



**Office of the President**  
3410 Taft Boulevard Wichita Falls, Texas 76308-2099  
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**To:** MSU Board of Regents  
Mr. Samuel M. Sanchez, Chair  
Mr. Warren Ayres  
Mrs. Tiffany Burks  
Mr. R. Caven Crosnoe  
Dr. Lynwood Givens  
Mr. Jeff Gregg  
Mr. Shawn Hessing  
Mrs. Nancy Marks  
Dr. Shelley Sweatt  
Ms. Lindsey Shelley, Student Regent

**From:** Suzanne Shipley  
President

**Date:** October 21, 2016

**Subject:** Quarterly Investment Reports

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Attached are the Quarterly Investment Reports for the fourth quarter ended August 31, 2016.  
Please feel free to contact me if you have any questions.

enclosures  
SS/rr

**C:** Debbie Barrow



**Administration and Finance**  
3410 Taft Boulevard Wichita Falls, Texas 76308-2099  
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October 18, 2016

TO: The Board of Regents of Midwestern State University, and  
Dr. Suzanne Shipley, President

SUBJECT: Quarterly Investment Reports

Attached are the quarterly investment reports for the fourth quarter ended August 31, 2016, as required by the amended Public Funds Investment Act.

The investment portfolio is in compliance with Midwestern State University's investment policies. The portfolio is in compliance with the provisions of the Public Funds Investment Act as amended by the 82<sup>nd</sup> Legislature. (HB 2226)

Chris Stovall  
Controller

Dr. Marilyn Fowle'  
Vice President, Administration  
and Finance

**Midwestern State University  
Wichita Falls, Texas**

**Quarterly Investment Report  
(Unaudited)  
For the Fourth Quarter Ended August 31, 2016**

Unaudited

**Midwestern State University**  
**Summary of Investments**  
**(Pooled Investments)**  
**At August 31, 2016**

	<u>Book Value</u>	<u>%</u>	<u>Market Value</u>	<u>%</u>
<b>Long-term Securities:</b>				
<b>Equity Securities:</b>				
U.S. Common Stock	<u>\$70,774</u>	<u>0.19%</u>	<u>\$187,687</u>	<u>0.50%</u>
<b>Long-term Investment Pools</b>				
Texas A&M System Investment Pool	<u>26,507,161</u>	<u>71.67%</u>	<u>26,885,690</u>	<u>71.73%</u>
<b>Total Long-term Securities</b>	<u>26,577,934</u>	<u>71.86%</u>	<u>27,073,377</u>	<u>72.23%</u>
<b>Short-term Securities:</b>				
TexPool	2,004,370	5.42%	2,004,370	5.35%
Logic	3,012,876	8.15%	3,012,876	8.04%
TX Class	<u>3,015,700</u>	<u>8.15%</u>	<u>3,015,700</u>	<u>8.05%</u>
<b>Total Short-term Securities</b>	<u>8,032,945</u>	<u>21.72%</u>	<u>8,032,945</u>	<u>21.42%</u>
<b>Total Investment Assets</b>	<u>34,610,880</u>	<u>93.58%</u>	<u>35,106,323</u>	<u>93.66%</u>
<b>Cash and Cash Equivalents:</b>				
Cash Held at State Treasury	<u>2,375,460</u>	<u>6.42%</u>	<u>2,375,460</u>	<u>6.34%</u>
<b>Total Cash and Cash Equivalents</b>				
<b>Total Cash and Investments</b>	<u>\$36,986,340</u>	<u>100.00%</u>	<u>\$37,481,783</u>	<u>100.00%</u>
<b>Total Rate of Return</b>	5.43%			

Unaudited

**Midwestern State University**  
**Statement of Changes in Investment Assets**  
**(Pooled Investments)**  
**For the Fourth Quarter Ended August 31, 2016**

	<b><u>Book</u></b> <b><u>Value</u></b>	<b><u>Market</u></b> <b><u>Value</u></b>
<b>Investment Assets - 05-31-16</b>	\$32,514,601	\$32,420,174
Principal Payments received	(8,597,955)	(8,597,955)
Investment Income	199,261	199,261
Realized Gain (Loss)		
Distributions and Other	(5,027)	(5,027)
Securities Purchased	10,500,000	10,500,000
Changes in Net Unrealized Appreciation/(Depreciation)	<u>                    </u>	<u>589,870</u>
<b>Investment Assets - 08-31-16</b>	<b><u><u>\$34,610,880</u></u></b>	<b><u><u>\$35,106,323</u></u></b>

Unaudited

**Midwestern State University**  
**Summary of Investments**  
**(MSU Endowments at American Natl. Bank Trust Dept.)**  
**At August 31, 2016**

	<u>Book</u> <u>Value</u>	<u>%</u>	<u>Market</u> <u>Value</u>	<u>%</u>
<b>Long-term Securities:</b>				
<b>Equity Securities:</b>				
Common Stock, Mutual Funds and ETFs	\$4,744,545	64.20%	\$5,465,045	66.15%
<b>Total Equity Securities</b>	<u>4,744,545</u>	<u>64.20%</u>	<u>5,465,045</u>	<u>66.15%</u>
<b>Other Securities:</b>				
U.S. Government Agencies	293,832	3.98%	296,925	3.59%
Corporate Bonds & Notes	2,054,039	27.80%	2,108,340	25.52%
Real Estate Investment Trusts (REIT)	217,720	2.95%	311,403	3.77%
<b>Total Fixed Income Securities</b>	<u>2,565,591</u>	<u>34.73%</u>	<u>2,716,669</u>	<u>29.11%</u>
<b>Total Long-term Securities</b>	<u>7,310,136</u>	<u>98.92%</u>	<u>8,181,714</u>	<u>99.04%</u>
<b>Cash and Cash Equivalents:</b>				
U.S. Dollars		0.00%		0.00%
Goldman Sachs - Cash Equivalent	79,550	1.08%	79,550	0.96%
<b>Total Cash and Cash Equivalents</b>	<u>79,550</u>	<u>1.08%</u>	<u>79,550</u>	<u>0.96%</u>
<b>Total Cash and Investments</b>	<u>\$7,389,686</u>	<u>100.00%</u>	<u>\$8,261,265</u>	<u>100.00%</u>

Unaudited

**Midwestern State University**  
**Statement of Changes in Investment Assets**  
**(MSU Endowments at American Natl. Bank Trust Dept.)**  
**For the Fourth Quarter Ended August 31, 2016**

	<b><u>Book</u></b> <b><u>Value</u></b>	<b><u>Market</u></b> <b><u>Value</u></b>
<b>Investment Assets - 05-31-16</b>	\$7,533,604	\$8,333,491
Principal Payments Received	(1,057,737)	(1,057,737)
Investment Income	60,178	60,178
Realized Gain (Loss)	70,984	70,984
Management Fees	(10,185)	(10,185)
Distributions and Other	(128,268)	(128,268)
Securities Purchased	921,109	921,109
Changes in Net Unrealized Appreciation/(Depreciation)	<u>                    </u>	<u>71,692</u>
<b>Investment Assets - 08-31-16</b>	<u><u>\$7,389,686</u></u>	<u><u>\$8,261,265</u></u>

Unaudited

**Midwestern State University**  
**Summary of Investments**  
**(MSU Endowments Invested with the Texas A&M University System)**  
**At August 31, 2016**

	<u>Book</u> <u>Value</u>	<u>%</u>	<u>Market</u> <u>Value</u>	<u>%</u>
<b>Long-term Investment Pools:</b>				
Texas A&M System Endowment Pool	<u>\$410,042</u>	<u>100.00%</u>	<u>\$398,466</u>	<u>100.00%</u>
<b>Total Long-term Investments</b>	<u>410,042</u>	<u>100.00%</u>	<u>398,466</u>	<u>100.00%</u>
 <b>Total Investments</b>	 <u><u>\$410,042</u></u>	 <u><u>100.00%</u></u>	 <u><u>\$398,466</u></u>	 <u><u>100.00%</u></u>



Unaudited

**Midwestern State University**  
**Statement of Changes in Investment Assets**  
**(MSU Endowments Invested with the Texas A&M University System)**  
**For the Fourth Quarter Ended August 31, 2016**

	<b><u>Book</u></b> <b><u>Value</u></b>	<b><u>Market</u></b> <b><u>Value</u></b>
<b>Investment Assets - 05-31-16</b>	\$410,042	\$392,218
Principal Payments Received		
Investment Income	1,420	1,420
Realized Gain (Loss)	3,654	
Management Fees	(473)	(473)
Distributions and Other	(4,600)	(4,600)
Securities Purchased and Funds Transferred		
Changes in Net Unrealized Appreciation/(Depreciation)	<u>                    </u>	<u>9,902</u>
<b>Investment Assets - 08-31-16</b>	<u><u>\$410,042</u></u>	<u><u>\$398,466</u></u>

Unaudited

**Midwestern State University**  
**Summary of Investments**  
**(Redwine Quasi-Endowment Invested with the Texas A&M University System)**  
**At August 31, 2016**

	<u>Book</u> <u>Value</u>	<u>%</u>	<u>Market</u> <u>Value</u>	<u>%</u>
<b>Long-term Investment Pools:</b>				
Texas A&M System Endowment Pool	<u>\$11,516,586</u>	<u>100.00%</u>	<u>\$11,207,508</u>	<u>100.00%</u>
<b>Total Long-term Investments</b>	<u>11,516,586</u>	<u>100.00%</u>	<u>11,207,508</u>	<u>100.00%</u>
 <b>Total Investments</b>	 <u><u>\$11,516,586</u></u>	 <u><u>100.00%</u></u>	 <u><u>\$11,207,508</u></u>	 <u><u>100.00%</u></u>

Unaudited

**Midwestern State University**  
**Statement of Changes in Investment Assets**  
**(Redwine Quasi-Endowment Invested with the Texas A&M University System)**  
**For the Fourth Quarter Ended May 31, 2016**

	<b><u>Book</u></b> <b><u>Value</u></b>	<b><u>Market</u></b> <b><u>Value</u></b>
<b>Investment Assets - 05-31-16</b>	\$11,516,586	\$11,031,759
Principal Payments Received		
Investment Income	39,939	39,939
Realized Gain (Loss)	102,768	102,768
Management Fees	(13,313)	(13,313)
Distributions and Other	(129,393)	(129,393)
Changes in Net Unrealized Appreciation/(Depreciation)	<u>175,749</u>	<u>175,749</u>
<b>Investment Assets - 08-31-16</b>	<b><u><u>\$11,516,586</u></u></b>	<b><u><u>\$11,207,508</u></u></b>

**"POOLED" INVESTMENTS**  
**FOR THE FOURTH QUARTER ENDED AUGUST 31, 2016**

	<u>Coupon</u>	<u>Stated Maturity</u>	<u>Book Value 05-31-16</u>	<u>Market Value 05-31-16</u>	<u>Unrealized Gain (Loss)</u>	<u>Purchases</u>	<u>Principal Payments Received/ Matured</u>	<u>Realized Gain (Loss)</u>	<u>Interest/ Dividends Earned For the Qtr.</u>	<u>Amortization/ Accretion of Prem./Disc.</u>	<u>Book Value 08-31-16</u>	<u>Market Value 08-31-16</u>	<u>Unrealized Gain (Loss)</u>
<b>U.S. Government Agencies:</b>													
FNMA Fixed Note - callable	1.50	11-27-20	596,242.24	594,878.40	(1,363.84)		598,200.00	1,892.92	1,725.00	64.84			
FNMA	2.25-6.5	09-27-27	499,801.67	499,250.00	(551.67)		499,750.00	(64.17)	4,031.25	12.50			
<b>Total Agency Notes</b>			<b>1,096,043.91</b>	<b>1,094,128.40</b>	<b>(1,915.51)</b>		<b>1,097,950.00</b>	<b>1,828.75</b>	<b>5,756.25</b>	<b>77.34</b>			
<b>U.S. Government Mortgage Backed Securities:</b>													
FHLMC Pool #170177	9.500	07-01-16	1.49	1.51	0.02		1.80		0.02	0.31			
FHLMC Pool #170177	9.500	07-01-16	2.90	2.94	0.04		3.51			0.61			
<b>Total Mortgage-Backed</b>			<b>4.39</b>	<b>4.45</b>	<b>0.06</b>		<b>5.31</b>		<b>0.02</b>	<b>0.92</b>			
<b>U.S. Common Stock: (Donated)</b>													
1,000 shares - Chesapeake Utilities (CPK)			18,200.00	57,400.00	39,200.00				457.50		18,200.00	63,650.00	45,450.00
10 shares - Citigroup (C) - reverse split			1,310.00	465.70	(844.30)						1,310.00	477.40	(832.60)
45 shares Calamos Conv. & High Inc. (CHY)			619.65	461.25	(158.40)				13.50		619.65	502.20	(117.45)
1,200 shares - CSX Corp. (CSX)			5,566.00	31,716.00	26,150.00				216.00		5,566.00	33,936.00	28,370.00
252 shares - Conoco Phillips - (COP)			4,957.82	11,035.08	6,077.26				63.00		4,957.82	10,344.60	5,386.78
126 shares - Phillips 66 (PSX)			2,479.68	10,125.36	7,645.68				79.38		2,479.68	9,884.70	7,405.02
125 shares Berkshire (BRK-B)			2,631.05	17,567.50	14,936.45						2,631.05	18,811.25	16,180.20
856 shares - Wells Fargo (WFC)			24,824.00	43,416.32	18,592.32				325.28		24,824.00	43,484.80	18,660.80
124 shares-Manulife (MFC)			4,216.36	1,843.88	(2,372.48)				13.45		4,216.36	1,692.60	(2,523.76)
60 shares - Natl. Oil Well (NOV)			4,342.80	1,974.00	(2,368.80)				3.00		4,342.80	2,012.40	(2,330.40)
15 shares - NOW Inc. (NOW) - split/spin off			514.20	260.10	(254.10)						514.20	309.60	(204.60)
70 shares - Southwest Airlines (LUV)			1,112.30	2,986.60	1,854.30				7.00		1,112.30	2,581.60	1,469.30
<b>Total Common Stock</b>			<b>70,773.86</b>	<b>179,231.79</b>	<b>108,457.93</b>				<b>1,178.11</b>		<b>70,773.86</b>	<b>187,687.15</b>	<b>116,913.29</b>
<b>Sub-Total - Securities</b>			<b>1,166,822.16</b>	<b>1,273,364.64</b>	<b>106,542.48</b>		<b>1,097,955.31</b>	<b>1,828.75</b>	<b>6,934.38</b>	<b>78.26</b>	<b>70,773.86</b>	<b>187,687.15</b>	<b>116,913.29</b>
<b>TEXPOOL Investment Pool (1)</b>													
0.37 % Daily			1,003,572.68	1,003,572.68		2,000,000.00	1,000,000.00		796.99		2,004,369.67	2,004,369.67	
<b>LOGIC Investment Pool (1)</b>													
0.62 % Daily			1,011,583.56	1,011,583.56		3,000,000.00	1,000,000.00		1,292.67		3,012,876.23	3,012,876.23	
<b>TX CLASS Investment Pool (1)</b>													
0.70 % Daily			3,012,212.31	3,012,212.31		5,500,000.00	5,500,000.00		3,487.20		3,015,699.51	3,015,699.51	
<b>TX A&amp;M System Pool</b>													
17.86 % Variable			26,320,410.51	26,119,440.52	(200,969.99)				186,750.07		26,507,160.58	26,885,690.21	378,529.63
<b>Total Investment Pool Cash</b>			<b>31,347,779.06</b>	<b>31,146,809.07</b>	<b>(200,969.99)</b>	<b>10,500,000.00</b>	<b>7,500,000.00</b>		<b>192,326.93</b>		<b>34,540,105.99</b>	<b>34,918,635.62</b>	<b>378,529.63</b>
<b>Total Investments</b>			<b>\$32,514,601.22</b>	<b>\$32,420,173.71</b>	<b>(\$94,427.51)</b>	<b>\$10,500,000.00</b>	<b>\$8,597,955.31</b>	<b>\$1,828.75</b>	<b>\$199,261.31</b>	<b>\$78.26</b>	<b>\$34,610,879.85</b>	<b>\$35,106,322.77</b>	<b>\$495,442.92</b>

\*As of August 31, 2016

(1) These investment pools are structured to maintain a constant dollar value

<u>Comparison to U.S. and State Treasuries</u>	<u>Book Accounting Yield</u>	<u>Average Three-Month U.S. Treasury Bill</u>	<u>State Treasury Yield</u>	<u>Basis Point Spread to U.S. Treasury</u>	<u>Basis Point Spread to State Treasury</u>
June, 2016	(0.98)	0.27	0.78	(1.25)	(1.76)
July, 2016	3.42	0.30	0.81	3.12	2.61
August, 2016	13.84	0.30	0.83	13.54	13.02

**MIDWESTERN STATE UNIVERSITY**  
**INVESTMENT PORTFOLIO ACTIVITY**  
**REVENUE FINANCING SYSTEM REVENUE & REFUNDING BONDS - SERIES 2015A**  
**FOR THE FOURTH QUARTER ENDED AUGUST 31, 2016**

	<u>Coupon</u>	<u>Stated Maturity</u>	<u>Book Value</u> <u>05-31-16</u>	<u>Market Value</u> <u>05-31-16</u>	<u>Unrealized Gain</u> <u>(Loss)</u>	<u>Purchases</u>	<u>Principal Payments Received/ Matured</u>	<u>Realized Gain</u> <u>(Loss)</u>	<u>Interest Earned</u> <u>For the Qtr.</u>	<u>Amortization/ Accretion of Prem./Disc.</u>	<u>Book Value</u> <u>08-31-16</u>	<u>Market Value</u> <u>08-31-16</u>	<u>Unrealized Gain</u> <u>(Loss)</u>
LOGIC Investment Pool	0.62	* Daily	\$ 45.46	\$ 45.46		\$8,469,094.13	\$8,469,352.85		\$252.05		\$38.79	\$38.79	
BLB Flexible Repo Agreement	0.49	Monthly	17,466,364.62	17,466,364.62			8,469,094.13		11,318.70		9,008,589.19	9,008,589.19	
Total Bond Investments			<u>\$17,466,410.08</u>	<u>\$17,466,410.08</u>		<u>\$8,469,094.13</u>	<u>\$16,938,446.98</u>		<u>\$11,570.75</u>		<u>\$9,008,627.98</u>	<u>\$9,008,627.98</u>	

\*As of August 31, 2016

Interest Rate on Bonds issued 3.00% - 5.00%

MIDWESTERN STATE UNIVERSITY  
INVESTMENT PORTFOLIO ACTIVITY  
MSU ENDOWMENT INVESTMENTS - AMERICAN NATL. BANK TRUST DEPT. MANAGERS  
FOR THE FOURTH QUARTER ENDED AUGUST 31, 2016

	Book Value 05-31-16	Market Value 05-31-16	Unrealized Gain (Loss)	Purchases	Principal Payments Received/ Matured	Realized Gain (Loss)	Interest/ Dividends Received (Fees Paid) In the Qtr.	Amortization/ Accretion of Prem./Disc.	Book Value 08-31-16	Market Value 08-31-16	Unrealized Gain (Loss)	Market Value Percentage Of Total
<b>AMERICAN NATL. BANK TRUST DEPT.</b>												
Cash and Cash Equivalents:												
Cash												
American Natl. Bank Fees							(\$10,185.09)					
U.S. Dollars												
Goldman Sachs	\$51,792.18	\$51,792.18		\$72,035.94	\$544,277.67		50.53		\$79,550.45	\$79,550.45		0.96%
Total Cash and Cash Equivalents	51,792.18	51,792.18		72,035.94	544,277.67		(10,134.56)		79,550.45	79,550.45		0.96%
Purchased Interest Receivable												
Fixed Income:												
U.S. Government Agencies	305,024.75	306,985.96	\$1,961.21		11,193.02	(\$378.77)	2,243.38		293,831.73	296,925.24	\$3,093.51	3.59%
Municipal Bonds												
Corporate Bonds & Notes	2,135,255.45	2,289,393.85	\$4,138.40		173,926.12	11,647.38	26,541.96	(7,290.18)	2,054,039.15	2,108,340.25	\$4,301.10	25.52%
Devonshire - REIT	222,489.35	311,403.44	88,914.09		4,769.73		3,179.82		217,719.62	311,403.44	93,683.82	3.77%
Total Fixed Income Securities	2,762,769.55	2,907,783.25	145,013.70		189,888.87	11,268.61	31,965.16	(7,290.18)	2,565,590.50	2,716,668.93	151,078.43	32.88%
Common Stock - Equities:												
U.S. Equities	3,677,766.32	4,286,380.19	608,613.87	344,914.06	294,084.08	57,401.22	20,393.09		3,728,596.30	4,392,870.38	664,274.08	53.17%
Foreign Equities	242,003.98	258,273.73	16,269.75	3,544.31	29,485.91	2,314.20			216,062.38	223,661.02	7,598.64	2.71%
Equity ETFs	619,883.49	669,210.19	49,326.70				7,155.06		619,883.49	690,444.81	70,561.32	8.36%
Mutual Funds - Equities	179,388.96	160,051.94	(19,337.02)	614.26			614.26		180,003.22	158,069.27	(21,933.95)	1.91%
Total Equities	4,719,042.75	5,373,916.05	654,873.30	349,072.63	323,569.99	59,715.42	28,162.41		4,744,545.39	5,465,045.48	720,500.09	66.15%
Total Endowment Investments at American National Bank Trust	57,533,604.48	\$8,333,491.48	\$799,887.00	\$921,108.57	\$1,057,736.53	\$70,984.03	\$49,993.01	(\$7,290.18)	\$7,389,686.34	\$8,261,264.86	\$871,578.52	100.00%
Jun, Jul, and Aug activity	Simple yield excluding mkt.value change: (Realized gain + Int.Div.Recvd. + Amort./Accr.) / (Average Book Value) =						6.09%	113,686.86	Market Value gain =		871,578.52	11.79%
							(Annualized)	7,461,645.41			7,389,686.34	

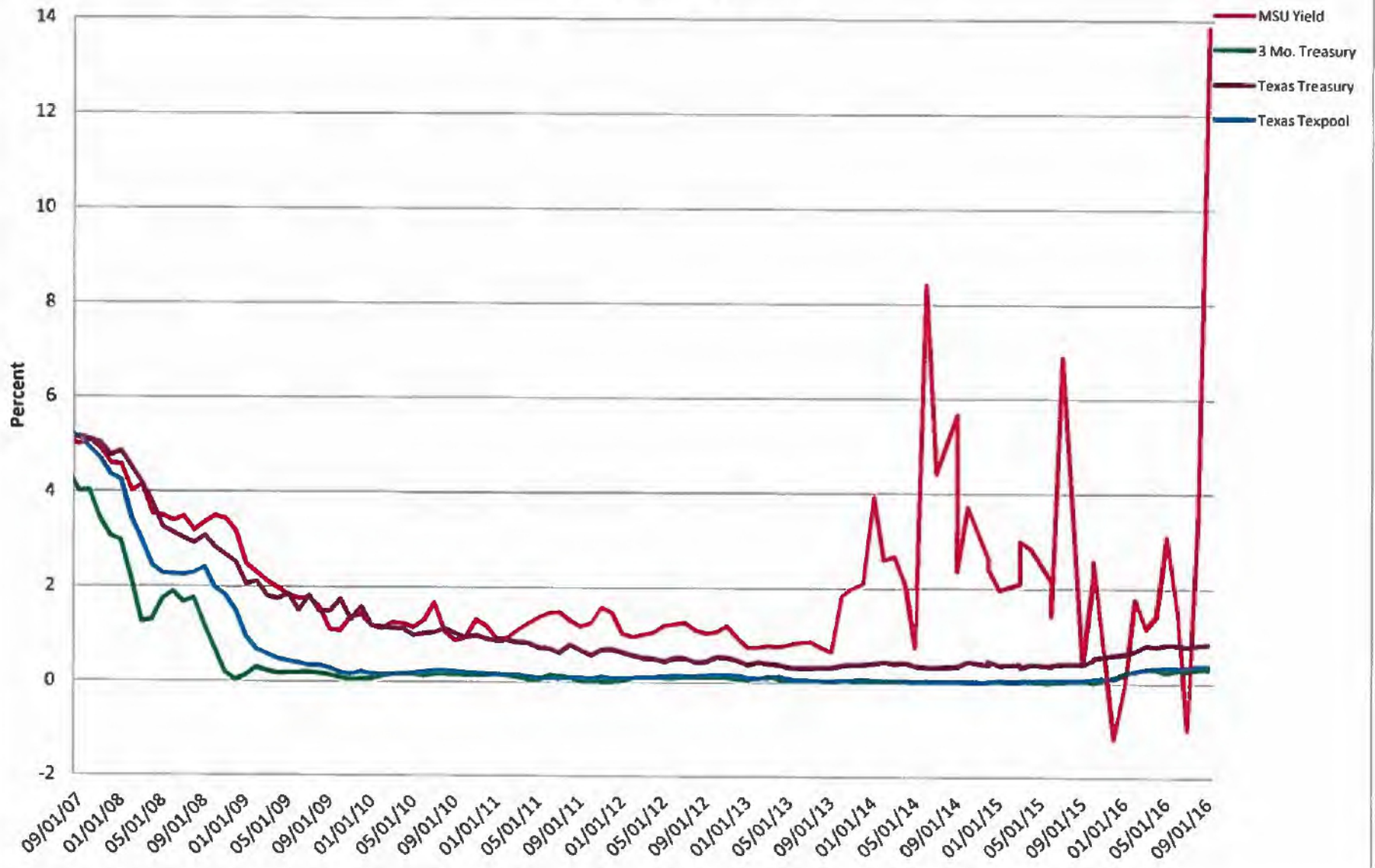
**MSU ENDOWMENT INVESTMENTS - TEXAS A&M UNIVERSITY SYSTEM ENDOWMENT POOL  
FOR THE FOURTH QUARTER ENDED AUGUST 31, 2016**

	<u>Book Value 05-31-16</u>	<u>Market Value 05-31-16</u>	<u>Unrealized Gain (Loss)</u>	<u>Purchases</u>	<u>Principal Payments Received/ Matured</u>	<u>Realized Gain (Loss)</u>	<u>Interest/ Dividends Received (Fees Paid) In the Qtr.</u>	<u>Amortization/ Accretion of Prem./Disc.</u>	<u>Book Value 08-31-16</u>	<u>Market Value 08-31-16</u>	<u>Unrealized Gain (Loss)</u>	<u>Market Value Percentage Of Total</u>
<b>TEXAS A&amp;M INVESTMENT MGMT FEE</b>							(\$473.32)					
Long-term Investment Pools:												
Texas A&M System Endowment Pool	\$410,041.99	\$392,217.65	(\$17,824.34)		\$3,653.75	\$3,653.75	1,419.96		\$410,041.99	\$398,466.16	(\$11,575.83)	100.00%
Total Long-term Investments	410,041.99	392,217.65	(17,824.34)	0.00	3,653.75	3,653.75	946.64		410,041.99	398,466.16	(11,575.83)	100.00%
Total Endowment Assets												
at Texas A&M University System	\$410,041.99	\$392,217.65	(\$17,824.34)	\$0.00	\$3,653.75	\$3,653.75	\$946.64		\$410,041.99	\$398,466.16	(\$11,575.83)	100.00%
Jun, Jul, and Aug activity	Simple yield excluding mkt.value change: (Realized gain + Int.Div.Recvd. + Amort./Accr.) / (Average Book Value) =						4.49%	4,600.39	Market Value gain =	(11,575.83)	-2.82%	
							(Annualized)	410,041.99		410,041.99		

**REDWINE QUASI ENDOWMENT INVESTMENTS - TEXAS A&M UNIVERSITY SYSTEM ENDOWMENT POOL  
FOR THE FOURTH QUARTER ENDED AUGUST 31, 2016**

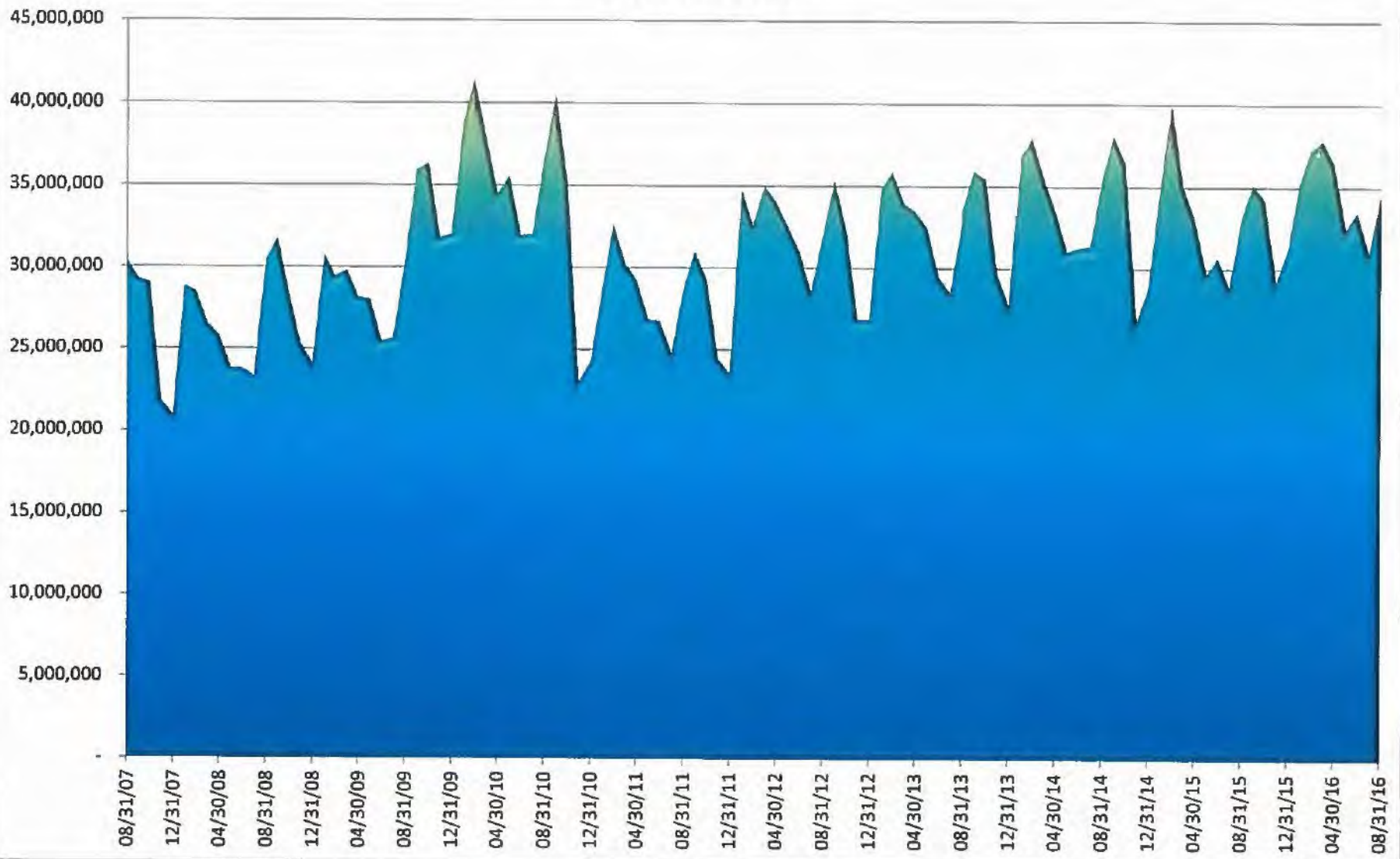
	<u>Book Value 05-31-16</u>	<u>Market Value 05-31-16</u>	<u>Unrealized Gain (Loss)</u>	<u>Purchases</u>	<u>Principal Payments Received/ Matured</u>	<u>Realized Gain (Loss)</u>	<u>Interest/ Dividends Received (Fees Paid) In the Qtr.</u>	<u>Amortization/ Accretion of Prem./Disc.</u>	<u>Book Value 08-31-16</u>	<u>Market Value 08-31-16</u>	<u>Unrealized Gain (Loss)</u>	<u>Market Value Percentage Of Total</u>
<b>TEXAS A&amp;M INVESTMENT MGMT FEE</b>							(\$13,312.92)					
Long-term Investment Pools:												
U.S. Dollars												
Texas A&M System Endowment Pool	\$11,516,585.66	\$11,031,758.88	(484,826.78)		\$102,767.55	\$102,767.55	\$39,938.76		\$11,516,585.66	\$11,207,508.22	(\$309,077.44)	100.00%
Total Long-term Investments	11,516,585.66	11,031,758.88	(484,826.78)	0.00	102,767.55	102,767.55	26,625.84		11,516,585.66	11,207,508.22	(309,077.44)	100.00%
Total Endowment Assets												
at Texas A&M University System	\$11,516,585.66	\$11,031,758.88	(\$484,826.78)	\$0.00	\$102,767.55	\$102,767.55	\$26,625.84		\$11,516,585.66	\$11,207,508.22	(\$309,077.44)	100.00%
Jun, Jul, and Aug activity	Simple yield excluding mkt.value change: (Realized gain + Int.Div.Recvd. + Amort./Accr.) / (Average Book Value) =						4.49%	129,393.39	Market Value gain =	(309,077.44)	-2.68%	
							(Annualized)	11,516,585.66		11,516,585.66		

## Midwestern State University Historical Yields





# Midwestern State University Pooled Investments Total Invested



# Texas A&M University System Cash Concentration Pool



**FISCAL YEAR 2016**

**4<sup>TH</sup> QUARTER – AUGUST 31, 2016**

## Effective Rates for FY 2016 YTD:

Cash Portfolio:	0.34%
Long-Term Portfolio:	2.62%
Total Pool:	2.21%

## Capital Market & Rates

The yield on 2-year Treasuries declined to 0.81% in August from 0.87% at the end of May. The yield on 10-year Treasuries declined to 1.58% from 1.84% at the end of May.

The S&P 500 Index returned 4.1% during the quarter and 12.6% for the one-year ending August 31, 2016. Developed international equity markets returned 1.6% (in US Dollars) during the quarter and -0.1% for the one-year period. Emerging markets returned 12.1% (in US dollars) during the quarter and 12.2% for the one-year period.

The unemployment rate stood at 4.9% in August. The economy added 696,000 jobs during the three month period.

The economy was estimated to have grown at a 1.1% annual rate during the quarter ending June 30, 2016, up from 0.8% in the prior quarter.

## CCP Estimated Distribution Rate for FY 2016

**Total Pool: 2.50%**

<http://www.tamus.edu/finance/treasury-services/>

## Pool Valuation

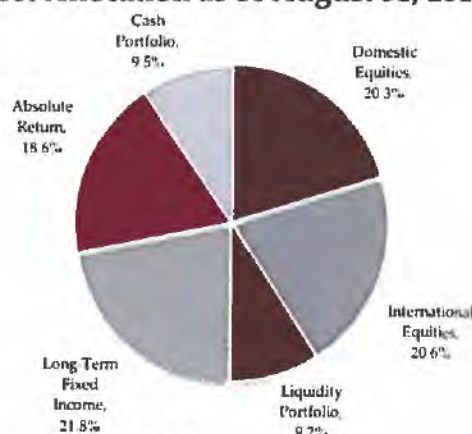
As of August, 2016, the Pool had a market value of approximately \$3.6 billion. For the 4<sup>th</sup> quarter of FY 2016, the Pool positions had \$900.3 million in cash inflows and \$767.2 million in cash outflows, increasing the book value of the Pool by \$133.1 million. The Pool earned investment income during this quarter of \$13.4 million and realized net gains on investments of \$21.9 million.

The Cash Portfolio distributes all interest, dividends, and realized gains/(losses), net of external management fees, to the participants based on their average short-term balance for each month. The Long-Term Pool distributes all interest, dividends, and realized gains/(losses), net of external management fees, to the participants based on their ownership of Long-Term Pool units for each month.

## Investment Performance



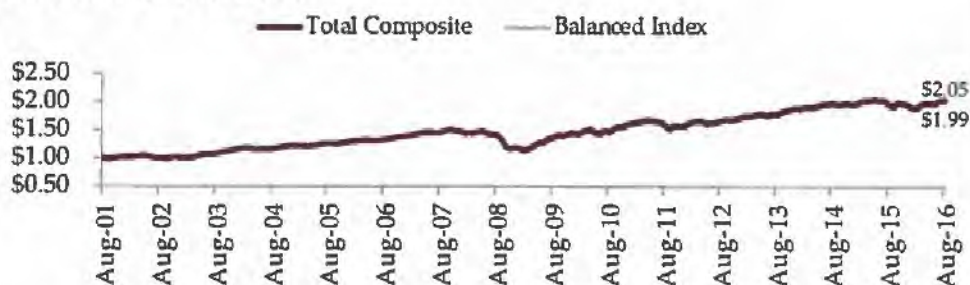
## Asset Allocation as of August 31, 2016



## Asset Allocation (\$M) Excluding Debt Proceeds and SEF Deposits

Domestic Equities	\$654.6
International Equities	\$665.3
Liquidity Portfolio	\$298.3
Fixed Income	\$702.6
Absolute Return	\$599.8
Cash Portfolio	\$307.6

## Growth of \$1 (15 Years)





# Texas A&M University System System Endowment Fund



FISCAL YEAR 2016

4<sup>TH</sup> QUARTER – AUGUST 31, 2016

## Capital Market Update

As measured by the Russell 3000 Index, the US stock market returned 4.4% over the quarter and 11.4% for the one-year period. Large cap stocks underperformed small cap stocks by 3.7% for the quarter and outperformed by 4.0% for the one-year period. Growth stocks underperformed value stocks by 0.8% during the quarter and underperformed by 3.0% for the year.

Developed international equity markets returned 1.6% (in US Dollars) during the quarter and -0.1% for the one-year period. Emerging markets returned 12.1% (in US dollars) during the quarter and 12.2% for the one-year period. Currency fluctuations relative to the Dollar continued to heavily influence non-US returns during the quarter.

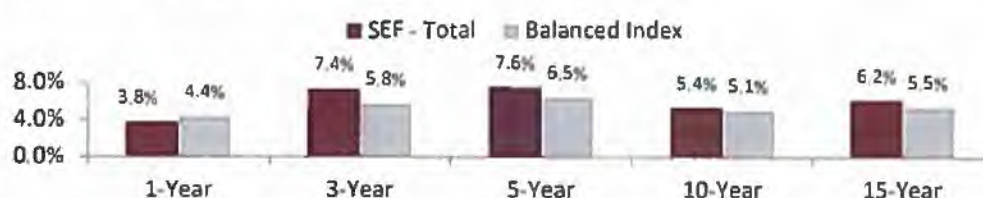
Fixed income markets generated positive returns during the quarter, appreciating 2.3%. For the one-year period, fixed income markets increased 6.0%.

Absolute return, on an aggregate basis, returned 1.3% and -2.0% for the quarter and one-year period respectively.

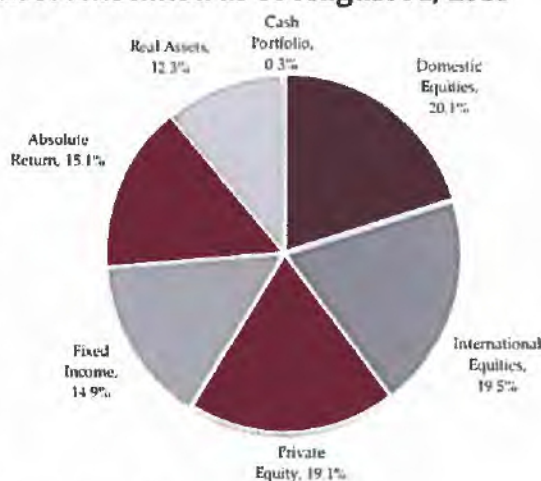
## Endowment Valuation

As of August 31, 2016, the SEF had a market value of approximately \$1.048 billion, including new deposits and net the income distribution for the 4<sup>th</sup> Quarter. The SEF is accounted for on a unitized basis and the per unit market value as of August 31, 2016 was \$6.09.

## Investment Performance



## Asset Allocation as of August 31, 2016

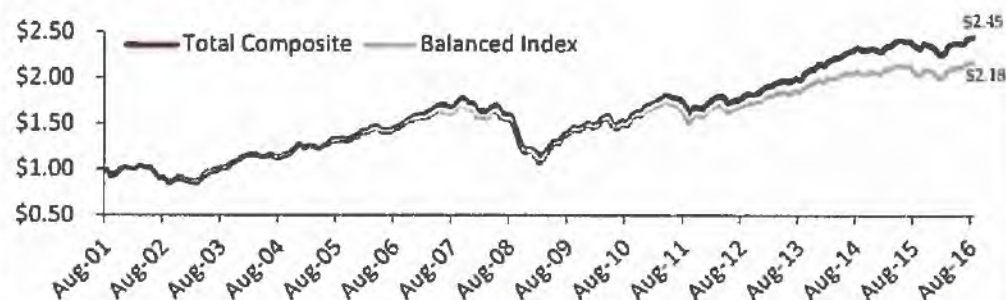


## Asset Allocation (\$M)

Prior to Distribution and New Deposits

Domestic Equities	\$211.0
International Equities	\$205.1
Private Equity	\$201.1
Fixed Income	\$156.7
Absolute Return	\$159.1
Real Assets	\$114.9
Cash Portfolio	\$3.0

## Growth of \$1 (15 Years)



## Quarterly Endowment Spending Rate

FY 2016: \$0.070265 per unit

FY 2017: \$0.072378 per unit

The units and market value summary is available online for each endowment account at the Treasury web page: <http://www.tamus.edu/finance/treasury-services/system-endowment-fund/>

Unaudited

**Midwestern State University  
Redwine Estate Quasi Endowment  
August 31, 2016**

	<u>Totals</u>	<u>Redwine Endowment</u>	<u>Redwine/Honor's Scholarships</u>
Beginning Fund Balance, 9-1-15	\$ 11,950,461.36	\$ 11,599,191.82	\$ 351,269.54
Unrealized gain(loss) on 231 Krugerrands	31,647.00	31,647.00	
Interest Earnings	149.43	10.48	138.95
Transfers out to Support:			
Scholarships			(219,544.00)
<b>Texas A&amp;M System Endowment Fund:</b>			
Interest & Dividend Income		173,314.14	
Net Realized Gains (Losses)		400,554.72	
Investment Fees		<u>(72,817.83)</u>	
Net Income		501,051.03	
Distribution of earnings		(501,051.03)	501,051.03
Unrealized Appreciation (Depreciation)		<u>(110,590.11)</u>	
Net change		<u>(110,590.11)</u>	
Faculty Salaries			(6,000.00)
Fringe Benefits			(3,241.60)
Travel			(642.73)
Supplies			(416.50)
Honor's Scholarships awarded			<u>(314,200.00)</u>
Total Net Change	<u>(121,787.48)</u>	<u>(78,932.63)</u>	<u>(42,854.85)</u>
Ending Fund Balance, 8-31-16	<u>\$ 11,828,673.88</u>	<u>\$ 11,520,259.19</u>	<u>\$ 308,414.69</u>

**Midwestern State University**  
**Frank and Nancy Harvey Student Development Fund**  
**Status at August 31, 2016**

	<b>Totals</b>	<b><u>Quasi- Endowment</u></b>	<b><u>Scholarships</u></b>
Balance of Fund 09-01-2015	\$ 777,553.22	\$ 777,553.22	
Transferred out for scholarships 08/31/2016	(30,500.00)		\$ (30,500.00)
Scholarships Awarded			
Distribution of Earnings 08-04-2015	<u>32,152.60</u>	<u>32,152.60</u>	<u>                    </u>
Balance of Fund 08-31-2016	<u>\$ 779,205.82</u>	<u>\$ 809,705.82</u>	<u>\$ (30,500.00)</u>