

U.S. Equity

- ▶ Domestic equity markets, as represented by the S&P 500 Index (S&P) and the Russell 3000, returned 5.87% and 6.65% respectively in November.
- ▶ Within the S&P 500, all 11 sectors posted positive returns. The Consumer Discretionary sector was the best performer for the month, returning 13.34%. The second-best performing sector was Financials, which posted a return of 10.28%, while Healthcare was the worst performing sector, returning 0.28%.
- ▶ Positive returns were seen across all capitalizations, with small-caps (Russell 2000) returning 10.97%, mid-caps (Russell Mid Cap Index) returning 8.82%, and large-caps (Russell 1000 Index) returning 6.44%. Growth stocks outperformed value stocks across all capitalizations during the month.
- ▶ According to FactSet Earnings Insight (as of December 6, 2024), the blended year-over-year (YoY) earnings growth estimate for the S&P 500 in Q4 is 11.9%, compared to a prior estimate of 14.5% at the end of September. Analysts expect (YoY) earnings growth of 9.6% for calendar year 2024 and are expecting earnings to grow 12.8% and 12.1% in Q1 and Q2 2025, respectively.

Non-U.S. Equity

- ▶ Non-U.S. equity markets, represented by the MSCI ACWI ex-U.S., returned -0.90% as stronger dollar and tariff uncertainty weighed on performance. Developed markets, represented by the MSCI EAFE Index returned -0.57%, as Europe (MSCI Europe Index) saw returns of -1.68% in November. Emerging markets (EM), as represented by the MSCI Emerging Markets Index, returned -3.59% in November, driven by negative returns from China (MSCI China Index) and India (MSCI India Index), which returned -4.44% and -0.42%, respectively.
- ▶ Within the ACWI ex-U.S. Index, eight out of 11 sectors posted negative returns. Financials was the best performing sector for the month, returning 1.75%. Materials was the worst performing sector, posting a return of -4.61%.

Fixed Income

- ▶ U.S. Treasury yields declined in November after a big October surge despite some of the deficit and inflation concerns surrounding President-elect Trump's anticipated policies. On the shorter end of the yield curve, the yield on the 2-year fell 2 basis points (bps), and the 5-year fell 11 bps. Meanwhile, both the 10- and 30-year U.S. Treasury yield fell 12 bps.
- ▶ The Bloomberg U.S. Aggregate Index (Aggregate) returned 1.06% in November. Investment-grade (IG) credit as a whole

returned 1.27%, AAA-rated bonds returned 0.65%, AA-rated bonds returned 1.21%, A-rated bonds returned 1.21%, and BBB-rated bonds returned 1.44%. High-yield corporates, as represented by ICE BofA U.S. High Yield Index saw a return of 1.15% during the month, while the Broad Treasury Index returned 0.82%.

Diversifying Assets

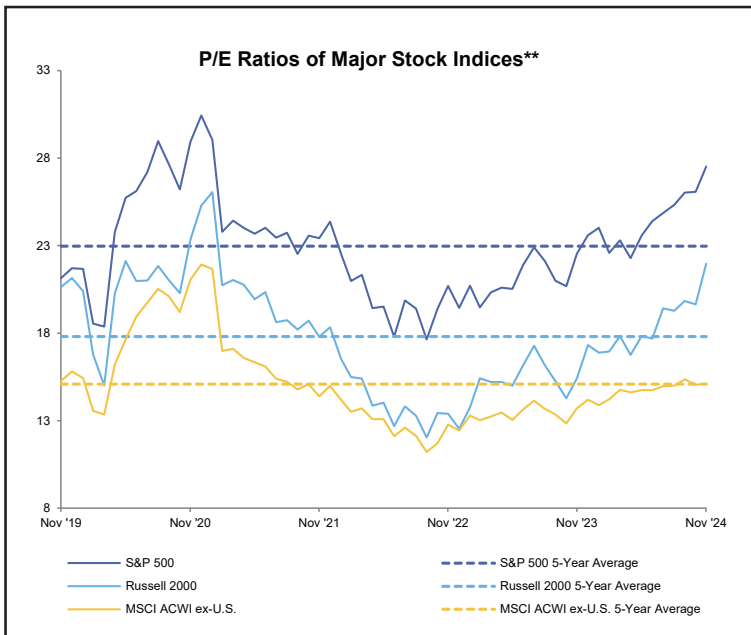
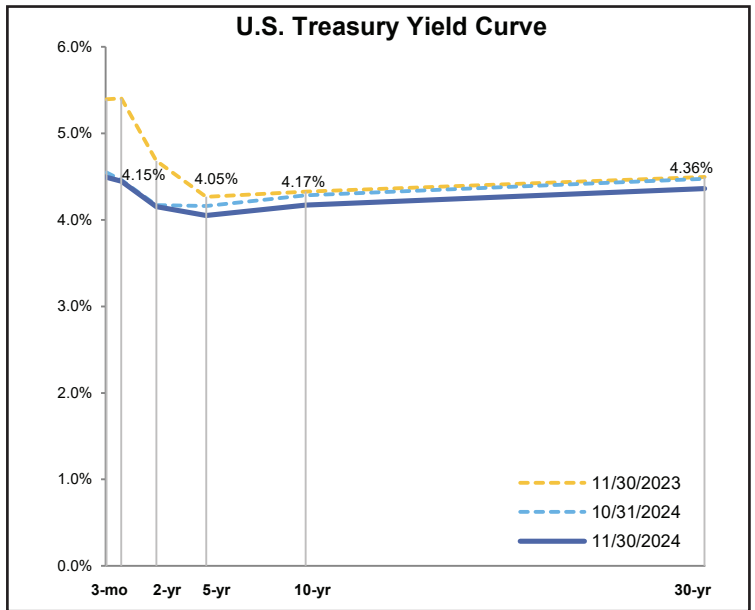
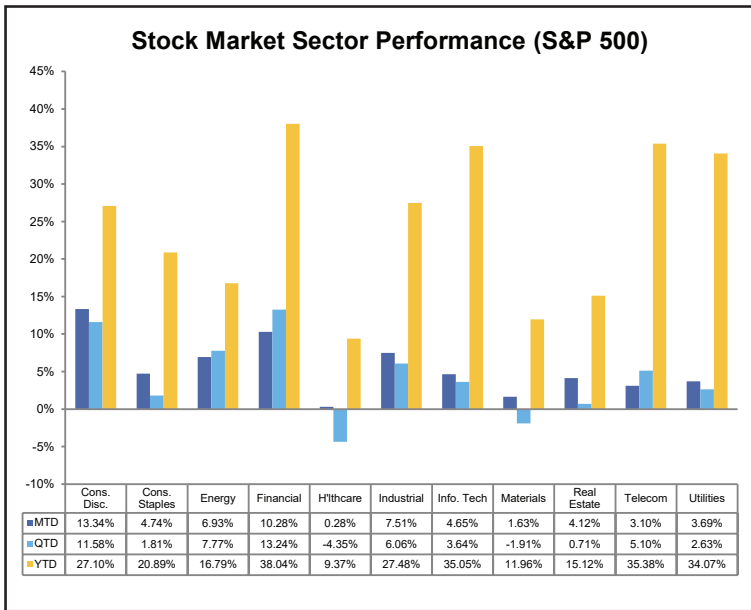
- ▶ During November, Real Estate Investment Trusts (REITs), as represented by the MSCI U.S. REIT Index and the FTSE NAREIT Index returned 4.33% and 4.29% respectively. The Lodging/Resorts sector performed well during the month, while the Healthcare sector was challenged. Listed Infrastructure, represented by the MSCI World Core Infrastructure Index, returned 3.53% for the month.

Items to Watch

- ▶ The Federal Reserve (Fed) cut the federal funds rate by 0.25% in November, targeting a range between 4.5% and 4.75%. The rate cut was expected as labor markets continued to normalize. Markets are widely expecting a 0.25% rate cut in December and are pricing in only two rate cuts (down from four) in 2025.
- ▶ The personal consumption expenditures (PCE) price index increased 0.2% in October and at an annualized rate at 2.3%. Core inflation figures increased 0.3% on a monthly basis and posted an annualized reading of 2.8%. Services prices generated most of the inflation for the month, rising 0.4%, while goods fell 0.1%. Housing related costs have continued to fuel inflation, despite expectations that the pace would cool as rents eased.
- ▶ Non-farm payrolls rose by 227,000 in November, surpassing expectations. October job gains were revised upward to 36,000 from 12,000. November job gains were focused on healthcare, leisure and hospitality, and government sectors, while retail trade saw a decline of hiring heading into the holiday season. The U.S. unemployment rate ticked up slightly to 4.2% from 4.1%. The reading pointed to a labor market that is still growing, but at a slower rate. Worker pay rose, with average hourly earnings up 0.4% from a month ago and 4.0% on a 12-month basis, which could support consumer purchasing power and confidence.
- ▶ S&P Global's purchasing managers' index (PMI) for the Eurozone fell to a 10-month low.. Germany has been the principal laggard in the Eurozone since the pandemic. China's exports and imports both missed expectations in November, fueling worries over China's economic recovery as consumer demand remains sluggish and a tariff threat looms.

Total Return of Major Indices				
Domestic Equity	MTD	QTD	YTD	1 YR
S&P 500	5.87%	4.90%	28.06%	33.86%
Russell 3000	6.65%	5.87%	27.71%	34.47%
Russell 2000	10.97%	9.36%	21.57%	36.44%
Russell 1000	6.44%	5.69%	28.08%	34.38%
International Equity	MTD	QTD	YTD	1 YR
MSCI ACWI ex-U.S.	-0.90%	-5.77%	7.63%	13.03%
MSCI EAFE	-0.57%	-5.97%	6.24%	11.88%
MSCI Emerging Markets	-3.59%	-7.88%	7.65%	11.86%
Fixed Income	MTD	QTD	YTD	1 YR
Bloomberg Barclays U.S. Agg	1.06%	-1.45%	2.93%	6.88%
Bloomberg Barclays Global Agg	0.34%	-3.02%	0.47%	4.64%
Bloomberg Barclays U.S. HY	1.15%	0.59%	8.67%	12.67%
Alternatives and Diversifying	MTD	QTD	YTD	1 YR
MSCI U.S. REIT	4.33%	1.28%	16.29%	27.48%
FTSE NAREIT Index	4.29%	1.27%	17.40%	29.05%
MSCI World Core Infrastructure	3.53%	0.54%	13.44%	17.46%
Bloomberg Commodity	0.41%	-1.45%	4.32%	1.51%

Economic Indicators		
Domestic	Current	Previous Month
Unemployment Rate (%)	4.1%	4.1%
Initial Jobless Claims (4 week average)	224.3 K	225 K
CB Leading Economic Indicators	-0.4	-0.3
Capacity Utilization	77.1%	77.4%
GDP (annual growth rate)	2.8%	3.0%
University of Michigan Consumer Confidence	71.8	70.5
New Home Starts	610 K	738 K
Existing Home Sales	4 MM	3.8 MM
Retail Sales (YoY)	2.8%	2.0%
U.S. Durable Goods (MoM)	0.2%	-0.4%
Consumer Price Index (YoY)	2.6%	2.4%
Producer Price Index (MoM)	-0.2%	-0.1%
Developed International*	9/30/2024	6/30/2024
Market GDP (annual rate)	1.1%	0.6%
Market Unemployment	4.5%	4.5%



Source: Bloomberg. Data as of November 30, 2024, 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, 2024 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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