

Economic Overview

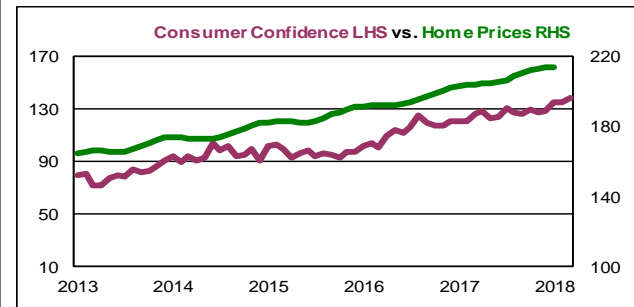
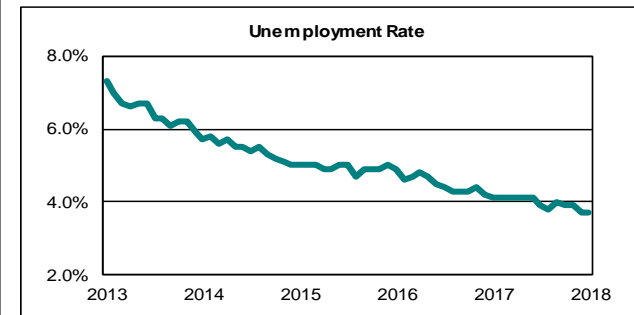
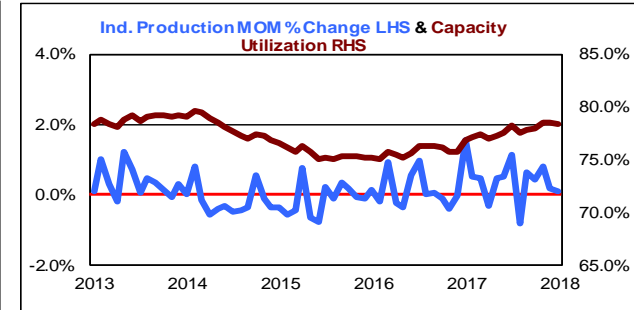
Economic data remained broadly strong during November, however some signs of topping have appeared. The confluence of rising interest rates, a strong US dollar, declining oil prices, tariffs and heightened trade tensions is starting to take a toll on US industry. While we're not ready to call an end to this extended business cycle, continued improvement from here will be harder to come by.

The unemployment rate in October held steady at +3.7%. Nonfarm payrolls grew by 250,000 versus expectations for 200,000. Average hourly earnings grew by +0.2% MoM and are now up +3.1% YoY. Weekly initial jobless claims numbers ticked higher throughout November, averaging 222,000 for the month.

US GDP grew at a 3.5% annualized pace in the third quarter of 2018, ahead of estimates, though down from Q2's 4.2% rate. These are the strongest consecutive quarters of growth since 2014 and likely will set the high water mark for this business cycle. It's anticipated that growth will ebb as the immediate effects of the tax cut and fiscal stimulus wane as we head into 2019.

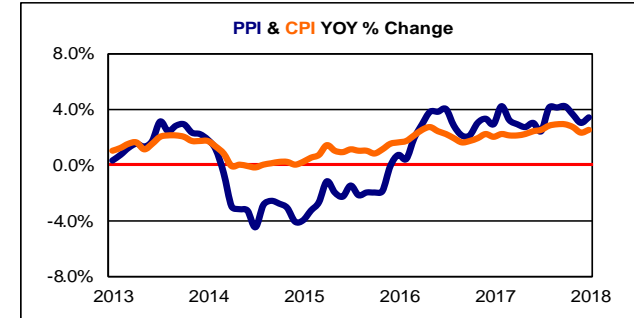
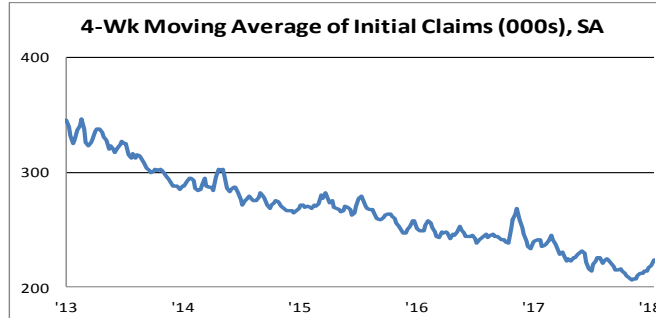
Prices saw a bit of an uptick during October with producer prices (PPI) edging up +0.6% MoM (versus expectations for a +0.2% increase) while consumer prices (CPI) rose +0.3% MoM (meeting expectations). Ex-food and energy producer prices rose +0.5% MoM while core CPI ticked up by +0.2%. On an annualized basis the Producer Price Index is up +2.9% while the Consumer Price Index is +2.5% higher.

Housing appears to have topped out as rising mortgage interest rates have put a damper on the sector. The S&P CoreLogic CS 20-city home price index rose +5.15% YoY through September, its softest reading in two years. New Home Sales dropped -8.9% in October while Pending Home Sales dipped -2.6%. Housing Starts rose a lower than expected +1.5% (versus estimates for +2.2% growth) while Building Permits dropped -0.6%.



Key Data Points

Name	Current	For	Previous	For
Retail Sales ex. Autos MOM %	0.70%	October	-0.10%	September
Housing Starts	1228K	October	1210K	September
Factory Orders MOM %	0.70%	September	2.60%	August
Leading Indicators MOM %	0.10%	October	0.60%	September
Unit Labor Costs	1.20%	Q3 2018	-1.00%	Q2 2018
GDP QOQ (Annualized)	3.50%	Q3 2018	4.20%	Q2 2018
Wholesale Inventories	0.70%	October	0.60%	September
MBA Mortgage Applications	5.50%	November	-2.50%	October





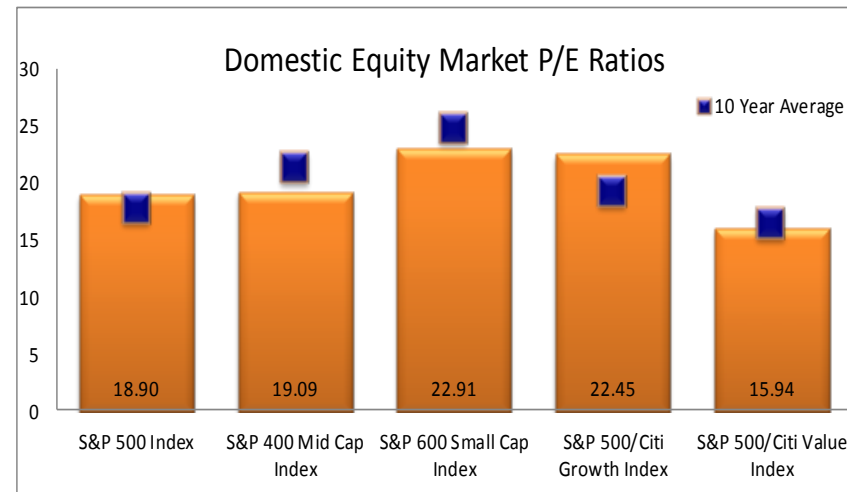
Domestic Equity

U.S. equities bounced back in November, recouping some of the losses incurred in October. The S&P 500 gained +2.04% while mid-caps rose +3.11% and small-caps edged up +1.50%. Volatility remained elevated during November with the VIX index averaging 19.5 for the month. As we go to press, global markets are surging following the G20 meeting, at which the outlines for a trade truce seem to have appeared. It seems a 90-day window has opened in which the US & China will revisit terms of trade. This follows a speech from Fed Chair Jay Powell last week in which he seemed to soften his rhetoric, implying that the Fed is closer to neutral than previously thought.

Healthcare led the charge in November with the sector rising +7.05%. More traditionally defensive sectors such as Real Estate, Materials and Utilities also performed well, gaining +5.63%, +4.05% and +3.58% respectively. Technology continued to struggle, falling -1.88% on the month, along with Energy (down -1.65%) and the newly created Communication Services sector (which contains such "tech" names as Alphabet (Google), Netflix and Facebook) which fell -0.65%.

Through eleven months, Healthcare has taken over leadership from Information Technology, rising +16.5% versus +8.93% for Tech. A combination of strong earnings, increased M&A, and an aging population remain catalysts for the sector. Laggards on the year include Financials (down -1.98%), Energy (-6.21%), Industrials (-2.90%) and Materials (-8.38%).

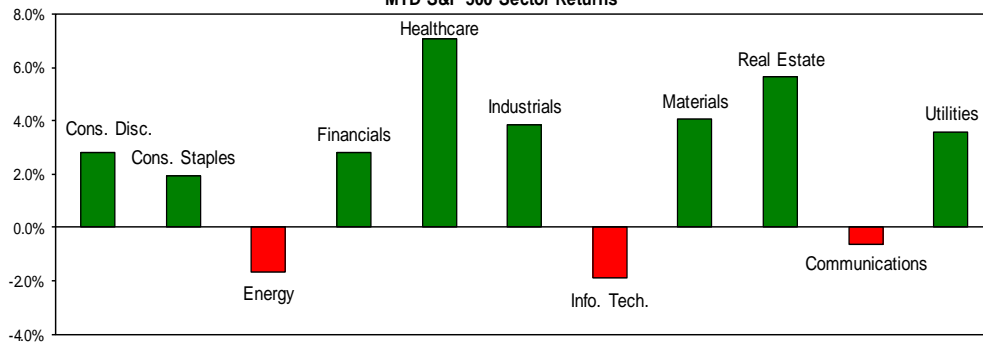
Financials remain attractive from a valuation standpoint with XLF, the Financial Select Sector SPDR Fund trading below 14x earnings. Large money center banks should benefit from continued deregulation, higher interest rates and a still strong economy. We remain hopeful that Mr. Market will eventually come around and see things our way.



Domestic Equity Returns

Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
S&P 500 Index	2.04%	-4.94%	5.10%	6.26%	12.14%	11.10%
S&P 400 Mid Cap Index	3.11%	-6.73%	0.25%	0.47%	10.46%	9.24%
S&P 600 Small Cap Index	1.50%	-9.14%	4.06%	3.47%	12.32%	9.36%
S&P 500/Citi Growth Index	1.53%	-6.67%	9.42%	10.05%	13.63%	13.14%
S&P 500/Citi Value Index	2.63%	-2.83%	0.57%	2.25%	10.21%	8.67%

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	2.81%	-8.78%	10.03%	12.68%	11.72%	12.12%	10.26%
Consumer Staples	1.93%	4.29%	0.80%	3.03%	7.42%	8.42%	8.13%
Energy	-1.65%	-12.72%	-6.21%	-1.63%	2.14%	-2.37%	5.29%
Financials	2.80%	-2.07%	-1.98%	-0.09%	12.86%	11.21%	13.15%
Healthcare	7.05%	-0.11%	16.50%	15.75%	12.09%	13.31%	15.59%
Industrials	3.84%	-7.38%	-2.90%	-1.08%	11.00%	9.25%	9.52%
Information Technology	-1.88%	-9.70%	8.93%	8.94%	18.91%	17.91%	19.72%
Materials	4.05%	-5.81%	-8.38%	-6.61%	8.25%	6.32%	2.59%
Real Estate	5.63%	3.86%	5.60%	5.07%	6.35%	8.81%	2.84%
Communication Services*	-0.65%	-6.36%	N/A	N/A	N/A	N/A	9.87%
Utilities	3.58%	5.61%	8.47%	1.81%	13.04%	11.85%	3.04%

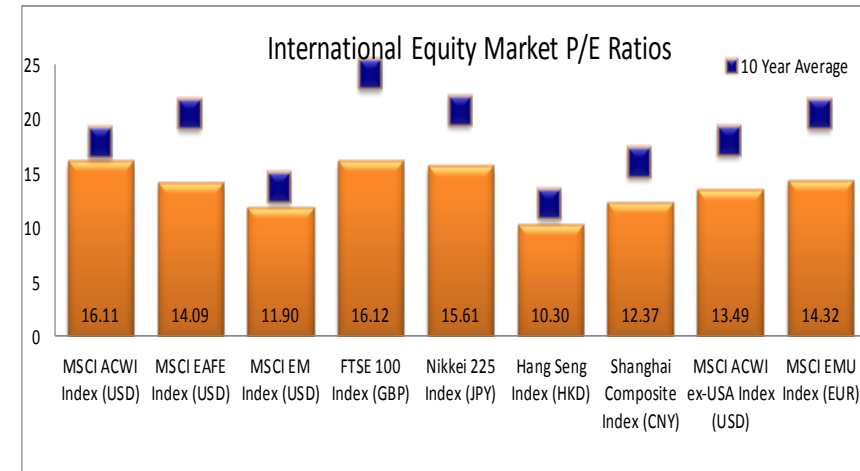
*The S&P 500 Communication Services Sector was reclassified from the Telecommunications Sector on September 21st, 2018

International Equity

International equities were a mixed bag in November as emerging markets staged a rebound while broader developed markets struggled. The MSCI EM Index gained +4.13% on the month while the MSCI EAFE Index fell -0.10%. Great Britain's FTSE 100 Index fell -1.58% while the broader MSCI EMU Index lost -0.83%. Asia showed some strength as bets were made ahead of this past weekends G20 summit in Buenos Aires. The semblance of a trade truce has emerged from the summit and as we write this international markets are surging. There's a lot of work left to be done however, and the clock is now ticking on the 90-day deadline to craft a new deal.

As with the US, defensive sectors led the way in November. Real Estate (+4.75%) and Utilities (+3.62%) benefitted from falling interest rates while the newly formed Communications Services sector (+4.33%) saw good inflows following its creation. Energy (-4.23%) and Materials (-2.69%) were the laggards on the month. Year to date, nine of the eleven sectors are in the red, with only Healthcare (+1.11%) and Utilities (+4.43%) in the black.

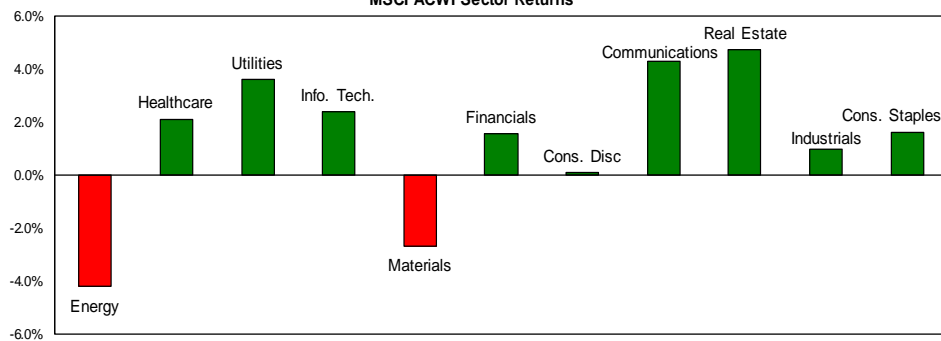
With a whole lot of bad news priced into international markets, valuations appear attractive. The MSCI EM Index trades at 11.9x earnings versus its 10-year average of 13.7x and has a dividend yield of nearly 3.0%. Looking at developed markets, the MSCI EAFE Index trades at 14.0x earnings versus its 10-year average of 20.4x and it sports a dividend yield of 3.5%. Both emerging and developed markets have meaningfully underperformed US markets over the past 3, 5 and 7-year periods. Mean reversion remains a powerful force in the investment world and our bet is that over the next 5 to 7 years, we should see a meaningful rebound in these sectors as US equities perhaps take some time to digest forecasted slower growth.



International Equity Returns

Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
MSCI ACWI Index (USD)	1.51%	-6.07%	-2.07%	-0.45%	9.18%	6.75%
MSCI EAFE Index (USD)	-0.10%	-8.04%	-8.92%	-7.43%	4.70%	2.41%
MSCI EM Index (USD)	4.13%	-4.93%	-12.02%	-8.77%	9.85%	2.28%
FTSE 100 Index (GBP)	-1.58%	-6.35%	-5.49%	-0.74%	7.40%	4.93%
Nikkei 225 Index (JPY)	1.96%	-7.33%	-0.07%	0.26%	6.21%	9.34%
Hang Seng Index (HKD)	6.23%	-4.36%	-8.28%	-5.93%	10.41%	5.93%
Shanghai Composite Index (CNY)	-0.55%	-8.24%	-19.83%	-20.07%	-7.10%	5.47%
MSCI ACWI ex-USA Index (USD)	0.97%	-7.23%	-9.71%	-7.65%	5.99%	2.33%
MSCI EMU Index (EUR)	-0.83%	-7.20%	-6.51%	-7.30%	1.77%	5.70%

MSCI ACWI Sector Returns



MSCI ACWI Ex U.S. Sector Returns

Sector	MTD	QTD	YTD	1 Year	3 Year	5 Year	% of ACWI
Energy	-4.23%	-11.30%	-2.03%	2.24%	12.14%	-0.31%	7.87%
Healthcare	2.12%	-4.77%	1.11%	3.00%	2.06%	4.04%	6.46%
Utility	3.62%	2.90%	4.43%	0.15%	9.14%	6.51%	6.04%
Information Technology	2.40%	-10.09%	-13.15%	-12.97%	13.21%	9.14%	10.33%
Materials	-2.69%	-11.81%	-11.81%	-9.68%	12.17%	0.74%	6.69%
Financials	1.57%	-5.54%	-11.61%	-9.12%	5.64%	1.65%	22.58%
Consumer Discretionary	0.09%	-9.50%	-15.53%	-13.57%	2.09%	1.19%	10.58%
Communication Services*	4.33%	-1.74%	-7.92%	-8.21%	0.04%	-0.41%	4.74%
Real Estate**	4.75%	-1.91%	-9.56%	-6.48%	N/A	N/A	3.70%
Industrials	0.96%	-8.82%	-10.10%	-8.48%	6.57%	2.97%	11.22%
Consumer Staples	1.59%	-4.29%	-7.78%	-5.44%	3.68%	3.36%	9.78%

*The MSCI ACWI Ex U.S. Communication Services Sector was reclassified on November 30th, 2018 **The MSCI ACWI Ex. USA Real Estate Sector was developed on August 31st, 2016



Fixed Income

On November 28th, Federal Reserve Chairman Jerome Powell made a speech at the Economic Club of New York regarding the U.S. economy and monetary policy. This speech gave the stock market quite a boost, as he presented his view on rates in a slightly less aggressive light. The sentence that the market really keyed in on, was, "Interest rates are still low by historical standards, and they remain just below the broad range of estimates of the level that would be neutral for the economy--that is, neither speeding up nor slowing down growth." "Just below," neutral was enough for the market to decide that fewer rate hikes were likely coming, and that the economy was more likely to continue running strong.

The Fed is expected to raise rates at its December 18/19 meeting, which will be followed by a press conference. Starting in January, Chairman Powell will begin a new tradition of press conferences after every Fed meeting. This means all meetings in 2019 will be "live" for possible rate increases.

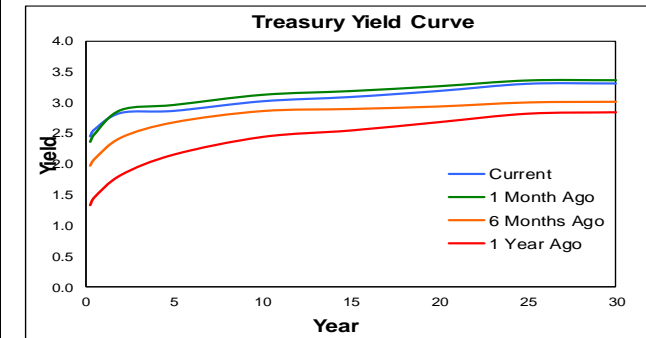
Investment grade yield spreads over Treasuries have widened by ~27 bps thus far in the fourth quarter, a move similar in magnitude to Q1 during the equity market selloff. There have been brief periods of spread tightening, but the trend throughout 2018 has been higher. Current spread levels have not been seen in a few years, and are reminiscent of mid-2016.

High Yield spreads have widened by ~100 bps in Q4 and are also at levels that we have not witnessed since 2016. Emerging Market Sovereign debt has followed a similar path, widening throughout 2018, and significantly thus far in Q4.

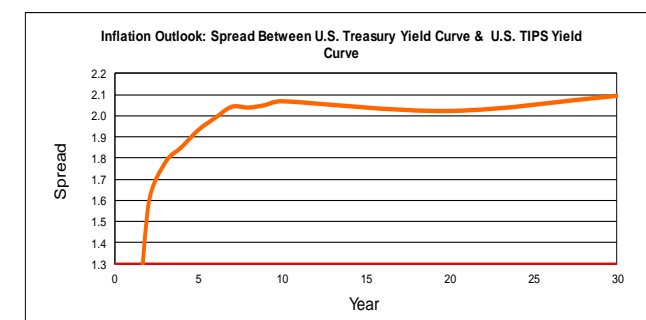
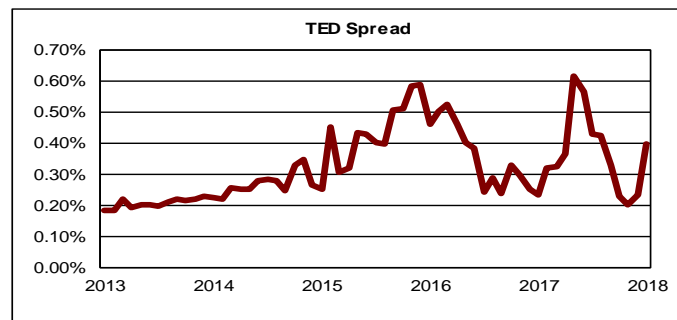
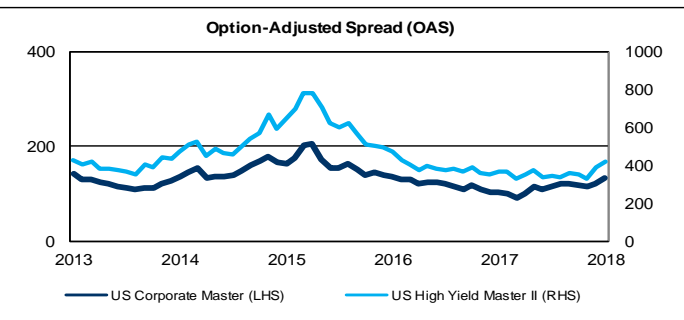
During the month of November, Municipal Bonds were the best performer among the indices we track. This outperformance left muni yields slightly less attractive compared to Treasury bond yields. It may seem counterintuitive, as corporate yields have been rising versus Treasury bonds. The rally in Municipal bond prices was likely driven by the midterm election results. The results made the path to further tax-cuts more difficult, which makes it less likely that the value of tax-free income provided by Municipal bonds will be eroded, and supports demand/pricing.

Central Bank Activity				
Name	Current	1 Month Ago	6 Months Ago	1 Year Ago
Fed Funds Rate	2.25%	2.25%	1.75%	1.25%
Bank of Japan Target Rate	0.10%	0.10%	0.10%	0.10%
European Central Bank Rate	0.00%	0.00%	0.00%	0.00%
Bank of England Official Bank Rate	0.75%	0.75%	0.50%	0.50%

Fixed Income Returns				
Name	MTD	QTD	YTD	1 Year
Bloomberg Barclays US Government Index	0.88%	0.41%	-1.22%	-1.23%
Bloomberg Barclays US Agg Index	0.60%	-0.20%	-1.79%	-1.62%
Bloomberg Barclays US Corporate Index	-0.17%	-1.62%	-3.92%	-3.44%
Bloomberg Barclays US Corporate High Yield Index	-0.86%	-2.45%	0.06%	0.36%
Bloomberg Barclays EM USD Agg Index	-0.16%	-1.52%	-3.77%	-3.51%
Bloomberg Barclays Global Agg Treasuries USD Index	0.67%	0.77%	1.23%	1.04%
Bloomberg Barclays Municipal Index	1.11%	0.48%	0.08%	0.78%



U.S. Treasury Yields									
Period	3 Month	6 Month	2 Year	5 Year	10 Year	15 Year	20 Year	25 Year	30 Year
Current	2.45%	2.56%	2.83%	2.86%	3.02%	3.09%	3.18%	3.30%	3.31%
1 Month Ago	2.36%	2.49%	2.88%	2.96%	3.12%	3.18%	3.26%	3.36%	3.36%
6 Months Ago	1.97%	2.08%	2.43%	2.68%	2.86%	2.89%	2.93%	3.00%	3.01%
1 Year Ago	1.33%	1.46%	1.82%	2.15%	2.44%	2.54%	2.68%	2.81%	2.84%



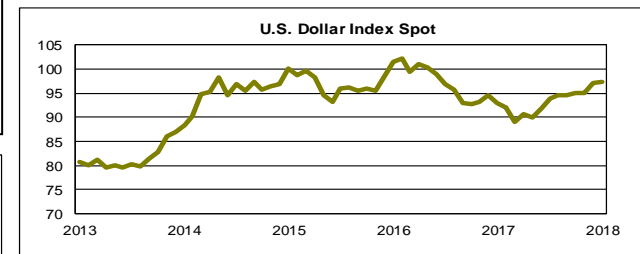
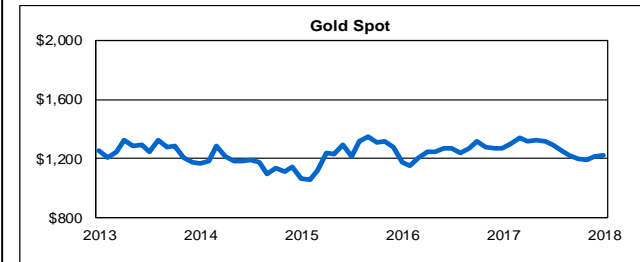
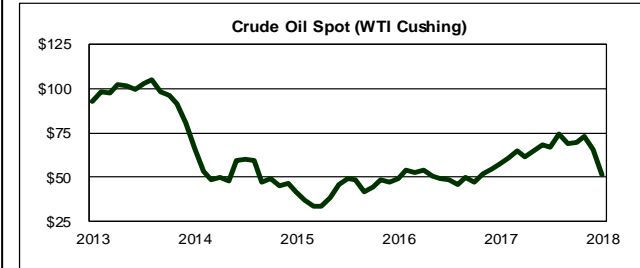
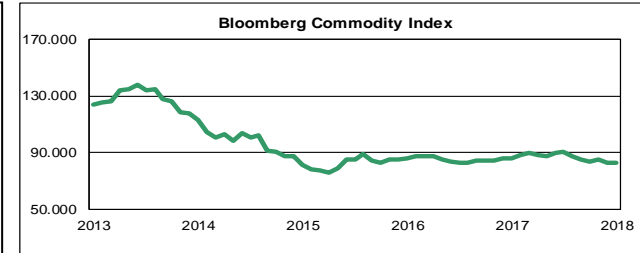
Alternative Investments

The so-called “alternative investment” space continued to struggle against a backdrop of slowing global growth, trade tensions between the US and China, a rising US Dollar, uncertain US interest rate policy and the ongoing Brexit saga. Interest rates around the world remain accommodative, propping up what would otherwise be failing corporations. Rising rates in the US are triggering volatility in equities while European markets remain plagued by the ongoing uncertainty around Brexit. All in all, a very difficult environment for many traditional “Alt” strategies.

The US Dollar edged higher against a basket of international currencies during November as strong growth (US Q3 GDP up +3.5%) and decidedly higher interest rates here in the US continue to attract interest from abroad. Falling oil prices and weakness across the commodity sector also marked November, although given the historical link between the two events investors shouldn’t be surprised.

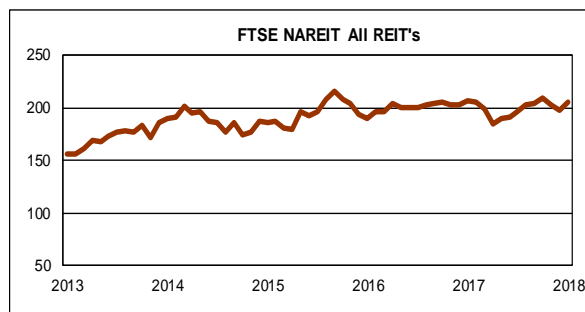
NYMEX WTI Crude oil fell a staggering -20.2% during November as softening global growth, trade tensions and the aforementioned rising US Dollar all took a toll on global demand for oil. Fingers continue to point at the US shale sector as the rise of these producers has the US nearing 12-million barrels a day of crude oil production. The US eclipsed Russia this year as the largest producer of oil in the world. The flexibility with which shale producers can turn production on and off has roiled global markets and should continue to impact supply for years to come.

Hedge funds continued to struggle in November. Despite high fees and low returns, hedge fund closures in the second quarter of this year were the lowest since before the credit crisis. According to Hedge Fund Research, hedge funds averaged a +1.75% return through August of this year. Assuredly the number look far worse now after the turmoil in October that saw the crowded Tech trade unwind. Within the hedge fund space, managers focused on Merger Arbitrage appear to be generating the strongest returns (up +1.05% in November and +0.35% YTD).



Hedge Funds						
Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
Global Hedge	-0.78%	-3.87%	-5.05%	-4.35%	0.59%	-0.12%
Convertible Arbitrage	-0.33%	-0.97%	0.22%	0.91%	4.00%	0.79%
Distressed Securities	-1.44%	-2.65%	-8.10%	-7.26%	3.14%	0.26%
Equity Hedge (L/S)	-0.82%	-4.73%	-5.59%	-4.62%	0.92%	0.83%
Equity Market Neutral	-1.93%	-2.63%	-3.12%	-3.81%	-2.08%	0.48%
Event Driven	-0.90%	-5.43%	-10.65%	-10.30%	1.54%	-1.10%
Macro	-0.60%	-3.24%	-4.38%	-3.59%	-2.10%	-0.38%
Merger Arbitrage	1.05%	0.35%	-1.47%	-1.08%	1.99%	3.17%
Relative Value Arbitrage	-0.76%	-1.79%	0.76%	1.43%	1.20%	-0.04%
Absolute Return	-0.53%	-0.64%	0.35%	0.64%	1.20%	1.59%

Note: Price Return, Returns as of 11/29/18



Spot Rates					
Description	Current	1 Month Ago	3 Months Ago	6 Months Ago	1 Year Ago
CAD / USD	1.33	1.32	1.30	1.30	1.29
JPY / USD	113.57	112.94	111.03	108.82	112.54
USD / GBP	1.27	1.28	1.30	1.33	1.35
USD / EUR	1.13	1.13	1.16	1.17	1.19



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, S5RLST) – 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, Communication Services, Utilities, and Real Estate.

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.

Bloomberg Barclays Global Treasuries USD Hedged Index (LGTTRUH)– The Bloomberg Barclays Global Treasury Index tracks fixed-rate, local currency government debt of investment grade countries. The index represents the treasury sector of the Global Aggregate Index and contains issues from 37 countries denominated in 24 currencies.

Bloomberg Barclays Municipal Bond Index (LMBITR)– The Bloomberg Barclays Municipal Bond Index covers the USD-denominated long-term tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

Bloomberg Barclays EM Hard Currency Aggregate Index (LG20TRUU)- The Bloomberg Barclays Emerging Markets Hard Currency Aggregate Index is a hard currency Emerging Markets debt benchmark that includes USD-denominated debt from sovereign, quasi-sovereign, and corporate EM issuers.



Bloomberg Barclays U.S. Government Index- Bloomberg Barclays US Government Bond Index is comprised of the US Treasury and US Agency Indices. The index includes US dollar-denominated, fixed-rate, nominal US Treasuries and US agency debentures (securities issued by US government owned or government sponsored entities, and debt explicitly guaranteed by the US government).

Bloomberg Barclays U.S. Aggregate Bond Index (LBSTRUU)- The Bloomberg Barclays US Aggregate Bond Index is a broad-based benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency).

Bloomberg Barclays U.S. Corporate Index (LUACTRUU)- The Bloomberg Barclays US Corporate Bond Index measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD denominated securities publicly issued by US and non-US industrial, utility and financial issuers.

Bloomberg Barclays U.S. Corp High Yield Index (LFTR ML U.S. Corporate Index (COA0) – The Bloomberg Barclays US Corporate High Yield Bond Index measures the USD-denominated, high yield, below-investment grade fixed-rate corporate bond market.

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.

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 (USDIX) indicates the general int'l value of the USD. The USDIX 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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