



TEXAS TECH UNIVERSITY SYSTEM ENDOWMENT FUND

3rd Quarter—May 31, 2017

Fiscal Year 2017

Market Overview

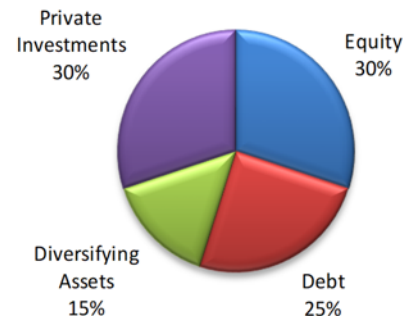
Global equities forged ahead in May with international stocks continuing to lead the way. The MSCI EAFE Index rallied as investors took comfort in the victory of centrist candidate Emmanuel Macron in the French presidential elections. Emerging market equities posted their fifth consecutive monthly gain in May. Steady jobs report and an accommodative Fed bolstered US gains.

The Treasury yield fell eight basis points to 2.21% at month end as the Fed announced no changes to its interest rate or balance sheet policy. Emerging markets debt gained, with appreciating currencies accounting for around half the gains. The Bloomberg Commodity Index fell 1.4% in May as subdued energy prices continued to hurt returns.

For the Month of May:

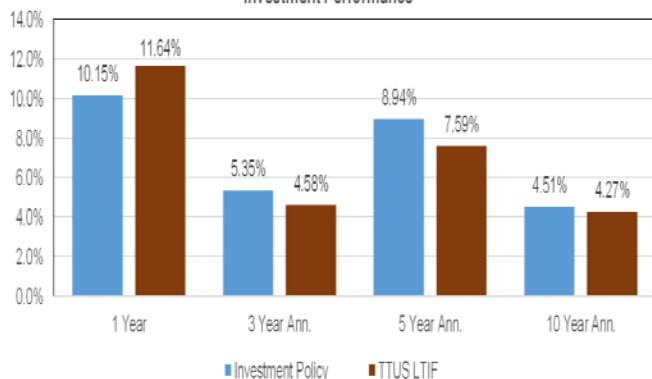
- S&P 500 returned 1.4%
- MSCI EAFE Index returned 3.7%
- MSCI EM Index (Emerging Markets) gained 3.0%.
- Barclays US Aggregate Bond Index returned 0.8%
- Barclays High Yield Index returned 0.9%
- JP Morgan GBI-EM index returned 2.0%

Target Asset Class Allocation

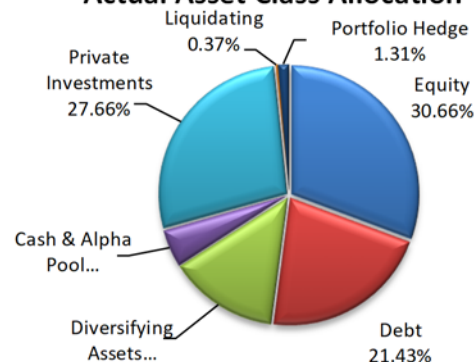


Endowment Valuation: \$1.122 billion

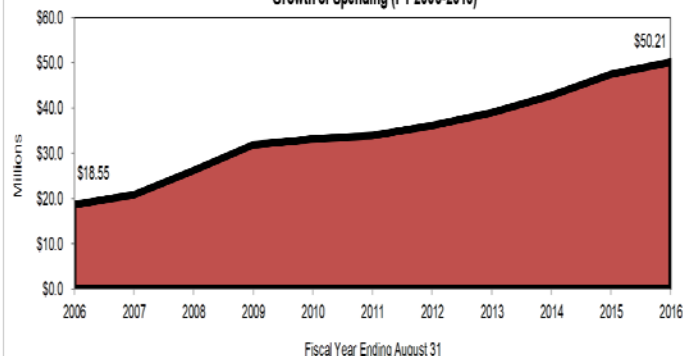
Investment Performance



Actual Asset Class Allocation



Texas Tech University System Growth of Spending (FY 2006-2016)



Commentary:

- Each year, since inception, the LTIF has met the 4.5% spending requirement.
- Each year, there has been a real increase in dollars spent due to growth of the LTIF through investment earnings and donor contributions.
- \$435 million distributed over last 15 years.
- \$50.2 million was distributed in Fiscal Year 2016
- \$38.4 million has been distributed to date in 2017