

**STATE WATER IMPLEMENTATION
FUND FOR TEXAS**

Basic Financial Statements

August 31, 2015 and 2014

State Water Implementation Fund for Texas

Table of Contents

	Page
Independent Auditor's Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Statements of Fiduciary Net Position	7
Statements of Changes in Fiduciary Net Position	8
Notes to the Basic Financial Statements	9



Padgett Stratemann

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the State Water Implementation Fund for Texas (the Fund), a private purpose trust fund of the state of Texas, as of August 31, 2015 and 2014, and for the year ended August 31, 2015 and the period from inception through August 31, 2014, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

AUSTIN

811 BARTON SPRINGS ROAD, SUITE 550
AUSTIN, TEXAS 78704
512 476 0717

HOUSTON

1980 POST OAK BOULEVARD, SUITE 1100
HOUSTON, TEXAS 77056
713 335 8630

SAN ANTONIO

100 N.E. LOOP 410, SUITE 1100
SAN ANTONIO, TEXAS 78216
210 828 6281

TOLL FREE: 800 879 4966
WEB: PADGETT-CPA.COM

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund as of August 31, 2015 and 2014, and the changes in its financial position for the year ended August 31, 2015 and for the period from inception through August 31, 2014, in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 2 to the financial statements, these financial statements present only the Fund and do not purport to, and do not present fairly the financial position of the State of Texas as of August 31, 2015 or 2014, and the changes in its financial position for the year ended August 31, 2015 or the period from inception through August 31, 2014 in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Padgett, Statemann + Co., L.L.P.

Austin, Texas
December 1, 2015

State Water Implementation Fund for Texas

Management's Discussion and Analysis

August 31, 2015 and 2014

The State Water Implementation Fund for Texas ("SWIFT" or "Fund") management's discussion and analysis is designed to assist the reader in focusing on significant financial issues and provide a performance overview of the Fund's operations for the year ended August 31, 2015 and for the period from inception (November 22, 2013) through August 31, 2014. Please read this analysis in conjunction with the basic financial statements which follow this section. The Texas Treasury Safekeeping Trust Company ("Texas Trust") administers and manages the assets of the Fund.

Financial Highlights

- The total net position of the Fund is \$2.0 billion at August 31, 2015 and \$2.03 billion at August 31, 2014.
- The Fund had a total loss from investing activities of \$27.2 million during fiscal 2015 and earned \$28.7 million for the period from inception through August 31, 2014.

Overview of the Basic Financial Statements and Condensed Financial Information

The management's discussion and analysis is an introduction to the Fund's basic financial statements. The Fund has only one fund and therefore the government-wide and fund financial statements are the same since the Fund reports all of its activity as a fiduciary fund, which uses the same measurement focus for all statements.

The Fund was created by the 83rd Texas Legislature, Regular Session, and became effective once the voters approved the constitutional amendment to fund the SWIFT with \$2 billion from the Economic Stabilization Fund on November 22, 2013.

The Statements of Fiduciary Net Position provide information about the nature and amounts of the Fund's cash, investments and receivables (assets), and their management fees (liabilities). The Statements of Changes in Fiduciary Net Position report the additions to, deductions from, and net increases or decreases in net position.

This annual financial report consists of two parts:

- Management's discussion and analysis
- Basic financial statements

Statements of Fiduciary Net Position

Statements of Changes in Fiduciary Net Position

Notes to the Basic Financial Statements

State Water Implementation Fund for Texas

Management's Discussion and Analysis

August 31, 2015 and 2014

The Statements of Net Position present the financial position of the Fund at the end of each fiscal year and includes all assets and liabilities of the Fund. The difference between total assets and total liabilities equals the Fund's net position. At August 31, Net Position was calculated as follows:

	<u>2015</u>	<u>2014</u>
Cash in State Treasury	\$ 217,679,367	\$ 276,766,015
Investments-at fair value	1,777,546,261	1,750,909,477
Other assets	<u>91,208</u>	<u>496,586</u>
Total assets	1,995,316,836	2,028,172,078
Total liabilities	<u>912,445</u>	<u>1,192,123</u>
Net position held in trust	<u>\$ 1,994,404,391</u>	<u>\$ 2,026,979,955</u>

From August 31, 2014 to August 31, 2015, assets decreased by \$32.9 million dollars while total liabilities decreased by \$0.3 million.

The Statements of Changes in Fiduciary Net Position present the activity within the Net Position balance for the period ended. Significant activity accounts include net investment income, contributions from the Economic Stabilization Fund and expenses which consist primarily of fees charged to manage the fund. The change in net position for the year ended August 31, 2015 and for the period from inception (November 22, 2013) through August 31, 2014 was as follows:

	<u>2015</u>	<u>2014</u>
Net investment income (loss)	\$ (27,182,864)	\$ 28,703,065
Contributions	-	2,000,000,000
Expenses	<u>5,392,700</u>	<u>1,723,110</u>
Net increase (decrease) in net position	(32,575,564)	2,026,979,955
Net position held in trust at beginning of period	<u>2,026,979,955</u>	<u>-</u>
Net position held in trust at end of period	<u>\$ 1,994,404,391</u>	<u>\$ 2,026,979,955</u>

Net Investment Loss was \$27.2 million for the fiscal year ended August 31, 2015. The total rate of return for the year ended August 31, 2015 was (1.34%) and was 1.41% for the period from inception through August 31, 2014. The total Fund outperformed its benchmark by 3.54% for the year ended August 31, 2015.

State Water Implementation Fund for Texas

Management's Discussion and Analysis

August 31, 2015 and 2014

Net Investment Income was \$28.7 million from the Fund's inception date to August 31, 2014 and the rate of return for that period was 1.41%. The Fund outperformed its benchmark by 0.50% for the period from inception to August 31, 2014.

Asset Allocation

The current SWIFT asset allocation as of August 31, 2015 is shown in the chart below.

Asset Class	Current Market Value	Weight	Policy Range
Cash and Cash Equivalents	\$341,461,597	17.12%	0-40%
Fixed Income	962,532,370	48.26%	5-40%
Alternative Fixed Income	256,644,608	12.87%	5-40%
Private Debt	59,274,568	2.97%	0-30%
Directional Equity	58,614,903	2.94%	0-10%
Hedged Equity	246,312,048	12.35%	5-40%
Core Real Estate	51,381,450	2.58%	0-15%
Commodities	18,182,847	0.91%	0-20%
Total Portfolio	\$1,994,404,391	100%	

The SWIFT asset allocation as of August 31, 2014 is shown in the chart below.

Asset Class	Current Market Value	Weight	Policy Range
Cash and Cash Equivalents	\$419,032,708	20.67%	5-60%
Fixed Income	1,393,985,731	68.78%	20-75%
Alternative Fixed Income	206,306,245	10.17%	10-50%
Private Debt	7,655,271	0.38%	0-30%
Total Portfolio	\$2,026,979,955	100.00%	100.0%

The current asset allocation represents the ongoing effort by the Texas Trust to achieve its investment objective to preserve the Fund's purchasing power and achieve the return and liquidity requirements of the SWIFT as determined by the Texas Water Development Board ("TWDB"). At such time that the TWDB adopts a long-term model that sets forth the liquidity and return requirements of the SWIFT, the current asset allocation may be revised to meet those requirements. At August 31, 2015, the Fixed Income asset class exceeded the maximum allowed within the policy range. This is a result of utilizing the Fixed Income asset class to provide liquidity to other asset classes as the allocation strategy is implemented.

Fixed Income strategies are expected to generate relatively consistent positive returns with lower correlation to the public markets. Strategies selected are intended to provide positive returns during most economic and capital market environments.

State Water Implementation Fund for Texas

Management's Discussion and Analysis

August 31, 2015 and 2014

Alternative Fixed Income strategies are intended to preserve investment capital by achieving consistent positive real returns and maximizing long-term total returns, within prudent levels of risk, through the use of diversified portfolios of complementary strategies.

Private Debt strategies will be primarily focused on debt and credit oriented strategies ranging from senior secured credit to distressed credit, but at times may include exposures across the entire corporate capital structure. Private debt strategies are intended to take advantage of illiquidity premiums available in the debt markets. Portfolios may take an extended period to be realized.

Equity strategies (Directional Equities and Hedged Equity) are intended to provide for portfolio growth and inflation protection and help the fund achieve its performance expectations over time. Due to the inherent volatility of the asset class, hedged strategies may be emphasized over directional strategies.

Real Asset strategies (Core Real Estate and Commodities) are intended to serve primarily as inflation hedges and provide diversification benefits through low correlation with other investment strategies. Real Asset strategies include investments in high quality real estate, timber, infrastructure assets, industrial and precious metals, energy, livestock and grains.

Unfunded Commitments

As of August 31, 2015 and 2014, the Fund's outstanding unfunded commitments totaled \$232,270,266 and \$92,344,729 million respectively.

Contacting Texas Trust's Financial Management

This financial report is designed to provide the Fund's beneficiaries, business partners and creditors with a general overview of its finances. Questions about this report can be directed to Texas Trust's Chief Financial Officer at (512) 463-3129.

Basic Financial Statements

State Water Implementation Fund for Texas

Statements of Fiduciary Net Position

August 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Assets		
Cash in State Treasury	\$ 217,679,367	\$ 276,766,015
Interest and other receivables	91,208	496,586
Investments	<u>1,777,546,261</u>	<u>1,750,909,477</u>
Total assets	<u>1,995,316,836</u>	<u>2,028,172,078</u>
 Liabilities		
Accounts payable	912,445	808,432
Trades pending settlements	<u>-</u>	<u>383,691</u>
Total liabilities	<u>912,445</u>	<u>1,192,123</u>
 Net position		
Net position held in trust	<u>\$ 1,994,404,391</u>	<u>\$ 2,026,979,955</u>

Notes to the basic financial statements form an integral part to these statements.

State Water Implementation Fund for Texas

Statements of Changes in Fiduciary Net Position

Year Ended August 31, 2015 and
Inception (November 22, 2013) Through 2014

Additions	2015	2014
Contributions from Economic Stabilization Fund	\$ <u>-</u>	\$ <u>2,000,000,000</u>
Investment income:		
Net increase (decrease) in fair value of investments	(61,828,831)	10,321,847
Interest and investment income	<u>34,645,967</u>	<u>18,381,218</u>
Total income (loss) from investing activities	<u>(27,182,864)</u>	<u>28,703,065</u>
Total additions	<u>(27,182,864)</u>	<u>2,028,703,065</u>
Deductions		
Professional fees and services	<u>5,392,700</u>	<u>1,723,110</u>
Total deductions	<u>5,392,700</u>	<u>1,723,110</u>
Change in net position	(32,575,564)	2,026,979,955
Net position held in trust at beginning of year	<u>2,026,979,955</u>	<u>-</u>
Net position held in trust at end of year	<u>\$ 1,994,404,391</u>	<u>\$ 2,026,979,955</u>

Notes to the basic financial statements form an integral part to these statements.

State Water Implementation Fund for Texas

Notes to the Basic Financial Statements

August 31, 2015 and 2014

(1) Reporting Entity

The State Water Implementation Fund for Texas (“SWIFT” or “Fund”) was created by the 83rd Texas Legislature, Regular Session, and became effective once the voters approved the constitutional amendment to fund the SWIFT with \$2 billion from the Economic Stabilization Fund on November 22, 2013. The creation of the SWIFT and its requirements are set forth in Chapter 15 of the Texas Water Code, pursuant to House Bill 4. The SWIFT is intended to serve as a water infrastructure bank whose objective is to enhance the financing capabilities of the Texas Water Development Board (“TWDB”) and to provide a cash flow mechanism where money used for TWDB’s programs will flow back to the Fund. The purpose of the Fund is to provide financing assistance and revolving low-cost flexible financing options for water projects. The Fund will be used to help provide financing for projects in the State Water Plan overseen by the Texas Water Development Board.

The Texas Treasury Safekeeping Trust Company (“Texas Trust”) shall hold and invest the SWIFT for TWDB. The Texas Trust shall adopt an investment policy appropriate for the SWIFT and present it to The Comptroller’s Investment Advisory Board (“CIAB”). In accordance with Section 15.433(f) of the Water Code and CIAB procedures, the Texas Trust shall submit the investment policy to the CIAB and the Comptroller. The Comptroller is the sole officer, director, and shareholder of the Texas Trust and charged with managing the company. The Comptroller has delegated management and investment related duties to the chief executive officer of the Texas Trust.

The Texas Trust Investment Committee (“Investment Committee”) is responsible for oversight of Texas Trust investment portfolios including: reviewing and recommending investment policies; approving certain investments; establishing strategic and tactical investment plans; evaluating and recommending the selection or dismissal of investment managers; reviewing quarterly portfolio performance; and reviewing and approving portfolio rebalancing and tactical asset allocation.

(2) Summary of Significant Accounting Policies

(a) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The State of Texas reports the Fund as a private-purpose trust fund in its basic financial statements. Private-purpose trust funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the liability is incurred regardless of the time of the related cash flows.

State Water Implementation Fund for Texas

Notes to the Basic Financial Statements

August 31, 2015 and 2014

(2) Summary of Significant Accounting Policies (continued)

(b) *Management and Investment of the Fund*

Section 15.433(b) of the Water Code establishes the overall objective for investing the SWIFT “to maintain sufficient liquidity to meet the needs of the fund while striving to preserve the purchasing power of the fund.” The Texas Trust shall invest the Fund in accordance with the prudent investor standard. It will consider only those investments appropriate for the SWIFT given its purpose and distribution requirements.

The Texas Trust has any power necessary to accomplish the purposes of managing and investing the assets of the fund. The Texas Trust will manage and invest the assets of the fund, through procedures, and subject to restrictions the Texas Trust considers appropriate. The Texas Trust may acquire, exchange, sell, supervise manage, or retain any kind of investment that a prudent investor, exercising reasonable care, skill and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the fund then prevailing, taking into consideration the investment of all assets of the fund rather than a single investment.

(c) *Investments*

Investments with a readily determinable fair value are reported at fair value based upon quoted market prices, or when quoted market prices are not readily determinable, estimated fair values based on market conditions and information provided by the investment administrators are used. For investments in limited partnerships where no readily determinable fair value exists, the fair value of the investment is based on the most recent capital account balance of each limited partnership as communicated by the investment administrator, adjusted for subsequent contributions, distributions, and withdrawals, or based upon their evaluation of estimated changes in values from the date of the most recent capital account balance. For investments in fund of hedge funds and direct investments in hedge funds, the fair value is based on net asset value information provided by the designated fund administrator. Texas Trust reviews fair values and makes adjustments as necessary based on their evaluation.

According to the Act, the Texas Trust is to administer and manage the assets of the Fund using the specified fiduciary standard of care and with the advice of, and in consultation with, the Investment Advisory Committee. The Fund is authorized to invest its funds according to the approved Investment Policy.

State Water Implementation Fund for Texas

Notes to the Basic Financial Statements

August 31, 2015 and 2014

(2) Summary of Significant Accounting Policies (continued)

(c) Investments (continued)

The following table reflects the Fund's Phase 2 asset class target allocation and the tolerance range per the Fund's Investment Policy as of August 31, 2015.

Asset Class	Strategy Description	Typical Liquidity	Benchmark(s) Strategy Range	Allocation Range
Cash	Stable Value, AAA rated	Daily	90 Day T-Bill	0-40%
Fixed Income	Unconstrained, Rates & credit	Daily/ Monthly	Barclays Capital Multiverse 1-3 year	5-40%
Alternative Fixed Income	Long/Short Relative Value & Multi-Strategy	Monthly/ Quarterly	HFRI FoF Conservative	5-40%
Private Debt	Origination, Mezzanine, Distressed	Illiquid	Cambridge Custom Private Credit Index	0-30%
Equity	Directional	Daily/ Monthly	MSCI ACWI IMI Net Index	0-10%
	Hedged Equity	Monthly/ Quarterly	HFRI FoF Strategic Index	5-40%
Real Assets	Core Real Estate	Illiquid	Cambridge Custom Private Real Asset Index	0-15%
	Commodities	Daily/ Monthly	Bloomberg Commodities Index	0-20%

State Water Implementation Fund for Texas

Notes to the Basic Financial Statements

August 31, 2015 and 2014

(2) Summary of Significant Accounting Policies (continued)

(c) Investments (continued)

The following table reflects the Fund's Phase II asset class target allocation and the tolerance range per the Fund's Investment Policy as of August 31, 2014.

Asset Class	Strategy Description	Typical Liquidity	Benchmark(s) Strategy Range	Allocation Range
Cash	Stable Value, AAA rated	Daily	90 Day T-Bill	5-60%
Fixed Income	Low volatility, unconstrained, Rates & credit	Daily	Barclays Capital Multiverse 1-3 year	20-75%
	Moderate volatility, unconstrained, Rates & credit	Daily/Monthly	Barclays Capital Multiverse 1-3 year	10-50%
Alternative Fixed Income	Long/short relative value	Monthly/Quarterly	HFRI Relative Value Index	10-50%
Private Debt	Origination, Mezzanine, Distressed	Illiquid	State Street Custom Private Credit Index	0-30%
Equity	Directional	Daily/Monthly	MSCI ACWI IMI Net Index	0-10%
	Hedged Equity	Monthly/Quarterly	HFRI EH: Equity Market Neutral Index	0-10%
Real Assets	Real Estate, Timber, Infrastructure	Illiquid	State Street Custom Private Real Asset Index	0-10%
	REIT, MLP, ILB	Daily/Monthly	State Street Custom blend of related Indices	0-10%
	Commodities	Daily/Monthly	Dow Jones UBS Commodities Index	0-20%

(d) Custodian

The Fund contracts services to a custodian to discharge certain of its responsibilities. The custodian performs the duties involving the acquisition, sale, and holding of fixed income and equity investments in the Fund's name.

(e) Income Tax

The Fund is exempt from federal income tax on its operations in accordance with Internal Revenue Code Section 115.

State Water Implementation Fund for Texas

Notes to the Basic Financial Statements

August 31, 2015 and 2014

(2) Summary of Significant Accounting Policies (continued)

(f) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ significantly from these estimates.

(3) Investments

The Fund reports investments at fair value on the Statements of Fiduciary Net Position, and all investment income, including changes in the fair value of investments, are reported in the Statements of Changes in Fiduciary Net Position.

The Texas Trust administers and manages the assets of the Fund using the specified fiduciary standard of care and with the advice of, and in consultation with, the Investment Advisory Committee. The Fund is authorized to invest its funds according to the approved Investment Policy. The Fund's investments as of August 31, 2015 and 2014 are as follows:

Investment Type	2015	2014
Mutual Funds:		
Global fixed income	\$ 913,664,569	\$ 1,341,941,881
Hedge Funds:		
Direct funds	627,917,981	258,350,095
Alternative Investments:		
Domestic	111,360,244	7,655,271
Investment in short-term investment fund	<u>124,603,467</u>	<u>142,962,230</u>
Total Investments	<u><u>\$ 1,777,546,261</u></u>	<u><u>\$ 1,750,909,477</u></u>

State Water Implementation Fund for Texas

Notes to the Basic Financial Statements

August 31, 2015 and 2014

(3) Investments (continued)

Credit Risk. The Fund's investment policy does not limit credit risk. The following schedule lists Standard & Poor's credit rating by investment type for those investments subject to credit risk.

Standard & Poor's Credit Rating	2015		2014	
	Mutual Funds – Global Fixed Income	Investments in Short-Term Investment Fund	Mutual Funds – Global Fixed Income	Investments in Short-Term Investment Fund
AAA	\$ -	\$ 124,603,467	\$ -	\$ 142,962,230
Not Rated	913,664,569	-	1,341,941,881	-
Total	\$ 913,664,569	\$ 124,603,467	\$ 1,341,941,881	\$ 142,962,230

Concentration Risk: Excluding passive strategies, exposure to any investment firm will generally be limited to no more than 25% of Fund assets. Fund investments will generally not exceed more than 25% of any firms' total assets under management. As of August 31, 2015 and 2014, no more than 5% of the portfolio was invested in securities of one issuer.

Interest Rate Risk: The Fund's investment policy does not limit investment maturities. The following schedule reflects the average effective duration of the funds by investment type. The investments in the short-term investment fund use a weighted average maturity to reflect the interest rate risk.

Investment Type	Effective Duration	
	2015	2014
Mutual Funds:		
Global Fixed Income	0.82 years	0.63 years
	Weighted Average Maturity	
	2015	2014
Investment in short-term investment fund	24 days	38 days

State Water Implementation Fund for Texas

Notes to the Basic Financial Statements

August 31, 2015 and 2014

(3) Investments (continued)

Treasury Pool

The Fund may participate in the Treasury Pool, which is an internal investment pool. The Comptroller maintains oversight responsibility for the Treasury Pool. This responsibility includes the ability to influence operations designation of management, and accountability for fiscal matters. The Treasury Pool operates in accordance with the Comptroller's Investment Policy. The Fund receives allocated earnings based on its percentage share of the Treasury Pool, but its overall value remains the same as the initial deposit into the Treasury Pool plus accrued income. The Fund's balance in the Treasury Pool as of August 31, 2015 was \$217,679,367 plus accrued interest for August of \$75,972. The Fund's balance in the Treasury Pool as of August 31, 2014 was \$276,766,015 plus accrued interest for August of \$109,152.

Unfunded Commitments

In the normal course of investing in limited partnerships, the Fund enters into agreements with an unfunded commitment. The value of these commitments at August 31, 2015 and 2014 is \$232,270,266 and \$92,344,729, respectively.

(4) Related Parties

The contract and agreement between the Comptroller and the Texas Trust allows the Texas Trust to charge a flat fee of 30 basis points to recover all costs associated with the management of the Fund. The Fund was charged \$5,392,700 for the year ended August 31, 2015 and \$1,723,110 for the months of February 2014 through August 2014.