

2008 Ibbotson® Stocks, Bonds, Bills, and Inflation® Valuation Yearbook

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Table 2-1
Total Returns, Income Returns, and Capital Appreciation of the Basic Asset Classes
 Summary Statistics of Annual Returns

from 1926 to 2007

Series	Geometric Mean	Arithmetic Mean	Standard Deviation	Serial Correlation
Large Company Stocks	10.4%	12.3%	20.0%	0.03
Total Returns	4.2	4.2	1.6	0.89
Income	6.0	7.8	19.3	0.03
Capital Appreciation				
Ibbotson Small Company Stocks	12.5	17.1	32.6	0.06
Total Returns				
Mid-Cap Stocks*	11.3	14.0	24.4	-0.02
Total Returns	4.0	4.0	1.7	0.89
Income	7.1	9.8	23.7	-0.02
Capital Appreciation				
Low-Cap Stocks*	11.7	15.5	29.0	0.03
Total Returns	3.7	3.7	2.0	0.89
Income	7.9	11.6	28.4	0.02
Capital Appreciation				
Micro-Cap Stocks*	12.5	18.5	38.8	0.08
Total Returns	2.6	2.6	1.8	0.91
Income	9.9	15.8	38.3	0.07
Capital Appreciation				
Long-Term Corporate Bonds	5.9	6.2	8.4	0.08
Total Returns				
Long-Term Government Bonds	5.5	5.8	9.2	-0.08
Total Returns	5.2	5.2	2.7	0.96
Income	0.1	0.4	8.0	-0.23
Capital Appreciation				
Intermediate-Term Government Bonds	5.3	5.5	5.7	0.15
Total Returns	4.7	4.7	2.9	0.96
Income	0.5	0.5	4.4	-0.19
Capital Appreciation				
Treasury Bills	3.7	3.8	3.1	0.91
Total Returns	3.0	3.1	4.2	0.65
Inflation				

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

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 See Chapter 7 for details on decile construction.

Annual Total Returns

Table 2-2 shows the annual total returns for seven basic asset classes for the full 82-year time period. This table can be used to compare the performance of each asset class for the same annual period. Monthly total returns for large company stocks, small company stocks, long-term corporate bonds, long-term government bonds, intermediate-term government bonds, Treasury bills, and inflation rates are presented in Appendix B.