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Monthly Report to the Board of Land Commissioners

Investment performance through September 30, 2023

Month: -3.3% Fiscal year: -3.4%

Both bonds and stocks declined in September. Stocks suffered their worst month of 2023 as the S&P500 fell 4.9%. Inflation continued to moderate with core and PCE inflation at 3.7% and 3.9%, respectively, but it remains considerably above the Fed’s inflation target of 2.0%. Treasury yields jumped to their highest levels in over a decade as markets reacted to the Fed’s “higher for longer” stance. Stocks sold off due to concerns that higher interest rates would put further pressure on a slowing economy and create challenges for businesses that are forced to borrow at higher rates of interest. The price of oil surged by nearly 10% which added to concerns that central banks will need to maintain tight monetary policy for longer.

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 – November 21, 2023 (joint meeting)