AIS INVESTMENT GUIDE
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See box, page 46, for representative indexes.

Rates of Interest
As of June 24, 2019

Government Obligations[1]	
Fed Funds Rate	2.37%
3-Month Treas. Bill	2.14%
10-Yr. Treas. Note	2.01%
30-Yr. Treas. Bond	2.53%
10-Yr. TIPS	0.27%
Muni Bonds - Nat'l 10-Yr.	1.65%
Mortgage Rates[2]	
15-Yr Fixed	3.25%
30-Yr Fixed	3.84%
Banking[3]	
Savings	0.10%
Money Market	0.19%
12-month CD	0.64%

[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 SEC's Efforts Fall Short

As we described last month retail investors have long been confused and ill served by differing service models and regulations that apply to broker dealers and to Registered Investment Advisers. As we anticipated the Securities and Exchange Commission (SEC) in early June issued new measures in early intended to address this matter (see the enclosed article on page 42 for details).

SEC Chairman Jay Clayton introduced the new rules by stating "The rules and interpretations we are adopting today address issues that the Commission has been actively considering for nearly two decades." Those efforts have, in large part, been focused on establishing a uniform standard of conduct expected of registered investment advisers and broker-dealers, despite the fact that these are two distinctly different business models subject to distinctly different rules and regulations.

While we are not surprised, we are disappointed by the new rules. The fundamentals of these two financial services models by regulation and through decades of industry practice remain unchanged: investment advisers serve as fiduciaries to their clients and broker-dealers are market intermediaries who sell products to investors.

Simply stated, Regulation Best Interest is intended to raise the standard of conduct by BDs and their registered representatives. The effort, purportedly, was to establish parity between the historic and ongoing standards of conduct required of RIAs and the standards that apply BDs. In that respect these newly minted obligations are, at the very least, misleading. Unfortunately, we believe the new rules and the related hype will only serve to further confuse retail investors.

Despite these shortcomings, you should take comfort that our standards have not changed in the least. We remain fiduciaries to our clients and will continue to serve their best interests. For our readers who are not currently our clients, we will continue to provide information that will enable you to serve your own best interest by providing unbiased information and analysis consistent with the mission of our parent organization, the American Institute for Economic Research (AIER).

NEW RULES FOR BROKER-DEALERS: MEANINGFUL CHANGE OR MERELY CHANGE?

Last month we explained that regulators have long recognized that investors are confused and ill-served by differing regulations and standards of client care that apply 1. To Registered Investment Advisers (RIAs) and the Investment Advisors (IAs) they employ, and 2. To Broker-Dealers (BDs) and the representatives (reps) they employ.

As anticipated, on June 5th the SEC formally adopted two new measures and issued two separate interpretations under the Investment Advisers Act of 1940 ("Advisers Act").[1] Collectively, these are intended to enhance the protection of retail investors.

According to SEC Chairman Jay Clayton, the regulatory package is designed to enhance the quality and transparency of the financial professional-retail investor relationship. It includes two primary objectives: (1) to bring the required standards of conduct for financial professionals and related mandated disclosures in line with reasonable investor expectations; and (2) to preserve retail investor access (in terms of both choice and cost) to a variety of investment services and products.

While far reaching, these measures explicitly do not establish a uniform standard of conduct for investment advisers (IAs) and broker-dealers (BDs).

Registered Investment Advisers

The regulatory guidance provided in the Commission Interpretation of the Standard of Conduct for Investment Advisers (which consolidates decades of interpretations by the SEC and its staff in this area) is intended to reaffirm and in some instances clarify an RIA's federal fiduciary duty to its clients. Significantly, that fiduciary duty -- encompassing both the duty of care and the duty of loyalty -- continues to impose an overarching obligation on the adviser to act in the best interests of *all* its clients at *all* times for the duration of the engagement.

The duty of care includes a duty to provide advice that is suitable for the client based on a reasonable understanding of the client's investment objectives (e.g., the client's financial situation, level of financial sophistication, investment experience, and financial goals). The duty of loyalty "requires that an adviser not subordinate its clients' interests to its own" or more simply stated, an adviser must not place its interests ahead of its client's interests.

Where a conflict of interest exist between the adviser and client, at a minimum the adviser must expose the conflict through full and fair disclosure. Such disclosure must be clear and sufficiently detailed to enable the client to make an informed decision to consent to the conflict of interest or reject it. If full and fair disclosures cannot be made, the adviser should either eliminate the conflict or adequately modify its practices to reduce the conflict so that full and fair disclosure and informed consent are possible.

In short the SEC has re-emphasized the clear principles to which AIS has been long committed. We welcome this result.

Broker-Dealers: Regulation Best Interest

Regulation Best Interest ("Reg BI"), is new regulation establishing a standard of conduct for BDs and their associated persons ("reps"). It is quite limited in its application compared with the standards of conduct applicable to RIAs.

Fundamentally, Reg BI requires BDs and their reps to (i) act in the *best interests* of a *retail customer* when *recommending* securities and investment strategies (including account recommendations) and (ii) place the interests of the retail customer ahead of the financial or other interests of the BD. As such, Reg BI is fundamentally transaction based and applicable only to services provided to retail customers generally at the time of the recommendation, while regulation of RIAs remains primarily relationship-based, encompassing services provided to all advisory clients for the duration of their engagements.

While the SEC opted not to define the term "best interest" in the regulation, this new standard is intended to enhance the current broker-dealer duties of suitability and fair dealing.

The term *retail customer* covers individuals or their legal representatives who receive a recommendation of a securities transaction or investment strategy *and* use the recommendation "primarily for personal, family or household purposes," including ERISA retirement accounts.

Reg BI imposes four primary obligations on BDs and their reps when making recommendations of securities and investment strategies to retail customers:

- *Care Obligation* is the cornerstone of Reg BI. It requires that the broker, dealer and/or rep exercise reasonable diligence, care and skill in making a recommendation. Fulfilling this obligation requires that the broker-dealer have a reasonable basis to believe, among other considerations, that the recommendation (i) could be in the best interest of at least some retail customers and (ii) is in the best interests of the specific retail customer. Importantly, the recommendation cannot place the financial or other interests of the BD or rep ahead of the interest of the retail customer. Significantly, this obligation will be evaluated *at the time of the recommendation* and will focus on whether the broker-dealer had a reasonable basis to believe that the recommendation is in the best interest of the retail customer.

- *Disclosure Obligation* requires full and fair disclosure of material facts about (i) the broker, dealer and/or rep's capacity in providing services, (ii) fees and expenses, and (iii) all conflicts of interest associated with the transaction. Generally, these disclosures must be provided in writing prior to or at the time of the recommendation.

- *Conflicts of Interest Obligation* requires the BD to establish and enforce written policies and procedures reasonably designed to identify, disclose and/or mitigate all conflicts of interest associated with the recommendation. For example, sales contests, quotas, bonuses and non-cash compensation based on the sales of specific securities or types of securities within a limited period of time must be identified and eliminated. However, this stricture appears weak as the SEC elected not to define what would constitute a "limited period of time."

- *Compliance Obligation* imposes additional written policies and procedures requirements to ensure compliance with the regulation generally.

Ultimately, the SEC decided not to create a uniform standard of conduct for BDs and IAs, noting that such a standard would not appropriately distinguish the distinctly different roles and regulatory obligations of these financial services entities. Instead, the new regulatory measures reinforce that the fiduciary responsibilities of investment advisers apply to their entire relationship with clients, whereas the duties of broker-dealers as set forth in Reg BI will only apply to individual transactions and at the time of each transaction. *Consequently, implementation of Reg BI does not mean broker-dealers and their registered reps are acting in a fiduciary capacity when making recommendations.*

Conclusion

The new rules and guidance issued by the SEC were intended to bring clarity to the fundamental service options available to Main Street ("retail") investors. Unfortunately, as industry participants wade through the 1,300+ pages of regulatory requirements and expectations, many contend that Reg BI does not adequately establish an appropriate standard of conduct for broker-dealers.

There are conflicting opinions within the SEC itself. For example, Rick Fleming, the SEC's Investor Advocate, expressed his paramount concern stating "The most worrisome aspect of Reg BI is that it will allow broker-dealers and their associated persons to market themselves as acting in the best interest of their customers. If Reg BI is not enforced rigorously enough to demand behavior that matches customers' expectations, then customers will be harmed by the new standard."[2]

While broker-dealers have twelve months (until June 30, 2020) to comply with Reg BI, investment advisers will continue, as always, to fulfill their fiduciary obligations to all clients on an ongoing basis.

The new regulations also launched another new document, Form CRS (Customer Relationship Summary) which entails new disclosure requirements for both BDs and RIAs. We will address this form, and how it impacts retail investors, in a future issue of *Investment Guide*.

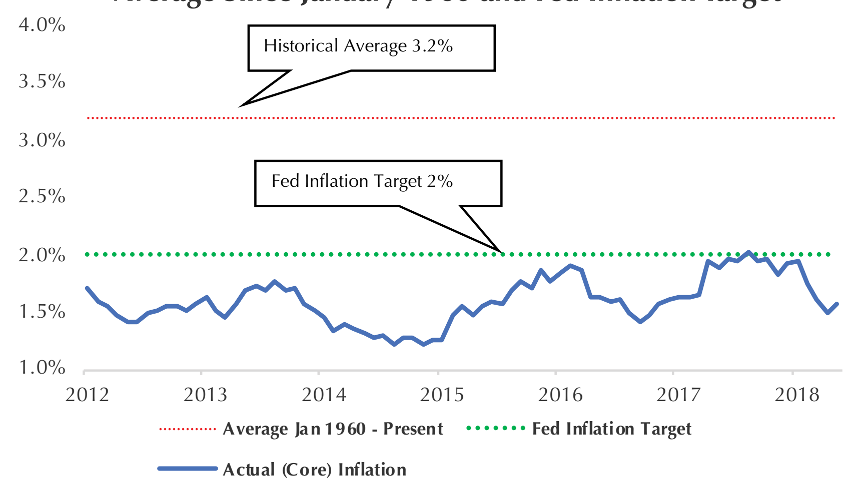
1. Regulation Best Interest: The Broker-Dealer Standard of Conduct and Form CRS Relationship Summary; Amendments to Form ADV
2. *Statement Regarding the SEC's Rulemaking Package for Investment Advisers and Broker-Dealers*, Rick A. Fleming, Investor Advocate, U.S. Securities and Exchange Commission, June 5, 2019

PRICE INFLATION: WHY IT MATTERS AND…WHERE IS IT?

Despite strong overall growth in the U.S. economy and record low unemployment, official price inflation has been low by historical standards. Chart 1 nearby shows actual price inflation as measured by the Core Personal Consumption Expenditures Price Index (PCE), its long term average of 3.2 percent, and the Fed's longstanding 2 percent inflation target.[1]

Investors' outlook for *future* inflation has also been tame. Inflation expectations implicit in the market can be calculated at any point in time. Chart 2 plots the Treasury bond market's projection[2] of 10-year inflation. Since 2012 the market has forecast a rate that has varied between 1.3 and 2.6 percent. Currently the market anticipates price inflation of 1.9 percent per year through June 2029.

Chart 1: Recent Annual Inflation versus Historical Average Since January 1960 and Fed Inflation Target



Why it Matters

Given the current low inflation environment, investors may wonder whether price inflation really matters. It matters a great deal because it is one of the primary risks that investors face, especially retired investors living on a fixed income. While inflation is currently low, we believe it is important to build a financial plan and an investment portfolio that mitigates this risk.

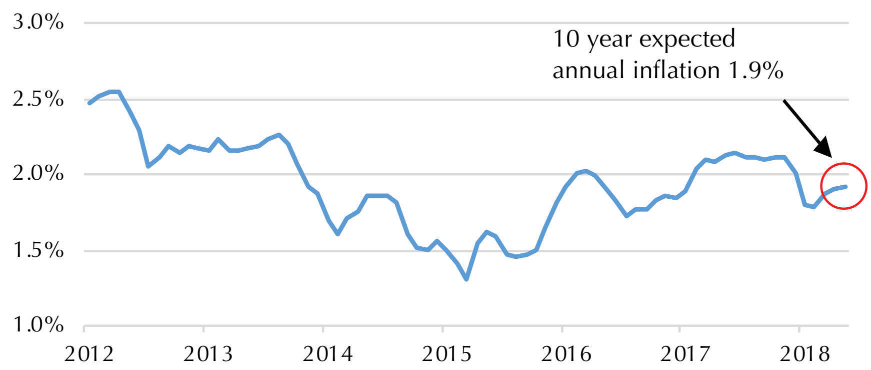
The double digit inflation that prevailed during the 1970s may have faded from memory for many investors, while many younger investors never experienced its ravages at all. As a reminder, in Chart 3 we have plotted 10-year rolling annual returns for the S&P 500 Index in both nominal terms and inflation-adjusted returns. During each of these ten year spans, rising consumer prices obliterated nominal gains in the stock market.

Fixed income investments, depicted in Charts 4 and 5, fared poorly during this period as well. Long term bond investors experienced real losses in each of these seven consecutive 10-year periods. Investors who continuously rolled over one-month Treasury bills in order to avoid being "locked in" to long-term nominal rates would have earned strong nominal returns and would have outperformed both stocks and bonds after adjusting for inflation. But these cautious investors would nevertheless still have experienced losses after inflation in almost every case.

We hasten to add that even mildly rising prices can dramatically increase the day-to-day cost of living over a long-term horizon. Even at a historically low inflation rate of 2 percent, a retiree who spends 35 years in retirement will see prices nearly double during retirement. Failing to plan for inflation, even at low levels, could be most regrettable.

(continued next page)

Chart 2: 10 - Year Expected Annual Inflation Rate



The Fiat Culprit

Global currencies such as the dollar or the euro are not backed by hard assets, but by the credit worthiness of the governments that issue them. AIER's staff economists have long been skeptical of fiat currencies because they are susceptible to mismanagement. History is replete with governments that have financed reckless spending with money created at the stroke of a pen. With "too much money chasing too few goods" hyperinflation often follows, and citizens suffer trying to keep up with the price distortions that result.

In a fiat currency monetary regime, central banks have significant discretion regarding short-term interest rates and the money supply. The Fed's "tools" include open market operations (buying and selling Treasuries), setting the discount rate, and the authority to set bank reserve requirements. Though these techniques can be readily employed to increase the amount of money in circulation (that is, to engage in *monetary inflating*), it is far more challenging for the Fed to rein in a cycle of rapidly accelerating *price inflation* that can result.

The current fiscal outlook suggests that trillion dollar federal deficits may well be a common occurrence in coming years and AIER has pointed out that government debt relative to GDP is worrisome. The government's growing debt load could create pressure to "inflate away" the Treasury's obligations and perhaps trigger a return to double-digit price inflation akin to that of 1970s.

But the government's growing debt burden is no secret, and central banks' ability (and proclivity) to inflate are well known. So why has price inflation been persistently low in recent years, and why do investors' appear unfazed regarding prospects for future inflation?

A possible explanation is rooted in Moore's Law.

The Role of Technology

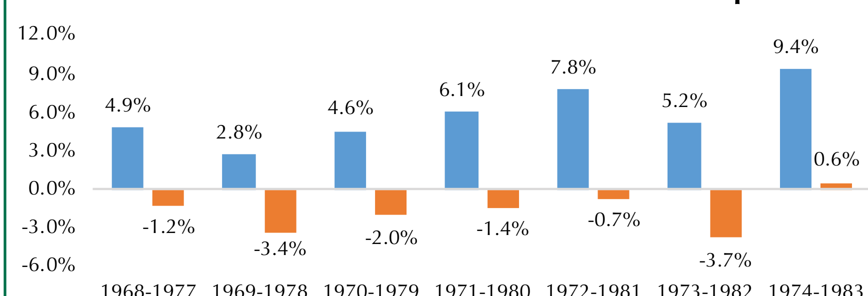
An insightful paper by The Vanguard Group recently examined the impact of technology and rising prices. Moore's Law, coined by Intel co-founder Gordon Moore, describes the diffusion of ever more powerful and inexpensive technologies. It posits that as technology improves, its relative price declines. With new developments, such as faster computing and more productive mobile phone apps, the relative prices paid for those technologies plummet. Vanguard calculates that lower technology prices are accountable for a 0.18 percent reduction in official price inflation.[3]

But advancements in technology impacts prices of goods and services other than technology itself. As Vanguard explains:

> "As technology is used more prominently to produce more goods and services, firms across all sectors are realizing lower production costs. Prices charged by companies are a markup over marginal costs, and the continued adoption of new technologies generally translates into reduced unit costs of production. Over time, these benefits make their way to consumers in the form of lower, or less rapidly increasing, final prices, even in sectors not directly related to technology."[4]

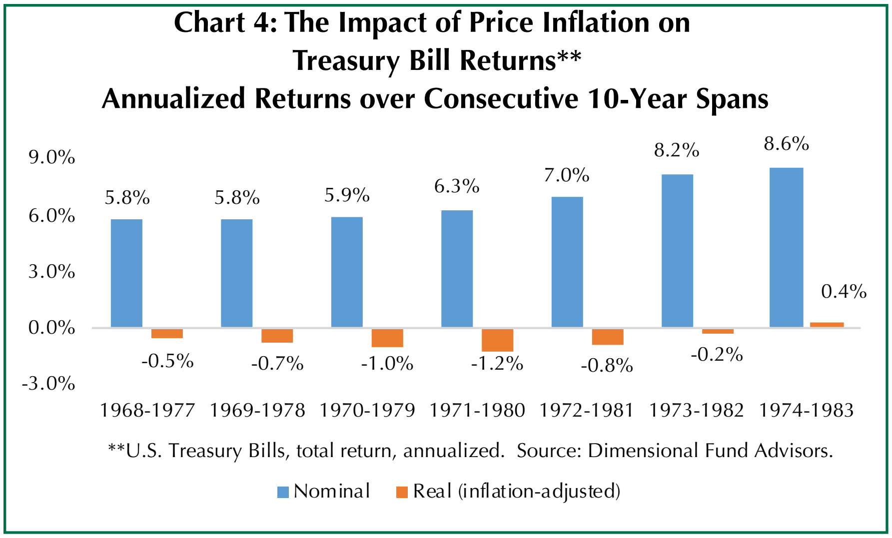
The culmination of Moore's Law as it impacts *all* prices has been profound. According to Vanguard's calculations, without the price-dampening effects of improving technology, annual core inflation would have been at 2 percent or more between 2001 and 2017 versus the 1.7 percent that prevailed.

Chart 3. The Impact of Price Inflation on U.S. Stock Market Returns:* Annualized Returns over Consecutive 10-Year Spans



*S&P 500, total return, annualized. Source: Dimensional Fund Advisors.

1. Source: Federal Reserve. Actual price inflation measured by the (monthly) year-over-year change in Core Personal Consumption Expenditures Price Index (PCE). Historical average January 1960-April 2019.
2. The average annual expected 10-year (or "breakeven") rate of price inflation (based on CPI) is inferred from the difference in annualized yields on conventional 10-year Treasury bonds and 10-year TIPS (Treasury Inflation Protected Securities). Source: Federal Reserve. Monthly data.
3. Joseph Davis, Ph.D. Vanguard Research, October 2017. Why is inflation so low? The growing deflationary effects of Moore's Law.
4. Ibid. p.2



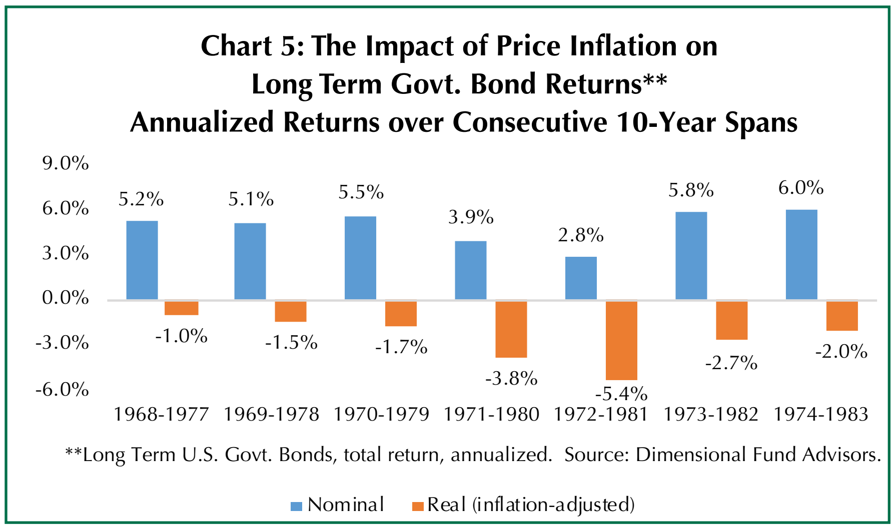
Future Price Inflation

Price inflation is a monetary phenomenon. Rising overall price levels are ultimately determined by the rate of growth of the money supply relative to the rate of output of goods and services. Monetary and fiscal policies drive the former, while the latter is driven by many factors, including the impact of technology on productivity.

The pace of technological innovation shows no signs of slowing. This trend is likely to continue to be disinflationary, and also complicate the Fed's ability to meet its inflation target. Price levels will be affected by many other factors such as trade policy and immigration; tariff and trade barriers lead to higher consumer prices, while immigration increases the labor force thereby reducing production costs. There are many other unknowns that affect price levels in the short term as well.

We submit that the best estimate of future price inflation can be found in the market itself. The factors we have described, whether inflationary or disinflationary, are no secret; all are well known and can be assumed to be reflected in the prices of stocks, bonds and all manner of financial securities. The bond market's forecast of 1.9 percent therefore provides the best measure of price inflation that investors can *expect* over the next ten years.

The following article elaborates further regarding *expected* versus *unexpected* price inflation, and describes a framework for managing this risk.



RISING PRICES: DEALING WITH THE UNEXPECTED

The return on common stocks has over the long term well outpaced rising consumer prices: between 1926 and 2018 the S&P 500 delivered a *real* rate of return of 6.9 percent. This stands to reason because common stocks provide ownership in firms with cash flows generated by selling products or services at prices that can be adjusted to reflect rising costs.

Fixed income securities such as bonds on the other hand generate cash flows that are fixed by definition and therefore do not increase along with consumer prices. So, while bond returns are generally more stable than stock returns, they are more vulnerable to the risk of price inflation.

All financial assets, including stocks, bonds, and cash equivalent assets are priced to reflect investors' collective judgment regarding the risk of future inflation. In other words there prices implicitly account for *expected* inflation.

However, Charts 3-5 nearby demonstrate that markets are far from perfect. These inflation expectations can fall short of actual inflation, leaving investors with negative real returns. At the beginning of 1968 investors simply failed to realize that purchasing power would on average decline by 7.6 percent per year (as measured by the CPI) over the next 15 years. Thus stocks and conventional bonds do not provide and explicit hedge against *unexpected* inflation.

The U.S. Treasury began issuing Treasury Inflation Protected Securities (TIPS) specifically in order to provide such a hedge. These bonds pay interest and return of principal that are adjusted every six months to reflect changes in the CPI. We recommend TIPS, or inflation-protected funds (see page 48) that invest in TIPS, for investors and others living on a fixed income who are especially vulnerable to unexpected inflation.

Retirees can also minimize inflation risk by maximizing inflation-adjusted income. This can be achieved by delaying Social Security, waiting to take inflation-adjusted pension benefits, renting out real estate, or even buying an inflation-protected annuity (although these are hard to find and are generally expensive).

THE HIGH-YIELD DOW INVESTMENT STRATEGY

Recommended HYD Portfolio

As of June 15, 2019

	Rank	Yield (%)	Price ($)	Status	—-Percent of Portfolio-— Value (%)	No. Shares (%)[1]
Dow, Inc.	1	5.47	51.15	Buying	4.35	6.50
IBM	2	4.79	135.15	Holding**	23.65	13.40
Exxon Mobil	3	4.68	74.35	Holding**	23.29	23.98
Verizon	4	4.14	58.28	Holding**	26.69	35.06
Chevron	5	3.94	120.81	Selling	14.01	8.88
Pfizer	6	3.37	42.76	Holding	6.04	10.82
Proctor & Gamble	14	2.68	111.2	Holding	1.97	1.36
Cash (6-mo. T-Bill)	N/A	N/A			0.01	N/A
Totals					100.00	100.00

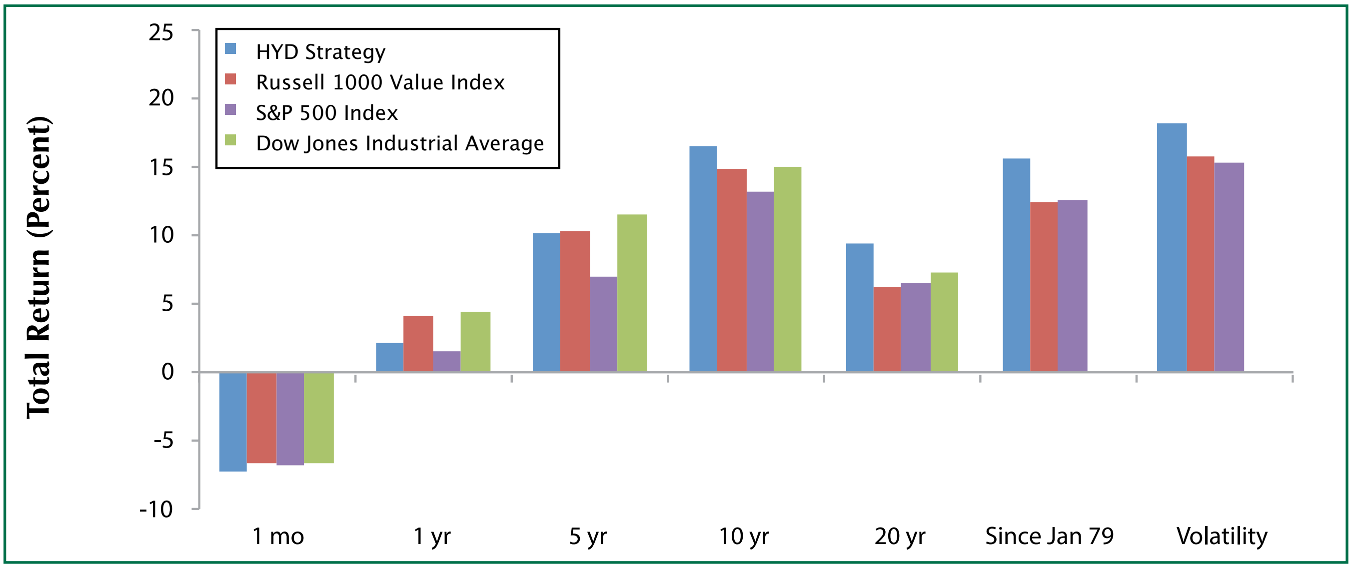
**Currently indicated purchases approximately equal to indicated purchases 18 months ago. [1]Because the percentage of each issue in the portfolio by value reflects the prices shown in the table (closing prices on the date indicated), we are also showing the number of shares of each stock as a percentage 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 May 31, 2019*. 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	-6.93	1.98	9.57	15.54	8.80	14.73	17.11
Russell 1000 Value Index	-6.35	3.78	9.66	13.95	5.83	11.68	14.82
S&P 500 Index	-6.43	1.45	6.53	12.33	6.10	11.76	14.42
Dow Jones Industrial Average	-6.32	4.05	10.88	14.17	6.86	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 ($)

	6/15/19	Mo. Earlier	Yr. Earlier	Prem. (%)
Gold, London p.m. fixing	**1,351.25**	1,299.10	1,285.25	
Silver, London Spot Price	**15.02**	14.82	17.23	
Crude Oil, W. Texas Int. Spot	**52.47**	62.03	65.01	
Coin Prices ($)[1]				
American Eagle (1.00)	**1,376.25**	1,324.10	1,310.25	1.85
Austrian 100-Corona (0.98)	**1,318.23**	1,267.12	1,253.55	-0.45
British Sovereign (0.2354)	**318.08**	305.81	302.55	0.00
Canadian Maple Leaf (1.00)	**1,361.25**	1,309.10	1,295.25	0.74
Mexican 50-Peso (1.2056)	**1,621.07**	1,558.19	1,541.50	-0.49
Mexican Ounce (1.00)	**1,369.25**	1,317.10	1,303.25	1.33
S. African Krugerrand (1.00)	**1,358.25**	1,306.10	1,292.25	0.52
U.S. Double Eagle-$20 (0.9675)				
St. Gaudens (MS-60)	**1,262.00**	1,262.00	1,310.00	-3.47
Liberty (Type II-AU50)	**1,282.00**	1,290.00	1,325.00	-1.94
Liberty (Type III-AU50)	**1,252.00**	1,260.00	1,290.00	-4.23
U.S. Silver Coins ($1,000 face value, circulated)				
90% Silver Circ. (715 oz.)	**10,399.00**	10,543.50	12,240.50	-3.20
40% Silver Circ. (292 oz.)	**4,222.00**	4,282.00	4,895.50	-3.77
Silver Dollars Circ.	**18,000.00**	18,000.00	22,875.00	54.89

[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 May 31, 2019

	U.S. Stocks (Mktwd)	Foreign Dev. Stocks	Foreign Emerg. Stocks	Global REITs	U.S. Bonds	Foreign Bonds (hedged)	Gold
1-month	-6.47%	-4.73%	-7.26%	-0.27%	1.78%	0.40%	1.03%
3-month	-1.32%	-1.53%	-4.51%	2.17%	3.76%	1.14%	-1.79%
1 year	2.50%	-5.44%	-8.70%	9.14%	6.40%	3.80%	-0.75%
5 year (annualized)	9.25%	1.15%	1.79%	5.21%	2.70%	2.00%	0.80%
15 year (annualized)	8.53%	5.19%	8.29%	6.91%	4.22%	2.86%	8.31%
Best and worst one-year returns, Jan. 2001 - May 2019							
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 ($) 6/15/19	5/15/19	6/15/18	12-Month ($) High	Low	Latest Dividend Amount ($)	Record Date	Payable Date	Indicated Annual Dividend ($)	Yield† (%)
Dow Chemical	DOW	51.15	52.95	n/a	60.52	46.75	0.700	5/31/19	6/14/19	2.800	5.47
IBM	IBM	135.15	134.40	145.39	154.36	105.94	1.620	5/10/19	6/10/19	6.480	4.79
Exxon Mobil	XOM	74.35	76.37	80.66	87.36	64.65	0.870	5/13/19	6/10/19	3.480	4.68
Verizon	VZ	58.28	56.81	48.06	61.58	49.01	0.603	7/10/19	8/1/19	2.410	4.14
Chevron	CVX	120.81	122.14	124.04	128.55	100.22	1.190	5/17/19	6/10/19	4.760	3.94
3M Company	MMM	166.69	174.12	204.97	219.75	159.32	1.440	5/24/19	6/12/19	5.760	3.46
Pfizer	PFE	42.76	41.15	36.36	46.47	36.00	0.360	5/10/19	6/7/19	1.440	3.37
Walgreen's	WBA	52.57	52.74	65.80	86.31	49.31	0.440	5/20/19	6/12/19	1.760	3.35
Caterpillar	CAT	127.23	127.30	150.02	159.37	112.06	1.030	7/22/19	8/20/19	4.120	3.24
Coca-Cola	KO	51.31	49.18	44.12	52.19	42.99	0.400	6/14/19	7/1/19	1.600	3.12
J P Morgan	JPM	109.82	109.90	107.90	119.24	91.11	0.800	7/5/19	7/31/19	3.200	2.91
Intel Corp	INTC	46.19	45.62	55.11	59.59	42.36	0.315	5/7/19	6/1/19	1.260	2.73
Johnson & Johnson	JNJ	140.09	136.91	122.61	148.99	120.11	0.950	5/28/19	6/11/19	3.800	2.71
Procter and Gamble	PG	111.20	106.70	77.38	112.47	77.18	0.746	4/19/19	5/15/19	2.984	2.68
Merck	MRK	82.78	77.55	62.03	86.50	59.80	0.550	6/17/19	7/8/19	2.200	2.66
Home Depot, Inc.	HD	205.77	191.76	200.54	215.43	158.09	1.360	6/6/19	6/20/19	5.440	2.64
Cisco	CSCO	54.75	52.44	44.25	58.15	40.25	0.350	7/5/19	7/24/19	1.400	2.56
Boeing	BA	347.16	345.64	357.88	446.01	292.47	2.055	5/10/19	6/7/19	8.220	2.37
United Tech.	UTX	125.30	133.98	126.91	144.40	100.48	0.735	8/16/19	9/10/19	2.940	2.35
McDonald's	MCD	205.29	199.07	166.46	206.39	153.13	1.160	6/3/19	6/17/19	4.640	2.26
Travelers	TRV	150.11	146.52	129.37	153.20	111.08	0.820	6/10/19	6/28/19	3.280	2.19
Wal-Mart Stores	WMT	109.07	99.88	83.70	112.22	83.40	0.530	8/9/19	9/3/19	2.120	1.94
Goldman Sachs	GS	191.66	196.40	231.92	245.08	151.70	0.850	5/30/19	6/27/19	3.400	1.77
Unitedhealth Group	UNH	245.37	236.08	255.98	287.94	208.07	1.080	6/17/19	6/25/19	4.320	1.76
Apple	AAPL	192.74	190.92	188.84	233.47	142.00	0.770	5/13/19	5/16/19	3.080	1.60
Microsoft Corp.	MSFT	132.45	126.02	100.13	137.88	93.96	0.460	8/15/19	9/12/19	1.840	1.39
American Express	AXP	122.00	117.66	98.52	126.40	89.05	0.390	7/5/19	8/9/19	1.560	1.28
Walt Disney	DIS	141.65	134.68	108.85	143.51	100.35	0.880	12/10/18	1/10/19	1.760	1.24
Nike	NKE	83.44	84.01	75.84	90.00	66.53	0.220	6/3/19	7/1/19	0.880	1.05
Visa Inc.	V	169.66	162.79	135.10	174.81	121.60	0.250	5/17/19	6/4/19	1.000	0.59

† Based on indicated dividends and market price as of 6/15/19. Extra dividends are not included in annual yields.
All data adjusted for splits and spin-offs. 12-month data begins 6/15/18.

ASSET CLASS INVESTMENT VEHICLES

Data as of May 31, 2019		Security Symbol(s) (1)		Avg. Market Cap / Avg. Maturity	Number of Holdings	Expense Ratio (%)	Turnover (%)	Price-to-Book Ratio	Trailing 12-Mo. Yield (%)	Annualized Returns (%)			Tax Cost Ratio - 3 Years (%) (3)
		Mutual Fund	ETF							1-Year	3-Year	5-Year	
Fixed Income													
Short-Term Bonds	Vanguard Short-Term Bond Adm	VBIRX	BSV	2.90 yrs	2439	0.07	48		2.15	4.60	1.75	1.58	0.75
Short-Term Bonds	SPDR Portfolio Short Term Corp Bd ETF		SPSB	1.97 yrs	1188	0.07	56		2.65	4.19	2.17	1.72	0.88
Short-Term Bonds	iShares 1-3 Year Treasury Bond ETF		SHY	1.95 yrs	74	0.15	62		2.01	3.40	1.20	0.98	0.54
Interm-Term	Vanguard Total Bond Market Adm	VBTLX	BND	8.20 yrs	17319	0.05	54		2.78	6.65	2.48	2.68	1.10
Interm-Term	iShares Core US Aggregate Bond ETF		AGG	7.93 yrs	7357	0.05	146		2.71	6.66	2.47	2.66	1.05
Tax-Exempt	Vanguard Ltd-Term Tax-Exempt Inv	VMLTX		2.80 yrs	5222	0.17	28		1.88	3.70	1.63	1.49	0.00
Tax-Exempt	SPDR Nuveen Blmbg Barclays ST MunBd ETF		SHM	3.11 yrs	1104	0.20	27		1.30	3.30	1.13	1.08	0.00
Tax-Exempt	Vanguard Interm-Term Tx-Ex Inv	VWITX		5.30 yrs	8426	0.17	15		2.72	6.09	2.59	3.07	0.00
Inflation-Protected	iShares TIPS Bond ETF		TIP	7.99 yrs	39	0.19	21		1.90	4.51	2.43	1.54	0.87
Inflation-Protected	Vanguard Inflation-Protected Securities Inv	VIPSX		8.40 yrs	42	0.20	27		2.58	4.46	2.30	1.49	1.03
International	Vanguard Total International Bond Adm	VTABX	BNDX	9.50 yrs	5787	0.11	22		2.92	6.60	3.47	4.09	0.97
Real Estate (REITs)													
U.S. REITs	Vanguard REIT Adm	VGSLX	VNQ	14.45 B	190	0.11	24	2.50	3.96	14.89	5.76	7.57	1.47
U.S. REITs	SPDR Dow Jones REIT		RWR	13.51 B	96	0.25	6	2.30	3.69	12.65	5.23	7.26	1.52
Int'l REITs	Vanguard Global ex-US Real Estate Adm (2)	VGRLX	VNQI	6.68 B	614	0.12	7	0.96	4.08	-0.48	6.97	4.15	1.68
Int'l REITs	iShares International Developed Property		WPS	6.90 B	364	0.48	11	0.95	4.19	0.23	5.58	3.63	1.66
Global (incl. U.S.)	SPDR Dow Jones Global Real Estate ETF		RWO	10.40 B	232	0.50	11	1.52	3.49	7.29	4.01	4.70	1.41
U.S. Stocks													
Large Cap (blend)	Vanguard S&P 500 Adm	VFIAX	VOO	108.98 B	513	0.04	4	3.05	2.01	3.75	11.68	9.63	0.58
Large Cap (blend)	iShares Core S&P 500		IVV	110.40 B	509	0.04	4	3.12	1.97	3.72	11.71	9.62	0.47
Large Cap (blend)	iShares Russell 1000 ETF		IWB	85.43 B	981	0.15	4	3.00	1.87	3.33	11.57	9.33	0.46
Large Cap Value	Vanguard Value Adm	VVIAX	VTV	83.76 B	343	0.05	8	2.09	2.68	2.71	9.98	8.16	0.75
Large Cap Value	iShares Russell 1000 Value		IWD	63.81 B	725	0.20	15	1.96	2.51	1.26	7.81	6.35	0.59
Small Cap (blend)	iShares Core S&P Small-Cap ETF		IJR	1.67 B	606	0.07	12	1.80	1.53	-10.41	9.58	7.86	0.37
Small Cap (blend)	Schwab US Small-Cap ETF		SCHA	2.80 B	1727	0.04	9	1.94	1.41	-7.36	8.95	6.55	0.41
Small Cap Value	Vanguard Small Cap Value Adm	VSIAX	VBR	3.51 B	845	0.07	18	1.57	2.20	-7.48	7.36	6.11	0.65
Small Cap Value	iShares Russell 2000 Value		IWN	1.74 B	1356	0.24	23	1.33	1.96	-11.52	7.60	4.90	0.56
Small Cap Value	iShares Micro-Cap		IWC	0.53 B	1437	0.60	22	1.62	1.00	-14.84	8.61	5.22	0.32
Marketwide	Vanguard Total Stock Market Adm	VTSAX	VTI	63.28 B	3609	0.04	3	2.83	1.99	2.56	11.58	9.24	0.66
Marketwide	Fidelity Total Market Index	FSKAX		63.17 B	3383	0.02	8	2.82	1.84	2.44	11.54	9.22	0.90
Foreign Stocks													
Developed Markets	Vanguard FTSE Developed Markets Adm	VTMGX	VEA	23.20 B	3939	0.07	3	1.40	3.14	-7.06	5.98	n/a	0.83
Developed Markets	iShares Core MSCI EAFE ETF		IEFA	24.07 B	2517	0.08	2	1.47	3.21	-6.63	6.11	1.72	0.76
Emerging Markets	Vanguard Emerging Markets Stock Adm	VEMAX	VWO	22.08 B	4145	0.14	11	1.57	2.66	-6.49	9.14	1.79	0.84
Emerging Markets	Schwab Emerging Markets Equity ETF		SCHE	31.39 B	1037	0.13	18	1.59	2.54	-5.28	9.80	2.41	0.74
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	0.31	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.

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