

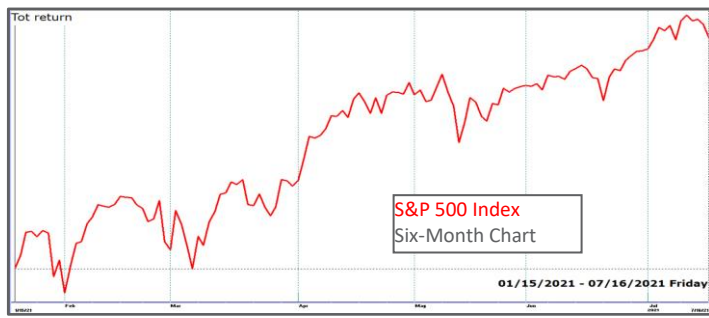


# RGB Perspectives

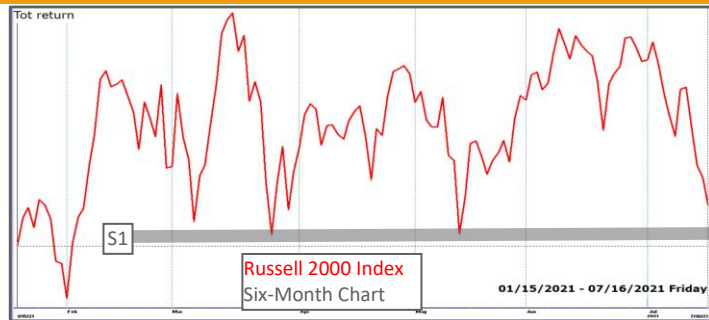
July 19, 2021

Written by Rob Bernstein ([rob@rgbcapitalgroup.com](mailto:rob@rgbcapitalgroup.com))

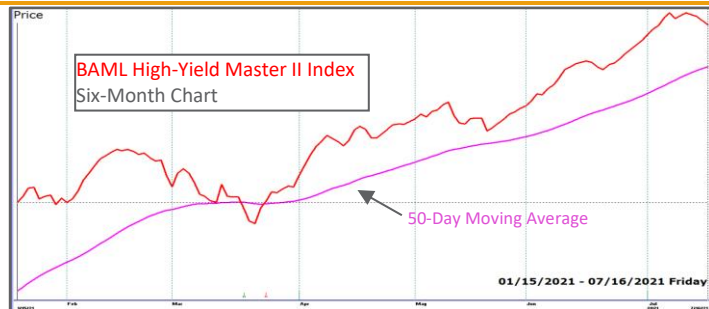
RGB Capital Group LLC • 858-367-5200 • [www.rgbcapitalgroup.com](http://www.rgbcapitalgroup.com)



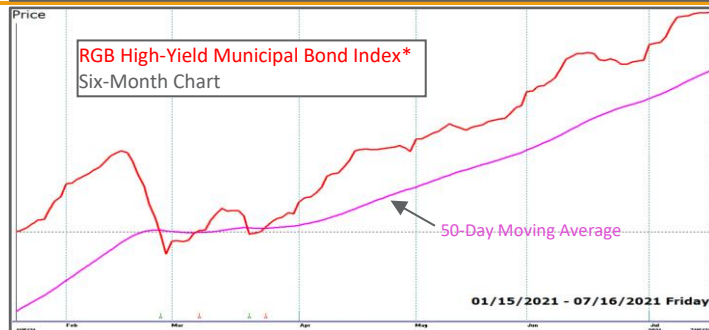
The **S&P 500 Index** pulled back about -1% over the course of last week but remains in an uptrend.



The **Russell 2000 Index** moved down last week as well and now sits slightly above the bottom of a multi-month trading range. A break below S1 would be an indication that the balance between buyers and sellers that has persisted throughout most of this year has changed.



The slight pull back in junk bonds last week did not change the overall trend of this low volatility segment of the market. The **BAML High-Yield Master II Index** remains in a low volatility uptrend, trending above its rising 50-day moving average.



Other low volatility segments of the market continue to trend up on low volatility. One example is high-yield municipal bonds. The **RGB High-Yield Municipal Bond Index\*** is providing excellent risk-adjusted returns and did not trend down with the rest of the market last week.

\*The RGB High-Yield Municipal Bond Index is an equally weighted average of mutual funds that track this segment of the market. You cannot invest directly in an index.

The market pulled back a little last week but the sell off did not change the trend of the stock market. Equities remain mixed with portions of the market in uptrends and other segments mired in trading ranges. While the uncertainty in the stock market does not mean the market will start to trend down, I do think risk is elevated. The RGB Flex+ strategy remains in a reduced risk profile with a 60% equity exposure reflecting the uncertainty in the current market environment.

Many of the low volatility segments that we use in the RGB Core strategy, including junk bonds, high-yield municipal bonds, as well as others, remain in stable, low volatility uptrends. The RGB Core strategies remain fully invested and margined (in our leveraged accounts) and are providing stable low volatility returns. Although we are margined in our leveraged accounts, the overall volatility is significantly less than the overall stock market. This is a key component to the RGB investment process of managing risk while continuing to participate in the market returns.

RGB Perspectives is provided for general information purposes only. It does not constitute an offer to sell or a solicitation to buy a security and is not an offer to provide any specific investment advice. Securities held in the RGB models are subject to change without notice. Past performance is not a guarantee of future performance. It is not possible to invest directly in an index. Individual account results will vary from RGB models due to timing of investment, amount of investment and actual securities used. Advisory fees are deducted within the first month of the quarter for the prior quarter. Most data and charts are provided by [www.fasttrack.net](http://www.fasttrack.net) or TC2000 ([www.worden.com](http://www.worden.com)). RGB Capital Group contact info: (858) 367-5200. Email: [info@rgbcapitalgroup.com](mailto:info@rgbcapitalgroup.com)