Global equities snapped their winning streak amid a spike in volatility, resulting in a moderate correction early February. Investors’ concerns around rising wage inflation potentially leading to more aggressive rate hikes by the Fed and a larger projected government deficit interrupted the S&P 500’s golden run of 15 straight months of gains. However, the broader stories of stronger commodity prices and sustained economic growth led to overall positive gains for the quarter, with the S&P 500 coming in at 3%, and MSCI EAFE at 1.9%.

As expected, the Fed Funds rate was increased by 25 bps in December. The expectation of higher inflation increased 10-year & 30-year Treasuries up to 2.86% & 3.12%, respectively, but those increases weren't commensurate with the rise in short-term rates, leading to a flatter yield curve. All indices continued the negative returns seen since the summer, with the Barclays Gov't/Credit down (1.7%) and the Barclays Aggregate down (1.6%) for the quarter. Emerging market debt was also negative, with the JPMorgan EMBI at (1.5%).

As of February 28, 2018, the balance of the SITIF for Texas Tech University System was $1.35 billion. During the 2nd fiscal quarter, it had net outflows of $58 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 $5.6 million. For the 12 months ended as of this report, the payout was 1.6%.