



TEXAS TECH UNIVERSITY SYSTEM ENDOWMENT FUND

4th Quarter — August 31, 2020

Fiscal Year 2020

Market Overview

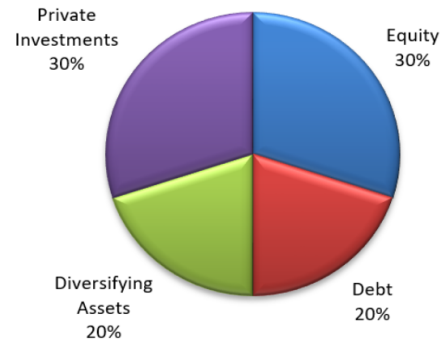
Equities continued their winning streak in August—marking the fifth straight month of gains—amid improving investor sentiment bolstered by ongoing stimulus, better than expected quarterly earnings, and optimism around a vaccine. In the US, the S&P 500 Index returned 7.13%, gaining in all but five trading 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%. 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%.

Major Index Returns for August:

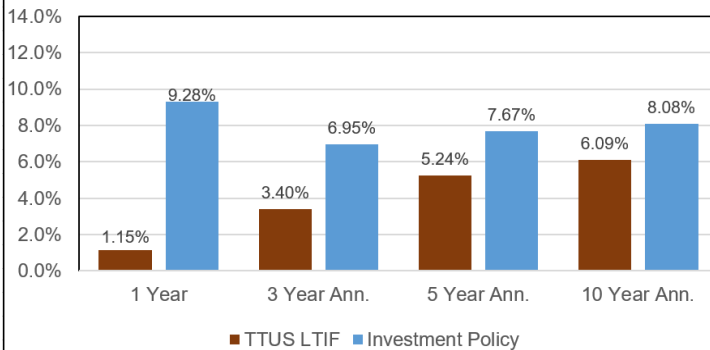
- S&P 500: 7.1%
- MSCI EAFE Index: 5.1%
- MSCI EM (Emerging Markets): 2.2%
- Barclays US Aggregate Bond Index: -0.81%
- JP Morgan EM Bond Index: 0.30%

Target Asset Class Allocation

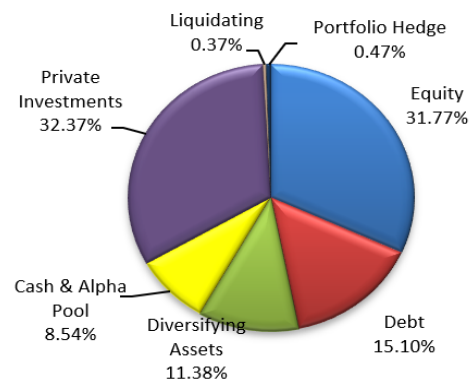


Endowment Valuation: \$1.2 billion

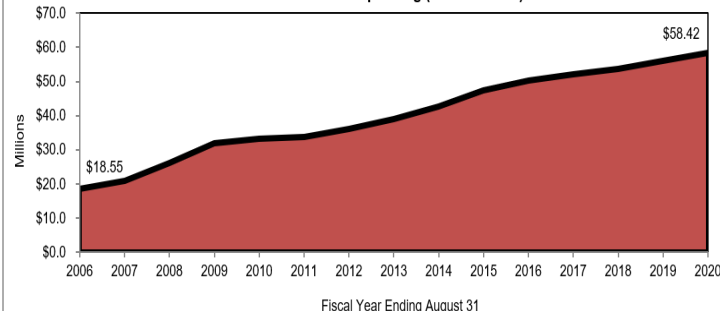
LTIF Performance



Actual Asset Class Allocation



Texas Tech University System Growth of Spending (FY 2006-2020)



Commentary:

Since inception, the LTIF has met the annual 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.
- \$600.23 million distributed over last 15 years
- \$58.4 million was distributed in Fiscal Year 2020