

From: Lesley Groff <[REDACTED]>
To: Michael Fowler <[REDACTED]>
Subject: Re: ATorus Daily Portfolio Report - 4/18
Date: Tue, 22 Apr 2014 16:41:45 +0000

yes! Florida...[REDACTED] to relax with the [REDACTED] and see the alligators...drove to Disney for 2 nights with 9 yr old son and husband...whirlwind but fun! 3 parks in one day is A LOT! then back to [REDACTED] to relax 2 more nights...all good...thanks for asking :)

On Apr 22, 2014, at 12:27 PM, Michael Fowler <[REDACTED]> wrote:

Thanks....go anywhere fun for vaca btw?

Best Regards,

Michael J. Fowler

[REDACTED] Intl. Mobile

.....Sent From My Mobile Device

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On Apr 22, 2014, at 12:15 PM, Lesley Groff <[REDACTED]> wrote:

had a great vaca! and will ask JE re a call...

thanks

On Apr 22, 2014, at 11:37 AM, Michael Fowler <[REDACTED]> wrote:

Lesley,

Welcome back! Hope you are well. Please see attached the Daily Portfolio Report for 4/18 and a short daily commentary. Also if you can ask Jeffrey whenever would be convenient to have a call or meeting to discuss structure or any relevant matters per previous email. Thank you and have a good day.

- Daily Commentary -

Today, ALGN received an offer to be acquired. This has been a large winner and the model has been long for a considerable period of time. While it would be obviously more beneficial in this case if we were position sizing on a discretionary basis and allocated excess risk (even though "risk" is a relative term depending on how you determine the measurement), the underlying assumption, and it is just that, is that by relying on a global opportunity set the law of large numbers lowers aggregate downside volatility. This is

obviously based upon our assumption that the distribution of market returns on (i) a rolling ROC basis and (ii) measured in vol-days (net movement divided by avg. realized volatility) conforms to a pareto distribution. While no distribution is perfectly stable when measured in discrete time, we find this distribution to have the least amount of variance when measured from one interval to the next.

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Best Regards,

Michael J. Fowler
[REDACTED] - Intl. Mobile

Work Email - [REDACTED]

Trading Desk Email - [REDACTED]

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