

Home Assignment: SWF Strategic Asset Allocation for 2026-2035

As an asset manager in a large US\$100bn Sovereign Wealth Fund, you are tasked with updating and rebalancing the Strategic Asset Allocation (SAA) targets for 2026-2036. Assume you can rebalance the whole portfolio over the next 12 months in 2026. Please address the following questions:

1. Asset Class Selection: Which asset classes would you suggest including in the portfolio and why?
2. Target Weights: Provide the target weights of your portfolio by asset class and support your recommendation.
3. Expected Returns and Volatility: Based on your SAA recommended weights, what are the expected returns and volatility of the portfolio over the next ~10 years?

Please use the latest available estimates from JP Morgan Long-Term Capital Markets Assumptions 2026 for expected returns, volatility, and correlations by asset class.

Link: <https://am.jpmorgan.com/us/en/asset-management/institutional/insights/portfolio-insights/lcma/>

Requirements:

- Provide a clear and concise explanation for each question
- Support your recommendations with relevant data and analysis
- Use the latest available data from JP Morgan Long-Term Capital Markets Assumptions 2026
- Calculate expected returns and volatility using the recommended SAA weights