RPg asset management
Defending Capital. Redefining Risk.

WEEKLY COMMENTARY
Week ending October 16, 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
Let's talk inflation. Several measures reported last week. We believe the culprit is clear - energy. That is primarily coming from the Iran War. Even though oil coming out of the Strait of Hormuz is now up to approximately 80% to 92% of prewar levels, traders are still putting a premium on oil due to uncertainty over a long-term solution. Even with that, September *Core CPI* came in at 2.6% year over year, hardly a threatening level. Adding to the fear of another Fed rate hike was escalating concern that higher borrowing costs might slow down the significant AI investments. Interesting twist from previous fears that the AI investments might prove to not justify the profits from them. Meanwhile, manufacturing continued to flex its mojo and small business sentiment remained at a solid moderate level. Overseas, there were minimal data releases with no consequential changes.

The S&P 500 ended the week at -1.95% with Foreign Developed at 1.43% and Emerging Markets at -5.15%, the latter reflecting the significant sell off in Chip stocks. Of course, a dour economic outlook would affect US Small Caps the most, which it did as they were down 56% more than the S&P 500.

Treasury Bond yields declined on a flight to safety, leading to sizable returns for Interest and Blend Bonds but a loss for Credit, which would suffer in an economic downturn. The Dollar declined fractionally, giving Global Bonds a slight edge over US Bonds.

Commodities were broadly negative except for Oil which rose on renewed Mid East concerns.

PERFORMANCE
TAG TACTICAL STRATEGIES: Global Macro
All three *Core Strategies* substantially underperformed their proxies due to their asset allocation toward solid growth.

Tactical Income posted a fractional gain that trailed its proxies due to an overweight to Credit Income Securities. The yield as of October 16, 2026, is at 5.61%.

Tactical Equity posted a substantially larger loss than its proxies due to positions poised for solid economic growth and a particularly larger loss in South Korea, reflecting the selloff in Chip stocks.

RPg STRATEGIES: Quantitative Formula
Tactical US Equity posted a fractional positive return against the S&P 500's loss. Overweight positions in Value Sectors and an underweight in the Tech Sector drove the outperformance. *Tactical US Equity FT* generated a smaller positive return due to its Small/Mid Cap weighting.

Tactical Global Balanced was in line with its domestic proxy due to its US Equity Value Sectors and underweight in Credit Bonds.

OUTLOOK
We suspect some of the financial market gyrations are related to the upcoming US mid-term elections. The hard data simply does not support the negative speculations.

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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