

1 **Q. Evidence of Dr. Vander Weide: Equity cost estimates Page 39: Please confirm that**  
2 **these are not ex post risk premiums in Table 4, since ex post investors cannot simply**  
3 **consume the yield on the investment and ignore the capital gain or loss when**  
4 **looking at annual returns.**

5  
6 A. Cannot confirm. The risk premiums in Table 4 are ex post risk premiums because  
7 investors can achieve the quoted yields in each period by holding the bonds purchased in  
8 each period to maturity.