AIS INVESTMENT GUIDE

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*** HYD is a hypothetical model based on back-tested results. See p.78 for full explanation**

We offer two discretionary management services: Our Professional Asset Management (PAM) service covers all of our recommended assets and allows us to place trades in stocks, bonds, and mutual funds directly in our clients' accounts.(The accounts remain the property of our clients at all times—we are only authorized to trade on their behalf.) Our High-Yield Dow (HYD) service operates similarly, except it invests only in the highest-yielding Dow stocks, using the 4-for-18 model on a fully invested basis. Investors interested in these low-cost services should contact us at 413-528-1216 or Fax 413-528-0103.

Online: www.americaninvestment.com

Economic Indicators, Tea Leaves, etc.

The next time you encounter a "talking head" pontificating about "where investors should be during this phase of the business cycle," reach for the remote. During recessions the financial media invariably fixate on whether recovery has begun and what that portends for investors. However, economic indicators in fact provide no information that is useful with regard to the future direction of capital markets, and wise investors will ignore them.

This is not to say that business cycle data, such as the economic indicators tracked by our parent, AIER, are of no value. To the contrary this information can be quite useful. For example, a small business owner might hire or invest in inventory or equipment depending on whether expansion is underway. Similarly, an individual contemplating a career change or weighing full-time employment versus attending college would be wise to consider whether the economy is expanding or contracting.

> *"Anyone who could predict where markets are going with any consistency would have no need to earn a living convincing others of his ability to do so."*

Capital markets, however, are *forward looking* and *any publicly available information*, including business cycle data, impacts security prices almost the moment it emerges. This is why the S&P 500 is itself a *leading* indicator of economic activity. Capital markets provide information regarding prospective turning points in the business cycle, not the other way around. To presume that one can assess information after its release and to hope to profit from it through trading or "tactical portfolio adjustments" is naïve.

Percent of actively managed U.S. Equity funds outperformed by benchmarks in bear markets		
	2008	**2000-2002**
All Large-Cap Funds	54.3	53.5
All Small-Cap Funds	83.8	71.6
Large Growth	90.0	49.4
Large Core	52.0	53.4
Large Value	22.2	36.5
Small Growth	95.5	87.5
Small Core	82.5	70.8
Small Value	72.6	58.3

Our conclusions are based on our research, which spans numerous business cycles,[1] and on studies by others that show market timing fails in general. Most recently, Standard and Poor's released results of their S&P Indices Versus Active Funds (SPIVA) Scorecard[2]. SPIVA is a carefully constructed ongoing assessment of active management versus indexing. Notably, it tested a widely held belief that market timers can outperform benchmarks *during bear markets* because they can shift quickly into cash. The accompanying table taken from the SPIVA report, casts doubt on that claim.

Unfortunately, many high-profile economists have sold their souls to Wall Street and media outlets. Their arguments may sound impressive but they are merely recycling yesterday's news, well after it has impacted share prices. Anyone who could predict where markets are going with any consistency would have no need to earn a living convincing others of his ability to do so.

[1]For a detailed analysis of capital markets and business cycles, see the December 2008 and May 2007 issues of *Investment Guide*. Related articles appear in March 2009 and May 2009.
[2]For a link to the study, visit our website, **www.americaninvestment.com.**

QUARTERLY REVIEW OF INVESTMENT POLICY

The remarkable turnaround in the capital markets that began in early March continued through the third quarter. Though the S&P 500 remains well below its October 2007 peak, the past six months have seen positive returns not only in the U.S. stock market but in every asset class we recommend. Year to date, ever-volatile emerging market stocks have risen an astonishing 64 percent. Not surprisingly these stocks also took the hardest hit during the melt-down in prior months. Foreign developed market stocks have climbed nearly 30 percent thanks in large part to a weaker dollar. Among U.S. stocks, small caps were the first to rebound, just as they were in prior stock market cycles. Returns of U.S. large cap value stocks outpaced growth stocks during the third quarter and have risen nearly 15 percent year to date.

Rather than fret about an unknowable future, investors should focus on the lesson that the capital markets have provided over the past year. Just seven months ago, when the stock market hit bottom, many investors accepted an uncertain future yet refused to panic. Their perseverance has been rewarded. The AIS Model Portfolios table below is designed to allow our readers to formulate and stick to a rational allocation plan, regardless of the market's twists and turns.

We (almost) feel sorry for "active" investors at this point. Many ran for cover and liquidated equity holdings during the steep decline that ended in early March. Having guessed wrong, they must now worry whether to wait until the next decline to buy stocks or to try to get in now and still prosper from whatever might remain of the recent rally. What about high-rollers who may have guessed correctly and piled into stocks in March, when the market hit bottom? Should they trust their "skills" to attempt another timing coup? While market timing may or may not provide positive returns, it seems to us that investor angst is an almost certain result.

Passive investors, on the other hand, can relax. While our strategy does not free you from the ups and downs of the market, you can take comfort that our approach has withstood the test of time and bolstered the case for passive management.

Cash and Equivalent Assets

The Fed maintained its targeted Federal Funds rate at 0.25 percent throughout the quarter. The Fed's first priority appears to be ensuring economic recovery; any concerns regarding deficit-induced monetary inflating appear to be secondary.

Investors hoping for higher yields on their cash investments were disappointed; the yield on the 13-week U.S. Treasury Bill fell from 0.18 percent to 0.12 percent over the course of the three months. Through September 30 the Consumer Price Index declined 1.32 percent on a year-over-year basis. The market's five year inflation outlook changed little from the end of the second quarter, as the spread between conventional Trea-

AIS Model Portfolios(1)
For the Period Ending September 30, 2009

Asset Class	*Index*	*Recommended Percentage Allocations (2)*			*Asset Class Statistics: Risk and Return*			
					Total Return (annualized)			*Std. Dev. (annualized)*
		Conservative	*Moderate*	*Aggressive*	*1 Year*	*10 Year*	*20 year*	*20 year*
Cash & Equivalent Assets (3)	3 Month CD Index	20	10	0	1.02	3.32	4.34	0.55
Short/Int. Fixed Income	Barclays Capital 1-5 Yr Govt/Cred	40	30	0	7.92	5.35	6.30	2.35
Real Estate	DJ US Select REITs Index	10	10	10	-29.35	9.72	7.97	20.32
U.S. Large Cap Growth	Russell 1000 Growth Index (USD)	5	5	10	-1.86	-2.55	7.21	17.46
U.S. Large Cap Value	Russell 1000 Value Index (USD)	15	20	30	-10.62	2.59	8.60	14.68
U.S. Small Cap Value	Russell 2000 Value Index (USD)	5	7	13	-12.61	8.05	9.79	16.96
	DFA US Micro Cap Portfolio (USD)	0	3	7	-8.84	8.08	10.02	20.69
Foreign Developed Markets	MSCI EAFE Index (USD) Gross Div	5	7	13	3.80	2.97	4.54	17.55
Foreign Emerging Markets	MSCI Emg. Mkts. Index (USD) Gross Div	0	3	7	19.44	11.71	10.57	24.46
Gold Related	Gold EOM gold (London PM Fix)	0	5	10	12.57	12.79	5.13	14.68
	Total	100	100	100				

Model Portfolio Statistics: Risk, Return and Growth

	Conservative	*Moderate*	*Aggressive*
Portfolio Return 1 Year	0.28	-0.71	-5.74
Portfolio Return 10 Year (annualized)	5.29	6.14	6.34
Portfolio Return 20 Year (annualized)	7.05	7.74	8.67
Portfolio Standard Deviation 20 Year (annualized)	5.54	7.76	13.24
Growth of $100 over 20 Years	$390.00	$444.00	$528.00

(1) Past performance may not be indicative of future results. Therefore, no current or prospective investor should assume that the future performance of any specific investment, investment strategy (including the investments and/or investment strategies recommended by the AIS), or product made reference to directly or indirectly, will be profitable or equal to past performance levels. Historical performance results for investment indexes and/or categories, generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment-management fee, the incurrence of which would have the effect of decreasing historical performance results.The results portrayed in this portfolio reflect the reinvestment of dividends and capital gains. Model Portfolio Statistics are hypothetical and do not reflect historical recommendations of AIS. Annual portfolio rebalancing is assumed.
(2) For our recommended investment vehicles for each asset class, see page 80.
(3) Investors should maintain cash balances adequate to cover living expenses for up to 6 months in addition to the cash levels indicated.

suries and TIPS was 1.37 percent as of September 30.

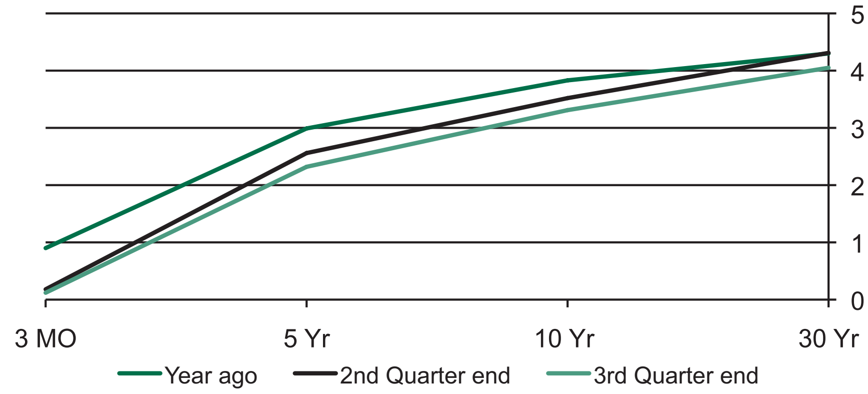
Short/Intermediate Term Bonds

Bonds in general provided strong returns during the third quarter. The Barclays Capital U.S. Aggregate Bond Index rose 8.1 percent as interest rates fell across the yield curve (see Chart 1). Bond returns were bolstered by investors who shifted from cash to bonds in search of higher yields, as well as the Federal Reserve's announcement that it would extend its purchases of mortgage-backed securities through March 2010.

In the short and intermediate term bond segment, the Barclays Capital 1-5 Yr. Gov/Credit Index rose 2.14 percent, bringing its year to date total return to 4.24 percent. Corporate bondholders benefited in particular as investors showed renewed willingness to embrace credit risk; the iShares Barclays 1-3 Yr. Credit Bond fund (CSJ), which we first recommended in February, provided a 2.24 percent return and was up 6.45 percent year to date. High-yield (below investment grade quality) corporate bonds returned 14.8 percent.

Municipal bonds rose for the third straight quarter, gaining 7.1 percent over the three months. Munis were bolstered by increased investor demand in the face of an uncertain tax climate, as well as the issuance of Build America Bonds (BABs). BABs, authorized under the $787 billion U.S. stimulus package, pay taxable interest but municipalities receive a federal subsidy on interest payments to reduce their cost of capital. The emergence of BABs has displaced new issuance of traditional tax exempt munis, contributing to higher prices among the tax exempt issues.

Chart 1: U.S. Treasury Yield Curve (%)



Real Estate

Real Estate Investment Trusts (REITs) provided the highest returns among our recommended asset classes during the third quarter as the FTSE NAREIT U.S. Equity Real Estate Index registered a 33.28 percent return. Year to date equity REITs were up 17 percent, with the lodging/resorts, industrial/office, retail and residential subsectors providing the largest increases. As of September 30, equity REITs were providing an average yield of 4.02 percent.

REITs provide a high level of dividend income and strong total returns that are not highly correlated with those of common stocks or bonds, thus enhancing a portfolio's total risk-adjusted returns. Because dividend income accounts for a significant portion of their returns, REITs are best suited for tax-deferred accounts such as IRAs or qualified retirement plans.

U.S. Equities

U.S. stocks, measured by the S&P 500, rose 15.6 percent for the quarter. As we described in this month's lead article, the market reacted immediately when positive news regarding the economy emerged, backed by Federal Reserve Chairman Ben Bernanke's statement that the recession was "very likely over." The market was also buoyed by near-zero short term borrowing costs, which provided firms with access to low cost capital and enhanced leveraged investing opportunities.

Small caps outperformed large caps, as the Russell 2000 climbed 22.4 percent during the quarter. Large cap value stocks (Russell 1000 Value, +18.24 percent) outperformed large cap growth (Russell 1000 Growth 13.96 percent), thanks largely to a strong rebound among financial stocks (+25.5 percent), though year to date large growth stocks (+27.11 percent) have nearly doubled the returns of large cap value shares. Generally, defensive oriented sectors (utilities, consumer staples) lagged behind sectors better poised to benefit from a global economic recovery (industrials, information technology).

The stock market's relative valuation increased during the quarter. According to Fidelity Management & Research Co., the price-to-earnings ratio (P/E) on the S&P 500 rose from 16.3 to 19.1 (using normalized trailing earnings), nearly 2

Total Return (%)

	2007				*2008*				*2009*			*Entire Period 1Q 2007-*
	1Q	*2Q*	*3Q*	*4Q*	*1Q*	*2Q*	*3Q*	*4Q*	*1Q*	*2Q*	*3Q*	*3Q 2009*
Barclay Capital 1-5 Yr. Govt./Credit	1.55	0.38	2.63	2.53	2.91	-1.09	-0.31	**3.60**	0.53	1.46	2.14	17.47
Vanguard REIT Index	3.39	-9.40	2.39	-12.90	2.13	-5.39	5.35	-38.16	-32.09	30.03	**34.54**	-37.51
Vanguard Value Index	0.90	5.70	-0.04	-6.12	-9.02	-6.18	-5.72	-20.44	-16.41	16.71	17.38	-26.61
High-Yield Dow 4/18*	3.98	7.25	1.33	-5.16	-11.12	-11.39	**8.77**	-22.71	-23.83	15.66	16.55	-27.13
Vanguard Small Cap Value Index	2.01	2.93	-5.03	-6.81	-6.52	-3.80	1.51	-25.57	-18.14	23.83	23.89	-20.71
Vanguard Growth Index	1.21	6.65	4.34	-0.06	-9.99	**2.34**	-12.04	-23.88	-4.24	15.59	14.13	-12.29
Vanguard Developed Markets Index**	4.21	6.33	2.44	-2.22	-8.47	-2.42	-18.89	-19.41	-15.82	25.59	19.25	-18.31
Vanguard Emerging Markets Index*	2.18	**15.40**	**14.43**	2.94	-10.48	-1.35	-25.98	-27.82	0.07	**34.14**	21.15	6.58
Gold (London PM Fix)	**4.71**	-1.70	14.22	**12.21**	**11.96**	-0.35	-4.92	-1.67	**5.38**	1.96	6.55	**57.54**

percent higher than its long term average since 1930. As we described in the March 2009 Investment Guide, this does not suggest stocks are overpriced. Rather, it signals that as the economy has shown signs of recovery, the market has adjusted quickly by pushing security prices higher. Expected returns have been reduced accordingly, but the market's perception is that risk has fallen as well.

International Equities

Foreign stocks generally outperformed U.S. stocks. Among developed markets, the MSCI EAFE Index rose 19.52 percent during the quarter, and year to date was up 29.58 percent. Emerging markets, measured by the MSCI Emerging Markets Index, rose 21.04 percent, extending a sharp reversal from 2008 and lifting year to date total returns to 64.88 percent. Both developed and emerging nations with strong exposure to financial stocks fared best. In developed markets, these included Australia (+33 percent), Spain (+27 percent), and France (+27 percent). In emerging markets, South Korea (+34 percent) and Brazil (+27 percent) led the way.

The dollar was mixed against other major currencies during the quarter, falling 3.1 percent on a trade-weighted basis. Year to date, the weaker dollar has contributed significantly to higher returns for U.S. investors as the dollar value of foreign securities rises with a falling dollar.

Gold Related Assets

Gold rose 6.55 percent during the third quarter, closing at $995.76 per ounce. The rally has extended into the fourth quarter, with gold reaching a new high of $1,061 per ounce on October 23. This run-up may have prompted investors who have adopted our strategy to rebalance their portfolios by selling some gold related positions at a profit and reinvesting the proceeds in asset classes that had fallen below their target allocations. As we approach year-end, and investors continue to rebalance their portfolios, realized losses carried over from previous years can be used to offset these otherwise taxable gains (see accompanying article).

Several factors contributed to the run-up in the price of gold. Investors' expectations of price inflation may have risen as central banks provided no indication that they were considering tighter monetary policies, even as global economies signaled recovery was underway. Rumors that nations might stop trading oil in dollars helped to fuel the run up as well. The media's attention on the falling dollar further piqued interest in gold as a store of value and a dollar hedge.

Gold bullion based exchange traded funds continue to experience strong growth. According to the World Gold Council, the total volume of gold held by these funds rose 38.5 tonnes during the quarter. Gold ETF holdings now account for 1,732.5 tonnes of gold or roughly double the level held just two years ago.

TAX SWAPPING TIME

As the year draws to a close, we remind investors that they can realize losses that can be used to offset taxable gains or possibly offset ordinary income. However, losses on the sale of securities are disallowed if "substantially identical" securities or options to purchase such securities are purchased within a 61-day window beginning 30 days before the date of the sale and ending 30 days after the sale. One could wait the required 30 days and then repurchase the same security that was sold, but markets can move a great deal in 30 days. Securities prices are inherently unpredictable, so this strategy risks selling the shares but repurchasing them only after a substantial increase in price.

There is a better approach. Investors can "swap" securities with tax losses for others that are similar but not "substantially identical." The key is to identify securities whose price changes are highly correlated with those that are to be sold. By selling an asset and immediately purchasing its substitute (rather than waiting 30 days to purchase the same security), you can potentially generate a loss for tax purposes without ever changing your risk allocation because your portfolio's exposure to that asset class would be largely unaffected.

Asset Class	Investment Vehicle	Ticker
Real Estate	iShares Cohen & Steers Realty Majors	ICF
U.S. Large Value	iShares Russell 1000 Value	IWD
	iShares S&P 500 Value	IVE
U.S. Small Value	iShares S&P SmallCap 600 Value	IJS
	iShares Russell 2000 Value	IWN
U.S. Large Growth	iShares Russell 1000 Growth	IWF
	iShares S&P 500 Growth	IVW
U.S. Marketwide	iShares Dow Jones U.S. Index	IYY
	iShares Russell 3000	IWV
Foreign Developed Markets	iShares MSCI EAFE Index	EFA
Foreign Emerging Markets	iShares MSCI Emerging Markets Idx	EEM
Gold Related*	iShares Comex Gold Trust	IAU

Despite the dramatic turnaround in the capital markets for the year to date, investors may still have unrealized losses among our recommended investment vehicles that appear on page 80.

Above we list several additional ETFs that provide a suitable, low-cost means of capturing the returns of their respective asset classes. Before investing, you should consult a tax professional to ensure any that any substitute investment is not "substantially identical" to that being replaced.

Be aware that the lower long-term capital gains rates established by the Economic Growth and Tax Relief Reconciliation Act (EGTRRA) are scheduled to expire in January 2011. See page 77 for an overview of capital gains tax rates. While future tax rates are unknown, the larger federal budget deficit makes higher rates very likely. Investors should be aware of these pending changes and prepare to take advantage of the lower rate on long-term capital gains during 2010 when considering their asset allocation and rebalancing decisions.

* Can be swapped for gold mining stocks, or vice versa

AVOID "BUYING A DIVIDEND"

Mutual funds are required to distribute realized capital gains to shareholders during the fiscal year. The net asset value (NAV) of the fund is reduced accordingly. Shareholders may reinvest the distribution or take it as cash.

In taxable accounts, investors should avoid purchases of fund shares shortly before year-end distributions. If you buy a dividend" you will pay taxes on the distributed amount without having benefited from the capital appreciation throughout the year.

Example: $10,000 is invested on December 20 with a purchase of 1,000 shares of fund AISX at $10 a share. On December 21st the fund pays a distribution of $1 per share. The share price will drop to $9 (not accounting for any change in market value). The investor now has $9,000 in share value + $1,000 in distributions, and owes taxes on the $1,000 even if the distributions are reinvested.

Investors should implement year end rebalancing of fund shares in tax-deferred accounts when possible, and always consult the fund's distribution schedule before buying shares. Vanguard's scheduled record dates for 2009 distributions will be available November 13.

The first shovel-ready project

CAPITAL GAINS TAX RATES

Capital Gains Tax Rates January 1, 2008-December 31, 2010

If Seller Had Owned the Sold Asset for:	and	Marginal Income Tax Rate in the Year of the Sale Is:					
		10%	15%	25%	28%	33%	35%
	then	The Tax Rate on the Capital Gain Is:					
Less Than 1 Year		10%	15%	25%	28%	33%	35%
1 Year or More		0%	0%	15%	15%	15%	15%

Note: The rate remains 28 percent for long-term gains from sales of art works and other collectibles (including gold bullion-based ETF).

Capital Gains Tax Rates January 2011 - ?

If Seller Had Owned the Sold Asset for:	and	Marginal Tax Rate in the Year of the Sale Is:				
		15%	28%	31%	36%	39.6%
	then	The Tax Rate on the Capital Gain Is:				
Less Than 1 Year		15%	28%	31%	36%	39.6%
1 to 5 Years		10%	20%	20%	20%	20%
Over 5 Years		10% (a)	20% (b)	20% (b)	20% (b)	20% (b)

Note: If the expiration of EGTRRA and JGTRRA occur as scheduled on December 31, 2010, without legislative action it might be presumed that statutory changes that were scheduled in law to occur between January 1, 2001, and December 31, 2010, would retroactively become law on January 1, 2011. If so, then two provisions of TRA'97 might become law on January 1, 2011. See footnotes (a) and (b) below.

(a) The Taxpayer Relief Act of 1997 provided that on January 1, 2001, the 10-percent rate would drop to 8 percent.

(b) The Taxpayer Relief Act of 1997 provided that after January 1, 2006, the 20-percent rate would drop to 18% on assets acquired on or after January 1, 2001.

Source: Tax Foundation

THE HIGH-YIELD DOW INVESTMENT STRATEGY

Recommended HYD Portfolio

As of October 15, 2009

	Rank	Yield	Price	Status	—-Percent of Portfolio-— Value	No. Shares[1]
Verizon	1	6.53%	29.11	Holding**	15.86	11.18
AT&T Corp.	1	6.33%	25.91	Buying	16.03	12.70
Dupont	3	4.74%	34.57	Buying	15.91	9.45
Merck & Co.	4	4.56%	33.30	Buying	10.67	6.58
Pfizer	7	3.62%	17.66	Selling	14.06	16.35
General Electric	18	2.38%	16.79	Holding	7.10	8.68
Alcoa	26	0.84%	14.36.	Holding	8.31	11.88
Bank of America	29	0.22%	18.10	Selling	9.06	10.28
Citigroup	NA		4.75	Selling	2.99	12.91
Cash (6-mo. T-Bill)	NA				0.01	--
					100.00	100.00

** Currently indicated purchases approximately equal to indicated purchases 18 months ago. 1 Because the percentage of each issue in the portfolio by value reflects the prices shown in the table, we are also showing the number of shares of each stock as a percentage of the total number of *shares* in the entire portfolio.

Hypothetical Total Returns: HYD and Relevant Indices (percent)

The total returns presented in the table below represent changes in the value of a hypothetical HYD portfolio with a beginning date of January 1979 (the longest period for which data was available for the HYD model and relevant indexes) through September 30, 2009*.

	1 mo.	1 yr.	5 yrs.	10 yrs.	20 yrs.	Since 1/79	Std. Dev.
HYD Strategy	1.06	-20.63	2.91	5.26	12.48	15.62	18.17
Russell 1000 Value Index	3.86	-10.62	0.90	2.59	8.60	12.03	14.91
Dow	2.43	-7.38	1.85	1.62	9.24	NA	NA

*Data assume all purchases and sales at mid-month prices (+/–$0.125 per share commis-sions), reinvestment of all dividends and interest, and no taxes. The 5-, 10- and 20-year total returns are annualized, as is the standard deviation of those returns since January 1979, where available. Model HYD calculations are based on hypothetical trades follow-ing a very exacting stock-selection strategy, and are gross of any management fees. They do not reflect returns on actual investments or previous recommendations of AIS. Past performance may differ from future results. Historical performance results for investment indexes and/or categories generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment-management fee, the incurrence of which would have the effect of decreasing historical performance results.

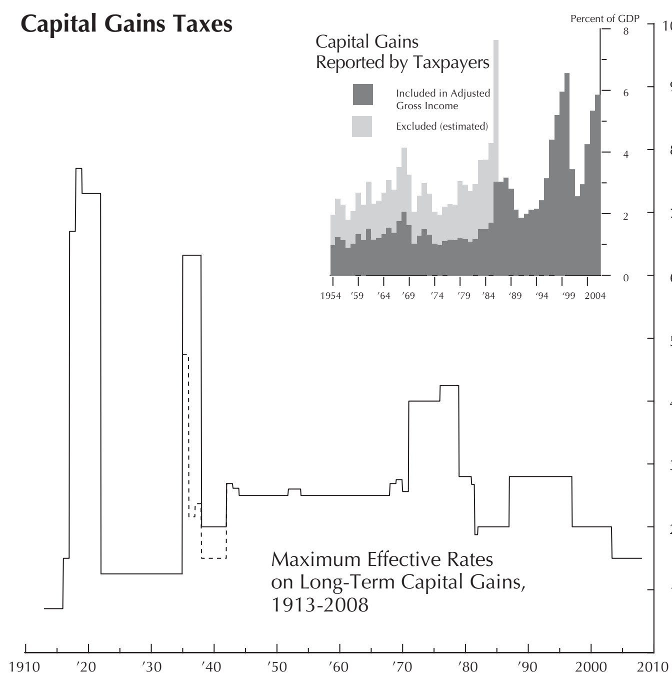
CAPITAL GAINS TAX RATES

Prior to 1922 and for 1988-1990, the rates shown are the highest applicable to ordinary income. For other years the effective rate was lower, either because a portion of long-term gains was excluded from taxable income (the excludable portion was deemed a “tax preference” subject to the alternative minimum tax during the years 1971-1979), because the maximum tax on such gains was “capped” at a rate below that on ordinary income, or both.

The minimum holding period to qualify for a long-term gain has varied over the years. Currently it is one year. From 1922 through 1935 it was two years. During 1935-37, and from 1977 to 1985 it was one year. From 1938 through 1942 it was 18 months. From 1943 through 1976 and in 1986 and 1987 it was 6 months. During the years 1935 through 1941, larger reductions from ordinary income tax rates were granted on hold-ing periods greater than the minimum, with the lowest rates (plotted as the dashed curve for those years) on assets held as long as 10 years.

Prior to 1987, the maximum effective tax rate on long-term gains applied to relatively few taxpayers with very high incomes — most taxpayers faced a lower rate. Since 1987, the maximum rate on long-term gains has applied to a much larger proportion of taxpayers. The current top rate is generally 15 percent for taxpay-ers whose regular tax bracket exceeds 15 percent.

Capital Gains Taxes



Source: AIER Chart Book. Call 413-528-1216 to order.

RECENT MARKET STATISTICS

Precious Metals & Commodity Prices ($)

	10/15/09	Mo. Earlier	Yr. Earlier
Gold, London p.m. fixing	**1,053.50**	996.00	847.00
Silver, London Spot Price	**17.54**	16.52	10.82
Copper, COMEX Spot Price	**2.85**	2.79	2.22
Crude Oil, W. Texas Int. Spot	**77.57**	70.92	74.54
Dow Jones Spot Index	**341.35**	316.18	295.72
Dow Jones-UBS Futures Index	**133.32**	126.58	138.64
Reuters-Jefferies CRB Index	**273.72**	258.17	283.04

Interest Rates (%)

		10/15/09	Mo. Earlier	Yr. Earlier
U.S. Treasury bills -	91 day	**0.07**	0.13	0.22
	182 day	**0.15**	0.21	0.90
	52 week	**0.32**	0.36	1.14
U.S. Treasury bonds - 10 year		**3.49**	3.47	4.04
Corporates:				
High Quality -	10+ year	**5.28**	5.17	6.32
Medium Quality -	10+ year	**6.45**	6.40	8.98
Federal Reserve Discount Rate		**0.50**	0.50	1.75
New York Prime Rate		**3.25**	3.25	4.50
Euro Rates	3 month	**0.74**	0.77	5.17
Government bonds -	10 year	**3.22**	3.32	4.12
Swiss Rates -	3 month	**0.27**	0.30	3.10
Government bonds -	10 year	**3.22**	2.12	2.88

Exchange Rates ($)

	10/15/09	Mo. Earlier	Yr. Earlier
British Pound	**1.624900**	1.643600	1.743200
Canadian Dollar	**0.970497**	0.929368	0.847171
Euro	**1.494500**	1.461700	1.356700
Japanese Yen	**0.011063**	0.010995	0.009855
South African Rand	**0.137504**	0.135318	0.105319
Swiss Franc	**0.986583**	0.963948	0.881368

Securities Markets

	10/15/09	Mo. Earlier	Yr. Earlier
S & P 500 Stock Composite	**1,096.56**	1,052.63	907.84
Dow Jones Industrial Average	**10,062.94**	9,683.41	8,577.91
Dow Jones Bond Average	**242.46**	241.96	185.46
Nasdaq Composite	**2,173.29**	2,102.64	1,628.33
Financial Times Gold Mines Index	**3,239.27**	3,092.36	1,802.52
FT EMEA (African) Gold Mines	**3,146.08**	2,969.43	1,579.44
FT Asia Pacific Gold Mines	**14,404.72**	12,542.37	7,062.97
FT Americas Gold Mines	**2,719.25**	2,650.29	1,606.37

Coin Prices ($)

	10/15/09	Mo. Earlier	Yr. Earlier	Prem (%)
American Eagle (1.00)	**1,097.07**	1,032.57	878.57	4.14
Austrian 100-Corona (0.9803)	**1,033.82**	971.53	815.53	0.10
British Sovereign (0.2354)	**262.60**	247.40	201.55	5.89
Canadian Maple Leaf (1.00)	**1,091.30**	1,026.90	865.00	3.59
Mexican 50-Peso (1.2057)	**1,274.10**	1,197.40	1,005.20	0.31
Mexican Ounce (1.00)	**1,077.00**	1,013.30	833.80	2.23
S. African Krugerrand (1.00)	**1,083.78**	1,021.82	873.53	2.87
U.S. Double Eagle-$20 (0.9675)				
St. Gaudens (MS-60)	**1,335.00**	1,380.00	1,130.00	30.98
Liberty (Type I-AU50)	**1,402.50**	1,382.50	1,160.00	37.60
Liberty (Type II-AU50)	**1,325.00**	1,370.00	1,140.00	30.00
Liberty (Type III-AU50)	**1,275.00**	1,332.50	1,065.00	25.09
U.S. Silver Coins ($1,000 face value, circulated)				
90% Silver Circ. (715 oz.)	**12,525.00**	11,662.50	10,100.00	-0.13
40% Silver Circ. (292 oz.)	**5,000.00**	4,737.50	3,737.50	-2.38
Silver Dollars Circ.	**13,875.00**	13,912.50	13,950.00	2.26

Note: Premium reflects percentage difference between coin price and value of metal in a coin, with gold at $1053.50 per ounce and silver at $17.54 per ounce. The weight in troy ounces of the precious metal in coins is indicated in parentheses.

THE DOW JONES INDUSTRIALS RANKED BY YIELD*

	Ticker Symbol	Market Prices ($) 10/15/09	9/15/09	10/15/08	12-Month ($) High	Low	Latest Dividend Amount ($)	Record Date	Paid	Indicated Annual Dividend ($)	Yield† (%)
Verizon	VZ	29.11	31.00	26.64	34.90	24.26	0.475	10/09/09	11/2/09	1.900	6.53
AT&T (New)	T	25.91	26.70	24.62	30.65	21.62	0.410	10/09/09	11/2/09	1.640	6.33
Dupont	DD	34.57	33.15	32.20	36.17	16.05	0.410	8/14/09	9/11/09	1.640	4.74
Merck	MRK	33.30	32.70	26.56	33.40 *H*	20.05	0.380	9/04/09	10/1/09	1.520	4.56
Kraft	KFT	26.63	26.08	26.37	30.53	20.81	0.290	9/30/09	10/14/09	1.160	4.36
McDonald's	MCD	58.20	54.98	51.55	64.46	50.44	0.550	12/01/09	12/15/09	2.200	3.78
Pfizer	PFE	17.66	16.21	16.27	18.48	11.62	0.160	8/07/09	9/2/09	0.640	3.62
Chevron	CVX	76.69	71.63	59.98	81.92	55.62	0.680	8/19/09	9/10/09	2.720	3.55
Home Depot, Inc.	HD	27.30	27.41	19.83	28.44	17.46	0.225	9/03/09	9/17/09	0.900	3.30
Boeing	BA	51.76	52.07	42.33	55.48	29.05	0.420	8/07/09	9/4/09	1.680	3.25
Johnson & Johnson	JNJ	60.94	60.15	60.54	65.00	46.25	0.490	8/25/09	9/8/09	1.960	3.22
Procter and Gamble	PG	57.24	55.03	59.82	66.82	43.93	0.440	10/23/09	11/16/09	1.760	3.07
Caterpillar	CAT	54.77	51.70	42.06	54.79	21.71	0.420	7/20/09	8/20/09	1.680	3.07
Coca-Cola	KO	54.92	52.45	44.21	55.28 *H*	37.44	0.410	9/15/09	10/1/09	1.640	2.99
Intel Corp	INTC	20.67	19.55	14.99	21.27 *H*	12.05	0.140	11/07/09	12/1/09	0.560	2.71
3M Company	MMM	76.77	74.68	54.68	77.23 *H*	40.87	0.510	8/21/09	9/12/09	2.040	2.66
Travellers	TRV	48.55	49.01	33.70	50.77	31.17	0.300	9/10/09	9/30/09	1.200	2.47
United Tech.	UTX	64.40	61.29	49.25	64.44	37.40	0.385	11/20/09	12/10/09	1.540	2.39
General Electric	GE	16.79	16.00	19.25	21.04	5.73	0.100	9/21/09	10/26/09	0.400	2.38
Exxon Mobil	XOM	72.94	69.49	62.35	83.64	59.17	0.420	8/13/09	9/10/09	1.680	2.30
Wal-Mart Stores	WMT	50.95	49.93	50.05	59.23	46.25	0.273	12/11/09	1/4/10	1.090	2.14
American Express	AXP	35.54	34.65	24.41	36.50	9.71	0.180	10/02/09	11/10/09	0.720	2.03
Microsoft Corp.	MSFT	26.71	25.20	22.66	26.71	14.87	0.130	11/19/09	12/10/09	0.520	1.95
IBM	IBM	127.98	119.35	88.29	128.61 *H*	69.50	0.550	8/10/09	9/10/09	2.200	1.72
Walt Disney	DIS	29.23	28.29	23.37	29.25	15.14	0.350	12/15/08	1/20/09	0.350	1.20
Alcoa	AA	14.36	13.99	11.33	15.11	4.97	0.030	11/06/09	11/25/09	0.120	0.84
Hewlett-Packard	HPQ	48.00	45.64	38.61	48.00	25.39	0.080	9/16/09	10/7/09	0.320	0.67
J P Morgan	JPM	47.16	43.19	38.49	47.47	14.96	0.050	10/06/09	10/31/09	0.200	0.42
Bank of America	BAC	18.10	16.79	23.82	25.02	2.53	0.010	9/04/09	9/25/09	0.040	0.22
Cisco	CSCO	24.37	22.98	16.57	24.50 *H*	13.61	0.000			0.000	0.00

* See the Recommended HYD Portfolio table on page 78 for current recommendations. † Based on indicated dividends and market price as of 10/15/09.
Extra dividends are not included in annual yields. *H* New 52-week high. *L* New 52-week low. (s) All data adjusted for splits and spin-offs. 12-month data begins 10/16/08.

RECOMMENDED INVESTMENT VEHICLES

	Ticker Symbol	Avg. Market Cap. / Avg. Maturity	Descriptive Quarterly Statistics, as of 9/30/09: No. of Holdings	Expense (%)	Ratios: Sharpe	Turnover (%)	P/B	12 Mo. Yield (%)	Annualized Returns (%), as of 9/30/09: Total 1 yr.	Total 3 yr.	Total 5 yr.	After Tax* 1 yr.	After Tax* 3 yr.	After Tax* 5 yr.
Short/Intermediate Fixed Income														
Vanguard Short-Term Bond Index	BSV[2]	2.8 Yrs.	1130	0.10	na	101	--	3.07	7.94	--	--	6.76	--	--
Vanguard Short-Term Bond Index	VBISX	2.8 Yrs.	1130	0.19	1.29	101	--	3.03	7.88	5.91	4.42	6.72	4.48	3.03
iShares Barclays 1-3 Yr. Credit Bond	CSJ[1]	2.0 Yrs.	535	0.20	na	67	--	4.04	10.77	--	--	9.16	--	--
iShares Barclays 1-3 Year Treasury	SHY[1]	2.0 Yrs.	53	0.15	1.28	37	--	2.69	3.26	5.09	3.92	2.31	3.81	2.70
Vanguard Limited-Term Tax-Exempt	VMLTX	2.6 Yrs.	1057	0.15	0.70	23	--	2.82	6.67	4.37	3.42	6.67	4.37	3.42
Inflation-Protected Fixed Income														
iShares Barclays TIPS Bond	TIP	9.0 Yrs.	29	0.20	0.37	10	--	3.90	5.55	5.48	4.64	4.22	3.76	2.94
Vanguard Inflation-Protected Securities	VIPSX	9.1 Yrs.	26	0.20	0.33	28	--	0.15	4.50	5.16	4.46	4.44	3.91	2.95
Real Estate														
Vanguard REIT Index	VNQ[2]	2.8 B.	99	0.11	-0.18	10	1.2	5.58	-26.44	-11.91	1.76	-28.03	-13.22	0.30
Vanguard REIT Index	VGSIX[3]	2.8 B.	100	0.21	-0.18	10	1.2	4.52	-26.52	-12.00	1.67	-28.09	-13.28	0.22
U.S. Large Cap Value														
Vanguard Value Index	VTV[2]	33.3 B.	447	0.10	-0.38	27	1.5	2.99	-8.76	-7.40	1.16	-9.24	-7.83	0.73
Vanguard Value Index	VIVAX	33.3 B.	447	0.21	-0.39	27	1.5	2.87	-8.89	-7.50	1.06	-9.34	-7.91	0.65
U.S. Small Cap Value														
iShares Russell Microcap Index	IWC[1]	0.2 B.	1312	0.60	-0.33	25	1.3	0.86	-10.04	-8.78	--	-10.32	-8.95	--
Vanguard Small-Cap Value Index	VBR[2]	0.9 B.	1025	0.11	-0.15	30	1.0	2.43	-6.37	-4.77	2.66	-6.98	-5.26	2.19
Vanguard Small-Cap Value Index	VISVX	0.9 B.	1025	0.23	-0.15	30	1.0	2.29	-6.53	-4.89	2.54	-7.11	-5.35	2.09
U.S. Large Cap Growth														
iShares Russell 1000 Growth Index	IWF[1]	33.2 B.	625	0.20	-0.16	22	3.5	1.42	-1.98	-2.64	1.70	-2.47	-2.90	1.47
Vanguard Growth Index	VIGRX	32.6 B.	429	0.23	-0.16	27	3.1	1.09	-3.84	-2.45	1.91	-4.02	-2.59	1.76
U.S. Marketwide														
Vanguard Total Stock Market Index	VTI[2]	21.0 B.	3382	0.07	-0.26	5	1.9	2.02	-5.96	-4.65	1.85	-6.30	-4.94	1.55
Fidelity Spartan Total Market Index	FSTMX[4]	22.4 B.	3144	0.10	-0.26	3	2.0	2.11	-6.40	-4.81	1.77	-6.80	-5.12	1.47
Foreign- Developed Markets														
iShares MSCI Growth Index	EFG[1]	26.5 B.	553	0.40	-0.14	37	2.1	2.20	-0.65	-3.26	--	-1.28	-3.55	--
iShares MSCI Value Index	EFV[1]	33.8 B.	533	0.40	-0.13	28	1.2	2.54	7.08	-4.16	--	6.21	-4.71	--
Vanguard Europe Pacific Index	VEA[2]	25.3 B.	945	0.11	--	16	1.3	2.72	2.14	--	--	1.81	--	--
Vanguard Tax-Managed International	VTMGX[5]	25.4 B.	945	0.15	-0.11	16	1.3	2.63	1.15	-3.53	6.35	0.83	-3.77	6.11
Vanguard Developed Markets Index	VDMIX[6]	28.0 B.	970	0.00	-0.12	13	1.4	4.20	1.60	-3.47	6.13	0.61	-4.12	5.51
Foreign- Emerging Markets														
Vanguard Emerging Market Index	VWO[2]	16.8 B.	778	0.29	0.32	20	2.0	3.07	17.52	7.82	--	16.65	7.35	
Vanguard Emerging Market Index	VEIEX[7]	16.8 B.	778	0.32	0.32	20	2.0	2.89	16.81	7.53	16.56	16.00	7.09	16.17
Gold-Related Funds														
iShares COMEX Gold Trust	IAU[2]	--	1	0.40	0.81	0.00		0.00	15.75	18.46	--	15.75	18.46	--
streetTRACKS Gold Shares	GLD[1]	--	1	0.40	0.81	0.00		0.00	16.20	18.46	--	16.20	18.46	--

Recommended Gold-Mining Companies ($)

	Ticker Symbol	**10/15/09**	Month Earlier	Year Earlier	--- 52-Week --- High	Low	Distributions Last 12 Months	Frequency	Yield (%)
Anglogold Ltd., ADR †	AU	**44.77**	44.25	18.49	46.56	13.37	0.1269	Semiannual	0.2834
Barrick Gold Corp.	ABX	**38.91**	37.95	27.34	42.10	17.27	0.3400	Semiannual	0.8738
Gold Fileds Ltd.	GFI	**14.53**	14.53	7.10	15.24	4.64	0.1331	Semiannual	0.9160
Goldcorp, Inc. †	GG	**41.99**	42.28	23.07	43.41	13.84	0.1530	Monthly	0.3644
Newmont Mining	NEM	**46.56**	46.73	30.04	49.84	21.17	0.4000	Quarterly	0.8591

Data provided by the funds and Morningstar. [1]Exchange Traded Fund, traded on NYSE. [2]Exchange Traded Fund, traded on AMEX. [3]1% fee for redemption in 1 yr. [4]0.5% fee for redemption in 90 days. [5]1% fee for redemption in 5 yrs. [6]2% fee for redemption in 60 days. [7]0.5% fee for purchase and 0.5% fee for redemption. * Calculated using the highest individual federal income tax rates in effect at the time of each distribution and do not reflect the impact of state and local taxes and individual tax situations. † Dividend shown is after 15% Canadian tax withholding.