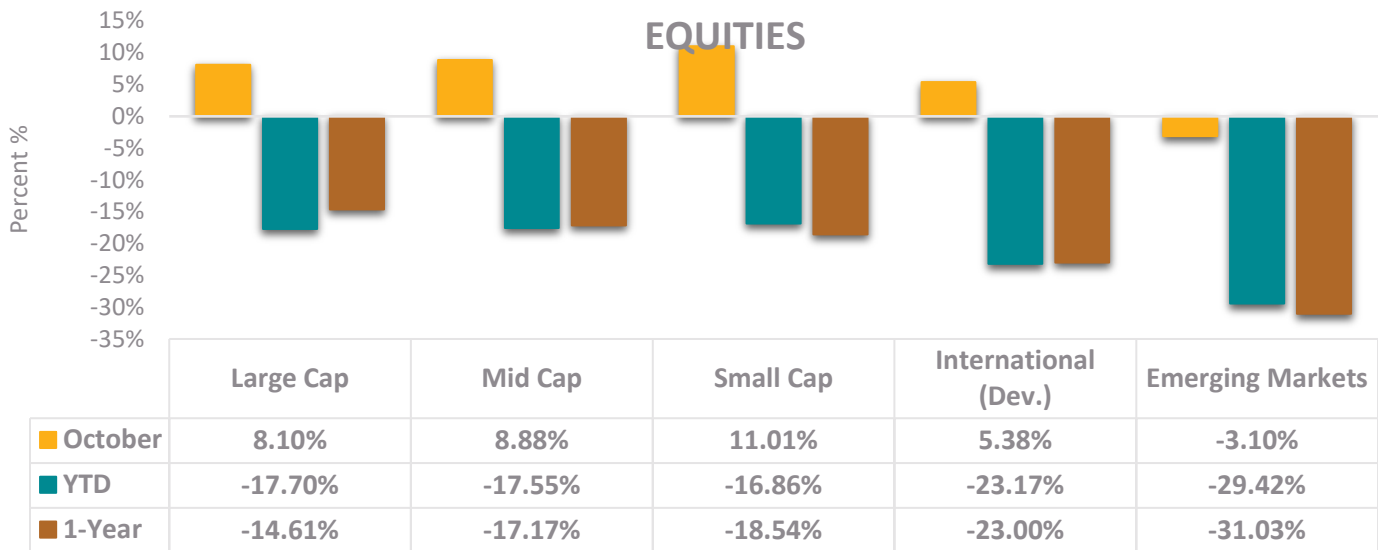


# Monthly Market Summary

## Market Update and Economic Developments

- Positive earnings reports led to positive returns from leading technology and consumer discretion companies such as Apple and Amazon. The S&P 500 Index was up 8.10% in October, breaking its multi-quarter losing streak. The Index was still down -17.70% year-to-date as of the end of October.
- Mortgage Bankers Association (MBA) mortgage applications have been dropping for four months straight and are currently sitting at their 22-year low. Decreased demand in the housing market is due to continued interest rate increases, which have amplified the average 30-year fixed mortgage rate to just under 7%.
- The Consumer Price Index (CPI) has risen 8.2% since September 2021. Food and shelter are the most significant contributors to the overall rise in inflation.



Benchmark Indexes: Large Cap = S&P 500; Mid Cap = Russell Mid Cap; Small Cap = Russell 2000; International Developed = MSCI EAFE; Emerging Markets = MSCI EM.



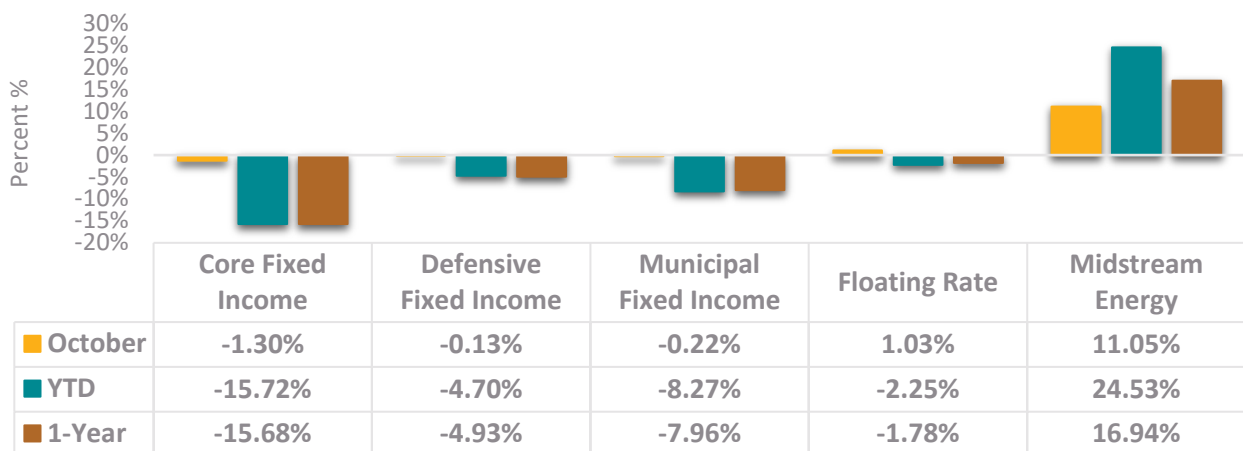
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# Monthly Market Summary

## Fixed Income Market Update and Other Assets

- The Federal Open Market Committee increased their target for the federal funds rate by 0.75% at their November 2<sup>nd</sup> meeting to combat inflation. The early November increase has brought short-term borrowing to its highest level since January 2008. Chairman Powell said, “We think we have a ways to go; we have some ground to cover with interest rates... before we get to that level of interest rates that we think is sufficiently restrictive.”
- The spread, or difference in yield, between short-term and longer-term treasuries has inverted to levels not seen since the fall of 1981. From a historical perspective, an “inverted yield curve” has signaled upcoming recessionary periods.
- Core Fixed Income posted a -1.30% return in October. Bond prices have an inverse relationship with interest rates, and as long as the Fed continues to raise rates, bonds will likely continue to struggle.
- Midstream Energy remains a top performer, increasing 11.05% in October with a 24.53% return year to date.

### FIXED INCOME AND OTHERS



Domestic Fixed Income - Barclays US Agg; Municipal Bonds - Barclays 4-6 Yr Muni; High Yield - Barclays US Corp. HY; Floating Rate Corporate Loans - S&P/LSTA Leveraged Loan Index; Commodities - Bloomberg Commodity; MLPs - Alerian Midstream Energy.



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