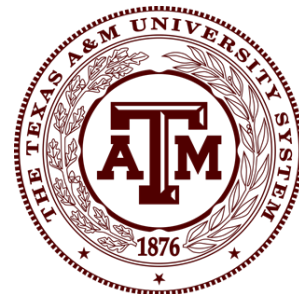


# Texas A&M University System System Endowment Fund



FISCAL YEAR 2021

1<sup>ST</sup> QUARTER – NOVEMBER 30, 2020

## Capital Markets Update

As measured by the Russell 3000 Index, the U.S. stock market returned 5.7% over the quarter and 19.0% for the one-year period ending November 30th. Large cap stocks as measured by the Russell 1000 (up 19.4%) outperformed small cap stocks represented by the Russell 2000 (up 13.6%) for the one-year period. Growth stocks measured by the Russell 3000 Growth (up 35.7%) outperformed value stocks included in the Russell 3000 Value (up 1.6%) by 34.1% over the one-year period.

The S&P 500 ended the one-year period up 17.5%, an appreciation of over 60% from its low in mid-March. In addition to FOMC monetary and fiscal support driving equity markets, the IT sector has contributed significantly as consumers shift to online purchases and streaming services. Consumer Discretionary began to see gains through November, as the economy slowly reopened and people began returning to work. Energy remains the worst performing sector, triggered by the severe plunge in oil prices. Financials have also struggled in a slower growth environment.

International markets continued to rebound, with emerging markets slightly outpacing international developed stocks for the quarter. For the quarter ending November 30, the MSCI EAFE returned 8.0% and the MSCI Emerging Markets Index returned at 9.7%.

Global fixed income markets increased during the quarter by 1.5% and for the one-year period by 8.4%. Bond markets continued to perform well, with Treasuries (namely longer-dated issues) posting strong results. Risk assets and longer-dated sovereign debt yields across developed economies generally rose with the resolution of the US presidential election and COVID-19 vaccine developments.

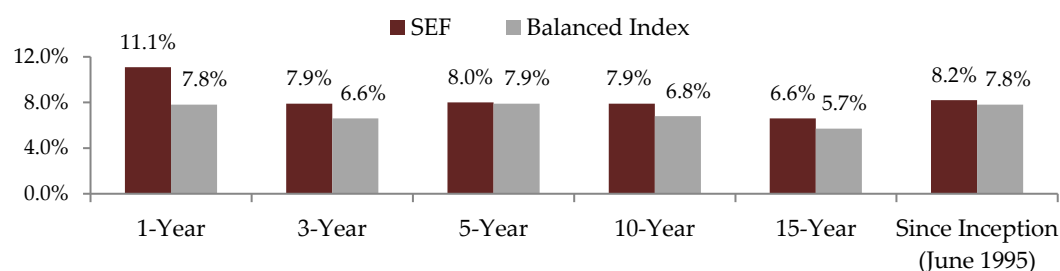
## Quarterly Spending Rate

FY 2021: \$0.079585 per unit

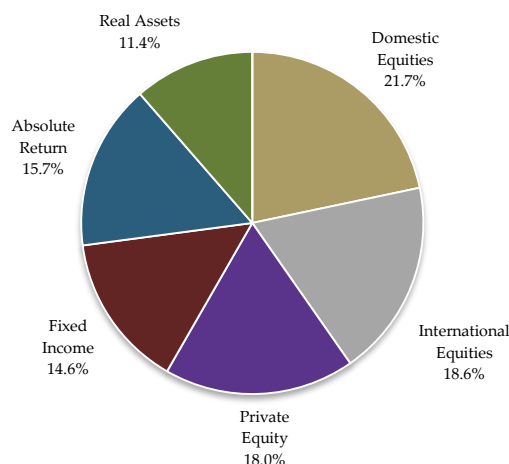
## Endowment Valuation

As of November 30, 2020, the SEF had a market value of approximately \$1.3 billion, including new deposits and net the income distribution for the 1<sup>st</sup> Quarter. The SEF is accounted for on a unitized basis and the per unit market value as of November 30, 2020 was \$7.08.

## Investment Performance



## Asset Allocation as of November 30, 2020<sup>1</sup>

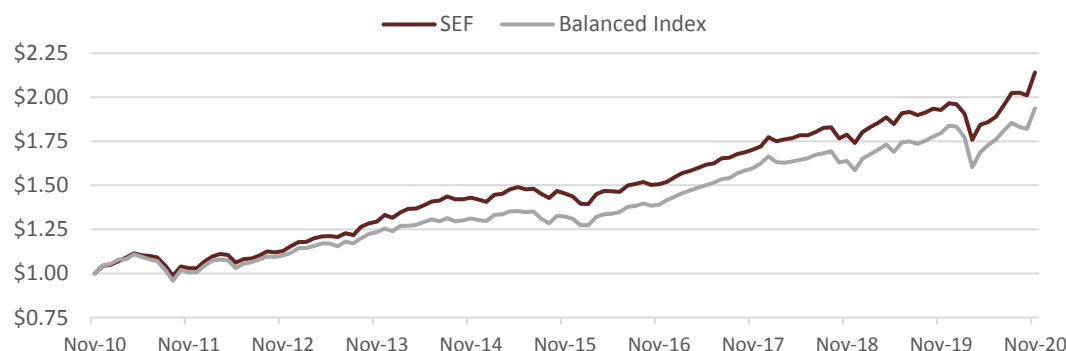


## Asset Allocation (\$M)

Prior to Distribution and New Deposits

Domestic Equities	\$287.4
International Equities	\$246.3
Private Equity	\$238.1
Fixed Income	\$194.2
Absolute Return	\$208.7
Real Assets	\$150.9

## 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/>

<sup>1</sup> Totals may not sum to 100% due to rounding