

Economic Overview

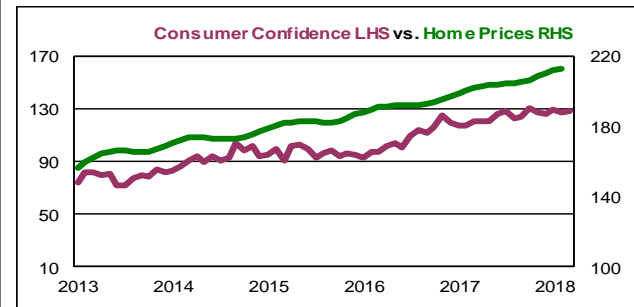
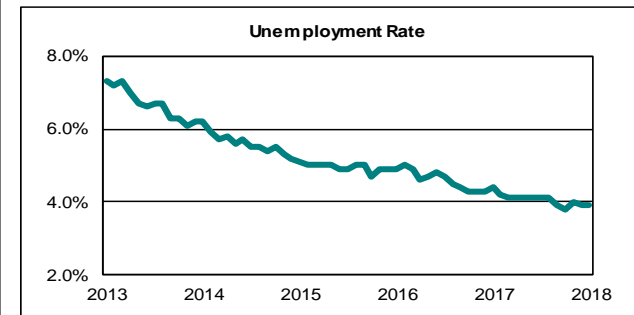
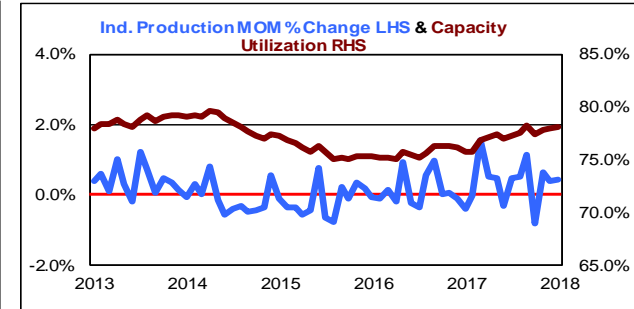
The third reading for second quarter GDP growth reaffirmed what everyone already knew – the US economy is on a tear. Growth in the second quarter was 4.2%, up from 2.2% in Q1, and estimates are for it to remain north of 4% going into Q4. Unemployment remains historically low, inflation is tame, the housing market remains robust and the fiscal stimulus released by the tax reform act in 2017 is still feeding its way into the economy.

The August employment report showed an increase of 201k nonfarm jobs, up from 147k the month before, and an unemployment rate of 3.9%. Importantly, average hourly earnings rose +0.4% for the month and are now up +2.9% YoY. The Labor Force Participation Rate fell to 62.7% from 62.9% while the Underemployment Rate came in at 7.4%. Weekly Initial Jobless Claims averaged 205,000 in September.

The Producer Price Index for August fell -0.1%, as did Core PPI; although the top line number is up +2.8% YoY while core PPI is up +2.3% YoY. Consumer prices rose +0.2% in August while core CPI was up just +0.1%. Year over year, CPI is up +2.7% while ex-food and energy prices rose +2.3%. The Fed's preferred measure of inflation the PCE Core was unchanged in August and is up a scant +2.0% YoY. Broad price inflation is yet to be problematic for the economy.

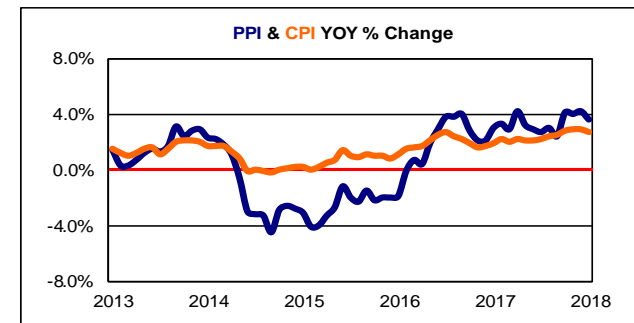
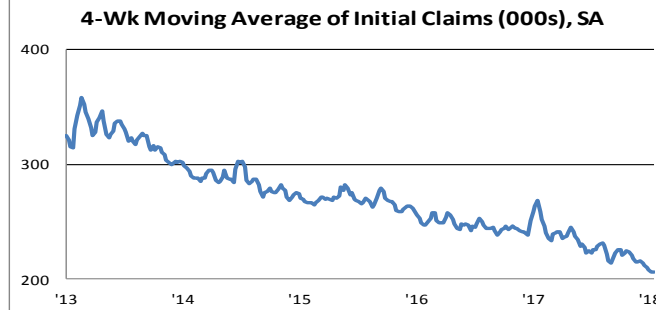
Despite the steady rise in short-term interest rates, mortgage rates remain attractive and have helped to buoy the housing market. According to the S&P CoreLogic CS 20-City index, home prices rose +0.09% in July and are up +5.92% YoY. Housing Starts for August rose a better than expected +9.2% while New Home Sales edged up +3.5%, beating expectations. Existing Home Sales were flat in August while Building Permits dropped -5.7% from July.

The Federal Reserve raised the Fed Funds rate to a range of 2.0% to 2.25% at its September meeting and indicated another 25 basis point move was likely before year-end. An additional 75 to 100 bps worth of moves in likely in 2019, bringing the Funds rate to approximately 3.5%. This should be sufficient to slow down domestic growth while ensuring the Fed has enough room to lower rates should the US encounter a recession in late 2019 or 2020.



Key Data Points

Name	Current	For	Previous	For
Retail Sales ex. Autos MOM %	0.30%	August	0.90%	July
Housing Starts	1282K	August	1174K	July
Factory Orders MOM %	-0.80%	July	0.60%	June
Leading Indicators MOM %	0.40%	August	0.70%	July
Unit Labor Costs	-1.00%	Q2 2018	3.40%	Q1 2018
GDP QOQ (Annualized)	4.20%	Q2 2018	2.20%	Q1 2018
Wholesale Inventories	0.80%	August	0.60%	July
MBA Mortgage Applications	2.90%	September	-0.10%	August



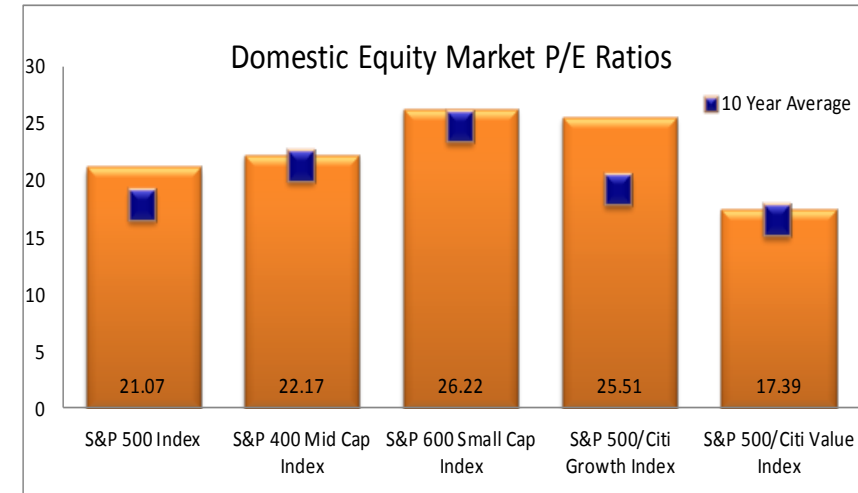
Domestic Equity

U.S. equities closed the third quarter near record highs, with the S&P 500 having its best quarterly performance in nearly five years. The benchmark U.S. Large-Cap Index rose +0.57% on the month, and a stealthy +7.71% during the quarter to bring its year to date return to +10.56%. Not bad for all of the scary geopolitical headlines crossing the newswire daily. Growth stocks, as measured by the S&P 500/Citi Growth Index rose +0.73% on the month, and +9.28% on the quarter. For the year, Large-Cap Growth as a factor has returned +17.24%. Value stocks, as measured by the S&P 500/Citi Value Index, rose +0.38% on the month, and trailed the broader index during the quarter, returning +5.86%. For the year, Value stocks remain well behind Growth stocks, and the broader market, up a paltry +3.51%.

Small- and Mid-Cap equities gave back gains during September, with the S&P Small-Cap 600 Index losing -3.17%, and the S&P Mid-Cap 400 Index losing -1.10%. Small- and Mid-Cap stocks have given back recent gains as the U.S. Dollar has weakened from recent highs, and geopolitical tensions softened, albeit slightly. For the year, Small-Caps remain a top performing asset class, up +14.52%, while Mid-Caps continue to lag the broader market and their Small-Cap brethren, up +7.48% YTD.

At the sector level September was a mixed bag with 6 of 11 sectors finishing the month in the green. Telecoms led the way, gaining +4.26% as the sector was renamed the Communications Services sector. The sector reshuffling saw companies such as Facebook and Alphabet (Google) shift from the Technology sector to the newly formed Communications Services sector. Companies from the Consumer Discretionary sector such as CBS, Netflix, and Disney also moved over to the newly formed sector. In all, approximately 22% of Consumer Discretionary and 21% of Technology sector weights moved over to the new GICS sector.

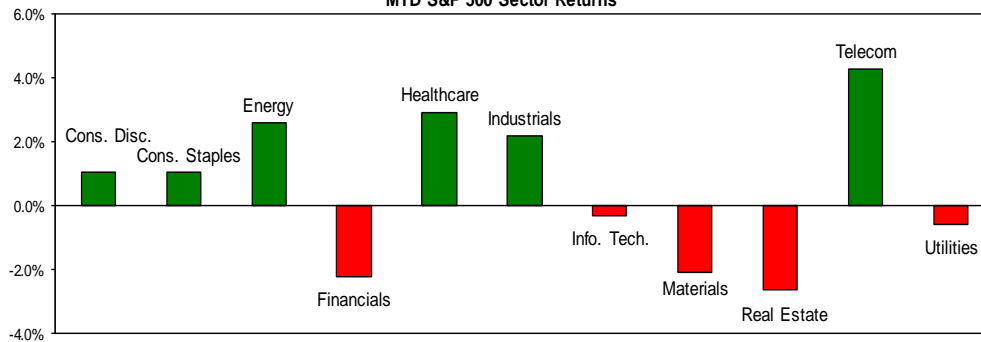
Furthermore, Healthcare was resurgent, gaining +2.93% on the month, and finished as the top performer during Q3, up +14.53% during the quarter. Financials were one of the worst performers on the month, losing -2.22%, despite the Federal Reserve raising rates last week. Financials performance is flat YTD.



Domestic Equity Returns

Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
S&P 500 Index	0.57%	7.71%	10.56%	17.90%	17.32%	13.95%
S&P 400 Mid Cap Index	-1.10%	3.86%	7.48%	14.19%	15.68%	11.90%
S&P 600 Small Cap Index	-3.17%	4.71%	14.52%	18.99%	19.35%	13.28%
S&P 500/Citi Growth Index	0.73%	9.28%	17.24%	25.20%	19.89%	16.57%
S&P 500/Citi Value Index	0.38%	5.86%	3.51%	10.05%	14.14%	10.87%

MTD S&P 500 Sector Returns



S&P 500 Sector Returns

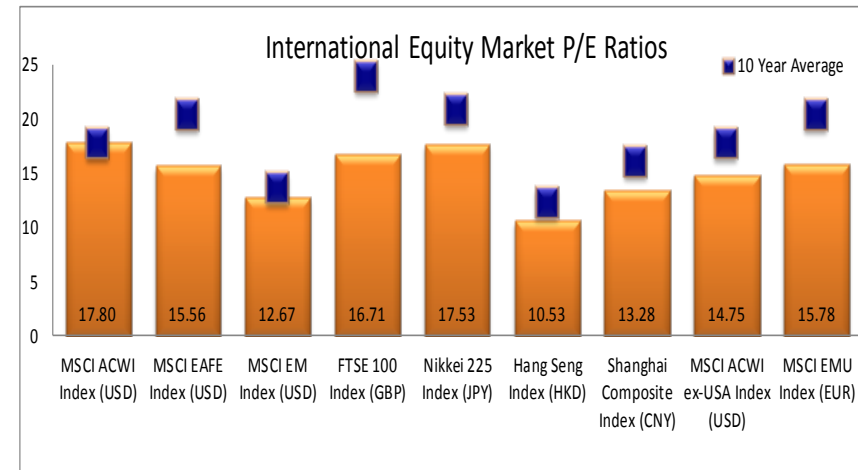
Sector	MTD	QTD	YTD	1 Year	3 Year	5 Year	% of S&P 500
Consumer Discretionary	1.04%	8.18%	20.62%	32.52%	18.51%	16.06%	10.77%
Consumer Staples	1.04%	5.69%	-3.35%	2.93%	7.56%	9.21%	7.43%
Energy	2.59%	0.61%	7.46%	13.94%	10.74%	1.32%	5.84%
Financials	-2.22%	4.36%	0.09%	8.69%	16.72%	13.42%	12.89%
Healthcare	2.93%	14.53%	16.63%	18.35%	14.82%	15.38%	14.80%
Industrials	2.19%	10.00%	4.84%	11.16%	17.65%	12.87%	9.73%
Information Technology	-0.33%	8.80%	20.62%	31.49%	27.71%	22.41%	20.82%
Materials	-2.09%	0.36%	-2.73%	4.01%	15.54%	8.79%	2.42%
Real Estate	-2.65%	0.86%	1.67%	4.95%	7.04%	7.63%	2.59%
Telecommunications	4.26%	9.94%	0.75%	4.39%	9.76%	6.66%	10.00%
Utilities	-0.60%	2.39%	2.72%	2.93%	10.62%	11.06%	2.73%

International Equity

International equities posted mixed returns in September as the U.S. Dollar weakened from recent highs, and geopolitical tensions softened, albeit slightly. Developed International equities, as measured by the MSCI EAFE Index, rose +0.88% during the period, and +1.42% during the quarter. For the year, the MSCI EAFE Index has lost -0.99%. Emerging Markets fared slightly worse during the month, with the MSCI EM Index losing -0.54%. For the quarter, EM equities lost -1.00%; however, EM has remained under pressure year to date, down -7.49%.

At the country level, Japanese equities posted strong returns, as the Nikkei 225 Index gained +6.07% in JPY during the month, helping propel Developed International equities higher. Japan has quietly posted strong returns as of late, up +8.81% during the quarter, which outperformed the S&P 500. For the year, Japanese equities continue to outperform, returning +7.86% versus -0.99% for the MSCI EAFE benchmark. In the United Kingdom, uncertainty surrounding Brexit continues to take a toll on UK equities and the British Pound, which has been whipsawed as of late. UK equities, as measured by the FTSE 100 Index, gained +1.14% in GBP terms during the month, and up less than +1.00% for the year. Elsewhere in Europe, Eurozone equities, as measured by the MSCI EMU Index continue to lack direction; however, investors may be starting to regain confidence in the bloc as the Euro has appreciated versus the U.S. Dollar in recent months. Eurozone economic data has improved, which has helped sentiment, even though fears over Italian politics remain. The Citi Eurozone Economic Surprise index weakened in September as economic data deteriorated. This comes after data beat expectations for the three months prior from a low of -100.3 in June to a high of 5.3 in early September. It closed the month at -31.9.

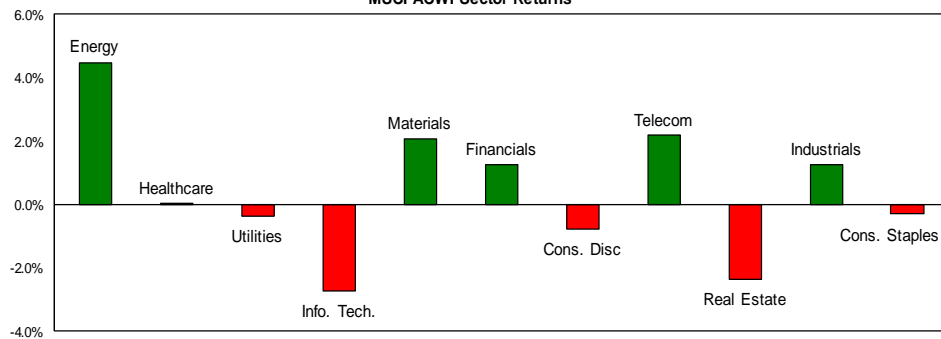
Emerging Markets have remained under pressure as trade fears linger. As a barometer for trade, the Shanghai Composite Index continues to lose value, down -12.63% in CNY terms for the year; however, Chinese equities rallied +3.67% during the month, perhaps on renewed optimism of a U.S./China trade resolution after the U.S. Midterm elections. Should a "blue wave" overtake the House, EM equities could rally and the U.S. Dollar could weaken. Currencies have been a large contributor to negative performance in Emerging Markets, with the MSCI EM Currency index down -4.46% YTD.



International Equity Returns

Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
MSCI ACWI Index (USD)	0.46%	4.39%	4.24%	10.34%	14.05%	9.29%
MSCI EAFE Index (USD)	0.88%	1.42%	-0.99%	3.26%	9.84%	5.00%
MSCI EM Index (USD)	-0.54%	-1.00%	-7.49%	-0.50%	12.82%	4.00%
FTSE 100 Index (GBP)	1.14%	-0.70%	0.92%	6.00%	11.78%	7.05%
Nikkei 225 Index (JPY)	6.07%	8.81%	7.68%	20.61%	13.62%	12.79%
Hang Seng Index (HKD)	0.05%	-2.50%	-4.10%	4.38%	14.22%	7.88%
Shanghai Composite Index (CNY)	3.67%	0.32%	-12.63%	-13.72%	-0.46%	7.76%
MSCI ACWI ex-USA Index (USD)	0.47%	0.78%	-2.71%	2.25%	10.56%	4.67%
MSCI EMU Index (EUR)	-0.26%	0.51%	0.75%	0.29%	8.71%	8.75%

MSCI ACWI Sector Returns



MSCI ACWI Ex U.S. Sector Returns

Sector	MTD	QTD	YTD	1 Year	3 Year	5 Year	% of ACWI Ex. USA
Energy	4.48%	4.47%	10.46%	18.84%	19.57%	2.55%	8.36%
Healthcare	0.02%	4.51%	6.17%	7.55%	4.48%	6.28%	6.25%
Utility	-0.37%	0.90%	1.49%	1.37%	8.05%	6.32%	5.55%
Information Technology	-2.76%	-2.47%	-3.48%	2.60%	20.96%	12.88%	10.59%
Materials	2.08%	0.46%	-2.60%	5.66%	18.48%	3.47%	7.20%
Financials	1.24%	1.70%	-6.44%	-2.11%	9.12%	3.86%	22.13%
Consumer Discretionary	-0.79%	-2.74%	-6.77%	-1.02%	7.79%	3.96%	10.90%
Telecommunications	2.17%	3.64%	-6.29%	-4.84%	2.31%	1.08%	4.52%
Real Estate*	-2.38%	-3.63%	N/A	N/A	N/A	N/A	3.46%
Industrials	1.24%	2.82%	-1.40%	3.35%	12.69%	5.60%	11.34%
Consumer Staples	-0.32%	-0.47%	-3.64%	1.69%	7.04%	4.69%	9.71%

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

Fixed Income

The September Federal Reserve meeting went largely as expected, with the Fed raising their upper target for the Federal Funds rate from 2.00% to 2.25%. There was some trepidation as the Fed removed the phrase "monetary policy remains accommodative," from their statement. Chairman Powell did attempt to counter the concern by saying, "The change does not signal any change in the likely path of policy. Instead, it is a sign that policy is proceeding in line with our expectations." The Fed's updated Dot Plot suggests that there will be an additional five rate hikes. The first is expected in December, followed by three increases in 2019, and a final hike in 2020. This was slightly less aggressive than expectations, with no rate increase implied in the Fed's first 2021 forecast. Balance sheet normalization continues, with monthly run-off scheduled to step up one final time to \$50 Billion per month (\$30 Billion – Treasury, \$20 Billion – Agency Mortgage), from \$40 Billion in September. The expectation is for \$400+ Billion to have rolled off by year end 2018, and a further balance sheet reduction of \$600 Billion in 2019 and each successive year, until the Fed decides that its balance sheet has been "right sized" for normal operations.

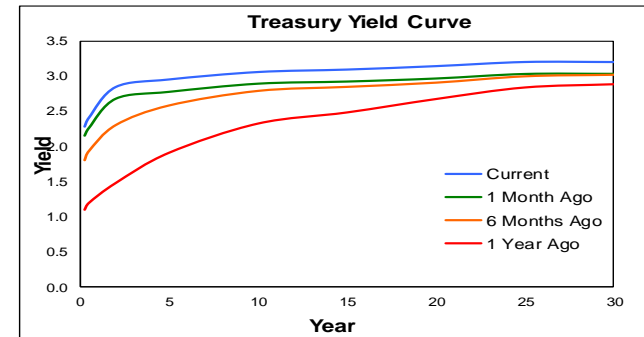
Yields across the curve rose during the month, with the 2-yr Treasury setting a 2018 high, and the 10-yr and 30-yr Treasuries flirting with their YTD highs. The curve shift was parallel, and did not affect the shape (flat) of the curve.

Corporate spreads tightened in September. Investment grade has rallied 17 bps from its widest levels of 2018, and HY is now more than 50 bps inside the widest levels we've seen this year. Expanding the timeline, and looking at current spreads in a historical value framework, we don't see a compelling case to build exposure beyond the front end of the curve. Even with the spread tightening that was experienced, the corporate index experienced a negative return on the month, as the impact of rising rates outweighed the benefit of tighter spreads.

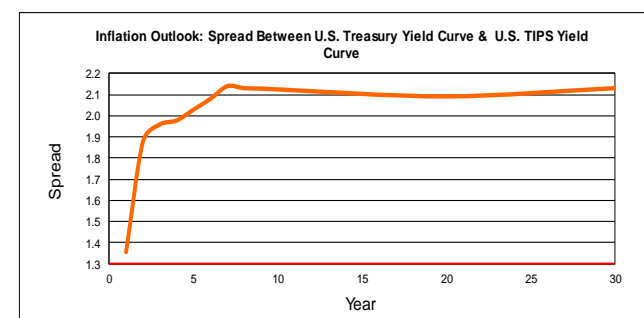
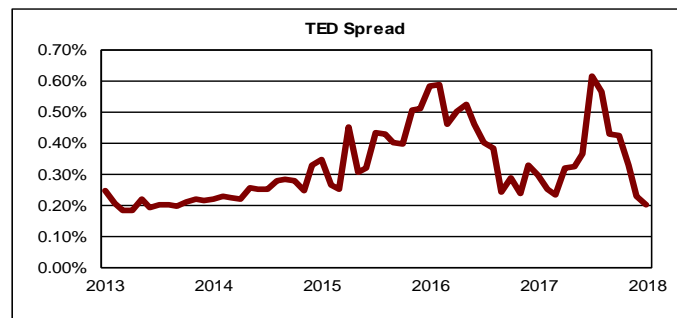
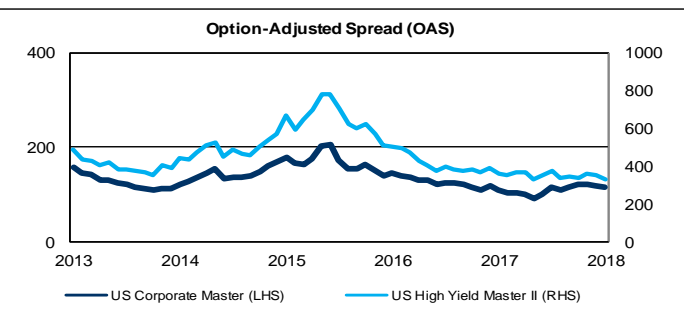
Municipal bond yields as a percentage of Treasury yields were little changed month over month, after cheapening a bit in August. In fact, they were as stable as we've ever seen them, with the ratios coming in right on top of last month's numbers. The slope of the municipal yield curve continues to encourage investors to lengthen duration to get the best relative yields, with the 2-yr muni yield paying 65% of a 2-yr Treasury yield, while a 10-yr muni offers 86% of a 10-yr Treasury, and a 30-yr muni actually yielding more than the equivalent Treasury, at 102%.

Central Bank Activity				
Name	Current	1 Month Ago	6 Months Ago	1 Year Ago
Fed Funds Rate	2.25%	2.00%	1.75%	1.25%
Bank of Japan Target Rate	0.10%	0.10%	0.10%	0.10%
European Central Bank Rate	0.00%	0.00%	0.00%	0.00%
Bank of England Official Bank Rate	0.75%	0.75%	0.50%	0.25%

Fixed Income Returns				
Name	MTD	QTD	YTD	1 Year
Bloomberg Barclays US Government Index	-0.91%	-0.57%	-1.62%	-1.57%
Bloomberg Barclays US Agg Index	-0.64%	0.02%	-1.60%	-1.22%
Bloomberg Barclays US Corporate Index	-0.36%	0.97%	-2.33%	-1.19%
Bloomberg Barclays US Corporate High Yield Index	0.56%	2.40%	2.57%	3.05%
Bloomberg Barclays EM USD Agg Index	1.33%	1.61%	-2.28%	-1.68%
Bloomberg Barclays Global Agg Treasuries USD Index	-0.38%	-0.42%	0.45%	1.22%
Bloomberg Barclays Municipal Index	-0.65%	-0.15%	-0.40%	0.35%



U.S. Treasury Yields									
Period	3 Month	6 Month	2 Year	5 Year	10 Year	15 Year	20 Year	25 Year	30 Year
Current	2.28%	2.41%	2.84%	2.95%	3.06%	3.09%	3.14%	3.20%	3.20%
1 Month Ago	2.15%	2.26%	2.68%	2.77%	2.89%	2.92%	2.96%	3.03%	3.03%
6 Months Ago	1.80%	1.93%	2.30%	2.58%	2.79%	2.84%	2.90%	2.99%	3.02%
1 Year Ago	1.10%	1.20%	1.48%	1.91%	2.32%	2.48%	2.67%	2.84%	2.88%





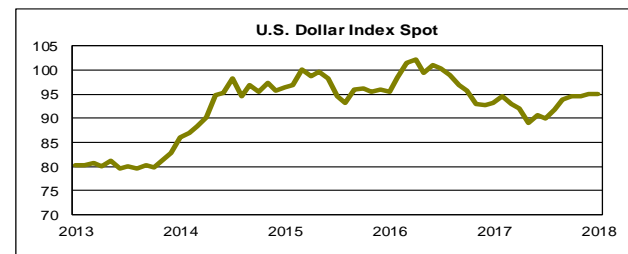
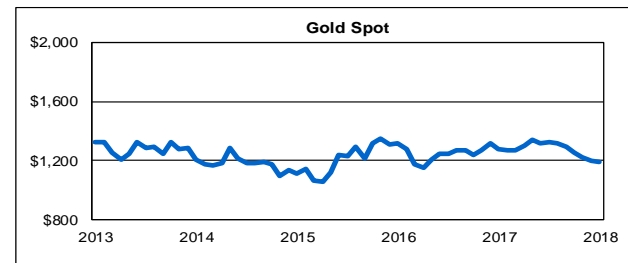
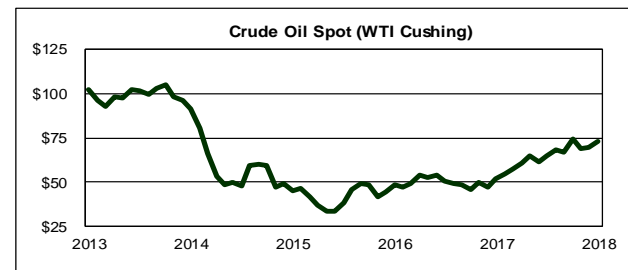
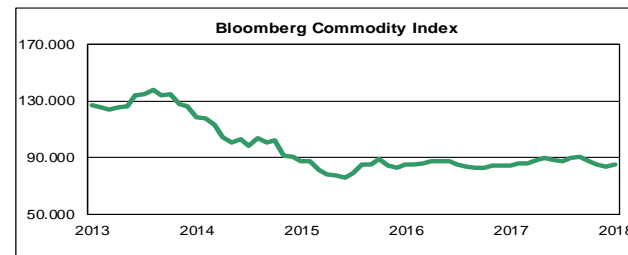
Alternative Investments

Alternative investments posted mixed results in September as interest rates edged higher and geopolitical tensions eased slightly. West Texas Intermediate (WTI) crude oil gained +4.94% during the month to close above \$73/barrel, and only slightly off the highest levels of the year. WTI has gained +21.23% YTD, and comes ahead of Iranian sanctions that will kick into effect come November. The expected decline in supply could top 1 million barrels per day, and comes as other OPEC members have curtailed production for various planned and unplanned reasons. On the flip side, the U.S. continues to pump crude at record levels, and swing producers such as Russia and Saudi Arabia seem uninterested in raising production. OPEC as a whole seems intent on \$80/barrel oil, whereas market prices could well exceed that level if Iranian sanctions prove more impactful. The rise in WTI prices helped buoy the Bloomberg Commodities Index by +1.75% during the month; however, the index remains down -3.36% YTD.

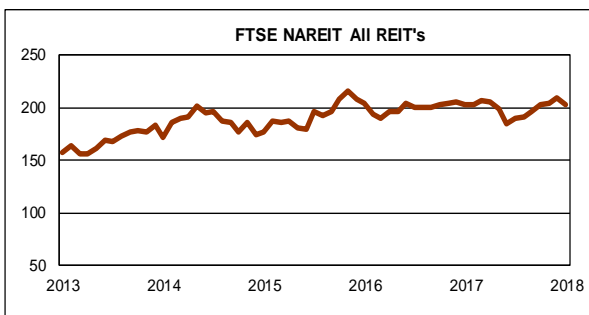
Gold prices continued their downward trajectory in September, falling -0.74% to close at \$1,192/ounce, and are now down -8.48% YTD. Gold prices have oscillated between \$1,200-1,350/ounce over the past nine months, only recently breaking below the psychological \$1,200/ounce threshold. The combination of higher interest rates and higher inflation have led to less negative real interest rates, and given the expected future path of short-term interest rates by the Federal Reserve, could become positive in the not too distant future. Should inflation begin to accelerate faster than expected, the shiny metal may regain its luster, demonstrating its role in a multi-asset portfolio as a hedge – not necessarily to lower equity prices, but to higher inflation.

Real Estate, as measured by the FTSE NAREIT All-REIT Index, lost -3.04% during the month as the Federal Reserve raised the Federal Funds rate to 2.00-2.25%. Despite recent weakness, REITs are only down -1.19% YTD.

On the currency front, the U.S. Dollar, as measured by the DXY Index, was unchanged on the month but off of its recent highs. The Dollar has traded in a tight range for much of the last five months as speculative positioning and geopolitical fears have helped keep the Dollar relatively strong year to date; however, a change of course in one of many macroeconomic factors could cause a reversal in sentiment heading into year end and 2019.



Hedge Funds						
Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
Global Hedge	-0.76%	-0.46%	-1.31%	0.17%	2.15%	1.00%
Convertible Arbitrage	0.11%	0.41%	1.06%	2.54%	4.15%	0.88%
Distressed Securities	0.08%	0.55%	-5.69%	-5.04%	2.80%	0.92%
Equity Hedge (L/S)	-1.60%	-1.12%	-0.88%	1.82%	3.24%	2.40%
Equity Market Neutral	-0.96%	-0.82%	-0.63%	-1.64%	-1.08%	1.40%
Event Driven	-0.34%	-0.91%	-5.36%	-5.45%	3.63%	0.53%
Macro	-1.27%	-0.01%	-1.82%	0.74%	-0.91%	0.34%
Merger Arbitrage	-1.21%	-1.22%	-1.82%	-1.33%	2.62%	3.25%
Relative Value Arbitrage	0.12%	0.39%	2.60%	3.55%	1.68%	0.44%
Absolute Return	-0.57%	-0.26%	0.78%	0.91%	1.56%	1.96%



Spot Rates					
Description	Current	1 Month Ago	3 Months Ago	6 Months Ago	1 Year Ago
CAD / USD	1.29	1.30	1.31	1.29	1.25
JPY / USD	113.70	111.03	110.76	106.28	112.51
USD / GBP	1.30	1.30	1.32	1.40	1.34
USD / EUR	1.16	1.16	1.17	1.23	1.18



S&P 500 Index (SPX) – Standard and Poor’s 500 Index is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

S&P 500 Sector Indices (S5COND, S5CONS, S5ENRS, S5FINL, S5HLTH, S5INDU, S5INFT, S5MATR, S5TELS, S5UTIL, S5RLST) – The S&P 500 is broken down into ten sub-indices according to the Global Industry Classification Standard (GICS) sectors. These ten sectors include Consumer Discretionary, Consumer Staples, Energy, Financials, Health Care, Industrials, Information Technology, Materials, Telecommunication Services, Utilities, and Real Estate.

S&P 400 Mid Cap Index (MID) – Standard and Poor’s Mid Cap 400 Index is a capitalization-weighted index, which measures the performance of the mid-range sector of the U.S. stock market.

S&P 600 Small Cap Index (SML) – Standard & Poor’s Small Cap 600 Index is a capitalization-weighted index that measures the performance of selected U.S. stocks with a small market capitalization.

S&P 500/Citigroup Growth Index (SGX) – The S&P 500/Citigroup Growth Index is a market capitalization-weighted index. All the stocks in the underlying parent index are allocated into value or growth. Stocks that do not have pure value or pure growth characteristics have their market caps distributed between the value & growth indices.

S&P 500/Citigroup Value Index (SVX) – The S&P 500/Citigroup Value Index is a market capitalization-weighted index. All the stocks in the underlying parent index are allocated into value or growth. Stocks that do not have pure value or pure growth characteristics have their market caps distributed between the value & growth indices.

MSCI AC World Index (MXWD) – The MSCI AC World Index is a free float-weighted equity index. The index includes both emerging and developed world markets.

MSCI EAFE Index (MXEA) – The MSCI EAFE Index is a capitalization-weighted index that monitors the performance of stocks from developed markets in Europe, Australia-Asia, and the Far East.

MSCI Emerging Market Index (MXEF) – The MSCI Emerging Market Index is a free-float weighted index that is designed to measure the equity performance of international emerging markets.

FTSE 100 Index (UKX) – The FTSE 100 Index is a capitalization-weighted index of the 100 most highly capitalized companies traded on the London Stock Exchange. The equities use an investability quotient weighting in the index calculation.

Nikkei 225 Stock Average Index (NKY) – The Nikkei-225 Stock Average is a price-weighted average of 225 top-rated Japanese companies listed in the First Section of the Tokyo Stock Exchange.

Hang Seng Index (HSI) – The Hang Seng is a free-float capitalization-weighted index of selected companies from the Stock Exchange of Hong Kong. The components of the index are divided into four sub-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.

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

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

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



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

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

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

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

ML U.S. Corporate Index (COA0) – The Merrill Lynch U.S. Corporate Index tracks the performance of U.S. dollar denominated investment grade corporate debt publicly issued in the U.S. domestic market.

ML U.S. High Yield Index (HOA0) – The Merrill Lynch U.S. High Yield Index tracks the performance of U.S. dollar denominated below investment grade corporate debt publicly issued in the U.S. domestic market.

FTSE NAREIT All REITs Index (FNAR) – The FTSE NAREIT All REITs Index is a free float adjusted market capitalization-weighted index that includes all tax qualified REITs listed in the NYSE, AMEX, and NASDAQ National Market.

Dow Jones UBS Commodity Index (DJUBS) – The Dow Jones UBS Commodity Index is composed of futures contracts on 19 physical commodities. It reflects the return of underlying commodity futures price movements only. Previously, the index was the Dow Jones AIG Commodity Index.

U.S. Dollar Index (DXY) – The U.S. Dollar Index (USDIX) indicates the general int'l value of the USD. The USDIX does this by averaging the exchange rates between the USD and 6 major world currencies. The ICE US computes this by using the rates supplied by some 500 banks.

HFRX Global Hedge Fund Index (HFRXGL) – The HFRX Global Hedge Fund Index is designed to be representative of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies.

HFRX Convertible Arbitrage Index (HFRXCA) – The HFRX Convertible Arbitrage Index is designed to reflect the general performance of strategies in which the investment thesis is predicated on realization of a spread between related instruments in which one or multiple components of the spread is a convertible fixed income instrument.

HFRX Distressed Securities Index (HFRXDS) – The HFRX Distressed Securities Index is designed to reflect the general performance of strategies focused on corporate fixed income instruments, primarily on corporate credit instruments of companies trading at significant discounts to their value at issuance of obliged (par value) at maturity as a result of either formal bankruptcy proceeding or financial market perception of near term proceedings.

HFRX Macro Index (HFRXM) – The HFRX Macro Index reflects the general performance of strategies in which the investment process is predicated on movements in underlying economic variables and the impact these have on equity, fixed income, hard currency, and commodity markets.

HFRX Equity Hedge Index (HFRXEH) – The HFRX Equity Hedge Index is designed to reflect the general performance of strategies that maintain both long and short positions in primarily equity and equity derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques. Strategies can be broadly diversified or narrowly focused.

HFRX Equity Market Neutral Index (HFRXEMN) – The HFRX Equity Market Neutral Index is designed to reflect the general performance of strategies that employ sophisticated quantitative techniques of analyzing price data to ascertain information about future price movement and relationships between securities.

HFRX Event Driven Index (HFRXED) – The HFRX Event Driven Index reflects the general performance of strategies that maintain positions in companies currently or prospectively involved in corporate transactions of a wide variety including, but not limited to, mergers, restructurings, financial distress, tender offers, shareholder buybacks, debt exchanges, security issuance, or other capital structure adjustments.

HFRX Merger Arbitrage Index (HFRXMA) – The HFRX Merger Arbitrage Index reflects the general performance of strategies which employ an investment process primarily focused on opportunities in equity and equity related instruments of companies which are current engaged in a corporate transaction.

HFRX Relative Value Arbitrage Index (HFRXRVA) – The HFRX Relative Value Arbitrage Index reflects the general performance of strategies that maintain positions in which the investment thesis is predicated on realization of a valuation discrepancy in the relationship between multiple securities.

Economic Data Sources:

PPI & CPI – Bureau of Labor Statistics
Unemployment Rate – Bureau of Labor Statistics
Consumer Confidence – Conference Board
S&P/Case-Shiller Composite 20 – Case-Shiller
Industrial Production – Federal Reserve
Capacity Utilization – Federal Reserve
Retail Sales – U.S. Census Bureau
Housing Starts – U.S. Department of Commerce
Factory Orders – U.S. Census Bureau
Leading Indicators – Conference Board
Unit Labor Costs – Bureau of Labor Statistics
GDP – Bureau of Economic Analysis
Wholesale Inventories – U.S. Census Bureau
MBA Mortgage Applications – Mortgage Bankers Association
4-Week Moving Average of Initial Claims, SA – Bureau of Labor Statistics

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