

Tobacco Settlement Permanent Trust Fund

Investment Policy Compliance
Attestation Report

December 31, 2015



Padgett Stratemann

Independent Accountant's Report

To the Honorable Glenn Hegar
Comptroller of Public Accounts of the State of Texas
Austin, Texas

We have examined management's assertion that the Tobacco Settlement Permanent Trust Fund ("Fund") complied with its Investment Policy as of December 31, 2015. Management of the Texas Treasury Safekeeping Trust Company is responsible for the Fund's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Fund's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and accordingly, included examining, on a test basis, evidence about the Fund's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Fund's compliance with the specified requirements.

In our opinion, management's assertion that the Tobacco Settlement Permanent Trust Fund complied with the aforementioned requirements as of December 31, 2015 is fairly stated, in all material respects.

This report is intended solely for the information and use of management of the Fund, Comptroller of Public Accounts of the State of Texas, Tobacco Settlement Permanent Trust Account Investment Advisory Committee, and State Auditor of Texas and is not intended to be, and should not be, used by anyone other than these specified parties.

Padgett, Stratemann + Co., L.L.P.

Austin, Texas
March 9, 2016

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