

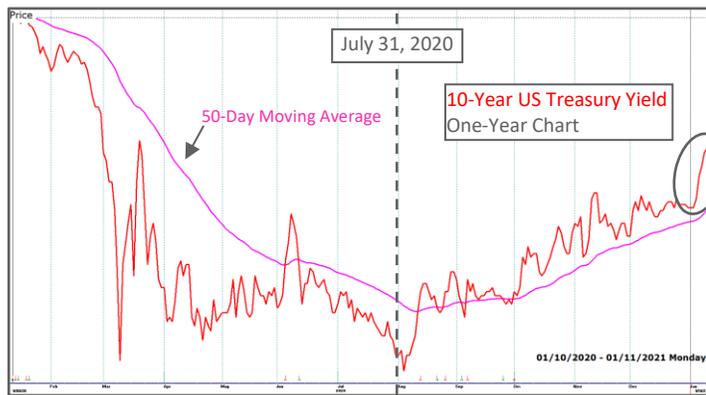


RGB Perspectives

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Interest rates have been climbing as the anticipation of stronger economic growth in the future accelerates. For example, the **10-Year US Treasury Yield** has moved up over 100% over the last five months. On July 31st, the yield was 0.55% and has climbed to 1.15% as of today; a 109.1% increase. The rate of change in yields has increased since the beginning of this year (see circled area).



The rise in interest rates has a negative impact on interest rate sensitive bonds such as US Treasuries. The **BofA Merrill Lynch Long-Term Treasury Index**, an index of longer duration US Treasuries, has fallen 10.7% since July 31st.



Economic sensitive bonds and income funds, such as junk bonds, are less impacted by interest rate movements and more influenced by overall economic conditions. The **BofA Merrill Lynch High-Yield Master II Index** (junk bond index) has continued to trend up in this rising interest rate environment. The index is up 6.5% since July 31st.

A majority of the holdings in the RGB Capital Group Core and Balanced strategies are invested in funds that are influenced by overall economic conditions and they have continued to trend up. The Flex+ strategy remains fully invested in equities which are also benefiting from the expectation of higher growth in the future. While market conditions look favorable at the moment, the stock market environment can change quickly. I continue to monitor the indicators for our holdings and will take action to reduce exposure, if necessary.

RGB Capital Group Webinar: We will be holding a webinar on Saturday, January 30 at 9:00 am PST to review the year that has just past, assess how each investment strategy performed during this unusual time and discuss my outlook for 2021. If you would like to learn about the markets and the RGB Capital Group investment strategies, please register for the webinar: https://us02web.zoom.us/webinar/register/7716104177470/WN_QNK2nE9_QESUYPOGT-91KA

The webinar is open to all current and former clients, as well as others that are interested in learning more about our risk managed approaches to managing wealth.

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