



## **SINGLE PROBABILITY DLOM**

Based on Price Volatility Probability

Valuation Date: 03/10/2016

For: **Sample Company**

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# **SINGLE PROBABILITY DISCOUNT FOR LACK OF MARKETABILITY** **Based on Price Volatility Probability**

## **Appraiser**

Sam Murray  
Sample Company  
9876 4th Street, Suite 1  
Kansas City, MO 64114 US  
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## **Valuation Subject**

Sample Company  
1234 First Street Suite 100  
Kansas City, MO 64114  
United States

## **Valuation Date**

03 / 10 / 2016

## **Report Date**

04 / 14 / 2016

## **Probability-Adjusted Discount for Lack of Marketability**

19.9%



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### Summary Results

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#### Discount for Lack of Marketability

Probability Adjusted DLOM	19.9%
Cumulative DLOM at Price Mean	6.7%
Cumulative DLOM at Price Median	3.6%
Cumulative DLOM at Price Mode	0.5%

#### Marketing Period

Average	180.0
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#### Price Volatility

Average	34.4%
Standard Deviation	50.6%
Median	19.3%
Mode	6.1%
95th Percentile	386.6%
Probability Adjusted Price Volatility	33.0%
Coefficient of Variation	1.5



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### Summary Results

#### User Provided Marketing Days

Number of Days

180

#### Price Volatility Statistics

Ticker	Average	Standard Deviation	Trading Days	Coefficient of Variation	Standard Error	From Date	To Date	95% Confidence Interval	
								Low	High
<b>IBM</b>	16.5%	15.3%	250	0.9	1.0%	2015-03-12	2016-03-10	14.6%	18.4%
<b>T</b>	12.3%	10.0%	250	0.8	0.6%	2015-03-12	2016-03-10	11.0%	13.5%
<b>FORD</b>	74.4%	126.6%	250	1.7	8.0%	2015-03-12	2016-03-10	58.7%	90.1%
<b>Average</b>	34.4%	50.6%	750	1.5	1.8%	2015-03-12	2016-03-10	30.8%	38.0%

#### Formula Inputs

Selected Formula

Marketing Period Carrying Cost

Cost of Money (APR)

Longstaff

Simple

0%



# SINGLE PROBABILITY DLOM

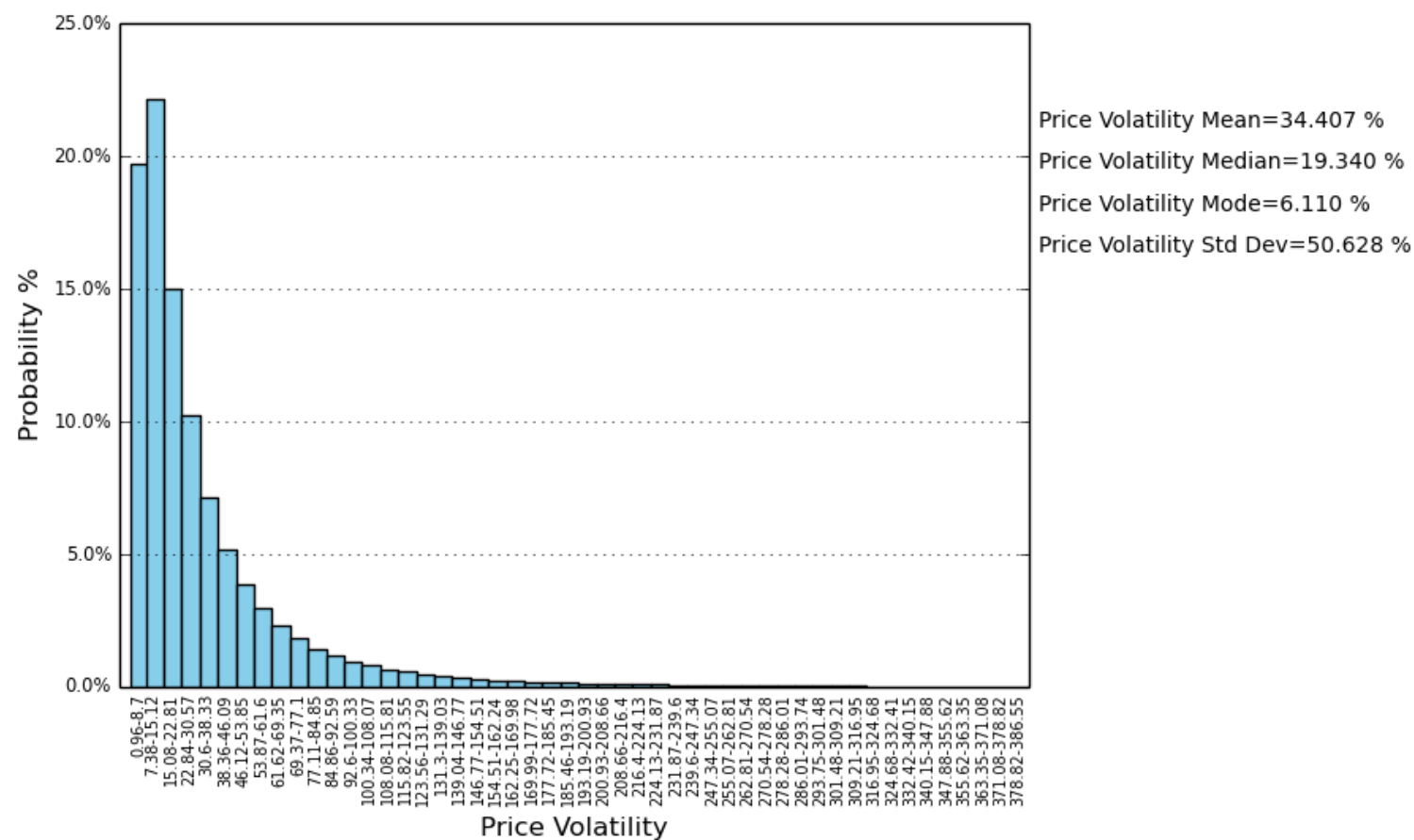
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## Price Volatility Graphs

### Probabilities by Price Volatility Intervals





## SINGLE PROBABILITY DLOM

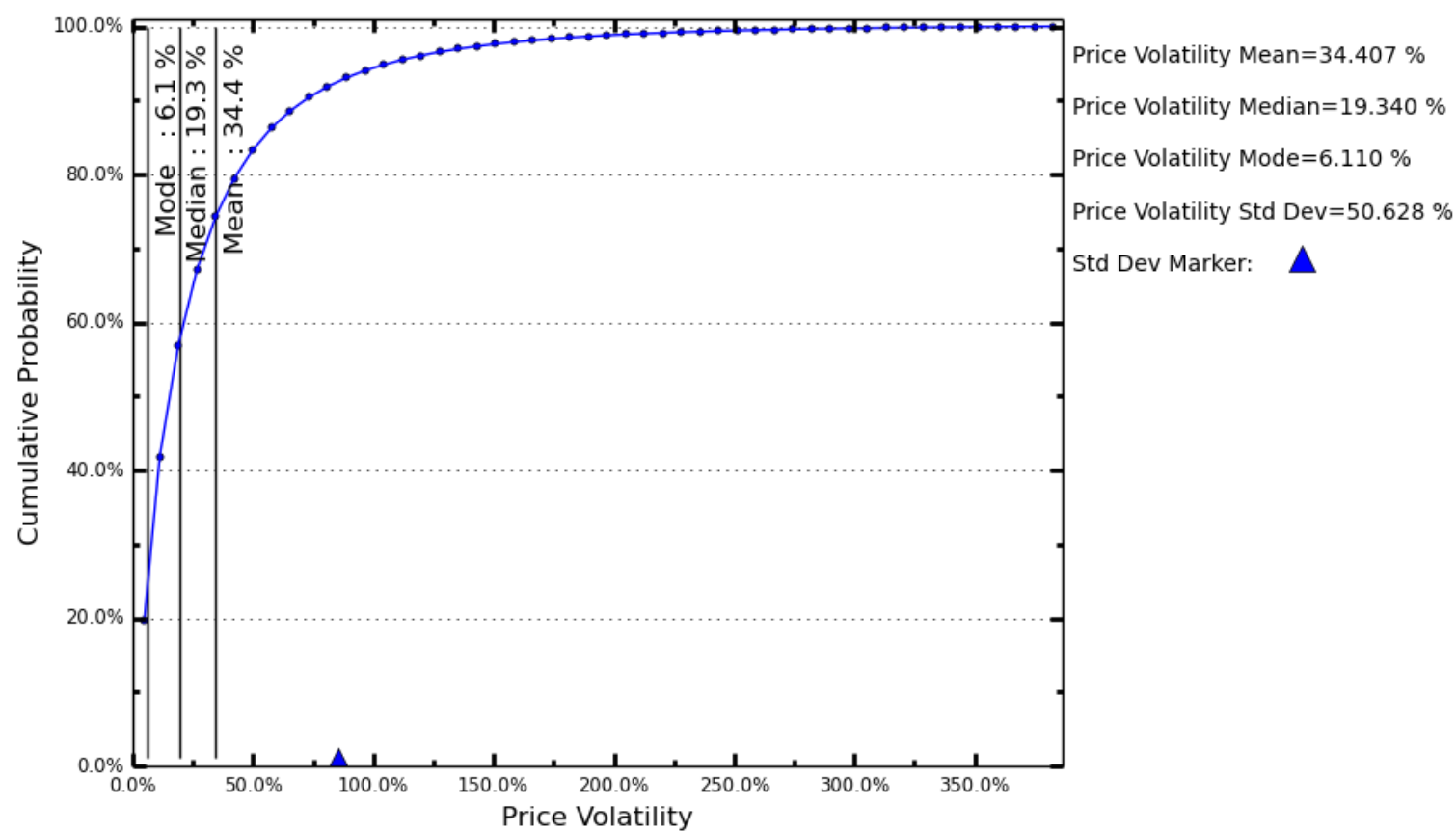
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### Price Volatility Graphs

#### Cumulative Probability of Price Volatility





# SINGLE PROBABILITY DLOM

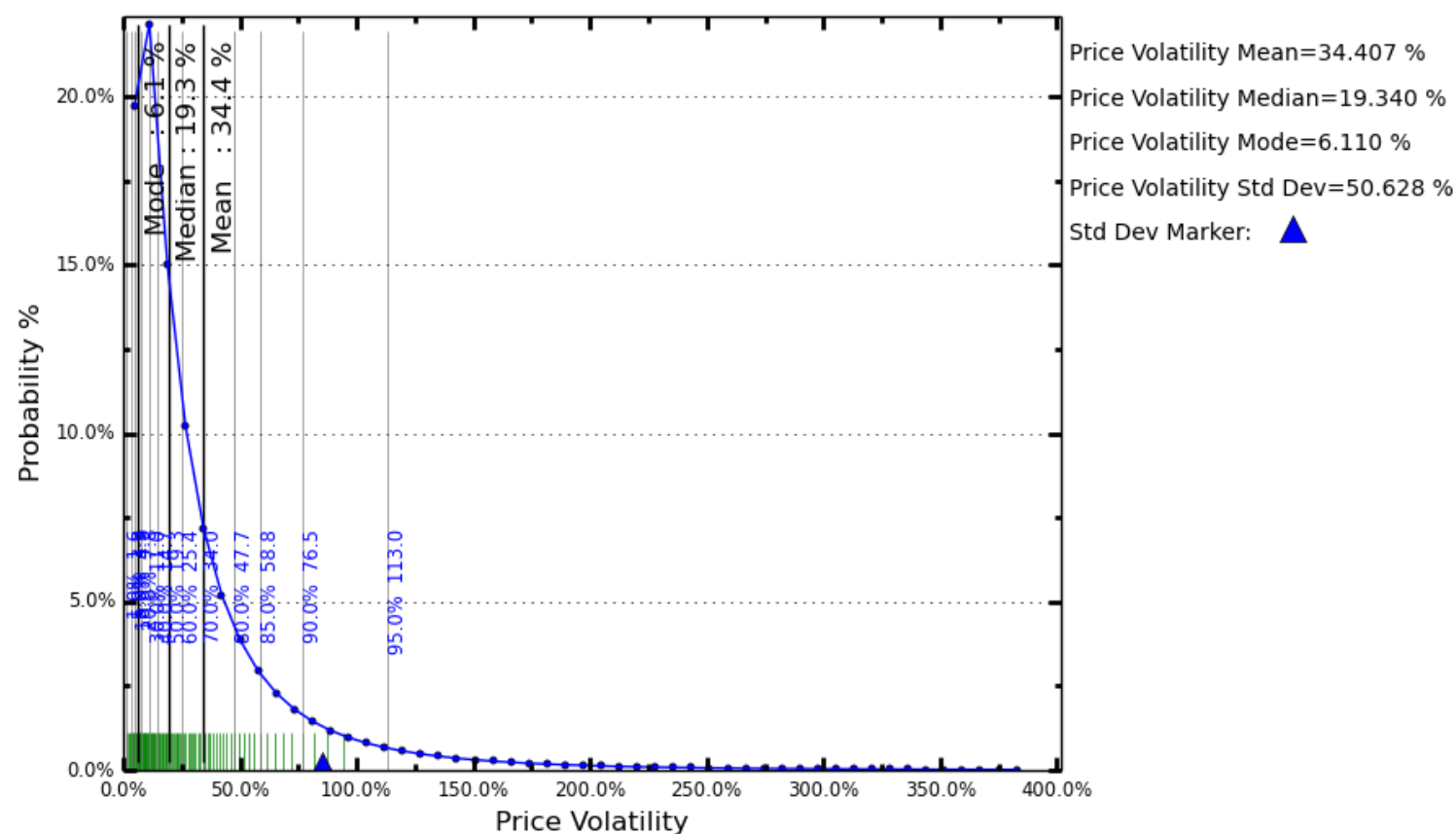
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## Price Volatility Graphs

### Probabilities by Price Volatility Intervals





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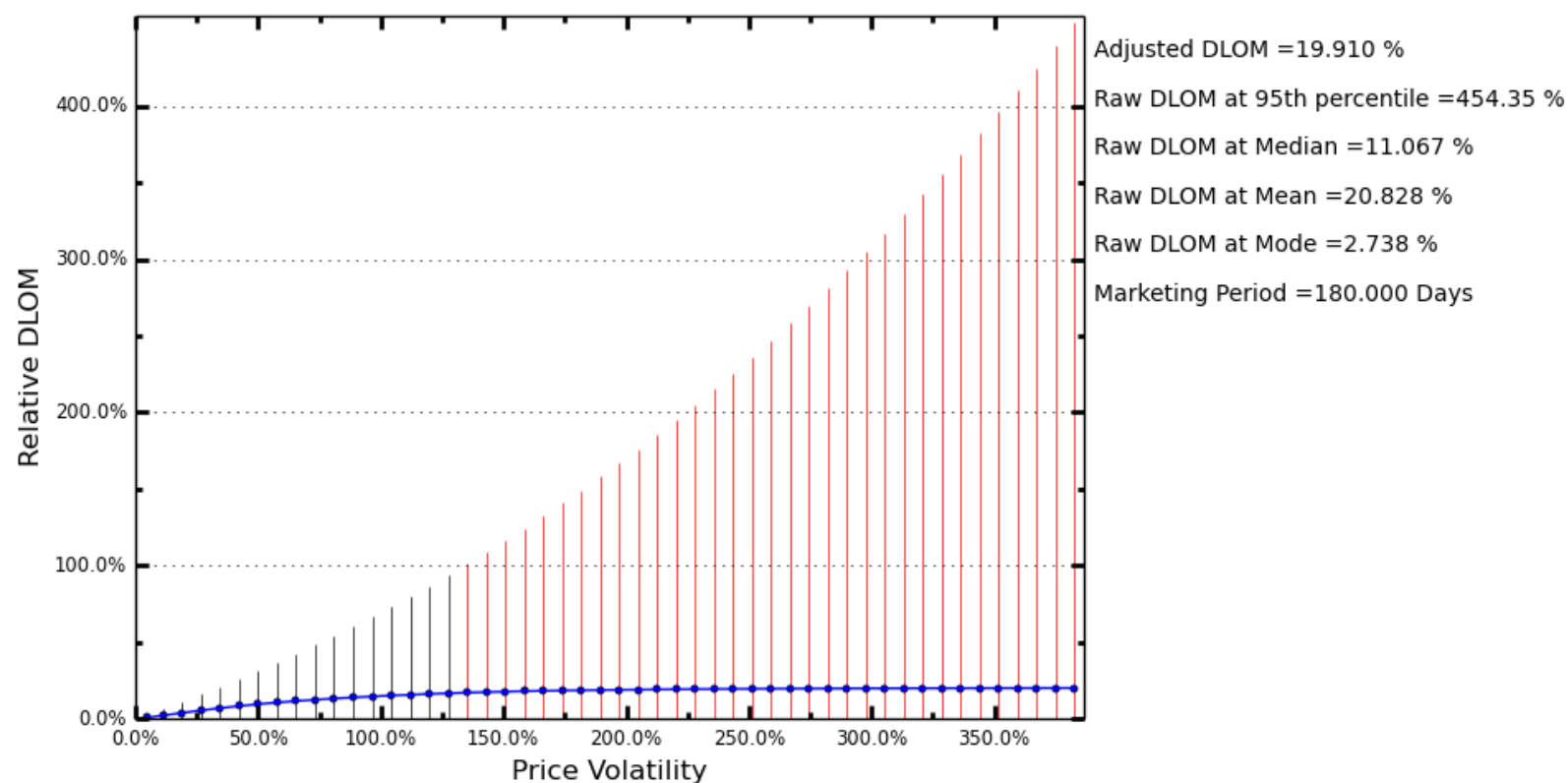
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### DLOM Graphs

Some combinations of marketing period and price volatility are yielding raw DLOMs greater than 100%.  
The VFC DLOM Calculator has limited these combinations to 100% DLOM.

#### Cumulative Probability Adjusted DLOM (Price Volatility)





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