

Economic & Market Commentary

Market Update – November 2019

The second month of the fourth quarter was positive for global stocks (+2.5%), which have now gained 22.0% year-to-date. U.S. bonds remained flat throughout the month holding onto year-to-date gains of 6.7% for U.S. intermediate-term and 2.9% for short-term bonds. Alternative asset classes (REITs, Commodities, Managed Futures, and Reinsurance) all posted losses for the month.

Economy

- The consumer confidence index dropped 0.6 points in November heading into the holiday shopping season. While the index has been on a decline since July, consumer confidence remains high compared to historical standards.
- Housing starts picked up 3.8% to a 1.31 million-unit pace, recovering from data showing a 7.9% decline in September.

Stocks

- U.S. small cap (+4.1%) and U.S. large cap value (+3.0%) displayed strong gains within the month, bringing their year-to-date returns up to +22.0% and +22.6% respectively.
- Small cap stocks also led returns with international developed markets, posting gains of 2.1%, followed by small value (+1.3%), large cap (+1.1%), and large value (+0.4%).
- Emerging markets came in flat (-0.1%) with losses in Brazil (-4.4%) and Indonesia (-2.8%) offsetting gains in Chinese stocks (+1.8%).

Bonds

- U.S. bond returns stayed mostly unchanged with TIPS and short-term bonds posting modest gains of 0.2% and 0.1% while intermediate-term bonds fell 0.1%.
- International bonds fell 0.5% while still outpacing U.S. bonds with a +8.6% year-to-date return.

Alternatives

- Global REITs (-1.1%), Commodities (-2.6%), Reinsurance (-0.1%) and Managed Futures (-0.6%) all experienced losses during November.

What's New at Custody Banks?

With numerous major brokerage/custody firms (including TD Ameritrade, Charles Schwab, and Fidelity) recently eliminating commissions for trading stocks and exchange-traded funds (ETFs), now is a great time to be an investor. While explicit trading costs seem to be going away across the industry (via commission-free trading), it's still important for investors to understand the implicit trading costs associated with placing trades and how brokerage/custody firms can stay in business in a new commission-free trading environment.

When Trading on an Exchange, Nothing is "Free"

Although you may not be paying fees per trade to your custodian any longer, there are still costs associated with trading stocks and ETFs. Investors are still "paying" for their trades in the form of a bid-ask spread. The bid-ask spread is the difference between the price you would receive for selling a stock or ETF (bid) compared to the price you would be charged for buying a stock or ETF (ask). The ask price will always exceed the bid price. It's important for investors to be cognizant of the implicit trading costs associated with the bid-ask spread, especially when trading securities with relatively low trading volume.

How will my custodian stay in business?

Although trading commissions have gone away, the following revenue-driving business segments remain in place to support costs associated with custodial and regulatory responsibilities:

- 1) Investment advisory services
- 2) Mutual fund and ETF management fees
- 3) Interest on account cash balances and margin loans
- 4) Payment for order flow from market makers

Charles Schwab, TD Ameritrade Merger

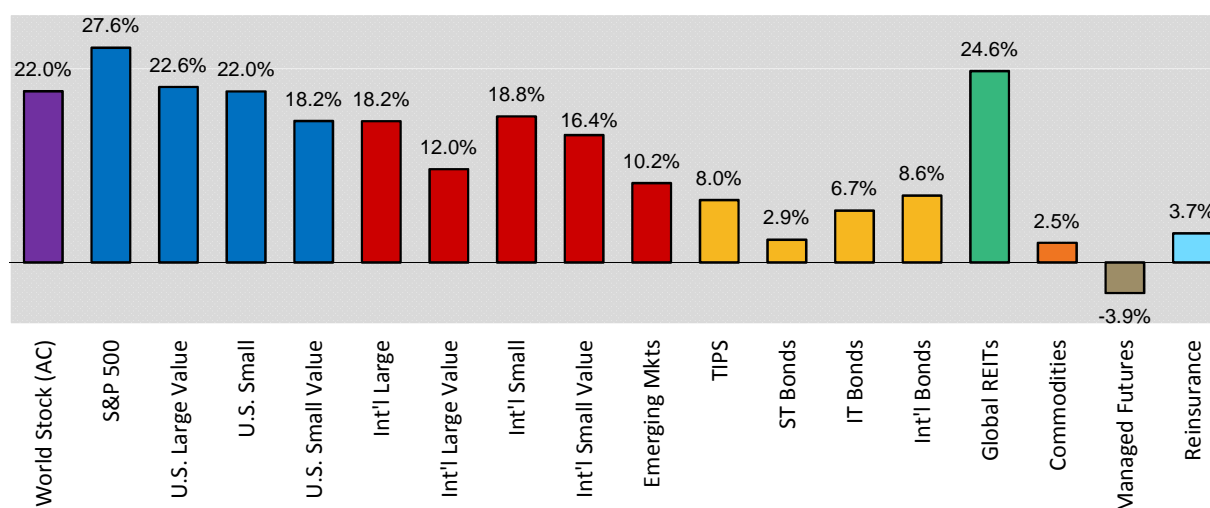
On Nov. 25, Charles Schwab said it had reached an agreement to acquire competitor TD Ameritrade. While many details surrounding the deal remain unknown, it's likely that there will continue to be major changes in the world of custody. Savant is continuously conducting due diligence on its custody providers for the safekeeping of our clients' investment assets.

For more information, call 866.489.0500
or visit www.savantcapital.com.



MARKET RETURNS

Year-To-Date as of 11/30/2019



MARKET RETURNS - Longer Term Annualized as of 11/30/2019

	1 Month	YTD	1 Year	3 Years	5 Years	10 Years	15 Years
STOCKS							
S&P 500	3.6%	27.6%	16.1%	14.9%	11.0%	13.4%	9.0%
U.S. Large Value	3.0%	22.6%	11.1%	10.5%	8.7%	11.8%	7.9%
U.S. Small	4.1%	22.0%	7.5%	8.6%	8.2%	12.4%	7.9%
U.S. Small Value	1.8%	18.2%	4.4%	5.3%	6.7%	11.5%	7.6%
Int'l Large	1.1%	18.2%	12.4%	9.6%	4.3%	5.3%	4.9%
Int'l Large Value	0.4%	12.0%	6.5%	6.6%	2.1%	3.7%	3.8%
Int'l Small	2.1%	18.8%	11.0%	10.2%	7.4%	8.4%	7.5%
Int'l Small Value	1.3%	16.4%	9.2%	8.2%	6.5%	8.1%	7.4%
Emerging Mkts	-0.1%	10.2%	7.3%	9.0%	3.1%	3.3%	7.3%
World Stock (AC)	2.5%	22.0%	13.2%	11.6%	7.2%	8.8%	7.1%
BONDS							
TIPS	0.2%	8.0%	8.6%	3.2%	2.3%	3.1%	3.9%
Short-Term Bonds	0.1%	2.9%	3.2%	1.6%	1.0%	0.6%	1.6%
Interm-Term Bonds	-0.1%	6.7%	8.1%	3.2%	2.5%	2.9%	3.6%
International Bonds	-0.5%	8.6%	10.2%	4.9%	4.5%	4.5%	4.7%
ALTERNATIVES							
Global REITs	-1.1%	24.6%	17.5%	10.3%	6.9%	11.0%	7.3%
Commodities	-2.6%	2.5%	-4.5%	-2.0%	-6.4%	-5.0%	-3.2%
Managed Futures	-0.6%	-3.9%	1.8%	-3.2%	0.0%	0.8%	4.4%
Reinsurance	-0.1%	3.7%	3.1%	2.4%	3.6%	6.0%	7.0%

Source: Morningstar Direct. Indices used in above graphs: S&P 500 Index, U.S. Large Value-MSCI U.S. Prime Market Value Index, U.S. Small-Russell 2000 Index, U.S. Small Value-MSCI U.S. Small Value Index, Int'l Large-MSCI EAFE Index, Int'l Large Value-MSCI EAFE Value Index, Int'l Small-S&P EPAC Small Index, Int'l Small Value-S&P EPAC Small Value Index, Emerging Mkts-MSCI Emerging Markets Index, World Stock Index-MSCI All Country World IMI Index, TIPS-Barclays Gbl Infl Linked US TIPS Index, Short-Term Bonds-Ibbotson 1 Yr Treasury Const Mtg Index, Interm-Term Bonds-Barclays Interm-Term Govt/Credit Index, International Bonds-JPM GBI Global Ex US Hdg, Global REITs-S&P Global REIT Index, Commodities-Bloomberg Commodity Index, Managed Futures-Credit Suisse Mgd Futures Liquid Index, Reinsurance-SwissRe Global Cat Bond Index.

Past performance is historical and does not guarantee or indicate future results. Index returns assume reinvestment of all distributions and unlike mutual funds, do not reflect fees or expenses. It is not possible to invest directly in an index. This report is not intended to provide personalized investment advice. Some information has been produced by unaffiliated third parties, and while it is deemed reliable, the advisor does not guarantee its accuracy or completeness.

For more information, call 866.489.0500
or visit www.savantcapital.com.



Economic Indicators

Leading Economic Index Year over Year Change (%)



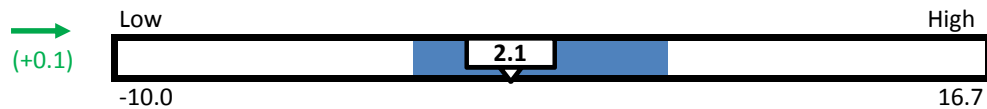
Unemployment (%)



Inflation CPI (YOY %)



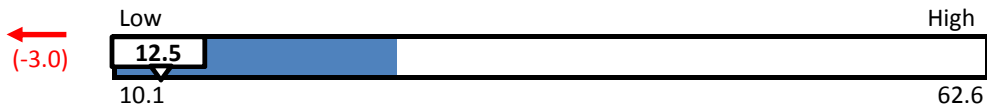
Real GDP Growth (%)



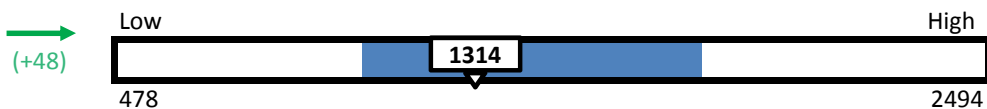
Consumer Confidence



VIX - Market Volatility



Housing Starts (000s)



10-year Treasury Yield (%)



Typical range (within 1 standard deviation of the median)

Current Value

Historical Range

Change in value since last month

*See appendix for sources and data ranges

For more information, call 866.489.0500
or visit www.savantcapital.com.

Appendix

Leading Economic Index Year over Year Change (%)

The Leading Economic Index is composed of 10 indicators used to forecast the direction of the economy. A fall in the index over three consecutive months is seen as a sign of a recession. The value shown represents the 12-month change in the index level. *(Data Source: The Conference Board. Monthly data since 1/1/1959)*

Unemployment

The unemployment rate measures the percentage of workers that are out of work in the U.S. labor force. *(Data Source: U.S. Bureau of Labor Statistics. Monthly data since 1/1/1948)*

Inflation CPI (YOY)

The Consumer Price Index (CPI) measures the change in the price level for a broad basket of goods in the U.S. economy. The value shown represents the percent change in the index from a year ago. *(Data Source: U.S. Bureau of Labor Statistics. Monthly data since 1/1/1948)*

Real GDP Growth

Real GDP Growth represents the change in the market value of all output in the U.S. economy. It is an annualized quarterly measure. *(Data Source: U.S. Bureau of Economic Analysis. Quarterly data since 4/1/1947)*

Consumer Confidence

The Consumer Confidence Index measures the level of optimism among U.S. consumers on the economy and their overall financial situation. *(Data Source: The Conference Board. Monthly data since 1/31/1991)*

VIX

The CBOE Volatility Index (VIX) measures the volatility of the S&P 500 index. An increase in the index level represents a spike in market volatility. Conversely, a decrease in the index represents a move towards stability. *(Data Source: Chicago Board Options Exchange. Daily data since 1/2/1990)*

Housing Starts

The number of housing starts (new construction) in the U.S. each year. *(Data Source: U.S. Bureau of the Census. Monthly data since 1/1/1959)*

10-year Treasury

The annualized return that would be realized for holding a 10-year Treasury bond to maturity. The 10-year Treasury yield is the primary benchmark for measuring interest rate movements. *(Data Source: U.S. Board of Governors of the Federal Reserve System. Daily data since 1/2/1962)*

Disclosure

Savant Capital Management is a Registered Investment Advisor. Savant's marketing material should not be construed by any existing or prospective client as a guarantee that they will experience a certain level of results if they engage Savant's services. Please Note: "Ideal" is not intended to give assurance as to achieving successful results. Different types of investments and/or investment strategies involve varying levels of risk, and there can be no assurance that any specific investment or investment strategy (including the investments purchased and/or investment strategies devised or undertaken by Savant Capital Management), will be profitable for a client's portfolio.

For informational purposes only. Not intended to be personalized investment advice.