



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

Week of January 19, 2026

Last week's newsletter discussed the importance of getting a Financial Physical to begin the year. Much like getting a physical from your doctor, a Financial Physical doesn't require known problems, instead it's intended to avoid problems. Problems are always easier to avoid than to repair. You can read the newsletter here: [Newsletter - Moulton Wealth](#).

ATTEND OUR...

FINANCIAL & TAX PLANNING SEMINAR

*Including the “**BIG BEAUTIFUL BILL**”*

BRING A GUEST

- **JANUARY 21, 2026 – RICHLAND**
- **JANUARY 28, 2026 - SPOKANE**

CALL 509-922-3110 TO RESERVE A SEAT *OR IF YOU
WANT A SECOND OPINION ON YOUR PORTFOLIO!*

Last Saturday's radio show discussed the newest inflation and jobs numbers. Specifically we discuss what's going right, and what may not be. And we explain why further rate cuts are not a "done deal". If the market has priced in lower rates, this could be problematic. You can listen to past radio shows here: [Radio Show - Moulton Wealth](#).

Please see our website www.MoultonWealth.com. Of the many improvements, the most important is we now host podcasts of past radio shows, allowing you to listen at your convenience. You can also read all the past newsletters and take the test to find your Risk Number.

MY ADVISOR ISN'T A FIDUCIARY, IS THAT A PROBLEM?

Why Working With a Fiduciary CFP® Matters More Than Ever in Retirement

As we move through retirement, the decisions we make about money become even more important. Unlike during our working years, mistakes are harder to recover from. Every dollar matters, and every decision about taxes, risk, and income has consequences. That's why working with the right financial professional is critical.

Recently, we were asked:

"I asked my financial advisor if they are a fiduciary, and they said no. Is that bad?"

The short answer is **yes, it's a red flag**, especially in retirement.

It's why we legally structured ourselves as fiduciaries and why we both earned our Certified Financial Planner™ designation.

LISTEN TO RIAL'S AND DON'S RADIO SHOW,

"YOUR MONEY MATTERS"

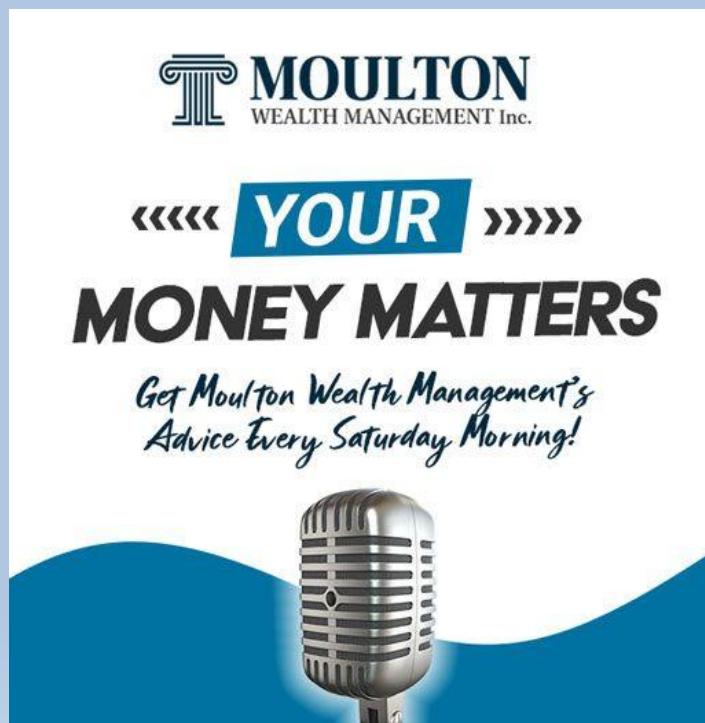
EVERY SATURDAY MORNING AT

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

LISTEN LIVE AT WWW.NEWSTALK870.AM AGAIN AT 9:30 EACH SATURDAY MORNING

OR VISIT OUR WEBSITE MOULTONWEALTH.COM FOR PODCASTS



509-922-3110

What Is a Fiduciary CFP®, and Why Does It Matter?

Many don't know the difference in the financial industry between someone who is a **fiduciary CFP®**, and someone who is governed by a reasonableness standard.

A **CFP® who is also a fiduciary** is legally required to act in your best interest. They must put your needs ahead of their own, avoid conflicts of interest, and provide guidance that is truly aligned with your goals.

What Exactly Is a CFP®?

The designation **CFP® stands for Certified Financial Planner™**. It is widely considered the gold standard in financial planning. Becoming a CFP® requires rigorous education, testing, experience, and ethics:

- **Education:** A CFP® must complete advanced coursework in financial planning, taxes, retirement, insurance, estate planning, and investment strategies.
- **Exam:** The CFP® exam is one of the most challenging in the financial industry, testing knowledge across all areas of financial planning.
- **Experience:** CFP®s must have several years of relevant professional experience before earning the designation.
- **Ethics:** CFP®s are held to a strict fiduciary standard, meaning they must act in your best interest at all times.
- **Continuing Education:** CFP®s must complete ongoing training each year to stay current with laws, regulations, and best practices.

In other words, a CFP® is not just someone who manages investments - they are trained, tested, and held accountable to **comprehensively plan your financial life**. For retirees, that training translates into smarter strategies for income, taxes, and risk management.

Why Fiduciary Advice Is Non-Negotiable in Retirement

Retirement is a different stage of life than accumulation. When you're still working, mistakes can be fixed over time. In retirement, every dollar counts, and poor decisions are harder to recover from. You are no longer saving; you are **spending**.

A fiduciary ensures that every investment, withdrawal, and tax decision aligns with your goals, income needs, and risk tolerance. They are focused on your future, not commissions or product sales. Working with a fiduciary isn't optional - it's essential if you want someone truly on your side.

The Role of Tax Planning

A fiduciary CFP® doesn't just look at investments. Retirement planning is as much about estate planning, risk management, retirement planning and **tax planning** as it is about investments. Many retirees work with CPAs simply for tax preparation, which reports what already happened. But in retirement, the real advantage comes from **proactive tax planning**:

- When to take income
- How much to withdraw from IRAs or 401(k)s
- Whether Roth conversions make sense
- How to manage required minimum distributions
- Planning for what your heirs might owe

The ability to proactively plan taxes opens up future possibilities for saving taxes over time, for you, your spouse and your heirs. Without this coordinated planning, you risk paying more in taxes, leaving money on the table, or creating unnecessary risk.

Expertise Matters - Just Like Choosing a Specialist Doctor

Imagine going to a general practitioner for heart surgery. You wouldn't do it. You want a specialist - someone who does that exact work every day.

Retirement planning is similar. Accumulating money is one skill. Turning savings into income, managing taxes, controlling risk, and planning for longevity is another. A retirement-focused fiduciary brings experience in:

- Market cycles and volatility
- Income planning and withdrawal sequencing
- Inflation and cost-of-living adjustments
- Tax efficiency
- Risk management

This expertise is not about chasing high returns; it's about **precision and protection**. A specialist knows the difference between managing wealth in good markets and preserving it in bad ones.

The Often-Overlooked Need for a Sell Discipline

Many investors spend most of their time thinking about what investments to buy, not when or why to sell. In retirement, that oversight can be costly.

A **sell discipline** is a set of rules for reducing risk or taking profits. It helps:

- Protect gains after strong market rallies
- Limit exposure before losses become permanent
- Avoid emotional decision-making during market downturns

Just as a doctor sets a treatment plan before a crisis, we feel it's important to establish risk rules and exit strategies ahead of time. This prevents panic-driven moves that can erode decades of hard-earned savings.

Remember, retirement is a different phase of life. Just as downsizing your house may make sense when you enter retirement, so does reassessing your investment focus.

Simply gathering assets and hoping for the best is no longer sufficient.

Why Inflation and Employment Still Matter

Even if markets are optimistic, retirees face ongoing risks. Inflation may appear to be slowing in headline numbers, but real purchasing power is still under pressure. At the same time, employment remains stronger than many think, keeping wage and service pressures alive.

A fiduciary helps you:

- Protect your retirement income against inflation
- Adjust allocations to maintain lifestyle without overexposing your portfolio
- Make decisions that anticipate economic trends, rather than reacting to them
- Enacting and executing a sell-discipline so that you don't lose decades of savings to an unexpected market decline.

Without this guidance, retirees risk **underestimating costs, overestimating growth, and losing control over their financial independence.**

The Bottom Line

You've worked too hard to leave your retirement to chance. That's why:

- Working with a **fiduciary** is non-negotiable. They are legally obligated to put your interests first.
- Pairing them with a **CFP® who also helps with tax planning** ensures your income, withdrawals, and investments are aligned.
- A fiduciary with experience and a **sell discipline** protects gains and manages risk.

Retirement is not about predicting the market. It's about making decisions that preserve your wealth, provide income, and reduce stress. Like choosing the right specialist doctor, choosing the right fiduciary and team can make all the difference.

If your current advisor is not a fiduciary, it's worth asking why - and considering someone who is truly on your side. In retirement, you don't need promises; you need **alignment, expertise, and accountability.**

Want Help?

Let's review your portfolio, your taxes and your estate plan and design a plan to optimize your retirement. And let's include a math-driven defensive investment discipline, tailored to the next phase of the market - not the last one.

Prepare - don't panic.

If you're feeling unsure about how to navigate all of this, or if you're sitting on the sidelines, trying to figure out how (or whether) to get back in, we invite you to call us or join one of our seminars.

We'll walk you through the data, the process, and the options. Our mission is to help you plan with discipline, flexibility, and confidence - whatever the market brings next.

Participate while the trend is strong, but have a clear plan for when to reduce risk.

That's what disciplined investing is all about - balancing the need to capture gains with the need to protect against big losses.

Our 8 Core Investment Principles:

1. We are committed to making your money last as long as you do.
2. Growth is important, but the protection of principal is even more important.
3. The goal of our Invest and Protect strategy is unlimited upside, with tolerable downside.
4. It's better to have the Invest and Protect strategy and not need it, than to need it and not have it.
5. The Invest and Protect strategy sometimes comes with opportunity cost in certain market environments.
6. Take only as much risk as appropriate to achieve your specific financial goals.
7. Paying taxes on gains is preferable to losing those gains, along with your principal.

8. Working with a financial professional who is a fiduciary, and who has a mathematically based protection strategy, may help you achieve a successful retirement.

Investments are but one topic we cover at our seminars, and discuss in our consultations. Retirement can be a time of great joy and freedom. But leaving aspects of your finances unaddressed, adds uncertainty and stress. It's why it is so important to look beyond just your investments. In our free, initial consultations we review these five critical areas:

1. **Protection** - how do you protect against disasters such as a fire, lawsuits and health issues?
2. **Estate Planning** - what is the best estate plan for you and for your heirs? Is the one you have set up properly? And did you know that no matter how good, your estate plan likely does not cover your biggest assets? They certainly don't govern IRAs, 401ks, 403bs, 457s, Roth IRAs, life insurance or annuities.
3. **Income Taxes** - we'd all like to pay less income taxes, but how? Tax planning is becoming harder and harder to find. Your tax preparer is likely overworked, and doesn't have the time, or expertise, to tax plan in consideration of your entire financial picture. We strive to suggest strategies to save taxes over time for you, for your spouse, and for your heirs.
4. **Retirement** - the biggest question we get is "*do I have enough money?*" If you've not yet retired, you can always decide to delay, assuming it's your choice. But if you're already retired, you need to resolve this as early as possible, so smaller changes can make a bigger impact. Our Family Index will tell you a lot about what you need to know.
5. **Investments** - when asked how they pick investments, we receive a variety of answers. Most say they look at 5- or 10-year returns, and assume those will continue into the future. Some get tips from friends or off the internet. Still others are frozen with indecision, and don't really know what they have, or even when or how they got them. This is especially problematic for surviving widows and widowers, who were not the partner "in charge" of the investments. While any of these can work for a time, many, if not most, will ultimately fail, especially in bear markets. We think it's critical to understand how much risk you are taking, what the downside could be, and to decide, BEFORE IT HAPPENS, if you can financially survive. If not, you need to implement a strategy to minimize this risk, again, before it happens.

For many, worrying about investments, along with all the other retirement concerns, is not something they feel comfortable doing. Many would rather spend retirement enjoying themselves.

Working with an advisor may help.

It doesn't matter if you lose money because you pay more than you need to in taxes, get sued or have a disaster, lose it because your estate plan is not implemented properly, or take a big loss during a stock market decline...

It's all lost money!

We offer free, no obligation "Financial Physicals" where we address all of these potential land minds, in addition to your longer term, retirement cash flow needs.

Come to a seminar and decide if a Financial Physical could be helpful.

Hope for the best but plan for the worst.

If you're not a client, what should you do with this information?

Prepare!

Procrastination and Planning both start with a P, but they are not the same.

Failing to prepare, is preparing to fail.

Come to a seminar and find out how you might protect yourself. In our seminars, and at initial, free, consultations called "Financial Physicals" we discuss the five areas most important to financial health for retirees or those close to retirement.

1. Protection
2. Estate Planning
3. Income Tax
4. Retirement
5. Investments

Risk management is key for success in all of those areas.

Consider exploring how you might add a defensive strategy to your investment approach.

Maybe this time is different, and if you're a buy and hold investor with no defensive strategy, you're betting your portfolio, and possibly your retirement, on it.

Attend a seminar or call the office to find how adding a defensive strategy to your portfolio could help because...

Sure, the market comes back, eventually...

How long can you afford your portfolio to be down significantly?

Currently risk-free rates approximate 4.2% compared to what the market “might” make (or more importantly lose) over the coming months, and considering the growing mountain of evidence of an oncoming recession, it seems negligent not to at least explore your options.

This is even more important if your spouse is not as savvy about investments as you are.

The Great Financial Crisis was triggered by the popping of a bubble in real-estate. **The bubble in real-estate today is bigger by most measures.**

The Dot.com bear market was triggered by the popping of a bubble in equity valuations. **The equity bubble is bigger today by most measures.**

Neither the Dot.com nor the Great Financial Crisis bear markets had inflation, or nearly as much debt across consumers and businesses as we have today.

If the Dot.com bubble resulted in the S&P-500 falling ~ **-50%** and the NASDAQ falling over ~ **-80%**...

If the Great Financial Crisis saw the S&P-500 fall ~ **-57%** and the NASDAQ falling over ~ **-50%**...

How much might a market fall with levels exceeding both of those along with inflation and higher leverage?

You don't have to remain locked into the same approach as you had when these risks didn't exist. You are allowed to protect yourself. You can step away and then come back when the risks decline. Call us to find out how.

It's time to focus on return of your money rather than return on your money.

To be clear, we'll have a great buying opportunity at some point in the future. Usually that happens with the market crashing and most investors disgusted with the thought of investing. If you lose much of your net worth, participating will be difficult.

“You can’t buy low if you don’t sell high.”

Patience and asset protection will be key.

Don’t wait until you have suffered unrecoverable losses before taking action.

In the Great Financial Crisis, the S&P-500 fell 24% from the start on October 9, 2007 until the Lehman bankruptcy on September 15, 2008. That was close to a year, and not that far off from what we've lived through so far.

Then in just over a month from September 15, 2008 to October 27, 2008 the S&P-500 fell **ANOTHER** 28.8%. And from September 15, 2008 to the ultimate bottom, about 5 months later, it fell **ANOTHER** 43%.

Not only do bear markets normally unfold in three stages with the last being the most virulent, it also demonstrates that risk happens slowly and then all at once.

What is your defensive plan?

Call or attend a seminar to hear about ours.

Remember, we have a feature on our website 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

[What's Your Risk Number?](#)



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.

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.

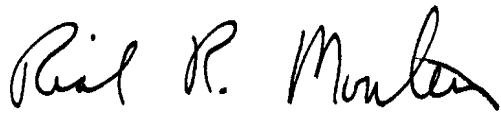
The drop didn't retrace only a few months or even a couple years.

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

WEEKLY FOCUS – THINK ABOUT IT

Work with a Fiduciary

Yours truly,



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



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

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 or other publications are 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. Some of all of this may have been written by AI. 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 420 N. Evergreen Road, Suite 100; Spokane, WA 99216.

The Barclays Global Aggregate Bond Index (formerly Lehman Brothers Global Aggregate Index), is an unmanaged market-capitalization-weighted benchmark, and 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 market 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 companies 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.