

A decorative geometric overlay is present on the left side of the image. It features a series of overlapping triangles in shades of blue and white, creating a complex, crystalline pattern that extends across the left half of the slide.

 **PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**

NOVEMBER 2020
Capital Markets Update

Market commentary

U.S. ECONOMICS

- Nonfarm payrolls grew by 245,000 but remained 8.5 million below the pre-crisis peak, and the number of people who have been out of work for at least 27 weeks rose by 385,000 to 3.9 million, underscoring some of the labor market damage inflicted by pandemic-related shutdowns. Job gains were concentrated in the transportation and warehousing sectors, while government employee headcounts were diminished as temporary census workers fell out of employment.
- The NAHB Housing Market Index increased from 85 to an all-time high of 90 in November. The housing market continues to be a bright spot in the U.S. economy supported by record-low mortgage rates and strong demand for suburban houses that are further away from the big cities which have been hit hard by pandemic-driven lockdowns.
- The ISM Manufacturing PMI faded from a two-year-high of 59.3 in October to 57.5 in November but remained firmly above 50.0 indicating an upward trend for manufacturing sector activity.

U.S. EQUITIES

- Markets rallied significantly toward the beginning of the month on the assumption that the most likely outcome of the general election was a Biden Presidency and a Republican Senate, which could result in larger fiscal stimulus, as well as delayed or reduced tax hikes.
- The S&P 500 Index rose +10.9% over the month in what was the best November in history for the overall index. Positive news regarding several vaccine candidates catalyzed the positive price action.
- Pfizer and Moderna announced a Covid-19 vaccine that was more than 94% effective in preventing the virus. AstraZeneca also reported that its vaccine has an average efficacy of 70%.

U.S. FIXED INCOME

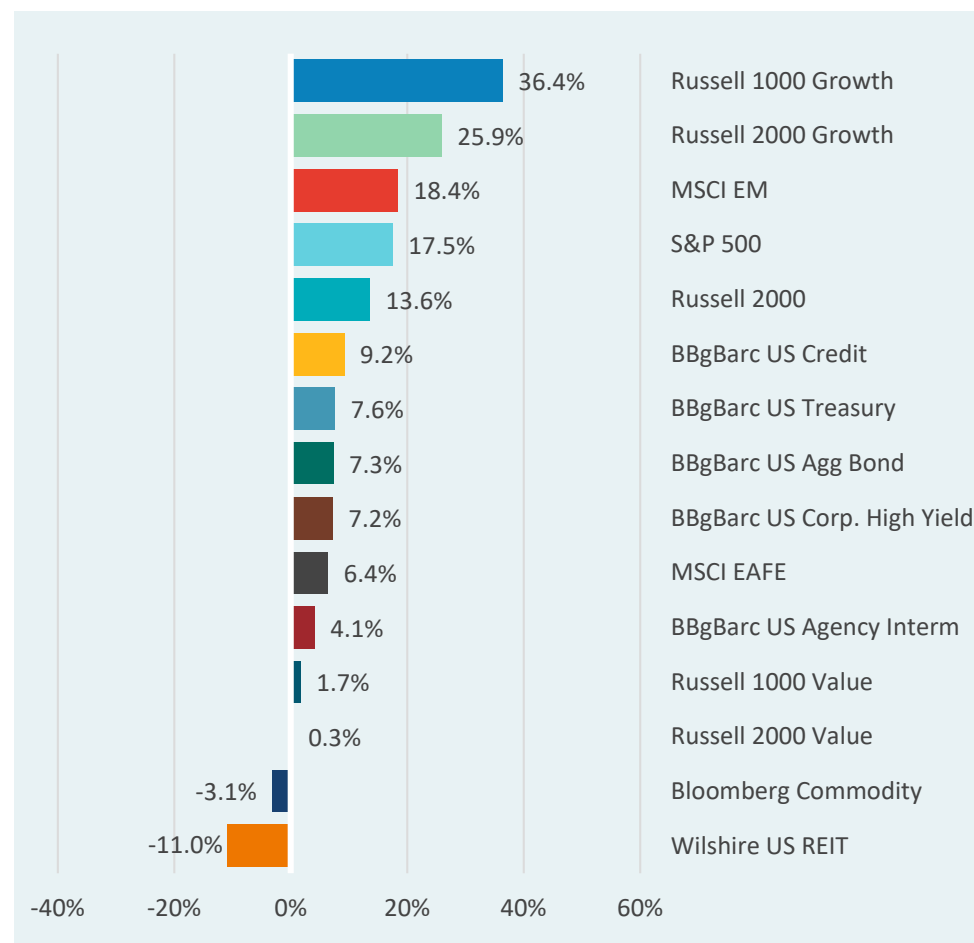
- President-elect Joe Biden announced his intention to nominate Janet Yellen to head the Treasury Department. If approved by Congress, observers expect her to back government spending to address the devastating effects of the coronavirus on the economy.
- Optimism is rising surrounding the prospect of another \$908 billion in fiscal stimulus. The bill would aid small businesses, increase unemployment payments, as well as provide funding for vaccine distribution, transit systems and airlines.
- The Treasury Secretary Steven Mnuchin has asked the Fed to extend several of the federal reserve programs that were set to expire at year end. Mnuchin also requested that the Fed return roughly \$450 billion in unused funds which the Treasury provided earlier in the year as collateral backstopping facilities such as the Main Street Lending Program, as well as four other programs.

INTERNATIONAL MARKETS

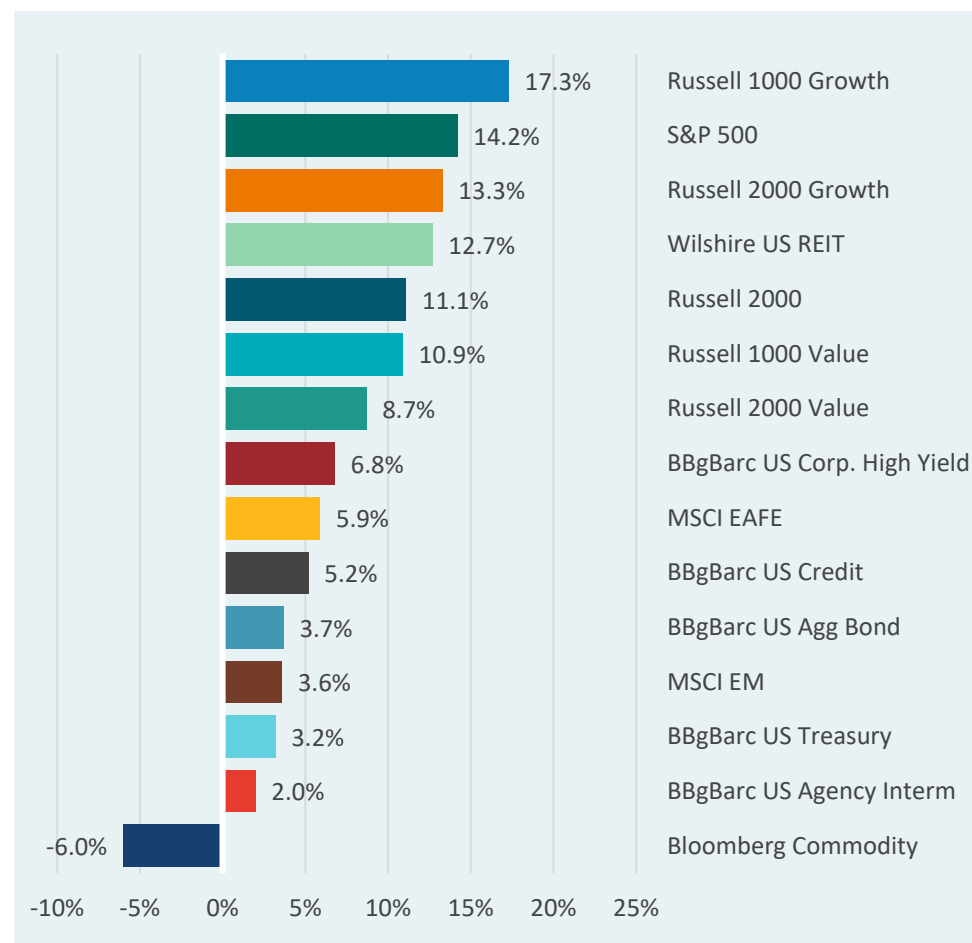
- Markit's Eurozone Composite PMI fell from 50.0 to 45.1 in November, back into contractionary territory. Economic activity in the region has been hit hard by the re-imposition of lockdowns.
- Eurozone CPI fell -0.3% YoY in November, down from +0.2% in October but in line with estimates.
- Joe Biden confirmed that he will not make any "immediate moves" to lift tariffs on Chinese imports. As of October, China was only 55% of the way to fulfilling the purchase commitment it made under the phase one trade deal.

Major asset class returns

ONE YEAR ENDING NOVEMBER



TEN YEARS ENDING NOVEMBER



*Only publicly traded asset performance is shown here. Performance of private assets is typically released with a 3- to 6-month delay.

Source: Morningstar, as of 11/30/20

Source: Morningstar, as of 11/30/20

U.S. large cap equities

- The S&P 500 Index posted a strong month of performance in November and gained 10.9%. The price index hit fresh record highs of 3638 on November 27th.
- The trailing 12-month price-to-earnings (P/E) ratio for the S&P 500 rose to 28.4 from 25.6 a month ago, well above the 5-year average P/E ratio of 20.8. As prices continued to increase, the index is expected to report the third largest year-over-year decline in earnings since the global financial crises, due to the impact of COVID-19 on numerous industries.
- All 11 major sectors in the S&P 500 posted a positive return in November. The top-performing sectors were those originally hit hardest by the social distancing lockdowns such as, energy (+28.0%), financials (+16.9%), and industrials (+16.0%).
- The Cboe VIX Index of implied volatility fell 17.4 points from 38.0 in October to close the month at 20.6 points. On the November 30th, the index hit 20.6, the lowest level for the index since the pandemic began, and below the two-year average daily level of 22.3.

S&P 500 PRICE INDEX



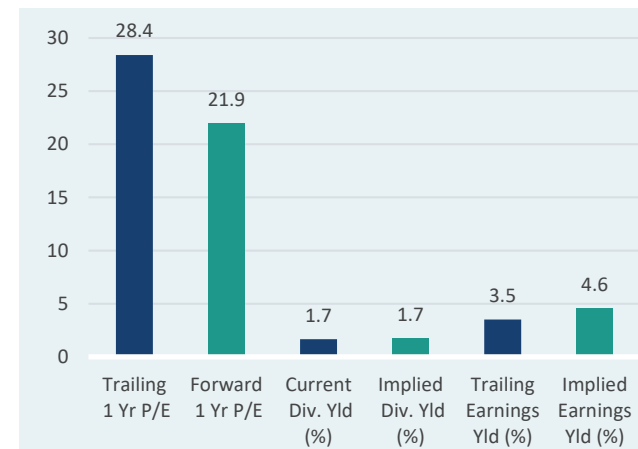
Source: Bloomberg, as of 11/30/20

IMPLIED VOLATILITY (VIX INDEX)



Source: CBOE, as of 11/30/20

S&P 500 VALUATION SNAPSHOT

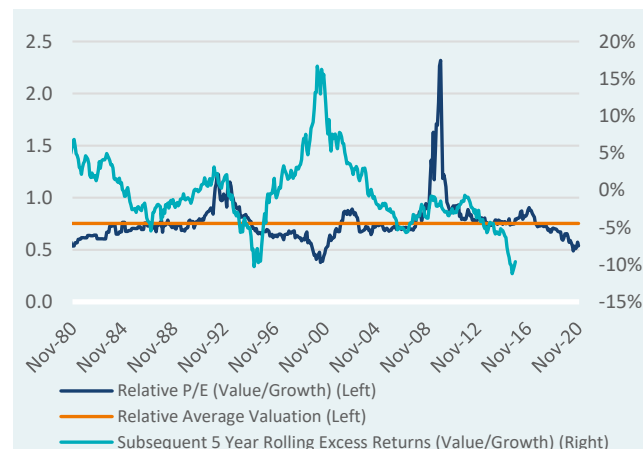


Source: Bloomberg, as of 11/30/20

Domestic equity size and style

- Value stocks (Russell 3000 Value +13.8%) outperformed growth stocks (Russell 3000 Growth +10.7%) for the third consecutive month. The outperformance of the value style index was helped by larger weights relative to growth both in the energy and financial sectors.
- Small-cap equities (Russell 2000 Index +18.4%) outperformed large-cap equities (Russell 1000 Index +11.8%) for the third consecutive month in November. Positive news surrounding vaccine effectiveness drove a rotation into small cap stocks, which tend to outperform in anticipation of higher economic growth.
- Exposure to the momentum factor stocks hurt investors in November as news surrounding several more efficacious-than-expected vaccines spurred rotations into beaten-down stocks primed for recovery. The S&P 500 Index outperformed the S&P 500 Momentum Index by +3.9% in November.
- The MSCI USA Cyclical - Defensives Total Return Spread Index returned 3.6% over the month. Positive performance was likely supported by investors' anticipation of increasing economic activity over the intermediate-term as vaccines are rolled out.

VALUE VS. GROWTH RELATIVE VALUATIONS



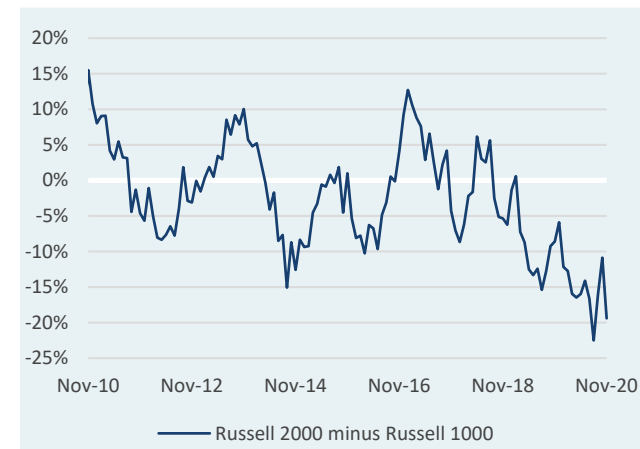
Source: Russell, Bloomberg, as of 11/30/20

VALUE VS. GROWTH 1-YR ROLLING RELATIVE PERFORMANCE



Source: FTSE, Bloomberg, as of 11/30/20

SMALL VS. LARGE 1-YR ROLLING RELATIVE PERFORMANCE

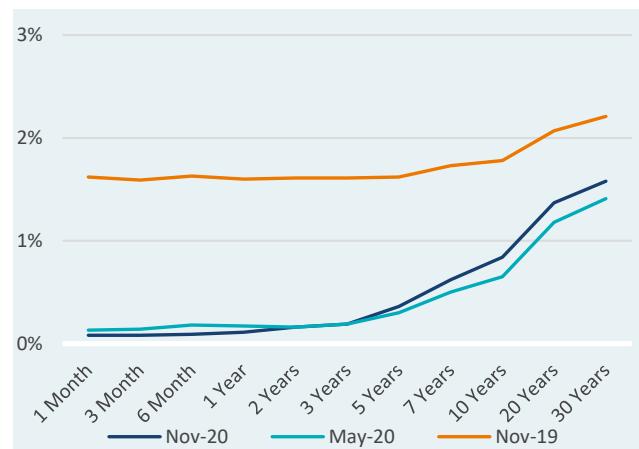


Source: FTSE, Bloomberg, as of 11/30/20

Fixed income

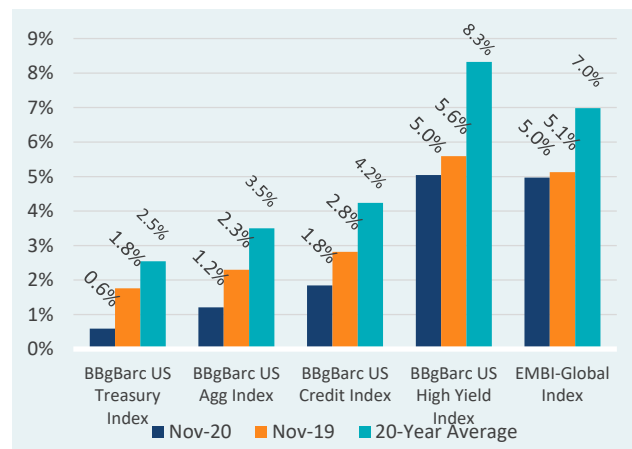
- The 30-year U.S. Treasury yield fell 7 basis points to 1.58% while the 2-year yield increased just 2 basis points to end the month at 0.16%. Longer-duration securities (BBgBarc US Treasury Long +1.2%) outperformed shorter-duration securities (BBgBarc US Treasury 1-3 Yr. +0.0%) as the yield curve flattened.
- Longer-term interest rates slid through the month, resulting in positive performance for many bondholders. Credit spreads tightened further and hit their lowest levels through the pandemic, leading riskier credit (BBgBarc U.S. Credit +2.5%) to outperform safer credit (BBgBarc U.S. Agg Bond +1.0%).
- Emerging market currency appreciation relative to the U.S. dollar helped support outperformance of local-currency denominated emerging market debt (J.P. Morgan GBI-EM +5.5%) relative to hard-currency denominated emerging market debt (JPM EMBI Global Diversified Index +3.9%).
- Reflation trades paid off over the month as breakeven inflation rates continued to recover on the expectation that growth and inflation will increase over the longer-term. The 10-year breakeven inflation rate rose another 10 basis points in November to 1.8%.

U.S. TREASURY YIELD CURVE



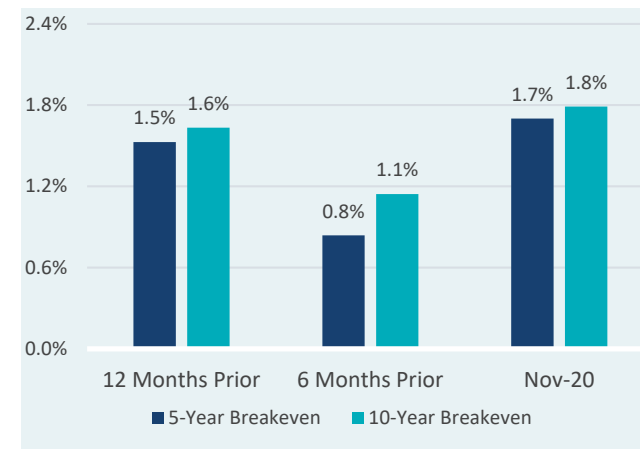
Source: Bloomberg, as of 11/30/20

NOMINAL YIELDS



Source: Morningstar, as of 11/30/20

BREAKEVEN INFLATION RATES

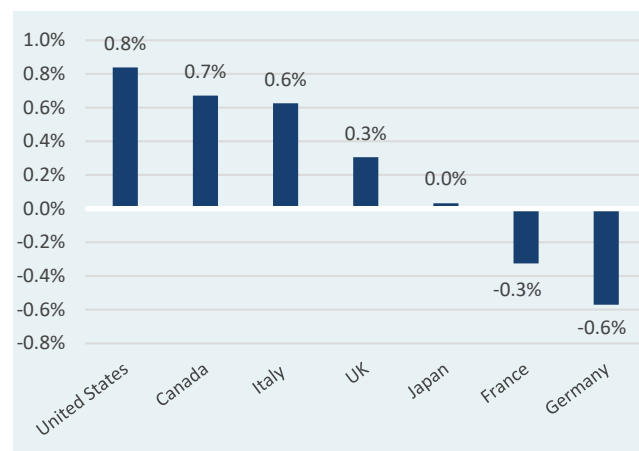


Source: Bloomberg, as of 11/30/20

Global markets

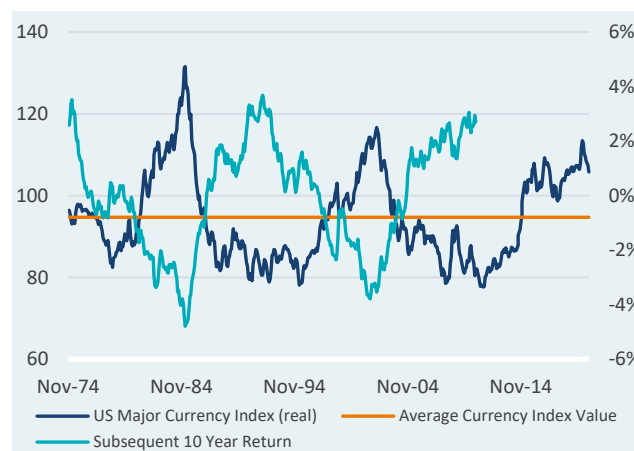
- Global equities (MSCI ACWI) gained +12.3% over the month of November while emerging market equities (MSCI EM +9.2%) underperformed, in U.S. dollar terms. The Asian segment of the emerging markets complex (MSCI EM Asia +7.5%) weighed on performance, while Latin American equities (+21.9%) outperformed, bolstered by significant currency tailwinds.
- The pound (+3.3%) helped the MSCI UK Index return +16.8% over the month. The United Kingdom was the first to approve the use and begin the distribution of Pfizer & BioNTech's m-RNA based vaccine candidate.
- International developed equities (MSCI EAFE) returned +15.5% in November, beating the global benchmark. Eurozone equities (+20.7%) outperformed Japanese equities (+12.5%) in dollar terms, and strength in the Euro (+2.7%) versus the U.S. dollar added to the relative outperformance for the Eurozone.
- The Chinese trade surplus increased from \$58.4B in October to \$75.4B in November. The country reported strong increases in goods exports to the rest of the world despite the yuan hovering near multi-year peaks relative to the U.S. dollar. Exports rose 21.1% year-over-year, the fastest YoY growth since February 2018.

GLOBAL SOVEREIGN 10-YEAR YIELDS



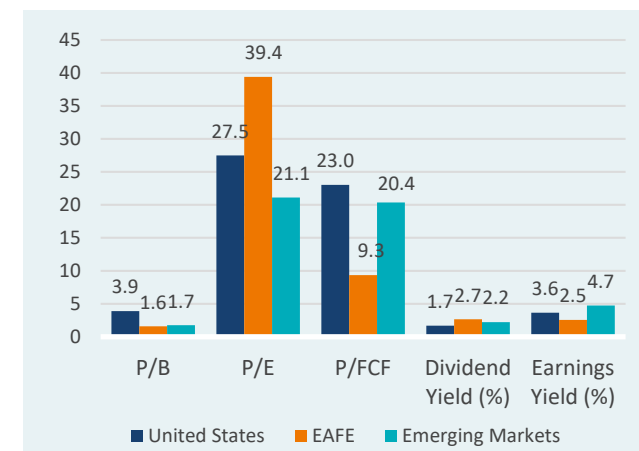
Source: Bloomberg, as of 11/30/20

U.S. DOLLAR MAJOR CURRENCY INDEX



Source: Federal Reserve, as of 11/30/20

MSCI VALUATION METRICS (3-MONTH AVG)



Source: Bloomberg, as of 11/30/20

Commodities

- The Bloomberg Commodity Index rose +3.5% in November but remains down -7.7% over the year-to-date. While the entire commodity complex performed well over the month, the gain in the overall index was driven by upward movements in crude oil prices. The Bloomberg Petroleum Index returned 24.7%.
- The petroleum sector had a bounce back month returning +24.7% in November. The average crude oil price through the month was \$43/barrel, up from \$40 in October. Positive news surrounding the coronavirus vaccines, as well as the extension of certain OPEC+ production curbs supported oil prices.

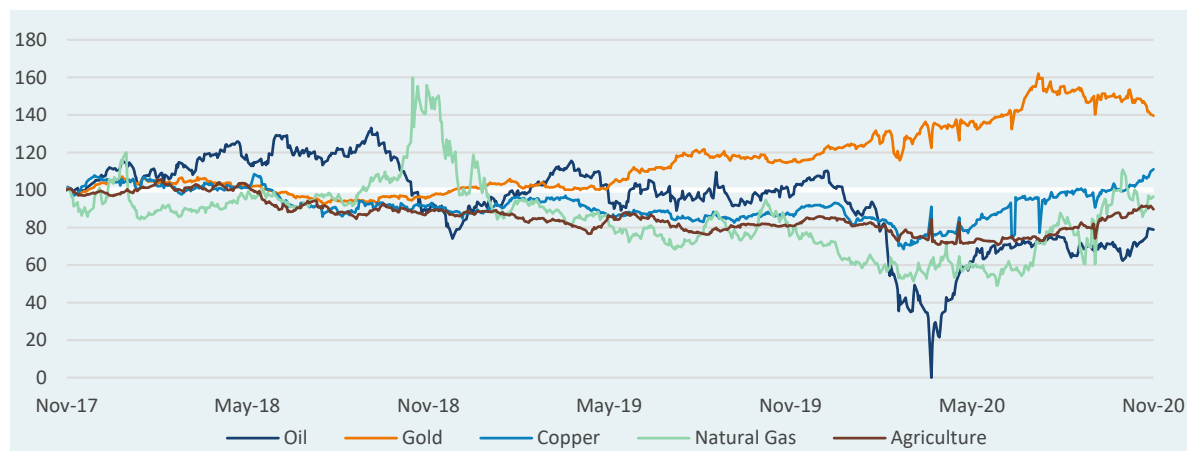
INDEX AND SECTOR PERFORMANCE

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Bloomberg Commodity	3.5	5.0	(7.7)	(3.1)	(3.2)	(0.6)	(6.0)
Bloomberg Agriculture	5.8	9.9	5.5	11.6	(1.9)	(3.0)	(5.2)
Bloomberg Energy	3.5	2.9	(42.3)	(38.4)	(16.4)	(10.9)	(14.8)
Bloomberg Grains	4.8	9.2	6.7	11.6	(0.8)	(4.1)	(5.2)
Bloomberg Industrial Metals	10.5	13.9	16.0	19.5	2.9	9.9	(2.4)
Bloomberg Livestock	1.6	0.3	(25.0)	(23.8)	(11.7)	(6.3)	(5.1)
Bloomberg Petroleum	24.7	11.4	(44.6)	(39.3)	(14.0)	(8.0)	(11.1)
Bloomberg Precious Metals	(5.5)	(5.9)	15.4	19.9	9.9	9.2	0.4
Bloomberg Softs	6.0	7.7	(3.0)	3.1	(7.2)	(4.9)	(8.5)

Source: Morningstar, as of 11/30/20

- The Bloomberg Industrial Metals Sub-Index was the second best performing sub-index and advanced +10.5% over the month. Copper, which holds the largest weight within the sub index, returned +12.6% while both aluminum and zinc returned +10.4%.
- The Bloomberg Agriculture Index climbed +5.8% over the month. Performance of softs (+6.0%), helped the overall agriculture index higher on the back of, strong returns of coffee (+15.2%). Grains (+4.8%) a component of the agriculture index showed continued strength and was supported by soybeans (+11.6%) and corn (+5.6%) commodities.

COMMODITY PERFORMANCE



Source: Bloomberg, as of 11/30/20

Appendix

Periodic table of returns

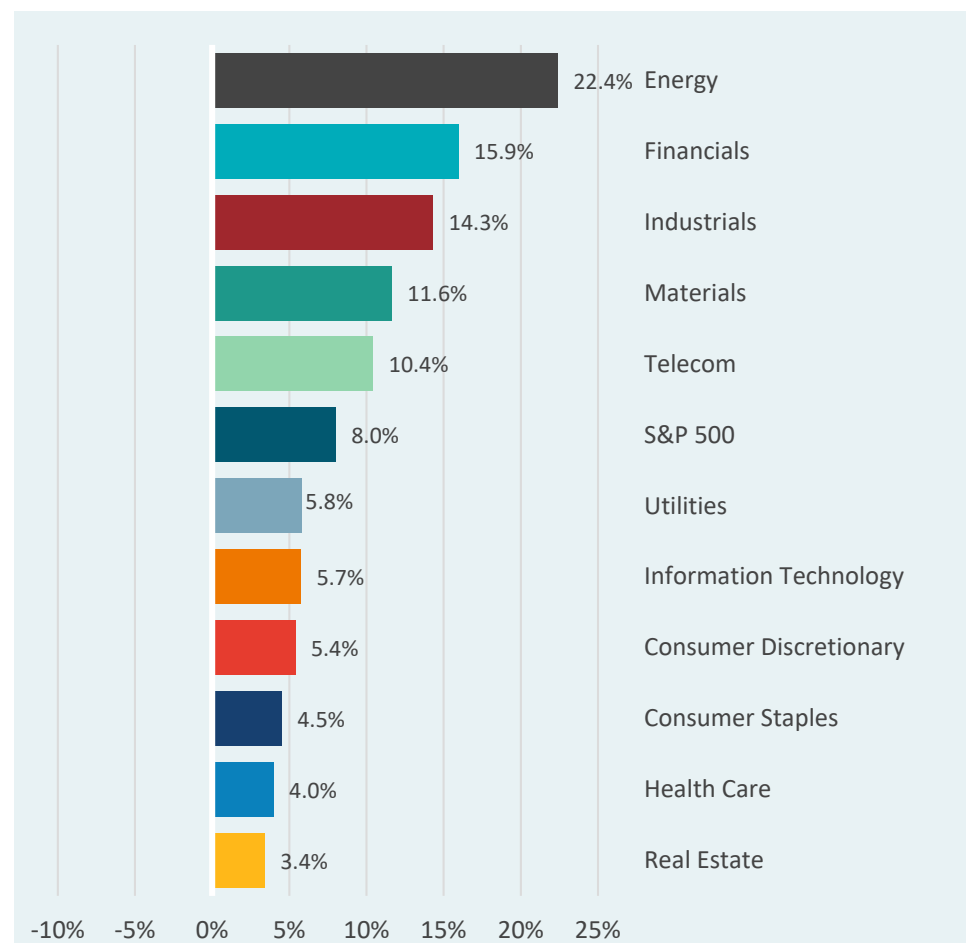
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD	5-Year	10-Year
Large Cap Growth	38.7	66.4	31.8	14.0	25.9	56.3	26.0	34.5	32.6	39.8	5.2	79.0	29.1	14.3	18.6	43.3	13.5	13.3	31.7	37.3	6.7	36.4	32.4	19.6	17.3
Small Cap Growth	27.0	43.1	22.8	8.4	10.3	48.5	22.2	21.4	26.9	16.2	1.4	37.2	26.9	7.8	18.1	38.8	13.2	5.7	21.3	30.2	1.9	31.4	23.1	14.2	14.3
Large Cap Equity	20.3	33.2	12.2	7.3	6.7	47.3	20.7	20.1	23.5	15.8	-6.5	34.5	24.5	2.6	17.9	34.5	13.0	0.9	17.3	25.0	0.0	28.5	16.1	13.2	13.3
60/40 Global Portfolio	19.3	27.3	11.6	3.3	1.6	46.0	18.3	14.0	22.2	11.8	-21.4	32.5	19.2	1.5	17.5	33.5	11.8	0.6	12.1	22.2	-1.5	26.5	10.4	10.7	11.1
Small Cap Equity	16.2	26.5	7.0	2.8	1.0	39.2	16.5	7.5	18.4	11.6	-25.9	28.4	16.8	0.4	16.4	33.1	6.0	0.0	11.8	21.7	-3.5	25.5	10.4	10.3	10.9
Emerging Markets Equity	8.7	21.3	4.1	-2.4	-6.0	29.9	14.3	6.3	15.5	10.3	-33.8	23.3	16.1	-2.1	15.3	23.3	4.9	-0.8	11.2	14.6	-6.0	22.4	10.2	8.6	9.4
US Bonds	15.6	24.3	6.0	2.5	-5.9	30.0	14.5	7.1	16.6	10.9	-28.9	27.2	16.7	0.1	16.3	32.5	5.6	-0.4	11.3	17.1	-4.8	22.0	7.4	8.4	8.7
Hedge Funds of Funds	4.9	20.9	-3.0	-5.6	-11.4	29.7	12.9	5.3	15.1	7.0	-35.6	20.6	15.5	-2.9	14.6	12.1	4.2	-1.4	8.0	13.7	-8.3	18.6	6.4	6.8	6.9
International Equity	1.2	13.2	-7.3	-9.1	-15.5	25.2	11.4	4.7	13.3	7.0	-36.8	19.7	13.1	-4.2	11.5	11.0	3.4	-2.5	7.1	7.8	-9.3	18.4	3.0	6.3	5.9
Real Estate	-2.5	11.4	-7.8	-9.2	-15.7	23.9	9.1	4.6	10.4	5.8	-37.6	18.9	10.2	-5.5	10.5	9.0	2.8	-3.8	5.7	7.7	-11.0	8.7	0.5	6.2	3.7
Cash	-5.1	7.3	-14.0	-12.4	-20.5	11.6	6.9	4.6	9.1	4.4	-38.4	11.5	8.2	-5.7	4.8	0.1	0.0	-4.4	2.6	7.0	-11.2	7.8	0.4	4.3	3.6
Large Cap Value	-6.5	4.8	-22.4	-19.5	-21.7	9.0	6.3	4.2	4.8	-0.2	-38.5	5.9	6.5	-11.7	4.2	-2.0	-1.8	-7.5	1.0	3.5	-12.9	7.7	-1.0	3.6	3.1
Small Cap Value	-25.3	-0.8	-22.4	-20.4	-27.9	4.1	4.3	3.2	4.3	-1.6	-43.1	0.2	5.7	-13.3	0.1	-2.3	-4.5	-14.9	0.5	1.7	-13.8	6.4	-3.0	1.1	0.6
Commodities	-27.0	-1.5	-30.6	-21.2	-30.3	1.0	1.4	2.4	2.1	-9.8	-53.2	-16.9	0.1	-18.2	-1.1	-9.5	-17.0	-24.7	0.3	0.9	-14.6	2.1	-7.7	-0.6	-6.0

Large Cap Equity	Small Cap Growth	Commodities
Large Cap Value	International Equity	Real Estate
Large Cap Growth	Emerging Markets Equity	Hedge Funds of Funds
Small Cap Equity	US Bonds	60% MSCI ACWI/40% BBGBarc Global Bond
Small Cap Value	Cash	

Source Data: Morningstar, Inc., Hedge Fund Research, Inc. (HFR), National Council of Real Estate Investment Fiduciaries (NCREIF). Indices used: Russell 1000, Russell 1000 Value, Russell 1000 Growth, Russell 2000, Russell 2000 Value, Russell 2000 Growth, MSCI EAFE, MSCI EM, BBGBarc US Aggregate, T-Bill 90 Day, Bloomberg Commodity, NCREIF Property, HFRI FOF, MSCI ACWI, BBGBarc Global Bond. NCREIF Property Index performance data as of 9/30/20.

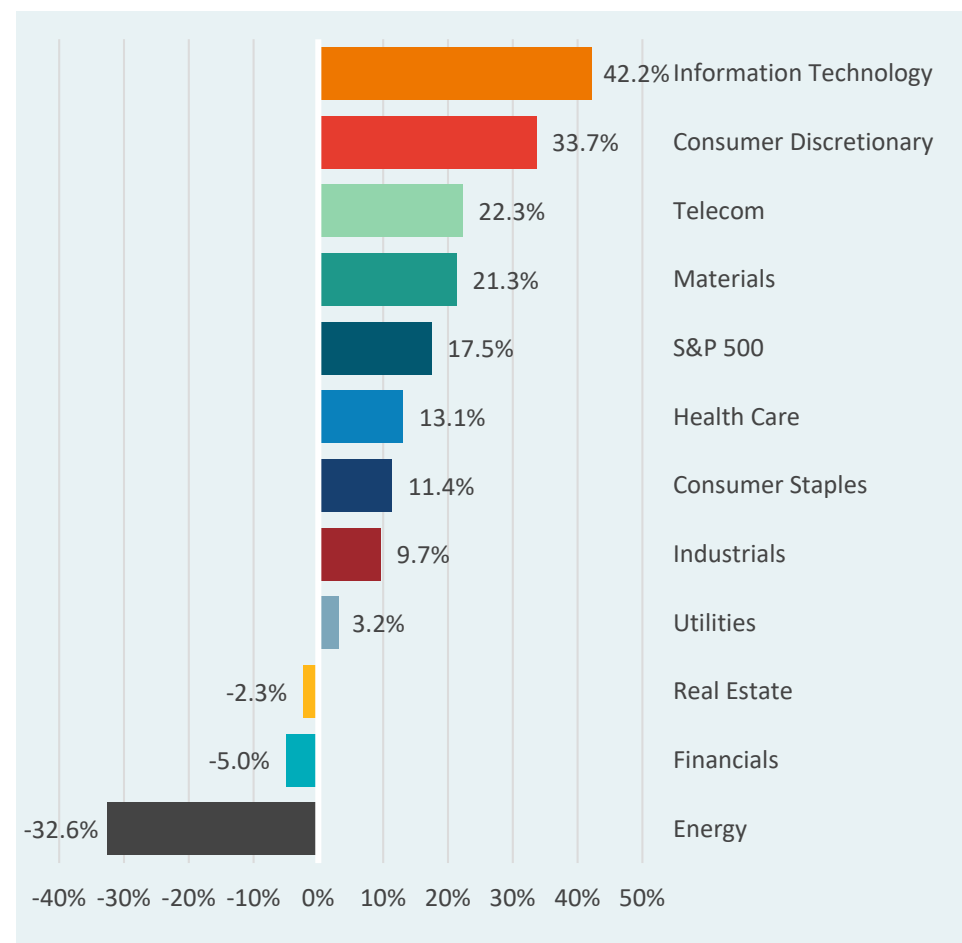
S&P 500 sector returns

QTD



Source: Morningstar, as of 11/30/20

ONE YEAR ENDING NOVEMBER



Source: Morningstar, as of 11/30/20

Detailed index returns

DOMESTIC EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Core Index							
S&P 500	10.9	8.0	14.0	17.5	13.2	14.0	14.2
S&P 500 Equal Weighted	14.3	13.6	8.2	11.2	9.3	11.5	13.0
DJ Industrial Average	12.1	7.1	6.1	8.1	9.4	13.5	13.2
Russell Top 200	11.1	7.3	17.6	21.2	15.0	15.2	14.9
Russell 1000	11.8	9.1	16.1	19.4	13.7	14.2	14.3
Russell 2000	18.4	20.9	10.4	13.6	7.1	10.3	11.1
Russell 3000	12.2	9.7	15.7	19.0	13.2	13.9	14.0
Russell Mid Cap	13.8	14.5	11.9	14.4	10.3	11.8	12.7
Style Index							
Russell 1000 Growth	10.2	6.5	32.4	36.4	21.5	19.6	17.3
Russell 1000 Value	13.5	12.0	(1.0)	1.7	5.3	8.4	10.9
Russell 2000 Growth	17.6	18.5	23.1	25.9	12.8	13.2	13.3
Russell 2000 Value	19.3	23.6	(3.0)	0.3	0.8	6.8	8.7

INTERNATIONAL EQUITY

Broad Index							
MSCI ACWI	12.3	9.6	11.1	15.0	9.0	10.8	9.4
MSCI ACWI ex US	13.5	11.0	5.0	9.5	3.8	7.4	5.2
MSCI EAFE	15.5	10.9	3.0	6.4	3.3	6.2	5.9
MSCI EM	9.2	11.5	10.2	18.4	4.9	10.7	3.6
MSCI EAFE Small Cap	13.7	9.8	5.2	9.8	3.5	8.1	8.3
Style Index							
MSCI EAFE Growth	12.3	7.8	12.8	16.0	8.5	9.3	7.8
MSCI EAFE Value	18.9	14.1	(6.8)	(3.4)	(2.2)	2.9	3.8
Regional Index							
MSCI UK	16.8	10.9	(15.1)	(10.7)	(2.5)	0.7	3.2
MSCI Japan	12.5	10.7	9.9	12.2	4.9	7.8	6.8
MSCI Euro	20.7	12.7	2.5	5.6	1.6	5.5	5.4
MSCI EM Asia	7.5	11.0	19.9	28.4	7.5	12.7	6.5
MSCI EM Latin American	21.9	20.5	(23.0)	(15.0)	(4.1)	5.6	(3.9)

FIXED INCOME

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
BBgBarc US TIPS	1.1	0.5	9.7	10.1	5.8	4.7	3.5
BBgBarc US Treasury Bills	0.0	0.0	0.7	0.9	1.7	1.2	0.7
BBgBarc US Agg Bond	1.0	0.5	7.4	7.3	5.5	4.3	3.7
Duration							
BBgBarc US Treasury 1-3 Yr	0.0	(0.0)	3.1	3.3	2.8	1.9	1.3
BBgBarc US Treasury Long	1.2	(1.8)	19.1	15.8	10.9	8.1	7.5
BBgBarc US Treasury	0.3	(0.6)	8.3	7.6	5.4	3.8	3.2
Issuer							
BBgBarc US MBS	0.1	0.0	3.6	3.9	3.8	3.0	2.9
BBgBarc US Corp. High Yield	4.0	4.5	5.1	7.2	5.7	7.6	6.8
BBgBarc US Agency Interim	0.1	(0.0)	4.0	4.1	3.4	2.4	2.0
BBgBarc US Credit	2.5	2.3	8.9	9.2	6.9	6.2	5.2

OTHER

Index							
Bloomberg Commodity	3.5	5.0	(7.7)	(3.1)	(3.2)	(0.6)	(6.0)
Wilshire US REIT	10.3	7.6	(10.4)	(11.0)	2.3	5.7	12.7
CS Leveraged Loans	2.1	2.3	1.5	3.1	3.7	4.6	5.0
Alerian MLP	23.8	29.2	(33.2)	(27.3)	(13.1)	(7.9)	(2.2)
Regional Index							
JPM EMBI Global Div	3.9	3.8	3.3	5.4	4.6	6.4	6.0
JPM GBI-EM Global Div	5.5	5.9	(0.8)	3.3	2.5	5.5	1.5
Hedge Funds							
HFRI Composite	6.2	6.5	7.3	9.3	4.5	5.0	4.1
HFRI FOF Composite	3.4	3.8	6.4	8.2	3.8	3.6	3.1
Currency (Spot)							
Euro	2.7	2.0	6.6	8.5	0.1	2.5	(0.8)
Pound	3.3	3.3	0.8	3.2	(0.5)	(2.4)	(1.5)
Yen	0.3	1.2	4.2	5.0	2.4	3.4	(2.2)

Source: Morningstar, HFRI, as of 11/30/20

Detailed private market returns

Comparison to public market index returns

Private Equity Pooled IRRs	1 Year	3 Year	5 Year	10 Year
Global Private Equity FoFs & Secondary Funds	4.0	10.5	8.8	12.0
Global Private Equity Direct Funds *	9.3	13.8	12.1	14.5
U.S. Private Equity Direct Funds *	9.7	14.8	12.3	15.5
Europe Private Equity Direct Funds *	5.1	12.6	14.0	13.5
Asia Private Equity Direct Funds *	13.1	13.0	11.0	13.4

Public Index Time-weighted Returns				
MSCI World	2.8	6.7	6.9	10.0
S&P 500	7.5	10.7	10.7	14.0
MSCI Europe	(6.8)	0.0	1.5	5.7
MSCI AC Asia Pacific	1.0	3.2	4.0	6.0

Private Real Estate Pooled IRRs	1 Year	3 Year	5 Year	10 Year
U.S. All Private Real Estate	(1.4)	6.0	7.7	12.3

Public Index Time-weighted Returns				
FTSE NAREIT Equity REIT	(13.0)	0.0	4.1	9.1

Private Credit Pooled IRRs	1 Year	3 Year	5 Year	10 Year
U.S. All Private Debt **	(1.5)	5.2	6.5	10.0

Public Index Time-weighted Returns				
S&P / LSTA U.S. Leveraged Loan 100 Index	(0.5)	2.5	3.0	4.1

Private Real Assets Pooled IRRs	1 Year	3 Year	5 Year	10 Year
Global Nature Resources ***	(23.7)	(7.3)	(4.3)	0.5
Global Infrastructure	3.2	8.4	10.0	9.8

Public Index Time-weighted Returns				
S&P Global Natural Resources	(16.8)	(0.1)	0.9	1.5
S&P Global Infrastructure	(14.8)	(0.9)	2.6	6.9

Source: Pooled IRRs are from Thompson Reuters C/A and Time-weighted Returns are from Investment Metrics, as of June 30th, 2020. All returns in U.S. dollars.

* Includes Buyout, Growth Equity and Venture Capital.

** Includes Control-Oriented Distressed, Credit Opportunities, Senior Debt and Subordinated Capital.

*** Includes Private Equity Energy, Timber and Upstream Energy & Royalties.

Notices & disclosures

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