TEXAS TECH UNIVERSITY SYSTEM ENDOWMENT FUND



2nd Quarter — February 28, 2023

Fiscal Year 2023

Market Overview:

Risk-off sentiment washed over markets in February as fresh economic data paved the way for continued rate hikes and a tighter monetary policy backdrop. In the U.S., inflation data softened at a slower rate than anticipated, while labor market numbers remained robust.

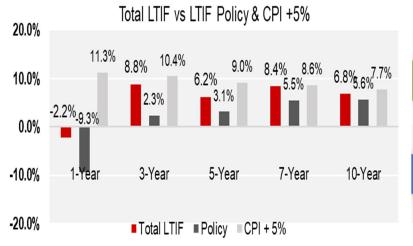
In response, the Federal Reserve hiked interest rates by 25 basis points to a range of 4.50%-4.75%. Market expectations for peak interest rates also increased with the market now anticipating a peak Fed Funds rate of 5.25%-5.50% mid-year and no rate cuts through the end of 2023.

In fixed income, returns were challenged by the upward pressure on interest rates. In particular, U.S. Treasury yields moved higher with 10- and 30-year yields increasing 37 and 27 basis points, respectively, weighing down longer-duration indexes.

Meanwhile, developed markets outperformed on a relative basis with the S&P 500 Index losing 2.4% and the MSCI EAFE Index falling 2.1% in February. Emerging markets experienced a larger decline as geopolitical tensions negatively impacted sentiment around China; the MSCI Emerging Markets Index fell 6.5% last month, while the MSCI China Index fell 10.4% in the same period.

Major Index Returns	MTD	Fiscal Qtr
S&P 500 Composite TR	-2.44%	0.62%
MSCI ACWI TR Net USD	-2.87%	2.25%
MSCI EM TR Net USD	-6.48%	3.93%
Bloomberg Global Aggregate USD	-3.32%	0.22%
Global 60/40	-3.05%	1.48%

LTIF Valuation: \$1.58 billion



LTIF Weight vs Target LTIF - Growth 57.4% Target 60% LTIF - Stable Value 42.6% Target 40%