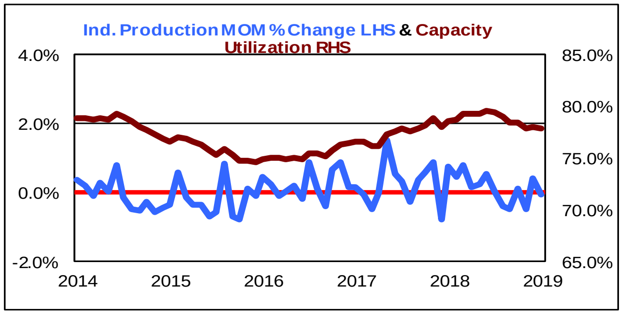
Economic Overview

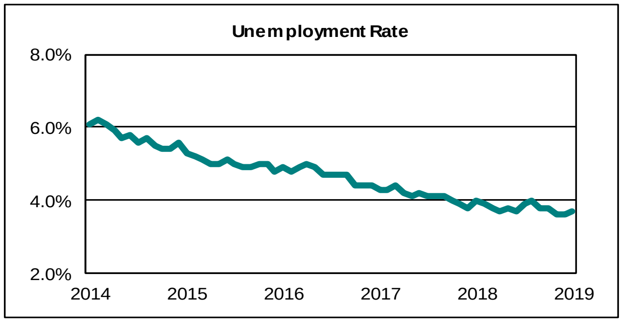
The Federal Reserve's Open Market Committee cut interest rates yesterday (7/31) for the first time in 10 years, lowering the Federal Funds rate by 25 basis points, and indicated that despite decent economic data, trade tensions were creating uncertainty which was contributing to a global slowdown. Fed Chair Powell seemed as confused as the general populace as to why the Fed was cutting rates 10+ years into an economic expansion with inflation near its target range and the lowest unemployment rate in over 50 years. Certainly the case can be made for pre-emptive easing ahead of an economic slowdown; however, the data received over the past 30 days would indicate the US economy remains healthy.

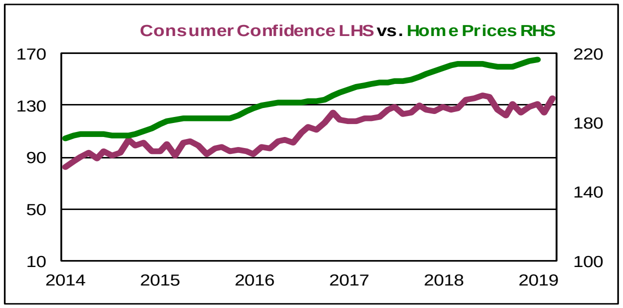
The first reading for second quarter GDP growth was received in July and showed the US economy grew at a +2.1% annualized rate, down from Q1's +3.1%, but consistent with the post-Great Recession recovery. Personal Consumption grew at a +4.3% pace, ahead of Q1's +0.9%. The Atlanta Fed GDPNow GDP Forecast is pointing to sub-2% growth ahead, likely due to continuing trade tensions with China.

June's Unemployment Rate was 3.7%, up slightly from May but still at historically low levels. Importantly, 191,000 jobs were created in June, beating estimates for 150,000, showing the economy hasn't lost too much steam despite officially becoming the longest post-recession expansion on record. Average Hourly Earnings edged up +0.2% and have risen +3.1% YoY. The Labor Force Participation Rate ticked up to 62.9% while the Underemployment Rate came in at 7.2%. Average Weekly Hours held steady at 34.4.

Inflation remains stubbornly short of the Fed's 2.0% objective. However, the continued rise in wages will likely pressure overall prices higher in the coming year. CPI for June edged up +0.1% for a +1.6% YoY pace, while PPI rose +0.1% for a +1.7% YoY rate. Ex Food and Energy, consumer prices have risen +2.1% YoY and producer prices +2.3%. The PCE Deflator is up a scant +1.4% YOY, indicating general price rises have been modest. The latest ISM Prices Paid index reading for July showed a drop to 45.1 from 47.9, likely giving the Fed some cover for their latest interest rate cut.

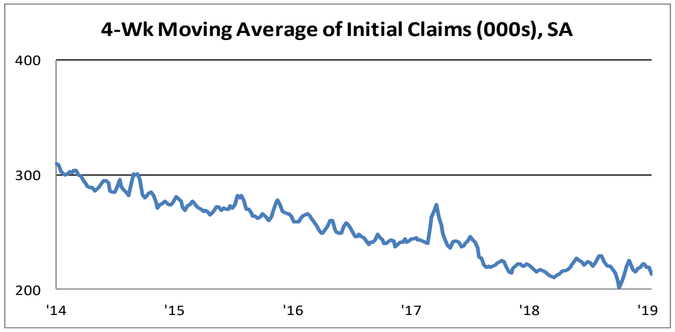


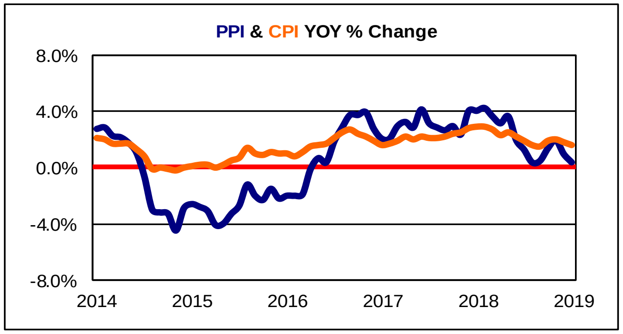




Key Data Points

Name	Current	For	Previous	For
Retail Sales ex. Autos MOM %	0.40%	June	0.40%	May
Housing Starts	1253K	June	1265K	May
Factory Orders MOM %	-0.70%	May	-1.20%	April
Leading Indicators MOM %	-0.30%	June	0.00%	May
Unit Labor Costs	-1.60%	Q1 2019	-0.40%	Q4 2018
GDP QOQ (Annualized)	2.10%	Q2 2019	3.10%	Q1 2019
Wholesale Inventories	0.20%	June	0.40%	May
MBA Mortgage Applications	-1.40%	July	-0.10%	June



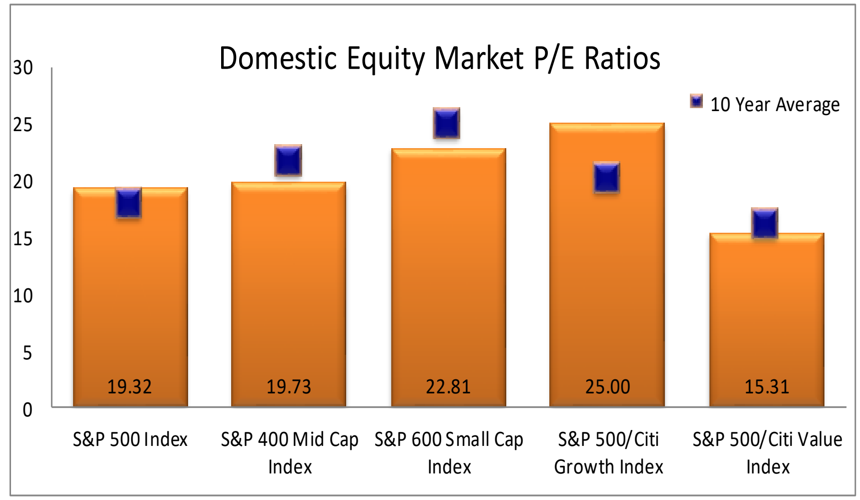


Domestic Equity

Domestic Equities continued their year to date rally with a strong showing in July. Despite the first +/-1% daily move in months, the S&P 500 Index shrugged off mixed messages from Federal Reserve Chair Jay Powell on Wednesday to close +1.44% higher for the month. Small- and Mid-Caps, as measured by the S&P 600 and 400 Indices returned +1.14% and +1.19% respectively, and have continued to lag their Large-Cap peers on the year.

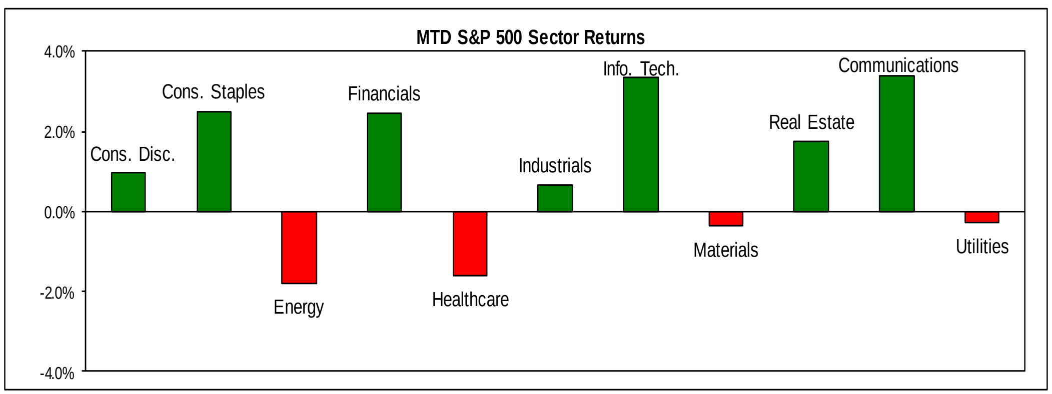
Looking at the relationship between Small- and Large-Cap equities more closely, the year to date performance delta favors Large-Caps by more than +500bps. What's more, over the past year, Small-Caps have underperformed Large-Caps by nearly -15 percentage points. With more than 80% of their revenues coming domestically, Small-Caps could be ripe for a rebound and provide defense against a global economic slowdown. What's more, relative valuations are attractive, and a continuation of positive U.S. economic surprises could be an additional boost. According to data provided by Factset through July 26th, S&P 500 companies with greater than 50% of their revenues coming from the U.S. have grown revenue +6.4% so far in Q2 versus -2.4% for those companies with less than 50% of revenues coming domestically. Furthermore, the data becomes more telling from an earnings standpoint, with companies focused on the U.S. growing earnings by +3.2% in Q2, and those focused internationally seeing their earnings fall -13.6%. Clearly those focused domestically are producing superior results.

From a style standpoint, Value outperformed Growth by +0.60% on the month, even as sectors such as Communication Services and Information Technology were the standouts, returning +3.37% and +3.33%, respectively. Value oriented sectors such as Consumer Staples, Financials, and Real Estate led the Value cohort, returning +2.50%, +2.45%, and +1.74%, respectively, outperforming the broader market. Healthcare was a notable laggard, down -1.59% on the period, and remains the year's worst performing sector (up only +6.35%), even underperforming most bond indices. Healthcare continues to suffer from headline risk associated with the 2020 election, executive orders, and talks of "Medicare For All", but it's defensive growth characteristics and attractive valuations shouldn't go unnoticed.



Domestic Equity Returns

Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
S&P 500 Index	1.44%	1.44%	20.24%	7.98%	13.32%	11.32%
S&P 400 Mid Cap Index	1.18%	1.18%	19.36%	0.77%	9.76%	9.21%
S&P 600 Small Cap Index	1.14%	1.14%	14.96%	-6.78%	10.45%	9.83%
S&P 500/Citi Growth Index	1.16%	1.16%	21.58%	9.55%	15.90%	13.62%
S&P 500/Citi Value Index	1.76%	1.76%	18.76%	6.26%	10.27%	8.62%



S&P 500 Sector Returns

Sector	MTD	QTD	YTD	1 Year	3 Year	5 Year	% of S&P 500
Consumer Discretionary	0.96%	0.96%	23.00%	9.22%	15.35%	14.48%	10.56%
Consumer Staples	2.50%	2.50%	19.08%	14.63%	5.95%	9.64%	8.05%
Energy	-1.78%	-1.78%	11.11%	-15.99%	0.25%	-5.24%	4.75%
Financials	2.45%	2.45%	20.12%	3.45%	15.94%	11.40%	12.74%
Healthcare	-1.59%	-1.59%	6.35%	4.29%	8.46%	10.22%	13.51%
Industrials	0.67%	0.67%	22.19%	3.54%	11.41%	10.30%	9.33%
Information Technology	3.33%	3.33%	31.36%	15.72%	24.35%	18.96%	21.67%
Materials	-0.37%	-0.37%	16.83%	-0.14%	8.42%	5.77%	2.70%
Real Estate	1.74%	1.74%	22.52%	17.56%	6.29%	8.42%	2.98%
Communication Services*	3.37%	3.37%	23.10%	14.82%	1.35%	5.28%	10.55%
Utilities	-0.28%	-0.28%	14.38%	16.53%	8.18%	11.48%	3.14%

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

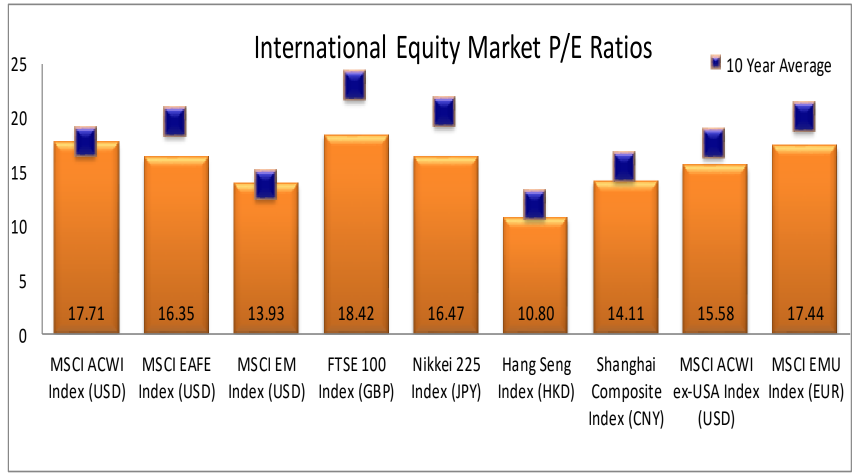
Nottingham Monthly Market Wrap
July 31, 2019

International Equity

International equities lost ground in July with both developed and emerging markets posting losses. Developed international equities as measured by the MSCI EAFE Index lost -1.25% on the month, followed closely by the MSCI Emerging Markets Index which gave back -1.15%. International economic data has remained sub-par in recent months, deteriorating over trade impacts and uncertainties, while geopolitical risks have increased. Developed and Emerging market central banks have begun cutting interest rates to stimulate demand, but trade overhangs and the risk of a hard-Brexit have increased. With China stalling on trade talks, Boris Johnson taking over as U.K. Prime Minister, and potentially more easing from the European Central Bank (ECB), investors have shifted capital to the United States favoring relative stability.

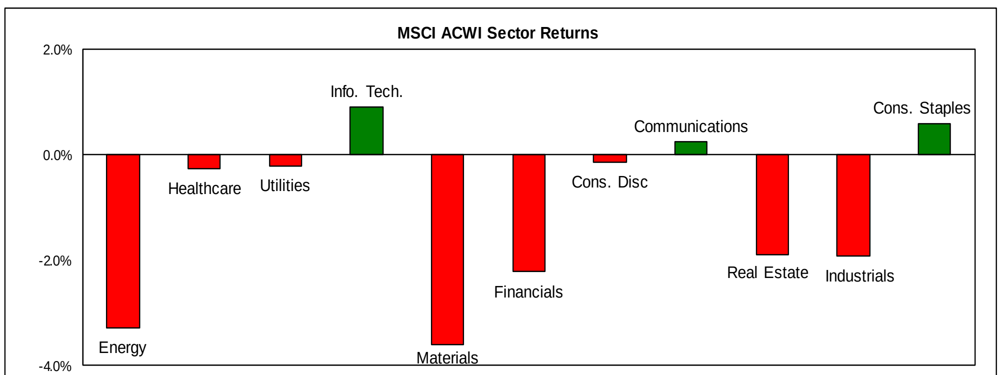
Despite the negative headlines, international equities have produced positive returns year to date, but have not kept pace with the U.S. For the year, developed international equities are up +13.10%, while Emerging Markets have gained +9.46%. Looking at the trailing 3-year period, the opposite is true, with EM outperforming EAFE by +1.32% per annum; however, over 5-years both EAFE and EM have produced lackluster returns, gaining +2.98% and +2.24% per annum respectively, compared to +11.32% per annum for the S&P 500 Index.

At the sector level, 8 of 11 global ex-U.S. sectors were negative on the month, with Information Technology, Consumer Staples, and Communication Services the standouts, gaining +0.90%, +0.59%,and +0.24%, respectively. Cyclical sectors such as Materials, Energy, Financials, and Industrials were the hardest hit, losing -3.61%, -3.29%, -2.23%, and -1.93%, respectively. As in the U.S., Technology remains the top performing sector year to date, up +20.57%. Notably, all 11 ex-U.S. sectors are in positive territory, including Healthcare which has handily outperformed it's U.S. counterparts up +12.54% year to date, versus +6.35% for the S&P 500 Healthcare sector.



International Equity Returns

Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
MSCI ACWI Index (USD)	0.33%	0.33%	16.99%	3.55%	10.77%	7.09%
MSCI EAFE Index (USD)	-1.25%	-1.25%	13.10%	-1.99%	7.47%	2.98%
MSCI EM Index (USD)	-1.15%	-1.15%	9.46%	-1.83%	8.79%	2.24%
FTSE 100 Index (GBP)	2.23%	2.23%	15.62%	2.23%	8.42%	6.55%
Nikkei 225 Index (JPY)	1.16%	1.16%	8.80%	-2.49%	11.28%	8.66%
Hang Seng Index (HKD)	-2.30%	-2.30%	10.16%	0.64%	12.18%	6.06%
Shanghai Composite Index (CNY)	-0.66%	-0.66%	20.16%	4.51%	1.76%	8.16%
MSCI ACWI ex-USA Index (USD)	-1.18%	-1.18%	12.67%	-1.72%	7.76%	2.67%
MSCI EMU Index (EUR)	0.20%	0.20%	17.54%	-0.29%	8.75%	7.06%



MSCI ACWI Ex U.S. Sector Returns

Sector	MTD	QTD	YTD	1 Year	3 Year	5 Year	% of ACWI
Energy	-3.29%	-3.29%	9.78%	-6.49%	10.20%	-1.28%	7.16%
Healthcare	-0.27%	-0.27%	12.54%	0.28%	3.23%	2.88%	5.93%
Utility	-0.21%	-0.21%	12.69%	12.05%	7.20%	6.21%	6.21%
Information Technology	0.90%	0.90%	20.57%	0.22%	15.35%	10.01%	7.55%
Materials	-3.61%	-3.61%	10.79%	-5.77%	9.85%	1.21%	6.86%
Financials	-2.23%	-2.23%	10.33%	-3.42%	8.93%	1.59%	22.17%
Consumer Discretionary	-0.15%	-0.15%	15.63%	-3.46%	6.45%	2.73%	11.48%
Communication Services*	0.24%	0.24%	8.45%	1.95%	0.75%	-0.33%	7.57%
Real Estate**	-1.89%	-1.89%	10.65%	1.65%	N/A	N/A	3.62%
Industrials	-1.93%	-1.93%	14.05%	-1.13%	8.11%	3.88%	11.08%
Consumer Staples	0.59%	0.59%	14.65%	3.70%	4.87%	4.63%	10.35%

*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

The Federal Reserve lowered rates by 25 basis points yesterday afternoon. There were two votes cast in dissent of this adjustment (Boston Fed President Eric Rosengren and Kansas City Fed President Esther George). Balance sheet runoff was truncated. It had been scheduled to end in two months, but that date was pulled forward to August 1st. The long end of the Treasury curve moved lower in response to the announcement that the Fed will begin buying Treasury securities to replace all Treasury maturities in its security portfolio immediately.

According to the Fed's official statement, below-target inflation and global uncertainties acted as the impetus for the rate cut. Even though the rate reduction was expected, the curve flattened, with longer maturities falling more than shorter maturities. The kink in the yield curve grew more pronounced, and the inversion (3 month yields being higher than 10 year yields) expanded.

Even with the flattening of the curve, the U.S. continues to offer the most attractive bond yields in the developed world. In Switzerland, you will need to purchase a 50 year maturity to earn a 0% return. Last month you only needed to go 30 years to break even on a Swiss government bond. What a bargain it was… Europe can even offer investors High Yield/Junk bonds with negative yields. Truly hard to fathom.

Credit spreads have continued to tighten. This has supported the performance of Investment Grade and High Yield bonds. Emerging Market bond yields have also seen their yield spread over Treasuries shrink, boosting their return. These categories have led the way in fixed income returns in 2019, more than doubling the return of the U.S. Government index, which at 5.03%, is itself a high bar to hit in the world of bonds.

One area of the Credit market that has not participated in this risk-rally, is the lowest quality tranches within High Yield. CCC (those companies nearing default) rated bonds have significantly lagged the broader Credit market. This would appear to show that there are limits to the risk that investors are currently willing to tolerate while stretching for yield.

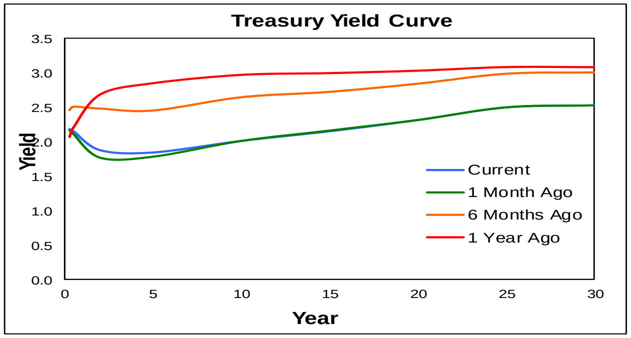
Municipal bond funds continue to see elevated demand, with 29 consecutive weeks of positive flows. The persistent demand in a time of limited supply has caused tax-free bonds prices to rise and yields to fall in general, but particularly sharply among shorter maturities. A barbelled portfolio, where very short maturities are paired with longer-term maturities continues to make sense while managing duration and optimizing portfolio yield.

Central Bank Activity

Name	Current	1 Month Ago	6 Months Ago	1 Year Ago
Fed Funds Rate	2.25%	2.50%	2.50%	2.00%
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%

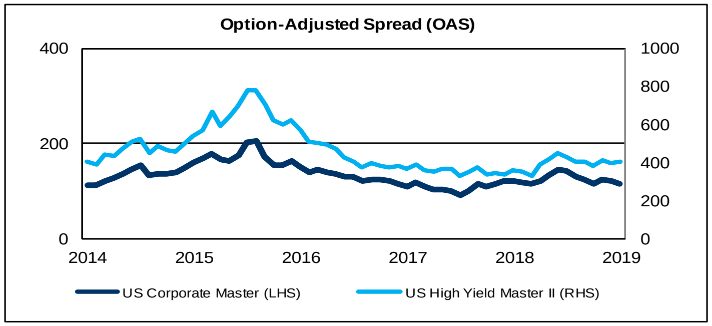
Fixed Income Returns

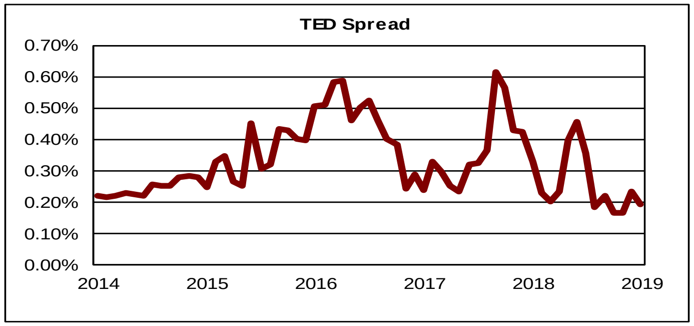
Name	MTD	QTD	YTD	1 Year
Bloomberg Barclays US Government Index	-0.11%	-0.11%	5.03%	7.74%
Bloomberg Barclays US Agg Index	0.22%	0.22%	6.35%	8.29%
Bloomberg Barclays US Corporate Index	0.56%	0.56%	10.47%	10.70%
Bloomberg Barclays US Corporate High Yield Index	0.56%	0.56%	10.56%	6.89%
Bloomberg Barclays EM USD Agg Index	1.00%	1.00%	10.48%	10.54%
Bloomberg Barclays Global Agg Treasuries USD Index	0.83%	0.83%	6.39%	8.99%
Bloomberg Barclays Municipal Index	0.81%	0.81%	5.94%	7.40%

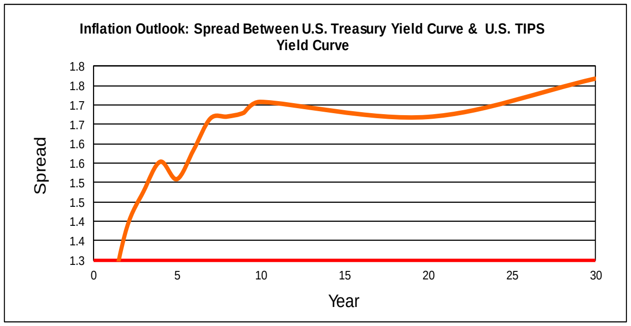


U.S. Treasury Yields

Period	3 Month	6 Month	2 Year	5 Year	10 Year	15 Year	20 Year	25 Year	30 Year
Current	2.19%	2.15%	1.88%	1.85%	2.01%	2.16%	2.32%	2.50%	2.53%
1 Month Ago	2.17%	2.10%	1.76%	1.78%	2.01%	2.16%	2.32%	2.51%	2.54%
6 Months Ago	2.46%	2.51%	2.48%	2.45%	2.64%	2.72%	2.84%	2.99%	3.00%
1 Year Ago	2.07%	2.22%	2.69%	2.85%	2.97%	2.99%	3.03%	3.08%	3.08%





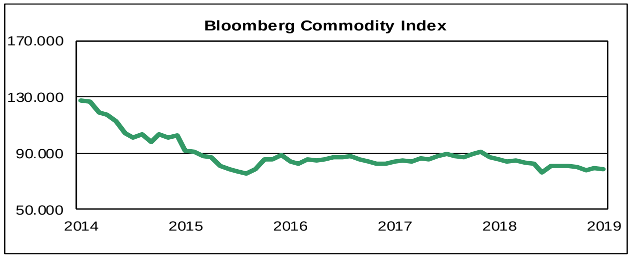


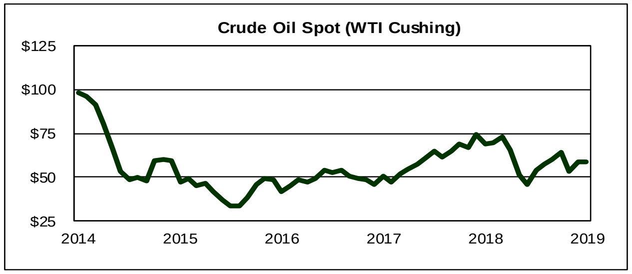
Alternative Investments

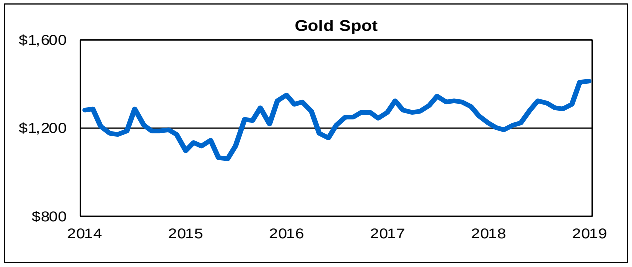
Alternative investments were largely positive performers in August. Federal Reserve Chair Jay Powell cut interest rates for the first time in 10 years on Wednesday, reducing the Fed Funds target range to 2.00-2.25%. While markets expected a cut (expectations were 100%), they still were disappointed by the lack of clarity from the Fed Chair and the uncertainty over a “mid-cycle adjustment” when U.S. economic data has produced positive upside surprises.

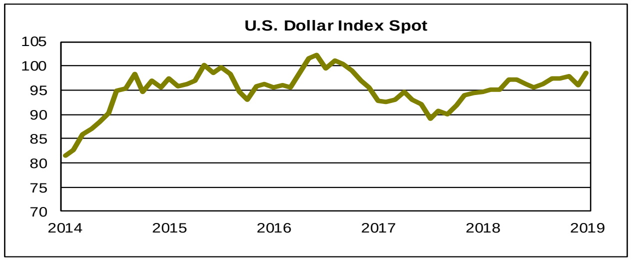
Market reactions to the Fed press conference were seen most notably in the U.S. Dollar and Gold spot price. The Dollar, as measured by the DXY Index rose +0.77% on the day, and finished the month of July up +2.48% to close at 98.5, the highest monthly closing level since April 2017. The Dollar is up +2.44% year to date and +4.19% over the past year, creating headwinds for S&P 500 earnings growth. The market reaction in Gold was also pronounced, with Gold falling -1.27% yesterday, bringing its monthly gains to +0.3%. Gold is up +10.3% on the year, benefitting from natural hedging characteristics, the prospect for lower interest rates, and the ever growing pile of negatively yielding global debt. At last check there were over **$14 TRILLION** worth of bonds with negative yields around the globe.

Real Estate, as measured by the FTSE NAREIT All-REIT Index rose +1.45% on the month, while West Texas Intermediate (WTI) crude oil prices rose a scant +0.2%. Commodities as a whole, as measured by the Bloomberg Commodities Index fell -0.9%. Volatility, as measured by the VIX Index rose +6.9% to close at 16.1 on the month. More notably, the VIX has spiked +22.9% over the past three months, as global uncertainties have increased. Hedge Fund strategies continue to produce lackluster results, with 9 of 9 strategies underperforming the MSCI ACWI Index, and 8 of 9 strategies underperforming the Bloomberg Barclays Aggregate Bond Index. On the currency front, the British Pound lost more than -4.2% on the month to close at 1.22 USD/GBP as Boris Johnson took over as Prime Minister with a hardline Brexit stance, while prospects for further rate cuts from the European Central Bank sent the Euro lower by more than -2.6% against the Dollar to close at $1.11 USD/EUR.





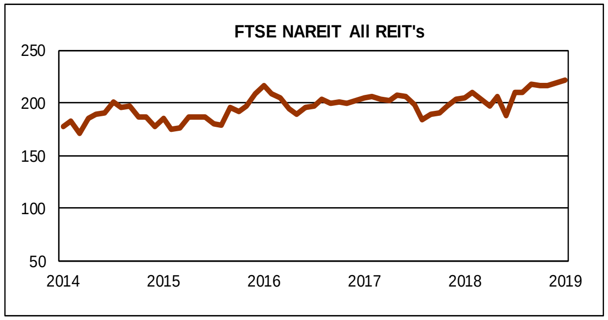




Hedge Funds

Name	MTD	QTD	YTD	1 Year	3 Year	5 Year
Global Hedge	0.83%	0.83%	5.08%	-0.99%	1.91%	0.23%
Convertible Arbitrage	0.84%	0.84%	3.51%	1.82%	3.81%	0.94%
Equity Hedge (L/S)	1.29%	1.29%	7.34%	-3.70%	2.98%	1.24%
Equity Market Neutral	-0.49%	-0.49%	-1.55%	-4.70%	-1.45%	-0.16%
Event Driven	0.15%	0.15%	2.65%	-4.55%	0.48%	-1.53%
Macro	1.77%	1.77%	4.39%	4.01%	0.18%	0.77%
Merger Arbitrage	0.31%	0.31%	-2.07%	-3.48%	-0.08%	2.49%
Relative Value Arbitrage	0.35%	0.35%	4.56%	1.16%	3.03%	0.24%
Absolute Return	0.19%	0.19%	1.84%	0.35%	1.54%	1.48%

Note: Price Return, Returns as of 07/30/19



Spot Rates

Description	Current	1 Month Ago	3 Months Ago	6 Months Ago	1 Year Ago
CAD / USD	1.32	1.31	1.34	1.31	1.30
JPY / USD	108.78	107.85	111.42	108.89	111.86
USD / GBP	1.22	1.27	1.30	1.31	1.31
USD / EUR	1.11	1.14	1.12	1.14	1.17

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 eleven sub-indices according to the Global Industry Classification Standard (GICS) sectors. These eleven 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.

MSCI ACWI ex USA Index (MXWDU) – The MSCI ACWI ex USA Index is a free-float weighted index.

MSCI ACWI ex USA Sector Indices– The MSCI ACWI ex USA Index is broken down into eleven sub-indices according to the Global Industry Classification Standard (GICS) sectors. These eleven sectors include Consumer Discretionary, Consumer Staples, Energy, Financials, Health Care, Industrials, Information Technology, Materials, Communication Services, Utilities, and Real Estate.

MSCI EMU Index (MXEM) – The MSCI EMU (European Economic and Monetary Union) Index is a free-float weighted equity index.

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.

Bloomberg Commodity Index (BCOM) – Bloomberg Commodity Index (BCOM) is calculated on an excess return basis and reflects commodity futures price movements. The index rebalances annually weighted 2/3 by trading volume and 1/3 by world production and weight-caps are applied at the commodity, sector and group level for diversification. Roll period typically occurs from 6th-10th business day based on the roll schedule.

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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