Prilago. · PDF p.51 Excerpt

Venture growth

The venture growth portfolio includes investments made by Teachers' Venture Growth (TVG), encompassing direct investments in companies and venture growth funds. TVG aims to build exposure to fast-growing companies that leverage cutting-edge technology and innovative business models.

Venture growth emerged as one of the top-performing asset classes in 2024, achieving returns of 25.8%, which translates into a local return of 16.5%. Positive returns were driven by investments in high-performing assets, favourable market conditions and the positive benefit of the U.S. dollar when converted back to Canadian dollars.

The venture growth portfolio slightly underperformed its benchmark by 3.4%, compared to the local benchmark return of 19.9%. The relative underperformance of the combined TVG portfolio is due to rallies in public markets.

2024 marks the fifth full year for the venture growth portfolio. In 2024, the total five-year annualized rate of return is 12.1%, compared to a benchmark of 15.7%.

The portfolio's value increased to $10.4 billion at the end of 2024, up from $7.5 billion at the end of 2023. New acquisitions in 2024 included Instagrid, DeepL, SmartHR and Kong Inc., as well as follow-on investments in Databricks.

Venture growth portfolio highlights

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

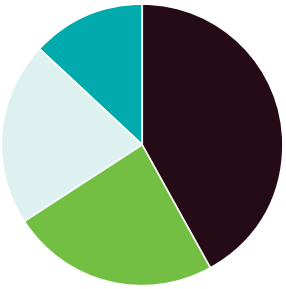
$10.4 billion
Net Investments

25.8%
Return

16.5%
Local return

29.2%
Benchmark

19.9%
Local return benchmark



Direct Investments – North America	**42%**
Funds	**24%**
Direct Investments – Asia-Pacific	**21%**
Direct Investments – Europe, Middle East and Africa	**13%**