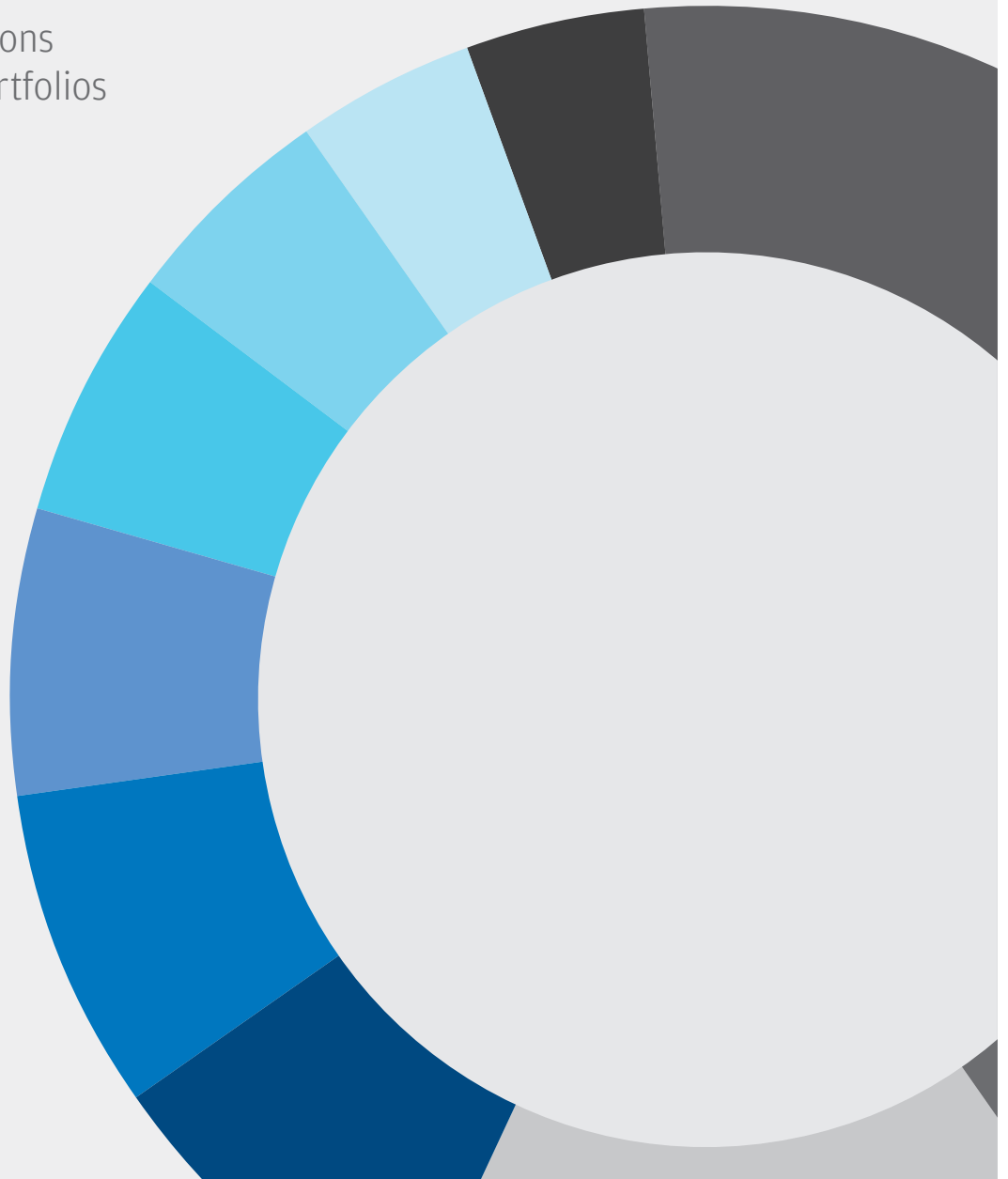


2022 Long-Term Capital Market Assumptions

26th Annual Edition | Assumptions matrix: Canadian dollar

Time-tested projections
to build stronger portfolios



COMPOUND RETURN 2021 (%)																					
ANNUALIZED VOLATILITY (%)																					
ARITHMETIC RETURN 2022 (%)																					
COMPOUND RETURN 2022 (%)																					
					Canadian Inflation	Canadian Cash	Canadian Universe Bonds	Canadian Long Term Universe Bonds	Canadian Inflation-Linked Bonds	U.S. Intermediate Treasuries hedged	U.S. Aggregate Bonds hedged	U.S. High Yield Bonds hedged	U.S. Leveraged Loans hedged	World Government Bonds hedged	World Government Bonds	World ex-U.S. Government Bonds hedged	Emerging Markets Sovereign Debt hedged	Emerging Markets Local Currency Debt	Emerging Markets Corporate Bonds hedged	Canadian Large Cap	U.S. Large Cap
FIXED INCOME	Canadian Inflation	1.90	1.91	1.38	1.80	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
	Canadian Cash	1.50	1.50	0.40	1.10	-0.16	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
	Canadian Universe Bonds	2.50	2.57	3.90	1.80	-0.07	0.19	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
	Canadian Long Term Universe Bonds	1.90	2.18	7.63	0.90	-0.04	0.07	0.96	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
	Canadian Inflation-Linked Bonds	2.00	2.29	7.74	1.10	0.04	0.04	0.73	0.77	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	2.30	2.34	2.84	1.50	-0.06	0.27	0.63	0.53	0.32	1.00	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	2.80	2.86	3.65	2.10	-0.05	0.19	0.82	0.76	0.54	0.78	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	U.S. High Yield Bonds hedged	4.10	4.42	8.23	4.80	0.06	-0.13	0.10	0.14	0.31	-0.28	0.19	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	U.S. Leveraged Loans hedged	4.90	5.19	7.87	5.10	0.19	-0.24	-0.06	0.00	0.16	-0.51	-0.05	0.81	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	World Government Bonds hedged	2.20	2.25	3.13	1.40	-0.10	0.19	0.78	0.72	0.44	0.82	0.82	-0.16	-0.36	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	World Government Bonds	1.80	2.24	9.50	1.00	-0.11	0.20	0.59	0.50	0.28	0.64	0.45	-0.43	-0.50	0.65	1.00	1.00	1.00	1.00	1.00	1.00
	World ex-U.S. Government Bonds hedged	2.10	2.15	3.08	1.30	-0.13	0.18	0.75	0.69	0.44	0.64	0.73	-0.07	-0.25	0.95	0.56	1.00	1.00	1.00	1.00	1.00
	Emerging Markets Sovereign Debt hedged	5.40	5.79	9.08	5.20	0.04	-0.07	0.39	0.42	0.43	0.11	0.48	0.71	0.44	0.22	-0.17	0.27	1.00	1.00	1.00	1.00
	Emerging Markets Local Currency Debt	5.40	5.81	9.29	4.40	0.04	0.14	0.50	0.46	0.39	0.28	0.44	0.27	0.07	0.38	0.40	0.41	0.55	1.00	1.00	1.00
	Emerging Markets Corporate Bonds hedged	5.00	5.33	8.30	4.70	0.10	-0.11	0.32	0.35	0.35	0.00	0.42	0.76	0.58	0.10	-0.24	0.16	0.89	0.47	1.00	1.00
EQUITIES	Canadian Large Cap	5.40	6.13	12.49	6.20	0.15	-0.11	0.03	0.10	0.25	-0.33	0.04	0.67	0.62	-0.23	-0.49	-0.14	0.51	0.14	0.59	1.00
	U.S. Large Cap	3.60	4.30	12.14	3.30	0.03	-0.22	0.15	0.21	0.22	-0.28	-0.02	0.46	0.44	-0.12	-0.07	-0.03	0.29	0.31	0.35	0.58
	U.S. Large Cap hedged	4.20	5.25	15.00	4.10	0.06	-0.20	-0.01	0.05	0.16	-0.34	0.01	0.71	0.59	-0.23	-0.51	-0.14	0.52	0.18	0.56	0.81
	U.S. Mid Cap	3.80	4.70	13.84	3.60	0.05	-0.22	0.13	0.20	0.23	-0.32	0.00	0.58	0.54	-0.16	-0.16	-0.06	0.35	0.31	0.42	0.67
	U.S. Small Cap	3.90	5.18	16.57	3.80	0.03	-0.20	0.05	0.11	0.17	-0.34	-0.07	0.52	0.47	-0.21	-0.22	-0.11	0.26	0.24	0.33	0.60
	European Large Cap	5.90	6.86	14.40	5.60	0.06	-0.15	0.15	0.18	0.24	-0.23	0.08	0.60	0.49	-0.13	-0.13	-0.05	0.50	0.45	0.53	0.64
	UK Large Cap	4.50	5.28	12.85	6.70	0.05	-0.19	0.07	0.12	0.19	-0.32	0.00	0.57	0.54	-0.20	-0.20	-0.11	0.44	0.35	0.50	0.66
	Japanese Equity	6.20	6.94	12.62	5.70	-0.08	-0.15	0.17	0.20	0.14	-0.18	0.02	0.30	0.27	-0.08	0.07	-0.03	0.21	0.36	0.28	0.29
	Chinese Domestic Equity	7.70	11.04	27.88	6.70	-0.02	0.07	0.05	0.08	0.03	-0.14	0.02	0.21	0.18	-0.05	-0.11	-0.01	0.18	0.11	0.24	0.22
	Developed World Equity	4.30	4.96	11.86	4.10	0.03	-0.19	0.18	0.23	0.26	-0.28	0.04	0.57	0.51	-0.13	-0.11	-0.04	0.42	0.40	0.47	0.67
	Developed World Equity hedged	4.90	5.83	14.15	4.80	0.06	-0.19	-0.01	0.05	0.15	-0.38	0.00	0.73	0.63	-0.25	-0.53	-0.15	0.53	0.20	0.59	0.83
	AC World Equity	4.50	5.15	11.78	4.30	0.04	-0.19	0.19	0.24	0.28	-0.28	0.06	0.60	0.53	-0.13	-0.13	-0.04	0.45	0.44	0.51	0.70
	EAFE Equity	6.00	6.77	12.92	5.70	0.04	-0.15	0.19	0.22	0.26	-0.24	0.09	0.59	0.49	-0.11	-0.09	-0.03	0.49	0.49	0.54	0.63
	EAFE Equity hedged	6.30	7.20	13.97	6.10	0.05	-0.17	-0.03	0.02	0.11	-0.41	-0.02	0.70	0.62	-0.25	-0.53	-0.14	0.51	0.21	0.57	0.77
	AC Asia ex-Japan Equity	6.50	7.60	15.52	6.30	0.02	-0.08	0.21	0.24	0.32	-0.16	0.16	0.60	0.45	-0.05	-0.17	0.00	0.53	0.47	0.58	0.58
Emerging Markets Equity	6.40	7.49	15.46	6.40	0.10	-0.09	0.17	0.21	0.33	-0.21	0.13	0.65	0.51	-0.10	-0.23	-0.03	0.59	0.52	0.63	0.68	
ALTERNATIVES	Private Equity	7.60	8.75	15.94	7.00	0.02	-0.17	-0.06	0.01	0.11	-0.45	-0.23	0.47	0.48	-0.39	-0.21	-0.29	0.38	0.32	0.42	0.57
	U.S. Core Real Estate	5.30	5.79	10.19	5.10	0.23	-0.44	-0.25	-0.16	-0.09	-0.29	-0.20	0.28	0.39	-0.26	-0.32	-0.26	0.08	-0.12	0.20	0.19
	Global Core Infrastructure	5.60	6.02	9.48	5.30	-0.09	-0.08	0.13	0.15	0.09	-0.03	-0.01	-0.03	0.03	0.00	0.29	0.01	0.05	0.27	0.01	-0.03
	Global Core Transport	6.90	7.70	13.22	6.80	0.06	-0.08	-0.06	-0.07	-0.15	0.15	-0.06	-0.32	-0.23	0.09	0.24	0.01	-0.38	-0.12	-0.34	-0.36
	U.S. REITs	5.20	6.05	13.51	5.70	-0.02	-0.17	0.33	0.37	0.35	0.03	0.28	0.47	0.30	0.20	0.05	0.26	0.39	0.40	0.35	0.39
	Diversified Hedge Funds hedged	3.80	4.02	6.75	3.30	0.18	-0.22	-0.05	0.04	0.16	-0.43	-0.09	0.62	0.66	-0.33	-0.52	-0.24	0.44	0.06	0.52	0.74
	Event Driven Hedge Funds hedged	3.40	3.75	8.54	3.10	0.17	-0.24	-0.12	-0.05	0.13	-0.48	-0.09	0.77	0.76	-0.39	-0.58	-0.29	0.49	0.12	0.60	0.83
	Long Bias Hedge Funds hedged	3.50	4.04	10.68	3.40	0.12	-0.17	-0.06	-0.01	0.15	-0.42	-0.03	0.75	0.68	-0.34	-0.58	-0.25	0.53	0.16	0.62	0.86
	Relative Value Hedge Funds hedged	4.00	4.19	6.27	3.60	0.20	-0.21	-0.05	0.01	0.19	-0.44	0.00	0.84	0.86	-0.32	-0.57	-0.22	0.58	0.17	0.67	0.76
	Macro Hedge Funds hedged	2.90	3.19	7.77	2.20	-0.03	0.09	0.13	0.15	0.22	0.06	0.16	0.20	0.08	0.11	-0.10	0.14	0.25	0.06	0.21	0.38
	Commodities	2.10	2.88	12.78	1.50	0.27	-0.10	0.00	0.02	0.20	-0.11	-0.02	0.25	0.26	-0.19	-0.03	-0.17	0.18	0.24	0.24	0.41
	Gold	2.50	3.74	16.20	2.10	0.01	0.13	0.38	0.35	0.23	0.48	0.39	-0.18	-0.28	0.40	0.42	0.32	0.08	0.24	0.05	-0.14

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