

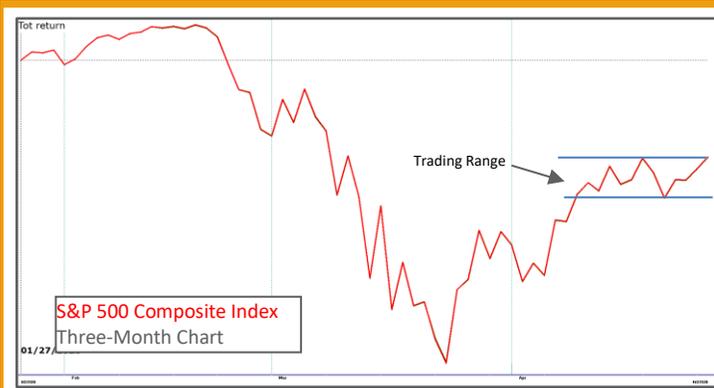


RGB Perspectives

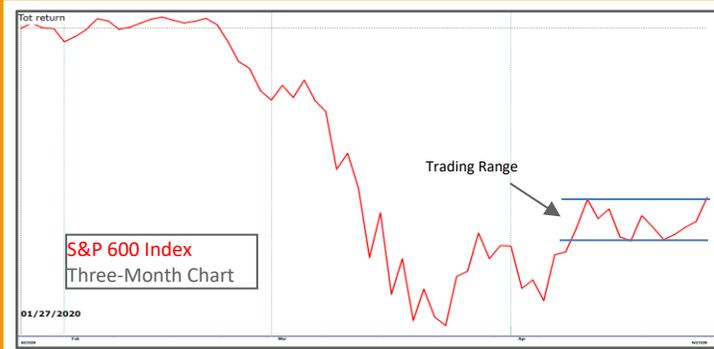
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After an initial rally off the March 23 low, the **S&P 500 Composite Index** has entered a short-term trading range. The index closed today at the top end of that range. The distance between the top and the bottom of the range is about 5%. A breakout from this trading range would provide clues to the near-term direction of the market.



Small-cap stocks have had a similar pattern since the March lows. The **S&P 600 Index** is also at the top end of a short-term trading range indicating a balance between buyers and sellers. The distance between the top and the bottom of the range is about 7%.



The rally in junk bonds took a breather last week as well. The **Merrill Lynch High-Yield Master II Index** rallied up to its 50-day moving average before pulling back approximately 2.3% over the last week. While the decline is small at this point, it is worth noting. Given the nature of the current crisis, it should not be surprising that we see a bit of volatility in this usually low volatility asset class.



The **RGB Preferred Securities Index** is an average of five large preferred securities mutual funds and represents another low volatility asset class. Like junk bonds, preferred securities follow the same general trend as equities but have held up slightly better than junk bonds over the last week as the RGB Preferred Securities Index has primarily moved sideways. It is unlikely that junk bonds and preferred securities will trend in different directions for a significant period of time.

There have been no significant changes to the RGB Capital Group investment strategies over the last week. The Core strategies remain invested in a variety of low volatility mutual funds and the Flex+ strategy maintains a reduced risk profile. All strategies are positive for the month as we enter this last week of April. I hope everyone is staying safe and healthy.

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