

U.S. Equity

- ▶ Domestic equity markets, as represented by the S&P 500 Index (S&P), returned 5.59% in November.
- ▶ Within the S&P, all 11 sectors posted positive returns. The Materials sector was the best performer of the month, returning 11.76%. Industrials was second best, posting a return of 7.85%. Consumer Discretionary was the worst performing sector, posting a return of 0.99%.
- ▶ Positive returns were seen across all market capitalizations, with small-caps (Russell 2000) returning 2.31%, while mid-caps (Russell Mid Cap Index) returned 6.01% and large-caps (Russell 1000 Index) returned 5.41%. 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., returned 11.80%. Developed markets, represented by the MSCI EAFE Index, saw gains of 11.26%, while emerging markets (EM), represented by the MSCI Emerging Markets Index saw slightly stronger gains, returning 14.83% in November.
- ▶ Within the ACWI ex-U.S. Index, all 11 sectors posted positive returns. Consumer discretionary was the best performing sector internationally, with a return of 17.90%, while the second-best performer was Materials returning 15.81%. Energy was the worst performer, posting a return of 6.83%.
- ▶ Regionally, non-U.S. returns were positive but varied widely, with EM Asia performing the best, returning 18.71%, while EM Latin America performed the worst, returning only 0.48%.

Fixed Income

- ▶ November saw Treasury yields falling as Federal Reserve Chair Jerome Powell signaled a slowdown in the pace of tightening as early as December, while indicating more hikes to fight inflation. The 10-year saw a 44 basis point (bps) decline in rates and the 30-year saw a decline of 43 bps, while the 2-year and 5-year rates declined by 18 and 48 bps respectively, leading to the Broad Treasury Index returning 2.81% for the month.
- ▶ The Bloomberg U.S. Aggregate Index (Aggregate) gained 3.68% in November. As a whole, investment-grade (IG) credit returned 4.97%, AAA-rated bonds returned 2.41%, AA-rated

bonds returned 4.85%, A-rated bonds returned 4.98%, and BBB-rated bonds returned 5.41%. High yield corporates saw a gain of 2.17% during the month.

Alternatives and Other Asset Classes

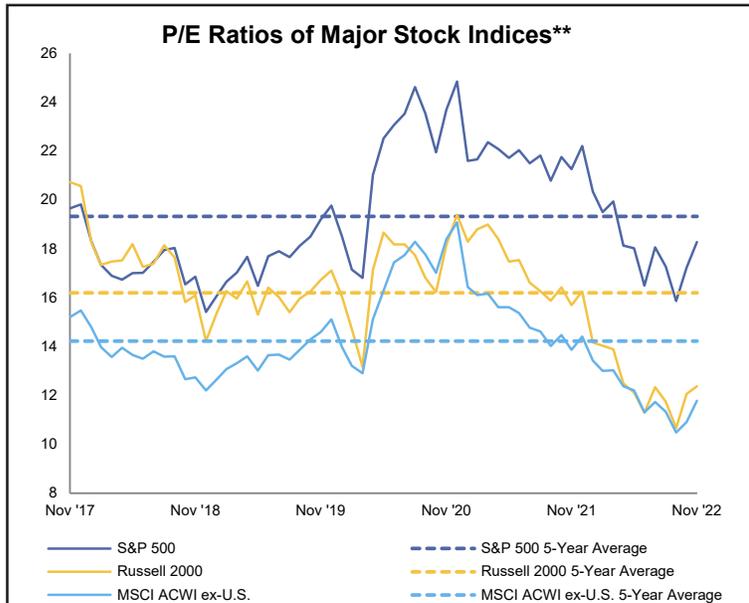
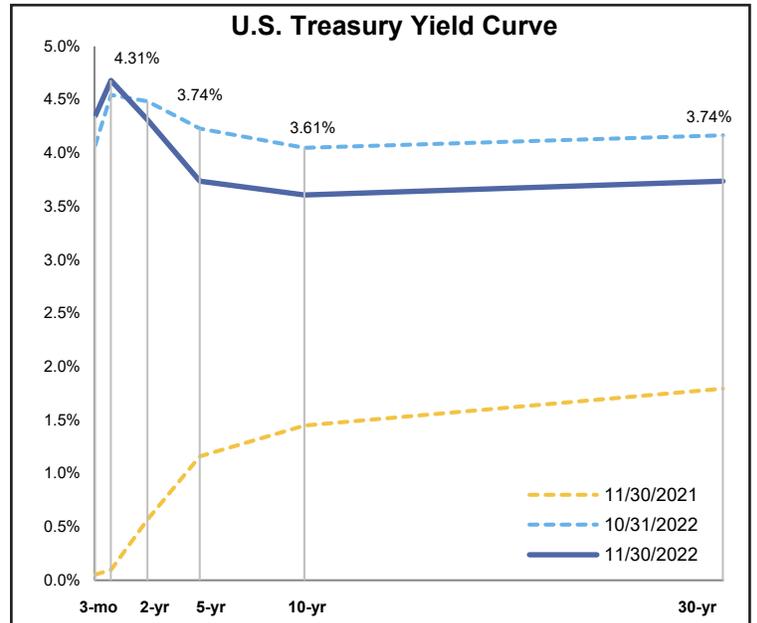
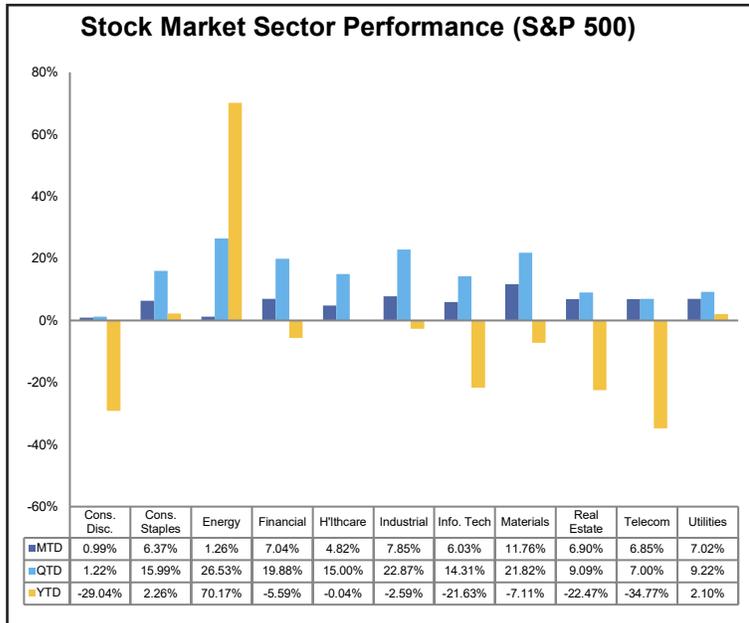
- ▶ Real estate investment trusts (REITs), represented by the FTSE NAREIT Index, returned 5.77%. Performance was positive for seven of the nine real estate sectors. Data Centers did the best, returning 18.83%. The worst performing sector of the month was Self Storage, returning -4.96%.
- ▶ The active contract for West Texas Intermediate (WTI) crude fell to \$80.55/barrel in November, down from \$86.53/barrel at the end of October.

Items to Watch

- ▶ November brought good news for services, with the Institute for Supply Management (ISM) gauge for U.S. service providers jumping to 56.5, the biggest jump since March 2021. However, the Manufacturing Purchasing Managers' Index (PMI) slid into a contractionary reading. November's survey result came in at 49, down from October's 50.2, as output weakened in the face of a third-straight month of shrinking orders. This reflects the most sluggish period of activity in the past decade, outside of the coronavirus pandemic.
- ▶ The U.S. was not alone in this less than stellar manufacturing report. Surveys of purchasing managers indicate that manufacturing businesses continue to contract across major global economies, including China, the Eurozone, Japan, the United Kingdom, Taiwan and Brazil.
- ▶ We are watching for slowing inflation at home and abroad as easing supply chains and tightening monetary policy begin to be reflected in consumer prices. In the U.S., inflation cooled more than forecast in October, with an overall increase of 7.7% annually, marking the lowest level since January. Euro-zone inflation slowed for the first time in 1.5 years, offering a glimmer of hope to the European Central Bank in its struggle to quell its worst consumer-price shock in a generation. The November reading was still in the double digits at 10.0%, but this was 60 bps lower than October's reading thanks to slower advances in energy and services costs. While inflation is trending lower, interest rates in the U.S. are not expected to come down any time soon.

Total Return of Major Indices				
Domestic Equity	MTD	QTD	YTD	1 YR
S&P 500	5.59%	14.14%	-13.12%	-9.23%
Russell 3000	5.22%	13.85%	-14.20%	-10.82%
Russell 2000	2.31%	13.58%	-14.94%	-13.04%
Russell 1000	5.41%	13.86%	-14.15%	-10.68%
International Equity	MTD	QTD	YTD	1 YR
MSCI ACWI ex-U.S.	11.80%	15.15%	-15.37%	-11.87%
MSCI EAFE	11.26%	17.25%	-14.52%	-10.14%
MSCI Emerging Markets	14.83%	11.27%	-18.95%	-17.43%
Fixed Income	MTD	QTD	YTD	1 YR
Bloomberg U.S. Agg	3.68%	2.33%	-12.62%	-12.84%
Bloomberg Global Agg	4.71%	3.99%	-16.70%	-16.82%
Bloomberg U.S. HY	2.17%	4.83%	-10.63%	-8.96%
Alternatives	MTD	QTD	YTD	1 YR
FTSE NAREIT Equity	5.77%	10.94%	-20.27%	-13.23%
Bloomberg Commodity	2.38%	4.09%	17.02%	21.14%

Economic Indicators		
Domestic	Current	Previous Month
Unemployment Rate (%)	3.7%	3.7%
Initial Jobless Claims (4 week average)	228.8 K	227 K
CB Leading Economic Indicators	-0.8	-0.5
Capacity Utilization	79.9%	80.1%
GDP (annual growth rate)	2.9%	-0.6%
University of Michigan Consumer Confidence	56.8	59.9
New Home Starts	632 K	588 K
Existing Home Sales	4.4 MM	4.7 MM
Retail Sales (YoY)	9.0%	9.3%
U.S. Durable Goods (MoM)	1.1%	0.2%
Consumer Price Index (YoY)	7.7%	8.2%
Producer Price Index (MoM)	1.1%	0.4%
Developed International*	9/30/2022	6/30/2022
Market GDP (annual rate)	2.4%	3.2%
Market Unemployment	4.2%	4.3%



Source: Bloomberg. Data as of November 30, 2022, 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 September 30, 2022 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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