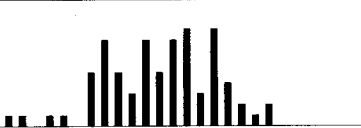
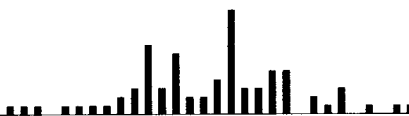
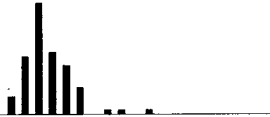
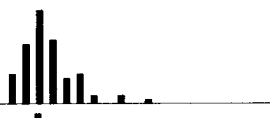
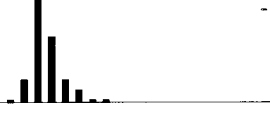




Table 2-1

Basic Series: Summary Statistics of Annual Total Returns

from 1926 to 2001

Series	Geometric Mean	Arithmetic Mean	Standard Deviation	Distribution
Large Company Stocks	10.7%	12.7%	20.2%	
Small Company Stocks	12.5	17.3	33.2	 *
Long-Term Corporate Bonds	5.8	6.1	8.6	
Long-Term Government	5.3	5.7	9.4	
Intermediate-Term Government	5.3	5.5	5.7	
U.S. Treasury Bills	3.8	3.9	3.2	
Inflation	3.1	3.1	4.4	
				-90% 0% 90%

*The 1933 Small Company Stocks Total Return was 142.9 percent.

Table 2-5

Basic Series

Annual Total Returns (in percent)

from 1926 to 1970

Year	Large Company Stocks	Small Company Stocks	Long-Term Corporate Bonds	Long-Term Government Bonds	Intermediate- Term Government Bonds	U.S. Treasury Bills	Inflation
1926	11.62	0.28	7.37	7.77	5.38	3.27	-1.49
1927	37.49	22.10	7.44	8.93	4.52	3.12	-2.08
1928	43.61	39.69	2.84	0.10	0.92	3.56	-0.97
1929	-8.42	-51.36	3.27	3.42	6.01	4.75	0.20
1930	-24.90	-38.15	7.98	4.66	6.72	2.41	-6.03
1931	-43.34	-49.75	-1.85	-5.31	-2.32	1.07	-9.52
1932	-8.19	-5.39	10.82	16.84	8.81	0.96	-10.30
1933	53.99	142.87	10.38	-0.07	1.83	0.30	0.51
1934	-1.44	24.22	13.84	10.03	9.00	0.16	2.03
1935	47.67	40.19	9.61	4.98	7.01	0.17	2.99
1936	33.92	64.80	6.74	7.52	3.06	0.18	1.21
1937	-35.03	-58.01	2.75	0.23	1.56	0.31	3.10
1938	31.12	32.80	6.13	5.53	6.23	-0.02	-2.78
1939	-0.41	0.35	3.97	5.94	4.52	0.02	-0.48
1940	-9.78	-5.16	3.39	6.09	2.96	0.00	0.96
1941	-11.59	-9.00	2.73	0.93	0.50	0.06	9.72
1942	20.34	44.51	2.60	3.22	1.94	0.27	9.29
1943	25.90	88.37	2.83	2.08	2.81	0.35	3.16
1944	19.75	53.72	4.73	2.81	1.80	0.33	2.11
1945	36.44	73.61	4.08	10.73	2.22	0.33	2.25
1946	-8.07	-11.63	1.72	-0.10	1.00	0.35	18.16
1947	5.71	0.92	-2.34	-2.62	0.91	0.50	9.01
1948	5.50	-2.11	4.14	3.40	1.85	0.81	2.71
1949	18.79	19.75	3.31	6.45	2.32	1.10	-1.80
1950	31.71	38.75	2.12	0.06	0.70	1.20	5.79
1951	24.02	7.80	-2.69	-3.93	0.36	1.49	5.87
1952	18.37	3.03	3.52	1.16	1.63	1.66	0.88
1953	-0.99	-6.49	3.41	3.64	3.23	1.82	0.62
1954	52.62	60.58	5.39	7.19	2.68	0.86	-0.50
1955	31.56	20.44	0.48	-1.29	-0.65	1.57	0.37
1956	6.56	4.28	-6.81	-5.59	-0.42	2.46	2.86
1957	-10.78	-14.57	8.71	7.46	7.84	3.14	3.02
1958	43.36	64.89	-2.22	-6.09	-1.29	1.54	1.76
1959	11.96	16.40	-0.97	-2.26	-0.39	2.95	1.50
1960	0.47	-3.29	9.07	13.78	11.76	2.66	1.48
1961	26.89	32.09	4.82	0.97	1.85	2.13	0.67
1962	-8.73	-11.90	7.95	6.89	5.56	2.73	1.22
1963	22.80	23.57	2.19	1.21	1.64	3.12	1.65
1964	16.48	23.52	4.77	3.51	4.04	3.54	1.19
1965	12.45	41.75	-0.46	0.71	1.02	3.93	1.92
1966	-10.06	-7.01	0.20	3.65	4.69	4.76	3.35
1967	23.98	83.57	-4.95	-9.18	1.01	4.21	3.04
1968	11.06	35.97	2.57	-0.26	4.54	5.21	4.72
1969	-8.50	-25.05	-8.09	-5.07	-0.74	6.58	6.11
1970	4.01	-17.43	18.37	12.11	16.86	6.52	5.49

Table 2-5 (continued)

Basic Series

Annual Total Returns (in percent)

from 1971 to 2001

Year	Large Company Stocks	Small Company Stocks	Long-Term Corporate Bonds	Long-Term Government Bonds	Intermediate- Term Government Bonds	U.S. Treasury Bills	Inflation
1971	14.31	16.50	11.01	13.23	8.72	4.39	3.36
1972	18.98	4.43	7.26	5.69	5.16	3.84	3.41
1973	-14.66	-30.90	1.14	-1.11	4.61	6.93	8.80
1974	-26.47	-19.95	-3.06	4.35	5.69	8.00	12.20
1975	37.20	52.82	14.64	9.20	7.83	5.80	7.01
1976	23.84	57.38	18.65	16.75	12.87	5.08	4.81
1977	-7.18	25.38	1.71	-0.69	1.41	5.12	6.77
1978	6.56	23.46	-0.07	-1.18	3.49	7.18	9.03
1979	18.44	43.46	-4.18	-1.23	4.09	10.38	13.31
1980	32.42	39.88	-2.76	-3.95	3.91	11.24	12.40
1981	-4.91	13.88	-1.24	1.86	9.45	14.71	8.94
1982	21.41	28.01	42.56	40.36	29.10	10.54	3.87
1983	22.51	39.67	6.26	0.65	7.41	8.80	3.80
1984	6.27	-6.67	16.86	15.48	14.02	9.85	3.95
1985	32.16	24.66	30.09	30.97	20.33	7.72	3.77
1986	18.47	6.85	19.85	24.53	15.14	6.16	1.13
1987	5.23	-9.30	-0.27	-2.71	2.90	5.47	4.41
1988	16.81	22.87	10.70	9.67	6.10	6.35	4.42
1989	31.49	10.18	16.23	18.11	13.29	8.37	4.65
1990	-3.17	-21.56	6.78	6.18	9.73	7.81	6.11
1991	30.55	44.63	19.89	19.30	15.46	5.60	3.06
1992	7.67	23.35	9.39	8.05	7.19	3.51	2.90
1993	9.99	20.98	13.19	18.24	11.24	2.90	2.75
1994	1.31	3.11	-5.76	-7.77	-5.14	3.90	2.67
1995	37.43	34.46	27.20	31.67	16.80	5.60	2.54
1996	23.07	17.62	1.40	-0.93	2.10	5.21	3.32
1997	33.36	22.78	12.95	15.85	8.38	5.26	1.70
1998	28.58	-7.31	10.76	13.06	10.21	4.86	1.61
1999	21.04	29.79	-7.45	-8.96	-1.77	4.68	2.68
2000	-9.11	-3.59	12.87	21.48	12.59	5.89	3.39
2001	-11.88	22.77	10.65	3.70	7.62	3.83	1.55

Table 2-10

Basic Series

Compound Annual Returns for 15-Year Holding Periods (percent per annum)

from 1926 to 1970

Period	Large Company Stocks	Small Company Stocks	Long-Term Corporate Bonds	Long-Term Government Bonds	Intermediate Government Bonds	U.S. Treasury Bills	Inflation
1926-1940	4.04	-0.66	6.24	4.99	4.37	1.34	-1.59
1927-1941	2.44	-1.30	5.93	4.53	4.04	1.13	-0.88
1928-1942	1.53	-0.19	5.60	4.16	3.87	0.94	-0.16
1929-1943	0.64	1.82	5.60	4.29	4.00	0.73	0.12
1930-1944	2.46	9.94	5.70	4.25	3.71	0.44	0.24
1931-1945	6.62	17.77	5.44	4.65	3.42	0.30	0.81
1932-1946	10.11	22.29	5.70	5.02	3.65	0.25	2.62
1933-1947	11.15	22.81	4.81	3.75	3.13	0.22	3.96
1934-1948	8.39	15.59	4.40	3.99	3.13	0.26	4.11
1935-1949	9.75	15.31	3.73	3.76	2.70	0.32	3.85
1936-1950	8.91	15.23	3.24	3.43	2.28	0.39	4.03
1937-1951	8.36	12.02	2.61	2.66	2.10	0.47	4.34
1938-1952	12.78	18.92	2.66	2.72	2.11	0.56	4.19
1939-1953	10.68	16.18	2.48	2.59	1.91	0.68	4.43
1940-1954	13.88	19.88	2.57	2.67	1.79	0.74	4.43
1941-1955	16.78	21.80	2.38	2.18	1.55	0.85	4.39
1942-1956	18.24	22.91	1.71	1.73	1.49	1.01	3.94
1943-1957	15.91	18.68	2.11	2.00	1.87	1.20	3.53
1944-1958	16.92	17.63	1.76	1.44	1.59	1.28	3.44
1945-1959	16.39	15.47	1.39	1.09	1.45	1.45	3.40
1946-1960	14.04	11.05	1.70	1.28	2.05	1.61	3.35
1947-1961	16.52	14.07	1.91	1.35	2.11	1.72	2.25
1948-1962	15.38	13.04	2.59	1.98	2.41	1.87	1.75
1949-1963	16.56	14.81	2.46	1.84	2.40	2.03	1.67
1950-1964	16.40	15.05	2.56	1.65	2.51	2.19	1.88
1951-1965	15.18	15.21	2.38	1.69	2.54	2.37	1.63
1952-1966	12.74	14.08	2.58	2.21	2.82	2.59	1.46
1953-1967	13.09	18.56	2.00	1.47	2.78	2.76	1.61
1954-1968	13.96	21.55	1.94	1.21	2.87	2.98	1.88
1955-1969	10.14	15.53	1.02	0.40	2.64	3.36	2.31
1956-1970	8.43	12.66	2.13	1.25	3.75	3.69	2.65
1957-1971	8.94	13.50	3.33	2.49	4.36	3.82	2.69
1958-1972	11.05	15.03	3.23	2.37	4.19	3.86	2.71
1959-1973	7.27	8.55	3.47	2.73	4.59	4.22	3.17
1960-1974	4.31	5.87	3.32	3.18	5.00	4.56	3.86
1961-1975	6.50	9.15	3.66	2.89	4.75	4.77	4.23
1962-1976	6.32	10.43	4.52	3.90	5.47	4.97	4.51
1963-1977	6.44	13.06	4.11	3.39	5.19	5.13	4.89
1964-1978	5.44	13.06	3.95	3.22	5.32	5.40	5.38
1965-1979	5.56	14.19	3.34	2.90	5.32	5.85	6.17
1966-1980	6.71	14.09	3.18	2.58	5.52	6.33	6.87
1967-1981	7.11	15.64	3.08	2.46	5.83	6.97	7.24
1968-1982	6.96	12.89	5.90	5.47	7.58	7.40	7.30
1969-1983	7.66	13.10	6.15	5.54	7.77	7.64	7.24
1970-1984	8.74	14.76	7.86	6.93	8.77	7.85	7.09

Table 2-10 (continued)

Basic Series

Compound Annual Returns for 15-Year Holding Periods (percent per annum)

from 1971 to 2001

Period	Large Company Stocks	Small Company Stocks	Long-Term Corporate Bonds	Long-Term Government Bonds	Intermediate Government Bonds	U.S. Treasury Bills	Inflation
1971-1985	10.50	17.96	8.54	8.04	8.99	7.93	6.97
1972-1986	10.76	17.28	9.10	8.73	9.40	8.06	6.82
1973-1987	9.86	16.18	8.57	8.13	9.25	8.17	6.89
1974-1988	12.18	20.73	9.23	8.88	9.35	8.13	6.59
1975-1989	16.61	23.33	10.56	9.78	9.86	8.15	6.10
1976-1990	13.93	17.96	10.03	9.58	9.99	8.29	6.04
1977-1991	14.33	17.30	10.11	9.73	10.15	8.32	5.92
1978-1992	15.47	17.17	10.65	10.35	10.56	8.21	5.66
1979-1993	15.72	17.01	11.57	11.68	11.09	7.92	5.24
1980-1994	14.52	14.47	11.45	11.17	10.41	7.48	4.55
1981-1995	14.80	14.17	13.46	13.53	11.27	7.11	3.92
1982-1996	16.79	14.41	13.66	13.32	10.76	6.50	3.55
1983-1997	17.52	14.09	11.91	11.88	9.47	6.15	3.41
1984-1998	17.90	11.02	12.22	12.75	9.66	5.89	3.26
1985-1999	18.93	13.49	10.49	10.98	8.58	5.55	3.17
1986-2000	16.00	11.56	9.45	10.43	8.10	5.43	3.15
1987-2001	13.73	12.60	8.87	9.09	7.61	5.27	3.18

Table 4-1

Derived Series

Annual Returns (in percent)

from 1926 to 1970

Year	Equity Risk Premia	Small Stock Premia	Default Premia	Horizon Premia	Inflation-Adjusted					
					Large Company Stocks	Small Company Stocks	Long-Term Corp. Bonds	Long-Term Govt. Bonds	Intermed. Govt. Bonds	U.S. Treasury Bills
1926	8.09	-10.17	-0.37	4.36	13.31	1.79	9.00	9.40	6.97	4.83
1927	33.32	-11.19	-1.36	5.63	40.41	24.69	9.73	11.24	6.74	5.31
1928	38.67	-2.73	2.73	-3.34	45.01	41.06	3.84	1.08	1.90	4.57
1929	-12.57	-46.89	-0.14	-1.27	-8.59	-51.45	3.07	3.22	5.81	4.54
1930	-26.66	-17.64	3.17	2.20	-20.08	-34.18	14.90	11.38	13.56	8.98
1931	-43.94	-11.33	3.65	-6.31	-37.37	-44.46	8.48	4.66	7.96	11.71
1932	-9.07	3.05	-5.15	15.73	2.35	5.47	23.54	30.26	21.30	12.55
1933	53.53	57.72	10.46	-0.37	53.21	141.63	9.82	-0.58	1.31	-0.21
1934	-1.60	26.04	3.47	9.85	-3.40	21.75	11.58	7.84	6.83	-1.83
1935	47.42	-5.06	4.41	4.81	43.39	36.13	6.44	1.94	3.91	-2.73
1936	33.68	23.06	-0.72	7.32	32.32	62.83	5.47	6.23	1.83	-1.02
1937	-35.23	-35.37	2.51	-0.08	-36.98	-59.27	-0.35	-2.78	-1.50	-2.71
1938	31.14	1.28	0.57	5.55	34.87	36.59	9.16	8.55	9.27	2.84
1939	-0.43	0.76	-1.86	5.92	0.07	0.83	4.46	6.45	5.02	0.50
1940	-9.79	5.13	-2.54	6.08	-10.64	-6.05	2.41	5.08	1.99	-0.94
1941	-11.64	2.93	1.78	0.87	-19.42	-17.06	-6.37	-8.01	-8.40	-8.80
1942	20.02	20.08	-0.60	2.94	10.11	32.23	-6.12	-5.55	-6.73	-8.25
1943	25.46	49.62	0.73	1.73	22.04	82.60	-0.32	-1.04	-0.34	-2.73
1944	19.36	28.37	1.87	2.48	17.28	50.55	2.57	0.69	-0.31	-1.74
1945	35.99	27.25	-6.01	10.37	33.43	69.79	1.78	8.30	-0.03	-1.88
1946	-8.39	-3.87	1.83	-0.45	-22.20	-25.21	-13.91	-15.46	-14.52	-15.07
1947	5.18	-4.53	0.29	-3.11	-3.03	-7.42	-10.41	-10.67	-7.43	-7.80
1948	4.65	-7.22	0.71	2.57	2.72	-4.69	1.39	0.67	-0.84	-1.85
1949	17.50	0.80	-2.95	5.29	20.97	21.95	5.21	8.40	4.20	2.96
1950	30.16	5.34	2.05	-1.12	24.50	31.15	-3.47	-5.42	-4.81	-4.34
1951	22.19	-13.07	1.29	-5.34	17.14	1.82	-8.09	-9.26	-5.21	-4.14
1952	16.44	-12.96	2.33	-0.49	17.33	2.13	2.62	0.27	0.74	0.77
1953	-2.76	-5.55	-0.22	1.78	-1.60	-7.07	2.77	2.99	2.59	1.19
1954	51.32	5.21	-1.68	6.27	53.39	61.38	5.91	7.72	3.20	1.37
1955	29.52	-8.45	1.80	-2.82	31.07	19.99	0.10	-1.66	-1.02	1.19
1956	4.00	-2.13	-1.30	-7.85	3.59	1.38	-9.41	-8.21	-3.19	-0.39
1957	-13.50	-4.25	1.17	4.19	-13.40	-17.08	5.52	4.31	4.67	0.11
1958	41.19	15.01	4.13	-7.52	40.88	62.03	-3.91	-7.72	-3.00	-0.22
1959	8.75	3.97	1.32	-5.06	10.30	14.68	-2.43	-3.70	-1.86	1.43
1960	-2.14	-3.74	-4.14	10.83	-0.99	-4.70	7.48	12.12	10.13	1.17
1961	24.25	4.10	3.81	-1.13	26.04	31.21	4.12	0.30	1.17	1.44
1962	-11.16	-3.48	0.99	4.04	-9.83	-12.97	6.64	5.59	4.29	1.49
1963	19.09	0.62	0.97	-1.85	20.81	21.56	0.54	-0.43	-0.01	1.44
1964	12.50	6.04	1.22	-0.03	15.11	22.07	3.54	2.29	2.82	2.32
1965	8.20	26.06	-1.16	-3.10	10.33	39.08	-2.33	-1.19	-0.89	1.97
1966	-14.15	3.39	-3.33	-1.06	-12.98	-10.03	-3.06	0.29	1.29	1.36
1967	18.97	48.07	4.66	-12.85	20.32	78.15	-7.76	-11.86	-1.97	1.13
1968	5.57	22.43	2.84	-5.20	6.05	29.84	-2.05	-4.76	-0.18	0.46
1969	-14.16	-18.09	-3.18	-10.94	-13.77	-29.37	-13.38	-10.54	-6.45	0.45
1970	-2.36	-20.61	5.59	5.24	-1.41	-21.73	12.21	6.27	10.78	0.98

Table 4-1 (continued)

Derived Series

Annual Returns (in percent)

from 1971 to 2001

Year	Equity Risk Premia	Small Stock Premia	Default Premia	Horizon Premia	Inflation-Adjusted					
					Large Company Stocks	Small Company Stocks	Long-Term Corp. Bonds	Long-Term Govt. Bonds	Intermed. Govt. Bonds	U.S. Treasury Bills
1971	9.51	1.91	-1.96	8.47	10.60	12.71	7.41	9.55	5.19	0.99
1972	14.58	-12.22	1.49	1.78	15.05	0.99	3.72	2.20	1.69	0.41
1973	-20.19	-19.03	2.27	-7.52	-21.56	-36.49	-7.04	-9.10	-3.85	-1.72
1974	-31.92	8.87	-7.11	-3.38	-34.46	-28.65	-13.60	-6.99	-5.80	-3.74
1975	29.68	11.38	4.99	3.21	28.21	42.80	7.13	2.04	0.76	-1.13
1976	17.85	27.08	1.62	11.11	18.16	50.15	13.20	11.40	7.69	0.26
1977	-11.70	35.08	2.41	-5.53	-13.07	17.43	-4.74	-6.99	-5.02	-1.55
1978	-0.58	15.86	1.12	-7.80	-2.26	13.24	-8.34	-9.36	-5.08	-1.69
1979	7.31	21.13	-2.98	-10.52	4.53	26.62	-15.43	-12.83	-8.13	-2.59
1980	19.04	5.63	1.24	-13.65	17.81	24.45	-13.48	-14.54	-7.55	-1.03
1981	-17.10	19.76	-3.04	-11.20	-12.71	4.53	-9.34	-6.50	0.47	5.30
1982	9.83	5.43	1.57	26.97	16.88	23.23	37.25	35.13	24.28	6.42
1983	12.61	14.00	5.57	-7.49	18.03	34.56	2.37	-3.03	3.48	4.82
1984	-3.26	-12.17	1.20	5.12	2.22	-10.22	12.42	11.08	9.68	5.67
1985	22.68	-5.67	-0.67	21.58	27.36	20.13	25.36	26.21	15.96	3.81
1986	11.59	-9.81	-3.76	17.30	17.15	5.66	18.51	23.14	13.85	4.98
1987	-0.22	-13.81	2.51	-7.76	0.79	-13.13	-4.48	-6.82	-1.44	1.01
1988	9.84	5.19	0.94	3.13	11.87	17.67	6.02	5.03	1.61	1.85
1989	21.33	-16.21	-1.59	8.99	25.65	5.29	11.07	12.87	8.26	3.56
1990	-10.19	-18.99	0.57	-1.51	-8.74	-26.08	0.64	0.07	3.42	1.61
1991	23.63	10.79	0.49	12.98	26.67	40.33	16.32	15.75	12.03	2.46
1992	4.02	14.56	1.24	4.39	4.64	19.87	6.31	5.01	4.17	0.59
1993	6.89	9.99	-4.28	14.91	7.05	17.74	10.16	15.08	8.26	0.14
1994	-2.50	1.78	2.18	-11.24	-1.33	0.42	-8.22	-10.17	-7.62	1.20
1995	30.15	-2.16	-3.39	24.69	34.03	31.13	24.06	28.41	13.91	2.98
1996	16.98	-4.43	2.35	-5.83	19.12	13.84	-1.86	-4.12	-1.18	1.82
1997	26.70	-7.94	-2.51	10.07	31.13	20.72	11.06	13.91	6.57	3.49
1998	22.63	-27.91	-2.04	7.83	26.54	-8.78	9.00	11.27	8.46	3.19
1999	15.63	7.22	1.67	-13.04	17.88	26.39	-9.87	-11.34	-4.34	1.95
2000	-14.16	6.07	-7.09	14.72	-12.08	-6.75	9.17	17.50	8.90	2.42
2001	-15.13	39.33	6.70	-0.13	-13.23	20.89	8.96	2.11	5.97	2.24