

Market Commentary

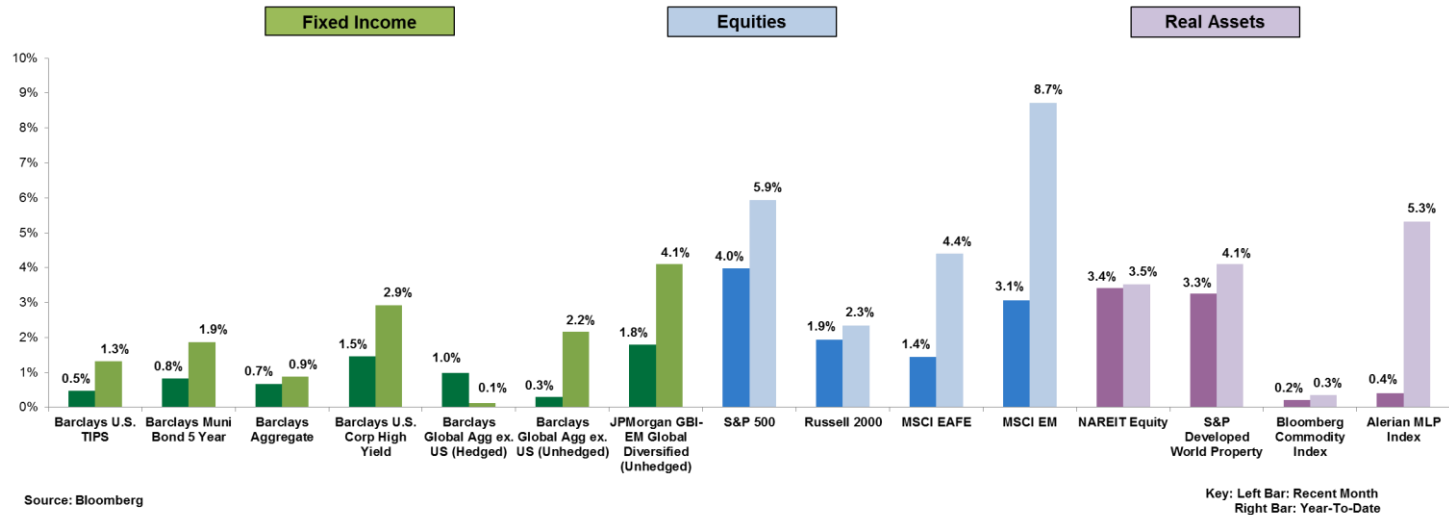
February 2017

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Global Markets Summary

February 2017

Asset Class Returns



Fixed Income

- High yield continued to perform well, outpacing most fixed income markets.
- The yield on the 10-Year U.S. Treasury was marginally lower for the month as the market digested various announcements from Fed members.
- Despite the headwind of a stronger dollar, emerging markets debt was still the best performing fixed income asset class.

Equities

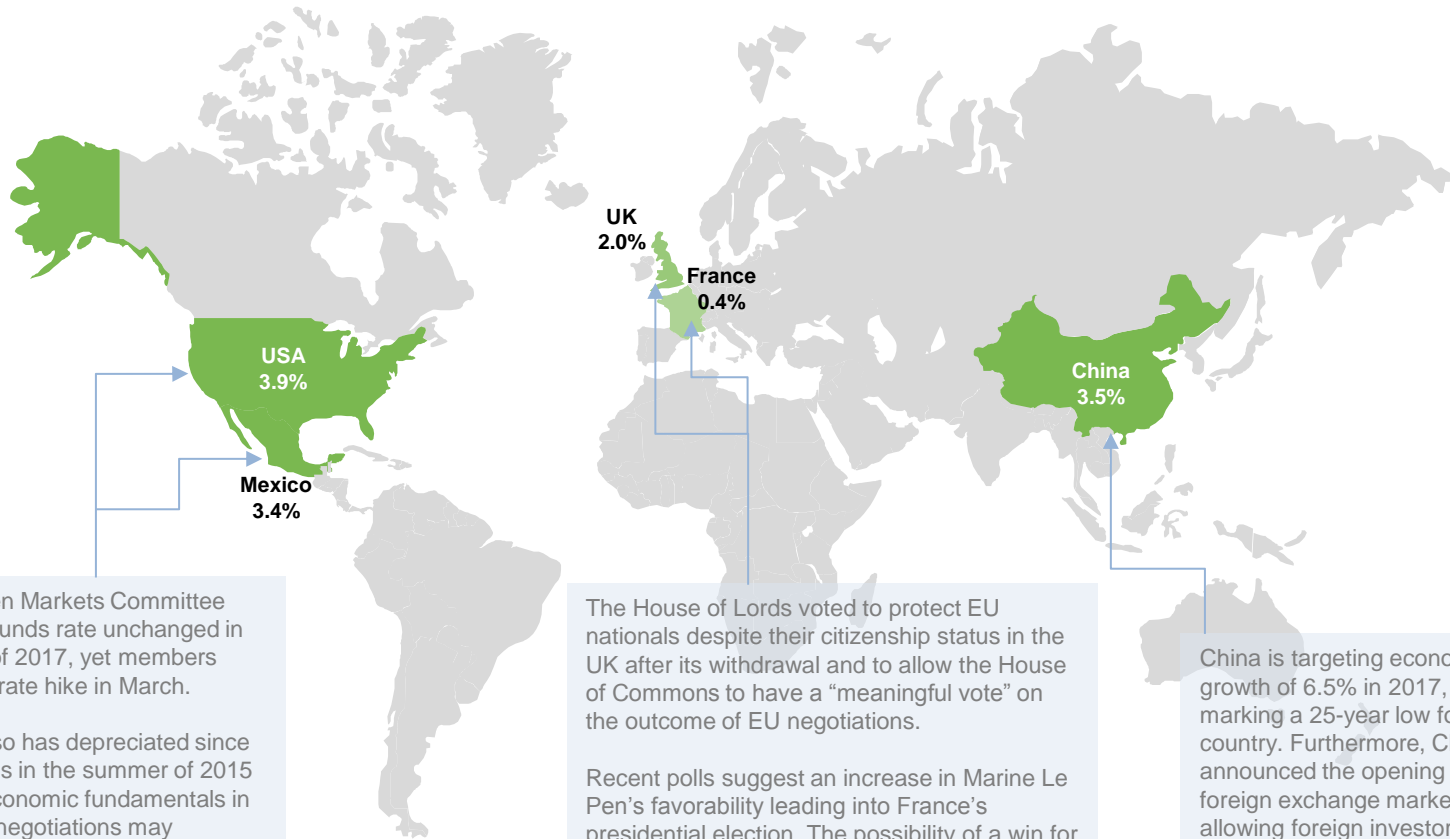
- Positive returns were led by healthcare which experienced strong gains despite rhetoric surrounding the potential changes to the Affordable Care Act.
- Within developed international markets, Europe broadly underperformed developed Asia and Latin America.
- Emerging markets continued to move higher as performance outside of Russia was strong.

Real Assets

- Both domestic and global REITs performed well against the backdrop of higher global growth.
- Commodities remained relatively flat for the year as slightly positive metals markets balanced slightly negative energy markets.
- MLPs maintained a strong start to the year despite a relatively muted return during the month of February.

Global Highlights

February 2017



The Federal Open Markets Committee kept the federal funds rate unchanged in its first meeting of 2017, yet members have hinted at a rate hike in March.

The Mexican peso has depreciated since the U.S. primaries in the summer of 2015 despite strong economic fundamentals in Mexico. NAFTA negotiations may significantly affect the country's growth prospects due to negative implications surrounding trade.

The House of Lords voted to protect EU nationals despite their citizenship status in the UK after its withdrawal and to allow the House of Commons to have a "meaningful vote" on the outcome of EU negotiations.

Recent polls suggest an increase in Marine Le Pen's favorability leading into France's presidential election. The possibility of a win for Ms. Le Pen has increased fears of a potential "Frexit". Ms. Le Pen is a French protectionist whose agenda embraces French Nationalist values.

China is targeting economic growth of 6.5% in 2017, marking a 25-year low for the country. Furthermore, China announced the opening of its foreign exchange markets, allowing foreign investors to trade derivatives in order to manage currency risk in China's interbank lending market.

Financial Markets Performance

As of February 28, 2017

Periods greater than one year are annualized

All returns are in U.S. dollar terms

Global Fixed Income Markets	1 MO	3 MO	YTD	1YR	3YR	5YR	7YR	10YR	15YR
Bloomberg Barclays 1-3-Month T-Bill	0.0%	0.1%	0.1%	0.3%	0.1%	0.1%	0.1%	0.7%	1.2%
Bloomberg Barclays US TIPS	0.5%	1.2%	1.3%	3.4%	1.9%	0.8%	3.5%	4.3%	5.2%
Bloomberg Barclays Municipal Bond (5 Year)	0.8%	2.4%	1.9%	(0.1%)	1.7%	1.9%	2.8%	3.9%	3.8%
Bloomberg Barclays US Aggregate	0.7%	1.0%	0.9%	1.4%	2.6%	2.2%	3.5%	4.3%	4.5%
Bloomberg Barclays U.S. Corporate High Yield	1.5%	4.8%	2.9%	21.8%	4.7%	6.8%	8.3%	7.5%	8.6%
Bloomberg Barclays Global Aggregate ex-US Hedged	1.0%	0.5%	0.1%	2.2%	4.4%	4.2%	4.1%	4.3%	4.5%
Bloomberg Barclays Global Aggregate ex-US Unhedged	0.3%	1.2%	2.2%	(0.3%)	(2.8%)	(1.4%)	0.7%	2.6%	5.3%
Bloomberg Barclays U.S. Long Gov / Credit	1.8%	2.9%	2.1%	4.4%	5.9%	4.3%	7.4%	6.8%	7.0%
JPMorgan GBI-EM Global Diversified	1.8%	6.0%	4.1%	12.4%	(2.5%)	(2.5%)	1.3%	4.2%	-
Global Equity Markets	1 MO	3 MO	YTD	1YR	3YR	5YR	7YR	10YR	15YR
S&P 500	4.0%	8.0%	5.9%	25.0%	10.6%	14.0%	13.9%	7.6%	7.3%
Dow Jones Industrial Average	5.2%	9.5%	5.8%	29.3%	11.2%	12.8%	13.4%	8.3%	7.6%
NASDAQ Composite	3.9%	9.7%	8.4%	29.4%	11.9%	15.9%	16.0%	10.4%	9.4%
Russell 3000	3.7%	7.7%	5.7%	26.3%	9.9%	13.9%	13.9%	7.6%	7.7%
Russell 1000	3.9%	8.0%	6.0%	25.5%	10.2%	13.9%	13.9%	7.7%	7.6%
Russell 1000 Growth	4.2%	9.0%	7.7%	22.2%	10.5%	13.8%	14.4%	9.1%	7.4%
Russell 1000 Value	3.6%	6.9%	4.3%	29.1%	9.9%	14.0%	13.4%	6.2%	7.8%
Russell Mid Cap	2.8%	6.5%	5.3%	26.8%	8.4%	13.6%	14.3%	8.0%	10.0%
Russell Mid Cap Growth	2.9%	6.7%	6.3%	21.5%	7.0%	12.3%	13.8%	8.1%	9.1%
Russell Mid Cap Value	2.8%	6.4%	4.5%	31.8%	9.8%	14.7%	14.7%	7.7%	10.4%
Russell 2000	1.9%	5.2%	2.3%	36.1%	6.9%	12.9%	13.5%	7.2%	8.9%
Russell 2000 Growth	2.5%	5.5%	4.1%	30.9%	5.4%	12.3%	13.9%	8.0%	8.5%
Russell 2000 Value	1.4%	4.9%	0.7%	41.3%	8.4%	13.4%	13.0%	6.3%	9.1%
MSCI ACWI ex. U.S.	1.6%	7.9%	5.2%	19.9%	0.3%	4.0%	4.9%	1.8%	7.0%
MSCI EAFE	1.4%	8.0%	4.4%	16.3%	(0.2%)	5.6%	5.7%	1.5%	6.4%
MSCI EAFE Growth	2.2%	8.0%	5.7%	11.7%	0.8%	5.9%	6.4%	2.4%	6.1%
MSCI EAFE Value	0.7%	7.9%	3.2%	21.0%	(1.2%)	5.3%	4.9%	0.5%	6.6%
MSCI EAFE Small Cap	2.3%	8.9%	5.9%	18.0%	3.1%	9.1%	9.4%	3.5%	10.4%
MSCI Emerging Markets	3.1%	9.0%	8.7%	29.9%	1.7%	(0.0%)	2.8%	3.2%	10.1%
Alternatives	1 MO	3 MO	YTD	1YR	3YR	5YR	7YR	10YR	15YR
FTSE NAREIT Equity REITs	3.4%	8.4%	3.5%	16.7%	11.3%	11.6%	14.2%	4.8%	10.9%
S&P Developed World Property ex-US	2.7%	5.7%	4.9%	11.1%	3.8%	7.5%	8.2%	0.7%	9.8%
S&P Developed World Property	3.3%	6.9%	4.1%	13.9%	7.2%	9.4%	10.8%	2.4%	10.1%
Bloomberg Commodity Total Return	(0.5%)	1.4%	(0.4%)	15.1%	(13.2%)	(9.9%)	(5.8%)	(5.9%)	1.0%
Alerian MLP	0.4%	9.9%	5.3%	40.8%	(4.3%)	2.1%	8.1%	7.8%	12.0%

Disclosures

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When referencing asset class returns or statistics, the following indices are used to represent those asset classes. Each index is unmanaged and investors can not actually invest directly into an index: Cash – Citigroup 90 Day T-Bill; TIPS – Bloomberg Barclays US Treasury TIPS; Aggregate Bond – Bloomberg Barclays US Aggregate Bond Index; Municipal Bond – Bloomberg Barclays Municipal 5-Year Bond, High Yield – Bloomberg Barclays US Corporate High Yield; Foreign Bond – Bloomberg Barclays Global Aggregate Ex USD; Local Currency Denominated Emerging Markets Debt – JPMorgan GBI-EM Global Diversified Unhedged Index; Large Value – Russell 1000 Value; Large Blend – S&P 500; Large Growth – Russell 1000 Growth; Small Value – Russell 2000 Value; Small Blend – Russell 2000; Small Growth – Russell 2000 Growth; International – MSCI EAFE; Emerging Markets – MSCI EM; REITs - FTSE NAREIT Equity REITs; Commodities – Bloomberg Commodity Index; MLP – Alerian MLP; Hedge Funds – HFRI Fund of Funds Composite Index; Balanced – 5% Bloomberg Barclays US Treasury TIPS, 10% Bloomberg Barclays US Aggregate Bond Index, 4.5% Bloomberg Barclays Global Aggregate Ex USD, 4.5% Bloomberg Barclays Global Aggregate Ex USD (Hedged), 9% Bloomberg Barclays US Corporate High Yield, 2% JPMorgan GBI-EM Global Diversified Unhedged Index, 16% S&P 500, 5% Russell 2000, 12% MSCI EAFE, 7% MSCI EM, 5% FTSE NAREIT Equity REITs, 5% Bloomberg Commodity Index, 5% Alerian MLP, 10% HFRI Fund of Funds Composite Index; Domestic Equity Indices – Russell 1000, Russell 1000 Growth, Russell 1000 Value, Russell Mid-Cap, Russell Mid Cap Growth, Russell Mid-Cap Value, Russell 2000, Russell 2000 Growth, Russell 2000 Value; International Developed Markets – MSCI EAFE; US Dollar – US Dollar Index; Unhedged Developed Fixed Income – Bloomberg Barclays Global Aggregate Ex USD (Hedged); Real Assets – Bloomberg Commodity Index; Materials, Financials, Energy, Oil & Gas, Healthcare, Information Technology, Consumer Related Sectors – Dow Jones Sector Indices; Small Cap Securities – Russell 2000, Russell 2000 Growth, Russell 2000 Value; Large Cap Securities – Russell 1000, Russell 1000 Growth, Russell 1000 Value; Mid Cap Securities – Russell Mid Cap, Russell Mid Cap Growth, Russell Mid Cap Value; Growth; Russell 1000 Growth, Russell Mid Cap Growth, Russell Small Cap Growth; Value – Russell 1000 Value, Russell Mid Cap Value, Russell 2000 Value; Fixed Income Markets – Bloomberg Barclays US Treasury TIPS, Bloomberg Barclays Municipal 5-Year Bond, Bloomberg Barclays Aggregate; Investment Grade Corporate Securities – Bloomberg Barclays US Credit; Long Maturity Treasuries – Bloomberg Barclays US Treasury 20+ Year; Shorter Dated Issues – Bloomberg Barclays US Treasury 1-3 Year; Industrial-, Financial- and Utility-Related Credits – Bloomberg Barclays Fixed Income Sector Indices; BB-Rated, B-Rated and CCC-Rated – Bloomberg Barclays Fixed Income Credit Quality Indices; MBS – Bloomberg Barclays US MBS; ABS – Bloomberg Barclays ABS; Crude Oil – Bloomberg Composite Crude Oil; Australia, New Zealand, Japan, China, India, Taiwan, South Korea, Brazil, Mexico, Chile, South Africa, Turkey, Egypt, Hungary, Poland, Russia, Canada, United Kingdom, Spain, Germany, Italy, France – MSCI Country Index Gross return USD; Natural Gas – Bloomberg Natural Gas