

Texas A&M University System

Cash Concentration Pool



FISCAL YEAR 2022

3RD QUARTER – MAY 31, 2022

Distribution Rates for FY 2022 YTD:

Cash Portfolio:	0.10%
Long-Term Portfolio:	0.69%
Total Pool:	0.61%

Capital Markets Update

The yield on 2-year Treasuries rose to 2.53% at the end of May from 1.44% in February; the yield on 10-year Treasuries increased to 2.85% in May from 1.83% at the end of February. Rates remain well above those at the start of 2022 and continue to increase across maturities with the yield curve flattening. This is driven by continued above-expectations CPI reports on inflation and the Federal Reserve's plans to tighten policy further.

Spreads in Investment Grade Corporates remained the same in May, ending the month at 130 bps. Fixed income returns declined, with the Barclay's US Aggregate losing 5.9% for the quarter and dropping 8.2% for the one year period. Inflation expectations as measured by the 10-year breakeven ended May at 2.64%, a marginal increase from February. Expectations decreased over the quarter after breaking 3% in April.

The S&P 500 Index returned -5.2% during the quarter and was down 0.3% for the one-year period ending May 31, 2022. Developed international equity markets fell by 5.9% (in US dollars) during the quarter and 6.8% for the one-year period. Emerging markets dropped 7.3% (in US dollars) during the quarter and lost 19.8% for the 12-month period.

Market movements remained relatively flat in May as investors await further developments with inflation and policy tightening. China's zero-COVID policy continues to adversely impact emerging markets performance and to hinder global supply chains.

CCP Estimated Distribution Rate

FY 2022: 3.00%

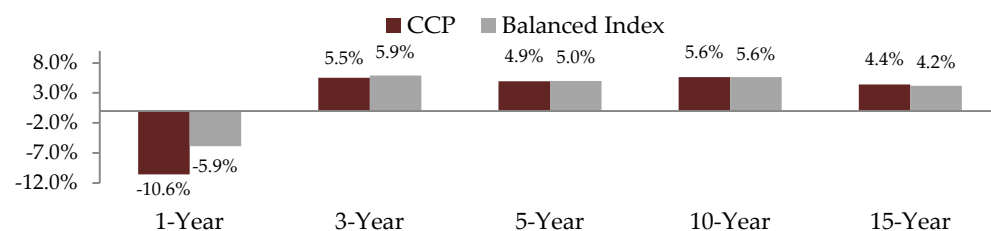
<https://www.tamus.edu/finance/treasury-services/>

Pool Valuation

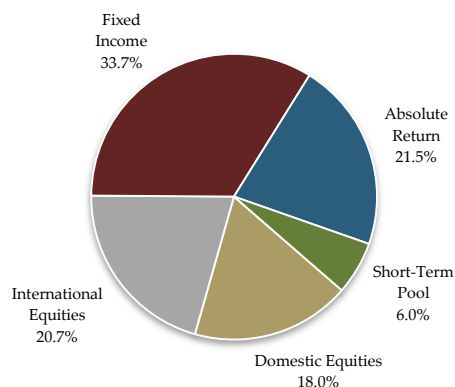
As of May 31, 2022 the Pool had a market value of approximately \$5.1 billion. For the 3rd quarter of FY 2022, the Pool positions had \$916.3 million in cash inflows and \$1,080.8 million in cash outflows, decreasing the book value of the Pool by \$164.5 million. The Pool earned investment income during this quarter of \$16.4 million and realized net losses on investments of \$76.8 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, 2022



Asset Allocation (\$M)

Excluding Debt Proceeds and SEF Deposits

Domestic Equities	\$867.0
International Equities	\$998.1
Fixed Income	\$1,622.3
Absolute Return	\$1,032.9
Short-Term Pool	\$209.5

Growth of \$1 (5 Years)

