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Monthly Report to the Board of Land Commissioners

Investment performance through November 30, 2022

Month: 5.7% Fiscal year: 5.7%

Financial markets rebounded in November as there was further evidence of inflation rolling over and hints that China may begin to relax stringent COVID restrictions. Goods prices have moved lower the last four months and housing services prices should continue to decline given higher mortgage rates and the drop in new lease prices. Labor markets remain stubbornly strong, but the number of job openings fell modestly from 10.7 million to 10.3 million. Federal Reserve Chair Powell indicated that it makes sense to slow the pace of interest rate increases, but the policy rate will likely need to remain “restrictive” for some time. Financial markets are optimistic that inflation will continue to moderate and that we will see a peak in the Fed funds rate early in the new year.

Status of endowment fund reserves

Distributions for FY2022 and FY2023 are well secured.

Significant actions of the Endowment Fund Investment Board

None.

Compliance/legal issues, areas of concern

Material deviations from Investment Policy: None.

Material legal issues: None.

Changes in board membership or agency staffing: None.

Upcoming issues/events

Board Meeting – February 16, 2023