



# Texas Tech University System

## SHORT/INTERMEDIATE TERM INVESTMENT FUND

### QUARTERLY REPORT - AUGUST 31, 2018

FUND PERFORMANCE	3-month	Fiscal YTD	1-year	Inception (Feb 2012)
<b>Short/Intermediate Term Investment Fund Return</b>	<b>0.5 %</b>	<b>1.8 %</b>	<b>1.8 %</b>	<b>1.9 %</b>
Index: SITIF Allocation	0.6	1.6	1.6	1.8

### MARKET OVERVIEW

Robust domestic GDP growth and strong corporate earnings offset trade concerns and global macroeconomic uncertainty, bringing the S&P 500 up 7.8% for the quarter. That same rosy domestic picture has created a strong US dollar, which coupled with a Turkish currency crisis, pushed emerging markets lower by (4.7%). International developed equities split the difference between the two backdrops, also factoring in instability in Italian markets for a (0.7%) return in the MSCI EAFE index.

Fed Funds rate rose 0.25% during the quarter, flattening the yield curve even further, as the 10-year Treasury yield stayed essentially the same at 2.86%. The 2-year to 10-year spread reached its smallest level since 2007, at just 28 bps. Domestic fixed income indices were just positive for the quarter, with the Barclays Aggregate at 0.5%. Emerging market debt was down the most, for the same reason as its equities, with the JPM EMBI at (0.9%).

Commodities took a hit across-the-board, with the Bloomberg index down (7.2%). Concerns of oversupply took oil marginally lower for the quarter, while agriculture and metals were down significantly due to the U.S.-China trade dispute.

ASSET ALLOCATION	FUND ADMINISTRATION
<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p><b>Target</b></p> </div> <div style="text-align: center;"> <p><b>Actual</b></p> </div> </div>	<p>As of August 31, 2018, the balance of the SITIF for Texas Tech University System was \$1.39 billion. During the 4th fiscal quarter, it had net inflows of \$45.6 million.</p> <p>All System local non-endowment funds comprise the SITIF. It is invested according to its Board-approved Investment Policy, found <a href="#">here</a>.</p> <p>Payout is distributed back to member institutions on a monthly basis. For the current quarter, those distributions totaled <b>\$6.2 million</b>. For the 12 months ended as of this report, the payout was <b>1.8%</b>.</p>

POOL PERFORMANCE	Market Value	Quarter	Fiscal YTD	1-year	Inception
<b>Cash Pool</b>	<b>\$ 316,507,335</b>	<b>0.4 %</b>	<b>1.1 %</b>	<b>1.1 %</b>	<b>0.3 %</b>
Index: Barclays 1-3 Month T-Bill		0.5	1.4	1.4	0.4
Depository Accounts	\$ 111,510,975				
Government Investment Pools	194,659,199				
Money Market Funds	10,337,160				
<b>Short Term Pool</b>	<b>\$ 466,665,658</b>	<b>0.4 %</b>	<b>0.6 %</b>	<b>0.6 %</b>	<b>0.5 %</b>
Index: BoAML 0-3 yr US Treasury & Agency		0.4	0.5	0.5	0.6
Agencies	\$ 322,557,087				
Treasuries	143,274,205				
Money Market Funds	834,366				
<b>Intermediate Term Pool</b>	<b>\$ 610,058,220</b>	<b>0.6 %</b>	<b>2.7 %</b>	<b>2.7 %</b>	<b>4.1 %</b>
Index: Intermediate Allocation		0.9	2.7	2.7	3.7
Government Investment Pools	\$ 60,899,700				
Fixed Income	241,398,520				
Equity	138,972,196				
Global Asset Allocation (GAA)	94,401,366				
Hedge Fund/Alternatives	62,664,248				
Commodities (CMDTys)	11,722,190				
<b>Total</b>	<b>\$ 1,393,231,213</b>	<b>0.5 %</b>	<b>1.8 %</b>	<b>1.8 %</b>	<b>1.9 %</b>