

Executive Summary

Private Equity Report – Open Session

Key Topics in Report¹

- The Private Equity portfolio's performance was positive over the prior six months and outperformed the Custom State Street Index. Longer-term results as of September 30, 2023, remain strong on both an absolute basis and relative to benchmarks. The Program is outperforming both the Custom State Street Index and the Custom Benchmark over the trailing 3-, 5-, and 10-year periods.
 - The Program's outperformance against the Custom State Street Index over intermediate time periods was largely driven by strong Buyouts performance.
- Staff has achieved the 14% long-term allocation target. Private Equity currently makes up 16.5% of the Total Plan, compared to 15.9% six months ago. The Program's NAV, at \$50.9 billion, has increased by \$5.3 billion since September 30, 2022, due to both a \$3.8 billion increase of value (net of cash flows) and contributions outpacing distributions.
- Commitment pacing has been adjusted over recent years to reflect portfolio and market dynamics, resulting in a lower annual target for 2023. However, continued disciplined activity will be required to maintain the long-term target.
 - Staff has increased its relative pace to co-investments, which now represent approximately 22% of the Private Equity Program.
- The Portfolio remains well diversified across Strategy and Geography type and is in line with sub-asset and diversification targets.

¹ Performance is based on data as of September 30, 2023.