MOULTON WEALTH MANAGEMENT INC.

MOULTON HOT MINUTES

SPECIALIZING IN RETIREMENT AND TAX PLANNING

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Week of March 14, 2022

Our long term risk signal triggered!

We use a series of risk signals, augmenting our economic models, to help us manage market declines. These indicators aren't based on major indices' movements, but instead measure the underlying market dynamics to tell us what is happening "under the hood". The methodology and time frame of each indicator differs providing a broader view of where, and over what time horizons, risk is building.

When these signals "cluster" – i.e. all signal high risk at the same time - it's much more potent than if any one signals alone. In addition, the longer term signals are not as sensitive as the shorter term signals, so they also provide more powerful indications. The longest term, which just triggered, only has done so 4 previous times since the year 2000.

All of our intermediate to longer term signals have now turned red, sending a very clear message that now is a time to protect principal.

We entered the year with the prospect of growth and inflation slowing in rate of change for the bulk of 2022. This economic construct is the least favorable (most dangerous) for stock prices.

Now throw in the Russian invasion which will undoubtedly keep inflation higher for longer. Higher inflation means that consumers will have fewer discretionary dollars to spend on things other than the basics of food and energy. And this is not just a U.S. problem, it's worldwide.

How will central banks react? Remember when Covid struck, central banks and governments worldwide printed massive amounts of money and threw it at the economy. Now those same entities are almost certain to do the opposite to fight inflation. If the printing drove markets higher, what will the opposite do?

"How low could the market drop?" It's a question we're asked more often as the market continues down. In some ways it doesn't matter unless your "plan" is to simply hope it won't keep going while watching your portfolio dwindle. It's the journey, not the destination. If you have properly risk managed your portfolio, the depth of decline is inconsequential.

Having said that, Darius Dale of 42Macro, one of our research partners, modeled our current market set up compared to past markets. He did so using multiple models across various factors including where we are in the business cycle, market participant positioning, valuations, economic construct including depth within it, and technical indicators. Of nine different model outcomes, the shallowest estimate for the S&P-500 was -19% and the deepest was -49%. The average across all was -32%.

He did note though, that the more shallow declines were halted by the Fed initiating QE (money printing) and that it is less likely in the current inflationary environment.

As you can tell, we fear the current possible downside for equities is far greater than the upside. As such "what are you going to do about it?" If you just stare at the markets every day and think "Oh my gosh, I hope I don't lose all of my money!" we think you're missing out. That is not a plan.

"The first step to properly risk manage a bear market is acknowledging you are in a bear market."

Darius Dale – Founder 42Macro

What is your defensive plan?

Call or attend a seminar to hear about ours.

Participate but protect.

Does your investment plan include a sell strategy to protect your downside?

LISTEN TO RIAL AND DON'S RADIO SHOW, "YOUR MONEY MATTERS", EVERY SATURDAY MORNING AT 8:00 AM ON KXLY RADIO CHANNEL 920 AM IN SPOKANE AND AT 9:30 AM ON NEWSTALK RADIO CHANNEL 870 AM IN THE TRI-CITIES AREA OR LISTEN LIVE AT WWW.NEWSTALK870.AM AGAIN AT 9:30 EACH SATURDAY MORNING…

(BOTH SHOWS ARE ALSO AVAILABLE LIVE VIA THE INTERNET)

Where are you getting your advice?

Are they fiduciaries?

Are they a Certified Financial Planner™?

Do they have a background in accounting, tax, finance?

Do they review all areas of your financial life (like income taxes, risk management, estate planning) or just talk about stocks?

Who benefits most from their "advice"?

If you're not a client, what is your advisor telling you about our current situation? If your advisor is not discussing these issues with you, shouldn't (s)he be? How much work do you think it takes to keep up on all of this as we try to do, and how much easier do you think it would be to simply repeat over and over…

- Never sell
- You can't time the market
- You're a long term investor
- The market always comes back
- Etc., etc., etc.

Are you being told to stay invested after thoughtful analysis of world events, stock valuations, economic considerations, etc.? Or are you being told to stay invested due to a lack of thoughtful analysis of world events, stock valuations, economic considerations, etc.?

It's your money and it's your retirement.

Being told after the fact that 'everyone lost money' may make you feel better but it won't help pay your utilities.

If you didn't like what happened to your portfolio in the dot.com bubble or the financial crisis bubble, but you've made no moves to change the way you invest, now may be the time to seriously consider your process – NOT after the market, and your portfolio, have crashed.

Break the cycle and make your portfolio decision based on where we are likely headed, not on where we've recently been.

The government is again offering free at-home Covid-19 tests. We encourage everyone to get them just to be prepared. Go to...

www.covidtests.gov

If we can help, call our office now and set up a no obligation review.

We think investing today must include a defensive strategy and system. It's this system that helps us decide when "enough is enough" and that it is time to protect your portfolio. If you don't have a system you should consider it now. Regardless of what happens over the next week, month or several months, stocks are overvalued in our opinion and eventually they will reset with a significant market decline.

Remember, we have a feature on our website: www.Moultonwealth.com to help you measure your risk tolerance. The problem with trying to decide how much risk to take is we all want to be aggressive when the market is going up, but conservative when it's going down. That's why a sell discipline is important. However, the first line of defense is always our allocation. This approach to measuring risk gives a number by making investors trade off gains and losses. Just click the button to see where you stand.

What's Your Risk Number?

In the markets:

U.S. Markets: The major U.S. equity benchmarks moved lower for a second week in extremely volatile trading. The Dow Jones Industrial Average shed 671 points finishing the week at 32,944, a decline of -2%. At its low point this week, the large cap S&P 500 was roughly 14% off its high. At its intraday low on Tuesday, the technology-heavy NASDAQ Composite fell into "bear market" territory, defined as a 20% decline below its recent peak. The NASDAQ fell a further -3.5% last week, following a -2.8% decline the week before. By market cap, the large cap S&P 500 declined -2.9%, the mid cap S&P 400 ended the week down -1.7%, and the small cap Russell 2000 closed down -1.1%.

International Markets: International markets finished the week mixed. Canada's TSX gained 0.3% while the United Kingdom's FTSE 100 rebounded 2.4%. France's CAC 40 and Germany's DAX retraced some of last week's plunge with the CAC rising 3.3% and the DAX gaining 4.1%. In Asia, China's Shanghai Composite retreated 4%. Japan's Nikkei ended down -3.2%. As grouped by Morgan Stanley Capital International, developed markets declined -0.6%. Emerging markets ended the week down -4.6%.

Commodities: Commodities prices continued their surge from the beginning of the year, due in part to the conflict in Ukraine, dominated much of the sentiment during the week. The escalation was most visible to consumers in oil prices, which momentarily reached $139 per barrel—a 14-year high. However, Brent crude oil ultimately finished the week down -4.2% to $112.67 per barrel. Gold and Silver finished the week to the upside, with Gold rising 0.9% to $1985.00 per ounce and Silver rising 1.4% to $26.16. The industrial metal copper, viewed by some analysts as a barometer of world economic health, ended the week down -6.3%.

U.S. Economic News: The number of Americans filing first-time unemployment benefits climbed again after unusually large increases in New York and California. The Labor Department reported initial jobless claims rose by 11,000 to 227,000 last week. Economists had forecast initial claims would total 216,000. Aside from the big increases in New York and California, new filings were little changed in almost every other state. Companies are still reporting a very tight labor market, however some headwinds are developing. The war in Ukraine, inflation, and rising oil prices all threaten to undermine growth. Meanwhile, "continuing claims", which counts the number of people already receiving benefits rose by 25,000 to 1.49 million. That number is reported with a one-week delay.

The number of job openings in the U.S. fell slightly at the beginning of the year after setting a record at the end of 2021. The Labor Department reported the number of open positions slipped by 200,000 to 11.3 million. Most of the decline in job openings was concentrated at hotels and restaurants. Job listings also fell in transportation, warehousing and government. Also in the report, some 4.3 million people quit their jobs in January. Over the last several months, millions of people have quit their jobs in what's become known as "The Great Resignation". The closely-watched "quits rate" dropped 0.2% to 2.8% in January. Analysts view the "quits rate" as a valuable measure of the health of the labor market as it is assumed as one would only leave a job in favor of a more lucrative one.

The largest number of businesses in over 40 years reported "high inflation" was their number one worry—and many are increasing prices to offset their own rising costs. The National Federation of Independent Businesses (NFIB) reported optimism among small businesses fell in February to a one-year low, falling 1.4 points to 95.7. Economists had expected a reading of 97.2. Just last summer, the index had topped at 102. In the release, NFIB chief economist Bill Dunkelberg stated, "Inflation continues to be a problem on Main Street, leading more owners to raise selling prices again in February." A net 68% of business owners said they were increasing prices—the highest reading in the history of the 48-year-old survey. In addition, small business owners stated they don't expect much improvement anytime soon. The percentage of respondents who think business conditions will be better six months from now fell to a net *negative* 35%.

To no one's surprise, inflation surged to its highest level since the early 1980's last month, with little sign of slowing down. The Bureau of Labor Statistics reported its Consumer Price Index (CPI) rose 0.8% in February to 7.9%. Significant increases in the cost of gasoline, food, and housing led the across-the-board rise in prices. The surge in the cost of living over the past 12 months is the biggest since January 1982. Until very recently, Wall Street economists and the Federal Reserve had insisted the increase in inflation was 'transitory' and would crest soon after. Now those same economists are reporting the conflict in Ukraine is the trigger of big increases in the cost of oil, wheat, and other commodities. The Fed, for its part, remains on track to raise interest rates this month for the first time in four years. Meanwhile, the CPI "core rate", which strips out the volatile food and energy categories, also rose 0.5% to an annualized 6.4%. That reading is also the highest since the middle of 1982. Many economists don't expect inflation to come under control anytime soon. Robert Frick, corporate economist at Navy Federal Credit Union stated, "February's CPI reading was the highest in 40 years — again — but what was once forecast to be the inflation peak is now the jumping off point for ever higher inflation sparked by the war in Ukraine."

International Economic News: Canadian employers added 337,000 jobs last month, more than double the median forecast. The latest hiring numbers show the economy quickly righted itself after taking a brief hit from a fifth wave of 'Omicron' COVID-19 infections. Some analysts believe the latest reading proves that the COVID-19 recession is over. Furthermore, Statistics Canada reported the unemployment rate fell to 5.5%, dropping below its pre-pandemic level for the first time. Economists had expected the unemployment rate would only fall to 6.2%. Karl Schamotta, chief market strategist at Cambridge Mercantile Corp., said in a note to clients, “The Bank of Canada is widely expected to upgrade its inflation forecasts and announce another interest rate hike at its next meeting on April 13.” Bank of Canada policymakers hiked Canada’s key interest rate a quarter-point on March 2, lifting its benchmark rate to 0.5%.

Across the Atlantic, the United Kingdom’s Office for National Statistics reported Britain’s economy bounced back from the effects of the Omicron-variant faster than expected during January. The ONS said all sectors of the economy returned to growth, helping to lift gross domestic product by 0.8%, fueled by a rise in consumer demand. However, some analysts don’t expect the good times to last. Paul Dales, chief UK economist at the consultancy firm Capital Economics said, “[It’s] as good as it gets for this year.” “The hit to households’ real disposable incomes from the surge in energy prices, the latest chunk of which is due to the war in Ukraine, and higher taxes will start to be felt from March and April. As such, GDP growth will probably slow throughout the year.”

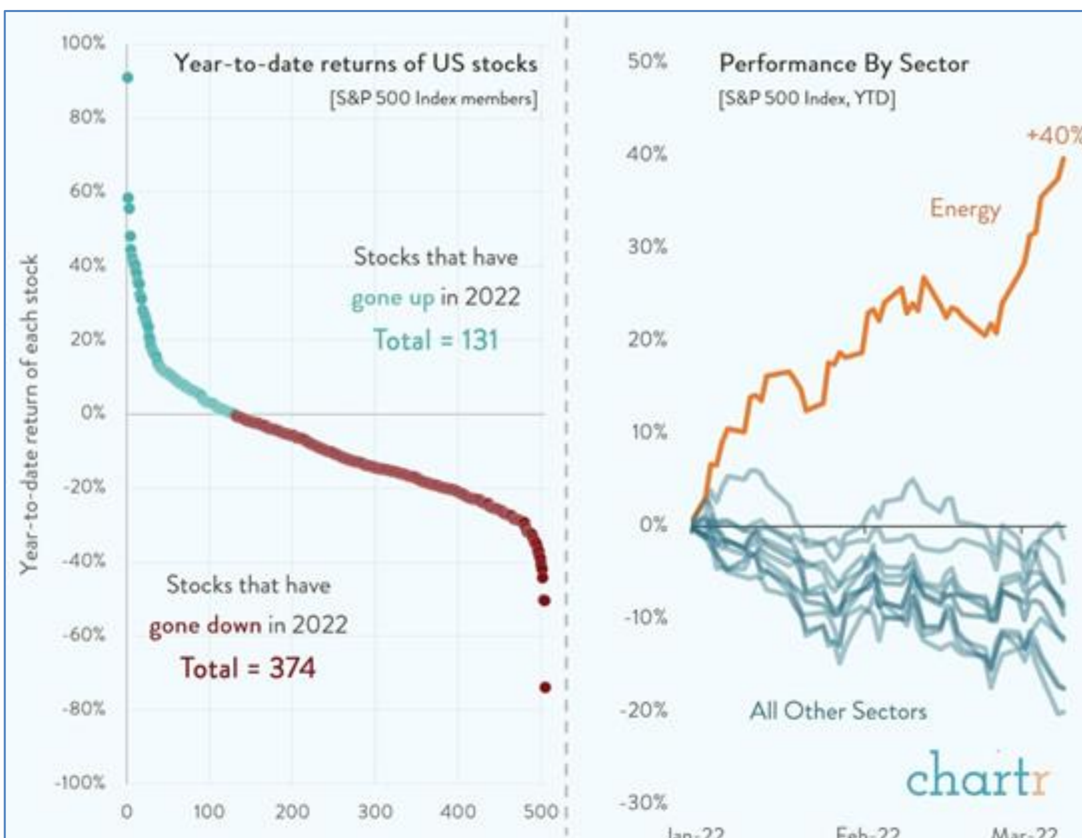
On Europe’s mainland, French president Emmanuel Macron is planning a second attempt at reforming the country’s costly pension system and extending the country’s retirement age from 62 to 65. Gabriel Attal, the government’s spokesman said the move would be one of the “priority reforms” of a second term. Macron’s first attempt to simplify France’s 40+ pension schemes and merge them into a single, fairer, points-based system led to protests from trade unionists and other workers in sectors such as public transport that enjoy the most favorable retirement plans. The planned reforms were suspended during the Covid-19 pandemic. France has one of the highest public sector pension bills among industrialized countries and an early effective retirement age compared with its neighbors. “We can see around us—in Germany, Spain, the UK, Italy—people already retire at 65,” said Attal.

The head of Volkswagen, Europe’s largest carmaker, warned that a prolonged war in Ukraine risks being “very much worse” for the region’s economy than the coronavirus pandemic. Herbert Diess, chief executive of the German carmaker stated the interruption to global supply chains “could lead to huge price increases, scarcity of energy and inflation.” The warning comes as Western governments ratchet up their economic efforts to punish Russia, a key global supplier of commodities from energy to palladium. Pointing to inflation Diess said “The threat of this war for Germany and Europe is huge.” Eurozone inflation hit a new record of 5.8% in February and is forecast to rise as high as 7% this year.

In Asia, Chinese Premier Li Keqiang said achieving the government’s gross domestic product goal of around 5.5% in 2022 is “not easy” and pledged to implement policy measures that would generate more jobs. Li also noted that China (as of now) opposes sanctions on Russia as they would hurt the overall global economic recovery. At the National People's Congress, China cut its economic growth target for 2022 from last year’s target of over 6.0%. Li said China would “prioritize employment” this year, and fiscal and monetary policies will be carried out to accomplish the goal of boosting jobs. In 2021, the world's second-largest economy expanded 8.1% from the previous year. In the October-December period, however, it grew only 4.0% annualized against a backdrop of concern about potential financial market turmoil and another wave of coronavirus infections.

Japan's households pared back their spending in January as the Omicron-variant of the coronavirus spread rapidly around the world and governments imposed new restrictions on activity. Japan's Ministry of Internal Affairs reported spending fell 1.2% for the month—its sixth drop over the past nine months. Compared with the low levels of a full state of emergency a year ago, spending rose 6.9%--economists had forecast a 3.4% gain. Given that the weakness in spending occurred prior to Russia's invasion of Ukraine, analysts are concerned that Japan's overall recovery could slip back into reverse amid the economic uncertainty. Hiroaki Muto, economist at Sumitomo Life Insurance Co. stated, "It's not just consumption that's in danger of falling, overall gross domestic product could also contract in the first quarter." Household spending accounts for more than half of Japan's gross domestic product.

Finally: The S&P 500 is down about -12% for the young year. About a quarter of the stocks in the S&P 500 are up so far, and three-quarters are down. Energy is the only sector enjoying a good start to 2022, up about 40%. Every other sector is down year to date. Losses are not confined to obscure second-tier companies - among the worst performing stocks are some big names: Netflix (down -42%), Meta (formerly known as Facebook) (-44%), Moderna (-50%) and PayPal (-50%). (Chart from chartr.co)



GET A PHYSICAL! We invite you to attend a seminar and come in for a "financial physical", even if you think your current approach is fine. Much like going to the doctor for a physical despite feeling great, you want to make sure any negative issues you may not be aware of are caught early and addressed. For example…

- Do you need a process to help manage losses during the next bear market?
- Have you addressed your investment process and adjusted it for what is going on in the world?
- If not, what are you waiting for?

At the bottom of the 2007 - 2009 bear market the S&P-500 index returned to levels last seen in 1996.

The drop didn't retrace only a few months or even a couple years.

We discuss many of these issues on the weekly radio show and invite you to listen.

WEEKLY FOCUS – THINK ABOUT IT

"The first step to properly risk manage a bear market is acknowledging you are in a bear market."

Darius Dale – Founder 42Macro

Yours truly,

Rial R. Moulton

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P.S. Please feel free to forward this commentary to family, friends, or colleagues. If you would like us to add them to the list, please reply to this e-mail with their e-mail address and we will ask for their permission to be added.

Investment services offered through Moulton Wealth Management, Inc., an independent Registered Investment Advisor. The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in *general. The Dow Jones Industrial Average is a price-weighted index of 30 actively traded blue-chip stocks. The NASDAQ Composite Index is an unmanaged, market-weighted index of all over-the-counter common stocks traded on the National Association of Securities Dealers Automated Quotation System. Yahoo! Finance is the source for any reference to the performance of an index between two specific periods. Opinions expressed are subject to change without notice and are not intended as investment advice or to predict future performance. Consult your financial professional before making any investment decision. You cannot invest directly in an index. Past performance does not guarantee future results. Investments in securities do not offer a fixed rate of return. Principal, yield and / or share price will fluctuate with changes in market conditions and, when sold or redeemed, you may receive more or less than originally invested. No system or financial planning strategy can guarantee future results.*

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The Barclays Capital Credit Index *is an unmanaged index composed of U.S. investment-grade corporate bonds.*

The Barclays Global Aggregate Bond Index *(formerly Lehman Brothers Global Aggregate Index), an unmanaged market-capitalization-weighted benchmark, tracks the performance of investment-grade fixed income securities denominated in 13 currencies. The index reflects reinvestment of all distributions and changes in market prices.*

The Barclays U.S. 1-10 Year TIPS Index *is an unmanaged index composed of inflation-protected public obligations of the U.S. Treasury that have a remaining maturity of one to ten years.*

The Barclays U.S. Aggregate Bond Index *is an unmanaged benchmark index composed of U.S. securities in Treasury, Government-Related, Corporate, and Securitized sectors. It includes securities that are of investment-grade quality or better, have at least one year to maturity, and have an outstanding par value of at least $250 million.*

The Barclays U.S. TIPS Index *is an unmanaged index composed of all U.S. Treasury Inflation- Protected Securities rated investment grade, have at least one year to final maturity, and at least $250 million par amount outstanding.*

The Barclays U.S. Treasury Index *is an unmanaged index composed of U.S. Treasuries.*

The CDX IG 12 *is a benchmark high-grade derivatives index, which measures the cost of insuring a basket of U.S. investment-grade corporate debt against defaults.*

The Chicago Board Options Exchange Volatility Index (VIX) *tracks the expected volatility in the S&P 500 over the next 30 days. A higher number indicates greater expected volatility. Common usage: The Chicago Board Options Exchange Volatility Index (VIX), a barometer of market volatility.*

The Dow Jones Industrial Average *is a widely followed market indicator based on a price-weighted average of 30 blue-chip stocks that trade on the New York Stock Exchange which are selected by editors of The Wall Street Journal.*

The Dow Jones Wilshire Real Estate Securities Index (RESI) *is used to measure the U.S. real estate market and includes both real estate investment trusts (REITs) and real estate operating companies (REOCs). It is weighted by float-adjusted market capitalization.*

The JP Morgan Emerging Market Bond Index *is a total-return, unmanaged trade-weighted index for U.S. dollar-denominated emerging-market bonds, including sovereign debt, quasi-sovereign debt, Brady bonds, loans, and Eurobonds.*

The JP Morgan EMBI Global Diversified Index *tracks the performance of external debt instruments (including U.S.-dollar-denominated and other external-currency-denominated Brady bonds, loans, Eurobonds and local market instruments) in the emerging markets.*

The JP Morgan GBI-EM Global Diversified Index *tracks the performance of local-currency bonds issued by emerging market governments.*

The MSCI World Index *is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The MSCI World Index represents 23 developed market countries.*

The MSCI All Country World Index *is a market-capitalization-weighted index composed of over 2,400 companies, and is representative of the market structure of 46 developed and emerging market countries. The index is calculated with net dividends reinvested in U.S. dollars.*

The MSCI EAFE Index *is an unmanaged, market-capitalization-weighted equity index that represents the developed world outside North America.*

The MSCI Emerging Markets Index *is a free float-adjusted market-capitalization-weighted index designed to measure the performance of global emerging market equities.*

The NASDAQ Composite Index *is a market-value-weighted index of all common stocks listed on the National Association of Securities Dealers Automated Quotations (NASDAQ) system.*

The Russell 1000 Index *includes 1000 of the largest U.S. equity securities based on market cap and current index membership; it is used to measure the activity of the U.S. large-cap equity market.*

The Russell 2000 Index *includes 2000 small-cap U.S. equity names and is used to measure the activity of the U.S. small-cap equity market.*

The S&P 500 Index *is a capitalization-weighted index made up of 500 widely held large-cap U.S. stocks in the Industrials, Transportation, Utilities and Financials sectors.*

Investing Terminology

Alpha *is a measure of a portfolio's return above a certain benchmarked return.*

Alternative Investments *are investments that are not one of the three traditional asset types (stocks, bonds and cash). Alternative investments include hedge funds, managed futures, real estate, commodities, and derivatives contracts.*

Asset-Backed Securities (ABS) *are bonds backed by a pool of loans or accounts receivable and commonly include payments from credit cards, auto loans and mortgage loans.*

Austerity *refers to measures taken by a country's government in an effort to reduce expenditures and a budget deficit.*

Beta *is a measure of the volatility or systematic risk of a security or a portfolio in comparison to the market as a whole.*

Book-to-Price Ratio *is the inverse of the price-to-book ratio, which is calculated as the market value of a security divided by its book value. A lower the price-to-book ratio for a security may mean the security is undervalued, and vice versa (the higher the book-to-price ratio, the better the value).*

Commercial Mortgage-Backed Securities (CMBS) *are pools of commercial mortgage loans that are packaged together and sold to the public. They are usually structured in tranches, or classes of risk, so that investors can determine how much risk they want to take on. In general, CMBS carry less prepayment risk than loans backed by residential mortgages.*

Corporate Bonds *are debt securities issued by corporations to raise money; these bonds usually pay higher coupon rates than government or municipal bonds.*

Correlation Risk *refers to the change in the marked to market value of an asset when the correlation between the underlying assets changes over time.*

Credit Ratings *are an assessment of the risk of default of a company or country. The higher the credit quality (or rating), the lower the perceived risk of default.*

Cyclical Sectors or Stocks *are those whose performance is closely tied to the economic environment and business cycle. Managers with a pro-cyclical market view tend to favor stocks that are more sensitive to movements in the broad market and therefore tend to have more volatile performance.*

Debt-to-Equity Ratio *is calculated as long-term debt divided by common shareholders' equity, and measures the amount of a firm's leverage, or debt.*

Donor Advised Funds *are private funds administered by a third party and created for the purpose of managing charitable donations on behalf of an organization, family, or individual.*

Duration *is a measure of a security's price sensitivity to changes in interest rates. Specifically, duration measures the potential change in value of a bond that would result from a 1% change in interest rates. The shorter the duration of a bond, the less its price will potentially change as interest rates go up or down; conversely, the longer the duration of a bond, the more its price will potentially change.*

Excess Returns *are investment returns from a security or portfolio that exceed a benchmark or index with a similar level of risk.*

Grantor Retained Annuity Trust *is an estate planning technique that minimizes the tax liability existing when intergenerational transfers of estate assets occur. An irrevocable trust is created for a certain term or period of time. The individual establishing the trust pays a tax when the trust is established. Assets are placed under the trust and then an annuity is paid out every year. When the trust expires, the beneficiary receives the assets estate and gift tax free.*

High Yield Debt *is rated below investment grade and is considered to be riskier.*

Managed Futures *strategies use futures contracts as part of their overall investment strategy. They provide portfolio diversification among various types of investment styles and asset classes to help mitigate portfolio risk in a way that is not possible in direct equity investments.*

Market Capitalization *is calculated as the number of company shares outstanding multiplied by the share price, and is used to determine the total market value of a company.*

Momentum *is the rate of acceleration for an economic, price or volume movement; it is used to locate trends within the market.*

Mortgage-Backed Securities (MBS) *are pools of mortgage loans that are packaged together and sold to the public. They are usually structured in tranches, or classes of risk, so that investors can determine how much risk they want to take on.*

Option-adjusted spreads *estimate the difference in yield between a security or collection of securities and comparable Treasuries after removing the effects of any special features, such as provisions that allow an issuer to call a security before maturity.*

Peripheral Eurozone Countries *are those countries in the Eurozone with the smallest economies.*

Price-to-Book Ratio *is calculated as the market value of a security divided by its book value. A lower the price-to-book ratio for a security may mean the security is undervalued.*

Private Foundations *are charitable organizations that do not qualify as public charities by government standards. A private foundation is a nonprofit organization which is usually created via a single primary donation from an individual or a business and whose funds and programs are managed by its own trustees or directors.*

Quantitative Easing *refers to expansionary efforts by central banks to help increase the supply of money in the economy.*

Recapitalized/recapitalization *refers to injecting fresh equity into a company or a bank, which can be used to absorb future losses. This generally takes place through the company issuing new shares. In the case of a government or organization recapitalizing a bank, it usually results in the government or organization owning a stake in the bank.*

Spreads*: Yield spreads represents the difference in yields offered between corporate and government bonds. If they tighten, this means that the difference has decreased. If they widen, this means the difference has increased.*

Standard Deviation*: Statistical measure of historical volatility. A statistical measure of the distance a quantity is likely to lie from its average value. It is applied to the annual rate of return of an investment, to measure the investment's volatility (risk). Standard deviation is synonymous with volatility, in that the greater the standard deviation the more volatile an investment's return will be. A standard deviation of zero would mean an investment has a return rate that never varies.*

Treasuries *are U.S. government debt obligations that are backed by the full faith and credit of the government. Often, they are used as a proxy for a risk-free asset when comparing other risky assets.*

Yield Curves *illustrate the relationship between the interest rate, or cost of borrowing, and the time to maturity. Yields move inversely to prices. The Barclays Capital 1-10 Year US TIPS Index: Barclays Capital 1-10 Year US TIPS Index measures the performance of inflation-protected public obligations of the U.S. Treasury that have a remaining maturity of one to ten years.*

(Other Sources: All index- and returns-data from Yahoo Finance; news from Reuters, Barron's, Wall St. Journal, Bloomberg.com, ft.com, guggenheimpartners.com, zerohedge.com, ritholtz.com, markit.com, financialpost.com, Eurostat, Statistics Canada, Yahoo! Finance, stocksandnews.com, marketwatch.com, wantchinatimes.com, BBC, 361capital.com, pensionpartners.com, cnbc.com, FactSet.)