

TESTIF

Texas Economic Stabilization Investment Fund

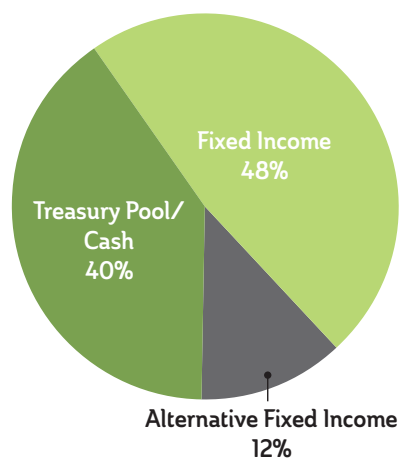
The Texas Economic Stabilization Investment Fund ('the Fund') was created by Section 404.0241 of the Government Code to invest a portion of the Economic Stabilization Fund (ESF) balance for a slightly higher return than the state's operating fund. The Fund has two primary performance objectives: 1) maintaining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

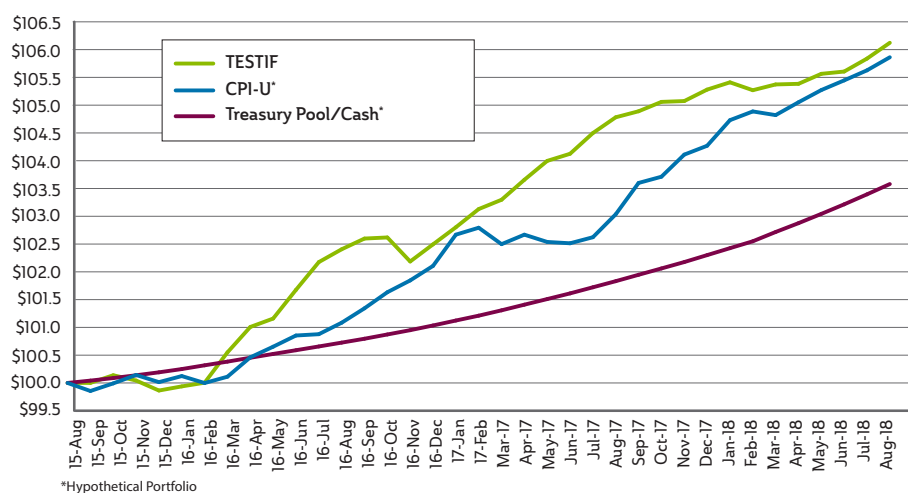
TESTIF Investment Fund

Strategy	Target Asset Allocation	9/30/2015	12/31/2015	12/31/2016	12/31/2017	3/31/2018	6/30/2018	8/31/2018
Treasury Pool/Cash	25%	\$1,194,513,946	\$1,605,554,951	\$1,225,243,092	\$1,076,995,987	\$1,062,089,684	\$997,648,762	\$1,312,971,299
Fixed Income	65%	\$269,569,195	\$920,414,552	\$1,704,282,009	\$1,843,751,481	\$1,856,249,768	\$1,866,822,327	\$1,543,567,381
Alt. Fixed Income	10%	0	\$75,097,642	\$214,009,452	\$304,716,125	\$309,363,580	\$369,994,557	\$393,379,770
ESF Inflows		\$1,464,000,000	\$1,140,000,000	\$475,000,000				
Total		\$1,464,083,141	\$2,601,067,145	\$3,143,534,552	\$3,225,463,594	\$3,227,703,033	\$3,234,465,647	\$3,249,918,450

Asset Allocation by Strategy
(as of 8/31/18)



Hypothetical Growth of \$100 Since Inception
(as of 8/31/18)



*Hypothetical Portfolio

Performance Table

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Ann. ITD	Cumulative ITD
2015									0.01%	0.14%	-0.10%	-0.18%	-0.14%		
2016	0.07%	0.07%	0.55%	0.45%	0.15%	0.51%	0.49%	0.23%	0.19%	0.02%	-0.42%	0.30%	2.63%		
2017	0.30%	0.33%	0.11%	0.35%	0.33%	0.12%	0.36%	0.28%	0.10%	0.16%	0.01%	0.20%	2.67%	2.23%	5.28%
2018	0.12%	-0.13%	0.10%	0.01%	0.17%	0.04%	0.22%	0.27%					0.80%	2.00%	6.13%