



Texas Tech University System

SHORT TERM INVESTMENT FUND

QUARTERLY REPORT - MAY 31, 2020

FUND PERFORMANCE

		Quarter	1-year	3-year	5-year
Short Term Investment Fund Return	\$ 641,478,912	0.19 %	2.37 %	1.56 %	1.10 %
Index: STIF Allocation		0.90	3.23	2.23	1.53

MARKET OVERVIEW

Risk assets pushed higher this month as economies around the world began reopening and relaxing restrictions. While COVID-19 remains a dominant headline, news of progress in developing a vaccine and signs of a rebound in economic activity bolstered market sentiment.

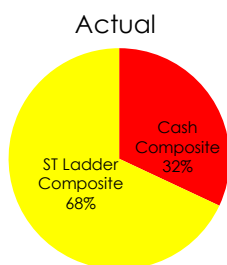
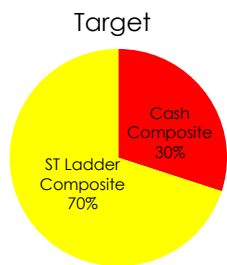
Over the past month, the US has been hit by a slew of weak economic data: the unemployment rate hit 14.7%, corporate earnings contracted significantly, and the CPI increased 0.3% year-over-year. Despite the bleak data, domestic equities pushed higher – extending their recent rally. The S&P 500 Index increased 4.8% for the month, though it is still down 5% so far this year. Further, small caps benefitted from the wave of risk-on sentiment, with the Russell 2000 Index gaining 6.5% in May.

International and emerging market equities also increased last month, with the MSCI EAFE and MSCI Emerging Markets indexes up 4.4% and 0.8%, respectively. International developed market assets experienced a currency tailwind as the dollar weakened relative to local currencies including the euro, Australian dollar, and Swiss franc.

In rates, global yields ended the month moderately higher. US rates experienced modest curve steepening with 10-year and 30-year Treasury yields increasing two and 18 basis points, respectively.

ASSET ALLOCATION

FUND ADMINISTRATION



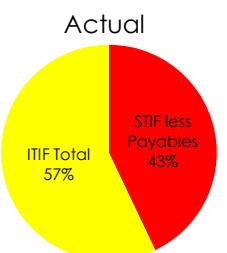
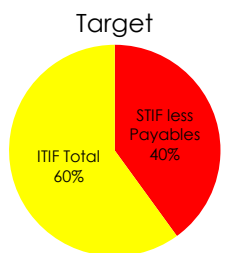
As of February 29, 2020, the balance of the STIF for the System was \$677 million. During the quarter, the fund had net outflows of \$36 million. STIF payout is distributed back to member institutions on a monthly basis. For the current quarter, those distributions totaled \$2.58 million.

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
Cash Composite	\$ 205,093,761	0.11 %	0.99 %	1.19 %	0.80 %
Index: Barclays 1-3 Month T-Bill		0.22	1.68	1.70	1.12
Depository Accounts	\$ 125,636,302				
Government Investment Pools	79,457,459				
Money Market Funds	-				
Short Term Ladder Composite	\$ 436,385,151	0.20 %	2.81 %	1.67 %	1.20 %
Index: ICE BoAML 0-3 yr US Treasury & Agency		1.19	3.90	2.46	1.71
Agencies	\$ 282,524,663				
Treasuries	112,164,433				
Municipals	41,693,969				
T-Bills & Notes	-				
Money Market Funds	2,086				
STIF Total	\$ 641,478,912				

OPERATING FUNDS ALLOCATION REVIEW



	Market Value	Target Allocation	Over/(Under) Allocated
STIF Total	\$ 641,478,912		
Payables	\$ (60,899,057)		
STIF less Payables	\$ 580,579,855	\$ 540,858,637	39,721,218
ITIF Total	\$ 771,566,738	\$ 811,287,956	(39,721,218)
Operating Funds Total	\$ 1,352,146,593	\$ 1,352,146,593	