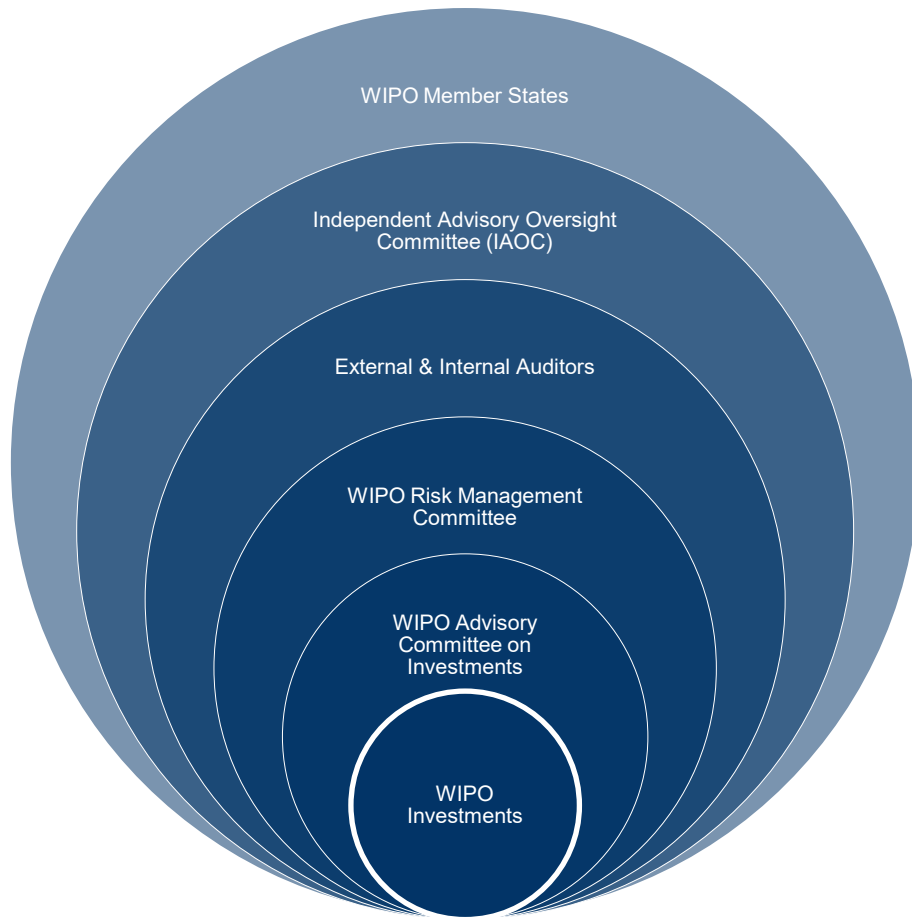




# **Update on Investments PBC 37 (June 10 to 14, 2024)**

# Strong governance framework embedded in the investment process



- **WIPO Advisory Committee on Investments (ACI)** provides advice in respect of the investment of the Organization's funds pursuant to the Financial Regulations and Rules. This advice covers matters such as the contents of the investment policy, strategy, asset allocation, appropriate performance benchmarks and investment guidelines.
- **WIPO Risk Management Committee** has established a strong risk culture and sets the risk appetite commensurate to achieving WIPO's investment objectives.
- **The External and Internal Auditors** provide an independent audit function and validation of internal controls related to investment processes and reporting.
- **The Independent Advisory Oversight Committee (IAOC)** serves in an independent expert advisory capacity and provides oversight on investment activities.
- **WIPO Member States** provide authority to the Secretariat to make investments in accordance with WIPO's policy on investments.

# Global Markets – A measured outlook on returns in the investment portfolios

## A BUMPY DISINFLATION PATH

- Inflation remains the primary determinant of major central bank decisions.
- Monetary policy is pivoting from tightening to easing. But surprises in inflation might lead to a slower pace or later start of interest rate cuts.
- Higher interest rates and above target inflation will likely be a persistent reality.

## CONFLUENCE OF GEOPOLITICS AND MARKET RISKS

- An election super cycle will unfold in 2024.
- Elevated geopolitical uncertainty and intensifying economic competition.
- Market pricing oscillates between ‘soft landing’ and ‘no landing’ scenario.

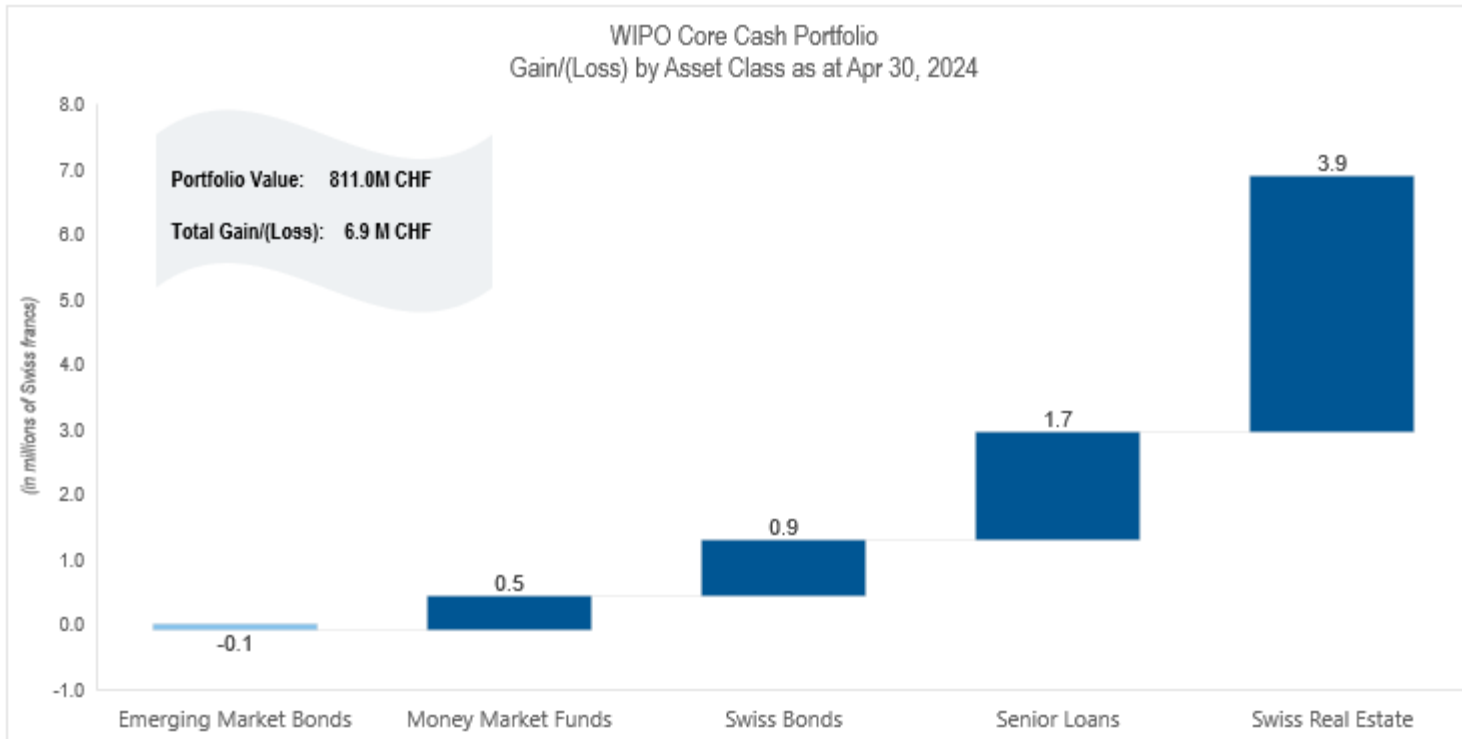
## MEASURED MARKET RETURNS IN 2024 (so far)

- More likely to be an average year for markets.

Asset Class Returns (%)*	04.2024	2023
<b>EQUITIES</b>		
Switzerland	3.4	6.1
Europe	14.3	9.8
North America	15.2	15.1
Japan	15.1	9.5
Emerging Markets	12.1	-0.1
<b>GOVERNMENT BONDS</b>		
Switzerland	0.6	3.4
<b>CREDIT</b>		
Senior Loans	1.7	8.6
Emerging Market	-0.1	5.9
<b>REAL ESTATE</b>		
Swiss Funds	3.3	5.0

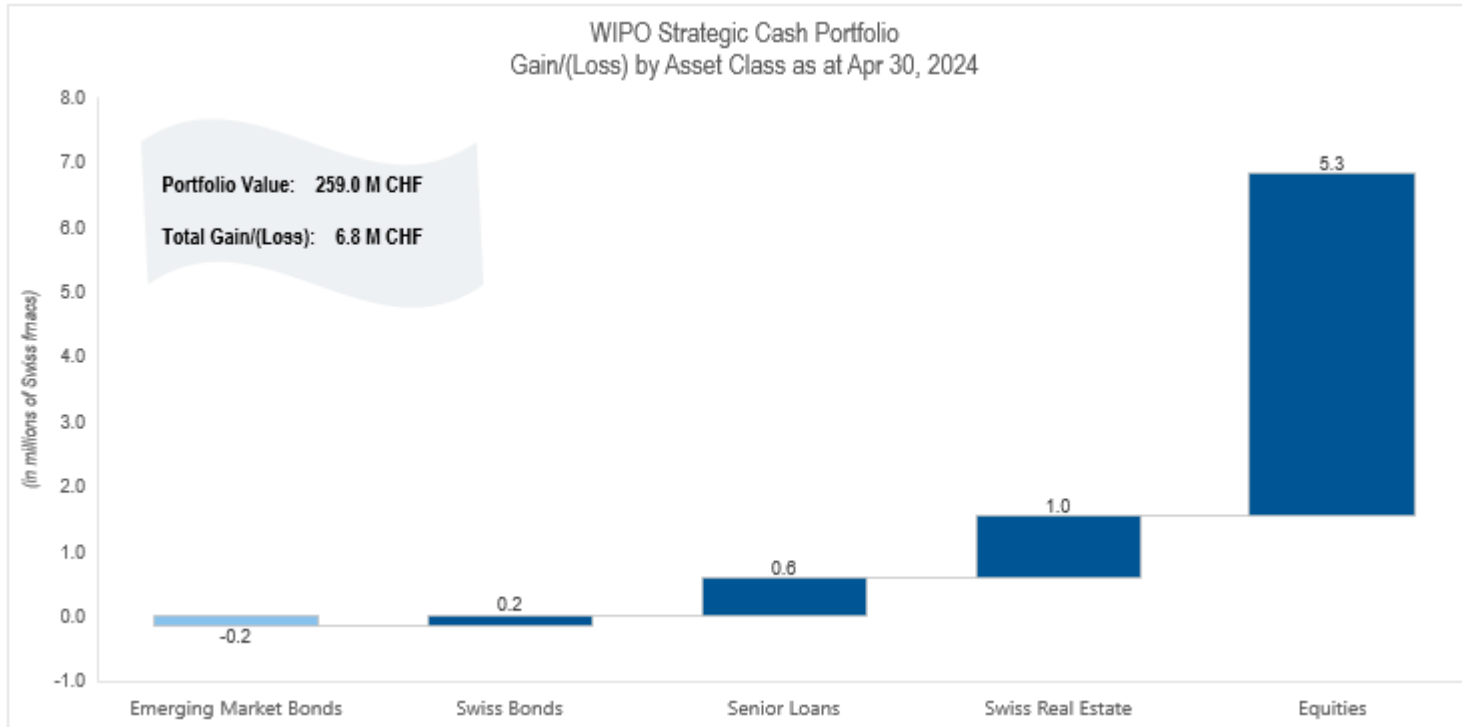
\* - returns in Swiss francs

# Short-term volatility persists, but the portfolios are resilient



Investment Performance (%)	Jan-Apr 2024	2023	5-year	Since Inception
WIPO Core	0.9	4.9	1.5	1.3
Benchmark Return	0.8	5.0	1.6	1.4
Relative Return	0.1	-0.1	-0.1	-0.1

# Short-term volatility persists, but the portfolios are resilient



Investment Performance (%)	Jan-Apr 2024	2023	5-year	Since Inception
WIPO Strategic	2.7	5.7	2.4	2.1
Benchmark Return	2.7	5.6	2.4	2.1
Relative Return	0.0	0.1	0.0	0.0

# Investments are for medium and long-term, and our focus remains on the objective

- Investments in the Core Cash portfolio are diversified into global assets including bonds and Swiss real estate. Despite difficult financial market conditions, the investment strategy has met its objective and has delivered a positive return over a 5 year horizon;
- Investments in the Strategic Cash portfolio are diversified into global assets including bonds, equities and Swiss real estate. Despite difficult financial market conditions in 2022 , the Strategic Cash investments are on track to achieve their long-term investment target of 2% return and to fully fund WIPO's long-term employee benefit liability over a 20 year period;
- The coverage ratio of the long-term employee benefit liability as at the end of last year was 76.1%;
- The road ahead for global investors remains uncertain. An unwavering focus on diversification, and risk and cost-conscious investment approach across markets is required.