Nottingham Monthly Market Wrap
December 31, 2015

Nottingham Advisors

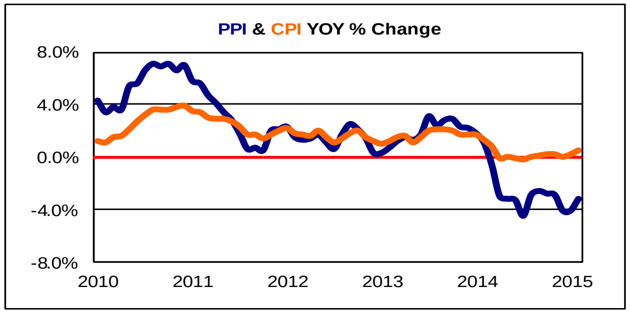
Economic Overview

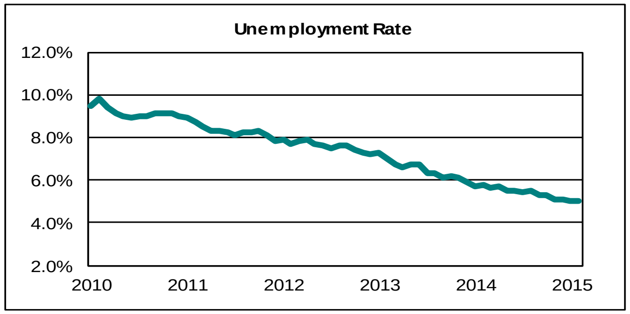
2015 concluded with a series of somewhat lackluster economic reports, generally supporting the notion of a secular stagnation that has been broadly debated over the past few years. The final reading for third quarter US GDP showed the economy growing at a +2.0% annualized rate, with the GDP Price Index rising just +1.3%. Inflation remains muted as we near what some may think of as “full employment.” Consumer balance sheets continue to improve; however, many industrial readings are pointing to a slowdown in manufacturing.

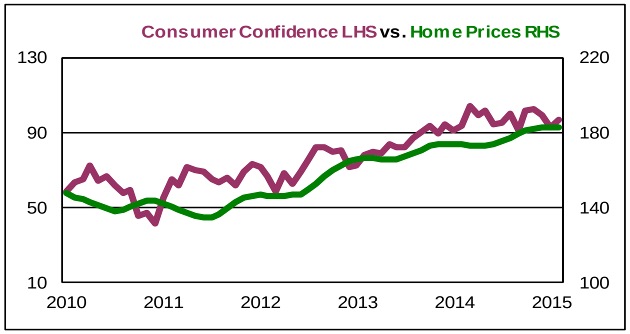
+211,000 new jobs were created in November, slightly above estimates for +200,000, and down from the prior months surge of +298,000. The Unemployment Rate held steady at 5.0% while the Underemployment Rate rose slightly to 9.9%. Average hourly earnings rose +0.2% MoM and are up +2.3% YoY. The average work week held steady at 34.5 hours. Initial jobless claims averaged 275,000 in December.

As mentioned above, inflation remains well contained, much to the consternation of the Fed. The ISM Prices paid index came in at 35.5, down from the prior months reading of 39.0 and below analyst estimates for 40.0. Producer prices rose +0.3% MoM in November, but were down -1.1% from a year ago. Core PPI rose +0.3% MoM and is up +0.5% YoY. Consumer prices were unchanged in November and were up a meager +0.5% YoY. Core CPI rose +0.2% MoM and +2.0% YoY. Finally, the PCE Core measure of inflation rose +0.1% MoM in November and is up just +1.3% YoY, well below the Fed’s target of +2.0%.

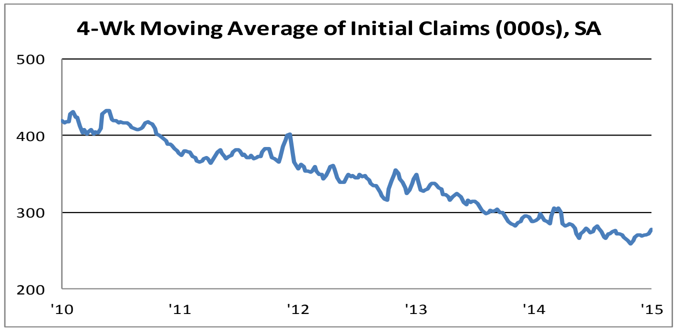
Lastly, the Markit US Manufacturing PMI came in at 52.8 in November, slightly beating estimates while the just released report for December came in at 51.2, slightly ahead of estimates. Industrial Production declined a greater than expected -0.6% MoM (versus expectations for -0.2% MoM) while Capacity Utilization also missed, registering 77.0%. Durable Goods orders came in unchanged versus a +2.9% gain in the prior month. Despite more robust strength in the housing sector, the broader industrial economy appears to be slowing and this will merit close watching as we enter 2016.

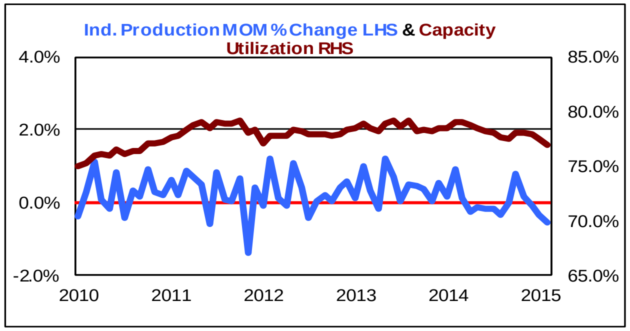






Key Data Points				
Name	**Current**	**For**	**Previous**	**For**
Retail Sales ex. Autos MOM %	0.40%	November	0.10%	October
Housing Starts	1173K	November	1062K	October
Factory Orders MOM %	1.50%	October	-0.80%	September
Leading Indicators MOM %	0.40%	November	0.60%	October
Unit Labor Costs	1.80%	3Q15	2.00%	2Q15
GDP QOQ (Annualized)	2.00%	3Q15	3.90%	2Q15
Wholesale Inventories	-0.10%	October	0.20%	September
MBA Mortgage Applications	7.30%	December	-0.20%	November





NOTTINGHAM ADVISORS

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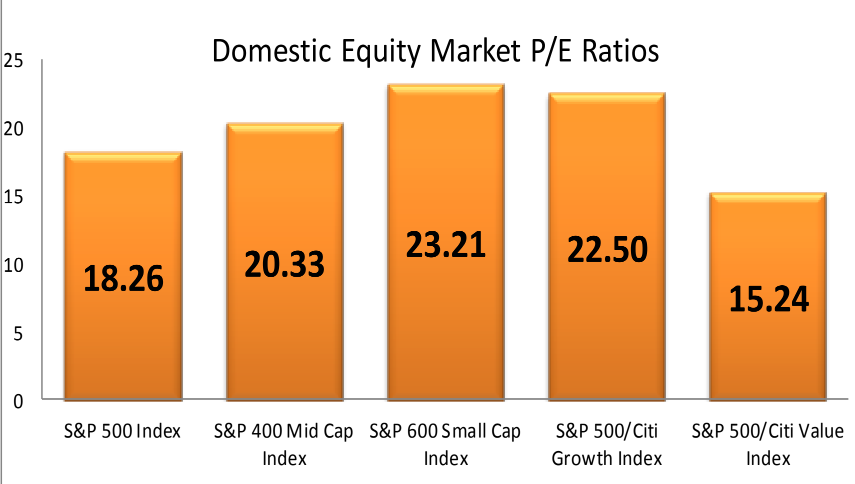
Domestic Equity

U.S. equities finished December on a low note, as a makeshift Santa Claus rally couldn't keep the S&P 500 in positive territory for the year. The benchmark large cap index fell -1.59% during the month, but managed to eke out a small +1.37% gain on a total return basis thanks to dividends. Mid- and Small-caps also faltered, shedding -4.17% and -4.80% on the month, and -2.18% and -2.01% on the year. Growth and Value stocks finished the month in similar fashion, losing -1.53% and -1.69%, respectively. However, on a year to date basis, Growth stocks handily outpaced Value stocks by 865 basis points, one of the largest spreads in recent memory. For the year, Growth stocks gained +5.51%, while Value stocks declined -3.14%, further widening the valuation gap between the two style classes (P/E Ratios: 22.50x for Growth, versus 15.24x for Value). Much of the outperformance can be attributed to an acronym known as "FANG," which is short for Facebook (+34.2% YTD), Amazon (+117.8% YTD), Netflix (+134.4% YTD), and Google (+44.6% YTD), but is part of a larger market dynamic in which the largest 10 stocks in the S&P 500 carried the market, gaining an average of +21%. Mega-caps (i.e. largest 100 companies in the S&P 500) rose +2.64%, adding to the momentum and growth names that kept the market afloat. According to data compiled by Bloomberg, the average stock ended the year down -17% from its 52-week high. Interestingly, the market's largest company, Apple, was not part of any of the leadership groups mentioned, as it lost -3.02% on the year.

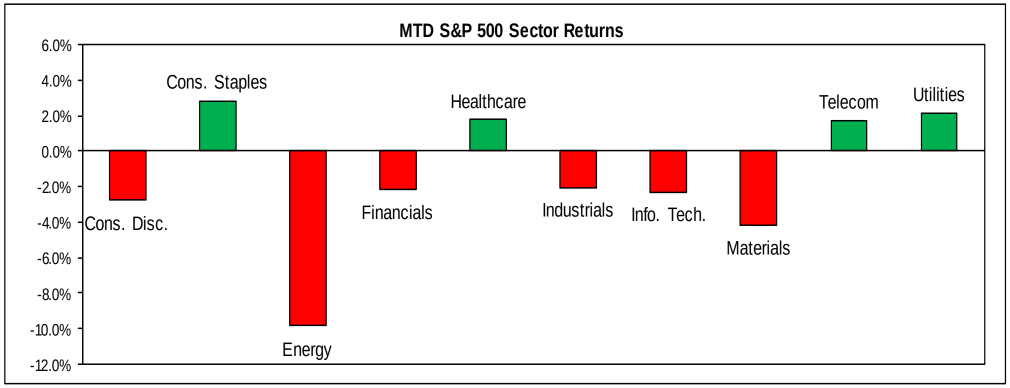
From a sector standpoint, defensive sectors led the way in December, with Consumer Staples, Utilities, Healthcare, and Telecoms posting positive returns of +2.86%, +2.17%, +1.78%, and +1.75%, respectively. Cyclical sectors such as Energy again led the pack of decliners, losing -9.87% on the month. For the year, Consumer Discretionary was the best performing sector (thanks to Amazon, the sector's top holding), returning +10.11%. Healthcare was not far behind, gaining +6.89% and shaking off negative headlines surrounding drug pricing. Energy was the year's worst performer, losing -21.12%, as crude oil fell precipitously, and the outlook for oil and energy as a whole failed to improve heading into 2016. While many investors with a long-term time horizon may see the energy sector as a compelling buy, oil prices can easily fall further, especially as global growth and demand remains weak.

Looking ahead to 2016, we continue to favor Healthcare and Technology sectors, and have become more constructive on Value stocks. Volatility returned to the market in 2015, and we expect it to remain in 2016. The S&P 500 rose or fell more than +/-1% on 72 occasions in 2015, more than twice as many as 2014. With the Federal Reserve having already hiked interest rates 25 basis points, and likely to hike again in 2016, volatility is sure to be present once again in the new year.



Domestic Equity Returns

Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
S&P 500 Index	-1.59%	7.03%	1.37%	1.37%	15.12%	12.55%
S&P 400 Mid Cap Index	-4.17%	2.60%	-2.18%	-2.18%	12.73%	10.64%
S&P 600 Small Cap Index	-4.80%	3.70%	-2.01%	-2.01%	13.55%	11.45%
S&P 500/Citi Growth Index	-1.53%	7.85%	5.51%	5.51%	17.18%	14.05%
S&P 500/Citi Value Index	-1.69%	6.04%	-3.14%	-3.14%	12.82%	10.94%



S&P 500 Sector Returns

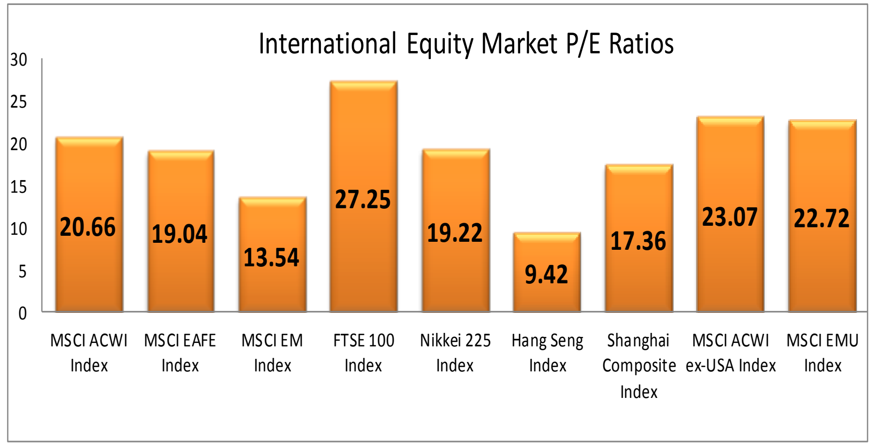
Sector	MTD	QTD	YTD	1 Year	3 Year	5 Year	% of S&P 500
Consumer Discretionary	-2.78%	5.79%	10.11%	10.11%	20.00%	17.83%	13.14%
Consumer Staples	2.86%	7.64%	6.60%	6.60%	15.96%	14.50%	11.03%
Energy	-9.87%	0.20%	-21.12%	-21.12%	-3.11%	-0.08%	6.35%
Financials	-2.16%	5.92%	-1.56%	-1.56%	15.41%	10.41%	16.04%
Healthcare	1.78%	9.22%	6.89%	6.89%	23.75%	20.28%	14.90%
Industrials	-2.03%	7.97%	-2.56%	-2.56%	14.59%	11.51%	9.94%
Information Technology	-2.29%	9.17%	5.92%	5.92%	17.78%	13.94%	20.60%
Materials	-4.16%	9.69%	-8.38%	-8.38%	7.15%	5.00%	2.77%
Telecommunications	1.75%	7.61%	3.40%	3.40%	5.88%	8.33%	2.36%
Utilities	2.17%	1.07%	-4.84%	-4.84%	11.59%	11.03%	2.88%

International Equity

International equities again fell into the "di-worsification" bucket in 2015, as diversification benefits of holding developed international and emerging market equities we're outweighed by negative performance. Developed international equities, as measured by the MSCI EAFE Index lost -1.32% on the month, and -0.21% on the year in Dollar terms. However, on a local currency basis, the MSCI EAFE Index rose +5.33% in price terms. Emerging markets, as measured by the MSCI EM Index lost -2.37% on the month, and -14.83% on the year, dragged down by a multitude of factors including falling commodity prices, a strong Dollar, U.S. interest rates, and weak global growth, to name a few. Interestingly, however, is the fact that emerging market equities have now posted a 5-year annualized return of -4.55%, which stands in stark contrast to the early 2000's (pre-financial crisis) in which emerging markets equities were a top performing asset class, and to most countries and regions that have posted largely positive returns post-2008. The notable standout in the emerging markets space was unsurprisingly China, as the Shanghai Composite Index gained +2.73% in December, and +11.15% on the year. This was even after the Shanghai Composite fell nearly -45% over the summer.

Quantitative easing (QE) in both Japan and the Eurozone helped propel their respective equity markets. From a country perspective, Japan was a notable developed market standout, with the Nikkei 225 Index gaining +10.96% in Dollar terms. Regionally, the Eurozone rose +10.89%, as European Central Bank (ECB) President Mario Draghi expanded the ECB's QE program in December. Looking ahead into 2016, quantitative easing should continue to support share prices in both Japan and Europe, which remain two of our top ideas internationally.

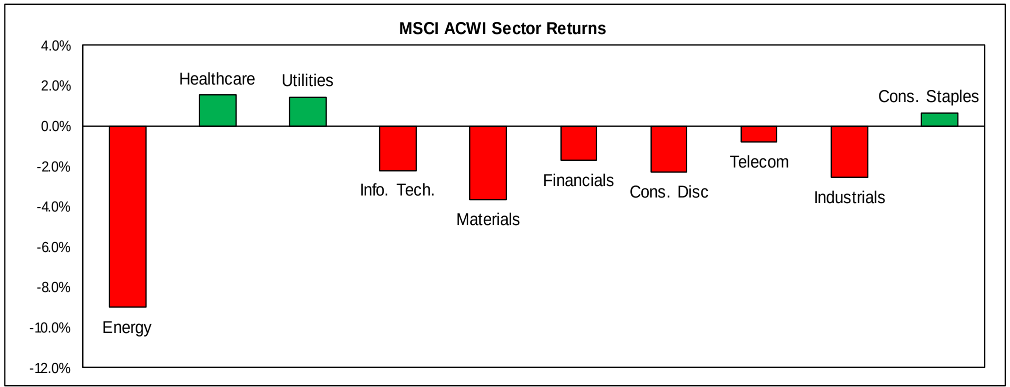
From a valuation perspective, emerging markets equities may look "cheap" relative to their developed counterparts. However, they could easily fall further given the risks to global growth and commodity weakness. It is likely not until the Dollar weakens substantially (unlikely in the near term), oil prices and commodities stabilize (also unlikely in the near term), and global growth accelerates (again, unlikely) that EM equities may catch a bid.



MSCI EM Index P/E value as of 12/21/2015

International Equity Returns

Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
MSCI ACWI Index	-1.78%	5.14%	-1.80%	-1.80%	8.32%	6.71%
MSCI EAFE Index	-1.32%	4.80%	-0.21%	-0.21%	5.68%	4.27%
MSCI EM Index	-2.37%	0.52%	-14.83%	-14.83%	-6.55%	-4.55%
FTSE 100 Index	-1.70%	3.79%	-1.03%	-1.03%	5.99%	5.23%
Nikkei 225 Index	-3.50%	9.59%	10.96%	10.96%	24.39%	15.36%
Hang Seng Index	-0.36%	5.42%	-3.92%	-3.92%	2.54%	2.57%
Shanghai Composite Index	2.73%	15.98%	11.15%	11.15%	19.06%	7.33%
MSCI ACWI ex-USA Index	-1.89%	3.30%	-5.18%	-5.18%	2.06%	1.62%
MSCI EMU Index	-5.69%	6.64%	10.89%	10.89%	13.45%	8.64%



MSCI ACWI Sector Returns

Sector	MTD	QTD	YTD	1 Year	3 Year	5 Year	% of S&P 500
Energy	-9.01%	-0.43%	-21.51%	-21.51%	-7.85%	-4.68%	6.21%
Healthcare	1.53%	6.95%	6.83%	6.83%	20.11%	17.63%	11.02%
Utility	1.44%	1.25%	-7.33%	-7.33%	6.00%	3.52%	3.36%
Information Technology	-2.21%	8.61%	3.57%	3.57%	15.07%	11.09%	14.09%
Materials	-3.66%	3.47%	-15.80%	-15.80%	-7.94%	-7.23%	4.53%
Financials	-1.74%	3.94%	-4.99%	-4.99%	6.75%	5.04%	21.26%
Consumer Discretionary	-2.29%	5.12%	4.57%	4.57%	14.13%	11.94%	13.33%
Telecommunications	-0.81%	4.27%	-1.18%	-1.18%	6.80%	5.99%	4.84%
Industrials	-2.58%	6.13%	-2.65%	-2.65%	8.41%	6.06%	10.48%
Consumer Staples	0.64%	5.62%	5.74%	5.74%	10.45%	11.05%	10.88%

Fixed Income

Bonds fell slightly in December, capping a somewhat lackluster year. 2015 would prove to be historic, however, as the Federal Reserve raised short-term interest rates for the first time in nearly a decade. The 25 basis point move in December lifted the Federal Funds rate off of the “zero-bound” and should prove the first step towards interest rate normalization here in the U.S. It’s widely expected the Fed will hike two or three more times in 2016, taking the Fed Funds rate to 1.0% or so by year end. The pace of future rate hikes will be critically important in terms of how investors react. Should the Fed move too quickly and spook bondholders, the resulting sell-off could be fierce.

One surprise in 2015 proved to be U.S. Dollar based emerging market debt. Despite all the turmoil in EM equities, the ML USD Emerging Market Sovereign & Credit Index gained +9.14% in 2015. Individual investor experience might not have been so fortunate, however, as the exchange-traded fund EMB, the iShares J.P. Morgan USD Emerging Markets Bond ETF, gained only +1% in 2015, while those choosing the local currency exposure provided by ELD, the WisdomTree Emerging Markets Debt ETF, suffered a -13.3% loss. Over the past two years, the U.S. Dollar based ETF has outperformed the local currency ETF by over 25%!

Trailing the EM index, the ML Municipal Master gained +3.55% on the year, followed by the ML Global Government Bond II, which gained +1.22%, despite negative short-term yields in many of those countries. Municipal high-yield debt basically broke even while the ML US Treasury/Agency Master rose +0.84% for the year. Corporate spreads widened considerably in 2015, leading the ML US Corporate Master Index to a slight decline, while the ML US High Yield Master II Index saw nearly 200 basis points of spread widening, ending the year down -4.64%.

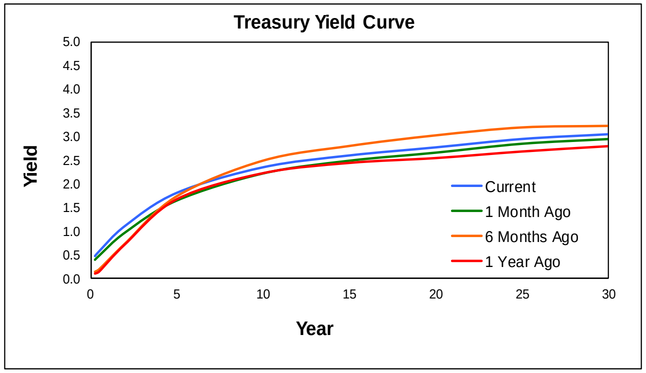
2016 should be a challenging year for fixed income with the Fed widely expected to raise short-term rates another 100 basis points. Two positives for the bond market continue to be the absence of any meaningful inflation and the role of bonds as a hedge against a downturn in the equity market. Our guess is that low nominal growth will lead to a flattening of the yield curve over the course of the year. TIPS could prove to be an interesting buy here as inflation expectations are low and inflation-protected securities appear cheap. Lastly, should energy prices stabilize in 2016, high yield could recover nicely in 2016 as a lot of negative assumptions are built into prices currently.

Central Bank Activity

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

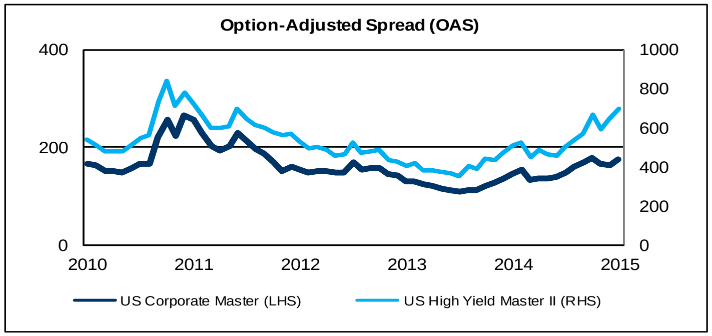
Fixed Income Returns

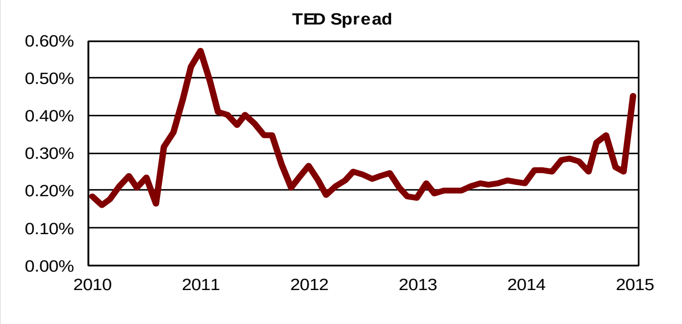
Name	MTD	QTD	YTD	1 Year
ML U.S. Treasury/Agency Master Index	-0.16%	-0.92%	0.84%	0.84%
ML U.S. Broad Market Index	-0.33%	-0.58%	0.60%	0.60%
ML U.S. Corporate Master Index	-0.87%	-0.56%	-0.63%	-0.63%
ML U.S. High Yield Master II Index	-2.58%	-2.17%	-4.64%	-4.64%
ML USD Emerging Market Sovereign & Credit Index	-1.61%	2.17%	9.14%	9.14%
ML Global Government Bond II Index	-0.24%	-0.07%	1.22%	1.22%
ML Municipal Master Index	0.80%	1.72%	3.55%	3.55%
ML Municipal High Yield Index	0.02%	1.32%	-0.05%	-0.05%

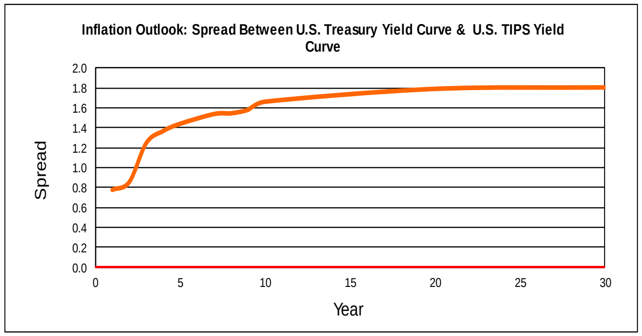


U.S. Treasury Yields

Period	3 Month	6 Month	2 Year	5 Year	10 Year	15 Year	20 Year	25 Year	30 Year
Current	0.46%	0.57%	1.10%	1.80%	2.34%	2.59%	2.76%	2.94%	3.04%
1 Month Ago	0.38%	0.47%	0.96%	1.64%	2.21%	2.48%	2.65%	2.84%	2.94%
6 Months Ago	0.13%	0.19%	0.73%	1.73%	2.48%	2.79%	3.02%	3.18%	3.22%
1 Year Ago	0.09%	0.14%	0.71%	1.67%	2.22%	2.43%	2.54%	2.67%	2.79%







Alternative Investments

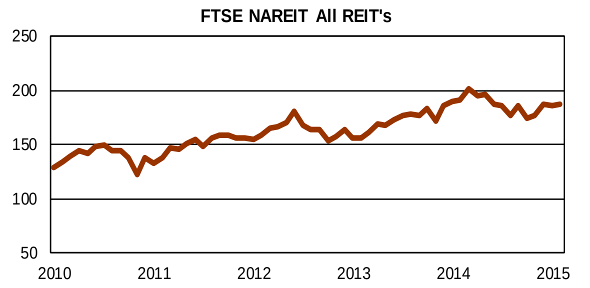
Alternative investments were mainly negative performers in December, led by oil. For the month, the only positive performer was Real Estate Investment Trusts (REITs), as measured by the FTSE NAREIT All REIT Index, which rose +0.5%. Negative performers included West Texas Intermediate (WTI) crude oil (-11.1%), the DJ-UBS Commodities Index (-3.1%), the Dollar, as measured by the DXY Index (-1.5%), and Gold (-0.3%). For the year, WTI led all decliners, losing -30.5%, or nearly -$15/bbl, to close just above $37/bbl on Thursday. Oil's decline dragged commodities lower (-24.7%), and the deflationary pressure of lower commodity prices also impacted Gold, which lost -10.4% on the year. REITs held their own, losing only -2.0% on the year.

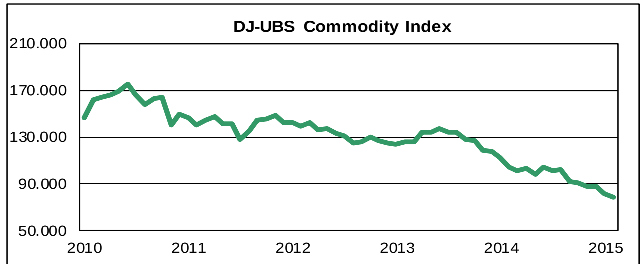
There were few notable standouts for 2015, with the lone bright spot being the U.S. Dollar, as the DXY Index backed up its strong performance in 2014 with a +9.3% gain in 2015. The Euro weakened -9.9% to $1.09 EUR/USD, while the Yen was largely unchanged at 120.2 JPY/USD. A strengthening U.S. labor market, improving economic outlook, growing demand for Dollars, and continuing expectations for the Federal Reserve to tighten monetary policy further in 2016 have all contributed to Dollar strength. Divergence in monetary policies from the Fed and both the European Central Bank (ECB) and Bank of Japan (BoJ) should continue to put downward pressure on the Euro and Yen, and contribute further to Dollar strength. While that thesis logically makes sense, central banks (the Fed included) remain data dependent. The ECB remains steadfast that risks remain to the downside, and its inflation expectations may need to be revised lower when data comes out tomorrow (Tuesday), which could ultimately result in further easing at some point in 2016. Similarly, the BoJ is also data dependent and it pertains to growth and inflation expectations in the wake of a global growth slowdown (see Japanese exports) and the impending 2017 tax hike that could impact domestic consumption. We're also watching for signs of wage growth acceleration, which has shown signs of life. Back home, Friday's employment report should give more clarity on expectations for interest rate hikes in 2016. According to Bloomberg, Fed funds futures are currently pricing in a 47.8% chance of a rate hike when the Fed meets on March 16th.

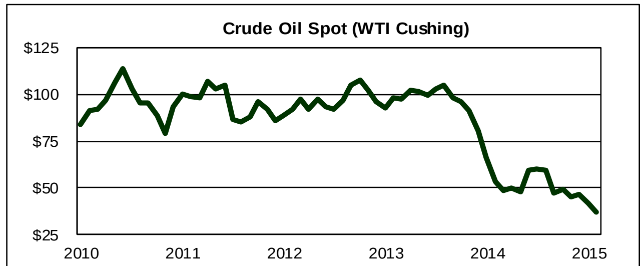
Finally, Hedge Funds concluded another dismal year that included a multitude of fund closures, high profile fund losses, and overall poor performance. Top performing strategies were Merger Arbitrage (+8.41%), Market Neutral (+5.64%), and Absolute Return (+3.05%). Lagging strategies included Distressed Securities (-11.39%) and Event Driven (-6.97%). It should be noted that Hedge Fund performance is self reported, and typically suffers from biases including survivorship bias which may distort performance metrics and bias them to the upside. More carnage in the world of Hedge Funds is likely in 2016.

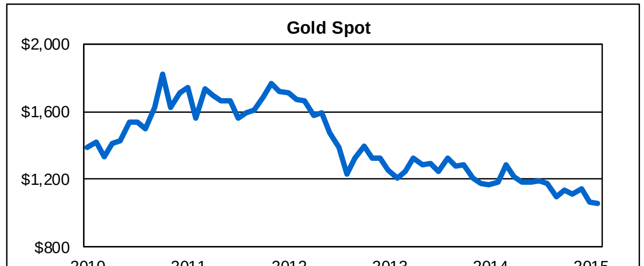
Hedge Funds

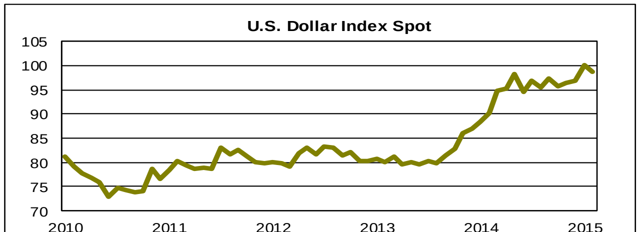
Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
Global Hedge	-1.17%	-0.45%	-3.49%	-3.49%	0.79%	-0.69%
Convertible Arbitrage	-0.92%	-1.35%	-0.03%	-0.03%	0.02%	0.79%
Distressed Securities	-3.57%	-6.98%	-11.39%	-11.39%	-2.10%	-2.72%
Equity Hedge (L/S)	-0.93%	1.00%	-2.16%	-2.16%	3.31%	-1.33%
Equity Market Neutral	0.52%	1.05%	5.64%	5.64%	3.65%	0.61%
Event Driven	-0.97%	-0.64%	-6.97%	-6.97%	0.54%	0.48%
Macro	-0.86%	0.14%	-1.42%	-1.42%	0.62%	-0.83%
Merger Arbitrage	1.00%	3.22%	8.41%	8.41%	4.84%	2.64%
Relative Value Arbitrage	-1.87%	-2.25%	-3.04%	-3.04%	-1.12%	-0.78%
Absolute Return	-0.24%	0.40%	3.05%	3.05%	2.46%	0.88%











Spot Rates

Description	Current	1 Month Ago	3 Months Ago	6 Months Ago	1 Year Ago
CAD / USD	1.38	1.34	1.33	1.25	1.16
JPY / USD	120.22	123.11	119.88	122.50	119.78
USD / GBP	1.47	1.51	1.51	1.57	1.56
USD / EUR	1.09	1.06	1.12	1.11	1.21

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

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