



The Commonwealth of Massachusetts

Commonwealth Transportation Fund Revenue Bonds

INVESTOR PRESENTATION

\$200,000,000* Commonwealth Transportation Fund Revenue Bonds
(Rail Enhancement Program), 2022 Series A (Sustainability Bonds)

\$100,000,000* Commonwealth Transportation Fund Revenue Bonds
(Rail Enhancement Program), 2022 Series B

June 14, 2022

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Transaction Summary*

\$300,000,000* Commonwealth Transportation Fund (“CTF”) Revenue Bonds	
Issuer	The Commonwealth of Massachusetts (the “Commonwealth”)
Series	Rail Enhancement Program (“REP”) 2022 Series A (Sustainability Bonds) and 2022 Series B
Ratings (K/M/S)	(AAA/Aa1/AA+), all with stable outlook
Tax Status	Federally and Commonwealth of Massachusetts tax-exempt
Par Amount*	2022 Series A (Sustainability Bonds): \$200,000,000 (2050 Term Bond) 2022 Series B: \$100,000,000 (2052 Term Bond)
Use of Net Proceeds	2022 Series A (Sustainability Bonds): Green Line Extension and South Coast Rail Projects 2022 Series B: Other MBTA Projects
ESG Designation	The Commonwealth has designated the 2022 Series A Bonds as “ Sustainability Bonds ” based on the use of proceeds to fund a portion of the costs of the Green Line Extension Project (the “GLX Project”) and South Coast Rail Project (the “SCR Project”), both of which will provide service in communities that did not historically have access to fast and reliable public transit
Security	Special limited obligations of the Commonwealth payable solely from Pledged Funds, the primary sources of which are the Motor Fuels Tax revenues ⁽¹⁾ and Registry Fees
Interest Payment Dates	June 1 and December 1, beginning December 1, 2022
Pricing Date*	Wednesday, June 22, 2022
Delivery Date*	Thursday, June 30, 2022
Financial Advisor	PFM Financial Advisors
Bookrunning Senior Manager	Wells Fargo Securities

*Preliminary, subject to change

⁽¹⁾ “Motor Fuels Tax revenue” is comprised of the Gasoline Tax (other than with respect to aviation fuel), Special Fuels Tax and Motor Carrier Tax

Note: Investors should read the entire Preliminary Official Statement before making an investment decision



CTF's Credit Features

Key Credit Points

<p>Diverse State-wide Revenue Stream</p>	<ul style="list-style-type: none"> • Pledged Funds include a mix of six Motor Fuels Taxes and Registry Fees (which include a mix of license, registration, and title fees). These different taxes and fees have a low degree of correlation and the diversity in collection timing further limits volatility. • CTF Bonds are secured by a senior lien on all Pledged Funds • Year to date through April 2022, Pledged Funds have recovered to 95% of pre-COVID levels and are up 2.0% when compared to the same time period in FY2021 • Despite the impact of the COVID-19 pandemic, Pledged Funds have grown at a compounded annual growth rate of 1.1% from 2010 through 2021 and have exceeded \$1.2 billion in each year since FY2014 • Low degree of correlation and diversity in collection timing among Pledged Funds further limits volatility
<p>Broad Economic Base, with High Wealth Levels</p>	<ul style="list-style-type: none"> • Statewide taxes and fees, on large and diverse regional economy with over 7.0 million residents • Per capita personal income levels in excess of 130% of the national average in 2021⁽¹⁾ • Presence of multiple major universities and growth industries, including biotech and pharmaceuticals • CTF transportation projects support economic development in the Commonwealth
<p>Strict Leverage Limitations and Sound Coverage</p>	<ul style="list-style-type: none"> • Maximum annual debt service (“MADS”) coverage after the Series 2022 are issued is expected to be 5.7x* based on actual FY2021 Pledged Funds of approximately \$1.3 billion • Pro forma MADS coverage, including expected future new money issuances through FY2026, is estimated at 4.6x* based on actual FY2021 Pledged Funds with no growth assumed • 4.0x MADS ABT further supports liquidity and overall leverage position • Monthly debt service set asides (1/10th principal and 1/5th interest) • The CTF credit supported by the diverse revenue streams withstood the effects of the Covid-19 pandemic
<p>Legal Protections Safeguard Revenue Pledge</p>	<ul style="list-style-type: none"> • NO Pledged Funds may be applied to “any other use” until appropriation has been made sufficient to pay principal and interest • Massachusetts Constitution requires Pledged Funds to be expended for transportation purposes only • The Trust Agreement does not allow the Commonwealth to reduce the rate of the Registry Fees or the Motor Fuels Tax unless Pledged Funds exceed 4.0x MADS coverage after accounting for such changes

*Preliminary, subject to change

⁽¹⁾ Source: U.S. Bureau of Economic Analysis



CTF Capital Investments Drive Economic Development Activity

Funding from CTF Bonds has unlocked key development projects in the Commonwealth

- The Rail Enhancement Program (“REP”) was authorized by Chapter 79 of the Acts of 2014 to provide for the issuance of approximately \$6.7 billion of bonds as either general obligation bonds or special obligation bonds (with a final maturity limitation of June 30, 2054) to fund capital expenditures of MassDOT for the benefit of the MBTA and other rail improvements in the Commonwealth
- To date, the REP has financed over \$2 billion of significant rail improvement projects in the Commonwealth outside the MBTA’s regular capital program, including the GLX Project, the Orange Line/Red Line Improvements, and the SCR Project
- To date, the Accelerated Bridge Program (“ABP”), funded by proceeds of CTF Bonds and GANs, has financed almost \$3 billion over eight years to complete five “mega projects” and to repair more than 200 structurally deficient bridges

Green Line Extension Project



Orange/Red Line Improvements



South Coast Rail Project



2022 Series A (Sustainability Bonds): Overview

- The Commonwealth is issuing the 2022 Series A Bonds as “**Sustainability Bonds**” based on the intended use of the proceeds to finance the GLX Project and SCR Project, both of which will provide public rail service and improve mobility in areas that historically did not have access to fast and reliable public transit
 - Holders of Sustainability Bonds share the same security as other CTF Bonds secured by the Trust Agreement and do not assume any risk specific to the GLX and/or SCR Projects
- The first branch of the GLX Project was completed on March 21, 2022, opening the new Union Square Branch and a newly constructed and relocated Lechmere Station. The Medford Branch, the final stage of the GLX Project, is anticipated to open late summer 2022

Key benefits of the GLX Project include:

- One-seat ride from Somerville, the most densely populated community in New England, and Medford to downtown Boston eliminating the need for bus and rail transfers and improving travel times within these communities
- Projected reduction in regional daily vehicle miles traveled by 25,728 miles, improving air quality and reducing automobile congestion
- Daily ridership (boardings / alightings) at the seven GLX Project stations projected at approximately 50,000 by 2030
- Transformational project for the region, with the goal of improving access to jobs, housing, and education across eastern Massachusetts
- A commitment to equitable distribution of social benefits in the metropolitan Boston area
- Commitment to universal access, new stations meet or exceed the Americans with Disabilities Act standards
- Operation in existing railroad rights-of-way, reducing the need to purchase local property and minimizing construction impacts
- Mitigation measures that are intended to reduce existing noise and vibration impacts from area railroads

Key benefits of the SCR Project include:

- The SCR Project will provide social and environmental benefits by offering reliable transit connection between southeastern Massachusetts and Boston
- Riders will be able to take a one-seat trip—no transfers needed—for the first time since the late 1950s
- A significant projected reduction in regional daily vehicle miles traveled by 66,400 miles, improving air quality and reducing automobile congestion
- A commitment to universal access, with plans for new stations that will meet or exceed the Americans with Disabilities Act standards
- Mitigation measures that are intended to reduce existing noise and vibration impacts from area railroads



Sustainability Bonds: Designation and UN SDG Alignment

Commonwealth's Alignment with ICMA & UN SDGs

Use of Proceeds

- The Commonwealth is issuing the 2022 Series A Bonds as “Sustainability Bonds” based on the intended use of the proceeds to finance the GLX Project and the SCR Project that will provide public rail service and improve mobility in areas that historically did not have access to fast and reliable public transit

Process for Project Evaluation and Selection

- The REP was authorized under Chapter 79 to fund capital expenditures of MassDOT for the benefit of the MBTA and for other rail improvements in the Commonwealth. The REP is intended to provide financing for certain significant rail improvement projects in the Commonwealth outside the MBTA's regular capital program including the GLX Project and the SCR Project

Management of Proceeds

- All proceeds of the 2022 Series A Bonds will be used to reimburse the Commonwealth for GLX Project expenses and SCR Project expenses already incurred and will be fully expended on the date of delivery of the 2022 Series A Bonds

Reporting

- The proceeds of the 2022 Series A Bonds used to finance the GLX Project and SCR Project have been fully spent. No additional reporting on the status of the spending for the GLX Project or the SCR Project will be provided



- By providing public rail service and improving mobility in areas that did not have access to fast and reliable public transit, the Commonwealth is supporting:



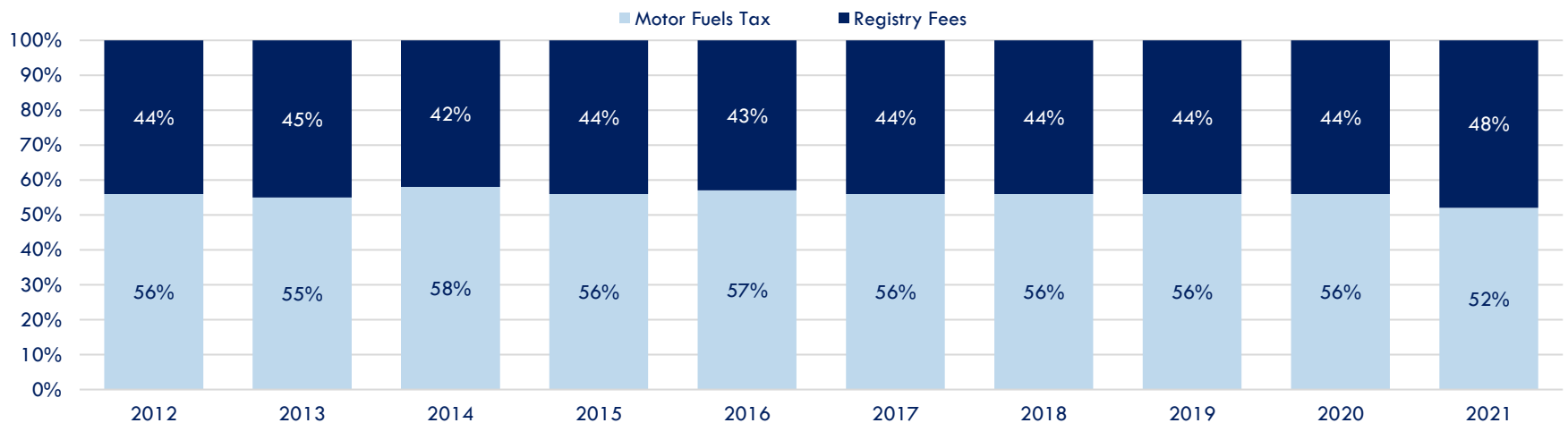
- UN Sustainable Development Goal 9: Industry, Innovation and Infrastructure
 - Target 9.1 and 9.4
- UN Sustainable Development Goal 11: Sustainable Cities and Communities
 - Target 11.2



Diversity of Pledged Funds

Source		Description	Amount Deposited to CTF
Motor Fuels Tax	Gasoline Tax	<ul style="list-style-type: none"> 24¢ per gallon upon each gallon of gasoline sold or used in the Commonwealth 	23.964¢, or 99.85% ^(*)
	Special Fuels Tax	<ul style="list-style-type: none"> 24¢ per gallon upon each gallon of special fuels sold or used in the Commonwealth and a tax of 19.1% of the average price per gallon of liquefied gas sold or used in the Commonwealth 	100%
	Motor Carrier Tax	<ul style="list-style-type: none"> 24¢ per gallon upon each gallon of gasoline and special fuels acquired outside and used within the Commonwealth 	100%
Registry Fees	Registry Fees	<ul style="list-style-type: none"> Motor vehicle registration fees; Motor vehicle license fees; and, Miscellaneous fees and other revenues relating to the operation and use of motor vehicle transportation 	100%

Historical Pledged Funds Composition



^(*)0.15% of the Gasoline Tax is credited to the Inland Fisheries and Game Fund

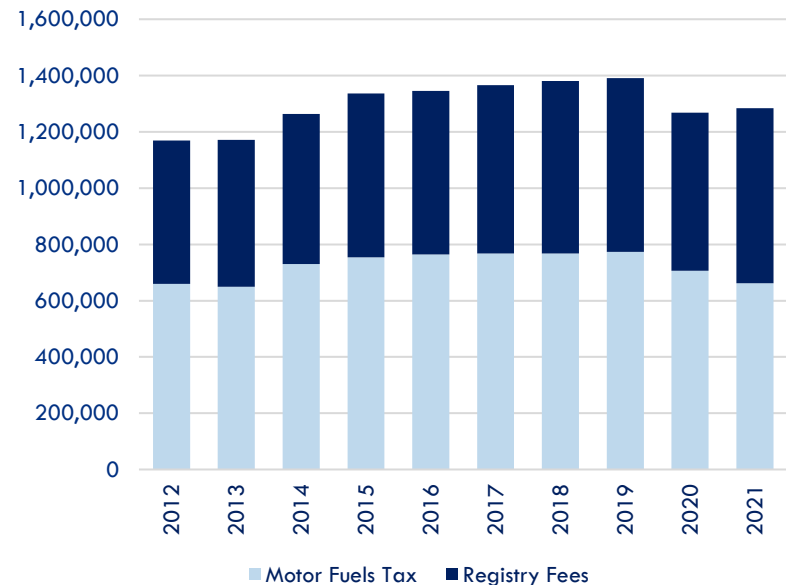


Pledged Funds Continue to Exceed \$1.2 Billion Annually

- Historical performance demonstrates the strength, consistency and reliability of revenues
- Diversity of Pledged Funds mitigates the effect of potential declines in motor fuels consumption
- The Commonwealth also has a history of raising Registry Fees, including in 2003, 2009, and 2015
- FY2020 decline reflects the impact of the COVID-19 pandemic; yet Pledged Funds continue to exceed \$1.2 billion annually, with \$1.284 billion in FY2021

Historical Pledged Funds (\$ in thousands)

Fiscal Year Ending June 30	Motor Fuels Tax ⁽¹⁾	Registry Fees	Total	% Growth/ (Decline)
2021	\$661,492	\$622,770	\$1,284,262	1.27%
2020	706,295	561,867	1,268,162	(8.81)%
2019	773,790	616,830	1,390,619	0.75%
2018	767,519	612,779	1,380,299	1.01%
2017	767,855	598,691	1,366,546	1.58%
2016	764,848	580,426	1,345,274	0.69%
2015	754,392	581,686	1,336,078	5.72%
2014	730,640	533,194	1,263,834	7.84%
2013	649,779	522,199	1,171,978	0.27%
2012	660,177	508,608 ⁽²⁾	1,168,784	1.17%



Source: Office of the Comptroller of the Commonwealth, fiscal year 2021 Pledged Funds

⁽¹⁾ Includes all Pledged Motor Fuels Tax collected by the Commonwealth pursuant to Chapters 64A, 64E and 64F of the Massachusetts General Laws and credited to various budgeted funds, except Aviation Fuel. Net of refunds and abatements from Gasoline Tax. The table above reflects tax rates of 21¢ per gallon on fuel (other than liquefied gas), 19.1% of the average price per gallon on liquefied gas and 20.9685¢ of the 21¢ per gallon Gasoline Tax in effect prior to July 31, 2013. The table above reflects tax rates of 24¢ per gallon on fuel (other than liquefied gas), 19.1% of the average price per gallon on liquefied gas and 23.964¢ of the 24¢ per gallon Gasoline Tax in effect after July 31, 2013

⁽²⁾ Fiscal year 2012 does not include \$2 million of the Registry Fees which represented civil motor infraction fees collected in such fiscal year and transferred to the CTF in fiscal year 2013



Long-Term Gasoline Consumption and Tax Rate Compare Favorably to Neighboring States

- Massachusetts levies the second lowest gasoline tax in the Northeast
- Prior to the onset of the COVID-19 pandemic, gasoline consumption in the Commonwealth was relatively steady
- Gasoline consumption has not traditionally experienced significant fluctuations as a result of fuel price changes, as demonstrated during 2012-2014, when average fuel prices reached their 10-year peak

Massachusetts Historical Gasoline Sales		
	Average Price of Gasoline ⁽¹⁾	Gasoline Consumed (millions of gallons) ⁽²⁾
2021	\$2.465	2,359
2020	2.486	2,545
2019	2.753	2,808
2018	2.708	2,787
2017	2.347	2,796
2016	2.282	2,781
2015	2.925	2,739
2014	3.613	2,733
2013	3.684	2,721
2012	3.652	2,772

Comparison of Gasoline Tax Rates for Selected Northeastern States ⁽³⁾ (in cents per gallon as of January 1, 2022)			
	Excise Tax	Other Taxes and Fees	Total
New York	8.05¢	40.17¢	48.22¢
Connecticut	25.00	10.75	35.75
Rhode Island	34.00	1.00	35.00
Vermont	12.10	20.04	32.14
Maine	30.00	0.01	30.01
Massachusetts	24.00	2.54	26.54
New Hampshire	22.20	1.63	23.83

⁽¹⁾ Source: Average Price of Gasoline: U.S. Department of Energy, Energy Information Administration. Reflects the Average Price of Gasoline (\$/gallon) in all of Massachusetts

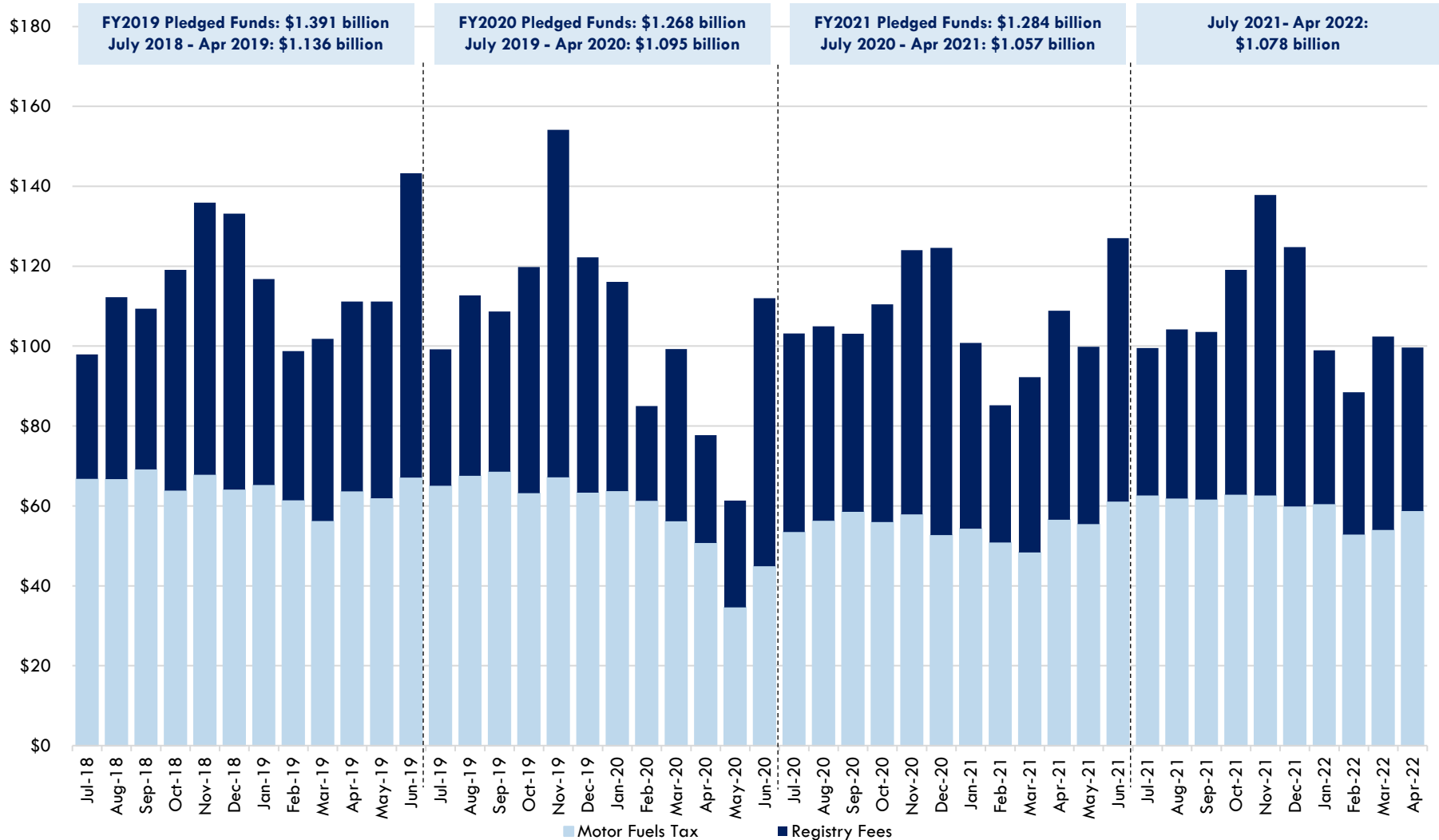
⁽²⁾ Source: Gasoline Consumed: Department of Revenue. Based on Historical Gasoline Tax Collections pursuant to Chapter 64A, except Aviation Fuel

⁽³⁾ Source: American Petroleum Institute. Totals may not add due to rounding



Historical Monthly Collection of Pledged Funds

Monthly Collections July 2018 – April 2022 (in millions)⁽¹⁾



Source: Department of Revenue ("Motor Fuels Tax") and MassDOT ("Registry Fees"), unaudited

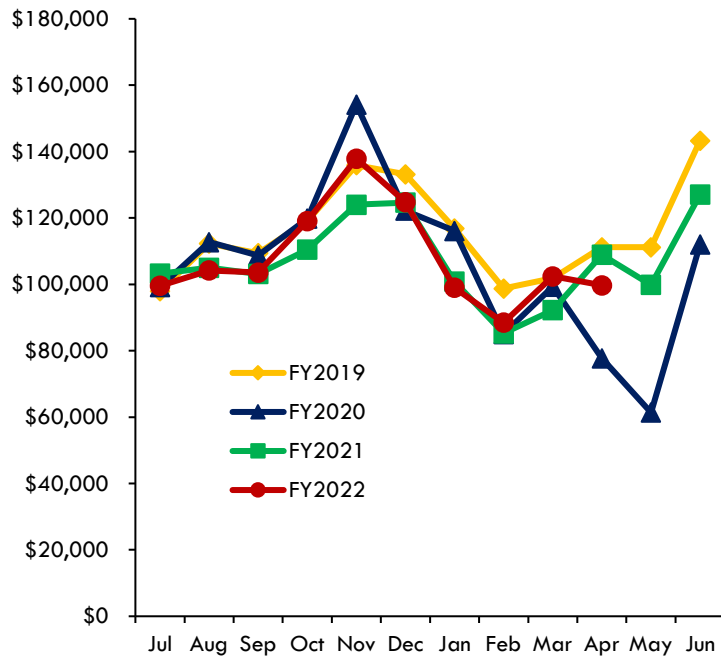
⁽¹⁾ During the implementation of Phase 2 of the ATLAS System, Motor Vehicle Registry Fees were overbooked under the Electronic Vehicle Registration ("EVR") Program in November 2019 and adjusted in February 2020.



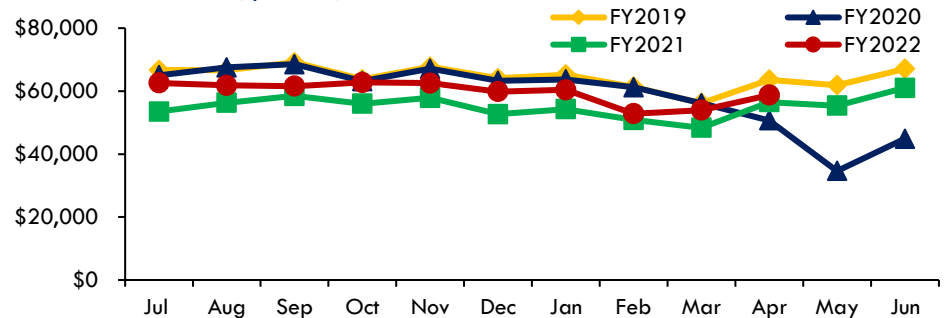
FY2022 Pledged Funds To Date

- Through April 2022, Pledged Funds are up 2.0% compared to the same period in FY2021
 - This represents approximately 95% of pre-COVID, FY2019 revenues during the same period
- The closure of RMV facilities in FY2020 resulted in a significant decline in Registry Fees. Registry Fees in FY2021 rose by nearly 10% as facilities reopened and online transactions were implemented. Year to date April 2022 shows a normalization of Registry Fees compared to the previous three-year average
- Motor Fuels Taxes are up 9.6% compared to the same time period in FY2021 (and down 7.3% from the same time period in FY2019)
- The Department of Revenue's benchmark estimate was that the Motor Fuels Tax collections would increase by 10.2% in FY2022 compared with FY2021

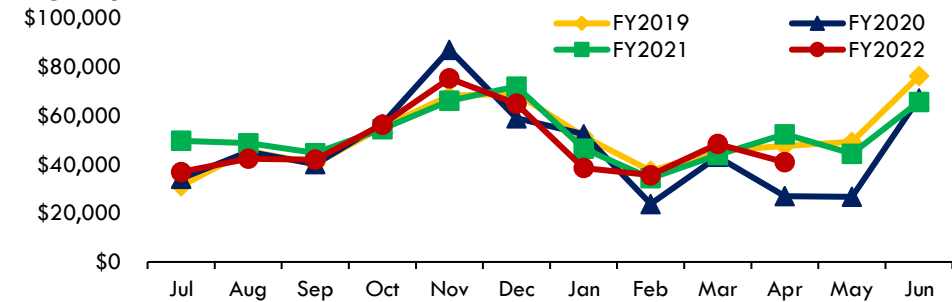
Pledged Funds (\$000s)



Motor Fuels Tax (\$000s)



Registry Fees (\$000s)⁽¹⁾



Fiscal Year	Pledged Funds (\$000s)		Motor Fuels Tax (\$000s)		Registry Fees (\$000s)	
	Full Year	Through April	Full Year	Through April	Full Year	Through April
2022	-	\$1,078,411	-	\$597,398	-	\$481,013
2021	\$1,284,262	1,057,434	\$661,492	545,013	\$622,770	512,421
2020	1,268,162	1,094,827	706,295	626,758	561,867	468,069
2019	1,390,619	1,136,206	773,789	644,785	616,830	491,421

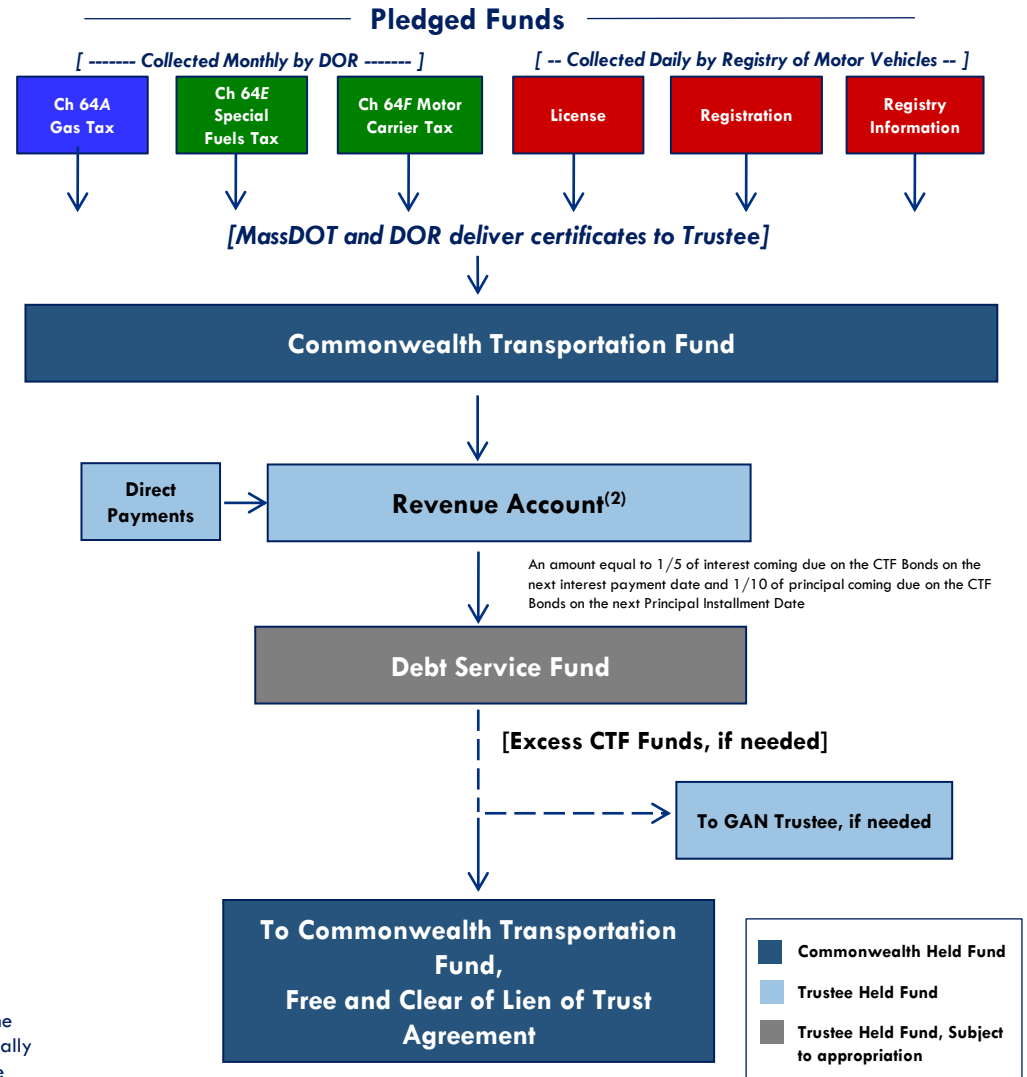
Source: Department of Revenue ("Motor Fuels Tax") and MassDOT ("Registry Fees"), unaudited;

⁽¹⁾ During the implementation of Phase 2 of the ATLAS System, Motor Vehicle Registry Fees were overbooked under the Electronic Vehicle Program in November 2019 and adjusted in February 2020



Flow of Pledged Funds Under the Trust Agreement

- Pledged Funds are Constitutionally dedicated for transportation and, as provided in the Special Obligation Act, must be used to pay debt service before the State can access the funds for any other transportation related purpose
- State depository accounts are swept daily by the Treasury, credited to the appropriate accounts
- DOR and MassDOT each deliver a certificate to the Trustee stating the amount of Pledged Funds collected each month within eight business days of month end
- The Treasurer deposits Pledged Funds into the Revenue Account held by the Trustee within two business days of receiving each certificate, which deposit is not subject to annual appropriation
- Debt service is appropriated annually as part of the Commonwealth's annual budgeting process. Until an appropriation has been made, no funds may be transferred out of the Revenue Account for any purpose⁽¹⁾



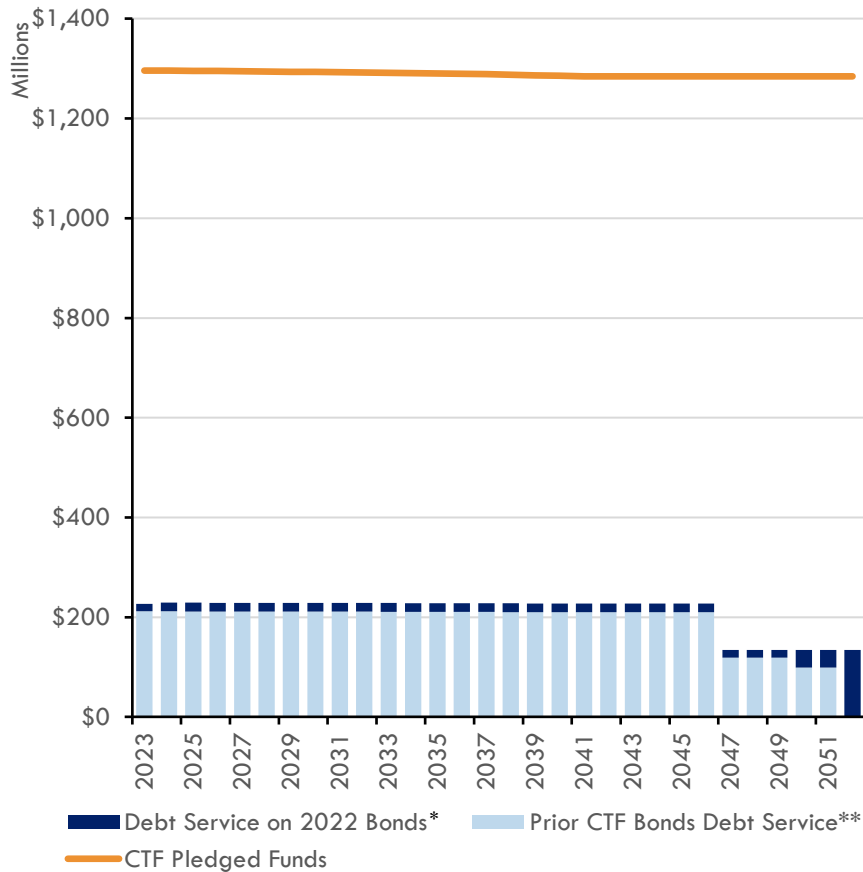
⁽¹⁾ It is not unusual for the budget process to extend slightly into the next fiscal year, with the final enactment of the budget occurring in early or mid-July. Interim budgets are typically enacted to provide funding after the end of the fiscal year until the full budget can be enacted and approved by the Governor.

⁽²⁾ Includes Non-Motor Fuels Subaccount and Motor Fuels Subaccount.

Pro Forma 2022 CTF Debt Service* and Prior CTF Bonds Outstanding

- The Commonwealth has approximately \$3.1 billion of outstanding CTF debt as of June 1, 2022

Pro Forma 2022 CTF Debt Service



Prior CTF Bonds Outstanding as of 06/01/2022

Series of Bonds	Dated Date	Final Maturity	Outstanding Par
2010A	12/23/2010	6/1/2040	\$576,125,000
2013A	11/13/2013	6/1/2043	8,415,000
2014A	12/16/2014	6/1/2044	100,000,000
2015A	11/18/2015	6/1/2045	380,455,000
2016A	10/6/2016	6/1/2041	99,550,000
2016A Ref	10/6/2016	6/1/2029	104,220,000
2016B	11/22/2016	6/1/2046	200,000,000
2017A	11/16/2017	6/1/2047	336,680,000
2017A Ref	11/16/2017	6/1/2043	243,255,000
2018A	6/27/2018	6/1/2048	218,345,000
2019A	11/21/2019	6/1/2049	200,000,000
2021A	6/24/2021	6/1/2051	187,285,000
2021A Ref	6/24/2021	6/1/2043	279,020,000
2021B	6/24/2021	6/1/2046	212,715,000
Total			\$3,146,065,000

* Preliminary, subject to change

** Reflects gross debt service on Prior CTF Bonds



CTF Projected Issuance Through FY2026*

- The Commonwealth plans to issue approximately \$1.375 billion* in aggregate CTF bond par, raising \$1.559 billion* in net bond proceeds (including original issue premium), with projected spending through FY2026, including the 2022 New Money Offering

Fiscal Year	Par	Proceeds
2022 ⁽¹⁾	\$300.0 million	\$338.6 million
2023	350.0 million	397.4 million
2024	325.0 million	369.0 million
2025	250.0 million	283.9 million
2026	150.0 million	170.3 million
Total	\$1,375.0 million	\$1,559.2 million

⁽¹⁾2022 New Money Offering

- Based on currently projected issuance assuming no growth of FY2021 Pledged Funds:
 - MADS coverage for the CTF Bonds following the 2022 New Money Offering is projected to be 5.7x*
 - MADS coverage for the CTF Bonds assuming the total issuances shown above is projected to be 4.6x*
- Projections of anticipated issuance reflects current capital plan projections to finance costs in support of the REP and/or other rail enhancement projects authorized by Chapter 79 or Chapter 383 of the Acts of 2020 (“Chapter 383”), or to fund remaining projects under the ABP

* Preliminary, subject to change. Projected Debt Service issuance assumes current rates



Pro Forma CTF Coverage for 2022 Bonds & Future Offerings - Assuming FY2021 Pledged Funds

CTF Bond Debt Service Coverage Projection* (\$'000s)⁽¹⁾⁽⁴⁾

FY Ending June 30	Projected CTF Pledged Funds ^{(2)*}	Prior CTF Bonds Debt Service ⁽³⁾	Debt Service on 2022 Bonds*	Prior CTF Bonds and 2022 Bonds Debt Service*	Prior CTF Bonds & 2022 Bonds Debt Service Coverage*	Excess Pledged Funds	Total Debt Service on Future Bonds ^{(4)*}	Total CTF Bonds Debt Service ⁽⁴⁾	Total Debt Service Coverage*	Excess Pledged Funds
2023	\$1,295,874	\$211,717	\$15,000	\$226,717	5.7x	\$1,069,158	\$ --	\$226,717	5.7x	\$1,069,158
2024	1,295,874	211,721	15,000	226,721	5.7x	1,069,154	17,500	244,221	5.3x	1,051,654
2025	1,295,519	211,658	15,000	226,658	5.7x	1,068,861	33,750	260,408	5.0x	1,035,111
2026	1,295,134	211,597	15,000	226,597	5.7x	1,068,537	46,250	272,847	4.7x	1,022,287
2027	1,294,696	211,526	15,000	226,526	5.7x	1,068,170	53,750	280,276	4.6x	1,014,420
2028	1,294,234	211,446	15,000	226,446	5.7x	1,067,788	53,750	280,196	4.6x	1,014,038
2029	1,293,747	211,364	15,000	226,364	5.7x	1,067,382	53,750	280,114	4.6x	1,013,632
2030	1,293,232	211,281	15,000	226,281	5.7x	1,066,951	53,750	280,031	4.6x	1,013,201
2031	1,292,688	211,190	15,000	226,190	5.7x	1,066,498	53,750	279,940	4.6x	1,012,748
2032	1,292,104	211,094	15,000	226,094	5.7x	1,066,010	53,750	279,844	4.6x	1,012,260
2033	1,291,487	210,993	15,000	225,993	5.7x	1,065,494	53,750	279,743	4.6x	1,011,744
2034	1,290,834	210,883	15,000	225,883	5.7x	1,064,951	53,750	279,633	4.6x	1,011,201
2035	1,290,145	210,769	15,000	225,769	5.7x	1,064,376	53,750	279,519	4.6x	1,010,626
2036	1,289,417	210,649	15,000	225,649	5.7x	1,063,768	53,750	279,399	4.6x	1,010,018
2037	1,288,647	210,523	15,000	225,523	5.7x	1,063,124	53,750	279,273	4.6x	1,009,374
2038	1,287,768	210,380	15,000	225,380	5.7x	1,062,388	53,750	279,130	4.6x	1,008,638
2039	1,286,663	210,194	15,000	225,194	5.7x	1,061,469	53,750	278,944	4.6x	1,007,719
2040	1,285,496	209,999	15,000	224,999	5.7x	1,060,496	53,750	278,749	4.6x	1,006,746
2041	1,284,262	209,800	15,000	224,800	5.7x	1,059,462	53,750	278,550	4.6x	1,005,712
2042	1,284,262	209,797	15,000	224,797	5.7x	1,059,465	53,750	278,547	4.6x	1,005,715
2043	1,284,262	209,796	15,000	224,796	5.7x	1,059,466	53,750	278,546	4.6x	1,005,716
2044	1,284,262	209,797	15,000	224,797	5.7x	1,059,465	53,750	278,547	4.6x	1,005,715
2045	1,284,262	209,800	15,000	224,800	5.7x	1,059,462	53,750	278,550	4.6x	1,005,712
2046	1,284,262	209,798	15,000	224,798	5.7x	1,059,464	53,750	278,548	4.6x	1,005,714
2047	1,284,262	119,089	60,995	180,084	7.1x	1,104,178	67,720	247,804	5.2x	1,036,458
2048	1,284,262	119,087	60,995	180,082	7.1x	1,104,180	67,722	247,804	5.2x	1,036,458
2049	1,284,262	119,084	60,996	180,080	7.1x	1,104,182	67,723	247,803	5.2x	1,036,459
2050	1,284,262	98,824	62,750	161,574	7.9x	1,122,688	86,228	247,802	5.2x	1,036,460
2051	1,284,262	98,824	55,000	153,824	8.3x	1,130,438	93,979	247,803	5.2x	1,036,459
2052	1,284,262	-	52,500	52,500	24.5x	1,231,762	195,306	247,806	5.2x	1,036,457
2053	1,284,262	-	-	-	-	1,284,262	247,806	247,806	5.2x	1,036,457
2054	1,284,262	-	-	-	-	1,284,262	247,806	247,806	5.2x	1,036,456
2055	1,284,262	-	-	-	-	1,284,262	247,803	247,803	5.2x	1,036,459
2056	1,284,262	-	-	-	-	1,284,262	157,500	157,500	8.2x	1,126,762

* Preliminary, subject to change

⁽¹⁾ Estimated debt service coverage is based on the Commonwealth's actual Pledged Funds for fiscal year 2021, assuming no growth in such receipts in future years but accounting for expected Direct Payments relating to the 2010 Bonds in each fiscal year. Debt service projections for Additional Bonds to be issued in fiscal years 2023 through 2026 are estimates based on current program needs and are subject to change.

⁽²⁾ Consists of (i) 23.964¢ per gallon of Chapter 64A 24¢ Gasoline Tax, (ii) 100% of the 24¢ Special Fuels Tax and 24¢ Motor Carrier Tax, (iii) Registry Fees credited to the Commonwealth Transportation Fund pursuant to Section 34(iii) of Chapter 90, and (iv) Direct Payments relating to the 2010 Bonds, which are assumed to be subject to a 5.7% reduction as a result of sequestration.

⁽³⁾ Reflects gross debt service on Prior CTF Bonds.

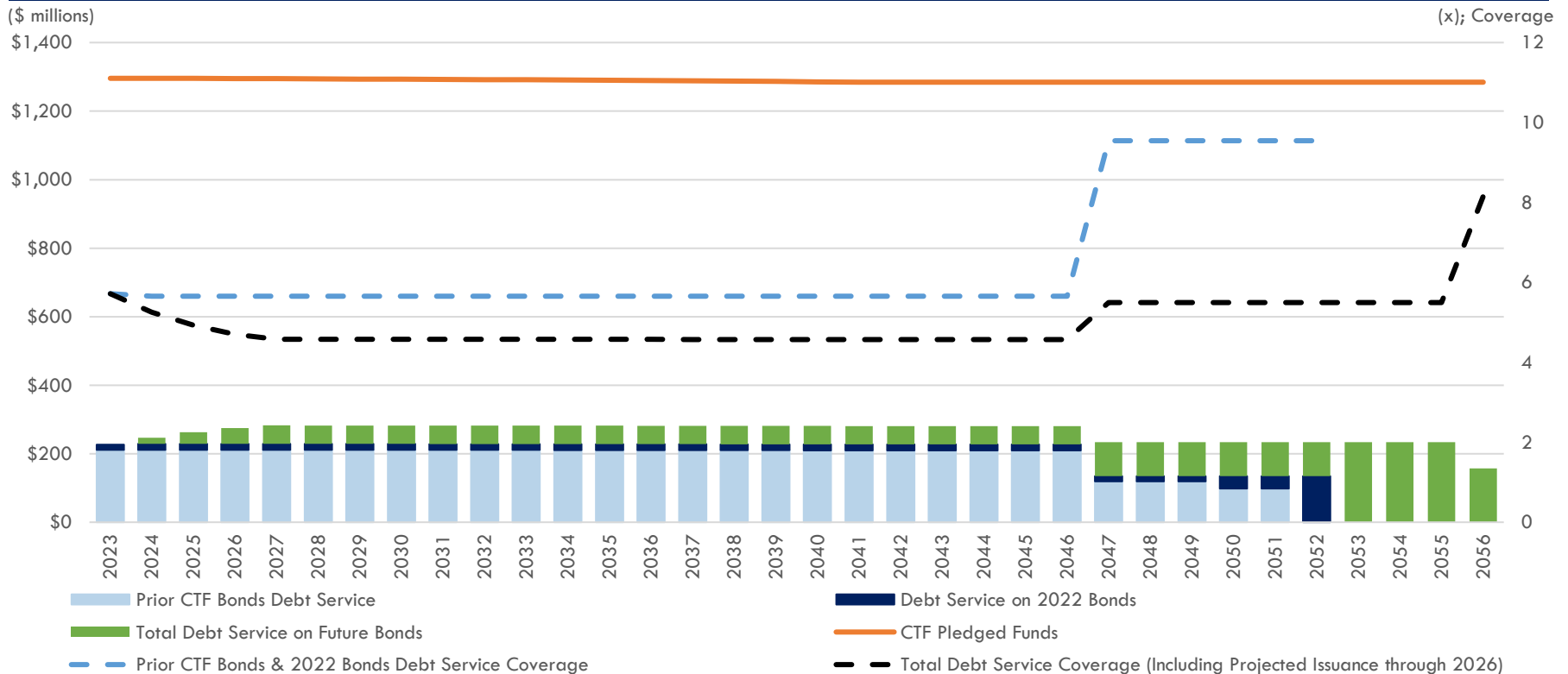
⁽⁴⁾ Assumes aggregate issuance in fiscal years 2023 through 2026 (not including the 2022 Bonds) of \$1.075 billion in aggregate bond par amount substantially all for the Rail Enhancement Program, raising \$1.221 billion in net bond proceeds (including net original issue premium). Under current law, the final maturity for all issues under Chapter 79 and Chapter 383 is limited to June 30, 2054 and June 30, 2060, respectively. Projected Debt Service on future issuance assumes current market rates. Amounts are preliminary and subject to change.



The CTF Credit Enjoys Robust Coverage That Can Withstand Downside Risk*

- Pledged Funds could decline by **82%** and still fully cover MADS on the 2022 Bonds and prior CTF Bonds
- In addition, Pledged Funds could decline by **78%** and still fully cover MADS on prior Bonds, the 2022 Bonds *and the additional \$1.1 billion of bonds expected to be issued between now and 2026*
- The phased-in borrowing schedule and the ability to potentially shift certain costs to the GO credit creates additional cushion, if needed

CTF Bond Debt Service and Coverage Projection (FY Ending June 30)



* Preliminary, subject to change

Aggregate issuance in fiscal years 2023 through 2026 (not including the 2022 Bonds) of \$1.075 billion in aggregate bond par amount substantially all for the Rail Enhancement Program, raising \$1.221 billion in net bond proceeds (including net original issue premium). Under current law, the final maturity for all issues under Chapter 79 and Chapter 383 is limited to June 30, 2054 and June 30, 2060, respectively. Projected Debt Service on future issuance assumes current market rates. Amounts are preliminary and subject to change.



Summary Highlights and Conclusion

- **Pledge of multi-faceted revenue stream**
 - Even though Motor Fuels Tax revenues fell sharply with the onset of the pandemic, Registry Fees proved resilient and more immune to the effects of the pandemic versus a pure gas tax bond
- **Safeguards against non-appropriation of revenues**
 - Pledged Funds cannot be used for any purpose prior to funds being appropriated for debt service
- **Coverage of CTF MADS by FY2021 Pledged Funds is 5.7x*, following the issuance of the 2022 Bonds**
 - Pledged Funds could decline by 82% and still fully cover MADS after the issuance of the 2022 Bonds and all outstanding CTF Bonds
 - CTF's level debt service structure, which the Commonwealth plans to continue with, eliminates any concern of a unique MADS peak year
- **Recovery of Pledged Funds post-COVID-19 Pandemic**
 - FY2022 Pledged Funds through April are \$1.078 billion, 2.0% above the same time period in FY2021 and 95% of pre-covid FY2019 revenues during the same period
 - Registry Fees have also recovered since the early stages the pandemic, FY2022 collections through April are \$481.0 million or 98% of pre-covid FY2019 fees during the same period
- **4.0x Additional Bonds Test based on historical revenues and MADS**
- **More rapid deposits (1/5th | 1/10th monthly set-aside) for debt service than is customary**
 - The monthly debt service set-asides, which are more rapid than the typical 1/6th | 1/12th monthly debt service set-asides, act as a de-facto debt service reserve, eliminating the ability for the Commonwealth to spend Pledged Funds without first setting aside for debt service

Transaction Timeline* and Contacts

Preliminary Financing Schedule:

June 2022						
S	M	T	W	T	F	S
			1	2	3	3
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		

Financing Schedule*	
Date	Event
June 14 th	Mail Preliminary Official Statement
June 22 nd	Pricing
June 30 th	Closing

For more info, please visit: www.buymassbonds.com

Representatives from the Commonwealth are available for one-on-one discussions

For additional information or to schedule a one-on-one call, please contact:

Commonwealth of Massachusetts	
<p>Sue Perez <i>Deputy Treasurer</i> Tel.: 617-367-9333 x816 sperez@tre.state.ma.us</p>	<p>Kathy Bramlage <i>Sr. Debt Analyst</i> Tel.: 617-367-9333 x494 kbramlage@tre.state.ma.us</p>

*Preliminary, subject to change

