

Texas A&M University System Cash Concentration Pool



FISCAL YEAR 2024

3RD QUARTER – MAY 31, 2024

Distribution Rates for FY 2024 YTD:

Cash Portfolio:	5.15%
Long-Term Portfolio:	5.35%
Total Pool:	5.32%

Capital Markets Update

The yield on 2-year Treasuries increased from 4.6% at the end of February to 4.9% at the end of May, and the yield on 10-year Treasuries increased from 4.3% at the end of February to 4.5% at the end of May. Global markets rallied in May with softening economic data increasing hopes that the Fed may still be able to cut interest rates this year. Inflation pressures have eased in most countries from their pandemic peaks, but some uncertainty remains and levels are still above most central bank targets.

Spreads in Investment Grade Corporates declined from 100 bps at the end of February to 80 bps at the end of May. Fixed income returns, as measured by the Bloomberg Barclays US Aggregate, were unchanged for the quarter and are up 1.3% for the one-year period. Inflation expectations, as measured by the 10-year breakeven, rose from 2.3% at the end of February to 2.4% at the end of May.

The S&P 500 Index returned 3.9% for the quarter and was up 28.2% for the one-year period ending May 31, 2024. Developed International Equity markets rose by 4.5% (in US dollars) for the quarter and were up 18.5% for the one-year period. Emerging markets returned 3.5% (in US dollars) for the quarter and were up 12.4% for the one-year period.

For the rest of the year, the paths of inflation and monetary policy, the continued lack of breadth in the market, China's economic disorder and slowing economic growth, the many upcoming elections, and the wars in Ukraine and Israel, will be key.

CCP Estimated Distribution Rate

FY 2024: 2.00%

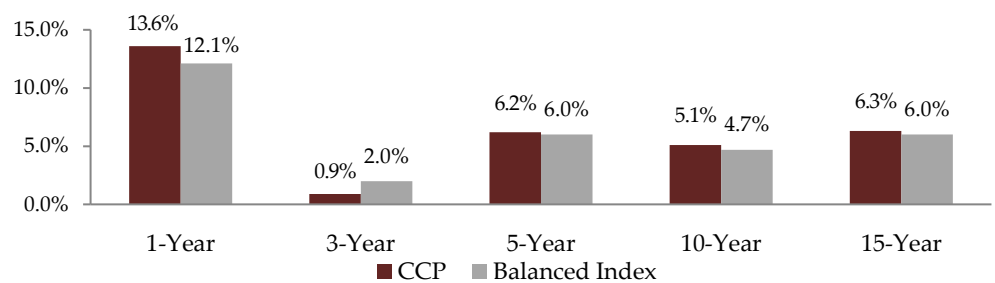
<https://www.tamus.edu/finance/treasury-services/>

Pool Valuation

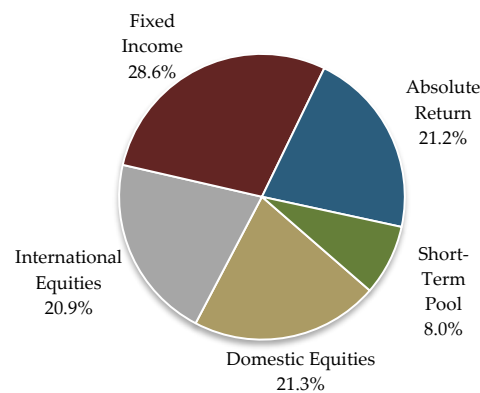
As of May 31, 2024, the Pool had a market value of approximately \$6.2 billion. For the 3rd quarter of FY 2024, the Pool positions had \$1,541.1 million in cash inflows and \$1,532.3 million in cash outflows, increasing the book value of the Pool by \$8.7 million. The Pool earned investment income during this quarter of \$37.0 million and realized net gains on investments of \$39.1 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 May 31, 2024



Asset Allocation (\$M) Excluding Debt Proceeds and SEF Deposits

Domestic Equities	\$1,201.1
International Equities	\$1,178.0
Fixed Income	\$1,615.1
Absolute Return	\$1,199.1
Short-Term Pool	\$453.6

Growth of \$1 (5 Years)

