at Jun. 30, 2021	\$ 1,783,276	\$ -	\$ 15,317,624	\$ 58,914,853	\$ -	\$ -
Book Value/Cost at Jun 30, 2021	\$ 1,783,270	\$ -	\$ 3,674,048	\$ 45,053,378	\$ -	\$ -
Shares Outstanding	1,783,275	-	4,340	387,433	-	-
Market Value per Share	\$ 1.00	\$ -	\$ 3,529.41	\$ 152.06	\$ -	\$ -
<b>Endowment for the Arts</b>						
Book Value at June 30, 2020	\$ 782,082	\$ -	\$ 3,693,553	\$ 2,925,132	\$ -	\$ 1,532,320
Market Value at June 30, 2020	\$ 782,077	\$ -	\$ 5,931,404	\$ 3,437,358	\$ -	\$ 1,522,513
Shares Purchased	1,019,950	-	-	220,000	-	220,000
Shares Redeemed	(1,707,403)	-	(950,000)	(70,000)	-	(130,000)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	-	446,498	11,149	-	8,930
Net Investment Income Earned	678	-	-	-	-	-
Net Investment Income Distributed	(678)	-	-	-	-	-
Changes in Market Value of Fund Shares	-	-	1,933,537	6,695	-	164,171
Market Value at Jun. 30, 2021	\$ 94,624	\$ -	\$ 7,361,439	\$ 3,605,202	\$ -	\$ 1,785,614
Book Value/Cost at Jun 30, 2021	\$ 94,629	\$ -	\$ 3,190,051	\$ 3,086,281	\$ -	\$ 1,631,250
Shares Outstanding	94,621	-	2,086	23,708	-	9,069
Market Value per Share	\$ 1.00	\$ -	\$ 3,528.97	\$ 152.07	\$ -	\$ 196.89
<b>Agricultural College Fund</b>						
Book Value at June 30, 2020	\$ 643	\$ -	\$ -	\$ 556,189	\$ -	\$ -
Market Value at June 30, 2020	\$ 644	\$ -	\$ -	\$ 708,715	\$ -	\$ -
Shares Purchased	20,001	-	-	3,000	-	-
Shares Redeemed	(19,188)	-	-	(20,000)	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	-	-	4,448	-	-
Net Investment Income Earned	2	-	-	-	-	-
Net Investment Income Distributed	(2)	-	-	-	-	-
Changes in Market Value of Fund Shares	-	-	-	(663)	-	-
Market Value at Jun. 30, 2021	\$ 1,457	\$ -	\$ -	\$ 695,500	\$ -	\$ -
Book Value/Cost at Jun 30, 2021	\$ 1,456	\$ -	\$ -	\$ 543,637	\$ -	\$ -
Shares Outstanding	1,460	-	-	4,574	-	-
Market Value per Share	\$ 1.00	\$ -	\$ -	\$ 152.06	\$ -	\$ -

**PENSION FUNDS MANAGEMENT DIVISION  
 COMBINED INVESTMENT FUNDS  
 SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)  
 FOR THE FISCAL YEAR ENDING JUNE 30, 2021**

HIGH YIELD DEBT FUND	DEVELOPED MKT INTERN'L STOCK FUND	EMERGING MKT INTN'L STOCK FUND	REAL ASSET FUND	PRIVATE CREDIT FUND	PRIVATE INVESTMENT FUND	TOTALS
\$ -	\$ 6,956,503	\$ 2,896,578	\$ -	\$ -	\$ -	\$ 57,401,167
\$ -	\$ 9,478,727	\$ 3,533,767	\$ -	\$ -	\$ -	\$ 82,735,375
-	-	-	-	-	-	5,012,824
-	(1,600,000)	(1,050,000)	-	-	-	(6,731,150)
-	-	-	-	-	-	-
-	606,779	381,478	-	-	-	3,019,193
-	-	-	-	-	-	2,838
-	-	-	-	-	-	(2,838)
-	2,486,016	1,105,513	-	-	-	6,921,791
\$ -	\$ 10,971,522	\$ 3,970,758	\$ -	\$ -	\$ -	\$ 90,958,033
\$ -	\$ 5,963,282	\$ 2,228,056	\$ -	\$ -	\$ -	\$ 58,702,034
-	14,863	5,976	-	-	-	2,195,887
\$ -	\$ 738.18	\$ 664.45	\$ -	\$ -	\$ -	\$ -
\$ 1,698,259	\$ 3,312,756	\$ 2,445,099	\$ -	\$ 70,000	\$ -	\$ 16,459,201
\$ 1,781,016	\$ 3,694,347	\$ 2,697,050	\$ -	\$ 73,729	\$ -	\$ 19,919,494
110,000	-	20,000	-	2,015,000	-	3,604,950
(100,000)	(625,000)	(825,000)	-	-	-	(4,407,403)
-	-	-	-	-	-	-
13,007	137,015	208,597	-	-	-	825,196
-	-	-	-	-	-	678
-	-	-	-	-	-	(678)
305,395	1,047,212	875,974	-	317,007	-	4,649,991
\$ 2,109,418	\$ 4,253,574	\$ 2,976,621	\$ -	\$ 2,405,736	\$ -	\$ 24,592,228
\$ 1,721,266	\$ 2,824,771	\$ 1,848,696	\$ -	\$ 2,085,000	\$ -	\$ 16,481,944
10,801	5,762	4,480	-	195,010	-	345,537
\$ 195.30	\$ 738.21	\$ 664.42	\$ -	\$ 12.34	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 556,832
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 709,359
-	-	-	-	-	-	23,001
-	-	-	-	-	-	(39,188)
-	-	-	-	-	-	-
-	-	-	-	-	-	4,448
-	-	-	-	-	-	2
-	-	-	-	-	-	(2)
-	-	-	-	-	-	(663)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 696,957
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 545,093
-	-	-	-	-	-	6,034
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**PENSION FUNDS MANAGEMENT DIVISION  
 COMBINED INVESTMENT FUNDS  
 SCHEDULE OF INVESTMENT ACTIVITY BY TRUST  
 FOR THE FISCAL YEAR ENDING JUNE 30, 2021**

	LIQUIDITY FUND	ALTERNATIVE INVESTMENT FUND	DOMESTIC EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
<b>Ida Eaton Cotton Fund</b>						
Book Value at June 30, 2020	\$ 68,232	\$ -	\$ 95,600	\$ 1,454,999	\$ -	\$ -
Market Value at June 30, 2020	\$ 68,235	\$ -	\$ 438,219	\$ 1,859,384	\$ -	\$ -
Shares Purchased	65,107	-	-	125,000	-	-
Shares Redeemed	(62,993)	-	(90,000)	-	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	-	73,419	-	-	-
Net Investment Income Earned	107	-	-	-	-	-
Net Investment Income Distributed	(107)	-	-	-	-	-
Changes in Market Value of Fund Shares	-	-	98,860	8,585	-	-
Market Value at Jun. 30, 2021	\$ 70,349	\$ -	\$ 520,498	\$ 1,992,969	\$ -	\$ -
Book Value/Cost at Jun 30, 2021	\$ 70,346	\$ -	\$ 79,019	\$ 1,579,999	\$ -	\$ -
Shares Outstanding	70,349	-	147	13,106	-	-
Market Value per Share	\$ 1.00	\$ -	\$ 3,540.80	\$ 152.07	\$ -	\$ -
<b>Andrew Clark Fund</b>						
Book Value at June 30, 2020	\$ 12,859	\$ -	\$ 50,546	\$ 704,450	\$ -	\$ -
Market Value at June 30, 2020	\$ 12,863	\$ -	\$ 212,161	\$ 888,326	\$ -	\$ -
Shares Purchased	50,034	-	-	50,000	-	-
Shares Redeemed	(35,665)	-	(45,000)	(5,000)	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	-	35,573	1,035	-	-
Net Investment Income Earned	35	-	-	-	-	-
Net Investment Income Distributed	(35)	-	-	-	-	-
Changes in Market Value of Fund Shares	-	-	45,284	3,145	-	-
Market Value at Jun. 30, 2021	\$ 27,232	\$ -	\$ 248,018	\$ 937,506	\$ -	\$ -
Book Value/Cost at Jun 30, 2021	\$ 27,228	\$ -	\$ 41,119	\$ 750,485	\$ -	\$ -
Shares Outstanding	27,232	-	70	6,165	-	-
Market Value per Share	\$ 1.00	\$ -	\$ 3,543.11	\$ 152.07	\$ -	\$ -
<b>School Fund</b>						
Book Value at June 30, 2020	\$ 265,888	\$ -	\$ 553,369	\$ 6,494,688	\$ -	\$ -
Market Value at June 30, 2020	\$ 265,885	\$ -	\$ 1,997,312	\$ 8,362,252	\$ -	\$ -
Shares Purchased	260,079	-	-	775,000	-	-
Shares Redeemed	(352,902)	-	(465,000)	(30,000)	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	-	359,291	5,971	-	-
Net Investment Income Earned	436	-	-	-	-	-
Net Investment Income Distributed	(436)	-	-	-	-	-
Changes in Market Value of Fund Shares	-	-	430,230	30,076	-	-
Market Value at Jun. 30, 2021	\$ 173,062	\$ -	\$ 2,321,833	\$ 9,143,299	\$ -	\$ -
Book Value/Cost at Jun 30, 2021	\$ 173,065	\$ -	\$ 447,660	\$ 7,245,659	\$ -	\$ -
Shares Outstanding	173,068	-	658	60,128	-	-
Market Value per Share	\$ 1.00	\$ -	\$ 3,528.62	\$ 152.06	\$ -	\$ -

PENSION FUNDS MANAGEMENT DIVISION  
 COMBINED INVESTMENT FUNDS  
 SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)  
 FOR THE FISCAL YEAR ENDING JUNE 30, 2021

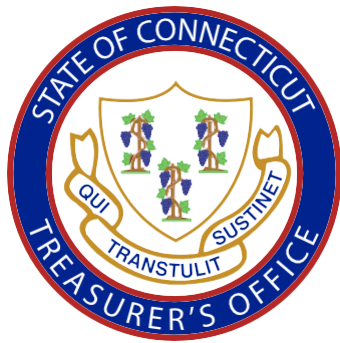
HIGH YIELD DEBT FUND	DEVELOPED MKT INTERN'L STOCK FUND	EMERGING MKT INTN'L STOCK FUND	REAL ASSET FUND	PRIVATE CREDIT FUND	PRIVATE INVESTMENT FUND	TOTALS
\$ -	\$ 238,290	\$ 99,052	\$ -	\$ -	\$ -	\$ 1,956,173
\$ -	\$ 323,582	\$ 120,754	\$ -	\$ -	\$ -	\$ 2,810,174
-	-	-	-	-	-	190,107
-	(60,000)	(40,000)	-	-	-	(252,993)
-	-	-	-	-	-	-
-	21,742	13,590	-	-	-	108,751
-	-	-	-	-	-	107
-	-	-	-	-	-	(107)
-	81,450	35,021	-	-	-	223,916
\$ -	\$ 366,774	\$ 129,365	\$ -	\$ -	\$ -	\$ 3,079,955
\$ -	\$ 200,032	\$ 72,642	\$ -	\$ -	\$ -	\$ 2,002,038
-	497	195	-	-	-	84,294
\$ -	\$ 737.98	\$ 663.41	\$ -	\$ -	\$ -	\$ -
\$ -	\$ 111,725	\$ 46,469	\$ -	\$ -	\$ -	\$ 926,049
\$ -	\$ 151,955	\$ 56,711	\$ -	\$ -	\$ -	\$ 1,322,016
-	-	-	-	-	-	100,034
-	(27,000)	(17,000)	-	-	-	(129,665)
-	-	-	-	-	-	-
-	9,810	5,667	-	-	-	52,085
-	-	-	-	-	-	35
-	-	-	-	-	-	(35)
-	38,846	17,262	-	-	-	104,537
\$ -	\$ 173,611	\$ 62,640	\$ -	\$ -	\$ -	\$ 1,449,007
\$ -	\$ 94,535	\$ 35,136	\$ -	\$ -	\$ -	\$ 948,503
-	235	94	-	-	-	33,796
\$ -	\$ 738.77	\$ 666.38	\$ -	\$ -	\$ -	\$ -
\$ -	\$ 1,093,178	\$ 451,159	\$ -	\$ -	\$ -	\$ 8,858,282
\$ -	\$ 1,458,121	\$ 540,495	\$ -	\$ -	\$ -	\$ 12,624,065
-	-	-	-	-	-	1,035,079
-	(290,000)	(185,000)	-	-	-	(1,322,902)
-	-	-	-	-	-	-
-	107,381	65,304	-	-	-	537,947
-	-	-	-	-	-	436
-	-	-	-	-	-	(436)
-	364,458	159,287	-	-	-	984,051
\$ -	\$ 1,639,960	\$ 580,086	\$ -	\$ -	\$ -	\$ 13,858,240
\$ -	\$ 910,559	\$ 331,463	\$ -	\$ -	\$ -	\$ 9,108,406
-	2,222	873	-	-	-	236,949
\$ -	\$ 738.06	\$ 664.47	\$ -	\$ -	\$ -	\$ -

**PENSION FUNDS MANAGEMENT DIVISION  
COMBINED INVESTMENT FUNDS  
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST  
FOR THE FISCAL YEAR ENDING JUNE 30, 2021**

	LIQUIDITY FUND	ALTERNATIVE INVESTMENT FUND	DOMESTIC EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND	EMERGING MARKET DEBT FUND
<b>Hopmead Fund</b>						
Book Value at June 30, 2020	\$ 110,251	\$ -	\$ 193,377	\$ 2,318,657	\$ -	\$ -
Market Value at June 30, 2020	\$ 110,253	\$ -	\$ 688,973	\$ 2,914,389	\$ -	\$ -
Shares Purchased	10,167	-	-	270,000	-	-
Shares Redeemed	(9,991)	-	(130,000)	-	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	-	99,746	-	-	-
Net Investment Income Earned	176	-	-	-	-	-
Net Investment Income Distributed	(176)	-	-	-	-	-
Changes in Market Value of Fund Shares	-	-	176,433	12,716	-	-
Market Value at Jun. 30, 2021	\$ 110,429	\$ -	\$ 835,152	\$ 3,197,105	\$ -	\$ -
Book Value/Cost at Jun 30, 2021	\$ 110,427	\$ -	\$ 163,123	\$ 2,588,657	\$ -	\$ -
Shares Outstanding	110,427	-	237	21,025	-	-
Market Value per Share	\$ 1.00	\$ -	\$ 3,523.85	\$ 152.06	\$ -	\$ -
<b>Police &amp; Fireman's Survivors' Benefit Fund</b>						
Book Value at June 30, 2020	\$ 1,137,404	\$ 2,456,144	\$ 3,606,766	\$ 6,091,325	\$ 14,474	\$ 1,578,095
Market Value at June 30, 2020	\$ 1,137,394	\$ 2,661,913	\$ 7,514,150	\$ 6,787,811	\$ 16,647	\$ 1,966,924
Shares Purchased	495,267	-	245,000	170,000	-	265,000
Shares Redeemed	(1,292,735)	(800,000)	-	(1,170,000)	(16,492)	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	109,499	-	135,497	2,018	-
Net Investment Income Earned	1,194	-	-	-	-	-
Net Investment Income Distributed	(1,194)	-	-	-	-	-
Changes in Market Value of Fund Shares	-	125,133	3,336,236	(86,039)	(2,173)	197,957
Market Value at Jun. 30, 2021	\$ 339,926	\$ 2,096,545	\$ 11,095,386	\$ 5,837,269	\$ -	\$ 2,429,881
Book Value/Cost at Jun 30, 2021	\$ 339,936	\$ 1,765,643	\$ 3,851,766	\$ 5,226,822	\$ -	\$ 1,843,095
Shares Outstanding	339,926	1,512,799	3,144	38,387	-	12,341
Market Value per Share	\$ 1.00	\$ 1.39	\$ 3,529.07	\$ 152.06	\$ -	\$ 196.89
<b>OPEB Fund</b>						
Book Value at June 30, 2020	\$ 42,161,574	\$ 98,226,713	\$ 217,180,965	\$ 231,285,343	\$ 604,167	\$ 72,605,766
Market Value at June 30, 2020	\$ 42,161,574	\$ 99,904,984	\$ 286,024,983	\$ 256,779,122	\$ 621,213	\$ 73,910,896
Shares Purchased	222,744,869	5,000,000	53,000,000	27,000,000	-	24,000,000
Shares Redeemed	(244,864,230)	(25,000,000)	-	(36,000,000)	(616,005)	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	2,017,567	-	3,893,666	11,838	-
Net Investment Income Earned	26,105	-	-	-	-	-
Net Investment Income Distributed	(26,105)	-	-	-	-	-
Changes in Market Value of Fund Shares	-	7,321,329	135,955,927	(2,034,924)	(17,046)	8,054,899
Market Value at Jun. 30, 2021	\$ 20,042,213	\$ 89,243,880	\$ 474,980,890	\$ 249,637,864	\$ -	\$ 105,965,795
Book Value/Cost at Jun 30, 2021	\$ 20,042,213	\$ 80,244,280	\$ 270,180,965	\$ 226,179,009	\$ -	\$ 96,605,766
Shares Outstanding	20,042,210	64,395,443	134,586	1,641,655	-	538,180
Market Value per Share	\$ 1.00	\$ 1.39	\$ 3,529.20	\$ 152.06	\$ -	\$ 196.90

**PENSION FUNDS MANAGEMENT DIVISION  
 COMBINED INVESTMENT FUNDS  
 SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)  
 FOR THE FISCAL YEAR ENDING JUNE 30, 2021**

HIGH YIELD DEBT FUND	DEVELOPED MKT INTERN'L STOCK FUND	EMERGING MKT INTN'L STOCK FUND	REAL ASSET FUND	PRIVATE CREDIT FUND	PRIVATE INVESTMENT FUND	TOTALS
\$ -	\$ 377,285	\$ 155,827	\$ -	\$ -	\$ -	\$ 3,155,397
\$ -	\$ 505,628	\$ 188,715	\$ -	\$ -	\$ -	\$ 4,407,958
-	(85,000)	(55,000)	-	-	-	280,167
-	31,366	19,534	-	-	-	(279,991)
-	-	-	-	-	-	150,646
-	-	-	-	-	-	176
-	-	-	-	-	-	(176)
-	133,686	59,686	-	-	-	382,521
\$ -	\$ 585,680	\$ 212,935	\$ -	\$ -	\$ -	\$ 4,941,301
\$ -	\$ 323,651	\$ 120,361	\$ -	\$ -	\$ -	\$ 3,306,219
-	793	320	-	-	-	132,802
-	738.56	665.42	-	-	-	-
\$ 1,746,243	\$ 3,628,297	\$ 2,963,496	\$ 4,086,032	\$ 151,962	\$ 1,746,162	\$ 29,206,400
\$ 2,273,049	\$ 4,232,110	\$ 3,535,620	\$ 4,571,474	\$ 157,890	\$ 3,061,088	\$ 37,916,070
195,000	430,000	655,000	660,000	230,000	230,000	3,575,267
-	-	-	-	-	(100,000)	(3,379,227)
-	-	-	-	-	-	-
-	-	-	-	-	47,420	294,434
-	-	-	-	-	-	1,194
-	-	-	-	-	-	(1,194)
404,261	1,547,133	1,708,422	426,921	58,522	1,488,088	9,204,461
\$ 2,872,310	\$ 6,209,243	\$ 5,899,042	\$ 5,658,395	\$ 446,412	\$ 4,726,596	\$ 47,611,005
\$ 1,941,243	\$ 4,058,297	\$ 3,618,496	\$ 4,746,032	\$ 381,962	\$ 1,923,582	\$ 29,696,874
14,707	8,411	8,879	83,121	36,186	28,064	2,085,965
195.30	738.23	664.38	68.07	12.34	168.42	-
\$ 77,387,686	\$ 152,855,322	\$ 126,463,817	\$ 163,178,827	\$ 5,467,603	\$ 85,746,608	\$ 1,273,164,391
\$ 85,349,461	\$ 159,416,260	\$ 134,967,465	\$ 174,630,413	\$ 5,660,914	\$ 118,383,759	\$ 1,437,831,024
24,000,000	42,000,000	49,000,000	49,000,000	13,500,000	20,000,000	529,244,869
-	-	-	-	-	-	(306,480,235)
-	-	-	-	-	-	-
-	-	-	-	-	-	5,923,071
-	-	-	-	-	-	26,105
-	-	-	-	-	-	(26,105)
16,346,066	63,460,906	69,162,386	17,737,854	3,023,680	64,819,276	383,830,353
\$ 125,695,527	\$ 264,877,166	\$ 253,129,851	\$ 241,368,267	\$ 22,204,594	\$ 203,203,035	\$ 2,050,349,082
\$ 101,387,686	\$ 194,855,322	\$ 175,463,817	\$ 212,178,827	\$ 18,967,603	\$ 105,746,608	\$ 1,501,852,096
643,581	358,819	380,985	3,545,657	1,799,917	1,206,507	94,687,540
195.31	738.19	664.41	68.07	12.34	168.42	21.65





**COMBINED INVESTMENT FUNDS  
SUPPLEMENTAL SCHEDULE OF FINANCIAL HIGHLIGHTS**

FISCAL YEAR ENDED JUNE 30, PER SHARE DATA	LIQUIDITY FUND					ALTERNATIVE INVESTMENT FUND				
	2021	2020	2019	2018	2017	2021	2020	2019	2018	2017
Net Position- Beginning of Period	\$ 1.01	\$ 1.00	\$ 0.99	\$ 0.98	\$ 0.98	\$ 1.26	\$ 1.31	\$ 1.27	\$ 1.21	\$ 1.12
<b>INCOME FROM INVESTMENT OPERATIONS</b>										
Net Investment Income (Loss)	\$ -	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ -	\$ 0.01	\$ -	\$ 0.01	\$ -
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01	\$ -	\$ 0.13	\$ (0.06)	\$ 0.04	\$ 0.05	\$ 0.09
Total from Investment Operations	\$ 0.01	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.02	\$ 0.13	\$ (0.05)	\$ 0.04	\$ 0.06	\$ 0.09
<b>LESS DISTRIBUTIONS</b>										
Dividends from Net Investment Income	\$ (0.02)	\$ (0.02)	\$ (0.02)	\$ (0.02)	\$ (0.02)	\$ -	\$ -	\$ -	\$ -	\$ -
Net Position - End of Period	\$ 1.00	\$ 1.01	\$ 1.00	\$ 0.99	\$ 0.98	\$ 1.39	\$ 1.26	\$ 1.31	\$ 1.27	\$ 1.21
<b>TOTAL RETURN</b>	<b>0.13%</b>	<b>1.63%</b>	<b>2.46%</b>	<b>1.63%</b>	<b>0.96%</b>	<b>9.56%</b>	<b>-3.78%</b>	<b>3.73%</b>	<b>4.69%</b>	<b>8.51%</b>
<b>RATIOS</b>										
Net Position - End of Period (\$000,000 Omitted)	\$ 987	\$ 879	\$ 1,794	\$ 2,003	\$ 2,919	\$ 1,965	\$ 2,539	\$ 2,903	\$ 2,423	\$ 2,028
Ratio of Expenses to Average Net Position (excl. sec. lending fees & rebates)	0.05%	0.04%	0.03%	0.13%	0.12%	0.04%	0.04%	0.07%	0.06%	0.05%
Ratio of Expenses to Average Net Position	0.05%	0.04%	0.03%	0.13%	0.12%	0.04%	0.04%	0.07%	0.06%	0.05%
Ratio of Net Investment Income ( Loss) to Average Net Position	0.18%	1.65%	2.32%	2.05%	1.81%	-0.04%	0.50%	0.35%	0.41%	0.29%

FISCAL YEAR ENDED JUNE 30, PER SHARE DATA	DOMESTIC FUND					CORE FIXED INCOME				
	2021	2020	2019	2018	2017	2021	2020	2019	2018	2017
Net Position- Beginning of Period	\$ 2,455.98	\$ 2,301.15	\$ 2,122.89	\$ 1,849.99	\$ 1,551.24	\$ 151.27	\$ 139.18	\$ 130.45	\$ 131.77	\$ 129.52
<b>INCOME FROM INVESTMENT OPERATIONS</b>										
Net Investment Income (Loss)	\$ 40.52	\$ 43.40	\$ 37.52	\$ 31.14	\$ 30.79	\$ 3.33	\$ 3.74	\$ 3.82	\$ 3.02	\$ 2.80
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	\$ 1,032.70	\$ 111.43	\$ 140.74	\$ 241.76	\$ 267.96	\$ (2.54)	\$ 8.35	\$ 4.91	\$ (4.34)	\$ (0.55)
Total from Investment Operations	\$ 1,073.22	\$ 154.83	\$ 178.26	\$ 272.90	\$ 298.75	\$ 0.79	\$ 12.09	\$ 8.73	\$ (1.32)	\$ 2.25
<b>LESS DISTRIBUTIONS</b>										
Dividends from Net Investment Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Position - End of Period	\$ 3,529.20	\$ 2,455.98	\$ 2,301.15	\$ 2,122.89	\$ 1,849.99	\$ 152.06	\$ 151.27	\$ 139.18	\$ 130.45	\$ 131.77
<b>TOTAL RETURN</b>	<b>43.70%</b>	<b>6.77%</b>	<b>8.40%</b>	<b>14.74%</b>	<b>19.26%</b>	<b>0.53%</b>	<b>8.72%</b>	<b>6.69%</b>	<b>-0.89%</b>	<b>1.89%</b>
<b>RATIOS</b>										
Net Position - End of Period (\$000,000 Omitted)	\$ 10,433	\$ 7,263	\$ 8,268	\$ 7,755	\$ 7,022	\$ 5,540	\$ 6,626	\$ 3,363	\$ 3,118	\$ 2,452
Ratio of Expenses to Average Net Position (excl. sec. lending fees & rebates)	0.14%	0.18%	0.22%	0.24%	0.22%	0.12%	0.12%	0.16%	0.14%	0.13%
Ratio of Expenses to Average Net Position	0.15%	0.27%	0.46%	0.39%	0.31%	0.14%	0.32%	0.37%	0.27%	0.17%
Ratio of Net Investment Income ( Loss) to Average Net Position	1.35%	1.83%	1.70%	1.57%	1.82%	2.20%	2.54%	2.84%	2.30%	2.14%

FISCAL YEAR ENDED JUNE 30, PER SHARE DATA	INFLATION LINKED BOND FUND					EMERGING MARKET DEBT				
	2021	2020	2019	2018	2017	2021	2020	2019	2018	2017
Net Position- Beginning of Period	\$ 167.25	\$ 166.63	\$ 161.03	\$ 156.02	\$ 155.00	\$ 178.82	\$ 188.46	\$ 171.13	\$ 174.23	\$ 159.68
<b>INCOME FROM INVESTMENT OPERATIONS</b>										
Net Investment Income (Loss)	\$ (4.10)	\$ (0.19)	\$ 0.08	\$ 0.13	\$ (0.17)	\$ 10.31	\$ 11.29	\$ 11.16	\$ 11.21	\$ 11.96
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	\$ (163.15)	\$ 0.81	\$ 5.52	\$ 4.88	\$ 1.19	\$ 7.77	\$ (20.93)	\$ 6.17	\$ (14.31)	\$ 2.59
Total from Investment Operations	\$ (167.25)	\$ 0.62	\$ 5.60	\$ 5.01	\$ 1.02	\$ 18.08	\$ (9.64)	\$ 17.33	\$ (3.10)	\$ 14.55
<b>LESS DISTRIBUTIONS</b>										
Dividends from Net Investment Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Position - End of Period	\$ -	\$ 167.25	\$ 166.63	\$ 161.03	\$ 156.02	\$ 196.90	\$ 178.82	\$ 188.46	\$ 171.13	\$ 174.23
<b>TOTAL RETURN</b>	<b>0.00%</b>	<b>0.52%</b>	<b>3.48%</b>	<b>3.21%</b>	<b>0.66%</b>	<b>10.10%</b>	<b>-5.13%</b>	<b>10.13%</b>	<b>-1.78%</b>	<b>9.11%</b>
<b>RATIOS</b>										
Net Position - End of Period (\$000,000 Omitted)	\$ -	\$ 15	\$ 1,481	\$ 1,399	\$ 1,344	\$ 2,282	\$ 1,894	\$ 2,107	\$ 1,902	\$ 1,637
Ratio of Expenses to Average Net Position (excl. sec. lending fees & rebates)	1.15%	0.67%	0.25%	0.26%	0.23%	0.41%	0.51%	0.43%	0.46%	0.39%
Ratio of Expenses to Average Net Position	1.15%	1.32%	0.69%	0.56%	0.39%	0.42%	0.54%	0.47%	0.49%	0.39%
Ratio of Net Investment Income ( Loss) to Average Net Position	-4.91%	-0.12%	0.05%	0.08%	-0.11%	5.48%	6.14%	6.20%	6.50%	7.16%

Source: Amounts were derived from custodial records.

**COMBINED INVESTMENT FUNDS  
SUPPLEMENTAL SCHEDULE OF FINANCIAL HIGHLIGHTS (Continued)**

FISCAL YEAR ENDED JUNE 30, PER SHARE DATA	HIGH YIELD INVESTMENT					DEVELOPED MARKET INTERNATIONAL STOCK				
	2021	2020	2019	2018	2017	2021	2020	2019	2018	2017
Net Position- Beginning of Period	\$ 166.61	\$ 168.15	\$ 158.88	\$ 154.86	\$ 137.81	\$ 546.70	\$ 574.15	\$ 572.25	\$ 537.14	\$ 430.35
<b>INCOME FROM INVESTMENT OPERATIONS</b>										
Net Investment Income (Loss)	\$ 10.13	\$ 11.33	\$ 11.13	\$ 10.09	\$ 9.35	\$ 16.08	\$ 10.71	\$ 14.95	\$ 13.96	\$ 13.00
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	\$ 18.57	\$ (12.87)	\$ (1.86)	\$ (6.07)	\$ 7.70	\$ 175.41	\$ (38.16)	\$ (13.05)	\$ 21.15	\$ 93.79
Total from Investment Operations	\$ 28.70	\$ (1.54)	\$ 9.27	\$ 4.02	\$ 17.05	\$ 191.49	\$ (27.45)	\$ 1.90	\$ 35.11	\$ 106.79
<b>LESS DISTRIBUTIONS</b>										
Dividends from Net Investment Income	-	-	-	-	-	-	-	-	-	-
Net Position - End of Period	\$ 195.31	\$ 166.61	\$ 168.15	\$ 158.88	\$ 154.86	\$ 738.19	\$ 546.70	\$ 574.15	\$ 572.25	\$ 537.14
<b>TOTAL RETURN</b>	<b>17.21%</b>	<b>-0.87%</b>	<b>5.82%</b>	<b>2.58%</b>	<b>12.59%</b>	<b>35.03%</b>	<b>-4.85%</b>	<b>0.33%</b>	<b>6.53%</b>	<b>24.81%</b>
<b>RATIOS</b>										
Net Position - End of Period (\$000,000 Omitted)	\$ 2,707	\$ 2,224	\$ 2,206	\$ 2,132	\$ 2,044	\$ 5,815	\$ 4,073	\$ 6,999	\$ 7,153	\$ 6,381
Ratio of Expenses to Average Net Position (excl. sec. lending fees & rebates)	0.38%	0.37%	0.36%	0.38%	0.29%	0.26%	0.28%	0.37%	0.38%	0.40%
Ratio of Expenses to Average Net Position	0.39%	0.68%	0.89%	0.65%	0.41%	0.26%	0.30%	0.41%	0.42%	0.41%
Ratio of Net Investment Income ( Loss) to Average Net Position	5.59%	6.77%	6.81%	6.43%	6.39%	2.49%	1.90%	2.61%	2.52%	2.69%

FISCAL YEAR ENDED JUNE 30, PER SHARE DATA	EMERGING MARKET INTERNATIONAL STOCK					REAL ASSET FUND				
	2021	2020	2019	2018	2017	2021	2020	2019	2018	2017
Net Position- Beginning of Period	\$ 454.82	\$ 454.45	\$ 441.68	\$ 422.00	\$ 343.19	\$ 62.68	\$ 62.39	\$ 58.02	\$ 53.40	\$ 50.62
<b>INCOME FROM INVESTMENT OPERATIONS</b>										
Net Investment Income (Loss)	\$ 8.76	\$ 9.69	\$ 9.63	\$ 8.60	\$ 6.16	\$ 0.90	\$ 1.34	\$ 1.94	\$ 2.10	\$ 1.79
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	\$ 200.83	\$ (9.32)	\$ 3.14	\$ 11.08	\$ 72.65	\$ 4.49	\$ (1.05)	\$ 2.43	\$ 2.52	\$ 0.99
Total from Investment Operations	\$ 209.59	\$ 0.37	\$ 12.77	\$ 19.68	\$ 78.81	\$ 5.39	\$ 0.29	\$ 4.37	\$ 4.62	\$ 2.78
<b>LESS DISTRIBUTIONS</b>										
Dividends from Net Investment Income	-	-	-	-	-	-	-	-	-	-
Net Position - End of Period	\$ 664.41	\$ 454.82	\$ 454.45	\$ 441.68	\$ 422.00	\$ 68.07	\$ 62.68	\$ 62.39	\$ 58.02	\$ 53.40
<b>TOTAL RETURN</b>	<b>46.10%</b>	<b>0.01%</b>	<b>2.90%</b>	<b>4.66%</b>	<b>23.00%</b>	<b>6.48%</b>	<b>2.11%</b>	<b>6.38%</b>	<b>8.69%</b>	<b>7.38%</b>
<b>RATIOS</b>										
Net Position - End of Period (\$000,000 Omitted)	\$ 5,531	\$ 3,418	\$ 3,303	\$ 2,791	\$ 3,015	\$ 5,307	\$ 4,351	\$ 2,438	\$ 2,285	\$ 2,248
Ratio of Expenses to Average Net Position (excl. sec. lending fees & rebates)	0.58%	0.60%	0.42%	0.50%	0.59%	0.53%	0.16%	0.38%	0.38%	0.47%
Ratio of Expenses to Average Net Position	0.58%	0.64%	0.68%	0.60%	0.63%	0.57%	0.16%	0.38%	0.38%	0.47%
Ratio of Net Investment Income ( Loss) to Average Net Position	1.55%	2.13%	2.15%	2.00%	1.61%	1.37%	2.14%	3.20%	3.76%	3.44%

FISCAL YEAR ENDED JUNE 30, PER SHARE DATA	PRIVATE INVESTMENT					PRIVATE CREDIT FUND				
	2021	2020	2019	2018	2017	2021	2020	2019	2018	2017
Net Position- Beginning of Period	\$ 114.07	\$ 103.38	\$ 87.07	\$ 78.60	\$ 69.80	\$ 10.39	\$ -	\$ -	\$ -	\$ -
<b>INCOME FROM INVESTMENT OPERATIONS</b>										
Net Investment Income (Loss)	\$ (1.77)	\$ 0.35	\$ 0.04	\$ 1.36	\$ 1.18	\$ 0.37	\$ -	\$ -	\$ -	\$ -
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	\$ 56.12	\$ 10.34	\$ 16.27	\$ 7.11	\$ 7.62	\$ 1.58	\$ 10.39	\$ -	\$ -	\$ -
Total from Investment Operations	\$ 54.35	\$ 10.69	\$ 16.31	\$ 8.47	\$ 8.80	\$ 1.95	\$ 10.39	\$ -	\$ -	\$ -
<b>LESS DISTRIBUTIONS</b>										
Dividends from Net Investment Income	-	-	-	-	-	-	-	-	-	-
Net Position - End of Period	\$ 168.42	\$ 114.07	\$ 103.38	\$ 87.07	\$ 78.60	\$ 12.34	\$ 10.39	\$ -	\$ -	\$ -
<b>TOTAL RETURN</b>	<b>46.07%</b>	<b>3.94%</b>	<b>15.53%</b>	<b>15.50%</b>	<b>10.97%</b>	<b>16.99%</b>	<b>N/A</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>RATIOS</b>										
Net Position - End of Period (\$000,000 Omitted)	\$ 4,404	\$ 2,983	\$ 2,711	\$ 2,726	\$ 2,990	\$ 424	\$ 149	\$ -	\$ -	\$ -
Ratio of Expenses to Average Net Position (excl. sec. lending fees & rebates)	2.05%	1.02%	1.57%	0.30%	0.17%	0.10%	0.00%	0.00%	0.00%	0.00%
Ratio of Expenses to Average Net Position	2.05%	1.02%	1.57%	0.30%	0.17%	0.10%	0.00%	0.00%	0.00%	0.00%
Ratio of Net Investment Income ( Loss) to Average Net Position	-1.25%	0.32%	0.05%	1.61%	1.60%	3.12%	0.01%	0.00%	0.00%	0.00%

Source: Amounts were derived from custodial records.

**PENSION FUNDS MANAGEMENT DIVISION  
COMBINED INVESTMENT FUNDS  
SUMMARY OF OPERATIONS (Dollars in Thousands)  
FISCAL YEARS ENDED JUNE 30**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Investment Income <sup>(1)</sup>	\$ 906,019	\$ 941,615	\$ 992,354	\$ 926,400	\$ 854,237	\$ 819,246	\$ 785,305	\$ 759,442	\$ 954,708	\$ 888,007
Expenses <sup>(2)</sup>	179,460	115,555	135,249	101,985	90,593	88,347	89,745	87,227	82,759	83,105
Net Investment Income	726,559	826,060	857,105	824,415	763,644	730,899	695,560	672,215	871,949	804,902
Net Increase (Decrease) in the Fair Value of Investments and Foreign Currency	8,281,011	(14,458)	1,117,075	1,484,659	3,332,743	(720,277)	339,140	3,329,796	1,905,837	(1,023,840)
Total	<u>\$ 9,007,570</u>	<u>\$ 811,602</u>	<u>\$ 1,974,180</u>	<u>\$ 2,309,074</u>	<u>\$ 4,096,387</u>	<u>\$ 10,622</u>	<u>\$ 1,034,700</u>	<u>\$ 4,002,011</u>	<u>\$ 2,777,786</u>	<u>\$ (218,938)</u>

<sup>(1)</sup> Securities lending income and expenses are shown net in the Investment Income line above for all periods presented.  
<sup>(2)</sup> Expenses shown above include salary and fringe benefits.

**COMBINED INVESTMENT FUNDS  
PENSION AND TRUST FUNDS  
BALANCES <sup>(1)</sup> IN COMBINED INVESTMENT FUNDS (Dollars in Thousands)  
AT JUNE 30, 2021**

Fund Name	Teachers' Retirement Fund	State		Municipal		Probate Court		Judges Retirement Fund		State's Attorneys' Retirement Fund		Trust Funds		
		Employees' Retirement Fund	Retirement Fund	Employees' Retirement Fund	Retirement Fund	Retirement Fund	Retirement Fund	Retirement Fund	Retirement Fund	Retirement Fund	Retirement Fund			
LF	\$ 23,940	0.11 %	\$ 68,338	0.42 %	\$ 23,588	0.71 %	\$ 5,726	4.07 %	\$ 2,402	0.81 %	\$ 29	1.08 %	\$ 22,644	1.01 %
AIF	985,294	4.44	724,485	4.43	145,107	4.36	6,000	4.26	13,134	4.40	118	4.37	91,340	4.08
DEF	5,215,700	23.48	3,825,109	23.41	777,829	23.37	31,620	22.44	69,508	23.30	627	23.25	512,680	22.92
CFIF	2,731,711	12.30	2,011,090	12.30	409,548	12.30	16,634	11.81	36,451	12.22	328	12.16	333,961	14.93
EMDF	1,142,460	5.15	838,303	5.13	169,202	5.08	6,949	4.93	15,231	5.11	137	5.08	110,182	4.92
HYBD	1,353,277	6.10	995,039	6.09	201,041	6.04	8,290	5.89	18,022	6.04	163	6.04	130,677	5.84
DMISF	2,905,606	13.09	2,130,256	13.03	433,159	13.01	17,707	12.57	38,726	12.98	350	12.98	289,078	12.92
EMISF	2,768,167	12.47	2,030,675	12.42	411,317	12.36	16,831	11.95	36,793	12.34	333	12.35	266,963	11.93
RAF	2,662,655	11.99	1,948,683	11.92	397,137	11.93	16,242	11.53	35,396	11.87	319	11.83	247,027	11.04
PCF	210,002	0.95	152,773	0.93	31,606	0.95	1,270	0.90	2,886	0.97	27	1.00	25,057	1.12
PIF	2,201,814	9.92	1,621,176	9.92	329,156	9.89	13,590	9.65	29,708	9.96	266	9.86	207,930	9.29
Total	\$ 22,200,626	100.00 %	\$ 16,345,927	100.00 %	\$ 3,328,690	100.00 %	\$ 140,859	100.00 %	\$ 298,257	100.00 %	\$ 2,697	100.00 %	\$ 2,237,539	100.00 %

<sup>(1)</sup> Based on Net Asset Value  
Source: Amounts were derived from custodial records

**PENSION FUNDS MANAGEMENT DIVISION  
COMBINED INVESTMENT FUNDS  
INVESTMENT SUMMARY AT JUNE 30, 2021 <sup>(1)</sup>**

	<b>Liquidity Fund <sup>(2)</sup></b>			<b>Domestic Equity Fund</b>		
	<b>Fair Value</b>	<b>% of Total Fund FV</b>	<b>Rate of Return</b>	<b>Fair Value</b>	<b>% of Total Fund FV</b>	<b>Rate of Return</b>
2021	\$146,729,296	0.33%	0.13%	\$10,431,686,811	23.18%	43.70%
2020	602,110,350	1.64%	1.63%	7,257,236,555	19.83%	6.77%
2019	336,518,178	0.93%	2.46%	8,269,411,950	22.74%	8.40%
2018	709,844,344	2.07%	1.63%	7,760,012,682	22.58%	14.74%
2017	1,387,328,362	4.26%	0.96%	7,026,486,865	21.57%	19.26%
2016	1,018,293,290	3.49%	0.68%	6,647,482,185	22.76%	1.75%
2015	1,282,270,968	4.31%	-1.07%	6,784,028,571	22.80%	7.32%
2014	1,158,961,835	3.93%	0.54%	7,055,012,881	23.93%	25.28%
2013	1,041,232,312	4.01%	0.66%	6,236,082,798	24.07%	21.15%
2012	770,217,574	3.20%	-0.14%	6,417,508,518	26.65%	3.38%

	<b>Core Fixed Income Fund</b>			<b>Inflation Linked Bond Fund <sup>(6)</sup></b>		
	<b>Fair Value</b>	<b>% of Total Fund FV</b>	<b>Rate of Return</b>	<b>Fair Value</b>	<b>% of Total Fund FV</b>	<b>Rate of Return</b>
2021	\$6,093,559,042	13.54%	0.53%	\$0	0.00%	0.00%
2020	7,137,048,919	19.50%	8.72%	15,059,045	0.04%	0.52%
2019	3,685,679,215	10.14%	6.69%	1,468,543,197	4.04%	3.48%
2018	3,292,563,253	9.58%	-0.89%	1,382,416,735	4.02%	3.21%
2017	2,601,453,937	7.99%	1.89%	1,332,942,016	4.09%	0.66%
2016	2,490,655,941	8.53%	3.46%	1,321,779,931	4.52%	2.29%
2015	2,627,250,626	8.83%	1.85%	1,120,365,183	3.77%	-2.85%
2014	2,573,846,130	8.73%	4.28%	1,075,489,795	3.65%	4.17%
2013	2,056,321,868	7.94%	-0.24%	879,482,495	3.39%	-4.33%
2012	2,859,134,784	11.88%	7.63%	932,982,728	3.88%	11.91%

	<b>Emerging Market Debt Fund</b>			<b>High Yield Debt Fund</b>		
	<b>Fair Value</b>	<b>% of Total Fund FV</b>	<b>Rate of Return</b>	<b>Fair Value</b>	<b>% of Total Fund FV</b>	<b>Rate of Return</b>
2021	\$2,249,661,695	5.00%	10.10%	\$2,695,114,869	5.99%	17.21%
2020	1,877,876,100	5.13%	-5.13%	2,219,682,946	6.06%	-0.87%
2019	2,108,797,847	5.80%	10.13%	2,190,692,080	6.03%	5.82%
2018	1,844,542,809	5.37%	-1.78%	2,109,564,213	6.14%	2.58%
2017	1,598,180,952	4.91%	9.11%	2,034,712,429	6.25%	12.59%
2016	1,483,772,612	5.08%	6.01%	1,808,188,496	6.19%	-0.31%
2015	1,399,864,819	4.70%	-7.57%	1,772,254,243	5.96%	-1.31%
2014	1,500,069,627	5.09%	6.99%	1,592,980,848	5.40%	12.24%
2013	1,388,070,525	5.36%	1.69%	1,267,238,204	4.89%	8.46%
2012	1,176,095,315	4.88%	4.78%	706,123,033	2.93%	6.23%

**PENSION FUNDS MANAGEMENT DIVISION  
 COMBINED INVESTMENT FUNDS (Continued)  
 INVESTMENT SUMMARY AT JUNE 30, 2021 <sup>(1)</sup>**

	Developed Market International Stock Fund			Emerging Market International Stock Fund		
	Fair Value	% of Total Fund FV	Rate of Return	Fair Value	% of Total Fund FV	Rate of Return
2021	\$5,777,059,322	12.84%	35.03%	\$5,518,556,060	12.26%	46.10%
2020	4,048,419,457	11.06%	-4.85%	3,417,822,506	9.34%	0.01%
2019	6,967,711,311	19.16%	0.33%	3,283,464,289	9.03%	2.89%
2018	7,071,927,935	20.58%	6.53%	2,779,562,524	8.09%	4.66%
2017	6,344,307,953	19.48%	24.81%	3,002,786,523	9.22%	23.00%
2016	5,187,629,818	17.76%	-7.09%	2,467,083,187	8.45%	-7.15%
2015	5,879,680,883	19.76%	0.67%	2,463,358,430	8.28%	-6.93%
2014	6,101,761,491	20.70%	22.31%	2,645,431,257	8.97%	11.50%
2013	5,393,071,695	20.81%	22.56%	2,367,182,053	9.14%	3.29%
2012	4,550,036,799	18.90%	-12.48%	2,216,901,370	9.21%	-14.16%

	Real Assets Fund <sup>(3)</sup>			Commercial Mortgage Fund <sup>(4)</sup>		
	Fair Value	% of Total Fund FV	Rate of Return	Fair Value	% of Total Fund FV	Rate of Return
2021	\$5,295,772,872	11.77%	6.48%	\$0	0.00%	0.00%
2020	4,344,309,183	11.87%	2.11%	0	0.00%	0.00%
2019	2,436,096,320	6.70%	6.38%	0	0.00%	0.00%
2018	2,283,139,537	6.64%	8.69%	0	0.00%	0.00%
2017	2,242,658,118	6.89%	7.38%	0	0.00%	0.00%
2016	2,207,396,472	7.56%	11.51%	83	0.00%	0.00%
2015	1,848,291,148	6.21%	12.93%	29,799	0.00%	0.25%
2014	1,509,757,272	5.12%	10.66%	67,609	0.00%	10.17%
2013	1,471,299,222	5.68%	10.26%	70,099	0.00%	0.88%
2012	1,328,560,229	5.52%	7.19%	765,779	0.00%	-6.48%
2011	1,097,203,255	4.35%	16.12%	2,386,359	0.01%	4.61%

	Private Investment Fund			Private Credit Fund <sup>(5)</sup>		
	Fair Value	% of Total Fund FV	Rate of Return	Fair Value	% of Total Fund FV	Rate of Return
2021	\$4,402,859,457	9.78%	46.07%	\$423,638,905	0.94%	16.99%
2020	2,991,757,771	8.17%	3.94%	149,457,511	0.41%	0.00%
2019	2,707,814,987	7.45%	15.53%			
2018	2,712,365,156	7.89%	15.50%			
2017	2,970,729,926	9.12%	10.97%			
2016	2,769,435,919	9.48%	8.87%			
2015	2,773,374,435	9.32%	14.04%			
2014	2,918,978,182	9.90%	16.06%			
2013	2,564,877,605	9.90%	9.50%			
2012	2,569,809,038	10.67%	5.92%			

**PENSION FUNDS MANAGEMENT DIVISION  
COMBINED INVESTMENT FUNDS (Continued)  
INVESTMENT SUMMARY AT JUNE 30, 2021 <sup>(1)</sup>**

	Alternative Investment Fund			Total Fund <sup>(3)</sup>		
	Fair Value	% of Total Fund FV	Rate of Return	Fair Value	% of Total Fund FV	Rate of Return
2021	\$1,965,476,884	4.37%	9.56%	\$45,000,115,213	100.00%	24.30%
2020	2,545,418,970	6.95%	-3.78%	36,606,199,313	100.00%	1.89%
2019	2,902,985,114	7.98%	3.73%	36,357,550,590	100.00%	5.92%
2018	2,422,737,099	7.05%	4.69%	34,368,676,287	100.00%	7.03%
2017	2,026,788,085	6.22%	8.51%	32,568,375,166	100.00%	14.18%
2016	1,804,337,067	6.18%	-5.32%	29,206,055,001	100.00%	0.35%
2015	1,804,487,746	6.06%	3.98%	29,755,256,851	100.00%	2.79%
2014	1,349,977,450	4.58%	6.63%	29,482,334,377	100.00%	15.43%
2013	1,247,574,910	4.81%	6.39%	25,912,503,786	100.00%	11.64%
2012	549,205,302	2.28%	-1.62%	24,077,340,469	100.00%	-0.90%

(1) All rates of return are net of management fees and division operating expenses.

(2) The fair value of the Liquidity Fund for the periods presented represents the fair value of the pension and trust balances in the Liquidity Fund only (excluding receivables and payables); the Liquidity Fund balances of the other combined investment funds are shown in the fair value of each fund.

(3) Represents a composite return of the total pension and trust funds.

(4) Investments in Commercial Mortgage Fund were redeemed by plan participants. Ending Net Asset Value at June 30, 2016 was less than \$100. No percentages were calculated due to the immaterial amounts.

(5) Inception of the Private Credit Fund during Fiscal 2020.

(6) Investments in Inflation Linked Bond Fund were redeemed by plan participants.

**PENSION FUNDS MANAGEMENT DIVISION  
 COMBINED INVESTMENTS FUNDS  
 TOP TEN HOLDINGS\* BY FUND AT JUNE 30, 2021**

**LIQUIDITY FUND**

Security Name	Maturity Date	Market Value	%
U S TREASURY BILL	7/20/2021	349,993,875	35.45%
GCM NATWEST REPURCHASE AGREEMENT	7/1/2021	147,312,000	14.92%
FIRST AMERICAN MONEY FUND	7/1/2021	140,000,000	14.18%
TD BANK NA CERTIFICATE OF DEPOSIT	7/1/2021	40,000,063	4.05%
DNB NOR BANK DISC	11/29/2021	34,994,058	3.54%
US BANK REPURCHASE AGREEMENT	7/1/2021	25,001,458	2.53%
FICA CERTIFICATE OF DEPOSIT	7/1/2021	25,000,000	2.53%
ROYAL BANK CANADA C/D	8/9/2021	24,999,875	2.53%
COOPERATIEVE CENTRALE INSTL C/D	11/8/2021	15,000,000	1.52%
MUFG BANK LTD CERTIFICATE OF DEPOSIT	10/13/2021	15,000,000	1.52%
<b>Top Ten</b>		<b>817,301,330</b>	<b>82.78%</b>

**Fair Value LF**

**987,274,390**

**ALTERNATIVE INVESTMENT FUND**

Partnership Name	Partnership Type	Market Value	%
PRUDENCE CRANDALL III, L.P.	Hedge Fund-of-Funds	1,057,633,292	53.81%
PRUDENCE CRANDALL IV, L.P.	Hedge Fund-of-Funds	658,529,203	33.50%
THOMAS WELLES FUND	Hedge Fund-of-Funds	123,244,579	6.27%
PRUDENCE CRANDALL IV-D, LIQUID STRATEGY, L.P.	Hedge Fund-of-Funds	112,888,874	5.74%
LIQUIDITY FUND	Money Fund	13,180,936	0.67%

**Top Ten**

**\$1,965,476,884 100.00%**

**FAIR VALUE AIF**

**\$1,965,476,884**

**DOMESTIC EQUITY FUND**

Security Name	Industry Sector	Market Value	%
APPLE INC	TECHNOLOGY	479,537,500	4.60%
MICROSOFT CORP	TECHNOLOGY	469,568,579	4.50%
AMAZON.COM INC	CONSUMER DISCRETIONARY	345,165,013	3.31%
FACEBOOK INC	TECHNOLOGY	209,259,875	2.01%
ALPHABET INC-CL C	TECHNOLOGY	201,340,205	1.93%
ALPHABET INC-CL A	TECHNOLOGY	150,524,145	1.44%
BERKSHIRE HATHAWAY INC	FINANCIAL SERVICES	105,779,687	1.01%
VISA INC	FINANCIAL SERVICES	102,107,323	0.98%
NVIDIA CORP	TECHNOLOGY	99,462,831	0.95%
BANK OF AMERICA CORP	FINANCIAL SERVICES	88,094,904	0.84%
<b>Top Ten</b>		<b>2,250,840,062</b>	<b>21.58%</b>

**FAIR VALUE DEF**

**\$10,431,686,811**

**PENSION FUNDS MANAGEMENT DIVISION  
COMBINED INVESTMENTS FUNDS  
TOP TEN HOLDINGS\* BY FUND AT JUNE 30, 2021 (Continued)**

**DEVELOPED MARKET INTERNATIONAL STOCK FUND**

<b>Security Name</b>	<b>Country</b>	<b>Market Value</b>	<b>%</b>
ROCHE HOLDING AG	Switzerland	139,103,256	2.41%
NESTLE SA	Switzerland	104,794,793	1.81%
NOVARTIS AG	Switzerland	82,786,669	1.43%
SAP SE	Germany	80,077,624	1.39%
LVMH MOET HENNESSY LOUIS VUITT	France	71,666,592	1.24%
ASML HOLDING NV	Netherlands	65,208,157	1.13%
TAIWAN SEMICONDUCTOR MANUFACTURING	Taiwan	61,748,902	1.07%
NOVO NORDISK A/S	Denmark	61,136,952	1.06%
KEYENCE CORP	Japan	56,529,716	0.98%
SANOFI	France	53,023,455	0.92%
<b>Top Ten</b>		<b>776,076,117</b>	<b>13.43%</b>

**FAIR VALUE DMISF** **\$5,777,059,322**

**EMERGING MARKET INTERNATIONAL STOCK FUND**

<b>Security Name</b>	<b>Country</b>	<b>Market Value</b>	<b>%</b>
TAIWAN SEMICONDUCTOR MANUFACTURING	Taiwan	320,746,212	5.81%
SAMSUNG ELECTRONICS CO LTD	South Korea	265,225,874	4.81%
TENCENT HOLDINGS LTD	China	238,602,599	4.32%
ALIBABA GROUP HOLDING LTD	China	159,468,294	2.89%
INFOSYS LTD	India	113,277,756	2.05%
ICICI BANK LTD	India	83,293,519	1.51%
NASPERS LTD	South Africa	65,017,705	1.18%
AIA GROUP LTD	Hong Kong	60,849,495	1.10%
JD.COM INC	China	59,788,784	1.08%
ASML HOLDING NV	Netherlands	56,439,253	1.02%
<b>Top Ten</b>		<b>1,422,709,491</b>	<b>25.78%</b>

**FAIR VALUE EMISF** **\$5,518,556,060**

**REAL ASSETS FUND**

<b>Partnership Name</b>	<b>Partnership Type</b>	<b>Market Value</b>	<b>%</b>
PRIME PROPERTY FUND LLC	Core	286,241,966	5.41%
BARINGS CORE PROPERTY FUND L.P.	Core	265,328,580	5.01%
PRISA	Core	221,096,414	4.17%
USAA EAGLE REAL ESTATE FEEDER	Core	208,818,808	3.94%
CLARION LION INDUSTRIAL TRUST	Value Added	189,535,394	3.58%
CARLYLE PROPERTY INVESTORS L.P.	Core-plus	165,162,964	3.12%
ARES REAL ESTATE ENHANCED INCOME FUND L.P.	Value Add	97,235,567	1.84%
OAK STEET NET LEASE PROPERTY FUND	Core-plus	93,081,853	1.76%
US TREAS-CPI INFLAT	U.S. TIPS	84,286,317	1.59%
BLACKSTONE REAL ESTATE VIII LP	Opportunistic	81,183,370	1.53%
<b>Top Ten</b>		<b>\$1,691,971,233</b>	<b>31.95%</b>

**FAIR VALUE RAF** **\$5,295,772,872**



**PENSION FUNDS MANAGEMENT DIVISION  
 COMBINED INVESTMENTS FUNDS  
 TOP TEN HOLDINGS\* BY FUND AT JUNE 30, 2021 (Continued)**

**CORE FIXED INCOME FUND**

<b>Security Name</b>	<b>Coupon</b>	<b>Maturity</b>	<b>Security Type</b>	<b>Market Value</b>	<b>%</b>
FNMA SF MTG	2.00%	7/1/2051	U.S. Govt/Agency	75,919,484	1.25%
FNMA SF MTG	2.00%	8/1/2051	U.S. Govt/Agency	59,743,786	0.98%
U S TREASURY NOTE	1.625%	8/15/2029	U.S. Govt/Agency	57,114,648	0.94%
U S TREASURY NOTE	1.625%	10/31/2026	U.S. Govt/Agency	54,815,509	0.90%
U S TREASURY NOTE	0.13%	5/15/2023	U.S. Govt/Agency	50,139,051	0.82%
FNMA SF MTG	2.000%	7/1/2036	U.S. Govt/Agency	47,219,986	0.77%
FNMA SF MTG	3.500%	7/1/2051	U.S. Govt/Agency	43,889,218	0.72%
U S TREASURY NOTE	0.125%	10/15/2023	U.S. Govt/Agency	41,882,438	0.69%
U S TREASURY BOND	3.125%	2/15/2043	U.S. Govt/Agency	35,242,079	0.58%
U S TREASURY NOTE	2.875%	5/31/2025	U.S. Govt/Agency	34,383,757	0.56%
<b>Top Ten</b>				<b>\$500,349,955</b>	<b>8.21%</b>

**FAIR VALUE CFIF**

**\$6,093,559,042**

**EMERGING MARKET DEBT FUND**

<b>Security Name</b>	<b>Coupon</b>	<b>Maturity</b>	<b>Market Value</b>	<b>%</b>
BRAZIL NOTAS DO TESOURO NACION	10.00%	1/1/2027	31,642,334	1.41%
MEXICAN BONOS	5.75%	3/5/2026	26,902,685	1.20%
REPUBLIC OF SOUTH AFRICA GOVER	8.75%	2/28/2048	24,974,958	1.11%
MALAYSIA GOVERNMENT BOND	3.89%	8/15/2029	24,572,611	1.09%
RUSSIAN FEDERAL BOND - OFZ	7.75%	9/16/2026	21,506,057	0.96%
QATAR GOVERNMENT INTERNAT REGS	4.82%	3/14/2049	18,671,205	0.83%
RUSSIAN FEDERAL BOND - OFZ	6.900%	5/23/2029	18,510,605	0.82%
MEXICAN BONOS	8.50%	5/31/2029	17,533,198	0.78%
BRAZIL NOTAS DO TESOURO NACION	10.00%	1/1/2031	17,532,313	0.78%
UKRAINE GOVERNMENT BOND	15.84%	2/26/2025	14,893,197	0.66%
<b>Top Ten</b>			<b>216,739,161</b>	<b>9.63%</b>

**FAIR VALUE EMDF**

**\$2,249,661,695**

**PENSION FUNDS MANAGEMENT DIVISION  
COMBINED INVESTMENTS FUNDS  
TOP TEN HOLDINGS\* BY FUND AT JUNE 30, 2021 (Continued)**

**HIGH YIELD DEBT FUND**

<b>Security Name</b>	<b>Coupon</b>	<b>Maturity</b>	<b>Market Value</b>	<b>%</b>
ALTICE FRANCE SA/FRANCE 144A	8.125%	2/1/2027	11,662,008	0.43%
NFP CORP 144A	6.875%	8/15/2028	11,291,367	0.42%
VERSCEND ESCROW CORP 144A	9.750%	8/15/2026	10,628,123	0.39%
HUB INTERNATIONAL LTD 144A	7.000%	5/1/2026	10,229,856	0.38%
BAUSCH HEALTH COS INC 144A	9.000%	12/15/2025	9,639,977	0.36%
DELL INTERNATIONAL LLC 144A	7.125%	6/15/2024	9,491,828	0.35%
CARNIVAL CORP 144A	5.750%	3/1/2027	8,919,463	0.33%
TRANSDIGM INC	6.375%	06/15/2026	8,191,415	0.30%
FORD MOTOR CREDIT CO LLC	4.000%	11/13/2030	7,887,675	0.29%
FORD MOTOR CO	9.000%	4/22/2025	7,831,190	0.29%
<b>Top Ten</b>			<b>95,772,901</b>	<b>3.55%</b>

**FAIR VALUE HYDF**

**\$2,695,114,869**

**PRIVATE INVESTMENT FUND**

<b>Partnership Name</b>	<b>Partnership Type</b>	<b>Market Value</b>	<b>%</b>
FAIRVIEW CONSTITUTION IV L.P.	Fund of Funds	316,553,668	7.19%
CONSTITUTION FUND V LLC	Fund of Funds	294,270,821	6.68%
FAIRVIEW CONSTITUTION III L.P.	Fund of Funds	272,871,833	6.20%
VISTA EQUITY PARTNERS FUND VI L.P.	Buyout	154,248,843	3.50%
WCA & STOWE XII L.P.	Buyout	144,152,374	3.27%
BC EUROPEAN CAPITAL X L.P.	Buyout - International	121,261,802	2.75%
EQT VIII L.P.	Buyout - International	116,922,792	2.66%
JFL EQUITY INVESTORS IV L.P.	Buyout	107,350,431	2.44%
LEEDS EQUITY PARTNERS VI L.P.	Buyout	104,678,982	2.38%
NUTMEG OPPORTUNITIES FUND II	Fund of Funds	104,587,087	2.38%
<b>Top Ten</b>		<b>1,736,898,633</b>	<b>39.45%</b>

**FAIR VALUE PIF**

**\$4,402,859,457**

**PRIVATE CREDIT FUND**

<b>Partnership Name</b>	<b>Strategy</b>	<b>Market Value</b>	<b>%</b>
ANCHORAGE	Distressed	94,188,318	22.23%
FORTRESS LENDING FUND II	Opportunistic	82,671,136	19.51%
GS WEST STREET CT PRIVATE CREDIT PARTNERSHIP, L.P.	Opportunistic	65,422,994	15.44%
CRESCENT II	Direct Lending	46,407,881	10.95%
TSSP ADJACENT OPPORTUNITIES B, L.P.	Opportunistic	43,525,198	10.27%
OSP VALUE FUND III, L.P.	Opportunistic	32,851,781	7.75%
GS PRIVATE MIDDLE MARKET CREDIT II, LLC	Direct Lending	25,731,863	6.07%
FORTRESS CREDIT OPPORTUNITY FUND V	Opportunistic	15,690,515	3.70%
LIQUIDITY FUND	Money Fund	13,124,273	3.09%
GS WEST STREET SENIOR CREDIT PARTNRS III, L.P.	Opportunistic	4,024,946	0.95%
<b>Top Ten</b>		<b>423,638,905</b>	<b>100.00%</b>

**FAIR VALUE PCF**

**\$423,638,905**

Ten Largest Securities Holdings\* at June 30, 2021

\* A complete list of portfolio holdings is available upon request from the Office of the Treasurer, in accordance with the Connecticut Freedom of Information Act.

**PENSION FUNDS MANAGEMENT DIVISION**  
**SCHEDULE OF EXPENSES IN EXCESS OF \$5,000<sup>(1)</sup>**  
**FISCAL YEAR ENDED JUNE 30, 2021**

Name of Firm	Description of Services	Contract Date	Aggregate Comp. Paid in FY 2021	Status at June 30, 2021
<b>INVESTMENT ADVISORY SERVICES</b>				
<b>Domestic Equity Investment Advisory Services -315</b>				
Bivium Capital Partners, LLC	Equity Advisor	Jul-05	\$ 1,940,128	Terminated
Capital Prospects LLC	Equity Advisor	Jul-05	1,516,272	Terminated
State Street Global Advisors	Equity Advisor	Mar-96	18,453	Terminated
Rhumblin	Equity Advisor	May-20	210,450	Active
T. Rowe Price Associates, Inc.	Equity Advisor	Nov-08	7,007,138	Active
Xponance	Equity Advisor	May-20	71,858	Active
<b>Total Domestic Equity Advisor Compensation</b>			<b>\$ 10,764,298</b>	
<b>Core Fixed Income Investment Advisory Services -321</b>				
Attucks Asset Management LLC	Core Income Advisor	Jan-21	\$ 178,936	Active
Blackrock Financial Management	Core Income Advisor	Mar-96	828,566	Active
Goodwin Capital Advisors (Conning)	Core Income Advisor	Nov-97	1,365,518	Active
Longfellow Investment Management	Core Income Advisor	Dec-18	630,839	Active
Pugh Capital Management	Core Income Advisor	Dec-18	611,376	Active
State Street Global Advisors	Core Income Advisor	Mar-96	418,504	Active
Wellington Asset Management	Core Income Advisor	Nov-97	1,290,243	Active
<b>Total Core Fixed Income Advisor Compensation</b>			<b>\$ 5,323,983</b>	
<b>Emerging Market Debt Investment Advisory Services-323</b>				
Aberdeen	Emerging Market Income Advisor	Sep-20	\$ 1,246,830	Active
Ashmore Investment Management Limited	Emerging Market Income Advisor	Sep-16	1,255,268	Terminated
Attuck Asset Management LLC	Emerging Market Income Advisor	Jan-21	98,117	Active
Eaton Vance	Emerging Market Income Advisor	Sep-20	112,582	Active
Payden & Rygel	Emerging Market Income Advisor	Jul-18	2,603,638	Active
PIMCO	Emerging Market Income Advisor	Sep-20	1,320,062	Active
<b>Total Emerging Market Debt Advisor Compensation</b>			<b>\$ 6,636,497</b>	
<b>High Yield Debt Advisory Services-324</b>				
Advent Capital	High Yield Income Advisor	Nov-20	\$ 204,496	Active
AllianceBernstein	High Yield Income Advisor	Nov-18	1,023,718	Terminated
Attuck Asset Management LLC	High Yield Income Advisor	Jan-21	78,542	Active
Calamos Advisors	High Yield Income Advisor	Nov-20	54,772	Active
Columbia Management Investment Advisers LLC	High Yield Income Advisor	Feb-17	2,216,633	Active
DDJ Capital Management LLC	High Yield Income Advisor	Nov-16	1,161,902	Active
Nomura Corporate Research & Asset Management	High Yield Income Advisor	Feb-17	1,836,551	Active
Shenkman Capital Management	High Yield Income Advisor	Dec-07	1,400,789	Active
<b>Total High Yield Debt Advisor Compensation</b>			<b>\$ 7,977,403</b>	
<b>Liquidity Fund Advisory Services-330</b>				
Short Term Investment Unit	Liquidity Fund Advisor	Feb-20	\$ 150,836	Active
<b>Total Liquidity Fund Advisor Compensation</b>			<b>\$ 150,836</b>	
<b>Developed Market International Equity Investment Advisory Services-341</b>				
Acadian Asset Management	International Equity Advisor	Sep-06	\$ 2,052,366	Active
Causeway	International Equity Advisor	Nov-19	2,593,473	Active
Fierra	International Equity Advisor	Nov-19	3,681,142	Active
State Street Global Advisors	International Equity Advisor	Mar-96	695,687	Active
Xponance, Inc. (Formerly FIS Group, Inc.)	International Equity Advisor	May-20	1,417,550	Active
<b>Total Developed Market International Equity Advisor Compensation</b>			<b>\$ 10,440,218</b>	
<b>Emerging Market International Equity Investment Advisory Services-342</b>				
Arga Investment Management	International Equity Advisor	Apr-19	\$ 2,052,335	Active
Driehaus Capital Management	International Equity Advisor	Mar-19	3,783,945	Active
GQG Partners	International Equity Advisor	Apr-19	4,422,275	Active
Lazard Asset Management	International Equity Advisor	Apr-19	2,565,439	Active
Schroder Investment Management	International Equity Advisor	Jan-10	7,922,993	Active
<b>Total Emerging Market International Equity Advisor Compensation</b>			<b>\$ 20,746,987</b>	
<b>Real Assets Investment Advisory Services (2)-325</b>				
State Street Global Advisors	U.S. TIPS Advisor	Mar-20	\$ 231,206	Active
Artemis Real Estate Partners Income & Growth Fund, L.P.	Real Assets Advisor	Jan-19	658,939	Active
American Realty Advisors	Real Assets Advisor	Mar-12	1,171,429	Active
Barings Core Property Fund LP	Real Assets Advisor	Oct-12	1,340,771	Active
Blackstone Real Estate Partners Europe III L.P.	Real Assets Advisor	Nov-08	74,126	Active
Blackstone Real Estate Partners Europe V LP	Real Assets Advisor	May-17	580,188	Active
Blackstone Real Estate Partners VIII	Real Assets Advisor	Mar-15	1,093,484	Active
Clarion Lion Industrial Trust L.P.	Real Assets Advisor	Mar-03	1,706,721	Active
Crow Holdings Realty Partners VII, L.P.	Real Assets Advisor	Dec-15	391,565	Active
Crow Holdings Realty Partners VIII, L.P.	Real Assets Advisor	Feb-18	2,366,576	Active
Cypress Retail Fund LP	Real Assets Advisor	May-13	525,732	Active
EIG Energy Fund XV, L.P.	Real Assets Advisor	Apr-11	79,721	Active
Global Infrastructure Partners IV, L.P.	Real Assets Advisor	Jul-19	3,147,269	Active

**PENSION FUNDS MANAGEMENT DIVISION**  
**SCHEDULE OF EXPENSES IN EXCESS OF \$5,000<sup>(1)</sup> (Continued)**  
**FISCAL YEAR ENDED JUNE 30, 2021**

Name of Firm	Description of Services	Contract Date	Aggregate Comp. Paid in FY 2021	Status at June 30, 2021
<b>Real Assets Investment Advisory Services (2)-325 (continued)</b>				
Grain Communications Opportunity Fund III, L.P.	Real Assets Advisor	Jan-21	811,475	Active
Green Cities IV, LP	Real Assets Advisor	May-14	923,639	Active
Hart Realty Advisors, Inc. (CORE)	Real Assets Advisor	Nov-11	1,452,709	Active
Homestead Capital USA Farmland Fund III, L.P.	Real Assets Advisor	Jun-20	1,381,155	Active
IPI Partners II-A, L.P.	Real Assets Advisor	Nov-20	2,070,000	Active
ISQ Global Infrastructure Fund II (UST), L.P.	Real Assets Advisor	Apr-18	582,958	Active
Penzance DC Real Estate Fund II L.P.	Real Assets Advisor	Apr-21	844,262	Active
TruAmerica Workforce Housing Fund I-A, L.P.	Real Assets Advisor	Nov-20	256,031	Active
UBS Trumbull Property Growth & Income Fund LP	Real Assets Advisor	Nov-13	801,464	Active
UBS Trumbull Property Fund LP	Real Assets Advisor	Nov-13	552,942	Active
UBS Trumbull Property Income Fund, LP	Real Assets Advisor	Nov-13	492,400	Active
Waterton Residential Property Venture XIV, L.P.	Real Assets Advisor	Sep-20	914,517	Active
<b>Total Real Assets Advisor Compensation</b>			<b>\$ 24,451,280</b>	
<b>Private Investment Advisory Services (2)-345</b>				
Altaris Health Partners V, L.P.	Private Investment Advisor	Jun-17	\$ 298,757	Active
Altaris Healthcare Partners III, LP	Private Investment Advisor	Oct-07	361,299	Active
Altaris Health Partners, IV LP	Private Investment Advisor	Jun-17	520,995	Active
Aldrich Capital Partners Fund, L.P.	Private Investment Advisor	Sep-18	1,809,242	Active
Apollo Investment Fund IX	Private Investment Advisor	Jun-17	1,409,812	Active
Apollo Investment Fund VIII, L.P.	Private Investment Advisor	Dec-13	352,927	Active
Audax Mezzanine Fund III, LP	Private Investment Advisor	May-10	131,741	Active
Balance Point Capital Partners III, LP	Private Investment Advisor	Aug-17	152,396	Active
BC European Capital X	Private Investment Advisor	May-17	663,809	Active
Clearlake Capital Partners III, LP	Private Investment Advisor	Nov-12	246,568	Active
Clearlake Capital Partners IV, LP	Private Investment Advisor	Jun-15	448,457	Active
Clearlake Capital Partners V, LP	Private Investment Advisor	Jan-18	140,337	Active
Clearlake Capital Partners VI, LP	Private Investment Advisor	Feb-20	1,178,832	Active
Clearlake Flagship Plus Partners, L.P.	Private Investment Advisor	Nov-20	13,938	Active
Constitution Fund V, LLC - Series A & B	Private Investment Advisor	Dec-16	512,733	Active
Constitution Fund V, LLC - Series C	Private Investment Advisor	Dec-18	487,500	Active
Constitution Fund V, LLC - Series D	Private Investment Advisor	Dec-18	162,500	Active
Constitution Fund V, LLC - Series E	Private Investment Advisor	Sep-20	437,160	Active
Court Square Capital Partners III, LP	Private Investment Advisor	May-13	329,192	Active
EQT VIII	Private Investment Advisor	Dec-17	964,035	Active
Fairview Constitution III, LP	Private Investment Advisor	Jun-07	262,488	Active
Fairview Constitution IV, LP	Private Investment Advisor	Dec-11	525,000	Active
Freeman CT Horizon, LLC	Private Investment Advisor	Dec-18	375,000	Active
FS Equity Partners VI, LP	Private Investment Advisor	Mar-04	90,516	Active
GenNx360 Captial Partners II, LP	Private Investment Advisor	Mar-14	166,678	Active
Georgian Partners Growth Fund (International) V, LP	Private Investment Advisor	Dec-19	1,972,500	Active
Hg Genesis 9 A L.P.	Private Investment Advisor	Apr-21	760,544	Active
Hg Saturn 2 A L.P.	Private Investment Advisor	Apr-21	1,920,324	Active
Hollyport Secondary Opportunities Fund VII LP	Private Investment Advisor	Dec-19	843,750	Active
ICG Europe Fund VII	Private Investment Advisor	Nov-18	1,806,485	Active
JFL Investors IV, LP	Private Investment Advisor	Aug-11	50,600	Active
JFL Equity Investors V, L.P.	Private Investment Advisor	Aug-20	1,075,812	Active
K5 Private Investors, L.P.	Private Investment Advisor	Dec-20	4,216,821	Active
Leeds Equity Partners VI, LP	Private Investment Advisor	May-18	735,584	Active
Levine Leichtman Capital Partners V, LP	Private Investment Advisor	Aug-12	825,452	Active
M2 - Connecticut Emerging Private Equity Fund -of-Funds, LP	Private Investment Advisor	Nov-07	52,500	Active
Nutmeg Opportunities Fund LP	Private Investment Advisor	Nov-06	631,858	Active
Nutmeg Opportunities Fund II, LLC	Private Investment Advisor	Jun-17	900,000	Active
One Rock Capital Partners III, LP	Private Investment Advisor	Jan-20	760,420	Active
Pegasus Investors V, LP	Private Investment Advisor	May-12	373,293	Active
Siris Capital Group, LLC	Private Investment Advisor	Apr-18	600,851	Active
StepStone Pioneer Capital Buyout Fund II, L.P.	Private Investment Advisor	Oct-13	85,336	Active
TA XI, L.P.	Private Investment Advisor	Oct-13	60,000	Active
Vista Equity Partners III, LP	Private Investment Advisor	Sep-07	50,532	Active
Vista Equity Partners IV, LP	Private Investment Advisor	May-12	489,972	Active
Vista Equity Partners VI, LP	Private Investment Advisor	May-16	1,468,569	Active
Vista Equity Partners VII, LP	Private Investment Advisor	Nov-18	1,471,198	Active
Vistria Fund III, L.P.	Private Investment Advisor	Aug-19	1,125,000	Active
Wellspring Capital Partners VI, LP	Private Investment Advisor	Jan-18	473,294	Active
Yuiciapa American Alliance Fund III, LP	Private Investment Advisor	Jul-15	310,624	Active
<b>Total Private Equity Advisor Compensation</b>			<b>\$ 35,103,230</b>	
<b>Private Credit Advisory Services (2)</b>				
Fortress Lending Fund II	Private Credit Advisor		119,565	Active
Sixth Street TAO Partners (B), L.P.	Private Credit Advisor		94,262	Active
West Street CT Private Credit Partnership, L.P.	Private Credit Advisor		13,621	Active
<b>Total Private Credit Advisor Compensation</b>			<b>\$ 227,448</b>	
<b>TOTAL COMPENSATION TO INVESTMENT ADVISORS</b>			<b>\$ 121,822,182</b>	

**PENSION FUNDS MANAGEMENT DIVISION**  
**SCHEDULE OF EXPENSES IN EXCESS OF \$5,000<sup>(1)</sup> (Continued)**  
**FISCAL YEAR ENDED JUNE 30, 2021**

Name of Firm	Description of Services	Contract Date	Aggregate Comp. Paid in FY 2021	Status at June 30, 2021
<b>CUSTODY SERVICES</b>				
Bank of New York Mellon	Master Custodian	Oct-13	\$ 3,311,725	
<b>TOTAL CUSTODY SERVICES COMPENSATION</b>			<u>\$ 3,311,725</u>	
<b>CONSULTING SERVICES 336</b>				
Hamilton Lane	Consultant - Private Investment	Jan-21	\$ 217,500	Active
Hudepohl & Associates	Consultant - Executive Search	Jul-12	61,946	Active
Meketa Investment Group INC	Consultant - Investment Funds	Jul-17	845,710	Active
NECP, LLC	Consultant- REF	Dec-18	327,703	Active
Stepstone Group LP	Consultant -Private Investment	Oct-15	700,000	Terminated
<b>TOTAL CONSULTING SERVICES COMPENSATION</b>			<u>\$ 2,152,859</u>	

**Pension Funds Management Division**  
**Schedule of Expenses in Excess of \$5,000 (1)**  
**Fiscal Year Ended June 30, 2021**

Name of Firm	Description of Services	Contract Date	Comp. Paid in FY 2021	June 30, 2021
<b>MISCELLANEOUS SERVICES</b>				
Cohen Milstein Sellers & Toll	Legal Services	Dec-16	\$ 13,799	Active
Day Pitney	Legal Services	Dec-16	6,188	Active
DLA Piper	Legal Services	Sep-10	159,704	Active
McCarter & English	Legal Services	Dec-11	122,570	Active
Nossaman	Legal Services	Jun-03	246,927	Active
Pullman & Comley	Legal Services	Jun-08	13,218	Active
Reinhart Boerner Van Deuren, SC	Legal Services	Dec-11	317,760	Active
Robinson,Bradshaw & Hinson	Legal Services	Jun-17	79,426	Active
Squire Patton Boggs	Legal Services	Sep-10	62,800	Active
Bloomberg Finance LP	On-Line Information service	N/A	23,640	Active
Bloomberg Index Services Limited	On-Line Information service	N/A	85,000	Active
Council of Institutional Investors	Dues	N/A	22,258	Active
Cronin & Company	Communications Support Service	N/A	15,000	Active
Institutional Shareholder Services	Proxy Voting	Nov-99	89,320	Active
JP Morgan Chase Bank	Purchasing Card Expenditures	Mar-10	8,118	Active
Practising Law Institute	Dues	N/A	7,000	Active
PRI Association	Subscription	N/A	12,080	Active
<b>TOTAL MISCELLANEOUS SERVICES COMPENSATION</b>			<u>\$ 1,284,807</u>	
<b>GRAND TOTAL</b>			<u>\$ 128,571,573</u>	

(1) Expenses are presented on a cash basis.

(2) Investment Management fees for the Private Investment Fund and the Real Asset Fund include capitalized fees including carried interest and expensed fees. The appropriate treatment is determined depending on the terms of the investment agreement. Capitalized fees are part of the cost of the investment and become a component of unrealized gain (loss). Capitalized fees are disclosed in Note 1 of the Combined Investment Funds Financial Statements. Expensed fees which are not part of the cost of the investment are recorded in the Statement of Operations.

**COMBINED INVESTMENT FUNDS  
LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT  
JUNE 30, 2021**

<b>Name of Fund</b>	<b>Investment Strategy</b>	<b>Net Assets Under Management</b>	<b>Percents of Total Fund</b>
<b>LIQUIDITY FUND (LF)</b>			
Liquidity Fund	Active	\$ 987,211,746	100.00%
<b>SUBTOTAL LF</b>		<b>\$ 987,211,746</b>	<b>100.00%</b>
<b>DOMESTIC EQUITY FUND (DEF)</b>			
<b>Large Cap</b>		<b>\$ 8,660,026,983</b>	<b>83.01%</b>
T. Rowe Price Associates	Enhanced - Index	4,180,520,704	40.07%
RhumbLine Advisers	Passive - Indexed	3,748,444,316	35.93%
Xponance Inc.	Passive - Indexed	731,061,963	7.01%
<b>Small/Mid Cap</b>		<b>1,167,215,181</b>	<b>11.19%</b>
State Street Transition - Russell 2000	Passive - Indexed	644,073,304	6.17%
Northern Trust Transition - Russell 2000/2500	Passive - Indexed	523,141,877	5.01%
<b>Other <sup>(1)</sup></b>		<b>605,831,178</b>	<b>5.81%</b>
<b>SUBTOTAL DEF</b>		<b>\$ 10,433,073,342</b>	<b>100.00%</b>
<b>DEVELOPED MARKET INTERNATIONAL STOCK FUND (DMISF)</b>			
<b>Index</b>		<b>\$ 2,847,907,284</b>	<b>48.98%</b>
State Street Global Advisors	Index-Passive	2,847,907,284	48.98%
<b>Core</b>		<b>784,535,448</b>	<b>13.49%</b>
Acadian Asset Management	Active	784,535,448	13.49%
<b>Active-Growth</b>		<b>1,086,479,275</b>	<b>18.68%</b>
Fiera Capital	Active	856,257,270	14.73%
Xponance Inc.	Active	230,222,005	3.96%
<b>Value</b>		<b>1,086,600,160</b>	<b>18.69%</b>
Causeway Capital	Active	1,086,600,160	18.69%
<b>Other <sup>(1)</sup></b>		<b>9,359,796</b>	<b>0.16%</b>
<b>SUBTOTAL DMISF</b>		<b>\$ 5,814,881,963</b>	<b>100.00%</b>
<b>EMERGING MARKET INTERNATIONAL STOCK FUND (EMISF)</b>			
Schroders Investment Mgt.	Active	\$ 2,028,910,536	36.68%
Arga Investment Mgt.	Active	588,073,789	10.63%
Driehaus Capital Mgt.	Active	1,099,333,804	19.88%
Lazard Asset Mgt.	Active	545,428,710	9.86%
GQG Partners	Active	960,978,832	17.37%
The RockCreek Group	Active	304,386,356	5.50%
<b>Other <sup>(1)</sup></b>		<b>3,966,659</b>	<b>0.07%</b>
<b>SUBTOTAL EMISF</b>		<b>\$ 5,531,078,686</b>	<b>100.00%</b>
<b>CORE FIXED INCOME FUND (CFIF)</b>			
State Street Global Advisors	Passive	\$ 1,057,606,910	19.09%
BlackRock Financial Management, Inc.	Active	603,482,919	10.89%
Wellington	Active	1,302,866,679	23.52%
Conning-Goodwin Capital	Active	1,412,948,717	25.51%
Longfellow	Active	448,134,781	8.09%
Pugh Capital	Active	441,333,943	7.97%
Attucks Asset Management	Active	269,423,588	4.86%
<b>Other <sup>(1)</sup></b>		<b>3,925,293</b>	<b>0.07%</b>
<b>SUBTOTAL CFIF</b>		<b>\$ 5,539,722,830</b>	<b>100.00%</b>

**COMBINED INVESTMENT FUNDS**  
**LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT (Continued)**  
**JUNE 30, 2021**

<b>Name of Fund</b>	<b>Investment Strategy</b>	<b>Net Assets Under Management</b>	<b>Percents of Total Fund</b>
<b>HIGH YIELD DEBT FUND (HYDF)</b>			
Shenkman Capital Management, Inc.	Active	\$ 841,309,557	31.08%
DDJ Capital Management, LLC	Active	220,539,388	8.15%
Columbia Management Investment Advisers, LLC	Active	530,329,349	19.59%
Nomura Corporation Research & Asset Management, Inc.	Active	855,225,861	31.60%
Advent Capital	Active	108,759,829	4.02%
Calamos Advisors	Active	34,947,140	1.29%
Attucks Asset Management	Active	104,652,474	3.87%
<b>Other <sup>(1)</sup></b>		<b>10,745,810</b>	<b>0.40%</b>
<b>SUBTOTAL HYDF</b>		<b>\$ 2,706,509,408</b>	<b>100.00%</b>
<b>EMERGING MARKET DEBT FUND (EMDF)</b>			
Aberdeen	Active	\$ 660,910,639	28.96%
Eaton Vance	Active	82,091,516	3.60%
PIMCO	Active	659,964,206	28.91%
Payden & Rygel	Active	720,542,501	31.57%
Attucks Asset Management	Active	130,472,717	5.72%
<b>Other <sup>(1)</sup></b>		<b>28,482,150</b>	<b>1.25%</b>
<b>SUBTOTAL EMDF</b>		<b>\$ 2,282,463,729</b>	<b>100.00%</b>
<b>REAL ASSETS FUND (RAF)</b>			
State Street Global Advisors	Passive - Indexed	\$ 1,931,596,391	36.39%
American Realty Advisors	Core	163,783,239	3.09%
Ares Real Estate	Value Add	97,235,567	1.83%
Artemis Real Estate Partners Income & Growth Fund, L.P.	Value Add	43,517,373	0.82%
Basis, L.P.	Value Add	56,601,262	1.07%
Blackstone BioMed Life Science Real Estate, L.P.	Opportunistic	23,424,523	0.44%
Blackstone Real Estate Partner Europe III, L.P.	Opportunistic	5,565,890	0.10%
Blackstone Real Estate VI, L.P.	Opportunistic	3,883,970	0.07%
Blackstone Real Estate Partners VIII, L.P.	Opportunistic	81,183,370	1.53%
Blackstone Real Estate Partners EURO V, L.P.	Opportunistic	50,228,407	0.95%
Carlyle Property Investors, L.P.	Core-plus	165,162,964	3.11%
Clarion Lion Industrial Trust	Value Add	189,535,394	3.57%
Cornerstone Patriot Fund, L.P.	Core	265,328,580	5.00%
Covenant Apartment Fund VIII, L.P.	Value Add	5,435,222	0.10%
Covenant IX, L.P.	Value Add	58,380,797	1.10%
Covenant X, L.P.	Value Add	36,886,851	0.70%
Crow Hldgs Realty Partners VII, L.P.	Value Add	24,988,835	0.47%
Crow Hldgs Realty Partners VIII, L.P.	Value Add	60,453,414	1.14%
Cypress Acquisition Prtnrs Retail Fund, L.P.	Value Add	478,965	0.01%
Gerding Edlen Green Cities II, L.P.	Value Add	13,603,855	0.26%
Gerding REF III, L.P.	Value Add	53,304,224	1.00%
Gerding IV, L.P.	Value Add	23,894,146	0.45%
Hart Realty Advisors	Core	202,010,979	3.81%
IL & FS India Realty Fund II, LLC	Opportunistic	1,472,765	0.03%
IPI Partners II, LLC	Opportunistic	642,554	0.01%
Landmark RE Partners VII, L.P.	Opportunistic	11,162,493	0.21%
Landmark VIII REF, L.P.	Opportunistic	22,150,378	0.42%
Lone Star Real Estate Part II, L.P.	Opportunistic	249,253	0.00%

**COMBINED INVESTMENT FUNDS**  
**LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT (Continued)**  
**JUNE 30, 2021**

<b>Name of Fund</b>	<b>Investment Strategy</b>	<b>Net Assets Under Management</b>	<b>Percents of Total Fund</b>
Mesirow IV, L.P.	Value Add	4,339,414	0.08%
Oak Street RE Net Lease Fund, L.P.	Core-plus	93,081,853	1.75%
Penzence DC RE Fund II, L.P.	Value Add	1,100,774	0.02%
Prime Property Fund, LLC	Core	286,241,966	5.39%
PRISA	Core	221,096,414	4.17%
Rockwood Capital VI, L. P.	Value Add	72,483	0.00%
Rockwood Capital VII, L. P.	Value Add	457,824	0.01%
Rockpoint Real Estate Fund VI, L.P.	Value Add	31,642,486	0.60%
Starwood Opportunity Fund VII, L.P.	Opportunistic	1,245,972	0.02%
Starwood Opportunity Fund VIII, L.P.	Opportunistic	4,100,611	0.08%
Starwood Opportunity Fund IX, L.P.	Opportunistic	16,915,737	0.32%
Starwood XI REF, L.P.	Opportunistic	35,327,704	0.67%
Starwood Opportunity Fund X, L.P.	Opportunistic	31,905,335	0.60%
Torchlight Debt Fund VII, L.P.	Opportunistic	20,250,018	0.38%
TruAmerica Workforce Housing Fund I-A, L.P.	Opportunistic	32,139,008	0.61%
UBS-Trumbull Property Income, L.P.	Core	62,411,535	1.18%
UBS-Trumbull Property G&I (TPG)	Value Add	80,039,923	1.51%
UBS-Trumbull Property Fund L.P.	Core	71,880,505	1.35%
USAA Eagle RE Fund, L.P.	Core	208,818,808	3.93%
Waterton Residential Property Venture XIV, L.P.	Opportunistic	16,105,156	0.30%
WLR IV PPIP Co Invest L.P.	Opportunistic	1,771,606	0.03%
<b>Infrastructure / Real Assets</b>		<b>227,590,994</b>	<b>3.82%</b>
Arclight Energy Partners V, L.P.	Opportunistic	18,218,651	0.34%
Arclight VI, L.P.	Opportunistic	54,052,100	1.02%
Blackstone Renewable III L.P.	Opportunistic	9,906,142	0.19%
Energy Fund XV, L.P.	Opportunistic	10,708,488	0.20%
Global Infrastructure Partners V, L.P.	Opportunistic	20,858,885	0.39%
Grain Comm Opp Fund III L.P.	Opportunistic	6,035,369	0.11%
Homestead Capital USA Farmland Fund III, L.P.	Opportunistic	20,445,988	0.39%
ISQ II, L.P.	Opportunistic	62,365,371	1.18%
<b>Public REITS</b>		<b>227,630,456</b>	<b>4.29%</b>
Blackrock REIT	REIT	227,630,456	4.29%
<b>Other <sup>(1)(2)</sup></b>		<b>64,130,633</b>	<b>1.21%</b>
<b>SUBTOTAL RAF</b>		<b>\$ 5,307,458,875</b>	<b>100.00%</b>
<b>PRIVATE INVESTMENT FUND (PIF)</b>			
<b>Buyout</b>		<b>\$ 1,666,318,436</b>	<b>37.84%</b>
Altaris Health Partners II, L.P.	Active	2,975,529	0.07%
Altaris Health Partners III, L.P.	Active	74,021,784	1.68%
Altaris Constellation Partners IV, L.P.	Active	9,755,412	0.22%
Altaris Health Partners IV, L.P.	Active	51,086,903	1.16%
Altaris Health Partners V, L.P.	Active	2,974,360	0.07%
Boston Ventures VII, L.P.	Active	8,066,534	0.18%
Court Square Capital Partners II, L.P.	Active	5,325,141	0.12%
Court Square Capital Partners III, L.P.	Active	48,700,756	1.11%
Dover Street X, L.P.	Active	42,428,304	0.96%
Ethos Private Equity Fund V, L.P.	Active	2,797,930	0.06%
FS Equity Partners V, L.P.	Active	7,514,806	0.17%
FS Equity Partners VI, L.P.	Active	36,304,760	0.82%
GENNX360 Capital Partners II, L.P.	Active	30,713,012	0.70%
Hollyport Secondary Opportunities Fund VII, L.P.	Active	60,257,214	1.37%
Icon Partners IV B, L.P.	Active	15,380,824	0.35%
ICV Partners II, L.P.	Active	788,526	0.02%
JFL Equity Investors III, L.P.	Active	19,038,117	0.43%
JFL IV, L.P.	Active	107,350,431	2.44%
JFL Equity Investors V, L.P.	Active	43,787,418	0.99%
KKR 2006 Fund, L.P.	Active	26,548,381	0.60%
KKR Millennium Fund, L.P.	Active	80,946	0.00%
K5 Private Investors, L.P.	Active	4,128,502	0.09%
Leeds Equity Partners V, L.P.	Active	7,413,869	0.17%
Leeds Equity Partners VI, L.P.	Active	104,678,982	2.38%



**COMBINED INVESTMENT FUNDS**  
**LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT (Continued)**  
**JUNE 30, 2021**

<b>Name of Fund</b>	<b>Investment Strategy</b>	<b>Net Assets Under Management</b>	<b>Percents of Total Fund</b>
One Rock Capital Partners III, L.P.	Active	25,281,870	0.57%
RFE Investment Partners VII, L.P.	Active	6,458,611	0.15%
RFE Investments Partners VIII, L.P.	Active	27,868,538	0.63%
Secondary Overflow Fund IV, L.P.	Active	25,985,139	0.59%
Siris IV, L.P.	Active	34,361,666	0.78%
TA XI, L.P.	Active	77,252,098	1.75%
Thomas H. Lee Equity Fund VI, L.P.	Active	96,431	0.00%
Vista Equity Partners Fund III, L.P.	Active	5,263,443	0.12%
Vista Equity Partners Fund IV, L.P.	Active	54,786,577	1.24%
Vista Equity Partners Fund VI, L.P.	Active	154,248,843	3.50%
Vista Equity Partners Fund VII, L.P.	Active	72,574,165	1.65%
Vistria Fund III, L.P.	Active	63,158,580	1.43%
Wellspring Capital Partners V, L.P.	Active	25,686,199	0.58%
Wellspring Capital Partners VI, L.P.	Active	68,169,776	1.55%
Welsh Carson Anderson & Stowe XI, L.P.	Active	29,128,223	0.66%
Welsh Carson Anderson & Stowe XII, L.P.	Active	144,152,374	3.27%
Welsh Carson Anderson & Stowe XIII, L.P.	Active	36,249,167	0.82%
Yucaipa American Alliance Fund II, L.P.	Active	67,051,884	1.52%
Yucaipa American Alliance Fund III, L.P.	Active	36,426,411	0.83%
<b>Growth</b>		<b>110,520,958</b>	<b>2.51%</b>
Aldrich I, L.P.	Active	51,819,943	1.18%
Georgian Partners Growth Fund V L.P.	Active	58,701,015	1.33%
<b>Venture Capital</b>		<b>92,041</b>	<b>0.00%</b>
Crescendo III, L.P.	Active	71,637	0.00%
Syndicated Communications V, L.P.	Active	20,405	0.00%
<b>Mezzanine</b>		<b>125,963,591</b>	<b>2.86%</b>
Audax Mezzanine III, L.P.	Active	8,576,268	0.19%
Balance Point III, L.P.	Active	47,687,062	1.08%
Connecticut Growth Capital, L.P.	Active	28,804,215	0.65%
GarMark Partners II, L.P.	Active	1,262,803	0.03%
Ironwood Mezzanine Fund IV, L.P.	Active	21,085,820	0.48%
Insight Partners Opportunities Fund I, L.P.	Active	18,547,423	0.42%
<b>International</b>		<b>383,000,216</b>	<b>8.70%</b>
BC European Capital X, L.P.	Active	121,261,802	2.75%
EQT VIII, L.P.	Active	116,922,792	2.66%
Hg Genesis 9, L.P.	Active	8,099,313	0.18%
Hg Saturn II, L.P.	Active	52,983,002	1.20%
ICG Europe Fund VII, L.P.	Active	83,733,307	1.90%
<b>Fund of Funds</b>		<b>1,341,352,641</b>	<b>30.46%</b>
Connecticut Horizon Legacy, L.P.	Active	931,270	0.02%
Freeman CT Horizon, L.P.	Active	20,202,862	0.46%
CS/CT Cleantech Opp Fund, L.P.	Active	1,774,419	0.04%
CT Emerging M-2 Private Equity, L.P.	Active	11,173,930	0.25%
Fairview Constitution II, L.P.	Active	47,641,555	1.08%
Fairview Constitution III, L.P.	Active	272,871,833	6.20%
Fairview Constitution IV, L.P.	Active	316,553,668	7.19%
Nutmeg Opportunities Fund II, L.P.	Active	104,587,087	2.38%
Nutmeg Opportunities Fund I, L.P.	Active	83,930,201	1.91%
Pinebridge Global Emerging Markets Fund, L.P.	Active	1,688,095	0.04%
Landmark Equity Partners XIV, L.P.	Active	15,538,655	0.35%

**COMBINED INVESTMENT FUNDS**  
**LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT (Continued)**  
**JUNE 30, 2021**

<b>Name of Fund</b>	<b>Investment Strategy</b>	<b>Net Assets Under Management</b>	<b>Percents of Total Fund</b>
Landmark Equity Partners XV, L.P.	Active	49,842,331	1.13%
Landmark Equity Partners XVI, L.P.	Active	51,147,938	1.16%
Constitution Fund V, L.P.	Active	294,270,821	6.68%
Constitution Fund V - C, L.P.	Active	40,777,269	0.93%
Constitution Fund V - D, L.P.	Active	9,649,025	0.22%
Constitution Fund V - E, L.P.	Active	14,205,159	0.32%
The Constitution Liquidating Fund, L.P.	Active	4,566,523	0.10%
<b>Special Situations</b>	<b>Active</b>	<b>625,290,670</b>	<b>14.20%</b>
Apollo Investment Fund VIII, L.P.	Active	88,883,067	2.02%
Apollo IX, L.P.	Active	67,601,255	1.54%
Castlelake II, L.P.	Active	26,345,104	0.60%
Clearlake Capital Partners III, L.P.	Active	20,867,633	0.47%
Clearlake Capital Partners IV, L.P.	Active	57,440,237	1.30%
Clearlake Capital Partners V, L.P.	Active	92,910,484	2.11%
Clearlake Capital Partners VI, L.P.	Active	52,976,813	1.20%
Clearlake Flagship Plus L.P.	Active	24,662,069	0.56%
Clearlake Opportunity Partners II L.P.	Active	27,876,936	0.63%
Clearlake Icon Partners IV B, L.P.	Active	16,095,873	0.37%
Levine Leichtman Capital Partners IV, L.P.	Active	10,032,447	0.23%
Levine Leichtman Capital Partners V, L.P.	Active	73,118,714	1.66%
Pegasus Partners IV, L.P.	Active	13,363,687	0.30%
Pegasus Partners V, L.P.	Active	41,896,483	0.95%
Stellex Capital Partners Fund II L.P.	Active	9,812,405	0.22%
WLR Recovery Fund IV, L.P.	Active	1,407,463	0.03%
<b>Other <sup>(1)(2)</sup></b>		<b>151,101,547</b>	<b>3.43%</b>
<b>SUBTOTAL PIF</b>		<b>\$ 4,403,640,100</b>	<b>100.00%</b>
<b>PRIVATE CREDIT FUND (PCF)</b>			
Anchorage	Distressed	\$ 94,188,318	22.23%
Crescent II	Direct Lending	46,407,881	10.96%
Fortress Credit Opportunity Fund V	Opportunistic	15,690,515	3.70%
Fortress Lending Fund II	Opportunistic	82,671,136	19.52%
GS West Street Senior Credit Partners III, L.P.	Opportunistic	4,024,946	0.95%
GS Private Middle Market Credit II, LLC	Direct Lending	25,731,863	6.07%
GS West Street CT Private Credit Partnership, L.P.	Opportunistic	65,422,994	15.44%
OSP Value Fund III, L.P.	Opportunistic	32,851,781	7.76%
TSSP Adjacent Opportunities B, L.P.	Opportunistic	43,525,198	10.27%
<b>Other <sup>(1)(2)</sup></b>		<b>13,106,001</b>	<b>3.09%</b>
<b>SUBTOTAL PCF</b>		<b>\$ 423,620,633</b>	<b>100.00%</b>
<b>ALTERNATIVE INVESTMENT FUND (AIF)</b>			
Prudence Crandall III Rock Creek Limited Partnership	Absolute Return	\$ 1,057,633,292	53.81%
Prudence Crandall IV-D Liquid, K2 Limited Partnership	Absolute Return	112,888,874	5.74%
Prudence Crandall IV, K2 Limited Partnership	Absolute Return	658,529,203	33.50%
Thomas Welles Fund I Limited Partnership	Absolute Return	123,244,579	6.27%
<b>Other <sup>(1)(2)</sup></b>		<b>13,182,562</b>	<b>0.67%</b>
<b>SUBTOTAL AIF</b>		<b>\$ 1,965,478,510</b>	<b>100.00%</b>
<b>TOTAL</b>		<b>\$ 45,395,139,823</b>	
Adjustments <sup>(3)</sup>		<b>(840,545,090)</b>	
<b>GRAND TOTAL</b>		<b>\$ 44,554,594,733</b>	

(1) Other represents cash equivalents, receivables, other net assets and terminated advisor balances.

(2) Other includes partnerships with nonmaterial balances, as well as, cash equivalents and other net assets

(3) Represents Elimination Entry to account for investment of Combined Investment Funds in the Liquidity Fund.

\* Totals may not foot due to rounding



**PENSION FUNDS MANAGEMENT DIVISION  
COMBINED INVESTMENT FUNDS SCHEDULE OF BROKERAGE COMMISSIONS (Continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Broker Name	\$ Commission	Shares/ Par Value	Avg Comm	Broker Name	\$ Commission	Shares/ Par Value	Avg Comm
MACQUARIE BANK LTD, HONG KONG	141,390	31,511,161	0.00	STRATEGAS SECURITIES LLC, NEW YORK	493	19,703	0.03
MACQUARIE CAPITAL (USA) INC, NEW YORK	5,014	642,905	0.01	STURDIVANT AND CO INC, MOUNT LAUREL	23	2,263	0.01
MACQUARIE CAPITAL LTD, LONDON	140	11,511	0.01	STURDIVANT AND CO INC, NEW YORK	4,034	355,943	0.01
MACQUARIE SECS USA INC, NEW YORK	160	21,377	0.01	SUNTRUST CAPITAL MARKETS INC, NEW YORK	1,738	53,070	0.03
MACQUARIE SECURITIES LTD, AUCKLAND	680	1,443,993	0.00	TELSEY ADVISORY GROUP LLC, DALLAS	235	9,405	0.03
MACQUARIE SECURITIES LTD, SEOUL	58,239	1,341,909	0.04	UBS AG LONDON BRANCH, LONDON	32,803	1,582,552	0.02
MACQUARIES SECURITIES AUSTRALIA, SYDNEY	39,229	28,046,862	0.00	UBS AG LONDON INTL GILTS, LONDON	1,529	33,211	0.05
MAXIM GROUP, JERSEY CITY	236	6,878	0.03	UBS EQUITIES, LONDON	167,036	46,898,071	0.00
MAYBANK KIM ENG SECURITIES, SINGAPORE	161	158,700	0.00	UBS SECURITIES CANADA, MONTREAL	68	24,144	0.00
MERRILL LYNCH & CO INC ATLAS GLOBAL, NY	1,459	433,817	0.00	UBS SECURITIES CANADA, TORONTO (BWIT)	486	115,803	0.00
MERRILL LYNCH GILTS LTD, LONDON	13,125	277,817	0.05	UBS SECURITIES LLC, STAMFORD	146,917	15,177,330	0.01
MERRILL LYNCH INTERNATIONAL, DUBAI	2,742	75,203	0.04	UBS WARBURG ASIA LTD, HONG KONG	192,752	74,221,668	0.00
MERRILL LYNCH INTL LONDON EQUITIES	181,939	62,007,717	0.00	UBS WARBURG AUSTRALIA EQUITIES, SYDNEY	1,061	1,971,929	0.00
MERRILL LYNCH PIERCE FENNER SMITH INC NY	151,107	15,661,938	0.01	UBS WARBURG LLC, STAMFORD	19,920	576,472	0.03
MERRILL LYNCH PIERCE FENNER, WILMINGTON	15,561	498,172	0.03	UNION BANK OF SWITZERLAND, ZURICH	7,980	1,200,492	0.01
MERRILL LYNCH PROFESSIONAL CLRG, PURCHAS	114	2,856	0.04	UNION BANK SWITZERLAND SECS, LONDON	4,404	59,039	0.07
MERRILL LYNCH, SYDNEY	63	47,600	0.00	VICKERS BALLAS TAMARA, JAKARTA	587	3,994,400	0.00
MIRABAUD SECURITIES LLP, LONDON	2,907	38,448	0.08	VIRTU AMERICAS LLC, JERSEY CITY	77	2,550	0.03
MIRAE ASSET SEC USA, NEW YORK	1,461	55,296	0.03	VIRTU AMERICAS LLC, NEW YORK	123	4,100	0.03
MIRAE ASSET SECURITIES, SEOUL	4,931	51,703	0.10	VIRTU AMERICAS LLC, NEW YORK	25,654	1,322,569	0.02
MISCHLER FINANCIAL GROUP INC, NEW YORK	8,352	655,900	0.01	VTB BANK EUROPE PLC, LONDON	466	583,059	0.00
MIZUHO SECURITIES ASIA, HONG KONG	3,669	2,581,000	0.00	WALL STREET ACCESS, JERSEY CITY	1,671	167,103	0.01
MIZUHO SECURITIES USA INC, NEW YORK	20,477	875,858	0.02	WEBSTREET SECURITIES, CHICAGO	30	4,051	0.01
MIZUHO SECURITIES USA INC, NEW YORK	108	5,402	0.02	WEBDUSH MORGAN SECS INC, LOS ANGELES	317	9,475	0.03
MIZUHO SECURITIES USA, INC., NEW YORK	18,248	474,770	0.04	WEBDUSH MORGAN SECURITIES, LOS ANGELES	706	28,227	0.03
MKM PARTNERS LLC, GREENWICH	491	16,367	0.03	WEBDUSH SECURITIES INC/P3, LOS ANGELES	24	970	0.03
MORGAN J P SECS INC, NEW YORK	2,285	-432	-5.29	WELLS FARGO SECURITIES, LLC, NEW YORK	3,403	191,988	0.02
MORGAN STANLEY & CO INC, NY	747,278	77,795,094	0.01	WILLIAM BLAIR & CO, CHICAGO	4,211	165,353	0.03
MORGAN STANLEY & CO INTL LTD, SEOUL	48,302	807,822	0.06	WILLIAMS CAPITAL GROUP LP, JERSEY CITY	5,029	272,070	0.02
MORGAN STANLEY & CO, LONDON (MSLNGB2X)	29,544	8,739,592	0.00	WINTERFLOOD SECS, LONDON	3,122	686,907	0.00
MORGAN STANLEY CROSS TRADE	3,392	59,268	0.06	WOOD & COMPANY, PRAGUE	7,049	146,450	0.05
MORGAN STANLEY DEAN WITTER, SYDNEY	732	302,574	0.00	WOORI INVESTMENT & SECURITIES, SEOUL	634	11,594	0.05
MORGAN STANLEY-INTERNATIONAL, BROOKLYN	181	111,765	0.00	XP INVESTIMENTOS CCTVM SA RIO DE JANEIRO	39,941	8,919,097	0.00
NATIONAL FINANCIAL SERVICES LLC, BOSTON	2,492	959,512	0.00	<b>TOTAL:</b>	<b>8,514,764</b>		
NATIONAL FINANCIAL SVC CORP, NEW YORK	2,335	4,711,280	0.00				
NATIONAL FINL SVCS CORP, NEW YORK	238,665	54,417,207	0.00				
NBCN INC, TORONTO (NBCS)	2,896	443,595	0.01				
NEEDHAM & CO, NEW YORK	1,460	58,400	0.03				
NEEDHAM AND CO LLC, NEW YORK	2,311	65,237	0.04				
NESBITT BURNS, TORONTO	3,336	111,194	0.03				
NOMURA FINANCIAL & INVESTMENT, SEOUL	417	8,873	0.05				
NOMURA SECS INTL, LONDON	173	14,500	0.01				
NORTH SOUTH CAPITAL LLC, CHICAGO,IL	1,233	129,800	0.01				
NORTH SOUTH CAPITAL LLC, JERSEY CITY	1,869	40,950	0.05				
NORTHLAND SECURITIES INC., NEW YORK	1,769	53,299	0.03				
NUMIS SECURITIES LTD, LONDON	507	111,652	0.00				
O NEIL WILLIAM CO INC BCC CLRG, NEW YORK	982	32,723	0.03				
ODDO ET CIE, PARIS	2,042	16,677	0.12				
OPPENHEIMER & CO INC, NEW YORK	3,888	120,602	0.03				
P T BAHANA SECS, JAKARTA	507	1,388,500	0.00				
PANMURE GORDON & CO LTD, LONDON	7,073	1,760,021	0.00				
PAREL, PARIS	7,420	111,153	0.07				
PAVILLION GBL MARKETS LTD, JERSEY CITY	2	273	0.01				
PEEL HUNT LLP, LONDON	676	203,382	0.00				
PENSERRA SECURITIES, NEW YORK	52,250	3,246,238	0.02				
PERSHING LIMITED, LONDON	51	51,198	0.00				
PERSHING LLC, JERSEY CITY	71,439	10,993,727	0.01				
PERSHING SEC/PSL FI ACC LQ, LONDON	504	17,351	0.03				
PERSHING SECURITIES LIMITED, LIVERPOOL	1,434	24,686	0.06				
PERSHING SECURITIES LTD, LONDON	33,724	4,783,283	0.01				
PIPER JAFFRAY & CO., JERSEY CITY	14,534	1,127,676	0.01				
PIPER JAFFRAY INC, MINNEAPOLIS	1,344	108,207	0.01				
RAYMOND JAMES & ASSOC INC, ST PETERSBURG	30,784	1,577,137	0.02				
RAYMOND JAMES LTD, TORONTO (MSLT)	2,847	94,900	0.03				
RBC CAPITAL MARKETS LLC, NEW YORK	134,534	7,755,225	0.02				
RBC DOMINION SECS INC, TORONTO (DOMA)	7,708	510,530	0.02				
REDBURN PARTNERS LLP, LONDON	20,858	3,815,266	0.01				
RENAISSANCE CAPITAL LTD, LONDON	17,704	2,396,755	0.01				
RENAISSANCE SECS (CYPRUS) LTD, NICOSIA	9,989	33,682	0.30				
ROTH CAPITAL PARTNERS LLC, NEW YORK	211	14,040	0.02				
ROYAL BANK OF CANADA EUROPE LTD, LONDON	24,239	242,603	0.10				
S G WARBURG, SEOUL	49,956	1,146,760	0.04				
SAMSUNG SECS, SEOUL	31,160	400,828	0.08				
SAMUEL A. RAMIREZ & COMPANY INC, JERSEY	2,652	106,079	0.03				
SANFORD C BERNSTEIN & CO INC, LONDON	81,953	20,290,411	0.00				
SCOTIA CAPITAL (USA) INC, NEW YORK	12,602	614,528	0.02				
SCOTIA CAPITAL INC, NEW YORK	3,063	1,137,690	0.00				
SCOTIA CAPITAL MKTS, TORONTO	3,421	601,196	0.01				
SEAPORT GROUP SECURITIES, LLC, NEW YORK	237	7,909	0.03				
SG SECURITIES, HONG KONG	1,753	1,536,488	0.00				
SIDOTI AND COMPANY LLC, NEW YORK	1,123	47,965	0.02				
SOCIETE GENERALE SUCURSAL, MADRID	434	63,699	0.01				
SOCIETE GENERALE(TIT), NANTES	326	16,597	0.02				
SOCIETE GENERALE, PARIS	152	92,365	0.00				
STANDARD CHARTERED BANK, LONDON	360	4,000,000	0.00				
STANDARD EQUITIES PTY, JOHANNESBURG	5,862	32,876	0.18				
STATE STREET BK & TR CO (SEC), LONDON	119	300,000	0.00				
STATE STREET GLOBAL ADVISORS, BOSTON	4,958	434,136	0.01				
STATE STREET GLOBAL MARKETS LLC, BOSTON	531,454	92,457,910	0.01				
STATE STREET GLOBAL MKT LLC, BOSTON	59	140,888	0.00				
STERN BROTHERS & CO, JERSEY CITY	2,357	94,266	0.03				
STERNE AGEE & LEACH INC	2,572	64,458	0.04				
STIFEL NICOLAUS	16,484	583,717	0.03				
STIFEL NICOLAUS EUROPE LIMITED, LONDON	1,567	218,476	0.01				

# Glossary of Terms

**Active extension** - Active extension is defined as an investment strategy that allows for both long and short positions in an investment portfolio with a gross exposure above 100% of total portfolio value on an absolute basis, while maintaining a beta of one.

**Agency Securities** - Securities, usually bonds, issued by U.S. Government agencies. These securities have high credit ratings but are not backed by the full faith and credit of the U.S. Government.

**All-cap** - An investment approach that disregards market capitalization (i.e. small, medium, or large cap) in its security selection process.

**Alpha** - A coefficient which measures risk-adjusted performance, factoring in the risk due to the specific security, rather than the overall market. A high value for alpha implies that the stock or mutual fund has performed better than would have been expected given its beta (volatility).

**Asset** - Anything owned that has economic value; any interest in property, tangible or intangible, that can be used for payment of debts.

**Asset Backed Security** - Bonds or notes collateralized by one or more types of assets including real property, mortgages, and receivables.

**At Value** - A term used to denote the current value of an asset at a point in time. Generally used in presentations containing a mix of assets some of which are traded on an exchange and some that are valued on an appraisal or similar basis.

**Banker's Acceptance (BA)** - A high-quality, short-term negotiable discount note, drawn on and accepted by banks which are obligated to pay the face amount at maturity.

**Basis Point (bp)** - The smallest measure used in quoting yields or returns. One basis point is 0.01% of yield, 100 basis points equals 1%. For example, a yield that changed from 8.75% to 9.50% has increased by 75 basis points.

**Benchmark** - A standard unit used as the basis of comparison; a universal unit that is identified with sufficient detail so that other similar classifications can be compared as being above, below, or comparable to the benchmark.

**Benchmark composite** - A term used when reporting on a portfolio containing multiple asset classes. The composite is generally calculated as a weighted average of the benchmarks of the underlying portfolios.

**Beta** - A quantitative measure of the volatility of a given stock, mutual fund or portfolio relative to the overall market.

**Book Value (BV)** - The value of individual assets, calculated as actual cost minus accumulated depreciation. Book value may be more or less than current market value.

**Buyout** - See "Leveraged Buyout"

**Capital Gain (Loss)** - Also known as capital appreciation (depreciation), capital gain (loss) measures the increase (decrease) in valuation of an asset over time.

**Capitalized Fees** - Fees (and expenses) that increase the cost basis of an investment.

**Certificates of Deposit (CDs)** - A debt instrument issued by banks, usually paying interest, with maturities ranging from 3 months to six years.

**Citigroup Broad Investment-Grade Bond Index (CBIG)** - A market value-weighted index composed of over 4,000 individually priced securities with a quality rating of at least BBB. Each issue has a minimum maturity of one year with an outstanding par amount of at least \$25 million.

**Citigroup World Government Bond Index Non-U.S. (CWGBI)** - An unhedged index measuring government issues of 12 major industrialized countries.

**Close-End fund** - Funds that have set limits on the life of the fund and/or the total amount to be invested.

**Coefficient of Determination (R2)** - A measurement of how closely the returns of an investment portfolio and its benchmark match. An R2 of 1.0 indicates that portfolio returns perfectly match the returns of the benchmark, while a value less than 1.0 indicates that the returns of the portfolio do not match the benchmark return. The closer the value is to 1 the closer the return of the portfolio is to the benchmark.

**Collateral** - Assets pledged by a borrower to secure a loan or other credit, and subject to seizure in the event of default.

**Collateralized Mortgage Obligation (CMO)** - A mortgage-backed, investment-grade bond that separates mortgage pools into different maturity classes. CMO payment obligations are backed by mortgage-backed securities with a fixed maturity.

**Commercial Paper** - Short-term obligations with maturities ranging from 2 to 270 days. An unsecured obligation issued by a corporation or bank to finance its short-term credit needs.

**Commingled fund** - A fund consisting of assets from multiple investors that are blended together. A mutual fund is a common example of a commingled fund.

**Committed capital** - Money that is committed by limited partners to a private investment fund. Company risk - The risk of investing in any single company's stock or bonds.

**Compounded Annual Total Return** - Compounded annual total return measures the implicit annual percentage change in value of an investment, assuming reinvestment of dividends, interest, and realized capital gains, including those attributable to currency fluctuations. In effect, compounded annual total return "smooths" fluctuations in long-term investment returns to derive an implied year-to-year annual return.

**Consumer Price Index (CPI)** - A measure of change in the cost of a fixed basket of products and services as determined by a monthly survey of the U.S. Bureau of Labor Statistics. Components of the CPI include housing costs, food, transportation, and electricity.

**Core real estate strategy** - Lower risk, low leverage, vehicles that invest in stabilized income-producing properties that provide steady net operating income or cash flow. Properties are usually located in major regional markets, have investment grade tenants, at-market rents, and high occupancy levels.

**Cost basis** - The original price paid for an investment.

**Counter-party risk** - The risk to each party of a contract that the counterparty will not live up to its contractual obligations. Credit default risk - The risk that a debtor will not make payments in accordance with the terms of the debt.

**Credit risk** - The risk that a borrower will fail to make payments in a timely manner.

**Cumulative Rate of Return** - A measure of the total return earned for a particular time period. This calculation measures the absolute percentage change in value of an investment over a specified period, assuming reinvestment of dividends, interest income, and realized capital gains. For example, if a \$100 investment grew to \$120 in a two-year period, the cumulative rate of return would be 20%.

**Currency exchange risk** - The risk that a foreign country's currency may appreciate or depreciate relative to the U. S. dollar, thus impacting the value of foreign investments.

**Currency hedging** - Transactions intended to manage the foreign exchange rate risk associated with investing in foreign securities.

**Currency spot** - A contract for the purchase or sale of a commodity, security or currency for settlement (payment and delivery) on the spot date, which is normally two business days after the trade date.

**Current Yield** - The relationship between the stated annual interest or dividend rate and the market price of a security. In calculating current yield, only income payments are considered; no consideration is given to capital gain/loss.

**Default risk** - The chance that an issuer will not make the required coupon payments or principal repayments to its debt holders.

**Derivative** - Derivatives are generally defined as contracts whose value depend on, or are derived from, the value of an underlying asset, reference rate, or index. For example, an option is a derivative instrument because its value derives from an underlying stock, stock index, commodity.

**Discount Rate** - The interest rate that the Federal Reserve charges banks for loans, using government securities or eligible paper as collateral.

**Diversification** - A portfolio strategy designed to reduce exposure to risk by putting assets in several different securities or categories of investments.

**Drawdown** - (a) A request for cash charged against capital committed to a limited partnership, limited liability corporation, or other like entity; (b) a decline in the current value of an investment or other asset. **Duration** - Duration is a measure of the price sensitivity of a fixed-income investment to a change in interest rates. (See Modified and Macaulay Duration).

**Economic risk** - The risk that economic activities will negatively impact an investment.

**Enhanced indexing** - Refers to the application of strategies to an index fund designed to generate higher rates of returns.

**Equity** - The ownership interest possessed by shareholders in a corporation in the form of common stock or preferred stock.

**ERISA (Employee Retirement Income Security Act)** - The 1974 federal law which established legal guidelines for private pension plan administration and investment practices.

**Expense Ratio** - Operating costs (including management fees) expressed as a percentage of the fund's average net assets for a given time period.

**Fair Value** - The amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**Federal Funds Rate** - The interest rate that banks charge each other for the use of Federal Funds. This rate changes daily and is a sensitive indicator of general interest rate trends.

**Federal Reserve Board** - The seven member Board of Governors that oversees Federal Reserve Banks, establishes monetary policy and monitors the economic health of the economy.

**Fiduciary** - A person, company, or association holding assets in trust for a beneficiary. The fiduciary is charged with the responsibility to invest the assets prudently and solely for the beneficiary's benefit.

**Fitch Investor Services** - A financial services rating agency.

**Floating Rate Note** - A fixed principal instrument which has a long or even indefinite life and whose yield is periodically reset relative to a reference index rate to reflect changes in short- or intermediate-term interest rates.

**Forward contract** - A contract between two parties that requires the parties to sell or purchase an asset at a price set when the contract is entered into for settlement at a specified future date.

**Funded Capital** - Amount of cash invested.

**Geopolitical risk** - See "Political risk".

**Gross Domestic Product** - Total market value of goods and services produced in a country over a particular period of time, usually one year. The GDP growth rate is the primary indicator of the health of the economy.

**Hedge** - An investment in assets which serves to reduce the risk of adverse price movements in a security, by taking an offsetting position in a related security, such as an option or short sale.

**Index** - A benchmark of securities used as an independent representation of market performance. Example: S&P 500 index.

**Index Fund** - A passively managed fund constructed to mirror the performance of a specific index, such as the S&P 500. **Individual company risk** - The risk associated with investment in the securities of any single company.

**Inflation** - The overall general upward price movement of goods and services in an economy, usually as measured by the Consumer Price Index and the Producer Price Index.

**Inflation risk** - The risk that the value of an investment will erode as a result of inflationary pressures.

**Interest rate risk** - The risk that changes in the general level of interest rates will adversely affect the fair value of an investment.

**Investment Income** - The equity dividends, bond interest, and/or cash interest paid on an investment.

**J-Curve** - An economic theory stating that a policy designed to have one effect will initially have the opposite effect. With regard to closed end commingled fund investments, this generally refers to a trend whereby a fund's return tends to be negative in the early years of a fund's existence until income and valuations increase in the later periods as investments mature and as the relative size of fees and other costs diminish relative to the value of invested capital.

**JP Morgan Emerging Markets Bond Index Plus (EMBI+)** - An index which tracks total returns for traded external debt instruments in the emerging markets. The instruments include external-currency-denominated Brady bonds, loans and Eurobonds, as well as U.S. dollar denominated local market instruments. The EMBI+ expands upon JP Morgan's original Emerging Markets Bond Index, which was introduced in 1992 and covers only Bradybonds.

**Letter of Credit** - An instrument or document issued by a bank, guaranteeing the payment of a customer's drafts up to a stated amount for a specified period. It substitutes the bank's credit for the buyer's and reduces the seller's risk.

**Leverage** - The use of borrowed funds to increase purchasing power and, ideally, to increase profitability of an investment transaction or business.

**Leveraged buyout** - A leveraged buyout (LBO) is an acquisition (usually of a company) financed through a combination of equity and debt and in which the cash flows or assets of the target are used to secure and repay the debt used to finance the acquisition.

**Liability** - The claim on the assets of a company or individual - excluding ownership equity. An obligation that legally binds an individual or company to settle a debt.

**Limited Partnership** - A partnership formed by two or more entities with at least one limited partner and one general partner. Limited partner responsibility for debts and losses is limited to the amount of their investment in the partnership. In addition, the limited partner does not participate in the activities of the partnership. The general partner has control over the management of the partnership and has unlimited liability for partnership debt and losses.

**Liquidity risk** - The risk that an investment cannot be immediately liquidated unless discounted in value.

**Macaulay Duration** - The weighted-average term to maturity of a bond's cash flows. The weighting is based on the present value of each cash flow divided by price.

**Management risk** - The risks associated with ineffective, destructive or underperforming management.

**Marked-to-market pricing** - An accounting practice in which the price of an investment recorded within the accounting records is the market value at the end of the month.

**Market Risk** - The risk that fluctuations in the overall market for securities will impact an investment portfolio.

**Market Value** - A security's last reported sale price or its current bid and ask prices. The price as determined dynamically by buyers and sellers in an open market.

**Master Custodian** - An entity, usually a bank, used for safekeeping of securities and other assets. May be responsible for other functions including accounting, performance measurement and securities lending.

**Maturity Date** - The date on which the principal amount of a bond or other debt instrument becomes payable or due.

**Mezzanine Debt** - Debt that incorporates equity-based options, such as warrants, and is subordinated debt.

**MFR Index** (iMoneyNet's First Tier Institutional-only Rated Money Fund Report Averages™ Index) - An index which represents an average of the returns of institutional money market mutual funds that invest primarily in first tier (securities rated A-1, P-1) taxable securities.

**Modified Duration** - A measure of the price sensitivity of a bond to interest rate movements. It is the primary basis for comparing the effect of interest rate changes on prices of fixed income securities.

**Money Market Fund** - An open-ended mutual fund that invests in commercial paper, bankers' acceptances, repurchase agreements, government securities, certificates of deposit, and other highly liquid and safe securities and pays money market rates of interest. The fund's net asset value remains a constant \$1 per share - only the interest rate goes up or down.

**Moody's (Moody's Investors Service)** - A financial services rating agency.

**MSCI EAFE** - Morgan Stanley Europe Australasia Far East foreign equity index. An arithmetic value weighted average of the performance of over 900 securities on the stock exchanges of 23 countries on three continents. NCREIF (National Council of Real Estate Investment Fiduciaries) - National Council of Real Estate Investment Fiduciaries, a non-profit organization established to serve the institutional real estate investment community as a non-partisan collector, processor, validator and disseminator of real estate performance information.

**Net Asset Value (NAV)** - The total assets (including any valuation gains or losses on investments or currencies) minus total liabilities divided by shares outstanding.

**Netted Fees** - Refers to instances in which investment management fees/expenses are offset against income normally distributed to investors. May also refer to practices whereby investment management fees/expenses are added to the cost basis of an investment.

**NPI** - NCREIF Property Index. The NCREIF Property Index is a quarterly time series composite total rate of return measure of investment performance of a very large pool of individual commercial real estate properties acquired in the private market for investment purposes only. Properties comprising this benchmark, which include wholly owned and joint venture investments, are held on an all-cash, non-leveraged basis, and is restricted to investment-grade, nonagricultural, and income-producing properties.

**Open-End fund** - A fund operated by an investment company in accordance with a stated set of objectives. Open-end funds raise money by periodically selling shares of the fund to the public.

**Operations risk** - The risk associated with negative operating events (net operating losses, inventory write-downs, breakdown in internal procedures, etc).



**Par Value** - The stated or face value of a stock or bond. While it has little significance for common stocks, for bonds, it specifies the payment amount at maturity.

**Pension Fund** - A fund set up by a corporation, labor union, governmental entity, or other organization to provide retirement income.

**Percentile** - A description of the percentage rank of a portfolio's performance, relative to a larger universe of portfolios.

**Political Risk** - The risk resulting from political changes or instability in a country's system of government, laws or regulation. **Prepayment risk** - The risk associated with the prepayment of fixed income investments in a declining rate environment.

**Present Value** - The current value of a future cash flow or series of cash flows discounted at an appropriate interest rate or rates. For example, at a 12% interest rate, the value of one dollar a year from now has a present value of \$0.89286.

**Price/Book (P/B)** - A ratio showing the price of a stock divided by its book value per share. The P/B measures the multiple at which the market is capitalizing the net asset value per share of a company at any given time.

**Price/Earnings (P/E)** - A ratio showing the price of a stock divided by its earnings per share. The P/E measures the multiple at which the market is capitalizing the earnings per share of a company at any given time.

**Principal** - Face value of an obligation, such as a bond or a loan, that must be repaid at maturity. **Product risk** - The risk associated with the introduction of a new product or process.

**Prudent Person Rule** - The standard adopted by some states to guide those fiduciaries with responsibility for investing the money of others. Such fiduciaries must act as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

**Purchasing power risk** - See "Inflation risk"

**Pure indexing** - Refers to the application of strategies to an index fund designed to exactly match the returns of the portfolio benchmark.

**R2** - See "Coefficient of Determination"

**Real interest rate** - An interest rate that has been adjusted to remove the effects of inflation.

**Real rate of return** - The return realized on an investment adjusted for changes due to inflation or other external effects.

**Realized Gain (Loss)** - A gain (loss) that has occurred financially.

The difference between the principal amount received and the cost basis of an asset realized at sale.

**Reinvestment risk** - The risk that cash flows received from a security will be reinvested at lower rates due to declining interest rates.

**Relative Volatility** - The standard deviation of the Fund divided by the standard deviation of its selected benchmark. A relative volatility greater than 1.0 suggests comparatively more volatility in Fund returns than those of the benchmark.

**Repurchase Agreements ("Repos")** - A contract in which the seller of securities, such as Treasury Bills, agrees to buy them back at a specified time and price. Repos are widely used as a money market instrument.

**Return on Equity (ROE)** - Net income of a company (after payment of preferred stock dividends but before payment of common stock dividends) divided by common shareholder equity. **Reverse Repurchase Agreements ("Reverse Repos")** - A purchase of securities with an agreement to resell them at a higher price at a specific future date.

**Risk Adjusted Return** - A measure of investment return which accounts for the amount of risk taken over a specified period.

**Russell 3000** - An equity index comprised of the securities of the 3,000 largest public U.S. companies as determined by total market capitalization. This index represents approximately 98% of the U.S. equity market's capitalization.

**Securities Lending** - A collateralized process of loaning portfolio positions to custodians, dealers, and short sellers who must make physical delivery of positions. Securities lending may reduce custody costs or enhance annual returns by a full percentage point or more in certain market environments.

**Senior debt securities** - Debt that must be paid off before other liabilities in the event of a business failure or bankruptcy.

**Separate accounts** - An investment portfolio managed by a third party investment manager in which the investor directly owns the securities within the portfolio.

**Soft Dollars** - The value of research or other services that brokerage houses and other service entities provide to a client "free of charge" in exchange for the client's brokerage.

**S&P 500 (Standard & Poor's)** - A basket of 500 stocks chosen for market size, liquidity and industry grouping, among other factors, designed to represent a US equity universe of large capitalization stocks.

**S&P Credit Ratings Service** - A financial services rating agency.

**Special situations** - Private equity investments in a variety of securities (Debt, Preferred Equity and/or Common Equity) in portfolio companies at a variety of stages of development (Seed, Early Stage, Later Stage).

**Standard Deviation** - A measure of the dispersion of a set of data from its mean. Often used as a measure of investment volatility or risk, it measures how much an investment return may vary from its average return.

**Tail risk** - The risk that a loss (or gain) would be three standard deviations from the mean or current price.

**Treasury Bill (T-Bill)** - Short-term, highly liquid government securities issued at a discount from the face value and returning the face amount at maturity.

**Treasury Bond or Note** - Debt obligations of the Federal government that make semiannual coupon payments and are sold at or near par value in denominations of \$1,000 or more.

**Trust** - A fiduciary relationship in which a person, called a trustee, holds title to property for the benefit of another person, called a beneficiary.

**TUCS** - Trust Universe Comparison Service. TUCS is a universe based upon a pooling of quarterly trust accounting data from participating banks and other organizations that provide custody for trust assets.

**Turnover** - Security purchases and sales divided by the fiscal year's average market value  $\{(P+S)/[(BMV+EMV)/2]\}$  for a given portfolio.

**Unhedged** - Not protected from market actions.

**Un-levered** - Investments made without the use of debt or debt like securities.

**Unrealized Gain (Loss)** - A profit (loss) that has not been realized through the sale of a security. The gain (loss) is realized when a security or futures contract is actually sold or settled.

**Variable Rate Note** - Floating rate notes with a coupon rate adjusted at set intervals, such as daily, weekly, or monthly, based on different interest rate indices, such as LIBOR, Fed Funds, and Treasury Bills.

**Vintage year** - The year in which a capital commitment is made to an investment, most often applied to real estate and private equity investments.

**Volatility** - A statistical measure of the tendency of a market price or yield to vary over time. Volatility is said to be high if the price, yield, or return typically changes dramatically in a short period of time.

**Warrant** - A security that entitles the holder to buy a specific security at a specified price within a specified time frame.

**Yield** - The income return on an investment.

**Yield Curve** - A graph showing the term structure of interest rates by plotting the yields of all bonds of the same quality with maturities ranging from the shortest to the longest. The Y-axis represents the interest rate and the X-axis represents time, generally with a normal curve that is convex in shape.

**Zero Coupon Bond** - A bond paying no interest that sells at a discount and returns principal only at maturity.

# UNDERSTANDING INVESTMENT PERFORMANCE

## Introduction

This section discusses the Treasury's approach to measuring performance, including risk and return of the Connecticut Retirement Plans and Trust Funds (CRPTF).

## Understanding Performance

To measure success in achieving the primary objective of the Asset Allocation Plan, the Fund's performance is evaluated in two principal areas: risk and return. The results of these reviews, coupled with information on portfolio characteristics, are used to monitor and improve the performance of the Fund's external investment managers.

To monitor and evaluate Fund performance and measurements of risk and return, CRPTF performance is compared to those of similarly structured peer groups and indices. In addition, the performance of the Combined Investment Funds (CIF) invested in by the various plans and trusts is compared to the performance of their respective benchmarks. Each CIF's benchmark is selected on the basis of portfolio composition, investment style, and objectives. The benchmark comparisons enable plan participants, the Treasurer and the Investment Advisory Council, to determine whether and by how much CIF returns exceeded or fell short of their respective benchmarks. The comparisons provide an understanding of the reason for the CIF's performance relative to their benchmarks.

Comparative performance is reviewed over both the near-term and the long-term for two reasons. First, pension management is, by its very nature, a long-term process. While both young and old employees comprise the pool of plan beneficiaries, the increasing life span of plan participants makes it important that plan assets be managed for the long term. Second, as experience has shown, results attained in the short term are not necessarily an indicator of results to be achieved over the long term. Performance must be viewed in a broad context.

Overall performance is measured by calculating monthly returns and linking them to provide one-, three-, five- and ten-year histories of overall investment performance. Short-term performance is measured by total return over one-month, quarter-end, and trailing one-year time periods. Risk is also measured over both short- and long-term periods.

## Risk

The measurement of risk is a critical component in investment management. It is the basis for both strategic decision-making and investment evaluation. Investors assume risk to enhance portfolio returns. The primary objective is to generate returns in excess of those available in "risk-free" investments, such as Treasury Bills. The amount of excess returns varies in magnitude according to the degree of risk assumed. Many investors focus on the negative aspects of risk and in doing so forego substantial upside potential, which can significantly enhance long-term returns. Thus, while risk can never be completely eliminated from a portfolio, the prudent management of risk can maximize investment returns at acceptable levels of risk. Risk can take several forms and include: market risk, the risk of fluctuations in the overall market for securities; company risk, the risk of investing in any single company's stock or bonds; currency-exchange risk, the risk that a foreign country's currency may appreciate or depreciate relative to the U.S. dollar, thus impacting the value of foreign investments; and political risk, risk incurred through investing in foreign countries with volatile economies and political systems. With respect to fixed income investments, investors also assume: reinvestment risk, the risk that cash flows received from a security will be reinvested at lower rates due to declining interest rates; credit or default risk, the risk that the issuer of a fixed income security may fail to make principal and interest payments on the security; interest rate risk, the risk that the market value of fixed coupon bonds will decline in the event of rising market interest rates; and inflation or purchasing power risk, the risk that the real value of a security and its cash flows may be reduced by inflation. The level of risk incurred in fixed income investing increases as the investment time horizon is lengthened. This is demonstrated by the comparatively higher yields available on "long bonds," or bonds maturing in 20 to 30 years, versus those available on short-term fixed income securities.

In the alternative investment category, risks are significantly greater than those of publicly traded investments. Assessment of progress is more tenuous and valuation judgments are more complex. The investor assumes not only management, product, market, and operations risk, similar to equity investing, but also assumes liquidity

risk, the risk that one's investment cannot be immediately liquidated at other than a substantially discounted value. An additional risk to this category is transparency risk, the risk associated with not knowing the underlying investments within a portfolio.

## Volatility

To measure the effects of risk on the portfolio, the volatility of returns is calculated over time. Volatility, viewed as the deviation of returns from an average of these returns over some period of time, is measured statistically by standard deviation. Funds with high standard deviations are considered riskier than those with low standard deviations.

To evaluate the significance of the CIF's standard deviation, each CIF's relative volatility, or the ratio of the CIF's standard deviation to that of the benchmark is calculated. A relative volatility greater than 1.0 indicates that the CIF is more volatile than the benchmark while a measure less than 1.0 indicates less volatility. A relative volatility of 1.0 indicates that the volatility of the CIF is the same as the benchmark.

As an extension of standard deviation, each CIF's beta, (a measure of the relative price fluctuation of the CIF to its benchmark) is also calculated. The measurement of beta allows one to evaluate the sensitivity of Fund returns to given movements in the market and/or its benchmark. A beta greater than 1.0 compared to the selected market benchmark signifies greater price sensitivity while a beta less than 1.0 indicates less sensitivity.

To measure the degree of correlation between CIF returns and the benchmark, the Division calculates the coefficient of determination, or R<sup>2</sup>. This calculation, which is used in conjunction with beta, allows one to evaluate how much of the volatility in CIF returns is explained by returns in the selected market benchmark. An R<sup>2</sup> of 1.0 indicates that CIF returns are perfectly explained by returns of the benchmark, while a value less than 1.0 indicates that the returns

of the benchmark explain only a portion of the fund return. Finally, to evaluate how well each of the above measures actually predicted returns of the CIF, a calculation is performed on the CIF's alpha. This calculation measures the absolute difference between the CIF's monthly return and that predicted by its beta. Used together, these measures provide a comprehensive view of a CIF's relative risk profile.

## Return

The Pension and Trust Funds are managed to maximize return and minimize risk. Return, viewed in this context, includes realized and unrealized gains in the market value of a security, including those attributable to currency fluctuations, as well as income distributed by a security such as dividends and interest. Return is measured through two calculations: compounded annual total return and cumulative total return.

**Compounded Annual Total Return** - This return measure evaluates performance over the short and long term. Compounded annual total return measures the implicit annual percentage change in value of an investment, assuming reinvestment of dividends, interest, and realized and unrealized capital gains, including gains attributable to currency fluctuations. In effect, compounded annual total return "smooths" fluctuations in long-term investment returns to derive an implied year-to-year annual return.

**Cumulative Total Return** - This calculation measures the absolute percentage change in value of an investment over a specified period, assuming reinvestment of dividends, interest income, and realized capital gains. While this calculation does not "smooth" year-to-year fluctuations in long-term returns to derive implied annual performance, cumulative total return allows one to see on an absolute basis the percentage increase in the total Fund's value over a specified time. Viewed graphically, cumulative total return shows one what a \$10 million investment in the CRPTF a set number of years ago would be worth today.

**DEBT MANAGEMENT DIVISION  
CHANGES IN DEBT OUTSTANDING - STATUTORY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Bond Finance Type	Outstanding June 30, 2020	FY 2021			Outstanding June 30, 2021	FY 2021 <sup>(1)</sup> Interest Paid
		Issued	Retired	Refunded or Defeased		
General Obligation - Tax Supported	\$ 14,317,751,418	\$ 1,569,265,000	\$ 1,352,961,206	\$ 177,945,000	\$ 14,356,110,212	\$ 586,495,678
General Obligation - Teachers' Retirement Fund Bonds <sup>(2)</sup>	2,208,066,524	-	-	-	2,208,066,524	118,400,521
General Obligation - GAAP Conversion Bonds <sup>(3)</sup>	385,040,000	-	40,165,000	-	344,875,000	18,207,700
Special Tax Obligation	6,424,705,000	886,695,000	339,585,000	12,550,000	6,959,265,000	308,015,364
Bradley International Airport	94,595,000	-	7,815,000	-	86,780,000	3,308,051
Clean Water Fund	1,030,235,000	-	56,145,000	45,840,000	928,250,000	48,494,485
UConn 2000 <sup>(4)</sup>	1,568,905,000	279,315,000	126,220,000	138,340,000	1,583,660,000	73,653,972
CI Increment Financing <sup>(5)</sup>	18,560,000	-	2,160,000	-	16,400,000	861,465
CHEFA Childcare Facilities Program <sup>(6)</sup>	45,955,000	13,725,000	2,455,000	16,000,000	41,225,000	2,024,231
Juvenile Training School <sup>(7)</sup>	10,390,000	-	740,000	-	9,650,000	490,350
Bradley International Parking Operations <sup>(8)</sup>	19,195,000	-	3,350,000	15,845,000	-	726,392
CHFA Special Needs Housing Bonds <sup>(9)</sup>	44,240,000	29,300,000	4,470,000	29,300,000	39,770,000	1,737,833
CHFA Emergency Mortgage Assistance Program <sup>(10)</sup>	31,440,000	-	2,400,000	-	29,040,000	1,567,453
CRDA Bonds <sup>(11)</sup>	70,670,000	-	3,775,000	-	66,895,000	1,167,965
<b>TOTAL</b>	<b>\$ 26,269,747,942</b>	<b>\$ 2,778,300,000</b>	<b>\$ 1,942,241,206</b>	<b>\$ 435,820,000</b>	<b>\$ 26,669,986,736</b>	<b>\$ 1,165,151,460</b>

- (1) Includes interest rate swap payments and variable rate bond fees.
- (2) General Obligation Teachers' Retirement Fund Bonds were issued as taxable bonds pursuant to Public Act 07-186 to fund \$2 billion of the unfunded liability of the Connecticut Teachers' Retirement Fund, capitalized interest and cost of issuance.
- (3) General Obligation GAAP Conversion Bonds were issued in fiscal year 2014 to fund half of the General Fund GAAP deficit at that time and commit the State to funding the balance over time through budget appropriation as part of a bond covenant.
- (4) UConn 2000 Bonds were authorized in three stages in a total amount of \$4.3 billion over a 32 year period to be paid by the University of Connecticut from a State debt service commitment. As each series is issued, the debt service is appropriated from the State's General Fund.
- (5) Connecticut Innovations (CI) has issued tax increment bonds for certain economic development projects. The debt service on the bonds is deemed appropriated from the State's General Fund.
- (6) On July 1, 1999, the Treasurer's Office assumed the responsibility for the Connecticut Health and Educational Facilities Authority (CHEFA) Childcare debt service appropriation per Public Act 97-259.
- (7) A lease purchase financing of the heating and cooling plant at the Juvenile Training School in Middletown.
- (8) On August 3, 2020, all outstanding Bradley International Airport Special Obligation Parking Revenue Bonds, Series 2000 A were fully redeemed from available funds.
- (9) Connecticut Housing Finance Authority (CHFA) Special Needs Housing bonds were issued pursuant to Public Act 05-280 and Public Act 05-3 for the purpose of financing costs of the Next Steps Initiative. The State is required to make debt service payments on the bonds under a contract for state assistance agreement between CHFA, the State Treasurer and the Secretary of the Office of Policy and Management.
- (10) Connecticut Housing Finance Authority (CHFA) Emergency Mortgage Assistance Program bonds were issued pursuant to Public Act 08-176 to fund the Emergency Mortgage Assistance Program. The State is required to make debt service payments on the bonds under a contract for state assistance agreement between CHFA, the State Treasurer and the Secretary of the Office of Policy and Management.
- (11) Capital Region Development Authority (CRDA) Bonds were issued to provide funding for the Adriaen's Landing development project in Hartford. The bonds, issued in a combination of fixed rate and variable rate securities, have a final maturity of 2034. The State is required to make debt service payments on the bonds up to a maximum amount of \$9 million pursuant to a contract for financial assistance agreement between CRDA, the State Treasurer, and the Secretary of the Office of Policy and Management. CRDA is required to reimburse the State for the debt service payments from net parking and central utility plant revenues.

**Note 1:** In accordance with Section 3-115 of the General Statutes, the State Comptroller shall provide accounting statements relating to the financial condition of the State as a whole in the same form and in the same categories as appears in the Budget Act enacted by the General Assembly. The accounting standards that were applied in this legislation and Budget Act enacted for the 2021 fiscal year is a basis of accounting other than Generally Accepted Accounting Principles. In order to be consistent with the Comptroller's statements and the Budgetary Act, the State Treasurer has employed the same statutory basis of accounting for the presentation of this schedule.

**Note 2:** GAAP accounting requires that Long-Term debt obligations be segregated into the portion payable within the next fiscal year (the current portion) and the remaining portion that is not due until after the next fiscal year. This manner of presentation is not used for the statutory basis presentation.

For a detailed listing of debt outstanding for the fiscal year ended June 30, 2021, please see Statutory Appendix.

**DEBT MANAGEMENT DIVISION**  
**RETIREMENT SCHEDULE OF IN-SUBSTANCE DEFEASED DEBT OUTSTANDING<sup>(1)</sup>**  
**STATUTORY BASIS**  
**JUNE 30, 2021**

<b>Date Escrow Established</b>	<b>Amount of Principal Outstanding</b>	<b>Last Payment Date on Refunded Debt</b>	<b>Market Value of Escrow</b>	<b>Investment Profile of Escrow Account</b>
<b>BOND TYPE: GENERAL OBLIGATION</b>				
06/04/2021	\$ 123,080,000	07/07/2021	\$ 124,124,812	U.S. Treasury State & Local Gov't Series, and Cash
06/04/2021	-	06/21/2021	44,756	Cash
<b>SUBTOTAL</b>	<b>\$ 123,080,000</b>		<b>\$ 124,169,568</b>	
<b>TOTAL</b>	<b>\$ 123,080,000</b>		<b>\$ 124,169,568</b>	

(1) Represents bonds which have been refunded with proceeds of other bond issues and bonds which have been defeased using budget surplus.

Although the State is still legally responsible for principal and interest payments on the refunded bonds, the refunded bonds are not carried as a liability of the State since they have been "in-substance" defeased. Investments adequate to meet all payments have been irrevocably deposited in escrow accounts with an independent agent for the sole purpose of satisfying principal and interest. The adequacy of each escrow account to meet debt service payments has been verified by an independent accounting firm.

NOTE 1 In accordance with Section 3-115 of the General Statutes, the State Comptroller shall provide accounting statements relating to the financial condition of the State as a whole in the same form and in the same categories as appear in the budget enacted by the General Assembly. The accounting standards that were applied in this legislation and the Budget Act enacted for the 2021 fiscal year is a basis of accounting other than Generally Accepted Accounting Principles. In order to be consistent with the Comptroller's statements and the Budgetary Act, the State Treasurer has employed the same statutory basis of accounting for the presentation of this schedule.

NOTE 2 GAAP accounting requires that Long-Term debt obligations be segregated into the portion payable within the next fiscal year (the current portion) and the remaining portion that is not due until after the next fiscal year. This manner of presentation is not used for the statutory basis presentation.

**DEBT MANAGEMENT DIVISION**  
**SCHEDULE OF EXPENSES IN EXCESS OF \$5,000 <sup>(1)</sup>**  
**FISCAL YEAR ENDED JUNE 30, 2021**

<b>Name of Firm</b>	<b>Description of Services</b>	<b>Aggregate Compensation Paid in FY 2021</b>	<b>Status as of 6/30/2021</b>
Acacia Financial Group, Inc.	Financial Advisor	\$ 74,345	Active
AMTEC	Arbitrage Calculation/Verification Agent Fees	13,100	Active
Bank of America Securities	Management Fees	52,504	N/A
Day Pitney, LLP	Bond/Disclosure Counsel	557,031	Active
Dornenburg Kallenbach Advertising	Web Site Improvements	15,500	Active
Estrada Hinojosa & Company, Inc.	Financial Advisor	137,869	Active
Fitch Ratings	Rating Agency	298,000	N/A
Goldman Sachs	Management Fees	103,216	N/A
Hardwick Law Firm LLC	Bond Counsel	178,183	Active
Hawkins, Delafield & Wood, LLP	Arbitrage Calculation Fees/Bond Counsel	106,027	Active
ImageMaster	Financial Printer	21,388	Active
Jefferies	Management Fees	80,000	N/A
Kroll Bond Rating Agency, Inc.	Rating Agency	200,000	N/A
Lewis & Munday	Bond Counsel	59,238	Active
Loop Capital Markets	Management Fees	85,000	N/A
Mahoney Sabol & Co., LLP	Auditor	75,650	Active
Moody's Investors Service	Rating Agency	301,000	N/A
Orrick, Herrington & Sutcliffe, LLP (BondLogistix)	Arbitrage Calculation Fees	16,000	Active
Public Financial Management	Financial Advisor	47,644	Active
Pullman & Comley, LLC	Bond Counsel	714,241	Active
Robinson & Cole	Bond/Tax Counsel	166,586	Active
Seward and Monde	Auditor	46,640	Active
SHI International Corp.	Software Consultant	194,148	Active
Shipman & Goodwin, LLP	Bond Counsel	48,567	Active
Soeder & Associates	Tax/Disclosure Counsel	233,893	Active
Squire, Patton, Boggs (US) LLP	Bond Counsel	63,915	Active
S&P Global Ratings	Rating Agency	442,787	N/A
Sycamore	Financial Advisor	41,531	Active
TKG & Associates LLC	Financial Advisor	56,570	Active
U. S. Bank, NA	Administrative/Escrow/Trustee Fees	188,802	Active
UBS Financial Services, Inc.	Management Fees	56,669	N/A
<b>Total</b>		<b>\$ 4,676,042</b>	

(1) Expenses are presented on a cash basis. Debt Management expenses are comprised of payments to vendors made through the Treasury Business Office, fees netted at bond closings, and fees and expenses paid from Cost of Issuance accounts. The amounts shown do not include bond issuance expenses paid on behalf of the State and counsel fees for firms representing the underwriters, banks or trustees. Also excluded are bond sales charges which are paid to the Senior Manager and distributed by agreement of the underwriters, whether netted from bond proceeds or funded from the Treasury Business Office, as well as bond remarketing and liquidity fees which are accounted for as part of interest cost paid during the fiscal year. Also not included are amounts paid to the IRS for arbitrage rebate payments in accordance with IRS regulations.

**CASH MANAGEMENT DIVISION  
ACTIVITY STATEMENT  
FISCAL YEAR ENDED JUNE 30, 2021**

Description	<u>2021</u>
<b>INFLOWS</b>	
Receipts:	
Deposits	\$ 37,192,697,806.74 <sup>(1)</sup>
Bad Checks	(9,564,870.83) <sup>(2)</sup>
Treasury Initiated Transfers	3,051,803,895.91 <sup>(3)</sup>
<b>Total Receipts</b>	<u>\$ 40,234,936,831.82</u>
Transfers:	<u>15,383,512,306.87</u> <sup>(4)</sup>
Other Inflows:	
Internal Bank Transfers	\$ 48,483,328,700.63 <sup>(5)</sup>
Interbank Transfers	25,166,271,122.88 <sup>(6)</sup>
Total Other Inflows	<u>\$ 73,649,599,823.51</u>
<b>TOTAL INFLOWS</b>	<u>\$ 129,268,048,962.20</u>
<b>OUTFLOWS</b>	
Disbursements:	
Vendor	\$ 34,926,688,430.14 <sup>(7)</sup>
Payroll	4,944,895,089.52 <sup>(8)</sup>
<b>Total Disbursements</b>	<u>\$ 39,871,583,519.66</u>
Transfers:	<u>16,040,575,291.44</u> <sup>(4)</sup>
Other Outflows:	
Internal Bank Transfers	\$ 48,483,328,700.63 <sup>(5)</sup>
Interbank Transfers	25,166,271,122.88 <sup>(6)</sup>
Total Other Outflows	<u>\$ 73,649,599,823.51</u>
<b>TOTAL OUTFLOWS</b>	<u>\$ 129,561,758,634.61</u>

- (1) Deposits - revenue received from taxes, licenses, lottery fees, federal grants and other sources.
- (2) Bad Checks - checks issued with insufficient funds in the originator's bank account.
- (3) Treasury Initiated Transfers - To record debt service payments to the proper bank account and transfer investment income to the proper fund.
- (4) Transfers - income earned from short and long-term investments, transfers of cash from one fund to the other, investment activity, and Certificates of Deposit purchased and sold with Connecticut banks under the Treasurer's Community Bank and Credit Union Initiative.
- (5) Internal Bank Transfers - transfers of money from concentration accounts to zero balance accounts with the same depository institution to provide funds to cover authorized disbursements and invest excess cash.
- (6) Interbank Transfers - transfers of state moneys between banks to invest excess cash or to cover authorized disbursements.
- (7) Vendor - expenditures for goods and services provided to the State by vendors, along with other payments, such as refunds of payments made to State agencies, restitution payments directed by the courts, and State grant payments.
- (8) Payroll - expenditures for the State's personnel and retirement payrolls.



**CASH MANAGEMENT DIVISION  
 CIVIL LIST FUNDS  
 SUMMARY SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS <sup>(1)</sup>  
 FISCAL YEAR ENDED JUNE 30, 2021  
 PRESENTED UNDER STATUTORY BASIS OF ACCOUNTING <sup>(3) (4)</sup>**

	<u>2021</u>
Cash Balance July 1, 2020	\$ (346,261,023.35)
Receipts	40,234,936,831.82
Disbursements	(39,871,583,519.66)
Transfers	<u>(657,062,984.57)</u>
Cash Balance June 30, 2021	(639,970,695.76)
Other Net Adjustments <sup>(2)</sup>	<u>401,830,695.12</u>
Adjusted Cash Balance June 30, 2021	<u><u>\$ (238,140,000.64)</u></u>

- (1) Detailed information on activity within each individual fund (formerly provided in the Statutory Appendix) can be obtained from the Comptroller's Annual Report.
- (2) Other Net Adjustments have been included to bring the Treasurer's cash balance presentation into conformance with the Comptroller's cash balance presentation. These adjustments include the following:
- Cash held in agency checking accounts.
  - Petty cash balance.
- (3) In accordance with Section 3-115 of the General Statutes, the State Comptroller shall provide accounting statements relating to the financial condition of the State as a whole in the same form and in the same categories as appears in the Budget Act enacted by the General Assembly. The Budget Act enacted for the 2021 fiscal year is presented on a comprehensive basis of accounting other than General Accepted Accounting Principals. In order to be consistent with the Comptroller's statements and the Budgetary Act, the State Treasurer has employed the same comprehensive basis of accounting for the presentation of the Civil List Funds Summary Schedule of Cash Receipts and Disbursements.
- (4) GAAP accounting requires that investment balances be presented to include the accrued interest earned. This manner of presentation is not used for the statutory basis presentation.

**CASH MANAGEMENT DIVISION  
 CIVIL LIST FUNDS  
 SUMMARY SCHEDULE OF CASH AND INVESTMENTS <sup>(1)</sup>  
 FISCAL YEAR ENDED JUNE 30, 2021  
 PRESENTED UNDER STATUTORY BASIS OF ACCOUNTING <sup>(2) (3)</sup>**

Description	Total All Funds
<b>General Investments</b>	
Cash	\$ (238,140,000.64)
STIF	5,385,616,089.92
<b>Investments with Treasurer as Trustee</b>	
Short-Term	8,996,760,558.72
Long-Term	44,384,285,155.97
<b>Investments with Others as Trustee</b>	
Short-Term	364,556,508.28
Long-Term	22,013,931.07
<b>Total</b>	<b><u><u>\$ 58,915,092,243.32</u></u></b>

Reconciliation Between Treasurer & Comptroller <sup>(4)</sup>

<b>Office of the Comptroller</b>	
Cash and STIF June 30, 2021 (Annual Statutory Report)	\$ 11,698,495,597.06
Cash and Investments with Trustee Fund #14005	1,103,038,189.34
Cash and Investments with Trustee Fund #21009	180,856,729.17
Cash and Investments with Trustee Fund #21015	630,829,296.10
Cash and Investments with Trustee Fund #21018	143,767,685.19
Cash and Investments with Trustee Fund #35017	387,249,151.14
<b>Total</b>	<b><u><u>\$ 14,144,236,648.00</u></u></b>
<b>Office of the Treasurer</b>	
Cash	\$ (238,140,000.64)
STIF	5,385,616,089.92
STIF/Investment with Treasurer as Trustee	8,996,760,558.72
<b>Total</b>	<b><u><u>\$ 14,144,236,648.00</u></u></b>

(1) For a detailed listing of the Civil List Investments for the Fiscal Year Ending June 30, 2021, please see Statutory Appendix.

(2) In accordance with Section 3-115 of the General Statutes, the State Comptroller shall provide accounting statements relating to the financial condition of the State as a whole in the same form and in the same categories as appears in the budget act enacted by the General Assembly. The Budget Act enacted for the 2021 fiscal year is presented on a comprehensive basis of accounting other than general accepted accounting principals. In order to be consistent with the Comptroller's statements and the budgetary act, the State Treasurer has employed the same comprehensive basis of accounting for the presentation of the Summary Schedule of Cash and Investments.

(3) GAAP accounting requires that investment balances be presented to include the accrued investment earnings. This manner of presentation is not used for the statutory basis presentation.

(4) Reconciliation of Cash Equivalents Per Comptroller's Books to Cash and General Investments and Short-Term Investments per Treasury Books.

**CASH MANAGEMENT DIVISION  
CIVIL LIST FUNDS  
INTEREST CREDIT PROGRAM <sup>(1)</sup>  
FISCAL YEAR ENDED JUNE 30, 2021**

<b>Fund</b>	<b>Participant</b>	<b>Agency</b>	<b>SID</b>	<b>Interest Earned</b>
12004	<b>Insurance A Fund</b> INSURANCE FUND	DOI37500		\$ 336,210.77
12007	<b>Workers Compensation</b> ADMINISTRATION FUND	WCC42000		34,297.86
12014	<b>Criminal Injuries Compensation Fund</b> VICTIM SERVICES	JUD95000		4,324.80
12015	<b>Vending Facilities Operators Fringe Benefits</b> VENDING FACILITY PROGRAM - FEDERAL INCOME	SDR63500	40012	4.66
12017	<b>University of Connecticut Operating Fund</b> UNIVERSITY OF CONNECTICUT OPERATING FUND	UOC67000		258,626.86
12018	<b>University Health Center Operating Fund</b> STUDENT SCHOLARSHIPS AND LOANS UNIVERSITY HEALTH CENTER OPERATING FUND	UHC72000 UHC72000	40014	\$ 7,899.02 50,194.33 <u>\$ 58,093.35</u>
12019	<b>State University Operating Fund</b> STATE UNIVERSITIES CENTRAL CONNECTICUT STATE UNIVERSITY EASTERN CONNECTICUT STATE UNIVERSITY	BOR77700 BOR84000 BOR85500		\$ 250,052.40 3,186.65 7,547.77 <u>\$ 260,786.82</u>
12020	<b>Regional Community/Technical Colleges Operating Fund (Tuition Account)</b> BOARD FOR REGIONAL COMM-TECH COLLEGE	BOR77700		61,709.57
12022	<b>University of Connecticut Research Foundation</b> UNIVERSITY OF CONNECTICUT RESEARCH FOUNDATION	UOC67000		52,121.51
12031	<b>Employment Security - Administration</b> EMPLOYMENT SECURITY PENALTY & INTEREST TITLE XII EXCESS FUNDS	DOL40000 DOL40000	40213 40214	\$ 10,215.92 - <u>\$ 10,215.92</u>
12037	<b>Tobacco Settlement Fund</b> TOBACCO SETTLEMENT FUND	OPM20000		18,088.93
12060	<b>General Fund</b> ADMINISTRATION OF GRANTS RESEARCH IN PLANT SCIENCE GEAR UP SCHOLARSHIP BOARD FOR STATE ACADEMIC AWARD CT DISTANCE LEARNING CONSORTIUM GEARUP SCHOLARSHIP TRUST CONN STATE LIBRARY ACCOUNT CT LIBRARY & MUSEUM FUND HISTORIC DOCUMENTS PRESERVATION ACCOUNT RICHARD A. FORSTER MEMORIAL FUND NUCLEAR SAFETY EMERGENCY PREPAREDNESS STRIPPER WELL OVERCHARGE CONNECTICUT FUTURES ACCOUNT FINANCIAL LITERACY INITIATIVES GEARUP SCHOLARSHIP TRUST PRIVATE OCCUPATIONAL STUDENT PROTECTION FUND WEISMAN TEACHER SCHOLARSHIP FUND BOARD OF PAROLES ASSET FOREITURE ACCOUNT CORRECTION GENERAL WELFARE FUND	AES48000 AES48000 BOA77000 BOR77700 BOR77700 BOR77700 CSL66000 CSL66000 CSL66000 DCF91000 DEP43000 DEP43000 DHE66500 DHE66500 DHE66500 DHE66500 DHE66500 DOC88000 DOC88000	30116 30099 26444 35186 35289 26247 30082 30093 35150 30084 35411 20492 35151 30432 22133 35135 30405 20127 35137	\$ 509.66 1,000.76 1,299.89 8,427.51 581.63 6,922.64 1.78 1,254.94 1,364.43 5.33 1,362.69 0.36 3.53 628.36 2,026.67 1,327.43 13.02 109.15 885.28

**CASH MANAGEMENT DIVISION  
CIVIL LIST FUNDS  
INTEREST CREDIT PROGRAM <sup>(1)</sup>  
FISCAL YEAR ENDED JUNE 30, 2021**

<b>Fund</b>	<b>Participant</b>	<b>Agency</b>	<b>SID</b>	<b>Interest Earned</b>
<b>31005</b>	<b>Public Defenders Retirement</b> PUBLIC DEFENDER RETIREMENT	OSC15000		420.77
<b>31006</b>	<b>Teachers Retirement System</b> TEACHERS RETIREMENT BOARD OPERATING FUND	TRB77500		11,993.29
<b>31008</b>	<b>Municipal Employees Retirement - Fund B</b> MUNICIPAL EMPLOYEE RETIREMENT FUND	OSC15000		10,682.96
<b>31011</b>	<b>OPEB Fund</b>			
	OPEB - EMPLOYEE CONTRIBUTION	OSC15000	43440	\$ 6,226.07
	OPEB - OPERATING APPROPRIATIONS	OSC15000	40001	6,399.45
	OPEB - RETIREE MED. EMPL. SHARE	OSC15000	43426	64,502.71
	OPEB - RETIREE PHARMANCY	OSC15000	43427	80,748.51
				<u>\$ 157,876.74</u>
<b>31012</b>	<b>Teachers Retirement System</b> TEACHERS RETIREMENT OPEB	TRB77500	42358	11,862.32
<b>35001</b>	<b>Connecticut Health Club Guaranty Fund</b> HEALTH CLUB GUARANTY	DCP39500		349.77
<b>35002</b>	<b>Real Estate Guaranty</b> REAL ESTATE GUARANTY	DCP39500		496.66
<b>35003</b>	<b>Home Improvement Guaranty Fund</b> HOME IMPROVEMENT GUARANTY	DCP39500		815.07
<b>35006</b>	<b>New Home Construction Guaranty Fund</b> NEW HOME CONSTRUCTION GUARANTY	DCP39500		757.32
<b>35007</b>	<b>Tobacco and Health Trust Fund</b> TOBACCO HEALTH TRUST FUND	OPM20000		1,066.69
<b>35008</b>	<b>Biomedical Research Trust Fund</b> BIOMEDICAL RESEARCH FUND	DPH48500		714.15
<b>35009</b>	<b>Endowed Chair Investment Fund</b> ENDOWED CHAIRS	DHE66500		3,060.68
<b>35012</b>	<b>Various Treasurers Trust Funds</b>			
	IRWIN LEPOW TRUST FUND	CME49500	42354	\$ 22.66
	R. GRAEME SMITH	DPS32000	42353	7.40
	POSTHUMOUS FITCH	DVA21000	42356	36.33
	JOHN H. KING	JUD95000	42355	135.83
				<u>\$ 202.22</u>
		<b>Grand Total</b>		<b><u>\$ 3,829,000.53</u></b>

(1) Interest is earned at the monthly simple interest rate of the Treasurer's Short-Term Investment Fund. Interest is calculated on the average monthly balance of the fund or account, and credited to the fund or account on a quarterly basis.

(2) Interest is earned by the participant and allocated to the constituent units

CASH MANAGEMENT DIVISION  
 CIVIL LIST FUNDS  
 INTEREST CREDIT PROGRAM <sup>(1)</sup>  
 FISCAL YEAR ENDING JUNE 30, 2021

Fund	Participant	Agency	SID	Interest Earned
	PUBLIC DEFENDER RETIREMENT	OSC15000		420.77
<b>31006</b>	<b>Teachers Retirement System</b>			
	TEACHERS RETIREMENT BOARD OPERATING FUND	TRB77500		11,993.29
<b>31008</b>	<b>Municipal Employees Retirement - Fund B</b>			
	MUNICIPAL EMPLOYEE RETIREMENT FUND	OSC15000		10,682.96
<b>31011</b>	<b>OPEB Fund</b>			
	OPEB - EMPLOYEE CONTRIBUTION	OSC15000	43440	\$ 6,226.07
	OPEB - OPERATING APPROPRIATIONS	OSC15000	40001	6,399.45
	OPEB - RETIREE MED. EMPL. SHARE	OSC15000	43426	64,502.71
	OPEB - RETIREE PHARMACY	OSC15000	43427	80,748.51
				<u>\$ 157,876.74</u>
<b>31012</b>	<b>Teachers Retirement System</b>			
	TEACHERS RETIREMENT OPEB	TRB77500	42358	11,862.32
<b>35001</b>	<b>Connecticut Health Club Guaranty Fund</b>			
	HEALTH CLUB GUARANTY	DCP39500		349.77
<b>35002</b>	<b>Real Estate Guaranty</b>			
	REAL ESTATE GUARANTY	DCP39500		496.66
<b>35003</b>	<b>Home Improvement Guaranty Fund</b>			
	HOME IMPROVEMENT GUARANTY	DCP39500		815.07
<b>35006</b>	<b>New Home Construction Guaranty Fund</b>			
	NEW HOME CONSTRUCTION GUARANTY	DCP39500		757.32
<b>35007</b>	<b>Tobacco and Health Trust Fund</b>			
	TOBACCO HEALTH TRUST FUND	OPM20000		1,066.69
<b>35008</b>	<b>Biomedical Research Trust Fund</b>			
	BIOMEDICAL RESEARCH FUND	DPH48500		714.15
<b>35009</b>	<b>Endowed Chair Investment Fund</b>			
	ENDOWED CHAIRS	DHE66500		3,060.68
<b>35012</b>	<b>Various Treasurers Trust Funds</b>			
	IRWIN LEPOW TRUST FUND	CME49500	42354	\$ 22.66
	R. GRAEME SMITH	DPS32000	42353	7.40
	POSTHUMOUS FITCH	DVA21000	42356	36.33
	JOHN H. KING	JUD95000	42355	135.83
				<u>\$ 202.22</u>
			<b>Grand Total</b>	<b><u>\$ 3,829,000.53</u></b>

(1) Interest is earned at the monthly simple interest rate of the Treasurer's Short-Term Investment Fund. Interest is calculated on the average monthly balance of the fund or account, and credited to the fund or account on a quarterly basis.

(2) Interest is earned by the participant and allocated to the constituent units

**CASH MANAGEMENT DIVISION**  
**SCHEDULE OF EXPENSES IN EXCESS OF \$5,000<sup>(1)</sup>**  
**FISCAL YEAR ENDED JUNE 30, 2021**

<b>Name of Firm</b>	<b>Description of Services</b>	<b>Contract Date</b>	<b>Aggregate Compensation Paid in FY21</b>	<b>Status As of 6/30/2021</b>
Bank of America	Banking Services	Jan-93	\$ 968,658 <sup>(2)</sup>	Active
Keybank National Association	Master Debit Card Services	Mar-10	363,126 <sup>(2)</sup>	Active
People's United Bank	Banking Services	Mar-97	279,070 <sup>(2)</sup>	Active
Bank of New York Mellon	Master Custody	Jan-93	278,727	Active
Webster Bank	Banking Services	Jun-98	187,922 <sup>(2)</sup>	Active
US Bank National Assn	Bond Trustee & Paying Agent	Jul-06	103,000	Active
Bloomberg Financial LP	On-Line Information service	N/A	70,872	Active
Standard & Poor's Financial	Subscription	N/A	48,000	Active
Moodys Investors Services	Credit Research	N/A	32,302	Active
The United Illuminating Company	Municipial Participation Account	N/A	25,000	Active
Bloomberg Index Services Limited	On-Line Information service	N/A	23,965	Active
<b>TOTAL</b>			<b><u>\$ 2,380,643</u></b>	

(1) Expenses are presented on a cash basis.

(2) Includes compensation realized through bank balances and fees.

**UNCLAIMED PROPERTY DIVISION**  
**SCHEDULE OF EXPENSES IN EXCESS OF \$5,000 <sup>(1)</sup>**  
**FISCAL YEAR ENDED JUNE 30, 2021**

<b>Name of Firm</b>	<b>Description of Services</b>	<b>Contract Date</b>	<b>Aggregate Compensation Paid in FY 2021</b>	<b>Status as of 6/30/2021</b>
A & A Office Systems, Inc.	Photocopier Lease	N/A	\$ 7,695	Active
Audit Service	Identification & Collection of Property	May-14	61,143	Active
Avenu SLS Holdings LLC	Claims Processing & Database Management	Jun-19	1,084,191	Not Active
Avenu SLS Holdings LLC	Securities Custodian	Jun-19	146,875	Active
Covendis	Maintenance & Support	N/A	35,541	Active
Kelmar Associates LLC	Identification & Collection of Property	Jul-14	304,895	Active
Kelmar Associates LLC	Claims Processing & Database Management	May-20	446,692	Active
Kroll Government Solutions	Identification & Collection of Property	Jul-14	613,821	Active
William B Meyer Inc	Record Storage	N/A	6,137	Active
<b>Total</b>			<b>\$ 2,706,990</b>	

(1) Expenses are presented on a cash basis.

**UNCLAIMED PROPERTY DIVISION  
FIVE YEAR SELECTED FINANCIAL INFORMATION  
FISCAL YEAR ENDED JUNE 30,**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Gross Receipts (1)</b>	<b>\$ 150,651,391</b>	<b>\$ 120,533,241</b>	<b>\$ 137,783,574</b>	<b>\$ 138,725,122</b>	<b>\$ 129,187,512</b>
Claims Paid (1)	33,281,007	66,419,686	56,005,570	58,182,884	41,105,448
Transfer to Citizens Election Fund (2)	12,334,172	12,151,894	11,901,953	11,634,363	11,428,647
Administrative Expenses:					
Salaries & Fringe benefits	3,807,262	3,694,934	3,921,196	3,584,769	3,692,758
Data processing & hardware	2,696,237	2,152,653	2,614,602	1,770,305	2,329,983
All Other	68,152	162,469	101,940	136,104	112,478
<b>Total Disbursements</b>	<b><u>52,186,830</u></b>	<b><u>84,581,636</u></b>	<b><u>74,545,261</u></b>	<b><u>75,308,425</u></b>	<b><u>58,669,314</u></b>
Excess (Deficiency) of Receipts over Disbursements (3)	<b><u>\$ 98,464,561</u></b>	<b><u>\$ 35,951,605</u></b>	<b><u>\$ 63,238,313</u></b>	<b><u>\$ 63,416,697</u></b>	<b><u>\$ 70,518,198</u></b>
Approximate Market Value of Securities at Fiscal Year End:					
Total Securities Inventory (1)	\$ 17,024,974	\$ 9,749,828	\$ 1,193,918	\$ 3,906,687	\$ 4,208,673
Securities liquidated	\$ 27,054,318	\$ 16,723,918	\$ 39,588,509	\$ 44,034,620	\$ 28,946,243
Number of claims paid	6,851	11,120	16,954	18,472	16,670

(1) The amounts disclosed above as "gross receipts" and "claims paid" represent actual cash flows and do not include the value of marketable securities received by the Unclaimed Property Division, nor the value of the securities returned to owners. However, the amounts disclosed above as fiscal year end market values of securities help provide a general indication of the relative net activity in such assets over time. Receipts include the proceeds from securities liquidated in a given year.

(2) P.A. 05-5, October 25, 2005 special session required Unclaimed Property Division to deposit certain funds into the Citizens' Election Fund and the balance is deposited into the General Fund.

(3) Deficiency of receipts over disbursements are covered by transfers from the General Fund, whereas excess of receipts over disbursements are remitted to the General Fund. Regardless, all amounts collected remain liabilities of the State until returned to rightful owners.

**SUMMARY OF GROSS RECEIPTS  
FISCAL YEAR ENDED JUNE 30, 2021**

Financial institutions	\$ 16,749,569
Other corporations	82,402,456
Insurance companies	13,104,348
Govern agency/ public authorities	8,925,891
Dividends on securities held	227,440
Securities tendered	1,675
Securities sold	27,054,318
Sale of property lists, copying and other charges	2,800
Reciprocal exchange program with other states	2,182,894
<b>Total Gross Receipts</b>	<b><u>\$ 150,651,391</u></b>

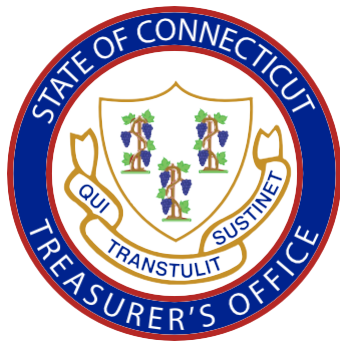


**SECOND INJURY FUND  
SCHEDULE OF EXPENSES IN EXCESS OF \$5,000 <sup>(1)</sup>  
FISCAL YEAR ENDED JUNE 30, 2021**

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<b>Name of Firm</b>	<b>Description of Services</b>	<b>Contract Date</b>	<b>Aggregate Compensation Paid in FY 2021</b>	<b>Status as of 6/30/2021</b>
A & A Office Systems Inc.	Photocopier Lease	N/A	\$ 7,196	Active
Automatic Data Processing Inc.	Check Processing	Apr-06	10,251	Active
Careworks	IME/Case Mgmt./Job Placement	Jan-06	11,696	Active
Civix / PCC Technology Group	Hosting Service & Managed Svcs	N/A	120,000	Active
Covendis	Maintenance & Support	N/A	101,449	Active
Coventry Healthcare Workers Compensation Inc.	Provider Bill Audit Services	Feb-06	59,069	Active
Dell Marketing	Computer Equipment	N/A	8,156	Active
West Group	Subscription Services	Jul-16	12,165	Active
Total			<b>\$ 329,982</b>	

(1) Expenses are presented on a cash basis. This schedule only includes services that were retained directly by the Fund and does not include medical services ordered by Workers Compensation Commissioners, claimants or their treating physicians.



# Executive Office

## DUTIES OF THE STATE TREASURER BOARDS, COMMITTEES AND COMMISSIONS

Connecticut state statutes provide that the State Treasurer serves as a member, ex-officio member or can designate a representative on a number of State boards, commissions and legislatively-man- dated committees. The Treasurer served on the following boards, commissions and committees during Fiscal Year 2020, listed in alphabetical order.

### **Banking Commission (§ 36A-70(H)(1) Cgs)**

The Banking Commission approves all applications for the creation of state banks or trust companies. As part of this process, the Commission holds public hearings on applications prior to granting approval. The Commission members are the Treasurer, Comptroller and Banking Commissioner.

### **State Bond Commission (§ 3-20(C) Cgs)**

As authorized by the General Assembly, all projects and grants funded from State bonds, as well as the issuance of the bonds, must be authorized by the State Bond Commission. The members of the Commission include the Governor, Treasurer, Comptroller, At- torney General, Secretary of the Office of Policy and Management (OPM), Commissioner of Public Works, and the Co-chairpersons and the ranking minority members of the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding.

### **Connecticut Airport Authority (§ 15-120Bb Cgs)**

The CAA was established to develop, improve and operate Bradley International Airport and the five stateowned general aviation airports (Danielson, Groton/New London, Hartford Brainard, Waterbury-Oxford, and Windham Airports) and for the subsequent purchase of other general aviation airports. An eleven member board

governs the authority including the Treasurer, the Commissioner of Transportation, the Commissioner of Economic and Community Development, four members appointed by the Governor, and four members appointed by legislative leaders.

### **Connecticut Data Analysis Technology Advisory Board (Cgs 18-175, Particularly § 3)**

The Connecticut Data Analysis Technology Advisory Board advises various governmental agencies, departments and offices on data policy. The Board has 16 members, eight who have expertise in data analysis, management, policy or related fields, and the Treasurer, the Commissioner of Administrative Services, the Executive Director of the Freedom of Information Commission, the Attorney General, the Chief Court Administrator, the State Librarian, the Comptroller, and the Chief Data Officer, serving as board chairper- son.

### **Connecticut Green Bank (§ 16-245N Cgs)**

The Connecticut Green Bank leverages public and private funds to accelerate the growth of green energy in Connecticut. The members of its Board consist of 11 members as follows: The Treasurer, the Commissioner of Energy and Environmental Protection, the Commissioner of Economic and Community Development, four members appointed by the Legislature, and four members appointed by the Governor.

### **Connecticut Health And Educational Facilities Authority (Chefa) Board Of Directors (§ 10A-179 Cgs)**

CHEFA is a conduit bond issuer for hospitals, nursing homes, private universities, private secondary schools and day care facilities. The board members include the Treasurer, Secretary of OPM, and eight members appointed by the Governor.

## Connecticut Higher Education Supplemental Loan Authority (Chesla) Board Of Directors (§ 10A-179(A) Cgs)

CHESLA finances supplemental student loans and issues bonds every two years. The Board consists of eight members including the Treasurer, Commissioner of Higher Education, Secretary of OPM, and five members appointed by the Governor.

## Connecticut Higher Education Trust (Chet) Advisory Committee (§ 3-22E(A) Cgs)

This committee advises the Treasurer on policies concerning CHET. The Connecticut Higher Education Trust allows families to make tax deferred investments for higher education costs. The Commissioner of Higher Education, the Secretary of OPM, the Co-chairpersons and ranking members of the Legislature's education and finance, revenue and bonding committees, and four representatives of private and public higher education serve with the Treasurer on this board.

## Connecticut Housing Finance Authority (Chfa) (§ 8-244(A) Cgs)

CHFA was created to increase the supply of, and encourage and assist in the purchase, development and construction of, housing for low and moderate-income families and persons throughout the State. It provides mortgages for single family homeowners at below market rates, mortgages for multi-family developers, and construction financing. The members of the board include the Treasurer, Commissioner of Economic and Community Development, Secretary of OPM, Banking Commissioner, seven members appointed by the Governor, and four members appointed by legislative leaders.

## Connecticut Innovations, Incorporated (Ci) (§32-35 Cgs)

CI is a quasi-public organization dedicated to driving an entrepreneurial, technology-based economy in Connecticut. CI stimulates high-tech growth by investing in early-stage Connecticut technology companies, university/industry research collaborations and technology transfer and collaborating with government, business, nonprofit and academic organizations to advance technology growth and promote public policies consistent with CI's mission. The members of the board include the Treasurer, Commissioner of Economic and Community Development, Secretary of OPM, the president of the Board of Regents for Higher Education, nine members appointed by the Governor and four members appointed by legislative leaders.

## Connecticut lottery corporation board of directors (§ 12-802(b) cgs)

The Connecticut Lottery Corporation manages the State lottery and is responsible for maximizing the efficiency of operations in order to provide a greater return to the general fund. The thirteen member Board of Directors includes the Treasurer, the Secretary of OPM, as well as appointees by the Governor and legislative leaders.

## Connecticut Port Authority (§ 32-435 Cgs)

The purposes of the Connecticut Port Authority shall be to coordinate the development of Connecticut's ports and harbors, work with the Department of Economic and Community Development and establish maritime policy for the State. The powers of the authority shall be exercised by board members including the Treasurer, the Commissioner of Energy and Environmental Protection, the Commissioner of Transportation, the Commissioner of Economic and Community Development, the Secretary of OPM, four appointed by the Governor and six appointed by legislative leaders.

## Connecticut Retirement Security Authority (§ 31-410 Cgs)

The Authority is charged with designing and implementing a program to provide private-sector employees with retirement savings accounts if their employer does not offer one. The Authority is governed by a fifteen member Board of Directors consisting of the Treasurer, the Comptroller, the Secretary of OPM, the Banking Commissioner, the Labor Commissioner, four appointments by the Governor and six appointments by legislative leaders.

## Connecticut Student Loan Foundation (§ 10A-203(A)(B)(1)Cgs)

The Student Loan Foundation is a non-profit corporation created to improve educational opportunity and promote repayment of loans. The corporation is governed by a board of directors consisting of fourteen members including the chairperson of the Board of Governors of Higher Education and the Commissioner of Higher Education; six public members appointed by the Governor; four members with knowledge of business or finance appointed by the legislature leadership; and the Treasurer.

## Finance Advisory Committee (§ 4-93 Cgs)

The Finance Advisory Committee approves budget transfers recommended by the Governor and has other such powers over the State budget when the General Assembly is not in session. The Committee members are the Governor, Lieutenant Governor, Treasurer, Comptroller, two Senate members who are members of the legislature's Appropriations Committee and three House members who are members of the legislature's Appropriations Committee.

## Governor's Council On Women And Girls

The purpose of the Council is to provide a coordinated state response to issues that impact the lives of women and, their families, and the State of Connecticut. The Council is charged with focusing on four areas of impact: education and STEAM; economic opportunity and workforce equity; leadership; and health and safety.

## Investment Advisory Council (§ 3-13B(A) Cgs)

The Investment Advisory Council advises on investment policy and guidelines, and also reviews the assets and performance of the pension funds. Additionally, the Council advises the Treasurer with respect to the hiring of outside investment advisors and on the appointment of the Chief Investment Officer. The Investment Advisory Council consists of the Treasurer, the Secretary of OPM and ten appointees of the Governor and legislative leaders.

## Municipal Accountability Review Board (Marb) (Section 367 Of Public Act 17-2)

The MARB provides technical, financial and other assistance and related accountability for municipalities experiencing various levels of fiscal distress. Its members include the Treasurer and Secretary of the OPM as co-chairs, five members appointed by the governor, and four members appointed by legislative leaders.

## Nitrogen Credit Advisory Board (§ 22A-523 Cgs)

The Nitrogen Credit Advisory Board assists and advises the Commissioner of Energy and Environmental Protection in administering the nitrogen credit exchange program. The board consists of the Commissioner, the Treasurer, the Secretary of OPM, eight public members to be appointed by legislative leaders, and one to be appointed by the Governor.

## The Standardization Committee (§ 4A-58(A) Cgs)

The standardization committee approves or grants waivers to existing purchasing regulations when it is in the best interests of the State to do so. The members of this committee include the Treasurer, Comptroller, Commissioner of Administrative Services, and such administrative heads of State departments as are designated for that duty by the Governor.

## State Employees' Retirement Commission (§5-155A)

The Connecticut State Employees Retirement Commission administers the provisions of the State Employees Retirement System, the Municipal Employees Retirement System, and all other state retirement and pension plans except the Teachers' Retirement System. The Commission consists of the Treasurer, the Comptroller, six members representing employees who are appointed by the bargaining agents, six management members who are members of the State Employees Retirement System two actuarial members who are enrolled actuaries and Fellows of the Society of Actuaries and one neutral trustee who is chairman of the Commission and is enrolled in the National Academy of Arbitrators.

## Teachers' Retirement Board (§10-183L)

The Teachers' Retirement Board administers the Connecticut Teachers' Retirement System. The Board consists of 14 members: four active teacher members, two retired teacher members, the State Treasurer, the Secretary of OPM, the Commissioner of the State Board of Education, and five public members appointed by the Governor.

## Teachers' Retirement System Viability Commission (Section 59 Of Public Act 17-2)

The commission, comprised of the members of the Teachers' Retirement Board, was established to develop a plan to maintain the financial viability of the Connecticut Teachers' Retirement System.

## Transportation Policy Advisory Council (Public Act No.17-192)

The Transportation Policy Advisory Council has various responsibilities related to transportation policy, including reviewing the five-year transportation capital plan developed annually by the Department of Transportation (DOT). The council has 18 members, consisting of the Treasurer, the Secretary of OPM, the Commissioner of Economic and Community Development, the Commissioner of Energy and Environmental Protection, the Housing Commissioner, the Commissioner of Transportation, the chairpersons and ranking members of the legislature's Transportation Committee, two appointments of the Governor, and six appointments of legislative leaders.

**EXECUTIVE OFFICE  
TOTAL ADMINISTRATIVE EXPENDITURES  
FISCAL YEAR ENDED JUNE 30, 2021**

	<u>2021</u>	<u>%</u>
<b>GENERAL FUND</b>		
Personal Services	\$ 2,894,808	7.54%
Other Expenses	121,336	0.32%
Capital Equipment	-	0.00%
<b>TOTAL</b>	<u>3,016,144</u>	<u>7.86%</u>
<b>PENSION FUNDS</b>		
Personal Services	6,590,930	17.17%
Other Expenses	12,014,725	31.29%
Capital Equipment	397	0.00%
<b>TOTAL <sup>(2)</sup></b>	<u>18,606,052</u>	<u>48.46%</u>
<b>SECOND INJURY FUND</b>		
Personal Services	7,171,966	18.68%
Other Expenses	400,730	1.04%
Capital Equipment	2,230	0.01%
<b>TOTAL</b>	<u>7,574,926</u>	<u>19.73%</u>
<b>UNCLAIMED PROPERTY FUND</b>		
Personal Services	3,807,262	9.92%
Other Expenses	2,764,032	7.20%
Capital Equipment	357	0.00%
<b>TOTAL</b>	<u>6,571,651</u>	<u>17.12%</u>
<b>SHORT-TERM INVESTMENT FUND</b>		
Personal Services	1,638,978	4.27%
Other Expenses	464,331	1.21%
Capital Equipment	100	0.00%
<b>TOTAL</b>	<u>2,103,408</u>	<u>5.48%</u>
Other Financing Sources <sup>(1)</sup>	<u>519,661</u>	<u>1.35%</u>
<b>TOTAL AGENCY</b>	<u>\$ 38,391,842</u>	<u>100.00%</u>

<sup>(1)</sup> Other Financing Sources include: Clean Water Fund and the Capital Equipment Fund.

<sup>(2)</sup> This total doesn't include lending fees and some advisory fees.

**EXECUTIVE OFFICE  
SCHEDULE OF EXPENSES IN EXCESS OF \$5,000 <sup>(1)</sup>  
FISCAL YEAR ENDED JUNE 30, 2021**

<b>Name of Firm</b>	<b>Description of Services</b>	<b>Contract Date</b>	<b>Aggregate Compensation Paid in FY21</b>	<b>Status as of 6/30/2021</b>
A&A Office	Office Equipment	N/A	\$ 6,873	Active
Advance Corporate Networking	Office Equipment	N/A	\$ 26,882	Active
AKF Consulting Group	Consultant Services	Nov-19	\$ 124,166	Active
Aon Hewitt Investing Consulting	Consultant Services	Sep-17	\$ 78,525	Active
Council of Institutional Investors	Dues	N/A	\$ 22,258	Active
Dell Marketing LP	Computer Equipment	N/A	\$ 24,991	Active
Lexus-Nexis	Subscription	N/A	\$ 5,508	Active
JP Morgan Chase Bank	P-Card Purchase	N/A	\$ 15,320	Active
National Association Of State Treasurers	Dues	N/A	\$ 14,690	Active
PRI Association	Subscription	N/A	\$ 12,080	Active
Practising Law Institute	Subscription	N/A	\$ 7,000	Active
Transfer Enterprises	Office Equipment	N/A	\$ 132,001	Active
<b>TOTAL</b>			<b>\$ 470,293</b>	

<sup>(1)</sup> Expenses are presented on a cash basis.

# Statutory Appendix





**DEBT MANAGEMENT DIVISION  
SCHEDULE OF DEBT OUTSTANDING<sup>(1)</sup> - STATUTORY BASIS  
JUNE 30, 2021**

Issue Date	Outstanding June 30, 2020	Issued	FY 2021		Outstanding June 30, 2021	Low Rate (%)	High Rate (%)	Next Maturity Date	Last Maturity Date	Interest Accreted Through FY 2021 <sup>(2)</sup>	Interest Paid During FY 2021 <sup>(3)</sup>	
			Retired	Refunded or Defeased								
<b>BOND TYPE: GENERAL OBLIGATION - TAX SUPPORTED</b>												
	\$	\$	\$	\$	\$							
05/01/1999	2,939,760	-	960,480	-	1,979,280	4.633	4.633	09/01/2021	09/01/2022	-	113,950	
05/06/1999	210,000	-	105,000	-	105,000	4.633	4.633	09/01/2021	09/01/2022	-	7,297	
06/12/2001	135,000	-	75,000	-	60,000	4.650	4.650	10/01/2021	10/01/2022	-	5,115	
06/12/2001	1,856,658	-	605,726	-	1,250,932	4.652	4.652	10/01/2021	10/01/2022	-	72,279	
03/16/2005	10,000,000	-	-	10,000,000	-	-	-	-	-	-	188,545	
12/23/2009	450,000,000	-	50,000,000	-	400,000,000	5.100	5.632	12/01/2021	12/01/2029	-	23,117,500	
10/19/2010	36,570,000	-	1,360,000	35,210,000	-	-	-	-	-	-	1,706,750	
10/19/2010	203,400,000	-	-	-	203,400,000	5.295	5.295	10/01/2029	10/01/2029	-	10,770,030	
10/19/2010	22,205,000	-	-	-	22,205,000	5.305	5.305	10/01/2030	10/01/2030	-	1,177,975	
10/19/2010	294,395,000	-	-	-	294,395,000	5.090	5.090	10/01/2025	10/01/2030	-	14,984,706	
05/31/2011	137,870,000	-	50,000,000	87,870,000	-	-	-	-	-	-	6,459,188	
11/14/2011	313,000,000	-	27,500,000	-	285,500,000	3.000	5.000	11/01/2021	11/01/2031	-	14,454,413	
04/26/2012	259,600,000	-	23,600,000	-	236,000,000	3.000	5.000	04/15/2022	04/15/2032	-	12,340,744	
04/26/2012	16,600,000	-	8,300,000	-	8,300,000	2.934	2.934	04/15/2022	04/15/2022	-	478,744	
06/29/2012	310,045,000	-	48,000,000	-	262,045,000	2.250	5.000	06/01/2022	06/01/2025	-	15,253,288	
10/04/2012	280,135,000	-	25,000,000	-	255,135,000	2.000	5.000	09/15/2021	09/15/2032	-	11,613,950	
11/16/2012	74,785,000	-	25,000,000	-	49,785,000	2.401	2.551	10/15/2021	10/15/2022	-	1,507,640	
11/28/2012	150,215,000	-	-	-	150,215,000	3.000	5.000	10/15/2022	10/15/2032	-	6,587,850	
03/28/2013	152,505,000	-	945,000	-	151,560,000	2.000	5.000	03/01/2022	03/01/2033	-	6,199,219	
03/28/2013	87,495,000	-	19,065,000	-	68,440,000	2.510	2.850	03/01/2022	03/01/2033	-	813,354	
08/07/2013	135,000,000	-	10,000,000	-	125,000,000	4.000	5.000	07/15/2021	07/15/2033	-	6,337,500	
08/29/2013	15,000,000	-	15,000,000	-	-	-	-	-	-	-	36,430	
08/29/2013	240,000,000	-	10,000,000	-	230,000,000	3.500	5.000	08/15/2021	08/15/2033	-	11,333,000	
08/29/2013	50,000,000	-	4,000,000	-	46,000,000	3.517	3.817	08/15/2021	08/15/2021	-	1,744,740	
03/26/2014	270,000,000	-	20,000,000	-	250,000,000	2.500	5.000	03/01/2022	03/01/2034	-	12,162,500	
03/26/2014	10,000,000	-	-	-	10,000,000	2.450	2.450	03/01/2023	03/01/2023	-	113,666	
06/04/2014	127,680,000	-	23,865,000	-	103,825,000	2.500	5.000	12/15/2021	12/15/2025	-	5,884,350	
06/26/2014	140,000,000	-	10,000,000	-	130,000,000	3.000	5.000	06/15/2022	06/15/2034	-	6,703,050	
08/28/2014	225,000,000	-	15,000,000	-	210,000,000	4.000	5.000	09/01/2022	09/01/2034	-	9,675,000	
08/28/2014	100,000,000	-	20,000,000	-	80,000,000	2.800	3.100	09/01/2021	09/01/2024	-	2,495,000	
12/10/2014	137,500,000	-	15,785,000	-	121,715,000	5.000	5.000	11/15/2021	11/15/2024	-	5,301,875	
12/10/2014	165,000,000	-	19,495,000	-	145,505,000	2.000	5.000	11/15/2021	11/15/2024	-	7,235,475	
12/10/2014	60,000,000	-	15,000,000	-	45,000,000	3.250	5.000	11/15/2028	11/15/2031	-	2,765,563	
03/25/2015	310,000,000	-	10,000,000	-	300,000,000	3.250	5.000	03/15/2022	03/15/2035	-	14,152,700	
03/25/2015	40,000,000	-	20,000,000	-	20,000,000	2.977	3.127	03/15/2024	03/15/2035	-	1,119,000	
05/28/2015	444,795,000	-	10,270,000	-	434,525,000	2.125	5.000	06/15/2022	06/15/2035	-	20,909,600	
05/28/2015	143,310,000	-	41,730,000	-	101,580,000	2.250	2.450	06/15/2022	06/15/2024	-	1,674,153	
05/28/2015	64,525,000	-	44,855,000	-	19,670,000	2.450	2.450	06/15/2022	06/15/2022	-	682,301	
08/19/2015	137,500,000	-	38,105,000	-	99,395,000	4.000	5.000	08/01/2025	08/01/2035	-	6,375,000	
08/19/2015	150,000,000	-	11,895,000	-	138,105,000	2.570	3.330	08/01/2021	08/01/2025	-	3,811,571	
12/01/2015	487,500,000	-	32,500,000	-	455,000,000	2.000	5.000	11/15/2021	11/15/2034	-	21,428,706	
12/01/2015	32,500,000	-	32,500,000	-	-	4.000	5.000	11/15/2035	11/15/2035	-	1,566,550	
03/30/2016	411,995,000	-	15,960,000	-	396,035,000	2.250	5.000	03/15/2022	03/15/2036	-	18,679,188	
06/14/2016	373,085,000	-	66,700,000	-	306,385,000	2.000	5.000	05/15/2022	05/15/2027	-	18,077,200	
06/14/2016	268,005,000	-	26,540,000	-	241,465,000	3.500	3.500	05/15/2024	05/15/2034	-	1,733,663	
08/17/2016	212,500,000	-	12,500,000	-	200,000,000	3.000	5.000	08/15/2021	08/15/2036	-	8,812,500	
08/17/2016	175,000,000	-	1,750,000	-	176,750,000	2.600	2.600	08/15/2021	08/15/2026	-	3,553,750	
10/26/2016	487,500,000	-	32,500,000	-	455,000,000	2.000	5.000	10/15/2021	10/15/2036	-	21,834,325	
10/26/2016	65,000,000	-	64,920,000	-	180,000	4.000	5.000	10/15/2030	10/15/2031	-	3,161,650	
12/21/2016	156,960,000	-	92,040,000	-	64,920,000	3.000	5.000	11/01/2021	11/01/2021	-	5,266,950	
04/19/2017	137,765,000	-	14,315,000	-	123,450,000	3.000	5.000	04/15/2022	04/15/2028	-	6,045,850	
04/19/2017	438,285,000	-	26,710,000	-	411,575,000	3.000	5.000	04/15/2022	04/15/2037	-	20,402,275	
06/28/2017	284,215,000	-	15,790,000	-	268,425,000	2.450	2.450	06/01/2022	06/01/2037	-	3,216,528	
06/28/2017	44,865,000	-	-	44,865,000	-	-	-	-	-	-	373,529	
12/21/2017	360,000,000	-	45,000,000	-	315,000,000	2.840	3.750	01/15/2022	01/15/2028	-	11,551,500	
04/11/2018	200,965,000	-	37,730,000	-	163,235,000	5.000	5.000	04/15/2022	04/15/2028	-	10,030,800	
04/11/2018	225,000,000	-	12,500,000	-	212,500,000	3.750	5.000	04/15/2023	04/15/2038	-	10,955,000	
06/20/2018	360,000,000	-	20,000,000	-	340,000,000	3.500	5.000	06/15/2022	06/15/2038	-	17,169,350	
06/20/2018	92,105,000	-	-	-	92,105,000	5.000	5.000	04/15/2022	04/15/2027	-	4,605,250	

**DEBT MANAGEMENT DIVISION  
SCHEDULE OF DEBT OUTSTANDING<sup>(1)</sup> - STATUTORY BASIS  
JUNE 30, 2021**

Issue Date	Outstanding June 30, 2020	FY 2021		Outstanding June 30, 2021	Low Rate (%)	High Rate (%)	Next Maturity Date	Last Maturity Date	Interest Accreted Through FY 2021 <sup>(2)</sup>	Interest Paid During FY 2021 <sup>(3)</sup>
		Retired	Refunded or Defeased							
09/13/2018	375,000,000	25,000,000	-	350,000,000	4.00	5.00	09/15/2021	09/15/2037	-	17,921,800
09/13/2018	213,205,000	25,760,000	-	187,445,000	5.00	5.00	09/15/2021	09/15/2028	-	10,016,250
09/13/2018	225,000,000	25,000,000	-	200,000,000	3.471	4.00	09/15/2021	09/15/2028	-	7,988,250
04/11/2019	712,500,000	37,500,000	-	675,000,000	3.000	5.00	04/15/2022	04/15/2039	-	34,411,450
08/07/2019	221,605,000	25,000,000	-	196,605,000	2.921	3.500	02/15/2022	02/15/2029	-	7,395,000
01/07/2020	194,640,000	53,740,000	-	140,900,000	5.000	5.000	01/15/2022	01/15/2026	-	10,580,250
06/11/2020	700,000,000	35,000,000	-	665,000,000	3.000	5.000	07/01/2021	07/01/2040	-	8,849,582
06/25/2020	500,000,000	-	-	500,000,000	1.988	3.000	06/01/2022	06/01/2030	-	31,988,911
01/06/2021	800,000,000	20,000,000	-	780,000,000	2.000	5.000	01/15/2022	01/15/2040	-	13,808,667
06/04/2021	300,000,000	300,000,000	-	-	2.000	5.000	06/01/2022	06/01/2041	-	-
06/04/2021	300,000,000	300,000,000	-	-	2.000	5.000	06/01/2022	06/01/2041	-	-
06/04/2021	169,265,000	-	-	169,265,000	0.309	4.184	06/01/2022	06/01/2031	-	-
<b>SUBTOTAL</b>	<b>\$ 14,317,751,418</b>	<b>\$ 1,352,981,206</b>	<b>\$ 177,945,000</b>	<b>\$ 14,356,110,212</b>	<b>5.000</b>	<b>5.000</b>	<b>07/15/2021</b>	<b>07/15/2024</b>	<b>\$ -</b>	<b>\$ 586,495,678</b>
<b>BOND TYPE: GENERAL OBLIGATION - TEACHERS' RETIREMENT FUNDS BONDS<sup>(4)</sup></b>										
04/30/2008	2,026,530,000	-	-	2,026,530,000	5.690	5.850	03/15/2023	03/15/2032	\$ -	\$ 118,029,871
04/30/2008	170,946,524	-	-	170,946,524	6.158	6.270	03/15/2022	03/15/2025	212,108,227	-
08/28/2014	10,590,000	-	-	10,590,000	3.500	3.500	09/01/2027	09/01/2027	-	370,650
<b>SUBTOTAL</b>	<b>\$ 2,208,066,524</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,208,066,524</b>	<b>5.000</b>	<b>5.000</b>	<b>09/01/2027</b>	<b>09/01/2027</b>	<b>\$ 212,108,227</b>	<b>\$ 118,400,521</b>
<b>BOND TYPE: GENERAL OBLIGATION - GAAP CONVERSION BONDS<sup>(5)</sup></b>										
10/24/2013	385,040,000	-	-	385,040,000	4.000	5.000	10/15/2021	10/15/2027	\$ -	\$ 18,207,700
<b>SUBTOTAL</b>	<b>\$ 385,040,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 385,040,000</b>	<b>4.000</b>	<b>5.000</b>	<b>10/15/2021</b>	<b>10/15/2027</b>	<b>\$ -</b>	<b>\$ 18,207,700</b>
<b>BOND TYPE: SPECIAL TAX OBLIGATION</b>										
11/10/2009	2,450,000	-	-	2,450,000	-	-	12/01/2021	12/01/2029	\$ -	\$ 50,531
11/10/2009	304,030,000	24,075,000	-	279,955,000	5.005	5.740	11/01/2021	11/01/2030	-	16,078,830
11/10/2010	400,430,000	28,075,000	-	372,355,000	4.376	5.459	11/01/2021	11/01/2030	-	20,098,998
11/10/2010	54,010,000	23,680,000	10,100,000	20,230,000	5.000	5.000	11/01/2021	11/01/2021	-	2,053,400
12/15/2011	162,635,000	10,180,000	-	152,455,000	3.375	5.000	12/01/2021	12/01/2031	-	7,668,663
12/15/2011	53,340,000	11,565,000	-	41,775,000	3.000	5.000	12/01/2021	12/01/2022	-	1,769,900
12/21/2012	369,725,000	20,965,000	-	348,760,000	3.000	5.000	01/01/2022	01/01/2033	-	17,941,500
12/21/2012	76,675,000	11,170,000	-	65,505,000	5.000	5.000	01/01/2022	01/01/2025	-	3,833,750
11/21/2013	476,460,000	24,180,000	-	452,280,000	3.000	5.000	10/01/2021	10/01/2033	-	23,041,025
10/16/2014	92,310,000	13,575,000	-	78,735,000	4.000	5.000	09/01/2021	09/01/2025	-	4,201,600
10/15/2015	609,340,000	24,085,000	-	585,255,000	3.000	5.000	09/01/2021	09/01/2034	-	24,647,925
10/15/2015	116,940,000	25,485,000	-	91,455,000	4.000	5.000	08/01/2021	08/01/2035	-	29,553,225
09/28/2016	723,785,000	12,235,000	-	711,550,000	3.000	5.000	08/01/2021	08/01/2027	-	5,466,550
09/28/2016	55,995,000	27,785,000	-	28,210,000	4.000	5.000	09/01/2021	09/01/2036	-	34,114,425
02/08/2018	746,385,000	3,890,000	-	750,275,000	3.000	5.000	09/01/2021	09/01/2028	-	2,674,400
10/25/2018	724,180,000	26,555,000	-	697,625,000	4.000	5.000	01/01/2022	01/01/2038	-	37,294,100
10/25/2018	100,105,000	12,545,000	-	87,560,000	5.000	5.000	10/01/2021	10/01/2038	-	35,642,375
05/29/2020	850,000,000	16,855,000	-	833,145,000	3.000	5.000	10/01/2021	10/01/2026	-	4,578,319
05/12/2021	875,000,000	11,695,000	-	866,695,000	3.000	5.000	05/01/2022	05/01/2041	-	37,314,748
05/12/2021	886,695,000	339,585,000	12,550,000	6,959,265,000	3.000	4.000	12/01/2022	12/01/2029	-	-
<b>SUBTOTAL</b>	<b>\$ 6,424,705,000</b>	<b>\$ 339,585,000</b>	<b>\$ 12,550,000</b>	<b>\$ 6,959,265,000</b>	<b>4.000</b>	<b>5.000</b>	<b>12/01/2022</b>	<b>12/01/2029</b>	<b>\$ -</b>	<b>\$ 308,015,364</b>
<b>BOND TYPE: BRADLEY INTERNATIONAL AIRPORT</b>										
03/31/2011	56,760,000	4,690,000	-	52,070,000	4.393	4.393	10/01/2021	10/01/2031	\$ -	\$ 1,969,784
03/31/2011	37,835,000	3,125,000	-	34,710,000	4.463	4.463	10/01/2021	10/01/2031	-	1,308,267
<b>SUBTOTAL</b>	<b>\$ 94,595,000</b>	<b>\$ 7,815,000</b>	<b>\$ -</b>	<b>\$ 86,780,000</b>	<b>4.463</b>	<b>4.463</b>	<b>10/01/2021</b>	<b>10/01/2031</b>	<b>\$ -</b>	<b>\$ 3,308,051</b>
<b>BOND TYPE: CLEAN WATER FUND</b>										
03/24/2011	56,280,000	12,440,000	45,840,000	-	5.000	5.000	03/01/2022	03/01/2031	\$ -	\$ 2,670,029
02/21/2013	99,125,000	4,690,000	-	94,435,000	2.000	5.000	07/01/2021	07/01/2027	-	4,956,250
02/21/2013	29,665,000	7,530,000	-	22,135,000	2.000	5.000	03/01/2022	03/01/2035	-	993,313
05/06/2015	228,725,000	7,605,000	-	221,120,000	3.125	5.000	03/01/2022	03/01/2035	-	10,452,194

**DEBT MANAGEMENT DIVISION  
SCHEDULE OF DEBT OUTSTANDING<sup>(1)</sup> - STATUTORY BASIS  
JUNE 30, 2021**

Issue Date	Outstanding June 30, 2020	FY 2021		Refunded or Defeased	Outstanding June 30, 2021	Low Rate (%)	High Rate (%)	Next Maturity Date	Last Maturity Date	Interest Accrued Through FY 2021 <sup>(2)</sup>	Interest Paid During FY 2021 <sup>(3)</sup>
		Issued	Retired								
06/15/2017	244,845,000	-	2,885,000	-	241,960,000	3.000	5.000	05/01/2022	05/01/2037	-	11,943,150
06/15/2017	89,750,000	-	9,450,000	-	80,300,000	5.000	5.000	06/01/2022	06/01/2027	-	4,487,500
07/09/2019	250,000,000	-	1,980,000	-	248,020,000	2.375	5.000	02/01/2022	02/01/2039	-	11,786,750
07/09/2019	29,845,000	-	9,585,000	-	20,260,000	5.000	5.000	10/01/2021	10/01/2022	-	1,205,300
<b>SUBTOTAL</b>	<b>1,030,235,000</b>	<b>\$</b>	<b>56,145,000</b>	<b>\$</b>	<b>45,540,000</b>					<b>\$</b>	<b>48,494,685</b>
<b>BOND TYPE: UCONN 2000<sup>(6)</sup></b>											
05/25/2010	48,550,000	\$	4,855,000	\$	43,695,000	-	-	-	-	\$	1,271,964
05/25/2010	4,840,000	-	4,840,000	-	-	-	-	-	02/15/2021	-	233,838
12/08/2011	9,505,000	-	4,710,000	-	4,795,000	-	-	-	-	-	353,875
12/08/2011	98,835,000	-	8,985,000	-	89,850,000	-	-	-	-	-	2,597,300
07/31/2013	120,855,000	-	8,635,000	-	112,220,000	4.000	5.000	08/15/2021	08/15/2033	-	5,632,275
07/31/2013	29,670,000	-	3,980,000	-	25,690,000	5.000	5.000	02/15/2022	02/15/2024	-	1,483,500
04/22/2014	76,325,000	-	5,455,000	-	70,870,000	2.500	5.000	02/15/2022	02/15/2034	-	3,500,150
04/22/2014	4,075,000	-	-	-	4,075,000	3.000	5.000	02/15/2022	02/15/2025	-	201,850
04/16/2015	165,125,000	-	11,010,000	-	154,115,000	2.125	5.000	02/15/2022	02/15/2035	-	7,852,556
04/16/2015	20,665,000	-	3,455,000	-	17,210,000	5.000	5.000	02/15/2022	02/15/2026	-	1,033,250
04/21/2016	209,200,000	-	13,075,000	-	196,125,000	3.000	5.000	03/15/2022	03/15/2036	-	9,567,400
04/21/2016	25,910,000	-	3,655,000	-	22,255,000	5.000	5.000	03/15/2022	03/15/2027	-	1,295,500
01/19/2017	264,520,000	-	15,560,000	-	248,960,000	3.000	5.000	01/15/2022	01/15/2037	-	13,053,400
01/19/2017	18,050,000	-	9,105,000	-	8,945,000	4.000	5.000	01/15/2022	01/15/2022	-	886,050
05/03/2018	248,470,000	-	13,805,000	-	234,665,000	3.250	5.000	04/15/2022	04/15/2038	-	11,866,825
05/08/2019	166,045,000	-	8,740,000	-	157,305,000	3.000	5.000	11/01/2021	11/01/2038	-	7,886,850
05/08/2019	58,265,000	-	6,355,000	-	51,910,000	5.000	5.000	11/01/2021	11/01/2028	-	2,754,375
12/17/2020	-	119,085,000	-	-	119,085,000	1.500	5.000	02/15/2022	02/15/2031	-	907,752
12/17/2020	-	160,230,000	-	-	160,230,000	3.000	5.000	02/15/2022	02/15/2041	-	1,275,162
<b>SUBTOTAL</b>	<b>1,568,905,000</b>	<b>\$</b>	<b>126,220,000</b>	<b>\$</b>	<b>138,540,000</b>					<b>\$</b>	<b>73,653,972</b>
<b>BOND TYPE: CI INCREMENT FINANCING<sup>(7)</sup></b>											
10/05/2004	2,755,000	\$	505,000	\$	2,250,000	4.000	5.000	10/15/2021	10/15/2024	-	118,540
12/20/2006	895,000	-	760,000	-	135,000	-	-	-	12/15/2020	-	17,900
05/22/2014	14,910,000	-	895,000	-	14,015,000	3.500	5.000	04/15/2022	04/15/2034	-	725,025
<b>SUBTOTAL</b>	<b>18,560,000</b>	<b>\$</b>	<b>2,160,000</b>	<b>\$</b>	<b>16,400,000</b>					<b>\$</b>	<b>861,465</b>
<b>BOND TYPE: CHEFA CHILD CARE FACILITIES PROGRAM<sup>(8)</sup></b>											
08/19/2011	17,385,000	\$	1,385,000	\$	16,000,000	-	-	-	-	\$	823,050
04/01/2015	28,570,000	-	1,070,000	-	27,500,000	3.000	5.000	07/01/2021	07/01/2038	-	1,201,181
06/24/2021	-	13,725,000	-	-	13,725,000	5.000	5.000	07/01/2021	07/01/2031	-	-
<b>SUBTOTAL</b>	<b>45,955,000</b>	<b>\$</b>	<b>2,455,000</b>	<b>\$</b>	<b>41,225,000</b>					<b>\$</b>	<b>2,024,231</b>
<b>BOND TYPE: JUVENILE TRAINING SCHOOL<sup>(9)</sup></b>											
02/15/2001	10,390,000	\$	740,000	\$	9,650,000	4.750	5.000	12/15/2021	12/15/2030	-	490,350
<b>SUBTOTAL</b>	<b>10,390,000</b>	<b>\$</b>	<b>740,000</b>	<b>\$</b>	<b>9,650,000</b>					<b>\$</b>	<b>490,350</b>
<b>BOND TYPE: BRADLEY INTERNATIONAL PARKING OPERATIONS<sup>(10)</sup></b>											
03/15/2000	19,195,000	\$	3,350,000	\$	15,845,000	-	-	-	-	\$	726,392
<b>SUBTOTAL</b>	<b>19,195,000</b>	<b>\$</b>	<b>3,350,000</b>	<b>\$</b>	<b>15,845,000</b>					<b>\$</b>	<b>726,392</b>
<b>BOND TYPE: CHEFA SPECIAL NEEDS HOUSING BONDS<sup>(11)</sup></b>											
05/19/2009	21,300,000	\$	2,010,000	\$	19,290,000	-	-	-	-	\$	891,764
10/19/2010	10,875,000	-	865,000	-	10,010,000	-	-	-	-	-	489,097
08/28/2018	12,065,000	-	1,595,000	-	10,470,000	2.500	3.500	06/15/2022	06/15/2027	-	356,973
05/04/2021	-	29,300,000	-	-	29,300,000	0.450	2.370	06/15/2022	06/15/2030	-	-
<b>SUBTOTAL</b>	<b>44,240,000</b>	<b>\$</b>	<b>4,470,000</b>	<b>\$</b>	<b>39,770,000</b>					<b>\$</b>	<b>1,737,833</b>
<b>BOND TYPE: CHEFA EMERGENCY MORTGAGE ASSISTANCE PROGRAM<sup>(12)</sup></b>											
10/19/2010	18,105,000	\$	1,450,000	\$	16,655,000	4.650	5.350	06/15/2022	06/15/2030	-	912,863
11/14/2011	13,335,000	-	950,000	-	12,385,000	5.000	5.000	06/15/2022	06/15/2031	-	654,590

**DEBT MANAGEMENT DIVISION  
SCHEDULE OF DEBT OUTSTANDING<sup>(1)</sup> - STATUTORY BASIS  
JUNE 30, 2021**

Issue Date	Outstanding June 30, 2020	FY 2021		Outstanding June 30, 2021	Low Rate (%)	High Rate (%)	Maturity Date	Last Maturity Date	Interest Accreted Through FY 2021 <sup>(2)</sup>	Interest Paid During FY 2021 <sup>(3)</sup>
		Issued	Retired							
<b>SUBTOTAL</b>	\$ 31,440,000	\$ -	\$ 2,400,000	\$ -					\$ -	\$ 1,567,453
<b>BOND TYPE: CRDA BONDS<sup>(13)</sup></b>										
07/21/2004	\$ 49,105,000	\$ -	\$ 2,345,000	\$ -	3.960	3.960	06/15/2022	06/15/2034	\$ -	\$ 89,715
08/04/2005	6,700,000	-	770,000	-	5.000	5.000	06/15/2022	06/15/2029	-	335,000
9/13/2018	14,865,000	-	660,000	-	5.000	5.000	06/15/2022	06/15/2034	-	743,250
<b>SUBTOTAL</b>	\$ 70,670,000	\$ -	\$ 3,775,000	\$ -					\$ -	\$ 1,967,965
<b>GRAND TOTAL</b>	\$ 26,269,747,942	\$ 2,778,300,000	\$ 1,942,241,206	\$ 435,820,000					\$ 212,108,227	\$ 1,165,151,460

- (1) Includes all outstanding debt issued by the State of Connecticut as of June 30, 2021.
- (2) Includes interest accreted on Capital Appreciation Bonds (CABs) only. Interest on CABs accrues over the life of the bond and is paid at maturity. This amount is not included in the column shown as outstanding June 30, 2021.
- (3) Includes interest rate swap payments and variable rate bond fees.
- (4) General Obligation Teachers' Retirement Fund Bonds were issued as taxable bonds pursuant to Public Act 07-186 to fund \$2 billion of the unfunded liability of the Connecticut Teachers' Retirement Fund, capitalized interest and cost of issuance.
- (5) General Obligation GAAP Conversion Bonds were issued in fiscal year 2014 to fund half of the General Fund GAAP deficit at that time and commit the State to funding the balance over time through budget appropriation as part of a bond covenant.
- (6) UConn 2000 Bonds were authorized in three stages, in a total amount of \$4.3 billion over a 32 year period to be paid by the University of Connecticut from a State debt service commitment. As each series is issued, the debt service is appropriated from the State's General Fund.
- (7) Connecticut Innovations (CI) has issued tax increment bonds for certain economic development projects. The debt service on the bonds is deemed appropriated from the State's General Fund.
- (8) On July 1, 1998, the Treasurer's Office assumed the responsibility for the Connecticut Health and Educational Facilities Authority (CHEFA) Childcare debt service appropriation per Public Act 97-259.
- (9) A lease purchase financing of the heating and cooling plant at the Juvenile Training School in Middletown.
- (10) On August 3, 2020, all outstanding Bradley International Airport Special Obligation Parking Revenue Bonds, Series 2000 A were fully redeemed from available funds.
- (11) Connecticut Housing Finance Authority (CHFA) Special Needs Housing bonds were issued pursuant to Public Act 05-280 and Public Act 05-3 for the purpose of financing costs of the Next Step Initiative. The State is required to make debt service payments on the bonds under a contract for state assistance agreement between CHFA, the State Treasurer and the Secretary of the Office of Policy and Management.
- (12) Connecticut Housing Finance Authority (CHFA) Emergency Mortgage Assistance Program bonds were issued pursuant to Public Act 08-176 to fund the Emergency Mortgage Assistance Program. The State is required to make debt service payments on the bonds under a contract for state assistance agreement between CHFA, the State Treasurer and the Secretary of the Office of Policy and Management.
- (13) Capital Region Development Authority (CRDA) Bonds were issued to provide funding for the Adriaen's Landing development project in Hartford. The bonds, issued in a combination of fixed and variable rate securities, have a final maturity of 2034. The State is required to make debt service payments on the bonds up to a maximum annual amount of \$9 million pursuant to a contract for financial assistance agreement between CRDA, the State Treasurer, and the Secretary of the Office of Policy and Management. CRDA is required to reimburse the State for the debt service payments from net parking and central utility plant revenues.

NOTE 1: In accordance with Section 3-115 of the General Statutes, the State Comptroller shall provide accounting statements relating to the financial condition of the State as a whole in the same form and in the same categories as appear in the budget enacted by the General Assembly. The accounting standards that were applied in this legislation and the Budget Act enacted for the 2021 fiscal year is a basis of accounting other than Generally Accepted Accounting Principles. In order to be consistent with the Comptroller's statements and the Budgetary Act, the State Treasurer has employed the same statutory basis of accounting for the presentation of this schedule.

NOTE 2: GAAP accounting requires that Long-Term debt obligations be segregated into the portion payable within the next fiscal year (the current portion) and the remaining portion that is not due until after the next fiscal year. This manner of presentation is not used for the statutory basis presentation.

**DEBT MANAGEMENT DIVISION  
SCHEDULE OF AUTHORIZED AND ISSUED DEBT OUTSTANDING<sup>(1)</sup>  
JUNE 30, 2021**

CORE Fund No.	Name	Inception to Date		Principal Outstanding June 30, 2021	Interest Accreted Through Fiscal Year 2021 <sup>(2)</sup>	Outstanding Incl. Accreted Interest June 30, 2021
		Amount Authorized	Amount Issued			
	<b>BOND TYPE: GENERAL OBLIGATION - TAX SUPPORTED</b>					
12033	ECONOMIC DEVELOPMENT FUND	\$ 145,930,000	\$ 140,430,000	\$ 8,000,000	\$ -	\$ 8,000,000
12034	ECONOMIC DEVELOPMENT ASSISTANCE	1,876,800,000	1,645,234,028	526,049,428	-	526,049,428
12036	ECONOMIC STABILIZATION FUND	95,000,000	95,000,000	8,537,294	-	8,537,294
12050	LOCAL CAPITAL IMPROVEMENT FUND	1,010,000,000	915,000,000	239,520,000	-	239,520,000
12051	CAPITAL EQUIPMENT PURCHASE FUND	544,540,000	503,408,375	41,000,947	-	41,000,947
12052	GRANTS TO LOCAL GOVTS. & OTHERS	5,675,690,593	4,554,808,318	1,572,422,083	-	1,572,422,083
12059	HARTFORD REDEVELOPMENT	491,880,000	491,880,000	16,070,000	-	16,070,000
12063	HOUSING BONDS	1,534,382,689	1,257,666,282	548,949,530	-	548,949,530
12066	DECD - HOUSING TRUST FUND	345,000,000	243,460,788	75,831,392	-	75,831,392
12067	CT BIOSCIENCE COLLABORATION PROGRAM	290,685,000	281,043,537	115,204,537	-	115,204,537
12068	SCHOOL CONSTRUCTION	130,000,000	92,223,035	92,223,035	-	92,223,035
13009	MAGNET SCHOOLS	1,857,139,500	1,854,139,500	5,100,000	-	5,100,000
13010	AGRICULTURAL LAND PRESERVATION	165,250,000	10,820,127,476	4,760,869,586	-	4,760,869,586
13019	GRANTS FOR URBAN ACTION	1,984,487,544	1,548,220,648	48,750,196	-	48,750,196
13048	CSUS 2020 FUND INFRASTRUCTURE PROGRAM	1,069,500,000	993,466,959	413,765,426	-	413,765,426
17011	GENERAL STATE PURPOSE	584,326,029	551,032,612	40,000,000	-	40,000,000
17021	GENERAL STATE PURPOSE	443,943,095	445,038,198	2,765,512	-	2,765,512
17041	GENERAL STATE PURPOSE	249,581,385	249,332,976	46,137,893	-	46,137,893
17051	GENERAL STATE PURPOSE	175,929,116	175,929,116	3,429,116	-	3,429,116
17061	GENERAL STATE PURPOSE	168,994,995	168,636,646	29,571,258	-	29,571,258
17071	GENERAL STATE PURPOSE	341,194,304	335,665,798	66,228,566	-	66,228,566
17081	GENERAL STATE PURPOSE	217,535,361	206,285,444	157,204,965	-	157,204,965
17091	GENERAL STATE PURPOSE	11,600,000	11,600,000	11,600,000	-	11,600,000
17101	GENERAL STATE PURPOSE	19,138,454	16,138,454	7,214,657	-	7,214,657
17111	GENERAL STATE PURPOSE	67,878,234	63,098,403	36,016,262	-	36,016,262
17121	GENERAL STATE PURPOSE	315,011,406	293,453,884	213,609,624	-	213,609,624
17131	GENERAL STATE PURPOSE	600,120,338	588,496,581	446,277,769	-	446,277,769
17141	GENERAL STATE PURPOSE	306,702,986	276,437,533	140,492,950	-	140,492,950
17151	GENERAL STATE PURPOSE	374,113,098	295,637,001	260,644,273	-	260,644,273
17161	GENERAL STATE PURPOSE	349,413,300	256,696,042	137,923,885	-	137,923,885
17171	GENERAL STATE PURPOSE	524,872,176	361,214,171	243,391,108	-	243,391,108
17181	GENERAL STATE PURPOSE	240,836,905	128,250,000	128,250,000	-	128,250,000
17191	GENERAL STATE PURPOSE	185,896,250	57,395,000	57,395,000	-	57,395,000
17201	GENERAL STATE PURPOSE	398,450,000	15,158,055	15,158,055	-	15,158,055
17861	CAPITAL IMPROVEMENTS	119,859,926	119,463,359	8,100,000	-	8,100,000
17891	GENERAL STATE PURPOSE	416,558,089	414,478,686	2,000,000	-	2,000,000
17931	GENERAL STATE PURPOSE	628,254,036	626,235,971	10,500,000	-	10,500,000
17961	GENERAL STATE PURPOSE	282,574,910	260,374,910	4,703,097	-	4,703,097
17981	GENERAL STATE PURPOSE	208,069,445	208,049,656	1,205,000	-	1,205,000
17991	GENERAL STATE PURPOSE	291,703,004	290,897,814	44,773,966	-	44,773,966
21014	CLEAN WATER FUND - STATE ACCOUNT	1,793,132,510	1,446,571,884	482,743,212	-	482,743,212
21017	DRINKING WATER FUND - STATE ACCOUNT	20,000,000	18,017,000	18,017,000	-	18,017,000
59999	BOND ANTICIPATION NOTES ROLLOVER FUND <sup>(3)(4)</sup>	-	1,734,330,000	650,000,000	-	650,000,000
	General Obligation 2021 Series C Refunding <sup>(4)</sup>	-	169,265,000	169,265,000	-	169,265,000
	General Obligation 2020 Series B Refunding <sup>(4)</sup>	-	194,640,000	140,900,000	-	140,900,000
	General Obligation 2019 Series B Refunding <sup>(4)</sup>	-	239,855,000	189,245,000	-	189,245,000
	General Obligation 2018 Series F Refunding <sup>(4)</sup>	-	239,200,000	187,445,000	-	187,445,000
	General Obligation 2018 Series D Refunding <sup>(4)</sup>	-	92,105,000	92,105,000	-	92,105,000
	General Obligation 2018 Series B Refunding <sup>(4)</sup>	-	276,440,000	163,235,000	-	163,235,000
	General Obligation Refunding 2017 Series <sup>(4)</sup>	-	197,025,000	123,450,000	-	123,450,000
	General Obligation Refunding Bonds 2016 Series G <sup>(4)</sup>	-	327,440,000	64,920,000	-	64,920,000
	General Obligation Refunding Bonds 2016 Series B <sup>(4)</sup>	-	501,440,000	306,385,000	-	306,385,000
	General Obligation 2015 Series D Refunding SIFMA <sup>(4)</sup>	-	180,745,000	19,670,000	-	19,670,000

**DEBT MANAGEMENT DIVISION  
SCHEDULE OF AUTHORIZED AND ISSUED DEBT OUTSTANDING<sup>(1)</sup>  
JUNE 30, 2021**

CORE Fund No.	Name	Inception to Date		Principal Outstanding June 30, 2021	Interest Accreted Through Fiscal Year 2021 <sup>(2)</sup>	Outstanding Incl. Accreted Interest June 30, 2021	
		Amount Authorized	Amount Issued				
	General Obligation 2014 Series H Refunding <sup>(4)</sup>	-	256,620,000	96,290,000	-	96,290,000	
	General Obligation Refunding Bonds 2014 Series C <sup>(4)</sup>	-	822,225,000	103,825,000	-	103,825,000	
	General Obligation Refunding Bonds 2012 Series <sup>(4)</sup>	-	523,245,000	262,045,000	-	262,045,000	
	<b>SUBTOTAL</b>	<b>\$ 37,718,105,448</b>	<b>\$ 38,203,518,055</b>	<b>\$ 14,356,110,212</b>	<b>\$ -</b>	<b>\$ 14,356,110,212</b>	
	<b>BOND TYPE: GENERAL OBLIGATION - TEACHERS' RETIREMENT FUND BONDS<sup>(6)</sup></b>						
31006	TEACHER'S RETIREMENT FUND TAXABLE GO BOND 2008	2,276,578,271	2,276,578,271	2,197,476,524	212,108,227	2,409,584,751	
	TAXABLE GO TEACHER'S RETIREMENT STEP BONDS REFUNDING	-	10,590,000	10,590,000	-	10,590,000	
	<b>SUBTOTAL</b>	<b>\$ 2,276,578,271</b>	<b>\$ 2,287,168,271</b>	<b>\$ 2,208,066,524</b>	<b>\$ 212,108,227</b>	<b>\$ 2,420,174,751</b>	
	<b>BOND TYPE: GENERAL OBLIGATION - GAAP CONVERSION BONDS<sup>(6)</sup></b>						
50001	GAAP CONVERSION BONDS	560,430,000	560,430,000	344,875,000	-	344,875,000	
	<b>SUBTOTAL</b>	<b>\$ 560,430,000</b>	<b>\$ 560,430,000</b>	<b>\$ 344,875,000</b>	<b>\$ -</b>	<b>\$ 344,875,000</b>	
	<b>BOND TYPE: SPECIAL TAX OBLIGATION</b>						
13033	INFRASTRUCTURE IMPROVEMENT	19,916,622,852	13,995,170,752	6,496,955,000	-	6,496,955,000	
14005	SPECIAL TAX OBLIGATION REFUNDING BONDS <sup>(4)</sup>	-	1,336,385,000	462,310,000	-	462,310,000	
	<b>SUBTOTAL</b>	<b>\$ 19,916,622,852</b>	<b>\$ 15,331,555,752</b>	<b>\$ 6,959,265,000</b>	<b>\$ -</b>	<b>\$ 6,959,265,000</b>	
	<b>BOND TYPE: BRADLEY INTERNATIONAL AIRPORT</b>						
	BRADLEY AIRPORT GENERAL REVENUE REFUNDING BONDS <sup>(4)</sup>	-	183,020,000	86,780,000	-	86,780,000	
	<b>SUBTOTAL</b>	<b>\$ -</b>	<b>\$ 183,020,000</b>	<b>\$ 86,780,000</b>	<b>\$ -</b>	<b>\$ 86,780,000</b>	
	<b>BOND TYPE: CLEAN WATER FUND</b>						
21015	CLEAN WATER FUND - FEDERAL REVOLVING	3,574,467,442	2,210,507,408	673,415,000	-	673,415,000	
21018	DRINKING WATER FUND - FEDERAL REVOLVING	393,612,568	256,082,592	132,120,000	-	132,120,000	
	CLEAN WATER REFUNDING BONDS <sup>(4)</sup>	-	648,275,000	122,715,000	-	122,715,000	
	<b>SUBTOTAL</b>	<b>\$ 3,968,080,000</b>	<b>\$ 3,114,865,000</b>	<b>\$ 928,250,000</b>	<b>\$ -</b>	<b>\$ 928,250,000</b>	
	<b>BOND TYPE: UCONN 2000<sup>(7)</sup></b>						
13045	UCONN 2000	3,544,067,147	3,284,467,147	1,334,490,000	-	1,334,490,000	
	UCONN 2000 REFUNDING BONDS <sup>(4)</sup>	-	868,955,000	249,170,000	-	249,170,000	
	<b>SUBTOTAL</b>	<b>\$ 3,544,067,147</b>	<b>\$ 4,153,422,147</b>	<b>\$ 1,583,660,000</b>	<b>\$ -</b>	<b>\$ 1,583,660,000</b>	
	<b>BOND TYPE: CI INCREMENT FINANCING<sup>(8)</sup></b>						
	CI BASS PRO SHOPS TAX INCREMENTAL FINANCING	22,000,000	18,885,000	14,150,000	-	14,150,000	
	CI REFUNDING BONDS SERIES A, B & C <sup>(4)</sup>	-	22,435,000	2,250,000	-	2,250,000	
	<b>SUBTOTAL</b>	<b>\$ 22,000,000</b>	<b>\$ 41,320,000</b>	<b>\$ 16,400,000</b>	<b>\$ -</b>	<b>\$ 16,400,000</b>	
	<b>BOND TYPE: CHEFA CHILDCARE FACILITIES PROGRAM<sup>(9)</sup></b>						
77810	CHEFA CHILDCARE REFUNDING BONDS SERIES 2015 <sup>(4)</sup>	-	33,475,000	27,500,000	-	27,500,000	
77811	CHEFA CHILDCARE REFUNDING BONDS SERIES 2021 <sup>(4)</sup>	-	13,725,000	13,725,000	-	13,725,000	
	<b>SUBTOTAL</b>	<b>\$ -</b>	<b>\$ 47,200,000</b>	<b>\$ 41,225,000</b>	<b>\$ -</b>	<b>\$ 41,225,000</b>	
	<b>BOND TYPE: JUVENILE TRAINING SCHOOL<sup>(10)</sup></b>						
88800	CT JUVENILE TRAINING SCHOOL ENERGY CENTER PROJECT	-	19,165,000	9,650,000	-	9,650,000	
	<b>SUBTOTAL</b>	<b>\$ -</b>	<b>\$ 19,165,000</b>	<b>\$ 9,650,000</b>	<b>\$ -</b>	<b>\$ 9,650,000</b>	

**DEBT MANAGEMENT DIVISION  
SCHEDULE OF AUTHORIZED AND ISSUED DEBT OUTSTANDING<sup>(1)</sup>  
JUNE 30, 2021**

CORE Fund No.	Name	Amount Authorized	Inception to Date Amount Issued	Principal Outstanding June 30, 2021	Interest Accreted Through Fiscal Year 2021 <sup>(2)</sup>	Outstanding Incl. Accreted Interest June 30, 2021
<b>BOND TYPE: CHFA SPECIAL NEEDS HOUSING BONDS<sup>(11)</sup></b>						
	CHFA SUPPORTIVE HOUSING REFUNDING BONDS <sup>(4)</sup>		44,390,000	39,770,000	-	39,770,000
	<b>SUBTOTAL</b>		<b>44,390,000</b>	<b>39,770,000</b>	<b>-</b>	<b>39,770,000</b>
<b>BOND TYPE: CHFA EMERGENCY MORTGAGE ASSISTANCE PROGRAM<sup>(12)</sup></b>						
15999	CHFA EMERGENCY MORTGAGE ASSISTANCE PROGRAM	50,000,000	50,000,000	29,040,000	-	29,040,000
	<b>SUBTOTAL</b>		<b>50,000,000</b>	<b>29,040,000</b>	<b>-</b>	<b>29,040,000</b>
<b>BOND TYPE: CRDA BONDS<sup>(13)</sup></b>						
12060	CAPITAL REGION DEVELOPMENT AUTHORITY	-	110,000,000	52,690,000	-	52,690,000
	CRDA 2018 REFUNDING BONDS <sup>(4)</sup>	-	16,365,000	14,205,000	-	14,205,000
	<b>SUBTOTAL</b>		<b>126,365,000</b>	<b>66,895,000</b>	<b>-</b>	<b>66,895,000</b>
	<b>GRAND TOTAL</b>		<b>68,055,883,718</b>	<b>26,669,986,736</b>	<b>212,108,227</b>	<b>26,882,094,963</b>

- (1) Includes all outstanding debt issued by the State of Connecticut as of June 30, 2021. All debt except refunding issues are authorized by the General Assembly and the State Bond Commission prior to issuance. Total amount issued includes refunding issues for which no additional authorization is required. Does not include authorizations that are fully issued and bonds are no longer outstanding.
- (2) Includes interest accreted on Capital Appreciation Bonds (CABs) only. Interest on CABs accretes over the life of the bond and is paid at maturity. This amount is not included in the principal outstanding as of June 30, 2021.
- (3) On April 28, 2009, the State issued \$581,245,000 Bond Anticipation Notes (BANs) Series A and Series B. On April 28, 2010, \$353,085,000 BANs were issued to pay down the 2009 Series A BANs maturing on April 28, 2010. The 2009 B and 2010 A BANs were refunded with General Obligation Bonds on May 19, 2011 and May 31, 2011. On February 25, 2015 \$400,000,000 BANs Series A were issued. On March 25, 2015 \$400,000,000 General Obligation Bonds 2015 A were issued and used to retire the 2015 A BANs.
- (4) On December 21, 2017, the State issued \$400,000,000 Bond Anticipation Notes (BANs) Series A, and Series B. On September 13, 2018, \$400,000,000 General Obligation Bonds, 2018 Series E were issued to retire the 2017 BANs.
- (5) Refunding issues. Proceeds were used to refund other bonds reducing overall debt service expense.
- (6) General Obligation Teachers' Retirement Fund Bonds were issued as taxable bonds pursuant to Public Act 07-186 to fund \$2 billion of the unfunded liability of the Connecticut Teachers' Retirement Fund, capitalized interest and costs of issuance.
- (7) General Obligation GAAP Conversion Bonds were issued in fiscal year 2014 to fund half of the General Fund GAAP deficit at that time and commit the State to funding the balance over time through budget appropriation as part of a bond covenant.
- (8) UConn 2000 Bonds were authorized in three stages in a total amount of \$4.3 billion over a 32 year period to be paid by the University of Connecticut from a State debt service commitment. As each series is issued, the debt service is appropriated from the State's General Fund.
- (9) Connecticut Innovations (CI), has issued tax increment bonds for certain economic development projects. The debt service on the bonds is deemed appropriated from the State's General Fund.
- (10) On July 1, 1999, the State Treasurer's Office assumed the responsibility for the Connecticut Health and Educational Facilities Authority (CHEFA) Childcare debt service appropriation per Public Act 97-259. A lease purchase financing of the heating and cooling plant at the Juvenile Training School in Middletown.
- (11) Connecticut Housing Finance Authority (CHFA) Special Needs Housing bonds were issued pursuant to Public Act 05-280 and Public Act 05-3 for the purpose of financing costs of the Next Step initiative. The State is required to make debt service payments on the bonds under a contract for state assistance agreement between CHFA, the State Treasurer, and the Secretary of the Office of Policy and Management.
- (12) Connecticut Housing Finance Authority (CHFA) Emergency Mortgage Assistance Program bonds were issued pursuant to Public Act 08-176 to fund the Emergency Mortgage Assistance Program. The State is required to make debt service payments on the bonds under a contract for state assistance agreement between CHFA, the State Treasurer, and the Secretary of the Office of Policy and Management.
- (13) Capital Region Development Authority (CRDA) Bonds were issued to provide funding for the Adriaen's Landing development project in Hartford. The bonds, issued in a combination of fixed rate and variable rate securities, have a final maturity of 2034. The State is required to make debt service payments on the bonds up to a maximum amount of \$9 million pursuant to a contract for financial assistance agreement between CRDA, the State Treasurer, and the Secretary of the Office of Policy and Management. CRDA is required to reimburse the State for the debt service payments from net parking and central utility plant revenues.

CASH MANAGEMENT DIVISION  
CIVIL LIST FUNDS  
SCHEDULE OF INVESTMENTS <sup>(1) (2)</sup>  
FISCAL YEAR ENDING JUNE 30, 2021  
PRESENTED UNDER STATUTORY BASIS OF ACCOUNTING <sup>(4) (6)</sup>

Legal No.	Type	GAAP No.	Type	Fund Name	STIF Investments		Investments with Treasurer as Trustee		Investments with Others as Trustee		Total
					6/30/2021	6/30/2021	Short-Term 6/30/21	Long-Term 6/30/21	Short-Term 6/30/21	Long-Term 6/30/21	
<b>GENERAL FUND <sup>(9)</sup></b>											
11000	Gen. Fund	1100	Gen. Fund	General Fund	\$ 1,005,179,537.57 <sup>(8)</sup>	\$ 8,850,476,441.69 <sup>(12)</sup>	\$ -	\$ -	\$ -	\$ -	\$ 9,855,655,979.26
				<b>SUBTOTAL GENERAL FUND</b>	<b>\$ 1,005,179,537.57</b>	<b>\$ 8,850,476,441.69</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,855,655,979.26</b>
<b>SPECIAL REVENUE FUNDS</b>											
12001	Spec. Rev.	1201	Spec. Rev.	Transportation	\$ 115,046,995.83	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,046,995.83
12005	Spec. Rev.	1215	Spec. Rev.	Probate Court Administration	17,067,500.23						17,067,500.23
12012	Spec. Rev.	1215	Spec. Rev.	Municipal Employees Retirement Administration	1,815,826.08						1,815,826.08
12016	Spec. Rev.	1213	Spec. Rev.	Recreation and Natural Heritage Trust Fund	1,651,291.94						1,651,291.94
12018	Spec. Rev.	2107	Enterprise	University Health Center Operating Fund	35,349.21						35,349.21
12021	Spec. Rev.	1215	Spec. Rev.	Grants - Tax Exempt Proceeds	3,455,525.11						3,455,525.11
12023	Spec. Rev.	2107	Enterprise	University Health Center Research Foundation	28,460,427.16						28,460,427.16
12032	Spec. Rev.	1210	Spec. Rev.	Employment Security - Special Administration	108,190.67						108,190.67
12034	Spec. Rev.	1212	Spec. Rev.	Economic Assistance Bond Fund	3,000,000.00						3,000,000.00
12035	Spec. Rev.	1212	Spec. Rev.	Economic Assistance Revolving Fund	28,865,005.97						28,865,005.97
12047	Spec. Rev.	1212	Spec. Rev.	Child Care Facilities	224,132.18						224,132.18
12051	Spec. Rev.	1215	Spec. Rev.	Capital Equipment Purchase Fund	11,057,386.15						11,057,386.15
12053	Spec. Rev.	1213	Spec. Rev.	Economic Development and Other Grants	759,824.61						759,824.61
12060	Spec. Rev.	1211	Spec. Rev.	Federal And Other Restricted Accounts	312,971.58						312,971.58
12062	Spec. Rev.	1211	Spec. Rev.	Transportation Grants And Restricted Accounts	1,724,312.85						1,724,312.85
12065	Spec. Rev.	1214	Spec. Rev.	Housing Assistance Bond Fund - Tax Exempt	34,107,953.93						34,107,953.93
12066	Spec. Rev.	1214	Spec. Rev.	Housing Trust Fund - Taxable	337,606.81						337,606.81
				<b>SUBTOTAL SPECIAL REVENUE FUNDS</b>	<b>\$ 248,030,300.31</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 248,030,300.31</b>
<b>CAPITAL PROJECTS FUNDS</b>											
13009	Cap. Proj.	1212	Spec. Rev.	School Construction	\$ 1,013,658.37	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,013,658.37
13010	Cap. Proj.	1212	Spec. Rev.	School Construction - Magnet Schools	145,681,014.84						145,681,014.84
13015	Cap. Proj.	1212	Spec. Rev.	Agricultural Land Preservation	2,691,868.03						2,691,868.03
13019	Cap. Proj.	1212	Spec. Rev.	Community Conservation and Development	48,305,503.22						48,305,503.22
13033	Cap. Proj.	1302	Cap. Proj.	Infrastructure Improvement Fund	794,341,756.81						794,341,756.81
13042	Cap. Proj.	1301	Cap. Proj.	University and State University Facilities	1,447,786.22						1,447,786.22
13048	Cap. Proj.	1301	Cap. Proj.	Connecticut State University System	123,997,030.02						123,997,030.02
17001	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	852,354.53						852,354.53
17011	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	7,822,517.42						7,822,517.42
17021	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	1,107,550.25						1,107,550.25
17041	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	6,090,564.96						6,090,564.96
17051	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	1,038,915.43						1,038,915.43
17061	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	2,877,161.66						2,877,161.66
17071	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	11,216,589.24						11,216,589.24
17081	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	465,655.51						465,655.51
17091	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	6,351.22						6,351.22
17101	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	1,776,402.63						1,776,402.63
17111	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	4,264,940.26						4,264,940.26
17121	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	7,874,439.88						7,874,439.88
17131	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	16,286,600.25						16,286,600.25
17141	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	11,503,147.35						11,503,147.35
17151	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	19,313,319.93						19,313,319.93
17161	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	20,963,032.67						20,963,032.67
17181	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	31,889,898.82						31,889,898.82
17191	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	6,933,532.67						6,933,532.67
17831	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	3,012,378.87						3,012,378.87
17851	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	2,594,200.63						2,594,200.63
17861	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	8,061,559.47						8,061,559.47
17881	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	316,687.26						316,687.26
17901	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	966,244.86						966,244.86
17921	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	1,499,411.19						1,499,411.19
17951	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	1,114,421.71						1,114,421.71
17961	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	115,257.05						115,257.05



**CASH MANAGEMENT DIVISION  
CIVIL LIST FUNDS  
SCHEDULE OF INVESTMENTS <sup>(1)(2)</sup> (Continued)  
FISCAL YEAR ENDING JUNE 30, 2021  
PRESENTED UNDER STATUTORY BASIS OF ACCOUNTING <sup>(4)</sup> (6)**

Legal No.	Type	GAAP No.	Type	Fund Name	STIF Investments 6/30/2021		Investments with Treasurer as Trustee Long-Term 6/30/21		Investments with Others as Trustee Short-Term 6/30/21		Long-Term 6/30/21	Total
					Investments 6/30/2021	Short-Term 6/30/21	Long-Term 6/30/21	Short-Term 6/30/21	Long-Term 6/30/21			
17971	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	1,876,221.41							1,876,221.41
17991	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	6,884,541.74							6,884,541.74
					\$ 1,296,214,516.38	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,296,214,516.38
				<b>SUBTOTAL CAPITAL PROJECTS FUNDS</b>								
14002	Debt Service	2109	Enterprise	State University Dormitory	84,094,444.71							84,094,444.71
14005	Debt Service	1401	Debt Service	Transportation Fund Reserve	1,103,038,189.34							1,103,038,189.34
					\$ 1,187,132,634.05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,187,132,634.05
				<b>SUBTOTAL DEBT SERVICE FUNDS</b>								
21009	Enterprise	2101	Enterprise	Bradley International Airport Operations	180,856,729.17							180,856,729.17
21014	Enterprise	1213	Spec.Rev.	Clean Water Fund - State	87,662,852.88							87,662,852.88
21015	Enterprise	2105	Non-Exp.	Clean Water Fund - Federal	630,830,425.07							630,830,425.07
21016	Enterprise	1213	Spec.Rev.	Clean Water Fund - Long Island Sound	2,645,991.80							2,645,991.80
21017	Enterprise	1213	Spec.Rev.	Drinking Water Fund - State	387.03							387.03
21018	Enterprise	2111	Spec.Rev.	Drinking Water Fund - Federal Revolving Loan	143,768,602.66							143,768,602.66
					\$ 1,045,764,988.61	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,045,764,988.61
				<b>SUBTOTAL ENTERPRISE FUNDS</b>								
31001	Pension	3103	Pension	State Employees Retirement Fund	68,338,417.60							68,338,417.60
31002	Pension	3105	Pension	State Attorneys Retirement Fund	29,228.43							29,228.43
31004	Pension	3106	Pension	Judges and Compensation Commissioners Retirement Fund	2,402,086.62							2,402,086.62
31006	Pension	3104	Pension	Teachers Retirement Fund	23,940,477.99							23,940,477.99
31008	Pension	3107	Pension	Municipal Employees Retirement Fund	23,588,312.99							23,588,312.99
31009	Other Em. Benefit	3102	Agency	Policemen and Firemen Survivors Benefit Fund	339,925.61							339,925.61
31010	Pension	3108	Pension	Probate Judges and Employees Retirement Fund	5,725,551.37							5,725,551.37
31011	Other Em. Benefit	3109	Agency	State Employees OPEB Fund	20,042,209.80							20,042,209.80
31012	Other Em. Benefit	3101	Agency	OPEB Teachers Fund								
35010	Fiduciary	1502	Permanent	Connecticut Arts Endowment Fund	94,621.60							94,621.60
35011	Fiduciary	1501	Non-Exp.	Soldiers, Sailors and Marines Trust Fund	1,783,275.02							1,783,275.02
35014	Fiduciary	2103	Exp.Trust	Unemployment Compensation Fund								
35015	Fiduciary	2107	Enterprise	John Dempsey Hospital Malpractice Trust Fund								
35016	Fiduciary	2103	Exp.Trust	CHET Administrative Fund	2,622,284.84							2,622,284.84
35017	Fiduciary		Exp.Trust	CT TRF Spec Cap Res Fund	387,249,151.14							387,249,151.14
35018	Fiduciary	2313	Component	Family Medical Leave Trust	101,005,015.26							101,005,015.26
					\$ 603,284,113.00	\$ 146,284,117.03	\$ 44,384,285,155.97	\$ 319,396,855.33	\$ 0.00	\$ 45,453,260,241.33	\$ 59,153,232,243.96	\$ 59,153,232,243.96
				<b>SUBTOTAL FIDUCIARY FUNDS</b>								
				<b>TOTAL CIVIL LIST FUNDS</b>	\$ 5,385,616,089.92	\$ 8,996,760,558.72	\$ 44,384,285,155.97	\$ 364,556,608.28	\$ 22,013,931.07	\$ 59,153,232,243.96	\$ 59,153,232,243.96	\$ 59,153,232,243.96

(1) Detailed information on the adjusted cash balances and total STIF balances within each individual fund can be obtained from the Comptroller's Annual Report.  
(2) Short-term investments shown at amortized cost which, due to their short-term nature, approximates market.  
(3) Represents assets of the Common Cash Pool which is not a component of the General Fund. The Common Cash Pool is comprised of the investable balances of a number of individual funds and, for purposes of administration only, is shown as an investment of the General Fund. The General Fund is commonly in a net borrowing position from the resources of the other funds within the pool.  
(4) In accordance with Section 3-115 of the General Statutes, the State Comptroller shall provide accounting statements relating to the financial condition of the State as a whole, in the same form and in the same categories as appears in the budget act enacted by the General Assembly. The Budget Act enacted for the 2021 fiscal year is presented on a comprehensive basis of accounting other than general accepted accounting principals.  
(5) GAAP accounting requires that investment balances be presented to include the accrued interest earned. This manner of presentation, see Debt Management Division.  
(6) Short-term and Long-term investments consist of State of Connecticut General Obligation Bonds which are shown at par. Investments are held by US Bank as Trustee. For description of program, see Debt Management Division.  
(7) Short-term and Long-term investments consist of Money Market Funds, State of Connecticut General Obligation Bonds and GICs. Both short-term and long-term investments are held by US Bank as Trustee. For description of program, see Debt Management Division.  
(8) STIF investments consist of both Treasury directed and trustee directed accounts.  
(9) Represents market or fair value of shares held by various retirement plans in the Treasurer's Combined Investment Funds.  
(10) Cash on deposit with Federal Government.  
(11) Investments in bank deposit instruments.  
(12) Information on cash balances can be obtained from the Comptroller's Annual Report.  
(14) STIF Investment consists of STIF account held by US Bank as Trustee.

**CASH MANAGEMENT DIVISON  
SECURITIES HELD IN TRUST FOR POLICYHOLDERS  
JUNE 30,2021**

Name of Insurance Company	Par Amount of Collateral	Market Value
The following securities are on deposit with the State Treasurer for the Insurance Department under Sec 38a-83:		
Ace Life Insurance Co	\$ 2,650,000.00	\$ 2,727,374.86
Aetna Better Health	500,000.00	515,257.53
Aetna Health Inc Ct	525,000.00	559,102.31
Aetna Hlth & Life Ins	3,075,000.00	3,213,660.56
Aetna Ins Co Of Conn	2,550,000.00	2,574,644.09
Aetna Life Ins Co	1,600,000.00	1,692,342.10
Aim Mutual	50,000.00	53,042.61
Allianz Reins America Inc	6,000,000.00	7,395,300.00
American Equity Spec	2,600,000.00	2,935,031.51
American Maturity Lif	6,550,000.00	6,615,326.61
Anthem Health Pl	500,000.00	505,607.68
Arbella Indemnity Ins	50,000.00	65,515.69
Arbella Protection	50,000.00	65,515.69
Associated Employer	50,000.00	52,518.07
Atlantic Charter Ins Co Pri	50,000.00	55,641.57
Auto Ins Of Htfd	4,050,000.00	4,600,885.73
Axis Specialty Ins	3,000,000.00	3,107,386.08
Beazley America Insurance Company, Inc. PRIN	2,500,000.00	2,496,000.00
Beazley Ins Co	2,500,000.00	2,475,504.48
C M Life Ins	1,600,000.00	1,597,440.00
California Co	14,655,000.00	14,828,130.89
Charter Oak Fire	4,525,000.00	5,080,042.01
Cigna Health & Life	2,600,000.00	2,771,200.74
Cigna Healthcarect	525,000.00	525,231.92
Connecticare Inc	2,000,000.00	2,187,770.22
Covenant Ins Company	600,000.00	786,188.25
Ct Gen Life Ins	1,735,000.00	1,817,408.93
Discover Prop & Cas	3,120,000.00	3,440,239.71
Discover Specialty	2,750,000.00	3,056,351.45
Electric Ins Co	60,000.00	61,575.00
Employers Compensation Ins Co Pri	2,050,000.00	2,122,088.36
Exec Risk Spec Ins Co	3,115,000.00	3,020,455.74
Explorer Ins Co	100,000.00	109,518.33
Farmers Insurance Exchange Pri	100,000.00	105,053.32
Farmington Cas	3,100,000.00	3,483,318.43
Finial Reinsurance Co	3,550,000.00	3,599,919.66
Fire Insurance Exchange Pri	100,000.00	105,053.32
Firemans Fd Ins	16,810,000.00	19,597,421.46
First State Ins	2,200,000.00	2,273,382.09
Fitchburg Mutual	50,000.00	51,525.75
General Re Life Corp	1,505,000.00	1,518,108.13
General Star Ind	3,264,000.00	3,304,898.29
Genworth Mtg Ins Nc	60,000.00	63,555.24
Greystone Insurance Company	3,000,000.00	3,025,296.72
Gulf Underwriters Ins	3,100,000.00	3,457,342.81
Hartford Fire Ins	3,300,000.00	3,851,763.33
Hne Of Connecticut Inc	499,000.00	523,775.78

**CASH MANAGEMENT DIVISON  
SECURITIES HELD IN TRUST FOR POLICYHOLDERS (continued)  
JUNE 30,2021**

Name of Insurance Company	Par Amount of Collateral	Market Value
Hsb Specialty Ins Co	2,575,000.00	2,647,223.01
Htfd A & I Co	3,810,000.00	4,211,611.49
Htfd Ins Co Of The Se	2,710,000.00	2,798,831.28
Htfd Life & Acc	1,915,000.00	2,353,367.21
Htfd Steam Boiler	4,000,000.00	4,041,850.00
Htfd Steam Of Ct	4,000,000.00	4,271,010.61
Htfd Underwriters	3,250,000.00	3,782,279.17
Idealife Ins Co	1,612,000.00	1,623,623.31
Knight Of Columbus	4,000,000.00	4,564,773.33
Liberty Mutual	50,000.00	53,032.57
Ma Mut Life Ins	1,600,000.00	1,598,663.04
Maxum Casualty Ins Co. Pri	2,750,000.00	2,803,440.08
Maxum Indemnity Company Pri	2,750,000.00	2,944,571.93
Members Life Ins Co	350,000.00	398,255.02
Mid-Century Ins Co-Prin	100,000.00	108,968.38
Mml Bay State Life	1,500,000.00	1,497,600.00
Nassau Life And Annuity Company	1,540,000.00	1,652,702.81
National Liab & Fire	2,750,000.00	2,917,343.63
New Eng Reinsur	3,225,000.00	4,306,018.40
New England Ins Co	2,995,000.00	3,136,537.40
New London Cnty	125,000.00	132,291.79
Northland Casualty	3,100,000.00	3,457,342.81
Northland Insurance	3,075,000.00	3,150,395.64
Nutmeg Ins Co	3,282,000.00	4,043,439.50
Odyssey Reinsurance	5,000,000.00	5,036,654.92
Oxford Health Pl Ct	515,000.00	546,338.90
Pacific Insurance Co	2,820,000.00	3,752,334.49
Patrons Mutual Ins Co	137,306.40	148,312.43
Phl Variable Ins Co	1,500,000.00	1,721,257.63
Phoenix Ins Co	4,645,000.00	5,226,102.75
Preferred Employers Inc Co	100,000.00	111,728.00
Prudential Ann Life	1,500,000.00	1,970,607.60
Prudential Ret & Annu	5,015,000.00	5,153,273.05
Rvi America Ins	2,550,000.00	2,732,372.67
Safeco Surplus Lines	100,000.00	110,684.76
Seneca Ins Co	260,000.00	260,088.06
Sentinel Ins Co	3,610,000.00	3,862,546.61
Sparta Insurance Co	3,070,000.00	3,071,744.93
St Paul Fire & Marine	3,250,000.00	3,866,882.50
St Paul Guardian Ins	3,100,000.00	3,390,063.16
St Paul Mercury Ins	3,050,000.00	3,275,818.10
St Paul Protective	4,100,000.00	4,543,124.66
Standard Fire Ins	4,000,000.00	4,110,985.46
Starstone Natl Ins Co	100,000.00	105,833.43
Talcott Res Intl Life Re	5,645,000.00	6,916,281.63
Talcott Res Life &Ann Ins	2,860,000.00	3,628,242.80
Talcott Res Life Ins Co	2,500,000.00	3,022,701.80
Thames Ins Co	125,000.00	132,291.79
Tig Insurance Co	2,615,000.00	2,615,610.33

**CASH MANAGEMENT DIVISON**  
**SECURITIES HELD IN TRUST FOR POLICYHOLDERS (continued)**  
**JUNE 30,2021**

Name of Insurance Company	Par Amount of Collateral	Market Value
Trav Cas & Sur Of Am	3,300,000.00	3,225,313.52
Travco Ins Co	4,875,000.00	5,389,091.30
Traveler Pro Cas Ofam	3,105,000.00	3,266,312.23
Travelers Cas & Sure	3,100,000.00	3,274,661.02
Travelers Cas Of Ct	3,100,000.00	3,483,318.43
Travelers Casualty Am	3,500,000.00	3,420,787.07
Travelers Casualty Co	3,100,000.00	3,457,342.81
Travelers Commer Cas	3,500,000.00	3,903,451.56
Travelers Commercial	3,200,000.00	3,101,309.99
Travelers Constitutio	3,000,000.00	3,547,995.00
Travelers Excess/Surp	3,000,000.00	3,602,635.50
Travelers Home & Mar	5,125,000.00	5,724,153.96
Travelers Ind Co Amer	3,650,000.00	3,537,431.71
Travelers Ind Co Of C	3,025,000.00	3,373,697.42
Travelers Indem Co	6,630,000.00	6,947,974.46
Travelers Personal In	5,500,000.00	5,956,631.41
Travelers Prop Cas In	3,200,000.00	3,101,309.99
Travelers Psnl Sec	4,200,000.00	4,372,570.68
Trenwick Amer Reins Corp	1,580,000.00	1,622,829.60
Truck Ins Exchge	370,000.00	375,065.85
Trumbull Ins Co	2,680,000.00	3,385,813.53
Unitedhealthcare Ins	1,610,000.00	1,707,972.09
Us Fidelity Guaranty	6,000,000.00	6,711,184.42
Vantis Life Ins Co	2,375,000.00	2,887,048.70
Voya Retirement Ins Annuit	3,750,000.00	3,977,443.03
Wellcare Of Ct	535,000.00	547,377.21
Zenith Ins Co	1,111,000.00	1,111,516.31
<b>TOTAL</b>	<b>\$ 326,275,306.40</b>	<b>\$ 354,889,006.72</b>

**CONNECTICUT ABLE TRUST**  
**SCHEDULE OF FIDUCIARY NET POSITION**  
**June 30, 2021**

	<b>ABLE CT</b>
<b>Assets</b>	
Investments	\$610,477
Redemption proceeds receivable	-
<b>Total Assets</b>	<u>610,477</u>
<b>Liabilities</b>	
Withdrawals payable	-
<b>Net Position Held in Trust for Account Owners</b>	<u>\$610,477</u>
<b>Investments (Dollars)</b>	
Aggressive Option	61,403
Moderately Aggressive Option	76,384
Growth Option	57,379
Moderate Option	34,832
Moderately Conservative Option	33,613
Conservative Option	108,323
Checking Option	238,543
<b>Total</b>	<u>\$610,477</u>
<b>Investments (Units)</b>	
Aggressive Option	3,477
Moderately Aggressive Option	4,607
Growth Option	3,702
Moderate Option	2,407
Moderately Conservative Option	2,556
Conservative Option	9,411
Checking Option	238,543
<b>Total</b>	<u>\$264,703</u>

**CONNECTICUT ABLE TRUST**  
**SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION**  
**June 30, 2021**

Contributions	\$664,463
Net investment income	11,794
<b>Total Additions</b>	<u>676,257</u>
<b>Deductions</b>	<u>65,780</u>
Withdrawals	
<b>Net Increase</b>	610,477
<b>Net Position Held in Trust for Account Owners, Beginning of Year</b>	<u>                    </u>
<b>Net Position Held in Trust for Account Owners, End of Year</b>	<u>\$610,477</u>







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