

Economic Overview

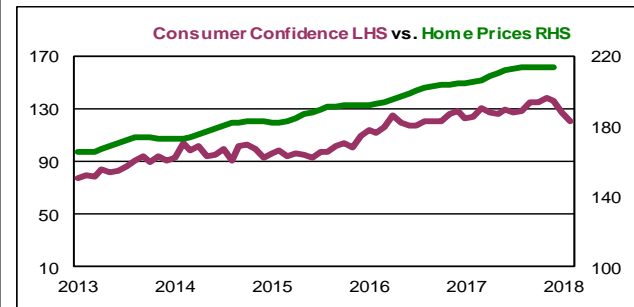
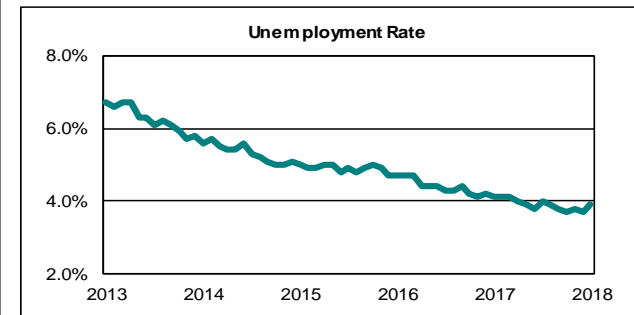
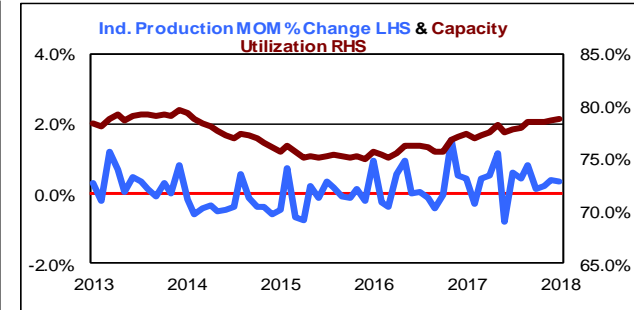
While signs of a global growth slowdown were evident in January, the U.S. economy remains vibrant and continues to grow at a modest pace. The jobs report for January, released on February 1st, showed strength persists in the labor market and consumer confidence remains relatively robust. A slight pivot by the FOMC at its January meeting also suggests the Fed may remain on hold for the balance of 2019, potentially extending what is already one of the longest economic expansions on record.

January saw nonfarm payrolls increase by 304,000, easily beating expectations. The unemployment rate ticked up 0.1% to 4.0% as the Labor Force Participation Rate edged up to 63.2%. Average Hourly Earnings increased a less than expected +0.1% and are now up +3.2% YoY. The impact on the employment data of the extended government shutdown is unknown at this point, although the U6, or Underemployment Rate increased by 0.5% MoM to 8.1%, likely due to the shutdown.

The Markit US Manufacturing PMI for January came in at 54.9, still suggestive of decent expansion although down from May's peak of 56.6. Industrial Production for December increased by +0.3%, beating estimates of +0.2% growth while Capacity Utilization clocked in at 78.7%, up from the prior month's revised reading of 78.6%.

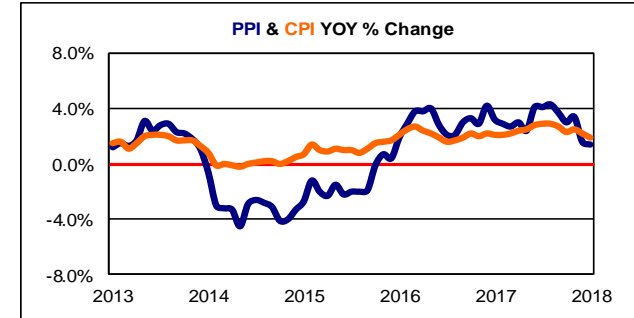
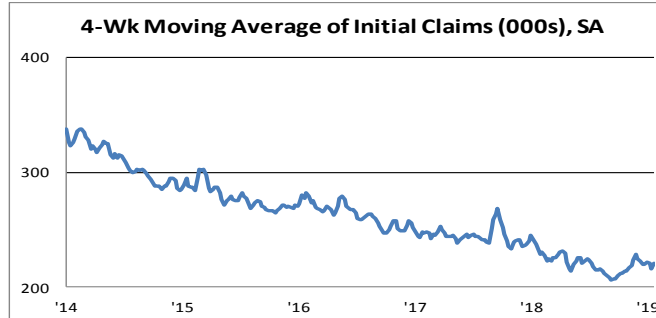
Inflation measures remained tame in December with consumer prices falling by -0.1% MoM and producer prices by -0.2%. On a year over year basis, CPI is up just +1.9% while PPI is up +2.5%. The Export Price Index for December dropped by -0.6% MoM and is up just +1.1% YoY.

As mentioned above, the FOMC backed off the somewhat hawkish rhetoric of past meetings and betting odds are now firmly on "no hikes" for 2019. Both stocks and bonds rallied on the dovish tone from Powell and its likely that the current bull will survive another year should the Fed refrain from increasing short-term interest rates.



Key Data Points

Name	Current	For	Previous	For
Retail Sales ex. Autos MOM %	0.20%	November	1.00%	October
Housing Starts	1256K	November	1217K	October
Factory Orders MOM %	-2.10%	October	0.20%	September
Leading Indicators MOM %	-0.10%	December	0.20%	November
Unit Labor Costs	0.90%	Q3 2018	-2.80%	Q2 2018
GDP QOQ (Annualized)	3.40%	Q3 2018	4.20%	Q2 2018
Wholesale Inventories	0.80%	October	0.70%	September
MBA Mortgage Applications	-3.00%	January	-8.50%	December



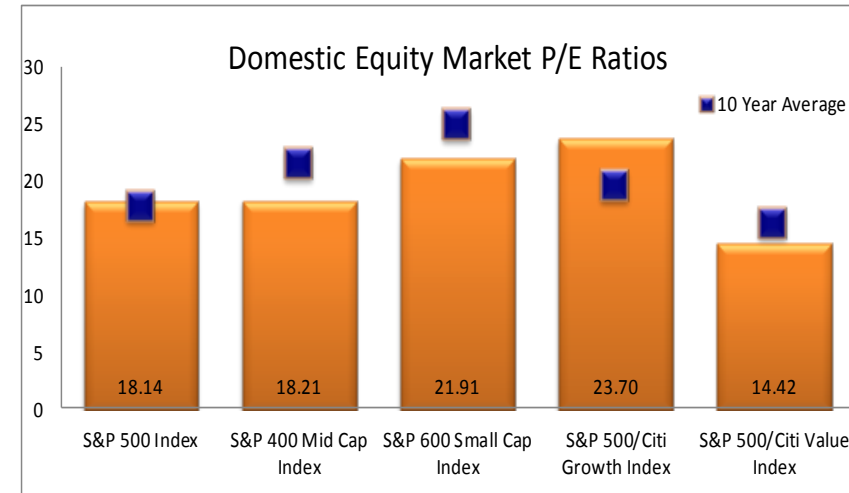
Domestic Equity

Similar to 2018, stocks surged to begin the year. Following the great “Christmas Eve Crash”, which saw the Dow Jones Industrial Average fall by 653 points, the stock market is up nearly +15%. While the Dow is still nearly 1,800 points from its early October high, much of Q4’s damage has been undone for those brave (smart?) souls that stuck with it through the fourth quarters surge in volatility. Through the first month of 2019, the S&P 500 is up +8.0% while mid-caps have gained +10.5% and small-caps +10.6%. Value is outperforming growth by 106 bps.

The rally in US equities has been fairly broad-based, with Energy (+11.1%) and Industrials (+11.4%) leading the way, followed closely by Real Estate (+10.8%), Communications (+10.4%) and Consumer Discretionary (+10.3). Laggards included Utilities (+3.4%), Healthcare (+4.8%) and Staples (+5.2%).

The Fed pivot to more dovish language has the potential to drive some multiple expansion here in 2019. Fourth-quarter earnings reports are underway and thus far are supportive of roughly \$160 per share on the S&P 500 for 2018, suggesting a trailing 12mo multiple of 16.9x and a forward multiple (based on \$170 in 2019) of 15.9x. These measures would indicate approximate fair value for the US equity market at the current point in time.

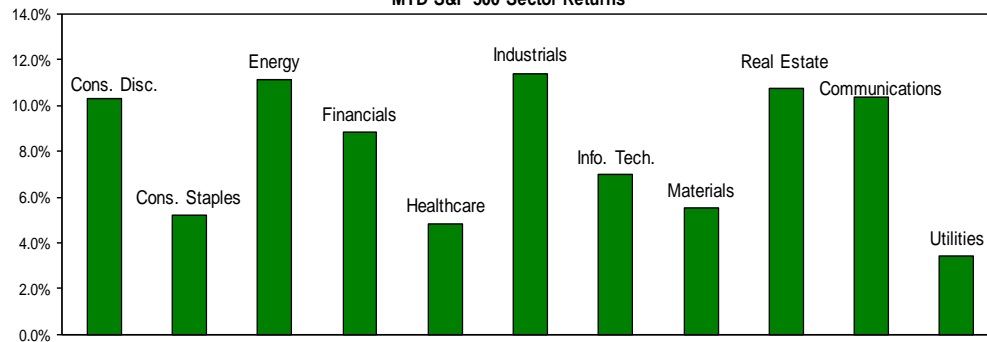
Further gains from here in 2019 may be hard to come by unless we see more follow-through by corporate America on the cap-ex front. While the full impact of 2017’s tax reform act may not have been felt yet, further stock buybacks are unlikely to take the market to the next level. More dovish interest rate policy is, however, likely to extend the bull’s life, and Q4’s 20% drawdown notwithstanding, send stocks modestly higher in 2019.



Domestic Equity Returns

Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
S&P 500 Index	8.01%	8.01%	8.01%	-2.32%	13.97%	10.94%
S&P 400 Mid Cap Index	10.46%	10.46%	10.46%	-4.54%	13.44%	8.61%
S&P 600 Small Cap Index	10.63%	10.63%	10.63%	-1.28%	15.52%	9.31%
S&P 500/Citi Growth Index	7.51%	7.51%	7.51%	0.25%	15.48%	12.83%
S&P 500/Citi Value Index	8.57%	8.57%	8.57%	-5.10%	12.02%	8.69%

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	10.30%	10.30%	10.30%	1.71%	15.13%	13.22%	10.58%
Consumer Staples	5.19%	5.19%	5.19%	-5.14%	4.61%	8.47%	7.98%
Energy	11.11%	11.11%	11.11%	-12.34%	5.75%	-2.29%	5.33%
Financials	8.84%	8.84%	8.84%	-11.11%	15.85%	10.78%	12.95%
Healthcare	4.84%	4.84%	4.84%	4.67%	12.76%	11.96%	14.91%
Industrials	11.41%	11.41%	11.41%	-8.29%	13.75%	9.24%	9.54%
Information Technology	6.96%	6.96%	6.96%	-0.90%	20.93%	17.07%	19.70%
Materials	5.49%	5.49%	5.49%	-13.59%	13.25%	5.94%	2.65%
Real Estate	10.79%	10.79%	10.79%	10.40%	8.35%	8.55%	2.97%
Communication Services*	10.37%	10.37%	10.37%	-3.99%	3.30%	5.29%	10.30%
Utilities	3.43%	3.43%	3.43%	11.08%	10.16%	10.83%	3.09%

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

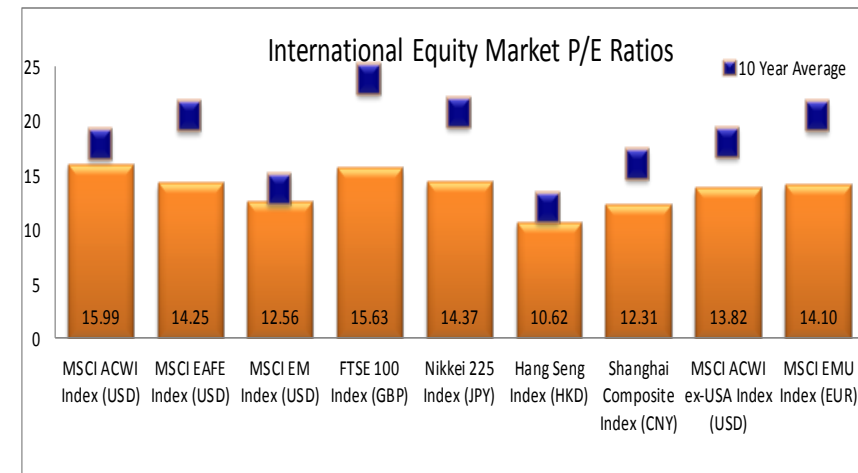
International Equity

Despite some signs of slowing global growth, international equities and EM in particular started 2019 in the black. The MSCI ACWI Index rose +7.9% while the MSCI EAFE Index gained +6.6% and the MSCI EM Index surged +8.7%. Most international markets remain negative on a 1-year basis and sport 5-year annual returns well below longer-term averages. Valuations remain attractive “on paper”, although there remain skeptics that suggest merely a value trap instead.

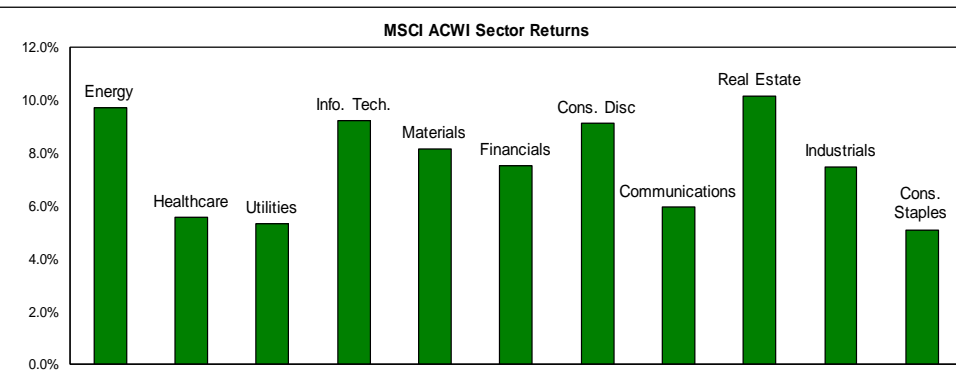
Real Estate led the way internationally as falling interest rates lent a bid to this decidedly interest rates sensitive sector (up +10.2%). Following closely behind was Energy (+9.7%), Information Technology (+9.2%) and Consumer Discretionary (+9.1%). Laggards included Staples (+5.1%), Utilities (+5.3%) and Healthcare (+5.5%).

The Brexit saga and the ongoing trade war between the U.S. and China continue to weigh on international markets. The FTSE 100 Index was up a modest +3.6% in January, underperforming relative to the broader constituency, while the Shanghai Composite Index gained just +3.6% as well, underperforming the broader EM Index by 512 basis points. Both seminal events continue to play out and may ultimately help spur strong rallies in foreign equities should outcomes prove constructive.

A quick glance at the upper right box would suggest a treasure trove of opportunity awaits those fundamental analysis enthusiasts combing through downtrodden international stocks. 2017 aside, these markets are starting to exhibit some signs of a value trap rather than an opportunity. The jury isn't out in that regard yet, however, we're beginning to cast a somewhat more skeptical eye towards these markets.



International Equity Returns						
Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
MSCI ACWI Index (USD)	7.93%	7.93%	7.93%	-6.98%	12.22%	7.33%
MSCI EAFE Index (USD)	6.61%	6.61%	6.61%	-12.01%	8.32%	3.24%
MSCI EM Index (USD)	8.76%	8.76%	8.76%	-14.05%	15.26%	5.13%
FTSE 100 Index (GBP)	3.63%	3.63%	3.63%	-3.57%	8.92%	5.35%
Nikkei 225 Index (JPY)	3.80%	3.80%	3.80%	-8.32%	7.86%	8.82%
Hang Seng Index (HKD)	8.14%	8.14%	8.14%	-12.00%	16.58%	8.80%
Shanghai Composite Index (CNY)	3.64%	3.64%	3.64%	-23.94%	0.25%	7.32%
MSCI ACWI ex-USA Index (USD)	7.58%	7.58%	7.58%	-12.15%	10.14%	3.65%
MSCI EMU Index (EUR)	6.36%	6.36%	6.36%	-9.29%	6.08%	6.00%



MSCI ACWI Ex U.S. Sector Returns							
Sector	MTD	QTD	YTD	1 Year	3 Year	5 Year	% of ACWI
Energy	9.73%	9.73%	9.73%	-2.77%	17.39%	1.62%	7.87%
Healthcare	5.54%	5.54%	5.54%	-4.34%	3.55%	3.54%	5.99%
Utility	5.33%	5.33%	5.33%	8.27%	9.41%	7.18%	6.15%
Information Technology	9.23%	9.23%	9.23%	-16.17%	18.08%	10.28%	6.82%
Materials	8.18%	8.18%	8.18%	-13.66%	19.55%	2.53%	6.77%
Financials	7.53%	7.53%	7.53%	-16.53%	10.72%	3.11%	22.43%
Consumer Discretionary	9.13%	9.13%	9.13%	-16.97%	6.67%	2.53%	11.07%
Communication Services*	5.94%	5.94%	5.94%	-8.65%	2.53%	0.65%	8.01%
Real Estate**	10.17%	10.17%	10.17%	-6.83%	N/A	N/A	3.88%
Industrials	7.48%	7.48%	7.48%	-13.57%	10.46%	3.82%	11.22%
Consumer Staples	5.06%	5.06%	5.06%	-8.03%	5.09%	4.93%	9.80%

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



Fixed Income

January was a good month for Fixed Income returns, as the risk aversion that hurt performance in late 2018 was reversed. The concerns that Fed Chairman Jerome Powell was too hawkish, looking to continue raising rates and reducing the size of the Fed's balance sheet without regard for the markets or economic growth, had spooked investors. Some of his pronouncements were clumsily worded, and reinforced those fears. After seemingly realizing this, he moderated his tone and it was well received, calming those fears.

The market's reception of his less hawkish, more patient positioning can be seen in the price recovery experienced by the Investment Grade corporate and High Yield bond markets. They had a rough fourth quarter, finishing 2018 under significant downward price pressure. Throughout 2018, High Yield credit spreads traded around +325 to 10 year Treasury yields. As the "risk off" trade gained momentum in November and December, HY spreads widened to +450, and then approached +550 by year end, pushing prices lower and performance into negative territory. Investment grade corporate bonds were also affected, but to a lesser degree, with spreads widening from +150 to +190 near year-end.

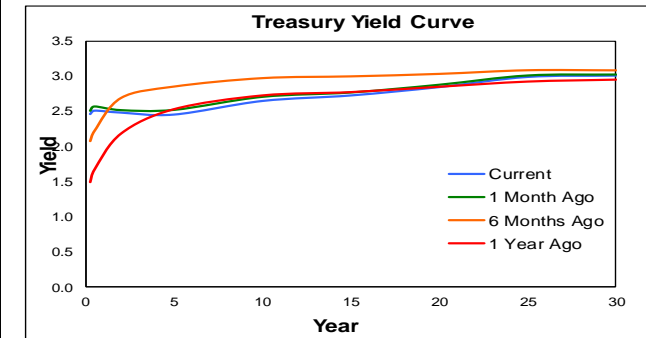
Much of this damage was reversed in January, as spreads tightened back in (risk on), giving prices and performance a significant boost. High Yield returned more than +4.5% in January, leading the way. Investment grade corporate bonds also had a strong month, with a +2.35% return.

The January 30th Federal Reserve meeting and press conference reinforced that they will be taking a more patient wait and see approach, given the weaker survey data and international growth concerns. They noted that the current policy rate is within the range of the committee's estimate of neutral, meaning there is no rush for further increases. Chairman Powell also seemed to open the door for a reduction in balance sheet run-off if conditions demand, easing another concern of the market.

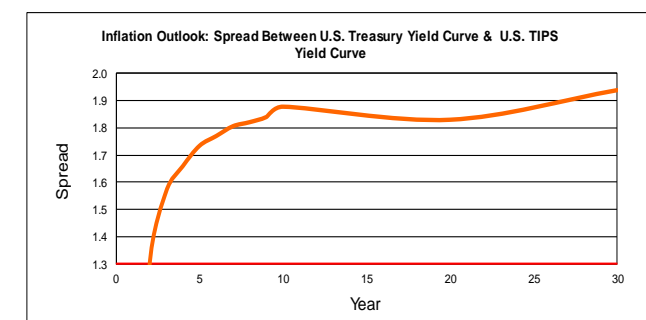
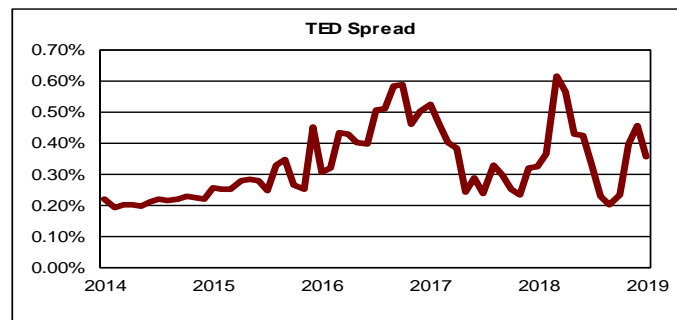
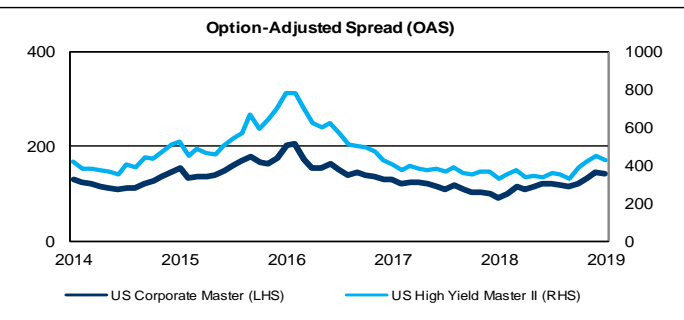
The shape of the yield curve was relatively stable in January, with the spread between the 2 year yield and the 10 year yield ending the month at 17 bps. It had been as low as 10 bps in December as the curve flattened further.

Central Bank Activity				
Name	Current	1 Month Ago	6 Months Ago	1 Year Ago
Fed Funds Rate	2.50%	2.50%	2.00%	1.50%
Bank of Japan Target Rate	0.10%	0.10%	0.10%	0.10%
European Central Bank Rate	0.00%	0.00%	0.00%	0.00%
Bank of England Official Bank Rate	0.75%	0.75%	0.50%	0.50%

Fixed Income Returns				
Name	MTD	QTD	YTD	1 Year
Bloomberg Barclays US Government Index	0.47%	0.47%	0.47%	3.02%
Bloomberg Barclays US Agg Index	1.06%	1.06%	1.06%	2.53%
Bloomberg Barclays US Corporate Index	2.35%	2.35%	2.35%	1.04%
Bloomberg Barclays US Corporate High Yield Index	4.52%	4.52%	4.52%	1.83%
Bloomberg Barclays EM USD Agg Index	3.19%	3.19%	3.19%	0.94%
Bloomberg Barclays Global Agg Treasuries USD Index	0.83%	0.83%	0.83%	4.44%
Bloomberg Barclays Municipal Index	0.76%	0.76%	0.76%	3.38%



U.S. Treasury Yields									
Period	3 Month	6 Month	2 Year	5 Year	10 Year	15 Year	20 Year	25 Year	30 Year
Current	2.46%	2.51%	2.48%	2.45%	2.64%	2.72%	2.84%	2.99%	3.00%
1 Month Ago	2.50%	2.57%	2.51%	2.52%	2.70%	2.76%	2.87%	3.01%	3.02%
6 Months Ago	2.07%	2.22%	2.69%	2.85%	2.97%	2.99%	3.03%	3.08%	3.08%
1 Year Ago	1.49%	1.67%	2.18%	2.53%	2.72%	2.77%	2.85%	2.92%	2.95%



Alternative Investments

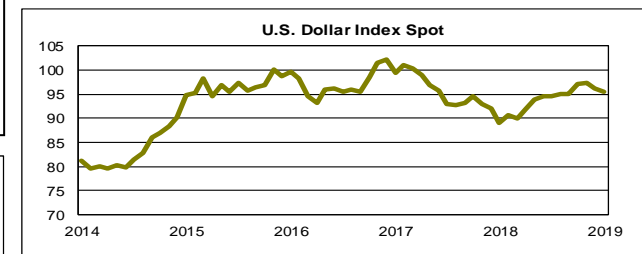
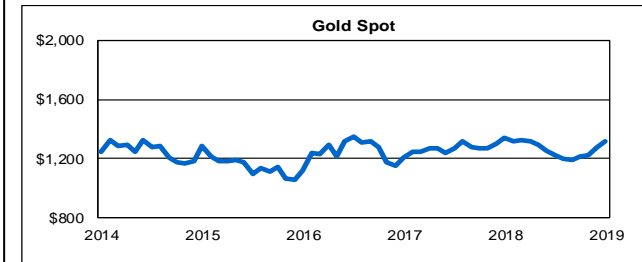
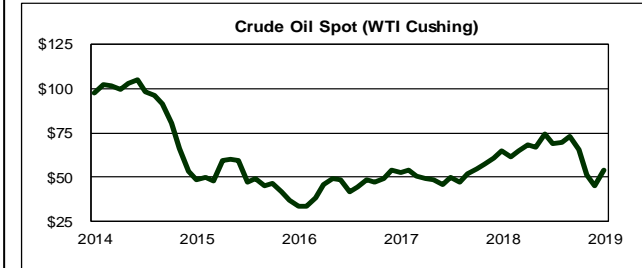
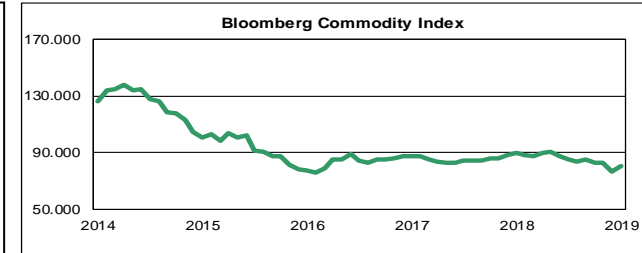
Oil surged +20% in January to mark the best first-month start on record. The FOMC pause as well as Venezuela sanctions helped trigger the rally. Further helping was a decline in US stockpiles partly due to the polar vortex which gripped much of the country for nearly a week in January. After a -43% peak to trough decline in 2018, consumers were beginning to feel the benefit at the pump, only to see prices edge back up.

The broader commodity space rallied in sympathy with oil as metals – both precious and industrial – rallied as did soft goods and the broader agriculture space. Iron ore and nickel are both up +18% in 2019, despite sluggish growth in China resulting from the ongoing trade war with the US.

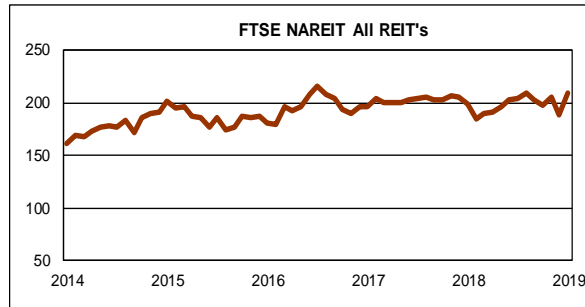
The US Dollar fell slightly following to the Fed's pivot to a softer monetary policy stance. After rising over +4.0% in 2018 following 4 interest rate hikes, the recent more dovish stance by the Fed should trigger an adjustment to the greenback.

Real Estate rallied to begin 2019 as interest rates fell and the backdrop of lower financing costs and a robust economy triggered renewed interest in the space. The FTSE NAREIT Index surged +11.5% in January as buyers rushed to lock in higher yields after the 4th quarter wipeout which saw the index decline over -5.0%.

Hedge funds continued to produce mixed results as the turnover in funds continued. Some large macro players had a spectacular 2018, after trading water for the past few years, while most others again failed to justify the costly fee structure of the industry. Long/short funds excelled in January, gaining +3.74% while similar (but different) market neutral funds essentially broke even. A glance down the 5-year return column of the hedge fund summary would suggest that many, if not most of these high priced funds failed to live up to their billing.



Hedge Funds						
Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
Global Hedge	1.82%	1.82%	1.82%	-7.29%	1.99%	-0.18%
Convertible Arbitrage	1.28%	1.28%	1.28%	0.18%	4.97%	0.44%
Distressed Securities	2.15%	2.15%	2.15%	-8.95%	5.68%	0.17%
Equity Hedge (L/S)	3.74%	3.74%	3.74%	-9.12%	2.69%	0.69%
Equity Market Neutral	0.11%	0.11%	0.11%	-4.19%	-2.10%	0.31%
Event Driven	2.37%	2.37%	2.37%	-11.14%	3.59%	-0.99%
Macro	-2.67%	-2.67%	-2.67%	-9.28%	-2.43%	-0.66%
Merger Arbitrage	0.75%	0.75%	0.75%	-1.28%	1.36%	3.12%
Relative Value Arbitrage	2.18%	2.18%	2.18%	-0.10%	2.79%	-0.08%
Absolute Return	0.88%	0.88%	0.88%	-0.41%	1.33%	1.40%



Spot Rates					
Description	Current	1 Month Ago	3 Months Ago	6 Months Ago	1 Year Ago
CAD / USD	1.31	1.36	1.32	1.30	1.23
JPY / USD	108.89	109.69	112.94	111.86	109.19
USD / GBP	1.31	1.28	1.28	1.31	1.42
USD / EUR	1.14	1.15	1.13	1.17	1.24



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

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

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

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

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

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

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

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

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

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

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

Hang Seng Index (HSI) – The Hang Seng is a free-float capitalization-weighted index of selected companies from the Stock Exchange of Hong Kong. The components of the index are divided into four sub-indices: Commerce and Industry, Finance, Utilities, and Properties.

Shanghai Stock Exchange Composite Index (SHCOMP) – The Shanghai Stock Exchange Composite Index is a capitalization-weighted index. The index tracks the daily price performance of all A-shares and B-shares listed on the Shanghai Stock Exchange.

S&P Global 1200 Index (SPGLOB) – The S&P Global 1200 Index is a composite index, comprised of seven regional and country indices – S&P 500, S&P Europe 350, S&P/TOPIX 150 (Japan), S&P TSX 60 (Canada), S&P/ASX 50 (Australia), S&P Asia 50, and S&P Latin America 50. The S&P Global 1200 is calculated in US dollars. The index is market-cap weighted.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Economic Data Sources:

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

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