About the Firm

Nottinghill Investment Advisers, Ltd., is a registered investment adviser founded in May 1996.

Nottinghill is owned by the seasoned professionals serving its clients, and effectively managing the assets of those clients, taxable as well as tax-exempt, is the Firm's only business. The twin results are commitment and focus.

Total Portfolio Management, or TPM, is Nottinghill's largely indexed, balanced approach to the management of a client's overall portfolio, and Indexed Total Portfolio Management, or ITPM, is the fully indexed variation. In both cases, portfolios contain three sectors: Equities, either indexed or governed by the Firm's Value Plus Equity Strategy; U.S. Fixed Income, either indexed or governed by the Firm's Select Four Bond Strategy; and the fully indexed Alternatives Group. TPM and ITPM are two complete, widely diversified answers to any client's investment needs.

Seasoned investment professionals. Commitment and focus. Two complete, widely diversified answers. Nottinghill is your ideal partner.

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NOTTINGHILL
INVESTMENT ADVISERS, Ltd.

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An Update

SCORECARD

	2016 QI	One Year	Three Years	Five Years	10 Years
S&P 500 Index	**1.35%**	**1.78%**	**11.82%**	**11.58%**	**7.01%**
10-Year Treasury Note	**4.85**	**3.74**	**3.06**	**6.13**	**6.40**
Gold	**16.71**	**4.44**	**-8.13**	**-2.95**	**7.84**

All multi-year returns are annualized, and all returns are associated with time periods ending March 31, 2016

2016 - At Long Last, Jobs!

The U.S. economy grew at what some would consider a frustratingly glacial pace in the first quarter. Still, the trajectory was an upward one, and there was a bright spot worth noting. We are referring to jobs creation, which typically lags during economic recoveries; but, to call this recovery's employment growth sluggish is to overstate the case. That now has changed. Granted, we are not talking about high-paying manufacturing jobs as far as the eye can see. However, after seven years of the Fed going it alone with 0% interest rates, employers are adding some of those jobs, and labor in general as a factor of production finally is expanding. Even in the darkest days, we never lost hope, and now suspect that healthy, non-inflationary wage growth will follow.

The U.S. stock market had a very interesting quarter, and once again humbled all those who believe in market timing. In January, hand-wringing over China and oil prices dominated the financial pages. It seemed like last August all over again as equity prices tumbled, finally down about 11% at the closing low (S&P 500 Index) of February 11. Then, the clouds lifted, and U.S. equities retraced all of the ground that had been lost. For the quarter, the broadly based S&P provided a total investment return of 1.35%, with smaller-company stocks generally not keeping pace with their larger brethren. Bonds had a very good quarter. Our proxy for this important market is a Treasury note maturing in 10 years, and that total return was 4.85%. Gold? The performance champ by far. As the Fed vacillated and the dollar weakened, one Troy ounce of the barbarous relic appreciated 16.71%, its best calendar quarter advance since 1986.

So, a decent quarter with job creation, the missing piece to the economic puzzle, finally coming on board, and tranquil markets. Focusing on our three numbers, where do things stand now?

- **The Price/Earnings Ratio of the S&P 500 Index**
  On March 31, the S&P 500 Index sold at 22.72x the earnings of its underlying 500 companies. Slightly higher than the 21.54x of December 31. U.S. equities are not the bargain they were in, say, 2009-2010, but valuations in general also are not at extremes.
- **The Average Yield Within the 10-Stock Yield Group**
  This is the largest equity group within our actively managed portfolios, and we continually monitor the yields that these high-dividend stocks provide. In this year's first quarter, the Yield Group performed well, therefore, the average yield of those stocks declined to 3.91%. Still generous, so stocks in general are not at unsustainable extremes.
- **The Yield of a Treasury Note Maturing in 10 Years**
  This security is the principal rival for funds earmarked for U.S. equities, and continues to be an unworthy competitor. Even more unworthy than earlier this year. The 1.78% of March 31 actually was down considerably from the 2.25% of December 31.

Advantage equities, particularly those that come with generous dividends. Value equities in particular belong at the center of most well-diversified portfolios, and "well-diversified" is exactly what TPM and ITPM portfolios are.

Diversification, structure, discipline, the bottom up search for value. That's what it's all about.

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And now, the balanced strategies…

Total Portfolio Management

Total Portfolio Management, or TPM, is our largely indexed, balanced approach to the management of a taxable individual's or tax-exempt institution's overall portfolio. The objectives are inflation- and benchmark-beating investment returns, as well as the investment return stability that comes with a balanced portfolio structure.

Investment Process - The Complete, Largely Indexed Answer

TPM portfolios consist of three sectors: Equities, U.S. Fixed Income, and the Alternatives Group. The Firm's Value Plus Equity Strategy, an active strategy, governs the U.S. large capitalization component of the Equities sector, which also includes three other, indexed Exchange-Traded Fund (ETF) components. The U.S. Fixed Income sector is governed by the Firm's Select Four Bond Strategy, a combination of three actively managed bond mutual funds and intermediate Treasuries. And finally, positions in three alternative asset classes (three ETF positions) constitute an Alternatives Group that adds yet another layer of diversification. The complete, largely indexed answer. One destination for all of the taxable individual's or tax-exempt institution's investment needs.

First Quarter — Firing On All Cylinders

No complaints in the first quarter. Led by the Value Plus and emerging markets equities, the Equities sector performed well, as did the U.S. Fixed Income sector. But, the Alternatives Group, with gold leading the way, was the performance champ by far. Also, as we reviewed asset class and individual security performance, we were mindful of a famous Bob Dylan lyric: "For the loser now will be later to win." That in fact is the story of 2016 so far. The full-year pariahs (losers) of 2015, in consistent fashion, became the first quarter's winners.

Investment Returns

	2016 QI	**One Year**	**Three Years**	**Five Years**	**10 Years**	**Life of the Strategy****
TPM Baseline*	**3.99%**	**-2.65%**	**4.29%**	**5.58%**	**5.90%**	**7.78%**

**65% equities*
*** Strategy inception for discussion purposes is January 1, 2002*

Nottinghill Investment Advisers, Ltd., is an independent, registered investment adviser utilizing a number of large capitalization equity and widely diversified balanced investment strategies. The Total Portfolio Management performance data, which are provided net-of-the management fee, are a combination of the actual investment returns associated with Nottinghill's Value Plus Equity Strategy, three equity and fixed income mutual funds/ETFs, a Treasury ladder, gold bullion/an ETF tracking the price of gold, and, after January 1, 2014, two alternatives indexes/ETFs. The investment returns are actual; however, the combination is simulated, and such simulated data have certain inherent limitations. First, unlike an actual performance record, simulated results do not reflect actual trading. Second, since trades have not actually been executed, results may contain an under- or over-compensation for the impact, if any, of certain market factors. All multi-year returns have been annualized, and all returns are associated with time periods ending March 31, 2016. To receive details regarding the calculation and the presentation of any Nottinghill performance data series and/or a complete description of all Nottinghill performance composites, please contact Nottinghill Investment Advisers, Ltd. Whether simulated or actual, past performance is no guarantee of future results.

Now, let's continue the focus on balanced portfolio investing, and talk about ITPM in 2016. Details on the next page.

Indexed Total Portfolio Management

Indexed Total Portfolio Management, or ITPM, is our fully indexed, balanced approach to the management of a taxable or tax-exempt investor's overall portfolio. Once again, the objective is inflation-beating investment returns; but this time, they are expected to be in line with the passive indexes, and expenses are expected to be ultra-low.

Investment Process - The Complete, Fully Indexed Answer

ITPM portfolios also consist of an Equities, a U.S. Fixed Income, and an Alternatives Group sector. A total of nine components, and all nine consist of Exchange-Traded Fund (ETF) positions (average expense ratio 0.24%) performing in line with an associated equity market index, bond market index, or commodity price. The result: the traditional performance advantages of indexing, along with ultra-low transaction costs and management fees. The complete, fully indexed answer. As with TPM, one destination for all of the individual or tax-exempt investor's investment needs.

First Quarter — Again, No Complaints

The Battle of the Equities Sectors was won by TPM's active style in the first quarter, but ITPM's passively managed ETFs also did well. So did the U.S. Fixed Income sector, but once again, there was that Alternatives Group, the diversifying third leg of the ITPM stool. As stated, gold led the charge, and we have no complaints.

Investment Returns

	2016 QI	One Year	Three Years	Five Years	10 Years	Life of the Strategy**
ITPM Baseline*	**2.26%**	**-3.52%**	**3.76%**	**4.81%**	**4.80%**	**6.74%**

**65% equities*
***Strategy inception for discussion purposes is January 1, 2002*

Nottinghill Investment Advisers, Ltd., is an independent, registered investment adviser utilizing a number of large capitalization equity and widely diversified balanced investment strategies. The Indexed Total Portfolio Management performance data, which are provided net-of-the management fee, are a combination of the actual investment returns associated with certain indexed mutual funds/ ETFs or the indexes upon which those indexed mutual funds/ETFs are based and the actual investment returns associated with gold bullion or an ETF tracking the price of gold. The investment results are actual; however, the combination is simulated, and such simulated data have certain inherent limitations. First, unlike an actual performance record, simulated results do not reflect actual trading. Second, since trades have not actually been executed, results may contain an under- or over-compensation for the impact, if any, of certain market factors. All multi-year returns have been annualized, and all returns are associated with time periods ending March 31, 2016. To receive details regarding the calculation and the presentation of any Nottinghill performance data series and/or a complete list and description of all Nottinghill performance composites, please contact Nottinghill Investment Advisers, Ltd. Whether simulated or actual, past performance is no guarantee of future results.

Big-time anniversary coming up. Check out the back page.

"It Was 20 Years Ago Today…"

With apologies to Paul McCartney, Nottinghill has reached a major milestone. The Firm was formed in May 1996; the SEC registration date is June 25, 1996. Still going strong at 20! A few of the highlights:

May 1996. With 17 years of background equity price data, the Big Idea: Value investing with a dollop of Growth investing, in the same portfolio. Value Plus is born!

June 1996. Two clients, one still with us. We thank her and her family for their unwavering loyalty. The other client? He gave the then-untested NIA a chance, and for that, we'll be eternally grateful.

June 1997. Our largest client, also still with us, comes on board. It's been 19 years of faithful service and loyal support.

2000-2006. Value investing and Value Plus thrive as the anti-Value dot.com era ends painfully.

2007. Jeff McPeek joins NIA; the succession plan becomes clear.

2008. Pat McPeek's years of meritorious service come to an end. She receives her gold watch, and Lindsay Mason joins the Firm.

Early-2011. The uber-balanced Total Portfolio Management (TPM) strategy is launched. Value Plus equities and a whole lot more.

Late-2011. A clean slate. NIA's ownership is restructured. Going forward, as they say, 100% family-owned and operated.

2012. Martha Stenson's many years of exemplary service to NIA and its clients come to an end. Lindsay Mason becomes Director of Operations.

2013. TPM's fully indexed variation, ITPM, becomes the third NIA investment strategy. Nine ETFs and the many advantages of indexing.

2016. Enhanced Index, a worthy partner for Value Plus, becomes the fourth. A Core/Satellite equity structure with a great deal of seasonal downside protection.

NIA...a true labor of love for 20 years. In all that we've accomplished over those 20 years, four so-called Fundamental Beliefs have guided our investment hands:

- **Diversification and discipline are the key elements of investment success**

  Please believe us, the grand macro trends in both the economy a and the financial markets basically are unforecastable by mere mortals, even us. The solution is to invest portfolio assets across a variety of promising asset classes that are not all impacted by the same forces, and therefore, do not all move together in price. Then stay focused and stay the course until circumstances change. (We realize that you've heard this before, but it can't be stated often enough.)

- **Equities in general and Value equities in particular should be the cornerstone of any portfolio**

  The historical record of publicly traded equities is unmatched. During the 1960-2015 period, for example, the broadly based S&P 500 Index provided an annualized investment return of 9.83%, compared to 6.73% for a five-year Treasury note and 4.75% for a 90-day Treasury bill. If you had started with 50 "large," as the bookies say, the ending dollars would have been $9,535,535, $1,918,733, and $672,351, respectively. Ah, as Einstein once observed, the power of compounding. And, a focus upon equities that are inexpensive in terms of earnings, dividends, and underlying assets is more rewarding than trying to spot superior long-term growers. The 1960-2015 Value (versus Growth) advantage: typically over 3% per year.

- **Indexed approaches often compete very effectively with the active management of both equities and fixed income securities, and should be represented in the overall portfolio.**

  Say it ain't so! (But it is.) Over the 2002-2011 period, only 20% of all active, domestic equity mutual fund managers and only 11% of all active, domestic bond mutual fund managers beat their passive benchmarks. (We hasten to point out that Value Plus and our active TPM bond managers did just fine in this regard, but that's another story.) The index funds and ETFs that mimic these passive benchmarks, therefore, are formidable competitors of active strategies, and belong in the mix.

- **Investment expenses should be kept under strict control, and should be transparent**

  Nothing impedes investment success like a lack of discipline and an unwillingness to stay the course. We've seen it way too many times. But, high expenses relative to value-received also is high on the list. They've come down over the last four years, however, at year-end 2011, the average expense ratio for all actively managed, domestic mutual funds was 1.35% of total assets, a figure that does not include transaction costs. (In sharp contrast, the nine ETFs in our ITPM portfolios have an average expense ratio of 0.24%, and transacttion costs of $9.99 per transaction are incurred only when asset classes are rebalanced.) Investment expenses compound over time, and can have a big-time impact upon long-term investment returns. The investor should make sure that he/she is getting good value for whatever fees and expenses are being incurred and that all of them are being disclosed fully and clearly.

There, nothing wrong with holding a manager's feet to the benchmark fire; but, beating inflation, net-of-fees and expenses, and doing so at a controlled level of volatility (risk) will get most if not all individual and institutional investors where they want to go. How to get there? Diversification and discipline. An emphasis upon Value equities. Indexing when appropriate. Low and fully transparent expenses. That's how, and that's the foundation for all the work that we do and the advice we give.

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Onward and upward! The fundamentals have been key, but the 20 years of Nottinghill wouldn't have been possible without our wonderful clients. We thank all of you for joining us on this 20-year journey, and all others who have supported us in one way or another. Here's hoping that the next 20 years will be even half as satisfying as the last 20.

Many, many thanks.