
November 2023 Market Update

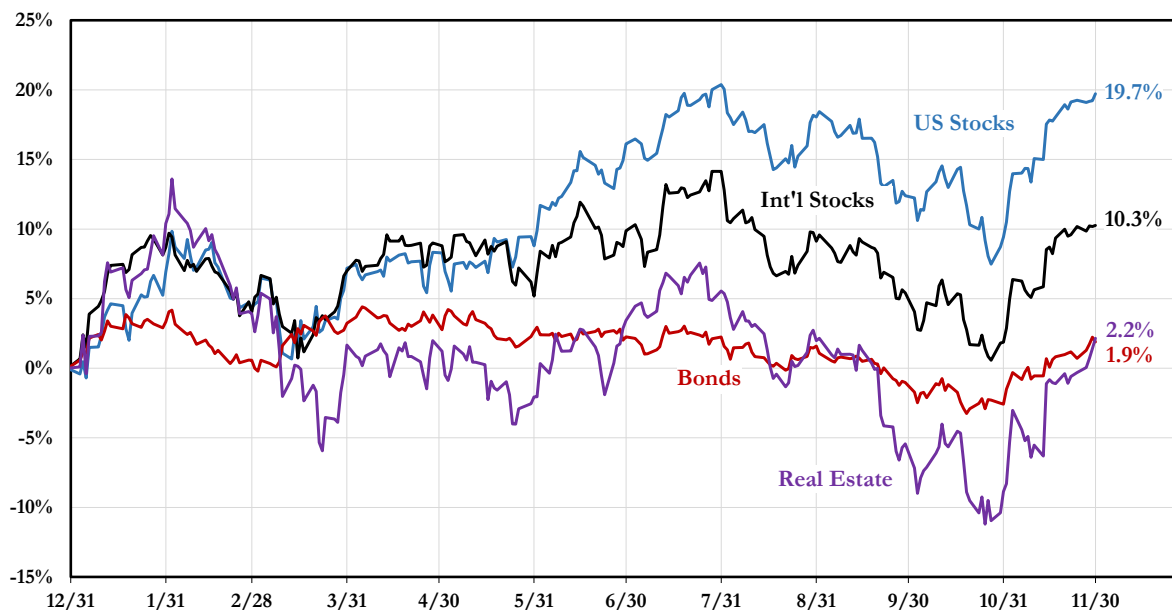
Weak economic data sparked a powerful rally in November (did you catch the irony there?) as all asset classes experienced remarkable gains. U.S. equities gained 9.4%, international equities picked up 8.2% and real estate increased 12.1%. On a year-to-date basis, U.S. equities are up 19.7%, international equities up 10.3% and real estate is back in positive territory with a 2.2% gain. Large-cap growth equities benefited the most and are up 40.8% year-to-date, compared to small-cap value up 5.6%.

Bond market action drove the rally in stocks. Bond returns were up 4.6% for the month, and 1.9% on the year. Ten-year Treasury yields lost 51 bps, dropping from 4.88% to 4.37% while short yields were only modestly lower. Remember, lower yields mean higher prices.

Inflation data released in November was flat month-over-month and employment numbers were weaker. Faced with good inflation readings and a weaker economy, the Federal Reserve is likely finished raising interest rates. In fact, the market is now pricing in a 1.0% DROP in Fed Funds by the end of 2024, but the market continues to price lower yields than suggested by Fed guidance.

We are maintaining asset allocations close to long-term targets with an ongoing over-allocation to growth equities. Real estate valuations are looking better given their lower prices and lower bond yields.

Chart 1: Year-to-Date Market Performance



Benchmark Performance Summary

Asset Class Benchmark Returns

Asset Class	1 Mo	3 Mo	YTD	2022	3 Yr	5 Yr
Global Equities	9.0%	1.3%	16.0%	-18.0%	5.7%	9.1%
U.S. Equities	9.4%	1.4%	19.7%	-19.5%	8.2%	11.7%
U.S. Large Cap Equities	9.5%	2.1%	21.7%	-19.9%	8.9%	12.5%
U.S. Large Cap Growth	11.6%	3.4%	40.8%	-33.2%	7.7%	16.1%
U.S. Large Cap Value	6.7%	0.5%	4.0%	-2.1%	10.1%	8.5%
U.S. Small Cap Equities	9.2%	-2.9%	7.2%	-17.5%	3.8%	7.0%
U.S. Small Cap Growth	9.8%	-4.6%	9.5%	-28.4%	-3.6%	5.9%
U.S. Small Cap Value	8.7%	-1.6%	5.6%	-9.4%	9.4%	7.1%
Ex-U.S. Equities	8.2%	1.0%	10.3%	-16.1%	2.2%	5.3%
Developed Market Equities	8.8%	1.1%	11.7%	-15.4%	3.7%	6.0%
Developed Market Growth	9.6%	0.1%	11.1%	-23.1%	0.0%	6.2%
Developed Market Value	6.9%	2.2%	13.1%	-5.2%	7.6%	4.8%
Emerging Market Equities	7.1%	1.1%	5.7%	-18.0%	-2.3%	3.4%
Fixed Income	4.6%	0.3%	1.9%	-13.0%	-4.5%	0.7%
Ultrashort	0.4%	1.4%	4.6%	1.5%	2.1%	1.8%
Short Term	1.1%	1.3%	3.1%	-3.9%	-0.5%	1.2%
Inflation Protected	2.8%	0.1%	1.4%	-12.0%	-1.5%	2.7%
U.S. Aggregate Bond	4.6%	0.3%	1.9%	-13.0%	-4.5%	0.7%
Real Estate	12.1%	0.2%	2.2%	-26.2%	2.8%	3.7%
Cash	0.4%	1.4%	4.6%	1.5%	2.1%	1.8%

Portfolio Benchmarks

Portfolio	1 Mo	3 Mo	YTD	2022	3 Yr	5 Yr
Vanguard Total World Stock ETF	9.0%	1.3%	16.0%	-18.0%	5.7%	9.1%
Vanguard Total U.S. Stock ETF	9.4%	1.4%	19.7%	-19.5%	8.2%	11.7%
Vanguard Growth Fund 80/20	8.0%	1.2%	13.0%	-17.1%	3.7%	7.5%
Vanguard Mod Growth Fund 60/40	7.0%	1.0%	10.5%	-16.0%	1.7%	5.9%
Vanguard Cons Growth Fund 40/60	6.0%	1.0%	7.9%	-15.0%	-0.2%	4.2%
Vanguard Income Fund 20/80	5.0%	0.7%	5.3%	-13.9%	-2.2%	2.4%
Vanguard Total U.S. Bond Mkt ETF	4.5%	0.4%	2.0%	-13.1%	-4.5%	0.8%