**Q. Reference: Page 34, Lines 8-11**

**"To the extent that long Canada bonds earn a maturity premium of at least 1.0% over the average Treasury bill yield, this classic CAPM automatically increases the risk free rate and lowers the slope of the CAPM in the same way as the ECAPM. In this way, it adjusts for the bias noted in these early tests of the CAPM."**

**Please provide any studies of which Dr. Booth is aware that conclude that the adjustment referenced in the preamble does not fully adjust for its tendency to over estimate returns for high-risk stocks, and under-estimate returns for low risk stocks.**

A. Please see the answer to CA-NP-26