

*See box, page 22, for representative indexes.

The Cost of Price Inflation

Economists contend that preferences among individuals are wide-ranging and that, generally, people should be able to make decisions freely. We are skeptical of policies that distort peoples' choices because a cost is incurred when someone feels compelled to make a choice that differs from his or her preference.

Price inflation distorts our choices. During the hyperinflation of the Weimar Republic, workers rushed to cash their paychecks, only to waste time standing in line, before rushing to spend it as their purchasing power plummeted. Surely no one chose this frenetic behavior. But less severe inflation distorts behavior too. For example, as prices and interest rates trend higher, people who normally would prefer to rent an apartment on a short-term basis might feel compelled to enter a long-term lease or even assume a mortgage.

When it comes to investing, inflation distorts the risk-return tradeoff investors confront. Stocks have generally provided strong returns over long periods, even after accounting for inflation. Bonds, on the other hand, have not (see chart below). When inflation expectations are high, risk averse investors who prefer the relative stability of bond returns might nonetheless feel forced to load up on stocks. In effect, when forced to choose between a loss of future purchasing power and market volatility, these individuals often accept the latter, however reluctantly.

Our parent organization, AIER, has long championed sound money and inveighed against fiat currency regimes, in which money can be created "at the stroke of a pen." We follow suit by urging investors to form robust portfolios designed to withstand expected as well as unexpected inflation. Our advice has not wavered. We are confident our long-term readers are well prepared.

Rates of Interest

As of March 21, 2022

Government Obligations¹

Fed Funds Rate	0.33%
3-Month Treas. Bill	0.41%
10-Yr. Treas. Note	2.14%
30-Yr. Treas. Bond	2.42%
10-Yr. TIPS	-0.72%
Muni Bonds - Nat'l 10-Yr.	2.00%

Mortgage Rates²

15-Yr Fixed	3.39%
30-Yr Fixed	4.16%

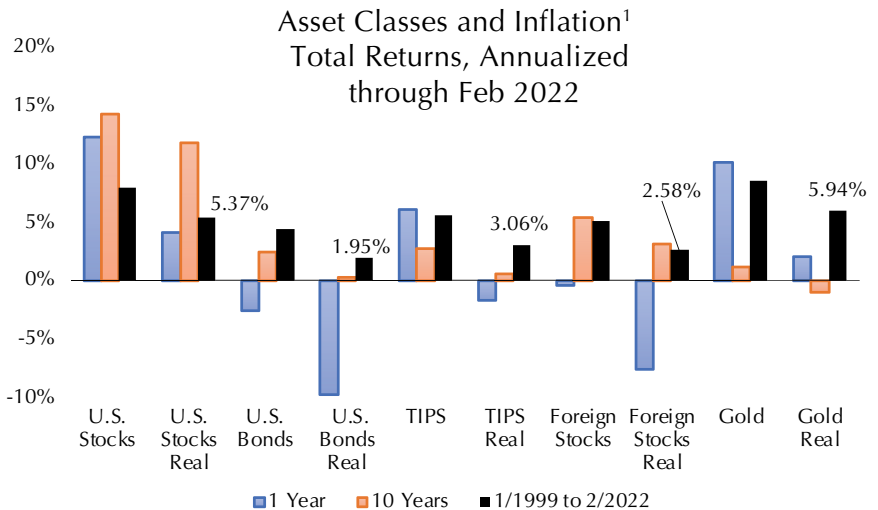
Banking³

Savings	0.06%
Money Market	0.08%
12-month CD	0.15%

[1] Federal Reserve, fmsbonds.com. Annualized Rates. Notes, bonds, TIPS reflect yield to maturity.

[2] Freddie Mac. Average (National average mortgages with 0.8 points).

[3] FDIC. Average national rates, non-jumbo deposits (<\$100k).



¹See page 22 for indexes cited. Real returns based on monthly changes in CPI-U, NSA.

HOW TO THINK ABOUT INFLATION

Everything old is new again: Inflation plagues the US economy. The Consumer Price Index is up 7.9 percent from a year ago. The Personal Consumption Expenditures index is up 6.1 percent from a year ago. We haven't seen price pressures like these in 40 years.¹

If we want to understand inflation, we need a framework to organize our thoughts. Economies are fiendishly complex; without a model that helps us focus on the relevant details, we're lost in the woods.

Inflation means a general increase in prices. Equivalently, it means the dollar is losing purchasing power. Economists distinguish general price changes from relative price changes. The latter come from the forces of supply and demand operating in specific markets. The former are common to all markets.

We frequently use the concepts of *aggregate demand* and *aggregate supply* to analyze inflation. But despite the similarity in names, these concepts aren't the same as microeconomic supply and demand. Aggregate demand refers to total nominal spending in the economy. Aggregate supply means general productive conditions.

We measure inflation by tracking changes in a price index. There are many price indexes, each focusing on a subset of the economy, such as consumers' goods or producers' goods. Also, some price indexes that cover the same area are calculated differently. For example, the above-mentioned CPI and PCEPI are both snapshots of prices for consumers'

goods. But what's under the hood is somewhat different.

Usually, inflation is caused by expanding aggregate demand. When aggregate demand (also called total spending or nominal gross domestic product) increases, prices for everything rise. Prices don't rise uniformly, of course. Inflation always has some distributional effects. But these are typically small compared to the general phenomenon.

Expanding the money supply is the easiest way to boost aggregate demand. As we saw, the Fed printed tons of money when COVID-19 threatened the economy. Importantly, money demand rose, too. That blunts the inflationary effects of increasing the money supply.

Increased government spending doesn't usually cause inflation. There's a possible exception, however: If the government takes on so much new debt that the public expects money printing to bridge the fiscal gap, holders of dollars might want to unload them before they lose their value. Of course, when everyone thinks this way, the dollar depreciates! This hasn't been an issue for the United States in recent history, but the government took on an awful lot of debt to fight COVID-19. It could be the case now.

Action on the supply side can also cause inflation. When aggregate supply decreases (or grows more slowly than before), everything gets more expensive. The key here is productivity. If it gets harder to turn inputs into outputs, prices go up. This too contributes to inflation.

We've heard a lot about the various logistics problems with global transportation, as well as a dearth of important producers' goods like semiconductors. Energy prices are markedly rising, due in no small part to the Russia-Ukraine conflict. All of these factors make production *in general* harder. In economics, harder means costlier. For a given amount of aggregate demand, diminished aggregate supply can only result in inflation.

Not all observed price hikes are inflationary. The price of cars, especially used cars, has risen faster than prices in general. There's undoubtedly an inflationary aspect, because it's common to all markets. But there's also specific supply and demand changes in the car market that are causing higher-than-average price increases for cars. We distinguish between the *relative* price of cars increasing (microeconomics; supply and demand) and prices *in general*, including for cars, increasing (macroeconomics; aggregate supply and aggregate demand).

Just because we use different concepts to analyze relative and general price changes doesn't mean we can pinpoint how much of each is going on. Our price index measurements frequently pick up both. Economists have various statistical tools to sort out relative from general price changes. For us, what matters is the conceptual difference. Don't confuse what's common to all markets for what's particular to one market.

1. By Alexander Salter, Senior Fellow, Sound Money and Banking, AIER. This article was reprinted in its entirety, it first appeared in AIER articles, March 13, 2022

A REALITY CHECK: THE FED AND INTEREST RATES

The news has been chockfull of stories regarding the war in Ukraine, gas prices, and inflation in general. Outlets are racing to tell us how these events will influence the Fed and whether it might soon "increase interest rates." A sampling of headlines from a simple internet search includes:

Why the Fed Raises Interest Rates to Combat Inflation -- CNBC Feb 15, 2022

The Federal Reserve is ready to raise interest rates soon despite the war in Ukraine -- NPR March 2, 2022

How Much Will the Fed Increase Interest Rates in 2022? -- Bankrate.com March 9, 2022

These are just three articles among more than 300 million generated by our simple internet search. But such headlines are nothing new. The financial press has for decades pushed a simplistic narrative that invariably overstates the Fed's ability to influence interest rates.

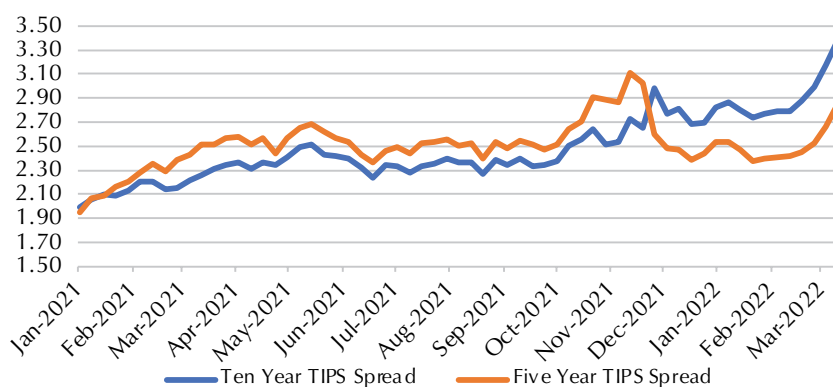
Investors should take care not to overestimate the Fed's ability to control interest rates. In this article we explain that while the central bank can certainly influence the cost of borrowing and lending, it hardly has the capability to

set rates unilaterally. The Fed, despite its awesome power to affect the money supply, cannot dictate market forces.

The Fed's Tool Kit

The Fed's mandate is to pursue maximum employment, maintain stable prices, and moderate long-term interest rates. Stable prices and moderate interest rates go hand in hand. Rising price levels reduce the real interest rate earned by lenders and paid by debtors. In turn, lenders will demand a higher nominal interest rate when prices rise unexpectedly. The Fed therefore can moderate interest rates by convincing the public

**Chart 1: The Inflation Outlook:
5, 10 Year Breakeven Inflation Rates**



Source: Federal Reserve Bank of St. Louis, 5, 10-Year Breakeven Inflation Rate Mar 14, 2022

that inflation is stable. Employment, too, benefits under a steadily growing economy.

The Federal Reserve Open Market Committee (FOMC) has a stated target for the federal funds rate, or the rate at which member banks lend and borrow overnight funds to maintain required reserve balances held at the Fed. While the Fed does not dictate this rate, it controls it very effectively, by two means. First, the central bank pays interest on member banks' reserves that it holds. A higher (lower) reserve rate reduces (increases) banks' incentive to lend. Second, the Fed intervenes through open market operations by buying or selling securities, thus influencing the money supply. Economists remain divided, even within the Fed, regarding which tool is more effective.

Targeting the federal funds rate is the primary means by which the Fed pursues monetary policy. If the Fed is concerned with rising inflation, it can limit the money supply by raising the target rate. Conversely, if it is worried about economic stagnation, it can increase the money supply by reducing the target rate, to stimulate growth.

The Fed has another tool, the discount rate, at its disposal. This is the rate at which member banks can borrow directly from the Fed. The Fed can set this rate as it pleases. The discount rate is a secondary policy tool. It is typically set higher than the federal funds target to encourage banks to borrow at the federal funds rate.

While these tools afford the Fed substantial influence over very short-term rates, its influence over the rest of the yield curve is both indirect and limited. Short, and intermediate to long term interest rates are not "set" by fiat. Rather they are determined by ongoing transactions between borrowers and lenders. These rates depend upon underlying supply and demand for capital, which can change for any number of reasons.

One can think of interest rates (yield to maturity) on U.S. Treasuries as being comprised of a *risk free, real rate of return* and an additional return, or *premium*, to compensate investors for the risk of future inflation. "Risk free" describes the relative security of Treasury securities, which are backed by the full faith and credit of the U.S. Treasury and carry the lowest credit risk available. Real return simply refers to the theoretical return earned if prices remain constant until a treasury bond matures, that is, a scenario in which the investor would suffer no loss of purchasing power. The inflation premium is the return investors demand to accommodate anticipated prices for goods and services.

The Fed's ability to impact longer term interest rates depends to a large extent on its ability to affect inflationary expectations. Market expectations regarding changes in the money supply drive corresponding changes in inflationary expectations. It is this dynamic that affects interest rates and compels the financial media to speculate regarding Fed policy.

The Fed seeks to "anchor" inflationary expectations of market participants. When lenders and borrowers have faith that the Fed can achieve its inflation target, they are less likely to react in the face of economic contraction, or a shock such as war or an oil price spike. This makes it easier for the Fed to meet its target and therefore fulfill its mandates.

But price inflation is affected by variables beyond the money supply. Aggregate price changes are determined not only by the level of money in circulation, but also by the amount of goods and services available for purchase, and the rate at which money is exchanged.¹ Both actual and expected inflation are impacted by myriad factors that are well beyond the Fed's influence.

Real interest rates, moreover, reflect the fundamental time preference for current consumption over future consumption. Real rates are affected by many variables including consumers preferences, demographic trends, and of course shocks such as pandemics and wars, of which we are all too familiar. These are just a few of the seemingly limitless factors that are beyond the control of the Fed.

In August 2020, the Fed announced that it would begin to use its various policy tools to target an average rate of inflation of two percent per year. The adoption of an *average* target provided the flexibility to allow inflation to rise above the two percent target in some years and fall below the target in other years. The Fed made the change primarily because low interest rates had prevailed for several years. Rates were so low that the Fed was concerned it would have no room to reduce rates to avoid recession.

How times have changed. Only 19 months later, the Fed is confronting an annual inflation rate of 7.9 percent, which is nearly four times its stated target, and sharply higher inflation expectations (see Chart 1). The threat of higher interest rates across the yield curve looms large. This brief period demonstrates the difficulty the Fed faces in controlling inflation expectations and moderating long term interest rates.

(continued next page)

1. More formally: the equation of exchange is expressed as $MV = PQ$, where M = the money supply, (currency in circulation), V = velocity (the average number of times currency is exchanged), P = the average price level of goods, and Q = an index of the real value of total transactions.

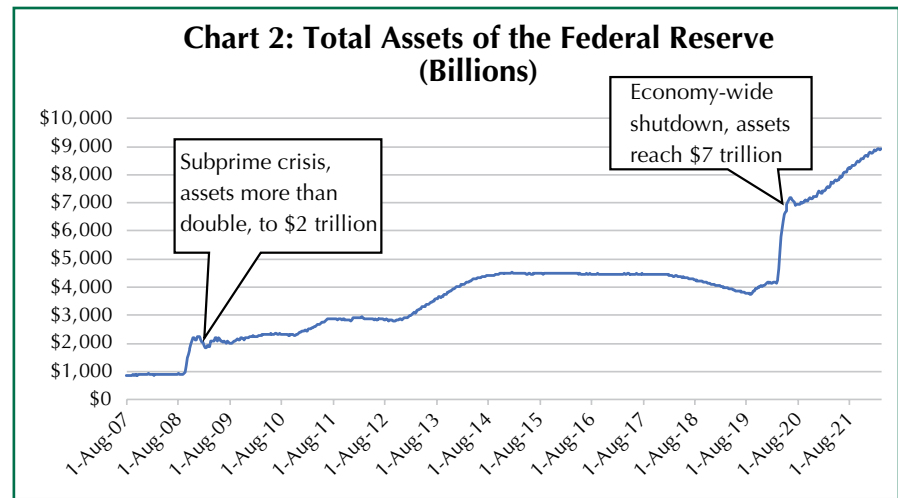
The Fed's Balance Sheet

Since 2007, the Fed's role in credit markets has gone well beyond the exercise of its traditional monetary tools. The Fed expanded its balance sheet dramatically following the subprime crisis that began in 2008, and again in 2020 following the government mandated economic shutdown when Covid-19 emerged (see Chart 2). Both episodes of Quantitative Easing (QE) involved massive purchases of longer-term bonds. The bank further departed from tradition by purchasing not only treasuries, but mortgage-backed securities (MBSs) as well.

In both cases, by purchasing massive quantities of outstanding debt, the Fed vastly expanded the money supply. These purchases certainly impacted bond markets by keeping interest rates low, as intended, in order to mitigate the effects of economic contraction. Despite the Fed's interventions in 2009, price inflation and nominal interest rates remained moderate for the next 12 years.

It has been a different story since early 2020, when the Fed intervened after the economy was brought to a standstill. As the economy recovered, inflation has increased sharply. This inflation surge has been attributed to three sources. To some extent prices have simply rebounded from their recessionary trough. Ephemeral complications, such as supply chain bottlenecks and labor shortages have contributed as well. But as every passing month brings new highs in year over year inflation, it becomes more difficult to ignore the vast expansion of money in circulation. Now, with war in Europe and oil prices surging the Fed's challenge has grown further.

As actual inflation continues to surge, the bond market's confidence in the Fed's ability to moderate inflation may be weakening. As we have explained previously, the ten-year breakeven rate derived from the treasury market serves as an implicit bond market forecast of annual inflation over the next



ten years. As of March 15, that rate stood at 3.4 percent, the highest since this data series became available in 2003.

What Now?

This month the FOMC increased its federal funds target range to 0.25 – 0.50 percent, with future increases expected.

As far as its balance sheet goes, many in the press have reported that the Fed would soon pursue quantitative tightening and even begin selling bonds in its portfolio. But in fact the central bank only began to [reduce the rate at which it was purchasing bonds](#) in November 2021.

Rather than leap to Quantitative Tightening (QT), it is far more likely the Fed will first halt the expansion of its balance sheet by reinvesting maturing bonds such that both the dollar value and duration of its bond portfolio remain constant. In the next phase, the Fed would likely exercise “passive tightening” by allowing its balance sheet to shrink, but only by refraining from new bond purchases as existing bonds mature. It remains unclear whether the Fed might begin selling bonds before maturity (“active tightening”), though such measures are unlikely until at least year-end.

Investors' Options

[Recently released research](#) analyzed global government bond data from 1984–2021. This study revealed no reliable relation between past changes in the federal funds rate and either future bond excess return over cash or future term premiums.

The fact is, neither investors nor the Fed can control interest rates. But investors have several options for managing interest rate risk.

We counsel all investors first and foremost to “know thyself.” If you are fearful of unexpected inflation, consider broadening your fixed income investments to include Treasury Inflation Protected Securities (TIPS), and/or keep the average duration of your bond holdings short. Older investors may have greater exposure to bonds, and therefore bear greater interest rate risk than younger investors. In that case diversification beyond the U.S. bond market might be prudent. The back page lists global bond funds (hedged to the dollar), that include exposure to developed markets.

We appreciate the comments and suggestions of Thomas Hogan, PhD., Senior Researcher, AIER.

ERRATA

Last month's published tables contained two errors. The *Comparative Hypothetical Total Returns and Volatility* table (Page 14) and the *Recent Market Returns* table (page 15) were each dated January 31, **2021**. These should have read January 31, **2022**.

In addition, last month's “Markets and Global Crises” article referred to Lehman Brothers' 2008 bankruptcy as Black Monday. Black Monday occurred on October 19, 1987, when the Dow dropped by 22.6 percent.

We regret these errors.

NEGATIVE RETURNS IN STOCKS AND BONDS

Central to our investment approach is the notion that most investors stand to benefit by holding several “uncorrelated” asset classes. The idea is that when one asset class falls in value, there is a good chance that another held in the portfolio is falling by less or rising in value. The smoothed returns of a diversified portfolio are more tolerable – and easier to embrace – compared with the volatile pattern of returns provided by a single asset class.

The two primary components of any diversified portfolio are stocks and bonds. Historically, when stocks have suffered a period of losses, bond returns have mitigated the losses. However, this inverse correlation is not a guarantee. In the first quarter of 2022, we have again seen the unusual scenario where both stocks and bonds have declined in value. The last time this happened for any meaningful length of time was in the first quarter of 2018.

As of this writing, the stock market (Russell 3000 Index) was down almost 8 percent year-to-date. An aggregate bond fund is down about 6 percent year-to-date. This article attempts to put the first quarter in perspective by considering the history of simultaneous losses in stocks and bonds over short time periods.

Monthly and Quarterly Returns

We looked at monthly data beginning January 1979 through February 2022, a total of 518 months. We use the Russell 3000 Index as a proxy for stock returns, and the Bloomberg U.S. Aggregate Bond Index as a proxy for bond returns.

During these months, stocks had negative returns, or just over one in every three months (see Table 1). More often than not bond returns were positive during these months. But months such as this January and February, when stock and bond returns were both negative, are not unprecedented. Historically, this has happened almost twice a year on average. Roughly one in seven months in

Table 1. Monthly stock and bond returns	Number of months	Percentage of months
All (Jan. 1979 - Feb. 2022)	518	100.0%
With negative stock returns	180	34.7%
With negative bond returns	169	32.6%
With negative stock and bond returns	72	13.9%

Table 2. Rolling 3-month stock and bond returns	Number of 3-month periods (rolling)	Percentage of 12-month periods
All (Jan. 1979 - Feb. 2022)	516	100.0%
With negative stock returns	143	27.7%
With negative bond returns	116	22.5%
With negative stock and bond returns	41	7.9%

Table 3. Rolling 12-month stock and bond returns	Number of 12-month periods (rolling)	Percentage of 12-month periods
All (Jan. 1979 - Feb. 2022)	507	100.0%
With negative stock returns	93	18.3%
With negative bond returns	56	11.0%
With negative stock and bond returns	3	0.6%

the historical data had negative returns in both stocks and bonds.

It appears that stock and bond returns will both be negative through the first quarter of 2022, barring a significant rally in the closing days. Historically, it has been unusual to observe a three-month period in which both stock and bond returns were negative. Across 516 possible 3-month periods, around 8 percent provided negative returns in both asset classes (see Table 2). If past is prologue, investors can expect three-month spans with negative returns on both stocks and bonds about once per year, on average.

Rolling 12-Month Returns

These data show that occurrences of negative returns in both stocks and bonds over short spans are rare but far from unprecedented. Seasoned investors realize that over the short term, relative returns are unpredictable. We looked next at what has happened over one-year periods. Specifically, we wanted to know how often stock and bond returns were both negative over 12-month periods.

Of 507 rolling 12-month periods, there have been 93 periods with negative stock market returns (see Table 3). This is

to say that a hypothetical investor who invested during any random 12-month period had a roughly one in five chance realizing negative stock market returns.

However, in over 40 years of data, there have been only *three* 12-month periods in which stock and bond returns were *both* negative (See Table 3). Based on history, while there is a reasonable chance that an investor might experience a month or a quarter when stocks and bonds turn in losses, this outcome becomes far less likely when the time frame is extended to a year.

Hardly a Catastrophe

The three 12-month periods with negative returns in both stocks and bonds were mild in terms of magnitude. During the most recent episode, which ended in January 2016, stock market returns were -2.48 percent while bond market returns were -0.16 percent. Losses during the two other instances were similarly modest. Between October 1980 and September 1981, stocks returned -3.57 percent while bonds returned -2.62 percent. Between February 1994 and January 1995 stocks returned -0.61 percent while bonds returned -2.31 percent.

While bonds cannot always be expected to offset losses in stocks for a single month or quarter, they have done so quite reliably over longer periods. Moreover, in instances when returns were negative for both stocks and bonds the magnitude of losses has been small.

THE HIGH-YIELD DOW INVESTMENT STRATEGY

HYD Model Portfolio

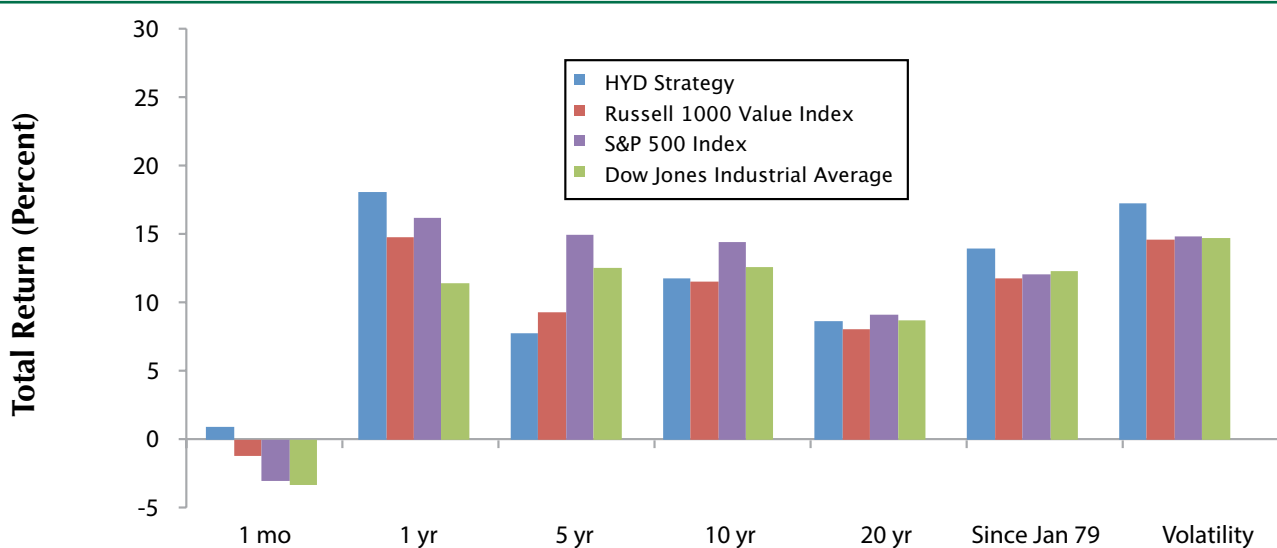
As of March 15, 2022					---Percent of Portfolio---	
	Rank	Yield (%)	Price (\$)	Status	Value (%)	No. Shares (%) ¹
IBM	1	5.22	125.64	Holding**	21.56	14.12
Verizon	2	4.85	52.76	Buying	18.97	29.58
Dow, Inc.	3	4.76	58.87	Holding**	22.20	31.02
3M Company	4	4.13	144.31	Buying	1.53	0.87
Walgreen Boots	5	3.97	48.17	Selling	3.42	5.85
Chevron	6	3.59	158.28	Selling	32.06	16.67
Kyndryl	N/A	N/A	11.35	Selling	0.26	1.90
Cash (6-mo. T-Bill)	N/A	N/A			0.01	N/A
Totals					100	100

**Currently indicated purchases approximately equal to indicated purchases 18 months ago. ¹Because 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 February 28, 2022*. Returns for the 5-,10- and 20-year periods and since 1979 are annualized, as is the volatility (standard deviation) of returns.

	<u>1 mo.</u>	<u>1 yr.</u>	<u>5 yrs.</u>	<u>10 yrs.</u>	<u>20 yrs.</u>	<u>since Jan 79</u>	<u>Volatility since 1979</u>
HYD Strategy	0.95	18.30	7.88	11.93	8.77	14.16	17.48
Russell 1000 Value Index	-1.16	14.99	9.45	11.71	8.18	11.93	14.77
S&P 500 Index	-2.99	16.39	15.17	14.59	9.25	12.21	15.02
Dow Jones Industrial Average	-3.29	11.59	12.71	12.74	8.84	12.47	14.90



*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 1% 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. 1-Year Treasury Notes - ICE BofA 1-Year US Treasury Note Index; U.S. Short-Term Investment Grade - Bloomberg US Government/Credit Bonds Index 1-5 Years; U.S. Bonds - Bloomberg US Aggregate Bond Index; U.S. Government Bonds - Bloomberg US Government Bond Index; TIPS - Bloomberg US TIPS Index; Municipal Bonds - Bloomberg 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 price: LBMA price. All return data from DFA Returns 2.0 program (gold returns based on spot price) 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 (\$)					Recent Market Returns							
	3/15/22	Mo. Earlier	Yr. Earlier	Prem. (%)	Data through February 28, 2022							
					U.S. Stocks (Mktwd)	Foreign Dev. Stocks	Foreign Emerg. Stocks	Global REITs	U.S. Bonds	Foreign Bonds (hedged)	Gold	
Gold, London p.m. fixing	1,913.65	1,848.55	1,723.65		-2.52%	-1.56%	-2.99%	-2.33%	-1.12%	-0.29%	6.22%	
Silver, London Spot Price	24.64	23.29	26.10		↓	↓	↓	↓	↓	↓	↑	
Crude Oil, W. Texas Int. Spot	103.22	92.07	65.36									
Coin Prices (\$)¹					1-month							
American Eagle (1.00)	1,995	1,927	1,797	4.25	3-month							
Austrian 100-Corona (0.9802)	1,876	1,812	1,690	0.00	↓	↓	↓	↓	↓	↓	↑	
British Sovereign (0.2354)	450	435	406	0.00	1 year							
Canadian Maple Leaf (1.00)	1,959	1,894	1,769	2.35	↑	↑	↓	↑	↓	↓	↑	
Mexican 50-Peso (1.2057)	2,307	2,229	2,078	0.00	5 year							
Mexican Ounce (1.00)	1,932	1,867	1,742	0.94	(annualized)							
S. African Krugerrand (1.00)	1,959	1,894	1,769	2.35	↑	↑	↑	↑	↑	↑	↑	
U.S. Double Eagle-\$20 (0.9675)					15 year							
St. Gaudens (MS-60)	1,865	1,865	1,801	n/a	(annualized)							
Liberty (Type II-AU50)	1,886	1,886	1,815	n/a	↑	↑	↑	↑	↑	↑	↑	
Liberty (Type III-AU50)	1,866	1,866	1,790	n/a	Best and worst one-year returns, Jan. 2001 - Feb. 2022							
U.S. Silver Coins (\$1,000 face value, circulated)					Best	62.5%	57.2%	91.6%	85.7%	13.8%	7.1%	54.6%
90% Silver Circ. (715 oz.)	21,307	21,307	19,704	n/a	During:	04/2020-03/2021	04/2003-03/2004	03/2009-02/2010	04/2009-03/2010	11/2008-10/2009	07/2008-06/2009	06/2005-05/2006
40% Silver Circ. (295 oz.)	7,142	7,142	7,321	n/a	Worst	-43.5%	-50.3%	-56.6%	-59.5%	-3.0%	-0.7%	-28.0%
					During:	03/2008-02/2009	03/2008-02/2009	12/2007-11/2008	03/2008-02/2009	02/2021-01/2022	03/2021-02/2022	12/2012-11/2013
¹Note: 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. Premiums will vary; these indicated premiums are provided in The CDN Monthly Greysheet.												

THE DOW JONES INDUSTRIALS RANKED BY YIELD*

Ticker Symbol	Market Prices (\$)			12-Month (\$)		Latest Dividend Amount (\$)	Record Date	Payable Date	Indicated Annual Dividend (\$)	Yield† (%)	
	3/15/22	2/15/22	3/15/21	High	Low						
IBM	IBM	125.64	129.94	128.58	146.12	114.56	1.640	2/11/22	3/10/22	6.560	5.22
Verizon	VZ	52.76	53.36	55.64	59.85	49.69	0.640	4/8/22	5/2/22	2.560	4.85
Dow Chemical	DOW	58.87	61.86	62.90	71.38	52.07	0.700	2/28/22	3/11/22	2.800	4.76
3M Company	MMM	144.31	157.34	189.48	208.95	139.74	1.490	2/18/22	3/12/22	5.960	4.13
Walgreen's	WBA	48.17	48.30	55.05	57.05	43.62	0.478	2/18/22	3/11/22	1.910	3.97
Chevron	CVX	158.28	134.26	110.25	174.76	92.86	1.420	2/16/22	3/10/22	5.680	3.59
Merck	MRK	78.64	77.81	76.23	91.40	69.51	0.690	3/15/22	4/7/22	2.760	3.51
Amgen	AMGN	231.56	223.94	235.96	261.00	198.64	1.940	5/17/22	6/8/22	7.760	3.35
Intel Corp	INTC	44.81	48.44	63.79	68.49	43.63	0.365	2/7/22	3/1/22	1.460	3.26
J P Morgan	JPM	132.48	154.72	155.37	172.96	127.27	1.000	4/6/22	4/30/22	4.000	3.02
Coca-Cola	KO	59.62	60.91	51.03	63.02	50.83	0.440	3/15/22	4/1/22	1.760	2.95
Cisco	CSCO	55.60	54.27	49.41	64.29	49.62	0.380	4/6/22	4/27/22	1.520	2.73
Goldman Sachs	GS	329.16	363.94	346.05	426.16	317.72	2.000	3/2/22	3/30/22	8.000	2.43
Johnson & Johnson	JNJ	176.14	167.31	160.42	179.92	155.72	1.060	2/22/22	3/8/22	4.240	2.41
McDonald's	MCD	232.57	253.81	220.46	271.15	217.68	1.380	3/1/22	3/15/22	5.520	2.37
Proctor and Gamble	PG	150.27	156.82	128.56	165.35	129.99	0.870	1/21/22	2/15/22	3.480	2.32
Home Depot, Inc.	HD	328.54	353.26	278.54	420.61	288.94	1.900	3/10/22	3/24/22	7.600	2.31
Honeywell	HON	187.79	189.53	216.20	236.86	174.42	0.980	2/25/22	3/11/22	3.920	2.09
Caterpillar	CAT	216.46	203.41	230.74	246.69	179.67	1.110	1/20/22	2/18/22	4.440	2.05
Travelers	TRV	180.19	171.60	157.34	184.35	144.44	0.880	3/10/22	3/31/22	3.520	1.95
Wal-Mart Stores	WMT	145.78	134.37	133.43	152.57	131.63	0.560	5/6/22	5/31/22	2.240	1.54
American Express	AXP	176.04	197.98	146.99	199.55	135.13	0.520	4/8/22	5/10/22	2.080	1.18
Unitedhealth Group	UNH	497.91	478.23	353.88	513.00	360.55	1.450	3/14/22	3/22/22	5.800	1.16
Nike	NKE	119.40	145.58	144.94	179.10	116.75	0.305	3/7/22	4/1/22	1.220	1.02
Microsoft Corp.	MSFT	287.15	300.47	234.81	349.67	231.10	0.620	5/19/22	6/9/22	2.480	0.86
Visa Inc.	V	206.14	227.82	223.27	252.67	186.67	0.375	2/11/22	3/1/22	1.500	0.73
Apple	AAPL	155.09	172.79	123.99	182.94	118.86	0.220	2/7/22	2/10/22	0.880	0.57
Walt Disney	DIS	134.25	154.72	196.76	192.34	128.38	0.000	No dividend		0.000	0.00
Salesforce	CRM	196.14	214.25	212.80	311.75	184.44	0.000	No dividend		0.000	0.00
Boeing	BA	179.89	217.73	265.63	260.48	167.58	0.000	No dividend		0.000	0.00

† Based on indicated dividends and market price as of 3/15/22. Extra dividends are not included in annual yields.

All data adjusted for splits and spin-offs. 12-month data begins 3/15/21.

ASSET CLASS INVESTMENT VEHICLES

Data as of March 21, 2022

Fixed Income

	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)
								3-Year	5-Year	10-Year	
Short-Term Bonds	Vanguard Short-Term Bond Adm	2.90 yrs	2596	0.07	37		1.13	1.29	1.43	1.33	0.70
Short-Term Bonds	SPDR Portfolio Short Term Corp Bd ETF	1.97 yrs	1170	0.04	56		1.02	1.48	1.72	1.63	0.78
Short-Term Bonds	iShares 1-3 Year Treasury Bond ETF		76	0.15	79		0.22	0.88	0.98	0.75	0.43
Interm-Term	Vanguard Total Bond Market Adm	8.90 yrs	18198	0.05	69		1.95	1.93	2.15	2.22	0.94
Interm-Term	iShares Core US Aggregate Bond ETF		10149	0.04	179		1.80	1.84	2.11	2.20	0.89
Tax-Exempt	Vanguard Ltd-Term Tax-Exempt Inv		9334	0.17	37		1.18	1.28	1.55	1.37	0.00
Tax-Exempt	SPDR Nuveen Blimbg Barclays ST MumBd ETF	2.96 yrs	1187	0.20	20		0.75	0.62	0.90	0.90	0.01
Tax-Exempt	Vanguard Interm-Term Tx-Ex Inv		13805	0.17	18		2.11	2.07	2.63	2.74	0.01
Inflation-Protected	iShares TIPS Bond ETF		50	0.19	34		4.70	6.44	4.54	2.64	1.03
Inflation-Protected	Vanguard Inflation-Protected Securities Inv	7.90 yrs	47	0.20	24		5.08	6.46	4.46	2.60	1.14
International	Vanguard Total International Bond Adm	9.50 yrs	6583	0.11	25		3.09	0.84	2.20	n/a	1.03

Real Estate (REITs)

U.S. REITs	Vanguard REIT Adm	21.96 B	170	0.12	8	2.68	2.89	10.60	9.35	9.50	1.41
U.S. REITs	SPDR Dow Jones REIT	19.03 B	117	0.25	6	2.34	3.09	8.82	8.28	8.71	1.46
Int'l REITs	Vanguard Global ex-US Real Estate Adm (2)	5.88 B	739	0.12	7	0.85	6.78	0.41	4.13	5.45	1.81
Int'l REITs	iShares International Developed Property	6.16 B	411	0.48	16	0.92	4.59	1.56	4.57	5.73	1.77
Global (incl. U.S.)	SPDR Dow Jones Global Real Estate ETF	13.43 B	279	0.50	6	1.65	3.06	5.64	6.24	6.84	1.45

U.S. Stocks

Large Cap (blend)	Vanguard S&P 500 Adm	207.29 B	510	0.04	2	3.70	1.34	18.00	15.78	14.47	0.41
Large Cap (blend)	iShares Russell 1000 ETF	158.18 B	1028	0.15	5	3.60	1.19	17.66	15.52	14.25	0.54
Large Cap Value	Vanguard Value Adm	103.49 B	352	0.05	9	2.40	2.18	13.69	12.04	12.69	0.63
Large Cap Value	iShares Russell 1000 Value	76.68 B	856	0.19	18	2.24	1.68	12.42	10.16	11.47	0.83
Small Cap (blend)	iShares Core S&P Small-Cap ETF	2.23 B	607	0.06	20	1.78	1.63	13.32	11.65	12.67	0.57
Small Cap (blend)	DFA US Small Cap	2.76 B	2063	0.27	12	1.90	1.00	13.89	10.63	11.75	0.92
Small Cap Value	Vanguard Small Cap Value Adm	5.73 B	1000	0.07	16	1.71	1.80	12.94	10.12	n/a	0.54
Small Cap Value	iShares Micro-Cap	0.59 B	1788	0.60	35	1.52	0.86	12.13	10.63	11.12	0.41
Small Cap Value	DFA US Targeted Value	3.36 B	1370	0.29	13	1.36	1.33	16.10	10.96	11.85	1.20
Marketwide	Vanguard Total Stock Market Adm	119.13 B	4073	0.04	4	3.37	1.31	17.27	15.26	14.11	0.40
Marketwide	DFA US Core Equity Market ETF	75.56 B	2489	0.14	4	3.07	1.17	17.00	14.58	13.77	0.74

Foreign Stocks

Developed Markets	Vanguard FTSE Developed Markets Adm	29.24 B	4142	0.07	3	1.48	3.35	8.01	7.22	6.65	0.77
Developed Markets	DFA International Core Equity	12.96 B	5250	0.24	8	1.37	3.13	8.36	7.02	6.79	0.87
Emerging Markets	Vanguard Emerging Markets Stock Adm	25.05 B	4442	0.14	9	1.58	2.68	4.81	5.44	3.16	0.87
Emerging Markets	DFA Emerging Markets Core Equity	14.83 B	6498	0.39	10	1.39	2.66	6.40	6.21	3.96	0.81

Gold-Related Funds

Gold ETFs	SPDR Gold Minishares		GLDM	0.10			0.00	13.74	n/a	n/a	0.00
Gold ETFs	GraniteShares Gold Trust		BAR	0.17			0.00	13.71	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) VGRXL 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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