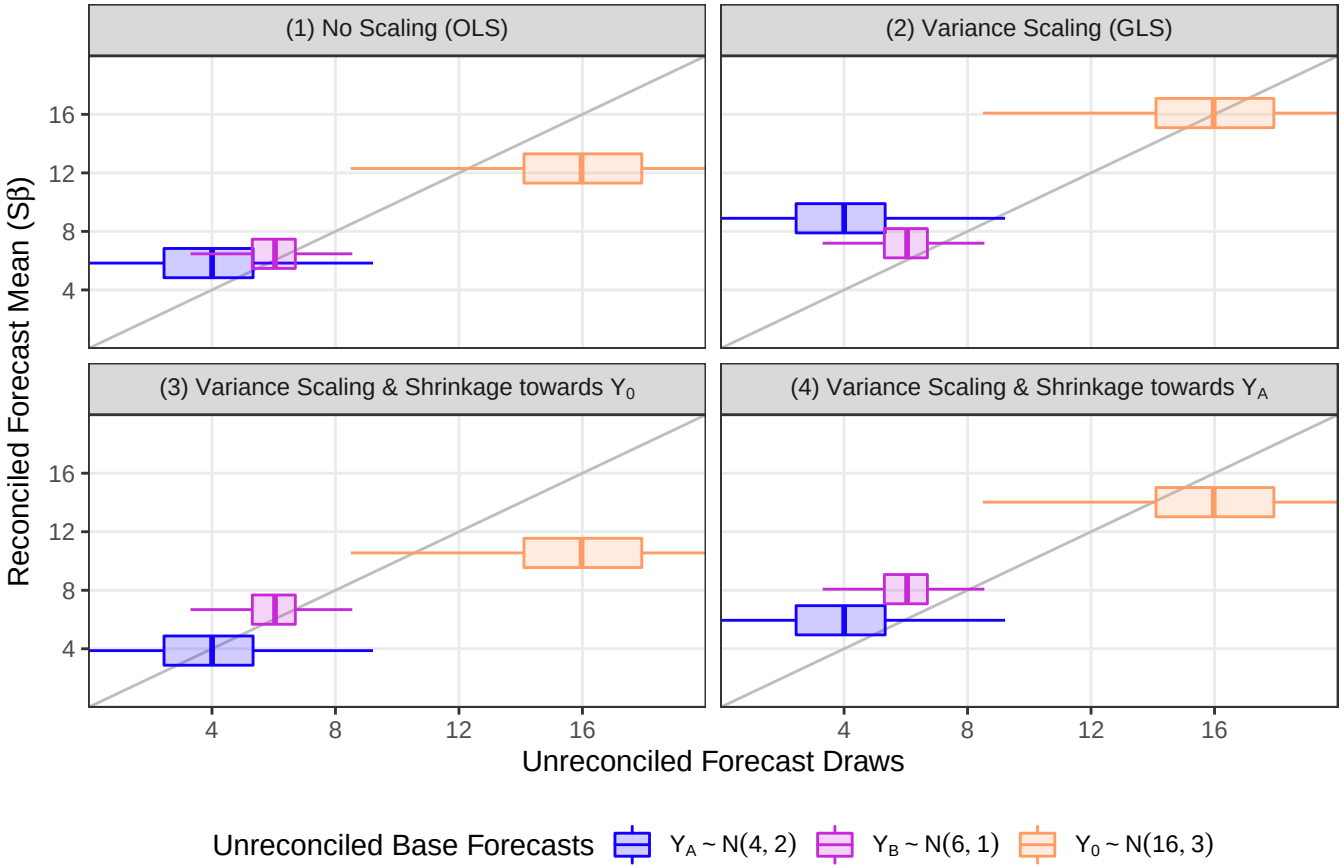
(1) No Scaling (OLS)
(2) Variance Scaling (GLS)
(3) Variance Scaling & Shrinkage towards Y_0
(4) Variance Scaling & Shrinkage towards Y_A
Reconciled Forecast Mean (Sβ)
Unreconciled Forecast Draws
4
8
12
16
Unreconciled Base Forecasts
$Y_A \sim N(4, 2)$
$Y_B \sim N(6, 1)$
$Y_0 \sim N(16, 3)$