Texas Tech University System
Endowment Fund

2nd Quarter—February 28, 2019
Fiscal Year 2019

Market Overview
Global equities continued their winning streak in February as concerns surrounding US economic growth faded and the outlook for a US-China trade deal improved. As a result, the S&P 500 Index increased 3.2% during the month. Chinese stocks returned 3.5%, according to the MSCI China Index, relative to broad emerging markets which rose a modest 0.2% as measured by the MSCI Emerging Markets Index.

Despite the renewed popularity of risk assets, a dovish tilt from the Fed caused fixed-income yields to remain relatively stagnant with the 10-year US Treasury yield increasing nine basis points to 2.72%. In credit, US high-yield spreads, as measured by the Bloomberg Barclays US Corporate High Yield Index, continued to decrease relative to the beginning of the year, returning 1.7%.

Major Index Returns for February:
- S&P 500: 3.21%
- MSCI EAFE Index: 2.55%
- MSCI EM (Emerging Markets): 0.22%
- Barclays US Aggregate Bond Index: (0.06)%
- Barclays High Yield Index: 1.69%
- JP Morgan GBI-EM index: (0.53)%

Endowment Valuation: $1.2 billion

Target Asset Class Allocation
- Equity 30%
- Debt 20%
- Diversifying Assets 20%
- Portfolio Hedge 2.04%
- Private Investments 31.35%
- Cash & Alpha Pool 2.85%
- Liquidating Assets 0.59%

Commentary:
Since inception, the LTIF has met the annual 4.5% spending requirement.

- Each year, there has been a real increase in dollars spent due to growth of the LTIF through investment earnings and donor contributions.
- $516.2 million distributed over last 15 years.
- $52.2 million was distributed in Fiscal Year 2017
- $53.7 million was distributed in Fiscal Year 2018