



# Texas Tech University System

## SHORT TERM INVESTMENT FUND

QUARTERLY REPORT - AUGUST 31, 2020

### FUND PERFORMANCE

		Quarter	1-year	3-year	5-year
<b>Short Term Investment Fund Return</b>	<b>\$ 748,540,083</b>	<b>1.16 %</b>	<b>3.12 %</b>	<b>1.85 %</b>	<b>1.33 %</b>
Index: STIF Allocation		0.86	3.17	2.43	1.70

### MARKET OVERVIEW

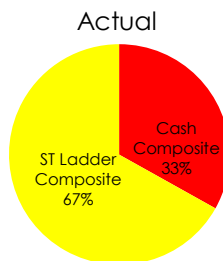
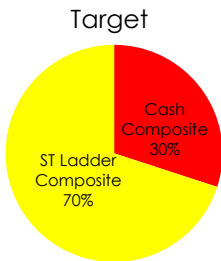
Equities continued their winning streak in August—marking the fifth straight month of gains—amid improving investor sentiment bolstered by ongoing stimulus, better than expected quarterly earnings, and optimism around a vaccine. In the US, the S&P 500 Index returned 7.2%, gaining in all but five trading days, ending the month at 3,500. Non-US equities benefited from ongoing weakness in the dollar with the MSCI EAFE and MSCI Emerging Markets indexes up 5.1% and 2.2%, respectively.

In fixed income, Federal Reserve Chair Jerome Powell, in a widely-expected move, said the central bank would seek to achieve average inflation of 2%; following periods of inflation below 2%, the Fed will allow inflation to run above 2% for some time to make up for persistently below-target inflation rates. In response, inflation expectations rose, leading to an uptick in global yields; US and German 10-year yields increased 17 and 13 basis points, respectively. The US yield curve steepened with the 30-year yield increasing 27 basis points, ending the month at 1.46%. The rise in yields, particularly at the long-end of the curve, eroded fixed-income returns with the Barclays US Long Treasury Index losing 4.3% last month.

In real assets, commodity prices continued to increase with the Bloomberg Commodity Index up 6.8% in August. The rally was driven by energy as spot WTI crude oil prices rose, reflecting improving global demand. Spot gold prices capped their rally, falling 0.4% last month after experiencing their largest one-day decline in over five years, highlighting that no asset class is immune to market volatility in the current environment.

### ASSET ALLOCATION

### FUND ADMINISTRATION



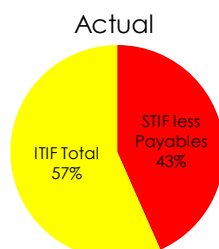
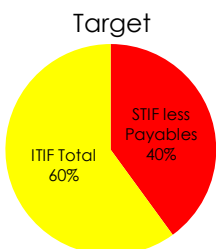
As of May 31, 2020, the balance of the STIF for the System was \$641 million. During the quarter, the fund had net inflows of \$107 million. STIF payout is distributed back to member institutions on a monthly basis. For the current quarter, those distributions totaled \$3.2 million.

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-reaents/reaents-rules.php>.

### DETAILED PERFORMANCE

	Market Value	Quarter	1-year	3-year	5-year
<b>Cash Composite</b>	<b>\$ 247,922,991</b>	<b>0.06 %</b>	<b>0.72 %</b>	<b>1.16 %</b>	<b>0.81 %</b>
Index: Barclays 1-3 Month T-Bill		0.23	1.33	1.69	1.16
Depository Accounts	\$ 138,018,925				
Government Investment Pools	109,904,066				
Money Market Funds	-				
<b>Short Term Ladder Composite</b>	<b>\$ 500,617,092</b>	<b>1.64 %</b>	<b>4.00 %</b>	<b>2.10 %</b>	<b>1.52 %</b>
Index: ICE BoAML 0-3 yr US Treasury & Agency		1.13	3.97	2.74	1.93
Agencies	\$ 380,027,633				
Treasuries	71,429,958				
Municipals	49,159,500				
Money Market Funds	1				
<b>STIF Total</b>	<b>\$ 748,540,083</b>				

### OPERATING FUNDS ALLOCATION REVIEW



	Market Value	Target Allocation	Over/(Under) Allocated
STIF Total	\$ 748,540,083		
Payables	\$ (119,599,000)		
<b>STIF less Payables</b>	<b>\$ 628,941,083</b>	<b>\$ 580,062,498</b>	<b>48,878,585</b>
<b>ITIF Total</b>	<b>\$ 821,215,162</b>	<b>\$ 870,093,747</b>	<b>(48,878,585)</b>
<b>Operating Funds Total</b>	<b>\$ 1,450,156,245</b>	<b>\$ 1,450,156,245</b>	