

Texas Tech University System

SHORT TERM INVESTMENT FUND

QUARTERLY REPORT - FEBRUARY 29, 2020

FUND PERFORMANCE

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

MARKET OVERVIEW

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.

DETAILED PERFORMANCE

	Market Value				
Cash Composite	\$ 155,142,533	0.26 %	1.32 %	1.20 %	0.78 %
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	-				
Short Term Ladder Composite	\$ 522,625,584	1.31 %	3.13 %	1.68 %	1.21 %
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				
STIF Total	\$ 677,768,117				

OPERATING FUNDS ALLOCATION REVIEW

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