

# Texas A&M University System System Endowment Fund



FISCAL YEAR 2023

4<sup>TH</sup> QUARTER – AUGUST 31, 2023

## Capital Markets Update

The US stock market, as measured by the Russell 3000 Index, rose 8.5% over the quarter and was up 14.8% for the one-year period ending August 31, 2023. Large cap stocks, as measured by the Russell 1000 (up 15.4%), outpaced small cap stocks, as measured by the Russell 2000 (up 4.7%), for the one-year period. Over the same one-year period, value stocks, as measured by the Russell 3000 Value (up 8.2%), significantly underperformed their growth counterparts, as measured by the Russell 3000 Growth (up 21.0%). International equities, as measured by the MSCI EAFE, were up 3.8% for the quarter and up 17.9% for the one-year period.

Private Equity returns continued to decline compared to recent quarters, generating a -0.2% Internal Rate of Return (IRR) over the past year. Fundraising activity for private equity funds decreased by 5.0% compared to the previous quarter, with \$173.8 billion raised. During the first quarter of 2023, North American funds continued to represent the majority of funds raised, with 69.0% of total capital.

Real asset returns increased 8.6% for the quarter ending August 31, 2023 and are up 1.9% for the one-year period, as measured by the S&P Global LargeMidCap Commodity and Resources benchmark. Real Estate, as measured by the NCREIF Property Index, was down 2.0% for the quarter and is down 6.6% for the one-year period ending August 31, 2023.

## Quarterly Spending Rate

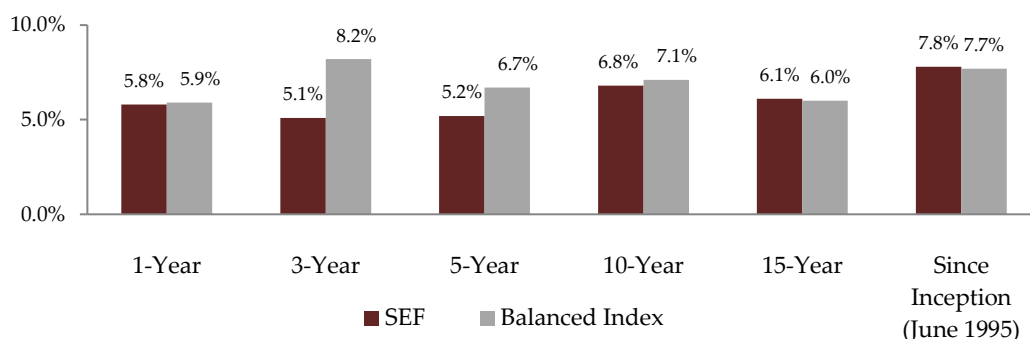
FY 2023: \$0.086078 per unit

FY 2024: \$0.087169 per unit

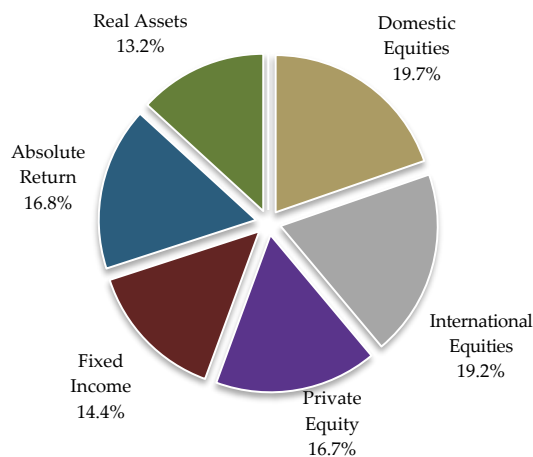
## Endowment Valuation

As of August 31, 2023, the SEF had a market value of approximately \$1.4 billion, including new deposits and net the income distribution for the 4<sup>th</sup> quarter. The SEF is accounted for on a unitized basis and the per unit market value as of August 31, 2023 was \$6.88.

## Investment Performance



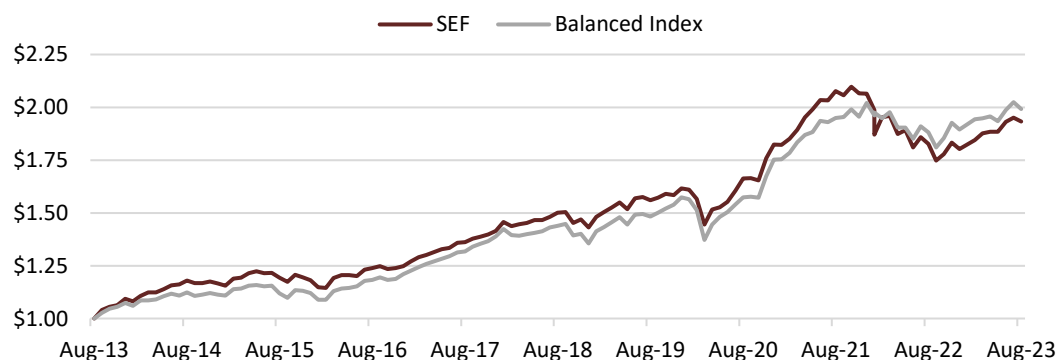
## Asset Allocation as of August 31, 2023



## Asset Allocation (\$M) Prior to Distribution and New Deposits

Domestic Equities	\$283.5
International Equities	\$276.3
Private Equity	\$239.7
Fixed Income	\$207.7
Absolute Return	\$241.8
Real Assets	\$189.6

## Growth of \$1 (10 Years)



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