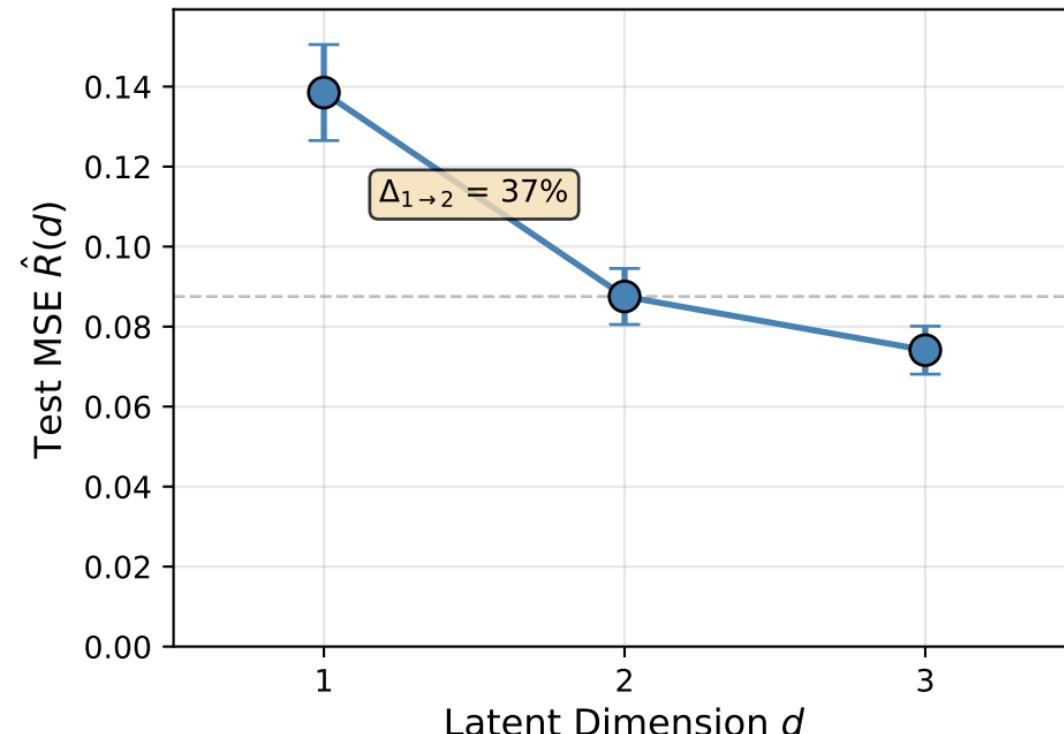# Minimal Predictive Risk $\hat{R}(d)$ vs. Latent Dimension

Moderate Persistence
$(\rho_e = 0.85, a_{min} = -1)$

$\Delta_{1 \to 2} = 37\%$

High Persistence
$(\rho_e = 0.95, a_{min} = -1)$

$\Delta_{1 \to 2} = 83\%$

Test MSE $\hat{R}(d)$

Latent Dimension d