



What happened in September?

Global equities spent the 1st half of September in a gradual decline as an interest rate increase from the Federal Reserve appeared forthcoming. With macroeconomic data displaying a stable, growing economy, regulators have been seeking an opportunity to increase the rate at which institutions borrow money. However, the decision was made to keep interest rates in place. Since then, equities gained to close the month with positive momentum heading into 4th quarter.

For the month, the S&P 500 was relatively flat, moving +0.2% with international equities (ACWI ex U.S.) at 1.2%. The S&P 500 Index is now +7.8% YTD, while the ACWI ex-U.S. is +5.8%.

Moving into the 4th Quarter

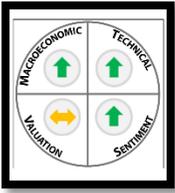
The majority of market-moving indicators remained bullish in September. Ending August with a 93% exposure to U.S. equities, we slightly decreased exposure as technical indicators weakened during the 2nd half of September. We enter October with a 90% U.S. investment level. In our international strategies, we maintained a bullish posture throughout the month and enter October 93% invested.

NorthCoast Navigator: A snapshot of NorthCoast market outlook



Indicators that Remain Neutral	Indicators that Declined, but remain Positive	Indicators that Remain Positive
<p>Valuation Even though U.S. stock valuations remain stretched, they present a more attractive opportunity when compared against historical averages as well as against today's interest-yielding alternatives.</p>	<p>Technical The S&P 500 ended September in line with its 50-day moving average while 2% and 5% above its 100-day and 200-day moving averages, respectively.</p>	<p>Macroeconomic The median household income jumped 5.2% over the previous year. There was a reduced number of jobless claims in August along with an increase of housing construction starts.</p> <p>Sentiment The UM Consumer Sentiment survey ticked up in September to its highest level since June.</p>

For additional market commentary, click [here](#).



The NorthCoast Navigator is a market "barometer" displaying NorthCoast's current equity outlook. This aggregate metric is determined by multiple data points across four broad market-moving dimensions: Technical, Sentiment, Macroeconomic, and Valuation. The daily result determines equity exposure in our tactical strategies.

As of 9/30/2016. Data provided by Bloomberg, NorthCoast Asset Management.

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