

Texas A&M University System System Endowment Fund



FISCAL YEAR 2026

2nd QUARTER – FEB 28, 2026

Capital Markets Update

Global equities produced broadly positive returns for the quarter ending February, as markets demonstrated resilience despite elevated valuations and a prolonged U.S. government shutdown that weighed on sentiment. The MSCI EAFE outperformed U.S. benchmarks driven by a weakening dollar and improving momentum in Europe and Japan. The Federal Reserve's continued rate-cutting cycle, bringing the federal funds rate to 3.75% by year-end, provided a meaningful tailwind to portfolio valuations across asset classes.

In private equity, cautious optimism gave way to more tangible momentum as cost of capital stabilized and buyer-seller pricing gaps narrowed. Sponsors prioritized fewer, larger, conviction-driven opportunities, with the mid-market remaining most constructive for companies with defensible cash flows — directly benefiting portfolio holdings with stable earnings profiles. Secondaries continued to serve as a primary mechanism for liquidity and GP capital recycling, supporting distributions in an environment where traditional IPO exits remained limited.

Real assets delivered strong performance, broadening out from the selective resilience seen previously. Private real estate benefited from improving transaction volumes, stabilizing valuations, and constrained new supply — supporting income stability and reducing mark-to-market pressure across core holdings. In energy, oil prices remained rangebound between near-term oversupply concerns and geopolitical risk premiums tied to Russia and Iran, sustaining commodity exposure at levels that underpinned returns without materially reigniting inflation concerns.

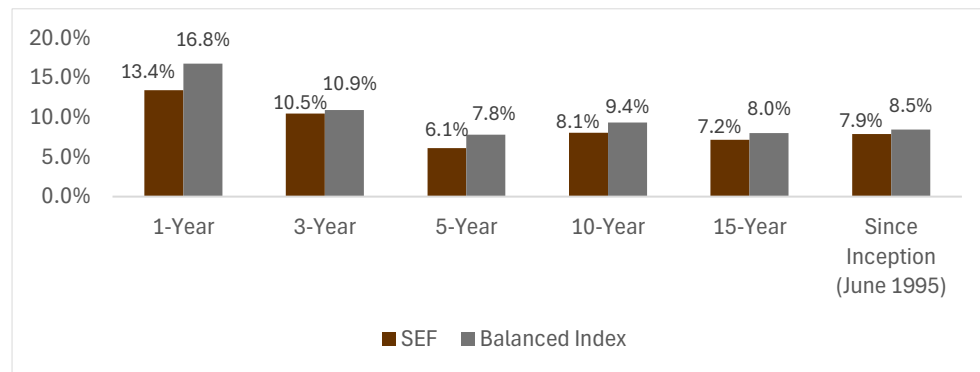
Quarterly Spending Rate

FY 2026: \$0.089687 per unit

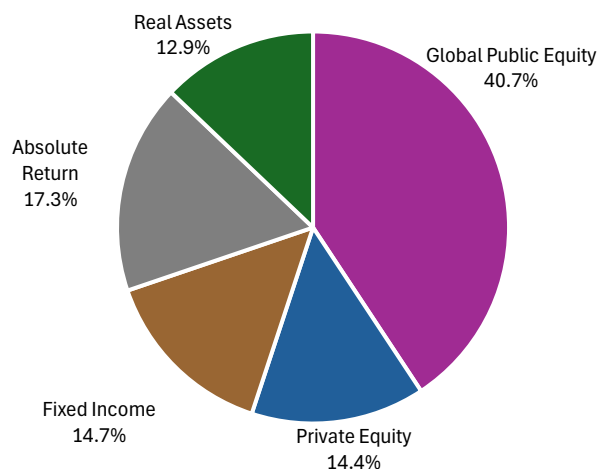
Endowment Valuation

As of February 28, 2026, the SEF had a market value of approximately \$1.7 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, 2026, was \$7.82.

Investment Performance



Asset Allocation as of Feb 28, 2026

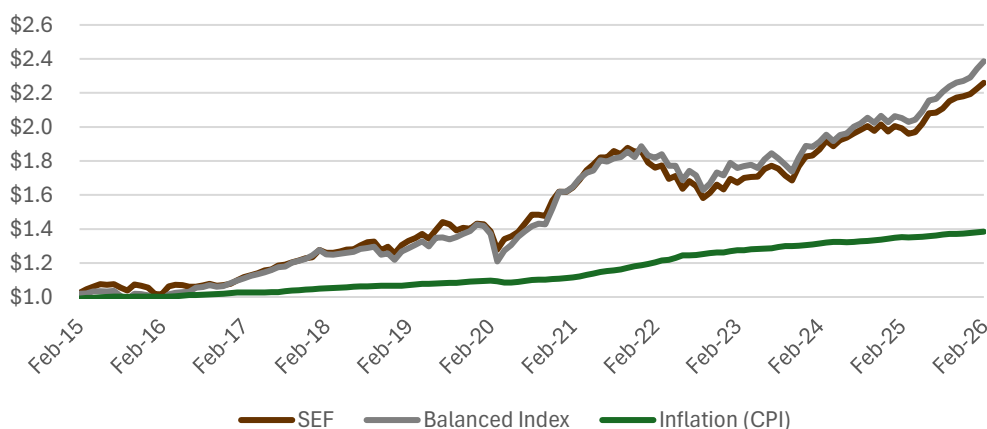


Asset Allocation (\$M)

Prior to Distribution and New Deposits

Global Public Equity	\$696.2
Private Equity	\$245.6
Fixed Income	\$251.8
Absolute Return	\$296.3
Real Assets	\$220.5

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/>