Texas A&M University System
System Endowment Fund

FISCAL YEAR 2026 **4th QUARTER – AUG 31, 2026**

Capital Markets Update

Global equities were resilient over the quarter ending August 2026 despite continued disruption to shipping through the Strait of Hormuz. U.S. indexes reached record highs in early August on hopes of a reopening agreement. Year-to-date through August, the S&P 500 and Nasdaq have gained approximately 12% and 13.5%, respectively. The Federal Reserve held the federal funds rate at 3.50%–3.75% at its July meeting. Energy-driven inflation pressure kept markets focused on the possibility of tightening rather than easing.

In private equity, activity grew more selective. Deal counts fell to their lowest level since 2021 even as headline deal values stayed elevated, driven by a small number of large transactions. Exit activity was uneven, with fewer sponsor-to-sponsor sales but improved public listings, and fundraising increased, led by buyout strategies, though fund closings remained slow amid limited partner selectivity. Secondary transactions reached record volumes in the first half of the year as investors sought liquidity. Small and mid-sized buyouts remained the most attractive segment, offering lower entry valuations and more resilient performance.

Real assets performance remained differentiated. In private real estate, institutional returns have now risen for four consecutive quarters, with income driving most of the return and appreciation contributing modestly. Returns diverged by sector, led by seniors housing while office lagged. In energy, Brent crude fell as low as $69 per barrel in early July before rebounding to average $91 in August as Strait of Hormuz transit constraints continued.

Quarterly Spending Rate

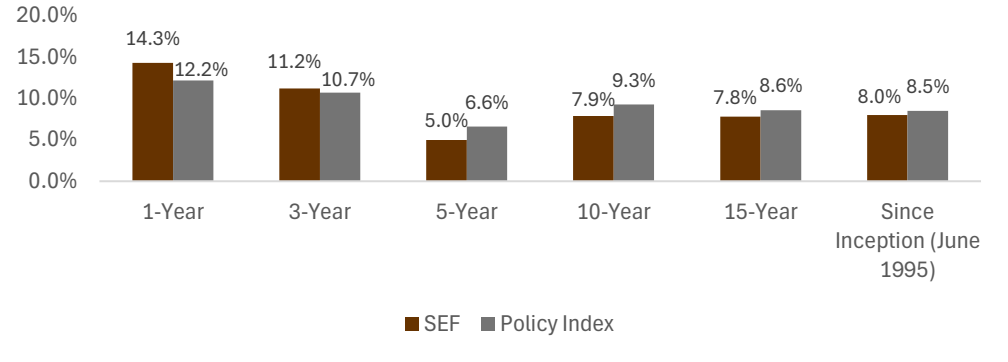
FY 2026: $0.089687 per unit

FY 2027: $0.091317 per unit

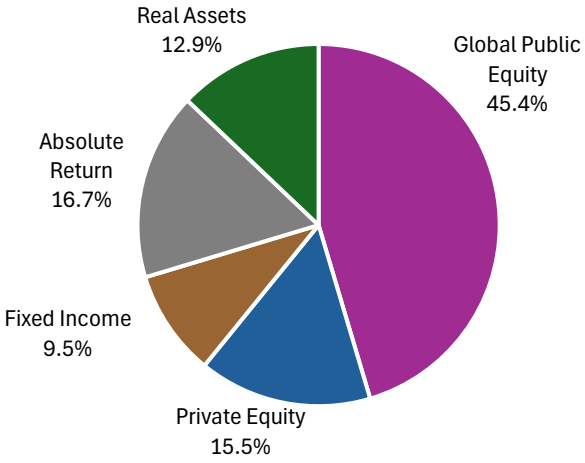
Endowment Valuation

As of August 31, 2026, the SEF had a market value of approximately $1.9 billion, including new deposits and net the income distribution for the 4th quarter. The SEF is accounted for on a unitized basis and the per unit market value as of August 31, 2026, was $8.16.

Investment Performance



Asset Allocation as of Aug 31, 2026

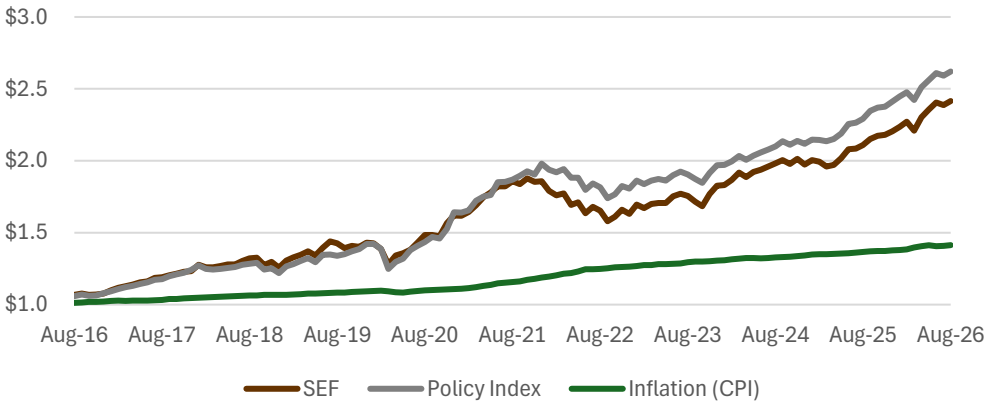


Asset Allocation ($M)

Prior to Distribution and New Deposits

Global Public Equity	$848.3
Private Equity	$288.9
Fixed Income	$177.2
Absolute Return	$312.9
Real Assets	$241.2

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/