

**SUMMARY RESULTS FROM THE IBBOTSON ASSOCIATES STUDY
REGARDING THE MARKET RISK PREMIUM**

STOCKS, BONDS, BILLS AND INFLATION:

2000 YEARBOOK

SBBI

VALUATION EDITION

ibbotson Associates

Table 1-1

**Total Returns,
Income Returns, and
Capital Appreciation of
the Basic Asset Classes**

**Summary Statistics
of Annual Returns**

From 1926 to 1999

Series	Geometric Mean	Arithmetic Mean	Standard Deviation	Serial Correlation
Large Company Stocks				
Total Returns	11.3%	13.3%	20.1%	0.01
Income	4.5	4.5	1.4	0.85
Capital Appreciation	6.6	8.5	19.5	0.02
Ibbotson Small Company Stocks				
Total Returns	12.6	17.6	33.6	0.08
Mid-Cap Stocks*				
Total Returns	11.5	14.3	25.0	-0.01
Income	4.4	4.4	1.5	0.83
Capital Appreciation	6.9	9.7	24.2	-0.01
Low-Cap Stocks*				
Total Returns	11.8	15.8	29.9	0.07
Income	4.2	4.2	1.7	0.83
Capital Appreciation	7.4	11.4	29.1	0.07
Micro-Cap Stocks*				
Total Returns	12.3	18.4	39.0	0.12
Income	3.1	3.1	1.7	0.88
Capital Appreciation	9.2	15.2	38.4	0.12
Long-Term Corporate Bonds				
Total Returns	5.6	5.9	8.7	0.09
Long-Term Government Bonds				
Total Returns	5.1	5.5	9.3	-0.03
Income	5.2	5.2	2.8	0.97
Capital Appreciation	-0.3	0.1	8.1	-0.18
Intermediate-Term Government Bonds				
Total Returns	5.2	5.4	5.8	0.17
Income	4.8	4.8	3.0	0.96
Capital Appreciation	0.3	0.4	4.4	-0.21
Treasury Bills				
Total Returns	3.8	3.8	3.2	0.92
Inflation				
	3.1	3.2	4.5	0.65

Total return is equal to the sum of three component returns; income return, capital appreciation return, and reinvestment return.

*Source: Center for Research in Security Prices, University of Chicago.