

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

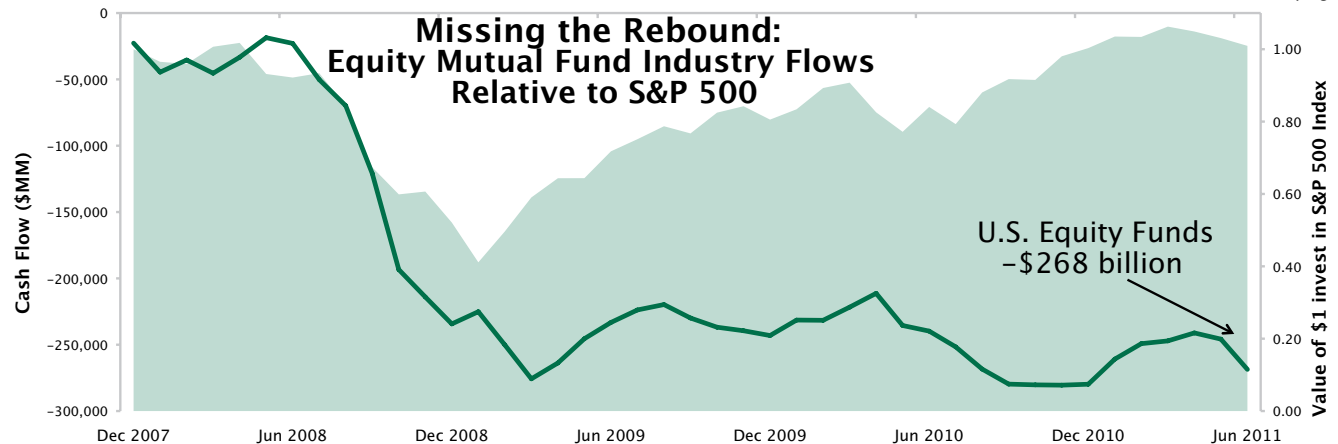
Staying on Track

The area shaded light green in the chart below traces the hypothetical fate of a dollar invested in the S&P 500 between January 2008 and June 2011. This period spans the stock market's historic collapse, precipitated by the subprime mortgage crisis, and its subsequent rebound. A disciplined "all equity" investor would not have lost any of his original investment despite a harrowing three and a half years of turbulence. The dollar invested at the start, measured on the vertical axis on the right, would have recovered its value, at least in nominal terms.

Many investors lacked this discipline, and they paid a steep price. We have superimposed on this chart a dark green line that traces the cumulative net cash flow¹ into (or more accurately, out of) U.S. domiciled equity mutual funds during the same period. When the market collapsed fearful investors fled in droves and did not return, only to miss a vigorous recovery.

To remain disciplined, an investor must be sufficiently confident in his knowledge of capital markets to adhere to a rational strategy. That knowledge should be rooted in well-grounded empirical research. That's where we come in.

(continued next page)



For illustration purposes only. Industry net new cash flow data for US-domiciled equity funds provided by Investment Company Institute ©2011. Cash flows are estimates that are adjusted to represent industry totals, based on reporting covering 95% of industry assets. Industry data reflect investment in US and international equity markets and do not include funds of funds. S&P 500 Index performance is based on monthly returns data.

The *Investment Guide* provides specific portfolio recommendations every quarter (see page 75), and each monthly issue is dedicated to explaining our research to provide the confidence necessary to help you stay the course.

Consistent with the need for discipline, our recommended allocations rarely change. But beneath this staid appearance lies a research process that is vigilant and rigorous. We work closely with AIER staff to question our conclusions constantly. We stand ready to replace or modify them when warranted by a sufficient body of historical evidence.

Our embrace of modern portfolio theory is not sacrosanct. Over the past

several months we have re-examined our strategies with regard to dividend paying stocks, gold, and silver. We have revisited the relationship between markets and macroeconomic growth, and between the market's relative valuation and risk. We push the boundaries of financial theory to address ideas rarely pursued by other money managers. The most recent issue of *Research Reports*², for example, highlights the potential use of chaos theory as applied to financial markets.

We also make considerable effort to review alternative investment vehicles and indexing methodologies. This ensures you will be using the most cost-effective and best-diversified funds available. These incremental savings may

appear small on the surface but are in fact substantial when compounded over time.

Though it may lack the glamour of forecasting markets or attempting to pick winning stocks on a daily basis our research process and investment strategy are founded upon and have withstood the test of time. While our recommendations of diversified, disciplined and low-cost portfolios remain unchanged, we will continue to research, test and explore any and all alternatives that may ultimately prove to deliver the best results to our readers and clients. We thank you for joining us on this journey.

1 Net cash flow is the difference between redemptions and purchases of shares in a mutual fund. A net cash outflow occurs when redemptions exceed purchases. Equity fund flows were cumulatively negative over the period. Investors were redeeming more shares than they were buying, and on a net basis, capital was leaving mutual funds.

2 Steven R. Cunningham, PhD. AIER "Random Walks, Chaos, and Volatility" *Research Reports*, Vol. LXXVIII, No. 18, October 17, 2011, p. 1

QUARTERLY REVIEW OF INVESTMENT POLICY

The third quarter erased many of the gains generated in capital markets during the first half of the year. U.S. stocks declined, mostly in reaction to data suggesting a slowdown in the pace of economic growth. Foreign markets provided no refuge. Sovereign debt concerns in Greece had sent developed market indexes sharply lower by quarter-end, though more favorable news during the closing days provided a modest rebound. Emerging markets were not spared. Foreign currencies weakened against the dollar as markets apparently concluded that problems in America were on balance not as bad as they were elsewhere.

Bonds provided positive returns as interest rates fell across the board (bond prices move inversely with current interest rates). Bonds, including U.S.

Treasuries, proved appealing (yet again) to investors seeking safety, despite no reprieve in mounting U.S. debt.

Gold was once again our top performing asset class, and proved its worth as an asset whose price is not strongly correlated to our other recommended asset classes. The gold price closed the quarter with a 7.6 percent gain but was as volatile as ever. The price had surged by 26 percent by early September before falling by over 18 percent over the final three weeks.

We have made no changes to our recommended allocations, found in the AIS Model Portfolios table.

Cash and Equivalent Assets¹

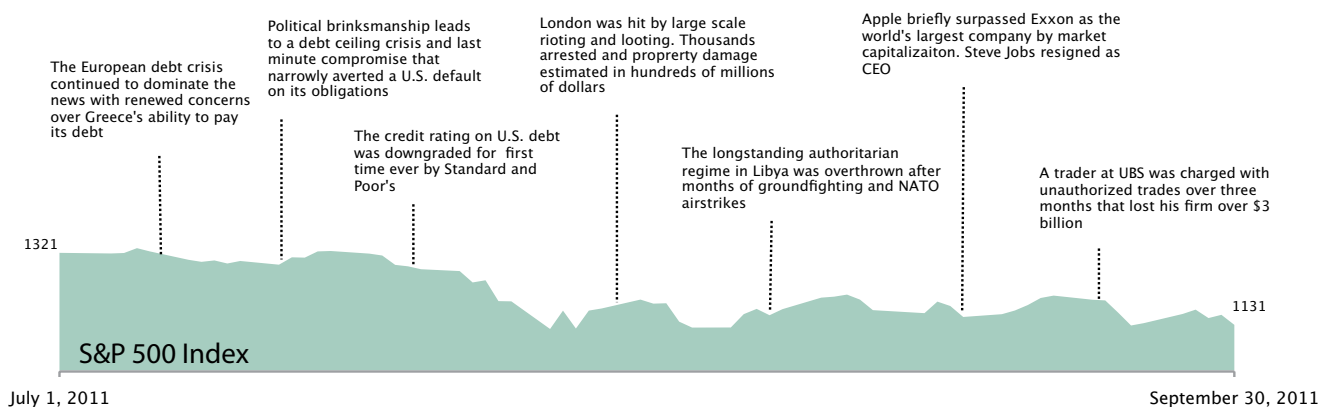
The Fed's Open Market Committee maintained its target range for the federal funds rate between zero and 0.25

percent and restated its commitment to that range through mid-2013. Little relief appears in sight for investors who rely on income from short-term obligations. Signs of price inflation emerged during the quarter; core inflation is nearing the upper limit of the Federal Reserve's two percent target.

Fixed Income

Most fixed income securities provided strong returns during the quarter. Bond prices were boosted as investors sought the liquidity and perceived safety of bonds. U.S. Treasuries surged 6.5 percent despite Standard and Poor's much publicized downgrading of U.S. sovereign debt. The accompanying yield curve chart shows that rates decreased for bonds of all maturities during the three months and are well

Timeline of Events: Third Quarter in Review



The chart illustrates S&P 500 price changes over the quarter. The return of the price only index is generally lower than the index that also includes dividend returns. S&P 500 data provided by Standard & Poor's, Inc. The events highlighted are not intended to explain market movements.

below prevailing rates one year ago. Treasury Inflation-Protected Securities (TIPS) provided a 4.5 percent return.

The yield spread on corporate bonds (relative to comparable Treasury bonds) widened by 0.85 percent to 2.38 percent during the third quarter as investors showed a preference for U.S. Treasury obligations, despite strong corporate profitability and solid balance sheets. Corporate bonds registered a positive three percent return.

Municipal bonds provided a 3.8 percent return for the quarter, but their yield spread versus U.S. Treasuries widened. State and local revenues remain below their pre-crisis levels, but municipal downgrades have declined during 2011 versus the two prior years and were confined to very speculative issues. Diversification remains important.

The Fed announced Operation Twist through which it will purchase long term bonds, in an effort to reduce long-term rates, while pushing rates higher on the short end by selling shorter term securities.

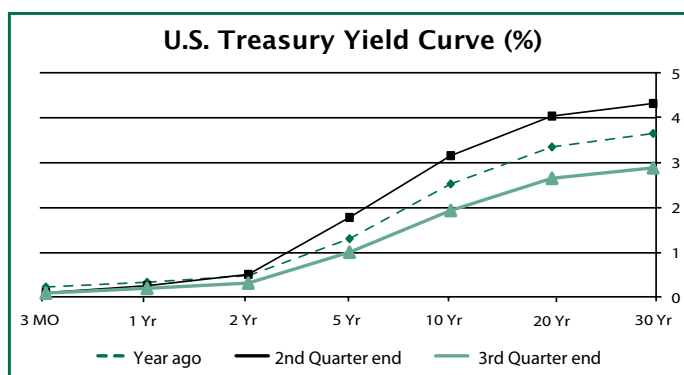
Real Estate²

Real Estate Investment Trusts were hit hard during the third quarter, losing 15.1 percent on a total return basis. This more than offset a gain of over 10

percent achieved through the first half; year-to-date REITs have fallen 6.1 percent. Yields rose from 3.4 percent to 4.1 percent as prices fell. Returns among subsector returns varied widely, ranging from -33.1 percent (lodging/resorts) to 10.4 percent (self-storage).

Equity REITs provide an attractive dividend yield but can also provide strong capital appreciation. The long term total returns and volatility of REITs are comparable to those of common stocks, but REITs can enhance portfolio diversification because their returns are not strongly correlated with those of stocks.

REITs are a creature of the federal tax code. They avoid corporate income taxation entirely as long as 90 percent of their income is distributed to shareholders. For investors, however, this income is taxable as ordinary income so it is best to hold REITs in a tax-deferred account if possible.



U.S. Equities³

The U.S. stock market generated a loss of -13.87 percent, the largest decline since the end of 2008. The quarter began poorly as weaker than expected economic data emerged. Volatility rose markedly as the European debt crisis grew deeper and the debt policy standoff dragged on in Congress.

Equities performed poorly across both the size (market capitalization) and distress (growth versus value) risk dimensions. Among large caps, value stocks returned -16.20 percent versus -13.14 percent for growth shares. Small caps value stocks plummeted -21.47 percent versus -22.25 percent for small cap growth stocks.

Among industries, only utilities

AIS Model Portfolios(1) For the Period Ending September 30, 2011

Asset Class	Index	Recommended Percentage Allocations (2)			Asset Class Statistics: Risk and Return (%)			
		Conservative	Moderate	Aggressive	1 Year	10 Year	20 year	Std. Dev. 20 year
Cash & Equivalent Assets (3)	3 Month CD Index	20	10	0	0.24	2.34	3.71	0.62
Short/Int. Fixed Income	Barclays Capital 1-5 Yr Govt/Cred	40	30	0	2.08	4.30	5.59	2.31
Real Estate	DJ US Select REITs Index	10	10	10	1.87	9.07	10.19	20.64
U.S. Large Cap Growth	Russell 1000 Growth Index (USD)	5	5	10	3.78	3.01	6.73	17.46
U.S. Large Cap Value	Russell 1000 Value Index (USD)	15	20	30	-1.89	3.35	8.48	14.88
U.S. Small Cap Value	Russell 2000 Value Index (USD)	5	7	13	-5.99	6.47	10.04	17.23
	DFA US Micro Cap Portfolio (USD)	0	3	7	-1.61	7.55	10.76	20.95
Foreign Developed Markets	MSCI EAFE Index (USD) Gross Div	5	7	13	-8.94	5.48	4.86	16.86
Foreign Emerging Markets	MSCI Emg. Mkts. Index (USD) Gross Div	0	3	7	-15.89	16.41	8.96	23.95
Gold Related	Gold (London PM Fix Price)	0	5	10	23.95	18.65	7.89	15.33
	Total	100	100	100				

Model Portfolio Statistics: Risk, Return (%) and Growth

	Conservative	Moderate	Aggressive
Portfolio Return 1 Year	1.29	0.96	-0.80
Portfolio Return 10 Year (annualized)	5.06	7.21	7.78
Portfolio Return 20 Year (annualized)	6.90	8.28	9.10
Portfolio Standard Deviation 20 Year (annualized)	5.74	8.15	13.58
Growth of \$100 over 20 Years	\$380	\$491	\$571

(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.

registered positive returns. Other traditionally defensive sectors – consumer staples, information technology, telecommunications and health care stocks – all lost ground but outperformed the overall market.

International Equities⁴

Foreign stocks provided no refuge for U.S. investors during the third quarter. In both developed and emerging markets double digit losses in local currencies were magnified by a stronger dollar. Overall, non-U.S. stocks proved a -15.30 percent return in local currencies and a -19.85 percent loss in dollars.

Foreign developed markets returned -19.01 percent in dollars and -15.70 percent in local currencies as Europe’s fiscal and sovereign-debt crises intensified. Greece was by far the worst performer as that nation’s austerity plans did little to reassure the market. Greece’s difficulties were far reaching and dragged down European markets as Greece’s creditors, especially French banks, suffered sharp losses. Japan fared best, where stocks returned -6.44 percent for the quarter.

Emerging markets, which are

highly sensitive to risk aversion among investors, suffered losses greater than those in the U.S. and developed markets. Overall returns for the quarter were -22.5 percent in dollars and -14.9 percent in local currencies as the stronger dollar proved particularly damaging for U.S. investors.

Despite gloomy news in the U.S. the dollar strengthened against all major currencies except the yen, and also against most emerging market currencies, reducing the dollar value of foreign holdings of U.S. investors. The dollar especially benefited from a flight to safety and reduced liquidity in Europe. The dollar gained 5.8 percent against the euro, 16.5 percent against the Brazilian Real and 14.3 percent against the Russian ruble.

Gold Related Assets

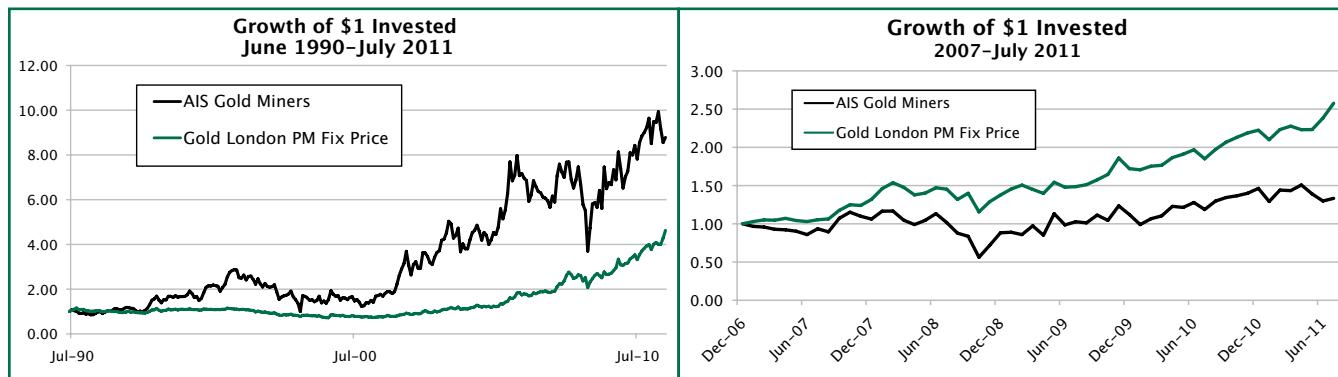
The third quarter brought further evidence that gold serves effectively as a refuge during times of financial distress. Gold was by far our best performing asset class, returning 7.61 percent. The gold price began the quarter at \$1,483 per ounce and rose to an all-time high of \$1,895 on September 5 before closing

the three months at \$1,620.

We have long recommended three ways in which investors can gain exposure to the gold price. Gold bullion coins allow immediate possession of gold. Our recommended coins can be found on page 79. Alternatively, investors can hold bullion-backed exchange-traded funds (ETFs) or our recommended gold mining shares. All of these are listed on page 80.

In recent years the returns from our gold mining shares have lagged returns based on the gold price itself. The charts below depict the hypothetical growth of one dollar invested in our five mining shares (equal dollar weighted, rebalanced annually) compared with a dollar invested in gold itself (using the London PM fix as a proxy).

The two charts reveal that while over the long term gold mining shares have generated higher returns, in recent years the situation has been reversed. Historically, during shorter spans the “leadership” between mining shares and the gold price has alternated. The recent trend is a relatively short-term period during which many factors have been at play. The introduction of ETFs may have impacted the demand for mining



1 Sources for cash and equivalent and fixed income statistics: U.S. Treasury, U.S. Labor Department (Bureau of Labor Statistics), Fidelity Management and Research Company. Corporate (investment grade) bonds: Barclays Capital (BC) Credit Bond Index. Spread is index Option Adjusted Spread; Municipal bonds: BC Municipal Bond Index; TIPS: BC U.S. TIPS Index.

2 REIT data provided by National Association of Real Estate Trusts (NAREIT). (FTSE NAREIT All Equity REIT Index)

3 U.S. Market: S&P 500 Index. Small caps: Russell 2000 Growth & Russell 2000 Value Indices, Large caps: Russell 1000 Growth & Russell 1000 Value Indices. Fidelity Management and Research Company.

4 Non-U.S. stocks: MSCI All Country World ex USA Index. Emerging markets: MSCI Emerging Markets Index. Developed markets MSCI EAFE Index. Currency data: Vanguard, Oanda.com. Japan: MSCI Japan Index

	Total Return (%)												Entire Period 4Q 2008- 3Q 2011
	2008 4Q	2009				2010				2011			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	
Barclay Capital 1-5 Yr. Govt./Credit	3.60	0.53	1.46	2.14	0.42	1.20	1.78	1.66	-0.60	0.27	1.49	0.91	11.82
Vanguard REIT Index	-38.16	-32.09	30.03	34.54	9.05	10.02	-4.01	13.10	7.42	6.50	3.51	-14.59	56.53
Vanguard Value Index	-20.44	-16.41	16.71	17.38	4.41	6.16	-10.93	9.71	10.17	7.02	-0.64	-15.53	22.74
High-Yield Dow 4/18	-22.71	-23.83	15.66	16.55	8.13	1.81	-8.97	20.83	6.69	6.66	2.05	-7.58	33.46
Vanguard Small Cap Value Index	-25.57	-18.14	23.83	23.89	3.79	10.15	-10.15	10.68	13.95	6.88	-1.87	-20.67	35.37
Vanguard Growth Index	-23.88	-4.24	15.59	14.13	7.88	4.85	-12.16	13.37	12.02	4.95	0.91	-13.40	46.19
Vanguard Developed Markets Index	-19.41	-15.82	25.59	19.25	1.67	1.26	-14.61	17.60	6.74	3.08	2.12	-20.11	16.99
Vanguard Emerging Markets Index	-27.82	0.07	34.14	21.15	8.26	2.47	-9.12	18.74	7.49	1.78	-0.97	-23.97	60.35
Gold (London PM Fix)	-1.67	5.38	1.96	6.55	9.21	2.57	11.52	5.06	7.54	2.38	4.62	7.61	86.25

shares. In addition the mining firms have at times aggressively hedged their gold production, effectively divorcing their share price changes from those of gold. Very recently these firms have abandoned this practice, and Newmont recently announced plans to link its dividend payout to the prevailing gold price.

We will continue to monitor these developments closely. At this time we continue to recommend all three methods for gaining exposure to the gold price. Each has advantages and disadvantages, which we have discussed at length, and should be assessed in light of each investor's preferences.

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 lowcost services should contact us at 413-528-1216 or Fax 413-528-0103.

Online: www.americaninvestment.com

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 considered to be 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.

Despite the dramatic turnaround in the capital markets for the year to date,

Asset Class	Investment Vehicle	Ticker
Real Estate	iShares Cohen & Steers Realty Majors	ICF
	iShares Dow Jones U.S. Real Estate	IYR
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	SPDR S&P 500 Growth	SPGY
	iShares S&P 500 Growth	IWW
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

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.

In the accompanying table we summarize the current statutory rates investors will face when selling

securities. While future tax rates are unknown, the outlook for the federal budget deficit makes higher rates a distinct possibility. For many investors it might pay to aggressively realize and "stockpile" any unrealized losses, utilizing this tax-swapping strategy whenever possible. Net capital losses (losses remaining after offsetting realized gains this year) of up to \$3,000 can be used to offset ordinary income, and amounts in excess of \$3,000 can be carried forward to offset gains in future years.

Current Capital Gains Tax Rates

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%

Source: Tax Foundation. Note: The rate remains 28 percent for long-term gains from sales of art works and other collectibles including gold bullion-based ETFs.

THE HIGH-YIELD DOW INVESTMENT STRATEGY

Recommended HYD Portfolio

As of October 14, 2011

	Rank	Yield (%)	Price (\$)	Status	—Percent of Portfolio—	
					Value (%)	No. Shares (%) ¹
AT&T	1	5.90	29.17	Holding**	24.62	23.54
Verizon	2	5.36	37.33	Holding**	26.51	19.80
Merck	3	4.61	32.98	Holding**	21.02	17.77
Pfizer	4	4.20	19.04	Holding**	25.14	36.82
DuPont	5	3.64	45.09	Selling	2.56	1.58
Frontier Communications	N/A	N/A	5.97	Selling	0.11	0.49
Cash (6-mo. T-Bill)	--	--	--		.05	--
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.

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, 2011*.

	<u>1 mo.</u>	<u>1 yr.</u>	<u>5 yrs.</u>	<u>10 yrs.</u>	<u>20 yrs.</u>	<u>Since 1/79</u>	<u>Std. Dev.</u>
HYD Strategy	-1.83	7.33	0.53	6.06	11.89	11.48	15.02
Russell 1000 Value Index	-7.56	-1.89	-3.53	3.35	8.48	15.52	18.02
Dow	-5.91	3.83	1.37	4.67	9.15	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.

In the table below we present additional hypothetical returns on the HYD model and benchmark indexes, but on a *rolling return basis*. For example, between January 1979 and September 2011 there were 382 1-year time spans (January 1979 - December 1979, February 1979 - January 1980, etc.). Of these, the lowest one year return for the S&P 500 was -43.32 percent, while the highest was 61.01 percent.

AVERAGE/BEST/ WORST -- HYPOTHETICAL ROLLING RETURNS

Monthly: 01/1979 - 09/2011

Annualized Average Rolling Return	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
S&P 500 Index	12.95%	11.43%	11.86%	11.93%	12.73%	12.41%
Best Return (%)	61.01%	33.41%	29.72%	19.49%	19.69%	18.26%
Worst Return (%)	-43.32%	-16.09%	-6.63%	-3.43%	5.00%	7.10%
AIS-HYD Strategy	17.51%	15.87%	16.72%	16.95%	17.46%	17.21%
Best Return (%)	68.77%	43.49%	38.48%	26.90%	25.34%	21.74%
Worst Return (%)	-50.97%	-15.45%	-6.37%	1.78%	7.66%	10.84%
Russell 1000 Value Index	13.29%	11.97%	12.55%	12.57%	13.18%	12.89%
Best Return (%)	61.07%	32.39%	30.09%	19.13%	19.66%	17.52%
Worst Return (%)	-47.35%	-17.31%	-6.65%	-1.23%	5.58%	7.37%

RECENT MARKET STATISTICS

Precious Metals & Commodity Prices (\$)

	10/14/11	Mo. Earlier	Yr. Earlier
Gold, London p.m. fixing	1678.00	1782.00	1388.75
Silver, London Spot Price	31.82	40.34	17.54
Copper, COMEX Spot Price	3.41	3.95	2.85
Crude Oil, W. Texas Int. Spot	86.79	89.39	77.57
Dow Jones Spot Index	441.79	465.92	341.35
Dow Jones-UBS Commodity Index	148.21	158.28	133.32
Reuters-Jefferies CRB Index	317.18	332.60	273.72

Interest Rates (%)

U.S. Treasury bills - 91 day	0.02	0.01	0.14
182 day	0.06	0.03	0.17
52 week	0.10	0.09	0.21
U.S. Treasury bonds - 10 year	2.26	2.09	2.59
Corporates:			
High Quality - 10+ year	4.13	4.19	4.81
Medium Quality - 10+ year	5.52	5.40	5.85
Federal Reserve Discount Rate	0.75	0.75	0.75
New York Prime Rate	3.25	3.25	3.25
Euro Rates			
3 month	1.57	1.53	0.99
Government bonds - 10 year	2.05	1.74	2.28
Swiss Rates - 3 month	0.04	0.01	0.17
Government bonds - 10 year	1.00	0.98	1.35

Exchange Rates (\$)

British Pound	1.580800	1.580800	1.602700
Canadian Dollar	0.985420	1.013500	0.989315
Euro	1.386100	1.385800	1.399800
Japanese Yen	0.012930	0.013000	0.012297
South African Rand	0.127800	0.135400	0.146789
Swiss Franc	1.119320	1.148770	1.045806

Securities Markets

	10/14/11	Mo. Earlier	Yr. Earlier
S & P 500 Stock Composite	1,224.58	1,209.11	1,176.19
Dow Jones Industrial Average	11,644.49	11,433.18	11,062.78
Dow Jones Bond Average	281.60	283.74	270.56
Nasdaq Composite	2,667.85	2,607.07	2,468.77
Financial Times Gold Mines Index	3,723.63	3,977.39	3,809.81
FT EMEA (African) Gold Mines	3,234.85	3,515.55	3,427.49
FT Asia Pacific Gold Mines	16,770.46	17,466.27	19,180.54
FT Americas Gold Mines	3,218.12	3,437.21	3,198.10

Coin Prices (\$)

	10/14/11	Mo. Earlier	Yr. Earlier	Prem (%)
American Eagle (1.00)	1,702.68	1,877.88	1,410.43	1.47
Austrian 100-Corona (0.9803)	1,603.13	1,772.82	1,331.32	-2.54
British Sovereign (0.2354)	401.50	442.90	335.20	1.65
Canadian Maple Leaf (1.00)	1,681.20	1,856.60	1,409.10	0.19
Mexican 50-Peso (1.2057)	1,975.30	2,184.30	1,640.50	-2.37
Mexican Ounce (1.00)	1,658.80	1,832.30	1,381.00	-1.14
S. African Krugerrand (1.00)	1,679.18	1,854.28	1,402.57	0.07
U.S. Double Eagle-\$20 (0.9675)				
St. Gaudens (MS-60)	1,695.00	1,842.50	1,490.00	4.41
Liberty (Type I-AU50)	1,982.50	1,982.50	1,600.00	22.12
Liberty (Type II-AU50)	1,870.00	1,960.00	1,505.00	15.19
Liberty (Type III-AU50)	1,680.00	1,827.50	1,470.00	3.48
U.S. Silver Coins (\$1,000 face value, circulated)				
90% Silver Circ. (715 oz.)	22,737.50	28,725.00	17,087.50	-0.62
40% Silver Circ. (292 oz.)	9,037.50	11,637.50	6,900.00	-3.28
Silver Dollars Circ.	25,075.00	31,275.00	17,950.00	1.29

Note: Premium reflects percentage difference between coin price and value of metal in a coin, with gold at \$1678 per ounce and silver at \$31.82 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 (\$)			12-Month (\$)		Latest Dividend Record		Indicated Annual Yield†		
		10/14/11	9/15/11	10/15/10	High	Low	Amount (\$)	Date	Paid	Dividend (\$)	Yield† (%)
AT&T	T	29.17	28.54	28.33	31.94	27.20	0.430	10/10/11	11/1/11	1.720	5.90
Verizon	VZ	37.33	36.19	32.43	38.95	31.60	0.500	10/07/11	11/1/11	2.000	5.36
Merck	MRK	32.98	32.49	36.95	37.68	29.47	0.380	9/15/11	10/7/11	1.520	4.61
Pfizer	PFE	19.04	18.49	17.75	21.45	16.25	0.200	8/05/11	9/6/11	0.800	4.20
Dupont	DD	45.09	46.48	46.67	57.00	37.10 L	0.410	8/15/11	9/12/11	1.640	3.64
General Electric	GE	16.60	16.08	16.30	21.65	14.02 L	0.150	9/15/11	10/25/11	0.600	3.61
Intel Corp	INTC	23.50	21.54	19.32	23.96	18.90	0.210	11/07/11	12/1/11	0.840	3.57
Johnson & Johnson	JNJ	64.72	64.40	63.57	68.05	57.50	0.570	8/30/11	9/13/11	2.280	3.52
Kraft	KFT	35.23	34.95	31.65	36.30	29.80	0.290	9/30/11	10/14/11	1.160	3.29
Procter and Gamble	PG	64.89	62.78	62.76	67.72	57.56	0.525	10/21/11	11/15/11	2.100	3.24
Travelers	TRV	51.27	49.84	53.63	64.17	45.97 L	0.410	9/09/11	9/30/11	1.640	3.20
J P Morgan	JPM	31.89	33.81	37.06	48.36	27.85 L	0.250	10/06/11	10/31/11	1.000	3.14
McDonald's	MCD	89.94	88.07	77.48	91.22	72.14	0.700	12/01/11	12/15/11	2.800	3.11
Chevron	CVX	100.47	99.26	83.61	109.94	80.41	0.780	8/19/11	9/12/11	3.120	3.11
Microsoft Corp.	MSFT	27.27	26.99	25.54	29.46	23.65	0.200	11/17/11	12/8/11	0.800	2.93
Home Depot, Inc.	HD	35.05	34.28	30.70	39.38	28.13	0.250	9/01/11	9/15/11	1.000	2.85
3M Company	MMM	78.89	80.63	89.14	98.19	68.63 L	0.550	8/19/11	9/12/11	2.200	2.79
Coca-Cola	KO	67.85	71.02	59.94	71.77	59.80	0.470	9/15/11	10/1/11	1.880	2.77
Wal-Mart Stores	WMT	55.46	52.51	53.35	57.90	48.31	0.365	3/11/11	4/4/11	1.460	2.63
Boeing	BA	63.89	64.32	70.11	80.65	56.01	0.420	8/12/11	9/2/11	1.680	2.63
United Tech.	UTX	74.64	75.61	74.10	91.83	66.87 L	0.480	11/18/11	12/10/11	1.920	2.57
Exxon Mobil	XOM	78.11	74.01	65.19	88.23	64.59	0.470	8/12/11	9/9/11	1.880	2.41
Caterpillar	CAT	84.09	86.60	79.75	116.55	67.54 L	0.460	10/24/11	11/19/11	1.840	2.19
Hewlett-Packard	HPQ	26.11	23.27	42.82	49.39	21.50 L	0.120	9/14/11	10/5/11	0.480	1.84
IBM	IBM	190.53	170.09	141.06	190.53 H	136.70	0.750	8/10/11	9/10/11	3.000	1.57
American Express	AXP	46.10	49.36	39.09	53.80	38.75	0.180	10/07/11	11/10/11	0.720	1.56
Cisco	CSCO	17.55	16.67	23.36	24.60	13.30	0.060	10/06/11	10/26/11	0.240	1.37
Alcoa	AA	10.14	11.98	13.13	18.47	8.45 L	0.030	11/04/11	11/25/11	0.120	1.18
Walt Disney	DIS	34.47	32.94	34.88	44.34	28.19 L	0.400	12/13/10	1/18/11	0.400	1.16
Bank of America	BAC	6.19	7.33	11.98	15.31	5.13 L	0.010	9/02/11	9/23/11	0.040	0.65

* See the Recommended HYD Portfolio table on page 78 for current recommendations. † Based on indicated dividends and market price as of 10/14/11. 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 10/16/10.

RECOMMENDED INVESTMENT VEHICLES

Descriptive Quarterly Statistics, as of 9/30/11

Security Symbol	Avg. Market Cap. / Avg. Maturity	No. of Holdings	Ratios			Annualized Returns* (%) as of 9/30/11									
			Expense ⁷ (%)	Sharpe	Turnover (%)	P/B	12 Mo. Yield (%)	1 yr.	3 yr.	5 yr.	After Tax* 3 yr.	5 yr.			
Short/Intermediate Fixed Income															
Vanguard Short-Term Bond Index	2.70 Yrs.	1316	0.22	2.13	60	--	1.89	4.84	4.88	1.14	4.84	4.88	1.14	3.92	3.70
iShares Barclays 1-3 Yr. Credit Bond	1.90 Yrs.	707	0.20	1.48	12	--	2.06	5.52	--	0.41	5.52	--	0.41	4.40	--
iShares Barclays 1-3 Year Treasury	1.82 Yrs.	42	0.15	1.53	85	--	0.91	2.25	3.73	0.76	2.25	3.73	0.76	1.64	2.80
Vanguard Limited-Term Tax-Exempt	2.80 Yrs.	1499	0.20	2.00	14	--	2.23	5.92	4.45	0.26	5.92	4.45	0.26	4.57	2.96
SPDR Short-Term Municipal Bond	3.08 Yrs.	356	0.20	1.77	25	--	1.32	4.18	--	1.54	4.18	--	1.54	3.85	--
Inflation-Protected Fixed Income															
iShares Barclays TIPS Bond	9.36 Yrs.	33	0.20	0.93	13	--	4.24	7.98	6.96	8.07	7.98	6.96	8.07	6.68	5.42
Vanguard Inflation-Protected Securities	9.50 Yrs.	32	0.22	0.90	29	--	3.77	7.67	6.79	8.09	7.67	6.79	8.09	6.81	5.53
Real Estate															
Vanguard REIT Index	6.46 B	108	0.26	0.18	12	2.3	3.77	-1.08	-2.13	1.14	-1.08	-2.13	-0.08	-2.44	-3.38
SPDR Dow Jones REIT	6.92 B	82	0.26	0.15	10	1.9	3.45	-2.09	-3.18	1.68	-2.09	-3.18	0.57	-3.43	-4.43
U.S. Large Cap Value															
Vanguard Value Index	45.66 B	415	0.26	0.07	27	1.6	2.69	-0.79	-3.24	-1.05	-0.79	-3.24	-1.41	-1.20	-3.64
iShares Russell 1000 Value Index	31.19 B	655	0.20	0.04	24	1.2	2.42	-1.61	-3.62	-2.05	-1.61	-3.62	-2.67	-2.08	-4.04
U.S. Small Cap Value															
iShares Russell Microcap Index	0.21 B	1410	0.60	0.04	35	1.1	1.31	-2.90	-5.03	-5.26	-2.90	-5.03	-5.55	-3.10	-5.20
Vanguard Small-Cap Value Index	1.49 B	1024	0.26	0.15	25	1.5	2.15	0.25	-1.49	-5.19	0.25	-1.49	-5.53	-0.20	-1.92
U.S. Large Cap Growth															
iShares Russell 1000 Growth Index	36.28 B	590	0.20	0.30	24	3.4	1.47	4.52	1.46	3.58	4.52	1.46	3.18	4.22	1.22
Vanguard Growth Index	36.19 B	431	0.26	0.27	26	3.5	1.15	3.63	1.45	2.74	3.63	1.45	2.58	3.45	1.29
U.S. Marketwide															
Vanguard Total Stock Market Index	27.07 B	3350	0.17	0.18	5	2.2	1.98	1.61	-0.71	0.59	1.61	-0.71	0.32	1.30	-0.99
Fidelity Spartan Total Market Index	26.14 B	3203	0.10	0.17	4	1.9	1.85	1.55	-0.70	0.59	1.55	-0.70	0.33	1.22	-1.01
Foreign-Developed Markets															
iShares MSCI Growth Index	27.38 B	551	0.40	0.05	27	1.8	2.41	-0.72	-2.27	-8.96	-0.72	-2.27	-9.42	-0.99	-2.47
iShares MSCI Value Index	31.57 B	523	0.40	0.03	29	1.0	4.52	-1.80	-4.88	-10.07	-1.80	-4.88	-10.89	-2.26	-5.32
Vanguard Europe Pacific Index	32.12 B	924	0.18	0.06	6	1.4	2.90	-1.79	-3.41	-10.17	-1.79	-3.41	-10.38	-2.03	-3.64
Vanguard Developed Markets Index	32.29 B	963	0.22	0.06	13	1.4	3.32	-1.94	-3.55	-10.23	-1.94	-3.55	-10.66	-2.50	-4.08
SPDR S&P International Small Cap	0.86 B	737	0.60	0.25	17	0.9	2.44	5.12	--	-5.72	5.12	--	-6.16	4.73	--
Foreign-Emerging Markets															
Vanguard Emerging Market Index	19.35 B	901	0.35	0.31	12	2.0	1.87	4.98	4.25	-17.63	4.98	4.25	-18.44	4.33	3.75
Gold-Related Funds															
iShares COMEX Gold Trust	--	1	0.25	1.03	0	--	0.00	22.43	21.60	23.61	22.43	21.60	23.61	22.43	21.60
SPDR Gold Shares	--	1	0.40	1.03	0.00	--	0.00	21.87	21.53	23.46	21.87	21.53	23.46	21.87	21.53

Recommended Gold-Mining Companies (\$)

Ticker Symbol	Month Earlier	Year Earlier	52-Week		Dividends Paid Last 12 Months	Payment Schedule	Yield (%)
			High	Low			
AngloGold Ltd., ADR	10/14/11	42.49	46.22	47.29	0.2334	Semiannual	0.5493
Barrick Gold Corp. +	48.24	52.87	47.99	55.95	0.4080	Semiannual	0.8458
Gold Fields Ltd.	15.59	16.84	15.77	18.70	0.2381	Semiannual	1.5273
Goldcorp, Inc. +	48.38	50.59	44.45	56.31	0.3332	Monthly	0.6887
Newmont Mining	66.86	64.29	61.88	71.25	0.8000	Quarterly	1.1965

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% fee for redemption in 1 yr. †0.5% fee for redemption in 90 days. ‡1% fee for redemption in 60 days. §0.5% fee for purchase and 0.25% fee for redemption. ¶For Vanguard funds, Expense Ratios shown are for Mutual Funds. ETFs have lower expenses. **For Vanguard Funds, returns shown are for Mutual Funds; ETFs' returns may deviate. ***Pre-liquidation. 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.