



(A Fiduciary Fund of the State of Wisconsin)

Annual Report

June 30, 2023



(A Fiduciary Fund of the State of Wisconsin)

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Report of Independent Auditors

To the Wisconsin College Savings Program Board

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Edvest College Savings Plan (the “Plan”), which comprise the statement of fiduciary net position as of June 30, 2023, and the related statement of changes in fiduciary net position for the year then ended, including the related notes, which collectively comprise the Plan’s basic financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the fiduciary net position of the Plan as of June 30, 2023, and the changes in its fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors’ Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS and *Government Auditing Standards*, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



In performing an audit in accordance with US GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplemental Information

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

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Plan's basic financial statements. The supplemental statements of fiduciary net position and changes in fiduciary net position as of and for the year ended June 30, 2023 (the "supplemental information") on pages 21 through 30 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2023 on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters for the year ended June 30, 2023. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and compliance.

PricewaterhouseCoopers LLP

Charlotte, North Carolina
August 31, 2023



(A Fiduciary Fund of the State of Wisconsin)

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)
June 30, 2023**

As Plan Manager of the Edvest College Savings Plan (the Plan) offered by the state of Wisconsin (the State), TIAA-CREF Tuition Financing, Inc. (TFI) offers this discussion and analysis of the Plan's financial performance for the year ended June 30, 2023, with comparative information for the year ended June 30, 2022. Readers should consider the information presented in this section in conjunction with the Plan's financial statements and notes to the financial statements (collectively, "the basic financial statements"). Readers may also find useful the supplementary information on pages 21 through 30, which provides information about the activities and balances attributable to each investment portfolio offered to account owners.

This report consists of three parts: Management's Discussion and Analysis (this section), the basic financial statements, and supplementary information detailing balances and transactions attributable to each investment portfolio. The basic financial statements consist of a Statement of Fiduciary Net Position, a Statement of Changes in Fiduciary Net Position, and Notes to Financial Statements that explain some of the information in the financial statements and provide more detailed information.

Financial Highlights

The following table summarizes returns (net of fees) posted by each investment portfolio during the years ended June 30, 2023 and 2022:

| | <u>Year Ended June 30, 2023</u> | <u>Year Ended June 30, 2022</u> | | <u>Year Ended June 30, 2023</u> | <u>Year Ended June 30, 2022</u> |
|--|-------------------------------------|-------------------------------------|--|-------------------------------------|-------------------------------------|
| <u>Enrollment Year Investment Portfolios</u> | | | <u>Multi-Fund Investment Portfolios</u> | | |
| 2040/2041 Enrollment Portfolio | 4.60% ⁽¹⁾ | N/A | Index-Based Aggressive Portfolio | 12.94% | (13.82%) |
| 2038/2039 Enrollment Portfolio | 13.29% | (13.50%) | Index-Based Moderate Portfolio | 8.23% | (11.91%) |
| 2036/2037 Enrollment Portfolio | 12.99% | (13.53%) | Index-Based Conservative Portfolio | 4.20% | (6.36%) |
| 2034/2035 Enrollment Portfolio | 12.18% | (13.24%) | Active-Based Aggressive Portfolio | 12.93% | (11.97%) |
| 2032/2033 Enrollment Portfolio | 11.26% | (12.76%) | Active-Based Moderate Portfolio | 8.52% | (10.77%) |
| 2030/2031 Enrollment Portfolio | 9.91% | (12.24%) | Active-Based Conservative Portfolio | 4.57% | (5.99%) |
| 2028/2029 Enrollment Portfolio | 8.76% | (11.47%) | Balanced Portfolio | 11.68% | (12.64%) |
| 2026/2027 Enrollment Portfolio | 7.54% | (10.27%) | International Equity Index Portfolio | 14.97% | (18.90%) |
| 2024/2025 Enrollment Portfolio | 5.58% | (8.45%) | | | |
| 2022/2023 Enrollment Portfolio | 3.24% ⁽²⁾ | (6.11%) | <u>Single Fund Investment Portfolios</u> | | |
| In School Portfolio | 3.97% | (4.53%) | Small-Cap Index Portfolio | 12.46% | (25.19%) |
| | | | U.S. Equity Active Portfolio | 18.49% | (11.24%) |
| | | | Large-Cap Stock Index Portfolio | 19.45% | (10.70%) |
| <u>Principal Plus Interest Investment Portfolios</u> | | | Social Choice Portfolio | 17.88% | (14.51%) |
| Cash Equivalents and Bank CD Portfolio | N/A | 0.04% ⁽³⁾ | Bond Index Portfolio | (1.07%) | (10.52%) |
| Principal Plus Interest Portfolio | 1.93% | 1.15% | | | |

(Continued)

No assurance is provided on the information in management's discussion and analysis.



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**MANAGEMENT’S DISCUSSION AND ANALYSIS
(Unaudited)
June 30, 2023**

Financial Highlights (Continued)

- ⁽¹⁾ Effective May 12, 2023, the 2040/2041 Enrollment Portfolio was added to the Plan as an additional Enrollment Year Investment Portfolio. The returns for the 2040/2041 Enrollment Portfolio are for the period from May 12, 2023 through June 30, 2023 (see previous page).
- ⁽²⁾ Effective May 12, 2023, the 2022/2023 Enrollment Portfolio was discontinued, and existing account owner balances were transferred to the already existing In School Portfolio. The returns for the 2022/2023 Enrollment Portfolio are for the period from July 1, 2022 through May 11, 2023. (see previous page).
- ⁽³⁾ Effective May 13, 2022, the Cash Equivalents and Bank CD Portfolio was discontinued, and existing account owner balances were transferred to the already existing Principal Plus Interest Portfolio. The returns for the Cash Equivalents and Bank CD Portfolio are for the period from July 1, 2021 through May 12, 2022 (see previous page).

The Plan received \$46.1 million and \$94.3 million in net subscriptions during the years ended June 30, 2023 and 2022, respectively.

During the year ended June 30, 2023, the Plan experienced net investment income of \$430.0 million, resulting from \$115.7 million in interest and dividends and a \$314.2 million net increase in the fair value of investments. During the year ended June 30, 2022, the Plan experienced a net investment loss of a \$486.7 million, resulting from a \$611.9 million net decrease in the fair value of investments, which was somewhat offset by \$125.2 million in interest and dividends.

Plan Manager fees incurred during the years ended June 30, 2023 and 2022 totaled \$2.5 million and \$3.1 million, respectively. These fees are calculated on the average net position in each investment portfolio and are paid to the Plan Manager for performing administrative, marketing, and other services with respect to the Plan. The State is entitled to collect a State administrative fee; however, the Wisconsin College Savings Program Board (the Board) has waived the State administrative fee.

Overview of the Basic Financial Statements

The Plan is included in the financial reporting entity of the State as a fiduciary fund. Fiduciary fund reporting is used to account for resources held for the benefit of parties outside the governmental entity.

The Plan’s basic financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) prescribed by the Governmental Accounting Standards Board (GASB), as applicable to fiduciary funds. Accordingly, the Plan’s basic financial statements are prepared using the economic resources measurement focus and accrual basis of accounting.

No assurance is provided on the information in management’s discussion and analysis.



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MANAGEMENT’S DISCUSSION AND ANALYSIS
(Unaudited)
June 30, 2023

Overview of the Basic Financial Statements (Continued)

The Statement of Fiduciary Net Position presents information on the Plan’s assets and liabilities, with the difference between the two reported as fiduciary net position. The Statement of Changes in Fiduciary Net Position presents information showing how the Plan’s fiduciary net position changed during the period presented. Changes in fiduciary net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal years.

The Plan’s assets are invested in mutual funds and funding agreements issued by TIAA-CREF Life Insurance Company. Mutual funds are reported at fair value, and the funding agreements are reported at cost. All investment transactions are reported on a trade-date basis. Changes in the reported fair value of mutual funds resulting from realized and unrealized gains and losses are reported as “net increase (decrease) in the fair value of investments.” Dividends and capital gain distributions are reported on the ex-dividend date. Contributions are recognized when received, provided enrollment in the Plan has been successfully completed, and withdrawals are recognized when the withdrawal request has been received and approved for payment. Plan fees accrue daily.

Financial Analysis

Fiduciary Net Position

The following are condensed Statements of Fiduciary Net Position as of June 30, 2023 and 2022:

| | <u>June 30, 2023</u> | <u>June 30, 2022</u> |
|------------------------|-------------------------|-------------------------|
| Total Assets | \$ 4,750,292,915 | \$ 4,276,372,808 |
| Total Liabilities | <u>2,350,875</u> | <u>1,937,365</u> |
| Fiduciary Net Position | <u>\$ 4,747,942,040</u> | <u>\$ 4,274,435,443</u> |

Fiduciary net position represents cumulative contributions since the Plan’s inception, increased or decreased by net investment income or losses, and decreased by withdrawals and expenses.

The Plan’s investments comprise over 99% of the Plan’s total assets. Other assets typically consist of receivables from securities sold, accrued interest receivable, and cash resulting from contributions that have not yet been invested in accordance with account owners’ instructions or redemption proceeds from underlying funds for withdrawal requests that have not yet been distributed as directed by account owners. Liabilities typically consist of payables for securities purchased, payables for withdrawals, and accrued Plan Manager fees.

No assurance is provided on the information in management’s discussion and analysis.



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MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)
June 30, 2022

Financial Analysis (Continued)

Changes in Fiduciary Net Position

The following are condensed Statements of Changes in Fiduciary Net Position for the years ended June 30, 2023 and 2022:

| | <u>Year Ended</u> <u>June 30, 2023</u> | <u>Year Ended</u> <u>June 30, 2022</u> |
|---|---|---|
| Additions | | |
| Subscriptions ⁽¹⁾ | \$ 672,812,536 | \$ 787,086,856 |
| Income reinvestments | - | 32,783 |
| Net investment income (loss) | 429,952,014 | (486,724,546) |
| Total Additions | <u>1,102,764,550</u> | <u>300,395,093</u> |
| Deductions | | |
| Redemptions ⁽²⁾ | (626,724,467) | (692,824,482) |
| Income distributions | - | (20,683) |
| Plan Manager fee | (2,533,486) | (3,082,368) |
| Total Deductions | <u>(629,257,953)</u> | <u>(695,927,533)</u> |
| Increase (Decrease) in Net Position | 473,506,597 | (395,532,440) |
| Fiduciary Net Position - Beginning of Year | 4,274,435,443 | 4,669,967,883 |
| Fiduciary Net Position - End of Year | <u>\$ 4,747,942,040</u> | <u>\$ 4,274,435,443</u> |

⁽¹⁾ Subscriptions include contributions, exchanges between investment portfolios, and transfers of account balances from one account to another.

⁽²⁾ Redemptions include withdrawals, exchanges between investment portfolios, and transfers of account balances from one account to another.

Market Uncertainties

Market disruptions associated with recent geopolitical events have had a global impact, and uncertainty exists as to their implications. Such disruptions can adversely affect assets and thus performance of the investment portfolios of the Plan. At this time, an aggregate effect on the Plan's assets and performance cannot be reasonably estimated. Management is continuing to monitor these developments and evaluate other impacts they may have on the Plan.

No assurance is provided on the information in management's discussion and analysis.



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STATEMENT OF FIDUCIARY NET POSITION
June 30, 2023

ASSETS

| | |
|----------------------------------|----------------------|
| Investments | \$ 4,748,036,811 |
| Cash | 1,784,503 |
| Receivables from securities sold | 471,601 |
| Total Assets | <u>4,750,292,915</u> |

LIABILITIES

| | |
|-----------------------------------|------------------|
| Accrued Plan Manager fee | 235,607 |
| Payables for securities purchased | 933,265 |
| Withdrawals payable | 1,182,003 |
| Total Liabilities | <u>2,350,875</u> |

NET POSITION HELD IN TRUST FOR
ACCOUNT OWNERS AND BENEFICIARIES

\$ 4,747,942,040

See accompanying notes to financial statements.



(A Fiduciary Fund of the State of Wisconsin)

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2023

| | |
|---|-------------------------|
| ADDITIONS | |
| Subscriptions | \$ 672,812,536 |
| Investment income: | |
| Interest | 13,902,540 |
| Dividends | 101,843,869 |
| Net increase in the fair value of investments | 314,205,605 |
| Total net investment income | <u>429,952,014</u> |
| Total Additions | <u>1,102,764,550</u> |
| DEDUCTIONS | |
| Redemptions | 626,724,467 |
| Plan Manager fees | 2,533,486 |
| Total Deductions | <u>629,257,953</u> |
| CHANGES IN NET POSITION | 473,506,597 |
| NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, BEGINNING OF YEAR | <u>4,274,435,443</u> |
| NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, END OF YEAR | <u>\$ 4,747,942,040</u> |

See accompanying notes to financial statements.



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NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 1: ORGANIZATION AND NATURE OF OPERATIONS

The Edvest College Savings Plan (the Plan) is one of two education savings plans offered under the Wisconsin College Savings Program (the Program), which provides a tax-advantaged way to help people save for the costs of education. The Program is administered by the State of Wisconsin (the State). The Wisconsin Department of Financial Institutions (the Department) and the Wisconsin College Savings Program Board (the Board), which is attached to the Department, provide oversight for the Program. Assets of the Plan are held in the Wisconsin Savings Program Trust (the Trust). The Plan is intended to meet the requirements of a qualified tuition program under Section 529 of the Internal Revenue Code (the Code).

Wisconsin law permits the Department to contract for services necessary for the administration of the Plan. TIAA-CREF Tuition Financing, Inc. (TFI), a wholly owned, direct subsidiary of Teachers Insurance and Annuity Association of America (TIAA), and the Department have entered into a management agreement under which TFI serves as Plan Manager (Plan Manager), providing certain services to the Plan. TIAA-CREF Individual & Institutional Services, LLC (Services), a wholly owned, direct subsidiary of TIAA, serves as the primary distributor and underwriter for the Plan and provides certain services in furtherance of TFI's marketing effort for the Plan. Services is registered as a broker-dealer under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority.

Account owners may invest their contributions in one or more investment portfolios. The Plan offers eight Multi-Fund Investment Portfolios, five Single Fund Investment Portfolios, and a Principal Plus Interest Investment Portfolio. These investment portfolios allow account owners to choose their own investment strategy based on their risk tolerance and time horizon. The Plan also offers ten Enrollment Year Investment Portfolios based on the anticipated year of enrollment of the beneficiary in an eligible educational institution. The Enrollment Year Investment Portfolios seek to match their respective risk levels to investment time horizons with asset allocations becoming increasingly more conservative as the beneficiary enrollment year approaches. Each investment portfolio, along with underlying asset allocations and fees, as approved by the Board, are described in the current Edvest College Savings Plan, Wisconsin's College Savings Plan, Plan Description and Participation Agreement (the Plan Description).



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NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 1: ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Each investment portfolio invests in one or more open-end mutual funds and funding agreements based on an asset allocation strategy approved by the Board. The funding agreements are issued by TIAA-CREF Life Insurance Company (TIAA Life), which is an affiliate of TFI, to the Trust as policyholder on behalf of the Plan. The funding agreements provide a minimum guaranteed rate of return and allow for the possibility that additional interest may be credited periodically by TIAA Life. Together, the mutual funds and the funding agreements are referred to as “the Underlying Funds.”

The Plan is included in the reporting entity of the State as a fiduciary fund. Assets are held in trust for account owners and beneficiaries and cannot be used to support other governmental programs. These basic financial statements present only the balances and transactions attributable to the Plan, and do not include any balances or transactions attributable to the other education savings plans offered under the Program. As such, these basic financial statements are not intended to, and do not, present fairly the financial position or changes in financial position of the Program, the Trust, or any other fiduciary funds of the State.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

In accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) applicable to fiduciary fund types prescribed by the Governmental Accounting Standards Board (GASB), the Plan’s basic financial statements are prepared using the flow of economic resources measurement focus and accrual basis of accounting. U.S. GAAP requires the use of estimates made by management and the evaluation of subsequent events. Actual results may differ from those estimates.

(b) Investment Valuation

Accounting standards categorize fair value measurements according to a hierarchy that is based on valuation inputs used to measure fair value. Level 1 inputs are quoted prices for identical assets in active markets that can be accessed at the measurement date. Level 2 inputs are inputs other than quoted prices that are observable for an asset, either directly or indirectly. Level 3 inputs are unobservable and may include subjective assumptions in determining the fair value of investments.



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NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Investment Valuation (Continued)

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The mutual funds in which the Plan invests are reported at fair value, based on the net asset value per share at the close of the New York Stock Exchange (NYSE). These mutual funds are categorized in Level 1 of the fair value hierarchy.

The funding agreements are non-participating, interest-earning investment contracts and are accounted for at cost. Because the funding agreements are valued at cost, they are not categorized according to the fair value hierarchy.

(c) Investment Transactions and Income

Investment transactions are accounted for as of the trade date for financial reporting purposes. Interest income is recorded as earned. Dividend income and capital gain distributions from mutual funds are recorded on the ex-dividend date. Net realized and unrealized gains (losses) are included in "net increase (decrease) in the fair value of investments."

(d) Cash

Cash includes contributions received that have not yet been invested in Underlying Funds and/or redemption proceeds from Underlying Funds for withdrawals that have not yet been distributed in accordance with account owners' instructions. Cash deposits are covered up to applicable limits of insurance available through the Federal Deposit Insurance Corporation (FDIC). Deposits in excess of FDIC limits are not collateralized or subject to supplemental insurance.



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NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Subscriptions

Subscriptions include contributions to the Plan, as well as exchanges between investment portfolios and transfers between one beneficiary to another or from one account owner to another that result in a reinvestment of assets. Subscriptions result in the issuance of units to account owners. These units are municipal fund securities and are not a direct investment in any mutual fund or the funding agreements. In addition, these units are not insured by the FDIC, the State, the Department, or the Board, nor have they been registered with the Securities and Exchange Commission or any commission of the State.

(f) Redemptions

Redemptions include withdrawals from the Plan directed by account owners, as well as exchanges between investment portfolios and transfers from one beneficiary to another or from one account owner to another that result in a redemption and subsequent reinvestment of assets.

(g) Income Taxes

The Plan is designed to constitute a qualified tuition program under Section 529 of the Code and is exempt from federal and state income tax. The Plan has not engaged in any activities that would subject the Plan to unrelated business income tax.

(h) Unit Value

The beneficial interests attributable to each account owner in the investment portfolios are represented by Plan units. Subscriptions and redemptions are recorded upon receipt of account owners' instructions in good order, based on the next determined net asset value per unit (Unit Value), as defined in the current Plan Description. Unit Values for each investment portfolio are determined at the close of business of the NYSE. The Unit Value of each investment portfolio is computed by dividing the investment portfolio's assets minus its liabilities by the number of outstanding units of such investment portfolio. There are no distributions of interest, dividends, or net investment income or losses directly to account owners or beneficiaries. Interest, dividends, and net investment income (losses) resulting from the Underlying Funds are reflected as increases (decreases) in the Unit Value.



(A Fiduciary Fund of the State of Wisconsin)

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Guarantees and Indemnifications

Under the Plan's organizational documents, each officer, employee, or other agent of the Plan (including TFI) is indemnified against certain liabilities that may arise out of performance of their duties to the Plan. Additionally, in the normal course of business, the Plan enters into contracts that contain a variety of indemnification clauses. The Plan's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Plan that have not yet occurred. However, the Plan has not had prior claims or losses pursuant to these contracts, and management of the Plan expects the risk of loss to be remote.

NOTE 3: INVESTMENTS

(a) Investments by Type

At June 30, 2023, the Plan's investments consist of the following:

| | <u>Units</u> | <u>Cost</u> | <u>Value</u> |
|--|--------------|--------------|---------------|
| Mutual Funds (at fair value): | | | |
| DFA Emerging Markets Core Equity Portfolio | 385,147 | \$ 7,781,625 | \$ 8,334,589 |
| DFA Large Cap International Portfolio | 1,318,048 | 28,948,929 | 33,346,614 |
| DFA U.S. Core Equity 1 Portfolio | 4,175,566 | 106,312,397 | 140,006,718 |
| Metropolitan West Total Return Bond Fund | 3,605,803 | 36,943,855 | 30,649,323 |
| T. Rowe Price Institutional Floating Rate Fund | 10,273,198 | 98,169,757 | 95,746,201 |
| TIAA-CREF Bond Index Fund | 79,137,015 | 891,715,664 | 754,175,757 |
| TIAA-CREF Emerging Markets Equity Index Fund | 9,044,895 | 98,215,599 | 93,433,766 |
| TIAA-CREF Equity Index Fund | 37,968,027 | 866,093,937 | 1,197,131,964 |
| TIAA-CREF High-Yield Fund | 996,049 | 9,235,746 | 8,277,170 |
| TIAA-CREF Inflation-Linked Bond Fund | 1,038,738 | 12,253,310 | 10,823,653 |
| TIAA-CREF International Equity Index Fund | 17,991,530 | 335,804,169 | 385,018,735 |
| TIAA-CREF Real Estate Securities Fund | 588,034 | 10,305,405 | 9,720,197 |
| TIAA-CREF S&P 500 Index Fund | 12,484,557 | 428,636,921 | 610,869,386 |
| TIAA-CREF Small-Cap Blend Index Fund | 4,917,378 | 96,267,117 | 106,608,757 |
| TIAA-CREF Social Choice Equity Fund | 1,048,489 | 23,414,911 | 26,264,653 |

(Continued)



(A Fiduciary Fund of the State of Wisconsin)

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 3: INVESTMENTS (Continued)

(a) Investments by Type (Continued)

| | <u>Units</u> | <u>Cost</u> | <u>Value</u> |
|---|--------------|-------------------------|-------------------------|
| Vanguard High-Yield Corporate Fund | 30,942,587 | \$ 164,170,181 | \$ 161,520,304 |
| Vanguard Real Estate Index Fund | 5,711,616 | 117,102,703 | 104,636,813 |
| Vanguard Short-Term Inflation-Protected Securities Index Fund | 8,971,733 | 225,592,431 | 211,912,340 |
| Total Mutual Funds | | <u>3,556,964,657</u> | <u>3,988,476,940</u> |
| Funding Agreements (at cost): | | | |
| TIAA-CREF Life Funding Agreements | N/A | <u>759,559,871</u> | <u>759,559,871</u> |
| Total Investments | | <u>\$ 4,316,524,528</u> | <u>\$ 4,748,036,811</u> |

(b) Funding Agreements

Assets of certain investment portfolios are invested in funding agreements issued by TIAA Life. While account owners may withdraw their funds from the investment portfolios at any time, there are certain restrictions on withdrawals that may be made from the funding agreements.

As policyholder, the Trust may withdraw interest quarterly, provided that notice of intent to withdraw is given not more than 10 days nor less than 5 days prior to the end of the quarter.

In the event that the funding agreements are terminated, the Trust is limited on the amount of withdrawals that may be requested at any one point in time. Withdrawal requests initiated by the Trust totaling more than \$1 million over a 30-day period that are not intended to satisfy account owner withdrawal requests will be paid out over a five-year period, as follows: 20% of the remaining balance will be paid 30 days after the written request is received by TIAA Life, and 25%, 33%, 50%, and 100% of the remaining balance, including accumulated interest, will be paid on each of the four anniversaries of the date the request was received.

The crediting rate on the funding agreements from July 1, 2022 through December 31, 2022 is 1.10%, and the crediting rate from January 1, 2023 through June 30, 2023 is 2.80%.



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NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 3: INVESTMENTS (Continued)

(c) Investment Risk

The mutual funds in which the Plan invests include various types of investment securities in their asset holdings, such as corporate debt and equity securities, obligations of the United States government and government agencies, and international securities. These securities are exposed to interest rate, market, and credit risk, and it is at least reasonably possible that changes in their fair values could occur in the near term, materially affecting account owner balances and the amounts reported in the Plan's basic financial statements.

U.S. GAAP requires that certain disclosures be made related to the Plan's investment policy and exposure to credit risk, interest rate risk, and foreign currency risk, which are included in the paragraphs that follow.

Investment Policy

The Plan does not have specific investment policies that address credit, interest rate, foreign currency, or custodial credit risk. The Plan's investment portfolios are managed based on specific investment objectives and strategies, which are disclosed in the current Plan Description and related supplements.

Custodial Credit Risk

Custodial credit risk represents the risk that the Plan may not be able to recover the value of investments held by an outside party. Open-end mutual funds are not exposed to custodial credit risk because ownership is not evidenced by a transferable financial instrument.

Credit Risk

Credit risk refers to the ability of the issuer to make timely payments of interest and principal. The mutual funds investing primarily in fixed income securities are subject to credit risk. The mutual funds in which the Plan invests are not rated as to credit quality by a nationally recognized statistical rating organization. The funding agreements are a guaranteed insurance product issued by TIAA Life. While the funding agreements themselves are not rated by a nationally recognized statistical rating organization, TIAA Life has a Standard & Poor's credit rating of AA+ at June 30, 2023.



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NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 3: INVESTMENTS (Continued)

(c) Investment Risk (Continued)

Interest Rate Risk

Interest rate risk represents the risk that changes in interest rates will adversely affect the fair value of an investment. Mutual funds that invest in fixed income securities indirectly expose the Plan to interest rate risk. As of June 30, 2023, the fair values and the weighted average maturities for the bond funds in which the Plan invests are as follows:

| | <u>Fair Value</u> | <u>Weighted Average Maturity</u> |
|---|-------------------|--|
| Metropolitan West Total Return Bond Fund | \$ 30,649,323 | 7.8 years |
| T. Rowe Price Institutional Floating Rate Fund | \$ 95,746,201 | 4.4 years |
| TIAA-CREF Bond Index Fund | \$ 754,175,757 | 8.9 years |
| TIAA-CREF High-Yield Fund | \$ 8,277,170 | 5.9 years |
| TIAA-CREF Inflation-Linked Bond Fund | \$ 10,823,653 | 4.5 years |
| Vanguard High-Yield Corporate Fund | \$ 161,520,304 | 4.9 years |
| Vanguard Short-Term Inflation-Protected Securities Index Fund | \$ 211,912,340 | 2.6 years |

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Plan does not have any direct investment in foreign securities; however, certain investment portfolios invest in mutual funds that are exposed to foreign currency risk.

At June 30, 2023, the fair values of investments in mutual funds that invest significantly in foreign securities are as follows:

| | <u>Fair Value</u> |
|--|-------------------|
| DFA Emerging Markets Core Equity Portfolio | \$ 8,334,589 |
| DFA Large Cap International Portfolio | \$ 33,346,614 |
| TIAA-CREF Emerging Markets Equity Index Fund | \$ 93,433,766 |
| TIAA-CREF International Equity Index Fund | \$ 385,018,735 |



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**NOTES TO FINANCIAL STATEMENTS
June 30, 2023**

NOTE 4: SUBSCRIPTIONS AND REDEMPTIONS

As explained in Note 2(e) and Note 2(f), subscriptions and redemptions include contributions to the Plan and withdrawals from the Plan as directed by account owners, respectively, as well as exchanges between investment portfolios and transfers from one beneficiary to another or from one account owner to another that result in a reinvestment of assets. Total subscriptions and redemptions during the year ended June 30, 2023 are as follows:

| | |
|-----------------------------|-----------------------|
| Contributions | \$ 408,201,566 |
| Exchanges and transfers in | <u>264,610,970</u> |
| Total subscriptions | <u>\$ 672,812,536</u> |
| Withdrawals | \$ 362,113,497 |
| Exchanges and transfers out | <u>264,610,970</u> |
| Total redemptions | <u>\$ 626,724,467</u> |

NOTE 5: PLAN FEES AND UNDERLYING FUND EXPENSES

(a) Plan Fees

Each investment portfolio (with the exception of the Principal Plus Interest Portfolio, which is not charged a fee) pays to the Plan Manager a fee as compensation for performing duties specified in the management agreement. Through July 21, 2022, the Plan Manager Fee was 0.07% of the average daily net position held in each investment portfolio. Effective July 22, 2022, the Plan Manager fee was reduced to 0.06%. The Plan Manager fee will be reduced to 0.05% effective on the first day of the month following the date the Plan assets reach or exceed \$6.0 billion, and will be further reduced to 0.04% effective on the first day of the month following the date the Plan assets reach or exceed \$7.0 billion. These Plan Manager fees are reflected as expenses on the Statement of Changes in Fiduciary Net Position.

The State administrative fee is a fee that the Board may collect for its services to the Plan. The Board has waived the State administrative fee. If the waiver was no longer in effect, the State administrative fee would be up to 0.10% of the average daily net position held in each investment portfolio (with the exception of the Principal Plus Interest Portfolio, which is not charged a fee). For the year ended June 30, 2023, the State administrative fee waiver totaled \$4,157,344.



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NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE 5: PLAN FEES AND UNDERLYING FUND EXPENSES (Continued)

(a) Plan Fees (Continued)

The Board reserves the right to change the fees and/or to impose additional fees in the future.

(b) Underlying Fund Expenses

Expenses related to management of the Underlying Funds reduce the amount of income available for distribution to the Plan. These Underlying Funds expenses are not direct expenses paid from the Plan's assets, and therefore, are not reflected in expenses on the Statement of Changes in Fiduciary Net Position.

NOTE 6: MARKET UNCERTAINTIES

Market disruptions associated with recent geopolitical events have had a global impact, and uncertainty exists as to their implications. Such disruptions can adversely affect assets and thus performance of the investment portfolios; at this time, an aggregate effect on the Plan's assets and performance cannot be reasonably estimated. Management is continuing to monitor these developments and evaluate other impacts they may have on the investment portfolios.

Supplementary Information

The following supplementary information, which summarizes balances and transactions related to each investment portfolio, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Edvest College Savings Plan.



(A Fiduciary Fund of the State of Wisconsin)

STATEMENTS OF FIDUCIARY NET POSITION
June 30, 2023

| | Enrollment Year Investment Portfolios | | | | |
|--|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | 2040/2041 Enrollment Portfolio | 2038/2039 Enrollment Portfolio | 2036/2037 Enrollment Portfolio | 2034/2035 Enrollment Portfolio | 2032/2033 Enrollment Portfolio |
| ASSETS | | | | | |
| Investments | \$ 1,133,718 | \$ 58,115,273 | \$ 159,989,769 | \$ 164,963,265 | \$ 204,878,469 |
| Cash (cash overdraft) | 38,398 | 56,955 | 24,111 | 98,470 | 118,909 |
| Receivables from securities sold | - | - | - | - | - |
| Total Assets | 1,172,116 | 58,172,228 | 160,013,880 | 165,061,735 | 204,997,378 |
| LIABILITIES | | | | | |
| Accrued Plan Manager fee | 38 | 2,754 | 7,713 | 7,975 | 9,925 |
| Payables for securities purchased | 38,168 | 74,721 | 70,203 | 91,041 | 130,120 |
| Withdrawals payable | - | - | 4,069 | 16,112 | 2,000 |
| Total Liabilities | 38,206 | 77,475 | 81,985 | 115,128 | 142,045 |
| NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES | \$ 1,133,910 | \$ 58,094,753 | \$ 159,931,895 | \$ 164,946,607 | \$ 204,855,333 |
| UNITS OUTSTANDING ⁽¹⁾ | 108,404 | 5,928,036 | 12,097,723 | 12,610,597 | 15,942,049 |
| NET ASSET VALUE PER UNIT ⁽²⁾ | \$ 10.46 | \$ 9.80 | \$ 13.22 | \$ 13.08 | \$ 12.85 |

⁽¹⁾ Rounded to the nearest whole unit.

⁽²⁾ Rounded to the nearest hundredth.

(Continued)

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(A Fiduciary Fund of the State of Wisconsin)

STATEMENTS OF FIDUCIARY NET POSITION
June 30, 2023

| | Enrollment Year Investment Portfolios | | | | |
|--|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|------------------------|
| | 2030/2031 Enrollment Portfolio | 2028/2029 Enrollment Portfolio | 2026/2027 Enrollment Portfolio | 2024/2025 Enrollment Portfolio | In School Portfolio |
| ASSETS | | | | | |
| Investments | \$ 241,976,329 | \$ 270,301,170 | \$ 299,892,067 | \$ 327,907,291 | \$ 655,701,852 |
| Cash (cash overdraft) | 75,654 | 152,050 | 63,150 | 76,833 | 346,216 |
| Receivables from securities sold | - | - | - | - | 198,656 |
| Total Assets | <u>242,051,983</u> | <u>270,453,220</u> | <u>299,955,217</u> | <u>327,984,124</u> | <u>656,246,724</u> |
| LIABILITIES | | | | | |
| Accrued Plan Manager fee | 11,755 | 13,151 | 14,617 | 16,040 | 49,439 |
| Payables for securities purchased | 62,819 | 40,168 | 39,318 | 102,971 | - |
| Withdrawals payable | 12,317 | 3,140 | 7,529 | 12,595 | 409,735 |
| Total Liabilities | <u>86,891</u> | <u>56,459</u> | <u>61,464</u> | <u>131,606</u> | <u>459,174</u> |
| NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES | <u>\$ 241,965,092</u> | <u>\$ 270,396,761</u> | <u>\$ 299,893,753</u> | <u>\$ 327,852,518</u> | <u>\$ 655,787,550</u> |
| UNITS OUTSTANDING ⁽¹⁾ | <u>19,310,861</u> | <u>22,218,304</u> | <u>25,328,864</u> | <u>28,385,499</u> | <u>61,060,293</u> |
| NET ASSET VALUE PER UNIT ⁽²⁾ | <u>\$ 12.53</u> | <u>\$ 12.17</u> | <u>\$ 11.84</u> | <u>\$ 11.55</u> | <u>\$ 10.74</u> |

⁽¹⁾ Rounded to the nearest whole unit.

⁽²⁾ Rounded to the nearest hundredth.

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(A Fiduciary Fund of the State of Wisconsin)

STATEMENTS OF FIDUCIARY NET POSITION
June 30, 2023

| | Multi-Fund Investment Portfolios | | | | |
|--|--|--------------------------------------|--|---|---------------------------------------|
| | Index-Based Aggressive Portfolio | Index-Based Moderate Portfolio | Index-Based Conservative Portfolio | Active-Based Aggressive Portfolio | Active-Based Moderate Portfolio |
| ASSETS | | | | | |
| Investments | \$ 533,439,563 | \$ 116,339,990 | \$ 56,701,623 | \$ 148,117,978 | \$ 37,493,645 |
| Cash (cash overdraft) | 93,669 | 23,265 | 48,105 | 45,450 | (102,502) |
| Receivables from securities sold | 10,177 | 4,174 | - | - | 100,814 |
| Total Assets | <u>533,543,409</u> | <u>116,367,429</u> | <u>56,749,728</u> | <u>148,163,428</u> | <u>37,491,957</u> |
| LIABILITIES | | | | | |
| Accrued Plan Manager fee | 25,863 | 5,669 | 2,792 | 7,154 | 1,831 |
| Payables for securities purchased | - | - | 2,894 | 403 | - |
| Withdrawals payable | 92,838 | 57,302 | 34,676 | 44,867 | 1,458 |
| Total Liabilities | <u>118,701</u> | <u>62,971</u> | <u>40,362</u> | <u>52,424</u> | <u>3,289</u> |
| NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES | <u>\$ 533,424,708</u> | <u>\$ 116,304,458</u> | <u>\$ 56,709,366</u> | <u>\$ 148,111,004</u> | <u>\$ 37,488,668</u> |
| UNITS OUTSTANDING ⁽¹⁾ | <u>\$ 21,150,861</u> | <u>\$ 6,183,118</u> | <u>\$ 3,811,113</u> | <u>\$ 5,826,554</u> | <u>\$ 1,975,167</u> |
| NET ASSET VALUE PER UNIT ⁽²⁾ | <u>\$ 25.22</u> | <u>\$ 18.81</u> | <u>\$ 14.88</u> | <u>\$ 25.42</u> | <u>\$ 18.98</u> |

⁽¹⁾ Rounded to the nearest whole unit.

⁽²⁾ Rounded to the nearest hundredth.

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STATEMENTS OF FIDUCIARY NET POSITION
June 30, 2023

| | Multi-Fund Investment Portfolios | | | Single Fund Investment Portfolios | |
|--|---|-----------------------|--|-----------------------------------|------------------------------------|
| | Active-Based Conservative Portfolio | Balanced Portfolio | International Equity Index Portfolio | Small-Cap Index Portfolio | U.S. Equity Active Portfolio |
| ASSETS | | | | | |
| Investments | \$ 19,496,812 | \$ 342,271,232 | \$ 36,348,445 | \$ 106,608,757 | \$ 49,037,156 |
| Cash (cash overdraft) | 118,841 | 4,877 | 1,796 | 11,492 | 40,062 |
| Receivables from securities sold | - | 39,149 | 1,807 | 38,657 | 34,426 |
| Total Assets | 19,615,653 | 342,315,258 | 36,352,048 | 106,658,906 | 49,111,644 |
| LIABILITIES | | | | | |
| Accrued Plan Manager fee | 957 | 16,598 | 1,790 | 5,139 | 2,344 |
| Payables for securities purchased | 78,216 | - | - | - | - |
| Withdrawals payable | 41,349 | 75,030 | 7,653 | 45,474 | 70,853 |
| Total Liabilities | 120,522 | 91,628 | 9,443 | 50,613 | 73,197 |
| NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES | \$ 19,495,131 | \$ 342,223,630 | \$ 36,342,605 | \$ 106,608,293 | \$ 49,038,447 |
| UNITS OUTSTANDING ⁽¹⁾ | 1,291,924 | 13,766,035 | 2,075,534 | 3,936,791 | 1,361,423 |
| NET ASSET VALUE PER UNIT ⁽²⁾ | \$ 15.09 | \$ 24.86 | \$ 17.51 | \$ 27.08 | \$ 36.02 |

⁽¹⁾ Rounded to the nearest whole unit.

⁽²⁾ Rounded to the nearest hundredth.

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(A Fiduciary Fund of the State of Wisconsin)

STATEMENTS OF FIDUCIARY NET POSITION
June 30, 2023

| | Single Fund Investment Portfolios | | | | Plan Total |
|--|---------------------------------------|-------------------------------|-------------------------|---|-------------------------|
| | Large-Cap Stock Index Portfolio | Social Choice Portfolio | Bond Index Portfolio | Principal Plus Interest Portfolio | |
| ASSETS | | | | | |
| Investments | \$ 610,869,398 | \$ 26,264,652 | \$ 30,581,641 | \$ 249,606,716 | \$ 4,748,036,811 |
| Cash (cash overdraft) | 297,657 | 1,140 | (24,445) | 174,350 | 1,784,503 |
| Receivables from securities sold | - | - | 43,741 | - | 471,601 |
| Total Assets | 611,167,055 | 26,265,792 | 30,600,937 | 249,781,066 | 4,750,292,915 |
| LIABILITIES | | | | | |
| Accrued Plan Manager fee | 29,294 | 1,263 | 1,506 | - | 235,607 |
| Payables for securities purchased | 147,642 | 1,051 | - | 53,530 | 933,265 |
| Withdrawals payable | 84,277 | 1,297 | 31,910 | 125,522 | 1,182,003 |
| Total Liabilities | 261,213 | 3,611 | 33,416 | 179,052 | 2,350,875 |
| NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES | \$ 610,905,842 | \$ 26,262,181 | \$ 30,567,521 | \$ 249,602,014 | \$ 4,747,942,040 |
| UNITS OUTSTANDING ⁽¹⁾ | 15,992,299 | 750,134 | 2,751,352 | 21,498,881 | |
| NET ASSET VALUE PER UNIT ⁽²⁾ | \$ 38.20 | \$ 35.01 | \$ 11.11 | \$ 11.61 | |

⁽¹⁾ Rounded to the nearest whole unit.

⁽²⁾ Rounded to the nearest hundredth.

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(A Fiduciary Fund of the State of Wisconsin)

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2023

| | Enrollment Year Investment Portfolios | | | | |
|---|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | 2040/2041 Enrollment Portfolio | 2038/2039 Enrollment Portfolio | 2036/2037 Enrollment Portfolio | 2034/2035 Enrollment Portfolio | 2032/2033 Enrollment Portfolio |
| ADDITIONS | | | | | |
| Subscriptions | \$ 1,103,721 | \$ 33,822,895 | \$ 35,651,261 | \$ 26,498,214 | \$ 28,370,805 |
| Net investment income (loss) | 31,738 | 5,558,847 | 17,155,259 | 17,095,342 | 19,988,263 |
| Total Additions | <u>1,135,459</u> | <u>39,381,742</u> | <u>52,806,520</u> | <u>43,593,556</u> | <u>48,359,068</u> |
| DEDUCTIONS | | | | | |
| Redemptions | 1,504 | 3,167,243 | 4,138,278 | 3,792,526 | 4,392,400 |
| Plan Manager fee | 45 | 22,817 | 79,704 | 85,669 | 108,328 |
| Total Deductions | <u>1,549</u> | <u>3,190,060</u> | <u>4,217,982</u> | <u>3,878,195</u> | <u>4,500,728</u> |
| INVESTMENT PORTFOLIO CONVERSION IN (OUT) | - | - | - | - | - |
| CHANGE IN NET POSITION | 1,133,910 | 36,191,682 | 48,588,538 | 39,715,361 | 43,858,340 |
| NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, BEGINNING OF YEAR | - | <u>21,903,071</u> | <u>111,343,357</u> | <u>125,231,246</u> | <u>160,996,993</u> |
| NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, END OF YEAR | <u>\$ 1,133,910</u> | <u>\$ 58,094,753</u> | <u>\$ 159,931,895</u> | <u>\$ 164,946,607</u> | <u>\$ 204,855,333</u> |

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STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2023

| | Enrollment Year Investment Portfolios | | | | | In School Portfolio |
|---|---------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|-----------------------|
| | 2030/2031 Enrollment Portfolio | 2028/2029 Enrollment Portfolio | 2026/2027 Enrollment Portfolio | 2024/2025 Enrollment Portfolio | 2022/2023 Enrollment Portfolio | |
| ADDITIONS | | | | | | |
| Subscriptions | \$ 29,574,587 | \$ 31,560,476 | \$ 34,232,606 | \$ 36,737,854 | \$ 28,300,844 | \$ 55,326,459 |
| Net investment income (loss) | 21,135,175 | 21,084,991 | 20,623,364 | 17,125,993 | 9,889,285 | 17,960,751 |
| Total Additions | 50,709,762 | 52,645,467 | 54,855,970 | 53,863,847 | 38,190,129 | 73,287,210 |
| DEDUCTIONS | | | | | | |
| Redemptions | 4,717,007 | 7,156,228 | 9,619,462 | 17,040,525 | 46,092,443 | 165,249,095 |
| Plan Manager fee | 130,208 | 147,500 | 165,241 | 185,725 | 152,521 | 279,153 |
| Total Deductions | 4,847,215 | 7,303,728 | 9,784,703 | 17,226,250 | 46,244,964 | 165,528,248 |
| INVESTMENT PORTFOLIO CONVERSION IN (OUT) | - | - | - | - | (300,656,710) | 300,656,710 |
| CHANGE IN NET POSITION | 45,862,547 | 45,341,739 | 45,071,267 | 36,637,597 | (308,711,545) | 208,415,672 |
| NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, BEGINNING OF YEAR | 196,102,545 | 225,055,022 | 254,822,486 | 291,214,921 | 308,711,545 | 447,371,878 |
| NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, END OF YEAR | \$ 241,965,092 | \$ 270,396,761 | \$ 299,893,753 | \$ 327,852,518 | \$ - | \$ 655,787,550 |

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(A Fiduciary Fund of the State of Wisconsin)

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2023

| | Multi-Fund Investment Portfolios | | | | |
|---|--|--------------------------------------|--|---|---------------------------------------|
| | Index-Based Aggressive Portfolio | Index-Based Moderate Portfolio | Index-Based Conservative Portfolio | Active-Based Aggressive Portfolio | Active-Based Moderate Portfolio |
| ADDITIONS | | | | | |
| Subscriptions | \$ 62,836,025 | \$ 18,387,128 | \$ 10,630,853 | \$ 19,881,777 | \$ 6,493,214 |
| Net investment income (loss) | 61,298,780 | 8,910,320 | 2,374,512 | 16,825,622 | 2,946,946 |
| Total Additions | 124,134,805 | 27,297,448 | 13,005,365 | 36,707,399 | 9,440,160 |
| DEDUCTIONS | | | | | |
| Redemptions | 60,103,122 | 19,091,393 | 14,576,535 | 14,747,139 | 5,907,132 |
| Plan Manager fee | 296,725 | 66,288 | 34,006 | 81,809 | 21,144 |
| Total Deductions | 60,399,847 | 19,157,681 | 14,610,541 | 14,828,948 | 5,928,276 |
| INVESTMENT PORTFOLIO CONVERSION IN (OUT) | - | - | - | - | - |
| CHANGE IN NET POSITION | 63,734,958 | 8,139,767 | (1,605,176) | 21,878,451 | 3,511,884 |
| NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, BEGINNING OF YEAR | 469,689,750 | 108,164,691 | 58,314,542 | 126,232,553 | 33,976,784 |
| NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, END OF YEAR | \$ 533,424,708 | \$ 116,304,458 | \$ 56,709,366 | \$ 148,111,004 | \$ 37,488,668 |

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(A Fiduciary Fund of the State of Wisconsin)

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2023

| | Multi-Fund Investment Portfolios | | | Single Fund Investment Portfolios | |
|---|---|-----------------------|--|-----------------------------------|------------------------------------|
| | Active-Based Conservative Portfolio | Balanced Portfolio | International Equity Index Portfolio | Small-Cap Index Portfolio | U.S. Equity Active Portfolio |
| ADDITIONS | | | | | |
| Subscriptions | \$ 4,965,329 | \$ 28,026,880 | \$ 7,626,422 | \$ 16,722,004 | \$ 9,622,239 |
| Net investment income (loss) | 869,487 | 36,713,561 | 4,608,277 | 11,859,757 | 7,434,296 |
| Total Additions | 5,834,816 | 64,740,441 | 12,234,699 | 28,581,761 | 17,056,535 |
| DEDUCTIONS | | | | | |
| Redemptions | 4,981,783 | 48,679,221 | 5,365,498 | 16,300,402 | 6,134,002 |
| Plan Manager fee | 11,302 | 197,533 | 19,459 | 61,462 | 25,719 |
| Total Deductions | 4,993,085 | 48,876,754 | 5,384,957 | 16,361,864 | 6,159,721 |
| INVESTMENT PORTFOLIO CONVERSION IN (OUT) | - | - | - | - | - |
| CHANGE IN NET POSITION | 841,731 | 15,863,687 | 6,849,742 | 12,219,897 | 10,896,814 |
| NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, BEGINNING OF YEAR | 18,653,400 | 326,359,943 | 29,492,863 | 94,388,396 | 38,141,633 |
| NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, END OF YEAR | \$ 19,495,131 | \$ 342,223,630 | \$ 36,342,605 | \$ 106,608,293 | \$ 49,038,447 |

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(A Fiduciary Fund of the State of Wisconsin)

**STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2023**

| | Single Fund Investment Portfolios | | | Principal Plus Interest Portfolio | Plan Total |
|---|---------------------------------------|-------------------------------|-------------------------|---|-------------------------|
| | Large-Cap Stock Index Portfolio | Social Choice Portfolio | Bond Index Portfolio | | |
| ADDITIONS | | | | | |
| Subscriptions | \$ 67,424,134 | \$ 4,336,009 | \$ 9,082,571 | \$ 65,598,229 | \$ 672,812,536 |
| Net investment income (loss) | 100,015,076 | 3,947,479 | (257,830) | 4,756,723 | 429,952,014 |
| Total Additions | <u>167,439,210</u> | <u>8,283,488</u> | <u>8,824,741</u> | <u>70,354,952</u> | <u>1,102,764,550</u> |
| DEDUCTIONS | | | | | |
| Redemptions | 70,435,593 | 2,983,017 | 8,263,613 | 83,789,306 | 626,724,467 |
| Plan Manager fee | 329,446 | 14,067 | 17,615 | - | 2,533,486 |
| Total Deductions | <u>70,765,039</u> | <u>2,997,084</u> | <u>8,281,228</u> | <u>83,789,306</u> | <u>629,257,953</u> |
| INVESTMENT PORTFOLIO CONVERSION IN (OUT) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| CHANGE IN NET POSITION | 96,674,171 | 5,286,404 | 543,513 | (13,434,354) | 473,506,597 |
| NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, BEGINNING OF YEAR | <u>514,231,671</u> | <u>20,975,777</u> | <u>30,024,008</u> | <u>263,036,368</u> | <u>4,274,435,443</u> |
| NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, END OF YEAR | <u>\$ 610,905,842</u> | <u>\$ 26,262,181</u> | <u>\$ 30,567,521</u> | <u>\$ 249,602,014</u> | <u>\$ 4,747,942,040</u> |

See Report of Independent Auditors.



Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Wisconsin College Savings Program Board

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Edvest College Savings Plan (the "Plan"), which comprise the statement of fiduciary net position as of June 30, 2023, and the related statement of changes in fiduciary net position for the year then ended, including the related notes (collectively referred to as the "financial statements"), and have issued our report thereon dated August 31, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Plan's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Plan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PricewaterhouseCoopers LLP

Charlotte, North Carolina
August 31, 2023