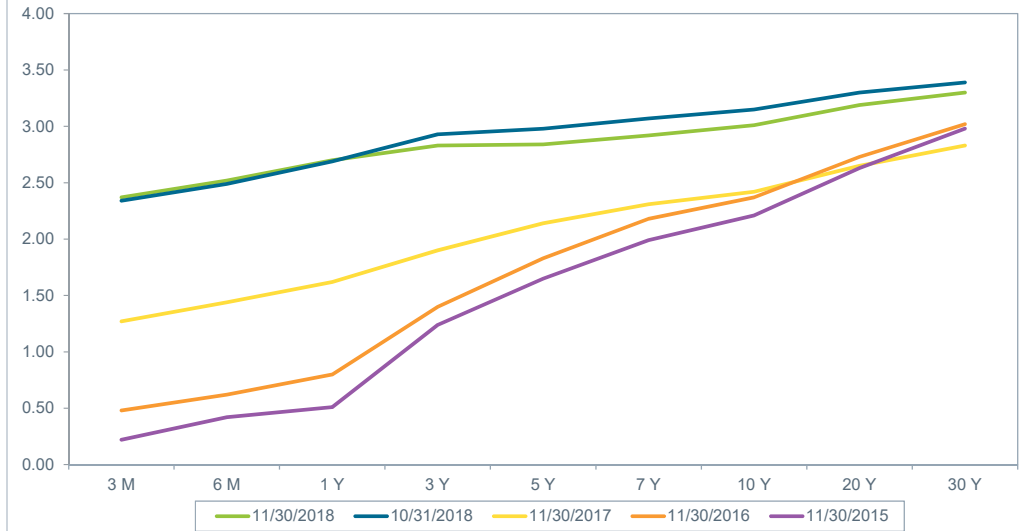


General Market Commentary

- Longer-dated Treasury yields declined, and the Treasury yield curve flattened notably as expectations for US economic growth and inflation continued to weaken.
- US equity returns were negative for most of the month, though markets rallied during the last week of November after comments made by Federal Reserve Chairman, Jerome Powell. Powell suggested that policy rates “remain just below” neutral, leading many market participants to price in a slower pace of interest rate hikes in 2019 and 2020.
- While international developed market equities were flat, emerging market equities surged upwards on speculation that the US and China could resolve their ongoing trade dispute at G20 meetings in early December.
- Oil prices dropped more than 20% in November, the largest monthly decrease in 10 years. Recently, global supply has significantly outpaced demand, as the US, Russia, and Saudi Arabia continue to increase extraction and production efforts.
- Equity markets posted mixed returns in November as the S&P 500 (Cap Wtd) Index returned 2.04% and the MSCI EAFE (Net) Index returned -0.13%. Emerging markets returned 4.12% as measured by the MSCI EM (Net) Index.
- The Bloomberg US Aggregate Bond Index returned 0.60% in November, underperforming the 0.69% return by the Bloomberg US Treasury Intermediate Term Index. International fixed income markets returned 0.25%, as measured by the FTSE Non-US World Gov’t Bond Index.
- Public real estate, as measured by the FTSE NAREIT Eq REITs Index (TR), returned 5.19% in November and 9.82% over the trailing five-year period.
- The Cambridge US Private Equity Index returned 18.22% for the trailing one-year period and 13.69% for the trailing five-year period ending June 2018.
- Absolute return strategies, as measured by the HFRI FOF Comp Index, returned -0.68% for the month and -1.66% over the trailing one-year period.
- Crude oil’s price fell by 22.02% during the month, and has decreased by 11.27% YoY.

Treasury Yield Curve (%)



Economic Indicators	Nov-18	Oct-18	Nov-17	10 Yr	20 Yr	
Federal Funds Rate (%)	2.20	—	2.20	1.07	0.40	1.95
Breakeven Inflation - 1 Year (%)	-1.11	▼	0.37	0.42	0.80	N/A
Breakeven Inflation - 5 Year (%)	1.77	▼	1.91	1.77	1.67	N/A
Breakeven Inflation - 10 Year (%)	1.97	▼	2.06	1.88	1.97	N/A
Breakeven Inflation - 30 Year (%)	2.05	▼	2.09	1.96	2.14	N/A
Bloomberg US Agg Bond Index - Yield (%)	3.54	▼	3.59	2.71	2.65	3.99
Bloomberg US Agg Bond Index - OAS (%)	0.50	▲	0.44	0.37	0.61	0.64
Bloomberg US Agg Credit Index - OAS (%)	1.29	▲	1.12	0.92	1.55	1.48
Bloomberg US Corp: HY Index - OAS (%)	4.18	▲	3.71	3.44	5.60	5.55
Capacity Utilization (%)	78.48	▲	78.15	77.07	75.79	77.31
Unemployment Rate (%)	3.7	—	3.7	4.1	6.8	5.9
PMI - Manufacturing (%)	59.3	▲	57.7	58.2	53.5	52.8
Baltic Dry Index - Shipping	1,231	▼	1,490	1,231	1,400	2,309
Consumer Conf (Conf Board)	135.70	▼	137.90	128.60	82.29	92.85
CPI YoY (Headline) (%)	2.2	▼	2.5	2.2	1.5	2.2
CPI YoY (Core) (%)	2.2	▲	2.1	1.7	1.8	2.0
PPI YoY (%)	1.6	▼	3.4	4.2	1.4	2.3
M2 YoY (%)	3.9	▲	3.7	4.6	6.2	6.3
US Dollar Total Weighted Index	92.03	▲	91.74	88.65	81.32	86.28
WTI Crude Oil per Barrel (\$)	51	▼	65	57	73	60
Gold Spot per Oz (\$)	1,223	▲	1,215	1,275	1,302	875

Treasury Yield Curve (%)	Nov-18	Oct-18	Nov-17	Nov-16	Nov-15
3 Month	2.37	2.34	1.27	0.48	0.22
6 Month	2.52	2.49	1.44	0.62	0.42
1 Year	2.70	2.69	1.62	0.80	0.51
3 Year	2.83	2.93	1.90	1.40	1.24
5 Year	2.84	2.98	2.14	1.83	1.65
7 Year	2.92	3.07	2.31	2.18	1.99
10 Year	3.01	3.15	2.42	2.37	2.21
20 Year	3.19	3.30	2.65	2.73	2.63
30 Year	3.30	3.39	2.83	3.02	2.98

Market Performance (%)	MTD	QTD	CYTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr
S&P 500 (Cap Wtd)	2.04	-4.94	5.11	6.27	12.16	11.12	14.40	14.32
Russell 2000	1.59	-9.44	0.98	0.57	10.08	7.50	12.56	14.04
MSCI EAFE (Net)	-0.13	-8.08	-9.39	-7.94	4.12	1.84	6.36	7.47
MSCI EAFE SC (Net)	-0.70	-10.26	-12.23	-9.89	6.31	4.92	9.53	11.98
MSCI EM (Net)	4.12	-4.95	-12.24	-9.09	9.41	1.90	3.45	9.13
Bloomberg US Agg Bond	0.60	-0.20	-1.79	-1.34	1.33	2.03	1.99	3.67
ICE BofAML 3 Mo US T-Bill	0.21	0.38	1.69	1.80	0.97	0.59	0.45	0.36
NCREIF ODCE (Gross)	N/A	N/A	6.48	8.68	8.80	10.72	11.17	5.58
FTSE NAREIT Eq REITs Index (TR)	5.19	2.07	3.93	3.70	6.52	9.82	10.55	14.81
HFRI FOF Comp Index	-0.68	-3.51	-2.56	-1.66	1.67	1.97	3.07	3.12
Bloomberg Cmnty Index (TR)	-0.56	-2.71	-4.68	-1.83	1.64	-7.26	-7.40	-3.54

NCREIF performance is reported quarterly; MTD and QTD returns are shown as "N/A" on interim-quarter months and until available. Data shown is as of most recent quarter-end. Treasury data courtesy of the US Department of the Treasury. Economic data courtesy of Bloomberg Professional Service. Breakeven Inflation does not have 20 years of history; therefore, its 20-year average is shown as "N/A."