



RGB Perspectives

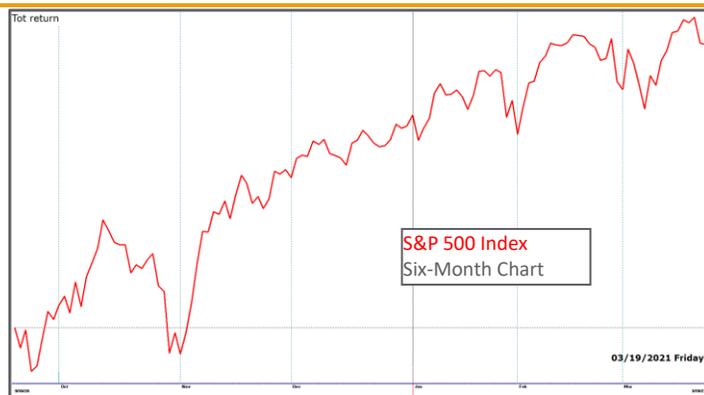
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Treasury bond prices continue to fall as interest rates climb higher. The **BAML 20+ Year US Treasury Index** is down -4.6% month-to-date and -14.4% year-to-date.



The rise in interest rates has created some volatility in the stock market but many of the major indices continue to trend higher. The **S&P 500 Index**, for example, is up 2.7% month-to-date and 4.2% year-to-date.



As Treasury bonds started to decline last year, junk bonds continued to rise. This is not surprising as junk bonds generally trend up when economic conditions are favorable. However, junk bonds are not immune to rising interest rates and they have started to decline over the last month. The **BAML High-Yield Master II Index** crossed below its 50-day moving average last week.

The RGB Capital Group Core investment strategies (both Core Qualified - CQ and Core Non-Qualified CN) have started to feel the impact of higher interest rates over the last month as the strong uptrends that we experienced since last year have flattened out. Both CQ and CN are about flat for the month-to-date period. No adjustments were made to the strategies over the last week, but I continue to monitor the portfolio holdings and will adjust to protect our capital, if necessary.

The RGB Flex+ strategy (FP), which has been fully invested all year, remains positive month-to-date. However, during the last week, the strategy moved to a reduced risk profile as the fundamental models that support this strategy continued to deteriorate.

The RGB Balanced strategies (Balanced Qualified – BQ and Balanced Non-Qualified – BN) are comprised of a 60% allocation to the Core strategy and a 40% allocation to the Flex+ strategy. BQ and BN are positive for the month-to-date period.

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