

EXPECTED FUTURE ANNUALIZED RATES OF RETURN7/29/2022

<u>ASSET CLASS</u> <u>(INDEX USED FOR ANALYSIS)</u>		<u>1 YEAR</u>	<u>3 YEARS</u>	<u>5 YEARS</u>	<u>10 YEARS</u>	<u>LONG TERM</u>	<u>ASSET CLASS METRICS</u>	<u>CURRENT</u> <u>29-Jul-22</u>	<u>HISTORICAL</u> <u>AVERAGES</u>
<u>US COMMON STOCKS</u> (S&P 500 Index)	Real	-3.18%	1.39%	2.34%	3.05%	3.77%	Expected Real Long-Term Return	3.765%	5.819%
	Nominal	0.57%	4.50%	5.18%	5.58%	6.05%	Expected Equity Premium	3.066%	3.348%
<u>INVESTMENT GRADE</u> <u>CORPORATE BONDS</u> (ICE Corporate Bond Index)	Real	0.36%	1.17%	1.47%	1.80%	2.08%	Yield to Maturity	4.360%	4.614%
	Nominal	4.11%	4.28%	4.31%	4.34%	4.36%	Yield Spread to Benchmark Treasury	1.530%	1.584%
<u>BELOW INVESTMENT GRADE</u> <u>COROPRATE BONDS</u> (ICE High Yield Corp. Bond Index)	Real	0.20%	3.24%	3.98%	4.66%	5.28%	Yield to Maturity	7.560%	8.506%
	Nominal	3.95%	6.34%	6.83%	7.19%	7.56%	Yield Spread to Benchmark Treasury	4.830%	5.613%
<u>AGENCY MORTGAGE-BACKED</u> <u>SECURITIES</u> (S&P Mtg.-Backed Securities Index)	Real	-3.24%	-0.74%	-0.11%	0.48%	1.02%	Yield to Maturity	3.299%	2.566%
	Nominal	0.51%	2.36%	2.73%	3.02%	3.30%	Yield Spread to Benchmark Treasury	0.594%	0.992%
<u>MUNICIPAL DEBT SECURITIES</u> (S&P Nat'l Municipal Bond Index)	Real	-1.54%	-0.18%	0.22%	0.64%	1.00%	Yield to Maturity	3.283%	3.234%
	Nominal	2.21%	2.93%	3.07%	3.18%	3.28%	Yield Spread to Benchmark Treasury	0.644%	0.863%
<u>PREFERRED STOCKS</u> (S&P Preferred Stock Index)	Real	-6.69%	-0.04%	1.47%	2.72%	3.93%	Dividend Yield	6.213%	6.974%
	Nominal	-2.94%	3.06%	4.31%	5.26%	6.21%	Yield Spread to 30-Yr Treasury	3.232%	3.858%
<u>U.S. TREASURY SECURITIES</u>									
	Current Yield	2.95%	2.82%	2.71%	2.64%	2.98%			
	Real Yield (TIPS)	-0.80%	-0.28%	-0.14%	0.10%	0.70%			
	Expected Inflation	3.75%	3.10%	2.84%	2.54%	2.28%			