

*The following commentary is the opinion of our Portfolio Manager at the time of its writing. Please see important disclosures.*

## OVERVIEW

It was a nice week for financial markets reacting positively to favorable news on inflation and US/China trade talks. Then came a new war in the Middle East with Israel attacking Iran's nuclear and military sites Thursday evening. Financial markets went into a selloff on Friday, bringing the week to a net loss.

The S&P 500 ended the week down -0.39% with Foreign Developed at -0.17% and Emerging Markets at a positive 0.76%. In the US, Large Caps outperformed Small Caps which were down 4X the S&P 500. It should be noted that the S&P 500's small loss was due to an anomaly in the outsized positive return of one tech stock. As a result, all US equity asset classes had losses greater than the S&P 500!

Treasury Bond yields ticked down on a flight to safety which led Interest and Blend to outperform Credit, all with positive returns. The Dollar declined along with Treasury yields, leading Global Bonds to outperform US Bonds.

Commodities were mixed with a strong rally in Oil on fears of supply disruption and in Gold on a flight to safety.

## PERFORMANCE

### ***TAG TACTICAL STRATEGIES: Global Macro***

All three *Core Strategies* underperformed their proxies with small fractional gains or losses due to overweight positions in US Small and Mid Cap Equities.

*Tactical Income* trailed its proxies due to positions in traditional Credit Income Securities. The yield as of June 13, 2025, is at 5.54%.

*Tactical Equity* underperformed its proxies due to positions in Emerging Market Internet and US Small Cap Equities.

### ***RPg STRATEGIES: Quantitative Formula***

*Tactical US Equity* was down substantially more than the S&P 500 due to an underweight in Technology and an overweight in Financials and Industrials Sectors. *Tactical US Equity FT* was down less than the S&P 500 due to an overweight in the Energy Sector.

*Tactical Global Balanced* generated a fractional positive return due to positions in the US Energy Sector and Foreign Developed Equities and Foreign Bonds and Gold.

## OUTLOOK

Just when you thought the headlines might calm down, we now have the new variable of a broadening Mideast war. The unresolved Iran nuclear threat is just the latest problem inherited by the Trump administration, which is requiring forceful, but disruptive, correcting actions.

The TAG and RPG disciplined processes will continue to drive our asset allocation decisions.

### **Your RPg Investment Team**

*We welcome your comments and questions regarding the foregoing.*

Please direct them to: [support@riskparadigmgroup.com](mailto:support@riskparadigmgroup.com)

***Please read and refer to important disclosures that follow.***

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References to Indexes: The S&P 500 Index is an unmanaged index of 500 stocks that is generally representative of the equity performance of larger companies in the U.S. Please note that an investor cannot invest directly into an index.

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