

# Texas Tech University System Endowment Fund

3rd Quarter—May 31, 2019

Fiscal Year 2019

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Equities declined across the board amid renewed concerns around US trade policy. The S&P 500 Index came off its record high, losing 6.4% in May; emerging market equities lost even more, falling 7.3%, according to the MSCI Emerging Markets Index, as a stronger US dollar also took a bite out of returns.

The flight-to-quality led to a decline in global yields and a subsequent rally in safe-haven assets. In the US, 10- and 30-year Treasuries declined 36 and 35 basis points, respectively. The movement in longer-dated yields caused parts of the yield curve to invert – specifically at the 10-year, 3-month and 10-year, 1-year points. As a result, the Barclays US Treasury Index and Barclays Long Treasury Index increased 2.4% and 6.5%, respectively, during the month.

Within real assets, spot WTI Crude Oil reversed recent gains, falling 16.2% to \$54 amid concerns on the potential impact of tariffs. Despite its losses in May, WTI Crude Oil is up 18.5% for the year.

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- X S&P 500: (6.35)%
- X MSCI EAFE Index: (4.80)%
- X MSCI EM (Emerging Markets): (7.26)%
- X Barclays US Aggregate Bond Index: 1.78%
- X Barclays High Yield Index: (1.10)%
- X JP Morgan GBI-EM index: 0.57%

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