CAPITAL ASSET PRICING MODEL -- LONG-TERM AVERAGE BETA

CAPM: $K = R_f + \beta (R_m - R_f)$ / *ECAPM:* $K = Rf + 0.25(Rm - Rf) + 0.75\beta (Rm - Rf)$

	[4]	[5]	[6]	[7]	[8]	[9]
	Risk-Free Rate (R_f)	Beta (β)	Market Return (R_m)	Market Risk Premium ($R_m - R_f$)	CAPM (K)	ECAPM (K)
Current 30-day average of 30-year U.S. Treasury bond yield [1]	1.87%	0.735	12.63%	10.76%	9.77%	10.48%
Near-term projected 30-year U.S. Treasury bond yield (Q1 2022 - Q1 2023) [2]	2.52%	0.735	12.63%	10.11%	9.94%	10.61%
Projected 30-year U.S. Treasury bond yield (2023 - 2027) [3]	3.40%	0.735	12.63%	9.23%	10.18%	10.79%
				Average:	9.96%	10.63%

Notes:
[1] Source: Bloomberg Professional, as of December 31, 2021
[2] Source: Blue Chip Financial Forecasts, Vol. 41, No. 1, January 1, 2022, at 2
[3] Source: Blue Chip Financial Forecasts, Vol. 40, No. 12, December 1, 2021, at 14
[4] See Notes [1], [2], and [3]
[5] Source: Exhibit No._(AEB-6)
[6] Source: Exhibit No._(AEB-7)
[7] Equals [6] − [4]
[8] Equals [4] + [5] x [7]
[9] Equals [4] + 0.25 x ([7]) + 0.75 x ([5] x [7])