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 divided 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.

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.

All System local 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 $6.2 million. For the 12 months ended as of this report, the payout was 1.8%.