

Texas A&M University System Cash Concentration Pool



FISCAL YEAR 2024

4TH QUARTER – AUGUST 31, 2024

Distribution Rates for FY 2024 YTD:

Cash Portfolio:	5.17%
Long-Term Portfolio:	4.11%
Total Pool:	5.32%

Capital Markets Update

The yield on 2-year Treasuries decreased from 4.9% at the end of May to 3.9% at the end of August, and the yield on 10-year Treasuries decreased from 4.5% at the end of May to 3.9% at the end of August. After a very volatile start to the month of August, most asset classes posted gains. A weak US jobs report caused speculation that the Fed might have waited too long to cut interest rates, increasing the risk of a “hard landing” for the US economy. However, at the Jackson Hole meeting, Chair Powell indicated that improvements in inflation and a balancing labor market provided justification for rate cuts soon.

Spreads in Investment Grade Corporates increased from 80 bps at the end of May to 90 bps at the end of August. Fixed income returns, as measured by the Bloomberg Barclays US Aggregate, increased 4.8% for the quarter and are up 7.3% for the one-year period. Inflation expectations, as measured by the 10-year breakeven, declined from 2.4% at the end of May to 2.1% at the end of August.

The S&P 500 Index returned 7.4% for the quarter and was up 27.1% for the one-year period ending August 31, 2024. Developed International Equity markets rose by 4.6% (in US dollars) for the quarter and were up 19.4% for the one-year period. Emerging markets returned 5.9% (in US dollars) for the quarter and were up 15.1% for the one-year period.

For the rest of the year, the path of monetary policy, the strength of the labor market, and the upcoming US election will be key factors.

CCP Estimated Distribution Rate

FY 2024: 2.00%
FY 2025: 2.00%

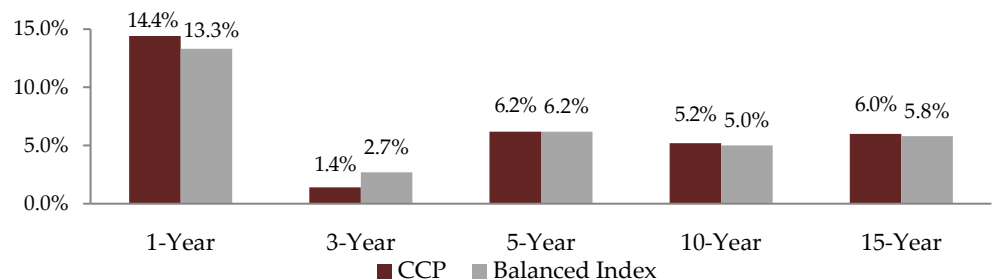
<https://www.tamus.edu/finance/treasury-services/>

Pool Valuation

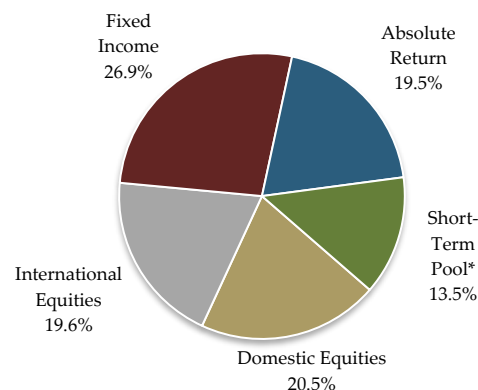
As of August 31, 2024, the Pool had a market value of approximately \$6.7 billion. For the 4th quarter of FY 2024, the Pool positions had \$1,587.7 million in cash inflows and \$1,250.4 million in cash outflows, increasing the book value of the Pool by \$337.3 million. The Pool earned investment income during this quarter of \$34.3 million and realized net losses on investments of \$15.2 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 August 31, 2024



Asset Allocation (\$M)

Excluding Debt Proceeds and SEF Deposits

Domestic Equities	\$1,284.3
International Equities	\$1,227.9
Fixed Income	\$1,681.8
Absolute Return	\$1,218.5
Short-Term Pool*	\$843.3

* Over target due to tuition receipts: funds will be reallocated in Q1

Growth of \$1 (5 Years)

