

Texas A&M University System Cash Concentration Pool



FISCAL YEAR 2022

2ND QUARTER – FEBRUARY 28, 2022

Distribution Rates for FY 2022 YTD:

Cash Portfolio:	0.00%
Long-Term Portfolio:	4.28%
Total Pool:	3.74%

Capital Markets Update

The yield on 2-year Treasuries rose to 1.44% at the end of February from 0.52% in November; the yield on 10-year Treasuries increased to 1.83% in February from 1.43% at the end of November. Higher rates across maturities and a flattening of the yield curve continued through February on expectations for tighter monetary policy by the Federal Reserve and uncertainty surrounding the conflict between Russia and Ukraine.

Spreads in Investment Grade Corporates widened in February, increasing 31 basis points (bps) to end the month at 130 bps. Fixed income returns declined for the quarter, with the Barclay's US Aggregate returning -3.5% for the quarter. Inflation expectations as measured by the 10-year breakeven ended February at 2.62%, a slight increase from November. Expectations increased over the quarter, as investors await Fed action to combat rising inflation. Continued supply chain delays also contributed to the increase in inflation expectations.

The S&P 500 Index returned -3.9% during the quarter and 16.4% for the one-year period ending February 28, 2022. Developed international equity markets returned -1.7% (in US dollars) during the quarter and 2.8% for the one-year period. Emerging markets returned -3.0% (in US dollars) during the quarter and -10.7% for the twelve-month period.

Russia's invasion of Ukraine in February increased volatility across all markets. Except for inflation sensitive assets like TIPS and commodities, most asset classes declined through February.

CCP Estimated Distribution Rate

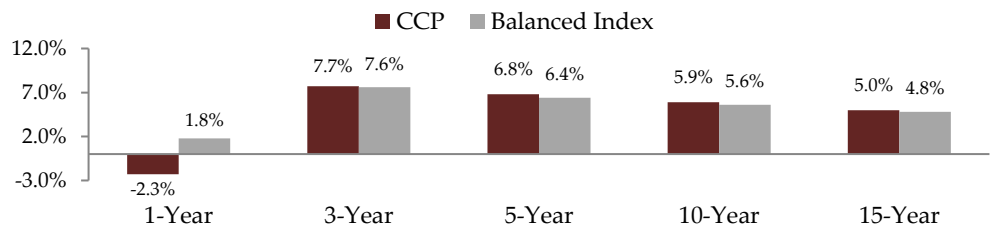
FY 2022: 3.00%
<https://www.tamus.edu/finance/treasury-services/>

Pool Valuation

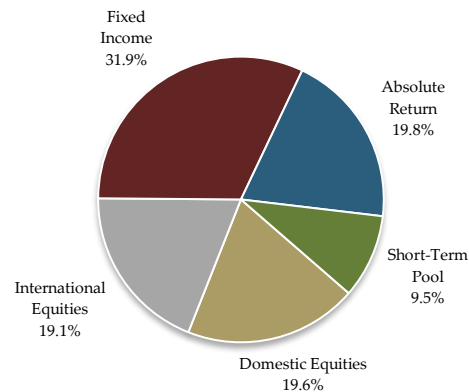
As of February 28, 2022, the Pool had a market value of approximately \$5.5 billion. For the 2nd quarter of FY 2022, the Pool positions had \$1,294.3 million in cash inflows and \$1,058.6 million in cash outflows, increasing the book value of the Pool by \$235.7 million. The Pool earned investment income during this quarter of \$12.2 million and realized net gains on investments of \$5.4 million.

The Cash Portfolio distributes all interest, dividends, and realized gains/losses, net of external management fees, to the participants based on their average short-term balance for each month. The Long-Term Pool distributes all interest, dividends, and realized gains/losses, net of external management fees, to the participants based on their ownership of Long-Term Pool units for each month.

Investment Performance



Asset Allocation as of February 28, 2022



Asset Allocation (\$M) Excluding Debt Proceeds and SEF Deposits

Domestic Equities	\$1,045.7
International Equities	\$1,015.7
Fixed Income	\$1,700.1
Absolute Return	\$1,057.2
Short-Term Pool	\$507.4

Growth of \$1 (5 Years)

