Nottingham Monthly Market Wrap
February 28, 2017

Economic Overview

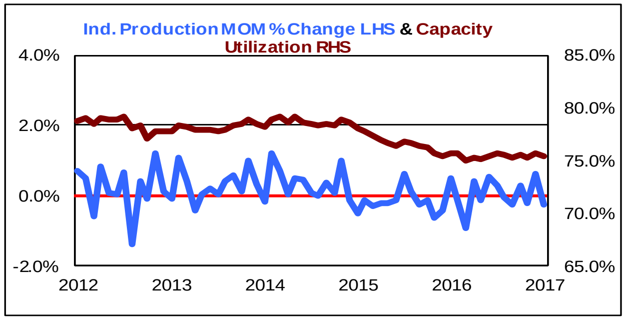
January ushered in a new era of uncertainty as Republicans, led by newly elected president Donald Trump threatened to turn Washington on its head, leaving Democrats, pundits and investors everywhere baffled. Markets continued their favorable reaction to the new regime with stocks rallying throughout February, surging ahead of where the economic data may point. The second reading of Q4 GDP showed the US economy muddling along at a 1.9% SAAR, certainly below what stocks are pricing in for US growth in the years ahead.

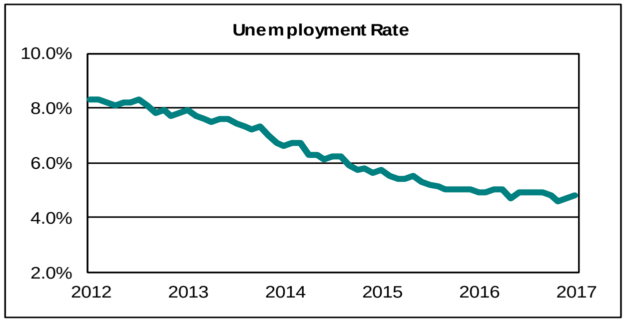
Nearly all of the growth witnessed in the 4th quarter of 2016 came from the US consumer, and with home prices surging, auto sales peaking, student loan debt soaring and short-term interest rates on the verge of rising, one wonders how long the consumer can carry the burden of growth. Certainly we're not seeing a well-balanced US economy, and this is perhaps giving the Fed some pause as it pursues higher interest rates.

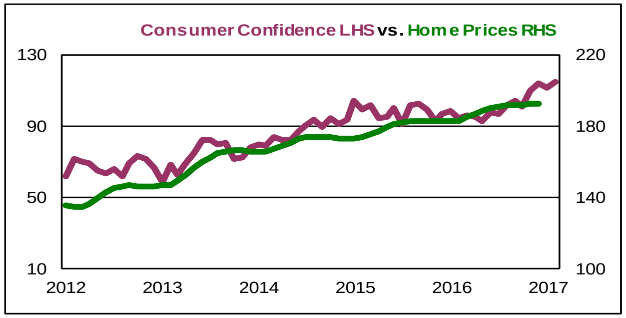
February's nonfarm payroll report showed a gain of +227k jobs in January, surpassing estimates for a rise of +180k. The unemployment rate in the US came in at 4.8%, up slightly from the prior month's 4.7% reading. Average Hourly Earnings were up a modest 0.1% for the month and are now up just 2.5% YoY. Certainly the Fed would like to see some traction in this reading before embarking too aggressively on a rate tightening agenda.

PMI's remain elevated, pointing to an economy in expansion mode. The Markit US Manufacturing PMI for January came in at 55.0, meeting expectations, while February's report came in at 54.3, slightly below expectations. Durable Goods for January grew at +1.8% MoM, versus expectations for +1.6% growth. Industrial Production declined slightly in January while Capacity Utilization registered 75.3%, just missing estimates.

The rebound in energy prices during 2016 should put some upward pressure on prices, however January saw CPI rise just +0.3% MoM (+2.5% YoY) while prices at the wholesale level surged +0.6% MoM but just +1.6% YoY. Asset inflation remains the bigger concern as continued low interest rates drive both home and equity values higher, further skewing the wealth divide that exists in the US.

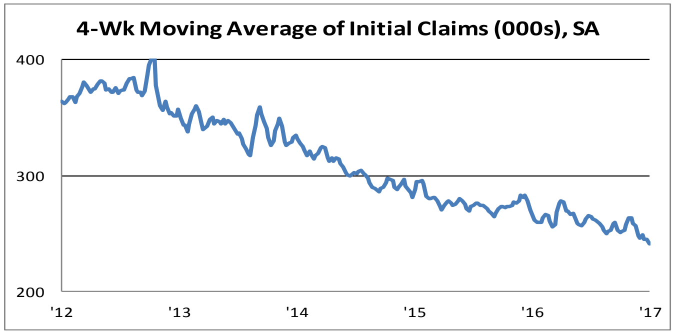


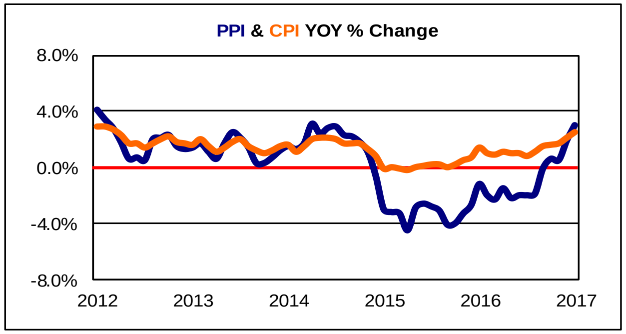




Key Data Points

Name	Current	For	Previous	For
Retail Sales ex. Autos MOM %	0.80%	January	0.40%	December
Housing Starts	1,246K	January	1,279K	December
Factory Orders MOM %	1.30%	December	-2.30%	December
Leading Indicators MOM %	0.60%	January	0.50%	December
Unit Labor Costs	1.70%	Q4 2016	0.20%	Q3 2016
GDP QOQ (Annualized)	1.90%	Q4 2016	3.50%	Q3 2016
Wholesale Inventories	-0.10%	January	0.90%	December
MBA Mortgage Applications	5.80%	February	-3.20%	January





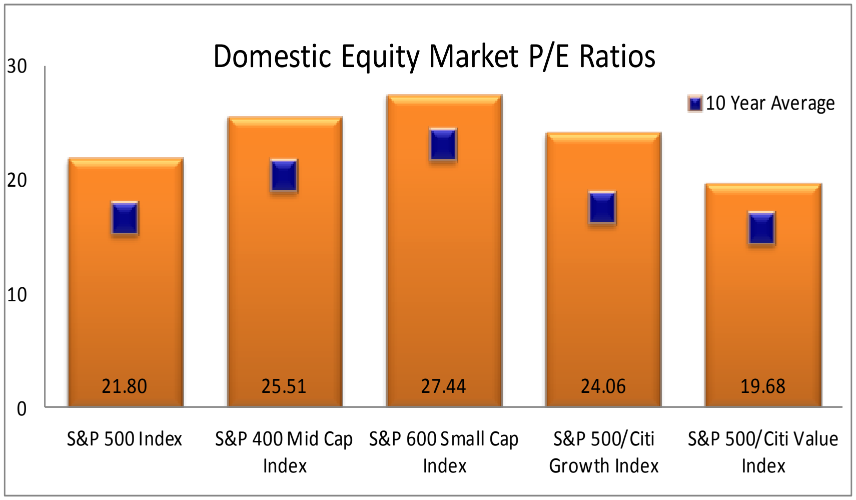
Domestic Equity

U.S. Equities rallied sharply in February, largely on expectations for future action from the Trump administration. Earnings season largely came and went and the market continued to rally, with Large-Caps, as measured by the benchmark S&P 500 Index led the way, up +3.97% on the month. Mid- and Small-Caps, which were last year's best performers, posted positive gains, up +2.62% and +1.58%, respectively, but nonetheless lagged the broader market. Growth stocks, as measured by the S&P 500/Citi Growth Index, returned to favor, gaining +4.07% on the month. Value stocks, as measured by the S&P 500/Citi Value Index, have largely been the beneficiaries of expectations for higher inflation and interest rates, as well as stronger economic growth. Value stocks returned +3.85% during February, and have underperformed Growth stocks by 265 bps on the year. This comes after Value stocks posted a sharp outperformance of nearly 700 bps in the fourth quarter.

From a sector standpoint, 9 of 11 S&P 500 sectors posted positive returns on the month. Healthcare led the way, up +6.43% on the month, benefitting from strong returns in the Pharmaceutical industry. Strong returns from Allergan, Endo, and Bristol-Myers Squibb, as well as bellwether's such as Johnson & Johnson helped propel the sector. The Healthcare sector is 2017's second-best performer after Technology, after lagging in 2016. Speaking of Technology, Apple led the Tech sector to a +5.13% gain in February, thanks to continued momentum, perhaps due to Warren Buffett disclosing an $18 billion stake in Apple that was mostly accumulated in January.

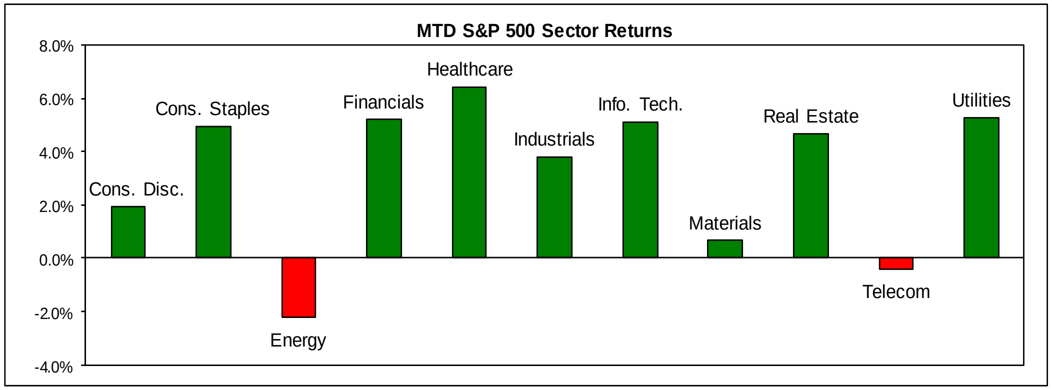
Other strong performing sectors were the "bond proxies" such as Utilities, Consumer Staples, and Real Estate, which returned +5.28%, 4.95%, and +4.68%, respectively on the month as Treasury yields fell. Even amidst the consolidation in yields, prospects for higher interest rates propelled the banks, which rose +6.22% on the month, and contributed to the Financial sector's +5.20% gain on the month. Bank of America led the way, up +9.01% during the month.

Consumer Discretionary and Materials stocks were relative laggards on the month, up +1.95% and +0.69%, respectively, while Energy and Telecoms were the only two sectors in negative territory. The energy sector lost -2.19% on the month, and is now down -5.71% on the year, as the S&P's worst performer.



Domestic Equity Returns

Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
S&P 500 Index	3.97%	5.94%	5.94%	24.97%	10.62%	13.99%
S&P 400 Mid Cap Index	2.62%	4.34%	4.34%	31.72%	9.61%	13.79%
S&P 600 Small Cap Index	1.58%	1.17%	1.17%	34.85%	9.69%	14.89%
S&P 500/Citi Growth Index	4.07%	7.19%	7.19%	21.62%	10.78%	14.20%
S&P 500/Citi Value Index	3.85%	4.54%	4.54%	28.31%	10.23%	13.66%



S&P 500 Sector Returns

Sector	MTD	QTD	YTD	1 Year	3 Year	5 Year	% of S&P 500
Consumer Discretionary	1.95%	6.27%	6.27%	18.29%	10.82%	16.82%	12.45%
Consumer Staples	4.95%	6.68%	6.68%	11.55%	12.24%	13.73%	10.37%
Energy	-2.19%	-5.71%	-5.71%	26.19%	-3.91%	1.23%	6.49%
Financials	5.20%	5.45%	5.45%	46.31%	13.85%	17.67%	14.27%
Healthcare	6.43%	8.82%	8.82%	15.16%	9.79%	17.76%	13.78%
Industrials	3.82%	5.29%	5.29%	27.66%	10.48%	14.57%	10.11%
Information Technology	5.13%	9.77%	9.77%	32.95%	15.93%	15.18%	21.39%
Materials	0.69%	5.35%	5.35%	27.75%	5.67%	9.43%	2.83%
Real Estate	4.68%	4.61%	4.61%	12.39%	8.18%	8.19%	2.85%
Telecommunications	-0.39%	-2.85%	-2.85%	9.41%	10.04%	10.80%	2.36%
Utilities	5.28%	6.60%	6.60%	15.88%	12.61%	12.44%	3.08%

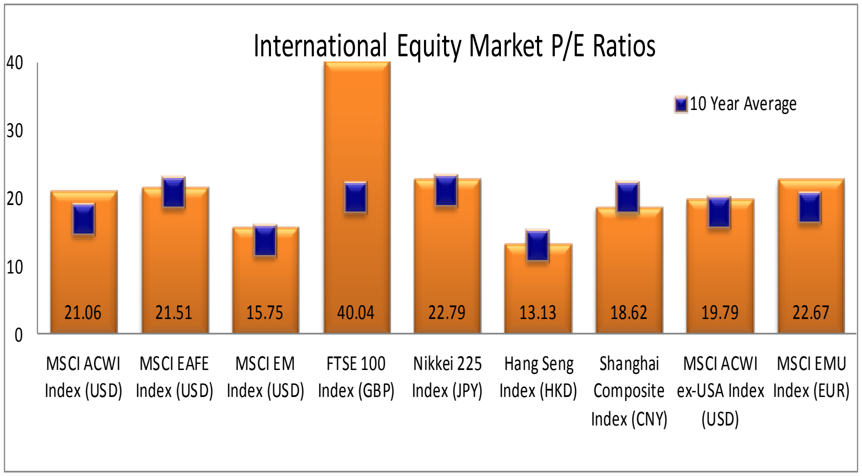
International Equity

Major International Equity markets posted positive returns in February, marching higher along with their U.S. counterparts. Returns were led by Emerging Markets, as measured by the MSCI EM Index, which gained +3.06% on the month. Developed International equities tacked on another +1.46% during February and are now up +4.42% for the year. Emerging Markets continue to be the year's standout performer despite possibilities for protectionist U.S. economic polices. EM stocks are quietly up +8.69% on the year, the top performer in the international space. EM equities have also outperformed U.S. equities, and nearly all sub-sectors (except for Technology).

At the regional level, the Eurozone, as measured by the MSCI EMU Index, gained +2.66% during the period, despite continued fears over upcoming elections in France. Marine Le Pen continues to gain ground in French polls and would likely hold a referendum on French membership in the Eurozone. While she remains a long-shot to win the election, many investors said the same thing before Donald Trump's victory, and before the U.K. voted to leave the European Union causing Brexit. Outside of political fears in Europe, economic data has widely improved and inflation expectations have firmed. The expectation for diverging monetary policies kept a lid on the Euro, which was nearly -2% weaker versus the Dollar on the month.

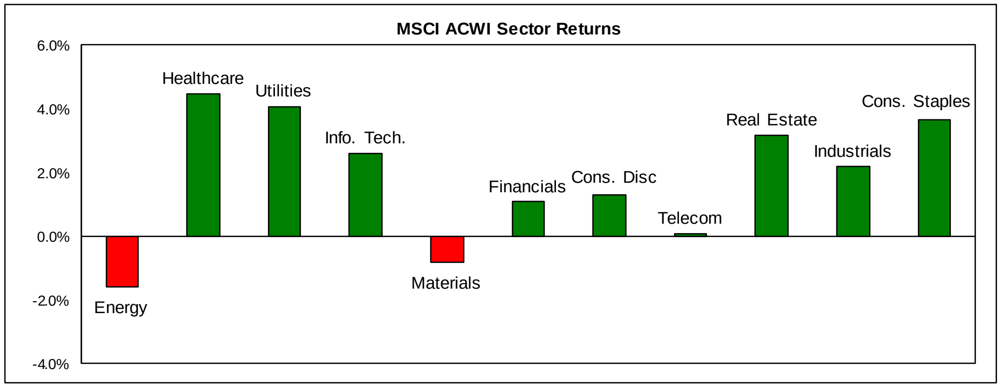
From a country standpoint, the U.K., as measured by the FTSE 100 Index, continued to post strong returns, up +3.10% during the month. British equities continue to benefit from a weaker Pound and better than expected economic activity. Hong Kong was the next best performing major country, with the benchmark Hang Seng Index up +2.01% on the month. Hong Kong equities have been buoyed by a nearly 60% weight to Financials and Real Estate which rose +9.95% and +13.08%, respectively on the month.

From a sector standpoint, Healthcare and Utilities were the best performing sectors, up +4.47% and +4.07%, respectively, while the Energy and Materials sectors were laggards, posting negative returns of -1.61% and -0.85%, respectively on the month.



International Equity Returns

Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
MSCI ACWI Index (USD)	2.85%	5.69%	5.69%	22.78%	5.41%	8.87%
MSCI EAFE Index (USD)	1.46%	4.42%	4.42%	16.40%	-0.06%	5.74%
MSCI EM Index (USD)	3.06%	8.69%	8.69%	29.85%	1.69%	-0.04%
FTSE 100 Index (GBP)	3.10%	2.52%	2.52%	24.22%	6.16%	8.35%
Nikkei 225 Index (JPY)	0.47%	0.09%	0.09%	21.61%	10.77%	16.60%
Hang Seng Index (HKD)	2.01%	8.31%	8.31%	29.46%	5.24%	5.70%
Shanghai Composite Index (CNY)	2.61%	4.45%	4.45%	23.07%	19.07%	8.62%
MSCI ACWI ex-USA Index (USD)	1.62%	5.23%	5.23%	19.92%	0.34%	4.09%
MSCI EMU Index (EUR)	2.66%	1.69%	1.69%	17.97%	6.96%	11.42%



MSCI ACWI Ex U.S. Sector Returns

Sector	MTD	QTD	YTD	1 Year	3 Year	5 Year	% of ACWI
Energy	-1.61%	-2.55%	-2.55%	29.42%	-5.78%	-4.79%	7.08%
Healthcare	4.47%	6.19%	6.19%	2.38%	-0.52%	9.28%	6.51%
Utility	4.07%	5.25%	5.25%	11.49%	4.38%	6.05%	6.12%
Information Technology	2.60%	9.55%	9.55%	32.63%	7.26%	9.40%	9.35%
Materials	-0.85%	7.44%	7.44%	42.78%	-1.48%	-3.17%	7.39%
Financials	1.07%	5.22%	5.22%	29.52%	1.08%	5.77%	21.21%
Consumer Discretionary	1.30%	3.70%	3.70%	14.36%	0.07%	6.57%	11.52%
Telecommunications	0.07%	3.53%	3.53%	3.30%	-1.35%	4.32%	5.96%
Real Estate*	3.17%	5.90%	N/A	N/A	N/A	N/A	3.48%
Industrials	2.17%	6.29%	6.29%	19.72%	1.10%	5.14%	11.25%
Consumer Staples	3.63%	5.83%	5.83%	7.35%	2.97%	6.65%	10.12%

*The MSCI ACWI Ex. USA Real Estate Sector was developed on August 31st, 2016

Fixed Income

U.S. bond yields were slightly lower in February, as renewed bids for U.S. Treasuries pushed the 10-year Treasury yield down from 2.54% in January to 2.43% in February. Treasury yields are off of their mid-December highs of 2.60%, as investors have scooped up safe haven assets with equity markets near all-time highs and volatility near all-time lows. Overseas buyers are another likely cause of lower Treasury yields, as 10-year Japanese JGB's yield 0.05% and 10-year German Bunds yield 0.28%.

Hawkish rhetoric from Fed officials after continued improvements in U.S. economic data, both on the employment front and the inflation side of the coin have pushed Fed Fund Futures, used to estimate the probability of a Fed rate hike, higher in recent days. The probability of a Fed rate hike at the March 14-15 meeting rose from 31.2% at the end of January to 82.0% as of publication. Those expectations have doubled in the past week alone, from just 40% on February 24th. Markets are catching up to hotter data points on inflation and commentary from Fed officials in recent days. Yesterday, New York Fed President William Dudley said the case for a rate hike is "a lot more compelling," while San Francisco Fed President John Williams echoed a similar sentiment, noting that raising rates in March is under "serious consideration." Fed Funds Futures are also beginning to price in a third rate hike in 2017, which investors should receive more clarity on when the FOMC meets in two weeks.

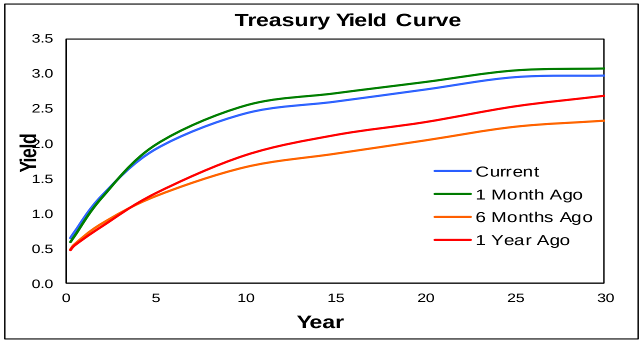
U.S. High Yield and Dollar Denominated Emerging Market Debt were again beneficiaries of a risk-on credit trade in February. The ML U.S. High Yield Master II Index rose +1.56%, while the ML USD Emerging Market Sovereign & Credit Index rose +1.96%. Both credit sectors have risen significantly in the past 12-months, from the depths of February 2016 (when oil was trading at $26/bbl), and are up +22.3% and +19.7%, respectively in the past year as spreads continue to tighten. High yield munis and corporate credits continue to post strong returns as well, up +1.93% and +1.13%, respectively on the month. Treasuries remain the most at risk as interest rates are set to rise, perhaps as early as two weeks from now. While corporate bonds should hold up relatively well as rates get set to rise, any threats of a slowing economy or rise in defaults (both relatively unlikely at this point) could put spreads at risks, with both Corporate and High Yield OAS below long term averages at 121 and 374 basis points, respectively.

Central Bank Activity

Name	Current	1 Month Ago	6 Months Ago	1 Year Ago
Fed Funds Rate	0.75%	0.75%	0.50%	0.50%
Bank of Japan Target Rate	0.10%	0.10%	0.10%	0.10%
European Central Bank Rate	0.00%	0.00%	0.00%	0.05%
Bank of England Official Bank Rate	0.25%	0.25%	0.25%	0.50%

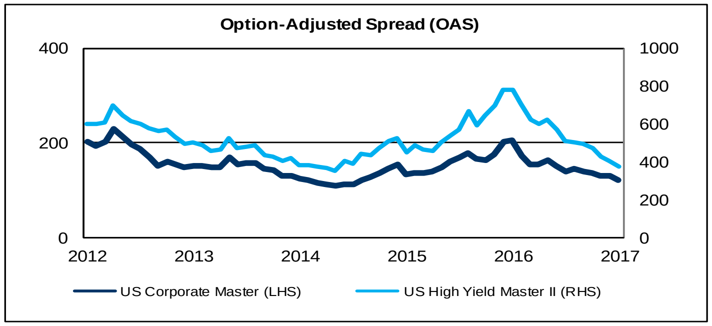
Fixed Income Returns

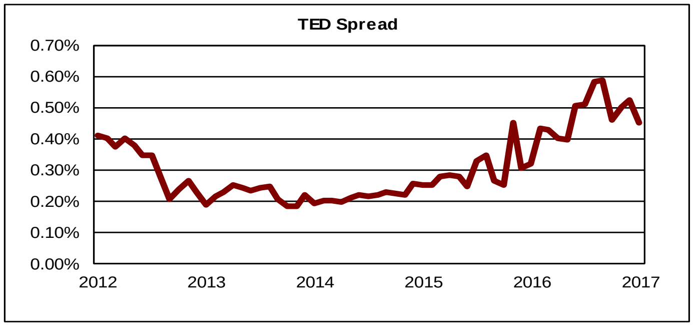
Name	MTD	QTD	YTD	1 Year
ML U.S. Treasury/Agency Master Index	0.51%	0.74%	0.74%	-1.20%
ML U.S. Broad Market Index	0.68%	0.91%	0.91%	1.34%
ML U.S. Corporate Master Index	1.13%	1.55%	1.55%	6.35%
ML U.S. High Yield Master II Index	1.56%	2.92%	2.92%	22.30%
ML USD Emerging Market Sovereign & Credit Index	1.95%	4.04%	4.04%	19.72%
ML Global Government Bond II Index	0.80%	0.06%	0.06%	-0.27%
ML Municipal Master Index	0.65%	1.16%	1.16%	0.41%
ML Municipal High Yield Index	1.93%	3.33%	3.33%	8.36%

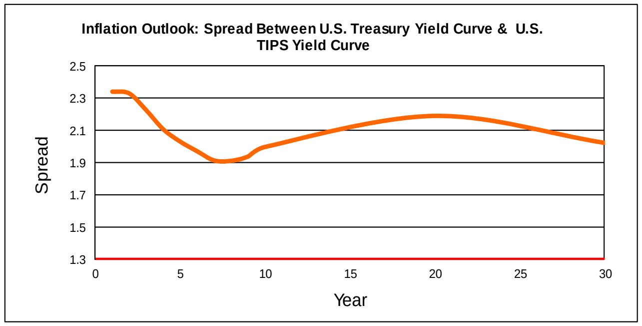


U.S. Treasury Yields

Period	3 Month	6 Month	2 Year	5 Year	10 Year	15 Year	20 Year	25 Year	30 Year
Current	0.65%	0.74%	1.25%	1.92%	2.43%	2.60%	2.77%	2.95%	2.97%
1 Month Ago	0.59%	0.68%	1.22%	1.98%	2.54%	2.72%	2.88%	3.04%	3.07%
6 Months Ago	0.48%	0.56%	0.85%	1.25%	1.66%	1.85%	2.04%	2.24%	2.33%
1 Year Ago	0.47%	0.55%	0.81%	1.29%	1.83%	2.12%	2.30%	2.53%	2.68%







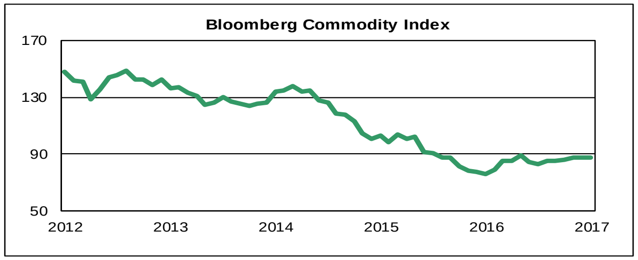
Alternative Investments

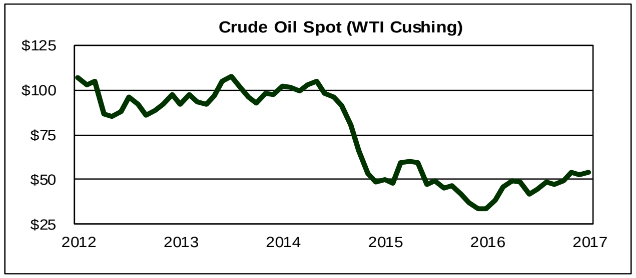
Alternative investments were strong performers in February, with all major alternative sub components posting positive returns. Real Estate, as measured by the FTSE NAREIR All REIT Index, was the top performer, up +4.0% on the month, likely benefitting from a pull back in Treasury yields. Gold was the next best performer, up +3.1% during the period to close at $1,248/ounce. The metal has seen a bid so far in 2017, up nearly $100/ounce, or +8.3%. Flows into Gold are likely being driven by the high level of complacency that is visible in the market and as a hedge to above average equity valuations. Equity market volatility remains near historic lows, while most of the S&P 500's gains in 2016 were again due to multiple expansion, as opposed to earnings growth.

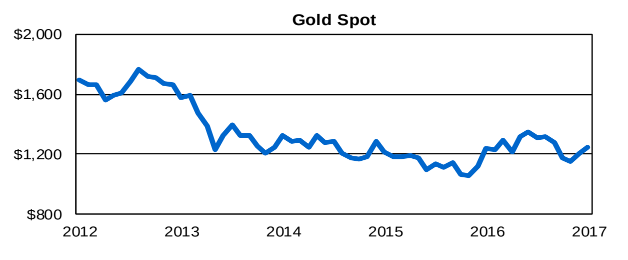
The Dollar, as measured by the DXY Index, rose +1.6% on the month, recovering some of January's -2.6% decline. The Dollar is below its year end 2016 level of 102.21, but is still up +3.33% since the November election. Prospects for rising interest rates, which may come as early as the March 14-15 FOMC meeting, continue to give the Dollar a bid. Politics will likely continue to impact the Dollar in 2017, either from better economic conditions in the U.S. (hopefully!) or changes to tax policy (i.e. Border Adjustment Tax), which is hard to handicap at this juncture. Despite the Dollar's strength in February, broad commodities, as measured by the Bloomberg Commodities Index, rose +0.2%, bolstered by strength in West Texas Intermediate (WTI) crude oil, which rallied +2.3% on the month to close at $54/barrel on the NYMEX.

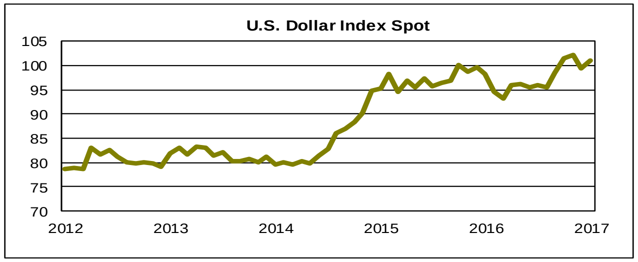
From a currency standpoint, the Euro was -1.9% weaker against the Dollar in February, closing at 1.06 USD/EUR, but virtually unchanged since three months ago. Looking ahead, economic data and inflation in the Eurozone likely support a stronger Euro in "normal" times; however, political risks with upcoming French elections, and diverging monetary policies between the European Central Bank and the Federal Reserve are likely to keep the Euro depressed versus the Dollar in the short run. Additionally, the Yen was virtually unchanged versus the Dollar during the month, but +1.5% stronger against the Dollar over the past three months.

Hedge Funds continued to struggle in February, despite all major strategies posting positive returns, but nonetheless underperforming nearly all major equity market indices.





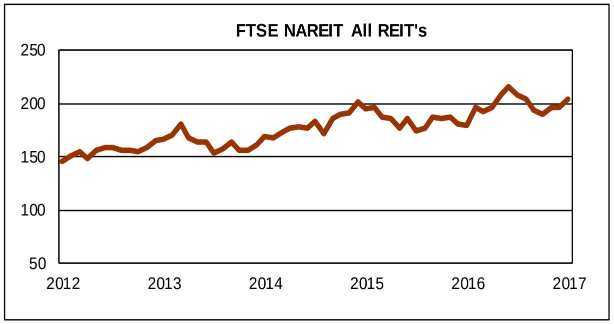




Hedge Funds

Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
Global Hedge	1.16%	1.67%	1.67%	7.52%	-0.50%	1.34%
Convertible Arbitrage	0.67%	1.42%	1.42%	8.70%	-1.67%	2.09%
Distressed Securities	1.70%	2.05%	2.05%	29.43%	2.04%	1.98%
Equity Hedge (L/S)	1.37%	2.22%	2.22%	8.36%	-0.09%	2.66%
Equity Market Neutral	0.14%	0.89%	0.89%	-2.52%	1.04%	0.38%
Event Driven	1.44%	2.50%	2.50%	18.31%	-0.42%	3.11%
Macro	1.38%	0.41%	0.41%	-3.69%	0.46%	-0.51%
Merger Arbitrage	0.15%	-0.13%	-0.13%	2.95%	4.83%	3.61%
Relative Value Arbitrage	0.53%	1.17%	1.17%	5.16%	-1.74%	-0.18%
Absolute Return	0.12%	0.42%	0.42%	1.02%	1.02%	1.55%

Note: Price Return, Returns as of 02/27/17



Spot Rates

Description	Current	1 Month Ago	3 Months Ago	6 Months Ago	1 Year Ago
CAD / USD	1.33	1.30	1.34	1.31	1.35
JPY / USD	112.77	112.80	114.46	103.43	112.69
USD / GBP	1.24	1.26	1.25	1.31	1.39
USD / EUR	1.06	1.08	1.06	1.12	1.09

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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