

### Economic Overview

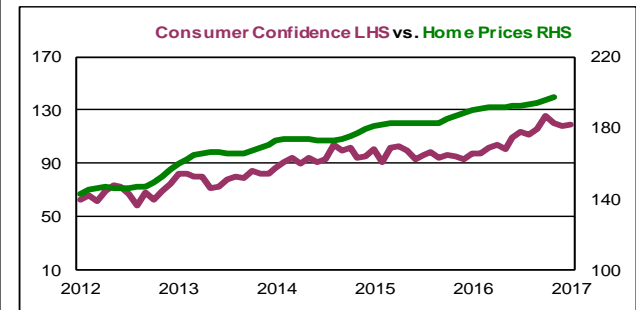
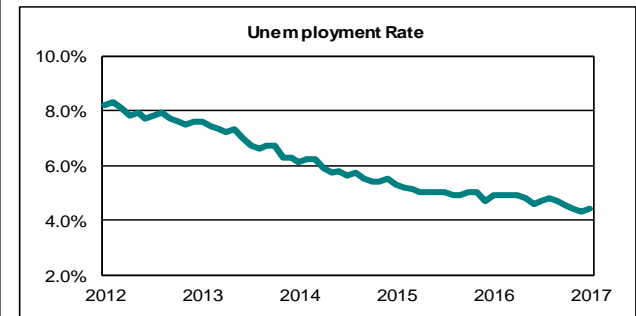
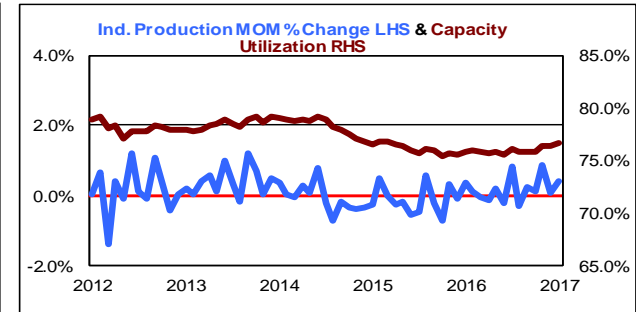
The first reading for second quarter GDP came in at +2.6%, just below expectations for +2.7% annualized growth, while Q1's reading was revised down from +1.4% to +1.2%. Once again the U.S. consumer carried the lion's share of the burden as personal consumption rose +2.8%, meeting expectations. Nonresidential fixed investment showed signs of strength while housing was weak as that sector continues to suffer from land and labor shortages.

Elsewhere, nonfarm payrolls rose by +222,000 in June, beating analyst estimates for +178,000, while the unemployment rate ticked up slightly to 4.4%. Average hourly earnings continued to lag, rising just +0.2% in June and are now up just +2.5% for the year. The underemployment rate edged up to 8.6% from May's reading of 8.4% while the labor force participation rate came in at 62.8%. Initial jobless claims averaged 245,000 on the month.

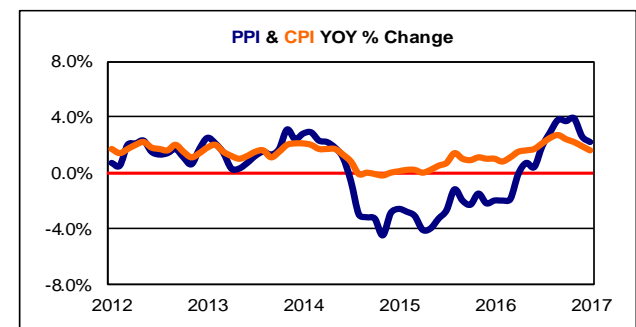
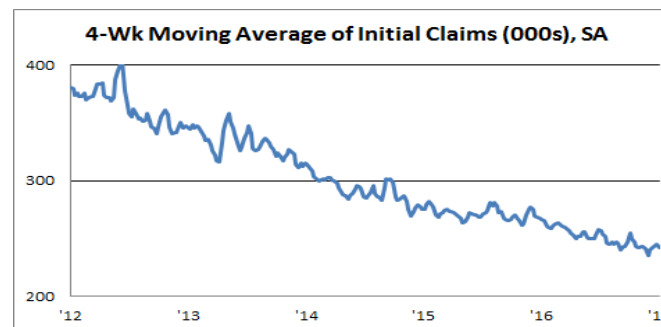
Prices remained stubbornly well behaved in June as the Consumer Price Index was flat on the month (and up +1.6% YoY) while ex-food and energy prices rose a scant +0.1% (+1.7% YoY). At the producer level, prices rose +0.1% (+2.0% YoY) while core PPI was also up +0.1% MoM (and +1.9% YoY).

Industrial Production rose +0.4% in June while Capacity Utilization came in at 76.6%, just shy of estimates. The preliminary reading of the July Markit U.S. Manufacturing PMI ticked higher to 53.2, signaling continued strength in the manufacturing sector. This stands in contrast to the retail sector which saw a surprise dip of -0.2% in June's Retail Sales number. Ex-autos and gas, retail sales fell -0.1%.

Broadly speaking, economic data in the U.S. remains strong. According to the WSJ, with a little more than half of S&P 500 companies having reported Q2 earnings, 73% have registered sales above analysts expectations, handily topping the 5-year average sales beat of 53%. It's anticipated that Q2 S&P earnings will climb +9.1% over the prior year period. Given the lofty multiples of U.S. stocks these days, any disappointments are likely to result in exaggerated price moves.



Key Data Points				
Name	Current	For	Previous	For
Retail Sales ex. Autos MOM %	-0.20%	June	-0.30%	May
Housing Starts	1,215K	June	1,122K	May
Factory Orders MOM %	-0.80%	May	-0.30%	April
Leading Indicators MOM %	0.60%	June	0.20%	May
Unit Labor Costs	2.20%	Q1 2017	-4.60%	Q4 2016
GDP QOQ (Annualized)	2.60%	Q2 2017	1.20%	Q1 2017
Wholesale Inventories	0.60%	June	0.40%	May
MBA Mortgage Applications	0.40%	July	1.40%	June



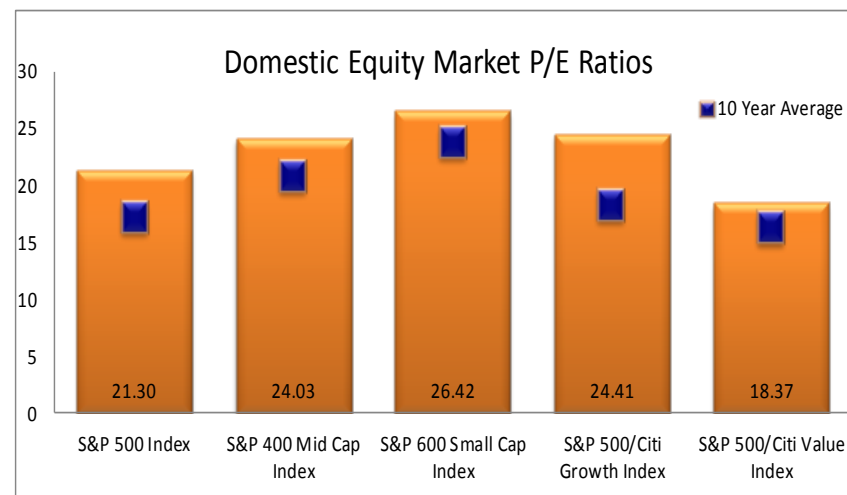


### Domestic Equity

U.S. Large-Cap equities rose +2.06% in July, with the S&P 500 continuing to inch higher on the back of strong U.S. corporate earnings. Mid- and Small-Caps posted positive returns of +0.88% and +0.97%, respectively on the month, but continue to lag their Large-Cap brethren. For the year, the benchmark S&P 500 Index has returned +11.59% including dividends, with a wide gap emerging between the S&P 400 Mid Cap Index (+6.91%) and the S&P 600 Small Cap Index (+3.77%). Much of the underperformance of Mid- and Small-Caps can be attributed to their outperformance in Q4 of last year, and the continued dysfunction in Washington that has stalled many economic and regulatory reform agenda items. With P/E multiples decisively above their 10-year averages, continued market gains will likely need to come from earnings growth as opposed to multiple expansion. Results have been solid thus far through Q2 earnings season, and may be helped by a weaker U.S. Dollar in the back half of the year.

From a style perspective, Growth stocks remained in leadership position, with the S&P 500 Citi Growth Index gaining +2.61% on the month. Value stocks, as measured by the S&P 500 Citi Value Index, continue to lag both Growth stocks and the overall market, gaining +1.37% on the month. For the year, Growth has outperformed Value by an even +10.0%.

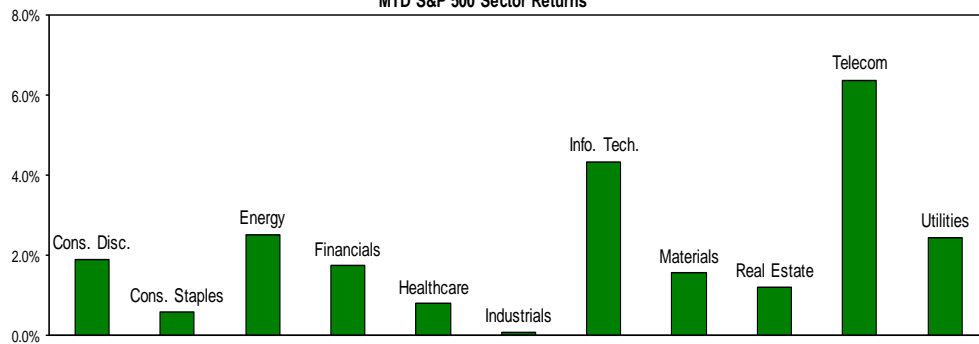
From a sector standpoint, Telecoms were the best performers as positive earnings results from Verizon and AT&T helped propel the sector by +6.36% on the month. Technology stocks continued to rally in July, up +4.33% on the month, even amidst mixed results from Alphabet and a weak outlook from Facebook. The sector's top weight, Apple, is set to report results after the market close today. Other notable sector performances came from Industrials, which were up only +0.06% on the month, amidst weak earnings from GE, the largest weight in the sector.



### Domestic Equity Returns

Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
S&P 500 Index	2.06%	2.06%	11.59%	16.03%	10.85%	14.76%
S&P 400 Mid Cap Index	0.88%	0.88%	6.91%	14.68%	10.42%	15.09%
S&P 600 Small Cap Index	0.97%	0.97%	3.77%	17.56%	11.70%	15.83%
S&P 500/Citi Growth Index	2.61%	2.61%	16.29%	16.97%	12.44%	15.40%
S&P 500/Citi Value Index	1.37%	1.37%	6.29%	14.33%	8.82%	13.92%

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	1.87%	1.87%	13.08%	13.90%	13.39%	17.91%	12.73%
Consumer Staples	0.57%	0.57%	8.65%	4.39%	11.61%	12.11%	9.49%
Energy	2.50%	2.50%	-10.43%	0.19%	-8.75%	1.30%	5.88%
Financials	1.72%	1.72%	8.73%	32.94%	13.50%	18.32%	14.03%
Healthcare	0.77%	0.77%	16.97%	8.00%	11.24%	17.78%	14.13%
Industrials	0.06%	0.06%	9.57%	18.30%	11.76%	15.95%	10.05%
Information Technology	4.33%	4.33%	22.31%	29.48%	17.01%	17.93%	22.67%
Materials	1.54%	1.54%	10.90%	14.58%	5.95%	11.69%	2.88%
Real Estate	1.20%	1.20%	7.68%	-2.60%	6.70%	6.60%	2.93%
Telecommunications	6.36%	6.36%	-5.06%	-7.03%	4.91%	5.81%	2.14%
Utilities	2.44%	2.44%	11.41%	5.70%	12.85%	11.14%	3.06%

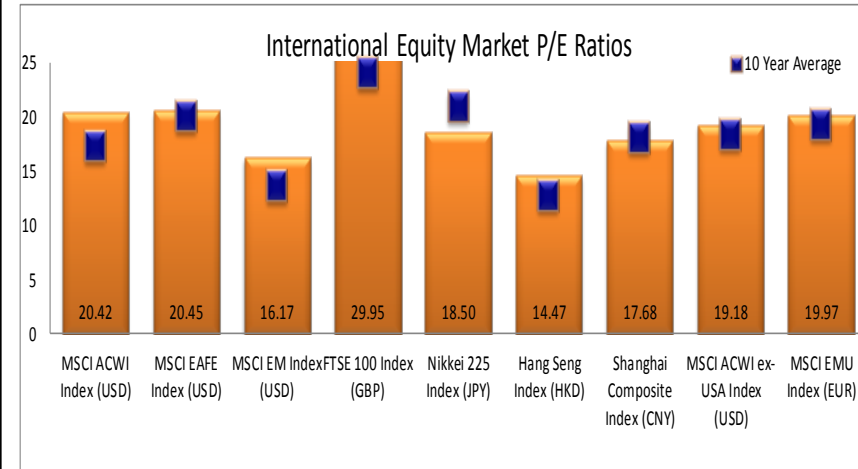


### International Equity

Major International equity indices posted yet another strong month of gains, helped by strong earnings, economic growth, and a weaker U.S. Dollar. Emerging Markets equities, as measured by the MSCI EM Index, rose +6.04% in July, and have gained an eye-opening +25.74% YTD. Developed Market equities continue to post strong gains, with the benchmark MSCI EAFE Index gaining +2.90% in July, and a not-too-shabby +17.53% YTD. As we've noted in previous months, the weaker U.S. Dollar relative to major world currencies (i.e. Euro, Yen, EM currencies) has positively contributed to the total returns of U.S. investors investing abroad in U.S. Dollars. This comes from the dual return components (asset price return + currency return) that have both been favorable year to date. However, stronger foreign currencies (i.e. a stronger Euro) could become a headwind for Eurozone companies, especially those that are export oriented. For example, the MSCI EMU Index returned +0.36% in July in Euro terms, but a more meaningful +3.86% in USD terms, thanks to the strength of the Euro relative to the U.S. Dollar (+3.50%) during the month. As the Euro continues to appreciate, it increasingly could become the Achilles heel of a rebounding Eurozone, especially given the expectation for the European Central Bank (ECB) to begin tapering its bond buying program in coming months.

International sector returns were largely positive in July, with 10 of 11 sectors posting positive returns. Cyclical, value oriented sectors such as Materials, Technology, Energy, and Financials led the way, posting returns of +6.93%, +5.76%, +5.58%, and +5.27%, respectively. As a result, Value stocks, as measured by the MSCI EAFE Value Index returned +3.37%, while their Growth counterparts, as measured by the MSCI EAFE Growth Index returned +2.42%.

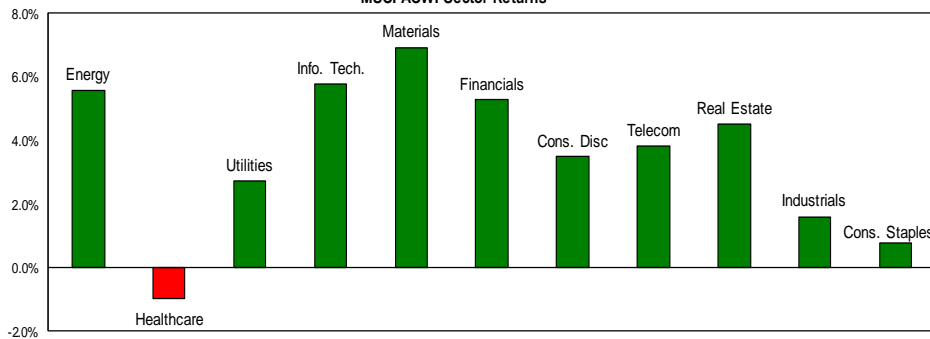
On a year to date basis, Technology continues to be a standout sector, thanks to the international version of the FAANG (Facebook, Amazon, Apple, Netflix, Google) trade, notably dubbed SATT: Samsung, Alibaba, Tencent, Taiwan Semiconductor, which has helped propel both Tech and EM indices to multi-year highs. Samsung notably reported record profits, while Alibaba and Tencent are due to report earnings in the coming weeks.



### International Equity Returns

Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
MSCI ACWI Index (USD)	2.83%	2.83%	14.98%	17.72%	6.83%	11.49%
MSCI EAFE Index (USD)	2.90%	2.90%	17.53%	18.42%	3.37%	9.67%
MSCI EM Index (USD)	6.04%	6.04%	25.74%	25.28%	2.74%	5.11%
FTSE 100 Index (GBP)	0.86%	0.86%	5.58%	14.02%	7.09%	9.55%
Nikkei 225 Index (JPY)	-0.53%	-0.53%	5.24%	22.54%	10.42%	20.18%
Hang Seng Index (HKD)	6.64%	6.64%	27.43%	29.33%	7.10%	10.62%
Shanghai Composite Index (CNY)	3.66%	3.66%	7.41%	12.11%	16.33%	11.91%
MSCI ACWI ex-USA Index (USD)	3.72%	3.72%	18.70%	19.62%	2.91%	8.26%
MSCI EMU Index (EUR)	0.36%	0.36%	9.51%	20.16%	9.51%	13.72%

### MSCI ACWI Sector Returns



### MSCI ACWI Ex U.S. Sector Returns

Sector	MTD	QTD	YTD	1 Year	3 Year	5 Year	% of ACWI Ex. USA
Energy	5.58%	5.58%	1.97%	14.41%	-7.11%	-0.93%	6.62%
Healthcare	-1.01%	-1.01%	15.11%	0.41%	1.71%	9.76%	6.27%
Utility	2.71%	2.71%	14.23%	6.02%	5.16%	8.06%	5.85%
Information Technology	5.76%	5.76%	36.98%	39.45%	13.35%	16.81%	10.58%
Materials	6.93%	6.93%	18.05%	26.13%	0.33%	2.46%	7.13%
Financials	5.27%	5.27%	20.01%	32.68%	3.54%	10.24%	21.39%
Consumer Discretionary	3.48%	3.48%	16.97%	18.22%	3.86%	10.81%	11.39%
Telecommunications	3.82%	3.82%	14.76%	6.09%	0.67%	6.23%	5.70%
Real Estate*	4.50%	4.50%	N/A	N/A	N/A	N/A	3.58%
Industrials	1.57%	1.57%	19.05%	19.28%	4.50%	9.65%	11.44%
Consumer Staples	0.78%	0.78%	17.50%	6.45%	4.98%	8.03%	10.05%

### Fixed Income

Fixed Income returns were largely positive in July, as the Federal Reserve did not make any adjustments to monetary policy. The ML U.S. Broad Market Index returned +0.42% on the month, largely driven by performance of corporate bonds relative to Treasuries. The ML Corporate Master Index and ML U.S. Treasury/Agency Master Index returned +0.75% and +0.16%, respectively. Interestingly, municipal bonds caught a bid in July, with both the ML Municipal Master Index and ML Municipal High Yield Index posting strong returns of +0.73% and +0.72%, respectively. One likely catalyst for strong municipal returns is the failure of comprehensive tax reform thus far in Washington. With hopes fading for a massive tax overhaul, municipals may be regaining some of their lost luster, and making up for relative underperformance along the way.

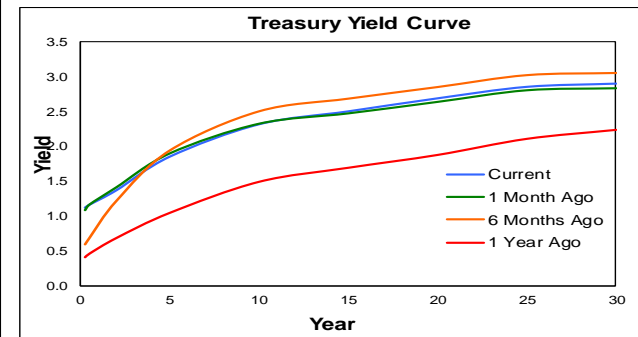
High Yield spreads (OAS), as measured by the ML High Yield Master II Index, continued to tighten in July, with spreads compressing from 377bps to 361bps, leading the index to return +1.15% during the period. It should be pointed out that high yield spreads are nearing their tightest level in more than a decade. The only recent timeframe during that period where spreads were tighter was in June 2014 right before oil collapsed from \$110/barrel. The current high yield Option Adjusted Spread (OAS) of 361 bps is decisively below its 5-, 10-, and 15-year averages of 491bps, 638 bps and 577 bps, respectively. High yield has been the best performing fixed income sector over the past year, returning +11.24%.

Strong performance from Emerging Markets debt, as measured by the ML USD Emerging Market Sovereign & Credit Index, continued in July, with the index returning +0.71%. Perhaps more impressively, EM USD debt has returned +8.88% over the past year.

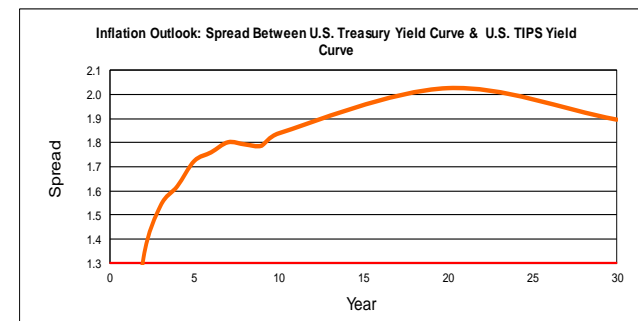
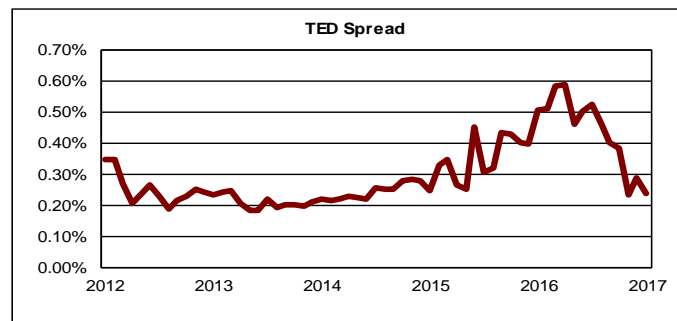
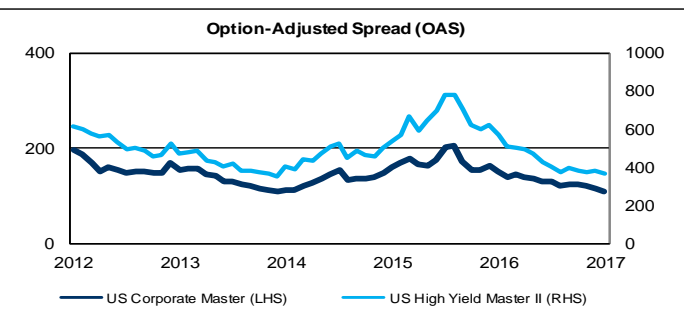
Looking ahead to the Fall, expectations for the next Fed rate hike are falling. According to Fed funds futures compiled by Bloomberg, the expectation for a rate hike in September stand at 5.6%, and December 41.8%, down from 16.0% and 51.6% at the end of June. September will be a big month for global central banks, with the Federal Reserve, European Central Bank, and Bank of Japan all meeting within a two-week time frame. Stay tuned.

Central Bank Activity				
Name	Current	1 Month Ago	6 Months Ago	1 Year Ago
Fed Funds Rate	1.25%	1.25%	0.75%	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%	0.00%
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	0.16%	0.16%	2.06%	-2.59%
ML U.S. Broad Market Index	0.42%	0.42%	2.77%	-0.61%
ML U.S. Corporate Master Index	0.75%	0.75%	4.65%	1.62%
ML U.S. High Yield Master II Index	1.15%	1.15%	6.12%	11.24%
ML USD Emerging Market Sovereign & Credit Index	0.71%	0.71%	7.11%	8.88%
ML Global Government Bond II Index	0.12%	0.12%	0.49%	-3.09%
ML Municipal Master Index	0.73%	0.73%	4.15%	0.25%
ML Municipal High Yield Index	0.72%	0.72%	3.85%	0.90%



U.S. Treasury Yields									
Period	3 Month	6 Month	2 Year	5 Year	10 Year	15 Year	20 Year	25 Year	30 Year
Current	1.12%	1.16%	1.37%	1.85%	2.32%	2.50%	2.69%	2.85%	2.90%
1 Month Ago	1.08%	1.16%	1.41%	1.90%	2.33%	2.47%	2.64%	2.81%	2.83%
6 Months Ago	0.59%	0.69%	1.22%	1.94%	2.50%	2.69%	2.85%	3.02%	3.05%
1 Year Ago	0.41%	0.46%	0.68%	1.05%	1.49%	1.69%	1.88%	2.11%	2.24%

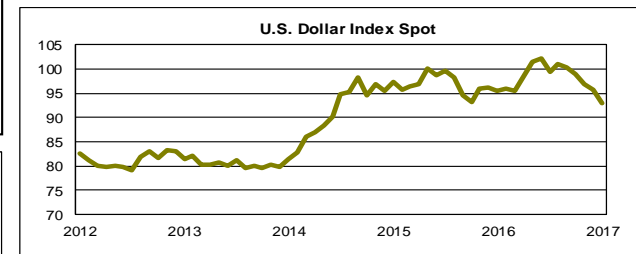
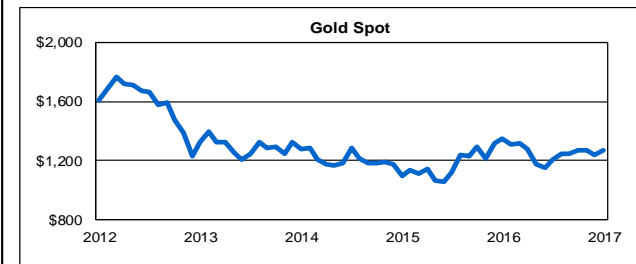
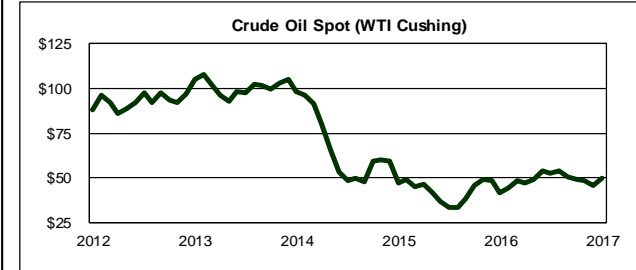
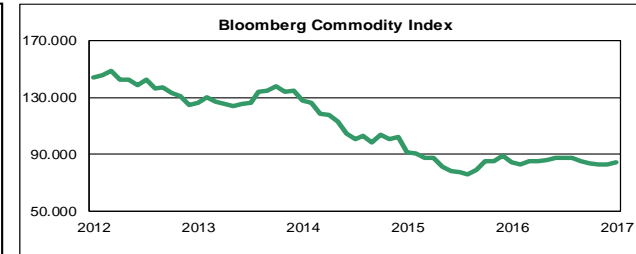


### Alternative Investments

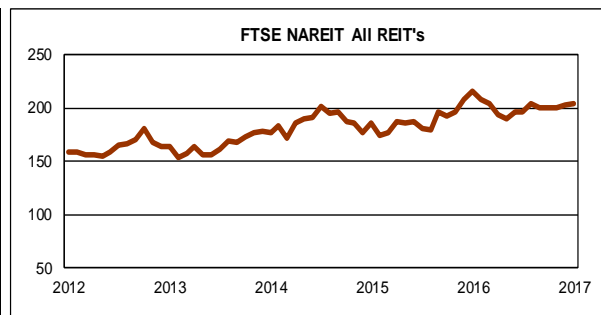
Alternative investments largely posted positive returns during the month, led by a sharp rebound in West Texas Intermediate (WTI) crude oil. WTI prices rose +9.0% during the month to close at \$50/bbl, the highest monthly close since March. The rebound in crude helped propel the Bloomberg Commodities Index higher by +2.2% in July; however, the gains in crude should not overshadow the gains in other commodity sectors such as corn and wheat that have also contributed to performance. Real Estate, as measured by the FTSE NAREIT All REIT Index, rose +1.05%, hitting a 5-month high.

Currencies were the standout alternative investments in July, with the U.S. Dollar, as measured by the DXY Index, dropping -2.9%, bringing its decline to -9.1%. The precipitous decline in the Dollar has largely stemmed from weaker than expected U.S. economic data and the failure of Washington to enact any meaningful reforms. The Dollar has ostensibly become a proxy for Washington's dysfunction, with sharp movements in the Dollar index reflecting the latest breaking news. The Dollar's drop has benefitted the Euro most significantly, with the Euro strengthening by +12.6% versus the Dollar YTD. At a recent \$1.18 USD/EUR the Euro is at its highest level against the Dollar in more than 2 years. Moreover, at its current level, a strong Euro is likely to become problematic for European companies and export driven economies as their goods and services are now more expensive. One other notable currency move was the strength in the Canadian Loonie, stemming from the Bank of Canada's decision to raise interest rates in July and better than expected economic data. The Loonie strengthened from \$1.30 CAD/USD to \$1.25 CAD/USD during the month, and is now nearly +9% stronger than just three months ago when the Loonie was trading at \$1.37 CAD/USD.

Lastly, volatility dropped -8% in July, with the CBOE's VIX Index touching a low of 9.36 on July 21<sup>st</sup>, the second lowest reading ever. The low levels of volatility seen in the market are contributing to a sense of complacency that has seen equity markets simply grind higher. Those low levels of volatility have not benefitted Hedge Funds, which continue to underperform the broader market over multiple time horizons. Nine out of ten strategies were positive in July, led by Equity Hedge strategies, which were up +0.98%. Merger Arbitrage strategies, which typically benefit from both higher interest rates and merger activity were the worst performing strategy, returning -0.10%.



Hedge Funds						
Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
Global Hedge	0.90%	0.90%	3.48%	5.42%	0.25%	1.98%
Convertible Arbitrage	0.72%	0.72%	5.10%	7.12%	0.11%	2.52%
Distressed Securities	0.33%	0.33%	2.90%	10.60%	1.10%	2.48%
Equity Hedge (L/S)	0.98%	0.98%	4.75%	6.99%	1.37%	3.52%
Equity Market Neutral	0.47%	0.47%	1.17%	-0.16%	1.15%	1.39%
Event Driven	0.96%	0.96%	5.62%	11.00%	0.43%	4.13%
Macro	0.82%	0.82%	0.06%	-2.84%	0.14%	-0.45%
Merger Arbitrage	-0.10%	-0.10%	1.27%	2.86%	5.26%	4.04%
Relative Value Arbitrage	0.82%	0.82%	2.54%	4.57%	-1.09%	0.31%
Absolute Return	0.46%	0.46%	1.84%	1.77%	1.52%	2.07%



Spot Rates					
Description	Current	1 Month Ago	3 Months Ago	6 Months Ago	1 Year Ago
CAD / USD	1.25	1.30	1.37	1.30	1.30
JPY / USD	110.26	112.39	111.49	112.80	102.06
USD / GBP	1.32	1.30	1.30	1.26	1.32
USD / EUR	1.18	1.14	1.09	1.08	1.12



**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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Past performance is not an indication of future results.