

Texas A&M University System System Endowment Fund



FISCAL YEAR 2022

2ND QUARTER – FEBRUARY 28, 2022

Capital Markets Update

As measured by the Russell 3000 Index, the US stock market returned -4.6% over the quarter and 12.3% for the one-year period ending February 28th. Small cap stocks represented by the Russell 2000 (down 6.0%) underperformed large cap stocks as measured by the Russell 1000 (up 13.7%) for the one-year period. Growth stocks, measured by the Russell 3000 Growth (up 10.3%), lagged the return of their value counterparts in the Russell 3000 Value (up 14.4%) by 4.1% over the same time period.

Private Equity returns have been very strong, generating a 54.2% Internal Rate of Return (IRR) over the year ended September 30, 2021. Fundraising activity for private equity funds decreased significantly in the third quarter of 2021, with \$112 billion raised. This marks the lowest fundraising total over a quarter over the last five years, suggesting that the post-pandemic rebound in activity may be starting to slow. It is likely the fourth quarter will show stronger numbers due to seasonality typically observed. North American funds continued to lead in fundraising, though they continued to see a slight decrease in the third quarter as investors re-emphasized their commitments to Asia and Europe, which combined represent 43% of all capital raised over the last two quarters.

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

Quarterly Spending Rate

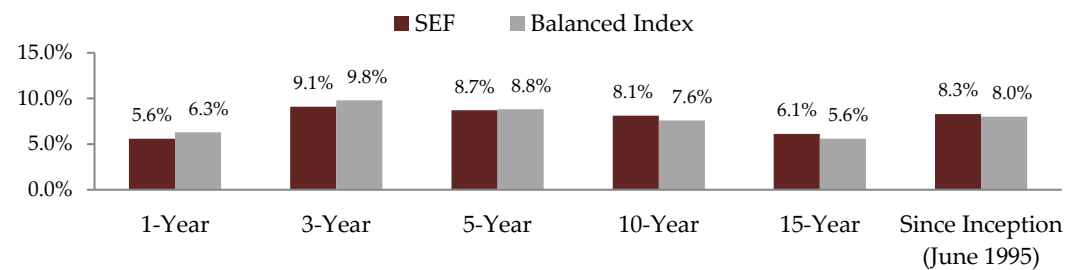
FY 2022: \$0.081590 per unit

FY 2023: \$0.086078 per unit

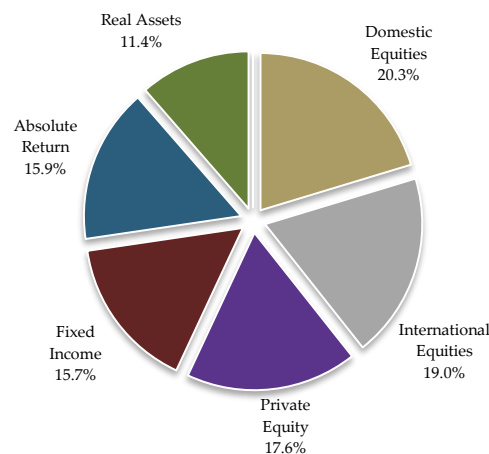
Endowment Valuation

As of February 28, 2022, the SEF had a market value of approximately \$1.5 billion, including new deposits and net the income distribution for the 2nd quarter. The SEF is accounted for on a unitized basis and the per unit market value as of February 28, 2022 was \$7.49.

Investment Performance



Asset Allocation as of February 28, 2022

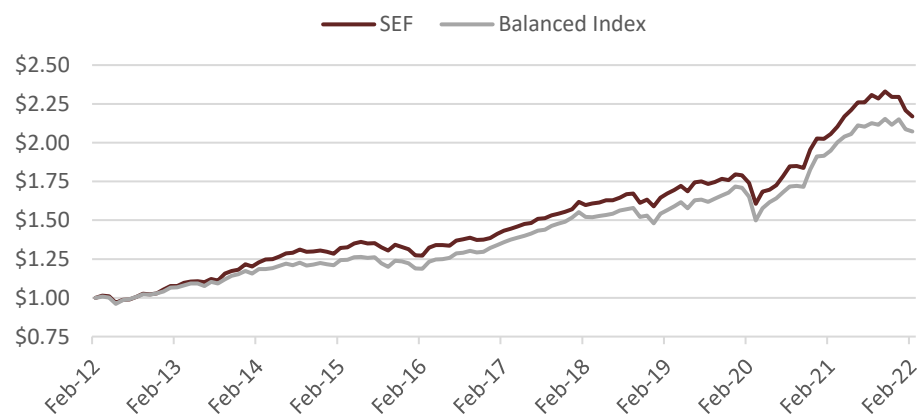


Asset Allocation (\$M)

Prior to Distribution and New Deposits

Domestic Equities	\$306.2
International Equities	\$287.5
Private Equity	\$265.7
Fixed Income	\$237.7
Absolute Return	\$240.5
Real Assets	\$172.5

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/>