

1 **Q. Evidence of Ms. McShane, DCF Based Risk Premium Model estimates Page 68 on:**
2 **Would Ms. McShane agree that US government bond yields are lower than would**
3 **be the case if the US was not the world's reserve currency and her market risk**
4 **premium estimates correspondingly lower, if not why not?**
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6 A. Yes, the US government bond yields could be somewhat higher if the U.S. dollar were
7 not a reserve currency. No, Ms. McShane's market risk premium estimates would not be
8 lower because the estimated market risk premium is based on expected equity market
9 returns relative to long-term Government of Canada bond yields.