



Asset Allocation

2017 Capital Market Assumptions For Major Asset Classes

1Q 2017

This issue of Capital Market Assumptions updates our multi-year expected returns for major asset classes. Compared to historical averages, we are still very much in a world of low expected returns.

In this year's edition, we modify our equity expected return methodologies to account for the growing corporate substitution of share buybacks for dividends. The topic is explored in greater depth in an [Appendix](#) which discusses specific details and presents the underlying theory and practical guidance on the data required to build these estimates.

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