

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

## OVERVIEW

The Iran War understandably dominated market sentiment last week. Furthermore, there is an understandable sensitivity and fear of a drawn-out war after 20 years in Afghanistan. However, talk about “the growing risk of a widening and drawn out war threatening the US economy and raising warnings of stagflation”, “setting off a race from Wall Street to Main Street for shelter from what many fear could be a doomsday scenario for the global economy” and “after nearly two weeks of intense American and Israeli airstrikes in Iran, investors are recalibrating for a potentially protracted crisis”. Really? After 2 weeks? And what is “protracted”? The lessons from WWII on the effects of air supremacy, not just air superiority, in bringing about the end of that war have apparently been forgotten, not to mention the vastly more effective precision lethality of air power today versus then. Those fears drove the sell off of most every asset class, domestic and foreign, with the heretofore leaders selling off the most. Meanwhile, the actual US economic news was more steady growth. Importantly to the current fears, the February *CPI* came in at 2.4% versus 2.4% year over year compared to the prior month with the underlying “core *CPI*” in synch at 2.5% versus 2.5% year over year compared to the prior month. Of course, that was widely discounted due to the recent rise in oil prices. If the rise in oil prices proves temporary, we believe the economy is on solid footing in bringing inflation under control. Overseas, February *CPI* reports from China and Brazil show low levels of inflation.

The S&P 500 ended the week at -1.60% with Foreign Developed and Emerging Markets at -2.02% and -1.96%, respectively. In the US, Small Cap versus Large Cap and Growth versus Value were mixed.

Bonds suffered losses as yield rose on fears of oil induced inflation with Blend suffering considerably larger losses than Interest and Credit. The Dollar rallied on a flight to safety resulting in larger losses for Global Bonds.

Commodities were generally negative outside of Oil. In a further sign of the emotional trading, Precious Metals, usually a beneficiary of inflation fears, were substantially more negative than Bonds.

## PERFORMANCE

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

All three *Core Strategies* had losses greater than their proxies due to positions geared toward global growth.

*Tactical Income* was in line with the losses of its proxies, as positions in Foreign and Blend Income Securities were a drag on performance. The yield as of March 13, 2026, is at 5.26%.

*Tactical Equity* had a loss substantially greater than its proxies due to outsized and illogical losses in Metals Miners and Aerospace & Defense.

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

*Tactical US Equity* generated a slightly smaller loss than the S&P 500 due to positions in Utilities and Energy.

*Tactical US Equity FT* generated a slightly larger loss than the S&P 500 due to its Small/Mid Cap weighting.

*Tactical Global Balanced* was in line with its proxies as the drag from its Small/Mid Cap weighting in US Equity Sectors was somewhat mitigated by positions in Energy MLPs and China Internet Equities.

## OUTLOOK

We continue to believe that the next key development in the Iran War will be the opening of the Straits of Hormuz, which should dramatically bring down the price of oil.

The *TAG* and *RPg Strategies* remain allocated to a positive US and Global growth 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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