Texas Tech University System

SHORT/INTERMEDIATE TERM INVESTMENT FUND

QUARTERLY REPORT - FEBRUARY 28, 2018

FUND PERFORMANCE

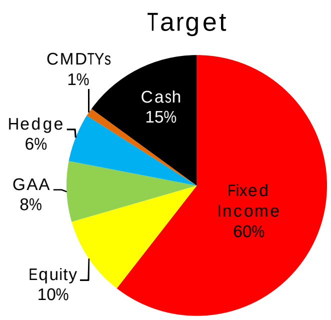
	3-month	Fiscal YTD	1-year	Inception (Feb 2012)
Short/Intermediate Term Investment Fund Return	**0.5 %**	**1.2 %**	**3.6 %**	**1.9 %**
Index: SITIF Allocation	0.1	0.6	2.9	1.8

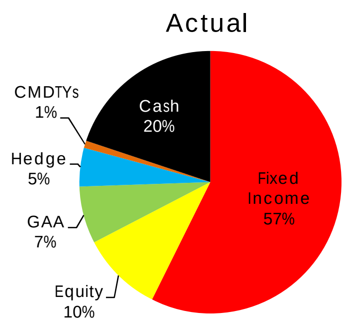
MARKET OVERVIEW

Global equities snapped their winning streak amid a spike in volatility, resulting in a moderate correction early February. Investors' concerns around rising wage inflation potentially leading to more aggressive rate hikes by the Fed and a larger projected government deficit interrupted the S&P 500's golden run of 15 straight months of gains. However, the broader stories of stronger commodity prices and sustained economic growth led to overall positive gains for the quarter, with the S&P 500 coming in at 3%, and MSCI EAFE at 1.9%.

As expected, the Fed Funds rate was increased by 25 bps in December. The expectation of higher inflation increased 10-year & 30-year Treasuries up to 2.86% & 3.12%, respectively, but those increases weren't commensurate with the rise in short-term rates, leading to a flatter yield curve. All indices continued the negative returns seen since the summer, with the Barclays Gov't/Credit down (1.7%) and the Barclays Aggregate down (1.6%) for the quarter. Emerging market debt was also negative, with the JPMorgan EMBI at (1.5%).

ASSET ALLOCATION





FUND ADMINISTRATION

As of February 28, 2018, the balance of the SITIF for Texas Tech University System was $1.35 billion. During the 2nd fiscal quarter, it had net outflows of $58 million.

All System non-endowment funds comprise the SITIF. It is invested according to its Board-approved Investment Policy, found here.

Payout is distributed back to member institutions on a monthly basis. For the current quarter, those distributions totaled **$5.6 million**. For the 12 months ended as of this report, the payout was **1.6%**.

POOL PERFORMANCE

		Market Value	Quarter	Fiscal YTD	1-year	Inception
Cash Pool		**$ 208,406,368**	**0.1 %**	**0.3 %**	**0.6 %**	**0.2 %**
Index: Barclays 1-3 Month T-Bill			0.3	0.6	0.9	0.2
Depository Accounts	$ 117,266,420					
Government Investment Pools	80,889,593					
Money Market Funds	10,250,355					
Short Term Pool		**$ 532,477,000**	**(0.1) %**	**(0.3) %**	**0.3 %**	**0.0 %**
Index: BoAML 0-3 yr US Treasury & Agency			(0.1)	(0.3)	0.2	0.0
Agencies	$ 337,319,777					
Treasuries	183,071,125					
Money Market Funds	12,086,098					
Intermediate Term Pool		**$ 609,397,454**	**0.8 %**	**2.5 %**	**7.0 %**	**4.3 %**
Index: Intermediate Allocation			0.2	1.6	5.8	3.8
Government Investment Pools	$ 60,281,879					
Fixed Income	242,169,045					
Equity	135,601,031					
Global Asset Allocation (GAA)	95,354,850					
Hedge Fund/Alternatives	63,946,547					
Commodities (CMDTYs)	12,044,102					
Total		**$ 1,350,280,822**	**0.5 %**	**1.2 %**	**3.6 %**	**1.9 %**