

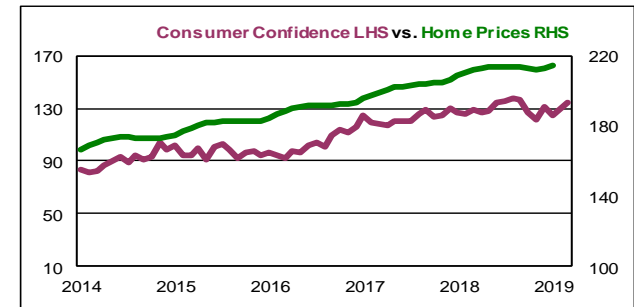
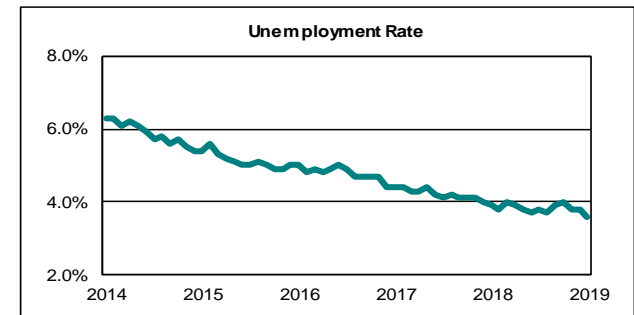
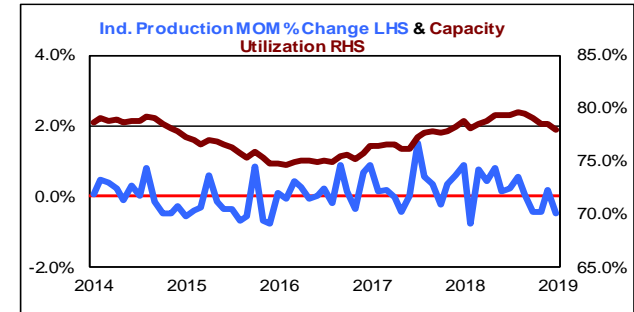
### Economic Overview

Challenges to the strong US economy (the second reading of Q1 GDP came in at 3.1% annualized growth) continue to mount as the trade war with China grows more ominous and a new battle front is established down in Mexico. Tariffs appear to be an increasingly popular tool of public policy when it comes to addressing differences with other nations. The problem to the economy comes in the form of higher costs and an increasingly large drag on US GDP, at a time when the current expansion is already quite long in the tooth. The US yield curve, as measured by the difference between the 3mo T-bill and the 10 year note, is currently -17 bps while the 2/10 curve is +22 bps. Futures markets are pricing in an 88% probability of an interest rate cut in September.

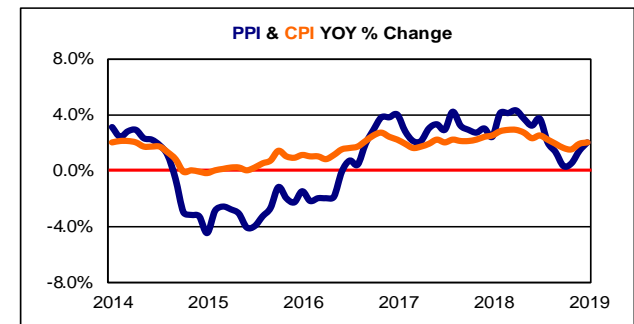
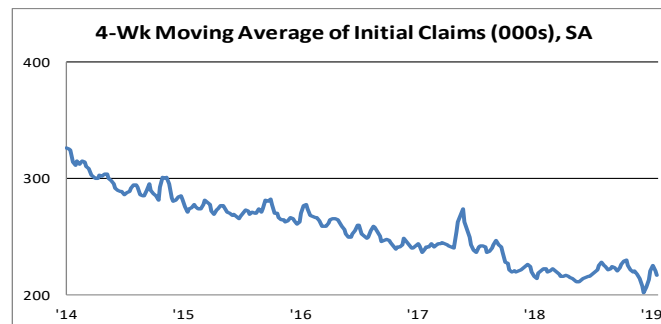
The Unemployment Rate currently stands at 3.6% as 263k new jobs were added in April. Private Payrolls led the surge, rising 236k versus expectations for a gain of 188k. Average hourly earnings rose +0.2% in April for a +3.2% YoY increase while the Labor Force Participation Rate clocked in at 62.8%, down from 63.0% the prior month. Initial Jobless Claims averaged 216k per week in May.

Given the aforementioned trade war, we would expect to begin seeing stress in the manufacturing sector as higher costs and uncertainty over global trade policy begins to weigh on purchasing decisions. The Markit US Manufacturing PMI for April came in at 52.6 while the preliminary reading for May ticked lower to 50.6. Industrial Production posted a surprise drop in April, falling -0.5% while Capacity Utilization edged lower from 78.8% to 77.9%. Durable Goods orders fell -2.1% in April.

Inflationary pressures in the US remain muted. The Consumer Price Index rose +0.3% in April for a +2.0% YoY increase while the Producer Price Index edged up +0.2% for a +2.2% YoY gain. The PCE Deflator gained +0.3% in April for a +1.5% YoY rise. While the Fed seems to still consider any inflationary pressure as “transitory”, the market has begun pricing in future rate cuts and any unexpected uptick in prices will likely see an outsized response from both stock and bond markets.



Key Data Points				
Name	Current	For	Previous	For
Retail Sales ex. Autos MOM %	0.10%	April	1.30%	March
Housing Starts	1235K	April	1168K	March
Factory Orders MOM %	1.90%	March	-1.00%	February
Leading Indicators MOM %	0.20%	April	0.30%	March
Unit Labor Costs	-0.90%	Q1 2019	2.50%	Q4 2018
GDP QOQ (Annualized)	3.10%	Q1 2019	2.20%	Q4 2018
Wholesale Inventories	0.70%	April	0.00%	March
MBA Mortgage Applications	-3.30%	May	-4.30%	April





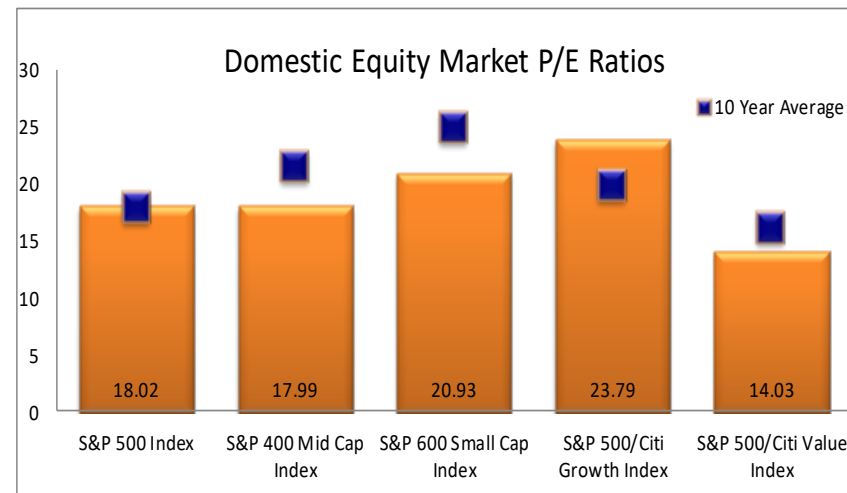
### Domestic Equity

Equities struggled in May as trade war tensions ratcheted higher with no clear end to US/China policy differences in sight. Further, the US opened a new front in the trade war by levying tariffs on Mexican goods in an effort to get help from the Mexican government in dealing with the immigration crisis developing on our southern border.

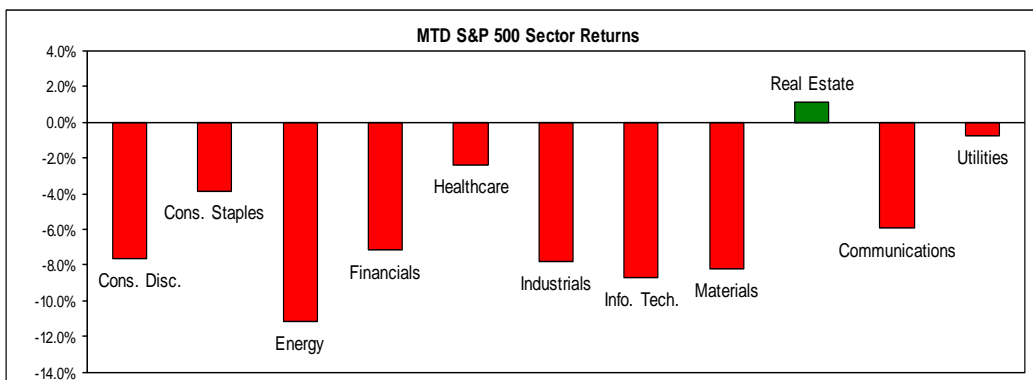
The S&P 500 dropped -6.35% in May although it remains up +10.7% for the year. With first quarter earnings largely announced, most analysts are still holding on to \$170 in EPS for 2019. If true, that would put the market at 16x current year earnings which would appear reasonable to us, especially so in light of collapsing interest rates. The discrepancy in returns between growth and value remains pronounced with Growth dropping -5.29% in May while Value lost -7.57%. For the year, Growth is up +13.21% and Value is up +7.97%.

Mid and Small caps also struggled in May, dropping -7.98% and -8.73% respectively. They have also lagged large caps YTD, with the S&P 400 index up +9.59% through May 31<sup>st</sup> and the S&P 600 Index up only +5.79%.

So-called defensive sectors have performed surprisingly well YTD with Real Estate positive in May (+1.16%) and up +18.34% for the year, Utilities up +11.0% and Telecom (Communication Services) up +14.2%. Healthcare, Energy and Materials remain laggards for the year. Information Technology lost -8.69% in May yet remains up +16.5% year to date. Industrials remain caught in the trade war cross hairs and dropped -7.76% on the month, yet have managed a positive 12.5% YTD gain.



Domestic Equity Returns						
Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
S&P 500 Index	-6.35%	-2.56%	10.73%	3.78%	11.71%	9.64%
S&P 400 Mid Cap Index	-7.98%	-4.28%	9.59%	-5.45%	8.35%	7.29%
S&P 600 Small Cap Index	-8.73%	-5.19%	5.79%	-10.51%	9.46%	7.79%
S&P 500/Citi Growth Index	-5.29%	-1.52%	13.21%	6.15%	14.80%	12.19%
S&P 500/Citi Value Index	-7.57%	-3.76%	7.97%	1.16%	8.12%	6.67%



S&P 500 Sector Returns							
Sector	MTD	QTD	YTD	1 Year	3 Year	5 Year	% of S&P 500
Consumer Discretionary	-7.59%	-2.32%	13.04%	5.90%	13.41%	12.70%	10.59%
Consumer Staples	-3.84%	-1.42%	10.42%	15.59%	4.83%	7.24%	8.14%
Energy	-11.14%	-11.08%	3.53%	-20.05%	-1.66%	-6.27%	4.82%
Financials	-7.17%	1.18%	9.85%	-2.32%	12.66%	9.63%	12.70%
Healthcare	-2.36%	-4.93%	1.34%	7.67%	8.84%	9.66%	14.03%
Industrials	-7.76%	-3.97%	12.55%	-1.03%	10.00%	7.68%	9.40%
Information Technology	-8.69%	-2.81%	16.49%	4.40%	21.44%	17.00%	20.88%
Materials	-8.18%	-4.83%	4.97%	-7.30%	6.07%	3.47%	2.59%
Real Estate	1.16%	0.68%	18.34%	19.87%	8.12%	7.73%	3.14%
Communication Services*	-5.93%	0.21%	14.21%	11.59%	2.18%	4.22%	10.40%
Utilities	-0.77%	0.15%	11.01%	18.40%	9.59%	10.23%	3.31%

\*The S&P 500 Communication Services Sector was reclassified from the Telecommunications Sector on September 2<sup>nd</sup>, 2018

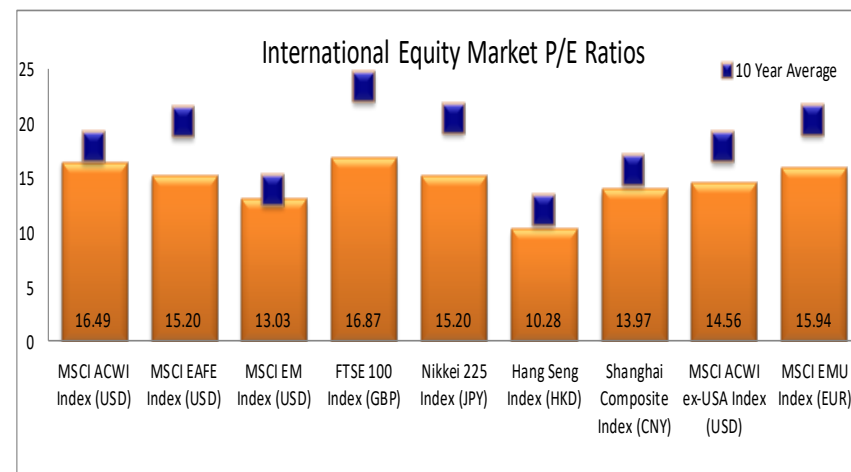
### International Equity

International equity markets weren't immune to the US/China trade war as the MSCI ACWI-ex US index dropped -5.28% in May. The Brexit saga opened a new chapter as PM Theresa May announced she was stepping down. Italy continued to challenge EU fiscal requirements and the whispers of US tariffs on European autos won't go away. Despite all that, the FTSE 100 was only down -2.86% on the month and remains up +8.80% for the year.

Emerging Markets bore the brunt of the trade war escalation with the MSCI EM index falling -7.23% in May. The Shanghai Composite index fell only -5.56% on the month and is up a heady +16.6% on the year. Developed markets as represented by the MSCI EAFE index remain up +8.08% on the year despite a -4.68% drop in May.

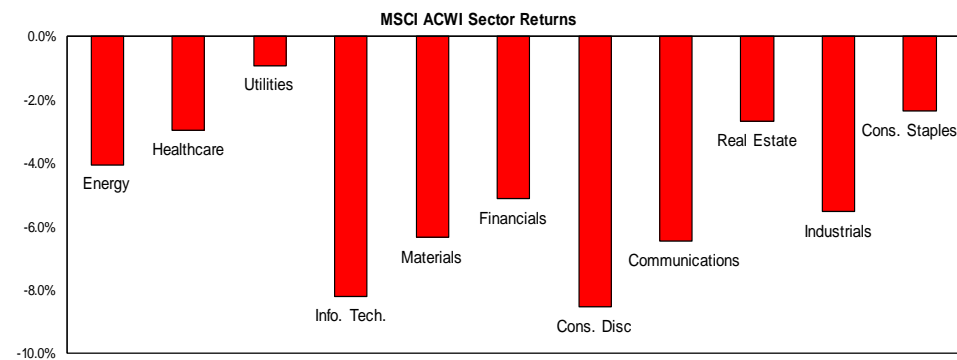
Sector-wise, much as with the US, defensives outperformed cyclicals. Utilities lost less than -1% while Staples dropped -2.36% and Real Estate fell -2.67%. Healthcare is faring better internationally than domestically with that sector off -2.95% in May but up +6.05% for 2019. Laggards included Consumer Discretionary down -8.56%, Information Technology off -8.20% and Communication Services dropping -6.45% on the month.

Continued uncertainty in international markets is reflected in valuations which remain at the lower end of historical norms. That said, the catalyst to reverse that relative attractiveness with the US remains missing. Higher dividend yields are something of a reward for waiting; however at some point foreign markets will need to regain their luster relative to US stocks in order to attract the next generation of investors that have only known US outperformance.



### International Equity Returns

Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
MSCI ACWI Index (USD)	-5.86%	-2.63%	9.39%	-0.73%	9.69%	5.81%
MSCI EAFE Index (USD)	-4.68%	-1.93%	8.08%	-5.16%	6.43%	1.85%
MSCI EM Index (USD)	-7.23%	-5.26%	4.16%	-8.36%	10.34%	2.17%
FTSE 100 Index (GBP)	-2.86%	-0.64%	8.80%	-2.57%	9.13%	4.97%
Nikkei 225 Index (JPY)	-7.45%	-2.85%	3.98%	-5.19%	8.26%	9.11%
Hang Seng Index (HKD)	-8.41%	-6.35%	5.67%	-8.25%	13.13%	6.95%
Shanghai Composite Index (CNY)	-5.56%	-5.92%	16.61%	-4.08%	2.03%	9.77%
MSCI ACWI ex-USA Index (USD)	-5.28%	-2.72%	7.48%	-5.73%	7.31%	1.86%
MSCI EMU Index (EUR)	-5.52%	-0.51%	11.50%	-2.87%	6.50%	5.07%



### MSCI ACWI Ex U.S. Sector Returns

Sector	MTD	QTD	YTD	1 Year	3 Year	5 Year	% of ACWI
Energy	-4.05%	-3.49%	8.68%	-4.09%	11.52%	-1.40%	7.57%
Healthcare	-2.95%	-4.77%	6.05%	-1.13%	2.66%	1.78%	5.89%
Utility	-0.90%	-1.12%	8.56%	12.09%	8.11%	5.27%	6.17%
Information Technology	-8.20%	-3.39%	10.84%	-10.41%	15.44%	8.93%	7.28%
Materials	-6.36%	-5.63%	5.37%	-10.48%	11.52%	0.97%	6.95%
Financials	-5.13%	-0.71%	7.03%	-5.19%	7.90%	1.21%	22.45%
Consumer Discretionary	-8.56%	-3.99%	6.89%	-13.16%	4.58%	1.02%	11.04%
Communication Services*	-6.45%	-3.55%	3.17%	-0.15%	-0.44%	-1.09%	7.56%
Real Estate**	-2.67%	-4.96%	8.92%	-2.17%	N/A	N/A	3.72%
Industrials	-5.55%	-1.29%	8.88%	-5.92%	7.44%	2.76%	11.04%
Consumer Staples	-2.36%	-0.92%	10.19%	2.04%	4.59%	3.42%	10.33%

\*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

The markets have turned quickly, apparently reassessing the risk of a protracted trade war between the U.S. and China (and others). The yields of treasury bonds with maturities from 2 years to 30 years have fallen 30+ basis points in the past 30 days and 40+ basis points in 45 days. The 10 year Treasury bond yields over 100 basis points less than it did in October of last year... This has been a swift repricing.

The yield curve remains extremely flat, with a slight inversion. We saw a temporary 3month/10 year inversion mid-May, which resolved itself in short order...then reversed again, ending May inverted by slightly more than 20 basis points. It could be temporary market volatility. Even so, not a positive sign for risk markets.

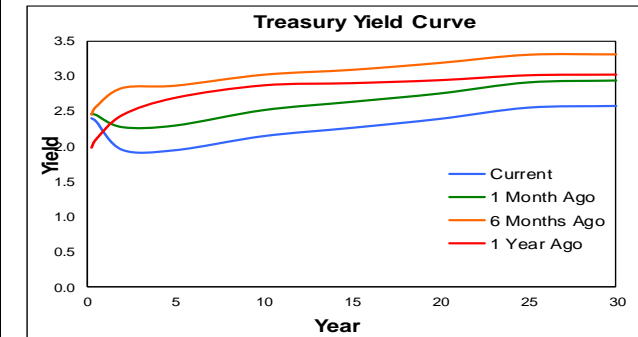
Globally, many, if not most, of the developed economies have yield curves that look quite similar to the U.S. in shape, although still lower in yield. While many of these yield curves contain inversions, there is no research that has found a strong link between inverted yield curves and future economic performance internationally, so there is not the same level of concern outside of our borders. When looking at the absolute level of yield available in developed markets, the U.S. curve is by far the most generous.

The risk-off trade during the month of May went beyond falling Treasury yields. It also caused some repricing in the credit markets after a significant rally year to date. Investment grade corporate bonds saw their spreads widen by roughly 10%, from 145 basis points over similar maturity Treasury bonds, to 160 basis points. High Yield bonds saw a move almost twice as large, widening to 430 basis points, from 360 bps. Emerging market debt also gave back some performance as their spreads widened and yields rose.

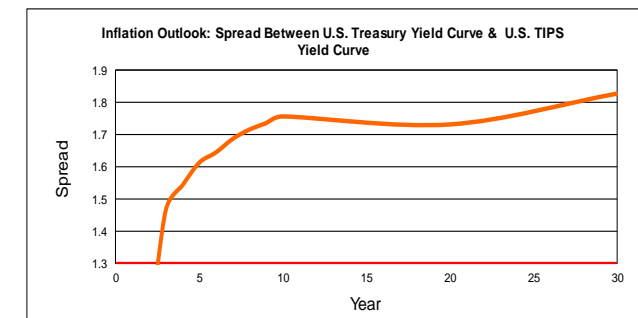
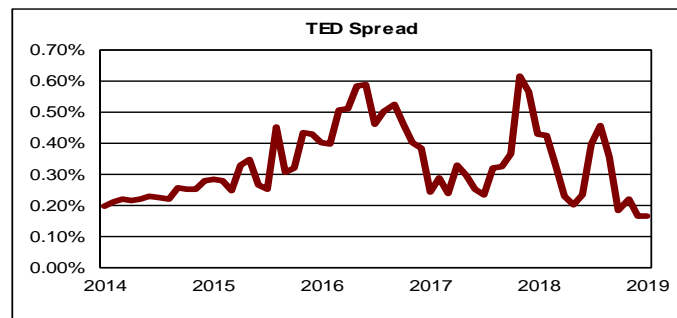
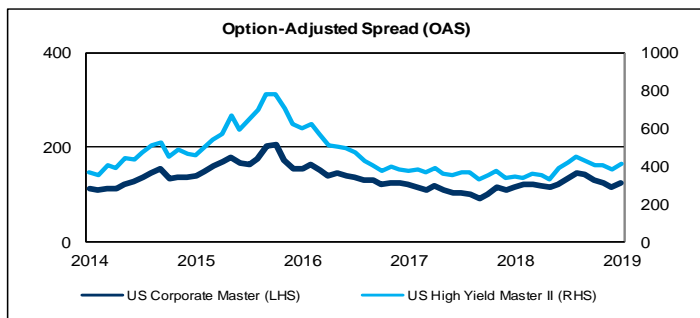
Municipal bonds continue to find favor with investors. The supply/demand imbalance which had made it difficult to find a lot of value in short-dated maturities has begun to push further out the curve. It is particularly noticeable in the largest deals, brought by the most well known issuers. This is when having a custom municipal bond portfolio, managed by fixed income professionals who are willing to do the research and review small and mid-sized deals, can really add value (and yield) to your portfolio.

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	2.33%	2.05%	4.20%	6.67%
Bloomberg Barclays US Agg Index	1.78%	1.80%	4.80%	6.78%
Bloomberg Barclays US Corporate Index	1.43%	1.98%	7.23%	7.89%
Bloomberg Barclays US Corporate High Yield Index	-1.19%	0.22%	7.49%	5.41%
Bloomberg Barclays EM USD Agg Index	0.62%	1.02%	6.50%	7.66%
Bloomberg Barclays Global Agg Treasuries USD Index	1.64%	1.48%	4.12%	6.66%
Bloomberg Barclays Municipal Index	1.38%	1.76%	4.71%	6.49%



U.S. Treasury Yields									
Period	3 Month	6 Month	2 Year	5 Year	10 Year	15 Year	20 Year	25 Year	30 Year
Current	2.40%	2.36%	1.95%	1.94%	2.14%	2.26%	2.39%	2.55%	2.57%
1 Month Ago	2.46%	2.45%	2.27%	2.29%	2.51%	2.63%	2.75%	2.91%	2.93%
6 Months Ago	2.45%	2.56%	2.83%	2.86%	3.02%	3.09%	3.18%	3.30%	3.31%
1 Year Ago	1.98%	2.10%	2.44%	2.69%	2.87%	2.90%	2.94%	3.01%	3.02%



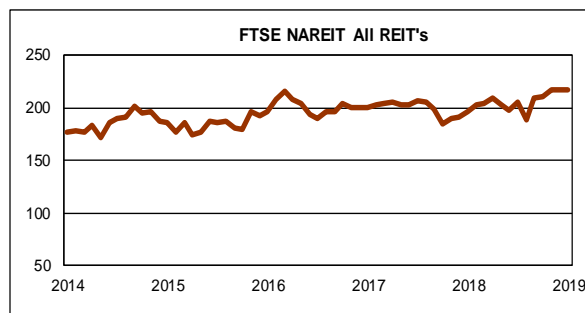
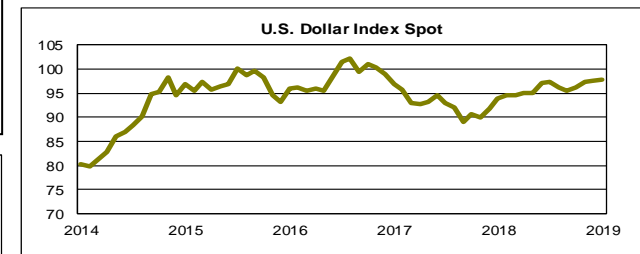
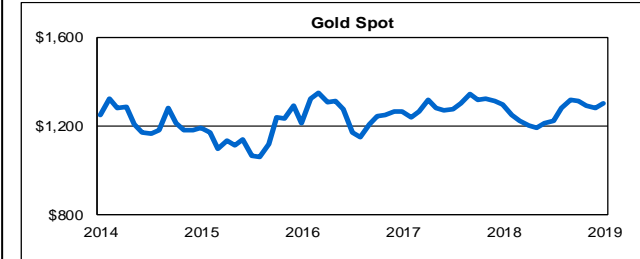
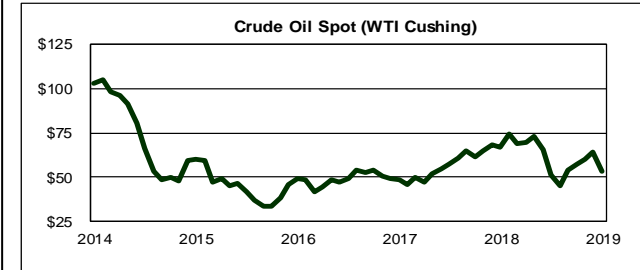
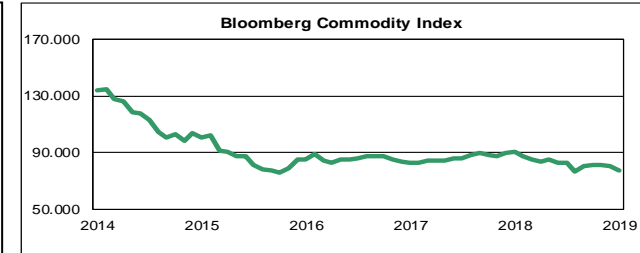
### Alternative Investments

West Texas Intermediate crude prices collapsed -15.6% in May as growing trade tensions hit the prospects for global growth. Bond yields globally fell in May and the prospects for further central bank easing rose as growth estimates are reduced around the world. Oil prices fell as did the share prices of energy companies (the sector fell -11.1% during May) in response to the reduced growth estimates.

Gold prices rose on the month as typically happens when uncertainty rises and interest rates fall. GLD, the SPDR Gold Shares ETF, gained 2.43% in May as investors flocked to the shiny metal seeking safety from falling equity markets around the globe.

Real estate fared well on the month as a notoriously defensive sector with a negative correlation to interest rates. VNQ, the Vanguard Real Estate ETF, was flat on the month, even as the broader S&P 500 fell -5.67%. The ETF's 4% yield likely drew investors in as yields on corporate bonds fell and the US 10yr Treasury Note touched 2.11%.

Hedge funds outperformed the broader market during May's slide, as they should when "hedging" equity market risk. The Equity Market Neutral cohort managed to nearly break even in May as did Absolute Return, while Equity Hedge (L/S) apparently had more longs than shorts and suffered a -1.89% decline.



Spot Rates					
Description	Current	1 Month Ago	3 Months Ago	6 Months Ago	1 Year Ago
CAD / USD	1.35	1.34	1.32	1.33	1.30
JPY / USD	108.29	111.42	111.39	113.57	108.82
USD / GBP	1.26	1.30	1.33	1.27	1.33
USD / EUR	1.12	1.12	1.14	1.13	1.17

Hedge Funds						
Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
Global Hedge	-0.65%	0.01%	2.61%	-3.65%	1.66%	-0.24%
Convertible Arbitrage	-0.33%	0.16%	1.20%	-0.72%	3.97%	0.46%
Distressed Securities	1.59%	1.59%	3.58%	-1.80%	3.15%	-0.18%
Equity Hedge (L/S)	-1.89%	-1.23%	4.66%	-6.06%	2.29%	0.71%
Equity Market Neutral	-0.03%	-0.54%	-1.09%	-4.98%	-1.24%	0.06%
Event Driven	-0.43%	0.04%	0.84%	-7.18%	1.13%	-1.76%
Macro	-0.24%	0.91%	0.03%	-1.31%	-0.81%	0.04%
Merger Arbitrage	-0.35%	-0.27%	-2.03%	-2.70%	0.03%	2.42%
Relative Value Arbitrage	0.15%	0.35%	2.98%	-0.03%	2.89%	-0.22%
Absolute Return	0.02%	0.31%	0.87%	-0.46%	1.37%	1.30%

Note: Price Return, Returns as of 05/30/19 (except Distressed Securities which is as of 4/30/19)





**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

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