RPg asset management
Defending Capital. Redefining Risk.

WEEKLY COMMENTARY

Week ending June 5, 2026

Solutions Based on TAG Macro & RPg Quantitative Strategies

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

OVERVIEW

The economic news added further confirmation to our view of solid growth in the US economy. Manufacturing's rebound is strengthening, the services sector is very solid, and the jobs market is much stronger than expected, reporting a third month of substantial job growth in May. However, instead of celebrating this good news, the financial markets chose a negative interpretation. That view sees higher inflation from oil and a stronger economy as raising the likelihood that the Fed must actually "raise rates", instead of cutting them. That sent US and foreign financial markets into a steep selloff, in particular the high-flying AI trade stocks. Overseas, business activity surveys reported strong growth in key Emerging Market countries and marginal contraction in key Foreign Developed countries.

The S&P 500 ended the week at -2.59% with Foreign Developed at -1.39% and Emerging Markets at -1.94%. In the US, Value lost less than Growth, while Small Caps lost more than Large Caps.

Bond yields rose marginally leading Interest and Blend to post fractional losses with Credit recording less of a loss. The Dollar staged a strong rally on the expectation of a Fed rate hike, leading Global Bonds to post a larger fractional loss than US Bonds.

Commodities were broadly negative with the more negative economic outlook. Oil rose on concerns over escalations in the Iran War conflict.

PERFORMANCE

TAG TACTICAL STRATEGIES: Global Macro

All three *Core Strategies* underperformed their proxies due to allocations based upon a positive economic outlook.

Tactical Income was in line with its proxies. The yield as of June 5, 2026, is at 5.10%.

Tactical Equity substantially underperformed its proxies due to allocations based upon a positive economic outlook.

RPg STRATEGIES: Quantitative Formula

Tactical US Equity posted a substantially smaller loss than the S&P 500 due to allocations in Value Sectors and an underweight in the Technology Sector. *Tactical US Equity FT* posted even less of a loss due to its Value weighting.

Tactical Global Balanced was in line with its proxies as its US Equity Value Sector weightings helped to mitigate larger losses from Global Bonds.

OUTLOOK

The hysteria over a temporary pressure on inflation from the rise in energy prices due to the Iran War mistakes labeling it as "rising inflation' versus "spiking inflation". West Texas Intermediate Crude has already declined from its early War "price spike".

The second hysteria over a strong *Jobs Report* fails to distinguish inflationary pressures from growth driven by the "private sector economy" versus the "public sector economy", i.e., business investment versus government spending. It seems to us that the current economic expansion is clearly driven by the private sector. Therefore, we expect inflation to resume its downward trend as oil prices retreat further with the end of hostilities.

Finally, we find it incredulous that financial markets would expect the Fed to raise rates in response to the oil price rise, thereby giving Iran new leverage in the resolution to the War.

The *TAG* and *RPg Strategies* remain allocated to increasing global growth.

Your RPg Investment Team

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We welcome your comments and questions regarding the foregoing.
Please direct them to: 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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