



Texas Tech University System

SHORT/INTERMEDIATE TERM INVESTMENT FUND

QUARTERLY REPORT - FEBRUARY 28, 2017

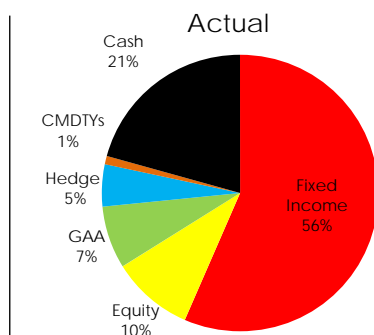
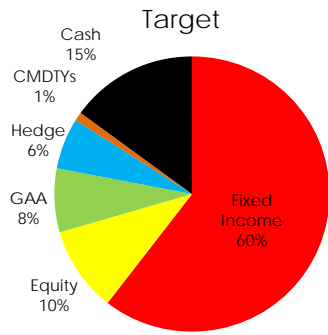
FUND PERFORMANCE	3-month	Fiscal YTD	1-year	Inception (Feb 2012)
Short/Intermediate Term Investment Fund (SITIF) Return	1.8 %	1.1 %	4.6 %	1.6 %
Index	1.6	0.8	4.0	1.6

MARKET OVERVIEW

Global equities rallied in February as international stocks got a boost from positive economic data and domestic equities were bolstered by expectations of corporate tax reform and deregulation. The S&P 500 returned 4.0% as major US indices hit record highs following President Trump's address to a joint session of Congress as investors interpreted a more measured approach from the administration. The MSCI EAFE Index returned 1.4% as a depreciating euro moderated gains but European companies benefited from upward earnings revisions. The MSCI EM Index gained 3.1% last month amid broad currency appreciation and a rally in Indian equity markets as they continued to recover from a late 2016 sell-off induced by the Modi administration's demonetization program.

Despite the market pricing in an increased probability of a Fed rate hike in March, yields across the Treasury curve fell slightly in February – providing a tailwind to US fixed-income assets. The Barclays US Aggregate Bond Index returned 0.7% and the Barclays Long Treasury Index was up 1.6% on the month. Credit markets continued to rally with the Barclays High Yield Index earning 1.5% as spreads tightened. Global issues were also positive in February, supported by falling German bund yields. The JP Morgan GBI-EM Global Diversified Index gained 1.8% aided by appreciating emerging market currencies, led by the Mexican peso.

ASSET ALLOCATION



FUND ADMINISTRATION

As of February 28, 2017, the balance of the SITIF for Texas Tech University System was \$1.2 billion. During the 2nd fiscal quarter, it had net inflows of \$80 million.

All System non-endowment funds comprise the SITIF. It is invested according to its Board-approved Investment Policy, found [here](#).

Payout is distributed back to member institutions on a monthly basis. For the current quarter, those distributions totaled **\$4.2 million**. For the 12 months ended as of this report, the payout was **1.4%**.

POOL PERFORMANCE

	Market Value	Quarter	Fiscal YTD	1-year	Inception (Feb 2012)
Cash Pool	\$ 191,674,704	0.1 %	0.1 %	0.2 %	0.1 %
Index: Barclays 1-3 Month T-Bill		0.1	0.2	0.3	0.1
Depository Accounts	\$ 126,778,665				
Government Investment Pools	54,738,818				
Money Market Funds	10,157,221				
Short Term Pool	\$ 442,038,966	0.3 %	(0.2) %	0.2 %	0.4 %
Index: Barclays 1-3 Year T-Bill		0.3	(0.1)	0.4	0.6
Agencies	\$ 286,660,030				
Treasuries	155,258,844				
Money Market Funds	120,092				
Intermediate Term Pool	\$ 564,125,010	3.6 %	2.4 %	10.3 %	3.8 %
Index: Intermediate Allocation		3.3	1.6	8.9	3.5
Government Investment Pools	\$ 56,126,485				
Fixed Income	235,184,921				
Equity	114,782,441				
Global Asset Allocation (GAA)	87,570,664				
Hedge Fund/Alternatives	58,878,834				
Commodities (CMDTys)	11,581,665				
Total	\$ 1,197,838,680	1.8 %	1.1 %	4.6 %	1.6 %