



The Concord Advisory Group, Ltd.

July 2020 Market Highlights *“Don’t Catch the Gold Bug Either”*

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Concord Advisory Group: July 2020 Market Highlights

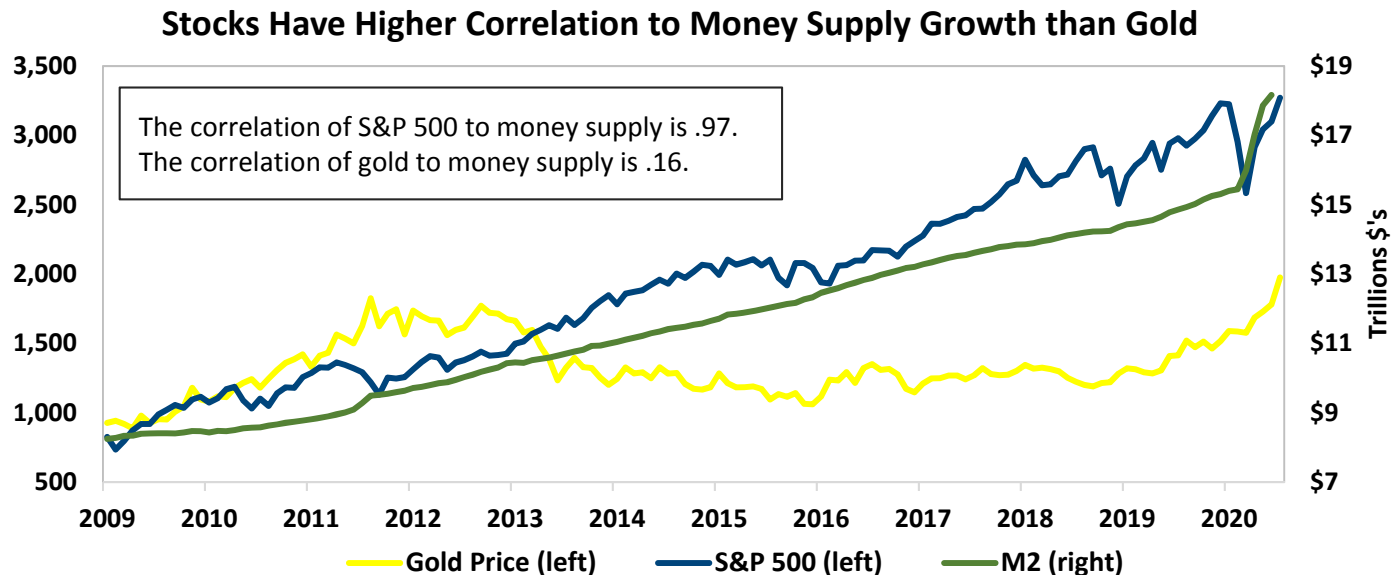
Commentary: “Don’t Catch the Gold Bug Either”



Since the end of the first quarter, the price of gold has appreciated approximately 25%, reaching a new record high. The most oft-cited reason to own gold is to hedge against excessive money printing by central banks. However, gold, surprisingly, is not a particularly good hedge against monetary debasement. The correlation between the price of gold and money supply is barely positive at 0.16. Stocks, with almost a perfect correlation to changes in the money supply, are a much better hedge against run-away money printing.

Since the start of large scale money printing by the Federal Reserve in late 2008, investment returns on gold have not kept pace with stocks. The problem with gold as an investment has been that it does not generate any growth or cash flows, two things that are increasingly valuable in a low interest rate world. Owning gold actually results in negative cash flows, as it costs money to store.

The gold market is seeing a good deal of retail buying speculation, as evidenced by the number of Robinhood traders with positions in GLD (physical gold ETF) tripling since January. It is possible that the speculation in gold continues and drives prices even higher in the short-run. While a small allocation to gold may be useful in providing some risk mitigation and helping investors feel more secure, it tends to be a drag on performance and is not particularly well suited for a world with increasing demand for investments that produce income and cash flows.

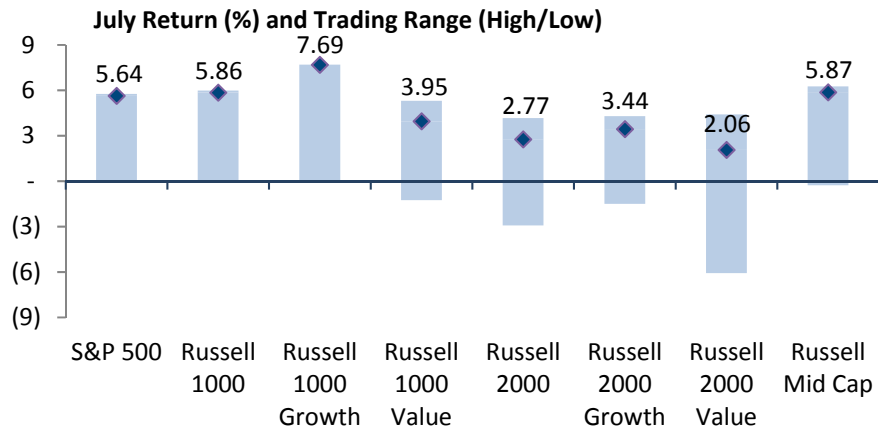


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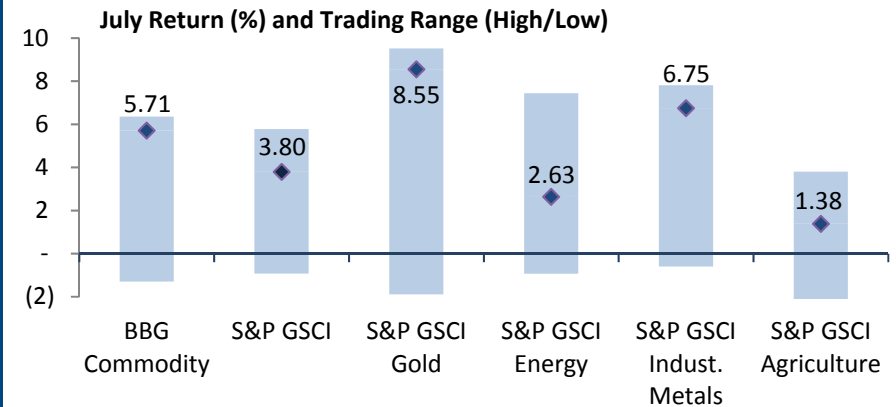
Monthly Charts



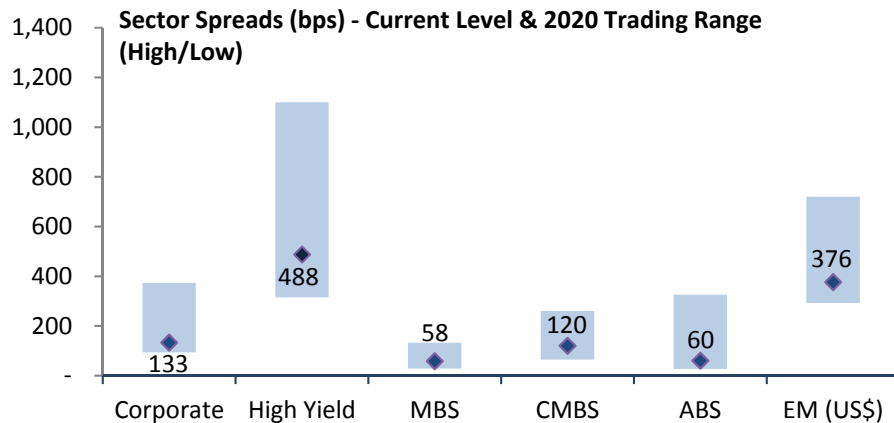
U.S. Equities: U.S. stocks advanced in July, despite continued spread of COVID-19 and weak economic data. Gains came from strong earnings from Tech companies and ongoing government stimulus.



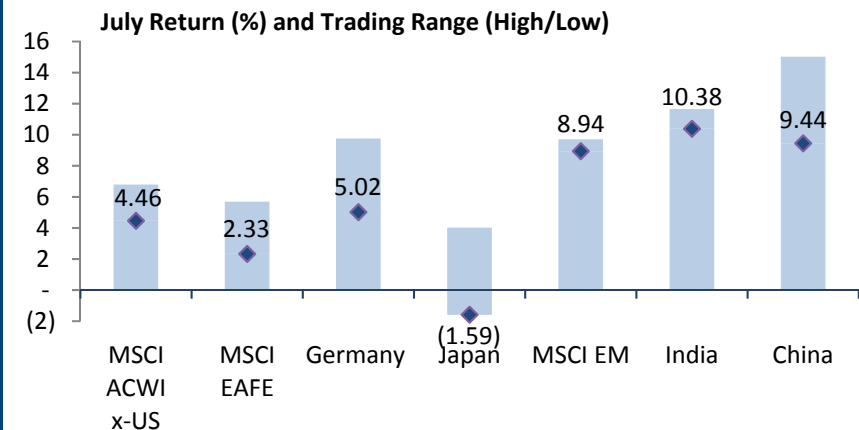
Commodities: Commodities posted strong results, led by Precious Metals, and specifically, record-high Gold prices. Oil prices also edged higher during the month.



Fixed Income: Lower long-term interest rates and narrower credit spreads led to the outperformance of credit sectors and longer duration bonds in July.



International Equities: Non-U.S. markets also ended the month in positive territory; however, developed equities lagged domestic returns and emerging markets outpaced all broad global regions.

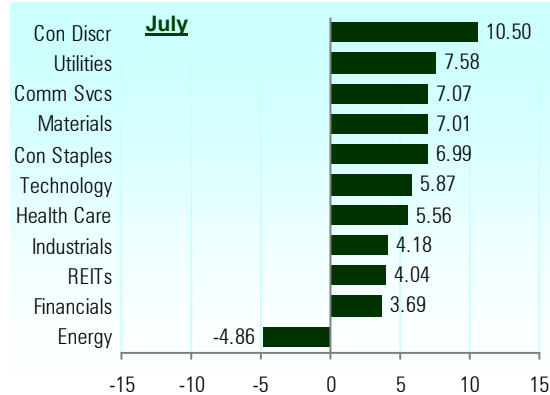


Concord Advisory Group: July 2020 Market Performance

Equity Markets	Past Month	Past 3 Months	YTD	1 Yr	3 Yrs	5 Yrs
S&P 500	5.64%	12.87%	2.38%	11.96%	12.01%	11.49%
Russell 1000	5.86%	13.91%	2.88%	12.04%	12.02%	11.31%
Russell 1000 Growth	7.69%	19.93%	18.27%	29.84%	20.91%	16.84%
Russell 1000 Value	3.95%	6.80%	-12.95%	-6.01%	2.70%	5.37%
Russell MidCap	5.87%	15.36%	-3.79%	2.04%	7.30%	7.83%
Russell 2000	2.77%	13.32%	-10.57%	-4.60%	2.69%	5.10%
Russell 2000 Growth	3.44%	17.56%	0.27%	6.00%	8.78%	7.50%
Russell 2000 Value	2.06%	8.03%	-21.92%	-15.91%	-3.90%	2.24%
MSCI ACWI	5.29%	13.38%	-1.29%	7.21%	6.99%	7.38%
MSCI World	4.78%	12.75%	-1.26%	7.22%	7.53%	7.52%
MSCI ACWI Ex-US	4.46%	12.75%	-7.04%	0.65%	1.38%	3.21%
MSCI EAFE	2.33%	10.42%	-9.28%	-1.67%	0.63%	2.10%
MSCI EM	8.94%	17.84%	-1.72%	6.55%	2.84%	6.15%
Bloomberg Commodity	5.71%	12.81%	-14.80%	-12.08%	-5.09%	-4.54%

Fixed Income Markets	Past Month	Past 3 Months	YTD	1 Yr	3 Yrs	5 Yrs
Barclays Capital Aggregate	1.49%	2.61%	7.72%	10.12%	5.69%	4.47%
Barclays Capital Global Aggregate	3.19%	4.56%	6.27%	7.85%	4.30%	4.16%
Barclays Capital Intermediate Aggregate	0.57%	1.54%	5.26%	7.08%	4.32%	3.42%
Barclays Capital Universal	1.76%	3.56%	7.01%	9.45%	5.59%	4.66%
Barclays Capital Government	1.12%	0.97%	9.82%	11.70%	5.87%	4.11%
Barclays Capital Credit	3.08%	6.67%	8.05%	11.87%	6.97%	6.06%
Barclays Capital Municipal	1.68%	5.78%	3.80%	5.37%	4.53%	4.13%
Barclays Capital High Yield	4.69%	10.37%	0.71%	4.14%	4.53%	5.88%
Barclays Capital Mortgage	0.18%	0.21%	3.69%	5.43%	3.88%	3.13%
Barclays Capital 1-3 Yr Gov/Credit	0.19%	0.72%	3.07%	4.47%	2.86%	2.14%
FTSE 3-Month Treasury Bill	0.01%	0.06%	0.53%	1.36%	1.70%	1.15%
FTSE World Govt Bond	3.63%	4.50%	7.87%	8.92%	4.59%	4.35%
Barclays Capital U.S. TIPS	2.30%	3.75%	8.44%	10.38%	5.70%	4.18%
BofAML Invest Grade Convertible	4.89%	6.74%	-2.23%	4.75%	9.25%	11.04%

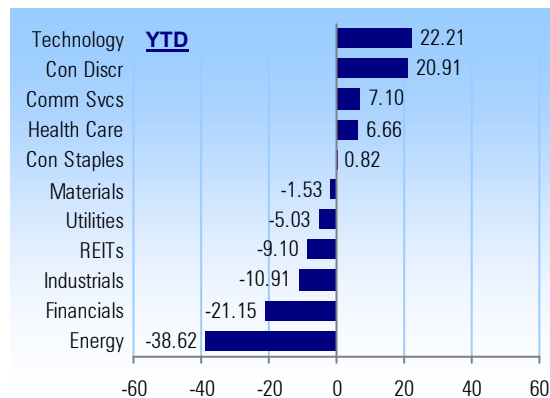
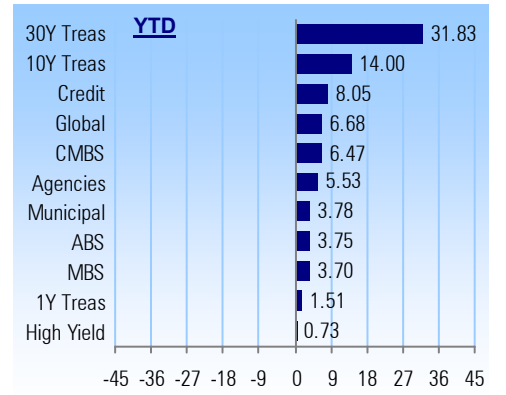
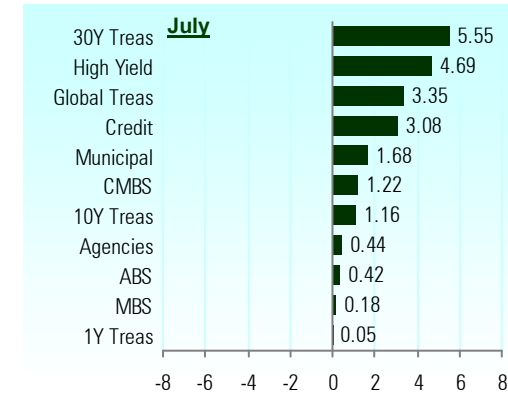
Equity Sector Returns (%)



Equity Style Returns (%)

Style	Value	Core	Growth
Large	3.95	5.86	7.69
Mid	4.72	5.87	7.99
Small	2.06	2.77	3.44

Fixed Income Sector Returns (%)



Style	Value	Core	Growth
Large	-12.95	2.88	18.27
Mid	-14.22	-3.79	12.48
Small	-21.92	-10.57	0.27

Treasury Yield Curve

