

**2024 Chartbook**  
Equity Risk Premiums and Credit Spreads

## **Section I: Equity Risk Premiums**

What is the equity risk premium for U.S. large cap stocks?

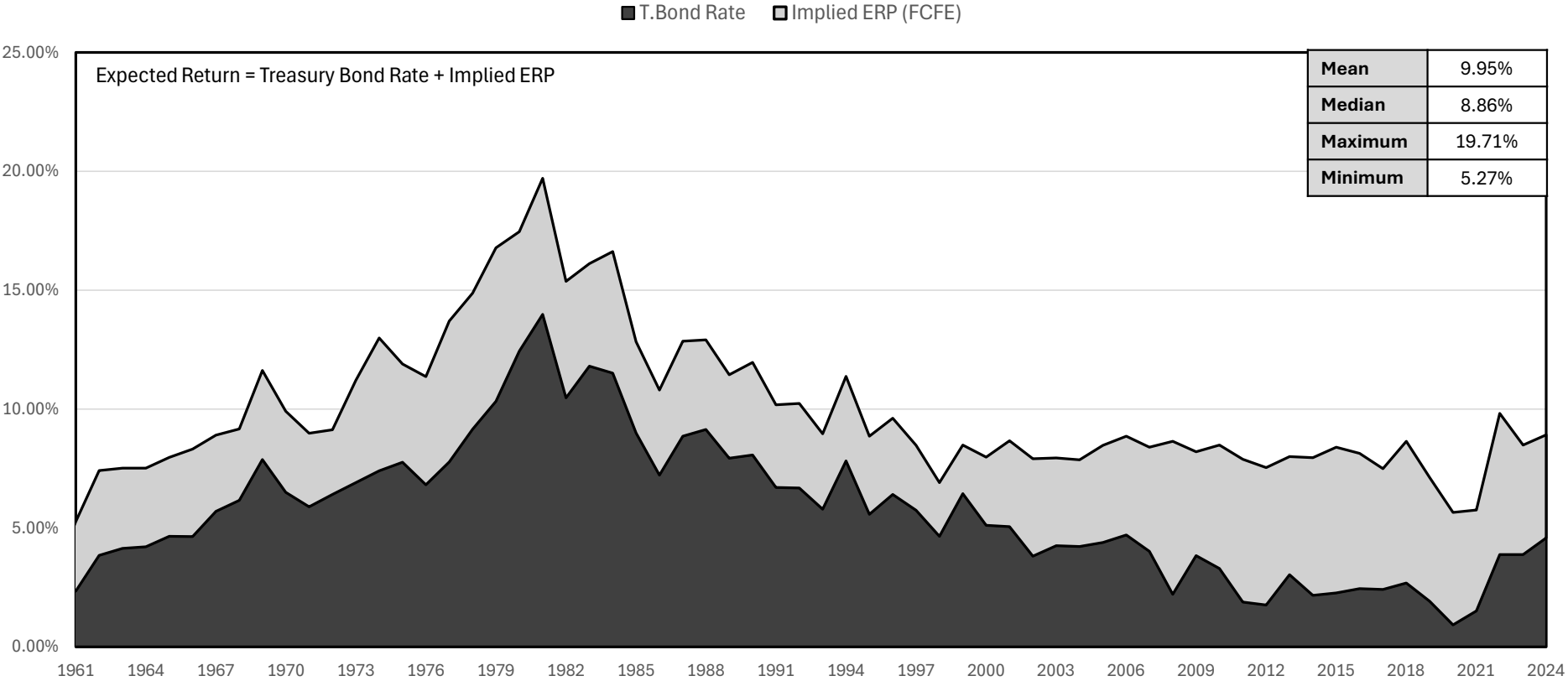
Implied S&P 500 Equity Risk Premium



Source: Aswath Damodaran (as of 12/31/24)

What is the expected return on U.S. large cap stocks?

Expected Return on U.S. Large Cap Stocks

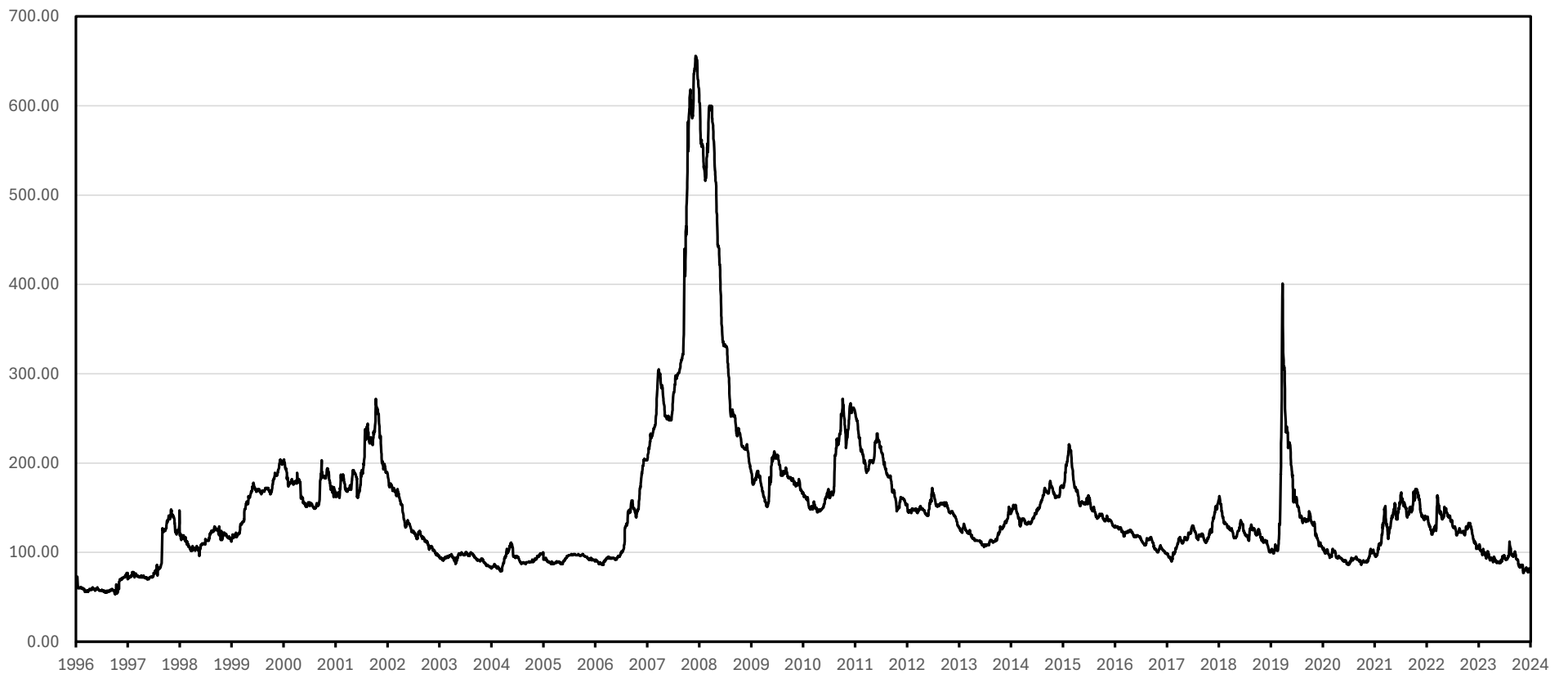


Source: Aswath Damodaran (as of 12/31/24)

## **Section II: Credit Spreads**

## ICE BofA US Investment-Grade Corporate Index

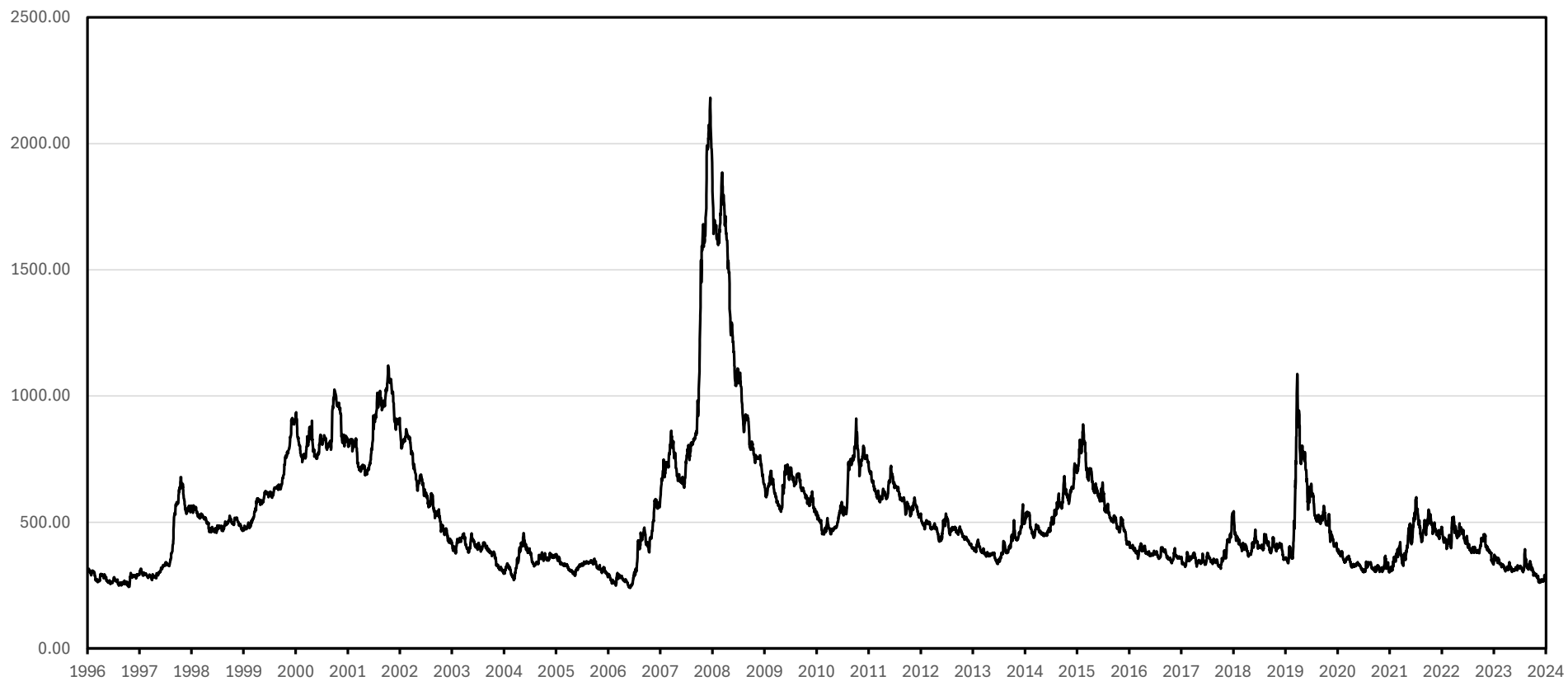
Option-Adjusted Spread



Source: ICE BofA via FRED (as of 12/31/24)

## ICE BofA US High Yield Corporate Index

Option-Adjusted Spread



Source: ICE BofA via FRED (as of 12/31/24)

Additional compensation for investing in HY instead of IG Corporates

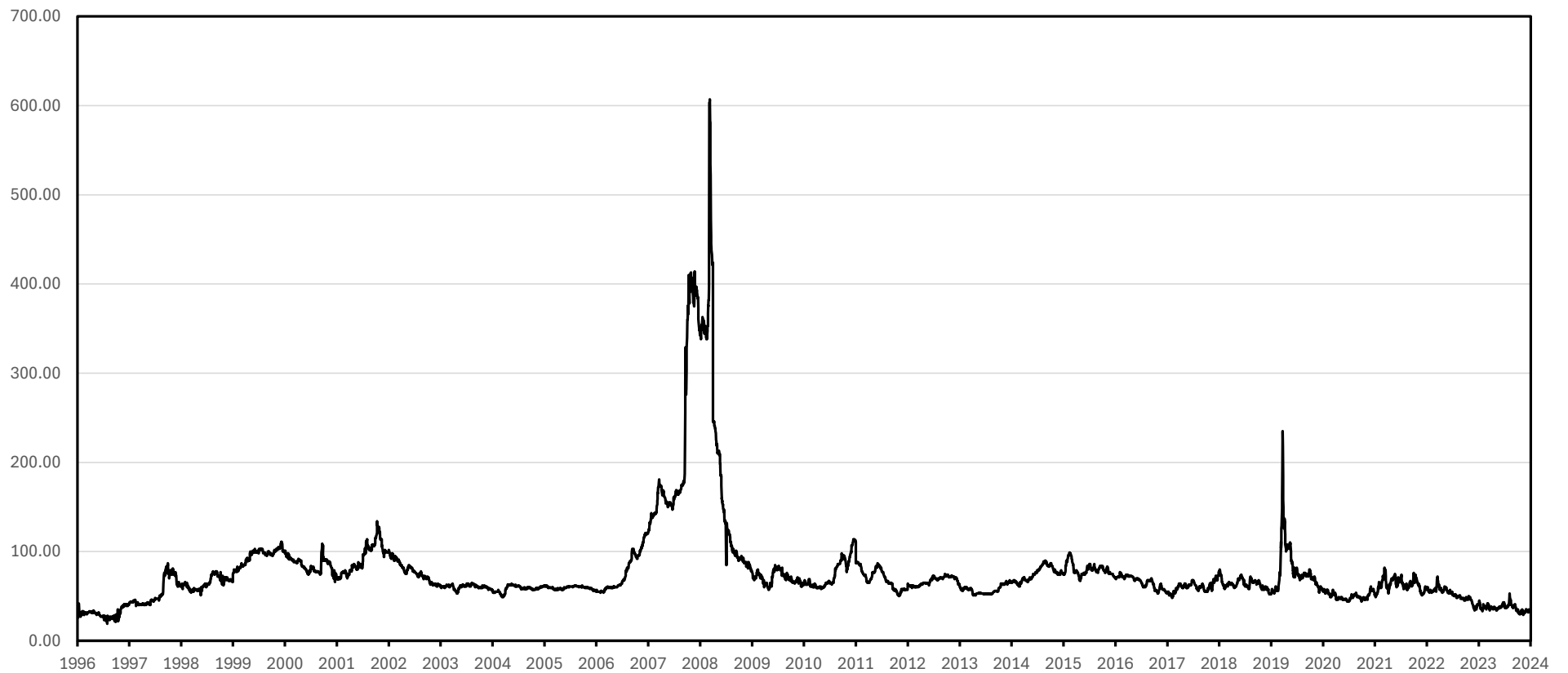
**ICE BofA US HY - IG Spread**  
Option-Adjusted Spread



Source: ICE BofA via FRED (as of 12/31/24)



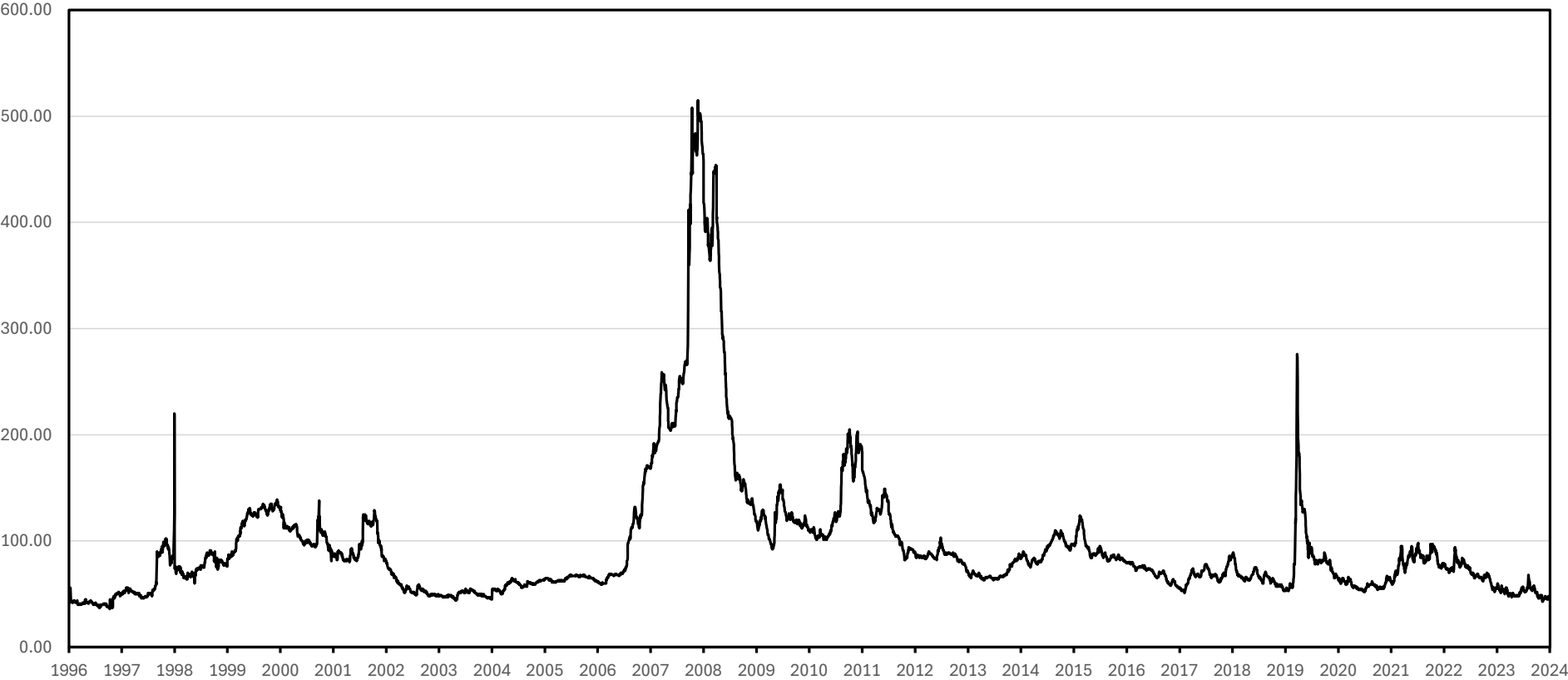
## ICE BofA US AAA-Rated Corporate Index Option-Adjusted Spread



Source: ICE BofA via FRED (as of 12/31/24)

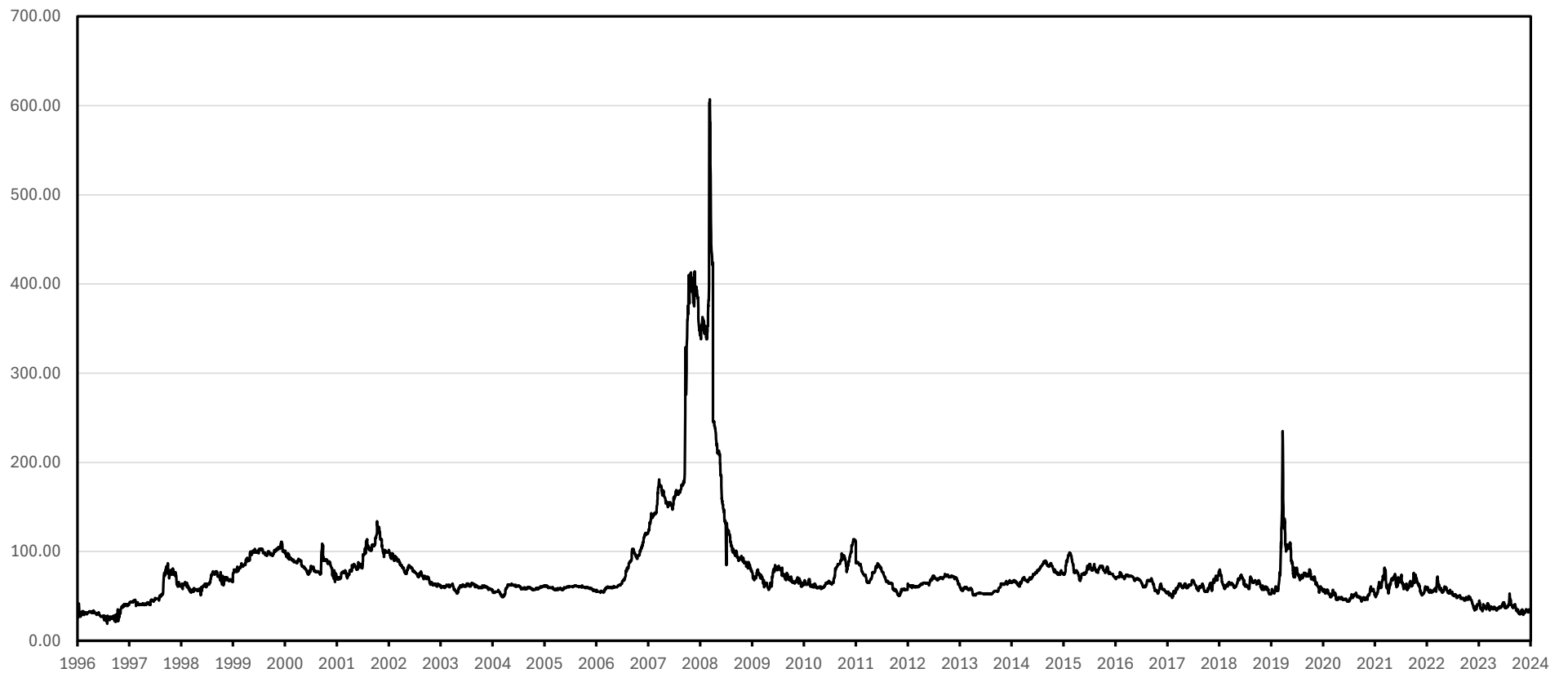
# ICE BofA US AA-Rated Corporate Index

Option-Adjusted Spread



Source: ICE BofA via FRED (as of 12/31/24)

## ICE BofA US AAA-Rated Corporate Index Option-Adjusted Spread



Source: ICE BofA via FRED (as of 12/31/24)

ICE BofA US AA-Rated Corporate Index

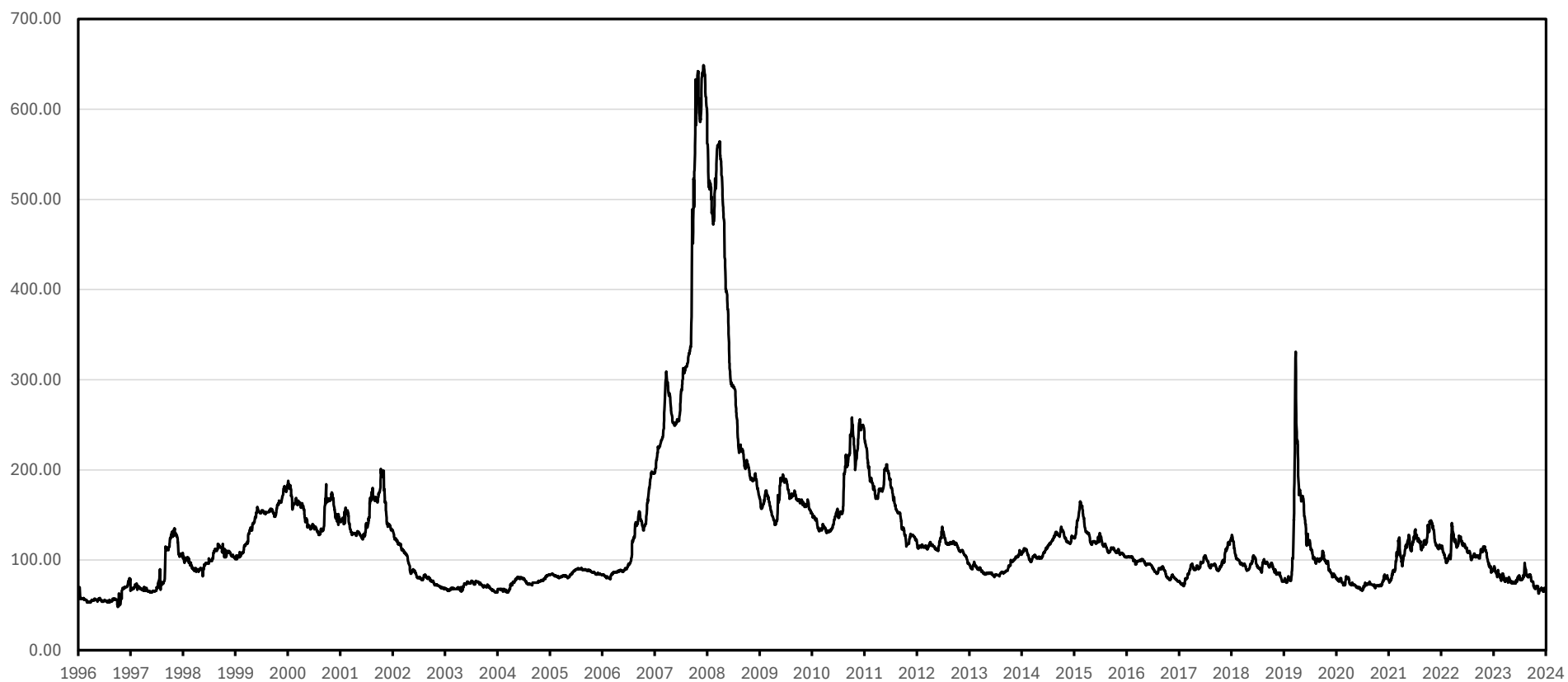
Option-Adjusted Spread



Source: ICE BofA via FRED (as of 12/31/24)

## ICE BofA US A-Rated Corporate Index

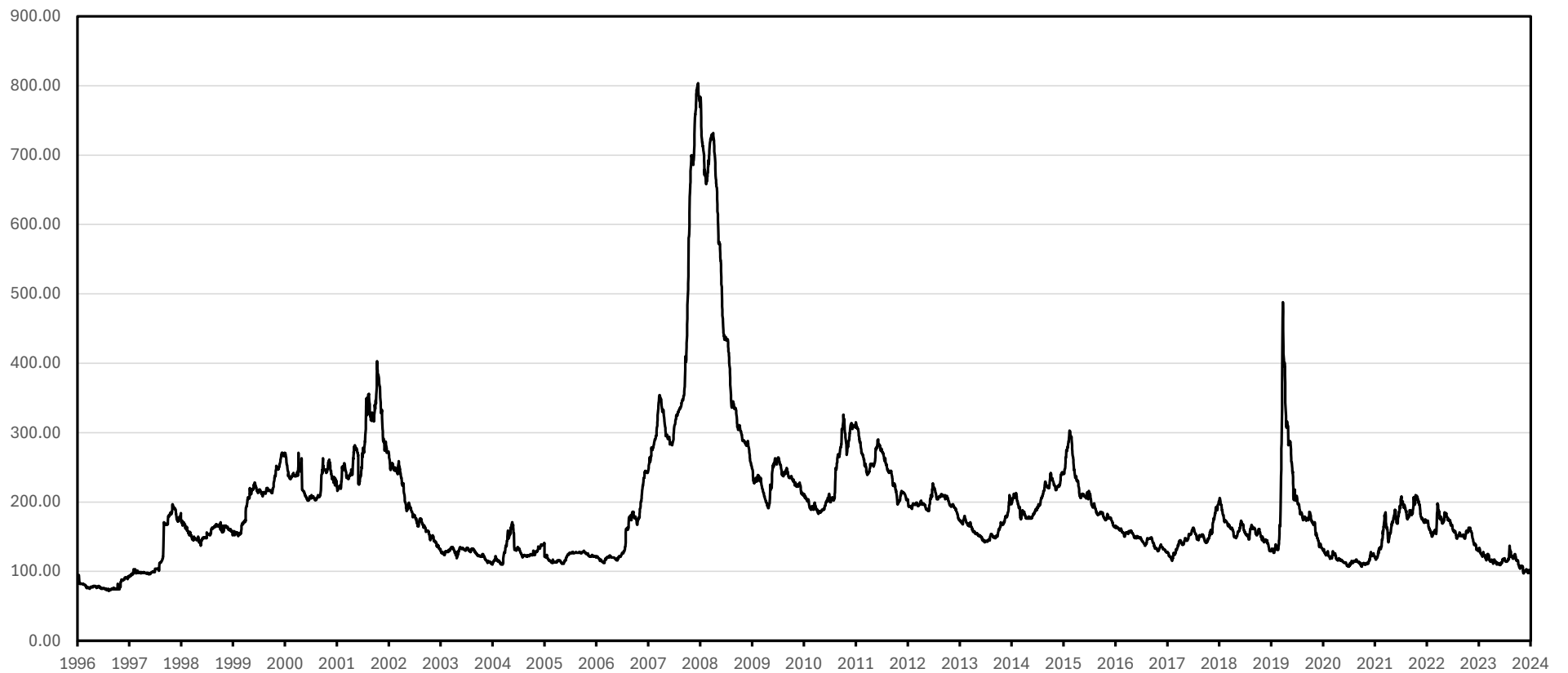
Option-Adjusted Spread



Source: ICE BofA via FRED (as of 12/31/24)

## ICE BofA US BBB-Rated Corporate Index

Option-Adjusted Spread



Source: ICE BofA via FRED (as of 12/31/24)

# ICE BofA US BB-Rated Corporate Index

Option-Adjusted Spread



Source: ICE BofA via FRED (as of 12/31/24)

## ICE BofA US B-Rated Corporate Index

Option-Adjusted Spread



Source: ICE BofA via FRED (as of 12/31/24)



## ICE BofA US CCC and Lower Corporate Index

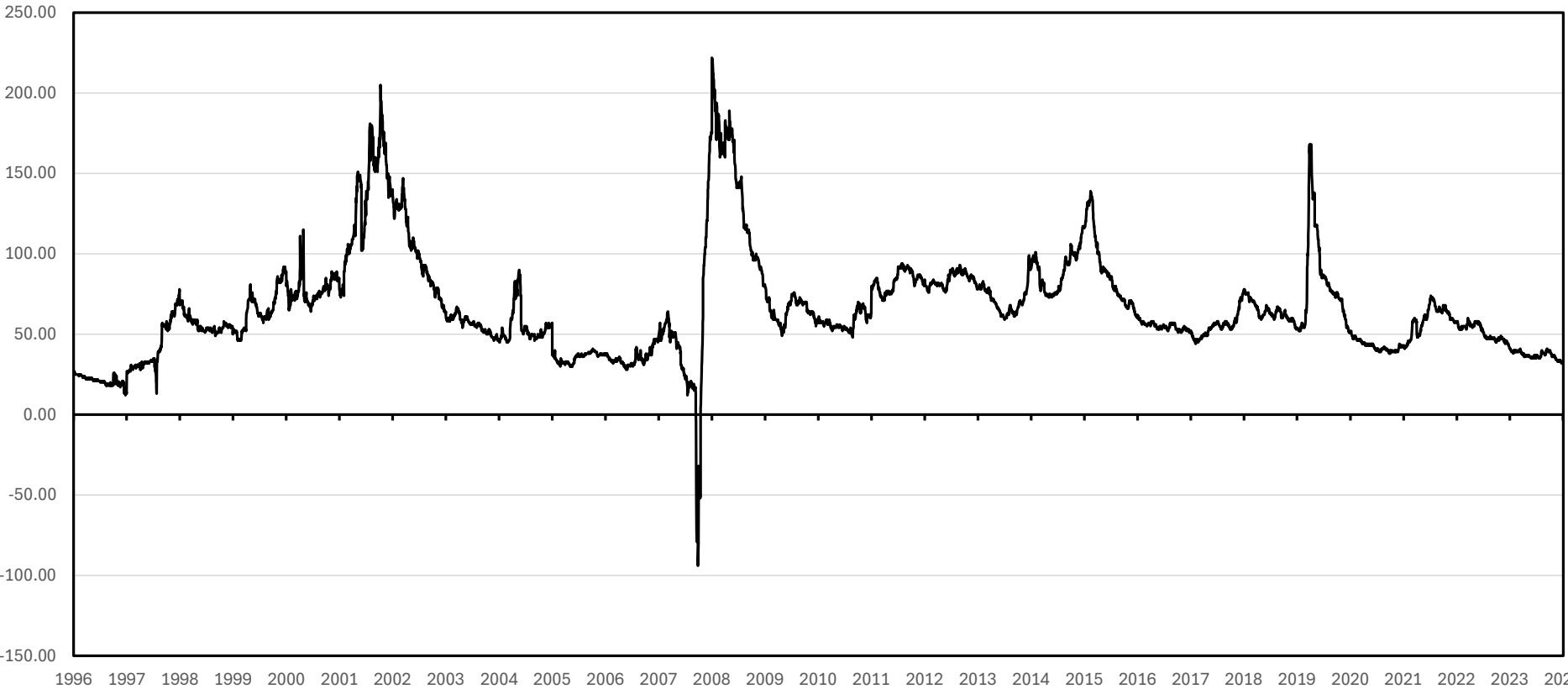
Option-Adjusted Spread



Source: ICE BofA via FRED (as of 12/31/24)

Additional compensation for investing in BBBs instead of single-As

**ICE BofA US BBB - A Spread**  
Option-Adjusted Spread

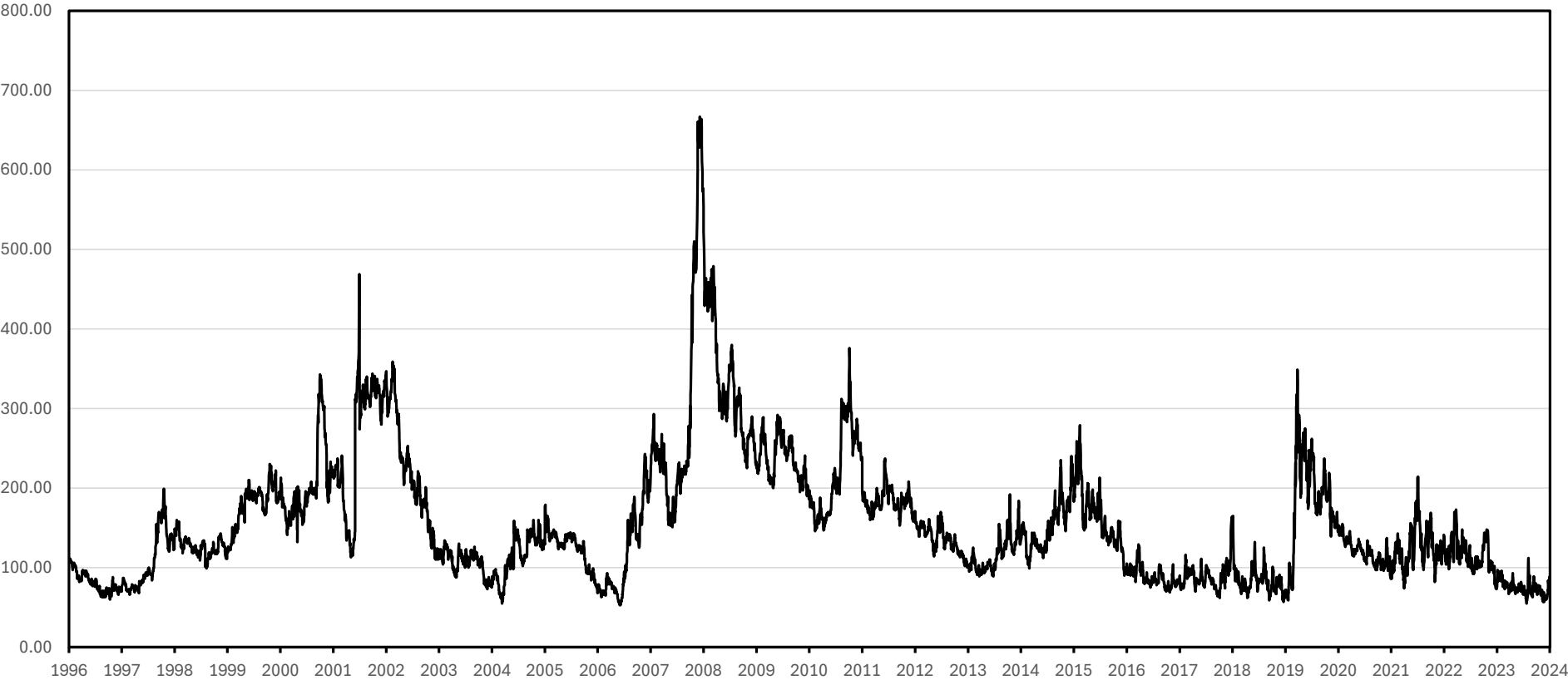


Source: ICE BofA via FRED (as of 12/31/24)

Additional compensation for investing in BBs instead of BBBs

**ICE BofA US BB-BBB Spread**

Option-Adjusted Spread

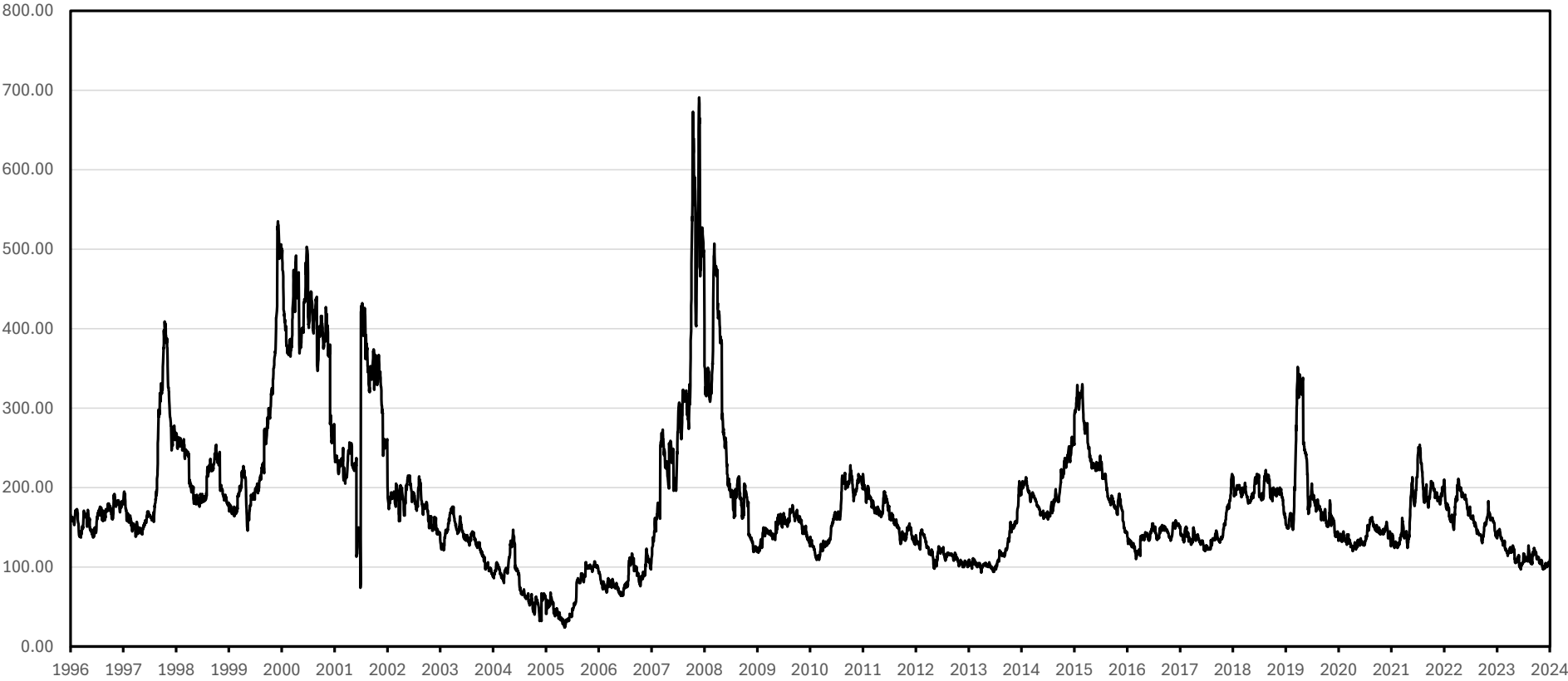


Source: ICE BofA via FRED (as of 12/31/24)

Additional compensation for investing in single-Bs instead of BBs

**ICE BofA US B-BB Spread**

Option-Adjusted Spread



Source: ICE BofA via FRED (as of 12/31/24)