AlTi | CMA Update 2025

AlTi Methodology

Asset Classes

Surveys from **35 data providers** and map their long-term asset class views into AlTi global schema. These are the **building blocks** for how we construct the central investment targets.

E.g.

Stability	US Government FI
	Global Government FI
	US Municipal Bonds
	Investment Grade Corporate Bonds
Diversified	Credit
	Absolute Return Hedge Funds**
	Gold*
	Real Estate***
Growth	Global (public) Equities*
	Regional (public) Equities
	Private Equity***
	Equity Long-Short Hedge Funds**

*The above is a sample. We also map other (and less common) asset classes, such as Cash, MBS, High Yield, Private Credit***, REITs, Small and Mid Cap etc*

Liquid Asset Classes

For public market data, we use the **median of the mapped samples**, for both return and volatility. We have over 1200 data points, and we believe that the median of the data set removes the skew from any large tails.

* Where the sample is too small to provide a useful median, we determine a quantitative overlay that we can support, e.g. **Gold**, where we have taken the US 10yr Breakeven rate + 100bps.

For **Global Equities**, we have created a market weighted average of the regional forecast returns.

** Semi Liquid Asset Classes and *** Illiquid Asset Classes

For semi liquid and illiquid asset classes, i.e. Hedge Funds, Private Equity, Credit and Real Estate the data set is smaller.

As such, we have calculated the long-term illiquidity premia within each asset class and added this to the forecast return of the liquid proxies.
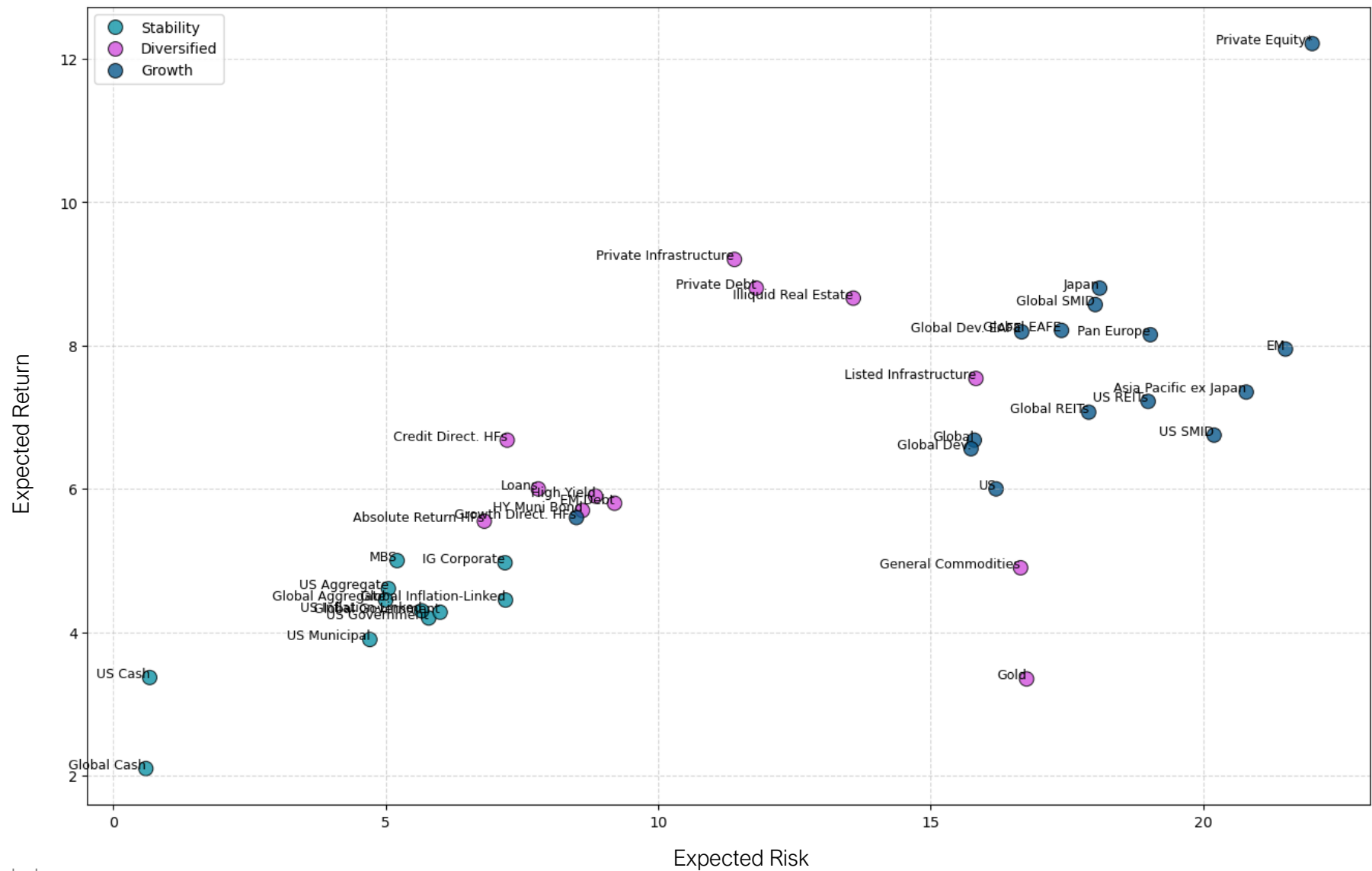
CMA 2025 Update

Purpose	Asset Class	Sub Asset Type	Forecast Return	Forecast Volatility
Stability	Cash	US Cash	3.37	0.67
		Global Cash	2.10	0.60
	Government & Municipal Bonds	US Government	4.20	5.79
		Global Government	4.28	6.00
		US Municipal	3.90	4.71
		US Inflation-Linked	4.30	5.66
		Global Inflation-Linked	4.45	7.20
	Corporates & MBS	US Aggregate	4.61	5.05
		Global Aggregate	4.45	5.00
		IG Corporate	4.97	7.19
		MBS	5.00	5.21
Diversified	Other Credit	High Yield	5.90	8.85
		HY Muni Bond	5.70	8.61
		EM Debt	5.80	9.20
		Loans	6.00	7.80
		Private Debt	8.80	11.80
		Credit Direct. HFs	6.68	7.23
	Absolute Return	Absolute Return HFs	5.55	6.81

Purpose	Asset Class	Sub Asset Type	Forecast Return	Forecast Volatility
Diversified	Real Assets	Gold	3.35	16.76
		General Commodities	4.90	16.65
		Private Infrastructure*	9.20	11.40
		Listed Infrastructure	7.54	15.83
		Illiquid Real Estate	8.66	13.58
Growth	Alternative Growth	Growth Direct. HFs	5.60	8.50
		US REITs	7.22	18.99
		Global REITs	7.07	17.90
		Private Equity	12.21	22.00
	Equities	Global	6.68	15.80
		Global Dev.	6.56	15.74
		Global EAFE	8.21	17.40
		Global Dev. EAFE	8.19	16.67
		US	6.00	16.20
		Pan Europe	8.15	19.03
		Japan	8.80	18.10
		Asia Pacific ex Japan	7.35	20.79
		EM	7.95	21.51
		US SMID	6.75	20.20
		Global SMID	8.57	18.02

*Private Infrastructure includes sub-categories (Debt, Core, Core Plus, Value Add, Opportunistic) with meaningfully different expected risk and return characteristics. Risk and return expectations for a strategy will depend in part on the mix of these sub-categories.

CMA 2025 Risk Vs Return

CMA Correlation Matrix

AITi Tiedemann Global