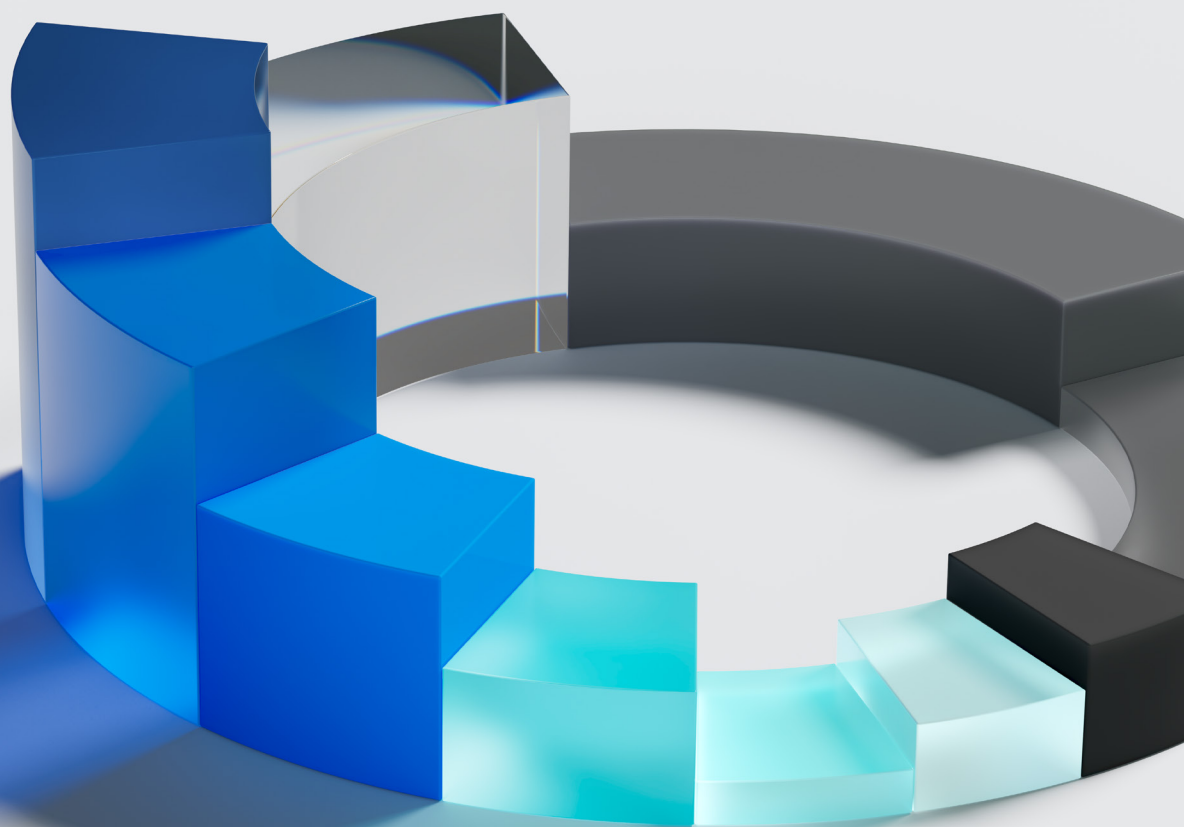


29th annual edition

2025 Long-Term Capital Market Assumptions

Time-tested projections to build stronger portfolios

Assumption matrix: U.S. dollar



		Compound Return 2024 (%)																		U.S. Inflation	U.S. Cash	U.S. Intermediate Treasuries	U.S. Long Treasuries	TIPS	U.S. Aggregate Bonds	U.S. Securitized	U.S. Short Duration Government/Credit	U.S. Long Duration Government/Credit	U.S. Inv Grade Corporate Bonds	U.S. Long Corporate Bonds	U.S. High Yield Bonds	U.S. Leveraged Loans	World Government Bonds hedged	World Government Bonds	World ex-U.S. Government Bonds hedged	World ex-U.S. Government Bonds	Emerging Markets Sovereign Debt	Emerging Markets Local Currency Debt	Emerging Markets Corporate Bonds	U.S. Muni 1-15 Yr Blend	U.S. Muni High Yield
		Annualized Volatility (%)																																							
		Arithmetic Return 2025 (%)																																							
		Compound Return 2025 (%)																																							
Fixed Income	U.S. Inflation	2.40	2.41	1.60	2.50	1.00																																			
	U.S. Cash	3.10	3.10	0.65	2.90	-0.03	1.00																																		
	U.S. Intermediate Treasuries	3.80	3.85	3.34	3.90	-0.27	0.17	1.00																																	
	U.S. Long Treasuries	4.30	5.07	12.83	5.20	-0.22	0.03	0.83	1.00																																
	TIPS	4.10	4.26	5.78	4.60	-0.02	0.02	0.62	0.60	1.00																															
	U.S. Aggregate Bonds	4.60	4.70	4.52	5.10	-0.24	0.08	0.84	0.85	0.76	1.00																														
	U.S. Securitized	4.90	4.97	3.82	5.30	-0.23	0.10	0.78	0.74	0.69	0.93	1.00																													
	U.S. Short Duration Government/Credit	3.90	3.91	1.55	3.90	-0.30	0.28	0.84	0.59	0.63	0.82	0.76	1.00																												
	U.S. Long Duration Government/Credit	4.70	5.29	11.19	5.70	-0.22	0.02	0.74	0.90	0.69	0.94	0.81	0.66	1.00																											
	U.S. Inv Grade Corporate Bonds	5.00	5.25	7.28	5.80	-0.19	0.01	0.52	0.60	0.72	0.87	0.75	0.66	0.85	1.00																										
	U.S. Long Corporate Bonds	4.90	5.58	12.08	6.00	-0.19	0.00	0.51	0.67	0.67	0.87	0.74	0.60	0.91	0.97	1.00																									
	U.S. High Yield Bonds	6.10	6.44	8.52	6.50	0.00	-0.05	-0.02	0.00	0.48	0.38	0.28	0.33	0.66	0.60	1.00																									
	U.S. Leveraged Loans	6.60	6.88	7.80	6.50	0.18	-0.05	-0.37	-0.28	0.18	0.03	0.04	-0.05	0.03	0.36	0.31	0.77	1.00																							
	World Government Bonds hedged	3.90	3.97	3.87	4.20	-0.29	0.10	0.86	0.87	0.62	0.87	0.78	0.72	0.84	0.66	0.68	0.12	-0.20	1.00																						
	World Government Bonds	4.20	4.44	7.06	4.80	-0.17	0.09	0.75	0.66	0.69	0.80	0.72	0.74	0.74	0.69	0.68	0.33	-0.05	0.72	1.00																					
	World ex-U.S. Government Bonds hedged	3.80	3.87	3.81	4.00	-0.28	0.10	0.72	0.74	0.58	0.79	0.70	0.63	0.77	0.64	0.66	0.19	-0.10	0.96	0.66	1.00																				
	World ex-U.S. Government Bonds	4.20	4.57	8.76	4.90	-0.16	0.08	0.65	0.55	0.65	0.74	0.67	0.68	0.68	0.68	0.67	0.40	0.04	0.64	0.98	0.61	1.00																			
	Emerging Markets Sovereign Debt	5.80	6.24	9.71	6.80	-0.14	0.03	0.31	0.34	0.62	0.66	0.60	0.49	0.62	0.82	0.78	0.75	0.45	0.44	0.60	0.46	0.64	1.00																		
	Emerging Markets Local Currency Debt	6.10	6.78	12.15	6.00	-0.05	0.09	0.22	0.18	0.45	0.47	0.42	0.41	0.43	0.61	0.58	0.62	0.35	0.26	0.61	0.28	0.67	0.81	1.00																	
	Emerging Markets Corporate Bonds	6.20	6.58	8.96	6.70	-0.07	-0.02	0.19	0.23	0.55	0.57	0.50	0.44	0.52	0.80	0.73	0.73	0.57	0.31	0.48	0.32	0.51	0.89	0.73	1.00																
U.S. Muni 1-15 Yr Blend	3.60	3.68	4.04	4.00	-0.17	0.06	0.52	0.51	0.58	0.72	0.69	0.55	0.64	0.69	0.66	0.42	0.18	0.60	0.55	0.59	0.54	0.63	0.39	0.50	1.00																
U.S. Muni High Yield	4.70	5.05	8.61	5.80	0.17	-0.05	0.15	0.25	0.47	0.43	0.43	0.20	0.39	0.55	0.49	0.50	0.49	0.29	0.26	0.30	0.28	0.57	0.31	0.55	0.64	1.00															
Equities	U.S. Large Cap	6.70	7.91	16.26	7.00	0.00	0.00	-0.06	-0.03	0.31	0.26	0.12	0.25	0.49	0.47	0.74	0.58	0.09	0.29	0.16	0.37	0.62	0.60	0.57	0.23	0.33															
	U.S. Mid Cap	7.00	8.51	18.30	7.60	0.00	-0.04	-0.10	-0.05	0.31	0.25	0.25	0.10	0.24	0.50	0.47	0.78	0.62	0.05	0.26	0.13	0.34	0.62	0.60	0.58	0.25	0.33														
	U.S. Small Cap	6.90	8.82	20.73	7.20	-0.03	-0.05	-0.13	-0.10	0.22	0.18	0.20	0.05	0.17	0.40	0.38	0.71	0.55	0.00	0.20	0.08	0.27	0.53	0.54	0.48	0.18	0.24														
	Euro Area Large Cap	8.50	10.64	22.06	9.70	-0.02	0.05	-0.02	-0.04	0.29	0.29	0.29	0.22	0.26	0.50	0.48	0.73	0.52	0.06	0.41	0.12	0.49	0.68	0.73	0.62	0.27	0.30														
	Japanese Equity	9.00	10.10	15.68	9.30	-0.07	0.00	-0.01	0.02	0.28	0.30	0.30	0.21	0.30	0.52	0.50	0.67	0.49	0.08	0.33	0.13	0.40	0.60	0.62	0.58	0.25	0.29														
	Hong Kong Equity	7.40	9.36	20.96	9.90	-0.04	-0.05	-0.06	-0.03	0.23	0.26	0.24	0.18	0.24	0.48	0.44	0.59	0.49	-0.02	0.29	-0.01	0.36	0.59	0.67	0.64	0.26	0.34														
	UK Large Cap	7.80	9.19	17.60	8.60	0.04	0.00	-0.14	-0.14	0.25	0.19	0.20	0.11	0.18	0.45	0.43	0.72	0.61	-0.05	0.31	0.01	0.40	0.61	0.66	0.60	0.20	0.34														
	EAFE Equity	8.10	9.49	17.61	9.20	-0.02	0.03	-0.04	-0.04	0.32	0.30	0.29	0.21	0.28	0.54	0.52	0.77	0.58	0.06	0.41	0.11	0.49	0.70	0.75	0.66	0.26	0.33														
	Chinese Domestic Equity	7.80	11.36	28.85	10.80	-0.05	0.06	-0.05	-0.02	0.11	0.16	0.15	0.10	0.14	0.29	0.26	0.34	0.29	0.02	0.15	0.02	0.18	0.34	0.36	0.40	0.11	0.18														
	Emerging Markets Equity	7.20	9.18	21.08	8.80	-0.01	0.03	-0.05	-0.02	0.33	0.29	0.27	0.21	0.27	0.53	0.49	0.72	0.57	0.04	0.39	0.08	0.47	0.70	0.80	0.70	0.24	0.37														
	AC Asia ex-Japan Equity	7.20	9.15	20.89	8.90	-0.06	0.02	-0.02	0.02	0.32	0.31	0.29	0.23	0.30	0.54	0.51	0.69	0.53	0.06	0.38	0.09	0.45	0.68	0.75	0.69	0.26	0.37														
	AC World Equity	7.10	8.37	16.71	7.80	-0.01	0.01	-0.06	-0.04	0.34	0.29	0.28	0.18	0.28	0.54	0.51	0.79	0.61	0.07	0.37	0.14	0.45	0.69	0.71	0.65	0.25	0.34														
	U.S. Equity Value Factor	7.70	9.08	17.52	8.40	-0.03	-0.04	-0.10	-0.09	0.26	0.22	0.24	0.10	0.20	0.44	0.42	0.74	0.57	0.03	0.25	0.12	0.33	0.58	0.60	0.54	0.20	0.27														
	U.S. Equity Momentum Factor	7.60	8.86	16.74	7.90	0.01	0.00	-0.07	-0.02	0.35	0.27	0.26	0.11	0.27	0.50	0.48	0.76	0.61	0.08	0.27	0.16	0.34	0.62	0.56	0.57	0.27	0.37														
	U.S. Equity Quality Factor	6.70	7.71	14.89	7.00	-0.02	0.00	-0.04	-0.01	0.32	0.28	0.27	0.14	0.27	0.49	0.48	0.73	0.55	0.11	0.30	0.18	0.37	0.63	0.61	0.56	0.26	0.32														
	U.S. Equity Minimum Volatility Factor	7.00	7.77	12.99	7.40	-0.01	-0.07	-0.03	0.02	0.32	0.28	0.27	0.13	0.29	0.49	0.48	0.72	0.53	0.12	0.31	0.20	0.38	0.62	0.62	0.54	0.27	0.32														
	U.S. Equity Dividend Yield Factor	7.70	8.89	16.24	8.00	-0.01	-0.07	-0.07	-0.05	0.30	0.25	0.25	0.12	0.24	0.47	0.46	0.74	0.57	0.05	0.28	0.13	0.36	0.61	0.62	0.55	0.25	0.30														
Global Convertible Bonds hedged	6.70	7.34	11.81	7.90	-0.09	-0.03	-0.07	-0.01	0.35	0.33	0.30	0.20	0.31	0.60	0.56	0.82	0.69	0.09	0.29	0.16	0.36	0.70	0.62	0.70	0.31	0.39															
Alternatives	U.S. Core Real Estate	8.10	8.68	11.32	7.50	0.33	-0.18	-0.27	-0.19	0.08	-0.13	-0.09	-0.23	-0.13	0.00	-0.02	0.35	0.44	-0.19	-0.16	-0.16	-0.13	0.11	0.12	0.22	-0.20	0.34														
	U.S. Value-Added Real Estate	10.10	11.70	19.11	9.70	0.33	-0.18	-0.27	-0.19	0.08	-0.13	-0.09	-0.23	-0.13	0.00	-0.02	0.35	0.44	-0.19	-0.16	-0.16	-0.13	0.11	0.12	0.22	-0.20	0.34														
	European Core Real Estate	7.60	8.44	13.58	7.30	0.37	-0.09	-0.30	-0.27	0.20	-0.08	-0.04	-0.12	-0.11	0.15	0.08	0.51	0.53	-0.21	0.05	-0.15	0.12	0.30	0.37	0.41	-0.06	0.36														

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