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**From:** Lesley Groff <[REDACTED]>  
**Sent:** Thursday, March 20, 2014 4:48 PM  
**To:** Jeffrey Epstein  
**Subject:** Fwd: ATorus Daily Portfolio Report 3/17 & 3/18  
**Attachments:** Atorus\_BacktestNAV\_031714.pdf; Untitled attachment 00143.htm; Atorus\_BacktestNAV\_031814.pdf; Untitled attachment 00146.htm

With these (as with all securities) we will never monetize weak P&L. However, we will realize a significant portion of it.

2) While this increase in realized volatility does not cause an immediate change in our directional bias, our system does in fact become 'more sensitive' and eventually causes us to change and realize P&L and eventually to take the other side of the trade.

3) An increase in volatility in a security but particularly across a sector can be a signal for a change in overall sector market leadership. One of the reasons we trade such a large opportunity set is so that we are positioned to monetize strong moves in other sectors without having to arbitrarily and in the case of many asset managers 'randomly' pick them. Our methodology's strong win ratio and profit factor allows us to stay in a wide variety of sectors without experiencing significant drawdowns and monetizing winners big and small.

In summary, we keep losers small, monetize P&L in quarters and three, six or twelve months from now we will likely be saving the same conversation albeit about a different sector, for example, 'materials.'

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Best Regards,

Michael J. Fowler  
[REDACTED]

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