



TEXAS TECH UNIVERSITY SYSTEM ENDOWMENT FUND

4th Quarter—August 31, 2017

Fiscal Year 2017

Market Overview

Global equities closed out August in the black with emerging markets continuing to lead the charge. The MSCI EM Index rallied, bolstered by a weak dollar and positive economic data out of China. At home, the S&P 500 eked out a small gain last month, up 11.9% for the year. The MSCI EAFE ended the month flat but maintains its lead over domestic equities with year-to-date returns of 17%.

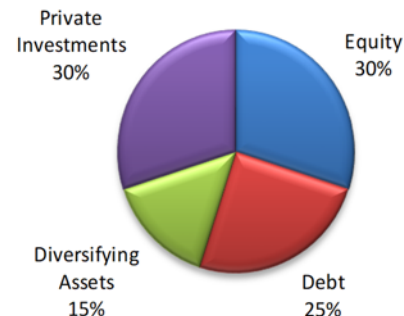
In fixed income, the 10-year Treasury yield stood at 2.12%, falling 18 basis points from the beginning of August. As a result, long-duration fixed-income debt turned in a solid performance.

The VIX, a barometer of market volatility, rose 3.2% to 10.59 in August amid growing concerns around North Korea; gold, typically a safe haven asset, touched a one-year high as prices jumped 4.1%.

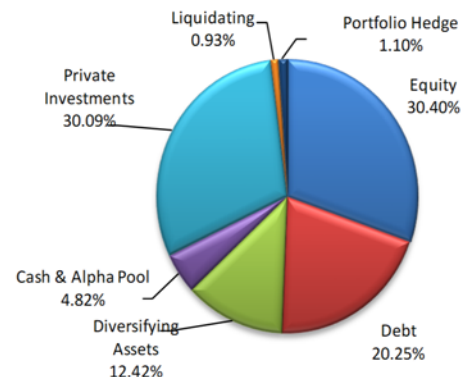
For the Month of August:

- S&P 500 returned 0.3%
- MSCI EAFE Index returned (0.02)%
- MSCI EM Index (Emerging Markets) gained 2.2%.
- Barclays US Aggregate Bond Index returned 0.9%
- Barclays High Yield Index returned 0.16%
- JP Morgan GBI-EM index returned 1.8%

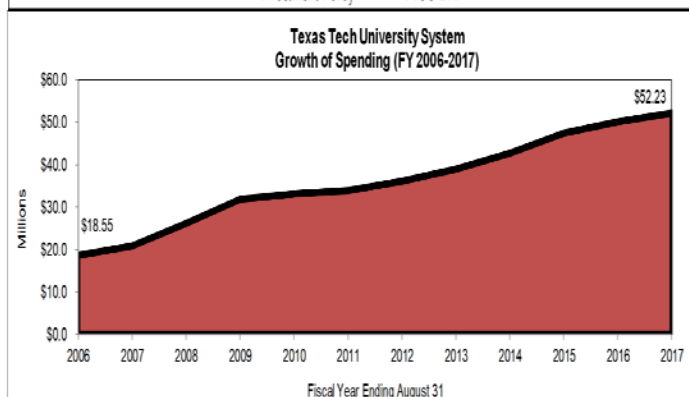
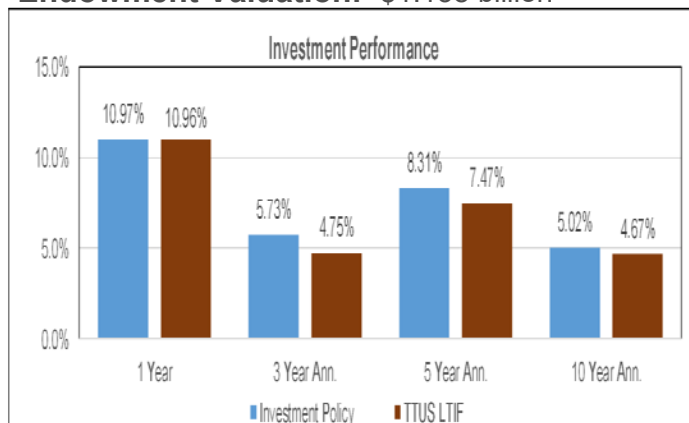
Target Asset Class Allocation



Actual Asset Class Allocation



Endowment Valuation: \$1.138 billion



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.
- \$476 million distributed over last 15 years.
- \$50.2 million was distributed in Fiscal Year 2016
- \$52.2 million was distributed in Fiscal Year 2017