

# Texas A&M University System

## Cash Concentration Pool



FISCAL YEAR 2023

1<sup>ST</sup> QUARTER – NOVEMBER 30, 2022

### Distribution Rates for FY 2023 YTD:

Cash Portfolio:	3.02%
Long-Term Portfolio:	-3.42%
Total Pool:	-2.50%

### Capital Markets Update

The yield on 2-year Treasuries increased from 3.5% at the end of August to 4.7% at the end of November, and the yield on 10-year Treasuries increased from 3.2% at the end of August to 3.6% at the end of November. US Federal Reserve Chairman Powell's testimony in November reiterated previous messaging on persistent and high inflation and the need for an extended period of monetary tightening. Markets seem to remain focused on data showing that inflation is slowly declining and that the size of future Fed rate hikes could be lower.

Spreads in Investment Grade Corporates fell from 1.4% at the end of August to 1.3% at the end of November. Fixed income returns declined, with the Bloomberg Barclays US Aggregate losing 2.1% for the quarter and dropping 12.8% for the one-year period. Inflation expectations, as measured by the 10-year breakeven, slightly decreased from 2.5% at the end of August to 2.4% at the end of November.

The S&P 500 Index returned 3.6% for the quarter and was down 9.2% for the one-year period ending November 30, 2022. Developed International Equity markets rose by 6.3% (in US dollars) for the quarter and were down 10.1% for the one-year period. Emerging markets dropped 1.8% (in US dollars) for the quarter and were down 17.4% for the one-year period.

High inflation and tightening of monetary policy, slowing growth globally, the war in Ukraine, and COVID-19 issues in China will likely continue to cause volatility in the global economy.

### CCP Estimated Distribution Rate

FY 2023: 3.00%

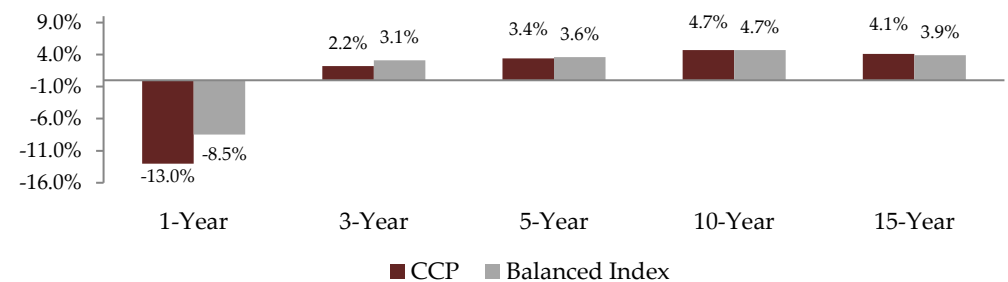
<https://www.tamus.edu/finance/treasury-services/>

### Pool Valuation

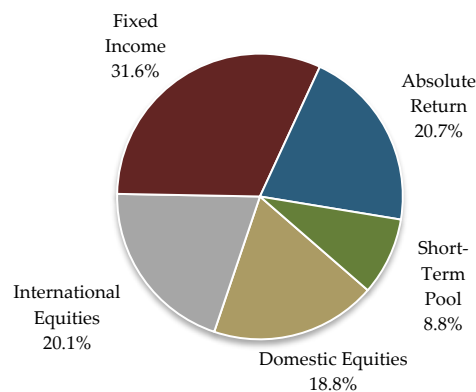
As of November 30, 2022 the Pool had a market value of approximately \$5.2 billion. For the 1<sup>st</sup> quarter of FY 2023, the Pool positions had \$1,019.6 million in cash inflows and \$1,214.5 million in cash outflows, decreasing the book value of the Pool by \$194.9 million. The Pool earned investment income during this quarter of \$21.7 million and realized net losses on investments of \$49.3 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 Performance



### Asset Allocation as of November 30, 2022



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

Domestic Equities	\$929.7
International Equities	\$995.6
Fixed Income	\$1,563.9
Absolute Return	\$1,022.9
Short-Term Pool	\$434.0

### Growth of \$1 (5 Years)

