



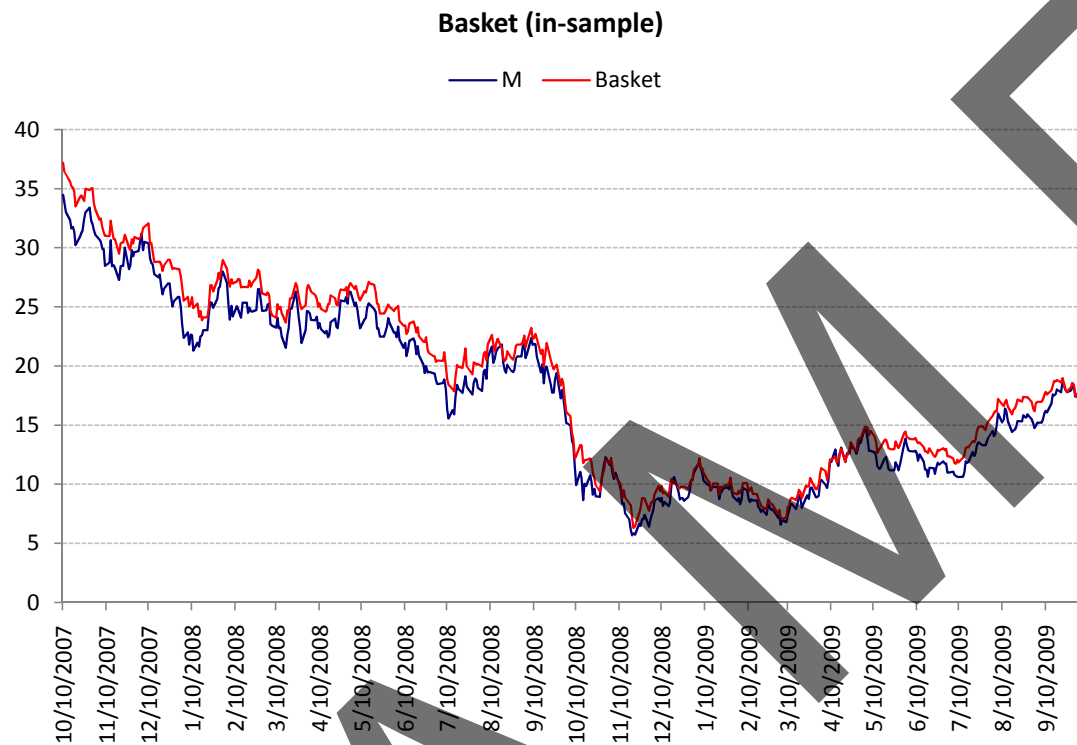
# M / Basket

Basket Trading Hedging Strategy

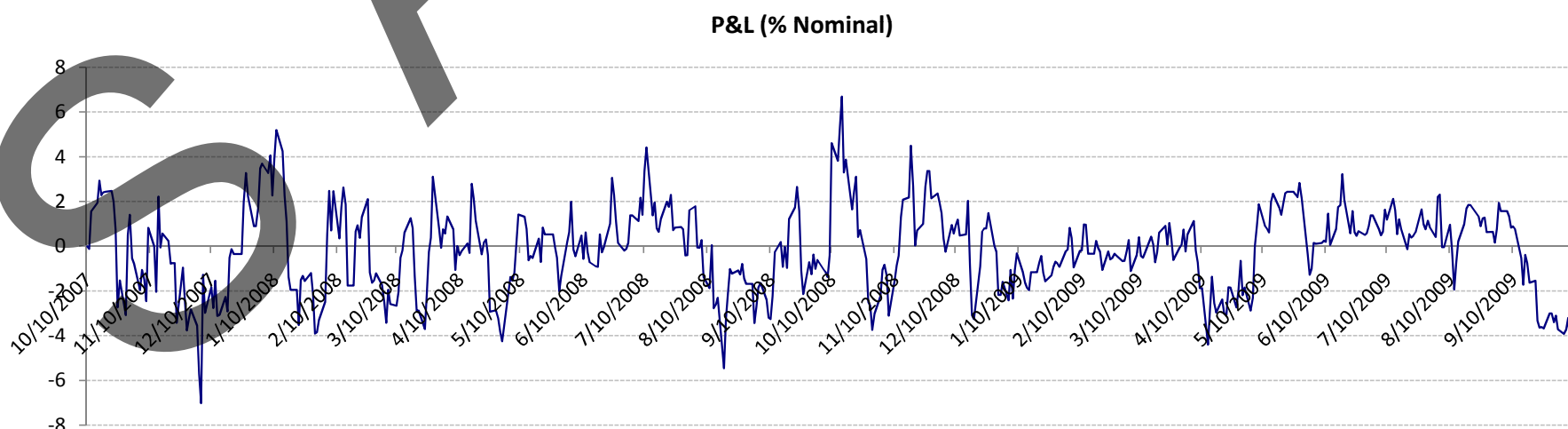
Market Exposure		
Long/Short	M Equity	Basket
Price	19.21	19.20
Alpha vs SPX	0.073	0.015
Beta vs SPX	1.362	1.307
R-Squared vs SPX	0.500	0.723
Std dev of error vs SPX	3.392	3.878

Settings & Output	
Hedge	100%
Nominal (\$)	1,000,000
Multiple R-squared	0.993
F-stat	11.83
Correlation M vs Basket	0.997

Basket				
Stocks	coef	stock price	weight	Qty
JWN	0.157	\$32.98	\$5.18 (27.04%)	4773
WYN	0.221	\$17.84	\$3.94 (20.53%)	12388
LTD	0.097	\$18.15	\$1.76 (9.14%)	5329
HOT	0.045	\$33.02	\$1.49 (7.75%)	1364
DRI	0.033	\$32.91	\$1.09 (5.72%)	1015
DHI	0.09	\$11.60	\$1.04 (5.42%)	7740
WYNN	0.014	\$67.14	\$0.94 (4.85%)	207
TSO	0.062	\$14.53	\$0.9 (4.69%)	4269
LM	0.016	\$31.51	\$0.5 (2.64%)	511
HIG	0.017	\$28.97	\$0.49 (2.64%)	604
BDK	0.01	\$46.88	\$0.47 (2.48%)	216
GCI	0.035	\$13.56	\$0.47 (2.47%)	2581
KEY	0.039	\$6.12	\$0.24 (1.23%)	6325
KSS	0.003	\$60.11	\$0.18 (0.81%)	43
CIEN	0.011	\$12.68	\$0.14 (0.74%)	879
JCP	0.004	\$35.41	\$0.14 (0.67%)	102
MBI	0.018	\$6.10	\$0.11 (0.56%)	2882
IPG	0.015	\$7.08	\$0.11 (0.56%)	2152
THC	0.001	\$5.97	\$0.01 (0.04%)	228



Sectors Exposure	
Sectors	Weights
Consumer Discretionary	72.38%
Financials	8.99%
Energy	6.20%
Information Technology	1.11%
Health Care	0.14%
Consumer Staples	0.00%
Industrials	0.00%
Materials	0.00%
Telecommunication Services	0.00%
Utilities	0.00%



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