Portfolio Manager Commentary
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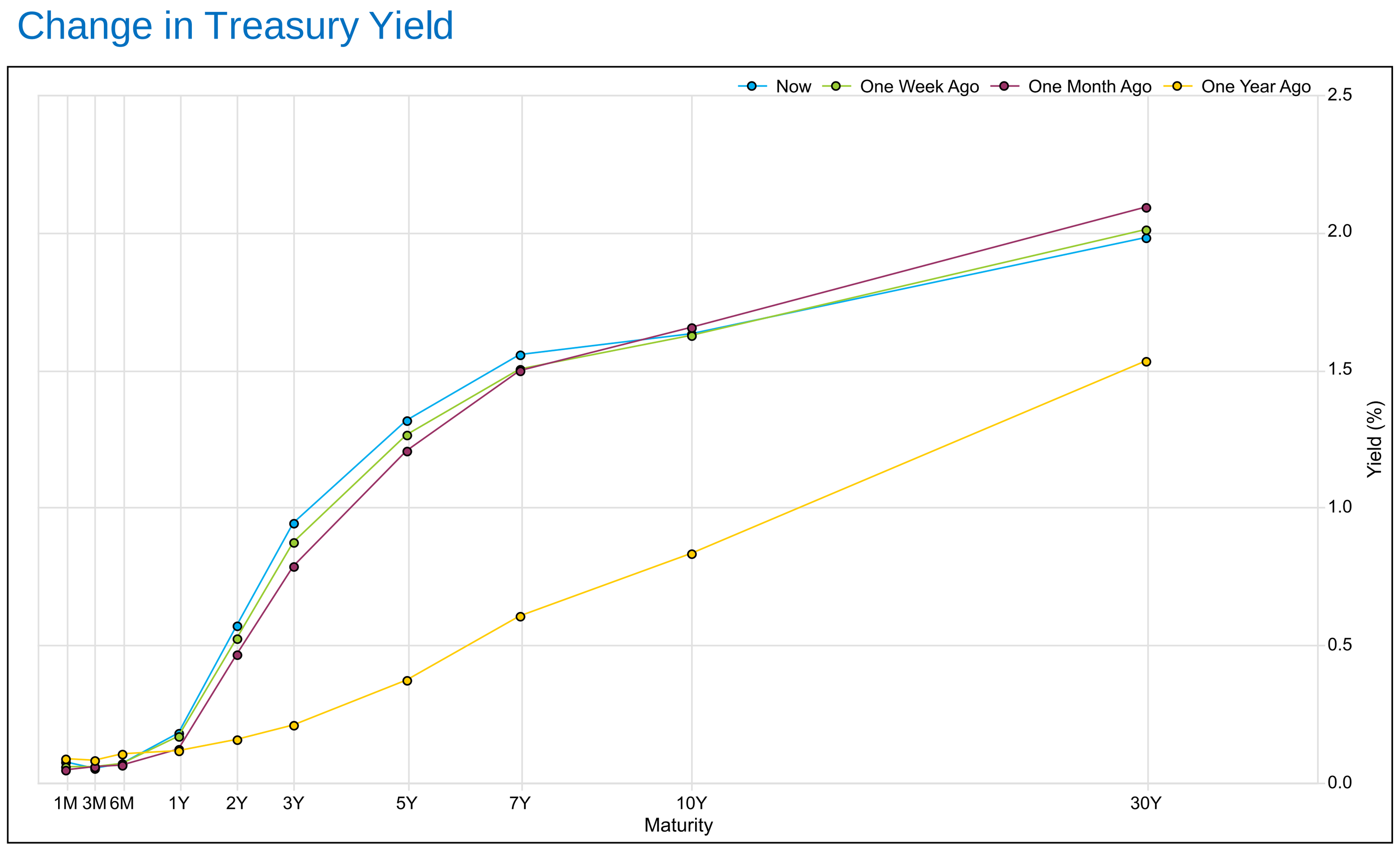
Investment Advisors, Inc.

Economic Outlook
U.S. Producer Prices were up 0.6% in October versus up 0.5% for September. Consumer Prices were up 0.9% in October versus up 0.4% in September. The Preliminary University of Michigan Consumer Sentiment Survey came in at 66.8 for November, down from 71.7 for October.

Fixed Income
The prospect of widespread Covid-19 lockdowns in Europe rattled financial markets last week, spurring a rally in Treasuries and sending haven currencies higher on speculation renewed outbreaks could deal another blow to global economic growth. The euro slid to a 16-month low against the dollar as traders piled into safer assets after Austria announced a nationwide lockdown beginning Monday. Germany's health minister refused to rule out closures in the country, weighing on investor optimism of normality post-covid. The slide in the euro was tempered late Friday after the German Foreign Minister Heiko Mass said in an interview that there "was no discussion over a comprehensive lockdown." It "feels like there has been a break from the Covid narrative but that is definitely coming back into play," said Zachary Griffiths, a strategist at Wells Fargo Securities. But he added that "downside in G-10 government bond yields is at least somewhat limited given the global inflation backdrop and relatively hawkish shift in central bank policy." Treasuries rallied across most maturities, with longer-dated debt performing the best. The flare up in covid concerns has led to traders pushing out expectations for the Federal Reserve's first-rate hike, but comments from some FOMC members may temper that trade going forward. The yield on five-year Treasury notes, which is linked to views for policy rates over that time horizon, fell to as low as 1.14% during the week before closing at a yield of 1.22% Friday afternoon. In a speech to the Center for Financial Stability last week, Fed Governor Christopher Waller said the central bank may need to pivot to a faster tapering of its bond purchase program as inflation concerns seem to be lingering longer than initially expected.

Change in Treasury Yield



Current Generic Bonds Yields

Treasuries		Agencies		Corporates		Municipals	
3 mo.	0.04%	3 mo	-0.02%	3 mo	0.29%	3 mo	0.23%
6 mo	0.06%	6 mo	0.02%	6 mo	0.32%	6 mo	0.24%
1 yr	0.15%	1 yr	0.16%	1 yr	0.39%	1 yr	0.26%
2 yr	0.51%	2 yr	0.54%	2 yr	0.67%	2 yr	0.33%
5 yr	1.22%	5 yr	1.11%	5 yr	1.49%	5 yr	0.76%
10 yr	1.55%	10 yr	1.62%	10 yr	2.17%	10 yr	1.28%
30 yr	1.91%	30 yr		30 yr	2.82%	30 yr	1.85%

Equity
U.S. Equity was a mixed bag this week leaning mostly towards the negative, though the S&P 500 gained +0.35%. Consumer Discretionary continues its momentum and finished the week up +3.74%, with Technology (+2.39%) and Utilities (+0.98%) being the only other positive sectors. Energy (-5.00%) lagged the most.

It was a busy week out of the retail earnings space, in which the biggest takeaway seems to revolve around the robust consumer demand backdrop, underpinned by a tight labor market, stimulus padded balance sheets, big asset price gains, and a lingering shift in wallet share to goods from services, as noted by FactSet Research Systems. Corporate commentary regarding inventory and staffing heading into the Holiday seasons seems to be fairly upbeat with scale seemingly the problem as smaller companies may face more inventory and staffing issues than the larger retail companies.

Index Returns	Last Week	YTD
Dow Jones Industrials	-1.29%	18.05%
S&P 500 (LCap)	0.35%	26.50%
S&P 400 (MCap)	-1.08%	24.46%
Russell 2000 (SCap)	-2.85%	18.65%
NASDAQ Composite	1.24%	24.59%
MSCI EAFE (Int'l)	-1.28%	11.63%
iShares Real Estate	-0.15%	29.76%

Source: FactSet Research Systems

Asset Allocation
Current Sentiment

Cash	Favorable
Short FI	Neutral
Intermediate FI	Neutral
Inflation-Adjusted FI	Neutral
High Yield FI	Unfavorable
International FI	Unfavorable
Equity Income	Neutral
Large Cap Equity	Favorable
Mid Cap Equity	Neutral
Small Cap Equity	Unfavorable
International Equity	Unfavorable
Emerging Markets Equity	Unfavorable
Real Estate	Neutral
Commodities	Unfavorable

Summary below - Current stance on most asset classes:

Cash - Overweighting due to market volatility and uncertainty from Covid-19.

Short Term Bonds - Relative to Intermediate Bonds, the reduced duration is preferable given the oversold long-end of the curve.

Intermediate Term Bonds - The current trading range of intermediate bonds warrants a neutral position with limited upside potential. Some opportunities still remain in certain sectors.

Inflation-Adjusted Bonds - Low inflation expected in near-term providing zero real return.

High Yield Bonds - Spreads are rising given the market turbulence and exposure to unnecessary credit risk when compared to Treasuries would not be advised.

International Bonds - Foreign bonds offer good diversification qualities and higher yield opportunities, however, risks have been elevated recently and investment should be made cautiously.

Equity Income - High quality and higher-dividend-paying companies remain attractive for long-term investors given their favorable risk-adjusted profile and current yield curves.

Large Cap Stocks - A favorable weighting is recommended. Growth continues to be a more favorable style and should continue to be overweighed versus Value.

Mid Cap Stocks - Mid cap exposure remains neutral - more attractive than small caps but not as attractive as large caps.

Small Cap Stocks - In broad market corrections, small cap stocks will suffer most with increased volatility. Underweight until a clearer picture of recovery ensues.

International Stocks - Given most foreign investment is in developed markets and European countries, until sovereign debt concerns are alleviated, an underweight is recommended.

Emerging Market Stocks - Stronger balance sheets, less debt, and better growth potential make emerging markets more fundamentally attractive than developed countries longer-term. However, trade uncertainty and dollar strength provide a headwind for EM in the near term.

Real Estate - Pricing has begun to stabilize and long-term valuations appear attractive. Real Estate should continue to be a strong alternative to other asset classes.

Commodities - Global demand should support higher prices if the global recovery remains on track. Volatility will be higher, and commodities will be susceptible to short-term price shocks, however, if used in conjunction with other asset classes, risk can be reduced substantially within a diversified portfolio. Used alone though is not recommended as the short-term outlook is not favorable.

Sources of statistical information are Bloomberg and Ned Davis Research.