DAILY REPORT

Date	2015-09-30
Time (Eastern)	03:46 PM
Next Refit in	20 days
Last Refit Date	2015-09-30

MODEL INDICATORS

Variables in Order of Frequency of Inclusion	Value	Mean	Direction
Proprietary Variable X	–	–	Bullish
Variance Risk Premium (VRP)	0.00	0.56	Bearish
PCA of Price Indicators (PCA.price)	-0.47	-0.02	Bullish
Default Spread (DEF)	1.34	1.10	Not currently in model
New Orders/Shipments (NOS)	0.00	0.01	Bullish
Baltic Dry Index (BDI)	-0.03	-0.01	Bearish
Moving Average (MA)	0.00	0.81	Bearish
Implied Correlation (IC)	2.18	0.21	Not currently in model
Proprietary Variable Y	–	–	Not currently in model
Short Interest (SI)	0.09	-0.03	Not currently in model
Consumption vs Wealth and Income (CAY)	-0.03	-0.01	Bearish

EQUITY RISK PREMIUM CALCULATION (ANNUALIZED)

	Estimate	Historical [1]
Total Return	-8.56%	10.96%
3-Month Treasury Bill Rate	-0.01%	4.64%
Equity Risk Premium	-8.55%	6.32%

Current Optimal Equity Exposure: -20%

This model currently looks out at a 6-month horizon for trend directionality, and will continue to evolve with short term and intermediate term models.

[1] Calculated using S&P 500 and 3-Month Treasury Bill Rate between 1954 and present.