

- 1 **Q. Evidence of Ms. McShane, relative risk adjustments, Pages 56-61: In Schedule 9**
2 **please add the standard deviation of the return on the long bond over the same time**
3 **periods.**
4
5 **A. The requested addition to Schedule 9 is provided in "CA NP 101 Attachment.xlsx".**

**Five Year Standard Deviations
(CA NP 101 Attachment.xlsx)**

FIVE-YEAR STANDARD DEVIATIONS OF MARKET RETURNS FOR 10 SECTOR INDICES OF S&P/TSX COMPOSITE AND LONG CANADA BOND RETURNS
(Percentages)

Five Year Periods Ending:	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Average
S&P / TSX Composite	3.57	4.68	4.84	5.40	5.87	5.83	4.97	4.59	4.04	3.24	2.86	4.35	4.88	4.88	4.95	4.60
Long Canada Bond Income Return	0.96	1.31	1.17	0.83	0.46	0.29	0.33	0.37	0.54	0.56	0.46	0.39	0.27	0.33	0.47	0.58
Long Canada Bond Total Return	3.13	3.19	2.83	2.54	2.44	2.21	2.16	1.96	1.99	1.83	1.81	1.89	2.12	2.14	2.26	2.30
10 Sector Indices																
Consumer Discretionary	3.69	4.36	4.62	4.99	5.38	5.73	5.35	5.00	4.35	3.69	3.08	3.84	4.07	4.04	4.13	4.42
Consumer Staples	3.57	4.01	3.70	4.04	4.17	4.76	4.45	4.37	4.05	3.88	2.97	3.24	3.36	3.68	3.54	3.85
Energy	5.60	6.16	7.31	7.97	8.30	8.10	6.98	5.72	5.56	5.46	5.40	7.04	7.37	6.71	6.72	6.69
Financials	4.27	5.89	5.92	6.22	6.17	6.06	4.58	4.23	3.77	3.36	2.97	3.99	5.38	5.59	5.62	4.93
Health Care	6.62	7.73	8.19	9.38	9.00	9.39	8.93	8.68	6.98	6.57	5.45	4.92	5.38	5.89	7.47	7.37
Industrials	4.13	4.93	4.69	5.12	6.50	7.18	6.92	6.87	6.48	5.16	4.08	4.87	5.48	5.51	5.66	5.57
Information Technology	7.99	9.17	10.35	12.27	15.16	17.12	16.64	17.09	15.81	13.36	10.20	11.82	11.68	12.14	12.60	12.89
Materials	5.87	6.98	7.22	7.29	7.40	7.25	5.89	5.65	5.67	5.88	5.59	7.96	8.48	8.60	8.69	6.96
Telecommunication Services	3.66	5.82	7.37	7.87	8.46	8.71	7.54	5.74	4.97	4.64	4.18	5.08	5.07	4.93	4.59	5.91
Utilities	3.12	3.80	4.00	4.80	5.06	4.88	4.49	4.09	3.36	3.13	3.49	4.04	4.32	4.30	4.09	4.07
Mean	4.85	5.89	6.34	7.00	7.56	7.92	7.18	6.75	6.10	5.51	4.74	5.68	6.06	6.14	6.31	6.27
Median	4.20	5.85	6.57	6.76	6.95	7.21	6.41	5.68	5.27	4.90	4.13	4.90	5.38	5.55	5.64	5.69

Ratios of Standard Deviations

Long Canada Bond Income Return as a Percent of:																
10 Sector Indices (Mean)	0.20	0.22	0.19	0.12	0.06	0.04	0.05	0.05	0.09	0.10	0.10	0.07	0.05	0.05	0.07	0.10
10 Sector Indices (Median)	0.23	0.22	0.18	0.12	0.07	0.04	0.05	0.07	0.10	0.12	0.11	0.08	0.05	0.06	0.08	0.11
Long Canada Bond Total Return as a Percent of:																
10 Sector Indices (Mean)	0.64	0.54	0.45	0.36	0.32	0.28	0.30	0.29	0.33	0.33	0.38	0.33	0.35	0.35	0.36	0.37
10 Sector Indices (Median)	0.74	0.55	0.43	0.38	0.35	0.31	0.34	0.34	0.38	0.37	0.44	0.39	0.39	0.39	0.40	0.41
S&P/TSX Utilities Index as a Percent of:																
10 Sector Indices (Mean)	0.64	0.65	0.63	0.69	0.67	0.62	0.63	0.61	0.55	0.57	0.74	0.71	0.71	0.70	0.65	0.65
10 Sector Indices (Median)	0.74	0.65	0.61	0.71	0.73	0.68	0.70	0.72	0.64	0.64	0.85	0.82	0.80	0.77	0.73	0.72

Source: *TSX Review*