

Market Indices ¹	November	Year-to-Date
S&P 500	3.70%	9.79%
Russell 3000	4.48%	10.58%
MSCI EAFE	-1.99%	-2.34%
MSCI Emerging Markets	-4.60%	10.94%
Barclays U.S. Aggregate Bond	-2.37%	2.50%
Barclays U.S. Municipal Bond	-3.73%	-0.92%
Barclays U.S. Corporate High Yield	-0.47%	15.01%

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

At-A-Glance

- The S&P 500 posted four new all-time highs in November, ending the month just 0.65% below its November 25th record high of 2,213.35. The Dow Industrials gained over 1,000 points from its November 1st low, up 5.88% for the month, and the NASDAQ Composite gained 2.80%.
- Base metals rallied in November, led by a 20% surge in copper prices, its largest gain since April 2006.
- Oil surged over 9% the last day of November after OPEC agreed to its first production cut in eight years.

Snapping three months of declines, the S&P 500 posted sharp gains in November as investors speculated that President-elect Donald Trump's plans for fiscal stimulus, tax cuts, and other policies will boost growth and accelerate a rebound in corporate profits. Since Election Day, cyclical growth stocks have largely benefited, led by banks and infrastructure-related industrials, while bonds and precious metals retreated together with defensive-oriented sectors. Robust economic data also supported the rally, including an upward revision of third quarter GDP from 2.9% to 3.2%, the fastest growth pace in two years. Meanwhile, the third quarter corporate earnings season is virtually complete, with S&P 500 companies recording a cumulative 4% year-over-year gain in operating earnings. Analysts initially projected a 0.8% decline. Double-digit earnings increases were reported in Financials, Technology, Materials, and Utilities, while profit declines were observed in Energy (-67.5%) and Telecom (-2.6%).

Seven of the eleven major sector groups registered November gains, led by Financials (+13.94%), Industrials (+8.85%), and Energy (+8.40%). Utilities (-5.40%), Consumer Staples (-4.29%), and Real Estate (-3.07%) lagged. On a year-to-date (YTD) basis however, Energy (+24.95%), Industrials (+18.26%), and Financials (+18.19%) are this year's biggest winners, while Healthcare (-3.40%) and Real Estate (-0.92%) have declined.

Small and mid cap stocks outperformed relative to the large cap S&P 500 Index. The Russell 2000 small cap focused index surged 11.15% in November, its strongest monthly gain since October 2011. The Russell MidCap Index returned 5.39% last month. Small and mid caps also outperformed on a YTD basis, gaining 18% and 12.52% respectively. Value stocks outperformed growth in November, with the Russell 1000 Value Index up 5.71%, while the Russell 1000 Growth Index returned 2.18%. YTD, value stocks continue to widely outperform growth, returning 14.48% and 5.77% respectively.

The MSCI EAFE Index, a broad performance measure of global developed markets outside of the U.S. and Canada, underperformed domestic equities, down 1.99% last month. This index is now down 2.34% for the year. Hurt by a near certain December Fed interest rate hike, the MSCI Emerging Markets Index fell 4.60% in November, its worst performance since January. Despite this pullback, emerging market stocks are still up 10.94% for the year.

Treasuries, as measured by the Barclays U.S. Government Bond Index, fell 2.59% in November, its worst monthly performance since 2009 as investors shifted into equities. Prices on 10-year U.S. Treasury notes slumped, sending its yield up nearly 56 basis points in November, finishing the month at 2.382%. The Barclays U.S. Municipal Bond Index lost 3.73% last month, turning fractionally lower YTD. U.S. investment grade corporate, government and agency-backed bonds, as measured by the Barclays U.S. Aggregate Bond Index, sank 2.37% in November. At the other end of the credit spectrum, the Barclays U.S. Corporate High Yield Index, a proxy for below-investment grade corporate bonds, fell just 0.47% last month, slightly trimming its YTD gain to 15.01%.

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Additional risks are associated with international investing, such as currency fluctuations, political and economic instability, and differences in accounting standards.

Glossary

The **Barclays U.S. Aggregate Bond Index**, which used to be called the Lehman Aggregate Bond Index, is a broad base index, maintained by Barclays Capital, and it often used to represent investment grade bonds being traded in the U.S. Barclays Capital (BarCap) U.S. Aggregate Bond Index is made up of the Barclays Capital U.S. Government/Corporate Bond Index, Mortgage-Backed Securities Index, and Asset-Based Securities Index, including securities that are of investment grade quality or better, have at least one year to maturity, and have an outstanding par value of at least \$100 million.

The **Barclays U.S. Municipal Bond Index** is an unmanaged, market-value-weighted index of investment-grade municipal bonds with maturities of one year or more.

The **Barclays U.S. Corporate High Yield Index** measures the market of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds. 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.

The **Barclays U.S. Government Bond Index** is comprised of the U.S. Treasury and U.S. Agency Indices. The index includes U.S. dollar-denominated, fixed-rate, nominal US Treasuries and US agency debentures (securities issued by US government owned or government sponsored entities, and debt explicitly guaranteed by the US government). The US Government Index is a component of the U.S. Government/Credit and U.S. Aggregate Indices, and eligible securities also contribute to the multi-currency Global Aggregate Index. The U.S. Government Index has an inception date of January 1, 1973.

The **Bloomberg Commodity Index** is a broadly diversified index that allows investors to track commodity futures through a single, simple measure. It is composed of futures contracts on physical commodities and is designed to minimize concentration in any one commodity or sector. It currently includes 19 commodity futures in five groups. No one commodity can comprise less than 2% or more than 15% of the index, and no group can represent more than 33% of the index (as of the annual reweightings of the components).

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 **MSCI EAFE** 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.

MSCI Emerging Markets is designed to measure equity market performance in global emerging markets. It is a float-adjusted market capitalization index.

The **Russell 1000 Growth Index** measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 Index companies with higher price-to-book ratios and higher forecasted growth values.

The **Russell 1000 Value Index** measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 Index companies with lower price-to-book ratios and lower forecasted growth values.

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 and is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities 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 companies.

The **S&P 500** is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

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 **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 capitalization-weighted index.

The **Shanghai Composite Index** is a stock market index of all stocks (A shares and B shares) that are traded at the Shanghai Stock Exchange.

The **STOXX Europe 600 Index** is derived from the STOXX Europe Total Market Index (TMI) and is a subset of the STOXX Global 1800 Index. With a fixed number of 600 components, the STOXX Europe 600 Index represents large, mid and small capitalization companies across 18 countries of the European region: Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.