

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

## OVERVIEW

It was a busy week for economic data and financial markets liked what they saw. Inflation was the headliner, and the news was mixed but generally confirming still benign conditions. Manufacturing is still holding its sluggish pattern. Business sentiment improved and the consumer is still in solid condition as evidenced by the July *Retail Sales* and the still very low level of *Weekly Jobless Claims*. Two new business developments provided additional confidence in the economy. United Health Group rallied 21.2% for the week on news that Berkshire Hathaway invested \$1.6 billion in the second quarter of this year. Then the Wall Street Journal reported the Trump administration is discussing the possibility of the US government taking a financial stake in Intel Corp, the legacy US semiconductor chip manufacturer; that stock ended the week up 24.6%. The other market mover was the announcement that the US and China agreed to another 90 day extension in their trade talks.

The S&P 500 ended the week up 0.94% with Foreign Developed at 2.37% and Emerging Markets at 1.56%. Foreign Developed Equities may have rallied in anticipation of President Trump's meeting in Alaska on Friday with Russian President Putin to explore an end to the Ukraine War. In a clear nod to a more optimistic outlook for the economy, US Small Caps outperformed US Large Caps and Value bested Growth.

Treasury Bond yields moved up marginally in response to the increase in July's *Producer Prices*. As a result, Interest Bonds were fractionally negative, however, Blend and Credit were fractionally positive, again in a nod to a more positive economic outlook. Global Bonds posted a fractional gain in response to the decline in the Dollar.

Commodities were inexplicably broadly negative, perhaps just a trading attention shift to the rally in traditional equities.

## PERFORMANCE

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

All three *Core Strategies* substantially outperformed their proxies. Allocations to Foreign Equities and Bonds and US Small Cap Equities and Credit and Blend Bonds drove outperformance.

*Tactical Income* generated a fractional positive return from an overweight allocation to US and Global Credit and Blend Income Securities. The yield as of August 15, 2025, is at 5.49%.

*Tactical Equity* substantially outperformed its proxies due to allocations in US and Emerging Market Small Caps, Emerging Market Large Cap Internet and Airlines.

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

*Tactical US Equity* trailed the S&P 500 due to allocations in Staples and Utilities Sectors.

*Tactical US Equity FT* substantially outperformed the S&P 500 due to its allocation in the Energy Sector and its Small/Mid Cap weighting.

*Tactical Global Balanced* substantially outperformed its proxies due to allocations in Emerging Market and US Small/Mid Cap weighted Equities.

## OUTLOOK

There seems to be a growing consensus in the financial markets that tariffs will not cause all the dire consequences previously predicted.

The *TAG* and *RPg Strategies* remain allocated to a transitional US and global economy.

### **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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