



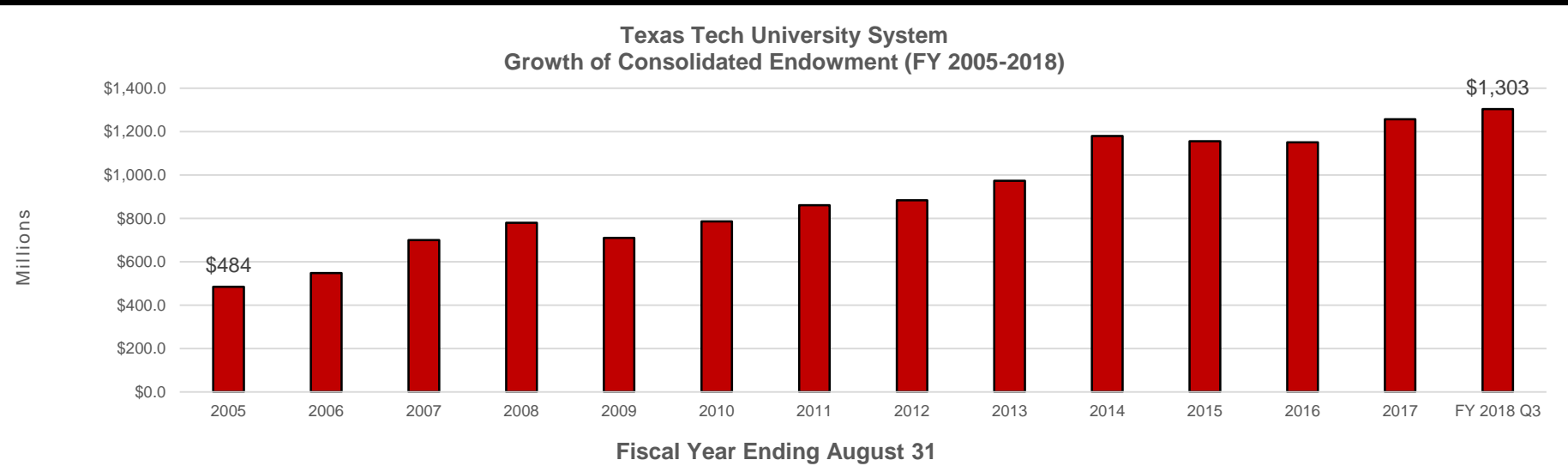
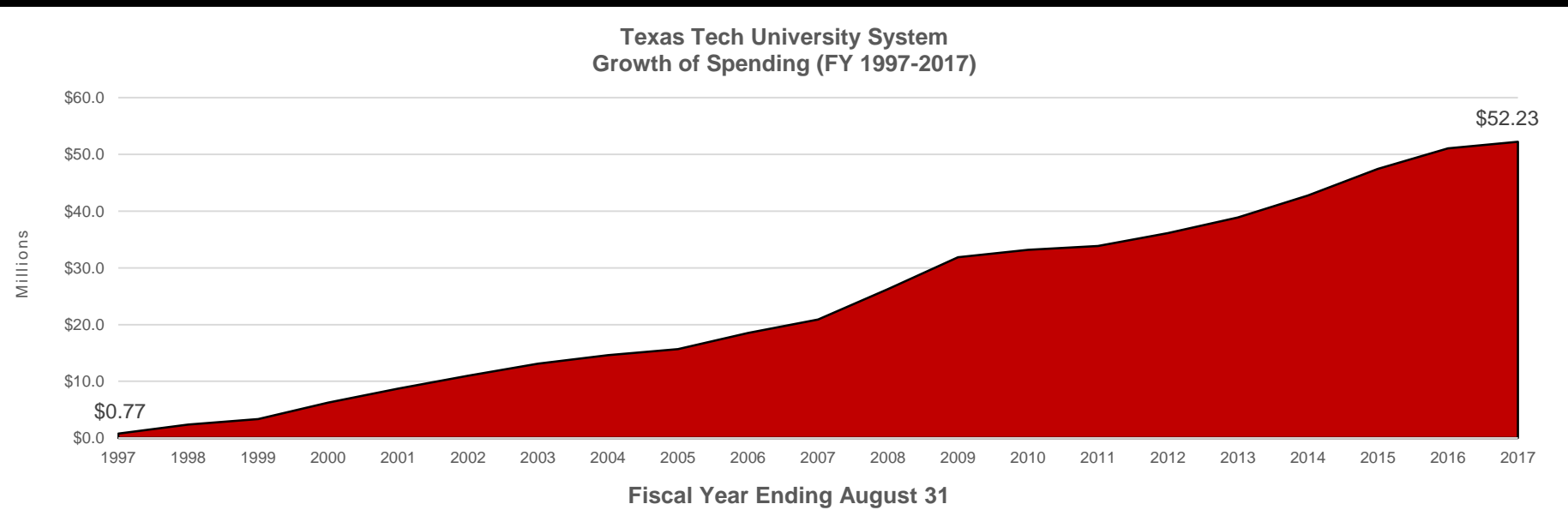
TEXAS TECH UNIVERSITY SYSTEM™

**Board of Regents Report**

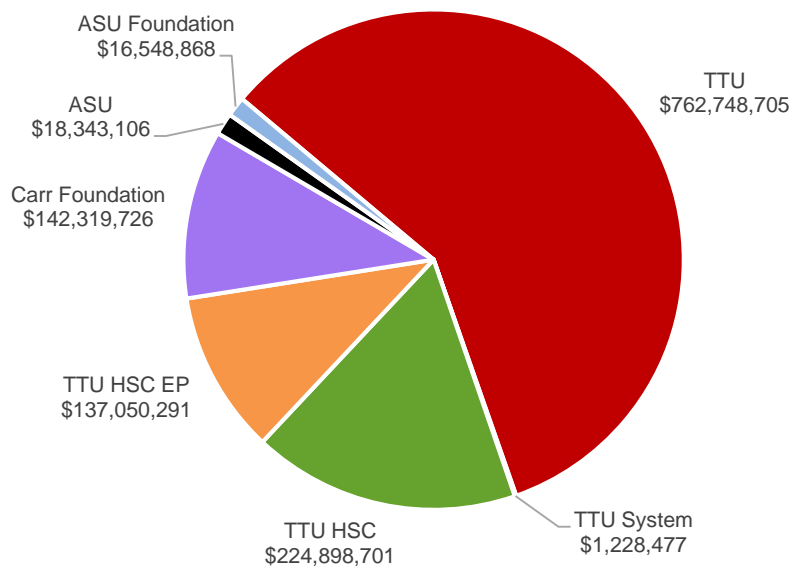
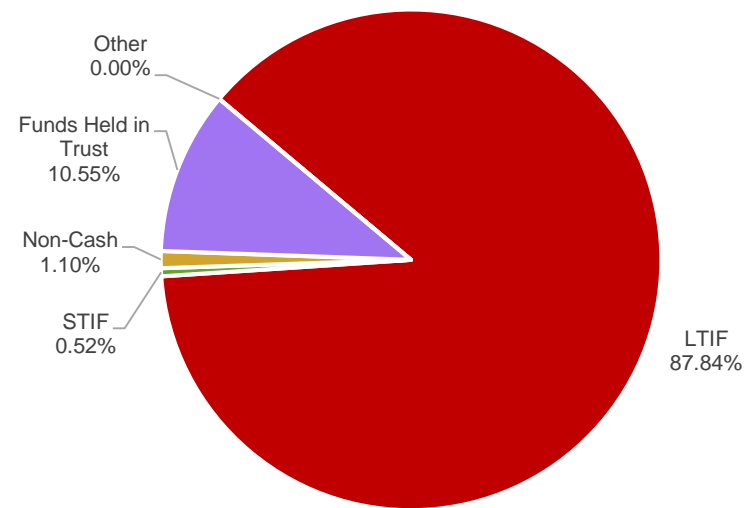
**for August 2018**

**Texas Tech University System Endowment**

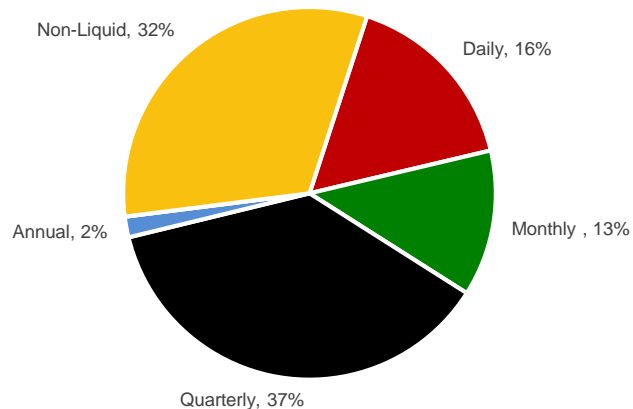
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**Endowment Data****HISTORICAL MARKET VALUE (Fiscal Year Q3 2018)****HISTORICAL SPENDING (Fiscal Year)**

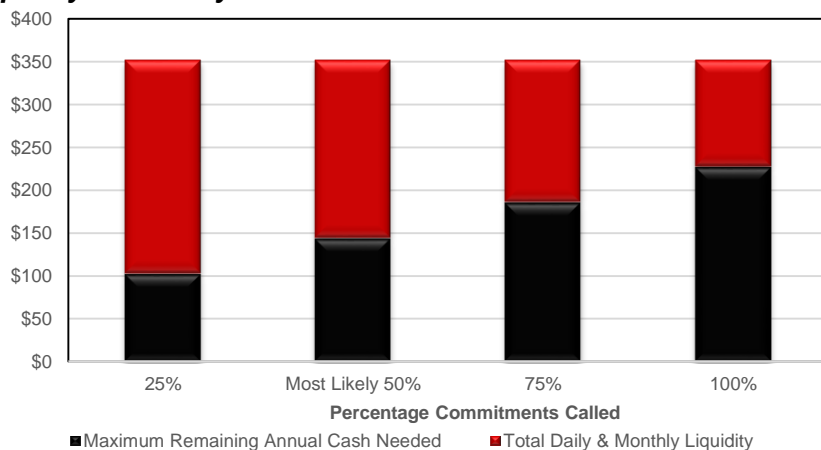
The 4.5% distribution rate has been realized every year since inception.

**Endowment Data (cont.)****TOTAL ENDOWMENT (Fiscal Year Q2 2018)****Texas Tech University System  
Endowment Breakout  
by Institution****Texas Tech University System  
Endowment Breakout  
by Pool****Summary of Endowment**

	TTU	TTU System	TTU HSC	TTU HSC EP	Carr Foundation	ASU	ASU Foundation	Total
LTIF	\$716,158,061	\$1,228,453	\$156,053,157	\$103,048,222	\$133,656,560	\$17,949,499	\$16,548,868	\$1,144,642,820
STIF	\$3,575,886	\$24	\$2,687,095	\$98,729	\$0	\$393,469	\$0	\$6,755,202
Non-Cash	\$4,319,603	\$0	\$1,337,360	\$0	\$8,663,166	\$0	\$0	\$14,320,130
Funds Held in Trust	\$38,695,154	\$0	\$64,821,089	\$33,903,341	\$0	\$0	\$0	\$137,419,584
Other	\$0	\$0	\$0	\$0	\$0	\$138	\$0	\$138
<b>Total</b>	<b>\$762,748,705</b>	<b>\$1,228,477</b>	<b>\$224,898,701</b>	<b>\$137,050,291</b>	<b>\$142,319,726</b>	<b>\$18,343,106</b>	<b>\$16,548,868</b>	<b>\$1,303,137,874</b>

**LTIF Liquidity****LTIF Liquidity**

LTIF		Liquidity
Daily	\$197,411,798	16.3%
Monthly	\$153,811,646	12.7%
Quarterly	\$450,534,901	37.2%
Annual	\$21,800,076	1.8%
2-Year	\$0	0.0%
Non-Liquid	\$387,556,904	32.0%
<b>Total LTIF</b>	<b>\$1,211,115,325</b>	<b>100%</b>

**Liquidity Sensitivity**

	<u>Commitment</u>	<u>Capital Called</u>	<u>Distributions</u>	<u>Account Balance</u>	<u>Remaining Commitment</u>
Private Equity	\$238,660,000	\$160,302,391	\$66,544,241	\$129,310,234	\$78,357,609
Private Credit	\$193,325,000	\$132,805,714	\$47,946,328	\$129,059,137	\$60,519,286
Private Real Assets	\$262,663,450	\$234,928,621	\$208,901,461	\$120,338,891	\$27,734,829
<b>Total Illiquid Assets</b>	<b>\$694,648,450</b>	<b>\$528,036,726</b>	<b>\$323,392,030</b>	<b>\$378,708,262</b>	<b>\$166,611,724</b>

**Annual Spending** \$61,000,000  
**Total Committed Funds** \$227,611,724

**Unfunded Commitments - Sensitivity Analysis**

Maximum Remaining Annual Cash Needed  
 Percentage of Daily & Monthly Liquidity

<u>25% Called</u>	<u>Most Likely 50% Called</u>	<u>75% Called</u>	<u>100% Called</u>
\$102,652,931	\$144,305,862	\$185,958,793	\$227,611,724
29%	41%	53%	65%

## Market Data

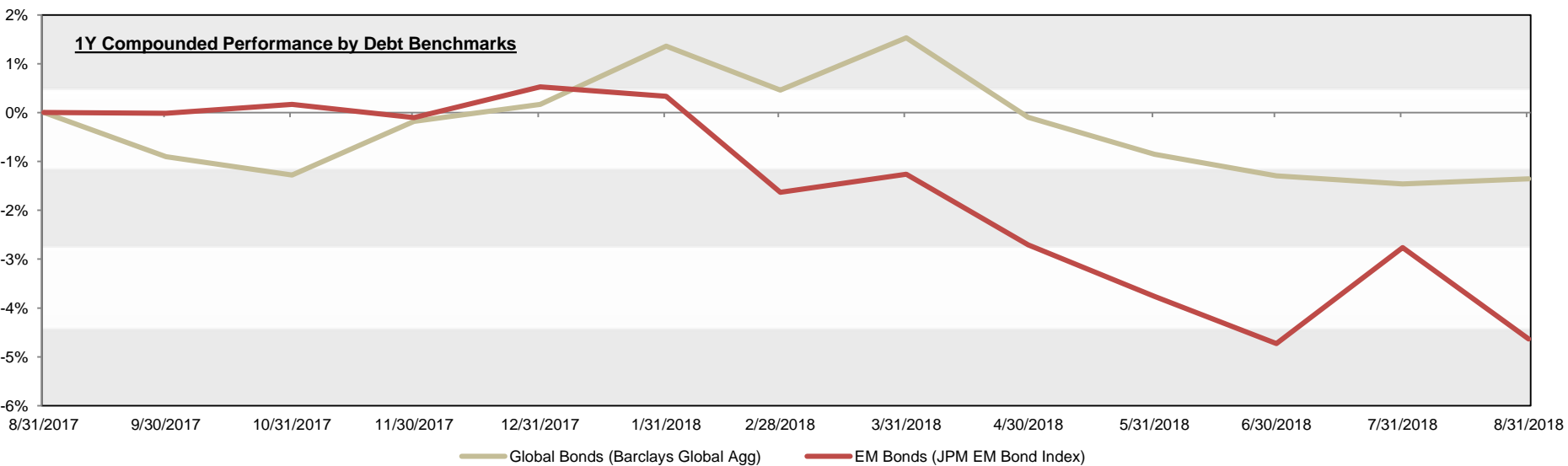
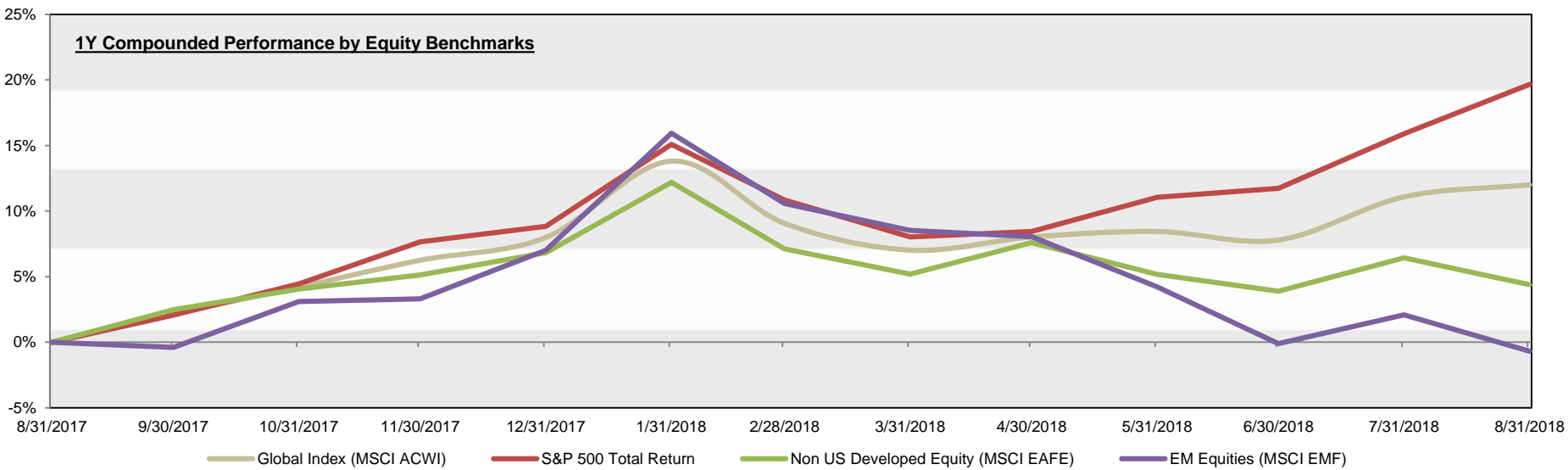
Benchmarks	Underlying	Weight	MTD Perf.	QTD Perf.	Calendar YTD	Fiscal YTD	Nacubo YTD	1 Year Perf.	3 Year Perf.	5 Year Perf.
<b>Policy Benchmarks</b>			<b>0.34%</b>	<b>1.20%</b>	<b>3.05%</b>	<b>8.08%</b>	<b>1.20%</b>	<b>8.08%</b>	<b>8.52%</b>	<b>7.99%</b>
Equity	Global Index (MSCI ACWI with USA Gross)	30%	0.83%	3.90%	3.72%	12.00%	3.90%	12.00%	12.08%	9.84%
Debt	Global Bonds (Barclays Global Agg)	25%	0.10%	-0.06%	-1.52%	-1.36%	-0.06%	-1.36%	2.44%	1.34%
Diversifying Assets	HFRX Global Hedge Fund	15%	0.45%	0.30%	-0.55%	1.54%	0.30%	1.54%	4.33%	4.28%
Private Investments	Private Market Benchmark	30%	0.00%	0.00%	7.88%	15.60%	0.00%	15.60%	11.75%	12.80%
<b>Other Benchmarks</b>										
Equity	S&P 500 Total Return		3.26%	7.10%	9.94%	19.66%	7.10%	19.66%	16.11%	14.52%
Equity	Non US Developed Equity (MSCI EAFE)		-1.93%	0.48%	-2.28%	4.39%	0.48%	4.39%	7.04%	5.73%
Equity	EM Equities (MSCI EMF)		-2.70%	-0.57%	-7.18%	-0.68%	-0.57%	-0.68%	11.42%	5.04%
Debt	EM Bonds (JPM EM Bond Index)		-1.92%	0.10%	-5.14%	-4.63%	0.10%	-4.63%	4.60%	4.81%
Cash & Alpha Pool	90 Day T-Bills		0.17%	0.34%	1.21%	1.61%	0.34%	1.61%	0.84%	0.52%
Hedge Funds	HFR1 FOF Composite		0.32%	0.57%	1.25%	3.80%	0.57%	3.80%	2.75%	3.51%
Private Investments	Private Market Benchmark		0.00%	0.00%	7.88%	15.60%	0.00%	15.60%	11.75%	12.80%

### CIO NOTES:

Non-US equities declined in August amid escalating trade tensions between the US and its major trading partners, a currency crisis in Turkey, and uncertainty in Italy. A spate of positive macroeconomic data was unable to lift the MSCI Europe Index, which fell 2.8% last month. Emerging market equities also ended lower, losing 2.7%, according to the MSCI Emerging Markets Index. Meanwhile, US stocks held firm with the S&P 500 Index gaining 3.3%, as robust GDP growth in the second quarter overshadowed trade disputes and macroeconomic worries.

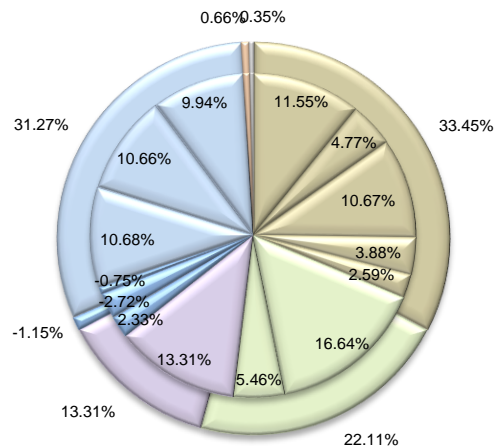
Within fixed income, geopolitical turmoil pushed safe-haven debt higher with the 10-year US Treasury yield falling 10 basis points to 2.86% and the 10-year German bund yield declining 12 basis points to 0.33%. Credit spreads were modestly wider across the board with emerging markets bearing the brunt, declining 1.7%, according to the JPM Emerging Market Bond Index; local emerging market debt fared worse with the JPM GBI-EM Global Diversified Index falling 6.1% as Turkey's currency travails and US dollar strength impacted returns.

In real assets, the Bloomberg Commodity Index declined 1.8% as the trade dispute between the US and China weighed on the agriculture sub-index, which fell 6.0% in August. Meanwhile, master limited partnerships (MLPs) continued their run, ending the month up 1.6% with year-to-date gains totaling 7.6%.

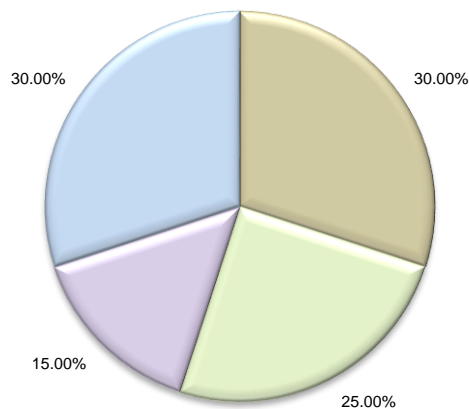
**Market Data (cont.)**

## Asset Class Allocation: Actual vs. Target

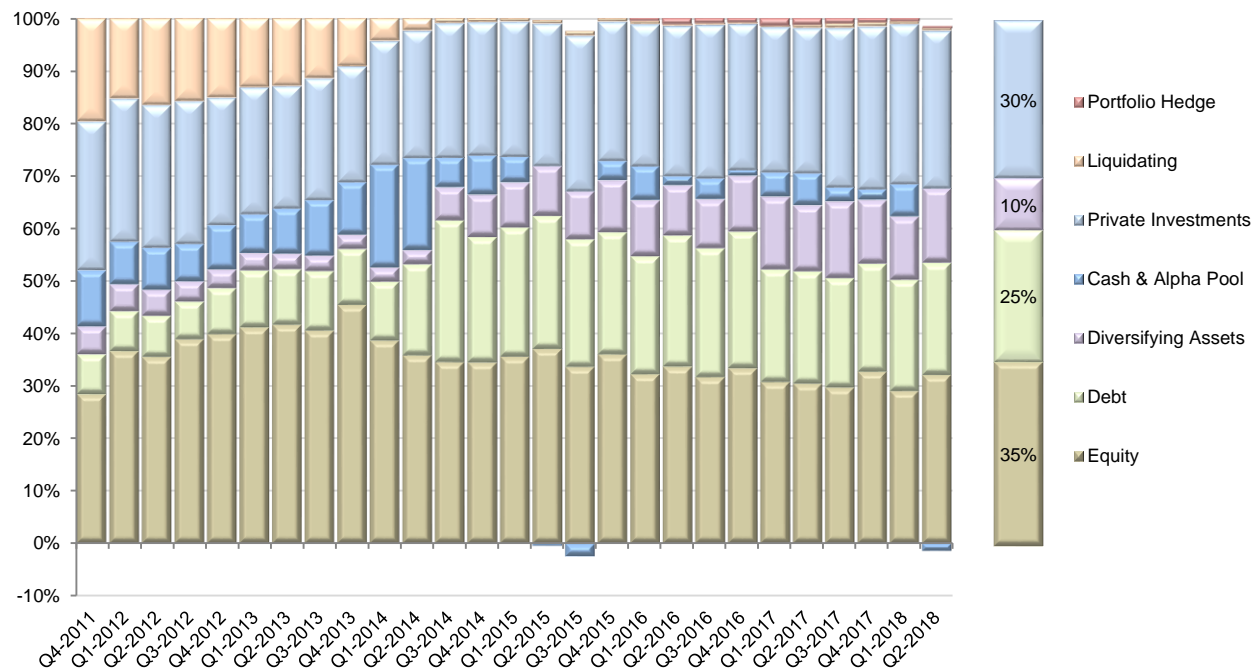
### Actual Allocation



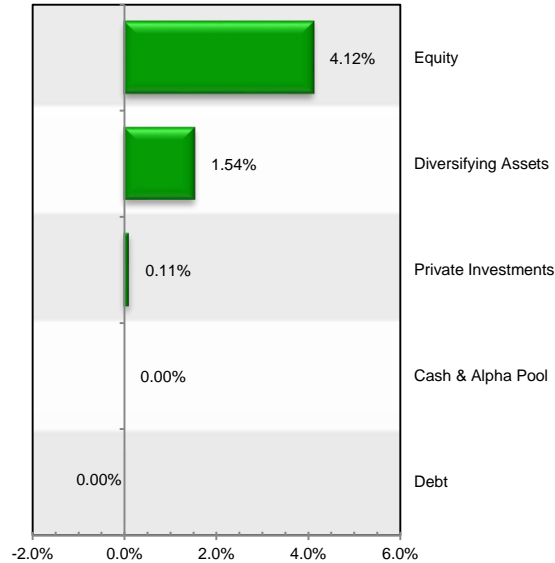
### Target Allocation



Asset Class	Actual \$ Allocation			Total % Allocation	Target % Allocation	Target Range
	Physical	Synthetic	Total			
Equity	105,865,659	299,209,207	405,074,866	33.45%	30%	30% - 40%
Debt	267,728,292	0	267,728,292	22.11%	25%	20% - 30%
Diversifying Assets	113,494,861	47,680,770	161,175,632	13.31%	15%	5% - 15%
Cash & Alpha Pool	337,194,453	-351,063,634	-13,869,181	-1.15%	0%	0% - 10%
Private Investments	378,708,262	0	378,708,262	31.27%	30%	10% - 55%
Liquidating	8,043,036	0	8,043,036	0.66%	0%	
Portfolio Hedge	80,762	4,173,656	4,254,418	0.35%	0%	
Total	1,211,115,325	0	1,211,115,325	100%	100%	

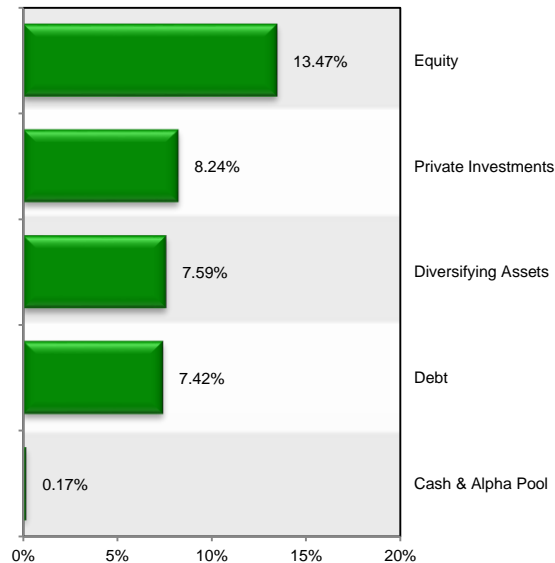




**Asset Class Performance: Actual vs. Policy****QTD Performance**

Asset Class	Month				
	Physical Return	Synthetic Overlay	Alpha Pool + Cash	Total Return	Policy
Equity	1.29%	0.74%	-0.08%	0.94%	0.83%
Debt	-0.51%			-0.51%	0.10%
Diversifying Assets	-0.10%	2.01%	-0.08%	0.52%	0.45%
Cash & Alpha Pool	0.00%			0.00%	
Private Investments	0.00%			0.00%	0.00%
Portfolio Hedge Contr.				0.05%	
Total	0.02%	0.89%	-0.08%	0.34%	0.34%

Asset Class	QTD				
	Physical Return	Synthetic Overlay	Alpha Pool + Cash	Total Return	Policy
Equity	3.25%	3.61%	0.50%	4.12%	3.90%
Debt	0.00%			0.00%	-0.06%
Diversifying Assets	0.80%	2.72%	0.50%	1.54%	0.30%
Cash & Alpha Pool	0.00%			0.00%	
Private Investments	0.11%			0.11%	0.00%
Portfolio Hedge Contr.				-0.02%	
Total	0.60%	3.46%	0.50%	1.59%	1.20%

**One Year Performance**

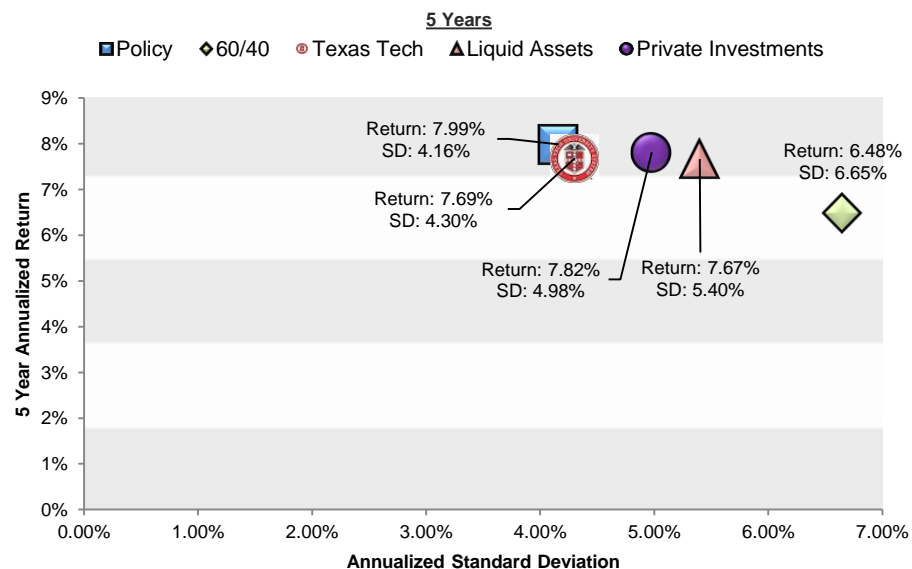
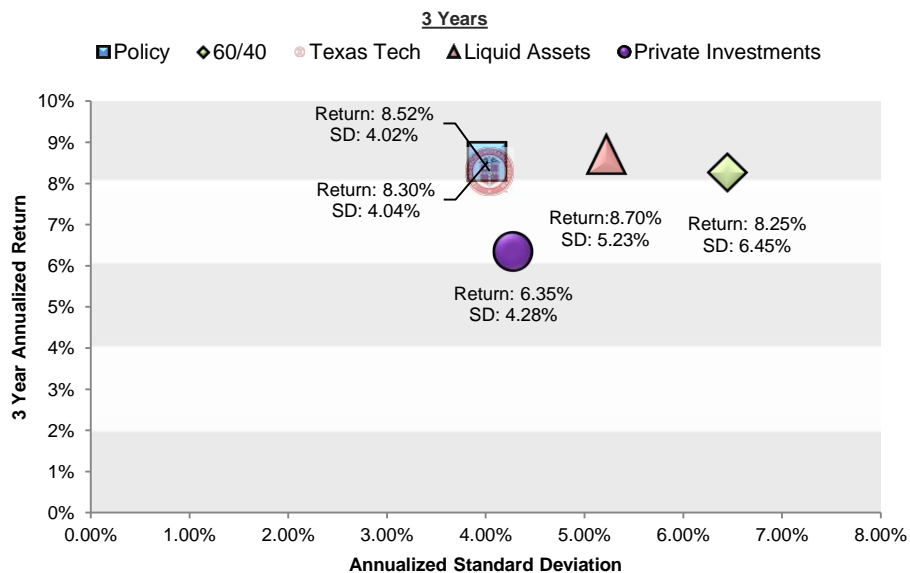
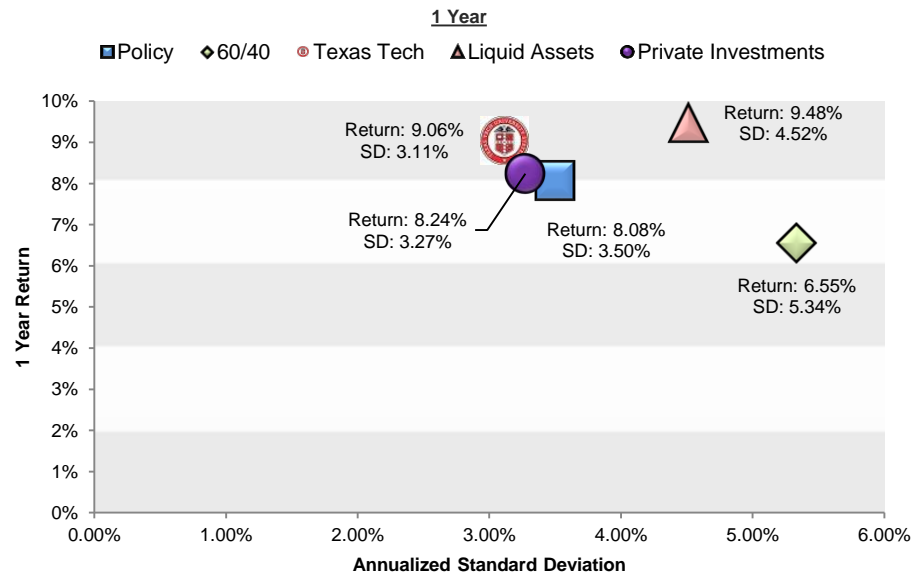
Asset Class	Calendar YTD				
	Physical Return	Synthetic Overlay	Alpha Pool + Cash	Total Return	Policy
Equity	3.66%	1.97%	2.51%	4.15%	3.72%
Debt	6.81%			6.81%	-1.52%
Diversifying Assets	5.31%	-0.13%	2.51%	4.60%	-0.55%
Cash & Alpha Pool	0.10%			0.10%	
Private Investments	3.70%			3.70%	7.88%
Portfolio Hedge Contr.				0.09%	
Total	4.50%	1.53%	2.51%	4.45%	3.05%

Asset Class	1 Year				
	Physical Return	Synthetic Overlay	Alpha Pool + Cash	Total Return	Policy
Equity	11.58%	9.75%	4.62%	13.47%	12.00%
Debt	7.42%			7.42%	-1.36%
Diversifying Assets	8.13%	1.12%	4.62%	7.59%	1.54%
Cash & Alpha Pool	0.17%			0.17%	
Private Investments	8.24%			8.24%	15.60%
Portfolio Hedge Contr.				-0.16%	
Total	7.94%	7.88%	4.62%	9.06%	8.08%

## Long Term Risk/Return of Endowment vs. 60/40 Portfolio & Policy Returns

### Commentary

- The Texas Tech portfolio is less volatile than the 60/40 portfolio over all time horizons.
- The Texas Tech portfolio outperforms the 60/40 portfolio over all time horizons.
- Volatility (measured by standard deviation) on the Texas Tech portfolio has decreased over the past 12 months compared with the annualized 5 year volatility.

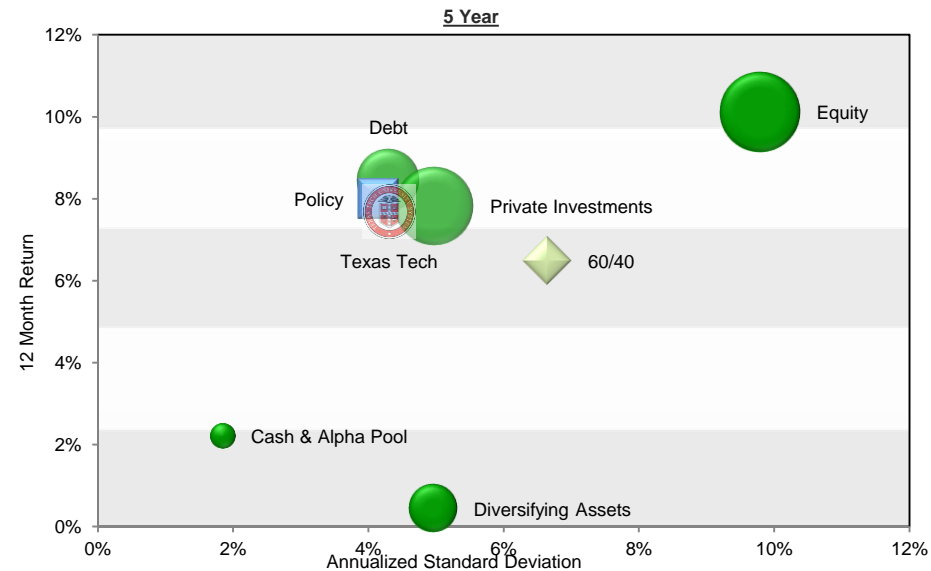
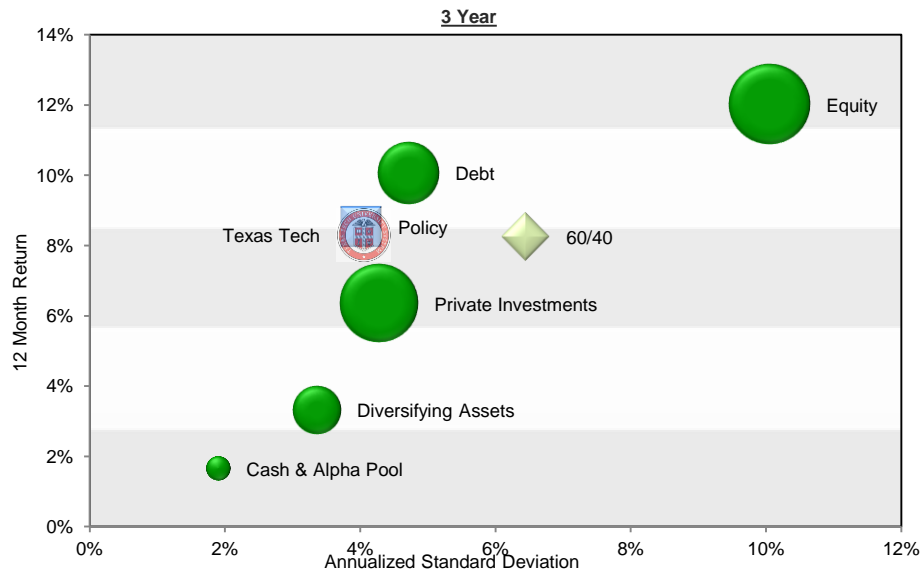
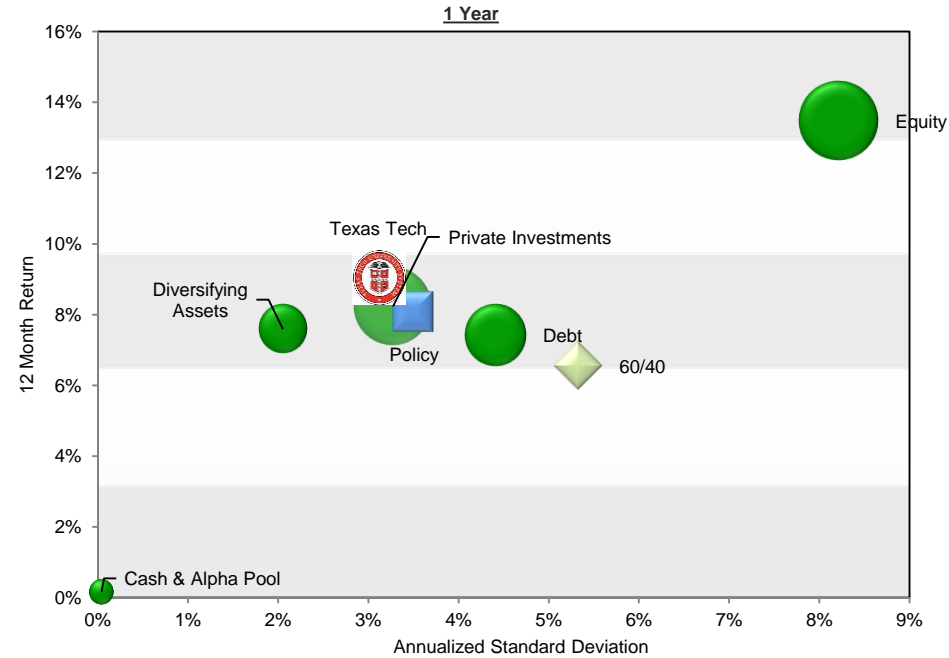




## Risk Profile\*

### Commentary

- Diversifying Assets and Private Investments have provided the highest risk adjusted returns over the last 12 months
- Equity and Debt have generated the lowest risk adjusted returns over the last 12 months.



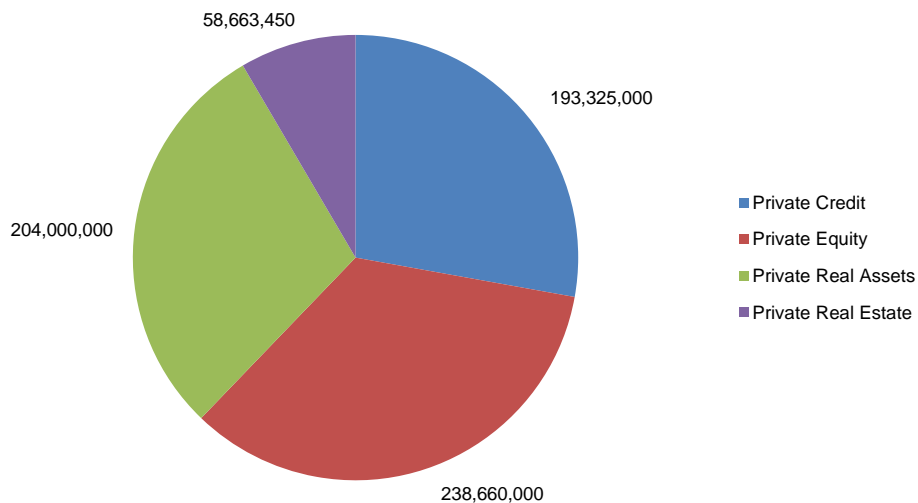
\*Excluding Liquidating investments.

## Appendix I – Sub-Asset Detail

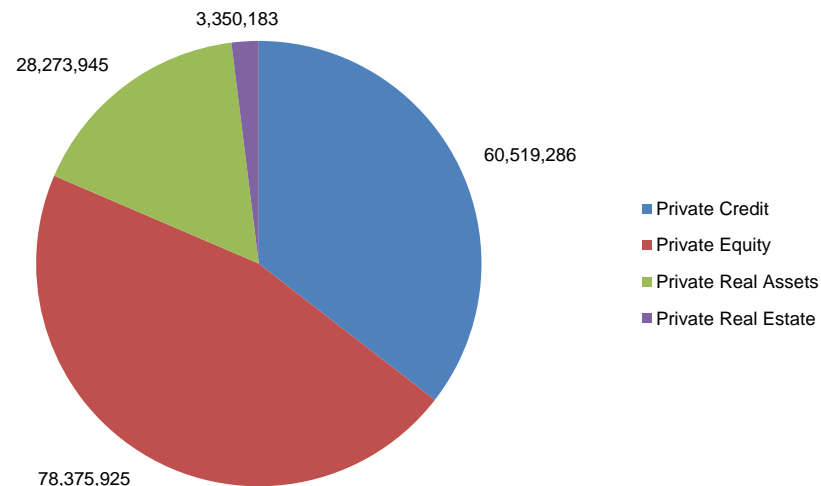
Fund	Current Exposure	MTD Perf.	QTD Perf.	Calendar YTD	Fiscal YTD	Nacubo YTD	1 Year Perf.	3 Year Perf.	5 Year Perf.
<b>TOTAL</b>	<b>1,211,115,325</b>	<b>0.34%</b>	<b>1.59%</b>	<b>4.45%</b>	<b>9.06%</b>	<b>1.59%</b>	<b>9.06%</b>	<b>8.30%</b>	<b>7.69%</b>
<b>Policy</b>		<b>0.34%</b>	<b>1.20%</b>	<b>3.05%</b>	<b>8.08%</b>	<b>1.20%</b>	<b>8.08%</b>	<b>8.52%</b>	<b>7.99%</b>
<b>Portfolio Hedge Contribution</b>	<b>4,254,418</b>	<b>0.05%</b>	<b>-0.02%</b>	<b>0.09%</b>	<b>-0.16%</b>	<b>-0.02%</b>	<b>-0.16%</b>	<b>n/a</b>	<b>n/a</b>
<b>Equity</b>	<b>405,074,866</b>	<b>0.94%</b>	<b>4.12%</b>	<b>4.15%</b>	<b>13.47%</b>	<b>4.12%</b>	<b>13.47%</b>	<b>12.02%</b>	<b>10.11%</b>
<i>Equity Policy Benchmark (MSCI ACWI with USA Gross)</i>		<b>0.83%</b>	<b>3.90%</b>	<b>3.72%</b>	<b>12.00%</b>	<b>3.90%</b>	<b>12.00%</b>	<b>12.08%</b>	<b>9.84%</b>
<b>US Equity</b>	139,861,993	4.06%	8.80%	10.04%	21.80%	8.80%	21.80%	18.59%	14.49%
<i>Benchmark: S&amp;P 500 Total Return</i>		3.26%	7.10%	9.94%	19.66%	7.10%	19.66%	16.11%	14.52%
<b>Global Equity</b>	57,716,237	1.84%	5.07%	8.76%	13.17%	5.07%	13.17%	11.02%	11.97%
<i>Benchmark: MSCI ACWI with USA Gross</i>		0.83%	3.90%	3.72%	12.00%	3.90%	12.00%	12.08%	9.84%
<b>Non US Developed Equity</b>	129,222,063	-2.00%	0.13%	-0.48%	7.10%	0.13%	7.10%	8.24%	6.22%
<i>Benchmark: MSCI EAFE (Net)</i>		-1.93%	0.48%	-2.28%	4.39%	0.48%	4.39%	7.04%	5.73%
<b>Non US Emerging Markets Equity</b>	46,942,831	-1.30%	1.51%	-4.72%	5.14%	1.51%	5.14%	17.53%	9.98%
<i>Benchmark: MSCI EMF (Net)</i>		-2.70%	-0.57%	-7.18%	-0.68%	-0.57%	-0.68%	11.42%	5.04%
<b>Alternative Equity</b>	31,331,743	2.14%	2.48%	3.86%	14.11%	2.48%	14.11%	10.08%	8.20%
<i>Benchmark: MSCI ACWI with USA Gross</i>		0.83%	3.90%	3.72%	12.00%	3.90%	12.00%	12.08%	9.84%
<b>Debt</b>	<b>267,728,292</b>	<b>-0.51%</b>	<b>0.00%</b>	<b>6.81%</b>	<b>7.42%</b>	<b>0.00%</b>	<b>7.42%</b>	<b>10.05%</b>	<b>8.46%</b>
<i>Debt Policy Benchmark (Barclays Global Agg)</i>		<b>0.83%</b>	<b>3.90%</b>	<b>3.72%</b>	<b>12.00%</b>	<b>3.90%</b>	<b>12.00%</b>	<b>12.08%</b>	<b>9.84%</b>
<b>Sovereign/Investment Grade Bonds</b>	-	n/a	n/a	n/a	n/a	n/a	n/a	2.96%	3.87%
<i>Benchmark: Barclays Global Aggregate</i>		0.10%	-0.06%	-1.52%	-1.36%	-0.06%	-1.36%	2.44%	1.34%
<b>Credit</b>	201,584,453	0.13%	0.71%	11.37%	12.72%	0.71%	12.72%	11.58%	8.95%
<i>Benchmark: Barclays Global Aggregate</i>		0.10%	-0.06%	-1.52%	-1.36%	-0.06%	-1.36%	2.44%	1.34%
<b>Emerging Markets Debt</b>	66,143,839	-2.46%	-2.18%	-6.06%	-7.12%	-2.18%	-7.12%	8.82%	7.38%
<i>Benchmark: JP Morgan EM Bond Index</i>		-1.92%	0.10%	-5.14%	-4.63%	0.10%	-4.63%	4.60%	4.81%
<b>Diversifying Assets</b>	<b>161,175,632</b>	<b>0.52%</b>	<b>1.54%</b>	<b>4.60%</b>	<b>7.59%</b>	<b>1.54%</b>	<b>7.59%</b>	<b>3.32%</b>	<b>0.44%</b>
<i>Benchmark: HFRXGL Index</i>		0.45%	0.30%	-0.55%	1.54%	0.30%	1.54%	4.33%	4.28%
<b>Alpha Pool &amp; Collateral</b>	<b>(35,202,995)</b>	<b>-0.10%</b>	<b>0.52%</b>	<b>2.45%</b>	<b>4.32%</b>	<b>0.52%</b>	<b>4.32%</b>	<b>1.65%</b>	<b>2.21%</b>
<b>Cash Collateral</b>	68,473,908	0.15%	0.30%	0.88%	1.12%	0.30%	1.12%	0.51%	n/a
<b>Collateral Held Elsewhere</b>	10,040,030	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	n/a	n/a
<b>Adjustments for Synthetic Exposure</b>	(351,063,634)								
<b>Alpha Pool</b>	237,346,700	-0.17%	0.58%	2.94%	5.41%	0.58%	5.41%	4.36%	4.75%
<i>Benchmark: HFRI FOF Index</i>		0.32%	0.57%	1.25%	3.80%	0.57%	3.80%	2.75%	3.51%
<b>Cash</b>	<b>21,333,815</b>	<b>0.15%</b>	<b>0.34%</b>	<b>0.99%</b>	<b>1.68%</b>	<b>0.34%</b>	<b>1.68%</b>	<b>0.82%</b>	<b>0.50%</b>
<b>Liquidating</b>	<b>8,043,036</b>	<b>3.97%</b>	<b>1.38%</b>	<b>-5.74%</b>	<b>-14.08%</b>	<b>1.38%</b>	<b>-14.08%</b>	<b>33.13%</b>	<b>24.43%</b>
<b>Private Investments</b>	<b>378,708,262</b>	<b>0.00%</b>	<b>0.11%</b>	<b>3.70%</b>	<b>8.24%</b>	<b>0.11%</b>	<b>8.24%</b>	<b>6.35%</b>	<b>7.82%</b>
<i>Benchmark: Private Market Composite</i>		0.00%	2.85%	7.88%	15.60%	0.00%	15.60%	11.75%	12.80%
<b>Private Equity</b>	129,310,234	0.05%	-0.15%	3.45%	6.60%	-0.15%	6.60%	3.98%	7.38%
<b>Private Credit</b>	129,059,137	0.02%	0.20%	6.14%	9.74%	0.20%	9.74%	7.22%	7.85%
<b>Private Diversifying Assets</b>	120,338,891	-0.08%	0.28%	1.81%	8.35%	0.28%	8.35%	6.94%	7.76%

**Appendix VII - Private Markets Report (as of August 2018) - Total Commitment**

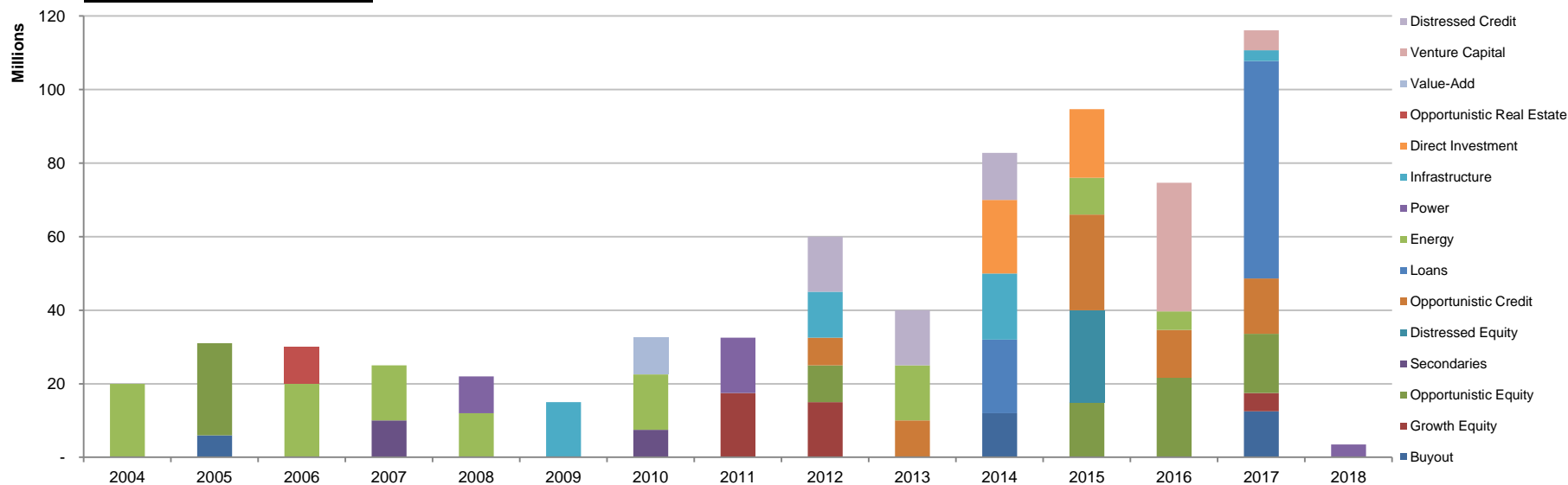
**Total Commitment**



**Total Unfunded**



**Commitment by Vintage Year**



Data provided by Texas Tech University System  
 Reported valuations use latest available statements ranging from March 2018 to August 2018  
 Adjusted Valuations include all cashflows through August 2018

## Appendix VII - Private Markets Report (as of August 2018) - Performance Analysis by Asset Class & Strategy Type

### Performance by Asset Class

Asset Class	# of Funds	Commitment	Funded	Paid-In Capital	Distributions	% Drawn	Reported Valuation	Adjusted Valuation	IRR	TVPI
Private Equity	19	\$238,660,000	\$160,302,391	\$165,790,615	\$66,544,241	69%	\$121,602,302	\$126,610,972	4.94%	1.17
Private Credit	15	\$193,325,000	\$132,805,714	\$137,634,893	\$47,946,328	71%	\$106,887,082	\$114,475,232	6.52%	1.18
Private Real Assets	16	\$204,000,000	\$177,664,130	\$193,659,149	\$187,976,784	95%	\$75,624,020	\$76,401,838	14.31%	1.38
Private Real Estate	4	\$58,663,450	\$57,264,491	\$59,248,622	\$20,924,677	101%	\$46,361,439	\$45,175,449	2.81%	1.12
<b>Total</b>	<b>54</b>	<b>\$694,648,450</b>	<b>\$528,036,726</b>	<b>\$556,333,279</b>	<b>\$323,392,030</b>	<b>80%</b>	<b>\$350,474,843</b>	<b>\$362,663,491</b>	<b>8.06%</b>	<b>1.24</b>

### Performance by Strategy Type

Asset Class	Strategy	# of Funds	Commitment	Funded	Paid-In Capital	Distributions	% Drawn	Reported Valuation	Adjusted Valuation	IRR	TVPI
Private Equity	Buyout	3	\$30,500,000	\$24,792,185	\$25,698,964	\$9,304,163	84%	\$20,599,789	\$20,599,789	7.11%	1.16
	Distressed Equity	1	\$25,000,000	\$5,649,992	\$5,774,992	\$1,162,372	23%	\$5,715,329	\$5,715,329	10.24%	1.19
	Growth Equity	3	\$37,500,000	\$27,369,441	\$31,013,310	\$6,975,240	83%	\$29,545,370	\$30,129,712	6.33%	1.20
	Opportunistic Equity	7	\$87,760,000	\$68,655,882	\$68,382,223	\$35,055,713	78%	\$44,407,531	\$45,745,950	4.50%	1.18
	Secondaries	2	\$17,500,000	\$16,406,432	\$17,102,042	\$13,944,445	98%	\$5,305,430	\$5,305,430	2.59%	1.13
	Venture Capital	3	\$40,400,000	\$17,428,459	\$17,819,084	\$102,308	44%	\$16,028,853	\$19,114,762	7.24%	1.08
	<b>Total</b>	<b>19</b>	<b>\$238,660,000</b>	<b>\$160,302,391</b>	<b>\$165,790,615</b>	<b>\$66,544,241</b>	<b>69%</b>	<b>\$121,602,302</b>	<b>\$126,610,972</b>	<b>4.94%</b>	<b>1.17</b>
Private Credit	Distressed Credit	3	\$42,750,000	\$40,119,345	\$40,248,413	\$23,206,609	94%	\$22,836,397	\$22,836,397	3.84%	1.14
	Loans	6	\$79,075,000	\$52,751,742	\$53,353,169	\$11,863,853	67%	\$45,345,108	\$52,236,261	9.54%	1.20
	Opportunistic Credit	6	\$71,500,000	\$39,934,627	\$44,033,311	\$12,875,866	62%	\$38,705,577	\$39,402,574	7.28%	1.19
	<b>Total</b>	<b>15</b>	<b>\$193,325,000</b>	<b>\$132,805,714</b>	<b>\$137,634,893</b>	<b>\$47,946,328</b>	<b>71%</b>	<b>\$106,887,082</b>	<b>\$114,475,232</b>	<b>6.52%</b>	<b>1.18</b>
Private Real Assets	Energy	8	\$112,000,000	\$108,178,737	\$114,335,444	\$118,389,295	102%	\$34,944,736	\$34,909,332	13.84%	1.36
	Infrastructure	4	\$48,500,000	\$41,144,621	\$50,044,641	\$57,741,018	103%	\$20,975,032	\$23,054,742	29.46%	1.61
	Power	3	\$28,500,000	\$25,408,008	\$26,323,136	\$11,722,211	92%	\$16,729,265	\$15,462,777	0.93%	1.03
	Opportunistic Real Assets	1	\$15,000,000	\$2,932,764	\$2,955,928	\$124,260	20%	\$2,974,987	\$2,974,987	0.00%	0.00
	<b>Total</b>	<b>16</b>	<b>\$204,000,000</b>	<b>\$177,664,130</b>	<b>\$193,659,149</b>	<b>\$187,976,784</b>	<b>95%</b>	<b>\$75,624,020</b>	<b>\$76,401,838</b>	<b>14.31%</b>	<b>1.38</b>
Private Real Estate	Direct Investment	2	\$38,663,450	\$39,709,817	\$41,637,448	\$13,153,405	108%	\$35,623,508	\$35,187,518	6.01%	1.16
	Opportunistic Real Estate	1	\$10,000,000	\$10,000,000	\$10,000,000	\$0	100%	\$3,580,790	\$3,580,790	-11.13%	0.36
	Value-Add	1	\$10,000,000	\$7,554,674	\$7,611,174	\$7,771,272	76%	\$7,157,141	\$6,407,141	12.47%	1.86
	<b>Total</b>	<b>4</b>	<b>\$58,663,450</b>	<b>\$57,264,491</b>	<b>\$59,248,622</b>	<b>\$20,924,677</b>	<b>101%</b>	<b>\$46,361,439</b>	<b>\$45,175,449</b>	<b>2.81%</b>	<b>1.12</b>

## **Appendix III – Glossary**

### **Major Asset Classes**

Alpha Pool: Investments that tend to be uncorrelated with “traditional” stock and bond investments. Not technically an asset class, but rather an investment construct within a \*portable alpha framework

Cash & Equivalents: Cash and short term investments held in lieu of cash and readily converted into cash within a short time span (i.e., CDs, commercial paper, Treasury bills, etc.)

Global Debt: Investments in debt instruments located in developed markets, may include various credit, mortgage-backed and emerging markets debt securities

Global Equity: Investments in companies domiciled in developed market countries and may include opportunistic investments in emerging market countries

Liquidating: The residual investment in terminated managers

Liquid Real Assets: Liquid investments in strategies whose values are sensitive to inflation

Private Equity: Investments in equity securities and debt in operating companies that are not publicly traded on a stock exchange

Private Real Assets: Investments in equity securities and debt in operating companies that are not publicly traded on a stock exchange and whose strategies are sensitive to inflation

### **Sub-Asset Classes**

Alternative Equity: Investments in companies globally through both long and short positions and may include non-equity instruments such as fixed income, commodities, CDS, options, etc.

Credit: Investments in companies, often stressed or distressed, principally through the debt portion of capital structure

Emerging Market Debt: Investments in debt securities in emerging market countries, primarily in three categories - external sovereign, local sovereign, and corporate debt

Emerging Market Equity: Investments in companies located in emerging market countries

Investment Grade Bonds: Investments in investment grade rated debt securities

Non-US Developed Equity: Investments in companies domiciled in developed market countries

US Equity: Investments in companies domiciled in the US