AIS INVESTMENT GUIDE

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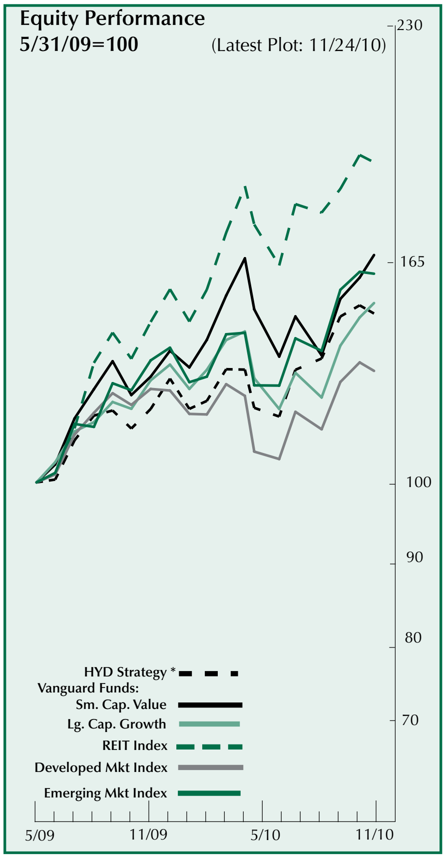

*** HYD is a hypothetical model based on back-tested results.** **See p.86 for full explanation.**

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 413-528-0008.

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The Fed's Mission Implausible

The Federal Reserve's Board of Governors announced on November 3 that it would purchase another $600 billion in Treasuries in order to reduce long term interest rates. In response long term rates began to increase immediately. As the month drew to a close the 30 year Treasury bond yield had increased from 3.93 percent to 4.25 percent.

It remains to be seen whether the central bank, ultimately, will achieve its goal, but this perverse reaction from the market speaks to the Fed's overwhelming, if not impossible, challenge. Not only is its mandate unrealistic, the Fed also confronts unprecedented government spending and borrowing that threaten to overwhelm its policy tools.[1]

In 1978, Congress required that the Fed's Board of Governors and the Federal Open Market Committee seek "to promote effectively the goals of maximum employment, stable prices, and moderate long-term interest rates." These objectives are inherently conflicted. When the Fed attempts to spur employment through monetary stimulus -- by expanding the money supply -- it invariably invites price inflation in the long term. The bond market, moreover, does not wait around for prices to rise -- it is the *expectation* of higher prices that prompts lenders to demand that today's long term interest rates include an adequate inflation premium.

The Fed's ambitious monetary expansion has endured withering criticism from pundits and politicians here and abroad. In our view there is little to be gained from either criticizing or defending the particular decisions of the current Fed, or debating the competence of its Board of Governors. These circumstances arise from the fundamental flaw that is formalized in the Fed's stated mission.

Now that it is fashionable to beat up on the Fed, Congress smells blood. Criticism now emanates from both houses -- never mind that it is Congressional fiscal profligacy that is at the heart of the current predicament. Federal spending is expected to reach 26 percent of GDP this year, a peacetime record. Debt monetization and resulting price inflation have long been the refuge of fiat-currency governments seeking to avoid explicit default on their sovereign debt. As if the dual mandate was not challenging enough, Congress has further clouded prospects for price stability.

Increased uncertainty discourages risk taking, with both savings and capital formation suffering. Additionally, prices distorted through monetary inflating are less reliable as signals for the efficient allocation of resources. That said, we will continue to search out those asset classes best suited to providing positive, and stable, real returns for your portfolio.

1 For a more detailed discussion of the Fed's dilemma, see Steven Cunningham Ph.D., Director of Research and Education, AIER "Quantitative Easing Brings Risks", Research Reports, Vol. LXXVII, No. 20, November 15, 2010, p.4.

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 requisite 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.

So far this year all of our recommended asset classes have provided positive returns, but most are below the levels they reached in 2007. Investors may still therefore have unrealized losses among our recommended investment vehicles that appear on page 88.

In Table 1 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 that any substitute investment is not "substantially identical" to that being replaced.

Table 1: Tax Swapping Candidates

Asset Class	Investment Vehicle	Symbol
Real Estate	iShares Dow Jones U.S. Real Estate Index Cohen and Steer Realty Shares	IYR CSRSX
U.S. Large Value	iShares Russell 1000 Value	IWD
U.S. Small Value	iShares Russell 2000 Value Vanguard MSCI® US Small Cap 1750 Index	IWN NAESX
U.S. Large Growth	iShares S&P 500 Growth Index	IVW
U.S. Marketwide	iShares Russell 3000 Index	IWV
Foreign-Developed Markets	iShares MSCI EAFE Index	EFA
Foreign Emerging Markets	SPDR S&P Emerging Market ETF	GMM

To put some numbers behind this, we provide an example that quantifies the benefits of tax-swapping. Let's assume that at the end of 2006 you invested $500,000 in a portfolio that fits our AIS moderate portfolio model. The breakdown of this example portfolio is shown in Table 2 below.

Let's further assume that you have not heeded our advice to rebalance your portfolio at least once annually. During the market crises and subsequent recovery over the past few years, you did not make any changes to your portfolio. At long last, you have come around and have decided to rebalance your portfolio back to your target allocations (and promise yourself that you will do so annually in the future - regardless of market movements!). The good news is that all of your gains are long-term in nature and will be taxed at the lower 15% rate (at least for the tax year 2010). The bad news is that simply rebalancing your portfolio will leave you with a large tax bill due to the realization of capital gains.

The rebalancing process generally involves selling asset classes that have appreciated while buying asset classes that have depreciated (buying lower and selling higher). This is indeed the case as seen in our non-rebalanced portfolio as depicted in Table 3.

The far right column in the table shows that in order to get back to the target allocations, you will need to sell the assets that have appreciated over this time, including Short/Intermediate Fixed Income, Foreign Emerging Markets and Gold Related assets. You will be buying the remaining asset classes, weighted more heavily toward those that have declined the most, including U.S. Large Cap Value and Real Estate.

Undertaking a "straight rebalance", that is, rebalancing by using only currently held securities and completely ignoring tax consequences, results in

Table 2

Asset Class	Description	Ticker	Percent of Portfolio	12/31/2006 Amount Invested
Cash & Equivalent Assets	Cash	$	10%	$50,000
Short/Intermediate Fixed Income	Vanguard Short Term Bond Index	VBISX	30%	$150,000
Real Estate	SPDR Dow Jones REIT	RWR	10%	$50,000
U.S. Large Cap Growth	Vanguard Growth Index	VIGRX	5%	$25,000
U.S. Large Cap Value	Vanguard Value Index	VIVAX	20%	$100,000
U.S. Small Cap Value	Vanguard Small-Cap Value Index	VBR	7%	$35,000
	iShares Russell Microcap Index	IWC	3%	$15,000
Foreign Developed markets	Vanguard Dev. Markets Index	VDMIX	7%	$35,000
Foreign Emerging Markets	Vanguard Emerg. Markets Index	VEIEX	3%	$15,000
Gold Related	SPDR Gold Trust	GLD	5%	$25,000
		Total	100%	$500,000

Table 3						
Asset Class	**Ticker**	**12/31/2006 Value ($)**	**12/31/2006 Percent of Portfolio**	**10/31/2010 Value ($)**	**10/31/2010 Percent of Portfolio**	**% to Buy (pos) or Sell (neg)**
Cash & Equivalent Assets	$	$50,000	10.0%	$50,000	9.5%	**0.5%**
Short/Intermediate Fixed Income	VBISX	$150,000	30.0%	$185,172	35.0%	**-5.0%**
Real Estate	RWR	$50,000	10.0%	$39,470	7.5%	**2.5%**
U.S. Large Cap Growth	VIGRX	$25,000	5.0%	$25,960	4.9%	**0.1%**
U.S. Large Cap Value	VIVAX	$100,000	20.0%	$81,590	15.4%	**4.6%**
U.S. Small Cap Value	VBR	$35,000	7.0%	$31,839	6.0%	**1.0%**
	IWC	$15,000	3.0%	$11,673	2.2%	**0.8%**
Foreign Developed Markets	VDMIX	$35,000	7.0%	$30,724	5.8%	**1.2%**
Foreign Emerging Markets	VEIEX	$15,000	3.0%	$19,695	3.7%	**-0.7%**
Gold Related	GLD	$25,000	5.0%	$52,452	9.9%	**-4.9%**
	Total	$500,000	100%	$528,576	100%	

taxable gains of almost $19,600 for tax year 2010, as shown in Table 4[1].

Table 4

Straight Rebalancing - No Tax Swapping

Action	Amount	Type	Ticker	Realized Gain/(Loss)
Buy	$2,858	Dollars	$	-
Sell	$26,600	Dollars	VBISX	$5,052
Buy	224	Shares	RWR	-
Buy	$468	Dollars	VIGRX	-
Buy	$24,125	Dollars	VIVAX	-
Buy	83	Shares	VBR	-
Buy	94	Shares	IWC	-
Buy	$6,276	Dollars	VDMIX	-
Sell	$3,838	Dollars	VEIEX	$915
Sell	196	Shares	GLD	$13,620
			Total	**$19,587**

Alternatively, you could rebalance using tax swapping techniques. This would not only return your portfolio back to target allocations, but also help significantly come tax time. By utilizing securities that provide exposure to the targeted asset class but that are not considered identical from an IRS perspective, you can avail yourself to significant savings. This is as close to a free lunch as you can get. Table 5 demonstrates that by using tax swapping techniques to rebalance your portfolio, you have now created a reportable *net loss* of $13,629. This loss can used to offset ordinary income of up to $3,000 this year, and the remainder, $10,629, can be carried forward to future years to offset realized gains or ordinary income, in the same manner.

Table 6 provides a summary of these results, assuming the investor has taxable income of $100,000 and an effective marginal income tax rate of 25%.

Table 7 shows what your resulting portfolio would look like the day after rebalancing, if you did decide to utilize tax swapping as part of the rebalancing process.

As you can see, the portfolio looks very similar to the original portfolio, except for a couple of different securities being utilized and the total dollar value which is higher due to asset appreciation. Most importantly, however, is that these securities *continue to represent the same asset classes and match your portfolio target allocations exactly.*

As we have mentioned previously, please be aware that the lower long-term capital gains rates provided for in the Economic Growth and Tax Relief Reconciliation Act (EGTRRA) are scheduled to sunset in January 2011. While future tax rates are unknown, the larger federal budget deficit suggests higher rates may be coming. Investors should be aware of the sunset schedule and take advantage of the lower rate on long-term capital gains during 2010 when considering their asset allocation and rebalancing decisions.

Table 5

Rebalancing WITH Tax Swapping

	Action	Amount	Type	Ticker	Realized Gain/(Loss)
	Buy	$2,858	Dollars	$	-
	Sell	$26,600	Dollars	VBISX	$5,052
SWAP	Sell	659	Shares	RWR	$(10,530)
	Buy	962	Shares	IYR	-
	Buy	$469	Dollars	VIGRX	-
SWAP	Sell	$81,590	Dollars	VIVAX	$(18,410)
	Buy	1,738	Shares	IWD	-
	Buy	83	Shares	VBR	-
	Buy	94	Shares	IWC	-
SWAP	Sell	$30,724	Dollars	VDMIX	$(4,276)
	Buy	649	Shares	EFA	-
	Sell	$3,838	Dollars	VEIEX	$915
	Sell	196	Shares	GLD	$13,620
				Total	**$(13,629)**

1 This analysis does not include taxable mutual fund distributions of capital gains and income generated within these index funds. However, these distributions would affect the "straight rebalance" and the tax-swapping rebalancing strategies equally, so it is reasonable to ignore these distributions for purposes of this analysis.

Table 6

Federal Income Taxes Due 2010			
WITHOUT TAX SWAPPING (Married Filing Jointly)		**WITH TAX SWAPPING** (Married Filing Jointly)	
Gross Income	$100,000	Gross Income	$100,000
Marg. Tax Rate	25.0%	*minus*	
Income Tax Due	**$25,000**	Capital Losses	$3,000
plus		Taxable Income	$97,000
Capital Gains	$19,587	Marg. Tax Rate	25.0%
LT Cap Gains rate	15.0%		
Cap Gains Taxes Due	**$2,938**		
Total Tax Due	**$27,938**	Total Tax Due	**$24,250**
2010 Tax Savings from Swapping: $3,688			
Loss Available to Offset Future Tax Liabilities			
	$0		**$10,629**

If you are seeking professional guidance in managing your portfolio, please call us regarding our Professional Asset Management service (PAM). Through PAM we optimize your after-tax returns. In PAM we capture tax swapping opportunities. We select from the most effective tax managed mutual funds available, and ensure optimal use of any tax deferred accounts.

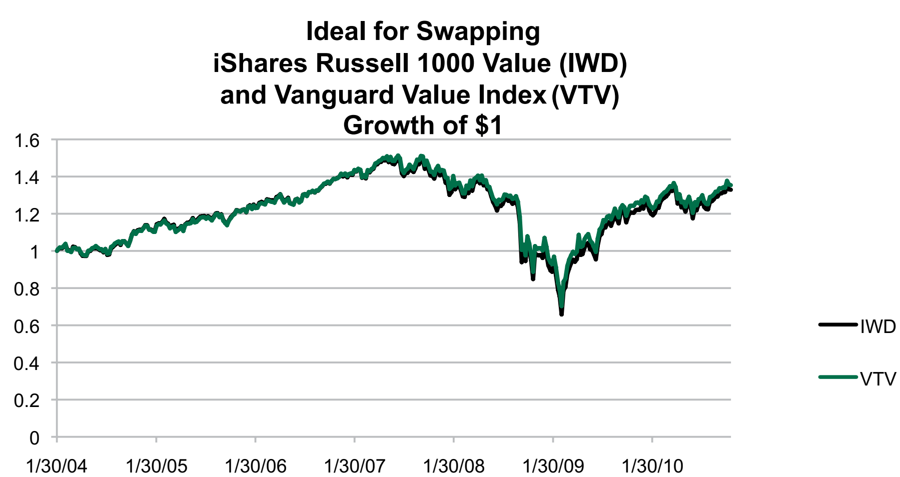
Table 7

Asset Class	Description	Ticker	Percent of Portfolio	11/1/2010 Amount Invested
Cash & Equivalent Assets	CASH	$	10%	$52,858
Short/Intermediate Fixed Income	Vanguard Short Term Bond Index	VBISX	30%	$158,573
Real Estate	iShares Dow Jones U.S. Real Estate Idx	IYR	10%	$52,858
U.S. Large Cap Growth	Vanguard Growth Index	VIGRX	5%	$26,429
U.S. Large Cap Value	iShares Russell 1000 Value	IWD	20%	$105,715
U.S. Small Cap Value	Vanguard Small-Cap Value Index	VBR	7%	$37,000
	iShares Russell Microcap Index	IWC	3%	$15,857
Foreign Developed markets	iShares MSCI EAFE Index	EFA	7%	$37,000
Foreign Emerging Markets	Vanguard Emerg. Markets Index	VEIEX	3%	$15,857
Gold Related	SPDR Gold Trust	GLD	5%	$26,429
		Total	100%	$528,576

PASSIVE INVESTING: TAILOR MADE FOR TAX SWAPPING

Tax swapping is far better suited to passive investors, who utilize index-type funds, than it is to active investors, who choose stock-picking funds. Index funds within any particular asset class tend to be extremely well correlated; although their holdings are not identical, they are extremely well diversified and hold many stocks in common. This correlation, moreover, is highly reliable, because index funds adhere rigidly to transparent, well established investment criteria. For example, the chart below reveals that the price patterns of the Vanguard Value Index ETF and the iShares Russell 1000 Value Index ETF are virtually indistinguishable. These funds are almost perfectly correlated (correlation coefficient 0.994).

Because active mutual fund managers have no established selection criteria, and in fact attempt to differentiate their approach from others, it is far more challenging for active investors to uncover fund pairings that can be relied upon to provide well correlated returns.



INSIDER TRADING AND THE PASSIVE INVESTOR

The latest scandal to hit Wall Street involves an investigation by the FBI and SEC into possible insider trading violations by several hedge funds and mutual funds. These funds hired firms with "expert networks" involving former employees of companies being analyzed. While details in the case are only beginning to emerge, the notion of insider trading, and what it means to most investors, is worth revisiting.

Insider trading is the buying or selling of a security by someone who has access to material, nonpublic information. Such trading is illegal when that person trades while the information is still nonpublic.

The degree to which authorities should try to regulate inside information is a subject of debate. Some economists argue for no regulation at all, while others argue for strict prohibitions.

Those who favor regulation point out that the potential for corporate insiders to trade based on nonpublic information creates a moral hazard. Management is hired to work in the interests of shareholders. But an insider who purchases stock on "good news" before it is made public profits personally at the expense of the seller – an existing shareholder. Similarly, a manager is in a position that allows him to reduce his company's value so he can profit personally through a short sale; again his gain would come at the expense of existing shareholders.

Others claim that any effort to prevent relevant information from affecting stock prices is undesirable, including prohibitions on insider trading. This argument concerns "price discovery" – the process by which securities are valued in light of a firm's future earnings and potential risk. It is argued that the sooner such information becomes available, regardless of whether it is a "leak" from an inside source or through a sweeping public announcement, the more investors can rely on a stock's price as an accurate gauge of the firm's prospects. The counterargument is that in the absence of insider trading restrictions, management would in fact have an incentive to withhold information from the public, for example by not releasing bad news publicly until they were finished unloading shares.

Skeptics of regulation argue further that it is simply not possible to prohibit insiders from benefitting personally from their inside knowledge. Purchases and sales can be monitored, but insiders can just as easily profit when they refrain from trading. What would regulators do, they ask, to prevent an insider from declining to sell a security based on his knowledge of positive news not yet released to the public?

We submit that the best means of addressing insider trading is through robust disclosure laws. Any regulation should seek to ensure that all value-relevant information becomes available to all market participants on equal terms.

However, it is not our role to weigh in on securities regulation, but to advise you. The best defense against losing out to insiders is to never bet against them. Instead of betting on individual stocks, wise investors will simply take a broad stake in capitalism by diversifying across thousands of firms.

OWNING PHYSICAL GOLD

We recommend that most investors include gold or gold related assets in their investment portfolio. For most, liquidity and ease of access are very important, so we typically recommend the gold ETFs or gold mining shares (see page 88) as the best means of capturing exposure to the gold price. However, taking physical possession of gold has unique advantages. Here[1] we summarize important considerations for investors who prefer to hold gold directly. *To view an expansive table that weighs the advantages and disadvantages of physical gold, gold mining shares and gold ETFs, go to the subscriber only section of our website www.americaninvestment.com.*

The best way to invest in physical gold is to buy gold coins. But there are three types of coins, and only one is suitable for investment purposes.

Bullion coins are coins whose value is determined almost solely by their gold content. Their price is equal to the value of their gold content plus a small premium, typically 5 to 8 percent. These coins are the most popular, most liquid, most portable, and most convenient way to invest in physical gold.

The most popular are the U.S. Eagle, the Canadian Maple Leaf, the Austrian Philharmonic, and the South African Krugerrand. In addition to the standard one troy ounce coin, they are also manufactured in smaller denominations of one-half, one-quarter, and one-tenth ounce. Because it costs roughly the same to manufacture a small coin as a large coin, the smaller the coin, the larger the premium per ounce.

Numismatic coins are those whose value is based not only their gold content but on their age, rarity, design, finish, and popularity as "collectibles." Fluctuations in their price may be only loosely tied to the gold price, and the resale market is limited. If you are willing to invest the time to learn about rare coins, this can be a rewarding market. But it's a market best left to serious collectors, not investors.

The third kind of gold coin is the commemorative coin, which is a hybrid of bullion and numismatic coins. The initial price of these coins may be far above the value of their gold content. But the resale value may be much lower, little more than the bullion value. For this reason, these coins are best avoided by gold investors.

Gold bars are another option. But they are larger (typically 10 ounces or more) and therefore more expensive, less convenient, and less liquid than coins. There are fewer dealers and, because bars are easier to counterfeit, when you resell them you may be required to provide proof of gold content, including assaying (a chemical test to determine purity).

Where to Buy

As the price of gold has risen, the number of gold dealers has soared. Experts advise dealing only with businesses that have been around for at least five years, and preferably 10 or more. Choose firms that are members of the Better Business Bureau (BBB). You can check out BBB ratings, complaint histories, and company profiles, for both member and nonmember firms, at www.bbb.org.

To find local coin dealers, you can search by state, city or zip code at www.coininfo.com. To find dealers who belong to the Industry Council for Tangible Assets, a trade association, go to www.ictaonline.org. Note, however, that ICTA doesn't regulate or rate members.

Regardless of where you buy, the Internet makes it easy to comparison shop. Be sure to compare coins of similar size and gold content, and to ask about fees for delivery and insurance.

1 This article is an excerpt from an article by Kerry Lynch, Senior Fellow, AIER "Investing in Gold", Research Reports Vol. LXXVII, No. 15, September 6, 2010, p. 1, 2.

THE HIGH-YIELD DOW INVESTMENT STRATEGY

Recommended HYD Portfolio

As of November 15, 2010

	Rank	Yield	Price	Status	Percent of Portfolio: Value	Percent of Portfolio: No. Shares[1]
Verizon	1	5.95	32.77	Holding**	24.03	21.48
AT&T	2	5.87	28.63	Holding**	24.12	24.68
Merck	3	4.40	34.54	Holding**	16.46	13.96
Pfizer	4	4.30	16.75	Buying	12.39	21.67
Kraft	5	3.77	30.79	Holding	2.66	2.53
DuPont	6	3.54	46.31	Selling	19.21	12.15
Frontier Communications	N/A	N/A	9.10	Selling	1.09	3.52
Cash (6-mo. T-Bill)	--	--	--		.03	--
Totals	--	--	--		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.

Subscribers can find a full description of the strategy and methodology in the "Subscribers Only" (Log in required) section of our website: www.americaninvestment.com.

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 October 31, 2010*.

	1 mo.	1 yr.	5 yrs.	10 yrs.	20 yrs.	Since 1/79	Std. Dev.
HYD Strategy	1.93	28.19	4.88	6.31	13.91	15.81	18.16
Russell 1000 Value Index	3.00	15.72	0.62	2.64	10.21	12.00	15.00
Dow	3.21	17.62	4.01	2.53	10.46	NA	NA

*Data assume all purchases and sales at mid-month prices (+/–$0.125 per share commissions), 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 following 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.

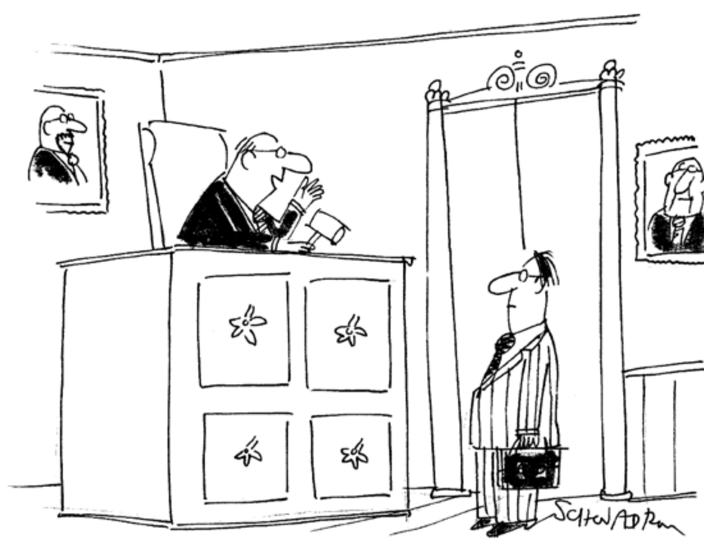
WHO IS AN INSIDER?

When insider trading is discussed, we usually think of corporate insiders. But there are many others with a duty to protect investors who also have access to non public corporate information. Last year the FBI probed possible illegal insider trading by two SEC attorneys. A subsequent report by the SEC inspector general concluded that the SEC "has essentially no compliance system in place to ensure that ... employees, with the tremendous amount of nonpublic information they have at their disposal, do not engage in insider trading themselves."[1]

More recently a Wall Street Journal investigation pointed out that Congressional staffers have access to non public information pertaining to publicly traded firms, and that several have traded shares of firms for which Congress has oversight. Insider trading laws do not apply to Congress.[2]

The list of potential "insiders" is vast and ever changing and regulation cannot provide individual investors with complete protection. A well diversified portfolio remains your best defense.

1 MSNBC. May 15, 2009 http://www.msnbc.msn.com/id/30766604/ns/business-us_businessAccessed November 24, 2010.
2 Brody Mullins, Tom McGinty and Jason Zwieg "Staffers Gain from Trading in Stocks," Wall Street Journal, October 1, 2010.



"Psst! If you have any stock tips to pass on, I can probably lighten your sentence for insider trading."

RECENT MARKET STATISTICS

Precious Metals & Commodity Prices ($)

	11/15/10	Mo. Earlier	Yr. Earlier
Gold, London p.m. fixing	**1,368.50**	1,367.50	1,053.50
Silver, London Spot Price	**26.01**	24.42	17.54
Copper, COMEX Spot Price	**3.92**	3.83	2.85
Crude Oil, W. Texas Int. Spot	**84.85**	81.24	77.57
Dow Jones Spot Index	**420.83**	408.59	341.35
Dow Jones-UBS Futures Index	**148.86**	145.67	133.32
Reuters-Jefferies CRB Index	**306.02**	296.06	273.72

Interest Rates (%)

U.S. Treasury bills - 91 day	**0.14**	0.14	0.07
182 day	**0.19**	0.17	0.17
52 week	**0.27**	0.21	0.30
U.S. Treasury bonds - 10 year	**2.92**	2.59	3.48
Corporates:			
High Quality - 10+ year	**5.07**	4.81	5.28
Medium Quality - 10+ year	**6.12**	5.85	6.40
Federal Reserve Discount Rate	**0.75**	0.75	0.50
New York Prime Rate	**3.25**	3.25	3.25
Euro Rates 3 month	**1.05**	0.99	0.72
Government bonds - 10 year	**2.45**	2.28	3.28
Swiss Rates - 3 month	**0.17**	0.17	0.26
Government bonds - 10 year	**1.41**	1.35	1.92

Exchange Rates ($)

British Pound	**1.606400**	1.602700	1.665700
Canadian Dollar	**0.993641**	0.989315	0.952381
Euro	**1.361500**	1.399800	1.488600
Japanese Yen	**0.012063**	0.012297	0.011167
South African Rand	**0.143833**	0.146789	0.134407
Swiss Franc	**1.016570**	1.045806	0.986096

Securities Markets

	11/15/10	Mo. Earlier	Yr. Earlier
S & P 500 Stock Composite	**1,197.75**	1,176.19	1,093.48
Dow Jones Industrial Average	**11,201.97**	11,062.78	10,270.47
Dow Jones Bond Average	**267.80**	270.56	246.33
Nasdaq Composite	**2,513.82**	2,468.77	2,167.88
Financial Times Gold Mines Index	**3,862.63**	3,809.81	3,317.37
FT EMEA (African) Gold Mines	**3,536.84**	3,427.49	3,152.38
FT Asia Pacific Gold Mines	**18,974.56**	19,180.54	14,334.59
FT Americas Gold Mines	**3,241.38**	3,198.10	2,818.94

Coin Prices ($)

	11/15/10	Mo. Earlier	Yr. Earlier	Prem (%)
American Eagle (1.00)	**1,455.18**	1,410.43	1,133.78	6.33
Austrian 100-Corona (0.9803)	**1,353.72**	1,331.32	1,069.32	0.91
British Sovereign (0.2354)	**344.30**	335.20	271.20	6.88
Canadian Maple Leaf (1.00)	**1,438.80**	1,409.10	1,128.00	5.14
Mexican 50-Peso (1.2057)	**1,686.60**	1,640.50	1,317.80	2.22
Mexican Ounce (1.00)	**1,419.30**	1,381.00	1,113.20	3.71
S. African Krugerrand (1.00)	**1,437.28**	1,402.57	1,120.38	5.03
U.S. Double Eagle-$20 (0.9675)				
St. Gaudens (MS-60)	**1,545.00**	1,490.00	1,462.50	16.69
Liberty (Type I-AU50)	**1,600.00**	1,600.00	1,580.00	20.84
Liberty (Type II-AU50)	**1,537.50**	1,505.00	1,437.50	16.12
Liberty (Type III-AU50)	**1,510.00**	1,470.00	1,387.50	14.05
U.S. Silver Coins ($1,000 face value, circulated)				
90% Silver Circ. (715 oz.)	**19,875.00**	17,087.50	12,387.50	6.87
40% Silver Circ. (292 oz.)	**8,100.00**	6,900.00	5,062.50	6.65
Silver Dollars Circ.	**20,350.00**	17,950.00	14,175.00	1.14

Note: Premium reflects percentage difference between coin price and value of metal in a coin, with gold at $1368.5 per ounce and silver at $26.01 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 ($) 11/15/10	10/15/10	11/13/09	12-Month ($) High	Low	Latest Dividend Amount ($)	Record Date	Paid	Indicated Annual Dividend ($)	Yield† (%)
Verizon	VZ	32.77	32.43	30.13	34.13	25.99	0.488	10/08/10	11/1/10	1.950	5.95
AT&T	T	28.63	28.33	26.25	29.49 *H*	23.78	0.420	10/08/10	11/1/10	1.680	5.87
Merck	MRK	34.54	36.95	33.10	41.56	30.70	0.380	9/15/10	10/7/10	1.520	4.40
Pfizer	PFE	16.75	17.75	17.59	20.36	14.00	0.180	11/08/10	12/1/10	0.720	4.30
Kraft	KFT	30.79	31.65	26.91	32.67 *H*	26.35	0.290	9/30/10	10/14/10	1.160	3.77
Dupont	DD	46.31	46.67	34.31	48.58 *H*	31.02	0.410	11/15/10	12/14/10	1.640	3.54
Chevron	CVX	84.86	83.61	77.94	86.19 *H*	66.83	0.720	11/18/10	12/10/10	2.880	3.39
Intel Corp	INTC	21.30	19.32	19.82	24.37	17.60	0.180	2/07/11	3/1/11	0.720	3.38
Johnson & Johnson	JNJ	64.14	63.57	61.43	66.20	56.86	0.540	11/30/10	12/14/10	2.160	3.37
McDonald's	MCD	79.07	77.48	63.58	79.90 *H*	60.04	0.610	12/01/10	12/15/10	2.440	3.09
Home Depot, Inc.	HD	31.39	30.70	27.34	37.03	26.35	0.236	9/02/10	9/16/10	0.945	3.01
Procter and Gamble	PG	64.29	62.76	61.61	65.00 *H*	39.37	0.482	10/22/10	11/15/10	1.927	3.00
General Electric	GE	16.20	16.30	15.66	19.70	13.75	0.120	9/20/10	10/25/10	0.480	2.96
Coca-Cola	KO	62.96	59.94	56.46	63.33 *H*	49.47	0.440	12/01/10	12/15/10	1.760	2.80
Boeing	BA	63.61	70.11	50.68	76.00	50.75	0.420	11/05/10	12/3/10	1.680	2.64
Travellers	TRV	56.78	53.63	53.28	57.55 *H*	47.35	0.360	12/10/10	12/31/10	1.440	2.54
Exxon Mobil	XOM	70.48	65.19	72.47	76.54	55.94	0.440	11/12/10	12/10/10	1.760	2.50
Microsoft Corp.	MSFT	26.20	25.54	29.63	31.58	22.73	0.160	11/18/10	12/9/10	0.640	2.44
3M Company	MMM	86.20	89.14	77.32	91.49 *H*	67.98	0.525	11/19/10	12/12/10	2.100	2.44
United Tech.	UTX	75.31	74.10	67.99	77.09	62.88	0.425	11/19/10	12/10/10	1.700	2.26
Wal-Mart Stores	WMT	53.95	53.35	53.20	56.27	47.77	0.303	12/10/10	1/3/11	1.210	2.24
Caterpillar	CAT	81.82	79.75	58.78	83.84 *H*	50.50	0.440	10/25/10	11/20/10	1.760	2.15
IBM	IBM	143.64	141.06	127.03	147.53 *H*	116.00	0.650	11/10/10	12/10/10	2.600	1.81
American Express	AXP	42.70	39.09	40.35	49.19	36.60	0.180	10/08/10	11/10/10	0.720	1.69
Walt Disney	DIS	37.25	34.88	30.44	38.00 *H*	28.71	0.350	12/14/09	1/19/10	0.350	0.94
Alcoa	AA	13.40	13.13	13.18	17.60	9.81	0.030	11/05/10	11/25/10	0.120	0.90
Hewlett-Packard	HPQ	42.54	42.82	49.91	54.75	37.32	0.080	9/15/10	10/6/10	0.320	0.75
J P Morgan	JPM	40.08	37.06	42.90	48.20	35.16	0.050	10/06/10	10/31/10	0.200	0.50
Bank of America	BAC	12.10	11.98	15.98	19.86	11.03 *L*	0.010	12/03/10	12/24/10	0.040	0.33
Cisco	CSCO	19.95	23.36	23.71	27.74	19.82	0.000			0.000	0.00

* See the Recommended HYD Portfolio table on page 86 for current recommendations. † Based on indicated dividends and market price as of 11/15/10. 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 11/16/09.

RECOMMENDED INVESTMENT VEHICLES

	Security Symbol	Avg. Market Cap. / Avg. Maturity	No. of Holdings	Expense[7] (%)	Ratios Sharpe	Turnover (%)	P/B	12 Mo. Yield (%)	Total 1 yr.	Total 3 yr.	Total 5 yr.	After Tax* 1 yr.	After Tax* 3 yr.	After Tax* 5 yr.
		Descriptive Quarterly Statistics, as of 9/30/10							Annualized Returns[8] (%), as of 10/31/10					
Short/Intermediate Fixed Income														
Vanguard Short-Term Bond Index	BSV[1]/ VBISX	2.7 Yrs.	1271	0.22	1.80	77	--	2.24	4.87	5.63	5.36	4.04	4.49	4.04
iShares Barclays 1-3 Yr. Credit Bond	CSJ[1]	2.0 Yrs.	674	0.20	0.99	23	--	2.79	4.68	5.21	--	3.69	3.86	--
iShares Barclays 1-3 Year Treasury	SHY[1]	1.9 Yrs.	43	0.15	1.64	62	--	1.13	2.39	3.91	4.30	1.87	3.03	3.16
Vanguard Limited-Term Tax-Exempt	VMLTX	2.8 Yrs.	1397	0.20	1.29	11	--	2.34	4.04	4.20	3.92	4.04	4.20	3.92
SPDR Short-Term Municipal Bond	SHM[1]	3.2 Yrs.	334	0.20	n.a.	14	--	1.72	3.55	--	--	3.11	--	--
Inflation-Protected Fixed Income														
iShares Barclays TIPS Bond	TIP[1]	9.3 Yrs.	31	0.20	0.69	15	--	2.48	10.21	7.30	6.17	9.26	5.77	4.58
Vanguard Inflation-Protected Securities	VIPSX	9.1 Yrs.	29	0.25	0.66	14	--	2.68	10.21	7.02	6.03	9.14	5.96	4.63
Real Estate														
Vanguard REIT Index	VNQ[1]/ VGSIX[2]	4.6 B.	100	0.26	0.05	16	1.8	3.21	43.16	-4.22	3.71	41.46	-5.52	2.38
SPDR Dow Jones REIT	RWR[1]	5.8 B.	83	0.25	0.02	10	2.0	3.05	42.34	-5.79	2.68	40.70	-7.19	1.32
U.S. Large Cap Value														
Vanguard Value Index	VTV[1]/ VIVAX	34.9 B.	423	0.26	-0.36	31	1.4	2.56	14.27	-8.58	0.77	13.83	-8.99	0.36
iShares Russell 1000 Value Index	IWD[1]	29.2 B.	670	0.20	-0.35	24	1.4	2.16	15.51	-8.53	0.52	14.74	-9.00	0.07
U.S. Small Cap Value														
iShares Russell Microcap Index	IWC[1]	0.2 B.	1360	0.60	-0.21	35	1.2	0.80	25.06	-7.85	-1.24	24.76	-8.02	-1.38
Vanguard Small-Cap Value Index	VBR[1]/ VISVX	1.1 B.	997	0.28	0.00	33	1.2	1.71	25.69	-2.61	2.84	25.23	-3.08	2.38
U.S. Large Cap Growth														
iShares Russell 1000 Growth Index	IWF[1]	31.9 B.	629	0.20	-0.14	19	3.1	1.40	19.45	-4.07	3.05	18.93	-4.34	2.82
Vanguard Growth Index	VUG[1]/ VIGRX	31.4 B.	429	0.28	-0.12	29	3.0	1.10	20.07	-3.69	3.30	19.86	-3.84	3.15
U.S. Marketwide														
Vanguard Total Stock Market Index	VTI[1]/ VTSMX	21.9 B.	3423	0.18	-0.22	5	1.9	1.88	18.42	-5.70	2.30	18.08	-5.99	2.01
Fidelity Spartan Total Market Index	FSTMX[3]	22.8 B.	3116	0.10	-0.22	7	1.9	1.71	18.68	-5.77	2.31	na	na	na
Foreign- Developed Markets														
iShares MSCI Growth Index	EFG[1]	23.6 B.	590	0.40	-0.24	28	1.9	1.86	11.88	-8.57	3.89	11.32	-8.83	3.69
iShares MSCI Value Index	EFV[1]	29.9 B.	501	0.40	-0.27	30	1.1	3.18	4.66	-10.67	2.41	3.78	-11.22	1.99
Vanguard Europe Pacific Index	VEA[1]/ VTMGX[4]	24.9 B.	943	0.20	-0.25	9	1.3	2.29	8.77	-9.66	3.58	8.54	-9.88	3.34
Vanguard Developed Markets Index	VDMIX[5]	24.7 B.	980	0.10	-0.26	14	1.3	1.12	9.87	-9.56	3.42	9.61	-10.10	2.87
SPDR S&P International Small Cap	GWX[1]	1.0 B.	698	0.59	-0.11	21	1.1	1.47	16.93	-7.27	--	16.47	-7.68	--
Foreign- Emerging Markets														
Vanguard Emerging Market Index	VWO[1]/ VEIEX[6]	15.6 B.	827	0.40	0.09	12	2.0	1.10	23.98	-4.89	14.10	23.76	-5.27	13.73
Gold-Related Funds														
iShares COMEX Gold Trust	IAU[1]	--	1	0.25	0.92	0.00	--	0.00	30.07	19.21	23.41	30.07	19.21	23.41
streetTRACKS Gold Shares	GLD[1]	--	1	0.40	0.92	0.00	--	0.00	28.99	19.01	22.91	28.99	19.01	22.91

Recommended Gold-Mining Companies ($)

	Ticker Symbol	11/15/10	Month Earlier	Year Earlier	52-Week High	52-Week Low	Distributions Last 12 Months	Distributions Frequency	Yield (%)
Anglogold Ltd., ADR	AU	**48.69**	47.29	44.70	52.86	34.11	0.1850	Semiannual	0.3800
Barrick Gold Corp. †	ABX	**50.15**	47.99	42.89	53.44	33.65	0.4400	Semiannual	0.8774
Gold Fields Ltd.	GFI	**17.16**	15.77	14.45	18.06	10.88	0.1610	Semiannual	0.9382
Goldcorp, Inc. †	GG	**45.93**	44.45	44.07	48.94	32.84	0.1650	Monthly	0.3592
Newmont Mining	NEM	**60.66**	61.88	50.99	65.50	42.80	0.5000	Quarterly	0.8243

The information herein is derived from generally reliable sources, but cannot be guaranteed. American Investment Services, the American Institute for Economic Research, and the officers, employees, or other persons affiliated with either organization may from time to time have positions in the investments referred to herein.

Data provided by the funds and Morningstar. [1]Exchange Traded Fund, traded on NYSE. [2]1% fee for redemption in 1 yr. [3]0.5% fee for redemption in 90 days. [4]1% fee for redemption in 5 yrs. [5]2% fee for redemption in 60 days. [6]0.5% fee for purchase and 0.25% fee for redemption. [7]For Vanguard funds, Expense Ratios shown are for Mutual Funds. ETFs have lower expenses. [8]For Vanguard Funds, returns shown are for Mutual Funds; ETFs' returns may deviate * 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.