

# The Texas A&M University System System Endowment Fund



FISCAL YEAR 2009

3RD QUARTER – MAY 31, 2009

## Quarterly Endowment Spending Rate

### FY 2009:

\$0.070070 per unit

### FY 2010:

\$0.071052 per unit

Estimated Rates For:

FY 2011 \$0.068547

FY 2012 \$0.065445

FY 2013 \$0.061485

The rates shown above would provide the following annual payouts on \$100,000 invested on March 1, 2009:

FY 2010 \$6,831

FY 2011 \$6,590

FY 2012 \$6,292

FY 2013 \$5,911

## Endowment Spending/Account Information

The spending rate is based on the average quarterly market value for the previous 5 years. Averaging the previous 20 quarters smooths the effects of the market and stabilizes the income distribution. The endowment spending rate is set on an annual basis and can be reviewed at the Treasury web page.

All excess earnings are credited to the account through an increase in market value. The only charges to the SEF are for external investment management and trust fees.

## Endowment Reporting

The units and market value summary is available online for each endowment account at the Treasury web page.

<http://sago.tamu.edu/treasury>

## Endowment Valuation

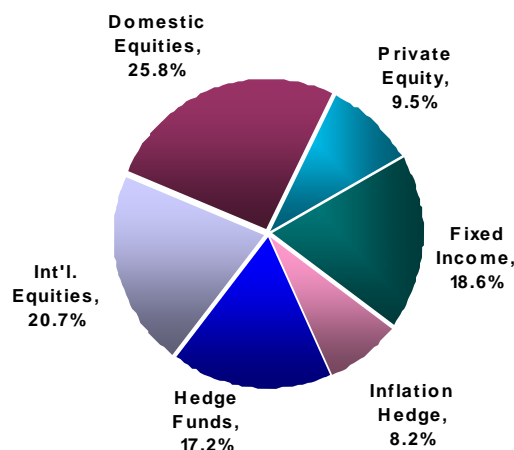
As of May 31, 2009, the System Endowment Fund ("SEF") had a market value of approximately \$592.8 million. This value is net of the \$8.9 million quarterly income distribution which occurred in March 2009. During the quarter, there were \$2.2 million in new deposits. The SEF is accounted for on a unitized basis and the per unit market value as of May 31, 2009 was \$4.65.

## Investment Allocation and Performance

As of May 31, 2009, the SEF asset allocation was 46.5% in equities, 17.2% in hedge funds, 18.6% in fixed income, 8.2% in inflation hedging investments (timber, real estate and energy) and 9.5% in private equity. The comparative returns for the SEF for the one, three, five, and ten year periods ended May 31, 2009 are as follows:

	<u>1-Year</u>	<u>3-Year</u>	<u>5-Year</u>	<u>10-Year</u>
SEF - Total	(23.1)%	(2.7)%	2.9%	4.5%
Composite Index	(20.9)%	(2.5)%	2.6%	3.3%

## Asset Allocation for May 31, 2009 (prior to income distribution and addition of new deposits):



## Asset Allocation

Domestic Equities	\$154.6
International Equities	\$123.9
Fixed Income	\$111.8
Hedge Funds	\$103.0
Private Equity	\$ 56.9
Inflation Hedge	\$ 49.2