

# Quarterly Chief Investment Officer Report

Dan Bienvenue, Interim Chief Investment Officer  
November 13, 2023

# Contents



01 | Economy and Markets



02 | Performance Summary



03 | PERF Commentary



# Economy and Markets

## *Recent Developments*

US economic data continue to show signs of strength; ex-US performance has been mixed

Financial markets have re-rated the yield curve for a “higher-for-longer” scenario, resulting in a re-valuation of some asset classes

Headline inflation is on a downward trend globally, but core (underlying) inflation pressures remain sticky

## *Looking Ahead*

The global economy is projected to slow to 3.0% over 2023

The US economy continues to show resilience, pushing out analyst expectations for a recession. The median expectation is now for no recession

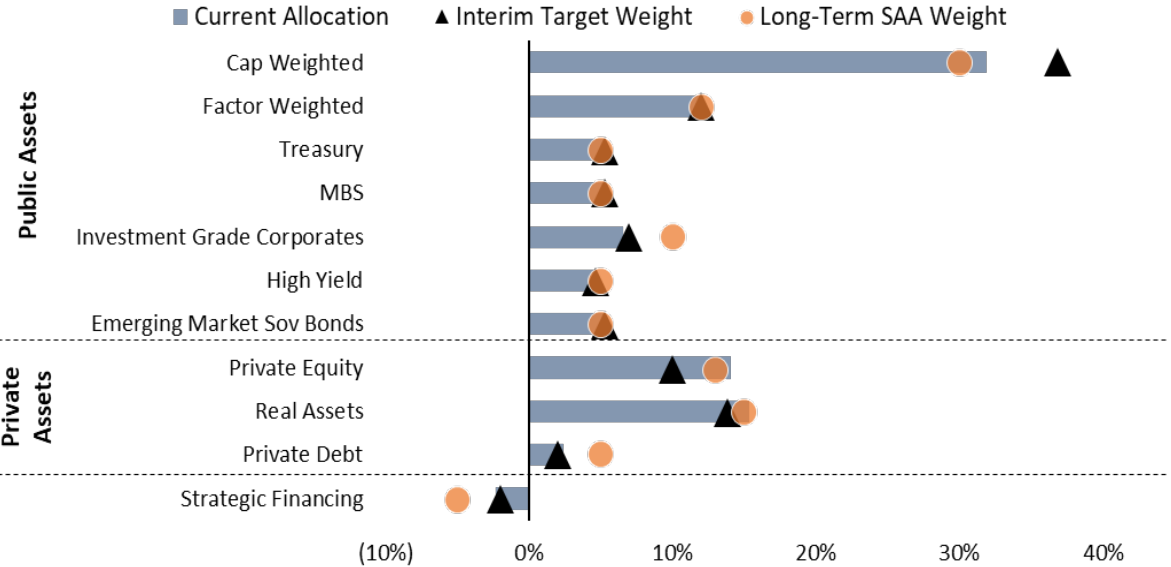
The outlook for the US and global economic activity are broadly balanced, with greater downside event risk (e.g., geopolitics) amidst elevated uncertainty



# Performance Summary (As of September 30, 2023)

## \$452.3 Billion Assets Under Management

### Allocation Targets



### Performance

<b>\$452.3bn</b> Assets Under Management	<b>6.3%</b> 10-Yr Total Return	<b>(2.5)%</b> Fiscal Year-to-Date Total Return	<b>\$1.8bn</b> 5-Yr Cumulative Value Added	<b>\$(1.7)bn</b> Fiscal Year-to-Date Value Added
<b>13.5%</b> Forecasted Volatility	<b>16 bps</b> Forecasted Actionable Tracking Error	<b>31.8%</b> Allocation to Private Assets	<b>2.3x</b> Tier 1 Liquidity Coverage	<b>\$67.9bn</b> Outstanding Committed Capital

Exhibit 4.1



## PERF Commentary (As of September 30, 2023)

### *Capital Markets*

- Global public equity markets retreated in Q3 2023 as investors assessed the likelihood of “higher for longer” interest rates, concerns about slowing global growth, and soaring oil prices
- Global Public Equity portfolio returned (3.13)% which outperformed the benchmark return of (3.27)%
- Global Fixed Income portfolio returned (4.6)% which was equal to the benchmark return

### *Private Markets*

- All applicable Private Market asset classes have positive returns for the 5-, 10-, and 20-Year periods
- The repricing of Real Estate continued to weigh on Real Asset absolute returns whilst relative returns outperformed benchmark
- Private Equity 1-Year relative returns are a function of differences in public and private valuation approaches with a strong recovery in public equities following an earlier drawdown

### *Total Fund*

- Portfolio risk metrics remain within expected ranges