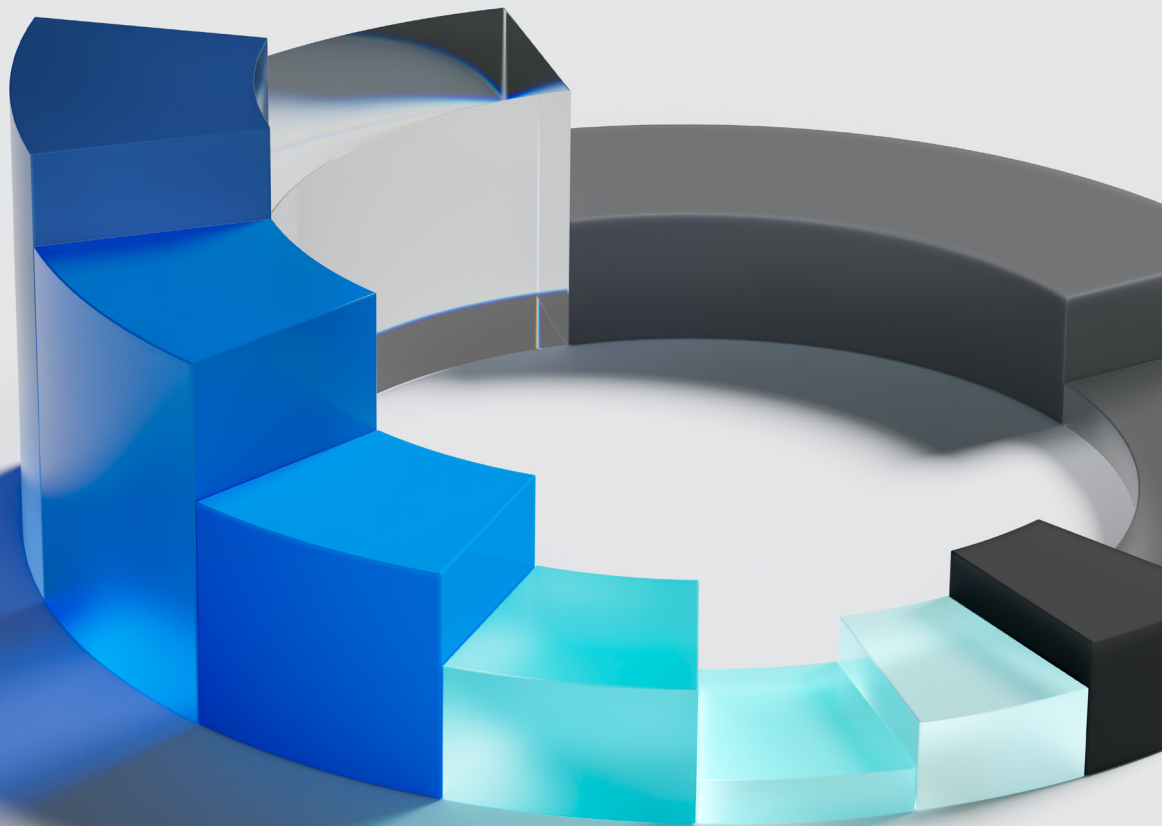


27th annual edition

2023 Long-Term Capital Market Assumptions

Time-tested projections to build
stronger portfolios

Assumption matrix: Sterling



		Compound Return 2022 (%)										Annualized Volatility (%)										Arithmetic Return 2023 (%)										Compound Return 2023 (%)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
		UK Inflation		UK Cash		U.S. Aggregate Bonds hedged		Euro Aggregate Bonds hedged		U.S. Inv Grade Corporate Bonds hedged		Euro Inv Grade Corporate Bonds hedged		U.S. High Yield Bonds hedged		Global Credit hedged		U.S. Leveraged Loans hedged		Euro Government Bonds hedged		UK Gilts		UK Inflation-Linked Bonds		World Government Bonds hedged		World Government Bonds		World ex-UK Government Bonds hedged		World ex-UK Government Bonds		Emerging Markets Sovereign Debt hedged		Emerging Markets Local Currency Debt		Emerging Markets Corporate Bonds hedged																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
		2.40	2.42	1.96	2.20	1.00	1.00	4.40	4.48	4.11	2.80	-0.29	0.30	1.00	4.00	4.09	4.43	2.60	-0.39	0.25	0.73	1.00	5.30	5.54	7.07	3.00	-0.26	0.14	0.83	0.66	1.00	4.60	4.72	4.99	2.90	-0.22	0.10	0.60	0.77	0.83	1.00	5.70	5.99	7.83	2.30	-0.07	-0.01	0.61	0.62	0.80	0.83	1.00	6.60	6.95	8.66	4.10	-0.09	-0.01	0.35	0.27	0.64	0.64	0.56	1.00	6.70	7.11	9.35	4.30	-0.09	-0.04	0.26	0.31	0.56	0.70	0.58	0.89	1.00	5.10	5.24	5.44	2.90	-0.27	0.14	0.83	0.75	0.98	0.89	0.85	0.64	0.57	1.00	6.00	6.30	8.02	4.90	0.04	-0.11	0.02	0.06	0.34	0.47	0.42	0.76	0.85	0.34	1.00	3.80	3.91	4.88	2.50	-0.39	0.24	0.69	0.97	0.55	0.63	0.51	0.13	0.16	0.63	-0.07	0.69	1.00	4.20	4.48	7.65	0.90	-0.22	0.26	0.72	0.67	0.51	0.40	0.60	0.03	-0.02	0.56	-0.17	0.69	1.00	3.80	4.35	10.73	-0.50	-0.18	0.09	0.58	0.54	0.53	0.48	0.62	0.33	0.25	0.58	0.18	0.51	0.74	1.00	3.50	3.57	3.69	2.20	-0.33	0.32	0.86	0.86	0.60	0.50	0.50	0.07	0.01	0.65	-0.22	0.88	0.85	0.61	1.00	2.50	2.87	8.75	1.40	-0.18	0.27	0.48	0.43	0.21	0.07	0.15	-0.25	-0.33	0.24	-0.46	0.49	0.62	0.39	0.66	1.00	3.50	3.56	3.52	2.40	-0.32	0.32	0.86	0.86	0.60	0.51	0.49	0.08	0.02	0.66	-0.22	0.89	0.82	0.59	1.00	0.64	1.00	2.40	2.80	9.13	1.40	-0.20	0.27	0.45	0.41	0.19	0.05	0.12	-0.28	-0.34	0.21	-0.47	0.47	0.59	0.37	0.63	0.99	0.61	1.00	6.90	7.39	10.30	5.50	-0.20	0.09	0.59	0.52	0.79	0.76	0.67	0.76	0.65	0.82	0.43	0.41	0.30	0.45	0.38	0.06	0.39	0.03	1.00	5.30	5.87	11.06	5.00	-0.23	0.28	0.45	0.42	0.42	0.38	0.36	0.30	0.27	0.44	0.10	0.40	0.40	0.32	0.33	0.39	0.44	0.39	0.43	0.53	1.00	6.80	7.20	9.32	5.00	-0.12	0.03	0.51	0.45	0.77	0.76	0.67	0.76	0.70	0.79	0.55	0.32	0.20	0.37	0.28	-0.05	0.29	-0.07	0.90	0.90	0.43	1.00	7.60	8.40	13.22	4.60	0.04	-0.11	0.11	0.11	0.37	0.44	0.44	0.66	0.67	0.38	0.55	0.01	-0.04	0.17	-0.11	-0.19	-0.10	-0.19	0.54	0.44	0.54	1.00	7.30	8.11	13.29	4.10	0.06	-0.12	0.06	0.07	0.31	0.38	0.40	0.61	0.62	0.32	0.51	-0.02	-0.08	0.15	-0.14	-0.18	-0.13	-0.18	0.49	0.45	0.49	0.99	1.00	9.40	10.68	16.96	7.20	-0.01	-0.09	0.17	0.18	0.45	0.54	0.49	0.71	0.71	0.47	0.59	0.06	0.02	0.20	-0.04	-0.25	-0.04	-0.27	0.59	0.29	0.60	0.85	0.78	6.10	7.07	14.49	3.20	-0.01	-0.08	0.18	0.21	0.35	0.42	0.43	0.55	0.50	0.38	0.39	0.15	0.16	0.32	0.07	0.09	0.07	0.07	0.48	0.50	0.43	0.76	0.74	7.70	8.88	16.18	4.30	-0.03	-0.11	0.18	0.18	0.45	0.53	0.48	0.73	0.69	0.46	0.56	0.08	0.00	0.22	-0.03	-0.29	-0.02	-0.31	0.62	0.31	0.58	0.80	0.75	8.70	10.21	18.42	6.20	-0.08	0.00	0.24	0.21	0.43	0.45	0.45	0.64	0.63	0.45	0.43	0.13	0.05	0.24	-0.04	-0.04	0.05	-0.04	0.60	0.55	0.55	0.88	0.86	9.40	10.68	16.98	7.20	-0.05	-0.09	0.13	0.18	0.39	0.50	0.46	0.70	0.74	0.42	0.60	0.08	-0.06	0.14	-0.07	-0.34	-0.07	-0.34	0.56	0.32	0.57	0.88	0.84	9.50	11.21	19.70	6.60	-0.05	-0.03	0.23	0.18	0.44	0.46	0.46	0.68	0.67	0.45	0.49	0.09	0.03	0.22	0.02	-0.05	0.02	-0.06	0.60	0.49	0.58	0.87	0.82	10.20	11.67	18.29	7.60	-0.03	-0.11	0.13	0.16	0.41	0.51	0.47	0.73	0.78	0.42	0.65	0.05	-0.07	0.14	-0.09	-0.33	-0.08	-0.35	0.54	0.28	0.57	0.85	0.80	8.50	9.31	13.36	5.80	-0.16	-0.02	0.21	0.22	0.36	0.38	0.36	0.45	0.40	0.37	0.28	0.16	0.09	0.23	0.09	0.10	0.09	0.10	0.39	0.47	0.37	0.62	0.60	9.60	10.95	17.50	6.50	0.03	-0.16	-0.10	-0.04	0.18	0.28	0.25	0.51	0.53	0.18	0.49	-0.10	-0.24	-0.03	-0.28	-0.51	-0.27	-0.52	0.32	0.14	0.37	0.65	0.62	8.20	9.51	17.13	6.10	-0.05	0.01	0.24	0.18	0.44	0.44	0.40	0.59	0.55	0.45	0.42	0.10	0.06	0.19	0.05	-0.01	0.05	-0.01	0.55	0.58	0.57	0.70	0.68	10.00	13.31	28.01	7.30	-0.05	0.06	0.10	0.09	0.20	0.17	0.11	0.20	0.18	0.19	0.15	0.08	0.00	0.02	0.03	-0.06	0.03	-0.06	0.19	0.17	0.26	0.22	0.21	8.30	9.68	17.56	6.00	-0.01	0.00	0.21	0.16	0.44	0.44	0.41	0.64	0.59	0.44	0.47	0.08	0.03	0.02	0.01	-0.03	0.01	-0.03	0.61	0.62	0.62	0.75	0.73	6.70	7.59	13.91	4.10	-0.03	-0.06	0.22	0.22	0.44	0.48	0.48	0.65	0.61	0.45	0.46	0.13	0.12	0.31	0.05	0.03	0.05	0.02	0.59	0.57	0.55	0.87	0.85	6.70	7.61	14.11	4.10	-0.03	-0.05	0.22	0.22	0.44	0.48	0.48	0.65	0.60	0.45	0.45	0.14	0.13	0.32	0.06	0.04	0.06	0.03	0.59	0.58	0.54	0.86	0.83	6.50	7.40	13.99	3.90	-0.03	-0.06	0.21	0.22	0.42	0.47	0.48	0.63	0.59	0.44	0.45	0.14	0.13	0.32	0.05	0.04	0.05	0.02	0.57	0.55	0.52	0.86	0.84	8.90	9.53	11.84	5.70	-0.17	-0.02	0.28	0.28	0.60	0.64	0.55	0.81	0.77	0.60	0.66	0.16	0.06	0.26	0.04	-0.26	0.04	-0.28	0.70	0.29	0.70	0.74	0.67	7.00	7.33	8.42	4.80	-0.08	-0.09	0.20	0.35	0.38	0.53	0.50	0.39	0.46	0.43	0.38	0.26	0.09	0.21	0.15	-0.14	0.15	-0.15	0.38	0.12	0.39	0.38	0.34	6.30	6.71	8.65	6.65	0.62	0.62	0.62	0.59	0.42	0.46	0.61	0.33	0.65	0.74	0.74	0.74	0.62	0.45	1.00	0.45	0.53	0.45	0.37	0.39	0.34	0.35	0.37	0.41	0.43	0.35	0.41	0.51	0.51	0.48	0.28	0.69	1.00	0.22	0.23	0.31	0.08	0.26	0.11	0.25	0.08	0.29	0.06	-0.07	0.10	0.19	0.18	0.19	0.14	0.23	0.20	0.07	1.00	0.22	0.34	0.18	0.28	0.12	0.27	0.11	0.29	0.13	0.17	0.13	0.22	0.35	0.35	0.36	0.18	0.32	0.40	0.32	-0.05	1.00	0.40	0.29	0.40	0.17	0.40	0.19	0.39	0.18	0.47	0.20	0.23	0.24	0.29	0.28	0.29	0.37	0.20	0.40	0.37	0.44	0.46	1.00	0.38	0.21	0.42	0.19	0.35	0.26	0.39	-0.03	0.36	0.14	0.07	0.21	0.23	0.21	0.22	0.40	0.13	0.29	0.13	0.50	0.02	0.48	1.00	0.38	0.37	0.36	0.27	0.32	0.28	0.31	0.29	0.40	0.22	0.22	0.29	0.38	0.37	0.38	0.35	0.30	0.51	0.44	0.24	0.82	0.85	0.34	1.00	0.41	0.28	0.41	0.17	0.41	0.20	0.40	0.19	0.50	0.20	0.24	0.25	0.29	0.28	0.29	0.39	0.20	0.43	0.39	0.44	0.42	0.99	0.52	0.85	1.00	0.64	0.80	0.71	0.73	0.65	0.72	0.64	0.59	0.46	0.66	0.15	0.68	0.84	0.84	0.83	0.62	0.26	0.53	0.26	0.39	0.11	0.16	0.27	0.13	0.14	1.00	0.02	0.16	0.07	0.05	0.00	-0.02	-0.06	0.04	0.03	0.00	-0.24	0.08	0.12	0.12	0.01	-0.06	0.24	0.19	0.21	0.04	0.00	-0.02	0.02	0.00	0.14	1.00	-0.45	0.02	-0.34	-0.24	-0.34	-0.34	-0.43	-0.09	-0.36	-0.29	-0.19	-0.34	-0.15	-0.13	-0.11	-0.54	-0.15	-0.25	-0.12	0.09	-0.06	-0.36	-0.41	-0.30	-0.40	-0.03	0.21	1.00	-0.19	0.21	-0.22	0.04	-0.18	-0.06	-0.25	0.21	-0.25	0.00	0.05	-0.04	0.13	0.14	0.15	-0.27	-0.06	0.14	0.21	-0.32	0.38	-0.26	-0.54	0.02	-0.30	0.07	0.17	0.55	1.00	0.74	0.52	0.71	0.58	0.70	0.64	0.76	0.41	0.64	0.55	0.32	0.59	0.62	0.61	0.61	0.81	0.51	0.65	0.53	0.26	0.27	0.52	0.42	0.50	0.55	0.44	0.03	-0.49	-0.26	1.00	0.80	0.61	0.82	0.68	0.78	0.74	0.84	0.48	0.66	0.60	0.26	0.65	0.71	0.70	0.70	0.85	0.59	0.68	0.47	0.30	0.18	0.45	0.47	0.41	0.48	0.54	0.23	0.58	0.75	0.70	0.82	0.65	0.87	0.73	0.80	0.77	0.84	0.51	0.60	0.69	0.32	0.73	0.76	0.76	0.74	0.92

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