



**MONTHLY RECAP**

**NOVEMBER 2024**

**MONTHLY OBSERVATIONS**

**Election Certainty Provides Catalyst for US Market Surge**

The month began with a resounding victory for former President Donald Trump, eliminating any concern over protracted fighting over election results. In addition, Republicans gained the upper hand in both the Senate and House of Representatives, creating a line of sight on probable policy changes over the next four years. Major US equity markets, such as the S&P 500 and Nasdaq, hit all-time-highs once again. Small caps were a primary beneficiary on a pro-growth outlook with a 11% return which was its best monthly return since December 2023. The near-term "certainty" that supported domestic equity markets was not felt in non-US equity markets, however, as proposed trade tariffs with major US trade partners became even more likely on the back-end of the election. That, plus a stronger dollar, was enough to saddle non-US and emerging markets with uncertainty and weighed on November returns. Within fixed income, 10-Year Treasury yields initially moved higher after the election to a monthly high before sliding to end the month 21 bps lower, helping drive positive returns across interest rate-sensitive sectors.

**Fed Cuts Rates Even as Inflation Firmed**

The FOMC cut its target federal funds rate by 25 bps in early November, continuing its easing policy. That said, comments from U.S. Federal Reserve Chair Jerome Powell and other Fed officials shifted expectations to a slower easing pace, including the prospect that the Fed may forego a cut at its mid-December meeting.

**Trump 2.0 Sparks Crypto Fever**

A crypto buying spree took hold as market participants bet that President-elect Trump will usher in a new era of digital asset investing. Trump vowed on the campaign trail to cement the US as the leader in digital-asset industry, including initiating a strategic Bitcoin stockpile and appointing regulators with favorable views on digital assets. Bitcoin surged over 35% for the month as it climbed toward \$100,000.

**COMMENTARY FROM ASSET MANAGERS**

**Large Cap Value Manager**

The divergence between value and growth has been driven by multiples, not earnings growth. The price you pay matters, and a fantastic company does not always make a fantastic stock.

**Global Listed Infrastructure Manager**

Infrastructure is not a space where investors normally expect hot returns, but we're in a market environment where energy companies are performing beyond expectations. While they are wary of chasing short-term performance, they note that the Republicans taking the White House and Congress could continue to provide tailwinds to the energy sector.

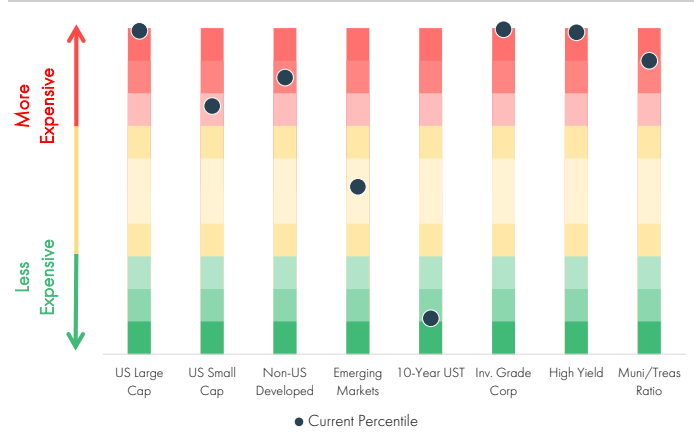
**High Yield ESG Manager**

With Trump's victory, there have already been near-term sentiment headwinds for some areas such as alternative energy. This manager believes that a wholesale repeal of the Inflation Reduction Act is unlikely given broad-based support in Republican states, but they would be surprised to see investor pushback continue given broader industry trends.

**MARKET RETURNS - 11.30.2024**

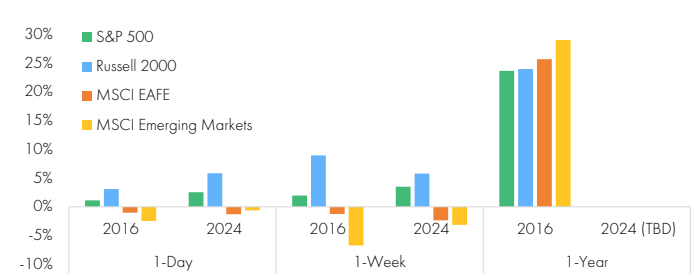
	1-Mo	QTD	YTD	2023	2022	2021	
Equity	S&P 500	5.9%	4.9%	28.1%	26.3%	-18.1%	28.7%
	Nasdaq Composite	6.3%	5.8%	28.9%	44.6%	-32.5%	22.2%
	Russell 1000 Growth	6.5%	6.1%	32.2%	42.7%	-29.1%	27.6%
	Russell 1000 Value	6.4%	5.2%	22.8%	11.5%	-7.5%	25.2%
	Russell 2000	11.0%	9.4%	21.6%	16.9%	-20.4%	14.8%
	MSCI EAFE	-0.6%	-6.0%	6.2%	18.2%	-14.5%	11.3%
Fixed Income	MSCI Emerging Markets	-3.6%	-7.9%	7.7%	9.8%	-20.1%	-2.5%
	Treasury	0.8%	-1.6%	2.2%	4.1%	-12.5%	-2.3%
	Municipal	1.7%	0.2%	2.5%	6.4%	-8.5%	1.5%
	Aggregate	1.1%	-1.4%	2.9%	5.5%	-13.0%	-1.5%
FX	Investment Grade Corporate	1.3%	-1.1%	4.1%	8.5%	-15.8%	-1.0%
	High Yield Corporate	1.2%	0.6%	8.7%	13.4%	-11.2%	5.3%
	US Dollar Index	1.7%	4.9%	4.3%	-2.1%	7.9%	6.7%
Real	Real Estate	3.5%	-0.4%	13.2%	11.5%	-25.1%	39.9%
	Infrastructure	3.3%	2.0%	19.5%	5.8%	-1.0%	11.0%
	Oil	0.5%	1.8%	-5.8%	-10.3%	10.5%	50.2%
	Gold	-3.0%	0.6%	28.0%	12.8%	-0.7%	-4.3%

**ASSET CLASS VALUATIONS - 11.30.2024**



Asset class valuations are a percentile ranking based on monthly data going back to a common inception of 9/1/2006.

**Post-Election Equity Market Returns (2016 vs. 2024)**



There were striking similarities between equities' performance in the early days of 2024 compared to 2016: the S&P 500 Index (large cap) was up, and the Russell 2000 Index (small cap) was up even more. Meanwhile, non-US equities, as measured by the MSCI EAFE Index and MSCI Emerging Markets Index, were both down.

Source: Morningstar Direct, Bloomberg; See important information in the disclosures.



## DISCLOSURES

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Trademarks and copyrights of materials referenced herein are the property of their respective owners. Index returns reflect total return, assuming reinvestment of dividends and interest. The returns do not reflect the effect of taxes and/or fees that an investor would incur. Examples contained herein are for illustrative purposes only based on generic assumptions. Given the dynamic nature of the subject matter and the environment in which this communication was written, the information contained herein is subject to change. This is not an offer to sell or buy securities, nor does it represent any specific recommendation. You should consult with an appropriately credentialed professional before making any financial, investment, tax or legal decision. An index is an unmanaged portfolio of specified securities and does not reflect any initial or ongoing expenses nor can it be invested in directly. Past performance is not indicative of future returns. All investments are subject to a risk of loss. Diversification and strategic asset allocation do not assure profit or protect against loss in declining markets. These materials do not take into consideration your personal circumstances, financial or otherwise.

## SOURCES

Morningstar Direct as of 11.30.2024

Bloomberg as of 11.30.2024

Manager comments come from discussions with various asset managers and are broad commentary on sectors and not be considered recommendations by any asset manager. These comments do not necessarily reflect strategy allocations or the view or opinion of MGIA or Moneta Group .

## DEFINITIONS

The S&P 500 Index is a free-float capitalization-weighted index of the prices of approximately 500 large-cap common stocks actively traded in the United States.

The NASDAQ Composite Index is a market capitalization weighted index with more than 3000 common equities listed on the NASDAQ Stock Market.

The NASDAQ 100 Index is a modified capitalization-weighted index of the 100 largest and most active non-financial domestic and international issues listed on the NASDAQ.

The Russell 1000® Index is an index of 1000 issues representative of the U.S. large capitalization securities market.

The Russell 1000® Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

The Russell 1000® Value Index measures the performance of those Russell 1000 Index securities with lower price-to-book ratios and lower forecasted growth values, representative of U.S. Securities exhibiting value characteristics.

The Russell 2000® Index is an index of 2000 issues representative of the U.S. small capitalization securities market.

The MSCI EAFE Index is a free float-adjusted market capitalization index designed to measure the equity market performance of developed markets, excluding the U.S. and Canada.

The MSCI Emerging Markets Index is a float-adjusted market capitalization index that consists of indices in 21 emerging economies.

Bloomberg U.S. Treasury Bond Index includes public obligations of the US Treasury, i.e. US government bonds. Certain Treasury bills are excluded by a maturity constraint. In addition, certain special issues, such as state and local government series bonds (SLGs), as well as U.S. Treasury TIPS, are excluded.

The Bloomberg U.S. Municipal Index covers the USD-denominated long-term tax exempt bond market. It includes general obligation and revenue bonds, which both can be pre-refunded years later and get reclassified as such.

The Bloomberg U.S. Aggregate Bond Index is an index, with income reinvested, generally representative of intermediate-term government bonds, investment grade corporate debt securities and mortgage-backed securities.

The Bloomberg US Corporate Bond Index measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD-denominated securities publicly issued by US and non-US industrial, utility and financial issuers.

The Bloomberg US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on the indices' EM country definition, are excluded.

The US Dollar Index measures the US dollar against six global currencies: the euro, Swiss franc, Japanese yen, Canadian dollar, British pound, and Swedish krona.

The FTSE Nareit All Equity REITs Index is a free-float adjusted, market capitalization-weighted index of U.S. equity REITs. Constituents of the index include all tax-qualified REITs with more than 50 percent of total assets in qualifying real estate assets other than mortgages secured by real property.

The S&P Global Listed Infrastructure index measures the performance of global companies that are engaged in infrastructure and related operations. It provides liquid and tradable exposure to 75 companies from around the world that represent the listed infrastructure universe. To create diversified exposure, the index includes three distinct infrastructure clusters: utilities, transportation and energy.

Brent crude is the most traded of all of the oil benchmarks, and is defined as crude mostly drilled from the North Sea oilfields: Brent, Forties, Oseberg and Ekofisk (collectively known as BFOE).

The Dow Jones Commodity Index Gold is designed to track the gold market through futures contracts.

The ICE BoFA Option-Adjusted Spreads (OASs) are the calculated spreads between a computed OAS index of all bonds in a given rating category and a spot Treasury curve. An OAS index is constructed using each constituent bond's OAS, weighted by market capitalization. The Corporate Master OAS uses an index of bonds that are considered investment grade (those rated BBB or better). When the last calendar day of the month takes place on the weekend, weekend observations will occur as a result of month ending accrued interest adjustments.

The ICE BoFA Option-Adjusted Spreads (OASs) are the calculated spreads between a computed OAS index of all bonds in a given rating category and a spot Treasury curve. An OAS index is constructed using each constituent bond's OAS, weighted by market capitalization. The ICE BoFA High Yield Master II OAS uses an index of bonds that are below investment grade (those rated BB or below).

Asset class valuations are a percentile ranking based on monthly data going back to common inception of 9/1/2006. The US Large Cap percentile is the average percentile ranking of the trailing P/E, P/B, P/S, and P/C ratio of the S&P 500 Index. The US Small Cap percentile is the average percentile ranking of the trailing P/E, P/B, P/S, and P/C ratio of the Russell 2000 Index. The International Developed percentile is the average percentile ranking of the trailing P/E, P/B, P/S, and P/C ratio of the MSCI EAFE NR Index. The Emerging Market percentile is the average percentile ranking of the trailing P/E, P/B, P/S, and P/C ratio of the MSCI Emerging Markets NR Index. The 10-Year US Treasury percentile is the percentile ranking of the 10-Year US Treasury yield. The Investment Grade percentile is the percentile ranking of the ICE BoFA US Corporate option adjusted spread. The High Yield Corporate percentile is the percentile ranking of the ICE BoFA US High Yield corporate option adjusted spread. The Municipal/Treasury percentile is the percentile ranking of the Bloomberg Municipal Index yield divided by the 10-Year US Treasury Yield.