

Texas A&M University System System Endowment Fund



FISCAL YEAR 2022

1ST QUARTER – NOVEMBER 30, 2021

Capital Markets Update

As measured by the Russell 3000 Index, the US stock market returned 0.4% over the quarter and 26.3% for the one-year period ending November 30th. Small cap stocks represented by the Russell 2000 (up 22.0%) underperformed large cap stocks as measured by the Russell 1000 (up 26.7%) by 4.7% for the one-year period. Growth stocks, measured by the Russell 3000 Growth (up 29.4%), exceeded the return of their value counterparts in the Russell 3000 Value (up 22.9%) by 6.5% over the same time period.

Private Equity returns have been very strong, generating a 61.3% Internal Rate of Return (IRR) over the year ended June 30, 2021. Venture Capital had continued strong performance, with an 82.2% IRR over the same time period. Buyout funds continued to be the largest private equity sub-strategy category with 52% of all private equity capital raised dedicated to Buyout funds in the second quarter of 2021, up from 37% in the first quarter. Venture Capital, Growth Equity, and Secondaries decreased in assets in the second quarter. North American funds continued to lead in fundraising, though they saw a slight decrease in the second quarter as investors re-emphasized their commitments to Asia. Asia-focused funds increased from 13% of capital raised in Q1 to 21% in Q2.

In general, performance has been strong in each vintage year since the Global Financial Crisis. Buyout and Venture Capital funds have generally both performed well over the various horizons on an absolute basis, with Venture funds significantly outperforming Buyout funds over the one-year and three-year time horizons.

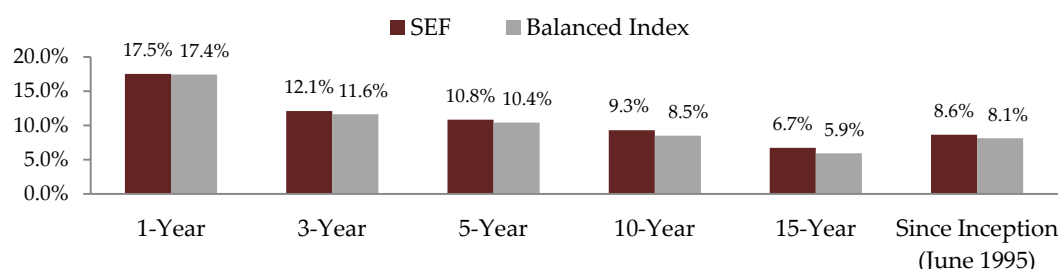
Quarterly Spending Rate

FY 2022: \$0.081590 per unit

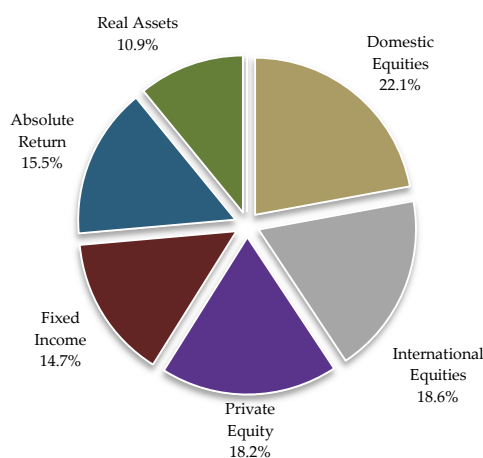
Endowment Valuation

As of November 30, 2021, the SEF had a market value of approximately \$1.59 billion, including new deposits and net the income distribution for the 1st Quarter. The SEF is accounted for on a unitized basis and the per unit market value as of November 30, 2021 was \$7.99.

Investment Performance



Asset Allocation as of November 30, 2021

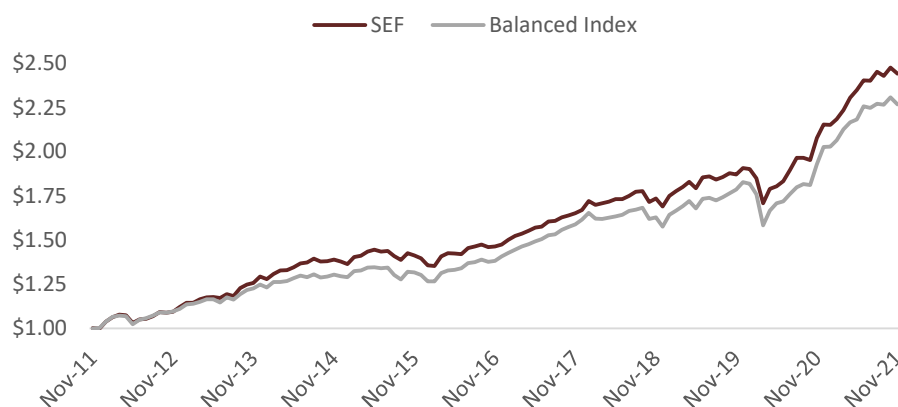


Asset Allocation (\$M)

Prior to Distribution and New Deposits

Domestic Equities	\$354.4
International Equities	\$299.3
Private Equity	\$292.1
Fixed Income	\$236.2
Absolute Return	\$248.9
Real Assets	\$174.9

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/>