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HEDGEYE ASSET ALLOCATION

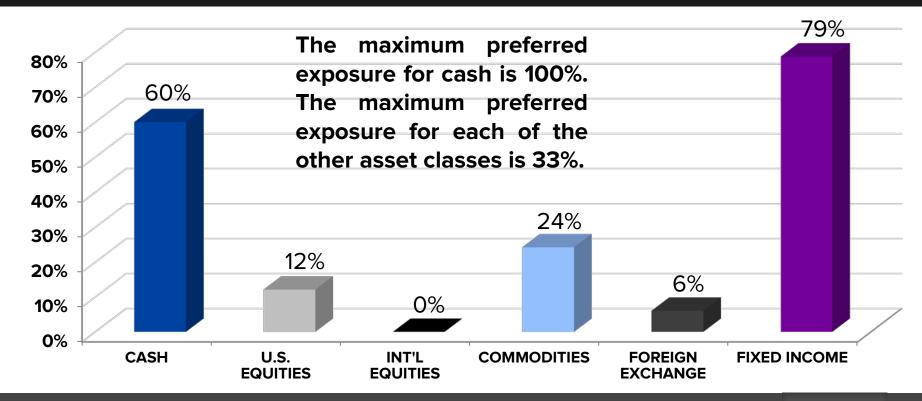
	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME
5/11/2016	60	2	0	8	4	26
5/12/2016	60	3	0	6	6	25

	CASH	U.S. EQUITIES	INT'L EQUITIES	COMMODITIES	FOREIGN EXCHANGE	FIXED INCOME
5/11/2016	60%	6%	0%	24%	12%	79%
5/12/2016	60%	9%	0%	18%	18%	76%

The maximum preferred exposure for cash is 100%. The maximum preferred exposure for each of the other asset classes is 33%.

HEDGEYE TV

HEDGEYE ASSET ALLOCATION

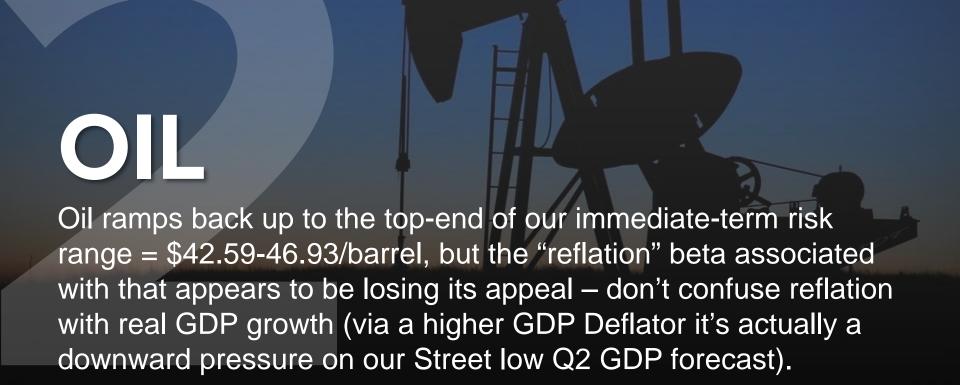


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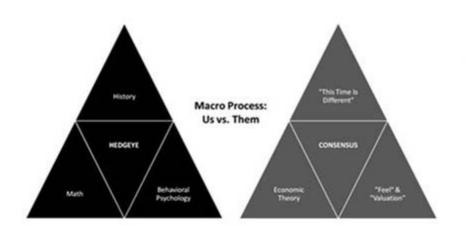


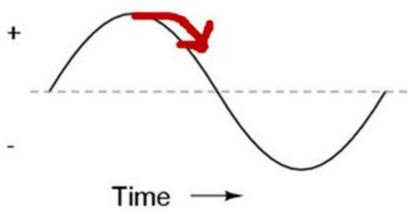






HEDGEYE MACRO PROCESS: RATE OF CHANGE





DIFFERENTIATED FROM THE HERD

Macroeconomics and Global Macro Risk Management are two very different fields. We specialize in the latter.

WE FOCUS ON THE SLOPES

Everything that matters in Global Macro occurs on the margin.

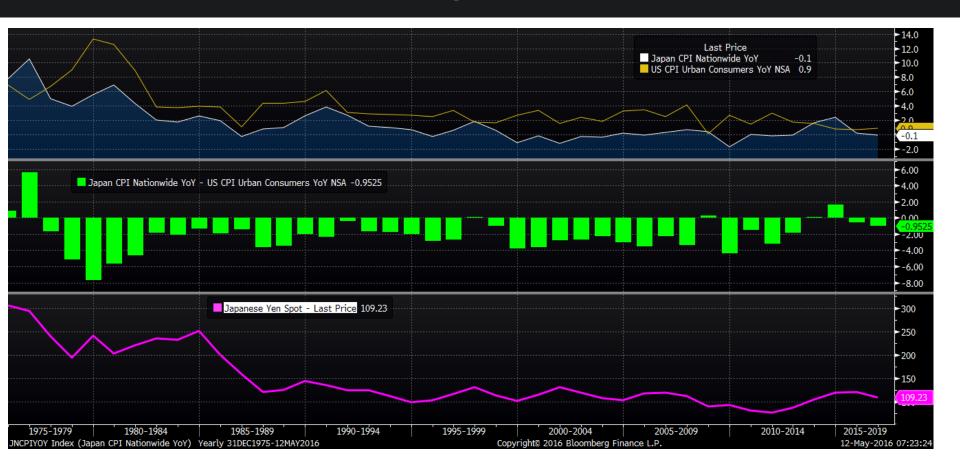
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#BELIEFSYSTEM BREAKDOWN

Q: Over the longer-term, the currency of a surplus country with relative deflation will do what?

RELATIVE DEFLATION = * YEN

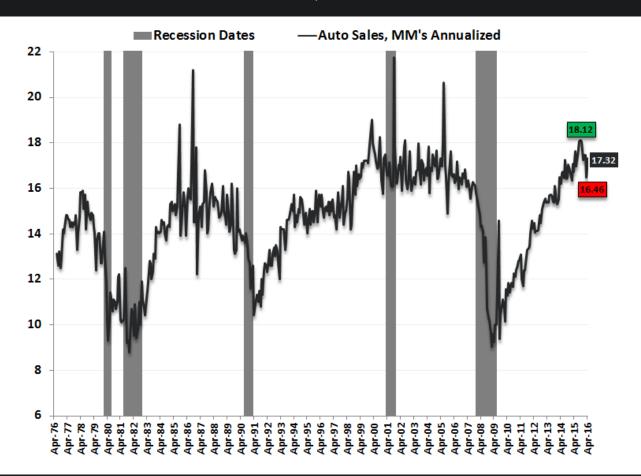


DATA SOURCE: BLOOMBERG HEDGEYE 11

RETAIL SALES = GOODS CONSUMPTION

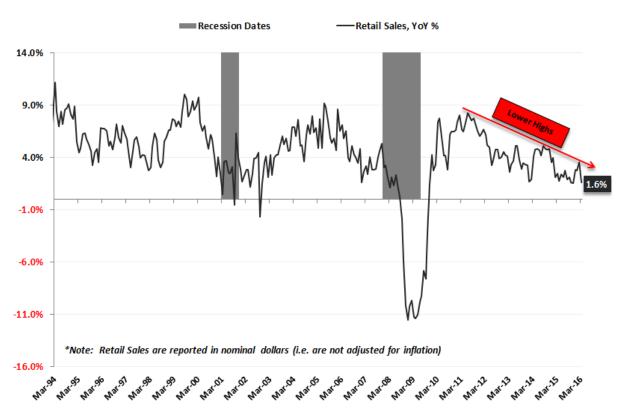
U.S. RETAIL SALES												
_	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-1
GDP: Retail Sales in Context												
Real GDP, Chained \$'s	-	-	16,334	-	-	16,414	-	-	16,471	-	-	16,49
Consumer Spending (Real PCE)	11,135	11,197	11,205	11,229	11,265	11,293	11,301	11,332	11,359	11,361	11,392	11,39
Services	7,308	7,327	7,342	7,344	7,360	7,386	7,400	7,408	7,437	7,445	7,477	7,47
Goods (i.e. Retail Sales)	3,828	3,872	3,865	3,888	3,909	3,909	3,903	3,928	3,924	3,917	3,914	3,92
Durable Goods	1,449	1,470	1,455	1,474	1,484	1,487	1,483	1,504	1,499	1,487	1,493	1,48
NonDurable Goods	2,405	2,429	2,435	2,441	2,453	2,450	2,447	2,454	2,454	2,457	2,450	2,46
Retail Sales, % of PCE	34.4%	34.6%	34.5%	34.6%	34.7%	34.6%	34.5%	34.7%	34.5%	34.5%	34.4%	34.5
Retail Sales, % of GDP	-	-	23.7%	-	-	23.8%	-	-	23.8%	-	-	23.8
RETAIL SALES												
Retail Sales, Total SA	440.7	444.5	444.9	447.6	447.0	447.2	447.1	448.5	450.4	448.0	449.1	447
M/M, % Chg	0.1%	0.9%	0.1%	0.6%	-0.1%	0.1%	0.0%	0.3%	0.4%	-0.5%	0.2%	-0.4
Y/Y, % Chg	1.8%	2.4%	2.1%	2.8%	1.9%	2.1%	1.6%	1.6%	2.8%	2.8%	3.6%	1.6
2Y Ave	3.3%	3.6%	3.4%	3.5%	3.5%	3.5%	3.2%	3.2%	3.2%	3.4%	2.8%	2.0
Retail Sales Ex Autos	351.0	353.6	354.6	356.7	355.7	354.7	354.7	355.6	357.4	356.0	356.3	356
M/M, % Chg	0.0%	0.7%	0.3%	0.6%	-0.3%	-0.3%	0.0%	0.2%	0.5%	-0.4%	0.1%	0.1
Y/Y, % Chg	0.8%	1.4%	1.3%	2.0%	1.1%	0.8%	0.4%	0.5%	1.9%	2.4%	2.5%	1.7
2Y Ave	2.4%	2.8%	2.9%	2.9%	2.9%	2.5%	2.4%	2.4%	2.3%	2.3%	1.9%	1.6
Retail Sales Ex Autos & Gas	314.8	316.2	316.6	319.1	319.2	319.8	320.2	321.7	323.7	323.4	325.4	325
M/M, % Chg	0.2%	0.5%	0.1%	0.8%	0.0%	0.2%	0.1%	0.5%	0.6%	-0.1%	0.6%	0.1
Y/Y, % Chg	4.3%	4.4%	3.7%	4.6%	3.8%	4.0%	3.3%	3.3%	4.0%	3.6%	4.6%	3.7
2Y Ave	4.4%	4.5%	4.6%	4.7%	4.7%	4.5%	4.3%	4.4%	4.7%	4.9%	4.7%	4.2
Control Group:												
Retail Sales less Food, Autos, Gas & Building mat	243.4	244.8	245.0	246.4	246.3	246.8	246.6	247.5	247.7	248.2	248.8	249
M/M, % Chg	0.1%	0.6%	0.1%	0.6%	0.0%	0.2%	-0.1%	0.3%	0.1%	0.2%	0.2%	0.1
Y/Y, % Chg	3.3%	3.7%	3.1%	3.7%	2.9%	3.3%	2.5%	2.3%	2.7%	2.7%	3.1%	2.4
2Y Ave	3.8%	4.0%	3.9%	4.0%	4.0%	3.8%	3.5%	3.7%	3.4%	3.9%	3.5%	3.0
OoO Annualized. %			3.9%			3.4%			1.3%			2.2

AUTO SALES = * SEQUENTIALLY



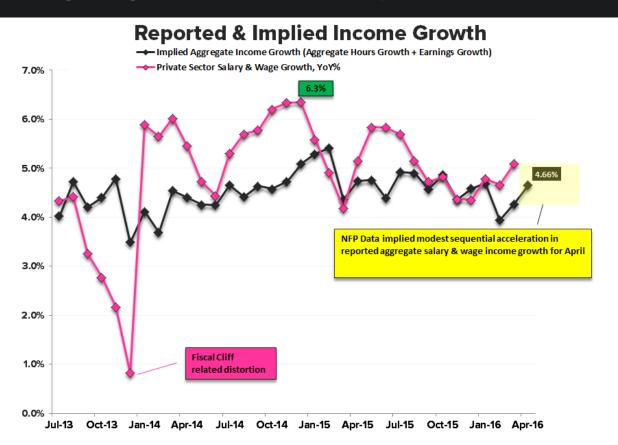
RETAIL SALES: TREND = +

U.S. HEADLINE RETAIL SALES



TA SOURCE: BLOOMBERG, HEDGEYE HEDGEYE HEDGEYE

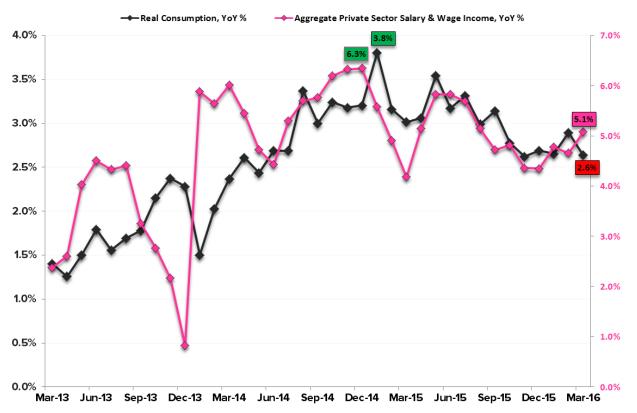
INCOME GROWTH = DECELERATING



DATA SOURCE: BLOOMBERG, BEA, HEDGEYS

INCOME VS CONSUMPTION GROWTH

PAST PEAK: INCOME & CONSUMPTION GROWTH



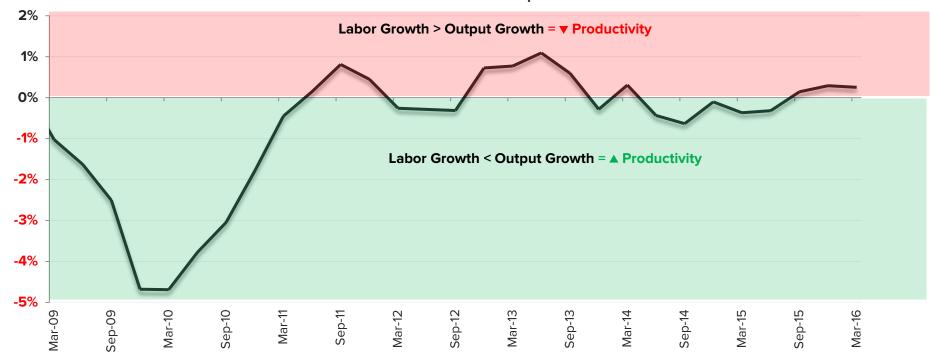
DATA SOURCE: BLOOMBERG, BEA

PRODUCTIVITY = •

PRIVATE PAYROLL GROWTH IS SLOWING BUT IT'S STILL GROWING AT A PREMIUM TO OUTPUT GROWTH. A POSITIVE SPREAD IS A DRAG ON PRODUCTIVITY

LABOR VS OUTPUT

--- Labor Growth less Output Growth



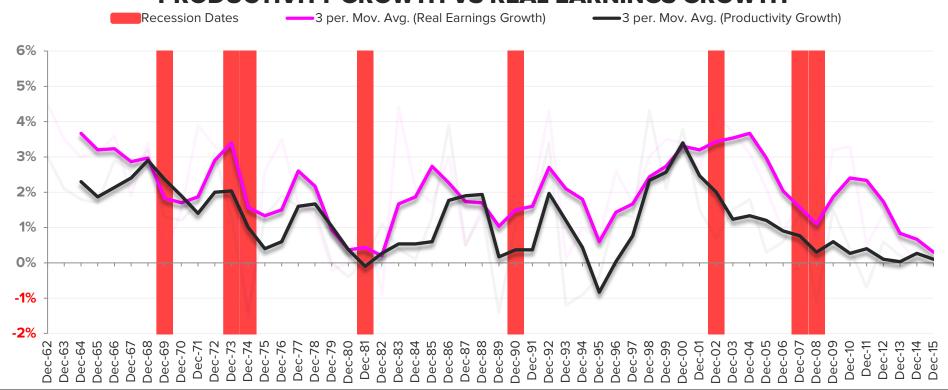
DATA SOURCE: BLOOMBERG, HEDGEYE

PRODUCTIVITY • = REAL EARNINGS •



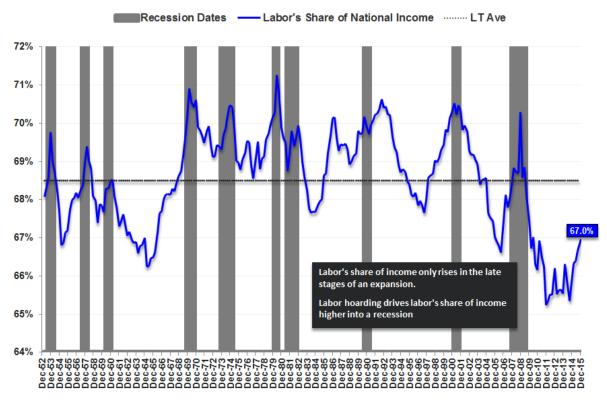
OVER THE LONGER-TERM, THE TREND IN PRODUCTIVITY DRIVES THE TREND IN REAL EARNINGS GROWTH

PRODUCTIVITY GROWTH VS REAL EARNINGS GROWTH



LABOR INCOME + =

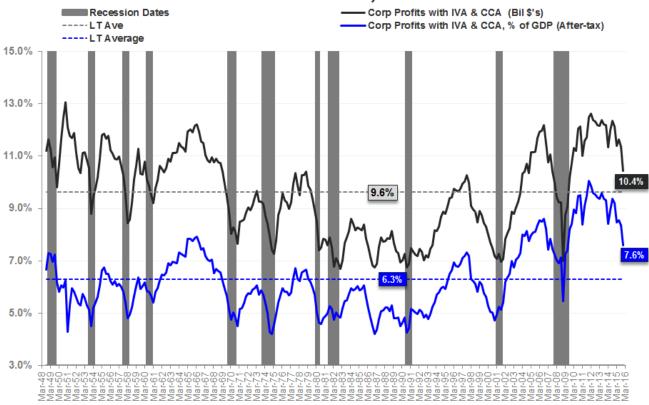
LABOR'S SHARE OF NATIONAL INCOME



DATA SOURCE:BLOOMBERG, BEA, BLS

PROFITABILITY +

CORPORATE PROFITS, % OF GDP



DATA SOURCE: BLOOMBERG, BEA

S&P REVENUES & EARNINGS COMPS

SECTOR	SALES GROWTH (% CHG)	EARNINGS GROWTH (% CHG)	#REPORTED
S&P 500 (Aggregate)	-2.4%	-8.7%	450 / 500
Energy	-31.6%	-108.7%	38 / 38
Materials	-8.7%	-15.0%	27 / 27
Industrials	-2.1%	-7.4%	64 / 65
Consumer Discretionary	6.8%	22.7%	60 / 84
Consumer Staples	0.4%	1.6%	30 / 37
Healthcare	9.2%	8.1%	53 / 57
Financials	-1.7%	-14.3%	90 / 90
Information Technology	-2.8%	-8.1%	54 / 68
Telecom	11.2%	16.1%	5 / 5
Utilities	-10.5%	-2.1%	29 / 29

Source: BBG

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HEDGEYE SECTOR PERFORMANCE

			1-Day %	MTD %	YTD %
SECTOR	<u>Ticker</u>	<u>Price</u>	<u>Chg</u>	<u>Chg</u>	<u>Chg</u>
Consumer Discretionary	XLY	\$78.90	-2.01%	-0.38%	0.95%
Financial Select Sector	XLF	\$23.15	-1.07%	-0.69%	-2.85%
Health Care Select Sector	XLV	\$69.71	-1.20%	-0.12%	-3.22%
Technology Select Sector	XLK	\$42.49	-0.72%	0.85%	-0.79%
Consumer Staples Select Sector	XLP	\$53.63	-0.80%	2.54%	6.22%
Industrial Select Sector	XLI	\$55.87	-0.83%	-0.52%	5.40%
Materials Select Sector	XLB	\$46.20	-0.35%	-1.91%	6.40%
The Energy Select Sector	XLE	\$65.65	0.31%	-2.74%	8.84%
Utilities Select Sector	XLU	\$49.34	0.37%	1.90%	14.00%
S&P 500	SPX	2,064.46	-0.96%	-0.04%	1.00%

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HEDGEYE SECTOR RELATIVE PERFORMANCE

			1-Day %	MTD %	YTD %
	<u>Ticker</u>	<u>Price</u>	<u>Chg</u>	<u>Chg</u>	<u>Chg</u>
Consumer Discretionary	XLY	\$78.90	-1.06%	-0.34%	-0.06%
Financial Select Sector	XLF	\$23.15	-0.11%	-0.65%	-3.86%
Health Care Select Sector	XLV	\$69.71	-0.25%	-0.08%	-4.22%
Technology Select Sector	XLK	\$42.49	0.23%	0.90%	-1.80%
Consumer Staples Select Sector	XLP	\$53.63	0.16%	2.58%	5.22%
Industrial Select Sector	XLI	\$55.87	0.12%	-0.48%	4.39%
Materials Select Sector	XLB	\$46.20	0.61%	-1.87%	5.40%
The Energy Select Sector	XLE	\$65.65	1.26%	-2.70%	7.83%
Utilities Select Sector	XLU	\$49.34	1.32%	1.94%	13.00%

TV HEDGEYE

HEDGEYE STYLE FACTOR PERFORMANCE

	FACTOR	1D % Chg	1W % Chg	1M % Chg	3M % Chg	6M % Chg	YTD % Chg
五	High Debt/EV	-0.8%	-0.5%	3.0%	22.5%	1.3%	6.9%
8	Low Debt/EV	-1.5%	0.7%	-0.1%	12.0%	-0.1%	0.5%
IS	High Short Interest	-1.3%	-0.6%	0.4%	18.1%	-3.1%	1.9%
	Low Short Interest	-1.0%	0.8%	2.4%	14.7%	3.0%	3.1%
BETA	High Beta	-0.6%	0.5%	2.0%	25.2%	-7.8%	-0.8%
BE	Low Beta	-1.2%	0.0%	0.7%	11.0%	10.4%	8.1%
YIELD	High Yield	-1.3%	-0.8%	0.4%	15.8%	0.4%	3.7%
¥	Low Yield	-1.3%	0.8%	1.6%	17.0%	-2.0%	0.6%
MKT	MCAP Bottom 25%	-1.8%	-1.0%	0.3%	17.8%	-5.0%	-0.1%
Σ δ	MCAP Top 25%	-1.0%	0.8%	1.7%	13.5%	0.1%	1.4%
Sales	Top 25% Sales Growth	-1.0%	0.7%	2.1%	22.3%	-2.1%	2.0%
Sa	Bottom 25% Sales Growth	-1.2%	0.0%	0.9%	14.6%	1.1%	2.9%
EPS	Top 25% EPS Growth	-1.1%	0.8%	1.9%	18.4%	-2.0%	-0.2%
<u> </u>	Bottom 25% EPS Growth	-0.9%	0.4%	2.1%	19.2%	1.8%	6.1%

^{*}Mean Performance of Top Quartile vs. Bottom Quartile, S&P500 Companies

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HEDGEYE RATES & SPREADS

		1D	5D	1M	3M	vs. 52-V	Vk, Bps	vs.	vs.
	Price	Bps Chg	Bps Chg	Bps Chg	Bps Chg	High	Low	3Y Ave	5Y Ave
3M T-Bill	0.25%	1.0	6.6	4	-3	-10	31	19	20
3M LIBOR	0.63%	0.0	-0.6	0	1	-1	35	32	29
2Y T-Note	0.73%	0.8	-0.8	3	8	-37	20	19	30
5Y T-Note	1.20%	-1.0	-3.3	4	7	-63	23	-31	-6
10Y T-Note	1.73%	-3.0	-4.4	1	7	-77	20	-60	-47
30Y T-Note	2.58%	-3.7	-5.7	1	8	-68	20	-59	-58
2Y-10Y Spread, Bps	100	-3.8	-3.6	-2.5	-1	-40	0	-79	-76
IG SPREAD (AAABBB)	1.80%	0.0	0.0	-14	-39	-50	17	10	-5
HIGH YIELD	7.46%	0.0	9.9	-44	-187	-187	147	93	67
5Y BREAKEVEN	1.53%	-0.9	0.4	9.2	57.2	-21.1	67.7	-9.0	-21.8

TV HEDGEYE

CFTC NON-COMMERCIAL NET LONG POSITIONING

CFTC NON-COMME		·	core				
METRIC	Latest	W/W Chg	3M Ave	6M Ave	1Y Ave	14	3Y
SPX (Index + E-mini)	30,589	31,795	(130,978)	(125,765)	(129,120)	2.24X	0.46X
Russell 2000 (mini)	(10.033)	6,436	(59,001)	(53,075)	(39,849)	-0.49A	-1.04X
10Y Treasury	(103,914)	(6,038)	(21,471)	(9,489)	(15,580)	-1.74X	-0.66X
CRUDE OIL	390,844	(12,528)	325,892	283,238	297,958	1.63X	0.89X
GOLD	233,638	49,551	152,934	74,680	57,431	2.59X	3.35X
COPPER	(7,419)	614	(13,935)	(23,886)	(19,230)	0 00V	0.68X
\$USD	9,083	(2,212)	20,441	31,479	41,603	-2.11X	-0.95X
JPY	56,219	(11,169)	55,229	15,722	(17,863)	1.34X	2.39X
EUR	(17,980)	15,304	(49,821)	(97,941)	(100,560)	1.87X	0.72X
GBP	(40,412)	8,603	(38,417)	(34,090)	(23,499)	-1.09X	-1.02X

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THE MACRO SHOW

HEDGEYE

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MARKET SHARE VOLUME & TOTAL VALUE TRADED

INDEX/SECURITY	VOLUME: (5/11) vs.							
	Prior Day	1M Ave	3M ave	1Y Ave				
Total Market Volume*	4%	-1%	3%	3%				
Total Exchange Volume**	5%	-2%	-7%	-4%				

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^{*}Total Market Volume = Total US exchange volume plus OTC and OTCBB trading volume for all security types. Calculated by Bloomberg.

^{**}Tape A+B+C volume = total US exchange volume

^{***} Total Traded Value for Russell 3000 (total mkt proxy)

JAPANESE YEN TO U.S. DOLLAR



May 12, 2016



SPDR S&P RETAIL ETF



May 12, 2016



HONG KONG HANG SENG INDEX



May 12, 2016



TOKYO NIKKEI AVERAGE INDEX



May 12, 2016



RUSSELL 2000 SMALL CAP INDEX



May 12, 2016

