AIS INVESTMENT GUIDE

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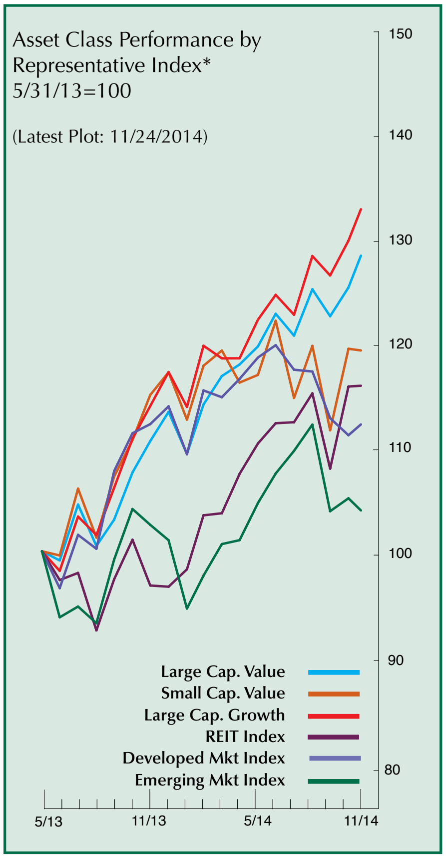

* See page 86 for representative indexes.

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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A Most Useful Model

The field of finance is among the most successful branches of economics thanks largely to rapid advances in computer technology that began in the early 1960s. In particular the Fama-French three factor model, which has been tested exhaustively over many time periods and throughout global markets, has emerged as the pre-eminent standard for evaluating alternative approaches to equity investment. It has been central to our success in developing sound allocation plans on behalf of our clients, despite their widely differing investment objectives and preferences.

Here we have reprinted an excerpt from an article by Eugene Fama, co-recipient of the 2014 Nobel Prize in economics, published earlier this year in American Economic Review, in which he comments on the evolution of asset pricing research.

"In my view, finance is the most successful branch of economics in terms of rich theory, extensive empirical tests, and penetration of the theory and evidence into other areas of economics and real-world applications. Markowitz's (1952, 1959) portfolio model is widely used by professional portfolio managers. The portfolio model is the foundation of the CAPM of Sharpe (1964) and Lintner (1965), and it gets a multifactor extension in Merton (1973a). The CAPM is one of the most extensively tested models in economics, it is well known to students in areas of economics other than finance, and it is widely used by practitioners. The options pricing model of Black and Scholes (1973) and Merton (1973b) is a must for students in all areas of economics, and it is the foundation for a huge derivatives industry. However one judges market efficiency, it has motivated a massive body of empirical work that has enhanced our understanding of markets, and, like it or not, professional money managers have to address its challenges. Its sibling, rational expectations, first exposited by Muth (1961), has had a similar run in macroeconomics. The three-factor model of Fama and French (1993) is arguably the most successful asset pricing model in empirical tests to date, it can't be avoided in tests of competing asset pricing models, and it is a handy tool that has shaped the thinking of practitioners. Can any other branch of economics claim similar academic and applied impact?"

Eugene F. Fama "Two Pillars of Asset Pricing."
American Economic Review 104, no. 6 (2014): 1467-85.

THE FED, INFLATION, AND YOUR INVESTMENT INCOME

Investors in retirement have been struggling with paltry interest rates on money market accounts, CDs and short-term bonds for several years. Many cash equivalent assets are earning negative real returns, despite historically low price inflation. The Federal Reserve has maintained a low-interest rate policy for several years in hopes of sparking growth, even at the expense of millions of household investors.

Fed comments in recent months had suggested that higher rates were on the horizon; previous forward guidance suggested that rates might climb by mid-2015. However, minutes from the October 28-29 Federal Reserve Open Market Committee (released in late November) suggest that cash-equivalent investors should not get their hopes up anytime soon. The minutes indicated that while the economy and employment are growing steadily, low price inflation remains a concern. For now the Fed Funds target rate remains at nearly zero percent.

AIER's staff economists have pointed out that while lower oil prices, weak overseas economic growth and an appreciating dollar continue to put downward pressure on inflation, higher rates by mid-year remain plausible.

Investors should not speculate or alter their holdings based on projections of future interest rates. Even conservative investors should have some allocation to equities, which appear poised to finish 2014 with another year of double-digit returns on both a nominal and inflation-adjusted basis. You can realize these gains and periodically replenish your cash equivalent holdings by simply rebalancing your portfolio to its target allocations. For many this will probably entail selling some equity mutual funds and holding the proceeds in a money market account. Stocks are held in order to provide returns that outpace inflation when other assets fail to do so. Investors should not hesitate to realize gains as needed in order to generate a "synthetic dividend" to supplement meager interest payments from their fixed income holdings.

YEAR-END TAX CONSIDERATIONS

Investors have much to be thankful for this holiday season. The stock market, with a month to go, is poised once again to provide a double-digit return for the calendar year. In addition, the federal tax code for tax year 2014 introduces few new complexities (unlike last year). While the code continues to provide many opportunities to minimize your tax burden, including several year-end tax saving moves, careful planning is important.

You should begin by estimating your marginal tax rate, which is the effective rate you would pay on an additional dollar of taxable income. This is important for investors as they weigh year-end portfolio rebalancing decisions that could generate taxes on realized capital gains. Estimating your marginal tax bracket is complicated by numerous deductions and tax credits, but tax software or a tax professional can help.

The accompanying table summarizes 2014 federal capital gain tax rates for investors in various marginal income tax brackets. While most taxpayers confront a long-term capital gain levy of 15 percent, those in the highest tax bracket must pay 20 percent. Investors in the highest two brackets (35 percent and 39.6 percent) must also contend with a net income investment tax (NIIT), which was introduced in 2013 to help fund the Affordable Care Act. This imposes an additional 3.8 percent levy on dividends, interest, and on any net gains from the disposition of property such as common stocks.

The table makes it clear that there is strong incentive for investors to hold investments for the long term, even with tax rates on capital gains creeping higher. Investors can employ "tax swapping" as a highly effective means of keeping taxes on realized gains to a minimum.

Tax Swapping

Investors can realize losses that can be used to offset taxable gains (or possibly offset ordinary income). Sometimes investors have unrealized losses that, if realized, could completely eliminate gains realized during the year. 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. This "wash sale" rule effectively prohibits investors from claiming a tax loss by selling shares of a security and immediately repurchasing the same security. One could wait the required 30 days to repurchase the security sold, but securities prices can move a great deal in a month, so this strategy risks selling shares but then repurchasing them only after a substantial increase in price.

There is a better approach. Investors can sell securities with tax losses and then purchase other securities that are similar but not considered to be substantially identical to those that were sold. 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) an investor can potentially generate a loss for tax purposes without a change in risk exposure because his portfolio's allocation to that asset class would be unaffected.

The second table lists securities with returns that are strongly correlated with the returns of our recommended securities (within their respective asset classes) found on page 88. Before investing, you should consult a tax professional to ensure that any substitute investment is not considered substantially identical to that being replaced. 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.

Year-end provides a good opportunity to consider three other techniques for keeping your investment-related taxes to a minimum. These include the selection of tax-efficient

Capital Gains Tax Rates 2014								
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%	39.6%
	then:	The Tax Rate on the Capital Gain Is:						
Less Than 1 Year		10%	15%	25%	28%	33%	38.8%	44.3%
1 Year or More		0%	0%	15%	15%	15%	18.8%	23.8%

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 ETF). Rates shown for the 35% and 39.6% brackets reflect the additional NIIT 3.8% tax; rates depicted for lower brackets do not, but still may incur the NIIT tax.

vehicles, asset location, and tax diversification.

Tax Efficient Vehicles

While investors have thousands of investment vehicles from which to choose, we recommend index-type funds primarily because these funds adopt a "passive" as opposed to an "active" investment strategy. As we have discussed at length, funds that follow an indexed or similarly structured strategy invariably outperform the majority of actively managed funds because there is no statistically sound means of timing the market or of picking "winning" securities, nor is there a reliable means of identifying successful active managers in advance.

Often overlooked is the fact that index funds are also highly tax efficient. These funds seek to replicate the performance of commercial indexes or market sectors. They do so largely by buying and holding the same constituent securities found in those indexes on a capitalization-weighted basis. This requires very little trading and ensures that capital gain taxes generated within these funds will be well below those of most actively managed alternatives. Exchange-traded index funds can be even more efficient, and in many cases realized capital gain taxes can be avoided altogether.

Investors in high tax brackets can also allocate a portion of their fixed income holdings to municipal bonds, or to mutual funds and ETFs that invest in munis. The interest earned from most muni bonds is exempt from income taxes including the 3.8 percent NIIT.

Tax Location

Many households have access to tax-deferred accounts. Common types include IRAs, employer-sponsored defined-contribution accounts such as 401(k) plans, and heath-savings accounts (HSAs).[1] When forming your allocation plan, you should focus on your overall portfolio, which could include assets held in taxable as well as tax-deferred accounts. To the extent practical, you should concentrate your least tax-efficient holdings in your tax deferred accounts, leaving your taxable accounts for your most tax-efficient assets. Typically this has meant using tax-deferred accounts for fixed-income securities, because the bond interest is taxable as ordinary income. If you hold gold related assets, such as our recommended gold based ETFs, you should consider holding these securities in tax deferred accounts as well, because for tax purposes these ETFs are considered collectible assets, and incur a tax of 28 percent on realized gains.

Tax Diversification

Taxes on future income should be considered a risk because the magnitude of this potential cost is unforeseeable. The taxes you pay in the future will depend on your own future circumstances as well as changes in future tax law, neither of which can be predicted. Fortunately tax risk, like investment risk, can be managed effectively through diversification. This can be accomplished through multiple account registrations. For example, because the effective tax rate you pay in retirement may be higher or lower than

Tax Swapping Vehicles for Recommended Funds on page 88		
Asset Class	**Investment Vehicle**	**Ticker**
Real Estate	Schwab US REIT ETF	SCHH
U.S. Large Value	SPDR S&P 500 Value ETF	SPYV
	Schwab U.S. Large-Cap Value ETF	SCHV
U.S. Small Value	iShares S&P SmallCap 600 Value	IJS
	Schwab U.S. Small-Cap ETF	SCHA
	iShares Russell 2000 Value	IWN
U.S. Large Growth	Schwab U.S. Large-Cap Growth ETF	SCHG
	iShares S&P 500 Growth	IVW
U.S. Marketwide	iShares Dow Jones U.S. Index	IYY
	iShares Russell 3000	IWV
Foreign-Developed Markets	iShares MSCI EAFE Index	EFA
	Schwab International Equity ETF	SCHF
Foreign-Emerging Markets	iShares MSCI Emerging Markets Index	EEM
	Schwab Emerging Markets Equity ETF	SCHE

[1] Contributions to and earnings within HSAs can escape taxation altogether. These accounts are funded with pre-tax earned income, earnings grow tax-deferred, and distributions for qualified medical expenses are not subject to taxation.

(continued next page)

your current rate, it might be prudent to maintain not just a traditional IRA (or 401(k)), the distributions of which are often taxed as ordinary income, but also a Roth IRA (or Roth 401(k)), which allow tax free distributions in retirement. Investors with a traditional IRA or 401(k) who have not established a corresponding Roth account should weigh the costs and benefits of doing so; this can be accomplished with a full or partial account rollover. You should consult an accountant before pursuing this option.

Charitable donations made through planned giving can bestow immediate and future financial benefits for you as a donor, while also fulfilling your charitable intentions. A Charitable Remainder Unitrust (CRUT) is an often-overlooked tax-management device that generates an immediate tax deduction and an income stream for the life of the donor (or named beneficiary), avoids capital gain taxes on donations of appreciated assets, and provides a future gift for the named charity. Your church, alma mater or favorite non-profit organization may be eligible.

AIS has considerable experience in establishing and managing CRUTs and other planned giving alternatives. We can explain the mechanics of these accounts to investors or charitable organizations that might benefit from a planned giving program. To learn more contact us at (413) 528-1216 ext. 3155.

FROM THE ARCHIVES: E.C. HARWOOD 1977

AIER founder E.C. Harwood was a keen observer of financial markets and the financial industry. An excerpt from his book, *The Money Mirage*, published in 1977, follows. Harwood identified a phenomenon which continues today, in which market forecasters, despite their hopeless attempts to correctly predict market trends, managed to enrich themselves by convincing the investing public that their occassional successes were attributable to skill rather than to luck. At the time of Harwood's writing investment newsletters were often the device through which self-proclaimed experts chose to operate.

The same game is played today, though the stakes are arguably higher because mutual funds and other investment vehicles have largely supplanted newsletters as the mechanism for generating fees.

Thousands of households readily grant discretionary investment authority to investment managers. There are well over 7,000 mutual funds, ETFs, hedge funds and other vehicles available, the great majority of which attempt to time markets or pick winning securities. Many are offered by large mutual fund families that sell numerous funds utilizing almost any strategy conceivable. This virtually ensures that there will always be a fund that can boast a spectacular short-term track record. Though there is no reason to believe these outcomes are attributable to anything but chance, these fund companies, like the newsletter industry of yore, devote their marketing budgets to touting these select "winners" (while boosting their fees), without mentioning their many other funds which are likely to have provided average or sub-par performance.

As an antidote to the charlatans of his day, Harwood sought to educate citizens regarding economics and investing. To this day we do our best to provide education and to encourage self-reliance.

The Road to Wealth[1]

During more than half a century, I have read hundreds of different investment advisory letters or bulletins. There must be a few, if any, that achieved substantial circulation during those decades that I have not read over periods ranging from several weeks to a few years.

By far the most of them attempted to forecast market trends. Only a few tried to outguess the short-term (days to a few weeks) changes, and I do not recall one that was not soon discredited. The great majority strive to forecast the longer trends ranging from a few months to a few years, the latter being known as cyclical trends because of their relation to business-cycle changes.

Some who make a fortune forecast then capitalize on it by advertising extensively by mail or in the financial journals. They thus acquire a list of subscribers and inquirers who unwittingly help the service to survive when it happens to guess badly a few times. The 'sucker list' then is rented or exchanged with other investment advisory services whose recent guesses have been more fortunate. Thus some investment advisory organizations of this type can continue for a long time.

Others who try to outguess the cyclical trends may survive for a few years, but even some of the most respected such as the Harvard Economic Service in the 1920's have succumbed after a few bad guesses. At least one widely-known investment service found another way to 'beat the game.' It owns several advisory services, and their advice differs enough so that each, in effect, is able to 'hedge its bets.' If one of the group has bad luck for a time, its list of subscribers can be used as a mailing list by the others for a few years. By this means, one or another of the group almost always has a basis in recent lucky guesses for attracting new subscribers.

The underlying reason for the continued existence of such investment services is the greed and gullibility of so many investors. The long-term (decade or two) charts of stock prices in almost any other market suggest that anyone who could foresee the trends of several months of a few years soon could make a fortune. No doubt, many investment advisors sincerely believe that they have found the formula that will enable them to forecast such trends successfully. However, in more than 50 years I have never known even one whose personal fortune reflected his supposed forecasting ability. Especially under the circumstances that have existed since 1965 and apparently will continue for a few decades, the odds in favor of the 'investor' at Las Vegas probably will be much better than the odds in favor of those who try to outguess the cyclical trends of securities prices for a long time to come.

During the early decades of this

century buying and holding the stocks of leading companies in the United States was the road to wealth for many. Those 'too dumb to sell' thus acquired a fortune. Now that the self-destruct mechanism is operating so effectively, however, not eve that procedure can be expected to succeed. There is a detour on the road to wealth; few will live long enough to reach its end.

[1] E.C. Harwood, The Money Mirage, published by Freedom Trust, Bermuda, 1977. Available in the U.S. from M. Linder, P.O. Box K, Stockbridge, Mass. 01262.

AIER'S INFLATION ASSESSMENT AND YOUR PORTFOLIO

While the outlook for short-term interest rates is uncertain, it appears likely that interest generated by bonds and cash equivalent assets will remain low at least until the middle of next year (see accompanying article *The Fed, Inflation, and Your Investment Income*). What does this portend for retirees and others who rely on their savings to meet day to day living expenses? To answer this question we must also consider the impact of price inflation.

AIER's Everyday Price Index (EPI), which measures the changing prices of frequently purchased items such as food and utilities, has increased by one percent per year for the five years ending in October. The EPI has risen slightly more rapidly than the broader CPI, which has increased by 0.8 percent per year over the five years.

In short, price inflation by historic standards has been tame. Energy prices have fallen sharply; last month gasoline prices fell 6.2 percent while electricity and natural gas prices fell 3.9 and 2.3 percent respectively. A decelerating economy in China, recession in Japan, and muted growth in Europe have restrained demand for energy while the shale boom in the U.S. has increased supply. Slow global growth has also led foreign investors to buy more U.S. assets. This capital inflow has driven the dollar higher relative to other currencies which in turn has kept import prices in check.

These downward forces on overall prices have overshadowed rising prices for some items, such as food. Meat prices for example have increased 12 percent and citrus fruits have increased 10 percent over the past year.

The market's expectation for annual price inflation over the next 10 years can be estimated as the difference between yields on conventional Treasury securities and Treasury Inflation Indexed Securities (TIPS). Conventional Treasury investors demand an additional return (above that provided by TIPS) because unlike TIPS conventional bond interest payments are not adjusted upward based on changes in the CPI. The difference between these yields (1.85 percent as of November 26) is therefore considered the market's expectation for inflation and the "breakeven rate" that investors must earn to keep up with price inflation.

This gauge is flawed, however, for two reasons. First, actual price inflation could exceed its expected path. Conventional bond investors demand compensation, in the form of a higher yield, for assuming this risk of *unexpected* inflation. Therefore the breakeven rate overstates *expected* inflation by some unobservable level. Secondly, the TIPS market is much thinner than the market for conventional Treasuries, so TIPS have a wider "spread" between bid and offer prices. This lack of liquidity tends to push TIPS yields higher, which provides a downward distortion in the breakeven rate. While these two effects are offsetting, it is difficult to measure their net effect.

The Cleveland Fed has devised a gauge of expected inflation designed to compensate for such imperfections in the simple breakeven rate. This estimate is released once per month. As of November 20, its estimate of 10 year price inflation was 1.83 percent, very close to the simple break even rate.

TIMELY TAX TIPS

Investors with IRAs or Qualified Retirement Plans who are age 70½ or older must take a **Required Minimum Distribution** (RMD) for tax year 2014. RMDs must be withdrawn by December 31, 2014, except for investors who turned or will turn 70½ during 2014; these clients may defer their first distribution until April 1, 2015.

The table below highlights some of the changes to **retirement plan benefit limits for 2015**. The two items listed show the maximum annual elective deferral (the amount that may be contributed by an employee) to a 401(k), 403(b), most 457 plans and the federal government's Thrift Savings Plan (TSP). The maximum total contribution, when the "catch up" provision for workers age 50 or older is included, has increased from $23,000 from $24,000.

The limit on annual contributions to an **Individual Retirement Arrangement (IRA)** remains unchanged at $5,500 for 2015. The additional catch-up contribution limit for individuals aged 50 and over is not subject to an annual cost-of-living adjustment and remains $1,000.

Qualified Plan Limit	2014	2015
Maximum 401(k) deferrals	$17,500	$18,000
Maximum 50+ catch up contribution	$5,500	$6,000

THE HIGH-YIELD DOW INVESTMENT STRATEGY

Recommended HYD Portfolio

As of November 14, 2014

	Rank	Yield (%)	Price ($)	Status	Percent of Portfolio: Value (%)	No. Shares (%)[1]
AT&T	1	5.13	35.90	Holding**	23.38	28.07
Verizon	2	4.27	51.50	Holding**	24.01	20.10
Chevron	3	3.68	116.32	Buying	6.82	2.52
McDonald's	4	3.53	96.21	Buying	7.25	3.24
Pfizer	5	3.43	30.34	Holding	8.52	12.11
General Electric	6	3.33	26.46	Holding	1.32	2.15
Merck	7	2.98	59.07	Selling	9.56	6.98
Cisco	10	2.89	26.32	Holding	1.49	2.45
Intel Corp	16	2.65	33.95	Selling	17.63	22.38
Cash (6-mo. T-Bill)	N/A	N/A	N/A		0.02	N/A
Totals					100.00	100.00

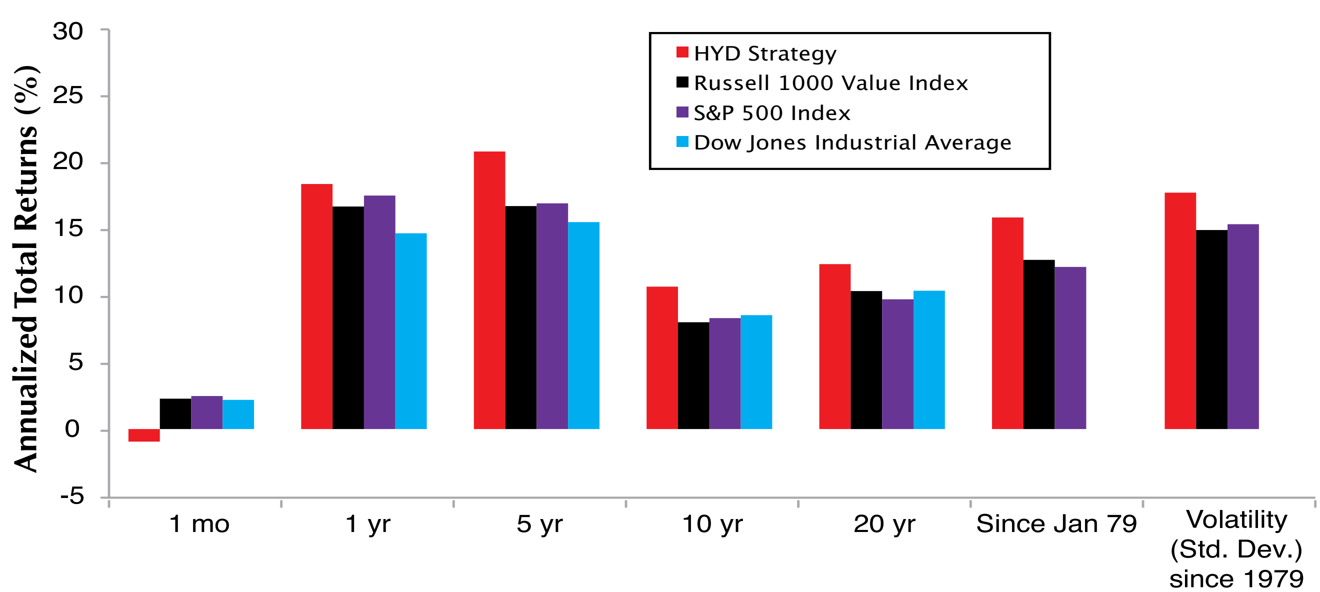
**Currently indicated purchases approximately equal to indicated purchases 18 months ago. 1 Because the percentage of each issue in the portfolio by value reflects the prices shown in the table, we are also showing the number of shares of each stock as a percentage of the total number of shares in the 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 October 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	-0.93	18.12	20.53	10.53	12.20	15.65	17.48
Russell 1000 Value Index	2.25	16.46	16.49	7.90	10.20	12.51	14.72
S&P 500 Index	2.44	17.27	16.69	8.20	9.60	11.99	15.15
Dow Jones Industrial Average	2.16	14.48	15.30	8.42	10.23	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 ($)

	11/14/14	*Mo. Earlier*	*Yr. Earlier*
Gold, London p.m. fixing	**1,169.00**	1,237.50	1,287.25
Silver, London Spot Price	**15.35**	17.01	20.64
Copper, COMEX Spot Price	**3.06**	3.00	3.17
Crude Oil, W. Texas Int. Spot	**75.81**	81.77	93.83
Dow Jones Spot Index	**372.48**	371.14	392.91
Dow Jones-UBS Commodity Index	**116.88**	117.00	123.21
Reuters-Jefferies CRB Index	**267.44**	271.96	274.90

Interest Rates ($)

U.S. Treasury bills -	91 day	**0.02**	0.02	0.08
	182 day	**0.07**	0.05	0.10
	52 week	**0.15**	0.10	0.13
U.S. Treasury bonds -	10 year	**2.32**	2.15	2.74
Corporates:				
High Quality -	10+ year	**3.94**	3.78	4.67
Medium Quality -	10+ year	**4.80**	4.59	5.43
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**	0.08	0.22
Government bonds -	10 year	**0.81**	0.76	1.73
Swiss Rates -	3 month	**0.01**	0.01	0.02
Government bonds -	10 year	**0.49**	0.52	1.12

Exchange Rates ($)

British Pound	**1.565700**	1.595900	1.610700
Canadian Dollar	**0.885400**	0.885700	0.956300
Euro	**1.249400**	1.277800	1.348000
Japanese Yen	**0.008582**	0.009429	0.009980
South African Rand	**0.090030**	0.090380	0.098300
Swiss Franc	**1.039900**	1.058900	1.092660

Securities Markets

	11/14/14	*Mo. Earlier*	*Yr. Earlier*
S & P 500 Stock Composite	**2,039.82**	1,862.49	1,798.18
Dow Jones Industrial Average	**17,634.74**	16,141.74	15,961.70
Barclays US Credit Index	**2,551.05**	2,586.19	2,389.41
Nasdaq Composite	**4,688.54**	4,215.32	3,985.97
Financial Times Gold Mines Index	**1,122.26**	1,300.61	1,497.01
FT EMEA (African) Gold Mines	**1,135.90**	1,262.33	1,437.19
FT Asia Pacific Gold Mines	**3,969.44**	4,245.02	4,401.80
FT Americas Gold Mines	**966.22**	1,143.96	1,335.97

Coin Prices ($)

	11/14/14	*Mo. Earlier*	*Yr. Earlier*	*Prem (%)*
American Eagle (1.00)	**1,203.72**	1,274.63	1,313.03	2.97
Austrian 100-Corona (0.9803)	**1,129.43**	1,198.03	1,234.43	-1.44
British Sovereign (0.2354)	**282.90**	299.60	308.50	2.80
Canadian Maple Leaf (1.00)	**1,185.90**	1,256.80	1,297.50	1.45
Mexican 50-Peso (1.2057)	**1,391.80**	1,476.30	1,521.20	-1.25
Mexican Ounce (1.00)	**1,174.60**	1,244.80	1,282.00	0.48
S. African Krugerrand (1.00)	**1,188.18**	1,258.97	1,301.57	1.64
U.S. Double Eagle-$20 (0.9675)				
St. Gaudens (MS-60)	**1,270.00**	1,285.00	1,380.00	12.29
Liberty (Type I-AU50)	**2,225.00**	2,225.00	2,225.00	96.73
Liberty (Type II-AU50)	**1,475.00**	1,525.00	1,700.00	30.41
Liberty (Type III-AU50)	**1,250.00**	1,255.00	1,370.00	10.52
U.S. Silver Coins ($1,000 face value, circulated)				
90% Silver Circ. (715 oz.)	**12,487.50**	12,925.00	15,550.00	13.78
40% Silver Circ. (292 oz.)	**4,650.00**	5,025.00	6,025.00	3.74
Silver Dollars Circ.	**17,375.00**	18,550.00	22,550.00	-21.89

Note: Premium reflects percentage difference between coin price and value of metal in a coin, with gold at $1,169.00 per ounce and silver at $15.35 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 ($) 11/14/14*	*10/15/14*	*11/15/13*	*12-Month ($) High*	*Low*	*Latest Dividend Amount ($)*	*Record Date*	*Payable Date*	*Indicated Annual Dividend ($)*	*Yield† (%)*
AT&T	T		35.90	33.87	35.43	37.48	31.74	0.460	10/10/14	11/3/14	1.840	5.13
Verizon	VZ		51.50	47.92	50.31	53.66	45.45	0.550	10/10/14	11/3/14	2.200	4.27
Chevron	CVX		116.32	109.27	120.06	135.10	106.65	1.070	11/18/14	12/10/14	4.280	3.68
McDonald's	MCD		96.21	90.44	96.92	103.78	89.34 *L*	0.850	12/01/14	12/15/14	3.400	3.53
Pfizer	PFE		30.34	28.19	32.20	32.96	27.51 *L*	0.260	11/07/14	12/2/14	1.040	3.43
General Electric	GE		26.46	24.28	27.20	28.09	23.69	0.220	9/22/14	10/27/14	0.880	3.33
Merck	MRK		59.07	54.73	48.07	61.33	47.61	0.440	9/15/14	10/7/14	1.760	2.98
Procter and Gamble	PG		88.11	82.95	84.84	89.88 *H*	75.26	0.644	10/24/14	11/17/14	2.574	2.92
Exxon Mobil	XOM		95.09	90.22	95.27	104.76	86.91	0.690	11/12/14	12/10/14	2.760	2.90
Cisco	CSCO		26.32	22.96	21.53	26.33 *H*	20.22	0.190	10/02/14	10/22/14	0.760	2.89
Coca-Cola	KO		42.73	43.23	40.22	44.87	36.89	0.305	12/01/14	12/15/14	1.220	2.86
Caterpillar	CAT		101.34	92.59	83.74	111.28	81.87	0.700	10/20/14	11/20/14	2.800	2.76
IBM	IBM		164.16	181.75	183.19	199.21	160.05 *L*	1.100	11/10/14	12/10/14	4.400	2.68
Dupont	DD		70.80	66.43	62.11	72.92	59.35	0.470	11/14/14	12/12/14	1.880	2.66
J P Morgan	JPM		60.28	55.53	54.87	61.93 *H*	52.97	0.400	10/06/14	10/31/14	1.600	2.65
Intel Corp	INTC		33.95	31.27	24.52	35.56	23.40	0.225	11/07/14	12/1/14	0.900	2.65
Johnson & Johnson	JNJ		108.16	98.21	94.39	109.49 *H*	86.09	0.700	11/25/14	12/9/14	2.800	2.59
Microsoft Corp.	MSFT		49.58	43.22	37.84	50.04 *H*	34.63	0.310	11/20/14	12/11/14	1.240	2.50
Wal-Mart Stores	WMT		82.96	74.36	79.22	83.15 *H*	72.27	0.480	8/08/14	9/3/14	1.920	2.31
Boeing	BA		128.86	120.19	136.08	144.57	116.32	0.730	11/07/14	12/5/14	2.920	2.27
United Tech.	UTX		107.45	99.17	108.59	120.66	97.30	0.590	11/14/14	12/10/14	2.360	2.20
3M Company	MMM		158.85	134.22	129.85	159.07 *H*	123.61	0.855	11/21/14	12/12/14	3.420	2.15
Travelers	TRV		102.43	91.99	88.67	103.60 v	79.89	0.550	12/10/14	12/31/14	2.200	2.15
Home Depot, Inc.	HD		98.24	87.85	80.03	99.36 *H*	73.96	0.470	9/04/14	9/18/14	1.880	1.91
Unitedhealth Group	UNH		95.11	82.16	71.87	96.74 *H*	69.57	0.375	12/05/14	12/16/14	1.500	1.58
Goldman Sachs	GS	*I*	189.98	177.24	164.40	192.68 *H*	151.65	0.600	12/02/14	12/30/14	2.400	1.26
American Express	AXP		90.67	80.93	82.80	96.24	78.41	0.260	10/03/14	11/10/14	1.040	1.15
Nike	NKE		95.50	85.18	79.22	96.55 *H*	69.85	0.240	9/02/14	10/6/14	0.960	1.01
Walt Disney	DIS		90.80	82.08	70.00	92.00 *H*	68.80	0.860	12/16/13	1/16/14	0.860	0.95
Visa Inc.	V	*I*	248.84	200.25	202.00	252.43 *H*	194.84	0.480	11/14/14	12/2/14	1.920	0.77

* See the Recommended HYD Portfolio table on page 86 for current recommendations. † Based on indicated dividends and market price as of 11/14/14.
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 11/16/13.
I Dividend increased since 10/15/14 *D* Dividend decreased since 10/15/14

RECOMMENDED INVESTMENT VEHICLES

	Security Symbol	Avg. Market Cap. / Avg. Maturity	Descriptive Quarterly Statistics, as of 9/30/14: No. of Holdings	Expense[3] (%)	Ratios: Sharpe	Turnover (%)	P/B	12 Mo. Yield (%)	Annualized Returns[4] (%), as of 10/31/14: 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.	2063	0.20	1.00	49.6	--	1.07	0.95	1.10	1.98	0.42	0.53	1.32
iShares Barclays 1-3 Yr. Credit Bond	CSJ[1]	1.96 Yrs.	901	0.20	1.76	10	--	0.96	1.02	1.64	2.17	0.60	1.13	1.53
iShares Barclays 1-3 Yr. Treasury Bond	SHY[1]	1.91 Yrs.	74	0.15	0.73	136	--	0.31	0.55	0.41	0.92	0.41	0.28	0.67
Vanguard Limited-Term Tax-Exempt	VMLTX	3.3 Yrs.	2598	0.20	1.20	14.4	--	1.62	1.81	1.77	2.17	1.81	1.77	2.17
SPDR N.B. Short-Term Municipal Bond	SHM[1]	3.11 Yrs.	559	0.20	0.96	17	--	0.92	1.20	1.45	1.91	0.90	1.34	1.83
Inflation-Protected Fixed Income														
iShares Barclays TIPS Bond	TIP[1]	8.35 Yrs.	38	0.20	0.24	47	--	1.84	1.80	0.90	4.27	1.03	0.19	3.33
Vanguard Inflation-Protected Securities	VIPSX	8.6 Yrs.	43	0.20	0.22	44.3	--	1.70	1.72	0.74	4.18	0.97	-0.19	3.12
International Fixed Income														
Vanguard Total International Bond Index	BNDX[1]/VTIBX	8.6 Yrs.	2896	0.23	--	81.2	--	1.40	6.02	--	--	5.36	--	--
Real Estate														
Vanguard REIT Index	VNQ[1] / VGSIX	8.47 B	138	0.24	1.09	10.9	2.14	3.38	18.94	14.87	19.09	17.19	13.61	17.81
SPDR Dow Jones REIT	RWR[1]	10.09 B	93	0.25	1.06	6	2.44	3.22	20.39	14.51	18.96	18.69	13.07	17.53
Vanguard Global ex-US Real Estate	VNQI[1] / VGXRX[5]	5.32 B	633	0.40	0.95	8.3	0.93	4.26	2.41	12.53	--	0.30	10.75	--
iShares International Property ETF	WPS[1]	6.02 B	378	0.48	0.93	10	1.37	4.29	3.13	12.19	9.18	1.68	10.61	7.72
SPDR Dow Jones Global Real Estate ETF	RWO[1]	8.70 B	227	0.50	1.06	8	1.58	3.29	12.59	13.28	14.18	11.01	11.69	12.42
U.S. Large Cap Value														
Vanguard Value Index	VTV[1] / VIVAX	74.17 B	318	0.24	2.04	24.8	1.85	2.14	15.91	19.66	15.80	15.30	19.09	15.29
iShares Russell 1000 Value Index	IWD[1]	51.35 B	696	0.20	2.00	12	2.28	2.02	16.19	20.15	16.25	15.62	19.63	15.79
U.S. Small Cap Value														
iShares Russell Microcap Index	IWC[1]	0.37 B	1402	0.60	1.37	26	3.44	1.25	7.28	19.95	17.05	6.95	19.56	16.74
Vanguard Small-Cap Value Index	VBR[1] / VISVX	2.69 B	812	0.24	1.63	47.2	1.63	1.68	13.61	20.51	18.16	13.02	19.94	17.64
U.S. Large Cap Growth														
iShares Russell 1000 Growth Index	IWF[1]	52.14 B	681	0.20	1.87	15	7.02	1.34	16.86	19.06	17.20	16.47	18.71	16.90
Vanguard Growth Index	VUG[1] / VIGRX	51.05 B	373	0.24	1.82	32.3	3.87	1.06	17.75	19.48	17.48	17.44	19.20	17.23
U.S. Marketwide														
Vanguard Total Stock Market Index	VTI[1] / VTSMX	39.43 B	3772	0.17	1.93	4.3	2.34	1.66	15.93	19.60	16.93	15.45	19.15	16.54
Fidelity Spartan Total Market Index	FSTMX[2]	39.27 B	3372	0.10	1.93	2	2.37	1.42	15.92	19.61	17.00	n/a	n/a	n/a
Foreign- Developed Markets														
iShares MSCI EAFE Growth Index	EFG[1]	33.74 B	549	0.40	0.97	27	3.97	2.26	-0.85	9.13	7.12	-1.33	8.75	6.85
iShares MSCI EAFE Value Index	EFV[1]	40.39 B	480	0.40	0.92	29	1.67	4.59	-0.84	9.64	5.44	-1.86	8.94	4.93
Vanguard FTSE Developed Market	VEA[1] / VTMGX[6]	31.48 B	1399	0.09	0.99	13	1.46	3.45	0.22	10.49	6.98	-0.67	9.75	6.45
SPDR S&P International Small Cap	GWX[1]	0.91 B	2242	0.59	0.86	21	1.24	2.94	-2.47	7.90	7.55	-3.35	7.21	6.98
Foreign- Emerging Markets														
Vanguard FTSE Emerging Market Stock	VWO[1] / VEIEX	18.30 B	983	0.33	0.50	26	1.58	2.66	3.77	4.07	5.09	2.83	3.30	4.52
Gold-Related Funds														
iShares Gold Trust	IAU[1]	--	1	0.25	-0.38	0	--	0.00	-12.30	-12.46	2.01	-12.30	-12.46	2.01
SPDR Gold Shares	GLD[1]	--	1	0.40	-0.43	0	--	0.00	-12.42	-12.58	1.87	-12.42	-12.58	1.87

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.