

COST OF CAPITAL IN THE CURRENT ENVIRONMENT

COVID-19 Update – January 21, 2021

5.5%

D&P Recommended U.S. Equity Risk Premium

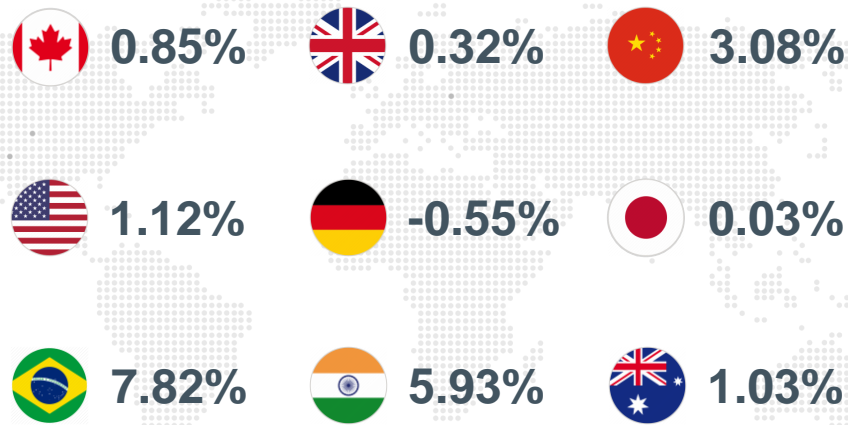
2.5%

Normalized U.S. Risk-Free Rate

For more information, visit: <https://www.duffandphelps.com/costofcapital>

Global 10-Year Government Bond Yields

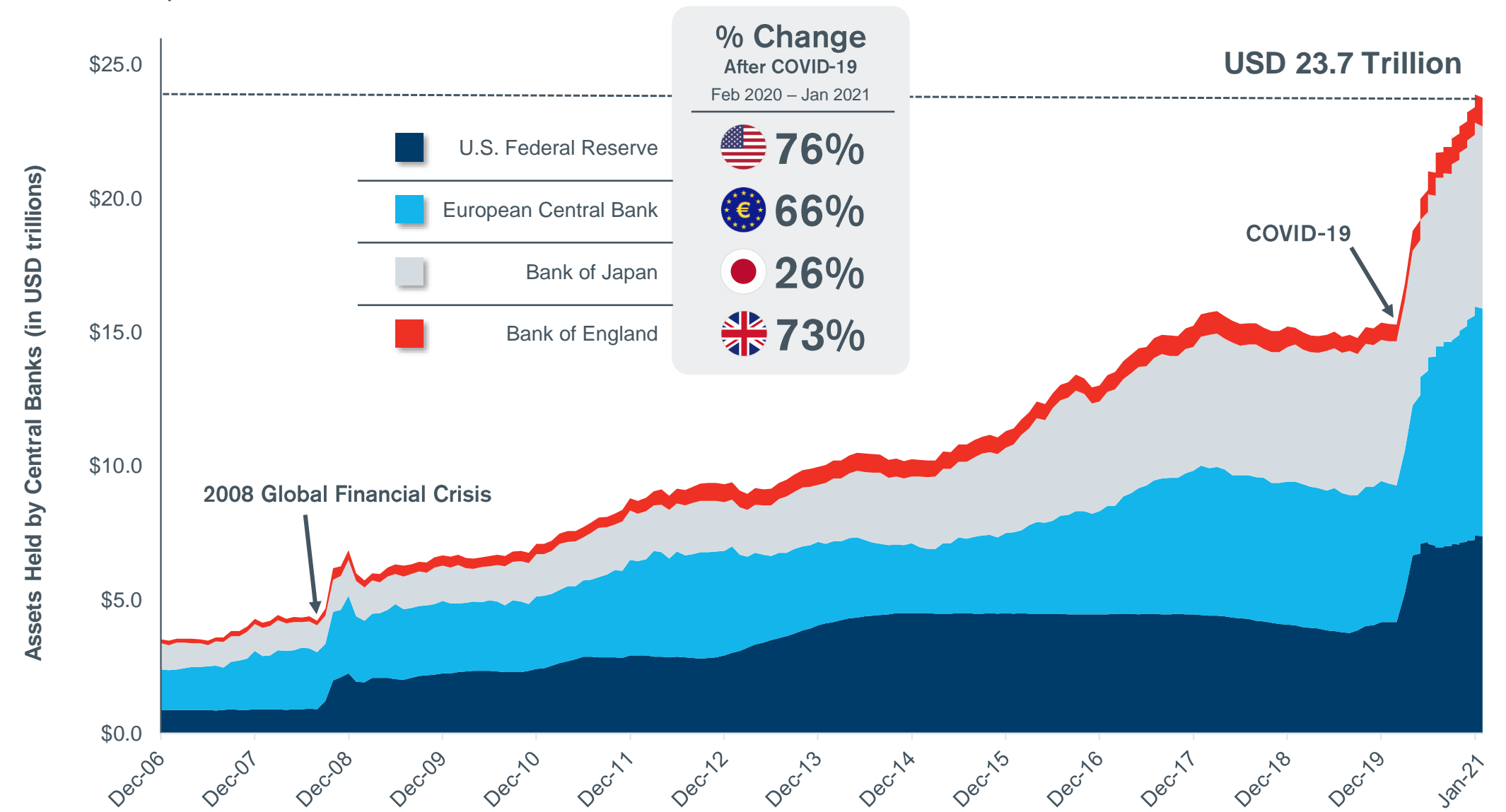
Data as of January 21, 2021



Sources: Bloomberg (Brazil, India), Capital IQ (other countries)

Total Assets Held by Major Central Banks Over Time

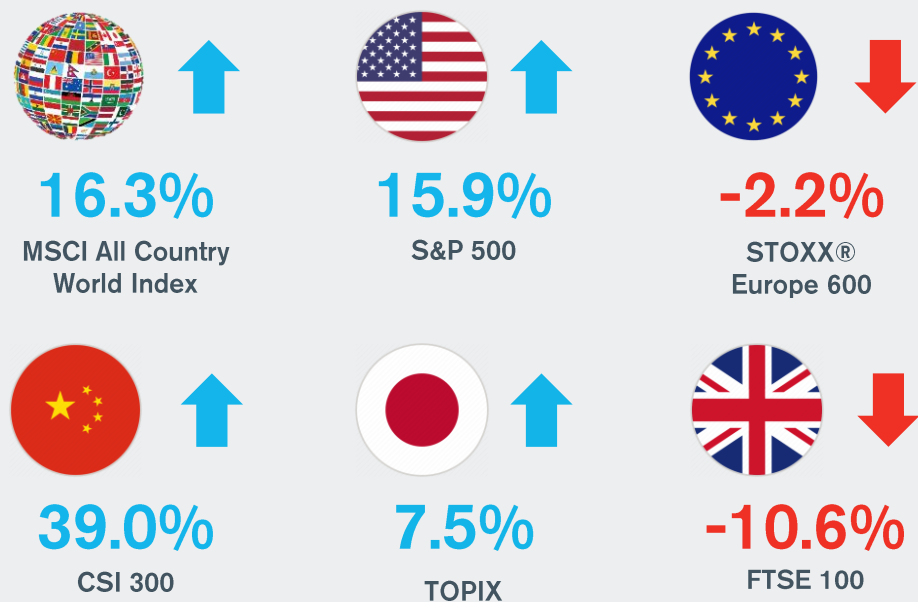
Data as of January 21, 2021



Sources: Capital IQ, FRED® Economic Data, European Central Bank, Bank of Japan, Bank of England

Stock Market Performance Since the Wuhan Lockdown*

Data as of January 21, 2021

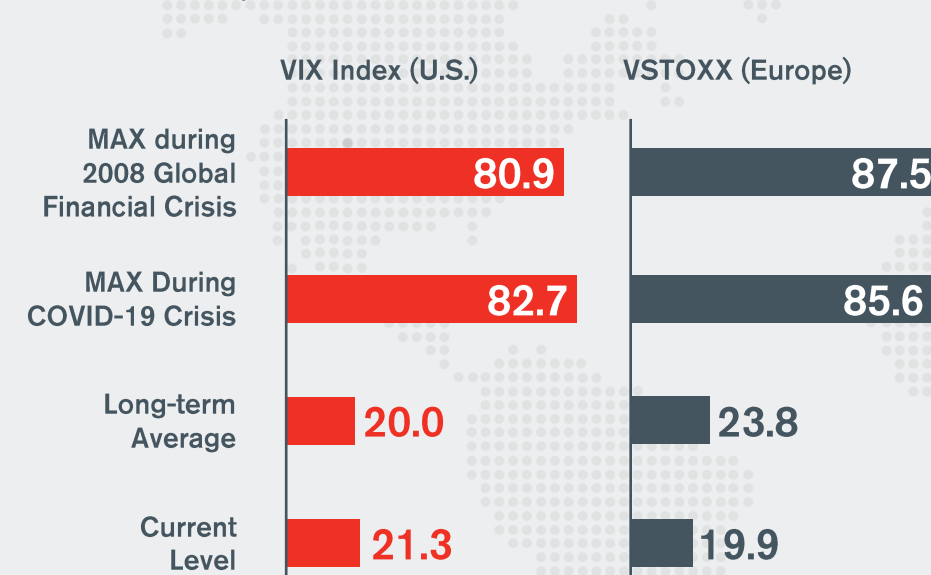


Source: Capital IQ

*The first lockdown due to COVID-19 began on January 23, 2020 in Wuhan, China.

Global Market Volatility

Data as of January 21, 2021

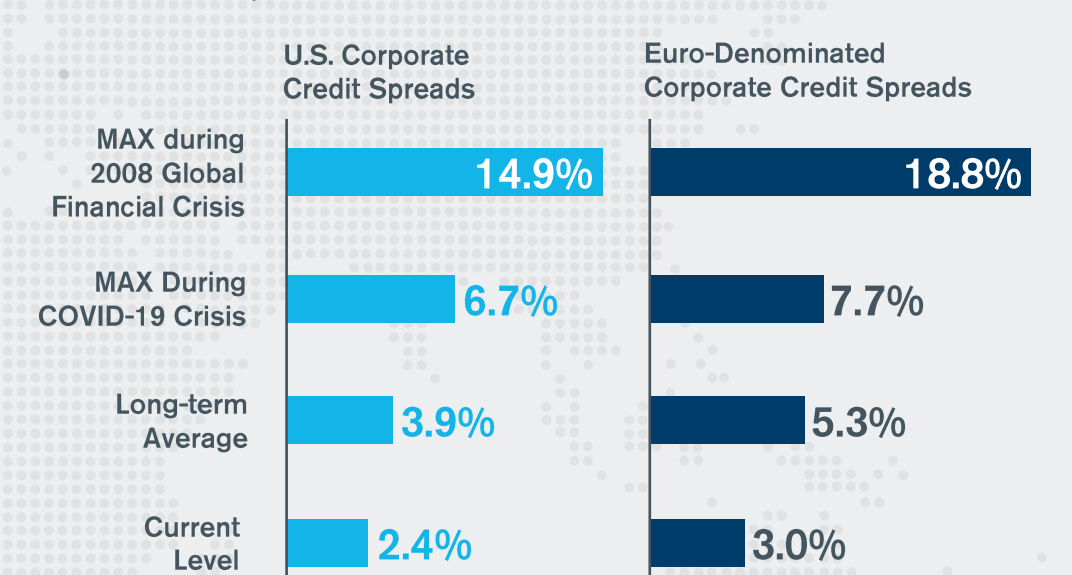


Sources: Capital IQ, FRED® Economic Data, Morningstar Direct

U.S. Corporate Credit Spreads based on the difference in effective yields between the ICE BofA US High Yield Index and the ICE BofA US Corporate Index. Euro-Denominated Corporate Credit Spreads based on the difference in effective yields between the Bloomberg Barclays Pan-European High Yield Index (EUR) and the Bloomberg Barclays Euro Aggregate Corporate Bond Index. Long-term averages based on 1995 to present for VIX daily series, 1999 to present for VSTOXX daily series, 1996 to present for U.S. credit spread daily series, and 1998 to present for EUR-denominated credit spread monthly series.

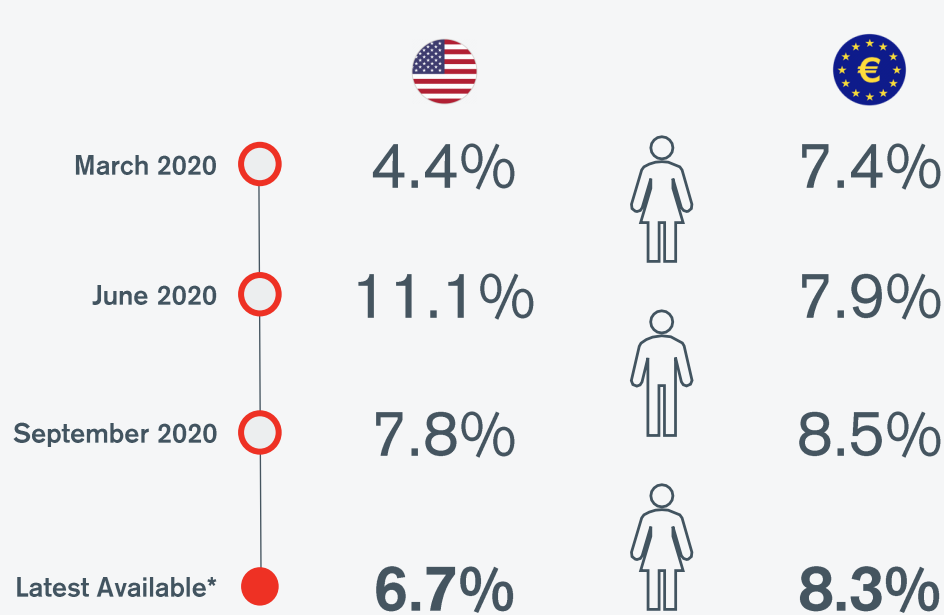
Global Credit Spreads

Data as of January 21, 2021



U.S. vs. Eurozone Unemployment Rate

Data as of January 21, 2021

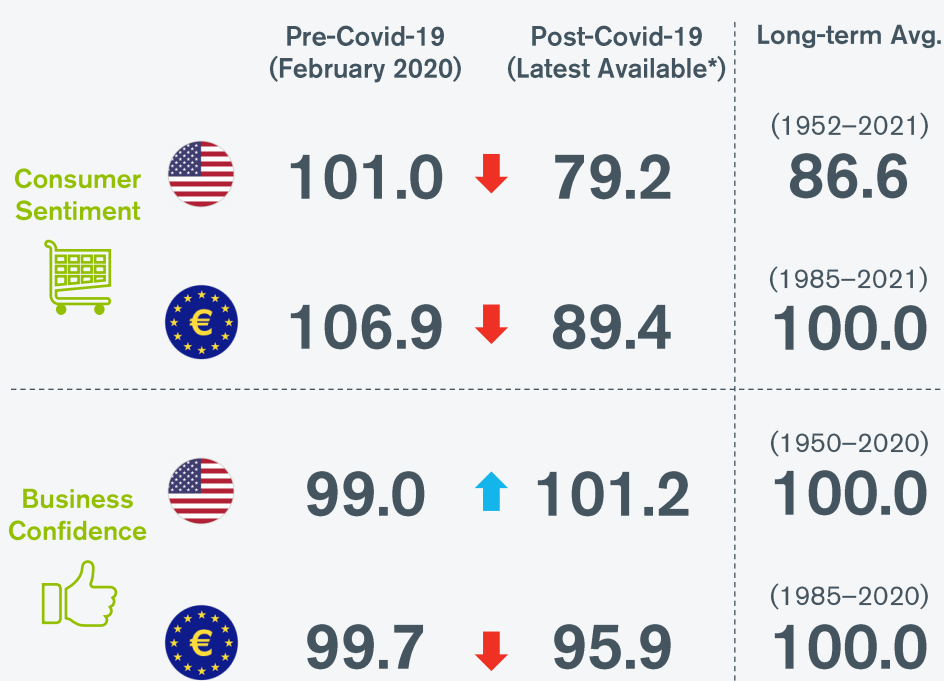


Source: U.S. Bureau of Labor Statistics, OECD

*Data through December 2020 for the United States, and November 2020 for the Eurozone.

U.S. and Eurozone Consumer Sentiment vs. Business Confidence

Data as of January 21, 2021

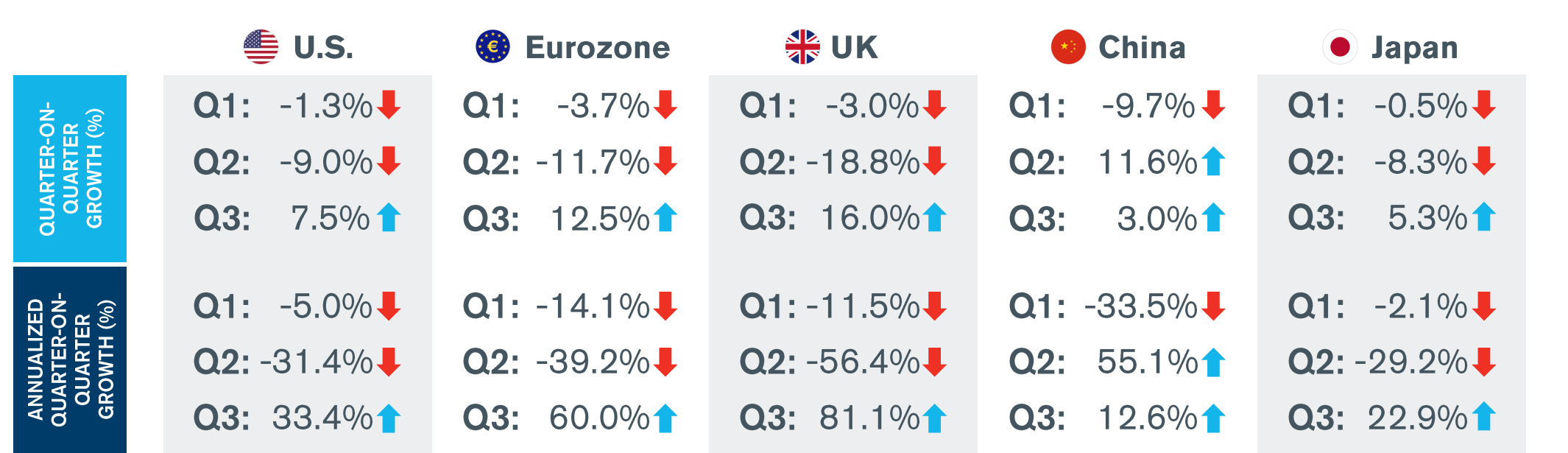


Sources: Michigan University's Index of Consumer Sentiment, OECD's Business Confidence Index, European Commission business and consumer surveys [The same methodology that the European Commission uses to standardize its Economic Sentiment Indicator (ESI) was applied to the Eurozone Consumer Confidence and Business Climate Indicator series.]

*Data through January 2021 for Consumer Confidence. Business Confidence through November and December 2020 in U.S. and Eurozone respectively.

Real GDP Growth – Q1, Q2, & Q3 2020

Data as of January 21, 2021

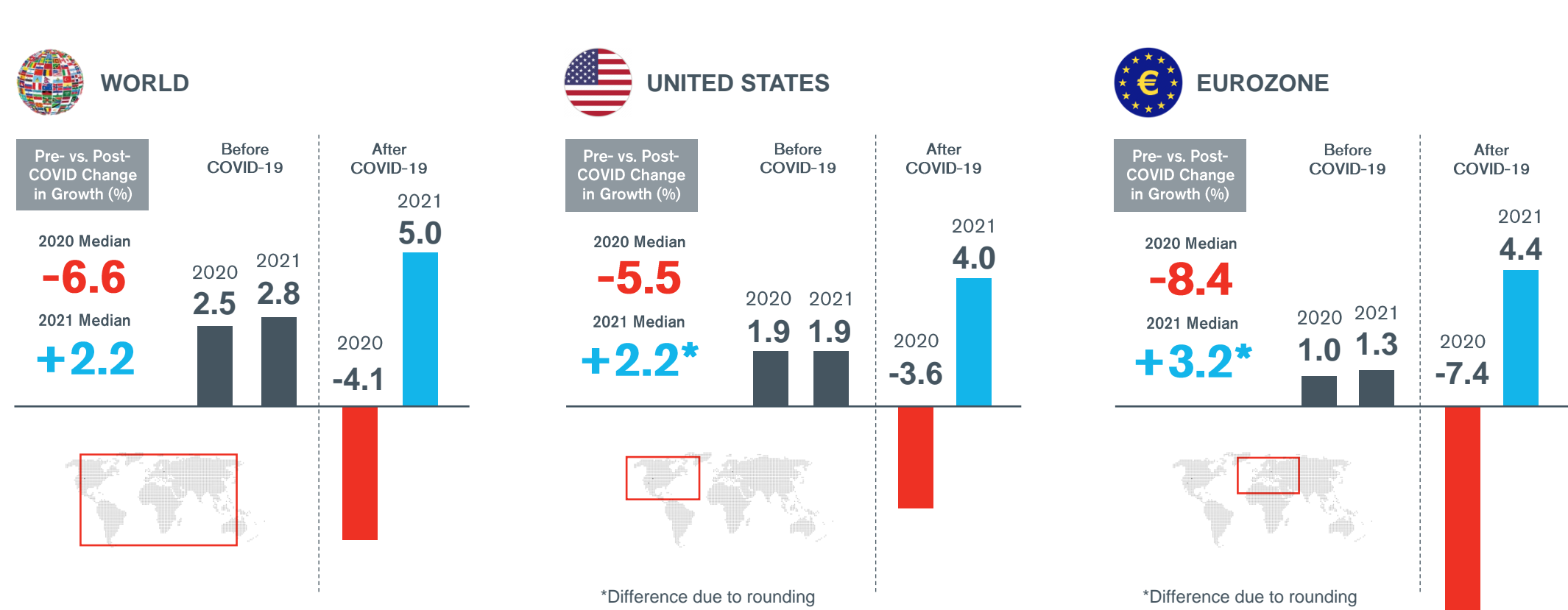


Sources: FRED® Economic Data (Eurozone, Japan, U.S.), National Bureau of Statistics of China, UK's Office for National Statistics

Quarter-on-quarter growth based on the growth rate from Q4 2019 to Q1 2020, Q1 2020 to Q2 2020 and Q2 2020 to Q3 2020. This rate is annualized by computing the compounded growth rate for four quarters as follows: (1 + Real GDP Q/Q Growth)⁴. The annualized rate shows what the quarterly change would be if it lasted a full year.

Real GDP Growth (%) Estimates (Median)

Data as of January 21, 2021

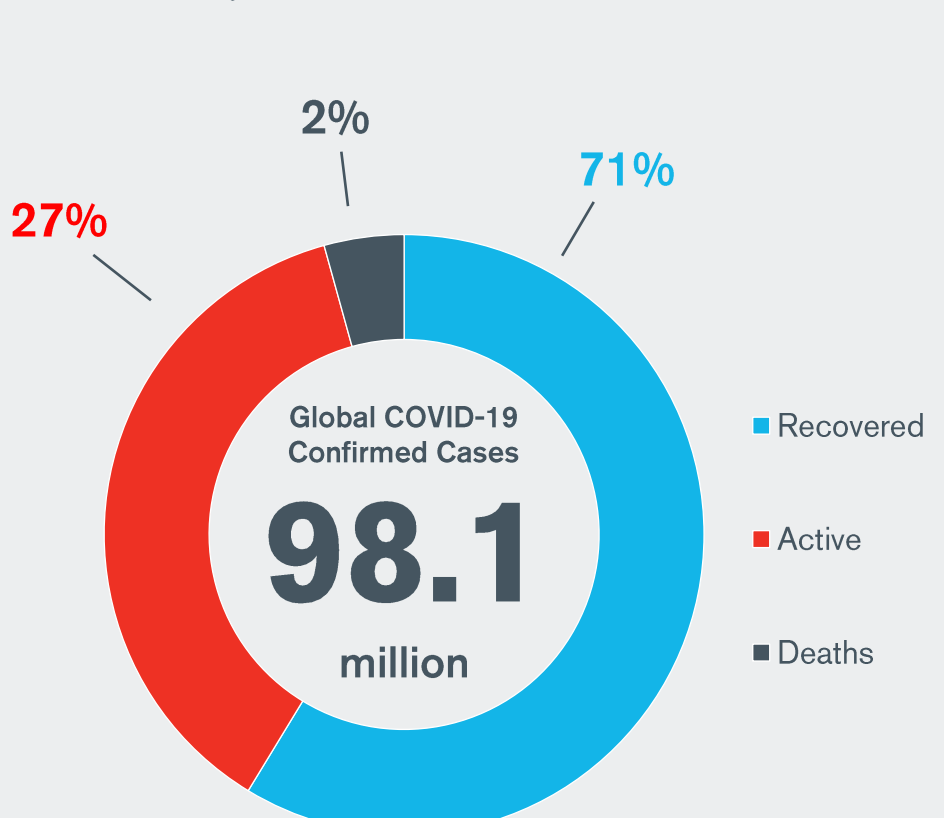


Sources: OECD, IMF, World Bank, Blue Chip Economic Indicators, Consensus Economics, EIU, Fitch Ratings, IHS Markit, Moody's Analytics, Oxford Economics, S&P Global Ratings

Before COVID-19 median estimates based on data released in December 2019 and early January of 2020. After COVID-19 median estimates based on data available as of the date noted above.

Tracking COVID-19

Data as of January 21, 2021



Source: Worldometers.com

Top 10 Countries by Confirmed Cases

