

Economic Overview

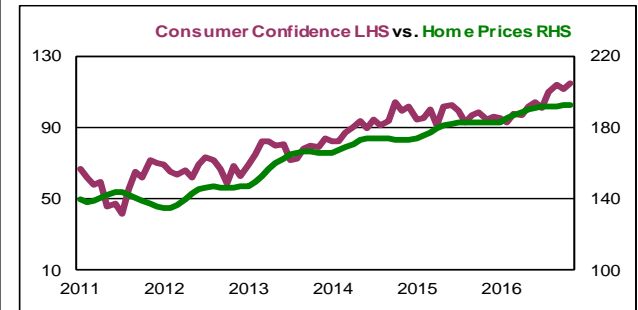
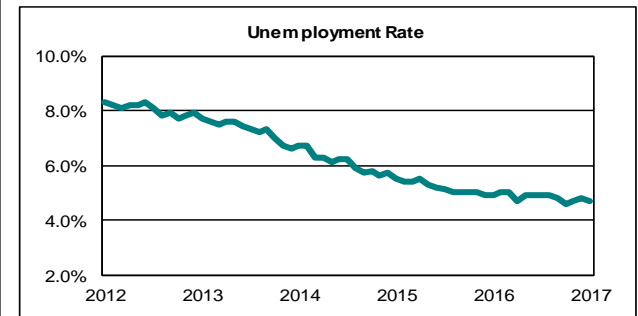
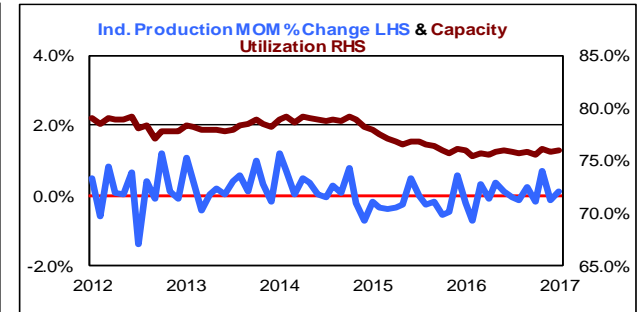
President Trump's first 100 days have thus far proven an adventure in politics, taking away much of the limelight from the somewhat maddeningly consistent economic data that we investors have by now come to expect. From employment and housing to manufacturing and prices, the economic data picture is one of a strong labor market, rising home values, solid industrial numbers and low inflation. Goldilocks, indeed.

The steady recovery from the depths of the recession in 2008-09 have us once again exploring the NAIRU boundary (non-accelerating inflation rate of unemployment). February's unemployment rate edged lower by a tick from the prior month, coming in at 4.7%, with +235k new jobs added. Average Hourly Earnings grew by +0.2% on the month and are now up +2.8% YoY. This is an increasingly important indicator to monitor as the Fed's quest for evidence of inflation usually starts here. The labor market remains healthy with the JOLTS data (US Job Openings by Industry Total) continuing to set new highs, a bullish sign for employment and wages.

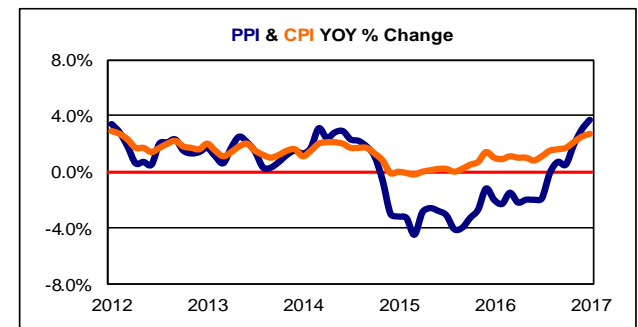
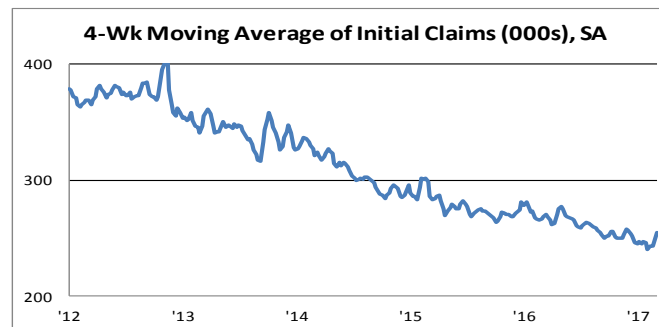
Having hit a record high in October of 2016, the S&P CoreLogic Case-Shiller U.S. National Home Price Index continued to make ground in January, rising +5.9% from the year ago period. Though off its highs of 2013, the US Home Price Affordability Index has held steady around the 165 level, with low interest rates buoying home buying.

The Markit US Manufacturing PMI came in at 54.2 in February signifying continued expansion in the industrial sector. The preliminary Durable Goods number for February rose +1.7% MoM while Industrial Production was unchanged. Capacity Utilization held steady around 75.4% while Retail Sales edged up +0.1% MoM.

As suggested above, inflation remains elusive. Despite one interest rate hike thus far in 2017 (and hints for two more floating about), the PCE Deflator remains a modest 1.9% while Core CPI registered a +2.2% change in February and Core PPI just a +1.5% gain. Modest pressures on prices will surely give the Fed pause before acting too swiftly, likely prolonging this current benign economic state. Neither too hot nor too cold, the economic porridge appears to be currently just right, and likely to stay that way for some time.



Key Data Points				
Name	Current	For	Previous	For
Retail Sales ex. Autos MOM %	0.20%	February	1.20%	January
Housing Starts	1,288K	February	1,251K	January
Factory Orders MOM %	1.20%	January	1.30%	December
Leading Indicators MOM %	0.60%	February	0.60%	January
Unit Labor Costs	1.70%	Q4 2016	0.70%	Q3 2016
GDP QOQ (Annualized)	2.10%	Q4 2016	3.50%	Q3 2016
Wholesale Inventories	0.40%	February	-0.20%	January
MBA Mortgage Applications	-0.80%	March	5.80%	February



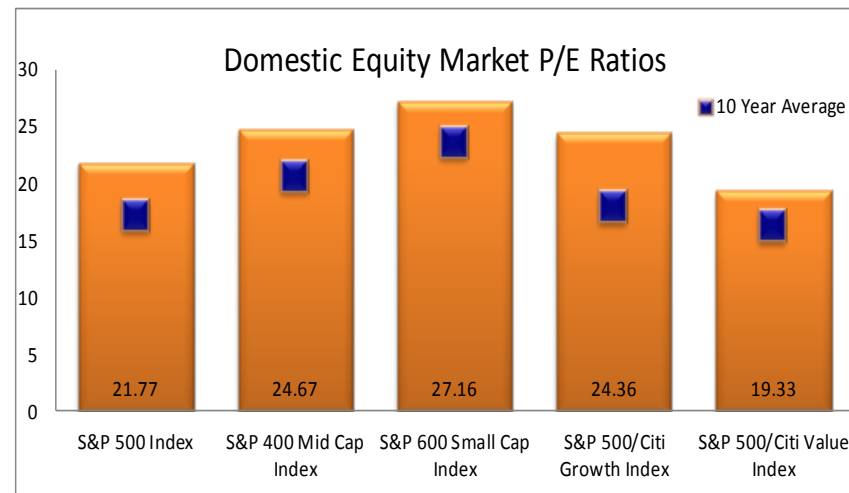


Domestic Equity

U.S. Equities finished the month relatively unchanged after a strong start to the first quarter. The benchmark S&P 500 Index rose a scant +0.12% on the month, but finished the quarter up +6.07% on a total return basis. Mid- and Small-Caps, as measured by the S&P 400 Index and S&P 600 Index, finished March in the red, posting declines of -0.39% and -0.12%, respectively. Beneficiaries of the "Trump Trade," SMID caps rose sharply post-election, but have cooled off so far in 2017. For the quarter, Mid- and Small-Caps posted total returns of +3.94% and +1.05%, respectively, trailing their Large-Cap counterparts by a wide margin. With valuations stretched, earnings stagnant, and hopes for both individual and corporate tax reform waning after the healthcare bill debate, it remains to be seen what the Commander in Chief has left up his sleeve for the remainder of 2017. Should infrastructure policies materialize and tax reform take center stage, SMID caps could once again benefit; however, much remains to be seen.

From a sector standpoint, only three of eleven S&P 500 sectors finished the month in positive territory. Technology, Consumer Discretionary, and Materials posted positive returns of +2.55%, +2.05%, and +0.48%, respectively. Technology was the major standout in the first quarter, posting strong gains of +12.57% thanks to a +24.57% gain for Apple. Facebook, the third largest holding in the SPDR Technology Sector ETF (ticker: XLK) was up +23.47%. Amazon, the largest holding in the Consumer Discretionary sector gained +18.23% during the quarter, propelling the Consumer Discretionary sector +8.45% on the quarter.

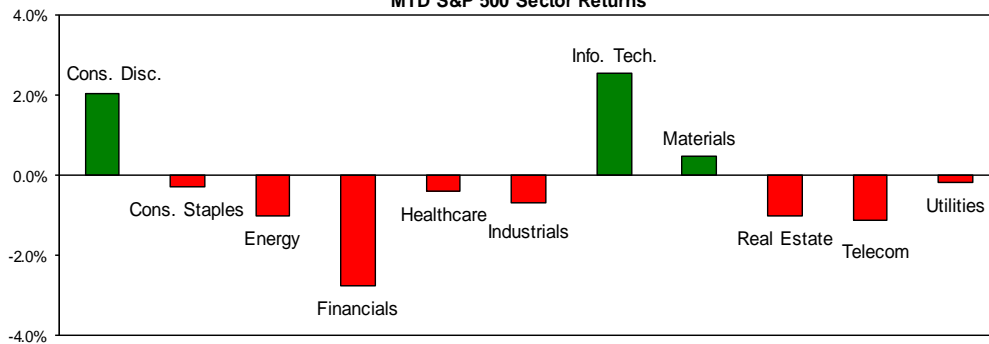
Financials were the month's worst performers, losing -2.77% in March, after posting strong gains post-election and through the first two months of the year. More specifically, Banks were the worst performing industry group, with money center banks down -3.25% in March, and regional banks down -6.22%. For the quarter, Energy was the worst performing sector, down -6.88%, as West Texas Intermediate (WTI) crude oil prices dropped and crude oil inventories continued to pile up. Specifically, Exxon Mobil and Chevron, which account for nearly 40% of the S&P 500 Energy sector, were some of the biggest decliners, down -8.30% and -7.90%, respectively on the quarter.



Domestic Equity Returns

Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
S&P 500 Index	0.12%	6.07%	6.07%	17.16%	10.35%	13.28%
S&P 400 Mid Cap Index	-0.39%	3.94%	3.94%	20.91%	9.34%	13.28%
S&P 600 Small Cap Index	-0.12%	1.05%	1.05%	24.48%	9.39%	14.19%
S&P 500/Citi Growth Index	1.25%	8.53%	8.53%	15.39%	11.51%	13.75%
S&P 500/Citi Value Index	-1.19%	3.29%	3.29%	18.65%	8.86%	12.63%

MTD S&P 500 Sector Returns



S&P 500 Sector Returns

Sector	MTD	QTD	YTD	1 Year	3 Year	5 Year	% of S&P 500
Consumer Discretionary	2.05%	8.45%	8.45%	13.17%	12.62%	16.23%	12.67%
Consumer Staples	-0.30%	6.36%	6.36%	6.16%	11.29%	12.88%	10.28%
Energy	-1.03%	-6.68%	-6.68%	14.26%	-4.98%	1.71%	6.41%
Financials	-2.77%	2.53%	2.53%	32.55%	11.61%	15.33%	13.92%
Healthcare	-0.42%	8.37%	8.37%	11.59%	10.11%	16.63%	13.66%
Industrials	-0.69%	4.56%	4.56%	18.37%	9.90%	14.12%	9.99%
Information Technology	2.55%	12.57%	12.57%	24.91%	16.80%	14.62%	21.95%
Materials	0.48%	5.86%	5.86%	19.22%	5.56%	9.45%	2.83%
Real Estate	-1.03%	3.54%	3.54%	1.01%	7.73%	6.98%	2.92%
Telecommunications	-1.15%	-3.97%	-3.97%	1.69%	7.91%	10.27%	2.31%
Utilities	-0.19%	6.40%	6.40%	7.06%	11.30%	12.08%	3.07%

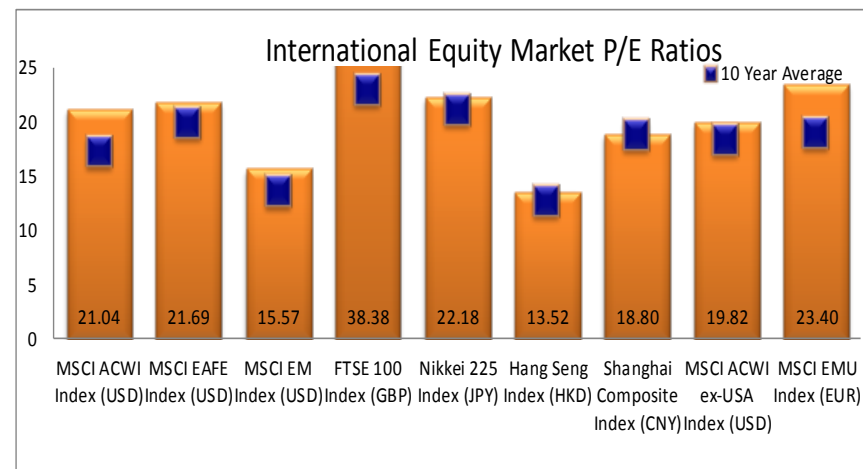
International Equity

Major International equity markets posted strong returns during March, with Eurozone equities, as measured by the MSCI EMU Index, leading the charge up +5.46%. Both Developed International equities, as measured by the MSCI EAFE Index, and Emerging Markets equities, as measured by the MSCI EM Index, posted strong gains, up +2.84% and +2.54%, respectively. At the country level returns were less than stellar. Hong Kong equities, as measured by the Hang Seng Index, and British equities, as measured by the FTSE 100 Index, posted returns of +1.69% and +1.12%, respectively. Japanese and Chinese equities were worse off, with the Nikkei 225 Index and Shanghai Composite Index off -0.47% and -0.57%, respectively.

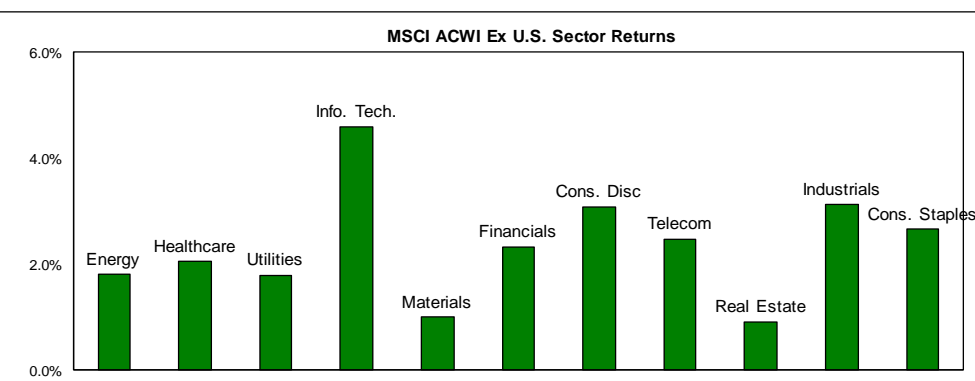
For the quarter, International equities handily outperformed Domestic equities, reversing a longstanding trend where U.S. equities have led the pack. Developed International and Emerging Markets equities gained +7.39% and +11.45% for the quarter, compared to +6.07% for the S&P 500. While it remains to be seen whether or not this trend is here to stay, there are a plethora of reasons to favor International equities moving forward. Expectations for global growth have stabilized, inflation trends have picked up, and manufacturing PMI readings continue to accelerate. These trends, along with rising confidence indicators, suggest that earnings estimates could pick up from here. Couple that with attractive relative valuations on a forward looking basis, and International equities may continue to perform well.

From a sector standpoint, Technology was the best performing sector outside of the U.S., gaining +4.58% on the month and +14.57% on the quarter. With little disparity amongst the majority of MSCI ACWI ex U.S. sectors, the only other standout performer was the Energy sector, which lost -0.80% during the quarter. Energy was also the worst performer in the S&P 500.

Looking ahead, French elections still loom as a key political risk impacting the Eurozone, while further details on the ECB's QE program are likely to come on April 27th, which could indicate the next move in the Euro. A hawkish stance from the ECB could cause a Euro rally, which could give investors more confidence investing overseas, and add a second element to total returns.



International Equity Returns						
Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
MSCI ACWI Index (USD)	1.28%	7.04%	7.04%	15.70%	5.68%	8.99%
MSCI EAFE Index (USD)	2.84%	7.39%	7.39%	12.30%	1.06%	6.42%
MSCI EM Index (USD)	2.54%	11.45%	11.45%	17.63%	1.52%	1.15%
FTSE 100 Index (GBP)	1.12%	3.67%	3.67%	23.39%	7.51%	8.88%
Nikkei 225 Index (JPY)	-0.47%	-0.38%	-0.38%	14.87%	10.35%	15.42%
Hang Seng Index (HKD)	1.69%	10.14%	10.14%	20.56%	6.77%	7.11%
Shanghai Composite Index (CNY)	-0.57%	3.85%	3.85%	9.50%	19.29%	10.03%
MSCI ACWI ex-USA Index (USD)	2.61%	7.98%	7.98%	13.73%	1.09%	4.90%
MSCI EMU Index (EUR)	5.46%	7.24%	7.24%	21.02%	8.74%	12.62%



MSCI ACWI Ex U.S. Sector Returns							
Sector	MTD	QTD	YTD	1 Year	3 Year	5 Year	% of ACWI
Energy	1.79%	-0.80%	-0.80%	19.32%	-5.90%	-3.28%	7.00%
Healthcare	2.03%	8.35%	8.35%	2.04%	0.78%	9.44%	6.41%
Utility	1.79%	7.13%	7.13%	4.99%	4.05%	6.38%	6.09%
Information Technology	4.58%	14.57%	14.57%	26.34%	9.12%	9.94%	9.54%
Materials	0.99%	8.50%	8.50%	29.61%	-0.86%	-1.90%	7.29%
Financials	2.32%	7.66%	7.66%	20.89%	1.49%	6.60%	21.09%
Consumer Discretionary	3.07%	6.88%	6.88%	9.43%	1.28%	6.96%	11.59%
Telecommunications	2.47%	6.08%	6.08%	-0.17%	-0.41%	4.87%	5.93%
Real Estate*	0.90%	6.85%	N/A	N/A	N/A	N/A	3.45%
Industrials	3.11%	9.59%	9.59%	14.21%	2.06%	6.04%	11.46%
Consumer Staples	2.65%	8.64%	8.64%	2.75%	3.45%	6.62%	10.14%

*The MSCI ACWI Ex. USA Real Estate Sector was developed on August 31st, 2016



Fixed Income

The Federal Reserve raised short-term interest rates by 25 basis points at its March meeting, a move which had been widely telegraphed and fully priced in to the bond market. Chair Yellen appeared in her post-meeting presser to be setting investors up for one to two more hikes in 2017, although she reiterated her desire to move at a measured pace. Since the Fed meeting on March 15th, the yield on the 10 year Treasury has dropped by nearly 25 basis points as continued slow global growth emboldens fixed income investors.

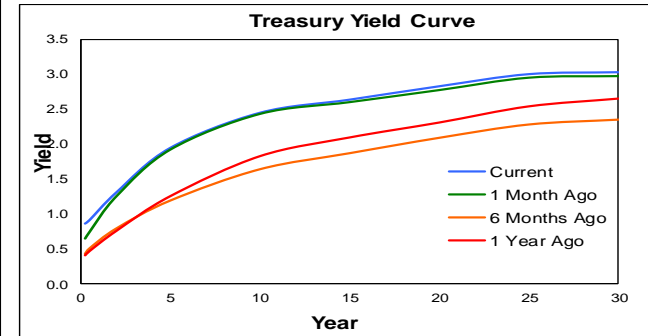
Most bond indices finished March slightly in the red (but up nicely for the quarter) as volatility in the bond markets continued to decline. The Merrill Lynch Option Volatility Estimate is approaching levels last seen in 2014. No one knows where, what or when the next shock to the bond market will occur, however, the Fed has been increasingly vocal on the topic of paring back it's bloated \$4.5 trillion balance sheet. This will undoubtedly take time and care as not to upset the status quo; however any missteps will likely be pronounced as overall liquidity in the markets remains challenging.

In Q1, risk once again dominated, with the ML USD Emerging Market Sovereign & Credit Index surging 4.18% while the ML US High Yield Master II Index gained 2.71% and the ML Municipal High Yield Index added 2.59%. US corporates gained 1.42% as spreads tightened throughout Q1, while US tax-free bonds gained 1.39%, with continued strong demand being witnessed, despite the talk of talk cuts on the horizon.

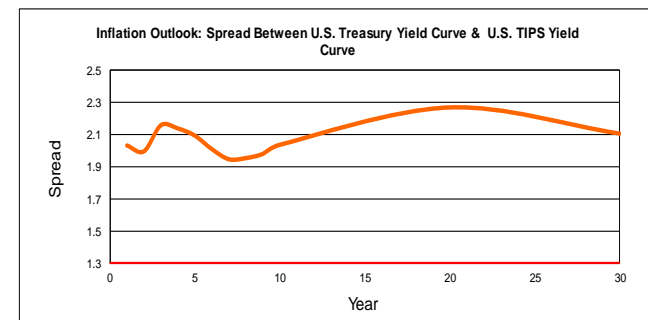
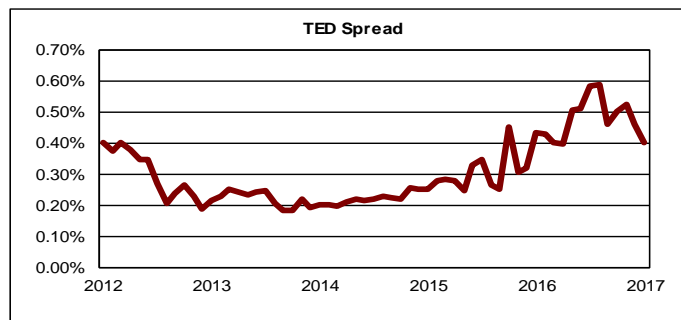
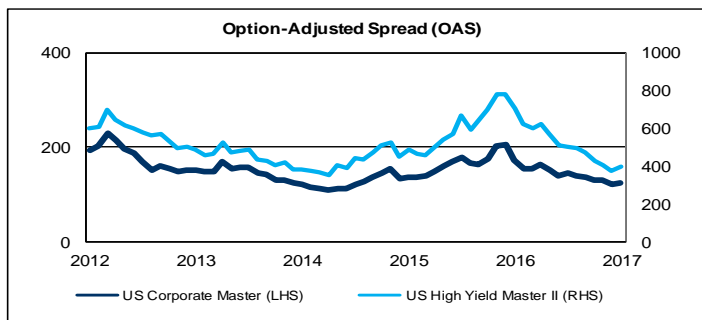
With Japanese and Eurozone yields still broadly negative out to 5 years, demand remains strong for US debt and will likely prevent a surge in US yields should inflation pick up unexpectedly. That said, TIPS appear reasonably attractive right now with break-even inflation rates at roughly 2.0% in the 10-year area and just 2.1% out 30 years. Although we don't anticipate a near-term surge in prices, by our lights it doesn't appear an unreasonable bet to think inflation will merely revert to the norm of the past 50 years or so. Should that occur, investors should be far better off with inflation-adjusted bonds versus standard issue Treasuries.

Central Bank Activity				
Name	Current	1 Month Ago	6 Months Ago	1 Year Ago
Fed Funds Rate	1.00%	0.75%	0.50%	0.50%
Bank of Japan Target Rate	0.10%	0.10%	0.10%	0.10%
European Central Bank Rate	0.00%	0.00%	0.00%	0.05%
Bank of England Official Bank Rate	0.25%	0.25%	0.25%	0.50%

Fixed Income Returns				
Name	MTD	QTD	YTD	1 Year
ML U.S. Treasury/Agency Master Index	-0.05%	0.69%	0.69%	-1.39%
ML U.S. Broad Market Index	-0.04%	0.87%	0.87%	0.42%
ML U.S. Corporate Master Index	-0.12%	1.42%	1.42%	3.41%
ML U.S. High Yield Master II Index	-0.21%	2.71%	2.71%	16.88%
ML USD Emerging Market Sovereign & Credit Index	0.13%	4.18%	4.18%	15.32%
ML Global Government Bond II Index	-0.18%	-0.13%	-0.13%	-0.87%
ML Municipal Master Index	0.23%	1.39%	1.39%	0.19%
ML Municipal High Yield Index	-0.71%	2.59%	2.59%	6.59%



U.S. Treasury Yields									
Period	3 Month	6 Month	2 Year	5 Year	10 Year	15 Year	20 Year	25 Year	30 Year
Current	0.86%	0.91%	1.31%	1.94%	2.45%	2.63%	2.82%	3.00%	3.03%
1 Month Ago	0.65%	0.74%	1.25%	1.92%	2.43%	2.60%	2.77%	2.95%	2.97%
6 Months Ago	0.43%	0.51%	0.79%	1.19%	1.64%	1.87%	2.09%	2.28%	2.35%
1 Year Ago	0.41%	0.47%	0.76%	1.25%	1.83%	2.09%	2.31%	2.54%	2.65%



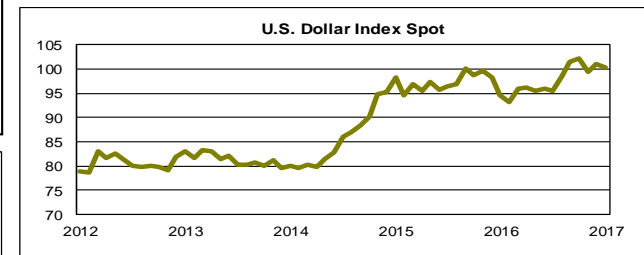
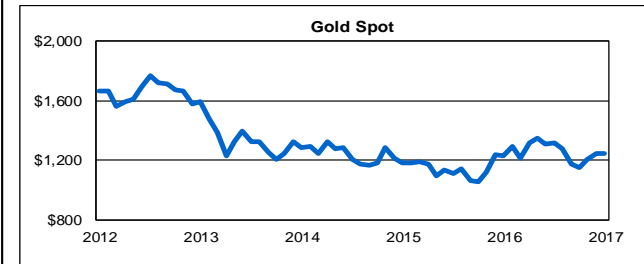
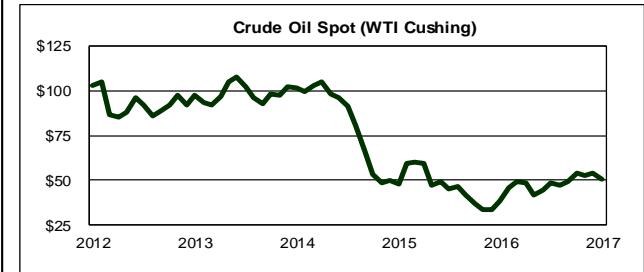
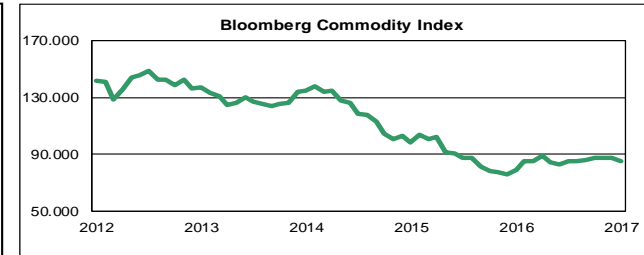
Alternative Investments

Alternative investments were mostly negative performers in March. West Texas Intermediate (WTI) crude oil was the group's worst performer, down -6.3% on the month as WTI fell more than \$3/barrel to close at \$50.60/barrel. For the quarter, WTI lost -5.8% as crude stock piles rose and the Baker Hughes rig count continued to increase. Many operators are able to bring crude online much quicker, and much cheaper than years before, with overall breakeven prices continuing to fall. Absent a true drawdown in stockpiles, or further OPEC production cuts, WTI prices are likely to remain range bound for the foreseeable future. The drop in crude prices dragged down the broad Bloomberg Commodities Index to the tune of -2.7%, even as the Dollar, as measured by the DXY Index lost -0.8% on the month. For the quarter, the Dollar gave back most of its post-election gains, falling -1.8% to close at 100.35. Additionally, Real Estate, as measured by the FTSE NAREIT All REIT Index, lost -2.1% in March, but managed to gain +1.9% on the quarter.

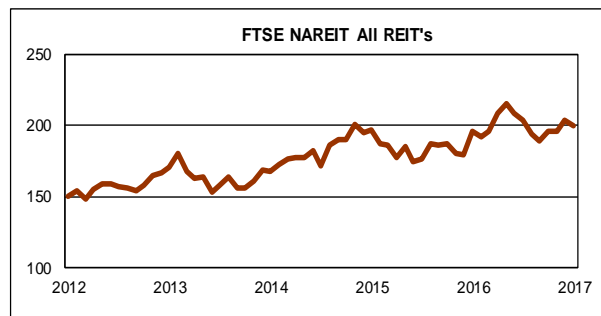
Gold was the quarter's top performer, up +8.4%, after tacking on a +0.1% gain in March. The precious metal climbed nearly \$100/oz during the quarter to close at \$1,249/oz on the NYMEX. Gold has gained as volatility remains subdued (a natural tail hedge) and as real interest rates have declined (thanks to rising inflation). Looking ahead, a spike in market volatility or inflation, both of which are somewhat probable, may be boons for Gold.

From a currency standpoint, the Yen continued to strengthen versus the Dollar, a key barometer for both risk aversion and safety. The Yen gained more than +1% during the month and nearly +5% during the quarter as investors continue to monitor Japanese economic data and seek safe haven assets. The Yen closed at 111.39 JPY/USD at the end of March. Similarly, both the Pound and Euro strengthened on the month and quarter as better economic data was supportive of a stronger currency. The Pound closed the month at \$1.26 USD/GBP, while the Euro climbed to \$1.07 USD/EUR.

Lastly, Hedge Funds continued to struggle, with mixed performance in March, and significant underperformance against the S&P 500 for the quarter. The top performing Hedge Fund strategy on the year is U.S. Equity Hedge, which is up +2.68% on the year, gaining less than half the return of the benchmark S&P 500 Index.



Hedge Funds						
Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
Global Hedge	0.00%	1.63%	1.63%	6.16%	-0.43%	1.34%
Convertible Arbitrage	-0.10%	2.24%	2.24%	9.31%	-1.40%	2.22%
Distressed Securities	-1.36%	1.15%	1.15%	22.93%	1.52%	1.68%
Equity Hedge (L/S)	0.64%	2.68%	2.68%	5.89%	0.18%	2.67%
Equity Market Neutral	1.09%	1.86%	1.86%	-0.75%	1.15%	0.82%
Event Driven	0.01%	2.64%	2.64%	15.43%	-0.33%	3.02%
Macro	-0.59%	-0.37%	-0.37%	-3.37%	0.27%	-0.35%
Merger Arbitrage	0.27%	0.02%	0.02%	2.66%	4.78%	3.60%
Relative Value Arbitrage	-0.29%	0.97%	0.97%	4.91%	-1.74%	-0.27%
Absolute Return	0.32%	0.73%	0.73%	1.62%	1.12%	1.70%



Spot Rates					
Description	Current	1 Month Ago	3 Months Ago	6 Months Ago	1 Year Ago
CAD / USD	1.33	1.33	1.34	1.31	1.30
JPY / USD	111.39	112.77	116.96	101.35	112.57
USD / GBP	1.26	1.24	1.23	1.30	1.44
USD / EUR	1.07	1.06	1.05	1.12	1.14



S&P 500 Index (SPX) – Standard and Poor’s 500 Index is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

S&P 500 Sector Indices (S5COND, S5CONS, S5ENRS, S5FINL, S5HLTH, S5INDU, S5INFT, S5MATR, S5TELS, S5UTIL) – The S&P 500 is broken down into ten sub-indices according to the Global Industry Classification Standard (GICS) sectors. These ten sectors include Consumer Discretionary, Consumer Staples, Energy, Financials, Health Care, Industrials, Information Technology, Materials, Telecommunication Services, and Utilities.

S&P 400 Mid Cap Index (MID) – Standard and Poor’s Mid Cap 400 Index is a capitalization-weighted index, which measures the performance of the mid-range sector of the U.S. stock market.

S&P 600 Small Cap Index (SML) – Standard & Poor’s Small Cap 600 Index is a capitalization-weighted index that measures the performance of selected U.S. stocks with a small market capitalization.

S&P 500/Citigroup Growth Index (SGX) – The S&P 500/Citigroup Growth Index is a market capitalization-weighted index. All the stocks in the underlying parent index are allocated into value or growth. Stocks that do not have pure value or pure growth characteristics have their market caps distributed between the value & growth indices.

S&P 500/Citigroup Value Index (SVX) – The S&P 500/Citigroup Value Index is a market capitalization-weighted index. All the stocks in the underlying parent index are allocated into value or growth. Stocks that do not have pure value or pure growth characteristics have their market caps distributed between the value & growth indices.

MSCI AC World Index (MXWD) – The MSCI AC World Index is a free float-weighted equity index. The index includes both emerging and developed world markets.

MSCI EAFE Index (MXEA) – The MSCI EAFE Index is a capitalization-weighted index that monitors the performance of stocks from developed markets in Europe, Australia-Asia, and the Far East.

MSCI Emerging Market Index (MXEF) – The MSCI Emerging Market Index is a free-float weighted index that is designed to measure the equity performance of international emerging markets.

FTSE 100 Index (UKX) – The FTSE 100 Index is a capitalization-weighted index of the 100 most highly capitalized companies traded on the London Stock Exchange. The equities use an investability quotient weighting in the index calculation.

Nikkei 225 Stock Average Index (NKY) – The Nikkei-225 Stock Average is a price-weighted average of 225 top-rated Japanese companies listed in the First Section of the Tokyo Stock Exchange.

Hang Seng Index (HSI) – The Hang Seng is a free-float capitalization-weighted index of selected companies from the Stock Exchange of Hong Kong. The components of the index are divided into four sub-indices: Commerce and Industry, Finance, Utilities, and Properties.

Shanghai Stock Exchange Composite Index (SHCOMP) – The Shanghai Stock Exchange Composite Index is a capitalization-weighted index. The index tracks the daily price performance of all A-shares and B-shares listed on the Shanghai Stock Exchange.

S&P Global 1200 Index (SPGLOB) – The S&P Global 1200 Index is a composite index, comprised of seven regional and country indices – S&P 500, S&P Europe 350, S&P/TOPIX 150 (Japan), S&P TSX 60 (Canada), S&P/ASX 50 (Australia), S&P Asia 50, and S&P Latin America 50. The S&P Global 1200 is calculated in US dollars. The index is market-cap weighted.

ML U.S. Treasury & Agency Index (GOAO) – The Merrill Lynch U.S. Treasury and Agency Index tracks the performance of U.S. dollar denominated U.S. Treasury and non-subordinated U.S. agency debt issued in the U.S. domestic market.

ML U.S. Broad Market Index (US00) – The Merrill Lynch U.S. Broad Market Index tracks the performance of U.S. dollar denominated investment grade debt publicly issued in the U.S. domestic market, including U.S. Treasury, quasi-government, corporate, securitized, and collateralized securities.



ML U.S. Corporate Index (COA0) – The Merrill Lynch U.S. Corporate Index tracks the performance of U.S. dollar denominated investment grade corporate debt publicly issued in the U.S. domestic market.

ML U.S. High Yield Index (HOA0) – The Merrill Lynch U.S. High Yield Index tracks the performance of U.S. dollar denominated below investment grade corporate debt publicly issued in the U.S. domestic market.

ML Global Government Index (W0G1) – The Merrill Lynch Global Government Index tracks the performance of investment grade sovereign debt publicly issued and denominated in the issuer's own domestic market and currency.

ML U.S. Municipal Securities Index (U0A0) – The Merrill Lynch U.S. Municipal Securities Index tracks the performance of U.S. dollar denominated investment grade tax-exempt publicly issued by U.S. states and territories, and their political subdivisions, in the U.S. domestic market.

FTSE NAREIT All REITs Index (FNAR) – The FTSE NAREIT All REITs Index is a free float adjusted market capitalization-weighted index that includes all tax qualified REITs listed in the NYSE, AMEX, and NASDAQ National Market.

Dow Jones UBS Commodity Index (DJUBS) – The Dow Jones UBS Commodity Index is composed of futures contracts on 19 physical commodities. It reflects the return of underlying commodity futures price movements only. Previously, the index was the Dow Jones AIG Commodity Index.

U.S. Dollar Index (DXY) – The U.S. Dollar Index (USDXY) indicates the general int'l value of the USD. The USDXY does this by averaging the exchange rates between the USD and 6 major world currencies. The ICE US computes this by using the rates supplied by some 500 banks.

HFRX Global Hedge Fund Index (HFRXGL) – The HFRX Global Hedge Fund Index is designed to be representative of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies.

HFRX Convertible Arbitrage Index (HFRXCA) – The HFRX Convertible Arbitrage Index is designed to reflect the general performance of strategies in which the investment thesis is predicated on realization of a spread between related instruments in which one or multiple components of the spread is a convertible fixed income instrument.

HFRX Distressed Securities Index (HFRXDS) – The HFRX Distressed Securities Index is designed to reflect the general performance of strategies focused on corporate fixed income instruments, primarily on corporate credit instruments of companies trading at significant discounts to their value at issuance of obliged (par value) at maturity as a result of either formal bankruptcy proceeding or financial market perception of near term proceedings.

HFRX Macro Index (HFRXM) – The HFRX Macro Index reflects the general performance of strategies in which the investment process is predicated on movements in underlying economic variables and the impact these have on equity, fixed income, hard currency, and commodity markets.

HFRX Equity Hedge Index (HFRXEH) – The HFRX Equity Hedge Index is designed to reflect the general performance of strategies that maintain both long and short positions in primarily equity and equity derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques. Strategies can be broadly diversified or narrowly focused.

HFRX Equity Market Neutral Index (HFRXEMN) – The HFRX Equity Market Neutral Index is designed to reflect the general performance of strategies that employ sophisticated quantitative techniques of analyzing price data to ascertain information about future price movement and relationships between securities.

HFRX Event Driven Index (HFRXED) – The HFRX Event Driven Index reflects the general performance of strategies that maintain positions in companies currently or prospectively involved in corporate transactions of a wide variety including, but not limited to, mergers, restructurings, financial distress, tender offers, shareholder buybacks, debt exchanges, security issuance, or other capital structure adjustments.

HFRX Merger Arbitrage Index (HFRXMA) – The HFRX Merger Arbitrage Index reflects the general performance of strategies which employ an investment process primarily focused on opportunities in equity and equity related instruments of companies which are current engaged in a corporate transaction.

HFRX Relative Value Arbitrage Index (HFRXRVA) – The HFRX Relative Value Arbitrage Index reflects the general performance of strategies that maintain positions in which the investment thesis is predicated on realization of a valuation discrepancy in the relationship between multiple securities.

Economic Data Sources:

PPI & CPI – Bureau of Labor Statistics

Unemployment Rate – Bureau of Labor Statistics

Consumer Confidence – Conference Board

S&P/Case-Shiller Composite 20 – Case-Shiller

Industrial Production – Federal Reserve

Capacity Utilization – Federal Reserve

Retail Sales – U.S. Census Bureau

Housing Starts – U.S. Department of Commerce

Factory Orders – U.S. Census Bureau

Leading Indicators – Conference Board

Unit Labor Costs – Bureau of Labor Statistics

GDP – Bureau of Economic Analysis

Wholesale Inventories – U.S. Census Bureau

MBA Mortgage Applications – Mortgage Bankers Association

4-Week Moving Average of Initial Claims, SA – Bureau of Labor Statistics

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