

2019 Long-Term Capital Market Assumptions

23rd Annual Edition | Assumptions matrix: Swedish krona

Time-tested projections
to build stronger portfolios



		Compound Return 2018 (%)				Annualized Volatility (%)				Arithmetic Return 2019 (%)				Compound Return 2019 (%)							
FIXED INCOME	Swedish Cash	1.25	1.25	0.50	1.25	1.00	Swedish Cash														
	Swedish Government Bonds	1.50	1.59	4.25	1.25	0.21	Swedish Government Bonds														
	World Government Bonds hedged	2.00	2.12	3.00	1.75	0.18	World Government Bonds hedged														
	World Government Bonds	1.00	1.35	9.75	0.50	0.19	World Government Bonds														
	Global /World Credit hedged	3.50	3.55	4.75	2.50	-0.02	Global /World Credit hedged														
	Global /World Credit	2.25	2.94	12.50	1.25	0.10	Global /World Credit														
	U.S. High Yield Bonds hedged	4.75	5.07	8.25	4.50	-0.15	U.S. High Yield Bonds hedged														
	U.S. High Yield Bonds	3.50	4.08	11.00	3.25	-0.09	U.S. High Yield Bonds														
	Emerging Markets Sovereign Debt hedged	5.50	5.95	9.75	4.50	0.03	Emerging Markets Sovereign Debt hedged														
	Emerging Markets Sovereign Debt	4.25	5.05	13.00	3.25	0.05	Emerging Markets Sovereign Debt														
	EQUITIES	Swedish Equities	5.50	6.53	15.50	6.25	-0.21	Swedish Equities													
U.S. Large Cap		3.25	3.81	11.75	3.50	-0.27	U.S. Large Cap														
U.S. Large Cap hedged		4.50	5.29	13.75	4.75	-0.29	U.S. Large Cap hedged														
U.S. Mid Cap		3.75	4.51	13.50	3.75	-0.25	U.S. Mid Cap														
U.S. Mid Cap hedged		5.00	6.04	15.75	5.00	-0.26	U.S. Mid Cap hedged														
U.S. Small Cap		4.00	5.22	16.50	3.75	-0.20	U.S. Small Cap														
U.S. Small Cap hedged		5.25	6.77	18.50	5.00	-0.22	U.S. Small Cap hedged														
Euro Area Large Cap		5.00	6.12	15.75	4.75	-0.22	Euro Area Large Cap														
Euro Area Large Cap hedged		6.25	7.47	16.50	5.75	-0.27	Euro Area Large Cap hedged														
Japanese Equity		4.75	5.63	14.00	4.25	-0.21	Japanese Equity														
Japanese Equity hedged		6.00	7.44	18.00	5.75	-0.24	Japanese Equity hedged														
Developed World Equity		3.75	4.41	11.25	4.00	-0.28	Developed World Equity														
Developed World Equity hedged		5.00	5.79	13.00	5.00	-0.29	Developed World Equity hedged														
Emerging Markets Equity		6.50	7.58	15.75	6.00	-0.18	Emerging Markets Equity														
Emerging Markets Equity hedged		7.25	9.25	21.00	7.25	-0.18	Emerging Markets Equity hedged														
Global Convertible hedged		4.75	5.18	9.50	4.25	-0.22	Global Convertible hedged														
Global Credit Sensitive Convertible hedged		4.00	4.19	6.25	3.50	-0.29	Global Credit Sensitive Convertible hedged														
ALTERNATIVES		U.S. REITs	4.25	5.23	14.50	4.25	-0.16	U.S. REITs													
		U.S. REITs hedged	5.50	6.64	15.75	5.50	-0.17	U.S. REITs hedged													
		Commodities*	0.25	1.04	12.75	1.75	-0.09	Commodities*													
		Commodities hedged*	1.50	2.76	16.25	3.00	-0.12	Commodities hedged*													

SWEDISH KRONA ASSUMPTIONS

Note: All estimates on this page are in Swedish krona terms. Given the complex risk-reward trade-offs involved, we advise clients to rely on judgment as well as quantitative optimization approaches in setting strategic allocations to all of these asset classes and strategies. Please note that all information shown is based on qualitative analysis. Exclusive reliance on this information is not advised. This information is not intended as a recommendation to invest in any particular asset class or strategy or as a promise of future performance. Note that these asset class and strategy assumptions are passive only—they do not consider the impact of active management. References to future returns are not promises or even estimates of actual returns a client portfolio may achieve. Assumptions, opinions and estimates are provided for illustrative purposes only. They should not be relied upon as recommendations to buy or sell securities. Forecasts of financial market trends that are based on current market conditions constitute our judgment and are subject to change without notice. We believe the information provided here is reliable, but do not warrant its accuracy or completeness. This material has been prepared for information purposes only and is not intended to provide, and should not be relied on for, accounting, legal or tax advice.

Source: J.P. Morgan Asset Management; as of September 30, 2018. Alternative asset classes (including hedge funds, private equity, real estate, direct lending and infrastructure) are unlike other asset categories shown above in that there is no underlying investible index. The return estimates for these alternative asset classes and strategies are estimates of the industry average, net of manager fees. The dispersion of return among managers of these asset classes and strategies is typically significantly wider than that of traditional asset classes. *Not directly comparable to 2018 assumptions. See strategy class discussion for details. Correlation figures shown are rounded to two significant figures, which may cause a loss of information. Correlations of value-added and core real estate in their local currencies are identical since value-added local returns are scaled versions of their corresponding core real estate local returns. All returns are nominal. *For reference index information, please visit our website.*

PORTFOLIO INSIGHTS

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