Effective Rates for FY 2015 YTD:

- Cash Portfolio: 0.09%
- Long-Term Portfolio: 4.19%
- Total Pool: 4.23%

Capital Markets & Rates

The yield on 2-year Treasuries fell to 0.47% in November from 0.48% at the end of August. The yield on 10-year Treasuries declined to 2.18% at the end of November, down from 2.35% in August. The S&P 500 Index returned 3.7% for the quarter and 16.7% for the one-year ending November 30, 2014.

The unemployment rate declined from 6.1% in August to 5.8% at the end of November. The economy added 835,000 jobs during the three month period.

Economic data has continued to trend higher as the third quarter GDP grew at 5.0%. This comes after a 4.6% growth rate in the second quarter. Due to the strengthening economy and employment picture, most of the Federal Open Market Committee participants expect an initial interest rate hike later in 2015.

CCP Estimated Distribution Rate for FY 2015

Total Pool: 2.75%

http://www.tamus.edu/offices/treasury/

Pool Valuation

As of November 30, 2014, the Pool had a market value of approximately $3.1 billion. For the 1st quarter of FY 2015, the Pool positions had $545 million in cash inflows and $670 million in cash outflows, decreasing the book value of the Pool by $125 million. The Pool earned investment income during the quarter of $11 million and realized gains on investments of $21 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, 2014, the Cash Concentration Pool had a market value of approximately $2.9 billion (excluding debt proceeds) with 7.7% of the Pool’s assets invested in the Cash Portfolio and 92.3% 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, 2014 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>6.0%</td>
<td>8.1%</td>
<td>6.8%</td>
<td>5.1%</td>
<td>5.5%</td>
</tr>
<tr>
<td>Balanced Index</td>
<td>5.4%</td>
<td>8.1%</td>
<td>6.8%</td>
<td>4.9%</td>
<td>5.1%</td>
</tr>
</tbody>
</table>

Asset Allocation as of November 30, 2014:

- Domestic Equities, 21.2%
- Int’l. Equities, 16.8%
- Hedge Funds, 20.0%
- Cash Portfolio, 7.7%
- Liquidity Portfolio, 9.8%
- Long-Term Fixed, 24.5%