



Texas Tech University System

SHORT/INTERMEDIATE TERM INVESTMENT FUND

QUARTERLY REPORT - NOVEMBER 30, 2017

FUND PERFORMANCE	3-month	Fiscal YTD	1-year	Inception (Feb 2012)
Short/Intermediate Term Investment Fund Return	0.7 %	0.7 %	4.9 %	1.9 %
Index: SITIF Allocation	0.5	0.5	4.5	1.9

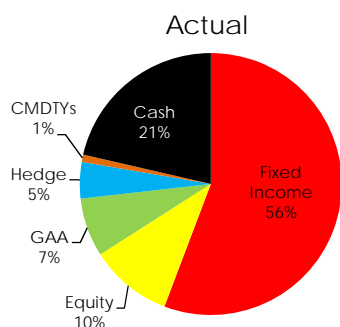
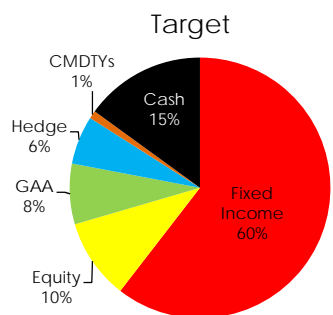
MARKET OVERVIEW

US equities topped asset classes in the quarter, with the Russell 2500 Growth & Value indices returning 10.5% & 8.9%, respectively. This essentially caps a calendar year of steady positive growth for domestic stocks, as they have delivered positive returns in each month of 2017, with a maximum intra-year drawdown of less than 3%. Equity markets were clearly anticipating the passage of tax reform before the end of 2017, but fundamental factors were stronger as well, with S&P 500 earnings per share up 6% compared to the same quarter last year.

International developed equities and emerging markets also had positive returns, and remain the largest gainers for the year. US dollar strength cut into EM's gains during the quarter, with MSCI EM coming in at 3.3%. The MSCI EAFE was at 5.1%, driven primarily by Japan and its election reaffirming the ruling party majority.

The near inevitability of the Fed raising rates in December depressed most fixed income markets, with the Barclays Aggregate returning (0.5%). However, credit spreads tightened, giving US high-yield bonds a positive return of 0.9%.

ASSET ALLOCATION



FUND ADMINISTRATION

As of November 30, 2017, the balance of the SITIF for Texas Tech University System was \$1.3 billion. During the 1st fiscal quarter, it had net outflows of \$18 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 **\$5.1 million**. For the 12 months ended as of this report, the payout was **1.5%**.

POOL PERFORMANCE

	Market Value	Quarter	Fiscal YTD	1-year	Inception
Cash Pool	\$ 216,627,793	0.1 %	0.1 %	0.5 %	0.2 %
Index: Barclays 1-3 Month T-Bill		0.3	0.3	0.8	0.2
Depository Accounts	\$ 135,845,927				
Government Investment Pools	70,561,617				
Money Market Funds	10,220,249				
Short Term Pool	\$ 478,588,192	(0.2) %	(0.2) %	0.7 %	0.4 %
Index: BoAML 0-3 yr US Treasury & Agency		(0.2)	(0.2)	0.6	0.5
Agencies	\$ 318,935,765				
Treasuries	159,471,316				
Money Market Funds	181,111				
Intermediate Term Pool	\$ 599,350,728	1.6 %	1.6 %	10.0 %	4.4 %
Index: Intermediate Allocation		1.4	1.4	9.1	4.0
Government Investment Pools	\$ 60,060,393				
Fixed Income	243,076,006				
Equity	132,384,447				
Global Asset Allocation (GAA)	93,691,879				
Hedge Fund/Alternatives	58,486,872				
Commodities (CMDTYs)	11,651,131				
Total	\$ 1,294,566,713	0.7 %	0.7 %	4.9 %	1.9 %