

Q. NLH-105 CA (Re: Page 14, lines 4-5)

Dr. Kalymon states, “Thus, the value of the guarantee on this 60% Debt component can be seen as approximately 50 basis points based on the yield spread between similar rated corporate and provincial bonds.” Please explain and document how Dr. Kalymon derived the 50 basis points.

A. **The 50 basis points was derived on the basis of the trading yields observed between provincial BBB and industrial BBB bonds of similar duration.**