



Texas Tech University System

SHORT/INTERMEDIATE TERM INVESTMENT FUND

QUARTERLY REPORT - AUGUST 31, 2019

FUND PERFORMANCE

	3-month	1-year	3-year	Inception Feb 2012
Short/Intermediate Term Investment Fund Return	1.0 %	1.9 %	2.4 %	1.9 %
Index: SITIF Allocation	2.5	5.0	3.2	2.2

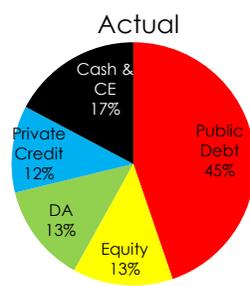
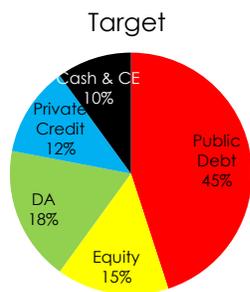
MARKET OVERVIEW

Equity markets lagged in August as trade tensions between the US and China resurfaced and investors fretted over slowing global economic growth. The S&P 500 Index declined 1.6% last month as the US manufacturing sector grew at its slowest pace since 2009, according to Markit's Manufacturing Purchasing Managers' Index. The MSCI EAFE Index lost 2.6%, while the MSCI Emerging Market Index fell 4.9% as currency weakness in China put a damper on the rest of the EM Index.

Global bond yields continued to decline as demand for safe-haven assets rose. In the US, 30- and 10-year Treasury yields dropped 57 and 52 basis points, respectively, causing the yield curve to fully invert. As a result, the Barclays US Long Treasury Index shot up 10.5%, its fourth-highest monthly return since inception in 1973. In emerging markets, a stronger US dollar caused hard-currency bonds to outperform local-currency debt, resulting in a 0.7% gain in the JPM EMBI Global Diversified Index and a loss of 2.6% in the JPM GBI-EM Global Diversified Index.

Meanwhile, in real assets, gold prices got a shot in the arm, rising 7.5% in August, amid concerns around global growth and a lower-yield environment. Additionally, spot WTI crude oil fell 5.9% to \$55.06 per barrel but remains up 21.9% for the year.

ASSET ALLOCATION



FUND ADMINISTRATION

As of May 31, 2019, the balance of the SITIF for the System was \$1.458 billion. During the quarter, the fund had net inflows of \$110 million.

All System local non-endowed funds comprise the SITIF. The fund is invested according to the Board-approved Investment Policy, found [here](#).

Payout is distributed back to member institutions on a monthly basis. For the current quarter, those distributions totaled \$7.67 million. For the 12 months ended as of this report, the payout was 2.44%

POOL PERFORMANCE

	Market Value	Quarter	1-year	3-year	Inception
Cash Pool	\$ 204,285,340	0.3 %	1.5 %	1.0 %	0.5 %
Index: Barclays 1-3 Month T-Bill		0.6	2.3	1.4	0.6
Depository Accounts	\$ 113,548,148				
Government Investment Pools	85,190,306				
Money Market Funds	5,546,886			0.9	
Short Term Pool	\$ 471,295,127	0.5 %	1.7 %	1.6 %	0.7 %
Index: ICE BoAML 0-3 yr US Treasury & Agency		1.1	3.8		1.0
Agencies	\$ 327,381,040				
Treasuries	100,593,447				
Municipals	15,084,661				
T-Bills & Notes	10,046,396				
Money Market Funds	18,189,583				
Intermediate Term Pool	\$ 807,022,899	1.5 %	1.8 %	3.8 %	3.7 %
Index: Intermediate Allocation		3.6	5.7	4.7	4.0
Public Debt (FI)	\$ 189,434,212				
Equity	196,633,897				
Diversifying Assets (DA)	193,793,738				
Private Credit	170,556,964				
Portfolio Hedge	6,490,792				
Money Market Funds	50,113,296				
Total	\$ 1,482,603,366	1.0 %	1.9 %	2.4 %	1.9 %