

# TESTIF

Texas Economic Stabilization Investment Fund

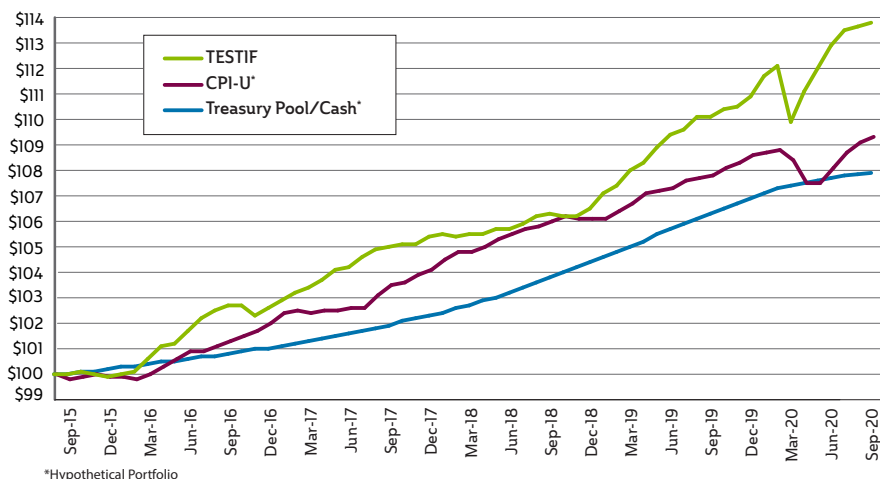
The Texas Economic Stabilization Investment Fund ('the Fund') was created by Section 404.0241 of the Government Code to invest a portion of the Economic Stabilization Fund (ESF) balance for a slightly higher return than the state's operating fund. The Fund has two primary performance objectives: 1) maintaining purchasing power; and 2) delivering returns in excess

of short-term cash equivalents. Maintaining the Fund's purchasing power means achieving net returns over a full market cycle (3-6 years) that exceed inflation. Inflation will be measured using the annualized growth rate of the national Consumer Price Index – Urban (CPI-U) published by the Federal Bureau of Labor Statistics.

## TESTIF Investment Fund

| Strategy           | Target Asset Allocation | 9/30/2015              | 12/31/2015             | 12/31/2016             | 12/31/2017             | 12/31/2018             | 12/31/2019             | 9/30/2020              | %           |
|--------------------|-------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------|
| Treasury Pool/Cash | 25%                     | \$1,194,513,946        | \$1,605,554,951        | \$1,225,243,092        | \$1,076,995,987        | \$2,733,236,599        | \$2,745,991,549        | \$4,270,900,918        | 54%         |
| Fixed Income       | 65%                     | \$269,569,195          | \$920,414,552          | \$1,704,282,009        | \$1,843,751,481        | \$1,597,347,508        | \$2,773,084,800        | \$3,077,202,074        | 39%         |
| Alt. Fixed Income  | 10%                     | 0                      | \$75,097,642           | \$214,009,452          | \$304,716,125          | \$430,841,868          | \$542,641,370          | \$622,963,927          | 8%          |
| <b>Total</b>       |                         | <b>\$1,464,083,141</b> | <b>\$2,601,067,145</b> | <b>\$3,143,534,552</b> | <b>\$3,225,463,594</b> | <b>\$4,761,425,975</b> | <b>\$6,061,717,721</b> | <b>\$7,971,066,920</b> | <b>100%</b> |

### Hypothetical Growth of \$100 Since Inception (as of 9/30/20)



### ESF Inflows/Transfers

- 09/2015: \$1.5B
- 12/2015: \$1.1B
- 12/2016: \$475MM
- 12/2018: \$1.5B
- 06/2019: (\$146MM)
- 10/2019: \$1.3B
- 01/2020: \$1.9B
- 09/2020: (\$160MM)

## Performance Table

|             | Jan   | Feb    | Mar   | Apr   | May   | Jun   | Jul   | Aug   | Sep   | Oct    | Nov    | Dec    | YTD    | Ann. ITD* |
|-------------|-------|--------|-------|-------|-------|-------|-------|-------|-------|--------|--------|--------|--------|-----------|
| <b>2015</b> |       |        |       |       |       |       |       |       | 0.00% | 0.14%  | -0.10% | -0.14% | -0.09% |           |
| <b>2016</b> | 0.08% | 0.07%  | 0.55% | 0.46% | 0.15% | 0.51% | 0.49% | 0.23% | 0.19% | 0.02%  | -0.42% | 0.30%  | 2.64%  |           |
| <b>2017</b> | 0.30% | 0.33%  | 0.12% | 0.35% | 0.33% | 0.12% | 0.36% | 0.28% | 0.10% | 0.16%  | 0.01%  | 0.22%  | 2.67%  |           |
| <b>2018</b> | 0.12% | -0.14% | 0.10% | 0.01% | 0.17% | 0.04% | 0.22% | 0.27% | 0.09% | -0.13% | 0.01%  | 0.29%  | 1.07%  |           |
| <b>2019</b> | 0.55% | 0.24%  | 0.57% | 0.35% | 0.52% | 0.48% | 0.17% | 0.46% | 0.02% | 0.25%  | 0.10%  | 0.34%  | 4.10%  |           |
| <b>2020</b> | 0.69% | 0.40%  | -2.0% | 1.10% | 0.82% | 0.77% | 0.59% | 0.23% | 0.13% |        |        |        | 2.73%  | 2.57%     |

\* Annualized Inception-to-Date