Texas Tech University System

SHORT TERM INVESTMENT FUND

QUARTERLY REPORT - NOVEMBER 30, 2020

FUND PERFORMANCE

		Market Value	Quarter	1-year	3-year	5-year
Short Term Investment Fund Return	**$**	**705,644,585**	**0.03 %**	**2.38 %**	**1.85 %**	**1.31 %**
Index: STIF Allocation			0.02	2.05	2.99	2.99

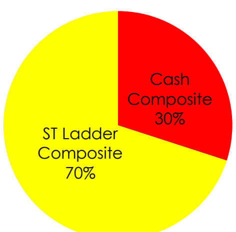
MARKET OVERVIEW

November was a momentous month as investors, emboldened by the results of the U.S. elections and the potential success of multiple COVID-19 vaccines, bid up equities. The twin prospects of a divided government resulting in the likelihood of a diminished agenda for President-elect Biden, and the imminent implementation and distribution of the coronavirus vaccines fueled gains of 10.9% for the S&P 500 Index; not to be outdone, the Russell 2000 Index returned 18.4% last month. Value stocks largely drove performance, especially buoyed by the news of the vaccines given that these companies have been some of the hardest hit by the restrictions and lockdowns imposed by the pandemic. Outside the U.S., weakness in the dollar boosted local-currency returns, with the MSCI EAFE and MSCI Emerging Markets indexes up 15.5% and 9.2%, respectively.

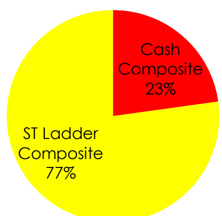
In fixed income, yields were relatively flat during the month with 10- and 30-year Treasury yields falling one and six basis points, respectively. While nominal yields were mostly unchanged, the 10-year Treasury breakeven rate increased 10 basis points to 1.77%, underscoring an increase in inflation expectations due to the potential for further fiscal stimulus. In credit, spreads—especially of lower-quality issues—tightened. The option-adjusted spread on the Barclays U.S. Corporate High Yield Index fell 97 basis points in November, fueling returns of 4% for the index.

ASSET ALLOCATION

Target



Actual



FUND ADMINISTRATION

As of August 31, 2020, the balance of the STIF for the System was $748 million. During the quarter, the fund had net outflows of $43 million. STIF payout is distributed back to member institutions on a monthly basis. For the current quarter, those distributions totaled $1.4 million.

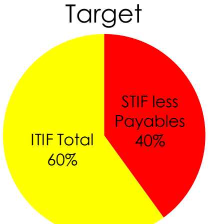
Both STIF and ITIF is comprised of local operating (non-endowed) funds. STIF focuses on current operating need and liquidity where as ITIF is identifed as reserves. The funds are invested according to the Board-approved Investment Policies, found at https://www.texastech.edu/board-of-regents/regents-rules.php.

DETAILED PERFORMANCE

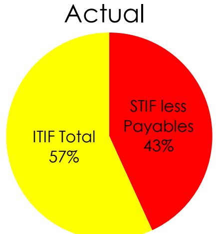
			Market Value	Quarter	1-year	3-year	5-year
Cash Composite		**$**	**160,902,304**	**0.03 %**	**0.49 %**	**1.10 %**	**1.13 %**
Index: Barclays 1-3 Month T-Bill				0.02	0.68	1.55	0.55
Depository Accounts	$ 141,968,297						
Government Investment Pools	18,934,007						
Money Market Funds	-						
Short Term Ladder Composite		**$**	**544,742,281**	**0.02 %**	**3.07 %**	**2.47 %**	**1.73 %**
Index: ICE BoAML 0-3 yr US Treasury & Agency				0.01	2.64	2.28	1.58
Agencies	$ 380,225,206						
Treasuries	71,199,724						
Municipals	80,066,408						
Money Market Funds	13,250,943						
STIF Total		**$**	**705,644,585**				

OPERATING FUNDS ALLOCATION REVIEW

Target



Actual



	Market Value	Target Allocation	Over/(Under) Allocated
STIF Total	$ 705,644,585		
Payables	$ (62,937,431)		
STIF less Payables	**$ 642,707,154**	**$ 595,622,624**	**47,084,530**
ITIF Total	**$ 846,349,407**	**$ 893,433,937**	**(47,084,530)**
Operating Funds Total	**$ 1,489,056,561**	**$ 1,489,056,561**	