

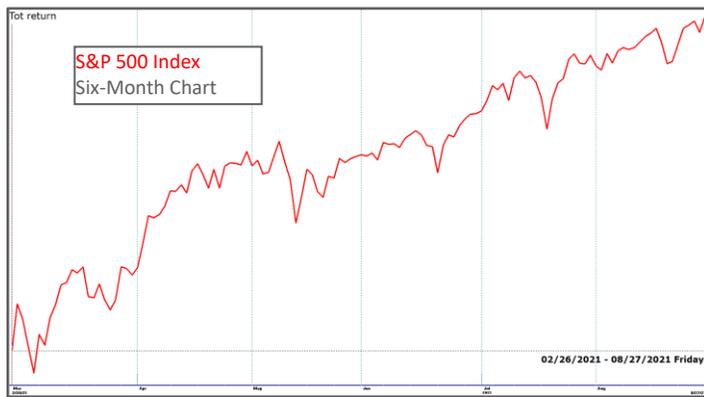


# RGB Perspectives

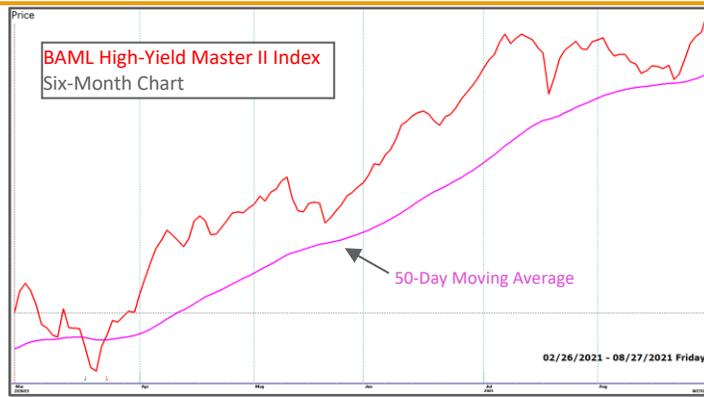
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The stock market continued to climb higher last week and most of the major market indices are poised to end the month with gains. The **S&P 500 Index** rose 1.5% last week and is up 2.6% for the month.



Junk bonds have spent the last six weeks in a trading range but surged higher at the end of last week. The **BAML High Yield Master II Index** reached a new all-time high on Friday and is confirming the uptrend in stocks.



Other bond and income groups continue to trade in a narrow trading range. Preferred securities, for example, are at about the same level they were at the beginning of August. If the equity markets continue to move higher, I suspect that many of the economic sensitive bond groups, such as preferred securities, will start to climb higher as well.

Federal Reserve Chairman Jerome Powell gave his much-anticipated Jackson Hole speech on Friday where he confirmed the Fed's current stance on monetary policy. During his talk, he reiterated that the Fed would likely begin tapering bond purchases later this year and interest rate hikes are still off in the future. The market interpreted this as very dovish (accommodative), which consequently pushed the major equity indices higher.

We have not made any changes to the RGB investment strategies and remain fully invested and leveraged in the Core Non-Qualified and Balanced Non-Qualified strategies. The equity portion of the strategies continues to benefit from the rise in the stock market and I anticipate that the low volatility mutual funds we invest in, which tend to follow the overall trend of the stock market but on significantly less volatility, will likely resume trending up so long as the stock market trend remains positive. All the RGB investment strategies are positive month-to-date as we head into the final two trading days of the month.

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