Applied philosophy
Are global equities in a typical mid-cycle phase?

After a period of uncertainty in Q3 2024, global equity markets settled down in the autumn. The US Presidential election had an impact, although we expect that to fade. In our view, how the equity market cycle progresses is more likely to be driven by economic fundamentals and valuations. We think that global equities are in a mid-cycle phase and use previous episodes to determine how it may develop.

We would have been surprised if the Presidential election in the United States had no impact on global equity markets. We may not view politics as being the most influential factor in driving equity returns, but we cannot deny the importance of this event. Investors also tend to pay a lot of attention to it, reflected in the number of questions we received around the election.

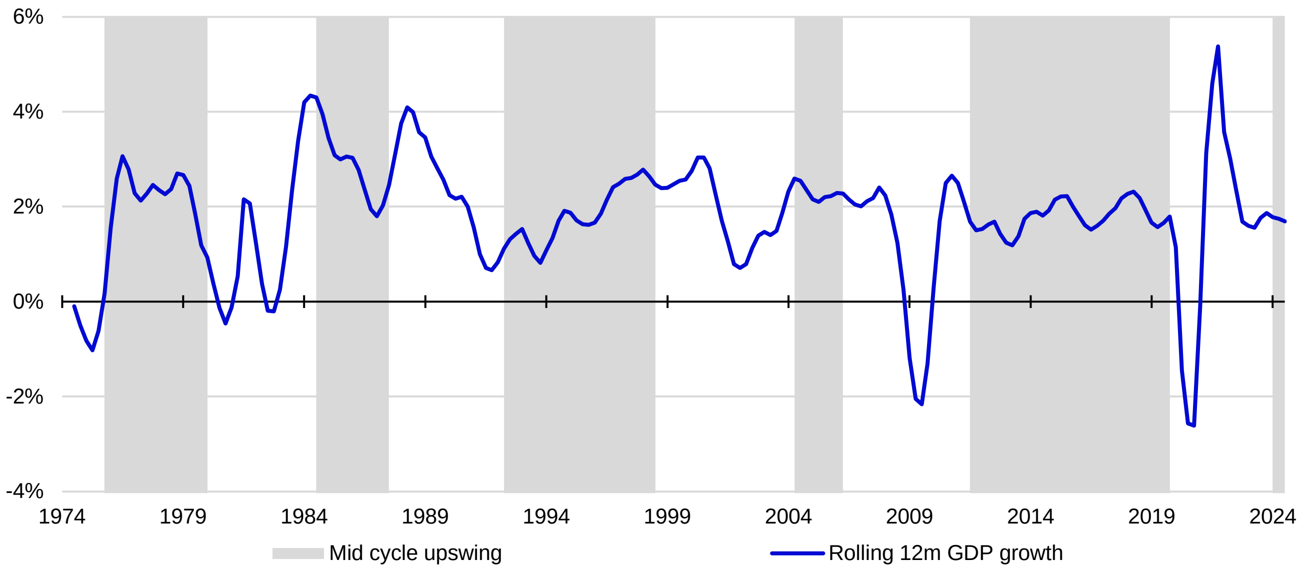
Global equities have responded to the election of Donald Trump with some enthusiasm possibly on the prospect of tax cuts and deregulation and their impact on economic growth, although they retreated from the highs reached a few days after the results were announced. Positive equity returns are not unusual in post-election periods, although every cycle is different (see here for more detail). This probably means that the equity market cycle that started in October 2022 is likely to continue and stay in the mid-cycle phase, in our view. Clarity would certainly be welcome after the uncertainty in Q3 2024. Determining where we are in the market cycle is also the first step in our model sector allocation process.

If the more positive sentiment around economic growth turns out to be justified, it would be good news for earnings growth. On the other hand, we must keep a watchful eye on the discount factor, mainly driven by future expectations for inflation and interest rates, in our view.

We think the way these economic fundamentals shape up, alongside valuations are the main factors that will determine how the equity market cycle develops. Thus, we have examined the characteristics of the environment during each mid-cycle upswing phase in the past. We followed the methodology outlined in this report, using 12-month trailing real GDP growth in local currency and consumer price inflation (CPI) in the nine markets that have been consistently among the largest by market capitalisation since 1973 in the Datastream World Total Market index (United States, Japan, United Kingdom, Eurozone, Canada, China including A+H-shares, Australia, Switzerland and South Korea). What is the template this period tended to follow?

As **Figure 1** shows, global GDP growth tended to be relatively stable in three out of five mid-cycle upswing phases, especially in the last two (2004-06 and 2011-20). The average growth in these periods was 2.2% (excluding the most recent one that started in October

Figure 1 – Global GDP growth since 1975 (weighted by equity market capitalisation)



Notes: Data as of 22 November 2024. We show a proxy measure for global GDP growth using trailing 12-month real GDP figures in local currency for the United States, Japan, the United Kingdom, the Eurozone, Canada, China, Australia, Switzerland and South Korea. We calculate a weighted average annual GDP growth using their market capitalisations based on Datastream Total Market indices in US dollar. Showing quarterly data since 1st January 1975. The last data point shown is Q3 2024. GDP data included in the GDP growth series from 1975 for US, UK, Canada, Australia, South Korea, from 1981 for Japan and Switzerland, from 1993 for China and 1996 for the Euro Area. Shaded areas denote the mid-cycle phase in the equity market cycle (see **Figure 8** for dates of market cycles).
Source: LSEG Datastream and Invesco Global Market Strategy Office

2023), with the weakest average growth during 1992-98 and 2011-20 at 1.8%, while the strongest growth was recorded during 1984-87 phase at 2.9%. This suggests that current levels of global growth at just under 2% could be sufficient to underpin a continuation of the equity cycle.

Current trends in our measure of market capitalisation-weighted global inflation also seem similar to what tended to happen during the same phase in past equity market cycles. In four out of the five mid-cycle upswing phases in our sample, the year-on-year inflation rate fell in the first 12 months, except in the 2004-06 cycle, when it gradually rose throughout. Also, for example in the 1990s and the 2010s inflation stabilised close to the 2% level that most developed world central banks target. As with GDP growth, it seems to us that current inflation rates are unlikely to prevent equity markets to "grind higher".

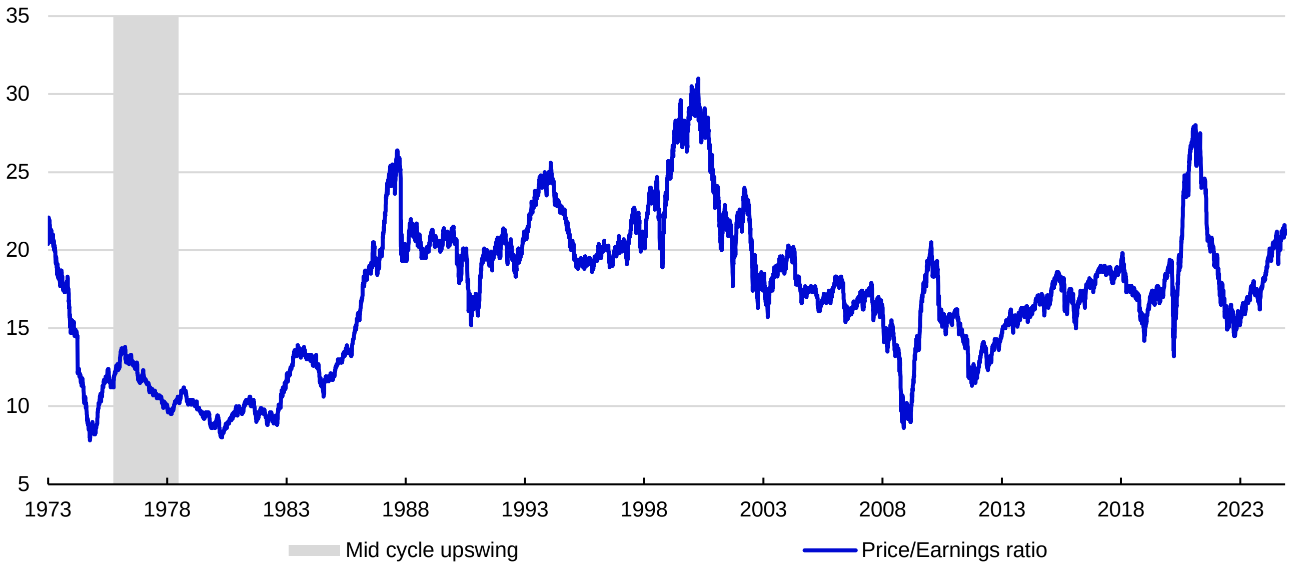
However, our main concern when it comes to the equity market is not the rate of growth, or inflation. We view the global economy as having returned to "normal" after pandemic-related dislocations that took perhaps longer to settle than we expected at the time. Starting valuations at 16.2x, based on price/earnings ratios, were not the highest at the beginning of the mid-cycle upswing phase that started in October 2023 (they were higher at the beginning of both the 1992-98 and the 2004-06 period at 19.1x and 17.9x, respectively) but were nonetheless elevated. Although multiple expansion is common even during this more mature phase of the equity market cycle, there seems to be less scope for it when staring valuations are high (**Figure 2**).

We expect these valuations to restrict returns, especially in regions that look significantly overvalued versus their respective historical norms. That includes the US, which accounts for 62% of global stocks (based on market capitalisation using the Datastream Total Market World Index as of 31 October 2024). While we expect central bank target rates to continue falling towards "neutral", we do not think they will provide a significant boost, especially if bond yields, our proxy for the discount rate, remain near current levels.

Therefore, we think that global equity returns will increasingly rely on earnings growth as the main driver of returns. Our base case implies that economic growth will reaccelerate in 2025 boosting the prospect of higher earnings growth, albeit with a lag. Falling inflation could also help to keep costs manageable, thereby limiting the risk of margin erosion. In our view, the biggest risk is that growth undershoots, which would push both earnings growth and perhaps even valuations lower potentially ending the current equity market cycle. However, with supportive monetary and fiscal policy (most importantly in the US) we view this as a tail risk. We also think a significant rise in inflation in the next 12 months is a low probability event, although higher tariffs are likely to increase that risk in the medium term.

In our view, our base case implies that equity markets will "grind higher" staying in the mid-cycle phase. Nevertheless, keeping in mind where valuations are, the prospect of any economic upturn may already be partly priced in. Although we remained Underweight in our model asset allocation (**Figure 6**), we prefer financials as the sectors most likely to outperform in this environment (**Figure 7**).

Figure 2 – Global equity price/earnings ratios since 1973



Notes: Data as of 22 November 2024. **Past performance is no guarantee of future results.** Based on the Datastream Total Market World Index using daily data from 1 January 1973. Source: LSEG Datastream and Invesco Global Market Strategy Office

Figure 3 – Asset class total returns (%, annualised)

Data as at 22/11/2024	Index	Current Level/RY	Total Return (USD, %) 1w	1m	QTD	YTD	12m	Total Return (Local Currency, %) 1w	1m	QTD	YTD	12m
Equities												
World	MSCI	854	1.4	0.5	0.5	19.6	26.2	1.5	1.3	2.3	21.9	27.3
Emerging Markets	MSCI	1087	0.2	-4.7	-7.0	9.0	13.7	0.4	-3.6	-4.6	13.3	17.2
China	MSCI	62	-1.8	-7.0	-10.7	15.7	11.1	-1.8	-6.6	-10.1	15.8	11.2
US	MSCI	5714	2.0	2.7	4.4	27.1	33.6	2.0	2.7	4.4	27.1	33.6
Europe	MSCI	2018	0.0	-5.8	-9.1	3.1	9.8	1.0	-2.3	-2.7	8.6	12.8
Europe ex-UK	MSCI	2479	-0.5	-6.4	-10.0	1.6	8.3	0.5	-2.9	-3.7	8.0	12.2
UK	MSCI	1231	1.8	-3.7	-5.9	8.7	15.3	2.6	-0.2	0.8	10.6	14.7
Japan	MSCI	3849	-0.9	-1.0	-5.7	6.3	12.1	-0.9	1.5	2.1	16.8	16.0
Government Bonds												
World	BofA-ML	3.34	-0.1	-2.2	-5.6	-3.5	1.8	0.2	-0.5	-1.9	0.2	3.6
Emerging Markets	BBloom	6.99	0.6	0.7	-1.6	10.0	19.8	0.6	0.7	-1.6	10.0	19.8
China	BofA-ML	1.80	-0.2	-1.1	-2.3	4.3	6.3	0.0	0.6	0.9	6.5	7.7
US (10y)	Datastream	4.42	0.3	-1.4	-4.4	-0.8	4.0	0.3	-1.4	-4.4	-0.8	4.0
Europe	Bofa-ML	2.66	-0.8	-3.0	-6.7	-3.8	2.0	0.4	0.8	0.1	2.1	6.5
Europe ex-UK (EMU, 10y)	Datastream	2.25	-0.3	-3.0	-7.4	-5.2	0.8	0.9	0.8	-0.7	0.6	5.2
UK (10y)	Datastream	4.39	-0.1	-4.7	-8.8	-4.0	3.8	0.7	-1.3	-2.3	-2.3	3.3
Japan (10y)	Datastream	1.08	0.0	-3.4	-9.1	-11.2	-4.6	-0.1	-0.8	-1.5	-2.4	-1.3
IG Corporate Bonds												
Global	BofA-ML	4.71	-0.2	-1.4	-3.7	1.6	7.0	0.1	-0.3	-1.6	3.5	8.2
Emerging Markets	BBloom	6.46	0.0	-0.5	-1.9	11.1	18.3	0.0	-0.5	-1.9	11.1	18.3
China	BofA-ML	2.49	-0.1	-1.3	-2.7	2.2	3.9	0.1	0.4	0.5	4.5	5.3
US	BofA-ML	5.30	0.1	-0.6	-2.5	3.1	8.4	0.1	-0.6	-2.5	3.1	8.4
Europe	BofA-ML	3.25	-1.1	-3.2	-6.2	-1.6	3.7	0.1	0.5	0.6	4.4	8.2
UK	BofA-ML	5.56	-0.4	-4.3	-7.2	-0.2	7.4	0.4	-0.9	-0.7	1.6	6.8
Japan	BofA-ML	1.24	0.0	-2.9	-8.4	-9.6	-3.5	-0.1	-0.4	-0.8	-0.7	-0.2
HY Corporate Bonds												
Global	BofA-ML	7.26	0.0	-0.3	-1.2	7.5	12.7	0.3	0.5	0.3	8.8	13.6
US	BofA-ML	7.43	0.3	0.6	0.2	8.2	13.4	0.3	0.6	0.2	8.2	13.4
Europe	BofA-ML	5.99	-1.2	-3.2	-5.8	1.6	7.2	0.0	0.5	1.0	7.8	11.9
Cash (Overnight LIBOR)												
US		4.57	0.1	0.4	0.7	4.8	5.4	0.1	0.4	0.7	4.8	5.4
Euro Area		3.17	-1.1	-3.3	-6.0	-2.4	-0.7	0.1	0.3	0.5	3.4	3.8
UK		4.70	-0.6	-3.1	-5.6	3.1	5.6	0.1	0.4	0.7	4.7	5.3
Japan		0.23	-0.3	-2.4	-7.2	-8.8	-3.3	0.0	0.0	0.0	0.1	0.1
Real Estate (REITs)												
Global	FTSE	1686	1.2	-1.7	-5.0	6.8	18.6	2.4	2.0	1.9	13.3	23.8
Emerging Markets	FTSE	1201	-0.7	-6.0	-10.7	-2.0	1.3	0.5	-2.3	-4.2	4.0	5.7
US	FTSE	3405	2.2	0.9	-0.4	14.6	28.9	2.2	0.9	-0.4	14.6	28.9
Europe ex-UK	FTSE	2384	-0.2	-6.5	-14.2	-3.7	10.9	1.0	-2.9	-8.1	2.1	15.7
UK	FTSE	810	-0.5	-8.8	-15.7	-8.2	2.1	0.3	-5.5	-9.7	-6.6	1.5
Japan	FTSE	1955	0.2	-4.0	-10.6	-7.2	-1.7	0.2	-1.5	-3.2	2.0	1.8
Commodities												
All	GSCI	3613	3.9	0.1	2.6	8.0	3.4	-	-	-	-	-
Energy	GSCI	623	5.7	0.5	5.3	7.6	0.4	-	-	-	-	-
Industrial Metals	GSCI	1688	-0.1	-3.8	-5.1	5.5	9.5	-	-	-	-	-
Precious Metals	GSCI	3026	5.4	-2.2	2.5	30.6	34.8	-	-	-	-	-
Agricultural Goods	GSCI	500	1.3	2.1	-1.3	-2.5	-5.7	-	-	-	-	-
Currencies (vs USD)*												
EUR		1.04	-1.2	-3.5	-6.4	-5.6	-4.3	-	-	-	-	-
JPY		154.76	-0.3	-2.4	-7.2	-8.9	-3.4	-	-	-	-	-
GBP		1.25	-0.8	-3.5	-6.6	-1.7	0.5	-	-	-	-	-
CHF		1.12	-0.6	-3.2	-5.4	-5.8	-1.1	-	-	-	-	-
CNY		7.25	-0.2	-1.7	-3.1	-2.0	-1.2	-	-	-	-	-

Notes: *The currency section is organised so that in all cases the numbers show the movement in the mentioned currency versus USD (+ve indicates appreciation, -ve indicates depreciation). **Past performance is no guarantee of future results.** Please see appendix for definitions, methodology and disclaimers.
Source: LSEG Datastream and Invesco Global Market Strategy Office

Figure 4 – Global equity sector total returns relative to market (%)

Data as at 22/11/2024	Global				
	1w	1m	QTD	YTD	12m
Energy	**0.8**	**2.9**	**3.4**	**-10.7**	**-14.6**
Basic Materials	**0.7**	**-6.3**	**-8.0**	**-15.1**	**-13.8**
Basic Resources	1.7	-6.0	-7.1	-13.2	-10.2
Chemicals	-0.7	-6.7	-9.3	-17.7	-18.7
Industrials	**0.0**	**1.1**	**0.3**	**-0.6**	**2.5**
Construction & Materials	0.1	1.0	-1.5	-0.8	3.7
Industrial Goods & Services	0.0	1.1	0.5	-0.6	2.3
Consumer Discretionary	**0.3**	**3.9**	**1.6**	**-1.4**	**-1.5**
Automobiles & Parts	2.7	16.5	7.3	-5.6	-5.6
Media	3.1	9.3	12.0	15.8	13.6
Retailers	-0.8	2.0	2.4	9.1	9.3
Travel & Leisure	0.4	3.9	5.5	-1.8	-1.4
Consumer Products & Services	-0.7	-3.4	-9.5	-17.2	-17.4
Consumer Staples	**0.1**	**-3.4**	**-6.0**	**-11.8**	**-14.0**
Food, Beverage & Tobacco	-0.2	-5.2	-7.0	-14.1	-16.6
Personal Care, Drug & Grocery Stores	0.7	-0.4	-4.2	-7.7	-9.1
Healthcare	**0.0**	**-6.5**	**-7.7**	**-8.9**	**-9.1**
Financials	**-0.4**	**2.6**	**3.6**	**6.6**	**8.4**
Banks	-0.8	2.8	3.8	5.6	8.9
Financial Services	0.0	3.5	5.5	7.2	9.7
Insurance	-0.2	0.4	-0.2	8.2	4.9
Real Estate	**-0.2**	**-2.2**	**-4.8**	**-8.6**	**-5.3**
Technology	**-0.2**	**-0.4**	**2.7**	**12.8**	**11.2**
Telecommunications	**0.1**	**0.2**	**-0.5**	**-4.1**	**-4.8**
Utilities	**-0.7**	**-3.3**	**-4.7**	**-2.5**	**-2.2**

Notes: Returns shown are for Datastream sector indices versus the total market index. **Past performance is no guarantee of future results.** Source: Refinitiv Datastream and Invesco

Figure 5a – US factor index total returns (% annualised)

Data as at 22/11/2024	Absolute					Relative to Market				
	1w	1m	QTD	YTD	12m	1w	1m	QTD	YTD	12m
Growth	3.2	4.3	3.8	17.3	27.8	1.5	2.1	0.1	-7.4	-3.8
Low volatility	1.8	0.6	1.5	22.3	27.1	0.1	-1.5	-2.2	-3.5	-4.3
Price momentum	3.2	7.3	9.2	30.0	37.4	1.5	5.0	5.3	2.6	3.4
Quality	1.8	2.5	1.5	15.1	24.3	0.0	0.4	-2.2	-9.2	-6.5
Size	2.4	0.8	-0.1	11.1	25.9	0.6	-1.3	-3.8	-12.3	-5.2
Value	2.5	4.4	5.1	23.2	36.1	0.8	2.2	1.2	-2.7	2.5
Market	1.7	2.1	3.8	26.7	32.9					
Market - Equal-Weighted	2.6	3.4	3.6	19.3	29.0					

Notes: **Past performance is no guarantee of future results.** All indices are subsets of the S&P 500 index, they are rebalanced monthly, use data in US dollars and are equal-weighted. Growth includes stocks in the top third based on both their 5-year sales per share trend and their internal growth rate (the product of the 5-year average return on equity and the retention ratio); Low volatility includes stocks in the bottom quintile based on the standard deviation of their daily returns in the previous three months; Price momentum includes stocks in the top quintile based on their performance in the previous 12 months; Quality includes stocks in the top third based on both their return on invested capital and their EBIT to EV ratio (earnings before interest and taxes to enterprise value); Size includes stocks in the bottom quintile based on their market value in US dollars. Value includes stocks in the bottom quintile based on their price to book value ratios. The market represents the S&P 500 index. Source: LSEG Datastream and Invesco Global Market Strategy Office

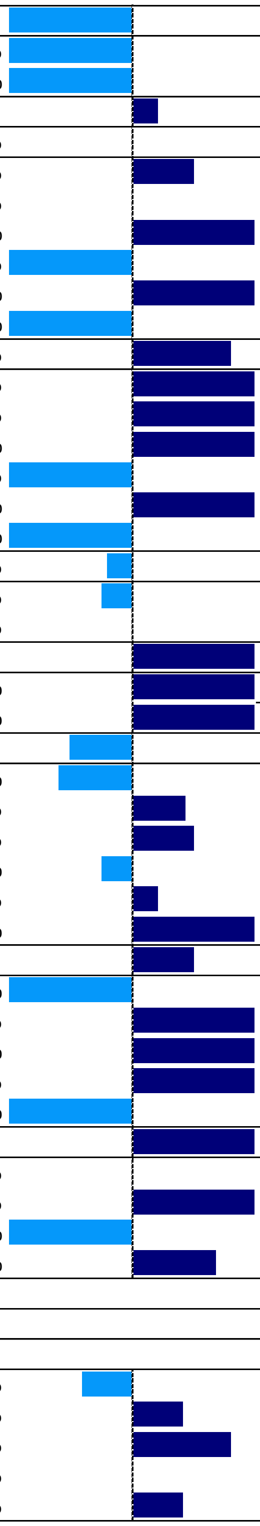
Figure 5b – European factor index total returns relative to market (% annualised)

Data as at 22/11/2024	Absolute					Relative to Market				
	1w	1m	QTD	YTD	12m	1w	1m	QTD	YTD	12m
Growth	0.3	-2.5	-4.6	1.2	10.7	-0.9	-0.4	-2.2	-7.6	-3.6
Low volatility	1.6	-1.0	-1.0	13.7	17.9	0.4	1.1	1.6	3.8	2.6
Price momentum	0.7	-0.8	-1.4	17.8	23.9	-0.4	1.4	1.1	7.5	7.8
Quality	0.4	-0.8	-1.0	8.8	16.8	-0.8	1.4	1.5	-0.7	1.6
Size	-0.4	-2.7	-4.8	3.3	12.9	-1.5	-0.6	-2.4	-5.7	-1.7
Value	-0.6	-3.0	-4.3	7.3	15.4	-1.7	-0.9	-1.9	-2.0	0.4
Market	1.1	-2.1	-2.5	9.6	14.9					
Market - Equal-Weighted	0.5	-2.0	-3.2	7.7	15.0					

Notes: **Past performance is no guarantee of future results.** All indices are subsets of the STOXX 600 index, they are rebalanced monthly, use data in euros and are equal-weighted. Growth includes stocks in the top third based on both their 5-year sales per share trend and their internal growth rate (the product of the 5-year average return on equity and the retention ratio); Low volatility includes stocks in the bottom quintile based on the standard deviation of their daily returns in the previous three months; Price momentum includes stocks in the top quintile based on their performance in the previous 12 months; Quality includes stocks in the top third based on both their return on invested capital and their EBIT to EV ratio (earnings before interest and taxes to enterprise value); Size includes stocks in the bottom quintile based on their market value in euros; Value includes stocks in the bottom quintile based on their price to book value ratios. The market represents the STOXX 600 index. Source: LSEG Datastream and Invesco Global Market Strategy Office

Figure 6 – Model asset allocation

	Neutral	Policy Range		Allocation	Position vs Neutral	Hedged	Currency
Cash Equivalents	**5%**	**0-10%**	↓	**0%**			
Cash	2.5%		↓	0%			
Gold	2.5%			0%			
Bonds	**40%**	**10-70%**	↑	**47%**			
Government	25%	10-40%	↓	25%			
US	8%		↓	12%		25%	JPY
Europe ex-UK (Eurozone)	7%		↑	7%			
UK	1%			2%			
Japan	7%		↓	0%			
Emerging Markets	2%			4%			
China**	0.2%			0%			
Corporate IG	10%	0-20%	↑	18%			
US Dollar	5%		↑	10%		50%	JPY
Euro	2%		↑	4%			
Sterling	1%			2%			
Japanese Yen	1%		↓	0%			
Emerging Markets	1%			2%			
China**	0.1%			0%			
Corporate HY	5%	0-10%	↑	4%			
US Dollar	4%		↑	3%			
Euro	1%		↑	1%			
Bank Loans	**4%**	**0-8%**		**8%**			
US	3%			6%			
Europe	1%			2%			
Equities	**45%**	**25-65%**		**35%**			
US	25%			10%			
Europe ex-UK	7%		↑	10%			
UK	4%		↑	6%			
Japan	4%			3%			
Emerging Markets	5%		↓	6%			
China**	2%			4%			
Real Estate	**4%**	**0-8%**	↑	**6%**			
US	1%			0%			
Europe ex-UK	1%		↑	2%			
UK	1%			2%			
Japan	1%		↑	2%			
Emerging Markets	1%			0%			
Commodities	**2%**	**0-4%**	↑	**4%**			
Energy	1%		↑	1%			
Industrial Metals	0.3%		↑	2%			
Precious Metals	0.3%			0%			
Agriculture	0.3%			1%			
Total	**100%**			**100%**			
Currency Exposure (including effect of hedging)							
USD	52%		↑	37%			
EUR	19%		↑	26%			
GBP	7%		↓	12%			
JPY	13%		↓	13%			
EM	9%		↓	12%			
Total	**100%**			**100%**			



Notes: **China is included in Emerging Markets allocations. This is a theoretical portfolio and is for illustrative purposes only. See the latest The Big Picture document for more details. It does not represent an actual portfolio and is not a recommendation of any investment or trading strategy. Arrows indicate the direction of the most recent changes.
Source: Invesco

Figure 7 – Model allocations for Global sectors

	Neutral	Invesco	Preferred Region
Energy	**6.1%**	**Neutral**	**EM**
Basic Materials	**3.8%**	**Underweight**	**Japan**
Basic Resources	2.3%	Underweight	Japan
Chemicals	1.5%	Neutral	US
Industrials	**13.2%**	**Underweight**	**US**
Construction & Materials	1.7%	Underweight	US
Industrial Goods & Services	11.4%	Underweight	US
Consumer Discretionary	**14.0%**	**Underweight**	**US**
Automobiles & Parts	2.4%	Underweight	Europe
Media	1.1%	Neutral	Japan
Retailers	5.3%	Overweight	US
Travel & Leisure	1.9%	Underweight	EM
Consumer Products & Services	3.4%	Underweight	Japan
Consumer Staples	**5.4%**	**Overweight**	**US**
Food, Beverage & Tobacco	3.4%	Overweight	US
Personal Care, Drug & Grocery Stores	2.0%	Overweight	Europe
Healthcare	**9.3%**	**Overweight**	**US**
Financials	**15.7%**	**Overweight**	**US**
Banks	7.4%	Overweight	Europe
Financial Services	5.3%	Overweight	US
Insurance	3.1%	Overweight	US
Real Estate	**2.8%**	**Neutral**	**Japan**
Technology	**23.0%**	**Neutral**	**EM**
Telecommunications	**3.4%**	**Underweight**	**US**
Utilities	**3.4%**	**Neutral**	**US**

Notes: These are theoretical allocations which are for illustrative purposes only. They do not represent an actual portfolio and are not a recommendation of any investment or trading strategy. See the latest Strategic Sector Selector for more details.
Source: Refinitiv Datastream and Invesco

Figure 8 – Phases of market expansion

Early cycle		Mid cycle		Late cycle	
Start	**End**	**Start**	**End**	**Start**	**End**
04/10/1974	15/07/1975	01/10/1975	13/02/1980	27/03/1980	06/01/1981
12/08/1982	02/05/1984	24/07/1984	27/08/1987	26/10/1987	04/01/1990
28/09/1990	06/01/1992	08/04/1992	20/07/1998	05/10/1998	27/03/2000
09/10/2002	12/04/2004	17/05/2004	09/05/2006	13/06/2006	31/10/2007
09/03/2009	02/05/2011	04/10/2011	17/01/2020	23/03/2020	08/11/2021
12/10/2022	31/07/2023	27/10/2023			

Notes: Data as of 22 November 2024. Using Datastream World Total Market US dollar price index. We exclude the major drawdowns separating the different upswing phases of the cycle.
Source: LSEG Datastream and Invesco Global Market Strategy Office

Appendix

Definitions of data and benchmarks for Figure 3

Sources: we source data from Datastream unless otherwise indicated.

Cash: returns are based on a proprietary index calculated using the Intercontinental Exchange Benchmark Administration overnight LIBOR (London Interbank Offer Rate). From 1st January 2022, we use the Refinitiv overnight deposit rate for the euro, the British pound and the Japanese yen. The global rate is the average of the euro, British pound, US dollar and Japanese yen rates. The series started on 1st January 2001 with a value of 100.

Gold: London bullion market spot price in USD/troy ounce.

Government bonds: Current levels, yields and total returns use Datastream benchmark 10-year yields for the US, Eurozone, Japan and the UK, and the Bank of America Merrill Lynch government bond total return index for the World and Europe. The emerging markets yields and returns are based on the Bloomberg Barclays emerging markets aggregate government bond index.

Corporate investment grade (IG) bonds: Bank of America Merrill Lynch investment grade corporate bond total return indices. The emerging markets yields and returns are based on the Bloomberg Barclays emerging markets aggregate corporate bond index.

Corporate high yield (HY) bonds: Bank of America Merrill Lynch high yield total return indices

Equities: We use MSCI benchmark gross total return indices for all regions.

Commodities: Goldman Sachs Commodity total return indices

Real estate: FTSE EPRA/NAREIT total return indices

Currencies: Global Trade Information Services spot rates

Investment risks

The value of investments and any income will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested.

Important information

Data as of 22 November 2024 unless stated otherwise.

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