



## Equities

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# Equity Market Focus: Subjective Expected Returns

### Understanding Return Expectations, Part 7

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Earlier papers in the series introduced some key insights regarding subjective return expectations, but Part 7 finally explores this understudied topic in detail. While *objective* expectations are typically inferred from *market* prices or yields (with the help of some model or assumptions), *subjective* expectations are best inferred from *survey* data. I highlight interesting differences across investor groups in their tendency to overextrapolate or to be overoptimistic.

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