

# SWIFT

State Water Implementation Fund for Texas

TEXAS  TRUST  
TEXAS TREASURY SAFEKEEPING TRUST COMPANY  
COMPTROLLER GLENN HEGAR, CHAIRMAN

## Q1 2021 COMPTROLLER'S INVESTMENT ADVISORY BOARD PORTFOLIO REVIEW

MEETING DATE: JULY 7, 2021

# SWIFT

*State Water Implementation Fund for Texas*

The State Water Implementation Fund for Texas (“SWIFT”) was created by the 83rd Texas Legislature, Regular Session, and became effective once voters approved the constitutional amendment to fund the SWIFT with \$2 billion from the Economic Stabilization Fund. The creation of the SWIFT and its requirements are set forth in Chapter 15 of the Texas Water Code. Funds in the SWIFT are used to subsidize financing costs for projects included in the State Water Plan developed and implemented by the Texas Water Development Board (TWDB). The balance of the SWIFT is expected to be drawn down over time; however, funds used for financing subsidies will ultimately be repaid to the SWIFT. The investment objective of the SWIFT is to preserve its purchasing power while maintaining sufficient liquidity to meet the needs of the TWDB.

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# Asset Allocation Summary

As of March 31, 2021

Asset Class	Strategy	Number of Funds <sup>1,2</sup>	Number of Managers <sup>1,2</sup>	Current Market Value	Weight	Target Weight
<b>Fixed Income</b>		<b>43</b>	<b>30</b>	<b>\$937,875,564</b>	<b>54.1%</b>	<b>55.0%</b>
	Cash	2	2	265,542,031	15.3%	10.0%
	Global Fixed Income (ex-Cash)	5	5	167,165,168	9.6%	10.0%
	Alternative Fixed Income	8	7	207,775,310	12.0%	15.0%
	Private Debt	28	18	297,393,055	17.2%	20.0%
<b>Equity</b>		<b>9</b>	<b>8</b>	<b>\$467,798,637</b>	<b>27.0%</b>	<b>30.0%</b>
	Global Public Equity	1	1	95,016,790	5.5%	5.0%
	Hedged Equity	6	5	370,032,585	21.4%	25.0%
	Private Equity	2	2	2,749,261	0.2%	0.0%
<b>Real Assets</b>		<b>6</b>	<b>5</b>	<b>\$222,867,053</b>	<b>12.9%</b>	<b>15.0%</b>
	Real Estate	6	5	222,867,053	12.9%	15.0%
<b>Strategic All Asset</b>		<b>2</b>	<b>2</b>	<b>\$104,507,368</b>	<b>6.0%</b>	<b>0.0%</b>
	All Asset Strategies	2	2	104,507,368	6.0%	0.0%
<b>Total Portfolio</b>		<b>60</b>	<b>41</b>	<b>\$1,733,048,622</b>	<b>100.0%</b>	<b>100.0%</b>

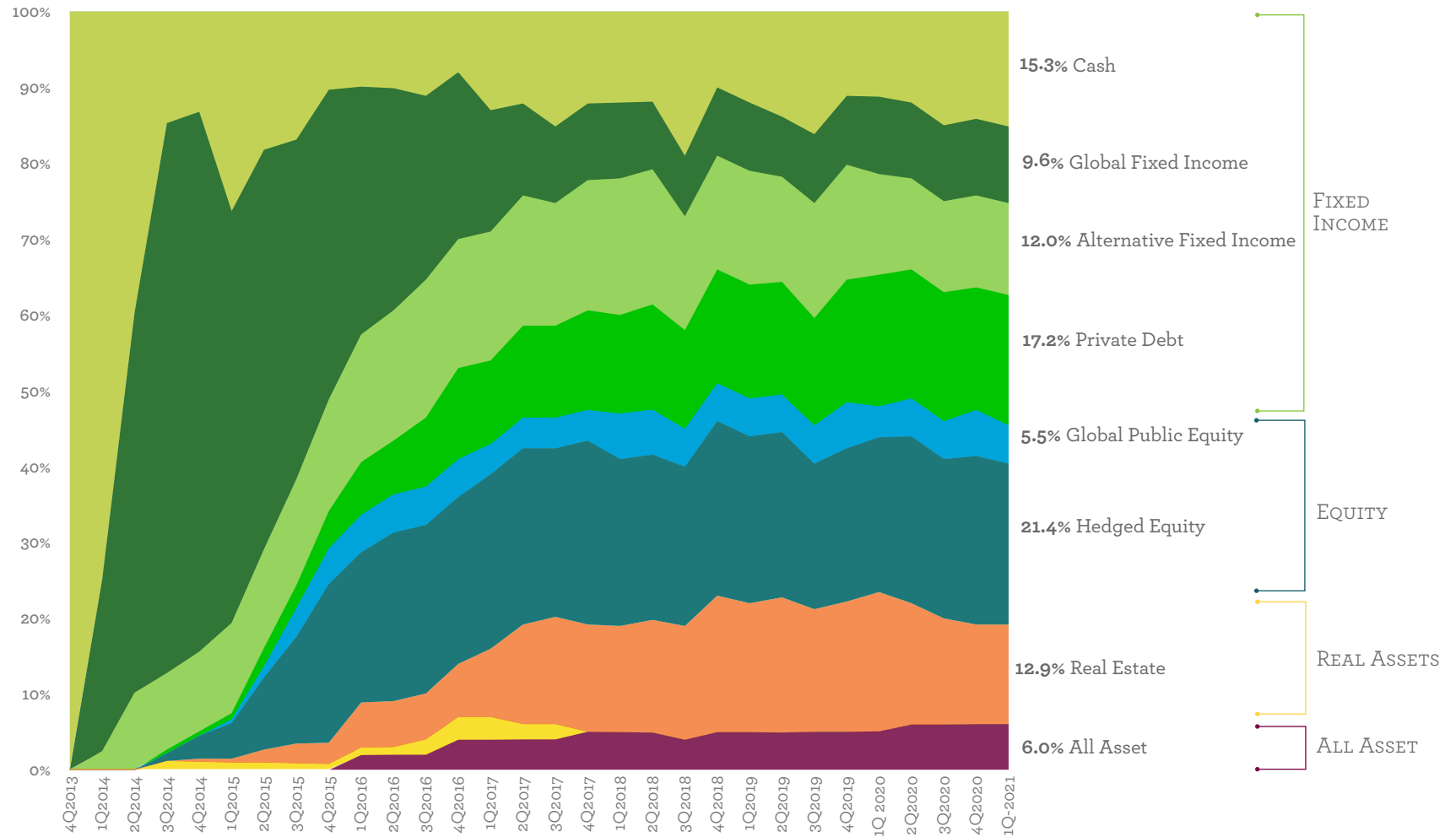
<sup>1</sup> Does not include funds in wind down or redemption.

<sup>2</sup> Manager count for aggregates are less than sum of components due to managers with multiple strategy allocations.

# Asset Allocation Evolution

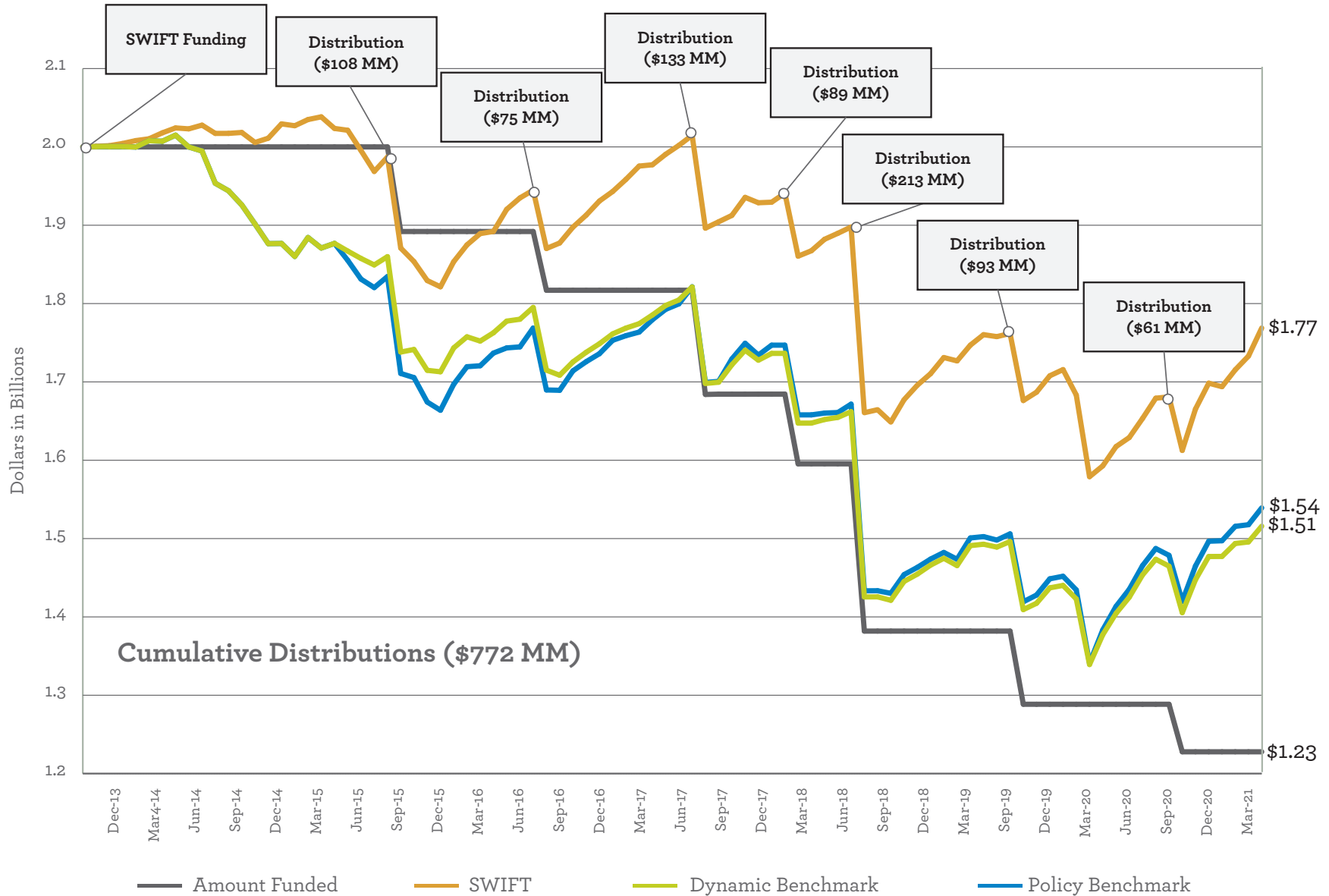
As of March 31, 2021

Total AUM: \$1,733,048,622



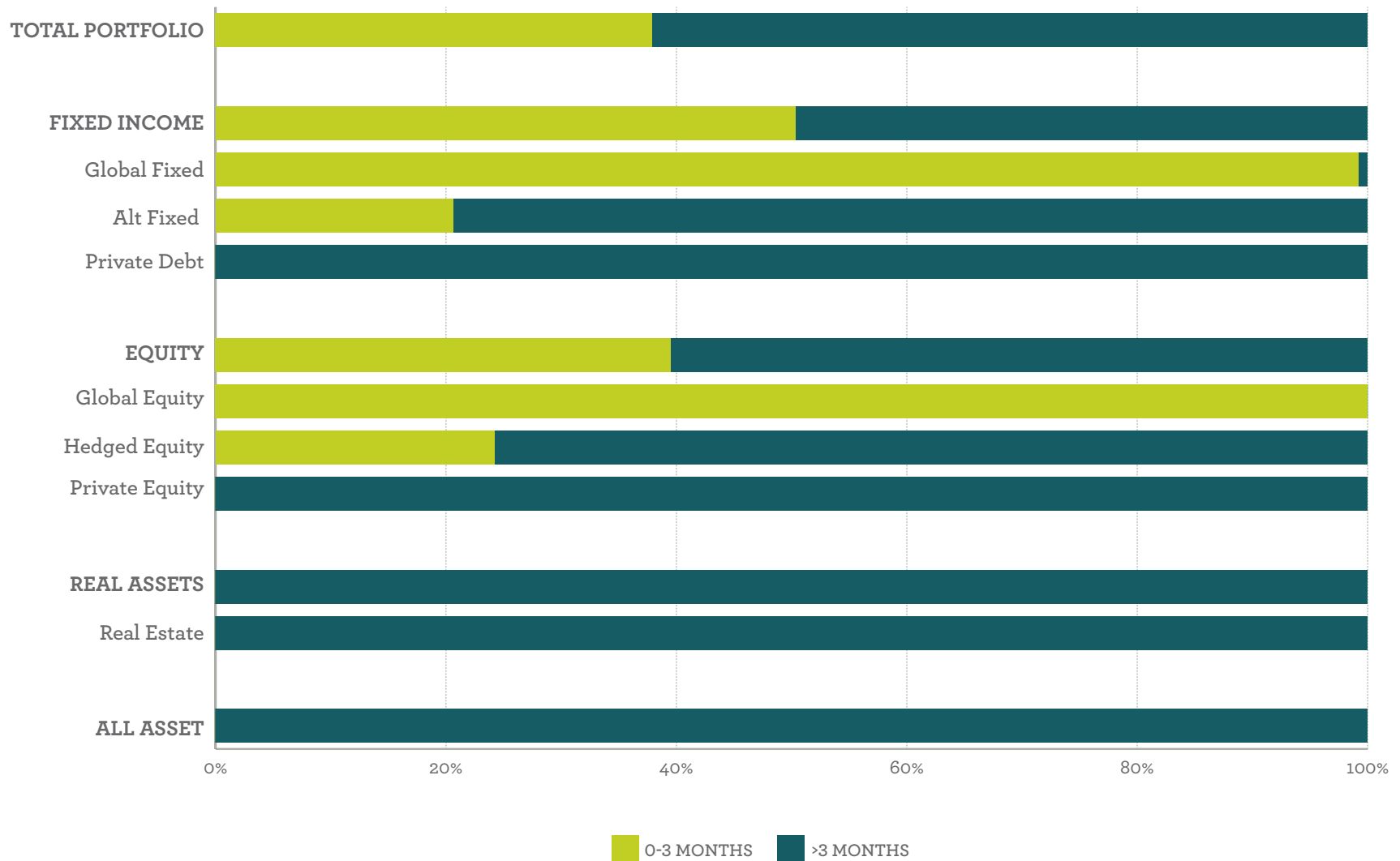
# SWIFT Portfolio Market Value

As of April 30, 2021



# Portfolio Liquidity<sup>1</sup>

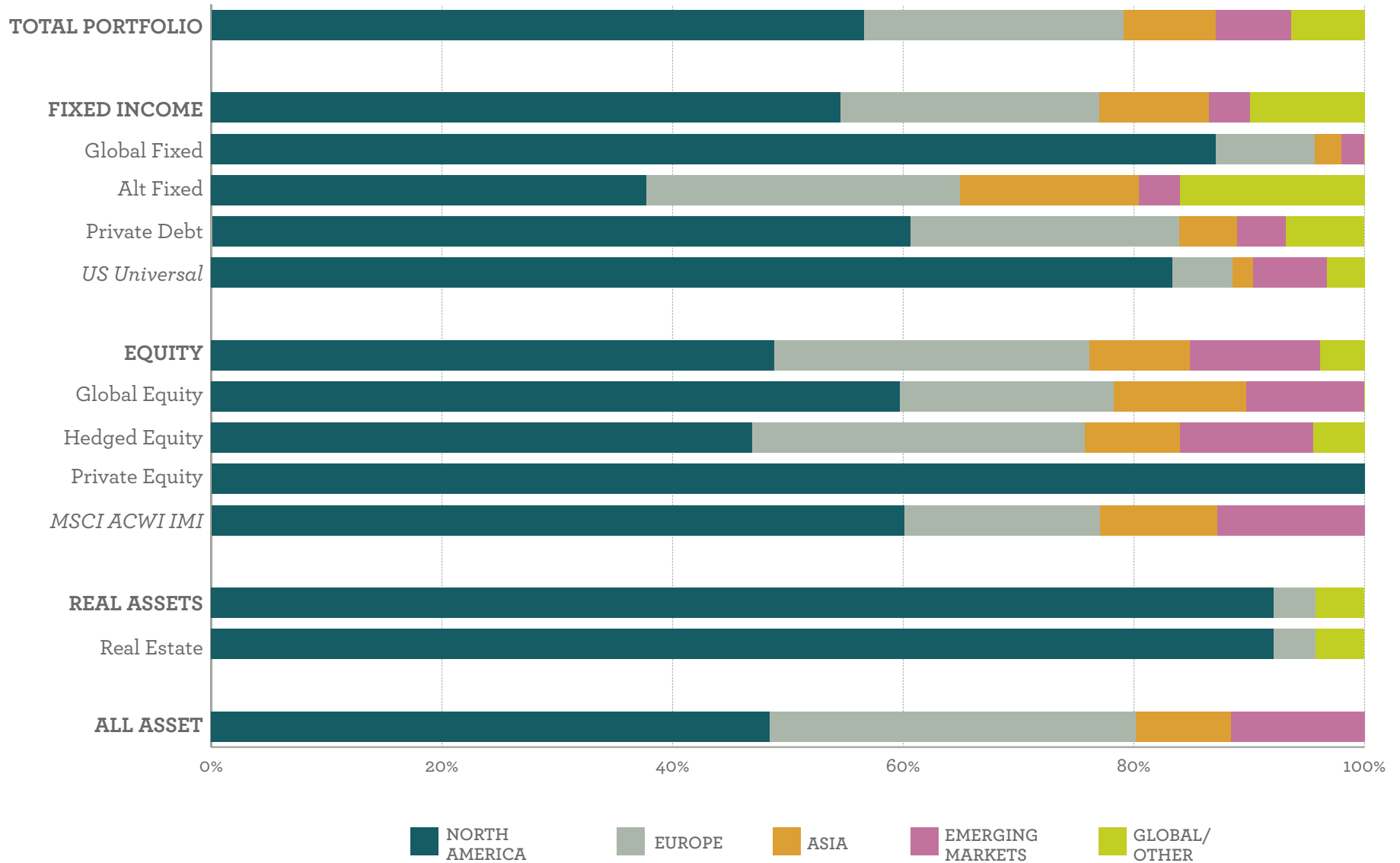
As of March 31, 2021



<sup>1</sup> Liquidity data as provided by managers.

# Portfolio Geographic Allocation<sup>1</sup>

As of March 31, 2021



<sup>1</sup> Calculated using gross exposures.



# Fixed Income Summary

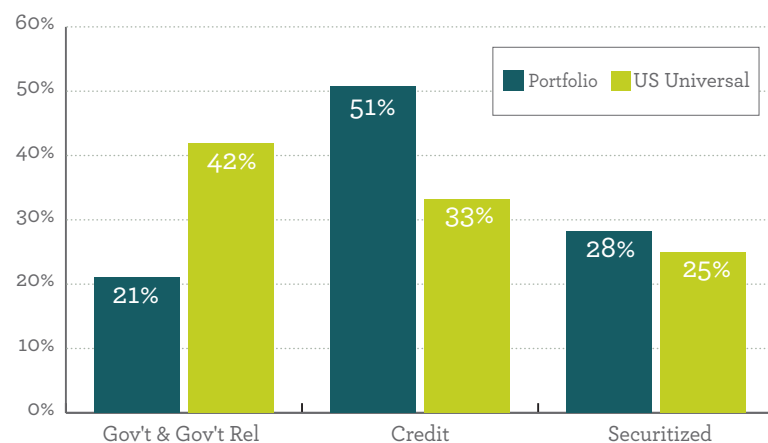
As of March 31, 2021

Strategy	Market Value	Portfolio Weight	Standard Deviation <sup>1</sup>	Sharpe Ratio <sup>1</sup>	% Positive Months <sup>1</sup>	US Universal		HFRI Conservative		MSCI ACWI IMI	
						Beta <sup>1</sup>	Correlation <sup>1</sup>	Beta <sup>1</sup>	Correlation <sup>1</sup>	Beta <sup>1</sup>	Correlation <sup>1</sup>
Global Fixed Income (ex-cash)	\$167,165,168	9.6%	3.6%	0.9	66.7%	0.9	0.9	0.4	0.6	0.1	0.5
Cash	\$265,542,031	15.3%	-	-	-	-	-	-	-	-	-
<i>US Universal</i>			3.6%	0.9	63.9%	-	-	0.2	0.3	0.1	0.3
Alternative Fixed Income	\$207,775,310	12.0%	11.3%	-0.3	75.0%	0.9	0.3	1.8	0.9	0.4	0.7
<i>HFRI FoF: Conservative</i>			5.5%	0.6	75.0%	0.5	0.3	-	-	0.2	0.8
Private Debt	\$297,393,055	17.2%	-	-	-	-	-	-	-	-	-
<b>Total Fixed Income</b>	<b>\$937,875,564</b>	<b>54.1%</b>	<b>4.1%</b>	<b>0.2</b>	<b>86.1%</b>	<b>0.3</b>	<b>0.3</b>	<b>0.6</b>	<b>0.9</b>	<b>0.1</b>	<b>0.6</b>

<sup>1</sup> Trailing 36 months.

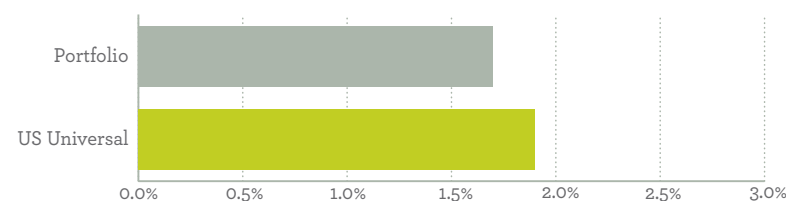
## Sector Allocation<sup>1</sup>

Global Fixed  
ex-cash

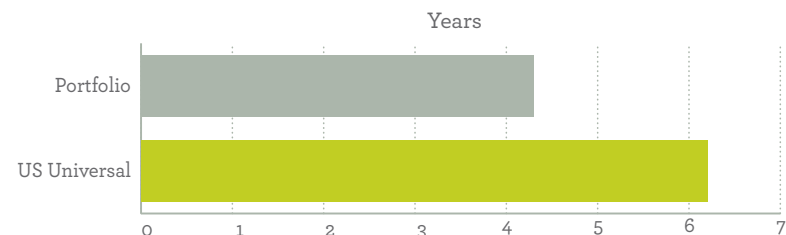


<sup>1</sup> Calculated using gross exposures

## Yield



## Duration



# Equity Summary

As of March 31, 2021

Strategy	Market Value	Portfolio Weight	Standard Deviation <sup>1</sup>	Sharpe Ratio <sup>1</sup>	% Positive Months	MSCI ACWI IMI		HFRI FoF Strategic	
						Beta <sup>1</sup>	Correlation <sup>1</sup>	Beta <sup>1</sup>	Correlation <sup>1</sup>
Global Equity	\$95,016,790	5.5%	22.6%	0.2	69.4%	1.2	1.0	2.2	0.9
<i>MSCI ACWI IMI</i>			18.4%	0.6	69.4%	-	-	1.8	0.9
Hedged Equity	\$370,032,585	21.4%	10.4%	0.9	61.1%	0.5	0.9	1.0	0.9
<i>HFRI FoF: Strategic</i>			9.6%	0.5	61.1%	0.5	0.9	-	-
Private Equity	\$2,749,261	0.2%	-	-	-	-	-	-	-
<b>Total Equity</b>	<b>\$467,798,637</b>	<b>27.0%</b>	<b>12.4%</b>	<b>0.7</b>	<b>72.2%</b>	<b>0.6</b>	<b>1.0</b>	<b>1.2</b>	<b>0.9</b>

<sup>1</sup>Trailing 36 months.

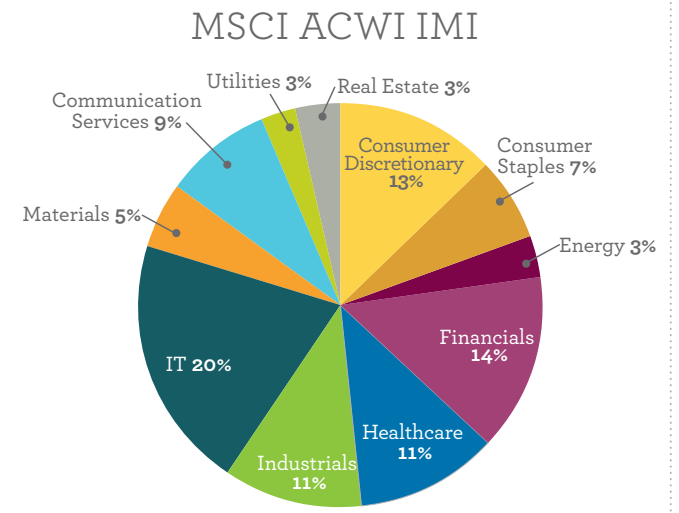
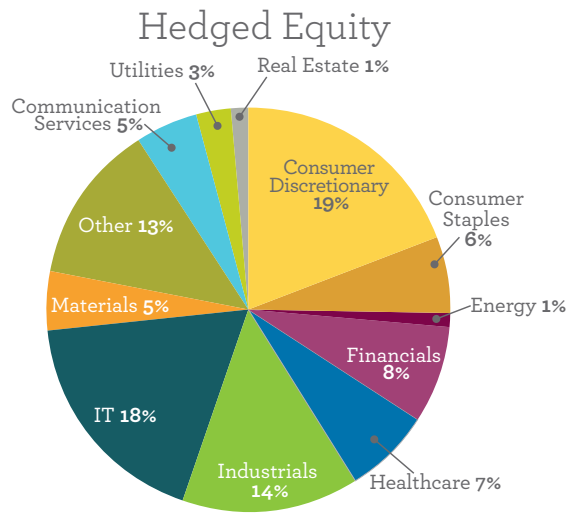
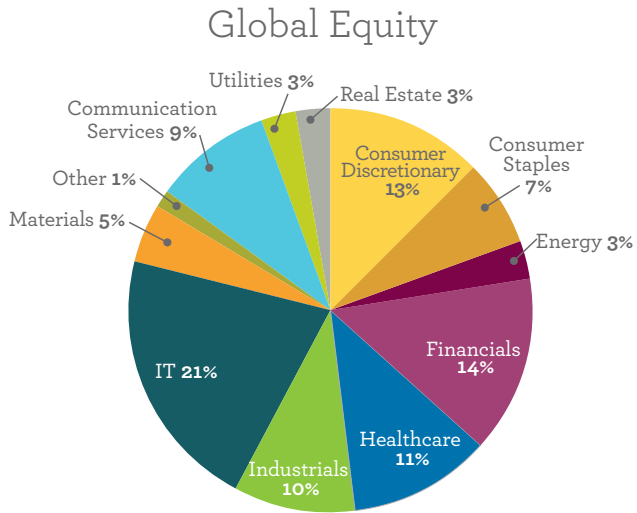
Strategy	Number of Fund Commitments	Commitments	Unfunded Commitments	Total Contributions <sup>1</sup>	Distributions	Remaining Value <sup>2</sup>	Total Value
<b>Total Private Equity</b>	<b>2</b>	<b>\$7,500,000</b>	<b>\$4,524,480</b>	<b>\$2,988,758</b>	<b>\$46,260</b>	<b>\$2,749,261</b>	<b>\$2,795,521</b>

<sup>1</sup>Total Contributions include fees and expenses that may not reduce or lower unfunded commitments.

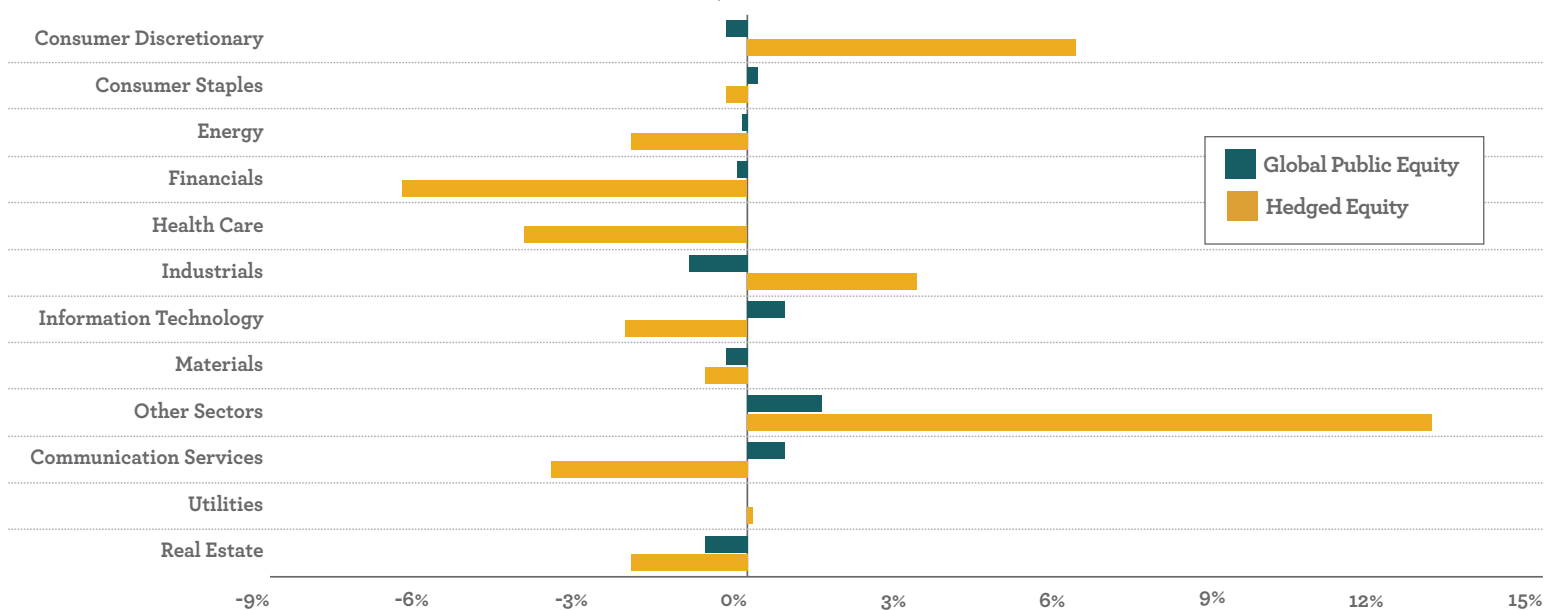
<sup>2</sup>Remaining Value is equal to the last actual reported capital account value plus subsequent capital calls less subsequent distributions through the indicated date, with no valuation changes.

# Equity Detail

As of March 31, 2021



## Sector Under/Over Allocation<sup>1</sup>



<sup>1</sup> Relative to MSCI ACWI IMI

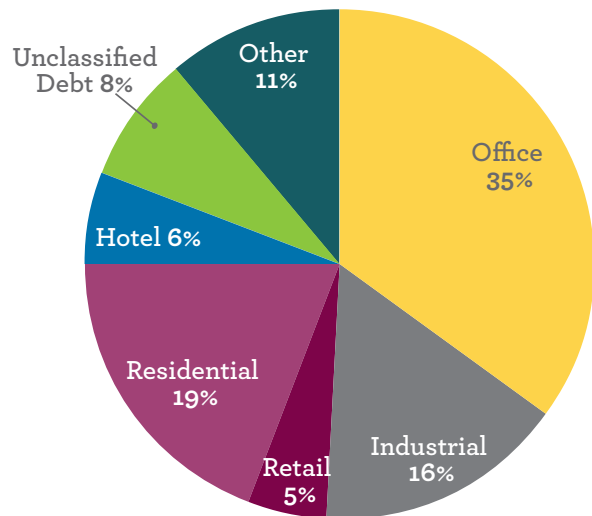
# Real Estate Summary

As of March 31, 2021

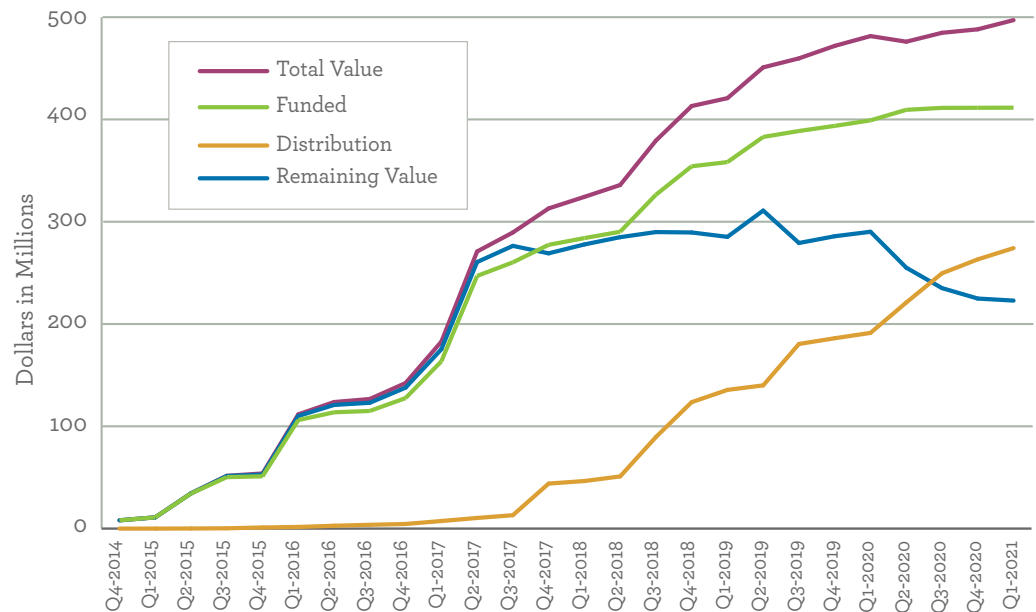
Strategy	Number of Current Fund Commitments	Portfolio Weight	Commitments	Unfunded Commitments	Total Contributions	Distributions	Remaining Value	Total Value
Real Estate	6	12.9%	\$309,000,000	\$18,777,007	\$411,495,140	\$274,249,308	\$222,867,053	\$497,116,361

Strategy	Distributed/Paid In (DPI)	Total Value/Paid In (TVPI)	1 Year IRR	ITD IRR	Time Weighted Returns		
					1 Year	3 Year	5 Year
Real Estate	0.67	1.21	0.9%	7.1%	2.0%	5.7%	7.2%
<i>Real Estate Blend</i>					0.3%	4.0%	5.3%

Sector Allocation



Cash Flow & Valuation History



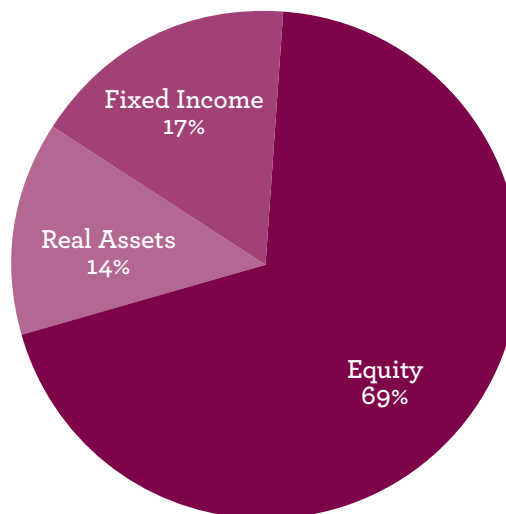
# All Asset Strategies

As of March 31, 2021

Strategy	Market Value	Portfolio Weight	Standard Deviation <sup>1</sup>	Sharpe Ratio <sup>1</sup>	Downside Deviation <sup>1</sup>	Max Drawdown <sup>1</sup>	% Positive Months <sup>1</sup>	Total Policy Benchmark	
								Beta <sup>1</sup>	Correlation <sup>1</sup>
Multi-Strategy	\$104,507,368	6.0%	6.9%	1.3	13.1%	-9.7%	83.3%	1.0	0.8
<b>All Asset Total</b>	<b>\$104,507,368</b>	<b>6.0%</b>	<b>6.9%</b>	<b>1.3</b>	<b>13.1%</b>	<b>-9.7%</b>	<b>83.3%</b>	<b>1.0</b>	<b>0.8</b>
<i>SWIFT Policy Benchmark</i>			5.6%	0.7	9.8%	-7.6%	80.6%	-	-

<sup>1</sup> Trailing 36 months.

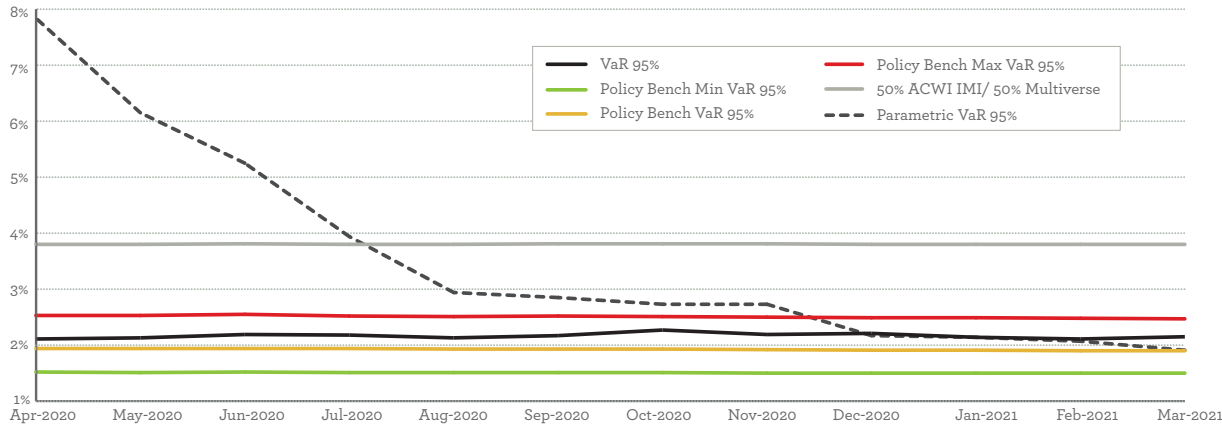
## All Asset Breakdown



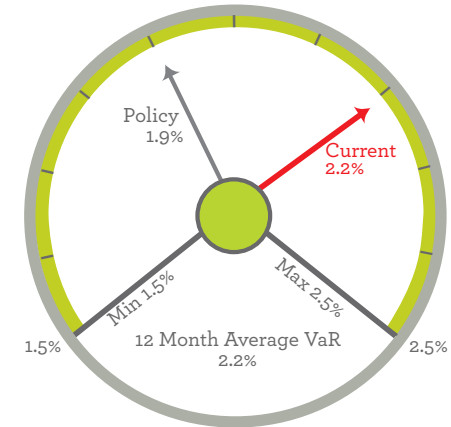
# Value at Risk (VaR) Analysis

As of March 31, 2021

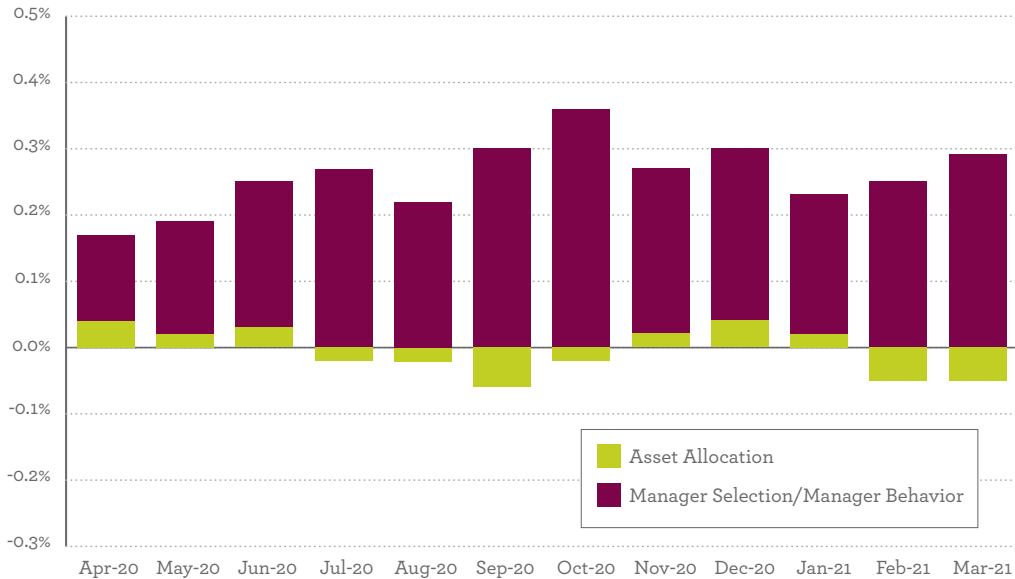
## Twelve Month History



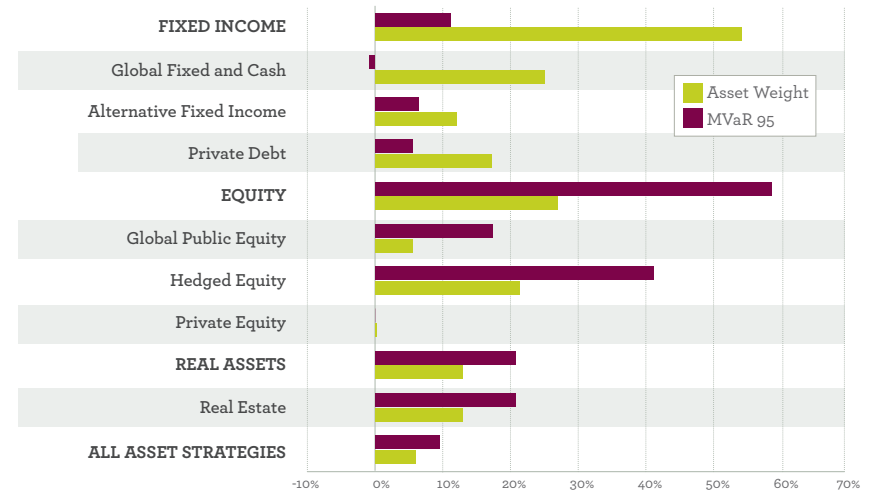
## VaR as a Percent of Market Value (One Month, 95% Confidence)



## Differential from Policy VaR



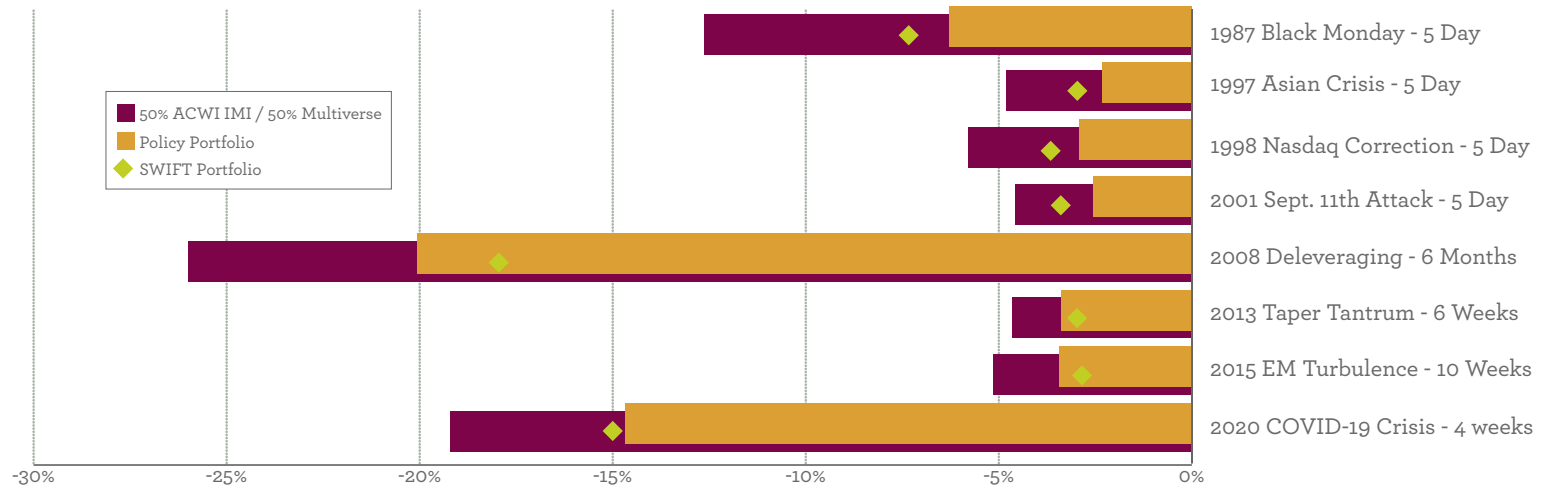
## VaR Contribution



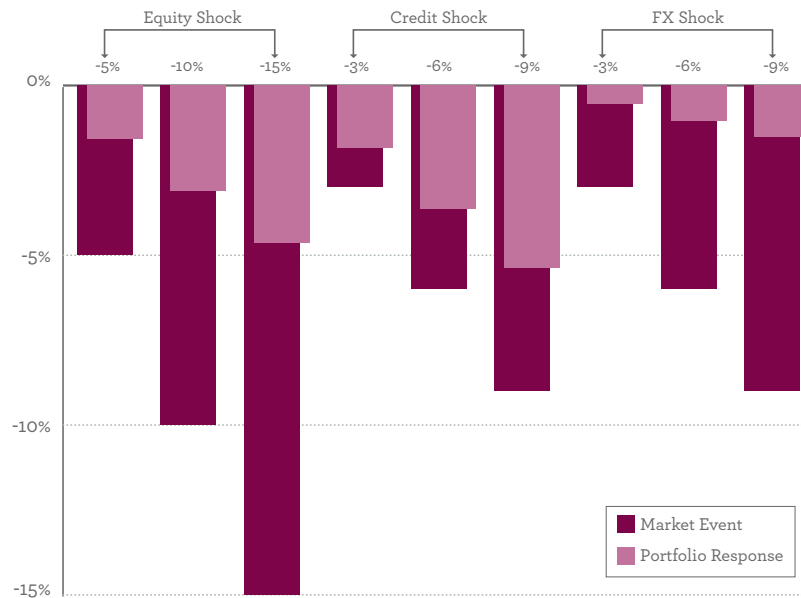
# Portfolio Risk Summary

As of March 31, 2021

## Scenario Analysis



## Monthly Portfolio Tail Risk Profile



# SWIFT Performance Table

As of March 31, 2021

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2013</b>												0.0%	<b>0.0%</b>
<b>2014</b>	0.0%	0.1%	0.2%	0.1%	0.4%	0.3%	-0.1%	0.3%	-0.5%	0.0%	0.1%	-0.6%	<b>0.3%</b>
<b>2015</b>	0.3%	0.9%	-0.1%	0.4%	0.2%	-0.7%	-0.1%	-1.3%	-1.3%	1.0%	-0.4%	-1.1%	<b>-2.2%</b>
<b>2016</b>	-1.3%	-0.4%	1.8%	1.2%	0.8%	0.1%	1.5%	0.8%	0.5%	0.0%	0.4%	1.1%	<b>6.6%</b>
<b>2017</b>	0.8%	1.0%	0.6%	0.8%	0.9%	0.1%	0.7%	0.6%	0.7%	0.8%	0.4%	0.4%	<b>8.1%</b>
<b>2018</b>	1.2%	-0.3%	0.1%	0.6%	0.5%	0.4%	0.8%	0.4%	0.4%	-1.3%	0.2%	-0.9%	<b>2.0%</b>
<b>2019</b>	1.8%	1.1%	0.9%	1.2%	-0.2%	1.2%	0.8%	-0.1%	0.2%	0.5%	0.7%	1.3%	<b>9.6%</b>
<b>2020</b>	0.5%	-1.9%	-6.2%	0.9%	1.6%	0.7%	1.5%	1.6%	0.1%	-0.5%	3.3%	2.0%	<b>3.4%</b>
<b>2021</b>	-0.3%	1.3%	1.0%										<b>2.1%</b>





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