

# Small Cap Market Snapshot

DATA AS OF 11/30/2022

## WHAT'S NEW

Offsides...The October rally continued into November, catching many bears offsides. Midcaps led the charge, followed by large caps, then small caps. Small caps rose by 2.34%, however, lagged large caps by 307 basis points (Russell 2000 vs Russell 1000), giving up some of their recent relative gains.

The November release of October CPI data appears to have confirmed the case that inflation peaked in June and is now on a downswing back toward more normalized levels. This data point triggered the equity rally during the month, especially for the most beaten-down stocks.

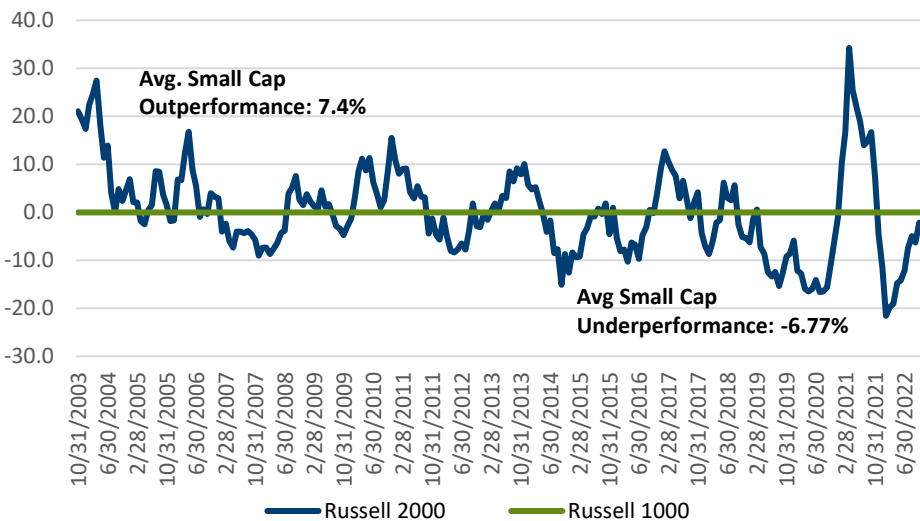
The tug of war between bulls and bears continues. Bulls cite seasonality, disinflation, and stock market price momentum (S&P 500 closed the month above its 200-day moving average—a positive leading indicator of additional gains). Bears continue to be nervous about corporate earnings estimates.

One thing we know is that small caps look de-risked relative to large caps (12<sup>th</sup> percentile). That increases the likelihood of outperformance going forward.

*Brandon M. Nelson, CFA, Calamos Senior Portfolio Manager*

## RUSSELL 2000 VS. RUSSELL 1000

### ROLLING 1-YEAR EXCESS RETURNS



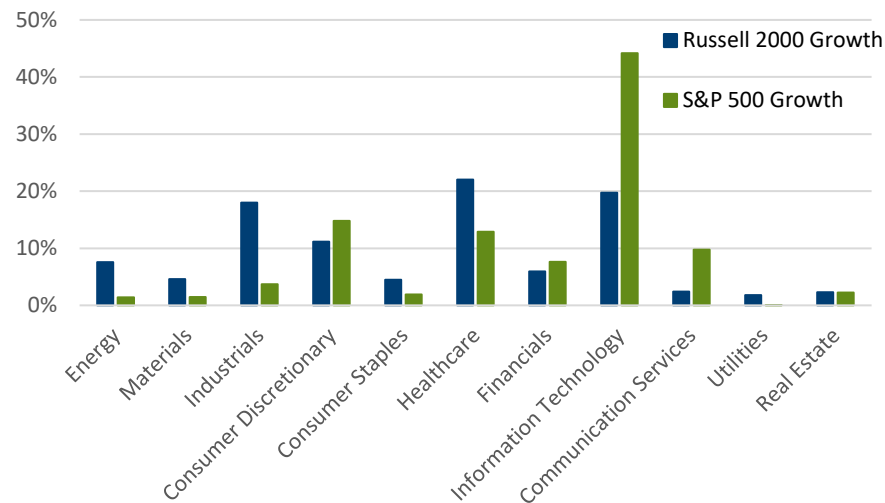
Past performance is not indicative of future results. This material is provided for internal and educational purposes only and should not be construed as investment advice or an offer or solicitation to buy or sell securities.

## MARKET PULSE

MONTH-TO-DATE RETURNS		
R 2000 VALUE	RUSSELL 2000	R 2000 GROWTH
3.06	2.34	1.63
R MICROCAP VALUE	RUSSELL MICROCAP	R MICROCAP GROWTH
0.43	-0.09	-0.86
YEAR-TO-DATE RETURNS		
R 2000 VALUE	RUSSELL 2000	R 2000 GROWTH
-8.48	-14.91	-21.31
R MICROCAP VALUE	RUSSELL MICROCAP	R MICROCAP GROWTH
-12.94	-18.48	-26.68

## RUSSELL 2000 GROWTH VS. S&P 500 GROWTH

### GICS SECTOR ALLOCATIONS (NET)



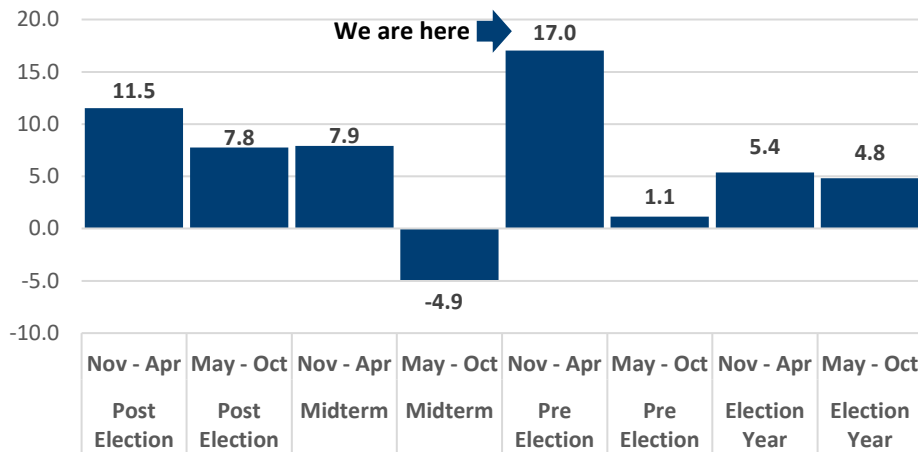
**NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE**

# Small Cap Market Snapshot

DATA AS OF 11/30/2022

## SMALL CAP AVERAGE TOTAL RETURNS BY PRESIDENTIAL CYCLES

11/1/1979 – 10/31/2022



### Past performance is no guarantee of future results.

The opinions referenced are as of the date of publication and are subject to change due to changes in the market or economic conditions and may not necessarily come to pass. Information contained herein is for informational purposes only and should not be considered investment advice. The **S&P 500 Index** is a market-value weighted index consisting of 500 stocks chosen for market size, liquidity, and industry group representation. It is widely regarded as the standard for measuring US stock-market performance. The **Russell 1000 Index** measures the performance of the large-cap segment of the US equity universe and includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership. The **Russell 2000 Index** measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index. You cannot invest directly in an index. The **Russell 2000 Growth Index** measures the performance of the small-cap growth segment of the US equity universe. It includes those Russell 2000 companies with higher price-to-value ratios and higher forecasted growth values. The Russell 2000 Growth Index is published and maintained by FTSE Russell. The **Russell 2000 Value Index** measures the performance of small-cap value segment of the US equity universe. It includes those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. The **Russell Microcap Index** measures the performance of the microcap segment of the US equity market. Microcap stocks make up less than 3% of the US equity market (by market cap) and consist of the smallest 1,000 securities in the small-cap Russell 2000® Index, plus the next 1,000 smallest eligible securities by market cap. The **Russell Microcap Growth Index** measures the performance of the microcap growth segment of the US equity market. It includes Russell Microcap companies that are considered more growth oriented relative to the overall market as defined by Russell's leading style methodology. The **Russell Microcap Value Index** measures the performance of the microcap value segment of the US equity market. It includes Russell Microcap companies that are considered more value oriented relative to the overall market as defined by Russell's leading style methodology.

## MORNINGSTAR SMALL GROWTH CATEGORY FLOWS

Data as of 11/30/2022, dollars in millions

