

		<u>Nov 2022</u>	<u>YTD</u>	<u>1-Year</u>	<u>3-Years</u>	<u>5-Years</u>	<u>10-Years</u>
U.S. Large Cap Equities	S&P 500	5.59%	-13.10%	-9.21%	10.91%	10.98%	13.34%
U.S. Small Cap Equities	Russell 2000	2.34%	-14.91%	-13.01%	6.44%	5.45%	10.13%
Energy Infrastructure Equities	Alerian U.S. Midstream Energy	3.41%	37.19%	38.22%	17.24%	10.14%	-
U.S. Real Estate Equities	Dow Jones U.S. Select REIT	5.79%	-21.87%	-14.83%	0.10%	3.61%	6.71%
Global Equities	MSCI All Country World Index	7.76%	-15.02%	-11.62%	6.63%	6.41%	8.66%
International Developed Equities	MSCI EAFE	11.26%	-14.52%	-10.14%	1.92%	1.85%	4.99%
Emerging Market Equities	MSCI Emerging Markets	14.83%	-18.95%	-17.43%	0.14%	-0.42%	2.07%
U.S. Taxable Fixed Income	Bloomberg U.S. Aggregate	3.68%	-12.62%	-12.84%	-2.59%	0.21%	1.09%
U.S. Tax-Exempt Fixed Income	Bloomberg Municipal Aggregate	4.68%	-8.79%	-8.64%	-0.77%	1.40%	1.98%
High Yield Fixed Income	Bloomberg U.S. Corporate High Yield	2.17%	-10.63%	-8.96%	0.92%	2.50%	4.26%
Floating Rate Loans	S&P/LSTA Leveraged Loan	1.24%	-1.04%	-0.41%	2.94%	3.30%	3.70%
International Fixed Income	Bloomberg Global Aggregate Ex-U.S.	5.58%	-19.75%	-19.81%	-6.01%	-3.27%	-1.82%

Economic News

- The Federal Reserve and Bank of England each raised their policy rates by 0.75% in November, to 4.0% and 3.0%, respectively.
- Despite higher borrowing rates, investor sentiment improved during the month following the release of U.S. inflation data for October.
- The 6.0% year-over-year increase came in below consensus expectations, which prompted the Fed to announce at its November meeting that it intended to switch to smaller interest rate increases “soon.” (PCE Price Index Excludes Food and Energy – See Page 2)
- In the U.S., the unemployment rate rose slightly to 3.7% in October. Excess savings boosted retail sales, but slower housing activity is a concern.
- In Europe, food and energy prices drove inflation higher, but indicators of economic activity in the eurozone surprised to the upside.
- In China, policy makers announced measures to relax covid restrictions and monetary policy was eased; Asian stocks rallied more than 18%.

Market Update

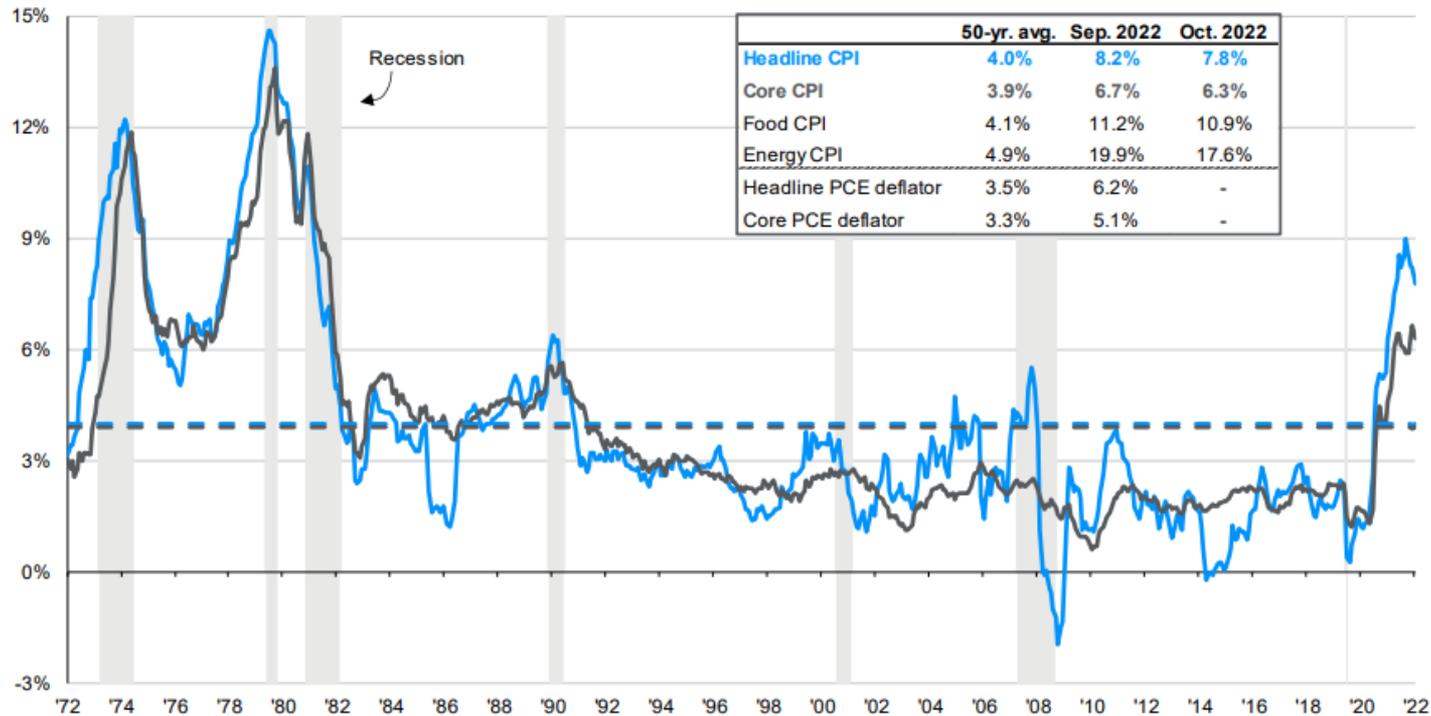
- Global equity markets continued to recover from October lows; U.S. equities gained 5.6% and emerging market equities rallied nearly 15%.
- In the U.S., value stocks edged out growth stocks by approximately 1%, and were 18.2% more attractively priced.¹
- Year-to-date, the U.S. stock market has declined by as much as 25%, and ended November down approximately 13%. The return required for the S&P 500 Index to recover to its January 2022 peak of 4,797 is 19.3% (over a 1-year period).
- Shifting to bonds, investment grade indexes reported gains in November as yields moved broadly lower (Agg and HY yields at 4.6% and 8.6%).
- Leveraged loans reported a smaller gain during the month, while the yield increased to 11.2%.

¹ As measured by Current P/E as a % of 20-year average P/E (P/E refers to price-to-earnings ratio).
Source: eVestment Analytics, JP Morgan, Schroders, Federal Reserve, BoE

- Inflation has begun to show some signs of easing but immediate relief for consumers is unlikely, as the Fed has more work to do before hitting its goal of a 2% annual price return target.
- The Personal Consumption Expenditure Index, or “PCE Index,” is the Fed’s preferred gauge of inflation and measures the prices paid by consumers for a broad range of goods and services without the volatility caused by movements in food and energy prices.
- After more than a year of persistently high inflation, prices finally began moving lower. Consumers began to spend more on in-person services (e.g. restaurants) and less on goods including furniture and computers.
- Global supply chains have also begun to operate normally, with the cost of sending a 40-foot container ship from China to the U.S. declining from a peak of \$20,586 in September 2021 to less than \$2,000 at month-end.

CPI and core CPI

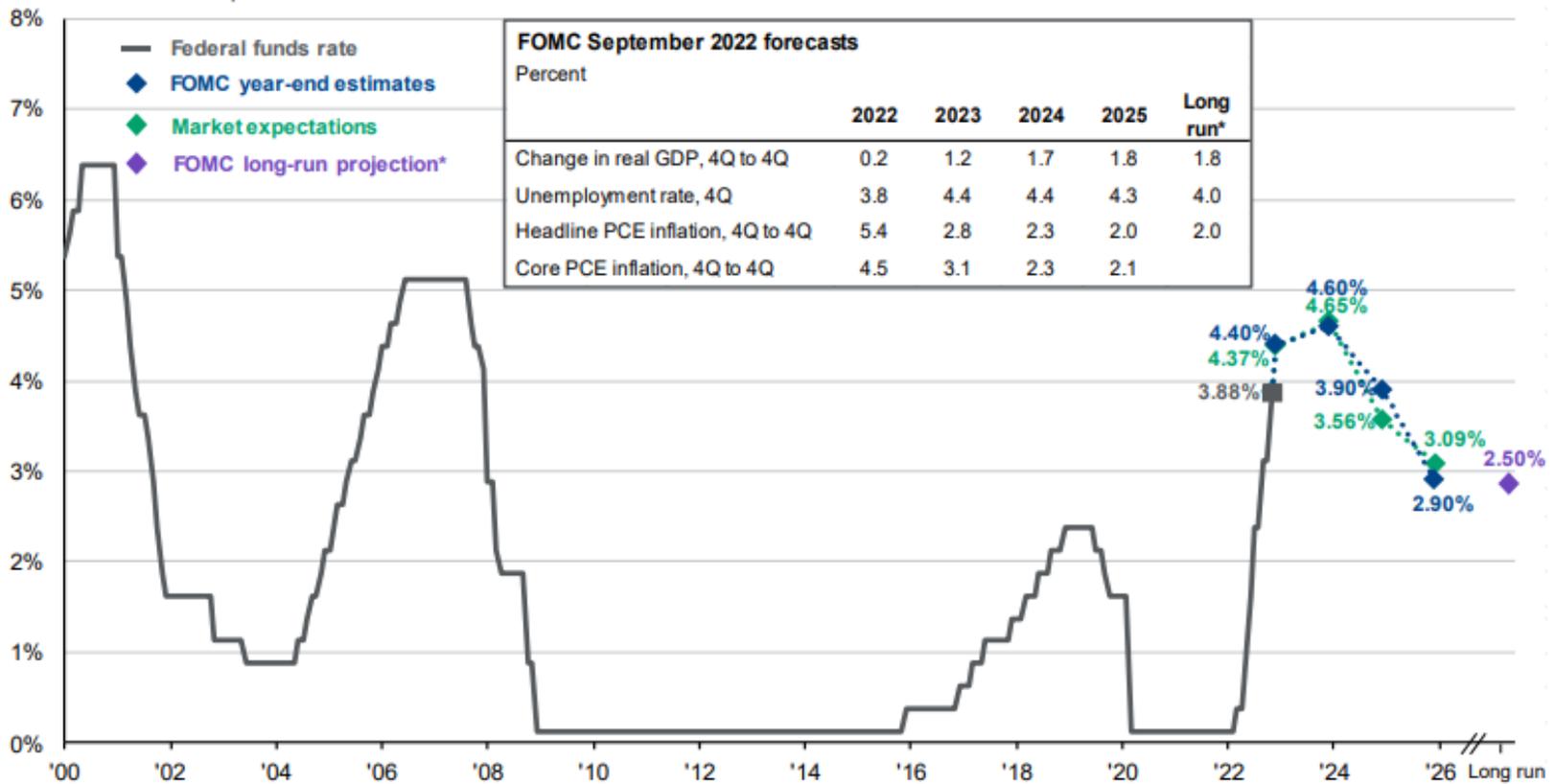
% change vs. prior year, seasonally adjusted



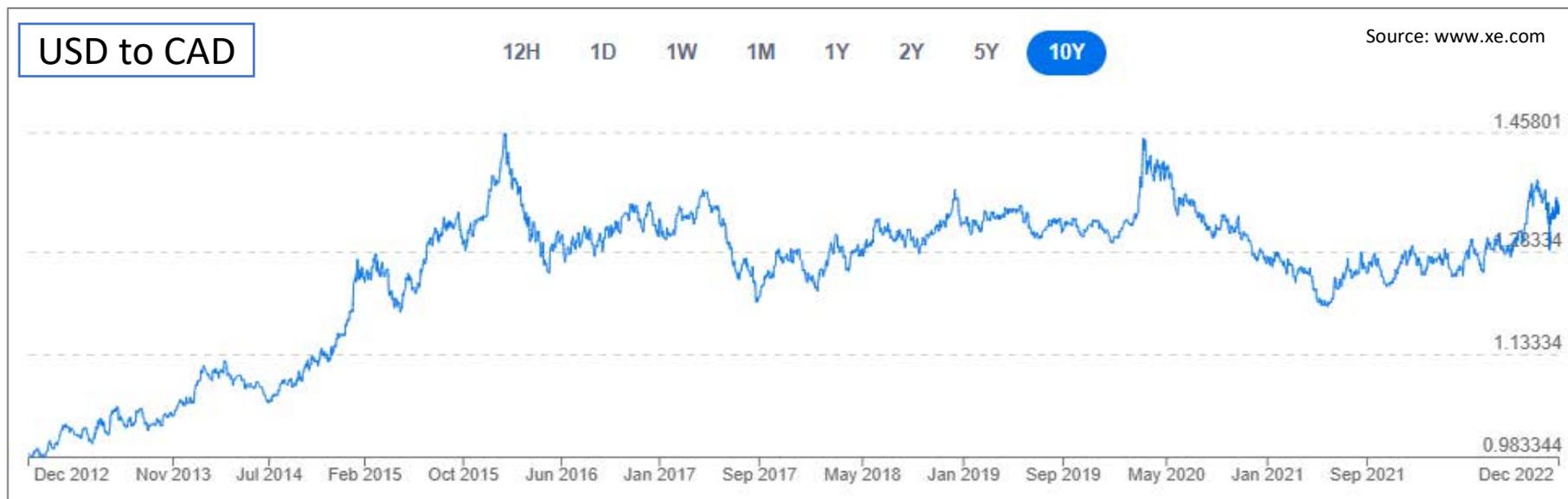
- The U.S. Federal Reserve again raised interest rates when it met in November, but signaled future hikes would likely be smaller.
- Consensus expectations are for a 0.50% rate increase when the Fed convenes in mid-December.
- Despite a softer tone, the Fed cautioned that monetary policy is likely to stay restrictive for some time, with Chairman Powell going as far as to say, “We will stay the course until the job is done.”
- Despite further rate increases, investors remain optimistic that the days of the “max hawkish sledgehammer” are now gone.

Federal funds rate expectations

FOMC and market expectations for the federal funds rate



- The U.S. dollar weakened 0.7% against the Canadian dollar in November, ending the month with an exchange rate of 1.35401.
- Canada added 10,000 jobs in November, in line with expectations, which pushed the jobless rate down to 5.1%.
- Jobs were added in finance, insurance and real estate, but several other industries, including construction, saw job declines.
- Taking a look at earnings, the Big Six banks – RBC, TD, CIBC, Scotiabank, BMO and National Bank – all released their Q4 2022 reports at the end of November. Five of the six reported y/y profit declines, while three fell short of their earnings expectations.
- The poor earnings results were a signal to investors that Canada’s economy could be slowing ahead of a potential recession.



Date Range	USD to CAD	+/-
YTD	1.2655-1.3540	+7.0%
1-Year	1.2809-1.3540	+5.7%
3-Years	1.3279-1.3540	+2.0%

\$USD 1,000,000
 =
\$CAD 1,354,019

@ 1.35401
(11/30/2022)

CAD Profile	
*Inflation Rate	6.9% (Oct 2022)
Interest Rate	3.75% (Oct 2022)
Information	http://www.bankofcanada.ca

*Total CPI Inflation
Sources: xe.com, Statistics Canada, CBC, CTV

COPPER - as of 11/30/2022

The price of copper was \$3.78 USD per pound.

Copper prices were down \$0.68 per pound year-to-date, or 15%, and down \$1.16, or 23%, since the March 2022 peak. **Looking ahead, guidance suggests copper will trade at \$3.76 per pound by the end of the fourth quarter, and at \$3.51 in 12 months.**

Per TradingEconomics, recent price increases have been “supported by hopes of a pickup in industrial demand and looming supply concerns. On the supply side, lower output in South America continues to raise concerns of shortages in the near future, as top producer Chile mined 6% less copper in 2022.”

ALUMINUM - as of 11/30/2022

The price of aluminum was \$2,447 USD per tonne.

Aluminum prices were down \$330 per tonne year-to-date, or 12%, and down \$1,371, or 36%, from the record high price of \$3,849 per tonne in March of 2022.

Aluminum prices have risen primarily as a result of China, which has stepped up efforts recently to support the economy. On the supply side, LME has decided against banning Russian metal from trading and storing in its warehouses amid continued demand. **Aluminum is forecasted to trade at \$2,479 USD/tonne by the end of the fourth quarter, and at \$2,291 in 12 months.**



- The price of a barrel of crude oil decreased \$5.63 in November, or 6.5%, to \$80.55.
- The average price of regular unleaded gasoline fell more than \$0.35 in November, to approximately \$3.40 per gallon.

Change in production and consumption of liquid fuels

Production, consumption and inventories, millions of barrels per day

Production	2019	2020	2021	2022*	2023*	Growth since '19
U.S.	19.5	18.6	19.0	20.2	21.1	7.9%
OPEC	34.6	30.7	31.7	34.1	34.4	-0.7%
Russia	11.5	10.5	10.8	10.9	9.3	-18.7%
Global	100.3	93.9	95.7	99.9	100.7	0.4%
Consumption	2019	2020	2021	2022*	2023*	Growth since '19
U.S.	20.5	18.2	19.9	20.4	20.5	0.0%
China	14.0	14.4	15.3	15.2	15.9	13.7%
Global	100.7	91.8	97.4	99.6	101.0	0.3%
Inventory Change	2019	2020	2021	2022*	2023*	Growth since '19
	-0.4	2.1	-1.7	0.4	-0.3	

The price of crude oil declined in November, but it remained almost 22% higher than one year prior. Per TradingEconomics, “Putting a floor under prices were prospects of a recovery in Chinese demand and tight global supplies. The world's top crude importer has been signaling a softening stance in the fight against the coronavirus, raising hopes for a pivot from its strict zero-COVID policy. On the supply side, OPEC+ decided to stick to their existing policy of reducing oil output by 2 million barrels a day from November through 2023 to gauge the demand-supply dynamics better.”

Futures data suggests crude oil is expected to trade at \$83.12/barrel by the end of the fourth quarter and at \$93.31/barrel in one year.

Price of oil

WTI crude, nominal prices, USD/barrel

