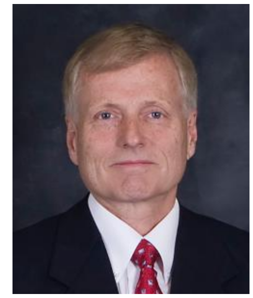
MOULTON WEALTH MANAGEMENT INC.

MOULTON HOT MINUTES



SPECIALIZING IN RETIREMENT AND TAX PLANNING

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Week of May 2, 2022

April turned out to be the worst month for S&P-500 performance since the 2020 Covid decline. Not to be outdone, the NASDAQ had its worst monthly performance since October 2008. So far, 2022 has seen the worst start to a year for the S&P-500 since World War II according to CFRA Research chief investment strategist Sam Stovall, and for the month of April, the worst since 1970. This is the third worst start to year for the S&P-500 since 1928. The two that were worse were still down a year later, albeit by less.

What's made it particularly painful is it is happening at the same time that the bond market has its worst year to date total performance *ever*, according to Jim Bianco of Bianco Research.

Last week we told you about Mike Shedlock's recent blog post titled…

Expect More Stock Market Pain Because It's Coming.

He wasn't wrong.

I see the same market cheerleaders who told you it was their expert opinion that the market would be good in 2022, now tell you it's their expert opinion that it's too late to sell some of your stocks to reduce risk.

Fool me once, shame on you, fool me twice, shame on me.

So far the S&P-500 is down -13.9% from its peak. As recently as the Great Financial Crisis it fell -57% top to bottom.

But of course that couldn't happen now, right?

Yes it could.

The period between the Great Financial Crisis and today is skewed by a Fed that was more than willing to step in and print the market out of any jam.

They won't do that now with inflation. In fact, their goal is the opposite – to make us feel poorer so we stop driving demand.

And even before they get started in earnest, GDP fell from +6.9% quarter over quarter in the fourth quarter of 2021 to -1.4% in the first quarter of 2022. That's what we call slowing in rate of change.

Of course those telling everyone to stay fully invested, also tell us the Fed will magically reduce inflation without causing a recession. If they do, it would be a first. Lance Roberts of RealInvestmentAdvice.com points out that "Every attempt to hike rates and reduce monetary policy ultimately led to a credit-related issue, a recession, or a bear market. Sometimes it was all three."

There will certainly be strong rallies which convince everyone the market drawdown is done – just like every bear market – but the most likely direction for the year is down.

"I think economic growth is going to fall sharply in the second half of the year, sharper than people expect."

Raoul Pal – Former Goldman Exec
and Founder of Real Vision – April 28, 2022

What is your defensive plan?

Call or attend a seminar to hear about ours.

Participate but protect.

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

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"?

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 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.

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.

In the markets:

U.S. Markets: The major U.S. market indexes endured a fourth consecutive week of losses as fears of slowing growth were compounded by disappointing earnings from some market heavyweights like Amazon. The benchmark S&P 500 index fell further into correction territory, now down about 14% from its recent peak, while the technology-heavy Nasdaq Composite and small-cap Russell 2000 Index fell further into their respective bear markets, down roughly 24% from their highs. For the week, the Dow Jones Industrial Average shed 834 points, closing at 32,977, a decline of -2.5%. The Nasdaq Composite declined -3.9% finishing the week at 12,335. By market cap, the large cap S&P 500 gave up -3.3%, while the mid-cap S&P 400 fell -3.2%. The small-cap Russell 2000 closed down -3.9%.

International Markets: Most of the major international markets finished the week to the downside as well. Canada's TSX fell -2.0%, while the United Kingdom's FTSE 100 rose 0.3%. France's CAC 40 and Germany's DAX pulled back -0.7% and -0.3%, respectively. In Asia, China's Shanghai Composite retreated -1.3%. Japan's Nikkei declined -0.9%. As grouped by Morgan Stanley Capital International, emerging markets ended the week flat. Developed markets ended down -0.9%.

Commodities: Precious metals failed to serve as a safe haven given the weakness in the financial markets. Gold pulled back -1.2% to $1911.70, while Silver gave up -4.8% to $23.09. Energy managed to buck the trend with West Texas Intermediate crude oil rising 2.6% to $104.69 per barrel, while Brent crude oil gained 0.9% to $106.67. The industrial metal copper, viewed by some analysts as a barometer of global economic health due to its wide variety of uses, ended the week down -3.8%.

April Summary: April was a difficult month for the markets everywhere. In the U.S., the Dow Jones Industrial Average finished the month down -4.9%, while the NASDAQ plunged -13.3%--its biggest monthly decline since October 2008. Large caps shed -8.8%, while mid-caps declined -7.2% and small caps fell -10.0%. For the month, Canada declined -5.2%, while the UK rose 0.4%. France and Germany ended down -1.9% and -2.2%, respectively, while in Asia fell -6.3%. Japan declined -3.5%. Emerging markets finished the month down -6.1%. Developed markets gave up -6.7%. Gold and Silver pulled back -0.3% and -6.7%, respectively. Oil finished the month up 0.4%. Copper finished April down -6.8%.

U.S. Economic News: The U.S. labor market remains extremely robust as initial claims for unemployment benefits fell again last week. The Labor Department reported claims fell by 5,000 to just 180,000 last week. The decline was in line with economists' forecasts. Claims remain near multi-decade lows at levels not seen since the early 1970's. Meanwhile, the number of people already collecting benefits, known as 'continuing claims', fell by 1,000 to

1.41 million. That number is also at its lowest level since the early 1970's. Stuart Hoffman, senior economic advisor at PNC Financial Services Group noted that the labor market remains in "excellent shape". Economists note that any increase in claims would be a leading indicator of a slowing economy—but there are no signs of that happening now.

The spring housing market is off to an unpredictable start amid rising mortgage rates, according to the National Association of Realtors (NAR). The NAR reported pending home sales, which counts the number of transactions in which a contract has been signed but not yet closed, dropped 1.2% in March. This was the fifth consecutive month in which contract signings declined. Pending sales dropped the most in the Midwest—down 6.1%. Contract signings also fell in the South and the West. Signings rose 4% in the Northeast, but every region saw a decline in pending sales compared to the same time last year. Lawrence Yun, chief economist for the NAR stated, "The falling contract signings are implying that multiple offers will soon dissipate and be replaced by much calmer and normalized market conditions." Yun added that rising mortgage rates have already begun to reduce the pool of eligible homebuyers. Yun said he now predicts existing-home sales will decrease 9% in 2022.

Home prices continued their historic rise in February as rising mortgage interest rates have not yet (thru February) slowed the blistering pace of house appreciation. The S&P CoreLogic Case-Shiller 20-city home prices index posted a huge 20.2% year-over-year gain in February—up markedly from 18.9% the prior month. On a monthly basis, the index increased 2.4% between January and February. Similarly, on a national level the Case-Shiller home price index increased 19.8% over the past year. This represented the third-largest pace of home-price appreciation in the report's history. As in previous months, Phoenix led the way with the highest rate of home price growth—up an annual 32.9% over the past year. Two Florida cities closely followed, Tampa with a 32.6% gain and Miami with a 29.7% rise. Selma Hepp, deputy chief economist at CoreLogic noted rising mortgage rates will undoubtedly cool the housing market sooner rather than later. Hepp wrote in a note to clients, "With diminished buying power and mortgage rates pushing above 5% in recent weeks, home-price growth is likely to take a step back in coming months."

The Federal Reserve's 'preferred' measure of inflation rose a sharp 0.9% in March, but the increase stemmed largely from a surge in the cost of gas. Over the past 12 months, the Personal Consumption Expenditures Index (PCE) has risen 6.6%, up 0.2% from February. That's the steepest rise since 1981. Yet the narrower measure of inflation that strips out the food and energy categories, known as core PCE, rose at an annualized 5.2%. That number matched forecasts. The Fed views the PCE index--the core rate in particular--as the most accurate measure of U.S. inflation. It's more comprehensive and takes into account when consumers substitute cheaper goods for more expensive ones--say ground beef for steak or frozen spinach for fresh.

Confidence of the nation's consumers slipped this month but remained robust. The Conference Board reported its survey of consumer confidence pulled back -0.3 point to 107.3.

Economists had been expecting a reading of 108.5. Consumer confidence had declined early in the year following the Omicron outbreak and later the war in Ukraine. Soaring inflation and higher gasoline prices have also weighed on sentiment. Still, economists state that the chance of a recession appears low—at least for now. The measure of how consumers feel about the economy right now slid to 152.6 from an eight-month high of 153.8 in March. A similar gauge that measures sentiment for the next six months rose to 77.2 from 76.7 indicating cautious optimism about the future. Mahir Rasheed, U.S. economist at Oxford Economics stated, "Confidence has held up relatively well in the face of elevated geopolitical disruptions and the fiery pace of price increases in recent months."

Orders for goods expected to last at least three years rebounded in March signaling the economy continued to grow at a steady pace. The government reported orders at U.S. factories for long-lasting goods such as cars rose 0.8% last month—its sixth advance in the last seven months. Furthermore, the initially reported -2.2% decline in February was revised to show a lesser -1.7% drop. The increase matched the estimate of economists polled by the Wall Street Journal. Another measure of factory conditions, known as core orders, advanced 1% in the month. The core number strips out transportation and military equipment and gives a better sense of underlying demand in the U.S. economy. Many analysts expect the strength in manufacturing to continue—despite rising interest rates. Senior economist Jennifer Lee of BMO Capital Markets noted, "The solid increase in core orders suggests that businesses remain in good shape, and are still looking to bulk up its machines and equipment to contribute to their bottom lines."

The U.S. economy contracted an annualized 1.4% in the first quarter, marking its first drop since the onset of the pandemic. However, analysts were quick to point out that the decline stemmed predominantly from a record trade deficit. Consumer spending and business investment remained robust. The trade deficit by itself reduced GDP by a whopping 3.2 percentage points, the third highest number on record. Lower government spending and a decline in inventory stockpiles also contributed to the weak GDP number. However, some analysts were quick to point out that the reading didn't mean a recession was imminent. Chief economist Ian Shepherdson at Pantheon Macroeconomics stated, "This is noise, not signal. The economy is not falling into recession."

International Economic News: Bank of Canada Governor Tiff Macklem acknowledged he and his staff had misjudged the strength of inflation at the beginning of the year, and pledged to act "as forcefully as needed" to make up for the mistake. "(We're coming) out of the deepest recession we've ever had," Macklem said during testimony at the Senate banking committee this week. "We got a lot of things right. We got some things wrong, and we are adjusting." Macklem was referring to the Bank of Canada's decision not to raise interest rates, despite hard evidence of the emergence of the fastest inflation in decades. Macklem held steady, leaving the benchmark rate at an emergency setting of 0.25%. Macklem suggested that another half-point hike could be in the cards, though anything larger than that would be "very unusual."

Across the Atlantic, independent research consultancy Capital Economics said the Bank of England will meet market expectations and hike interest rates to 3.0% by 2023. The forecast put them well ahead of the institutional analyst community which sees the rate topping out at 2.0%. OIS data meanwhile shows investors to be anticipating Bank Rate to peak around 2.5% in 2023. Paul Dales, Chief UK Economist at Capital Economics wrote, “Even though jobs growth will slow, we think the labour market will remain tighter for longer and that wage growth will be higher.” Dales attributed the tight labor market to Brexit and the aftermath of the pandemic.

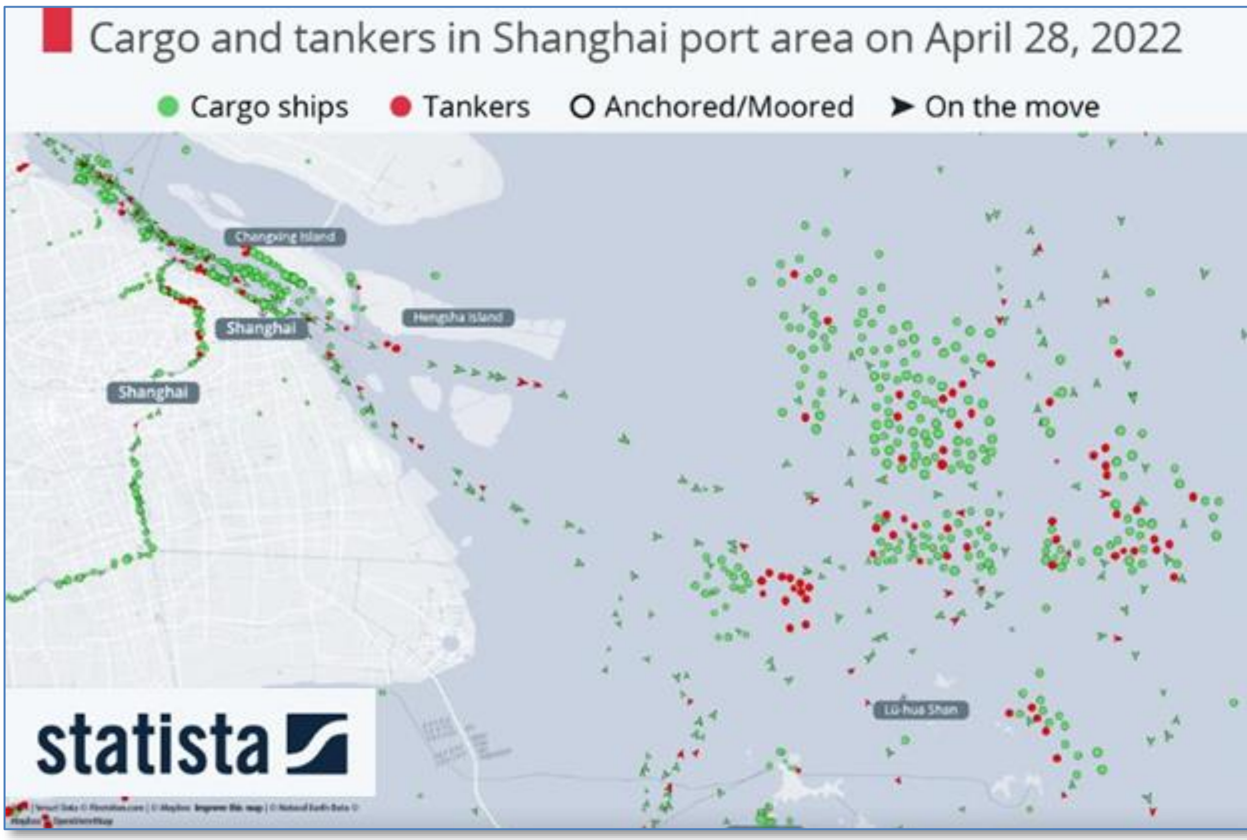
On Europe’s mainland, the incumbent French President Emmanuel Macron beat his right-wing rival Marine Le Pen in France’s presidential election. The win makes him the first French president in two decades to win a second term. Voter turnout was 2% lower than the 2017 election the Interior Ministry reported. Le Pen said her result was a “victory” for her political movement and pointed to parliamentary elections which take place in June. “The French showed this evening a desire for a strong counterweight against Emmanuel Macron, for an opposition that will continue to defend and protect them,” she said.

The German government forecast the country’s economy will grow by only 2.2% this year, as Russia’s war on Ukraine weighs on prospects. The Economy Ministry cut the outlook from the 3.6% growth it had forecast in January. Economy Minister Robert Habeck said the government was making a “conservative" estimate, pointing to still-fragile supply chains, the effect of sanctions against Russia on the availability of raw materials and the ongoing effects of the coronavirus pandemic. The 2.2% growth prediction assumes no energy embargo or blockade of gas deliveries, Habeck said. “If this came on top, we would have a recession in Germany," he added. Russian imports account for a significant, though declining, proportion of Germany's gas supplies. Habeck said that proportion has declined from 55% before the war to 35% now.

In Asia, Chinese President Xi Jinping has pledged to ramp up support for the economy as lockdowns from a COVID outbreak and the war in Ukraine threaten growth. China will roll out a package of measures to help industries and small firms affected by the pandemic, state media said. “The COVID-19 and Ukraine crisis have led to increased risks and challenges. The complexity, severity and uncertainty of China’s economic development environment have increased,” the Politburo was quoted as saying. “Stabilizing growth, employment and prices are facing new challenges. It is very important to do a good job in economic work and effectively protect and improve people’s livelihood.” Carlos Casanova, senior economist for Asia at UBP in Hong Kong expects China’s economy to get worse before it gets better. Casanova wrote in a note, “We expect that the economy will contract in the months March-April before stabilizing in June.”

Japan’s currency, the yen, hit a new 20-year low after the Bank of Japan reinforced its low-rate policy. As almost every other major central bank has begun monetary tightening, rate increases, or both, Japan has bucked the trend. Bank of Japan Governor Kuroda said at a news conference, “The Japanese economy is still on the road to recovery from the impact of the Covid-19 pandemic. It is most important to support economic recovery by patiently continuing monetary easing.” Mr. Kuroda’s comments accelerated a fall in the yen. The yen briefly weakened to 131 against the dollar, a 20-year low. That means the yen has lost more than 10% of its value in less than two months.

Finally: The largest city in China, Shanghai, remains in full lockdown as authorities try to contain yet another wave of COVID-19. Those lockdowns have led to a major backlog of cargo and container ships around the Port of Shanghai—the busiest container port in the world. Last year, over 47 million 20-foot equivalent units (unit of measure for container sizes) were handled there. For perspective, the largest container port in Europe, Rotterdam, had only 15.3 million TEUs. U.S. trucking giant JB Hunt expects the delays that Shanghai is experiencing to spread to the US West Coast by July. Shelley Simpson, chief commercial officer stated, “We do forecast that [shipping delays] to get a lot worse as we come into the summer months.” (Chart by statista.com)



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

"I think economic growth is going to fall sharply in the second half of the year, sharper than people expect."

Raoul Pal – Former Goldman Exec
and Founder of Real Vision – April 28, 2022

Yours truly,

Rial R. Moulton, CFP®, CPA / PFS, RFC
Certified Financial Planner™

Donald J. Moulton, CFP®, RFC
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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.

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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https://www.realvision.com/rv/media/Video/5f4b0695b46046a5bbd2afebdd148173/transcript

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,0020Statistics Canada, Yahoo! Finance, stocksandnews.com, marketwatch.com, wantchinatimes.com, BBC, 361capital.com, pensionpartners.com, cnbc.com, FactSet.)