



HEDGEYE

TACTICAL ASSET CLASS ROTATION MODEL

DARIUS DALE: MACRO TEAM

JANUARY 2, 2015

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INTRODUCING TACRM

1

WHAT IS TACRM?

TACRM is a quantitative model designed to **systematically measure momentum across a variety of asset classes in order to transform those signals into actionable investment themes.**

2

HOW DOES TACRM WORK?

First, **TACRM generates a normalized view of price momentum for every liquid market in the world.** That momentum score is derived from a **multi-factor, multi-duration** approach and henceforth referred to as a Volatility-Adjusted Multi-Duration Momentum Indicator, or “VAMDMI” for short. Recall that our VAMDMI metric is simply the arithmetic mean of three independent z-scores of volume-weighted average price data, in which the three sample sizes (i.e. short-term, intermediate-term and long-term) accordion inversely to the trend in global financial market volatility. **The metric is designed to standardize recorded momentum across securities and asset classes with variant betas, effectively normalizing the degree to which marginal investors might have a propensity to buy or sell a given market.**

3

WHY IS TACRM VALUABLE FOR INVESTORS?

By systematically analyzing these composite momentum scores, TACRM is able to produce actionable risk management signals. TACRM’s black-and-white quantitative signals remove the subjectivity from handicapping global macro risk(s), effectively providing investors with an unparalleled degree of market color that allows for unmatched decision-making in the tactical asset allocation process. **TACRM provides global capital allocators the kind of consistent and actionable **BUY/SELL** signals needed to formulate or alter any investment mosaic.**

SUMMARY INVESTMENT CONCLUSIONS

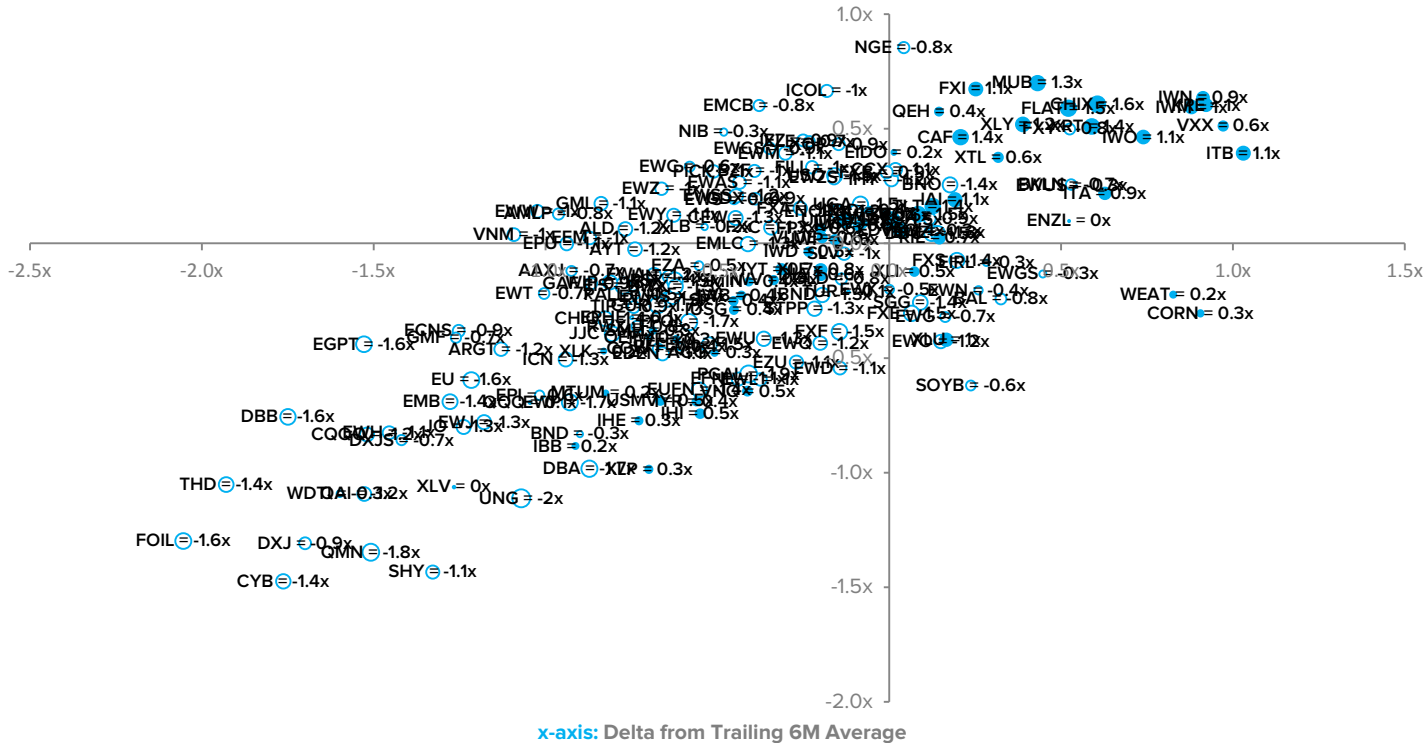
INVESTMENT CONCLUSIONS	Passive Trend Follower Asset Allocation	Investment Recommendation	Cumulative 1-Week Forward Return of "DECREASE Exposure"	Cumulative 1-Week Forward Return of "INCREASE Exposure"
Fixed Income & Yield Chasing	21%	DECREASE Exposure	-2.4%	11.8%
DM Equities	22%	DECREASE Exposure	-9.0%	32.6%
EM Equities	10%	DECREASE Exposure	-19.5%	19.2%
Foreign Exchange	2%	DECREASE Exposure	-14.1%	3.5%
Commodities	10%	DECREASE Exposure	-56.7%	27.6%
Cash	35%	DECREASE Exposure	-106.2%	477.8%
ROTATION ANALYSIS	Passive Trend Follower A/A Δ from Trailing 3M Average	Passive Trend Follower A/A Δ from Trailing 12M Average	Passive Trend Follower A/A on a Percentile Basis (1Y)	Passive Trend Follower A/A on a Percentile Basis (Since SOY '08)
Fixed Income & Yield Chasing	-1%	-7%	35%	60%
DM Equities	10%	-16%	49%	58%
EM Equities	-39%	-40%	18%	12%
Foreign Exchange	5%	-75%	12%	2%
Commodities	24%	-23%	39%	25%
Cash	9%	198%	96%	92%

Data Source: Bloomberg. Backtests extend to the start of 2008. The following indices are backtested for the listed asset classes: Barclays Aggregate Bond Fund, MSCI World Index, MSCI Emerging Markets Index, PowerShares-DB US Dollar Index Bearish Fund (UDN), the CRB Index and the CBOE S&P 500 Volatility Index (VIX).

QUANTIFY: MOMENTUM

TACRM GLOBAL MACRO MOMENTUM MONITOR

● Current Volatility-Adjusted Multi-Duration Momentum Indicator Score



Across the spectrum of primary asset classes (i.e. fixed income, equities, currencies, commodities, cash and volatility), **TACRM systematically quantifies the momentum embedded in each of the individual exposures comprising each asset class.** Rather than rely on simple or exponential moving averages, **we employ a multi-factor, multi-duration approach to quantifying momentum** that we have found to be statistically more robust.

QUANTIFY: MOMENTUM (CONTD.)

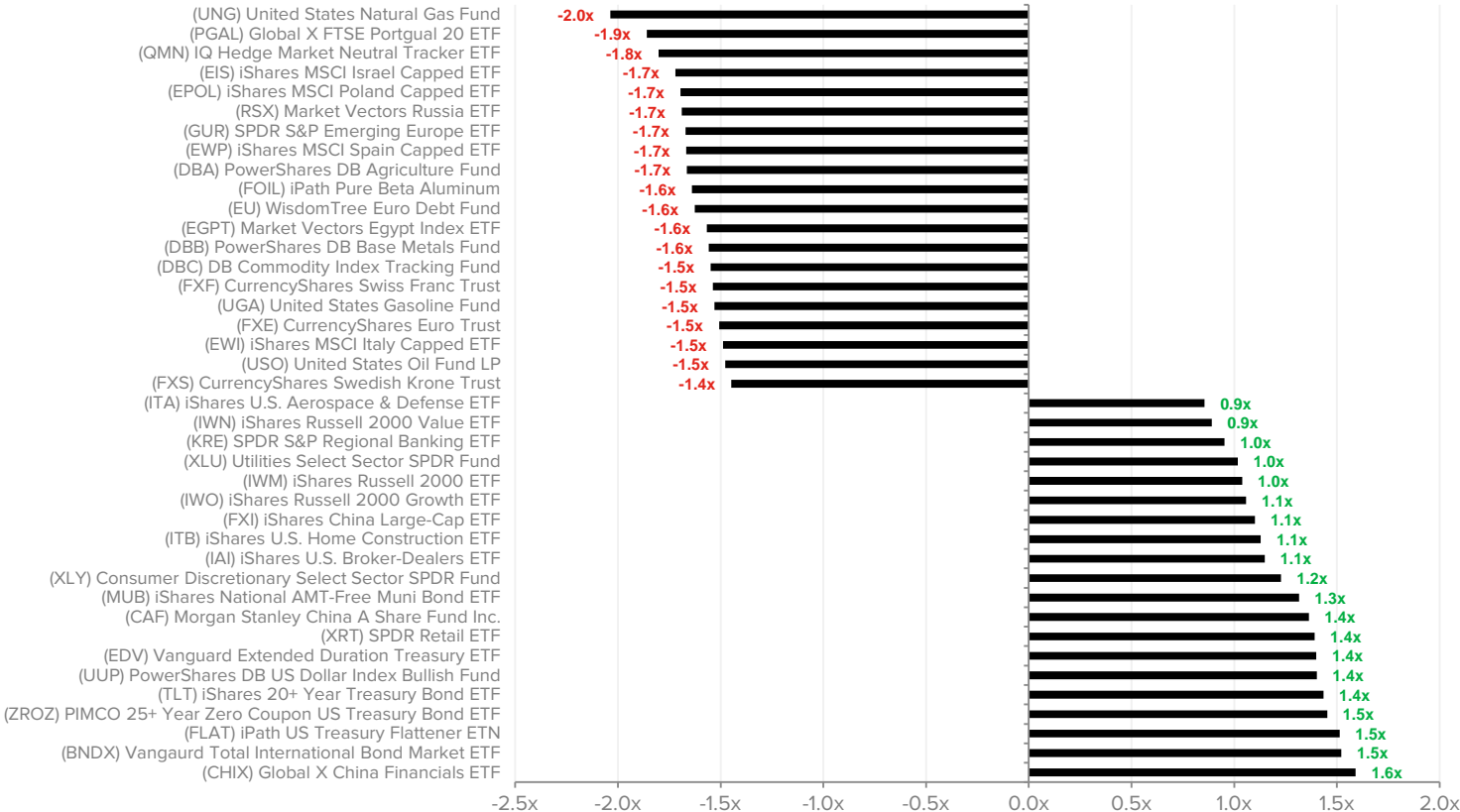
TACRM VOLATILITY-ADJUSTED MULTI-DURATION MOMENTUM INDICATOR HEAT-MAP

SECONDARY ASSET CLASS					SECONDARY ASSET CLASS					SECONDARY ASSET CLASS					
	CASH	VAMDMI	Δ FROM 3MMA	Δ FROM 6MMA	β		VAMDMI	Δ FROM 3MMA	Δ FROM 6MMA	β		VAMDMI	Δ FROM 3MMA	Δ FROM 6MMA	β
(UUP) PowerShares DB US Dollar Index Bullish Fund (VXX) iPath S&P 500 VIX Short-Term Futures ETN	1.4x	0.1x	-0.1x			(IEZ) iShares U.S. Oil Equipment & Services ETF	-0.9x	-0.4x	-0.3x		(EWT) iShares MSCI Taiwan ETF	-0.7x	-0.2x	-1.0x	
	0.6x	0.5x	1.0x			(IHE) iShares U.S. Pharmaceuticals ETF	0.3x	-0.8x	-0.7x		(EWJW) iShares MSCI Mexico Capped ETF	-1.0x	0.1x	-1.0x	
COMMODITIES						(IH) iShares U.S. Medical Devices ETF	0.5x	-0.7x	-0.6x		(EWVY) iShares MSCI South Korea Capped ETF	-1.1x	0.1x	-0.6x	
						(ITA) iShares U.S. Aerospace & Defense ETF	0.9x	0.2x	0.6x		(EWZ) iShares MSCI Brazil Capped ETF	-1.0x	0.2x	-0.7x	
						(ITB) iShares U.S. Home Construction ETF	1.1x	0.4x	1.0x		(EWZS) iShares MSCI Brazil Small-Cap ETF	-1.0x	0.3x	-0.2x	
(BAL) iPath Dow Jones AIG Cotton Total Return Sub-Index ETN	-0.8x	-0.2x	0.3x			(IWB) iShares Russell 1000 ETF	0.4x	-0.2x	-0.4x		(EZA) iShares MSCI South Africa ETF	-0.5x	-0.1x	-0.6x	
(BNO) United States Brent Oil Fund	-1.4x	0.3x	0.2x			(IWM) iShares Russell 2000 Value ETF	0.5x	0.0x	-0.2x		(FXI) iShares China Large-Cap ETF	-1.1x	0.7x	-0.3x	
(CORN) Teuconium Corn Fund	0.3x	-0.2x	0.9x			(IWO) iShares Russell 2000 Growth ETF	1.0x	0.6x	0.9x		(GAF) SPDR S&P Emerging Middle East & Africa ETF	-0.9x	-0.2x	-0.9x	
(COW) iPath Dow Jones-UBS Livestock Total Return Sub-Index ETN	-0.7x	-0.5x	-0.7x			(IWN) iShares Russell 2000 Value ETF	0.9x	0.6x	0.9x		(GMF) SPDR S&P Emerging Asia Pacific ETF	-0.7x	-0.4x	-1.3x	
(DBA) PowerShares DB Agriculture Fund	-1.7x	-1.0x	-0.9x			(IWO) iShares Russell 2000 Growth ETF	1.1x	0.5x	0.7x		(GML) SPDR S&P Emerging Latin America ETF	-1.1x	0.2x	-0.8x	
(DBB) PowerShares DB Base Metals Fund	-1.6x	-0.8x	-1.7x			(IWP) iShares Russell Mid-Cap Growth ETF	0.6x	0.0x	-0.2x		(GUR) SPDR S&P Emerging Europe ETF	-1.7x	-0.3x	-0.7x	
(DBC) DB Commodity Index Tracking Fund	-1.5x	0.0x	0.1x			(IWR) iShares Russell Mid-Cap ETF	0.6x	0.1x	-0.1x		(ICOL) iShares MSCI Colombia Capped ETF	-1.0x	0.7x	-0.2x	
(FOIL) iPath Pure Beta Aluminum	-1.6x	-1.3x	-2.1x	SELL		(IWS) iShares Russell Mid-Cap Value ETF	0.5x	0.1x	0.0x		(IGE) Global X Nigeria Index ETF	-0.8x	0.9x	0.0x	
(GLD) SPDR Gold Shares	-0.8x	-0.2x	-0.1x			(IWW) iShares Russell 2000 ETF	0.6x	-0.2x	-0.3x		(ISML) iShares MSCI India Small-Cap ETF	-0.4x	-0.2x	-0.4x	
(JUC) iPath Exchange Traded Notes Dow Jones-AIG Copper Total Return Sub-Index ETN Series A	-1.4x	-0.4x	-0.8x			(IUSV) iShares Russell 3000 Value ETF	0.6x	0.1x	-0.1x		(THD) iShares MSCI Thailand Capped ETF	-1.4x	-1.1x	-1.9x	
(LIN) iPath Dow Jones-UBS Nickel Total Return Sub-Index ETN	-1.1x	-0.1x	-0.6x			(IUSG) iShares Russell 3000 Growth ETF	0.4x	-0.3x	-0.5x		(TUR) iShares MSCI Turkey ETF	-0.1x	-0.2x	-0.1x	
(JO) iPath Dow Jones-AIG Coffee Total Return Sub-Index ETN	-1.3x	-0.8x	-1.2x			(ITY) iShares Transportation Average ETF	0.7x	-0.1x	-0.3x		(VNM) Market Vectors Vietnam ETF	-1.0x	0.0x	-1.1x	
(NIB) iPath Dow Jones-AIG Cocoa Total Return Sub-Index ETN	-0.3x	0.5x	-0.5x			(KIE) SPDR Insurance ETF	0.7x	0.0x	0.1x		FIXED INCOME & YIELD CHASING				
(PALL) ETFs Physical Palladium Shares	-0.5x	-0.2x	-0.7x			(KRE) SPDR S&P Regional Banking ETF	1.0x	0.6x	0.9x		(AGG) iShares Core US Aggregate Bond ETF	0.3x	-0.5x	-0.5x	
(RLV) SPDR Multi-Asset Real Return ETF	-1.3x	-0.2x	-0.6x			(MTUM) iShares MSCI USA Momentum Factor ETF	0.2x	-0.7x	-0.8x		(ALD) WisdomTree Asia Local Debt Fund	-1.2x	0.1x	-0.8x	
(SGG) iPath Dow Jones AIG Sugar Total Return Sub-Index ETN	-1.4x	-0.3x	0.1x			(OEF) iShares S&P 100 ETF	0.2x	-0.4x	-0.7x		(AMLP) Alarian MLP ETF	-0.8x	0.1x	-1.0x	
(SLV) iShares Silver Trust	-1.0x	0.0x	-0.1x			(PFF) iShares US Preferred Stock ETF	-0.4x	-0.5x	-0.6x		(BKLN) Senior Loan Portfolio ETF	-0.7x	0.3x	0.5x	
(SOYB) Teuconium Soybean Fund	-0.6x	-0.6x	0.2x			(PGL) Global X FTSE Portugal 20 ETF	-1.9x	-0.6x	-0.4x		(BND) Vanguard Total US Bond Market ETF	-0.3x	-0.8x	-0.9x	
(UGA) United States Gasoline Fund	-1.5x	0.2x	-0.1x			(PICK) iShares MSCI Global Metals & Mining Producers ETF	-1.0x	0.3x	-0.5x		(BWZ) SPDR Barclays International Long-term Treasury Bond ETF	-1.3x	-0.2x	-0.6x	
(UNG) United States Natural Gas Fund	-0.0x	-1.1x	-1.1x			(QHE) AdvisorShares QAM Equity Hedged ETF	0.4x	0.6x	0.1x		(BVX) SPDR Barclays International Short-term Treasury Bond ETF	-1.3x	0.0x	0.1x	
(USO) United States Oil Fund LP	-1.5x	0.3x	-0.2x			(QMN) IQ Hedge Macro Neutral Tracker ETF	-1.8x	-1.8x	-1.5x		(EDV) Vanguard Extended Duration Treasury ETF	-1.4x	0.1x	0.0x	
(WDTI) WisdomTree Managed Futures Strategy Fund	-0.3x	-1.1x	-1.6x			(QQQ) PowerShares NASDAQ Trust ETF	0.1x	-0.7x	-1.0x		(EMB) iShares JP Morgan US Emerging Markets Bond ETF	-1.4x	-0.7x	-1.3x	
(WEAT) Teuconium Wheat Fund	0.2x	-0.2x	0.8x			(SMH) Market Vectors Semiconductor ETF	0.3x	-0.4x	-0.7x		(EMLC) WisdomTree Emerging Markets Corporate Bond Fund	-0.8x	0.6x	-0.4x	
DM EQUITIES						(SPY) SPDR S&P 500 ETF Trust	0.4x	-0.3x	-0.5x		(EMLC) Market Vectors Emerging Markets Local Currency Bond ETF	-1.3x	0.0x	-0.4x	
						(VLU) iShares MSCI USA Value Factor ETF	0.5x	-0.7x	-0.7x		(EU) WisdomTree Euro Debt Fund	-1.6x	-0.6x	-1.2x	
						(XLB) Materials Select Sector SPDR Fund	-0.2x	0.1x	-0.5x		(FLAT) iPath US Treasury Flatteners ETN	1.5x	0.6x	0.5x	
(DIA) SPDR Dow Jones Industrial Average ETF Trust	0.6x	-0.1x	-0.2x			(XLE) Energy Select Sector SPDR Fund	-0.7x	0.4x	-0.2x		(IBND) SPDR Barclays International Investment Grade Bond ETF	-1.3x	-0.2x	-0.2x	
(DXJ) WisdomTree Japan Hedged Equity Fund	-0.9x	-1.3x	-1.7x			(XLF) Financial Select Sector SPDR Fund	0.8x	-0.1x	-0.2x		(IHY) Market Vectors International High Yield Bond ETF	-1.2x	0.3x	0.0x	
(DXIS) WisdomTree Japan Hedged Small-Cap Equity Fund	-0.7x	-0.9x	-1.4x			(XLK) Technology Select Sector SPDR Fund	0.5x	-0.1x	0.1x		(IIV) iShares US Real Estate ETF	-0.4x	-0.7x	-0.6x	
(EDEN) iShares MSCI Denmark Capped ETF	-1.1x	-0.5x	-0.7x			(XLP) Consumer Staples Select Sector SPDR Fund	0.3x	-1.0x	-0.7x		(LNK) SPDR Barclays High Yield Bond ETF	-1.0x	0.1x	-0.1x	
(EFNL) iShares MSCI Finland Capped ETF	-1.1x	-0.6x	-0.4x			(XLV) Health Care Select Sector SPDR Fund	0.0x	-1.1x	-1.3x		(LQD) iShares iBoxx \$ Investment Grade Corporate Bond ETF	0.4x	0.1x	-0.1x	
(EIRL) iShares MSCI Ireland Capped ETF	-0.3x	-0.1x	0.3x			(XLY) Consumer Discretionary Select Sector SPDR Fund	1.2x	0.5x	0.4x		(MUB) iShares National AMT-Free Muni Bond ETF	1.3x	0.7x	0.4x	
(EIS) iShares MSCI Israel Capped ETF	-1.7x	-0.2x	-0.8x			(XOP) SPDR S&P Oil & Gas Exploration & Production ETF	-0.9x	0.4x	-0.1x		(QAI) IQ Hedge Multi-Strategy Tracker	-1.2x	-1.1x	-1.5x	
(ENOR) iShares MSCI Norway Capped ETF	-1.2x	0.1x	-0.2x			(XRT) SPDR Retail ETF	1.4x	0.5x	0.6x		(RWX) SPDR Dow Jones International Real Estate ETF	-0.8x	-0.4x	-0.7x	
(ENZL) iShares MSCI New Zealand Capped ETF	0.0x	0.1x	0.5x			(XTL) SPDR S&P Telecom ETF	0.6x	0.4x	0.3x		(SHY) iShares 1-3 Year Treasury Bond ETF	-1.1x	-1.4x	-1.3x	
(EUFN) iShares MSCI Europe Financials ETF	-1.4x	-0.6x	-0.6x							(STPP) iPath US Treasury Steepener ETN	-1.3x	-0.3x	-0.2x		
(EWA) iShares MSCI Australia ETF	-1.2x	-0.1x	-0.7x							(TIP) iShares TIPS Bond ETF	-0.1x	-0.2x	-0.3x		
(EWAS) iShares MSCI Australia Small-Cap ETF	-1.1x	0.3x	-0.4x							(TLT) iShares 20+ Year Treasury Bond ETF	1.4x	0.2x	0.1x		
(EWC) iShares MSCI Canada ETF	-0.6x	0.3x	-0.6x							(VNQ) Vanguard REIT ETF	0.5x	-0.6x	-0.4x		
(EWCS) iShares MSCI Canada Small-Cap ETF	-0.9x	0.4x	-0.3x							(WIP) SPDR DB International Government Inflation-Protected Bond ETF	-1.3x	-0.2x	-0.8x		
(EWO) iShares MSCI Sweden ETF	-1.1x	-0.5x	-0.1x							(XLU) Utilities Select Sector SPDR Fund	1.0x	-0.4x	0.2x		
(EWG) iShares MSCI Germany ETF	-0.7x	-0.3x	0.2x							(ZROZ) PIMCO 25+ Year Zero Coupon US Treasury Bond ETF	1.5x	0.1x	0.1x		
(EWGS) iShares MSCI Germany Small-Cap ETF	-0.3x	-0.1x	0.4x							FOREIGN EXCHANGE					
(EWJ) iShares MSCI Italy Capped ETF	-1.5x	-0.4x	-0.5x			(AAXJ) iShares MSCI All Country Asia ex Japan ETF	-0.7x	-0.1x	-0.9x		(AYT) iPath GEMS Asia 8 ETN	-1.2x	0.0x	-0.7x	
(EWJ) iShares MSCI Japan Capped ETF	-1.3x	-0.8x	-1.2x			(ARGT) Global X FTSE Argentina 20 ETF	-1.2x	-0.5x	-1.1x		(BZF) WisdomTree Brazilian Real Fund	-1.0x	0.3x	-0.4x	
(EWK) iShares MSCI Belgium Capped ETF	-0.5x	-0.2x	0.0x			(CAF) Morgan Stanley China A Share Fund Inc.	1.4x	0.5x	0.2x		(CCX) WisdomTree Commodity Currency Fund	-1.1x	0.3x	0.0x	
(EWL) iShares MSCI Switzerland Capped ETF	-1.0x	-0.6x	-0.4x			(CH2X) Global X China Consumer ETF	-1.4x	-0.3x	-0.8x		(CEW) WisdomTree Emerging Currency Fund	-1.3x	0.1x	-0.4x	
(EWN) iShares MSCI Netherlands ETF	-0.4x	-0.2x	0.3x			(CHXJ) Global X China Financials ETF	1.6x	0.6x	0.6x		(CIB) WisdomTree Chinese Yuan Strategy Fund	-1.4x	-1.5x	-1.8x	
(EWO) iShares MSCI Austria Capped ETF	-1.2x	-0.4x	0.1x			(CQQQ) Guggenheim China Technology ETF	-1.2x	-0.8x	-1.5x		(FXA) CurrencyShares Australian Dollar Trust	-1.1x	0.2x	-0.3x	
(EWP) iShares MSCI Spain Capped ETF	-1.7x	-0.7x	-0.9x			(ECH) iShares MSCI Chile Capped ETF	-0.9x	0.1x	0.1x		(FXB) CurrencyShares British Pound Sterling Trust	-0.9x	0.3x	0.0x	
(EWQ) iShares MSCI France ETF	-1.2x	-0.4x	-0.2x			(ECNS) iShares MSCI China Small-Cap ETF	-0.9x	-0.4x	-1.3x		(FXC) CurrencyShares Canadian Dollar Trust	-1.3x	0.1x	-0.3x	
(EWS) iShares MSCI Singapore ETF	-0.6x	0.2x	-0.5x			(EEM) iShares MSCI Emerging Markets ETF	-1.0x	0.0x	-0.9x		(FXE) CurrencyShares Euro Trust	-1.5x	-0.3x	0.1x	
(EWSI) iShares MSCI Singapore Small-Cap ETF	-1.2x	0.2x	-0.4x			(EGPT) Market Vectors Egypt Index ETF	-1.6x	-0.4x	-1.5x		(FXF) CurrencyShares Swiss Franc Trust	-1.5x	-0.4x	-0.1x	
(EWU) iShares MSCI United Kingdom ETF	-1.3x	-0.4x	-0.4x			(EIDO) iShares MSCI Indonesia ETF	0.2x	0.4x	0.0x		(FKS) CurrencyShares Swedish Krona Trust	-1.4x	-0.1x	0.2x	
(EWUS) iShares MSCI United Kingdom Small-Cap ETF	-0.3x	0.3x	0.5x			(EPHE) iShares MSCI Philippines ETF	-1.1x	-0.3x	-0.7x		(FXY) CurrencyShares Japanese Yen Trust	-0.8x	0.5x	0.5x	
(EZU) iShares MSCI EMU ETF	-1.1x	-0.5x	-0.3x			(EPI) India Earnings Fund	-0.6x	-0.7x	-1.0x		(ICN) WisdomTree Indian Rupee Strategy Fund	-1.3x	-0.5x	-0.9x	
(FILJ) iShares MSCI Global Energy Producers ETF	-1.0x	0.3x	-0.2x			(EPOL) iShares MSCI Poland Capped ETF	-1.7x	-0.3x	-0.6x		(UDN) PowerShares DB US Dollar Index Bearish Fund	-1.4x	-0.1x	0.3x	
(FPX) First Trust U.S. IPO Index Fund	0.6x	0.1x	-0.2x			(EPU) iShares MSCI All Peru Capped ETF	-1.1x	0.0x	-0.9x						
(GDX) Market Vectors Gold Miners ETF	-0.9x	0.2x	-0.4x			(EWH) iShares MSCI Hong Kong ETF	-1.1x	-0.8x	-1.5x						
(IAH) iShares U.S. Broker-Dealers ETF	1.1x	0.2x	0.2x			(EWSH) iShares MSCI Hong Kong Small-Cap ETF	-1.4x	-0.2x	-0.6x						
(IBB) iShares Nasdaq Biotechnology ETF	0.2x	-0.9x	-0.9x			(EWM) iShares MSCI Malaysia ETF	-1.1x	0.4x	-0.3x						

Source: Bloomberg; Hedgeye calculations

QUANTIFY: EXTREME MOMENTUM

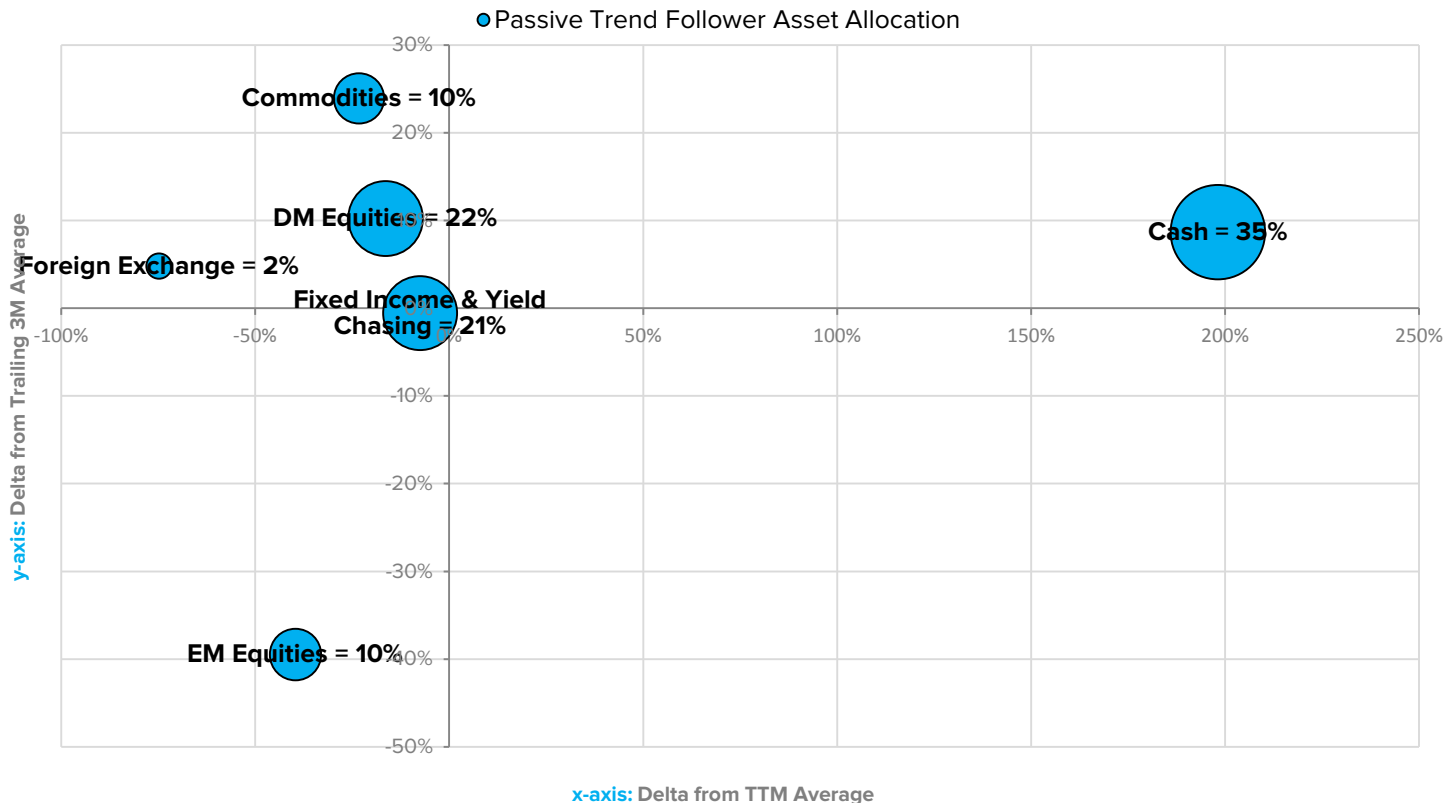
■ Extreme Momentum (Top-20 and Bottom-20 VAMDMI Readings)



Quantifying extremes in momentum at the secondary asset class level can help investors **front-run major rotations in flows at the primary asset class level**. Akin to a sand pyramid, it is impossible to know on a prospective basis which incremental grain of sand will be responsible for collapsing the pyramid, but **we as investors have a duty to consistently identify and take advantage of the stresses in the chaotic system** that is the global financial marketplace.

QUANTIFY: ASSET CLASS ROTATIONS

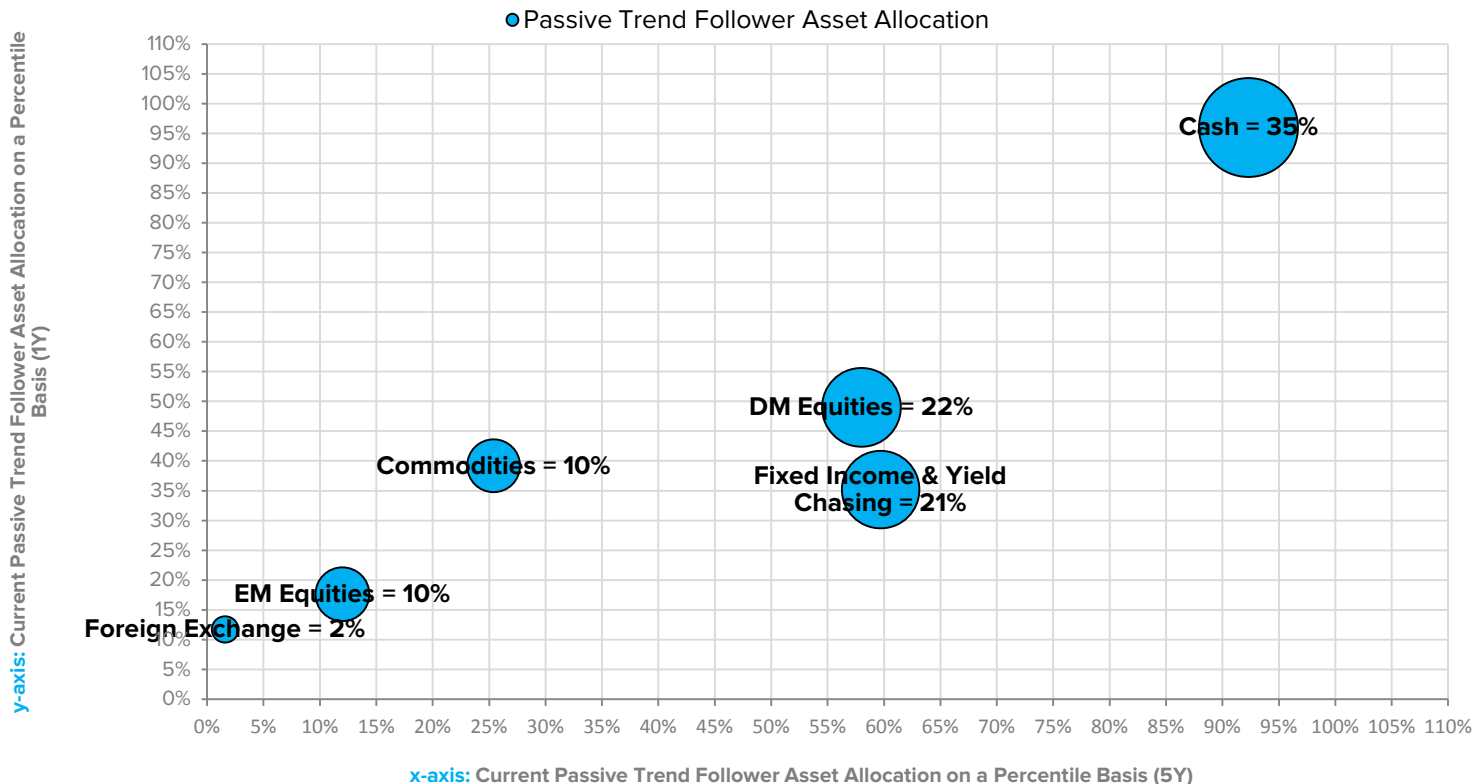
TACRM ASSET CLASS ROTATION MONITOR



By calculating the spread between individual VAMDMI readings greater than +1x and readings less than -1x within each of the primary asset classes and subsequently normalizing these spreads to a 100pt. scale, **TACRM** can then **dynamically generate estimates for how much passive investors are over/under exposed to a particular primary asset class** according to the relative levels of momentum embedded within each asset class. **Any deviation from trend in these weightings can be said to represent the presence of rotation-based capital flows.**

QUANTIFY: ASSET CLASS ROTATIONS

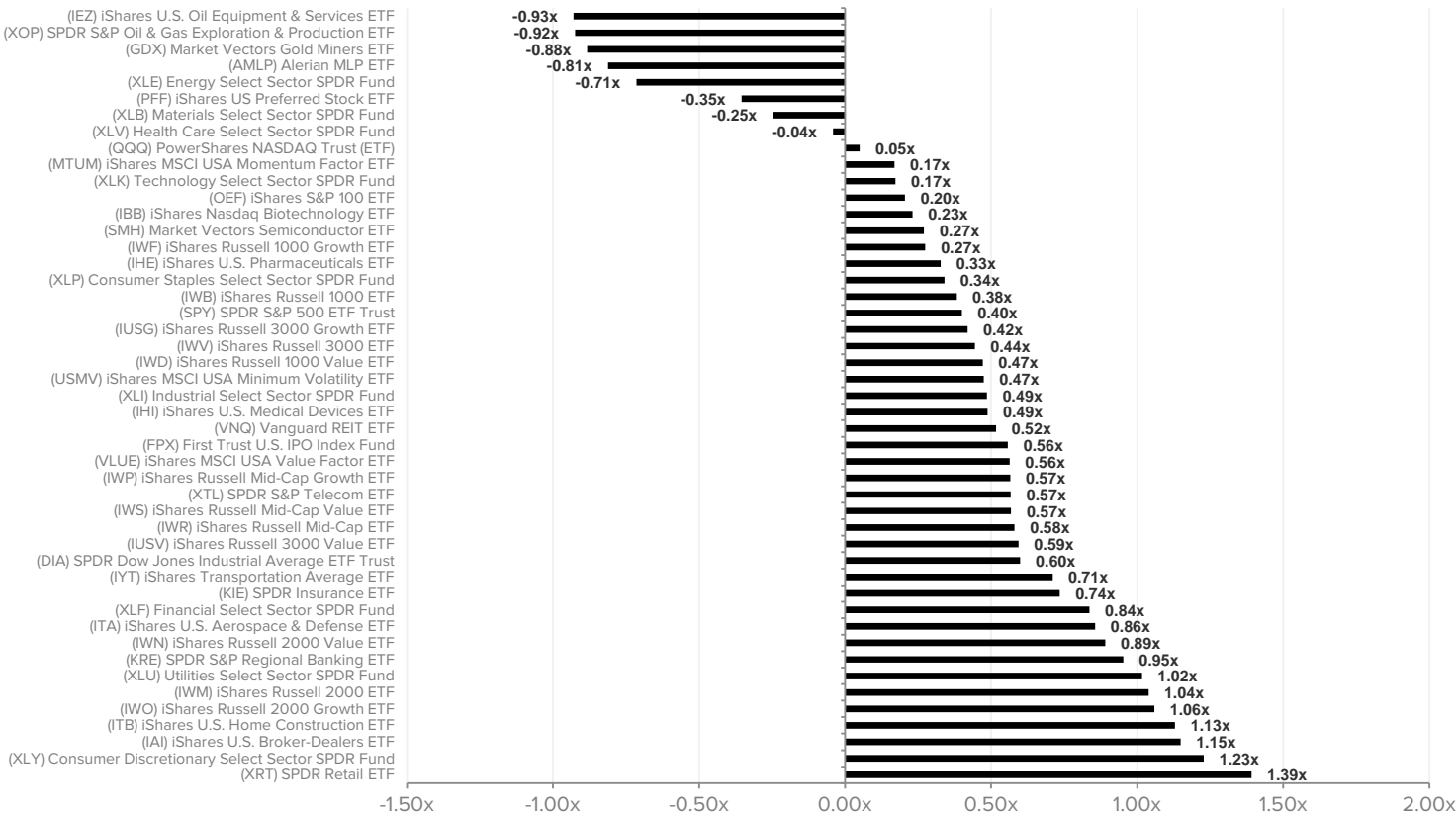
TACRM ASSET CLASS ROTATION MONITOR



By calculating the spread between individual VAMDMI readings greater than +1x and readings less than -1x within each of the primary asset classes and subsequently normalizing these spreads to a 100pt. scale, **TACRM** can then **dynamically generate estimates** for how much **passive investors are over/under exposed to a particular primary asset class** according to the relative levels of momentum embedded within each asset class. **Any deviation from trend in these weightings can be said to represent the presence of rotation-based capital flows.**

QUANTIFY: STYLE FACTOR MOMENTUM

■ U.S. Equity Style Factor VAMDMI Ranker



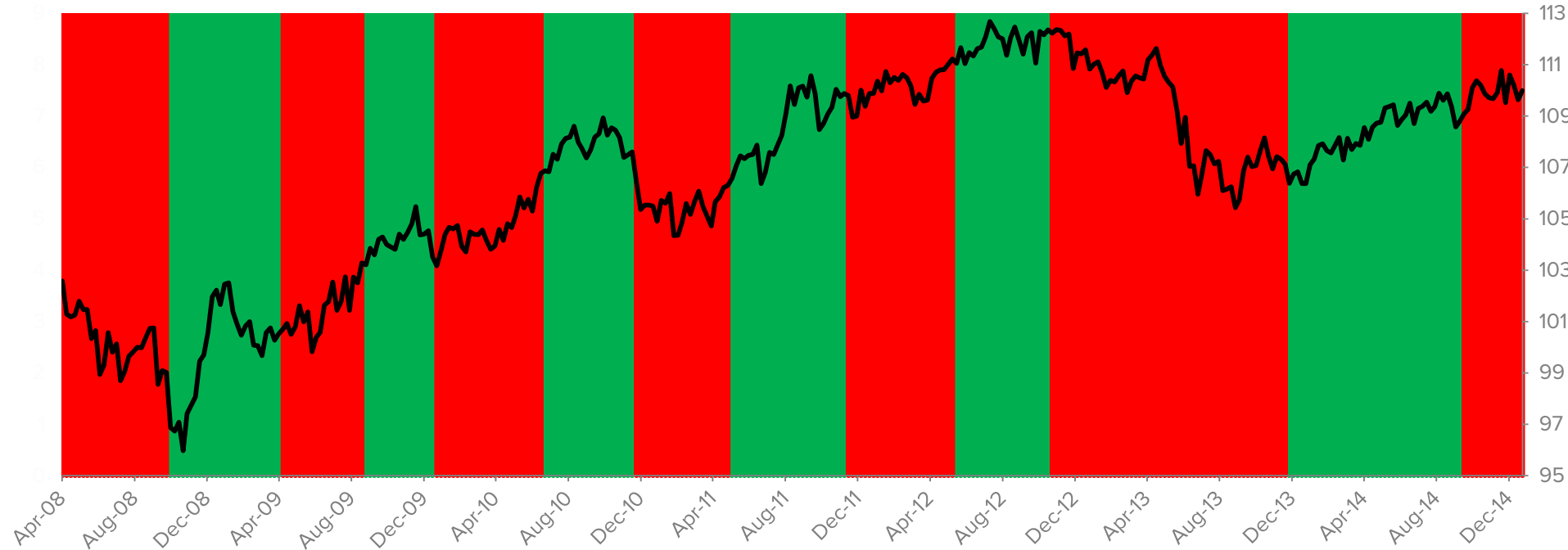
Observing trends in momentum within the U.S. equity market can help investors **front-run major shifts in performance at the style factor level.**

Knowing which sectors and style factors to over/under-weight is yet another way TACRM helps investors beat index beta.

FORECAST MARKET BETA

IN FIXED INCOME & YIELD CHASING INSTRUMENTS?: CHECK

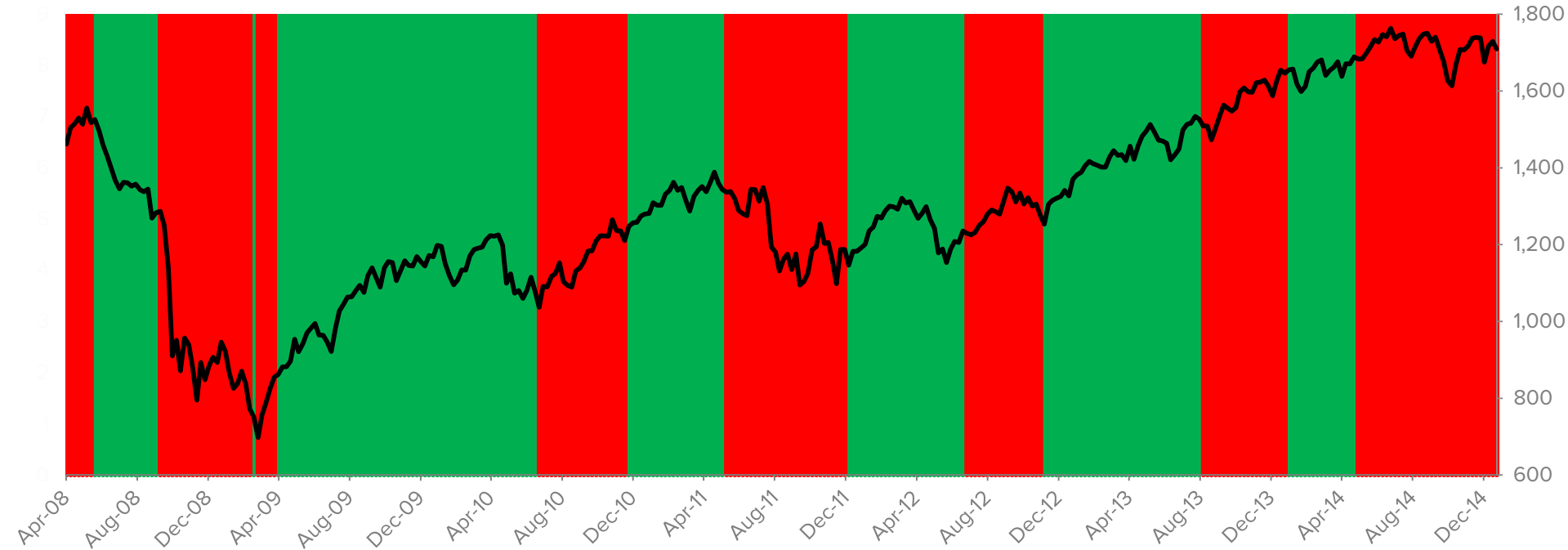
- TACRM Investment Recommendation: INCREASE Exposure to Fixed Income & Yield Chasing
- TACRM Investment Recommendation: DECREASE Exposure to Fixed Income & Yield Chasing
- Barclays Aggregate Bond Index (rhs)



FORECAST MARKET BETA

IN DEVELOPED MARKET EQUITIES?: CHECK

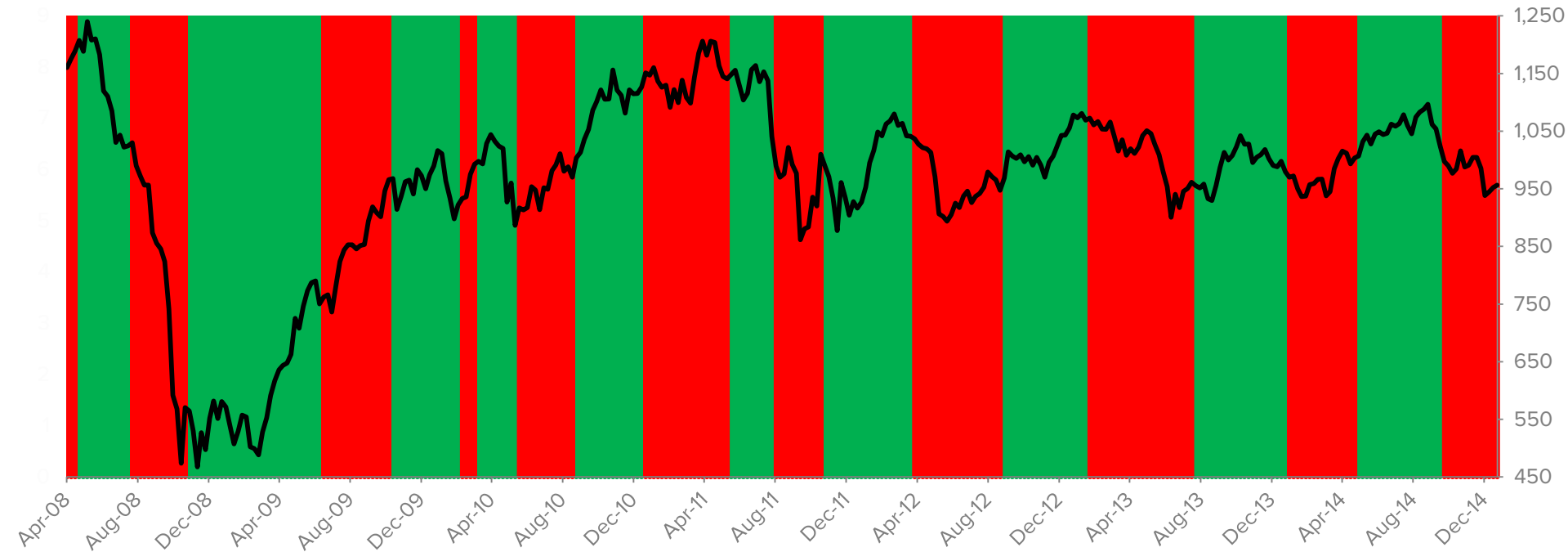
- TACRM Investment Recommendation: INCREASE Exposure to DM Equities
- TACRM Investment Recommendation: DECREASE Exposure to DM Equities
- MSCI World Index (rhs)



FORECAST MARKET BETA

IN EMERGING MARKET EQUITIES?: CHECK

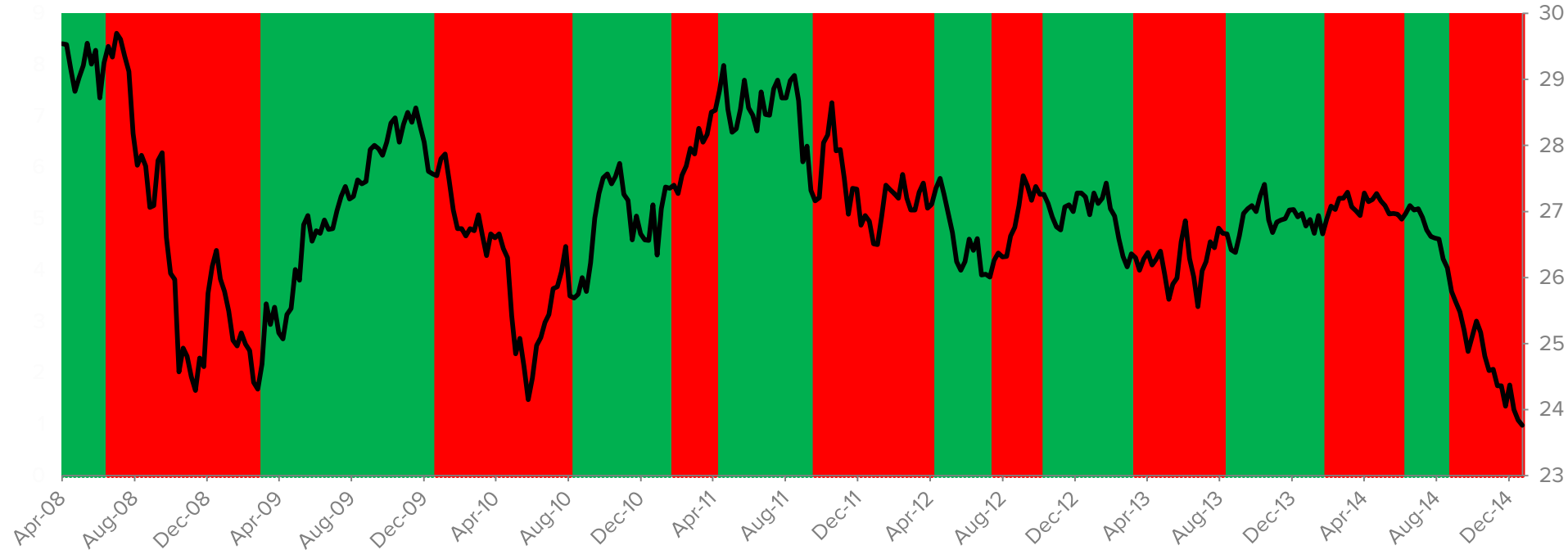
- TACRM Investment Recommendation: INCREASE Exposure to EM Equities
- TACRM Investment Recommendation: DECREASE Exposure to EM Equities
- MSCI Emerging Markets Index (rhs)



FORECAST MARKET BETA

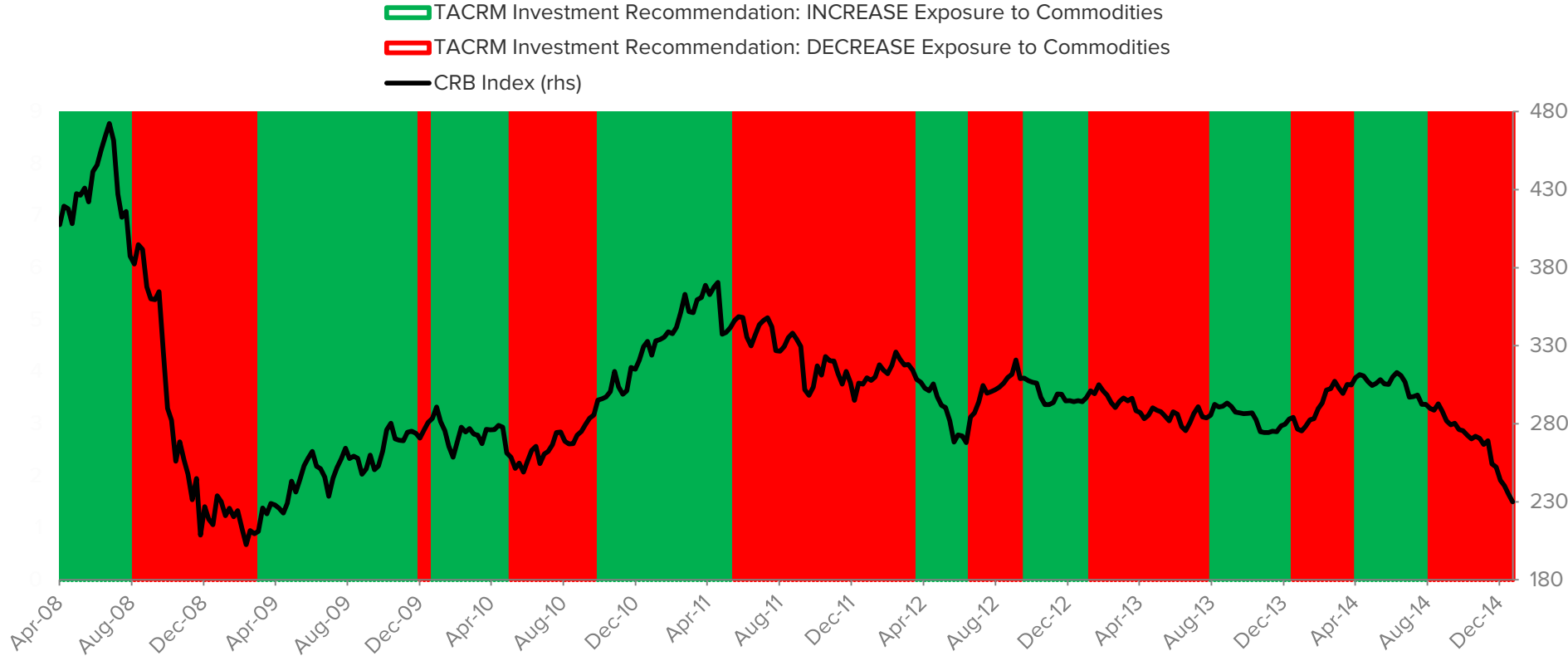
IN FOREIGN EXCHANGE?: CHECK

- █ TACRM Investment Recommendation: INCREASE Exposure to Foreign Exchange
- █ TACRM Investment Recommendation: DECREASE Exposure to Foreign Exchange
- PowerShares-DB US Dollar Index Bearish Fund (rhs)



FORECAST MARKET BETA

IN COMMODITIES?: CHECK

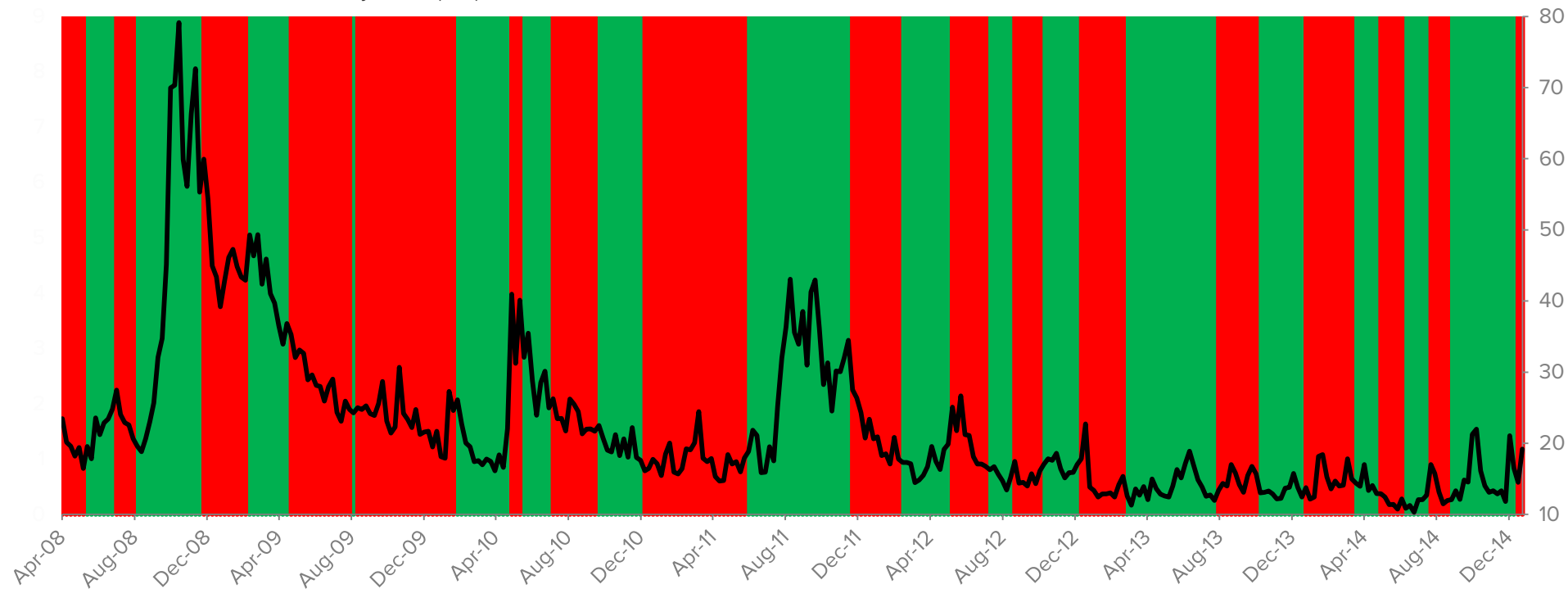


FORECAST MARKET BETA

IN CASH?: CHECK

■ TACRM Investment Recommendation: INCREASE Exposure to Cash ■ TACRM Investment Recommendation: DECREASE Exposure to Cash

— CBOE S&P 500 Volatility Index (VIX)



For more information contact:

DDALE@HEDGEYE.COM

203.562.6500