

1 **Q.** **Reference: *Fair Return for Newfoundland Power (NP)*, Evidence of**  
2 **Laurence D. Booth, September 28, 2021, page 74, lines 16-17.**

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4 **What has been the average annual return for the U.S. stock market (as**  
5 **measured by the S&P 500 Index) since TD Economics published its**  
6 **forecast of 4.5% on January 5, 2016?**

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9 **A.** Dr. Booth has not estimated that, but JP. Morgan, BNY Mellon, AQR and  
10 NP's own actuary have and I am sure they are incorporated into their own  
11 forecasts. TD's forecast is included simply because it is Canadian while Dr.  
12 Booth acknowledges that it is several years old. Obviously forecasts are  
13 rarely accurate in the short term.

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15 To be helpful Dr. Booth would note that the last few years must have been  
16 very good judging by the performance of his own portfolio, while JP Morgan  
17 currently has a "valuation adjustment" in their equity market forecast of -  
18 3.0%, meaning they think the market is currently over valued given this  
19 strong bull market run.