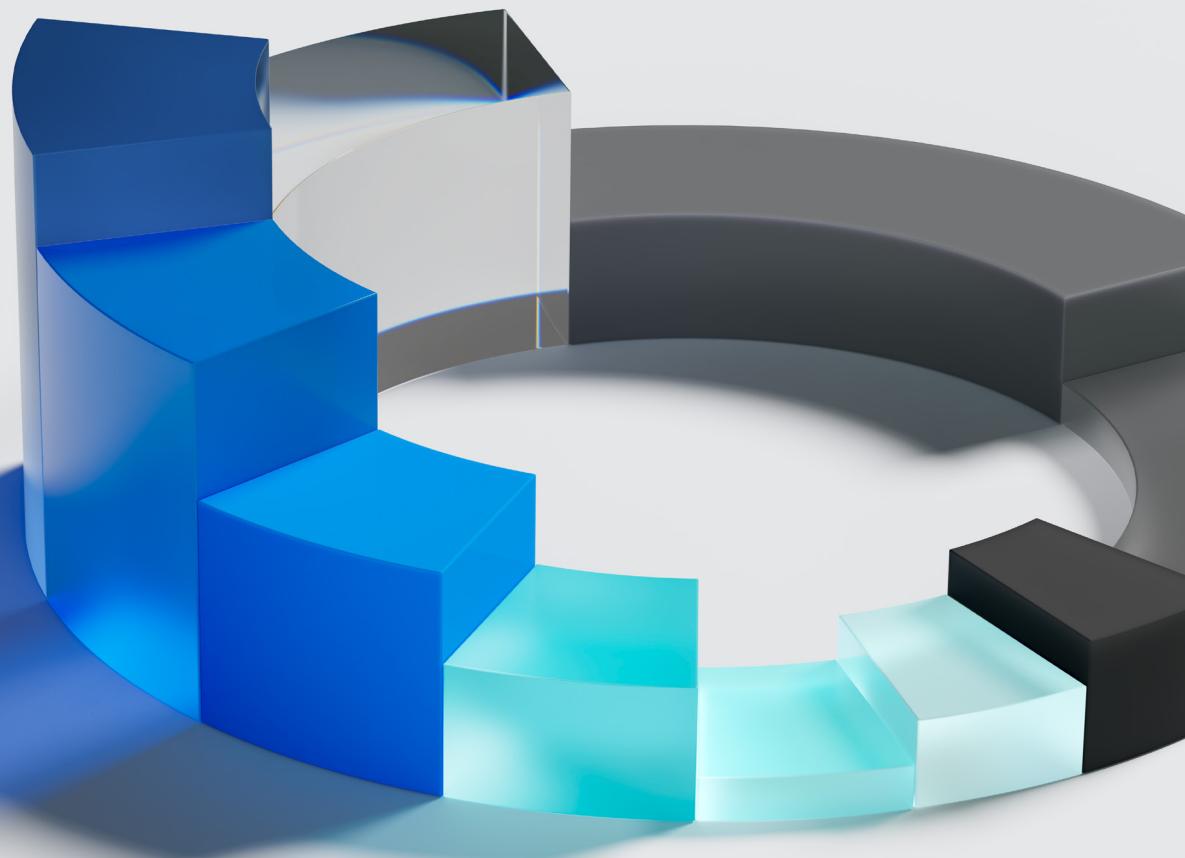


29th annual edition

2025 Long-Term Capital Market Assumptions

Time-tested projections to build stronger portfolios

Assumption matrix: U.S. dollar



	Compound Return 2024 (%)										Annualized Volatility (%)																							
	Arithmetic Return 2025 (%)					U.S. Inflation					U.S. Cash					U.S. Intermediate Treasuries																		
	Compound Return 2025 (%)										TIPS																							
Fixed Income	U.S. Inflation	2.40	2.41	1.60	2.50	1.00	U.S. Inflation	0.03	1.00	U.S. Intermediate Treasuries	0.27	0.17	1.00	U.S. Long Treasuries	0.22	0.03	0.83	1.00	TIPS	0.02	0.02	0.62	0.60	1.00	U.S. Aggregate Bonds									
	U.S. Cash	3.10	3.10	0.65	2.90	-0.03	U.S. Cash			U.S. Intermediate Treasuries				U.S. Long Treasuries					U.S. Securitized						U.S. Securitized									
	U.S. Intermediate Treasuries	3.80	3.85	3.34	3.90	-0.27	0.17	1.00	U.S. Short Duration Government/Credit				U.S. Long Treasuries					TIPS						U.S. Short Duration Government/Credit										
	U.S. Long Treasuries	4.30	5.07	12.83	5.20	-0.22	0.03	0.83	1.00	U.S. Long Duration Government/Credit				U.S. Aggregate Bonds					U.S. Inv Grade Corporate Bonds						U.S. Inv Grade Corporate Bonds									
	TIPS	4.10	4.26	5.78	4.60	-0.02	0.02	0.62	0.60	1.00	U.S. Short Duration Government/Credit				U.S. Long Corporate Bonds					U.S. Long Corporate Bonds						U.S. Long Corporate Bonds								
	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. Long Duration Government/Credit				U.S. High Yield Bonds					U.S. Inv Grade Corporate Bonds						U.S. Inv Grade Corporate Bonds							
	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				U.S. High Yield Bonds					U.S. Long Government Bonds						U.S. Long Government Bonds						
	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				U.S. High Yield Bonds					U.S. Leverage Loans						U.S. Leverage Loans					
	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	1.00	U.S. Long Duration Government/Credit				U.S. Leverage Loans					World Government Bonds hedged						World Government Bonds hedged					
	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	1.00	U.S. Long Duration Government/Credit				U.S. Leverage Loans					World Government Bonds						World Government Bonds					
	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	1.00	U.S. Long Duration Government/Credit				U.S. Leverage Loans					World ex-U.S. Government Bonds hedged						World ex-U.S. Government Bonds hedged					
	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	0.38	0.28	0.33	0.66	0.60	1.00	U.S. Leverage Loans					World ex-U.S. Government Bonds						World ex-U.S. Government Bonds					
	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	U.S. Leverage Loans					World ex-U.S. Government Bonds						World ex-U.S. Government Bonds				
	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	1.00	U.S. Leverage Loans					World ex-U.S. Government Bonds						World ex-U.S. Government Bonds					
	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	U.S. Leverage Loans						World ex-U.S. Government Bonds							
	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	U.S. Leverage Loans						World ex-U.S. Government Bonds						
	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	0.67	0.40	0.04	0.64	0.98	0.61	1.00	U.S. Leverage Loans						World ex-U.S. Government Bonds						
	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	U.S. Leverage Loans						Emerging Markets Sovereign Debt				
	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	1.00	U.S. Leverage Loans						Emerging Markets Local Currency Debt				
	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. Leverage Loans						Emerging Markets Corporate Bonds		
	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. Leverage Loans						U.S. Muni 1-15 Yr Blend	
	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	0.30	0.28	0.57	0.31	0.55	0.64	1.00	U.S. Leverage Loans						U.S. Muni High Yield	
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	0.26	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. Large Cap						U.S. Large Cap
	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. Mid Cap						U.S. Mid Cap
	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	U.S. Small Cap						U.S. Small Cap
	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	Euro Area Large Cap						Euro Area Large Cap
	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	Japanese Equity						Japanese Equity
	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																						

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