

## ECONOMIC OVERVIEW

At the October meeting, the Federal Open Market Committee (FOMC) delivered its second consecutive 25 bp rate cut, lowering the federal funds range to 3.75%–4.00%. The move, approved 10–2, was accompanied by a cautious tone. Fed Chair Jerome Powell emphasized that another reduction at the next meeting is “not a foregone conclusion,” noting “strongly differing views” among officials on December’s decision. One Fed governor dissented in favor of a larger 50 bp cut, while another preferred no cut at all. Policymakers are clearly debating how far and fast to ease without reigniting inflation.

Recent communications underscore growing concern over the labor market – the Fed’s October statement flagged that “downside risks to employment” have increased – even as inflation remains above target. Headline consumer prices are rising about 3.0% year-over-year (as of September), still above the 2% goal, so the inflation fight is not fully over. This tension between still-elevated inflation and a softening jobs outlook is central to the Fed’s outlook heading into late 2025. Notably, the Fed also decided to halt its balance sheet runoff by December 1, signaling that broader financial conditions may soon stop tightening.

Labor market conditions continue to soften gradually. After bottoming around 3.4%–3.5% last year, the unemployment rate has crept up into the mid-4% range – roughly 4.4% as of the latest reading, the highest in about two years. Even so, joblessness remains low by historical standards (the 50-year average is roughly 6.1%). Hiring has downshifted sharply, with monthly payroll growth stalling and private estimates showing employment flat to slightly down in September. Over the past four months, job gains have averaged under 25,000 – including an outright loss in June – marking the weakest stretch since 2009.

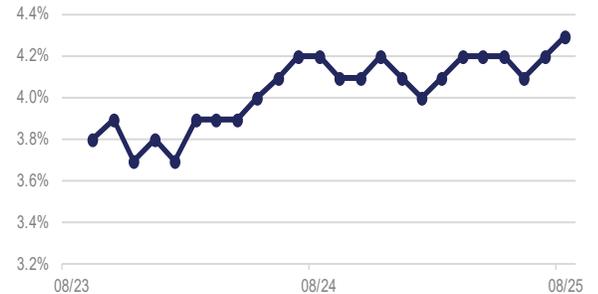
An uptick in layoffs and slower hiring indicates a looser labor market. Wage pressures are moderating, with unit labor costs rising just 1.0% in Q2 after a 6.9% surge in Q1 – a welcome sign for inflation. Consumer confidence has dipped only modestly, with the Conference Board’s October index at 94.6 versus 95.6 in September, and spending remains resilient thanks to improving real incomes. As 2025 draws to a close, the U.S. labor market is rebalancing toward a more sustainable pace, but overall economic activity remains surprisingly steady.

### KEY DATA POINTS

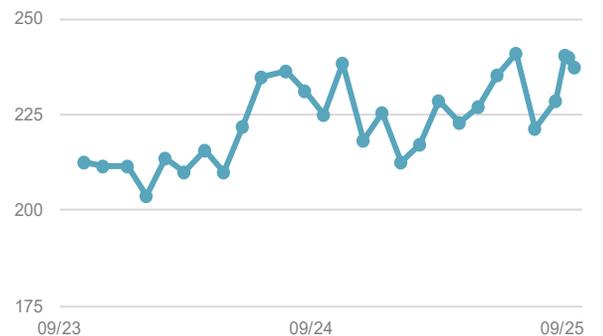
DATA POINT	CURRENT	FOR	PREVIOUS	FOR
Retail Sales ex. Autos MOM %	0.7	Aug	0.3	Jul
Housing Starts	1307k	Aug	1428k	Jul
Factory Orders MOM %	-1.30	Jul	-4.80	Jun
Leading Indicators MOM %	-0.50	Aug	-0.10	Jul
Unit Labor Costs	1.00	Q2 2025	6.90	Q1 2025
GDP QOQ (Annualized)	3.80	Q2 2025	-0.60	Q1 2025
Wholesale Inventories	-0.20	Jul	0.20	Jul
MBA Mortgage Applications	7.10	Oct	-12.70	Sep

\*Data reflects the most recent available figures; updates may be delayed due to the federal government shutdown n.

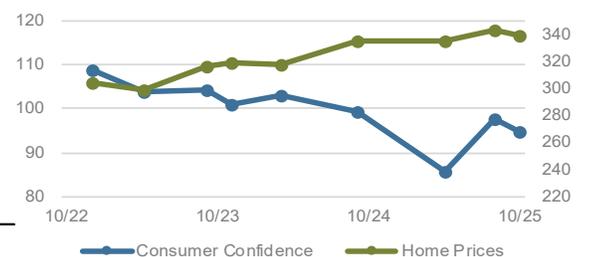
UNEMPLOYMENT RATE (%)



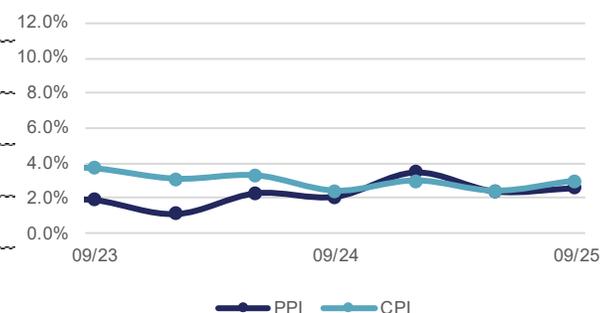
4-WK MOVING AVERAGE OF INITIAL CLAIMS (000S), SA



CONSUMER CONFIDENCE LHS VS. HOME PRICES RHS



PPI & CPI YOY % CHANGE



## DOMESTIC EQUITY

U.S. equities rose +2.3% in October with the benchmark S&P 500 Index closing at 6,840. Mid- and Small-Caps lagged, returning -0.5% and -0.9%, respectively, after outperforming in the third quarter. The lag in the collective SMID-Cap equity cohort came after Fed Chair Jerome Powell signaled a more hawkish tone at the October Federal Open Market Committee (FOMC) meeting, noting that a December rate cut was far from certain. With the government currently shut down, “official” incoming economic data will be scarce, putting the Fed and their data dependency in a challenging position heading into year end.

For the year, Mid- and Small-Caps continue to lag their Large-Cap peers by a wide margin thanks to a continuation of the Artificial Intelligence (AI) theme that continues to build concentration at the top of the market. As of October 31, the top 10 stocks in the S&P 500 accounted for more than 40% of the Index according to JP Morgan data. Those same top 10 companies accounted for 32.5% of the trailing 12-month earnings per share count for the S&P 500, underscoring their importance for the overall market, while emphasizing the concentration risk that the S&P 500 exhibits at the index level. Resilient economic data and improving earnings growth, coupled with attractive relative valuations and impending fiscal stimulus from the One Big Beautiful Bill and 2026 tax refunds continue to make SMID-Caps attractive investments heading into next year.

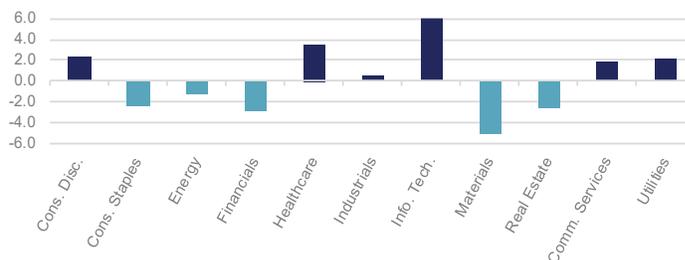
At the sector level, 6 of 11 sectors finished the month in the black with Technology leading the pack with a +6.2% gain. The boost in Technology came on the heels of strong earnings report from Apple and continued strength in AI related companies. The Consumer Discretionary and Communication Services sectors were also strong performers, up +2.4% and +1.9%, respectively given their strong reports from Amazon and Alphabet. Utilities continued to perform well, returning +2.1% on the month, boosting their total return for the year to +20.2%. The sector has benefitted from being “AI Adjacent” by supplying the power that AI and datacenters will demand in the future.

From a factor standpoint, High Beta returned +4.8% on the month, while Low Volatility shed -3.7%, highlighting the continued “risk on” sentiment within the market.

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	2.37	2.37	7.80	25.10	21.38	11.72	11%
Consumer Staples	-2.32	-2.32	1.48	1.01	6.59	8.61	5%
Energy	-1.13	-1.13	5.83	2.44	2.70	30.33	3%
Financials	-2.84	-2.84	9.51	14.17	17.54	19.11	13%
Healthcare	3.58	3.58	6.29	-0.03	4.58	9.06	9%
Industrials	0.47	0.47	18.81	17.53	19.83	17.16	8%
Information Technology	6.23	6.23	29.93	37.55	39.58	26.07	35%
Materials	-5.04	-5.04	3.80	-5.81	7.21	8.50	2%
Real Estate	-2.63	-2.63	3.40	-1.59	7.53	7.46	2%
Communication Services	1.86	1.86	26.82	35.44	39.70	17.97	10%
Utilities	2.10	2.10	20.17	14.72	13.61	10.80	2%

### DOMESTIC EQUITY RETURNS

NAME	MTD	QTD	YTD	1YR	3YR	5YR
S&P 500 Index	2.34	2.34	17.50	21.42	22.63	17.60
S&P 400 Mid Cap Index	-0.47	-0.47	5.26	6.35	11.81	12.96
S&P 600 Small Cap Index	-0.88	-0.88	3.31	5.48	8.12	12.08
S&P 500/Citi Growth Index	3.35	3.35	23.50	31.95	28.45	18.35
S&P 500/Citi Value Index	1.13	1.13	10.92	9.34	15.71	16.01

### S&P 500 FACTOR RETURNS

NAME	MTD	QTD	YTD	1YR	3YR	5YR
S&P 500 Quality	1.07	1.07	11.56	14.25	21.26	16.66
S&P 500 Momentum	0.55	0.55	29.06	35.19	30.32	21.93
S&P 500 Equal Weight	-0.95	-0.95	8.86	8.59	12.50	13.88
S&P 500 High Beta	4.79	4.79	30.81	34.11	23.89	23.53
S&P 500 Low Volatility	-3.72	-3.72	2.73	1.60	7.12	8.75

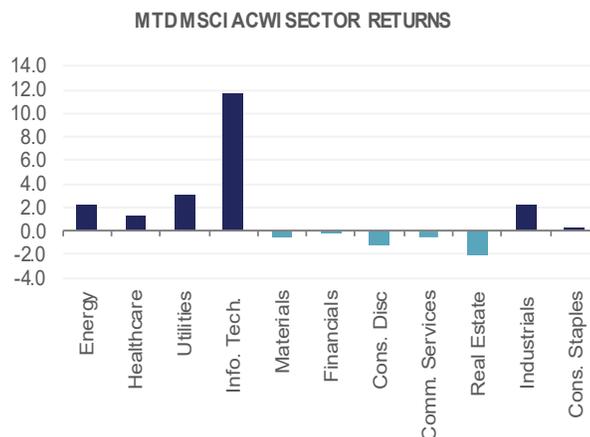
## INTERNATIONAL EQUITY

International equities continued to build on a strong year in October. The MSCI EAFE Index, which tracks developed markets outside the U.S. and Canada, gained +1.2% for the month and is now up +27.3% year-to-date. Japan was a major contributor, with the region up +16.6% in October and now representing more than 20% of the index. Emerging markets also advanced, with the MSCI EM Index rising +4.2%, bringing year-to-date gains to +33.6%. By comparison, the S&P 500 has climbed +17.5% so far this year.

In Japan, newly elected Prime Minister Sanae Takaichi met with U.S. President Donald Trump during his Asia tour, where the two leaders signed agreements on critical-minerals and rare-earth supply chains. Japan also announced several fiscal-stimulus initiatives, including a \$550 billion commitment to invest in U.S. AI, energy, and infrastructure projects. In addition, Takaichi pledged to accelerate Japan's defense spending to 2% of GDP by early next year, marking a notable shift from Japan's traditionally conservative fiscal stance. These moves signal a potential policy regime change toward a more growth-oriented and proactive economic strategy.

North of the border, the Bank of Canada cut interest rates 25 basis points to 2.25%, in line with expectations. The central bank trimmed its Q4 growth forecast by 0.2% but still expects positive 0.5% growth. Officials cited soft export volumes and business investment as headwinds, offset by strength in consumption, housing, and government spending. Governor Tiff Macklem remarked that the current rate is "about the right level," suggesting Canada may be near the end of its easing cycle as inflation hovers around 2.5%. The Canadian equity market is up +24.6% year-to-date.

Overall, international markets remain a bright spot within portfolios. Supportive fiscal policy, resilient growth expectations, and select rate cuts have continued to fuel the rally across global equities, reinforcing the value of diversified international exposure.



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

SECTOR	MTD	QTD	YTD	1YR	3YR	5YR	% Wt.
Energy	2.25	2.25	20.38	15.56	12.13	20.07	8%
Healthcare	1.30	1.30	10.07	0.51	8.68	4.17	6%
Utilities	3.04	3.04	25.50	18.77	15.83	10.81	6%
Information Technology	11.62	11.62	41.72	42.73	33.71	16.53	13%
Materials	-0.47	-0.47	33.13	19.40	14.60	10.16	6%
Financials	-0.07	-0.07	34.59	34.68	27.57	20.80	23%
Consumer Discretionary	-1.12	-1.12	17.57	16.06	17.88	3.41	10%
Communication Services	-0.55	-0.55	40.73	39.15	24.97	6.47	6%
Real Estate	-2.04	-2.04	16.58	10.47	12.30	2.08	2%
Industrials	2.16	2.16	33.86	30.75	25.37	14.87	14%
Consumer Staples	0.29	0.29	14.66	9.16	7.11	3.50	6%

### INTERNATIONAL EQUITY RETURNS

NAME	MTD	QTD	YTD	1YR	3YR	5YR
MSCI ACWI Index (USD)	2.26	2.26	21.57	23.21	22.21	15.16
MSCI EAFE Index (USD)	1.19	1.19	27.34	23.79	20.81	13.03
MSCI EM Index (USD)	4.19	4.19	33.55	28.65	21.66	7.91
FTSE 100 Index (GBP)	4.09	4.09	22.49	24.06	15.10	15.79
Nikkei 225 Index (JPY)	16.64	16.64	33.77	36.72	26.26	20.21
Hang Seng Index (HKD)	-3.47	-3.47	33.39	31.95	25.54	5.05
Shanghai Composite Index (CNY)	1.97	1.97	20.87	23.72	14.09	6.91
MSCI ACWI ex-USA Index (USD)	2.04	2.04	29.29	25.69	21.00	11.82
MSCI EMU Index (EUR)	2.43	2.43	21.43	23.26	18.83	15.81
MSCI China Index (USD)	-3.91	-3.91	36.52	33.88	25.17	-1.18
MSCI Canada Index (USD)	1.10	1.10	24.58	29.36	20.30	18.32
MSCI EM ex-China (USD)	7.80	7.80	31.66	25.85	19.64	12.89

## FIXED INCOME

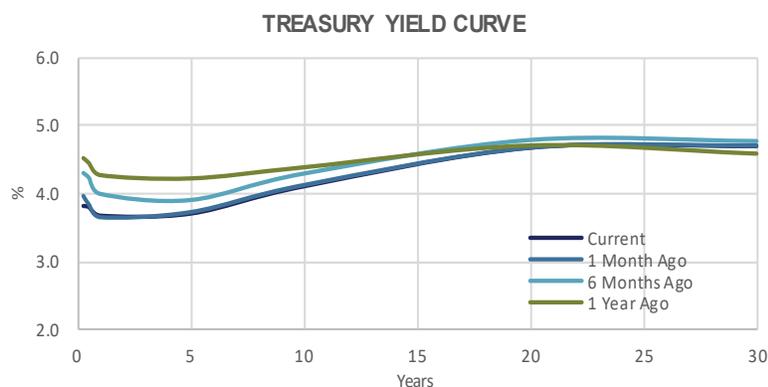
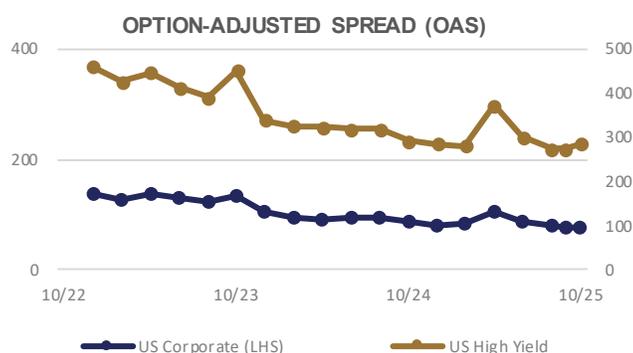
The Federal Reserve met in October, reducing the Federal Funds interest rate by 25 basis points when the meeting concluded on the 29<sup>th</sup>. There were two dissensions from the decision to lower interest rates. Stephen Miran dissented (for the second consecutive meeting) in favor of a larger 50 bp reduction in the Federal Funds target rate. Jeffrey Schmid also dissented, preferring to leave the Federal Funds interest rate unchanged instead of lowering it.

At the press conference following the announced move to lower the target rate, Chair Powell pushed back against expectations that the Fed would continue to reduce rates predictably, meeting after meeting as the market was pricing in. Powell made it very clear that a rate cut at the December meeting was not a sure thing, stating that it was, “not a foregone conclusion.” He highlighted the vastly differing views within the Fed. This was also reinforced by the two dissensions at the meeting, one preferring Fed Funds at a lower rate than current, and the other in favor of a higher rate than current.

Investment Grade (IG) corporate bond index lagged this month amongst the domestic taxable bond indices with a +0.4% gain in October. IG was hurt by widening credit spreads, which puts downward pressure on prices. Spreads remain at extremely tight levels compared to historical experience.

The High Yield (HY) corporate bond index performed similarly (+0.2%) to the Investment Grade corporate index in October, with both significantly lagging the Aggregate and Government indices. Again, this is related to some credit spread widening during the month. The result is a positive return, but to a lesser degree than most of the other indices tracked.

The big winner in October was the Tax-Free Municipal bond index, racking up its second strong month in a row. Munis have been cheap for most of 2025, which set the category up for a reversion rally. This month, Tax-Free Munis returned multiples more than taxable IG Corporate bonds (+1.2% vs. +0.4%). YTD the category still trails on an absolute basis but has provided a very compelling return on a taxable equivalent yield basis.



### U.S. TREASURY YIELDS

PERIOD	3MOS	1YR	5YR	10YR	20YR	30YR
Current	3.82	3.68	3.71	4.11	4.67	4.69
1 Month Ago	3.96	3.64	3.72	4.12	4.68	4.71
6 Months Ago	4.32	4.01	3.92	4.31	4.81	4.79
1 Year Ago	4.52	4.27	4.23	4.38	4.70	4.58

### CENTRAL BANK ACTIVITY

NAME	CURRENT	1 MTH AGO	6 MTH AGO	1 YR AGO
Fed Funds Rate	4.00	4.25	4.50	5.00
Bank of Japan Target Rate	0.50	0.50	0.50	0.25
European Central Bank Rate	2.15	2.15	2.40	3.40
Bank of England Base Rate	4.00	4.00	4.50	5.00

### FIXED INCOME RETURNS

NAME	MTD	QTD	YTD	1YR	3YR	5YR
Bloomberg US Government Index	0.62	0.62	6.00	5.20	4.27	-0.97
Bloomberg US Agg Index	0.62	0.62	6.80	6.16	5.60	-0.24
Bloomberg US Corporate Index	0.38	0.38	7.29	6.62	7.57	0.46
Bloomberg US Corporate High Yield Index	0.16	0.16	7.39	8.16	10.19	5.47
Bloomberg EM USD Agg Index	1.72	1.72	10.37	10.27	11.32	2.27
Bloomberg Global Agg Treasuries USD Index	0.84	0.84	3.82	4.27	4.56	0.05
Bloomberg Municipal Index	1.24	1.24	3.91	4.17	5.45	1.16

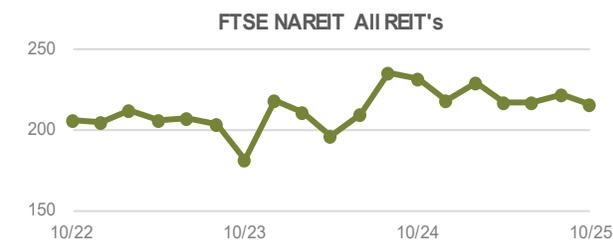
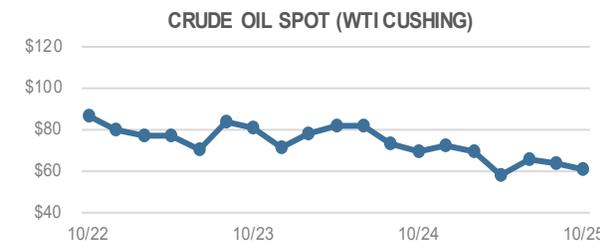
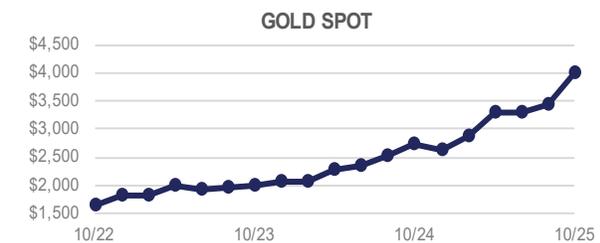
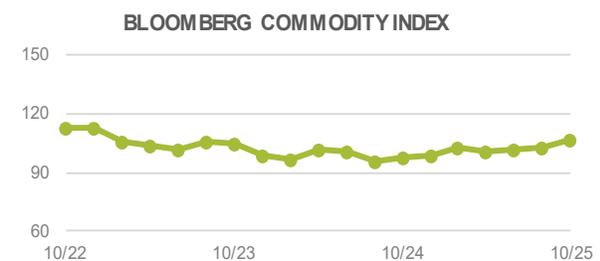
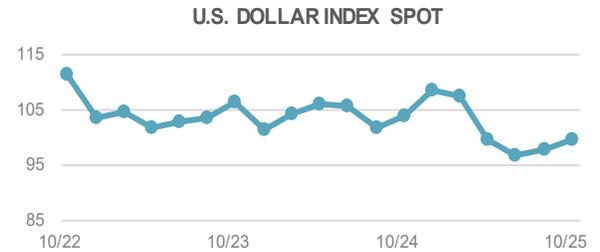
## ALTERNATIVE INVESTMENTS

Alternative investments delivered a range of outcomes in October, reflecting divergent trends across major commodity markets. Broad Commodities, as measured by the Bloomberg Commodity Index, rose +1.8% during the period and are now up +9.2% YTD. However, beneath the surface, performance has varied sharply. Gold has surged an impressive +53% YTD, while WTI crude oil has slipped -14.97% in 2025.

Gold finished October higher by +3.6%, despite retreating from its record high of \$4,381 on October 20 to close the month just above \$4,000 at \$4,004. The long-term drivers of gold's strength — including central bank buying, geopolitical and trade uncertainty, and persistent inflation pressures — remain intact. Still, markets are beginning to assess how much of this narrative is already reflected in gold's exceptional year-to-date rally.

Rare earth materials continue to command global attention due to their critical role in advanced technologies — from smartphones and electric vehicles to defense systems and clean energy infrastructure. China remains dominant in this market, processing an estimated 90% of the world's supply, according to Bloomberg. This concentration underscores the strategic importance of rare earths in ongoing U.S.-China trade negotiations.

Against this backdrop, President Trump's October 30 meeting with Chinese President Xi Jinping resulted in a temporary trade truce. The U.S. agreed to lower select tariffs, while Beijing pledged to ease restrictions on rare earth exports and increase purchases of American soybeans. Looking ahead, developing a diversified, non-Chinese supply chain for critical minerals will be essential as global demand for the technologies that depend on them continues to grow.



### SPOT RATES

DESCRIPTION	CURRENT	1 MTH AGO	3 MTHS AGO	6 MTHS AGO	1 YR AGO
CAD / USD	1.40	1.40	1.38	1.38	1.39
JPY / USD	154.22	147.47	147.09	143.70	152.13
GBP / USD	0.76	0.74	0.75	0.75	0.77
EUR / USD	0.87	0.85	0.86	0.88	0.92

### HEDGE FUNDS

NAME	MTD	QTD	YTD	1YR	3YR	5YR
Global Hedge	2.34%	5.59%	9.94%	11.63%	10.18%	7.96%
Conv. Arbitrage	1.12%	2.83%	7.96%	8.42%	9.73%	8.53%
Event Driven	1.92%	5.58%	8.37%	9.25%	8.77%	9.06%
Macro Hedge	3.34%	5.58%	6.06%	7.60%	4.47%	5.86%
Merger Arbitrage	0.88%	2.53%	7.25%	7.33%	5.27%	7.02%

### COMMODITIES

	MTD	QTD	YTD	1YR	3YR	5YR
Dollar	1.71%	1.71%	-6.78%	-3.37%	-3.16%	0.92%
BCOM	2.56%	2.56%	8.65%	10.41%	-1.59%	8.33%
Gold	3.73%	3.73%	52.52%	46.26%	34.89%	16.03%
WTI	-2.23%	-2.23%	-14.97%	-12.09%	-10.26%	12.38%
FTSENAREIT	-2.21%	-2.21%	2.21%	-2.61%	7.38%	6.27%

Note: Price Return, Returns as of 10/31/2025

**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 (LGTRTRUH)** – The Bloomberg Global Treasury Index tracks fixed-rate, local currency government debt of investment grade countries. The index represents the treasury sector of the Global Aggregate Index and contains issues from 37 countries denominated in 24 currencies.

**Bloomberg Municipal Bond Index (LMBITR)** – The Bloomberg Municipal Bond Index covers the USD denominated long-term tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds.

**Bloomberg U.S. Government Index** - Bloomberg US Government Bond Index is comprised of the US Treasury and US Agency Indices. The index includes US dollar-denominated, fixed-rate, nominal US Treasuries and US agency debentures (securities issued by US government owned or government sponsored entities, and debt explicitly guaranteed by the US government).

**Bloomberg EM Hard Currency Aggregate Index (LG20TRUU)** - The Bloomberg Emerging Markets Hard Currency Aggregate Index is a hard currency Emerging Markets debt benchmark that includes USD-denominated debt from sovereign, quasi-sovereign, and corporate EM issuers.

**Bloomberg U.S. Aggregate Bond Index (LBSTRUU)** - The Bloomberg US Aggregate Bond Index is a broad-based benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-through), ABS and CMBS (agency and non-agency).

**Bloomberg U.S. Corporate Index (LUACTRUU)** - The Bloomberg US Corporate Bond Index measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD denominated securities publicly issued by US and non-US industrial, utility and financial issuers.

**Bloomberg U.S. Corp High Yield Index (LFTR ML U.S. Corporate Index (C0A0))** – 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 (C0A0)** – 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 (H0A0)** – 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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