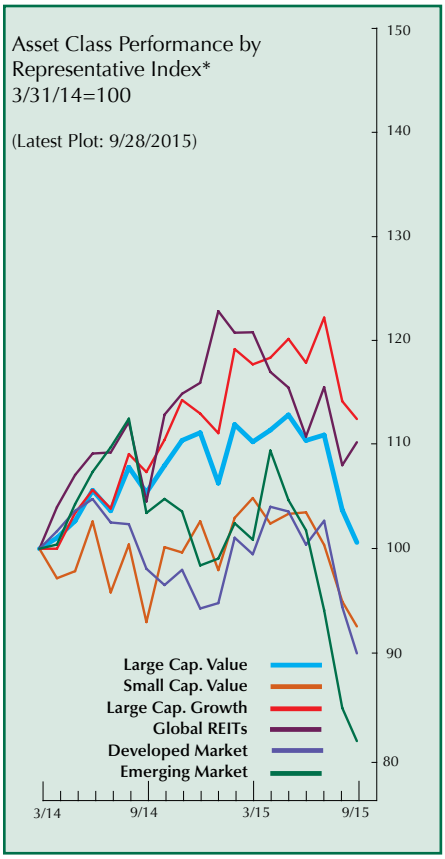
AIS INVESTMENT GUIDE

Published Monthly by
American Investment Services, Inc

Vol. XXXVII, No. 9 Great Barrington, Massachusetts 01230 September 30, 2015



* See page 67 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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Rules for the Fed, or Shall the Fed Rule?[1]

"The curious task of economics is to demonstrate to men how little they really know about what they imagine they can design." -- F.A. Hayek

The Fed and Congress, when weighing U.S. monetary policy, would do well to consider the lessons provided by structured investment management, which avoids forecasting and the wisdom of experts in favor of simple rules based on information readily available in market prices.

As years pass evidence steadily mounts that forecasting the stock market or individual stock prices is folly. Few, if any, money managers can consistently outperform the market on a risk adjusted basis, except perhaps by chance. So, rather than rely on the wisdom of stock pickers or professional market analysts, we stick to established asset class allocations regardless of what transpires in capital markets or within the broader economy. This approach is based on the notion that millions of market participants, rather than any pundit or team of experts, provide the best estimate of value for publicly traded securities.

The success of this approach has become more evident in recent years. Numerous academic studies demonstrate the futility of trying to find skilled managers who have outperformed the market consistently. The investing public, furthermore, has increasingly embraced index-type investing over active management strategies.[2]

Central bank policy would arguably be improved if the Fed's Open Market Committee (FOMC) were to adopt a similar rules-based approach to managing the nation's money supply. Currently, short-term interest rates are determined by the consensus opinion of the FOMC's 12 members; these individuals supposedly possess the knowledge necessary to ensure stable prices and full employment. This mechanism has often failed to meet those objectives, while in the process spawning or contributing to several financial crises.

(continued on next page)

Space limits a full recounting of the Fed's failures, but front and center is the Great Inflation and subsequent recession (spanning 1976-1982). During that span an expansionary monetary policy led to price inflation of 1.2% *per month*. The Fed finally put on the brakes, but the prime interest rate increased to 22% (annual) and pushed the unemployment rate to 10.8%. Other crises attributable (at least in part) to Fed policy include the developing markets debt crisis (1982-1989), and the Mexican Peso crisis (1994-1997).

Most recently, the Fed sowed the seeds of the great financial collapse of 2008-2009 by maintaining an expansionary money policy for too long following the 2001 recession. Easy money and a low interest rate fueled the rapid growth of high risk, variable rate mortgages. The Fed finally raised the fed funds rates to 5.25%, where it remained between July 2006 and July 2007. This prompted waves of defaults among these subprime mortgages that in turn triggered the greatest stock market decline in over 80 years. The Fed responded with a massive expansion of bank reserves, in the process pushing short term nominal rates close to 0%, where they have remained. The Fed now appears to have exhausted its ability to spur further growth and millions of investors are faced with negative real interest rates on short term savings vehicles.

We are encouraged that serious attention is now being paid to several rules-based alternatives that would explicitly link growth in the money supply to a simple macroeconomic indicator. All of these proposals would eliminate vacillating Fed decisions based on human judgment, thereby reducing uncertainty among households and firms, and all aim to stabilize growth of the money supply.

Several rules-based approaches have been proposed. These include price-*level* targeting, inflation *rate* targeting, targeting a growth rate in the money supply, and targeting a growth rate in nominal output (GDP). Each of these rules has its own advantages and deficiencies, and all fall short of traditional "sound money" policies that would link price levels to gold or a commodity. However, they retain the most salient feature of sound money: individual discretion would be removed from the determination of prices and interest rates.[3]

It is not our role at AIS to advocate any particular approach to managing the nation's money supply. Rather we pass on these developments[4] to you to let you know that fundamental changes in monetary policy are being taken seriously and may yet emerge. In the meantime investors are faced with negative real interest rates on short term fixed-income assets. Households have little choice but to embrace riskier assets to a greater extent than they otherwise would, in order to pursue positive real growth. The investing public would be well served by a thorough vetting of all these rules-based proposals.

1. We appreciate the comments of Walker Todd, Trustee and former Visiting Research Fellow, AIER.
2. The percentage of equity mutual fund assets invested in equity index funds increased from 9.4% in 2000 to 20.2% in 2014 (source: Investment Company Institute).
3. For an excellent summary see Norbert J. Michael, PhD, "Why Congress Should Institute Rules-Based Monetary Policy," Backgrounder, No. 2991 Feb. 11, 2015
4. For example, a bill proposed by the U.S. Senate Banking committee calls on the Fed to state a monetary policy rule to the Senate Banking and House Financial Services Committees, without limitation as to the choice of rule. The Fed would be compelled to demonstrate its adherence to that rule, or to account for any deviation from it at subsequent testimonies before those committees.

THE PATIENCE PRINCIPLE[1]

Global markets are providing investors a rough ride at the moment, as the focus turns to China's economic outlook. But while falling markets can be worrisome, maintaining a longer term perspective makes the volatility easier to handle.

A typical response to unsettling markets is an emotional one. We quit risky assets when prices are down and wait for more "certainty."

These timing strategies can take a few forms. One is to use forecasting to get out when the market is judged as "overbought" and then to buy back in when the signals tell you it is "oversold."

A second strategy might be to undertake a comprehensive macro-economic analysis of the Chinese economy, its monetary policy, global trade and investment linkages, and how the various scenarios around these issues might play out in global markets.

In the first instance, there is very little evidence that these forecast-based timing decisions work with any consistency. And even if people manage to luck their way out of the market at the right time, they still have to decide when to get back in.

In the second instance, you can be the world's best economist and make an accurate assessment of the growth trajectory of China, together with the policy response. But that still doesn't mean the markets will react as you assume.

A third way is to reflect on how markets price risk. Over the long term, we know there is a return on capital. But those returns are rarely delivered in an even pattern. There are periods when markets fall precipitously and others when they rise inexorably.

The only way of getting that "average" return is to go with the flow. Think about it this way. A sign at the river's edge reads: "Average depth: three feet." Reading the sign, the hiker thinks: "OK, I can wade across." But he soon discovers the "average" masks a range of everything from 6 inches to 15 feet.

Likewise, financial products are frequently advertised as offering "average" returns of, say, 8%, without the promoters acknowledging in a prominent way that individual year returns can be many multiples of that average in either direction.

Now, there may be nothing wrong with that sort of volatility if the individual can stomach it. But others can feel uncomfortable. And that's OK too. The important point is being prepared about possible outcomes from your investment choices.

Markets rarely move in one direction for long. If they did, there would be little risk in investing. And in the absence of risk, there would be no return. One element of risk, although not the whole story, is the volatility of an investment.

Look at a world stock market benchmark such as the MSCI World Index, in US dollars. In the 45 years from 1970 to 2014, the index has registered annual gains of as high as 41.9% (in 1986) and losses of as much as 40.7% (2008).

But over that full period, the index delivered an annualized rate of

MSCI World Index (net div USD) 1970-2014			
Best Years		**Worst Years**	
1986	41.90%	2008	–40.7%
1985	40.60%	1974	–25.5%
2003	33.10%	2002	–19.9%
1975	32.80%	1990	–17.0%
2009	30.00%	2001	–16.8%
2013	26.70%	1973	–15.2%

Source: MSCI. MSCI data © MSCI 2015, all rights reserved. Indices are not available for direct investment; therefore, their performance does not reflect the expenses associated with the management of an actual portfolio. Past performance is not a guarantee of future results.

return of 8.9%. To earn that return, you had to remain fully invested, taking the unsettling down periods with the heartening up markets, but also rebalancing each year to return your desired asset allocation back to where you want it to be.

Timing your exit and entry successfully is a tough task. Look at 2008, the year of the global financial crisis and the worst single year in our sample. Yet, the MSCI World index in the following year registered one of its best ever gains.

Now, none of this is to imply that the market is due for a rebound anytime soon. It might. It might not. The fact is no one can be sure. But we do know that whenever there is a great deal of uncertainty, there will be a great deal of volatility.

Second-guessing markets means second-guessing news. What has happened is already priced in. What happens next is what we don't know, so we diversify and spread our risk to match our own appetite and expectations.

Spreading risk can mean diversifying within equities across different stocks, sectors, industries, and countries. It also means diversifying across asset classes. For instance, while stocks have been performing poorly, often bonds have been doing well.

Markets are constantly adjusting to news. A fall in prices means investors are collectively demanding an additional return for the risk of owning equities. But for individual investors, the price decline, if temporary, may only matter if they need the money today.

If your horizon is five, 10, 15, or 20 years, the uncertainty will soon fade and the markets will worry about something else. Ultimately, what drives your return is how you allocate your capital across different assets, how much you invest over time, and the power of compounding.

But in the short term, the greatest contribution you can make to your long-term wealth is exercising patience. And that's where your advisor comes in.

1. By Jim Parker Vice President DFA Australia Limited August 2015. This article is reprinted in its entirety.

GLOBAL ANXIETY, HOPE, AND PORTFOLIO EXPOSURE

We often hear in the media that "the globe is shrinking." Indeed, advances in technology and communications have made international trade and travel more efficient, and made it easier and less costly than ever for household investors to hold a stake in foreign stocks and bonds. That's the upside. On the downside, our ability to gather and disseminate news from around the globe has made for a nonstop flow of sensational, often frightening headlines. This is not helpful to investors.

It is hard to escape scary news these days. The Chinese economy (the world's second largest by GDP) is faltering, and the government continues to ramp up its military capacity. Violence is escalating in the Middle East and has led to a humanitarian crisis and an exodus to Europe, further burdening already-sluggish economies there. Russia's territorial ambitions meanwhile grow more worrisome.

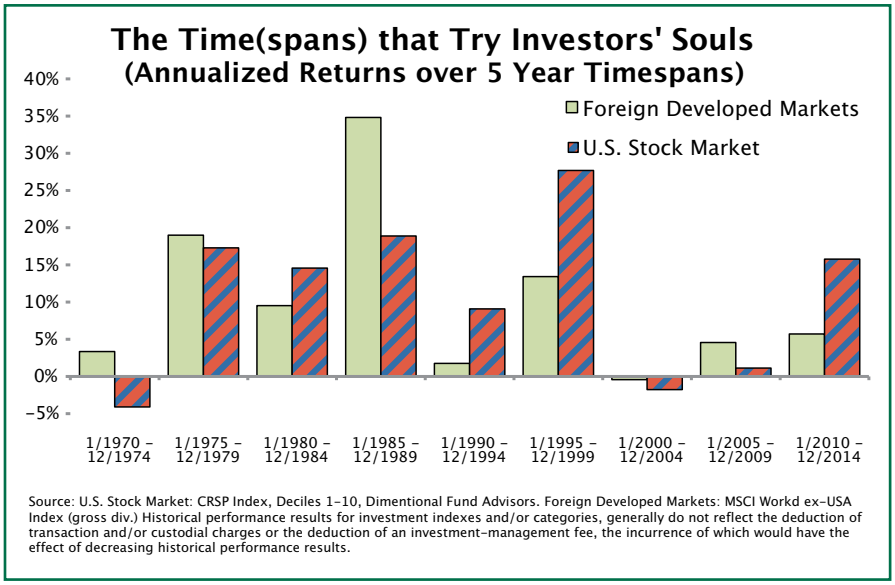
These events could easily tempt investors to reduce or even forgo exposure to foreign stock markets. This is especially true in light of the U.S. stock market's strong overall performance relative to other developed countries in recent years as well as over the long term. Over the five years ending in 2014, the U.S. stock market provided an annualized total return of 15.8% versus 5.7% for non-U.S. developed country stocks.[1] Over the past 45 years (1970-2014) U.S. stocks prevailed as well, serving up an annualized total return of 10.5%, versus 9.7% for non-U.S. developed country stocks. Over that period a hypothetical $10,000 invested in U.S. stocks would have grown to $890,460 versus $640,440 had $10,000 instead been invested in a portfolio of non-U.S. developed country stocks.

Investors should, however, think twice. Those who are realistic about their actual time horizon, and who are honest regarding their ability to "stay the course", would do well to considering the following before placing so much faith in U.S. equities:

- Despite these higher returns over the *entire* 45 year period, there were only 22 calendar years during which U.S. stocks exceeded the average return from non-U.S. developed market countries.
- Over this 45 year period *there was not a single calendar year* during which the U.S. stock market provided the highest returns among all MSCI developed market countries.[2]
- During the first 20 years of this period (1970-1989), non-U.S. developed market country stocks provided an average annualized return of 16.0%, trouncing the 11.3% annual return generated by U.S. stocks.
- Non-U.S developed market stocks outperformed the U.S. stock market during five of the nine five-year calendar year periods within this 45 year period (see chart, next page).

Many of us profess to be patient over the long term, but in our experience, investors who "load up" on a particular asset class in pursuit of higher returns can in fact grow impatient after experiencing a few years of

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



Source: U.S. Stock Market: CRSP Index, Deciles 1-10, Dimentional Fund Advisors. Foreign Developed Markets: MSCI Workd ex-USA Index (gross div.) Historical performance results for investment indexes and/or categories, generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment-management fee, the incurrence of which would have the effect of decreasing historical performance results.

underperformance, and all too often sell their holdings just in time to miss a rally. Long term is also a relative term; many investors have time horizons that range between 5 to 30 years, during which global market trends could favor either U.S. or foreign equities. There is no way to know in advance which will provide a better investment experience.

Doubtless there are some investors who have a four-decade plus time horizon and who also have the discipline to endure interim periods of sustained underperformance. But even those rare birds should keep in mind that *the outperformance provided by U.S. stocks, even over this entire 45 year span, does not guarantee that the U.S. will continue to outperform over the next 45 years.*

In light of these realities the best solution is to diversify broadly across many different markets. As the globe shrinks, broad exposure to economies and companies around the world will ensure that your portfolio will participate in worldwide prosperity and produce expected returns consistent with the risk it bears.

1. Sources: U.S. stock market CRSP 1-10 Index. Non-U.S. developed country stocks: MSCI World ex-USA Index (gross div.)
2. There were 18 countries included in the MSCI developed country indexes (U.S. included) in 1970. By December 2014 that list had grown to 23.

REVISITING EXCHANGE TRADED FUNDS AND PRODUCTS

The Exchange Traded Fund (ETF) / Exchange Traded Product (ETP) industry recently surpassed the global hedge fund industry in total assets under management. According to a study by ETFGI, at the close of the second quarter, there was $2.971 trillion invested in ETFs/ETPs compared with $2.969 trillion invested in hedge funds.

Surpassing the 66 year old hedge fund industry is a notable achievement for ETF/ETP industry, which has been in operation for 25 years. The event is a testament to the changing preferences of investors, as many value low fees, transparency, liquidity and relatively small minimum investment requirements.

When we last wrote about ETFs/ETPs in August of 2007, there were 1,278 ETFs/ETPs in existence, totaling roughly $500 billion in assets. Since then, assets have increased by nearly 500 percent and are invested across 5,823 ETFs/ETPs. In this article, we recap the features and distinctions among ETFs and ETPs.

ETF Features

Trading

An ETF is a mutual fund that trades on a stock exchange, hence the name: Exchange Traded Fund. Like stocks, shares of ETFs trade on an intraday basis, allowing investors to trade on an exchange where orders among investors to buy and sell are aggregated and cleared. As such, ETFs are priced in real time. Conventional mutual funds on the other hand are only priced once a day at the end of every trading session and therefore only allow investors to buy or sell shares once a day, at a single price: their net asset value or NAV.

Expenses

ETFs tend to charge lower fees than mutual funds. The passive nature of ETFs allows the funds to function with minimal expenses, as the majority of ETFs track commercial indexes such as the S&P 500. An ETF purchases the underlying stocks held in the index it is seeking to replicate, and trades the stocks only when the given index is reconstituted (often annually).

Most conventional mutual funds are actively managed. Active funds are expensive to operate because they are research and trading intensive. For example, actively managed international funds are very expensive to operate, as these funds require specialized staff placed in many countries around the world. In addition to research and trading expenses, many mutual funds charge a 12b-1 fee which is used to cover marketing and operational expenses.

On average, ETFs cost 0.31%, with some funds charging as low as 0.04%. Active mutual fund expenses often exceed 1%.

Taxes

ETFs are more tax-efficient than mutual funds. The passive management of ETFs helps limit realized capital gains. The constant buying and selling of securities by actively managed funds results in more short-term capital gains which are passed on to shareholders.

In addition to the management style of ETFs, the structure and redemption process is more tax efficient than mutual funds. When an investor redeems mutual fund shares, the fund must sell underlying securities (typically stocks or bonds) in order to free up the cash for the investor. A sale of securities may result in a capital gain, which investors pay at the end of the year. The rate of redemptions for a mutual fund is known as "turnover". Funds with a high turnover rate tend to be less tax efficient, as investors are constantly buying and selling shares of the fund, which increases realized capital gains.

Most individual investors looking to sell shares of an ETF simply sell shares to another investor, as is the case with a stock. In this scenario, the fund's positions in its underlying securities did

not change, as the investor selling the shares recouped her money from another investor who was buying those shares. A much less common way to redeem ETF shares is through "in-kind redemptions", which are only available to authorized participants (APs). An AP executing an in-kind redemption would exchange her ETF shares for a basket of the underlying stocks held by the ETF. Because the AP is compensated with securities instead of cash, no securities are sold, so no capital gain is realized. In addition, with an in-kind redemption the ETF can divest its lowest-cost-basis shares (those with highest capital gains exposure) to the AP. This further reduces, and often eliminates the ETF's tax burden.

Variations on a Theme

UITs vs. Open-End Funds

When considering equity ETFs, an investor has two main options: Unit Investment Trust (UITs) and Open-End Funds. Both UITs and open-end ETFs are registered with the SEC under the Investment Company Act of 1940.

Exchange-traded UITs buy and hold a fixed portfolio of securities in an effort to track a specific index. UITs originally held a fixed portfolio of securities; this required no management and avoided the need for a board of directors. As a result they were very inexpensive for fund companies to run. The SEC subsequently granted an exception that allows the funds to change their underlying holdings in order to stay in-line with the index tracked. The SPDRs (SPY), Dow Diamonds (DIA) and Nasdaq-100 (QQQQ) are among the better known ETFs structured as UITs.

The important difference between exchange traded UITs and open-end ETFs is that UITs do not reinvest dividends, but rather hold them as cash until the end of the quarter at which point they are paid out to investors. Open-ended ETFs, which are not required to maintain a fixed portfolio, can reinvest dividends before they are paid out at quarter end. In a rising market, the ability to reinvest dividends is beneficial, as the funds can appreciate further before being paid out.

Closed-Ended Funds (CEFs)

Not all funds that trade on exchanges are ETFs. Closed-ended funds, or CEFs, are mutual funds that trade on exchanges, but do not fit the traditional ETF framework. Closed-ended funds have a fixed number of shares, which are issued through an IPO. Once a CEF is trading on an exchange, the fund cannot increase or decrease either its shares or its underlying assets.

The price of the CEF is set by the market and, therefore, can trade above or below its NAV. Unlike ETFs and open-end mutual funds, shares of closed-end funds are not redeemable by the fund. If an investor wants cash out her position in a CEF, she must sell her shares at the current market price.

Grantor Trusts

Exchange traded grantor trusts enable investors to invest in a basket of securities in which investors have actual ownership. As such, investors are treated as shareholders, who receive dividends and retain voting rights for the companies held by the fund.

Unlike an open-ended ETF, under no circumstance can grantor trusts change the underlying holdings of the fund. The rigid structure of grantor trusts can cause the fund's holdings to become very concentrated if certain companies merge or go out of business.

While the grantor trust structure might be a suboptimal one for equities, it is quite useful for funds investing in commodities such as gold. The costs and complications involved in buying and storing physical gold have been a major impediment for individual investors looking to diversify their portfolios. GLD and IAU, which we recommend, use the grantor trust structure to invest in gold. They only hold gold, which is physically stored in the vault of a bank. Creation/redemption of shares is done in physical gold which eliminates the use of cash. These funds allow investors to add physical gold to their portfolios without the hassle of buying and storing it themselves.

It is best to think of funds like GLD and IAU as "exchange-traded commodities" (ETCs) as opposed to ETFs that invest in equities. The most important distinction between ETCs and ETFs is that gold bullion based ETCs are taxed as collectibles. The IRS taxes collectibles at a long term rate of 28%, while the maximum long term capital gains tax on equities is 20%.

Exchange-Traded Notes

Exchange-traded notes (ETNs) are senior, unsecured debt notes issued most commonly by banks. ETNs function much like ETFs, as you can buy and sell the products during the trading day on a given stock exchange. Owners of ETNs therefore get many of the transactional benefits provided by ETFs.

Unlike an ETF, which is a pool of securities, an ETN is a bond guaranteed by a bank. As such, ETNs don't actually hold any underlying securities. Rather, ETNs track a specific index over a period of time. At the end of the specified time period, the bank issuing the ETNs promises to pay the investor the return of the index along with returning the investor's principal. As unsecured debt obligations, an ETN investor will lose her money if the issuing bank goes bankrupt.

ETNs offer some unique advantages that help compensate for this credit risk. First, ETNs carry little to no tracking risk, as the issuer has agreed to pay the exact return of the tracked index less any fees. Second, some ETNs provide exposure to certain indexes that ETFs do not track. Investors seeking exposure to a specific niche might find an ETN to be their only option. Lastly, ETNs offer favorable tax consequences. ETNs do not distribute dividends or interest income, so investors are only taxed when they sell shares. As a result, all gains (interest income, capital gains, etc.) will be taxed at the long-term capital gains rate, which maxes out at 20%, as long as shares are held for at least one year.

Conclusion

ETNs, ETCs, ETFs … grantor trusts, UITs, open-end funds … it's not as simple as "ETFs." The thing to remember is that you have to make sure you're getting what you want out of your ETF investment: low costs, tax efficiency, no loads and real-time liquidity. There's no one structure that's best, and sometimes you have to make trade-offs … the UIT ETFs are popular despite their cash drag, for instance, because they tend to have low fees and massive liquidity – but you should at least know what you're getting.

THE HIGH-YIELD DOW INVESTMENT STRATEGY

Recommended HYD Portfolio

As of September 15, 2015

	Rank	Yield (%)	Price ($)	Status	—Percent of Portfolio— Value (%)	No. Shares (%)[1]
Chevron	1	5.55	77.17	Holding**	15.84	9.34
Verizon	2	4.87	46.37	Holding**	25.54	25.08
Caterpillar	3	4.13	74.58	Buying	5.79	3.53
Exxon Mobil	4	4.01	72.86	Buying	4.40	2.75
General Electric	6	3.64	25.30	Holding	8.88	15.98
McDonald's	8	3.46	98.19	Holding	12.54	5.81
Pfizer	10	3.38	33.17	Holding	9.24	12.68
Cisco	12	3.23	25.98	Selling	0.00	0.00
Intel Corp	13	3.23	29.73	Selling	1.48	2.26
AT&T	N/A	5.75	32.86	Selling	16.29	22.57
Cash (6-mo. T-Bill)	N/A	N/A	N/A		0.00	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.

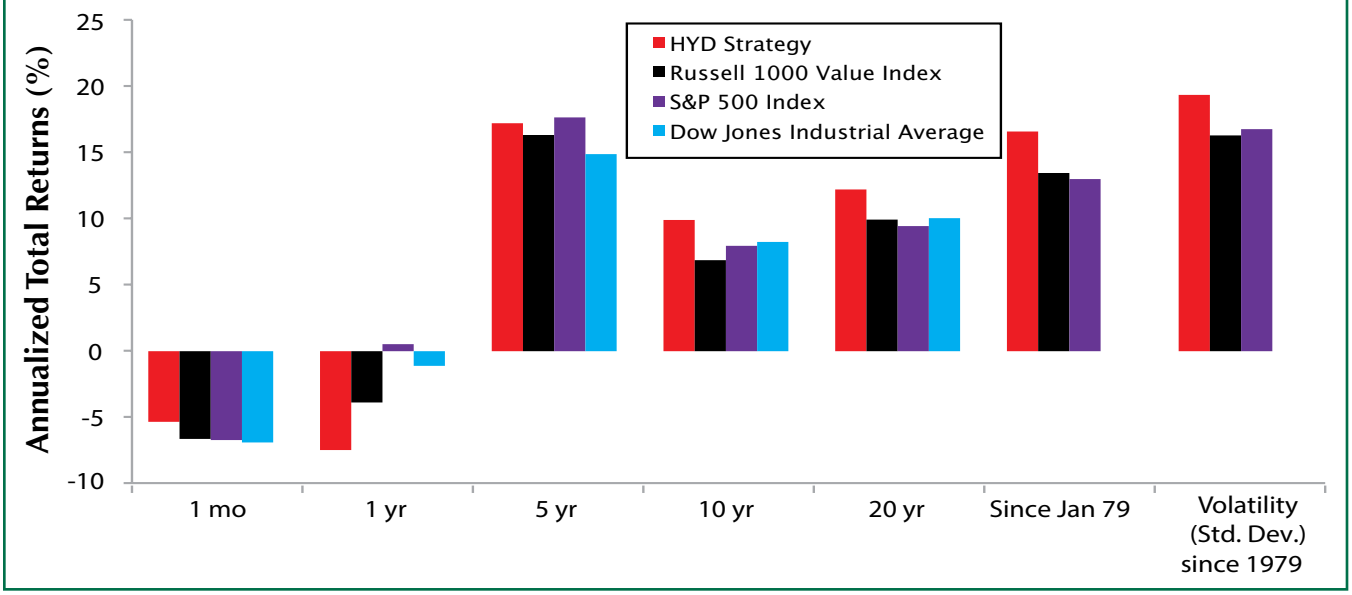
Performance was achieved by means of retroactive application of a model designed with the benefit of hindsight.

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, 2015*. 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	-4.80	-6.71	15.48	8.91	10.98	14.92	17.40
Russell 1000 Value Index	-5.96	-3.48	14.68	6.18	8.93	12.10	14.65
S&P 500 Index	-6.03	0.48	15.87	7.15	8.49	11.69	15.08
Dow Jones Industrial Average	-6.20	-1.00	13.38	7.42	9.03	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. **Performance was achieved by means of retroactive application of a model designed with the benefit of hindsight.** 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 0.73% management fee, the annual rate assessed to a $500,000 account managed through our High Yield Dow investment service.

RECENT MARKET STATISTICS

Precious Metals & Commodity Prices ($)

	9/15/15	Mo. Earlier	Yr. Earlier
Gold, London p.m. fixing (oz)	**1,105.95**	1,118.25	1,234.25
Silver, London Spot Price (oz)	**14.35**	15.55	18.64
Copper, COMEX Spot Price (100 lb)	**243.60**	236.40	308.10
Crude Oil, W. Texas Int. Spot (bbl)	**44.59**	42.50	92.92
Bloomberg Commodity Spot Index	**294.77**	299.38	383.60
Bloomberg Commodity Index	**88.57**	90.36	121.36
Reuters-Jefferies CRB Index	**196.02**	197.97	281.84

Interest Rates (%)

U.S. Treasury bills -	91 day	**0.07**	0.09	0.02
	182 day	**0.27**	0.25	0.05
	52 week	**0.47**	0.41	0.11
U.S. Treasury bonds -	10 year	**2.28**	2.20	2.60
Corporates:				
High Quality -	10+ year	**4.18**	4.03	4.21
Medium Quality -	10+ year	**5.44**	5.17	4.88
Federal Reserve Discount Rate		**0.75**	0.75	0.75
New York Prime Rate		**3.25**	3.25	3.25
Euro Rates	3 month	**-0.04**	-0.03	0.08
Government bonds -	10 year	**0.74**	0.66	1.07
Swiss Rates -	3 month	**-0.73**	-0.73	0.01
Government bonds -	10 year	**-0.04**	-0.19	0.62

Exchange Rates ($)

British Pound	**1.535200**	1.562500	1.624300
Canadian Dollar	**0.754100**	0.764800	0.905000
Euro	**1.126000**	1.111000	1.295100
Japanese Yen	**0.008313**	0.008047	0.009330
South African Rand	**0.074300**	0.078100	0.091000
Swiss Franc	**1.025100**	1.022500	1.070200

Securities Markets

	9/15/15	Mo. Earlier	Yr. Earlier
S & P 500 Stock Composite	**1,978.09**	2,091.54	1,984.13
Dow Jones Industrial Average	**16,599.85**	17,477.40	17,031.14
Barclays US Credit Index	**2,545.00**	2,562.04	2,523.00
Nasdaq Composite	**4,860.52**	5,048.24	4,518.90
Financial Times Gold Mines Index	**816.11**	895.99	1,455.41
FT EMEA (African) Gold Mines	**1,003.04**	989.16	1,398.61
FT Asia Pacific Gold Mines	**4,279.94**	4,291.23	4,578.12
FT Americas Gold Mines	**614.39**	715.44	1,288.82

Coin Prices ($)

	9/15/15	Mo. Earlier	Yr. Earlier	Prem (%)
American Eagle (1.00)	**1,142.32**	1,192.05	1,276.22	3.29
Austrian 100-Corona (0.9803)	**1,069.89**	1,118.05	1,199.53	-1.32
British Sovereign (0.2354)	**268.37**	280.12	300.00	3.08
Canadian Maple Leaf (1.00)	**1,124.35**	1,174.15	1,258.40	1.66
Mexican 50-Peso (1.2057)	**1,318.52**	1,377.80	1,478.20	-1.12
Mexican Ounce (1.00)	**1,113.83**	1,163.05	1,246.30	0.71
S. African Krugerrand (1.00)	**1,126.72**	1,176.50	1,260.57	1.88
U.S. Double Eagle-$20 (0.9675)				
St. Gaudens (MS-60)	**1,285.00**	1,285.00	1,360.00	20.09
Liberty (Type I-AU50)	**2,225.00**	2,225.00	2,225.00	107.94
Liberty (Type II-AU50)	**1,425.00**	1,425.00	1,550.00	33.18
Liberty (Type III-AU50)	**1,265.00**	1,265.00	1,285.00	18.22
U.S. Silver Coins ($1,000 face value, circulated)				
90% Silver Circ. (715 oz.)	**13,694.50**	12,890.00	13,487.50	33.47
40% Silver Circ. (292 oz.)	**4,198.00**	4,335.00	5,427.50	0.19
Silver Dollars Circ.	**15,504.00**	15,920.00	19,600.00	39.66

Note: Premium reflects percentage difference between coin price and value of metal in a coin, with gold at $1,105.95 per ounce and silver at $14.35 per ounce. The weight in troy ounces of the precious metal in coins is indicated in parentheses. Note: 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 ($) 9/15/15	8/14/15	9/15/14	12-Month ($) High	Low	Latest Dividend Amount ($)	Record Date	Payable Date	Indicated Annual Dividend ($)	Yield† (%)
Chevron	CVX		77.17	85.99	124.24	125.70	69.58 *L*	1.070	8/19/2015	9/10/2015	4.280	5.55
Verizon	VZ	*I*	46.37	47.49	48.56	51.73	38.06 *L*	0.565	10/9/2015	11/2/2015	2.260	4.87
Caterpillar	CAT		74.58	78.49	104.86	107.12	70.23 *L*	0.770	7/20/2015	8/20/2015	3.080	4.13
Exxon Mobil	XOM		72.86	78.36	96.29	98.05	66.55 *L*	0.730	8/13/2015	9/10/2015	2.920	4.01
Procter and Gamble	PG		69.45	75.62	83.87	93.89	65.02 *L*	0.663	7/24/2015	8/17/2015	2.652	3.82
General Electric	GE		25.30	26.08	25.92	28.68	19.37 *L*	0.230	9/21/2015	10/26/2015	0.920	3.64
IBM	IBM		147.53	155.75	191.81	195.00	140.62 *L*	1.300	8/10/2015	9/10/2015	5.200	3.52
McDonald's	MCD		98.19	99.27	93.47	101.88 *H*	87.50 *L*	0.850	9/1/2015	9/16/2015	3.400	3.46
Coca-Cola	KO		38.50	41.25	41.50	45.00	36.56 *L*	0.330	9/15/2015	10/1/2015	1.320	3.43
Pfizer	PFE		33.17	35.32	29.92	36.46	27.51	0.280	8/7/2015	9/2/2015	1.120	3.38
Merck	MRK		53.55	59.18	59.52	63.62	45.69 *L*	0.450	9/15/2015	10/7/2015	1.800	3.36
Cisco	CSCO		25.98	29.03	25.06	30.31	22.49	0.210	10/5/2015	10/21/2015	0.840	3.23
Intel Corp	INTC		29.73	29.02	34.54	37.90	24.87 *L*	0.240	11/7/2015	12/1/2015	0.960	3.23
Johnson & Johnson	JNJ		94.40	98.81	104.72	109.49	81.79 *L*	0.750	8/25/2015	9/8/2015	3.000	3.18
Dupont	DD		48.30	53.86	62.03	76.61	47.88 *L*	0.380	8/14/2015	9/11/2015	1.520	3.15
Wal-Mart Stores	WMT		64.32	72.38	75.81	90.97	61.50 *L*	0.490	12/4/2015	1/4/2016	1.960	3.05
3M Company	MMM		143.60	148.28	144.48	170.50	130.60	1.025	8/21/2015	9/12/2015	4.100	2.86
Microsoft Corp.	MSFT		43.98	47.00	46.24	50.05	39.72 *L*	0.360	11/19/2015	12/10/2015	1.240	2.82
J P Morgan	JPM		63.58	67.89	59.94	70.61	50.07 *L*	0.440	10/6/2015	10/31/2015	1.760	2.77
United Tech.	UTX		92.68	98.70	108.32	124.45	87.17 *L*	0.640	8/14/2015	9/10/2015	2.560	2.76
Boeing	BA		136.30	145.09	126.31	158.83	115.14 *L*	0.910	8/7/2015	9/4/2015	3.640	2.67
Travelers	TRV		100.86	107.71	93.55	110.49	90.83	0.610	9/10/2015	9/30/2015	2.440	2.42
Home Depot, Inc.	HD		116.18	119.75	89.38	123.80 *H*	86.35	0.590	9/3/2015	9/17/2015	2.360	2.03
Apple	AAPL		116.28	115.96	101.63	134.54	92.00 L	0.520	8/10/2015	8/13/2015	2.080	1.79
Unitedhealth Group	UNH		120.03	121.02	86.03	126.21 *H*	80.72	0.500	9/11/2015	9/22/2015	2.000	1.67
American Express	AXP		76.50	80.91	87.38	94.89	71.71 *L*	0.290	7/2/2015	8/10/2015	1.160	1.52
Goldman Sachs	GS		187.45	202.02	183.98	218.77	171.26	0.650	9/1/2015	9/29/2015	2.600	1.39
Walt Disney	DIS		103.43	107.16	90.08	122.08	78.54	0.660	7/6/2015	7/29/2015	1.320	1.28
Nike	NKE		113.84	114.36	81.61	117.72	79.27	0.280	9/8/2015	10/5/2015	1.120	0.98
Visa Inc.	V		70.51	74.22	53.66	76.92	48.80	0.120	8/14/2015	9/1/2015	0.480	0.68

* See the Recommended HYD Portfolio table on page 70 for current recommendations. † Based on indicated dividends and market price as of 9/15/15.
Extra dividends are not included in annual yields. *H* New 52-week high. *L* New 52-week low. All data adjusted for splits and spin-offs. 12-month data begins 9/16/14.
I Dividend increased since 8/15/15 *D* Dividend decreased since 8/15/15

RECOMMENDED INVESTMENT VEHICLES

	Security Symbol	Avg. Market Cap. / Avg. Maturity	No. of Holdings	Expense[3] (%)	Ratios Sharpe	Ratios Turnover (%)	P/B	12 Mo. Yield (%)	Total 1 yr.	Total 3 yr.	Total 5 yr.	After Tax* 1 yr.	After Tax* 3 yr.	After Tax* 5 yr.
			Descriptive Quarterly Statistics, as of 6/30/15						***Annualized Returns[4] (%), as of 8/31/15***					
Short/Intermediate Fixed Income														
Vanguard Short-Term Bond Index	BSV[1] / VBISX	2.8 Yrs.	2078	0.20	0.87	45	-	1.25	1.16	0.86	1.35	0.60	0.32	0.74
iShares Barclays 1-3 Yr. Credit Bond	CSJ[1]	2.05 Yrs.	919	0.20	1.83	17	-	1.02	0.49	1.01	1.50	0.04	0.54	0.95
iShares Barclays 1-3 Yr. Treasury Bond	SHY[1]	1.87 Yrs.	100	0.15	0.58	122	-	0.46	0.68	0.45	0.61	0.48	0.30	0.42
Vanguard Limited-Term Tax-Exempt	VMLTX	3.3 Yrs.	-	0.20	0.74	15	-	1.54	0.62	1.05	1.44	0.52	1.05	1.44
SPDR N.B. Short-Term Municipal Bond	SHM[1]	3.00 Yrs.	602	0.20	0.33	20	-	0.92	0.46	0.85	1.20	0.06	0.64	1.06
Inflation-Protected Fixed Income														
iShares Barclays TIPS Bond	TIP[1]	8.41 Yrs.	40	0.20	-0.16	47	-	1.44	-2.88	-1.59	2.65	-2.97	-2.05	1.89
Vanguard Inflation-Protected Securities	VIPSX	8.7 Yrs.	-	0.20	-0.17	39	-	1.23	-2.85	-1.66	2.60	-3.40	-2.53	1.62
International Fixed Income														
Vanguard Total International Bond Index	BNDX[1]/VTIBX	9.0 Yrs.	3612	0.23	-	16	-	1.55	2.42	-	-	1.78	--	--
Real Estate														
Vanguard REIT Index	VNQ[1] / VGSIX	9.94 B	142	0.26	0.91	8	2.40	4.04	-0.37	7.49	12.02	-1.60	6.29	10.87
SPDR Dow Jones REIT	RWR[1]	15.02 B	93	0.25	0.89	6	2.37	3.31	1.61	7.72	12.25	0.24	6.29	10.87
Vanguard Global ex-US Real Estate	VNQI[1] / VGXRX[5]	B1646	633	0.37	1.03	8	1.22	4.06	-9.22	5.71	-	-11.01	3.93	--
iShares International Property ETF	WPS[1]	6.74 B	378	0.48	1.08	8	1.14	3.20	-7.14	7.20	8.29	-8.19	5.67	6.92
SPDR Dow Jones Global Real Estate ETF	RWO[1]	11.81 B	226	0.50	0.99	7	1.65	2.94	-3.27	6.80	10.26	-4.43	5.26	8.49
U.S. Large Cap Value														
Vanguard Value Index	VTV[1] / VIVAX	83.64 B	315	0.23	2.10	6	2.16	2.39	-1.99	14.00	14.42	-2.48	13.42	13.91
iShares Russell 1000 Value Index	IWD[1]	57.45 B	682	0.20	2.08	13	1.85	2.06	-3.63	13.68	14.44	-4.14	13.12	13.96
U.S. Mid Cap														
Vanguard Mid-Cap ETF	VO	11.2 B	372	0.09	0.75	11	2.47	1.25	2.19	16.90	16.79	1.85	16.56	16.50
iShares Russell Mid-Cap Index	IWR	10.5 B	830	0.20	0.74	10	2.56	1.43	-0.12	15.92	16.36	-0.49	15.49	15.98
U.S. Small Cap Value														
iShares Russell Microcap Index	IWC[1]	0.46 B	1433	0.60	1.43	26	1.85	1.17	1.68	15.31	16.10	1.34	14.92	15.76
Vanguard Small-Cap Value Index	VBR[1] / VISVX	3.29 B	824	0.23	1.79	12	1.92	1.78	-2.17	15.55	15.66	-2.65	14.97	15.14
U.S. Marketwide														
Vanguard Total Stock Market Index	VTI[1] / VTSMX	49.00 B	3803	0.17	2.11	3	2.85	1.86	0.17	14.43	15.90	-0.27	13.95	15.50
Fidelity Spartan Total Market Index	FSTMX[2]	49.99 B	-	0.10	2.12	2	2.81	1.57	0.26	14.46	15.92	n/a	n/a	n/a
Foreign- Developed Markets														
iShares MSCI EAFE Growth Index	EFG[1]	35.02 B	560	0.40	1.38	27	2.62	1.96	-4.53	8.57	7.53	-4.94	8.16	7.22
iShares MSCI EAFE Value Index	EFV[1]	46.53 B	491	0.40	1.22	29	1.25	3.57	-10.87	7.83	5.98	-11.58	7.05	5.39
Vanguard FTSE Developed Market	VEA[1] / VTMGX[6]	35.35 B	1392	0.09	1.35	4	1.71	2.88	-8.02	8.44	7.04	-8.70	7.63	6.46
SPDR S&P International Small Cap	GWX[1]	1.13 B	2299	0.40	1.20	51	1.36	1.64	-7.31	9.34	7.49	-10.38	7.57	6.23
Foreign- Emerging Markets														
Vanguard FTSE Emerging Market Stock	VWO[1] / VEIEX	20.27 B	1010	0.33	0.51	9	1.88	2.64	-21.65	-1.89	-0.78	-22.18	-2.65	-1.21
Gold-Related Funds														
iShares Gold Trust	IAU[1]	6.30 B	1	0.25	-0.52	-	-	-	-11.89	-11.91	-2.12	-11.89	-11.91	-2.12
SPDR Gold Shares	GLD[1]	26.71 B	-	0.40	-0.53	-	-	-	-12.08	-12.05	-2.24	-12.08	-12.05	-2.24

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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