

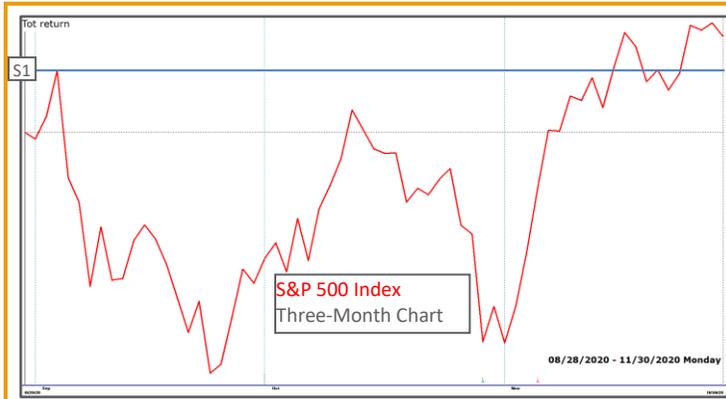


# RGB Perspectives

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The stock market has completed a remarkable month that saw some of the major stock market averages move up between 10% and 18%. The **S&P 500 Index** was up over 10% for the month. However, much of this rise recouped some the losses experienced during September and October. The index remains above an important level of support (S1) that is marked at the early September highs.



Small-cap stocks had a very strong month as well. The **Russell 2000 Index** outperformed the **S&P 500 Index** by a significant margin over the last three months with the Russell 2000 Index returning over 15.3% during this time period vs. the S&P 500 Index returning 3.2%. This rotation out of large-cap stocks into small-cap stocks is typically a sign of a healthy stock market environment.



The **BofA ML High-Yield Master II Index** provided a return equivalent to the **S&P 500 Index** over the last three months but did so on a fraction of the volatility. While the junk bond index was down -2.1% during September, the S&P 500 was down -9.6% during this same time period. It is this lower volatility nature of junk bonds that make them a useful tool for tracking the market and as a good investment for most investors that are interested in striving for better risk-adjusted returns.

The stock market remains positive as we head into the last month of the year and my outlook remains optimistic as we enter a seasonally positive time for the market. There is likely to be continued volatility in the stock market as the virus spreads throughout the country and certain regions impose additional lockdowns. However, this will likely be tempered by investors who typically look 12 to 18 months into the future; a time when a vaccine is expected to be widely available and distributed.

All the RGB Capital Group investment strategies ended the month in positive territory and no significant changes have been made to the strategies during the last few weeks. As usual, clients will receive their monthly performance reports within the first week of December. If anyone is interested in reviewing the performance results of our investment strategies, please send an email to Lois ([lois@rgbcapitalgroup.com](mailto:lois@rgbcapitalgroup.com)) who will be happy to share a copy of the strategy performance reports with you.

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