

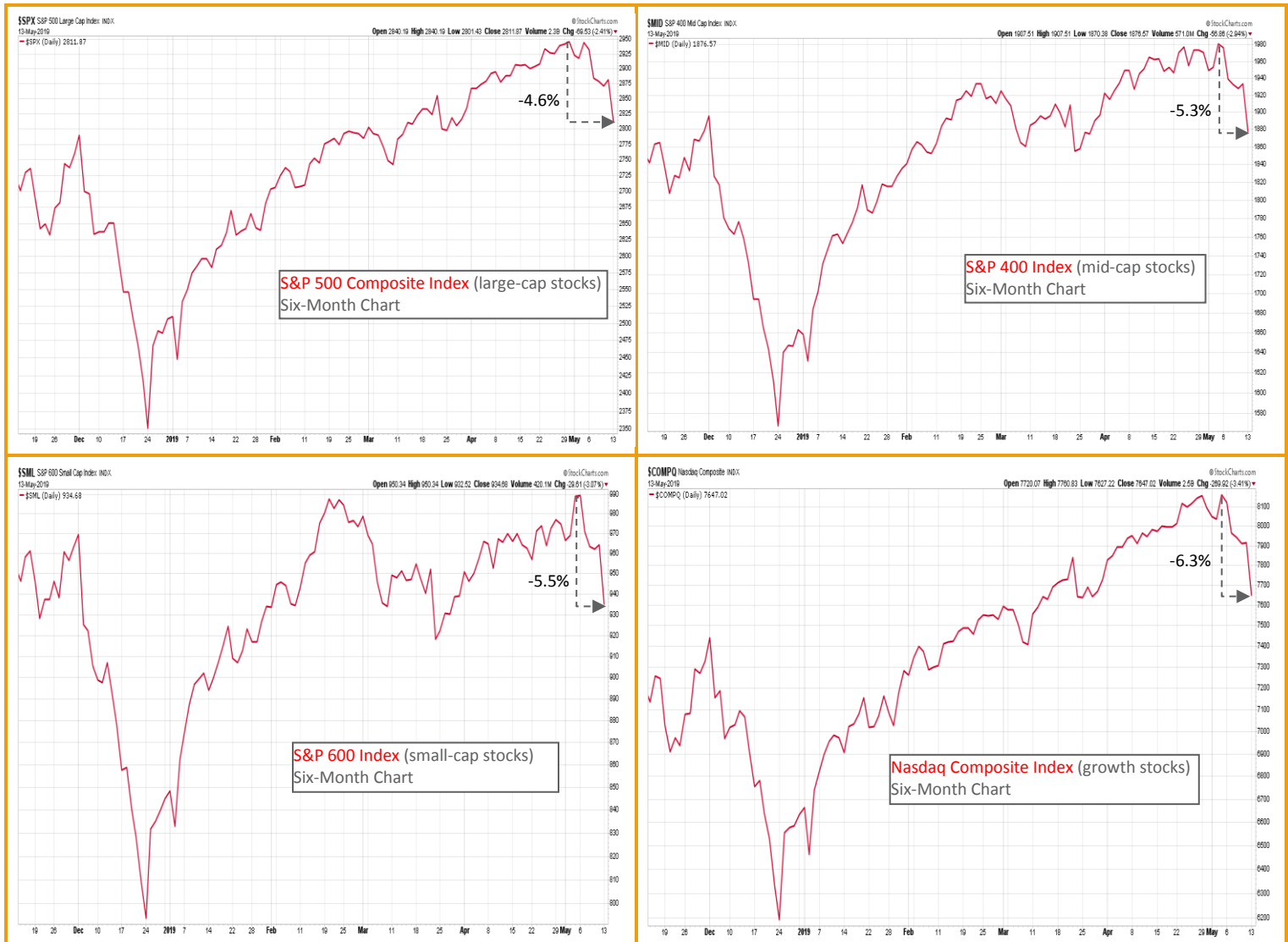


# RGB Perspectives

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Most of the diversified stock indices entered this month in relatively low volatility uptrends and the S&P 500 was even flirting with new all-time highs. Now these indices are in short-term declines as a result of a breakdown in the trade negotiations between the U.S. and China as the U.S. announced an increase in tariffs. The initial market reaction was orderly, with the markets generally selling off in the morning and recovering some of those losses into the close of each day. On Friday, the indices sold off but ended in positive territory. At the end of the week, the indices shown above were down between 2% and 3%. Not terrible given the circumstances.

That changed today, as selling intensified on the heels of China's announcement that they will retaliate with tariffs on \$60 billion worth of goods imported from the U.S. The indices above were down another 2% to 3.5% today. As a result, most of the major indices are down 4.5% to 6.5% from their recent May peaks.

No changes have been made to the RGB Capital Group investment strategies at this point. If the selling continues some of our positions will likely be stopped out in the near term and I will take action accordingly. The strategies are performing as you might expect with the Flex+ strategy down in line with the overall market, the Conservative strategies down less than 0.3% and the Flexible strategies in between. I will continue to monitor the markets and make adjustments as necessary.

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