

MONTHLY ECONOMIC UPDATE

INVESTMENT NEWSLETTER / MAY 2019

May Summary

Market volatility increased in May, following an otherwise calm start to the year. Headlines of better than expected global growth paired with moderate inflation pressures, were quickly overshadowed by rising global trade tensions. While the U.S. and China have been at the epicenter, direct tariffs on Mexico have also come into spotlight. This negatively impacted most global equity markets, with the S&P 500 Index down more than six-percent in May. Within the S&P, the energy sector fared the worst, following a precipitous decline in the price of oil. Defensive sectors, such as utilities and consumer staples, performed the best. This is typically the case in a risk-off environment. The real estate sector also held up well, as it was seen to benefit

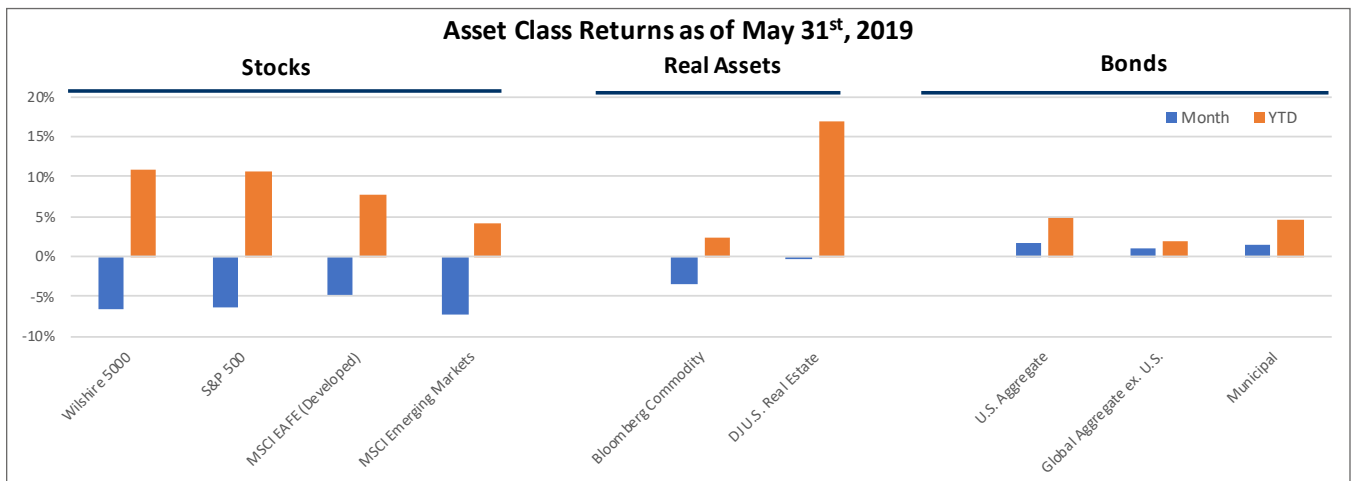
from declining borrowing rates. Outside of the S&P, small-cap securities lagged large-caps. In a reversal from earlier in the year, many developed non-U.S. equity markets outperformed. This partially narrowed the year-to-date gap between the performance of U.S. and international markets.

Bond markets performed well against this backdrop, as investors fled to safety. Fixed income had the added benefit of declining rates, with the U.S. Treasury 10-Year yield falling to its lowest level in nearly two-years. Positive results were most pronounced in the least credit-sensitive areas of the market. This included the municipal bond market, which continued to benefit from a positive supply/demand dynamic. Areas of the

market that are more exposed to credit risk, such as high yield, saw some of the benefit of falling rates offset by expanding credit spreads.

Many economic indicators released in May were incrementally negative. This shift followed the additional uncertainty rising trade tensions introduced to the market. Select areas of the economy, such as domestic manufacturing, autos, and housing, have seen more dramatic declines. Overall, the world economy continues to walk a tightrope between expansion and slowing growth. If not resolved, trade tensions risk pushing economic growth lower and contributing to heightened market volatility.

Market Data

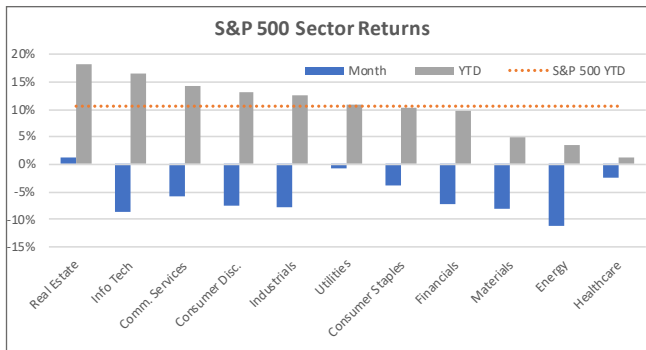


Morningstar, bond indices from Bloomberg Barclays

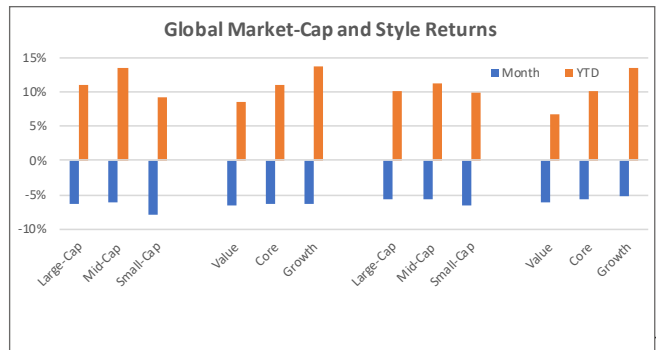


CONWAY WEALTH GROUP

Aligning Life & Wealth®

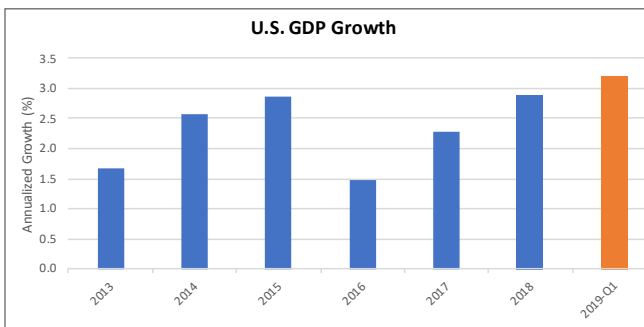


Bloomberg

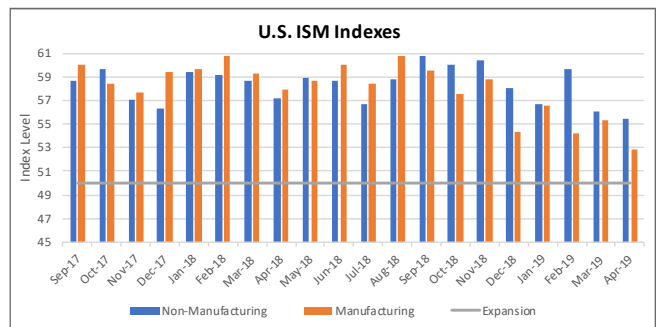


Bloomberg; U.S. indices from Russell and World indices from MSCI

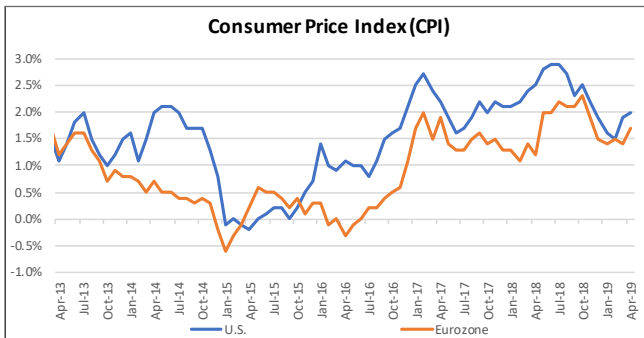
Economic Data



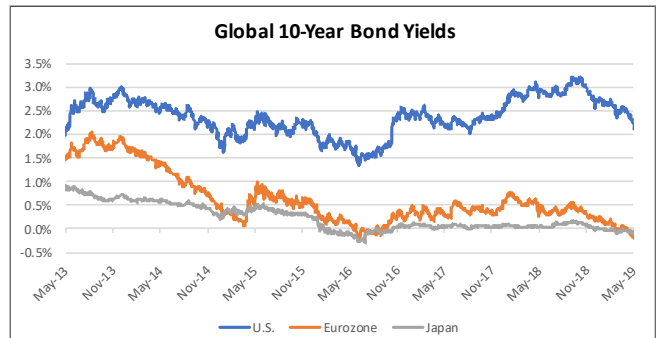
U.S. Department of Commerce



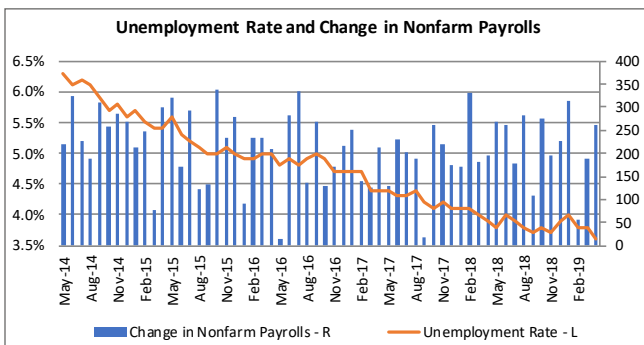
Institute for Supply Management



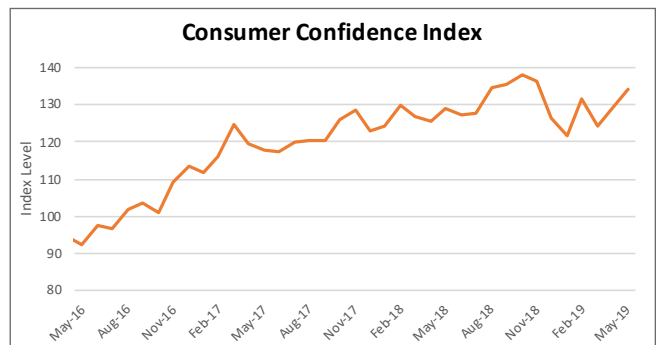
U.S. Bureau of Labor Statistics



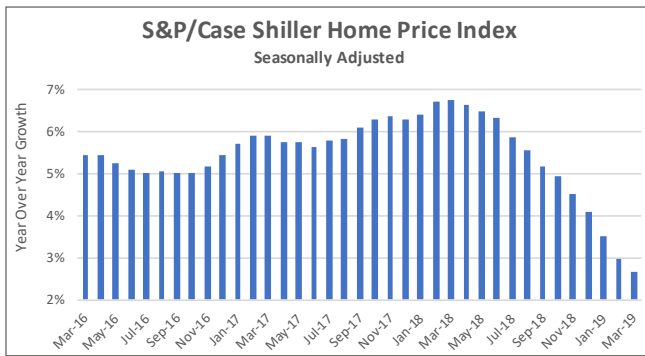
Bloomberg



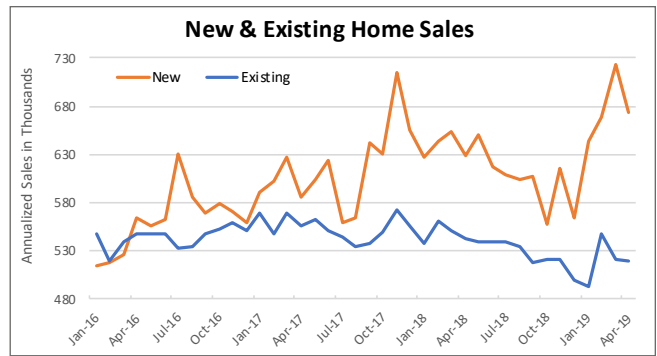
U.S. Bureau of Labor Statistics



Conference Board



S&P/Case Shiller



U.S. Bureau of the Census

Disclaimers

This commentary was written by Craig Amico, CFA,® CIPM,® Senior Investment Analyst, Noreen Johnston, CFA,® Director of Portfolio Management and Steven Melnick, CFA,® Senior Investment Analyst at Summit Financial, LLC., an SEC Registered Investment Adviser (“Summit”), headquartered at 4 Campus Drive, Parsippany, NJ 07054, Tel. 973-285-3600. It is provided for your information and guidance and is not intended as specific advice and does not constitute an offer to sell securities. Summit is an investment adviser and offers asset management and financial planning services. Indices are unmanaged and cannot be invested into directly. The Wilshire 5000 Total Market Index measures the performance of all U.S.-headquartered equity securities with readily available price data; the Standard & Poor’s 500 Index (S&P 500) is an unmanaged group of securities considered to be representative of the stock market; the Russell 3000 Index measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market; the MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index designed to measure the equity market performance of developed markets, excluding the U.S. and Canada; the MSCI Emerging Markets Index is a free float-adjusted market capitalization index designed to measure

the equity market performance of emerging markets; the Bloomberg Commodity Index measures the performance of an unleveraged, long-only investment in commodity futures that is broadly diversified and primarily liquidity weighted; the Dow Jones U.S. Real Estate Index measures the performance of the real estate sector of the U.S. equity market. It includes companies in the real estate holding and development industries and Real Estate Investment Trusts; the Bloomberg Barclays U.S. Aggregate Bond Index is a market capitalization-weighted index comprising Treasury securities, Government agency bonds, mortgage backed bonds, corporate bonds, and some foreign bonds traded in the U.S.; the Bloomberg Barclays Global Aggregate Ex U.S. Index measures the performance of global investment grade fixed-rate debt markets that excludes USD-dominated securities. The Bloomberg Barclays Municipal Bond Index covers the U.S. dollar-denominated long-term tax-exempt bond market. Data in this newsletter is obtained from sources which we, and our suppliers believe to be reliable, but we do not warrant or guarantee the timeliness or accuracy of this information. Consult your financial professional before making any investment decision. Past performance is no guarantee of future results. Diversification/asset allocation does not ensure a profit or guarantee against a loss.