SWIFT

State Water Implementation Fund for Texas

TEXAS TRUST

TEXAS TREASURY SAFEKEEPING TRUST COMPANY

COMPTROLLER GLENN HEGAR, CHAIRMAN

Q3 2022

COMPTROLLER'S INVESTMENT ADVISORY BOARD

PORTFOLIO REVIEW

MEETING DATE: JANUARY 18, 2023

Presented by Anca Ion, CIO

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Executive Summary

As of September 30, 2022

Total Portfolio

In the third quarter of 2022, the SWIFT returned -0.7%, bringing trailing one-year performance to +0.5%. In another difficult quarter for public markets, the fund's alternative portfolios produced generally muted returns for the quarter. The strongest performance contributors for the SWIFT during the quarter were the Alternative Fixed Income and All Asset Strategies portfolios. Relative performance at the fund level for the quarter lagged our policy benchmark, as strong relative performance in the Global Fixed Income, Alternative Fixed Income, and Hedged Equity portfolios were outweighed by negative excess returns in the Real Estate, Private Debt, and Global Public Equity portfolios. Over the one-year period, however, the Private Debt, Alternative Fixed Income, and Global Public Equity portfolios remain ahead of the rest of the portfolio on a benchmark-relative basis. While the broader portfolio's benchmark-relative under performance for the quarter wasn't accretive to the portfolio's one-year benchmark outperformance, that figure still hovers near 430 basis points (bps) today.

The Alternative Fixed Income portfolio performed well on an absolute and relative basis for the quarter (+0.8% vs.+0.2% for the benchmark). Over the one-year period, the portfolio (+11.7%) remains ahead of the benchmark (-0.7%). Positive performance for the quarter was largely driven by allocations to three global macro strategies which generated strong performance in this portfolio. Detractors for the quarter included an insurance-related strategy in addition to two event-driven credit strategies – one is a hedge fund focused largely on US credit and special situations, and the other is more specialized in TMT-related investment opportunities. There were no new allocations made during the quarter in the Alternative Fixed Income portfolio.

Our Real Estate portfolio underperformed on an absolute (-0.3%) and benchmark-relative basis for the quarter (+4.5). The one-year performance (+13.5%) also lagged on a relative basis (+28.3%). Underperformance for the quarter was driven by three commercial real estate debt strategies, though the portfolio did benefit from stronger performance from two open-ended funds – one is a core-plus strategy focused on the US and the other is a core index fund which tracks the performance of NFI ODCE Index. There were no new allocations made during the quarter in the Real Estate portfolio.

The Private Debt portfolio struggled on an absolute (-0.9%) and relative basis for the quarter (vs. benchmark return of +0.6%). The Distressed portfolio (+0.2%) outpaced the Performing book's return for the period (-1.7%). Among the positive contributors for 3Q22 in the Private Debt book were allocations to a specialty finance strategy, a US-focused transitional direct lending strategy, and a distressed strategy focused on illiquid opportunities globally. Our largest detractors overwhelmed any positive performance for the period, however, and those included a wealth management technology related co-investment and a technology-focused direct lending strategy. The one-year performance figures for the Distressed and Performing portfolios were +10.3% and +8.3%, respectively, bringing the one-year return for the combined Private Debt portfolio to +9.2%. There were no new allocations made during the quarter in this portfolio.

While our public equity portfolios performed better on an absolute basis relative to recent quarters, the Hedged Equity (-1.3%) and Global Public Equity (-7.2%) portfolios were still among the largest performance detractors for the period. The Hedged Equity portfolio outperformed on a benchmark-relative basis for the quarter, even as the portfolio is still lagging the benchmark over the one-year horizon given allocations to a TMT-focused hedge fund and a separate hedge fund focused on large-cap companies in Europe. Global Public Equity drawdowns were largely driven by MSCI ACWI Index exposure, with one-year returns aided by a residual legal settlement. No new allocations were made during the quarter for either of our public equity portfolios.

The Global Fixed Income portfolio struggled for the period on an absolute basis (-3.1%), but the portfolio again outperformed its benchmark during the quarter (-4.5%). The portfolio's negative performance was largely attributable to two US-focused core plus bond strategies and a long-only intermediate bond fund, with the remaining allocations generating muted performance over the period. While the one-year performance in the Global Fixed income portfolio is unfavorable (-11.2%), it's worth emphasizing that it has outpaced the benchmark (-14.9%) in a period where rising interest rates have detrimentally impacted fixed income portfolios broadly. No new allocations were made during the quarter in our public fixed income portfolio.

Throughout 3Q22, the main concern for investors continued to be high inflation levels – both in the US and Europe – fueled by the continuing geopolitical conflict in Ukraine, the energy crisis in Europe, and supply chain disruptions. Looking forward, while inflation metrics remain high by historical standards, there have been signs of moderation in response to central bank monetary tightening as well as the easing of supply chain disruptions. As we enter 2023, investors are closely watching Federal Reserve policy and the impact on US economic growth, with a continuous dialogue as to whether the outcome will be a soft landing or a more severe recession. Meanwhile, the consensus view among economists is that the UK and Eurozone will experience a recession over the next year. In the face of such uncertainty in the outlooks for inflation, economic growth, and the potential impact on earnings, we remain focused on long-term strategic allocation and diversification.

For the quarter, the top performing portfolios were Alternative Fixed Income (+0.8%) and All Asset Strategies (+0.5%). For the trailing one-year period, the top performing portfolios were Real Estate (+13.5%), Alternative Fixed Income (+11.7), and Private Debt (+9.2%).

• Total Portfolio Performance:	Q3 = -0.7%	1yr = 0.5%
• Policy Benchmark:	Q3 = -0.2%	1yr = -3.9%
• Dynamic Benchmark[1]:	Q3 = -0.1%	1yr = -3.8%

[1] The dynamic benchmark performance for the SWIFT is calculated by weighting each portfolio component's benchmark by that component's actual asset allocation at the beginning of each month.

Asset Class Detail

As of September 30, 2022

Global Fixed Income

Increased: None
Decreased: None

The Global Fixed Income portfolio returned -3.1% for the quarter, while its primary benchmark (Bloomberg Barclays US Universal Index) fell -4.5%. The primary catalyst driving excess returns over the period was the portfolio's shorter duration profile. Our more liquid absolute return oriented strategies have remained tactically short during this year's bond market selloff, while also taking the opportunity to selectively add duration and build exposure to specific credit sectors that have struggled during the period. The portfolio's long-only strategies contributed to relative outperformance, as the portfolio's structure remains tactically short duration by design.

Consistent with the first half of 2022, an aggressive move higher in interest rates, driven by high inflation and a Federal Reserve committed to taming these pricing pressures, was the leading narrative of the asset class over the period. A spike in interest rate volatility created a challenging backdrop for the fixed income asset class as the 2-year US Treasury yield jumped another 132 bps (to 4.28%), while the 10-year US Treasury yield gained 82 bps (to 3.84%). With a steadfast and no-holds-barred hawkish delivery, the Federal Reserve raised interest rates by 225 bps via three separate hiking announcements during the quarter as policymakers remained extremely vigilant in their attempts to curtail inflation.

The broader bond market, as proxied by the Bloomberg Barclays US Aggregate Index, suffered a meaningful quarterly loss (-4.8%) and extended a difficult year-to-date drawdown (-14.6%). Among fixed income sub-asset classes, those most uncorrelated to interest rates thrived, with Leveraged Loans (+1.2%) and High Yield Bonds (-0.7%) leading the field. Relative to intermediate duration US Treasuries (-5.5%), Investment Grade Corporate Bonds (-5.1%) and Agency RMBS (-5.4%) fared somewhat better as spreads remained relatively rangebound for the period. Still, both asset classes are highly linked to US interest rate volatility.

The Global Fixed Income portfolio contributed -0.3% for the quarter and -1.1% toward the one-year performance of total SWIFT returns.

- Performance: Q3 = -3.1% 1yr = -11.2%
- Benchmark: Q3 = -4.5% 1yr = -14.9%
- Return Contribution: Q3 = -0.3% 1yr = -1.1%

Alternative Fixed Income

Increased: None
Decreased: Brigade Leveraged Cap ($7.5MM); Davidson Kempner Inst Partners ($12.5MM); Linden Capital ($5MM)

The Alternative Fixed Income portfolio returned +0.8% for the quarter, which represents solid outperformance compared to its primary benchmark, the HFRI Fund-of-Funds Conservative Index. We produced positive absolute and relative results with the majority of capital deployed within this sleeve of the SWIFT portfolio. Returns generated within Tactical Trading were highly accretive in 3Q22, as our trio of managers effectively utilized their capabilities across interest rates, equities, commodities, and global currencies (FX). Our basket of Relative Value strategies delivered solid results relative to the weakness observed in long-only leveraged finance categories, while the degree of volatility in G10 interest rates provided a strong opportunity for non-directional, micro-focused strategies. The Event-Driven category continued to struggle broadly, with our portfolio facing additional headwinds given idiosyncratic weakness in September that wiped out earlier gains within a pair of credit and special situations funds. Following the submission of a full redemption request at the end of June as concerns overwhelmed perceived diversification benefits, our dedicated insurance-linked strategy repeated as the position detracting most notably from quarterly performance.

In a period when both interest rate sensitive and risk-oriented assets struggled, our blended hedge fund portfolio produced a respectable outcome overall. From a purely mathematical perspective, top-to-bottom dispersion across our owned strategies declined in 3Q22, even as the macroeconomic and policy environment brought about meaningful intra-quarter volatility in key market indicators. We've continued to emphasize strategy diversification via experienced managers that employ reasonable assumptions and focus on identifiable margins of safety as they seek to balance downside protection with upside participation.

Communication with our managers suggests broad uncertainty has led to most strategies running on the low side of their historic risk allocations. Evidence of this comes from the observation that there was very little participation in the equity and lower-quality credit rally that occurred in July along with relative protection on the downside amid subsequent weakness in risk assets. Scaling into opportunities that offer strong cash-on-cash yields and/or creating upside convexity with performing securities trading at highly discounting prices is something that holds promise. With capital markets functioning in a less reliable fashion, conservatively-positioned portfolios should also get the chance to serve as a provider of liquidity for non-economic or forced sellers that may emerge. The most-frequently noted risk relates to the "Goldilocks scenario" where the Federal Reserve is able to engineer a soft landing that achieves inflation targets without material pain felt in the economy. Based on the current setup, a strong recovery in risk assets would be most challenging for global macro managers utilizing a more-directional implementation of their view. Trade construction and being able to hedge effectively across the capital structure will be critical for producing risk-adjusted outperformance.

The Alternative Fixed Income portfolio contributed +0.1% for the quarter and +1.7% towards the one-year performance of total SWIFT returns.

• Performance:	Q3= 0.8%	1yr = 11.7%
• Benchmark:	Q3 = 0.2%	1yr = -0.7%
• Return Contribution:	Q3 = 0.1%	1yr = 1.7%

Private Debt

New Commitments: None

The Private Debt portfolio returned -0.9% for the quarter, bringing the one-year performance to +9.2%. Although this portfolio underperformed slightly on a relative basis for the quarter, the one-year performance remains ahead of the benchmark (-7.5%).

The Distressed portion of the portfolio generated modest results for the quarter (+0.2%), lagging its benchmark during the period (+0.6%). The positive return was largely driven by allocations to opportunistic strategies focused on purchasing non-performing and distressed assets in the US and Europe. The Performing Debt portion of the portfolio underperformed for the quarter (-1.7%) on an absolute and benchmark-relative basis. We saw strong performance from a specialty lending strategy, a US direct lending strategy focused on transitional situations, and an asset-based lending strategy, while negative performance from a wealth management technology platform co-investment and technology-focused lending strategy more than offset those gains.

As mentioned in prior quarters, private debt as an asset class has continued its growth momentum in 2022 as investor demand for the asset class is still robust. The current rising interest rate environment has made more traditional direct lending strategies quite attractive given the floating rate nature of the loans made in this asset class. We noticed a modest pullback from direct lending funds focused on the larger end of the market, as they have become weary of deploying large sums of capital given the uncertain market environment and likely recession on the horizon. On the distressed side of the market, while certain managers are being cautiously opportunistic with investments that are sized appropriately, distressed debt-focused managers by and large have not yet leaned into new opportunities in a material way. Special situations and structured capital related strategies, which have more flexibility when it comes to structuring solutions for borrowers, are seeing an elevated number of investment opportunities due to stresses in the market. Borrowers with upcoming maturities or other near-term liquidity requirements seem to be willing to pay a much higher debt cost of capital for a period in order to avoid tapping equity markets in a difficult macroeconomic environment.

The Private Debt portfolio contributed -0.1% for the quarter and +1.5% towards the one-year performance of total SWIFT returns.

• Private Debt Performance (time weighted):	Q3 = -0.9%	1yr = 9.2%
• Benchmark:	Q3= 0.6%	1yr = -7.5%
• Return Contribution:	Q3 = -0.1%	1yr = 1.5%

Global Public Equity

Increased: None
Decreased: None

The Global Public Equity portfolio returned -7.2% for the quarter, bringing one-year performance to -8.5%. While the absolute performance figures are unfavorable over both horizons, the portfolio outperformed on a relative basis for the one-year period, as the benchmark returned -21.2%. This portfolio's exposure is primarily made-up of a global index-tracking ETF today. As such, relative outperformance in this portfolio over the one-year period was driven entirely by a residual settlement received by the Trust Company from a strategy that lost capital for investors through the drawdown in early 2020.

Every major global equity market was negative in 3Q22: MSCI ACWI IMI (-6.6%); S&P500 (-4.9%); MSCI Europe IMI (-10.7%); MSCI EM IMI (-10.8%); MSCI China IMI (-22.6%). Broader public equity drawdowns reflect the difficult macro backdrop related to higher global inflation, central bank rate tightening in developed markets, the Russian/Ukraine conflict, China's zero-COVID policies, and the European energy crisis, among others. In September, the US stock market suffered its worst month since March of 2020 (-9.2%) following the Federal Reserve's commentary related to inflation concerns. Communication services (largely driven by TMT equities) and real estate were among the weakest performing sectors for the quarter. The only sectors with positive performance were consumer discretionary and energy. In Europe, all sectors generated negative performance during the quarter, with the largest decline in the communication services, real estate, and healthcare sectors. China was the weakest market for the quarter (-22.6%), as the efficacy of their domestic COVID-19 vaccines disappointed and the continued spread of the virus throughout the country weakened sentiment. Given this is a long-only equity portfolio, we aren't surprised by drawdowns in periods of stress but would expect the portfolio to participate in any upside swings in public equity markets in future periods.

The Global Public Equity portfolio contributed -0.3% for the quarter and -0.3% toward the one-year performance of total SWIFT fund returns.

• Global Public Equity Performance:	Q3 = -7.2%	1yr = -8.5%
• Benchmark:	Q3 = -6.6%	1yr = -21.2%
• Return Contribution:	Q3 = -0.3%	1yr = -0.3%

Hedged Equity

Increased: None
Decreased: TRG Alternative EM ($20MM)

The Hedged Equity portfolio returned -1.3% for the quarter, modestly outperforming its benchmark on a relative basis (-1.5%). Relative outperformance was driven largely by an allocation to a US growth-oriented hedge fund and a European quality growth hedge fund focused on the larger end of the market. Absolute performance for the period was negative, driven largely by a global TMT-related strategy as well as another Europe-focused hedge fund. Importantly, however, the Hedged Equity portfolio remains ahead of its benchmark over longer time horizons, most notably the three- and five-year periods.

Hedge funds as an asset class broadly declined again in 3Q22, though they continued to navigate volatility and as a group meaningfully protected capital. Currency-focused strategies and quantitative trend-following strategies led performance for the hedge fund sector as interest rates increased and the US dollar surged against other developed market currencies, with strong gains in these strategies partially offsetting weakness in directional equity and event-driven strategies.

As was the case with our Global Public Equity portfolio, the Hedged Equity book has faced challenges in 2022 related to broader public equity market drawdowns. That said, as would be expected, the Hedged Equity portfolio has protected capital for us more efficiently given the long/short nature of the underlying holdings. Within our portfolio, we observed a wide dispersion of portfolio adjustments in 3Q22 – most managers continued to reduce their gross exposures from last quarter, several managers reduced their net exposures, and there were a few managers who took their net exposures up. During the quarter, our managers generally continued to reduce exposures to information technology, communication services, and consumer staples, while we saw an increase in exposures to healthcare, industrials, financials, and energy.

The Hedged Equity portfolio contributed -0.2% for the quarter and -3.2% towards the one-year performance of total SWIFT returns.

• Hedged Equity Performance:	Q3 = -1.3%	1yr = -14.2%
• Benchmark:	Q3 = -1.5%	1yr = -13.3%
• Return Contribution:	Q3 = -0.2%	1yr = -3.2%

Real Estate

New Commitments: None

The Real Estate portfolio returned -0.3% for the quarter, bringing the one-year performance to +13.5%. Investments in diversified North American-centric platforms produced slightly positive results, while certain CRE-debt strategies detracted from performance in anticipation of greater than expected charge-offs. Looking forward, we expect that limited transaction volumes (particularly in the latter half of 2023) may increase volatility as prices are forced to converge between buyers and sellers.

Within the "core four" property types (office, industrial, multi-family, and retail), 3Q22 continued to be "A Tale of Two Cities" environment. Within industrial and logistical properties, rent growth continues to be amongst the highest on record, with year-over-year growth at approximately 11.4%. However, acquisition pace has slowed substantially, and development activity has picked up, with builders anticipating that they can develop new sites at a discount to the valuation of existing stocks. Multi-family apartments have similarly strong fundamentals, with homeowner affordability being impacted by rising rates and ballooning borrowing costs. Average rent growth touched 13.5%, which is approximately 1,000 bps above the long-term average.

Strong growth within industrial and multi-family has been offset by continued operating weakness within the retail and office property types. Although TTSTC has benefited from an underweight to both categories, we expect that structural headwinds will continue well into 2023.

Specialty property types such as self-storage and datacenters continued to perform in-line with expectations, while debt-focused strategies, which may suffer from an uptick in near- and medium-term defaults, also present a potentially attractive entry point to increase exposure at above-average yields due to the ongoing market volatility and stress.

The Real Estate portfolio contributed +0.0% for the quarter and +1.6% toward the one-year performance of total SWIFT returns.

• Real Estate Performance:	Q3 = -0.3%	1yr = 13.5%
• Benchmark:	Q3 = 4.5%	1yr = 28.3%
• Return Contribution:	Q3 = 0.0%	1yr = 1.6%

All Asset Strategies

Increased: None
Decreased: The Partners Fund ($20MM)

The All Asset Strategies portfolio returned +0.5% for the quarter. This portfolio performed well on an absolute and benchmark-relative basis (-0.1%) for the period. This portfolio consists of two funds – a multi-strategy hedge fund and a short duration private markets fund. Both strategies generated slightly positive performance for the quarter.

The All Asset Strategies portfolio contributed 0.0% for the quarter and -0.1% towards the one-year performance of total SWIFT returns.

- All Asset Strategies Performance: Q3 = 0.5% 1yr = -1.5%
- Benchmark: Q3 = -0.1% 1yr = -3.8%
- Performance Contribution: Q3 = 0.0% 1yr = -0.1%

Risk

Early 3Q22 saw equity markets extend a rally that originated in mid-June (when markets began their recovery after a negative reaction to the release of unexpectedly high May inflation data). Throughout the first half of 3Q22, the CBOE VIX (a market based measure of implied volatility) declined steadily, closing below 20 for several days in mid-August. In the second half of the quarter, however, the S&P 500 experienced a drawdown of more than 16%, and concordantly, the VIX steadily increased, closing above 30 for each trading day in the last week of September. This drawdown was generally attributed to changing interest rate policy expectations, punctuated by Federal Reserve Chairman Powell's comments at the Jackson Hole summit. Between mid-August and the end of the September, expectations of the terminal policy interest rate (as implied by Federal Funds futures) increased by more than 90 bps.

In other asset classes, interest rate implied volatility and credit spreads followed similar paths to the VIX. Measures of currency implied volatility also hit quarterly lows in mid-August, but unlike the VIX, were also elevated in early July, and were more reactive in late September.

In the SWIFT portfolio, the overall risk level as measured by Value at Risk (VaR) decreased by 18 bps, with no meaningful change in the measured risk of the policy portfolio. The change in VaR was a result of two nearly equally sized changes, both tending to reduce VaR. First, an accumulation of cash in anticipation of an October distribution caused a reduction of approximately 10 bps in VaR. The remaining 8 bps reduction was based on manager behavior, primarily driven by reductions in net exposure levels in the Hedged Equity and Alternative Fixed income portfolios, which occurred in the second half of the quarter. While measured VaR is outside of the VaR policy limits (to the downside), we expect portfolio VaR to return above the policy minimum after the October distribution is made.

Looking forward, Federal Reserve policy is still top of mind for market participants. There is continued discussion about whether policymakers can engineer a "soft landing" or if a more severe downturn will be required to tame inflation. While less prominent than in the recent past, commentary continues about disruptions to supply chains caused by China's COVID-19 policies. Investors continue to monitor the correlation between bonds and equities, and it is noteworthy that this correlation was positive during 3Q22, which was driven by the second half of the quarter where both suffered losses. And as mentioned previously, some suggest relying on the Federal Reserve's policy response as a market put may add fragility to the financial system and note that the central bank may not be able to provide such support given current inflation levels.

Asset Allocation Summary

As of September 30, 2022

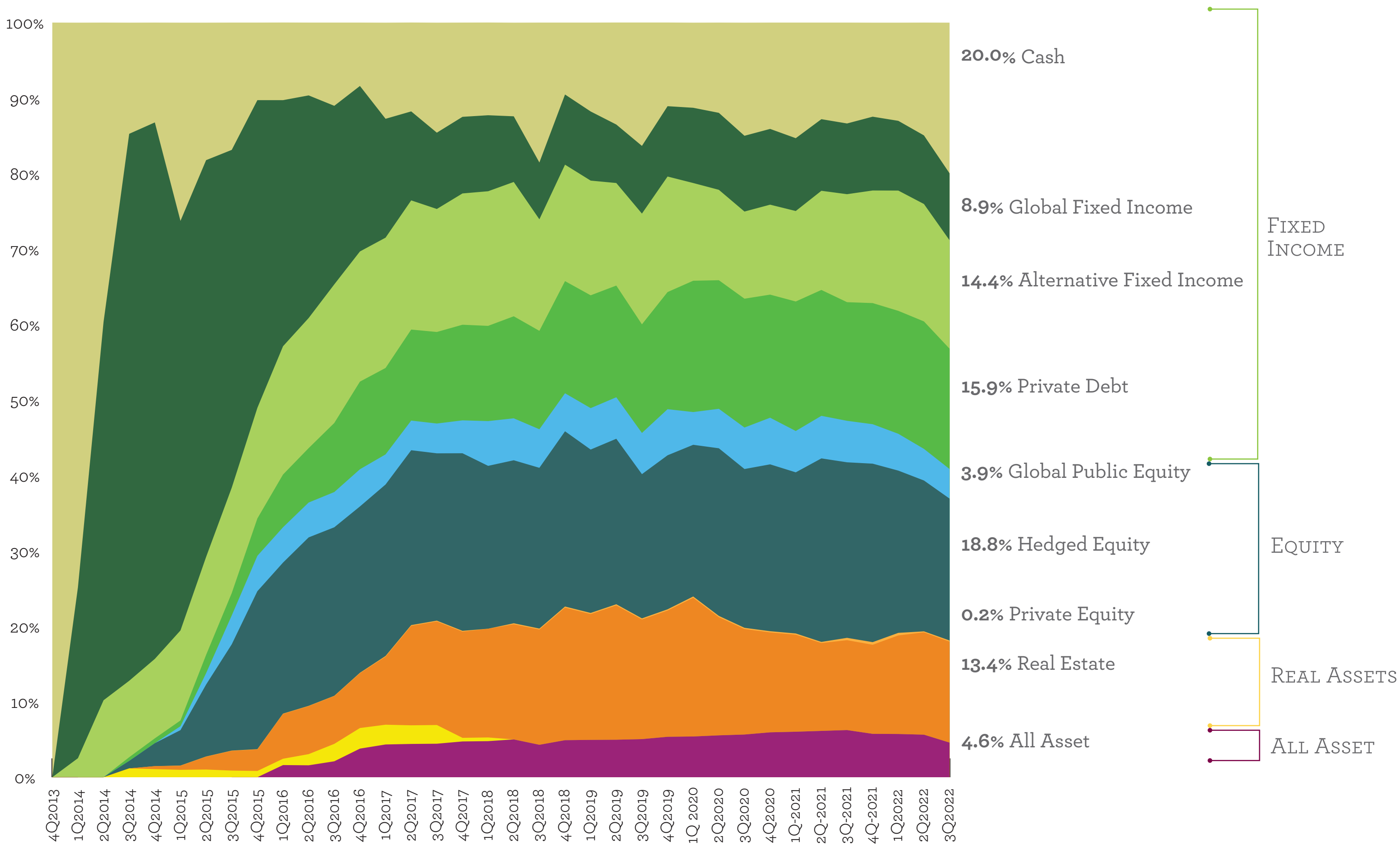
Asset Class	Strategy	Number of Funds[1, 2]	Number of Managers[1, 2]	Current Market Value	Weight	Target Weight
Fixed Income		57	38	$1,057,115,757	59.1%	55.0%
	Cash	2	2	356,843,435	20.0%	10.0%
	Global Fixed Income (ex-Cash)	5	5	158,546,003	8.9%	10.0%
	Alternative Fixed Income	12	12	256,797,586	14.4%	15.0%
	Private Debt	38	21	284,928,733	15.9%	20.0%
Equity		9	8	$409,024,545	22.9%	30.0%
	Global Public Equity	1	1	70,079,689	3.9%	5.0%
	Hedged Equity	7	6	336,013,943	18.8%	25.0%
	Private Equity	1	1	2,930,913	0.2%	0.0%
Real Assets		7	6	$238,958,494	13.4%	15.0%
	Real Estate	7	6	238,958,494	13.4%	15.0%
Strategic All Asset		2	2	$82,122,695	4.6%	0.0%
	All Asset Strategies	2	2	82,122,695	4.6%	0.0%
Total Portfolio		75	51	$1,787,221,491	100.0%	100.0%

[1] Does not include funds in wind down or redemption.
[2] Manager count for aggregates are less than sum of components due to managers with multiple strategy allocations.

Asset Allocation Evolution

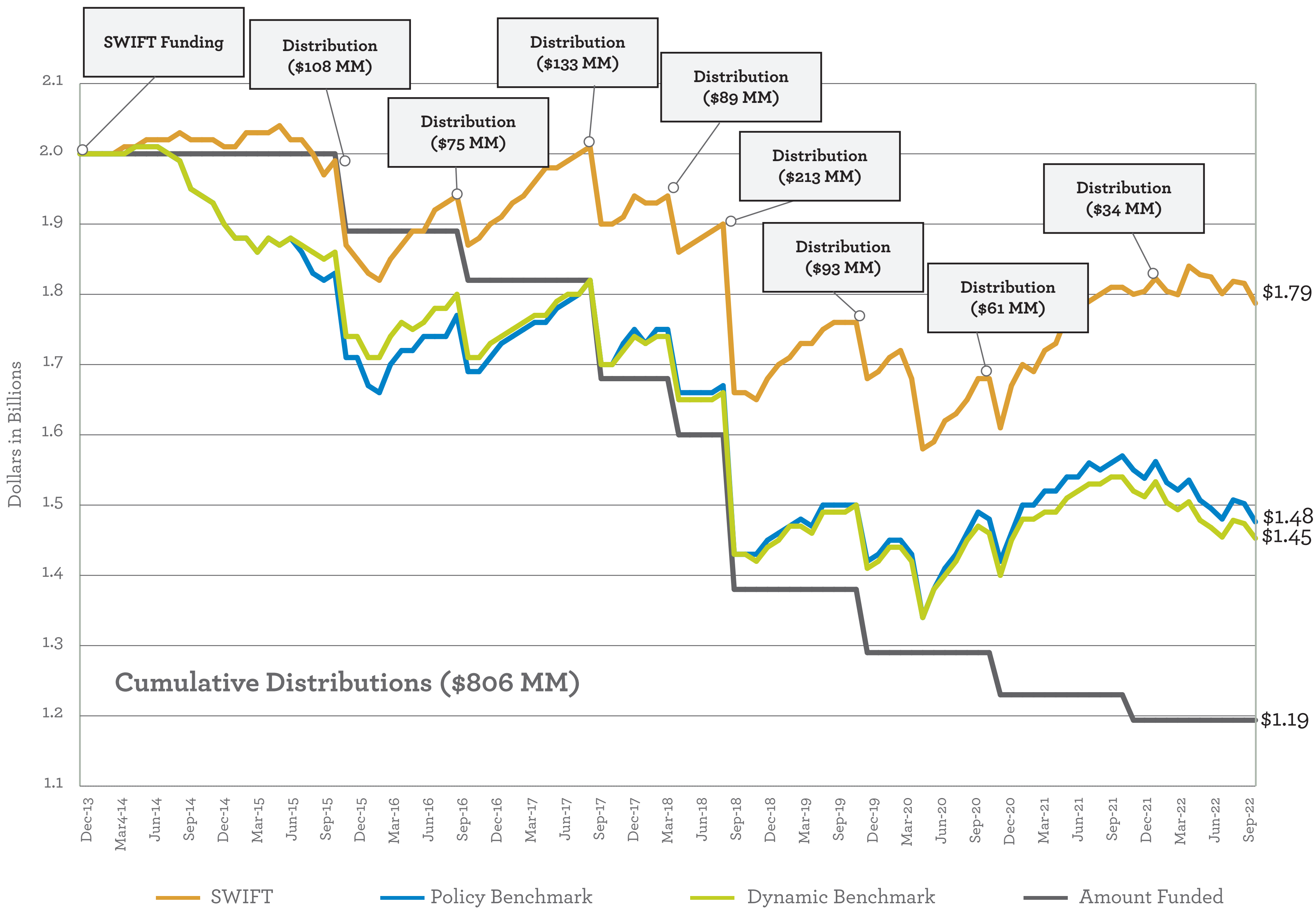
As of September 30, 2022

Total AUM: $1,787,221,491



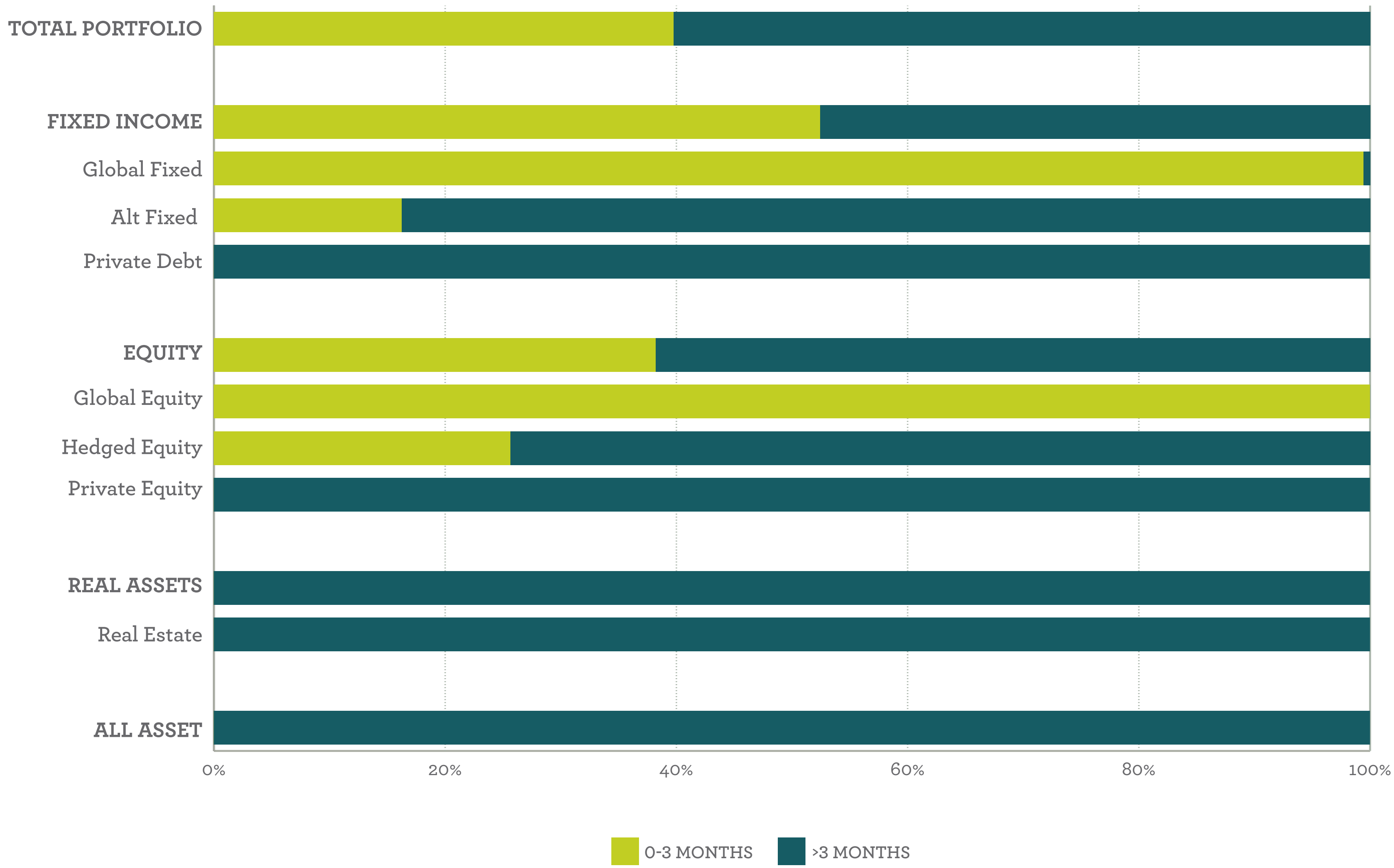
SWIFT Portfolio Market Value

As of September 30, 2022



Portfolio Liquidity[1,2]

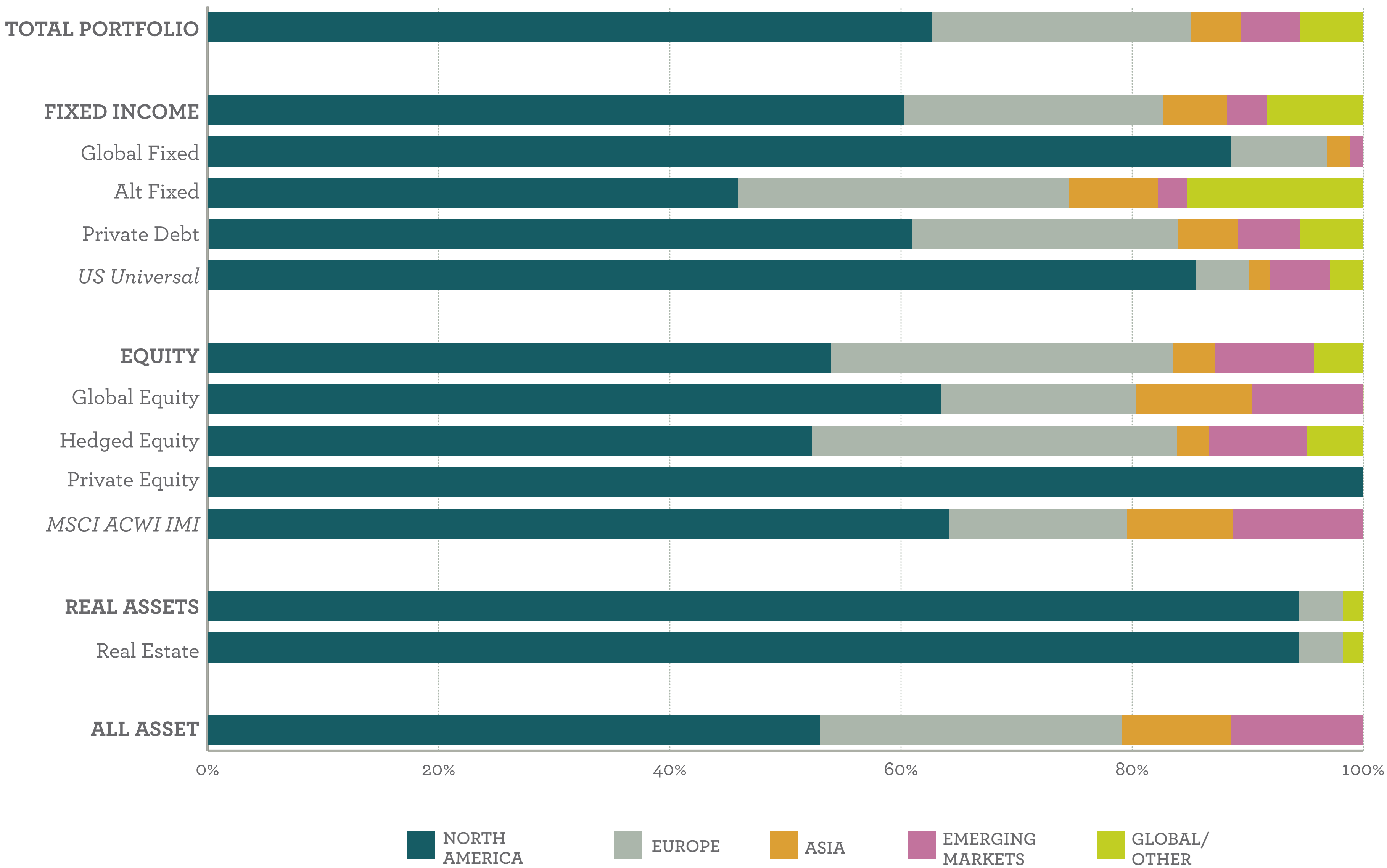
As of September 30, 2022



[1] Projected liquidity takes hard lock, notice and payout periods into consideration.
[2] Liquidity data as provided by managers.

Portfolio Geographic Allocation[1]

As of September 30, 2022



[1] Calculated using gross exposures.

Fixed Income Summary

As of September 30, 2022

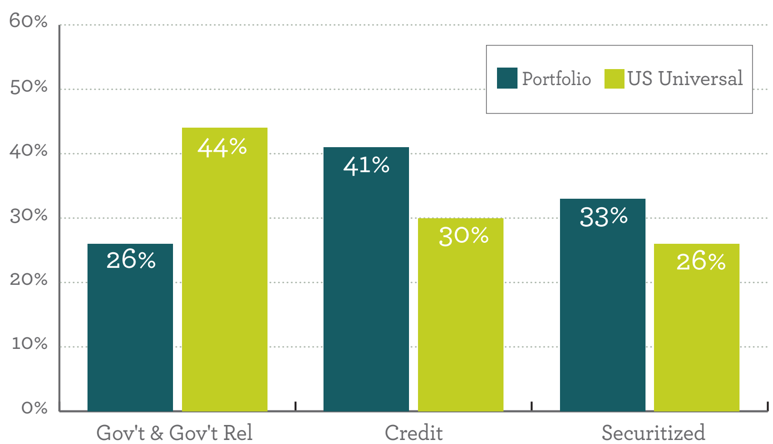
Strategy	Market Value	Portfolio Weight	Standard Deviation[1]	Sharpe Ratio[1]	% Positive Months[1]	US Universal		HFRI Conservative		MSCI ACWI IMI	
						Beta[1]	Correlation[1]	Beta[1]	Correlation[1]	Beta[1]	Correlation[1]
Cash	$356,843,435	20.0%	-	-	-	-	-	-	-	-	-
Global Fixed Income (ex-cash)	$158,546,003	8.9%	4.8%	-0.4	52.8%	0.8	0.9	0.5	0.6	0.2	0.7
US Universal			*5.5%*	*-0.7*	*47.2%*	-	-	*0.4*	*0.3*	*0.2*	*0.6*
Alternative Fixed Income	$256,797,586	14.4%	12.9%	0.0	66.7%	-0.1	0.0	1.9	0.8	0.3	0.5
HFRI FoF: Conservative			*5.4%*	*0.7*	*72.2%*	*0.3*	*0.3*	-	-	*0.2*	*0.8*
Private Debt	$284,928,733	15.9%	-	-	-	-	-	-	-	-	-
Total Fixed Income	$1,057,115,757	59.1%	4.2%	0.5	86.1%	0.1	0.1	0.7	0.8	0.1	0.6

[1] Trailing 36 months.

Global Fixed

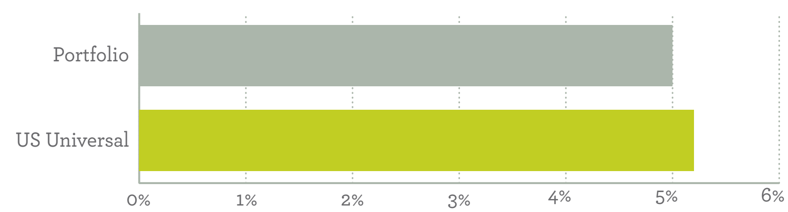
Sector Allocation[1]

ex-cash



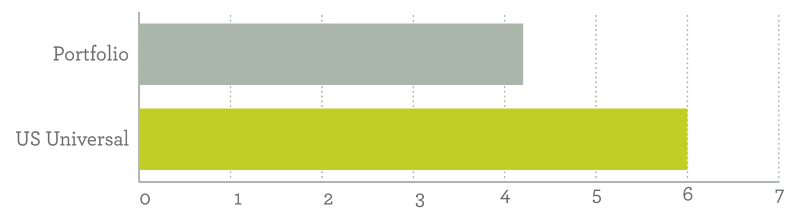
[1] Calculated using gross exposures

Yield



Duration

Years



Private Debt Detail

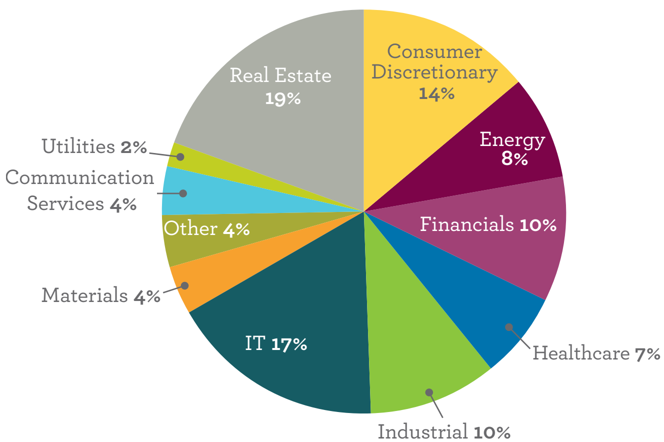
As of September 30, 2022

Strategy	Number of Current Fund Commitments	Portfolio Weight	Commitments	Unfunded Commitments	Total Contributions[1]	Distributions	Remaining Value[2]	Total Value
Performing	21	8.7%	$407,534,285	$112,956,667	$442,256,738	$370,732,302	$156,144,498	$526,876,800
Distressed	17	7.2%	277,500,000	132,188,162	218,417,712	138,006,180	128,784,235	266,790,415
Total Private Debt	38	15.9%	$685,034,285	$245,144,829	$660,674,450	$508,738,483	$284,928,733	$793,667,216

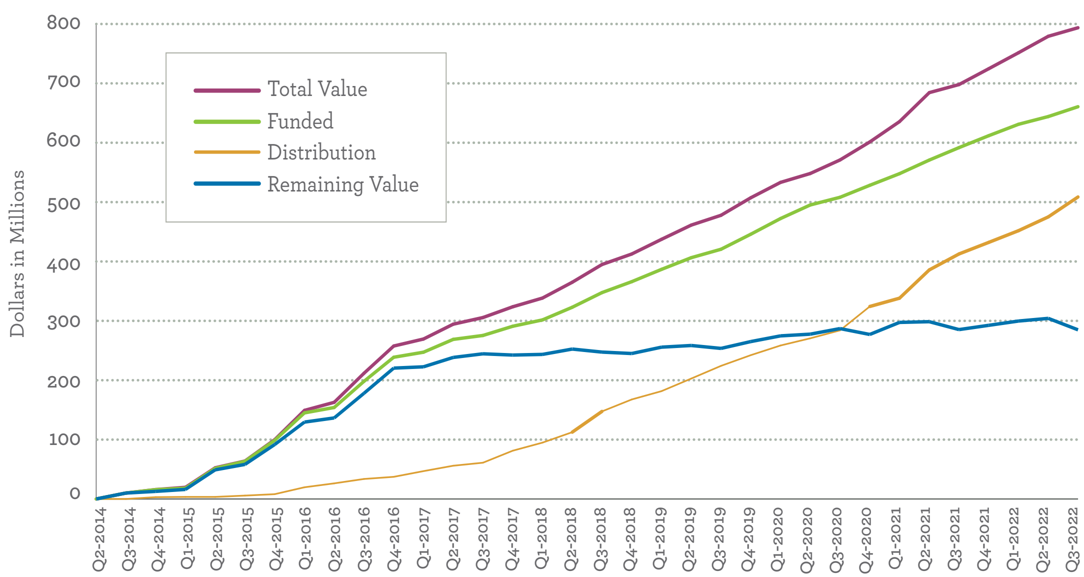
[1] Total Contributions include fees and expenses that may not reduce or lower unfunded commitments.
[2] Remaining Value is equal to the last actual reported capital account value plus subsequent capital calls less subsequent distributions through the indicated date, with no valuation changes.

Strategy	Distributed/Paid In (DPI)	Total Value/Paid In (TVPI)	1 Year IRR	ITD IRR	Time Weighted Returns		
					1 Year	3 Year	5 Year
Performing	0.84	1.19	8.5%	8.2%	8.3%	9.0%	8.4%
Distressed	0.63	1.22	10.4%	7.5%	10.3%	8.8%	6.4%
Total Private Debt	0.77	1.20	9.4%	8.0%	9.2%	9.2%	7.8%
Private Debt Blend					*-7.5%*	*1.9%*	*5.0%*

Sector Allocation



Cash Flow & Valuation History



Equity Summary

As of September 30, 2022

Strategy	Market Value	Portfolio Weight	Standard Deviation[1]	Sharpe Ratio[1]	% Positive Months	MSCI ACWI IMI		HFRI FoF Strategic	
						Beta[1]	Correlation[1]	Beta[1]	Correlation[1]
Global Equity	$70,079,689	3.9%	25.0%	0.1	61.1%	1.1	0.9	2.0	0.8
MSCI ACWI IMI			*19.8%*	*0.2*	*61.1%*	-	-	*1.7*	*0.9*
Hedged Equity	$336,013,943	18.8%	11.4%	0.3	55.6%	0.5	0.9	1.0	0.9
HFRI FoF: Strategic			*10.2%*	*0.2*	*55.6%*	*0.5*	*0.9*	-	-
Private Equity	$2,930,913	0.2%	-	-	-	-	-	-	-
Total Equity	$409,024,545	22.9%	13.3%	0.3	61.1%	0.6	1.0	1.2	0.9

[1] Trailing 36 months.

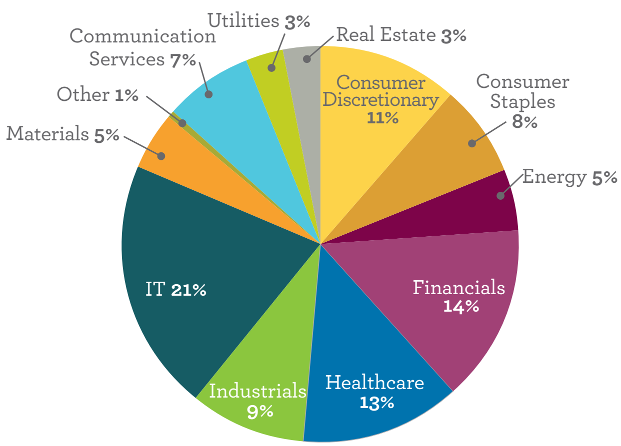
Strategy	Number of Fund Commitments	Commitments	Unfunded Commitments	Total Contributions[1]	Distributions	Remaining Value[2]	Total Value
Total Private Equity	1	$7,500,000	$0	$3,107,673	$9,941,725	$2,930,913	$12,872,638

[1] Total Contributions include fees and expenses that may not reduce or lower unfunded commitments.
[2] 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.

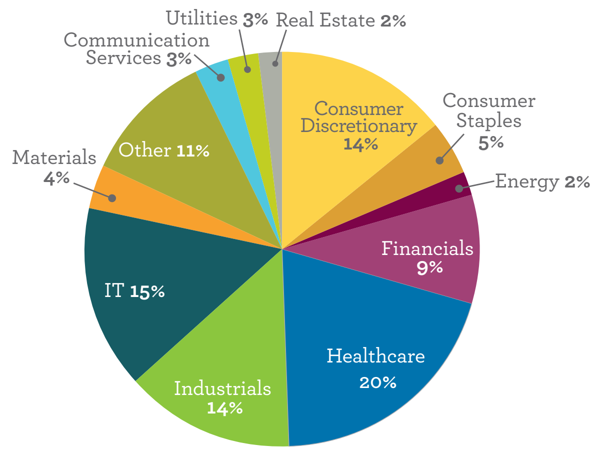
Equity Detail

As of September 30, 2022

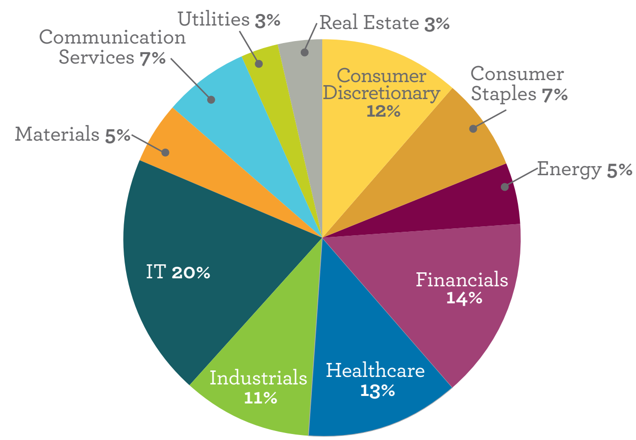
Global Equity



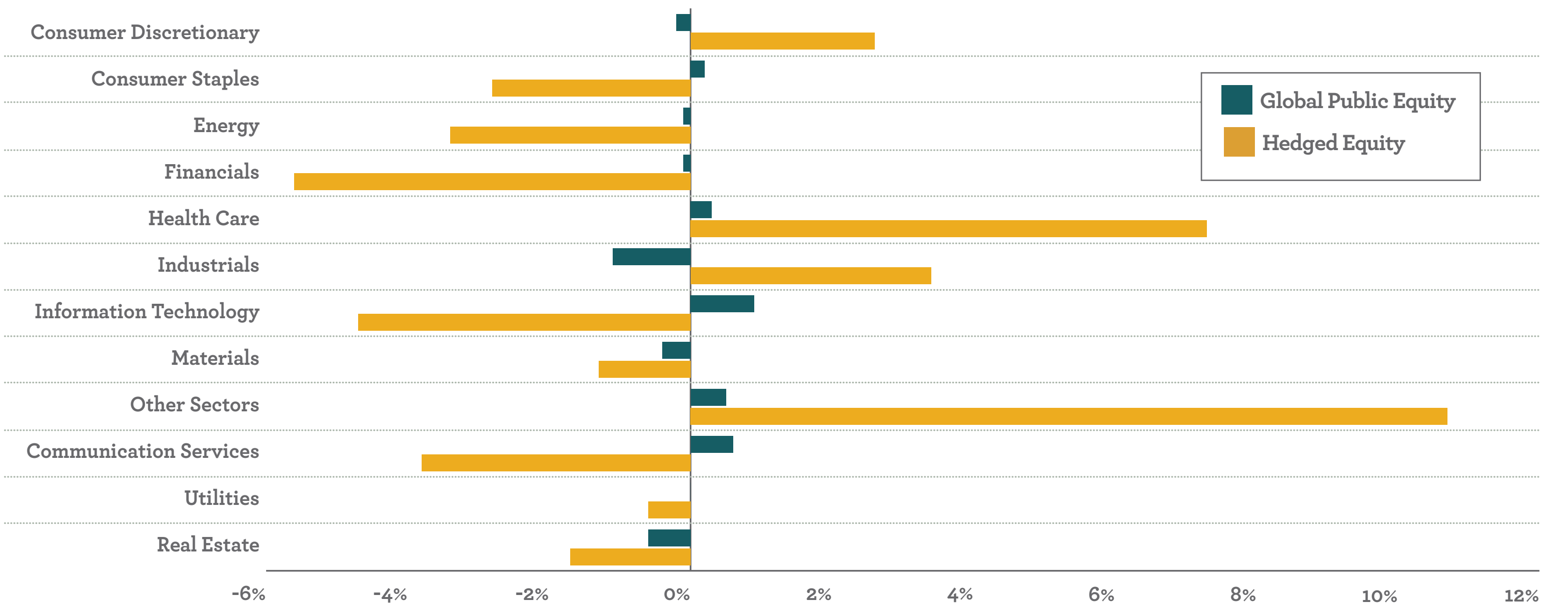
Hedged Equity



MSCI ACWI IMI



Sector Under/Over Allocation[1]



[1] Relative to MSCI ACWI IMI

Real Estate Summary

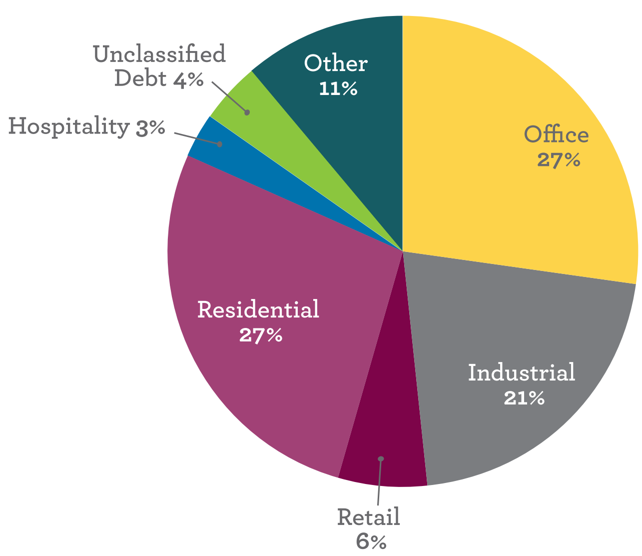
As of September 30, 2022

Strategy	Number of Current Fund Commitments	Portfolio Weight	Commitments	Unfunded Commitments	Total Contributions[1]	Distributions	Remaining Value[2]	Total Value
Real Estate	7	13.4%	$329,000,000	$14,404,877	$431,952,833	$323,344,340	$238,958,494	$562,302,835

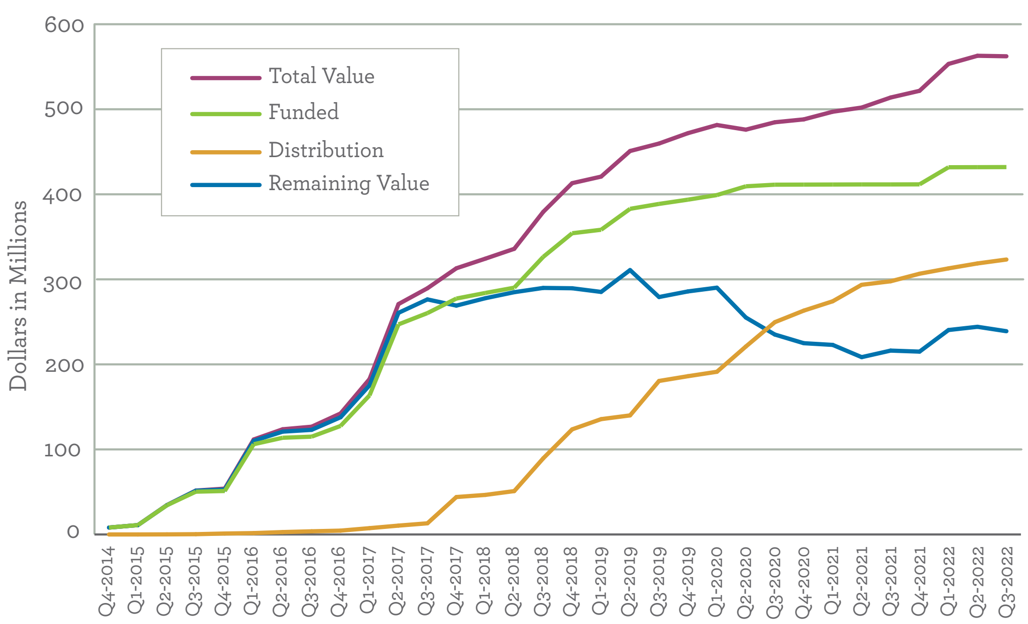
[1] Total Contributions include fees and expenses that may not reduce or lower unfunded commitment.
[2] Remaining Value is equal to the last actual reported capital account value plus subsequent capital calls less subsequent distributions through the indicated date, with no valuation changes.

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	0.75	1.30	13.3%	8.4%	13.4%	9.4%	8.7%
Real Estate Blend					*28.3%*	*11.7%*	9.6%

Sector Allocation



Cash Flow & Valuation History



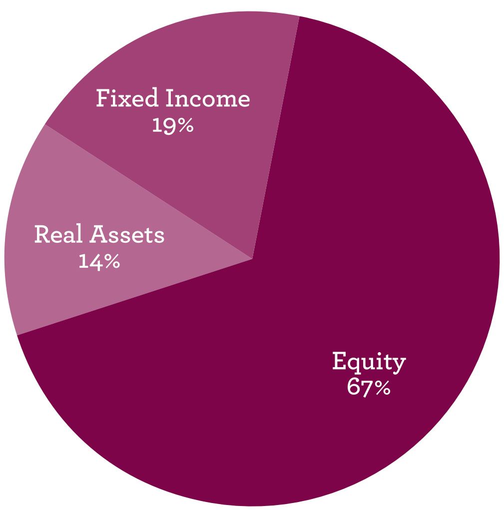
All Asset Strategies

As of September 30, 2022

Strategy	Market Value	Portfolio Weight	Standard Deviation[1]	Sharpe Ratio[1]	Downside Deviation[1]	Max Drawdown[1]	% Positive Months[1]	Total Policy Benchmark	
								Beta[1]	Correlation[1]
Multi-Strategy	$82,122,695	4.6%	7.3%	1.0	9.9%	-9.7%	69.4%	1.0	0.8
All Asset Total	**$82,122,695**	**4.6%**	**7.3%**	**1.0**	**9.9%**	**-9.7%**	**69.4%**	**1.0**	**0.8**
SWIFT Policy Benchmark			*6.1%*	*0.5*	*7.9%*	*-7.6%*	*66.7%*	-	-

[1] Trailing 36 months.

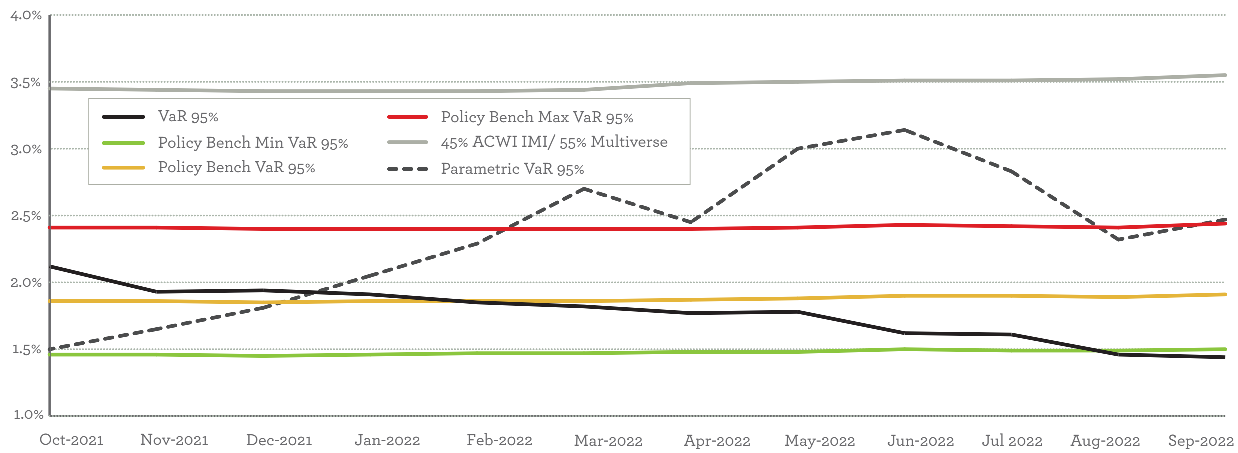
All Asset Breakdown



Value at Risk (VaR) Analysis

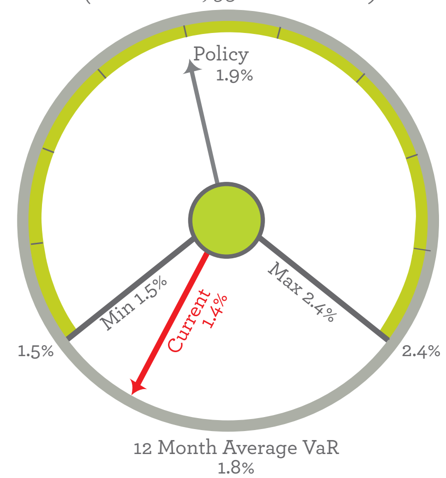
As of September 30, 2022

Twelve Month History

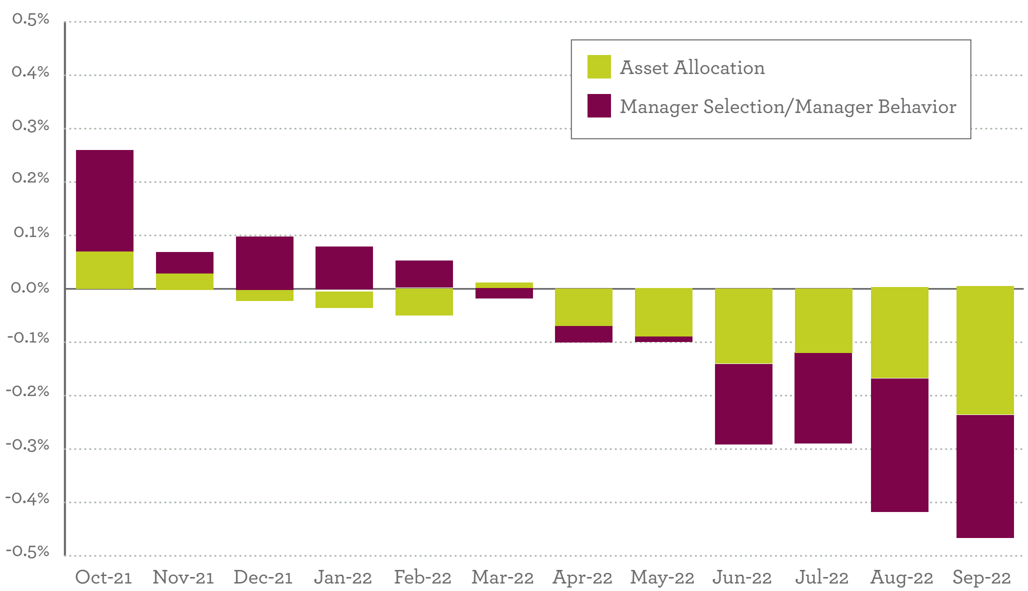


VaR as a Percent of Market Value

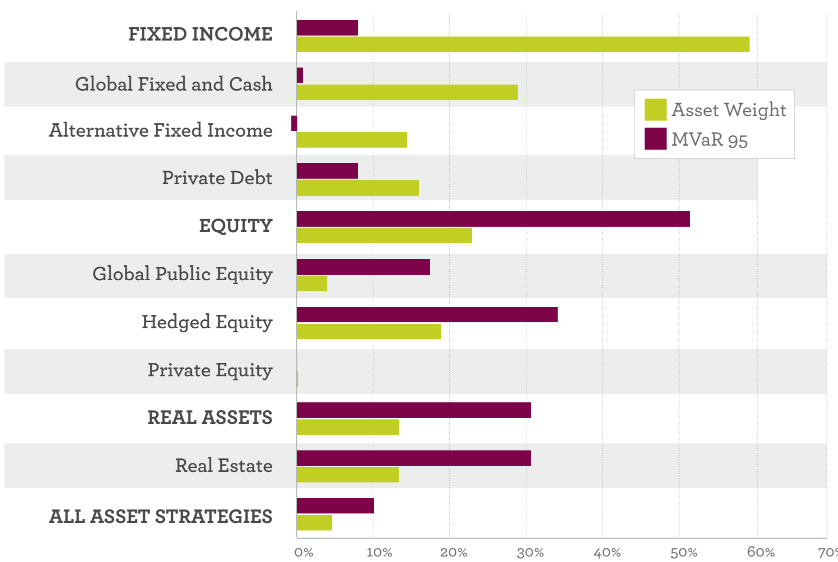
(One Month, 95% Confidence)



Differential from Policy VaR



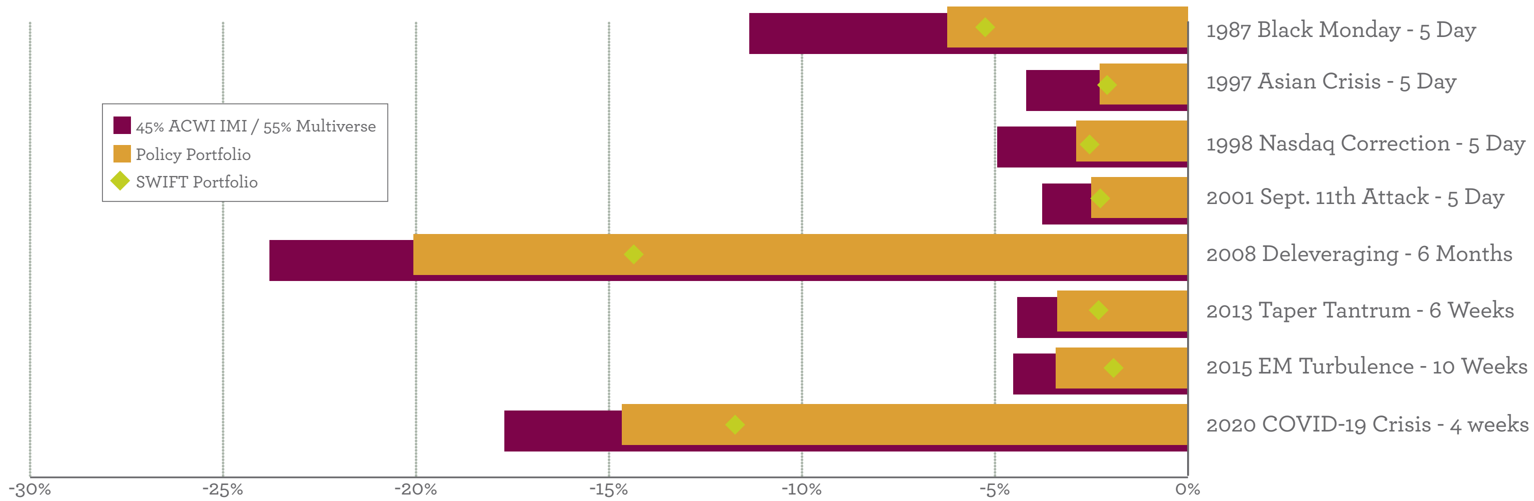
VaR Contribution



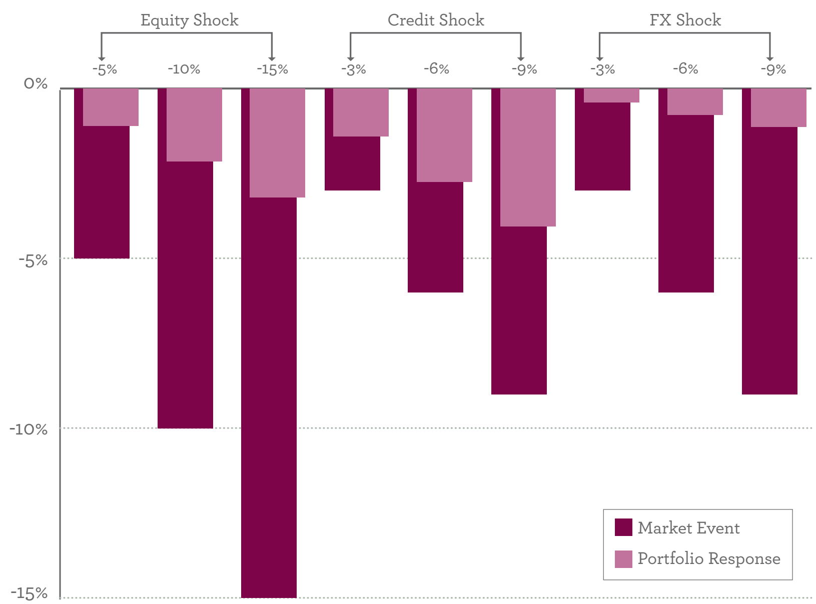
Portfolio Risk Summary

As of September 30, 2022

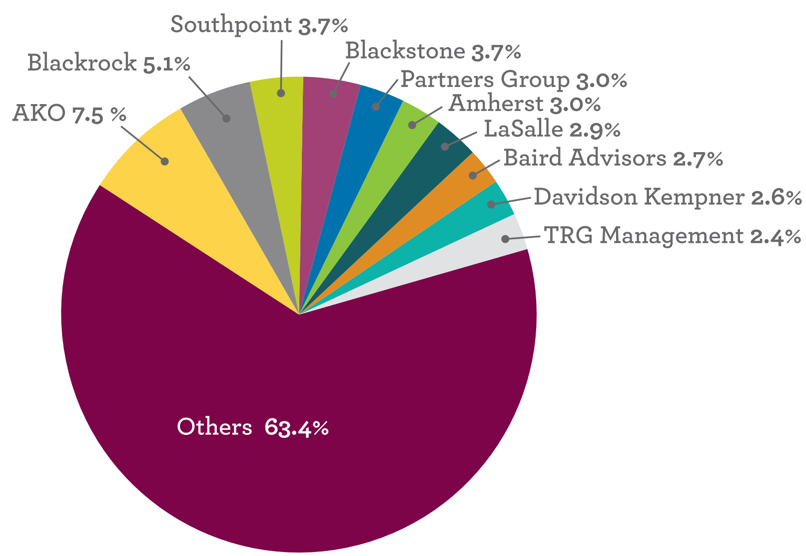
Scenario Analysis



Monthly Portfolio Tail Risk Profile



Manager Concentration



SWIFT Performance Table

As of September 30, 2022

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013												0.0%	**0.0%**
2014	0.0%	0.1%	0.2%	0.1%	0.4%	0.3%	-0.1%	0.3%	-0.5%	0.0%	0.1%	-0.6%	**0.3%**
2015	0.3%	0.9%	-0.1%	0.4%	0.2%	-0.7%	-0.1%	-1.3%	-1.3%	1.0%	-0.4%	-1.1%	**-2.2%**
2016	-1.3%	-0.4%	1.8%	1.2%	0.8%	0.1%	1.5%	0.8%	0.5%	0.0%	0.4%	1.1%	**6.6%**
2017	0.8%	1.0%	0.6%	0.8%	0.9%	0.1%	0.7%	0.6%	0.7%	0.8%	0.4%	0.4%	**8.1%**
2018	1.2%	-0.3%	0.1%	0.6%	0.5%	0.4%	0.8%	0.4%	0.4%	-1.3%	0.2%	-0.9%	**2.0%**
2019	1.8%	1.1%	0.9%	1.2%	-0.2%	1.2%	0.8%	-0.1%	0.2%	0.5%	0.7%	1.3%	**9.6%**
2020	0.5%	-1.9%	-6.2%	0.9%	1.6%	0.7%	1.5%	1.6%	0.1%	-0.5%	3.3%	2.0%	**3.4%**
2021	-0.3%	1.3%	1.0%	2.1%	0.5%	0.8%	0.6%	0.6%	0.1%	1.2%	0.1%	1.0%	**9.6%**
2022	-1.0%	-0.3%	2.3%	-0.6%	-0.2%	-1.3%	1.0%	-0.1%	-1.5%				**-1.8%**

TEXAS TRUST

TEXAS TREASURY SAFEKEEPING TRUST COMPANY

COMPTROLLER GLENN HEGAR, CHAIRMAN

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