

Executive Summary
Private Equity Report – Open Session

Attachment 1
Investment Committee – Item 4c
March 2, 2023
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Key Topics in Report¹

- The Private Equity portfolio's performance was negative over the prior six months as short-term performance cooled off from the very strong returns seen during the 2020-2021 recovery from the COVID-19 pandemic lows. Longer-term results as of September 30, 2022 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 13% long-term allocation target. Private Equity currently makes up 15.8% of the Total Plan, compared to 14.5% six months ago. Despite negative returns over the period, the Program's NAV, at \$45.6 billion, is up slightly since September 30, 2021 due to contributions outpacing distributions.
- On a net of cash flow basis, the Program's NAV decreased by \$2.8 billion during the prior six months, and \$0.8 billion since September 30, 2021.
- Commitment pacing has been consistent over recent years and continued disciplined activity will be required to maintain the long-term target.
 - Staff has increased its pace to Co-investments, which now represent approximately 21% 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, 2022.