

## Texas Tech University System

Comprehensive Cash Pool

QUARTERLY REPORT - February 28, 2021

PERFORMANCE	Market Value	Fiscal Quarter	Fiscal YTD	Trailing 1-year	Trailing 3-year	Trailing 5-year	Inception Feb 2012
Comprehensive Cash Pool	\$ 1,590,152,485	1.6 %	1.8 %	2.6 %	1.8 %	4.3 %	2.7 %
Index: Barclay's 1-3 Yr Gov/Credit USD		0.1	0.2	1.9	3.1	2.1	1.6
Index: Global 60/40		3.4	7.9	19.8	8.0	10.1	7.1
Blended 40% Barclay's, 60%	% Global 60/40	2.1	4.8	12.6	6.1	6.9	4.9

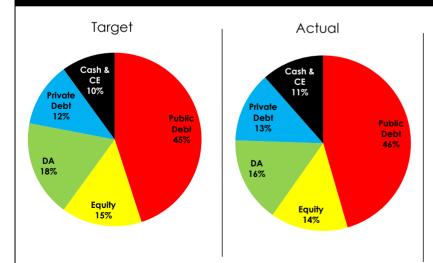
## MARKET OVERVIEW

Following the volatile month of January, U.S. equities got off to a strong start in February, bolstered by optimism around ongoing inoculations, improving COVID-19 trends, and the proposed stimulus plan. However, as the weeks progressed, continued upward pressure on interest rates negatively impacted stocks amid concerns around the potential implication for valuations. Despite the increase in yields, the S&P 500 Index rose 2.8% during the month; during this period, small-cap US equities outperformed, increasing 6.2%, as measured by the Russell 2000 Index. Outside the United States, the MSCI EAFE and MSCI Emerging Markets indexes posted gains of 2.2% and 0.8%, respectively, in February.

In fixed income, global yields moved higher as the market began pricing in higher growth and inflation expectations. In the U.S., the front-end of the curve remained relatively flat, while the belly and long-end of the yield curve moved notably higher. The curve steepening resulted in the widest spread between the 10- and 2-year yields since 2015. The 10- and 30-year yields increased 37 and 34 basis points, respectively, during the month. As such, rate-based indexes posted losses with the Barclays U.S. Treasury Index down 1.8% and the longer-dated Barclays Long Treasury Index falling 5.6% in February. In addition, spreads moved modestly lower in investment-grade credit. More significant spread tightening occurred in lower-quality securities with the option-adjusted spread on the Barclays U.S. Corporate High Yield Index tightening 36 basis points to 3.26%.

Within real assets, spot WTI crude oil extended its rally, increasing 17.9% in February; the rally reflects improving growth prospects and the impact of extreme weather in many areas of the U.S. Meanwhile, the broad Bloomberg Commodity Index was up 6.5%.

## **ASSET ALLOCATION**



## Policy Target Allocation Review

Policy Segments	Actual	Target
Cash & Contingency \$	717.6	
less payables	(63.0)	
C&C less payables 40% \$	654.6	\$ 610.8
Noncurrent 60%	872.3	916.1
Pool less payables 100% \$	1,526.9	\$ 1,526.9
C&C Segments Target All	ocation ,	\$ 43.8