

Prudent Investment Board

Q1 2024



Today's Agenda:



Review of Q1 Investment
Performance



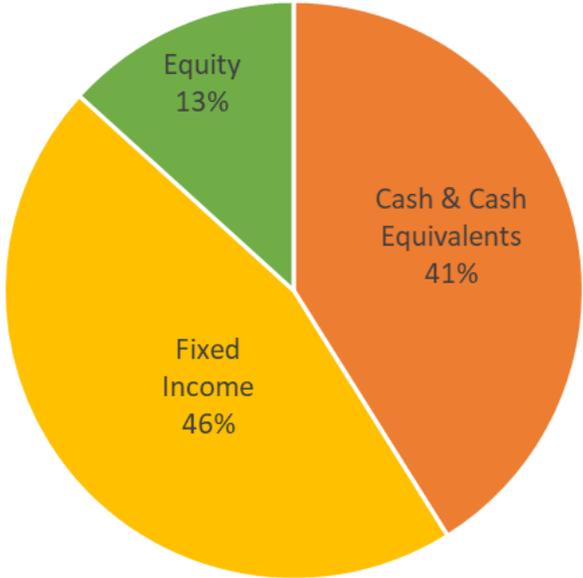
Chairman's Update on 2023
Investment Presentation to
Council

Investment Performance



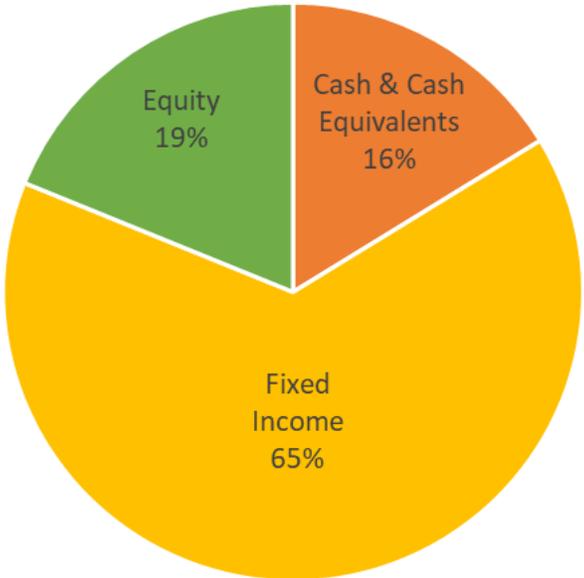
Asset Allocation (31st March 2024)

Consolidated Portfolio
(Prudent Investor + Operating Portfolios)



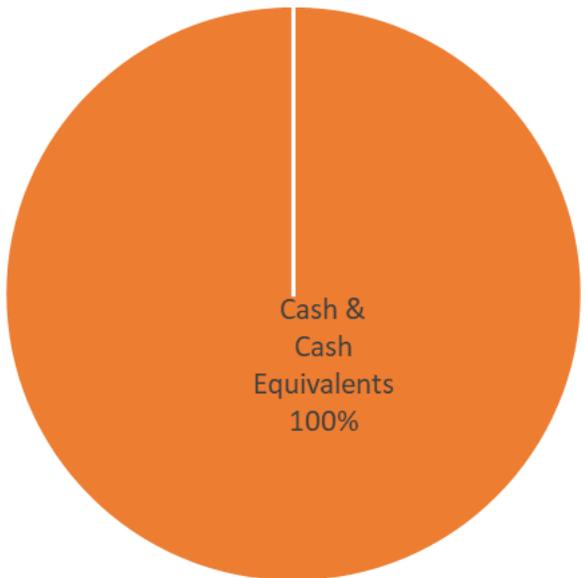
\$414 million

Prudent Investor Portfolio



\$300 million

Operating Portfolio



\$114 million

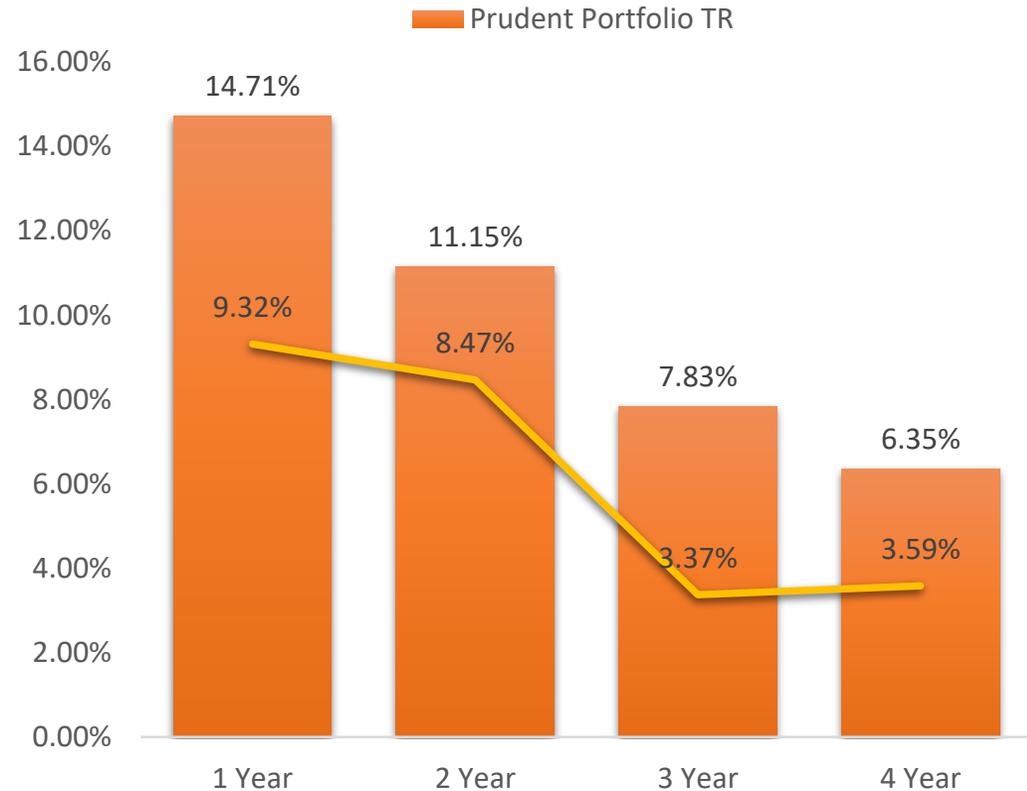
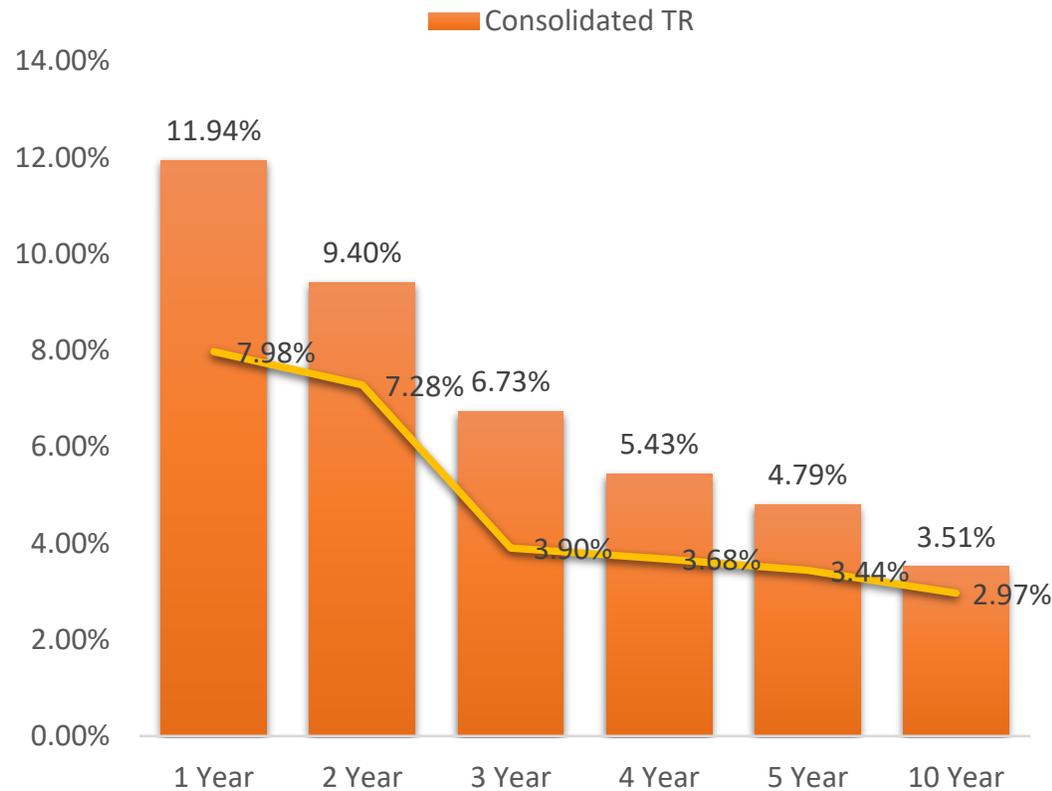
Q1 2024 Investment Income

	Realized Return	Unrealized Gain/(Loss)	Total Return	Contribution to TR
Money Market	2,565,004	0	2,565,004	24%
Fixed Income	1,510,127	(1,062,012)	448,114	4%
Equity	4,543,027	3,141,810	7,684,837	72%
Consolidated Portfolio	8,618,158	2,079,797	10,697,955	100%
Prudent Investor	6,883,238	2,079,797	8,963,035	84%
Operating Portfolio	1,734,920	0	1,734,920	16%

Periodic Returns

	Portfolio Return	Benchmark	Relative Performance
Money Market	1.47%	1.24%	+23 bps
Fixed Income	0.30%	0.07%	+23 bps
Equities (CAD)	14.39%	10.00%	+439 bps
Consolidated Portfolio	2.85%	1.93%	+92 bps
Prudent Investor	3.47%	2.24%	+123 bps
Operating	1.47%	1.24%	+23 bps

Annualized Performance



Total Return Attribution

Consolidated Portfolio

	Portfolio	Benchmark	Active	Portfolio	Benchmark	Active	Asset	Security
Q1 2024	Weight	Weight	Weight	Return	Return	Return	Allocation	Selection
							Effect	Effect
Money Market	47.73%	41.63%	6.10%	1.47%	1.24%	0.23%	0.08%	0.16%
Fixed Income	38.72%	44.64%	-5.91%	0.30%	0.07%	0.23%	0.00%	0.24%
Equity	13.55%	13.73%	-0.18%	14.39%	10.04%	4.35%	-0.02%	4.37%
	100.00%	100.00%	0.00%	2.84%	1.93%	0.92%	0.00%	0.92%

Prudent Investor Portfolio

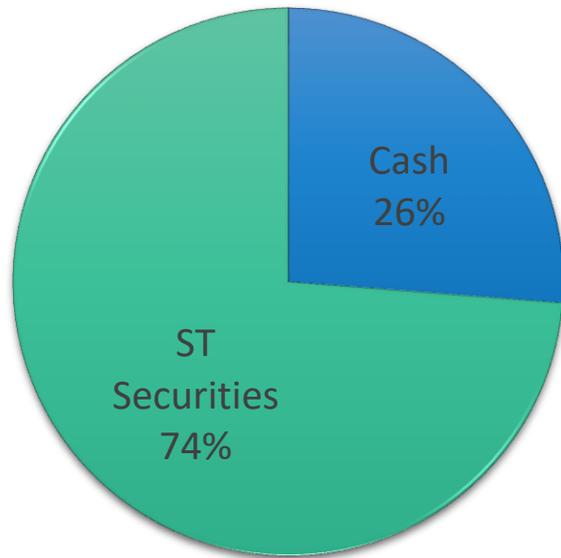
	Portfolio	Benchmark	Active	Portfolio	Benchmark	Active	Asset	Security
Q1 2024	Weight	Weight	Weight	Return	Return	Return	Allocation	Selection
							Effect	Effect
Money Market	23.88%	15.00%	8.88%	1.47%	1.24%	0.23%	0.11%	0.12%
Fixed Income	56.39%	65.00%	-8.61%	0.30%	0.07%	0.23%	-0.01%	0.24%
Equity	19.73%	20.00%	-0.27%	14.39%	10.04%	4.35%	-0.03%	4.38%
	100.00%	100.00%	0.00%	3.47%	2.24%	0.04%	0.00%	1.23%

Performance by Asset Class



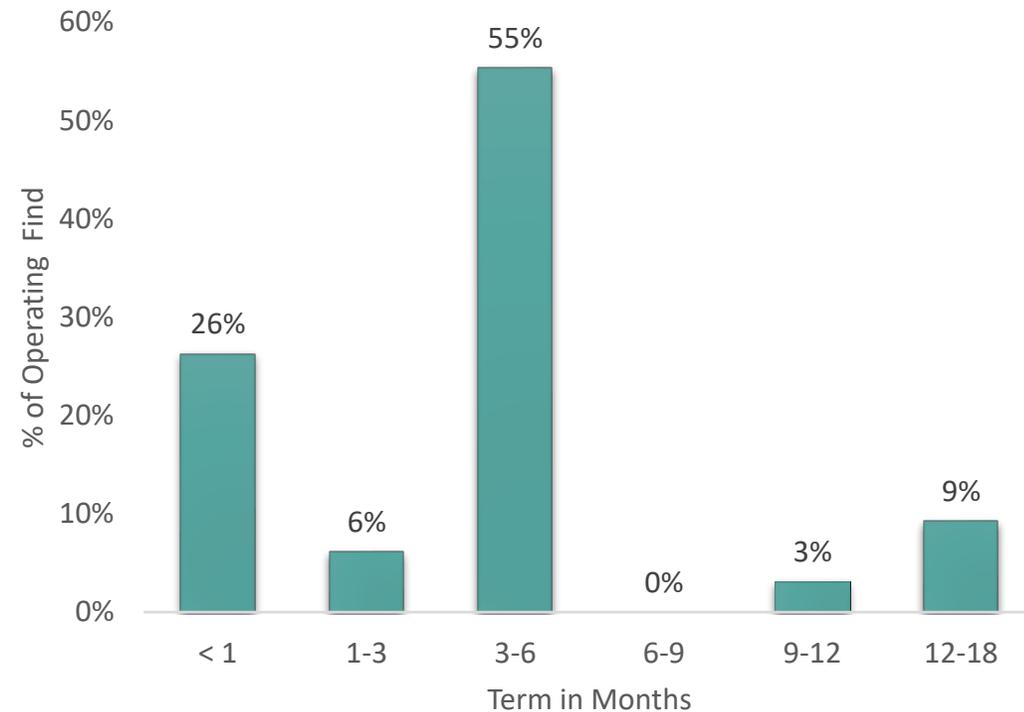
Operating Fund (31st March 2024)

Asset Allocation

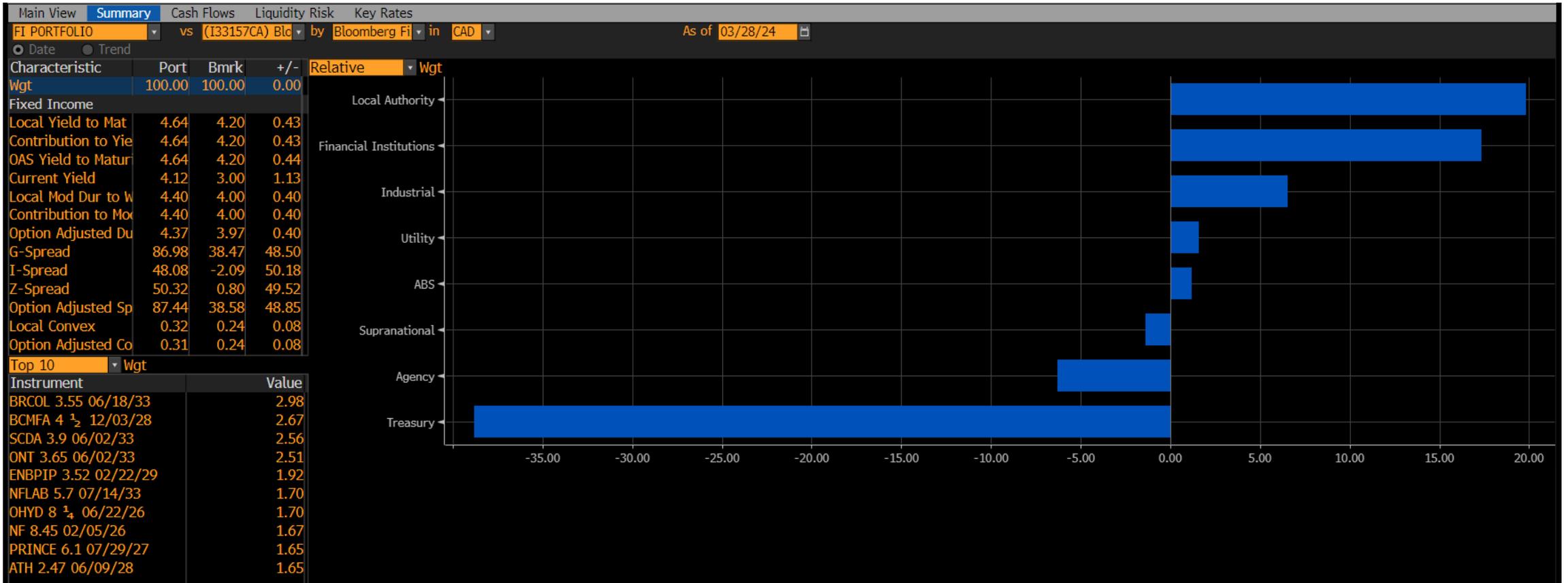


Market Value: \$126.6 million

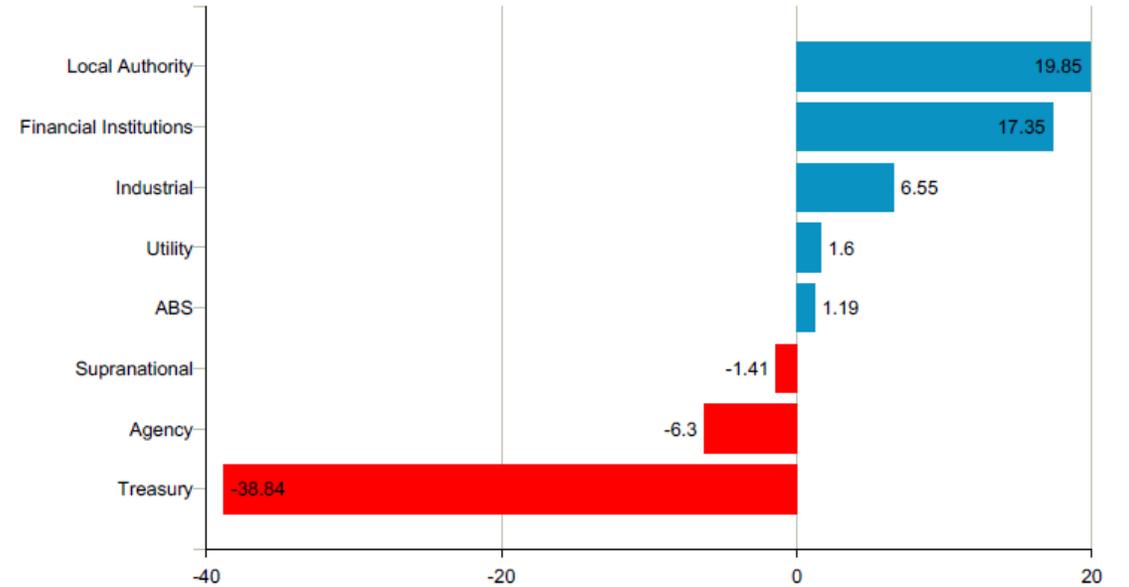
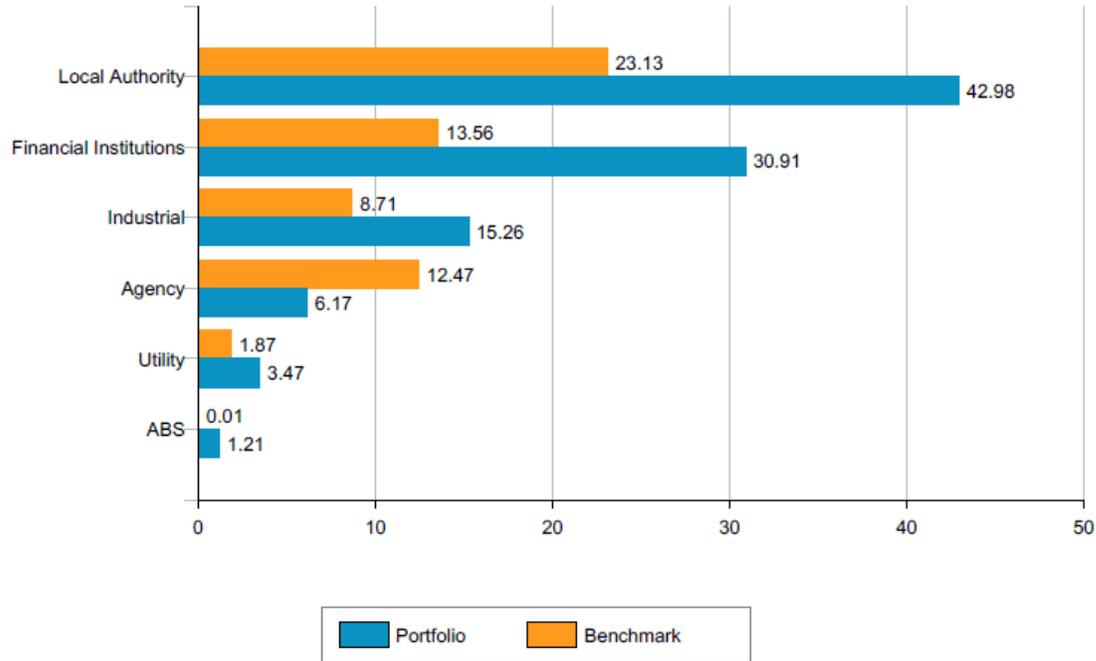
Liquidity



Capital Fund (31st March 2024)

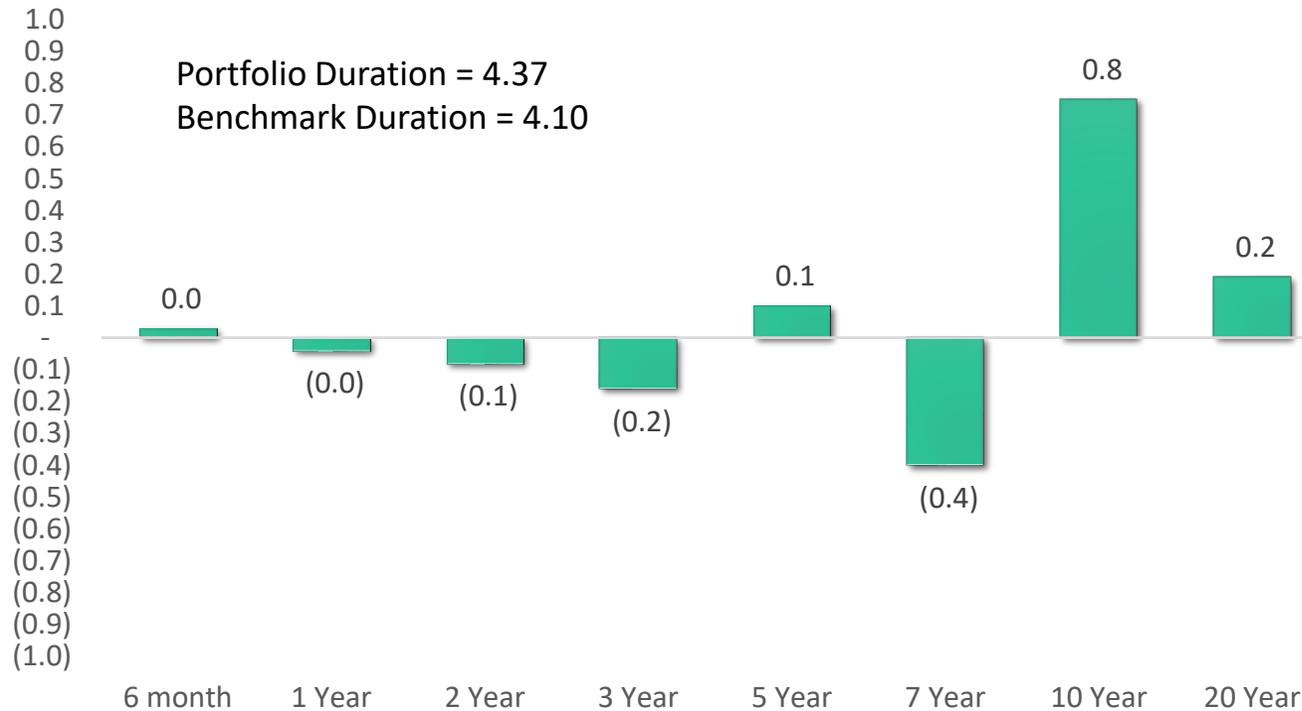


Capital Fund (31st March 2024)



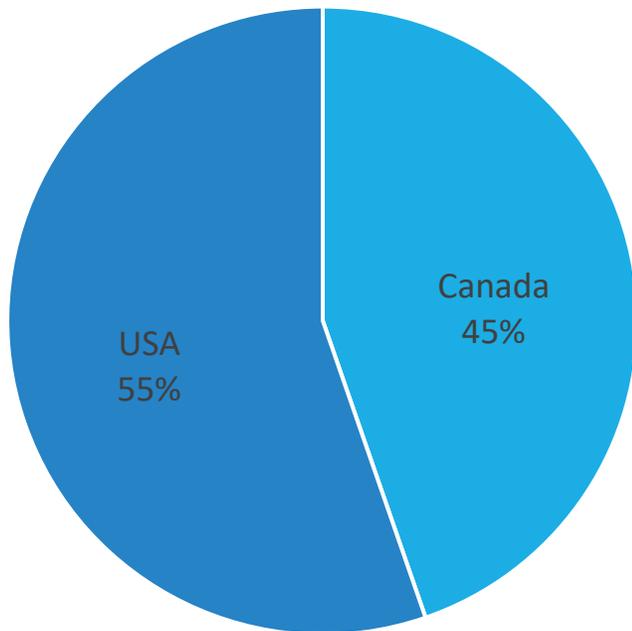
Capital Fund (31st March 2024)

Relative Key Rate Durations

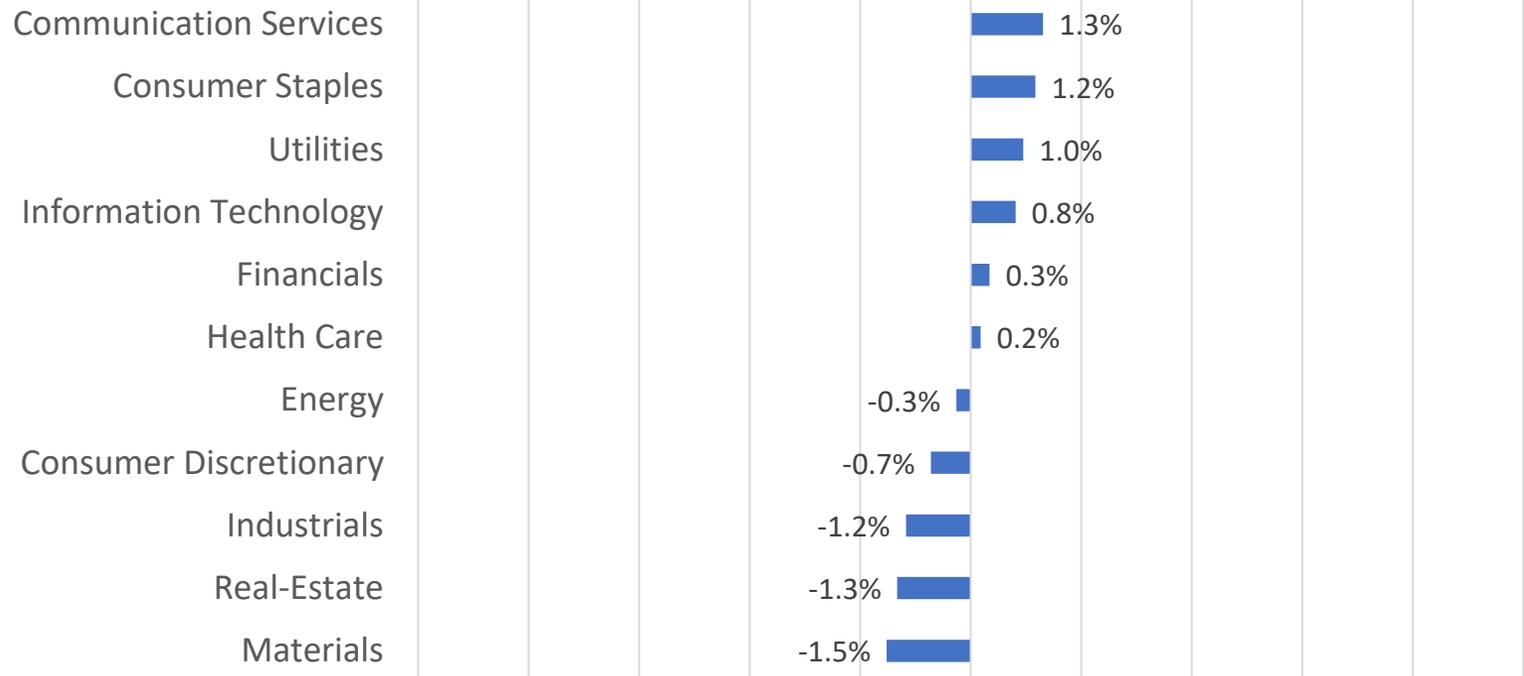


Growth Fund (31st March 2024)

Geographic Allocation



Active Sector Weights (All Equities)



Market Commentary

- ❑ Ongoing geopolitical tensions; supply disruptions; volatility in energy prices; US election
- ❑ Canada & US on very different economic footings; noticeable divergence
- ❑ Inflation pressures continue to ease, path to 2% CPI remains bumpy. Core CPI ex. shelter below 2%; BoC has room to cut but remains hesitant to act
- ❑ Stronger GDP than expected sent bond yields higher as markets adjusted to prospects of less and later cuts by Central Banks; negatively impacting prices
- ❑ Bond markets expects BoC to cut 50 bps in 2024, June (~54% probability); July more likely for 1st cut; potentially more cuts are possible should economic conditions deteriorate faster (risks of recession appear underestimated)
- ❑ Equities rallied strongly in Q1; rally more broad-based than 2023
- ❑ Portfolio remains defensively positioned in equities; 5% overweight bias to US. Bond portfolio remains focused on higher quality, longer duration bonds.
- ❑ Expect cash equivalents to underperform as rates decline; positive tailwind for longer duration bonds