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 balanced approach to the management of a client's overall portfolio. The Firm's flagship Value Plus Equity Strategy governs the portfolio's large capitalization Value equities, a TPM portfolio's largest component, or can serve on a stand alone basis. In all cases, multiple sets of selection disciplines deliver a consistent pattern of benchmark-beating investment returns.

Commitment. Focus. Discipline. Multiple Processes and Consistency.

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NOTTINGHILL
INVESTMENT ADVISERS, Ltd.

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An Update

SCORECARD	**2014 QI-QII**	**One Year**	**Three Years**	**Five Years**	**10 Years**
TPM Baseline	**6.39%**	**18.58%**	**9.76%**	**14.67%**	**9.00%**
Value Plus	**5.83**	**28.03**	**16.74**	**20.64**	**8.59**
S&P 500 Index	7.14	24.62	16.58	18.83	7.78
10-Year Treasury Note	6.43	3.67	5.36	5.84	5.90
Gold	10.70	10.19	-4.44	7.04	12.73

All multi-year returns are annualized, and all returns are associated with time periods ending June 30, 2014; please see the disclosure language associated with these Nottinghill strategies

The Economy and the Markets - Sunny Skies

Most investors have a tendency to snicker whenever a company blames its misfortunes on the weather. Sometimes, though, weather in fact is the culprit, and the U.S. economy's first quarter pause is a good example. Now, of course, the second quarter is officially in the books, and the first quarter's weather-related problems are distant memories. The economy is back on track. Healthy, largely non-inflationary economic growth should continue to be the order of the day.

The markets? U.S. equities in the form of the broadly based S&P 500 Index had a second quarter total investment return of 5.23%. Our proxy for the bond market, a 10-year Treasury, once again defied the skeptics, and provided a very healthy 2.71% for the quarter. The six-month return, therefore, is 6.43%, and that after every forecaster on the planet predicted negative 2014 bond market returns. Gold? Likewise, the barbarous relic had few friends at the beginning of the year, and yet provided three- and six-month investment returns of 1.62% and 10.70%. So, despite an overwhelmingly negative consensus, both bonds and gold did very well in the year's first half. The lesson for all of us: Beware of unanimity.

That's a bit of history. Looking out, despite the stock market's well-publicized march to new all-time highs, the April verdict regarding U.S. equities has not changed. Let's look at the three numbers.

- **The Price/Earnings Ratio of the S&P 500 Index**
  Without dividends, the Index rose 4.69% in the quarter, but the earnings of the Index's underlying companies rose even faster. We had very little problem with the 19.84x of March 31, so we have even less of a problem with the 19.56x of June 30.

- **The Current Yield of the 10-Stock Yield Group**
  We like stocks with above-average yields because they frequently are a good indicator of investment value. The stocks in Value Plus' 10-stock Yield Group are prime examples. They had an average current yield of 3.56% on March 31, and, even after a very good quarter, still yield on average 3.40%. It's a market of stocks as opposed to a stock market. Opportunities in this market of stocks still exist.

- **The Yield of a 10-Year Treasury**
  From a valuation standpoint, a 10-year Treasury is considered to be the stock market's principal competitor. At June's 2.50%, the 10-year Treasury continues to offer little competition.

Bottom line: We have entered the seasonally weak period for equities, and stock market corrections clearly have yet to be outlawed. Nevertheless, we believe that equities should remain the cornerstone of almost everyone's overall portfolio.

The portfolio's fixed income securities, of course, serve it in a different way, i.e., primarily by stabilizing the pattern of investment returns in times of stress. The outlook for bonds? More uncertain than ever, but a sudden, sharp spike in interest rates is probably not in the cards.

Good second quarter indeed. Looking out, we continue to like the (equity) odds.

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Now, let's take a look at the Value Plus and TPM strategies in a little more detail.

The Value Plus Equity Strategy

The Value Plus Equity Strategy was designed to provide benchmark-beating investment returns in all phases of the stock market cycle. A Large Capitalization Value strategy, Value Plus governs stand alone equity portfolios, or the largest component of our Total Portfolio Management, or TPM, portfolios.

Investment Process - Disciplined, Value-Oriented

Value Plus portfolios typically consist of 20 stocks in three independently managed groups: Yield Group, Contrarian Group, and Momentum Group. Yield Group stocks are selected from the 75-candidate LARGCAP Universe on the basis of high dividend yield. The Contrarian Group also is selected from the LARGCAP Universe, on the basis of multi-year underperformance. Finally, Momentum Group stocks are selected from the S&P 500 on the basis of superior performance. Each Group has a role to play. The Yield Group is the Downside Protectors, which are expected to perform well in challenging markets. The Contrarian and Momentum Groups are the Performance Drivers, and are expected to perform well in favorable markets. The result is a consistent pattern of superior investment returns, in all phases of the stock market cycle.

QII 2014 - Yield Group Back in Action

Value Plus typically starts out slowly, and then finishes the year in a rush. That said, the second quarter was decent in a relative sense and very good in an absolute sense. Let's review the three groups.

The five-stock Momentum Group is expected to do well in a good environment, and did its job as expected. Our favorite airline again was a standout, and was joined by our favorite retailer, which, by the way was a prominent first quarter casualty.

The Momentum Group did well, but the 10-stock Yield Group did even better. Four solid achievers in the Energy/Natural Resource sectors and a notable contribution by a prominent member of Old Tech.

The Contrarian Group? Laggards again, but these are the stocks that typically come on strong in the year's second half. Will the last ultimately become the first once again? We believe so.

The Yield Group was missing-in-action in the first quarter. Not so in the second, which turned out to be a pretty good one.

Performance - A Solid Record of Achievement

	2014 QI-QII	One Year	Three Years	Five Years	10 Years	Life of the Strategy*
Value Plus	**5.83%**	**28.03%**	**16.74%**	**20.64%**	**8.59%**	**9.59%**
S&P 500 Index	7.14	24.62	16.58	18.83	7.78	7.67
Russell 1000 Value Index	8.28	23.82	16.92	19.23	8.03	8.52

**Strategy inception is January 1, 1997*

Nottinghill Investment Advisers, Ltd., is an independent, registered investment adviser utilizing a number of large capitalization equity and widely diversified balanced investment strategies. The above Value Plus performance data are provided net-of-the management fee. All multi-year returns have been annualized, and all returns are associated with time periods ending June 30, 2014. To receive a complete, more detailed description and presentation of the Value Plus performance data and/or a complete list and description of all Nottinghill performance composites, please contact Nottinghill Investment Advisers, Ltd. Past performance is no guarantee of future results.

Now, how about TPM?

Total Portfolio Management

Total Portfolio Management, or TPM, is our 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 Answer

Nottinghill's Value Plus Equity Strategy governs the portfolio's large capitalization Value equities, a TPM portfolio's largest component, while investments in two smaller capitalization (U.S.) equity classes and emerging markets (international) equities add to investment return potential, at different risk levels. U.S. fixed income securities governed by the Select Four Bond Strategy help stabilize the pattern of investment returns; and finally, positions in three alternative asset classes add yet another layer of diversification. The complete answer. One destination for <u>all</u> of the taxable individual's or tax-exempt institution's investment needs.

QII 2014 - Sunny Skies, Sunny Markets

Each of a TPM portfolio's three legs, i.e., Equities, U.S. Fixed Income, and the Alternatives Group, was a worthwhile contributor in the second quarter. U.S. large capitalization and emerging markets international equities were standouts in the Equities sector; the Select Four group more than held its own in the U.S. Fixed Income sector; and, the Alternatives Group continued to do its job. Good quarter indeed.

Performance - Consistent Value-Added, the Stability of a Balanced Structure

	2014 QI-QII	One Year	Three Years	Five Years	10 Years	Life of the Composite*
TPM Baseline**	**6.39%**	**18.58%**	**9.76%**	**14.67%**	**9.00%**	**9.12%**
Balanced Index ***	5.96	15.98	9.73	13.07	8.25	7.90

**Composite inception for discussion purposes is January 1, 2002*
***65% equities*
****Weighted 50% Russell 3000 Index, 15% FTSE Emerging Markets Index, 35% Barclays Capital*

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 June 30, 2014. To receive details regarding the calculation and the presentation of the Total Portfolio Management 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.

Things to look for when evaluating or choosing a financial adviser? Details on the next page.

"10 Questions to Ask a Financial Adviser"

MarketWatch is a website that we monitor, primarily for stock quotes, but occasionally an article catches our eye. One that did was "10 Questions to Ask a Financial Adviser." Good article, and we decided to put ourselves to the test for current and prospective clients. Here goes.

1) What experience do you have?

A lot. Doug McPeek's first day in the investment business was about the time of the Watergate break in. Three bear markets later (experience in this business is measured best by bear markets survived), Jeff McPeek left Boston College for Fidelity, just in time for the 2000-2002 bear market. And then, Doug and Jeff both were at their Nottinghill posts for 2007-2009. Even Lindsay Mason, a relative newcomer, now has been an investment professional since 2008. Hair (in one case) we're lacking. Experience we have.

2) What are your qualifications?

"Number of Bear Markets Survived" is a key qualification statistic. Exams, etc.? Doug and Jeff both have taken and passed the Uniform Investment Advisor Law Examination (Series 65), and Doug in a prior life held a Series 7 license. Continuing education? There's a new lesson every day.

3) What financial services do you offer?

No question, the lines in the industry have blurred. For example, all too often someone will be selling a "product," and then it's "oh, by the way, we'll also manage your assets." We do it differently. First and foremost, we're asset managers. If a client then has a financial planning, tax, etc., question, usually we can address that need. If the client has a more elaborate project or complicated issue in mind, we then turn to a carefully cultivated network of experts on the client's behalf. So, we offer widely ranging asset management services, along with the services of a network of specialists if needed.

4) What is your approach to working with clients?

Let's say a prospective TPM client has just walked through the door. We have asked him/her to bring along as much investable asset information as possible, so the initial discussions involve the appropriate asset allocation structure if we ultimately are hired. We then talk about us, and the next step is to determine if the fit is right, which may require a written proposal summarizing the prospective client's situation and our solutions. Then, as our current clients know so well, the quarterly report discussing the environment and performance becomes the main communications tool. But, access always is unlimited, and response time always short. Then, several years down the road, our clients and we review the original decisions, and determine if changes are needed. All part of the service. In fact, our "approach to working with clients" is summed up best by a fundamental NIA belief: Ours is the ultimate personal service business.

5) What is your approach to investing?

No mysteries here. We've spelled out the methodology of Value Plus and the various TPM structures in countless client communications and quarterly Updates over the years. The two key words: value and discipline. Mispriced, downtrodden equities constitute the heart of a Value Plus portfolio or a widely diversified TPM portfolio. We then urge clients to stay the course, unless their circumstances change.

6) What types of clients do you typically work with?

Taxable individual investors constitute about 50% of the client list, with tax-exempt clients, e.g., IRA, employee benefit, endowment, and public fund clients, constituting the remainder. So, the short answer to the question: many types. And, for good reason. We specialize in the disciplined, value-oriented management of highly marketable securities. That makes what we do appropriate for just about everybody.

7) Will you be the only one working with me?

This is an appropriate question for someone dealing with Big Financial Institution, Inc. Not so much for us. Hiring Nottinghill means that a client gets the combined efforts of three individuals who are totally committed to the best in investment management services, from properly managing the assets to being totally responsive to all needs. So, the answer is "no," and that's a good thing in this case.

8) What do you charge and how do I pay for your services?

Evidently, things here can be a little murky. We know this because investors constantly complain in the press and elsewhere that the financial services fine print is way too fine. In our case, the fee schedule is laid out at the beginning of the relationship, and any deviations from that schedule require a brand new Investment Advisory Agreement. Hard to believe it's done any other way and that this matter is even an issue.

9) Are there any conflicts of interest I should know about?

The only "products" we sell are the "products" we provide. Sure, our TPM portfolios contain bond funds and Vanguard indexed ETFs; but, someone has to put all the pieces together in an intelligent, cost-conscious manner, and we're that someone. Value Plus or TPM, the one constant: If the client succeeds, we succeed. No conflicts of interest. Rather, that's called identity of interest.

10) Do you have a clean record?

Every year, the regulators ask that we update Part 2 of our Form ADV, one aspect of which focuses upon any legal or disciplinary events in the past 10 years. In fact, there have been no such events since the Firm was founded, and we always are proud to make that statement.

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To these MarketWatch 10, we'll add an 11th: Do you have a track record, and was that track record compiled by investment professionals who still are with the Firm? Yes and yes. Past performance is no guarantee of future results, but it is powerful evidence that someone at least has been and probably still is doing something right. We are proud to say that Value Plus in particular qualifies. The Strategy's inception date is January 1, 1997.

So, you now have asked the right questions (including the bonus question), and have gotten the right answers in return. The NIA team is experienced and qualified, and specializes in disciplined, value-oriented approaches suitable for a variety of investors. The team comes with no conflict-of-interest or disciplinary baggage, but does come with multi-year track records supporting the quality of its work and clear, concise schedules of the fees involved. If you currently are a client, congratulations, we believe you have chosen well. If not, we hope to welcome you aboard soon.