



MONTHLY MARKET UPDATE

DECEMBER 2022

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Monthly Market Summary

- The S&P 500 Index returned +5.6% during November, outperforming the Russell 2000 Index's +2.2% return.
- Cyclical sectors outperformed during November, with Materials (+11.7%) and Industrials (+7.8%) the top two sectors. Energy (+1.3%) was the worst-performing sector as the price of oil declined -6.9%, followed by Consumer Discretionary (+1.5%), which was weighed down by Tesla's underperformance.
- Corporate investment grade bonds generated a +6.6% total return, significantly outperforming corporate high yield bonds' +3.4% total return.
- The MSCI EAFE Index of global developed market stocks returned +13.2%, underperforming the MSCI Emerging Market Index's +15.6% return.

Market Trades Higher After Encouraging October Inflation Report

Stocks traded higher for a second consecutive month after another encouraging inflation report. Data showed the Consumer Price Index (CPI), which measures inflation, increased +0.4% month-over-month during October. While October's +0.4% reading was a repeat of September's +0.4%, it was below the market's +0.6% estimate. Compared to October 2021, the CPI increased +7.8% year-over-year. It was the slowest annual pace of inflation since January 2022 and fourth consecutive month that the pace of inflation slowed from the prior month. Investors cheered the report as fresh evidence that price pressures are easing after a period of high inflation.

The top story in the bond market was falling Treasury yields as investors wagered that a drop in inflation will allow the Federal Reserve to slow its interest rate hikes. Bonds traded higher as interest rates declined, and the U.S. Bond Aggregate generated a +3.8% total return. The equity market also traded higher, and the S&P 500 followed up October's +8.1% rally with another +3.6% gain during November. International stocks joined in on the rally and significantly outperformed U.S. equities as the U.S. dollar weakened. Overall, November was a strong month across asset classes.

Market Internals Highlight Broad Participation During November

A look beyond the S&P 500's headline return reveals strong market breadth. Breadth measures underlying strength or weakness based on the number of stocks advancing or declining and can be used to analyze market trends. A rising index with strong breadth indicates a large group of stocks participated in the index's rise, while weak breadth indicates fewer stocks participated. During November, eight out of the eleven S&P 500 sectors outperformed the broad S&P 500 index. In addition, 425 of the S&P 500's 503 constituents traded higher during November. This data suggests investors are becoming more confident in the path forward. While it is encouraging to see such broad participation, markets will ultimately be looking for incoming economic data to support the latest rally.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS

THIS MONTH IN NUMBERS

FIGURE 1

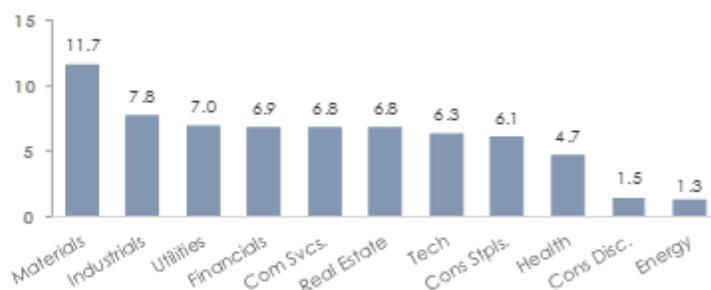
U.S. Style Returns (November in %)

	Value	Blend	Growth
Large	6.2	5.6	4.5
Md	6.2	6.0	5.4
Small	2.8	2.2	1.4

Data Reflects Most Recently Available As of 11/30/2022

FIGURE 2

U.S. Sector Returns (November in %)



Data Reflects Most Recently Available As of 11/30/2022

FIGURE 3

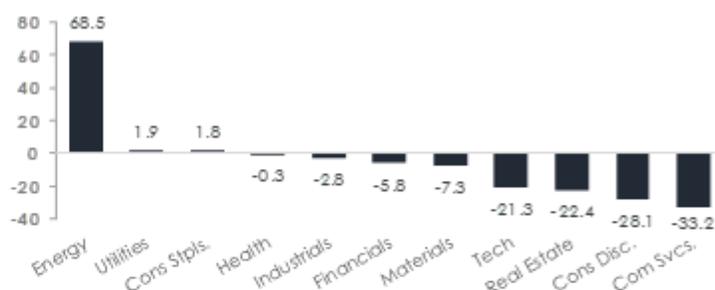
U.S. Style Returns (YTD in %)

	Value	Blend	Growth
Large	-4.0	-13.2	-23.4
Md	-7.6	-12.8	-22.2
Small	-8.8	-15.0	-21.3

Data Reflects Most Recently Available As of 11/30/2022

FIGURE 4

U.S. Sector Returns (YTD in %)



Data Reflects Most Recently Available As of 11/30/2022

FIGURE 5

Market Data Center

Stocks	1 month	3 months	6 months	YTD	1 year	3 years
S&P 500	5.6%	3.6%	-0.5%	-13.2%	-9.2%	35.3%
Dow Jones	5.9%	10.2%	5.8%	-3.2%	2.2%	29.6%
Russell 2000	2.2%	2.6%	1.8%	-15.0%	-13.0%	19.8%
Russell 1000 Growth	4.5%	-0.2%	-1.9%	-23.4%	-21.8%	38.6%
Russell 1000 Value	6.2%	6.6%	0.6%	-4.0%	2.1%	25.3%
MSCI EAFE	13.2%	8.8%	-2.0%	-12.8%	-8.7%	7.9%
MSCI EM	15.6%	0.2%	-6.5%	-18.4%	-16.8%	0.0%
NASDAQ 100	5.5%	-1.8%	-4.5%	-25.9%	-25.0%	45.7%

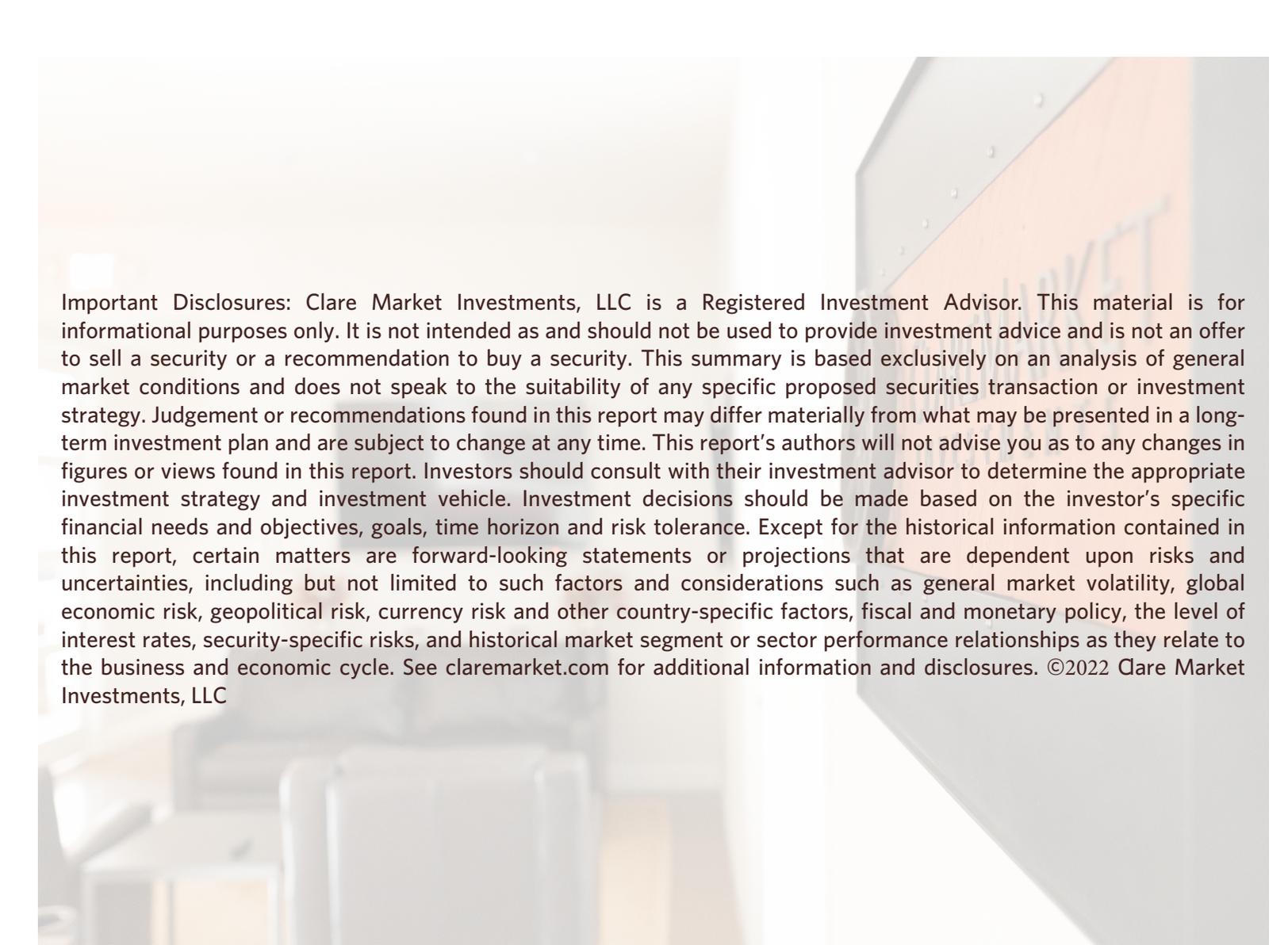
	Dividend Yield	NTM P/E	P/B
S&P 500	1.51%	17.1x	3.9x
Dow Jones	1.80%	17.1x	4.5x
Russell 2000	1.29%	20.1x	2.0x
Russell 1000 Growth	0.76%	23.1x	9.6x
Russell 1000 Value	1.88%	14.5x	2.5x
MSCI EAFE	4.49%	12.3x	1.6x
MSCI EM	2.77%	11.3x	1.5x
NASDAQ 100	0.67%	22.3x	6.4x

Fixed Income	Yield	1 month	3 months	YTD	1 year	3 years
U.S. Aggregate	4.56%	3.8%	-1.8%	-12.2%	-12.5%	-6.8%
U.S. Corporates	5.43%	6.6%	-0.5%	-16.6%	-16.5%	-7.8%
Municipal Bonds	3.94%	4.8%	1.0%	-7.1%	-7.1%	-0.9%
High Yield Bonds	8.66%	3.4%	2.9%	-9.4%	-7.3%	0.4%

Commodities	Level	1 month	YTD
Oil (WTI)	80.55	-6.9%	7.1%
Gasoline	2.11	-25.9%	-5.1%
Natural Gas	6.93	4.9%	94.8%
Propane	0.79	-10.5%	-24.3%
Ethanol	2.33	-1.3%	-5.3%
Gold	1,760	7.3%	-3.8%
Silver	21.78	13.9%	-6.7%
Copper	3.73	9.3%	-16.3%
Steel	655	-8.1%	-54.4%
Corn	6.67	-3.5%	12.4%
Soybeans	14.67	4.6%	11.8%

Key Rates	11/30/2022	10/31/2022	8/31/2022	5/31/2022	11/30/2021	11/30/2019
2 yr Treasury	4.38%	4.49%	3.44%	2.54%	0.52%	1.60%
10 yr Treasury	3.70%	4.07%	3.13%	2.84%	1.44%	1.78%
30 yr Treasury	3.82%	4.20%	3.25%	3.05%	1.78%	2.20%
30 yr Mortgage	6.78%	7.22%	5.95%	5.35%	3.23%	3.73%
Prime Rate	7.00%	6.25%	5.50%	4.00%	3.25%	4.75%

Data Reflects Most Recently Available As of 11/30/2022



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"In investing, what is comfortable is rarely profitable."

- Robert Arnott

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