

Texas A&M University System

Cash Concentration Pool



FISCAL YEAR 2025

2nd QUARTER – FEB 28, 2025

Distribution Rates for FY 2025 YTD:

Cash Portfolio:	4.67%
Long-Term Portfolio:	8.61%
Total Pool:	7.94%

Capital Markets Update

For the quarter, financial markets experienced notable fluctuations influenced by monetary policy decisions, trade tensions, and evolving economic indicators. Meanwhile, the U.S. Treasury yield curve remained inverted, with the 10-year yield hovering around 4.24% at the end of February, reflecting investor uncertainty about long-term economic growth.

Equity markets exhibited mixed performance throughout the quarter. The S&P 500 reached an all-time high mid-February but subsequently faced a correction by the end of February, resulting in a 1.3% decline for the month. This downturn was largely attributed to escalating trade tensions, particularly the implementation of new tariffs by the U.S. administration, which prompted retaliatory measures from major trading partners. These developments heightened market volatility and raised concerns about potential stagflation. Hedge funds posted mixed results, with macro strategies benefiting from currency and rate volatility, while equity long/short funds faced challenges amid unpredictable sector rotations. Credit-focused hedge funds outperformed as managers capitalized on idiosyncratic opportunities in distressed debt and structured credit.

Investors remained vigilant, closely monitoring geopolitical events and central bank communications for cues on future monetary policy adjustments. Market participants are now focused on upcoming economic data releases and policy announcements to assess the trajectory of growth and inflation in the coming months.

CCP Estimated Distribution Rate

FY 2025: 2.00%

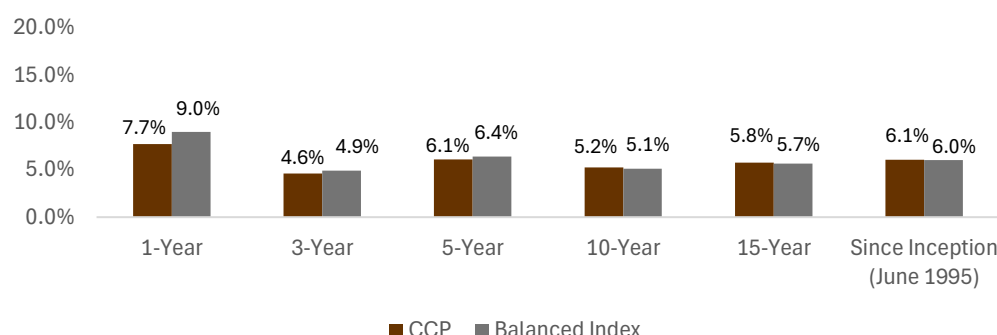
<https://www.tamus.edu/finance/treasury-services/>

Pool Valuation

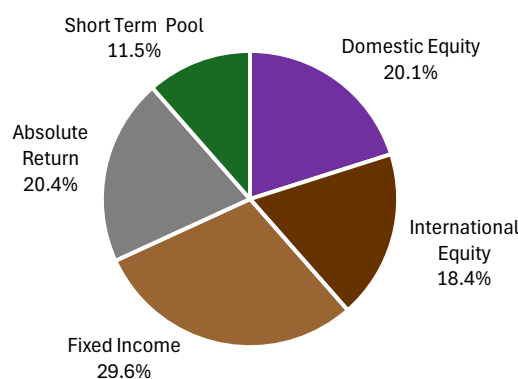
As of February 28, 2025, the Pool had a market value of approximately \$6.7 billion. For the 2nd quarter of FY 2025, the Pool positions had \$1,653.9 million in cash inflows and \$1,436.2 million in cash outflows, increasing the book value of the Pool by \$217.7 million. The Pool earned investment income during this quarter of \$36.3 million and realized net gains on investments of \$88.5 million.

The Cash Portfolio distributes all interest, dividends, and realized gains/(losses), net of external management fees, to the participants based on their average short-term balance for each month. The Long-Term Pool distributes all interest, dividends, and realized gains/(losses), net of external management fees, to the participants based on their ownership of Long-Term Pool units for each month.

Investment Performance



Asset Allocation as of Feb 28, 2025



Asset Allocation (\$M)

Prior to Distribution and New Deposits

Domestic Equities	\$1,272.6
International Equities	\$1,166.2
Fixed Income	\$1,876.1
Absolute Return	\$1,290.0
Short Term Pool	\$725.8

Growth of \$1 (5 Years)

