



THE CONCORD ADVISORY GROUP, LTD.

Institutional Investment Consulting Services

FEBRUARY 2021 MARKET HIGHLIGHTS

“DUNK OR A THREE”

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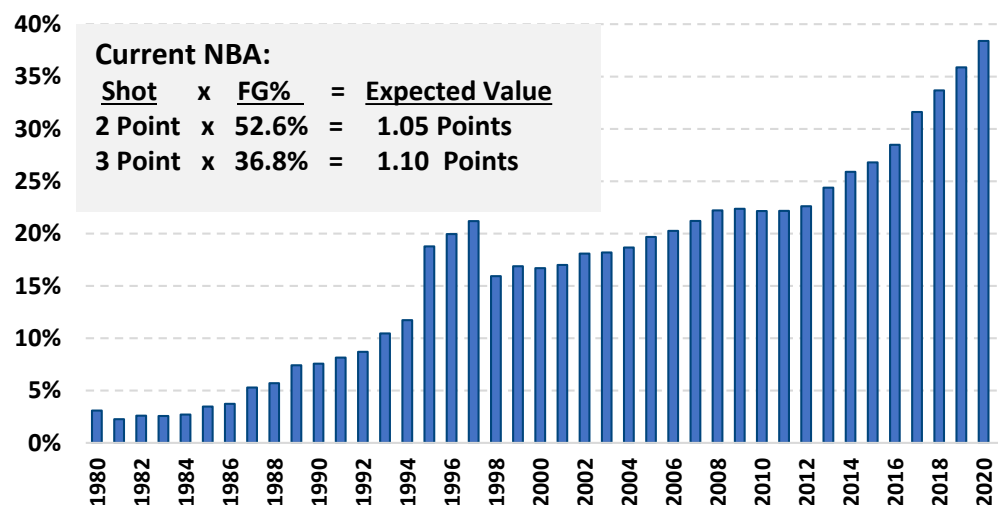
COMMENTARY: “DUNK OR A THREE”

The NBA first placed a 3-point line on the floor for the 1979-80 season. At the time, the league did not realize that it had just made the most transformational rule change in the history of team sports. Over the next forty years, teams began taking more 3's. They realized that their expected points per possession increased when they shot more 3's and fewer mid-range (10 to 20 feet from the basket) shots. Today, the NBA has reached a new equilibrium in which teams shoot either high percentage shots close to the basket or 3's and have largely abandoned shooting mid-range shots. As the table in the chart shows, teams have gotten close to a point where the expected value of 2 and 3-point shots are about equal. Shot selection is forever changed.

Coronavirus may finally be in the fourth-quarter of its run, but even after we beat the virus, it is likely to be the largest transformation change in our lives. Markets are going to go through a tremendous amount of price discovery as the world normalizes. In the coming months, more data will be available to show which companies and stocks will be able to fully recover operations and which may be in structural decline, like the mid-range jump shot. This data will drive changes in stock prices. There will be winners and losers, and this may be a volatile process.

The coming period could also be a good test of the acumen of active managers. If we are correct that stock prices can move more independently of each other in the coming months, then active managers should be able to take advantage. For example, managers can determine if a company has enough resources to survive until their operating environment improves and should be able to sort the survivors from the victims. Figuring out how much or how little people's behaviors have permanently changed post pandemic would inform whether to hold the stay-at-home stocks or to look for value opportunities. Stock shot selection may matter a lot in the coming months.

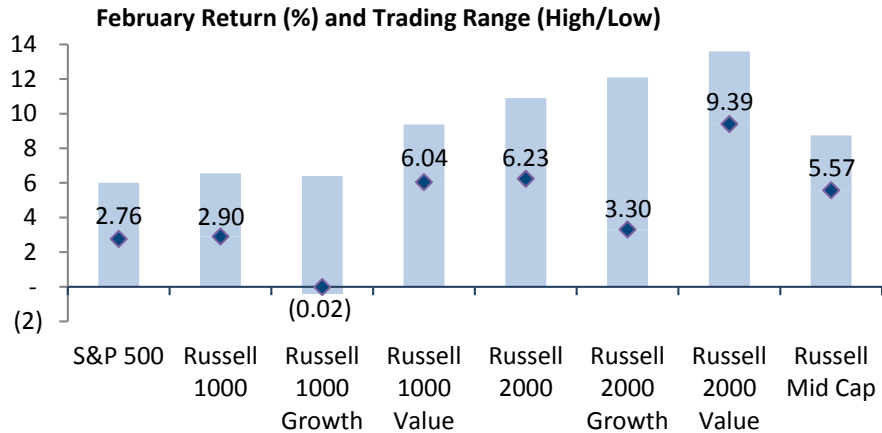
Percentage of NBA Shots Behind 3-Point Line



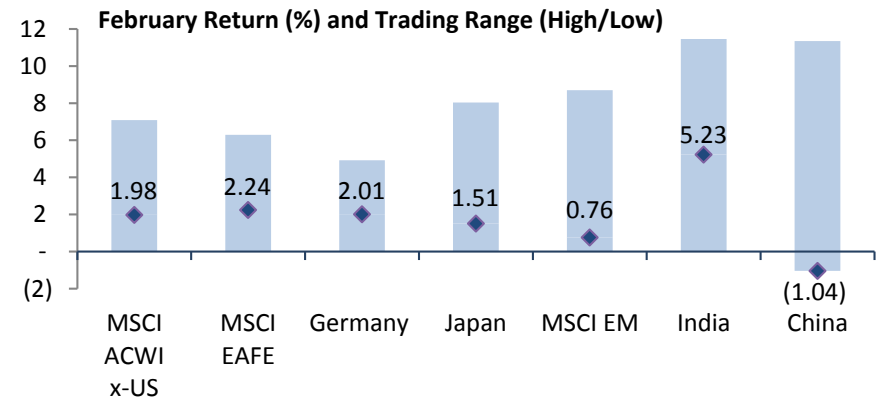
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MONTHLY CHARTS

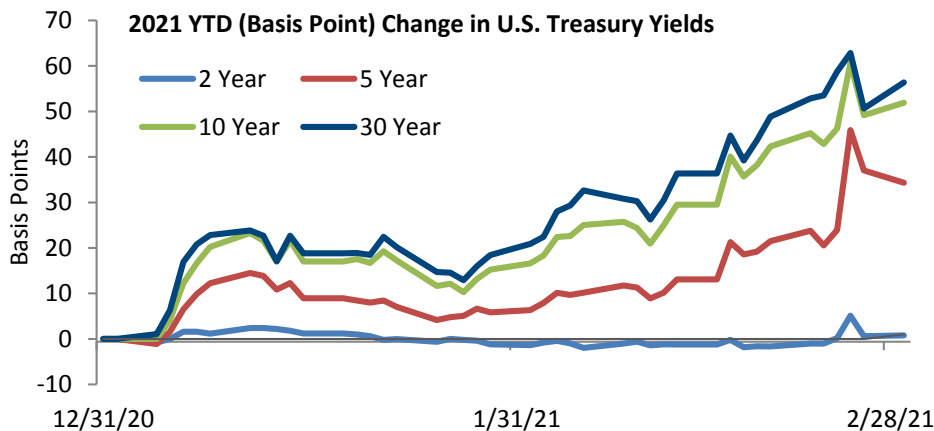
U.S. Equities: A late-month sell-off was unable to offset the positive impact of the COVID vaccine roll-out, and continued accommodative monetary policies, prompting a modest gain in February.



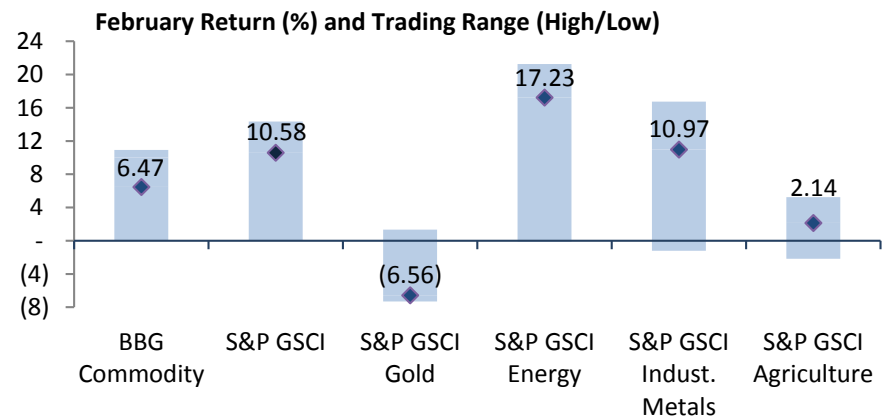
International Equities: Non-U.S. developed markets nearly kept pace with domestic equities, while emerging markets lagged, weighed down by weakness in Brazil and China.



Fixed Income: Fixed income markets were broadly negative during the month. Treasuries were a notable laggard, as yields rose.



Commodities: Similar to the prior month, broad commodities advanced in February, though Precious Metals held back prices. Energy was an area of strength.

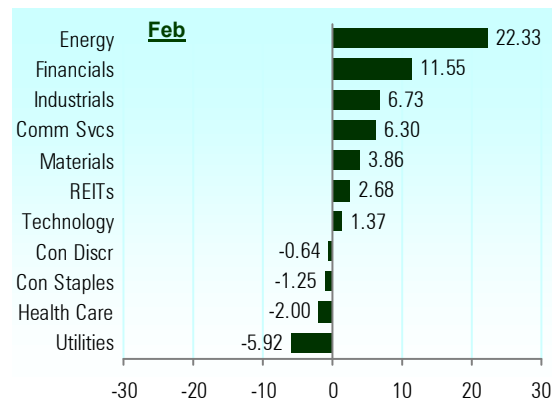


Concord Advisory Group: February 2021 Market Performance

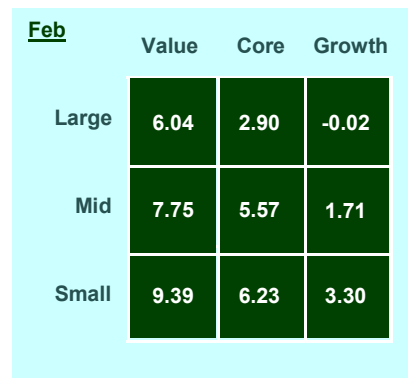
Equity Markets	Past Month	Past 3 Months	YTD	1 Yr	3 Yrs	5 Yrs
S&P 500	2.76%	5.63%	1.72%	31.29%	14.14%	16.83%
Russell 1000	2.90%	6.36%	2.05%	34.28%	14.98%	17.37%
Russell 1000 Growth	-0.02%	3.80%	-0.76%	44.26%	20.98%	22.22%
Russell 1000 Value	6.04%	9.10%	5.07%	22.22%	8.23%	12.02%
Russell MidCap	5.57%	10.22%	5.29%	36.11%	13.74%	15.88%
Russell 2000	6.23%	21.23%	11.58%	51.00%	14.87%	17.92%
Russell 2000 Growth	3.30%	18.40%	8.28%	58.88%	18.95%	21.15%
Russell 2000 Value	9.39%	24.27%	15.15%	41.06%	10.14%	14.22%
MSCI ACWI	2.32%	6.58%	1.85%	30.25%	10.30%	14.24%
MSCI World	2.56%	5.85%	1.54%	29.34%	10.77%	14.11%
MSCI ACWI Ex-US	1.98%	7.73%	2.20%	26.18%	5.43%	11.21%
MSCI EAFE	2.24%	5.86%	1.15%	22.46%	4.59%	9.73%
MSCI EM	0.76%	11.49%	3.85%	36.05%	6.35%	15.24%
Bloomberg Commodity	6.47%	14.70%	9.27%	20.32%	0.31%	3.52%

Fixed Income Markets	Past Month	Past 3 Months	YTD	1 Yr	3 Yrs	5 Yrs
Barclays Capital Aggregate	-1.44%	-2.02%	-2.15%	1.38%	5.32%	3.55%
Barclays Capital Global Aggregate	-1.72%	-1.28%	-2.59%	4.33%	3.83%	3.60%
Barclays Capital Intermediate Aggregate	-0.77%	-0.70%	-0.92%	2.06%	4.57%	2.92%
Barclays Capital Universal	-1.29%	-1.57%	-1.91%	2.13%	5.45%	4.09%
Barclays Capital Government	-1.77%	-2.89%	-2.68%	-0.04%	4.95%	2.60%
Barclays Capital Credit	-1.74%	-2.46%	-2.90%	2.36%	6.63%	5.53%
Barclays Capital Municipal	-1.59%	-0.36%	-0.96%	1.06%	4.83%	3.44%
Barclays Capital High Yield	0.37%	2.59%	0.70%	9.38%	6.57%	8.97%
Barclays Capital Mortgage	-0.67%	-0.38%	-0.59%	1.49%	4.14%	2.59%
Barclays Capital 1-3 Yr Gov/Credit	-0.03%	0.09%	0.00%	1.94%	3.11%	2.09%
FTSE 3-Month Treasury Bill	0.01%	0.02%	0.01%	0.33%	1.49%	1.15%
FTSE World Govt Bond	-2.42%	-2.35%	-3.67%	3.36%	3.34%	3.12%
Barclays Capital U.S. TIPS	-1.61%	-0.15%	-1.29%	5.85%	6.12%	4.28%
BofAML Invest Grade Convertible	2.09%	4.51%	1.00%	10.74%	9.57%	14.21%

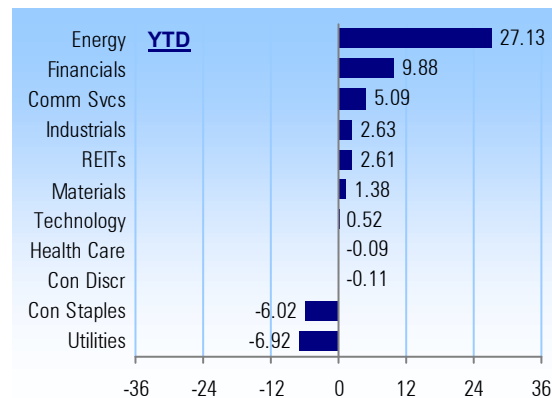
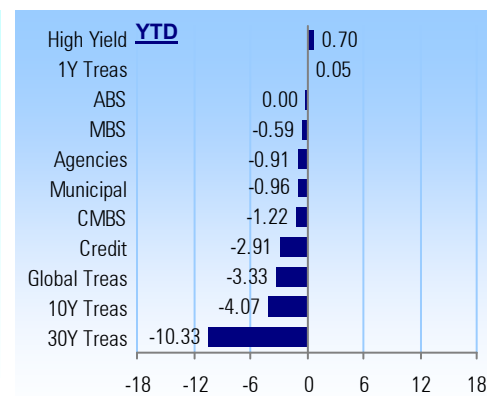
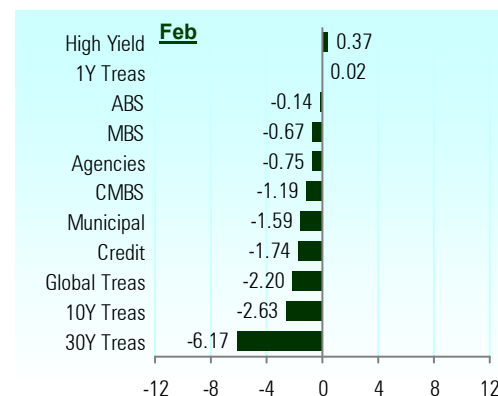
Equity Sector Returns (%)



Equity Style Returns (%)



Fixed Income Sector Returns (%)



Treasury Yield Curve

