

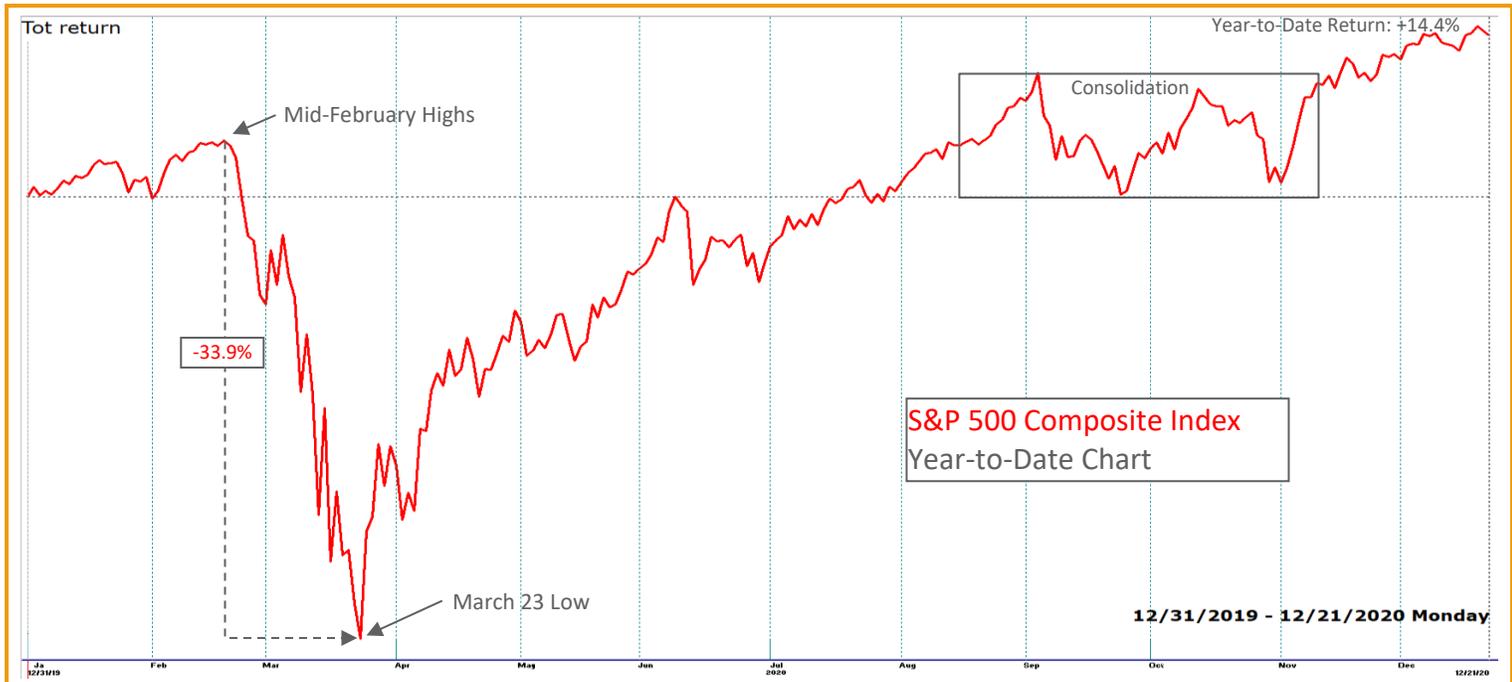


# RGB Perspectives

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The coronavirus pandemic created a year that most of us will not forget for quite some time. Countries around the world responded with an almost complete shutdown of the global economy which took the **S&P 500 Composite Index** from an all-time high in mid-February to an approximately 34% decline over the course of 23 trading days. Other stock market indices fared much worse with some indices falling over 40%! Aggressive action by Congress and the Federal Reserve, halted the steep decline on March 23 and the S&P 500 Composite Index started recouping its losses. From March 23 through mid-August (a period of 105 trading days), the S&P 500 was once again at its previous all-time high. After such a remarkable recovery, the stock market took a breather and entered a period of consolidation before resuming its uptrend over the last two months. As we approach the end of this extraordinary year, most of the major market indices sit near all-time highs. This year has obviously created an interesting market for investors to navigate.

I do not manage money based on market forecasts or what I think the market will do in the future. I have no way to predict the future and haven't met anyone that can consistently 'call' the markets' next move. Instead, I focus on a 'rules-based' approach to managing risk in all the RGB Capital Group investment strategies. The degree of risk management is dependent on the objectives of each strategy. During this unusual year, the RGB Capital Group investment strategies provided returns on volatility levels that were below that of the overall stock market. In the case of the RGB Core and Balanced strategies, volatility was substantially below that of the market. The strategies did not participate in the same type of declines as experienced in the equity markets as they moved to cash or a reduced risk profile during February and March and were able to take advantage of the incredible rebound that took place following the March 23<sup>rd</sup> bottom. Preserving capital during significant market declines is a large part of our risk management approach. While risk management does not always result in lower drawdowns and higher returns, it tends to work well in times of extreme crisis. If you are interested in reviewing the 2020 performance results of the RGB Capital Group investment strategies, please email Lois ([lois@rgbcapitalgroup.com](mailto:lois@rgbcapitalgroup.com)) and she will send you a copy when they are available in early January.

Next year will likely be very different from this past year. While I am optimistic about the possibilities for next year, there is always risk in the market. I will continue to manage my portfolio, my mom's portfolio and my client's portfolios using the risk management techniques that allowed us to successfully navigate the markets this year. Lois and I hope that you all have a wonderful holiday and wish you the best for 2021. We will be spending some time with our girls between the Christmas and New Year's holidays and therefore, this will be my last RGB Perspectives for 2020. Happy Holidays!!

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