

Long View Q1: Equity and bond risk premia

The narrowing gap between equity and bond risk premia

IN A NUTSHELL



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- Return forecasts for the next decade are similar versus the end of 2023, although the return outlook between equities and fixed income has continued to narrow
- The flattening of the efficient frontier over the past year reflects an environment of compressed equity premia concurrent with continued repricing higher in real yields as the Fed continues to implement tight monetary policy
- The narrowing between equity and bond risk premia reflect sanguine macroeconomic conditions, particularly optimism around the transformative impact of AI and its benefits to corporate profitability. Sustained higher real yields also reflect the resilience of the global economy and the Fed's hesitance to preemptively pivot back to easy monetary policy.
- Bond risk premia do not reflect significant inflation risk premia which have narrowed over the past year. The shrinking of inflation risk premium suggests that nominal treasuries may still possess strong diversification characteristics versus risk assets.

Summary

In this report, we present the DWS long-term capital market assumptions for major asset classes as of the end of March 2024 while exploring the risks to these forecasts.

The first quarter of 2024 carried over strong price momentum from last year, bolstered by a resilient global economy despite the restrictive monetary backdrop across most major economies. The MSCI ACWI equity index was up 8.1% in Q1, led by continued strong returns from the S&P 500 which returned 10.6%. The Bloomberg Global Aggregate Index was flat in Q1 as US Treasury yields moved modestly higher while corporate and sovereign credit spreads tightened alongside the equity market rally.

The US labor market exhibited continued resilience, posting strong payroll and wage growth in Q1. As a result, US Treasuries sold off, with the 10-year yield moving from 3.88% at the end of last year to 4.02% at the end of March. The move in shorter-term yields was even more pronounced, with markets pricing out the start of Fed interest rate cuts well into the summer months. The 2-year US Treasury yield sold off from 4.25% at the end of December to 4.62% as of the end of March. Looking at the the Fed Funds Futures market, the December contract implied Fed Funds rate moved to 4.69% where the same contract implied a December 2024 average Fed Funds rate of 3.83% as of the end of last year.

Despite being more than two years into this monetary tightening cycle, risk markets have remained resilient both in terms of corporate profitability but also reflecting more expensive valuations and far tighter risk premia, particularly when considering higher base levels in real yields. Across global equity markets, there is increasing bifurcation between technology leaders and more traditional industries, and optimism around the profitability of technology firms continues to put downward pressure on equity risk premia. Conversely, bond risk premia have repriced higher as the Fed has both lifted interest rates and continued with its gradual balance sheet decumulation, with long-term real interest rates now higher than they've been in over a decade.

Our 10-year forecasts continue to look increasingly favorable toward fixed-income that reflects higher starting yield levels but bear the risk of owning nominal return assets in a elevated inflation regime. Equities, meanwhile, possess inflationary characteristics that help support nominal return potential but remain challenged by elevated valuations.

Our models now forecast an annual local currency return of 6.1% for the MSCI All Country World Index ("ACWI") over the next decade, versus 5.9% three months prior as well as an increase for the Global Aggregate Bond Index from 3.2% to 3.5%. At an aggregate level, we estimate the forecasted rate of return on a diversified portfolio at 5.7%***, 0.1% lower from the level at the end of Q2.

*Source: Bloomberg as of 31 March 2024.

**DWS Calculations for a strategic asset allocation that targets volatility of 10%.

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Table 1: DWS Ten-year annualized forecasted local currency returns

| | As of 31 Mar 2024 | Δ since 31 Dec 2023 |
|---------------------------|-------------------|---------------------|
| ACWI Equities | 6.1% | -0.2% |
| World Equities | 6.0% | -0.2% |
| EM Equities | 6.7% | -0.3% |
| US Equities | 6.1% | -0.1% |
| Europe Equities | 6.2% | -0.2% |
| Germany Equities | 5.2% | -0.8% |
| UK Equities | 7.8% | -0.2% |
| Japan Equities | 3.4% | -1.0% |
| EUR Treasury | 2.5% | 0.2% |
| EUR Corporate | 3.3% | 0.0% |
| EUR High Yield | 5.9% | 0.4% |
| US Treasury | 4.3% | 0.3% |
| US Corporate | 5.0% | 0.2% |
| US High Yield | 5.7% | 0.1% |
| EM USD Sovereign | 7.2% | -0.1% |
| World REITS | 4.8% | -0.1% |
| United States REITS | 5.3% | -0.1% |
| Global Infra. Equity | 7.6% | 0.1% |
| US Infra. Equity | 8.1% | 0.3% |
| Private RE Equity US | 3.9% | 0.3% |
| EUR Infrastructure IG | 3.3% | 0.0% |
| Private EUR Infra. IG | 4.4% | 0.0% |
| Hedge Funds: Composite | 5.2% | 0.2% |
| Broad Commodities Futures | 5.5% | 0.1% |

Source: DWS Investments UK Limited. 10Y Forecast as of 31 March 2024. Due to various risks, uncertainties and assumptions made in our analysis, actual events or results or the actual performance of the markets covered may differ materially from those described.

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Forecasts are not a reliable indicator of future returns. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect. Past performance, [actual or simulated], is not a reliable indication of future performance.

Any hypothetical results presented in this report may have inherent limitations. Among them are the sharp differences which may exist between hypothetical and actual results which may be achieved through investment in a particular product or strategy. Hypothetical results are generally prepared with the benefit of hindsight and typically do not account for financial risk and other factors which may adversely affect actual results of a particular product or strategy. Any forward looking statements (forecasts) are based on but not limited to assumptions, estimates, projections, opinions, models and hypothetical performance analysis. All of which are subject to change at any time, based upon economic, market and other considerations and should not be construed as a recommendation. Past performance is no guarantee of future results.

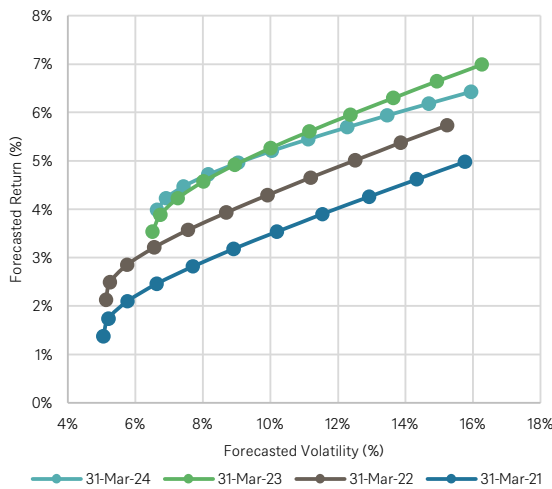
1 / Narrowing equity versus bond forecast

1.1 The flattening efficient frontier

For the most part, we expect long-term return outlooks to be relatively stable, reflecting consistency in the underlying fundamental drivers of asset returns. Over the past fifteen years, however, distortions in equity and bond risk premium as a result of unprecedented global monetary policy have resulted in relatively rapid and significant shifts in return outlooks as a direct result of dynamic central banks measures. Balance sheet accumulation and decumulation via quantitative easing (“QE”) and quantitative tightening (“QT”) measures have directly impacted real medium-to-long-term interest rates while a decade of zero interest-rate policy (also known as “ZIRP”) and subsequent drastic policy rate hikes have impacted funding rates and discount rates.

While the sharp rise in global treasury yields resulted in significant mark-to-market losses for bond investors, in some cases resulting in solvency issues for lending entities such as Silicon Valley Bank, the repricing in risk-free yields has been broadly beneficial to the long-term return outlook for bond investors. As we approach an inflection point in yields, the strategic outlook for equity and bond returns has noticeably narrowed relative to last year, reflecting significant tightening in equity and credit risk premia coincident with the significant increase in bond risk premia over the past two years. The result: a significantly flatter ex ante efficient frontier as shown in Figure 1.

Figure 1: Efficient frontier flatter versus previous years

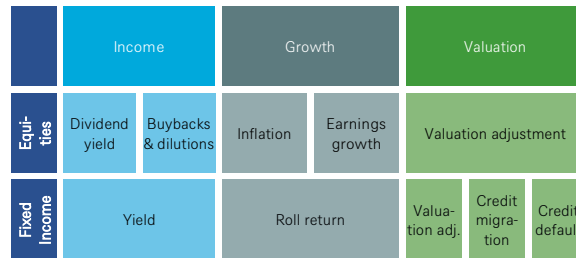


Source: DWS Investments UK Limited. Data as of 31 March 2024.

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This flattening of the ex ante efficient frontier reflects a reality of narrowing return prospects between equities and bonds. By comparing equities to bonds, we can focus the components of return that have changed in the past few years, namely bond yields and equity valuations. Figure 2 shows our Long View equity and fixed income return building blocks and pillars.

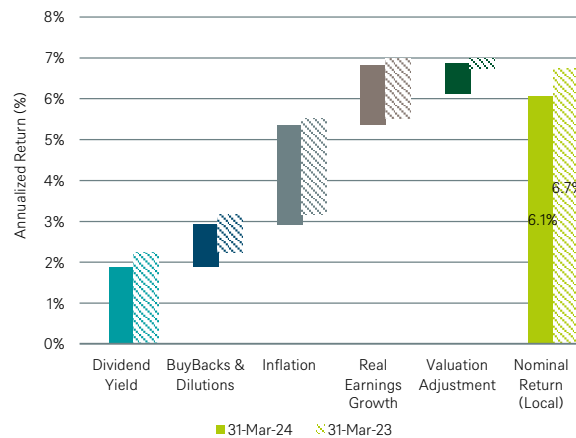
Figure 2: Long View equity and fixed income pillars



Source: DWS Investments UK Limited.

The Equity risk premium, which combines the reality of higher global equity valuations (and correspondingly lower earnings yield) with elevated discount rates, present, at face value, a much more challenging outlook for equity investors both on a real absolute basis and relative to fixed income alternatives. Comparing our 10-year global equity forecast from a year ago, we observe a nearly 0.6% decline in our per annum return forecast (see Figure 3)

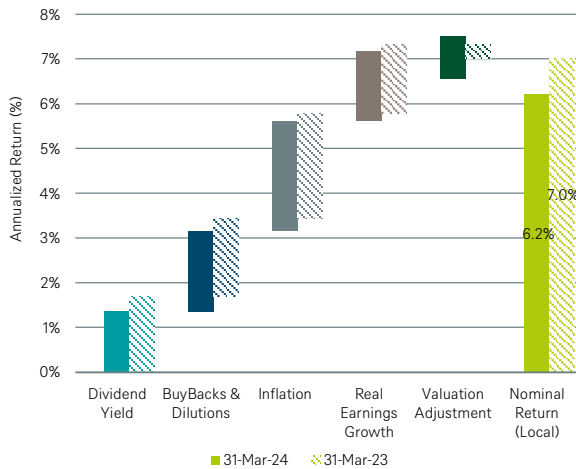
Figure 3: Year-over-year change in return pillars for MSCI ACWI (%)



Source: DWS Investments UK Limited. Data as of 31 March 2024.

Elevated equity valuations and compressed equity risk premia have largely been driven by optimism around the potential transformative of artificial intelligence (“AI”) on global economic growth, and in particular labor productivity amid a backdrop of increasingly challenging labor demographics. Unsurprisingly, as the Magnificent 7 (“Mag 7”) or Great 8 US stocks (Apple, Amazon, Alphabet, Meta, Microsoft, Nvidia, Tesla, and sometimes Netflix) have been at the forefront of this AI optimism and have been the predominant driver of outsized equity returns and high valuations, the S&P 500 has experienced a larger year-over-year decline in forecasts, driven by a decline in the valuation pillar from -0.3% to -0.9% (see Figure 4).

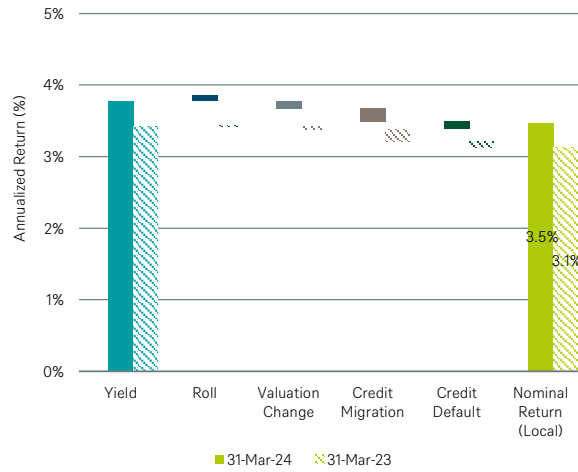
Figure 4: Year-over-year change in return pillars for S&P 500 (%)



Source: DWS Investments UK Limited. Data as of 31 March 2024.

Looking at fixed income markets, although most of the repricing in real bond yields occurred between 2021 and 2023, a modest move higher in yields has contributed to an improved 10-year return outlook for the Global Aggregate Bond Index from 3.1% a year ago to 3.5% as of the end of March, driven by an increase in yield contribution from 3.4% to 3.8% (see Figure 5).

Figure 5: Year-over-year change in return pillars for Global Agg (%)



Source: DWS Investments UK Limited. Data as of 31 March 2024.

As interest rates and bond yields (although spreads have compressed significantly) have repriced to significantly higher real and nominal levels, the strategic return potential for nominal bonds looks healthier than it has in well over a decade. As a reminder, for longer-duration fixed income and sovereign or investment grade-rated bonds in particular, the single most important factor for long-term returns has been the starting yield level as shown in Figure 6.

Figure 6: Bloomberg US Treasury Index Yield to Worst versus next 5-year return (%)



Source: DWS Investments UK Limited. Data as of 31 March 2024.

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2 / Risk premia and cross-asset behaviors

2.1 Equity risk premia and valuations

Looking at the US equity market, the combination of rising equity valuations and rising discount rates has compressed equity risk premia to the tightest levels since the 2000 tech bubble, when the S&P 500 infamously traded at a negative ERP. Figure 7 shows the historical equity risk premium as defined by the long-term earnings yield spread over the 10-year US Treasury yield.

Figure 7: Inverted Shiller P/E implied yield versus 10-year US Treasury yield



Source: Bloomberg L.P., DWS calculations as of 31 March 2024.

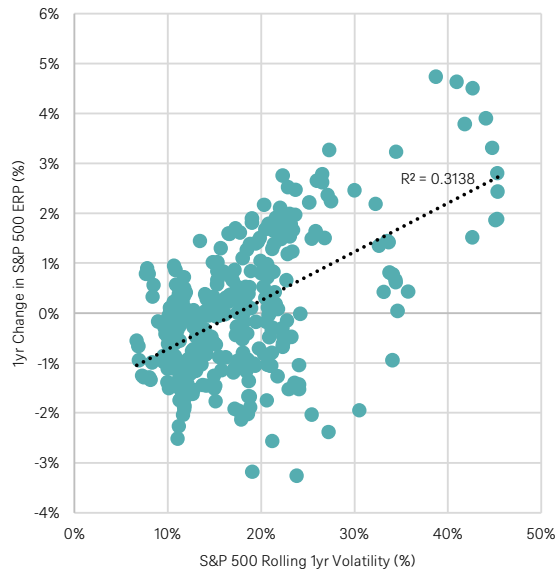
While the current market environment is fundamentally different versus the technology-dominated asset price bubble of the late 1990s (technology companies today have demonstrated very strong sequential earnings growth and AI appears here to stay), characteristics of tremendous investor optimism around the high-growth segment of the equity market share some similar qualities. Furthermore, the tightness in the ERP implies very low risk of equity repricing, while also reflecting the extremely low levels of realized equity volatility over the past year. While the relationship is somewhat volatility (comparing a yield to price variability), generally speaking periods of low or declining volatility have corresponded to tightening ERP. Figure 8 and Figure 9 show this relationship in a time series as well as the linear fit of this relationship.

Figure 8: Inverted Shiller P/E implied yield versus 10-year US Treasury yield



Source: Bloomberg L.P., DWS calculations as of 31 March 2024.

Figure 9: S&P 500 12m change in ERP versus 12m volatility (%)

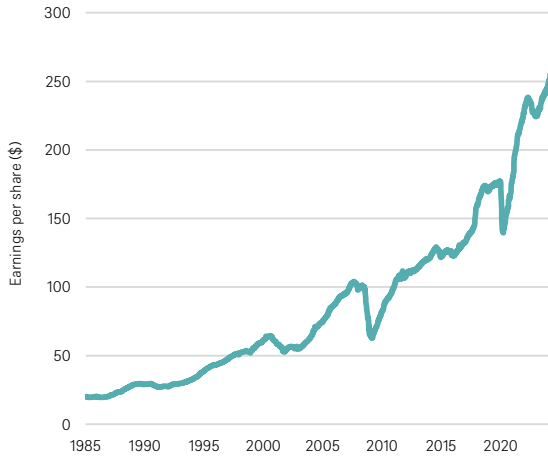


Source: Bloomberg L.P., DWS calculations as of 31 March 2024.

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The expansion in equity multiples reflects both benign levels of volatility but also correspondingly the strong earnings momentum that the S&P 500 has experienced in recent quarters (see Figure 10).

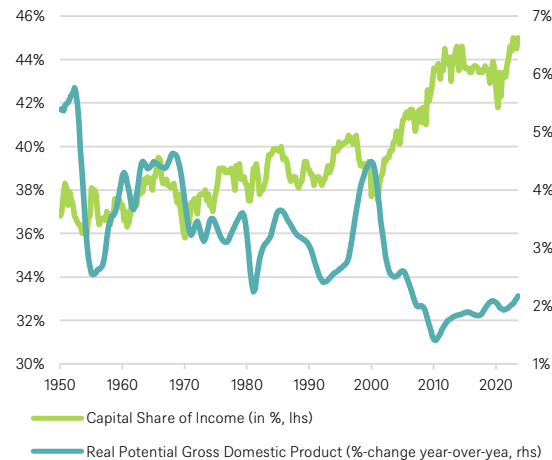
Figure 10: S&P 500 12m forward consensus EPS (%)



Source: BofA Global Research, IBES, Haver, Datastream as of 31 March 2024.

This strong consensus earnings outlook reflects in part tremendous optimism around AI as a once-in-a-generation economic tailwind. A general trend that has accelerated in the past couple of years with the AI boom is the increasing importance of capital as a driver of aggregate output and corporate profitability. Capital share of income has continued to rise following the 2000s technology boom and has seen a recent reacceleration in the period closely following the COVID-19 crisis (see Figure 11).

Figure 11: Capital share of income has increased since 2000



Source: Haver Analytics, DWS calculations as of 13 February 2024.

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An analysis across industries also seems to corroborate the importance of capital and in this particular case, intellectual capital. Using DWS’s Cash Return on Capital Invested (“CROCI”) methodology for estimating capital return paints a similar story (see Figure 12) industries where intangible assets make up more than 10 percent of capital invested have generally generated higher cash returns despite having a lower economic life of assets. This is driven by a better combination of asset productivity and cash flow margins.

Figure 12: CROCI cash return drivers of aggregations by industry group



Source: DWS, CROCI. Aggregate 2024E CROCI CF Margin and Sales/Capital Invested grouped by Industry. “Intangible intensive industries” refers to industries where intangibles capitalized by CROCI account for at least 10% of total gross assets. Data as of 3 January 2024.

CROCI® stands for Cash Return on Capital Invested and is a systematic investment process based on a proprietary valuation technique. A DWS trademark, CROCI® has aimed to assess the Real Value of companies, sectors and markets since 1996.

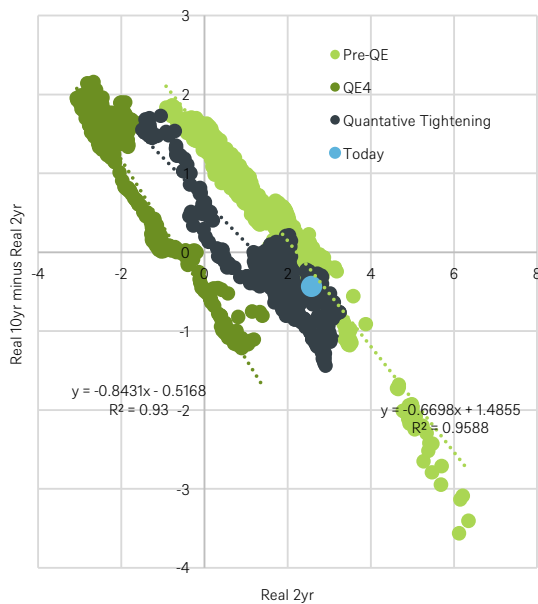
2.2 Bond and inflation risk premia

In the decade the Global Financial Crisis (“GFC”), the confluence of sizeable global QE measures and disinflationary trends driven by demand weakness and globalization put significant downward pressure on both nominal and real bond yields. Between the end of 2008 and the beginning of 2022, policy rates in the US (the Fed did engage in a brief hiking cycle between 2015 and 2018). and across other developed markets hovered around zero or even previously unheard of negative territory in parts of Europe and in Japan. At its trough at the height of the COVID-19 crisis, the 10-year US Treasury yield dropped to just 0.31% and the 10-year German Bund yield reached -0.91%. At these nominal yield levels, term premia and real interest rates offered the expectation of negative real returns for longer-term Treasury investors even in the event that disinflationary trends continued.

As a result of these significantly negative long-term real yields, long-term potential returns for bonds remained quite low in both real and nominal terms between the end of the GFC and 2022. In the past couple of years, a combination of variables—post-COVID demand reacceleration, supply chain issues, deglobalization/onshoring—have resulted in persistent and quite severe inflationary pressure across most developed economies. In an effort to combat high inflation, central banks across the world have rapidly increased interest rates, both through explicit hikes to policy rates and through tightening of financial conditions through reductions in their balance sheets.

In May of 2022 upon the announcement of quantitative tightening measures, the real yield curve appears to have repriced toward a higher equilibrium level of about 1% higher versus the previous regime as shown in Figure 13.

Figure 13: Comparison of 10-2 real yield differential versus real 2-year treasury yield



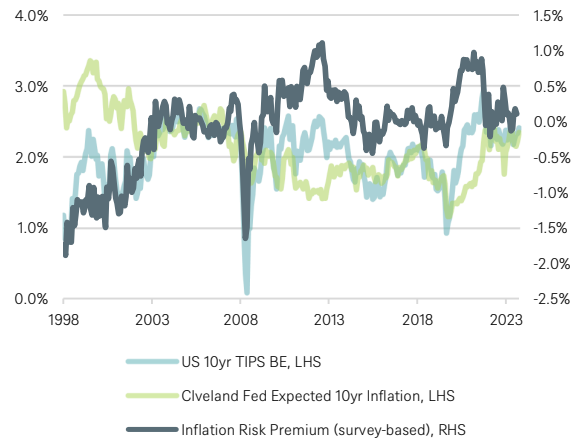
Source: Bloomberg L.P., DWS calculations as of 31 March 2024.

One interesting observation is the decline in the inflation risk premium (“IRP”) embedded in nominal bond yields. Despite stubbornly high inflationary trends, IRP, as measured by the differential between breakevens and survey-based inflation expectations—has normalized from elevated levels in 2021, ending March at 0.11% (see Figure 14). The current lack of risk compensation for inflation uncertainty in contrast to IRP in 2021 may reflect a combination of either investors’ lack of inflationary fears or diversifying benefits of nominal bonds versus TIPS. The willingness of investors to own nominal bonds in lieu of TIPs despite no inflation risk compensation

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can be viewed through one lens as the potential for inflation expectations to also provide relief in the event of adverse market conditions. Said otherwise, investors may not demand a position IRP despite persistent inflation if both components of nominal bonds (inflation and real yields) have the potential to rally should risk assets sell off.

Figure 14: Inflation risk premia has come down from 2022 levels



Source: Bloomberg L.P., DWS calculations as of 31 March 2024.

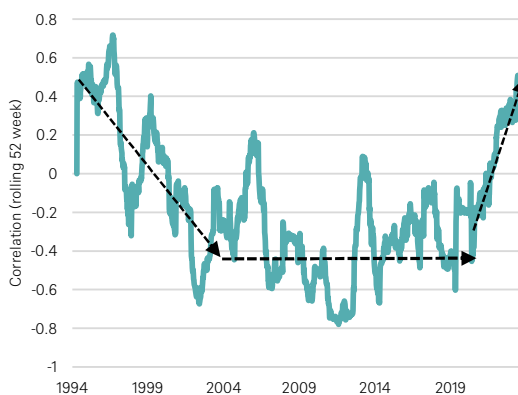
2.3 Volatilities and correlations

Asset risk and returns are historically characterized by a combination of risks and associated risk premia. The more cyclically oriented or less diversified the risks, the more required compensation for the assumption of this risks. In aggregate, asset classes that provide material diversification benefits through low or negative correlations to broad risk markets or positively convex or asymmetric returns (such as derivatives or insurance-like instruments) are more desirable by investors for portfolio diversification purposes and therefore demand far less, or some cases negative risk premia.

One overarching question for financials markets in a post-QE world, or at minimum a less QE world, is the reaction function of bond yields to adverse economic and market conditions. While interest rate policy as a means to help smooth economic cycles has existed in some iteration since World War II, the broad use of large-scale asset purchase programs was born out of the Global Financial Crisis, allowing central bankers to provide nearly immediate support to financial markets through the artificial suppression of long-term interest rates through the purchase of Treasuries and other high-grade fixed income market instruments. This so-called “Fed Put”, which established an implicit support level on financial markets via

central bank activity, resulted in for the most part a strong negative correlation between stocks (and other equity-like markets) and bonds. Should weakness emerge in the stock market, expanding asset purchase programs would again lower interest rates and support a rally in equity prices. Figure 15 shows the rolling 1-year correlation between the S&P 500 and the US Treasury market.

Figure 15: Rolling 1-year correlation between S&P 500 and Bloomberg US Treasury Index



Source: Bloomberg L.P., DWS calculations as of 31 March 2024.

A necessary precondition for the “Fed Put” was the stability in inflationary risk. In a regime of disinflationary pressure as some would term it “secular stagnation”, central bankers could expand monetary policy on a whim and without the fear of overstimulating growth and inflation. In the last couple of years, the return of inflation risk has limited the flexibility of central banks around implementing monetary easing measures.

As previously mentioned, however, the inflation risk premium, measured through the comparison in TIPs inflation breakeven levels versus survey-based expectations, does not seem to price in significant inflation risk compensation going forward. (see Figure 14). As many of the supply-related issues driving higher prices have become less problematic as supply chains have recovered, this low IRP may be interpreted as nominal bond buyers’ willingness to receive minimal inflation risk compensation because of the potential strong diversifying benefits of nominal bonds (versus stocks and other risk assets) going forward.

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3 / Long View Forecasts

3.1 Equity Forecasts

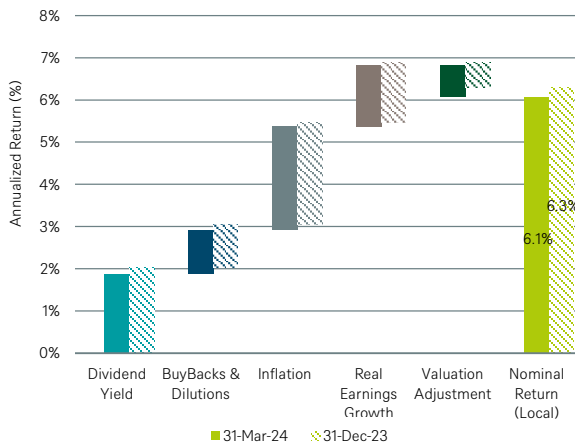
For our equity return forecasts, [Figure 17](#) illustrates the changes to our return pillars for our 10-year MSCI All Country World local currency return forecast. Forecasted returns for global equities declined incrementally to 6.1% from 6.3% at the end of the year. Valuations were the primary driver of modestly lower return forecasts, with the valuation adjustment component going from -0.6% to -0.8%, reflecting more challenging equity valuations as a result of the strong risk-on rally.

Figure 16: Pillar decomposition for equities



Source: DWS Investments UK Limited.

Figure 17: MSCI All Country World: Contribution to 10-year forecasted hypothetical annualized returns

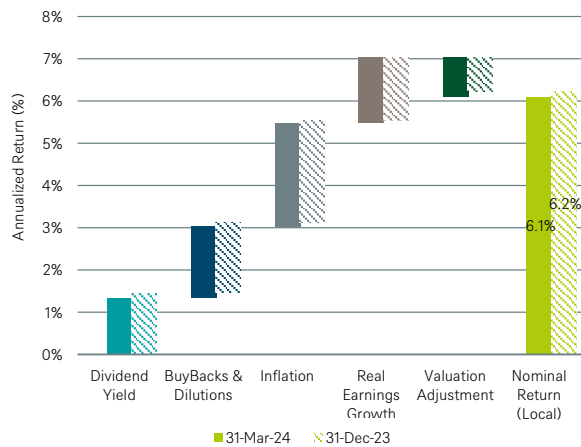


Source: DWS Investments UK Limited. Data as of 31 March 2024.

Our US equity forecasts are also modestly lower relative to the end of 2023. 10-year return forecasts for MSCI USA increased from 6.2% to 6.1%, with the valuation adjustment going from -0.8% to -0.9% following the rally in US equity prices in Q1. Additionally, dividend yield contribution declined slightly from 1.5% to 1.3%, also reflecting higher equity prices relative to the end of last year.

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Figure 18: MSCI USA: Contribution to 10-year forecasted hypothetical annualized returns

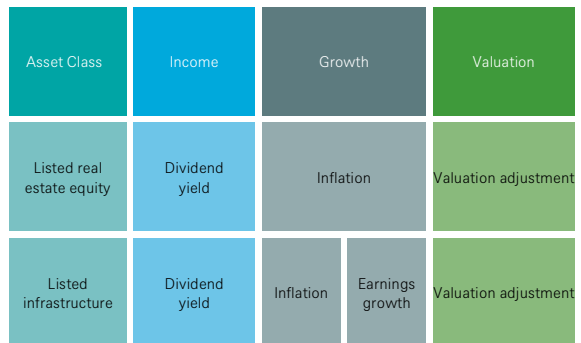


Source: DWS Investments UK Limited. Data as of 31 March 2024.

3.2 Liquid Real Assets Forecasts

While REITs and Infrastructure both leverage very similar pillars to equities (see [Figure 19](#)), returns are derived largely from income via dividend distributions as shown in [Figure 20](#) and [Figure 21](#).

Figure 19: Pillar decomposition for REITs and Infrastructure

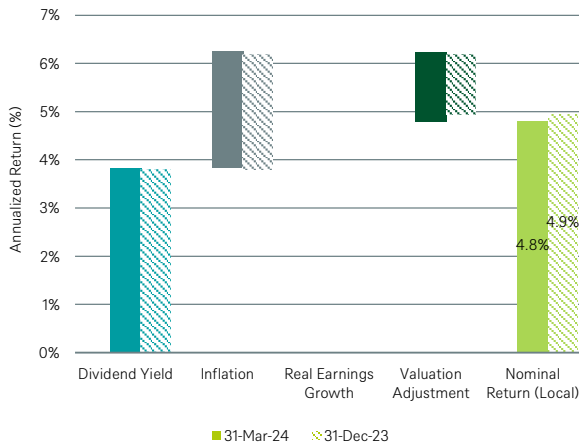


Source: DWS Investments UK Limited.

Across liquid real assets, our return forecasts are within a reasonable range as compared to traditional markets. Global REIT returns provide less incremental yield spread given higher real interest rates while our Infrastructure equity outlook provides a potential return outlook commensurate to or modestly above traditional public equity markets. Relative to the previous quarter, our 10-year return forecast

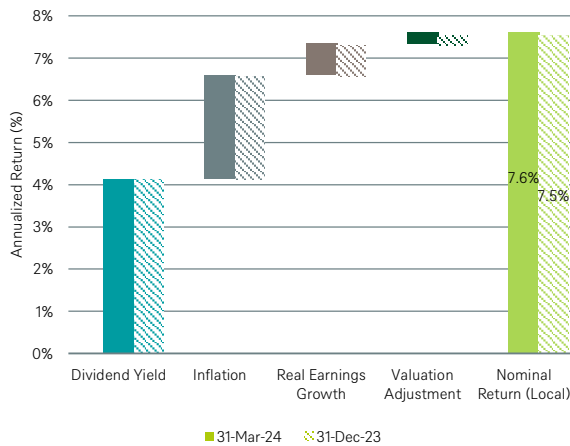
for Global REITs declined from 4.9% to 4.8%, reflecting slightly more challenging valuations. Global Infrastructure forecasted returns improved slightly from 7.5% to 7.6%, reflecting marginally higher inflation pricing and earnings growth.

Figure 20: Global REITs: Contribution to 10-year forecasted hypothetical annualized returns



Source: DWS Investments UK Limited. Data as of 31 March 2024.

Figure 21: Global Infrastructure: Contribution to 10-year forecasted hypothetical annualized returns



Source: DWS Investments UK Limited. Data as of 31 March 2024.

3.3 Fixed Income Forecasts

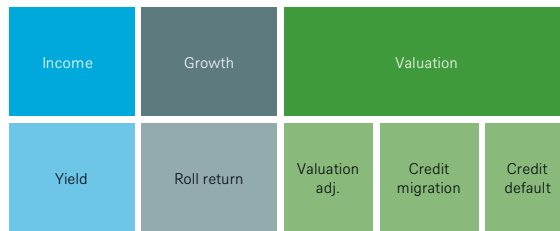
US Treasury yields continued to move higher in Q1, with a significant move higher in bond yields in February reflecting a much more hawkish outlook with regard to the prospect of Fed rate cuts. Despite signs of modest softening in the US economy, labor market conditions remained tight and wage growth continued to surprise to the upside. Consumer price inflation, while gradually slowing, also continued to run well

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above the Fed’s target level, which has continued to push back investor expectations around rate cuts. Between the end of 2023 and the end of March, the Fed Funds December 2024 future implied yield moved from 3.84% to 4.69%, reflecting just 2-3 rate cuts this year versus the 6 cuts the market had previously priced for this year.

Medium-to-longer-term interest rates also experienced a selloff in Q1, with the 10-year US Treasury yield moving from 3.88% at the end of last year to 4.20% at the end of March. This move in the 10-year yield is just the latest in stubbornly elevated interest rates that reflect a far more hawkish Fed than perhaps previously anticipated. Looking over the longer term, however, the net effect of the modest move higher in interest rates is reflected in higher yield contribution to our strategic return outlook for sovereign bonds. Starting yield is by far the most important driver of return contribution in our building blocks shown in Figure 22.

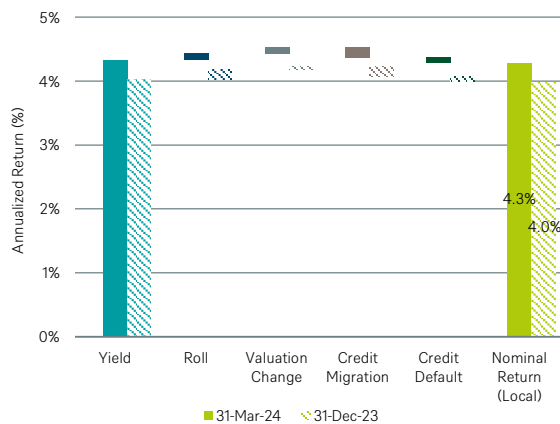
Figure 22: Pillar decomposition for Fixed Income



Source: DWS Investments UK Limited.

The over 30bps move higher in the 10-year US Treasury yield in Q3 increased yield contribution for our US Treasury Bond Index forecast from 4.0% at the end of March to 4.3%. This has moved out total return forecasts for the US Treasury Bond index higher to 4.3% as shown in Figure 23.

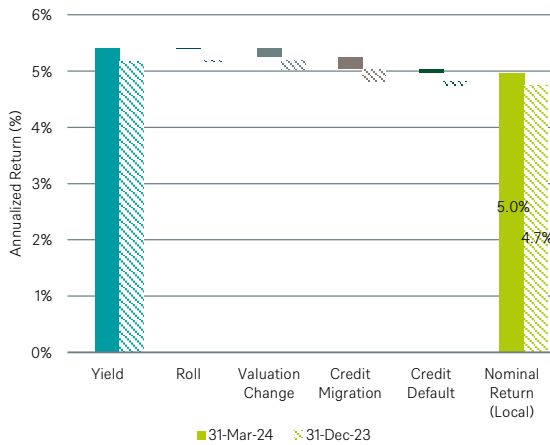
Figure 23: US Treasury Bond Index: Contribution to 10-year forecasted hypothetical annualized returns



Source: DWS Investments UK Limited. Data as of 31 March 2024.

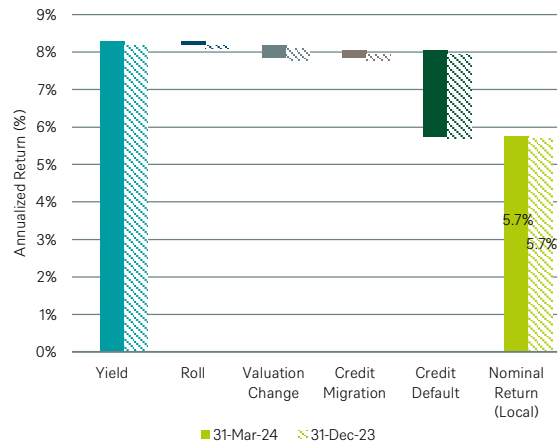
Return forecasts across corporate credit markets reflect tighter equity and credit risk premia while also incorporating in higher risk-free yields. Broadly speaking, corporate credit spreads were tightened mostly in Q1, with the US Investment Grade Corporate OAS moving from 0.99% to 0.90% and the US High Yield Corporate OAS moving from 3.23% to 2.99%. The most tightening in spreads combined with the increase in US Treasury yields across the curve results in higher starting yield levels for longer-duration corporate credit asset classes such as investment grade corporates while most spread-sensitive shorter duration high yield bond yields are largely unchanged. Over the course of Q3, our total return forecast for US Investment Grade Corporate Bonds increased from 4.7% to 5.0% (reflecting an increase in the yield contribution pillar from 5.2% to 5.4%) and our US High Yield Corporate Bond forecast was unchanged at 5.7% (reflecting an marginal increase in the yield contribution pillar from 8.2% to 8.3% as a result of lower spreads offsetting higher risk-free rates). Figure 24 and Figure 25 shows US Investment Grade and US High Yield return forecasts, respectively.

Figure 24: US Investment Grade Corporate Bond Index: Contribution to 10-year forecasted hypothetical annualized returns



Source: DWS Investments UK Limited. Data as of 31 March 2024.

Figure 25: US High Yield Bond Index: Contribution to 10-year forecasted hypothetical annualized returns



Source: DWS Investments UK Limited. Data as of 31 March 2024.

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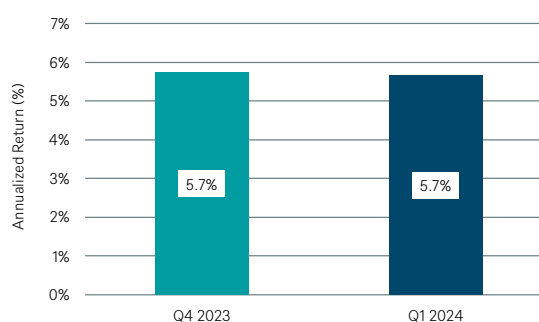
4 / Conclusion

Return forecasts across asset classes are not markedly different from the end of the year but reflect a flattening efficient frontier where our outlook for investment returns has been increasingly driven by higher bond yields and higher equity valuations. Across global equity markets, returns have been quite strong in recent quarters, which in tandem with higher risk free rates has compressed equity risk premia to the tightest levels since the 2000s tech bubble. While the potential for AI to materially impact economic growth and productivity is quite compelling, elevated valuations create a narrow path forward for earnings to grow into current price levels.

In the fixed income universe, bond yields continued to move higher in Q1 amid strong economic data, and real yields are now nearly back to pre-QE levels from 2008. While the US Treasury curve remains inverted and expectations around Fed rate cuts continue to be pushed back, longer-duration bonds can potentially offer strategically attractive levels of nominal real income. As shorter-term interest rates slowly normalize, it may be strategically prudent for investors to gradually reallocate further out across the yield curve. Starting yield levels potentially remain the predominant driver of strategic returns for longer-duration treasuries and other high-quality bonds.

As such, the strategic outlook for investors reflect these higher real yields but tighter equity and credit risk premia. As a result, our 10-year return forecasts shown in [Figure 26](#) illustrates how our 10-year return forecasts for a moderate strategic asset allocation multi-asset¹ have changed over the most recent quarter.

Figure 26: 10 year forecasted hypothetical annualized returns of moderate strategic asset allocation in local currency



Source: DWS Investments UK Limited. Data as of 31 March 2024.

¹ Moderate strategic asset allocation refers to a portfolio that targets annualized volatility of roughly 10%

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