Nottingham Monthly Market Wrap

October 31, 2016

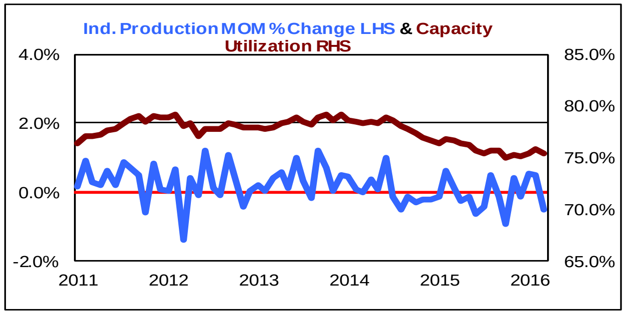
Economic Overview

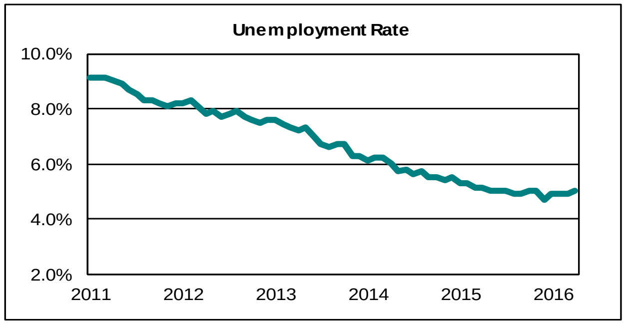
The great "muddle-through" economy continued in earnest during October as all signs pointed to a US economy moving along at a moderate rate of growth, giving the Fed ample leeway to take a measured approach to interest rate recalibrations. As frustrating as these low interest rates are to many savers, they continue to spur economic activity, whether it be corporate M&A, new home sales or borrowing to buy a new car. December's anticipated quarter-point move will likely do little to derail this steady, if unspectacular economic expansion.

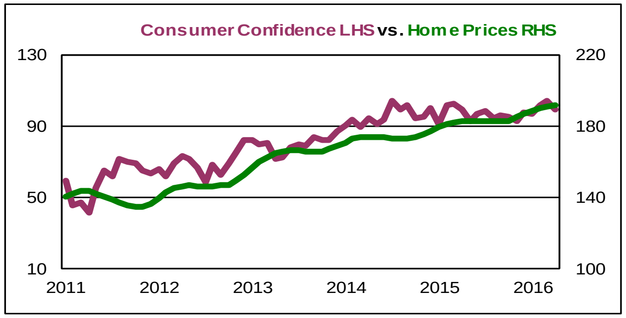
The US unemployment rate for September ticked up slightly to 5.0% from the prior month's 4.9%, with nonfarm payrolls expanding by +156,000, below estimates of +172,000. Private payrolls grew by +167,000 while manufacturing saw a decline of -13,000 jobs. Average hourly earnings ticked up +0.2% MoM and +2.6% YoY while the average work week held steady at 34.4 hours. The Labor Force Participation rate climbed slightly to 62.9% while Initial Jobless Claims dipped below 250,000, continuing the long downward trend in this data series.

Prices crept higher in September with the Producer Price Index registering a higher than expected +0.3% MoM rise (+0.7% rise YoY) while the core measure of wholesale prices (ex-food & energy) ticked up +0.2% MoM and +1.2% YoY. At the consumer level, prices rose +0.3% MoM and +1.5% YoY while core CPI edged up +0.1% MoM and +2.2% YoY. The Fed's preferred measure of inflation, so-called Core PCE or the Personal Consumption Expenditure measure, edged up 0.2% in September and is up +1.7% YoY, darn close to the Fed's +2.0% target.

The one area of the economy that appears most at risk is the manufacturing sector. Aside from the job losses mentioned above, Durable Goods Orders for September fell -0.1%, after rising just +0.1% in August. Industrial Production rose a meager +0.1% last month while Capacity Utilization came in at 75.4%, about a percentage point below the 10-year average for this indicator which measures the US's capacity to produce goods and services. Lastly, and on a bit of a positive note, the Markit US Manufacturing PMI for September came in at 51.5 while the preliminary reading for October showed a rise to 53.2, meaningfully above expectations.

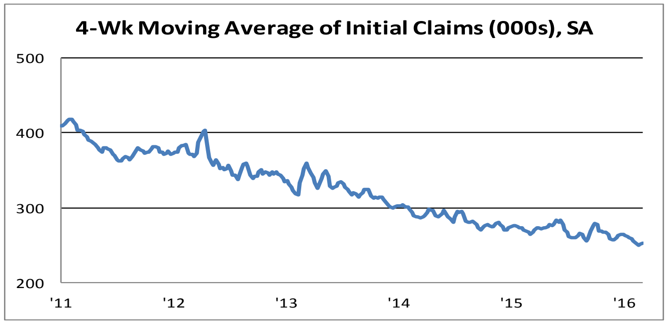


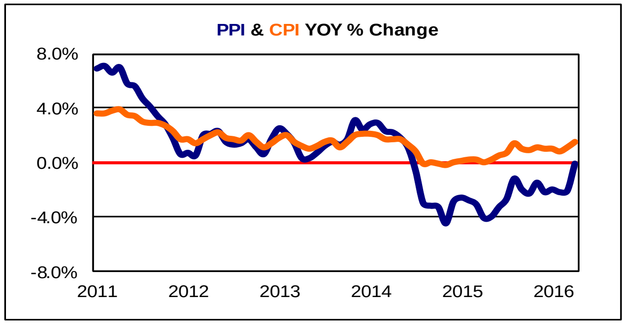




Key Data Points

Name	Current	For	Previous	For
Retail Sales ex. Autos MOM %	0.50%	September	-0.20%	August
Housing Starts	1047K	September	1150K	August
Factory Orders MOM %	0.20%	August	1.40%	July
Leading Indicators MOM %	0.20%	September	-0.20%	August
Unit Labor Costs	4.30%	2Q16	-0.30%	1Q16
GDP QOQ (Annualized)	2.90%	3Q16	1.40%	2Q16
Wholesale Inventories	0.20%	September	-0.10%	August
MBA Mortgage Applications	-4.10%	October	2.90%	September





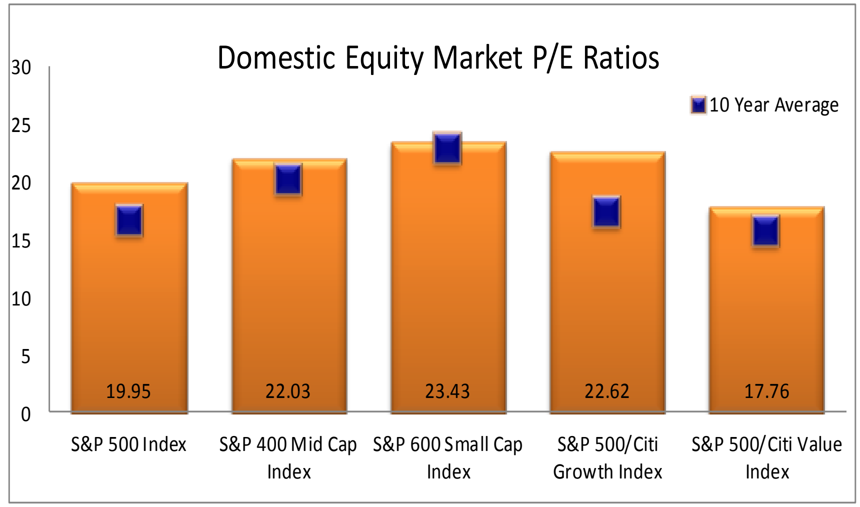
Domestic Equity

All three S&P Market Cap Indices fell this month, with Large-, Mid-, and Small- declining -1.82%, -2.67%, and -4.48%, respectively. Mid-Cap stocks, as measured by the S&P 400 Index, took leadership among it's market cap peers this month, with a total year to date return of +9.40%. Large-Caps trailed, only up by +5.87%, while Small-Caps were a close second at +8.77%. Value Stocks, as measured by the S&P 500 Citi Value Index, fell -1.51% in October, bringing the year to date performance of the index to +7.71%. Growth stocks reversed last month's trend, underperforming Value stocks by -61 bps. Value widened it's year to date outperformance over Growth stocks by more than 350 bps.

Valuations contracted over the last month but continue to look in-line or slightly expensive relative to long term averages. Small-Cap stocks, currently trading at 23.4x trailing earnings, look to be the cheapest compared to the long term average of 22.9x.

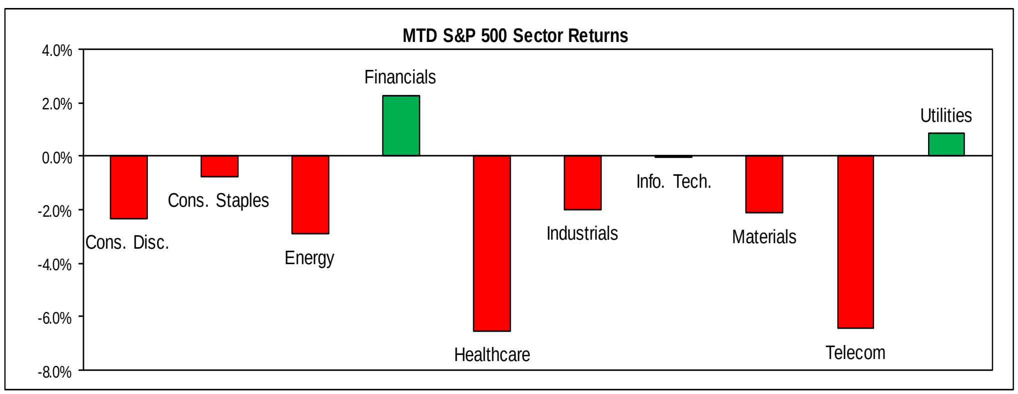
From a sector standpoint, Financials and Utilities were the only positive performing sectors in October, rising +2.3% and +0.9%, respectively. Financials continue to rise on the ever-increasing Fed rate hike expectations, which should be a boon to bank earnings. Energy still leads the other sectors this year, climbing just over +15% year to date. WTI Crude Oil fell -3% in the quarter, closing the month at $46.89/bbl, lower than the 52 week high of $51.60/bbl observed on 10/19. Oil is up +26.5% this year, aiding Energy company earnings and lowering the likelihood of defaults within the sector.

Health Care and Telecoms were the worst performers this month, declining -6.53% and -6.47%, respectively. Health Care is the only sector with negative performance for the year, falling -5.25%. Drug pricing concerns that have been made a priority for politicians, failed drug trials, and the rise of generic drugs have weighed heavily on this sector. The Biotechnology Industry group, which represents around 20% of the Health Care sector, is down just shy of -17% this year. Verizon's falling subscriber base, along with AT&T's recent bid to merge with Time Warner, hurt Telecom's performance on the month. Verizon and AT&T are down -6.4% and -8.3% MoM, respectively.



Domestic Equity Returns

Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
S&P 500 Index	-1.82%	-1.82%	5.87%	4.50%	8.82%	13.54%
S&P 400 Mid Cap Index	-2.67%	-2.67%	9.40%	6.26%	7.03%	12.88%
S&P 600 Small Cap Index	-4.48%	-4.48%	8.77%	6.31%	6.10%	13.53%
S&P 500/Citi Growth Index	-2.12%	-2.12%	4.12%	2.65%	10.20%	13.97%
S&P 500/Citi Value Index	-1.51%	-1.51%	7.71%	6.43%	7.23%	13.04%



S&P 500 Sector Returns

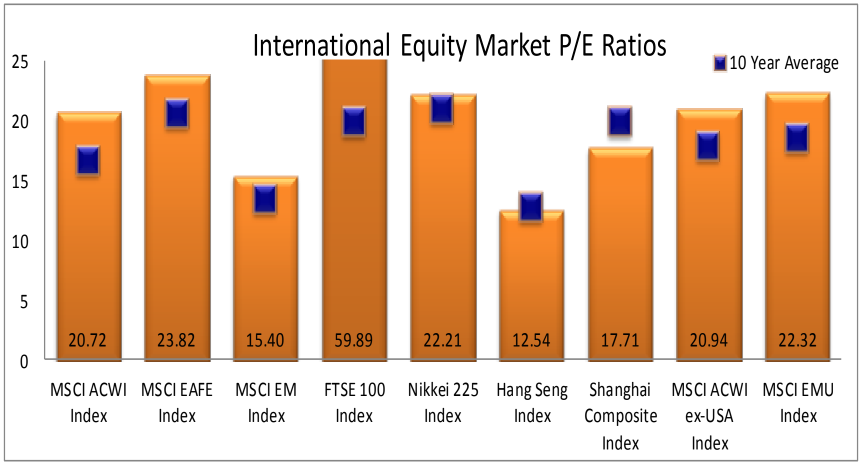
Sector	MTD	QTD	YTD	1 Year	3 Year	5 Year	% of S&P 500
Consumer Discretionary	-2.34%	-2.34%	1.21%	-1.84%	8.97%	16.85%	12.79%
Consumer Staples	-0.78%	-0.78%	6.71%	8.55%	10.45%	14.21%	11.12%
Energy	-2.91%	-2.91%	15.27%	3.64%	-4.46%	2.06%	7.03%
Financials	2.30%	2.30%	3.73%	3.41%	7.89%	14.74%	12.84%
Healthcare	-6.53%	-6.53%	-5.25%	-3.96%	10.24%	17.07%	13.73%
Industrials	-2.01%	-2.01%	8.65%	7.43%	7.86%	14.00%	9.61%
Information Technology	-0.06%	-0.06%	12.44%	10.83%	15.69%	15.49%	21.45%
Materials	-2.13%	-2.13%	9.07%	5.40%	4.29%	8.61%	2.84%
Telecommunications	-6.47%	-6.47%	10.23%	10.75%	4.49%	10.15%	2.42%
Utilities	0.87%	0.87%	17.13%	17.11%	12.47%	11.48%	3.25%

International Equity

International equity markets were broadly negative on the month, with the MSCI EAFE Index down -2.03%, while Emerging Markets, as measured by the MSCI EM Index managed to eke out a +0.25% gain. On a country specific basis, Japan, China, and the United Kingdom outperformed their respective indices, gaining +5.93%, +3.19%, and +1.03% during the period. At a regional level, the Eurozone, as measured by the MSCI EMU Index gained +1.38%; however, the region is still down -1.19% year to date, and has underperformed broad developed international equity markets.

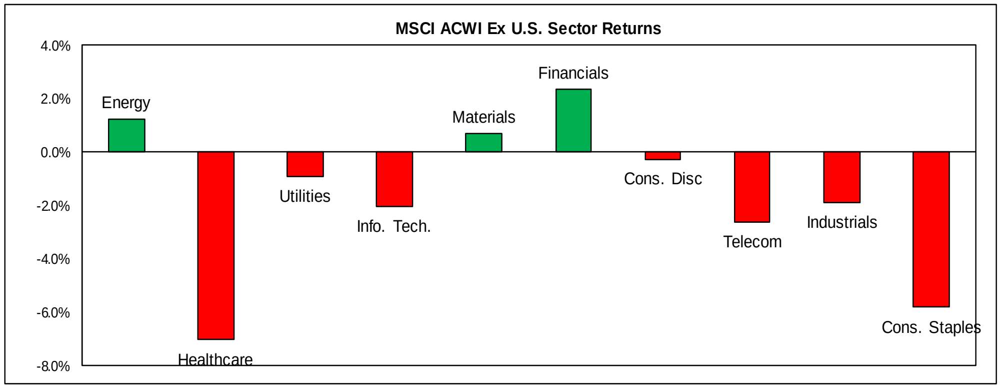
At the sector level, MSCI ACWI ex U.S. sectors were mostly negative, led lower by Health Care, which lost -7.05% during the period as Novo Nordisk, a Denmark-listed pharmaceutical company, ushered in new wave of uncertainty surrounding drug price increases. The company lowered its long term growth forecast, sending the stock down -14.5% during the period, and dragged many other Health Care companies across the globe with it. Consumer Staples were the next worst performing sector, losing -5.83% on the month. On a more positive note, Financials, Energy, and Materials sectors were positive, gaining +2.35%, +1.24%, and +0.70%, respectively. Materials and Energy sectors have led the way on a year to date basis, having gained +25.74% and +23.38%, respectively, as commodity prices have rebounded. Financials on the other hand are just now into positive territory for the year, up +2.19% after October's gains.

From a valuation standpoint, developed international equities remain slightly overvalued in our opinion, with trailing price to earnings multiples above their long-term averages. Emerging Markets are slightly more attractive, but we remain cautious given the macroeconomic headwinds and the prospects for rising interest rates in the U.S.



International Equity Returns

Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
MSCI ACWI Index	-1.67%	-1.67%	5.30%	2.65%	3.80%	8.65%
MSCI EAFE Index	-2.03%	-2.03%	0.14%	-2.68%	-0.75%	5.57%
MSCI EM Index	0.25%	0.25%	16.58%	9.66%	-1.72%	0.90%
FTSE 100 Index	1.03%	1.03%	15.38%	13.79%	4.91%	8.62%
Nikkei 225 Index	5.93%	5.93%	-6.88%	-6.99%	8.62%	16.25%
Hang Seng Index	-1.41%	-1.41%	8.53%	5.20%	3.34%	6.77%
Shanghai Composite Index	3.19%	3.19%	-10.60%	-6.44%	15.74%	7.30%
MSCI ACWI ex-USA Index	-1.42%	-1.42%	4.78%	0.76%	-0.97%	4.18%
MSCI EMU Index	1.38%	1.38%	-1.19%	-4.00%	5.74%	11.12%



MSCI ACWI Ex U.S. Sector Returns

Sector	MTD	QTD	YTD	1 Year	3 Year	5 Year	% of ACWI
Energy	1.24%	1.24%	23.38%	11.27%	-7.77%	-4.09%	7.30%
Healthcare	-7.05%	-7.05%	-11.58%	-11.97%	1.70%	9.34%	6.74%
Utility	-0.92%	-0.92%	9.32%	6.74%	4.86%	5.80%	6.55%
Information Technology	-2.05%	-2.05%	14.42%	13.17%	7.37%	9.61%	9.55%
Materials	0.70%	0.70%	25.74%	16.09%	-4.20%	-4.02%	7.23%
Financials	2.35%	2.35%	2.19%	-1.74%	-2.49%	5.20%	21.14%
Consumer Discretionary	-0.27%	-0.27%	0.33%	-3.58%	-0.34%	7.41%	12.16%
Telecommunications	-2.62%	-2.62%	0.40%	-3.73%	-0.99%	4.04%	6.60%
Industrials	-1.89%	-1.89%	6.98%	3.24%	0.12%	5.62%	11.63%
Consumer Staples	-5.83%	-5.83%	3.08%	0.37%	2.19%	7.39%	11.10%

Fixed Income

The yield curve steepened measurably during October as the odds for a December interest rate hike rose from 59% on October 1st to 72% by month's end. Although the FOMC is meeting this week, it's virtually certain that no action will be taken given the absence of a post-meeting press conference in November. The yield on the 2yr Treasury note rose +8 basis points on the month while the 5yr rose +0.16%, the 10yr up +0.23% and the 30yr Treasury bond saw it's yield jump +0.27% to 2.58%. Meanwhile the US Dollar rose nearly 3.0% during October, triggering what many would consider to be a de facto tightening of monetary policy.

Government bonds were most impacted by the sell-off in October with global sovereigns taking the brunt of the selling. The ML Global Government Bond II Index fell -1.37% on the month followed by the ML US Treasury/Agency Master Index which dipped -1.12%. Both indices, however, still sport robust gains on the year north of +4%. US municipal bonds as measured by the ML Municipal Master Index fell -0.94% while the ML US Corporate Master Index declined -0.83%. US high yield actually posted positive returns on the month as the ML US High Yield Master II Index rose +0.31% and is now up +15.68% year to date.

2016 is on pace to mark the largest issuance of US corporate debt ever, with over $1 trillion in debt having been issued through Q3. 2015 was the previous high water mark with $1.2 trillion in US investment grade debt issued. Given historically low interest rates, continued strong investor demand and a low-volatility muddle-through economy, the stars are aligned for corporations to lever up their balance sheets and lock in low-cost debt financing for the next 10-20 years. Many astute investors, however, are questioning the use of proceeds for many of these companies as these newly minted funds get used on short-term or one-time operations like share buybacks. While rewarding shareholders, creditors are left with a more levered institution and a higher default risk.

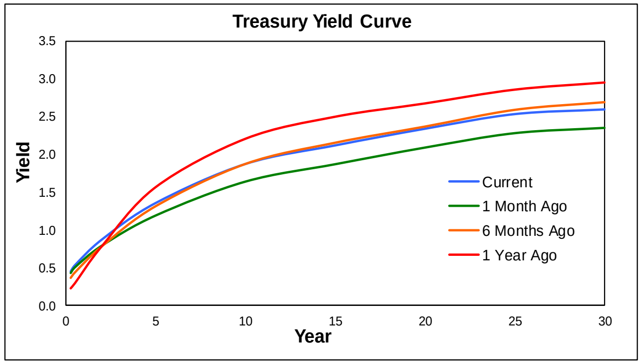
It's likely that Fed Chair Yellen will use Wednesday's meeting to further prepare the markets for a December rate hike. Although this is pretty much priced in, the pace of future hikes in 2017 is uncertain. The sooner investors get some clarity on "how much" and "how often", the better off we'll all be.

Central Bank Activity

Name	Current	1 Month Ago	6 Months Ago	1 Year Ago
Fed Funds Rate	0.50%	0.50%	0.50%	0.25%
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%	0.50%	0.50%

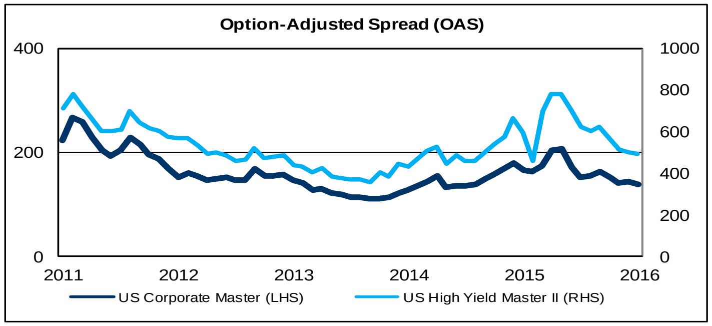
Fixed Income Returns

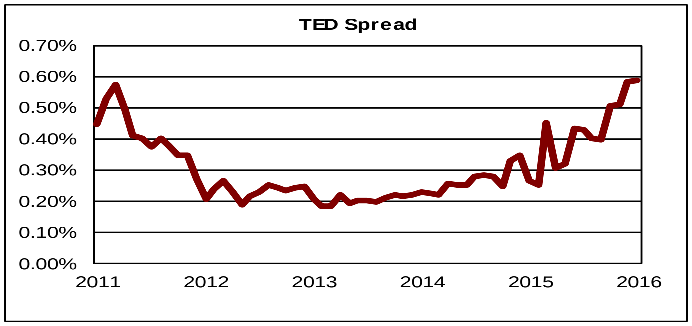
Name	MTD	QTD	YTD	1 Year
ML U.S. Treasury/Agency Master Index	-1.12%	-1.12%	4.04%	3.45%
ML U.S. Broad Market Index	-0.81%	-0.81%	5.01%	4.37%
ML U.S. Corporate Master Index	-0.83%	-0.83%	8.20%	7.03%
ML U.S. High Yield Master II Index	0.31%	0.31%	15.68%	10.17%
ML USD Emerging Market Sovereign & Credit Index	-0.60%	-0.60%	17.14%	16.26%
ML Global Government Bond II Index	-1.37%	-1.37%	4.71%	4.47%
ML Municipal Master Index	-0.94%	-0.94%	3.11%	4.44%
ML Municipal High Yield Index	-0.66%	-0.66%	10.31%	10.38%

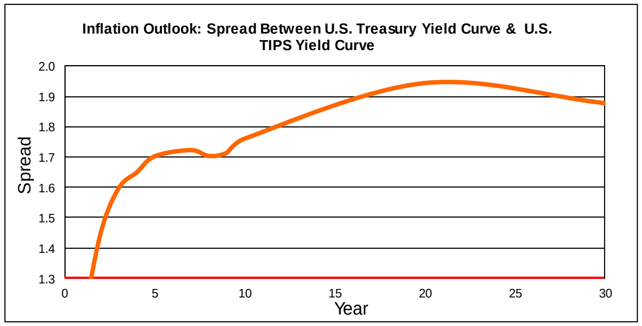


U.S. Treasury Yields

Period	3 Month	6 Month	2 Year	5 Year	10 Year	15 Year	20 Year	25 Year	30 Year
Current	0.45%	0.54%	0.87%	1.36%	1.87%	2.12%	2.34%	2.53%	2.59%
1 Month Ago	0.43%	0.51%	0.79%	1.19%	1.64%	1.87%	2.09%	2.28%	2.35%
6 Months Ago	0.36%	0.44%	0.78%	1.31%	1.87%	2.15%	2.37%	2.59%	2.69%
1 Year Ago	0.23%	0.30%	0.79%	1.57%	2.21%	2.50%	2.67%	2.85%	2.95%







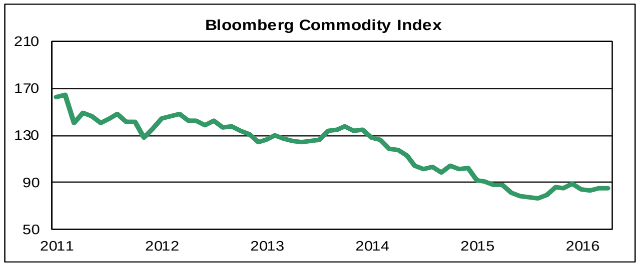
Alternative Investments

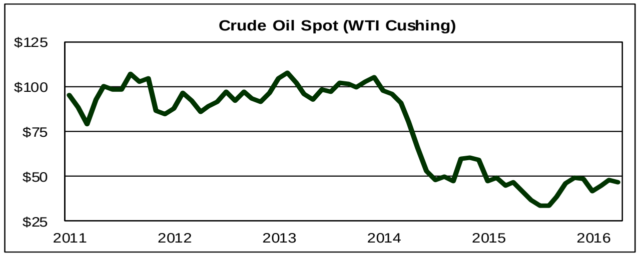
Broadly speaking, alternative investments fared poorly in October due to strength in the U.S. Dollar. The Dollar, as measured by the DXY Index, rose +3.1% on the month, marking the highest close since the end of January 2016. October also marked the best monthly performance for the DXY Index since November 2015, right before the Federal Reserve raised interest rates by 0.25% back in December 2015. Looking ahead, the Fed Funds futures, a market based probability of an interest rate hike, currently imply a 72% chance of a December rate hike when the Federal Reserve Open Market Committee (FOMC) meet December 13th & 14th.

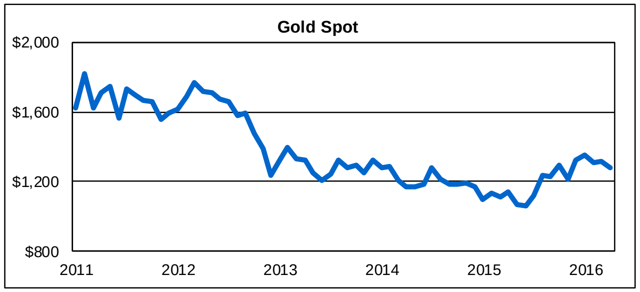
Strength in the Dollar caused Real Estate Investment Trusts (REITs), and other bond-like equity sectors to sell off. REITs, as measured by the FTSE NAREIT All REIT Index, fell -5.1% during the month. This compares to other defensive U.S. equity sectors such as HealthCare and Telecoms, which lost -6.53% and -6.47% respectively, albeit partly for company specific reasons. Gold was also impacted by a rising Dollar and fears of an interest rate hike, as the precious metal shed -2.9% to close the month at $1,277 per ounce, down from a monthly closing high of $1,351 per ounce back in July, which was the highest monthly close in more than three years.

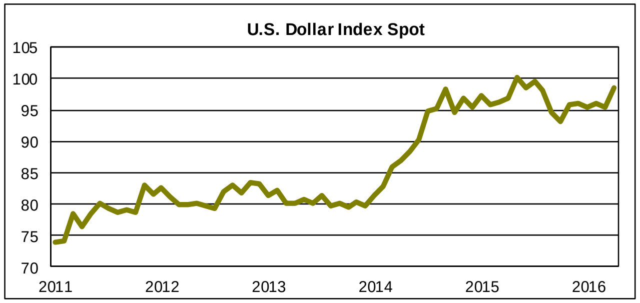
Dollar strength also impacted commodities, as measured by the Bloomberg Commodities Index, which lost -0.5%. The overall performance of commodities was helped by strength in Grains, which offset weakness in West Texas Intermediate (WTI) crude oil, which lost -2.9% on the month, to close just under $47/barrel. Part of oil's weakness also stems from OPEC oil Ministers' failure to reach an agreement on production cuts last weekend. The recent move up in crude oil to the $50/barrel level was largely predicated on OPEC members agreeing to a cut, which still has not happened. Bloomberg estimates that OPEC production rose to an all-time high of 33.75 million barrels per day in September, thanks to increasing production from Iraq and Iran. The current supply/demand imbalance will come to a head again when OPEC members meet November 30th in Vienna. This is starting to sound like a broken record…

Finally, from a currency perspective, the Loonie weakened to $1.34 CAD/USD on the back of crude oil weakness, and the Yen weakened to 104.8 JPY/USD thanks to Dollar strength. Moving forward, both the Pound and Euro will remain in focus post-Brexit, as both currencies continue to weaken. The Pound remains the biggest question mark, down more than -20% against the Dollar in the past year to $1.22 USD/GBP thanks to Brexit uncertainty.



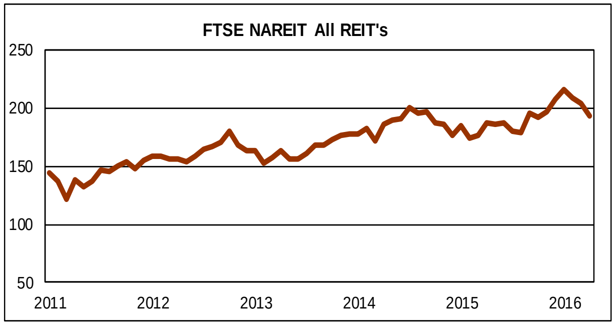






Hedge Funds

Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
Global Hedge	-0.49%	-0.49%	0.84%	-1.22%	-0.78%	1.05%
Convertible Arbitrage	0.37%	0.37%	5.55%	3.31%	-1.38%	2.34%
Distressed Securities	1.75%	1.75%	15.55%	7.62%	1.04%	1.21%
Equity Hedge (L/S)	-0.77%	-0.77%	-1.45%	-2.50%	-0.07%	2.15%
Equity Market Neutral	-0.35%	-0.35%	-4.24%	-4.43%	1.80%	0.30%
Event Driven	-0.24%	-0.24%	6.91%	3.95%	-1.25%	2.55%
Macro	-1.33%	-1.33%	-2.46%	-1.94%	0.30%	-0.43%
Merger Arbitrage	-0.17%	-0.17%	2.99%	4.31%	4.71%	3.63%
Relative Value Arbitrage	0.16%	0.16%	-0.09%	-4.22%	-1.84%	-0.20%
Absolute Return	-0.42%	-0.42%	0.24%	-0.69%	1.54%	1.51%



Spot Rates

Description	Current	1 Month Ago	3 Months Ago	6 Months Ago	1 Year Ago
CAD / USD	1.34	1.31	1.30	1.26	1.31
JPY / USD	104.82	101.35	102.06	106.50	120.62
USD / GBP	1.22	1.30	1.32	1.46	1.54
USD / EUR	1.10	1.12	1.12	1.15	1.10

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-indexes: 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 (G0A0) – 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 (C0A0) – 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 (H0A0) – 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 (USDX) indicates the general int'l value of the USD. The USDX 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

If you have any questions or comments, please feel free to contact any member of our investment team:

Tom Quealy, *Chief Executive Officer* – tom.quealy@nottinghamadvisors.com
Larry Whistler, CFA, *President/Chief Investment Officer* – larry.whistler@nottinghamadvisors.com
Nick Verbanic, CFP® *V.P./Portfolio Manager* – nick.verbanic@nottinghamadvisors.com
Matthew Krajna, CFA, *Portfolio Manager* – matthew.krajna@nottinghamadvisors.com
Brock Wilkinson, *Associate Portfolio Manager* – brock.wilkinson@nottinghamadvisors.com
Jason Cassorla, *Associate Portfolio Manager* – jason.cassorla@nottinghamadvisors.com