

Duke / CFO magazine Global Business Outlook survey - U.S. - Third Quarter, 2017

Q5a. What is the hurdle rate that your company uses to evaluate investment projects?

N=371 Mean Median	Total	Industry											
		Retail/ Whole- sale A	Bank/Fin Insur Real Estate B	Mining Construc- tion C	Trans- portation Pub. Util D	Energy E	Service Consult- ing F	Commun- ications Media G	Tech Soft- Hardware Bio H	Manufac- turing I	Health- care Pharm J	Agr, Pub Admin K	Other Industry L
Number	371	37	41	15	15	8	55	6	30	78	30	11	43
Percent	100.0%	10.0%	11.1%	4.1%	4.1%	2.2%	14.9%	1.6%	8.1%	21.1%	8.1%	3.0%	11.7%
What is the hurdle rate that your company uses to evaluate investment projects?	13.50 12.00	12.12 12.00	11.59 10.00	12.49 12.00	10.21 10.00	13.41 15.00	13.56 12.00	17.74 20.85	20.50 20.00	14.68 14.50	10.10 10.00	18.40 10.00	11.64 10.00
		gH	gHi	h	GHi		Hj	abDJl	ABcDFIJL	bdHJl	fGHI		gHi
Significance Tests Between Columns:	Lower case: p<.05	Upper case: p<.01											

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j. Weighted Average Cost of Capital

N=371 Mean Median	Total	Industry												
		Retail/ Wholesale A	Bank/Fin Insur Real Estate B	Mining Construc- tion C	Trans- portation Pub. Util D	Energy E	Service Consult- ing F	Commun- ications Media G	Tech Soft- Hardware Bio H	Manufac- turing I	Health- care Pharm J	Agr, Pub Admin K	Other Industry L	
What is your company's overall weighted average cost of capital (WACC) for 2017?	9.2 9.0	8.2 7.7	8.2 8.0	9.2 10.0	7.5 7.6	8.6 9.5	9.5 9.8	9.0 10.0	11.3 11.3	10.2 10.0	8.3 9.0	7.7 9.0	8.9 9.0	
			i		i								bd	

Significance Tests Between Columns: Lower case: p<.05 Upper case: p<.01

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On August 21, 2017 the annual yield on 10-yr treasury bonds was 2.18%. Please complete the following: (Winsorized)

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Over the next 10 years, I expect the average annual S&P 500 return will be: There is a 1-in-10 chance it will be less than:	330 1.33	36 1.96	38 0.76	14 0.14	14 1.81	8 -0.22	48 1.95	3 2.33	28 0.50	68 1.50	24 1.61	9 -0.28	40 1.53
Over the next 10 years, I expect the average annual S&P 500 return will be: Expected return:	343 6.50	36 7.02	38 6.26	15 6.87	14 6.80	8 5.19	50 6.12	3 5.00	28 7.22	73 6.23	27 6.96	10 6.20	41 6.66
Over the next 10 years, I expect the average annual S&P 500 return will be: There is a 1-in-10 chance it will be greater than:	332 10.29	36 11.16	37 10.94	14 10.86	14 10.03	7 6.93	50 9.63	4 7.00	28 12.79	68 9.63	24 9.57	9 8.39	41 10.77
Over the next year, I expect the average annual S&P 500 return will be: There is a 1-in- 10 chance it will be less than:	327 -1.65	34 -1.82	38 -4.26	13 -1.04	14 -4.57	8 -4.00	48 -0.96	3 2.33	28 -0.49	68 -0.85	24 0.10	9 -3.00	40 -1.80
Over the next year, I expect the average annual S&P 500 return will be: Expected return:	341 5.47	34 6.14	39 4.66	14 5.06	14 6.00	8 2.01	50 5.84	3 5.00	28 6.08	73 5.31	27 6.20	10 5.10	41 5.40
Over the next year, I expect the average annual S&P 500 return will be: There is a 1-in- 10 chance it will be greater than:	328 10.05	34 11.45	36 9.43	13 9.77	14 10.64	7 5.79	50 10.22	4 7.75	28 11.28	68 9.49	24 10.15	9 8.44	41 10.45