

2023



CROSSROAD OF CAPITAL - UNDERSTANDING THE SHIFT  
IN CORPORATE AND INVESTOR HORIZONS

## Focusing capital on the long term to support a sustainable and prosperous economy.

Millions of people around the world are saving money to meet personal goals—funding a comfortable retirement, saving for someone’s education, or buying a home, to name a few.

The funds to support these goals are safeguarded by institutional investors—pension funds, sovereign wealth funds, insurers, and asset managers—who invest in companies for the prospect of growth and security. These savers, their communities, and the institutions that support them make up the global investment value chain, and each benefit from long-term decisions in different ways.

Data shows that long-term-oriented investors deliver superior performance, and long-term-oriented companies outperform in terms of revenue, earnings, and job creation. But despite overwhelming evidence of the superiority of long-term investments, short-term pressures are hard to avoid. A majority of corporate executives agree that longer time horizons for business decisions would improve performance, and yet half say they would delay value-creating projects if it would mean missing quarterly earnings targets.

Today, the balance remains skewed toward short-term financial targets at the expense of long-term value creation.

FCLTGlobal’s mission is to focus capital on the long term to support a sustainable and prosperous economy. We are a non-profit organization whose members are leading companies and investors worldwide that develops actionable research and tools to drive longterm value creation for savers and communities.

### MEMBERS



# CONTENTS

Introduction	4
Executive Summary	5
About FCLTCompass	6
2022 Investment Horizons	7
A Global Snapshot: Developed markets' time horizons are shortening	8
Corporate horizons are shortening under internal and external pressures	10
Households were negatively impacted by the macroeconomic environment in 2022	12
Institutional investors are trading off liquidity for return	14
Looking ahead: Raising new questions for 2023 and beyond	17
Conclusion	19
Asset Flows	20
Methodology and Assumptions	22
Country Analysis and Trends, 2009-2022	27
Acknowledgments	57
Appendix	58
Endnotes	61

---

This document benefited from the insight and advice of FCLTGlobal's Members and other experts. We are grateful for all the input we have received, but the final document is our own and the views expressed do not necessarily represent the views of FCLTGlobal's Members or others. The information in this article is true and accurate to the best of FCLTGlobal's knowledge. All recommendations are made without guarantee on the part of FCLTGlobal. Reliance upon information in this material is at the sole discretion of the reader; FCLTGlobal disclaims any liability in connection with the use of this article.

---

# INTRODUCTION

2022 marked a year of turbulence – with households, institutional investors, and corporations all trying to adapt to a new macroeconomic environment. Higher inflation and interest rates led to declines in the equity and fixed income markets, as well as a decline in global wealth overall. Both the corporate and saver groups reached new lows in time horizons since we began tracking *FCLTCompass* data in 2009. These issues underscore the critical nature of FCLTGlobal’s mission to focus capital on the long term to support a sustainable and prosperous economy.

With membership across five continents and 15 countries, FCLTGlobal publishes practical, innovative research based on the levers of long-term value creation: governance, incentives, investor-corporate engagement, metrics, and public policy. While the FCLTGlobal community has demonstrated the value of long-term strategy and developed tools to facilitate that approach, real lasting benefits for savers and communities will hinge upon how investors, businesses, and policymakers navigate both periods of crisis and periods of calm.

This year, we expanded *FCLTCompass* to include six additional countries – Colombia, Egypt, Indonesia, Israel, Peru, and Türkiye – bringing our total coverage to 30 countries, across six continents and over US\$530 trillion in assets. This crucial research was driven by our data partners, CoreData Research and the International Forum of Sovereign Wealth Funds (IFSWF).

Our goal for this project is to further contribute to our research to help companies, investors, and savers alike practice long-term decision-making. Indeed, we see capital and investment horizons shifting more rapidly, and those shifts will undoubtedly shape investment flows in the years ahead. Measuring these shifts will be more essential than ever.

We thank our collaborators and our members for their support of this project. We welcome your engagement as we continue to develop actionable research and tools to drive long-term value creation for savers and communities.

## EXECUTIVE SUMMARY

*FCLTCompass* is an annual benchmarking tool that tracks long-term investment behavior on a global scale. Our latest analysis, covering calendar year 2022, highlights short-term decision-making at both ends of the investment-value chain. Investment horizons for companies and savers decreased to the lowest points since *FCLTCompass* began tracking these metrics from 2009.

In 2022, public companies continued to prioritize capital distribution over reinvestment, with total payout to shareholders in developed markets (DMs) reaching 90 percent of net income, compared to just 74 percent in 2021. This over-distribution of capital undermines resilience and impedes long-term value creation.

Household savers experienced a nine percent decrease in overall wealth, coupled with a five percent shortening in their investment horizon. A down year in global equities and fixed income decreased long-term savings, and additional cash reserves for rainy-day scenarios further shortened household horizons. These horizons continue to shorten in stark contrast with their retirement needs; this is demonstrated in the enormous retirement gap many individuals currently face.<sup>1</sup>

Despite challenging macroeconomic headwinds, it is worth noting that institutional investors have again lengthened their time horizons, overtaking corporates in 2022. By continuing their shift from active public equity into indexed public equity and private equity, DM institutional investors have lengthened their horizons while trading off liquidity.

Meanwhile, the horizons of savers in emerging markets (EMs) are reaching levels similar to their DM counterparts through the establishment of large saving institutions with long-term oriented investments. The fastest growing saver institutions over the past decade were not any US pension, OCIO, or endowment: instead, it was large, state-backed funds like China Investment Corporation and the Abu Dhabi Investment Authority. The growing impact of official long-term savings institutions at scale in EMs has lengthened horizons in these regions considerably.

Overall in 2022:

- Corporate investment horizons shortened by 6% (4 months) to 5 years.
- Saver investment horizons shortened by 4% (5 months) to 10 years 5 months.
- Investor's horizons lengthened by 3% (2 months) to 5 years 5 months.

These shifts have significant implications for all capital market participants.

Corporates, particularly those in developed markets, should consider the long-term impacts of their capital return strategy. At the firm level, excessive outlays for dividends and buybacks can undermine long-term value creation or signal a lack of confidence in the ability to deploy capital to compelling ideas internally. In aggregate, paying out close to 100 percent of net income to shareholders is unsustainable.

Investors need to engage with portfolio companies about the sustainability of their elevated payout levels. Above all, they should strive to drive long-term value creation instead of pressuring companies for excessive capital payouts in the short term.

Furthermore, both individual and institutional savers must adhere to a long-term savings and investment strategy that aligns with their future financial requirements. It is crucial for households to have access to more effective savings tools, enhanced strategic planning, and expert advice to ensure they are investing wisely for the long haul.

*FCLTCompass* traces the world's largest pools of capital as they flow through capital markets from savers to their ultimate destinations. We first measure savers' capital and track its allocation across a wide array of available asset classes via asset manager intermediaries. We then examine corporate sources of capital and how they are deployed to support business growth. Tracking these asset flows globally provides a snapshot of how capital is allocated in a given year and how those allocations shift over time. After mapping savers' asset allocations, we determine the average time horizon of each segment of the value chain to measure the state of long-term behavior in the capital markets.

### What is an investment horizon?

The term investment horizon describes the total length of time an investor expects to hold a security, portfolio, or other asset.

- In the case of a saver's intended investment horizon, this time frame is usually aligned with the goals attached to the capital. For example, a household saving for retirement in 25 years would have an intended investment horizon aligned with this 25-year goal.
- In the case of asset classes, the investment horizon is the average holding period of a security or investment instrument.
- Companies' investment horizons often match the average life of the assets in which they invest. Items that make up a corporate investment portfolio, such as patents, machinery, and software, all have their own average useful lives. By attaching an investment horizon to these various pieces of the investment value chain, we can compare the intended investment time horizons of the assets that comprise a company's sources of capital with the actual time horizons of companies' investment allocations.

*For a full description of the definitions used to specify investment horizons for various savers, asset classes, and uses of capital, please see the Methodology and Assumptions section.*

Significant evidence shows that taking a long-term approach to investment decision-making delivers superior value over time.<sup>2,3,4</sup> Nevertheless, managers and investors struggle to balance immediate financial pressures against long-term objectives.

FCLTCompass brings objectivity to this dilemma by examining quantitative data reported in years (investment horizons) and US dollars (wealth), framing the conversation in a more actionable light. Providing data that illustrates the gaps between intended investment horizons and how capital is actually being allocated is the first step toward catalyzing broader adoption of longer-term investment perspectives.

### Defining "Savers"

A saver can be one individual or several (in the case of households), or it can be an institution (e.g., a pension fund, insurer, sovereign wealth fund, endowment, or foundation). Savers have long-term goals – such as saving for retirement, providing for the next generation, or financing a particular purpose or mission – and allocate their capital in pursuit of those goals. Savers are the ultimate investment decision makers, either selecting asset allocations and individual investments themselves, or deciding to entrust their capital to managers who make investments on their behalf.

## 2022 INVESTMENT HORIZONS

Constrained by challenging economic and market conditions, both corporate and saver time horizons shortened in 2022, reaching all-time lows since *FCLTCompass* began tracking these trends from 2009.

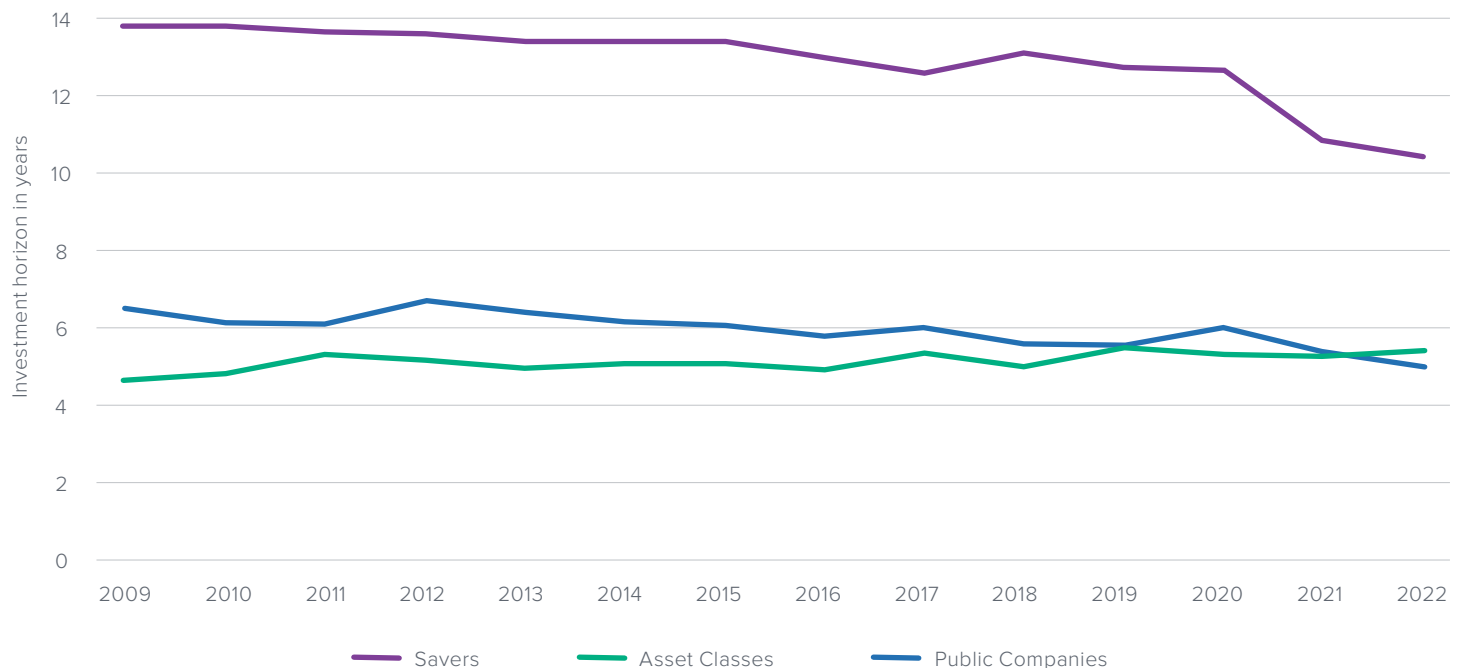
For the first time in the history of this study, corporate horizons were the shortest of the three groups – even shorter than that of investors. In particular, DM companies continued to return a significant amount of their earnings to shareholders, leading corporate horizons to decrease by six percent, or four months, to five years even in 2022.

Driven by a decrease in household allocation to long-term savings, largely in DM countries, saver horizons shortened a further four percent (five months) from last year's low, to 10 years 5 months. In contrast, institutional saver horizons lengthened as they redirected portfolios to private and indexed equity. EM saver horizons have improved versus their DM counterparts and are beginning to realize longer-term value through the establishment of long-term savings vehicles.<sup>5</sup>

Finally, asset class horizons are lengthening as more capital is allocated to indexed equity. Primarily driven by these flows, asset class horizons lengthened from five years, three months to five years, five months.

### Chart 1: Corporate and saver time horizons reached all-time lows since tracking began in 2009

2022 investment horizons for savers, asset classes, and companies (years)

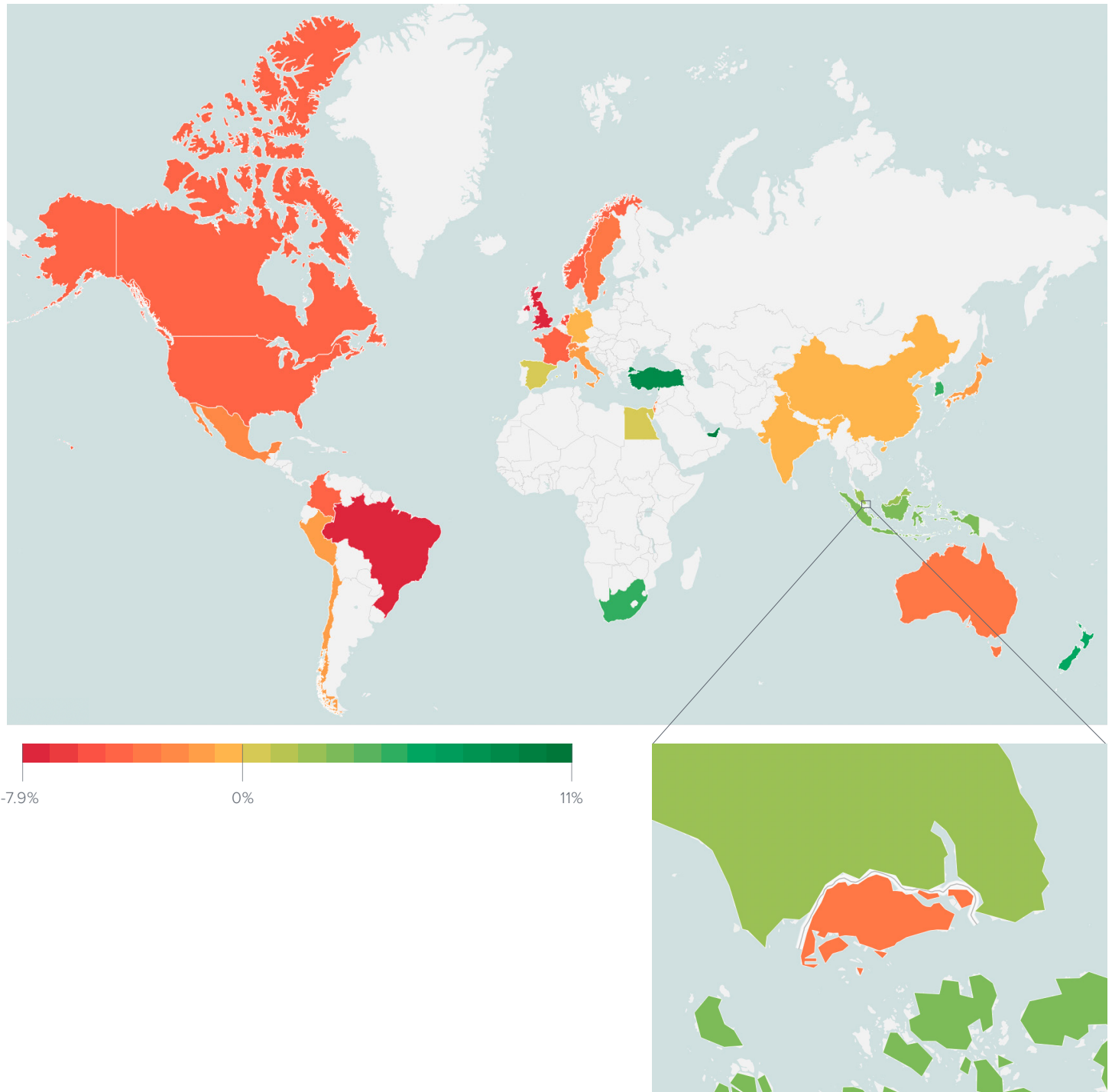


# A GLOBAL SNAPSHOT: DEVELOPED MARKETS' TIME HORIZONS ARE SHORTENING

2022 saw a sizable shift in saver investment horizons across the globe. Notably, two-thirds of the countries surveyed revealed a decrease in their time horizons compared to the previous year. Taking a broader look at the past decade, 23 out of the 30 countries surveyed have experienced a decline in investment horizons, as seen in chart 3.

## Chart 2: Investment horizons decreased in 2/3 of countries studied

Global snapshot of change in investment horizons: 2022 vs. 2021





### Chart 3: Developed market savers' investment horizons are shortening

Change in investment horizons: past 1 and 10-years

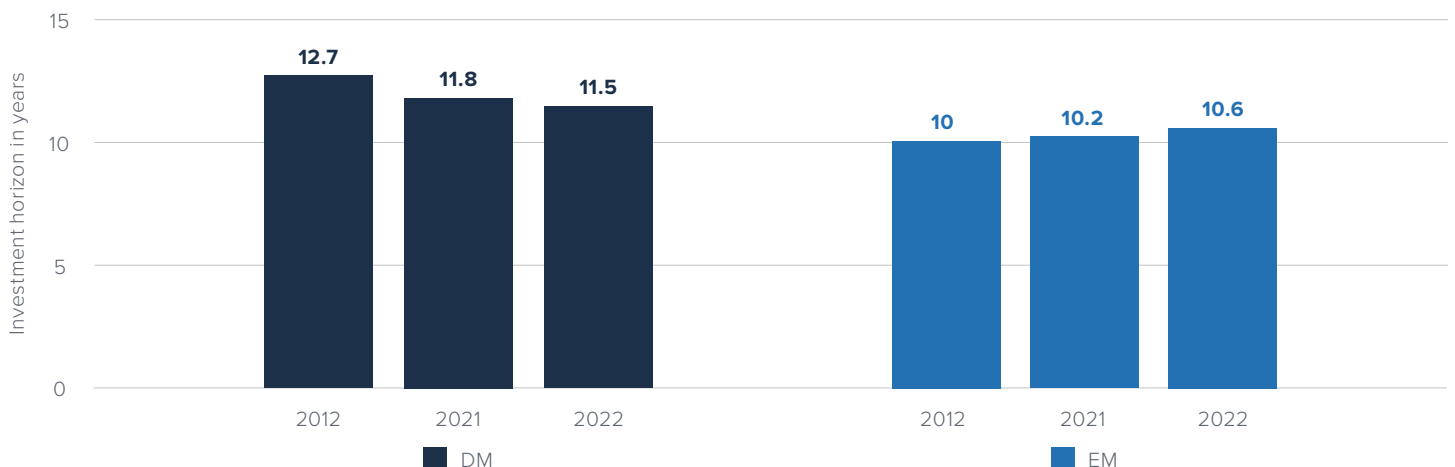
DM Country	10Y CAGR	1Y Change	EM Country	10Y CAGR	1Y Change
Spain	-0.1%	0.2%	Indonesia	1.6%	3.4%
Israel	-0.2%	-2.7%	India	1.1%	-0.9%
New Zealand	-0.3%	6.4%	Malaysia	1.0%	2.5%
Sweden	-0.4%	-3.1%	South Africa	0.8%	5.8%
Australia	-0.6%	-3.6%	Mexico	0.5%	-2.1%
Singapore	-0.8%	-3.0%	Colombia	0.4%	-4.7%
Netherlands	-0.8%	-5.8%	Egypt	0.1%	0.7%
Germany	-1.0%	-0.7%	Türkiye	-0.2%	9.2%
Italy	-1.1%	-1.0%	China	-0.4%	0.0%
Japan	-1.1%	-1.4%	Chile	-0.5%	-1.5%
France	-1.4%	-4.2%	Peru	-0.6%	-1.1%
Switzerland	-1.4%	-2.0%	South Korea	-3.0%	5.2%
United Kingdom	-1.7%	-7.0%	Brazil	-3.1%	-7.9%
Norway	-2.9%	-4.1%	United Arab Emirates	-3.5%	11.0%
United States	-3.0%	-4.9%			
Canada	-4.1%	-4.3%			

Amid these challenging times, many EM countries lengthened their investment horizons over the past decade, even surpassing some of their DM counterparts. Approximately 57% and 50% of EM countries lengthened their 1-year and 10-year investment horizons, with an average increase of 0.4 and 0.6 years, respectively.

Overall, Indonesia and India experienced the most significant increases over the past 10 years, primarily driven by higher household allocations to long-term savings, the establishment of SWFs, and increased investments in real estate. The United Arab Emirates and Türkiye exhibited the most substantial 1-year increases in investment horizon, attributed to higher sovereign wealth fund (SWF) allocations to private assets and increased household allocations in real estate respectively.

### Chart 4: Change in investment horizons – developed markets vs. emerging markets past 1 and 10 years

Emerging market savers are narrowing the time horizon gap



In contrast, time horizons shortened in 88% and 94% of DM saver countries over the past one-year and 10-year periods, with an average decline of 0.3 and 1.2 years, respectively.

# CORPORATE HORIZONS ARE SHORTENING UNDER INTERNAL AND EXTERNAL PRESSURES

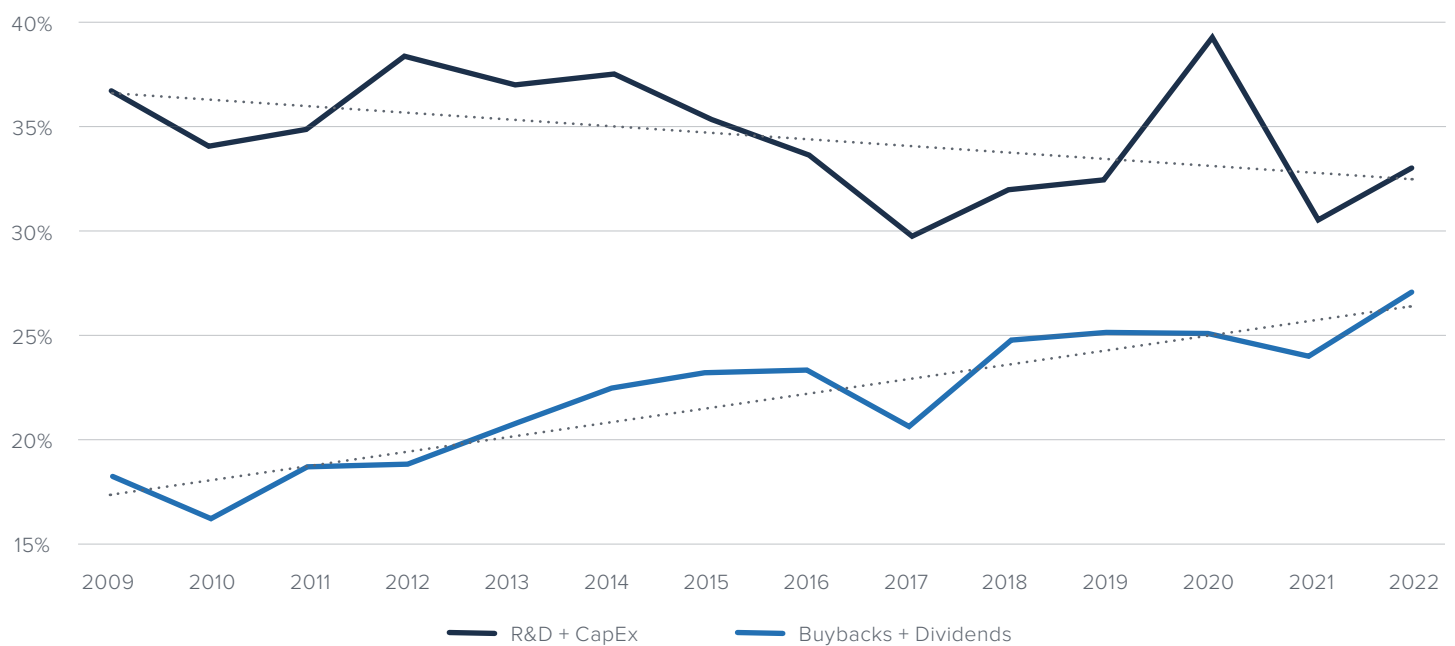
Corporate investment horizons shortened by six percent in 2022, from five years, four months in 2021 to five years even – the shortest horizon since *FCLTCompass* data tracking began.

## Earnings redirection and unsustainable payouts

While corporates wrestled with difficult market conditions in 2022, reinvestment and payout ratios continued a trend from the past decade. Corporate earnings are being redirected from reinvestment in the company to payouts to shareholders. As seen in chart 5, payouts to shareholders, defined as dividends and buybacks, have risen by close to ten percent since 2009. This is in contrast with the decrease in reinvestment in the same period, where research and development (R&D) and capital expenditure (CapEx) levels decreased by nearly four percent. While high levels of payouts to shareholders may make sense for a short period, it risks destroying long-term value and is not sustainable if companies want to grow over the long run.

**Chart 5: Corporate payouts have increased at the expense of R&D and CapEx since 2009**

Payouts vs. reinvestment as a percentage of total uses of capital

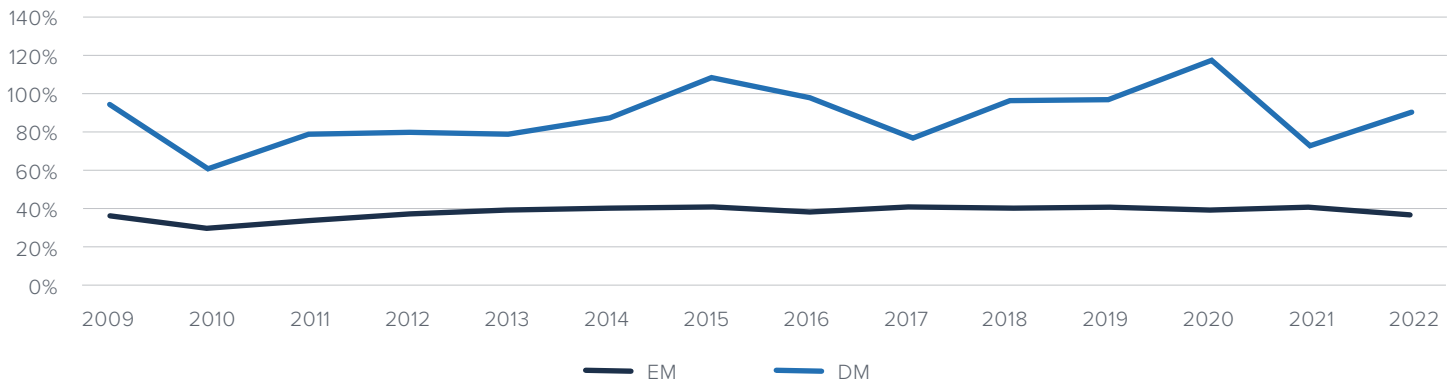


In addition to the earnings redirection, company payout ratios themselves remain elevated. Chart 6 below shows that total dividends and buybacks have consistently been close to, if not above 100 percent of net income over the past decade in developed markets. Strategies like aggressive share repurchases paid off during the decade-long bull market in the 2010s, but their success depends on timing the market well – which companies often fail to do. In 2022, the return on investment (ROI) for buybacks reached a record low, suggesting that companies are not only failing to time the market, but also over-eager to return capital to shareholders and deploy capital sub-optimally.<sup>6</sup>

More generally, repeatedly paying out over 100 percent of earnings will eventually lead to a lack of funding for R&D and CapEx projects and may even reduce resilience. With the recent rise in interest rates, companies also face higher debt holder payouts in the future, further limiting their ability to reinvest in the long run.

### Chart 6: Elevated shareholder payout levels may lower resilience at developed market companies

Shareholder payouts as a percentage of net income – DM vs. EM

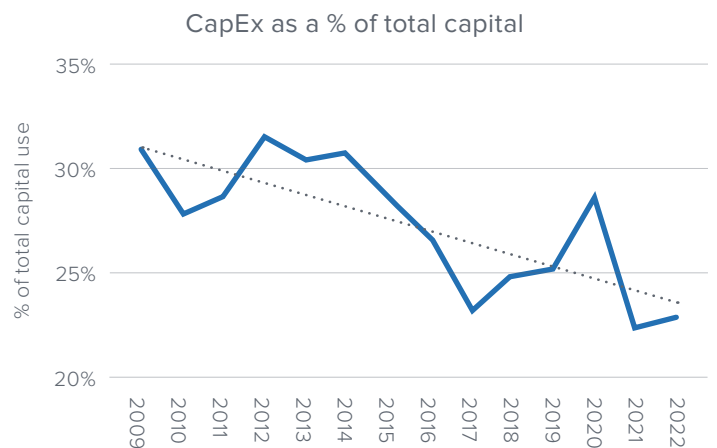
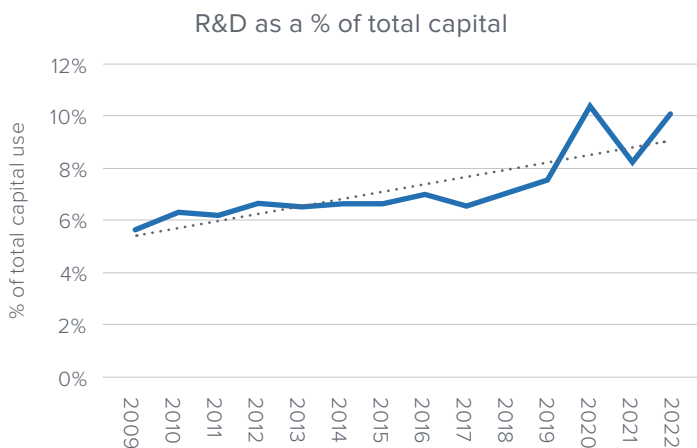


### The R&D light at the end of the tunnel

Within internal long-term reinvestment, another trend is clear: companies are dedicating more capital to R&D while moving away from CapEx. Driven by the information technology and health care sectors, R&D expense as a percentage of total uses of capital has nearly doubled from 2009 to 2022. In a volatile environment, staying the course in their R&D investment and not cutting innovation to satisfy short-term demands allows companies to rebound faster and outperform in the long run.<sup>7</sup>

### Chart 7: As CapEx investments fall, R&D investments have nearly doubled since 2009

R&D and CapEx as a percentage of total uses of capital



# HOUSEHOLDS WERE NEGATIVELY IMPACTED BY THE MACROECONOMIC ENVIRONMENT IN 2022

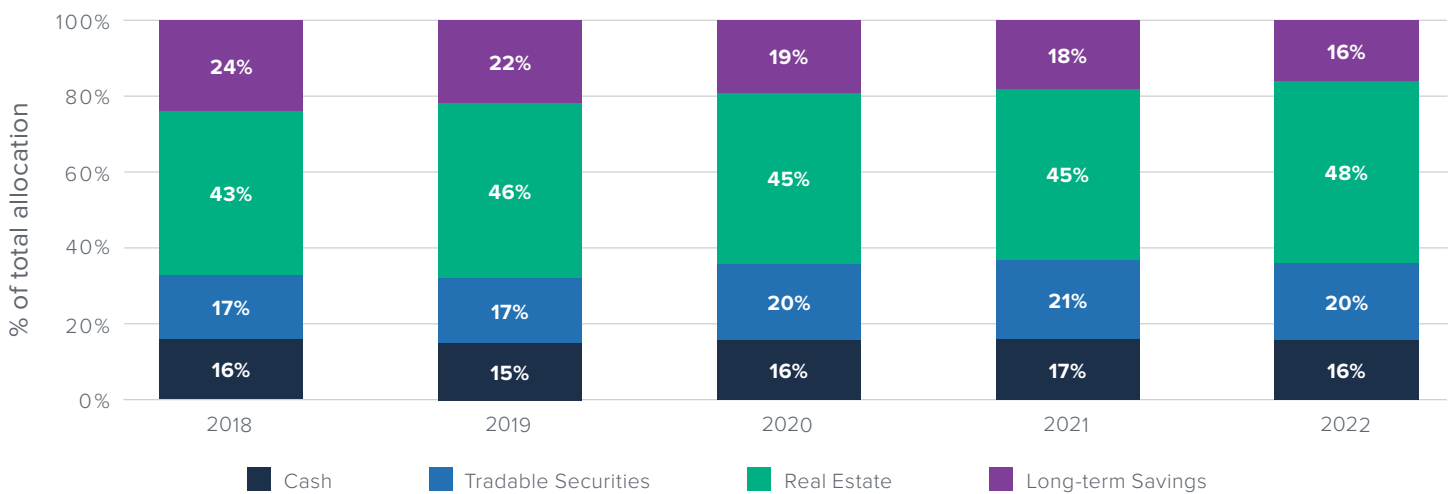
Marred by sharp increases in interest rates and persistent inflation, 2022 was an especially turbulent year for households. Overall household wealth levels decreased by nine percent, and horizons shortened by five percent compared to 2021.

Levels for household cash and real estate accounts remained relatively unchanged, but the same cannot be said for long-term savings and tradable securities accounts – both of which shrank after a tough year in the public markets. The resulting shift in household wealth allocation sees both long-term savings and tradable securities decrease in allocation compared to 2021, leading to a year-over-year decrease of seven months in overall household horizons.

More broadly, since 2018, household allocations have shifted from long-term savings to real estate and tradeable securities, as seen in chart 8.

**Chart 8: Since 2018, household allocations have shifted from long-term savings to real estate and tradable securities**

Overall household allocation: 2018–2022



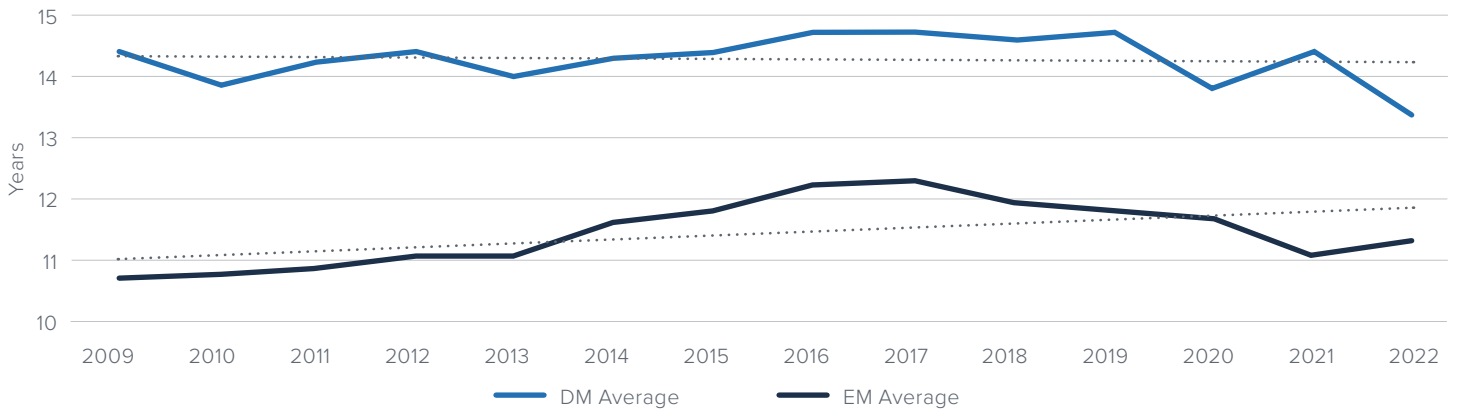
## Developed markets vs. emerging markets

Households in DM countries were most heavily impacted by the decline in equity and fixed income over the past year. On average, DM households allocated 45 percent of their wealth to long-term savings vehicles and tradable securities, versus just 19 percent at EM households. Compared to their DM counterparts, EM households allocated the majority of their wealth to cash and real estate – both of which were less directly affected by the market downturn over the past year. Whereas DM household investment horizons shortened by 13 months over the past year, EM horizons lengthened by four months.

Since 2009, overall, EM household investment horizons have lengthened by six percent, while DM horizons have shortened by seven percent over the same period. As of year-end 2022, the gap between EM households and DM households stands at two years, one month, nearly half of the gap in 2009.

### Chart 9: The gap between emerging market and developed market households has narrowed in recent years

Emerging market vs. developed market household investment horizons (years)



#### Emerging markets and real estate

Emerging market households' higher allocation to real estate is the result of two factors:

- First, a significant amount of EM household wealth is tied-up in the houses they live in – a house is also often the largest source of household wealth
- Second, local financial markets within EMs are underdeveloped – as such, households gravitate towards limited tangible alternatives like investment real estate

# INSTITUTIONAL INVESTORS ARE TRADING OFF LIQUIDITY FOR RETURN

Like household savers, institutional savers also lost a significant amount of assets due to the down year in the equity and fixed income markets. However, unlike households, institutional savers lengthened their investment horizon by three percent.<sup>8</sup>

## Private assets and illiquidity

In 2022, two main factors contributed to institutions' longer investment horizons: a higher allocation to the private markets, and a longer underlying horizon for the equity asset class.

Institutional savers were able to tilt more towards private markets and alternatives. Notably, of our four main institutional saver groups, all increased allocation towards alternatives in 2022:

- Endowments increased allocation by **5%**, trading off public equities.
- Pensions increased allocation by **3%**, trading off fixed income.
- Sovereign wealth funds increased allocation by **2%**, trading off cash.
- Insurance funds increased allocation by **1%**, trading off fixed income.

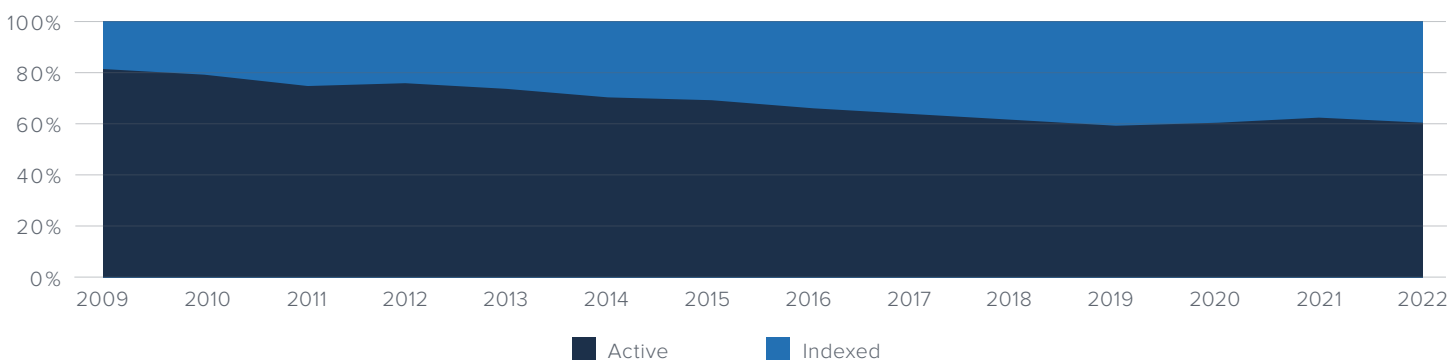
Alternatives like real estate and natural resources not only provide investors with an inflation hedge, but also a higher potential return and longer investment horizon. While increasing allocations to private markets may seem like a “win-win,” the cost is reduced liquidity. These long-horizon strategies may perform well in five to 10 years' time, but short-term considerations could stop investors from realizing their long-term gains. The growth of secondary markets for private investments highlights that the intention and the ability to hold for the long term may not align. This divergence can be due to liquidity requirements, rebalancing needs, regulatory changes, or strategic reallocations, among other drivers. More broadly, a higher aggregate allocation to private investments may increase aggregate liquidity crisis risk and limit degrees of freedom in the next downturn.

## The continued march towards indexed equity

Another component of the lengthening investor horizon comes from a shift within the underlying asset class compositions. Active equity managers became shorter-term last year, with higher portfolio turnover, but the overall equity asset class investment horizon lengthened by nearly half a year, primarily because of the continued march towards indexed equity. In 2022, indexed funds had a net inflow of \$746 billion, while active equities had a massive outflow of \$1.3 trillion, and over the past decade-plus, indexed products have more than doubled their 18 percent share in 2009 to 39 percent of all equities products worldwide in 2022.<sup>9</sup>

**Chart 10: Indexed products have more than doubled their equity share since 2009**

Active vs. indexed equity share: 2009–2022



To a lesser extent, fixed income horizons also increased, boosted by an increase in duration, especially in callable bond subcategories like asset-backed securities (ABS) and mortgage-backed securities (MBS). Part of the increase was offset by decreasing durations to subclasses like corporate and municipal bond debt, but nonetheless, fixed income durations increased from 4.7 years in 2021 to 4.8 years in 2022.

## The rise of emerging market institutions

Within institutional savers, a longer trend sees emerging market horizons lengthening over the past decade. Specifically, the increasing influence of official long-term savings institutions at scale in emerging markets led their time horizons to rise close to that of developed markets.

At the end of 2022, of the 10 largest asset owners in the world (by AUM), only one is from the United States, and the rest of the top 10 are fairly evenly split between DM and EM countries.<sup>10</sup> Moreover, when examining the most rapidly expanding saver institutions over the last decade, the standout entities are not US-based pensions, OCIOs, or endowments. Rather, it is significant state-backed funds, such as the China Investment Corporation and the Abu Dhabi Investment Authority, that lead the growth.

### Chart 11: Only one of the top 10 asset owners is from the United States

Emerging market vs. developed market household investment horizons (years)

Rank	Fund	Market	Total Assets – USD M (IFSWF estimates)	Type of Fund
1	Government Pension Investment Fund (GPIF)	Japan	\$1,730,900	Pension Fund
2	Norges Bank Investment Management (NBIM)	Norway	\$1,402,000	SWF
3	China Investment Company (CIC)	China	\$1,222,000	SWF
4	SAFE Investment Company	China	\$980,000	SWF
5	Abu Dhabi Investment Authority (ADIA)	United Arab Emirates	\$829,000	SWF
6	National Pension	South Korea	\$797,968	Pension Fund
7	Federal Retirement Thrift	United States	\$774,176	Pension Fund
8	GIC Private Limited	Singapore	\$744,000	SWF
9	Kuwait Investment Authority (KIA)	Kuwait	\$738,000	SWF
10	APG	Netherlands	\$630,358	Pension Fund

Source: The Asset Owner 100 - 2022, Thinking Ahead Institute, 2022

The establishment of official long-term savings institutions at scale in many EMs can be seen as a sign that institutions are developing longer-term investment horizons. Countries like Indonesia, Türkiye, and Egypt have all established sovereign wealth funds (SWFs) in the past five years, while EM countries with existing SWFs like China (CIC), South Korea (KIC), and the United Arab Emirates (ADIA) have substantially increased funding into their SWFs.

Many EM countries have also established or updated state pension systems and insurance funds over the past decade, taking savings and long-term planning from households into institutions.<sup>11</sup> Unlike households, institutions – through their centralized structure and scale – are able to access more niche asset classes. Institutions utilize private equity, infrastructure, and natural resources, focusing on sustainable, longer-term savings without being subject to the same level of liquidity concerns as those of households.

As a whole, DM institutional investors' horizons have lengthened through asset allocation and underlying management styles, while EM markets are catching up via the establishment of large saving institutions and their long-term oriented investments. Both trends appear to be unrelenting, and in a turbulent year where corporates and household savers both struggled to adhere to long-term strategies, institutional savers lengthened their horizons.

## Limitations of households versus institutional investors

The divergence between household savers and institutional savers highlights one key limitation in the markets: household savers are limited in their ability to invest in alternatives and the private markets.

Institutional savers can more easily access these markets – through pooling capital from multiple clients into funds (or separate accounts), whereas individual households rarely invest in alternatives directly. Households are also limited in their portfolios due to liquidity constraints: having to both carry additional cash-on-hand and having the majority of their wealth tied up in their home (real estate).

### **Precautionary savings**

2022 also saw households increase allocation to cash as an additional risk buffer. The average household portfolio typically holds much more cash (16%) vs. institutional savers (4%). Institutional savers benefit from diversification across members, more sophisticated cash management techniques, and better access to borrowing.



# LOOKING AHEAD: RAISING NEW QUESTIONS FOR 2023 AND BEYOND

For households, 2022 marked their shortest investment horizon since *FCLTCompass* began tracking data in 2009. Households clearly need help in this challenging environment, with a retirement gap that has become harder to bridge, and a significant portion of their wealth tied-up in their homes. How do households get the help they need to succeed in their long-term goals? Long-term savings plans that are straightforward to access, and tailored to the needs of the particular country, are a likely solution.

Institutions adapted by further allocating capital towards the private markets. Trading off liquidity for expected return, institutions performed better in 2022 and lengthened their investment horizons in the process. But there is a fine balance to consider: in a crisis, would less flexibility to reposition the portfolio be detrimental to long-term returns?

For corporates, unsustainable payouts to shareholders have not only shortened time horizons, but also threaten to undermine long-term value creation. As we look ahead, will companies be able to weather potential downturns and still focus on delivering long-term growth through their capital allocation strategy?

## The high inflation, high interest rate environment

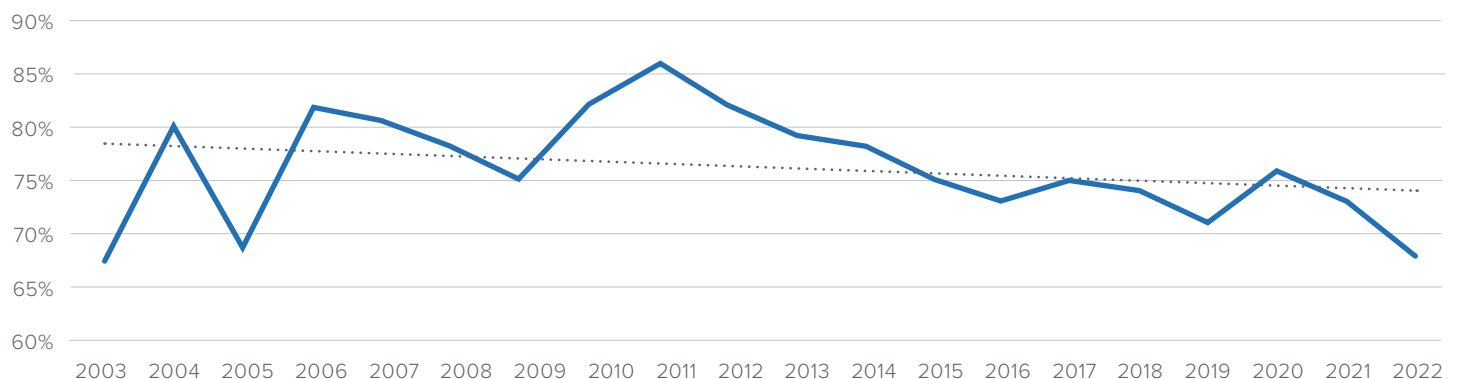
More broadly, macroeconomic themes continue to take center stage. Savers, investors, and corporates are all grappling with a longer-term high interest rate, high inflation environment.

Corporate balance sheets, in particular, may need to be reconsidered as debt is refinanced at higher interest rates. Reducing debt, especially if real rates remain elevated, seems like a natural reaction, but would decrease the amount of capital available for other uses. Additional considerations for optimizing leverage could involve a reconsideration of the importance of credit ratings, and potential tax deduction implications for elevated inflation.

As demonstrated in chart 12 below, normalized cash reserves have declined over the past two years, to pre-2008 levels. Compared to their early 2010s high, corporates are less able to respond to sudden economic downturns, financial shocks, or unexpected disruptions in the business environment. This thinned financial buffer limits their capacity to meet immediate financial obligations and navigate unforeseen crises, and makes them less able to take advantage of strategic opportunities that arise.

**Chart 12: Normalized cash reserves have declined to pre-2008 levels**

MSCI ACWI companies quick ratio<sup>12</sup>



In the United States, the effects of higher interest rates are especially pronounced, with both cash balances and new debt issuances significantly lower over the course of the past eight quarters. New debt issuances have declined by 31 percent, representing a reduction in companies' willingness to take on additional debt. Even more notable is the decrease in the high-yield debt market, where new issuances have decreased by a striking 73 percent.

The management of cash reserves and debt levels holds critical importance as key indicators of a firm's financial health and its ability to adapt to evolving economic conditions. Lower balance-sheet liquidity may mean lower resilience to future shocks; high-yield companies may need to explore alternative methods of funding if the costs associated with debt issuance remain expensive.

**Chart 13: Higher interest rates have led to significantly lower cash levels and new debt issuances at US companies**

New debt issued vs. change in cash levels (quarterly)<sup>13</sup>



Similarly, the current high inflation, high interest rate environment has created a divergence between individual household savers and institutional savers. Last year marked the first year in which global wealth decreased, but households were hit harder than institutional investors. What systems and long-term savings plans can help households succeed in the current macro environment.

### Geopolitical ramifications

Geopolitics has emerged as not just another risk, but as an entire strategic framework in recent years. Several markets became uninvestable over the past 12-18 months due to conflicts, while some investors have been leery of even the world's largest markets. Over \$100 billion of institutional investor money flowed out of China alone in 2022 – but where that money has gone is not yet fully clear.<sup>14</sup> Early evidence suggests that the outflow was split between several different markets, including large DMs and many other EMs (e.g. Indonesia, India, Mexico, Vietnam). But will this trend continue, or will investors and companies return their capital to China? Are we about to enter a more fractured, region-based capital market structure? How will companies and investors plan for potential regulation-driven divestment or an inability to repatriate capital?

## CONCLUSION

The past year presented widespread challenges for capital markets. Faced with a challenging backdrop, both corporate and saver investment horizons reached all-time lows.

Corporates continued to distribute a significant proportion of their capital back to shareholders, causing their horizons to shorten to their lowest point since 2009. For the first time in our study, they have fallen below those of investors. Similarly, household saver horizons fell by five percent in a challenging year that also saw their overall wealth decline by nearly 10 percent.

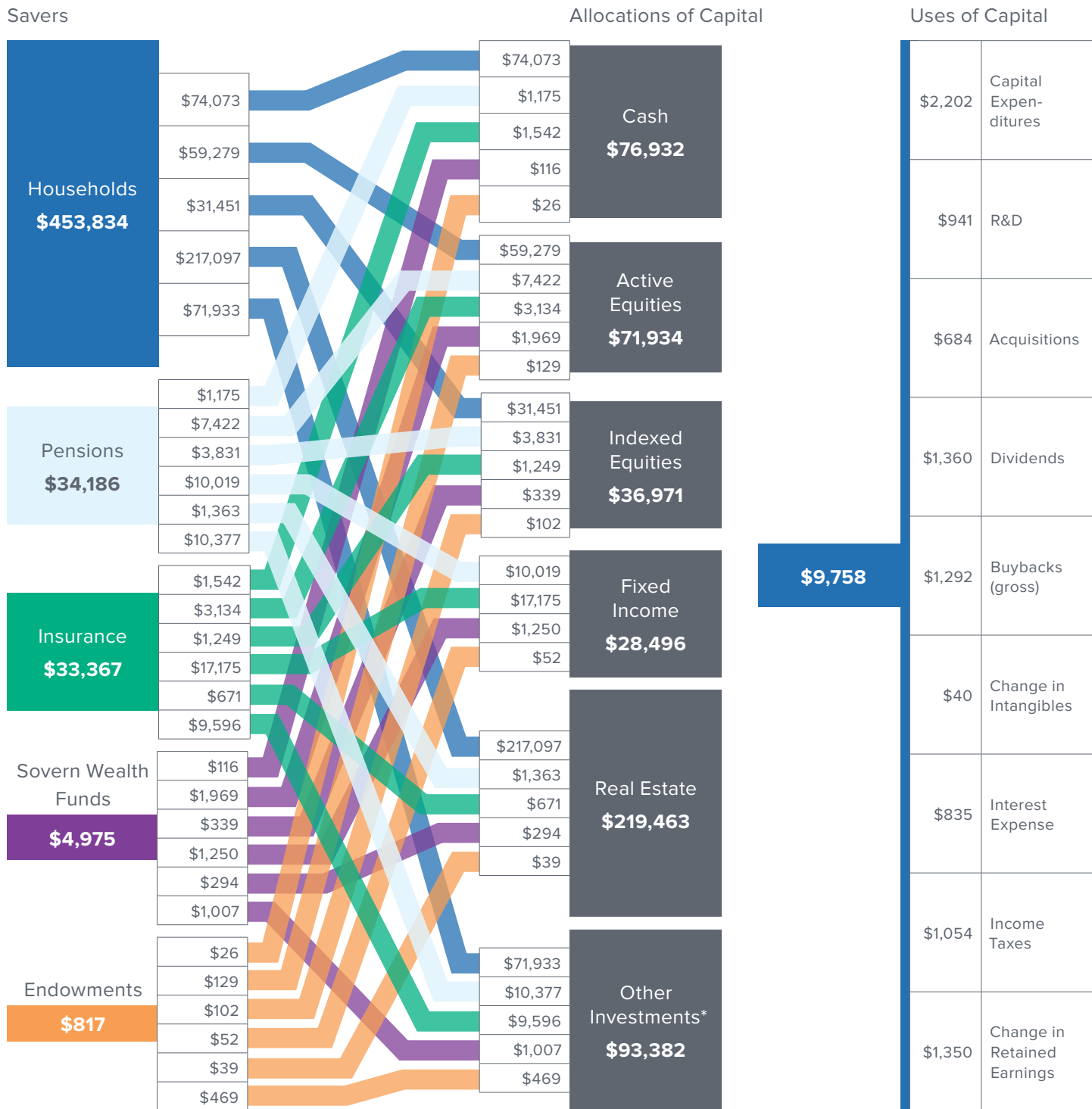
On the other hand, institutional investors lengthened their horizons by shifting their portfolios from active public equity into indexed public equity and private equity. Furthermore, the growing impact of official long-term savings institutions at scale in EMs has increased the time horizon of EM savers nearly to the level of DM savers.

Putting it all together, what does this mean for capital market participants?

- Corporates need to return capital to shareholders in moderation. Continuing to pay out close to 100% of net income is unsustainable, and risks undermining resilience and long-term value creation.
- Investors need to hold portfolio companies accountable and engage with them about their elevated payout levels. Investors should strive to be part of the long-term solution instead of the short-term problem with their pressure and demands.
- Savers need to stick to the long-term playbook. Households need better savings vehicles, better planning, and better advice to invest for the long-term, while institutional savers need to balance expected return with the amount of risk and liquidity their clients and portfolios can sustain.

# ASSET FLOWS

## 2022 Asset Flows (USD Billions)



**Note:** the majority of the funding in the sources of capital come from equity and debt issuance, but may also include other smaller or irregular sources like divestitures, prior-year earnings, and tax breaks.

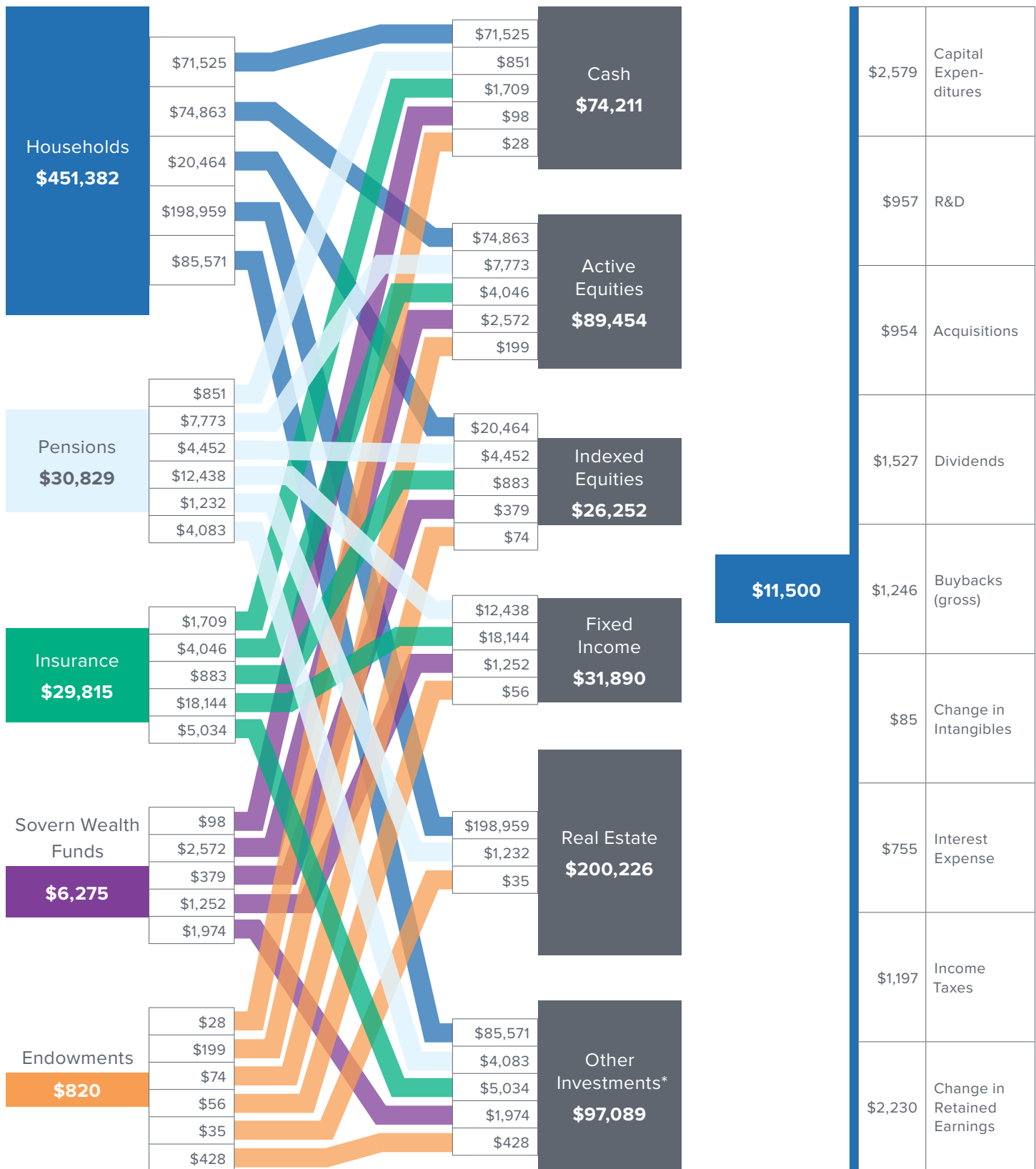
\*Other Investments includes the following assets: Private Equity=\$1,308; Investment fund shares/units, mutual funds and unit trust=\$10,705; Alternatives=\$92; Hedge Funds=\$341; Commodities=\$32; Private Debt=\$16; Securities=\$450; Other=\$80,439.

## 2021 Asset Flows (USD Billions)

### Savers

### Allocations of Capital

### Public Company Uses of Capital



**Note:** the majority of the funding in the sources of capital come from equity and debt issuance, but may also include other smaller or irregular sources like divestitures, prior-year earnings, and tax breaks. Figures may not equal total due to rounding.

\*Other Investments includes the following assets: Private Equity=\$1,045; Investment fund shares/units, mutual funds and unit trust=\$11,314; Alternatives=\$554; Hedge Funds=\$281; Commodities=\$25; Private Debt=\$31; Securities=\$0; Other=\$83,839.

## Investment horizons

Taking the concept of bond duration as our starting point, we sought to measure the amount of time required for an investment to be recouped or come to fruition. The investment horizon represents the intended time horizon of a saver group (such as households, pension funds, insurers, sovereign wealth funds, endowments, our foundations), asset class, or corporate expense. Our overall thinking on the various investment horizons of saver groups, asset classes, and corporate uses of capital comes from a variety of sources, such as investment governance documents, average useful lives of assets, benchmark time horizons, and corporate disclosure documents.

## SAVER GROUPS AND ASSETS

We split savers into two groups: (1) individual households and (2) institutional asset owners.

### Individual households:

**Household assets:** We divide into cash and checking accounting, long-term savings, equities, and owner-occupied real estate and then calculate an asset-weighted investment horizon (10 years, five months in 2022).

- **Cash and checking accounts:** These assets are assumed to have an investment horizon of zero years. They are assumed to be liquid and held with little interest and little intention for future gain.
- **Long-term savings:** We calculate the investment horizon of these assets as the difference between the average life expectancy of a country and the average age of its working population, based on data from the Central Intelligence Agency's World Factbook.<sup>15</sup> Exact investment horizons vary across countries,<sup>16</sup> we assume a horizon of 30-plus years.
- **Equity assets:** The exact investment horizon varies by country and year. See the active equity and indexed equity descriptions in the Asset Class Allocations section below for detailed methodology.
- **Real estate assets:** These assets are assumed to have investment horizons of seven years. Absent a reliable global source, we have proxied data from a LendingTree study that found that US homeowners move once every seven years on average.<sup>17</sup>

### Institutional asset owners:

**Institutional assets:** We divide institutional assets into four subgroups, based on the specific assets owned and managed. Each group has its own investment horizon methodology and assumptions.

- **Pension funds:** Pension funds are assumed to have an investment horizon of 15 years. Due to the complexities and limitations of defined-contribution plan data, our primary source is Society of Actuaries estimates of defined-benefit plans, which have a duration of about 15 years.<sup>18</sup>
- **Insurance companies:** Insurance companies are assumed to have investment horizons of 14 years. As it is difficult to separate and identify the investment horizon or average contract life of the many branches of insurance, we took a blended average number of 14 years from the European Central Bank.<sup>19</sup> This number represents a mix of property and casualty (P&C) insurance and life insurance contracts. While P&C companies tend to have a much shorter investment horizon and life insurance companies tend to have a longer investment horizon, in many countries we could not separate the two groups. We acknowledge that this limitation may result in a blended number that is too long for P&C and too short for life insurance, especially since the industry is heavily regulated and often uses asset-liability duration matching.

- **Sovereign wealth funds:** SWFs are assumed to have investment horizons of 20 years, based on typical language included in governance documents. A sample of annual reports from sovereign wealth funds cited investment horizons of anywhere from 10 to 75 years.
- **Endowments and foundations:** These assets are assumed to have investment horizons of 20 years. While some endowments and foundations are assumed to be perpetual, we believe the investment horizon to be close to 20 years based on the typical language included in governance documents. Additionally, the typical annual spending rate for endowments and foundations in the United States is five percent, and conservatively assuming that there are no further revenues or fund inflows, this spending ratio confirms a 20-year horizon ( $1/0.05 = 20$  years).

Certain saver groups in our sources were either too broad to be categorized under a single group or did not fit the categories above. These were either reclassified based on similarity to an existing group or left in “other.” A full list of saver group mappings is available upon request to [research@fcltglobal.org](mailto:research@fcltglobal.org).

## ASSET CLASS ALLOCATIONS

We defined asset class investment horizons for cash, public equity (including active and indexed equity), fixed income, real estate, private equity, hedge funds, commodities, and infrastructure.

- **Cash:** Cash is assumed to have an investment horizon of zero years, for the same reasons as listed above for saver groups – cash is a liquid asset with very little expectation for future returns.
- **Public equity:** These assets are divided into two types, active and indexed, due to their different natures and the different intentions with which they are invested in. Active funds often have higher turnover (and therefore shorter holding periods and investment horizons) compared with indexed funds, and our data allow us to estimate the average investment horizon of active and passive funds separately using a proxy.
  - **Active equity:** The exact investment horizon varies by country and year.<sup>20</sup> We computed a worldwide average by first filtering any eVestment funds categorized as active, then using annual portfolio turnover as a proxy, and finally asset weighting funds by their assets under management as of the end of the calendar year. Of note, several funds had assets applicable to a broader region than our 24 countries. Funds with these geographic regions (i.e., pan-European, Asia-Pacific) were prorated based on the size of each country’s stock market. For example, in 2022 the Asia-Pacific fund’s assets and investment horizons were allocated as follows: 66 percent to China, 12 percent to Japan, ten percent to South Korea, four percent to India, two percent to Australia, and less than one percent each to Malaysia, New Zealand, and Singapore. For a full list of the exact broader region mapping, see Table A1 in the Appendix.
  - **Indexed equity:** The exact investment horizon varies by country and year.<sup>21</sup> We used the same methodology for active equity in calculating the worldwide and country averages, with the only difference being that the first eVestment filter is for passive funds. This passive funds filter includes both indexed mutual funds and exchange-traded funds. Otherwise, the methodology (calculations and geographic allocations) is identical to that used with active equity.
- **Fixed income:** The exact investment horizon varies by country and year.<sup>22</sup> We computed an investment horizon by asset weighting the end-of-calendar-year assets under management for all fixed-income funds on eVestment. Due to data availability, average investment horizon calculations use modified duration for the United Kingdom and effective duration for all other countries. As with public equities, several fixed-income funds had assets applicable to a broader geographic region. Allocation and investment horizon calculations for these funds were prorated based on the size of each country’s GDP. For example, in 2022 in the Asia Pacific region, 51 percent was allocated to China, 14 percent to Japan, nine percent to India, five percent to South Korea, four percent to Australia, and one percent each to Malaysia, New Zealand, and Singapore. For a full list of the exact geographic region mapping, see Table A2 in the Appendix.
- **Real estate:** Real estate is assumed to have an investment horizon of 6.7 years, representing a weighted average of the residential and commercial real estate markets for investors. We relied on two US sources: (1) the same seven-year number from LendingTree<sup>23</sup> that was used for residential real estate and (2) six years for commercial real estate

from a Real Estate Research Institute academic study. Finally, we applied a 2:1 residential-to-commercial weighting based on the relative market size (commercial versus residential) for investors.<sup>25,26</sup>

- **Private equity:** These assets are assumed to have an investment horizon of 5.3 years, taken from a recent McKinsey study using Preqin data.<sup>27</sup>
- **Hedge funds:** Hedge funds are to have an investment horizon of two years, proxied based on a Statista finding that the average maximum lockup period accepted by selected hedge fund investors ranged from 20 to 33 months.<sup>28</sup>
- **Commodities:** Commodities are assumed to have an investment horizon of 0.5 year,<sup>29</sup> proxied using the average tenor from a basket of commodities on the UBS Bloomberg Constant Maturity Commodity Index.<sup>30</sup>
- **Infrastructure:** Infrastructure is to have an investment horizon of 7.5 years, taken as the midpoint from BlackRock's eFront report, which states that "infrastructure funds are created for 13 to 15 years and their average holding periods are seven to eight years."<sup>31</sup>

Certain data sources had asset classes that did not fit the categories above. These were subsequently reclassified based on similarity to another asset class or left in "other." A full list of asset class mappings is available upon request to [research@fcltglobal.org](mailto:research@fcltglobal.org).

## CORPORATE USES OF CAPITAL

Corporate uses of capital include CapEx, R&D, acquisitions, intangibles, interest expense, taxes, gross buybacks, dividends and retained earnings, many of which are found on the expenses section of a corporate balance sheet. We have taken an asset-weighted average of the following items to create blended investment horizons for corporate uses of capital. This procedure resulted in an average global corporate investment horizon of five years even in 2022.

- **CapEx:** The investment horizon of CapEx is assumed to be between five and 15 years, depending on industry. While depreciation schedules would have provided the best estimate, high-quality data was not available. Instead, we proxied the investment horizon by sampling corporate annual reports from different sectors and countries and estimated the sectors' allocations to common fixed assets such as land, machinery, and buildings to create a blended average asset life for each sector.<sup>36</sup>
- **R&D:** R&D is assumed to have an investment horizon of between three and 11 years, depending on industry. We proxied the investment horizon of R&D investment by sampling selected corporate annual reports across various industries and countries. We then looked at language describing the average life cycle of a product from concept to market (e.g., every generation of iPhone takes three years from concept to market).<sup>32</sup>
- **Acquisitions:** Acquisitions are assumed to have an investment horizon of five years, based on investment banking valuation assumptions related to integration time frames and assumed deal synergies. Most valuation models forecast synergies for up to five years, at which point the acquired firm is considered fully integrated into the acquiring company (and its influence no longer easily discerned).
- **Intangibles:** Intangibles are assumed to have an investment horizon of 18 years. We know that intangibles, like brands and patents, vary greatly depending on country and sector, and that reports mentioning the average life of a brand can suffer from survivorship bias (i.e., brands that become household names are few and far between, but those that do can last for more than 100 years). To account for this variation, we have proxied the average life of intangibles to equate to the average life of a public company, 18 years according to McKinsey.<sup>34</sup>
- **Interest expense, taxes, gross buybacks, and dividends:** All are assumed to have an investment horizon of zero years. They are assumed to carry little value for future investment in the company, and dividends and buybacks, in particular, return cash to shareholders rather than supporting a company's strategic growth initiatives.
- **Retained earnings:** Retained earnings are to have an investment horizon of 4.7 years. While retained earnings are not, strictly speaking, a "use of cash," some of our Members have likened this item to a rainy day savings fund. Consequently, we sought to answer the question of how many years of a company's bottom line it would take to accumulate its current amount of retained earnings. We proxied the answer to that question as retained earnings divided by net income, to approximate a corporate savings rate.



## CORPORATE SOURCES OF CAPITAL

We proxied investment horizons for corporate sources of capital by using a ratio based on average corporate debt to equity. This approach resulted in an average investment horizon of four years, four months in 2022.

- **Debt issuance:** Debt issuance is assumed to have an investment horizon of 4 years, 6 months in 2022. We proxied this by calculating the weighted average years of a company's debt outstanding based on companies' debt maturity schedules. For example, if a company issued a \$120 million 10-year note in 2021 and a \$80 million 10-year note in 2016, then its weighted average maturity is eight years ( $120/200 * 10 + 80/200 * 5$ ).
- **Equity issuance:** Equity issuance is assumed to have an investment horizon of 4 years, 4 months, taken from the blended public equity number in the Asset Class Allocations section above.

In the future we seek to track and assign investment horizons to other corporate sources of capital, including (but not limited to) divestitures, revenue, and net income.

## Data collection

We collected data from several sources, namely global time-series data sets from reputable sources such as the Organisation for Economic Co-operation and Development (OECD), World Bank, and International Monetary Fund (IMF). Where data was incomplete for some countries and years, we supplemented with reputable sources from the respective authorities of those countries.

## Savers

- **Households:** Data from Credit Suisse's Global Wealth Report.<sup>35</sup>
- **Pensions:** Total asset and allocation data for OECD countries from OECD's Funded Pension Statistics data set.<sup>36</sup> Assets and allocation for Japanese pensions proxied using a weighted average of Government Pension Investment Fund<sup>37</sup> and Pension Fund Association<sup>38</sup> assets, taken from their respective annual reports.<sup>39</sup>
- **Insurance companies:** Total asset and allocation data for OECD countries from OECD's Institutional Investors' Assets and Liabilities data set.<sup>40</sup> Assets and allocation for Indian insurance companies from Reserve Bank of India.<sup>41</sup> Assets for Brazilian insurance companies from IMF,<sup>42</sup> allocation from ANBIMA.<sup>43</sup> Assets and allocation for China (including SARs) insurance companies from the China Banking and Insurance Regulatory Commission.<sup>44</sup> Assets and allocation for United Kingdom insurance companies from the Association of British Insurers.<sup>45</sup> Assets and allocation for Chilean insurance companies taken from the Financial Market Commission (CMF).<sup>46</sup> Assets and allocation for Singapore insurance companies taken from the Monetary Authority of Singapore (MAS).<sup>47</sup> Assets and allocation for New Zealand Insurance companies taken from the Reserve Bank of New Zealand.<sup>48</sup>
- **Sovereign wealth funds:** Data is from the IFSWF. Additional supplementary quarterly data is taken from individual SWF websites.
- **Endowments:** Total asset and allocation data from historical endowment study data collected by the National Association of College and University Business Officers (NACUBO).<sup>49</sup>
- **Foundations:** Total asset and allocation data available only for 2018. Data from Harvard Kennedy School's Global Philanthropy Report.<sup>50</sup>

## Asset class allocations

Fund level data for equities and fixed-income products from eVestment.

## Corporate (public equities)

Data from FactSet and the MSCI All Country World Index (ACWI) constituents.<sup>51</sup>

## Additional assumptions and considerations

- **Exchange rates:** All exchange rates are from the Federal Reserve Economic Data (FRED) database.<sup>52</sup> An average of the calendar year's rates was taken in each annual calculation.
- **Geographic regions:** "China, including SARs" includes the People's Republic of China and the SARs of Hong Kong and Macau, wherever present in the data.
- **Dollar amounts:** All assets and dollar amounts are nominal.
- **Sovereign Wealth funds:** SWFs are defined as having three key characteristics:
  1. A SWF is owned by the general government, which includes both central government and sub-national governments.
  2. A SWF includes investments in foreign financial assets.
  3. A SWF invests for financial objectives.
- Note that these key elements exclude public pension funds (which are ultimately owned by the underlying policy holders) and central bank reserve assets (which are not invested for financial objectives, but for safety and liquidity).

When we could not find an asset allocation breakdown for a given saver group data point, we used regional proxies to estimate the allocation. For example, if allocation data was not available for 2020 French pensions, an equal weighted average allocation of Germany, Italy, Netherlands, Norway, Spain, Sweden, Switzerland, and the UK (France's regional neighbors) would be used.

Note that OECD pensions data for 2022 was not available at the time this report was published, so 2021 numbers were used to calculate investment horizons and asset allocations instead.

Even when working with the wealthiest countries in the world, we encountered gaps in data. Some gaps in the tables and figures in this report are due to a lack of disclosure, while others are due to the lack of a particular type of saver in a particular country. For example, the lack of endowment numbers in France is not due to a lack of data but rather because the endowment legal structure is not common in that country. Similarly, blank fields for the SWF saver category result from the fact that not all of the countries under analysis have SWFs. We also acknowledge that there are significant differences in the characteristics of government-issued versus corporate-issued debt, and as more detailed data becomes available, separating fixed-income assets by issuer type would lend helpful perspective. For a full discussion of the data used and the limitations presented by that data, please contact [research@fcltglobal.org](mailto:research@fcltglobal.org).

## More data means richer knowledge

While our methodology and assumptions reflect our current thinking, it is important to note that we are limited by the availability (or lack thereof) of high-quality and complete global data sets. As a result, our data is currently not detailed enough to conduct further in-depth analysis, especially for households, which own the majority of savers' assets. As a richer universe of data or a broader array of methodologies comes to light and becomes available, it will be integrated into *FCLTCompass* as appropriate.

It is also important to note that narrowing gaps and longer horizons do not necessarily indicate a move towards strategic longer-term behavior, and vice-versa. Many of the "improvements in horizon" we see may stem from changes in underlying compositions (e.g. active to indexed products) rather than investment theses themselves. Likewise, a "decrease in horizon" may be caused by turnover from a long-term strategic pivot into a more sustainable allocation of capital.

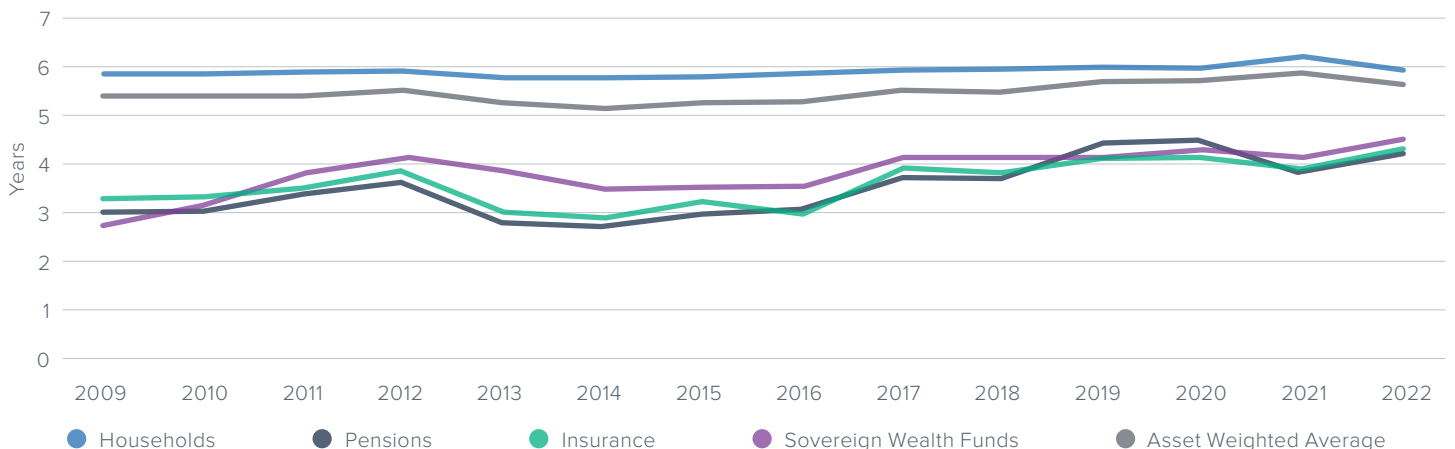


Australia

Allocators of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Households	\$6,984	\$7,579	\$8,137	\$8,924	\$8,266	\$8,219	\$7,942	\$8,578	\$9,848	\$9,410	\$9,669	\$11,231	\$11,374	\$14,466
Pensions	\$839	\$987	\$1,397	\$1,383	\$1,441	\$1,635	\$1,475	\$1,492	\$1,797	\$1,883	\$1,813	\$1,813	\$1,794	\$2,258
Insurance	\$387	\$449	\$422	\$471	\$436	\$424	\$391	\$344	\$387	\$340	\$336	\$308	\$315	\$349
Sovereign Wealth Funds	\$57	\$67	\$75	\$85	\$93	\$99	\$127	\$134	\$150	\$157	\$161	\$162	\$146	\$184
Foundations										\$9				
Total	\$8,267	\$9,083	\$10,032	\$10,864	\$10,236	\$10,377	\$9,935	\$10,549	\$12,182	\$11,798	\$11,980	\$13,514	\$13,630	\$17,256

Allocations of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash	\$692	\$756	\$925	\$1,038	\$982	\$1,013	\$969	\$1,033	\$1,177	\$1,108	\$1,092	\$1,299	\$1,513	\$1,463
Active Equities	\$814	\$909	\$973	\$1,048	\$1,033	\$1,151	\$1,089	\$1,325	\$1,544	\$1,559	\$1,460	\$1,472	\$1,626	\$1,781
Indexed Equities	\$55	\$97	\$147	\$137	\$144	\$76	\$72	\$111	\$143	\$155	\$307	\$372	\$316	\$345
Fixed Income	\$151	\$171	\$193	\$216	\$183	\$191	\$178	\$321	\$370	\$382	\$391	\$390	\$377	\$470
Private Equity	\$1	\$2	\$4	\$6	\$7	\$9	\$10	\$11	\$13	\$17	\$17	\$16	\$26	\$23
Real Estate	\$4,430	\$4,807	\$5,118	\$5,402	\$5,013	\$4,989	\$4,857	\$5,346	\$6,148	\$5,844	\$5,831	\$6,765	\$6,288	\$7,486
Investment funds, mutual funds, etc.	\$570	\$658	\$835	\$811	\$821	\$907	\$831	\$111	\$132	\$114	\$99	\$46	\$55	\$51
Alternatives	\$6	\$10	\$15	\$14	\$14	\$14	\$11	\$14	\$16	\$16	\$16	\$17	\$21	\$17
Other Alternatives	\$1	\$3	\$4	\$5	\$8	\$7	\$12	\$15	\$15	\$17	\$17	\$12		\$24
Hedge Funds												\$3		\$4
Private Debt												\$3		\$4
Other Investments	\$1,538	\$1,667	\$1,817	\$2,186	\$2,031	\$2,019	\$1,904	\$2,265	\$2,624	\$2,580	\$2,753	\$3,091	\$3,406	\$2,796

Investment Horizon



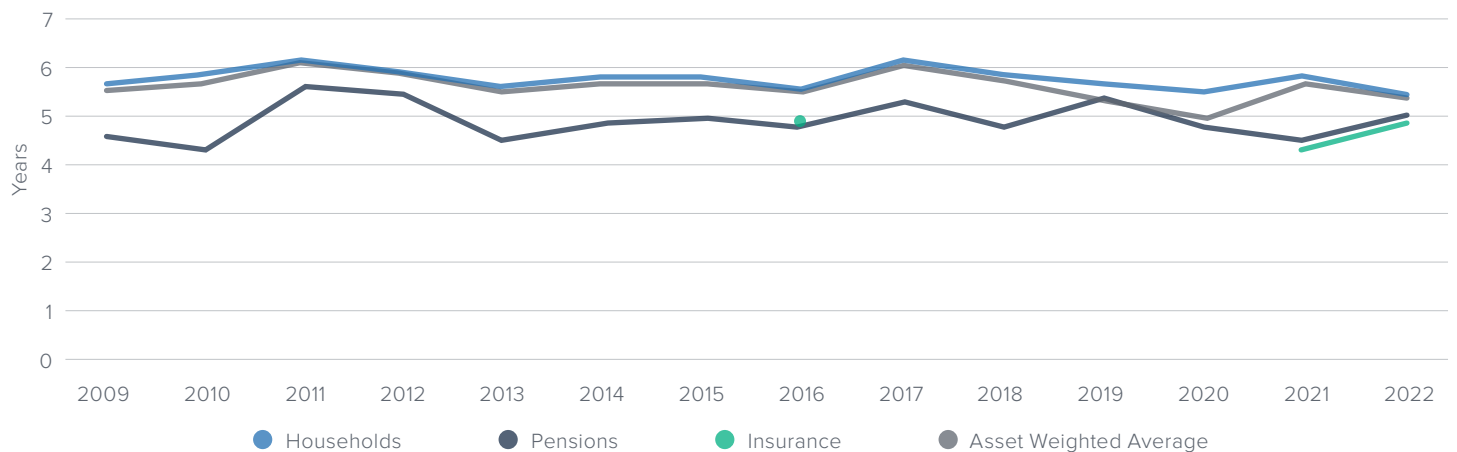


## Brazil

Allocators of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Households	\$2,868	\$3,681	\$3,946	\$4,152	\$4,328	\$4,126	\$3,329	\$3,416	\$4,459	\$3,783	\$4,117	\$3,347	\$3,560	\$5,553
Pensions	\$279	\$320	\$308	\$315	\$274	\$250	\$175	\$323	\$243	\$220		\$196	\$196	\$209
Insurance								234					\$35	\$35
Foundations										<\$1				
Total	\$3,147	\$4,001	\$4,255	\$4,467	\$4,602	\$4,376	\$3,503	\$3,882	\$4,701	\$4,004	\$4,117	\$3,543	\$3,791	\$5,796

Allocations of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash	\$186	\$215	\$275	\$311	\$300	\$280	\$253	\$243	\$294	\$236	\$254	\$227	\$377	\$608
Active Equities	\$403	\$455	\$476	\$573	\$613	\$573	\$456	\$458	\$600	\$454	\$593	\$448	\$657	\$1,030
Indexed Equities	\$28	\$45	\$63	\$75	\$109	\$124	\$107	\$118	\$172	\$144	\$135	\$208	\$104	\$253
Fixed Income	\$159	\$177	\$173	\$177	\$153	\$144	\$112	\$367	\$157	\$142	\$182	\$106	\$135	\$95
Private Equity	\$4	\$6	\$8	\$8	\$8	\$10	\$4	\$5	\$3	\$2	\$2	\$2	\$2	\$1
Real Estate	\$1,548	\$2,158	\$2,131	\$2,065	\$2,159	\$2,100	\$1,538	\$1,714	\$2,273	\$2,001	\$2,186	\$1,680	\$1,781	\$2,494
Investment funds, mutual funds, etc.								\$5			\$4			\$21
Hedge Funds							\$2	\$3	\$2	\$3				
Other Investments	\$818	\$944	\$1,129	\$1,259	\$1,260	\$1,146	\$1,032	\$969	\$1,200	\$1,023	\$1,051	\$873	\$736	\$1,051

### Investment Horizon



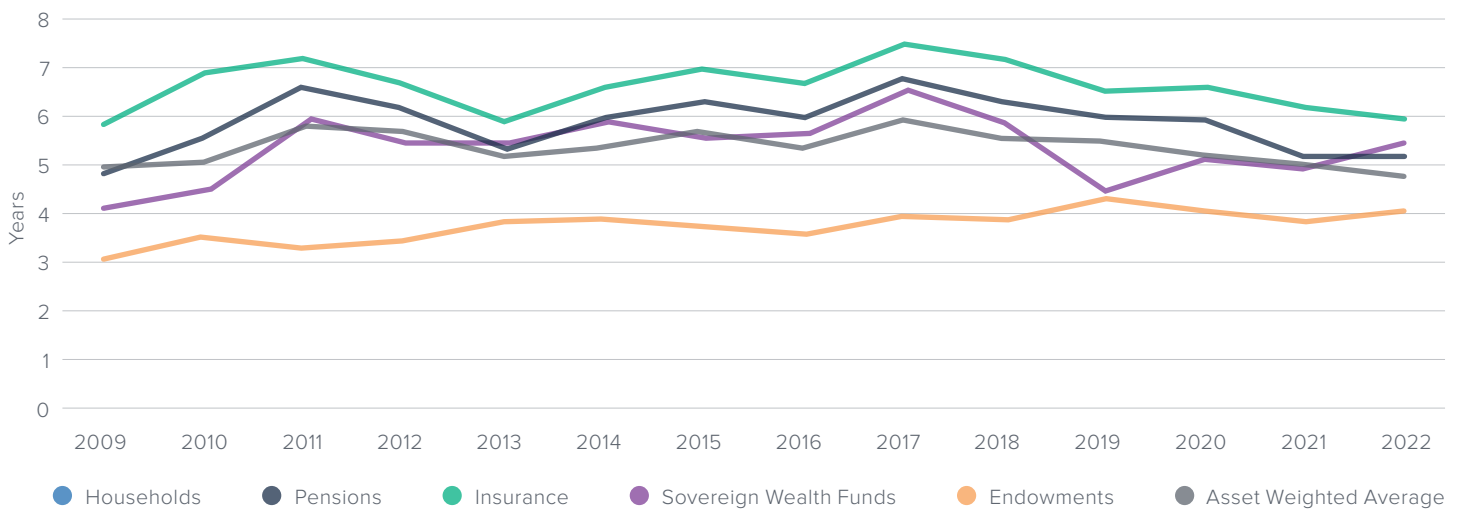


## Canada

Allocators of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Households	\$7,379	\$8,245	\$8,606	\$9,503	\$9,583	\$9,442	\$8,305	\$9,272	\$10,453	\$10,026	\$10,780	\$11,879	\$12,988	\$15,872
Pensions	\$876	\$1,054	\$1,076	\$1,200	\$1,261	\$1,298	\$1,196	\$1,289	\$1,470	\$1,373	\$1,597	\$1,597	\$1,729	\$1,662
Insurance	\$528	\$607	\$604	\$671	\$658	\$648	\$554	\$613	\$672	\$593	\$688	\$674	\$807	\$816
Sovereign Wealth Funds	\$13	\$15	\$16	\$16	\$17	\$16	\$14	\$14	\$13	\$14	\$14	\$13	\$14	\$18
Endowments	\$5	\$7	\$9	\$8	\$9	\$10	\$9	\$8	\$9	\$9	\$8	\$8	\$13	\$12
Foundations										\$4				
<b>Total</b>	<b>\$8,800</b>	<b>\$9,927</b>	<b>\$10,311</b>	<b>\$11,398</b>	<b>\$11,527</b>	<b>\$11,412</b>	<b>\$10,078</b>	<b>\$11,197</b>	<b>\$12,617</b>	<b>\$12,018</b>	<b>\$13,087</b>	<b>\$14,171</b>	<b>\$15,551</b>	<b>\$18,379</b>

Allocations of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash	\$905	\$1,023	\$1,083	\$1,177	\$1,144	\$1,095	\$969	\$1,079	\$1,191	\$1,145	\$1,271	\$1,236	\$2,241	\$2,323
Active Equities	\$1,621	\$1,817	\$1,696	\$1,932	\$1,979	\$1,946	\$1,609	\$1,847	\$2,129	\$1,936	\$2,377	\$2,245	\$3,662	\$4,053
Indexed Equities	\$111	\$172	\$217	\$242	\$341	\$408	\$366	\$463	\$594	\$599	\$458	\$373	\$625	\$398
Fixed Income	\$648	\$753	\$799	\$862	\$824	\$846	\$740	\$787	\$834	\$768	\$873	\$870	\$906	\$781
Real Estate	\$3,640	\$4,003	\$4,283	\$4,706	\$4,725	\$4,567	\$4,088	\$4,555	\$5,081	\$4,892	\$5,188	\$5,790	\$6,283	\$6,700
Investment funds, mutual funds, etc.	\$102	\$127	\$127	\$142	\$156	\$164	\$144	\$162	\$189	\$163	\$199	\$193	\$241	\$211
Other Investments	\$1,755	\$2,011	\$2,081	\$2,308	\$2,337	\$2,363	\$2,139	\$2,282	\$2,578	\$2,489	\$2,639	\$2,454	\$1,563	\$1,396

### Investment Horizon



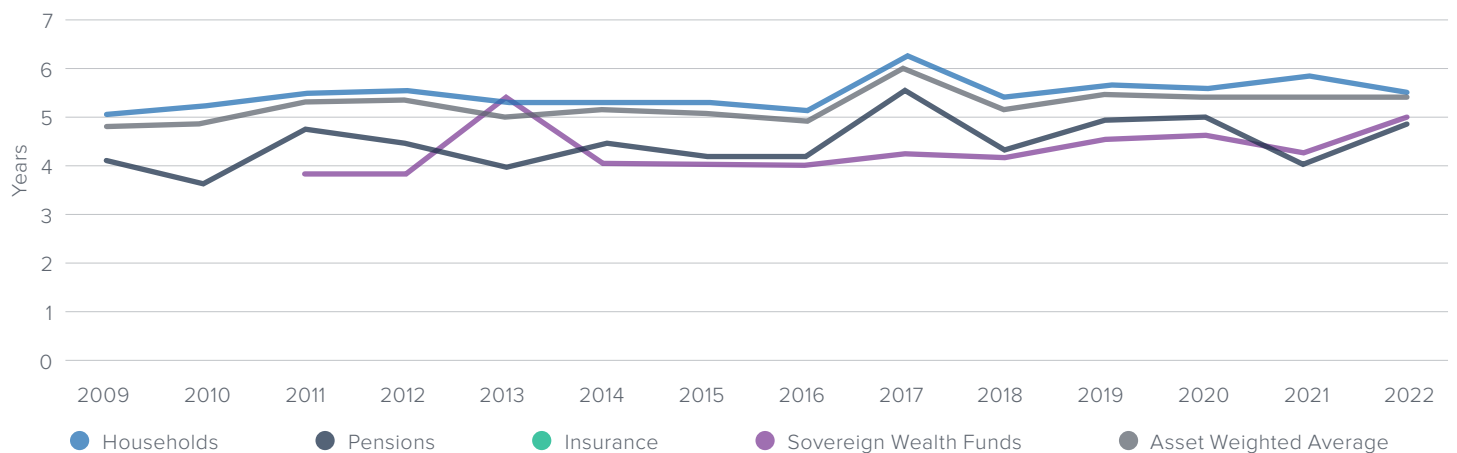


## Chile

Allocators of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Households	\$501	\$596	\$612	\$729	\$746	\$701	\$701	\$759	\$910	\$894	\$898	\$888	\$942	\$1,185
Pensions	\$118	\$148	\$135	\$162	\$163	\$165	\$155	\$174	\$211	\$193	\$217	\$208	\$208	\$175
Insurance							\$40	\$46	\$54	\$53	\$157	\$57	\$163	\$68
Sovereign Wealth Funds			\$13	\$15	\$15	\$15	\$14	\$14	\$15	\$24	\$23	\$19	\$10	\$14
Foundations										\$1				
<b>Total</b>	<b>\$619</b>	<b>\$745</b>	<b>\$760</b>	<b>\$906</b>	<b>\$925</b>	<b>\$881</b>	<b>\$910</b>	<b>\$994</b>	<b>\$1,190</b>	<b>\$1,165</b>	<b>\$1,294</b>	<b>\$1,172</b>	<b>\$1,322</b>	<b>\$1,442</b>

Allocations of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash	\$31	\$33	\$46	\$57	\$55	\$53	\$54	\$61	\$71	\$69	\$69	\$91	\$90	\$96
Active Equities	\$134	\$157	\$147	\$172	\$174	\$172	\$156	\$162	\$192	\$184	\$157	\$168	\$180	\$181
Indexed Equities	\$15	\$24	\$23	\$31	\$35	\$41	\$41	\$47	\$61	\$61	\$57	\$48	\$34	\$44
Fixed Income	\$59	\$75	\$93	\$110	\$118	\$115	\$144	\$172	\$188	\$181	\$219	\$186	\$236	\$165
Real Estate	\$215	\$282	\$280	\$331	\$345	\$292	\$316	\$324	\$402	\$396	\$404	\$405	\$460	\$428
Investment funds, mutual funds, etc.							\$4	\$5	\$7	\$7	\$95	\$10	\$33	\$9
Other Investments	\$165	\$173	\$176	\$212	\$212	\$216	\$202	\$231	\$280	\$267	\$292	\$264	\$290	\$262

### Investment Horizon





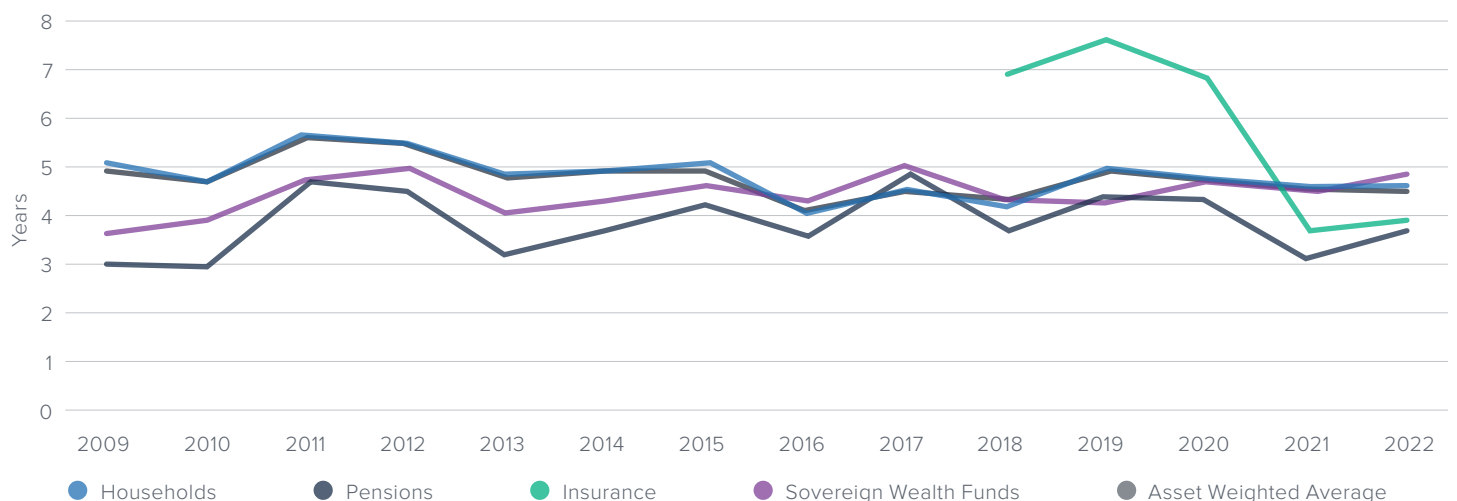
## China Including SARs

Allocators of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Households	\$22,694	\$27,928	\$34,739	\$39,145	\$46,576	\$50,140	\$53,164	\$61,008	\$71,581	\$69,990	\$81,239	\$86,375	\$89,804	\$99,019
Pensions	\$104	\$120	\$136	\$167	\$202	\$236	\$262	\$282	\$346	\$364	\$424	\$424	\$534	\$184
Insurance										\$2,330	\$1,153	\$1,271	\$3,377	\$3,723
Sovereign Wealth Funds	\$610	\$711	\$802	\$934	\$1,044	\$1,153	\$1,255	\$1,280	\$1,457	\$1,458	\$1,583	\$1,802	\$1,692	\$512*
Foundations										\$25				
Total	\$23,408	\$28,760	\$35,677	\$40,245	\$47,822	\$51,529	\$54,681	\$62,570	\$73,383	\$74,167	\$84,398	\$89,872	\$95,407	\$103,438

\*CIC numbers for 2022 not yet released

Allocations of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash	\$5,368	\$6,527	\$8,185	\$9,183	\$10,937	\$11,785	\$12,592	\$18,654	\$21,879	\$20,519	\$19,370	\$18,875	\$20,025	\$26,972
Active Equities	\$2,977	\$3,717	\$4,357	\$4,918	\$6,163	\$6,921	\$7,510	\$10,902	\$12,785	\$12,129	\$11,337	\$11,390	\$13,663	\$11,686
Indexed Equities	\$887	\$1,107	\$1,332	\$1,492	\$1,886	\$2,132	\$2,321	\$3,400	\$4,005	\$3,815	\$3,616	\$2,966	\$1,976	\$2,539
Fixed Income	\$326	\$362	\$373	\$414	\$424	\$436	\$493	\$503	\$577	\$1,725	\$1,679	\$1,959	\$1,736	\$1,913
Private Equity						\$10	\$12	\$15	\$20	\$24	\$30	\$39		\$47
Real Estate	\$13,149	\$16,118	\$20,171	\$22,721	\$26,583	\$28,218	\$29,594	\$26,009	\$30,489	\$31,501	\$45,681	\$47,513	\$52,839	\$51,929
Alternatives	\$20	\$86						\$303	\$370	\$415	\$441	\$526	\$516	
Hedge Funds			\$58	\$73	\$77	\$86	\$103							
Other Alternatives			\$149	\$186	\$184	\$196	\$180						\$516	
Securities										\$287	\$392	\$464		
Other Investments	\$680	\$841	\$1,050	\$1,254	\$1,565	\$1,742	\$1,874	\$2,780	\$3,261	\$3,058	\$2,822	\$2,748	\$4,127	\$4,475

### Investment Horizon



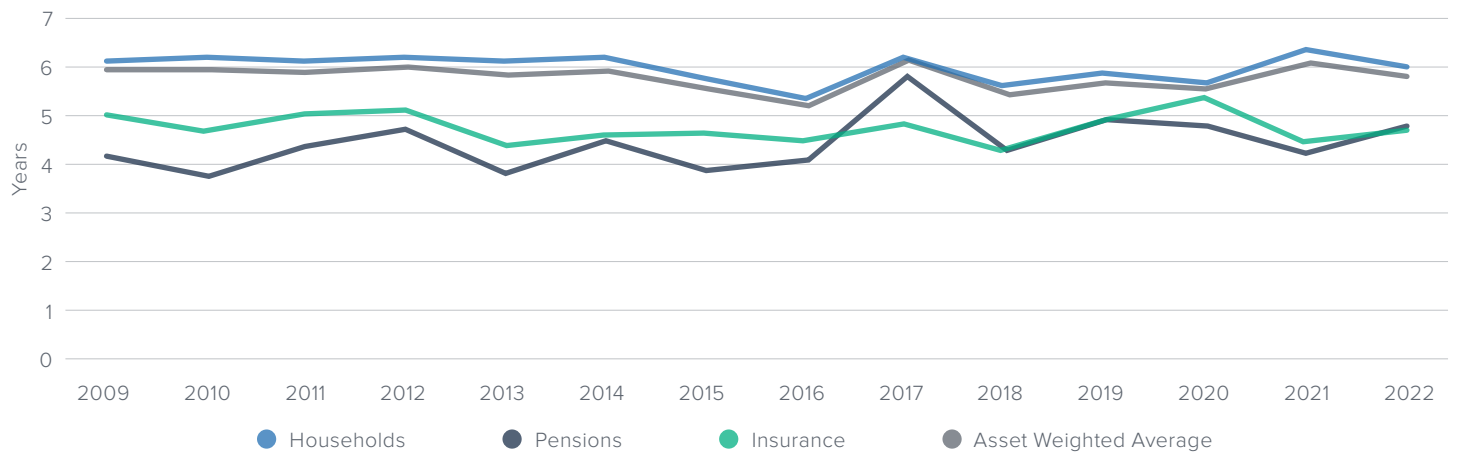


## Colombia

Allocators of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Households	\$341	\$454	\$471	\$537	\$552	\$607	\$563	\$542	\$678	\$783	\$756	\$692	\$733	\$790
Pensions	\$33	\$44	\$54	\$68	\$67	\$64	\$52	\$65	\$78	\$72	\$86	\$93	\$92	\$91
Insurance	\$15	\$16	\$18	\$21	\$23	\$24	\$19	\$19	\$22	\$26	\$26	\$25	\$29	\$31
Foundations										\$3				
Total	\$388	\$514	\$543	\$626	\$642	\$695	\$634	\$625	\$777	\$884	\$868	\$810	\$854	\$913

Allocations of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash	\$31	\$39	\$42	\$49	\$51	\$58	\$61	\$65	\$65	\$73	\$68	\$77	\$78	\$65
Active Equities	\$16	\$22	\$29	\$32	\$30	\$26	\$40	\$60	\$89	\$90	\$90	\$68	\$88	\$70
Indexed Equities	\$2	\$4	\$6	\$7	\$7	\$7	\$12	\$19	\$31	\$31	\$31	\$19	\$13	\$17
Fixed Income	\$30	\$35	\$43	\$53	\$54	\$51	\$40	\$49	\$58	\$61	\$68	\$65	\$62	\$61
Private Equity	<\$1	\$1	\$1	\$2	\$3	\$3	\$3	\$4	\$4	\$5	\$7	\$8	\$12	\$12
Real Estate	\$220	\$304	\$300	\$347	\$351	\$389	\$299	\$265	\$347	\$390	\$387	\$363	\$395	\$391
Other Investments	\$242	\$359	\$449	\$259	\$184	\$162	\$61	\$164	\$184	\$232	\$217	\$210	\$206	\$174

### Investment Horizon





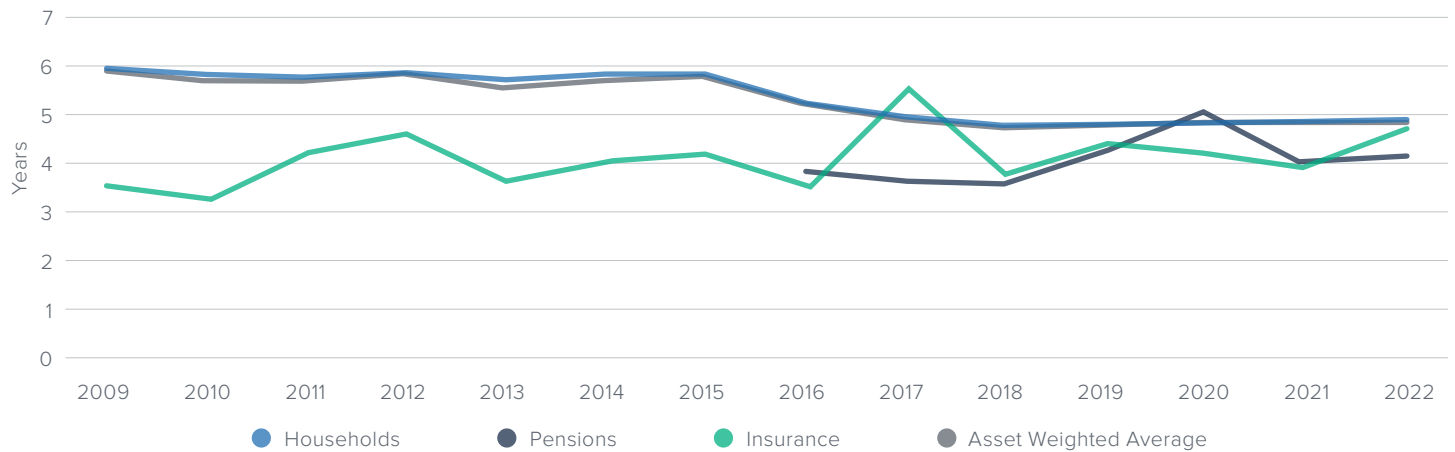


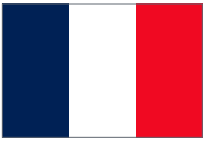
## Egypt

Allocators of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Households	\$575	\$583	\$549	\$825	\$830	\$875	\$1,083	\$1,128	\$824	\$936	\$1,195	\$1,435	\$1,469	\$1,323
Pensions								\$3	\$4	\$4	\$5	\$6	\$7	\$8
Insurance	\$6	\$6	\$7	\$7	\$7	\$8	\$8	\$8	\$6	\$6	\$6	\$7	\$8	\$9
Total	\$581	\$589	\$555	\$832	\$838	\$882	\$1,091	\$1,139	\$834	\$946	\$1,206	\$1,448	\$1,485	\$1,340

Allocations of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash	\$81	\$89	\$91	\$130	\$160	\$160	\$188	\$261	\$237	\$279	\$352	\$399	\$429	\$368
Active Equities	\$6	\$18	\$15	\$22	\$23	\$24	\$24	\$30	\$26	\$26	\$36	\$56	\$65	\$52
Indexed Equities	\$1	\$4	\$3	\$5	\$6	\$6	\$7	\$9	\$9	\$9	\$14	\$16	\$10	\$13
Fixed Income	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$3	\$4	\$4	\$5	\$6	\$8	\$9
Real Estate	\$470	\$464	\$432	\$654	\$635	\$678	\$857	\$797	\$526	\$592	\$750	\$908	\$905	\$822
Other Investments	\$21	\$14	\$13	\$20	\$25	\$27	\$30	\$38	\$33	\$36	\$50	\$63	\$67	\$58

### Investment Horizon



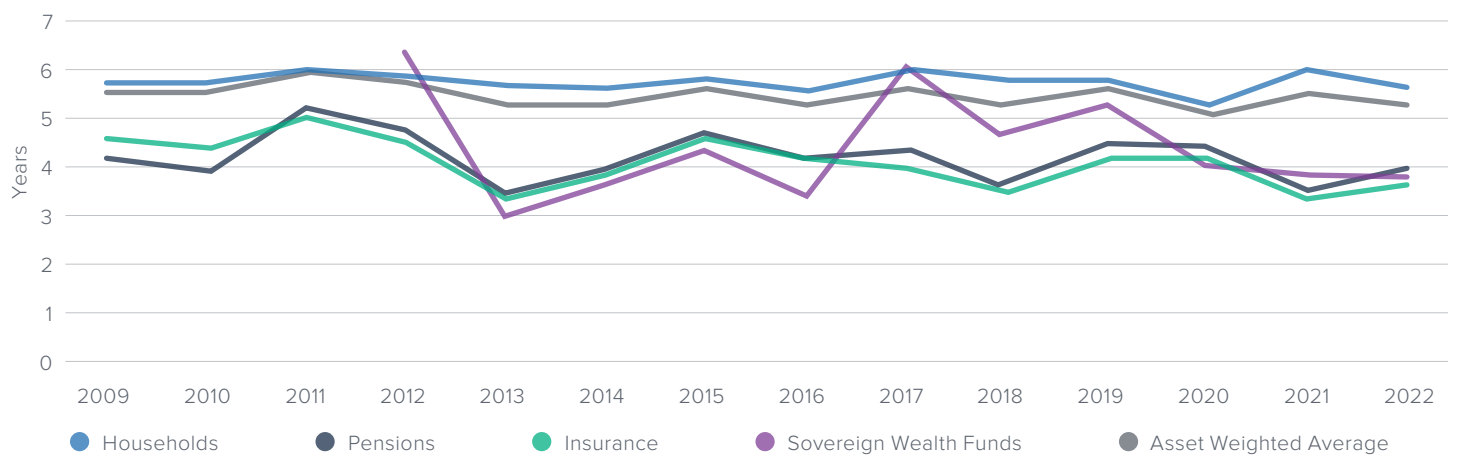


## France

Allocators of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Households	\$15,183	\$15,250	\$15,173	\$15,109	\$15,815	\$14,007	\$13,113	\$13,236	\$15,739	\$15,607	\$16,027	\$17,195	\$17,672	\$21,033
Pensions	\$4	\$5	\$6	\$9	\$12	\$13	\$13	\$15	\$19	\$19	\$22	\$22	\$72	\$236
Insurance	\$2,536	\$2,533	\$2,426	\$2,739	\$3,010	\$2,912	\$2,689	\$2,747	\$3,235	\$3,067	\$3,249	\$3,609	\$3,469	\$2,913
Sovereign Wealth Funds				\$27	\$28	\$27	\$26	\$26	\$36	\$37	\$40	\$51	\$53	\$52
Foundations										\$30				
Total	\$17,724	\$17,788	\$17,605	\$17,884	\$18,865	\$16,959	\$15,842	\$16,024	\$19,028	\$18,760	\$19,338	\$20,877	\$21,266	\$24,234

Allocations of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash	\$1,614	\$1,572	\$1,625	\$1,751	\$1,838	\$1,653	\$1,538	\$1,559	\$1,876	\$1,844	\$1,986	\$1,851	\$2,756	\$2,463
Active Equities	\$1,621	\$1,538	\$1,380	\$1,548	\$1,636	\$1,458	\$1,456	\$1,344	\$1,635	\$1,597	\$1,705	\$1,631	\$2,399	\$1,897
Indexed Equities	\$114	\$151	\$182	\$201	\$292	\$316	\$341	\$346	\$470	\$506	\$467	\$407	\$348	\$557
Fixed Income	\$1,627	\$1,689	\$1,637	\$1,855	\$2,027	\$1,964	\$1,772	\$1,819	\$2,059	\$1,958	\$2,043	\$2,258	\$2,096	\$1,640
Private Equity	<\$1	<\$1	<\$1	<\$1	<\$1	<\$1	<\$1	<\$1	<\$1	<\$1	<\$1	<\$1	<\$1	
Real Estate	\$9,700	\$9,866	\$9,908	\$9,533	\$9,827	\$8,540	\$7,909	\$7,903	\$9,349	\$9,287	\$9,494	\$9,715	\$9,636	\$11,169
Investment funds, mutual funds, etc.	\$496	\$466	\$408	\$462	\$539	\$522	\$503	\$586	\$751	\$697	\$759	\$863	\$897	\$746
Hedge Funds	<\$1	<\$1	<\$1	<\$1	<\$1	<\$1	<\$1				<\$1	<\$1	<\$1	
Other Investments	\$2,557	\$2,510	\$2,465	\$2,501	\$2,678	\$2,474	\$2,291	\$2,440	\$2,853	\$2,799	\$2,843	\$2,609	\$3,117	\$2,562

### Investment Horizon



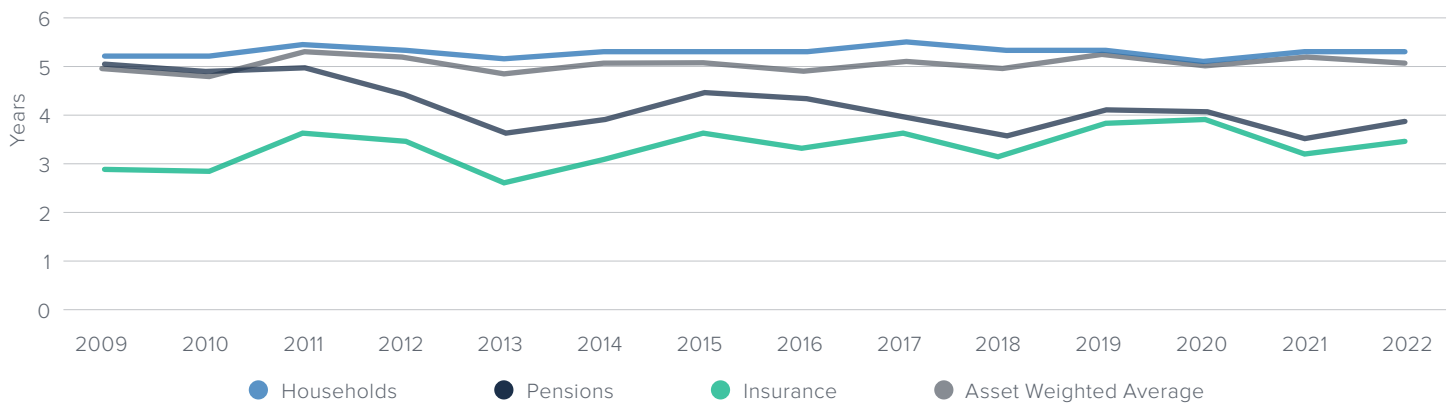


## Germany

Allocators of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Households	\$14,607	\$13,916	\$13,889	\$14,716	\$15,897	\$14,613	\$13,753	\$13,901	\$16,593	\$16,445	\$17,605	\$20,679	\$21,547	\$22,445
Pensions	\$188	\$187	\$193	\$221	\$237	\$236	\$220	\$227	\$271	\$268	\$291	\$291	\$338	\$292
Insurance	\$1,964	\$1,922	\$1,909	\$2,094	\$2,306	\$2,189	\$2,024	\$2,036	\$2,372	\$2,271	\$2,403	\$2,732	\$2,853	\$2,448
Foundations										\$93				
Total	\$16,759	\$16,025	\$15,991	\$17,031	\$18,441	\$17,039	\$15,997	\$16,164	\$19,236	\$19,076	\$20,299	\$23,702	\$24,739	\$25,185

Allocations of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash	\$3,022	\$2,860	\$2,866	\$3,007	\$3,188	\$2,886	\$2,691	\$2,704	\$3,186	\$3,114	\$3,225	\$2,973	\$4,289	\$3,457
Active Equities	\$1,312	\$1,229	\$1,087	\$1,189	\$1,255	\$1,142	\$1,102	\$1,124	\$1,358	\$1,287	\$1,666	\$1,621	\$2,072	\$1,711
Indexed Equities	\$92	\$121	\$144	\$155	\$224	\$247	\$258	\$289	\$389	\$407	\$436	\$382	\$305	\$495
Fixed Income	\$786	\$775	\$781	\$894	\$996	\$991	\$919	\$925	\$1,097	\$1,089	\$1,127	\$1,267	\$1,206	\$936
Private Equity	<\$1	<\$1	<\$1	<\$1	<\$1	<\$1	\$1	\$1	\$2	\$2	\$3	\$3	\$4	\$3
Real Estate	\$8,506	\$8,052	\$8,137	\$8,571	\$9,252	\$8,490	\$7,957	\$8,039	\$9,549	\$9,500	\$10,359	\$12,160	\$12,249	\$11,982
Investment funds, mutual funds, etc.	\$399	\$439	\$449	\$531	\$642	\$647	\$623	\$651	\$782	\$722	\$817	\$950	\$1,016	\$812
Hedge Funds	\$1	\$1	\$1	\$1	\$1	<\$1	<\$1	<\$1	<\$1	<\$1	<\$1	<\$1	<\$1	<\$1
Other Investments	\$2,634	\$2,542	\$2,531	\$2,681	\$2,875	\$2,635	\$2,446	\$2,436	\$2,872	\$2,853	\$2,679	\$2,464	\$3,598	\$3,053

### Investment Horizon



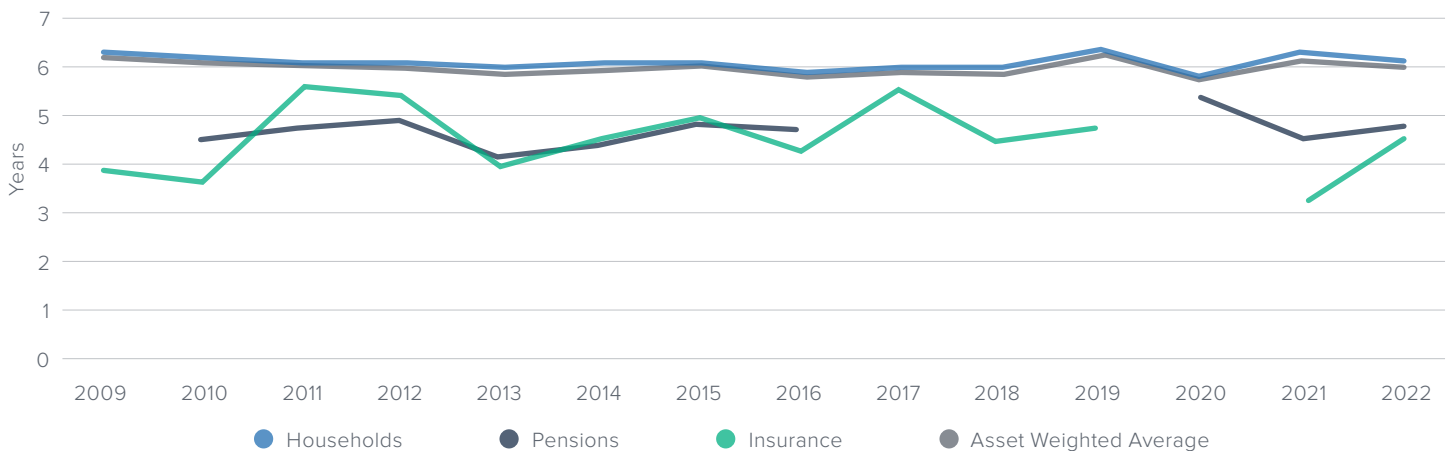


## India

Allocators of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Households	\$5,413	\$6,371	\$6,055	\$6,897	\$7,324	\$8,128	\$9,467	\$10,450	\$13,511	\$13,034	\$13,779	\$13,969	\$10,679	\$17,224
Pensions		\$3	\$3	\$5	\$7	\$11	\$16	\$23				\$75	\$75	\$103
Insurance	\$158	\$201	\$230	\$226	\$231	\$248	\$267	\$287	\$336	\$357	\$378		\$443	\$452
Foundations										\$1				
Total	\$5,571	\$6,575	\$6,287	\$7,128	\$7,561	\$8,387	\$9,749	\$10,760	\$13,846	\$13,392	\$14,157	\$14,045	\$11,197	\$17,779

Allocations of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash	\$488	\$580	\$672	\$763	\$822	\$838	\$979	\$1,177	\$1,554	\$1,442	\$1,442	\$1,344	\$1,970	\$1,825
Active Equities	\$174	\$222	\$242	\$298	\$388	\$429	\$514	\$652	\$888	\$810	\$693	\$689	\$840	\$415
Indexed Equities	\$12	\$16	\$17	\$21	\$27	\$30	\$36	\$46	\$62	\$57	\$126	\$82	\$124	\$80
Fixed Income	\$10	\$11	\$10	\$10	\$9	\$11	\$20	\$25	\$5	\$4	\$4		\$53	\$79
Real Estate	\$4,517	\$5,309	\$4,845	\$5,518	\$5,804	\$6,554	\$7,624	\$8,238	\$10,581	\$10,320	\$11,502	\$10,719	\$6,891	\$13,180
Investment funds, mutual funds, etc.		<\$1	<\$1											
Securities	\$148	\$191	\$220	\$218	\$223	\$241	\$260	\$282	\$331	\$353	\$375	\$401	\$425	\$450
Other Investments	\$227	\$255	\$288	\$312	\$302	\$297	\$331	\$349	\$440	\$419	\$418	\$383	\$1,297	\$1,194

### Investment Horizon



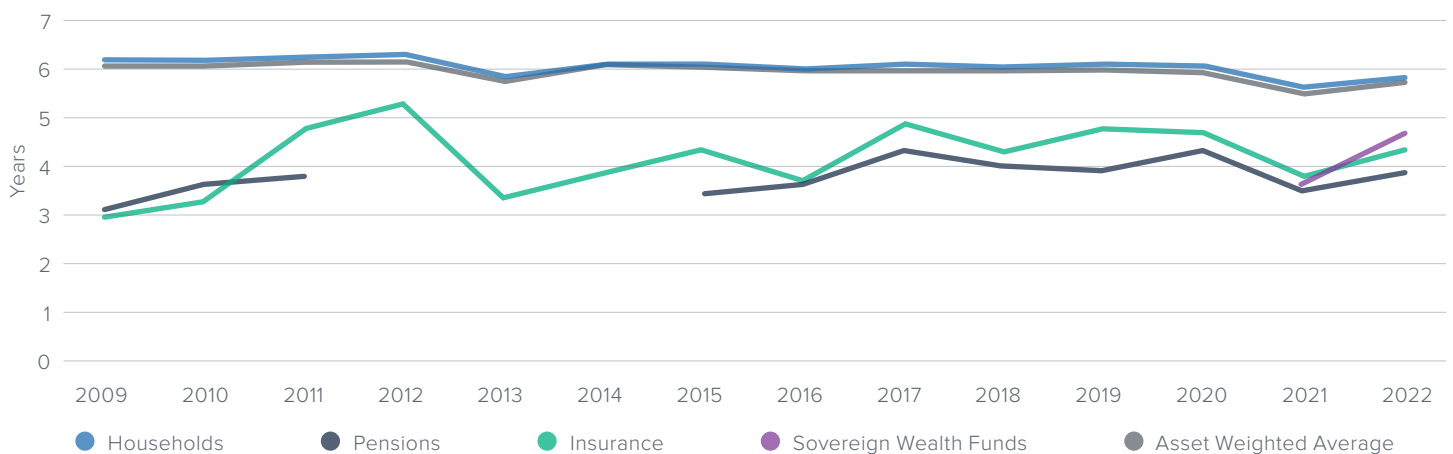


## Indonesia

Allocators of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Households	\$1,208	\$1,463	\$1,691	\$1,921	\$1,913	\$2,007	\$2,039	\$2,329	\$2,653	\$2,746	\$3,173	\$3,281	\$3,611	\$3,551
Pensions	\$11	\$14	\$15				\$15	\$17	\$19	\$18	\$20	\$22	\$22	\$23
Insurance	\$6	\$6	\$7	\$7	\$7	\$8	\$8	\$8	\$6	\$6	\$6	\$49	\$55	\$61
Sovereign Wealth Funds													\$6	\$7
<b>Total</b>	<b>\$1,225</b>	<b>\$1,483</b>	<b>\$1,712</b>	<b>\$1,928</b>	<b>\$1,921</b>	<b>\$2,014</b>	<b>\$2,062</b>	<b>\$2,354</b>	<b>\$2,678</b>	<b>\$2,770</b>	<b>\$3,199</b>	<b>\$3,352</b>	<b>\$3,693</b>	<b>\$3,641</b>

Allocations of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash	\$99	\$130	\$162	\$198	\$221	\$208	\$219	\$258	\$312	\$325	\$378	\$394	\$449	\$461
Active Equities	\$62	\$73	\$76	\$92	\$97	\$87	\$76	\$82	\$105	\$108	\$121	\$125	\$193	\$181
Indexed Equities	\$4	\$14	\$16	\$21	\$25	\$26	\$26	\$30	\$40	\$43	\$53	\$51	\$36	\$59
Fixed Income	\$2	\$2	\$9	\$3	\$3	\$18	\$9	\$11	\$11	\$11	\$12	\$29	\$33	\$36
Private Equity			<\$1				\$1	\$1	\$1	\$1		\$1	\$1	\$1
Real Estate	\$924	\$1,089	\$1,249	\$1,374	\$1,309	\$1,454	\$1,462	\$1,653	\$1,802	\$1,849	\$2,127	\$2,205	\$2,347	\$2,161
Investment funds, mutual funds, etc.			\$1				\$1				\$1	\$1	\$1	\$1
Other Investments	\$122	\$161	\$195	\$240	\$267	\$251	\$268	\$320	\$409	\$434	\$506	\$546	\$633	\$651

### Investment Horizon



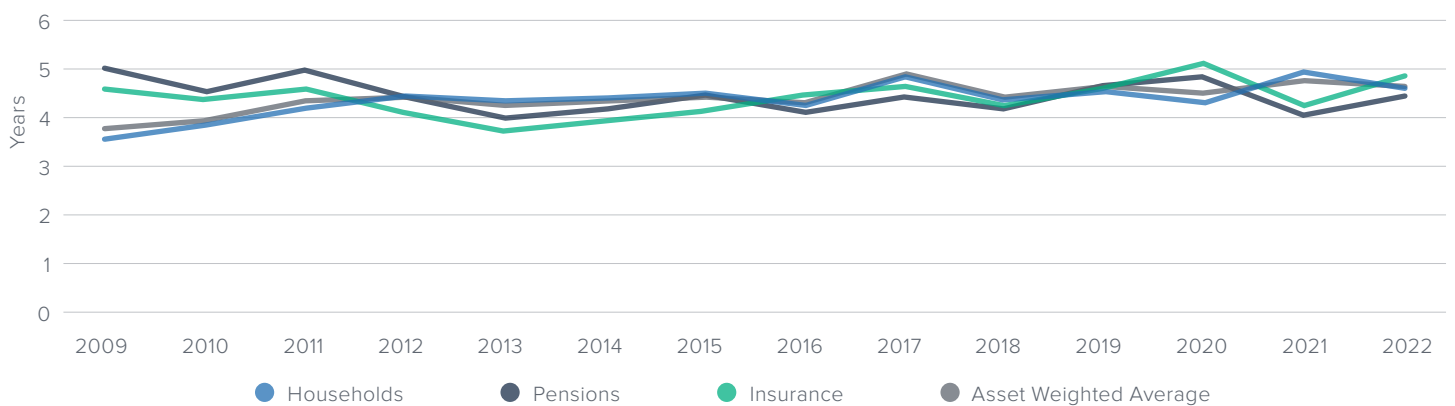


## Israel

Allocators of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Households	\$861	\$820	\$787	\$857	\$972	\$992	\$1,003	\$1,036	\$1,259	\$1,187	\$1,423	\$1,535	\$1,819	\$2,199
Pensions	\$94	\$112	\$112	\$129	\$153	\$154	\$164	\$176	\$211	\$199	\$252	\$288	\$342	\$330
Insurance	\$65	\$77	\$83	\$87	\$103	\$112	\$109	\$117	\$139	\$147	\$167	\$184	\$217	\$232
Total	\$1,021	\$1,009	\$983	\$1,073	\$1,227	\$1,258	\$1,277	\$1,329	\$1,609	\$1,533	\$1,843	\$2,006	\$2,378	\$2,761

Allocations of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash	\$187	\$156	\$156	\$161	\$164	\$165	\$180	\$197	\$234	\$218	\$245	\$282	\$313	\$288
Active Equities	\$85	\$107	\$99	\$117	\$148	\$155	\$135	\$87	\$94	\$115	\$136	\$164	\$246	\$206
Indexed Equities	\$10	\$17	\$17	\$20	\$28	\$32	\$32	\$23	\$30	\$36	\$44	\$43	\$34	\$46
Fixed Income	\$120	\$139	\$147	\$159	\$183	\$193	\$191	\$214	\$243	\$230	\$277	\$299	\$336	\$299
Private Equity	\$3	\$4	\$5	\$5	\$6	\$7	\$7	\$6	\$11	\$16	\$19	\$17	\$23	\$26
Real Estate	\$203	\$227	\$228	\$255	\$299	\$280	\$289	\$306	\$361	\$354	\$403	\$458	\$509	\$487
Investment funds, mutual funds, etc.	\$3													
Alternatives														\$1
Hedge Funds	<\$1	<\$1	<\$1	<\$1	<\$1	<\$1	<\$1	<\$1	<\$1	\$1	\$1	\$1	\$1	\$2
Other Investments	\$411	\$359	\$330	\$355	\$398	\$427	\$442	\$482	\$618	\$561	\$715	\$742	\$915	\$845

### Investment Horizon



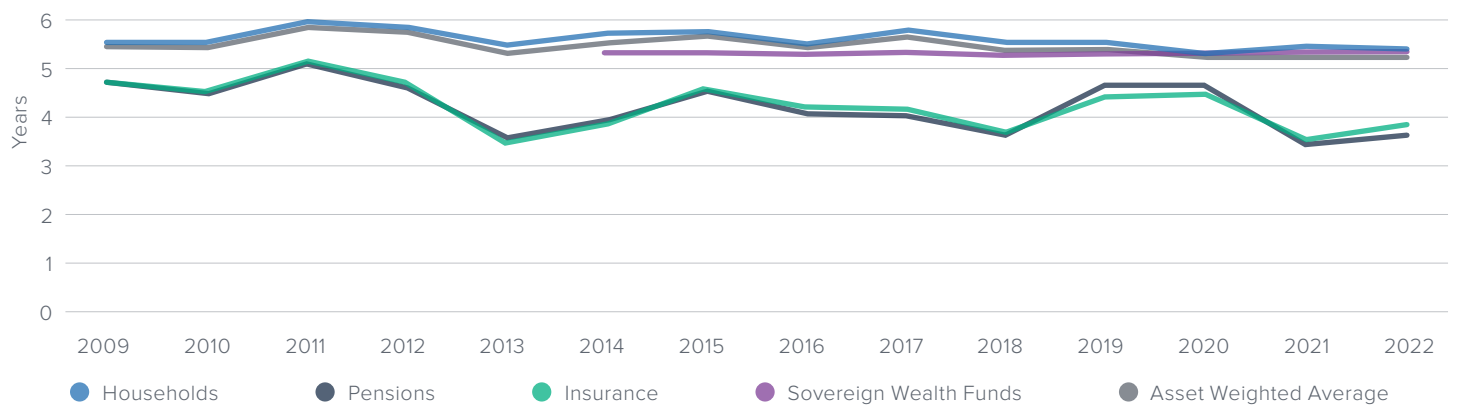


## Italy

Allocators of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Households	\$13,839	\$12,702	\$12,346	\$12,825	\$13,292	\$12,714	\$11,463	\$11,079	\$12,832	\$12,512	\$11,953	\$13,087	\$13,801	\$13,268
Pensions	\$90	\$95	\$99	\$116	\$132	\$131	\$122	\$130	\$157	\$153	\$169	\$169	\$198	\$187
Insurance	\$768	\$685	\$651	\$694	\$795	\$800	\$816	\$864	\$1,026	\$959	\$1,039	\$1,111	\$1,220	\$954
Sovereign Wealth Funds						\$2	\$3	\$3	\$3	\$4	\$4	\$7	\$7	\$11
Foundations										\$87				
Total	\$14,697	\$13,481	\$13,097	\$13,635	\$14,219	\$13,646	\$12,404	\$12,076	\$14,018	\$13,716	\$13,165	\$14,374	\$15,226	\$14,420

Allocations of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash	\$1,642	\$1,482	\$1,453	\$1,568	\$1,664	\$1,493	\$1,384	\$1,399	\$1,634	\$1,627	\$1,653	\$1,807	\$2,105	\$1,712
Active Equities	\$1,503	\$1,312	\$1,124	\$1,275	\$1,539	\$1,408	\$1,362	\$1,300	\$1,598	\$1,456	\$1,597	\$1,781	\$896	\$1,486
Indexed Equities	\$106	\$129	\$149	\$166	\$275	\$305	\$319	\$335	\$460	\$462	\$447	\$440	\$140	\$442
Fixed Income	\$596	\$547	\$526	\$565	\$643	\$652	\$643	\$662	\$769	\$724	\$779	\$832	\$852	\$602
Real Estate	\$8,479	\$7,858	\$7,739	\$7,892	\$7,904	\$7,865	\$6,974	\$6,677	\$7,588	\$7,436	\$7,023	\$7,318	\$7,658	\$6,878
Investment funds, mutual funds, etc.	\$94	\$95	\$92	\$105	\$122	\$139	\$161	\$179	\$220	\$212	\$252	\$270	\$344	\$291
Other Investments	\$2,276	\$2,057	\$2,019	\$2,065	\$2,066	\$1,782	\$1,557	\$1,522	\$1,747	\$1,708	\$1,425	\$1,554	\$3,224	\$1,845

### Investment Horizon



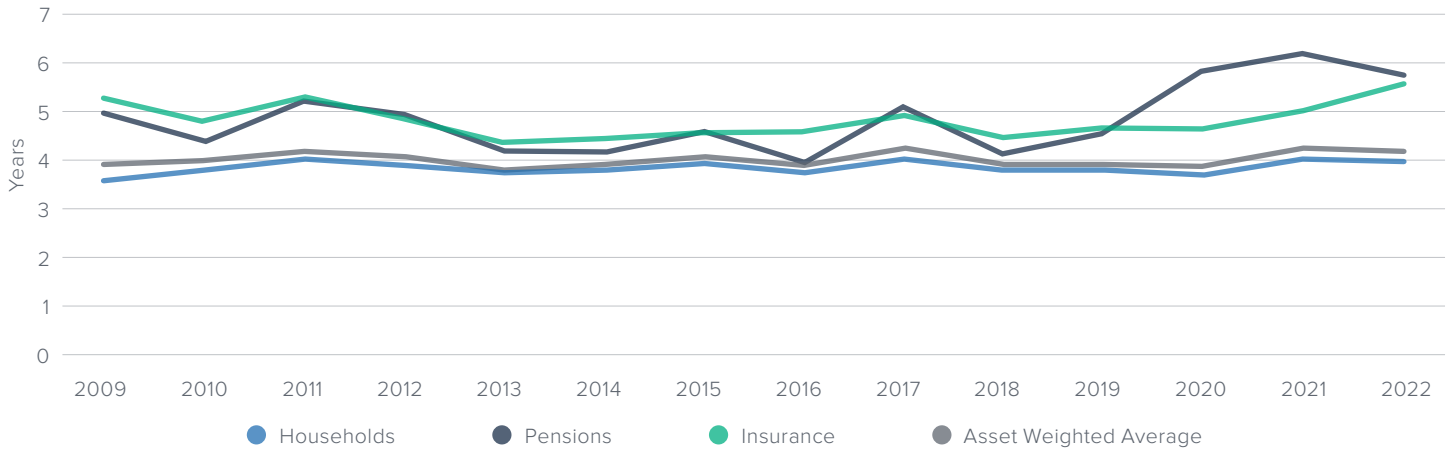


## Japan

Allocators of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Households	\$27,079	\$28,048	\$33,484	\$30,506	\$25,959	\$23,617	\$24,072	\$25,031	\$26,689	\$26,934	\$28,174	\$30,318	\$31,206	\$30,779
Pensions	\$1,190	\$1,440	\$1,548	\$1,644	\$1,417	\$1,482	\$1,259	\$1,498	\$1,550	\$1,591	\$1,524	\$1,574	\$1,955	\$1,660
Insurance	\$3,455	\$4,027	\$4,275	\$3,986	\$3,442	\$3,106	\$3,125	\$3,297	\$3,387	\$3,412	\$3,555	\$3,647	\$4,676	\$3,682
Total	\$31,724	\$33,515	\$39,307	\$36,135	\$30,819	\$28,205	\$28,456	\$29,827	\$31,626	\$31,937	\$33,254	\$35,539	\$37,837	\$36,120

Allocations of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash	\$9,116	\$9,050	\$11,212	\$10,227	\$8,654	\$7,786	\$7,883	\$8,382	\$8,891	\$9,068	\$9,949	\$9,204	\$12,342	\$8,943
Active Equities	\$2,194	\$2,188	\$2,258	\$2,320	\$2,440	\$2,380	\$2,330	\$2,396	\$2,743	\$2,652	\$2,238	\$2,360	\$3,693	\$2,090
Indexed Equities	\$152	\$215	\$296	\$317	\$457	\$540	\$572	\$627	\$806	\$863	\$1,043	\$997	\$1,279	\$1,082
Fixed Income	\$3,797	\$4,475	\$4,797	\$4,598	\$3,826	\$3,385	\$3,262	\$3,417	\$3,447	\$3,531	\$3,643	\$3,945	\$3,703	\$3,021
Real Estate	\$10,321	\$11,492	\$13,435	\$11,911	\$9,794	\$9,017	\$9,301	\$9,723	\$10,225	\$10,256	\$10,732	\$11,523	\$9,837	\$10,188
Investment funds, mutual funds, etc.	\$167	\$189	\$176	\$181	\$163	\$129	\$121	\$130	\$140	\$141	\$160	\$162	\$171	\$136
Other Investments	\$5,977	\$5,906	\$7,134	\$6,562	\$5,485	\$4,969	\$4,972	\$5,166	\$5,357	\$5,442	\$5,474	\$5,076	\$7,510	\$5,318

### Investment Horizon





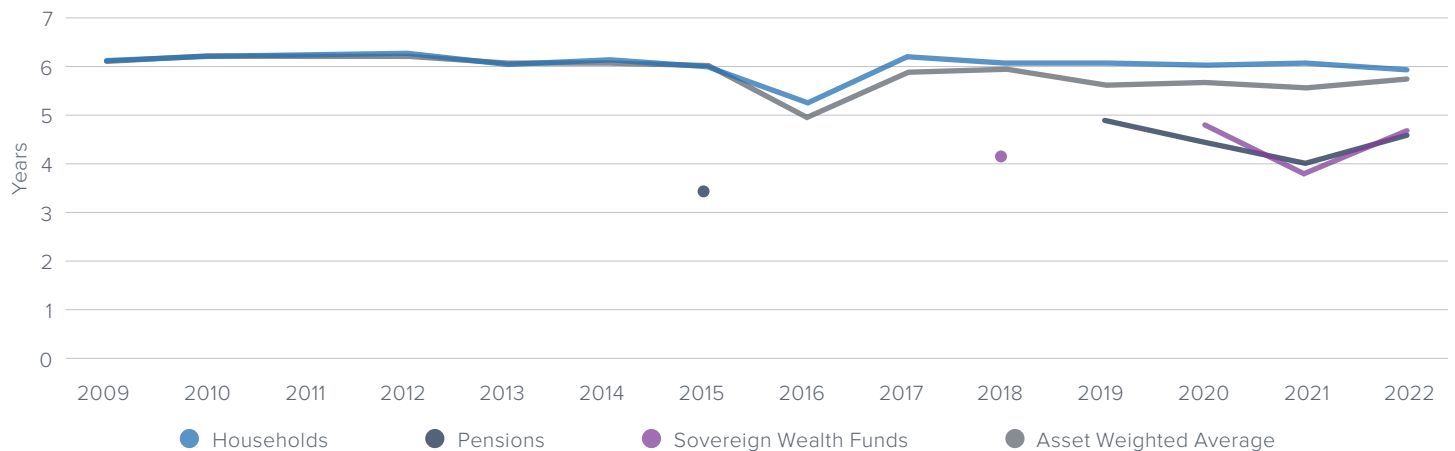


## Malaysia

Allocators of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Households	\$375	\$479	\$493	\$587	\$628	\$634	\$610	\$632	\$741	\$763	\$658	\$816	\$849	\$1,207
Pensions							<\$1	<\$1	<\$1	<\$1	\$224	\$238	\$244	\$228
Insurance														
Sovereign Wealth Funds								\$35	\$37	\$34	\$18	\$23	\$31	\$28
<b>Total</b>	<b>\$375</b>	<b>\$479</b>	<b>\$493</b>	<b>\$587</b>	<b>\$628</b>	<b>\$634</b>	<b>\$610</b>	<b>\$667</b>	<b>\$778</b>	<b>\$797</b>	<b>\$900</b>	<b>\$1,077</b>	<b>\$1,124</b>	<b>\$1,462</b>

Allocations of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash	\$29	\$32	\$38	\$47	\$56	\$54	\$58	\$62	\$70	\$69	\$69	\$98	\$107	\$109
Active Equities	\$17	\$18	\$18	\$22	\$25	\$22	\$21	\$20	\$24	\$42	\$89	\$117	\$150	\$135
Indexed Equities	\$2	\$3	\$3	\$4	\$5	\$5	\$5	\$6	\$8	\$14	\$32	\$31	\$22	\$26
Fixed Income										\$3	\$114	\$111	\$112	\$107
Private Equity										\$7	\$4	\$5	\$7	\$6
Real Estate	\$293	\$386	\$388	\$457	\$474	\$486	\$453	\$466	\$547	\$568	\$498	\$585	\$574	\$677
Alternatives												\$13	\$15	
Other Investments	\$35	\$40	\$46	\$57	\$68	\$67	\$73	\$78	\$93	\$94	\$91	\$117	\$138	\$145

### Investment Horizon



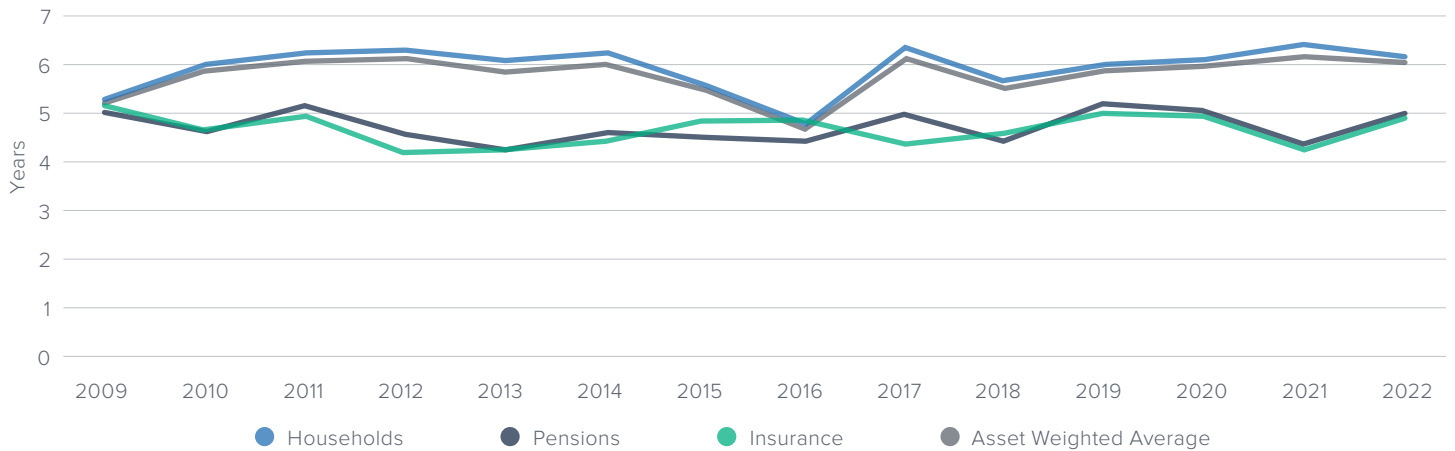


## Mexico

Allocators of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Households	\$2,050	\$1,795	\$1,782	\$2,119	\$2,310	\$2,306	\$2,634	\$2,612	\$2,723	\$2,806	\$3,047	\$3,727	\$4,205	\$5,465
Pensions	\$108	\$135	\$132	\$169	\$181	\$182	\$164	\$146	\$174	\$182	\$233	\$236	\$239	\$254
Insurance	\$34		\$42		\$55	\$54	\$52	\$32	\$36	\$39	<\$1	<\$1	<\$1	\$78
Sovereign Wealth Funds												<\$1		
Total	\$2,192	\$1,929	\$1,956	\$2,288	\$2,546	\$2,542	\$2,850	\$2,790	\$2,933	\$3,026	\$3,280	\$3,963	\$4,444	\$5,796

Allocations of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash	\$169	\$90	\$90	\$109	\$124	\$7	\$2	\$1	\$1	\$2	\$234	\$241	\$267	\$275
Active Equities	\$377	\$201	\$202	\$234	\$264	\$36	\$29	\$23	\$29	\$25	\$411	\$512	\$629	\$718
Indexed Equities	\$43	\$31	\$32	\$43	\$54	\$8	\$8	\$7	\$9	\$8	\$149	\$146	\$96	\$179
Fixed Income	\$121	\$147	\$145	\$176	\$184	\$186	\$178	\$144	\$167	\$181	\$181	\$184	\$184	\$238
Real Estate	\$1,146	\$1,325	\$1,309	\$1,580	\$1,697	\$1,698	\$1,582	\$1,550	\$1,518	\$1,612	\$1,832	\$2,352	\$2,679	\$3,448
Investment funds, mutual funds, etc.											\$32			
Other Investments	<\$1	\$1	<\$1	<\$1	<\$1	<\$1	<\$1	\$2	\$4	\$5	<\$1	\$528	\$585	\$605

### Investment Horizon



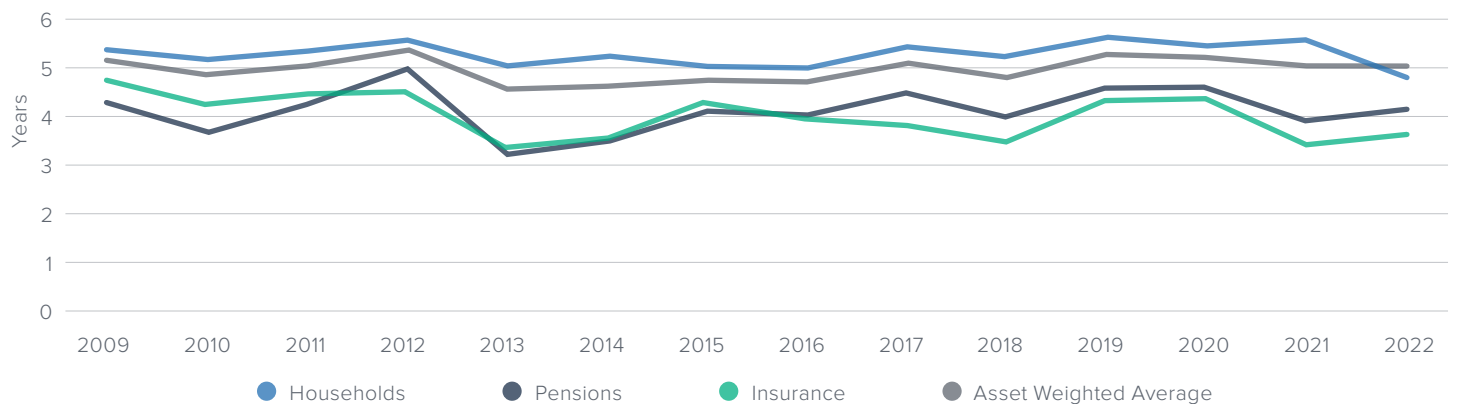


## Netherlands

Allocators of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Households	\$4,614	\$4,415	\$4,432	\$4,528	\$4,685	\$4,365	\$3,872	\$4,027	\$4,576	\$4,547	\$5,389	\$6,156	\$6,672	\$7,980
Pensions	\$979	\$1,016	\$1,056	\$1,229	\$1,335	\$1,282	\$1,266	\$1,361	\$1,631	\$1,536	\$1,770	\$1,770	\$2,089	\$1,640
Insurance	\$488	\$477	\$498	\$551	\$571	\$572	\$479	\$469	\$515	\$485	\$537	\$635	\$570	\$479
Foundations										\$108				
Total	\$6,082	\$5,907	\$5,986	\$6,308	\$6,591	\$6,220	\$5,617	\$5,857	\$6,722	\$6,676	\$7,695	\$8,561	\$9,331	\$10,100

Allocations of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash	\$542	\$542	\$549	\$597	\$608	\$527	\$473	\$477	\$571	\$559	\$574	\$681	\$730	\$585
Active Equities	\$689	\$714	\$717	\$742	\$835	\$771	\$728	\$674	\$788	\$702	\$795	\$861	\$1,007	\$666
Indexed Equities	\$70	\$90	\$58	\$105	\$117	\$139	\$137	\$151	\$202	\$180	\$223	\$229	\$217	\$198
Fixed Income	\$811	\$804	\$835	\$941	\$982	\$948	\$919	\$979	\$1,111	\$1,098	\$1,222	\$1,272	\$1,443	\$886
Private Equity			\$3	\$2	\$1	\$14	\$1	\$49	\$57	\$57	\$68	\$68	\$81	\$109
Real Estate	\$2,312	\$2,120	\$2,053	\$1,957	\$2,043	\$1,762	\$1,404	\$1,562	\$1,762	\$1,787	\$2,435	\$2,549	\$3,137	\$3,266
Investment funds, mutual funds, etc.	\$69	\$72	\$75	\$86	\$118	\$116	\$98	\$92	\$106	\$97	\$110	\$129	\$124	\$106
Hedge Funds								\$27	\$28	\$29	\$30	\$30	\$29	\$29
Other Investments	\$1,584	\$1,560	\$1,696	\$1,876	\$1,887	\$1,942	\$1,857	\$1,849	\$2,096	\$2,055	\$2,239	\$2,744	\$2,564	\$2,133

### Investment Horizon



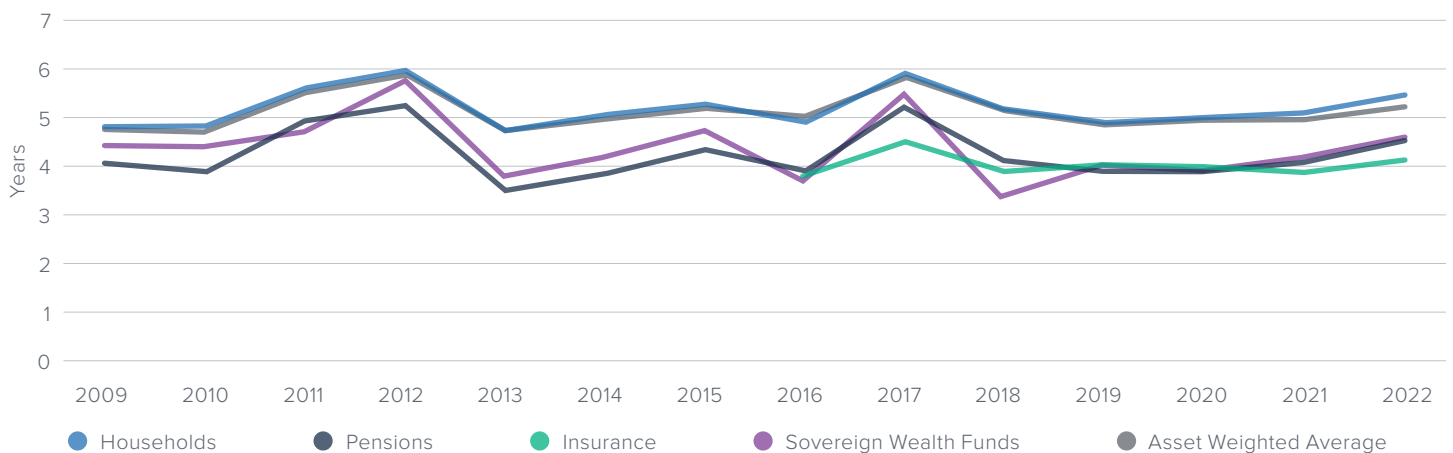


## New Zealand

Allocators of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Households	\$746	\$766	\$832	\$934	\$1,008	\$1,025	\$996	\$1,118	\$1,184	\$1,174	\$1,342	\$1,414	\$1,432	\$1,747
Pensions	\$12	\$19	\$24	\$28	\$34	\$40	\$40	\$45	\$54	\$54	\$66	\$66	\$80	\$95
Insurance								\$10	\$10	\$11	\$10	\$11	\$12	\$10
Sovereign Wealth Funds	\$9	\$12	\$19	\$16	\$20	\$23	\$22	\$21	\$25	\$27	\$28	\$29	\$35	\$35
<b>Total</b>	<b>\$767</b>	<b>\$798</b>	<b>\$875</b>	<b>\$978</b>	<b>\$1,062</b>	<b>\$1,089</b>	<b>\$1,058</b>	<b>\$1,194</b>	<b>\$1,273</b>	<b>\$1,266</b>	<b>\$1,447</b>	<b>\$1,520</b>	<b>\$1,559</b>	<b>\$1,887</b>

Allocations of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash	\$71	\$75	\$86	\$98	\$107	\$110	\$107	\$118	\$128	\$125	\$150	\$153	\$98	\$104
Active Equities	\$271	\$282	\$302	\$333	\$346	\$349	\$323	\$339	\$341	\$410	\$503	\$506	\$391	\$339
Indexed Equities	\$37	\$45	\$54	\$61	\$70	\$81	\$87	\$97	\$115	\$48	\$63	\$70	\$60	\$100
Fixed Income	\$4	\$6	\$8	\$7	\$9	\$12	\$11	\$17	\$20	\$20	\$23	\$23	\$38	\$34
Private Equity			<\$1	<\$1	<\$1	<\$1	<\$1	<\$1	\$1	\$4	\$1	\$1	\$3	\$2
Real Estate	\$337	\$335	\$361	\$406	\$449	\$453	\$450	\$531	\$567	\$551	\$593	\$650	\$640	\$782
Investment funds, mutual funds, etc.	\$5	\$8	\$10	\$12	\$14	\$17	\$17	\$22	\$24	\$24	\$24	\$23	\$27	\$23
Other Alternatives	\$2	\$2	<\$1	<\$1	<\$1	<\$1	<\$1	<\$1	<\$1	\$2	\$1	\$2	\$2	\$3
Commodities		<\$1	<\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$9	\$1	\$1		\$2
Other Investments	\$40	\$43	\$51	\$59	\$63	\$64	\$61	\$66	\$74	\$71	\$86	\$88	\$338	\$355

### Investment Horizon



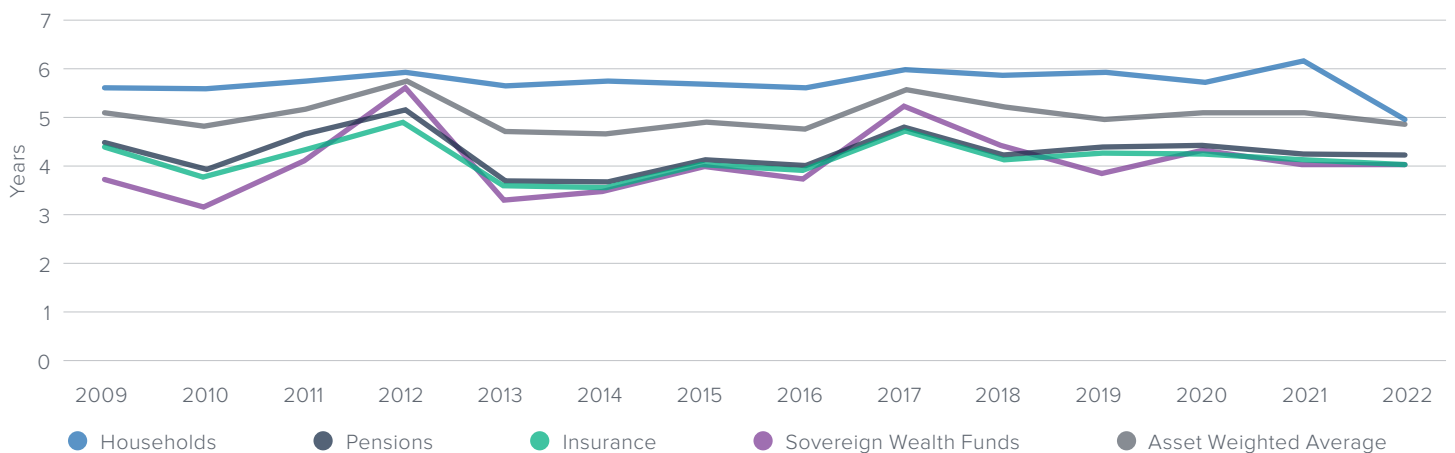


## Norway

Allocators of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Households	\$1,239	\$1,354	\$1,397	\$1,532	\$1,562	\$1,392	\$1,204	\$1,283	\$1,496	\$1,556	\$1,579	\$1,635	\$1,686	\$3,676
Pensions	\$30	\$33	\$34	\$39	\$41	\$37	\$34	\$37	\$42	\$40	\$44	\$44	\$49	\$49
Insurance	\$155	\$166	\$173	\$203	\$204	\$184	\$165	\$180	\$204	\$196	\$215	\$232	\$247	\$231
Sovereign Wealth Funds	\$420	\$509	\$591	\$656	\$857	\$1,021	\$926	\$895	\$1,027	\$1,015	\$1,146	\$1,158	\$1,434	\$1,293
Total	\$1,843	\$2,062	\$2,194	\$2,431	\$2,664	\$2,634	\$2,330	\$2,395	\$2,769	\$2,807	\$2,985	\$3,068	\$3,417	\$5,249

Allocations of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash	\$142	\$147	\$156	\$180	\$178	\$152	\$136	\$146	\$160	\$168	\$161	\$183	\$253	\$199
Active Equities	\$376	\$426	\$469	\$516	\$624	\$666	\$599	\$593	\$715	\$697	\$893	\$886	\$1,168	\$962
Indexed Equities	\$38	\$54	\$38	\$72	\$87	\$120	\$112	\$125	\$148	\$147	\$114	\$167	\$172	\$196
Fixed Income	\$269	\$304	\$358	\$385	\$456	\$485	\$431	\$415	\$437	\$431	\$425	\$412	\$496	\$480
Real Estate	\$763	\$860	\$892	\$950	\$992	\$909	\$776	\$814	\$967	\$1,020	\$1,037	\$1,022	\$917	\$1,505
Investment funds, mutual funds, etc.	\$20	\$27	\$33	\$41	\$45	\$55	\$50	\$56	\$67	\$64	\$75	\$85	\$96	\$82
Other Investments	\$235	\$245	\$248	\$286	\$283	\$247	\$225	\$245	\$275	\$280	\$279	\$312	\$315	\$251

### Investment Horizon



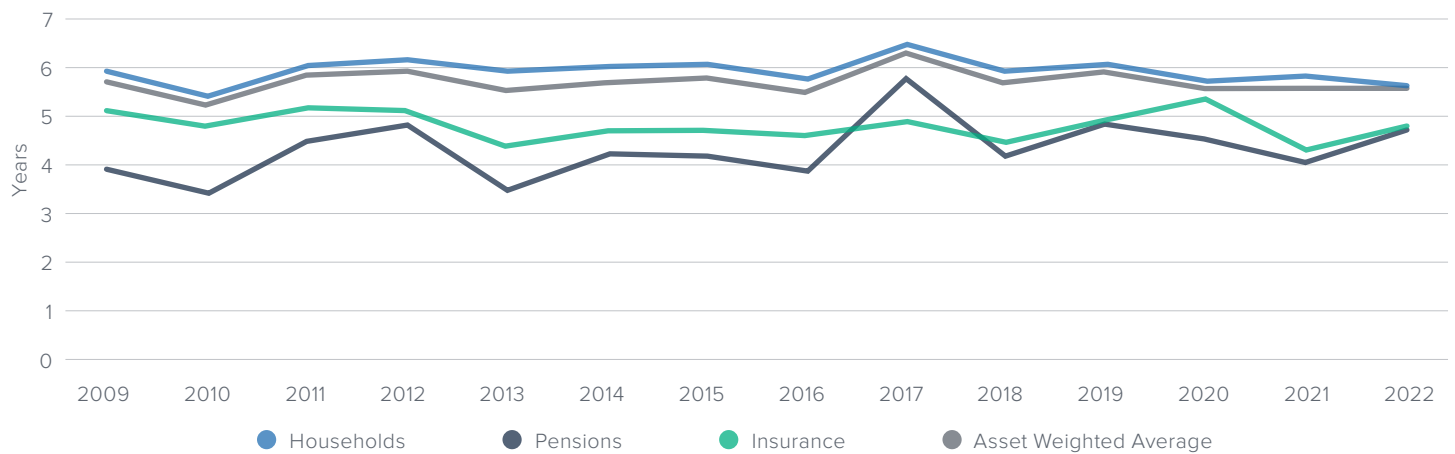


## Peru

Allocators of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Households	\$198	\$290	\$228	\$299	\$314	\$299	\$316	\$333	\$410	\$432	\$488	\$464	\$515	\$607
Pensions	\$24	\$31	\$30	\$38	\$37	\$38	\$36	\$41	\$49	\$46	\$53	\$46	\$33	\$27
Insurance	\$5	\$6	\$7	\$8	\$10	\$12	\$12	\$12	\$14	\$15	\$16	\$17	\$19	\$20
Foundations										<\$1				
Total	\$227	\$327	\$266	\$345	\$361	\$349	\$365	\$386	\$473	\$493	\$557	\$527	\$567	\$654

Allocations of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash	\$14	\$28	\$17	\$23	\$29	\$26	\$27	\$28	\$31	\$29	\$33	\$46	\$50	\$57
Active Equities	\$23	\$36	\$28	\$33	\$35	\$34	\$35	\$41	\$53	\$54	\$60	\$51	\$61	\$74
Indexed Equities	\$3	\$7	\$5	\$7	\$8	\$9	\$10	\$13	\$18	\$18	\$21	\$15	\$9	\$18
Fixed Income	\$15	\$18	\$20	\$25	\$22	\$25	\$25	\$29	\$32	\$33	\$39	\$33	\$27	\$27
Private Equity	<\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$2	\$2	\$3	\$3	\$3	\$4	\$4
Real Estate	\$123	\$145	\$141	\$186	\$186	\$177	\$191	\$193	\$239	\$252	\$285	\$266	\$290	\$295
Other Investments	\$48	\$93	\$54	\$70	\$80	\$76	\$76	\$82	\$97	\$104	\$117	\$114	\$126	\$131

### Investment Horizon



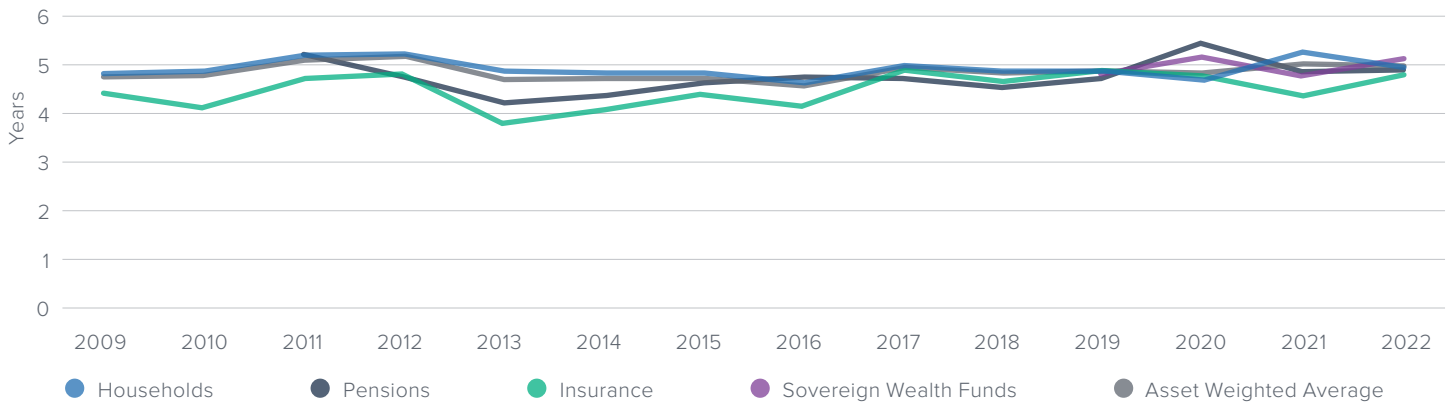


# Singapore

Allocators of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Households	\$874	\$1,026	\$1,161	\$1,342	\$1,362	\$1,325	\$1,283	\$1,335	\$1,529	\$1,562	\$1,728	\$1,868	\$2,045	\$3,845
Pensions			\$159	\$188	\$200	\$208	\$212	\$227	\$268	\$286	\$315	\$348	\$360	\$370
Insurance	\$88	\$102	\$118	\$129	\$132	\$145	\$142	\$153	\$174	\$190	\$217	\$249	\$268	\$254
Sovereign Wealth Funds											\$440	\$452	\$1,094	\$1,046
<b>Total</b>	<b>\$962</b>	<b>\$1,127</b>	<b>\$1,439</b>	<b>\$1,659</b>	<b>\$1,694</b>	<b>\$1,678</b>	<b>\$1,636</b>	<b>\$1,715</b>	<b>\$1,971</b>	<b>\$2,038</b>	<b>\$2,700</b>	<b>\$2,917</b>	<b>\$3,767</b>	<b>\$5,516</b>

Allocations of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash	\$167	\$188	\$223	\$255	\$266	\$267	\$267	\$283	\$319	\$322	\$362	\$398	\$426	\$446
Active Equities	\$116	\$131	\$124	\$148	\$151	\$147	\$128	\$130	\$155	\$156	\$313	\$292	\$658	\$554
Indexed Equities	\$16	\$19	\$20	\$24	\$26	\$28	\$28	\$29	\$45	\$47	\$72	\$73	\$96	\$122
Fixed Income	\$48	\$55	\$67	\$74	\$74	\$84	\$84	\$89	\$91	\$102	\$311	\$359	\$472	\$799
Private Equity											\$53	\$63	\$223	\$232
Real Estate	\$412	\$506	\$587	\$667	\$660	\$618	\$589	\$601	\$670	\$687	\$762	\$811	\$930	\$1,059
Other Investments	\$203	\$229	\$259	\$304	\$317	\$327	\$329	\$354	\$423	\$438	\$512	\$573	\$947	\$636

## Investment Horizon



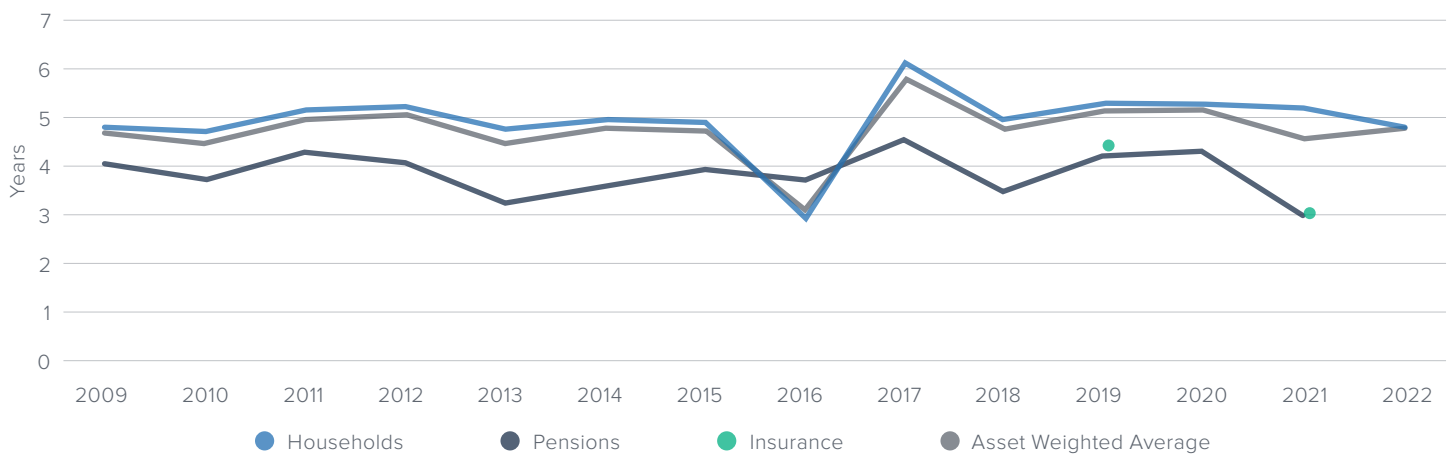


## South Africa

Allocators of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Households	\$904	\$996	\$931	\$1,010	\$930	\$921	\$720	\$854	\$1,040	\$943	\$929	\$911	\$927	\$1,090
Pensions	\$156	\$198	\$170	\$186	\$173	\$180	\$146	\$171	\$197	\$137	\$96	\$171	\$179	
Insurance											\$128		\$229	
Total	\$1,060	\$1,194	\$1,100	\$1,196	\$1,103	\$1,101	\$866	\$1,025	\$1,236	\$1,080	\$1,153	\$1,083	\$1,335	\$1,090

Allocations of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash	\$79	\$91	\$88	\$92	\$79	\$81	\$70	\$85	\$102	\$10	\$96	\$88	\$96	\$105
Active Equities	\$28	\$37	\$31	\$31	\$31	\$31	\$24	\$26	\$28	\$38	\$80	\$134	\$153	\$192
Indexed Equities	\$3	\$6	\$5	\$6	\$6	\$7	\$6	\$8	\$9	\$12	\$29	\$38	\$25	\$31
Fixed Income	\$85	\$104	\$97	\$108	\$101	\$104	\$83	\$98	\$115	\$60	\$44	\$208	\$127	
Private Equity				<\$1	<\$1	<\$1	<\$1	\$1	\$1	\$1	\$1	\$3	\$1	
Real Estate	\$352	\$370	\$340	\$352	\$315	\$312	\$249	\$296	\$347	\$331	\$331	\$324	\$355	\$336
Investment funds, mutual funds, etc.	\$16	\$22	\$22	\$25	\$25	\$28	\$19	\$27	\$32	\$4	\$32	\$58	\$155	
Alternatives											\$4			
Hedge Funds				\$4	<\$1	\$2	\$1	\$1	<\$1	\$1	<\$1	\$1	<\$1	
Private Debt													\$18	
Other Investments	\$7	\$7	\$6	\$2	\$3	\$1	\$4	\$3	\$4	\$4	\$106	\$399	\$397	\$426

### Investment Horizon





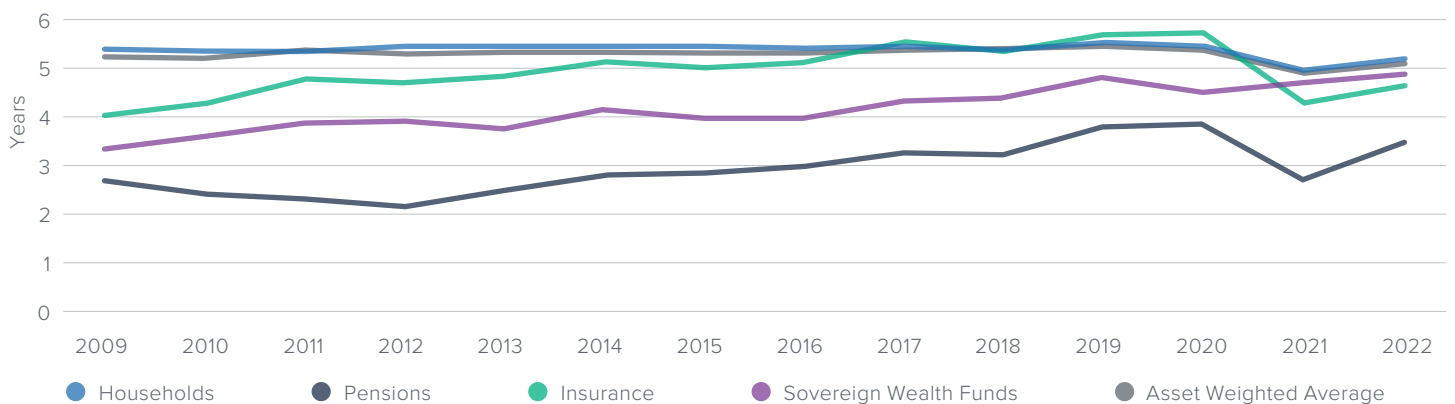


## South Korea

Allocators of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Households	\$5,052	\$5,745	\$5,947	\$6,782	\$7,144	\$7,337	\$7,339	\$7,534	\$9,108	\$8,909	\$9,659	\$10,834	\$11,911	\$13,137
Pensions	\$32	\$41	\$48	\$64	\$82	\$99	\$109	\$123	\$158	\$171	\$191	\$191	\$236	\$286
Insurance	\$395	\$471	\$520	\$657	\$732	\$790	\$806	\$859	\$1,048	\$1,048	\$1,086	\$1,219	\$1,174	\$1,125
Sovereign Wealth Funds	\$30	\$37	\$43	\$57	\$72	\$85	\$92	\$111	\$134	\$132	\$157	\$183	\$191	\$169
<b>Total</b>	<b>\$5,509</b>	<b>\$6,293</b>	<b>\$6,558</b>	<b>\$7,559</b>	<b>\$8,030</b>	<b>\$8,310</b>	<b>\$8,345</b>	<b>\$8,627</b>	<b>\$10,448</b>	<b>\$10,259</b>	<b>\$11,093</b>	<b>\$12,427</b>	<b>\$13,511</b>	<b>\$14,717</b>

Allocations of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash	\$812	\$956	\$998	\$1,126	\$1,198	\$1,238	\$1,255	\$1,322	\$1,590	\$1,658	\$1,658	\$1,899	\$2,345	\$2,760
Active Equities	\$422	\$477	\$426	\$483	\$505	\$517	\$544	\$528	\$653	\$611	\$697	\$952	\$1,306	\$1,066
Indexed Equities	\$51	\$77	\$74	\$91	\$101	\$102	\$103	\$125	\$205	\$193	\$219	\$215	\$190	\$212
Fixed Income	\$320	\$380	\$430	\$527	\$607	\$670	\$702	\$759	\$911	\$927	\$969	\$982	\$1,015	\$867
Real Estate	\$3,355	\$3,760	\$3,922	\$4,434	\$4,606	\$4,697	\$4,625	\$4,727	\$5,682	\$5,574	\$6,223	\$6,732	\$6,839	\$7,809
Investment funds, mutual funds, etc.	\$38	\$45	\$46	\$68	\$78	\$83	\$82	\$86	\$117	\$133	\$135	\$165	\$195	\$210
Other Alternatives	\$1	\$2	\$3	\$4	\$6	\$7	\$11	\$15	\$19	\$22	\$25			
Other Investments	\$509	\$595	\$656	\$820	\$919	\$988	\$1,010	\$1,050	\$1,257	\$1,216	\$1,154	\$1,299	\$1,603	\$351

### Investment Horizon



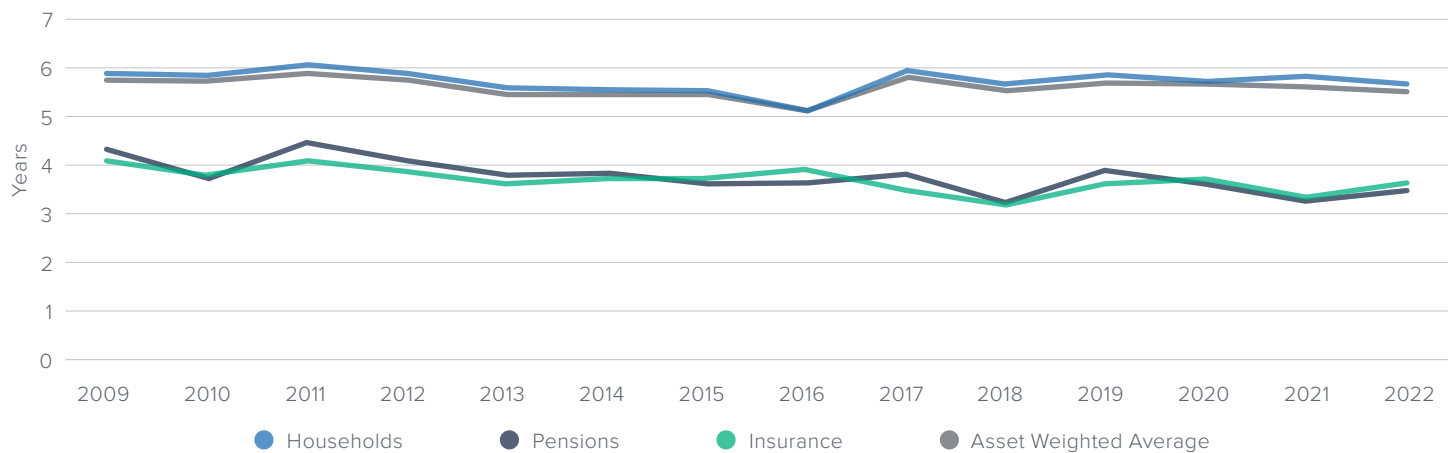


## Spain

Allocators of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Households	\$10,832	\$9,933	\$9,948	\$9,233	\$9,063	\$7,490	\$7,015	\$7,032	\$8,517	\$8,509	\$8,666	\$9,514	\$9,314	\$9,730
Pensions	\$123	\$112	\$108	\$114	\$127	\$122	\$113	\$112	\$132	\$121	\$130	\$145	\$154	\$131
Insurance	\$333	\$306	\$308	\$323	\$341	\$341	\$324	\$312	\$359	\$347	\$357	\$392	\$360	\$298
Total	\$11,288	\$10,351	\$10,364	\$9,671	\$9,532	\$7,952	\$7,453	\$7,456	\$9,008	\$8,978	\$9,153	\$10,050	\$9,828	\$10,158

Allocations of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash	\$1,269	\$1,178	\$1,145	\$1,171	\$1,246	\$1,075	\$965	\$928	\$1,060	\$1,037	\$1,014	\$1,205	\$1,291	\$1,150
Active Equities	\$702	\$625	\$620	\$611	\$796	\$721	\$693	\$678	\$802	\$820	\$808	\$885	\$1,128	\$898
Indexed Equities	\$80	\$98	\$99	\$112	\$162	\$171	\$183	\$198	\$255	\$270	\$293	\$253	\$168	\$267
Fixed Income	\$302	\$273	\$276	\$301	\$319	\$325	\$311	\$306	\$346	\$337	\$548	\$399	\$366	\$284
Private Equity	<\$1		<\$1	<\$1	<\$1	<\$1	<\$1	<\$1	\$1	\$1	\$1	\$1	\$1	\$2
Real Estate	\$8,365	\$7,643	\$7,666	\$6,918	\$6,448	\$5,133	\$4,815	\$4,863	\$5,977	\$5,973	\$6,167	\$6,634	\$6,146	\$6,460
Investment funds, mutual funds, etc.	\$23	\$27	\$25	\$23	\$26	\$29	\$32	\$36	\$50	\$48	\$33	\$30	\$33	\$33
Alternatives													\$2	
Hedge Funds												\$2	\$2	\$1
Other Investments	\$546	\$506	\$532	\$534	\$537	\$497	\$453	\$446	\$517	\$491	\$509	\$641	\$683	\$636

### Investment Horizon



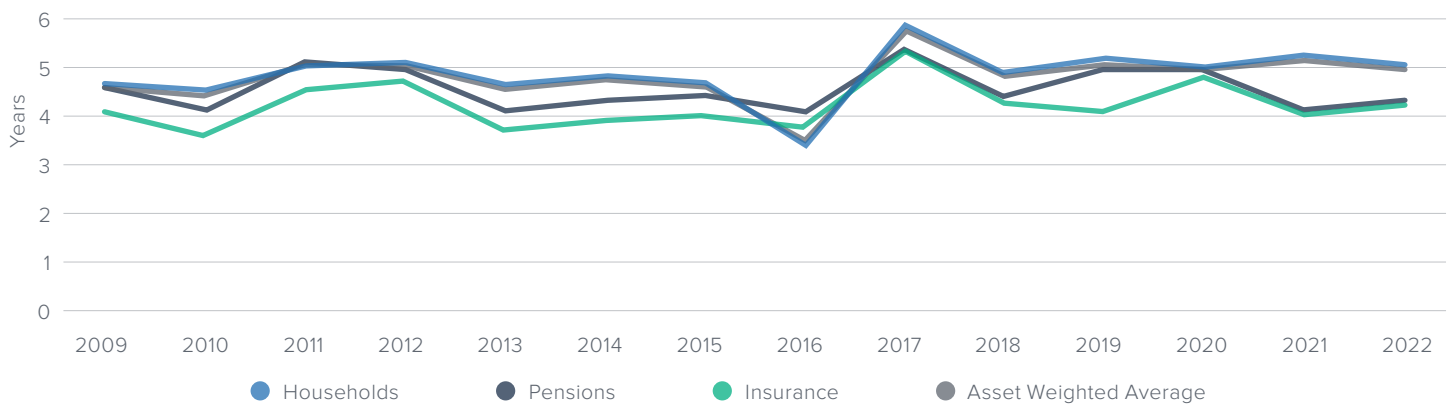


## Sweden

Allocators of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Households	\$1,775	\$1,908	\$2,002	\$2,202	\$2,385	\$2,182	\$2,216	\$2,233	\$2,648	\$2,497	\$2,530	\$3,220	\$3,556	\$3,078
Pensions	\$36	\$47	\$47	\$57	\$54	\$47	\$44	\$20	\$23	\$21	\$23	\$26	\$26	\$27
Insurance	\$134	\$154	\$147	\$168	\$178	\$170	\$161	\$157	\$188	\$168	\$190	\$229	\$262	\$197
Total	\$1,945	\$2,109	\$2,195	\$2,427	\$2,617	\$2,399	\$2,421	\$2,410	\$2,858	\$2,686	\$2,742	\$3,476	\$3,843	\$3,302

Allocations of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash	\$156	\$170	\$194	\$220	\$230	\$199	\$198	\$196	\$231	\$220	\$222	\$296	\$327	\$229
Active Equities	\$441	\$471	\$432	\$495	\$562	\$536	\$545	\$529	\$593	\$544	\$542	\$808	\$1,107	\$680
Indexed Equities	\$50	\$73	\$69	\$91	\$114	\$127	\$143	\$154	\$188	\$179	\$196	\$231	\$161	\$198
Fixed Income	\$82	\$88	\$94	\$103	\$96	\$83	\$73	\$58	\$66	\$62	\$56	\$68	\$61	\$46
Real Estate	\$745	\$779	\$835	\$890	\$926	\$800	\$825	\$845	\$1,016	\$954	\$964	\$1,072	\$981	\$1,083
Investment funds, mutual funds, etc.	\$45	\$60	\$52	\$69	\$80	\$77	\$78	\$70	\$90	\$80	\$101	\$119	\$141	\$121
Other Investments	\$426	\$467	\$520	\$560	\$608	\$576	\$558	\$559	\$673	\$648	\$662	\$882	\$1,065	\$1,616

### Investment Horizon



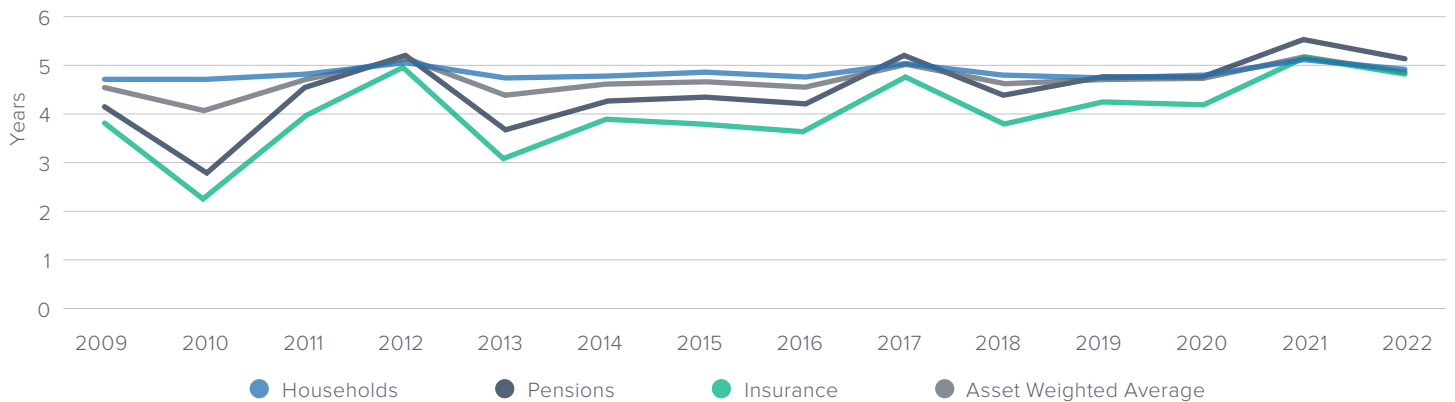


## Switzerland

Allocators of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Households	\$3,213	\$3,161	\$3,802	\$4,125	\$4,461	\$4,185	\$4,218	\$4,259	\$4,726	\$4,627	\$5,102	\$5,750	\$6,807	\$7,792
Pensions	\$581	\$661	\$665	\$734	\$808	\$786	\$794	\$811	\$917	\$893	\$1,037	\$1,037	\$1,208	\$1,180
Insurance	\$465	\$526	\$551	\$611	\$613	\$581	\$576	\$607	\$656	\$644	\$704	\$762	\$753	\$718
Foundations										\$88				
Total	\$4,259	\$4,348	\$5,018	\$5,469	\$5,883	\$5,552	\$5,588	\$5,677	\$6,299	\$6,251	\$6,843	\$7,548	\$8,768	\$9,690

Allocations of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash	\$663	\$651	\$784	\$862	\$928	\$860	\$849	\$870	\$954	\$938	\$1,042	\$1,152	\$1,232	\$1,118
Active Equities	\$444	\$472	\$514	\$546	\$626	\$541	\$540	\$548	\$627	\$603	\$730	\$781	\$1,203	\$965
Indexed Equities	\$45	\$55	\$41	\$77	\$80	\$91	\$96	\$113	\$144	\$164	\$215	\$220	\$215	\$253
Fixed Income	\$449	\$500	\$509	\$550	\$562	\$576	\$552	\$565	\$608	\$589	\$650	\$669	\$725	\$611
Private Equity	\$5	\$6	\$7	\$8	\$10	\$10	\$11	\$12	\$15	\$16	\$18	\$18	\$24	\$29
Real Estate	\$1,392	\$1,393	\$1,782	\$1,953	\$2,104	\$1,979	\$2,009	\$2,015	\$2,258	\$2,248	\$2,397	\$2,721	\$3,427	\$2,999
Investment funds, mutual funds, etc.	\$82	\$98	\$103	\$113	\$124	\$135	\$144	\$150	\$162	\$159	\$188	\$205	\$194	\$183
Hedge Funds	\$16	\$17	\$17	\$17	\$18	\$17	\$18	\$18	\$21	\$17	\$17	\$17	\$19	\$16
Other Investments	\$1,164	\$1,156	\$1,260	\$1,345	\$1,431	\$1,342	\$1,368	\$1,386	\$1,511	\$1,472	\$1,587	\$1,765	\$1,730	\$1,616

### Investment Horizon

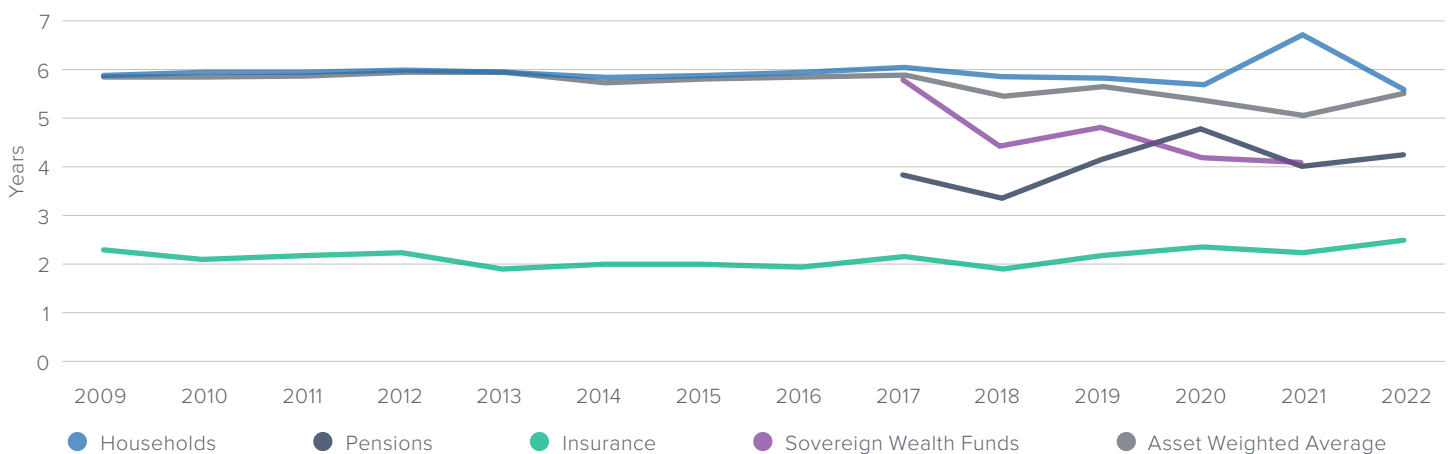




Allocators of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Households	\$1,425	\$1,842	\$1,676	\$1,983	\$2,139	\$1,926	\$1,924	\$1,905	\$1,968	\$1,622	\$1,679	\$1,632	\$1,226	\$1,186
Pensions									\$21	\$18	\$21	\$23	\$18	\$33
Insurance	\$10	\$23	\$24	\$28	\$33	\$36	\$35	\$39	\$41	\$36	\$41	\$41	\$46	\$51
Sovereign Wealth Funds									\$60	\$243	\$257	\$309	\$361	
Foundations										\$20				
Total	\$1,435	\$1,865	\$1,701	\$2,012	\$2,172	\$1,963	\$1,960	\$1,945	\$2,090	\$1,939	\$1,998	\$2,005	\$1,652	\$1,270

Allocations of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash	\$218	\$256	\$245	\$282	\$299	\$315	\$301	\$277	\$304	\$278	\$303	\$323	\$293	\$217
Active Equities	\$17	\$49	\$35	\$44	\$40	\$43	\$36	\$30	\$53	\$110	\$117	\$170	\$187	\$35
Indexed Equities	\$3	\$10	\$7	\$10	\$10	\$11	\$10	\$9	\$18	\$39	\$45	\$32	\$28	\$9
Fixed Income	\$8	\$13	\$9	\$10	\$12	\$13	\$13	\$14	\$26	\$22	\$26	\$30	\$31	\$34
Private Equity									\$28	\$116	\$120	\$146	\$167	
Real Estate	\$1,156	\$1,523	\$1,380	\$1,633	\$1,798	\$1,566	\$1,587	\$1,582	\$1,625	\$1,321	\$1,348	\$1,262	\$908	\$853
Investment funds, mutual funds, etc.	<\$1													
Other Investments	\$47	\$31	\$25	\$32	\$15	\$15	\$14	\$32	\$37	\$30	\$39	\$44	\$39	\$38

### Investment Horizon



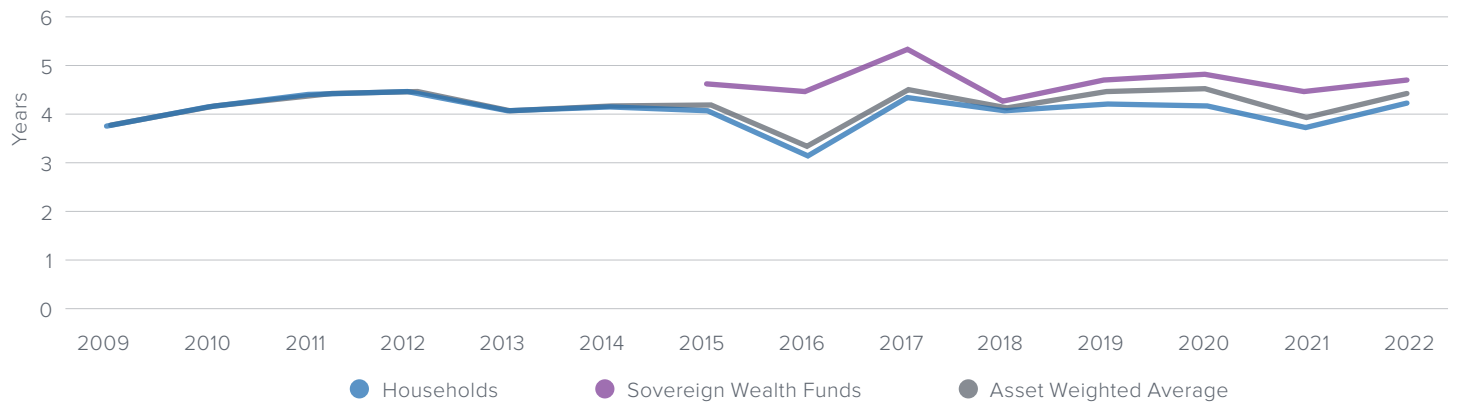


## United Arab Emirates

Allocators of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Households	\$1,047	\$1,024	\$852	\$811	\$930	\$982	\$886	\$932	\$1,057	\$1,051	\$1,070	\$1,006	\$1,006	\$3,040
Sovereign Wealth Funds	\$70	\$75	\$114	\$129	\$133	\$307	\$133	\$122	\$128	\$968	\$1,257	\$1,279	\$1,392	\$1,698
Total	\$1,118	\$1,099	\$966	\$941	\$1,062	\$1,289	\$1,018	\$1,054	\$1,185	\$2,019	\$2,327	\$2,285	\$2,398	\$4,738

Allocations of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash	\$329	\$288	\$227	\$217	\$269	\$283	\$257	\$285	\$319	\$341	\$348	\$294	\$294	\$439
Active Equities	\$77	\$65	\$51	\$48	\$58	\$59	\$70	\$72	\$75	\$413	\$496	\$586	\$666	\$711
Indexed Equities	\$9	\$10	\$8	\$9	\$12	\$14	\$16	\$18	\$21	\$136	\$180	\$94	\$97	\$116
Fixed Income							\$12	\$9	\$21	\$141	\$421	\$182	\$211	\$173
Private Equity							\$73	\$71	\$54	\$261	\$370	\$362	\$386	\$496
Real Estate	\$415	\$470	\$416	\$394	\$412	\$437	\$407	\$414	\$488	\$527	\$557	\$535	\$549	\$701
Alternatives														\$38
Hedge Funds														\$64
Other Investments	\$214	\$188	\$148	\$142	\$175	\$185	\$168	\$180	\$202	\$203	\$203	\$192	\$192	\$258

### Investment Horizon



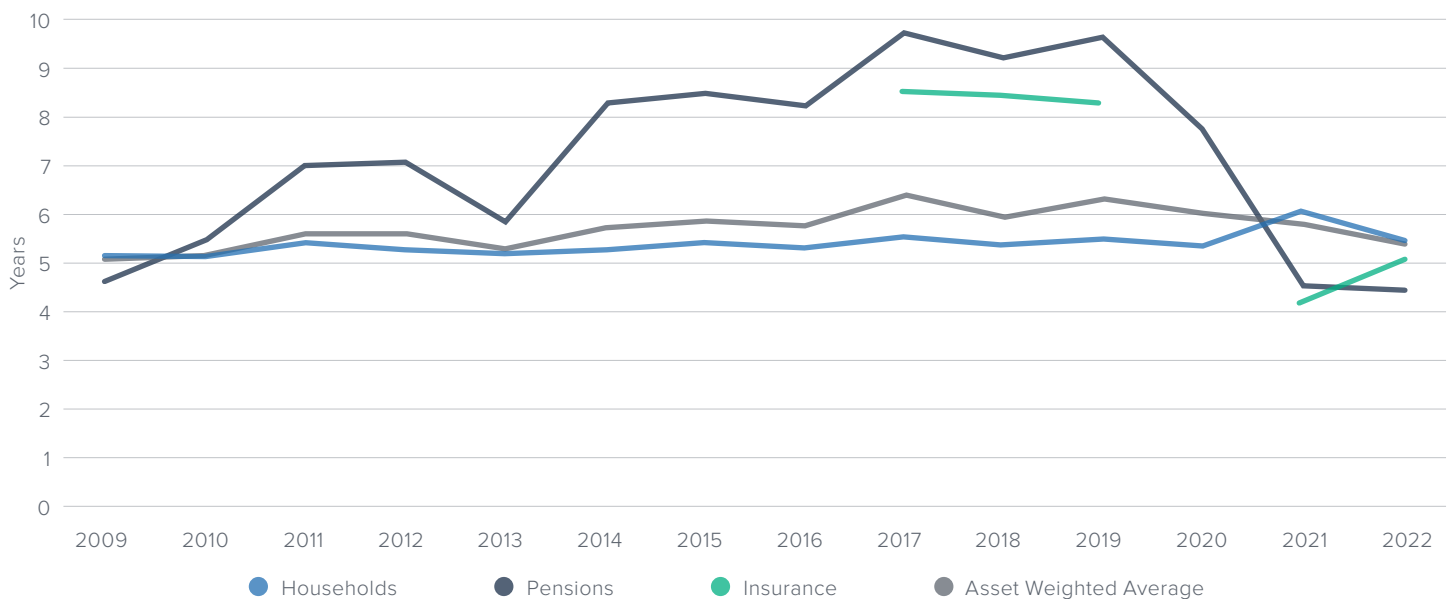


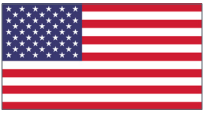
## United Kingdom

Allocators of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Households	\$13,791	\$13,422	\$14,128	\$14,766	\$16,168	\$16,689	\$16,459	\$14,911	\$17,086	\$16,968	\$16,652	\$17,923	\$19,394	\$23,884
Pensions	\$1,821	\$2,018	\$2,233	\$2,530	\$2,811	\$2,785	\$2,742	\$2,608	\$2,998	\$2,809	\$3,161	\$3,161	\$3,594	\$2,994
Insurance									\$2,376	\$2,325	\$2,043		\$1,443	\$2,301
Foundations										\$84				
Total	\$15,612	\$15,440	\$16,361	\$17,296	\$18,978	\$19,474	\$19,201	\$17,519	\$22,460	\$22,186	\$21,856	\$21,083	\$24,430	\$29,179

Allocations of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash	\$1,932	\$1,900	\$1,981	\$2,116	\$2,326	\$2,263	\$2,202	\$1,971	\$2,450	\$2,226	\$2,639	\$2,611	\$3,062	\$2,662
Active Equities	\$1,288	\$1,248	\$1,125	\$1,122	\$1,223	\$1,201	\$1,094	\$947	\$1,537	\$943	\$1,563	\$1,387	\$2,024	\$2,046
Indexed Equities	\$89	\$117	\$140	\$138	\$199	\$256	\$252	\$241	\$436	\$298	\$646	\$473	\$487	\$442
Fixed Income	\$536	\$558	\$660	\$742	\$828	\$885	\$903	\$889	\$1,933	\$848	\$2,203	\$1,488	\$2,527	\$2,042
Private Equity											\$25	\$25	\$28	\$42
Real Estate	\$6,539	\$6,280	\$6,318	\$6,593	\$7,416	\$7,549	\$7,710	\$6,876	\$8,167	\$7,990	\$7,743	\$8,043	\$9,606	\$10,480
Investment funds, mutual funds, etc.	\$464	\$579	\$596	\$708	\$785	\$702	\$740	\$724	\$1,399	\$749	\$531		\$298	\$184
Hedge Funds											\$50	\$50	\$82	\$83
Other Investments	\$4,764	\$4,759	\$5,540	\$5,877	\$6,201	\$6,618	\$6,301	\$5,872	\$6,535	\$6,733	\$6,370	\$6,921	\$6,209	\$5,903

### Investment Horizon



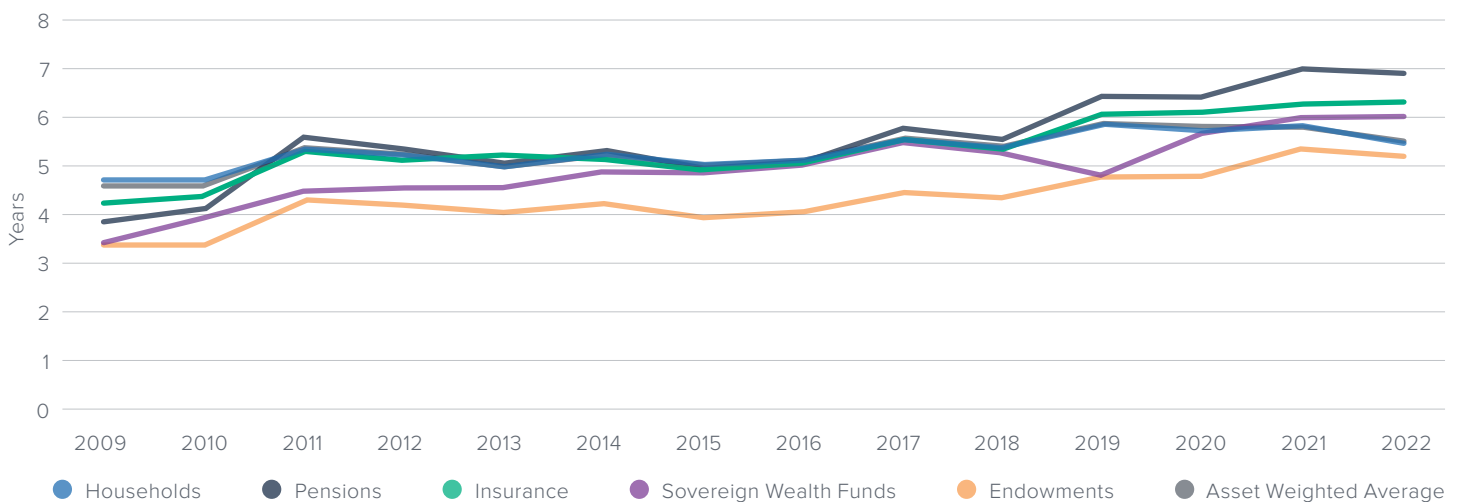


## United States

Allocators of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Households	\$69,956	\$73,516	\$74,298	\$79,870	\$89,417	\$94,395	\$97,323	\$102,965	\$111,071	\$116,936	\$130,449	\$142,531	\$168,031	\$190,513
Pensions	\$10,031	\$11,064	\$11,072	\$12,129	\$13,667	\$14,303	\$14,126	\$14,829	\$16,663	\$16,178	\$18,385	\$18,385	\$20,230	\$19,453
Insurance	\$6,406	\$6,846	\$7,124	\$7,543	\$7,866	\$8,235	\$8,178	\$8,539	\$9,213	\$8,985	\$10,161	\$11,186	\$12,963	\$11,829
Sovereign Wealth Funds	\$34	\$35	\$45	\$43	\$50	\$55	\$56	\$55	\$64	\$60	\$67	\$72	\$86	\$96
Endowments	\$316	\$346	\$408	\$404	\$447	\$511	\$526	\$515	\$567	\$615	\$631	\$638	\$841	\$805
Foundations										\$890				
<b>Total</b>	<b>\$86,743</b>	<b>\$91,807</b>	<b>\$92,948</b>	<b>\$99,989</b>	<b>\$111,447</b>	<b>\$117,498</b>	<b>\$120,209</b>	<b>\$126,903</b>	<b>\$137,578</b>	<b>\$143,664</b>	<b>\$159,693</b>	<b>\$172,812</b>	<b>\$202,150</b>	<b>\$222,697</b>

Allocations of Capital (USD Billions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash	\$6,736	\$7,272	\$7,918	\$8,407	\$8,803	\$9,397	\$9,886	\$10,491	\$10,740	\$11,276	\$11,791	\$13,979	\$15,906	\$15,434
Active Equities	\$13,574	\$14,460	\$13,350	\$16,058	\$19,043	\$20,031	\$20,609	\$19,786	\$22,763	\$21,508	\$23,763	\$27,798	\$48,123	\$35,108
Indexed Equities	\$2,596	\$3,272	\$3,799	\$3,780	\$5,866	\$7,185	\$5,935	\$8,855	\$11,068	\$11,434	\$17,007	\$18,338	\$18,986	\$28,245
Fixed Income	\$7,904	\$8,389	\$8,841	\$9,315	\$9,439	\$10,001	\$10,034	\$10,535	\$11,192	\$11,573	\$12,622	\$13,340	\$12,814	\$11,804
Private Equity	\$47	\$52	\$65	\$69	\$72	\$77	\$79	\$88	\$91	\$98	\$135	\$157	\$239	\$257
Real Estate	\$21,508	\$20,940	\$20,984	\$22,432	\$24,408	\$25,603	\$27,053	\$28,569	\$30,324	\$30,764	\$35,932	\$38,474	\$49,807	\$51,430
Investment funds, mutual funds, etc.	\$3,546	\$3,982	\$3,838	\$4,232	\$5,062	\$5,309	\$5,178	\$5,455	\$6,174	\$5,711	\$6,423	\$6,537	\$7,296	\$7,484
Hedge Funds	\$70	\$73	\$78	\$77	\$89	\$92	\$105	\$103	\$108	\$111	\$125	\$132	\$143	\$139
Other Alternatives											\$3	\$2		\$3
Commodities	\$19	\$24	\$29	\$28	\$31	\$36	\$37	\$36	\$40	\$43	\$30	\$23	\$25	\$29
Private Debt	\$6	\$10	\$8	\$8	\$9	\$10	\$11	\$5	\$6	\$6	\$9	\$10	\$9	\$12
Other Investments	\$30,703	\$33,294	\$33,935	\$35,538	\$38,575	\$39,704	\$41,227	\$42,924	\$45,003	\$50,104	\$51,899	\$54,095	\$48,782	\$40,566

### Investment Horizon





# ACKNOWLEDGMENTS

FCLTGlobal was created to encourage a longer-term focus in business and investment decision-making. Our work is grounded in a focus on the financial needs and ambitions of everyday savers, whose own long-term goals too often are lost in the intricacy of the financial markets. By working across the investment value chain, we aim to make long-term practices the norm, not the exception.

Without sound numbers to form a foundation, we would not have been able to build this project into what it is today. Our sincere thanks go to the teams at State Street and the International Forum of Sovereign Wealth Funds for contributing their unique data to this project and to CoreData Research Services Inc. for making these findings possible with their data collection, methodology, and analysis.

As always, our Members were integral participants in our research process and FCLTGlobal extends its gratitude and appreciation to its staff, Members, and partners, for their support and important feedback on this project. In particular we'd like to especially thank:

## Project Contributors

VICTORIA BARBARY  
International Federation of  
Sovereign Wealth Funds

MICHAEL COHEN  
bp

JUHI DHAWAN  
Wellington Management

JOE FARADAY  
Baillie Gifford

LEE FERRIDGE  
State Street

JON HUBBARD  
MFS Investment Management

ALEX JOINER  
IFM

HERVE LIEVORE  
AIA

ASHLEY MACNEILL  
Vista Equity Partners

MICHAEL MORLEY  
CoreData

TOM ORLIK  
Bloomberg

NICOLAS PARENT  
Caisse de dépôt et placement  
du Québec

DERRY PICKFORD  
Aon

LAURA SARLO  
Liberty Mutual Investments

PETRA SCHMIDT  
Aon

VICTORIA SERVARE  
CoreData

ENRICO SODDU  
International Federation of  
Sovereign Wealth Funds

JEAN DAVID TREMBLAY-FRENETTE  
AIMCo

## FCLTGlobal Authors

ALLEN HE, [Lead Author](#)

JESSICA POLLOCK, [Lead Author](#)

JESS GASPAR

NICOLE SAADE

TARA SAMIMI

Table 1: Broader Geographic Region Mapping – Equities<sup>54</sup>

Country	Global	Global-ex Japan	ACWI	ACWI-ex US	Asia Pacific	Asia Pacific ex-Japan	BRIC	EAPE	EMEA	Emerging Asia	Europe-ex-UK	Eurozone	Latin America	North America	Pan-European	Country	Greater China	Greater China & Pac Rim	Hong Kong	Global Emg Mkts	Nordic	Pac-Basin ex-Japan	Southeast Asia
United States	1	1	1	0	0	0	0	0	0	0	0	0	0	1	0	1	0	0	0	0	0	0	0
China	1	1	1	1	1	1	1	0	0	1	0	0	0	0	0	1	1	1	1	1	0	1	0
Japan	1	0	1	1	1	0	0	1	0	0	0	0	0	0	0	1	0	1	0	0	0	0	0
Germany	1	1	1	1	0	0	0	1	0	0	1	1	0	0	1	1	0	0	0	0	0	0	0
India	1	1	1	1	1	1	1	0	0	1	0	0	0	0	0	1	0	0	0	1	0	0	0
United Kingdom	1	1	1	1	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0
France	1	1	1	1	0	0	0	1	0	0	1	1	0	0	1	1	0	0	0	0	0	0	0
Italy	1	1	1	1	0	0	0	1	0	0	1	1	0	0	1	1	0	0	0	0	0	0	0
Brazil	1	1	1	1	0	0	1	0	0	0	0	0	1	0	0	1	0	0	0	1	0	0	0
Canada	1	1	1	1	0	0	0	0	0	0	0	0	0	1	0	1	0	0	0	0	0	0	0
Australia	1	1	1	1	1	1	0	1	0	0	0	0	0	0	0	1	0	1	0	0	0	1	0
Netherlands	1	1	1	1	0	0	0	1	0	0	1	1	0	0	1	0	0	0	0	0	0	0	0
New Zealand	1	1	1	1	1	1	0	1	0	0	0	0	0	0	0	1	0	1	0	0	0	1	0
Norway	1	1	1	1	0	0	0	1	0	0	1	0	0	0	1	1	0	0	0	0	1	0	0
Singapore	1	1	1	1	1	1	0	1	0	0	0	0	0	0	0	1	0	1	0	0	0	1	1
South Korea	1	1	1	1	1	1	0	0	0	1	0	0	0	0	0	1	0	1	0	1	0	1	0
Switzerland	1	1	1	1	0	0	0	1	0	0	1	0	0	0	1	1	0	0	0	0	0	0	0
Chile	1	1	1	1	0	0	0	0	0	0	0	0	1	0	0	1	0	0	0	1	0	0	0
Malaysia	1	1	1	1	1	1	0	0	0	1	0	0	0	0	0	1	0	1	0	1	0	1	1
Mexico	1	1	1	1	0	0	0	0	0	0	0	0	1	1	0	1	0	0	0	1	0	0	0
South Africa	1	1	1	1	0	0	0	0	1	0	0	0	0	0	0	1	0	0	0	1	0	0	0
Spain	1	1	1	1	0	0	0	1	0	0	1	1	0	0	1	1	0	0	0	0	0	0	0
Sweden	1	1	1	1	0	0	0	1	0	0	1	0	0	0	1	1	0	0	0	0	1	0	0
United Arab Emirates	1	1	1	1	0	0	0	0	1	0	0	0	0	0	0	1	0	0	0	1	0	0	0
Colombia	1	1	1	1	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	0	0
Egypt	1	1	1	1	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	1	0	0	0
Indonesia	1	1	1	1	1	1	0	0	0	1	0	0	0	0	0	1	0	1	0	1	0	1	1
Israel	1	1	1	1	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0
Peru	1	1	1	1	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0	0	0
Türkiye	1	1	1	1	0	0	0	0	1	0	0	0	0	0	0	1	0	0	0	1	0	0	0

Table 2: Broader Geographic Region Mapping – Fixed Income<sup>55</sup>

Country	Country	Global	Global Ex-Japan	ACWI	ACWI Ex-US	Global Emg Mkts	EAFE	Pan-European	Eurozone	Europe Ex-UK	North America	Asia Pacific	Asia Pacific ex-Japan	Greater China & Pac Rim	Hong Kong	Greater China	EMEA
United States	1	1	1	1	0	0	0	0	0	0	1	0	0	0	0	0	0
China	1	1	1	1	1	1	0	0	0	0	0	1	1	1	1	1	0
Japan	1	1	0	1	1	0	1	0	0	0	0	1	0	1	0	0	0
Germany	1	1	1	1	1	0	1	1	1	1	0	0	0	0	0	0	1
India	1	1	1	1	1	1	0	0	0	0	0	1	1	0	0	0	0
United Kingdom	1	1	1	1	1	0	1	0	0	0	0	0	0	0	0	0	1
France	0	1	1	1	1	0	1	1	1	1	0	0	0	0	0	0	1
Italy	0	1	1	1	1	0	1	1	1	1	0	0	0	0	0	0	1
Brazil	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0
Canada	1	1	1	1	1	0	0	0	0	0	1	0	0	0	0	0	0
Australia	1	1	1	1	1	0	1	0	0	0	0	1	1	1	0	0	0
Netherlands	0	1	1	1	1	0	1	1	1	1	0	0	0	0	0	0	1
New Zealand	1	1	1	1	1	0	1	0	0	0	0	1	1	1	0	0	0
Norway	1	1	1	1	1	0	1	1	0	1	0	0	0	0	0	0	1
Singapore	1	1	1	1	1	0	1	0	0	0	0	1	1	1	0	0	0
South Korea	1	1	1	1	1	1	1	0	0	0	0	1	1	1	0	0	0
Switzerland	1	1	1	1	1	0	1	1	0	1	0	0	0	0	0	0	1
Malaysia	1	1	1	1	1	1	0	0	0	0	0	1	1	1	0	0	0
Sweden	0	1	1	1	1	0	1	1	0	1	0	0	0	0	0	0	1
United Arab Emirates	0	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0
Spain	0	1	1	1	1	0	1	1	1	1	0	0	0	0	0	0	1
South Africa	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	1
Mexico	0	1	1	1	1	1	0	0	0	0	1	0	0	0	0	0	0
Chile	0	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0
Colombia	0	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0
Egypt	0	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	1
Indonesia	1	1	1	1	1	1	0	0	0	0	0	1	1	1	0	0	0
Israel	0	1	1	1	1	0	1	0	0	0	0	0	0	0	0	0	0
Peru	0	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0
Türkiye	1	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	1

**Table 3: CapEx, R&D, intangibles investment horizons by GICS Sector**

Sector	Capital Expenditure	Research and Development	Intangibles
Communication Services	11.2	7.0	18.0
Consumer Discretionary	13.6	5.0	18.0
Consumer Staples	24.7	2.0	18.0
Energy	17.5	9.0	18.0
Financials	13.0	NA	18.0
Healthcare	10.6	11.0	18.0
Industrials	15.4	7.0	18.0
Information Technology	6.5	3.0 ,	18.0
Materials	17.5	9.0	18.0
Real Estate	40.0	NA	18.0
Utilities	17.1	9.0	18.0

## ENDNOTES

- 1 [“Rethinking Retirement: The future of savings in the 21st Century,”](#) FCLTGlobal, 2021.
- 2 [“Measuring the Economic Impact of Short-termism,”](#) McKinsey Global Institute, February 2017.
- 3 [“Predicting Long-term Success for Corporations and Investors Worldwide,”](#) FCLTGlobal, September 2019.
- 4 [“Public Markets for the Long Term,”](#) FCLTGlobal, February 2019.
- 5 DM: Australia, Canada, France, Germany, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland, United Kingdom, United States; EM: Brazil, China, Colombia, Chile, Egypt, India, Indonesia, South Korea, Malaysia, Mexico, Peru, South Africa, Türkiye, United Arab Emirates. See, e.g. [MSCI-ACWI](#)
- 6 [“2023 Fortuna Advisors Buyback ROI Report: An In-Depth Analysis of Buybacks from 2018-2022,”](#) Fortuna Advisors, 2023.
- 7 [“Measuring the Economic Impact of Short-termism,”](#) McKinsey Global Institute, 2017.
- 8 Note: there was some natural turnover due to portfolios managers rebalancing and ‘buying the dip’, but the overall longer horizons from pivoting to private markets and change in active/indexed equity mix overcame these changes.
- 9 R. Kerzerho, [“The Passive vs. Active Fund Monitor,”](#) PWL Capital, 2023.
- 10 [“Largest asset owners in \\$26 trillion record,”](#) WTW, November 2022.
- 11 See, e.g., [China’s NCSSE](#).
- 12 Calculated as total current assets divided by total current liabilities.
- 13 Source: [“US Corporate Bonds Statistics,”](#) SIFMA, Accessed 2023.
- 14 See, e.g. [“China Balance of Payment Report,”](#) SAFE, 2022.
- 15 [“The World Factbook,”](#) CIA, accessed October 2023.
- 16 They ranged from 33.9 years in Germany to 50.9 years in Singapore, according to The World Factbook, CIA, accessed 2023.
- 17 T. Kapfidge, [“Cities Where Homeowners Stay Put the Longest,”](#) Lending Tree, January 2019.
- 18 M. McCaulay. [“Duration and Convexity for Pension Liabilities.”](#) Pension Section News, Society of Actuaries, September 2013.
- 19 [“Insurance groups’ assets and liabilities duration,”](#) European Central Bank: ESRB Risk Dashboard 2022, accessed 2023.
- 20 In 2022, investment horizons ranged from 2.23 years in South Africa to 3.23 years in the United States. For a full list of investment horizons by country and year, please email [research@fcltglobal.org](mailto:research@fcltglobal.org).

- 21 In 2022, investment horizons ranged from 7.54 years in Switzerland to 14.41 years in South Korea. For a full list of investment horizons by country and year, please email [research@fcltglobal.org](mailto:research@fcltglobal.org).
- 22 In 2022, investment horizons ranged from 3.89 years in Germany, France, Spain, Netherlands and Italy to 7.97 years in Canada the United Kingdom. Note that for both equity and fixed income, many funds do not have a country-specific fund (e.g., France fund), instead opting for a “pan-European” strategy. For this reason, numbers for countries in the same geographic region may look similar. For a full list of investment horizons by country and year, please email [research@fcltglobal.org](mailto:research@fcltglobal.org).
- 23 T. Kapfudz, “[Cities Where Homeowners Stay Put the Longest](#),” Lending Tree, January 2019.
- 24 B. Ciochetti and J. D. Fisher, “[The Characteristics of Commercial Real Estate Holding Period Returns \(IRR\)](#),” Real Estate Research Institute, 2002.
- 25 S. White and J. Hebron, “[Size of U.S. Residential Real Estate Market Is \\$27 Trillion in 2019](#),” The Basis Point, April 2019.
- 26 “[Estimating the Size of the Commercial Real Estate Market in the U.S.](#),” Nareit Research, 2018.
- 27 “[Private Markets Come of Age: McKinsey Global Private Market Review 2019](#),” McKinsey & Company, 2019.
- 28 Time of Average Maximum Lock-up Period Accepted by Selected Hedge Fund Investors Worldwide in 2018. 2019. Statista.
- 29 2019 Target Weights Announced for CMCI. Bloomberg. 2019.
- 30 Of note, commodities include energy (crude oil, diesel, natural gas), agriculture (soybeans, sugar, cotton, wheat), industrial metal (gold, silver, zinc, copper), and livestock (cattle, hogs).
- 31 Infrastructure Funds: The Upside of Low Downside. eFront. 2019
- 32 Exact investment horizons vary by industry. For specific sector-by-sector details, see Table 3 in the Appendix.
- 33 Exact investment horizons vary by industry. For a full list of sector-by-sector details, see Table 3 in the Appendix.
- 34 S. Garelli, “[Why You Will Probably Live Longer Than Most Big Companies](#),” International Institute for Management Development, 2016.
- 35 “[The Global Wealth Report 2023](#),” Credit Suisse AG, a UBS group company, 2023.
- 36 “[Funded Pension Statistics](#),” OECD.Stat, accessed August 2023.
- 37 “[Past Performances](#),” Government Pension Investment Fund of Japan, accessed September 2023.
- 38 “[Investments Overview](#),” Japan Pension Fund Association, accessed August 2023.
- 39 See, e.g. “[KWSP/EPF Integrated Annual Report 2021](#),” EPF, 2021.
- 40 “[Institutional Investors’ Assets and Liabilities](#),” OECD.Stat, accessed August 2023.
- 41 See, e.g. “[Annual Report of the RBI](#),” Reserve Bank of India, 2023.
- 42 “[Brazil: Financial Sector Assessment Program – Technical Note on Insurance Sector Regulation and Supervision](#),” International Monetary Fund: Monetary and Capital Markets Department, November 2018.
- 43 “[ANBIMA, Brazilian Financial and Capital Markets Association](#),” accessed August 2023.

- 44 See, e.g. “[Insurance Sector Performance – January to April 2022](#),” China Banking and Insurance Regulatory Commission, 2022.
- 45 “[UK Insurance and Long-term Savings: The State of the Market 2022](#),” Association of British Insurers, 2022.
- 46 See, e.g. “[Complete Report of Indicators of the Annual Report](#),” CMF, 2023.
- 47 See, e.g. “[Insurance Statistics 2021-2022](#),” MAS, 2023.
- 48 See, e.g. “[Insurance companies: Balance sheet \(J20\)](#),” RBNZ, 2023.
- 49 “[Historic Endowment Study Data](#),” NACUBO, 2023. NACUBO data is available only for US and Canadian endowments. While other endowments exist around the world, their asset allocation data is not readily available and thus they are not captured in the report.
- 50 P. D. Johnson, “[Global Philanthropy Report](#),” Harvard Kennedy School, Hauser Institute for Civil Society at the Center for Public Leadership, April 2018.
- 51 For more information about the MSCI ACWI and its constituents, visit [MSCI ACWI Index](#).
- 52 “[FRED Economic Data](#),” Federal Reserve Bank of St. Louis, accessed October 2023.
- 53 China data includes special administrative regions.
- 54 eVestment categorizes “China incl. SARs” as “Greater China”
- 55 eVestment categorizes “China incl. SARs” as “Greater China”

**FOCUSING CAPITAL  
ON THE LONG TERM**

