

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

## OVERVIEW

A week of solid economic news is just what the doctor ordered for a market tiring of the AI trade. The AI stress came in the form of a threat to software companies whose subscription services might be usurped by AI applications. However, the focus shifted to a strengthening economy from a newly resurgent manufacturing sector. Meanwhile, the services sector remained solid and the consumer proved very active in December. Overseas, January business surveys reported Developed and Emerging Market economies in steady growth.

The S&P 500 ended the week down -0.10% from the drag of the sell-off in tech stocks. Foreign Developed were up 0.51% while Emerging Markets were down -1.40% which reflected the tech sell off in certain Asian countries. In the U.S., Small Caps substantially outperformed Large Caps and Value bested Growth, both in a nod to a stronger economic growth outlook.

Bond yields declined only marginally which led to Interest outperforming Blend and Credit, all with fractional gains. The Dollar rose, which helped result in a fractional loss for Global Bonds.

Commodities were mixed with Silver declining amidst continued speculative trading while Gold posted a gain.

## PERFORMANCE

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

All three *Core Strategies* substantially outperformed their proxies. Positions in Foreign and US Small Cap and Value Equities drove the outperformance.

*Tactical Income* substantially outperformed its proxies due to positions in both Credit and Interest Income Securities. The yield as of February 6, 2026, is at 5.41%.

*Tactical Equity* substantially outperformed its proxies due to positions in Metals Miners, Transportation and US Small Caps.

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

*Tactical US Equity* substantially outperformed the S&P 500 with a positive return from an overweight in Value Sectors. *Tactical US Equity FT* further outperformed due to its Small/Mid Cap weighting.

*Tactical Global Balanced* substantially outperformed its proxies due to allocations in US Value Equity Sectors with their Small/Mid Cap weighting and Foreign Developed Equities.

## OUTLOOK

Politics notwithstanding, the US stock market is making a strong statement about the current strength in the economy and the prospects for even stronger growth in 2026. Tariffs notwithstanding, Global stock markets are making similar statements about their economies.

The *TAG* and *RPg Strategies* remain allocated toward that positive economic 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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