

**From:** Jeffrey Epstein <jeevacation@gmail.com>  
**To:** "Dr. Henry Jarecki" [REDACTED]  
**Subject:** Re: FW: Annualization Chart  
**Date:** Wed, 14 Jul 2010 07:46:48 +0000

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in fact , you might want compound the loss at the same compounding rate as the gain. if i am up 20% , your calculations assume the same 20% rate of return , for the next six months,, ( annualized at the current rate )..ie A return on the initial amount , PLUS a return on the increased gain. For losses. you should only use initial amount . as opposed to suggesting you can't lose more money on the amount already lost . Unless you are comfortable with the fact that since stocks can;t trade below zero. If the line of the chart, clearly points to zero. . I at least always want to know how long till broke. with losses annualized, it never gets there until its too late.

On Tue, Jul 13, 2010 at 10:51 PM, Jeffrey Epstein <jeevacation@gmail.com> wrote:

no no no ,, annualize the the return on chart one.show it for each month, from month six to 12.. , the question i raised was that the annualized returns are extremely misleading. . when it comes to losses.. if the stock went from 100 to zero in a linear fashion. , Though one would lose 100"% of their money if the decline of 1 pt a day continued until the end of the year, with full knowledge ., the annualized return 6 months out -75 %would lead you to believe that you would still have 25 dollars left .

On Tue, Jul 13, 2010 at 10:11 PM, Dr. Henry Jarecki [REDACTED] wrote:

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**From:** Alessandro Motto  
**Sent:** Tuesday, July 13, 10 17:07  
**To:** Dr. Henry Jarecki  
**Subject:** Annualization Chart

Please disregard the previous version. I have corrected a typo. Regards,

Alessandro

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Jeffrey Epstein

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