

ECONOMIC OVERVIEW

The U.S. Federal Reserve cut the short-term Federal Funds rate by .50% in September, lowering the rate that banks use for borrowing overnight money down to 4.75-5.00%. Although widely expected, risk assets rallied following the move, with further interest rate cuts priced in over the coming year. Giving the Fed air cover for rate cuts is steadily rising unemployment, softening inflation, and weakening GDP growth. Despite that backdrop, there are few calls for a so-called “hard-landing” for the U.S. economy, which remains fairly robust by most measures.

Nonfarm payrolls rose by 142k in August, below expectations for a gain of 165k, while July’s gain were revised down from 114k to 89k. The Unemployment Rate dropped from 4.3% to 4.2%, while the Underemployment Rate rose from 7.8% to 7.9%. Labor Force Participation held steady at 62.7%, while Average Hourly Earnings rose higher than expected in August, up +0.4% MoM, and have climbed +3.8% YoY. The JOLTS Job Openings number fell from 7,910k to 7,673k, suggesting a further softening in the demand for labor.

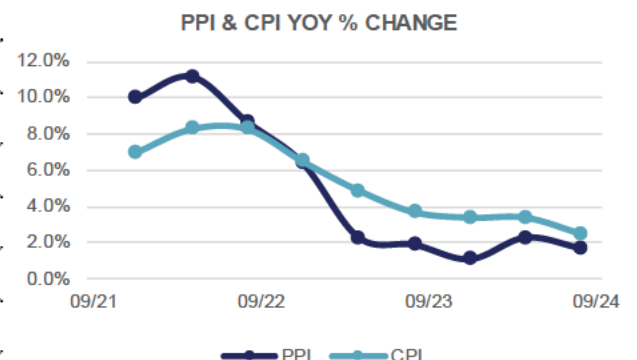
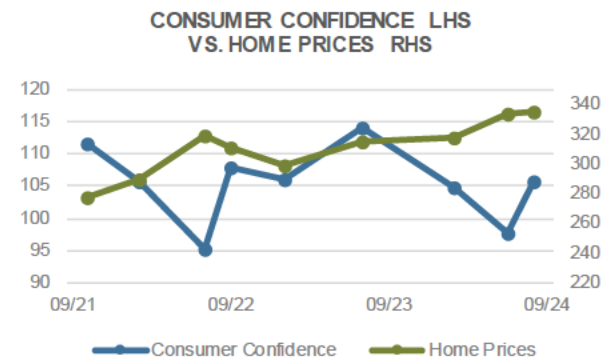
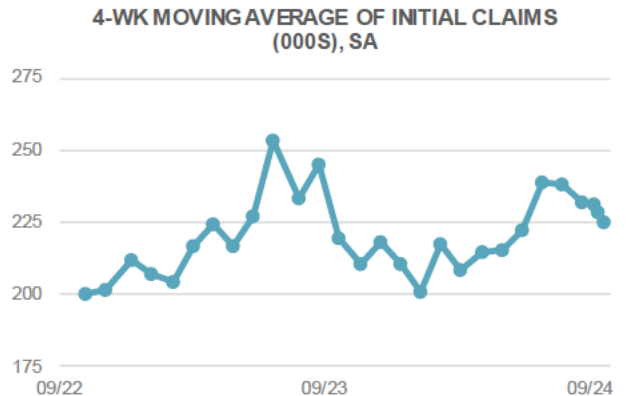
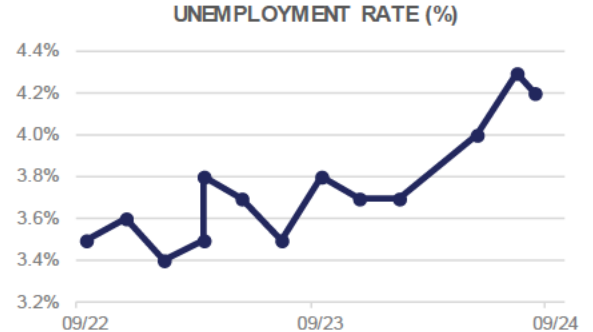
Consumer price inflation data came in about as expected in September, with the August CPI report showing a +0.2% MoM rise in prices, and ex-food & gas, a +0.3% gain. Year over year, CPI is up just +2.5%, while core CPI has risen by +3.2%. At the wholesale level, PPI was up +0.2% MoM and 1.7% YoY, while core PPI rose +0.3% MoM and +2.4% YoY. The Core PCE Price Index ticked up by +0.1% in August, and has risen +2.7% YoY.

The 3rd reading for Q2 GDP showed a U.S. economy growing at a 3% rate, although recently released ISM figures for September suggest an economic contraction may be coming. The S&P Global US Manufacturing PMI came in at 47.3, while the ISM Manufacturing PMI number was 47.2. The ISM Prices Paid reading came in below expectations (48.3 versus estimates for 53.5), while the ISM New Orders index beat expectations at 46.1 (versus 45.0).

All in all, the Fed felt the time was right to begin cutting interest rates. Whether the U.S. economy falls into recession, hard or soft, is anyone’s guess. There remains ample fiscal stimulus to potentially offset a decline in the private domain. Market volatility should spike around election time, although we’ll remain focused on corporate earnings. EPS expectations are high, as are equity markets. It will be important for S&P 500 companies to meet expectations in order to keep this great bull market moving in the right direction.

KEY DATA POINTS

DATA POINT	CURRENT	FOR	PREVIOUS	FOR
Retail Sales ex. Autos MOM %	0.1	Aug	0.4	July
Housing Starts	1356K	Aug	1237K	July
Factory Orders MOM %	5.00	July	-3.30	June
Leading Indicators MOM %	-0.20	Aug	-0.60	July
Unit Labor Costs	0.40	Q2 2024	3.80	Q1 2024
GDP QOQ (Annualized)	3.00	Q2 2024	1.60	Q1 2024
Wholesale Inventories	0.20	Aug	0.30	July
MBA Mortgage Applications	11.00	Sep	1.60	Aug



DOMESTIC EQUITY

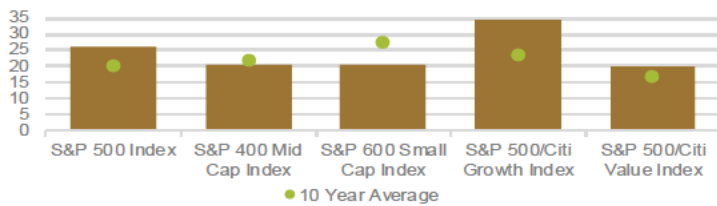
Domestic equities continued their stellar year last month. U.S. stocks rallied in September, with the benchmark S&P 500 Index gaining +2.1% on the month, bringing its YTD return to +22.1% and one year performance to +36.3%. Consumer Discretionary, Utilities, and Communication Services were the biggest winners of the month, notching gains of +7.1%, +6.6%, and +4.6% respectively. The only sectors to exhibit negative returns on the month were Energy, Healthcare, and Financials, down -2.7%, -1.7%, and -0.6% respectively.

Small- and Mid-Caps also caught a bid, posting positive returns of +0.8% and +1.2% respectively. This puts both Small- and Mid-Caps ahead of Large-Caps in terms of QTD performance. Small-Caps were up +10.1% and Mid-Caps were up +6.9% QTD. Large-Caps relative under performance is partially explained by the concentration of technology stocks in the S&P 500. Tech stocks make up over 30% of the S&P 500 sector allocation and a majority of the Tech allocation is concentrated in just a few companies (Apple, Microsoft, Nvidia, Amazon, Meta). The QQQ's which tracks the NASDAQ 100 composite technology index, was up only +2% on the quarter, dragging down the S&P 500 performance to only +5.9% during the quarter. Eight of eleven sectors outperformed the S&P 500 on a QTD basis, showing signs that the market continues to broaden out.

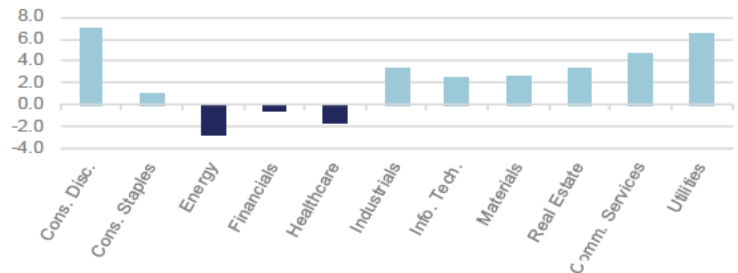
Contributing to positive equity returns this month was the federal reserves decision to cut rates by 50 basis points, marking the first reduction in four years. This move aimed to stimulate economic growth and signaled a potential shift towards a prolonged rate-cutting cycle, which historically has led to strong equity returns. Following this announcement, major indexes reached record highs as investor sentiment improved.

Overall, September was characterized by positive returns in U.S. equity markets driven by a combination of favorable monetary policy shifts and market broadening, despite underlying challenges in certain sectors.

DOMESTIC EQUITY MARKET
P/E RATIOS



MTD S&P 500 SECTOR RETURNS



S&P 500 SECTOR RETURNS

SECTOR	MTD	QTD	YTD	1YR	3YR	5YR	% Wt.
Consumer Discretionary	7.09	7.80	13.91	28.06	4.82	12.07	10%
Consumer Staples	0.90	8.96	18.74	25.32	10.35	10.02	6%
Energy	-2.68	-2.32	8.36	0.79	23.98	13.79	3%
Financials	-0.55	10.66	21.90	38.94	8.49	12.31	13%
Healthcare	-1.68	6.07	14.35	21.69	8.35	13.35	12%
Industrials	3.39	11.55	20.20	35.82	13.35	13.71	8%
Information Technology	2.49	1.61	30.31	52.68	19.87	26.71	31%
Materials	2.63	9.70	14.14	25.20	9.08	12.98	2%
Real Estate	3.31	17.17	14.31	35.83	3.70	6.17	2%
Communication Services*	4.63	1.68	28.81	42.91	6.45	14.58	9%
Utilities	6.60	19.37	30.63	41.82	11.65	7.99	2%

DOMESTIC EQUITY RETURNS

NAME	MTD	QTD	YTD	1YR	3YR	5YR
S&P 500 Index	2.14	5.89	22.08	36.33	11.88	15.94
S&P 400 Mid Cap Index	1.16	6.94	13.52	26.76	7.42	11.73
S&P 600 Small Cap Index	0.83	10.11	9.29	25.76	3.91	10.13
S&P 500/Citi Growth Index	2.84	3.70	28.14	41.06	10.05	17.52
S&P 500/Citi Value Index	1.12	9.05	15.36	31.07	13.08	13.17

S&P 500 FACTOR RETURNS

NAME	MTD	QTD	YTD	1YR	3YR	5YR
S&P 500 Quality	1.27	6.32	25.81	36.53	13.41	16.97
S&P 500 Momentum	1.68	3.85	39.10	59.47	16.28	19.13
S&P 500 Equal Weight	2.34	9.60	15.16	28.83	8.17	12.80
S&P 500 High Beta	4.23	5.91	9.27	28.79	8.00	18.50
S&P 500 Low Volatility	1.06	11.01	16.55	25.13	8.26	6.92

INTERNATIONAL EQUITY

International Emerging Markets (EM) had a strong month as the MSCI EM Index returned +6.7%. Developed Markets (DM), as measured by the MSCI EAFE index trailed, gaining +1.0%. For Q3, EM (+8.8%) and DM (+7.3%) both outperformed U.S. markets.

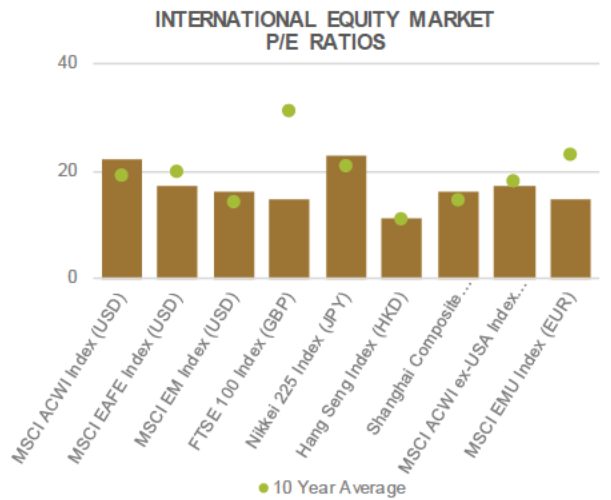
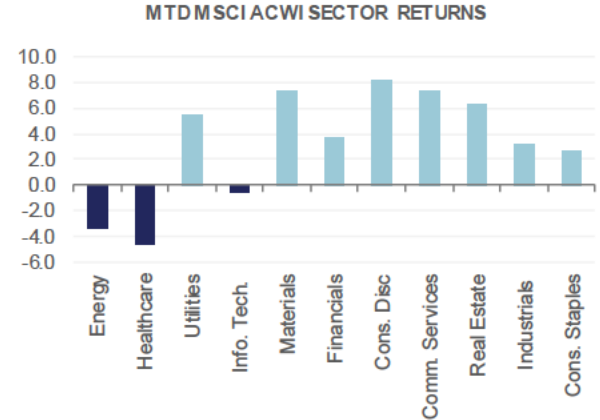
On September 24th the Chinese central bank announced a broad package of monetary easing measures including: a lowering of its benchmark policy rate and bank reserve requirement as well as lowering interest rates on mortgages. Policymakers hope to energize consumers who have been under pressure from high unemployment and a downturn in the real-estate market.

The MSCI China Index, which closely tracked the broader EM index prior to the announcement, rallied to finish September up +23.4% and +23.0% for Q3, both in USD.

September was a busy month for global central banking activity. In addition to the Fed cutting rates, the European Central Bank, Bank of Canada, and the Swiss National Bank all lowered policy rates while the Bank of England left rates unchanged.

Real Estate, which typically performs well in falling rate environments, was the best performing ACWI Ex U.S. Sector for Q3, returning +17.0%. Other top performing sectors for the quarter include Utilities (+16.9%), Consumer Discretionary (+11.5%), Financials (+11.5%).

European equities struggled in September with concerns over economic growth becoming a headwind to stock performance. Final numbers for Q2 GDP released recently showed YoY GDP in Germany expanding just +0.3%, the UK growing +0.9%, and France +1.1%. In USD terms, the DAX (Germany) returned +1.8%, the FTSE 100 (UK) managed +0.2%, and the CAC 40 (France) contracted -0.5%.



MSCI ACWI EX U.S. SECTOR RETURNS

SECTOR	MTD	QTD	YTD	1YR	3YR	5YR	%
Energy	-3.37	-1.49	5.51	8.12	9.96	6.92	9%
Healthcare	-4.60	6.44	14.95	20.89	3.00	8.26	8%
Utilities	5.43	16.93	23.58	37.14	10.04	7.58	6%
Information Technology	-0.66	-1.54	15.55	38.67	3.02	15.13	11%
Materials	7.41	9.53	5.93	19.25	3.41	9.73	7%
Financials	3.67	11.51	21.74	34.21	10.77	10.17	21%
Consumer Discretionary	8.23	11.54	14.20	20.72	0.25	5.60	11%
Communication Services*	7.34	13.61	20.29	25.42	-2.59	1.65	6%
Real Estate	6.37	17.04	11.53	23.99	-2.83	-2.23	2%
Industrials	3.11	8.75	16.14	31.05	6.56	10.26	13%
Consumer Staples	2.67	10.60	5.61	11.62	0.74	2.57	8%

INTERNATIONAL EQUITY RETURNS

NAME	MTD	QTD	YTD	1YR	3YR	5YR
MSCI ACWI Index (USD)	2.36	6.72	19.08	32.35	8.61	12.72
MSCI EAFE Index (USD)	0.96	7.35	13.55	25.45	6.10	8.81
MSCI EM Index (USD)	6.68	8.82	17.13	26.41	0.75	6.09
FTSE 100 Index (GBP)	-1.54	1.79	9.79	12.32	8.99	5.88
Nikkei 225 Index (JPY)	-1.30	-3.56	15.05	21.08	10.98	13.91
Hang Seng Index (HKD)	18.32	21.65	29.21	24.17	-1.21	-0.73
Shanghai Composite Index (CNY)	17.61	14.28	15.33	10.46	0.52	5.44
MSCI ACWI ex-USA Index (USD)	2.72	8.16	14.70	25.97	4.69	8.14
MSCI EMU Index (EUR)	1.03	3.17	12.47	21.28	7.90	8.91
MSCI China Index (USD)	23.41	23.02	28.90	23.12	-5.47	0.80
MSCI Canada Index (USD)	2.96	10.77	17.41	27.59	10.22	11.05
MSCI EM ex-China (USD)	1.26	3.96	12.71	27.40	3.37	8.36

FIXED INCOME

Chairperson Jerome Powell's Federal Reserve found it appropriate to lower the Federal Funds Rate by 50 basis points at the September meeting. Cutting the rate by roughly ten percent would seem to be a reactionary move, an attempt to battle some near-term economic difficulties. Not so, claimed Powell in his press conference following the announcement of the rate cut. He claims to see no economic troubles on the horizon and is confident that a very soft landing has been achieved. Of course, this begs the question of why the Fed needed to cut 50 basis points, instead of the more customary 25 bps?

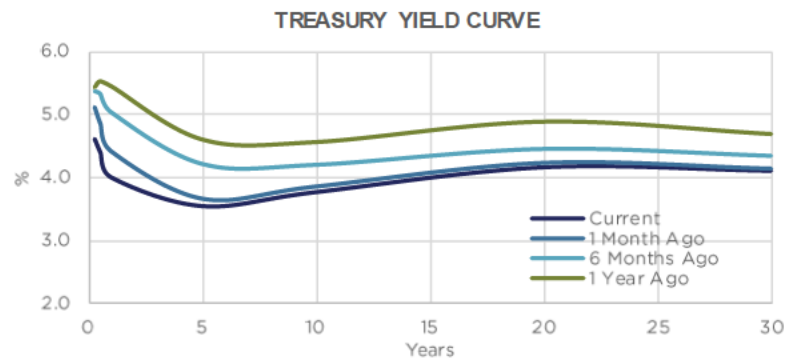
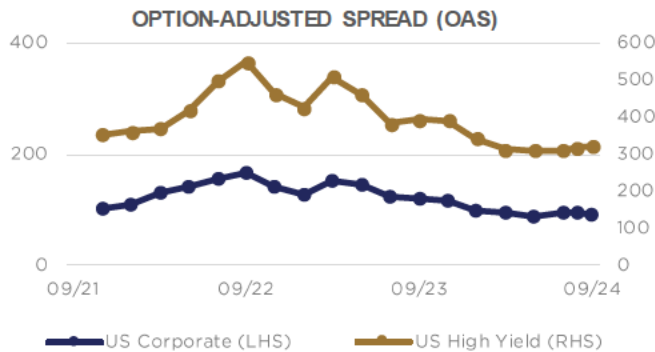
The bond market has priced in continued large interest rate reductions. Significantly more rate cuts than the Fed dot plot (rate projections) would suggest are likely. This has de-inverted the Treasury yield curve between the 2 year Treasury (3.63%) and the 10 year Treasury (3.77). Historically, as the yield curve de-inverts, economic troubles soon follow. There are no signs of such worries in today's markets. Stocks are up and corporate bonds are historically expensive. The unemployment rate has moved higher, but is broadly expected to stabilize, rather than to rise significantly from here.

The stock market has regularly touched all-time highs, and corporate bond issuance is near record levels. China has even responded to its flagging economy by rolling out multiple forms of stimulus to keep growth from imploding. The U.S. election is a month away, and both candidates promise plenty of spending while the country runs the largest deficit outside of depression, war-time, or pandemic. The punch bowl is full, and no one wants to take it away.

Across the Treasury yield curve, interest rates moved lower again in September, and again, this move was most pronounced at the front-end of the curve. The continued decline in rates boosted bond prices, allowing all indices tracked to report strong performance for the month.

Investment Grade (IG) and High Yield (HY) corporate bonds led the way as credit spread tightening added a tailwind to their performance.

Tax-free Municipal bonds also had a strong showing in September. Valuations are currently much more reasonable than where they began the year, with the longest maturity bonds offering the most value.



U.S. TREASURY YIELDS

PERIOD	3MOS	1YR	5YR	10YR	20YR	30YR
Current	4.63	4.01	3.56	3.78	4.18	4.12
1 Month Ago	5.13	4.42	3.67	3.86	4.24	4.15
6 Months Ago	5.37	5.03	4.21	4.20	4.45	4.34
1 Year Ago	5.45	5.46	4.61	4.57	4.90	4.70

CENTRAL BANK ACTIVITY

NAME	CURRENT	1MTH AGO	6 MTH AGO	1YR AGO
Fed Funds Rate	5.00	5.50	5.50	5.50
Bank of Japan Target Rate	0.25	0.25	0.10	-0.10
European Central Bank Rate	3.65	4.25	4.50	4.25
Bank of England Base Rate	5.00	5.00	5.25	5.25

FIXED INCOME RETURNS

NAME	MTD	QTD	YTD	1YR	3YR	5YR
Bloomberg US Government Index	1.20	4.71	3.85	9.68	-1.72	-0.16
Bloomberg US Agg Index	1.34	5.20	4.45	11.57	-1.39	0.33
Bloomberg US Corporate Index	1.77	5.84	5.32	14.28	-1.18	1.16
Bloomberg US Corporate High Yield Index	1.62	5.28	8.00	15.74	3.10	4.71
Bloomberg EM USD Agg Index	1.76	5.82	8.17	16.93	-0.18	1.35
Bloomberg Global Agg Treasuries USD Index	1.07	3.95	3.80	9.47	-0.36	0.13
Bloomberg Municipal Index	0.99	2.71	2.30	10.37	0.09	1.38

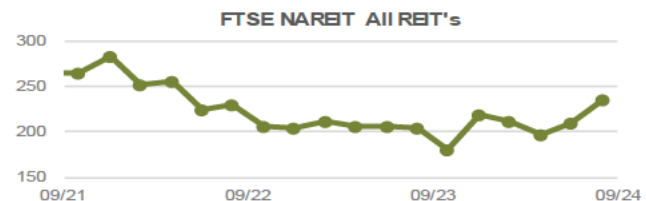
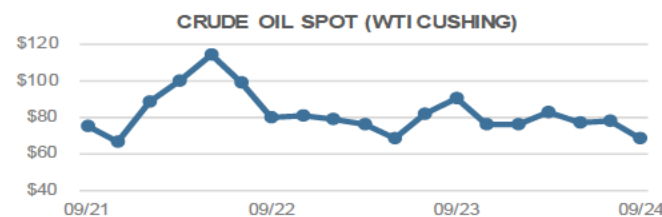
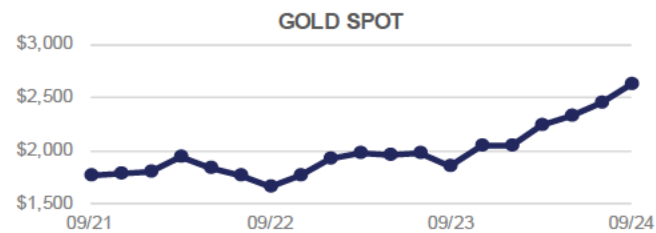
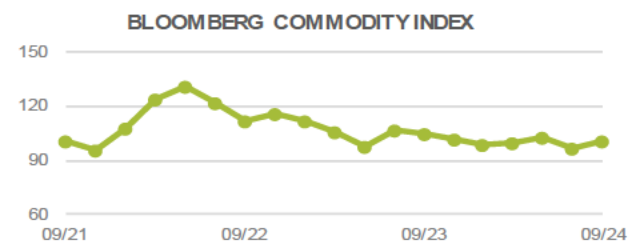
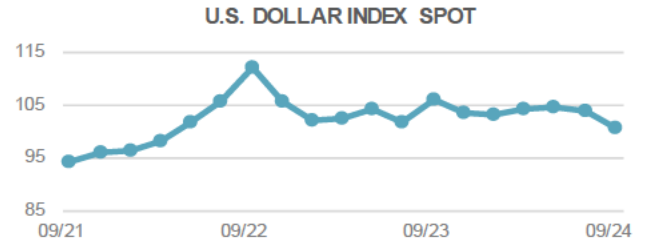
ALTERNATIVE INVESTMENTS

Alternative investment performance was mainly positive in September. Broad commodities, as measured by the Bloomberg Commodity Index, were up +4.4% for the month but were down -0.6% in Q3.

Gold continued its strong run of performance, returning +5.2% in September and +13.2% in Q3. It may be surprising to investors that in a risk-on environment partially fueled by AI hype, Gold's YTD return of +27.7% has outperformed almost all major asset classes, including the S&P 500 Index. The precious metal can be a useful portfolio diversifier in times of inflation, deflation, war, and market turbulence. However, demand from central banks and Chinese consumers have likely been the primary driver of its strong gains in 2024.

Oil was one of the few negative performing commodities during the month, with WTI Crude Oil falling -7.3% to close at \$68.17 per barrel. Bearish factors such as weak demand from China (despite government stimulus measures) and OPEC+ signaling a ramp up in supply by year end contributed to the price decline. However, we begin Q4 with Israel's attacks on Hezbollah potentially triggering a wider war and a retaliation by Iran. These geopolitical risks may counteract possible downside price pressure from the suspected increased supply from OPEC+.

Real Estate, as measured by the FTSE NAREIT Index returned +16.8% for the quarter, a sharp rebound after its return of -2.2% through the first 6 months of the year. REITs are relatively sensitive to interest rates so the broad decline in rates in Q3 drove the performance. Focusing on the U.S. housing market, the average for a 30-year fixed loan mortgage rate recently hit a 2 year low. This may bring in more potential buyers from the sidelines and cause an uptick in refinance activity from existing owners.



SPOT RATES

DESCRIPTION	CURRENT	1 MTH AGO	3 MTHS AGO	6 MTHS AGO	1 YR AGO
CAD / USD	1.35	1.35	1.37	1.35	1.36
JPY / USD	143.63	146.17	160.88	151.35	149.37
GBP / USD	0.75	0.76	0.79	0.79	0.82
EUR / USD	0.90	0.91	0.93	0.93	0.95

HEDGE FUNDS

NAME	MTD	QTD	YTD	1YR	3YR	5YR
Global Hedge	0.07%	1.03%	7.95%	12.65%	3.09%	6.00%
Convertible Arbitrage	0.69%	2.26%	9.51%	12.00%	4.95%	7.69%
Event Driven	0.05%	2.19%	6.78%	10.99%	3.55%	6.92%
Macro Hedge	-0.71%	-0.77%	5.77%	7.00%	2.97%	4.46%
Merger Arbitrage	0.78%	2.89%	3.25%	6.04%	3.92%	6.04%

Note: Price Return, Returns as of 8/31/2024

COMMODITIES

	MTD	QTD	YTD	1YR	3YR	5YR
Dollar	-0.93%	-3.68%	0.82%	-3.41%	1.62%	0.06%
BCOM	4.43%	-0.64%	1.72%	-4.29%	-0.14%	5.22%
Gold	5.24%	13.23%	27.71%	42.52%	14.45%	12.32%
WTI	-7.31%	-16.40%	-4.86%	-8.35%	4.16%	2.61%
FTSENAREIT	3.17%	16.79%	14.23%	34.77%	3.06%	5.28%

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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, S5INF, 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-indices: Commerce and Industry, Finance, Utilities, and Properties.

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

MSCI USA Extended ESG Focus Index – The Index is designed to maximize exposure to positive environmental, social and governance (ESG) factors while exhibiting risk and return characteristics similar to those of the MSCI USA Index.

MSCI EAFE Extended ESG Focus Index – The Index is designed to maximize exposure to positive environmental, social and governance (ESG) factors while exhibiting risk and return characteristics similar to those of the MSCI EAFE Index.

MSCI Emerging Markets Extended ESG Focus Index – The Index is designed to maximize exposure to positive environmental, social and governance (ESG) factors while exhibiting risk and return characteristics similar to those of the MSCI Emerging Markets Index.

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 Global Treasuries USD Hedged Index (LGTTRUH) – The Bloomberg 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 Municipal Bond Index (LMBITR) – The Bloomberg 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 pre-refunded bonds.

Bloomberg U.S. Government Index – Bloomberg 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 EM Hard Currency Aggregate Index (LG20TRUU) – The Bloomberg 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 U.S. Aggregate Bond Index (LBSTRUU) – The Bloomberg 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-through), ABS and CMBS (agency and non-agency).

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

S&P Green Bond Select Index (SPGRSLLT) – The S&P Green Bond Select Index is a market value-weighted subset of the S&P Green Bond Index that seeks to measure the performance of green-labeled bonds issued globally, subject to stringent financial and extra-financial eligibility criteria.

ML U.S. Corporate Index (COAO) – 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 (HOAO) – 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 (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.

The Bloomberg All Hedge Index represents the average performance of hedge funds, as defined by the Bloomberg Hedge Fund Classifications.

The Bloomberg Convertible Bond Arbitrage Hedge Fund Index represents the average performance of hedge funds with a convertible bond arbitrage strategy, as defined by the Bloomberg Hedge Fund Classifications.

The Bloomberg Event Driven Hedge Fund Index represents the average performance of hedge funds with an event driven strategy, as defined by the Bloomberg Hedge Fund Classifications.

The Bloomberg Macro Hedge Fund Index represents the average performance of hedge funds with a macro strategy, as defined by the Bloomberg Hedge Fund Classifications.

The Bloomberg Merger Arbitrage Hedge Fund Index represents the average performance of hedge funds with a merger arbitrage strategy, as defined by the Bloomberg Hedge Fund Classifications.

Economic Data Sources:

PPI & CPI – Bureau of Labor Statistics

Unemployment Rate – Bureau of Labor Statistics

Consumer Confidence – Conference Board

SP/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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