

2022 Market Forecasts Summary



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2022 10-Year Outlook

Y / Y Change

Equity Markets

Valuations year-over-year went down slightly due to earnings rising faster than market prices. This helped push our forecasted returns modestly higher. However, our forecast remains below long-term market averages given full valuations. A combination of more compelling Chinese equity valuations and China making up nearly one third of the Emerging Markets Index have buoyed our outlook in that region.

5.9%	U.S. All Cap Equity	0.3%
7.7%	Int'l Developed Equity	0.7%
9.6%	Emerging Market Equity	1.1%

Fixed Income Markets

Coming off of lows in 2021, yields around the globe rose pushing many investment grade fixed income forecasts higher. The exception is credit asset classes where yields moved lower in High Yield and Muni High Yield. Corporate High Yield forecasts were benefited by extraordinarily low default rates. Nonetheless, fixed income globally remains under pressure as inflation has risen pushing returns into negative real territories (nominal returns, less inflation). Additionally, we believe shifting global monetary policy means active risk management is prudent.

1.7%	U.S. Bonds	0.5%
1.2%	Muni Bonds	0.2%
1.4%	Global Bonds	0.6%
3.7%	High Yield Bonds	0.4%
4.9%	Muni High Yield Bonds	-1.8%
2.0%	Dynamic Bonds	0.3%

Real Assets / Alternatives

Real Estate forecasts are flat relative to last year in spite of higher inflation expectations due to a very strong 2021. Broad Real Assets benefited due to the shifting winds of inflation with transitory effects fading and more persistent factors taking the lead. Marketable Alternatives and Private Equity forecasts both moved up based on modestly better opportunities across global equities and disparity among asset classes.

5.4%	Real Estate	0.1%
4.7%	Broad Real Assets	0.8%
5.9%	Marketable Alternatives	0.5%
8.9%	Private Equity	0.3%

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