



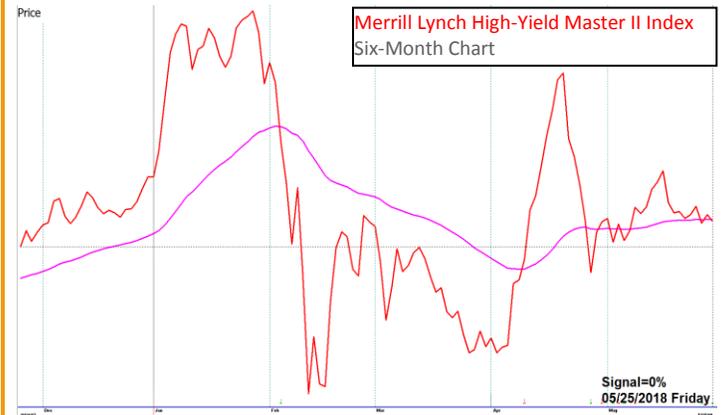
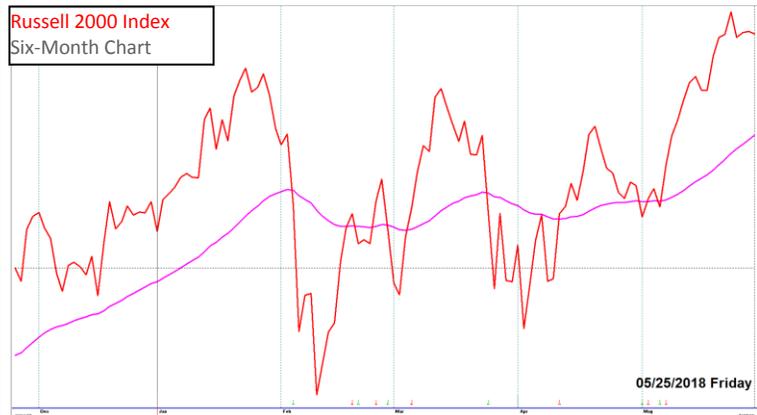
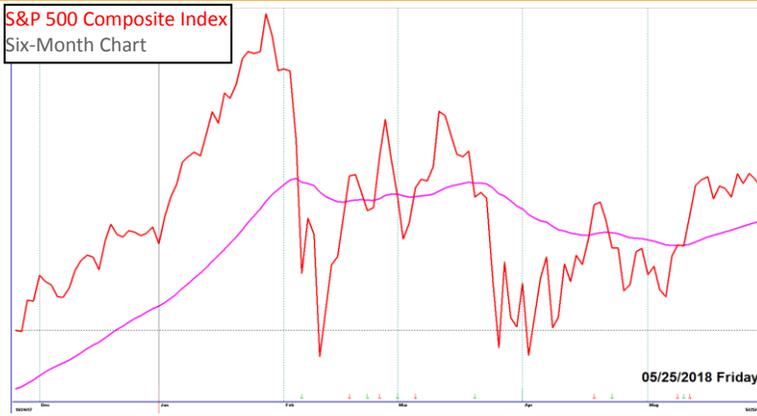
RGB Perspectives

May 28, 2018

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All clients and friends of RGB Capital Group are invited to attend our annual meeting scheduled for Saturday, September 29 in Los Angeles and Saturday, October 6 in San Diego. For details and online registration please use the following links: [Los Angeles Meeting Details and Registration](#) or [San Diego Meeting Details and Registration](#). If you would like to attend, you must register. For questions, please contact Lois at lois@rgbcapitalgroup.com or 858-367-5200.



I have plotted four of the major market indices that I follow along with their **50-day moving averages**. The 50-day moving average helps us to visualize the trend of the market by removing some of the day-to-day noise. The market trend (i.e. the 50-day moving average) has flattened out over the last several months as volatility picked up during 2018.

More recently, the trend of the Russell 2000 Index (small-cap stocks) and the S&P 400 Index (mid-cap stocks) has started to turn up which may be an indication that some of the recent volatility may be behind us. However, the change in trend is not being confirmed by the S&P 500 Composite Index (large-cap stocks) and the Merrill Lynch High-Yield Master II Index (junk bonds) which have continued to trend sideways. It is unlikely that small- and mid-cap stocks will continue to trend up for a significant period of time without the participation of large-cap stocks and junk bonds. Generally, different segments of the market will all trend up together during strong market environments.

I increased our exposure to the market in May in all of the RGB Capital Group models with exposure to small-cap stocks and commodities. However, commodities, which were in a strong uptrend, turned down sharply at the end of last week erasing the small gains that we accumulated. As a result the RGB Conservative models are about flat for the month, while the RGB Flexible models are down a little. I will continue to adjust our portfolios as market conditions change. I hope you all have a wonderful Memorial Day and take time to remember those that have given their lives for our country.

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