

November 2021 Market Update

Despite a strong start, U.S. stocks fell 1.5% in November reducing their year-to-date gain to 21.1%. International stocks lagged again, dropping 4.3% for a YTD gain of 5.2%. Bonds added 0.3% in total return as the 10-year Treasury dropped to 1.43% from 1.55%. Real estate fell 2.1%, now up 28.1% on the year.

After disappointing election results – for Democrats - President Biden signed the \$1.2 trillion Infrastructure Investment and Jobs Act into law and effectively dropped proposed Build Back Better legislation. This action came on the heels of the highest CPI print since 1990 when October CPI came in at 0.94% monthly and 6.2% year-over-year. Jay Powell was nominated for a second term and by the end of November Jay sought to retire the use of “transitory” to describe inflation. Non-farm payrolls came in above consensus, indicating recovering strength in the job markets after two disappointing months.

COVID cases were generally stable but the world is concerned about a new potentially more contagious variant out of South Africa named “omicron”.

Table 1: Benchmark Index Performance as of November 30, 2021

<i>Benchmark Index</i>	<i>1 Mo</i>	<i>3 Mo</i>	<i>YTD</i>	<i>5 Yr Ann</i>
U.S. Stocks	-1.5%	0.4%	21.1%	17.5%
International Stocks	-4.3%	-4.9%	5.2%	9.5%
U.S. Bonds	0.3%	-0.7%	-1.4%	3.6%
U.S. Real Estate	-2.1%	-1.1%	28.1%	10.2%

Table 2: Vanguard Asset Allocation Benchmarks as of November 30, 2021

<i>Vanguard Fund: % Stock/% Bond mix</i>	<i>1 Mo</i>	<i>3 Mo</i>	<i>YTD</i>	<i>5 Yr Ann</i>
LifeStrategy Growth Fund: 80/20	-2.0%	-1.6%	11.0%	12.2%
LifeStrategy Moderate Growth Fund: 60/40	-1.4%	-1.3%	7.8%	10.1%
LifeStrategy Conservative Growth Fund: 40/60	-0.7%	-1.1%	4.7%	8.0%

Chart 1: Year-to-Date Market Index Performance as of November 30, 2021

