



# TEXAS TECH UNIVERSITY SYSTEM ENDOWMENT FUND

2nd Quarter—February 28, 2017

Fiscal Year 2017

## Market Overview

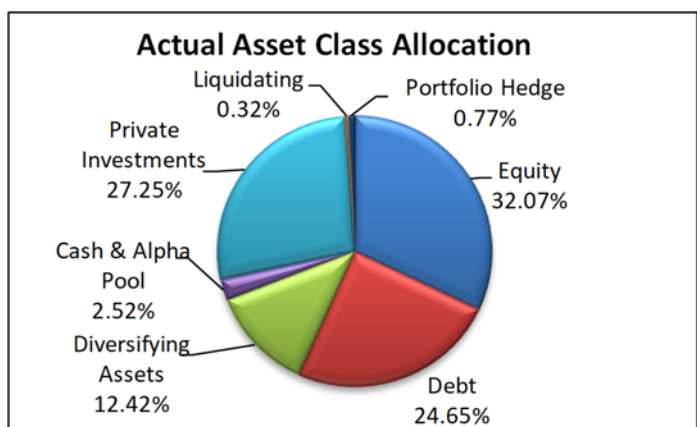
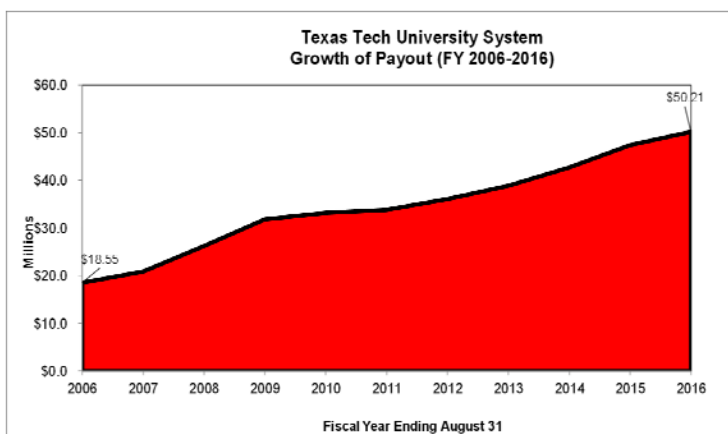
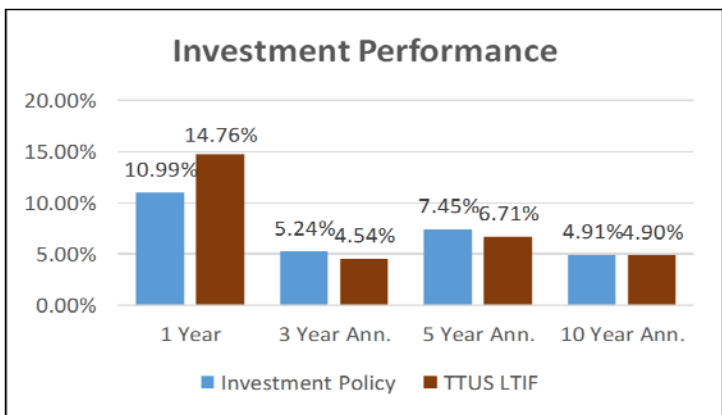
Global equities rallied in February as international stocks got a boost from positive economic data and domestic equities were bolstered by expectations of corporate tax reform and deregulation. We are currently in a market environment where equity valuations are fair to high depending on your metrics, credit spreads are tight and interest rates are low, leaving no easy investment choices for investors. We have maintained our balanced investment approach and slightly increased our hedging which is prudent in this environment.

- S&P 500 returned 4.0%
- MSCI EAFE Index returned 1.4%
- MSCI EM Index (Emerging Markets) gained 3.1%.

Bond Markets rallied as well in February.

- Barclays US Aggregate Bond Index returned 0.7%
- Barclays High Yield Index returned 1.5%
- JP Morgan GBI-EM Global Diversified Index gained 1.8% aided by appreciating emerging market currencies.

**Endowment Valuation:** \$1.093 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.
- \$435 million distributed over last 15 years.
- \$50.2 million was distributed in Fiscal Year 2016