MOULTON WEALTH MANAGEMENT INC.

MOULTON HOT MINUTES

SPECIALIZING IN RETIREMENT AND TAX PLANNING

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Even after Friday's massive rally the S&P-500 lost another -2.4% last week. The Dow lost -2.1% and the NASDAQ lost -2.8%. The data tells us the declines are not nearly done. *In fact, please refer to the chart on page 8 when someone tells you that the market "can't go much lower".*

It was interesting listening to Wall Street talking heads this past week. Through Thursday they were universally advising investors to hold tight.

"After all, if you look at a chart of the stock market over the last 100 years 2022's decline is miniscule."

I'm still waiting to meet the investor who doesn't need their money until 2122. But on Friday they were giddy, proclaiming the downturn over and celebrating the birth of a new bull run. Odd that they were so excited about an up-day after the declines they dismissed so readily the day before.

Since at least 2009, investors have been conditioned to fear no decline since the Fed printing presses would bail out the riskiest, even reckless, portfolios. Why worry about downside when the Fed will ensure it is limited both in extent and duration?

But that was then and this is now.

I talked to an investor in his 60's who is avid about buying and holding. He's still working and doesn't think he'll retire for a couple more years. Accordingly he assured me "he has time to recover" if the market continues south. I finally asked him how long he thinks it will take to recover even the current decline, much less one that extends deeper. His answer was telling. He said he's confident he'll be back to new all-time highs by this time next year.

Now this is an intelligent man. He's invested a long time. But his most recent experience – i.e. Fed printing press Ponzinomics - has taught him to expect bear market recovery times to be measured in months.

George Noble worked with Peter Lynch on Fidelity's Magellan fund during its heyday. For those less familiar, Peter Lynch averaged +29.2% per year returns over the 13 years he managed the fund. No slouch himself, Mr. Noble managed an international fund for Fidelity and was #1 or #2 in his category during his time running that fund. He left Fidelity to start his own hedge fund, in part to short (i.e. profit from a decline) the Japanese stock market which he thought was in a bubble. The Japanese stock market (Nikkei) subsequently plunged ***and is still down -32% some 32 years later***. This despite their Central Bank actively buying stocks! How do you think Japanese investors think of buy and hold since "the market always comes back"? He also navigated the Dot.com bubble when the NASDAQ fell over -80% and took 15 years to recover and the Housing Bubble when the S&P-500 fell -57% and took 5 years to recover despite Fed printing.

He's now retired, managing his own money, so he has no economic incentive to talk his book (give you reasons to do what will actually benefit himself more than you).

George Noble says "the current bubble is worse than any I've been through."

That's a powerful statement from someone like him. If it's worse than a bubble that is still down over 32 years after its peak, how much time to recover do you have?

I will agree with one of the claims by the Wall Street crowd. Letting emotions dictate your investing decisions is bad for your financial health. It's why we rely on a mathematical system to tell us when to turn our focus from offense to defense, *but also from defense to offense*. What Wall Street wants you to think is "either you're buying and holding or you're endlessly in cash." There's no rule that you can't buy back in once the outlook is more favorable, assuming you have a reliable way of assessing when that is. Of course protecting capital is much more difficult and takes a lot more work than regurgitating Wall Street maxims such as "you can't time the market" and "the market always comes back" and "no one saw the bear market coming".

After all, it's your money that's disappearing, not theirs. So these platitudes are fine.

Mr. Noble ended his interview by saying…

"Equities are toast, goldilocks is dead. I think there's a chance this decline could shock people by how far it goes down."

We would add…

"We think there's a chance people could be equally shocked by how long it takes to recover."

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: Despite an end-of-week rally, the major U.S. equity benchmarks recorded another week of losses. It marked the sixth consecutive weekly decline for both the S&P 500 index and the Nasdaq Composite, and the seventh for the Dow Jones Industrial Average—its longest stretch since 2001. At its lows on Thursday, the S&P 500 was down nearly 18% from its peak, just above the -20% threshold that commonly defines a bear market. The Dow Jones Industrial Average shed 703 points finishing the week at 32,197—a decline of -2.1%. The technology-heavy NASDAQ Composite retreated -2.8% to close at 11,805. By market cap, the large cap S&P 500 retreated -2.4%, the mid cap S&P 400 declined -2.0%, and the small cap Russell 2000 gave up -2.5%.

International Markets: Major international markets finished the week mixed. Canada's TSX retreated -2.6%, while the United Kingdom's FTSE 100 ticked up 0.4%. On Europe's mainland, France's CAC 40 and Germany's DAX rose 1.7% and 2.6%, respectively. In Asia, China's Shanghai Composite gained 2.8%, while Japan's Nikkei ended the week down -2.1%. As grouped by Morgan Stanley Capital International, developed markets ended the week down -0.4%. Emerging markets fell -1.1%.

Commodities: Precious metals had a difficult week with Gold retreating -4.0% to $1808.20 an ounce, and Silver plunged -6.1% to $21. Energy finished the week mixed with West Texas

Intermediate crude oil rising 0.7% to $110.49 per barrel, while Brent crude shed -0.9% to $111.41. The industrial metal copper, viewed by some analysts as a barometer of world economic health due to its wide variety of uses, ended the week down -2.2%.

U.S. Economic News: The number of Americans filing for first-time unemployment benefits rose slightly last week, settling just above 200,000. The Labor Department reported initial jobless claims rose by 1,000 to 203,000. Economists had expected new claims to fall to 194,000. The reading followed a revised increase of 21,000 last week to 202,000—the biggest weekly increase since last July. Meanwhile, continuing claims, which counts the number of people already receiving benefits, fell by 44,000 to 1.34 million. That number remains near its lowest level since early 1970.

Inflation remained near a 40-year high in April but pulled back slightly from the previous month. The Bureau of Labor Statistics reported the Consumer Price Index showed an 8.3% year-over-year increase last month--a slight decline from March's 8.5% increase. However, even though inflation slowed a bit, the reading was higher than expected and inflation was widespread across the economy. Core inflation, which strips out the often-volatile food and energy categories, was also higher than anticipated. Core inflation rose by 0.6%, 0.2% higher than forecast. The Federal Reserve views the core CPI as a more accurate measure of inflationary trends, but most Americans still pay a large share of their budget for fuel and meals. Of note, food prices jumped almost 1% last month. Grocery prices have increased 10.8% in the past year, the biggest surge since 1981. Sal Gautieri, senior economist at BMO Capital Markets wrote in a note, "The Fed has little option but to keep jacking up interest rates to at least neutral levels as fast as possible."

Inflation at the wholesale level rose 11% in April as prices at the producer level continue to accelerate. The Bureau of Labor Statistics reported its Producer Price Index (PPI) rose 0.5% on the month, and 11% from a year ago, indicating that inflation at the consumer level is unlikely to decline anytime soon. Excluding food, energy and trade services, "core" PPI rose 0.6% in April and 6.9% from the same time last year. That reading is a slight decline from the 7.1% annual rate last month. Both monthly readings were in line with economists' estimates. Gas and groceries have been responsible for much of the inflation surge, with indexes tracking those two sectors up a respective 1.7% and 1.5% in April, according to the PPI data. Auto prices, particularly for used vehicles, also have been a major inflation component, and the PPI index for motor vehicles and equipment increased 0.8% on the month.

Confidence among the nation's small business owners leveled off last month, after three consecutive months of declines. The National Federation of Independent Businesses (NFIB) reported its Small Business Optimism Index remained unchanged at 93.2 in April. That remains near its lowest level since April 2020, just after the coronavirus pandemic took hold. Inflation and labor shortages continued to weigh heavily on short-term expectations. However, the future doesn't appear bright to the nation's small business owners. The number of respondents who expect better business conditions in the next six months continued to decline, hitting its lowest level ever recorded in the survey's history. "Owners are very pessimistic about sales and business conditions in the second half of the year," NFIB Chief Economist Bill Dunkelberg said. "This dampens capital investment and, eventually, will feed into employment if sales actually slow as expected," he said. Small businesses account for nearly half of all private sector jobs.

The sentiment of the nation's consumers fell to a 10-year low, according to the University of Michigan. In its preliminary reading of consumer sentiment for early May, the University of Michigan reported its gauge fell to 59.1 in May, from April's final reading of 65.2. Economists were expecting a reading of 64.1. Joanne Hsu, director of the survey, stated the decline in consumer attitudes from April "were broad based" and "visible across income, age, education, geography, and political affiliation." "Consumers' assessment of their current financial situation relative to a year ago is at its lowest reading since 2013, with 36% of consumers attributing their negative assessment to inflation," Hsu added. The report's indicator of expectations for the next six months declined to 56.3 from 62.5.

International Economic News: Canada's Prime Minister Justin Trudeau pushed back against comments made by one of the leading candidates for the Conservative Party of Canada, Pierre Poilievre. Poilievre had pledged to replace the governor of the Bank of Canada, Tiff Macklem, with someone who has a low-inflation mandate. Poilievre's criticism of Canada's central bank has been a key pillar of his leadership campaign. Trudeau responded saying the Bank of Canada is one of the "strongest, most stable, most reputable banking systems in the world," and that its independence from the government is "a really important principle."

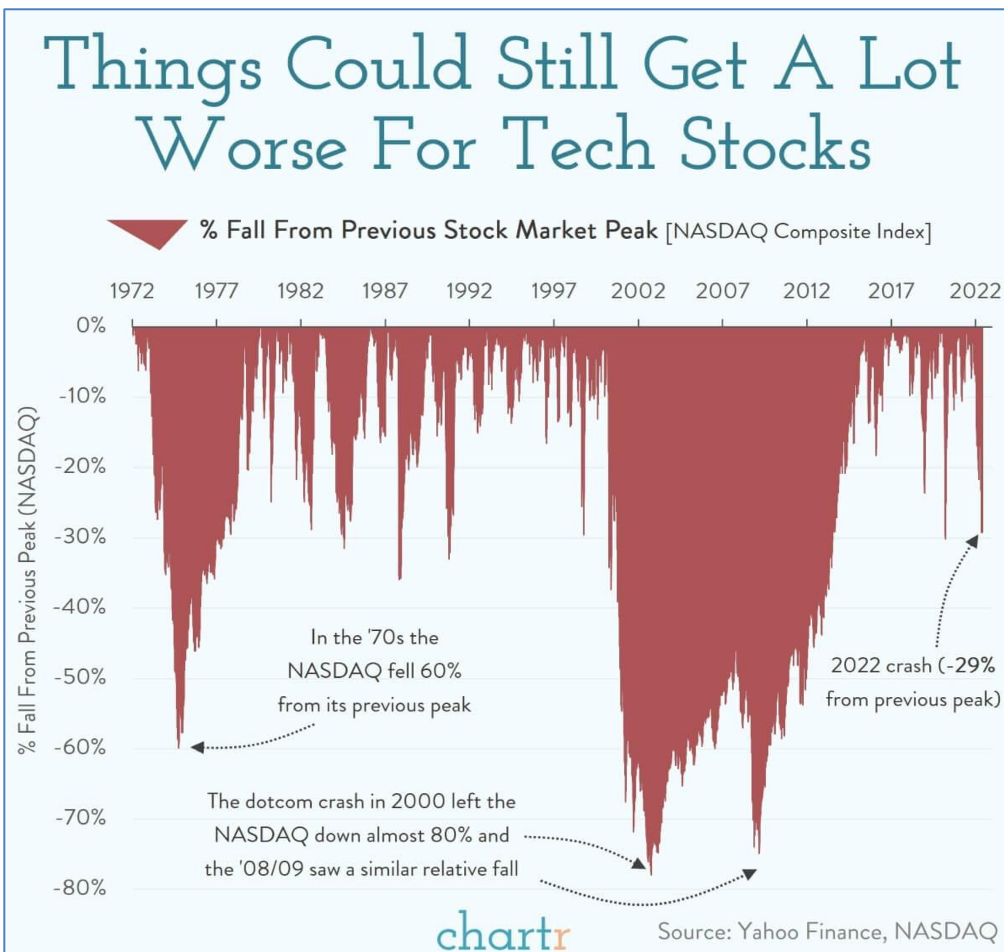
Across the Atlantic, a growth slowdown is underway in the United Kingdom after the economy contracted by 0.1% in March and one analyst states its "only going to get worse." Although the U.K.'s economy grew 0.8% in the first quarter, January was the only positive month. The war in Ukraine, supply chain issues, and energy price spikes have all compounded the inflation that was already underway lifting it to a multi-decade high. Hinesh Patel, portfolio manager at Quilter Investors stated, "Ultimately, things are only going to get worse for consumers. Energy bills are expected to soar again later this year when the price cap is reassessed, while inflation is proving stickier than expected." U.K inflation hit a 30-year high of 7% in March and in April, the country's energy regulator increased its price cap by 54% to accommodate soaring prices.

On Europe's mainland, a sudden Russian gas embargo would inflict a new economic crisis on the German economy a recent study showed. The IMK Institute stated an abrupt stop in deliveries of Russian natural gas could trigger a recession in Germany comparable with the economic crisis years of 2020 and 2009, if not worse. Such an embargo would lead to a fall in production in the first 12 months of between 114 billion euros ($120 billion) and 286 billion euros, corresponding to about 3%-8% of gross domestic product (GDP), the IMK institute said. The study's lead author Tom Krebs warned it "could also lead to an economic crisis the likes of which (West) Germany has not seen since World War Two."

In Asia, the economic toll of China's latest coronavirus outbreak is '10 times more severe' than the Wuhan outbreak of 2020 a top economist warned. A leading Chinese economic professor, Xu Jianguo, stated China's strict 'zero-COVID' policy has already cost China 18 trillion yuan ($2.68 trillion USD). China has set an economic growth target of 5.5% this year, but Jianguo doubts the country will be able to match its 2020 growth of just 2.3%. China, a predominantly export market, has been unable to sell many of its goods abroad due to Covid-19 restrictions stopping ships from moving in and out of ports such as the one in Shanghai—a city where 26 million people haven't been able to leave their homes. More than 160 million people have been in lockdown so far in 2022.

Japan's lawmakers have enacted legislation aimed at strengthening the country's economic security. The law will allow for the investigation of suppliers of certain products once they are designated as vital to people's lives, for example semiconductors and pharmaceuticals. The sweeping legislation also aims to prevent cyberattacks on infrastructure systems by screening companies that handle telecommunications and electricity equipment that's deemed important. Japan's government is moving to tighten economic security as supply chains of products such as semiconductors, face masks and medical equipment are expanding globally.

Finally: Usually it's a newsworthy event when the price of a well-known tech company falls by more than 10% in a week's time. However, in the last few weeks almost every single day has seen multiple major technology bellwethers taking double-digit losses. So how bad can this get? Analysts at Chartr combed through 50 years of daily data from the NASDAQ Composite to get perspective on how bad the current sell-off has been—and how much worse could it get. So far the NASDAQ is down 29% from its previous peak—officially in bear market territory. However, this decline isn't even close to the 70%-80% declines seen during the bursting of the dot.com bubble in 2000 and the financial crisis of 2008. (Chart by 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

"Equities are toast, goldilocks is dead. I think there's a chance this decline could shock people by how far it goes down."

George Noble – Retired Hedge Fund Manager
May 2022

Yours truly,

Rial R. Moulton

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Certified Financial Planner™

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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.*

To unsubscribe from the "Molten Hot" Minutes please reply to this e-mail with "Unsubscribe" in the subject line, or write us at 1220 N. Mullan Road, Spokane, WA 99206.

https://www.youtube.com/watch?v=5YgU2am5TMY

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.)