

Market Commentary

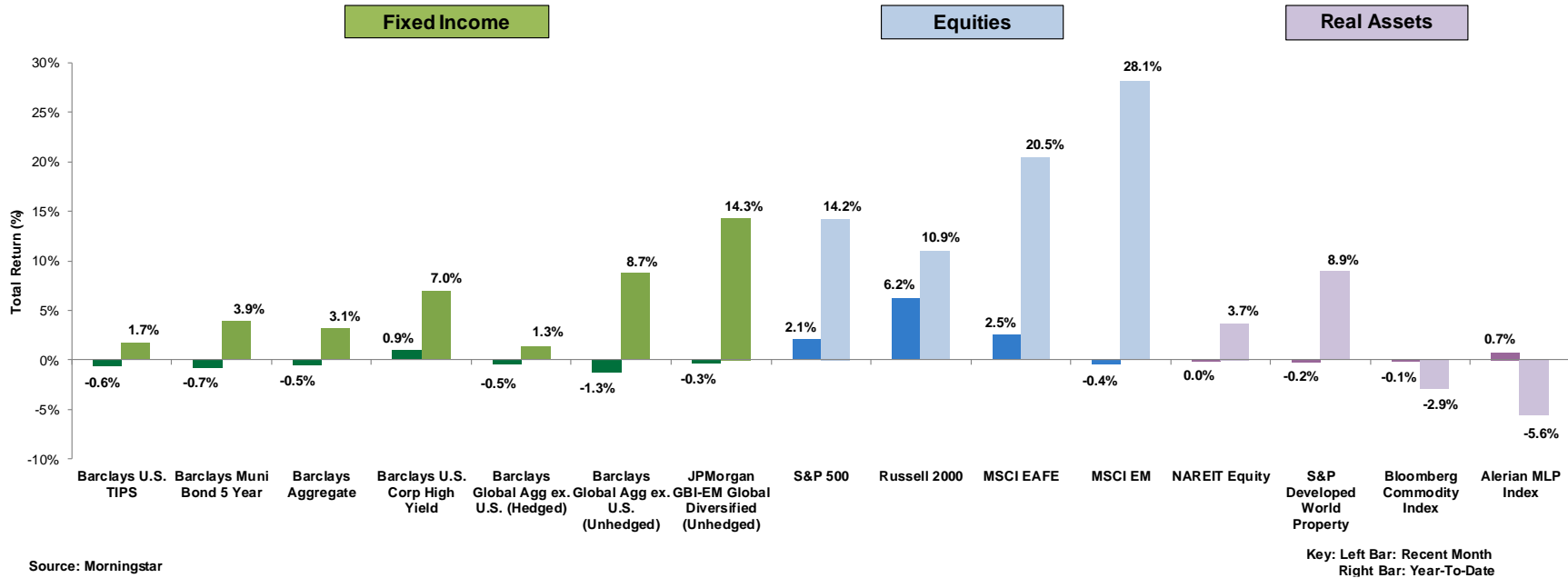
September 2017

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Global Market Summary

September 2017

Asset Class Returns



Fixed Income

- Fixed income markets were mostly negative during the month with High Yield being the only asset class within bonds to finish higher as a yield advantage helped offset falling prices.
- Internationally, unhedged indices have outperformed hedged by a wide margin year-to-date due to a weakening dollar. Emerging markets debt continued to lead all fixed income categories, year-to-date.
- The 10-year U.S. Treasury yield rose 20 bps during the month to end at 2.33%.

Equities

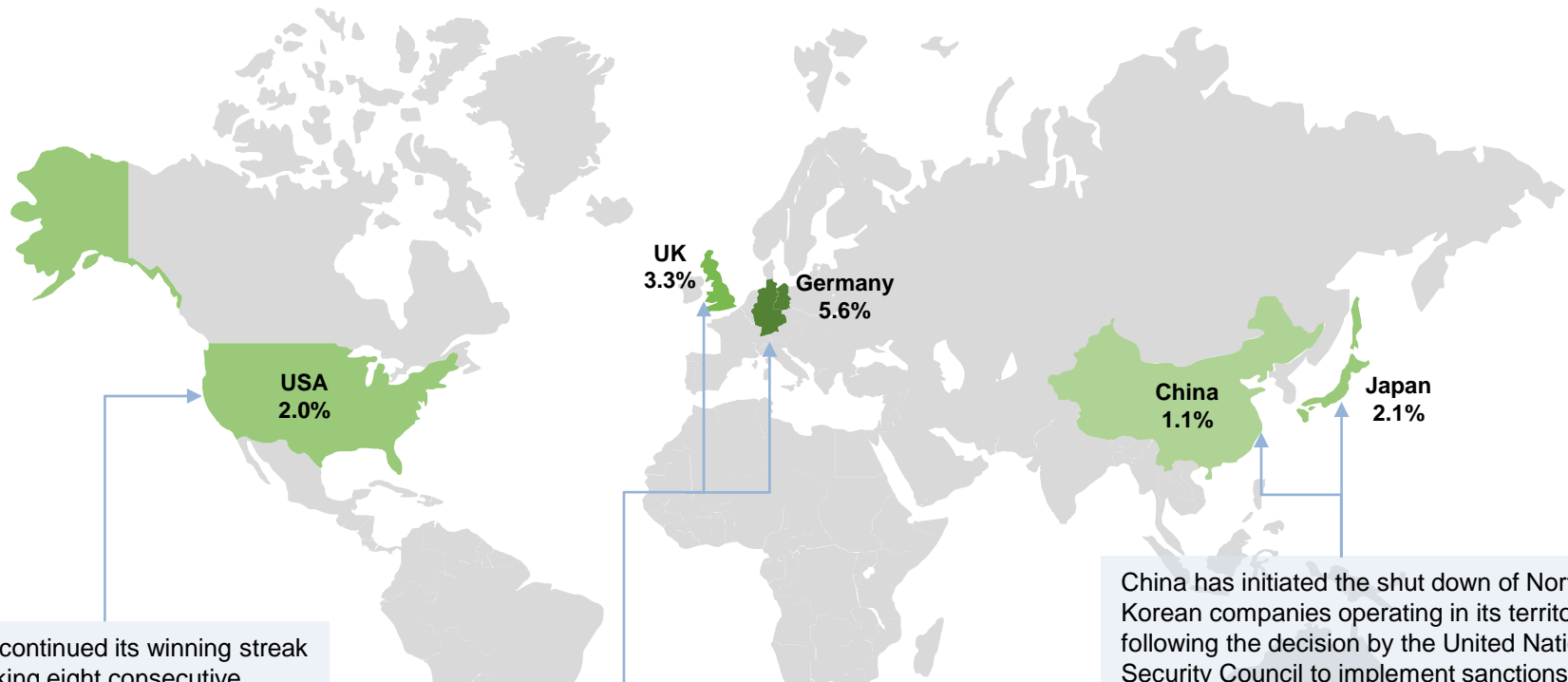
- Domestic small cap equities outperformed their mid and large cap counterparts during the month with value having an advantage over growth across all market caps.
- Internationally developed markets outperformed emerging markets in the month. Emerging markets have continued to outpace all other asset classes year-to-date.
- Oil and gas producers led domestic markets with materials, industrials, and financials also performing well.

Real Assets

- Real assets were mostly flat during the month with MLPs benefitting from firmer energy prices.
- Year-to-date, international REITs maintain an advantage over domestic as currency and growth have benefitted real estate overseas.
- Although crude oil finished the month higher, natural gas, industrial metals and precious metals fell resulting in little change to the broad commodity benchmark.

Global Highlights

September 2017



The Dow Jones continued its winning streak this quarter marking eight consecutive quarters in positive territory, the longest streak in two decades.

The Federal Open Market Committee (FOMC) met in September and decided to maintain the target range for the federal funds rate at 1.00% to 1.25%. Conversation focused on the unwinding of the Federal Reserve's balance sheet and the potential impact of those actions on the market, which will officially begin in October.

Incumbent Chancellor, Angela Merkel, secured her fourth term in Germany's Federal Election. Ms. Merkel's conservative CDU party and its sister CSU party lost a small portion of parliamentary seats in their worst showing since 1949. Meanwhile, the anti-immigrant, anti-Euro AfD party won seats for the first time since its foundation in 2013.

Theresa May threatened a trade war with the U.S. following a punitive tariff placed on Bombardier, a British aircraft company, hurting the potential for a post-Brexit free trade deal between the two countries.

China has initiated the shut down of North Korean companies operating in its territory following the decision by the United Nations Security Council to implement sanctions against the country.

Japan's GDP grew at an annualized rate of 4% in the second quarter marking its longest unbroken growth streak in more than a decade.

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

Financial Markets Performance

As of September 30, 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	0.1%	0.3%	0.6%	0.6%	0.3%	0.2%	0.2%	0.4%	1.2%
Bloomberg Barclays US TIPS	(0.6%)	0.9%	1.7%	(0.7%)	1.6%	0.0%	2.6%	3.9%	4.4%
Bloomberg Barclays Municipal Bond (5 Year)	(0.7%)	0.7%	3.9%	1.1%	2.0%	1.9%	2.6%	3.8%	3.5%
Bloomberg Barclays US Aggregate	(0.5%)	0.8%	3.1%	0.1%	2.7%	2.1%	3.0%	4.3%	4.2%
Bloomberg Barclays U.S. Corporate High Yield	0.9%	2.0%	7.0%	8.9%	5.8%	6.4%	7.5%	7.8%	9.4%
Bloomberg Barclays Global Aggregate ex-US Hedged	(0.5%)	0.7%	1.3%	(0.6%)	3.4%	3.7%	3.7%	4.3%	4.2%
Bloomberg Barclays Global Aggregate ex-US Unhedged	(1.3%)	2.5%	8.7%	(2.4%)	0.2%	(0.7%)	0.6%	2.6%	4.6%
Bloomberg Barclays U.S. Long Gov / Credit	(1.0%)	1.5%	7.7%	(0.8%)	5.5%	3.9%	6.2%	7.4%	6.7%
JPMorgan GBI-EM Global Diversified	(0.3%)	3.6%	14.3%	7.3%	0.3%	(0.9%)	0.7%	3.8%	–
Global Equity Markets	1 MO	3 MO	YTD	1YR	3YR	5YR	7YR	10YR	15YR
S&P 500	2.1%	4.5%	14.2%	18.6%	10.8%	14.2%	14.4%	7.4%	10.0%
Dow Jones Industrial Average	2.2%	5.6%	15.5%	25.5%	12.3%	13.6%	13.9%	7.7%	10.2%
NASDAQ Composite	1.1%	6.1%	21.7%	23.7%	14.4%	17.3%	16.9%	10.4%	12.0%
Russell 3000	2.4%	4.6%	13.9%	18.7%	10.7%	14.2%	14.3%	7.6%	10.4%
Russell 1000	2.1%	4.5%	14.2%	18.5%	10.6%	14.3%	14.4%	7.5%	10.3%
Russell 1000 Growth	1.3%	5.9%	20.7%	21.9%	12.7%	15.3%	15.4%	9.1%	10.6%
Russell 1000 Value	3.0%	3.1%	7.9%	15.1%	8.5%	13.2%	13.2%	5.9%	9.8%
Russell Mid Cap	2.8%	3.5%	11.7%	15.3%	9.5%	14.3%	13.8%	8.1%	12.2%
Russell Mid Cap Growth	2.8%	5.3%	17.3%	17.8%	10.0%	14.2%	13.8%	8.2%	12.1%
Russell Mid Cap Value	2.7%	2.1%	7.4%	13.4%	9.2%	14.3%	13.8%	7.9%	12.1%
Russell 2000	6.2%	5.7%	10.9%	20.7%	12.2%	13.8%	13.5%	7.8%	11.4%
Russell 2000 Growth	5.4%	6.2%	16.8%	21.0%	12.2%	14.3%	14.2%	8.5%	11.8%
Russell 2000 Value	7.1%	5.1%	5.7%	20.5%	12.1%	13.3%	12.8%	7.1%	10.9%
MSCI ACWI	2.0%	5.3%	17.8%	19.3%	8.0%	10.8%	9.8%	4.4%	9.7%
MSCI ACWI ex. U.S.	1.9%	6.3%	21.6%	20.2%	5.2%	7.5%	5.7%	1.7%	9.4%
MSCI EAFE	2.5%	5.5%	20.5%	19.7%	5.5%	8.9%	6.9%	1.8%	8.7%
MSCI EAFE Growth	1.9%	5.0%	22.9%	16.1%	6.9%	9.3%	7.4%	2.5%	8.6%
MSCI EAFE Value	3.1%	5.9%	18.2%	23.2%	4.1%	8.4%	6.3%	1.1%	8.9%
MSCI EAFE Small Cap	2.9%	7.5%	25.8%	22.3%	11.5%	13.2%	10.4%	5.0%	12.2%
MSCI Emerging Markets	(0.4%)	8.0%	28.1%	22.9%	5.3%	4.4%	2.9%	1.7%	12.9%
Real Assets	1 MO	3 MO	YTD	1YR	3YR	5YR	7YR	10YR	15YR
FTSE NAREIT Equity REITs	(0.0%)	0.9%	3.7%	0.7%	9.9%	9.7%	11.4%	5.8%	10.8%
S&P Developed World Property ex-US	(0.4%)	3.5%	15.4%	7.0%	6.0%	7.5%	7.5%	1.5%	10.6%
S&P Developed World Property	(0.2%)	2.2%	8.9%	3.4%	7.5%	8.4%	9.1%	3.1%	10.5%
Bloomberg Commodity Total Return	(0.1%)	2.5%	(2.9%)	(0.3%)	(10.4%)	(10.5%)	(6.8%)	(6.8%)	(0.3%)
Alerian MLP	0.7%	(3.0%)	(5.6%)	(3.7%)	(12.9%)	(0.6%)	4.0%	6.5%	11.0%

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