AIS INVESTMENT GUIDE

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Asset Class Performance by Representative Index*
12/17=100

(Latest Plot: 12/31/2018)

Rates of Interest

As of January 16, 2019

Government Obligations[1]	
Fed Funds Rate	2.40%
3-Month Treas. Bill	2.40%
10-Yr. Treas. Note	2.71%
30-Yr. Treas. Bond	3.06%
10-Yr. TIPS	0.90%
Muni Bonds - Nat'l 10-Yr.	2.30%
Mortgage Rates[2]	
15-Yr Fixed	3.89%
30-Yr Fixed	4.45%
Banking[3]	
Savings	0.09%
Money Market	0.17%
12-month CD	0.62%

[1] Federal Reserve, fmsbonds.com. Annualized Rates. Notes, bonds, TIPS reflect yield to maturity.
[2] Freddie Mac. Average (National average mortgages with 0.5 points).
[3] FDIC. Average national rates, non-jumbo deposits (<$100k).

New Year's Resolutions

The fourth quarter of 2018 served as a stark reminder that capital markets can reverse course sharply. But it also reminds us that any attempt to predict such episodes reliably is probably a waste of time and effort. Investors who accede to market prices as the best estimate of value and who maintain portfolios reflective of their circumstances have excellent prospects for meeting their financial goals, despite these inevitable setbacks. With this in mind, we once again offer guidelines to help you stay the course.

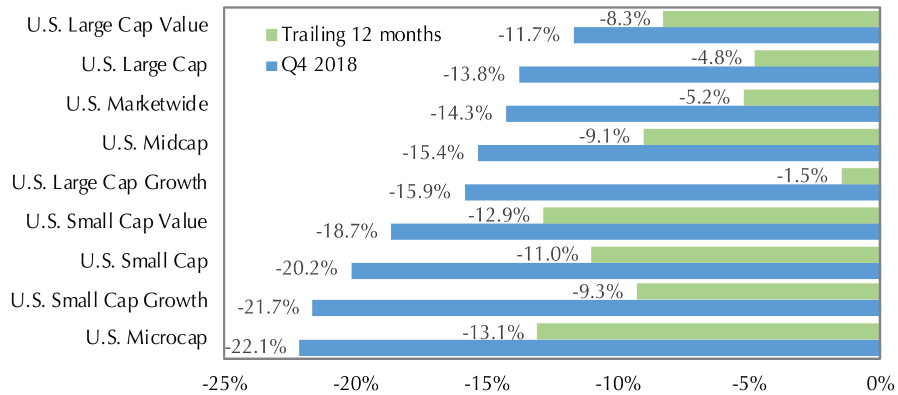
- I will remind myself that investing is not a form of entertainment—if I have an urge to gamble, I will go to Las Vegas.
- I will stick to my plan.
- I will not attempt to pick winning stocks.
- I will ignore market prognosticators.
- I will ensure that my holdings are adequately diversified within each asset class I own.
- I will focus on controlling my investment-related costs.
- I will stay abreast of changes in investment-related tax laws.
- I will not purchase any financial instrument I do not understand.
- I will ignore money managers or others selling products rather than advice.
- I will take full advantage of my qualified retirement plans by making the maximum allowable contributions consistent with my budget.
- I will hold my least tax-efficient assets in my tax-deferred accounts.
- I will rebalance my portfolio infrequently, but at regular intervals regardless of the current state of the markets.
- I will not allow the price I have paid for a security to influence my future investment decisions—except for tax considerations regarding capital gains and losses.
- At year end I will harvest tax losses simply, without deviating from my target portfolio allocations, by selling and buying index-type funds within the same asset class.
- I will appreciate the simplicity of the AIS approach; instead of worrying about factors that are not within my control, I will establish my plan and turn my attention to enjoying life.

QUARTERLY REVIEW OF CAPITAL MARKETS[1]

After increasing 7.13 percent over the first three quarters, the overall U.S. stock market returned -14.30 percent during the final three months. Foreign equities were not spared as both emerging and developed markets turned in losses. Commercial real estate did not escape the trend as both U.S. and foreign REITs lost value.

The gold price increased nearly 8 percent over the three months and short term bonds registered positive returns as well. Together these gains served to stabilize returns for those who adhere to our general approach.

U.S. Equity Returns
Q4 2018 and Trailing 12 Months



Cash Equivalent Assets[2]

On December 19 the Federal Reserve Open Market Committee announced its fourth rate hike for 2018, bringing its target fed funds rate to a range of 2.25 - 2.50 percent. Short-term rates rose during the quarter; the three month Treasury bill added 0.26 percent to finish at 2.45 percent while the one-year Treasury yield finished the year at 2.63 percent. During 2018 investors saw short-term yields climb; when the year began these rates stood at 1.39 percent and 1.53 percent respectively.

Price inflation measured by the non-seasonally adjusted CPI fell by 0.48 percent during the quarter but was up 1.91 percent for all of 2018. AIER's Everyday Price Index was down 1.98 percent but up 0.91 percent for the full year. Based on current Treasury yields the market is building in expected price inflation of 1.71 percent per year over the next ten years.

Fixed Income

While short term rates increased during the quarter longer term rates fell, so the yield curve became steeper. The yield on the 5-year Treasury note fell 43 basis points (bps), ending the quarter at 2.51 percent. The yield on the 10-year Treasury note decreased 36 bps to 2.69 percent while the 30-year Treasury bond yield decreased 17 bps to finish at 3.02 percent. For the year, yields on the 10-year Treasury and 30-year Treasury increased 29 bps and 28 bps, respectively.

In terms of total return, short-term municipal bonds returned 1.58 percent for the quarter and 1.69 percent for the full year. Short-term investment grade bonds were up as well, returning 1.46 percent for the quarter and 1.38 percent for all of 2018. TIPs lost ground for the quarter and for the year, registering returns of -0.42 percent and -1.26 percent, respectively. At year-end the average 30-year fixed mortgage rate stood at 4.63 percent with 0.5 points.[3]

Real Estate

REITs did not escape the global equity decline during the quarter. Global REITs overall returned -5.79 percent, with U.S. REITs and foreign REITs returning -6.09 and -4.68 percent respectively. For the full year global REITs returned -5.90 percent while U.S. and foreign REITs registered -3.79 percent and -7.42 percent respectively.

U.S. Stocks

U.S. stocks fell hard in the fourth quarter, returning -14.30 percent. Value shares outperformed growth, while large caps outperformed small cap shares. Large cap value returned -11.72 percent, large cap growth -15.89 percent, while small cap value finished with a -18.67 percent return. Our hypothetical HYD model returned -10.35 percent.

The final quarter pulled returns for all of 2018 into negative territory as the overall market returned -5.24 percent. Large cap growth stocks held up best, ending the year with a -1.51 percent return, while large cap value ended at -8.27 percent. Small cap value stocks reversed sharply, with a -12.86 percent return. The HYD model fared relatively well, ending the full year with a return of -4.43 percent (see page 6 for more detail regarding the HYD model).

Foreign Stocks

During the fourth quarter developed markets outside the U.S. returned -12.78 percent (in U.S. dollar terms), which topped the U.S. market but fell short of results in emerging markets. Developed market value shares outperformed growth across both large and small cap stocks. Emerging markets registered a return of -7.47 percent.

For the full year developed and emerging markets registered returns of -14.09 percent and -14.58 percent respectively; both fell short of full year results for the U.S. stock market. Within these foreign developed markets, value shares underperformed growth shares while small caps underperformed large caps. During the quarter the dollar gained 1.76 percent (trade-weighted) against major currencies and 1.87 percent against a broad market index of currencies. For the full year the dollar grew stronger as well, appreciating 4.94 percent against major currencies and 7.48 percent against the broader currency index.

(continued on page 4)

1. This article contains information and excerpts from The Vanguard Group, Fidelity Investments, and Dimensional Fund Advisors, as well as data obtained from several index providers.
2. Sources for cash and equivalent data: U.S. Treasury, U.S. Labor Department (Bureau of Labor Statistics), St. Louis Federal Reserve, EPI: American Institute for Economic Research. EPI, CPI not seasonally adjusted.
3. Mortgage rates: Freddie Mac

AIS Sample Standard Allocations [1]
For the Period Ending December 31, 2018

Asset Class	*Sample Percentage Allocations* [2]			*Asset Class Statistics: Risk and Return (annualized, %)*				
	Conservative	*Moderate*	*Aggressive*	*Total Return*				*Std. Dev.*
				1 Year	*5 Year*	*10 Year*	*15 year*	*15 year*
Cash & Equivalent Assets [3]	as needed	as needed	as needed	1.87	0.63	0.37	1.32	0.49
U.S. Inv. Grade Fixed Income	70.00	35.00	15.00	1.38	1.32	2.09	2.71	1.79
Global Real Estate	2.50	6.00	8.00	-5.90	5.28	10.05	6.21	19.25
U.S. Stocks	15.00	36.00	48.00	-5.24	7.91	13.18	7.89	13.96
Foreign Stocks	7.50	18.00	24.00	-14.20	0.67	6.57	5.22	16.89
Gold Related	5.00	5.00	5.00	-0.70	1.34	4.00	7.82	17.85

Sample Standard Portfolio Statistics: Risk, Return (%) and Growth [4]

	Conservative	*Moderate*	*Aggressive*
Portfolio Return 1 Year	-1.78	-5.04	-6.90
Portfolio Return 5 Year (annualized)	1.74	3.23	4.02
Portfolio Return 10 Year (annualized)	3.83	6.96	8.67
Portfolio Return 15 Year (annualized)	3.68	5.32	6.05
Portfolio Standard Deviation 15 Year (annualized)	4.08	8.74	11.65
Growth of $10,000 over 15 Years	$17,194	$21,759	$24,134

AIS Sample Enhanced Allocations [1]
For the Period Ending December 31, 2018

Asset Class	*Sample Percentage Allocations* [2]			*Asset Class Statistics: Risk and Return (annualized, %)*				
	Conservative	*Moderate*	*Aggressive*	*Total Return*				*Std. Dev.*
				1 Year	*5 Year*	*10 Year*	*15 year*	*15 year*
Cash & Equivalent Assets [3]	as needed	as needed	as needed	1.87	0.63	0.37	1.32	0.49
Fixed Income								
U.S. Short-Term Investment Grade	46.67	23.33	10.00	1.38	1.32	2.09	2.71	1.79
Foreign Investment Grade (hedged)	23.33	11.67	5.00	2.61	1.90	1.96	2.80	1.08
Real Estate								
U.S. REITs	1.67	4.00	5.33	-3.79	7.78	12.16	8.18	22.90
Foreign REITs	0.83	2.00	2.67	-7.42	3.39	8.94	5.53	17.34
U.S. Stocks								
Large Cap	5.00	12.00	16.00	-4.78	8.21	13.28	7.92	13.72
Large Cap Value	5.00	12.00	16.00	-8.27	5.95	11.18	7.04	14.12
Small Cap	2.50	6.00	8.00	-11.01	4.41	11.97	7.50	18.30
Small Cap Value	2.50	6.00	8.00	-12.86	3.61	10.40	6.91	18.21
Foreign Stocks								
Developed Markets	5.00	12.00	16.00	-14.09	0.34	6.24	4.78	16.33
Emerging Markets	2.50	6.00	8.00	-14.58	1.65	8.02	7.90	21.37
Gold Related	5.00	5.00	5.00	-0.70	1.34	4.00	7.82	17.85

Sample Enhanced Portfolio Statistics: Risk, Return (%) and Growth [4]

	Conservative	*Moderate*	*Aggressive*
Portfolio Return 1 Year	-1.94	-5.96	-8.25
Portfolio Return 5 Year (annualized)	1.67	2.79	3.37
Portfolio Return 10 Year (annualized)	3.71	6.70	8.34
Portfolio Return 15 Year (annualized)	3.75	5.43	6.18
Portfolio Standard Deviation 15 Year (annualized)	4.06	9.08	12.16
Growth of $10,000 over 15 Years	$17,364	$22,111	$24,599

1 **Performance was achieved by means of retroactive application of a model designed with the benefit of hindsight.** Past performance may not be indicative of future results. Therefore, no current or prospective investor should assume that the future performance of any specific investment, investment strategy (including the investments and/or investment strategies recommended by the AIS), or product made reference to directly or indirectly, will be profitable or equal to past performance levels. Historical performance results for investment indexes and/or categories generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment-management fee, the incurrence of which would have the effect of decreasing historical performance results. The results portrayed in this portfolio reflect the reinvestment of dividends and capital gains.

2 See back page for a list of investment vehicles that correspond to each asset class.

3 Investors should maintain a cash balance tailored to one's circumstances. Considerations should include anticipated short term spending, an emergency reserve and price inflation.

4 **Sample Portfolio Statistics are hypothetical and do not reflect historical recommendations of AIS.** Annual portfolio rebalancing is assumed. Sample portfolio returns reflect the deduction of 0.725% management fee, the PAM rate charged to a $500,000 account managed by AIS. A maximum annual management fee for the PAM service of 1.50% 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 0.725% and, therefore, returns would be lower than indicated. See AIS ADV Part 2 for full details, available at https://www.americaninvestment.com/images/pdf/AIS-Firm-Brochure_31-March-2018.pdf.

Gold

We hold gold primarily because it serves as a safe haven during financial crises. But the gold price is also weakly (and often negatively) correlated with equities, which indeed helped to offset equity losses in the fourth quarter. Aside from bonds gold was the only asset class to appreciate during the final three months. The daily price began the quarter at $1,187 per ounce and ended at $1,282 marking an increase of 7.95 percent. For the year gold was essentially flat, returning -0.70 percent.

93 YEARS OF U.S. STOCK MARKET RETURNS

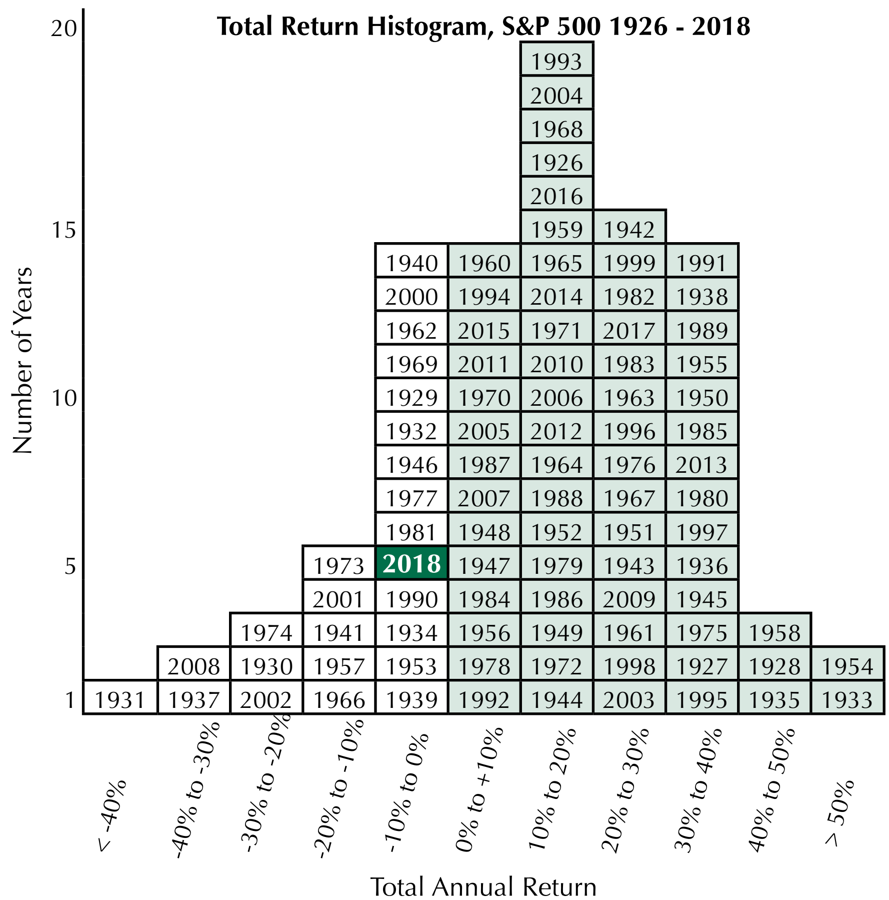
The histogram shown nearby depicts the distribution of calendar year nominal returns for the U.S. stock market (represented by the total annual returns of the S&P 500 index) since 1926. Last year's return of -4.4 percent was well below the median annual return of 13.7 percent. It broke a streak of nine consecutive calendar years of positive returns that had been generated by U.S. stocks since the financial crisis of 2008.

This presentation makes several important points. First, the randomness of returns is evident; there is no discernible "momentum" in annual returns from year-to-year. Second, positive returns are predominant; there have been 68 years with market gains (depicted in green) versus 25 years with losses. Third, the magnitude of the market's gains in positive years on average exceeds the magnitude of losses during negative years. The average (arithmetic) return during positive years was +21.1 percent versus -13.2 percent during negative years.

The data also reveal that investors should not rely on long-term averages to estimate short-term outcomes. The average annual compound return over the 93-year period was 10.0 percent, yet over these nine decades there were only two years that produced a return between 8 percent and 11 percent!

The histogram does not account for the impact of price inflation. If we adjust this 10.0 percent return to account for a loss of purchasing power (as measured by the CPI), the annualized return falls to 6.9 percent. An investment of $1,000 made at the beginning of 1926 would have grown to $7.02 million by the end of 2018 in nominal dollars but, after accounting for price inflation, the ending value would have been only about $496,000.

Despite the impossible-to-predict calendar year returns, stock markets remain the best alternative for investors seeking long-term real growth.



JOHN C. BOGLE

John Bogle, father of the index fund and champion of the individual investor, passed away on January 16, 2019.

Mr. Bogle, who founded Vanguard, perhaps did more to improve the lives of retail investors than anyone. In 1976 amidst great skepticism and even ridicule, he formed the first index mutual fund for individual investors. A year later Vanguard again broke the mold when it ceased offering its funds through brokers and offered them to investors directly.

Throughout his life Mr. Bogle tirelessly inveighed against a mutual fund industry that commonly assessed high fees with no corresponding benefit. As time passed, the wisdom of "passive" index investing became increasingly clear. Evidence mounted that actively-managed funds, which relied on stock picking and market forecasting, were struggling to compete with low-cost index funds that simply embraced the wisdom of the market. The mutual fund industry has been transformed. Between 2008 and 2017, index domestic equity mutual funds and ETFs received $1.6 trillion in net new cash (and reinvested dividends), while non-indexed domestic equity funds experienced a net *outflow* of $1.3 trillion (including reinvested dividends).[1]

AIER and AIS have long embraced the principles of low cost investing, portfolio diversification and empirically-driven research. Our clients and readers have benefitted, as have we. We owe much to the efforts of John Bogle.

1. Source: Investment Company Institute.

THE DECEPTIVE NATURE OF TRAILING RETURNS

Over the ten years between November 2007 and October 2017 the U.S. stock market grew at a rate of 7.61 percent per year.[1] Over the next 12 months (November 2017 through October 2018), the stock market return delivered an unremarkable 6.6 percent.

What was the ten year annualized return on the stock market at the end of October 2018?

A. 7.25 percent
B. 3.84 percent
C. 13.35 percent

Answer A might appear to be correct. The market return had been 7.6 percent per year for ten years, and the next year was a similar 6.6 percent, so it might seem reasonable to conclude that the revised ten year return should be similar, perhaps slightly lower.

However, the correct answer is C. The annualized return over the ten year period ending in October 2018 jumped all the way to 13.35 percent. How could this be, and what should investors take away from this?

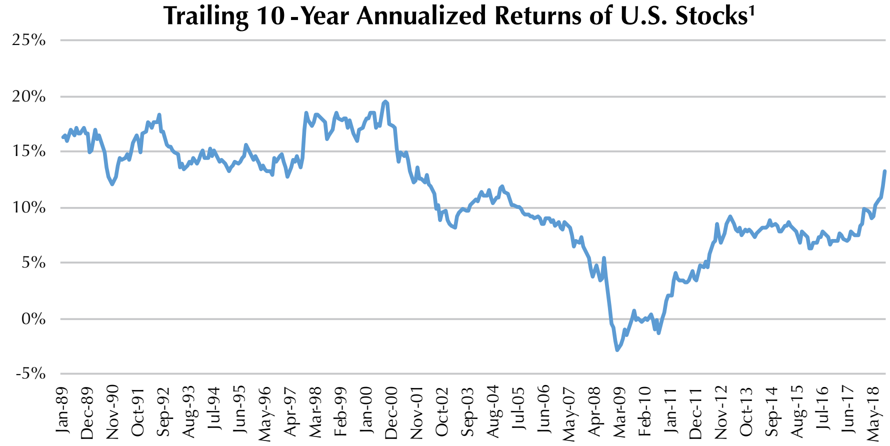
Shifting Time Frames

Any time you look at trailing returns, you are looking at a specific window of time with a particular starting date and ending date. As you move forward, in this case we advanced one month to include a new ten year time frame, you also drop a period from the beginning of the window.

When we moved the ten year endpoint to October 2018, the window shifted such that the worst months of the financial crisis were dropped from the beginning of the ten year timeframe. During those 12 months (November 2007-October 2008) the stock market lost 36.6 percent of its value. Dropping this stretch of terrible returns boosted the annualized return over the entire period well beyond the positive 6.6 percent year that was added at the end.

Financial advisors often counsel investors to avoid judging returns based on short-term performance, and often suggest looking at a longer time frame, such as five or ten years. But as we have just demonstrated, even over ten years returns have been highly variable.

Trailing 10 -Year Annualized Returns of U.S. Stocks[1]



The chart nearby makes the same point, perhaps more poignantly. The blue line depicts the trailing total ten year returns (or "rolling returns") on the U.S. stock market beginning January 1989. So the first point on the far left reveals a return of 16.1 percent for the ten year period February 1979 through January 1989. The next point is the return between March 1979 and February 1989 and so on. The chart is helpful because it includes a total of 358 rolling ten year periods versus a single ten year period a money manager might advertise. The takeaway is clear: even over ten years stock market returns are highly variable. In this case they have varied between 19.5 percent and -2.7 percent.

Conclusion

When considering whether to invest in a particular vehicle such as a mutual fund or ETF, the first question many investors ask is, "How have its returns been?" Many people will head to Morningstar and look at the fund's most recent trailing 5-year and ten -year annualized returns to gauge its success. While trailing returns over a single period can provide some insight when compared to an underlying benchmark, they should not be used to estimate absolute returns one might expect going forward.

Past returns are just that – they are in the past and should not be extrapolated simplistically into the future for financial planning purposes. It is far more rational to structure a portfolio that meets your risk tolerance and financial objectives. Progress should be measured thereafter by comparing your returns only against relevant benchmarks, and by comparing your accumulated wealth to your objectives.

"Didn't you used to manage our mutual fund?"

1. Compound annual growth over ten years. U.S. stock market represented by the Russell 3000 Index, including the reinvestment of dividends.

THE HIGH-YIELD DOW INVESTMENT STRATEGY

Recommended HYD Portfolio

As of January 15, 2019

	Rank	Yield (%)	Price ($)	Status	Percent of Portfolio Value (%)	Percent of Portfolio No. Shares (%)[1]
IBM	1	5.16	121.73	Holding**	22.05	12.55
Exxon Mobil	2	4.58	71.67	Buying	23.37	22.60
Verizon	3	4.15	58.10	Holding**	29.42	35.10
Chevron	4	4.00	112.12	Holding**	15.51	9.59
Pfizer	5	3.37	42.73	Selling	6.84	11.08
Proctor & Gamble	8	3.12	92.01	Holding	1.84	1.39
General Electric	NA	0.45	8.73	Holding	0.97	7.70
Cash (6-mo. T-Bill)	N/A	N/A			0.01	N/A
Totals					100.00	100.00

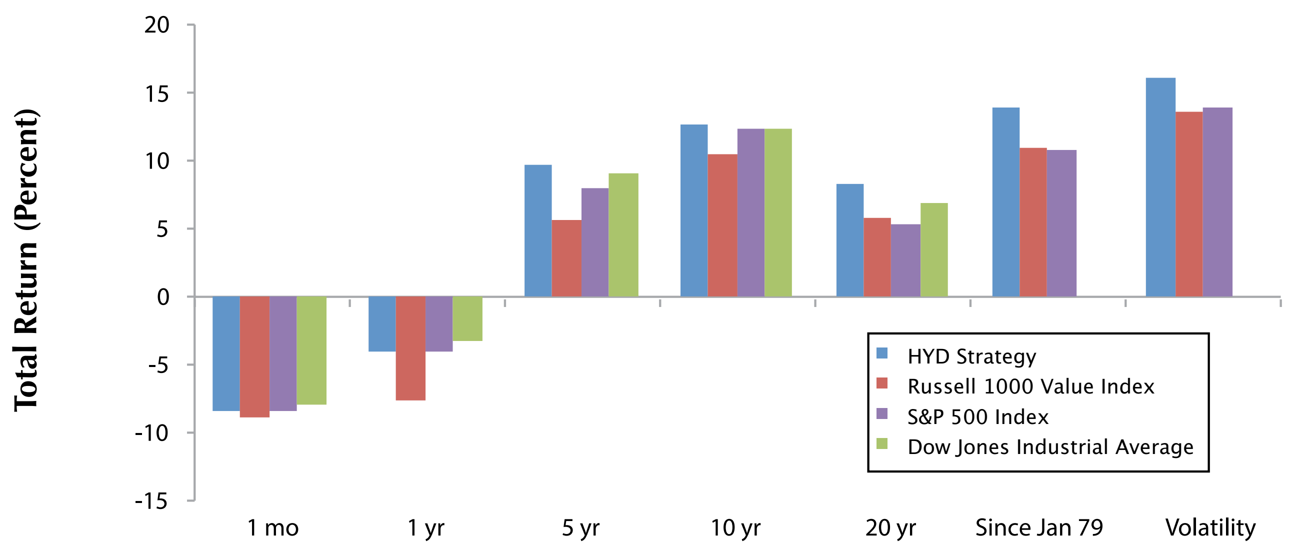
**Currently indicated purchases approximately equal to indicated purchases 18 months ago. [1]Because the percentage of each issue in the portfolio by value reflects the prices shown in the table (closing prices on the date indicated), we are also showing the number of shares of each stock as a percentage 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 December 31, 2018*. Returns for the 5-,10- and 20-year periods are annualized, as is the volatility (standard deviation) of returns.

	1 mo.	1 yr.	5 yrs.	10 yrs.	20 yrs.	since Jan 79	Volatility since 1979
HYD Strategy	-8.98	-4.43	10.25	13.46	8.84	14.77	17.06
Russell 1000 Value Index	-9.60	-8.27	5.95	11.18	6.16	11.67	14.40
S&P 500 Index	-9.03	-4.38	8.49	13.12	5.62	11.52	14.80
Dow Jones Industrial Average	-8.59	-3.48	9.70	13.16	7.26	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 Average 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 0.725% management fee, the annual rate assessed to a $500,000 account managed through our Professional Asset Management service.

Unless otherwise specified returns and data cited within this publication are derived from the following sources: U.S. stock benchmarks: U.S. Marketwide - Russell 3000 Index; U.S. Large Cap Stocks - Russell 1000 Index; U.S. Large Cap Value - Russell 1000 Value Index; U.S. Large Cap Growth - Russell 1000 Growth Index; U.S. Midcap Stocks - Russell Midcap Index; U.S. Small Cap Stocks - Russell 2000 Index; U.S. Small Cap Value - Russell 2000 Value Index; U.S. Small Cap Growth - Russell 2000 Growth Index; U.S. Microcaps - Russell Microcap Index. Fixed income benchmarks: Cash & Equivalents - ICE BofAML US 3-Month Treasury Bill Index; U.S. Short-Term Investment Grade - Bloomberg Barclays US Government/Credit Bonds Index 1-5 Years; U.S. Bonds - Bloomberg Barclays US Aggregate Bond Index; U.S. Government Bonds - Bloomberg Barclays US Government Bond Index; TIPS - Bloomberg Barclays US TIPS Index; Municipal Bonds - Bloomberg Barclays Municipal Bond Index 5 Years; Foreign Bonds (hedged) - FTSE Non-USD World Government Bond Index 1-5 Years (hedged to USD). Foreign stock benchmarks: All returns in U.S. dollars. Developed Markets - MSCI World ex USA Index (net div.); Developed Markets Value - MSCI World ex USA Value Index (net div.); Developed Markets Growth - MSCI World ex USA Growth Index (net div.); Developed Markets Small Cap - MSCI World ex USA Small Cap Index (net div.); Developed Markets Small Cap Value - MSCI World ex USA Small Value Index (net div.); Developed Markets Small Cap Growth - MSCI World ex USA Small Growth Index (net div.); Emerging Markets - MSCI Emerging Markets Index (net div.); Emerging Markets Value - MSCI Emerging Markets Value Index (net div.). Real estate benchmarks: Global REITs - S&P Global REIT Index (net div.); U.S. REITs - S&P United States REIT Index (gross div.); International REITs - S&P Global ex US REIT Index (net div.). Gold benchmark: Gold London PM Fix Price. All data from DFA Returns 2.0 program, except Gold data from World Gold Council and Currency data from St. Louis Federal Reserve. Country performance provided by Dimensional Fund Advisors, based on respective indexes in the MSCI All Country World ex USA IMI Index (for developed markets) and MSCI Emerging Markets IMI Index. Sector returns represented by S&P 500 sectors.

RECENT MARKET STATISTICS

Precious Metals & Commodity Prices ($)

	1/15/19	Mo. Earlier	Yr. Earlier	Prem. (%)
Gold, London p.m. fixing	**1,294.40**	1,235.35	1,326.80	
Silver, London Spot Price	**15.60**	14.58	17.01	
Crude Oil, W. Texas Int. Spot	**50.31**	51.26	61.73	
Coin Prices ($)[1]				
American Eagle (1.00)	**1,319.40**	1,260.35	1,351.80	1.93
Austrian 100-Corona (0.98)	**1,262.51**	1,204.64	1,294.26	-0.47
British Sovereign (0.2354)	**304.70**	290.80	312.33	0.00
Canadian Maple Leaf (1.00)	**1,304.40**	1,245.35	1,336.80	0.77
Mexican 50-Peso (1.2056)	**1,552.53**	1,481.34	1,591.59	-0.51
Mexican Ounce (1.00)	**1,312.40**	1,253.35	1,344.80	1.39
S. African Krugerrand (1.00)	**1,301.40**	1,242.35	1,333.80	0.54
U.S. Double Eagle-$20 (0.9675)				
St. Gaudens (MS-60)	**1,215.00**	1,215.00	1,290.00	-2.98
Liberty (Type II-AU50)	**1,325.00**	1,325.00	1,325.00	5.80
Liberty (Type III-AU50)	**1,210.00**	1,206.00	1,275.00	-3.38
U.S. Silver Coins ($1,000 face value, circulated)				
90% Silver Circ. (715 oz.)	**10,146.50**	10,146.50	12,421.00	-9.03
40% Silver Circ. (292 oz.)	**4,117.00**	4,117.00	4,881.00	-9.62
Silver Dollars Circ.	**18,000.00**	18,000.00	22,875.00	49.19

[1]Premium reflects percentage difference between coin price and value of metal in a coin. The weight in troy ounces of the precious metal in coins is indicated in parentheses.

Recent Market Returns

Data through December 31, 2018

	U.S. Stocks (Mktwd)	Foreign Dev. Stocks	Foreign Emerg. Stocks	Global REITs	U.S. Bonds	Foreign Bonds (hedged)	Gold
1-month	-9.31% ↓	-5.17% ↓	-2.66% ↓	-5.93% ↓	1.84% ↑	0.63% ↑	5.27% ↑
3-month	-14.30% ↓	-12.78% ↓	-7.47% ↓	-5.79% ↓	1.64% ↑	1.36% ↑	7.95% ↑
1 year	-5.24% ↓	-14.09% ↓	-14.58% ↓	-5.90% ↓	0.01% ↑	2.61% ↑	-0.70% ↓
5 year (annualized)	7.91% ↑	0.34% ↑	1.65% ↑	5.28% ↑	2.52% ↑	1.90% ↑	1.34% ↑
15 year (annualized)	7.89% ↑	4.78% ↑	7.90% ↑	6.21% ↑	3.87% ↑	2.80% ↑	7.82% ↑
Best and worst one-year returns, Jan. 2001 - Dec. 2018							
Best	**56.0%**	**57.2%**	**91.6%**	**85.7%**	**13.8%**	**7.1%**	**57.6%**
During:	03/2009-02/2010	04/2003-03/2004	03/2009-02/2010	04/2009-03/2010	11/2008-10/2009	07/2008-06/2009	06/2005-05/2006
Worst	**-43.5%**	**-50.3%**	**-56.6%**	**-59.5%**	**-2.5%**	**0.1%**	**-27.4%**
During:	03/2008-02/2009	03/2008-02/2009	12/2007-11/2008	03/2008-02/2009	09/2012-08/2013	04/2010-03/2011	12/2012-11/2013

THE DOW JONES INDUSTRIALS RANKED BY YIELD*

	Ticker Symbol	Market Prices ($) 1/15/19	12/14/18	1/12/18	12-Month ($) High	Low	Latest Dividend Amount ($)	Record Date	Payable Date	Indicated Annual Dividend ($)	Yield† (%)
IBM	IBM	121.73	119.90	163.14	171.13	105.94	1.570	11/9/18	12/10/18	6.280	5.16
Exxon Mobil	XOM	71.67	75.58	87.52	89.30	64.65	0.820	11/13/18	12/10/18	3.280	4.58
Verizon	VZ	58.10	57.08	51.86	61.58	46.09	0.603	1/10/19	2/1/19	2.410	4.15
Chevron	CVX	112.12	113.83	133.60	132.80	100.22	1.120	11/16/18	12/10/18	4.480	4.00
Pfizer	PFE	42.73	43.80	36.54	46.47	33.20	0.360	2/1/19	3/1/19	1.440	3.37
Coca-Cola	KO	47.57	49.34	46.15	50.84	41.45	0.390	11/30/18	12/14/18	1.560	3.28
J P Morgan	JPM	101.68	100.29	112.67	119.33	91.11	0.800	1/4/19	1/31/19	3.200	3.15
Procter and Gamble	PG	92.01	96.64	89.61	96.90	70.73	0.717	1/18/19	2/15/19	2.869	3.12
Cisco	CSCO	44.02	45.82	40.87	49.47	37.35	0.330	1/4/19	1/23/19	1.320	3.00
Merck	MRK	74.50	76.48	58.66	80.19	52.83	0.550	12/17/18	1/8/19	2.200	2.95
3M Company	MMM	188.94	196.10	244.47	259.77	176.87	1.360	11/23/18	12/12/18	5.440	2.88
Johnson & Johnson	JNJ	129.36	133.00	145.76	148.99	118.62	0.900	2/26/19	3/12/19	3.600	2.78
DowDupont	DWDP	55.01	52.78	75.41	77.08	48.89	0.380	11/30/18	12/14/18	1.520	2.76
United Tech.	UTX	111.06	118.80	136.58	144.15	100.48	0.735	11/16/18	12/10/18	2.940	2.65
Caterpillar	CAT	130.69	126.77	170.30	173.10	112.06	0.860	1/22/19	2/20/19	3.440	2.63
McDonald's	MCD	181.02	183.29	173.57	190.88	146.84	1.160	12/3/18	12/17/18	4.640	2.56
Travelers	TRV	121.82	120.55	134.73	150.55	111.08	0.770	12/10/18	12/31/18	3.080	2.53
Intel Corp	INTC	48.60	47.86	43.24	57.60	42.04	0.300	11/7/18	12/1/18	1.200	2.47
Walgreen's	WBA	71.79	78.74	76.07	86.31	59.07	0.440	11/12/18	12/12/18	1.760	2.45
Home Depot, Inc.	HD	176.47	172.29	196.42	215.43	158.09	1.030	11/29/18	12/13/18	4.120	2.33
Boeing	BA	352.24	318.75	336.21	394.28	292.47	2.055	2/8/19	3/1/19	8.220	2.33
Wal-Mart Stores	WMT	96.25	91.85	100.87	109.98	81.78	0.520	12/7/18	1/2/19	2.080	2.16
Apple	AAPL	153.07	165.48	177.09	233.47	142.00	0.730	11/12/18	11/15/18	2.920	1.91
Goldman Sachs	GS	179.91	172.77	257.03	275.31	151.70	0.800	11/30/18	12/28/18	3.200	1.78
Microsoft Corp.	MSFT	105.01	106.03	89.60	116.18	83.83	0.460	2/21/19	3/14/19	1.840	1.75
American Express	AXP	97.99	105.70	100.97	114.55	87.54	0.390	1/4/19	2/8/19	1.560	1.59
Walt Disney	DIS	111.76	112.20	112.47	120.20	97.68	0.880	12/10/18	1/10/19	1.760	1.57
Unitedhealth Group	UNH	256.87	265.02	228.64	287.94	208.48	0.900	12/3/18	12/13/18	3.600	1.40
Nike	NKE	77.88	72.53	64.67	86.04	62.09	0.220	12/3/18	1/2/19	0.880	1.13
Visa Inc.	V	137.34	135.09	120.09	151.56	111.02	0.250	11/16/18	12/4/18	1.000	0.73

† Based on indicated dividends and market price as of 1/15/19. Extra dividends are not included in annual yields.
All data adjusted for splits and spin-offs. 12-month data begins 1/15/18.

ASSET CLASS INVESTMENT VEHICLES

Data as of December 31, 2018		Security Symbol(s) (1) Mutual Fund	ETF	Avg. Market Cap / Avg. Maturity	Number of Holdings	Expense Ratio (%)	Turnover (%)	Price-to-Book Ratio	Trailing 12-Mo. Yield (%)	Annualized Returns (%) 1-Year	3-Year	5-Year	Tax Cost Ratio - 3 Years (%) (3)
Fixed Income													
Short-Term Bonds	Vanguard Short-Term Bond Adm	VBIRX	BSV	2.90 yrs	2554	0.07	0		2.01	1.35	1.34	1.24	0.72
Short-Term Bonds	SPDR Portfolio Short Term Corp Bd ETF		SPSB	1.96 yrs	1145	0.07	67		2.36	1.45	1.71	1.37	0.83
Short-Term Bonds	iShares 1-3 Year Treasury Bond ETF		SHY	1.94 yrs	67	0.15	85		1.72	1.46	0.85	0.68	0.48
Interm-Term	Vanguard Total Bond Market Adm	VBTLX	BND	8.60 yrs	17374	0.05	55		2.77	-0.03	2.03	2.46	1.10
Interm-Term	iShares Core US Aggregate Bond ETF		AGG	8.15 yrs	7023	0.05	252		2.72	0.10	2.01	2.49	1.04
Tax-Exempt	Vanguard Ltd-Term Tax-Exempt Inv	VMLTX		2.80 yrs	5026	0.19	19		1.81	1.55	1.13	1.30	0.00
Tax-Exempt	SPDR Nuveen Blmbg Barclays ST MunBd ETF		SHM	3.12 yrs	1385	0.20	32		1.23	1.56	0.64	0.81	0.00
Tax-Exempt	Vanguard Interm-Term Tx-Ex Inv	VWITX		5.50 yrs	7949	0.19	15		2.81	1.25	1.94	3.16	0.00
Inflation-Protected	iShares TIPS Bond ETF		TIP	7.97 yrs	39	0.20	32		2.71	-1.42	2.03	1.57	0.87
Inflation-Protected	Vanguard Inflation-Protected Securities Inv	VIPSX		8.30 yrs	44	0.20	22		3.02	-1.49	1.92	1.53	1.03
International	Vanguard Total International Bond Adm	VTABX	BNDX	9.30 yrs	5404	0.11	19		3.00	2.97	3.34	3.95	0.99
Real Estate (REITs)													
U.S. REITs	Vanguard REIT Adm	VGSLX	VNQ	13.12 B	193	0.12	6	2.31	4.73	-5.95	2.31	7.40	1.50
U.S. REITs	SPDR Dow Jones REIT		RWR	12.55 B	98	0.25	9	2.20	4.19	-4.40	1.72	7.63	1.61
Int'l REITs	Vanguard Global ex-US Real Estate Adm (2)	VGRLX	VNQI	6.14 B	625	0.14	6	0.94	4.62	-9.48	5.22	3.37	1.70
Int'l REITs	iShares International Developed Property		WPS	6.44 B	361	0.48	11	0.92	4.44	-9.02	4.15	2.62	1.71
Global (incl. U.S.)	SPDR Dow Jones Global Real Estate ETF		RWO	9.74 B	227	0.50	11	1.49	3.90	-5.99	1.73	4.76	1.50
U.S. Stocks													
Large Cap (blend)	Vanguard S&P 500 Adm	VFIAX	VOO	102.82 B	517	0.04	3	3.03	2.05	-4.43	9.22	8.46	0.59
Large Cap (blend)	iShares Core S&P 500		IVV	101.74 B	509	0.04	4	3.03	2.21	-4.47	9.27	8.46	0.56
Large Cap (blend)	iShares Russell 1000 ETF		IWB	78.69 B	990	0.15	4	2.95	2.07	-4.88	9.00	8.10	0.53
Large Cap Value	Vanguard Value Adm	VVIAX	VTV	100.20 B	348	0.05	9	2.26	2.72	-5.43	8.98	7.75	0.76
Large Cap Value	iShares Russell 1000 Value		IWD	62.01 B	731	0.20	15	1.95	2.72	-8.42	6.81	5.78	0.67
Small Cap (blend)	iShares Core S&P Small-Cap ETF		IJR	1.64 B	606	0.07	12	1.96	1.58	-8.49	9.44	6.32	0.41
Small Cap (blend)	Schwab US Small-Cap ETF		SCHA	2.48 B	1766	0.05	9	1.93	1.62	-11.77	6.75	4.43	0.48
Small Cap Value	Vanguard Small Cap Value Adm	VSIAX	VBR	3.48 B	870	0.07	19	1.76	2.35	-12.23	6.98	5.23	0.65
Small Cap Value	iShares Russell 2000 Value		IWN	1.62 B	1391	0.24	23	1.35	1.99	-12.99	7.34	3.51	0.60
Small Cap Value	iShares Micro-Cap		IWC	0.49 B	1467	0.60	22	1.69	1.01	-13.12	5.74	3.08	0.35
Marketwide	Vanguard Total Stock Market Adm	VTSAX	VTI	59.62 B	3642	0.04	3	2.87	2.03	-5.17	8.99	7.90	0.66
Marketwide	Fidelity Total Market Index	FSKAX		59.36 B	3392	0.02	2	2.86	2.05	-5.28	8.95	7.88	0.91
Foreign Stocks													
Developed Markets	Vanguard FTSE Developed Markets Adm	VTMGX	VEA	21.73 B	3948	0.07	3	1.43	3.33	-14.46	3.47	n/a	0.84
Developed Markets	iShares Core MSCI EAFE ETF		IEFA	22.25 B	2524	0.08	2	1.47	3.46	-14.13	3.36	0.82	0.78
Emerging Markets	Vanguard Emerging Markets Stock Adm	VEMAX	VWO	18.76 B	4073	0.14	6	1.55	2.85	-14.58	7.84	1.32	0.84
Emerging Markets	Schwab Emerging Markets Equity ETF		SCHE	28.03 B	982	0.13	18	1.53	2.69	-13.56	9.04	1.63	0.84
Gold-Related Funds													
Gold ETFs	SPDR Gold Minishares		GLDM			0.18			0.00	n/a	n/a	n/a	0.00
Gold ETFs	GraniteShares Gold Trust		BAR			0.17			0.00	-1.87	n/a	n/a	0.00

Data provided by the funds and Morningstar. (1) Some funds are available as mutual funds and ETFs, in which case both symbols are shown. In these cases, data represent the mutual fund. The ETF may offer a lower expense ratio and returns may deviate. For Vanguard funds, Adm indicates the Admiral share class is shown; Inv indicates the Investor share class is shown. (2) VGRLX includes a 0.25% fee on purchases and redemptions, which are paid directly to the fund. (3) This represents the percentage-point reduction in an annualized return that results from income taxes. The calculation assumes investors pay the maximum federal rate on capital gains and ordinary income. The calculation comes directly from Morningstar.