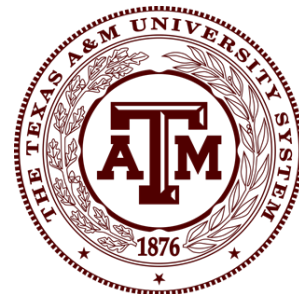


Texas A&M University System System Endowment Fund



FISCAL YEAR 2020

2ND QUARTER – FEBRUARY 29, 2019

Capital Markets Update

As measured by the Russell 3000 Index, the U.S. stock market returned -5.6% over the quarter and 6.9% for the one-year period. Large cap stocks outperformed small cap stocks by 3.4% for the quarter and outperformed by 12.4% for the one-year period. Growth stocks outperformed value stocks by 7.3% during the quarter and outperformed by 14.1% over the one-year period.

Amid fears of the novel coronavirus (COVID-19) pandemic, the Dow experienced its largest point drop of all time, losing nearly 3,000 points on March 16th. Investors fled to quality stocks, generally large cap and growth oriented names. Financials saw their worst valuations in recent memory, with oil and energy names not far behind.

While international markets were even more impacted than US markets, China's announcement in late March that the COVID-19 virus has been contained, combined with the US's announcement of a \$2 trillion stimulus package, gave global markets a much needed bit of good news. As of March 26th, the S&P 500 rebounded somewhat with its strongest three-day run since 1933.

Global fixed income markets increased during the quarter by 2.6%. For the one-year period, fixed income markets gained 7.9%. Yields on US treasuries have dropped to historic lows, and the Fed cut interest rates to 0% on March 15th. Globally, the World Bank announced it would make \$14 billion in financing available to its members, to help support their own financial institutions and sectors involved in responding to the pandemic.

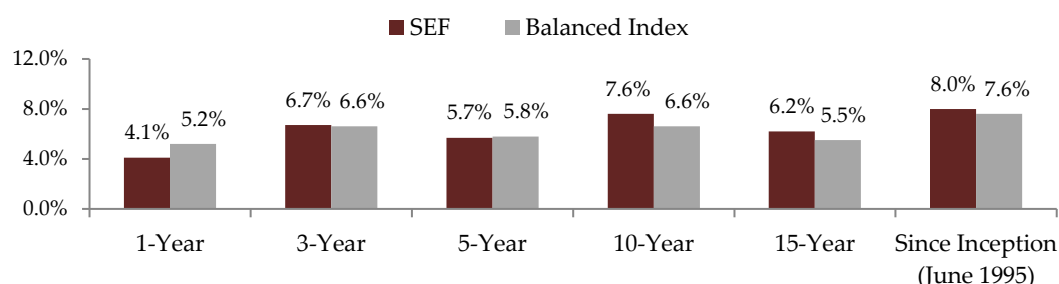
Quarterly Endowment Spending Rate

FY 2020: \$0.078679 per unit

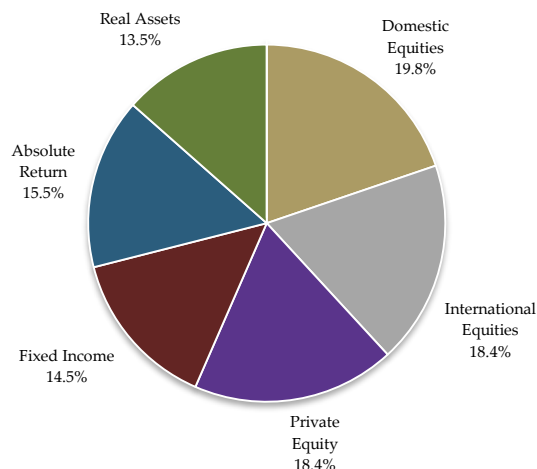
Endowment Valuation

As of February 29, 2020, the SEF had a market value of approximately \$1.2 billion, including new deposits and net the income distribution for the 2nd quarter. The SEF is accounted for on a unitized basis and the per unit market value as of February 29, 2020 was \$6.54.

Investment Performance



Asset Allocation as of February 29, 2020

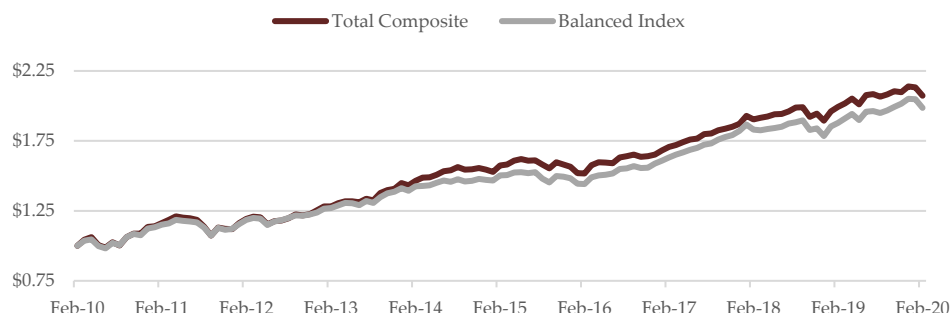


Asset Allocation (\$M)

Prior to Distribution and New Deposits

Domestic Equities	\$238.4
International Equities	\$222.0
Private Equity	\$221.9
Fixed Income	\$174.6
Absolute Return	\$186.5
Real Assets	\$162.6

Growth of \$1 (10 Years)



The units and market value summary is available online for each endowment account at the Treasury web page: <https://www.tamus.edu/finance/treasury-services/system-endowment-fund/>