

- 1 **Q. Reference: Dr. Booth Evidence, Page 20, Lines 21-23**
2
3 **What are the implications for the financial models used to estimate the cost of**
4 **equity based on Dr. Booth's observation that LTC bond yields are being set by**
5 **global policy makers rather than by private investors in the financial market?**
6
7 **A. Dr. Booth judges a simple CAPM estimate based on historic data as being unreliable**
8 **at the current point in time.**