

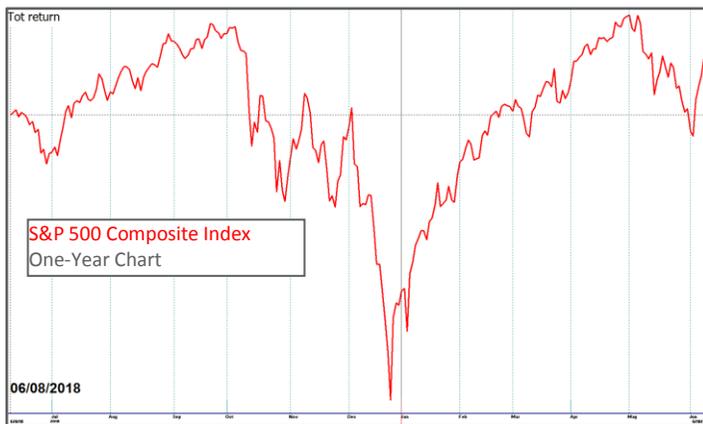


RGB Perspectives

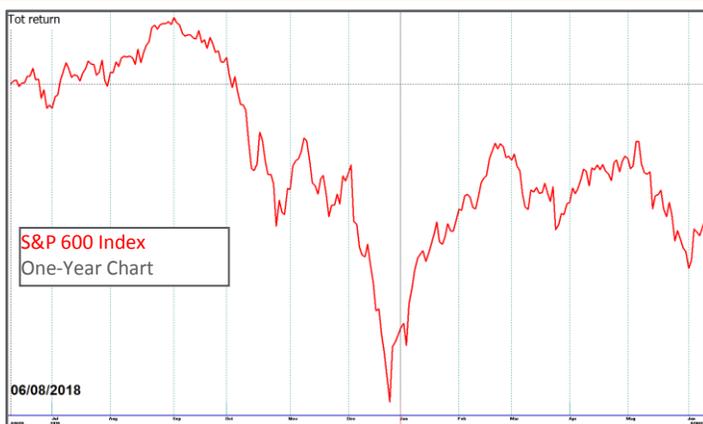
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The **S&P 500 Composite Index** fell 6.8% from the beginning of May to the June 3rd low. As has become commonplace over the last several years, a V-shaped recovery is now forming with the S&P 500 Composite Index climbing 5.2% since the June 3rd low. The index is now 2% below its all-time high.



The **S&P 600 Index** of small-cap stocks fell over 10% during the May decline. While the index has recovered some of that decline, it remains below the May peak and is 15.6% below its all-time high. The underperformance of small-cap stocks remains a concern as they generally outperform during strong market environments. That is certainly not happening now.



Junk bonds also fell as the stock market declined. However, as is typical with junk bonds, they fell at a slower pace. The **BofA ML High-Yield Master II Index** fell 1.4% from its peak before bottoming. It has now recovered the entirety of the May decline.

It appears that another V-shaped recovery is unfolding as some of the headline risks (trade wars with China, potential tariffs on Mexican imports and fear of how the Federal Reserve would manage this environment) have subsided. The conservative portion of the RGB Capital Group investment strategies remains fully invested and margined and the equity portion maintains some exposure to stocks. All RGB investment strategies are up for the early part of June.

We are planning for our 2019 annual meeting that is open to clients and others interested in learning more about the services we provide and our risk management approach. If you haven't already done so, please take a couple of minutes to share your thoughts so that we can plan a meeting that will accommodate as many people as possible: [Take Survey](#). Thank you in advance for your participation.

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