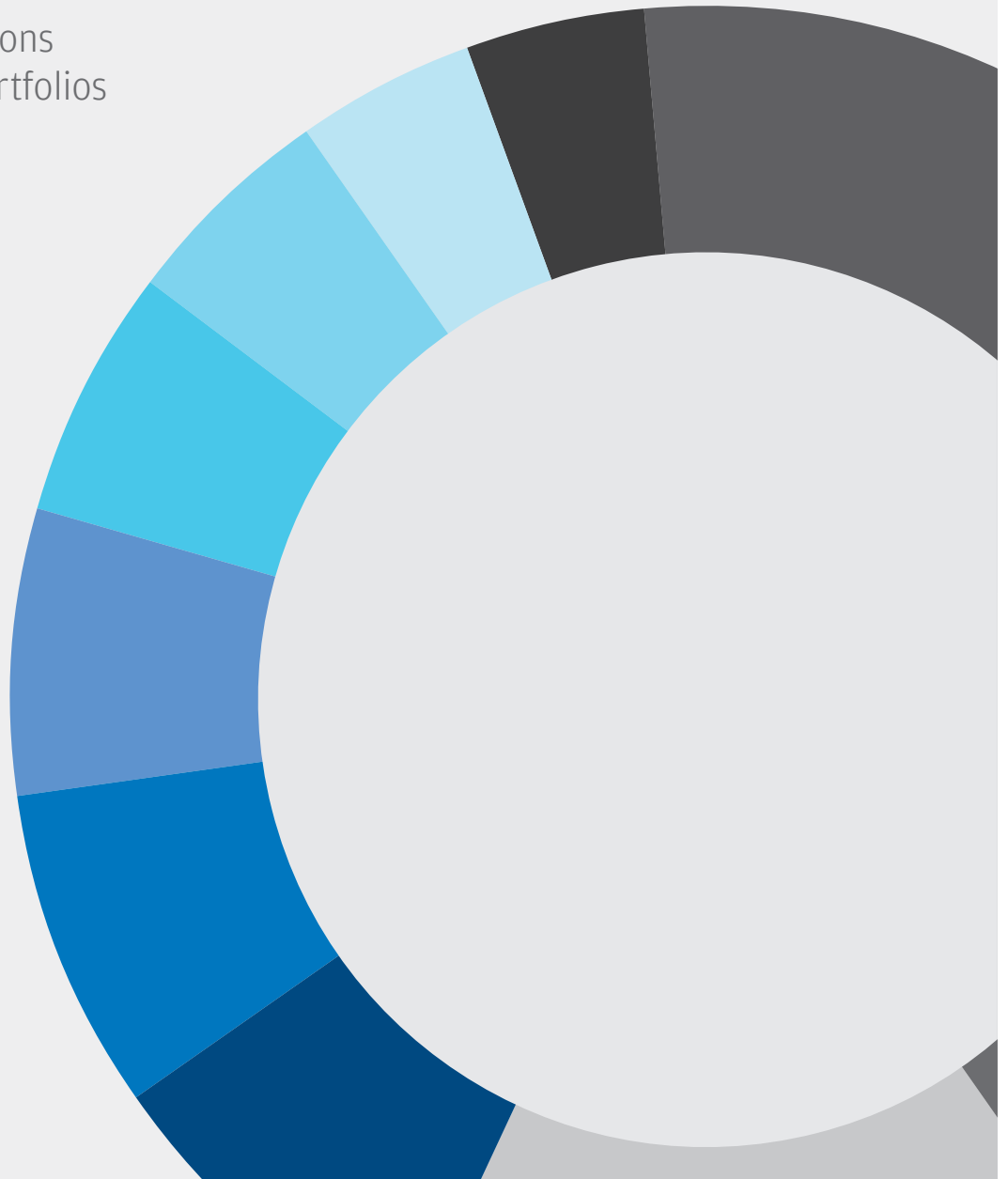


# 2022 Long-Term Capital Market Assumptions

26<sup>th</sup> Annual Edition | Assumptions matrix: Mexican peso

Time-tested projections  
to build stronger portfolios



COMPOUND RETURN 2021 (%)																					
ANNUALIZED VOLATILITY (%)																					
ARITHMETIC RETURN 2022 (%)																					
COMPOUND RETURN 2022 (%)																					
FIXED INCOME	Mexican Inflation	3.70	3.71	1.26	3.70	1.00	Mexican Inflation														
	Mexican Cash	4.60	4.60	0.60	4.50	0.12	1.00	Mexican Cash													
	Mexican Government Bonds	6.50	6.54	3.01	6.10	-0.05	0.28	1.00	Mexican Government Bonds												
	U.S. Aggregate Bonds	4.50	5.23	12.42	2.10	-0.07	0.04	-0.29	1.00	U.S. Aggregate Bonds											
	U.S. Inv Grade Corporate Bonds	4.70	5.48	12.88	2.50	-0.12	0.02	-0.21	0.95	1.00	U.S. Inv Grade Corporate Bonds										
	U.S. Long Corporate Bonds	4.30	5.29	14.53	2.10	-0.14	-0.01	-0.07	0.84	0.94	1.00	U.S. Long Corporate Bonds									
	U.S. High Yield Bonds	5.80	6.32	10.57	4.80	-0.20	-0.05	-0.22	0.68	0.77	0.73	1.00	U.S. High Yield Bonds								
	U.S. Leveraged Loans	6.60	7.34	12.70	5.10	-0.24	-0.14	-0.41	0.75	0.77	0.66	0.88	1.00	U.S. Leveraged Loans							
	Euro Government Bonds	4.30	4.92	11.45	2.10	-0.02	0.05	-0.13	0.72	0.71	0.66	0.48	0.44	1.00	Euro Government Bonds						
	Euro Inv Grade Corp Bonds	4.70	5.33	11.58	2.80	-0.07	0.02	-0.16	0.63	0.68	0.65	0.58	0.49	0.94	1.00	Euro Inv Grade Corp Bonds					
	Euro High Yield Bonds	6.10	6.68	11.18	5.00	-0.17	-0.05	-0.05	0.22	0.36	0.40	0.67	0.48	0.52	0.72	1.00	Euro High Yield Bonds				
	Global Aggregate Bonds hedged	5.60	5.65	3.12	5.20	0.01	0.18	0.55	0.17	0.29	0.49	0.08	-0.09	0.26	0.20	0.08	1.00	Global Aggregate Bonds hedged			
	Emerging Markets Sovereign Debt	7.10	7.66	11.05	5.20	-0.14	-0.05	-0.08	0.82	0.88	0.87	0.81	0.74	0.66	0.66	0.50	0.37	1.00	Emerging Markets Sovereign Debt		
	Emerging Markets Local Currency Debt	7.80	8.13	8.53	5.20	-0.08	0.13	0.12	0.46	0.54	0.58	0.50	0.34	0.63	0.67	0.50	0.33	0.65	1.00	Emerging Markets Local Currency Debt	
	Emerging Markets Corporate Bonds	6.70	7.34	11.73	4.70	-0.15	-0.05	-0.23	0.84	0.90	0.86	0.86	0.83	0.62	0.66	0.53	0.24	0.94	0.58	1.00	Emerging Markets Corporate Bonds
EQUITIES	Mexican Equity	9.10	10.23	15.87	10.60	-0.02	-0.03	0.29	-0.49	-0.39	-0.26	-0.14	-0.33	-0.21	-0.11	0.20	0.06	-0.22	0.02	-0.26	1.00
	U.S. Large Cap	6.00	6.67	12.04	4.10	-0.10	-0.15	-0.17	0.22	0.31	0.33	0.60	0.47	0.24	0.38	0.53	-0.08	0.39	0.32	0.43	0.28
	U.S. Mid Cap	6.20	7.09	13.87	4.40	-0.10	-0.16	-0.09	0.07	0.20	0.25	0.58	0.40	0.10	0.26	0.55	-0.03	0.33	0.27	0.36	0.38
	U.S. Small Cap	6.30	7.55	16.51	4.60	-0.05	-0.13	-0.04	0.01	0.10	0.14	0.47	0.31	0.03	0.17	0.42	-0.10	0.21	0.21	0.25	0.37
	European Large Cap	8.30	9.26	14.61	6.40	-0.13	-0.09	-0.01	-0.02	0.13	0.20	0.46	0.23	0.27	0.46	0.72	-0.01	0.27	0.41	0.28	0.47
	European Small Cap	9.70	11.04	17.38	7.90	-0.15	-0.14	0.01	-0.08	0.07	0.14	0.43	0.24	0.18	0.38	0.74	-0.03	0.23	0.31	0.25	0.47
	UK Large Cap	6.90	7.84	14.33	7.50	-0.19	-0.15	-0.11	0.06	0.20	0.24	0.51	0.36	0.23	0.42	0.69	-0.08	0.33	0.40	0.35	0.38
	Japanese Equity	8.60	9.44	13.68	6.50	-0.11	-0.08	-0.15	0.29	0.40	0.41	0.54	0.42	0.29	0.40	0.47	-0.06	0.40	0.39	0.46	0.13
	Chinese Domestic Equity	10.10	13.78	29.64	7.50	-0.07	0.04	-0.07	0.17	0.22	0.22	0.33	0.26	0.23	0.29	0.38	-0.01	0.31	0.31	0.33	0.11
	EAFE Equity	8.40	9.20	13.26	6.50	-0.13	-0.09	-0.03	0.05	0.21	0.28	0.52	0.30	0.29	0.47	0.72	-0.01	0.34	0.47	0.36	0.43
	AC Asia ex-Japan Equity	8.90	10.15	16.76	7.10	-0.10	-0.01	0.05	0.02	0.18	0.27	0.46	0.24	0.22	0.40	0.65	0.09	0.32	0.51	0.33	0.38
	Emerging Markets Equity	8.80	9.96	16.12	7.20	-0.11	0.00	0.07	-0.08	0.08	0.17	0.39	0.17	0.17	0.36	0.66	0.06	0.25	0.53	0.25	0.49
ALTERNATIVES	Private Equity	10.00	11.21	16.53	7.80	-0.21	-0.14	-0.08	0.13	0.24	0.22	0.57	0.52	0.17	0.33	0.51	-0.13	0.39	0.28	0.44	0.30
	U.S. Core Real Estate	7.70	8.23	10.79	5.90	-0.29	-0.35	-0.23	-0.04	-0.07	-0.08	0.24	0.35	-0.21	-0.17	0.14	-0.31	-0.04	-0.17	0.06	0.06
	U.S. Value-Added Real Estate	9.60	10.95	17.46	8.10	-0.26	-0.33	-0.20	-0.17	-0.19	-0.19	0.16	0.25	-0.30	-0.25	0.14	-0.33	-0.15	-0.23	-0.05	0.13
	European Core Real Estate	8.00	8.67	12.15	6.40	-0.30	-0.16	-0.30	0.37	0.40	0.33	0.57	0.57	0.43	0.52	0.48	-0.20	0.43	0.32	0.51	0.03
	Global Core Infrastructure	8.00	8.54	10.83	6.10	-0.13	-0.06	-0.17	0.64	0.65	0.60	0.56	0.62	0.62	0.60	0.33	0.16	0.64	0.43	0.66	-0.25
	Global Core Transport	9.30	10.17	13.94	7.60	-0.18	-0.18	-0.25	0.57	0.47	0.38	0.31	0.44	0.41	0.30	0.01	-0.05	0.33	0.14	0.41	-0.39
	U.S. REITs	7.60	8.48	13.89	6.50	-0.10	-0.13	0.12	0.16	0.24	0.34	0.50	0.31	0.17	0.23	0.40	0.23	0.36	0.34	0.32	0.31
	Diversified Hedge Funds	5.50	6.26	12.78	3.30	-0.15	-0.08	-0.42	0.85	0.85	0.72	0.76	0.87	0.59	0.59	0.36	-0.08	0.74	0.39	0.81	-0.37
	Mezzanine Debt	8.10	8.96	13.79	6.40	-0.17	-0.03	-0.23	0.80	0.88	0.83	0.97	0.87	0.59	0.65	0.59	0.15	0.89	0.54	0.94	-0.25
	Commodities	4.50	5.50	14.64	2.30	-0.17	-0.13	-0.27	0.22	0.26	0.23	0.40	0.38	0.33	0.45	0.46	-0.17	0.32	0.37	0.37	-0.01
	Gold	4.90	6.58	19.16	2.90	-0.06	0.08	0.00	0.54	0.53	0.51	0.34	0.32	0.53	0.50	0.25	0.26	0.53	0.51	0.51	-0.23

# MEXICAN PESO ASSUMPTIONS

Note: All estimates on this page are in Mexican peso 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, 2021. Alternative asset classes (including hedge funds, private equity, real estate, direct lending, transportation 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. 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. For equity and fixed income assumptions we assume current index regional weight in composite indices with multiple countries/regions. All returns are nominal. The return forecasts of composite and hedged assets are computed using unrounded return and rounded to the nearest 10bp at the final stage. In some cases this may lead to apparent differences in hedging impact across assets, but this is purely due to rounding. For the full opportunity set, please contact your J.P. Morgan representative.

	U.S. Large Cap	U.S. Mid Cap	U.S. Small Cap	European Large Cap	European Small Cap	UK Large Cap	Japanese Equity	Chinese Domestic Equity	EAFE Equity	AC Asia ex-Japan Equity	Emerging Markets Equity	Private Equity	U.S. Core Real Estate	U.S. Value-Added Real Estate	European Core Real Estate	Global Core Infrastructure	Global Core Transportation	U.S. REITs	Diversified Hedge Funds	Mezzanine Debt	Commodities	Gold	
U.S. Large Cap	1.00																						
U.S. Mid Cap	0.91	1.00																					
U.S. Small Cap	0.83	0.93	1.00																				
European Large Cap	0.78	0.77	0.67	1.00																			
European Small Cap	0.71	0.78	0.70	0.91	1.00																		
UK Large Cap	0.77	0.74	0.64	0.93	0.85	1.00																	
Japanese Equity	0.63	0.56	0.49	0.61	0.54	0.63	1.00																
Chinese Domestic Equity	0.37	0.34	0.27	0.35	0.35	0.37	0.30	1.00															
EAFE Equity	0.81	0.79	0.69	0.98	0.89	0.92	0.75	0.38	1.00														
AC Asia ex-Japan Equity	0.60	0.63	0.54	0.71	0.70	0.67	0.50	0.58	0.75	1.00													
Emerging Markets Equity	0.57	0.63	0.54	0.74	0.74	0.70	0.47	0.53	0.76	0.96	1.00												
Private Equity	0.69	0.66	0.59	0.66	0.63	0.68	0.46	0.48	0.67	0.63	0.63	1.00											
U.S. Core Real Estate	0.22	0.20	0.16	0.12	0.14	0.21	0.11	0.03	0.12	0.11	0.11	0.25	1.00										
U.S. Value-Added Real Estate	0.20	0.22	0.18	0.14	0.18	0.21	0.07	0.01	0.13	0.12	0.14	0.22	0.99	1.00									
European Core Real Estate	0.36	0.28	0.20	0.45	0.39	0.53	0.41	0.33	0.46	0.40	0.38	0.72	0.35	0.29	1.00								
Global Core Infrastructure	0.26	0.05	0.00	0.17	0.04	0.24	0.33	0.10	0.21	0.19	0.13	0.41	0.18	0.07	0.60	1.00							
Global Core Transportation	0.03	-0.11	-0.11	-0.09	-0.18	-0.08	0.05	-0.05	-0.09	-0.21	-0.27	0.07	0.48	0.37	0.45	0.51	1.00						
U.S. REITs	0.66	0.71	0.66	0.54	0.49	0.48	0.38	0.09	0.55	0.40	0.39	0.34	0.47	0.45	0.17	0.15	0.23	1.00					
Diversified Hedge Funds	0.47	0.34	0.25	0.24	0.21	0.34	0.48	0.31	0.31	0.22	0.14	0.53	0.10	-0.01	0.62	0.65	0.50	0.17	1.00				
Mezzanine Debt	0.54	0.48	0.37	0.36	0.32	0.43	0.51	0.33	0.43	0.38	0.30	0.51	0.13	0.03	0.56	0.63	0.40	0.41	0.84	1.00			
Commodities	0.32	0.33	0.24	0.36	0.36	0.47	0.25	0.23	0.38	0.39	0.44	0.47	0.21	0.19	0.48	0.25	0.05	0.16	0.39	0.39	1.00		
Gold	0.01	-0.05	-0.12	-0.02	-0.04	0.03	0.04	0.20	0.00	0.12	0.11	0.09	-0.09	-0.18	0.25	0.50	0.33	0.04	0.41	0.45	0.44	1.00	


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