

# ANNUAL INVESTMENT REPORT

Fiscal Year Ending June 30, 2021



The following report was prepared pursuant to Act 53 of 2008 (Act), which amended various provisions of the Act of April 9, 1929 (P.L. 343, No. 176), known as the Fiscal Code. Specifically, Section 301.3 of the Act requires the State Treasurer to submit an Annual Investment Report for the most recently ended fiscal year by November 30 of the calendar year.

Additional information pertaining to the custodial and investment functions performed by the Pennsylvania Treasury, along with an overview of the Commonwealth Investment Program, are also included herein.





TREASURY DEPARTMENT  
COMMONWEALTH OF PENNSYLVANIA  
HARRISBURG, PA 17120

November 30, 2021

The Honorable Thomas Wolf, Governor  
Commonwealth of Pennsylvania  
Room 225 Main Capitol Building  
Harrisburg, Pennsylvania 17120

RE: Pennsylvania Treasury Annual Investment Report

Dear Governor Wolf,

Pursuant to Act 53 of 2008, I am pleased to present the Pennsylvania Treasury 2021 Annual Investment Report which covers the period from July 1, 2020 - June 30, 2021.

As State Treasurer, it is my responsibility as fiduciary to ensure that Commonwealth investments are managed and monitored with a close and careful eye. Every dollar invested belongs to Pennsylvania taxpayers, and deserves the most transparent and prudent investment decisions to protect their hard-earned money. Of the more than \$153 billion in Treasury's custody, \$39.5 billion is directly managed by Treasury.

Treasury's consumer programs continue to thrive and benefit the lives of Pennsylvania families. The PA 529 College and Career Savings Program saw record growth in the 2020-21 fiscal year, with more families opening accounts than ever before. More than 25,000 new PA 529 accounts were opened, and families saved the most they have in one year, making more than \$730 million in contributions.

PA 529 Investment Plan (IP) account owners saw another fee reduction from 0.06%-0.055% in state fees, saving nearly \$220,000 across the plan. This year also saw investment strategy changes, as target enrollment date portfolios were rolled out to replace age-based portfolios. The new target enrollment options optimize investments and automatically adjust asset allocations as children reach anticipated enrollment, meaning more frequent rebalancing to lower the risk for investors.

The PA 529 Guaranteed Savings Program (GSP) continues to achieve success, with an actuarially funded rate of 136.7% at the end of 2020-21. The plan exceeded the 5.5% assumed rate of return, earning 14.4%.

PA ABLE remains a leader among ABLE programs nationwide as assets in the program have grown tremendously in the last year. At the end of the reporting period, the PA ABLE program had \$57 million in assets.

New software implementation has helped Treasury's investment team streamline investment activities while also allowing for necessary remote work throughout the COVID-19 pandemic.

Treasury is continuing its exit of hedge fund investments. These investments had accounted for approximately 7% of Common Investment Pool (Pool 998) assets, but also accounted for approximately 75% of investment fees. This transition is a great money-saving measure to benefit taxpayers. Treasury has adopted a new Investment Policy Statement for the Pennsylvania INVEST Program. In partnership with PHEAA, Treasury continues to support the PA Forward student loan program to ensure affordable higher education lending for Pennsylvanians.

Treasury continues to be an active shareholder, supporting multiple shareholder proposals in fiscal year 2020-21. Among those supported by Treasury included a filing for the separation of CEO and Board Chair at Facebook to ensure better governance. Also proposed to the Facebook board and supported by Treasury, were proposals to require reporting on the risk of increased sexual exploitation of children due to additional end-to-end encryption tools.

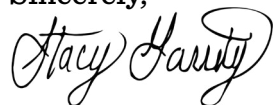
Treasury also prepared, in compliance with Act 37 of 2020 the COVID-19 Debt Cost Reduction Review to assess Commonwealth authorities that issue or hold debt. Through close analysis, Treasury discovered the possibility to refinance a total of \$2.4 billion in outstanding bonds, which reduced debt costs by nearly \$180 million. Treasury included recommendations to make long-term plans to strengthen the Rainy Day Fund along with implementing the requirement to complete a biennial study to compare the state's liabilities to other states.

While the end date for this report is June 30, 2021, there are several important achievements to note that took place subsequently. First, the Rainy Day Fund was bolstered by a \$2.6 billion deposit appropriated through the budget process. I commend the General Assembly for this prudent decision that will solidify the financial well-being of the Commonwealth moving forward. We now have nearly \$2.9 billion in reserve funding, enough for more than 25 days of operations, bringing us close to the national median.

Our consumer programs also celebrated achievements, as the PA 529 Investment Plan was awarded its second consecutive Morningstar Silver Rating<sup>TM</sup>, and PA ABLE surpassed the \$60 million asset milestone saved in more than 5,000 accounts.

Treasury's investment staff is dedicated to the most prudent and cost-effective investment of public funds. If you have questions regarding Treasury's investments or this report, please do not hesitate to reach out to my office.

Sincerely,



Stacy Garrity  
State Treasurer

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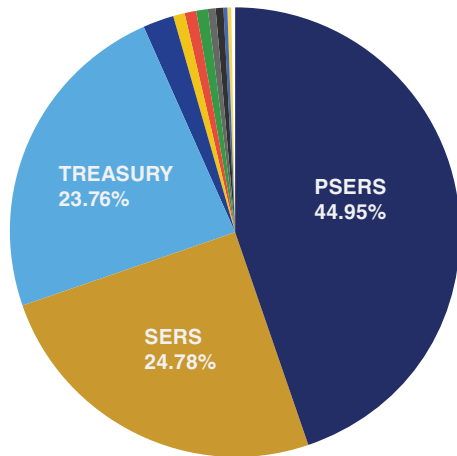
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About Pennsylvania Treasury



## Pennsylvania Treasury

Pennsylvania's Constitution established the Pennsylvania Treasury Department as an independent executive office. The State Treasurer serves as the department's chief executive, as well as the Commonwealth's chief financial officer. Additionally, the Treasurer serves, among other things, as statutory custodian and investor.



As statutory custodian, the State Treasurer monitors and safeguards virtually all state agency funds, which totaled in excess of \$153 billion as of June 30, 2021. The composition of those funds is provided in the following chart. This role also requires the Treasurer to collect interest and dividends, execute securities transactions, and oversee daily trade settlements.

PROGRAMS	NET ASSET VALUE	% UNDER CUSTODY
Public School Employees' Retirement System (PSERS)	\$68,945,646,804	44.95%
State Employees' Retirement System (SERS)	\$38,004,240,866	24.78%
Treasury Total <sup>(1)</sup>	\$36,434,406,774	23.76%
Pennsylvania Municipal Retirement System	\$3,445,965,680	2.25%
State Workers' Insurance Fund	\$1,428,386,083	0.93%
Deferred Compensation	\$1,225,241,241	0.80%
Refunding Bond Issuances	\$919,462,182	0.60%
Commonwealth Financing Authority	\$884,826,522	0.58%
Post Employment Benefits Other Than Pensions	\$838,491,149	0.55%
Workers' Compensation Security Fund <sup>(2)</sup>	\$679,890,232	0.44%
Underground Storage Tank Indemnification Fund <sup>(2)</sup>	\$333,134,828	0.22%
Pennsylvania Industrial Development Authority <sup>(2)</sup>	\$168,213,773	0.11%
Achieving a Better Life Experience <sup>(2)</sup>	\$57,534,562	0.04%
Deferred Compensation 401A <sup>(2)</sup>	\$3,772,257	0.00%
State Employees' Retirement System Benefit Completion Plan <sup>(2)</sup>	\$3,765,719	0.00%
<b>TOTAL UNDER CUSTODY</b>	<b>\$153,372,978,671</b>	<b>100.00%*</b>

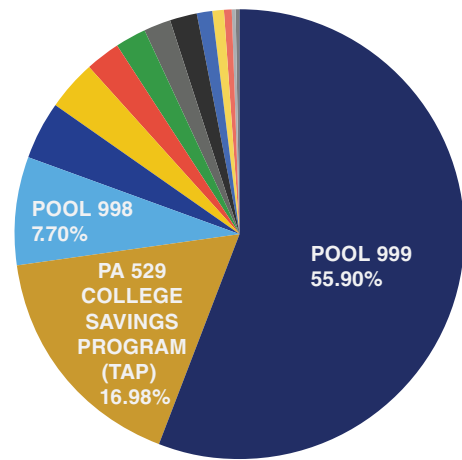
<sup>(1)</sup> Treasury Total includes those Treasury programs and pools that directly fall under Treasury's investment authority, including Pool 998, Pool 999, PA 529 College and Career Savings Program, and others.

<sup>(2)</sup> Not reflected in the chart due to the small portfolio NAV in relation to the other portfolios.

\* Percentages may not sum to 100% due to rounding.

The Treasurer manages and invests any funds in excess of the Commonwealth’s current operational needs, unless those funds are explicitly under the control of another board, commission, or state official.

Of the approximately \$153 billion plus in state agency and other program funds under Treasury custody on June 30, 2021, Treasury directly managed \$39.5 billion, as illustrated here:



PROGRAMS	NET ASSET VALUE	% UNDER CUSTODY
Pool 999	\$22,106,443,339	55.90%
PA 529 College Savings Program (TAP) <sup>(1) (2)</sup>	\$6,716,689,416	16.98%
Pool 998	\$3,046,280,309	7.70%
Pool 124	\$1,687,127,047	4.27%
State Workers' Insurance Fund	\$1,428,386,083	3.61%
INVEST	\$953,873,560	2.41%
Commonwealth Financing Authority	\$884,826,522	2.24%
Post Employment Benefits Other Than Pensions	\$838,491,149	2.12%
Workers' Compensation Security Fund	\$679,890,232	1.72%
Float	\$537,112,017	1.36%
Underground Storage Tank Indemnification Fund	\$333,134,828	0.84%
Pennsylvania Industrial Development Authority	\$168,213,773	0.43%
Fund 65 <sup>(3)</sup>	\$88,944,087	0.22%
Achieving a Better Life Experience <sup>(3)</sup>	\$57,534,562	0.15%
Treasury Programs <sup>(3)</sup>	\$15,798,546	0.04%
Pennvest <sup>(3)</sup>	\$5,413,692	0.01%
PennSef <sup>(3)</sup>	\$9,668	0.00%
<b>TOTAL DIRECTLY MANAGED</b>	<b>\$39,548,168,830</b>	<b>100.00%*</b>

**Pool 999** is the Commonwealth Operating Funds Liquidity Pool.

**Pool 998** is the Commonwealth Operating Funds Investment Pool.

**Pool 124** is comprised of uninvested cash of Commonwealth agencies’ investment managers as of June 30, 2021.

**CFA** is an independent agency of the Commonwealth administering Pennsylvania’s economic stimulus packages.

**OPEB** is a pool for other post-employment benefits.

**PIDA** is an independent agency of the Commonwealth that provides low interest loans and lines of credits to eligible businesses that commit to creating and retaining full time jobs and for the development of industrial parks and multi-tenant facilities.

**Fund 65** is the Workers Compensation Administration Fund.

**Treasury Programs** are comprised of multiple internally managed programs.

**Float** is a one-day investment of expended but uncashed payments at Commonwealth depositories.

<sup>(1)</sup> TAP NAV does not include \$68,996,324 investment in Pool 124. Total TAP NAV including 124 investment is \$6,785,685,740.

<sup>(2)</sup> TAP NAV is a combination of GSP (\$2,326,223,908) and IP (\$4,390,465,508).

<sup>(3)</sup> Not reflected in the chart due to the small portfolio NAV in relation to the other portfolios.

\* Percentages may not sum to 100% due to rounding.

## **Investment Philosophy:**

Treasury maintains a set of investment beliefs about its own office, the companies and securities in which it invests to earn a return, and the capital markets through which Treasury transacts. These investment beliefs inform specific investment policies and guidelines which guide the investment activities of Treasury as fiduciary of Commonwealth assets for Commonwealth agencies, taxpayers, current and future Pennsylvanians, and other stakeholders. Treasury Investment staff are governed by these investment beliefs in their partnership with managers and in selection of investment securities. In order to integrate fully these investment beliefs, Investment staff partner with bureaus throughout Treasury. Treasury Investment Office staff invest across multiple asset classes and security types in their stewardship of investment programs under Prudent Investor guidelines. These beliefs hold across all assets. Treasury investments benefit from well-functioning capital markets, where those investing and seeking investment can do so fairly. Pennsylvania, a large state with significant financial assets, has a responsibility to advance healthy capital markets.

## **Treasury Investment Beliefs:**

- 1. Transparency provides a basis for trust.**
- 2. Accountability enforces trust.**
- 3. Costs have a material impact on returns.**
- 4. Simplicity facilitates responsible stewardship of funds.**
- 5. Time Horizons of portfolios and stakeholders influence portfolio management.**
- 6. Risk is both qualitative and quantitative, and future risks may differ from historical risks.**

When prioritizing issues of investment strategy, Treasury will address issues which are material, consistent with policy and these investment beliefs, and for which the Investment Office has the expertise and capacity to improve outcomes.

## **Fiscal Year 2020-21 Highlights**

- 1. Treasury simplified the 529 Investment Plan by converting from 27 age and risk-based glide paths to a single progressive glide path which is based on the participant's target enrollment date.**

529 college savings plans are being used for an increasing variety of purposes, for which they were not initially designed, and it is important to update the program to reflect the needs of participants. Shifting to target enrollment date portfolios provides an appropriate portfolio structure, in a manner that is flexible enough to meet the growing needs of participants.

**2. Treasury transitioned its Barclay's Aggregate exposure from Exchange Traded Funds (ETFs) to Separately Managed Accounts (SMAs) which resulted in reduced fees**

Northern Trust and Blackrock implemented SMAs for the Fixed Income exposures in Pool 998 and TAP GSP, which can be managed at a lower cost than an index fund or ETF. By switching from the ETF to an SMA, Treasury reduced the management fee from 4 basis points to 1.5 basis points, saving over \$400,000 annually in Pool 998. Due to the size of the allocations, two managers were selected as a prudent mitigation of the concentration risk.

**3. Treasury and PHEAA renewed the Interagency Agreement providing support to the PA Forward student loan program**

Treasury and the Pennsylvania Higher Educations Assistance Agency (PHEAA) extended the Line of Credit agreement for \$250M through December 31, 2021. This investment is the largest portion of the Economically Targeted Investments (ETI's) in Pool 998's asset allocation.

**4. Treasury increased the liquidity profile of Pool 998**

Treasury exited investments in Open-Ended Real Estate and Bank Loans in Pool 998 in order to improve the overall liquidity of the pool. These funds were directed to the Real Estate Investment Trust (REIT) Index and High Yield Bond mandates, respectively.

For fiscal year 2020-21, Treasury had operating budgets of approximately \$45.5 million and authorized staff of 350 employees (across all line-item appropriations under the Treasury Department). The Commonwealth's current Treasurer, Stacy Garrity, took office in January 2021.

In addition to managing funds and investments on behalf of state agencies, the Treasurer's investment function also serves families and local governments, as well as charitable and nonprofit organizations through three specialized Treasury programs: the ABLE Program, the PA 529 College and Career Savings Program, and the INVEST Program.

Treasury's ABLE Program provides individuals with qualified disabilities and their families a tax-advantaged means to save for disability-related expenses while maintaining government benefits. The Pennsylvania ABLE program was authorized by the Federal Achieving a Better Life Experience (ABLE) Act of 2013. The ABLE Act amends Section 529 of the Internal Revenue Service Code of 1986. These accounts can be used to cover qualified expenses such as, but not limited to, education, housing and transportation.

The Pennsylvania General Assembly enacted legislation in 2016, signed into law by Governor Wolf, authorizing Treasury to create ABLE accounts under the Federal ABLE Act. Treasury launched PA ABLE in April 2017, and has enrolled more than 5,100 accounts with a net asset value over \$57 million as of fiscal year-end, making it the largest in the National ABLE Alliance. PA ABLE funds are invested in products offered by Blackrock, Charles Schwab, Sallie Mae, Vanguard, and in an FDIC insured bank account provided by Fifth Third Bank.

Treasury's PA 529 College and Career Savings Program consists of two plans: the PA 529 Guaranteed Savings Plan (GSP) and the PA 529 Investment Plan (IP). Treasury is responsible for investing contributions to GSP accounts, while savings in the IP are invested in 25 different mutual fund options- including 11 Target Enrollment Portfolios- from The Vanguard Group with oversight from Treasury. As of June 30, 2021, more than 109,900 accounts with a net asset value over \$2.3 billion comprised the PA 529 GSP and over 155,000 accounts with a net asset value approaching \$4.4 billion used the IP to help save for education.

Treasury's INVEST Program offers a high-quality and liquid investment alternative to local government and nonprofit groups. The Program offers two pools: the INVEST Daily Pool and the INVEST Community Pool. The Program also provides periodic custom investment opportunities for longer-term investment needs. Treasury administers the INVEST Daily Pool on behalf of local governments within Pennsylvania. The INVEST Community Pool is very similar and administered on behalf of Pennsylvania non-profits.

## TREASURER'S INVESTMENT AUTHORITY

The Pennsylvania Fiscal Code grants the Treasurer the exclusive management and full power to invest funds that are beyond the ordinary needs of the Commonwealth and that are not otherwise authorized to be invested by any other board, commission or public official. The Treasurer is directed to exercise her authority as a fiduciary with care, skill, prudence and diligence under the circumstances then prevailing, specifically including the general economic conditions and the anticipated needs of the funds.

Treasury's investment mandate means the department must exercise careful judgment when determining which investments are appropriate for each Commonwealth fund based upon different criteria such as income needs, cash flow requirements, investment time horizons, and risk tolerance. These judgments must also take into account different legal standards that limit the particular kinds of investments each fund could hold

Treasurer Garrity continually seeks quality investments – those that safeguard principal over appropriate time horizons while tracking the performance of benchmarks - in order to maximize the benefits to the Commonwealth and its citizens. At the same time, the Treasurer actively pursues promising investment opportunities that offer a reasonable risk-adjusted rate of return, but also help to strengthen certain strategically important segments of Pennsylvania's economy.

Act 20 of 2019 extended the authority to invest or reinvest the moneys of any fund pursuant to this act to December 31, 2024.

Treasury's investment staff manages and administers both pools, which do not require minimum investment periods, minimum account balances, or notifications before redeeming funds.

Both pools are rated "AAAm" by Standard and Poor's, which is the highest rating for such funds and signifies each pool's extremely strong capacity to maintain principal value and limit exposure to losses due to credit, market, or liquidity risks.

Combined, the INVEST Program's two pools distributed over \$1 million in earnings to participants in the fiscal year 2020-21. As of June 30, 2021, the INVEST Daily Pool had 276 participants and a net asset value of over \$896 million; the INVEST Community Pool had 180 participants and a net asset value of over \$56 million.





# **ANNUAL INVESTMENT REPORT**

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Overview and Statutory Reporting of the  
Commonwealth Investment Program



## Commonwealth Investment Program

When managing the Commonwealth’s assets, Treasury does more than simply act as a checking account. It looks for opportunities to generate returns using a variety of investment strategies and vehicles. In doing so, Treasury considers the liquidity needs of each operating fund. Accordingly, the Commonwealth Investment Program consists of two separate pools, the Liquid Asset Pool (Pool 999) and the Common Investment Pool (Pool 998).

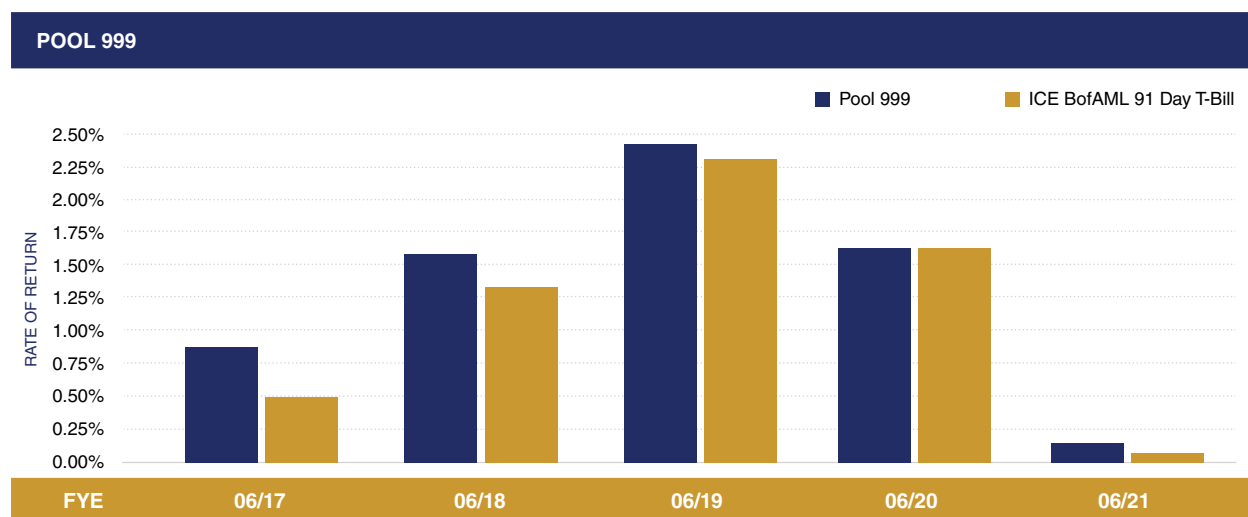
### Liquid Asset Pool – (Pool 999)

**Risk Tolerance:** The primary object of Pool 999 is to preserve principal and therefore all investments made in the Pool will be in accordance with the Pool’s processes and procedures for maintaining a stable NAV of \$1.0000 per share.

**Liquidity:** Pool 999 will consist of fixed-income securities, primarily of short duration, time deposits and other statutory programs, money market funds, or a line of credit, which are held either directly or through the CCP. The maximum maturity on securities in Pool 999 is 397 days unless the issue has been currently called or unless otherwise specified in the IPS. However, variable and floating rate securities that reset no less frequently than quarterly may have a final maturity of two years. The maximum weighted average maturity to reset of Pool 999 shall be 130 days. Liquidity needs are informed by known and projected participant cash flows.

**Return Objectives:** Pool 999 should generate a competitive return while preserving principal, maintaining liquidity, and maintaining a stable NAV of \$1.0000 per share. Performance is compared to the three-month U.S. Treasury bill.

Pool 999’s one-year return was 0.16% which exceeded its benchmark’s return of 0.09%. In total, the Liquid Asset Pool distributed \$13 million to its participants during the fiscal year. The graph below shows the current and historical fiscal year returns for the Liquid Asset Pool and its benchmark.



<sup>(1)</sup> A portion of the Liquid Asset Pool is invested in time deposits held within Pennsylvania banking institutions.

## Common Investment Pool – (Pool 998)

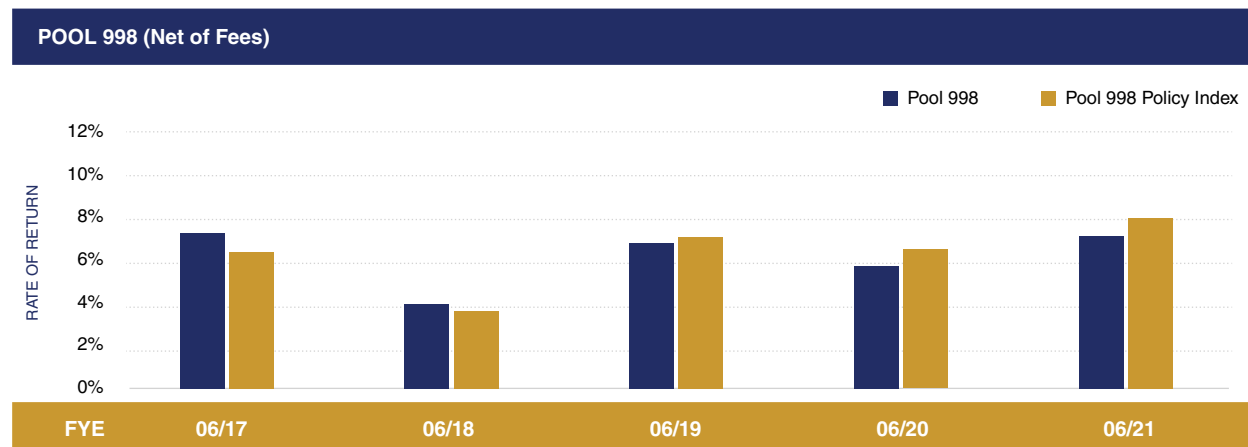
**Risk Tolerance:** Pool 998 is managed in a style that seeks to minimize principal fluctuations; though, the Pool can accept prudent levels of short-term volatility, while ensuring its ability to meet the near-term cash flow needs and long-term liability structure of Pool 998.

**Liquidity:** Pool 998 assets may be used to pay the operating expenses of the Commonwealth and must therefore maintain sufficient liquidity to meet expected operating needs.

**Return Objectives:** Pool 998 is expected to earn a total rate of return, net of investment fees, that achieves the Pool’s primary purpose of protecting the capital while preserving the long-term purchasing power of the funds.

Due to the longer-term nature of the funds, Pool 998 can diversify across a wide variety of asset classes while maintaining a reasonable investment risk profile. Treasury’s Strategic Asset Allocation for Pool 998 targets an expected annual return and volatility of 3.67%, and 4.46%, respectively. Pool 998’s one-year return of 7.21% outperformed the expected annual return, but underperformed the policy benchmark’s 8.00% return.

Investment earnings distributed to participants of Pool 998 for the fiscal year ended June 30, 2021 totaled \$70 million. One-year returns for the Common Investment Pool and its benchmark for the most recent and prior four fiscal years are displayed in the graph below.



## Commonwealth Investment Program Summary

The fiscal year-end 2020–21 combined balance for the Commonwealth Investment Programs increased by \$13.4 billion to \$25.2 billion from the 2019–20 year-end balance of \$11.8 billion. This represents a 113.31% increase. Of the \$13.4 billion increase, approximately \$13.3 billion was in Pool 999 and \$94 million was Pool 998. The uncertainty of COVID-19 continued into and through 2020-21. The balance for Pool 999 is largely attributable to the remaining CARES Act monies and additional federal stimulus funding, including the Emergency Rental Assistance Program, culminating in the May 2021 receipt of the American Rescue Plan (ARP) monies, totaling more than \$7.6 billion and included the monies for qualified municipalities. In addition to stimulus funding, Commonwealth revenues trended higher through the year, exceeding tax estimates for the General Fund by \$3.4 billion and the Motor License Fund by \$37.1 million. Finally, \$550 million for the First Series of 2021 General Obligation Bonds were issued in mid-May.

AS OF JUNE 30, 2020		
INVESTMENT POOL	NET ASSET VALUE	PROGRAM %
Pool 999	\$8,839,468,895	74.96%
Pool 998	2,952,063,242	25.04%
<b>TOTAL</b>	<b>\$11,791,532,137</b>	<b>100.00%</b>

AS OF JUNE 30, 2021		
INVESTMENT POOL	NET ASSET VALUE	PROGRAM %
Pool 999	\$22,106,443,339	87.89%
Pool 998	3,046,280,309	12.11%
<b>TOTAL</b>	<b>\$25,152,723,648</b>	<b>100.00%</b>

## Quarterly Asset Allocation

The table below shows the Common Investment Pool’s actual asset allocations compared to their corresponding targets for the quarters ended on the dates shown.

COMMON INVESTMENT POOL ASSET CLASS	TARGET ALLOCATION	9/30/20	12/31/20	3/31/21	6/30/21
Fixed Income	64.0	66.3	65.5	65.8	63.6
Equity	20.5	20.4	20.7	20.6	20.8
Real Estate	7.0	7.0	7.0	7.1	7.0
Private Equity/Absolute Return	0.0	1.1	0.6	0.6	0.4
ETIs	6.5	3.5	4.1	4.0	5.8
Cash & Cash Equivalents	2.0	1.7	2.1	1.9	2.4

Approximately 88% of the Common Investment Pool is invested in passive strategies, which utilize exchange-traded funds (ETFs), separately managed accounts (SMAs), and mutual funds to obtain exposure to certain asset classes in a cost-efficient manner.

Treasury historically invests a portion of its Common Investment Pool in Economically Targeted Investments (ETIs). ETIs allow Treasury to earn market rates of return on the Commonwealth’s assets to benefit Pennsylvania’s economy, create jobs, and make progress towards positive policy objectives. Treasury’s ETIs include the Keystone Home Energy Loan Program, the PHEAA HelpStart Program, and PHEAA’s PA Forward Program. Approximately 6% of the Common Investment Pool’s assets were invested in ETIs on June 30, 2021.

## Investment Performance Standards, Measures and Benchmarks

Treasury applies different benchmarks for each class of assets in Pool 999 and Pool 998, a summary of which follows. The department constructs each benchmark to offer a comparative analysis of performance or risk by reflecting a representative asset class or allocation.

### Liquid Asset Pool Benchmark

ASSET CLASS	DATES	BENCHMARK
Total	January 2004 to present	ICE BofA 91 Days T-Bills TR

### Common Investment Pool Benchmark(s)

ASSET CLASS	DATES	BENCHMARK(S)
Equity	10/1/2019 to present	41.5% Russell 3000 / 19.5% MSCI ACWI ex USA IMI / 39% MSCI ACWI IMI Net USD
	7/31/2001 to 9/30/2019	60% Russell 3000 / 40% MSCI ACWI ex USA IMI
Fixed Income	7/31/2001 to present	BBgBarc US Aggregate TR
Real Estate	8/31/2011 to present	NCREIF Property Index
Hedge Funds	2/1/2013 to present	HFRI Fund of Funds Composite +50bps
Cash	7/1/2002 to present	ICE BofA 91 Days T-Bills TR
Total Fund	10/1/2019 to present	8.5% Russell 3000 / 4% MSCI ACWI ex USA / 8% MSCI ACWI IMI Net USD / 7% NCREIF Property Index / 6.5% Libor +75bp / 64% BBgBarc US Aggregate TR / 2% ICE BofA 91 Days T-Bills TR
	6/30/2002 to 9/30/2019	15% Russell 3000 / 10% MSCI ACWI ex USA IMI / 5% HFRI Fund of Funds Composite +200bps / 7% NCREIF Property Index / 9% BBgBarc US High Yield TR / 52% BBgBarc US Aggregate TR / 2% ICE BofA 91 Days T-Bills TR

### Returns by Asset Class

Treasury measures the performance of its asset classes against the respective benchmarks. For the fiscal year ended June 30, 2021, Treasury outperformed its benchmark for Pool 999.

### Liquid Asset Pool Net Returns as of June 30, 2021

	1 YEAR	3 YEAR	5 YEAR	10 YEAR	15 YEAR	SINCE INCEPTION	INCEPTION DATE
Pool 999	0.16	1.41	1.32	0.77	1.29	1.47	Jan-04
<i>Benchmark</i>	0.09	1.34	1.17	0.63	1.08	1.31	

Treasury invests to track broad asset class benchmarks and examines all tracking error in detail. In the Equity allocation, the deviation from the benchmark was driven by exposure to the Global Minimum Volatility Fund, which was added as a way to achieve global diversification while minimizing volatility inherent in the exposure. In the Fixed Income portfolio, exposure to U.S. Treasuries detracted from fixed income performance.

Treasury's allocations and performance may deviate from the benchmark in the short term because strategic asset allocations are based off long-term time horizons. Historically these exposures have generated performance that is similar to the benchmark and further diversify the overall risk in the portfolio.

## Common Investment Pool Net Returns as of June 30, 2021

	1 YEAR	3 YEAR	5 YEAR	10 YEAR	15 YEAR	SINCE INCEPTION	INCEPTION DATE
Equity	30.83	12.09	13.49	11.45	8.71	7.99	Jul-01
<i>Benchmark</i>	41.55	15.10	15.31	11.10	8.58	8.35	
Fixed Income	-1.32	4.40	3.24	3.35	4.55	4.44	Jul-01
<i>Benchmark</i>	-0.33	5.34	3.03	3.39	4.43	4.47	
Real Estate	33.55	12.63	10.49	-	-	11.39	Aug-11
<i>Benchmark</i>	7.38	5.50	6.13	-	-	8.94	
Hedge Funds	5.41	2.26	3.88	-	-	3.37	Feb-13
<i>Benchmark</i>	18.87	6.85	6.65	-	-	4.97	
Cash	0.29	1.70	1.63	1.73	-	1.66	Dec-10
<i>Benchmark</i>	0.09	1.34	1.17	0.63	-	0.60	
<b>Pool 998</b>	<b>7.21</b>	<b>6.68</b>	<b>6.34</b>	<b>5.90</b>	<b>5.99</b>	<b>5.70</b>	<b>Jun-02</b>
<i>Benchmark</i>	8.00	7.21	6.39	5.90	5.95	6.38	

## External Investment Managers: Selection, Fees, and Performance

Pennsylvania Treasury employed eight external investment managers for the Common Investment Pool as of June 30, 2021. The list includes principals and key staff, as well as the date each received initial funding for investments.

Over the past five years, Treasury has reduced invoiced fees by 94% from approximately 37 basis points (0.37%) of assets under management for fiscal year ending June 30, 2016 to approximately 2 basis points (0.02%) for fiscal year ending June 30, 2021 – the equivalent of more than \$40 million in fee savings over the past five years. This was accomplished by transitioning to predominantly an index-based investment strategy.



## Common Investment Pool: External Investment Manager List as of June 30, 2021

INVESTMENT MANAGERS	PRINCIPALS/KEY STAFF	TITLE	FUNDING DATE	SELECTION METHOD <sup>(1)</sup>	INVESTMENT STYLE
Aksia LLC	Jim Vos	Chief Executive Officer	01/13	Negotiated	Alternative
	David Fann	Vice Chairman			
	Michelle Davidson	Co-Head, Advisory Americas			
	Matt Mullarkey	Co-Head, Advisory Americas			
BlackRock	Larry Fink	Chairman, Chief Executive Officer	11/17	Negotiated	Equity
	Rob Kapito	President	08/20		Fixed Income
	Gary Shedlin	Chief Financial Officer			
	Christopher Meade	Chief Legal Officer			
Blue Hill Investment Partners, LP	Joyce Ferris	Managing Partner & Founder	11/06	Negotiated	Alternative
	Emily Landsburg	Managing Partner			
	Karen Naughton	Business Manager			
Chartwell Investment Partners	Michael J. McCloskey	Dir. of Client Services, Managing Partner	09/03	Negotiated	Fixed Income
	Timothy J. Riddle	CEO, Managing Partner			
	G. Gregory Hagar	CFO, Managing Partner			
	Michael P. Magee	Chief Operating Officer			
Credit Suisse	Thomas Gottstein	Chief Executive Officer	12/09	Negotiated	Fixed Income
	David Mathers	Chief Financial Officer			
	James B. Walker	Chief Operating Officer			
	Lara J. Warner	Chief Risk and Compliance Officer			
Intercontinental	Paul J. Nasser	CFO, COO	08/11	Negotiated	Alternative
	Thomas R. Taranto Jr.	Chief Investment Officer			
	Peter A. Palandjian	Chairman & CEO			
Northern Trust	Michael G. O'Grady	Chairman, President, Chief Executive Officer	08/20	Negotiated	Fixed Income
	Jason J. Tyler	Executive Vice President, Chief Financial Officer			
	Jim McDonald	Chief Investment Strategist			
	Steven L. Fradkin	President, Wealth Management			
RhumbLine Advisers	Wayne T. Owen	Chief Executive Officer, General Partner	01/16	Negotiated	Equity
	Kim Roger McCant	Chief Financial Officer, General Partner			
	Alexander D. Ryer	Chief Investment Officer			
	John P. Pilgrim	Director of Investment Operations			

<sup>(1)</sup> The Commonwealth Procurement Code (62 Pa.C.S.A. § 515 (9)) permits contracts to be awarded for a supply, service or construction item without competition if the contracting officer first determines in writing that the contract is for financial or investment experts to be used and selected by the Treasury Department.

## Common Investment Pool: Investment Fees for Fiscal Year 2020-21

	3Q 2020	4Q 2020	1Q 2021	2Q 2021	YTD TOTALS
<b>EXTERNAL MANAGERS (INVOICE AMOUNTS)</b>					
Aksia LLC	38,250	21,326	17,673	13,951	91,200
BlackRock	35,608	94,362	49,522	51,846	231,338
Blue Hill Investment Partners, LP	0	0	0	0	0
Northern Trust	12,542	20,807	20,318	20,395	74,062
Chartwell Investment Partners	38,903	47,176	46,764	47,738	180,582
Credit Suisse	10,667	142	171	0	10,979
Intercontinental	47,192	0	0	0	47,192
RhumbLine Advisers	23,045	23,280	22,296	23,379	92,000
<b>EXTERNAL MANAGER SUBTOTAL</b>	<b>206,207</b>	<b>207,092</b>	<b>156,744</b>	<b>157,309</b>	<b>727,352</b>
<b>ETF / MF / SUB-MANAGERS (CALCULATED ESTIMATES)</b>					
Aksia LLC Sub-managers*	0	0	0	0	367,170
iShares MSCI Global Min Vol Factor ETF	0	0	13,932	45,295	59,226
iShares U.S. Aggregate Bond ETF	3,723	4,154	5,568	5,054	18,499
Vanguard Intermediate-Term Treasury ETF	7,701	3,704	3,916	1,073	16,393
Vanguard Long-Term Treasury ETF	2,523	8,489	7,525	10,301	28,837
Vanguard REIT	52,509	58,625	61,319	64,053	236,507
Vanguard Global Min Vol MF	100,749	99,530	67,412	49,090	316,780
<b>ETF &amp; MUTUAL FUNDS SUBTOTAL</b>	<b>167,205</b>	<b>174,501</b>	<b>159,671</b>	<b>174,866</b>	<b>1,043,413</b>
<b>GRAND TOTAL</b>	<b>373,412</b>	<b>381,593</b>	<b>316,415</b>	<b>332,175</b>	<b>1,770,765</b>

\* Includes carried interest, profit sharing, and other fees charged to the fund.

## Common Investment Pool: External Investment Manager Fee and Performance Summary (As of June 30, 2021) <sup>(1)</sup>

INVESTMENT MANAGERS	ASSET CLASS	INVESTMENT MANDATE	FY 2020-21 MANAGER FEES	ASSIGNED BENCHMARK	FY 2020-21 PORTFOLIO RETURN (Net of Fees)	FY 2020-21 BENCHMARK RETURN	OVER/UNDER PERFORMANCE VS. BENCHMARK
Aksia (COPA Keystone)	Alternative	Absolute Return	\$91,200	HFRI Fund of Funds Composite Index + 50bp	5.41	18.90	-13.49
BlackRock S&P 500	Equity	Domestic Equity	\$74,369	S&P 500 Index	40.70	40.79	-0.09
BlackRock U.S. Agg <sup>(2)</sup>	Fixed Income	Core	\$156,969	BBg Barc U.S. Aggregate TR	-1.09	-1.00	-0.09
Blue Hill Investment Partners, LP *	Alternative	Private Equity	\$-	Cambridge Associates Private Equity Index	-9.67	46.11	-55.78
Blue Hill EEP *	Alternative	Private Equity	\$-	Cambridge Associates Private Equity Index	0.00	46.11	-46.11
Chartwell Investment Partners	Fixed Income	High Yield	\$180,582	ICE BofAML 1-3 Yrs BB-B US High Yield	7.04	9.01	-1.97
Credit Suisse *	Fixed Income	Senior Secured Debt	\$10,979	S&P/LSTA Leveraged Loan Total Return Index	-	-	-
Intercontinental <sup>(3)</sup>	Alternative	REIT	\$47,192	NCREIF ODCE	-	-	-
Northern Trust <sup>(2)</sup>	Fixed Income	Core	\$74,062	BBg Barc U.S. Aggregate TR	-1.10	-1.00	-0.10
Rhumblin MSCI	Equity	Int'l Equity	\$69,297	MSCI ACWI ex USA	36.25	35.72	0.53
Rhumblin Russell	Equity	Domestic Equity	\$22,703	Russell 1000	43.33	43.07	0.26
<b>Total Fees Paid</b>			<b>\$727,352</b>				

<sup>(1)</sup> Performance information obtained from Marquette Associates.

<sup>(2)</sup> Inception date: Aug-2020 (< 1 year); Performance returns as of inception date.

<sup>(3)</sup> Account redeemed 2/25/21.

\* Residual balance - account in process of liquidation.

## Brokerage Fees

Treasury requires its investment managers to seek the best possible execution of orders through responsible brokerage firms at competitive prices when placing portfolio transaction orders on behalf of the Commonwealth.

In fiscal year 2020-21, 32 brokers placed 10,676 trades, resulting in gross commissions of \$218,691 for the Common Investment Pool. On a per-share-basis, the gross equity commissions translated into an average gross commission price of just \$0.0084 per share. A summary of commissions paid to brokers for the Common Investment Pool is reflected in the following table.

### Common Investment Pool: Broker Commissions Fiscal Year 2020-21

BROKER	COMMISSION	BROKER	COMMISSION
BARCLAYS CAPITAL INC./LE, NEW JERSEY	\$139	INSTINET, SINGAPORE	\$146
BNP PARIBAS PRIME BROKERAGE, INC, NEW YORK	\$34	INVESTMENT TECH GROUP INC, NEW YORK	\$195
BNY CAPITAL MARKETS INC, NEW YORK	\$120,602	J.P. MORGAN SECURITIES LLC, NEW YORK	\$83
CABRERA CAPITAL MARKETS, CHICAGO	\$8	JEFFERIES & CO INC, NEW YORK	\$52,286
CANTOR FITZGERALD & CO INC, NEW YORK	\$22,640	JEFFERIES & CO LTD, LONDON	\$421
CIBC WORLD MKTS INC, TORONTO	\$917	JONESTRADING INST SVCS LLC, NEW YORK	\$234
CITIBANK, NY	\$36	LIQUIDNET INC, NEW YORK	\$593
CITIGROUP GLOBAL MARKETS, INC., NEW YORK	\$1,185	LOOP CAPITAL MARKETS, JERSEY CITY	\$4,446
COWEN AND CO LLC, NEW YORK	\$2	MERRILL LYNCH PIERCE FENNER SMITH INC NY	\$130
CREDIT SUISSE, NEW YORK (CSUS)	\$535	MORGAN STANLEY & CO INC, NY	\$412
GOLDMAN SACHS & CO, NY	\$86	PENSERRA SECURITIES, NEW YORK	\$894
INSTINET AUSTRALIA CLEARING SERV, SYDNEY	\$554	PERSHING LLC, JERSEY CITY	\$18
INSTINET CLEARING SER INC, NEW YORK	\$1,766	RBC CAPITAL MARKETS LLC, NEW YORK	\$0
INSTINET CORP, NEW YORK	\$150	UBS SECURITIES LLC, STAMFORD	\$138
INSTINET EUROPE LIMITED, LONDON	\$7,933	WELLS FARGO SECURITIES LLC, CHARLOTTE	\$68
INSTINET PACIFIC LTD, HONG KONG	\$1,934	WILLIAMS CAPITAL GROUP LP, JERSEY CITY	\$104
		<b>TOTAL COMMISSIONS PAID FY 2020-21</b>	<b>\$218,691</b>

98.13% of the total trade commissions paid in fiscal year 2020-21, or \$214,605, were made to 10 of the 32 brokers that placed such trades. A list of the top 10 brokers Treasury's external investment managers utilized for Pool 998 appears on the following page.

## Top Ten Common Investment Pool Broker Commissions Fiscal Year 2020-21

BROKER	COMMISSION
BNY CAPITAL MARKETS INC, NEW YORK	\$120,602
JEFFERIES & CO INC, NEW YORK	\$52,286
CANTOR FITZGERALD & CO INC, NEW YORK	\$22,640
INSTINET EUROPE LIMITED, LONDON	\$7,933
LOOP CAPITAL MARKETS, JERSEY CITY	\$4,446
INSTINET PACIFIC LTD, HONG KONG	\$1,934
INSTINET CLEARING SER INC, NEW YORK	\$1,766
CITIGROUP GLOBAL MARKETS, INC., NEW YORK	\$1,185
CIBC WORLD MKTS INC, TORONTO	\$917
PENSERRA SECURITIES, NEW YORK	\$894
<b>TOTAL</b>	<b>\$214,605</b>

## Security Lending

Treasury makes the portfolios of the Commonwealth Investment Program available for security lending to generate additional revenue for Pennsylvania. In fiscal year 2020-21, the program generated \$177,238 with 2.22% of the Common Investment Pool's securities on loan as of June 30, 2021. The table below provides a snapshot of Treasury's Security Lending Program as of that date.

POOL	MARKET VALUE OF LENDABLE SECURITIES	MARKET VALUE OF SECURITIES ON LOAN	% OF LENDABLE SECURITIES ON LOAN
Pool 999	\$-	\$-	0.00%
Pool 998	2,408,449,425	53,445,202	2.22%
<b>TOTAL</b>	<b>\$2,408,449,425</b>	<b>\$53,445,202</b>	

Treasury will only accept cash collateral on loans of securities related to Treasury funds. This cash collateral can be invested in U.S. Treasury notes, bonds, and bills; federal agency securities; and repurchase agreements backed by the above securities subject to a minimum of 102% collateralization with daily updated valuation. As of June 30, 2021, repurchase agreements composed 100% of the Cash Collateral Reinvestment Pool.

## Responsible Investing and Proxy Voting

As an index investor, Treasury is a long-term, universal owner obligated to prudently manage risk and return of investments.

Treasury retains an advisor, Glass Lewis, to assist in the execution of proxy voting consistent with Treasury's guidelines.

Through equity separately managed accounts which track indices, Treasury is a partial owner of numerous public companies. Treasury votes, through advisor, Glass Lewis, on various proposals surrounding company governance and policy changes presented by corporate boards and shareholders to ensure long-term value creation.

In fiscal year 2020-21, Glass Lewis voted 515 ballots. Those ballots contained 6,547 proposals, of which 6,193 represented management proposals and 354 represented shareholder proposals.

## Litigation

### 1. Proceedings:

***Philadelphia Entertainment Development Partners (PEDP), LP d/b/a Foxwoods Casino Philadelphia v. Commonwealth Department of Revenue, Commonwealth of Pennsylvania, United States Bankruptcy Court Eastern District Philadelphia Docket Nos. 14-12482 and 14-00255 mdc***

Both the Plaintiffs and Defendants in this bankruptcy action have stated that they may join the Pennsylvania Treasury Department in this action. Treasury has yet to be sued in this action. This case is a bankruptcy action involving PEDP which received a Category 2 gaming license from the Pennsylvania Gaming Control Board in 2006, which was later revoked by the board. PEDP later filed bankruptcy. PEDP is suing the Commonwealth Parties as part of the bankruptcy to try and retrieve the \$50 million license fee that the Plaintiff was required to put up to obtain the license.

### Claims Asserted:

PEDP asserts violations of the U.S. and state constitutions, federal statutes, and common law.

### Amount of Money Sought:

The licensing fee was \$50 million deposited into the General Fund. PEDP is also seeking interest and attorney's fees.

### Progress:

- The Defendants applied for a Motion to Dismiss and memorandums of law as well as supplements have been submitted by both parties.
- 9/15/16: The Bankruptcy Court dismissed the case against the Commonwealth. However, the case was appealed to the U.S. District Court for the Eastern District of Pennsylvania.
- 9/15/17: The U.S. District Court for the Eastern District affirmed the Bankruptcy Court's ruling. However, in May, the Appellant appealed the case to the Third Circuit Court of Appeals.
- 3/5/18: On January 11, 2018, the Third Circuit reversed and remanded the case back to the Eastern District for further proceedings unless the Eastern District remands the case back to Bankruptcy Court.
- 9/13/18: The Eastern District remanded the case back to Bankruptcy Court.
- 9/13/19: A series of briefs was filed and a hearing was held on the Defendants' Motion to Dismiss Adversary complaint. The Commonwealth is awaiting a decision.
- 12/31/19: The Bankruptcy Court dismissed the complaint and issued an opinion.
- 1/14/20: The case was appealed to the District Court.
- 9/30/20: The District Court affirmed the dismissal by the bankruptcy court.

- 10/21/20: Case appealed to Third Circuit
- 5/24/21: The Third Circuit affirmed the District Court's decision to dismiss.

**Likelihood of an Unfavorable Outcome:** REMOTE

## **2. Proceedings:**

***Treasury v. Blue Hill Management, et al., No. 02378***

### **Claims Asserted:**

Treasury filed suit against Blue Hill Management and Joyce Ferris, managing partner of Blue Hill Management, seeking the recovery of taxpayer funds paid by the Commonwealth to Defendants in return for their services in connection with two state-funded investment programs, as a result of breaches of fiduciary duty and contractual obligations.



## Commonwealth Investment Program Participant Holdings as of June 30, 2021

ACCT	NAME	SHARES	COST BASIS	MV POOL 998	MV POOL 999	TOTAL MV
001	General	0	0	0	14,334,526,115	14,334,526,115
002	Lottery	2,274	2,697	3,303	441,789,162	441,792,465
003	Wild Resource	0	0	0	329,231	329,231
004	Energy Development	2,518,294	2,634,962	3,657,616	155,992	3,813,607
005	State Racing	10,784,488	11,288,058	15,663,586	25,242,481	40,906,067
006	Hazardous Sites Cleanup	35,967,163	40,013,375	52,239,363	42,824,095	95,063,458
007	Highway Beautification	0	0	0	413,247	413,247
008	Environmental Stewardship	75,132,200	81,796,102	109,123,374	86,588,626	195,712,000
009	Recycling Fund	39,422,733	42,470,509	57,258,295	11,337,209	68,595,503
010	Motor License	128,298,578	151,451,190	186,343,191	809,350,159	995,693,349
011	Game	76,996,564	96,391,562	111,831,211	26,301,804	138,133,015
012	Fish	54,121,382	58,992,568	78,606,880	24,745,920	103,352,800
013	Banking Trust Fund	12,667,683	13,259,187	18,398,773	26,710,317	45,109,090
014	Milk Marketing Board	0	0	0	3,441,423	3,441,423
015	State Farm Products	0	0	0	4,405,748	4,405,748
016	Oil & Gas Lease	3,472,085	3,920,705	5,042,919	25,314,408	30,357,327
017	State Treasury Armory	0	0	0	1,011,763	1,011,763
018	Historical Preservation	0	0	0	5,990,536	5,990,536
019	PA Infrastructure Bank	17,871,344	18,699,311	25,956,666	22,093,887	48,050,552
020	Surface Mining Conserv.	64,406,259	67,413,642	93,544,824	515,678	94,060,501
021	Special Administration	0	0	0	23,157,821	23,157,821
022	Capitol Restoration Trust	0	0	0	480,273	480,273
023	Vocational Rehabilitation	0	0	0	37,770,650	37,770,650
024	Pharmaceutical Assis	1,322,371	1,384,081	1,920,636	50,530,195	52,450,831
025	Boating	25,392,622	26,578,304	36,880,706	43,948,792	80,829,498
026	Administration	0	0	0	14,405,071	14,405,071
027	Liquid Fuels Tax	0	0	0	5,066,084	5,066,084
028	Liquor License	0	0	0	402,748	402,748
029	Fire Insurance Tax	0	0	0	72,922,198	72,922,198
030	Volunteer Companies Loan	29,230,762	30,584,977	42,455,290	16,246,672	58,701,962
031	Manufacturing	14,034,445	14,689,768	20,383,883	20,656,544	41,040,427
032	Purchasing	0	0	0	12,257,564	12,257,564
033	Employment for the Blind	0	0	0	2,592,040	2,592,040
034	Industrial Development	0	0	0	113	113
037	Pennvest Drinking Water	156,085,983	176,032,201	226,702,122	130,775,029	357,477,151

ACCT	NAME	SHARES	COST BASIS	MV POOL 998	MV POOL 999	TOTAL MV
038	Capital Funds	0	0	0	749,827,547	749,827,547
039	Land & Water Development	0	0	0	0	0
042	PA Economic Revitalization	0	0	0	3	3
044	Land & Water Dev. Sinking	0	0	0	0	0
045	Sinking	0	0	0	151,681	151,681
049	Tax Note Sinking	0	0	0	0	0
051	Conrad Weiser Memorial Park	0	0	0	78,935	78,935
052	Judicial Admin Leave	0	0	0	896,009	896,009
053	PA Historical/Museum Comm.	0	0	0	197,053	197,053
054	Agric. College Land Script	0	0	0	661,251	661,251
055	State College Exper. Farm	0	0	0	0	0
056	State School	0	0	0	0	0
058	State Insurance	1,397,604	1,462,095	2,029,906	14,233	2,044,139
062	Public School Employees' Retir	0	0	0	0	0
065	Workmen's Compensation Admin Fund	0	0	0	0	0
066	Clean System Upgrade	0	0	0	0	0
068	Energy Conserv. & Assist	0	0	0	0	0
069	Workmens' Compen. Super.	0	0	0	1,836,703	1,836,703
071	Tobacco Settlement	0	0	0	157,159,486	157,159,486
072	Real Estate Recovery	0	0	0	772,641	772,641
073	Noncoal Surface Mining Conserv	5,151,069	5,375,914	7,481,507	878,631	8,360,138
074	Social Security Contribution	0	0	0	0	0
075	PSEERS Health Insurance Fund	0	0	0	0	0
076	Municipal Pension Aid	0	0	0	314,615,663	314,615,663
077	Supplemental Municipal Pension	0	0	0	0	0
078	PA Municipal Employ Retire	0	0	0	6,692,648	6,692,648
079	Higher Ed. Assistance	87,314,049	91,391,087	126,816,514	236,822,265	363,638,778
080	Emergency Med. Oper. Serv.	7,100,846	7,416,814	10,313,397	1,778,692	12,092,090
081	State Restaurant	0	0	0	538,458	538,458
082	State Workmens Insurance	0	0	0	16,768,230	16,768,230
083	Solid Waste	0	0	0	0	0
084	State Stores	0	0	0	318,346,788	318,346,788
085	Rehabilitation Center	0	0	0	1,288,814	1,288,814
086	Coal & Clay Mine Sub Ins.	98,295,181	104,462,813	142,765,710	28,840,568	171,606,278
087	Coal Lands Improvement	0	0	0	1,721,645	1,721,645
088	Minority Business Development	0	0	0	1,643,253	1,643,253
091	Capital Debt	0	0	0	28,633,130	28,633,130
092	Volunteer Companies	0	0	0	0	0
093	Budget Stabilization Reserve Fund	0	0	0	243,562,006	243,562,006

ACCT	NAME	SHARES	COST BASIS	MV POOL 998	MV POOL 999	TOTAL MV
094	Tax Stabilization Reserve	0	0	0	0	0
096	PA Vets Monu&Memor Trust Fund	0	0	0	464,384	464,384
097	Anthracite Emergency Bond	0	0	0	719,683	719,683
101	Low Level Waste	0	0	0	0	0
104	PA Infrastructure Invest. Authority	220,149,522	244,373,030	319,749,173	17,508,751	337,257,924
105	Pennvest Bonds Authority	0	0	0	6,190,922	6,190,922
106	Pennvest Revolving	0	0	0	0	0
107	Pennvest Non Revolving Equity	0	0	0	0	0
108	Pennvest Redemption	0	0	0	6,846,700	6,846,700
109	Pennvest Water Pollution	270,752,070	299,887,757	393,245,234	353,154,935	746,400,170
111	Machinery & Equipment Loan	14,902,028	15,597,862	21,643,976	14,575,137	36,219,114
112	Insurance Liquidation	0	0	0	41,340,805	41,340,805
113	Agricultural Conservation	0	0	0	39,470,428	39,470,428
115	Children's Trust	0	0	0	906,041	906,041
116	Revolving Aid Fund	0	0	0	11,279,902	11,279,902
117	Catastrophic Loss Benefit	73,461,340	76,641,895	106,696,587	9,573	106,706,160
118	Storage Tank Fund	0	0	0	6,004,550	6,004,550
119	Underground Storage Tank	0	0	0	4,193,206	4,193,206
121	Resting Facilities Siting	0	0	0	0	0
123	Motor Vehicle Trans. Rec.	0	0	0	2,450,455	2,450,455
125	Hazardous Material Response	471,178	493,179	684,348	221,787	906,135
126	PHFA Home Buyer Fund	0	0	0	0	0
127	Local Govt. Cap. Loan	0	0	0	3,869,316	3,869,316
128	Local Sales and Use Tax	0	0	0	31,455,553	31,455,553
129	PICA	0	0	0	5,885,351	5,885,351
130	Public Transportation	0	0	0	11,719,396	11,719,396
131	Acid Mine Drain	56,238,226	64,054,412	81,681,422	8,859	81,690,281
133	Local Crime Justice	0	0	0	0	0
134	Local Crime Justice Sink	0	0	0	0	0
138	Clean Air	31,913,571	33,642,348	46,351,852	2,387,856	48,739,708
139	Home Investment Trust	0	0	0	21,845	21,845
140	Phila. Reg. Port Author.	0	0	0	718,388	718,388
141	Port of PGH Commission	0	0	0	2,805,364	2,805,364
144	Pennvest Trustee	0	0	0	0	0
145	Remining Environment	0	0	0	0	0
146	Remining Financial Assurance	0	0	0	4,636,041	4,636,041
147	Environmental Education	0	0	0	3,362,755	3,362,755
148	Self-Ins. Guaranty	50,670,731	53,036,748	73,595,092	82,705	73,677,797
149	Keystone Recreation, Park	118,212,010	128,033,730	171,693,275	67,507,435	239,200,710

ACCT	NAME	SHARES	COST BASIS	MV POOL 998	MV POOL 999	TOTAL MV
151	PA Employee Benefit Trust	10,134,146	10,607,350	14,719,018	4,380,012	19,099,031
152	Nutrient Mgmt	0	0	0	4,734,937	4,734,937
153	Allegh. Reg. Asset Tax	0	0	0	19,659,155	19,659,155
155	Organ Donation	0	0	0	1,833,362	1,833,362
156	Insurance Fraud	0	0	0	8,984,811	8,984,811
157	Automobile Theft	0	0	0	23,696	23,696
158	Industrial Sites Cleanup	5,586,714	5,847,580	8,114,245	3,768,942	11,883,188
159	DNA Detection	0	0	0	6,281,488	6,281,488
160	Small Business First	0	0	0	21,590,628	21,590,628
161	Ben Franklin Tech Development	0	0	0	16,741,688	16,741,688
162	M-Care	0	0	0	103,897,599	103,897,599
163	Patient Safety Trust Fund	0	0	0	10,287,790	10,287,790
164	Substance Abuse Education & De	6,897,316	7,219,404	10,017,787	2,411,235	12,429,022
166	E-911	0	0	0	101,881,477	101,881,477
167	Rightful Owners Claims Payment	0	0	0	53,858	53,858
168	State Gaming Fund	0	0	0	340,149,008	340,149,008
169	Compulsive and Problem Gamblin	0	0	0	4,686,689	4,686,689
170	Property Tax Relief Fund	0	0	0	494,240,394	494,240,394
171	PA Gaming Econ Dev & Tourism Fund	0	0	0	4,531,651	4,531,651
172	PA Race Horse Dev Trust Fund	0	0	0	10,984,937	10,984,937
173	Emergency Energy Assistance Fund	0	0	0	0	0
174	Broadband Outreach and Aggrega	0	0	0	0	0
175	Education Technology Fund	0	0	0	0	0
176	Educational Assistance Program	0	0	0	6,511,649	6,511,649
177	Job Training Fund	0	0	0	5,100	5,100
178	Community College Capital Fund	0	0	0	1,571,730	1,571,730
179	Growing Greener Bond Fund	0	0	0	951,696	951,696
180	Growing Greener Bond Sinking Fund	0	0	0	5,579	5,579
181	Water Supply and Wastewater Tr	0	0	0	19,376,589	19,376,589
182	Water Supply and Wastewater Tr	0	0	0	1	1
183	Conservation District Fund	0	0	0	6,706,177	6,706,177
184	Uninsured Employers Guaranty F	0	0	0	2,503,148	2,503,148
185	Persian Gulf Conflict Veterans	0	0	0	0	0
186	Persian Gulf Conflict Veterans	0	0	0	0	0
187	The Public Transportation Trus	257,222,614	299,342,763	373,594,806	967,488,786	1,341,083,592
188	Neighborhood Improvement Zone	0	0	0	1,504	1,504
189	OPEB- Other Post Employ Benefi	0	0	0	0	0
190	Fire Prevention and Public Saf	0	0	0	0	0
191	Cigarette Fire Safety and Fire	0	0	0	404,078	404,078

ACCT	NAME	SHARES	COST BASIS	MV POOL 998	MV POOL 999	TOTAL MV
192	Mine Safety Fund	0	0	0	126,132	126,132
193	Water Resources Fund	0	0	0	0	0
194	Water and Sewer Assistance Bon	0	0	0	18,986,027	18,986,027
195	Water and Sewer Assistance Bon	0	0	0	1,967	1,967
196	Keystone Help Program	514,677	574,345	747,526	0	747,526
197	Special Juvenile Victim Compen	0	0	0	0	0
201	Housing Affordability and Reha	0	0	0	5,845,584	5,845,584
202	Unconventional Gas Well Fund	0	0	0	20,766,400	20,766,400
203	Marcellus Legacy Fund	0	0	0	0	0
204	Homeowner Asst Stlmt Fund	0	0	0	10,470	10,470
205	Pa. eHealth Partnership Fund	0	0	0	0	0
206	Veterans' Trust Fund	0	0	0	2,378,193	2,378,193
207	Justice Reinvestment Fund	0	0	0	548,952	548,952
208	Insurance Regulation&Oversight	0	0	0	43,707,005	43,707,005
209	Philly Taxicab Limousine Regul	0	0	0	30,835	30,835
210	Philadelphia Taxicab Medallion	0	0	0	6,898	6,898
211	Multimodal Transportation Fund	0	0	0	364,336,611	364,336,611
212	City Revital & Improve Fund	0	0	0	265	265
213	Local Cigarette Tax Fund	0	0	0	2,799,467	2,799,467
215	Monetary Penalty Endowments	33,379,375	39,376,423	48,480,812	4,365,126	52,845,938
216	Achieving Better Life Exp Fund	0	0	0	1,011,681	1,011,681
217	Medical Marijuana Program Fund	0	0	0	0	0
218	PlanCon Bond Projects Fund	0	0	0	283,242,745	283,242,745
220	PSEERS-Defined Cont Fund	0	0	0	0	0
221	Video Gaming Fund	0	0	0	4,718,126	4,718,126
222	Fantasy Contest Fund	0	0	0	849,316	849,316
223	School Safety & Security Fund	0	0	0	28,383,688	28,383,688
224	PA Health Insurance Exc Fund	0	0	0	19,839,828	19,839,828
226	PA Rural Health Redesign Cente	0	0	0	244,045	244,045
227	County Voting Apparatus Fund	0	0	0	39,518,806	39,518,806
228	UC-FEMA ONA /Lost Wages Fund	0	0	0	76,128	76,128
451	Chester Downs	0	0	0	1,339,275	1,339,275
452	Pocono Downs	0	0	0	1,337,858	1,337,858
453	Philadelphia Park	0	0	0	1,210,538	1,210,538
454	Penn National	0	0	0	1,354,697	1,354,697
455	The Meadows	0	0	0	1,329,263	1,329,263
456	Sugar House Casino	0	0	0	1,552,854	1,552,854
457	Foxwoods Casino Philadelphia	0	0	0	0	0
458	PITG Gaming Casino	0	0	0	1,357,801	1,357,801

ACCT	NAME	SHARES	COST BASIS	MV POOL 998	MV POOL 999	TOTAL MV
459	Mount Airy Casino	0	0	0	1,377,484	1,377,484
460	Sands Bethworks Casino	0	0	0	1,303,444	1,303,444
461	Presque Isle Downs	0	0	0	1,411,595	1,411,595
466	Valley Forge Casino	0	0	0	1,028,103	1,028,103
468	Nemacolin	0	0	0	997,179	997,179
469	Presque Isle-Churchill Downs	0	0	0	1,500,000	1,500,000
470	Nemacolin Churchill Downs	0	0	0	1,000,000	1,000,000
896	896	72,430	85,784	105,198	0	105,198
<b>TOTALS</b>		<b>2,097,563,926</b>	<b>2,326,526,533</b>	<b>3,046,540,025</b>	<b>22,104,367,825</b>	<b>25,150,907,850</b>