

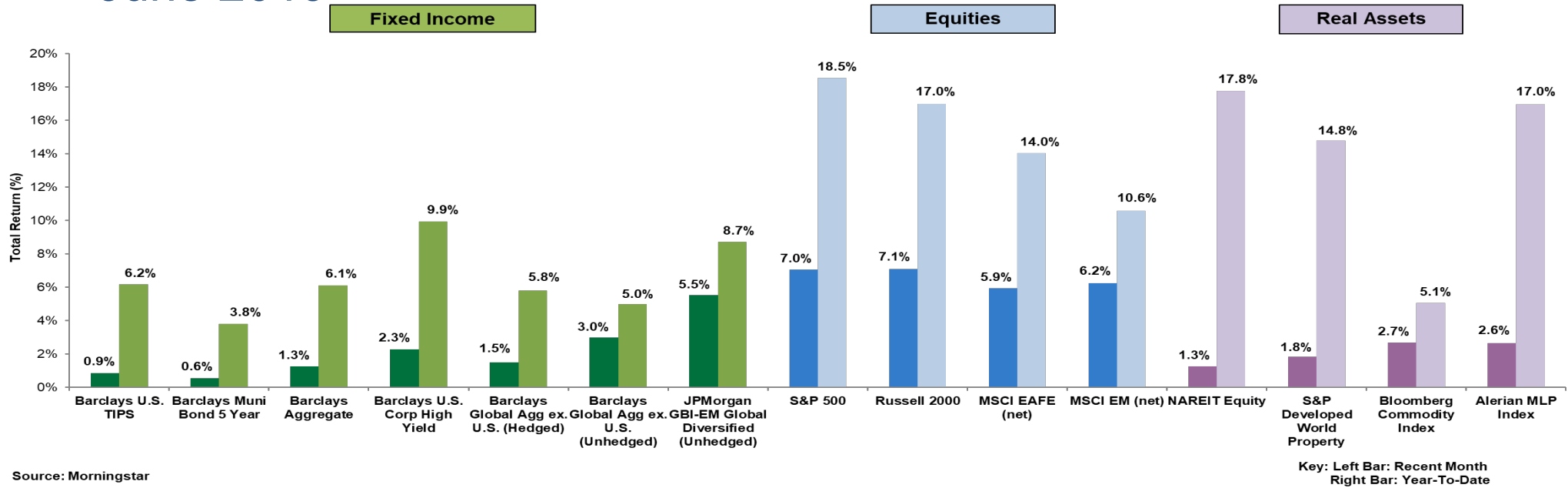
# Market Commentary

## June 2019

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# Global Markets Summary June 2019

## Asset Class Returns



### Fixed Income

- Global trade tensions pushed U.S. Treasury yields lower with the 10-year rate ending at 2.01 percent. The yield curve remained inverted with the 10-year rate trading below the 3-month rate.
- All domestic fixed income sectors posted positive returns due to expectations of falling interest rates as U.S. economic data revealed slowing growth.
- International fixed income markets rose, as yields fell due to expectations of future stimulus measures. Emerging markets debt led all fixed income sectors due to a pause in U.S. Dollar strength, and increased expectations of monetary stimulus.

### Equities

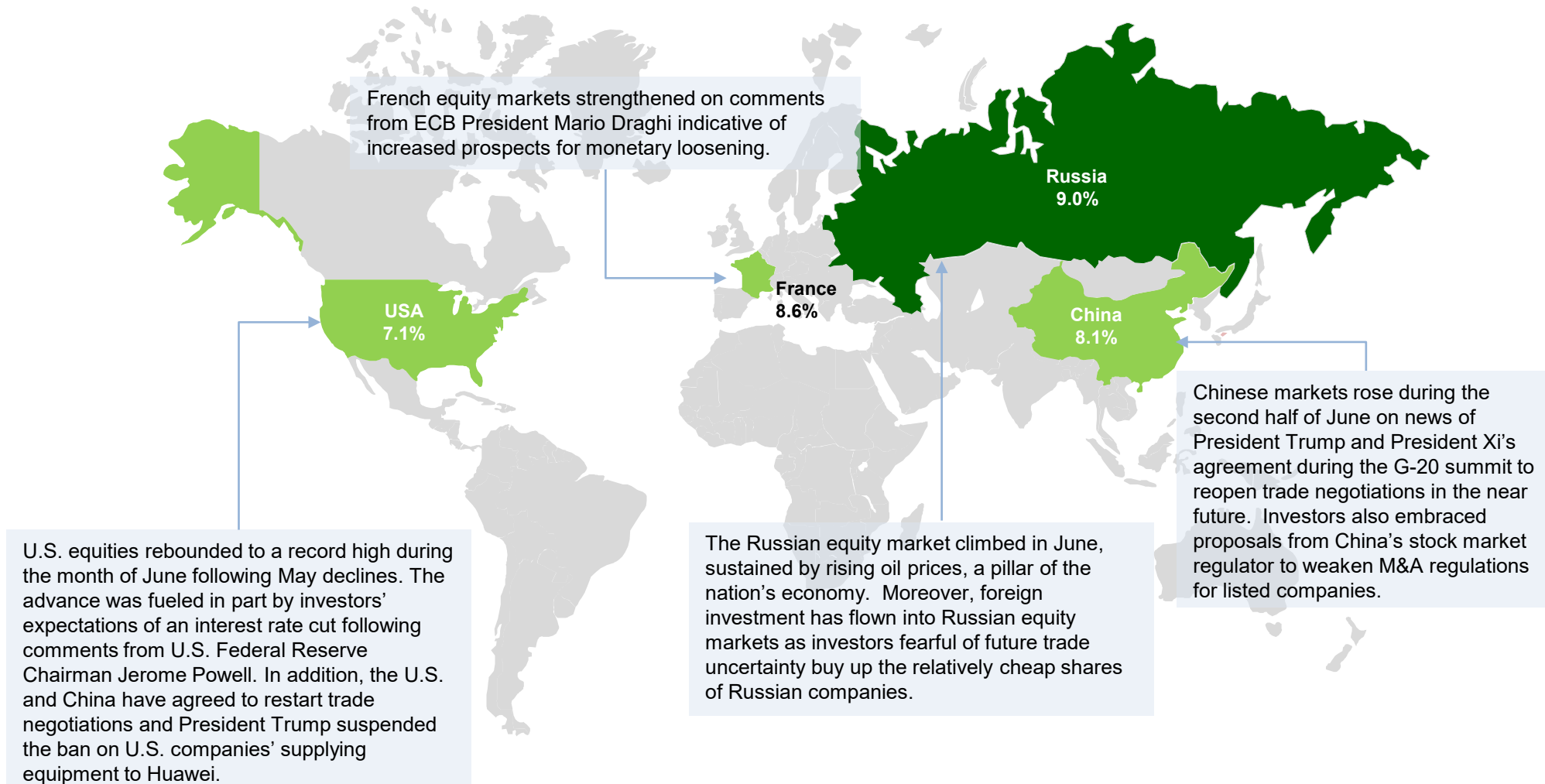
- Domestic equities rallied as investor confidence in future interest rate declines grew and U.S.-China trade rhetoric softened.
- Value broadly outperformed growth across U.S. large and mid-cap indexes. Materials, industrials and information technology outperformed while utilities, consumer staples and communication services lagged the benchmark.
- International equities advanced on hopes of trade tensions easing at the G-20 conference and increased stimulus pressure. Emerging markets made gains as economic reform and policy stimulus helped offset trade-related weakness.

### Real Assets

- Commodity prices rebounded as precious metals rose on expectations of future interest rate declines.
- Domestic and international REITs generated moderate returns driven by falling interest rate expectations.
- MLPs were carried higher as oil prices increased on concerns of a supply squeeze due to trade tensions between the U.S. and Iran.

# Global Highlights

June 2019



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

## Financial Markets Performance

Total Returns as of June 30, 2019

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	0.2%	0.6%	1.2%	2.3%	1.3%	0.8%	0.6%	0.5%	1.3%
Bloomberg Barclays US TIPS	0.9%	2.9%	6.2%	4.8%	2.1%	1.8%	1.2%	3.6%	4.1%
Bloomberg Barclays Municipal Bond (5 Year)	0.6%	1.7%	3.8%	5.2%	2.0%	2.3%	2.3%	3.2%	3.6%
Bloomberg Barclays HY Muni	0.5%	2.7%	6.7%	7.8%	5.3%	6.4%	5.9%	8.1%	5.9%
Bloomberg Barclays US Aggregate	1.3%	3.1%	6.1%	7.9%	2.3%	2.9%	2.6%	3.9%	4.3%
Bloomberg Barclays U.S. Corporate High Yield	2.3%	2.5%	9.9%	7.5%	7.5%	4.7%	6.4%	9.2%	7.6%
Bloomberg Barclays Global Aggregate ex-US Hedged	1.5%	2.7%	5.8%	7.6%	3.3%	4.4%	4.4%	4.4%	4.6%
Bloomberg Barclays Global Aggregate ex-US Unhedged	3.0%	3.4%	5.0%	4.1%	1.0%	(0.1%)	0.7%	2.1%	3.3%
Bloomberg Barclays U.S. Long Gov / Credit	2.8%	6.6%	13.5%	13.8%	3.8%	5.7%	4.8%	7.6%	7.0%
JPMorgan GBI-EM Global Diversified	5.5%	5.6%	8.7%	9.0%	4.2%	(0.5%)	0.4%	3.4%	6.4%
Global Equity Markets	1 MO	3 MO	YTD	1YR	3YR	5YR	7YR	10YR	15YR
S&P 500	7.0%	4.3%	18.5%	10.4%	14.2%	10.7%	14.0%	14.7%	8.8%
Dow Jones Industrial Average	7.3%	3.2%	15.4%	12.2%	16.8%	12.3%	13.7%	15.0%	9.2%
NASDAQ Composite	7.5%	3.9%	21.3%	7.8%	19.6%	14.0%	16.8%	17.2%	10.6%
Russell 3000	7.0%	4.1%	18.7%	9.0%	14.0%	10.2%	13.8%	14.7%	8.9%
Russell 1000	7.0%	4.2%	18.8%	10.0%	14.1%	10.5%	14.0%	14.8%	8.9%
Russell 1000 Growth	6.9%	4.6%	21.5%	11.6%	18.1%	13.4%	15.8%	16.3%	9.9%
Russell 1000 Value	7.2%	3.8%	16.2%	8.5%	10.2%	7.5%	12.1%	13.2%	7.8%
Russell Mid Cap	6.9%	4.1%	21.3%	7.8%	12.2%	8.6%	13.4%	15.2%	9.8%
Russell Mid Cap Growth	7.0%	5.4%	26.1%	13.9%	16.5%	11.1%	14.8%	16.0%	10.3%
Russell Mid Cap Value	6.8%	3.2%	18.0%	3.7%	8.9%	6.7%	12.3%	14.6%	9.3%
Russell 2000	7.1%	2.1%	17.0%	(3.3%)	12.3%	7.1%	11.6%	13.4%	8.2%
Russell 2000 Growth	7.7%	2.7%	20.4%	(0.5%)	14.7%	8.6%	12.9%	14.4%	8.9%
Russell 2000 Value	6.4%	1.4%	13.5%	(6.2%)	9.8%	5.4%	10.3%	12.4%	7.3%
MSCI ACWI (net)	6.5%	3.6%	16.2%	5.7%	11.6%	6.2%	9.9%	10.1%	7.0%
MSCI ACWI ex. U.S. (net)	6.0%	3.0%	13.6%	1.3%	9.4%	2.2%	6.4%	6.5%	5.9%
MSCI EAFE (net)	5.9%	3.7%	14.0%	1.1%	9.1%	2.2%	7.3%	6.9%	5.3%
MSCI EAFE Growth (net)	6.5%	5.7%	18.5%	4.2%	9.7%	4.4%	8.5%	8.2%	6.2%
MSCI EAFE Value (net)	5.3%	1.5%	9.6%	(2.1%)	8.5%	0.1%	6.0%	5.5%	4.4%
MSCI EAFE Small Cap (net)	4.2%	1.7%	12.5%	(6.3%)	9.1%	4.4%	9.9%	9.7%	7.3%
MSCI Emerging Markets (net)	6.2%	0.6%	10.6%	1.2%	10.7%	2.5%	4.2%	5.8%	8.7%
Real Assets	1 MO	3 MO	YTD	1YR	3YR	5YR	7YR	10YR	15YR
FTSE NAREIT Equity REITs	1.3%	1.2%	17.8%	11.2%	4.2%	7.9%	8.9%	15.5%	9.0%
S&P Developed World Property ex-US	2.4%	(0.3%)	12.7%	5.0%	7.1%	4.4%	8.3%	9.6%	7.5%
S&P Developed World Property	1.8%	0.3%	14.8%	7.8%	5.5%	5.9%	8.5%	11.8%	8.0%
Bloomberg Commodity Total Return	2.7%	(1.2%)	5.1%	(6.8%)	(2.2%)	(9.1%)	(6.7%)	(3.7%)	(2.6%)
Alerian MLP	2.6%	0.1%	17.0%	3.1%	(0.4%)	(7.2%)	1.0%	8.2%	8.5%

Source: Morningstar

# 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.