



TEXAS TECH UNIVERSITY SYSTEM ENDOWMENT FUND

1st Quarter—November 30, 2017

Fiscal Year 2018

Market Overview

Global equities racked up fresh gains in October amid positive economic signals across the globe. At home, the S&P 500 Index was up as unemployment fell to 4.2%, the lowest it's been since 2001, and third-quarter GDP estimates exceeded expectations at 3.0%.

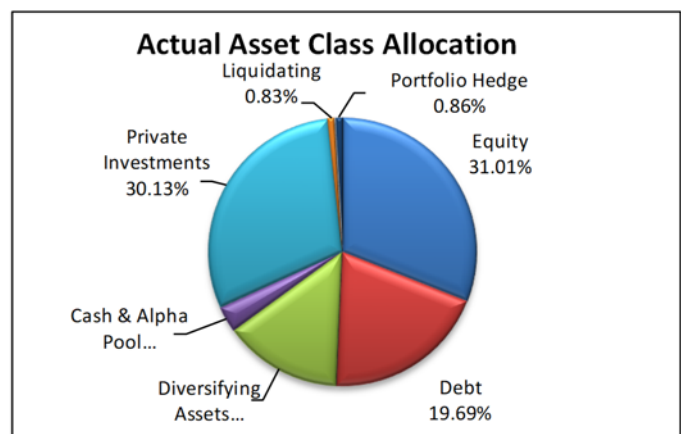
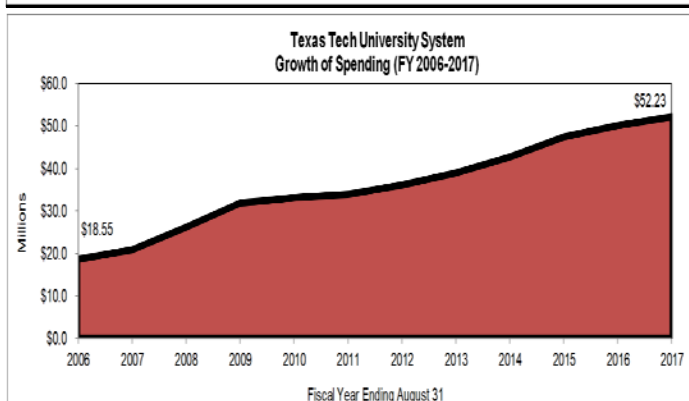
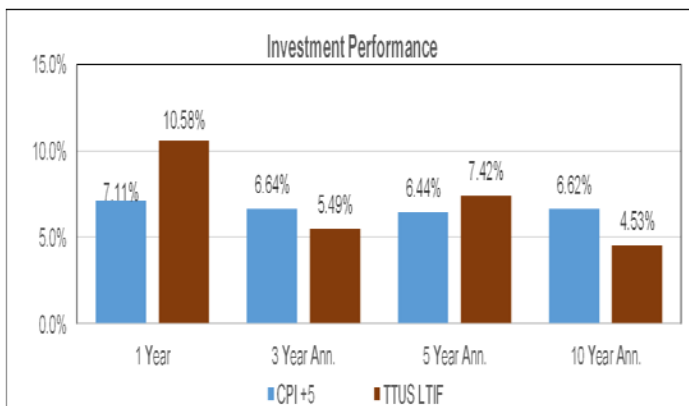
Outside the US, the MSCI EAFE Index was up, driven by a rally in Japan. The euro, yen and pound weakened against the US dollar, limiting gains for unhedged investors.

The 10-year Treasury yield rose five basis points to 2.38% in October as US credit spreads modestly compressed, leading to mixed results across the domestic fixed-income spectrum. Global sovereign yields inched up. In emerging markets, weakening currencies in Brazil, Russia and Mexico eroded fixed-income returns, with the JP Morgan GBI-EM Index falling.

For the Month of November:

- S&P 500 returned 3.07%
- MSCI EAFE Index returned 1.05%
- MSCI EM (Emerging Markets) returned 0.2%.
- Barclays US Aggregate Bond Index returned 1.1%
- Barclays High Yield Index returned (0.26)%
- JP Morgan GBI-EM index returned (0.27)%

Endowment Valuation: \$1.149 billion



Commentary:

- Each year, since inception, the LTIF has met the 4.5% spending requirement.
- Each year, there has been a real increase in dollars spent due to growth of the LTIF through investment earnings and donor contributions.
- \$476 million distributed over last 15 years.
- \$50.2 million was distributed in Fiscal Year 2016
- \$52.2 million was distributed in Fiscal Year 2017