

## ECONOMIC OVERVIEW

The Federal Reserve kept interest rates unchanged at its January meeting, and threw some cold water on the prospects for a March rate cut. While acknowledging the progress made on inflation and a still buoyant U.S. economy, especially one with low unemployment, Chair Powell suggested the FOMC will remain data dependent as the year progresses and that their battle with inflation is not yet over.

A surprisingly weak reading (46.0 vs expectations for 48.0) from the Market News International Chicago Business Barometer PMI gave equity investors pause and bond investors hope that a March rate cut was in play. A few hours later Chair Powell dashed those hopes. The S&P Global Manufacturing PMI preliminary January reading came in at 50.3, consistent with other industrial PMI readings, while the Services sector by and large saw modestly higher (expansionary) readings.

Inflation data for December suggest price pressures continue to abate, although the Fed's avowed target of 2% inflation has not yet been reached. The Consumer Price Index came in at +0.3% MoM for December, and +3.4% YoY. Ex Food & Energy, CPI came in at +0.3% MoM and +3.9% YoY. On the wholesale front, PPI dropped -0.1% on the month and is only up a modest +1.0% year over year. Core PPI was flat MoM and up +1.8% YoY.

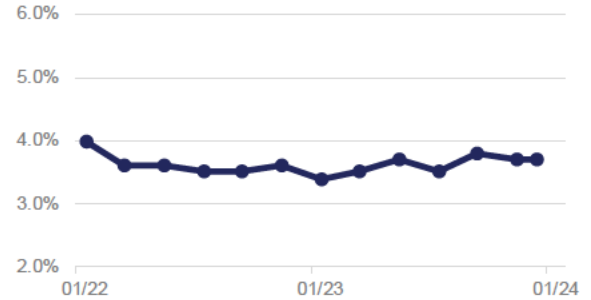
The Labor Market remained strong in December with Unemployment registering just 3.7%, while the JOLTS Job Openings report rose back over 9 myn. Weekly Initial Jobless Claims continue to hover in the 200k range, and have yet to signal a pending surge in unemployment. Average Hourly Earnings ticked up +0.4% MoM in December and are now up by +4.1% year over year.

The U.S. economy appears to be in a bit of a Goldilocks position, despite the rise in interest rates over the past 18 months. The Atlanta Fed GDPNow forecast suggests growth in 2024 of over 3.0%, while the market appears to be discounting 5+ interest rate cuts. Despite rising geopolitical turmoil, investors appear sanguine with regard to equity market prospects through year-end.

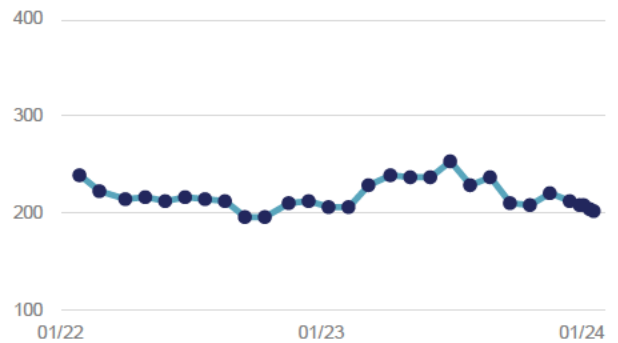
### KEY DATA POINTS

DATA POINT	CURRENT	FOR	PREVIOUS	FOR
Retail Sales ex. Autos MOM %	0.4	Dec	0.2	Nov
Housing Starts	1460	Dec	1525	Nov
Factory Orders MOM %	2.60	Nov	-3.40	Oct
Leading Indicators MOM %	-0.10	Dec	-0.50	Nov
Unit Labor Costs	-1.20	Q3 2023	2.60	Q2 2023
GDP QOQ (Annualized)	3.30	Q4 2023	4.90	Q3 2023
Wholesale Inventories	0.40	Dec	-0.40	Nov
MBA Mortgage Applications	-7.20	Jan	-10.70	Dec

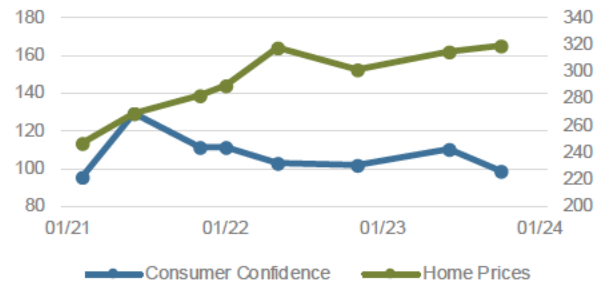
UNEMPLOYMENT RATE (%)



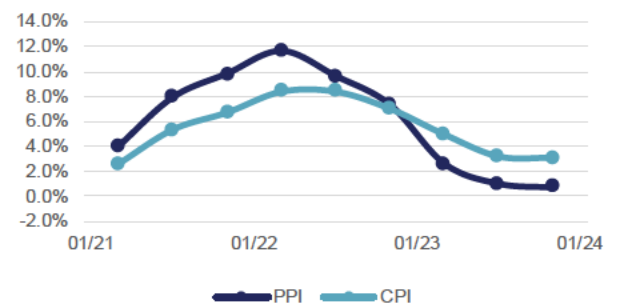
4-WK MOVING AVERAGE OF INITIAL CLAIMS (000S), SA



CONSUMER CONFIDENCE LHS  
V.S. HOME PRICES RHS



PPI & CPI YOY % CHANGE



## DOMESTIC EQUITY

U.S. equities rose +1.7% in January, with the benchmark S&P 500 Index closing at 4,846. Intra-month, the S&P 500 hit multiple new all-time highs, with a new closing high of 4,927 reached on January 29th. Mid- and Small-Caps, as measured by the S&P 400 & 600 Indices lagged, returning -1.7% and -4.0%, respectively, during the period. After outperforming in December, Small- and Mid-Caps (collectively SMID-caps) lagged as interest rates rose heading into the Fed meeting, and NYCB's earnings announcement spooked markets, as concerns over both Commercial Real Estate (CRE) and sufficient loan loss provisions within the Regional Bank sector resurfaced, sending Regional Bank stock prices and SMID-cap indices lower.

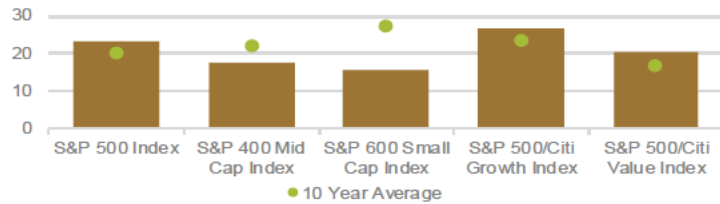
From a factor perspective, Momentum, as measured by the S&P 500 Momentum Index, rose 5.9% during the period, largely driven by heavy exposure to Artificial Intelligence (AI) driven companies. Conversely, High Beta, as measured by the S&P 500 High Beta Index, was the worst performing factor, shedding -2.5% on the month. The juxtaposition between Momentum and High Beta is notable given the fact that AI and High Beta are not synonymous, despite the High Beta Index having nearly 35% exposure to Technology. AI as a theme is represented by less than 6% of the Top 10 holdings of the High Beta Index, highlighting the influence AI related stocks continue to have on market performance.

Looking at style factors, the S&P 500 Growth and Value Indices diverged, with Growth outperforming Value by more than +2.5% during the month. Over the past three-months, Growth and Value are largely neck and neck in terms of performance, returning +16.1% and +16.0%, respectively, highlighting the broad rally in US equity markets during the period.

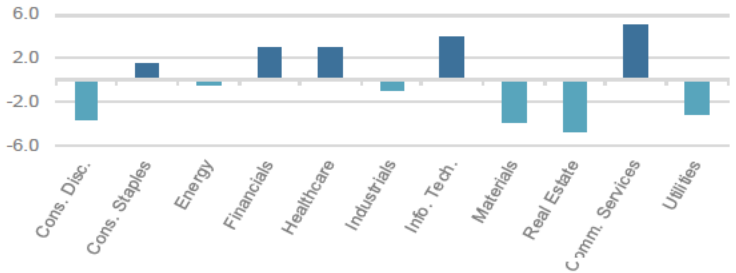
From a sector standpoint, Communication Services and Technology were the top performers, gaining +5.0% and +4.0%, respectively, while Materials (-3.9%) and Real Estate (-4.7%) lagged. Over the past year, only Technology (+50.1%) and Communication Services (+42.9%) have outpaced the S&P 500's +20.8% return, meaning 9 of 11 sectors have lagged.

As the calendar turns into February, all eyes remain focused on earnings season, specifically the reports due from Mega-Caps Apple, Amazon, and Meta, all due out after market close today (February 1<sup>st</sup>). Those three companies represent more than 12% of the S&P 500 Index as of January 31<sup>st</sup>, and should provide additional clues on the trajectory of 2024 S&P 500 earnings estimates, and whether currently elevated valuation multiples are justified. With Apple recently dethroned as the world's largest company by Microsoft, comments regarding its services division and China exposure will be top of mind for investors.

DOMESTIC EQUITY MARKET  
P/E RATIOS



MTDS&P 500 SECTOR RETURNS



### S&P 500 SECTOR RETURNS

SECTOR	MTD	QTD	YTD	1YR	3YR	5YR	% Wt.
Consumer Discretionary	-3.53	-3.53	-3.53	19.35	2.32	10.70	11%
Consumer Staples	1.54	1.54	1.54	2.98	8.24	10.08	7%
Energy	-0.38	-0.38	-0.38	-4.48	34.13	10.85	4%
Financials	3.04	3.04	3.04	8.09	12.32	10.68	13%
Healthcare	3.01	3.01	3.01	7.13	8.61	11.19	13%
Industrials	-0.88	-0.88	-0.88	12.84	11.83	11.53	9%
Information Technology	3.95	3.95	3.95	50.09	16.92	26.20	29%
Materials	-3.91	-3.91	-3.91	-0.77	7.33	11.47	2%
Real Estate	-4.74	-4.74	-4.74	-2.68	4.68	5.61	2%
Communication Services*	5.02	5.02	5.02	42.90	6.59	12.18	9%
Utilities	-3.01	-3.01	-3.01	-8.04	2.81	5.75	2%

### DOMESTIC EQUITY RETURNS

NAME	MTD	QTD	YTD	1YR	3YR	5YR
S&P 500 Index	1.68	1.68	1.68	20.79	10.95	14.27
S&P 400 Mid Cap Index	-1.71	-1.71	-1.71	4.73	6.89	9.98
S&P 600 Small Cap Index	-3.95	-3.95	-3.95	1.71	3.64	7.87
S&P 500/Citi Growth Index	2.89	2.89	2.89	26.65	7.79	15.19
S&P 500/Citi Value Index	0.30	0.30	0.30	14.53	13.76	12.28

### S&P 500 FACTOR RETURNS

NAME	MTD	QTD	YTD	1YR	3YR	5YR
S&P 500 Quality	3.01	3.01	3.01	22.85	11.83	15.36
S&P 500 Momentum	5.85	5.85	5.85	25.25	11.09	15.25
S&P 500 Equal Weight	-0.82	-0.82	-0.82	5.16	9.32	11.46
S&P 500 High Beta	-2.45	-2.45	-2.45	12.18	13.70	16.95
S&P 500 Low Volatility	0.99	0.99	0.99	1.68	7.11	7.50

## INTERNATIONAL EQUITY

International markets saw mixed returns to start off the New Year. Developed Markets (DM), as measured by the MSCI EAFE Index rose +0.6% while Emerging Markets (EM), measured by the MSCI EM Index fell -4.6% (both returns in USD). Positive returns out of Europe and Japan helped drive the positive performance in Developed Markets while China's continued weakness continued its' drag on performance for the group of Emerging Markets.

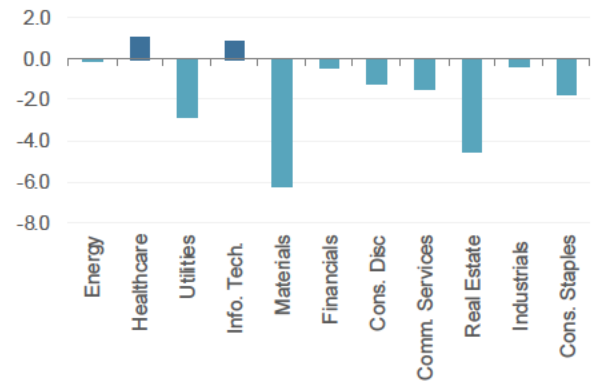
Economic optimism driven by inflation normalization, an upward trajectory in real estate and recent Central Bank action has been the backdrop for positive returns out of Japan recently. Bank of Japan Governor Kazuo Ueda shared at their January 22-23 meeting that they would be keeping their short term interest rate target at -0.1% and their 10-year JGB yield upper bound at 1.0%. Forecasts for the 2024 Japanese Consumer Price Index have now been lowered to 2.4%, down from forecasts of 2.8% in October 2023. A preliminary reading of Japan's Services Purchasing Managers' Index (PMI) for January showed a reading 52.7 which marks the 17<sup>th</sup> straight month of expansion in the service sector (a reading above 50 marks an expansionary environment). On the month, the Nikkei 225 Index posted an +8.4% gain (in JPY terms).

Chinese investors had a much different experience than those in Japan with the MSCI China Index falling a staggering -10.5% during the first month of 2024 (in USD terms). Despite continued efforts to stimulate markets, including a 50 basis point cut to the reserve ratio requirement on Chinese banks, investors were still sellers of this region. China now makes up less than 25% of the MSCI EM benchmark, marking nearly a 16 percentage point drop from the country's peak weight in 2020. Since 2021, Chinese stocks have lost almost \$4 trillion in value.

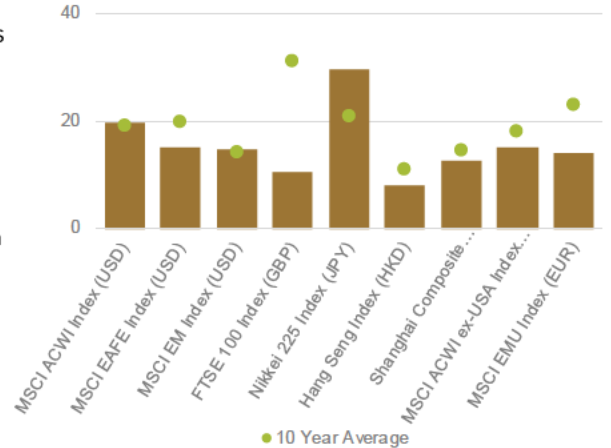
Shares in Europe saw a positive gain on the month with the MSCI EMU Index rising by +2.2% (in EUR terms). Performance attribution was mainly due to the European Central Bank leaving interest rates unchanged and seemed to signal a more dovish tone in their messaging. Market participants took keen notice to their messaging that "risks to economic growth remained tilted to the downside". Similar to the domestic US market, Large Cap stocks in Europe outperformed Small and Mid-Caps with both falling -0.8% and -0.1%, respectively.

At the ACWI ex US sector level, only Healthcare (+1.0%) and Information Technology (+0.9%) posted positive returns. The other 9 MSCI ACWI ex US sectors all posted negative returns, headlined by Materials (-6.3%) and Real Estate (-4.6%) (all in USD terms).

MTDMSCI ACWI SECTOR RETURNS



INTERNATIONAL EQUITY MARKET P/E RATIOS



### MSCI ACWI EX U.S. SECTOR RETURNS

### INTERNATIONAL EQUITY RETURNS

SECTOR	MTD	QTD	YTD	1YR	3YR	5YR	%	NAME	MTD	QTD	YTD	1YR	3YR	5YR
Energy	-0.12	-0.12	-0.12	11.87	16.90	5.59	10%	MSCI ACWI Index (USD)	0.61	0.61	0.61	15.27	6.62	10.72
Healthcare	1.09	1.09	1.09	7.01	0.20	7.18	8%	MSCI EAFE Index (USD)	0.59	0.59	0.59	10.67	5.20	7.54
Utilities	-2.79	-2.79	-2.79	-1.21	2.22	5.15	6%	MSCI EM Index (USD)	-4.64	-4.64	-4.64	-2.67	-7.20	1.32
Information Technology	0.86	0.86	0.86	21.09	0.44	14.62	11%	FTSE 100 Index (GBP)	-1.27	-1.27	-1.27	1.88	9.86	5.68
Materials	-6.25	-6.25	-6.25	-4.36	1.60	6.99	7%	Nikkei 225 Index (JPY)	8.44	8.44	8.44	35.54	11.62	14.04
Financials	-0.45	-0.45	-0.45	7.92	9.06	6.13	20%	Hang Seng Index (HKD)	-9.16	-9.16	-9.16	-26.34	-15.46	-8.15
Consumer Discretionary	-1.17	-1.17	-1.17	-0.74	-6.51	3.68	11%	Shanghai Composite Index (CNY)	-6.26	-6.26	-6.26	-11.97	-4.77	4.06
Communication Services*	-1.50	-1.50	-1.50	-5.67	-10.03	-0.47	5%	MSCI ACWI ex-USA Index (USD)	-0.98	-0.98	-0.98	6.44	1.66	5.87
Real Estate	-4.56	-4.56	-4.56	-5.73	-7.04	-5.35	2%	MSCI EMU Index (EUR)	2.22	2.22	2.22	11.59	10.41	9.55
Industrials	-0.37	-0.37	-0.37	14.62	4.96	8.12	12%	MSCI China Index (USD)	-10.51	-10.51	-10.51	-29.06	-22.91	-6.87
Consumer Staples	-1.73	-1.73	-1.73	-0.52	-0.18	3.08	8%	MSCI Canada Index (USD)	0.60	0.60	0.60	6.10	10.80	9.59
								MSCI EM ex-China (USD)	-2.49	-2.49	-2.49	10.38	1.19	4.77



## FIXED INCOME

The Federal Reserve meeting that wrapped up on January 31<sup>st</sup> was anticlimactic. The Fed signaled that expectations for near-term rate cuts are overblown, and mentioned preparations for the potential reduction in balance sheet run-off or Quantitative Tightening (QT). Yields pushed higher after the release of the decision, but that move didn't hold for long. After Fed Chair Powell's press conference, yields gapped lower. Given the retracement, the 10 year-Treasury bond yield is starting February near its lowest level of 2024.

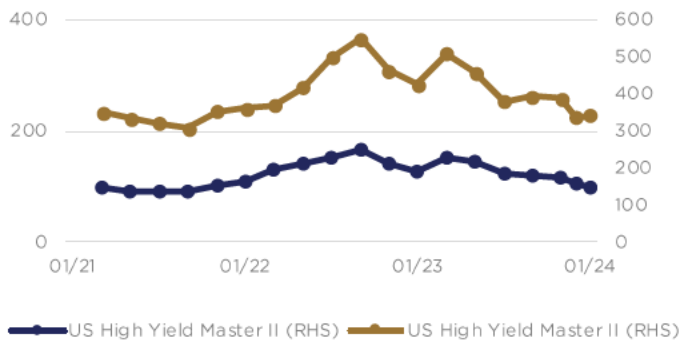
Performance in the month of January was led by High Yield bonds, with a 0% return. All other benchmarks tracked returned less than zero, although not significantly so. Investment Grade corporate bonds were the runner up with a return of negative 17 basis points. Credit spreads remain relatively tight, driven by the risk-on sentiment in the markets right now, as they anticipate the Fed reducing rates in the near future.

Many corporate borrowers have begun taking advantage of the drop in borrowing costs, driven by falling rates since the peak in yields during October of 2023, and tightening credit spreads since September of 2022. These two trends combine to offer an attractive window for companies with near-term maturities that need to be refunded to access the market.

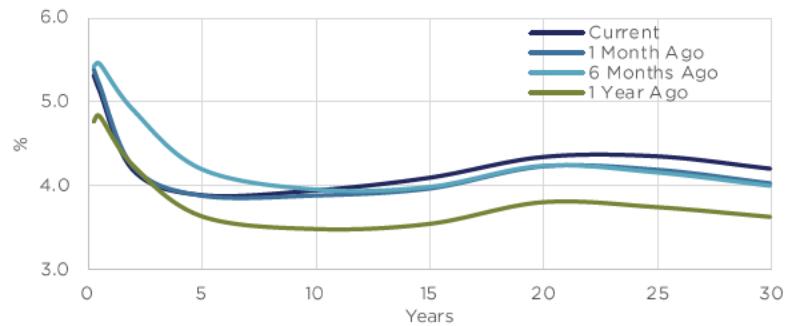
A week ago, Procter & Gamble (PG) issued its new 10-year bond at a spread of 37 basis points above the 10-year Treasury. This set a low bar mark for the tightest spread (lowest risk premium) ever achieved on a 10-year maturity corporate bond.

Tax-free municipal bonds were one of the worst performers in January. Having looked expensive for some time, this relative underperformance increases the relative value somewhat, but not enough to make shorter maturity yields compelling. Value can be found further out on the maturity spectrum.

OPTION-ADJUSTED SPREAD (OAS)



TREASURY YIELD CURVE



### U.S. TREASURY YIELDS

PERIOD	3MOS	1YR	5YR	10YR	20YR	30YR
Current	5.32	4.19	3.89	3.95	4.35	4.21
1 Month Ago	5.39	4.23	3.88	3.89	4.23	4.03
6 Months Ago	5.43	4.90	4.20	3.95	4.24	4.00
1 Year Ago	4.75	4.23	3.63	3.47	3.79	3.62

### CENTRAL BANK ACTIVITY

NAME	CURRENT	1 MTH AGO	6 MTH AGO	1YR AGO
Fed Funds Rate	5.50	5.50	5.50	4.75
Bank of Japan Target Rate	0.10	0.10	0.10	0.10
European Central Bank Rate	4.50	4.50	4.00	2.50
Bank of England Base Rate	5.25	5.25	5.00	3.50

### FIXED INCOME RETURNS

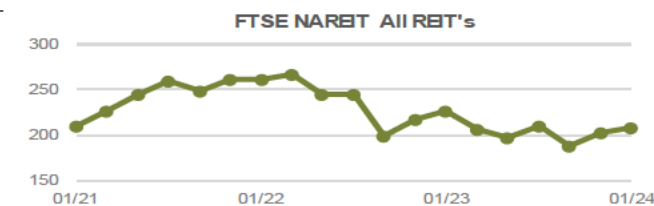
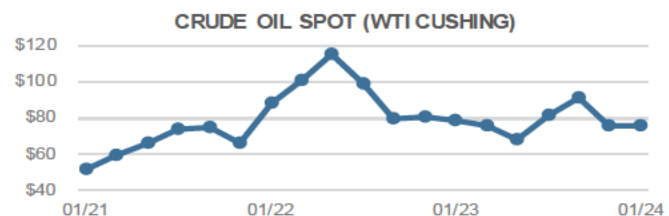
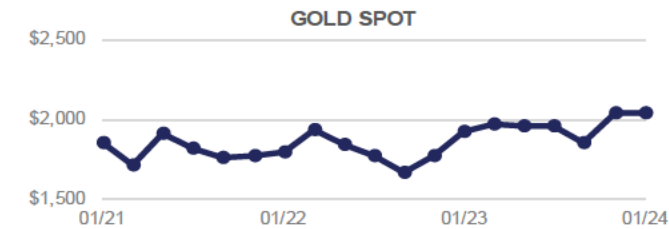
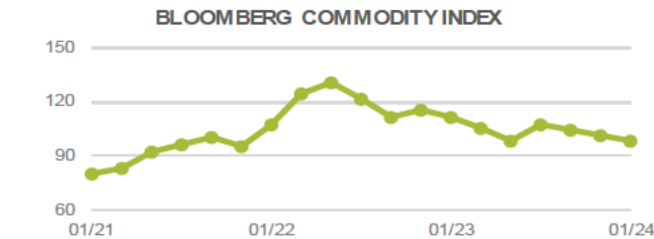
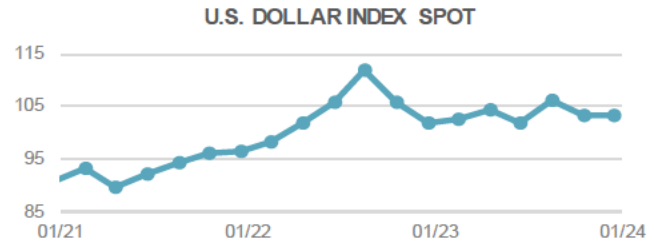
NAME	MTD	QTD	YTD	1YR	3YR	5YR
Bloomberg Barclays US Government Index	-0.27	-0.27	-0.27	1.30	-3.52	0.41
Bloomberg Barclays US Agg Index	-0.27	-0.27	-0.27	2.10	-3.16	0.83
Bloomberg Barclays US Corporate Index	-0.17	-0.17	-0.17	4.16	-2.92	2.12
Bloomberg Barclays US Corporate High Yield Index	0.00	0.00	0.00	9.28	1.87	4.44
Bloomberg Barclays EM USD Agg Index	-0.56	-0.56	-0.56	5.11	-3.03	1.09
Bloomberg Barclays Global Agg Treasuries USD Index	-0.27	-0.27	-0.27	4.47	-2.12	0.82
Bloomberg Barclays Municipal Index	-0.51	-0.51	-0.51	2.90	-0.78	1.99

## ALTERNATIVE INVESTMENTS

Alternative investments had mixed returns in January. The Bloomberg Commodity Index returned a relatively muted -0.4% during the month, but there was a wide disparity of returns in the underlying components.

WTI Crude Oil spot price rose +7.1% in January to \$75.85, adding further volatility to the oil markets after a rocky 2023. The oil market was relatively subdued in response to the Israel-Hamas War that began in October last year, but new developments may have sparked the move higher in prices. Yemen's Houthi rebels have attacked oil-carrying vessels in recent weeks, making shipping more difficult and making the United States more involved in Middle East tensions. In addition to the geopolitical issues, winter storms in the U.S. hurt domestic production during the month. Despite the recent rise, the AAA national average price of gas was \$3.14 per gallon as of month end, lower than a year ago and much lower than the high of \$5.01 per gallon consumers faced in June 2022.

The U.S. Dollar Index rose +2.0% during the month compared to a basket of other global currencies. The U.S. Dollar rallied to close out the month in response to the Fed leaving rates unchanged during the January FOMC meeting and signaling that rate cuts may still be months away. The rise also happened in the face of the SEC approval of Bitcoin ETFs in mid-January, as proponents like to tout Bitcoin as an alternative to classic currencies. We'll be monitoring the U.S. Dollar closely for any signs of a reversal in prices which could help other asset classes such as International equities and gold.



### SPOT RATES

DESCRIPTION	CURRENT	1 MTH AGO	3 MTHS AGO	6 MTHS AGO	1 YR AGO
CAD / USD	1.34	1.32	1.39	1.32	1.33
JPY / USD	146.92	141.04	151.68	142.29	130.09
USD / GBP	1.27	1.27	1.22	1.28	1.23
USD / EUR	1.08	1.10	1.06	1.10	1.09

### HEDGE FUNDS

NAME	MTD	QTD	YTD	1YR	3YR	5YR
Global Hedge	2.83%	4.33%	7.72%	4.25%	3.00%	5.03%
Convertible Arbitrage	1.94%	2.37%	6.01%	4.46%	4.00%	6.84%
Event Driven	3.69%	4.19%	7.59%	4.55%	5.35%	5.91%
Macro Hedge	1.82%	1.12%	1.54%	0.21%	3.17%	4.38%
Merger Arbitrage	2.16%	2.82%	4.80%	4.39%	4.89%	6.07%

Note: Price Return, Returns as of 1/31/2024

### COMMODITIES

	MTD	QTD	YTD	1YR	3YR	5YR
Dollar	1.96%	1.96%	1.96%	1.86%	2.95%	0.90%
BCOM	-0.44%	-0.44%	-0.44%	-10.27%	6.39%	3.95%
Gold	-1.07%	-1.07%	-1.07%	4.61%	3.12%	9.14%
WTI	7.12%	7.12%	7.12%	1.18%	24.44%	11.54%
FTSENAREIT	-4.86%	-4.86%	-4.86%	-3.75%	3.22%	4.35%

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

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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 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 pre-refunded bonds.

**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 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. 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-through), 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 (COAO))** – The Bloomberg Barclays 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 (SPGRSLT)** - 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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