

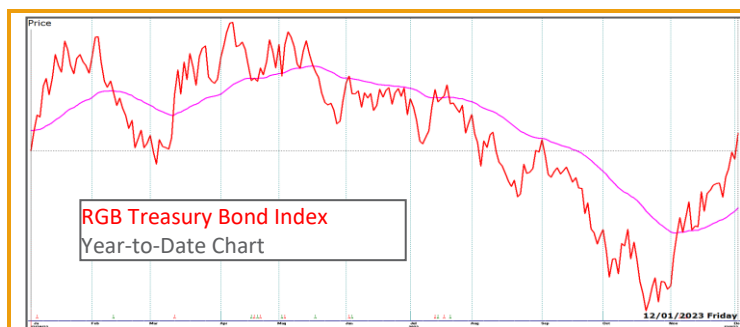


# RGB Perspectives

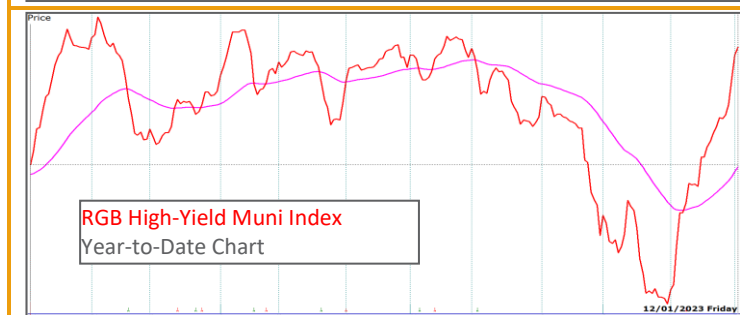
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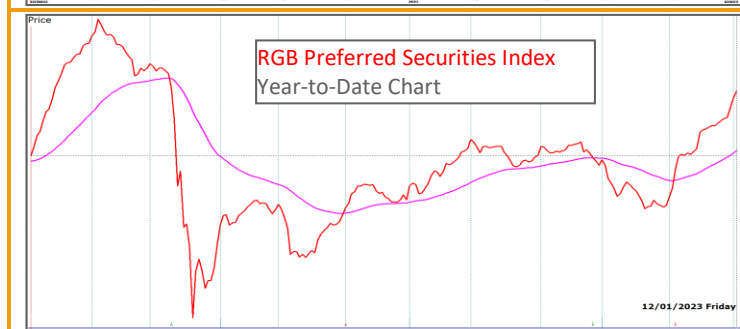
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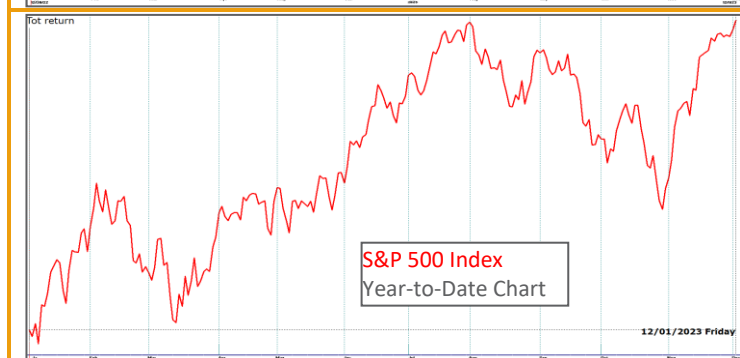
It is widely expected that the Fed is done with the current cycle of interest rate hikes and many believe they will start decreasing rates by the middle of next year. This has led to a sharp decline in interest rates across the yield curve over the past month and a surge in bond prices. The **RGB Treasury Bond Index** is surging higher as bond yields and bond prices move in opposite directions.



The decline in rates is having a positive effect on bonds of all types. The **RGB High-Yield Municipal Bond Index** is in a low volatility uptrend that is creating great risk adjusted returns. While this index is approaching its year-to-date highs, it remains almost 10% below its all-time highs set back in early 2022. I believe there is considerable upside potential in this category as well as other interest rate sensitive groups.



Other segments of the market are also moving higher. The recent drop in rates is pushing the **RGB Preferred Securities Index** higher. Preferred securities are influenced by interest rates and the overall economic environment and should benefit from the current market conditions.



Stock prices are surging higher as well. The **S&P 500 Index**, as well as other stock market indices, are in strong uptrends. Even groups that have underperformed this past year are starting to rally.

A peak in interest rates could be beneficial to stocks and bonds in the near term and the RGB Capital Group investment strategies are positioned to take advantage of this positive market environment. All the strategies have been moved to a fully invested posture over the last month. The Core strategy, as well as a portion of the Balanced strategy, are invested in low volatility mutual funds including high-yield municipal bonds and preferred securities highlighted above. The Flex+ strategy and the equity sleeve of the Balanced strategy are fully invested in the equity markets. All the strategies are positive for the month and year-to-date time periods.

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