



# Texas Tech University System

## SHORT TERM INVESTMENT FUND

QUARTERLY REPORT - FEBRUARY 29, 2020

FUND PERFORMANCE		Quarter	1-year	3-year	5-year
<b>Short Term Investment Fund Return</b>	<b>\$ 677,768,117</b>	<b>1.06 %</b>	<b>2.28 %</b>	<b>1.32 %</b>	<b>0.60 %</b>
Index: STIF Allocation		1.03	3.40	2.00	1.39

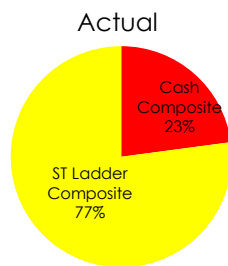
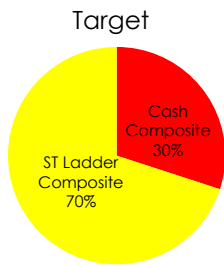
### MARKET OVERVIEW

February marked a particularly volatile month for capital markets with fears intensifying over the new coronavirus (COVID-19) turning into a pandemic as the number of new cases appearing outside of China outpaced those within China. In response, the CBOE Volatility Index shot up to 40.11, a new high since 2015.

Global equities were the hardest hit amid a wave of risk aversion, reflecting heightened uncertainty around future earnings and the growth outlook for multinational corporations; the S&P 500 declined 8.2% last month but is still in the black at 8.2% on a trailing one-year basis following the tremendous gains of 2019. Losses extended to international and emerging market equities as well, leading to declines of 9.0% and 5.3%, according to the MSCI EAFE and MSCI Emerging Markets indexes, respectively.

Within fixed income, global yields plunged. Treasury yields hit record lows across the curve, with the 10-year and 30-year bonds declining 37 and 34 basis points, respectively. In response, the Barclays US Treasury and Barclays US Long Treasury Indexes increased 2.7% and 6.7%, respectively, during the month. As markets digested the potential economic impact of the virus, futures markets priced in a significant response by the Federal Reserve; Fed Funds Futures contracts now anticipate three cuts to occur during 2020 compared to only one expected cut as of the end of 2019. Credit spreads widened with lower-quality securities bearing the brunt; the Barclays US Corporate High Yield option-adjusted spread increased 110 basis points to 5%, corresponding to a 1.4% decline in returns for February.

### ASSET ALLOCATION



### FUND ADMINISTRATION

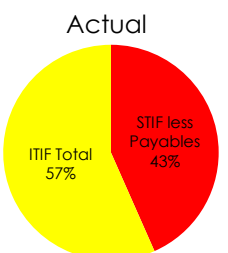
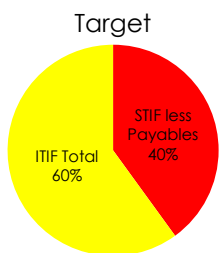
As of November 30, 2019, the balance of the STIF for the System was \$608 million. During the quarter, the fund had net inflows of \$121 million. STIF payout is distributed back to member institutions on a monthly basis. For the current quarter, those distributions totaled \$2.45 million.

Both STIF and ITIF is comprised of local operating (non-endowed) funds. STIF focuses on current operating need and liquidity where as ITIF is identified as reserves. The funds are invested according to the Board-approved Investment Policies, found at <https://www.texas-tech.edu/board-of-regents/regents-rules.php>.

### DETAILED PERFORMANCE

	Market Value	Quarter	1-year	3-year	5-year
<b>Cash Composite</b>	<b>\$ 155,142,533</b>	<b>0.26 %</b>	<b>1.32 %</b>	<b>1.20 %</b>	<b>0.78 %</b>
Index: Barclays 1-3 Month T-Bill		0.40	2.08	1.68	1.08
Depository Accounts	\$ 103,608,355				
Government Investment Pools	51,534,178				
Money Market Funds	-				
<b>Short Term Ladder Composite</b>	<b>\$ 522,625,584</b>	<b>1.31 %</b>	<b>3.13 %</b>	<b>1.68 %</b>	<b>1.21 %</b>
Index: ICE BoAML 0-3 yr US Treasury & Agency		1.30	3.97	2.14	1.52
Agencies	\$ 329,950,928				
Treasuries	131,725,447				
Municipals	38,070,150				
T-Bills & Notes	10,082,002				
Money Market Funds	12,797,057				
<b>STIF Total</b>	<b>\$ 677,768,117</b>				

### OPERATING FUNDS ALLOCATION REVIEW



	Market Value	Target Allocation	Over/(Under) Allocated
STIF Total	\$ 677,768,117		
Payables	\$ (60,997,260)		
<b>STIF less Payables</b>	<b>\$ 616,770,857</b>	<b>\$ 568,784,585</b>	<b>47,986,271</b>
<b>ITIF Total</b>	<b>\$ 805,190,607</b>	<b>\$ 853,176,878</b>	<b>(47,986,271)</b>
<b>Operating Funds Total</b>	<b>\$ 1,421,961,464</b>	<b>\$ 1,421,961,464</b>	