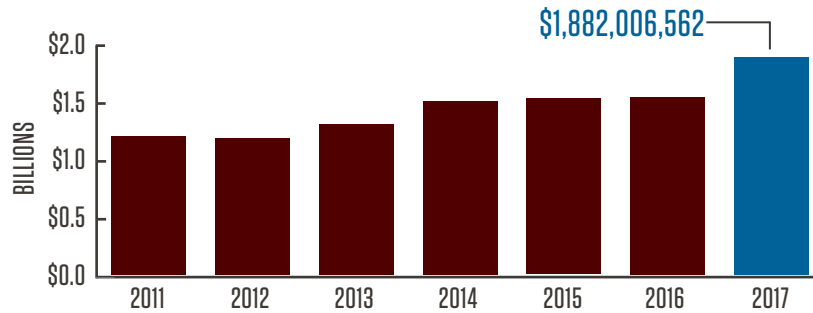


MID-YEAR

FINANCIAL REPORT | 12.31.17

NET ASSETS



FINANCIAL HIGHLIGHTS

	As of December 31,	
	2016	2017
FOUNDATION NET ASSETS	\$1,625,538,142	\$1,882,006,562
LONG-TERM INVESTMENT POOL	\$1,468,233,050	\$1,723,342,572
	For the Year Ended December 31,	
	2016	2017
CONTRIBUTIONS	\$50,627,847	\$65,308,950
PAYMENTS TO/FOR TEXAS A&M	\$44,085,516	\$64,432,940

PAYOUT RATE

\$1.07
PER POOLED UNIT

The Board of Trustees of the Foundation ratified the payout rate of 4.0% for the fiscal year beginning July 1, 2018. This rate is applied against the trailing five-year (20 quarter) moving portfolio average computed on a calendar year basis. The payout rate per unit will be \$1.07 per pooled fund unit. The payout formula is reviewed annually at the winter board meeting.

LTIP UPDATE

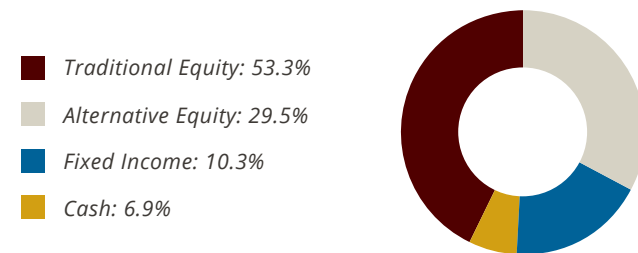
Overall, the long-term investment pool (LTIP) has performed in-line with expectations given long-term risk/return objectives. Recent performance across the portfolio has been very strong and we have seen significant levels of excess return from many of our public managers. We remain focused on continuing to enhance diversification within the LTIP in an effort to decrease the overall risk profile. We also expect private investments to be a key driver of long-term returns and these will remain an intense area of focus for us in the coming years.

LTIP PERFORMANCE REPORT

	As of December 31, 2017 (Annualized)			
	1YR	3YR	5YR	7YR
LONG-TERM INVESTMENT POOL	17.0%	7.4%	7.8%	7.3%
ALLOCATION INDEX*	15.8%	7.0%	7.4%	N/A
POLICY INDEX*	16.3%	6.9%	7.0%	N/A

* The Allocation and Policy Index have been revised and benchmarks for the five and seven year periods will be included as available.

LTIP ASSET ALLOCATION



The Foundation solicits and processes contributions to benefit Texas A&M University, invests funds and manages the disbursement of funds from these accounts. It is the primary responsibility of the university's administration, faculty and staff to ensure proper use of these funds consistent with appropriate internal controls, donors' wishes and the educational mission of the university.

