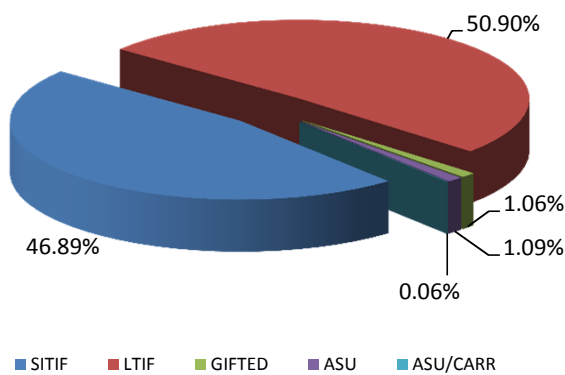


**TEXAS TECH UNIVERSITY SYSTEM
MANAGED INVESTMENTS
Quarter Ended May 31, 2013**

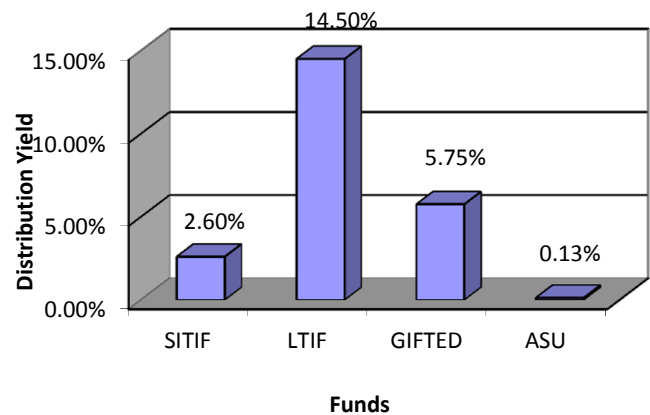
Investment Type	Market Value 05/31/13	% of Total	12-Month Return
SHORT/INTERMEDIATE TERM INVESTMENT FUND (SITIF)	\$ 833,105,917	46.89%	2.60%
LONG TERM INVESTMENT FUND (LTIF)	904,398,714	50.90%	14.50%
OTHER (GIFTED) INVESTMENTS	18,834,564	1.06%	5.75%
ANGELO STATE UNIVERSITY (non-LTIF)	19,432,225	1.09%	0.13%
ASU - CARR TRUST FUNDS (non-LTIF)	1,115,889	0.06%	N/A ¹
TOTAL INVESTMENT	\$ 1,776,887,309	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 May 31, 2013		
	Short/ Intermediate Term Investment Fund	Long Term Investment Fund
Market Value @ 2/28/13	\$ 852,326,277	\$ 872,984,857
Net Additions	(18,229,715)	11,135,878
Distributions	-	(9,620,490)
Investment Income	531,385	972,457
Realized Gains (Losses)	154,151	10,637,723
Unrealized Gains (Losses)	(1,676,181)	18,288,289
Market Value @ 5/31/13	<u>\$ 833,105,917</u>	<u>\$ 904,398,714</u>

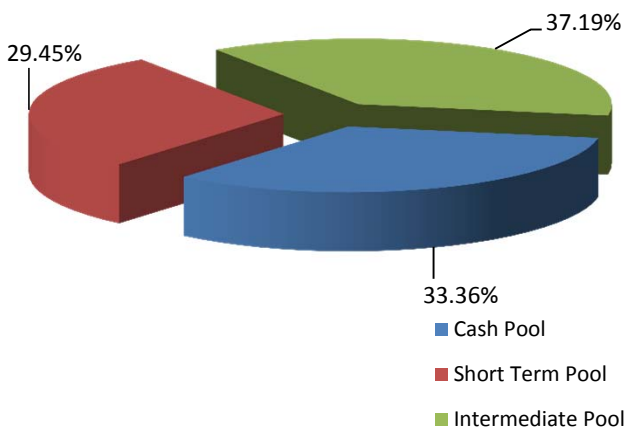
TEXAS TECH UNIVERSITY SYSTEM GIFTED INVESTMENTS Quarter Ended May 31, 2013	
Investment Type	Market Value 05/31/13
Total Restricted Funds	\$ 1,073,137
Total Endowment Funds	560,338
Total Foundation/Agency Funds	17,201,089
TOTAL GIFTED INVESTMENTS	<u>\$ 18,834,564</u>

TEXAS TECH UNIVERSITY SYSTEM ANGELO STATE UNIVERSITY Quarter Ended May 31, 2013	
Investment Type	Market Value 05/31/13
<u>Angelo State:</u>	
Short-Term:	
TexPool	\$ 19,431,328
Long-Term:	
CMOs	897
Texas Tech LTIF ¹	16,249,573
Total Long-Term	<u>\$ 16,250,470</u>
Total Angelo State	<u>\$ 35,681,798</u>
<u>ASU Carr Trust Funds:</u>	
Wells Fargo Money Market	\$ 1,115,889
Texas Tech LTIF ¹	106,298,013
Total ASU Carr Trust Funds	<u>\$ 107,413,902</u>
¹ - LTIF values are preliminary	

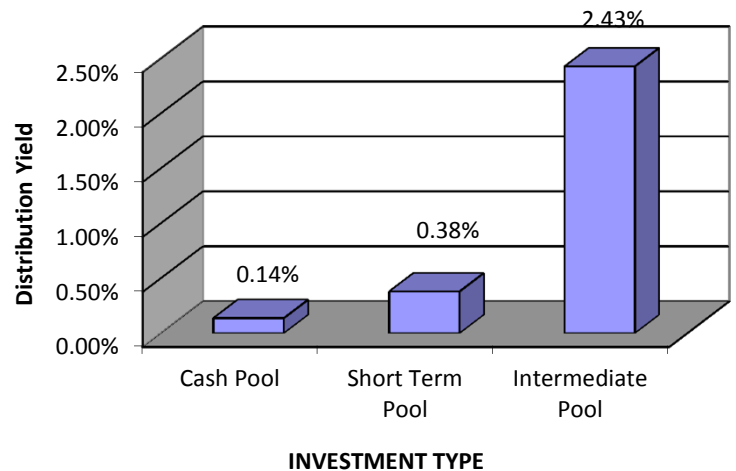
**TEXAS TECH UNIVERSITY SYSTEM
TREASURY & CASH MANAGEMENT
SHORT/INTERMEDIATE TERM INVESTMENT FUND
as of May 31, 2013**

Investment Type	Book Value 05/31/13	% of Total	Market Value 05/31/13	12-month Distribution Yield	12- Month SITIF Return
Cash Pool					
Depository Accounts	\$ 81,844,081	10.01%	\$ 81,844,081	0.19%	0.19%
Money Market Fund - Blackrock Temp Fund	30,115,037	3.68%	30,115,037	0.13%	0.13%
Money Market Fund - Invesco	34,047,859	4.16%	34,047,859	0.13%	0.13%
Money Market Fund - UBS Select	34,031,910	4.16%	34,031,910	0.09%	0.09%
Local Government Investment Pool - TexPool	92,705,010	11.34%	92,705,010	0.11%	0.11%
Total Cash Pool	\$ 272,743,897	33.36%	\$ 272,743,897	0.14%	0.14%
Short Term Pool					
Money Market Fund - Northern Trust	\$ 174,995	0.02%	\$ 174,995	0.06%	0.06%
Local Government Investment Pool - LOGIC	41,093,519	5.03%	41,093,519	0.11%	0.11%
Treasuries	65,650,132	8.03%	65,728,650	0.33%	0.40%
Agencies	133,831,207	16.37%	133,946,181	0.41%	0.30%
Total Short Term Pool	\$ 240,749,853	29.45%	\$ 240,943,345	0.38%	0.40%
Intermediate Pool					
Local Government Investment Pool - LOGIC	\$ 34,060,253	4.17%	\$ 34,060,253	0.16%	0.16%
External Investment Managers	270,000,000	33.03%	285,358,422	1.64%	15.45%
Total Intermediate Pool	\$ 304,060,253	37.19%	\$ 319,418,675	2.43%	6.70%
TOTAL SHORT/INTERMEDIATE TERM INVESTMENT FUND	\$ 817,554,003	100.00%	\$ 833,105,917	1.05%	2.60%

INVESTMENT COMPONENTS



DISTRIBUTION YIELDS BY CATEGORY





LONG TERM INVESTMENT FUND Endowment Report

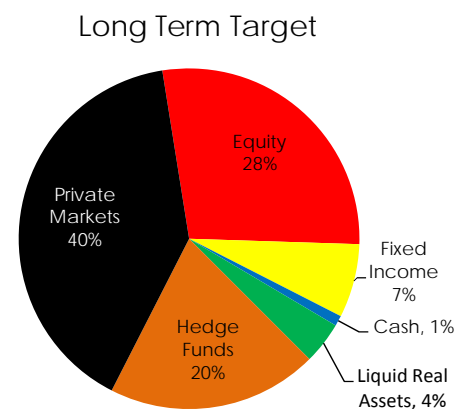
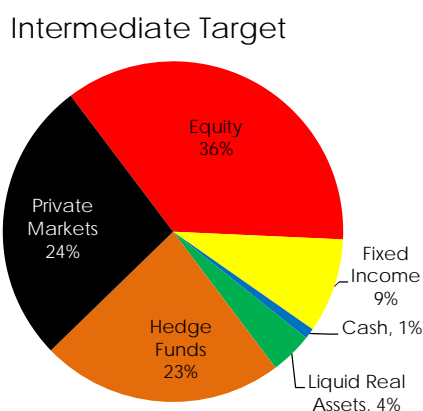
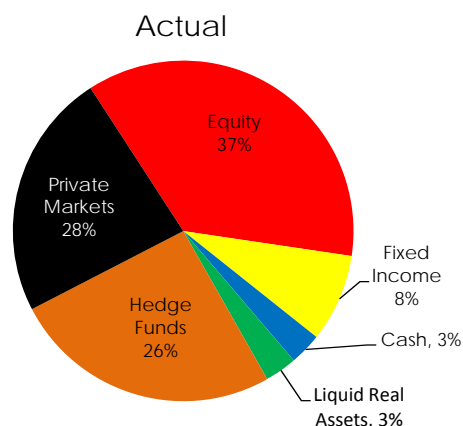
May 31, 2013

FUND PERFORMANCE

	Total Value	QTD	1-year	3-year	5-year	10-year
Long Term Investment Fund *	\$ 904,398,714	0.97%	14.50%	7.40%	2.62%	8.05%
Equity	\$ 330,340,954	2.20%	26.04%	13.25%	2.25%	
Fixed Income	\$ 75,560,190	-1.01%	7.81%	7.56%	5.96%	
Cash	\$ 27,499,419	0.00%	0.80%	0.37%	0.19%	
Liquid Real Assets	\$ 27,422,559	-5.43%	0.01%			
Hedge Funds	\$ 231,567,990	1.61%	9.74%	3.65%	2.16%	
Private Investments *		0.07%	11.13%	8.84%	6.86%	
Equity	\$ 85,670,900		12.05%	9.41%	6.90%	
Credit	\$ 47,940,919		14.49%	9.23%	8.29%	
Real Assets	\$ 78,395,783		8.54%	8.17%	5.57%	
Standard & Poor's 500 Total Return Index		4.32%	27.27%	16.87%	5.42%	
MSCI AC Word Index Free - Gross		2.72%	26.71%	12.89%	1.71%	
MSCI EAFE		2.90%	32.21%	11.52%	-1.13%	
Barclays Aggregate		-0.79%	0.93%	4.61%	5.51%	
HFRI FoF Composite		1.41%	7.97%	2.45%	-1.10%	
DJ UBS Commodity		-4.97%	2.29%	1.57%	-9.13%	

The ten-year return in the Long-Term Investment Fund (LTIF) is 8.05%, which is equal to the long-term goal of 8.0%. The 3-, 5-, and 7-year results have been disappointing due to difficult market environments. However, better returns in 2012 suggest that the rebalancing of assets that began in Fall 2012 are bringing improved results. One of the financial goals of the LTIF is to provide a significant and stable flow of funds for distribution to the operating budgets of the University. The target distribution rate of 4.5% has been realized every year since the inception of the LTIF.

ASSET ALLOCATION



During late 2012, the LTIF shifted assets from cash and hedge funds into equities, as the risks to the economy related to an over-leveraged financial system were diminished by successful central bank intervention in the markets. Additionally, a larger allocation to private markets, where TTUS has enjoyed long-term success, was made. With a new CIO, you can expect that changes to the asset allocation will be recommended by year end. I am confident that the upcoming proposed changes will continue to improve our performance over time on an absolute and risk-adjusted basis, as well as a peer ranking basis.

* Preliminary. Due to normal lags in receiving private market information, returns include private market data as of March 31, 2013, with cash flows adjusted through May 31, 2013. 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.