New Jersey Secure Choice Savings Program Fund

Basic Financial Statements
and
Management's Discussion and Analysis
December 31, 2024

(With Independent Auditor's Report Thereon)

New Jersey Secure Choice Savings Program Fund

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INDEPENDENT AUDITOR'S REPORT

Members of the Audit Committee and Executive Director
New Jersey Secure Choice Savings Program

Report on the Audit of the Basic Financial Statements

Opinion

We have audited the accompanying Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position of the **New Jersey Secure Choice Savings Program Fund** (the Program Fund), as of December 31, 2024, and for the period from June 30, 2024 (the Program Launch Date) through December 31, 2024, and the related Notes to the Financial Statements, which collectively comprise the Program Fund's Basic Financial Statements.

In our opinion, the Basic Financial Statements present fairly, in all material respects, the fiduciary net position of the Program Fund as of December 31, 2024, and the changes in fiduciary net position for the period from June 30, 2024 through December 31, 2024 in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (U.S. 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 *Auditor's Responsibilities for the Audit of the Basic Financial Statements* section of our report. We are required to be independent of the Program 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.

Emphasis of Matter - Contributions

The New Jersey Secure Choice Act, P.L. 2019, c. 56 (the Act) requires employers that do not offer a qualified retirement plan (as defined in the Act) to provide eligible employees the opportunity to save for retirement through an automatic enrollment payroll deduction Individual Retirement Account, known as the New Jersey Secure Choice Savings Program (the Program). We did not perform any procedures to determine that every employer required by the Act to offer the Program to employees is actually doing so. Additionally, we did not perform any audit procedures to obtain an understanding of the design and implementation of internal control over payroll processing, the calculation of employee contributions or the remittance of employee contributions at the participating employers. We did not test employer payroll records to determine that employee contributions were accurately calculated based on participating employee contribution elections, that amounts remitted to the Program Fund were complete and accurate or that all eligible employees who had not opted out were participating.

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Report on the Audit of the Basic Financial Statements *(Continued)*

Responsibilities of Management for the Basic Financial Statements

Management is responsible for the preparation and fair presentation of the Basic Financial Statements in accordance with U.S. GAAP, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the Basic Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Basic Financial Statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Program Fund'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.

Auditor's Responsibilities for the Audit of the Basic Financial Statements

Our objectives are to obtain reasonable assurance about whether the Basic Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 U.S. 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 Basic Financial Statements.

In performing an audit in accordance with U.S. 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 Basic 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 Basic 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 Program Fund'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 Basic Financial Statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Program Fund's ability to continue as a going concern for a reasonable period of time.

Report on the Audit of the Basic Financial Statements *(Continued)*

Auditor's Responsibilities for the Audit of the Basic Financial Statements (Continued)

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 Supplementary Information

U.S. GAAP requires that Management's Discussion and Analysis on pages 7 through 10 be presented to supplement the Basic Financial Statements. Such information is the responsibility of management and, although not a part of the Basic Financial Statements, is required by the Governmental Accounting Standards Board as it is considered 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 supplementary information in accordance with U.S. GAAS, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2025, on our consideration of the Program Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and agreements and other matters. 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 Program Fund's internal control over financial reporting and compliance.

Landmark PLC

Little Rock, Arkansas
June 4, 2025

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Management's Discussion and Analysis

(Unaudited)

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New Jersey Secure Choice Savings Program Fund

Management's Discussion and Analysis
(Unaudited)
December 31, 2024

The New Jersey Secure Choice Act, P.L. 2019, c. 56 (the Act), established a retirement savings program in the form of an automatic enrollment payroll deduction Roth Individual Retirement Account (Roth IRA) for the purpose of promoting greater retirement savings for New Jersey employees in a convenient, low-cost and portable manner. This workplace retirement savings option is known as the New Jersey Secure Choice Savings Program, or RetireReady NJ (the Program).

Pursuant to the Act, contributions are held in the New Jersey Secure Choice Savings Program Fund (the Program Fund), a trust for which the New Jersey Secure Choice Savings Board (the Board) is trustee. The Act further specifies that amounts deposited in the Program Fund shall not constitute property of the State of New Jersey (the State) and shall not be construed to be a department, institution or agency of the State. Amounts on deposit in the Program Fund shall not be commingled with other State funds, and the State has no claim to or against, or interest in, assets held in the Program Fund.

This discussion and analysis provides an overview of the Program Fund's financial performance as of December 31, 2024, and for the period from June 30, 2024 (the Program Launch Date) through December 31, 2024. Readers should consider the information presented in this section in conjunction with the Program Fund's financial statements and notes thereto, along with the *RetireReady NJ Program Description*.

This report consists of two parts: 1) Management's Discussion and Analysis (this section) and 2) the Basic Financial Statements. Management's Discussion and Analysis includes selected financial data and summarizes the Program Fund's financial status and changes therein as of and for the period presented. The Basic Financial Statements consist of the Statement of Fiduciary Net Position, the Statement of Changes in Fiduciary Net Position and Notes to the Financial Statements that further explain and provide more detailed information about amounts presented in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position.

New Jersey Secure Choice Savings Program Fund

Management's Discussion and Analysis
(Unaudited)
December 31, 2024

Financial Highlights

The Program offers several investment options that are designed to appeal to varying levels of risk tolerance and return expectations. The following table summarizes returns posted by each investment option during the period from the Program Launch Date through December 31, 2024:

Investment Option	Program Launch Date through December 31, 2024
Capital Preservation Fund	2.31%
Target Retirement Income Fund	3.07%
Target Retirement 2020 Fund	3.35%
Target Retirement 2025 Fund	3.78%
Target Retirement 2030 Fund	3.86%
Target Retirement 2035 Fund	4.22%
Target Retirement 2040 Fund	5.28%
Target Retirement 2045 Fund	4.83%
Target Retirement 2050 Fund	5.07%
Target Retirement 2055 Fund	5.02%
Target Retirement 2060 Fund	4.97%
Target Retirement 2065 Fund	4.95%
Target Retirement 2070 Fund	5.00%
Large Cap Fund	8.72%
Mid Cap Fund	9.53%
Small Cap Core Fund	10.14%
Small Cap Value Fund	6.94%
International Equity Fund	-0.72%
Fixed Income Fund	1.69%

At December 31, 2024, the Program Fund's fiduciary net position totaled $1.9 million.

During the period from the Program Launch Date through December 31, 2024, contributions exceeded distributions by $1.9 million. Contributions and distributions for the period from the Program Launch Date through December 31, 2024 totaled $1.9 million and $26.0 thousand, respectively.

During the period from the Program Launch Date through December 31, 2024, the Program Fund experienced a net investment loss of $21.1 thousand, resulting from the net decrease in the fair value of investments of $69.8 thousand, somewhat offset by dividends and capital gain distributions of $48.7 thousand.

Program administration fees incurred during the period from the Program Launch Date through December 31, 2024 totaled $1.6 thousand. These fees are calculated on the average net position in each investment option and are paid to Vestwell State Savings, LLC (the Program Administrator) for performing administrative and other services with respect to the Program.

New Jersey Secure Choice Savings Program Fund

Management's Discussion and Analysis
(Unaudited)
December 31, 2024

Overview of the Basic Financial Statements

The Program Fund'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 fund types. Accordingly, the Program Fund's Basic Financial Statements are prepared using the economic resources measurement focus and accrual basis of accounting.

The Statement of Fiduciary Net Position presents information on the Program Fund'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 Program Fund'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, assets, liabilities, revenues and expenses are reported in these statements for some items that will result in cash flows in future fiscal years.

Participants are able to direct investment of their contributions into one or more investment options, each of which is invested in a single mutual fund. Those mutual funds are reported at fair value, and 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 Program has been successfully completed, and distributions are recognized when the withdrawal request has been received and approved for payment. Program administration fees are accrued daily in each individual investment option.

Financial Analysis

<u>Fiduciary Net Position</u>
The following is a condensed Statement of Fiduciary Net Position as of December 31, 2024:

Total assets	$	1,900,810
Total liabilities		30,698
Fiduciary net position	$	1,870,112

Fiduciary net position represents cumulative contributions since the Program's inception, increased (decreased) by net investment income (losses), and decreased by distributions, Program administration fees and account fees.

Financial Analysis *(Continued)*

Fiduciary Net Position *(Continued)*

Investments comprise over 99% of the Program Fund's total assets. Other assets include contributions that have been received by the Program Administrator from participants, but not yet been invested in the underlying mutual funds. Liabilities include payables for securities purchased, payables for distributions requested by participants and accrued Program administration fees.

Changes in Fiduciary Net Position

The following is a condensed Statement of Changes in Fiduciary Net Position for the period from the Program Launch Date through December 31, 2024:

Contributions	$	1,920,468
Net investment loss		(21,071)
Distributions		(26,005)
Program administration fees		(1,634)
Account fees		(1,646)
Net increase		1,870,112
Fiduciary net position, beginning of period		-
Fiduciary net position, end of period	$	1,870,112

Basic Financial Statements

New Jersey Secure Choice Savings Program Fund

Statement of Fiduciary Net Position
December 31, 2024

ASSETS		
Investments	$	1,870,299
Receivable from the Program Administrator		30,511
Total Assets		1,900,810
LIABILITIES		
Payables for securities purchased		28,926
Distributions payable		858
Accrued Program administration fees		914
Total Liabilities		30,698
FIDUCIARY NET POSITION	$	1,870,112

Statement of Changes in Fiduciary Net Position
Period from June 30, 2024 (the Program Launch Date) through December 31, 2024

ADDITIONS AND NET INVESTMENT INCOME (LOSS)		
Contributions:		
Employer initiated	$	1,884,655
Employee initiated		35,813
Total contributions		1,920,468
Investment income (loss):		
Dividends and capital gain distributions		48,757
Net decrease in the fair value of investments		(69,828)
Net investment loss		(21,071)
Total Additions and Net Investment Loss		1,899,397
DEDUCTIONS		
Distributions		26,005
Program administration fees		1,634
Account fees		1,646
Total Deductions		29,285
NET INCREASE		1,870,112
FIDUCIARY NET POSITION, BEGINNING OF PERIOD		-
FIDUCIARY NET POSITION, END OF PERIOD	$	1,870,112

See accompanying notes to the financial statements.

New Jersey Secure Choice Savings Program Fund

Notes to the Financial Statements
December 31, 2024

NOTE 1: ORGANIZATION AND NATURE OF OPERATIONS

The following provides a brief description of the New Jersey Secure Choice Savings Program Fund (the Program Fund). For more information and disclosures about the Program, refer to the *RetireReady NJ Program Description* available at nj.gov/treasury/securechoiceprogram.com or call 1-844-553-4043.

(a) General

The New Jersey Secure Choice Act, P.L. 2019, c. 56 (the Act) established a retirement savings program in the form of an automatic enrollment payroll deduction Roth Individual Retirement Account (Roth IRA) for the purpose of promoting greater retirement savings for New Jersey employees in a convenient, low-cost and portable manner. This workplace retirement savings option, known as the New Jersey Secure Choice Savings Program (the Program), is designed to help workers who do not have access to an employer-sponsored plan save money for retirement. It is intended that the Program be operated in a manner consistent with applicable guidance provided by the Department of Labor relating to payroll deduction IRA programs that are not pension plans under Title I of the Employee Retirement Income Security Act (ERISA).

The Act requires eligible employers to provide their employees the opportunity to save through payroll deductions, unless the employer offers a qualified plan, as specified in the Act. Employees are automatically enrolled into the Program by their employer, unless the employees opt out of the Program within 30 days after completion of onboarding. Employee participation in the Program is completely voluntary. The employers make no contributions to employee accounts. Subject to laws and regulations applicable to Roth IRA accounts, participating employees may make tax-free withdrawals of contributions and qualified distributions of earnings. In addition to participating in the Program through an eligible employer, any individual 18 years or older who is eligible to contribute to a Roth IRA is able to participate in the Program.

The New Jersey Secure Choice Savings Board (the Board), also established under the Act, is an independent board responsible for oversight, administration and management of the Program. The Board consists of the State Treasurer (or his or her designee), who serves as chair; the State Comptroller (or his or her designee); the Director of the Office of Management and Budget (or his or her designee); two public representatives with expertise in retirement savings plan administration or investments, or both, appointed by the Governor; a representative of a business trade association, appointed by the Governor; and a representative of enrollees, appointed by the Governor.

Pursuant to the Act, contributions to the Program are held in the Program Fund, a trust for which the Board is trustee. The Act further specifies that amounts deposited in the Program Fund shall not constitute property of the State of New Jersey (the State) and shall not be construed to be a department, institution or agency of the State. Amounts on deposit in the Program Fund shall not be commingled with other State funds, and the State has no claim to or against, or interest in, assets held in the Program Fund.

NOTE 1: ORGANIZATION AND NATURE OF OPERATIONS (Continued)

(a) General *(Continued)*

The Program offers a range of investment options that are designed to appeal to varying levels of risk tolerances and return expectations of participants. Each investment option invests in a single underlying mutual fund. Participants purchase units of the investment options, not shares of the underlying mutual fund. These units are municipal fund securities.

(b) Program Administrator

Vestwell State Savings, LLC (Vestwell) serves as Program Administrator and is responsible for day-to-day Program operations, including employer and participant technology solutions, recordkeeping and other administrative services. Compensation for these services is disclosed in Note 4(a). In addition, pursuant to the agreement for Program administration services executed by and between Vestwell and the Program (as amended), Vestwell is entitled to receive additional compensation in the form of an annual fee for seven (7) years to cover certain costs and operational expenses associated with administration of the Program. This fee is due annually on November 1 and was $950,000 for the first year of Program operations. This fee is not paid from Program Fund assets and is not reported as an expense on the accompanying Statement of Changes in Fiduciary Net Position.

(c) IRA Custodian

The Bank of New York Mellon Investment Servicing Trust Company serves as the IRA Custodian responsible for providing fund accounting, transfer agency services, operation and customer support services.

(d) Municipal Securities Custodian

The Bank of New York Mellon Corporation (BNY Mellon) is the custodian of the municipal fund securities (i.e., the units issued to participants) and is responsible for maintaining custody of the assets that are contributed to each investment option.

(e) Investment Manager

Vanguard, Fidelity Investments, Wasatch Global Investors and Baird manage the underlying mutual funds that comprise each investment option.

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 Program Fund'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.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Investment Valuation

Accounting standards categorize fair value measurements according to a hierarchy based on valuation inputs that are 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.

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.

Mutual funds are reported at fair value, based on the net asset value per share as of the close of the New York Stock Exchange (NYSE), and are thus categorized in Level 1 of the fair value hierarchy.

(c) Investment Transactions

Investment transactions are accounted for as of the trade date for financial reporting purposes. 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) Contributions

Each employer deducts contributions from payroll based on each participating employee's current contribution elections, which can be either the standard election or custom election, and transfers those payroll deductions to the Program Administrator. Amounts deducted are required to be transmitted to the Program Administrator as soon as administratively practicable and within the time period required by law. In addition, the Program is open to all individuals who are eligible to participate under federal rules governing both Roth IRAs and Traditional IRAs. Contributions received by the Program Administrator in good order prior to the close of the NYSE are credited to participant accounts and recorded as increases in fiduciary net position on the same business day.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Contributions *(Continued)*

Participants are able to choose the investment options(s) into which their contributions will be invested during the account opening process. For those who participate in the Program through eligible employers, if an employee has not opted out of the Program or has not chosen a custom election, he or she will be enrolled using the following standard elections:

- The initial rate of contribution to the Program is 3% of compensation.
- Contributions will be invested in the Capital Preservation Fund until the initial sweep date (generally, a period of 30 days from the initial contribution date).
- On the applicable initial sweep date, units of the Capital Preservation Fund will be exchanged for units of equal value, along with all contributions received on or after the initial sweep date, in the Target Retirement Date Fund with a target date that is closest to the participant's year of retirement (assuming a retirement age of 65).

Employees who do not want to enroll using the standard election of 3% may change their contribution elections, subject to a minimum of 1% and a maximum of 100%, up to federal annual contribution limits. Employees may also elect to increase their contribution rate by 1% on or around January 1 of each year until a maximum of 10% of their compensation is reached.

Additionally, participating employees who do not want to use the standard election investment options and individuals contributing directly to the Program must choose the investment option(s) into which their contributions will be invested. Although participants can select the investment options in which their contributions are invested, they cannot direct the selection of the mutual funds that compose each investment option.

Contributions are invested in one or more of the following investment options, depending upon participant elections:

Capital Preservation Fund is an investment option that seeks to provide current income while maintaining liquidity and a stable share price of $1 by investing solely in a high-quality, short-term money market instrument whose interest and principal payments are backed by the full faith and credit of the U.S. government.

Target Retirement Date Funds are investment options that seek to provide capital appreciation and current income by investing in a mix of Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the workforce in or within a few years of their target year of retirement. Each fund's asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed-income investments will increase as the target year of retirement nears.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Contributions *(Continued)*

Large Cap Fund is an investment option that seeks to provide investment results that correspond to the total return performance of common stocks publicly traded in the U.S. by investing at least 80% of assets in common stocks included in the S&P500® Index.

Mid Cap Fund is an investment option that seeks to provide investment results that correspond to the total return of stocks of mid-capitalization U.S. companies by investing at least 80% of assets in securities included in the Russell Midcap® Index.

Small Cap Core Fund is an investment option that seeks to provide investment results that correspond to the total return of stocks of small-capitalization U.S. companies by investing at least 80% of assets in securities included in the Russell 2000® Index.

Small Cap Value Fund is an investment option that seeks long-term growth of capital by investing primarily in small companies, with at least 80% of assets in equity securities, typically common stock, of small-capitalization companies.

International Equity Fund is an investment option that seeks to provide investment results that correspond to the total return of foreign developed and emerging stock markets by investing at least 80% of assets in securities included in the MSCI ACWI ex USA Index and in depositary receipts representing securities included in that index.

Fixed Income Fund is an investment option that seeks an annual rate of total return, before fund expenses, greater than the annual rate of total return of the Bloomberg U.S. Universal Bond Index by investing at least 80% of assets in certain U.S. dollar-denominated debt obligations.

(e) Distributions

Participants may request distributions from their accounts online, by phone or by mail. Distributions are recorded as deductions from fiduciary net position on the date the request is received if such request is found to be in good order and is received prior to the close of the NYSE.

(f) Exchanges

Transfers of funds between investment options due to participants changing their investment elections or due to the movement of account balances from the Capital Preservation Fund to the appropriate Target Retirement Date Fund on the initial sweep date are referred to as "exchanges." The amounts of contributions and distributions reported on the Statement of Changes in Fiduciary Net Position do not include exchanges, as these types of transactions have no impact on the overall financial position of the Program.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Unit Valuation

Unit values for each investment option are determined at the close of business of the NYSE. The unit value of each investment option is calculated by dividing the investment option's assets minus its liabilities by the number of outstanding units of such investment option. There are no distributions of dividends, capital gain distributions or net investment income or losses directly to participants. Dividends, capital gain distributions and net investment income (losses) are reflected as increases (decreases) in the unit values of the investment options.

(h) Income Taxes

The Program is exempt from federal and state income tax.

(i) Indemnification

Under the Program Fund's organizational documents, neither the Board, the State, the Program Administrator nor any other person or entity indemnifies any participant against losses or other claims arising from official or unofficial acts, negligent or otherwise, of members of the Board or employees of the State or the Program Administrator in their performance of duties relevant to Program Fund's operations. Additionally, in the normal course of business, the Board, the State and the Program Administrator enter into contracts related to the operation and administration of the Program Fund that contain a variety of indemnification clauses. The maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Board, the State or the Program Administrator that have not yet occurred. However, neither the Board, the State nor the Program Administrator has had prior claims or losses pursuant to these contracts, and management of the Program Fund expects the risk of loss to be remote.

NOTE 3: INVESTMENTS

(a) Investments by Type

At December 31, 2024, the Program Fund's investments include the following:

Underlying Fund	Fair Value
Baird Core Plus Bond Fund	$ 65
Fidelity® 500 Index Fund	30,424
Fidelity® Global ex U.S. Index Fund	2,732
Fidelity® Mid Cap Index Fund	7,492
Fidelity® Small Cap Index Fund	4,185
Vanguard Target Retirement 2020 Fund	22,850
Vanguard Target Retirement 2025 Fund	111,639
Vanguard Target Retirement 2030 Fund	167,230
Vanguard Target Retirement 2035 Fund	210,263
Vanguard Target Retirement 2040 Fund	171,773
Vanguard Target Retirement 2045 Fund	179,151
Vanguard Target Retirement 2050 Fund	156,395
Vanguard Target Retirement 2055 Fund	169,733
Vanguard Target Retirement 2060 Fund	149,725
Vanguard Target Retirement 2065 Fund	160,238
Vanguard Target Retirement 2070 Fund	70,384
Vanguard Target Retirement Income Fund	52,151
Vanguard Treasury Money Market Fund	201,265
Wasatch Small Cap Value Fund	2,604
Total Investments	$ 1,870,299

(b) Investment Risk

The mutual funds in which the Program Fund invests include various types of investment securities in their asset holdings, such as corporate debt and equity securities, obligations of the U.S. government and government agencies and international equity 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 participant balances and the amounts reported in the Program Fund's Basic Financial Statements.

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

NOTE 3: INVESTMENTS (Continued)

(b) Investment Risk *(Continued)*

Investment Policy

The Board has adopted an investment policy statement that is intended to provide guidelines for a prudent investment process that is designed to ensure that an effective risk management system is in place to monitor the risk levels of the Program, to ensure that the risks taken are prudent and properly managed, to provide an integrated process for overall risk management, and to assess investment returns as well as risk to determine if the risks taken are adequately compensated compared to applicable performance benchmarks and standards. The investment policy statement is designed to provide a range of investment options with different risk and return characteristics at reasonable fees that allow each participant to diversify their account among quality investments that reflect their individual retirement objectives. There are no provisions of the investment policy statement that specifically address credit risk, interest rate risk, concentrations of credit risk or foreign currency risk.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Program Fund will not be able to recover the value of an investment that is in the possession of an outside party. Mutual funds are not subject to custodial credit risk because ownership is not evidenced by a transferable financial instrument.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Mutual funds that invest primarily in bonds and other fixed income securities indirectly expose the Program Fund to credit risk. None of the mutual funds in which the Program Fund invests are rated as to credit quality by a nationally recognized statistical rating organization.

Interest Rate Risk

Interest rate risk represents the risk that changes in interest rates will adversely affect the fair value of an investment. The Vanguard Treasury Money Market Fund, Vanguard Target Retirement Date Funds and the Baird Core Plus Bond Fund may indirectly expose the Program Fund to interest rate risk due to the inclusion of debt securities and other fixed income securities in their underlying holdings. The Vanguard Treasury Money Market Fund invests solely in bonds and other fixed income securities. The Vanguard Target Retirement Date Funds consist of varying allocations of equity and debt securities, with increasingly greater allocations to debt securities occurring as the target retirement date approaches. The Baird Core Plus Bond Fund invests solely in debt securities and other fixed income securities.

NOTE 3: INVESTMENTS (Continued)

(b) Investment Risk *(Continued)*

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Program Fund does not have any direct investment in foreign currency or foreign securities; however, the Target Retirement Date Funds, International Equity Fund and Fixed Income Fund invest in mutual funds that may be exposed to foreign currency risk due to their investment in foreign debt and equity securities. The Vanguard Target Retirement Date Funds invests in certain investment-grade foreign bonds issued in currencies other than the U.S. Dollar. The Fidelity Global ex U.S. Index Fund invests at least 80% of assets in securities included in the MSCI ACWI ex USA Index. The Baird Core Plus Bond Fund invests in foreign debt obligations.

NOTE 4: ANNUALIZED ASSET-BASED FEES AND ACCOUNT FEES

(a) Annualized Asset-Based Fees

Each investment option is subject to asset-based fees. These fees reduce the return participants earn on their contributions to the Program. A description of the asset-based fees are as follows:

Program Administration Fees

Each investment option pays a Program administration fee of 75 basis points (0.75%) to the Program Administrator to cover a portion of the costs of administering the Program Fund. These fees are calculated based on the average daily net position in each investment option, accrued daily, paid monthly and reduce the unit value of each investment option.

Underlying Investment Fee

Each mutual fund is subject to underlying investment fees, which include investment advisory fees, administrative fees and other expenses. The underlying investment fee is paid out of the assets of the mutual fund, reducing the amount of income available for distribution to the Program Fund in the form of dividends and capital gain distributions, and is not paid from Program Fund assets. As such, these fees are not reported as expenses on the Statement of Changes in Fiduciary Net Position.

(b) Account Fees

Account fees are paid directly by participants and include fees associated with paper check requests, paper statement requests and rollover requests. These transaction fees are paid to the Program Administrator.

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INDEPENDENT AUDITOR'S REPORT 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*

Members of the Audit Committee and Executive Director
New Jersey Secure Choice Savings Program

We have audited, in accordance with the 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 **New Jersey Secure Choice Savings Program Fund** (the Program Fund), as of December 31, 2024, and for the period from June 30, 2024 (the Program Launch Date) through December 31, 2024, and the related notes to the financial statements, which collectively comprise the Program Fund's Basic Financial Statements, and have issued our report thereon dated June 4, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the Basic Financial Statements, we considered the Program Fund'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 Basic Financial Statements, but not for the purpose of expressing an opinion on the effectiveness of the Program Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Program Fund'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 may exist that have not been identified.

Landmark PLC, Certified Public Accountants
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Members of the Audit Committee and Executive Director
New Jersey Secure Choice Savings Program

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Program Fund's Basic Financial Statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and agreements, noncompliance with which could have a direct and material effect on the Basic 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 Program Fund'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 Program Fund's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Landmark PLC

Little Rock, Arkansas
June 4, 2025