



# RGB Perspectives

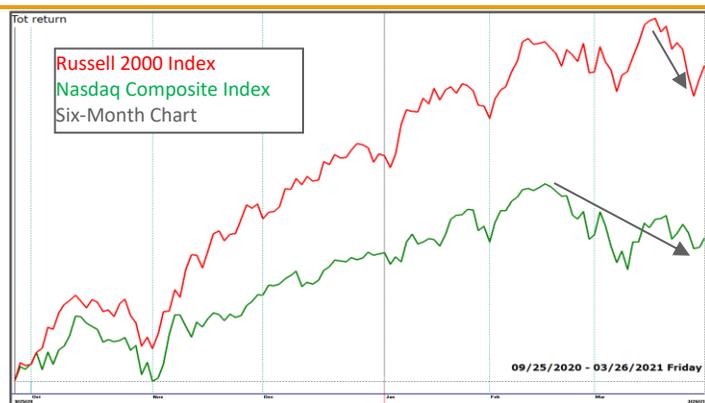
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March has been a bit volatile as the market experienced periods of downside volatility. However, despite these short-term declines, the **S&P 500 Index** remains in an uptrend and closed Friday right at its all-time high. The index is up over 4% for the month.



Other segments of the market have not fared as well. The **Russell 2000 Index** (small-cap stocks) and the **Nasdaq Composite Index** (growth and technology stocks) remain in short-term declines. The Russell 2000 Index is up just under 1% for the month, while the Nasdaq Composite Index is slightly negative (less than 0.5%).



I like to monitor the junk bond market for clues to the overall risk level in the market. The **BAML High-Yield Master II Index** (junk bond index) fell below its 50-day moving average this month, but quickly rebounded. The modest improvement in this area of the market is encouraging as it is an indication that investors are willing to take on more risk.

The overall market environment has improved but as always, there is risk in the market. It is unlikely that large-cap stocks will continue to trend up without small-cap and growth/technology stocks participating. We will likely know in the next several weeks whether small-cap and growth/technology start to trend up.

We made some modest changes to both the Core Qualified (CQ) and Core Non-Qualified (CN) strategies this month, but they remain fully invested (and leveraged in the case of CN). Our investment posture has led to strong gains over the last year, but the trend has flattened out over the last six weeks. Both CQ and CN are up just slightly for the month. The Flex+ strategy moved to a reduced risk profile mid-month as uncertainty was increasing. The Flex+ strategy, as well as the Balanced strategies, are all positive month-to-date. I continue to monitor all our holdings and place risk management as a high priority for all of our investment strategies. The degree of risk management is dependent on the objectives of each strategy.

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