

ECONOMIC OVERVIEW

The U.S. economic “soft-landing” is occurring, with employment stable, inflationary pressures at bay, and economic growth steady. Whether it can continue into year-end depends largely on an increasingly stretched consumer, grappling with higher borrowing costs and lower wage increases. Election-year noise aside, the U.S. economy remains the envy of the world, with technological innovation and advances in artificial intelligence driving much of the growth.

The Federal Open Market Committee convened yesterday, July 31st, and while they held interest rates steady, Chair Powell did, in his own way, suggest that September’s meeting (there is no formal policy meeting in August), was perhaps live in terms of an interest rate cut. Despite appearances of political influence in terms of the timing, it’s important to remember that monetary policy acts with a lag, current rates are restrictive, and historically the Fed’s role has been to take away the punch bowl just as the party is getting started.

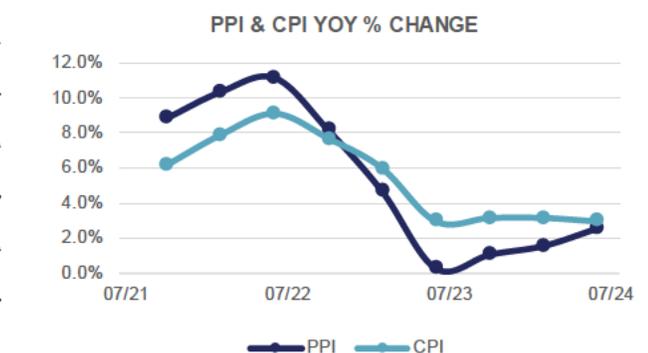
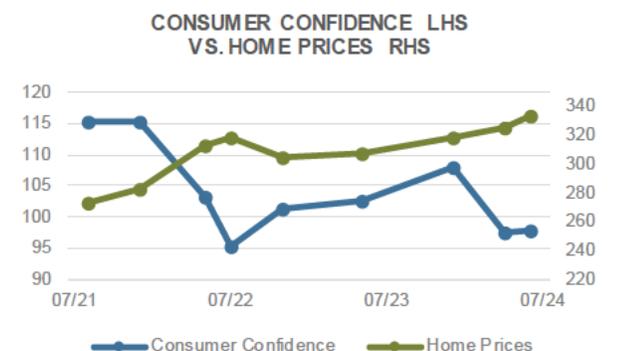
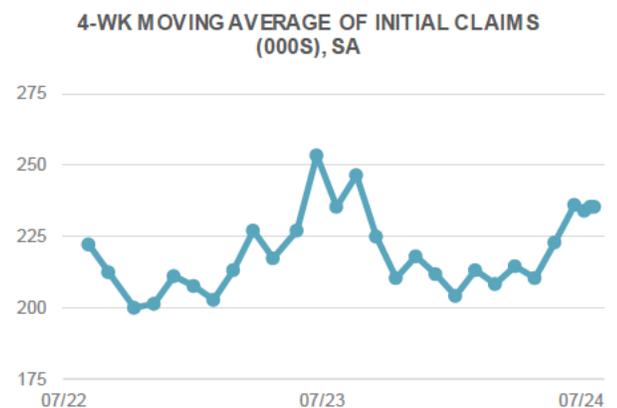
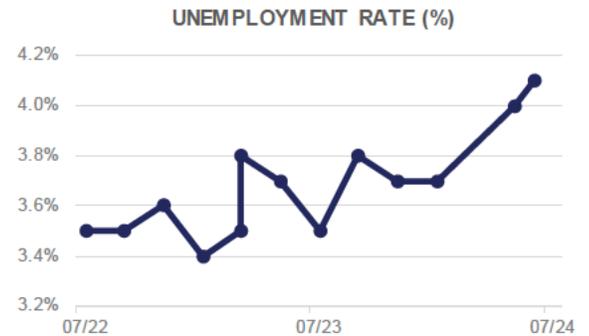
With June’s Unemployment Rate coming in at 4.1%, and with tomorrow’s reading for July expected to show no change according to Factset’s consensus forecast, the labor market has softened enough to give the Fed air cover to begin lowering rates. The Job Openings number for June has fallen to 8,184k, while Continuing Claims have ticked up to 1,877k. It’s important to remember that the Fed’s goal is not to increase unemployment, per se, but rather to reduce the demand for labor, thereby lowering wage inflation. So far, mission accomplished.

In regard to prices, the latest CPI report showed consumer prices fell -0.1% in June, while edging +3.0% higher YoY. Ex Food & Energy, prices ticked up +0.1% MoM, and are up +3.3% YoY. At the wholesale level, PPI rose +0.2% MoM and is up +2.6% YoY, while core PPI rose +0.4% in June and +3.0% YoY. Despite its stated goal of 2.0% inflation, our feeling is that the Fed may be comfortable with “2.something%” and call it a day.

Being mindful that roughly 2/3 of U.S. GDP depends on consumption, we remain wary of the increasing pressure on workers at the lower end of the wage spectrum. Inflationary pressures, along with higher borrowing costs are particularly punitive to this cohort, and cracks are forming, with a slowdown in spending, loan payments extensions and a higher default rate looming. Along with growing concern over the commercial real estate market, Chair Powell and the Fed would be wise to begin easing before too much more damage is done.

KEY DATA POINTS

DATA POINT	CURRENT	FOR	PREVIOUS	FOR
Retail Sales ex. Autos MOM %	0.4	June	0.1	May
Housing Starts	1353K	June	1314K	May
Factory Orders MOM %	-0.50	May	0.40	Apr
Leading Indicators MOM %	-0.20	June	-0.40	May
Unit Labor Costs	4.00	Q1 2024	-2.80	Q4 2023
GDP QOQ (Annualized)	2.80	Q2 2024	1.40	Q1 2024
Wholesale Inventories	0.20	June	0.60	May
MBA Mortgage Applications	-3.90	July	-2.60	June



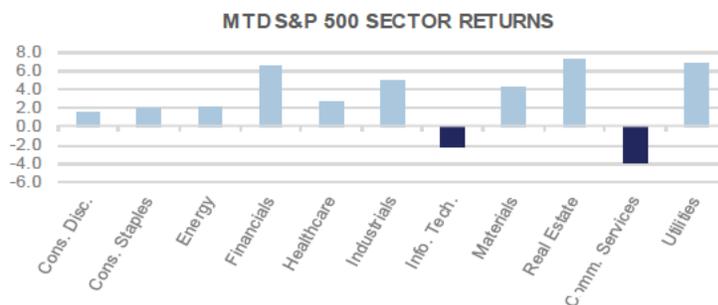
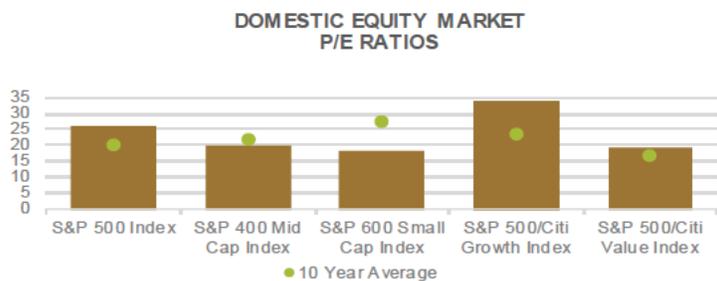
DOMESTIC EQUITY

U.S. equities rallied in July, with the benchmark S&P 500 Index gaining +1.2%. The stars of the show, however, were Small- and Mid-Cap stocks, which surged on the back of a softer than expected Consumer Price Index (CPI) print for June, which caused a downshift in interest rates, and the market price in a near 100% probability of a September rate cut. Small-Caps, as measured by the S&P 600 Index, rallied +10.8% during the period, while Mid-Caps, as measured by the S&P 400 Index posted an impressive +5.8% gain.

Within the Large-Cap universe, performance “down” cap was equally impressive, with the S&P 500 Equal Weight Index posting a +4.5% return during the period. From a style perspective, Value outperformed Growth, with the S&P 500 Citi Value Index gaining +4.8%, while the S&P 500 Citi Growth Index *lost* -1.3% during the month. The rotation out of Growth (i.e. AI) stocks was notable, as investors questioned the price run up and considerable multiple expansion that has taken place year to date.

The aforementioned rotation can also be seen through sector performance for the month. Cyclical and rate sensitive sectors performed the best, with Real Estate (+7.2%) and Utilities (+6.8%) leading the charge. Financials (+6.5%), Industrials (+4.9%), Materials (+4.4%), and Healthcare (+2.7%) outperformed the broader market as expectations for future rate cuts from the Fed rose. Communication Services (-4.0%) and Information Technology (-2.1%) were the bottom performers on the month.

Looking ahead, we continue to believe that market concentration remains a significant risk to equity investors, and as air comes out of the AI trade, investors will rotate into more attractively valued parts of the market like the “average” stock, and most notably Mid- and Small-Caps. Whether or not July was the start of a regime change remains to be seen, but in the meantime July showed the power of rotation, and the importance of a well diversified portfolio.



S&P 500 SECTOR RETURNS

SECTOR	MTD	QTD	YTD	1YR	3YR	5YR	% Wt.
Consumer Discretionary	1.66	1.66	7.41	12.21	2.62	10.66	10%
Consumer Staples	1.93	1.93	11.08	7.93	6.91	9.32	6%
Energy	2.11	2.11	13.27	10.09	28.71	13.72	4%
Financials	6.46	6.46	17.28	26.05	8.22	11.35	13%
Healthcare	2.65	2.65	10.67	13.48	5.97	12.46	12%
Industrials	4.90	4.90	13.03	17.71	9.13	12.40	8%
Information Technology	-2.09	-2.09	25.57	35.20	17.42	25.77	31%
Materials	4.39	4.39	8.61	9.71	5.31	11.92	2%
Real Estate	7.22	7.22	4.59	11.82	-0.54	5.50	2%
Communication Services*	-4.01	-4.01	21.60	30.03	3.75	13.01	9%
Utilities	6.78	6.78	16.86	12.36	6.69	7.57	2%

DOMESTIC EQUITY RETURNS

NAME	MTD	QTD	YTD	1YR	3YR	5YR
S&P 500 Index	1.22	1.22	16.69	22.13	9.56	14.96
S&P 400 Mid Cap Index	5.81	5.81	12.31	15.38	6.28	11.21
S&P 600 Small Cap Index	10.79	10.79	9.97	14.02	3.95	9.97
S&P 500/Citi Growth Index	-1.31	-1.31	21.94	26.90	7.57	16.27
S&P 500/Citi Value Index	4.75	4.75	10.81	16.76	10.95	12.50

S&P 500 FACTOR RETURNS

NAME	MTD	QTD	YTD	1YR	3YR	5YR
S&P 500 Quality	1.73	1.73	20.38	25.29	10.88	16.09
S&P 500 Momentum	-1.62	-1.62	31.78	52.56	14.01	17.82
S&P 500 Equal Weight	4.49	4.49	9.79	12.90	5.92	11.71
S&P 500 High Beta	2.94	2.94	6.20	9.16	7.27	17.04
S&P 500 Low Volatility	4.40	4.40	9.61	9.86	4.92	6.59

INTERNATIONAL EQUITY

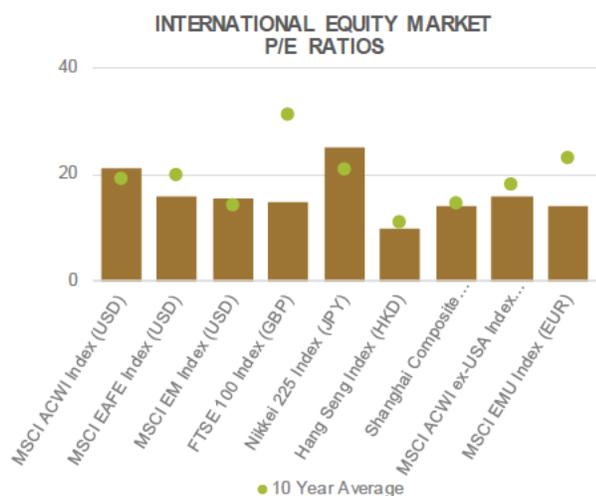
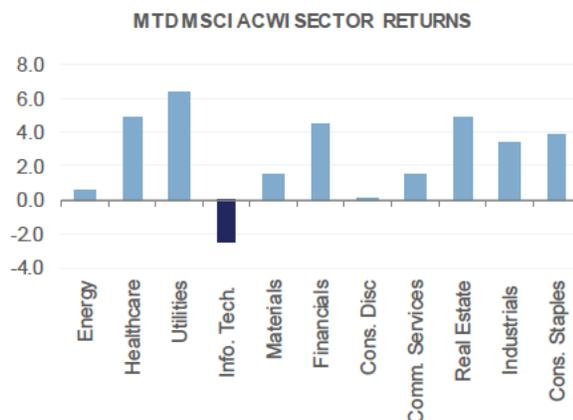
Developed (DM) and Emerging (EM) market equities posted positive performance in July; rising +3.0% and +0.4%, respectively. While EM lagged the broader market due to underperformance from China (-1.2%), DM was lifted by outperformance in Switzerland (+4.8% in USD), the UK (+4.1% in USD), and France (+2.4% in USD).

The Bank of Japan raised its benchmark interest rate to 0.25% on the final day of the month. Kazuo Ueda, the bank's governor, acknowledged the historically weak Yen as a possible hinderance to economic growth. The policy move was anticipated by markets, and sparked a rally in the currency from an intramonth level of 161.69 to close at 149.98. While in JPY terms the Nikkei 225 fell -1.2% for the month, the stronger Yen pushed the index up +5.5% in USD.

India has been a steady outperformer in EM. The MSCI India Index returned +4.0% in July and +21.9% YTD (both USD). India has been a beneficiary as companies re-engineer their supply chains to be less reliant on China. As an example, Apple now produces 1 in 7 iPhones in the country, double the rate from a year ago, according to Bloomberg.

China continued to lag global markets, falling -1.2% on the month and -12.0% YTD. Chinese manufacturing activity, as measured by the National Bureau of Statistics PMI, continued to deteriorate for the third straight month to 49.4 from 49.5 in June (values below 50 signal a contraction).

Information Technology was the lone ACWI ex US sector to post negative performance, falling -2.4%. Utilities (+6.4%), Healthcare (+5.0%), and Real Estate (+4.9%) led the way as investors pivoted out of growth and into more defensive positions.



MSCI ACWI EX U.S. SECTOR RETURNS

SECTOR	MTD	QTD	YTD	1YR	3YR	5YR	%
Energy	0.55	0.55	7.72	14.33	14.97	7.18	9%
Healthcare	4.95	4.95	13.35	13.00	2.17	8.26	8%
Utilities	6.37	6.37	12.42	12.05	5.68	6.79	6%
Information Technology	-2.43	-2.43	14.50	23.90	2.36	15.26	11%
Materials	1.59	1.59	-1.76	0.62	-1.93	7.47	7%
Financials	4.52	4.52	14.11	18.55	9.24	8.50	21%
Consumer Discretionary	0.11	0.11	2.51	-3.31	-5.24	3.24	11%
Communication Services*	1.53	1.53	7.50	1.40	-6.92	-1.33	5%
Real Estate	4.90	4.90	-0.04	3.48	-6.94	-4.55	2%
Industrials	3.38	3.38	10.40	13.66	4.63	9.05	13%
Consumer Staples	3.83	3.83	-0.86	-3.64	-2.03	1.48	8%

INTERNATIONAL EQUITY RETURNS

NAME	MTD	QTD	YTD	1YR	3YR	5YR
MSCI ACWI Index (USD)	1.64	1.64	13.41	17.57	6.26	11.58
MSCI EAFE Index (USD)	2.96	2.96	8.91	11.85	4.26	7.97
MSCI EM Index (USD)	0.36	0.36	8.01	6.59	-2.40	3.75
FTSE 100 Index (GBP)	2.53	2.53	10.58	12.83	9.92	5.76
Nikkei 225 Index (JPY)	-1.21	-1.21	17.86	20.06	15.01	14.89
Hang Seng Index (HKD)	-1.04	-1.04	5.11	-9.70	-9.25	-5.77
Shanghai Composite Index (CNY)	0.28	0.28	1.21	-8.16	-2.11	2.58
MSCI ACWI ex-USA Index (USD)	2.36	2.36	8.54	10.32	2.35	6.84
MSCI EMU Index (EUR)	0.49	0.49	9.55	10.85	6.65	8.87
MSCI China Index (USD)	-1.16	-1.16	3.56	-12.04	-13.54	-4.31
MSCI Canada Index (USD)	5.94	5.94	12.31	16.73	8.35	10.55
MSCI EM ex-China (USD)	0.84	0.84	9.33	14.49	2.48	7.16

FIXED INCOME

The Federal Reserve concluded their two day meeting yesterday, announcing that the Federal Funds Rate would remain unchanged, while opening the door for a rate cut at the September meeting. The future cut is dependent on continued supportive economic data. The recent trend of weakening employment and falling inflation seems unlikely to reverse, and with the Fed Funds markedly higher than the rate of inflation, Chairperson Powell has plenty of room to lower the rate.

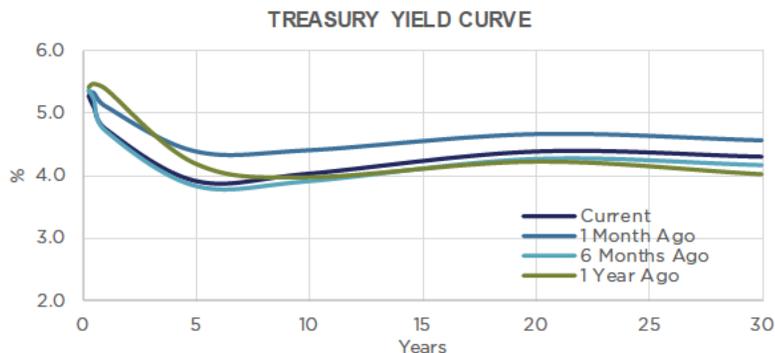
The coming Presidential election does present a timing issue. While Chair Powell has clearly signaled that he is not worried about beginning what will likely be a series of rate cuts in September, traditionally, the Fed tries to avoid the appearance of a perceived conflict by pausing interest rate moves near elections. If they choose to continue this tradition, the next interest rate cut would likely occur in December, once the election has been decided.

Fixed Income performance in the month of July was unusually uniform, with most tracked indices gaining between +1.8% and +2.4%, as yields broadly declined.

Mortgage bonds are a significant exposure within the Agg Index, and have performed strongly over the past few months. When combined with the Investment Grade corporate bond component of the Agg, it led to a monthly return of +2.3% for July. This put the Agg ahead of the Government Index alone, but slightly behind the Investment Grade Index return.

Investment Grade and High Yield credit spreads tightened during the first half of the month, then widened going in to the Fed meeting. The effect on overall performance was relatively muted, with the gains primarily driven by the decline in yields, pushing bond prices higher.

Tax-free municipal bond performance trailed the taxable indices, returning +0.9% in July. Some of this underperformance developed in the final days of the month as municipal bonds failed to keep up with the rally experienced as taxable bond yields decreased. There is often a lag in the response of the municipal bond market. Next month may see tax-free bond performance catch up to the rest of the bond market.



U.S. TREASURY YIELDS

PERIOD	3MOS	1YR	5YR	10YR	20YR	30YR
Current	5.29	4.75	3.91	4.03	4.39	4.30
1 Month Ago	5.36	5.12	4.38	4.40	4.66	4.56
6 Months Ago	5.37	4.72	3.84	3.91	4.27	4.17
1 Year Ago	5.42	5.39	4.18	3.96	4.21	4.01

CENTRAL BANK ACTIVITY

NAME	CURRENT	1MTH AGO	6 MTH AGO	1YR AGO
Fed Funds Rate	5.50	5.50	5.50	5.50
Bank of Japan Target Rate	0.25	0.10	-0.10	-0.10
European Central Bank Rate	4.25	4.25	4.50	4.00
Bank of England Base Rate	5.25	5.25	5.25	5.00

FIXED INCOME RETURNS

NAME	MTD	QTD	YTD	1YR	3YR	5YR
Bloomberg US Government Index	2.17	2.17	1.33	4.18	-2.92	-0.16
Bloomberg US Agg Index	2.34	2.34	1.61	5.10	-2.63	0.19
Bloomberg US Corporate Index	2.38	2.38	1.89	6.76	-2.70	0.98
Bloomberg US Corporate High Yield Index	1.94	1.94	4.58	11.05	2.16	4.20
Bloomberg EM USD Agg Index	1.85	1.85	4.11	8.66	-1.67	0.64
Bloomberg Global Agg Treasuries USD Index	1.80	1.80	1.65	5.46	-1.50	0.13
Bloomberg Municipal Index	0.91	0.91	0.50	3.74	-0.85	1.18

ALTERNATIVE INVESTMENTS

Alternatives were mixed in July as the Bloomberg Commodity Index, which covers a broad basket of commodity futures, and WTI Crude Oil were both down on the month. Gold continued its historic run, rising over 5% in the month and over 18% year to date.

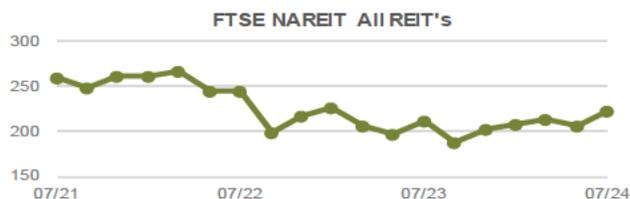
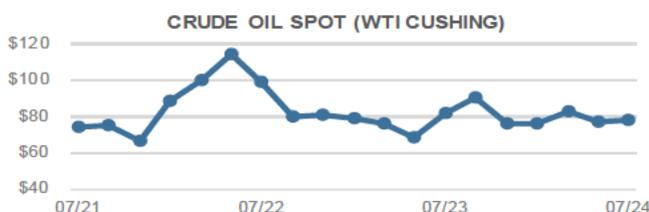
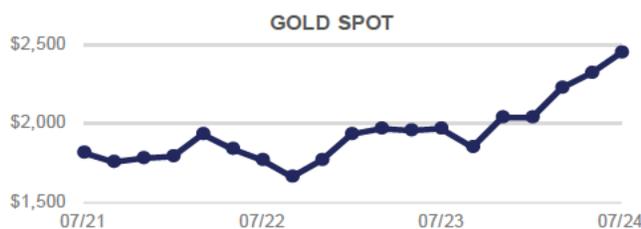
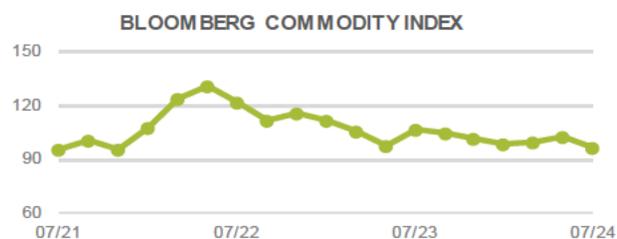
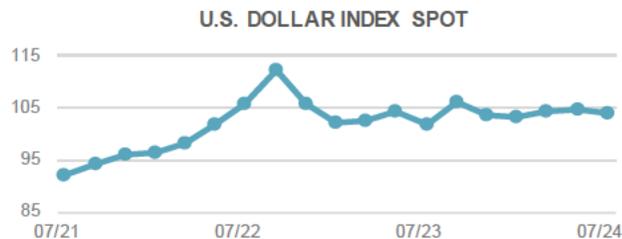
Meanwhile, as many Americans have been traveling during the summer months and exports have continued to rise, US Crude inventories have fallen each week in July as demand has been above 9 million barrels a day for four of the past five weeks. Commercial Crude oil stocks (excluding the SPR) fell by 3.4 million barrels to 43 million barrels in the last week of July, which is about 4% below the five year average for this time of year, as mentioned by the US Energy Information Administration.

Shifting gears to currency, the Japanese Yen strengthened against the Dollar over the last month. Contrary to most central banks around the world, The Bank of Japan raised its benchmark interest rates, citing concerns over the historical weakness of their currency. The Yen had fallen to its lowest levels since 1986, which imposed risks of pushing up inflation and hurting growth according to the Japanese Gov. Kazuo Ueda. The effect was a more than 6% weakening of the Dollar vs the Yen in July. Ueda has made it clear that the Bank of Japan won't hesitate to raise rates in the future if data confirms the economy and prices are moving in line with the bank's projections.

As mentioned above, Gold has exhibited strong performance in July and throughout 2024. This is slightly unusual given the US stock market has also had a positive year. Historically, Gold is considered a diversifying asset class in that returns are often uncorrelated with markets. In turn, Gold often works well as a hedge against falling markets. However, Gold can also rise in periods of inflation or geopolitical uncertainty. Numerous central banks worldwide have been increasing their Gold reserves in the first half of 2024, which has contributed to the rally. We will be watching Gold closely for the remainder of the year as falling rates could serve as an additional tail wind moving forward.

SPOT RATES

DESCRIPTION	CURRENT	1MTH AGO	3 MTHS AGO	6 MTHS AGO	1 YR AGO
CAD / USD	1.38	1.37	1.38	1.34	1.32
JPY / USD	149.98	160.88	157.80	146.92	142.29
GBP / USD	0.78	0.79	0.80	0.79	0.78
EUR / USD	0.92	0.93	0.94	0.92	0.91



HEDGE FUNDS

NAME	MTD	QTD	YTD	1YR	3YR	5YR
Global Hedge	-0.14%	1.89%	6.90%	9.78%	2.73%	5.62%
Convertible Arbitrage	0.55%	3.38%	7.13%	9.94%	4.62%	7.39%
Event Driven	-0.78%	1.51%	4.33%	7.89%	2.95%	6.19%
Macro Hedge	-0.63%	1.18%	6.60%	7.57%	3.12%	4.57%
Merger Arbitrage	0.20%	0.64%	0.53%	4.82%	3.27%	5.63%

COMMODITIES

	MTD	QTD	YTD	1YR	3YR	5YR
Dollar	-1.24%	-1.24%	3.37%	2.93%	3.20%	0.82%
BCOM	-4.50%	-4.50%	-2.23%	-10.15%	0.06%	4.04%
Gold	5.19%	5.19%	18.64%	24.55%	10.48%	11.31%
WTI	-1.07%	-1.07%	24.90%	12.51%	15.81%	13.51%
FTSENAREIT	7.18%	7.18%	4.83%	11.14%	-0.67%	4.53%

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

PORTFOLIO MANAGERS

Thomas Quealy, Chief Executive Officer - tom.quealy@nottinghamadvisors.com

Lawrence Whistler, CFA, President - larry.whistler@nottinghamadvisors.com

Matthew Krajna, CFA, Co-Chief Investment Officer, Director of Equity Research, and Senior Portfolio Manager - matthew.krajna@nottinghamadvisors.com

Timothy Calkins, CFA, Co-Chief Investment Officer, Director of Fixed Income, and Senior Portfolio Manager - timothy.calkins@nottinghamadvisors.com

Nicholas DiRienzo, CFA, Chief Compliance Officer and Director of Operations - nicholas.dirienzo@nottinghamadvisors.com

Michael Skrzypczyk, CFA, Senior Portfolio Manager - michael.skrzypczyk@nottinghamadvisors.com

Conner Gyllenhammer, CFA, Associate Portfolio Manager - conner.gyllenhammer@nottinghamadvisors.com

Ryan Flynn, Senior Trader - ryan.flynn@nottinghamadvisors.com

NEW YORK OFFICE
PH: 716-633-3800
FAX: 716-633-3810
100 Corporate Parkway
Suite 338
Amherst, NY 14226

FLORIDA OFFICE
PH: 800-281-8974
3801 PGA Boulevard
Suite 600
Palm Beach Gardens, FL 33410

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-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 (LG2OTRUU) – 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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100 Corporate Parkway | Suite 338 | Buffalo, NY 14226 | 716-633-3800 | www.nottinghamadvisors.com