

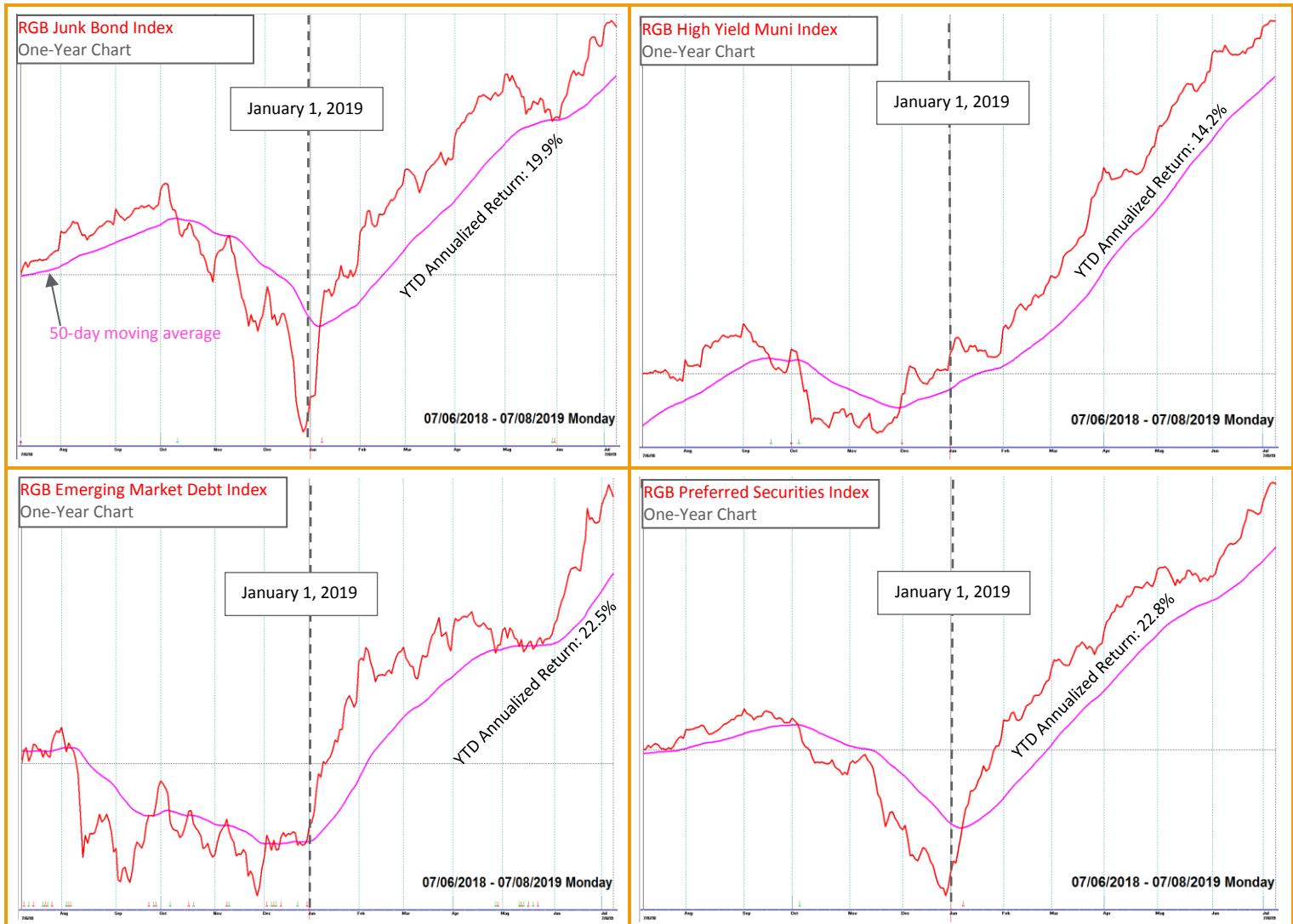


RGB Perspectives

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The four indices shown above, which are developed from an equal-weighted group of representative mutual funds, reflect bond/income groups that I track that are currently in extremely low volatility uptrends. The low volatility nature of these groups can be witnessed by looking at the 50-day moving averages that are trending up in nearly a straight line. The strong returns coupled with low volatility uptrends are creating strong risk-adjusted returns. In fact, the risk-adjusted returns of these groups, as well as others not shown including corporate bonds and investment grade muni bonds, exceed the risk-adjusted returns of many of the major equity indices.

Last month the Federal Reserve indicated that they will 'act as appropriate to maintain the current expansion'. As recent economic data indicates the economy is slowing. This means that the Fed is likely to continue to provide liquidity and lower interest rates going forward which should continue to support these groups. While these types of investments don't always provide great risk-adjusted returns, this is one of those environments that are hard to ignore.

The conservative portions of the RGB Capital Group investment strategies are invested in low volatility funds including the groups shown above. All RGB Capital Group investment strategies are positive month-to-date.

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