

**MARKET COMMENTARY**

Global markets produced mixed results during November, with modest gains in domestic equities offset by losses in international markets and corporate bonds. Large cap stocks in the U.S. returned 0.3%, while small caps were the top performer during the month returning 3.3%. International stocks fell during the month, with developed economy stocks losing -1.6% and emerging market stocks, which are particularly commodity sensitive, losing -3.9%. The strength of the U.S. dollar provided further headwinds for commodity markets, while crude oil declines caused investors to sell energy-related investments. Core bonds lost -0.3%, as shorter-term interest rates reached a 5 year high in anticipation of a Fed rate hike.

**MARKET NEWS**

- Following the release of the FOMC's October meeting minutes, the yield on 2yr Treasuries surged to a five year high as the market responded to language indicating that conditions for a rate hike "could well be met by the time of the next meeting [December]"
- The price of WTI crude declined by nearly 11% during the month on concerns of a shortage of storage capacity due to the current supply glut as well as the likelihood of a milder winter on account of El Nino (Goldman Sachs)
- Economic activity in Europe continued to pick up, reaching a 4 1/2 year high during the month, as an index of manufacturing and services expanded to levels not seen since May 2011

**INDEX RETURNS & MARKET LEVELS<sup>1,2</sup>**

	Description	Month	3 Months	YTD	1yr
<b>Equities</b>					
S&P 500	U.S. large cap	0.30%	6.07%	3.01%	2.75%
Russell 2000	U.S. small cap	3.25%	3.72%	0.64%	3.51%
MSCI EAFE	Non-U.S. developed	-1.56%	0.75%	0.54%	-2.94%
MSCI EM	Emerging markets	-3.90%	-0.14%	-12.98%	-16.99%
<b>Fixed Income</b>					
Barclays U.S. Aggregate	U.S. core inv. grade	-0.26%	0.43%	0.88%	0.97%
Barclays Municipal	U.S. municipal	0.40%	1.53%	2.58%	3.10%
BofAML High Yield Master II	U.S. sub inv. grade	-2.24%	-2.19%	-2.12%	-3.56%
JPMorgan EMBI Global TR	Emerging markets	-0.06%	1.68%	2.77%	-0.17%
<b>Alternatives</b>					
HFRX Global Hedge Fund	Hedge funds	-0.72%	-1.36%	-2.34%	-3.07%
Alerian MLP	MLPs	-8.08%	-14.58%	-30.09%	-34.03%
S&P U.S. REIT	REITs	-0.58%	8.25%	0.69%	2.64%
Bloomberg Commodity TR	Commodities	-7.25%	-10.82%	-22.26%	-28.19%
<b>U.S. Economic Measures</b>					
U.S. GDP <sup>3</sup>		2.1%	(Q3 2015, second est.)		
CPI-U ex Food & Energy <sup>4</sup>	"Core" inflation	1.9%	(10/31/2015)		
Unemployment Rate		5.0%	(10/31/2015)		
<b>Levels</b>					
		<b>11/27/2015</b>	<b>12/31/2014</b>	<b>11/26/2014</b>	
<b>Rates</b>					
2yr U.S. Treasury		0.92%	0.67%	0.53%	
10yr U.S. Treasury		2.22%	2.17%	2.24%	
3mo LIBOR		0.41%	0.26%	0.24%	
Prime Rate		3.25%	3.25%	3.25%	
30yr Mortgage Fixed		4.14%	4.04%	4.15%	
<b>Commodities</b>					
Gold (\$/oz.)		1,057	1,206	1,198	
Copper (\$/MT)		4,636	6,359	6,649	
Oil-WTI (\$/barrel)		41.77	53.49	73.75	
Nat. Gas (\$/mcf)		1.97	3.00	4.24	
Corn (\$/bushel)		3.60	3.80	3.68	
<b>Currencies</b>					
Euro (\$/€)		1.06	1.21	1.25	
Pound (\$/£)		1.51	1.56	1.58	
Jap. Yen (¥/\$)		122.77	119.90	117.56	

**Investment Team:**

**John Howard (Chief Investment Officer)**  
 (214) 346-0789  
 john.howard@hfs-wm.com

**Stephen Howard (Private Markets)**  
 (214) 239-0850  
 stephen.howard@hfs-cp.com

**Will Gray, CAIA (Public Markets)**  
 (512) 828-7015  
 will.gray@hfs-wm.com

**Randall Horton (Public Markets)**  
 (214) 239-0883  
 randall.horton@hfs-wm.com

**About HFS:**

**Howard Financial Services, Ltd.** is an SEC-registered investment adviser that was established in 1994 to provide comprehensive financial planning and investment management services. Our wealth management division, HFS Wealth Management, offers comprehensive financial advisory, portfolio management and consultative services. Proprietary investments are offered through our private investment affiliate, HFS Capital Partners.

**Contact:**

**HFS Wealth Management**  
 8350 Meadow Road, Suite 181  
 Dallas, Texas 75231  
 Tel: (214) 346-0785  
 Fax: (214) 346-0794  
 www.howardfs.com

Notes: 1) Sources: Bloomberg, J.P. Morgan Asset Management, Morningstar, Hedge Fund Research, Bureau of Labor Statistics, Bureau of Economic Analysis. 2) Data as of the date of this report unless otherwise noted. 3) U.S. GDP measures the percentage change during the referenced quarter as published by BEA. 4) Consumer Price Index for All Urban Consumers: U.S. City Average, All Items Less Food and Energy is based on 12-month percent change as published by BLS.

Disclosures: This material is provided for informational purposes only and does not constitute an offer or solicitation by HFS, or its subsidiaries or affiliates, to invest in these indices or their constituent products. The data contained herein are from referenced sources which HFS believes to be reliable. This information discusses general market activity, industry or sector trends, or other broad-based economic, market or political conditions and should not be construed as research or investment advice. The views expressed are those of HFS. They are subject to change at any time. These views do not necessarily reflect the opinions of any other firm. Investing involves a high degree of risk, and all investors should carefully consider their investment objectives and the suitability of any investment. Past performance is not necessarily indicative of future results. All data is as of the date of this report unless otherwise noted.