

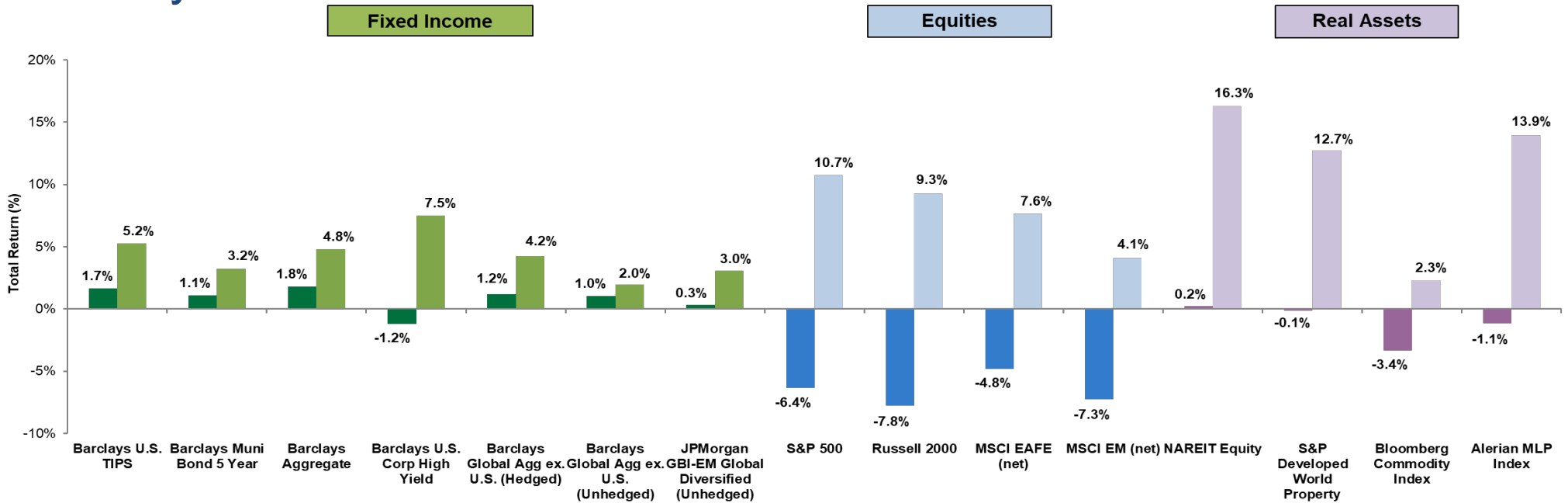
Market Commentary

May 2019

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 May 2019

Asset Class Returns



Source: Morningstar

Fixed Income

- Risk-off sentiment pushed U.S. Treasury yields lower with the 10-year ending at 2.1 percent. The short end of the yield curve inverted with two-year rates trading below 3-month rates.
- All domestic fixed income sectors posted positive returns because of falling interest rates, with the exception of high yield, which suffered as investors fled to quality.
- International fixed income rose on strong returns in Europe. Emerging markets debt trailed other fixed income sectors, hindered by the strength of the U.S. Dollar.

Equities

- Domestic equities fell as U.S./China trade rhetoric heightened and investors weighed unexpected U.S. tariffs on Mexico.
- Growth broadly outperformed value during the month. Health care and utilities led while energy and technology lagged the benchmark.
- International equities declined on weak Eurozone data and increasing tensions between Italy and the European Union. Emerging markets were dragged lower by China and Mexico.

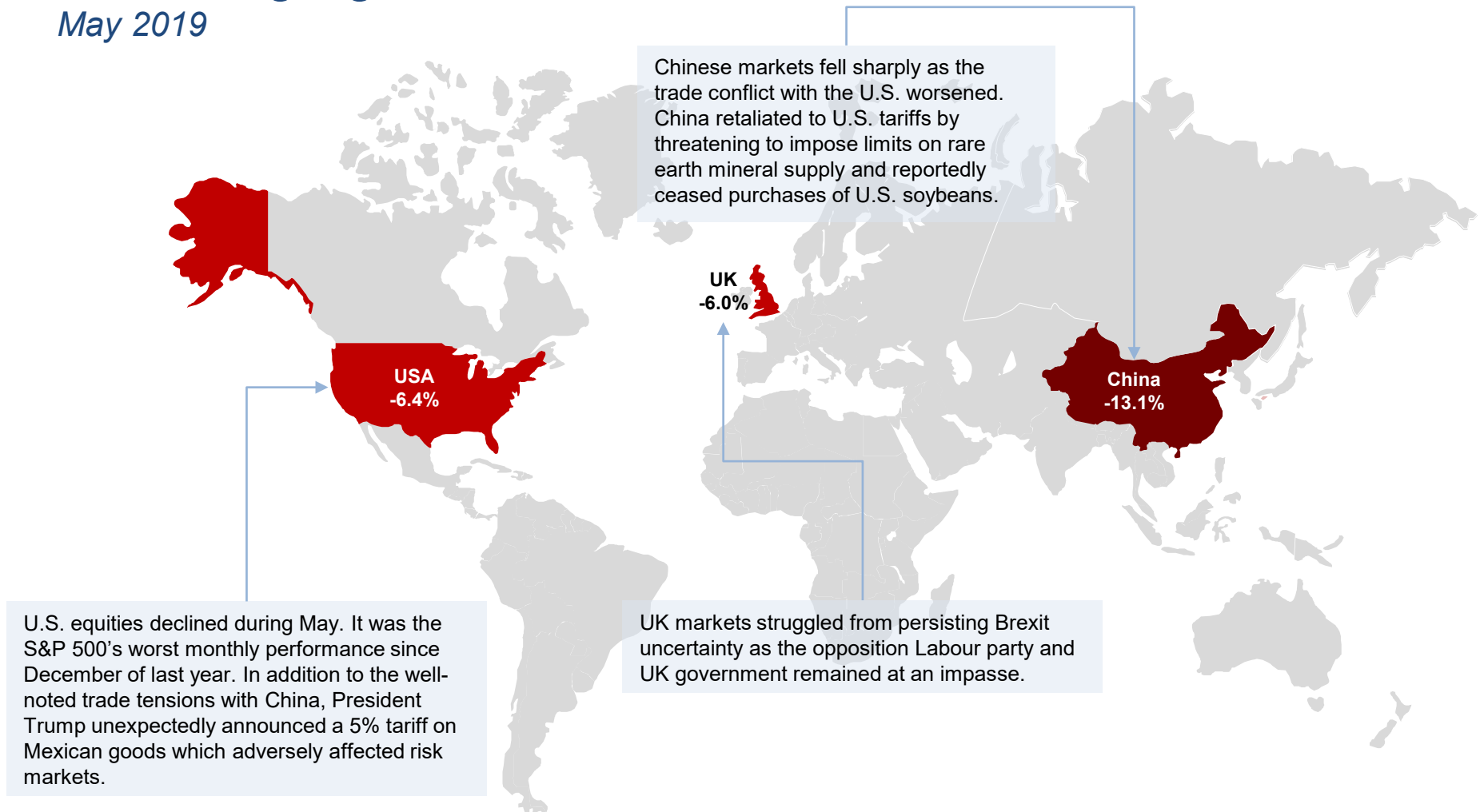
Real Assets

- Oversupply of industrial metals and oil dragged commodities lower despite an increase in grains and soft commodities prices.
- Domestic REITs were buoyed by falling interest rates, while international REITs posted minor losses on weak economic data.
- Sharp declines in petroleum on downbeat U.S. manufacturing data weighed on MLPs.

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

Global Highlights

May 2019



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

Financial Markets Performance

Total Returns as of May 31, 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%	1.0%	2.2%	1.3%	0.8%	0.6%	0.4%	1.3%
Bloomberg Barclays US TIPS	1.7%	3.9%	5.2%	4.4%	2.5%	1.6%	1.0%	3.6%	4.0%
Bloomberg Barclays Municipal Bond (5 Year)	1.1%	1.8%	3.2%	4.9%	2.1%	2.2%	2.2%	3.1%	3.6%
Bloomberg Barclays HY Muni	1.6%	4.8%	6.1%	7.8%	6.2%	5.9%	5.9%	8.0%	5.9%
Bloomberg Barclays US Aggregate	1.8%	3.8%	4.8%	6.4%	2.5%	2.7%	2.4%	3.8%	4.2%
Bloomberg Barclays U.S. Corporate High Yield	(1.2%)	1.2%	7.5%	5.5%	7.0%	4.4%	6.3%	9.3%	7.5%
Bloomberg Barclays Global Aggregate ex-US Hedged	1.2%	3.0%	4.2%	6.5%	3.5%	4.2%	4.2%	4.4%	4.5%
Bloomberg Barclays Global Aggregate ex-US Unhedged	1.0%	1.1%	2.0%	0.4%	1.2%	(0.5%)	0.4%	1.8%	3.1%
Bloomberg Barclays U.S. Long Gov / Credit	4.1%	8.6%	10.4%	10.1%	4.5%	5.1%	4.4%	7.6%	6.8%
JPMorgan GBI-EM Global Diversified	0.3%	(1.2%)	3.0%	0.3%	4.4%	(1.3%)	0.4%	3.0%	6.1%
Global Equity Markets	1 MO	3 MO	YTD	1YR	3YR	5YR	7YR	10YR	15YR
S&P 500	(6.4%)	(0.7%)	10.7%	3.8%	11.7%	9.7%	13.5%	13.9%	8.4%
Dow Jones Industrial Average	(6.3%)	(3.7%)	7.5%	4.0%	14.4%	10.9%	13.2%	14.2%	8.8%
NASDAQ Composite	(7.8%)	(0.8%)	12.9%	1.2%	15.9%	13.2%	16.2%	16.7%	10.3%
Russell 3000	(6.5%)	(1.3%)	10.9%	2.5%	11.5%	9.2%	13.3%	13.9%	8.5%
Russell 1000	(6.4%)	(0.9%)	11.0%	3.5%	11.7%	9.5%	13.5%	14.0%	8.6%
Russell 1000 Growth	(6.3%)	0.7%	13.7%	5.4%	15.3%	12.3%	15.1%	15.6%	9.5%
Russell 1000 Value	(6.4%)	(2.5%)	8.5%	1.4%	8.0%	6.5%	11.8%	12.3%	7.5%
Russell Mid Cap	(6.1%)	(1.7%)	13.5%	1.6%	9.9%	7.9%	12.7%	14.4%	9.5%
Russell Mid Cap Growth	(5.8%)	(0.2%)	17.8%	6.9%	13.9%	10.3%	14.0%	15.3%	9.9%
Russell Mid Cap Value	(6.4%)	(2.9%)	10.6%	(2.1%)	6.9%	6.1%	11.9%	13.8%	9.1%
Russell 2000	(7.8%)	(6.6%)	9.3%	(9.0%)	9.8%	6.7%	11.3%	12.8%	8.0%
Russell 2000 Growth	(7.4%)	(5.9%)	11.8%	(6.9%)	11.7%	8.3%	12.5%	13.9%	8.6%
Russell 2000 Value	(8.2%)	(7.4%)	6.7%	(11.3%)	7.7%	5.0%	10.1%	11.7%	7.2%
MSCI ACWI (net)	(5.9%)	(1.5%)	9.1%	(1.3%)	9.1%	5.2%	9.6%	9.4%	6.7%
MSCI ACWI ex. U.S. (net)	(5.4%)	(2.3%)	7.1%	(6.3%)	6.7%	1.3%	6.3%	5.8%	5.6%
MSCI EAFE (net)	(4.8%)	(1.5%)	7.6%	(5.7%)	5.8%	1.3%	7.5%	6.2%	5.1%
MSCI EAFE Growth (net)	(3.9%)	1.0%	11.2%	(3.3%)	6.8%	3.2%	8.3%	7.5%	5.8%
MSCI EAFE Value (net)	(5.8%)	(4.1%)	4.0%	(8.2%)	4.8%	(0.7%)	6.5%	4.8%	4.3%
MSCI EAFE Small Cap (net)	(5.3%)	(2.3%)	8.0%	(11.9%)	5.6%	3.8%	9.9%	9.4%	7.3%
MSCI Emerging Markets (net)	(7.3%)	(4.5%)	4.1%	(8.7%)	9.9%	1.8%	3.8%	5.0%	8.3%
Real Assets	1 MO	3 MO	YTD	1YR	3YR	5YR	7YR	10YR	15YR
FTSE NAREIT Equity REITs	0.2%	3.3%	16.3%	14.6%	6.1%	7.9%	9.5%	14.9%	9.2%
S&P Developed World Property ex-US	(0.2%)	1.3%	10.1%	0.8%	6.3%	4.3%	9.1%	9.5%	7.4%
S&P Developed World Property	(0.1%)	2.0%	12.7%	7.1%	6.1%	5.8%	9.3%	11.6%	8.1%
Bloomberg Commodity Total Return	(3.4%)	(3.9%)	2.3%	(12.4%)	(1.7%)	(9.5%)	(6.3%)	(4.2%)	(3.0%)
Alerian MLP	(1.1%)	0.9%	13.9%	(1.1%)	0.4%	(6.6%)	1.1%	7.7%	8.4%

Source: Morningstar

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.