# RGB Perspectives

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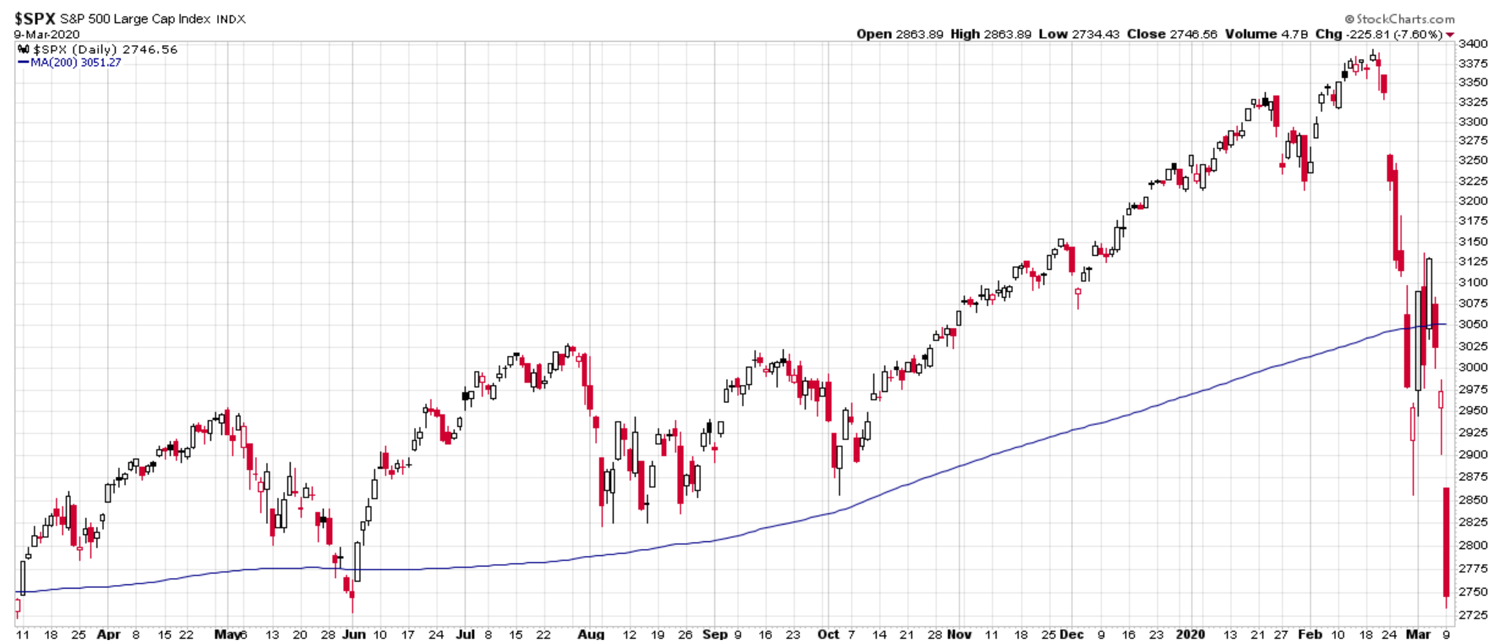


The stock market is in a steep, volatile decline. The S&P 500 is down almost 19% from its recent peak set just 13 trading days ago and resting at levels last seen in June of last year. The Russell 2000 Index is down 23% from its January peak. While the coronavirus is generally considered the primary concern driving recent market volatility, there are other forces that also need to be considered including the 2020 elections and most recently the oil price war. After the meeting of OPEC+ (traditional OPEC countries plus Russia) fell apart last week, oil dropped 10% on Friday when they could not agree upon production cuts. Today oil plummeted another 25% after Saudi Arabia retaliated by slashing oil prices over the weekend. The coronavirus and oil price war were a 'double whammy' for the economy and the stock market. And while this all unfolded, Treasury yields have fallen to the lowest level in history with the 10-year Treasury dropping to 0.54% today! A tough environment for anyone who is relying on interest from their savings.

While the recent volatility is unnerving for many investors, this crisis will come to pass and there will be opportunities for profits in the future. If your portfolio is causing you sleepless nights, this is a good time to reassess your tolerance for risk regardless if you manage your own portfolio or are using an advisor. Making adjustments to your risk exposure in the midst of a crisis is not recommended but rather reassess and make adjustments after the crisis has dissipated.

During the last two weeks I have taken action to protect our capital according to the objectives of our different strategies. All strategies currently have a lower overall exposure to the market when compared to the major stock market indices.

- The RGB Core strategies (qualified and non-qualified) were moved to a primarily cash position shortly after the decline started.
- The RGB Flex+ strategy, which was overweight equities at the beginning of February, is now currently in a reduced risk profile.
- The RGB Balanced strategies (qualified and non-qualified) are a 60%/40% combination of the Core and Flex+ strategies, respectively and therefore have reduced exposure to the market.

I have no way to know how long this volatility will last. The good news, however, is that steep declines like this create opportunities for those that are able to navigate through these difficult times. While I don't like the uncertainty surrounding the current market environment, the farther the market falls the greater the opportunity that is created.

If you have any questions about your accounts during these challenging times, please don't hesitate to contact me. Thank you for your continued trust in helping you manage your portfolio.



Prepared with data through 3/9/2020