Effective Rates for FY 2016 YTD:

- Cash Portfolio: 0.17%
- Long-Term Portfolio: 2.03%
- Total Pool: 1.66%

Capital Markets & Rates

The yield on 2-year Treasuries rose to 0.94% in November from 0.74% at the end of August. Despite fluctuating throughout the period, the yield on 10-year Treasuries remained flat at 2.21%. The S&P 500 Index returned 6.1% during the quarter and 2.7% for the one-year ending November 30, 2015.

The unemployment rate declined to 5.0% in November. The economy added 624,000 jobs during the three month period.

Economic data was positively revised, as the economy grew at a 2.1% annual rate during the quarter ending September 30, 2015. This comes after a 3.9% growth rate during the previous quarter. Due to the strengthening economy and employment picture, the Federal Open Market Committee increased the Fed Funds rate as expected in December.

CCP Estimated Distribution Rate for FY 2016

- Total Pool: 2.75%

http://www.tamus.edu/finance/treasury-services/

Pool Valuation

As of November 30, 2015, the Pool had a market value of approximately $3.3 billion. For the 1st quarter of FY 2016, the Pool positions had $684 million in cash inflows and $670 million in cash outflows, increasing the book value of the Pool by $14 million. The Pool earned investment income during this quarter of $12 million and realized gains on investments of $3 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 Allocation and Performance

As of November 30, 2015, the Cash Concentration Pool had a market value of approximately $2.9 billion (excluding debt proceeds and pending transfers) with 8.1% of the Pool’s assets invested in the Cash Portfolio and 91.9% of the assets invested in the Long-Term Portfolio. The Cash Portfolio and the Long-Term Portfolio are managed by external investment managers. The comparative returns for the Pool for the one, three, five, ten and fifteen-year periods ending November 30, 2015 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>1-Year</th>
<th>3-Year</th>
<th>5-Year</th>
<th>10-Year</th>
<th>15-Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Pool</td>
<td>0.1%</td>
<td>5.3%</td>
<td>5.0%</td>
<td>4.6%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Balanced Index</td>
<td>-0.3%</td>
<td>5.2%</td>
<td>5.1%</td>
<td>4.4%</td>
<td>4.7%</td>
</tr>
</tbody>
</table>

Asset Allocation as of November 30, 2015:

- Domestic Equities, 20.6%
- International Equities, 18.9%
- Absolute Return, 20.8%
- Long-Term Fixed Income, 21.8%
- Absolute Return, 20.8%