



The Concord Advisory Group, Ltd.

May 2019 Market Highlights *“5G Showdown”*

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Concord Advisory Group: May 2019 Market Highlights

Commentary: “5G Showdown”

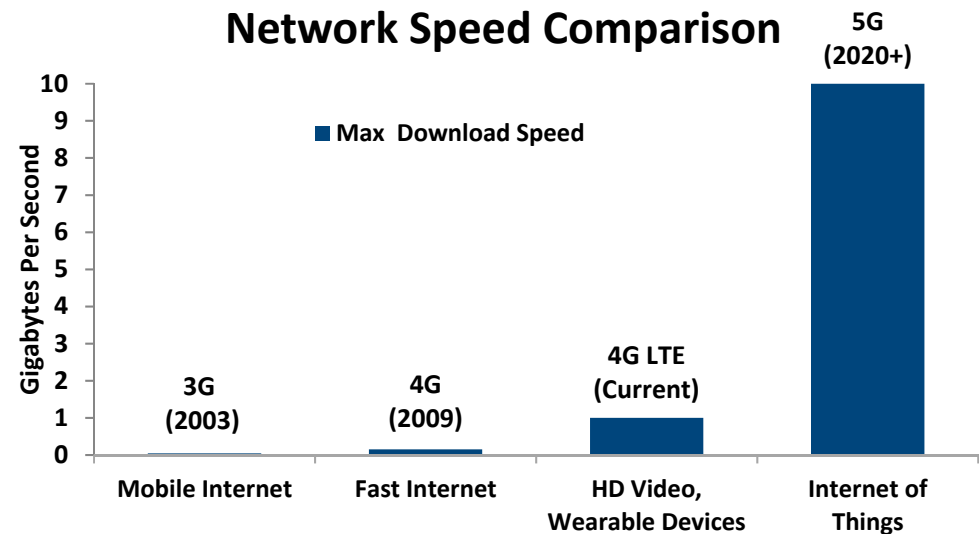


Some heralded new technologies change the world (e.g., internet, smart phones, personal computers) while others turn out to be overhyped (e.g., Segway, Bitcoin, and Google Glass). The U.S. and China trade war has partially morphed into a competition over 5G networks. By action, leadership in both countries seems to believe that 5G, where the “G” stands for “Generation”, cellular technology will become the backbone of information technology in the next decade.

The potential of 5G technology is that it will bring internet speeds 10 to 100 times as fast as current cellular connections, which is even faster than today’s fiber optic wire networks. In addition, 5G will have more bandwidth, necessary for the development of the Internet of Things (IoT). IoT could further link cars, traffic control, smart homes, appliance, and countless other pieces of equipment to the internet. This will allow for greater integration and automation of tasks in business, manufacturing, farming, and medical care and support smart homes and driverless cars.

If 5G is as revolutionary as advertised, it will bring both “disruption” and “opportunity”, two words that should grab the attention of investors. For disruption, companies that control current communication infrastructures, such as cable, would seem to be most threatened by 5G. Telecom infrastructure, software, and semiconductors are the first order benefactors.

Looking deeper, IoT and 5G could provide opportunities for companies outside of the telecommunications and technology sectors. Judging companies across industries by the amount and productivity of their R&D spending may be a good future metric of success, as companies would need to adapt their products and business models to the IoT. The same dynamic could apply to performance across countries, as capital flows may be drawn to places with 5G infrastructure. IoT could increase productivity, which would be a positive for workers, investors, governments and stock prices.

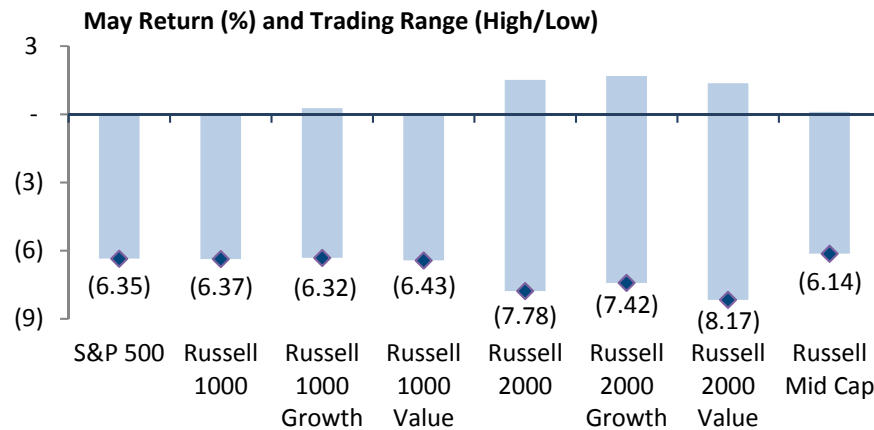


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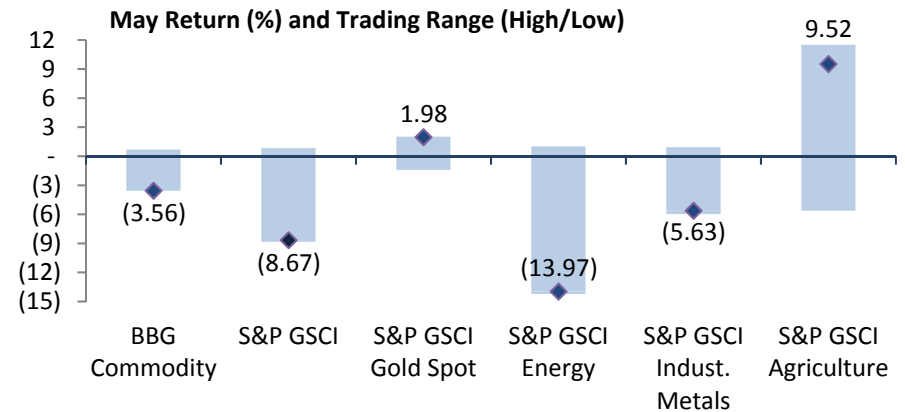
Monthly Charts



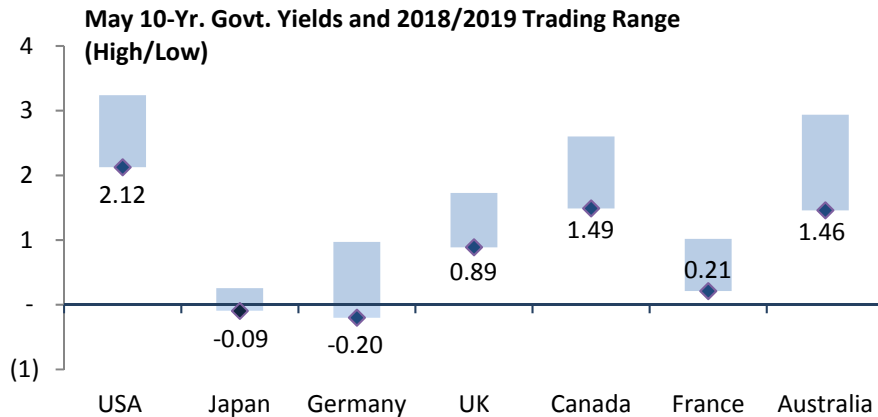
U.S. Equities: The upward trend experienced by U.S. equity markets in 2019 came to an abrupt halt in May, as investors grew increasingly concerned about trade disputes and signs of slowing global growth.



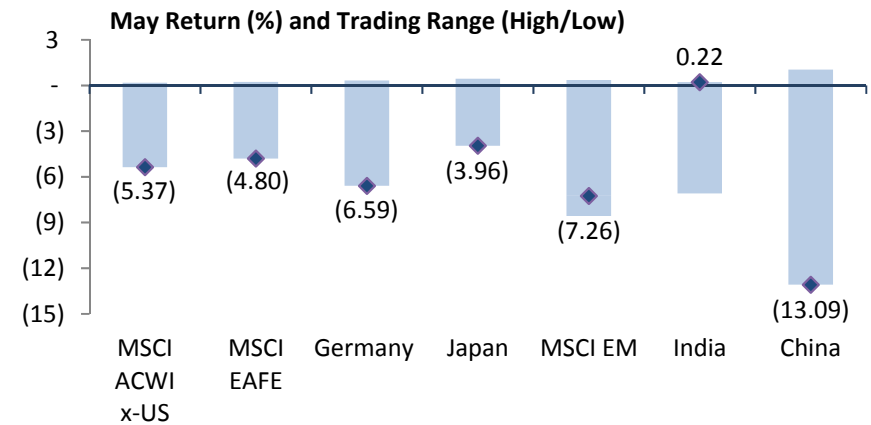
Commodities: Broad commodities prices fell in May, amidst the potential for a slowing global economy. Energy, and the price of oil, was particularly hard hit by a stronger dollar and demand concerns.



Fixed Income: Interest rates fell globally, leading to better returns for longer-term fixed income securities. Higher quality bonds outperformed as greater risk aversion caused credit spreads to widen.



International Equities: Non-U.S. equities also declined, as negative trade headlines impacted nearly all broad markets. Emerging markets fared the worst, led lower by emerging Asian nations and notably, China.

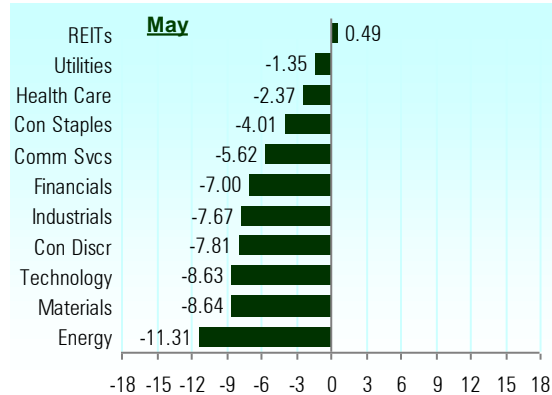


Concord Advisory Group: May 2019 Market Performance

Equity Markets	Past Month	Past 3 Months	YTD	1 Yr	3 Yrs	5 Yrs
S&P 500	-6.35%	-0.67%	10.73%	3.78%	11.72%	9.66%
Russell 1000	-6.37%	-0.89%	11.05%	3.47%	11.68%	9.45%
Russell 1000 Growth	-6.32%	0.71%	13.69%	5.40%	15.33%	12.33%
Russell 1000 Value	-6.43%	-2.49%	8.46%	1.46%	7.99%	6.53%
Russell MidCap	-6.14%	-1.72%	13.56%	1.60%	9.87%	7.90%
Russell 2000	-7.78%	-6.63%	9.27%	-9.04%	9.76%	6.71%
Russell 2000 Growth	-7.42%	-5.88%	11.77%	-6.87%	11.72%	8.33%
Russell 2000 Value	-8.17%	-7.44%	6.68%	-11.31%	7.68%	5.00%
MSCI ACWI	-5.93%	-1.53%	9.09%	-1.28%	9.07%	5.22%
MSCI World	-5.77%	-1.15%	9.75%	-0.28%	9.01%	5.63%
MSCI ACWI Ex-US	-5.37%	-2.29%	7.15%	-6.26%	6.72%	1.31%
MSCI EAFE	-4.80%	-1.51%	7.64%	-5.74%	5.82%	1.27%
MSCI EM	-7.26%	-4.50%	4.10%	-8.69%	9.88%	1.79%
Bloomberg Commodity	-3.36%	-3.94%	2.31%	-12.37%	-1.73%	-9.52%

Fixed Income Markets	Past Month	Past 3 Months	YTD	1 Yr	3 Yrs	5 Yrs
Barclays Capital Aggregate	1.78%	3.76%	4.80%	6.40%	2.50%	2.70%
Barclays Capital Global Aggregate	1.35%	2.31%	3.27%	3.08%	1.85%	0.90%
Barclays Capital Intermediate Aggregate	1.32%	2.84%	3.74%	5.69%	2.12%	2.28%
Barclays Capital Universal	1.53%	3.51%	5.06%	6.41%	2.96%	2.92%
Barclays Capital Government	2.33%	3.98%	4.19%	6.26%	1.79%	2.27%
Barclays Capital Credit	1.47%	4.45%	6.95%	7.40%	3.75%	3.47%
Barclays Capital Municipal	1.38%	3.37%	4.72%	6.42%	2.97%	3.59%
Barclays Capital High Yield	-1.19%	1.16%	7.48%	5.50%	7.04%	4.40%
Barclays Capital Mortgage	1.29%	2.71%	3.43%	5.51%	2.09%	2.46%
Barclays Capital 1-3 Yr Gov/Credit	0.69%	1.59%	2.15%	3.71%	1.61%	1.34%
FTSE 3-Month Treasury Bill	0.21%	0.62%	1.01%	2.25%	1.30%	0.80%
FTSE World Govt Bond	1.72%	2.49%	2.98%	2.80%	1.45%	0.54%
Barclays Capital U.S. TIPS	1.65%	3.86%	5.26%	4.37%	2.50%	1.64%
BofAML Invest Grade Convertible	-1.37%	0.80%	6.91%	4.16%	14.42%	10.72%

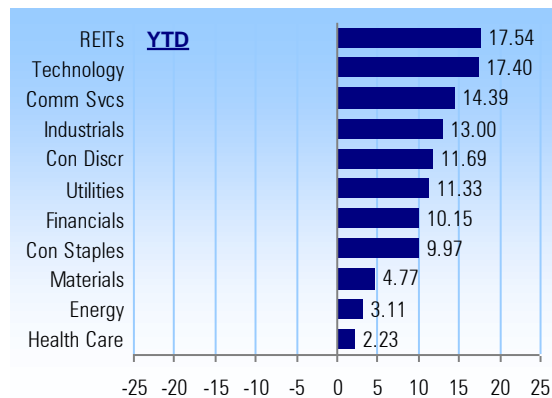
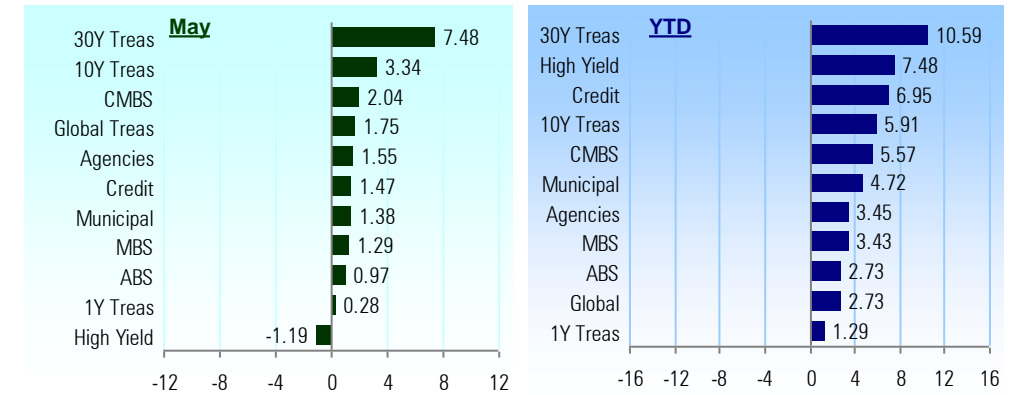
Equity Sector Returns (%)



Equity Style Returns (%)

	Value	Core	Growth
Large	-6.43	-6.37	-6.32
Mid	-6.42	-6.14	-5.75
Small	-8.17	-7.78	-7.42

Fixed Income Sector Returns (%)



	Value	Core	Growth
Large	8.46	11.05	13.69
Mid	10.55	13.56	17.81
Small	6.68	9.27	11.77

Treasury Yield Curve

