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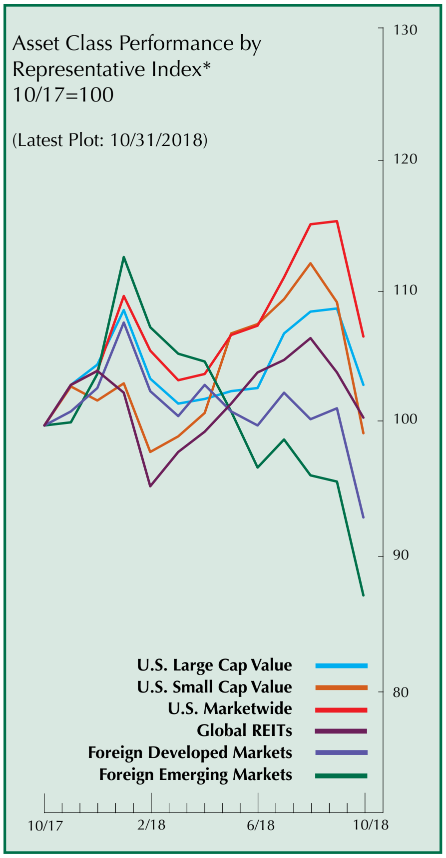


Rates of Interest

As of November 21, 2018

Government Obligations[1]	
Fed Funds Rate	2.20%
3-Month Treas. Bill	2.34%
10-Yr. Treas. Note	3.06%
30-Yr. Treas. Bond	3.32%
10-Yr. TIPS	1.07%
Muni Bonds - Nat'l 10-Yr.	2.65%
Mortgage Rates[2]	
15-Yr Fixed	4.24%
30-Yr Fixed	4.81%
Banking[3]	
Savings	0.09%
Money Market	0.16%
12-month CD	0.56%

[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).

The Stock Market Reversal

The U.S. stock market fell by 6.8 percent in October (all returns cited in this article refer to the S&P 500 and include reinvestment of dividends). As of late November the market remained volatile but had failed to make up any ground. Investors are understandably concerned. But this decline follows an unusually long period of steady gains and reveals little about what lies ahead.

Put it in Perspective

This recent downturn might seem particularly disturbing simply because it has been so long since we've experienced anything like it.

Consider that the last calendar-month decline of more than 5 percent occurred all the way back in August 2015. Since early 2016 through this past September, we have experienced 32 months of quite smooth sailing; there were only four months with negative returns, and they were all quickly erased by gains.

Market turbulence meanwhile has been subdued. At the end of last year trailing 12-month volatility hit its lowest point since 1926, and the volatility index (VIX) hit an all-time low. The VIX increased in early 2018, but had fallen again by mid-year.

So in terms of risk versus return, until last month for the most part investors have enjoyed a long period of easy money.

But it is these (nearly) three prior years of steady gains, rather than the past two months of decline, that are abnormal. Going back to 1980, losses have occurred in one out of three months on average. In 39 of those months, or roughly once per year on average, the market fell by more than 5 percent.

Recency Bias

There is no reason to conclude that the decline over the past several weeks is a harbinger of a continued decline. We cannot emphasize enough how important it is for investors to avoid "recency bias", which is the behavioral tendency to assume that recent trends will continue into the future. Consider:

- Since 1980, in those 38 monthly episodes where the market fell by at least 5 percent, the following 12 months provided an average total return of **+12.8 percent.**

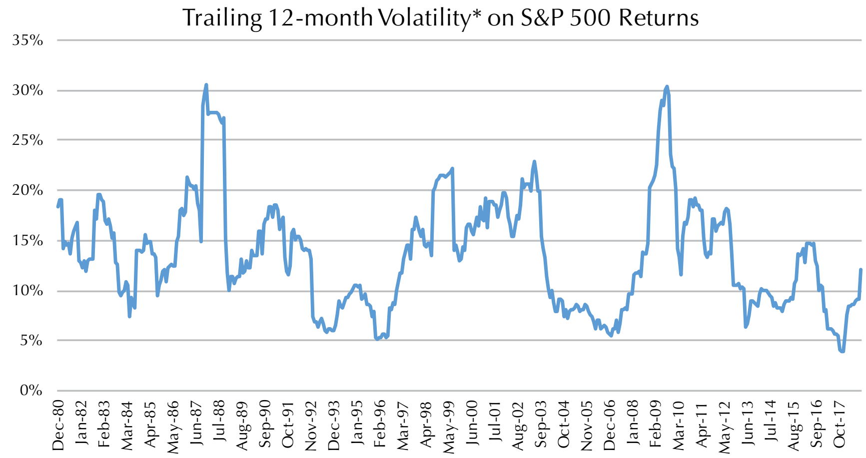
(continued next page)

- In the 416 months since 1980 where the market did **not** fall by at least 5 percent, the following year provided a nearly identical average return of **+12.9 percent**.

The Latest News

This latest surge in volatility has arrived amidst a backdrop of several worries; a major culprit this time appears to be the threat of a global trade war. Economists have voiced their concern regarding the economic consequences of a breakdown in trade relations and the market has reacted. So, to the extent investors find these worries credible, these concerns are already "priced in" to the market. But there is nothing about this turn of events that suggests the market will (or won't) fall further.

Whatever happens going forward will depend on new information; in this case news pertaining to the trade front. News, by definition, is unknown. News could break suggesting that trade will be resolved or that it will worsen, but anyone predicting what will happen subsequently is just speculating.



*Annualized standard deviation

The Takeaway

Unfortunately for investors, many financial service providers are very good at building compelling narratives and forecasts built on information that is already well known. If by chance their forecasts are correct they invariably attribute the result their "skill."

We don't know what will happen with trade developments or how it might affect the economy in the short-or long-term, and we certainly don't know how the market will react. But neither does anyone else.

The fact is, stock markets are forward-looking and respond to breaking developments, so the latest trend and old news provide little information with regard to future valuations. Wise investors will be neither distracted nor discouraged by recent circumstances.

YEAR-END TAX CONSIDERATIONS

As we approach year-end, investors with taxable accounts should consider taking action to reduce any liability for taxes due on capital gains they may have realized throughout the year. Here we describe parameters and techniques for offsetting these gains, as well as other means of reducing the investment tax burden in 2019 and beyond.

Tax Year 2018

As a result of the Tax Cuts and Jobs Act of 2017, investors will confront significant changes when they file their income tax return for 2018. Taxable income thresholds for long-term capital gains and qualified dividends are higher versus 2017. But investors may also find that their taxable income itself differs markedly as a result of several changes, perhaps most notably a doubling of the standard deduction. For a summary of these changes see our article Highlights from the Tax Overhaul (December 2017 *Investment Guide*).

In terms of total returns it appears that global equity markets will produce mixed results for 2018, so investors who periodically rebalance their portfolios may have lower taxable gains to report than in previous years. However investors should not assume the same is true for year-end distributions from open-end mutual funds they may own (see following article).

What's My Rate?

Before making any year-end portfolio rebalancing decisions, it is important to estimate your marginal income tax rate, which is the effective rate you would pay on an additional dollar of taxable income. To repeat: given the recent changes in the tax code, investors this year should not assume their taxable income will be similar to that reported in prior years.

Estimating your marginal tax bracket is complicated by a variety of deductions, exemptions and tax credits, but tax software or a tax professional can help you with the calculation.

Short-term capital gains (gains on investments held exactly one year or less) are treated as ordinary income, so these gains are taxed at your marginal income tax rate. Rates levied on long-term capital gains (investments held longer than one year) and qualified dividends face a different schedule based on one's filing status and taxable income. This is summarized in the table nearby.

While most taxpayers confront a long-term capital gain levy of 15 percent, those in the highest tax bracket incur 20 percent. Investors in higher tax brackets might also confront the net income investment tax (NIIT). The NIIT can impose an additional 3.8 percent on dividends, interest, and any net gains from the disposition of property such as common stocks or mutual funds.

It's clear that the tax code provides strong incentive to hold investments for longer than one year, and to avoid recognizing gains at all until it's time to "spend down" – often in retirement. With the exception of sales from portfolio rebalancing, that can mean holding investments for decades. There are several additional techniques beyond simply deferring your gains that can boost after-tax returns.

Tax Losses

Investors who hold a range of investments have probably experienced declines in several asset classes. As the year draws to a close, it is wise to review taxable accounts to consider whether to sell any investments that might have unrealized losses. These losses can be used to offset taxable gains realized throughout the year. Furthermore, any net capital losses (losses remaining after offsetting realized gains) of up to $3,000 can be used to offset ordinary income. Net losses in excess of $3,000 can be carried forward to offset gains or income in future years.

Caution is in order. Selling securities for the sole purpose of realizing losses may be shortsighted if the sale will alter your desired asset class exposure.

Investors cannot avoid this risk by simply buying the same security back immediately. The tax loss would be disallowed under the IRS “wash sale” rule, which disallows losses on the sale of securities if “substantially identical” securities (or options to purchase such securities) are purchased within a 61-day window beginning 30 days before the date of the sale and ending 30 days after the sale. One could wait the required 30 days to repurchase the security sold, but securities prices can change a great deal in a month, so this strategy risks selling shares but then repurchasing them only after a substantial increase in price.

Tax Swapping

Fortunately, there is a way to generate a loss for tax purposes without enduring 30 days of heightened portfolio risk. Investors can sell a security with tax losses and *immediately* purchase another security that is not identical but is *in the same asset class* as the security that was sold. As long as the two securities are not considered to be substantially identical, the loss will be allowed. The key is to identify a replacement security with price changes that are highly correlated with price changes of the security being sold.

For example, over the past 12 months emerging markets stocks have performed more poorly than other asset classes, so investors may have unrealized losses in the Vanguard Emerging Markets ETF (this fund, symbol VWO, is listed on the back page). One could sell his position in VWO at a loss and immediately invest the proceeds in the Schwab Emerging Markets ETF (SCHE, also listed on the back page). It is unlikely that the loss on VWO would run afoul of the wash rule, even though the purchase was made within the 30-days of the sale. Before investing, consult a tax professional to ensure that any substitute investment is not considered substantially identical to that being replaced.

For our clients, we are actively assessing potential tax losses and harvesting those losses when they exceed certain thresholds. This should help to offset capital gains distributions from mutual funds and may help offset dividends and income earned throughout the year.

Year-end provides a good opportunity to consider other techniques for keeping your investment-related taxes to a minimum. These include the selection of tax-efficient vehicles, asset location, and tax diversification.

Tax Efficient Vehicles

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

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

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

Tax Location

Many households have access to tax-deferred accounts. Common types include IRAs, employer-sponsored defined-contribution accounts such as 401(k) plans, and health savings accounts (HSAs).[1] When forming your allocation plan, you should account for your entire portfolio, which should include assets held in taxable as well as tax-deferred accounts. To the extent it is practical, you should concentrate your least tax-efficient holdings (such as taxable bonds) in your tax deferred accounts, leaving your taxable accounts for your most tax-efficient assets.

For a more detailed explanation of asset location, see our article Location, Location, Location (April 2017 *Investment Guide*).

(continued next page)

Investment Taxes 2018

Single	Married filing joint	Married filing separately	Head of household	Tax rate
Long-term capital gains and qualified dividends tax (thresholds for taxable income)				
Up to $38,600	Up to $77,200	Up to $38,600	Up to $51,700	0%
$38,601 up to $425,800	$77,201 up to $479,000	$38,601 up to $239,500	$51,701 up to $452,400	15%
More than $425,800	More than $479,000	More than $239,500	More than $452,400	20%
Net investment income tax (thresholds for Modified Adjusted Gross Income (MAGI))				
More than $200,000	More than $250,000	More than $125,000	More than $200,000	3.8% *

*The 3.8% net investment income tax (NIIT, also known as the Medicare surtax) applies to the lesser of net investment income or MAGI exceeding the thresholds shown above. This tax doesn't apply to municipal bond interest, qualified retirement plan withdrawals, or IRA withdrawals. Source: IRS, Vanguard.

"To representation without taxation!"

Tax Diversification

Taxes on future income should be considered a risk because the magnitude of this potential cost is unforeseeable. The taxes you pay in the future will depend on your own future circumstances as well as changes in future tax law, neither of which can be predicted. Fortunately tax risk, like investment risk, can be managed effectively through diversification.

Tax-diversification can be employed through different account types. For example, because the effective tax rate you pay in retirement may be higher or lower than your current rate, it might be prudent to maintain not just a traditional IRA (or 401(k)), the distributions of which are often taxed as ordinary income, but also a Roth IRA (or Roth 401(k)), which allow tax-free distributions in retirement. Investors with a traditional IRA or 401(k) who have not established a corresponding Roth account should weigh the costs and benefits of doing so; this can be accomplished with a full or partial account rollover. You should consult an accountant before pursuing this option.

For more on Roth conversions see A New Opportunity for Roth Conversions (January 2018 *Investment Guide*) and A Roth Conversion, Is Now the Time? (August 2018 *Investment Guide*).

Charitable donations made through planned giving can bestow immediate and future financial benefits for you as a donor, while also fulfilling your charitable intentions. A Charitable Remainder Unitrust (CRUT) is an often-overlooked tax-management device that can generate an immediate tax deduction and an income stream for the life of the donor (or named beneficiary), avoids immediate taxation of capital gains on donations of appreciated assets, and provides a future gift for the named charity. Your church, alma mater or favorite non-profit organization may be eligible. AIS has considerable experience in establishing and managing CRUTs and other planned giving alternatives. We can explain the mechanics of these accounts to you, as potential donor, or to a charitable organization you know. To learn more contact us at (413) 528-1216 ext. 3155.

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

MUTUAL FUND DISTRIBUTIONS: BEWARE OF BUYING A DIVIDEND

To avoid corporate income taxes, a mutual fund must pay out essentially all of its net income each fiscal year. This requirement means that, with infrequent exceptions, funds pay dividends at least annually. Even if a fund earned no dividends or interest during the year, it probably realized capital gains from securities trading. This form of income also must be distributed. Between dividend payments, a fund's price per share, (its net asset value, or NAV) reflects any income that the fund has received since the last payment.

Unless a mutual fund is held in a tax-deferred account such as an IRA or 401(k), these dividends are subject to taxation for the tax year in which they are declared. Because they are distributions from the fund itself, any taxes incurred are independent of any tax liability that might result from redemptions of fund shares made by the investor during the year.

Each dividend payment involves three events, usually on three separate dates. First, the fund's management declares a dividend. This usually happens at least once a year, although many bond funds declare dividends every business day (such dividends typically are payable monthly). Second, the fund goes "ex-dividend," which means that the ownership of the dividend no longer changes hands along with the fund's shares. Those who buy shares on or after the ex-dividend date do not receive the dividend just declared, even though it has yet to be paid. Accordingly, the fund's NAV falls by the amount of the dividend on the ex-dividend date. The third event is the dividend payment.

Before the ex-dividend date, a fund's NAV reflects the full value of the fund's undistributed income. If shares are purchased immediately before the ex-dividend date, the investor "buys the dividend." On the ex-dividend date, the NAV of the shares will decrease by the amount of the dividend, which then, in an economic sense, represents a return of capital; the investor will have either cash in hand or, if the dividend is re-invested, more shares. Either way, the investor will have neither gained nor lost. However, the dividend will be taxable income to the investor. An investor who purchases shares in a fund whose NAV includes accumulated income (and nearly all funds have some undistributed income and unrealized capital gains at any given time) is, in effect, purchasing some of the tax liabilities of the existing shareholders.

"Buying dividends" is seldom a major consideration for ordinary income (such as the dividends and interest received by a fund). Such income is typically paid out quarterly or even more frequently. However, the problem can become significant for capital gains, which are usually paid out only once a year. Moreover, capital gains dividends include only gains that are realized during the year, which means not only that the gains realized in a given year may include gains on investments made many years earlier, but also that fund managers have considerable discretion on the amount of capital gains dividend paid by a fund. This can have a significant tax impact on mutual fund investors.

This impact can be favorable for investors who maintain their holdings in the same mutual fund for many years, especially if the initial purchases are made when the fund has little or no unrealized gains on its books. Some of the capital gains tax burden arising from the fund's sales of its holdings will be borne by subsequent investors in the fund. Such long term investors will incur lower tax liabilities over the years by investing via a fund than they would incur by buying and selling for their own accounts exactly the same securities in the same proportions as the fund. Of course, this advantage only represents a deferral of the tax liability when the fund is sold, the gain will be larger than had the investor acted on his own.

On the other hand, investors who switch in and out of mutual funds, or from fund to fund, may find that their capital gains income is accelerated to the extent that they receive capital gains dividends on funds that they have held only briefly. It is important to recognize, however, that the impact of capital gains dividends on overall capital gains tax liabilities entirely concerns timing. Whether the taxable capital gain is accelerated or deferred, the total of taxable capital gains or losses from an investment in a fund will be the same once the fund is sold.

Investors considering year-end trades to reduce their tax bill (perhaps through tax-swapping as we explain nearby) should buy mutual fund shares on the exdividend date or soon after, when the fund's NAV is not inflated by unpaid dividends. The next dividend payment then will represent a return *on* the investment rather than a return *of* the investment.

Investors are most likely to buy a dividend inadvertently in December, because the many funds that declare annual dividends usually do so at year-end. That said, precise timing of share purchases often is not possible. For the long term investor who reinvests dividends, the tax consequences of buying a dividend often are not worth the cost of holding idle cash balances until the next ex-dividend date.

Below we provide links to current distribution estimates and other information for 2018, for funds offered by Vanguard and Dimensional Funds Advisors (DFA). For our readers we list several Vanguard funds on the back page that are suitable for the asset classes we describe regularly. DFA funds are available to our AIS clients. We also list several exchange-traded funds (ETF) on the back page. ETFs utilize a creation/redemption mechanism that often avoids distributions to shareholders. While we are not accountants, our advisory staff uses these estimates to optimize our clients' after-tax returns. If you do not currently work with an advisor, feel free to call us at 413-645-3327 to discuss year-end tax planning.

Estimated distributions – Vanguard:

List as a PDF

Note from Vanguard: "Funds not listed did not expect, as of October 31, 2018, to distribute capital gains in December. Also, we don't anticipate any Vanguard ETFs will distribute capital gains."

Estimated distributions – DFA:

List as a PDF

THINK BEFORE YOU LINK

With the holidays upon us, government and nongovernmental agencies are warning consumers about the increased risks of online shopping. Online shoppers are confronting a proliferation of identity theft schemes. Two forms of deception in particular are on the rise:

- *Phishing* refers to fake websites or fraudulent email/text messages that appear to come from legitimate businesses.
- *Spoofing* aims to deceive computer systems or users by faking the identity of another user on the Internet.

As the volume and sophistication of these attacks increase, there are fundamentals steps you can take to avoid becoming a victim of these scams.

Good habits go a long way. Take your time to conduct a thorough and careful email review before responding to it or utilizing any link(s) contained within the message:

Be suspicious of any email or communication (including text messages, social media posts, ads) with urgent requests for personal financial information.

- Phishers typically include upsetting or exciting (but false) statements to get people to hand over their usernames, passwords, credit card numbers, Social Security numbers, date of birth and other personal information.

Avoid clicking on links. Instead, go to the website by typing the official web address directly into your browser or call the company to verify its legitimacy.

- Pay attention to the website you are being directed to and use your mouse to "hover over" any URLs. Fake URLs can be tough to spot. For example an email that appears to be from PayPal could instead direct you to a bogus website such as "http://www.2paypal.com."

Only use secure websites (displaying https:// and a security "lock" icon) when submitting credit card or other sensitive information online.

- Caution: phishers have the ability to spoof and/or forge the https:// address that you normally see on secure Web servers. This, to repeat, is why you should always type in the web address of a site you know to be legitimate, instead of clicking on displayed links.
- Never use public, unsecured WiFi for banking, shopping or entering personal information online, even if the website is secure.
- It is safer to use your 3/4G LTE connection versus using public WiFi.

Finally, when in doubt, contact the company directly. Do not use contact information provided on a website connected to the request.

THE HIGH-YIELD DOW INVESTMENT STRATEGY

Recommended HYD Portfolio

As of November 15, 2018	Rank	Yield (%)	Price ($)	Status	—-Percent of Portfolio-— Value (%)	No. Shares (%)[1]
IBM	1	5.17	121.44	Holding**	20.51	11.74
Exxon Mobil	2	4.19	78.19	Buying	21.90	19.53
Verizon	3	4.08	59.08	Holding**	29.49	34.70
Chevron	4	3.83	116.95	Holding**	15.43	9.18
Pfizer	5	3.15	43.21	Selling	9.86	15.85
Proctor & Gamble	7	3.06	93.83	Holding	1.85	1.37
General Electric	NA	0.50	8.17	Holding	0.90	7.62
Cash (6-mo. T-Bill)	N/A	N/A			0.01	N/A
Totals					100.00	100.00

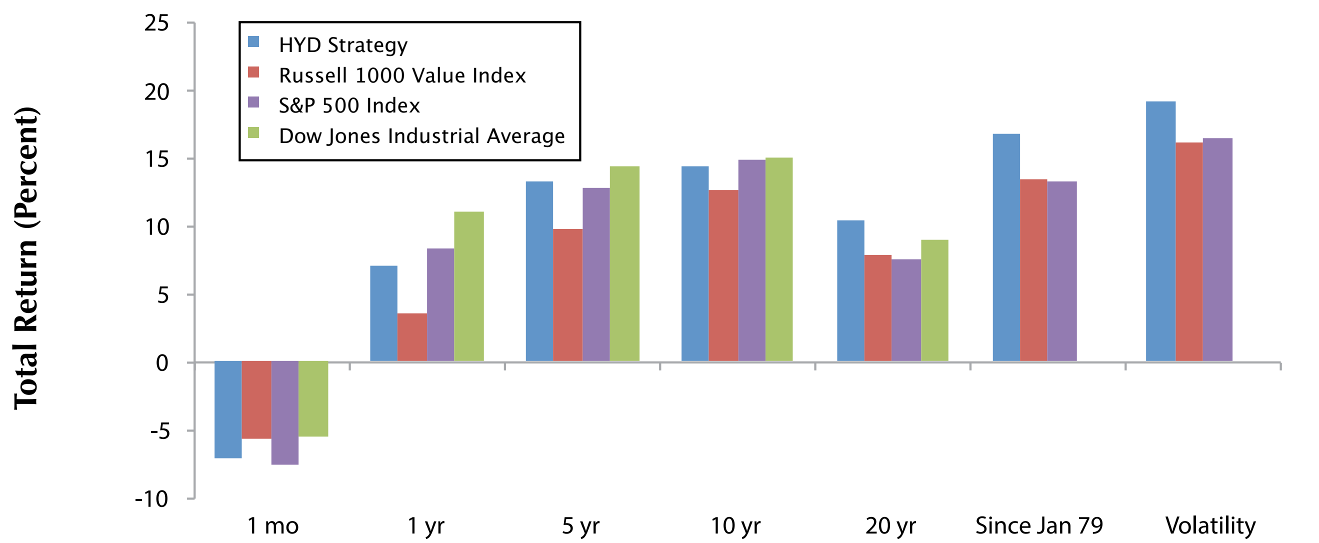
**Currently indicated purchases approximately equal to indicated purchases 18 months ago.1 Because the percentage of each issue in the portfolio by value reflects the prices shown in the table (closing prices on the date indicated), we are also showing the number of shares of each stock as a percentage 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 October 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	-6.54	6.26	11.87	12.84	9.27	14.95	17.04
Russell 1000 Value Index	-5.18	3.03	8.61	11.30	6.96	11.92	14.33
S&P 500 Index	-6.84	7.35	11.34	13.24	6.62	11.78	14.74
Dow Jones Industrial Average	-4.98	9.87	12.76	13.34	8.01	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. Micro-caps - 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 ($)

	11/15/18	Mo. Earlier	Yr. Earlier	Prem. (%)
Gold, London p.m. fixing	**1,211.85**	1,229.95	1,282.20	
Silver, London Spot Price	**14.13**	14.74	17.12	
Crude Oil, W. Texas Int. Spot	**56.45**	71.84	56.77	
Coin Prices ($)[1]				
American Eagle (1.00)	**1,236.85**	1,236.85	1,307.20	2.06
Austrian 100-Corona (0.98)	**1,181.61**	1,181.61	1,250.56	-0.51
British Sovereign (0.2354)	**285.27**	285.27	301.83	0.00
Canadian Maple Leaf (1.00)	**1,221.85**	1,221.85	1,292.20	0.83
Mexican 50-Peso (1.2056)	**1,453.01**	1,453.01	1,537.82	-0.55
Mexican Ounce (1.00)	**1,229.85**	1,229.85	1,300.20	1.49
S. African Krugerrand (1.00)	**1,218.85**	1,218.85	1,289.20	0.58
U.S. Double Eagle-$20 (0.9675)				
St. Gaudens (MS-60)	**1,190.00**	1,220.00	1,250.00	1.50
Liberty (Type II-AU50)	**1,325.00**	1,325.00	1,325.00	13.01
Liberty (Type III-AU50)	**1,162.00**	1,169.00	1,240.00	-0.89
U.S. Silver Coins ($1,000 face value, circulated)				
90% Silver Circ. (715 oz.)	**9,929.50**	11,843.50	12,410.00	-1.72
40% Silver Circ. (292 oz.)	**4,027.50**	4,821.00	4,881.00	-2.39
Silver Dollars Circ.	**18,000.00**	23,250.00	22875.00	64.71

[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 October 31, 2018

	U.S. Stocks (Mktwd)	Foreign Dev. Stocks	Foreign Emerg. Stocks	Global REITs	U.S. Bonds	Foreign Bonds (hedged)	Gold
1-month	-7.36% ↓	-7.95% ↓	-8.71% ↓	-3.26% ↓	-0.79% ↓	0.29% ↑	2.33% ↑
3-month	-3.95% ↓	-8.98% ↓	-11.65% ↓	-4.09% ↓	-0.80% ↓	0.47% ↑	-0.49% ↓
1 year	6.60% ↑	-6.76% ↓	-12.51% ↓	0.55% ↑	-2.05% ↓	1.63% ↑	-3.91% ↓
5 year (annualized)	10.81% ↑	1.86% ↑	0.78% ↑	4.84% ↑	1.83% ↑	1.68% ↑	-1.62% ↓
15 year (annualized)	8.88% ↑	5.83% ↑	8.40% ↑	6.98% ↑	3.79% ↑	2.77% ↑	7.97% ↑
Best and worst one-year returns, Jan. 2001 - Oct. 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 ($) 11/15/18	10/15/18	11/15/17	12-Month ($) High	Low	Latest Dividend Amount ($)	Record Date	Payable Date	Indicated Annual Dividend ($)	Yield† (%)
IBM	IBM	121.44	141.13	147.10	171.13	114.09	1.570	11/9/18	12/10/18	6.280	5.17
Exxon Mobil	XOM	78.19	80.82	81.21	89.30	72.16	0.820	11/13/18	12/10/18	3.280	4.19
Verizon	VZ	59.08	53.60	44.11	61.57	46.01	0.603	10/10/18	11/1/18	2.410	4.08
Chevron	CVX	116.95	116.94	116.45	133.88	107.54	1.120	11/16/18	12/10/18	4.480	3.83
Pfizer	PFE	43.21	43.12	35.36	45.81	33.20	0.340	11/9/18	12/3/18	1.360	3.15
Coca-Cola	KO	49.74	44.91	46.81	50.83	41.45	0.390	11/30/18	12/14/18	1.560	3.14
Procter and Gamble	PG	93.83	80.13	88.23	94.81	70.73	0.717	10/19/18	11/15/18	2.869	3.06
Merck	MRK	74.84	69.46	54.80	76.61	52.83	0.550	12/17/18	1/8/19	2.200	2.94
J P Morgan	JPM	110.07	106.34	98.19	119.33	97.93	0.800	10/5/18	10/31/18	3.200	2.91
Cisco	CSCO	46.77	44.67	34.11	49.47	36.32	0.330	10/5/18	10/24/18	1.320	2.82
Caterpillar	CAT	129.42	141.80	134.10	173.24	112.06	0.860	10/22/18	11/20/18	3.440	2.66
3M Company	MMM	204.91	198.94	227.40	259.77	181.98	1.360	11/23/18	12/12/18	5.440	2.65
DowDupont	DWDP	58.73	58.94	68.97	77.08	51.32	0.380	11/30/18	12/14/18	1.520	2.59
McDonald's	MCD	183.56	163.67	167.32	188.90	146.84	1.160	12/3/18	12/17/18	4.640	2.53
Intel Corp	INTC	48.11	44.53	45.46	57.60	42.04	0.300	11/7/18	12/1/18	1.200	2.49
Johnson & Johnson	JNJ	144.50	133.95	139.10	148.75	118.62	0.900	11/27/18	12/11/18	3.600	2.49
Travelers	TRV	125.59	123.39	133.71	150.55	119.67	0.770	12/10/18	12/31/18	3.080	2.45
Home Depot, Inc.	HD	177.36	191.17	165.47	215.43	167.00	1.030	11/29/18	12/13/18	4.120	2.32
United Tech.	UTX	129.73	130.33	117.57	144.15	115.40	0.735	11/16/18	12/10/18	2.940	2.27
Walgreen's	WBA	82.29	74.72	70.20	83.18	59.07	0.440	11/12/18	12/12/18	1.760	2.14
Wal-Mart Stores	WMT	99.54	93.82	89.83	109.98	81.78	0.520	12/7/18	1/2/19	2.080	2.09
Boeing	BA	341.57	358.88	262.86	394.28	264.53	1.710	11/9/18	12/7/18	6.840	2.00
Microsoft Corp.	MSFT	107.28	107.60	82.98	116.18	80.70	0.460	11/15/18	12/13/18	1.840	1.72
Goldman Sachs	GS	203.74	215.22	237.61	275.31	190.35	0.800	11/30/18	12/28/18	3.200	1.57
Apple	AAPL	191.41	217.36	169.08	233.47	150.24	0.730	11/12/18	11/15/18	2.920	1.53
Walt Disney	DIS	117.11	113.44	103.69	120.20	97.68	0.840	7/9/18	7/26/18	1.680	1.43
American Express	AXP	109.60	102.62	93.26	111.77	87.54	0.390	10/5/18	11/9/18	1.560	1.42
Unitedhealth Group	UNH	264.94	260.25	209.86	278.00	208.48	0.900	12/3/18	12/13/18	3.600	1.36
Nike	NKE	74.33	74.99	56.63	86.04	58.54	0.200	9/4/18	10/1/18	0.800	1.08
Visa Inc.	V	141.84	137.23	110.25	151.56	106.60	0.250	11/16/18	12/4/18	1.000	0.71

† Based on indicated dividends and market price as of 11/15/18. Extra dividends are not included in annual yields.
All data adjusted for splits and spin-offs. 12-month data begins 11/15/17.

ASSET CLASS INVESTMENT VEHICLES

Data as of October 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	VBISX	BSV	2.90 yrs	2543	0.15	50		1.87	-0.37	0.65	0.83	0.68
Short-Term Bonds	SPDR Portfolio Short Term Corp Bd ETF		SPSB	1.98 yrs	1105	0.07	67		2.26	0.40	1.36	1.25	0.80
Short-Term Bonds	iShares 1-3 Year Treasury Bond ETF		SHY	1.97 yrs	71	0.15	85		1.55	0.08	0.33	0.44	0.43
Interm-Term	Vanguard Total Bond Market	VBMFX	BND	8.60 yrs	17421	0.15	55		2.67	-2.14	0.93	1.68	1.06
Interm-Term	iShares Core US Aggregate Bond ETF		AGG	8.20 yrs	6895	0.05	252		2.56	-2.04	0.97	1.81	1.05
Tax-Exempt	Vanguard Ltd-Term Tax-Exempt	VMLTX		3.00 yrs	5047	0.19	19		1.77	-0.08	0.76	1.05	0.00
Tax-Exempt	SPDR Nuveen Blmbg Barclays ST MunBd ETF		SHM	3.14 yrs	1425	0.20	32		1.18	-0.83	0.16	0.57	0.00
Tax-Exempt	Vanguard Interm-Term Tx-Ex Inv	VWITX		5.50 yrs	7784	0.19	15		2.84	-0.80	1.51	2.64	0.00
Inflation-Protected	iShares TIPS Bond ETF		TIP	8.36 yrs	39	0.20	32		3.13	-1.42	1.29	0.85	0.81
Inflation-Protected	Vanguard Inflation-Protected Securities	VIPSX		8.30 yrs	42	0.20	22		3.24	-1.45	1.24	0.81	0.96
International	Vanguard Total International Bond	VTIBX	BNDX	9.30 yrs	5262	0.13	19		2.21	1.68	2.72	3.46	0.78
Real Estate (REITs)													
U.S. REITs	Vanguard REIT	VGSIX	VNQ	12.33 B	187	0.26	6	2.24	4.29	-0.24	3.82	6.93	1.43
U.S. REITs	SPDR Dow Jones REIT		RWR	12.30 B	99	0.25	9	2.21	3.54	2.89	3.71	7.42	1.58
Int'l REITs	Vanguard Global ex-US Real Estate (2)	VGXRX	VNQI	6.22 B	645	0.34	6	0.95	5.31	-6.61	3.59	2.25	1.52
Int'l REITs	iShares International Developed Property		WPS	6.69 B	357	0.48	11	0.96	5.08	-4.50	3.03	2.36	1.63
Global (incl. U.S.)	SPDR Dow Jones Global Real Estate ETF		RWO	9.67 B	229	0.50	13	1.52	3.86	0.73	2.24	4.45	1.48
U.S. Stocks													
Large Cap (blend)	Vanguard S&P 500	VFINX	VOO	110.68 B	516	0.14	3	3.21	1.76	7.20	11.37	11.18	0.56
Large Cap (blend)	iShares Core S&P 500		IVV	109.27 B	509	0.04	4	3.17	1.86	7.34	11.48	11.28	0.55
Large Cap (blend)	iShares Russell 1000 ETF		IWB	84.49 B	989	0.15	4	3.10	1.79	6.85	11.17	10.90	0.53
Large Cap Value	Vanguard Value	VIVAX	VTV	99.63 B	348	0.17	9	2.31	2.36	5.88	11.02	10.16	0.72
Large Cap Value	iShares Russell 1000 Value		IWD	63.43 B	731	0.20	15	2.04	2.35	2.92	8.72	8.40	0.66
Small Cap (blend)	iShares Core S&P Small-Cap ETF		IJR	1.83 B	606	0.07	12	2.18	1.33	5.60	12.86	10.03	0.41
Small Cap (blend)	Schwab US Small-Cap ETF		SCHA	2.72 B	1754	0.05	11	2.09	1.37	1.52	9.82	7.97	0.45
Small Cap Value	Vanguard Small Cap Value	VISVX	VBR	3.66 B	870	0.19	19	1.85	2.02	0.22	9.06	8.39	0.62
Small Cap Value	iShares Russell 2000 Value		IWN	1.75 B	1378	0.24	23	1.45	1.94	-0.65	10.50	7.11	0.62
Small Cap Value	iShares Micro-Cap		IWC	0.54 B	1456	0.60	22	1.83	1.10	1.20	10.01	7.58	0.38
Marketwide	Vanguard Total Stock Market	VTSMX	VTI	62.60 B	3686	0.14	3	3.04	1.74	6.50	11.15	10.67	0.63
Marketwide	Fidelity Total Market Index	FSTMX		62.29 B	3405	0.09	2	3.03	1.62	6.49	11.19	10.71	0.91
Foreign Stocks													
Developed Markets	Vanguard FTSE Developed Markets ETF	VDVIX	VEA	23.37 B	3979	0.17	3	1.56	2.88	-7.79	4.17	n/a	0.77
Developed Markets	iShares Core MSCI EAFE ETF		IEFA	24.35 B	2505	0.08	2	1.60	3.20	-7.27	4.34	2.49	0.73
Emerging Markets	Vanguard Emerging Markets Stock	VEIEX	VWO	20.11 B	4075	0.32	6	1.63	2.56	-12.73	5.11	0.27	0.77
Emerging Markets	Schwab Emerging Markets Equity ETF		SCHE	29.65 B	970	0.13	7	1.60	2.71	-11.42	6.25	1.10	0.68
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	-4.61	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, the Investor share class is shown. The Admiral share class, which has a higher minimum investment, may offer lower expenses. (2) VGXRX 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. This calculation (source: Morningstar) assumes investors pay the maximum federal rate on capital gains and ordinary income.

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