

# Midwestern State University Investment Overview

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August 2, 2018



**Maria Robinson**  
Chief Investment Officer and Treasurer

# The Texas A&M University System

## Cash Concentration Pool

### Investment Objective

Invest the funds in a manner as to achieve a reasonable balance of growing corpus and meeting the operating needs of the system, while maintaining the system's objective of the safety and preservation of capital.

### Performance Periods Ended June 30, 2018

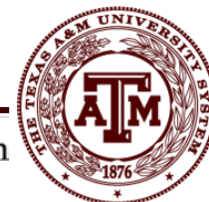
	<u>1-YR</u>	<u>5-YR</u>	<u>10-YR</u>	<u>15-YR</u>	<u>Since Inception</u>
<b>Long Term Cash Concentration Pool</b>	6.9%	6.3%	5.5%	5.9%	7.0%
Long Term Balanced Index	5.9%	5.8%	4.6%	5.9%	6.3%



# The Texas A&M University System

## Long-Term Cash Concentration Pool Asset Allocation

<b>Asset Class</b>	<b>Long-Term CCP Target Allocation</b>	<b>6/30/2018 Allocation</b>
Liquidity Portfolio	10.9%	10.9%
Fixed Income	23.9%	22.5%
Domestic Equity	21.7%	22.7%
International Equity	21.7%	21.8%
Absolute Return	21.7%	22.1%



# The Texas A&M University System

## Cash Concentration Pool

### Midwestern State – Operating Funds

October 1, 2013 to June 30, 2018

Net Investment Transfers	\$21,000,000
Net Earnings Added Back*	<u>3,956,640</u>
Book Value as of June 30, 2018	\$24,956,640
Unrealized Appreciation	<u>\$2,577,122</u>
Market Value as of June 30, 2018	\$27,533,762

\* Interest, dividends and realized gains, less fees



# The Texas A&M University System

## System Endowment Fund

### Investment Objectives

Provide a continuing and dependable cash payout, stable and preferably growing in real terms.

Cause the total value of the fund to appreciate, over time, exclusive of growth derived from donations.

### Performance Periods Ended June 30, 2018

	<u>1-YR</u>	<u>5-YR</u>	<u>10-YR</u>	<u>15-YR</u>	<u>Since Inception</u>
<b>System Endowment Fund</b>	9.9%	8.2%	6.0%	7.6%	8.3%
Balanced Index	7.6%	7.2%	5.2%	6.7%	7.8%



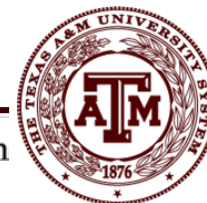
# The Texas A&M University System

## System Endowment Fund

### Asset Allocation

<b>Asset Class</b>	<b>Target Allocation</b>	<b>6/30/2018 Allocation</b>
Fixed Income	15.0%	12.9%
Domestic Equity	20.0%	19.9%
International Equity	20.0%	18.8%
Real Assets*	15.0%	11.4%
Absolute Return	15.0%	16.2%
Private Equity	15.0%	20.5%
Money Market	0%	0.3%

\*Real Assets includes timber, real estate, and energy investments.



# The Texas A&M University System

## System Endowment Fund

Midwestern State Endowment Accounts

May 31, 2018

Investment Transfers	\$12,128,428
Market Value	\$12,880,576
Units	1,938,596
FY 2018 Payout (estimated)	\$571,206
FY 2019 Payout (estimated)	\$594,094

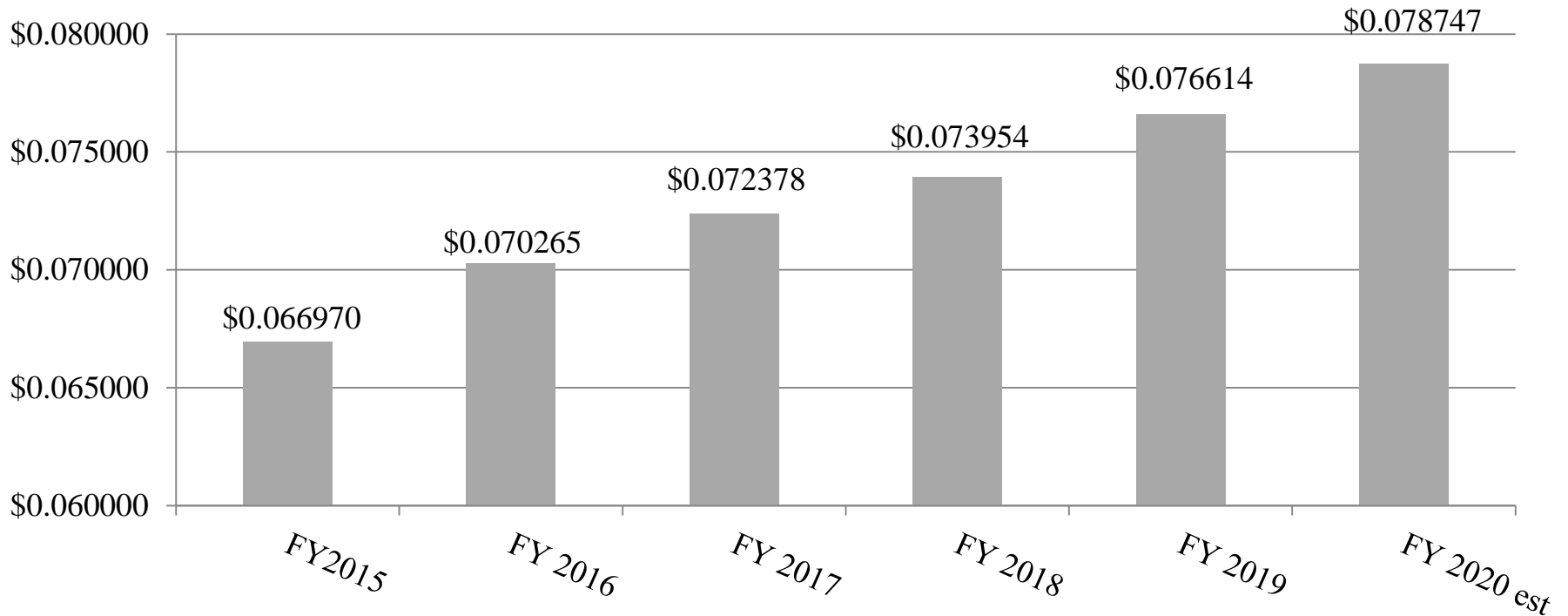
The quarterly payout is calculated on an annual basis and is the average of the quarterly market value for the 20 fiscal quarters ending the previous February, multiplied by 5.0% and divided by 4.



# The Texas A&M University System

## System Endowment Fund

### Quarterly Endowment Spending Rate





# The Texas A&M University System

## Investment Pool Comparison

	<b>Asset Class</b>	<b>Long-Term CCP Target Allocation</b>	<b>SEF Target Allocation</b>
<b>Long-Term CCP Objectives:</b>	Liquidity Portfolio	10.9%	-
	Fixed Income	23.9%	15.0%
	Domestic Equity	21.7%	20.0%
	International Equity	21.7%	20.0%
	Absolute Return	21.7%	15.0%
<b>SEF Objectives:</b>	Real Assets	-	15.0%
	Private Equity	-	15.0%

