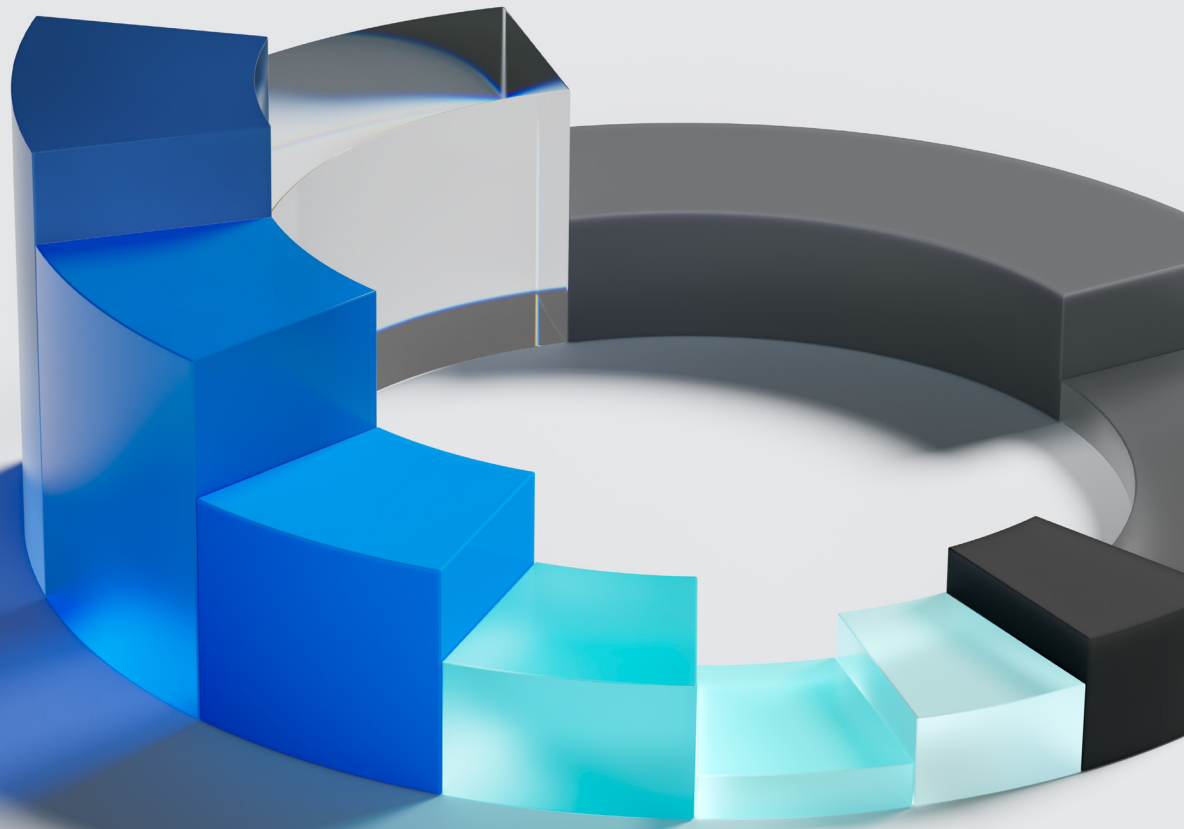


27th annual edition

2023 Long-Term Capital Market Assumptions

Time-tested projections to build
stronger portfolios

Assumption matrix: Chinese yuan



		Compound Return 2022 (%)				Annualized Volatility (%)				Arithmetic Return 2023 (%)				Compound Return 2023 (%)														
						Euro Inflation	Euro Cash	U.S. Aggregate Bonds hedged	Euro Aggregate Bonds	U.S. Inv Grade Corporate Bonds hedged	Euro Inv Grade Corp Bonds	U.S. High Yield Bonds hedged	Euro High Yield Bonds	U.S. Leveraged Loans hedged	Euro Government Bonds	Euro Govt Inflation-Linked Bonds	World Government Bonds hedged	World Government Bonds	World ex-Euro Government Bonds hedged	World ex-Euro Government Bonds	Global Multiverse Bonds hedged	Emerging Markets Sovereign Debt hedged	Emerging Markets Local Currency Debt	Emerging Markets Corporate Bonds hedged	European Large Cap	European Small Cap	U.S. Large Cap	U.S. Large Cap hedged
		Chinese Inflation	Chinese Cash	Chinese Government Bonds	Chinese Corporate Bonds																							
Fixed Income	Chinese Inflation	2.20	2.22	1.87	2.50	1.00																						
	Chinese Cash	2.30	2.31	1.16	2.40	-0.03	1.00																					
	Chinese Government Bonds	3.10	3.14	2.88	3.40	-0.07	0.08	1.00																				
	Chinese Corporate Bonds	4.40	4.43	2.69	4.40	-0.16	0.18	0.75	1.00																			
	U.S. Aggregate Bonds	2.30	2.41	4.70	1.00	-0.10	0.08	0.22	0.23	1.00																		
	Global Aggregate Bonds	2.40	2.56	5.77	1.00	-0.05	0.12	0.15	0.15	0.77	1.00																	
	U.S. Inv Grade Corporate Bonds	3.20	3.45	7.25	1.20	-0.08	0.07	0.09	0.10	0.84	0.77	1.00																
	U.S. High Yield Bonds	4.50	4.85	8.54	2.30	0.01	0.00	-0.08	0.01	0.38	0.47	0.67	1.00															
	Emerging Markets Sovereign Debt	4.80	5.24	9.61	3.60	-0.10	0.05	0.05	0.11	0.61	0.72	0.81	0.77	1.00														
	Emerging Markets Local Currency Debt	4.80	5.42	11.44	4.30	-0.07	0.08	0.04	0.05	0.30	0.63	0.53	0.59	0.77	1.00													
Equities	Chinese Domestic Equity	9.50	12.90	28.36	6.60	0.07	0.06	-0.19	-0.21	0.01	0.10	0.17	0.26	0.21	0.26	1.00												
	China Offshore Listed & Hong Kong Equity	8.70	10.66	21.08	4.80	-0.04	0.11	-0.15	-0.14	0.07	0.27	0.32	0.46	0.43	0.59	0.66	1.00											
	Hong Kong Equity	5.20	6.75	18.39	5.30	-0.03	0.14	-0.09	-0.10	0.04	0.26	0.34	0.54	0.49	0.62	0.53	0.88	1.00										
	MSCI China Equity	9.40	11.82	23.67	4.70	-0.03	0.09	-0.16	-0.16	0.07	0.27	0.29	0.42	0.40	0.56	0.67	0.99	0.81	1.00									
	U.S. Large Cap	5.60	6.70	15.44	2.50	-0.08	-0.03	-0.11	-0.12	0.10	0.32	0.40	0.70	0.58	0.57	0.31	0.52	0.61	0.48	1.00								
	European Large Cap	7.50	9.01	18.32	4.80	-0.05	0.00	-0.13	-0.12	0.10	0.42	0.41	0.72	0.63	0.70	0.33	0.63	0.71	0.58	0.87	1.00							
	Japanese Equity	8.10	9.06	14.60	5.10	-0.03	-0.01	-0.12	-0.13	0.12	0.31	0.41	0.63	0.53	0.57	0.28	0.52	0.58	0.48	0.73	0.76	1.00						
	AC Asia ex-Japan Equity	7.70	9.31	18.94	5.40	-0.02	0.11	-0.13	-0.12	0.09	0.37	0.40	0.65	0.57	0.71	0.55	0.90	0.88	0.87	0.71	0.80	0.65	1.00					
	Emerging Markets Equity	7.80	9.50	19.55	5.30	-0.01	0.08	-0.13	-0.10	0.06	0.39	0.39	0.67	0.61	0.77	0.50	0.85	0.84	0.82	0.73	0.84	0.67	0.97	1.00				
	AC World Equity	6.20	7.35	15.84	3.40	-0.06	0.00	-0.13	-0.13	0.10	0.39	0.43	0.74	0.64	0.69	0.37	0.65	0.73	0.60	0.96	0.95	0.80	0.83	0.86	1.00			
Alternatives	Diversified Hedge Funds	2.70	2.97	7.42	2.00	0.04	-0.01	-0.20	-0.09	0.25	0.22	0.42	0.63	0.46	0.30	0.28	0.39	0.44	0.36	0.58	0.58	0.48	0.50	0.52	0.61	1.00		
	Commodities	0.80	2.26	17.44	1.00	0.13	-0.02	-0.15	-0.12	-0.14	0.16	0.05	0.38	0.23	0.37	0.05	0.27	0.35	0.25	0.36	0.46	0.29	0.40	0.48	0.44	0.45	1.00	
	Gold	1.20	2.49	16.41	1.40	0.12	0.14	0.01	0.00	0.26	0.44	0.26	0.10	0.25	0.29	0.11	0.11	0.10	0.10	-0.03	0.04	-0.06	0.12	0.15	0.04	0.10	0.33	1.00

Chinese yuan assumptions

Note: All estimates on this page are in Chinese yuan 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. Exclusive reliance on this information is not advised. This information is not intended as a recommendation to invest in an particular asset class or strategy or as a promise of future performance. These asset class and strategy assumptions are passive only for liquid assets and industry averages (median managers) for alternatives. The assumptions do not consider the impact of active management. Reference to future returns are not promises or even estimates of actual returns portfolio's may achieve. Assumptions, opinions and estimates are provided for illustrative purposes only. Forecasts of financial market trends that are based on current market conditions constitute our judgement and are subject to change without notice. We believe the information provided herein is reliable, but to not warrant its accuracy or completeness. This materials is not intended to provide and should not be relied upon for accounting, legal or tax advice.

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