

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

## OVERVIEW

What the Iran War taketh away in March, it giveth in April. A declared ceasefire and Iran stating that the Strait of Hormuz is completely open sent stock and bond markets on a fierce rally. Solid US economic news gave the rally a strong underpinning. Manufacturing reported consistent and increasing growth. The services sectors are still solid. The jobs market is still steady. The housing market shows solid underlying demand, although not fully met with supply. For all the hysteria about inflation from the rise in oil prices, pre-war inflation was in good shape. Overseas, Germany and Japan showed some stresses from higher oil prices but, otherwise, global business activity was steady.

The S&P 500 ended the month at a very strong 10.42% with Foreign Developed at 7.45% and Emerging Markets at a whopping 14.71%. In the US, Growth outpaced Value; a strong rally in Technology Stocks tied to the AI trade was the main driver of the S&P 500's return. Small Caps outperformed Large Caps in a nod to a more bullish economic outlook.

Treasury Bond yields ticked up during the month, leading to a fractional loss in Interest against a fractional gain in Blend. However, Credit registered a strong rally. The Dollar suffered a substantial decline, perhaps a retreat from the safety trade. This helped Global Bonds to substantially outperform US Bonds.

Commodities were mixed with Industrial Metals following the rally in Credit Bonds and US Small Cap Equities. Despite improved outlooks for the war, Oil sustained a strong rally. Precious Metals were negative, perhaps in a retreat from a safety trade.

## PERFORMANCE

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

Positions in US and Foreign Credit Bonds were the primary drivers of outperformance. Positions in Foreign Developed and US Value Equities were the primary sources of underperformance. Therefore, as a result of their respective policy allocations to Bonds versus Equities, *Tactical Conservative* substantially outperformed its proxies, while *Tactical Moderate* was in line with its proxies and *Tactical Growth* trailed its proxies.

*Tactical Income* substantially outperformed its proxies due to its overweight allocation in Credit Income Securities. The yield as of April 30, 2025, is at 5.12%.

*Tactical Equity* substantially trailed its proxies due to allocations across a wide variety of US and Foreign Value Sectors and non- AI Growth sectors.

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

*Tactical US Equity* substantially trailed the S&P 500 due to an overweight in Value Sectors. *Tactical US Equity FT* had a similar result for a similar reason.

*Tactical Global Balanced* trailed its proxies due to equity allocations in US Value Sectors and Chinese Internet, which were a drag to otherwise out performance from its Bond allocations.

## **OUTLOOK**

April's financial market action bore out our March Commentary OUTLOOK. The Iran War perceptions are becoming more favorable and the focus is returning to the underlying strength in the US economy. We remain realistic that the resumption of military action is a distinct possibility. However, we also believe the financial markets are now discounting the eventual favorable conclusion to the War. In that regard, we are looking past any new volatility.

The *TAG* and *RPg Strategies* remain allocated toward growing strength in the US economy and improving global growth.

### **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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