

COMPTROLLER'S INVESTMENT ADVISORY BOARD

ENDOWMENT PORTFOLIO REVIEW

Q³
 2013

Table of Contents

As of September 30, 2013

3	Asset Allocation Summary (as of September 30, 2013)	3
4	Actual vs. Target Allocations (as of September 30, 2013)	
5	Adjusted Actual vs. Target Allocations (as of September 30, 2013)	
6	Asset Allocation	
7	Asset Allocation Evolution (Actual)	
8	Portfolio Characteristics	
9	Fixed Income Summary	9
10-11	Global Fixed Income – Strategy Allocations/Fundamental Analysis	
12	Alternative Fixed Income Summary	
13	Equity Summary	13
14	Global Public Equity	
15	Hedged Equity – Quantitative Analysis	
16	Private Equity Summary	
17	Real Assets Summary	17
18	Real Estate Summary	
19	Inflation Linked Bonds & Natural Resources/Natural Resources-Manager Performance	
20	All Asset Strategies	20
21	Value at Risk (VaR) Analysis	21
22	TTSTC Performance Table	

Asset Allocation Summary

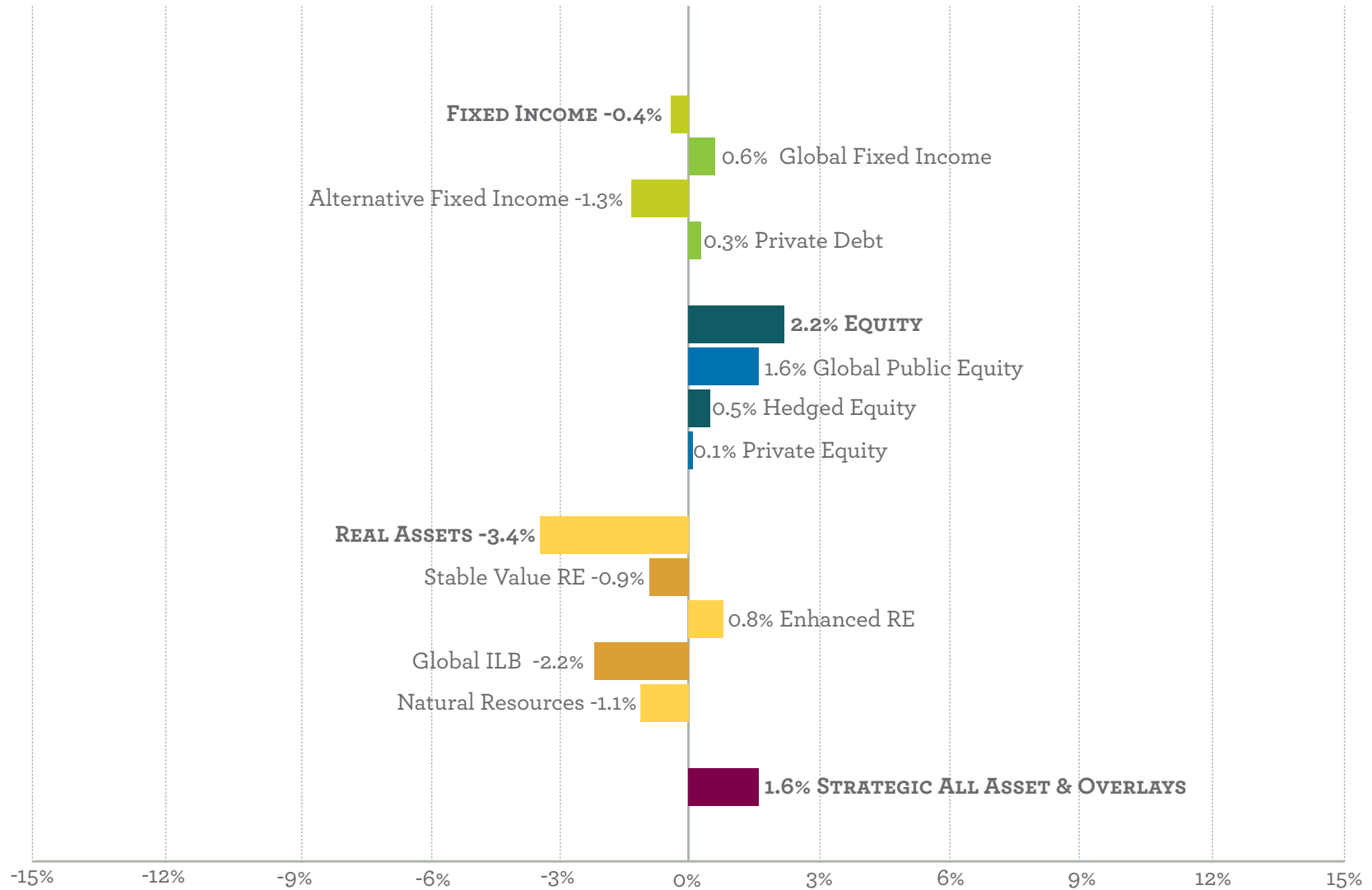
As of September 30, 2013

Asset Class	Strategy	Current Market Value	Weight	Long-Term Target	Policy Range
Fixed Income		\$1,130,746,187	34.6%	35.0%	20-50%
	Global Fixed Income*	345,824,953	10.6%	10.0%	
	Alternative Fixed Income	612,605,832	18.7%	20.0%	
	Private Debt	172,315,402	5.3%	5.0%	
Equity		\$1,542,737,330	47.2%	45.0%	30-60%
	Global Public Equity	543,940,847	16.6%	15.0%	
	Hedged Equity	669,443,580	20.5%	20.0%	
	Private Equity	329,352,903	10.1%	10.0%	
Real Assets		\$544,068,545	16.6%	20.0%	10-30%
	Stable Value Real Estate	133,646,365	4.1%	5.0%	
	Enhanced Real Estate	190,623,512	5.8%	5.0%	
	Global ILB	27,924,000	0.8%	3.0%	
	Natural Resources	191,874,668	5.9%	7.0%	
Strategic All Asset & Overlays		\$53,278,421	1.6%	0%	0-10%
	All Asset Strategies	53,278,421	1.6%	0%	
Total Portfolio		\$3,270,830,483	100.0%	100%	

* Includes cash

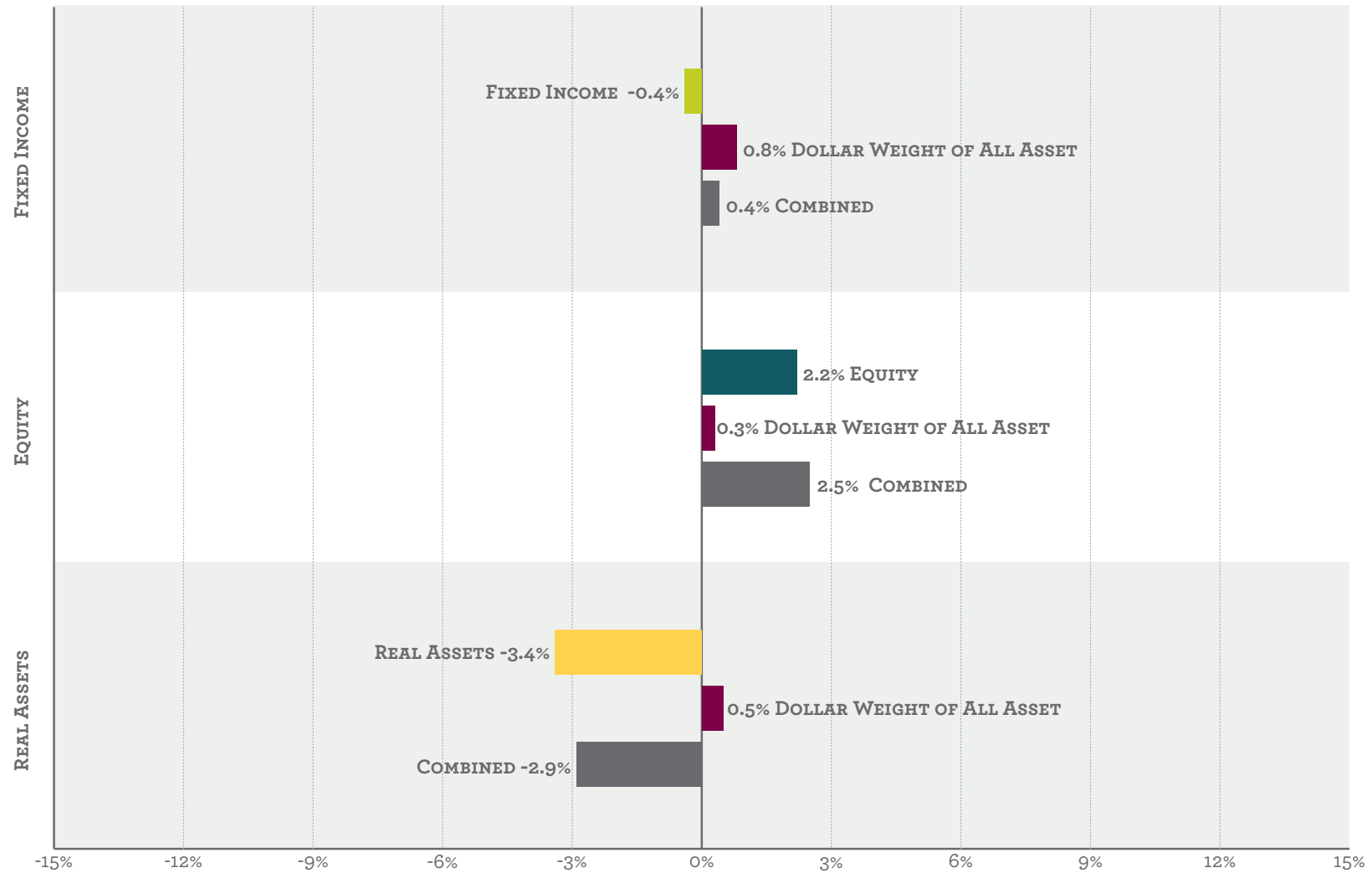
Actual vs. Target Allocations

As of September 30, 2013



Adjusted Actual vs. Target Allocations

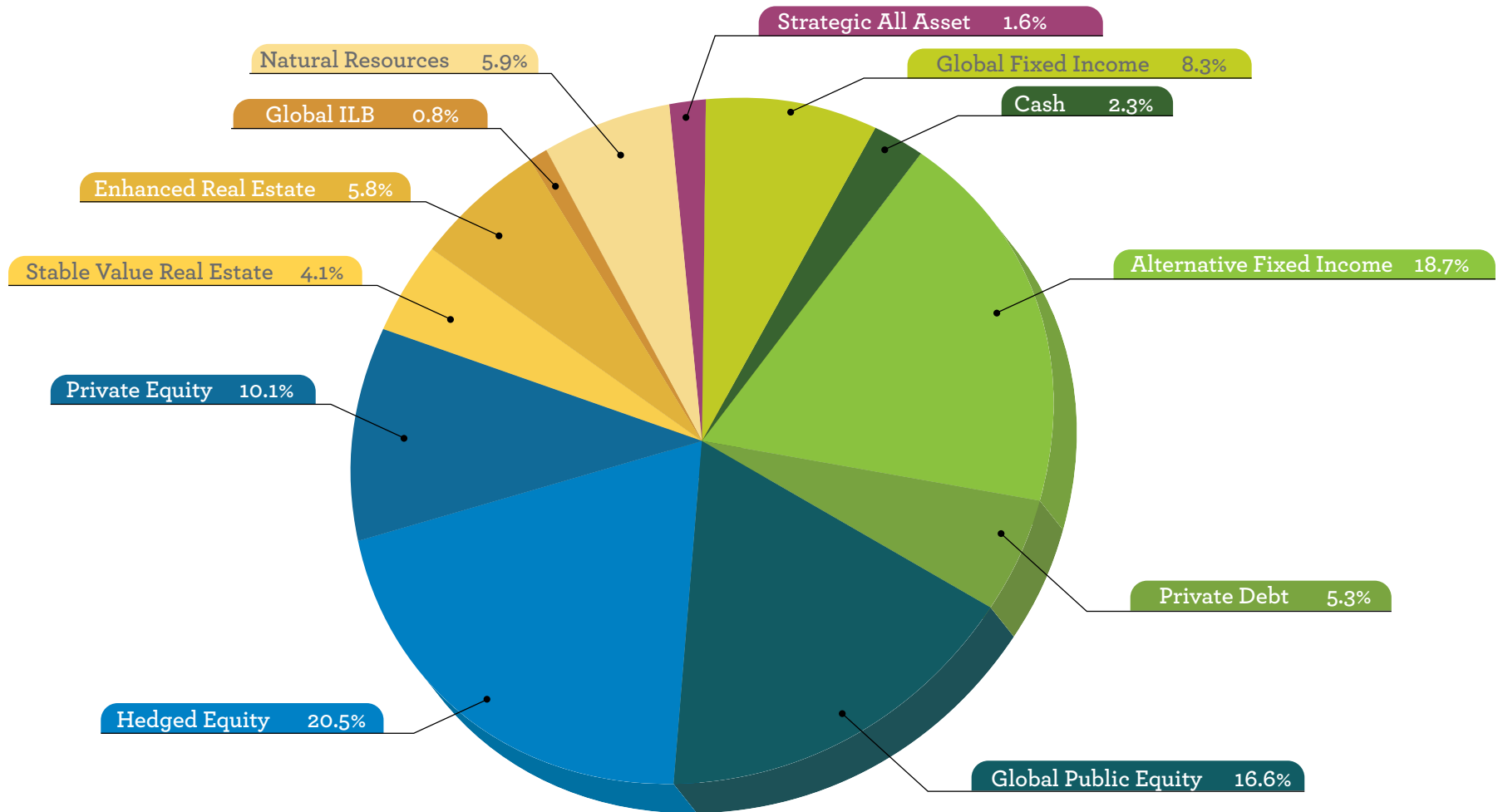
As of September 30, 2013



Asset Allocation

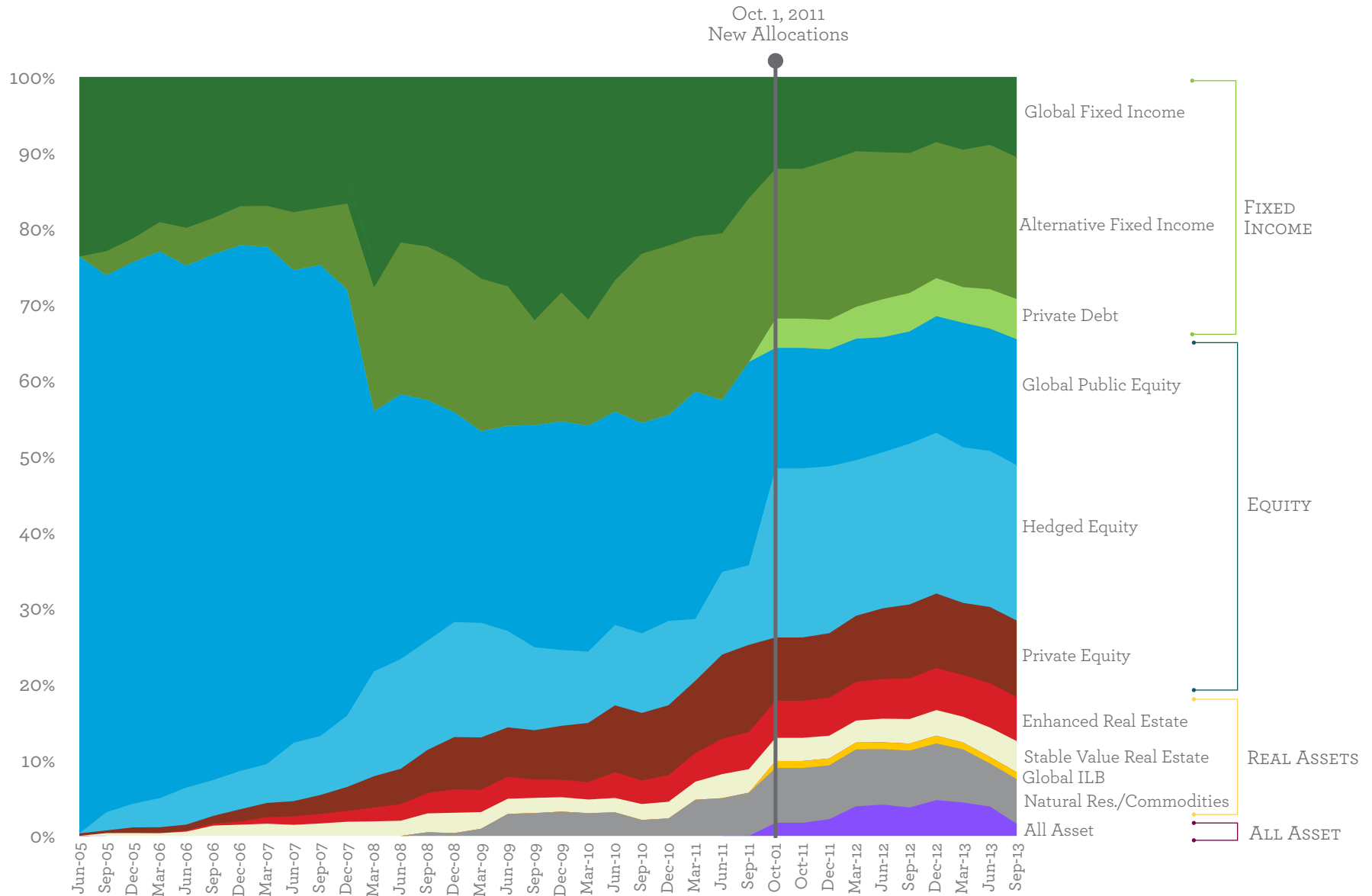
As of September 30, 2013

Total AUM: \$3,270,830,483



Asset Allocation Evolution (Actual)

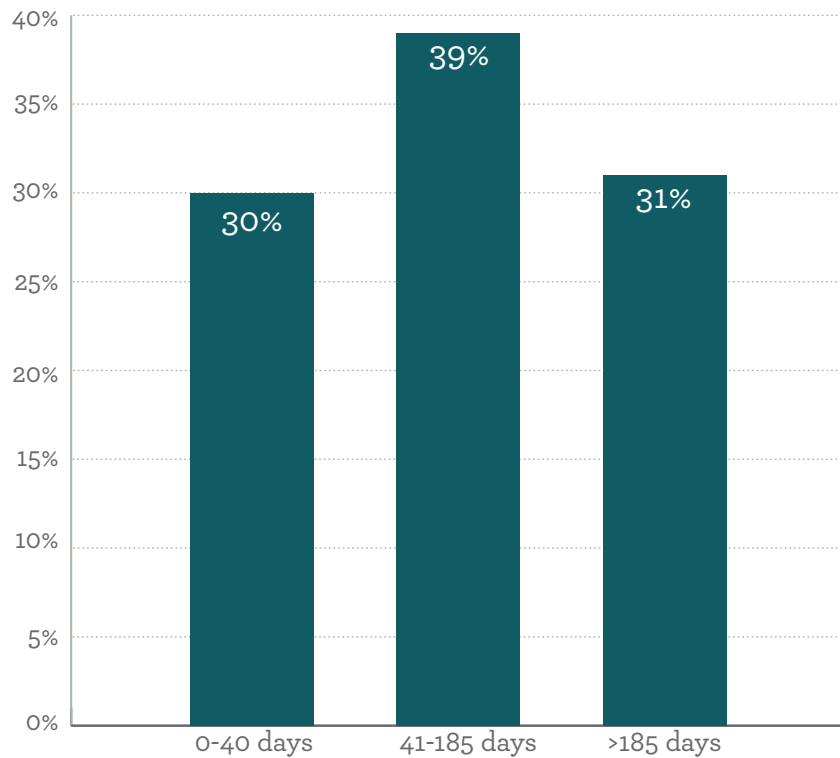
As of September 30, 2013



Portfolio Characteristics

As of September 30, 2013

Projected Total Portfolio Liquidity¹



¹ Projected liquidity takes hard lock, notice and payout periods into consideration. Soft locks assume penalty will be paid.

Total Portfolio Geographic Allocation



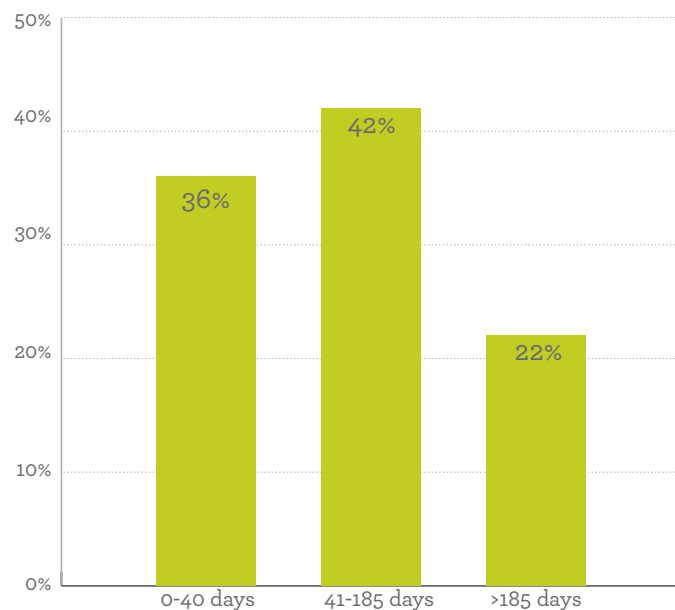
Fixed Income Summary

As of September 30, 2013

Strategy	Market Value	Portfolio Weight	Target Weight	Standard Deviation ¹	% Positive Months ¹	BC Multiverse	
						3 Year Beta	3 Year Correlation
Global Fixed Income	\$345,824,953	10.6%	10.0%	4.6%	69%	0.7	0.7
Alternative Fixed Income	\$612,605,832	18.7%	20.0%	3.1%	64%	0.3	0.5
Private Debt	\$172,315,402	5.3%	5.0%	3.2%	92%	-	-
TOTAL	\$1,130,746,187	34.6%	35.0%	3.1%	69%	0.4	0.6

¹ Calculation is based on manager returns in the last three years for time periods beyond the Trust Company's inception date.

Projected Liquidity¹



¹ Projected liquidity takes hard locks, notices and payout periods into consideration. Soft locks assume penalty will be paid.

Portfolio Regional Allocation



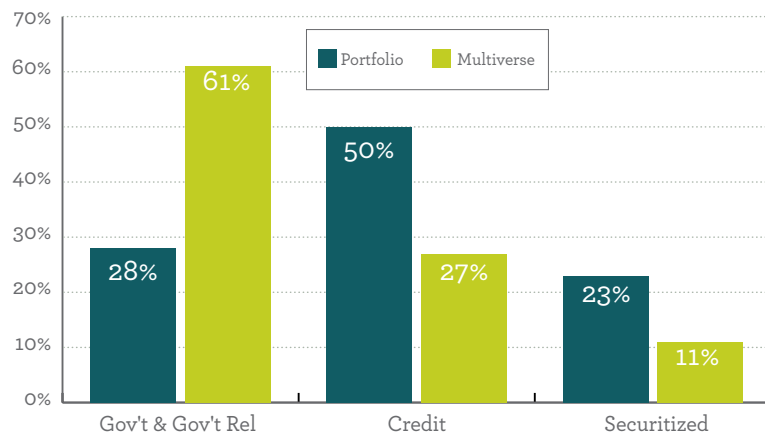
Global Fixed Income – Strategy Allocations

As of September 30, 2013

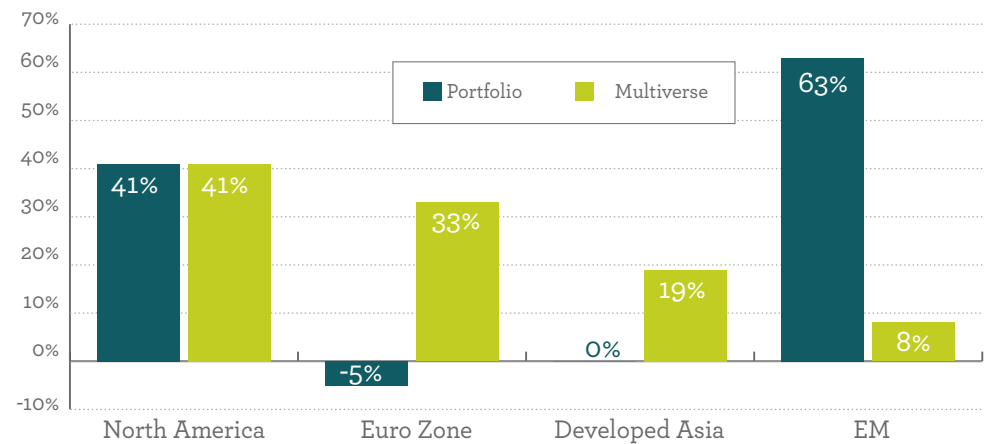
Manager	Inception Date	Gross Exposure	Market Value	Portfolio Weight	BC Multiverse			
					3 Year Beta	3 Year Correlation	3 Year Up Capture	3 Year Down Capture
Global Fixed Income			\$271,156,037	8.3%	0.7	0.7	79%	66%
Amherst MBS Opportunities I LP ¹	Feb '13	100%	30,739,650	0.9%	-	-	-	-
Lazard EI Plus	Jul '08	158%	31,336,330	1.0%	1.4	0.7	140%	155%
PIMCO UBF	Feb '09	216%	126,428,632	3.9%	0.2	0.4	34%	10%
Stone Harbor EM Corp SHCDX	Jun '11	100%	30,155,986	0.9%	1.2	0.6	127%	124%
Stone Harbor EMD SHMDX	Jun '09	100%	9,613,510	0.3%	1.4	0.8	166%	152%
Stone Harbor EMLC SHLMX	Sep '10	100%	31,924,124	1.0%	2.0	0.8	190%	220%
Stone Harbor HY SHHYX	Jun '09	100%	10,957,805	0.3%	0.8	0.5	142%	45%
Cash		-	\$74,668,916	2.3%				
Total		114%	\$345,824,953	10.6%				

¹ Not enough history.

Sector Exposure



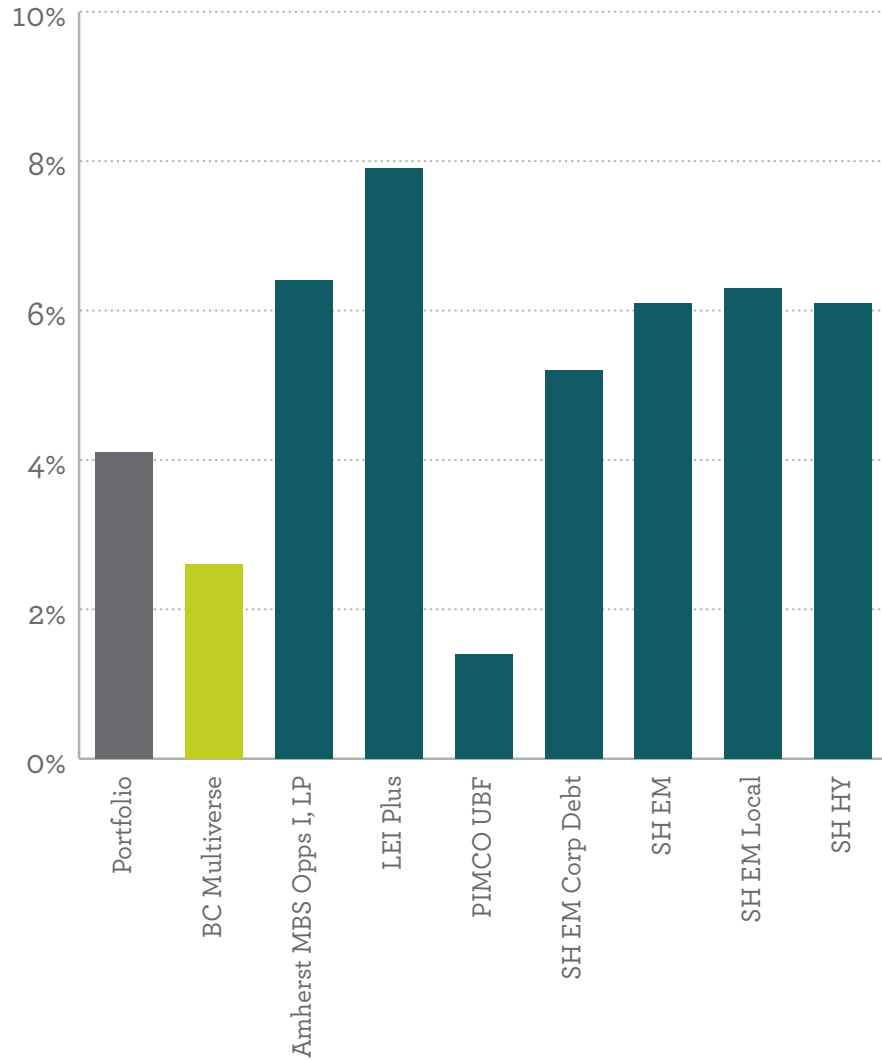
Geographic Exposure



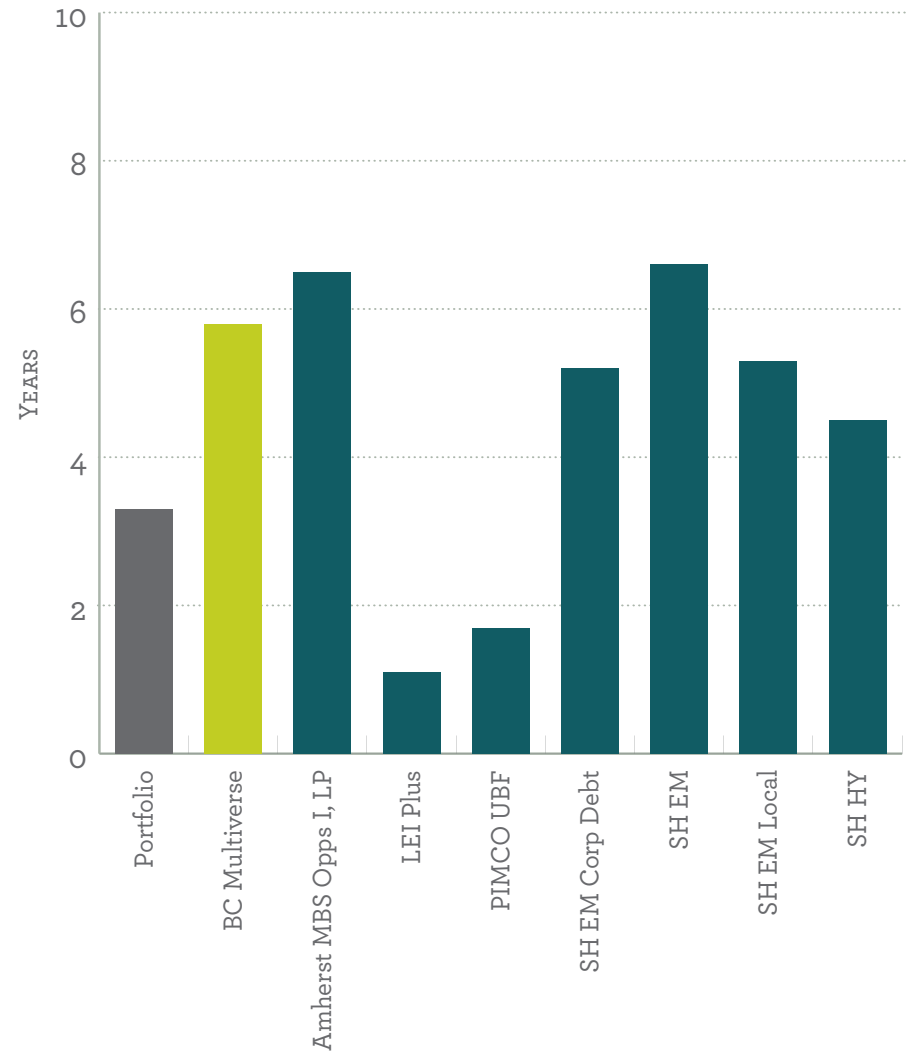
Global Fixed Income - Fundamental Analysis

As of September 30, 2013

Yield



Duration



Trust Company
 Benchmark Index
 Global Manager

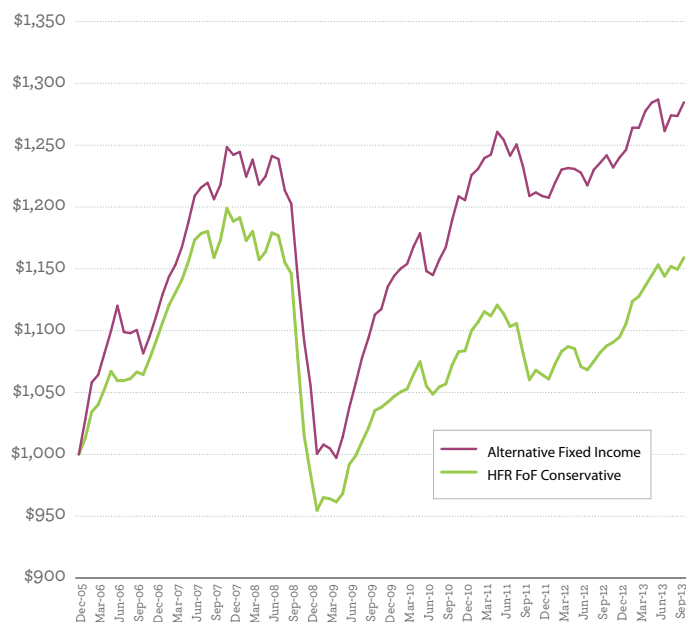
Alternative Fixed Income Summary

As of September 30, 2013

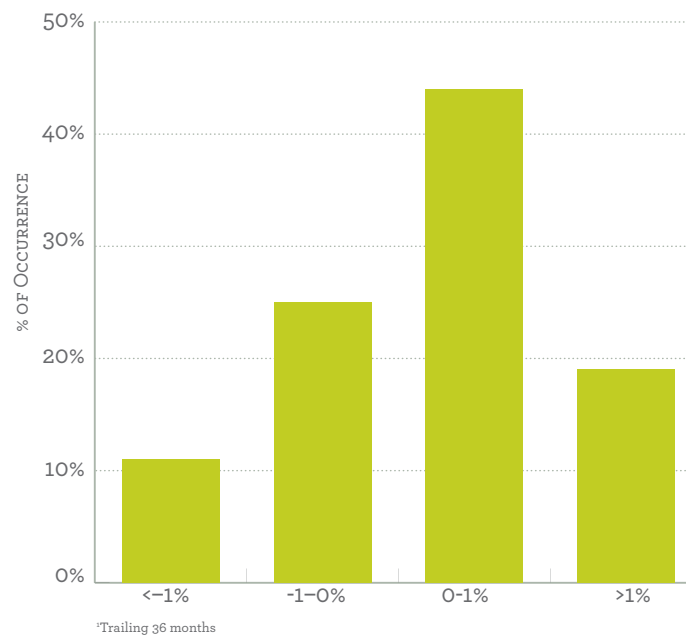
Manager	Inception Date	Market Value	Portfolio Weight	Standard Deviation ¹	Sharpe Ratio ¹	Downside Deviation ¹	Max Drawdown ¹	% Positive Months ¹	BC Multiverse		HFRI Conservative	
									Beta ¹	Correlation ¹	Beta ¹	Correlation ¹
Fund of Funds Diversified		\$15,572,973	0.5%									
Funds		\$597,032,859	18.3%									
Event Driven		\$153,886,304	6.1%									
Relative Value		\$253,774,490	6.4%									
Tactical Trading		\$189,372,065	5.8%									
Total Alternative Fixed Income²		\$612,605,832	18.7%	3.1%	0.8	3.5%	-4.2%	63.9%	0.3	0.5	0.9	0.9
Benchmarks (Trailing 36 Months)												
Barclays Multiverse				5.0%	0.4	5.8%	-4.9%	61.1%	0.0	1.0	0.5	0.3
HFRI FoF: Conservative				3.0%	0.8	3.7%	-5.4%	66.7%	0.0	0.3	1.0	1.0

¹ Calculation is based on manager returns in the last three years for time periods beyond the Trust Company's inception date.
² The analysis is based on the Trust Company's investment period, which includes funds not currently invested and not shown.
³ Fund track record is less than 36 months.

Growth of \$1,000 Since Inception



Distribution of Monthly Returns¹



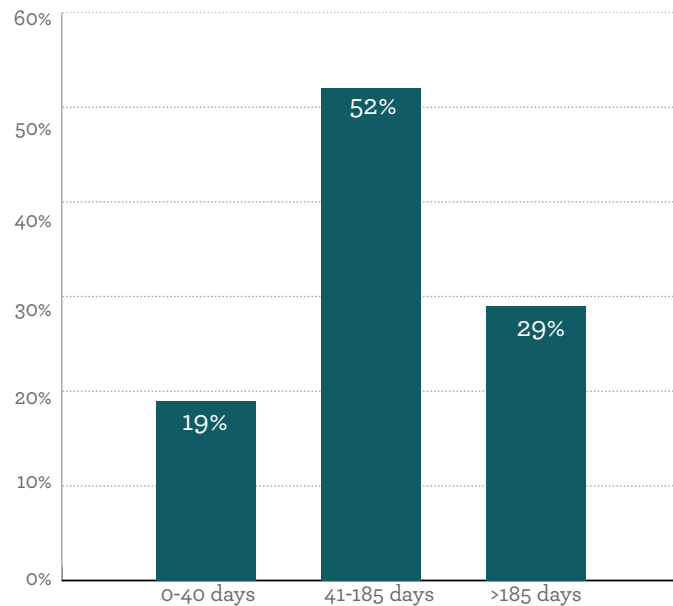
Equity Summary

As of September 30, 2013

Strategy	Market Value	Portfolio Weight	Target Weight	Standard Deviation	% Positive Months	MSCI ACWI	
						3 Year Beta	3 Year Correlation
Global Equity	543,940,847	16.6%	15.0%	12.9%	64%	0.8	1.0
Hedged Equity	669,443,580	20.5%	20.0%	6.0%	67%	0.4	0.9
Private Equity	329,352,903	10.1%	10.0%	3.7%	86%		
Total	\$1,542,737,330	47.2%	45.0%	8.6%	67%	0.5	1.0
MSCI ACWI				14.9%	61%		

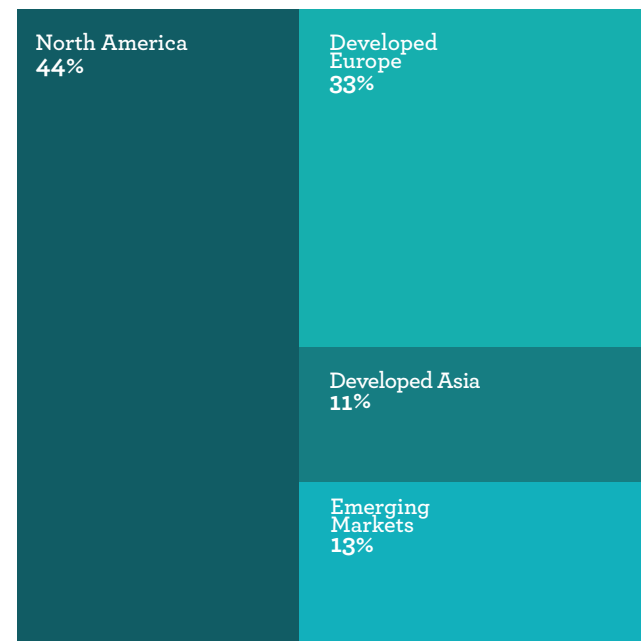
¹ Calculation is based on manager returns in the last three years for time periods beyond the Trust Company's inception date.

Projected Liquidity¹



¹ Projected liquidity takes hard locks, notices and payout periods into consideration. Soft locks assume penalty will be paid.

Geographic Allocation

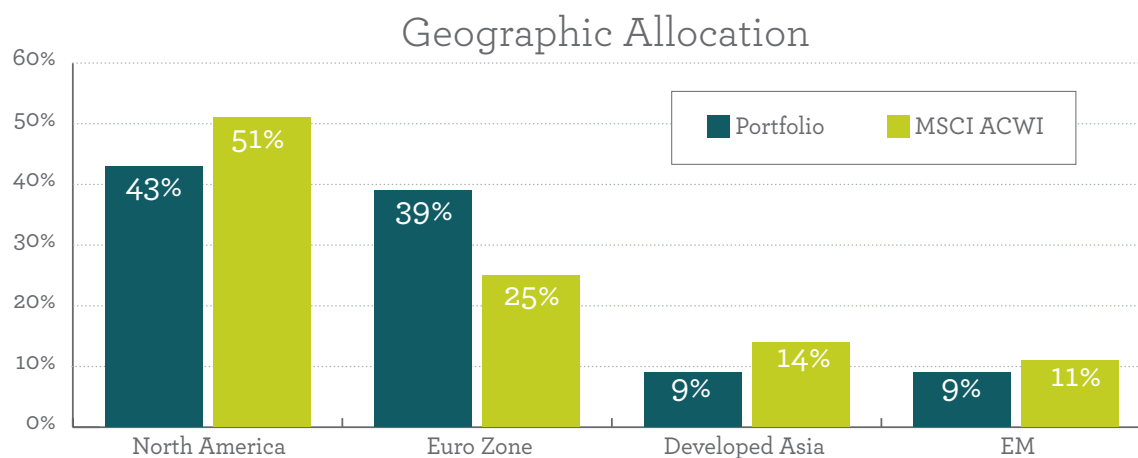


Global Public Equity

As of September 30, 2013

Manager	Inception Date	Style	Market Value	Portfolio Weight	MSCI ACWI				
					3 Year Beta ¹	3 Year Correlation ¹	3 Year Up Capture ¹	3 Year Down Capture ¹	
US					\$265,684,507	8.0%			
eRAFI US Large	Jul '11	Enhanced	\$61,011,804	1.9%	0.8	0.9	100%	62%	
eRAFI US Small	Jul '11	Enhanced	\$6,147,790	0.2%	1.1	0.9	119%	80%	
Starboard Value & Opp	Jan '12	Activist	\$37,612,260	1.2%	0.5	0.7	67%	31%	
Starboard Leaders Fund LP ³	Aug'13	Activist	\$7,500,143	-	-	-	-	-	
Triam Partners	Jan '11	Activist	\$68,537,900	2.1%	0.4	0.5	56%	14%	
ValueAct Capital II	Feb '11	Activist	\$82,468,847	2.5%	0.7	0.9	104%	39%	
ValueAct Small Cap	Feb '11	Activist	\$2,405,763	0.1%	Winding Down				
Non-US Developed					\$251,596,160	7.8%			
AKO European Long Only	Jan '13	Active	\$21,446,272	0.7%	0.7	0.8	77%	68%	
eRAFI International	Jul '11	Enhanced	\$145,460,542	4.5%	1.2	0.9	119%	123%	
eRAFI Small Int'l	Jul '11	Enhanced	\$30,394,706	0.9%	0.9	0.9	99%	100%	
Cevian Capital	Dec '11	Activist	\$54,294,640	1.7%	0.9	0.8	89%	82%	
Emerging Markets					\$26,660,180	0.8%			
eRAFI Emerging Mkts	Jul '11	Enhanced	\$22,119,666	0.7%	1.2	0.9	89%	140%	
iShares EEM ETF	Jul '11	Passive	\$4,540,514	0.1%	1.3	0.9	85%	139%	
Total Global Equity²			\$543,940,847	16.6%	0.8	1.0	89%	78%	

¹ Calculation is based on manager returns in the last three years for time periods beyond the Trust Company's inception date.
² The analysis is based on the Trust Company's investment period, which includes funds not currently invested and not shown.
³ Fund track record is less than 36 months.



Hedged Equity – Quantitative Analysis

As of September 30, 2013

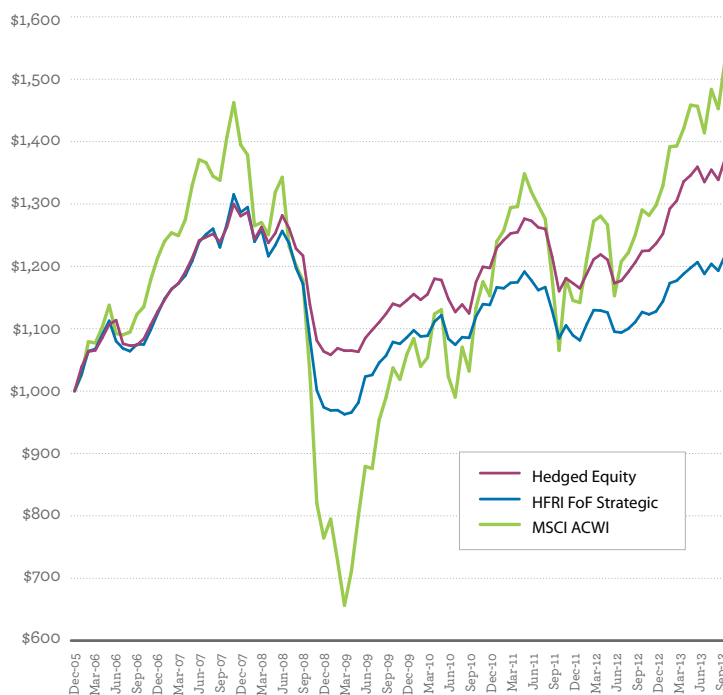
Manager	Inception Date	Market Value	Portfolio Weight	Standard Deviation ¹	Sharpe Ratio ¹	Downside Deviation ¹	Max Drawdown ¹	% Positive Months ¹	MSCI ACWI		HFRI Strategic	
									3 Year Beta ¹	3 Year Correlation ¹	3 Year Beta ¹	3 Year Correlation ¹
Total Hedged Equity²		\$669,443,580	20.5%	6.0%	0.9	7.4%	-9.1%	67%	0.4	0.9	1.1	1.0
Benchmarks (Trailing 36 months)												
HFRI FoF: Strategic				5.5%	0.5	6.1%	-9.2%	58%	0.3	0.9	1.0	1.0
MSCI ACWI				14.9%	0.7	15.8%	-21.0%	61%	1.0	1.0	2.5	0.9

¹ Calculation is based on manager returns in the last three years for time periods beyond the Trust Company's inception date.

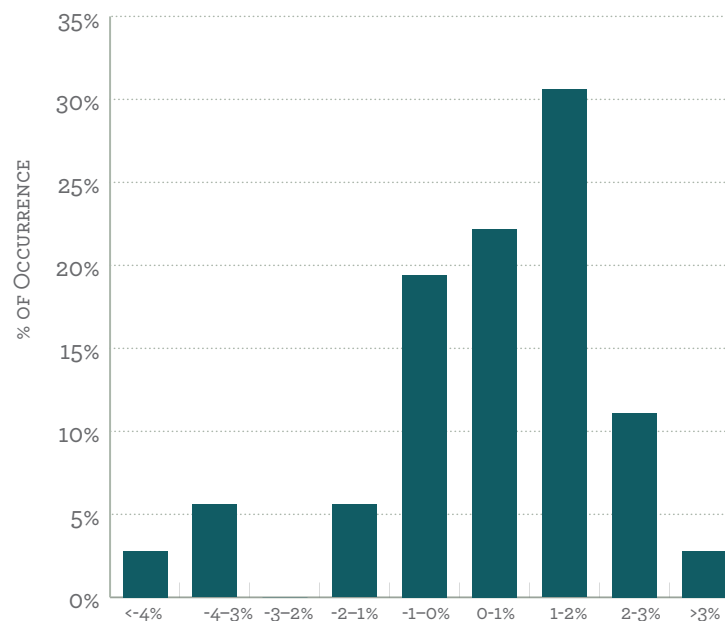
² The analysis is based on the Trust Company's investment period, which includes funds not currently invested and not shown.

³ Fund track record is less than 36 months.

Growth of \$1,000 Since Inception



Distribution of Monthly Returns¹



¹Trailing 36 months

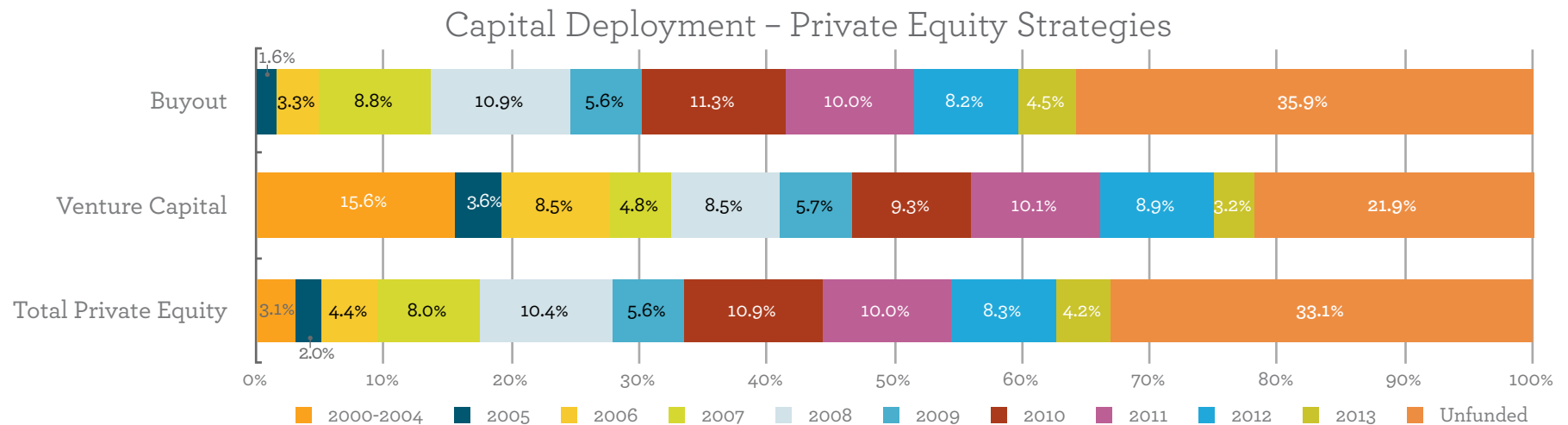
Private Equity Summary

As of September 30, 2013

Strategy	Commitments	Unfunded Commitments	Total Contributions ¹	Remaining Value ²	Distributions	Total Value
Buyout	451,855,833	162,217,518	310,072,029	257,897,522	122,644,641	380,542,163
Venture Capital	114,550,000	25,073,261	90,031,454	71,455,381	26,280,131	97,735,512
Total Private Equity	\$566,405,833	\$187,290,779	\$400,103,483	\$329,352,903	\$148,924,773	\$478,277,675

¹Total 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.

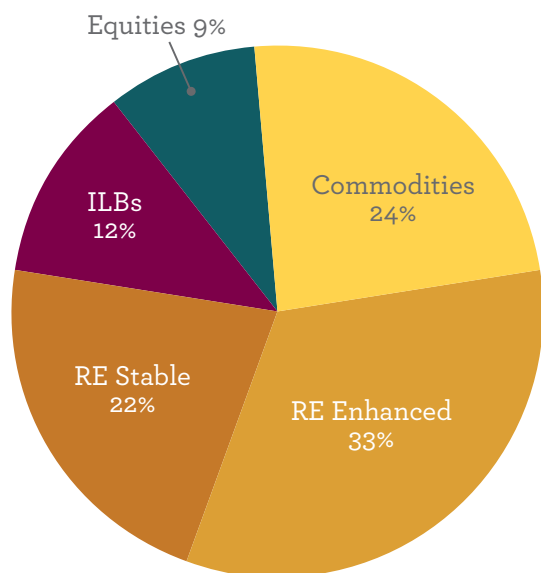


Real Assets Summary

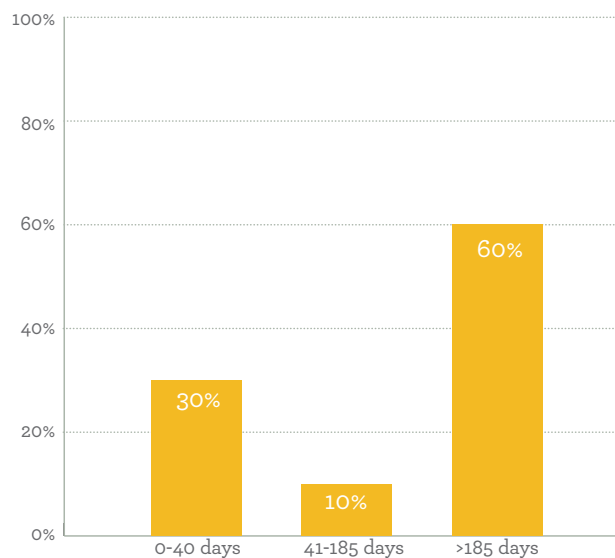
As of September 30, 2013

Strategy	Market Value	Portfolio Weight	Target Weight
Stable Value RE	133,646,365	4.1%	5.0%
Enhanced RE	190,623,512	5.8%	5.0%
ILB	27,924,000	0.9%	3.0%
Natural Resources	191,874,668	5.9%	7.0%
Total	544,068,545	16.6%	20.0%

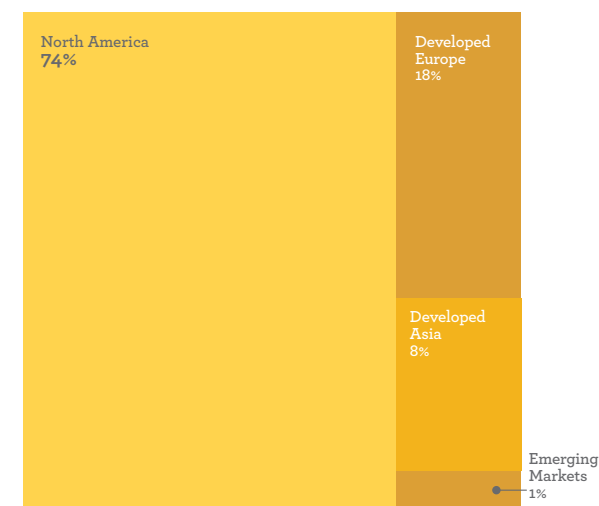
Sector Allocation



Projected Liquidity¹



Geographic Allocation



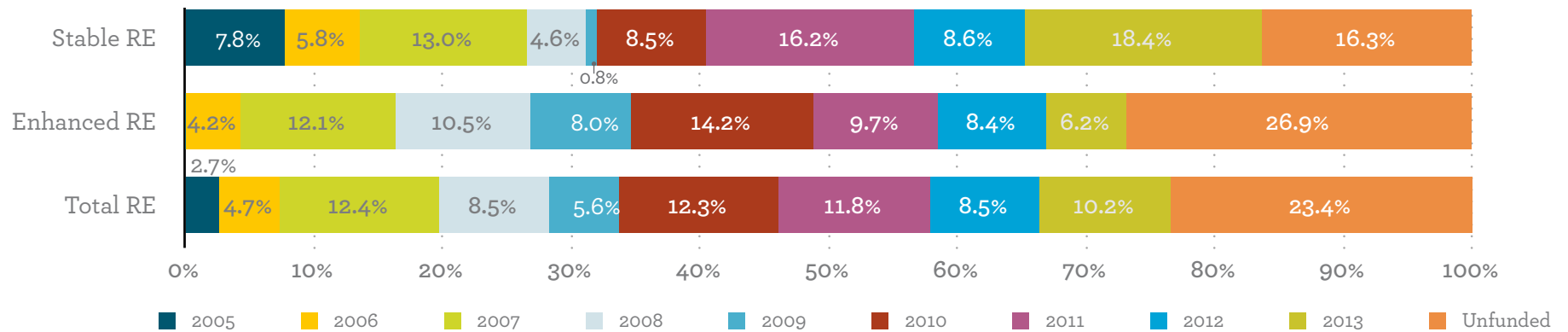
¹ Projected liquidity takes hard lock, notice and payout periods into consideration. Soft locks assume penalty will be paid.

Real Estate Summary

As of September 30, 2013

Strategy	Commitments	Unfunded Commitments	Total Contributions	Remaining Value	Distributions	Total Value
Stable Value	\$175,501,071	\$45,377,750	\$133,471,086	\$133,646,364	\$31,294,173	\$164,940,536
Enhanced Return	315,004,376	84,691,251	253,659,866	190,998,604	77,853,377	268,851,980
Total Real Estate	\$490,505,448	\$130,069,001	\$387,130,952	\$324,644,968	\$109,147,549	\$433,792,517

Capital Deployment - Real Estate Return Strategies

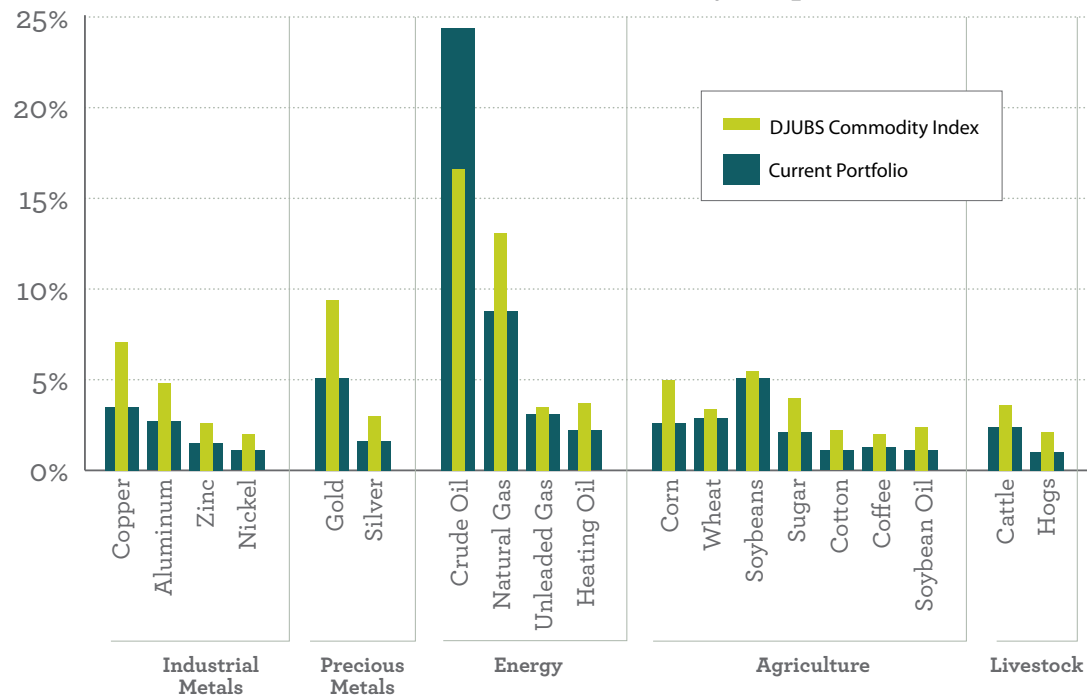


Inflation Linked Bonds & Natural Resources

As of September 30, 2013

Strategy	Market Value	Portfolio Weight	Target Weight	Gross
ILB	27,924,000	0.8%	3.0%	
iShares ITIP ETF	27,924,000	0.8%		100%
Natural Resources	\$191,874,668	5.9%	7.0%	
Commodity	\$139,977,515	4.3%		
Blackstone Resources Select	53,956,870	1.6%		127%
PIMCO Commodity PCRIX	41,018,236	1.3%		200%
SPDR Gold GLD ETF	45,002,410	1.4%		100%
Resource Equity	\$51,897,153	1.6%		
iShares Energy IXC ETF	10,310,049	0.3%		100%
iShares Materials MXI ETF	9,685,346	0.3%		100%
RS Global Nat Res (RSNYX)	31,901,758	1.0%		100%
Total	\$219,798,668	6.8%	10%	128%

Natural Resources Commodity Exposure¹



¹Does not include equity funds.

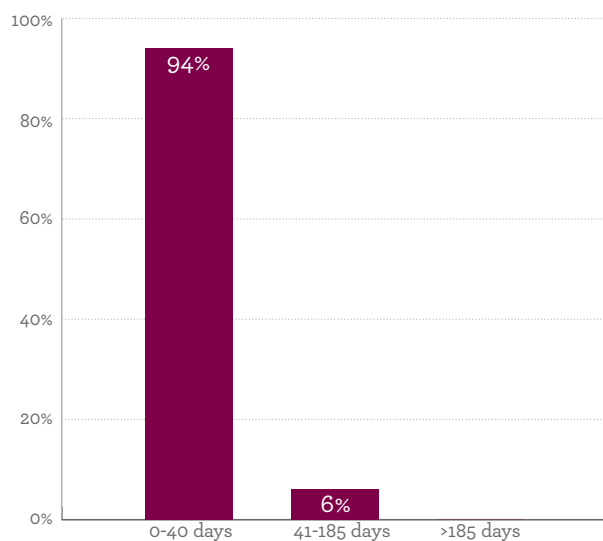
All Asset Strategies

As of September 30, 2013

Manager	Inception Date	Strategy	Market Value	Portfolio Weight	Standard Deviation ¹	Sharpe Ratio ¹	Downside Deviation ¹	Max Drawdown ¹	% Positive Months ¹	Total Policy Benchmark	
										3 Year Beta ¹	3 Year Correlation ¹
Bridgewater All Weather	Oct '11	Risk Parity	\$31,605,239	1.0%	8.6%	1.0	10.7%	-10.9%	72.2%	0.5	0.4
PIMCO All Asset All Auth PAUIX	Nov '11	Tactical Asset Allocation	\$21,673,182	0.7%	9.0%	0.5	10.1%	-8.0%	63.9%	1.1	0.7
Total			\$53,278,421	1.6%	8.3%	0.6	9.9%	-9.5%	66.7%	1.1	0.6

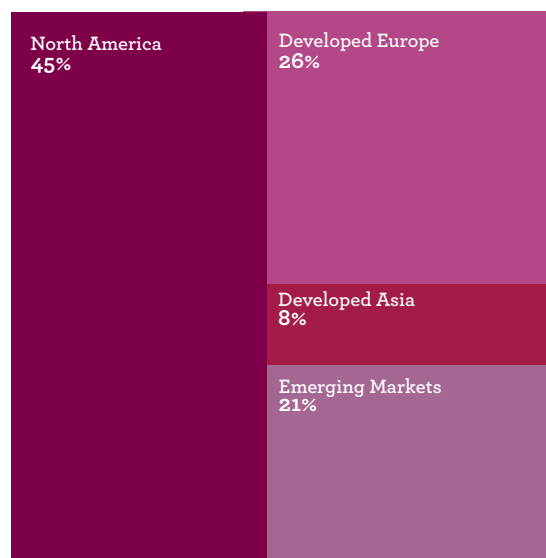
¹ Calculation is based on manager returns in the last three years for time periods beyond the Trust Company's inception date.

Projected Liquidity¹



¹ Projected liquidity takes hard lock, notice and payout periods into consideration. Soft locks assume penalty will be paid.

Geographic Allocation



Asset Allocation

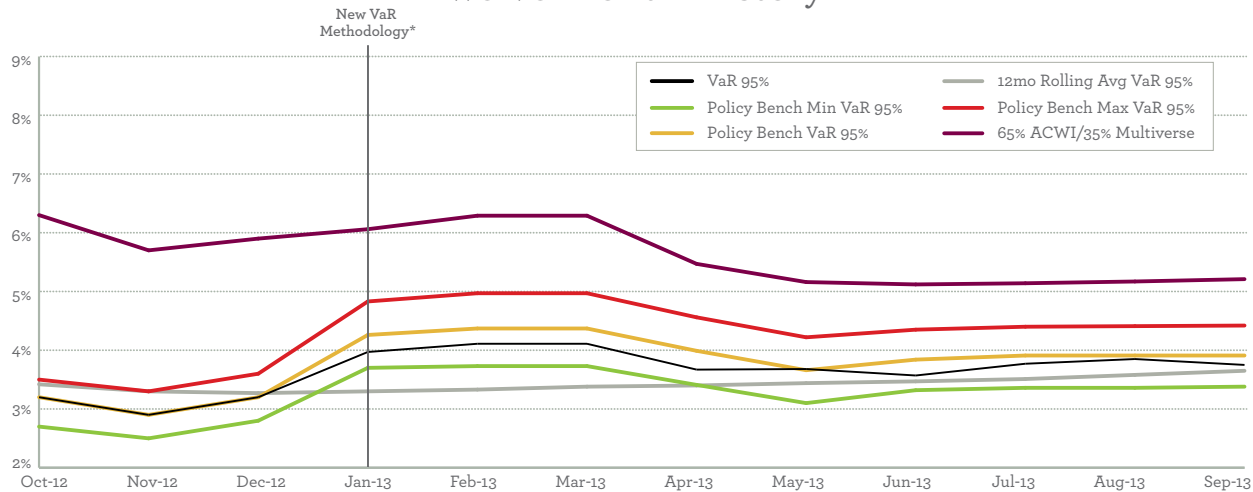


¹Endowment excludes All Asset strategies.

Value at Risk (VaR) Analysis

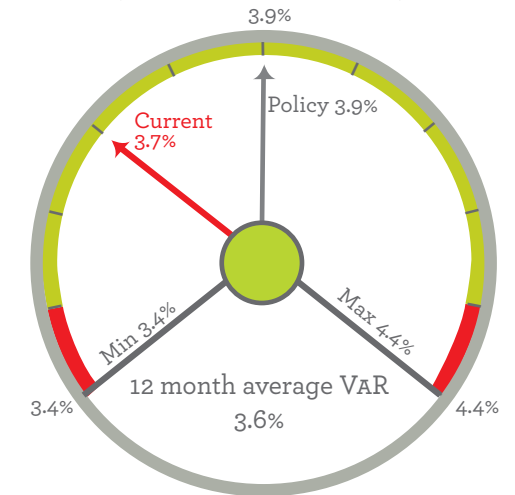
As of September 30, 2013

Twelve Month History

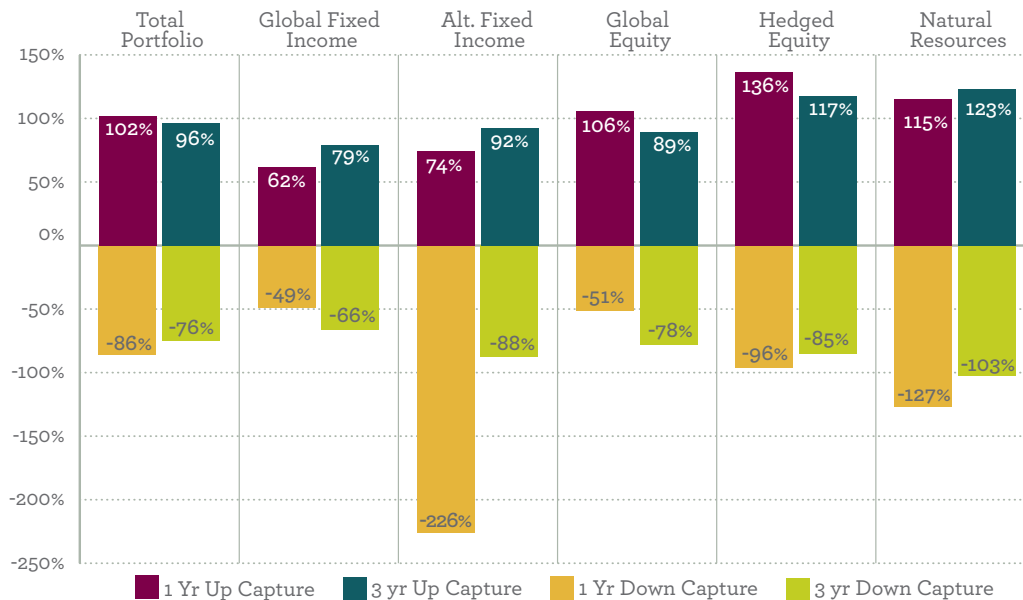


* Switch from RiskData ex-post VaR to State Street True View ex-ante as of January 2013

VaR as a Percent of Market Value (One Month, 95% Confidence)

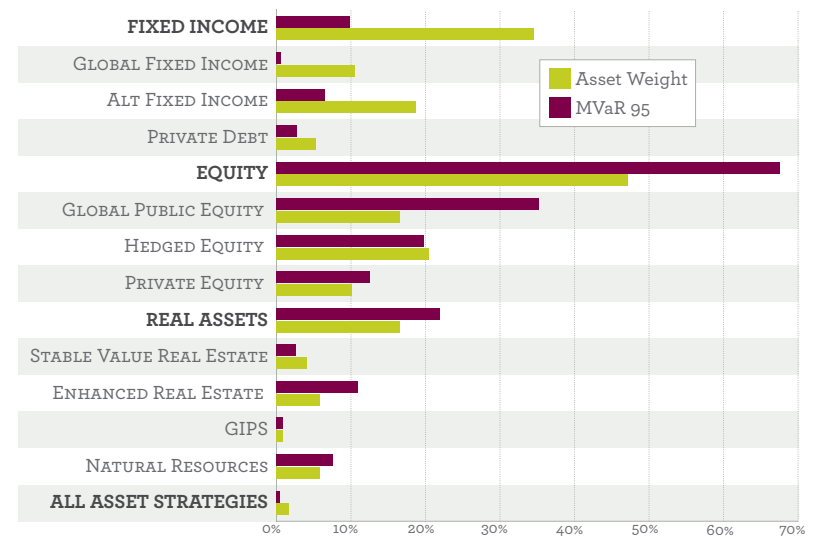


Up and Down Capture*



* Up and down capture are relative to their respective benchmarks

VaR Contribution



TTSTC Performance Table

As of September 30, 2013

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2002	-0.8%	-0.1%	1.9%	-1.8%	-0.6%	-4.6%	-4.7%	0.7%	-6.0%	3.7%	4.0%	-2.8%	-11.0%
2003	-1.6%	-0.9%	0.4%	5.9%	4.8%	1.3%	1.4%	2.1%	0.3%	4.4%	1.6%	3.6%	25.6%
2004	2.0%	1.4%	0.1%	-2.4%	0.8%	2.1%	-2.8%	0.6%	2.2%	1.6%	4.1%	2.9%	13.0%
2005	-1.7%	2.0%	-1.6%	-2.1%	2.9%	1.3%	3.2%	0.2%	1.2%	-1.9%	2.8%	1.4%	7.7%
2006	3.8%	0.0%	1.8%	1.5%	-2.5%	-0.2%	0.2%	1.8%	1.2%	2.8%	2.2%	1.3%	14.7%
2007	1.2%	-0.1%	1.4%	3.0%	2.7%	-0.7%	-1.7%	0.3%	3.0%	2.0%	-3.2%	-0.2%	7.7%
2008	-4.2%	-0.5%	-1.1%	2.3%	1.3%	-3.4%	-1.2%	-0.8%	-6.7%	-9.6%	-2.9%	0.6%	-23.8%
2009	-2.0%	-3.6%	1.9%	3.2%	3.1%	0.5%	4.0%	1.3%	2.5%	0.1%	2.2%	1.1%	14.9%
2010	-1.0%	1.0%	2.6%	1.0%	-3.9%	-1.1%	3.4%	-0.7%	4.1%	2.1%	-0.4%	3.0%	10.3%
2011	0.7%	1.6%	0.6%	2.2%	-0.5%	-1.1%	0.1%	-2.2%	-4.4%	3.1%	-0.8%	-0.5%	-1.6%
2012	2.3%	2.0%	0.0%	0.2%	-2.8%	1.1%	1.3%	1.6%	1.4%	0.1%	0.9%	0.9%	9.3%
2013	2.1%	0.2%	1.1%	1.0%	0.1%	-2.1%	1.9%	0.0%	1.8%				6.3%



DISCLAIMER

The information contained in this booklet has been compiled by or for the Texas Treasury Safekeeping Trust Company and it does not represent the opinions or views of the funds or managers represented herein.