Prilago. · PDF p.53 Excerpt

Inflation sensitive

The inflation sensitive asset class includes natural resources (energy, metals, timberlands, agriculture, aquaculture and natural climate solutions), commodities (including gold) and inflation hedges. These types of assets are grouped together due to the positive relationship they tend to exhibit with inflation fluctuations: they can provide stable risk-adjusted returns, diversification and protection against unexpectedly high inflation.

In 2024, inflation-sensitive assets had a strong performance with a total return of 18.6% (or a local return of 10.0%). Strong returns in commodities (including gold) and metals contributed to the performance results. Returns in the inflation sensitive asset class slightly trail the benchmark return of 19.1% (local benchmark return of 9.8%). The five-year annualized return of 8.8% trails the benchmark return of 9.1%.

The portfolio was valued at $54.0 billion at the end of 2024, compared to $45.4 billion at the end of 2023.

Inflation sensitive portfolio highlights

As at December 31, 2024
(based on total assets)

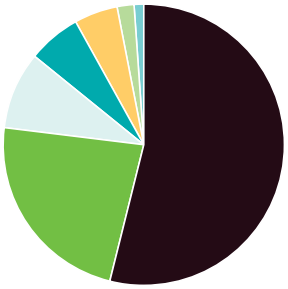
$54.0 billion
Net Investments

18.6%
Return

19.1%
Benchmark

10.0%
Local return

9.8%
Local return benchmark



Commodities	**54%**
Inflation Hedges	**23%**
Natural Resources:	
Oil and Gas	**9%**
Timberland	**6%**
Agriculture and Aquaculture	**5%**
Metals	**2%**
Natural Climate Solutions	**1%**