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* See page 93 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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The Market Soldiers On

As the New Year dawns, we find it hard to remember a time when troubling headlines were more pervasive. Many may wonder how the stock market, which is known to react swiftly to news, has once again reached a new high. The fact is, despite these disturbing developments U.S. capital markets have grown attractive relative to alternatives.

Worrisome news seems to crop up every day. Domestic tranquility has been shattered by news of racial discord and violence against police. Meanwhile information technology, for all its wonders, has also enabled undetectable malcontents to wreak havoc. On the policy front crucial reforms of the tax code, entitlement programs, and immigration law are stymied by a polarized electorate. Overseas, liberty is threatened by unfamiliar and ruthless enemies found among nuclear-capable rogue nations as well as new, fanatical entities without national boundaries.

Nevertheless at the time of this writing the Dow had reached a new all-time high of 18,000 and the overall U.S. stock market was poised to end the year with its third consecutive year of double digit returns.

For many, this state of affairs is counterintuitive. To make sense of it, the stock market must be viewed not just as a mechanism for discounting information but also as one option for investors forced to choose among imperfect alternatives. It serves little purpose to consider these troubling developments relative to an imaginary trouble-free world. Capital markets do not eliminate these risks, but they allow us to measure them, in relative terms, among various markets that compete for our capital. For several months investors worldwide seeking relatively stable, positive real returns have simply concluded that an ownership stake in the U.S. economy has proven relatively attractive.

No asset class, however, is a panacea, so most investors should also hold cash, bonds, foreign equities, domestic and international REITs, and gold. Foreign stock valuations have fallen compared to those of U.S. stocks because the relative risk of investing overseas has increased, but this implies that, other things equal, expected returns relative to U.S. stocks have increased as well. Disciplined investors rebalancing to their target allocations are likely reducing their U.S. stock exposure while adding to their foreign equity holdings.

Rather than trying to fathom the market's direction as news develops, wise investors will devote their efforts to assessing their own circumstances. Your time is far better spent attending to matters such as estate planning, tax management, and college planning for children, just to name a few, in addition to the basics of asset allocation and disciplined rebalancing.

THE RUSH TO CASH

The Wall Street Journal[1] recently noted that many bond fund managers have been drastically reducing the average duration of their portfolios by forsaking bonds and increasing their holdings of cash equivalent assets. While this strategy may appear conservative it can in fact wreak havoc for investors who might be tempted to use these funds as a means of obtaining targeted risk exposure within their overall investment portfolio.

Citing data from Morningstar, the article noted that so far in 2014 the ten largest U.S. bond funds in terms of assets managed on average nearly doubled the percentage of assets they hold in cash, to 6.6 percent compared with the previous year.

Managers are said to be moving toward cash primarily because they fear a potential liquidity crisis. Liquidity is the degree to which an asset or security can be bought or sold in the market without affecting the asset's price, but it also refers to the ability to sell a security quickly. Over the past year investors have invested heavily in bond funds, especially high yield corporate funds. Now that the Fed has openly discussed raising its target for the Fed Funds rate during the next year, there is a fear that a resulting fall in bond prices could spark redemptions and a large selloff of bonds, leading to a liquidity crunch. Managers who are currently stockpiling cash not only hope to be cushioned from such a blow, but also would be poised to purchase bonds from somewhat desperate sellers.

All of this is of course conjecture. The current negative real yields provided by cash equivalent assets may well continue. If the scenario described fails to materialize returns on bond funds that are invested disproportionately in cash will suffer.

"Forgive the mess. Warren just put everything into cash."

The funds described are essentially market timing funds and are entirely inappropriate for investors who take a structured, asset class approach to investing. Such investors take responsibility for managing liquidity risk directly, by maintaining separate, fixed percentage allocations for both cash equivalent assets and to bond funds within their portfolio. This effort is undermined if the bond fund's manager is simultaneously striving to manage liquidity via an unknown strategy.

Instead of purchasing these market timing funds, investors following our disciplined approach should use structured bond funds (often index funds) that have strict limits regarding the level of term (and credit) risk they may assume. Such funds are effectively prohibited from venturing into cash equivalent assets except to ensure a minimal balance necessary to ensure purchases and redemptions when needed. These structured funds, moreover, are less vulnerable to the risk of massive redemptions because their investors adhere to a disciplined approach.

These actively managed bond funds currently rushing into cash are effectively overweighting a rational investor's cash holdings while cutting bond exposure below the targeted level. Investors can avoid these funds by confining their selections to the mutual funds and ETFs listed on page 96 (see ***Short/Intermediate Fixed Income***, ***Inflation Protected Fixed Income*** and ***Intermediate Fixed Income*** categories).

[1] "Bond Funds Load Up On Cash," Wall Street Journal, November 14, 2014

PRICE INFLATION UPDATE

Our parent organization, AIER, has long expressed concern with relentless monetary expansions common to nations that issue fiat currencies. Consumer price inflation is the inevitable result. Though the rate of inflation ebbs and flows, it proceeds virtually unimpeded through boom and bust.

AIER reports that annual price inflation (CPI) over the past 12 months ending in October measured 1.7 percent, below the 2.4 percent average of the past twenty years. This rate of inflation, though low by historical standards, would erode the purchasing power of the dollar by nearly 27 percent over 20 years. The core CPI, which excludes the volatile food and energy components rose 1.8 percent over the same period.

While the CPI measures prices in aggregate, most consumers also care a great deal about price changes for particular goods and services. AIER's Everyday Price Index, which measures only the prices of goods and services purchased frequently, was up only 0.7 percent through the 12 months ending in November. Most recently households have benefited from sharply lower gasoline prices, though food prices have continued to rise.

Last December when we wrote about price inflation AIER had pointed out that conditions for accelerated price inflation had emerged. In particular Federal Reserve banks held extraordinarily high reserves, and it appeared that only banks' reluctance to lend was holding price levels at bay. Although actual price inflation has in fact remained quite low over the past 12 months, the Fed still appears more concerned with ensuring growth versus the danger of rapidly rising prices. After hinting earlier in the year that higher short term interest rates might be in order, recent comments suggest rates may remain low for at least the next six months.

AIER has created an inflationary pressures scorecard to monitor statistical trends that can indicate accelerated price inflation. This scorecard tracks monthly changes among 23 indicators and, based on moving averages calculated from this data, staff economists interpret the potential impact on price inflation. The latest review showed falling inflationary pressures among 15 of these indicators, while two were stable and six showed increases. Overall, this model suggests moderating inflation in coming months.

This information is of course publicly available and therefore any implications for inflation suggested by this data are incorporated into the current prices of financial assets. The investing public is well aware of inflation risk, so investors' consensus estimate of inflation is built into the market prices of stocks, bonds and other securities. In other words investors demand that an *inflation premium* be built in as a component of an asset's total expected return. If inflationary expectations rise, buyers will insist on lower security prices to compensate for the risk that they will lose more purchasing power.

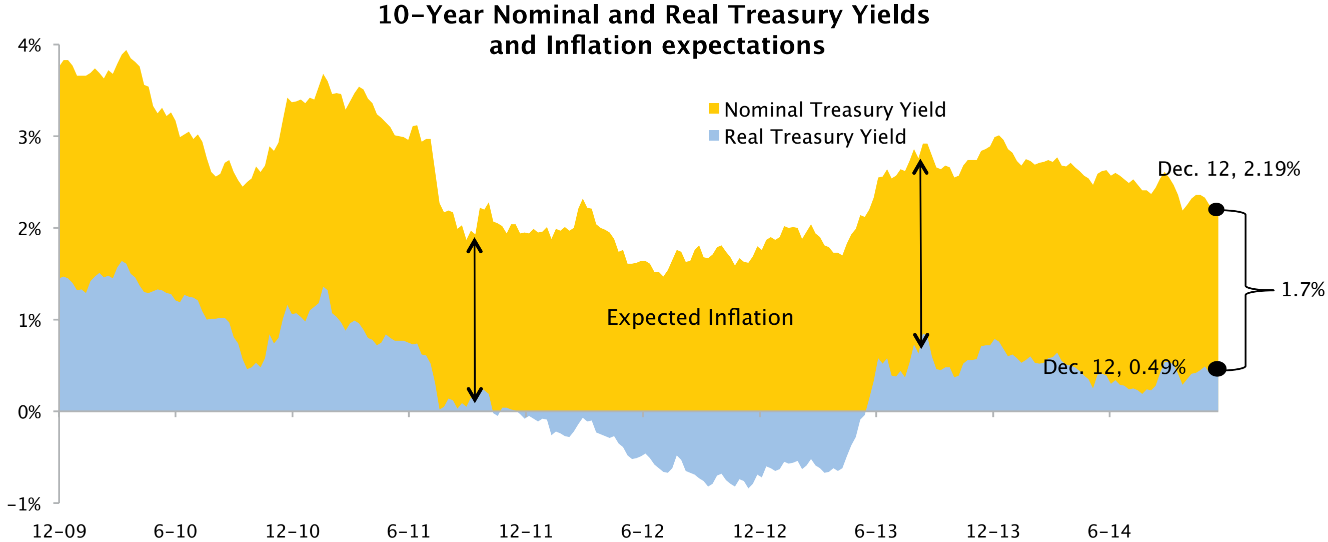
This inflation premium, however, is only the market's best guess at future price inflation. If actual inflation exceeds the premium, the investor will lose out. For example, in January 1968 an investor could have purchased a long-term U.S. Treasury bond which at the time of purchase was promising an annualized yield of 4.1 percent if held until its maturity in December 1979. A portion of this yield reflected an inflation premium demanded by bond buyers as protection against potential price inflation. It turns out that the actual inflation over this period soared to 7 percent per year, so after accounting for inflation the bond returned -2.7 percent per year. In dollar terms, this represents a $2,600 loss of purchasing power over 11 years on an original investment of $10,000.

But the worm turns. Having experienced this unusually high inflation throughout the 1970s investors began to demand an extremely high inflation premium. In January 1982 inflation was so high that the Treasury could only entice buyers by promising a nominal yield to maturity of 15.3 percent per year for bonds maturing in 1993. But this time the outcome for investors was quite different. Actual price inflation over this span averaged 3.7 percent, far short of expectations. Investors who held these bonds to maturity realized an annualized inflation-adjusted total return of +11.1 percent.

So price inflation gives rise to a world in which normally "risk averse" Treasury bond investors are forced to become gamblers. This guessing game with regard to actual versus expected inflation is itself a form of risk, and bond issuers, including the U.S. government, must compensate lenders for it in the form of higher real yields. The Treasury recognized the situation and in 1997 began issuing Treasury Inflation Protected Securities (TIPS) as an alternative to conventional Treasuries. Unlike conventional bonds TIPS coupon payments and maturity value are adjusted to reflect actual price inflation over time (measured by CPI) and therefore provide an explicit hedge against unexpected inflation. TIPS are therefore well-suited to investors who are particularly averse to unexpected price

(continued next page)

10-Year Nominal and Real Treasury Yields and Inflation expectations



Real treasury yield represented by the constant maturity 10-Year Treasury Inflation Protection Security. Nominal yield reprsented by the constant maturity 10-Year Treasury Bond. Weekly data. The difference between these two yields represents expected 10-year inflation (CPI). Source: Federal Reserve Board, Fidelity Investments.

inflation.

Because they provide a guaranteed hedge against actual inflation TIPS investors do not demand an inflation-risk premium, so TIPS stated yields fall below those of conventional Treasuries. This difference, or spread, between current yields on conventional Treasuries and TIPS of the same maturity provides policymakers and investors with the market's estimate of future price inflation. This spread is depicted in the accompanying chart. Based on the current spread, the bond market is projecting that price inflation will average 1.7 percent over the next 10 years. TIPS may be appealing to investors who are fearful that actual price inflation will exceed this level.

TIPS will protect against price inflation, but because they are a form of U.S. Treasury debt, investors should not expect TIPS to provide substantial real growth. For this reason most investors should include asset classes that have historically outpaced inflation over extended periods, even if those returns have not historically been correlated with changes in price inflation. Our empirical review of over eight decades of data suggests that investors are best served by holding some combination of short term bonds, U.S. and foreign common stocks, U.S. and foreign REITs, and gold. Specific recommendations are provided quarterly in our AIS Model Portfolios table.

UNCONSTRAINED (OR UNDISCIPLINED?) BOND FUNDS

With interest rates near all-time lows and bond prices at corresponding highs, many mutual fund managers are ranging far afield in search of income and alternative sources of return. Several popular bond funds employ malleable trading strategies that can involve extensive credit risk and/or term risk. Others are labeled "income funds"; these often invest in bond funds but also include other asset classes including common stocks. Within the context of fixed income as an asset class such funds only serve to muddy the waters and should be avoided by disciplined investors.

We have to tip our hat to creative marketing on the part of several fund families. A number of them have labeled their offerings "strategic income"; while this does not suggest it is a substitute for bonds, the "income" label can lead astray investors who associate income with bonds. But more recently "unconstrained" bond funds have made a splash. These funds are not limited by a narrow investment strategy or other restrictions and often claim to have an advantage over conventional fixed income funds (i.e. traditional bond funds) because they have the flexibility to react to changing credit or interest rate environments.

Because managers of these funds are often free to vary the term or credit risk of the bonds they hold, or even perhaps

Hedging Short Term Stock Market Risk
Total Returns During a Recent Stock Market Decline
Sept. 19, 2014 - Oct. 16, 2014

Asset Class	Fund	Symbol	Category (Morningstar)	Total Return
U.S. Stock Market	Vanguard Total Stock Market Index	VTSMX	U.S. Equity (Large Blend)	-7.21%
"Bond-like" Funds	Franklin Income Advantage	FRIAX	Conserv. Allocation	-5.62%
	Putnam Diversified Income Y	PDVYX	Non traditional bond	-4.36%
	Goldman Sachs Strategic Income Instl	GSZIX	Non traditional bond	-2.08%
	T. Rowe Price Strategic Income	PRSNX	World Bond	-0.95%
	JPMorgan Strategic Income Opps Sel	JSOSX	Non traditional bond	-0.93%
	BlackRock Strategic Income Opps Instl	BSIIX	Non traditional bond	-0.78%
	PIMCO Unconstrained Bond Inst	PFIUX	Non traditional bond	-0.62%
	Janus Global Unconstrained Bond I	JUCIX	Non traditional bond	-0.60%
Fixed Income: AIS Recommended Bond Funds	Vanguard Total International Bond ETF	BNDX	U.S. (ETF) World Bond	+0.83%
	Vanguard Short-Term Bond ETF	BSV	U.S. (ETF) World Bond	+0.97%
	Vanguard Total Bond Market ETF	BND	U.S. (ETF) Intermediate Term Bond	+1.82%
	iShares 1-3 Year Credit Bond	CSJ	U.S. (ETF) Short Term Bond	+0.37%
	iShares 1-3 Year Treasury Bond	SHY	U.S. (ETF) Short Government Bond	+0.56%
	Vanguard Ltd-Term Tax-Exempt	VMLTX	Muni Short Term National	+0.45%
	SPDR Nuveen Barclays ST Muni Bond ETF	SHM	(U.S. ETF) Muni Short Term National	+0.16%
	iShares TIPS Bond	TIP	(U.S. ETF) Inflation Protected Bond	+1.79%
	Vanguard Inflation-Protected Secoritiess	VIPSX	Inflation Protected Bond	+1.80%

to purchase common stocks, their funds have outperformed the broad bond market by a wide margin at times. This variance from the bond market however is counterproductive for investors seeking to hedge their equity risk directly, by maintaining a specific bond allocation of limited duration and credit risk, as part of a portfolio tailored to their circumstances.

Several of the largest of these pseudo bond funds, in terms of assets under management, are listed in the table nearby. The table also lists the total returns provided by these funds as well as those of our recommended fixed income funds during the severe short-term stock market decline that occurred between September 19 and October 16 of this year.

During this brief period an investor who held the Vanguard Total Stock Market Index (VTSMX), which we recommend for broad exposure to the entire U.S. stock market, would have seen the value of this fund fall by over 7 percent. However, these unrealized losses could have been offset substantially had this investor's portfolio also included a reasonable allocation to one of our recommend bond funds, all of which managed to provide a positive total return during the period. These funds are "pure" fixed income funds and as such are nearly 100 percent invested in bond indexes or adopt a similar, structured approach to holding bonds. None of these funds seek to change term or credit risk profile in anticipation of market conditions, nor do they hold common stocks.

Conversely, any of the eight "bond-like" funds listed in the table would clearly have provided a terrible equity hedge during this period.

We cannot predict the returns of capital markets or any market segment. But we know the long term historical returns of many asset classes and we can make reasonable judgments regarding their expected returns over the long term, as well as the covariance among them. We have also identified investment vehicles, such as those in the table, that are confined to holding a broadly diversified portfolio comprised of securities unique to that asset class.

We can also continually evaluate the returns of these asset classes and how their returns can be expected to vary with those of others. Each is a clearly defined "building block" that can be used in measured proportion as part of a portfolio tailored to an investor's circumstances and preferences. Unconstrained bond funds and other fixed-income variants cannot be used effectively in this manner because it is a mystery as to what these funds might be holding at any point in time. Such funds commit only to vague objectives such as "provide a strong level of income" or to "maximize total return, consistent with preservation of capital."

It is important to note that we picked this episode in retrospect, and that it does not provide any indication of what will transpire in the future. These results only depict the outcome of a single, 29-day period. There is no guarantee that bond returns will provide a buffer against stock market volatility. A large body of research validates our long-standing assertion that bonds are among the best alternatives for investors seeking such protection. This single occurrence is only cited as an example to depict how this hedge can prove to be effective.

Our Professional Asset Management service is designed to help individual and institutional investors form disciplined portfolios structured in this manner. We utilize low-cost, transparent investment vehicles designed to capture the returns of our recommended asset classes. For more information contact us at (413) 528 1216 ext. 3138 (individuals) or ext. 3155 (institutions).

A READER INQUIRES

Q -- *I am extremely worried about the mounting U.S. federal debt and the impact it might have on the value of my portfolio, particularly common stocks. The public debt relative to GDP now stands at a level not seen since World War II. If interest rates rise, and I can't see how they can get much lower, the situation would grow even worse. Should I switch to a more conservative portfolio, perhaps increase my exposure to gold?*

A -- There is considerable debate regarding the relationship between a nation's national debt and economic prosperity. There are widely varying estimates as to the threshold at which federal debt relative to GDP poses a serious threat to growth.

Investors should always keep in mind that this debate is no secret. This risk is well known and therefore reflected in current security prices, which are presumably lower than they otherwise would be. Current market prices reflect the "best guess" of millions of investors regarding the potential impact of this threat.

It is sometimes easier to grasp this concept by way of a thought experiment, even if it is a bit outlandish. Suppose that tomorrow it was announced that due to some gigantic accounting error by the Treasury department the U.S. debt was actually half of what has been reported. Few would disagree that this would have a very substantial, positive impact on stock prices (though the level to which it might rise is highly uncertain). If that is the case, it must be true that the market's valuation today is discounting (i.e. accounting for) that risk.

Our position is that current market prices at any moment in time reflect current expectations in light of known risks. Wise investors will therefore accept these prices rather than the opinions of prognosticators. We recommend gold as an empirically validated hedge against severe financial disruption. It is, however, a highly volatile asset class and therefore should be held in small proportion relative to one's overall portfolio. Your allocation to gold and our other recommended asset classes should be based on your overall circumstances, but as a reference point we suggest you start with our AIS Model Portfolios table, which we publish quarterly.

*Asset classes and representative index chart page 89: 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 December 15, 2014

	Rank	Yield (%)	Price ($)	Status	Percent of Portfolio: Value (%)	Percent of Portfolio: No. Shares (%)[1]
AT&T	1	5.71	32.25	Holding**	22.59	28.83
Verizon	2	4.84	45.42	Holding**	22.79	20.64
Chevron	3	4.24	100.86	Buying	7.75	3.16
McDonald's	4	3.84	88.46	Buying	8.54	3.97
General Electric	5	3.74	24.59	Holding	1.29	2.16
Pfizer	6	3.63	30.86	Holding	9.13	12.17
Merck	8	3.16	56.95	Selling	8.34	6.02
Cisco	13	2.85	26.68	Holding	1.59	2.46
Intel Corp	18	2.51	35.92	Selling	17.97	20.59
Cash (6-mo. T-Bill)	N/A	N/A	N/A		0.01	N/A
Totals					100.00	100.00

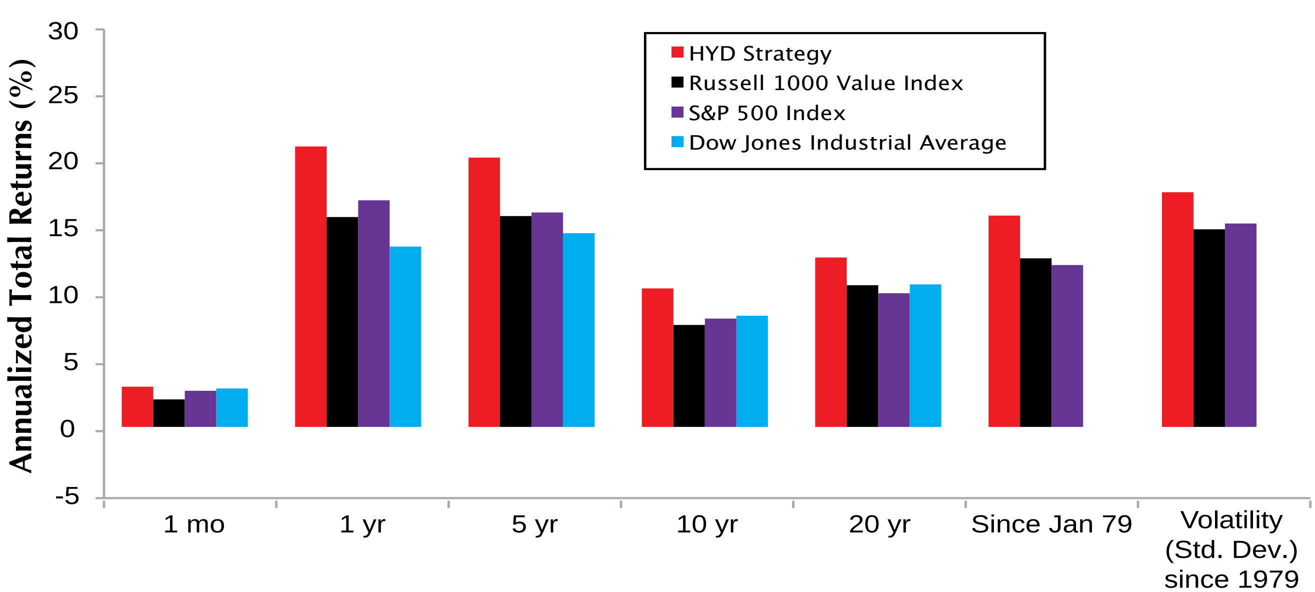
**Currently indicated purchases approximately equal to indicated purchases 18 months ago. [1] Because the percentage of each issue in the portfolio by value reflects the prices shown in the table, we are also showing the number of shares of each stock as a percentage of the total number of shares in 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 November 30, 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	2.99	20.87	20.04	10.31	12.61	15.72	17.46
Russell 1000 Value Index	2.05	15.62	15.69	7.59	10.54	12.55	14.70
S&P 500 Index	2.69	16.86	15.96	8.06	9.95	12.04	15.13
Dow Jones Industrial Average	2.86	13.42	14.41	8.27	10.61	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 ($)

	12/15/14	Mo. Earlier	Yr. Earlier
Gold, London p.m. fixing	**1,209.25**	1,169.00	1,232.00
Silver, London Spot Price	**16.85**	15.35	19.55
Copper, COMEX Spot Price	**2.90**	3.06	3.35
Crude Oil, W. Texas Int. Spot	**55.90**	75.81	96.59
Dow Jones Spot Index	**349.87**	372.48	401.93
Dow Jones-UBS Commodity Index	**109.78**	116.88	126.11
Reuters-Jefferies CRB Index	**241.64**	267.44	280.26

Interest Rates ($)

U.S. Treasury bills -	91 day	**0.04**	0.02	0.07
	182 day	**0.11**	0.07	0.09
	52 week	**0.22**	0.15	0.14
U.S. Treasury bonds -	10 year	**2.12**	2.32	2.88
Corporates:				
High Quality -	10+ year	**3.70**	3.94	4.63
Medium Quality -	10+ year	**4.68**	4.80	5.38
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	0.27
Government bonds -	10 year	**0.60**	0.81	1.82
Swiss Rates -	3 month	**0.01**	0.01	0.02
Government bonds -	10 year	**0.34**	0.49	1.13

Exchange Rates ($)

British Pound	**1.566300**	1.565700	1.629400
Canadian Dollar	**0.859900**	0.885400	0.943900
Euro	**1.247000**	1.249400	1.372400
Japanese Yen	**0.008493**	0.008582	0.009680
South African Rand	**0.085140**	0.090030	0.096970
Swiss Franc	**1.038200**	1.039900	1.123100

Securities Markets

	12/15/14	Mo. Earlier	Yr. Earlier
S & P 500 Stock Composite	**1,989.63**	2,039.82	1,775.32
Dow Jones Industrial Average	**17,180.84**	17,634.74	15,755.36
Barclays US Credit Index	**2,566.03**	2,551.05	2,393.02
Nasdaq Composite	**4,605.16**	4,688.54	4,000.98
Financial Times Gold Mines Index	**1,119.50**	1,122.26	1,288.62
FT EMEA (African) Gold Mines	**1,166.67**	1,135.90	1,176.33
FT Asia Pacific Gold Mines	**4,267.67**	3,969.44	3,391.39
FT Americas Gold Mines	**946.20**	966.22	1,177.77

Coin Prices ($)

	12/15/14	Mo. Earlier	Yr. Earlier	Prem (%)
American Eagle (1.00)	**1,234.93**	1,203.72	1,303.63	2.12
Austrian 100-Corona (0.9803)	**1,159.53**	1,129.43	1,225.32	-2.19
British Sovereign (0.2354)	**290.20**	282.90	306.30	1.95
Canadian Maple Leaf (1.00)	**1,217.00**	1,185.90	1,288.10	0.64
Mexican 50-Peso (1.2057)	**1,428.90**	1,391.80	1,510.00	-2.00
Mexican Ounce (1.00)	**1,205.40**	1,174.60	1,272.70	-0.32
S. African Krugerrand (1.00)	**1,219.28**	1,188.18	1,292.18	0.83
U.S. Double Eagle-$20 (0.9675)				
St. Gaudens (MS-60)	**1,265.00**	1,270.00	1,380.00	8.12
Liberty (Type I-AU50)	**2,225.00**	2,225.00	2,225.00	90.18
Liberty (Type II-AU50)	**1,450.00**	1,475.00	1,700.00	23.94
Liberty (Type III-AU50)	**1,245.00**	1,250.00	1,360.00	6.41
U.S. Silver Coins ($1,000 face value, circulated)				
90% Silver Circ. (715 oz.)	**12,500.00**	12,487.50	15,425.00	3.75
40% Silver Circ. (292 oz.)	**4,675.00**	4,650.00	5,802.50	-4.98
Silver Dollars Circ.	**17,750.00**	17,375.00	20,500.00	36.17

Note: Premium reflects percentage difference between coin price and value of metal in a coin, with gold at $1,209.25 per ounce and silver at $16.85 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 ($) 12/15/14	11/14/14	12/13/13	12-Month ($) High	Low	Latest Dividend Amount ($)	Record Date	Payable Date	Indicated Annual Dividend ($)	Yield† (%)
AT&T	T		32.25	35.90	33.85	37.48	31.74	0.460	10/10/14	11/3/14	1.840	5.71
Verizon	VZ		45.42	51.50	47.84	53.66	45.09 *L*	0.550	1/09/15	2/2/15	2.200	4.84
Chevron	CVX		100.86	116.32	119.90	135.10	100.42 *L*	1.070	11/18/14	12/10/14	4.280	4.24
McDonald's	MCD		88.46	96.21	94.44	103.78	88.25 *L*	0.850	12/01/14	12/15/14	3.400	3.84
General Electric	GE	*I*	24.59	26.46	26.84	28.09	23.69	0.230	12/22/14	1/26/15	0.920	3.74
Pfizer	PFE	*I*	30.86	30.34	30.25	33.12 *H*	27.51	0.280	2/06/15	3/3/15	1.120	3.63
Exxon Mobil	XOM		86.90	95.09	95.31	104.76	86.50 *L*	0.690	11/12/14	12/10/14	2.760	3.18
Merck	MRK	*I*	56.95	59.07	48.38	62.20 *H*	47.61	0.450	12/15/14	1/8/15	1.800	3.16
Caterpillar	CAT		89.75	101.34	86.05	111.28	85.88	0.700	1/20/15	2/20/15	2.800	3.12
Coca-Cola	KO		40.57	42.73	39.23	45.00 *H*	36.89	0.305	12/01/14	12/15/14	1.220	3.01
Boeing	BA	*I*	122.08	128.86	133.83	144.57	116.32	0.910	2/13/15	3/6/15	3.640	2.98
Procter and Gamble	PG		89.20	88.11	82.37	91.28 *H*	75.26	0.644	10/24/14	11/17/14	2.574	2.89
IBM	IBM		153.06	164.16	172.80	199.21	152.84 *L*	1.100	11/10/14	12/10/14	4.400	2.87
Cisco	CSCO		26.68	26.32	20.24	27.99 *H*	20.25	0.190	10/02/14	10/22/14	0.760	2.85
Dupont	DD		69.27	70.80	60.24	73.53 *H*	59.35	0.470	11/14/14	12/12/14	1.880	2.71
J P Morgan	JPM		59.16	60.28	56.17	63.16 *H*	52.97	0.400	1/06/15	1/31/15	1.600	2.70
Johnson & Johnson	JNJ		103.96	108.16	91.35	109.49	86.09	0.700	11/25/14	12/9/14	2.800	2.69
Microsoft Corp.	MSFT		46.67	49.58	36.69	50.04	34.63	0.310	2/19/15	3/12/15	1.240	2.66
Intel Corp	INTC		35.92	33.95	24.29	37.90 *H*	23.50	0.225	11/07/14	12/1/14	0.900	2.51
Wal-Mart Stores	WMT		83.94	82.96	78.08	88.09 *H*	72.27	0.480	12/05/14	1/5/15	1.920	2.29
3M Company	MMM		156.85	158.85	126.43	162.92 *H*	123.61	0.855	11/21/14	12/12/14	3.420	2.18
Travelers	TRV		103.09	102.43	86.49	106.13 *H*	79.89	0.550	12/10/14	12/31/14	2.200	2.13
United Tech.	UTX		111.91	107.45	107.35	120.66	97.30	0.590	11/14/14	12/10/14	2.360	2.11
Home Depot, Inc.	HD		100.05	98.24	79.01	101.40 *H*	73.96	0.470	12/04/14	12/18/14	1.880	1.88
Unitedhealth Group	UNH		98.27	95.11	70.48	101.33 *H*	69.57	0.375	12/05/14	12/16/14	1.500	1.53
Goldman Sachs	GS		185.54	189.98	168.39	198.06 *H*	151.65	0.600	12/02/14	12/30/14	2.400	1.29
Walt Disney	DIS	*I*	90.90	90.80	69.62	94.50 *H*	69.83	1.150	12/15/14	1/8/15	1.150	1.27
Nike	NKE	*I*	95.43	95.50	76.40	99.76 *H*	69.85	0.280	12/15/14	1/5/15	1.120	1.17
American Express	AXP		90.04	90.67	83.68	96.24	78.41	0.260	1/09/15	2/10/15	1.040	1.16
Visa Inc.	V		256.70	248.84	207.36	265.63 *H*	194.84	0.480	11/14/14	12/2/14	1.920	0.75

* See the Recommended HYD Portfolio table on page 94 for current recommendations. † Based on indicated dividends and market price as of 12/14/14.
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 12/16/13.
I Dividend increased since 11/15/14 *D* Dividend decreased since 11/15/14

RECOMMENDED INVESTMENT VEHICLES

			Descriptive Quarterly Statistics, as of 9/30/14						Annualized Returns[4] (%), as of 11/30/14					
					Ratios				Total			After Tax*		
	Security Symbol	Avg. Market Cap. / Avg. Maturity	No. of Holdings	Expense[3] (%)	Sharpe	Turnover (%)	P/B	12 Mo. Yield (%)	1 yr.	3 yr.	5 yr.	1 yr.	3 yr.	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	1.15	1.28	1.84	0.62	0.71	1.19
iShares Barclays 1-3 Yr. Credit Bond	CSJ[1]	1.96 Yrs.	901	0.20	1.76	10	--	0.96	0.92	1.84	2.03	0.51	1.33	1.40
iShares Barclays 1-3 Yr. Treasury Bond	SHY[1]	1.91 Yrs.	74	0.15	0.73	136	--	0.31	0.61	0.44	0.82	0.46	0.31	0.58
Vanguard Limited-Term Tax-Exempt	VMLTX	3.3 Yrs.	2598	0.20	1.20	14.4	--	1.62	1.89	1.64	1.99	1.89	1.64	1.99
SPDR N.B. Short-Term Municipal Bond	SHM[1]	3.11 Yrs.	559	0.20	0.96	17	--	0.92	1.23	1.36	1.68	0.89	1.23	1.59
Inflation-Protected Fixed Income														
iShares Barclays TIPS Bond	TIP[1]	8.35 Yrs.	38	0.20	0.24	47	--	1.84	3.16	0.72	3.74	2.42	0.05	2.82
Vanguard Inflation-Protected Securities	VIPSX	8.6 Yrs.	43	0.20	0.22	44.3	--	1.70	3.10	0.70	3.67	2.34	-0.23	2.62
International Fixed Income														
Vanguard Total International Bond Index	BNDX[1]/VTIBX	8.6 Yrs.	2896	0.23	--	81.2	--	1.40	7.22	--	--	6.52	--	--
Real Estate														
Vanguard REIT Index	VNQ[1] / VGSIX	8.47 B	138	0.24	1.09	10.9	2.14	3.38	27.99	17.10	17.99	26.11	15.82	16.71
SPDR Dow Jones REIT	RWR[1]	10.09 B	93	0.25	1.06	6	2.44	3.22	30.05	16.86	17.88	28.21	15.39	16.46
Vanguard Global ex-US Real Estate	VNQI[1] / VGXRX[5]	5.32 B	633	0.40	0.95	8.3	0.93	4.26	4.45	14.02	--	2.28	12.22	--
iShares International Property ETF	WPS[1]	6.02 B	378	0.48	0.93	10	1.37	4.29	4.78	14.79	9.30	3.30	13.17	7.84
SPDR Dow Jones Global Real Estate ETF	RWO[1]	8.70 B	227	0.50	1.06	8	1.58	3.29	18.72	15.66	13.88	17.06	14.04	12.12
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	14.99	20.80	15.00	14.40	20.23	14.50
iShares Russell 1000 Value Index	IWD[1]	51.35 B	696	0.20	2.00	12	2.28	2.02	15.35	21.18	15.45	14.79	20.65	15.00
U.S. Small Cap Value														
iShares Russell Microcap Index	IWC[1]	0.37 B	1402	0.60	1.37	26	3.44	1.25	0.62	20.14	16.59	0.31	19.75	16.28
Vanguard Small-Cap Value Index	VBR[1] / VISVX	2.69 B	812	0.24	1.63	47.2	1.63	1.68	11.46	21.03	17.55	10.88	20.45	17.04
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	17.27	20.31	16.54	16.89	19.96	16.24
Vanguard Growth Index	VUG[1] / VIGRX	51.05 B	373	0.24	1.82	32.3	3.87	1.06	18.43	20.72	16.83	18.12	20.43	16.59
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	15.39	20.67	16.21	14.92	20.21	15.82
Fidelity Spartan Total Market Index	FSTMX[2]	39.27 B	3372	0.10	1.93	2	2.37	1.42	15.40	20.69	16.28	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	0.40	11.55	7.08	-0.10	11.17	6.80
iShares MSCI EAFE Value Index	EFV[1]	40.39 B	480	0.40	0.92	29	1.67	4.59	-0.95	11.85	5.16	-1.97	11.14	4.65
Vanguard FTSE Developed Market	VEA[1] / VTMGX[6]	31.48 B	1399	0.09	0.99	13	1.46	3.45	-0.47	11.46	6.30	-1.35	10.72	5.78
SPDR S&P International Small Cap	GWX[1]	0.91 B	2242	0.59	0.86	21	1.24	2.94	-3.66	9.29	7.23	-4.53	8.58	6.66
Foreign- Emerging Markets														
Vanguard FTSE Emerging Market Stock	VWO[1] / VEIEX	18.30 B	983	0.33	0.50	26	1.58	2.66	4.83	4.94	3.68	3.87	4.16	3.12
Gold-Related Funds														
iShares Gold Trust	IAU[1]	--	1	0.25	-0.38	0	--	0.00	-5.84	-12.39	-0.24	-5.84	-12.39	-0.24
SPDR Gold Shares	GLD[1]	--	1	0.40	-0.43	0	--	0.00	-5.98	-12.52	-0.28	-5.98	-12.52	-0.28

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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