

## How Returns Vary with Beta

Figure 8.8 provided plots of past returns on U.S. stocks against their betas. Here are the data underlying those plots:

Investor	1931-1965		1966-2010		1931-2010	
	Beta	Risk premium %	Beta	Risk premium %	Beta	Risk premium %
1	.49	11.76	.51	8.67	.510	10.02
2	.63	13.56	.66	8.24	.66	10.57
3	.75	14.68	.78	9.32	.78	11.67
4	.84	16.23	.89	9.47	.89	12.43
5	.94	17.09	.99	10.15	.99	13.19
Market	1.00	17.81	1.00	8.03	1.00	12.31
6	1.05	18.39	1.09	10.42	1.06	13.91
7	1.17	20.03	1.17	10.53	1.17	14.69
8	1.26	21.19	1.29	10.87	1.27	15.39
9	1.35	21.95	1.37	9.84	1.35	15.14
10	1.53	24.44	1.56	9.55	1.54	16.07
<i>Note: The "market" in this table is an equally weighted portfolio of all stocks</i>						