

ECONOMIC OVERVIEW

The U.S. economy continued to defy skeptics as well as conventional bond market wisdom concerning the slope of the yield curve. Despite a historically steep inversion, signaling imminent recession, the third reading for Q1 US GDP showed a better than anticipated +2.0% annual growth rate. The only challenge to the “no-landing” thesis may lie in leadings indicators, which continue to weaken. The Conference Board’s Leading Economic Index for the U.S. declined by -0.7% in May, the 14th consecutive month of decline. Consumer expectations, new orders indices and worsening credit conditions all contributed to the decline.

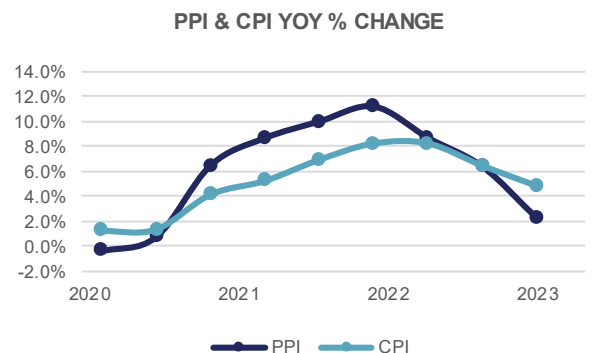
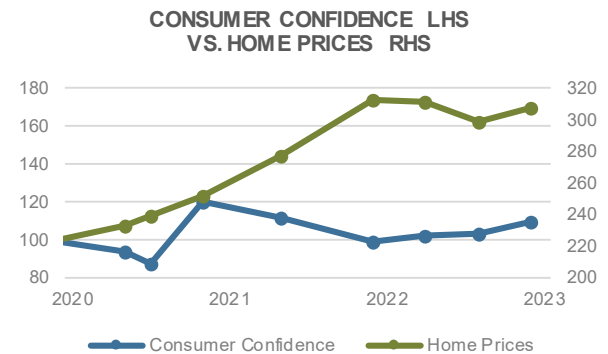
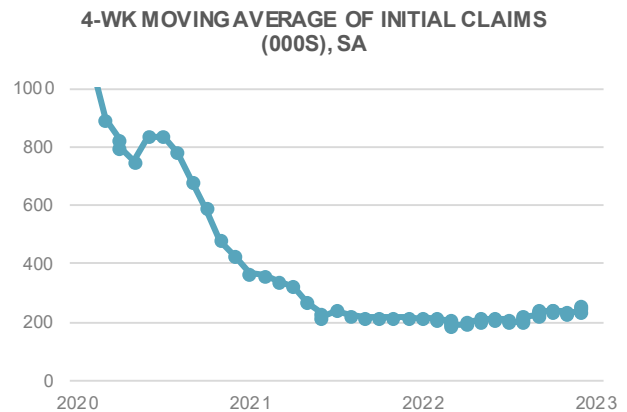
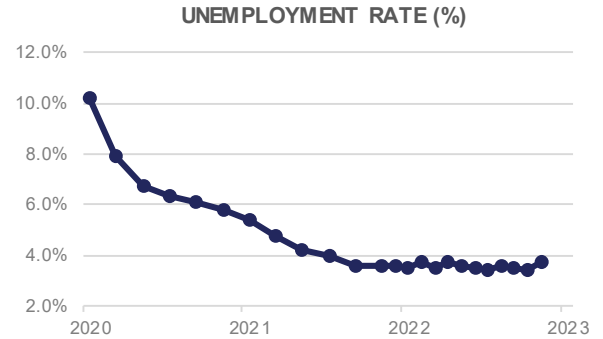
A bright spot here in the U.S. remains the labor market. The Unemployment Rate for May edged higher to 3.7%, however a better than expected 339k jobs were created. Average Hourly Earnings ticked up by +0.3% (+4.3% YoY) while Average Weekly Hours held steady at 34.3. Initial Jobless Claims averaged 249k over the past 4 weeks and have yet to signal near-term weakness for the labor market.

Inflationary pressures remained somewhat sticky in June, with CPI for May showing a meager +0.1% uptick and core CPI a more robust +0.4% rise. Producer Prices, however, fell more than expected, dropping -0.3% for the month, and up just +1.1% YoY. Core PPI edged higher by +0.2 MoM and +2.8% YoY. The PCE Core Deflator reading for May showed a +0.3% increase (+4.6% YoY). While prices for goods continue to fall, service price inflation remains problematic and could trigger further monetary tightening from the Federal Reserve.

The Federal Reserve opted for a pause at its June FOMC meeting, citing the lag effects of monetary policy. Chair Powell did indicate, however, that future rate hikes were likely and that the battle against inflation is still being waged. Markets are currently pricing in a 85% chance of a 25 basis point hike at the July 26 FOMC meeting, while the Dot Plot from the recent meeting suggested a terminal Funds rate of 5.50% to 5.75% by year-end. The bond market continues to price in future rate cuts, however, with the 10-year yield still below 4%. Time will tell if Mr. Market knows something we don’t.

KEY DATA POINTS

DATA POINT	CURRENT	FOR	PREVIOUS	FOR
Retail Sales ex. Autos MOM %	0.1	May	0.4	Apr
Housing Starts	1631	May	1340	Apr
Factory Orders MOM %	0.40	Apr	0.60	Mar
Leading Indicators MOM %	-0.70	May	-0.60	Apr
Unit Labor Costs	4.20	Q1 2023	3.20	Q4 2022
GDP QOQ (Annualized)	2.00	Q1 2023	2.60	Q4 2022
Wholesale Inventories	-0.10	May	-0.30	Apr
MBA Mortgage Applications	-3.70	May	-1.20	Apr



DOMESTIC EQUITY

US Equities rocketed higher in June, with the benchmark S&P 500 Index gaining +6.6% to close at 4,450. Mid- and Small-Caps fared even better, with the S&P 400 & 600 Indices gaining +9.2% and +8.2%, respectively. The outperformance of Mid- and Small-Caps was greeted with fanfare, as signs that the market may be broadening out pushed markets higher.

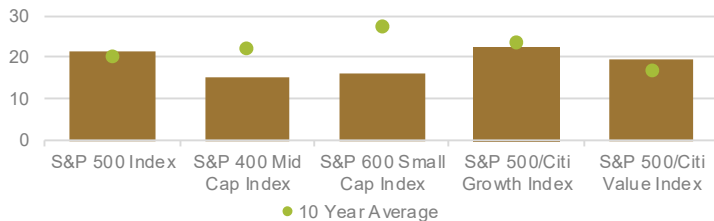
At the halfway point in the year, the market rally has been driven by mostly a handful of names surging, and the rest of the market being left behind. The S&P 500 has risen +16.9% YTD, more than doubling the performance of Mid- and Small-Caps, which are up +8.8% and +6.0%, respectively. Year to date SMID cap performance came almost entirely in June.

The tale of the tape quite simply has been the top stocks by market cap that have soared year to date, with Apple gaining +49.7% to a more than \$3 Trillion market cap, Microsoft rising +42.7%, Amazon rebounding +55.2%, NVIDIA surging by +189.5%, Google powering higher by +36.3%, and Meta racing ahead +138.5%. Oh, and Tesla gained +112.5%. While most of these stocks had terrible performances in 2022, they've more than made up for it in 2023. Economic surprises have been to the upside, inflation surprises to the downside, and the labor market continues to fire on all cylinders, complicating things for the Fed.

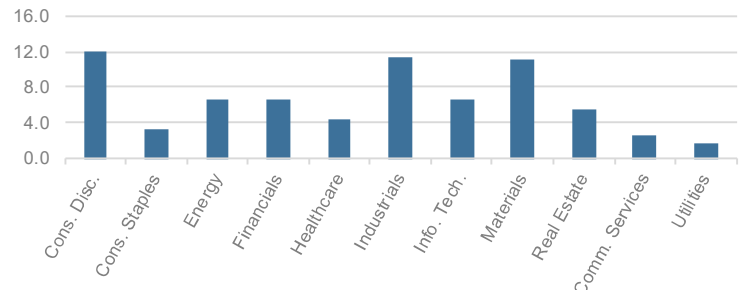
Furthermore, the top heaviness of the market can be seen in the fact that 4 of 11 sectors are in the red for the year (Utilities, -5.7%; Energy, -5.6%; Healthcare, -1.5%; and Financials, -0.5%), and an additional 4 of 11 sectors have posted positive gains, but lagged the overall market by a wide margin (Industrials, +10.2%; Materials, +7.7%; Real Estate, +3.7%; and Consumer Staples, +1.3%).

Looking ahead to the back half of the year, all eyes will be on the inflation and employment pictures. Barring an upside inflation surprise or a material crack in the employment picture, a broadening out of the market rally may be in the cards.

**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	12.07	14.58	32.97	24.64	9.00	9.93	11%
Consumer Staples	3.24	0.45	1.28	6.60	11.91	11.06	7%
Energy	6.65	-0.89	-5.55	18.58	35.25	6.52	4%
Financials	6.69	5.33	-0.53	9.45	15.57	7.13	12%
Healthcare	4.36	2.95	-1.48	5.38	11.69	11.78	13%
Industrials	11.29	6.49	10.19	25.12	17.93	10.48	8%
Information Technology	6.59	17.20	42.77	40.26	19.96	21.78	28%
Materials	11.05	3.31	7.74	15.12	15.99	9.74	2%
Real Estate	5.59	1.81	3.72	-4.20	6.16	6.48	2%
Communication Services*	2.58	13.07	36.24	17.28	7.28	9.27	9%
Utilities	1.65	-2.53	-5.69	-3.68	8.44	8.23	2%

*The S&P 500 Communication Services Sector was reclassified from the Telecommunications Sector on September 21st, 2018

DOMESTIC EQUITY RETURNS

NAME	MTD	QTD	YTD	1YR	3YR	5YR
S&P 500 Index	6.61	8.74	16.88	19.56	14.58	12.27
S&P 400 Mid Cap Index	9.16	4.84	8.81	17.53	15.40	7.75
S&P 600 Small Cap Index	8.23	3.36	5.99	9.67	15.12	5.16
S&P 500/Citi Growth Index	6.38	10.59	21.24	18.24	11.79	12.99
S&P 500/Citi Value Index	6.88	6.64	12.13	19.94	16.75	10.54

S&P 500 FACTOR RETURNS

NAME	MTD	QTD	YTD	1YR	3YR	5YR
S&P 500 Quality	6.17	7.05	15.72	22.60	14.49	13.02
S&P 500 Momentum	6.02	3.16	-0.09	10.23	10.28	10.29
S&P 500 Equal Weight	7.72	3.99	7.03	13.76	15.82	10.20
S&P 500 High Beta	11.26	9.47	23.18	31.59	25.58	14.14
S&P 500 Low Volatility	4.14	1.31	-0.45	3.90	10.56	8.33

INTERNATIONAL EQUITY

International risk assets rallied with most major indices tracked providing positive returns during the month of June. Developed Markets (DM), as measured by the MSCI EAFE Index returned an impressive +4.6% during the month (in USD terms) while Emerging Markets (EM), as measured by the MSCI EM Index returned +3.8%. On the year, DM has outperformed EM by more than 7%, but still lags Domestic US equities by almost 5%.

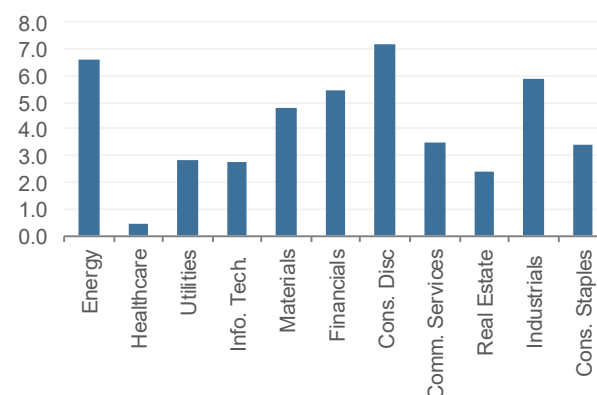
Positive economic data out of Europe helped the MSCI EMU Index return +3.9% in Euros during June as annual inflation in the eurozone slowed for the third straight month to 5.5% in June from 6.1% in May. While noting that they had made progress in their battle against inflation, European Central Bank President Christine Lagarde said that they cannot declare victory yet and that it was unlikely they have reached peak interest rates - pointing towards a likely hike during their July meeting. As we come to a close on the first half of 2023, the MSCI EMU has returned an impressive +16.0% (in EUR terms).

Another standout performer has been Japan with the Nikkei 225 Index returning +7.6% during the month of June, closing out the first half of 2023 by returning an impressive +28.7% YTD (in JPY terms). Although equity returns have been great for the region throughout the year, monetary authorities have kept an eye on foreign exchange markets as the Japanese Yen fell to a seven-month low of JPY 144.8 against the US dollar.

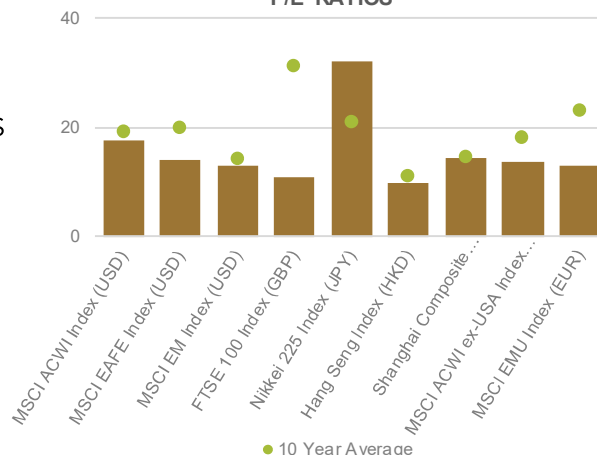
China took a sigh of relief during the month of June with the MSCI China Index returning +4.1% (in USD terms). Throughout the first half of the year, they remain one of the few regions in the red, posting a -5.0% drop YTD (in USD terms). China's official manufacturing Purchasing Manager's Index (PMI) inched up to 49.0 in June, from 48.8 in May; prints below 50 indicate a contraction in activity.

All eleven of the MSCI ACWI ex-U.S. sectors finished positive on the month, led by Consumer Discretionary and Energy, while Real Estate and Healthcare were the laggards.

MTD MSCI ACWI SECTOR RETURNS



INTERNATIONAL EQUITY MARKET P/E RATIOS



MSCI ACWI EX U.S. SECTOR RETURNS

SECTOR	MTD	QTD	YTD	1YR	3YR	5YR	%
Energy	6.62	3.67	3.68	10.60	17.80	2.44	10%
Healthcare	0.44	1.60	6.14	7.84	1.87	6.05	8%
Utilities	2.84	0.22	-0.20	1.78	7.11	6.86	6%
Information Technology	2.79	6.19	24.61	24.53	10.31	10.25	10%
Materials	4.83	-2.79	3.28	11.36	10.87	5.25	7%
Financials	5.43	5.23	6.89	14.11	13.43	3.84	19%
Consumer Discretionary	7.21	1.64	13.19	13.12	4.26	2.07	11%
Communication Services*	3.51	-4.50	6.33	-0.43	-2.62	0.66	6%
Real Estate	2.43	-2.39	-3.95	-9.14	-4.72	-5.86	2%
Industrials	5.85	5.65	16.45	25.65	11.46	5.89	12%
Consumer Staples	3.40	-0.19	6.40	9.40	4.16	2.99	9%

*The MSCI ACWI Ex U.S. Communication Services Sector was reclassified on November 30th, 2018

INTERNATIONAL EQUITY RETURNS

NAME	MTD	QTD	YTD	1YR	3YR	5YR
MSCI ACWI Index (USD)	5.84	6.33	14.26	17.15	11.53	8.65
MSCI EAFE Index (USD)	4.58	3.19	12.16	19.53	9.58	5.00
MSCI EM Index (USD)	3.83	0.97	5.02	2.12	2.66	1.27
FTSE 100 Index (GBP)	1.40	-0.42	3.11	8.92	10.75	3.53
Nikkei 225 Index (JPY)	7.56	18.48	28.65	28.61	16.44	10.46
Hang Seng Index (HKD)	4.49	-6.06	-2.76	-10.66	-5.33	-5.12
Shanghai Composite Index (CNY)	0.81	-1.08	4.80	-3.12	4.82	4.85
MSCI ACWI ex-USA Index (USD)	4.52	2.63	9.86	13.37	7.79	4.06
MSCI EMU Index (EUR)	3.85	3.28	16.03	25.11	12.57	6.91
MSCI China Index (USD)	4.11	-9.81	-5.02	-16.83	-9.82	-5.17
MSCI Canada Index (USD)	3.79	1.60	6.09	10.68	12.61	7.33
MSCI EM ex-China (USD)	3.72	6.05	9.86	12.00	9.71	4.13

FIXED INCOME

There has been significant interest in the future path of interest rates as charted by the Federal Reserve. Headline inflation has been declining while core inflation appears more stubborn. Would the Fed choose to pause (hold rates steady at current levels), or simply skip (not raise at the June meeting, but set the table for a rate hike in July)?

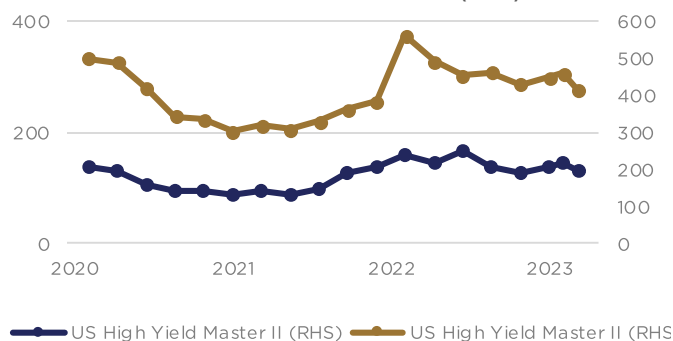
At the June meeting of the Federal Open Market Committee, it was decided that rates should be held steady, accompanied by hawkish dialog that prepared market participants for additional future rate increases. Perhaps the most hawkish piece of data was the two additional rate hikes that were reflected in the Fed's Summary of Economic Projections released after the meeting. This was quickly followed by Fed Chair Jerome Powell's comments at the European Central Bank Forum where he refused to rule out two consecutive rates hikes in July and September, noting that the risk of doing too little to reduce inflation remains.

Treasury and Government bonds broadly underperformed in the month of June as interest rates moved markedly higher across most of the curve. The negative price impact created by the interest rate move overwhelmed the yield generated by high quality bonds.

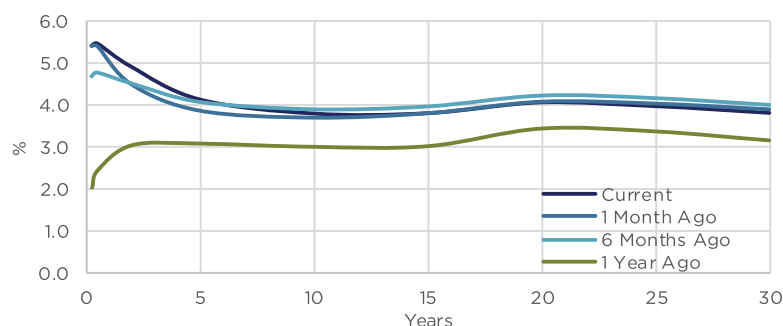
Tax-free municipal bonds were able to post a positive return of +1%. This was driven by muni bonds becoming more expensive in relation to Treasury bonds during the month of June. As Treasury yields moved higher, municipal yields stubbornly held their ground, refusing to participate in the adjustment. This is not unusual, as muni yields often adjust to market moves with a slight time lag.

Lower quality fixed income performed best in the month, with High Yield corporate bonds leading the way. The additional yield provided by Investment Grade and High Yield bonds, combined with significant spread tightening in the month, was more than enough to counteract the rising rate environment and allow both sectors to post gains.

OPTION-ADJUSTED SPREAD (OAS)



TREASURY YIELD CURVE



U.S. TREASURY YIELDS

PERIOD	3MOS	1YR	5YR	10YR	20YR	30YR
Current	5.42	4.92	4.15	3.81	4.08	3.84
1 Month Ago	5.42	4.49	3.86	3.69	4.08	3.89
6 Months Ago	4.66	4.49	4.05	3.87	4.20	3.98
1 Year Ago	2.03	3.05	3.09	3.01	3.45	3.17

CENTRAL BANK ACTIVITY

NAME	CURRENT	1MTH AGO	6MTH AGO	1YR AGO
Fed Funds Rate	5.25	5.25	4.50	1.75
Bank of Japan Target Rate	0.10	0.10	0.10	0.10
European Central Bank Rate	4.00	3.75	2.50	0.00
Bank of England Base Rate	5.00	4.50	3.50	1.25

FIXED INCOME RETURNS

NAME	MTD	QTD	YTD	1YR	3YR	5YR
Bloomberg Barclays US Government Index	-0.74	-1.35	1.59	-2.08	-4.71	0.46
Bloomberg Barclays US Agg Index	-0.36	-0.84	2.09	-0.94	-3.96	0.77
Bloomberg Barclays US Corporate Index	0.41	-0.29	3.21	1.55	-3.44	1.76
Bloomberg Barclays US Corporate High Yield Index	1.67	1.75	5.38	9.06	3.13	3.35
Bloomberg Barclays EM USD Agg Index	1.49	1.12	3.30	5.64	-2.71	1.02
Bloomberg Barclays Global Agg Treasuries USD Index	-0.07	0.01	3.13	0.07	-3.10	0.74
Bloomberg Barclays Municipal Index	1.00	-0.10	2.67	3.19	-0.58	1.83

ALTERNATIVE INVESTMENTS

Alternative investments were mainly positive for June. Broad commodities, as measured by the Bloomberg Commodity Index, returned +3.6% for the month but declined -3.8% during the quarter. While alternatives are often valuable as portfolio diversifiers, they may now face a higher hurdle for portfolio inclusion in a higher rate environment when compared to Treasury Bills that yield over 5%.

Food prices are among the commodity prices that have softened so far this year, helping ease inflation pressures. However, widespread drought conditions, particularly in the breadbasket of the United States, has led to recent volatility in crop prices. Over half of the Midwest is considered to be in a moderate drought or worse, creating production uncertainty for corn, soybeans, and other crops. Wheat contract prices were up roughly +7% in June while Soybean contract prices rose about +17% during the same period. A warm, dry start to summer is also affecting agricultural commodities at the same time that the Ukraine-Russia deal to export grain is set to expire in July.

The price of WTI Crude Oil rose +1.7% during June but has fallen sharply YTD. Lower crude oil prices have helped lower gas prices, as the AAA National Average Gas Price of \$3.52 (as of July 4th) has fallen over 30% from its highs last summer. Lower gas prices combined with a resilient consumer looking to spend on travel was expected to contribute to a record amount of Americans traveling for Independence Day.

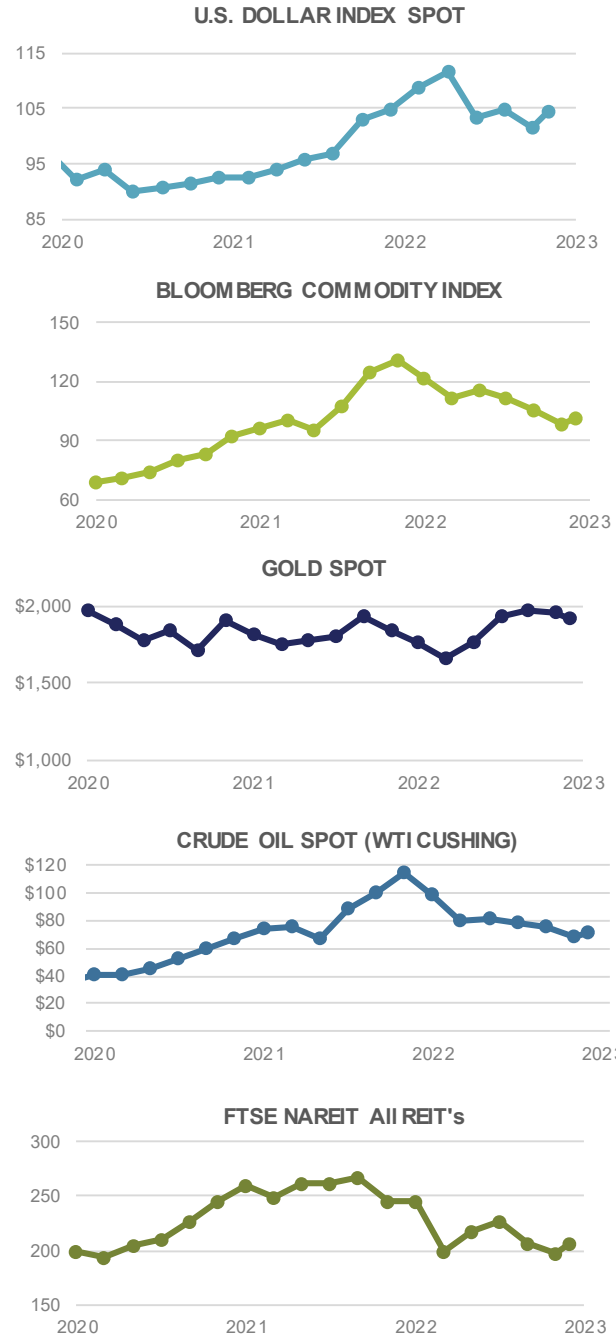
SPOT RATES

DESCRIPTION	CURRENT	1 MTH AGO	3 MTHS AGO	6 MTHS AGO	1 YR AGO
CAD / USD	1.34	1.34	1.35	1.34	1.30
JPY / USD	144.13	139.63	131.78	132.08	135.95
USD / GBP	1.27	1.24	1.24	1.21	1.19
USD / EUR	1.09	1.07	1.09	1.06	1.02

HEDGE FUNDS

NAME	MTD	QTD	YTD	1YR	3YR	5YR
Global Hedge	0.62%	0.49%	0.49%	1.17%	2.45%	1.68%
Convertible Arbitrage	1.65%	1.92%	5.03%	5.97%	2.29%	2.70%
Equity Hedge (L/S)	1.01%	1.89%	2.70%	4.36%	7.57%	3.13%
Equity Market Neutral	1.17%	1.20%	0.90%	3.46%	1.03%	-1.46%
Event Driven	0.36%	-2.77%	-3.01%	-4.07%	-1.06%	0.02%
Macro	0.25%	2.52%	-0.04%	0.42%	2.61%	2.07%
Merger Arbitrage	1.23%	-1.91%	-2.75%	0.90%	2.38%	0.79%
Relative Value Arbitrage	0.71%	0.99%	2.14%	3.79%	0.41%	1.07%
Absolute Return	0.76%	0.39%	0.20%	2.02%	2.40%	1.72%

Note: Price Return, Returns as of 06/29/2023



COMMODITIES

	MTD	QTD	YTD	1YR	3YR	5YR
Dollar	-1.05%	0.22%	-1.09%	-2.16%	0.36%	0.86%
BCOM	3.59%	-3.82%	-10.04%	-13.30%	16.02%	3.03%
Gold	-2.21%	-2.54%	5.23%	6.20%	2.53%	8.90%
WTI	1.72%	-8.84%	-16.22%	-29.27%	32.50%	4.03%
FTSENAREIT	5.36%	1.20%	2.97%	-4.39%	5.27%	4.89%

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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 (\$5COND, \$5CONS, \$5ENRS, \$5FINL, \$5HLTH, \$5INDU, \$5INFT, \$5MATR, \$5TELS, \$5UTIL, \$5RLST) – 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 (LGTRTRUH) – 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 (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 (HOOA) – 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 (USDXY) indicates the general int'l value of the USD. The USDXY 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.

HFRX Global Hedge Fund Index (HFRXGL) – The HFRX Global Hedge Fund Index is designed to be representative of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies.

HFRX Convertible Arbitrage Index (HFRXCA) – The HFRX Convertible Arbitrage Index is designed to reflect the general performance of strategies in which the investment thesis is predicated on realization of a spread between related instruments in which one or multiple components of the spread is a convertible fixed income instrument.

HFRX Distressed Securities Index (HFRXDS) – The HFRX Distressed Securities Index is designed to reflect the general performance of strategies focused on corporate fixed income instruments, primarily on corporate credit instruments of companies trading at significant discounts to their value at issuance of obliged (par value) at maturity as a result of either formal bankruptcy pro

HFRX Macro Index (HFRXM) – The HFRX Macro Index reflects the general performance of strategies in which the investment process is predicated on movements in underlying economic variables and the impact these have on equity, fixed income, hard currency, and commodity markets.

HFRX Equity Hedge Index (HFRXEH) – The HFRX Equity Hedge Index is designed to reflect the general performance of strategies that maintain both long and short positions in primarily equity and equity derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques. Strategies can be broadly diversified or narrowly focused.

HFRX Equity Market Neutral Index (HFRXEMN) – The HFRX Equity Market Neutral Index is designed to reflect the general performance of strategies that employ sophisticated quantitative techniques of analyzing price data to ascertain information about future price movement and relationships between securities.

HFRX Event Driven Index (HFRXED) – The HFRX Event Driven Index reflects the general performance of strategies that maintain positions in companies currently or prospectively involved in corporate transactions of a wide variety including, but not limited to, mergers, restructurings, financial distress, tender offers, shareholder buybacks, debt exchanges, security issuance, or other capital structure adjustments.

HFRX Merger Arbitrage Index (HFRXMA) – The HFRX Merger Arbitrage Index reflects the general performance of strategies which employ an investment process primarily focused on opportunities in equity and equity related instruments of companies which are current engaged in a corporate transaction.

HFRX Relative Value Arbitrage Index (HFRXRVA) – The HFRX Relative Value Arbitrage Index reflects the general performance of strategies that maintain positions in which the investment thesis is predicated on realization of a valuation discrepancy in the relationship between multiple securities.

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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