

November 2020 Market Update

Stocks surged in November with U.S. stocks up 11.3% and international stocks up 13.5%. Many stock indices set all-time highs, including the Dow Jones Industrial Average which broke 30,000 for the first time. U.S. stocks are now up 13.3% on the year while international stocks are up 5.2%.

Bonds picked up 1.0% in November. Treasury yields dropped about 5 basis points in long maturities. Real estate slightly lagged the overall stock market.

On November 9th, Pfizer and BioNTech announced strong results for their COVID-19 vaccine, triggering a major shift in market sentiment. The market is now anticipating a return to the new normal where people can travel and gather in large groups starting in summer or fall of 2021.

We believe the dramatic over-performance of large-cap growth stocks, which was at 43% at its peak and is now at 33%, has run its course. We are still bullish on the long-term prospects of large-cap growth, but it's time to take profits and reduce overweights in growth equities.

Table 1: Benchmark Index Performance as of November 30, 2020

Benchmark Index	1 Mo	3 Mo	YTD	5 Yr Ann
U.S. Stocks	11.3%	4.6%	13.3%	13.6%
International Stocks	13.5%	8.4%	5.2%	7.4%
U.S. Bonds	1.0%	0.5%	7.4%	4.3%
U.S. Real Estate	10.7%	4.4%	-10.5%	4.3%

Table 2: Vanguard Global Asset Allocation Benchmarks as of Nov 30, 2020

Vanguard Fund or ETF: % Stock/% Bond	1 Mo	3 Mo	YTD	5 Year
LifeStrategy Growth Fund: 80/20	10.1%	5.6%	11.0%	10.1%
LifeStrategy Moderate Growth Fund: 60/40	7.8%	4.5%	10.2%	8.7%
LifeStrategy Conservative Growth Fund: 40/60	5.4%	3.4%	9.2%	7.3%
LifeStrategy Income Fund: 20/80	3.1%	2.1%	7.8%	5.8%

Chart 1: 2020 Year-to-Date Market Index Performance

