$2,700,000,000*
The Commonwealth of Massachusetts
Special Obligation Revenue Bonds
(Unemployment Insurance Trust Fund)
2022 Series A and B (Federally Taxable)
(Social Bonds)
(the “2022 Bonds”)

Investor Presentation

June 30, 2022

Preliminary, subject to change

Disclaimer

This presentation has been prepared by The Commonwealth of Massachusetts (the “Commonwealth”) as of June 30, 2022 to provide summary information relative to the proposed offering of the Commonwealth’s Special Obligation Revenue Bonds (Unemployment Insurance Trust Fund), 2022 Series A (Federally Taxable) (Social Bonds) (the “Series A Bonds”) and 2022 Series B (Federally Taxable) (Social Bonds) (the "Series B Bonds" and, together with the Series A Bonds, the “2022 Bonds"). The information contained in this presentation speaks only as of the date such information was prepared and has not been updated since that date. Accordingly, such information may not address all factors which may be material to an investor and may contain omissions of fact or statements that are not accurate because of the passage of time or changes in facts or circumstances subsequent to the date of such information. The Commonwealth is under no obligation to update any of the information set forth in this presentation.

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1) Introduction

Background

- As a result of high unemployment due to the COVID-19 pandemic, the Commonwealth of Massachusetts (the "**Commonwealth**") fully utilized its $1.7 billion Unemployment Insurance Trust Fund ("**UITF**") balance and subsequently borrowed from the federal government to continue to make benefit payments ("**Federal Advances**")
  - The Commonwealth began drawing Federal Advances in June 2020 and, by April 2021, had borrowed $2.268 billion
  - After using $500 million of funds from the American Rescue Plan Act of 2021 ("**ARPA**") in March 2022 to repay a portion of the loan, $1.768 billion remains outstanding
- If a state began borrowing Federal Advances in 2020, it must repay outstanding amounts by November 10, 2022 – if not repaid in full by this date, employers in the state will experience a reduction in certain tax credits established in the Federal Unemployment Tax Act of 1939 ("**FUTA Tax Credits**")
- In April 2021, Governor Baker signed Chapter 9 of the Acts of 2021 (as amended, the "**UI Improvement Act**") into law, which:
  - Authorized the issuance of up to $7 billion in special obligation revenue bonds to provide for the timely repayment of outstanding Federal Advances and avoid the need for future Federal Advances
  - Delivered additional relief to Commonwealth employers in numerous ways as further discussed herein
- The special obligation revenue bonds will be repaid by Pledged Funds generated from a mandatory charge (the "**COVID-19 Recovery Assessment**") on experience-rated, private contributory employers in Massachusetts, which represents a broad and diverse assessment base
  - The COVID-19 Recovery Assessment will be reset annually and paid by experience-rated, private contributory employers until the special obligation revenue bonds are fully repaid
  - The COVID-19 Recovery Assessment was first assessed in 2021 and 99.2% of amounts owed have been collected to-date (as of June 16)
- The plan of finance has jointly been developed by the Office of the Governor, the Executive Office for Administration and Finance ("**A&F**"), the State Treasurer's Office ("**TRE**"), and the Department of Unemployment Assistance ("**DUA**") (a department within the Executive Office for Labor and Workforce Development ("**EOLWD**"))

Transaction Overview

<table>
<tr><th></th><th>2022 Series A (“Series A Bonds”)</th><th>2022 Series B (“Series B Bonds” or the “Super Sinker Bonds”)</th></tr>
<tr><td>Par Amount*</td><td>▪ $1,977,735,000</td><td>▪ $722,265,000</td></tr>
<tr><td>Use of Funds</td><td colspan="2">▪ Proceeds of the 2022 Bonds will be used to: (i) repay outstanding Federal Advances received by the Commonwealth under the federal unemployment insurance (“<u>UI</u>”) program (including accrued interest); (ii) fund a deposit to the UITF to pay future unemployment benefits; and (iii) pay related costs of issuance</td></tr>
<tr><td>Security</td><td colspan="2">▪ The 2022 Bonds and any additional bonds issued under the Trust Agreement (the “<u>Bonds</u>”) are special limited obligations of the Commonwealth, payable from and secured solely by a pledge of Pledged Funds
▪ Not general obligations of the Commonwealth, and not secured by the full faith and credit of the Commonwealth
▪ Payment of debt service is not subject to appropriation by the Massachusetts Legislature</td></tr>
<tr><td>Pledged Funds</td><td colspan="2">▪ Moneys received or to be received from the COVID-19 Recovery Assessment, which is charged to experience-rated, private contributory employers in the Commonwealth, and is billed and collected in the same manner as the SUTA Tax as further detailed herein
▪ The Secretary of Labor and Workforce Development has agreed in the Financing Agreement to hold Pledged Funds in and disburse Pledged Funds from the Special Contribution Unemployment Compensation Trust Fund (“<u>Special Contribution UCTF</u>”), established under the UI Improvement Act
▪ Among other covenants, under the Trust Agreement the Commonwealth covenants to assess employers a COVID-19 Recovery Assessment at least equal to the “<u>Minimum Annual Assessment</u>,” which is an amount expected to generate Pledged Funds at least equal to 1.25x the annual Adjusted Bond Debt Service Requirement
▪ Pledged Funds will not be released from the lien of the Trust Agreement until all Bonds have been fully repaid</td></tr>
<tr><td>Amortization*</td><td>▪ Semi-annual principal, from July 15, 2023 to January 15, 2033</td><td>▪ <u>Stated Final Maturity Date</u>: July 15, 2033
▪ <u>Expected Final Super Sinker Redemption Date</u>: January 15, 2033**
▪ <u>Expected Average Life</u>: 4.34 years**</td></tr>
<tr><td>Redemption Provisions*</td><td>▪ Subject to make-whole call</td><td>▪ Subject to special mandatory redemption from Excess Pledged Funds
▪ Subject to catch-up optional redemption at par
▪ Subject to make-whole call</td></tr>
<tr><td>Tax Status</td><td colspan="2">▪ Federally taxable; Massachusetts tax-exempt</td></tr>
<tr><td>ESG Designation</td><td colspan="2">▪ Kestrel Verifiers has prepared a Second Party Opinion (“<u>SPO</u>”) that designates the 2022 Bonds as “<u>Social Bonds</u>” as proceeds are being utilized to support the unemployed</td></tr>
<tr><td>Confirmed Ratings</td><td colspan="2">▪ Aa1/AAA/AAA (Moody’s/Fitch/Kroll) (all Stable Outlooks)</td></tr>
<tr><td>Pricing*</td><td colspan="2">▪ August 2022</td></tr>
<tr><td>Closing*</td><td colspan="2">▪ August 2022</td></tr>
<tr><td>Joint Book-Runners</td><td colspan="2">▪ Jefferies LLC; BofA Securities, Inc.</td></tr>
<tr><td>Co-Managers</td><td colspan="2">▪ Academy Securities; Estrada Hinojosa; Loop Capital Markets; Mischler Financial Group, Inc.; Oppenheimer & Co.; Ramirez & Co., Inc.; Raymond James; Siebert Williams Shank & Co., LLC; Stifel; UBS</td></tr>
</table>

* Preliminary, subject to change

** Expected average life and expected final super sinker redemption date of the Series B Bonds assume the receipt of Excess Pledged Funds in accordance with the projections, schedules and other structuring assumptions set forth in the Preliminary Official Statement dated June 30, 2022 ("**<u>POS</u>**"); no assurance can be given that any of these assumptions, projections, and thus the anticipated level of Excess Pledged Funds, will be realized

Key Parties

Key Takeaways

- The financing is governed by the UI Improvement Act, the Trust Agreement and the Financing Agreement
- TRE has significant experience in all relevant areas associated with issuing and administering the 2022 Bonds

Financing Agreement
(Between EOLWD, DUA and TRE)

Trust Agreement
(Between TRE and the Trustee)

EOLWD and DUA

Party to the Financing Agreement

- Administers the Massachusetts UI Program (including enforcement of uncollected amounts)
- Sets the COVID-19 Recovery Assessment annually by March 1st
- Collects and deposits Pledged Funds into the Special Contribution UCTF, and transfers them to the Trustee no later than two Business Days after receipt
- Assists TRE with fulfilling the Commonwealth's obligations under the Continuing Disclosure Agreement ("**CDA**")
- Publishes regular reports on UITF receipts, withdrawals and solvency

TRE

Party to the Financing Agreement and the Trust Agreement

- Issues the Bonds
- Delivers written notice to DUA annually specifying the amount needed to pay debt service and any related expenses, and the required Minimum Annual Assessment
- Complies with the CDA

The Bank of New York Mellon Trust Company, N.A. ("Trustee")

Party to the Trust Agreement

- Acts as Trustee and paying agent
- Receives Pledged Funds from DUA for deposit into the Revenue Fund
- Transfers amounts in the Revenue Fund per the Trust Agreement
- Pays debt service on the Bonds
- As applicable, redeems Bonds per the Trust Agreement prior to stated maturity date

Credit Highlights

Key Takeaways

- Upon entering into the Trust Agreement, the Bonds have a perfected first lien on the COVID-19 Recovery Assessment
  - Charged on all experience-rated, private contributory Commonwealth employers
- The Bonds benefit from strong security features that are further supported by a diverse and growing economic base

Stable and Diverse Assessment Base	▪ **Charged to experience-rated, private contributory employers (including future employers) based on their taxable wages and experience rating** ▪ Benefits from a diversified Commonwealth economy ▪ Since 2006, taxable wages have increased at a compound annual growth rate (“**CAGR**”) of 1.6%
Consistent and Proven Collections History	▪ Strong collection history for SUTA Tax revenues, which the COVID-19 Recovery Assessment will likely mirror as it is billed/collected in the same manner – 99.6% of all SUTA Taxes assessed since 2006 have been collected[1] ▪ **COVID-19 Recovery Assessment was first assessed, billed and collected in 2021 – 99.2% of amounts owed have been collected to-date, with 98.1% collected by the due date[1]**
Dedicated Pledged Funds with Strong Security Features	▪ Dedicated pledged revenue stream benefits from many strong security features, as further detailed herein, including: – **Annual reset mechanism, with a covenant to assess at a level that generates Pledged Funds of not less than 1.25x the annual Adjusted Bond Debt Service Requirement[2]** – Billed and collected in the same manner (and at the same time) as the SUTA Tax – Represents the first funds collected from each employer (e.g., priority over SUTA Tax) – Can only be used to pay debt service on the Bonds and any Bond Administrative Expenses – Does not require the approval of any legislative body – Non-impairment covenants – Legal segregation from the General Fund and other funds of the Commonwealth
Closed Trust Agreement	▪ Closed flow of funds, with Pledged Funds not released from the Trust Agreement until the Bonds are fully repaid ▪ Subject to certain requirements, Pledged Funds in excess of scheduled debt service (“**Excess Pledged Funds**”) will be used to redeem Bonds per the Trust Agreement to accelerate the retirement of debt ▪ Intra-year Retained Revenues provision provides intra-year cash flow cushion
Additional Features	▪ Credit ratings of Aa1, AAA and AAA from Moody’s, Fitch and Kroll (all Stable Outlooks) ▪ Payment of debt service is not subject to appropriation

[1] As of June 16, 2022

[2] Under the Trust Agreement, the COVID-19 Recovery Assessment will also be sized to cover Bond Administrative Expenses (e.g., liquidity, remarketing, ratings), though none are currently expected

2) The Massachusetts Unemployment Insurance Program

Federal UI Program

- The Massachusetts UI Program is one of 54 mandated joint federal-state programs originally established under the Social Security Act of 1935 (“**SSA**”) to provide benefits for workers who have lost their jobs through no fault of their own
- The program is funded through a combination of federal payroll taxes levied under the Federal Unemployment Tax Act of 1939 (“**FUTA**”) and local or state payroll taxes levied under various state unemployment tax acts (collectively, “**SUTA**”)
- Federal laws and regulations provide the framework for state UI programs, but each state is accorded the discretion to set benefit levels, establish eligibility rules and employer contribution rates, and to determine other issues relevant to unemployment compensation so long as minimum federal requirements are met
  - The SUTA broadly governs state taxes (“**SUTA Taxes**”), which are paid quarterly and deposited into each state-specific account of the federal Unemployment Insurance Trust Fund
- Employers subject to the FUTA must pay a tax (“**FUTA Tax**”) on the first $7,000 of wages paid to each employee in each calendar year
  - FUTA Tax collections are used to fund administrative costs, half of extended unemployment benefits, and Federal Advances
  - Current FUTA tax rate is 6.0%
    - If a state’s program meets certain requirements, employers in that state receive a 5.4% credit against the FUTA Tax (“**FUTA Tax Credit**”), resulting in a Net FUTA Tax of 0.6%
    - Commonwealth employers currently receive the maximum 5.4% FUTA Tax Credit

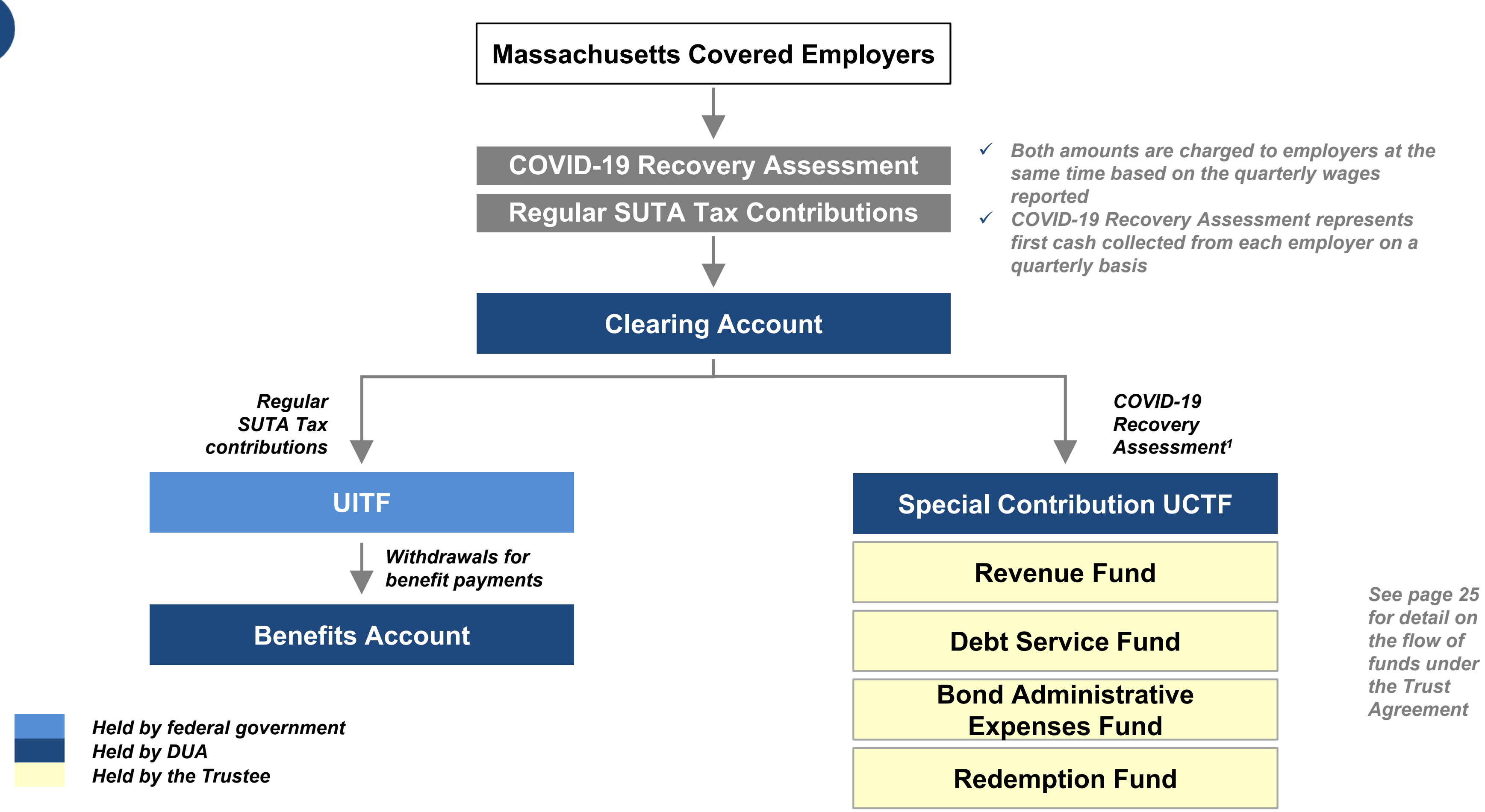
Federal Advances

- Title XII of the SSA permits the federal government to provide Federal Advances to states whose UITF has been depleted
  - Federal Advances have been used in many periods of economic recession, particularly during the COVID-19 pandemic
  - The Commonwealth borrowed $2.268 billion from June 2020 to April 2021, $1.768 billion of which remains outstanding
- Interest accrues on the outstanding daily balances of Federal Advances at a defined federal borrowing rate ("**Federal Advance Rate**") – the 2022 Federal Advance Rate is 1.5909%
  - Federal Advance Rate resets each calendar year based on the prior calendar year's fourth quarter yield on the entirety of the federal Unemployment Insurance Trust Fund portfolio
  - Federal Advance Rate is capped at 10%
  - Net amounts in each state's UITF earn interest at the Federal Advance Rate
- Interest on outstanding Federal Advances is generally due no later than September 30th of each year
  - Cannot be paid directly or indirectly from funds in a state account
  - Paying interest in full is a requirement for a state to be certified under FUTA and for its employers to benefit from the 5.4% FUTA Tax Credit
- If a state has an outstanding Federal Advance balance on January 1st of two consecutive years, the full amount of such Federal Advances must be repaid before November 10th of the second year
  - If not repaid by that date, the state becomes a "**Credit Reduction State**" and the employer FUTA Tax Credit will be reduced by 0.3% annually (with certain exceptions)
- **The Commonwealth has never been a Credit Reduction State and is using proceeds of the 2022 Bonds to repay Federal Advances by November 10, 2022, to avoid becoming a Credit Reduction State in 2023**

Massachusetts UI Program

Key Takeaways

- Provides benefits to unemployed workers and funds these benefits from employer contributions
- Massachusetts General Laws Chapter 151A, as amended, (the "**Massachusetts UI Law**") governs the Massachusetts UI Program and establishes an Unemployment Compensation Fund (the "**Massachusetts UCF**"), which includes:
  - **Clearing Account** - Held by DUA; initially receives all contributions
  - **UITF** - Held at the federal level; DUA transfers contributions from the Clearing Account to the UITF
  - **Benefits Account** - Held by DUA; used exclusively for the payment of benefits
- The Massachusetts UCF is held separate and apart from other funds of the Commonwealth
- The graphic at right outlines the funds and accounts established by the Massachusetts UI Law and the UI Improvement Act



Flow of moneys deposited above excludes amounts paid by employers for the FUTA Tax, as well as the Employer's Medical Assistance Contribution and the Workforce Training Fund Program, which are further discussed on page 13 and do not flow to the UITF or Special Contribution UCTF; the COVID-19 Recovery Assessment is charged to experience-rated, private contributory employers only, whereas all private contributory employers pay the SUTA Tax

[1] With the exception of certain amounts collected in 2021 and 2022, which flowed to the UITF through April 24, 2022

Overview of Commonwealth Employer Contributions

Key Takeaways

- Generally, private, for-profit employers are required under Massachusetts UI Law to contribute toward unemployment insurance if they:
  - Have employees working 1 or more days in 13 weeks (non-consecutive) of the year, or
  - Pay wages of $1,500 or more in any calendar quarter
- Key components of an employer's contributions, which are made quarterly, are detailed at right
  - Current taxable wage base of $15,000

Components of Commonwealth Employer Contributions	
SUTA Tax	▪ Based on an employer's taxable wages, covered employees, and contribution rate, as further detailed on the following page
Employer's Medical Assistance Contribution ("EMAC")	▪ Used to support the provision of subsidized health care services funded by the Commonwealth Care Trust Fund ▪ New employers subject to unemployment contributions are exempt for the first three years; the rate is 0.12% of taxable wages for the fourth year, 0.24% for the fifth year, and 0.34% for the sixth year and beyond ▪ Whenever an average of fewer than six employees are employed during the quarter, that quarter's wages are exempt from EMAC
Workforce Training Fund Program ("WTFP")	▪ Used to fund grants to provide workforce training and education programs ▪ Flat rate of 0.056% of taxable wages per employee
Solvency Assessment	▪ DUA separately tracks a Solvency Account within the UITF that is used to finance certain benefits not chargeable to an individual employer account[1] ▪ Solvency Assessment distributes these costs proportionally among all employers ▪ Not an incremental charge paid by employers each year, but an adjustment for purposes of the reserve percentage calculation, which drives the employer's experience rating and, thus, its SUTA Tax rate ▪ Is applied to an employer's taxable wages for the computation period – this amount is deducted from an employer's reserve balance annually (which impacts the employer's reserve percentage) ▪ Has ranged from 0.05% to 2.71% since 1986
COVID-19 Recovery Assessment	▪ Authorized by the UI Improvement Act and charged to all experience-rated, private contributory employers ▪ Paid on taxable wages and based on experience rating; calculated as a fixed percentage of an employer's SUTA Tax rate ▪ Set at $150 million annually for 2021 and 2022 ▪ For 2023 and until no Bonds remain outstanding, shall be assessed to generate Pledged Funds of at least 1.25x the annual Adjusted Bond Debt Service Requirement

[1] Includes (1) dependency allowances, (2) benefits paid to individuals who leave employment for urgent or compelling personal reasons, (3) benefits paid and charged to accounts whose reserves have been depleted, (4) Commonwealth funded "extended benefits", and (5) additional benefits paid to claimants who are in approved DUA training programs

How is the SUTA Tax Calculated?

SUTA Tax Rate

- Governed by Massachusetts UI Law and impacted by two key factors:
  1. Reserve percentage of the UITF
  2. Experience rating for each individual employer
- Reserve percentage equals the UITF balance as of September 30, divided by the 3-year average total payroll
  - Higher balance triggers lower rates and vice versa
- Employer experience rating is the same calculation, but done at the employer level
- Seven SUTA Tax schedules based on the UITF reserve percentage (e.g., Schedule A through G)
  - 45 rates within each schedule based on experience rating (and adjusted for any Solvency Assessment)
- New employers pay a 'new employer rate' until they meet certain requirements (generally 3 years)
- Rate schedule in effect has previously been established legislatively instead of based on the reserve percentage; could be legislatively set in the future

SUTA Tax Rates by Schedule

Schedule	UITF Reserve Ratio Range	Range of Employer SUTA Tax Rates
A	**1.65%+**	**0.56%-8.62%**
B	1.50%-1.65%	0.64%-9.79%
C	1.20%-1.50%	0.73%-11.13%
D	0.90%-1.20%	0.83%-12.65%
E	**0.60%-0.90%**	**0.94%-14.37%**
F	0.30%-0.60%	1.07%-16.33%
G	Less than 0.30%	1.21%-18.55%

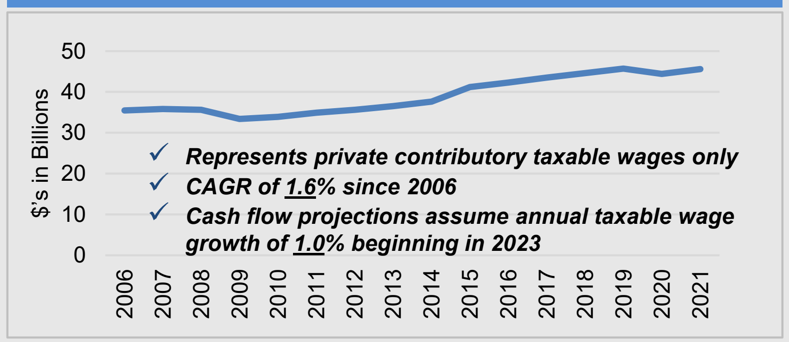
Target 2023 schedule post-issuance of the 2022 Bonds (Schedule A)

The UI Improvement Act froze tax rates at Schedule E for 2021 and 2022 (Schedule E)

Taxable Wage Base and Taxable Wages

- **Taxable wage base**: Wages paid to each employee annually that are subject to employer contributions
  - Current taxable wage base of $15,000 (since 2015)
  - Previously $14,000 (2004-2014)
  - Lower than the national average taxable wage base for 2022 of $20,441, but more than double the federal minimum of $7,000
- **Taxable wages**: Total wages subject to employer contributions
  - Each employer reports gross wages to DUA through a web-based program "**UI Online**," and UI Online subsequently determines the quarterly taxable wages
  - Resilience of taxable wages underscores strength and diversity of the Massachusetts economy

Historical Taxable Wages (2006-2021)



Source: EOLWD's Department of Economic Research ("**DER**"), the Bureau of Labor Statistics' ("**BLS**") Quarterly Census of Employment and Wages ("**QCEW**")

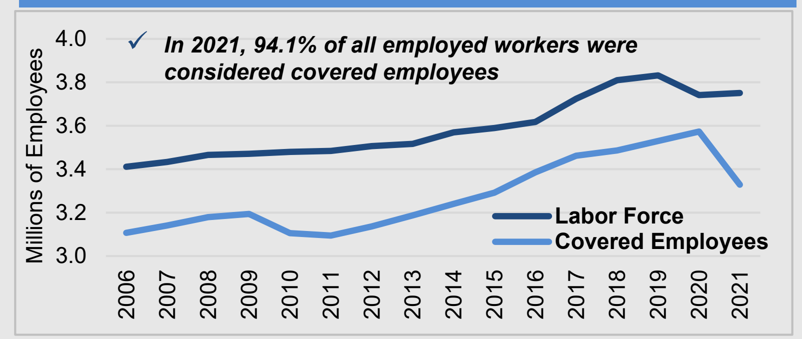
Covered Employees

- The Massachusetts UI Program covers most employees in the public, private and non-profit sectors
- Government and non-profit employees are exempt from FUTA Tax and subject to SUTA Tax under either:
  - **Contributory Method**: Contributes quarterly in a similar manner to private, for-profit employers
  - **Reimbursable Method**: Reimburses DUA only when benefits are actually paid to former employees

Type of Employer	Subject to Assess-ment?	# of Employers	% of Employ-ers	% of Employ-ees	% of Total Wages
Priv. Contributory – Exp.-Rated	**Yes**	184,144	73.3%	71.4%	77.1%
Priv. Contributory – Assigned Rate	No	63,767	25.4%	4.6%	3.4%
Priv. Reimbursable	No	2,260	0.9%	13.5%	11.4%
Gov't Contributory	No	501	0.2%	3.5%	2.8%
Gov't Reimbursable	No	564	0.2%	7.0%	5.4%
Total		**251,236**			

Note: Based on employer count and filed 2022 Q1 wage reports as of 5/24/2022

Historical Covered Employees (2006-2021)



Source: DER, BLS

Historical SUTA Tax Revenues

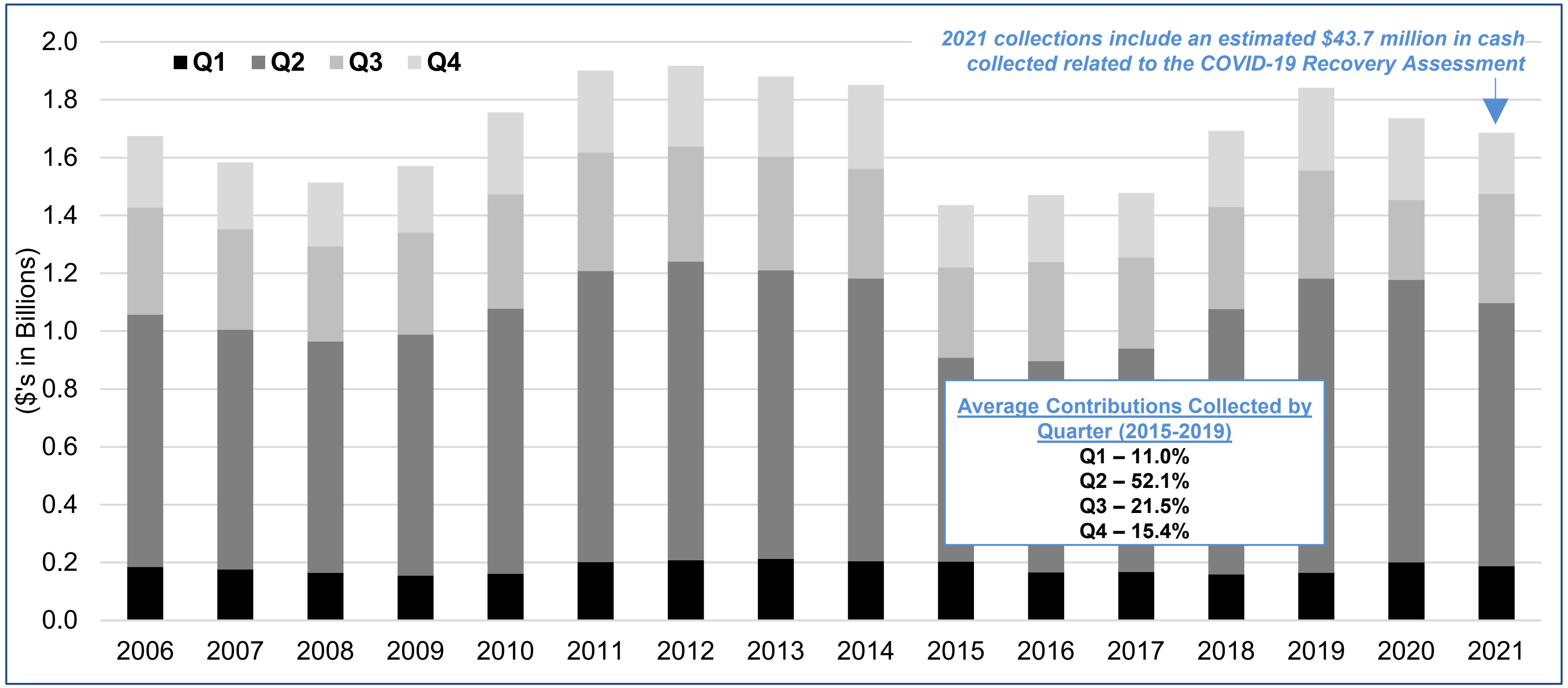
Key Takeaways

- Quarterly contributions are due the last day of the month *after* the quarter ends, as summarized below
  - If due date falls on a holiday or weekend, it is the next business day

Employer Contribution Payment	Accrual Dates	Due Date	Quarter in Which Due Date Falls on a Cash Collection Basis
Q1	1/1-3/31	4/30	Q2
Q2	4/1-6/30	7/31	Q3
Q3	7/1-9/30	10/31	Q4
Q4	10/1-12/31	1/31	Q1

- The graph at right illustrates annual SUTA Taxes collected from 2006-2021
  - Cash collection basis
  - Majority of collections occur in Q2, which generally reflects amounts due on April 30th for Q1 accruals

Historical SUTA Tax Revenues (2006-2021)



Source: TreasuryDirect; all amounts are shown on a cash collection basis; represents SUTA Taxes after certain adjustments for amounts incorrectly tagged as SUTA Taxes in TreasuryDirect (2020) and overpayments due to the recalculation of the Solvency Assessment (2021)

Collection of Employer Contributions

- An Annual Rate Notice notifying employers of their contribution rates for the year is due from DUA no later than April 20th (though DUA targets issuing the notice in December of the prior calendar year)
- For each quarter, employers are required to file quarterly employment and wage detail reports on UI Online which indicate the amount of gross and taxable wages paid, and UI Online applies each employer's contribution rate to such amounts to arrive at the contributions due for the quarter (including the SUTA Tax, COVID-19 Recovery Assessment, EMAC and WTFP, and adjusted for the Solvency Assessment)
- For unpaid amounts, DUA uses various enforcement tools, and interest accrues at 12% per year until fully paid

Collection Rate by the Due Date (%)[1]				
Year	Q1	Q2	Q3	Q4
2006	94.1	89.4	92.7	93.3
2007	94.6	89.7	93.0	92.7
2008	94.1	89.1	91.8	88.1
2009	92.2	83.8	84.1	93.1
2010	90.6	93.0	95.8	95.5
2011	95.7	92.9	95.8	95.7
2012	94.9	93.0	96.5	96.4
2013	96.7	94.0	97.1	96.8
2014	95.5	95.2	96.6	96.5
2015	97.4	94.6	96.9	95.7
2016	97.3	95.4	97.5	97.3
2017	97.4	94.0	96.9	96.0
2018	97.4	95.6	97.2	97.3
2019	97.4	96.2	97.3	97.5
2020	97.5	96.1	96.5	96.5
2021	99.2	95.9	96.6	97.0
Quarterly Avg. = 94.8% ***Total = 95.1%***				

Collection Rate To-Date (%)				
Year	Q1	Q2	Q3	Q4
2006	99.8	99.6	99.5	99.6
2007	99.8	99.6	99.5	99.5
2008	99.8	99.5	99.5	99.4
2009	99.8	99.6	99.3	99.1
2010	99.7	99.4	99.1	99.2
2011	99.7	99.5	99.2	99.1
2012	99.6	99.5	99.2	99.2
2013	99.7	99.4	99.4	99.2
2014	99.7	99.4	99.3	99.1
2015	99.8	99.6	99.4	99.4
2016	99.7	99.5	99.4	99.4
2017	99.8	99.6	99.5	99.4
2018	99.8	99.6	99.5	99.6
2019	99.7	99.5	99.3	99.2
2020	99.7	99.1	99.2	99.0
2021	99.6	98.5	97.2	98.4
Quarterly Avg. = 99.4% ***Total = 99.6%***				

Source: DUA; as of June 16, 2022; based on employer filings and contributions for private contributory employers only; represents collections of the SUTA Tax only, and does not include collections of the COVID-19 Recovery Assessment (in 2021) or other amounts charged; data for each period of time is a retroactive snapshot of activity as of June 16, 2022; potential sources of variances are early system issues, data conversions, employer wage and payment adjustments and debt write-offs that occurred prior to June 16, 2022

[1] Reflects any applicable extensions and/or weekends

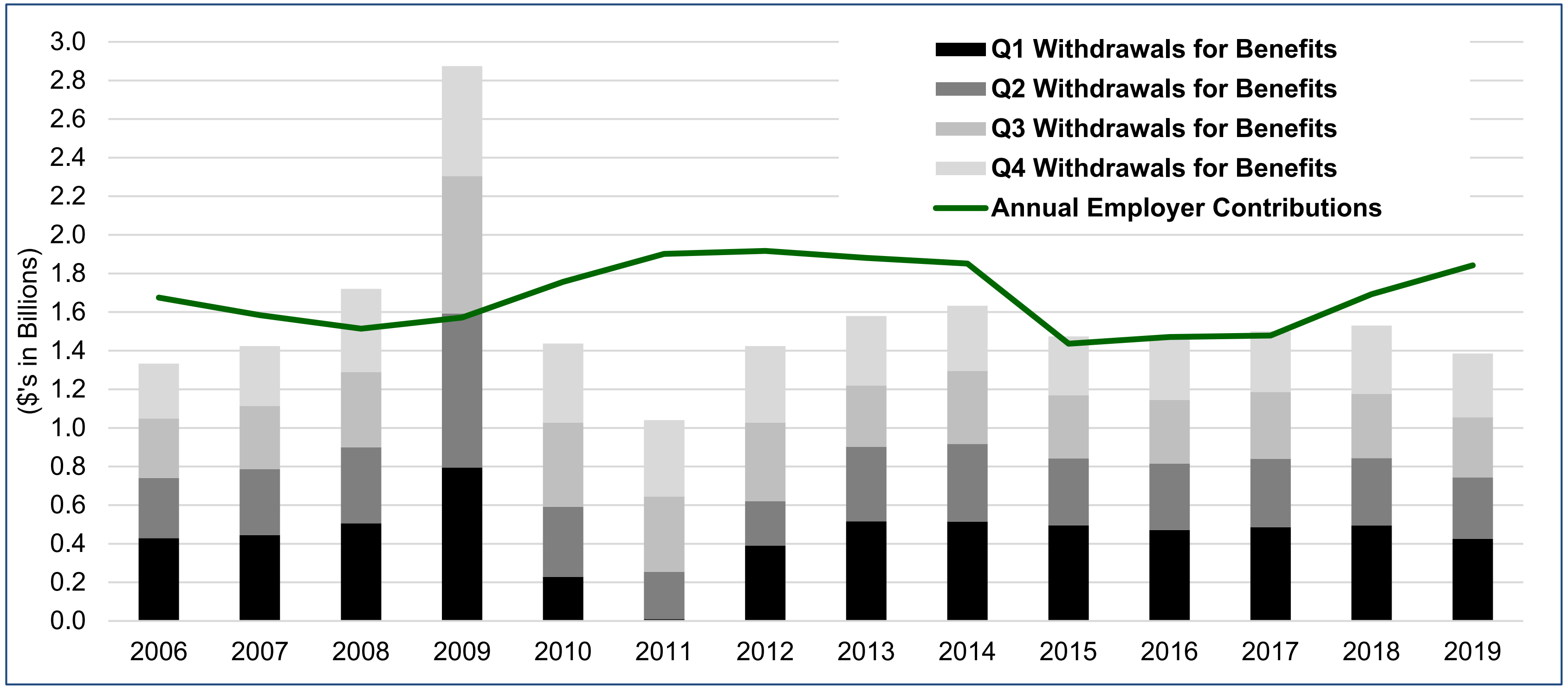
- ✓ As further described on page 36 of the POS, during the pandemic the Commonwealth adopted a number of measures intended to alleviate the impact of COVID-19 on employers within the Commonwealth including deferral of certain enforcement actions related to unpaid SUTA Taxes through the end of calendar year 2022
- ✓ **As of June 16, 2022, 99.6% of all amounts due since 2006 have been collected by DUA**

Historical Benefit Payments

Key Takeaways

- The Massachusetts UI Program has typically provided an average of $1.5 billion in state-funded annual benefit payments to qualified unemployed workers
- During the last recession, annual benefit payments peaked in 2009 at nearly $3 billion
- As a result of the COVID-19 pandemic, DUA paid over $33.5 billion in total state and federal benefits – $21.3 billion in 2020 and $12.2 billion in 2021
- $718.8 million of benefits have been paid YTD 2022 (through May 31)

Historical UITF Withdrawals for Benefit Payments[1] (2006-2019)



Source: TreasuryDirect; all amounts are shown on a cash basis

[1] Excludes benefit payments made from Federal Advances totaling $387.3 million in 2010, $371.5 million in 2011, $197.5 million in 2012 and $10.9 million in 2013

Impact of COVID-19 on Massachusetts Unemployment

Key Takeaways

- As a result of the COVID-19 pandemic, the seasonally-adjusted unemployment rate in Massachusetts increased to a peak of 17.1% in April 2020, compared to 2.9% in March 2020
  - Preliminary estimate of 3.9% for May 2022
- As a result of high unemployment and after depleting its UITF, the Commonwealth borrowed $2.268 billion of Federal Advances

Funding History of the UITF ($'s in 000's, 2006-YTD 2022)

						Federal Advances			
Year	Contribution Rate Schedule	Total Receipts[1]	Total Withdrawals[2]	Net Annual Flows	UITF Balance	Amounts Borrowed	Repayments of Amounts Borrowed	Outstanding Balance	Net UITF Balance
2006	D	$ 1,780,241	$ (1,342,466)	$ 437,775	$ 994,345	$ -	$ -	$ -	$ 994,345
2007	D	1,740,487	(1,444,534)	295,953	1,290,297	-	-	-	1,290,297
2008	D	1,682,142	(1,730,683)	(48,542)	1,241,756	-	-	-	1,241,756
2009	E	1,887,481	(2,895,074)	(1,007,594)	234,162	-	-	-	234,162
2010	E	1,833,776	(2,049,715)	(215,939)	18,223	387,313	(387,313)	-	18,223
2011	E	1,957,374	(1,781,752)	175,622	193,845	718,835	(718,835)	-	193,845
2012	E	1,976,357	(1,789,549)	186,808	380,653	337,769	(337,769)	-	380,653
2013	E	1,932,948	(1,606,299)	326,649	707,302	10,911	(10,911)	-	707,302
2014	E	1,895,621	(1,653,633)	241,988	949,290	-	-	-	949,290
2015	C	1,492,729	(1,516,232)	(23,503)	925,787	-	-	-	925,787
2016	C	1,523,704	(1,474,799)	48,905	974,691	-	-	-	974,691
2017	C	1,536,988	(1,512,884)	24,104	998,796	-	-	-	998,796
2018	D	1,751,999	(1,537,888)	214,111	1,212,906	-	-	-	1,212,906
2019	E	1,907,686	(1,395,384)	512,302	1,725,208	-	-	-	1,725,208
2020	E	2,399,947	(4,091,627)	(1,691,680)	33,528	2,201,222	-	2,201,222	(2,167,693)
2021	E	3,494,224	(674,251)	2,819,974	2,853,502	66,794	-	2,268,015	585,487
2022	E	1,221,757	(1,187,320)	34,437	2,887,940	-	(500,000)	1,768,015	1,119,924

Source: TreasuryDirect as of May 31, 2022; reflects data as of December 31 of each year; represents amounts in the UITF only, and excludes any amounts in the Benefits Account or Clearing Account

[1] Primarily derived from SUTA Tax contributions, but also includes earnings on the balance in the UITF and other deposits into the UITF; other deposits in 2020 and 2021 include overpayments which were retained as employer credits, amounts returned from the Benefits Account, and reimbursements of amounts utilized to pay federal benefits

[2] Primarily derived from withdrawals for benefit payments, but also includes other outflows from the UITF

- ✓ ***$2.268 billion borrowed from June 2020 to April 2021***
- ✓ ***$500 million repaid from ARPA funds on March 25, 2022***
- ✓ ***Remaining balance (and accrued interest) to be repaid with proceeds of the 2022 Bonds***

The UI Improvement Act

Key Takeaways

- On April 1, 2021, Governor Baker signed the UI Improvement Act into law
- **The UI Improvement Act provided relief to Commonwealth employers in five key ways**

Rate Schedule Freeze	▪ Froze employer contributions for 2021 and 2022 at rate Schedule E, which was initially expected to reduce total employer contributions by over $1 billion in these years ▪ With an insolvent UITF at the end of calendar year 2020, the highest rate of employer contributions (Schedule G, a nearly 30% increase in rates versus Schedule E) would have been triggered for 2021
2021 Solvency Assessment Adjustment	▪ Removed COVID-19 related charges from the Solvency Account and charged them to a newly created COVID-19 Relief Account, which resulted in the 2021 Solvency Assessment decreasing from 9.23% to 1.12% ▪ Resulted in the creation of approximately $622.5 million of credits for employers due to overpayments at the higher SUTA Tax rate that embedded the 9.23% Solvency Assessment ▪ Allowed DUA to replenish approximately $3.263 billion of employer account reserve balances, which on average reduced 2021 and 2022 SUTA Tax rates
Contribution Rate Adjustment	▪ Delivered new rate notices to every employer that recalculated Q1/Q2 2021 contributions using adjusted rates which accounted for the 2021 Solvency Assessment Adjustment and included the 2021 COVID-19 Recovery Assessment ▪ Credits derived from the Solvency Assessment adjustment were applied to the recalculated SUTA Tax and COVID-19 Recovery Assessment (and will be applied to future amounts due until extinguished); as of May 31, 2022, approximately $125 million of such credits remain ▪ In addition to the credits created due to the aforementioned rate recalculation, credits can be created in an employer's account for other reasons; EOLWD does not track credits separately based on how or when they were created; when combined with other credits, there are an estimated $181 million of credits outstanding as of May 31, 2022
Repayment of Federal Advances	▪ Emphasized the importance of repaying outstanding Federal Advances prior to the November 10, 2022, trigger date, and created a mechanism to do so ▪ Repaying Federal Advances prior to November 10, 2022, prevents the Commonwealth from becoming a Credit Reduction State in 2023, which would cause Commonwealth employers to lose certain FUTA Tax Credits
Bonding	▪ Authorized the issuance of up to $7 billion in special obligation revenue bonds to repay Federal Advances and pay certain other amounts, controlling the near-term impact on employers

3) Bond Security Features

Key Bond Security Features Under the Trust Agreement

Key Takeaways

- In addition to the UI Improvement Act, the Bonds are governed by a Trust Agreement between the Commonwealth and the Trustee

Key Provisions of the Trust Agreement	
Security	▪ Special limited obligations of the Commonwealth, payable from and secured solely by a pledge of Pledged Funds ▪ Not general obligations of the Commonwealth, and not secured by the full faith and credit of the Commonwealth ▪ Payment of debt service is not subject to appropriation by the Massachusetts Legislature
Pledged Funds	▪ Pledged Funds are moneys received or to be received by the Commonwealth from the COVID-19 Recovery Assessment, which is charged to all experience-rated, private contributory employers in the Commonwealth ▪ The Secretary of Labor has agreed to hold Pledged Funds in and disburse Pledged Funds from the Special Contribution UCTF, as further detailed in the Financing Agreement
Intra-year Retained Revenues	▪ Provides incremental coverage of debt service payments due in the second half of the year, addressing the fact that more contributions are received earlier in the calendar year ▪ Requires that 10% of the Bond Debt Service Requirement for the next January 15th payment be retained in the Revenue Fund after the June Calculation Date rather than be transferred to the Redemption Fund as Excess Pledged Funds ▪ Calculation mechanism requires that additional revenues be retained if coverage targets are not expected to be met on the June Calculation Date
Commonwealth Covenants	So long as any Bonds are outstanding, the Commonwealth covenants to (among other provisions): ▪ Assess employers a COVID-19 Recovery Assessment at least equal to the Minimum Annual Assessment, which is an amount that generates Pledged Funds of not less than 1.25x the annual Adjusted Bond Debt Service Requirement; ▪ Not take any action that would impair the rights and remedies of the owners of the 2022 Bonds; and ▪ Not divert the COVID-19 Recovery Assessment from the Special Contribution UCTF, except to be transferred to the Revenue Fund, as provided in the Trust Agreement
Additional Bonds	▪ Additional Bonds may be issued, subject to certain requirements

Key Terms of the Financing Agreement

Key Takeaways

- Also important is the agreement among TRE, EOLWD and DUA (the "Financing Agreement")
- Documents the rate-setting and collections process
- Provides that the COVID-19 Recovery Assessment has collection priority over regular SUTA Tax collections
- Certain EOLWD/DUA covenants mimic the Trust Agreement, and others are additive

- All parties agree that: (i) the Financing Agreement is a legal, valid and binding obligation; and (ii) the covenants and agreements it includes are for the benefit of the Trustee and Bondholders, as provided in the Trust Agreement

Obligations of TRE	Select Obligations of EOLWD and DUA
• Agrees to, no later than 5 Business Days after December 1st of each year, provide DUA written notice specifying (i) the Adjusted Bond Debt Service Requirement for the next Bond Year, and (ii) the Minimum Annual Assessment for the following Assessment Year	• Assess, collect, enforce and administer the COVID-19 Recovery Assessment • **Assess experience-rated, private contributory employers a COVID-19 Recovery Assessment by March 1st in each Assessment Year that is not less than the Minimum Annual Assessment (based on TRE's estimate)** • Collect and deposit all COVID-19 Recovery Assessments into the Special Contribution UCTF no later than two Business Days after receipt, and cause such amounts to be transferred to the Revenue Fund on a daily basis • **Prioritize employer receipts such that cash received in each quarter is first deemed allocable to the COVID-19 Recovery Assessment and then to the regular SUTA Tax** • Deliver certain reports/notices to various parties: – To the Trustee within two Business Days after the end of each month, a certificate as to COVID-19 Recovery Assessments collected – To TRE within 30 days of each quarterly due date, a report of COVID-19 Recovery Assessments collected versus billed – To TRE by May 15th and November 15th, certain datapoints related to cash flow projections – To TRE, A&F and the Trustee, notice of any changes to the taxable wage base or the method for determining the SUTA Tax Rate • Not limit or alter the rights vested in the Commonwealth to collect Pledged Funds and deposit such amounts as provided in the Trust Agreement, and not impair the rights and remedies of the Trustee and Bondholders • Assist with reporting and continuing disclosure requirements

Pledged Funds Provide Superior Bondholder Security

Key Takeaways

- The crux of the security package is Pledged Funds, which consist of the COVID-19 Recovery Assessment charged to experience-rated, private contributory employers in Massachusetts
- The Commonwealth covenants to assess employers in each Assessment Year a COVID-19 Recovery Assessment at least equal to the Minimum Annual Assessment
  - Minimum Annual Assessment is the amount expected to generate Pledged Funds at least equal to 1.25x the annual Adjusted Bond Debt Service Requirement

Assessment Base

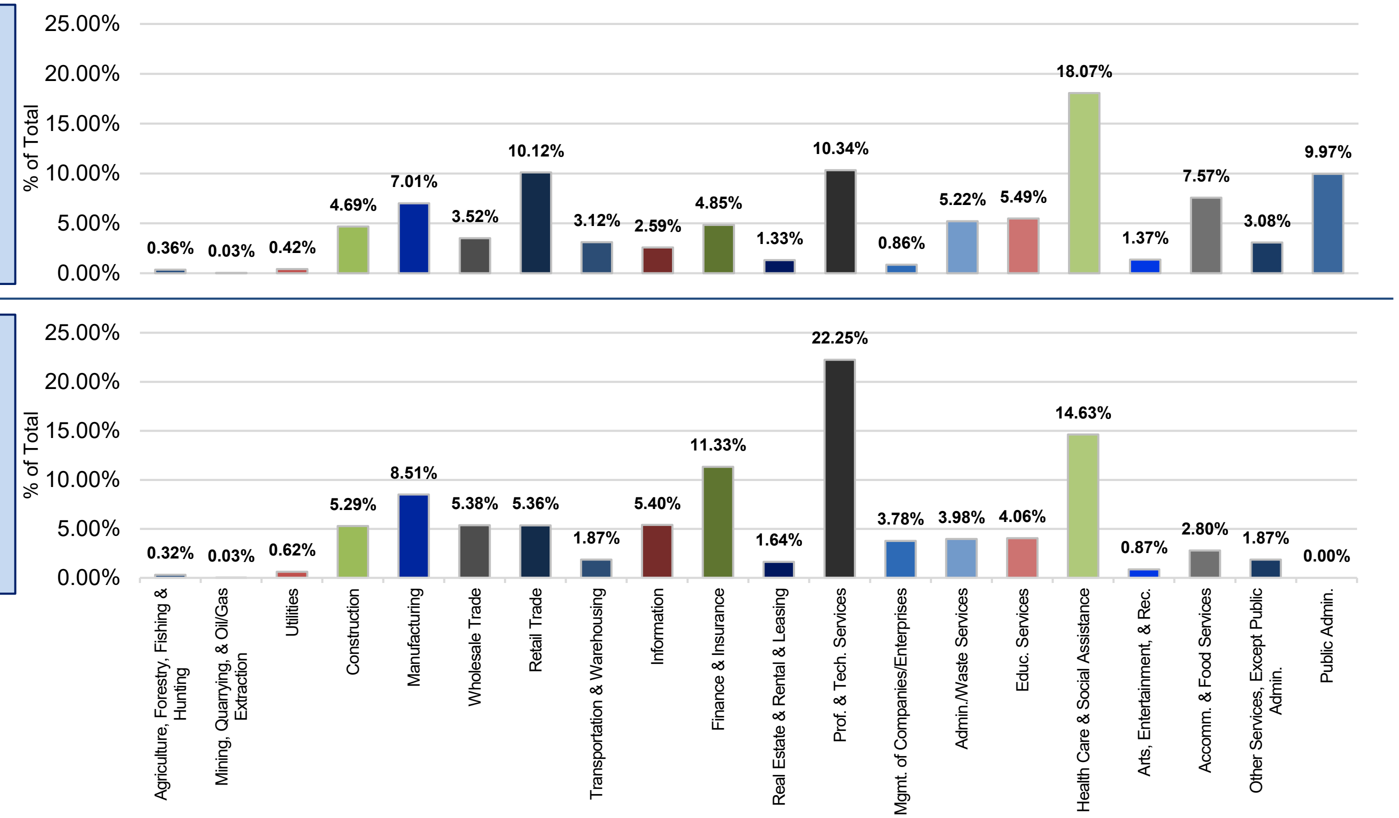
- Levied on over 184,000 contributing Commonwealth employers
- Private contributory taxable wages totaled $45.6 billion in 2021 and have grown at a CAGR of 1.6% since 2006
- Well-balanced employer base, with diversity across many sectors
- Will be similarly levied on future employers who are entitled to an experience rating

Employment by Industry
(Private Sector and Gov't, 2021)

Est. # of Employers = 250,000

Total Wages by Industry
(Private Sector Only, 2021)

2021 Private Contributory Total Wages = $234.5 Billion



Source: DER, BLS, QCEW; statistics as of calendar year end

Pledged Funds Provide Superior Bondholder Security

Key Takeaways

- The COVID-19 Recovery Assessment is charged to experience-rated, private contributory employers in Massachusetts
- The Commonwealth covenants to assess employers in each Assessment Year a COVID-19 Recovery Assessment at least equal to the Minimum Annual Assessment
- Leverages established and proven collection mechanics for state unemployment taxes

Rate-Setting, Billing and Collection Mechanics	▪ Rate is set annually at the beginning of each year, as prescribed in the Trust and Financing Agreements – No limitations (statutory or otherwise) on the level of the rate (only limitation relates to linkage to debt service) ▪ Billed to employers at the same time as the SUTA Tax ▪ Collected similarly to regular SUTA Tax collections and subject to the same enforcement penalties ▪ Under the Financing Agreement, represents the first funds collected from each employer (priority over SUTA Tax)
Flow of Funds	▪ Collected by EOLWD (via the Clearing Account, which takes receipt of all employer contributions) and deposited into the Special Contribution UCTF within two Business Days of receipt ▪ On a daily basis, EOLWD transfers such amounts to the Trustee for deposit in the Revenue Fund ▪ Funds are transferred to the Debt Service Fund 45 days prior to each semi-annual Debt Service Payment Date
Use of Funds	▪ COVID-19 Recovery Assessment can only be used to pay bond debt service and bond-related expenses ▪ Excess Pledged Funds will be used to redeem Bonds per the Trust Agreement to accelerate the retirement of debt

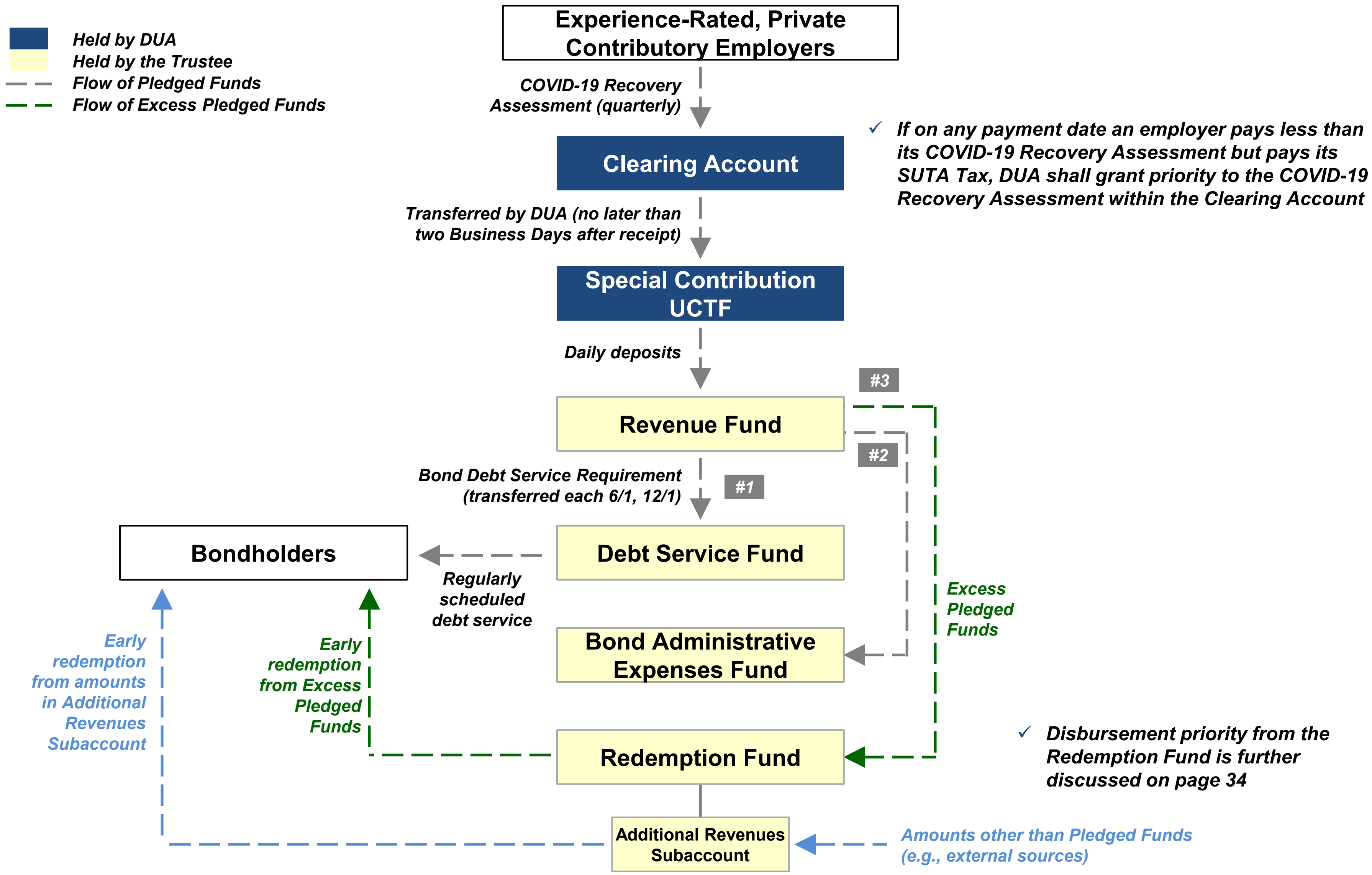
Predictability of Revenues	▪ Collections of the COVID-19 Recovery Assessment are expected to mimic SUTA Tax trends
	▪ SUTA Tax revenues are predictable both in timing and amount, even amidst periods of economic distress
	  – On average, 94.8% of amounts are collected by the due date
	  – As of June 16, 2022, 99.6% of all amounts due since 2006 have been collected by DUA
	  – Despite the onset of COVID-19 occurring at the worst possible time from a collection standpoint (where the rate had already been set, but amounts weren't yet due) – 2020 collections remained high, around average collection rates

Proven Collections History	▪ In addition to a proven history of SUTA Tax collections, there is a track record of collecting the COVID-19 Recovery Assessment (unique versus other states' prior UI bond financings) ▪ COVID-19 Recovery Assessment was first assessed in 2021 and 99.2% of amounts owed have been collected through June 16, 2022

Flow of Funds for the Bonds

Key Takeaways

- Daily deposits are made from the Special Contribution UCTF to the Revenue Fund
- Funds are transferred from the Revenue Fund on each Calculation Date (June 1st and December 1st) in the following order of priority:
  - i. Debt Service Fund
  - ii. Bond Administrative Expenses Fund
  - iii. Redemption Fund
- Funds for debt service will be on hand in the Debt Service Fund 45 days prior to each Debt Service Payment Date



Note: Though such funds are established under the Trust Agreement, excludes the Debt Service Reserve Fund (as there is no Debt Service Reserve Fund Requirement) and Rebate Fund (given taxable nature of the 2022 Bonds)

Determination of Excess Pledged Funds

- Excess Pledged Funds are established on June 1st (the "**June Calculation Date**") and December 1st (the "**December Calculation Date**")
- On each Calculation Date, the Trustee shall:
  i. Deposit the Bond Debt Service Requirement for the next Debt Service Payment Date in the Debt Service Fund
  ii. Transfer Excess Pledged Funds (as determined by TRE) from the Revenue Fund to the Redemption Fund, which amounts will be utilized to redeem Bonds per the Trust Agreement prior to their stated maturity date

Determination of Excess Pledged Funds

6/1

- TRE, A&F and DUA shall provide a Certified Projection to the Trustee which compares Projected COVID-19 Recovery Assessments (expected to be received between June 1 and December 1) to the Required Coverage Amount

  Required Coverage Amount = ***125% of the Bond Debt Service Requirement for January 15th***

  – If Projected COVID-19 Recovery Assessments *exceed* the Required Coverage Amount, **Excess Pledged Funds** will equal:

  Remaining amounts in the Revenue Fund LESS ***Intra-year Retained Revenues***

  – If Projected COVID-19 Recovery Assessments *do not exceed* the Required Coverage Amount, Additional Intra-year Retained Revenues shall be identified that, when added to Projected COVID-19 Recovery Assessments, exceed the Required Coverage Amount and **Excess Pledged Funds** will equal:

  Remaining amounts in the Revenue Fund LESS ***Intra-year Retained Revenues*** LESS ***Additional Intra-year Retained Revenues***

  – If the Required Coverage Amount cannot be proven, no amounts shall be considered Excess Pledged Funds and moved to the Redemption Fund

12/1

- **Excess Pledged Funds** will equal:

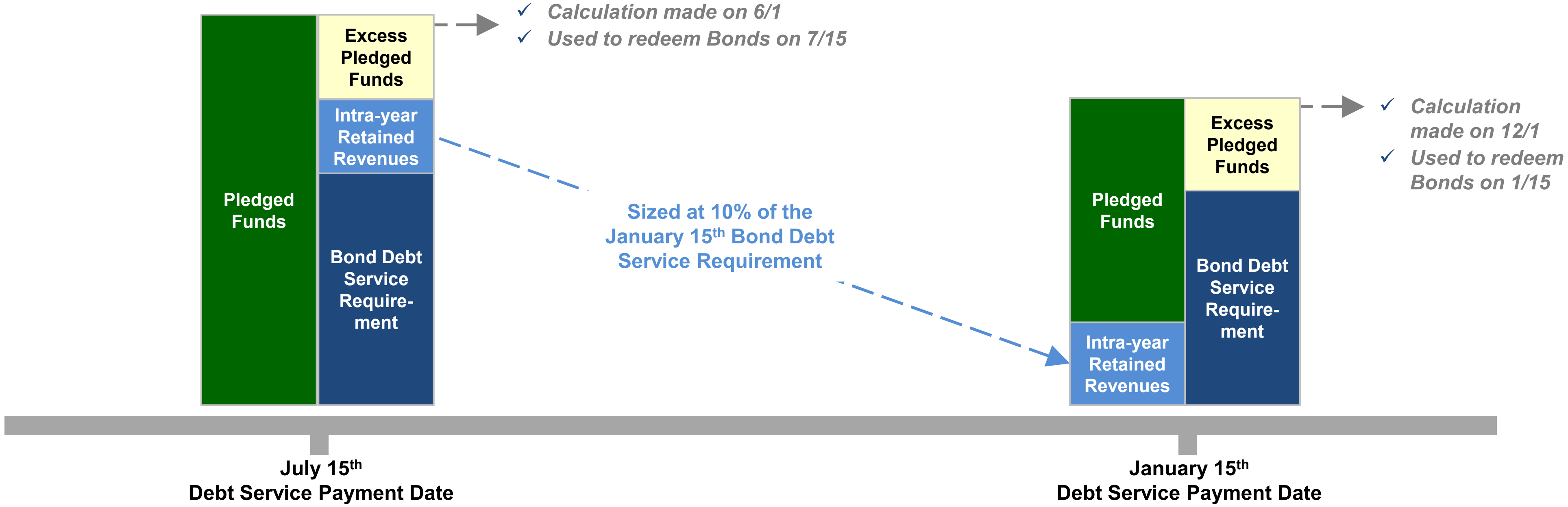
  Remaining amounts in the Revenue Fund LESS ***December Retained Revenues***

Key Terms and Calculations

- **Bond Debt Service Requirement**: Stated debt service on the Bonds, adjusted for any mandatory sinking fund payments, capitalized interest (if any) and fund earnings
- **Adjusted Bond Debt Service Requirement**: The Bond Debt Service Requirement, adjusted for any anticipated redemption of Bonds on the immediately succeeding January 15th Debt Service Payment Date from amounts deemed or to be deemed as Excess Pledged Funds
- **Projected COVID-19 Recovery Assessments**: COVID-19 Recovery Assessments that are, as of the Projection Date, expected to be collected between the June Calculation Date and December Calculation Date
- **Required Coverage Amount**: 125% of the Bond Debt Service Requirement for the next January 15th payment
- **Intra-year Retained Revenues**: 10% of the Bond Debt Service Requirement for the next January 15th payment
- **Additional Intra-year Retained Revenues**: When combined with Projected COVID-19 Recovery Assessments, an amount that equals or exceeds the Required Coverage Amount; no limit on such amount
- **December Retained Revenues**: Any amount declared by TRE

Intra-year Retained Revenues

- **Intra-year Retained Revenues** = 10% of the Bond Debt Service Requirement for the next January 15th payment; calculation is made each June 1st
- Under the Trust Agreement, Intra-year Retained Revenues will be retained in the Revenue Fund after the June Calculation Date, rather than deemed Excess Pledged Funds and transferred to the Redemption Fund
  - If the Commonwealth does not expect that Projected COVID-19 Recovery Assessments to be collected will at least equal 125% of the Bond Debt Service Requirement for the next January 15th payment, mechanism exists to require that a sufficient incremental amount is retained in the Revenue Fund as Additional Intra-year Retained Revenues
- Acts as a mid-year liquidity reserve fund and controls the amount of Pledged Funds that can be deemed as Excess Pledged Funds semi-annually and used to redeem Bonds per the Trust Agreement
- Addresses the fact that, on average, 63% of contributions are received in the first half of the calendar year



- ✓ ***Contributes to strong semi-annual coverage by providing incremental coverage of 0.10x for the January 15th payment – combined coverage of 1.35x***
- ✓ ***Calculation is done on the Bond Debt Service Requirement (and not adjusted for interest savings associated with amounts redeemed on July 15th from Excess Pledged Funds), thus the amount carried forward is nominally higher than the amounts ultimately due on January 15th***

Note: Example assumes no Additional Intra-year Retained Revenues are needed

Annual Timeline of Key Dates

Key Takeaways

- **Assessment Year**
  January 1 – December 31
- **Bond Year**
  January 16 – January 15

Month	Day	Event
January	1	▪ Effective date of new rates for the Assessment Year
	15	▪ Pay regularly scheduled debt service from Debt Service Fund ▪ Redeem Bonds with Excess Pledged Funds in the Redemption Fund per the Trust Agreement
	31	▪ Prior year's Q4 COVID-19 Recovery Assessment/SUTA Tax due
March	1	▪ Deadline per Financing Agreement for communicating the COVID-19 Recovery Assessment for the Assessment Year
April	20	▪ Statutory deadline for communicating SUTA Tax rates to employers for the Assessment Year
	30	▪ Q1 COVID-19 Recovery Assessment/SUTA Tax due
May	By 15	▪ DUA delivers certificate to TRE with certain information to assist with the Certified Projection
June	1 *June Calculation Date*	▪ Bond Debt Service Requirement transferred from Revenue Fund to Debt Service Fund ▪ Deliver Certified Projection ▪ Determine Excess Pledged Funds and transfer from Revenue Fund to Redemption Fund
	By 26	▪ Deliver redemption notice related to bonds to be redeemed early on July 15th from amounts on deposit in the Redemption Fund
July	15	▪ Pay regularly scheduled debt service from Debt Service Fund ▪ Redeem Bonds with Excess Pledged Funds in the Redemption Fund per the Trust Agreement
	31	▪ Q2 COVID-19 Recovery Assessment/SUTA Tax due
September	30	▪ Computation date to determine (i) UITF balance from which to establish employer rate schedule for next Assessment Year, and (ii) employer experience rating for next Assessment Year
October	31	▪ Q3 COVID-19 Recovery Assessment/SUTA Tax due
November	By 15	▪ DUA delivers certificate to TRE with certain information to assist in determining the Minimum Annual Assessment
December	1 *December Calculation Date*	▪ Bond Debt Service Requirement transferred from Revenue Fund to Debt Service Fund ▪ Determine Excess Pledged Funds and transfer from Revenue Fund to Redemption Fund
	5 Business Days After 12/1	▪ TRE delivers written notice to DUA providing the Minimum Annual Assessment for the next Assessment Year
	By 26	▪ Deliver redemption notice related to bonds to be redeemed early on January 15th from amounts on deposit in the Redemption Fund
	By 31	▪ Target date for communicating COVID-19 Recovery Assessment and SUTA Tax rates to employers for next Assessment Year

Additional Legal Protections

- **Non-impairment provisions in the Trust Agreement stipulate that, while Bonds are outstanding, the Commonwealth covenants to**:
  - Defend, preserve and protect the pledge of Pledged Funds and the rights of Bondholders under the Trust Agreement
  - Not limit or alter the rights to fulfill the terms of its agreements with owners of the Bonds
  - Not divert the COVID-19 Recovery Assessment from the Special Contribution UCTF, except to be transferred to the Revenue Fund, as provided in the Trust Agreement
- **Additional indebtedness**:
  - Additional Bonds may be issued if no Event of Default has occurred and is continuing
  - The amount of Additional Bonds and any Bonds Outstanding (accounting for any refundings) shall not be in excess of any Bond Authorizations
  - Any Additional Bonds must adhere to the terms of the Trust Agreement and Financing Agreement, and future COVID-19 Recovery Assessments would be assessed to take into account such Additional Bonds
  - If Super Sinker Bonds are then Outstanding, a certificate of the Treasurer that the expected average life of each Super Sinker Bond that will remain Outstanding after the date of issuance of any Additional Bonds, taking into account the issuance of the Additional Bonds, will not exceed the remaining expected average life of each such Super Sinker Bond, as computed by the Treasurer on the date of issuance of the Additional Bonds, assuming that no such Additional Bonds are issued
- **Limited current legislative authority to issue bonds**:
  - $7 billion current cap on issuance (excluding refunding bonds)

4) Plan of Finance

Overview of the 2022 Bonds

Key Takeaways

- In aggregate, the Commonwealth is selling $2.7* billion of 2022 Bonds to:
  - Repay $1.768 billion in Federal Advances plus accrued interest
  - Fund an approximate $887* million deposit to the UITF
- Bonds are structured for semi-annual principal, beginning July 15, 2023
- Structure assumes non-callable bonds and Super Sinker Bonds (whose repayment is expected to be accelerated from Excess Pledged Funds)
- Final stated maturity of July 15, 2033*, with projected final repayment of January 15, 2033*

Sources and Uses of Funds*

Sources of Funds	
Principal	$2,700,000,000
Net Premium/(Discount)	---
Total	**$2,700,000,000**
Uses of Funds	
Repayment of Federal Advances[1]	$1,799,435,449
Deposit to UITF	887,064,551
Costs of Issuance	13,500,000
Total	**$2,700,000,000**

[1] Includes accrued interest

Key Statistics*

	Series A Bonds	Series B Bonds
First Interest Payment Date	1/15/2023	1/15/2023
Final Maturity Date (Stated)	1/15/2033	7/15/2033
Final Maturity Date (Projected)	1/15/2033	1/15/2033
Average Life (Stated)	4.58 Years	10.95 Years
Average Life (Projected)	4.58 Years	4.34 Years

Product Mix*

Series	Product	Par Amount	Stated Amortization	Redemption Features
Series A Bonds	Non-Callable Bonds	$1,977,735,000	7/15/2023-1/15/2033	▪ Subject to make-whole call
Series B Bonds	Super Sinker Bonds	722,265,000	7/15/2033	▪ Subject to special mandatory redemption from Excess Pledged Funds ▪ Subject to catch-up optional redemption at par ▪ Subject to make-whole call
Total		**$2,700,000,000**	**7/15/2023-7/15/2033**	

* Preliminary, subject to change

The projected final maturity date and average life of the Series B Bonds assumes the receipt of Excess Pledged Funds in accordance with the projections, schedules and other structuring assumptions set forth in the POS; such redemptions are not scheduled amortization payments and will only be made from Excess Pledged Funds, if any; no assurance can be given that any of the structuring assumptions, projections or the anticipated amounts of Excess Pledged Funds will be realized

Key Structuring Assumptions

Taxable Wages	▪ Per information provided by DUA on May 25, 2022, filed Q1 2022 wages for private contributory employers totaled nearly $28.0 billion; DUA estimates that approximately 57.3% of taxable wages were historically realized in Q1 for the period from 2015 to 2019, which implies projected annualized total taxable wages for private contributory employers in 2022 of $48.8 billion (7.0% growth from actual 2021 taxable wages) ▪ For years after 2022, 1.0% annual growth in taxable wages is assumed from this annualized 2022 estimate
Establishing the COVID-19 Recovery Assessment Annually	▪ Under the Trust Agreement, the Commonwealth has covenanted to assess experience-rated, private contributory employers a COVID-19 Recovery Assessment that generates Pledged Funds of not less than the Minimum Annual Assessment, which must be at least 125% of the annual Adjusted Bond Debt Service Requirement and Bond Administrative Expenses (see below)
Bond Administrative Expenses	▪ While the Minimum Annual Assessment also considers any Bond Administrative Expenses due in a Bond Year, no Bond Administrative Expenses are assumed to be paid from Pledged Funds through final maturity of the Bonds
Monthly Receipts	▪ Monthly receipts of the COVID-19 Recovery Assessment are forecasted based on actual average historical collections of the Commonwealth's SUTA Tax from 2015 to 2019
Collection Rate	▪ 98% collection rate assumed in establishing the COVID-19 Recovery Assessment each year and in estimating amounts to be collected
Funds on Hand	▪ On the date of delivery of the 2022 Bonds, an estimated $72.8* million is expected to be transferred from the Special Contribution UCTF to the Revenue Fund, representing the portion of collections of the 2022 COVID-19 Recovery Assessment that are expected to have been deposited into the Special Contribution UCTF by the date of delivery; as of June 13, 2022, $58.2 million is in the Special Contribution UCTF ▪ The transferred amount will be used to pay interest on the 2022 Bonds on January 15, 2023, and the remainder is expected to remain in the Revenue Fund as December Retained Revenues on December 1, 2022
Intra-year Retained Revenues	▪ On each June Calculation Date, the Commonwealth shall retain 10% of the Bond Debt Service Requirement for the next January 15 Debt Service Payment Date in the Revenue Fund in lieu of transferring such amounts to the Redemption Fund as Excess Pledged Funds ▪ The projected debt service and debt service coverage schedules do not assume Additional Intra-year Retained Revenues will be necessary
December Retained Revenues	▪ On the December Calculation Date in 2022, the Commonwealth anticipates deeming all remaining amounts in the Revenue Fund as December Retained Revenues (and retaining such amounts in the Revenue Fund instead of releasing them as Excess Pledged Funds) ▪ The projected debt service and debt service coverage schedules do not assume amounts are deemed as December Retained Revenues in subsequent years, although the Treasurer retains the discretion to deem any amounts as December Retained Revenues under the Trust Agreement
Interest Earnings	▪ Does not account for any interest earnings in the Revenue Fund, Debt Service Fund or Redemption Fund

* Preliminary, subject to change

Stated and Projected Debt Service

Stated Debt Service by Series* ($'s in 000's)

Avg. Life:	4.6 Years			11.0 Years			6.3 Years		
	Series A Bonds			Series B Bonds			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
Date	$ 1,977,735	$ 429,885	$ 2,407,620	$ 722,265	$ 375,668	$ 1,097,933	$ 2,700,000	$ 805,553	$ 3,505,553
8/3/2022	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1/15/2023	-	42,274	42,274	-	15,438	15,438	-	57,713	57,713
7/15/2023	353,340	46,971	400,311	-	17,154	17,154	353,340	64,125	417,465
1/15/2024	203,690	38,579	242,269	-	17,154	17,154	203,690	55,733	259,423
7/15/2024	118,880	33,742	152,622	-	17,154	17,154	118,880	50,896	169,776
1/15/2025	49,230	30,918	80,148	-	17,154	17,154	49,230	48,072	97,302
7/15/2025	114,645	29,749	144,394	-	17,154	17,154	114,645	46,903	161,548
1/15/2026	53,775	27,026	80,801	-	17,154	17,154	53,775	44,180	97,955
7/15/2026	113,580	25,749	139,329	-	17,154	17,154	113,580	42,903	156,483
1/15/2027	55,310	23,052	78,362	-	17,154	17,154	55,310	40,205	95,515
7/15/2027	111,845	21,738	133,583	-	17,154	17,154	111,845	38,892	150,737
1/15/2028	55,405	19,082	74,487	-	17,154	17,154	55,405	36,235	91,640
7/15/2028	107,040	17,766	124,806	-	17,154	17,154	107,040	34,920	141,960
1/15/2029	53,455	15,224	68,679	-	17,154	17,154	53,455	32,377	85,832
7/15/2029	103,240	13,954	117,194	-	17,154	17,154	103,240	31,108	134,348
1/15/2030	55,880	11,502	67,382	-	17,154	17,154	55,880	28,656	84,536
7/15/2030	100,875	10,175	111,050	-	17,154	17,154	100,875	27,329	128,204
1/15/2031	55,065	7,779	62,844	-	17,154	17,154	55,065	24,933	79,998
7/15/2031	96,570	6,471	103,041	-	17,154	17,154	96,570	23,625	120,195
1/15/2032	53,770	4,178	57,948	-	17,154	17,154	53,770	21,332	75,102
7/15/2032	77,740	2,901	80,641	-	17,154	17,154	77,740	20,055	97,795
1/15/2033	44,400	1,055	45,455	-	17,154	17,154	44,400	18,208	62,608
7/15/2033	-	-	-	722,265	17,154	739,419	722,265	17,154	739,419

Projected Debt Service by Series* ($'s in 000's)

Avg. Life:	4.6 Years			4.3 Years			4.5 Years		
	Series A Bonds			Series B Bonds			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
Date	$ 1,977,735	$ 429,885	$ 2,407,620	$ 722,265	$ 148,950	$ 871,215	$ 2,700,000	$ 578,835	$ 3,278,835
8/3/2022	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
1/15/2023	-	42,274	42,274	-	15,438	15,438	-	57,713	57,713
7/15/2023	353,340	46,971	400,311	79,745	17,154	96,899	433,085	64,125	497,210
1/15/2024	203,690	38,579	242,269	92,915	15,260	108,175	296,605	53,839	350,444
7/15/2024	118,880	33,742	152,622	93,735	13,053	106,788	212,615	46,795	259,410
1/15/2025	49,230	30,918	80,148	38,605	10,827	49,432	87,835	41,745	129,580
7/15/2025	114,645	29,749	144,394	31,135	9,910	41,045	145,780	39,659	185,439
1/15/2026	53,775	27,026	80,801	32,920	9,171	42,091	86,695	36,197	122,892
7/15/2026	113,580	25,749	139,329	29,340	8,389	37,729	142,920	34,138	177,058
1/15/2027	55,310	23,052	78,362	31,540	7,692	39,232	86,850	30,744	117,594
7/15/2027	111,845	21,738	133,583	27,530	6,943	34,473	139,375	28,681	168,056
1/15/2028	55,405	19,082	74,487	30,475	6,289	36,764	85,880	25,371	111,251
7/15/2028	107,040	17,766	124,806	25,500	5,565	31,065	132,540	23,331	155,871
1/15/2029	53,455	15,224	68,679	28,840	4,960	33,800	82,295	20,183	102,478
7/15/2029	103,240	13,954	117,194	24,765	4,275	29,040	128,005	18,229	146,234
1/15/2030	55,880	11,502	67,382	25,810	3,686	29,496	81,690	15,189	96,879
7/15/2030	100,875	10,175	111,050	22,650	3,073	25,723	123,525	13,248	136,773
1/15/2031	55,065	7,779	62,844	24,845	2,536	27,381	79,910	10,315	90,225
7/15/2031	96,570	6,471	103,041	20,790	1,945	22,735	117,360	8,417	125,777
1/15/2032	53,770	4,178	57,948	23,180	1,452	24,632	76,950	5,630	82,580
7/15/2032	77,740	2,901	80,641	19,780	901	20,681	97,520	3,802	101,322
1/15/2033	44,400	1,055	45,455	18,165	431	18,596	62,565	1,486	64,051
7/15/2033	-	-	-	-	-	-	-	-	-

* Preliminary, subject to change

The projected final maturity date and average life of the Series B Bonds assumes the receipt of Excess Pledged Funds in accordance with the projections, schedules and other structuring assumptions set forth in the POS; such redemptions are not scheduled amortization payments and will only be made from Excess Pledged Funds, if any; no assurance can be given that any of the structuring assumptions, projections or the anticipated amounts of Excess Pledged Funds will be realized

Disbursements from the Redemption Fund

Disbursements from the Redemption Fund

- Under the Trust Agreement, amounts in the Redemption Fund constituting **Excess Pledged Funds** shall be applied by the Trustee as follows:
  - First, on each Debt Service Payment Date, for so long as any Super Sinker Bonds are Outstanding, to the redemption of Super Sinker Bonds in the inverse order of maturity of such Super Sinker Bonds, until no Super Sinker Bonds are then Outstanding; and
  - Second, at any time, but only if no Super Sinker Bonds are then Outstanding, in accordance with the direction of an Authorized Officer to (1) defease Bonds, (2) pay the optional redemption price of Bonds to be redeemed in accordance with the Applicable Supplemental Trust Agreement, (3) purchase Bonds on any date at such price or prices as an Authorized Officer directs, or (4) pay debt service on the Bonds
- The Commonwealth may from time to time, as permitted by law, deposit **amounts other than Pledged Funds** into a separate subaccount of the Redemption Fund entitled "Additional Revenues Subaccount"
  - For so long as Super Sinker Bonds are Outstanding under the Trust Agreement, amounts deposited in such Additional Revenues Subaccount may be applied in accordance with the direction of an Authorized Officer as follows:
    - i. With respect to Bonds other than Super Sinker Bonds, at any time, to (a) defease Bonds in inverse order of maturity, (b) pay the optional redemption price of Bonds to be redeemed in accordance with the Applicable Supplemental Trust Agreement in inverse order of maturity, or (c) purchase Bonds on any date at such price or as an Authorized Officer directs, in inverse order of maturity
    - ii. With respect to Super Sinker Bonds, to redeem Super Sinker Bonds on any Debt Service Payment Date, at the option and direction of an Authorized Officer, but only in a principal amount such that the Outstanding principal amount of the Super Sinker Bonds as of such Debt Service Payment Date, after taking into account the principal amount to be redeemed, together with any special mandatory redemption to occur on such Debt Service Payment Date from Excess Pledged Funds, is not less than the projected Outstanding principal amount of the Super Sinker Bonds as of such date, taking into account the projected special mandatory redemptions of the Super Sinker Bonds through such Debt Service Payment Date as set forth the Applicable Supplemental Trust Agreement pursuant to which such Super Sinker Bonds were issued, at a redemption price equal to 100% of the principal amount of such Super Sinker Bonds to be redeemed, plus accrued interest to but not including the redemption date, without premium
  - If no Super Sinker Bonds are then Outstanding under the Trust Agreement, amounts deposited in such Additional Revenues Subaccount may be applied in accordance with the direction of an Authorized Officer as follows, at any time to (1) defease Bonds, (2) pay the optional redemption price of Bonds to be redeemed in accordance with the Applicable Supplemental Trust Agreement, (3) purchase Bonds on any date at such price or prices as an Authorized Officer directs, or (4) pay debt service on the Bonds

Projected vs. Stated Amortization of the Series B Bonds (Super Sinker Bonds)*

Avg. Life:	*10.95 Years*	*4.34 Years*	
Date	**Stated Amortization** $ 722,265,000	**Projected Amortization** $ 722,265,000	**Cumulative Amounts Projected to be Redeemed**
1/15/2023	$ -	$ -	$ -
7/15/2023	-	79,745,000	79,745,000
1/15/2024	-	92,915,000	172,660,000
7/15/2024	-	93,735,000	266,395,000
1/15/2025	-	38,605,000	305,000,000
7/15/2025	-	31,135,000	336,135,000
1/15/2026	-	32,920,000	369,055,000
7/15/2026	-	29,340,000	398,395,000
1/15/2027	-	31,540,000	429,935,000
7/15/2027	-	27,530,000	457,465,000
1/15/2028	-	30,475,000	487,940,000
7/15/2028	-	25,500,000	513,440,000
1/15/2029	-	28,840,000	542,280,000
7/15/2029	-	24,765,000	567,045,000
1/15/2030	-	25,810,000	592,855,000
7/15/2030	-	22,650,000	615,505,000
1/15/2031	-	24,845,000	640,350,000
7/15/2031	-	20,790,000	661,140,000
1/15/2032	-	23,180,000	684,320,000
7/15/2032	-	19,780,000	704,100,000
1/15/2033	-	18,165,000	722,265,000
7/15/2033	722,265,000	-	722,265,000

* Preliminary, subject to change

The projected final maturity date and average life of the Series B Bonds assumes the receipt of Excess Pledged Funds in accordance with the projections, schedules and other structuring assumptions set forth in the POS; such redemptions are not scheduled amortization payments and will only be made from Excess Pledged Funds, if any; no assurance can be given that any of the structuring assumptions, projections or the anticipated amounts of Excess Pledged Funds will be realized

Projected Debt Service Coverage: Semi-Annual

Projected Semi-Annual Debt Service Coverage on the 2022 Bonds* ($'s in 000's)

Date	Total Annual COVID-19 Recovery Assessment Assessed to Employers[1]	COVID-19 Recovery Assessment Collections[2]	Amounts Remaining in Revenue Fund[3]	Total Amounts in Revenue Fund Available for Debt Service[4]	Debt Service Due[5]	Semi-Annual Coverage	Balance in Revenue Fund after Transfer to Debt Service Fund[6]	Intra-year Retained Revenues or December Retained Revenues	Amounts Transferred to Redemption Fund as Excess Pledged Funds	Special Mandatory Redemption of the Series B Bonds	Par Amount of 2022 Bonds Outstanding (End of Period)
	$ 3,226,306	$ 3,297,860	$ 226,604	$ 3,524,464	$ (2,556,570)		$ 967,894	$ (153,835)	$ 722,267	$ (722,265)	
8/3/2022	$ -	$ 72,769	$ -	$ 72,769	$ -	n/a	$ 72,769	$ -	$ -	$ -	$ 2,700,000
1/15/2023	891,006	45,821	72,769	118,590	(57,713)	2.05x	60,877	(60,877)	-	-	2,700,000
7/15/2023	-	462,280	60,877	523,157	(417,465)	1.25x	105,692	(25,942)	79,750	(79,745)	2,266,915
1/15/2024	330,199	324,500	25,942	350,442	(257,529)	1.36x	92,913	-	92,913	(92,915)	1,970,310
7/15/2024	-	268,732	-	268,732	(165,675)	1.62x	103,057	(9,320)	93,737	(93,735)	1,757,695
1/15/2025	312,520	120,257	9,320	129,577	(90,975)	1.42x	38,602	-	38,602	(38,605)	1,669,860
7/15/2025	-	194,513	-	194,513	(154,304)	1.26x	40,209	(9,071)	31,137	(31,135)	1,524,080
1/15/2026	299,067	113,818	9,071	122,889	(89,972)	1.37x	32,917	-	32,917	(32,920)	1,437,385
7/15/2026	-	185,735	-	185,735	(147,718)	1.26x	38,017	(8,675)	29,342	(29,340)	1,294,465
1/15/2027	283,106	108,919	8,675	117,594	(86,054)	1.37x	31,540	-	31,540	(31,540)	1,207,615
7/15/2027	-	176,199	-	176,199	(140,526)	1.25x	35,673	(8,143)	27,530	(27,530)	1,068,240
1/15/2028	260,988	103,106	8,143	111,249	(80,776)	1.38x	30,473	-	30,473	(30,475)	982,360
7/15/2028	-	163,297	-	163,297	(130,371)	1.25x	32,926	(7,424)	25,502	(25,500)	849,820
1/15/2029	246,334	95,051	7,424	102,475	(73,638)	1.39x	28,837	-	28,837	(28,840)	767,525
7/15/2029	-	153,402	-	153,402	(121,469)	1.26x	31,933	(7,166)	24,768	(24,765)	639,520
1/15/2030	229,644	89,714	7,166	96,879	(71,069)	1.36x	25,811	-	25,811	(25,810)	557,830
7/15/2030	-	143,362	-	143,362	(114,123)	1.26x	29,239	(6,592)	22,647	(22,650)	434,305
1/15/2031	210,306	83,635	6,592	90,227	(65,380)	1.38x	24,847	-	24,847	(24,845)	354,395
7/15/2031	-	131,763	-	131,763	(104,987)	1.26x	26,776	(5,989)	20,786	(20,790)	237,035
1/15/2032	163,135	76,593	5,989	82,582	(59,400)	1.39x	23,182	-	23,182	(23,180)	160,085
7/15/2032	-	105,960	-	105,960	(81,542)	1.30x	24,418	(4,636)	19,782	(19,780)	62,565
1/15/2033	-	59,413	4,636	64,049	(45,886)	1.40x	18,163	-	18,163	(18,165)	-
7/15/2033	-	19,022	-	19,022	-	n/a	19,022	-	-	-	-

The table above has been prepared based on various assumptions, including those affecting the collection of COVID-19 Recovery Assessments; future events may affect the receipt of COVID-19 Recovery Assessments and actual collections could produce slower or faster principal payments for the Series B Bonds than those shown in the table above; the Commonwealth makes no assurances that the Excess Pledged Funds will be generated in accordance with the projections in the following tables

* Preliminary, subject to change
[1] Represents the COVID-19 Recovery Assessment assessed for the corresponding Assessment Year
[2] Represents cash collections of the COVID-19 Recovery Assessment that are available to pay debt service on the corresponding Debt Service Payment Date
[3] Includes amounts retained from the prior period as Intra-year Retained Revenues or December Retained Revenues, as applicable, as well as any other amounts in the Revenue Fund (e.g., interest earnings, though none assumed)
[4] Includes COVID-19 Recovery Assessment collections for the related period, plus any remaining amounts in the Revenue Fund carried forward from the prior period
[5] Represents debt service to be paid on each Debt Service Payment Date and accounts for projected interest savings due to the projected special mandatory redemption of certain Series B Bonds
[6] Amounts remaining in the Revenue Fund (and other funds under the Trust Agreement) upon final payment of the Bonds will be transferred to the UITF

Projected Debt Service Coverage: Annual

Projected Annual Debt Service Coverage on the 2022 Bonds* ($'s in 000's)

Bond Year Ended	Total Annual COVID-19 Recovery Assessment Assessed to Employers[1]	COVID-19 Recovery Assessment Collections[2]	Amounts Remaining in Revenue Fund[3]	Total Amounts in Revenue Fund Available for Debt Service[4]	Debt Service Due[5]	Annual Coverage	Balance in Revenue Fund after Transfer to Debt Service Fund[6]	Intra-year Retained Revenues or December Retained Revenues	Amounts Transferred to Redemption Fund as Excess Pledged Funds	Special Mandatory Redemption of the Series B Bonds	Par Amount of 2022 Bonds Outstanding (End of Period)
	$ 3,226,306	$ 3,297,860	$ 226,604	$ 3,524,464	$ (2,556,570)		$ 967,894	$ (153,835)	$ 722,267	$ (722,265)	
8/3/2022	$ -	$ 72,769	$ -	$ 72,769	$ -	**n/a**	$ 72,769	$ -	$ -	$ -	$ 2,700,000
1/15/2023	891,006	45,821	72,769	118,590	(57,713)	**2.05x**	60,877	(60,877)	-	-	2,700,000
1/15/2024	330,199	786,780	86,819	873,600	(674,994)	**1.26x**	198,605	(25,942)	172,663	(172,660)	1,970,310
1/15/2025	312,520	388,989	9,320	398,309	(256,650)	**1.52x**	141,659	(9,320)	132,339	(132,340)	1,669,860
1/15/2026	299,067	308,331	9,071	317,402	(244,276)	**1.26x**	73,126	(9,071)	64,055	(64,055)	1,437,385
1/15/2027	283,106	294,654	8,675	303,329	(233,771)	**1.26x**	69,558	(8,675)	60,883	(60,880)	1,207,615
1/15/2028	260,988	279,305	8,143	287,448	(221,302)	**1.26x**	66,147	(8,143)	58,004	(58,005)	982,360
1/15/2029	246,334	258,348	7,424	265,772	(204,009)	**1.27x**	61,763	(7,424)	54,338	(54,340)	767,525
1/15/2030	229,644	243,116	7,166	250,281	(192,537)	**1.26x**	57,744	(7,166)	50,578	(50,575)	557,830
1/15/2031	210,306	226,997	6,592	233,589	(179,503)	**1.26x**	54,086	(6,592)	47,494	(47,495)	354,395
1/15/2032	163,135	208,355	5,989	214,345	(164,386)	**1.27x**	49,958	(5,989)	43,969	(43,970)	160,085
1/15/2033	-	165,373	4,636	170,008	(127,428)	**1.30x**	42,580	(4,636)	37,945	(37,945)	-
1/15/2034	-	19,022	-	19,022	-	**n/a**	19,022	-	-	-	-

The table above has been prepared based on various assumptions, including those affecting the collection of COVID-19 Recovery Assessments; future events may affect the receipt of COVID-19 Recovery Assessments and actual collections could produce slower or faster principal payments for the Series B Bonds than those shown in the table above; the Commonwealth makes no assurances that the Excess Pledged Funds will be generated in accordance with the projections in the following tables

* Preliminary, subject to change

1 Represents the COVID-19 Recovery Assessment assessed for the corresponding Assessment Year

2 Represents cash collections of the COVID-19 Recovery Assessment that are available to pay debt service in the corresponding Bond Year

3 Includes amounts retained from the prior period as Intra-year Retained Revenues or December Retained Revenues, as applicable, as well as any other amounts in the Revenue Fund (e.g., interest earnings, though none assumed)

4 Includes COVID-19 Recovery Assessment collections for the related period, plus any remaining amounts in the Revenue Fund carried forward from the prior period

5 Represents debt service to be paid on each Debt Service Payment Date in each Bond Year and accounts for projected interest savings due to the projected special mandatory redemption of certain Series B Bonds

6 Amounts remaining in the Revenue Fund (and other funds under the Trust Agreement) upon final payment of the Bonds will be transferred to the UITF

ESG Designation

Key Takeaways

KESTREL VERIFIERS™

- The Commonwealth has engaged Kestrel Verifiers to review the use of proceeds of the 2022 Bonds and prepare an SPO that designates the 2022 Bonds as "**Social Bonds**" and highlights conformance to the International Capital Market Association's ("**ICMA's**") "Social Bond Principles"
- The Massachusetts UI Program provides economic stabilization through the provision of UI benefits and primarily serves the "unemployed" target population

Use of Proceeds	▪ Finance and refinance unemployment insurance benefits for eligible recipients in the Commonwealth
Process for Project Evaluation and Selection	▪ There are strict federal and state regulations and procedures in place that guide management of the UITF and eligibility requirements for unemployment benefits ▪ DUA administers the Massachusetts UI Program and all unemployment benefit claims through the UITF ▪ The UITF must solely be used to finance unemployment benefits
Management of Proceeds	▪ A portion of proceeds of the 2022 Bonds will be deposited directly into the UITF and used only to pay future UI claims ▪ The remaining proceeds of the 2022 Bonds (excluding costs of issuance) will be used to repay the outstanding balance of the Federal Advances (including accrued interest) borrowed by the Commonwealth and will be transferred to the federal government on the date of delivery
Reporting	▪ Proceeds of the 2022 Bonds will be used on the date of delivery to repay Federal Advances or will be deposited into the UITF ▪ The Commonwealth does not intend to provide any additional information regarding the expenditure of proceeds deposited in the UITF ▪ Certain unemployment metrics are tracked regularly at both the federal and state level
SUSTAINABLE DEVELOPMENT GOALS ("**UN SDGs**")	▪ By financing activities that mitigate the impacts and stresses of socioeconomic crisis, the Commonwealth intends that the proceeds of the 2022 Bonds will be used in a manner that is expected to be consistent with the UN SDGs identified below: – **Goal 1** – No Poverty – **Goal 8** – Decent Work and Economic Growth – **Goal 10** – Reduced Inequalities – **Goal 17** – Partnerships for the Goals 1 NO POVERTY; 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES; 17 PARTNERSHIPS FOR THE GOALS ▪ The Commonwealth does not guarantee that such criteria will ultimately be met, however, either in substance or with respect to any particular timelines set forth in the UN SDGs

5) Conclusion and Transaction Timing

Conclusion

Broad Support	✓ Legislation was expressly designed with input from many stakeholders to support the Massachusetts UI Program and create a very sound credit framework for the Bonds
Economic Stability	✓ Massachusetts's strong and improving economy comprises a diverse employer base and a large statewide labor force of over 3.7 million people, with a steadily declining unemployment rate and increased job creation ✓ Use of proceeds supports ESG initiatives
Secure Credit Fundamentals	✓ Credit ratings of Aa1, AAA and AAA from Moody's, Fitch and Kroll (all Stable Outlooks) ✓ Bonds are secured by a dedicated COVID-19 Recovery Assessment that is underpinned by strong fundamentals and non-impairment provisions and can only be used for debt service and related costs ✓ **The Trust Agreement and Financing Agreement require that the COVID-19 Recovery Assessment be set annually at least at the Minimum Annual Assessment, which will generate Pledged Funds of at least 1.25x the annual Adjusted Bond Debt Service Requirement, with Excess Pledged Funds applied to facilitate early redemption of the Bonds** ✓ The Special Contribution UCTF is separate from other funds of the Commonwealth and payment of debt service is not subject to any further legislative appropriation ✓ Funds are set aside for debt service 45 days prior to the payment date ✓ Dynamic Intra-year Retained Revenues provision mitigates potential intra-year cash flow issues and contributes to strong semi-annual coverage
Proven Track Record	✓ SUTA Taxes have a proven collection history, with an average of 94.8% collected by the due date since 2006, with minimal variance ✓ **COVID-19 Recovery Assessment was first assessed in 2021 and 99.2% of amounts owed have been collected through June 16, 2022**

Transaction Timing

July						
S	M	T	W	T	F	S
					1	2
3	**4**	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

August						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

Denotes holiday

- **Pricing**: August 2022*
- **Closing**: August 2022*

** Preliminary, subject to change*

- Representatives from the Commonwealth are available for one-on-one discussions
- For additional information or to schedule a one-on-one call, please contact:

The Commonwealth of Massachusetts Office of the State Treasurer		Jefferies LLC (Joint Book-Running Senior Manager)	BofA Securities, Inc. (Joint Book-Running Senior Manager)
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Thank you.