

2021 Long-Term Capital Market Assumptions

25th Annual Edition | Assumptions matrix: Singapore dollar

Time-tested projections
to build stronger portfolios



SINGAPORE DOLLAR ASSUMPTIONS

		COMPOUND RETURN 2020 (%)				ANNUALIZED VOLATILITY (%)				ARITHMETIC RETURN 2021 (%)				COMPOUND RETURN 2021 (%)							
		2020		2021		2020		2021		2020		2021		2020		2021					
		2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021		
		Singapore Cash	U.S. Intermediate Treasuries hedged	U.S. Intermediate Treasuries	U.S. Long Treasuries hedged	U.S. Long Treasuries	TIPS hedged	TIPS	U.S. Aggregate Bonds hedged	U.S. Aggregate Bonds	World Government Bonds hedged	World Government Bonds	World ex-U.S. Government Bonds hedged	World ex-U.S. Government Bonds	Emerging Markets Sovereign Debt hedged	Emerging Markets Sovereign Debt	Emerging Markets Local Currency Debt	Emerging Markets Corporate Bonds hedged	Emerging Markets Corporate Bonds		
FIXED INCOME	Singapore Cash	0.70	0.70	0.30	1.20	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	U.S. Intermediate Treasuries hedged	1.10	1.14	2.82	2.00	0.17	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	U.S. Intermediate Treasuries	1.00	1.19	6.25	2.10	0.02	0.39	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	U.S. Long Treasuries hedged	0.00	0.64	11.42	1.00	0.02	0.83	0.41	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	U.S. Long Treasuries	-0.10	0.68	12.62	1.00	-0.02	0.71	0.75	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	TIPS hedged	1.10	1.23	5.16	2.00	0.08	0.59	-0.06	0.54	0.33	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	TIPS	1.00	1.19	6.19	2.10	-0.04	0.45	0.72	0.54	0.71	0.55	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	U.S. Aggregate Bonds hedged	1.70	1.76	3.62	2.40	0.12	0.78	0.12	0.79	0.58	0.70	0.43	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	U.S. Aggregate Bonds	1.60	1.78	6.01	2.50	0.00	0.38	0.94	0.50	0.79	0.07	0.80	0.32	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	World Government Bonds hedged	0.90	0.95	3.11	1.50	0.10	0.82	0.35	0.85	0.74	0.49	0.42	0.83	0.45	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	World Government Bonds	1.30	1.43	5.11	1.90	0.09	0.69	0.64	0.69	0.75	0.36	0.62	0.56	0.66	0.69	1.00	1.00	1.00	1.00	1.00	1.00
	World ex-U.S. Government Bonds hedged	0.90	0.95	3.25	1.20	0.08	0.64	0.26	0.69	0.57	0.38	0.33	0.76	0.39	0.95	0.60	1.00	1.00	1.00	1.00	1.00
	World ex-U.S. Government Bonds	1.30	1.45	5.56	1.80	0.10	0.62	0.35	0.59	0.53	0.41	0.42	0.59	0.40	0.66	0.93	0.61	1.00	1.00	1.00	1.00
	Emerging Markets Sovereign Debt hedged	4.80	5.16	8.75	4.50	0.04	0.14	-0.49	0.13	-0.14	0.56	-0.04	0.52	-0.28	0.24	-0.06	0.28	0.12	1.00	1.00	1.00
	Emerging Markets Sovereign Debt	4.70	4.97	7.61	4.50	-0.06	0.10	0.24	0.22	0.28	0.35	0.52	0.43	0.46	0.29	0.27	0.33	0.24	0.64	1.00	1.00
Emerging Markets Local Currency Debt	4.70	5.00	8.02	5.30	0.13	0.04	-0.47	0.01	-0.23	0.34	-0.15	0.34	-0.33	0.15	-0.11	0.21	0.08	0.77	0.44	1.00	
Emerging Markets Corporate Bonds hedged	4.30	4.62	8.20	4.30	0.01	0.01	-0.47	0.00	-0.22	0.50	-0.02	0.43	-0.25	0.11	-0.14	0.15	0.02	0.90	0.58	0.69	
Emerging Markets Corporate Bonds	4.20	4.50	7.92	4.30	-0.10	-0.07	0.31	0.07	0.22	0.23	0.55	0.24	0.51	0.09	0.18	0.12	0.09	0.40	0.85	0.25	
EQUITIES	Singapore Equity	8.50	9.82	17.20	9.10	0.06	-0.33	-0.66	-0.29	-0.50	0.15	-0.34	0.05	-0.52	-0.21	-0.43	-0.12	-0.23	0.58	0.19	
	U.S. Large Cap	3.60	4.39	12.95	5.00	-0.16	-0.43	-0.33	-0.34	-0.37	-0.05	-0.11	-0.08	-0.19	-0.25	-0.31	-0.12	-0.22	0.34	0.32	
	U.S. Large Cap hedged	3.70	4.73	14.83	4.90	-0.11	-0.35	-0.63	-0.33	-0.51	0.09	-0.33	0.00	-0.50	-0.23	-0.42	-0.12	-0.25	0.53	0.18	
	Euro Area Large Cap	6.10	7.62	18.28	7.10	-0.06	-0.34	-0.53	-0.34	-0.47	0.06	-0.27	-0.01	-0.40	-0.24	-0.28	-0.14	-0.11	0.54	0.29	
	Euro Area Large Cap hedged	5.60	6.87	16.62	6.50	-0.08	-0.36	-0.51	-0.33	-0.46	0.03	-0.26	0.02	-0.36	-0.20	-0.40	-0.07	-0.26	0.54	0.32	
	Japanese Equity	6.00	6.76	12.85	6.60	-0.14	-0.37	-0.31	-0.24	-0.29	-0.04	-0.11	-0.03	-0.17	-0.22	-0.27	-0.13	-0.18	0.31	0.28	
	Japanese Equity hedged	5.70	7.18	17.99	6.70	-0.14	-0.52	-0.48	-0.40	-0.48	-0.14	-0.30	-0.18	-0.36	-0.36	-0.57	-0.24	-0.48	0.32	0.17	
	AC World Equity	4.60	5.37	12.84	5.90	-0.10	-0.43	-0.50	-0.37	-0.47	0.03	-0.22	-0.03	-0.34	-0.27	-0.37	-0.14	-0.22	0.50	0.31	
	AC World Equity hedged	4.40	5.30	13.82	5.60	-0.08	-0.39	-0.65	-0.35	-0.53	0.07	-0.35	0.01	-0.50	-0.24	-0.47	-0.12	-0.29	0.57	0.23	
	Emerging Markets Equity	6.70	8.00	16.93	8.60	0.05	-0.33	-0.67	-0.30	-0.51	0.18	-0.32	0.05	-0.53	-0.22	-0.44	-0.13	-0.24	0.62	0.23	
	Emerging Markets Equity hedged	5.00	6.16	15.80	6.20	0.06	-0.30	-0.72	-0.27	-0.51	0.20	-0.37	0.08	-0.57	-0.21	-0.44	-0.12	-0.23	0.63	0.17	
	AC Asia ex-Japan Equity	6.60	7.87	16.73	8.60	0.04	-0.29	-0.60	-0.24	-0.44	0.17	-0.27	0.08	-0.44	-0.17	-0.40	-0.10	-0.24	0.57	0.23	
	AC Asia ex-Japan Equity hedged	5.60	6.97	17.31	7.20	0.06	-0.26	-0.69	-0.24	-0.48	0.19	-0.36	0.11	-0.54	-0.16	-0.43	-0.08	-0.23	0.62	0.17	
	Chinese Domestic Equity	7.00	10.68	29.28	9.50	0.12	-0.23	-0.17	-0.18	-0.20	-0.03	-0.06	-0.04	-0.10	-0.13	-0.21	-0.07	-0.17	0.19	0.17	
	Chinese Domestic Equity hedged	4.40	8.26	29.71	6.40	0.12	-0.22	-0.30	-0.19	-0.27	0.03	-0.14	-0.01	-0.22	-0.13	-0.26	-0.07	-0.18	0.28	0.14	
China Offshore Listed & Hong Kong Equity	6.20	7.89	19.30	7.90	0.07	-0.24	-0.50	-0.21	-0.37	0.11	-0.25	0.07	-0.37	-0.17	-0.37	-0.11	-0.24	0.49	0.19		
China Offshore Listed & Hong Kong Equity hedged	6.30	8.58	22.61	7.80	0.07	-0.20	-0.65	-0.20	-0.44	0.18	-0.36	0.11	-0.53	-0.15	-0.41	-0.10	-0.24	0.58	0.11		
ALTERNATIVES	Private Equity	7.30	8.63	17.12	8.20	-0.01	-0.57	-0.37	-0.53	-0.50	-0.01	-0.09	-0.28	-0.26	-0.48	-0.47	-0.39	-0.41	0.35	0.32	
	Private Equity hedged	7.40	8.98	18.75	8.20	0.03	-0.51	-0.65	-0.54	-0.65	0.08	-0.32	-0.20	-0.54	-0.46	-0.53	-0.37	-0.37	0.52	0.20	
	Asia Pacific Core Real Estate	6.10	6.70	11.33	5.90	-0.21	-0.37	-0.32	-0.20	-0.24	0.18	0.00	-0.05	-0.17	-0.30	-0.28	-0.26	-0.22	0.41	0.33	
	Asia Pacific Core Real Estate hedged	6.20	6.97	12.90	5.90	-0.20	-0.48	-0.45	-0.34	-0.40	0.12	-0.11	-0.11	-0.30	-0.38	-0.44	-0.30	-0.35	0.43	0.29	
	U.S. REITs	6.00	6.81	13.22	5.40	-0.15	-0.07	-0.29	0.04	-0.08	0.17	-0.05	0.24	-0.12	0.12	-0.12	0.19	-0.05	0.43	0.30	
	U.S. REITs hedged	6.10	7.17	15.28	5.40	-0.11	-0.05	-0.51	0.01	-0.21	0.25	-0.20	0.26	-0.35	0.10	-0.22	0.15	-0.08	0.56	0.20	
	Global REITs	6.30	7.12	13.30	5.70	-0.12	-0.11	-0.36	0.00	-0.14	0.19	-0.08	0.24	-0.18	0.09	-0.14	0.17	-0.04	0.50	0.33	
	Global REITs hedged	6.40	7.57	15.96	5.70	-0.09	-0.08	-0.58	-0.03	-0.27	0.28	-0.25	0.25	-0.42	0.06	-0.24	0.13	-0.08	0.62	0.20	
	Diversified Hedge Funds	2.80	3.11	7.99	3.90	-0.13	-0.40	0.36	-0.19	0.10	-0.13	0.42	-0.25	0.45	-0.26	0.00	-0.21	-0.15	-0.12	0.44	
	Diversified Hedge Funds hedged	2.90	3.12	6.70	3.90	-0.05	-0.44	-0.51	-0.36	-0.46	0.14	-0.17	-0.07	-0.37	-0.31	-0.42	-0.21	-0.29	0.45	0.23	
	Commodities	1.80	2.67	13.42	1.90	-0.01	-0.28	-0.38	-0.33	-0.41	0.14	-0.10	-0.11	-0.34	-0.34	-0.24	-0.28	-0.11	0.25	0.04	
	Gold	2.40	3.55	15.59	2.40	0.05	0.36	0.11	0.31	0.25	0.39	0.29	0.34	0.14	0.27	0.32	0.21	0.34	0.15	0.12	
	Gold hedged	2.50	3.89	17.15	2.40	0.08	0.35	-0.20	0.26	0.07	0.48	0.06	0.37	-0.16	0.24	0.17	0.17	0.27	0.35	0.03	

Note: All estimates on this page are in Singapore dollar 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, 2020. Alternative asset classes (including hedge funds, private equity, real estate, direct lending, global core infrastructure and global core transport) 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. 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 the full opportunity set, please contact your J.P. Morgan representative.

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