Nottingham Monthly Market Wrap
February 28, 2019

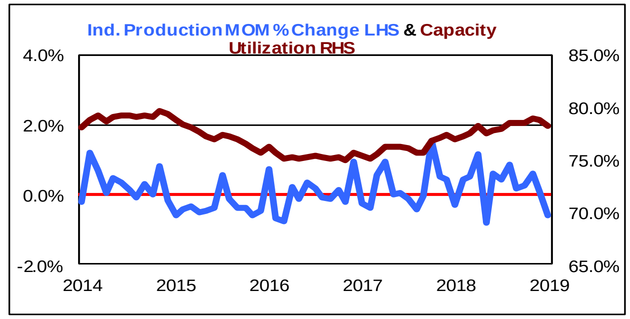
Economic Overview

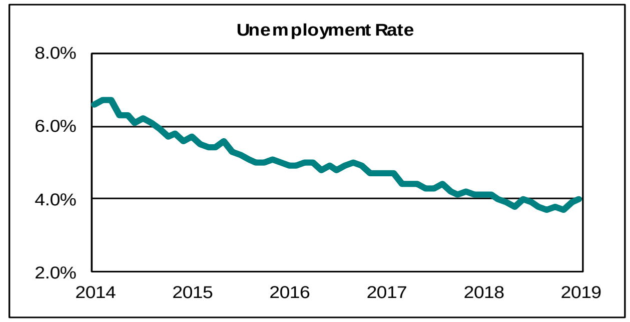
The 35-day US government shutdown that ended on January 25th skewed much of the economic data that came out in February. That being said, the consensus seems to be that the US is following the rest of the world into a slower growth mode. Fourth quarter GDP was released on February 28th and it showed the US economy growing at a 2.6% annualized rate, beating expectations for 2.2% growth, but down from the prior reading of 3.4%. Growth in Personal Consumption fell from 3.5% to 2.8% while the GDP Price Index edged up 1.8%.

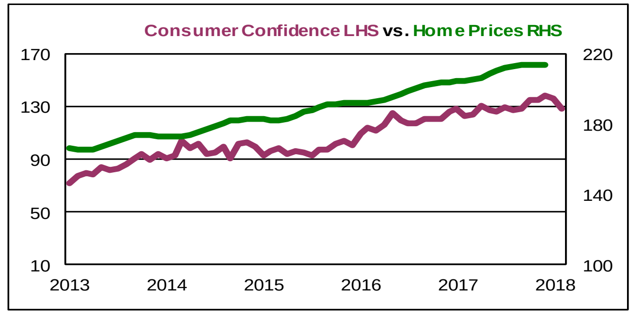
Retail Sales for December registered a surprise -1.2% MoM drop against expectations for a +0.1% gain MoM, while ex-Autos Retail Sales dropped -1.8% MoM. Analysts registered confusion over the drop in sales coming during the busy holiday shopping period; however, some are suggesting Q4's equity market collapse sapped the consumers confidence and that spilled over into a pullback in spending. Coincident with this pullback in spending was a rise in the Household Saving Rate during December to 7.6%. We'll look to March's report to either confirm or doubt the signals from the February Retail Sales number.

The Markit US Manufacturing PMI for January came in at 54.9 and fell to 53.0 for February. The ISM Manufacturing PMI dropped from 56.6 in January to 54.2 for February. While both numbers are suggestive of a continued expansion in the US manufacturing sector, the pace of growth would appear to be slowing. The Markit US Services PMI for February came in at 56.2, signaling continued strength in the non-manufacturing sectors.

Housing data for the notoriously fickle winter month of January showed a drop-off from December, with Existing Home Sales falling -1.2% MoM and Housing Starts collapsing by -11.2% MoM. No doubt the Q4 stock sell-off, followed by the government shutdown created a lot of noise with the data for January and February. We'll look to the coming months reports for a better picture as to the health of the US economy. For now, the Fed appears to be on hold and the bulls have taken back the equity market. We would expect improved data going forward.

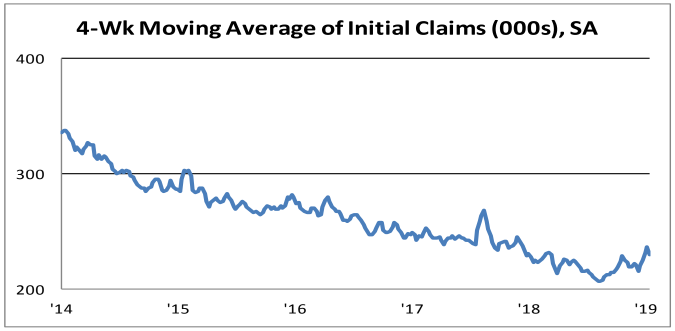


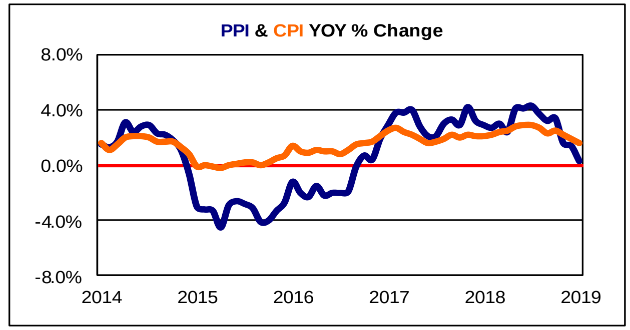




Key Data Points

Name	Current	For	Previous	For
Retail Sales ex. Autos MOM %	-1.80%	December	0.00%	November
Housing Starts	1078K	December	1214K	November
Factory Orders MOM %	0.10%	December	-0.50%	November
Leading Indicators MOM %	-0.10%	January	0.00%	December
Unit Labor Costs	0.90%	Q3 2018	-2.80%	Q2 2018
GDP QOQ (Annualized)	2.60%	Q4 2018	3.40%	Q3 2018
Wholesale Inventories	1.10%	December	0.40%	November
MBA Mortgage Applications	5.30%	February	-3.00%	January





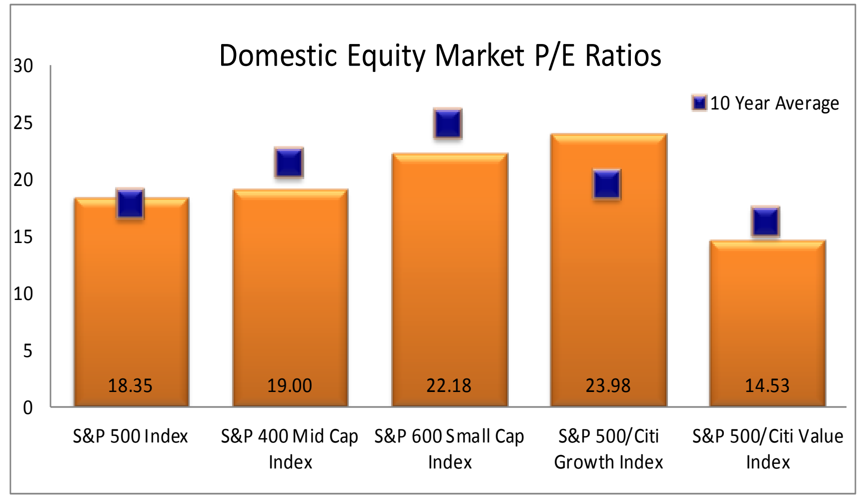
Domestic Equity

U.S. equities continued their hot streak in February as the Federal Reserve tempered expectations for future interest rate hikes and President Trump postponed a planned tariff increase on Chinese goods. The benchmark S&P 500 Index rose +3.21% on the month only to be outperformed by the smaller S&P SmallCap 600 and MidCap 400 Indices, which returned +4.35% and +4.24%, respectively. Through just the first two months of the year the S&P 500 is already up +11.48%, while Small- and Mid-Caps have fared much better, up +15.45% and +15.14%, respectively. At the current index level of 2,784 on the S&P 500 Index, U.S. equities appear to be reasonably valued at approximately 16 times consensus earnings estimates for 2019, which is in line with long term averages.

From a sector standpoint, all 11 GICS sectors finished the month in positive territory. Information Technology was the top performer rising +6.89% on the month, followed closely by Industrials which gained +6.40%. Both cyclical sectors likely benefitted from the postponement of Chinese tariffs and an overall risk on sentiment during the period. Both Industrials and Tech are handily beating the broader market year to date, up +18.55% and +14.34%, respectively.

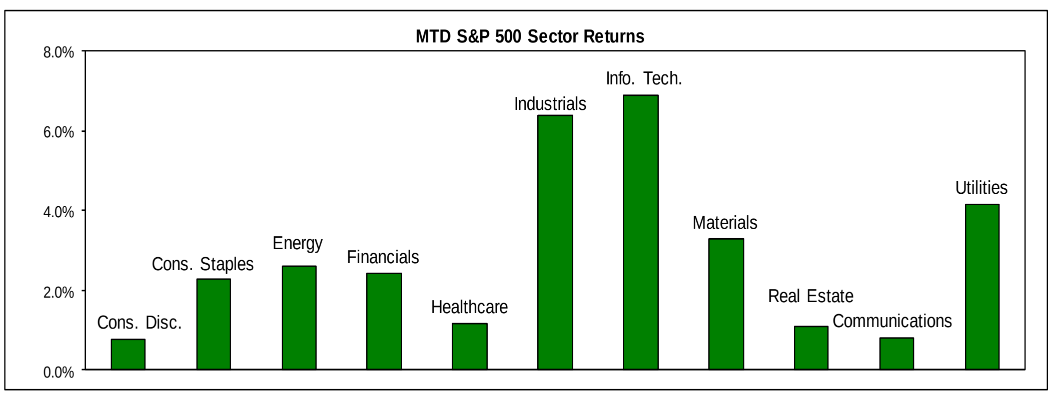
Defensive sectors were a mixed bag, with Utilities rising +4.16%, Consumer Staples adding +2.30%, and Real Estate gaining +1.11%. Health Care, one of last year's top performers, has languished year to date, overshadowed by political risk heading into the 2020 election. The sector gained +1.17% in February, and has trailed the broader market by more than five percentage points year to date. While defensive sectors have lagged since the start of the year, they remain the best performers over the past year, with Utilities and Real Estate up nearly 20% apiece, compared to the S&P 500's less than 5% return.

Leading factor contributors for the year include High Beta and Momentum, which have gained +13.39% and +17.47% respectively on the year.



Domestic Equity Returns

Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
S&P 500 Index	3.21%	11.48%	11.48%	4.67%	15.27%	10.65%
S&P 400 Mid Cap Index	4.24%	15.15%	15.15%	4.13%	14.52%	8.47%
S&P 600 Small Cap Index	4.34%	15.43%	15.43%	7.16%	16.78%	9.28%
S&P 500/Citi Growth Index	4.09%	11.90%	11.90%	6.50%	17.39%	12.58%
S&P 500/Citi Value Index	2.25%	11.01%	11.01%	2.67%	12.68%	8.35%



S&P 500 Sector Returns

Sector	MTD	QTD	YTD	1 Year	3 Year	5 Year	% of S&P 500
Consumer Discretionary	0.78%	11.16%	11.16%	6.18%	15.33%	12.03%	10.34%
Consumer Staples	2.29%	7.60%	7.60%	5.21%	5.37%	8.20%	7.91%
Energy	2.62%	14.02%	14.02%	0.87%	7.35%	-2.75%	5.26%
Financials	2.42%	11.47%	11.47%	-6.35%	17.99%	10.63%	12.85%
Healthcare	1.17%	6.07%	6.07%	10.82%	13.42%	10.89%	14.58%
Industrials	6.40%	18.55%	18.55%	1.59%	14.67%	9.75%	9.80%
Information Technology	6.89%	14.34%	14.34%	5.83%	24.23%	17.57%	20.39%
Materials	3.28%	8.96%	8.96%	-5.81%	11.75%	5.21%	2.63%
Real Estate	1.11%	12.02%	12.02%	19.67%	9.26%	8.00%	2.93%
Communication Services*	0.82%	11.27%	11.27%	4.15%	2.68%	5.68%	10.12%
Utilities	4.16%	7.73%	7.73%	20.35%	10.98%	10.99%	3.17%

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

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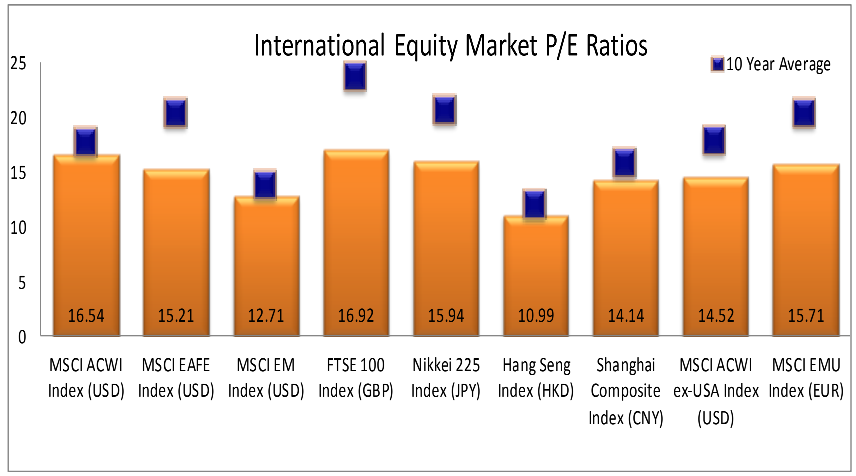
International Equity

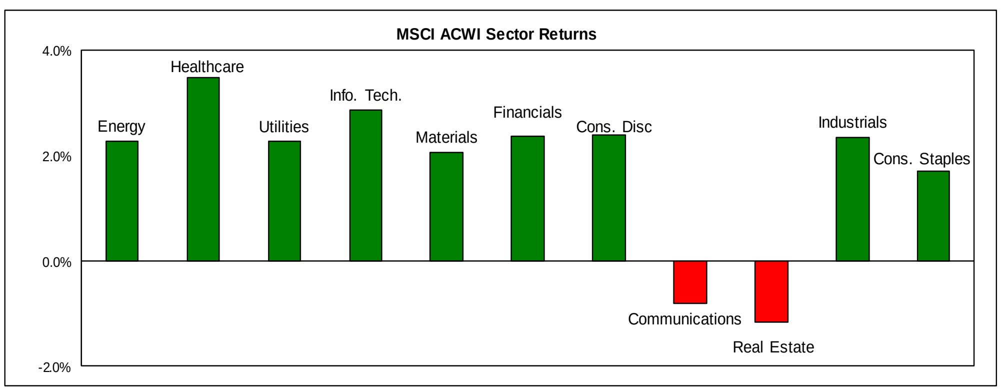
International equities continued to rally in February, following their U.S. equity brethren higher during the period. The Federal Reserve's pause and President Trump's delay in implementing tariffs on Chinese goods contributed to an overall risk on tone for the month, pushing both Developed and Emerging Markets equities higher. Developed International equities, as measured by the MSCI EAFE Index, rose +2.58% during the period and are now up +9.36% for the year. Emerging Markets gained a scant +0.22% during the month, but are still up +8.99% YTD.

From a regional and country standpoint, geopolitics clearly played a role in returns, with sharp differentials from Europe to Asia. U.K. equities, as measured by the FTSE 100 Index, gained +2.30% on the month, and are up +6.02% on the year in GBP terms. With the impending March 29 Brexit deadline quickly approaching, it remains to be seen whether or not lawmakers will call another referendum or reach a deal with the EU in time for an "orderly" Brexit. Furthermore, Japanese equities rose +3.02% on the month, and are up +6.93% on the year in JPY terms ahead of another planned sales tax increase set to take place this year. It remains to be seen whether PM Abe will enact a stimulus package to offset the impact of the hike. In the meantime, investors appear to be steering clear of both countries ahead of such uncertainty, as both markets have trailed the broader MSCI EAFE benchmark YTD. Eurozone equities remain the anomaly, gaining +3.96% on the month and +10.57% YTD in EUR terms despite economic data that continues to deteriorate. Critical U.S. negotiations on EU auto tariffs remain, which could derail the rally.

Chinese equities rallied sharply with the Shanghai Composite Index up +13.79% in CNY terms on the month. Index provider MSCI announced last night that it will be increasing the weight of China A shares in the MSCI EM Index from a factor of 5% to 20% over the next year, with the inclusion taking place in three phases. MSCI noted the progress that China has made in opening up the China A market, but cautioned on further inclusion until further operational improvements are made. China A shares will make up about 3.3% of the MSCI EM Index , from 0.7% currently, when all is said and done, about on par with the weight of Mexico in the benchmark. MSCI also noted that companies listed on Shenzhen's ChiNext exchange will become eligible for inclusion in May. ChiNext is a technology heavy exchange similar to NASDAQ.



International Equity Returns						
Name	**MTD**	**QTD**	**YTD**	**1 Year**	**3 Year**	**5 Year**
MSCI ACWI Index (USD)	2.73%	10.87%	10.87%	-0.28%	13.51%	6.89%
MSCI EAFE Index (USD)	2.58%	9.36%	9.36%	-5.50%	9.93%	2.64%
MSCI EM Index (USD)	0.22%	8.99%	8.99%	-9.58%	15.50%	4.53%
FTSE 100 Index (GBP)	2.30%	6.02%	6.02%	2.10%	9.47%	4.79%
Nikkei 225 Index (JPY)	3.02%	6.93%	6.93%	-1.16%	12.23%	9.58%
Hang Seng Index (HKD)	2.71%	11.07%	11.07%	-3.85%	18.82%	8.59%
Shanghai Composite Index (CNY)	13.79%	17.93%	17.93%	-7.57%	5.30%	9.88%
MSCI ACWI ex-USA Index (USD)	1.98%	9.71%	9.71%	-5.97%	11.31%	3.04%
MSCI EMU Index (EUR)	3.95%	10.57%	10.57%	-2.04%	8.58%	5.83%



MSCI ACWI Ex U.S. Sector Returns							
Sector	**MTD**	**QTD**	**YTD**	**1 Year**	**3 Year**	**5 Year**	**% of ACWI**
Energy	2.27%	12.22%	12.22%	5.47%	17.46%	0.93%	7.83%
Healthcare	3.50%	9.23%	9.23%	3.35%	5.68%	2.56%	6.02%
Utility	2.27%	7.71%	7.71%	15.71%	10.38%	6.53%	6.08%
Information Technology	2.86%	12.36%	12.36%	-10.13%	19.57%	9.72%	6.97%
Materials	2.07%	10.41%	10.41%	-7.26%	18.03%	1.95%	6.79%
Financials	2.38%	10.09%	10.09%	-10.33%	12.84%	2.75%	22.56%
Consumer Discretionary	2.40%	11.75%	11.75%	-12.03%	8.38%	2.21%	11.42%
Communication Services*	-0.80%	5.09%	5.09%	-4.54%	2.27%	-0.12%	7.48%
Real Estate**	-1.16%	8.89%	8.89%	-1.04%	N/A	N/A	3.78%
Industrials	2.36%	10.01%	10.01%	-6.95%	11.09%	3.42%	11.30%
Consumer Staples	1.72%	6.86%	6.86%	-0.98%	6.38%	4.13%	9.76%

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

Fixed Income

February was a fairly quiet month for the Treasury yield curve. Rates moved marginally higher, ~4-8 basis points, in a roughly parallel shift. The "minor inversion," putting the 12 month Treasury yield slightly higher than the 2, 3, and 5 year yields, became less pronounced, as the 12 month yield stood still as those around it rose. The greater concern lies with a possible inversion of the 2 year yield vs. the 10 year yield (or even the 3 month yield vs. the 10 year yield). It has not occurred in this cycle to date, and we have moved slightly away from the possibility, with the 2Y10Y curve steepening back to almost 20 basis points vs ~10 bps at year end. The longer portion of the curve (10Y30) has not been this steep (~35 bps) since the end of 2017.

In Chairman Powell's recent testimony before Congress, he reiterated his newly dovish message of a patient Fed, willing to hold off on further rate increases in the near term, noting "muted" inflation pressures and the possibility of slack remaining in the labor market. He also noted that the FOMC expects "somewhat slower" growth in 2019, and that the committee now favors ending the balance sheet runoff (or what the President refers to as the "50 B's") later this year. The market is no longer expecting a rate increase in 2019.

In not unrelated news, the risk-on trade in fixed income that began in January has continued to run, with High Yield and Bank Loans returning coupon plus price appreciation. The yield spread over Treasuries offered by High Yield bonds continued to contract significantly in February, while the tightening in Investment Grade spreads followed suit, but at a clearly slower rate. The returns on non-investment grade bonds have handily outperformed investment grade bonds, which have outperformed Treasury and Government Agency (Aaa rated) bonds. With the recent weakening of global economic numbers, it can be argued that the risk-on trade in non-investment grade debt may be getting a bit ahead of itself.

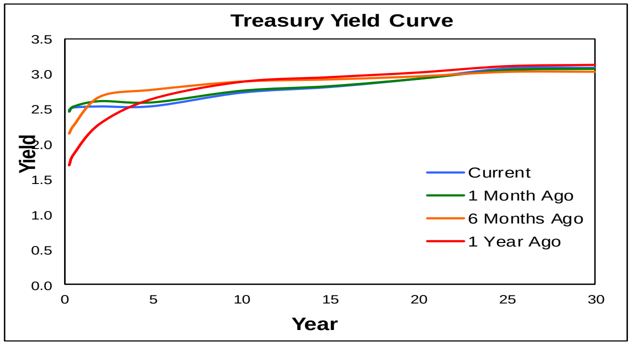
The municipal bond market continues to perform well. Issuance has remained constrained, and continues to support pricing. Strong demand for municipal bonds maturing in less than five years has made it difficult to find attractive yields in this range, and may push some accounts to hold taxable credit in this area. Maturities beyond five years still offer significant value for those in high federal income tax brackets, and high tax states.

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%	0.75%	0.50%

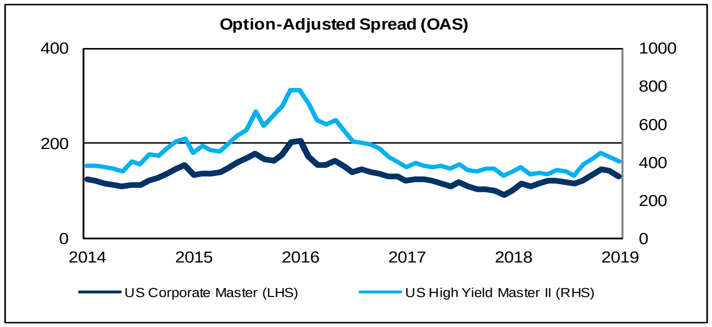
Fixed Income Returns

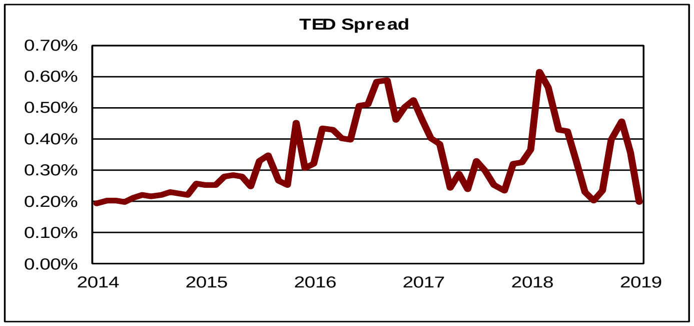
Name	MTD	QTD	YTD	1 Year
Bloomberg Barclays US Government Index	0.02%	0.21%	0.21%	2.86%
Bloomberg Barclays US Agg Index	0.19%	1.00%	1.00%	2.89%
Bloomberg Barclays US Corporate Index	0.36%	2.57%	2.57%	2.49%
Bloomberg Barclays US Corporate High Yield Index	1.54%	6.26%	6.26%	4.50%
Bloomberg Barclays EM USD Agg Index	0.78%	4.01%	4.01%	3.07%
Bloomberg Barclays Global Agg Treasuries USD Index	0.08%	0.83%	0.83%	4.06%
Bloomberg Barclays Municipal Index	0.57%	1.30%	1.30%	4.00%

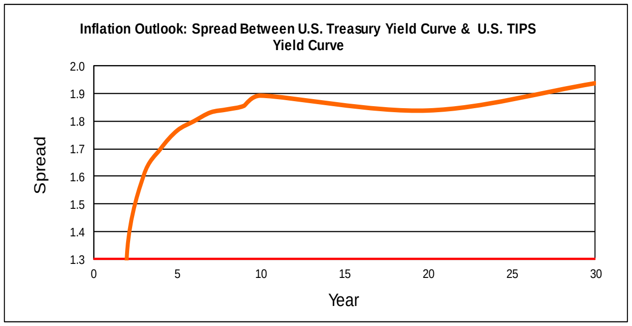


U.S. Treasury Yields

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%





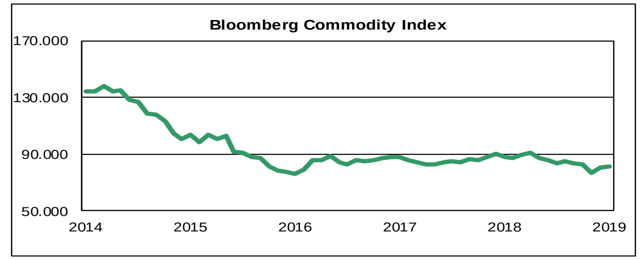


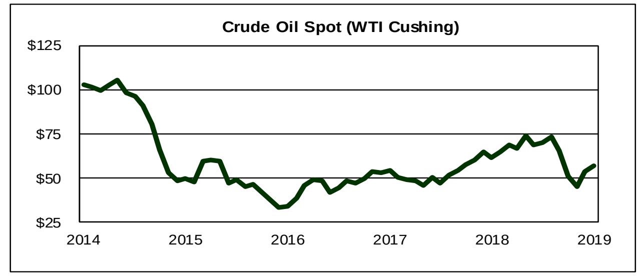
Alternative Investments

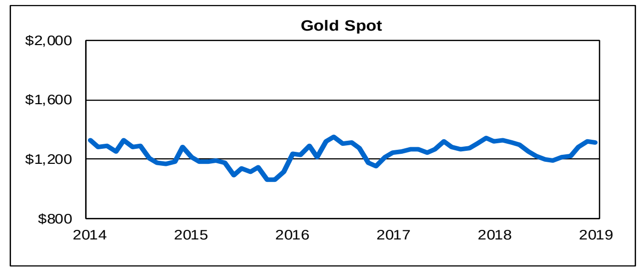
Alternative investments joined global equities and mostly rallied in February. Federal Reserve Chairman Jerome Powell noted that the Fed would be more patient with future increases and said that the Federal Open Market Committee (FOMC) sees inflationary pressures remaining muted. With Thursday's announcement that the U.S. economy grew at a +2.6% annualized rate in Q4, a slowdown from Q2's +4.2% and Q3's +3.4% rate, it should be noted that the Fed sees growth slowing further over the next three years. Specifically, economic growth is estimated to be +2.3% this year, followed by +2.0% in 2020 and +1.8% in 2021. If there's a bright spot, increased spending in intellectual property grew at a +13.1% annualized rate in Q4, a positive for potential productivity gains. It should be noted that long term sustainable GDP growth is largely a function of two components: labor force growth and productivity gains. We've started to see signs of the labor force growing, but have lacked a sharp uptick in productivity. Ultimately these factors should impact inflation and interest rates, which contribute heavily to performance of alternative investments.

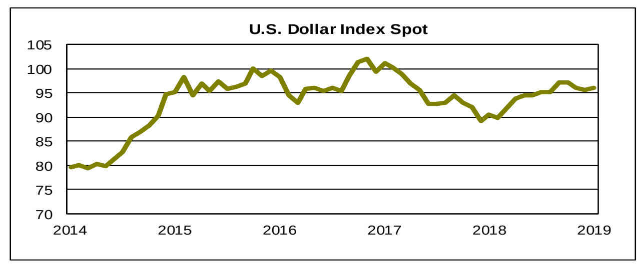
West Texas Intermediate (WTI) crude oil gained +6.4% during the month to close just over $57/barrel, a four month high. WTI's gains helped buoy the Bloomberg Commodities Index, which rose +0.8% on the month. Commodities as a whole have come under pressure over the past year, with the index falling -7.7% on slowing global growth, muted inflation, and a strong U.S. Dollar. Speaking of the Dollar, the DXY Index rose +0.6% on the month and is up +6.1% over the past year. The Dollar's rise has pressured Gold, which lost -0.6% on the month to close at $1,313/oz, and is largely flat over the past year. Equity market volatility and rising geopolitical risks have given Gold a bid, helping offset the strength in the Dollar. Looking ahead, Gold remains a viable portfolio hedge, and a breakout above $1,350/oz would likely garner further investor interest.

Hedge Funds posted mixed results in February with 6 of 10 strategies posting positive returns; however, all trailed the broader S&P 500 Index. The top performing strategy was Equity Hedge (L/S) which gained +1.31% , while the worst performing strategy was Equity Market Neutral, which lost -1.27% during the period. These strategies are similar, but varying degrees of net exposure likely led to diverging performance paths.





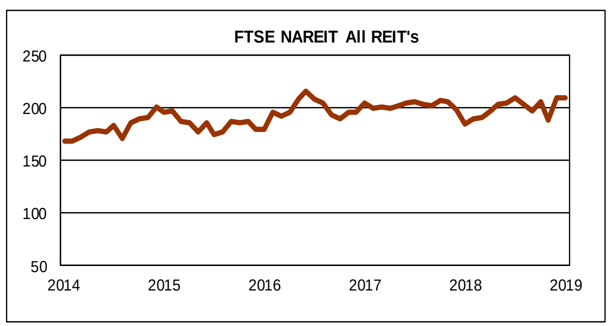




Hedge Funds

Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
Global Hedge	0.64%	2.78%	2.78%	-4.10%	2.43%	-0.31%
Convertible Arbitrage	0.51%	2.25%	2.25%	0.70%	5.14%	0.33%
Distressed Securities	-0.05%	2.43%	2.43%	-7.63%	6.64%	-0.09%
Equity Hedge (L/S)	1.31%	5.28%	5.28%	-6.39%	3.59%	0.46%
Equity Market Neutral	-1.27%	-1.14%	-1.14%	-5.11%	-2.01%	-0.08%
Event Driven	-0.01%	2.53%	2.53%	-6.93%	3.63%	-1.46%
Macro	0.41%	-1.51%	-1.51%	-3.50%	-2.15%	-0.27%
Merger Arbitrage	0.38%	1.37%	1.37%	0.68%	1.57%	3.23%
Relative Value Arbitrage	0.23%	2.71%	2.71%	0.19%	3.08%	-0.24%
Absolute Return	-0.06%	1.17%	1.17%	0.22%	1.54%	1.33%

Note: Price Return, Returns as of 02/27/19



Spot Rates

Description	Current	1 Month Ago	3 Months Ago	6 Months Ago	1 Year Ago
CAD / USD	1.32	1.31	1.33	1.30	1.28
JPY / USD	111.39	108.89	113.57	111.03	106.68
USD / GBP	1.33	1.31	1.27	1.30	1.38
USD / EUR	1.14	1.14	1.13	1.16	1.22

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-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 (LGTRTRUH)– 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 compromised 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 (LBUSTRUU)- 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 (C0A0) – 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 (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.

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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