NOTTINGHILL
INVESTMENT ADVISERS, Ltd.

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Quarterly Update

SCORECARD

	YTD	One Year	Three Years	Five Years	10 Years
S&P 500 Index	**15.29%**	**24.56%**	**10.02%**	**15.05%**	**12.86%**
10-Year Treasury Note	**-2.25**	**-1.02**	**-4.99**	**-1.30**	**0.97**
Gold	**12.89**	**21.55**	**9.79**	**10.50**	**5.87**

All multi-year returns are annualized, and all returns are associated with time periods ending June 30, 2024

2024 QI-QII — Four or Five Interest Rate Cuts? Not Likely.

Once upon a time, in the land of puppies and rainbows, the learned forecasters thought they had it all mapped out. Four or five interest rate cuts in 2024 were a given. The U.S. economy then would glide ever-so-smoothly into a soft landing, after which inflation would be tame, growth would resume, and all would be well throughout the land. Granted, the current data are mixed. A soft landing in fact may come to pass, but this almost certainly will have to happen without four or five interest rate cuts in 2024. The Washington-induced inflation that has been with us for a while is proving to be tricky to tame, and the last thing the Fed wants is to declare victory and then have to reverse engines. Therefore, four or five cuts probably are down to one or two, and the landing may not be so soft. Bringing inflation to heel, however, is worth a bumpier ride.

Of course, we may quibble about the importance of one piece of economic data versus another, but there is no denying that the stock market has been on solid ground for a while. So sayeth the stock market <u>indexes</u>, that is. They continue to be driven by a handful of large company Growth/Technology stocks. Other sectors and smaller companies in general, on the other hand, are struggling. Take the second quarter, for example. The Tech-laden NASDAQ Composite's return was over 8%, while the various <u>value</u>-oriented indexes and the Russell 2000 (small company) Index were <u>down</u> 2-4%. In other words, the so-called market leadership was and remains way too concentrated. Bonds? Our proxy is a Treasury maturing in 10 years; that bond returned -1.04% in the second quarter, which means -2.25% for the entire six-month period. The performance champ? Gold tacked on another 3.99% and now is up 12.89% for the year. Not too shabby.

THE CURRENT SITUATION — "What we know is a drop,…"

- **Worldwide Economy**
  Again, the data are mixed. On Mondays, Wednesdays, and Fridays, the just-released numbers usually suggest that all is well. On Tuesdays and Thursdays, however, the numbers all-too-often tell a different story, i.e., one focusing on cracks in the economic façade. These conflicting signals are what central bankers around the world are having to deal with on a daily and weekly basis. We wish them well.

- **Equities**
  There are the popular large company Growth/Tech indexes, and then we have everyone else. The behavior of the former suggests that we should not have a care in the world. The latter paints a different picture. What the U.S. market needs is greater participation by the rank-and-file.

- **Interest Rates**
  This year's widely-predicted four or five interest rate cuts probably will be one or two instead. Still, the path of least resistance appears to be down, and all markets will benefit to varying degrees.

So, a few things we know, a lot of things we don't. In fact, as Newton said, "What we know is a drop, what we don't know is an ocean." The solution: Stay diversified and stay the course. That's a perfect segue into "S-O-Y-H."

ABOUT THE FIRM

Nottinghill Investment Advisers, Ltd., is a registered investment adviser founded in May 1996. A long history of achievement.

Nottinghill is a team of seasoned professionals serving taxable and tax-exempt investors, as well as other investment advisers. Asset management and otherwise serving asset management clients are the Firm's only business. The twin results: commitment and focus.

Nottinghill is a manager of large capitalization equity and widely diversified balanced portfolios. The Firm can serve in a specialized role, or as a client's sole adviser.

Nottinghill's equity and balanced investment strategies constitute the Firm's Yield Plus Approach to investing. The Yield Plus Approach is a straightforward, all-encompassing investment philosophy and a set of well-defined investment processes. Precision and discipline.

A long history of achievement. Commitment and focus. Specialization, or single-manager responsibility. Precision and discipline.

Nottinghill is your ideal partner as you go down the financial path ahead.

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