Nottingham Monthly Market Wrap

January 31, 2016

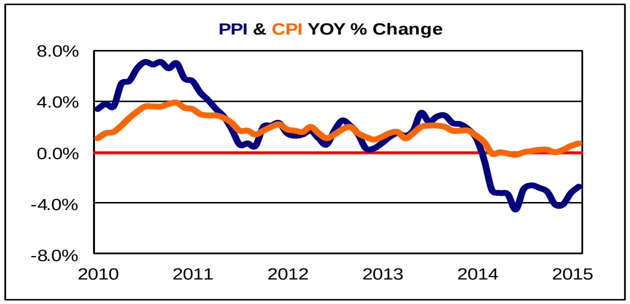
Economic Overview

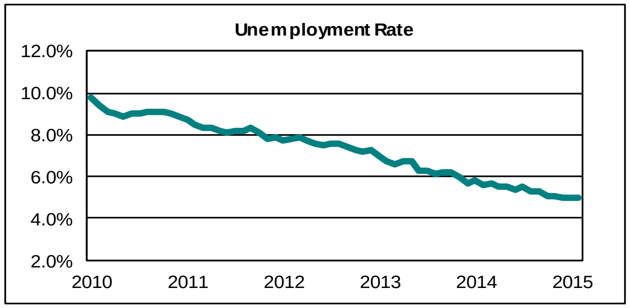
2016 began where 2015 left off, with the U.S. economy treading a very fine line between lackluster growth and outright recession. From a manufacturing standpoint, one could argue that the U.S. is already experiencing a modest pullback, whereas the service sector continues to expand. Employment gains continue and inflation remains muted, however the US economy grew at just a +0.7% rate in the 4th quarter, down from the prior quarters +2.0% reading. The sustained drop in oil prices isn't helping employment and cap-ex spending either.

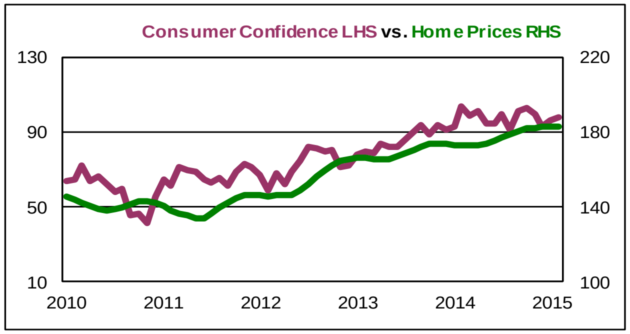
The ISM Manufacturing survey for December came in at 48.2, below estimates for 49.0, and below 50.0, marking contraction rather than expansion. That was the 3rd reading in a row below 50, which is in stark contrast to the ISM Non-Manufacturing Survey, which at 55.3, paints a picture of a strong non-manufacturing economy. Factory Orders for November declined -0.2% MoM while the Empire Manufacturing survey fell to -19.3 from -4.59. Lastly, Industrial Production for December declined -0.4% MoM while Capacity Utilization registered a modest 76.5%.

Despite troubles in manufacturing (no doubt impacted by the rising US Dollar), the US employment picture continues to improve. December saw a better than expected +292,000 nonfarm jobs created while the Unemployment Rate held steady at 5.0%. The one negative in the report was the Average Hourly Earnings number, which was unchanged in December (versus expectations for a +0.2% MoM rise). The Labor Force Participation Rate improved slightly to 62.6% while the Underemployment Rate held steady at 9.9%.

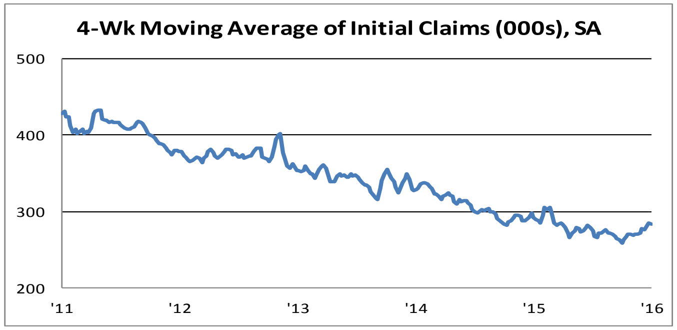
After raising interest rates in December, the Fed will likely be on hold until the economic data point to more strength in the economy. The fallout from the collapse in oil prices is just filtering through the economy now; and while longer term we feel low energy prices will prove a net positive for US consumers, the near-term impacts include job reductions in the energy space and a drastic decline in capital expenditures. With much of the rest of the world pursuing aggressive monetary easing, now would be a tough time for the Fed to get too aggressive in their interest rate normalization quest.

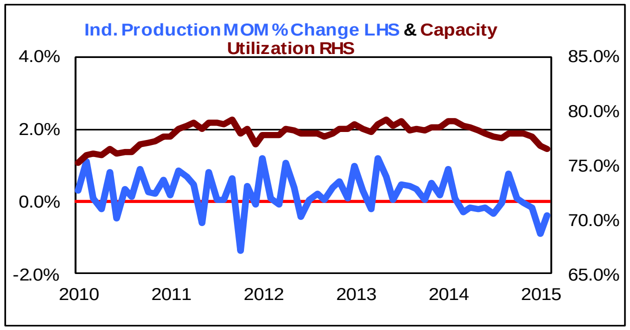






Key Data Points				
Name	**Current**	**For**	**Previous**	**For**
Retail Sales ex. Autos MOM %	-0.10%	December	0.30%	November
Housing Starts	1149K	December	1179K	November
Factory Orders MOM %	-0.20%	November	1.30%	October
Leading Indicators MOM %	-0.20%	December	0.50%	November
Unit Labor Costs	1.80%	3Q15	2.00%	2Q15
GDP QOQ (Annualized)	0.70%	4Q15	2.00%	3Q15
Wholesale Inventories	-0.30%	November	-0.30%	October
MBA Mortgage Applications	8.80%	January	-17.40%	December

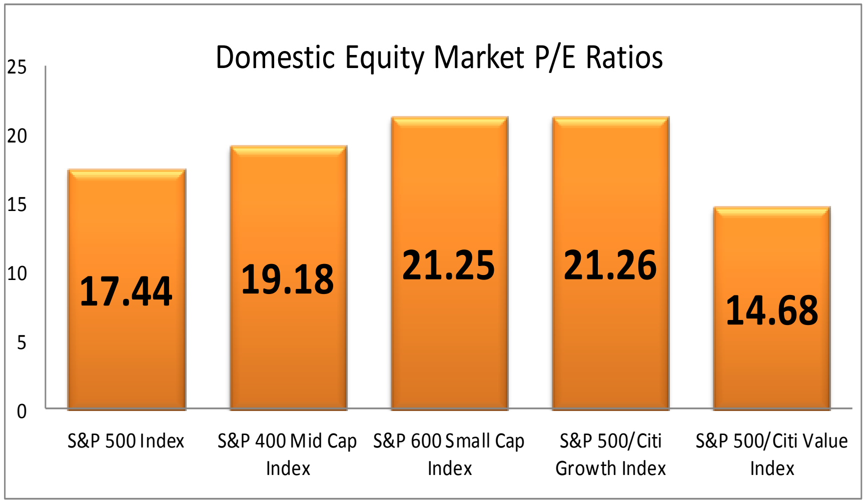




Domestic Equity

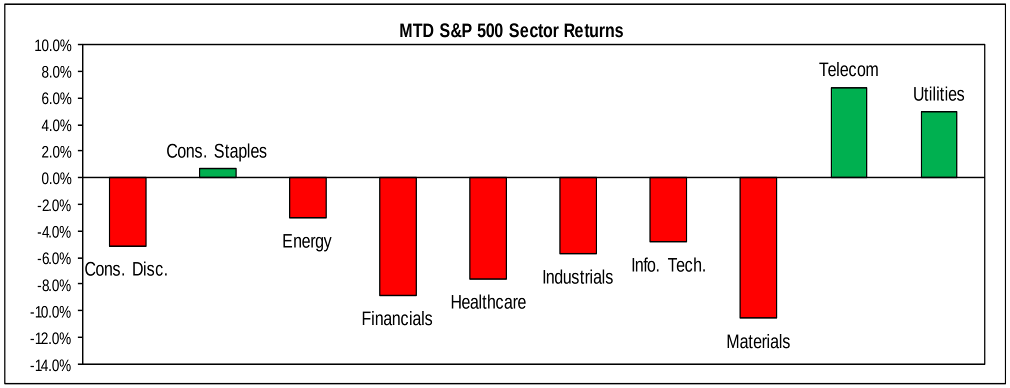
U.S. equity markets kicked off 2016 with a bang – but not in a good way. The S&P 500 fell as much as -12% intra-month, before staging a last minute rally in which the large-cap U.S. benchmark rallied sharply in the final trading day of the month. The S&P 500 ended January down -4.96%, while mid- and small-caps fared much worse. The S&P 400 (mid-caps) and S&P 600 (small-caps) fell -5.69% and -6.17%, respectively. Value stocks, as measured by the S&P 500/Citi Value Index, fell -4.88%, versus -5.04% for the S&P 500/Citi Growth Index. Interestingly, the market still continues to shun value stocks, even in periods of higher volatility and above average valuations. One reason for this phenomenon is the continued resilience of growth and momentum oriented stocks, despite their valuations. Many have piled into these types of companies, creating a crowded trade situation. This was evidenced by the fact that Amazon, one of last year's top performers (+118% in 2015) missed lofty analyst estimates last week, and fell nearly -8% after earnings to cap a month in which the stock gave back -15% of last year's performance. Investors continue to stick with these types of companies, despite their strong performances in the past two years, and expose themselves to company-specific risks that may have outsized negative effects on the stock price, as with Amazon. However, for every Amazon-like situation that happened in January, there was a Facebook-like performance that saw an earnings beat result in a +5.6% gain on the month. Eventually, value stocks will have their day, but it may take time, and volatility before it happens. Until then, the compelling valuations offered by value stocks appear to be worth the wait.

More than three-quarters of stocks within the S&P 500 ended down on the month, with a substantial number down double-digit percentage points. This is due to a market environment that saw the CBOE Volatility Index, better known as the VIX, rise from 18.2 to 27.6, and remain elevated. From a sector perspective, defensive-positioning paid off, with Telecoms, Utilities, and Consumer Staples the only sectors with positive performance on the month, up +6.77%, +4.93%, and +0.65%, respectively. While the outsized gain in Telecoms was likely due to a positive earnings release from Verizon, the sector's performance is nonetheless symbolic of the fact defensive sectors continue to outperform, especially in a flat to down market. Negative performers on the month included Materials and Financials, down -10.57% and -8.85%, respectively. The former continues to suffer from fears of slowing global growth and a strong Dollar, while the latter has lost momentum as probabilities for interest rate hikes this year have diminished and have been pushed further out into the future. Interestingly, Energy stocks "only" lost -3.02% on the month, outperforming the broader S&P 500 (-4.96%), as West Texas Intermediate (WTI) crude oil rallied nearly +18% into the close of the month but still finished down MoM. While Energy regained some favor in January, it is unlikely to signify a wholesale sentiment shift around the sector, and we would expect volatility in the sector to continue for the foreseeable future.



Domestic Equity Returns

Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
S&P 500 Index	-4.96%	-4.96%	-4.96%	-0.67%	11.31%	10.90%
S&P 400 Mid Cap Index	-5.69%	-5.69%	-5.69%	-6.70%	8.02%	8.93%
S&P 600 Small Cap Index	-6.17%	-6.17%	-6.17%	-4.72%	9.12%	10.02%
S&P 500/Citi Growth Index	-5.04%	-5.04%	-5.04%	1.90%	13.73%	12.54%
S&P 500/Citi Value Index	-4.88%	-4.88%	-4.88%	-3.59%	8.66%	9.15%



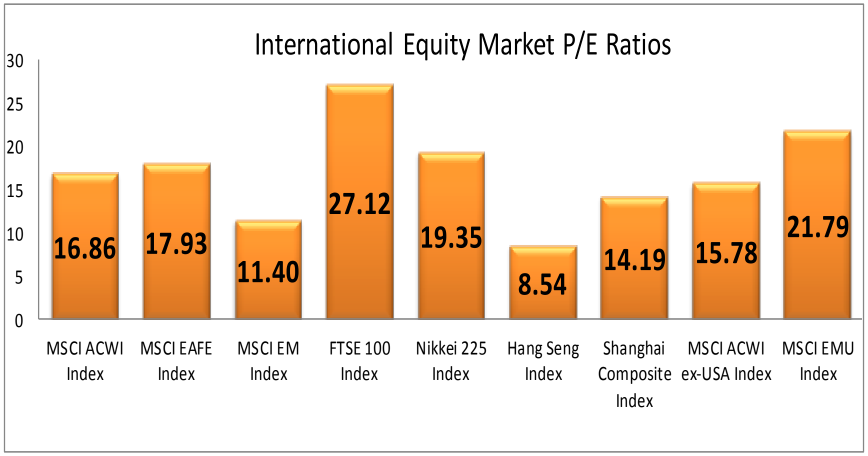
S&P 500 Sector Returns

Sector	MTD	QTD	YTD	1 Year	3 Year	5 Year	% of S&P 500
Consumer Discretionary	-5.11%	-5.11%	-5.11%	7.77%	15.79%	16.78%	13.09%
Consumer Staples	0.65%	0.65%	0.65%	8.48%	14.06%	15.03%	11.75%
Energy	-3.02%	-3.02%	-3.02%	-19.64%	-6.43%	-2.09%	6.50%
Financials	-8.85%	-8.85%	-8.85%	-3.63%	9.77%	7.79%	15.44%
Healthcare	-7.59%	-7.59%	-7.59%	-2.42%	17.71%	18.30%	14.52%
Industrials	-5.74%	-5.74%	-5.74%	-4.69%	10.34%	9.29%	9.88%
Information Technology	-4.83%	-4.83%	-4.83%	4.84%	15.36%	11.90%	20.41%
Materials	-10.57%	-10.57%	-10.57%	-16.49%	1.94%	2.70%	2.62%
Telecommunications	6.77%	6.77%	6.77%	11.64%	7.09%	10.39%	2.62%
Utilities	4.93%	4.93%	4.93%	-2.47%	11.63%	11.86%	3.19%

International Equity

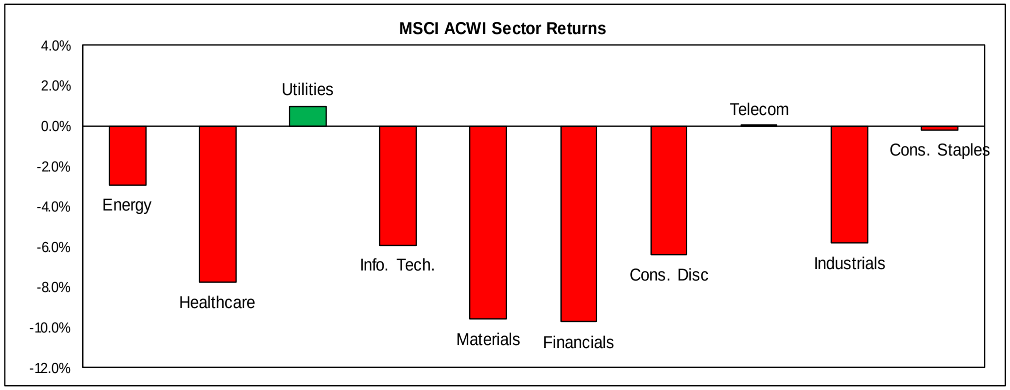
International equities largely tracked the performance of the S&P 500 in January (or vice-versa for those days where international headlines impacted domestic markets). The broad based MSCI EAFE Index, a measure of developed international stocks, fell -7.21% on the month, while the even broader MSCI ACWI ex. USA Index fared slightly better, falling -6.79%. Emerging Markets, as measured by the MSCI EM Index fell -6.49%, while Eurozone equities, as measured by the MSCI EMU Index, lost -6.27% on the month. Japanese equities ended the month down -7.95%, even after the Bank of Japan (BoJ) surprised markets with an unexpected move towards negative interest rates, joining the likes of the Eurozone, Sweden, Denmark, and Switzerland. Much like the latter country, Japan has introduced a tiered system for deposit rates, with a -0.1% deposit charge on bank excess reserves only. The measure passed by a 5-4 vote, and sent the Topix Index up nearly +3% on the news. While the initial decision may not have a huge immediate impact, it is nonetheless symbolic of a country going to extended lengths to boost growth and inflation, but also paves the way for further policy measures in the future.

The main standout in January was the Shanghai Composite Index, which fell a whopping -22.65%, as volatility surged and policy makers removed circuit breakers from the exchange. It was previously thought that the addition of circuit breakers would benefit the index, while the opposite occurred as investors panic sold Chinese equities. With the index now retracing nearly 47% of its high of 5166 made on June 12th of 2015, Chinese equities still don't look like a bargain at 14.2x trailing 12-month earnings. Instead, we're monitoring the 2,500 level on the Shanghai Composite as a retracement of last year's rally before becoming interested from a tactical standpoint. It remains unclear how the slowdown in the world's second largest economy will impact the rest of the world, and whether or not the communist regime will be able to avoid a hard-landing. While a hard-landing is by no means off the table, it appears as if can be avoided. The Chinese economy grew +6.9% Y/Y in 2015 (is this correct??), matching market expectations. However, many alternative indices measuring GDP proxies suggest growth is much slower, and a hard-landing may have already come and gone, and be reflected in recent market performance.



International Equity Returns

Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
MSCI ACWI Index	-6.00%	-6.00%	-6.00%	-6.25%	4.53%	5.08%
MSCI EAFE Index	-7.21%	-7.21%	-7.21%	-7.89%	1.32%	2.25%
MSCI EM Index	-6.49%	-6.49%	-6.49%	-20.72%	-8.99%	-5.27%
FTSE 100 Index	-2.48%	-2.48%	-2.48%	-6.20%	2.92%	4.83%
Nikkei 225 Index	-7.95%	-7.95%	-7.95%	0.84%	18.32%	13.46%
Hang Seng Index	-10.18%	-10.18%	-10.18%	-16.88%	-2.58%	0.04%
Shanghai Composite Index	-22.65%	-22.65%	-22.65%	-13.38%	7.50%	2.09%
MSCI ACWI ex-USA Index	-6.79%	-6.79%	-6.79%	-11.48%	-1.61%	0.01%
MSCI EMU Index	-6.27%	-6.27%	-6.27%	-3.30%	9.93%	6.29%



MSCI ACWI Sector Returns

Sector	MTD	QTD	YTD	1 Year	3 Year	5 Year	% of S&P 500
Energy	-2.96%	-2.96%	-2.96%	-19.83%	-10.38%	-6.18%	6.43%
Healthcare	-7.78%	-7.78%	-7.78%	-3.74%	14.31%	15.65%	10.83%
Utility	0.99%	0.99%	0.99%	-7.11%	5.48%	3.27%	3.57%
Information Technology	-5.93%	-5.93%	-5.93%	-0.42%	12.12%	8.99%	13.97%
Materials	-9.62%	-9.62%	-9.62%	-23.22%	-11.48%	-8.69%	4.38%
Financials	-9.77%	-9.77%	-9.77%	-10.18%	1.17%	2.40%	20.40%
Consumer Discretionary	-6.43%	-6.43%	-6.43%	-1.19%	9.85%	10.49%	13.27%
Telecommunications	0.01%	0.01%	0.01%	-2.68%	5.62%	5.80%	5.12%
Industrials	-5.85%	-5.85%	-5.85%	-6.68%	4.68%	4.18%	10.45%
Consumer Staples	-0.23%	-0.23%	-0.23%	4.03%	8.56%	11.57%	11.58%

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Fixed Income

US and sovereign debt rallied strongly in January as plummeting oil prices triggered a risk-off trade, sending world equity markets lower amidst a flight to safety. US Treasury securities were the prime beneficiary of this trade, which was further exacerbated by dovish comments/actions from both the ECB and the Bank of Japan. Mario Draghi continued to talk up further QE efforts in the Eurozone while the BoJ actually adopted a negative interest rate policy, sending 5yr yields into negative territory, the 10yr to an all-time low, and the Yen surging back above 120.

The Bank of Japan's latest move was arguably their most aggressive in their decades-long battle against deflation. Japan's central bank is now charging commercial banks .10% on excess reserves placed with the BoJ rather than paying those banks .10% previously. The hope is that this move will spur lending from commercial banks, triggering greater consumer spending and some whiff of inflation in the Japanese economy. The move did trigger a strong rally in the Nikkei, as the Yen fell versus world currencies. More will likely need to be done.

On the month the US 10yr Treasury yield fell 35 basis points, sending the ML US Treasury/Agency Master Index to a 2.16% gain in January. Longer-dated Treasury bonds rallied 27 basis points while the 5yr yield fell from 1.76% to 1.32% during January. US corporate spreads as measured by the ML US Corporate Master Index, widened during January from +168 to +196, reflecting a greater probability of default coming from the energy, metals and mining sectors. High yield spreads blew out 82 basis points, as the ML US High Yield Master II Index dropped -1.58% on the month. Liquidity, or lack there of, is becoming a larger theme in the corporate sector and the odds of some liquidity related shock are increasing.

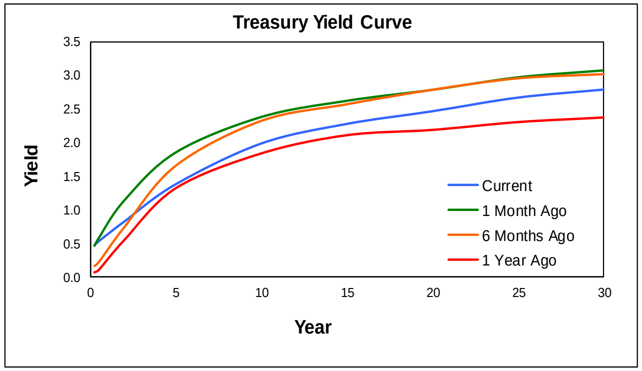
As we enter February, the Fed finds itself in the awkward position of messaging their intent clearly, but finding a market completely unwilling to believe they will follow through. Following their December rate hike, the Fed indicated a likelihood of 3-4 incremental hikes in 2016. With both the ECB and BoJ aggressively easing, equities falling, the Dollar rising and oil collapsing, the market is essentially doing the job of the Fed in terms of stepping on the brakes. The futures market is currently pricing in only an 18% chance of a hike in March and a 23% chance of a move in April. It's likely the Fed will be forced to the sidelines until clear signs of growth and or inflation become evident.

Central Bank Activity

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

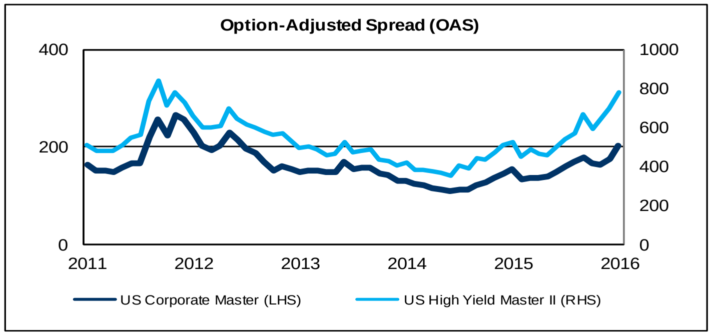
Fixed Income Returns

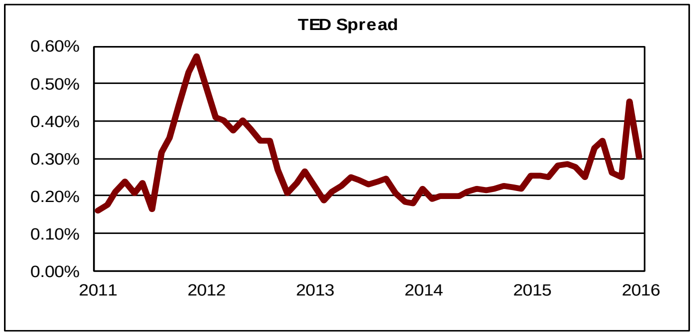
Name	MTD	QTD	YTD	1 Year
ML U.S. Treasury/Agency Master Index	2.16%	2.16%	2.16%	-2.04%
ML U.S. Broad Market Index	1.44%	1.44%	1.44%	-0.16%
ML U.S. Corporate Master Index	0.44%	0.44%	0.44%	-2.86%
ML U.S. High Yield Master II Index	-1.58%	-1.58%	-1.58%	-6.79%
ML USD Emerging Market Sovereign & Credit Index	-0.88%	-0.88%	-0.88%	10.94%
ML Global Government Bond II Index	2.03%	2.03%	2.03%	1.08%
ML Municipal Master Index	1.11%	1.11%	1.11%	2.85%
ML Municipal High Yield Index	-0.25%	-0.25%	-0.25%	-1.79%

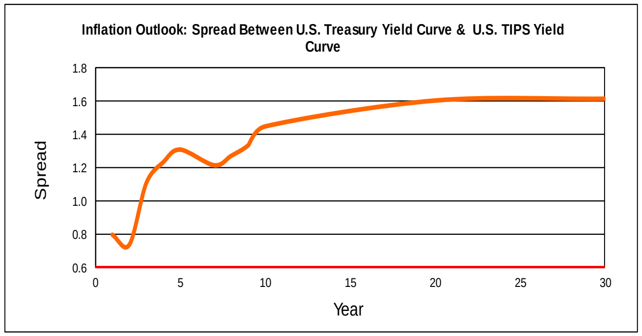


U.S. Treasury Yields

Period	3 Month	6 Month	2 Year	5 Year	10 Year	15 Year	20 Year	25 Year	30 Year
Current	0.47%	0.53%	0.82%	1.37%	1.98%	2.27%	2.46%	2.66%	2.78%
1 Month Ago	0.46%	0.57%	1.13%	1.85%	2.38%	2.62%	2.78%	2.97%	3.07%
6 Months Ago	0.16%	0.21%	0.74%	1.65%	2.32%	2.56%	2.78%	2.95%	3.01%
1 Year Ago	0.06%	0.10%	0.54%	1.31%	1.83%	2.10%	2.18%	2.30%	2.37%





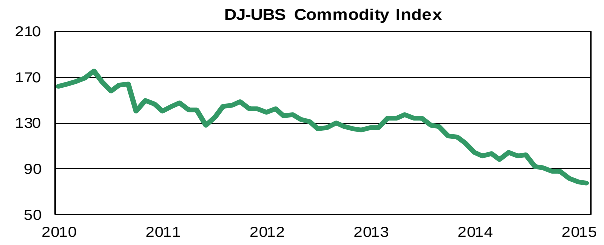


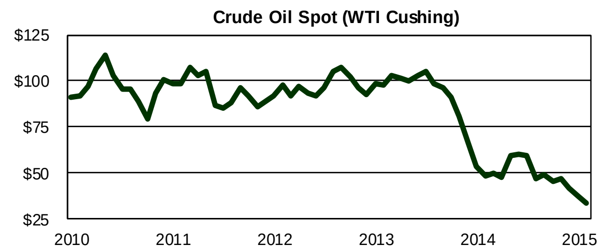
Alternative Investments

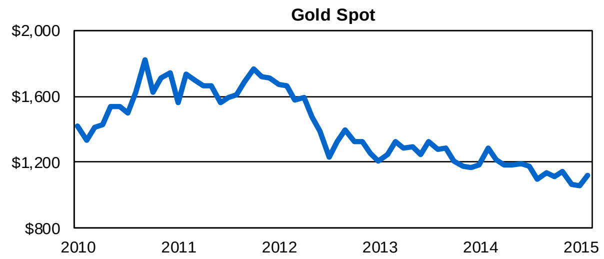
Alternative investments were a mixed bag in January as equity market volatility drove many investors to safe-haven assets such as Gold and Yen. Gold rallied nearly +$56/ounce, or +5.4%, to close at $1,118/ounce, as investors rushed to buy the precious metal. While Gold posted its largest monthly gain in recent memory, it should be noted that Gold typically rallies off of market volatility, and has no true economic value. Gold remains in a long-term down trend, as inflation remains nowhere to be seen. Additionally, the Yen rallied nearly +3% intra-month against the dollar, before weakening nearly -2% after the Bank of Japan (BoJ) adopted negative interest rates on excess reserves. From a tactical standpoint, the BoJ's announcement likely puts a JPY/USD floor of 115 JPY/USD (recent strength) and puts the key 125 JPY/USD level back in play (previous lows). Ultimately, the BoJ's decision sets the stage for additional easing, or more negative interest rates, if target levels of inflation are not met. The BoJ again extended its timetable for achieving its +2% inflation target, and remains emphatic that it can do so. The BoJ's actions join the likes of the European Central Bank (ECB), which pledged to review its monetary policy program at its March 10th meeting, much to the appeal of markets, and U.S. Dollar bulls. As circumstances have changed in the macro environment, central banks continue to go to extreme lengths to boost inflation and growth expectations – all of which should be bullish for the U.S. Dollar, which rallied +1% on the month. The Euro weakened slightly on the month, from $1.09 USD/EUR to $1.08 USD/EUR, and could potentially revisit the lows of $1.045 put in last fall when the ECB meets again in March. With the continued prospects for monetary policy divergence between the BoJ, ECB, and the Federal Reserve, coupled with a resilient U.S. economy spurring demand for U.S. Dollars, the case for the greenback to march higher remains.

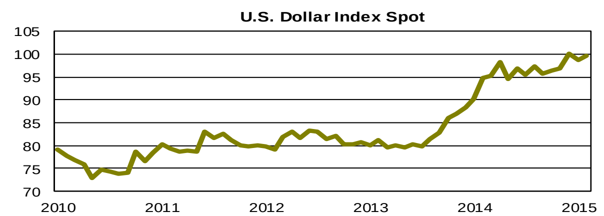
Oil again whipsawed equities, as West Texas Intermediate (WTI) crude oil ended the month down -9.2% to close at $33.62/bbl on the NYMEX. This comes after falling as low as $28/bbl intra-month, before staging a mid-month rally of nearly +18%. As sell-side analysts remain mixed on crude's direction, the case for lower crude for longer remains in place, as demand wanes and production has yet to come down meaningfully. While we can't say where the price of crude will end up, one thing remains certain: crude oil volatility is likely to continue, and investors should brace themselves for continued +/-5% trading days in crude oil.

Lastly, in terms of Hedge Fund strategies, Merger Arbitrage was the best performing alternative strategy, gaining +1.0% on the month. Merger Arbitrage strategies should continue to benefit from rising interest rates (over time) and higher volatility, and remain one of our preferred alternative investment vehicles.

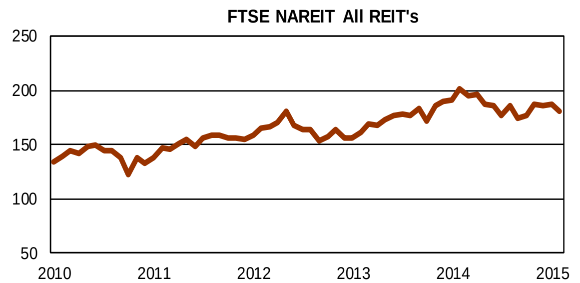








Hedge Funds						
Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
Global Hedge	-3.24%	-3.24%	-3.24%	-6.50%	-1.00%	-1.48%
Convertible Arbitrage	-1.65%	-1.65%	-1.65%	-1.48%	-0.88%	0.11%
Distressed Securities	-3.48%	-3.48%	-3.48%	-12.78%	-3.43%	-3.72%
Equity Hedge (L/S)	-5.47%	-5.47%	-5.47%	-7.06%	0.46%	-2.43%
Equity Market Neutral	-0.61%	-0.61%	-0.61%	4.69%	3.25%	0.52%
Event Driven	-4.45%	-4.45%	-4.45%	-9.67%	-2.05%	-0.60%
Macro	0.51%	0.51%	0.51%	-3.39%	0.58%	-0.86%
Merger Arbitrage	1.00%	1.00%	1.00%	7.94%	5.10%	2.64%
Relative Value Arbitrage	-2.38%	-2.38%	-2.38%	-5.22%	-2.42%	-1.49%
Absolute Return	-0.30%	-0.30%	-0.30%	1.94%	2.21%	0.72%



Spot Rates					
Description	Current	1 Month Ago	3 Months Ago	6 Months Ago	1 Year Ago
CAD / USD	1.40	1.38	1.31	1.31	1.27
JPY / USD	121.14	120.22	120.62	123.89	117.49
USD / GBP	1.42	1.47	1.54	1.56	1.51
USD / EUR	1.08	1.09	1.10	1.10	1.13

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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