



KEY TAKEAWAYS

- Midterm elections came and went with little surprise. Democrats have taken over control of the House of Representatives, while Republicans maintain control of the Senate.
- November saw a continuing wave of volatility across markets, though most asset classes delivered positive returns after the selloff in October. The S&P 500 finished the month up 2%, led by healthcare. Emerging Markets rebounded as a result of strong returns from India and China.
- Oil prices took a hit as waivers were granted to several countries on oil imports from Iran, forcing markets to absorb excess supply. Fears of increasing inventories pulled oil down nearly 21% over the month.
- The yield on the ten-year Treasury fell back down to 3%. As we shift toward the final month of the year, markets are predicting a 77% probability that the Fed will raise rates an additional 0.25% at the December meeting which begins on the 18th. Fed Chair, Jerome Powell, and the rest of the Committee will weigh how much further to hike rates in 2019, and the potential impact on the economy as rates approach "neutral".
- President Trump and Chinese leader, Xi Jinping, met in Argentina at the G20 summit to discuss trade between the two countries. While no deal has been reached, both sides agreed to pause any tariff increases while negotiations continue.

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INDEX PERFORMANCE (as of 11/30/18)

Equity	November	Year-to-Date	One-Year
U.S. Large Cap	2.0%	5.1%	6.3%
U.S. Small Cap	1.6%	1.0%	0.6%
Developed Non-U.S.	-0.1%	-9.4%	-7.9%
Emerging Market	4.1%	-12.2%	-9.1%
Real Assets			
Real Estate	4.1%	-2.5%	-0.7%
Commodities	-0.6%	-4.7%	-1.8%
Natural Resource Equities	-2.1%	-11.1%	-6.1%
Fixed Income			
<u>Core Plus</u>			
U.S. High Yield Debt	-0.9%	0.1%	0.4%
Emerging Market Debt	2.8%	-7.4%	-5.6%
<u>Core Bonds</u>			
U.S. Aggregate Bonds	0.6%	-1.8%	-1.3%
U.S. Treasuries	0.9%	-1.3%	-1.0%
U.S. Municipal Bonds	0.9%	0.6%	1.3%
Month-End Values/Yield	Current	Prior Month	One-Year Ago
CBOE Volatility Index	18.1	21.2	11.3
10-Year Treasury Yield	3.0%	3.2%	2.4%

Sources: Bloomberg, Morningstar, treasury.gov, S&P Dow Jones Indices.

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