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Monthly Report to the Board of Land Commissioners

Investment performance through January 31, 2023

Month: 5.2% Fiscal year: 8.1%

Financial markets moved higher in January as Europe was helped by lower natural gas prices, China began to reopen as it relaxed COVID-zero policies and the U.S. continued to experience moderating inflation and a resilient labor market. The improvement in business sentiment is welcome, but it remains to be seen how quickly inflation will cool and how long the Federal Reserve will maintain its restrictive monetary policy. Investors have started to anticipate the Federal Reserve may cut interest rates in the not-too-distant future, but the Fed insists it is unlikely it will cut rates in 2023 because doing so prematurely could result in a reacceleration of inflation.

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