NOTTINGHILL INVESTMENT ADVISERS, Ltd.

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ABOUT THE FIRM

Nottinghill Investment Advisers, Ltd., is an SEC-registered adviser specializing in quantitative approaches to the management of large capitalization Value equities. Multiple sets of buy/sell disciplines govern all equity and balanced portfolios. The Firm also serves as the General Partner of Southampton Capital Partners, L.P., an Ohio limited partnership.

THE FLAGSHIP STRATEGY Value Plus

Our flagship Large Capitalization Value approach. Portfolios typically contain 20 stocks, 15 of which are selected on the basis of traditional Value criteria and five of which are selected on the basis of superior corporate and stock-price performance. During certain high-risk periods, which are determined objectively, intermediate-term Treasuries are held instead of the latter, five-stock Momentum Group.

Investment Results

			End of the Period				
	Value Plus (%)	Russell 1000 Value Index (%)	Firm Assets ($/mm)	Composite Portfolios (#)	Composite Assets ($/mm)	% of Firm Assets (%)	Annual Composite Dispersion (%)
1997	**26.03**	35.18	15.1	8	5.2	34	0.32
1998	**18.26**	15.63	23.4	9	6.8	29	1.42
1999	**14.97**	7.35	31.7	10	9.8	31	0.53
2000	**5.09**	7.02	27.0	12	12.5	46	1.02
2001	**0.29**	-5.60	31.5	13	13.5	43	0.75
2002	**-17.17**	-15.52	36.1	15	17.9	50	0.46
2003	**37.22**	30.03	57.7	16	22.5	39	1.03
2004	**18.44**	16.50	70.8	20	26.7	38	0.62
2005	**11.10**	7.05	123.1	37	72.1	59	0.88
2006	**18.23**	22.23	162.3	40	97.8	60	0.79
2007	**-6.38**	-0.17	162.5	64	103.3	64	0.48
2008	**-37.10**	-36.86	88.0	59	63.0	72	0.99
2009	**40.66**	19.70	107.6	53	77.4	72	1.36
2010 QI-QIII	**5.86**	4.49	77.2	50	47.2	61	--
Annualized							
Life of the Strategy	**7.77**	6.03					
10 Years	**5.59**	2.59					
Five Years	**0.93**	-0.49					
Three Years	**-6.24**	-9.39					

Nottinghill results are presented net-of-the management fee; all annualized returns are associated with time periods ending September 30, 2010

Recent News

Ghosts. What do they have to do with seasonality in the stock market? Check out our opening thoughts (more to come) on this important subject. They're on the reverse side.

Bonds. Don't get us wrong - they have a place in every investor's overall portfolio. But, now's not the time to make them the star of the show. A few figures: At October's end, 90-day Treasury bills yielded 0.11%, five-year Treasuries yielded 0.91%, 10-year Treasuries yielded 2.46%. Our 10-stock Yield Group, on the other hand, yielded 4.26%. Equities are cheap relative to Treasuries.

QE2. More monetary stimulus on the way, but has its day come and gone? The grand objective is job creation, and doesn't most of that happen in the world of small business? Some things are hard - this one is easy. Lower taxes and otherwise make life easy for small business, and, in the words of Clint Eastwood, you won't believe what happens next: Jobs!

Website. Once again, we invite you to visit, www.nottinghilladvisers.com, for a look at all the work that we do.

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Nottinghill Investment Advisers, Ltd., has prepared and presented this report in compliance with the Performance Presentation Standards of the Association for Investment Management and Research (AIMR-PPS™) for the period from July 1, 1996 to December 31, 2005 and the Global Investment Performance Standards (GIPS®) beginning in 2006. No regulatory or governing body has been involved in the preparation or review of this report.

1. Nottinghill Investment Advisers, Ltd., ("Firm") is an independent, SEC-registered investment adviser utilizing a number of primarily large capitalization equity investment strategies. Berge & Company, Ltd. and BKD,LLP, Certified Public Accountants in each case, completed Firm-wide Verifications of Nottinghill's compliance with the AIMR-PPS™ for, respectively, the 1996-2001 and 2002-2005 periods. The Verifications associated with years after 2005 also were completed by BKD, LLP, and tested Nottinghill's compliance with the aforementioned Global Investment Performance Standards (GIPS®). Verifications are conducted annually; a copy of the most recent report is available by request.
2. The Value Plus performance composite (Composite A: all non-wrap fee accounts and those with a fixed annual broker charge less than 0.25% of assets), formerly Growth & Value 20 Composite A, officially was created on January 1, 2002; however, the composite as currently defined has an effective date of compliance with the AIMR-PPS™ of January 1, 1997. Berge & Company, Ltd. and BKD, LLP, Certified Public Accountants in each case, completed Performance Examinations of the investment results presented for, respectively, the 1997-2001 and 2002-2009 periods.
3. No segments of other portfolio composites and no accounts with a fixed annual broker charge are included in the Value Plus composite.
4. The most appropriate benchmarks for the Value Plus strategy are the style-specific Russell 1000 Value Index and the more broadly representative S&P 500 Index. Both are unmanaged, capitalization-weighted, and consist of primarily U.S. corporations. Index performance in both cases includes price change and income, however, neither index has any expenses. The S&P 500 Index was the sole benchmark prior to January 1, 2010.
5. Investment results have been calculated net-of–the management fee, which was deducted from the results achieved by every account in the composite. The annual fee schedule is 1.0% of the first $1 million, 0.75% of the next $4 million, and 0.50% of remaining assets.
6. Investment results calculated net-of-the management fee are appropriate for presentation or redistribution in all settings, but must be accompanied by this disclosure language.
7. All performance calculations are based upon trade-date accounting, and, except where otherwise noted, are associated with time periods ending December 31.
8. Performance is expressed in U.S. Dollars.
9. Annual composite dispersion is the asset-weighted standard deviation of gross investment returns.
10. Exchange-Traded Fund shares may be utilized in this strategy from time to time. No other derivatives and no leverage are employed.
11. Past performance is no guarantee of future results.
12. A complete list of Nottinghill performance composites and additional information regarding the calculation and reporting of Nottinghill performance are available upon request.

The Ghosts of October

The famous Mark Twain quote in the middle of the page always seemed to us to be a little harsh. After all, even with 2008 and the rest of the Lost Decade factored in, the S&P 500 Index did provide a return of 9.81% per year between January 1, 1926 and December 31, 2009. Not too shabby. All it took was discipline and fortitude, about which we've preached often and both of which have served our **Value Plus** clients well for almost 14 years.

Mark Twain, of course, couldn't have known about the above; but, the lead reference to October caught our attention, and brought to mind the subject of seasonality. Why? Because, whether we're talking about snow shovels at Wal-Mart, corn futures in the Chicago pits, or stocks at the NYSE, seasonality in pricing is an interesting and often helpful phenomenon to note. A good example is October and U.S. stocks. The month has not been the worst on average (September takes this prize), but there have been some high-adventure Octobers to remember. Now that 2010's October has been put to rest, let's take a walk down memory lane and go over a few of those other Octobers.

"October: This is one of the particularly dangerous months to invest in stocks. Other dangerous months are July, January, September, April, November, May, March, June, December, August, and February."
--Mark Twain

October 1929

An era of post-war partying and rampant speculation came to a sudden end on October 28-29. Until that memorable day in 1987, those two 1929 days were considered the ultimate stock market tragedy, the bow shot portending the dire things to come in the 30s. Of course, the importance of the '29 Crash and its relationship to the Great Depression have been debated ever since. What we do know is that the stock market travails of that October were followed by a sharp decrease in the nation's money supply and harsh policies restricting international trade. Unfortunately, the fate of the worldwide economy was sealed, and October 28-29, 1929, no longer could serve as a mere short-term purge of speculative excess. *October 1929 S&P 500 Index -19.73% (with dividends)*.

October 1978

Fast forward 49 years, and we come to October Massacre I. Inflation and interest rates were on the rise, but the '78 Massacre probably was not foretelling their ultimate highs and impact. Instead, there existed several pockets of speculation that were wrung out viciously, and the cleansing process spilled over into the market as a whole. The newly unregulated airlines were on the list, but, to an even greater extent, October Massacre I always will be associated with the abrupt cooling of Atlantic City gambling fever. *October 1978 -8.72%*.

October 1979

Unlike it's '78 counterpart, Massacre II was a stock market reaction to a significant economic event. Paul Volcker had been installed as Chairman of the Federal Reserve Board; inflation had been designated the principal enemy; and it was evident that tough decisions would be made. Over the weekend of October 5-7, several of them were announced. The most important was that the Federal Reserve no longer would attempt to control interest rates. They would be allowed to rise and fall in response only to market forces, and the focus instead would shift to controlling the money supply. This move into uncharted waters precipitated a sharp sell off in equity prices, which ultimately recovered to new highs. However, the policy changes responsible for Massacre II clearly led to the severe 1981-1982 recession, followed by the prosperity of the 80s and 90s. *October 1979 -6.40%*.

October 1987

Following a long, largely uninterrupted advance from the 1982 lows, stock prices found themselves moving up in tandem with long-term interest rates. Something had to give, and the stock market on October 19 is what gave. Prices did recover in the midst of generally healthy business conditions, and we were left with the fact that what should have been a normal, therapeutic stock market correction instead became something truly chaotic, a situation clearly exacerbated by computerized trading among linked markets. *October 1987 -21.54%*.

October 2008

Sure, Lehman Brothers collapsed over the weekend of September 13-14, but sometimes it takes awhile for the true extent of the damage to register. It registered in October. What had begun a year earlier as a problem in one part of the mortgage market had morphed into a full-blown credit crisis and consumer-led recession. The S&P 500 Index declined 18% during the week of October 6-10, and 17% for the entire month. This was no one-month phenomenon rooted in gambling fever or changed Fed policies. This was the real deal, and we now know that the descent would not end before five more months had passed. *October 2008 –16.79%*.

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History's turbulent times are where most of its lessons are to be found, and October, while not the worst month of the 12 on average, has had more than its share of famous turbulent times. Coincidence? Hard to say; but, seasonality as an analytical tool can be very helpful in general, and we'll have more to say on the subject in future Updates. For now, we all can sleep a little more easily knowing that all those October ghosts won't be around for at least another year.