

EXPECTED FUTURE ANNUALIZED RATES OF RETURN**12/30/2022**

<u>ASSET CLASS</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>HISTORICAL</u>
<u>(INDEX USED FOR ANALYSIS)</u>									<u>12/30/2022</u>	<u>AVERAGES</u>
<u>US COMMON STOCKS</u> (S&P 500 Index)	Real	-12.16%	-1.59%	0.68%	2.42%	4.19%	Expected Real Long-Term Return	4.193%	5.819%	
	Nominal	-10.05%	0.64%	2.95%	4.73%	6.50%	Expected Equity Premium	2.527%	3.348%	
	Vs. Treas.	-14.77%	-3.55%	-1.04%	0.85%	2.53%				
<u>INVESTMENT GRADE</u> <u>CORPORATE BONDS</u> (ICE Corporate Bond Index)	Real	2.46%	2.95%	3.03%	3.08%	3.18%	Yield to Maturity	5.480%	4.614%	
	Nominal	4.57%	5.18%	5.30%	5.39%	5.48%	Yield Spread to Benchmark Treasury	1.380%	1.584%	
	Vs. Treas.	-0.15%	0.98%	1.30%	1.51%	1.51%				
<u>BELOW INVESTMENT GRADE</u> <u>COROPRATE BONDS</u> (ICE High Yield Corp. Bond Index)	Real	3.05%	5.37%	5.82%	6.15%	6.53%	Yield to Maturity	8.830%	8.506%	
	Nominal	5.16%	7.59%	8.08%	8.46%	8.83%	Yield Spread to Benchmark Treasury	4.790%	5.613%	
	Vs. Treas.	0.44%	3.40%	4.09%	4.58%	4.86%				
<u>AGENCY MORTGAGE-BACKED</u> <u>SECURITIES</u> (S&P Mtg.-Backed Securities Index)	Real	-1.01%	1.13%	1.54%	1.84%	2.19%	Yield to Maturity	4.494%	2.566%	
	Nominal	1.10%	3.35%	3.81%	4.15%	4.49%	Yield Spread to Benchmark Treasury	0.498%	0.992%	
	Vs. Treas.	-3.62%	-0.84%	-0.19%	0.27%	0.53%				
<u>MUNICIPAL DEBT SECURITIES</u> (S&P Nat'l Municipal Bond Index)	Real	-3.40%	-0.11%	0.54%	1.03%	1.56%	Yield to Maturity	3.863%	3.234%	
	Nominal	-1.29%	2.12%	2.81%	3.34%	3.86%	Yield Spread to Benchmark Treasury	-0.013%	0.863%	
	Vs. Treas.	-6.01%	-2.07%	-1.18%	-0.54%	-0.10%				
<u>PREFERRED STOCKS</u> (S&P Preferred Stock Index)	Real	-5.43%	1.22%	2.59%	3.63%	4.72%	Dividend Yield	7.017%	6.974%	
	Nominal	-3.32%	3.45%	4.86%	5.93%	7.02%	Yield Spread to 30-Yr Treasury	3.049%	3.858%	
	Vs. Treas.	-8.04%	-0.74%	0.86%	2.06%	3.05%				
<u>U.S. TREASURY SECURITIES</u>										
	Current Yield	4.72%	4.19%	4.00%	3.88%	3.97%				
	Real Yield (TIPS)	2.61%	1.97%	1.73%	1.57%	1.67%				
	Expected Inflation	2.11%	2.23%	2.27%	2.31%	2.30%				