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November Market Monitor

- Prospects for a partial trade deal with China and a stronger-than-expected corporate earnings season drove a second month of equity gains.
- For the month, the Dow Industrials gained 0.59% and the tech-heavy Nasdaq Composite jumped 3.71%. The Dow extended its YTD gain to 18.19%, while the Nasdaq is up 26.06% for the year.
- Swayed lower by another quarter-point Fed rate cut, 10-year Treasury yields ended the month at 1.69%, down from an October-high of 1.84%.
- The U.S. Dollar Index capped its worst month since January 2018, hurt by easing trade tensions and weakened U.S. economic data. The currency fell 1.9% in October.

Despite month-ending worries about the prospects for a long-term U.S.-China trade deal, equity markets closed out an otherwise upbeat October as investors were relieved that corporate profits have not slowed as much as previously feared. In fact, during the busiest week of the third quarter earnings season, unexpectedly strong results helped send the S&P 500 to its second record high set during the month. So far, around two-thirds of S&P 500 companies have reported quarterly earnings and of those, 75% posted better-than-expected results.

Wall Street was also encouraged after the Federal Reserve delivered its third rate cut of the year. Fed Chairman Powell signaled a pause on further cuts and said policymakers would not hike rates again unless inflation moved significantly higher. In economic data, the economy expanded at a 1.9% annualized pace in the 3Q, supported by still strong consumer spending that outpaced a slowdown in manufacturing and business investment.

Small cap equities outperformed large and mid caps in October, while the Russell Mid Cap Index continues to lead year-to-date (YTD), up 23.21%. Among the 11 major sectors, Healthcare and Technology posted the strongest gains in October, while Technology and Real Estate maintained their dominance as this year's best - performing sectors. In a surprising turnaround, foreign equites outperformed the U.S. in October but continue to trail on a YTD basis.

With easing trade tensions, U.S. Treasurys and other government debt lost most of their appeal in October as the Bloomberg Barclays US Government Index rose just 0.07%, extending its YTD return to 7.74%. Investment-grade bonds of all types trailed U.S. governments last month but outperformed relative to municipals and noninvestment grade high-yield corporate bonds. High-yield corporate debt continues to outperform YTD.

Top Performers – October	**Bottom Performers – October**
Healthcare (+5.12%)	Energy (-2.29%)
Technology (+3.89%)	Utilities (-0.76%)
Communication Services (+3.02%)	Consumer Staples (-0.15%)
Top Performers – YTD [1]	**Bottom Performers – YTD [1]**
Technology (+36.48%)	Energy (+3.57%)
Real Estate (+29.57%)	Healthcare (+11.04%)
Communication Services (+25.42%)	Materials (+17.16%)

[1] Morningstar Direct (all performance percentages are total return based, which include reinvested dividends, interest)

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Any forward-looking statements are based on assumptions, may not materialize, and are subject to revision. All economic and performance information is historical and not indicative of future results. The market indices discussed are not actively managed. Investors cannot directly invest in unmanaged indices. Please consult your financial advisor for more information. Additional risks are associated with international investing, such as currency fluctuations, political and economic instability, and differences in accounting standards. Glossary The Dow Jones Industrial Average is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the NASDAQ. The S&P 500 is an index of 500 stocks chosen for market size, liquidity and industry grouping (among other factors) designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe. The NASDAQ Composite Index includes all domestic and international based common type stocks listed on The NASDAQ Stock Market. The NASDAQ Composite Index is a broad-based index. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe and is a subset of the Russell 3000 Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 3000 Index measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. It includes approximately 800 of the smallest companies in the Russell 1000 Index, based on a combination of their market cap and current index membership. The Russell Midcap represents approximately 31% of the total market capitalization of the Russell 1000 Index. The Bloomberg Barclays US Aggregate Bond Index, which was originally called the Lehman Aggregate Bond Index, is a broad based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government–related and corporate debt securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency) debt securities that are rated at least Baa3 by Moody’s and BBB- by S&P. Taxable municipals, including Build America bonds and a small amount of foreign bonds traded in U.S. markets are also included. Eligible bonds must have at least one year until final maturity, but in practice the index holdings have a fluctuating average life of around 8.25 years. This total return index, created in 1986 with history backfilled to January 1, 1976, is unhedged and rebalances monthly. The Bloomberg Barclays US Corporate High Yield Index measures the USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below, excluding emerging market debt. Payment-in-kind and bonds with predetermined step-up coupon provisions are also included. Eligible securities must have at least one year until final maturity, but in practice the index holdings have a fluctuating average life of around 6.3 years. This total return unhedged index was created in 1986, with history backfilled to July 1, 1983 and rebalances monthly. The Bloomberg Barclays US 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 prerefunded bonds. Many of the subindicies of the Municipal Index have historical data to January 1980. In addition, several subindicies based on maturity and revenue source have been created, some with inception dates after January 1980, but no later than July 1, 1993. Eligible securities must be rated investment grade (Baa3/BBB- or higher) by Moody’s and S&P and have at least one year until final maturity, but in practice has a fluctuating average life of around 12.8 years. This total return index is unhedged and rebalances monthly. The MSCI All-Country World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The SMCI ACWI consists of 46 country indexes comprising 23 developed and 23 emerging market country indexes. The developed country indexes include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. The emerging market country indexes included are: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates. The MSCI EAFE Index is designed to measure the equity market performance of developed markets (Europe, Australasia, Far East) excluding the U.S. and Canada. The Index is market-capitalization weighted. The MSCI Emerging Markets Index is designed to measure equity market performance in global emerging markets. It is a float-adjusted market capitalization index. The MSCI Europe Index is a free float-adjusted market capitalization index that is designed to measure developed market equity performance in Europe. The MSCI Pacific Index captures large and mid-cap representation across five Developed Markets (DM) countries in the Pacific region. With 470 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. The Bloomberg Commodity Index is a broadly diversified index that measures 22 exchange-traded futures on physical commodities in five groups (energy, agriculture, industrial metals, precious metals, and livestock), which are weighted to account for economic significance and market liquidity. No single commodity can comprise less than 2% or more than 15% of the index; and no group can represent more than 33% of the index. However, between rebalancings, group weightings may fluctuate to levels outside the limits. The index rebalances annually, weighted 2/3 by trading volume and 1/3 by world production. The S&P GSCI Crude Oil Index is a sub-index of the S&P GSCI, provides investors with a reliable and publicly available benchmark for investment performance in the crude oil market. The S&P GSCI Gold Index, a sub-index of the S&P GSCI, provides investors with a reliable and publicly available benchmark tracking the COMEX gold futures market. West Texas Intermediate (WTI) is crude oil produced in Texas and southern Oklahoma which serves as a reference or "marker" for pricing several other crude streams. WTI is the underlying commodity of the New York Mercantile Exchange's oil futures contracts. The Cboe Volatility Index® (VIX®) is a key measure of market expectations of near-term volatility conveyed by S&P 500 stock index option prices. The U.S. Dollar Index is a weighted geometric mean that provides a value measure of the United States dollar relative to a basket of major foreign currencies. The index, often carrying a USDX or DXY moniker, started in March 1973, beginning with a value of the U.S. Dollar Index at 100.000. It has since reached a February 1985 high of 164.720 and has been as low as 70.698 in March 2008.