

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

## OVERVIEW

The optimism at the start of the year for the economy in 2026 continued to drive market action. The actual economic news provided further support for that optimism with solid rebounds in manufacturing surveys, a solid bounce in housing activity and steady business sentiment expressing itself with extremely low levels of job layoffs. Several inflation reports suggested that inflation has stabilized at the current reduced levels. Overseas, economic data remained steady.

The S&P 500 ended the week at -0.38% with Foreign Developed at 1.40% and Emerging Markets at 2.26%. In the US, Small Caps substantially outperformed Large Caps and Value outperformed Growth. Additional selloff in the AI trade dragged down Large Cap Growth and S&P 500.

Bond yields rose fractionally perhaps in response to that strong optimism. As a result, Interest and Blend produced fractional losses while Credit posted a fractional gain. The Dollar was flat which resulted in Global Bonds posting a slightly larger loss than US Bonds.

Commodities were mixed led by another surge in Precious Metals, in particular, Silver.

## PERFORMANCE

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

All three *Core Strategies* produced positive returns which substantially outperformed their proxies' losses or fractional returns. Positions in Natural Resources, Foreign and US Credit Bonds and US Small Cap Equities drove the outperformance.

*Tactical Income* produced a fractional positive return which outperformed the similar losses in its proxies. Positions in US and Foreign Credit Income Securities drove the outperformance. The yield as of January 16, 2026, is at 5.67%.

*Tactical Equity* produced a positive return which substantially outperformed its proxies, which posted losses or fractional returns. Positions in Natural Resources, Aerospace & Defense and US Small Caps drove the outperformance.

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

*Tactical US Equity* generated a fractional positive return against the fractional loss in the S&P 500. Overweight positions in Value Sectors drove the outperformance. *Tactical US Equity FT* generated further outperformance due to its Small/Mid Cap weighting.

*Tactical Global Balanced* generated a fractional positive return against a loss for its domestic proxy and a similar positive return for its global proxy. Positions in Natural Resources, Foreign Developed Equities and US Equity Value Sectors drove the outperformance.

## OUTLOOK

We will continue to monitor events as they play out for consistency with our 2026 OUTLOOK.

### 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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