

CAPITAL MARKET ASSUMPTIONS

FIVE-YEAR OUTLOOK

— 2022 EDITION —

Equity market returns in the past five years have outpaced even the most optimistic forecasts, leaving the perennial question: Where do we go from here?

Find out what to expect in the years ahead. Visit: capitalmarketassumptions.com.

6 Themes

5 Years

1 Outlook

Six key themes shaping portfolio performance over the next five years:

1 

REVERSION TO MEDIOCRITY

After a brief breakout, global economic growth will revert to its longer term mean.

2 

STICKING TO STUCKFLATION

Stuckflation is being tested, but should once again pass the test.

3 

MONETARY ACTIVISM

Central banks are finding new callings, such as fighting income inequality and climate change.

4 

SEEKING TECH INDEPENDENCE

Technology is the new oil — but with greater economic security impacts.

5 

THE EVOLVING CAPITALIST

Investors and business leaders recognize that they must evolve from today's "winner-take-all" capitalism.

6 

REACHING CLIMATE CONSENSUS

A consensus is emerging on the importance of fighting climate change — increasingly market-driven.

Long-term asset class forecasts:

FIXED INCOME

GETTING BY WITH A LITTLE HELP FROM LOW RATES

4.0% Expected Annualized Return for Global High Yield

EQUITIES

GETTING AHEAD OF THEMSELVES?

4.6% Global Equities Total Return Forecast

REAL ASSETS

LOOKING FOR STABILITY — AND INCOME

5.5% Global Listed Infrastructure Total Return Forecast

ALTERNATIVES

ALPHA REBOUND

7.6% Private Equity Return Forecast



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