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2 **Q. Reference: Page 3, Lines 33-34**

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4 **“My best estimate is that the market risk premium is 5.0%..”**

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6 **Would Dr. Booth confirm that he defines the market risk premium as the difference**
7 **between the long run equity and the long run government bond return?**

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10 **A.** No he would not. Dr. Booth regards his 5.0% market risk premium estimate as a forecast of
11 the long run difference between the equity market and the LTC bond yield.
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