

TEXAS TECH UNIVERSITY SYSTEM ENDOWMENT FUND



2nd Quarter — February 28, 2022

Fiscal Year 2022

Market Overview:

Risk-off sentiment washed over markets in February as the Ukraine-Russia conflict fueled concerns around the potential impact on the global economy, the geopolitical landscape, and capital markets. Though the conflict was the main focus for markets, expectations of tighter monetary policy around the world continued to accelerate amid ongoing inflation pressures. As such, interest rates trended higher and global equities fell during the month – offering little respite for investors.

The S&P 500 Index fell 3% in February—the largest monthly pullback since the start of the pandemic in March 2020—pushing year-to-date losses to 8%. Value stocks continued to outperform growth given the upward pressures on interest rates and inflation. Outside the U.S., the MSCI EAFE and MSCI Emerging Markets indexes fell 1.8% and 3%, respectively.

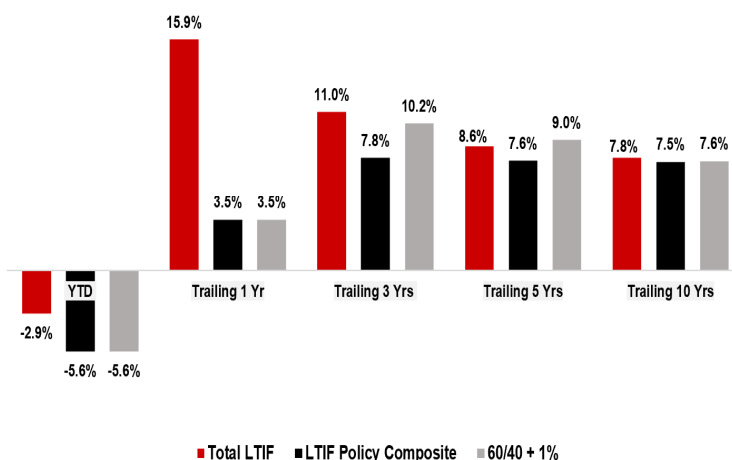
In fixed income, global yields trended higher. The 10- and 30-year Treasury yields increased five and eight basis points, respectively; fixed-income benchmark returns were broadly negative for the month. Inflation expectations also increased as the 10-year breakeven inflation rate jumped 19 basis points; the Bloomberg U.S. TIPS Index gained 0.9% last month.

Meanwhile, in real assets, commodities continued their run, with the Bloomberg Commodity Index gaining 6.2% in February; the Ukraine-Russia conflict will likely have spillover effects for global commodity supplies.

Major Index Returns	MTD	Fiscal Qtr
S&P 500 Composite TR	-2.99%	-4.45%
MSCI ACWI TR Net USD	-2.58%	-4.57%
MSCI EM TR Net USD	-2.99%	-3.88%
Barclays U.S. Aggregate USD	-1.19%	-3.36%
Global 60/40	-2.03%	-4.05%

LTIF Valuation: \$1.63 billion

LTIF Performance vs Benchmarks



LTIF Weight vs Target

