

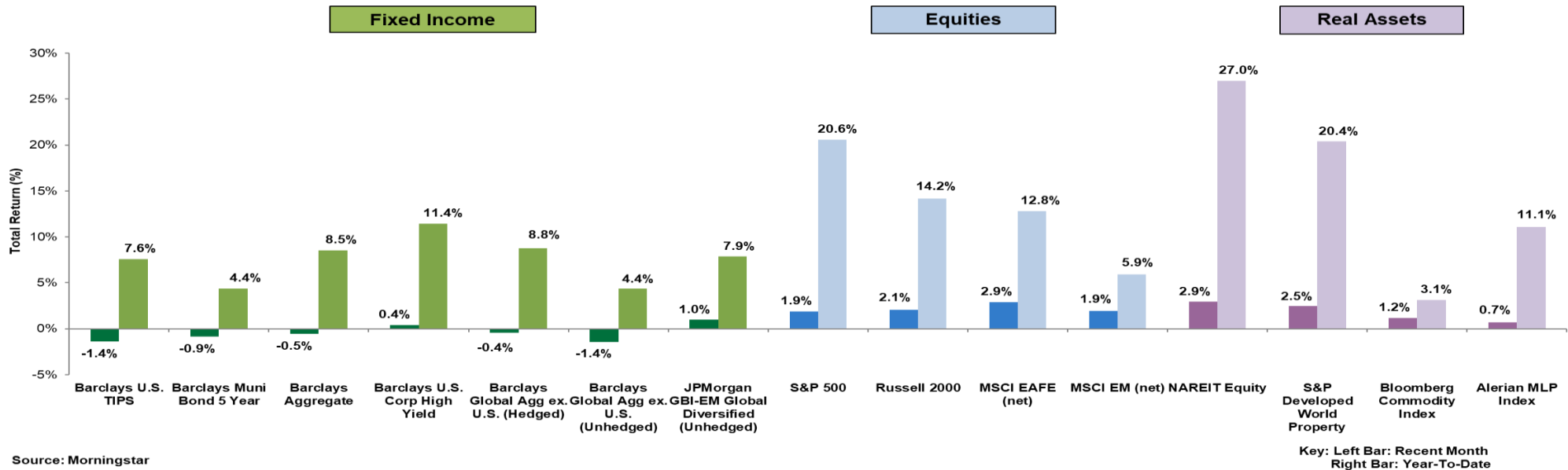
# Market Commentary September 2019

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# Global Markets Summary

## September 2019

### Asset Class Returns



### Fixed Income

- U.S. Treasury yields rose across longer maturities with the ten-year rate finishing at 1.68 percent. The belly of the yield curve steepened with the two-year trading below the ten-year rates.
- Rising rates sunk domestic fixed income sectors with the exception of high yield, which posted modestly positive returns amid “risk-on” investor sentiment.
- International developed bond markets fell as global yields rebounded on subsiding growth concerns. Emerging markets debt increased amid the risk-seeking environment.

### Equities

- Domestic equities posted positive returns following positive economic data, but were stunted by persistent U.S. – China trade tensions and political discord fueling volatility.
- Value broadly outperformed growth during the month. Utilities, industrials, financials and energy led while technology and healthcare lagged.
- International equities advanced as investors sought risk assets, but returns were dampened by weak economic data. Emerging markets gained as investors considered temporary delays in U.S. – China tariffs more probable.

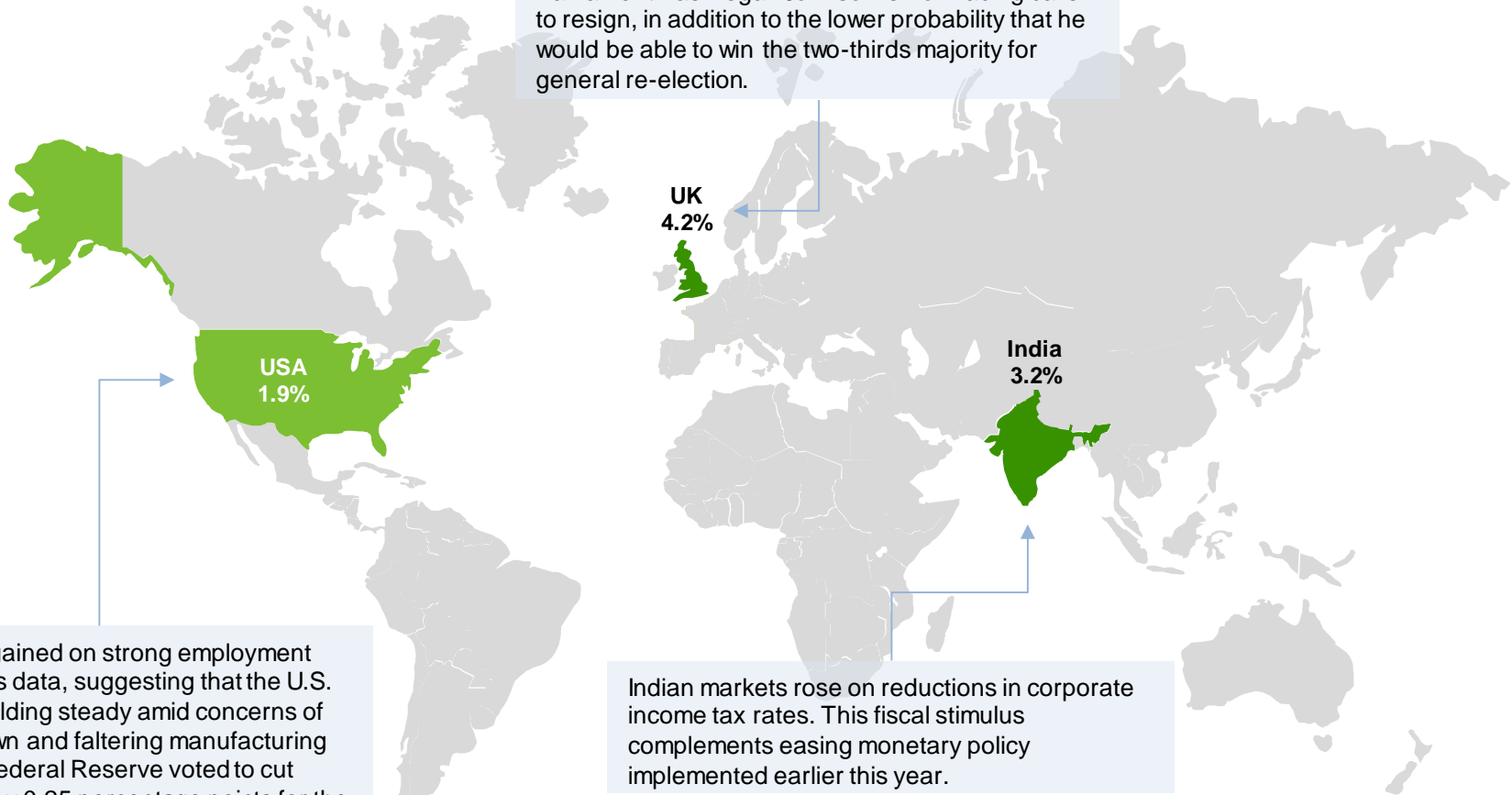
### Real Assets

- Commodity prices improved as live stock and agriculture demand increased, but were dampened by losses in precious metals due U.S. monetary easing.
- Domestic and international REITs generated positive returns influenced by U.S. monetary easing and low interest rates globally.
- MLPs were modestly positive, benefitting from uncertainty regarding oil supply following the Saudi Arabia drone strike.

# Global Highlights

## September 2019

United Kingdom equities gained ahead of the October 31 Brexit deadline, as U.K. courts ruled that Prime Minister Boris Johnson's suspension of Parliament was illegal. Johnson is now facing calls to resign, in addition to the lower probability that he would be able to win the two-thirds majority for general re-election.



U.S. equities gained on strong employment and retail sales data, suggesting that the U.S. economy is holding steady amid concerns of global slowdown and faltering manufacturing activity. The Federal Reserve voted to cut interest rates by 0.25 percentage points for the second time this year to cushion the economy against declines augmented by the U.S. – China trade war.

Indian markets rose on reductions in corporate income tax rates. This fiscal stimulus complements easing monetary policy implemented earlier this year.

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

## Financial Markets Performance

Total Returns as of September 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%	0.5%	1.8%	2.3%	1.5%	0.9%	0.7%	0.5%	1.3%
Bloomberg Barclays US TIPS	(1.4%)	1.3%	7.6%	7.1%	2.2%	2.4%	1.1%	3.5%	3.9%
Bloomberg Barclays Municipal Bond (5 Year)	(0.9%)	0.5%	4.4%	6.0%	2.1%	2.3%	2.1%	2.9%	3.4%
Bloomberg Barclays HY Muni	(0.2%)	2.8%	9.7%	10.0%	5.9%	6.0%	5.7%	7.1%	5.9%
Bloomberg Barclays US Aggregate	(0.5%)	2.3%	8.5%	10.3%	2.9%	3.4%	2.7%	3.7%	4.2%
Bloomberg Barclays U.S. Corporate High Yield	0.4%	1.3%	11.4%	6.4%	6.1%	5.4%	5.9%	7.9%	7.3%
Bloomberg Barclays Global Aggregate ex-US Hedged	(0.4%)	2.8%	8.8%	10.8%	4.1%	4.6%	4.5%	4.4%	4.6%
Bloomberg Barclays Global Aggregate ex-US Unhedged	(1.4%)	(0.6%)	4.4%	5.3%	0.4%	0.9%	0.0%	1.3%	3.1%
Bloomberg Barclays U.S. Long Gov / Credit	(1.9%)	6.6%	20.9%	21.9%	5.6%	6.8%	5.3%	7.4%	6.9%
JPMorgan GBI-EM Global Diversified	1.0%	(0.8%)	7.9%	10.1%	3.1%	0.6%	(0.4%)	2.5%	6.0%
Global Equity Markets	1 MO	3 MO	YTD	1YR	3YR	5YR	7YR	10YR	15YR
S&P 500	1.9%	1.7%	20.6%	4.3%	13.4%	10.8%	13.3%	13.2%	9.0%
Dow Jones Industrial Average	2.1%	1.8%	17.5%	4.2%	16.4%	12.3%	13.2%	13.6%	9.5%
NASDAQ Composite	0.5%	0.2%	21.5%	0.5%	15.9%	13.5%	15.8%	15.5%	11.2%
Russell 3000	1.8%	1.2%	20.1%	2.9%	12.8%	10.4%	13.0%	13.1%	9.1%
Russell 1000	1.7%	1.4%	20.5%	3.9%	13.2%	10.6%	13.2%	13.2%	9.2%
Russell 1000 Growth	0.0%	1.5%	23.3%	3.7%	16.9%	13.4%	15.0%	14.9%	10.4%
Russell 1000 Value	3.6%	1.4%	17.8%	4.0%	9.4%	7.8%	11.3%	11.5%	7.8%
Russell Mid Cap	2.0%	0.5%	21.9%	3.2%	10.7%	9.1%	12.6%	13.1%	9.9%
Russell Mid Cap Growth	(1.1%)	(0.7%)	25.2%	5.2%	14.5%	11.1%	13.8%	14.1%	10.5%
Russell Mid Cap Value	4.1%	1.2%	19.5%	1.6%	7.8%	7.6%	11.6%	12.3%	9.3%
Russell 2000	2.1%	(2.4%)	14.2%	(8.9%)	8.2%	8.2%	10.4%	11.2%	8.2%
Russell 2000 Growth	(0.8%)	(4.2%)	15.3%	(9.6%)	9.8%	9.1%	11.4%	12.2%	9.0%
Russell 2000 Value	5.1%	(0.6%)	12.8%	(8.2%)	6.5%	7.2%	9.4%	10.1%	7.2%
MSCI ACWI (net)	2.1%	(0.0%)	16.2%	1.4%	9.7%	6.7%	8.8%	8.3%	7.1%
MSCI ACWI ex. U.S. (net)	2.6%	(1.8%)	11.6%	(1.2%)	6.3%	2.9%	5.0%	4.5%	5.7%
MSCI EAFE (net)	2.9%	(1.1%)	12.8%	(1.3%)	6.5%	3.3%	6.1%	4.9%	5.3%
MSCI EAFE Growth (net)	1.1%	(0.4%)	17.9%	2.2%	7.8%	5.5%	7.5%	6.5%	6.3%
MSCI EAFE Value (net)	4.8%	(1.7%)	7.7%	(4.9%)	5.1%	1.0%	4.7%	3.2%	4.3%
MSCI EAFE Small Cap (net)	2.8%	(0.4%)	12.1%	(5.9%)	5.9%	6.0%	8.6%	7.5%	7.3%
MSCI Emerging Markets (net)	1.9%	(4.2%)	5.9%	(2.0%)	6.0%	2.3%	2.4%	3.4%	7.8%
Real Assets	1 MO	3 MO	YTD	1YR	3YR	5YR	7YR	10YR	15YR
FTSE NAREIT Equity REITs	2.9%	7.8%	27.0%	18.4%	7.4%	10.3%	10.0%	13.0%	9.0%
S&P Developed World Property ex-US	2.1%	2.2%	14.7%	9.0%	5.8%	5.4%	6.5%	7.1%	6.6%
S&P Developed World Property	2.5%	4.9%	20.4%	13.7%	6.7%	7.9%	8.4%	9.8%	7.9%
Bloomberg Commodity Total Return	1.2%	(1.8%)	3.1%	(6.6%)	(1.5%)	(7.2%)	(8.2%)	(4.3%)	(3.1%)
Alerian MLP	0.7%	(5.0%)	11.1%	(8.1%)	(2.5%)	(8.6%)	(0.9%)	6.3%	7.2%

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.