

Essex Pension Fund Investment Steering Committee	ISC 03
Date: 29 November 2023	

Market Commentary: Quarter 3 2023

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This Report is for noting

Executive Summary

Report Type: Monitoring

Key highlights include:

- Q2 data released in Q3 led to further upward revisions to 2023 global growth forecasts: growth is expected to slow rather than collapse;
- global equities returned 0.9% in Q3 with UK, Emerging Markets and Japan the standout performing regions;
- inflation continued to decline but remained above target, with market expectation that there will be a prolonged period of higher interest rates to bring inflation back to target;
- bond yields continued to rise to more attractive levels making this asset class more desirable; and
- whilst UK property market remains challenging with rental growth being suppressed and capital values under pressure, for long term investors opportunities are arising to enter the market at more attractive yields by buying at a discount to existing market values.

1. Purpose of Report

1.1 To update the ISC on recent market conditions.

2. Recommendation

2.1 That the Committee should note the content of the report.