



THE CONCORD ADVISORY GROUP, LTD.

Institutional Investment Consulting Services

SEPTEMBER 2020 MARKET HIGHLIGHTS

“POLITICS CAN MISINFORM INVESTMENT VIEWS”

THE CONCORD ADVISORY GROUP, LTD: SEPTEMBER 2020 MARKET HIGHLIGHTS

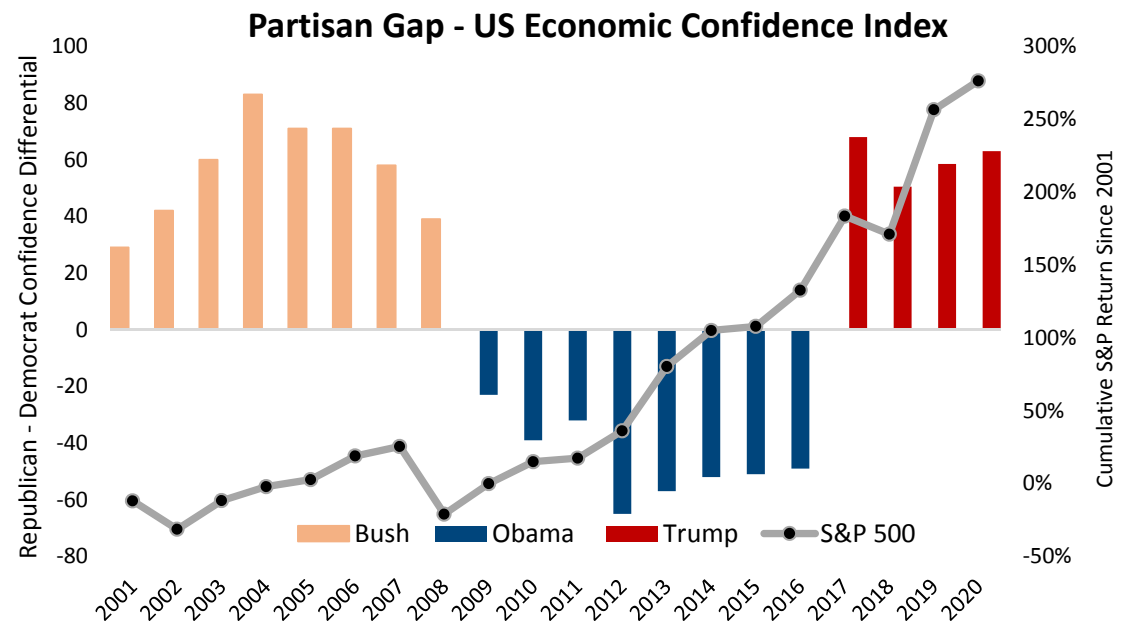
COMMENTARY: “POLITICS CAN MISINFORM INVESTMENT VIEWS”

The political environment feels like it is at peak levels of partisanship with the general election approaching. Pile on the understandable additional anxiety due to the Covid-19 virus \ lockdown, and a Supreme Court nomination fight, and emotions are running hot.

The election and the associated partisanship negatively impacted markets in September. Markets were expecting Congress to come to a compromise on a fiscal stimulus plan. However, the death of Justice Ginsburg increased party tensions, and investors began to realize that a compromise was increasingly unlikely before the election. Elevated premiums in options expiring near the election indicate that stocks may be more volatile than normal in October and November.

University of Colorado Professor Yosef Bonaparte et al. have studied the relationship between political affiliation and investment results. They found that a person’s political affiliation strongly influences their level of optimism towards financial markets and their view of the economy. When an investor’s preferred party is in power, they tend to have a more favorable view of the economy and take more investment risk. Since additional risk-taking has generally been well rewarded, regardless of which party is in power, an investor’s performance has typically been stronger when the party they favor controls the government.

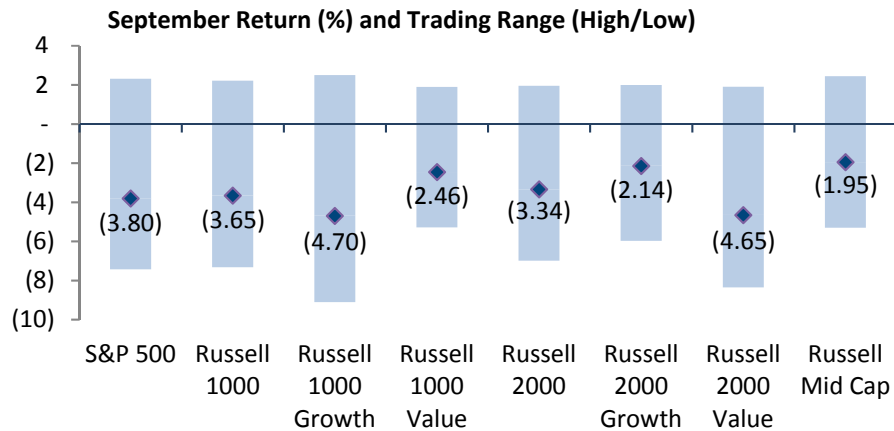
This year, it is important to not let joy or sadness from the election results impact portfolio positioning. Regardless of the outcome, there is reason to believe that market conditions can improve after the election, assuming there is a clear winner. After the election, volatility may ease and, hopefully, Congress will be able to compromise on the new stimulus package that markets desperately want.



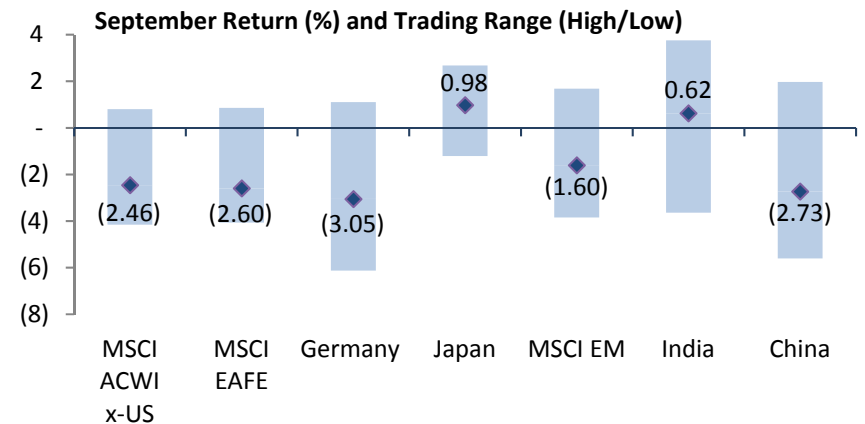
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MONTHLY CHARTS

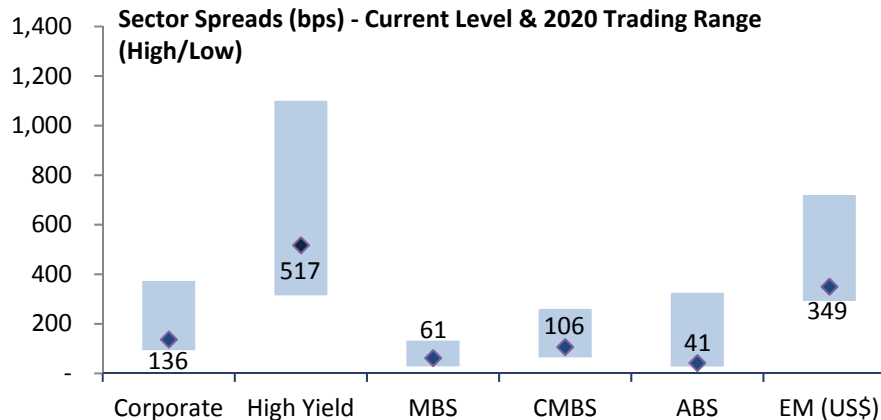
U.S. Equities: U.S. equities lost ground in September, marking the first negative month since March. Gains early in the period reversed course as COVID case counts grew alongside concerns of economic weakness.



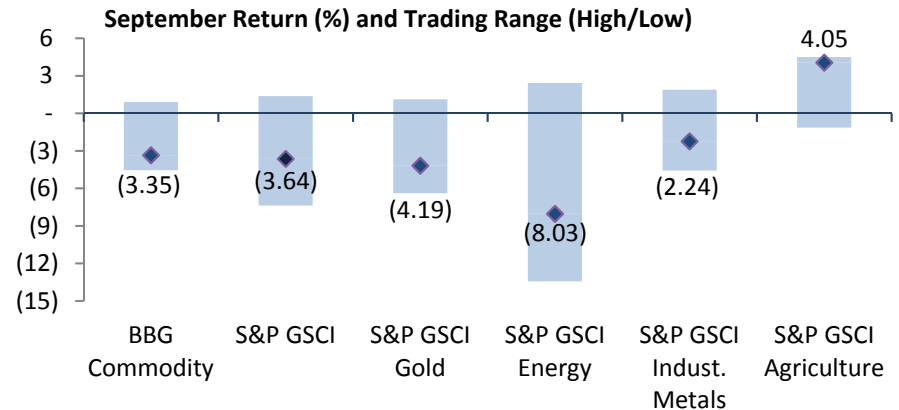
International Equities: Both developed and emerging markets also ended the month in negative territory, driven lower by persistently low oil prices and signs of a second wave from the pandemic.



Fixed Income: High quality fixed income returns were slightly negative. Modest credit spread widening caused corporate bonds to underperform Treasuries.



Commodities: Broad commodities prices declined in September, with losses among Energy and Precious and Industrial Metals. Livestock and Agriculture were otherwise bright spots.

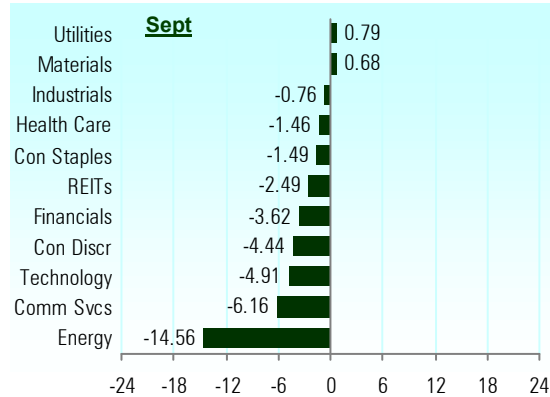


Concord Advisory Group: September 2020 Market Performance

Equity Markets	Past Month	Past 3 Months	YTD	1 Yr	3 Yrs	5 Yrs
S&P 500	-3.80%	8.93%	5.57%	15.15%	12.28%	14.15%
Russell 1000	-3.65%	9.47%	6.40%	16.02%	12.38%	14.09%
Russell 1000 Growth	-4.70%	13.22%	24.33%	37.54%	21.68%	20.10%
Russell 1000 Value	-2.46%	5.59%	-11.57%	-5.02%	2.64%	7.66%
Russell MidCap	-1.95%	7.46%	-2.34%	4.55%	7.14%	10.13%
Russell 2000	-3.34%	4.93%	-8.69%	0.38%	1.77%	8.00%
Russell 2000 Growth	-2.14%	7.16%	3.88%	15.72%	8.18%	11.42%
Russell 2000 Value	-4.65%	2.56%	-21.54%	-14.88%	-5.13%	4.11%
MSCI ACWI	-3.22%	8.13%	1.37%	10.45%	7.12%	10.30%
MSCI World	-3.45%	7.93%	1.70%	10.40%	7.74%	10.48%
MSCI ACWI Ex-US	-2.46%	6.25%	-5.44%	3.00%	1.16%	6.23%
MSCI EAFE	-2.60%	4.80%	-7.09%	0.49%	0.62%	5.26%
MSCI EM	-1.60%	9.56%	-1.16%	10.54%	2.42%	8.97%
Bloomberg Commodity	-3.35%	9.07%	-12.09%	-8.20%	-4.18%	-3.09%

Fixed Income Markets	Past Month	Past 3 Months	YTD	1 Yr	3 Yrs	5 Yrs
Barclays Capital Aggregate	-0.05%	0.62%	6.79%	6.98%	5.24%	4.18%
Barclays Capital Global Aggregate	-0.36%	2.66%	5.73%	6.24%	4.09%	3.92%
Barclays Capital Intermediate Aggregate	-0.03%	0.48%	5.17%	5.66%	4.20%	3.27%
Barclays Capital Universal	-0.18%	0.99%	6.20%	6.68%	5.14%	4.49%
Barclays Capital Government	0.14%	0.18%	8.81%	7.97%	5.47%	3.73%
Barclays Capital Credit	-0.27%	1.50%	6.39%	7.51%	6.20%	5.75%
Barclays Capital Municipal	0.02%	1.23%	3.33%	4.10%	4.29%	3.85%
Barclays Capital High Yield	-1.03%	4.60%	0.63%	3.26%	4.21%	6.79%
Barclays Capital Mortgage	-0.11%	0.11%	3.62%	4.35%	3.68%	2.98%
Barclays Capital 1-3 Yr Gov/Credit	0.01%	0.23%	3.12%	3.73%	2.85%	2.10%
FTSE 3-Month Treasury Bill	0.01%	0.03%	0.55%	1.02%	1.65%	1.15%
FTSE World Govt Bond	-0.22%	2.94%	7.14%	6.77%	4.37%	3.95%
Barclays Capital U.S. TIPS	-0.37%	3.03%	9.22%	10.09%	5.80%	4.62%
BofAML Invest Grade Convertible	-1.51%	5.27%	-1.87%	1.01%	8.66%	12.03%

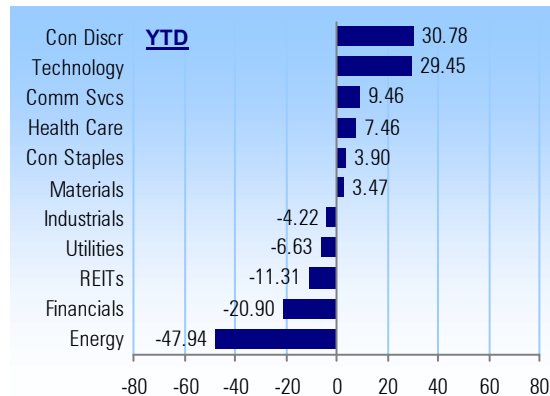
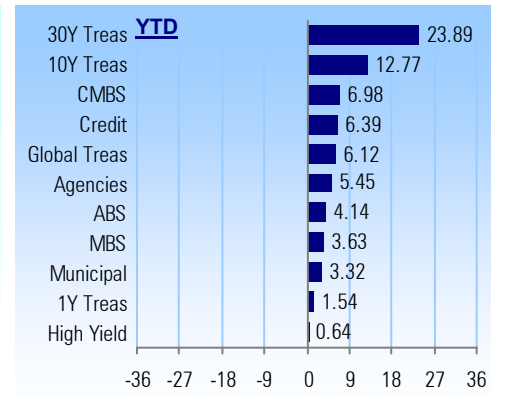
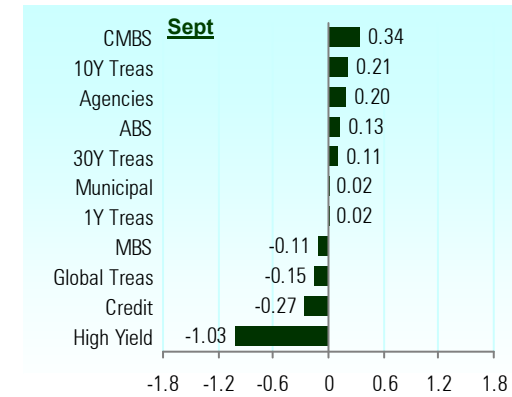
Equity Sector Returns (%)



Equity Style Returns (%)

Style	Value	Core	Growth
Large	-2.46	-3.65	-4.70
Mid	-2.27	-1.95	-1.40
Small	-4.65	-3.34	-2.14

Fixed Income Sector Returns (%)



Style	Value	Core	Growth
Large	-11.57	6.40	24.33
Mid	-12.84	-2.34	13.92
Small	-21.54	-8.69	3.88

Treasury Yield Curve

