



Monthly Market Review

U.S. Equity

- Domestic equity markets, as represented by the S&P 500 Index (S&P), returned 10.95% in November, the benchmark's best November ever.
- Within the S&P, all 11 sectors posted positive returns. Energy did best, returning 28.04%. Financials followed, returning 16.90%. The Utilities sector was the worst performer of the month and returned 0.76%.
- By market capitalization, small-caps (Russell 2000 Index) returned 18.42%, large-caps (Russell 1000 Index), returned 11.78% and mid-caps (Russell Mid Cap Index) returned 13.82%. Value stocks outperformed growth stocks across all capitalizations.

Non-U.S. Equity

- Non-U.S. equity markets, represented by the MSCI ACWI ex-U.S., ended the month up 13.45%, as world economies have hope for a successful coronavirus vaccine. Developed markets ex-U.S., represented by the MSCI EAFE Index, returned 15.50%, while emerging markets (EM), represented by the MSCI Emerging Markets Index, returned 9.25% in November.
- Within the ACWI ex-U.S. Index, all 11 sectors posted positive returns. Financials did best, returning 20.06%, followed by Real Estate, returning 13.95%. The Healthcare sector was the worst performer, returning 0.04%, followed by Utilities with a return of 0.26%.
- Within the ACWI ex-U.S. Index, EM Latin America performed best during the month, returning 21.86%. EM Asia was the worst-performing region during the month, returning 7.49%.

Fixed Income

- The Bloomberg Barclays U.S. Aggregate Index (Aggregate) returned 0.98% in November. During the month, credit spreads tightened, leading to strong performance across spread sectors, including investment-grade (IG) corporates (2.79%), high yield (3.96%, out of index) and Agency Commercial Mortgage-Backed Securities (0.57%). The 10- and 30-year Treasury rates decreased between four and seven basis points (bps) respectively during the month, leading to the broad treasury index gaining 0.35%.
- IG credit within the Aggregate returned 2.55%. Within the IG credit spectrum, AAA-rated bonds returned 0.72%, AA-rated bonds returned 2.17%, A-rated bonds returned 2.22% and BBB-rated bonds returned 3.19%. High yield (HY), represented by the Bloomberg Barclays U.S. Corporate HY Index, returned 3.96% in November.
- Yields generally stayed steady across the U.S. Treasury yield curve in November.

Alternatives and Other Asset Classes

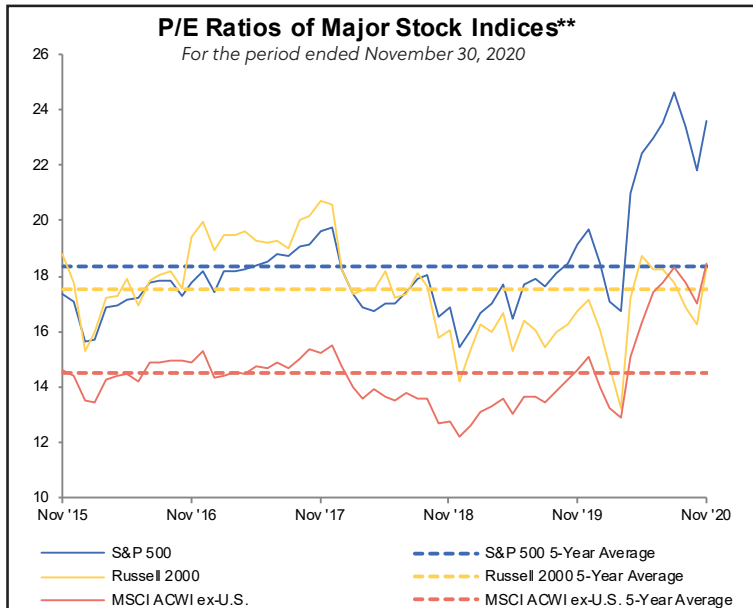
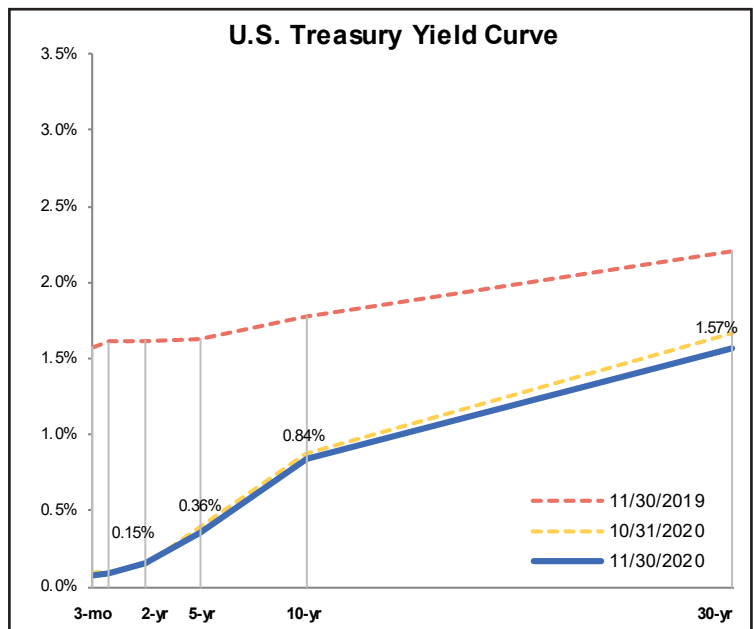
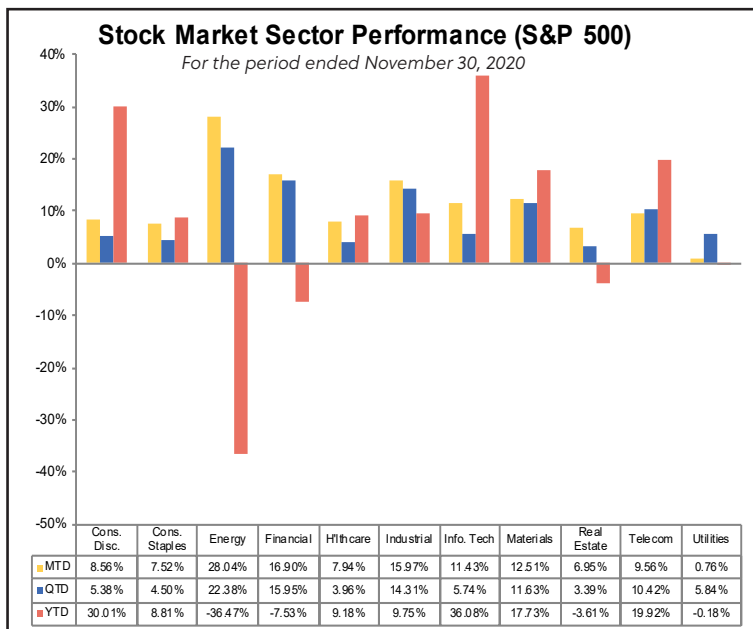
- Real estate investment trusts (REITs), represented by the FTSE NAREIT Index, rose 10.92% in November. Performance was positive in seven of nine real estate sectors. Lodging/Resorts did best, returning 46.63%. The worst-performing REIT sector of the month was Data Centers, returning -4.42%.
- The active contract for West Texas Intermediate (WTI) crude increased to \$45.34/barrel in November from \$35.79/barrel at the end of October from growing hope that vaccines for COVID-19 will help improve demand trends in the economy.

Items to Watch

- More than 100,000 people in the U.S. are currently hospitalized with the coronavirus, a jarring benchmark as the country struggles to slow the viral spread. The rise in COVID-19 infections and subsequent hospital stays has squeezed healthcare systems and strained first responders.
- The UK has approved the COVID-19 vaccine from Pfizer and BioNTech for emergency use, paving the way for vaccinations to begin weeks ahead of most of the world. The approval by UK medical regulators comes as their counterparts in the U.S., European Union and other countries around the world prepare to deliver their own verdict on promising COVID-19 vaccines. Final results from the trials of Moderna's vaccine confirm it has 94% efficacy, kickstarting the approval process with regulators around the world.
- Employment growth slowed sharply in November amid the coronavirus surge. Non-farm payrolls increased by 245,000, down from 610,000 in October. Unemployment decreased to 6.7% from 6.9%, meeting expectations.
- Democratic and Republican party leaders in the Senate are at odds over the aid they would give unemployed Americans in any upcoming coronavirus relief package. Their positions, which have endured despite months of negotiations over the contours of more stimulus, suggest it may be hard to reach a compromise. Meanwhile, key aid programs for the unemployed are set to expire by the end of December. That would leave close to 13 million Americans without unemployment benefits at the same time that protections for renters and student loan borrowers would end.

Total Return of Major Indices as of 11/30/2020				
Domestic Equity	MTD	QTD	YTD	1 YR
S&P 500	10.95%	8.00%	14.01%	17.44%
Russell 3000	12.16%	9.74%	15.68%	19.01%
Russell 2000	18.42%	20.90%	10.39%	13.57%
Russell 1000	11.78%	9.08%	16.05%	19.40%
International Equity	MTD	QTD	YTD	1 YR
MSCI ACWI ex-U.S.	13.45%	11.01%	4.98%	9.52%
MSCI EAFE	15.50%	10.89%	3.03%	6.37%
MSCI Emerging Markets	9.25%	11.50%	10.20%	18.43%
Fixed Income	MTD	QTD	YTD	1 YR
Bloomberg Barclays U.S. Agg	0.98%	0.53%	7.36%	7.28%
Bloomberg Barclays Global Agg	1.82%	1.92%	7.75%	8.38%
Bloomberg Barclays U.S. HY	3.96%	4.48%	5.13%	7.24%
Alternatives	MTD	QTD	YTD	1 YR
FTSE NAREIT Equity	10.92%	8.02%	-10.93%	-11.46%
Bloomberg Commodity	3.50%	4.95%	-8.07%	-3.57%

Economic Indicators		
Domestic	Current	Previous Month
Unemployment Rate (%)	6.7%	6.9%
Initial Jobless Claims (4 week average)	739.5 K	750.8 K
CB Leading Economic Indicators	0.7	0.7
Capacity Utilization	72.8%	72.0%
GDP (annual growth rate)	33.1%	-31.4%
University of Michigan Consumer Confidence	76.9	81.8
New Home Starts	999 K	1002 K
Existing Home Sales	6.9 MM	6.6 MM
Retail Sales (YoY)	4.4%	4.7%
U.S. Durable Goods (MoM)	1.3%	2.1%
Consumer Price Index (YoY)	1.2%	1.4%
Producer Price Index (MoM)	0.6%	0.2%
Developed International*	9/30/2020	6/30/2020
Market GDP (annual rate)	-2.3%	-12.2%
Market Unemployment	7.9%	7.6%



Source: Bloomberg. Data as of November 30, 2020, unless otherwise noted.
 *Developed market data is calculated with respect to the weightings in the MSCI World ex-U.S. Index. Most current data is as of June 30, 2020 due to release dates of numerous countries.
 **P/E ratios are calculated based on one-year-forward estimates and adjusted to include only positive earning results for consistency.

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