

# Market Commentary

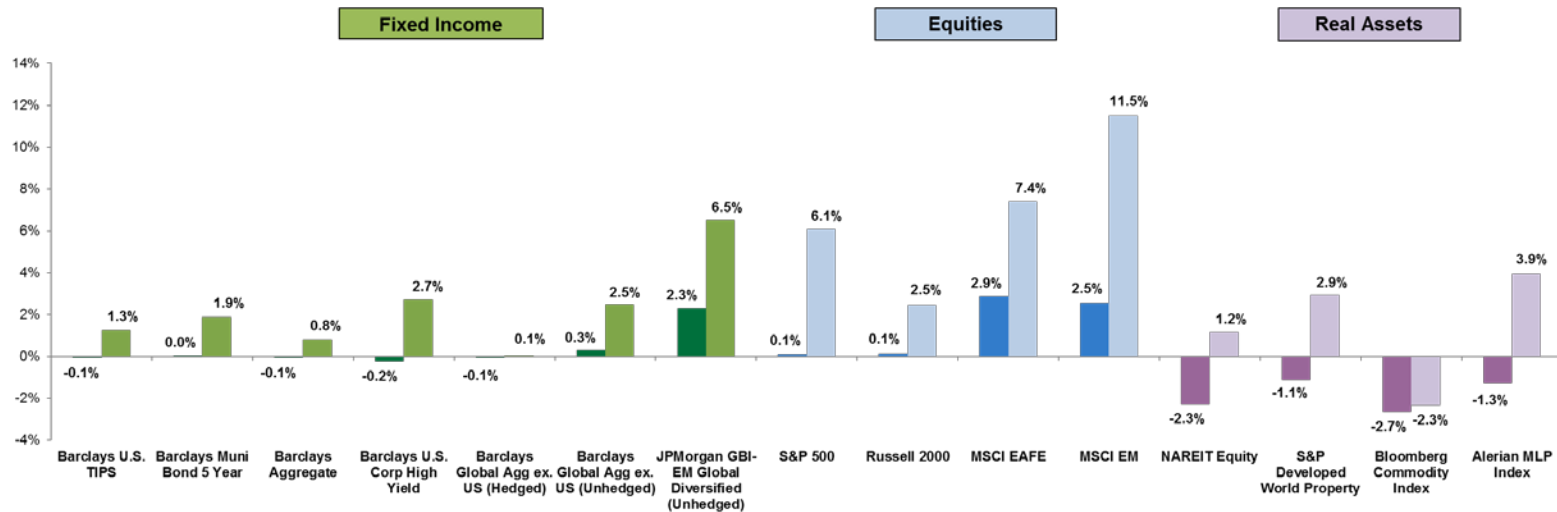
## March 2017

This report is intended for the exclusive use of clients or prospective clients of Cordasco Financial Network. Content is privileged and confidential. Dissemination or distribution is strictly prohibited. Information has been obtained from a variety of sources which are believed though not guaranteed to be accurate. Past performance does not indicate future performance. This paper does not represent a specific investment recommendation. Please consult with your advisor, attorney and accountant, as appropriate, regarding specific advice.

# Global Markets Summary

## March 2017

### Asset Class Returns



Source: Bloomberg

Key: Left Bar: Recent Month  
Right Bar: Year-To-Date  
Right Bar: YTD Return

### Fixed Income

- Domestic and developed international fixed income were little changed as investors continued to focus on policy and central bank action.
- The yield on the 10-Year U.S. Treasury remained flat in March despite an increase in the federal funds rate.
- Shrugging off a stronger dollar, emerging markets debt was still the best performing fixed income asset class.

### Equities

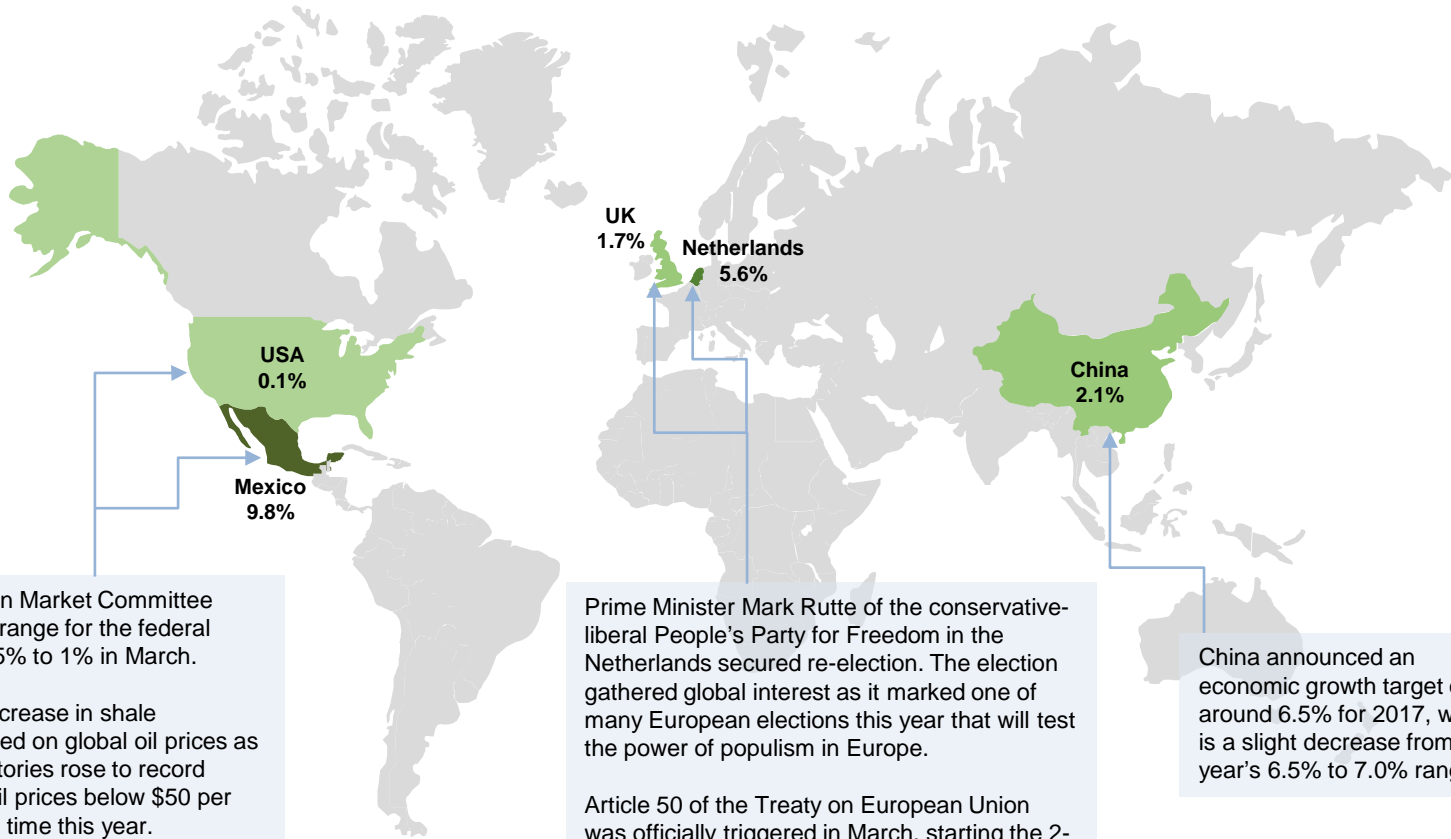
- Domestic equities were flat for the month with growth slightly outperforming value across all market capitalizations.
- Within developed international markets, Europe generally outperformed developed Asia and Latin America.
- Emerging markets continued to move higher as performance was driven significantly by Mexico, India and South Korea.

### Real Assets

- Both domestic and global REITs fell as the office and retail sectors declined while the industrial sector held steady.
- Commodities were pressured, pulling year-to-date returns into negative territory due to an increase in U.S. shale production.
- MLPs maintained the strongest start to the year among real assets despite negative returns during the month of March.

# Global Highlights

## March 2017



The Federal Open Market Committee raised the target range for the federal funds rate to 0.75% to 1% in March.

In the U.S., an increase in shale production weighed on global oil prices as U.S. crude inventories rose to record levels, pushing oil prices below \$50 per barrel for the first time this year.

The Mexican peso strengthened against the U.S. dollar in March following the beginning of a currency hedging program by the Mexican central bank in February.

Prime Minister Mark Rutte of the conservative-liberal People's Party for Freedom in the Netherlands secured re-election. The election gathered global interest as it marked one of many European elections this year that will test the power of populism in Europe.

Article 50 of the Treaty on European Union was officially triggered in March, starting the 2-year withdrawal process by the UK from the European Union.

China announced an economic growth target of around 6.5% for 2017, which is a slight decrease from last year's 6.5% to 7.0% range.

*Stated returns reflect each country's MSCI Gross Country Index in U.S. Dollars*

*Please reference the disclosures at the end of this presentation for additional information related to the material presented.*

## Financial Markets Performance

As of March 31, 2017

Periods greater than one year are annualized

All returns are in U.S. dollar terms

<b>Global Fixed Income Markets</b>	<b>1 MO</b>	<b>3 MO</b>	<b>YTD</b>	<b>1YR</b>	<b>3YR</b>	<b>5YR</b>	<b>7YR</b>	<b>10YR</b>	<b>15YR</b>
Bloomberg Barclays 1-3-Month T-Bill	0.0%	0.1%	0.1%	0.3%	0.1%	0.1%	0.1%	0.6%	1.2%
Bloomberg Barclays US TIPS	(0.1%)	1.3%	1.3%	1.5%	2.0%	1.0%	3.5%	4.2%	5.3%
Bloomberg Barclays Municipal Bond (5 Year)	0.0%	1.9%	1.9%	0.3%	2.0%	2.1%	2.9%	3.8%	3.9%
Bloomberg Barclays US Aggregate	(0.1%)	0.8%	0.8%	0.4%	2.7%	2.3%	3.5%	4.3%	4.6%
Bloomberg Barclays U.S. Corporate High Yield	(0.2%)	2.7%	2.7%	16.4%	4.6%	6.8%	7.8%	7.5%	8.4%
Bloomberg Barclays Global Aggregate ex-US Hedged	(0.1%)	0.1%	0.1%	1.4%	4.2%	4.2%	4.0%	4.3%	4.5%
Bloomberg Barclays Global Aggregate ex-US Unhedged	0.3%	2.5%	2.5%	(3.9%)	(2.7%)	(1.1%)	0.9%	2.6%	5.3%
Bloomberg Barclays U.S. Long Gov / Credit	(0.6%)	1.6%	1.6%	1.0%	5.5%	4.8%	7.4%	6.9%	7.2%
JPMorgan GBI-EM Global Diversified	2.3%	6.5%	6.5%	5.5%	(2.7%)	(1.6%)	1.1%	4.1%	–
<b>Global Equity Markets</b>	<b>1 MO</b>	<b>3 MO</b>	<b>YTD</b>	<b>1YR</b>	<b>3YR</b>	<b>5YR</b>	<b>7YR</b>	<b>10YR</b>	<b>15YR</b>
S&P 500	0.1%	6.1%	6.1%	17.2%	10.4%	13.3%	12.9%	7.5%	7.1%
Dow Jones Industrial Average	(0.6%)	5.2%	5.2%	19.9%	10.6%	12.2%	12.5%	8.1%	7.3%
NASDAQ Composite	1.6%	10.1%	10.1%	22.9%	13.4%	15.3%	15.1%	10.5%	9.1%
Russell 3000	0.1%	5.7%	5.7%	18.1%	9.8%	13.2%	12.9%	7.5%	7.4%
Russell 1000	0.1%	6.0%	6.0%	17.4%	10.0%	13.3%	13.0%	7.6%	7.4%
Russell 1000 Growth	1.2%	8.9%	8.9%	15.8%	11.3%	13.3%	13.7%	9.1%	7.2%
Russell 1000 Value	(1.0%)	3.3%	3.3%	19.2%	8.7%	13.1%	12.2%	5.9%	7.4%
Russell Mid Cap	(0.2%)	5.1%	5.1%	17.0%	8.5%	13.1%	13.2%	7.9%	9.6%
Russell Mid Cap Growth	0.6%	6.9%	6.9%	14.1%	7.9%	12.0%	12.8%	8.1%	8.6%
Russell Mid Cap Value	(0.7%)	3.8%	3.8%	19.8%	8.9%	14.1%	13.4%	7.5%	10.0%
Russell 2000	0.1%	2.5%	2.5%	26.2%	7.2%	12.4%	12.3%	7.1%	8.4%
Russell 2000 Growth	1.2%	5.3%	5.3%	23.0%	6.7%	12.1%	12.9%	8.1%	8.0%
Russell 2000 Value	(0.8%)	(0.1%)	(0.1%)	29.4%	7.6%	12.5%	11.6%	6.1%	8.5%
MSCI ACWI ex. U.S.	2.6%	8.0%	8.0%	13.7%	1.0%	4.8%	4.3%	1.8%	6.8%
MSCI EAFE	2.9%	7.4%	7.4%	12.2%	1.0%	6.3%	5.2%	1.5%	6.2%
MSCI EAFE Growth	2.8%	8.6%	8.6%	7.9%	1.9%	6.4%	5.8%	2.4%	6.0%
MSCI EAFE Value	2.9%	6.2%	6.2%	16.7%	(0.1%)	6.2%	4.5%	0.6%	6.3%
MSCI EAFE Small Cap	2.1%	8.1%	8.1%	11.4%	4.0%	9.6%	8.6%	3.4%	10.1%
MSCI Emerging Markets	2.5%	11.5%	11.5%	17.7%	1.5%	1.2%	2.0%	3.1%	9.9%
<b>Alternatives</b>	<b>1 MO</b>	<b>3 MO</b>	<b>YTD</b>	<b>1YR</b>	<b>3YR</b>	<b>5YR</b>	<b>7YR</b>	<b>10YR</b>	<b>15YR</b>
FTSE NAREIT Equity REITs	(2.3%)	1.2%	1.2%	3.6%	10.3%	10.0%	12.3%	4.8%	10.3%
S&P Developed World Property ex-US	0.5%	5.4%	5.4%	2.7%	3.9%	7.9%	7.6%	0.5%	9.6%
S&P Developed World Property	(1.1%)	2.9%	2.9%	2.7%	6.7%	8.8%	9.6%	2.2%	9.7%
Bloomberg Commodity Total Return	(2.7%)	(2.3%)	(2.3%)	8.7%	(13.9%)	(9.5%)	(5.9%)	(6.2%)	0.2%
Alerian MLP	(1.3%)	3.9%	3.9%	28.3%	(5.2%)	2.6%	7.5%	7.2%	11.4%

Please reference the disclosures at the end of this presentation for additional information related to the material presented.

## Disclosures

This report is intended for the exclusive use of clients or prospective clients of Cordasco Financial Network. Content is privileged and confidential. Dissemination or distribution is strictly prohibited. Information has been obtained from a variety of sources which are believed though not guaranteed to be accurate. Past performance does not indicate future performance. This paper does not represent a specific investment recommendation. Please consult with your advisor, attorney and accountant, as appropriate, regarding specific advice.

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