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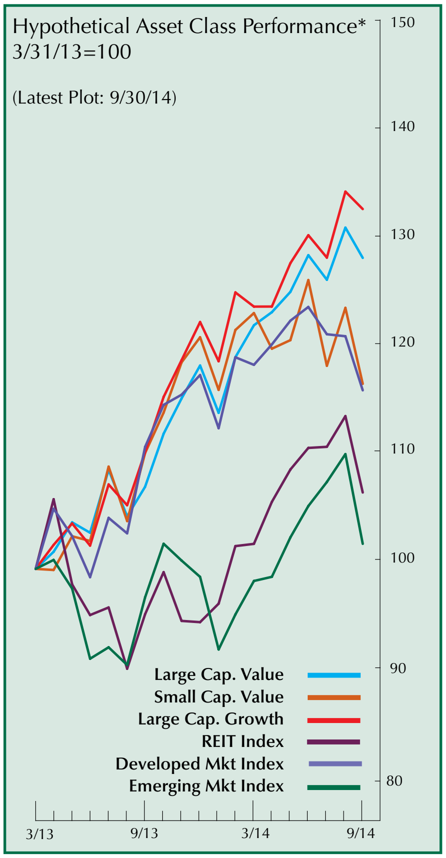

* See page 69 for representative indexes.

The *Investment Guide* is intended to provide useful information to investors who manage their own financial assets. **We also provide low cost discretionary asset management services** for individuals and institutions seeking professional advice and assistance in implementing an investment strategy.

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Investing and the Cult of Personality

Bill Gross rocked the mutual fund industry in late September by resigning from Pacific Investment Management Company (PIMCO), the firm he founded in 1971, to join Janus Capital. Much of the ensuing media coverage has focused on the human drama surrounding his decision, rather than the important lesson this episode provides for investors.

PIMCO describes its investment approach as one that includes "macroeconomic forecasting, authoritative sector and security analysis and rigorous risk management"[1] and indeed Mr. Gross developed a reputation as the best "quant" in the fixed income business.

During Mr. Gross's tenure PIMCO's assets under management (AUM) reached $2 trillion. The firm's flagship Total Return fund boasts a remarkable track record with an average total return of 7.9 percent per year since 1987, versus 6.8 percent for the benchmark Barclays U.S. Aggregate Bond Index.[2] For many years the fund laid claim to the highest AUM of any mutual fund in existence, by wide margin; it was eclipsed only late last year by the Vanguard Total Stock Market Index fund.

The Economist has cited three reasons for his departure.[3] Mr. Gross is said to have displayed an abrasive management style. He had also demonstrated aberrant public behavior. Perhaps most significantly, his fund's performance had suffered recently. The first two factors demonstrate the perils of relying heavily on an individual's supposed prowess in forecasting. Investors who rely on a manger's talent are staked not only to the human foibles that manager might display but also to whatever fate might befall any individual, including poor health, early retirement, and death itself, to name a few.

With regard to the third reason, we can only observe that forecasting invariably involves missed calls, and PIMCO's efforts have fallen short. In 2009 Mr. Gross and his colleague Mohamed El-Erian famously proclaimed the emergence of a "new normal" that would be characterized by several years of below average equity returns, but this prediction was followed by one of the greatest bull markets in history. In 2011 Mr. Gross boldly predicted that curtailment of the Fed's quantitative easing policy would result in lower bond prices and higher interest rates, and he backed his words by short-selling Treasuries in the Total Return fund. His reputation, and the fund's returns, took another hit when lower bond prices failed to materialize.

Our approach does not rely on forecasting nor does it rely on any individual's alleged acumen in security selection. Our approach is well grounded in economic theory and is subject to continued empirical testing. Advisors in our Professional Asset Management service are thoroughly versed in an investment approach that is timeless and designed specifically to avoid the influence of individual opinion.

[1] http://europe.pimco.com/EN/Strategies/Pages/StrategiesOverview.aspx
[2] Total annual return earned by the PIMCO Total Return fund institutional class shares
[3] "Overthrowing the Bond King", The Economist, September 28, 2014.

IDENTITY THEFT AND WHAT YOU CAN DO ABOUT IT

Home Depot and many of its customers are the most recent victims of cyber-attacks that have targeted many of America's largest companies, banks and institutions. A recent report by the Department of Financial Services regarding cyber security in the banking sector discovered that most all of America's largest banks have experienced a security breach the past three years. These cyber-attacks aim to compromise payment card numbers and sensitive personal information. In the Home Depot attack, hackers obtained approximately 56 million payment card numbers. Once this information is obtained, hackers make purchases with stolen credit cards and set up fraudulent bank accounts using personal information.

How Big is the Problem?

So what is your chance of actually becoming a victim of identity theft? In 2013, approximately 5 percent (13.8 million) Americans experienced identity fraud—a historic high. While the number of identity fraud victims has increased in recent years, total fraud losses have decreased. Losses in 2013 totaled $18 billion, down from $21 billion in 2012. This trend is likely a result of efforts made by financial institutions and large retailers to increase their level of fraud security so as to mitigate the losses resulting from a breach. With that said, hackers are consistently outsmarting fraud security by employing new, highly sophisticated techniques.

There are three common ways in which hackers attempt to compromise your identity. The first is called *Malware*. This technique involves the use of malicious software to infiltrate private computers. Once in, hackers gather sensitive personal information such as social security numbers, passwords, account numbers, date of birth, etc. Malware is often injected into a computer when the owner views a corrupt email or clicks on a malware-infected link.

A second way is called *Phishing*. This tactic involves using email to obtain sensitive personal information. Criminals create email accounts disguised as a financial entity with which the victim has a relationship. Criminals use this account to solicit sensitive information. Phishing techniques, once easy to recognize due to grammatical errors and inaccuracies, are becoming vastly more sophisticated. Hackers are becoming more adept at locating saved emails to obtain information regarding an account's assets, cash on hand and money transfer opportunities.

The last tactic is called *Social Engineering*. Using social media sites and other online channels (LinkedIn, Facebook, Twitter, Evernote, Epsilon, etc.), criminals manipulate victims into disclosing sensitive information. Social engineering has traditionally taken place online, but fraudsters are increasingly contacting victims by phone. Fraudsters can also glean and cobble together victims' information using these sites.

"Now now -- the fact that no one has stolen your identity doesn't mean there's something wrong with it."

Preventative Measures

While financial institutions are well aware of the schemes criminals use to steal money, many banks' and other financial entities' fraud management platforms are not keeping up with rapidly evolving fraud methods. Many fraud management platforms do not directly prevent malware and phishing, but rather seek to manage fraud after the fact. This places the preventative burden on the consumer.

Two options exist to safeguard your identity. You can either purchase a service or do it yourself. Many services exist to help avoid identity theft. These services range in cost from $120-$300 annually. The biggest advantage to purchasing a protective service is that the provider will help you resolve the damages resulting from identity theft. If the theft is sizeable, this service is worthwhile, as sorting out the issue on your own is extremely time consuming. With that said, most ID-theft victims did not lose any money 2011. A small number of victims lost on average $309

To obtain a free credit report visit annualcreditreport.com, or call 1-887-322-8228, or mail your Annual Credit Request Form (https://www.consumer.ftc.gov/articles/pdf-0093-annual-report-request-form.pdf) to **Annual Credit Report Request Service, P.O. Box 105281, Atlanta, GA 30348-5281**. For your convenience, the three credit reporting agencies (Equifax, Experian, Transunion) have created these centralized domains to field your requests.

due to existing-account fraud and $1,205 for new account fraud.[1] Apart from assisting with damage control, most of the protective services a firm offers can be undertaken directly by consumers at a fraction of the cost.

One of the easiest ways to ensure your identity is not hijacked is to create strong passwords for your email and online financial accounts. Hackers have become increasingly skilled at guessing your password based on information they gather on you from the internet. Do not use passwords such as your mother's maiden name or other information that criminals can easily obtain. The use of longer, non-dictionary words limits the chances that a hacker will guess your password. Your password should be longer than eight characters and should contain at least one capital letter and one numeric or non-alphabetical character.

Monitoring financial statements more closely can help limit losses if a hacker does gain access to your credit card or personal information. Free online banking and mobile apps make it easy to check your statements daily. In the event that your credit card is lost or stolen, be sure to cancel the card. Stolen credit cards, debit cards and check forgery account for 80 percent of identity theft.

Request free annual credit reports from Equifax, Experian and Transunion, the three major credit reporting bureaus, to monitor your credit activity. For optimal security, stagger your requests so that you receive a report from a different bureau every four months. If notified of a security breach, your wallet has been stolen or you notice any additional indications of ID-theft, enact a 90 fraud alert on your credit file.

Placing credit freezes on your accounts will help to prevent hackers from opening new accounts under your name. If your social security number is stolen or for sale in an online-black market forum, place a security freeze on your credit reports. A security freeze blocks new creditors from accessing your file when a fraudster tries to open a new account under your name. There is a small fee associated with freezing accounts.

In today's world, many sophisticated identity theft techniques exist. Most retailers' and financial institutions' fraud management platforms do not prevent identity theft, but rather manage problems resulting from a security breach. If you are worried about identity theft you can purchase a service to help prevent fraud and to resolve damages incurred when prevention fails. But there are many preventative measures you can take on your own that will avoid the fees incurred through these services. As is so often the case, consumers face a trade-off.

[1] Don't Get Taken Guarding Your ID. (2013). Retrieved August 28, 2014 (Consumer Reports). http://www.consumerreports.org/cro/magazine/2013/01/don-t-get-taken-guarding-your-id/index.htm

INFORMATION, INSIDER TRADING, AND SHAREHOLDER VALUE

In the accompanying article, "Indexing: Too Much of a Good Thing?" we discuss the nature of price discovery, the process by which information drives changes in security prices. We make the point that investors' ability to gather and interpret relevant information is not uniform; some are better positioned or more knowledgeable than others.

Insider trading is the trading of a public company's stock or other securities by individuals with access to non-public information about the company. There are strict insider trading prohibitions in the U.S., and AIS adheres strictly to all insider trading regulations pertaining to such trading. In fact, we go even further by recommending that investors maintain a broadly diversified, market-wide portfolio instead of taking large positions in individual securities, which potentially involves betting against investors with greater knowledge.

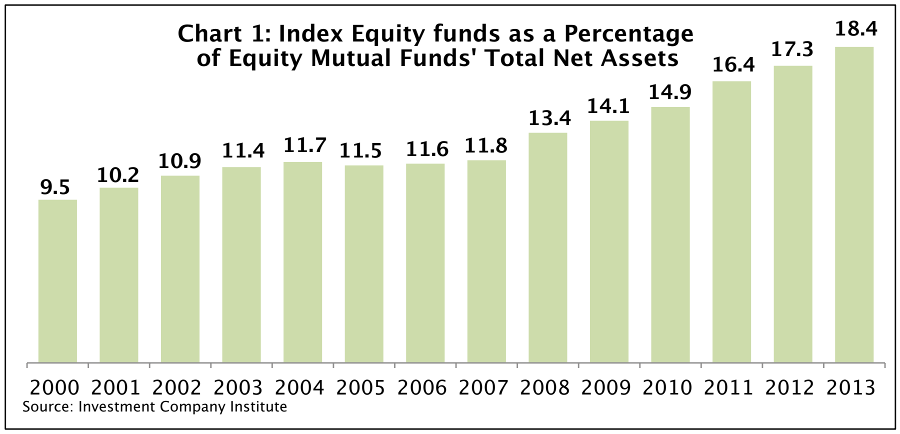
However, it is argued by some economists that insider trading prohibitions should be softened or even dropped. They argue that, to the extent that the free flow of relevant information is restricted, market prices will fail to serve as the best estimate of a firm's economic value.

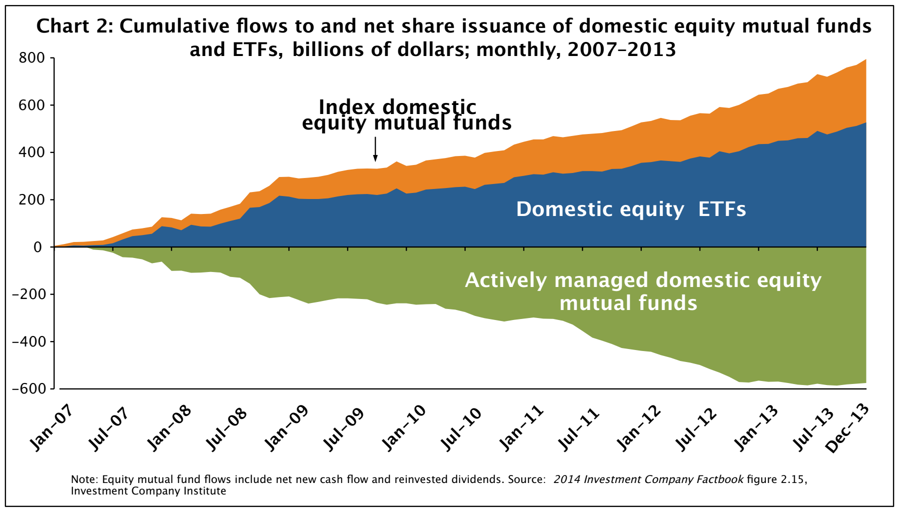
We disagree with this view, as do renowned financial economists Ken French and Eugene Fama. The following is their position on this issue, provided in response to a question posed on the Fama French Forum, a website available to the public (www.dimensional.com/famafrench):

Some economists argue that prohibiting insider trading does more harm than good by reducing the flow of useful information. Do you agree?

Fama / French: *No. It is difficult to run a company to generate value for shareholders, but it is easy for senior managers to reduce their company's value so they can profit personally from a short sale. Thus, there is a big moral hazard problem if insiders are allowed to short sell. What about purchases on positive inside information? A firm's managers are supposed to act in the interests of shareholders. A manager who buys stock based on positive inside information is disadvantaging the seller — an existing shareholder. Moreover, the presumption that allowing insider trading increases the flow of information to the market is tenuous since managers then have an incentive to delay disclosure of information. In short, allowing insider trading creates big moral hazard problems, with lots of negative consequences. This is the logic behind disclosure laws (or at least idealized versions of them), which seek to make all value-relevant information available to all market participants on the same terms.*

INDEXING: TOO MUCH OF A GOOD THING?





Index fund investing has surged in popularity. According to the Investment Company Institute (ICI), the percentage of equity mutual fund net assets classified as index funds doubled from 9 percent in 2000 to 18 percent by the end of 2013 (see Chart 1). This increase came at the expense of actively managed funds. Chart 2 shows that actively managed domestic equity mutual funds suffered a net outflow of $575 billion since 2007. Those in the active management camp have tried to spin this story by asserting that the trend toward indexing will only create new opportunities for active money managers. We don't think so.

The premise of structured investing is that for most investors, trying to anticipate prices, or identify mispriced securities is a fool's errand. Investors are much better off holding a broadly diversified portfolio while keeping a wary eye on investment costs. The index fund, which holds virtually every tradable security within an asset class, is the ideal investment vehicle for this approach.

But what, skeptics ask, would happen if everyone embraced this wisdom and purchased an index fund? Since indexers make no attempt to evaluate stock prices, how would prices be set? Who, in effect, would be left to do the bargaining? In the absence of a robust pricing mechanism, wouldn't new "mispricings" arise, thereby creating new opportunities for active managers to exploit?

Price Discovery

Our first response is that this pricing quandary is nothing new to economists and it is not confined to capital markets. In most introductory price theory courses, the price discovery process in competitive markets is described as one in which consumers are "price takers". That is, as one among millions of consumers, while we might shop around for a good deal, at the end of the day most of us have little ability to affect prices. Similarly, producers operate in a highly competitive environment, and have little control over the prices of goods and services they offer. This is especially true when products and services are not highly differentiated. So even while economists observe that the markets for most goods and services are highly competitive, it remains a bit mysterious as to who, exactly, is setting the prices.

We can, however, observe that everyone is not the same, and that shoppers and producers differ in their ability to gather and evaluate information pertaining to products and services and prices offered. For example, in commodities markets there are people who are experts in evaluating virtually every factor that might affect the corn crop. They constantly gather and interpret data pertaining to weather patterns, global consumption, agricultural research and countless other variables that are known to impact supply and demand. Their expertise is valuable enough such that owning an airplane in order to gather data on soil in a distant farm state on short notice may be worthwhile. In short, their marginal cost for gathering and interpreting information is well below that of other investors who might be tempted to speculate in commodity markets.

But at the end of the day even these experts must compete with other experts, so there is no "free lunch" for anyone. Economic profits are ephemeral and rare. So, while this "marginal cost" story is insightful, it fails to provide a fully satisfactory answer to the question "who sets the prices?"

We are confident that, whoever sets the prices in stock and bond markets, it is a waste of time for investors to search for them from among the active managers on Wall Street and elsewhere. In this newsletter we have documented many times the abysmal record of stock pickers and market timers.

Evidence Anyone? … Anyone?

If the popularity of indexing is providing greater mispricing opportunities for active managers, we have seen no evidence that anyone is

Five-Year Transition Matrix—Performance Over Two Non-Overlapping Five-Year Periods (Based on Quartiles)								
	Funds Remaining at Five Years							
Mutual Fund Category	Fund Count at Start (March 2009)	1st Quartile (%)	2nd Quartile (%)	3rd Quartile (%)	4th Quartile (%)	Merged or Liquidated (%)	Style Change (%)	Total (%)
All Domestic Funds								
1st Quartile	427	13.82	26.00	20.37	28.57	11.24	0	100
2nd Quartile	426	16.2	18.31	18.78	23.71	23.00	0	100
3rd Quartile	427	16.39	15.69	24.59	14.05	29.27	0	100
4th Quartile	426	28.64	15.02	11.27	8.69	36.38	0	100

Source: S&P Dow Jones Survey *Does Past Performance Matter? The Persistence Scorecard June 2014.*
http://www.spindices.com/documents/spiva/persistence-scorecard-june-2014.pdf

taking advantage of it. The most recent SPIVA survey (June 2014) reports that over the last three-year span 86 percent of domestic equity funds failed to outperform the S&P Composite 1500, while over the last five years 74 percent failed to do so.[1]

The accompanying table goes further. It demonstrates that managers who are able to provide above-average returns, even over five years, rarely manage to continue to do so in subsequent periods. For the ten year period ending June 30, 2014, nearly 29 percent of top quartile performers over the first five years (the "winners") wound up in the bottom quartile (the "losers") in the following five-year period (to put this in perspective, this is below the 25 percent outcome we would expect strictly due to chance!). Over the same time frame nearly 29 percent of the worst performing (bottom quartile) funds during the first five years ended up in the top quartile in the following five year period (again we would expect 25 percent of these "losers" to become "winners" if chance alone were the determining factor). This is not encouraging news for investors who hope to pick winning managers based on past performance. The SPIVA report from which this data is drawn has been produced semi-annually for many years, covering numerous ten-year spans and results have been similar.

Mutual funds hold hundreds if not thousands of stocks spanning numerous industries. Few managers wield the narrow, highly specialized knowledge that would, at the margin, provide an informational advantage. Even when these managers wield or have access to such expertise, the cost of obtaining and analyzing this information equals or exceeds the marginal benefit such information might provide.

Opportunities for Losers, Too

If the growth of indexing provides more mispricing opportunities for active managers to exploit, it cannot reverse the reality that for every active manager who wins, another must lose. There are no "orphan stocks"; all outstanding shares are held by someone, so for every buyer there is a seller. To the extent that an active trader is successful at picking winning stocks, it must come at the expense of another active trader.

The growing number of index investors, who simply buy the market on a capitalization-weighted basis, will of course earn the market's average return. Therefore the remaining investors, who are active traders, must in aggregate also earn the market's return. But this is before fees and investment related costs are accounted for. After these costs deducted, it is a mathematical certainty that the net returns of index investors will exceed the average returns earned by active traders.

Where Is Indexing Headed?

According to ICI $1.7 trillion was invested in index funds at the end of 2013, and among households that held at least one mutual fund, 30 percent owned at least one index fund. Growth during the year was unprecedented, as demand for index domestic equity mutual funds more than tripled from 2012. Funds tracking the S&P 500 continued to dominate, accounting for one third of all index mutual fund assets, but indexing is broadening. Of money flowing into index mutual funds last year, 46 percent was invested in funds tied to domestic equity indexes, but 25 percent went to funds tied to world stock indexes, while another 30 percent flowed into bond or hybrid indexes.[2]

While we are highly encouraged by the growing popularity of indexing (or "structured") investing, it remains to be seen whether the trend toward indexing will continue. The 2009 market crash and subsequent rebound may have awakened many investors to the futility of market timing and to the useless fees assessed by timers and stock pickers. We expect that index funds will continue to gain market share, but the recent rate of growth may subside.

Active managers do not appear endangered. At the end of 2013 ICI counted 8,974 mutual funds and ETFs, of which only 372 tracked commercial indexes. Clearly there is clearly no shortage of active managers attempting to find the "right" price, so the claim that indexing spells the end of the price discovery mechanism is highly doubtful. What is not in doubt is that collectively these managers will inevitably underperform index fund investors.

[1] The S&P Indices Versus Active (SPIVA®) measures the performance of actively managed funds against their relevant S&P index benchmarks on a regular basis. We have cited here the broadest measure (U.S. equity market), but results for other asset classes (e.g. U.S. Small Value) consistently reaffirm the notion that over time most active managers struggle to match the performance of their respective index.
[2] *2014 Investment Company Factbook,* Investment Company Institute, Chapter 2. http://www.icifactbook.org

*Asset classes and representative index chart page 65: large cap value, Russell 1000 Value; small cap value, Russell 2000 Value; large cap growth, Russell 1000 Growth; REITs, S&P Global REIT; foreign developed markets, MSCI EAFE; emerging markets, MSCI Emerging Markets

THE HIGH-YIELD DOW INVESTMENT STRATEGY

Recommended HYD Portfolio

As of September 15, 2014

	Rank	Yield (%)	Price ($)	Status	—-Percent of Portfolio-— Value (%)	No. Shares (%)[1]
AT&T	1	5.30	34.69	Holding**	22.49	26.47
Verizon	2	4.53	48.56	Holding**	22.62	19.02
Pfizer	3	3.48	29.92	Buying	8.73	11.91
McDonald's	4	3.47	93.47	Buying	4.26	1.86
Chevron	5	3.44	124.24	Holding	4.21	1.38
General Electric	6	3.40	25.92	Holding	1.34	2.12
Cisco	8	3.03	25.06	Holding	1.48	2.41
Merck	9	2.96	59.52	Selling	12.86	8.82
Intel Corp	16	2.61	34.54	Selling	22.00	26.01
Cash (6-mo. T-Bill)	N/A	N/A	N/A		0.01	N/A
Totals					100.00	100.00

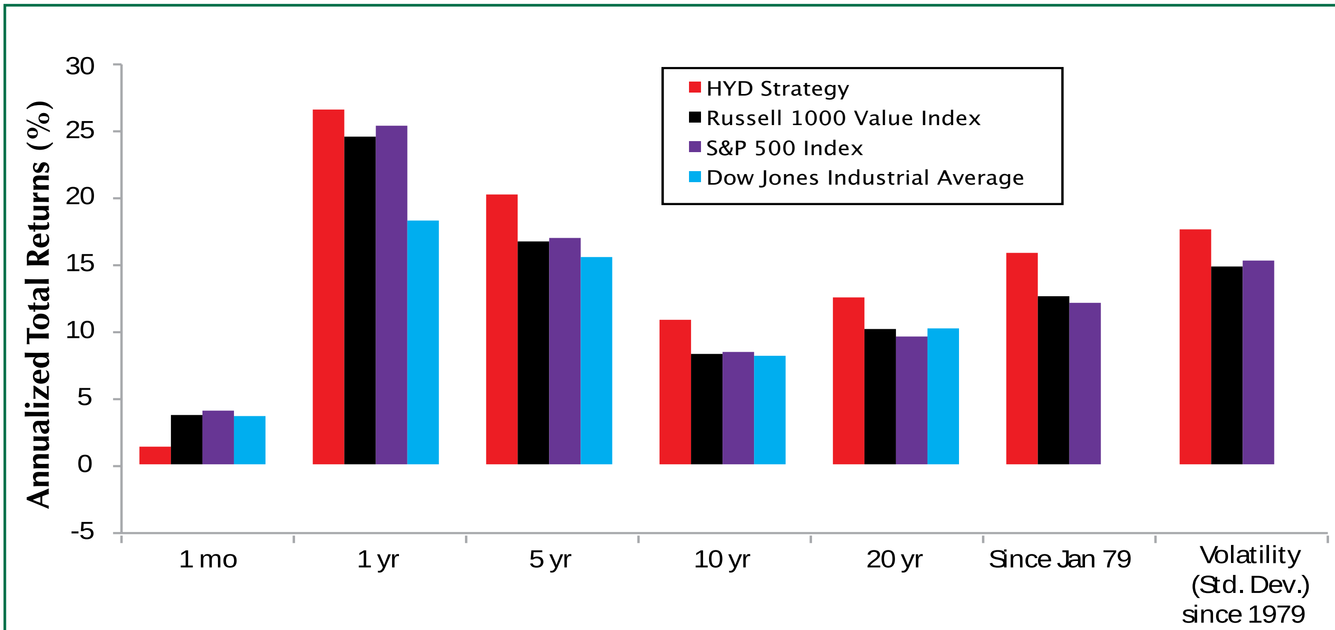
**Currently indicated purchases approximately equal to indicated purchases 18 months ago. 1 Because the percentage of each issue in the portfolio by value reflects the prices shown in the table, we are also showing the number of shares of each stock as a percentage of the total number of shares in the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

Comparative Hypothetical Total Returns (%) and Volatility

The data presented in the table and chart below represent total returns generated by a hypothetical HYD portfolio and by benchmark indexes for periods ending August 31, 2014*. Returns for the 5-,10- and 20-year periods are annualized, as is the volatility (standard deviation) of returns (January 1979 is the earliest date for which data was available for both the HYD model and relevant benchmark indexes).

	1 mo.	1 yr.	5 yrs.	10 yrs.	20 yrs.	Since Jan 79	Volatility (Std. Dev.) since 1979
HYD Strategy	1.31	26.45	20.12	10.77	12.44	15.76	17.52
Russell 1000 Value Index	3.68	24.43	16.62	8.23	10.09	12.53	14.75
S&P 500 Index	4.00	25.25	16.88	8.38	9.53	12.04	15.19
Dow Jones Industrial Average	3.60	18.18	15.45	8.09	10.13	N/A	N/A



*Data assume all purchases and sales at mid-month prices (+/–$0.125 per share commissions), reinvestment of all dividends and interest, and no taxes. Model HYD calculations are based on hypothetical trades following a very exacting stock-selection strategy. They do not reflect returns on actual investments or previous recommendations of AIS. Past performance may differ from future results. Historical performance results for the Russell 1000 Value Index, the Dow Jones Industrial Index and the S&P 500 Index 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. HYD Strategy results reflect the deduction of 0.55% management fee, the annual rate assessed to a $500,000 account managed through our High Yield Dow investment service. A maximum annual management fee for the HYD service of 1.3% applies to accounts of $100,000 (our minimum account size) in Assets Under Management (AUM). The fee decreases thereafter, as AUM increases. Accounts with AUM less than $500,000 would incur a fee greater than 0.55% and therefore returns would be lower than indicated. See AIS ADV Part 2 for full detail, available at http://www.americaninvestment.com/images/pdf/ADV_Part_2A.pdf

RECENT MARKET STATISTICS

Precious Metals & Commodity Prices ($)

	9/15/14	*Mo. Earlier*	*Yr. Earlier*
Gold, London p.m. fixing	**1,234.25**	1,296.00	1,318.50
Silver, London Spot Price	**18.64**	19.86	21.72
Copper, COMEX Spot Price	**3.08**	3.10	3.21
Crude Oil, W. Texas Int. Spot	**92.91**	97.34	108.20
Dow Jones Spot Index	**383.60**	395.22	406.99
Dow Jones-UBS Commodity Index	**121.36**	125.71	129.32
Reuters-Jefferies CRB Index	**282.52**	290.61	291.59

Interest Rates ($)

U.S. Treasury bills -	91 day	**0.02**	0.04	0.01
	182 day	**0.05**	0.05	0.02
	52 week	**0.10**	0.09	0.11
U.S. Treasury bonds -	10 year	**2.60**	2.41	2.90
Corporates:				
High Quality -	10+ year	**4.21**	4.08	4.69
Medium Quality -	10+ year	**4.88**	4.71	5.54
Federal Reserve Discount Rate		**0.75**	0.75	0.75
New York Prime Rate		**3.25**	3.25	3.25
Euro Rates	3 month	**0.08**	0.20	0.22
Government bonds -	10 year	**1.05**	1.03	2.00
Swiss Rates -	3 month	**0.01**	0.02	0.02
Government bonds -	10 year	**0.61**	0.53	1.26

Exchange Rates ($)

British Pound	**1.624300**	1.668600	1.586100
Canadian Dollar	**0.905000**	0.916600	0.967020
Euro	**1.295100**	1.339200	1.327600
Japanese Yen	**0.009330**	0.009785	0.010060
South African Rand	**0.091030**	0.094340	0.100630
Swiss Franc	**1.070200**	1.107900	1.073080

Securities Markets

	9/15/14	*Mo. Earlier*	*Yr. Earlier*
S & P 500 Stock Composite	**1,984.13**	1,955.06	1,687.99
Dow Jones Industrial Average	**17,031.14**	16,662.91	15,376.06
Barclays US Credit Index	**2,523.00**	2,554.20	2,332.50
Nasdaq Composite	**4,518.90**	4,464.93	3,722.18
Financial Times Gold Mines Index	**1,455.41**	1,634.89	1,555.60
FT EMEA (African) Gold Mines	**1,398.61**	1,565.37	1,377.11
FT Asia Pacific Gold Mines	**4,578.12**	5,012.89	5,267.46
FT Americas Gold Mines	**1,288.82**	1,453.15	1,395.11

Coin Prices ($)

	9/15/14	*Mo. Earlier*	*Yr. Earlier*	*Prem (%)*
American Eagle (1.00)	**1,276.22**	1,349.82	1,428.72	3.40
Austrian 100-Corona (0.9803)	**1,199.53**	1,270.82	1,346.43	-0.86
British Sovereign (0.2354)	**300.00**	317.40	335.80	3.26
Canadian Maple Leaf (1.00)	**1,258.40**	1,332.20	1,413.30	1.96
Mexican 50-Peso (1.2057)	**1,478.20**	1,566.10	1,659.10	-0.67
Mexican Ounce (1.00)	**1,246.30**	1,319.20	1,396.50	0.98
S. African Krugerrand (1.00)	**1,260.57**	1,334.18	1,417.18	2.13
U.S. Double Eagle-$20 (0.9675)				
St. Gaudens (MS-60)	**1,360.00**	1,365.00	1,480.00	13.89
Liberty (Type I-AU50)	**2,225.00**	2,225.00	2,225.00	86.33
Liberty (Type II-AU50)	**1,550.00**	1,550.00	1,750.00	29.80
Liberty (Type III-AU50)	**1,285.00**	1,340.00	1,460.00	7.61
U.S. Silver Coins ($1,000 face value, circulated)				
90% Silver Circ. (715 oz.)	**13,487.50**	14,470.00	18,000.00	1.20
40% Silver Circ. (292 oz.)	**5,427.50**	5,850.00	6,900.00	-0.28
Silver Dollars Circ.	**19,600.00**	20,250.00	21,800.00	35.92

Note: Premium reflects percentage difference between coin price and value of metal in a coin, with gold at $1,234.25 per ounce and silver at $18.64 per ounce. The weight in troy ounces of the precious metal in coins is indicated in parentheses. The Bloomberg Commodity Spot Index and the Bloomberg Commodity Index were previously the Dow Jones Spot Index and the Dow Jones-UBS Commodity Index, respectively, as of 7/1/14. Data that was being retrieved from Dow Jones is now being retrieved from Bloomberg.

THE DOW JONES INDUSTRIALS RANKED BY YIELD*

	Ticker Symbol		*Market Prices ($) 9/15/14*	*8/15/14*	*9/15/13*	*12-Month ($) High*	*Low*	*Latest Dividend Amount ($)*	*Record Date*	*Payable Date*	*Indicated Annual Dividend ($)*	*Yield† (%)*
AT&T	T		34.69	34.74	34.32	37.48	31.74	0.460	7/10/14	8/1/14	1.840	5.30
Verizon	VZ	*I*	48.56	48.80	47.76	53.66	45.45	0.550	10/10/14	11/3/14	2.200	4.53
Pfizer	PFE		29.92	28.64	28.51	32.96	27.87	0.260	8/01/14	9/3/14	1.040	3.48
McDonald's	MCD		93.47	93.79	97.35	103.78	90.53 L	0.810	9/02/14	9/16/14	3.240	3.47
Chevron	CVX		124.24	126.10	124.14	135.10	109.27	1.070	8/19/14	9/10/14	4.280	3.44
General Electric	GE		25.92	25.64	23.78	28.09	23.50	0.220	9/22/14	10/27/14	0.880	3.40
Procter and Gamble	PG		83.87	81.78	79.05	85.82	75.20	0.644	7/18/14	8/15/14	2.574	3.07
Cisco	CSCO		25.06	24.43	24.32	26.08	20.22	0.190	10/02/14	10/22/14	0.760	3.03
Merck	MRK		59.52	58.61	47.79	61.33 H	44.62	0.440	9/15/14	10/7/14	1.760	2.96
Coca-Cola	KO		41.50	40.88	38.69	42.57	36.83	0.305	9/15/14	10/1/14	1.220	2.94
Dupont	DD		65.30	65.25	58.88	69.75	56.46	0.470	8/15/14	9/12/14	1.880	2.88
Exxon Mobil	XOM		96.29	99.03	88.40	104.76	84.79	0.690	8/13/14	9/10/14	2.760	2.87
Johnson & Johnson	JNJ		104.72	101.17	88.57	106.74	85.50	0.700	8/26/14	9/9/14	2.800	2.67
Caterpillar	CAT		104.86	105.74	87.01	111.28	81.87	0.700	7/21/14	8/20/14	2.800	2.67
J P Morgan	JPM		59.94	56.75	52.59	61.48	50.06	0.400	7/03/14	7/31/14	1.600	2.67
Intel Corp	INTC		34.54	34.17	23.44	35.56 H	22.48	0.225	11/07/14	12/1/14	0.900	2.61
Wal-Mart Stores	WMT		75.81	73.90	74.36	81.37	71.51	0.480	8/08/14	9/3/14	1.920	2.53
Microsoft Corp.	MSFT		46.24	44.79	33.03	47.02 H	32.15	0.280	8/21/14	9/11/14	1.120	2.42
3M Company	MMM		144.48	141.92	118.60	146.43	116.65	0.855	8/22/14	9/12/14	3.420	2.37
Travelers	TRV		93.55	92.13	83.56	96.18	79.89	0.550	9/10/14	9/30/14	2.200	2.35
Boeing	BA		126.31	123.16	111.33	144.57	113.26	0.730	8/08/14	9/5/14	2.920	2.31
IBM	IBM		191.81	187.38	192.17	199.21	172.19	1.100	8/08/14	9/10/14	4.400	2.29
United Tech.	UTX		108.32	105.63	108.39	120.66	102.21	0.590	8/15/14	9/10/14	2.360	2.18
Home Depot, Inc.	HD		89.38	83.69	75.11	93.52 H	73.74	0.470	9/04/14	9/18/14	1.880	2.10
Unitedhealth Group	UNH		86.03	81.47	74.48	88.85 H	66.72	0.375	9/12/14	9/23/14	1.500	1.74
Goldman Sachs	GS		182.51	171.90	164.00	182.91 H	151.65	0.550	8/29/14	9/29/14	2.200	1.21
American Express	AXP		87.38	86.60	75.30	96.24	72.08	0.260	10/03/14	11/10/14	1.040	1.19
Nike	NKE		81.01	77.13	67.91	82.27 H	67.91	0.240	9/02/14	10/6/14	0.960	1.19
Walt Disney	DIS		90.08	89.28	66.69	91.20 H	63.10	0.860	12/16/13	1/16/14	0.860	0.95
Visa Inc.	V		214.64	210.19	189.00	235.50	180.11	0.400	8/15/14	9/3/14	1.600	0.75

* See the Recommended HYD Portfolio table on page 70 for current recommendations. † Based on indicated dividends and market price as of 9/15/14. 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 9/16/13.
I Dividend increased since 8/15/14   *D* Dividend decreased since 8/15/14

RECOMMENDED INVESTMENT VEHICLES

	Security Symbol	Avg. Market Cap. / Avg. Maturity	Descriptive Quarterly Statistics, as of 6/30/14: No. of Holdings	Expense[3] (%)	Ratios: Sharpe	Turnover (%)	P/B	12 Mo. Yield (%)	Annualized Returns[4] (%), as of 8/31/14 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[1] / VBISX	2.8 Yrs.	2000	0.10	1.29	49.6	--	1.13	1.70	1.07	2.15	1.18	0.50	1.48
iShares Barclays 1-3 Yr. Credit Bond	CSJ[1]	1.95 Yrs.	877	0.20	1.54	10	--	1.02	1.63	1.66	2.42	1.20	1.13	1.75
iShares Barclays 1-3 Yr. Treasury Bond	SHY[1]	1.91 Yrs.	69	0.15	0.96	136	--	0.28	0.66	0.32	0.96	0.53	0.18	0.70
Vanguard Limited-Term Tax-Exempt	VMLTX	2.8 Yrs.	2548	0.20	1.32	14.4	--	1.65	2.95	1.59	2.23	2.95	1.59	2.23
SPDR N.B. Short-Term Municipal Bond	SHM[1]	2.84 Yrs.	552	0.20	1.07	20	--	0.93	2.48	1.20	1.96	2.07	0.96	1.80
Inflation-Protected Fixed Income														
iShares Barclays TIPS Bond	TIP[1]	7.64 Yrs.	39	0.20	0.64	47	--	1.29	5.60	1.99	5.31	4.81	1.28	4.31
Vanguard Inflation-Protected Securities	VIPSX	8.4 Yrs.	41	0.20	0.62	44.3	--	2.34	5.74	2.00	5.24	4.65	0.99	4.16
International Fixed Income														
Vanguard Total International Bond Index	BNDX[1]/VTIBX	8.3 Yrs.	2720	0.20	--	81.2	--	1.45	7.47	--	--	6.78	--	--
Real Estate														
Vanguard REIT Index	VNQ[1] / VGSIX	8.71 B	138	0.10	0.76	10.9	2.3	3.05	24.13	14.30	18.71	22.46	13.11	17.46
SPDR Dow Jones REIT	RWR[1]	10.39 B	91	0.25	0.72	7	2.48	3.04	23.99	13.65	18.48	22.22	12.24	17.06
Vanguard Global ex-US Real Estate	VNQI[1] / VGXRX[5]	5.81 B	555	0.27	0.53	8.3	1.1	3.49	15.99	11.30	--	13.90	9.67	--
iShares International Property ETF	WPS[1]	6.72 B	338	0.48	0.59	10	1.48	4.12	17.27	11.94	11.04	15.61	10.40	9.56
SPDR Dow Jones Global Real Estate ETF	RWO[1]	9.00 B	223	0.50	0.67	8	1.61	3.03	22.12	12.60	14.81	20.46	11.04	13.03
U.S. Large Cap Value														
Vanguard Value Index	VTV[1] / VIVAX	72.89 B	311	0.09	1.26	24.8	2.1	2.21	23.10	20.45	15.81	22.46	19.89	15.32
iShares Russell 1000 Value Index	IWD[1]	51.79 B	690	0.21	1.25	12	2.33	1.90	24.13	21.30	16.38	23.52	20.78	15.93
U.S. Small Cap Value														
iShares Russell Microcap Index	IWC[1]	0.38 B	1377	0.72	0.91	26	3.66	1.04	16.39	20.24	16.14	16.03	19.85	15.84
Vanguard Small-Cap Value Index	VBR[1] / VISVX	2.87 B	830	0.09	1.08	47.2	2.0	1.73	25.54	21.80	18.12	24.89	21.21	17.60
U.S. Large Cap Growth														
iShares Russell 1000 Growth Index	IWF[1]	50.85 B	676	0.20	1.24	15	7.04	1.28	26.01	19.70	17.59	25.59	19.36	17.29
Vanguard Growth Index	VUG[1] / VIGRX	49.33 B	370	0.09	1.24	32.3	4.7	1.19	27.24	20.35	17.94	26.90	20.07	17.70
U.S. Marketwide														
Vanguard Total Stock Market Index	VTI[1] / VTSMX	37.95 B	3740	0.05	1.25	4.3	2.7	1.74	24.57	20.51	17.16	24.04	20.07	16.78
Fidelity Spartan Total Market Index	FSTMX[2]	38.15 B	3372	0.10	1.24	2	2.29	1.42	24.56	20.52	17.20	n/a	n/a	n/a
Foreign- Developed Markets														
iShares MSCI EAFE Growth Index	EFG[1]	35.28 B	548	0.40	0.53	26	3.99	2.13	13.73	10.09	8.95	13.18	9.72	8.67
iShares MSCI EAFE Value Index	EFV[1]	43.07 B	481	0.40	0.55	27	1.69	4.30	18.47	12.04	6.98	17.24	11.32	6.47
Vanguard FTSE Developed Market	VEA[1] / VTMGX[6]	33.94 B	1372	0.09	0.55	13	1.7	3.10	16.56	11.46	8.34	15.59	10.77	7.84
SPDR S&P International Small Cap	GWX[1]	1.20 B	2022	0.59	0.51	21	1.32	2.73	18.89	9.45	10.29	17.82	8.75	9.71
Foreign- Emerging Markets														
Vanguard FTSE Emerging Market Stock	VWO[1] / VEIEX	18.86 B	963	0.15	0.05	26	1.8	2.51	22.50	4.13	7.78	21.55	3.48	7.27
Gold-Related Funds														
iShares Gold Trust	IAU[1]	--	1	0.25	-0.10	0.00	--	0.00	-8.05	-11.07	5.91	-8.05	-11.07	5.91
SPDR Gold Shares	GLD[1]	--	1	0.40	-0.12	0.00	--	0.00	-8.18	-11.18	5.69	-8.18	-11.18	5.69

Data provided by the funds and Morningstar. [1]Exchange Traded Fund, traded on NYSE. [2]0.5% fee for redemption in 90 days. [3]For Vanguard funds, expense ratios shown are for mutual funds, ETFs have lower expenses. [4]For Vanguard Funds, returns shown are for mutual funds; ETFs' returns may deviate. [5]VGXRX includes a 0.25% fee on purchases and redemptions, which are paid directly into the fund. [6]These are admiral shares and have a $10,000 required minimum initial investment. *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 or individual tax situations.

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