



TEXAS TECH UNIVERSITY SYSTEM ENDOWMENT FUND

1st Quarter—November 30, 2019

Fiscal Year 2020

Market Overview

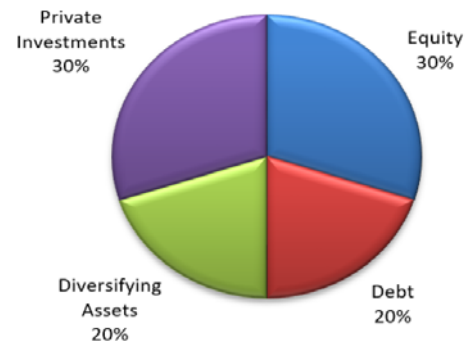
Following a relatively quiet October, developed equities ended higher as improving economic data assuaged near-term fears of a slowdown. US markets led the way with the S&P 500 Index increasing 3.6% during the month, adding to year-to-date gains of 27.6%. Internationally, the MSCI EAFE Index ended up 1.1% as strengthening manufacturing data and a perceived lull in trade tensions boosted sentiment. Emerging market equities lagged their developed counterparts as weakening data out of China and uncertainty in Hong Kong weighed on returns for the region. As a result, the MSCI Emerging Markets Index declined 0.1% during the month.

In the absence of any major central bank announcements, global bond yields moved marginally higher. The US and German 10-year bonds increased nine and seven basis points, respectively. In response, the Barclays US Treasury Index declined 0.3% for the month. The long end of the curve, measured by the 30-year US bond, also increased two basis points to a yield of 2.20%. In credit, spreads broadly declined as the index declined 22 basis points.

Major Index Returns for November:

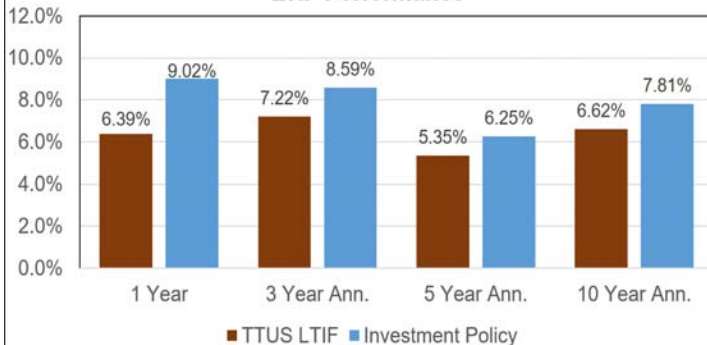
- S&P 500: 3.56%
- MSCI EAFE Index: 1.13%
- MSCI EM (Emerging Markets): (0.14)%
- Barclays US Aggregate Bond Index: (0.05)%
- Barclays High Yield Index: 0.08%
- JP Morgan GBI-EM index: (0.16)%

Target Asset Class Allocation

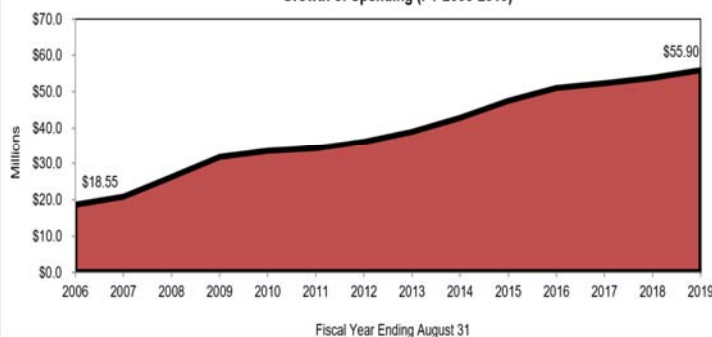


Endowment Valuation: \$1.2 billion

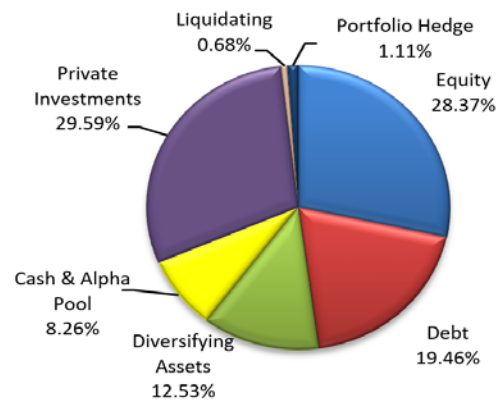
LTIF Performance



Texas Tech University System Growth of Spending (FY 2006-2019)



Actual Asset Class Allocation



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.
- \$559.03 million distributed over last 15 years
- \$55.9 million was distributed in Fiscal Year 2019