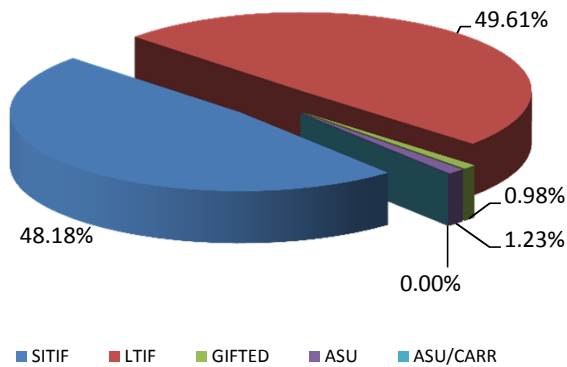


**TEXAS TECH UNIVERSITY SYSTEM
MANAGED INVESTMENTS
Quarter Ended February 28, 2014**

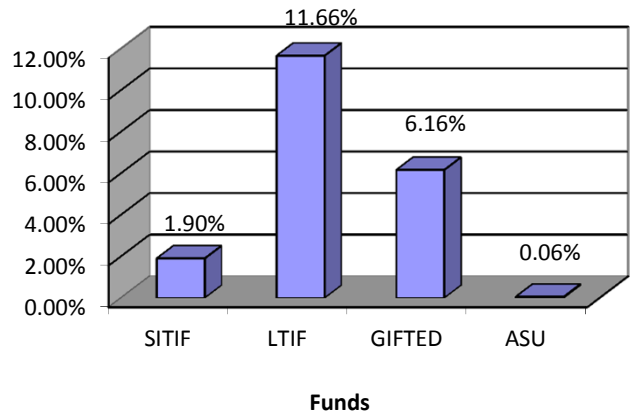
Investment Type	Market Value 02/28/14	% of Total	12-Month Return
SHORT/INTERMEDIATE TERM INVESTMENT FUND (SITIF)	\$ 982,053,125	48.18%	1.9%
LONG TERM INVESTMENT FUND (LTIF)	1,011,168,243	49.61%	11.7%
OTHER (GIFTED) INVESTMENTS	19,915,763	0.98%	6.2%
ANGELO STATE UNIVERSITY (non-LTIF)	24,984,165	1.23%	0.1%
ASU - CARR TRUST FUNDS (non-LTIF)	12,527	0.00%	N/A ¹
TOTAL INVESTMENT	\$ 2,038,133,822	100.00%	

¹ Any non-LTIF balance for Carr Foundation is cash that is either moved to the LTIF or remitted to ASU after this report date.

INVESTMENT COMPONENTS



12-MONTH RETURN



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**TEXAS TECH UNIVERSITY SYSTEM
MARKET VALUES OF INVESTMENT POOLS
INVESTMENT ACTIVITY
Quarter Ended February 28, 2014**

	Short/ Intermediate Term Investment Fund	Long Term Investment Fund
Market Value @ 11/30/13	\$ 929,779,752	\$ 962,221,269
Net Additions	44,196,116	26,541,831
Distributions	-	(10,318,571)
Investment Income	1,916,752	480,418
Realized Gains (Losses)	-	17,759,687
Unrealized Gains (Losses)	6,160,504	14,483,609
Market Value @ 2/28/14	<u>\$ 982,053,125</u>	<u>\$ 1,011,168,243</u>

**TEXAS TECH UNIVERSITY SYSTEM
GIFTED INVESTMENTS
Quarter Ended February 28, 2014**

Investment Type	Market Value 02/28/14
Total Restricted Funds	\$ 1,079,262
Total Endowment Funds	473,069
Total Foundation/Agency Funds	18,363,431
TOTAL GIFTED INVESTMENTS	<u>\$ 19,915,763</u>

**TEXAS TECH UNIVERSITY SYSTEM
ANGELO STATE UNIVERSITY
Quarter Ended February 28, 2014**

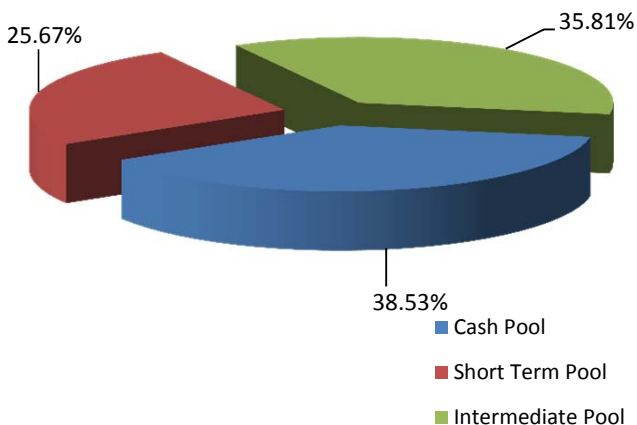
Investment Type	Market Value 02/28/14
<u>Angelo State:</u>	
Short-Term:	
TexPool	\$ 24,983,513
Long-Term:	
CMOs	652
Texas Tech LTIF ¹	16,629,753
Total Long-Term	<u>\$ 16,630,405</u>
Total Angelo State	<u>\$ 41,613,918</u>
<u>ASU Carr Trust Funds:</u>	
Wells Fargo Money Market	12,527
Texas Tech LTIF ¹	110,582,782
Total ASU Carr Trust Funds	<u>\$ 110,595,309</u>

¹ - LTIF values are preliminary

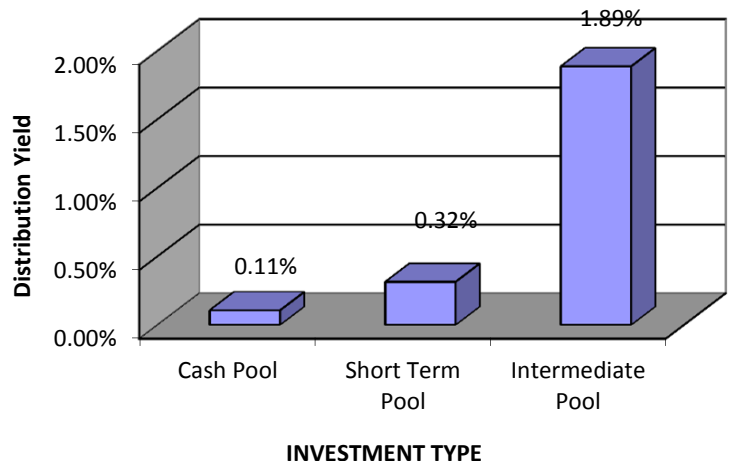
**TEXAS TECH UNIVERSITY SYSTEM
TREASURY & CASH MANAGEMENT
SHORT/INTERMEDIATE TERM INVESTMENT FUND
as of February 28, 2014**

Investment Type	Book Value 02/28/14	% of Total	Market Value 02/28/14	12-month Distribution Yield	12- Month SITIF Return
Cash Pool					
Depository Accounts	\$ 136,731,577	14.35%	\$ 136,731,577	0.2%	0.2%
Money Market Fund - Blackrock Temp Fund	30,125,650	3.16%	30,125,650	0.1%	0.1%
Money Market Fund - Invesco	34,067,262	3.58%	34,067,262	0.1%	0.1%
Money Market Fund - UBS Select	34,040,109	3.57%	34,040,109	0.0%	0.0%
Local Government Investment Pool - TexPool	132,076,763	13.86%	132,076,763	0.0%	0.0%
Total Cash Pool	\$ 367,041,361	38.53%	\$ 367,041,361	0.1%	0.1%
Short Term Pool					
Money Market Fund - Northern Trust	\$ 17,000	0.00%	\$ 17,000	0.0%	0.0%
Local Government Investment Pool - LOGIC	34,087,210	3.58%	34,087,210	0.1%	0.1%
Treasuries	81,061,563	8.51%	81,396,692	0.3%	0.3%
Agencies	129,374,821	13.58%	129,500,941	0.4%	0.2%
Total Short Term Pool	\$ 244,540,594	25.67%	\$ 245,001,843	0.3%	0.2%
Intermediate Pool					
Local Government Investment Pool - LOGIC	\$ 71,131,966	7.47%	\$ 71,131,966	0.1%	0.1%
External Investment Managers	270,000,000	28.34%	298,877,955	2.0%	5.8%
Total Intermediate Pool	\$ 341,131,966	35.81%	\$ 370,009,921	1.9%	5.2%
TOTAL SHORT/INTERMEDIATE TERM INVESTMENT FUND	\$ 952,713,921	100.00%	\$ 982,053,125	0.7%	1.9%

INVESTMENT COMPONENTS



DISTRIBUTION YIELDS BY CATEGORY





LONG TERM INVESTMENT FUND Endowment Report

February-2014
Preliminary

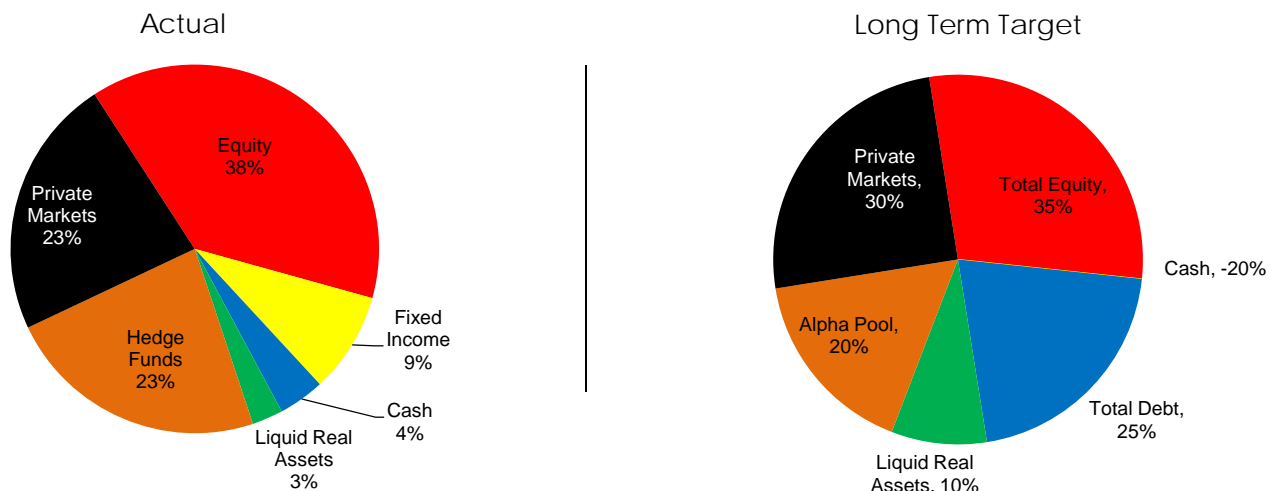
FUND PERFORMANCE		Total Value	QTD	1-year	3-year	5-year	10-year
Long Term Investment Fund *		\$ 1,011,168,243	0.84%	11.66%	6.66%	10.48%	6.70%
CPI +5%			1.58%	6.30%	7.20%	7.25%	7.57%
Equity	\$ 389,094,961		1.63%	19.42%	10.18%	19.72%	7.19%
Fixed Income	\$ 89,076,683		2.47%	-0.65%	5.83%	6.48%	4.64%
Cash	\$ 41,063,790		0.00%	0.00%	0.36%	0.22%	1.37%
Liquid Real Assets	\$ 27,430,250		3.89%	-5.57%	-5.69%		
Hedge Funds	\$ 233,497,219		0.28%	9.06%	1.98%	6.94%	5.57%
Private Investments *	\$ 231,005,341		0.00%	11.74%	10.30%	11.58%	16.03%
MSCI AC Word Index Free - Gross			0.71%	18.77%	8.94%	20.20%	7.42%
Standard & Poor's 500 Total Return Index			0.95%	25.38%	14.35%	23.00%	7.16%
MSCI EAFE			1.35%	19.77%	7.12%	18.14%	7.14%
Barclays Aggregate			2.02%	0.16%	3.84%	5.14%	4.57%
HFRI FoF Composite			1.48%	7.08%	1.91%	4.25%	2.74%
DJ UBS Commodity			6.56%	-1.83%	-6.74%	4.97%	0.73%

As you may have noticed, the Long-Term Investment Fund (LTIF) recently exceeded \$1 Billion in assets. This is a substantial milestone and is a credit to both the fundraising efforts as well as the efforts of the Board of Regents and IAC in overseeing the investment program.

As you may recall, the LTIF objective is to substantially exceed inflation over time. This is measured by comparing the actual LTIF performance results against a benchmark of CPI+5%. The LTIF has exceeded the benchmark over the 1-year and 5-year periods, while slightly underperforming the benchmark over the 3 and 10-year periods. Over the last quarter, performance from all liquid assets was positive with commodities and fixed income providing a slight respite from an otherwise tough year.

Risks remain high in capital markets with tight credit spreads and arguably fairly valued equity markets. This puts equity markets at some risk as the Fed slowly eases off the gas pedal by reducing quantitative easing. Global risks are continuing with China trying to find a soft landing and Europe trying to avoid deflationary pressures. In this environment, a balanced approach with increased focus on floating rate instruments with contractual cash flow, as well as event driven equity should continue to outperform more commonplace fixed income and equity strategies. The LTIF has committed substantial capital to these strategies recently.

ASSET ALLOCATION



The Actual Asset Allocation versus the Long-term Target Asset Allocation is detailed above. As you may recall, we are in process of moving to a newly approved asset allocation. Currently, we are slightly overweight equities (+3%) but dramatically underweight public debt at 9% versus the target of 25%. This will be a major focus over the coming several months. The allocation to public equities and the Alpha Pool (non-correlated Hedge fund strategies) is nearly complete. Private markets strategies currently account for 23% of the LTIF versus a target of 30%. We are continuing to commit to private assets and have recently completed one private equity and two private debt deals which will slowly increase our exposure to private assets.

* Preliminary. Due to normal lags in receiving private market information, returns include private market data as of December 31, 2013, with cash flows adjusted through February 28, 2014. Historical performance prior to this, has been trued-up for private investment returns.

Glossary of Terms

Book Value	Fund value without accounting for changes in market value. Sum of original investment, additions and deletions from the fund, current income (interest and dividends less fees), and realized gains and losses.
Market Value	Fund value with investments priced as of the date of the report. Sum of book value and unrealized gains and losses.
Yield	Return measuring current income (interest and dividends less fees) earned based on the beginning market value of fund.
Total Return	Return measuring total appreciation in the value of the fund. Total appreciation includes current income, plus realized and unrealized gains and losses.
One Year Yield	Yield for the year ended as of the date of the report.
One Year Total Return	Total return for the year ended as of the date of the report.