MOULTON WEALTH MANAGEMENT INC.
MOULTON HOT MINUTES
SPECIALIZING IN RETIREMENT AND TAX PLANNING


420 N. EVERGREEN RD; SUITE 100
SPOKANE, WA 99216
509-922-3110

DONALD J. MOULTON
CFP®, RFC

www.moultonwealth.com

RIAL R. MOULTON
CFP®, CPA/PFS, RFC
Estate Planning Attorney

November 2025

Is the Market Getting Too Comfortable?

Why Retirees Should Be Careful When Everyone Else Feels Fearless

The stock market has been on a tear through 2025, rising over 35% since spring despite trade tensions, layoffs, and talk of an AI bubble. Technology stocks in particular have led the charge, drawing comparisons to the dot-com boom of the late 1990s.

That may sound exciting, but for retirees, markets like this often bring the most danger. Big rallies can breed overconfidence and push investors to ignore risk until it's too late. When prices climb far above their true value, even a small shock can cause sharp, lasting declines. For those living off their savings, those losses aren't just numbers on a screen - they can change real-world lifestyles.

The Calm Before the Storm

Beneath the surface, warning signs have already appeared. Sudden trade headlines have triggered steep one-day drops. Reports of bad loans sent shockwaves through financial stocks. Even gold, often seen as a safe haven, has had its biggest one-day fall in a decade.

The market has bounced back each time, but sideways trading since October suggests fatigue may be setting in. As one strategist put it, "The thing I fear most is the lack of fear." History agrees; markets often peak when investors stop worrying about risk.

Why Losses Hurt Retirees More

When you're retired, your investments don't just need to grow—they need to last. This makes large losses especially damaging because retirees are often withdrawing money at the same time markets are falling. That combination - called ***sequence-of-returns risk*** - can permanently reduce your lifetime income, even if markets recover later.

The Real Cost of a 30% Loss

Start with $1,000,000. A 30% drop leaves $700,000. To get back to even, you need a **43% gain**. If you withdraw $40,000 for income, you're down to $660,000—meaning a **52% recovery** is needed.

It also means you need to make 6% next year just to cover that year's withdrawals. Since markets average ~10% over the long term, you can see it could take many years, if ever, to make back losses.

That's why **defense matters more than offense** once retirement begins.

Why a Mechanical System Works

For retirees, the biggest enemy isn't the market, it's emotion. Human nature tempts investors to buy high when everyone's optimistic, and sell low when fear sets in. A mechanical, math-based system removes that emotion by turning decisions into data.

Instead of reacting to news headlines, investor moods, or political drama, a mechanical process relies on measurable facts - price movement, volatility, volume, and market behavior - to decide when risk is rising or falling. That consistency matters most during market extremes, when emotions run hottest.

When markets are calm and rising, a mechanical system keeps you invested. When markets show signs of breaking down, it reduces exposure automatically. It doesn't argue, hesitate, or hope. It simply follows the math. Over time, this discipline helps avoid the catastrophic drawdowns that do the most damage to retirement portfolios.

Think of it as "driver assist" for your investments: it doesn't make the car faster, but it helps you stay on the road and miss the biggest potholes - the deep declines that can take years to recover from - while still participating in much of the market's long-term growth.

Mechanical systems don't predict the future, and they don't need to. They respond to what's *actually happening*, not what investors *wish* would happen. That's why they can be so effective for retirees: they convert uncertainty into structure and emotion into math. The result is fewer panicked decisions and smoother long-term outcomes.

The Takeaway

This late-stage rally may keep going (in fact, we think it will), but the risks are rising. For retirees, the goal isn't to capture every last percent of upside - it's to avoid the kind of loss that changes your standard of living.

A mechanical, math-driven strategy brings order to an unpredictable world. It replaces guesswork with rules and emotion with logic. In the long run, that structure doesn't just protect portfolios - it protects peace of mind. And for those in or near retirement, that may be the most valuable investment of all.

If you are retired or close to retirement…

What is your plan?

Attend one of our free seminars or call the office to hear about your options.

Yours truly,

Rial R. Moulton, CFP®, CPA / PFS, RFC
Certified Financial Planner™ professional
Estate Planning Attorney

Donald J. Moulton, CFP®, RFC
Certified Financial Planner™ professional

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 ask them to send an email with their information and permission to be added.

Be fearful when others are greedy, and greedy when others are fearful.

-Warren Buffett

Last seminars of 2025!

Weekly Radio Show Saturday Morning:

8:00 AM KXLY 920 AM
Spokane and Area

9:30 AM KFLD 870 AM
Tri-Cities and Area

Moultonwealth.com

- **How employing and consistently following a defensive system could help you to a better retirement.**
- The "Widow's Tax" could be a major drain on the survivor's spendable income!
- What happens when an economic downturn makes it difficult for companies to pay back their massive debt?
- Why Buy and Hold Investing was right for the 80's and 90's yet very wrong for today.
- Will inflation eat up your assets?
- How to potentially decrease taxes on your hard earned Social Security Income
- To Roth or not to Roth?

And so much more!

SPOKANE

Hampton Inn
Breakfast
16148 E. Indiana — Spokane
Nov. 19th @ 9:30 AM

TRI-CITIES

Hampton Inn
Breakfast
486 Bradley Blvd — Richland
Nov. 18th @ 11:00 AM

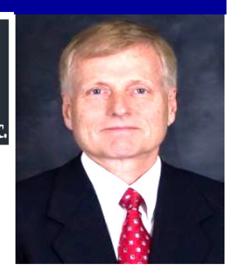
Complimentary Seminar

For those 50 years old and older

MOULTON WEALTH MANAGEMENT Inc.

420 N. Evergreen Rd. #100; Spokane Valley, WA 99216

SPONSORED BY MOULTON WEALTH MANAGEMENT, INC.



Donald J. Moulton
Certified Financial Planner™
CFP®, RFC

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

Call to reserve a spot: 509-922-3110

Advisory services through Moulton Wealth Management, Inc., an independent Registered Investment Advisor registered with the SEC

MOULTON WEALTH MANAGEMENT Inc.

420 N. Evergreen Rd. Suite 100
Spokane Valley, WA 99216

Sponsored By Moulton Wealth Management, Inc.

Investment advisory services offered through Moulton Wealth Management, Inc. an independent Registered Investment Adviser with the SEC

Call for assistance:
509-922-3110

Yellow Lights

Last Free Breakfast Seminars of 2025

Spokane	*No Cost Seminars for Retirees and those close to Retirement*	**Richland**
Nov. 19th @ 9:30 AM		**Nov. 18th @ 11:00 AM**
Details Inside		*Details Inside*