

**INDEPENDENT AUDITORS' REPORT**  
**Financial Statements**

Year Ended June 30, 2021



The  
Commonwealth  
Fund

The Commonwealth Fund

We have audited the accompanying financial statements of The Commonwealth Fund (the "Fund") which comprise the statement of financial position as of June 30, 2021 and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

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

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Commonwealth Fund as of June 30, 2021 and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## **Other matter - Comparative Information**

The June 30, 2020 actual information is presented in the statement of financial position, statement of activities, and statement of cash flows for purposes of additional analysis and is not a required part of the financial statements. The June 30, 2020 information was derived from the June 30, 2020 financial statements, which we previously audited and issued our unmodified audit opinion thereon dated November 9, 2020.

*PKF O'Connor Davies, LLP*

PKF O'Connor Davies, LLP  
New York, New York

November 8, 2021

**THE COMMONWEALTH FUND**

**STATEMENT OF FINANCIAL POSITION**

**JUNE 30, 2021 with comparative totals for JUNE 30, 2020**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash	\$ 2,467,190	\$ 4,273,719
Investments - At fair value	975,515,055	740,426,440
Interest and dividends receivable	160,508	214,280
Proceeds receivable from security sales - net	13,916,558	4,151,776
Taxes refundable	682,008	735,781
Prepaid insurance and other assets	34,944	127,492
Landmark property at 1 East 75th Street - At appraised value during 1953, the date of donation	275,000	275,000
Furniture, equipment and building improvements - At cost and net of accumulated depreciation of \$4,680,059 at June 30, 2021	<u>4,963,218</u>	<u>4,648,681</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 998,014,481</u></b>	<b><u>\$ 754,853,169</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 1,594,136	\$ 2,417,891
Program authorizations payable, net	17,704,239	17,632,905
Accrued postretirement benefits	11,903,410	9,951,911
Deferred tax liability	<u>3,139,720</u>	<u>696,586</u>
Total liabilities	<u>34,341,505</u>	<u>30,699,293</u>
<b>NET ASSETS - Without Donor Restrictions</b>	<b><u>963,672,976</u></b>	<b><u>724,153,876</u></b>
Total net assets	<u>963,672,976</u>	<u>724,153,876</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 998,014,481</u></b>	<b><u>\$ 754,853,169</u></b>

*See notes to financial statements.*

**THE COMMONWEALTH FUND**

**STATEMENT OF ACTIVITIES**

**YEAR ENDED JUNE 30, 2021 with comparative totals for YEAR ENDED June 30, 2020**

	<b>2021</b>	<b>2020</b>
<b>INVESTMENT GAINS, REVENUES AND OTHER:</b>		
Net realized gains on investments	\$ 66,625,552	\$ 4,830,983
Change in unrealized appreciation of investments	216,309,049	17,418,353
Interest and dividends	2,491,134	3,493,960
	<u>285,425,735</u>	<u>25,743,296</u>
Less: Direct investment expenses	5,031,512	4,999,087
	<u>280,394,223</u>	<u>20,744,209</u>
Other investment expenses	2,670,674	877,222
	<u>277,723,549</u>	<u>19,866,987</u>
Net investment gains	277,723,549	19,866,987
Partner grants, royalties and other	327,431	925,277
	<u>278,050,980</u>	<u>20,792,264</u>
<b>EXPENSES:</b>		
Programs	33,664,967	34,285,406
General administration	4,866,913	4,144,181
	<u>38,531,880</u>	<u>38,429,587</u>
CHANGES IN NET ASSETS - Without Donor Restrictions	239,519,100	(17,637,323)
Net assets, beginning of year	<u>724,153,876</u>	<u>741,791,199</u>
Net assets, end of year	<u><u>\$ 963,672,976</u></u>	<u><u>\$ 724,153,876</u></u>

*See notes to financial statements.*

**THE COMMONWEALTH FUND**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED June 30, 2021 with comparative totals for YEAR ENDED JUNE 30, 2020**

	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash provided by interest and dividends	\$ 2,491,134	\$ 3,493,960
Cash provided by partner grants, royalties and other	327,431	925,277
Cash (used) to pay program expenses	(33,736,301)	(34,378,048)
Cash (used) to pay general and administrative expenses	(4,135,706)	(3,245,339)
Cash (used) to pay investment expenses	<u>(10,145,320)</u>	<u>(5,702,125)</u>
Net cash used by operating activities	<u>(45,198,762)</u>	<u>(38,906,275)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets	(660,022)	-
Purchase of investments	(127,117,085)	(409,373,639)
Proceeds from the sale of investments	<u>171,169,340</u>	<u>449,057,182</u>
Net cash provided by investing activities	<u>43,392,233</u>	<u>39,683,543</u>
Net increase (decrease) in cash	(1,806,529)	777,268
Cash, beginning of year	<u>4,273,719</u>	<u>3,496,451</u>
Cash, end of year	<u>\$ 2,467,190</u>	<u>\$ 4,273,719</u>

*See notes to financial statements.*

## THE COMMONWEALTH FUND

### NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021

#### 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Commonwealth Fund (the “Fund”) is a private foundation supporting independent research on health and social issues.

- a. *Investments* – Investments in equity securities with readily determinable fair values and all investments in debt securities are carried at fair value. Assets with limited marketability, such as alternative asset limited partnerships, are stated at the Fund’s equity interest in the underlying net assets of the partnerships, which are stated at fair value as reported by the partnerships. Realized gains and losses on dispositions of investments are determined on the following bases: FIFO for actively managed equity and fixed income, average cost for commingled mutual funds, and specific identification basis for alternative assets.
- b. *Fixed Assets* – Furniture, equipment, and building improvements are capitalized at cost and depreciated using the straight-line method over their estimated useful lives. The landmark property is recorded at appraised fair value at date of donation and is not depreciated, but subject to impairment testing.
- c. *Grants, Grant Expense, Promises to Give, and Net Asset Classifications* – Partner grants are recognized in the period received. Grants are recorded as a receivable and revenue when a written agreement is received. The Fund reports grants as restricted if received with a donor stipulation that limits the use of the donated assets.\* Unconditional promises to give for future periods are recorded when authorized by the Board and are presented as program authorizations payable on the statement of financial position, which includes a discount for present value.
- d. *Use of Estimates* – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (US GAAP) requires the Fund’s management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses included in the statement of activities. The calculation of the present value of program authorizations payable, present value of accumulated postretirement benefits, deferred Federal excise taxes and the depreciable lives of fixed assets requires the significant use of estimates. Actual results could differ from those estimates.
- e. *Cash* – Cash consists of all checking accounts and petty cash. At times the Fund’s cash exceeds federally insured limits. This risk is managed by using only large, established financial institutions.
- f. *Notes* – The financial statements present comparative information as of and for the year ended June 30, 2020, and the notes are only presented for the current year. Such information does not constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with the Fund’s financial statements as of and for the year ended June 30, 2020.
- g. *Functional Allocation of Expenses* – The costs of providing services have been summarized on a functional basis in Note 11. Accordingly, certain costs have been allocated between programs and the general administration activities and have been presented in their natural classification.

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\*Net assets and changes therein are reported as an increase in net assets without donor restrictions as there are no net assets with donor restrictions as of June 30, 2021.

## 2. FIXED ASSETS

Fixed assets at June 30, 2021 were comprised of the following:

	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>Book Value</b>	<b>Useful Life</b>
Building improvements	\$ 7,856,917	\$ 3,815,483	\$ 4,041,434	7-40 years
Computers and related	553,248	222,488	330,760	3-10 years
Furniture, fixtures and equipment	783,112	619,588	163,524	5-20 years
Website	450,000	22,500	427,500	10 years
Total	<u>\$ 9,643,277</u>	<u>\$ 4,680,059</u>	<u>\$ 4,963,218</u>	

## 3. INVESTMENTS

Investments at June 30, 2021 comprised the following:

	<b>Fair Value</b>	<b>Cost</b>
Global equity	\$ 399,269,407	\$ 251,341,759
Absolute return	131,239,309	95,509,314
Real assets	60,498,795	79,919,451
Private capital	268,029,061	157,960,146
Global fixed income	60,366,306	52,231,007
Cash and miscellaneous	56,112,177	56,112,177
	<u>\$ 975,515,055</u>	<u>\$ 693,073,854</u>

At June 30, 2021, the Fund had unfunded investment commitments of approximately \$154 million in private capital.

### ***Fair Value Measurements***

The Fund follows US GAAP guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Pursuant to US GAAP guidance investments measured using net asset value (NAV) are not categorized within the fair value hierarchy.

### 3. INVESTMENTS (continued)

#### *Investments Valuation*

Investments, other than cash held for investment, are carried at fair value. The fair value of alternative investments has been estimated using the NAV as reported by the management of the respective alternative investment fund. US GAAP guidance provides for the use of NAV as a “Practical Expedient” for estimating fair value of alternative investments. NAV, member’s capital, partner’s capital, or any investor ownership amount reported by each alternative investment fund is used as a practical expedient to estimate the fair value of the Fund’s interest therein.

#### *Investments Risks and Uncertainties*

Alternative investments consist of non-traditional, not readily marketable investments, some of which may be structured as offshore limited partnerships, venture capital funds, hedge funds and private equity funds. The underlying investments of such funds, whether invested in stock or other securities, are generally not currently traded in a public market and typically are subject to restrictions on resale. Values determined by investment managers and general partners of underlying securities that are thinly traded or not traded in an active market may be based on historical cost, appraisals, a review of the investees’ financial results, financial condition and prospects, together with comparisons to similar companies for which quoted market prices are available or other estimates that require varying degrees of judgment.

Because of the inherent uncertainty of valuations, the estimated fair values may differ significantly from the values that would have been used had a ready market for such investments existed or had such investments been liquidated, and those differences could be material. It is estimated that the private limited partnerships will be liquidated over the next 2–12 years.

The following tables summarize investments valued at fair value on a recurring basis at June 30, 2021 grouped by the fair value hierarchy, for those investments subject to categorization within such hierarchy:

	Fair Value Measurements Using		
		Quoted in Active Markets For Identical Assets	Significant Other Observable Inputs
	Fair Value	Level 1	Level 2
Global equity–Preferred stock	\$ 211,942	\$ 211,942	\$ –
Global fixed income–Funds	60,366,306	–	60,366,306
Total	<u>\$ 60,578,248</u>	<u>\$ 211,942</u>	<u>\$ 60,366,306</u>

There were no transfers between level 1 and 2 of the fair value hierarchy during the year ended June 30, 2021.

### 3. INVESTMENTS (continued)

Total investments at June 30, 2021 include those classified within the fair value hierarchy, as well as those measured using NAV as a practical expedient and cash held for reinvestment, as follows:

Investments included in fair value hierarchy	\$ 60,578,248
Nonpublic investments measured using net asset value	
Global equity	399,057,465
Absolute return	131,239,309
Real assets	60,498,795
Private capital	268,029,061
Cash	<u>56,112,177</u>
 Total investments	 <u><u>\$ 975,515,055</u></u>

Information regarding alternative investments valued at NAV using the practical expedient at June 30, 2021 is as follows:

	Fair value	Unfunded Commitments	Redemption frequency	Notice period
Global equity	\$ 399,057,465	\$ –	Daily, Monthly, Quarterly	0 to 120 days
Absolute return	131,239,309	–	Quarterly, Semi-annually	90 days
Private partnerships:				
Private capital	268,029,061	108,057,124	N/A	N/A
Real assets	<u>60,498,795</u>	<u>45,444,760</u>	Daily, N/A	0 days
	<u><u>\$ 858,824,630</u></u>	<u><u>\$ 153,501,884</u></u>		

Private capital and some real assets have no redemption provisions and distributions are made as assets are sold. They generally have a duration of up to 12 years or more from initial investment to final distribution.

#### 4. FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair value amounts have been determined by the Fund, using available market information and appropriate valuation methodologies. However, considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that the Fund could realize in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

**All Financial Instruments Other Than Investments** - The carrying amounts of these items are a reasonable estimate of their fair value due to their short-term nature. Program authorization payables have been discounted to their net present value which approximates fair value.

**Investments** - For marketable securities held as investments, fair value equals quoted market price, if available. If a quoted market price is not available, fair value is estimated using a quoted market price for similar securities. For alternative investment limited partnerships held as investments, fair value is estimated using private valuations of the securities or properties held in these partnerships. The carrying amount of these items is a reasonable estimate of their fair value. For futures and foreign exchange forward contracts, the fair value equals the quoted market price.

#### 5. AVAILABILITY AND LIQUIDITY

This liquidity profile analysis estimates the amount of time it would take to convert the portfolio investments into cash. For capital allocated to external managers, the analysis incorporates the redemption terms of each underlying manager. The analysis shows the percentage of the portfolio that could be converted to cash within each time period.



There are no restrictions on net assets and approximately \$608 million in assets are available within one year – \$56 million in cash and receivables and \$552 million from the portfolio. The Fund maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. As part of the Fund's liquidity management strategy, the Fund seeks to maintain adequate liquidity to meet its obligations, including planned expenditures as approved by the Board. The Fund also maintains a \$20 million unsecured, committed line of credit, should additional liquidity be needed.

## 6. PROGRAM AUTHORIZATIONS PAYABLE

At June 30, 2021, program authorizations scheduled for payment at later dates were as follows:

July 1, 2021 through June 30, 2022	\$ 12,405,404
July 1, 2022 through June 30, 2023	3,544,400
Thereafter	<u>1,772,201</u>
Gross program authorizations scheduled for payment at a later date	17,722,005
Less adjustment to present value	<u>17,766</u>
Program authorizations payable	<u>\$ 17,704,239</u>

A discount rate of 0.50% (based on the one month LIBOR plus 45 basis points) was used to determine the present value of the program authorizations payable at June 30, 2021.

## 7. RETIREMENT AND OTHER POSTRETIREMENT BENEFITS

The Fund has a noncontributory defined contribution retirement plan, covering all employees, under arrangements with TIAA and Fidelity Investments. This plan provides for purchases of annuities and/or mutual funds for employees. The Fund's contributions approximated 19% of the participants' compensation for the year ended June 30, 2021. Contributions to the Fund's defined contribution retirement plan were \$1,501,473 for the year ended June 30, 2021. In addition, the plan allows employees to make voluntary tax-deferred purchases of these same annuities and/or mutual funds within the legal limits provided for under Federal law.

Effective July 9, 2002, the Fund established a Section 457(b) Plan for certain employees that provides for unfunded benefits with employer contributions made within the legal limits provided for under Federal law.

### *Postretirement Medical Plan*

The Fund provides postretirement medical insurance coverage for retirees who meet the eligibility criteria. The postretirement medical plan, which is measured as of the end of each fiscal year, is an unfunded plan, with 100% of the benefits paid by the Fund on a pay-as-you-go basis. Such medical insurance payments approximated \$176,910 for the year ended June 30, 2021. Additionally, \$10,240 was directly paid for retiree medical expenses, resulting in a total employer contribution of \$187,150.

Significant assumptions related to postretirement benefits as of June 30, 2021 were as follows:

Discount rate	2.50%
Health care cost trend rates - Initial	6.50%
Health care cost trend rates - Ultimate	5.00%

At June 30, 2021, benefits expected to be paid in future years are approximately as follows:

Year ending June 30, 2022	\$ 235,261
Year ending June 30, 2023	216,942
Year ending June 30, 2024	233,368
Year ending June 30, 2025	233,183
Year ending June 30, 2026	233,774
Five year ending June 30, 2031	1,615,150

**7. RETIREMENT AND OTHER POSTRETIREMENT BENEFITS (continued)**

Additional required disclosure on the Fund's postretirement medical plan for the year ended June 30, 2021:

Benefit obligation at end of year accrued on statement of financial position	\$	11,903,410
Net postretirement benefit costs		1,137,976

Components of Net Periodic Expense  
for the Year

Service cost	\$	842,714
Interest cost		295,262
	\$	<u>1,137,976</u>

Effect of a one-percent point change in the health care cost trend rate on	1% Decrease	1% Increase
Year end benefit obligation	\$ 9,834,577	\$ 14,695,457
Total of service and interest cost component	806,412	1,622,505

## **8. TAX STATUS**

The Fund is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code, but is subject to a 1.39% Federal excise tax on net investment income. The Fund is also subject to Federal and state taxes on unrelated business income. In addition, the Fund records deferred Federal excise taxes, based upon expected excise tax rates, on the unrealized appreciation of investments as such amounts would be realized for tax purposes when the investments are sold.

The Fund is required to make certain minimum distributions in accordance with a formula specified by the Internal Revenue Service. For the year ended June 30, 2021, the Fund was required to distribute approximately \$42 million and the Fund distributed approximately \$39 million. The Fund has an undistributed amount of approximately \$18 million carried over to the next fiscal year.

In the statement of financial position, the deferred tax liability of \$3,139,720 at June 30, 2021 resulted from expected Federal excise taxes on unrealized appreciation of investments. For the year ended June 30, 2021 there was an increase of \$2,443,134 in the deferred excise tax liability.

## **9. OPERATING PROGRAMS**

The Fund is a value-added foundation, working directly with grantees to develop projects, carry them out effectively and communicate results to policymakers and institutional leaders. The Fund also conducts a large program of intramural research including national and international health care surveys and development and production of scorecards on health system performance. Operating programs include the non-grant expenses related to these activities in areas such as Advancing Health Equity, International Health Policy, Communications, Health Care Coverage and Access, and Tracking Health System Performance.

## **10. FINANCIAL STATEMENT HIGHLIGHTS**

For the following items, all original amounts have been fully expended.

In fiscal years 1987 and 1988, the Fund received a total of \$15,415,804 as a grant from the James Picker Foundation, with an agreement that a designated portion of the Fund's grants be identified as "Picker Program Grants by The Commonwealth Fund." The Fund fulfilled this obligation by making Picker Program Grants devoted to specific themes approved by the Fund's Board of Directors. For the year ended June 30, 2021 Picker program grants totaled \$1,722,828.

In April 1996, the Fund received The Health Services Improvement Fund, Inc.'s ("HSIF") assets and liabilities, \$1,721,016 and \$57,198, respectively, resulting in a \$1,663,818 increase in net assets. In accordance with the terms of an agreement with HSIF, this contribution enabled the Fund to make Commonwealth Fund/HSIF grants to improve health care coverage, access, and quality in the New York City greater metropolitan region. During the year ended June 30, 2021 a grant in the amount of \$157,353 was awarded.

## 11. NATURAL AND FUNCTIONAL EXPENSE CLASSIFICATION

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits which are allocated on the basis of estimates of time and effort, depreciation, occupancy, travel, conferences and meetings, other professional fees, and other expenses which are allocated on the basis of estimates of use. The expenses for the year ended June 30, 2021 by natural and functional classification were reported as follows:

	Programs		Total Programs	General and Administrative	Subtotal	Investment	Total
	Operating	Communications					
Compensation -Officers	\$ 692,698	\$ 371,088	\$ 1,063,786	\$ 717,437	\$ 1,781,223	\$ 98,957	\$ 1,880,180
Other employee salaries	3,478,534	864,182	4,342,716	1,497,960	5,840,676	-	5,840,676
Pension plans, employee benefits	3,025,996	896,119	3,922,115	1,607,147	5,529,262	71,788	5,601,050
Legal fees	-	-	-	341	341	-	341
Accounting fees	-	-	-	45,300	45,300	-	45,300
Other professional fees	48,052	55,429	103,481	367,252	470,733	-	470,733
Taxes	-	-	-	-	-	2,493,519	2,493,519
Depreciation	160,727	80,954	241,681	103,805	345,486	-	345,486
Occupancy	270,212	80,021	350,233	149,924	500,157	6,410	506,567
Travel, conferences and meetings	12,659	1,636	14,295	39,850	54,145	-	54,145
Printing and publications	-	706,022	706,022	-	706,022	-	706,022
Other expenses	218,518	664,934	883,452	337,897	1,221,349	-	1,221,349
Subtotal	7,907,396	3,720,385	11,627,781	4,866,913	16,494,694	2,670,674	19,165,368
Program Authorizations	22,037,186	-	22,037,186	-	22,037,186	-	22,037,186
Direct investment expenses	-	-	-	-	-	5,031,512	5,031,512
Total	<u>\$ 29,944,582</u>	<u>\$ 3,720,385</u>	<u>\$33,664,967</u>	<u>\$4,866,913</u>	<u>\$38,531,880</u>	<u>\$7,702,186</u>	<u>\$46,234,066</u>

## **12. UNCERTAIN TAX POSITION**

The Fund has not entered into any uncertain tax positions that would require financial statement recognition or disclosure. The Fund is no longer subject to examinations by the applicable taxing jurisdiction for periods prior to June 30, 2018.

## **13. LINE OF CREDIT**

The Fund has an unsecured, committed line of credit with Bank of America in the amount of \$20 million. The Fund did not use this facility during the year ended June 30, 2021.

## **14. RISKS AND UNCERTAINTIES**

The COVID-19 pandemic has resulted in substantial volatility in the global financial markets. Because the value of the Fund's individual investments has and will fluctuate in response to changing market conditions, the amount of losses, if any, that will be recognized in subsequent periods, cannot be determined.

## **15. SUBSEQUENT EVENTS**

In connection with the preparation of the financial statements, the Fund evaluated subsequent events after the statement of financial position date of June 30, 2021 through November 8, 2021 which was the date the financial statements were available to be issued.

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