

TEXAS TECH UNIVERSITY SYSTEM ENDOWMENT FUND



3rd Quarter — May 31, 2023

Fiscal Year 2023

Market Overview:

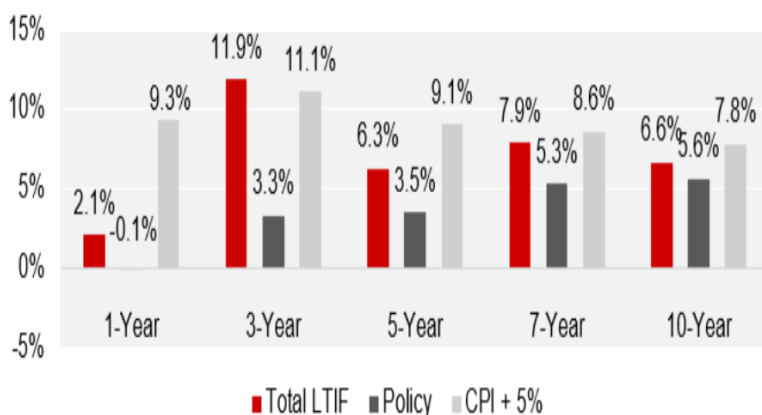
Global equities were mixed in May, with U.S. markets outperforming despite continued concerns around economic growth and the protracted negotiations on the debt ceiling. The S&P 500 Index ended the month up 0.4%, pushing year-to-date returns to 9.6%. These gains come despite weakness in index breadth: a concentration of mega-capitalization technology companies have accounted for an outsized portion of returns. Growth handily outperformed value with the Russell 1000 Growth Index gaining 4.6%, while the Russell 1000 Value Index fell 3.9% last month. Outside the U.S., a stronger dollar and broader concerns around economic growth weighed on stocks with the MSCI EAFE Index losing 4.2% and the MSCI Emerging Markets Index down 1.7%. Notably, Chinese equities fell 8.4% in May amid weaker than expected economic data.

Meanwhile, fixed-income returns were also challenged with U.S. yields moving higher during the month following another 25-basis points rate hike by the Federal Reserve at the beginning of May. While expectations for the near-term Fed Funds rate have softened, they continue to reflect a tighter policy bias by the central bank amid persisting inflationary pressures. In response, the U.S. yield curve further inverted with the spread between the 10- and two-year yield ending the month at -75 basis points.

Major Index Returns	MTD	Fiscal Qtr
S&P 500 Composite TR	0.43%	5.75%
MSCI ACWI TR Net USD	-1.07%	3.44%
MSCI EM TR Net USD	-1.68%	0.15%
Bloomberg Global Aggregate USD	-1.95%	1.59%
Global 60/40	-1.42%	2.70%

LTIF Valuation: \$1.59 billion

Total LTIF vs LTIF Policy & CPI + 5



LTIF Weight vs Target

