

Economic Overview

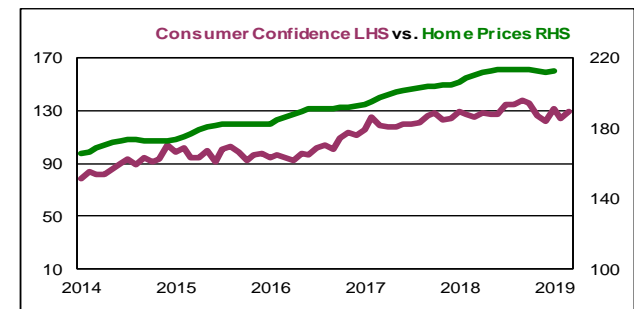
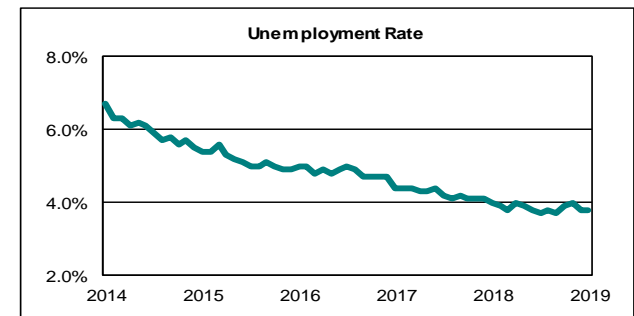
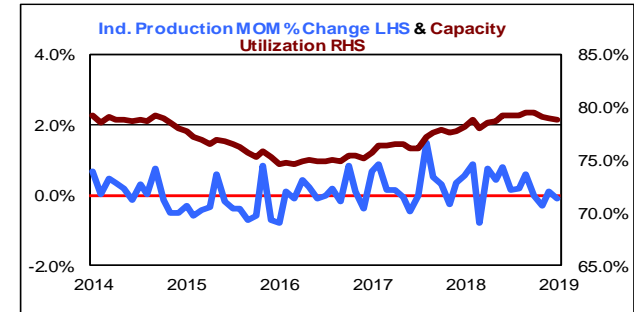
The U.S economy motored along in April, bolstered by a report showing that first quarter growth came in at a stronger than expected 3.2% (expectations were for 2.3%). Expectations for growth had been subdued following the fourth quarter of 2018, however personal spending showed a +1.2% increase, beating expectations. Net trade and inventories contributed the most to the rise in GDP growth.

Nonfarm payrolls rose 196k in March, beating expectations for a 177k increase. The unemployment rate held steady at 3.8% as the labor force participation rate edged lower to 63.0% from 63.2%. Average hourly earnings ticked higher by +0.1% and are now up +3.2% YoY. Weekly initial jobless claims continued to drift lower, averaging just 205k in April. The underemployment rate held steady at 7.3%.

Housing continued to see softening in several high-end markets, however winter weather likely muddled many signals at this point. Housing starts for March fell -0.3% (versus expectations for a +5.4% increase) while building permits dropped -1.7% (versus expectations for a +0.7% rise). Existing home sales dipped -4.9% (worse than expected) while new home sales rose a better than forecast +4.5%. The S&P CoreLogic CS US Home Price index showed a +4.01% rise in home prices through February.

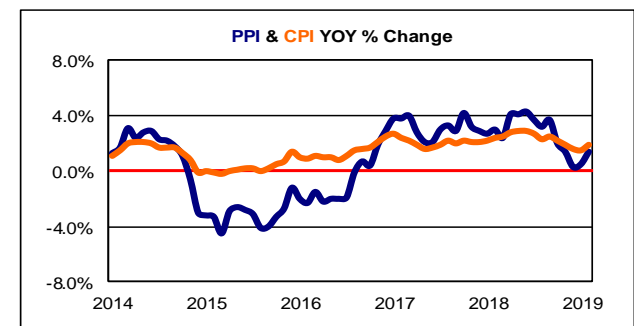
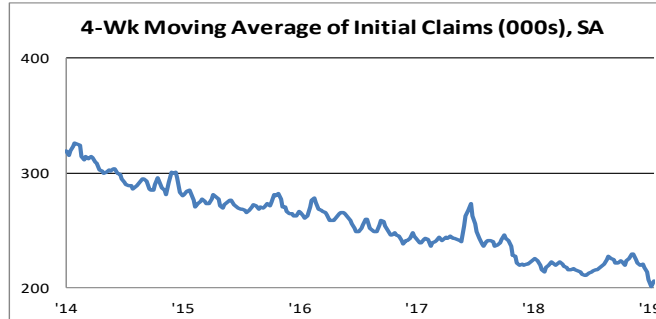
The final read for April's Markit US Manufacturing PMI came in at a slightly better than expected 52.6 while the ISM for April came in below expectations at 52.8 with the Price Paid number at 50.0 and the New Orders at 51.7. The preliminary Markit US Services PMI came in below expectations at 52.9. All numbers point to a positive though slightly less robust expansion of the US manufacturing and services sectors.

The US Federal Open Market Committee meets today (May 1st) and will announce its latest policy decision at 2pm EST. It is widely expected that no change in rates or sentiment will take place. The Fed Funds futures market is currently forecasting a 58% probability of a 25 basis point rate cut by October.



Key Data Points

Name	Current	For	Previous	For
Retail Sales ex. Autos MOM %	1.20%	March	-0.20%	February
Housing Starts	1139K	March	1142K	February
Factory Orders MOM %	-0.50%	February	0.00%	January
Leading Indicators MOM %	0.40%	March	0.10%	February
Unit Labor Costs	2.00%	Q4 2018	1.60%	Q3 2018
GDP QOQ (Annualized)	3.20%	Q1 2019	2.20%	Q4 2018
Wholesale Inventories	0.20%	February	1.20%	January
MBA Mortgage Applications	-4.30%	April	18.60%	March





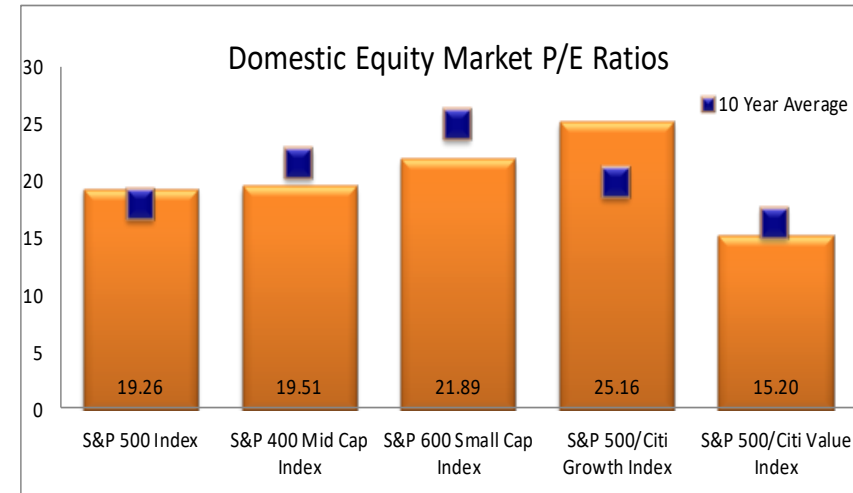
Domestic Equity

The S&P 500 has posted its best start to a new year since 1987 while the Dow Jones Industrial Average is off to its best showing since 1999. Let's not forget, 1987 saw the calamitous one-day decline of -23% on Black Monday, the worst single day drop ever, while 1999 marked the top of the tech-frenzy and preceded a 2-plus year decline of nearly -38%. With that reminder, US stocks appear poised for further gains against a backdrop of reasonable earnings growth, historically low interest rates and favorable political and fiscal tailwinds.

The large-cap S&P 500 gained +4.05% in April while the S&P 400 mid-cap index rose +4.02% and the S&P 600 small-cap index increased +3.87%. Year to date in 2019, large-caps are up +18.25%, mid-caps +19.1% and small-caps +15.9%. Growth trailed value slightly in April (+3.98% versus +4.12%), but for the year, growth is outpacing value +19.5% to +16.8%.

After a bruising fourth quarter of 2018, information technology is once again the dominant sector, gaining +6.4% in April and +27.5% YTD. FAANG stocks are back as darlings of the market, with Facebook up +48% YTD, Apple +35%, Amazon +29% and Netflix +42%. Consumer Discretionary and Industrials both have returned +22% YTD, followed by Communication Services (+21.4% YTD) and Financials (+18.3% YTD). After a strong showing the past few years, the Healthcare sector is struggling to keep pace, dropping nearly -3% in April and only up +3.8% for 2019.

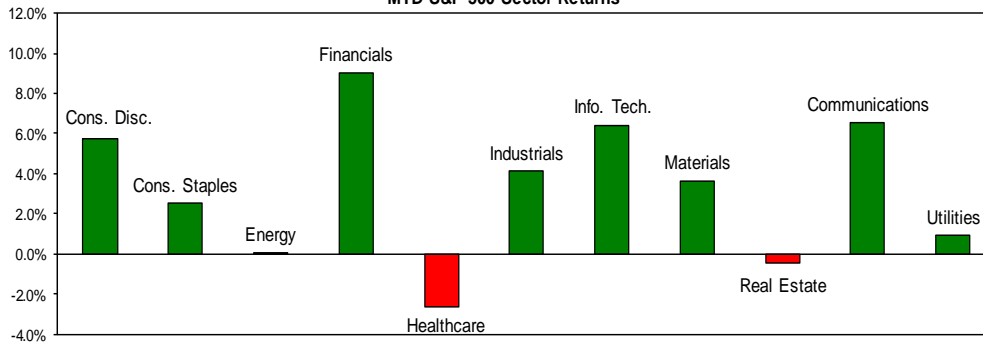
Animal spirits are alive and well after vanishing in the fourth quarter of 2018. After posting earnings of \$152 per share in 2018, S&P 500 companies are poised to earn \$170 per share in 2019. This would put the PE multiple on the index at 17.3x, slightly above the 25-year average of 16.2x. With nearly half of S&P 500 companies having reported Q1 numbers, 77% have beaten earnings expectations while just over half have surpassed revenue expectations.



Domestic Equity Returns

Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
S&P 500 Index	4.05%	4.05%	18.25%	13.48%	14.85%	11.61%
S&P 400 Mid Cap Index	4.02%	4.02%	19.09%	6.98%	12.24%	9.47%
S&P 600 Small Cap Index	3.87%	3.87%	15.91%	4.38%	13.46%	9.84%
S&P 500/Citi Growth Index	3.98%	3.98%	19.53%	16.93%	17.91%	14.17%
S&P 500/Citi Value Index	4.12%	4.12%	16.82%	9.73%	11.32%	8.64%

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	5.71%	5.71%	22.33%	16.89%	16.47%	15.15%	10.74%
Consumer Staples	2.52%	2.52%	14.83%	18.38%	6.47%	8.49%	7.90%
Energy	0.07%	0.07%	16.51%	-7.29%	2.09%	-3.76%	5.09%
Financials	9.00%	9.00%	18.34%	4.28%	16.25%	11.60%	12.80%
Healthcare	-2.63%	-2.63%	3.79%	10.52%	10.50%	10.80%	13.48%
Industrials	4.11%	4.11%	22.02%	10.53%	12.81%	9.85%	9.53%
Information Technology	6.43%	6.43%	27.57%	22.76%	27.44%	20.04%	21.50%
Materials	3.64%	3.64%	14.31%	3.04%	9.01%	5.88%	2.64%
Real Estate	-0.47%	-0.47%	16.98%	21.17%	8.17%	8.14%	2.89%
Communication Services*	6.53%	6.53%	21.42%	15.86%	4.27%	6.20%	10.30%
Utilities	0.93%	0.93%	11.87%	17.96%	10.41%	10.17%	3.13%

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

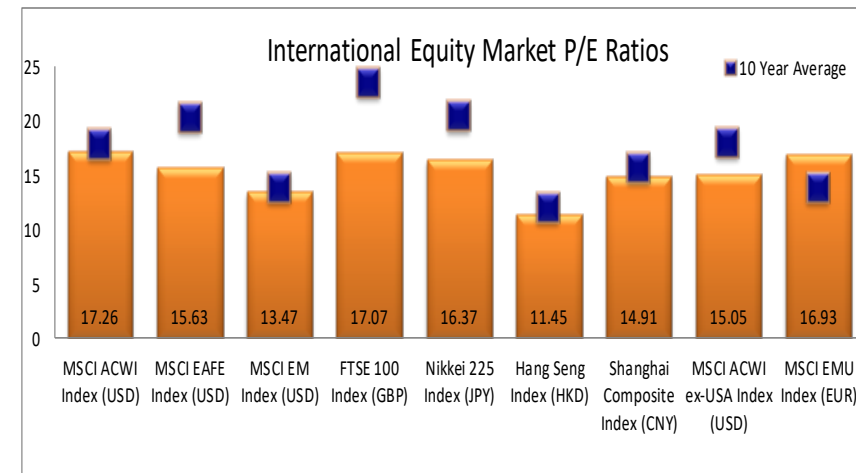
International Equity

Despite a great start to 2019, international equities continue to trail their domestic brethren by a healthy margin. Although clearly preferable from a valuation perspective, international equities continue to struggle with sluggish growth in Europe and Japan, trade-war issues in China and currency challenges in many emerging market countries. Investor sentiment has been lackluster long enough to challenge even the most ardent mean reversion oriented investors. We continue to believe international equities remain a compelling investment opportunity and will offer beneficial diversification to investors over time.

The MSCI EAFE index returned +2.9% in April and is up +13.4% YTD. Emerging markets, as represented by the MSCI EM index, gained +2.1% in April and have risen +12.2% YTD. With economies dominated more by financials than technology, international markets haven't benefitted as greatly from the latest tech-fueled growth seen here in the US.

Sector-wise, information technology led the way gaining +5.25% in April and +20.8% YTD, followed by Consumer Discretionary (+5.0% in April and +16.7% YTD) and Industrials (+4.5% for April and +15.3% YTD). Laggards in April included Healthcare (-1.9%) and Real Estate (-2.4%).

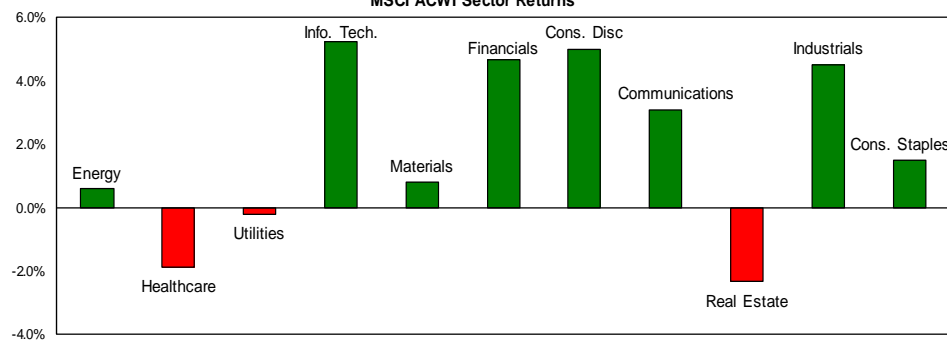
Chinese markets have rebounded sharply following apparent progress in trade negotiations with the US. After dropping -12% in the fourth quarter of 2018, the Shanghai Composite Index is up +23.5% YTD, despite a small decline in April. At roughly 15x earnings, this market is trading roughly in line with its 10-year average. With economic growth averaging close to 6%, China remains an interesting investment opportunity for those with long time horizons.



International Equity Returns

Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
MSCI ACWI Index (USD)	3.42%	3.42%	16.19%	5.64%	11.98%	7.57%
MSCI EAFE Index (USD)	2.89%	2.89%	13.36%	-2.69%	7.84%	3.18%
MSCI EM Index (USD)	2.12%	2.12%	12.27%	-4.70%	11.70%	4.44%
FTSE 100 Index (GBP)	2.28%	2.28%	12.00%	3.09%	10.30%	5.87%
Nikkei 225 Index (JPY)	4.97%	4.97%	12.28%	1.13%	12.33%	11.33%
Hang Seng Index (HKD)	2.25%	2.25%	15.38%	-0.27%	16.28%	10.01%
Shanghai Composite Index (CNY)	-0.37%	-0.37%	23.48%	2.32%	3.79%	11.21%
MSCI ACWI ex-USA Index (USD)	2.71%	2.71%	13.45%	-2.73%	8.66%	3.38%
MSCI EMU Index (EUR)	5.30%	5.30%	18.00%	1.63%	9.43%	6.88%

MSCI ACWI Sector Returns



MSCI ACWI Ex U.S. Sector Returns

Sector	MTD	QTD	YTD	1 Year	3 Year	5 Year	% of ACWI
Energy	0.58%	0.58%	13.26%	-0.56%	11.12%	-0.36%	7.58%
Healthcare	-1.88%	-1.88%	9.24%	2.88%	3.62%	2.57%	5.83%
Utility	-0.22%	-0.22%	9.55%	10.57%	8.27%	5.82%	5.96%
Information Technology	5.25%	5.25%	20.78%	-1.04%	19.30%	11.75%	7.44%
Materials	0.78%	0.78%	12.52%	-4.55%	11.28%	2.19%	6.62%
Financials	4.66%	4.66%	12.82%	-5.98%	9.17%	2.79%	22.28%
Consumer Discretionary	5.00%	5.00%	16.75%	-7.62%	7.33%	3.36%	11.69%
Communication Services*	3.10%	3.10%	10.28%	-1.50%	1.48%	0.60%	7.48%
Real Estate**	-2.36%	-2.36%	11.88%	-1.45%	N/A	N/A	3.79%
Industrials	4.50%	4.50%	15.27%	-1.65%	9.08%	4.32%	11.23%
Consumer Staples	1.47%	1.47%	12.85%	2.79%	5.37%	4.38%	10.10%

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

Fixed Income

The Federal Reserve meets today and will issue its statement at 2 p.m. this afternoon. While Fed Chairman Jerome Powell may incorporate recent economic results (strong GDP print, weakening inflation) into the statement, it is not expected to contain a strong shift towards a policy move. The President has resumed chiding the Federal Reserve via social media. Expect it to go unacknowledged.

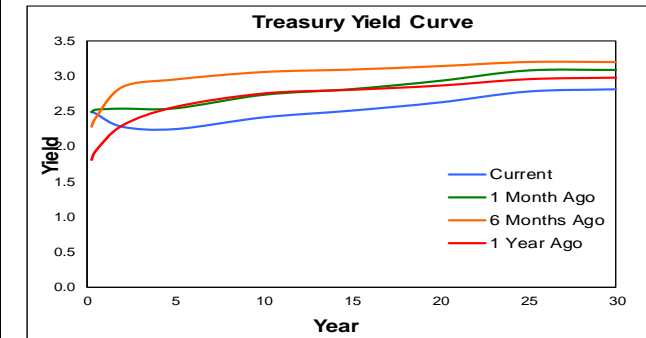
The steepness of the 2Y10Y curve has quietly increased over the past month, and has nearly doubled from the 2019 low of 12 bps, to almost 24 bps. Granted, the curve remains extremely flat, but the move has put some much needed space between current levels and a potential 2Y10Y inversion. During March, the 3M10Y curve did briefly invert, but only held the inversion for a week. To be a strong predictor of a coming recession, the inversion should hold for an, "extended period," or at least a full quarter. The flatness of the curve does present an opportunity for investors who want to earn income without taking on significant interest rate risk. With the entire Treasury yield curve above 2.2%, there is a broad opportunity set to earn an attractive low-risk return. Corporate spreads are relatively tight, but can still boost the yield on a short/intermediate portfolio above 3%.

Risk on continues to lead fixed income performance. High Yield Corporates are the best performer in 2019, followed by Investment Grade Corporates and Emerging Market bonds. If you extend your timeframe to 12 months, the large performance advantage that risky bond exposures have provided in 2019 becomes more muted. That is because a 12 month time frame includes the large selloff that these bonds experienced during the fourth quarter of 2018, as well as the recovery in 2019, which is boosting their year to date performance.

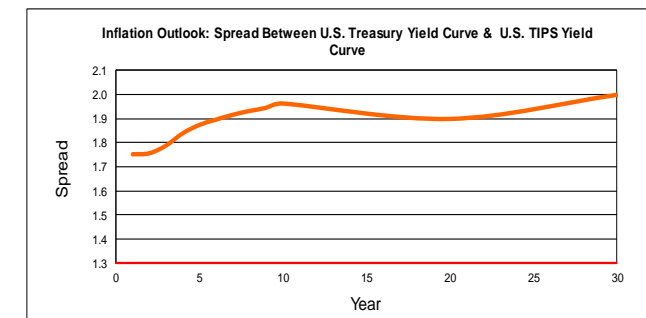
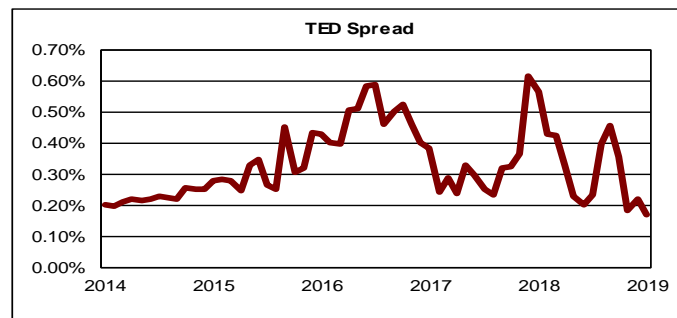
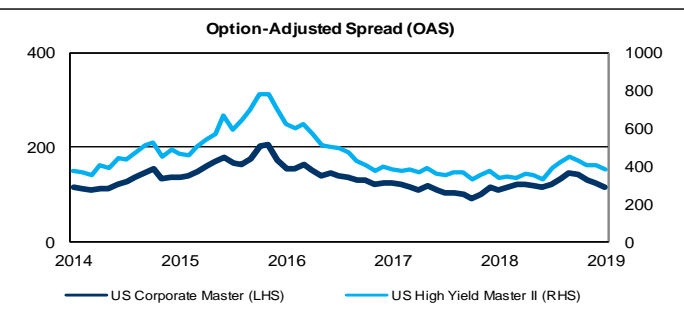
Municipal bonds have continued their strong performance throughout 2019. With supply constrained, and demand seemingly limitless, prices have adjusted higher across the curve. Consider the recent headline, "Muni funds land a year's worth of cash in four months." The article postulates that the SALT tax limitation and higher than usual tax day balances due to the IRS have spurred interest in tax-free income. While you can still find attractive offerings in the space, it requires additional diligence, and a bit more duration, as longer maturities continue to offer better relative value.

Central Bank Activity				
Name	Current	1 Month Ago	6 Months Ago	1 Year Ago
Fed Funds Rate	2.50%	2.50%	2.25%	1.75%
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	-0.27%	-0.27%	1.83%	4.98%
Bloomberg Barclays US Agg Index	0.03%	0.03%	2.97%	5.53%
Bloomberg Barclays US Corporate Index	0.54%	0.54%	5.71%	6.88%
Bloomberg Barclays US Corporate High Yield Index	1.42%	1.42%	8.78%	6.86%
Bloomberg Barclays EM USD Agg Index	0.40%	0.40%	5.85%	6.15%
Bloomberg Barclays Global Agg Treasuries USD Index	-0.16%	-0.16%	2.44%	5.06%
Bloomberg Barclays Municipal Index	0.38%	0.38%	3.28%	6.10%



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%	2.45%	2.27%	2.29%	2.51%	2.63%	2.75%	2.91%	2.93%
1 Month Ago	2.49%	2.46%	2.28%	2.24%	2.41%	2.51%	2.62%	2.78%	2.81%
6 Months Ago	2.36%	2.49%	2.88%	2.96%	3.12%	3.18%	3.26%	3.36%	3.36%
1 Year Ago	1.88%	2.05%	2.52%	2.79%	2.95%	2.99%	3.02%	3.10%	3.12%



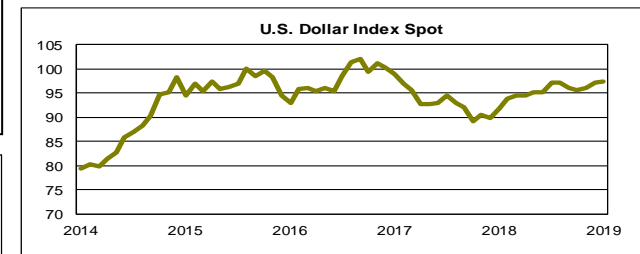
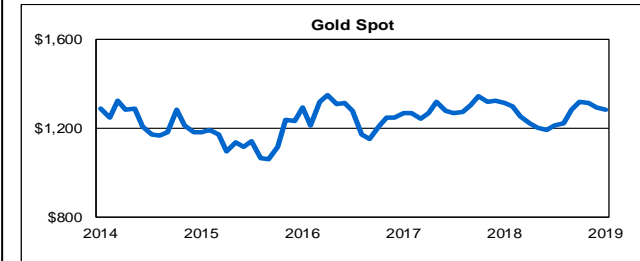
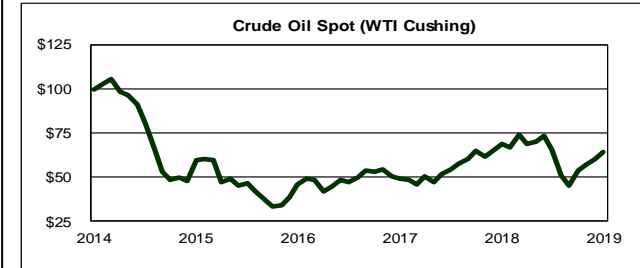
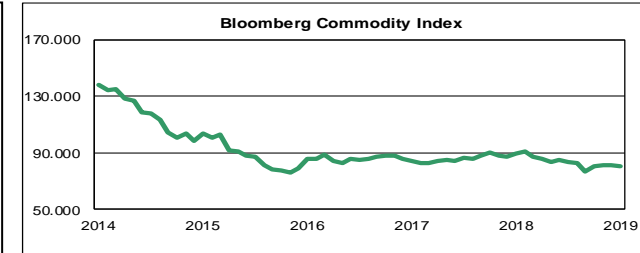
Alternative Investments

Alternative investments posted fairly mixed results in April with the lack of any real volatility apparent across markets. The VIX index closed April at 13.12, 17% below its 12-month average of 15.9, and far below the December '18 spike of 36.0. The MOVE index, which measures bond market volatility finished the month at 49.4, below its 1-year average of 51.9 and the December high of 68.3.

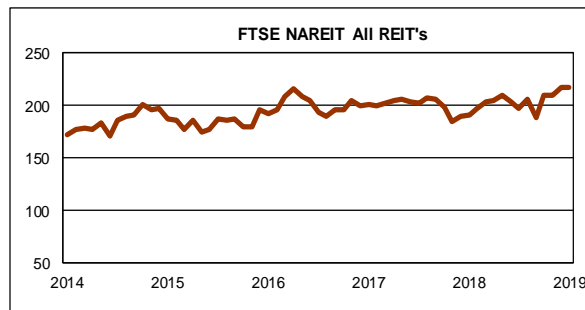
Gold finished the month at \$1,283 per oz., just about where it started the year, while silver enters May at \$14.73 per oz., down nearly -5.0% YTD after tumbling nearly -10% in 2018. Rising interest rates hurt precious metal prices in 2018, although the drop in bond yields seen since December has since bolstered valuations.

West Texas Intermediate (WTI) oil was essentially flat in April, although prices have risen +34.5% YTD. This surge in oil prices hasn't exactly translated into higher equity prices for the oil majors, as XLE, the Energy Select Sector SPDR ETF, has gained "only" +16% YTD, trailing the broader S&P 500 by 225 basis points. AMLP, the Alerian MLP ETF, is also up +16% YTD.

Hedge funds continue to trail broad market averages as the move to indexing, along with continued dovish monetary policy, has wreaked havoc on stock pickers everywhere. The top-performing sector in the hedge fund space in 2019 is the Equity Hedge (Long/Short), up +6.6% for 2019. The weakest sector thus far in 2019 is the formerly hot Merger Arbitrage space, down -1.66% YTD.



Hedge Funds						
Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
Global Hedge	0.66%	0.66%	3.27%	-2.77%	2.03%	-0.02%
Convertible Arbitrage	0.45%	0.45%	1.49%	-0.03%	4.13%	0.45%
Distressed Securities	-0.55%	1.95%	1.95%	-2.86%	3.51%	-0.28%
Equity Hedge (L/S)	0.61%	0.61%	6.60%	-4.03%	3.06%	1.07%
Equity Market Neutral	-0.46%	-0.46%	-1.02%	-4.78%	-1.07%	-0.29%
Event Driven	0.51%	0.51%	1.31%	-6.41%	2.18%	-1.54%
Macro	1.20%	1.20%	0.33%	-1.38%	-1.28%	0.25%
Merger Arbitrage	0.10%	0.10%	-1.66%	-1.58%	0.37%	2.53%
Relative Value Arbitrage	0.18%	0.18%	2.80%	0.38%	2.79%	-0.15%
Absolute Return	0.29%	0.29%	0.86%	-0.02%	1.51%	1.32%



Spot Rates					
Description	Current	1 Month Ago	3 Months Ago	6 Months Ago	1 Year Ago
CAD / USD	1.34	1.33	1.31	1.32	1.28
JPY / USD	111.42	110.86	108.89	112.94	109.34
USD / GBP	1.30	1.30	1.31	1.28	1.38
USD / EUR	1.12	1.12	1.14	1.13	1.21

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 (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

If you have any questions or comments, please feel free to contact any member of our investment team:

Tom Quealy, *Chief Executive Officer* – tom.quealy@nottinghamadvisors.com

Larry Whistler, *CFA, President/Chief Investment Officer* – larry.whistler@nottinghamadvisors.com

Nick Verbanic, *CFP® V.P./Portfolio Manager* – nick.verbanic@nottinghamadvisors.com

Matthew Krajna, *CFA, Senior Portfolio Manager, Director of Equity Research* – matthew.krajna@nottinghamadvisors.com

Tim Calkins, *CFA, Senior Portfolio Manager, Director of Fixed Income* – timothy.calkins@nottinghamadvisors.com

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