

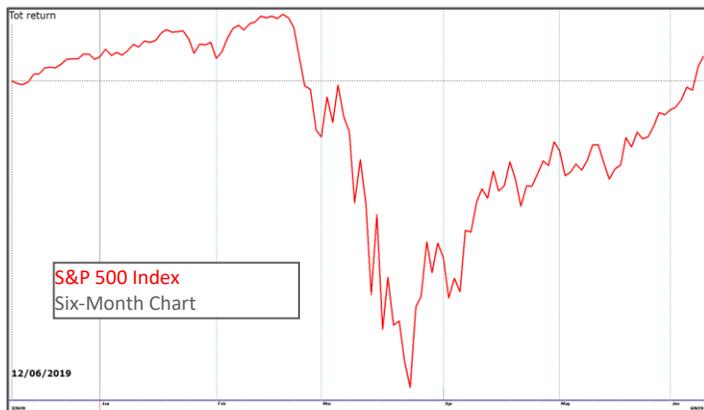


RGB Perspectives

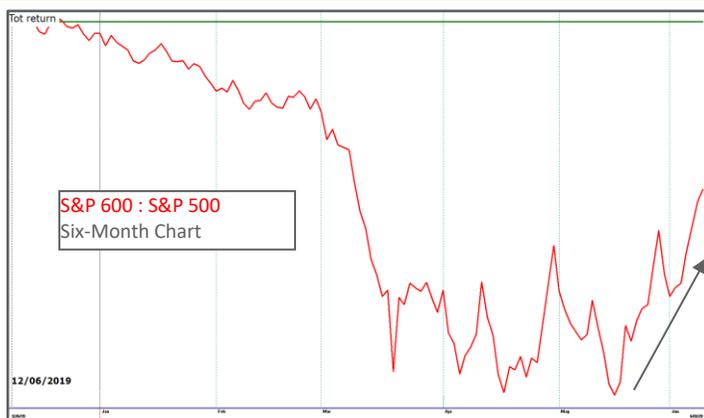
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Written by Rob Bernstein (rob@rgbcapitalgroup.com)

RGB Capital Group LLC • 858-367-5200 • www.rgbcapitalgroup.com



All of the major stock market indices are in strong uptrends. For example, the **S&P 500 Composite Index** continues to climb higher and closed today at the breakeven level for the year. The S&P 500 is now 4.5% below its all-time high.



Even small-cap stocks are participating in the rally, which is generally an indication of a healthy market environment. This chart shows the relative performance of the S&P 600 (small-caps) to the S&P 500 (large-caps). An up trending line indicates that small-caps are outperforming large-cap stocks and a down trending line indicates that small-cap stocks are underperforming. After the strong underperformance during most of the last year, the recent uptick in the relative performance of small-caps is an encouraging sign.



The junk bond market is also confirming the strong uptrend in the equity markets. Two weeks ago, the **BofA ML High-Yield Master II Index** definitively broke through its 50-day moving average indicating that the elevated levels of risk in the market have subsided.

While there is always risk in the stock market, investors appear to be looking forward to brighter days ahead and it looks like the worst of the stock market decline that was spurred on by the coronavirus and the near complete shutdown of the US economy is now behind us.

The RGB Capital Group strategies are all fully invested. The Core strategies are invested in low volatility bond / income funds that are providing exceptional risk-adjusted returns; the Flex+ strategy has moved to a fully invested posture; and the Balanced strategies, which are a 60/40 combination of the Core / Flex+ strategies, are allocated accordingly. Given the exceptional risk-adjusted returns available with the bond / income funds in the current environment, the Core Non-Qualified (CN) and the Balanced Non-Qualified (BN) are in a leveraged position with overall volatility significantly below that of the market. I hope everyone in your family is well and starting to enjoy a bit of normalcy as things start to open up.

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