

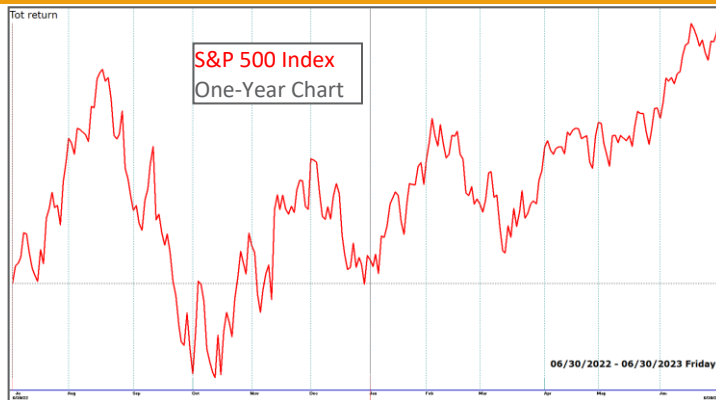


RGB Perspectives

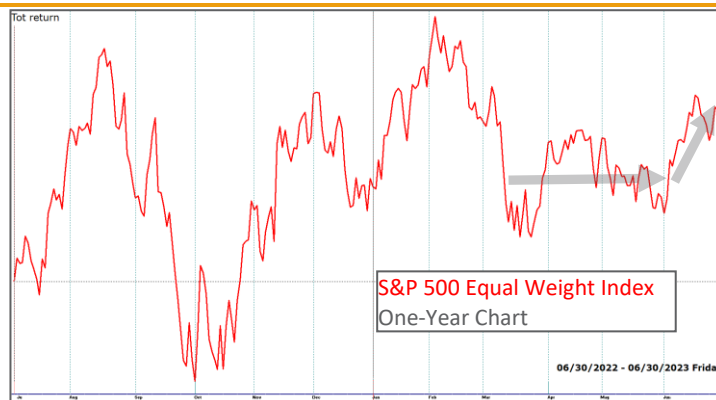
July 3, 2023

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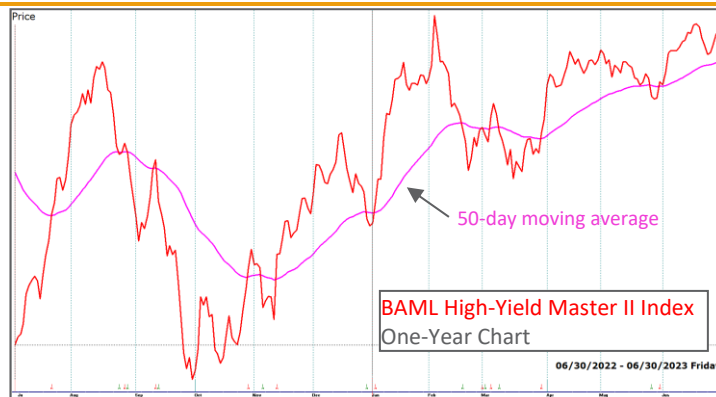
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The **S&P 500 Index** is a cap-weighted index and the largest stocks in the index account for a large portion of its performance. The index is in a strong uptrend and finished the month at a new 52-week high.



What is not apparent in the chart above is that most of this year's performance is a result of a handful of stocks. Looking at the **S&P 500 Equal Weight Index**, where each stock is counted equally, the market struggled for many months. For the period March through May, the equal-weight index was down -4.8% and the cap-weighted index was up +5.3%. However, market breadth improved last month as more stocks started to participate in the rally and the S&P Equal Weight Index outperformed the cap-weighted index by 1%.



The **BAML High-Yield Master II Index** (junk bond index) also turned up last month after trending sideways for the months of April and May. This is an indication that investors are willing to take on risk.

The Federal Reserve has indicated that they are not yet done with their interest rate hikes and remain focused on their fight to bring down inflation. Markets are predicting that the committee will raise rates again by 0.25% at the conclusion of the next FOMC meeting on July 26th. While rate increases have been viewed negatively over the last year (i.e. interest rate hikes are designed to slow down the economy), the improvement in market conditions is encouraging. Investors may be looking past this July rate hike to a period where rates start to decline in the future.

No changes have been made to the RGB investment strategies over the last week. The strategies remain invested in low volatility mutual funds and/or equities depending on the strategy. All strategies ended the month in positive territory. I hope you all have a fantastic July 4th holiday!!

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Prepared with data through 6/30/2023