

Texas A&M University System System Endowment Fund



FISCAL YEAR 2023

1ST QUARTER – NOVEMBER 30, 2022

Capital Markets Update

The US stock market, as measured by the Russell 3000 Index, rose by 3.3% over the quarter and was down 10.8% for the one-year period ending November 30, 2022. Large cap stocks, as measured by the Russell 1000 (down 10.7%), protected better than small cap stocks, as measured by the Russell 2000 (down 13.0%), for the one-year period. Over the same one-year period, value stocks, as measured by the Russell 3000 Value (up 2.0%), significantly outperformed their growth counterparts, as measured by the Russell 3000 Growth (down 21.6%). International equities, as measured by the MSCI EAFE, were up 6.3% for the quarter and down 10.1% for the one-year period.

Private Equity returns remained strong, generating a 29.3% Internal Rate of Return (IRR) over the past year. Fundraising activity for private equity funds decreased by 8% compared to the previous quarter, with \$172.3 billion raised. During the second quarter of 2022, North American funds continued to represent the majority of funds raised, with 75% of total capital. This is a notable increase from the 57% in the prior quarter. Alternatively, commitments to Europe and the rest of the world decreased by 12% and 8%, respectively, during the second quarter of 2022.

Real asset returns increased 9.2% for the quarter ending November 30, 2022, and are up 26.5% 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 up 0.6% for the quarter and up 16.1% for the one-year period ending November 30, 2022.

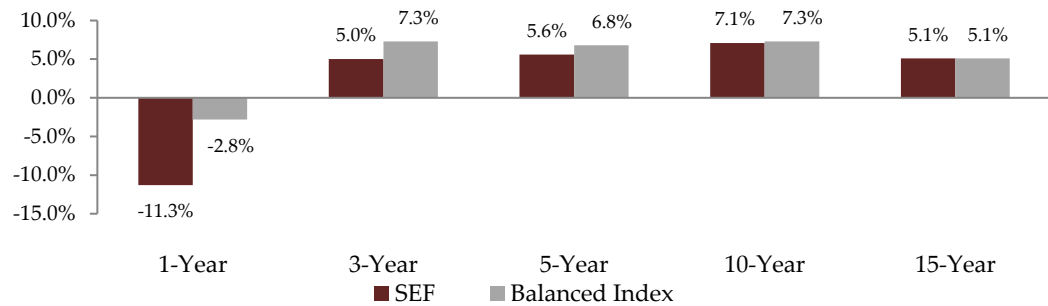
Quarterly Spending Rate

FY 2023: \$0.086078 per unit

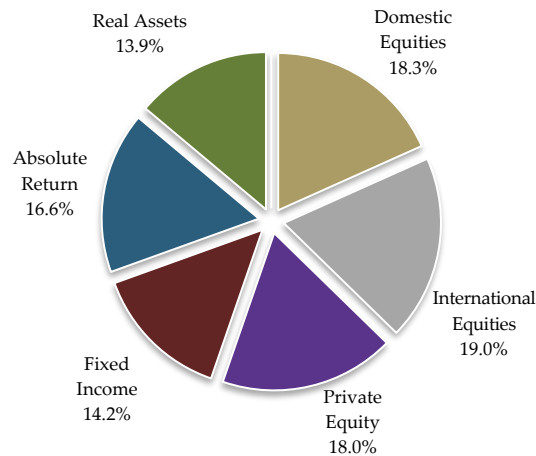
Endowment Valuation

As of November 30, 2022, the SEF had a market value of approximately \$1.4 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, 2022 was \$6.78.

Investment Performance



Asset Allocation as of November 30, 2022

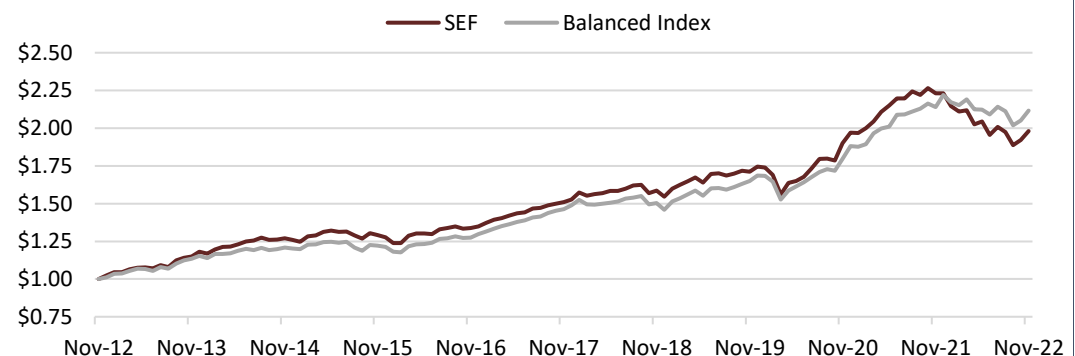


Asset Allocation (\$M)

Prior to Distribution and New Deposits

| | |
|------------------------|---------|
| Domestic Equities | \$254.7 |
| International Equities | \$263.8 |
| Private Equity | \$250.9 |
| Fixed Income | \$197.1 |
| Absolute Return | \$231.3 |
| Real Assets | \$193.0 |

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/>