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Monthly Report to the Board of Land Commissioners

Investment performance through June 30, 2023

Month: 4.1% Fiscal year: 10.9%

Financial markets were up during the month of June as Congress reached an agreement to raise the debt ceiling, technology stocks were bolstered by emerging applications for artificial intelligence and inflation continued to moderate. Investors have become increasingly optimistic that the Fed will be able to tame inflation without pushing the economy into a serious recession. Headline inflation which peaked at 9.1% last spring declined to 4.0% in May and is expected to decline to 3.0% - 3.5% over the coming months. Further declines are anticipated because supply chain stresses continue to abate, shelter inflation is rolling over, consumer demand for both goods and services is softening and prior months with elevated inflation are dropping out of the annual inflation calculation. U.S. job growth remained strong in May as employers added 339,000 jobs, surpassing estimates of 195,000.

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:

The Governor appointed Mary Pat Thompson to replace Richelle Sugiyama who has served on the Board for the last seventeen years.

Upcoming issues/events

Board Meeting – August 14, 2023

Board Meeting – November 21, 2013 (joint meeting)