

		<u>Oct. 2019</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	2.17%	23.16%	14.33%	14.91%	10.78%	13.70%
U.S Mid Cap Equities	Russell Midcap	1.05%	23.21%	13.72%	12.28%	8.67%	13.70%
U.S. Small Cap Equities	Russell 2000	2.63%	17.18%	4.90%	10.96%	7.37%	12.27%
Master Limited Partnerships (MLP)	Alerian MLP	-6.22%	4.18%	-6.36%	-3.06%	-8.96%	5.27%
U.S. Real Estate Equities	Dow Jones U.S. Select REIT Index	1.07%	25.97%	20.72%	8.94%	7.72%	13.34%
Global Equities	MSCI All Country World Index	2.74%	19.38%	12.59%	11.33%	7.08%	8.81%
International Developed Equities	MSCI EAFE	3.59%	16.86%	11.04%	8.48%	4.31%	5.41%
Emerging Market Equities	MSCI Emerging Markets	4.22%	10.36%	11.86%	7.36%	2.93%	3.78%
U.S. Taxable Fixed Income	Barclay's U.S. Aggregate	0.30%	8.85%	11.51%	3.29%	3.24%	3.73%
U.S. Tax-Exempt Fixed Income	Barclay's Municipal Aggregate	0.18%	6.94%	9.42%	3.62%	3.55%	4.40%
High Yield Fixed Income	Barclay's U.S. Corporate High Yield	0.28%	11.71%	8.38%	6.03%	5.18%	7.78%
Floating Rate Loans	S&P/LSTA Leveraged Loan	-0.45%	6.31%	2.67%	4.08%	3.83%	5.11%
International Fixed Income	Barclay's Global Aggregate Ex-U.S.	0.96%	5.38%	7.84%	2.26%	1.20%	1.33%

- Global stocks gained 2.7% in October, as measured by the MSCI All Country World Index; foreign equities outperformed U.S. equities.
- The U.S. stock market reached a new record high after the announcement of a “Phase One Trade Deal” between the U.S. and China.
- Despite the positive boost from a proposed trade agreement, data suggests the U.S. economy is losing momentum.
- The manufacturing side of the economy is contracting and job growth is slowing; the Fed cut interest rates by another 0.25% in October.
- Energy infrastructure and REIT investments lagged in October, with MLP investments falling sharply and REITs managing a small gain.
- Foreign equity markets rallied in October, mostly as a result of easing geopolitical tensions and a reiteration of dovish bank policies.
- Despite gaining in October, foreign equity markets remain fragile; the Eurozone in particular remains pressured by the trade war.
- U.S. bonds markets were slightly positive in October, but both taxable and municipal bonds remain expensive relative to par value.
- U.S. high yield bonds gained 0.3% during the month and defaults remain low; BB-rated bonds are now trading at a \$3.80 premium to par.
- Leveraged loans declined 0.5% in October; this is likely a flight-to-quality amid a further drop in LIBOR (1-month LIBOR = 1.75%).
- Global bonds gained 1.0% as sovereign bond yields moved lower, especially across emerging markets, and the U.S. dollar weakened.



Economic Update

- Canada's decision to hold steady on rates makes it stand out among its international peers.
- As of October, more than 35 central banks in developed and emerging markets have eased their monetary policies.
- Canada will monitor its sources of strength in upcoming rate decisions, notably consumer spending and housing markets.
- The decision to hold rates steady was predicated on a near-target inflation rate, and a surprisingly strong annualized 3.7% second quarter GDP growth rate (guidance for the second half is lower at a 1.3% annualized GDP growth rate.)

Interest Rate Update

The Bank of Canada announced no change to its benchmark interest rate when it met in late October, holding steady at 1.75%. With this monetary policy decision, the Canadian central bank is positioning itself as an exception among other developed economies that have already begun to respond to a weakening world economy by lowering their key overnight interest rates.

Date Range	CAD to USD	+/-
October	0.7551 – 0.7611	+0.8%
Year-to-Date	0.7329 - 0.7611	+3.8%
1-Year	0.7619 - 0.7611	-0.1%

\$USD 1,000,000 = \$CAD 1,322,267 (11/8/19)

CAD Profile

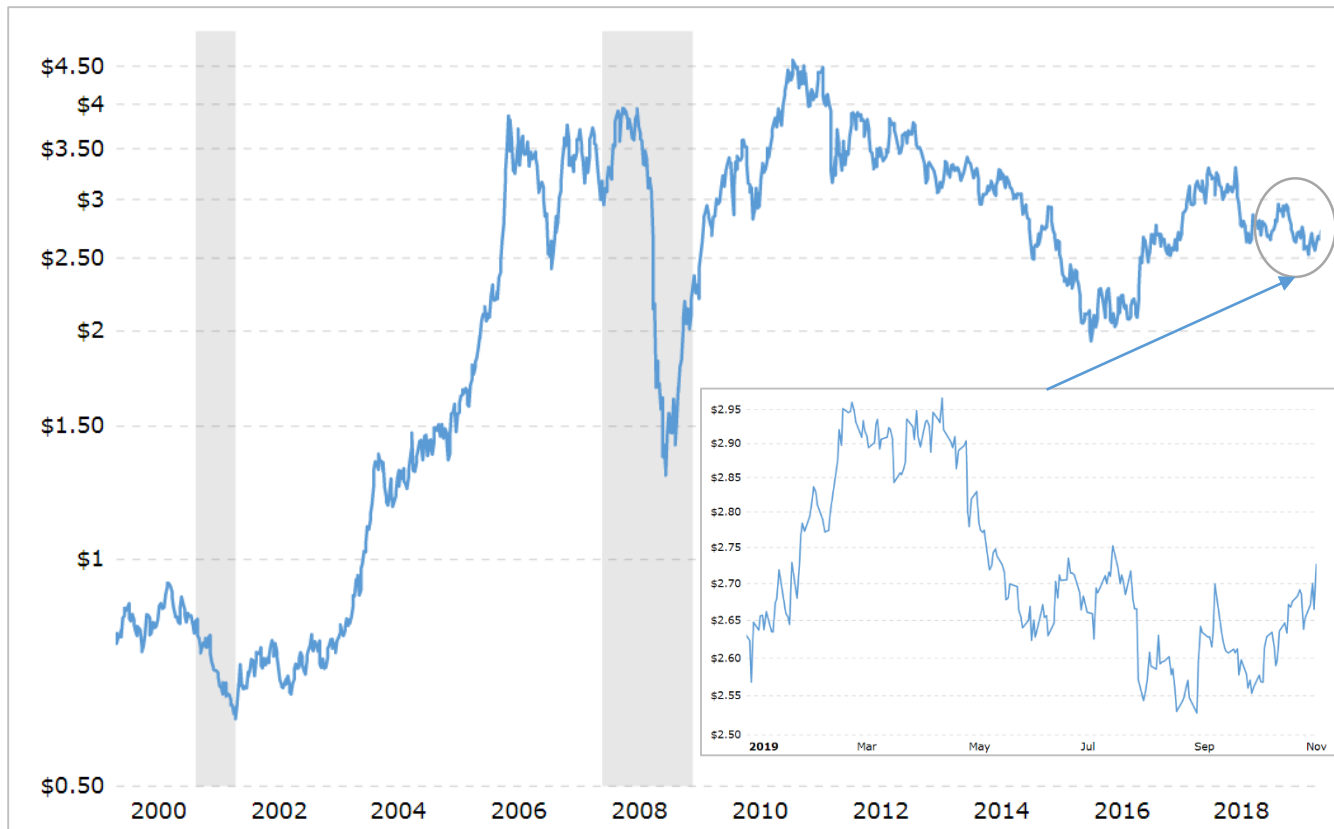
Inflation Rate	1.60%
Interest Rate	1.75%
Information	http://www.bankofcanada.ca



Source: www.xe.com

The larger chart below shows the historical daily COMEX copper price, which is displayed in U.S. dollars per pound. The chart provides twenty years of price history, and also includes shaded columns that reflect past U.S. economic recessions.

The chart embedded in the bottom right hand corner provides a zoomed-in image of the year-to-date price movement of the commodity. The current price of copper, as of November 8, 2019, is \$2.73 per pound. Copper opened the year priced at \$2.62 per pound and hit a high/low of \$2.97/\$2.53 on April 17th and August 23rd, respectively. **Copper has gained 4.2% year-to-date.**



Copper Price Outlook

Copper prices have improved, with the commodity gaining 5.8% between September 30th and November 8th; prices remain \$0.24 below the year-to-date high.

The recent copper price recovery is attributable to the possible U.S.-China trade deal, which has investors hopeful that a resolution could boost global growth.

Copper prices have historically served as a leading indicator for economic deceleration. For example, leading up to 2001, the price of copper declined 14.0% in a six month period, and leading up to 2008 copper prices declined 20.0% in a seven month period.

The near-term outlook for copper is difficult to predict, as the commodity appears to be more highly correlated to U.S. stocks. Copper prices are susceptible to headline risk, but equity market gains should result in higher prices.

