

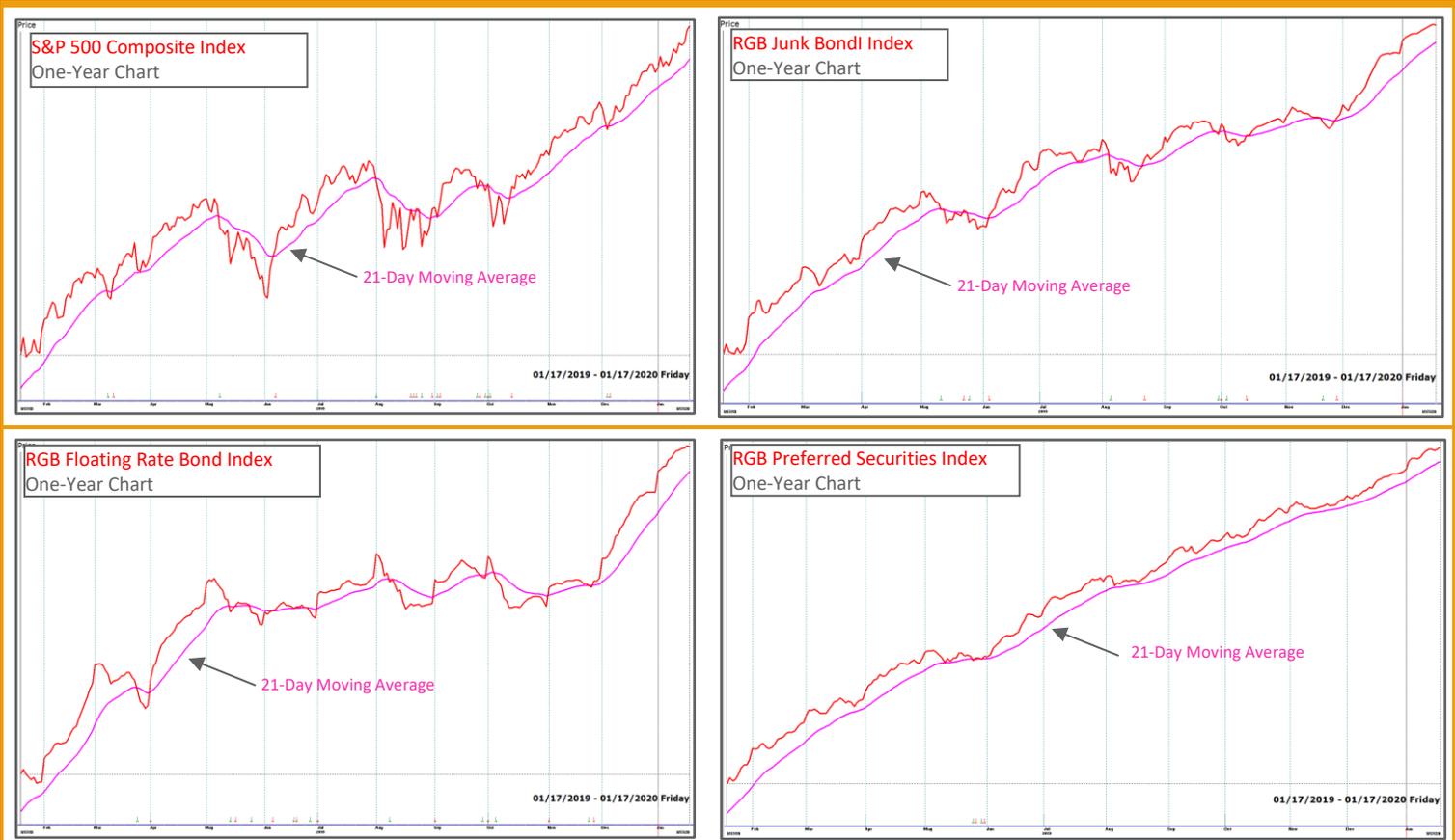


RGB Perspectives

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The S&P 500 Composite Index started trending up on low volatility in October and has remained above its 21-day (one-month) moving average since that time. The uptrend has continued in 2020 with the S&P 500 Composite Index up 3.1% since the beginning of the year. All major stock indices are trending up, as can be seen in the chart below.

	Returns			Returns	
	Since Oct 1, '19	YTD		Since Oct 1, '19	YTD
Nasdaq 100 Index	18.38%	5.05%	Dow Jones Industrial Average	9.03%	2.84%
Nasdaq Composite Index	17.37%	4.64%	S&P 600 Small-Cap Index	9.66%	1.77%
S&P 500 Composite Index	11.85%	3.06%	New York Stock Exchange	9.06%	1.94%
Wilshire 4500 Index	11.43%	2.98%	S&P 400 Mid-Cap Index	8.27%	1.58%

While the stock market is in a strong uptrend, it is worth noting that the economically sensitive bond / income groups are providing excellent low volatility returns. Junk bonds have trended up for most of the last year but that uptrend accelerated to the upside in early December. Junk bonds are up 0.5% year-to-date. Floating rate bonds were trending sideways for much of 2019 but also turned up in early December. Floating rate bonds are up 0.4% year-to-date. Preferred securities have been in an exceptionally low volatility uptrend for over a year now and are up 0.9% since January 1st. While these returns are not as strong as the stock market returns, they are equivalent to 8% to 20% annualized returns. Not too bad for exceptionally low volatility returns.

The trends described above will eventually come to an end, we just don't know when. I will strive to identify changes when they happen in order to protect our capital. When the trends turn and go the other way, the stock market indices will most likely turn down harder and faster than the economically sensitive bond funds. That is why the more conservative RGB Core strategies are invested in the lower volatility bond/income funds while the more aggressive Flex+ strategy maintains an overweight in equities. Thank you for your continued trust.

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