

CIF Trust Funds: Participation in a new Investment Tranche

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Current Investment Strategy

- Assets held in trust by the World Bank (as Trustee) are pooled in a commingled investment portfolio.
- The investments are primarily in high grade fixed income assets and money market securities, according to the World Bank's prudent investment guidelines.
- The liquid assets of CIF Trust Fund are invested across investment tranches according to its liquidity requirements in order to optimize investment returns.

Current market environment

- Interest rates have reached historical lows in the US and other major markets

History of the yield on 2 year US Treasury securities



FY12 Changes in the Trust Fund Investment Strategy

- To provide more investment options for funds with liquidity levels that are significant in size and stable over a long period of time., the World Bank has developed a new investment strategy
- Option to participate in a new investment class
 - 5-year investment horizon which will include a limited allocation to public developed market equities
- A more diversified portfolio, including limited allocations of public developed market equities, *provides the prospect for enhancing investment returns over the medium and longer term.*

Comparison of a fixed income only portfolio vs. fixed income plus equities

