

January 2024

# Q4 preliminary plan universe performance

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## Author

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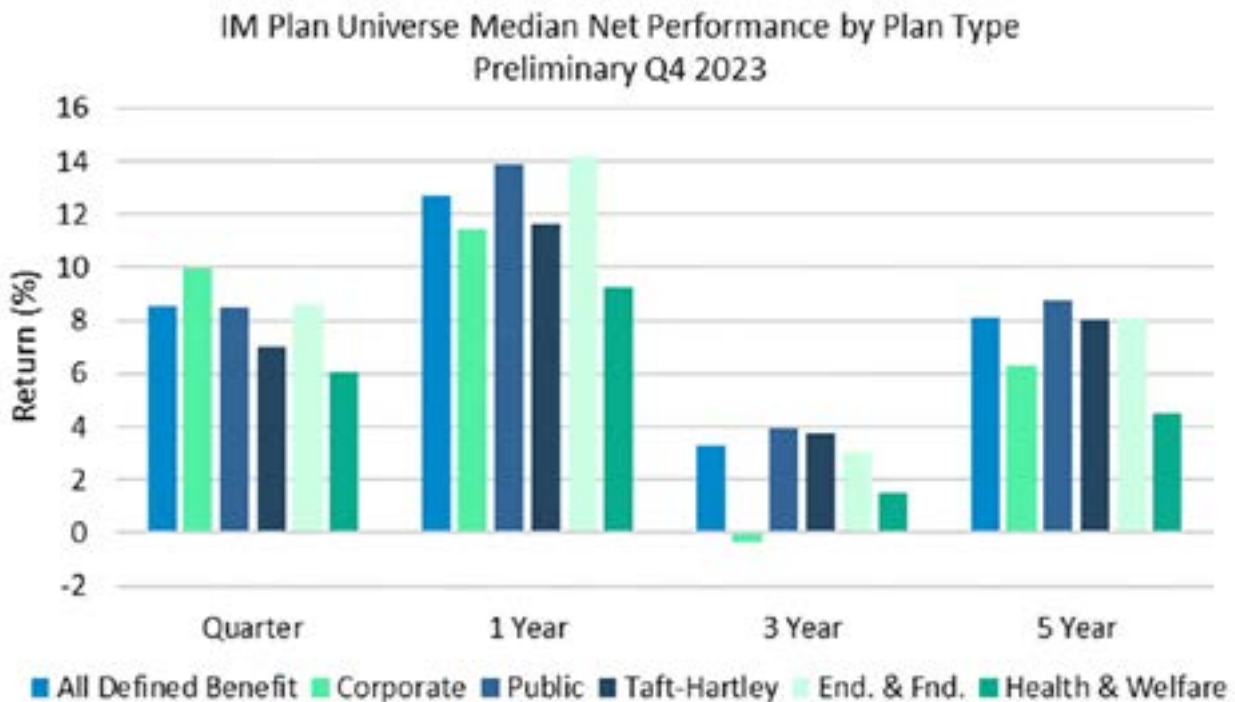
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During the fourth quarter of 2023, markets rallied, especially toward the end of the year, after the Federal Reserve’s optimistic comments propelled U.S. equity markets to two-year highs. Despite lingering challenges such as geopolitical tensions and the high cost of borrowing, the potential of loosening monetary policy renewed optimism in global markets.

The Investment Metrics All Defined Benefit Plan Sponsor Universe posted a median net return of 8.55% for the fourth quarter and 12.69% for the year ending December 2023. For the quarter, corporate plans posted the strongest performance with a median return of 9.93%. This is a reversal from the last quarter in which corporate plans underperformed all other plan types. Robust performance in long bonds was significant as the Bloomberg U.S. Long Government/Credit index outperformed the Bloomberg U.S. Aggregate Index by more than 6%. Though plan performance was strong during the quarter, all plan types other than Corporates underperformed a traditional 60/40 benchmark return of 9.42%. (60% MSCI ACWI Index/ 40% Bloomberg Barclays U.S. Aggregate Index). For the calendar year 2023, endowments & foundations posted the strongest performance with a median return of 14.17%.

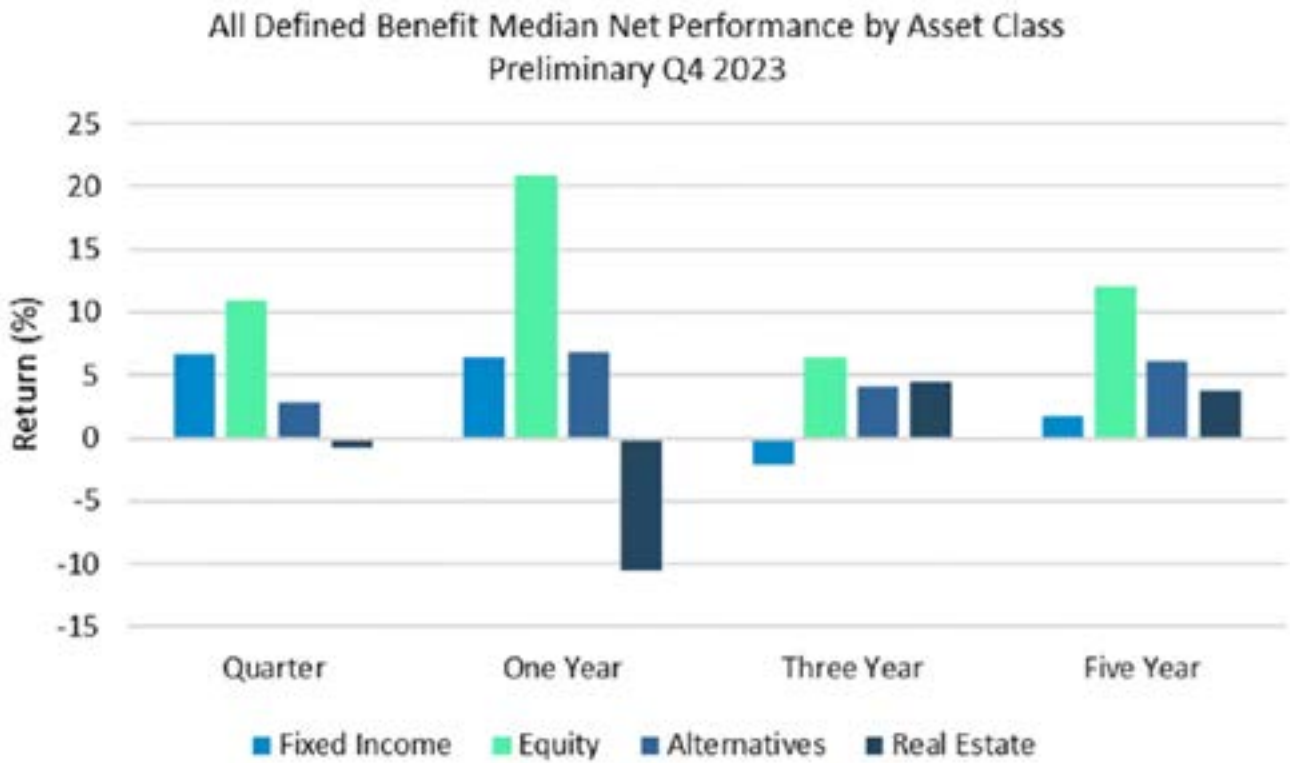
All Defined Benefit: 667, Corporate: 153, Public: 274, Taft-Hartley: 158, End. & Fnd: 764, Health & Welfare: 132



**Figure 1:** Preliminary median performance by plan type, Q4 2023.

Source: Investment Metrics, a Confluence company

The strong one-year results for endowments & foundations were mainly driven by their high (compared to other plans) exposure to equity and alternatives, which were the top-performing asset classes. As Figure 2 highlights, one-year median equity and alternative returns across all defined benefit plans were 20.9% and 6.9%, respectively, outperforming other asset classes.



**Figure 2:** Preliminary median performance by asset class, Q4 2023.  
Source: Investment Metrics, a Confluence company

## Investment Metrics Plan Universe

Investment Metrics Plan Universe is the industry's most granular analytics tool for plan sponsors including standard and custom peer group comparisons of performance, risk, and asset allocations by plan type and size. The data is sourced directly from over 4,000 institutions using our reporting and analytics solutions, including investment consultants, advisors, and asset owners. Plan Universe is updated quarterly and typically available on or near the following schedule: preliminary data available on the 14th business day after quarter end, a second cut on the 21st business day, and final cut on the 29th business day.

The data includes 20+ years' history on:

- ▶ Trust Funds, Corporates, Public Plans, Taft-Hartley, Endowments & Foundations, High Net Worth, Health & Welfare, and custom groups.
- ▶ Asset Allocations broken into equity (US, global, global ex-US), fixed income (US, global, and global ex-US), alternatives, real estate (public and private), multi-asset and cash. Emerging Markets allocations are available for equities and debt securities.
- ▶ Net and gross performances displayed by quartile with full percentiles via download.
- ▶ With all information aggregated by Plan Size.

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Confluence is a leading global technology solutions provider committed to helping the investment management industry solve complex data challenges across the front, middle and back office. From data-driven portfolio analytics to compliance and regulatory solutions, including investment insights and research, Confluence invests in the latest technology to meet the evolving needs of asset managers, asset owners, asset services and asset allocators to provide best-of-breed solutions that deliver maximum scalability, speed and flexibility, while reducing risk and increasing efficiency. Headquartered in Pittsburgh, PA, with 900+ employees in 15 offices spanning across the United Kingdom, Europe, North America, South Africa and Australia, Confluence services over 1,000 clients in more than 40 countries.

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