

ECONOMIC OVERVIEW

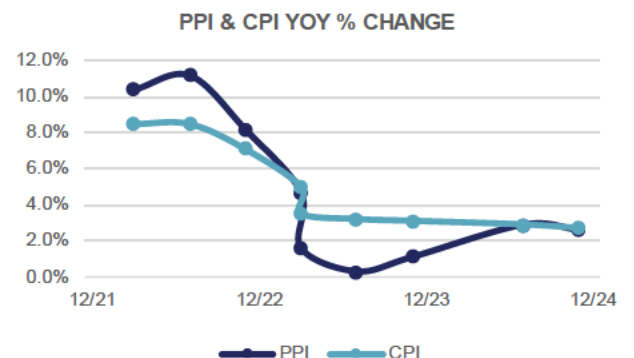
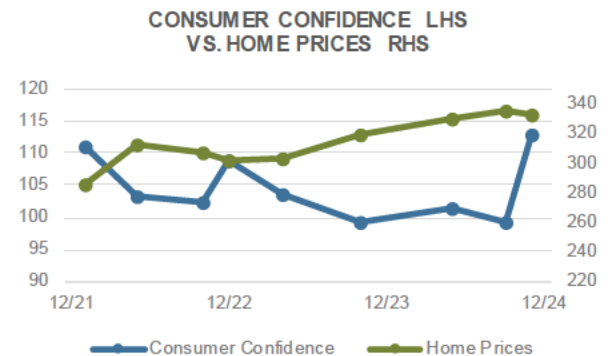
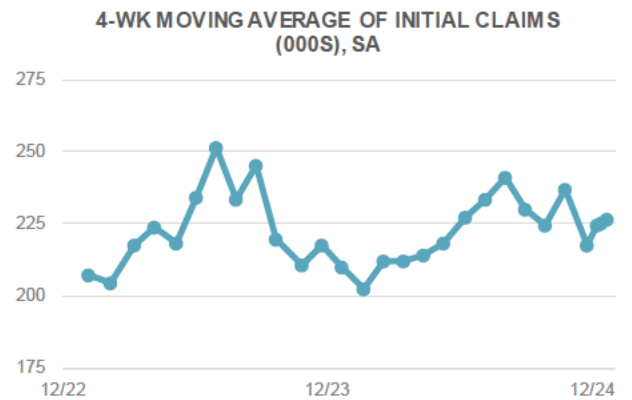
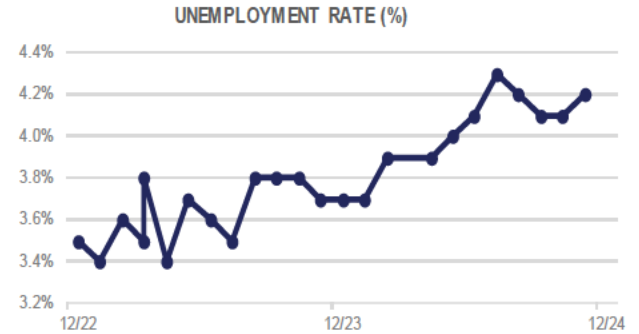
To close out the year The Fed cut rates by a quarter point to 4.25%-4.5%, as the market expected. Now the messaging of fewer cuts next year coupled with the possibility of higher expected inflation seems to be front of mind for many investors. Following the meeting, bond yields initially rose, with the biggest increase in 2- and 3-year notes and smaller increases in longer maturities, reflecting the expected pause.

The statement released by the committee changed only slightly, to include "In considering the **extent and timing** of additional adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks." This led most to believe they are open to skipping cuts at future meetings.

Beth Hammack was the only voting member to openly express opposition to the cuts and instead favored no change in rates for now. However, there are four dots still at 4.625%, suggesting others may have also opposed the rate cuts at this time. The median dots for 2025 now illustrates two cuts (previously four) while the GDP forecast and projections for unemployment remain relatively unchanged. The most significant change in forecasts came in the inflation outlook. The 2025 PCE forecast rose from 2.1% to 2.5%, while the core PCE inflation forecast rose from 2.2% to 2.5%.

According to the National Association of Realtors, existing-home sales ascended +4.8% in November to a seasonally adjusted annual rate of 4.15 million, the swiftest pace since March (4.22 million). Sales accelerated +6.1% from one year ago, the largest year-over-year gain since June 2021 (+23.0%).

This is a stark contrast to December which saw a cooling in mortgage applications possibly signaling a slowdown in the very hot housing market. Mortgage volumes were the lowest in 10 months on a seasonally adjusted basis likely attributed to elevated borrowing costs. As we go to print, 30 year mortgage rates flirt with 7%, as we have seen longer-dated Treasury yields rise following hawkish projections by the FOMC.



KEY DATA POINTS

DATA POINT	CURRENT	FOR	PREVIOUS	FOR
Retail Sales ex. Autos MOM %	0.2	Nov	0.2	Oct
Housing Starts	1289K	Nov	1312K	Oct
Factory Orders MOM %	0.20	Oct	-0.20	Sep
Leading Indicators MOM %	0.30	Nov	-0.40	Oct
Unit Labor Costs	0.80	Q3 2024	-1.10	Q2 2024
GDP QOQ (Annualized)	3.10	Q3 2024	3.00	Q2 2024
Wholesale Inventories	-0.20	Nov	0.10	Oct
MBA Mortgage Applications	-0.70	Dec	2.80	Nov

DOMESTIC EQUITY

U.S. equities closed 2024 on a relative low note, with the benchmark S&P 500 Index shedding -2.4% to close at 5,882. While a Santa Claus rally didn't materialize this year, the market as a whole made 57 all-time highs and posted a +25.0% total return on the year. What's more, the market's two-year performance ranks as one of the best since 1998.

From a market capitalization standpoint, 2024 was again dominated by the largest names in the broad market index. Specifically, the S&P Top 50 Index posted gains of +0.6% in December, showing some defensiveness relative to the rest of the market, and gains of +33.8% in 2024. The more than +800 basis point outperformance of Mega-Caps relative to the S&P 500 Index as a whole can also be highlighted by Factor and Sector contribution and concentration. For example, the S&P Momentum Index gained +46.0% in 2024, a nearly +1,000 basis point outperformance over the S&P 500 Growth Index (+36.1% return), and a nearly +2,000 basis point return on the S&P 500 Quality Index (+25.7% return). The S&P 500 Value Index on the other hand returned +12.3%.

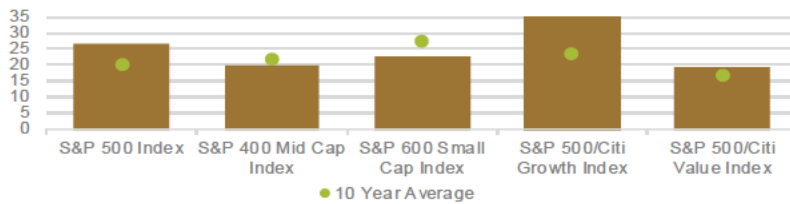
From a sector standpoint, 8 of 11 S&P 500 sectors finished December in negative territory. The laggards were notable Value oriented sectors such as Materials (-10.7%) and Energy (-9.5%), while interest rate sensitive sectors such as Real Estate (-8.6%) and Utilities -7.9%) were impacted by rising interest rates. Communication Services (+3.6%), Consumer Discretionary (+2.4%), and Information Technology (+1.2%) were the top performers on the month.

Small- and Mid-Caps gave back gains in December, with the Mid-Cap 400 and Small-Cap 600 Indices posting returns of -7.1% and -9.0%, respectively. While SMID-Caps collectively were underperformers during the period, their valuations remain compelling compared to Large-Caps, and Growth oriented sectors heading into 2025

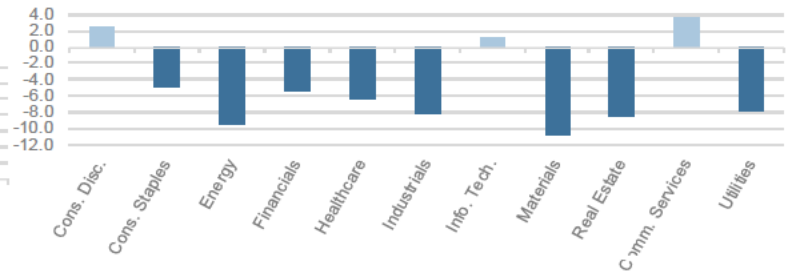
Concentration risk remains top of mind heading into 2025. The "Magnificent 7" again produced outsized returns in 2024. According to data compiled by JP Morgan, the Magnificent 7 represented 55% of the market's overall return. This small cohort of the market has been responsible for more than 50% of market returns for the past 3 consecutive years. Concentration risk can also be seen by the fact the U.S. makes up more than 67% of the world's investable universe, and that the top 10 names in the S&P 500 represent nearly 39% of the market, both all-time highs.

Concentrated performance remains a key risk for 2025; however, concentration may pose an opportunity for rebalancing across the rest of the market - from the "other" 493 stocks in the S&P 500, to Small- and Mid-Caps, and Value oriented 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	2.39	14.25	30.14	30.14	5.25	14.09	12%
Consumer Staples	-4.97	-3.26	14.87	14.87	4.69	8.55	6%
Energy	-9.47	-2.44	5.72	5.72	19.89	12.03	3%
Financials	-5.46	7.06	30.50	30.50	9.36	11.62	13%
Healthcare	-6.21	-10.30	2.58	2.58	0.87	7.98	10%
Industrials	-7.98	-2.41	17.30	17.30	9.37	11.96	8%
Information Technology	1.16	4.84	36.61	36.61	15.67	24.52	32%
Materials	-10.72	-12.42	-0.04	-0.04	-0.44	8.68	2%
Real Estate	-8.60	-7.94	5.23	5.23	-4.41	4.54	2%
Communication Services	3.58	8.87	40.23	40.23	9.50	14.55	10%
Utilities	-7.93	-5.51	23.43	23.43	5.21	6.61	2%

DOMESTIC EQUITY RETURNS

NAME	MTD	QTD	YTD	1YR	3YR	5YR
S&P 500 Index	-2.39	2.39	25.00	25.00	8.91	14.49
S&P 400 Mid Cap Index	-7.12	0.33	13.89	13.89	4.82	10.29
S&P 600 Small Cap Index	-7.96	-0.59	8.65	8.65	1.84	8.28
S&P 500/Citi Growth Index	0.85	6.15	36.02	36.02	7.67	17.05
S&P 500/Citi Value Index	-6.81	-2.68	12.27	12.27	9.12	10.45

S&P 500 FACTOR RETURNS

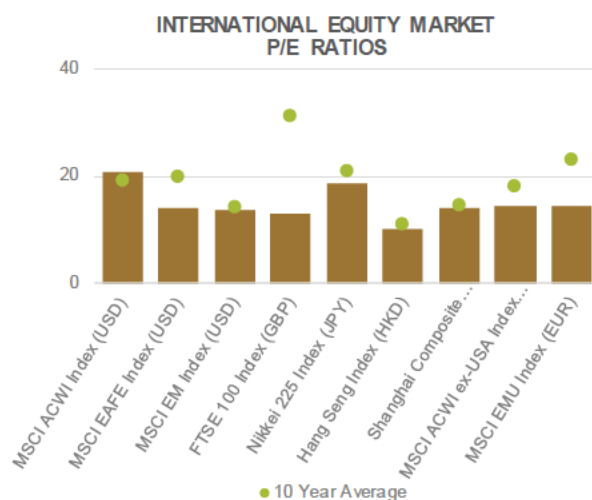
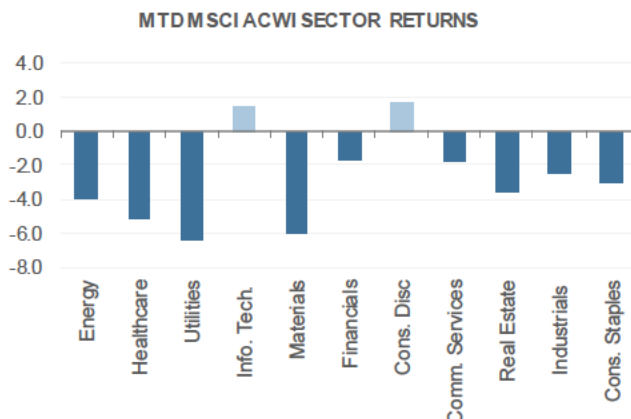
NAME	MTD	QTD	YTD	1YR	3YR	5YR
S&P 500 Quality	-2.60	-0.09	25.70	25.70	9.84	14.82
S&P 500 Momentum	-1.71	4.97	46.01	46.01	15.44	19.36
S&P 500 Equal Weight	-6.26	-1.87	13.01	13.01	4.45	10.75
S&P 500 High Beta	-4.66	-0.49	8.74	8.74	4.99	15.43
S&P 500 Low Volatility	-6.28	-1.97	14.26	14.26	3.16	6.19

INTERNATIONAL EQUITY

Internationally, markets were mixed but generally negative. The MSCI EAFE Index, which tracks developed markets outside the U.S. and Canada, was down over -2.0% last month. While the MSCI Emerging Market Index was relatively flat at -0.1% on the month.

The German market had a modest gain last month as the DAX was up +1.4% on the month, outperforming the STOXX Europe 600 Price index, which was down -1.0% on the month. This continues the 2024 trend as the German DAX has significantly outperformed the STOXX Europe 600 (+18.9% vs +9.0%), reaching an all-time high in December and was one of the top performing European countries in 2024. Despite Germany's solid performance in 2024, it failed to eclipse the US market and has showed signs of concern. The IFO Institute's business-climate index, which measures German business managers optimism, dropped to 84.7, marking the sixth decline in seven months and the lowest point since May of 2020. Germany has been struck with political uncertainty with Premier Scholz losing a confidence vote in the German parliament earlier in December. Additionally, it's manufacturing sector shows signs of slowing as major employers such as Volkswagen, Bosch, and Schaeffler have announced layoffs.

The Shanghai Composite Index also had a positive month, up +0.9% and a positive year up +16.2%, but still underperformed US markets. China's economy currently grapples with significant excesses: a vast number of vacant or incomplete apartment complexes, trillions of dollars in debt that are straining local governments, and a surge in industrial production that is fueling an increase in exports and escalating global trade tensions. According to a recent WSJ article, the Chinese property meltdown has destroyed nearly \$18 trillion of household wealth. To put this in perspective, that is more than American households lost during the 2008-2009 great financial crisis and is greater than the value of all listed stocks in China. China's working age population continues to decline, while borrowing is approaching nearly three times it's annual GDP. Time will tell if China's strengths, such as its leadership in manufacturing or new stimulus packages will be enough to offset these robust headwinds.



MSCI ACWI EX U.S. SECTOR RETURNS

SECTOR	MTD	QTD	YTD	1YR	3YR	5YR	%
Energy	-3.90	-7.08	-1.96	-1.96	7.39	4.00	9%
Healthcare	-5.19	-13.86	-0.97	-0.97	-2.03	2.63	7%
Utilities	-6.35	-8.61	12.95	12.95	3.35	5.16	6%
Information Technology	1.53	-1.73	13.61	13.61	0.71	11.49	11%
Materials	-5.99	-17.15	-12.23	-12.23	-4.01	3.54	6%
Financials	-1.70	-2.73	18.45	18.45	9.03	7.85	22%
Consumer Discretionary	1.72	-8.09	5.07	5.07	-2.21	1.63	11%
Communication Services*	-1.83	-6.69	12.26	12.26	-3.78	-0.98	6%
Real Estate	-3.51	-11.52	-1.32	-1.32	-6.00	-5.93	2%
Industrials	-2.44	-7.07	7.95	7.95	3.11	6.68	13%
Consumer Staples	-2.96	-12.34	-7.42	-7.42	-4.81	-0.48	7%

INTERNATIONAL EQUITY RETURNS

NAME	MTD	QTD	YTD	1YR	3YR	5YR
MSCI ACWI Index (USD)	-2.34	-0.89	18.03	18.03	5.95	10.59
MSCI EAFE Index (USD)	-2.25	-8.06	4.43	4.43	2.26	5.33
MSCI EM Index (USD)	-0.12	-7.86	7.97	7.97	-1.55	2.05
FTSE 100 Index (GBP)	-1.29	-0.18	9.59	9.59	7.25	5.28
Nikkei 225 Index (JPY)	4.52	5.31	21.27	21.27	13.74	13.16
Hang Seng Index (HKD)	3.29	-4.88	22.90	22.90	-1.27	-3.28
Shanghai Composite Index (CNY)	0.87	0.73	16.17	16.17	0.08	4.57
MSCI ACWI ex-USA Index (USD)	-1.92	-7.51	6.12	6.12	1.38	4.65
MSCI EMU Index (EUR)	1.42	-1.84	10.41	10.41	5.28	7.43
MSCI China Index (USD)	2.52	-7.65	19.04	19.04	-6.05	-3.36
MSCI Canada Index (USD)	-3.10	4.71	22.93	22.93	9.41	11.43
MSCI EM ex-China (USD)	-1.18	-8.12	3.56	3.56	0.12	4.44

FIXED INCOME

In December, the Federal Reserve lowered the Federal Funds Target Rate by another 25 basis points, as expected. This rate cut was a bit controversial due to the lack of recent progress in bringing inflation back down to target. The most commonly referenced inflation measurements have actually reversed course and begun to move higher since September 2024.

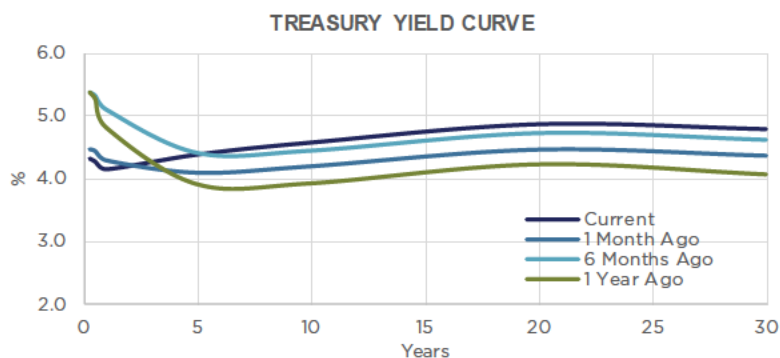
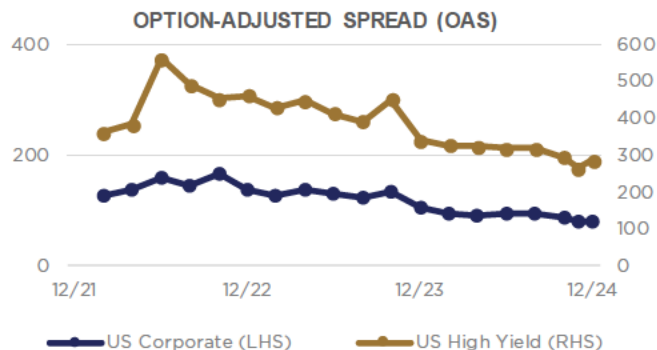
To counterbalance the dovish positioning of an interest rate cut, the Fed's statement and Dot Plot (a chart showing Fed official's interest rate expectations) were significantly more hawkish than prior releases. The market had been expecting continued interest rate cuts throughout 2025. The Federal Reserve has tempered those expectations, with more than 100 basis points of market projected 2025 rate cuts evaporating during the fourth quarter of 2024.

Many market outlooks for 2025 have voiced concerns over the ability to push inflation lower from current levels. The outcome of the Presidential and Congressional elections have also influenced those concerns, given a focus on tariffs and moving production to more expensive locations.

These concerns may leave bond yields range bound in the near-term, as the markets wait to see what effects the change in administration will bring. Even so, the yield levels currently available on high quality fixed income investments are quite compelling on their own.

The month of December and the entire fourth quarter of 2024 was challenging for bonds as interest rates rose, and pushed bond prices lower. For the year, the bond indices tracked were uniformly positive, even with the headwind of rising interest rates. This is due to the attractive risk/return tradeoff that fixed income offers. Current yields are high enough to offset moderately rising interest rates, which can be viewed as a self insurance mechanism. This risk/return tradeoff is near its most attractive levels in 15 years.

High Yield bonds were the top returning category of 2024 due to their high coupon cashflow, relatively short duration, and a tailwind of tightening yield spreads. Emerging Market bonds offered the second highest return for the year, clearly rewarding risk takers in 2024.



U.S. TREASURY YIELDS

PERIOD	3MOS	1YR	5YR	10YR	20YR	30YR
Current	4.32	4.15	4.38	4.57	4.86	4.78
1 Month Ago	4.47	4.29	4.09	4.19	4.46	4.36
6 Months Ago	5.37	5.09	4.40	4.43	4.71	4.61
1 Year Ago	5.37	4.80	3.91	3.93	4.23	4.07

CENTRAL BANK ACTIVITY

NAME	CURRENT	1MTH AGO	6 MTH AGO	1YR AGO
Fed Funds Rate	4.50	4.75	5.50	5.50
Bank of Japan Target Rate	0.25	0.25	0.10	-0.10
European Central Bank Rate	3.15	3.40	4.25	4.50
Bank of England Base Rate	4.75	4.75	5.25	5.25

FIXED INCOME RETURNS

NAME	MTD	QTD	YTD	1YR	3YR	5YR
Bloomberg US Government Index	-1.52	-3.10	0.62	0.62	-2.80	-0.63
Bloomberg US Agg Index	-1.64	-3.06	1.25	1.25	-2.41	-0.33
Bloomberg US Corporate Index	-1.94	-3.04	2.13	2.13	-2.26	0.30
Bloomberg US Corporate High Yield Index	-0.43	0.17	8.19	8.19	2.91	4.21
Bloomberg EM USD Agg Index	-1.19	-1.47	6.58	6.58	-0.49	0.63
Bloomberg Global Agg Treasuries USD Index	-0.68	-0.79	2.98	2.98	-0.66	0.23
Bloomberg Municipal Index	-1.46	-1.22	1.05	1.05	-0.55	0.99

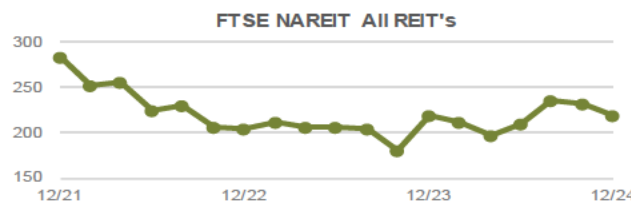
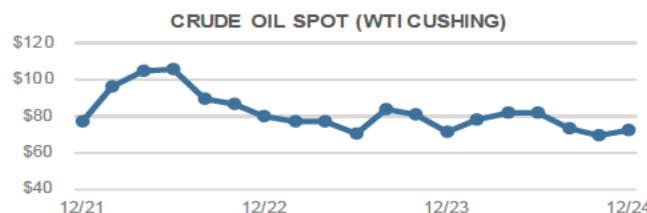
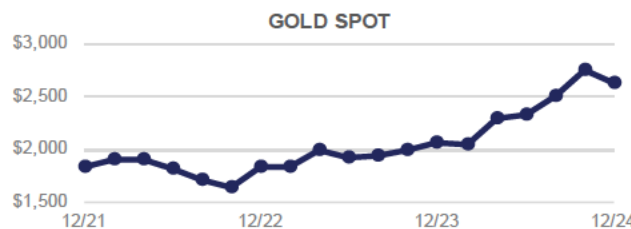
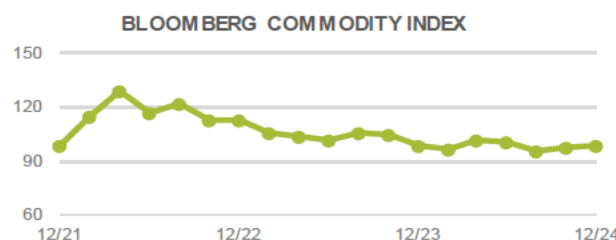
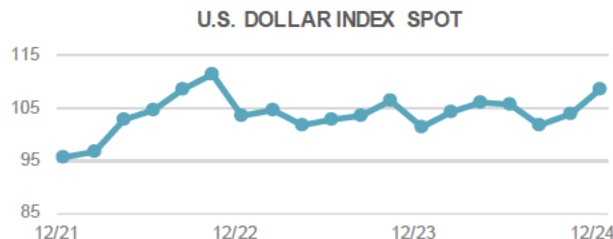
ALTERNATIVE INVESTMENTS

Alternative investments had mixed results in December. Broad commodities, as measured by the Bloomberg Commodity Index, were up +0.6% on the month but were roughly flat for all of 2024. There was varied performance within commodities during the year which makes the asset class difficult to summarize by one overriding force. The price of certain metals tumbled, such as iron ore and lithium, while other metals such as gold had strong performance.

Gold was slightly down during the month but was a standout performer among commodities in 2024, returning +27% for the year. Its strongest annual performance since 2010 was partially fueled by continued geopolitical risks, central bank demand, and Chinese consumer demand. Some investors are surprised to hear that the safe-haven metal outperformed the S&P 500 for the year despite all of the hype around AI within US Large Cap equities. In addition, the precious metal held up well despite a stronger US Dollar and rising Treasury yields which are classically thought of as headwinds.

US Natural gas futures surged +22.5% in December, primarily in the back-half of the month as the market anticipated a cold weather surge throughout the country in January. The new weather forecast, after a relatively mild autumn and start to winter, may fuel demand for heating and power generation.

Cryptocurrencies attracted headlines once again primarily driven by Bitcoin becoming more mainstream. Bitcoin's price climbed over +100% in 2024 driven by a risk-on rally, potential deregulation efforts by President elect Trump, and Bitcoin ETFs being approved in January of last year. One Bitcoin ETF has grown to over \$50 Billion in assets in less than a year, perhaps making it the most successful ETF launch of all time.



SPOT RATES

DESCRIPTION	CURRENT	1MTH AGO	3 MTHS AGO	6 MTHS AGO	1 YR AGO
CAD / USD	1.44	1.40	1.35	1.37	1.33
JPY / USD	157.57	149.60	146.47	161.44	141.99
GBP / USD	0.81	0.79	0.75	0.79	0.79
EUR / USD	0.97	0.95	0.91	0.93	0.91

HEDGE FUNDS

NAME	MTD	QTD	YTD	1YR	3YR	5YR
Global Hedge	2.00%	1.51%	11.62%	11.62%	3.96%	6.12%
Convertible Arbitrage	0.71%	1.82%	12.94%	12.94%	5.42%	7.83%
Event Driven	1.98%	1.91%	9.97%	9.97%	4.11%	7.01%
Macro Hedge	1.63%	0.06%	7.59%	7.59%	3.55%	4.72%
Merger Arbitrage	0.21%	-0.47%	3.18%	3.18%	3.57%	5.50%

Note: Price Return, Returns as of 11/30/2024

COMMODITIES

	MTD	QTD	YTD	1YR	3YR	5YR
Dollar	2.72%	7.10%	7.98%	7.98%	3.72%	2.02%
BCOM	0.63%	-1.57%	0.12%	0.12%	-0.14%	4.07%
Gold	-0.71%	-0.38%	27.22%	27.22%	12.78%	11.57%
WTI	7.03%	8.14%	0.10%	0.10%	-1.55%	3.49%
FTSENAREIT	-8.00%	-8.15%	4.92%	4.92%	-4.28%	5.08%

*WTI Crude Oil uses price returns; annualized numbers are calculated using arithmetic returns

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, 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 (LFTRML 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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