SWIFT

State Water Implementation Fund for Texas

TEXAS TRUST

TEXAS TREASURY SAFEKEEPING TRUST COMPANY

COMPTROLLER GLENN HEGAR, CHAIRMAN

Q4 2023

COMPTROLLER'S INVESTMENT ADVISORY BOARD

Portfolio Review

Meeting Date: April 16, 2024

Presented by Anca Ion, CIO

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As of December 31, 2023

Executive Summary

As of December 31, 2023

In the fourth quarter of 2023, the SWIFT returned +4.0%, bringing the trailing one-year performance to +7.3%. For the quarter, Hedged Equity, Global Public Equity, and Global Fixed Income were the leading performance contributors. For the one-year period, Hedged Equity, Global Public Equity, and Private Debt were the leading performance contributors. The broader portfolio performed in line with its benchmark for the quarter as relative outperformance from Hedged Equity, Real Estate, and Private Equity offset benchmark-relative underperformance in Private Debt, All Assets, and Global Fixed Income. For the one-year period, the portfolio led its benchmark, largely driven by strong relative performance in Hedged Equity and Real Estate.

The Global Fixed Income portfolio returned +6.4% for the quarter, while its primary benchmark (Bloomberg US Universal Index) returned +6.8%. During the quarter, duration was paramount to performance and fixed income absolute returns were near historic highs, though the portfolio trailed its benchmark, primarily driven by its slightly shorter duration profile. Over the one-year period, the portfolio returned +5.8%, which slightly trailed the benchmark (+6.2%). There were zero new allocations made during the quarter in the SWIFT's Global Fixed Income portfolio.

The Alternative Fixed Income portfolio returned +0.9% for the quarter, which underperformed compared to its primary benchmark (+1.8%). The portfolio captured positive returns from 8 of the 12 unique strategies deployed across the portfolio, with the Relative Value sleeve leading the way with its mix of long/short corporate credit, micro-focused G10 interest rate trading, and convertible arbitrage strategies averaging 4Q23 gains of nearly +3%. The Event-Driven sub-category was additive for the quarter, led by a technology-focused strategy that has benefitted from positive idiosyncratic developments combined with the favorable environment for risk assets broadly. There were zero new allocations made during the quarter in the SWIFT's Alternative Fixed Income portfolio.

The Private Debt portfolio returned +2.6% for the quarter, underperforming the benchmark (+5.3%). Over the one-year period, the portfolio returned +7.8%, which also underperformed the benchmark (+14.4%). The Distressed Debt portion of the portfolio delivered a +2.8% return for the quarter, bringing the one-year performance to +8.3%. Almost every strategy was positive for the quarter, led by allocations to opportunistic/special situation strategies focused on purchasing stressed and distressed assets in the US and Europe. The Performing Debt portion of the portfolio delivered a +2.5% return for the quarter, bringing the one-year performance to +7.4%. Almost every strategy in this portfolio was positive as well, led by a non-sponsored lending strategy, a tech-focused lending strategy, and an asset based lending strategy. One new allocation to a middle market direct lending strategy was added during the quarter.

The Global Public Equity and Hedged Equity portfolios returned +11.3% and +7.6% for the quarter, respectively, as Global Public Equity slightly outperformed its MSCI ACWI benchmark (+11.1%) and Hedged Equity outperformed its HFRI FOF Strategic benchmark (+5.1%). For Global Public Equity, positive performance for the quarter was attributable to the portfolio's total world stock index ETF. For Hedged Equity during the quarter, the top contributors to performance were the US Growth, Global, Europe, and TMT-focused strategies. For Global Public Equity, we added to the passive ETF exposure during 4Q24. For Hedged Equity during the quarter, a low-net strategy was added and one new strategy from the prior quarter was increased, while two strategies were sized down.

The Real Estate portfolio returned +0.1% for the quarter, outperforming the benchmark by 2.2%. Investments in two real estate debt strategies drove positive performance for the period, coupled with a core-plus manager which also delivered strong returns. That said, interest rates continued to put pressure on our core real estate managers – an open-ended core real estate relationship led a handful of detractors. Over the one-year period, absolute performance (-4.9%) is less than ideal, but remains ahead of the benchmark (-12.9%). There weren't any new allocations made in the Real Estate portfolio during the quarter.

While inflation and interest rates remained in focus for investors during 4Q23, inflation during the second half of 2023 moderated and investors' hopes for swifter/more frequent rate cuts in 2024 led to strong equity and bond performance in November and December. The US economy continued to impress during the quarter, as the Fed's rate hike path since 2022 has yet to affect borrowers dramatically. That said, the labor market is starting to show signs of weakness. Newer concerns around geopolitical risks seemed to top the list of potential macro risks during the quarter – existing concerns with Russia/Ukraine, tensions between the US/China, and growing conflicts in the Middle East each present unique concerns for investors. In the face of such uncertainty, we remain focused on long-term strategic asset allocation and diversification across quality investment managers.

For the quarter, the top performing portfolios were Global Public Equity (+11.3%), Hedged Equity (+7.6%), and Global Fixed Income (+6.4%). For the trailing one-year period, the top performing portfolios were Global Public Equity (+21.8%), Hedged Equity (+16.0%), and Private Debt (+7.8%).

• Total Portfolio Performance:	Q4 = 4.0%	1yr = 7.3%
• Policy Benchmark:	Q4 = 4.0%	1yr = 6.1%
• Dynamic Benchmark:	Q4 = 4.0%	1yr = 6.1%

[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

Global Fixed Income

Increased: None
Decreased: None

The Global Fixed Income portfolio returned +6.4% for the quarter, while its primary benchmark (Bloomberg US Universal Index) returned +6.8%. In a quarter where duration was paramount to performance, and fixed income absolute returns were near historic highs, the portfolio trailed its benchmark, primarily driven by its slightly shorter duration profile, which includes its allocation to an intermediate duration core strategy.

Fixed income markets produced carnival like returns in 4Q23, driven by a dramatic shift in investor sentiment that led to a powerful rally in government bonds and significant compression in credit spreads. More specifically, in October, investors were facing the probability of an unprecedented third year of negative returns for traditional bonds, as proxied by the Bloomberg US Aggregate Bond Index (Agg), with rates surging as investors seemingly had accepted a "higher-for-longer" interest rate mentality and the possibility of another rate hike in the near future. The long end of the yield curve came under intense pressure on a deteriorating fiscal picture and an expected jump in longer maturity US Treasury supply. Yields on bonds spiked, with the Agg's yield-to-worst (YTW) peaking at 5.75%, while High Yield (HY) bonds approached 10% at the index level. November ushered in a dramatic reversal in interest rates and overall risk sentiment – investors quickly transitioned to the "soft landing" narrative as a combination of easing inflation and mixed economic data triggered investor skepticism over the need for additional policy tightening. Perhaps more important was a fundamental shift from the more hawkish wing of the FOMC, as members began expressing confidence over the inflation picture and slightly reigned in their more aggressive projections for interest rates. The colossal shift in bond markets that began in November picked up pace into the last month of the year, with benchmark yields collapsing in December. Traditional fixed income indices ultimately recorded the best two-month historical performance in decades (Agg returned +8.4%), and risk assets rallied in tandem as falling interest rates perked investor sentiment.

The Fed kept interest rates on hold both at the November and December meetings, with policymaker "Dot Plots" at the latter indicating three rate cuts in 2024. These projections conflicted with market implied expectations for five cuts in 2024, and an additional two more cuts by 1Q25. It seemed investors simply did not believe the Fed, extrapolating the dovish pivot and initial hints of potential policy easing into a momentous fall in bond yields. This environment was further supported by a combination of factors: ongoing declines in inflation, favorable US Treasury refunding announcements, strong consumer resilience, and stable earnings expectations. US Treasuries rallied sharply across the curve in 4Q23 with the yield on the 2-year note down more than 79 bps to 4.25% and the yield on the 10-year note down 69 bps to 3.88%. From their peak levels in mid-October, the 2-year and 10-year rate fell by 96 bps and 112 bps, respectively, an unprecedented move that resulted in equity like returns. For context, over November and December, the Bloomberg US Treasury 7-10 Year Index gained +8.6%. Corporate credit generally fared even better than government bonds of comparable duration, with both investment grade (IG) and HY corporate spreads ending 2023 near cycle tights. Agency RMBS experienced a robust quarter as well, outperforming US Treasuries and traditional bond indices, but lagging both IG and HY.

The Global Fixed Income portfolio contributed +0.7% for the quarter and +0.6% toward the one-year performance of total SWIFT returns.

• Global Fixed Performance:	Q4 = 6.4%	1yr = 5.8%
• Benchmark:	Q4 = 6.8%	1yr = 6.2%
• Performance Contribution:	Q4 = 0.7%	1yr = 0.6%

Alternative Fixed Income

Increased: None
Decreased: None

The Alternative Fixed Income portfolio returned +0.9% for the quarter, which represents underperformance compared to its primary benchmark, the HFRI Fund-of-Funds Conservative Index (+1.8%). While performance was less robust than what investors were able to achieve in more traditional bonds and stocks, non-correlation to rates and reduced equity beta is an intentional part of the portfolio's design. The portfolio captured positive returns from 8 of the 12 unique strategies deployed across the portfolio, with the Relative Value sleeve leading the way with its mix of long/short corporate credit, micro-focused G10 interest rate trading, and convertible arbitrage strategies averaging 4Q23 gains of nearly +3%. Our dedicated insurance-linked strategy, continued to detract from overall performance as the fund executes its wind-down and distributes cash to investors. The Event-Driven sub-category was additive for the quarter, led by a technology-focused strategy that has benefitted from positive idiosyncratic developments combined with the favorable environment for risk assets broadly. The portfolio's trio of discretionary Tactical Trading/Global Macro managers were negative contributors overall, with double-digit losses for the more systematically driven portfolio overwhelming recoveries elsewhere. This group has been quite dynamic with their positioning and sizing of trades across interest rates, equities, commodities, and global currencies (FX), with risk levels considered moderate following disappointing absolute and peer-relative losses in 2023.

As market characteristics have evolved favorably for long-only, carry-oriented investments, our intention within the hedge fund portfolio is to become more focused on "absolute return" at the portfolio level. Respectful of risks, we are seeking to build portfolios capable of performing well in a variety of conditions. Clearly there are distinctions to be made and benefits from diversification as different types of strategies have worked at different points in time. While the benefit of positive net carry back into most strategies should be helpful in smoothing total returns, a combination of alpha and beta will be required to compete with our broad cash + 3.5% objective, which likely peaked in 2023 but will remain elevated in the year ahead. Divergence in markets tends to drive hedge fund alpha opportunities through time, but not all categories participate equally and manager selection will be key as this also creates more winners and losers. Case in point, dispersion across the Trust Company's owned strategies remained wide in 4Q23, with the top-performing strategy outpacing the worst-performing strategy by more than 25% during the period. Despite this reality, we feel that the portfolio's collection of experienced managers sticking to reasonable assumptions and focusing on identifiable margins of safety should be able to effectively deliver downside protection with upside participation.

The confluence of numerous, interlinked macro-economic megatrends increases the potential for increased economic and policy uncertainty, heightened market volatility, and lower return outcomes for traditional assets over time. These conditions translate into differentiated views and positioning and have historically favored discretionary macro investing as a source of potential alpha, diversification, and liquidity. Similarly, Fixed Income Relative Value (FIRV) strategies should be able to benefit from volatility in sovereign rates by repeatedly exploiting small irregularities in pricing across various yield curves. Given the tightness of credit spreads, there could eventually be an opportunity to make significant alpha on the short side by identifying the most-troubled relative value situations amid companies unable to handle current indebtedness at recent all-in costs. The appeal of arranging bespoke financing solutions is being touted as a generational opportunity, although we are being extra mindful of any meaningful expansion of private or illiquid (Level III) assets held within structures that do not offer congruent liquidity. Through balance and the appropriate sizing of risk, we believe our portfolios possess multiple ways to win in the year ahead.

The Alternative Fixed Income portfolio contributed +0.1% for the quarter and +0.4% towards the one-year performance of total SWIFT returns.

- Alternative Fixed Income Performance: Q4 = 0.9% 1yr = 2.9%
- Benchmark: Q4 = 1.8% 1yr = 5.3%
- Performance Contribution: Q4 = 0.1% 1yr = 0.4%

Private Debt

New Commitments: Golub Capital GBDC IV ($30MM)

The Private Debt portfolio returned +2.6% for the quarter, lagging the benchmark (+5.3%). Over the one-year period, the portfolio returned +7.8%, which also underperformed the benchmark (+14.4%).

The Distressed Debt portion of the portfolio delivered a +2.8% return for the quarter, which lagged the benchmark. Over the one-year period, this portfolio generated +8.3%, also slightly underperforming its benchmark. Almost every strategy was positive for the quarter, led by allocations to opportunistic distressed and special situation strategies focused on making investments in the US and Europe. The Performing Debt portion of the portfolio delivered a +2.5% return for the quarter, bringing the one-year performance to +7.4%, which slightly underperformed the benchmark over both horizons. Almost every strategy in this portfolio was positive for the quarter as well, led by a non-sponsored direct lending strategy, a tech-focused lending strategy, and an asset based lending strategy, among others.

As mentioned over the last several quarters, Private Debt as an asset class continues to expand at a rapid pace and 2023 was a banner year for the asset class. While banks and other traditional lending sources have been risk-off for the last several quarters, private debt firms have stepped in to provide capital for a wide range of needs, including the bulk of private equity transactions announced in 2023. Elevated interest rates and favorable borrowing terms for lenders continue to make traditional direct lending more appealing. While default rates are ticking upwards on the margin, clearer lender protections in new transactions give incremental comfort to providers of capital in this environment. Distressed debt managers still have not leaned into new investments in a material way, though opportunistic and special situations strategies (which have more flexibility when it comes to lending structures) continue to see opportunities due to stresses in the market.

The Private Debt portfolio contributed +0.5% for the quarter and +1.3% towards the one-year performance of total SWIFT returns.

- Private Debt Performance (time weighted): Q4 = 2.6% 1yr = 7.8%
- Benchmark: Q4 = 5.3% 1yr = 14.4%
- Performance Contribution: Q4 = 0.5% 1yr = 1.3%

- Distressed Credit Performance (time weighted): Q4 = 2.8% 1yr = 8.3%
- Benchmark: Q4 = 5.3% 1yr = 14.4%
- Performance Contribution: Q4 = 0.2% 1yr = 0.6%

- Performing Credit Performance (time weighted): Q4 = 2.5% 1yr = 7.4%
- Benchmark: Q4 = 5.3% 1yr = 14.4%
- Performance Contribution: Q3 = 0.2% 1yr = 0.6%

Global Public Equity

Increased: Vanguard Total World Stock ETF (VT) ($15MM)
Decreased: None

The Global Public Equity portfolio returned +11.3% for the quarter, bringing the one-year performance to +21.8%. The portfolio slightly outperformed on a relative basis for the quarter and the one-year period, as the benchmark generated +11.1% and +21.6% for the quarter and year, respectively. As mentioned in prior quarters, the Global Public Equity exposure in the SWIFT portfolio is passive and consists of market beta exposure implemented through ownership of global equity market exchange traded funds (ETFs).

Asset Class Detail

As of December 31, 2023

Investors started 2023 concerned about a deep recession given the Fed's most aggressive tightening cycle since the early 1980s. That said, economic and market conditions remained relatively stable throughout the year even after the Silicon Valley Bank crisis in March. Equity markets were buoyed by attractive valuations and a sharp rebound for mega-cap technology stocks. As the Fed signaled that interest rate cuts may be on the way for 2024, global equities rallied in 4Q23 with the MSCI ACWI IMI up +11.1% for the quarter and up +21.6% for the one-year. The S&P 500 Index increased +11.7% for the quarter and +26.3% for the year, as every sector besides energy and utilities posted strong gains. Financials rebounded on the prospects of a soft economic landing, while the technology sector continued its year-long upward path boosted by excitement for the prospects of artificial intelligence. While large-cap stocks led the market for most of the year, small-cap stocks rallied in the fourth quarter, with the Russell 2000 Index increasing +14.0% for the quarter and +16.9% for the one-year. Non-US Developed Market stocks also performed well, with the MSCI EAFE Index up +10.5% for the quarter and +17.5% for the year. However, Emerging Markets lagged relatively, with the MSCI EM IMI up +8.0% for the quarter and +11.7% for the year (pressured primarily by uncertainty within Chinese markets) and the MSCI China IMI was down -4.2% for the quarter and -11.8% for the year.

The Global Public Equity portfolio contributed +0.9% for the quarter and +1.4% toward the one-year performance of total SWIFT fund returns.

• Global Public Equity Performance:	Q4 = 11.3%	1yr = 21.8%
• Benchmark:	Q4 = 11.1%	1yr = 21.6%
• Performance Contribution:	Q4 = 0.9%	1yr = 1.4%

Hedged Equity

Increased: Cooper Creek ($25MM); Wolf Hill Partners ($25MM)
Decreased: Oceanwood Opps Fund ($8MM); AKO Global Fund ($25MM)

The Hedged Equity portfolio returned +7.6% for the quarter, outperforming the benchmark (+5.1%). Over the one-year period, the portfolio returned +16.0%, also outperforming the benchmark (+8.2%). During the quarter, the top contributors to performance were the US Growth, Global, and European focused strategies. For the one-year, the same investments contributed most to performance as well.

Hedge funds broadly performed well during 4Q23 and over the one-year period, particularly on a risk-adjusted basis. Dispersion of returns was more pronounced in certain strategies, particularly L/S equity, with performance varying widely on a regional basis (positive for the US, versus negative for China) and industry basis (very positive for tech). Equity L/S managers had mostly positive performance in 2023, with the help of market tailwinds. Long-biased hedge funds and strategies with exposure to mega-cap tech stocks benefitted the most, while lower net strategies faced a challenging period for their short books. With continued volatility and dispersion expected in equity markets, we anticipate hedge fund strategies to generate performance from both their long and short exposures.

The Hedged Equity portfolio contributed +1.6% for the quarter and +3.1% towards the one-year performance of total SWIFT returns.

• Hedged Equity Performance:	Q4 = 7.6%	1yr = 16.0%
• Benchmark:	Q4 = 5.1%	1yr = 8.2%
• Performance Contribution:	Q4 = 1.6%	1yr = 3.1%

Real Estate

New Commitments: None

The Real Estate portfolio returned +0.1% for the quarter, outperforming the benchmark by 2.2%. Investments in a real estate debt strategy drove performance for the period, though a core-plus manager also delivered strong returns. That said, interest rates continued to put pressure on our core real estate managers – an open-ended core real estate relationship led a handful of detractors.

For 4Q23, vacancy rates in office (18.6%) and life sciences (13.1% in the top 13 markets) were higher than historical averages, while retail (6.5%), industrial (4.9%), and multifamily (5.4%) vacancy rates remained close to or below long-term averages. Apartment rents remained flat year-over-year. For the quarter year-over-year, commercial real estate investment volume fell by 44% to $81BN. For the year, commercial real estate investment volume fell by 52% to $348BN, the lowest annual total since 2012. In terms of investment volume, multifamily led all sectors in 4Q23 followed by industrial and logistics. The impact of the decline in rates at the end of the fourth quarter is expected to show up in the next quarter's capital market activity. Private real estate investment performance continued to moderate in 2023, with the NCREIF Property Index ("NPI") posting an annualized total return of -7.9%. NPI appreciation has been negative for six consecutive quarters, and average NPI appraisal cap rates expanded by 86 bps from 3Q22 (3.7%) to 4Q23 (4.6%), driven by the higher cost of capital.

The Real Estate portfolio contributed 0.0% for the quarter and -0.7% toward the one-year performance of total SWIFT returns.

• Real Estate Performance (time weighted):	Q4 = 0.1%	1yr = -4.9%
• Benchmark:	Q4 = -2.1%	1yr = -12.9%
• Performance Contribution:	Q4 = 0.0%	1yr = -0.7%

Asset Class Detail

As of December 31, 2023

All Asset Strategies

Increased: None
Decreased: None

The All Asset Strategies portfolio returned +1.2% for the quarter, bringing the one-year return to +5.8%. This portfolio consists of two funds – a multi-strategy hedge fund and a short duration private markets fund. While the portfolio lagged slightly on a benchmark relative basis for the quarter and the one-year period, both strategies generated positive performance over both horizons.

The All Asset Strategies portfolio contributed +0.1% for the quarter and +0.3% towards the one-year performance of total SWIFT returns.

- All Asset Performance: Q4 = 1.2% 1yr = 5.8%
- Benchmark: Q4 = 4.0% 1yr = 6.1%
- Performance Contribution: Q4 = 0.1% 1yr = 0.3%

Risk

Despite October being modestly negative for both equities and bonds, both asset classes had a stellar November and December, with the S&P 500 Index up nearly 14% and the Bloomberg US Aggregate Bond Index up more than 8%. The CBOE VIX Index, a market based measure of equity implied volatility increased in October, fell with the equity rally in November, and remained below 15 throughout the remainder of the quarter. Realized equity volatility was also quite low, with only one trading day in November and December having a loss of more than 1% for the S&P 500 and the trailing 30 day realized volatility falling to a level not seen since 2021. Both investment grade and high yield credit implied volatility behaved similarly to the VIX, decreasing as credit spreads narrowed in the back half of the quarter. Interest rate implied volatility, as measured by the Merrill Lynch Option Volatility Estimate (MOVE) Index spiked in early October, but then decreased steadily in November as rates declined by approximately 100 bps across the curve. Despite a pick-up prior to the December FOMC meeting, the MOVE Index fell soon thereafter, and ended the quarter very close to the level at which it entered the quarter.

Effective October 1, 2023, approved changes in SWIFT's Investment Policy Statement called for an increase in the target allocation to Global Public Equity of 5%, and a corresponding decrease to the Hedged Equity target allocation. The impact of this change was to increase the policy portfolio's VaR by approximately 18 bps. Portfolio VaR increased by 26 bps in Q4 to 2.14% and is now 12 bps above the (updated) policy VaR. Manager behavior/selection contributed 15 bps to the differential and this impact was partially offset by asset allocation, which reduced the differential by 2 bps. The manager behavior/selection was largely driven by Alternative Fixed Income managers increasing their net exposure to equity markets beginning in November.

Federal Reserve policy and the economic indicators that are believed to fuel the Fed's decisions have been the primary market drivers in the recent past, and they seem very likely to be the drivers going forward. Regarding geopolitical risk, market participants reacted in October to the escalation of the conflict in the Middle East, though attention seemingly abated later in the quarter. Concerns with the real estate market in China and the impact on economic growth show no signs of ceasing. Attention to the conflict between Russia and Ukraine is present, but not especially prevalent. The correlation between bonds and equities was modestly positive (0.3) in 4Q23 as measured by daily returns. That said, investors could take comfort that the month with the highest correlation was November, a month in which both equities and bonds performed very well. Lastly, as mentioned previously, some suggest relying on the Fed'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 December 31, 2023

Asset Class	Strategy	Number of Funds[1,2]	Number of Managers[1,2]	Current Market Value	Weight	Target Weight
Fixed Income		**53**	**37**	**$889,590,026**	**51.1%**	**55.0%**
	Cash	2	2	139,358,503	8.0%	10.0%
	Global Fixed Income (ex-Cash)	4	4	184,514,652	10.6%	10.0%
	Alternative Fixed Income	12	12	257,561,104	14.8%	15.0%
	Private Debt	35	20	308,155,766	17.7%	20.0%
Equity		**9**	**8**	**$538,088,741**	**30.9%**	**30.0%**
	Global Public Equity	1	1	142,606,598	8.2%	10.0%
	Hedged Equity	7	6	393,057,016	22.6%	20.0%
	Private Equity	1	1	2,425,128	0.1%	0.0%
Real Assets		**7**	**6**	**$225,040,136**	**12.9%**	**15.0%**
	Real Estate	7	6	225,040,136	12.9%	15.0%
Strategic All Asset		**2**	**2**	**$89,613,638**	**5.1%**	**0.0%**
	All Asset Strategies	2	2	89,613,638	5.1%	0.0%
Total Portfolio		**71**	**52**	**$1,742,332,541**	**100.0%**	**100.0%**

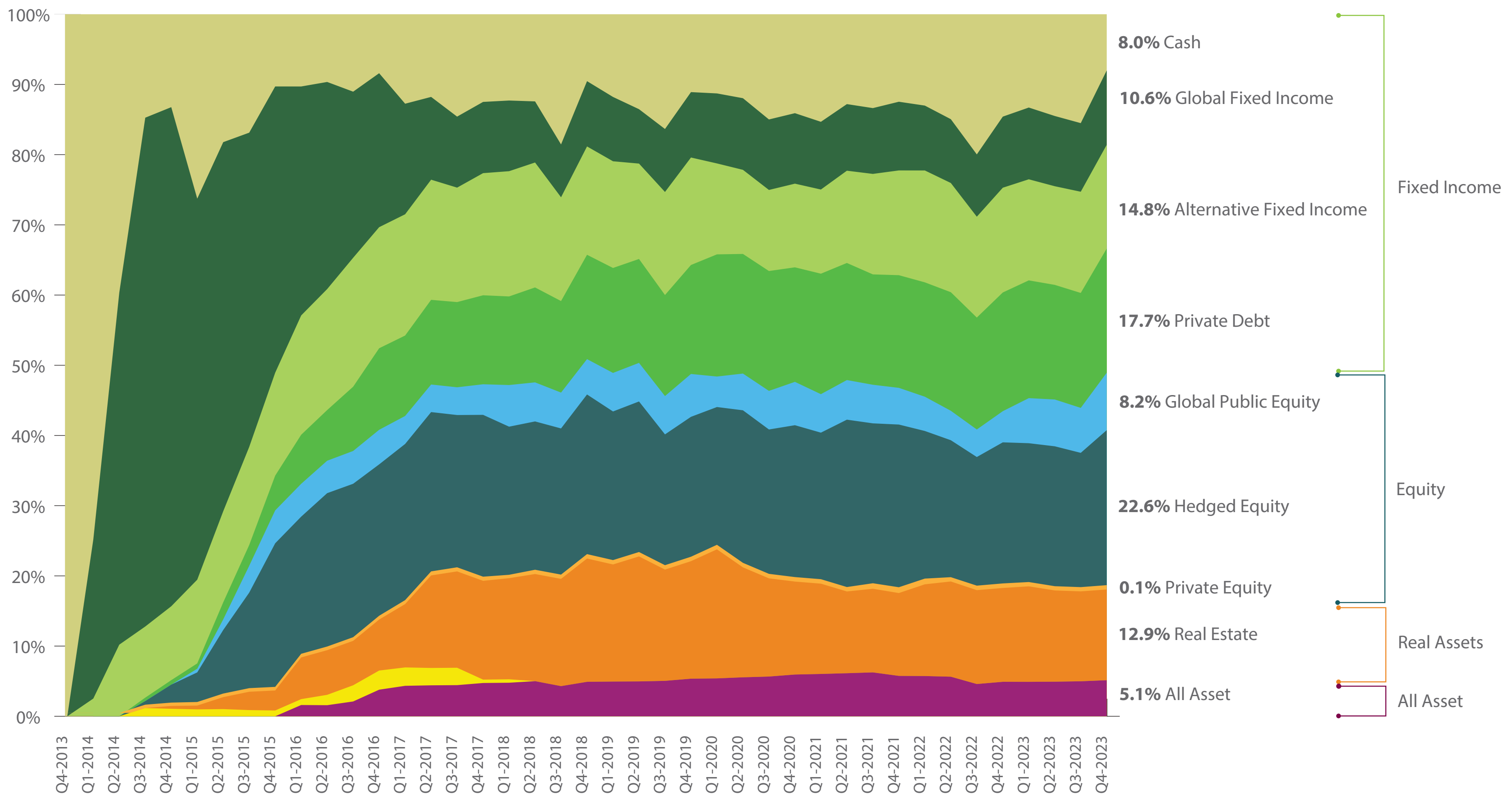
[1] Does not include funds in wind down or redemption..

[2] Manager count for aggregates are less than sum of components due to managers with multiple strategy allocations.

Asset Allocation Evolution

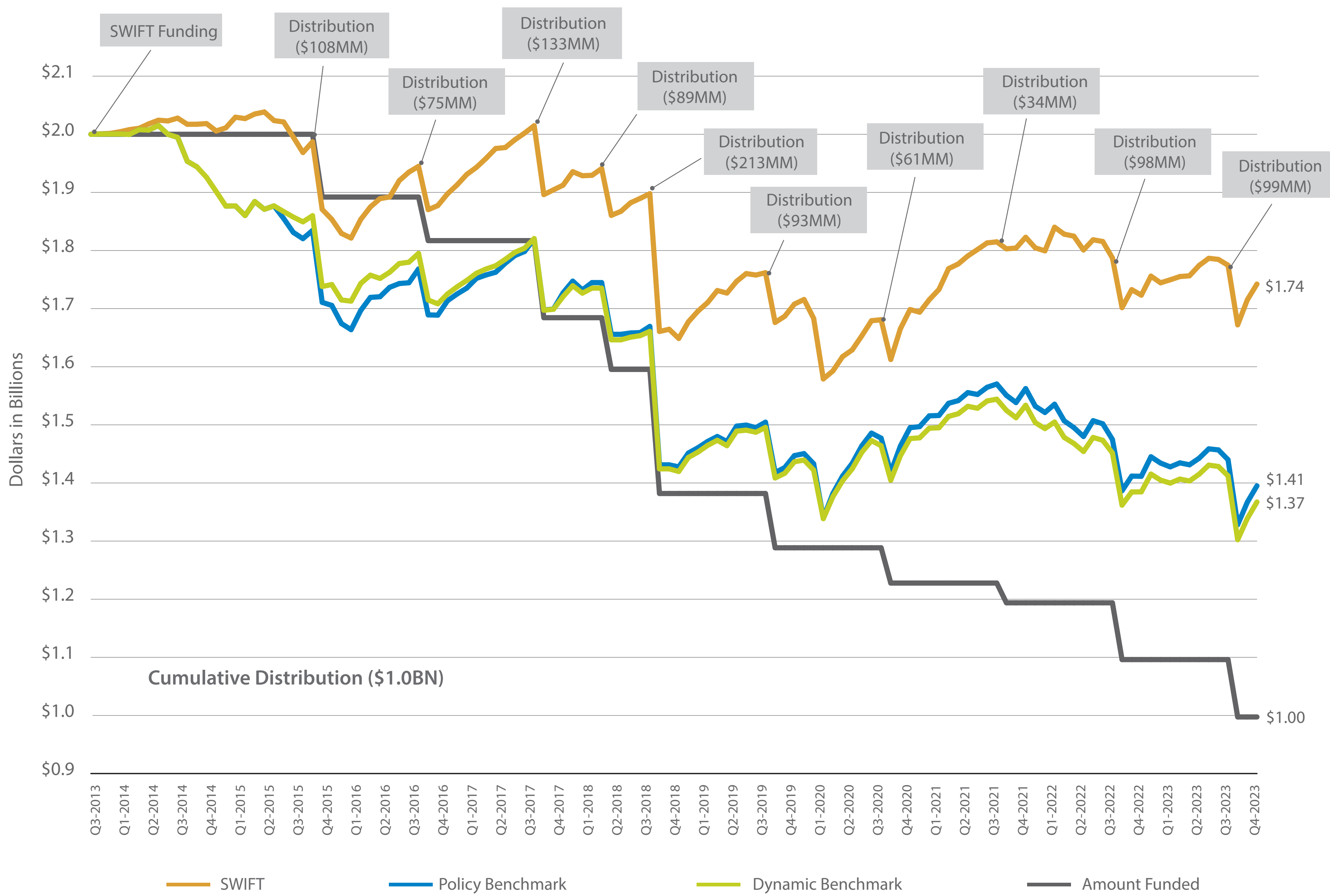
As of December 31, 2023

Total AUM: $1,742,332,541



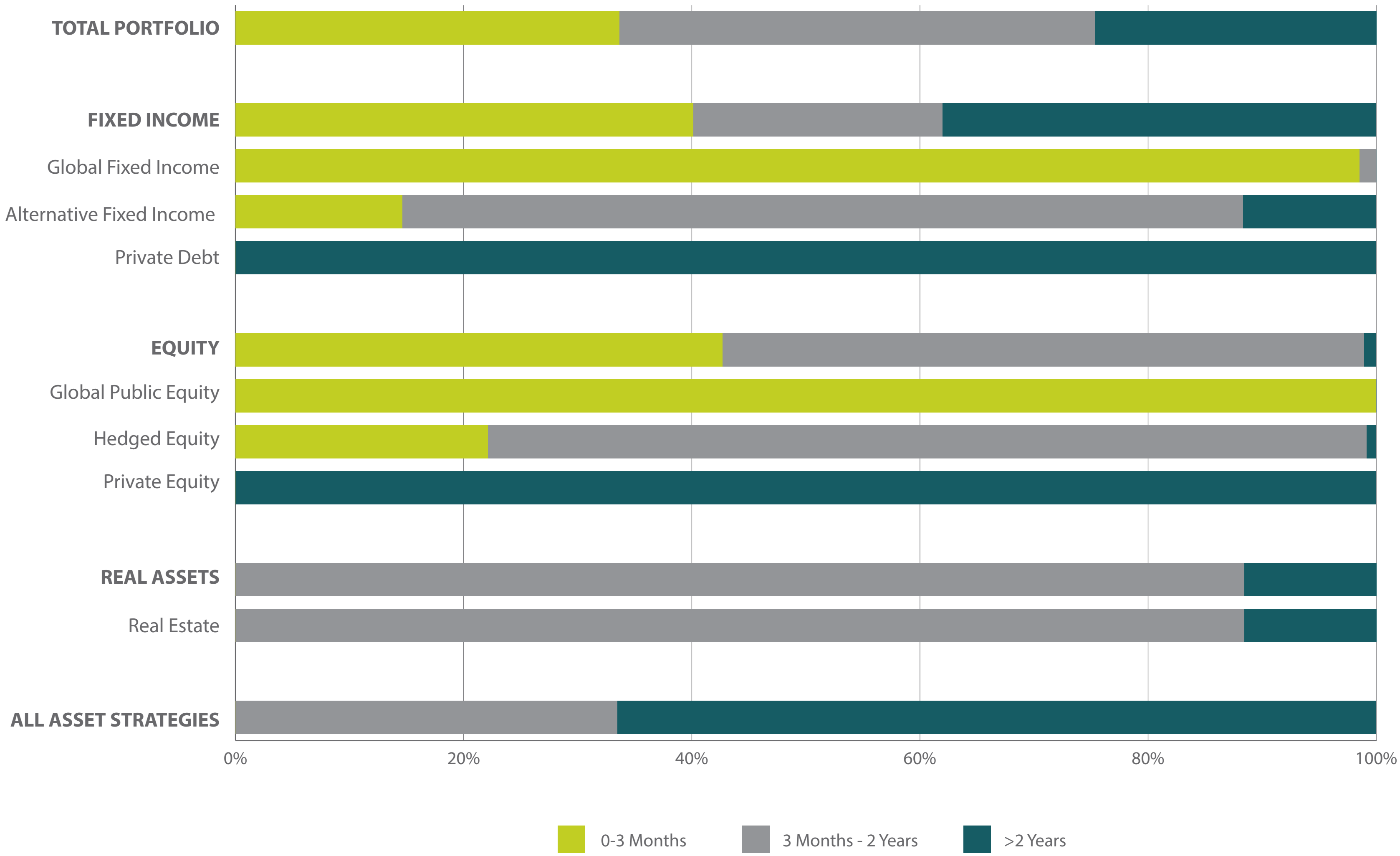
SWIFT Portfolio Market Value

As of December 31, 2023



Portfolio Liquidity[1,2]

As of December 31, 2023

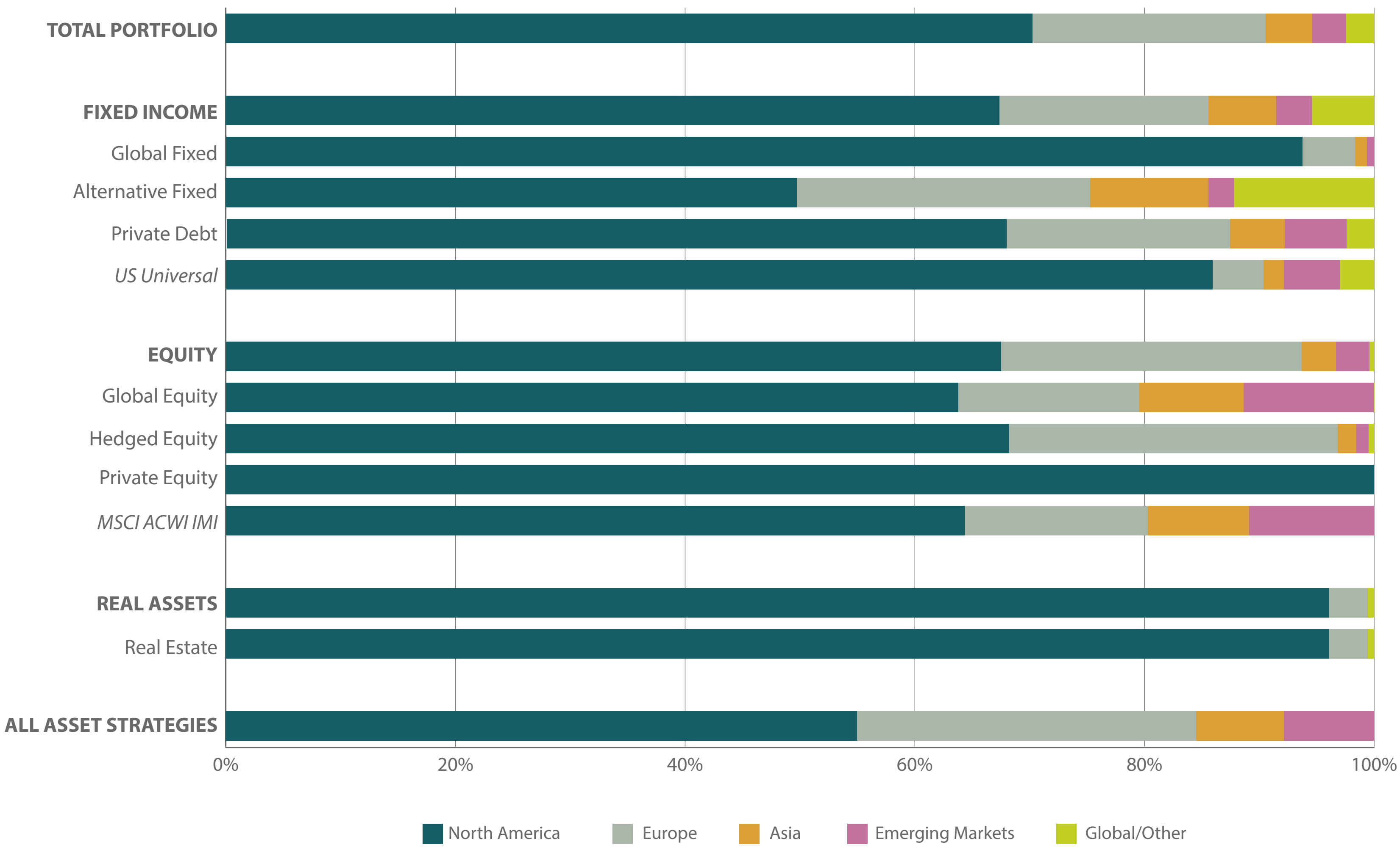


[1] Projected liquidity takes hard lock, notice and payout periods into consideration.

[2] Liquidity data as provided by managers.

Portfolio Geographic Allocation[1,2,3]

As of December 31, 2023



[1] Calculated using gross exposures.

[2] Excludes State Street Money Market Fund, Treasury Pool, and cash held by managers.

[3] Geographic allocation reflects the domicile of the issuer and does not indicate the currency of the instrument.

Fixed Income Summary

As of December 31, 2023

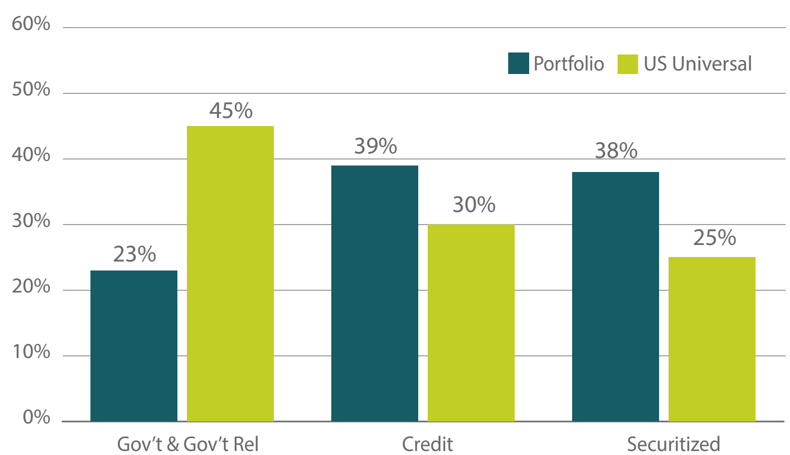
Strategy	Market Value	Portfolio Weight	Standard Deviation[1]	Sharpe Ratio[1]	% Positive Months[1]	US Universal		HFRI Conservative		MSCI ACWI IMI	
						Beta[1]	Correlation[1]	Beta[1]	Correlation[1]	Beta[1]	Correlation[1]
Cash	$139,358,503	8.0%	-	-	-	-	-	-	-	-	-
Global Fixed Income (ex-cash)	$184,514,652	10.6%	5.8%	-0.7	38.9%	0.8	1.0	0.8	0.3	0.3	0.7
US Universal			*7.2%*	*-0.7*	*38.9%*	-	-	*0.9*	*0.3*	*0.3*	*0.8*
Alternative Fixed Income	$257,561,104	14.8%	6.6%	0.7	61.1%	-0.3	-0.3	0.7	0.3	0.0	0.0
HFRI FoF: Conservative			*2.3%*	*0.9*	*72.2%*	*0.1*	*0.3*	-	-	*0.1*	*0.6*
Private Debt	$308,155,766	17.7%	-	-	-	-	-	-	-	-	-
Total Fixed Income	**$889,590,026**	**51.1%**	**1.7%**	**1.7**	**94.4%**	**0.1**	**0.3**	**0.4**	**0.5**	**0.0**	**0.5**

[1] Trailing 36 months.

Global Fixed

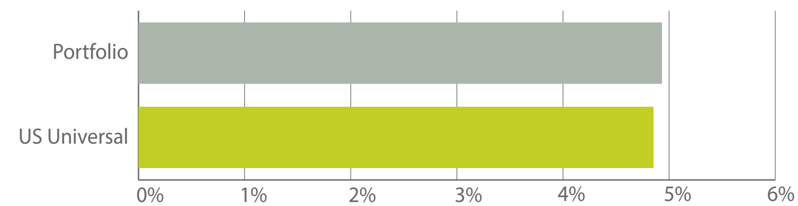
Sector Allocation[1]

ex-cash

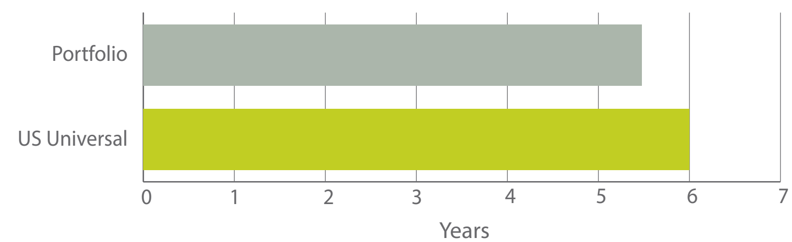


[1] Calculated using gross exposures.

Yield



Duration



Private Debt Detail

As of December 31, 2023

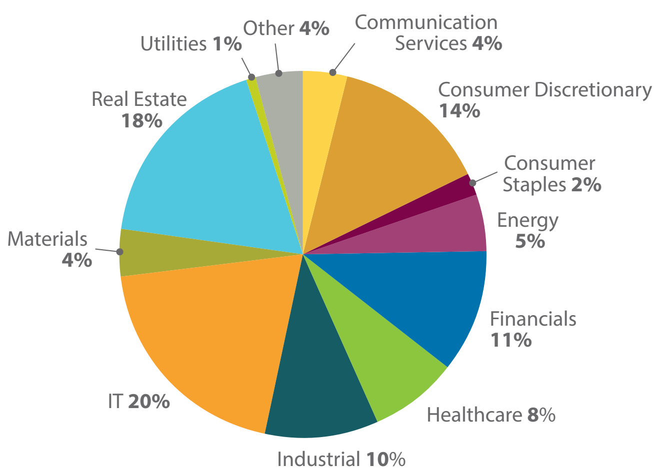
Strategy	Number of Current Fund Commitments	Portfolio Weight	Commitments	Unfunded Commitments	Total Contributions[1]	Distributions	Remaining Value[2]	Total Value
Performing	18	9.6%	$427,534,285	$109,318,941	$483,284,165	$416,745,453	$167,026,309	$583,771,762
Distressed	17	8.1%	304,101,452	133,204,143	250,967,003	171,311,862	141,129,457	312,441,319
Total Private Debt	**35**	**17.7%**	**$731,635,737**	**$242,523,085**	**$734,251,167**	**$588,057,315**	**$308,155,766**	**$896,213,082**

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

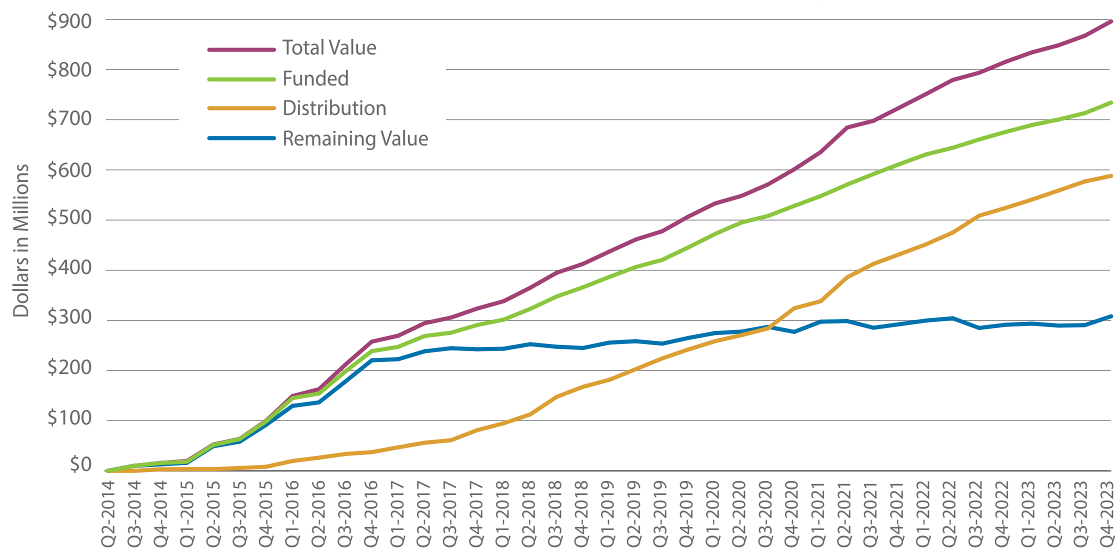
[2] Remaining Value is equal to the last actual reported capital account value plus subsequent capital calls less subsequent distributions through the indicated date, with no valuation changes.

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	0.86	1.21	7.4%	8.2%	7.4%	9.2%	8.6%
Distressed	0.68	1.24	8.3%	7.6%	8.3%	12.4%	7.8%
Total Private Debt	**0.80**	**1.22**	**7.8%**	**8.0%**	**7.8%**	**10.6%**	**8.4%**
Private Debt Blend					*14.4%*	*4.9%*	*5.5%*

Sector Allocation



Cash Flow & Valuation History



Equity Summary

As of December 31, 2023

Strategy	Market Value	Portfolio Weight	Standard Deviation[1]	Sharpe Ratio[1]	% Positive Months[1]	MSCI ACWI IMI		HFRI Strategic	
						Beta[1]	Correlation[1]	Beta[1]	Correlation[1]
Global Equity	$142,606,598	8.2%	18.9%	0.5	58.3%	1.0	0.9	1.8	0.7
MSCI ACWI IMI			*16.6%*	*0.2*	*58.3%*	-	-	*1.9*	*0.8*
Hedged Equity	$393,057,016	22.6%	9.1%	0.2	50.0%	0.5	0.9	1.1	0.9
HFRI FoF: Strategic			*7.2%*	*-0.2*	*50.0%*	*0.4*	*0.8*	-	-
Private Equity	$2,425,128	0.1%	-	-	-	-	-	-	-
Total Equity	**$538,088,741**	**30.9%**	**10.1%**	**0.3**	**58.3%**	**0.6**	**0.9**	**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**	**$10,044,772**	**$2,425,128**	**$12,469,899**

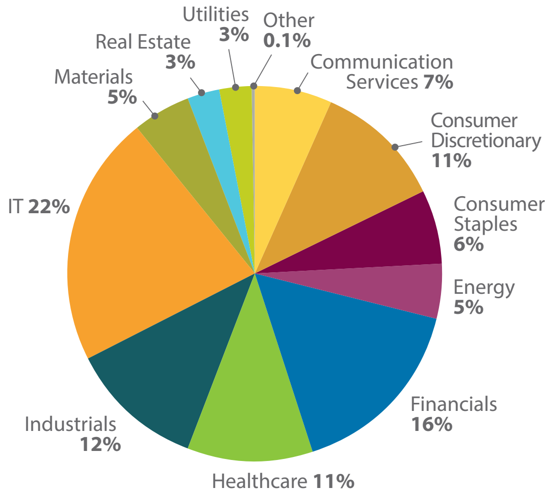
[1] Total Contributions include fees and expenses that may not reduce or lower unfunded commitments.

[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.

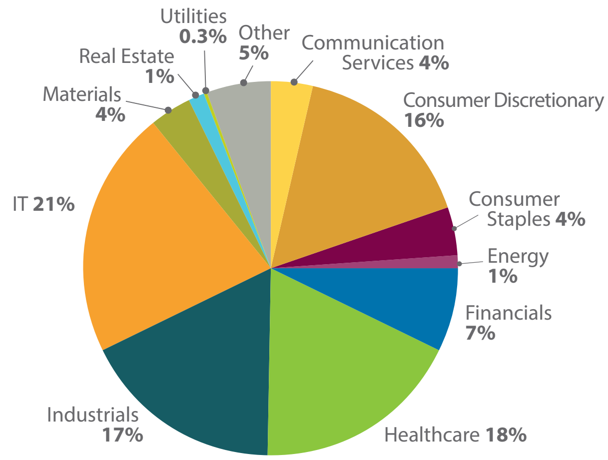
Equity Detail

As of December 31, 2023

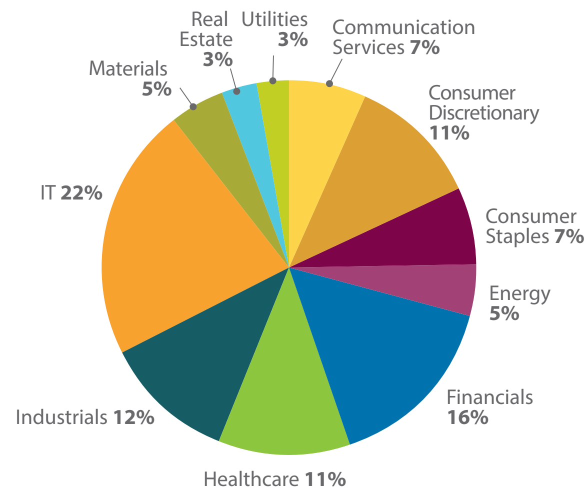
Global Equity



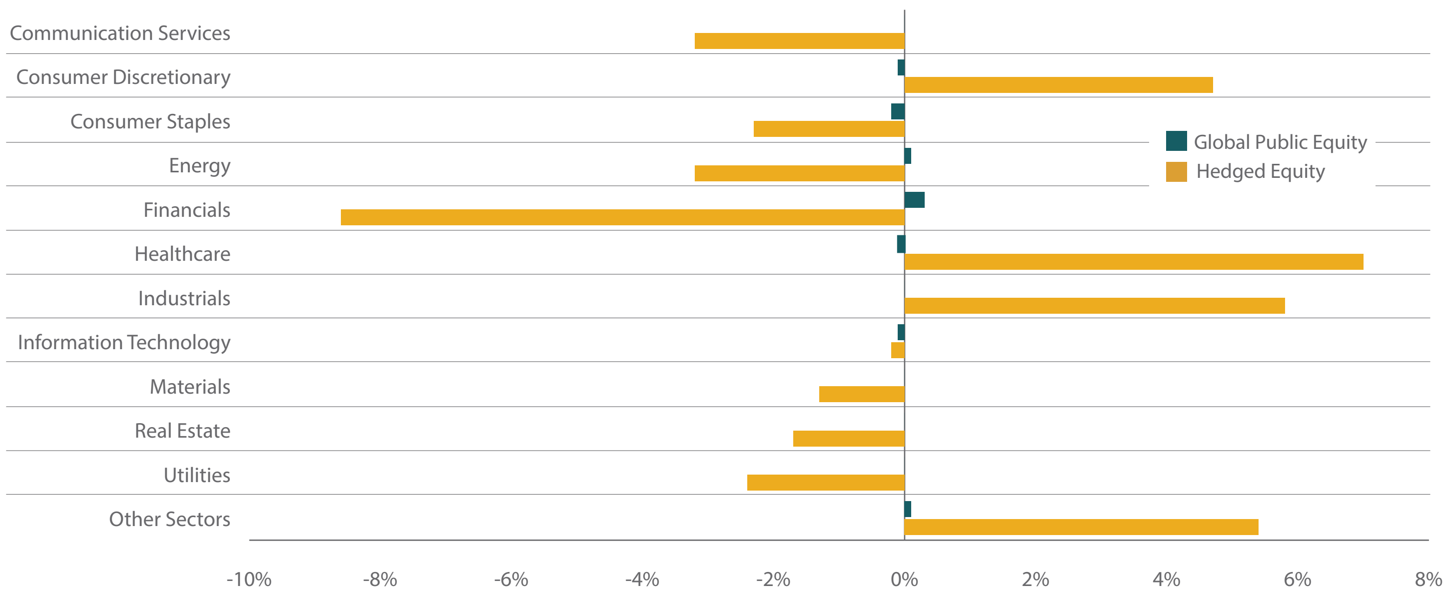
Hedged Equity



MSCI ACWI IMI



Sector Under/Over Allocation[1]



[1] Relative to MSCI ACWI IMI.

Real Estate Summary

As of December 31, 2023

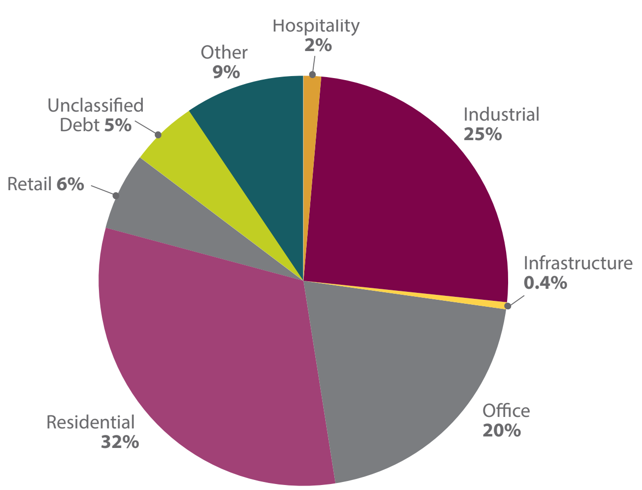
Strategy	Number of Current Fund Commitments	Portfolio Weight	Commitments	Unfunded Commitments	Total Contributions[1]	Distributions	Remaining Value[2]	Total Value
Real Estate	7	12.9%	$344,000,000	$14,404,877	$447,376,429	$334,901,894	$225,040,136	$559,942,030

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

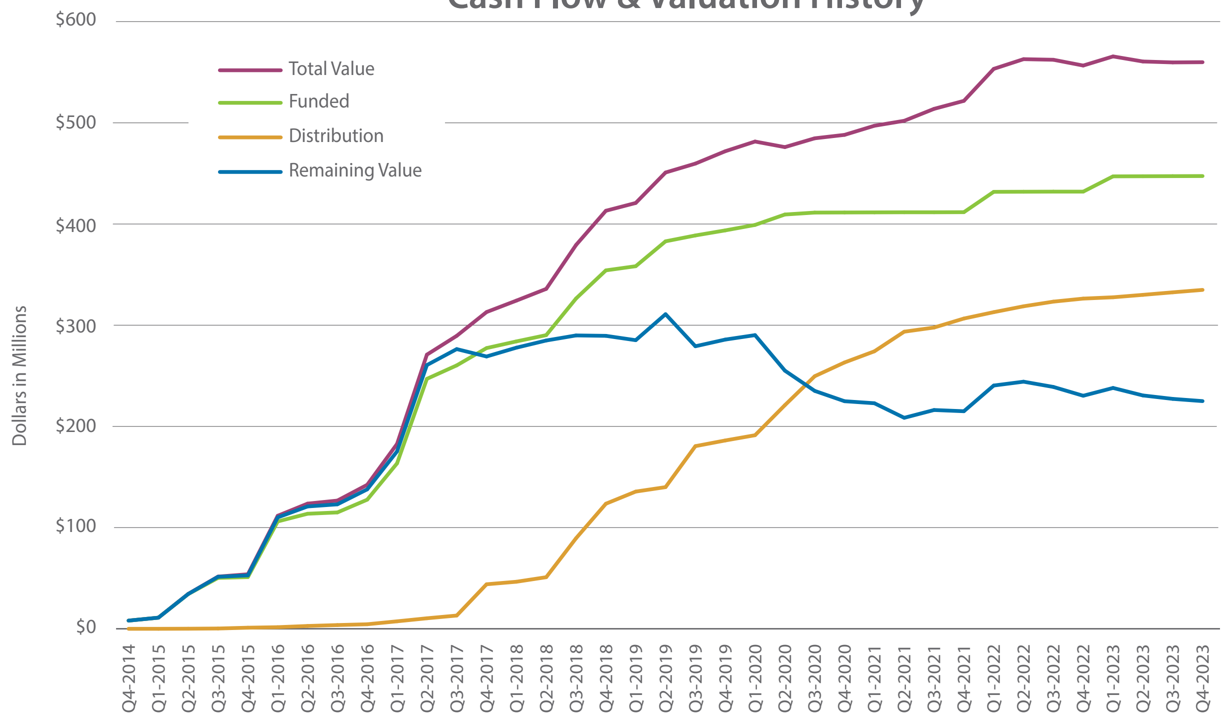
[2] Remaining Value is equal to the last actual reported capital account value plus subsequent capital calls less subsequent distributions through the indicated date, with no valuation changes.

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	1.25	-5.0%	6.5%	-4.9%	5.8%	4.8%
Real Estate Blend					*-12.9%*	*6.2%*	*4.7%*

Sector Allocation



Cash Flow & Valuation History



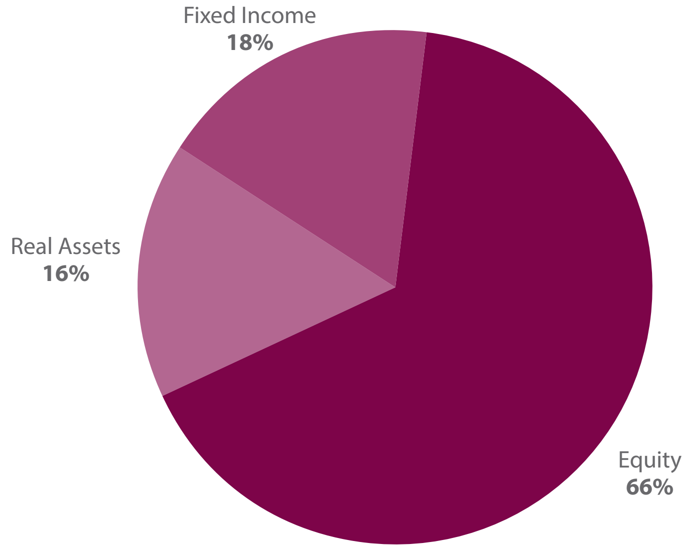
All Asset Strategies

As of December 31, 2023

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	$89,613,638	5.1%	3.7%	1.1	3.8%	-3.7%	69.4%	0.5	0.6
All Asset Total	**$89,613,638**	**5.1%**	**3.7%**	**1.1**	**3.8%**	**-3.7%**	**69.4%**	**0.5**	**0.6**
SWIFT Policy Benchmark			*4.2%*	*0.2*	*3.6%*	*-5.6%*	*55.6%*	-	-

[1] Trailing 36 months.

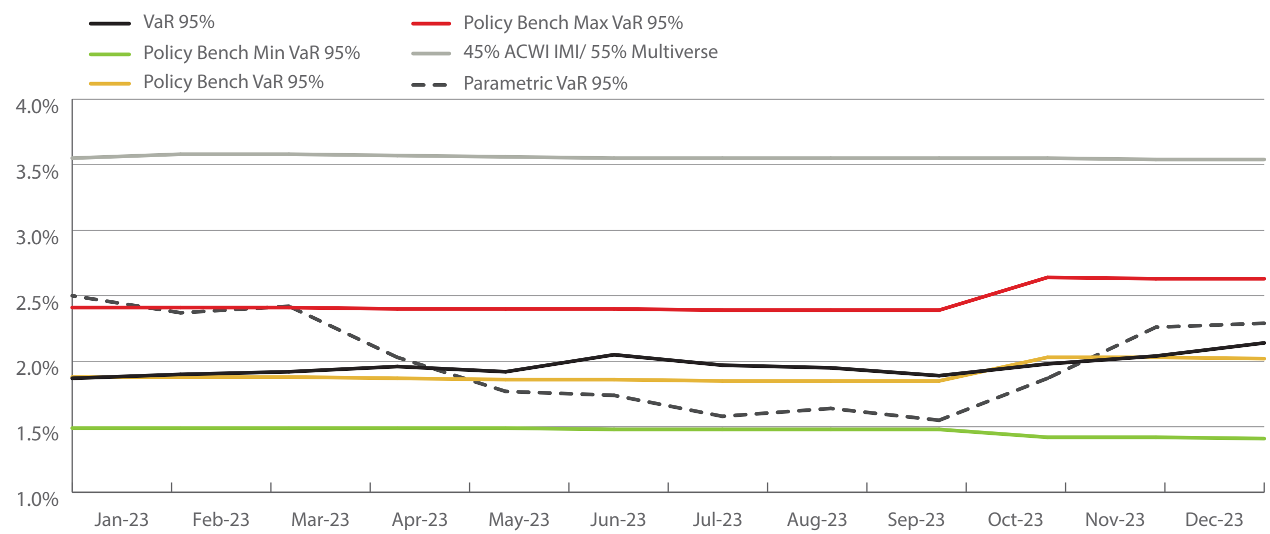
All Asset Breakdown



Value at Risk (VaR) Analysis

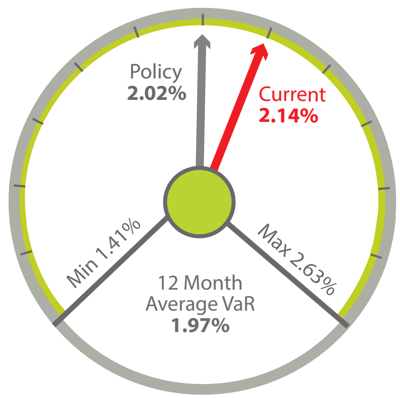
As of December 31, 2023

Twelve Month History

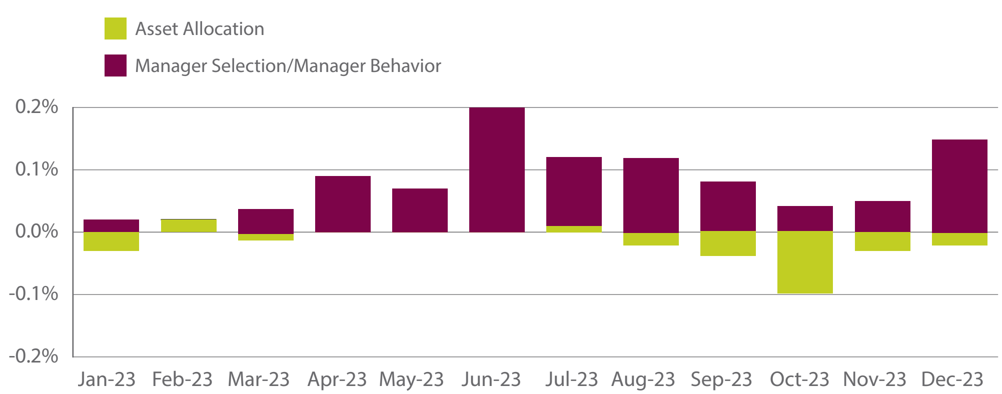


VaR as a Percent of Market Value

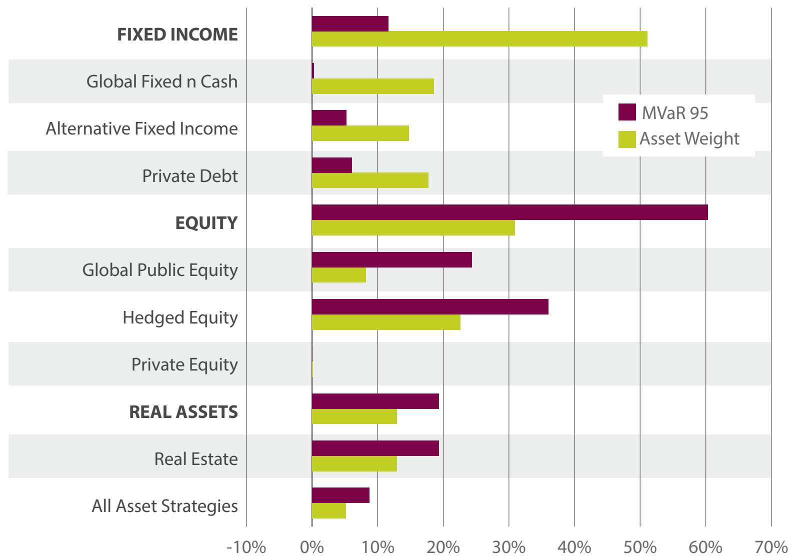
(One Month, 95% Confidence)



Differential from Policy VaR

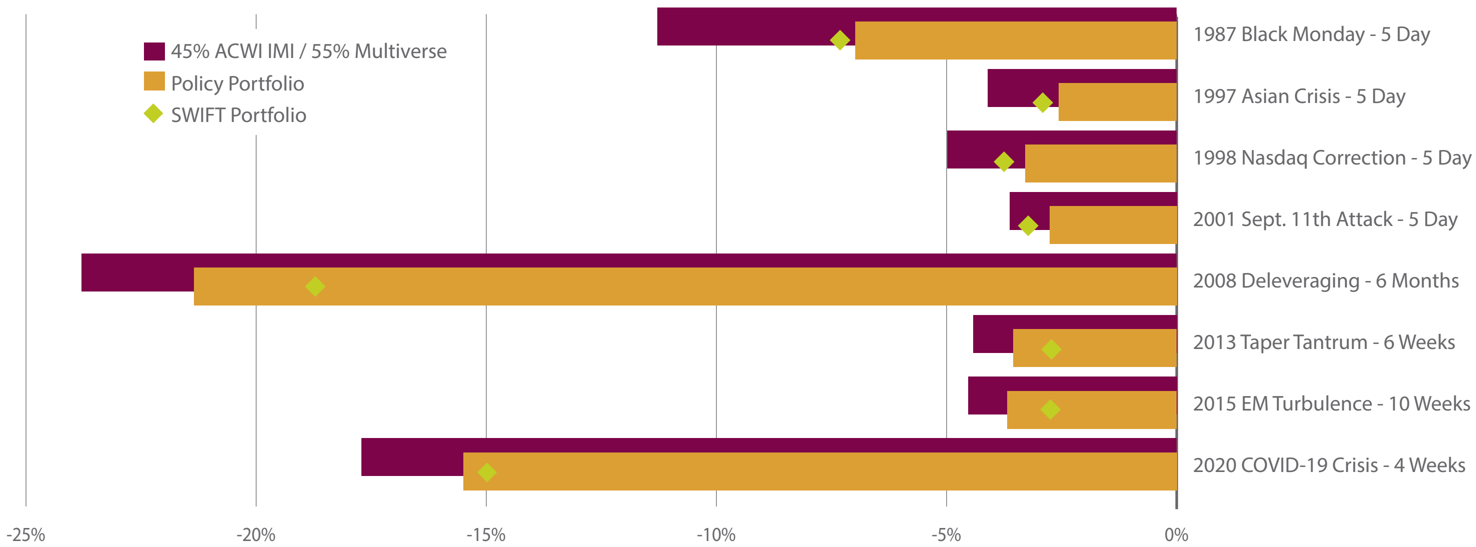


VaR Contribution

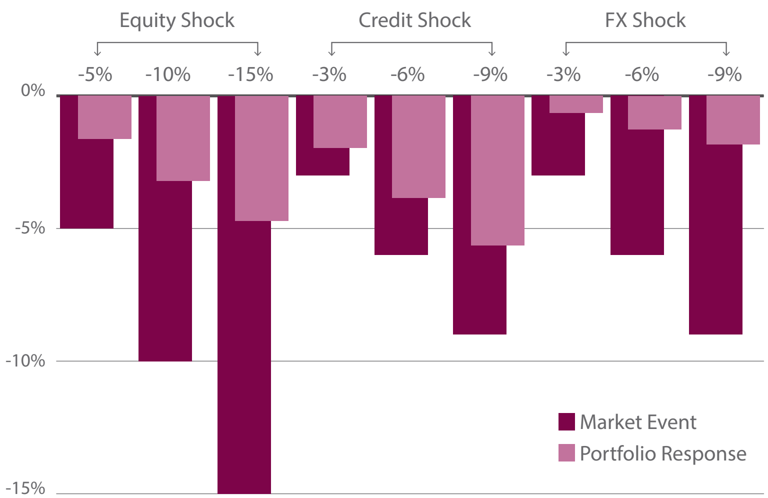


Portfolio Risk Summary

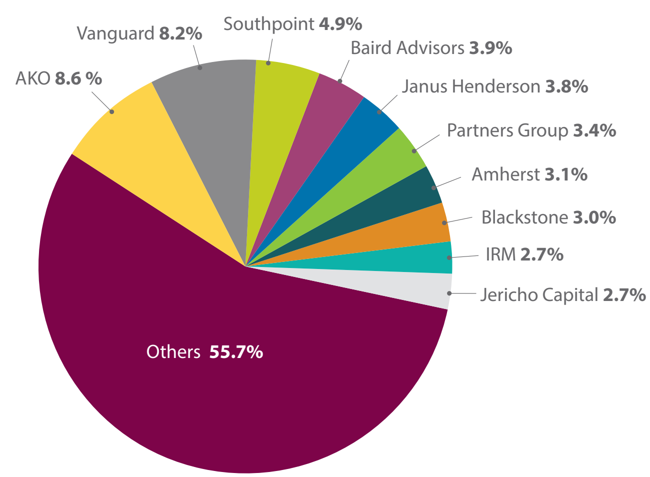
Scenario Analysis



Monthly Portfolio Tail Risk Profile



Manager Concentration



SWIFT Performance Table

As of December 31, 2023

Year	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%	0.7%	1.8%	-0.5%	0.2%
2023	1.9%	-0.6%	0.3%	0.3%	0.1%	1.0%	0.7%	-0.1%	-0.6%	-0.2%	2.6%	1.6%	7.3%

TEXAS TRUST

TEXAS TREASURY SAFEKEEPING TRUST COMPANY

COMPTROLLER GLENN HEGAR, CHAIRMAN

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