

The Trend

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Did You Know?

The Olympic Gold Medal weighs a total of 531 grams, which is about the same weight as your standard plastic bottle of water. Of those 531 grams, only six are actual gold. The rest is made of silver. Using the current rates of both precious metals, the street value of a gold medal is approximately \$548.



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The Olympics are Over!

The Summer Olympics are held once every four years and the United States currently has 555 athletes competing in the 2016 Rio Summer Games. Each athlete earned a chance to represent the United States, in Rio, at a series of competitions called the U.S. Olympic Trials. There are no guarantees. You have to perform to earn and keep your spot on the team.

In the investment world, much like the Olympics, there is competition to earn a spot on the team. That competition happens every day that the financial markets are open. The RHL Group uses specific ranking criteria along with technical analysis to evaluate different types of investments for our models. The ranking system allows us to trim the field of competitors down to a manageable list of options. This short list is then evaluated, often through the use of Relative Strength analysis, to determine those investments most suitable for a spot on the team.

Like Michael Phelps, we also added Gold and Silver in 2016 and we have continued to maintain those positions in the models. Most of our defensive positions have held up well so far this summer, but a recent change in asset class rankings suggests a shift away from defensive assets towards growth oriented strategies. As a result, we are beginning to add investments in high yield bonds and U.S. growth stocks. Sector rotation is another important part of our investment strategy. If the trend towards growth continues, we may also see a shift in our sector allocations.

One of the more notable areas to show increased demand is the global and international stock asset class; specifically Emerging Market Equity and Emerging Market Fixed Income. Many emerging market countries are rich in natural resources and commodities which often fuel periods of economic growth. In addition, lower interest rates and quantitative easing; implemented by the European Central Bank, China, and Japan in 2015, may be fueling the surge in demand for international equities. We will be adding international positions to round out our portfolios as we move into the fall.

We will continue to monitor and evaluate our portfolio team against other investment options. While there are no guarantees, our goal is to consistently field a team of competitive investments that are always in contention for the medal rounds.