DAILY REPORT

Date	2015-11-13
Time (Eastern)	03:50 PM
Next Refit in	8 days
Last Refit Date	2015-10-28

MODEL INDICATORS

Variables in Order of Frequency of Inclusion	Value	Mean	Direction
Proprietary Variable X	0.28	0	Bearish
Variance Risk Premium (VRP)	-0.37	0	Bearish
PCA of Price Indicators (PCA.price)	0.04	0	Bearish
Default Spread (DEF)	0.59	0	Not currently in model
New Orders/Shipments (NOS)	-0.98	0	Bullish
Baltic Dry Index (BDI)	-1.33	0	Bearish
Implied Correlation (IC)	0.47	0	Not currently in model
Proprietary Variable Y	-1.99	0	Not currently in model
Short Interest (SI)	0.26	0	Not currently in model
Consumption vs Wealth and Income (CAY)	-1.19	0	Bearish
Moving Average (MA)	0	0	Neutral

EQUITY RISK PREMIUM CALCULATION (ANNUALIZED)

	Estimate	Historical [1]
Total Return	-7.90%	10.96%
3-Month Treasury Bill Rate	0.12%	4.64%
Equity Risk Premium	-8.01%	6.32%

MODEL CONCLUSIONS

Optimal Long Term Exposure:	-24%
Short Term Adjustment:	16%
Current Optimal Equity Exposure:	-8%

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.