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Monthly Report to the Board of Land Commissioners

Investment performance through August 31, 2023

Month: -2.3% Fiscal year: -0.1%

Financial markets gave back July gains which left the portfolio near break-even for the first two months of the fiscal year. Notes from the Fed's July meeting indicated that central bank officials see "upside risks" to inflation which could lead to interest rates remaining restrictive for longer than anticipated. The central bank said: "With inflation still well above the Committee's longer-run goal and labor markets remaining tight, most participants continue to see significant upside risks to inflation, which could require further tightening of monetary policy." Economic data out of China remained soft with weaker than expected retail sales and industrial production and continued stress in the real estate sector.

Status of endowment fund reserves

Distributions for FY2022 and FY2023 are well secured.

Significant actions of the Endowment Fund Investment Board

The Endowment Fund Investment Board approved the addition of new U.S. large-cap growth and value oriented global investment managers. See attached report for additional detail.

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 – November 21, 2023 (joint meeting)

EFIB Asset Allocation

	Current	Proposed	Recommendation	Status
Domestic Equity	38.0%	37.0%		
Large Cap Core				
Northern Trust - S&P500 Index	11.0%	16.0%	Increase	Done
Large Cap Growth				
Sands Capital / William Blair	5.0%	5.0%	Replace with quality growth manager	Interviewed J.P. Morgan, Loomis Sayles and William Blair. Selected William Blair. Done
Large Cap Value				
LSV Asset Management	5.0%	0.0%	Eliminate Manager	Done
Boston Partners	5.0%	5.0%		
Mid Cap Growth				
TimeSquare	4.0%	3.5%	Slight Decrease	Done
Mid Cap Value				
Sycamore	4.0%	3.5%	Slight Decrease	Done
Small Cap Growth				
Eagle	2.0%	2.0%		
Small Cap Value				
Barrow Hanley	2.0%	2.0%		
International Equity	19.0%	17.0%		
International Core				
Vanguard - EAFE	3.0%	0.0%	Eliminate Index	Done
International Growth				
WCM	8.0%	8.5%	Slight Increases	Done
International Value				
Schroders	8.0%	8.5%	Slight Increases	Done
Global Equity	9.0%	12.0%		
Wellington	4.5%	4.0%	Slight Decrease	Done
PineStone (formerly Fiera Capital)	4.5%	4.0%	Slight Decrease	Done
Dodge & Cox	0.0%	4.0%	New Manager	Interviewed Artisan, Barrow Hanley and Dodge & Cox. Selected Dodge & Cox. Done
Real Assets	10.0%	10.0%		
Private Core Real Estate				
DWS, R Reef America REIT II	5.0%	5.0%		
CBRE Core Property	5.0%	5.0%		
Fixed Income	24.0%	24.0%		
State Street - BB Aggregate Bond Index	11.0%	11.0%		
Western - Core Plus	6.5%	6.5%		
DoubleLine - Core Plus	6.5%	6.5%		
Total	100.0%	100.0%		