

Comparable analyses and content that were previously published in the *SBB[®] Yearbook* are available and will be updated annually through a paid subscription to Kroll’s [U.S. Cost of Capital Module](#). If you have any questions, please contact costofcapital.support@kroll.com.

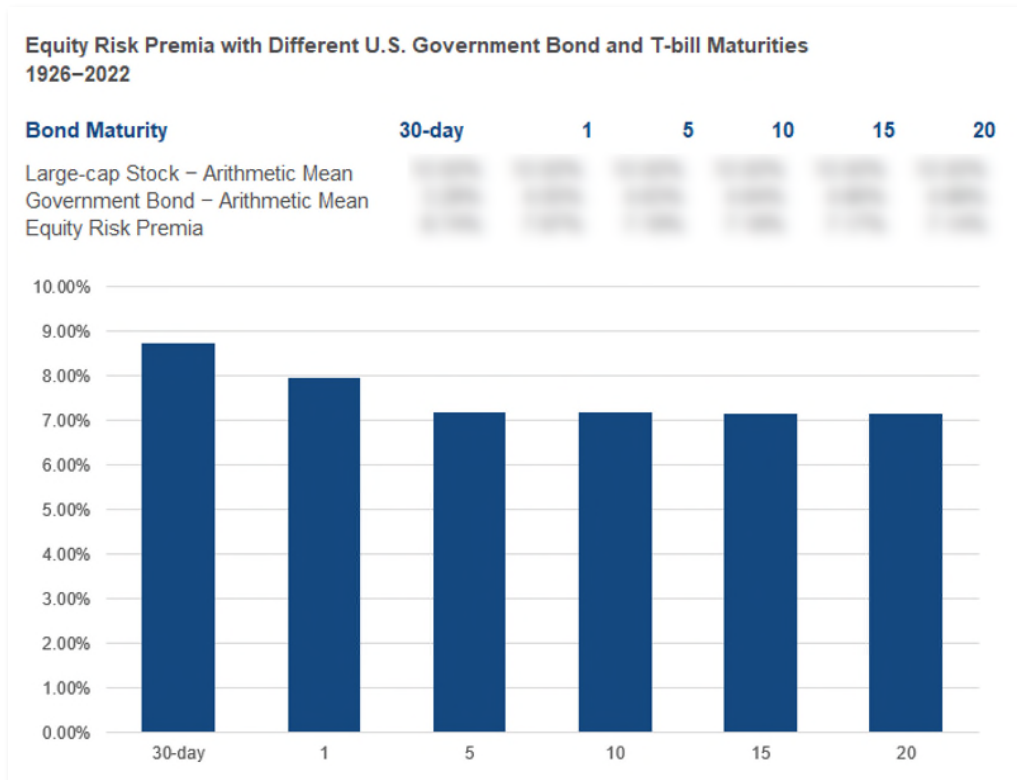
1) Summary Statistics of Annual Total Returns, Income Returns, and Capital Appreciation Returns of Basic U.S. Asset Classes. Example below:

1926–2022	Geometric Mean Returns (%)	Arithmetic Mean Returns (%)	Standard Deviation of Returns (%)
Large Company Stocks Total Return			
Small Company Stocks (Decile 9) Total Return			
Mid-cap Stocks (Decile 3-5) Total Return			
Low-cap Stocks (Decile 6-8) Total Return			
Micro-cap Stocks (Decile 9-10) Total Return			
Long-term Government Bonds Income Return			
Intermediate-term Government Bonds Income Return			
US Treasury Bills Total Return			

2) Equity Risk Premia, Large Company Stock Returns, and Long-term Government Bond Returns Over time. Example Below:

Length (Yrs.)	Period Dates	Equity Risk Premia				Large-Cap Stocks	Long-term Government Bonds
		Arithmetic Average (%)	Geometric Average (%)	Standard Deviation (%)	Standard Error (%)	Arithmetic Average (%)	Arithmetic Average (%)
97	1926-2022						
95	1928-2022						
90	1933-2022						
85	1938-2022						
80	1943-2022						
75	1948-2022						
70	1953-2022						
65	1958-2022						
60	1963-2022						
55	1968-2022						
50	1973-2022						
45	1978-2022						
40	1983-2022						
35	1988-2022						
30	1993-2022						
25	1998-2022						
20	2003-2022						
15	2008-2022						
10	2013-2022						
5	2018-2022						

3) Equity Risk Premia with Different U.S. Government Bond and T-bill Maturities



4) Equity Risk Premia Over Time Using Different Start and End Dates. Example of “wedge table” and tool (to customize dates) is shown below:



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View Data

Cost of Capital Inputs

Valuation Date: 10/04/2023 | Investor Perspective: United States | Currency of WACC: USD - US Dollar

Export All Data to Excel

Risk-Free Rates and Equity Risk Premium | Size Premium | Risk Premium Over the Risk-Free Rate | Betas and Industry Risk Premium

Equity Risk Premia Over Time

Start Date: 1957

End Date: 2022

Number of Years: 65 years

	Arithmetic Average (%)	Geometric Average (%)
Large-cap Stock	10.0%	10.0%
Government Bond	3.0%	3.0%
Equity Risk Premia	7.0%	7.0%

Source: Cost of Capital Navigator