



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

Appraiser

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Valuation Subject

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

Valuation Date

10 / 05 / 2016

Report Date

10 / 05 / 2016

Probability-Adjusted Discount for Lack of Marketability

8.7%

Summary Results

Discount for Lack of Marketability

	Low Bound	Average	High Bound
Probability Adjusted DLOM	8.3%	8.7%	9.1%
Cumulative DLOM at Price Mean	3.2%	3.2%	3.7%
Cumulative DLOM at Price Median	2.2%	2.1%	2.6%
Cumulative DLOM at Price Mode	0.6%	0.5%	0.9%

Marketing Period

	Low Bound	Average	High Bound
Mean	180.0	180.0	180.0

Price Volatility

	Low Bound	Average	High Bound
Probability Adjusted Price Volatility	14.0%	14.7%	15.4%
Mean	14.3%	15.0%	15.7%
Median	10.2%	11.0%	11.8%
Mode	5.3%	5.9%	6.6%
Standard Deviation	13.8%	13.8%	13.8%
Coefficient of Variation	1.0	0.9	0.9
95th Percentile	99.6%	98.8%	98.1%



SINGLE PROBABILITY DLOM

Based on Price Volatility Probability

Valuation Date: 10/05/2016

For: **Sample Company**

Summary Results

User Provided Marketing Days

Number of Days

180

Price Volatility Statistics

Ticker	Average	Standard Deviation	Price Volatility Days	Coefficient of Variation	Standard Error	From Date	To Date	95% Confidence Interval	
								Low	High
IBM	15.4%	14.9%	500	1.0	0.7%	2014-10-09	2016-10-04	14.1%	16.7%
T	11.6%	9.8%	500	0.8	0.4%	2014-10-09	2016-10-04	10.8%	12.5%
F	17.9%	16.8%	500	0.9	0.8%	2014-10-09	2016-10-04	16.4%	19.4%
Overall	15.0%	13.8%	1,500	0.9	0.4%	2014-10-09	2016-10-04	14.3%	15.7%

Formula Inputs

Selected Formula

Longstaff

Marketing Period Carrying Cost

Simple

Cost of Money (APR)

0%



SINGLE PROBABILITY DLOM

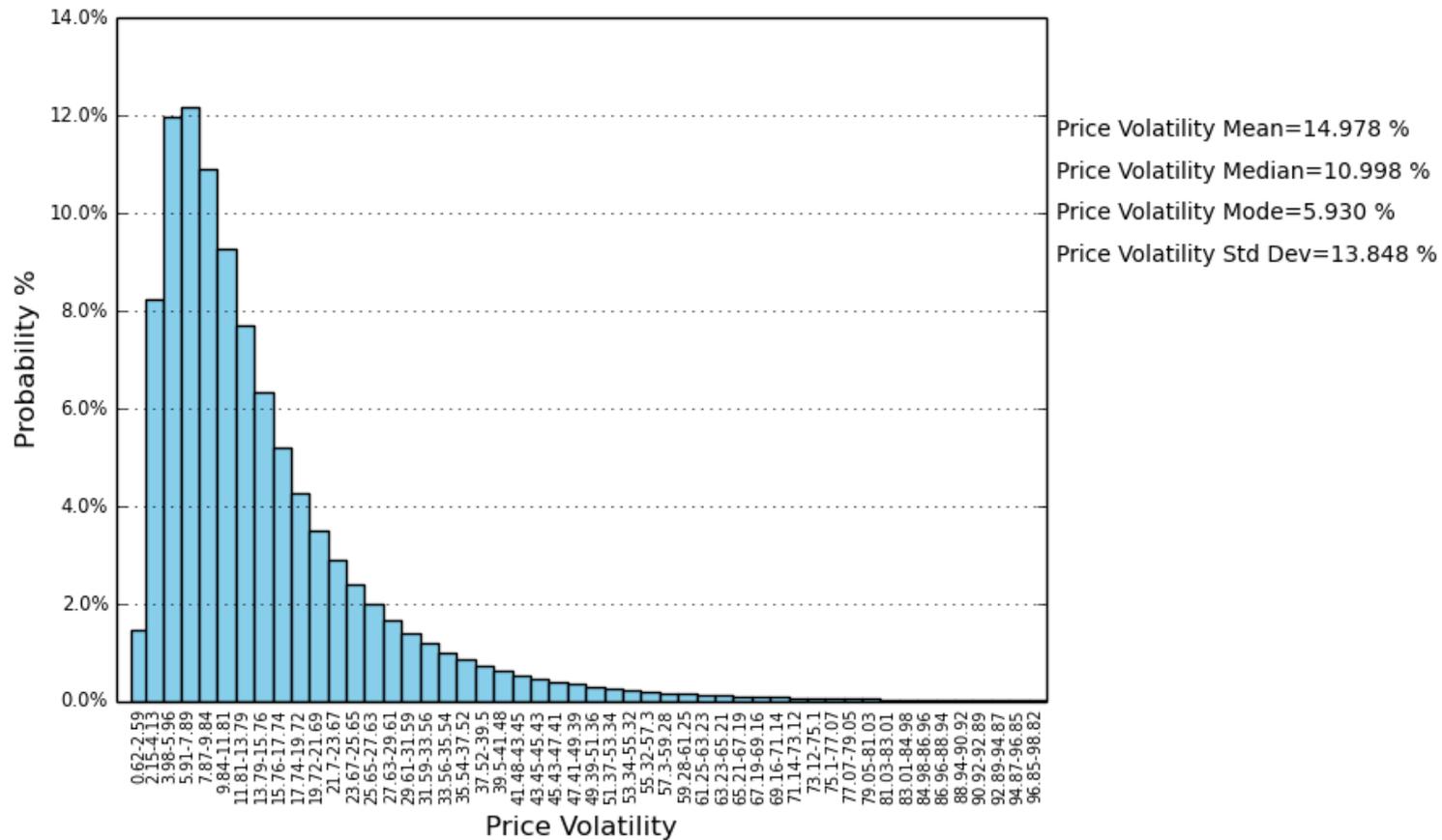
Based on Price Volatility Probability

Valuation Date: 10/05/2016

For: **Sample Company**

Price Volatility Graphs

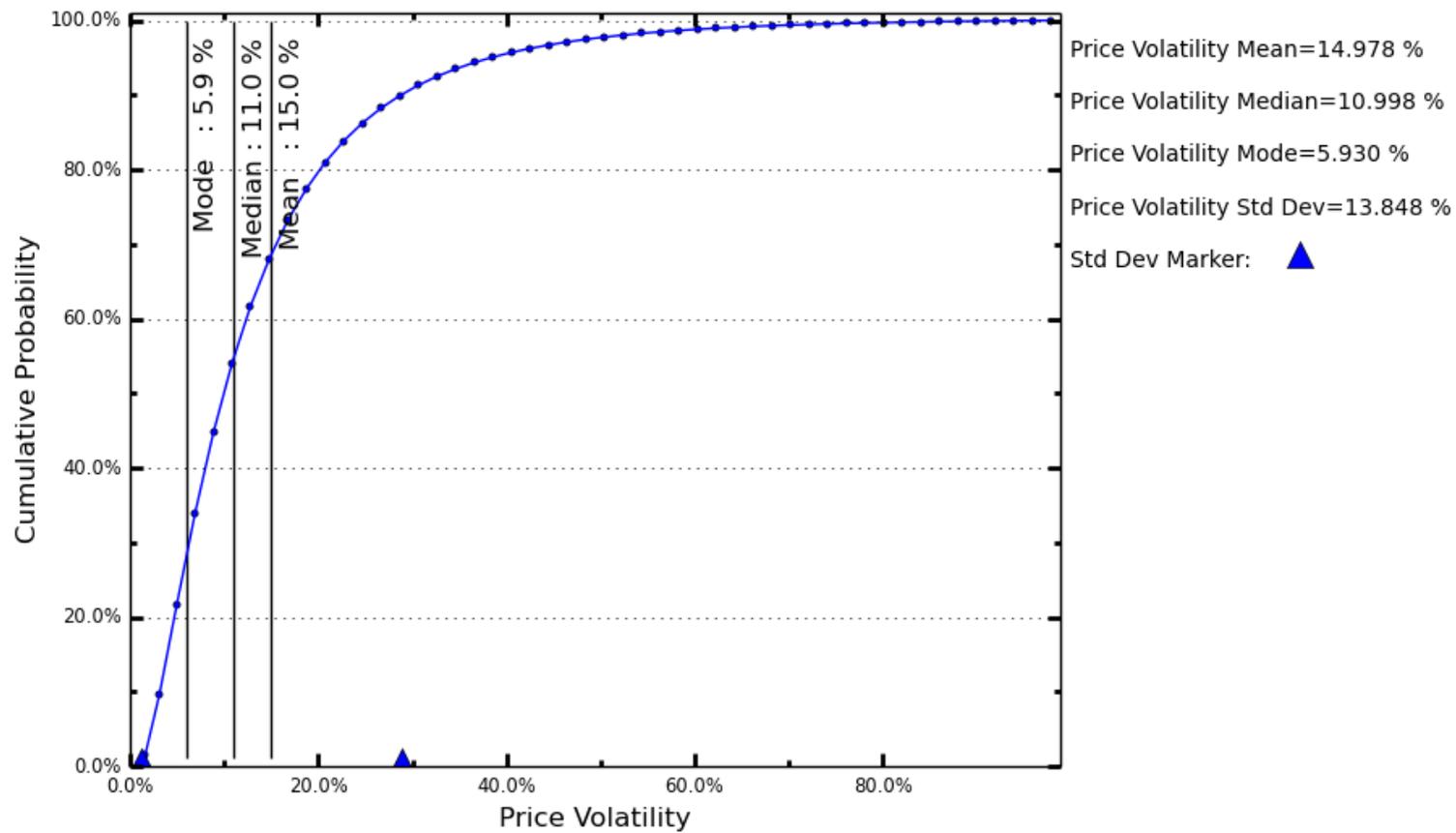
Probabilities by Price Volatility Intervals





Price Volatility Graphs

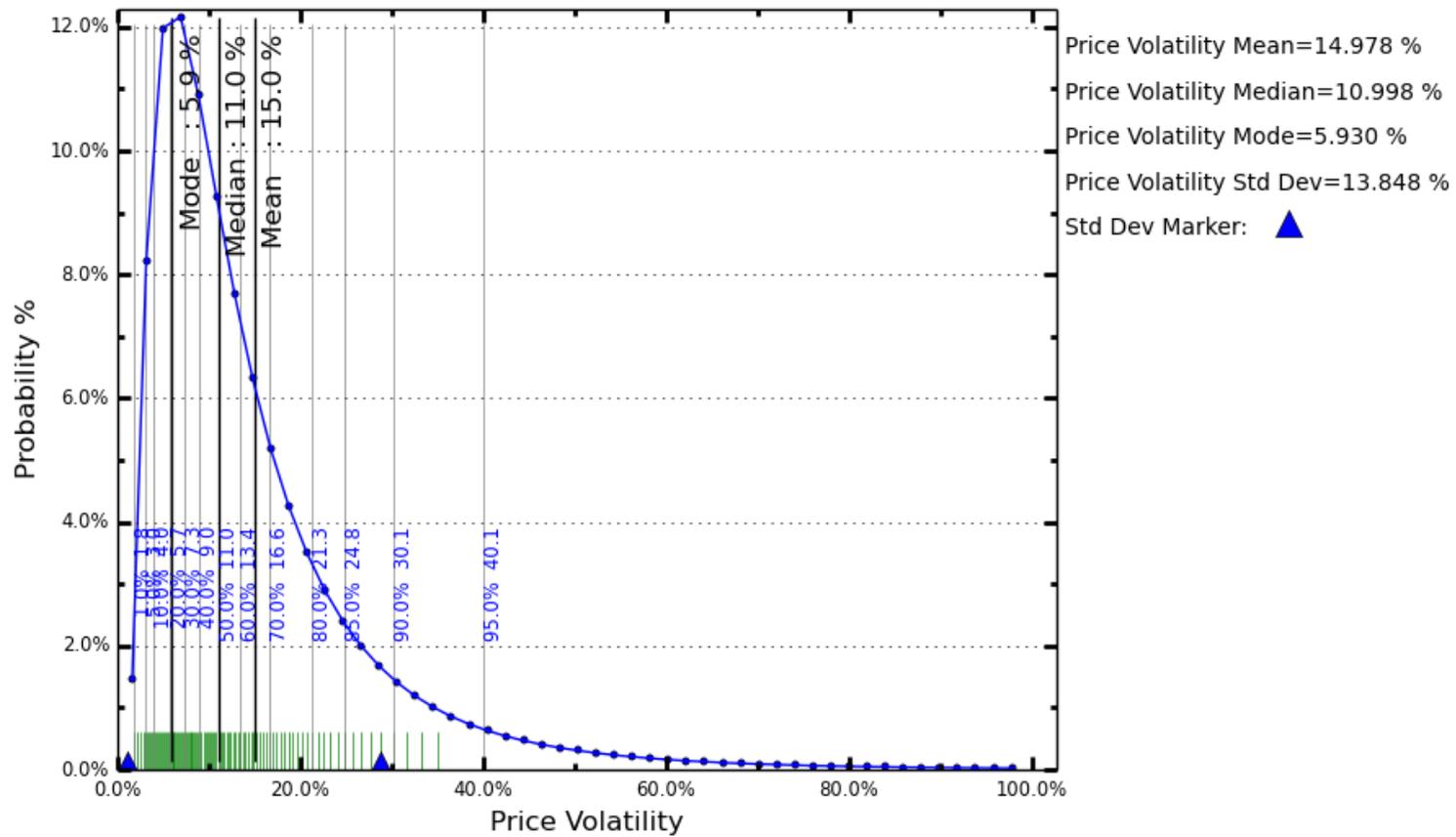
Cumulative Probability of Price Volatility





Price Volatility Graphs

Probabilities by Price Volatility Intervals





SINGLE PROBABILITY DLOM

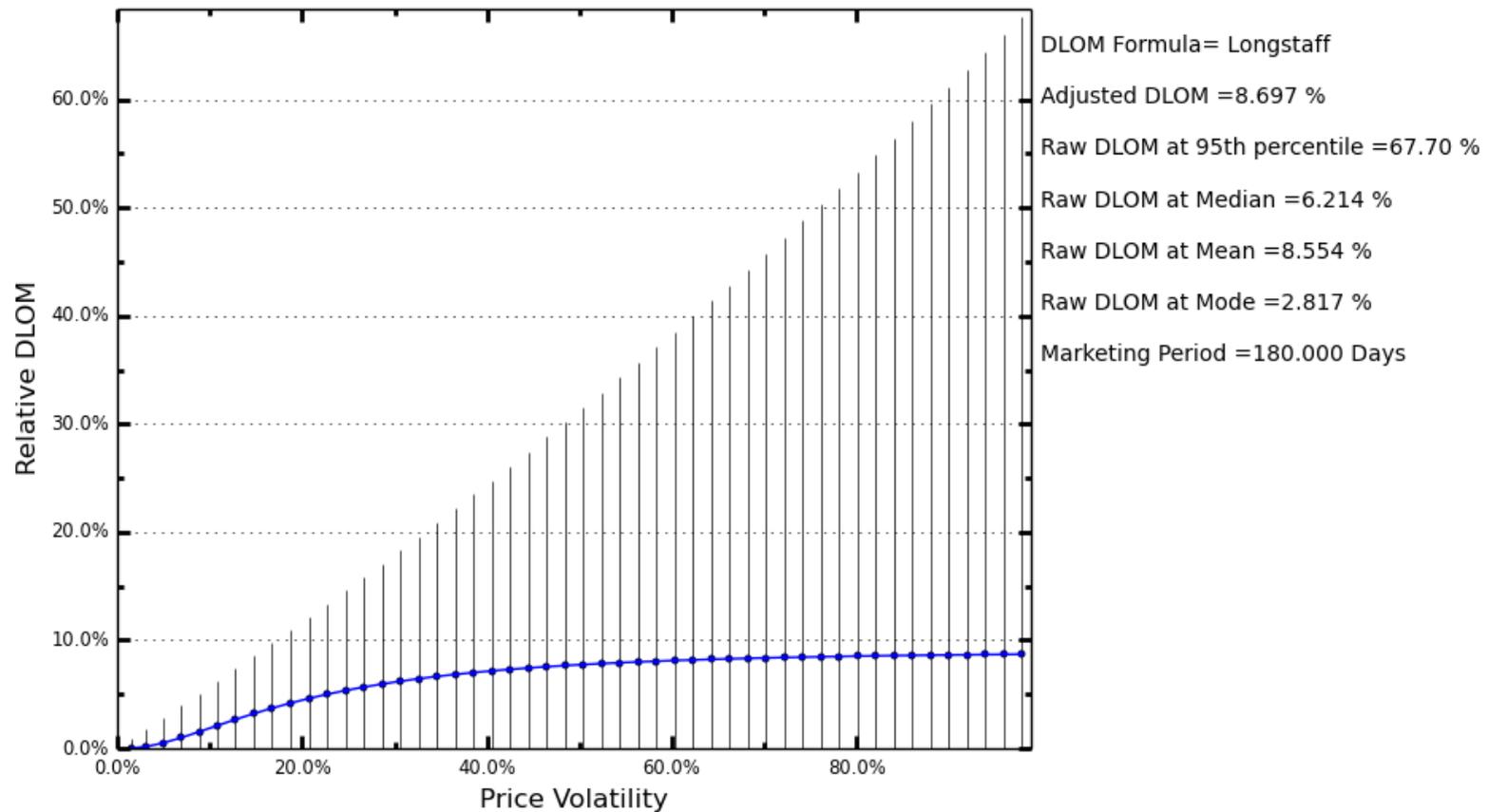
Based on Price Volatility Probability

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DLOM Graphs

Cumulative Probability Adjusted DLOM (Price Volatility)





DLOM Graphs

Cumulative Probability Adjusted DLOM (Price Volatility)

