From: Lesley Groff <[redacted]>
To: Michael Fowler <[redacted]>
Subject: Re: ATorus Daily Portfolio Report - 3/26, 3/27, & 3/28
Date: Tue, 01 Apr 2014 16:39:59 +0000

Hi Michael...sure, let me get back to you!

On Apr 1, 2014, at 12:37 PM, Michael Fowler <[redacted]> wrote:

Lesley,
Was wondering when Jeff might have an opportunity to chat to discuss any feedback, questions, comments he has so far.

On Tue, Apr 1, 2014 at 12:32 PM, Lesley Groff <[redacted]> wrote:

> thanks
> On Apr 1, 2014, at 12:31 PM, Michael Fowler <[redacted]> wrote:
>
> Lesley,
> Please see attached the the Daily Portfolio Reports for 3/26, 3/27, & 3/28. Hope you had a good holiday!
>
> ***Daily Commentary***
>
> Over the past few days there has been considerable discussion on the topic of 'Big Data' analysis specifically related to Google Flu Trends in the media. Some like to use the example of Google's algorithm to predict flu trends (pure statistical approach) recent under performance versus the 'theory-based' CDC model as evidence of 'Big Data' limitations.
>
> Google Flu Trends Show the Limits of Big Data
>
> Big Data: Are We Making a Big Mistake?
>
> While many carry on this discussion as if these methodologies are mutually exclusive. Our approach is more similar to 'Big Data' analysis, but this is only a part of the story.We have done considerable research and analysis over the years to help us identify asymmetries in asset returns given an understanding of causation versus correlation. This allows us to optimize the portfolio construction. This analysis includes for example relationships between FCF Yield to market Capitalization (proprietary study we've collaborated with Credit Suisse HOTLT) and 4 Week Rate of Change of US Jobless Claims to 4 Week Rate of Change in SPX.
>
> In a quest to continually improve alpha capture we continue to expand the scope of our research looking at questions such as:
>
> When volatility materially increases should the opportunity set change?

Would a bias toward mid-cap versus mega-cap securities generate higher volatility adjusted out performance?

Is shorting securities (only when we get sell trade signals) that have relatively high FCF to equity the most optimal use of the capital?

We believe a 'Big Data' like approach to trading discipline specific to timing of position entry, exit and position sizing, is optimal given the global opportunity set. However we also have a deep respect for the value of quantitative research to drive alpha based on security selection, focusing capital on where it is likely to be most effective.

--

Best Regards,

Michael J. Fowler
[redacted] - Intl. Mobile
Work Email - [redacted]
Trading Desk Email - [redacted]

<ATours_BackTestNAV_032814.pdf><ATours_BackTestNAV_032614.pdf>
<ATours_BackTestNAV_032714.pdf>

--

--

Best Regards,

Michael J. Fowler
[redacted] - Intl. Mobile
Work Email - [redacted]
Trading Desk Email - [redacted]

The information contained in this electronic mail message is confidential information intended only for the use of the individual entity named above, and may be privileged. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this message is strictly prohibited. If you have received this communication in error, please immediately notify us by telephone, and delete the original message.