AIS INVESTMENT GUIDE

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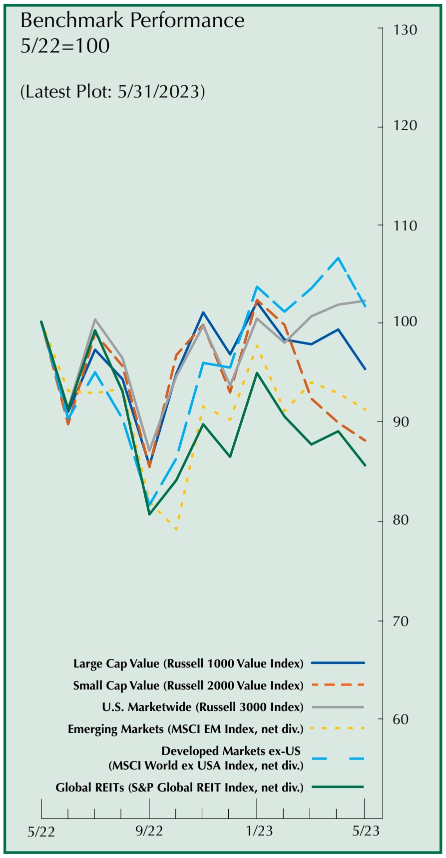

Rates of Interest

As of June 20, 2023

Government Obligations[1]	
Fed Funds Rate	5.08%
3-Month Treas. Bill	5.09%
10-Yr. Treas. Note	3.77%
30-Yr. Treas. Bond	3.86%
10-Yr. TIPS	1.55%
Muni Bonds - Nat'l 10-Yr.	2.60%
Mortgage Rates[2]	
15-Yr Fixed	6.10%
30-Yr Fixed	6.69%
Banking[3]	
Savings	0.42%
Money Market	0.61%
12-month CD	1.63%

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

[2] Freddie Mac. U.S. Weekly Averages.

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

VALUE STOCKS: A READER INQUIRES

*I*n recent years growth stock returns have been the primary drivers of US stock market returns, while value stocks have lagged. The following question from a long-time subscriber provides an opportunity to revisit this topic.

Q -- On page 38 you state that "over the long-term large cap value stocks have generated annualized returns above those of the overall stock market."

On page 40, with the exception of 3-year annualized returns, large cap blends, (Vanguard S&P 500) outperformed value 1 year, 5 year and 10 year.

Would you explain or revise your position?

AIS – While we stand by our statement, you make a salient observation. We were somewhat vague in our reference to "value stocks" versus the "overall market." So here will be more specific in defining the historical value premium.

You correctly point out that value stocks have underperformed recently. However, the value premium persists when one considers the full history of available data.

In the chart below we display the value premium with since 1926 (the first available date on the chart is 1936 because it displays trailing 10-year returns). To provide a clear depiction, we cite the Fama/French U.S. Value Research Index and compare it with the CRSP Market Index (these indexes are far broader and include far greater history than comparable indexes from the S&P or Russell).

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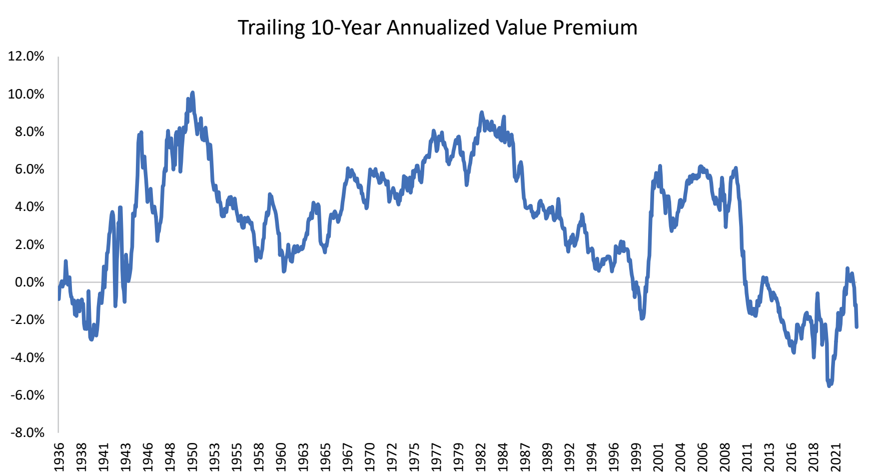


Source: Fama/French US Value Research Index minus CRSP Deciles 1-10 Index (market). Data from DFA Returns 2.0.

It is not unusual for value stocks to underperform the market. Since data are first available, this has occurred in roughly 20 percent of all 1,084 rolling 10-year periods. The period ending in April (reflected in May Investment Guide mutual fund data) was one such period.

So, over this span of over 85 years the value premium has been positive in roughly four of five rolling 10-year periods. The average outperformance during any 10-year period has been roughly 3 percent per year.

As we have emphasized in the past the value premium varies widely from one period to the next. Most importantly this long-term 3 percent average has been driven largely by relatively brief but very large occurrences. Investors must be “in the game”, by tilting their equity exposure toward value stocks, to benefit from these unpredictable instances.

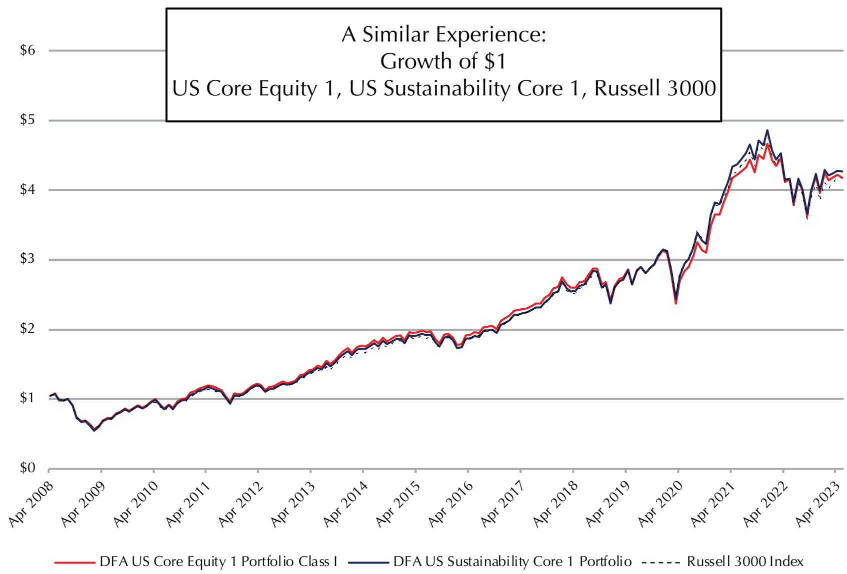
The data also corroborate the intuition that value stocks will outperform over the long term. Value stocks are those with lower relative prices, and therefore higher expected returns. The value premium will not show up in every 1, 5, or 10-year period, but it has historically rewarded patient investors over their lifetimes.

ESG AND THE RATIONAL INVESTOR

Environmental, Social and Governance (ESG) investing has had a major impact on global markets. While the total market value of all ETFs and mutual fund assets increased by 33 percent between 2019 and 2021, ESG mutual fund and ETF assets grew by over 100 percent over the same period.[1] This trend has sparked passionate reactions both in favor and against it, extending beyond the realm of finance. To cut through the noise, our objective is to provide a rational framework that enables an unbiased assessment of the concept, regardless of one’s inclination to embrace it.

We cannot speak for anyone else’s preferences, so we take no position when asked whether ESG criteria should be applied when building a portfolio. However, it is important to acknowledge that any portfolio diverging from the overall market will inevitably involve trade-offs.

We evaluate expected return and risk, consider the potential for social impact, and recognize that ESG ultimately hinges on personal preference. Lastly, we outline a rational approach for investors seeking to delve deeper into this subject.



Return

ESG money managers often claim that they can outperform the market by tilting their portfolios toward firms that use environmental resources efficiently (**E**), foster good relationships with customers, vendors, and their communities (**S**), and adhere to strong and transparent governance practices (**G**).

We anticipate that such firms will generate higher expected future cash flows compared to other firms, which, in isolation, would result in an increase in expected returns. However, investors must pay higher prices for these enhanced cash flows, which pulls expected returns lower. These opposing forces are effectively illustrated nearby in the conventional stock valuation model.

Consider a scenario in which a manager starts with the U.S. stock market as a foundation but then modifies it by excluding stocks with low ESG ratings in favor of those with high ratings. Unless he also accounts for the genuine long-term drivers of stock returns, his approach essentially boils down to an attempt to beat the market by selecting stocks based on publicly available information. His chances of success are slim because these features would be factored into stock prices.

Though the evidence is tentative[2], empirical analysis generally supports this conclusion. Numerous studies have been conducted and results vary. But meta studies suggest that, while the relationship between current ESG characteristics and future *company performance* is strong, the connection between current ESG characteristics and future *investor performance* is weak.

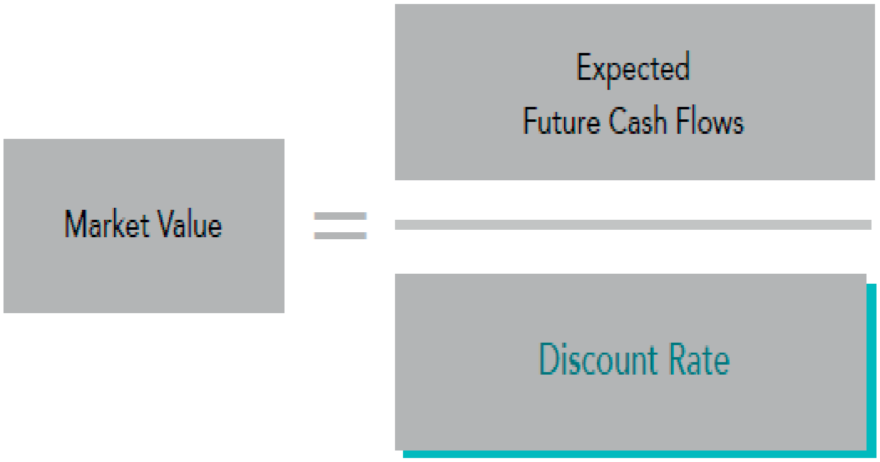
ESG investors should therefore expect strong future performance from these well-run firms but give little credence to claims of higher expected returns.

Risk and Sustainability

ESG-focused investors and money managers prioritize addressing the risks associated with ESG concerns.

Quantifying a firm’s exposure to such risks entails a highly subjective process, particularly when attempting to accurately assess its future vulnerability. Money managers often rely on third-party ESG ratings, such as those provided by MSCI, Bloomberg and S&P Global. But ratings across these agencies are inconsistent, lacking strong correlations. In contrast, credit ratings across credit rating agencies tend to demonstrate a greater level of similarity.

Climate change has emerged as a significant concern to many investors. It is widely agreed that increased greenhouse gas emissions contribute to rising global temperatures. But the implications for future prosperity are quite difficult to measure accurately. Results from models that attempt to measure the impact



Expected returns are driven by prices investors pay and cash flows they expect to receive.

of temperature increase on economic growth vary widely. So, assessing the risks, including a firm's physical vulnerability, potential litigation, and the susceptibility of assets to transitional risks (such as such assets rendered useless by new regulations) becomes a complex task.

Portfolio diversification is the most effective risk management tool. Yet it is noteworthy that many ESG funds are under diversified. For instance, the median actively managed ESG equity fund holds a mere 84 stocks, in stark contrast to the 3000 firms that comprise the Russell 3000 – our preferred benchmark for the overall US stock market.

Societal Impact

Some investors embrace ESG with the aim of influencing real-world outcomes. For example, it is not uncommon for individual or institutional investors to exclude tobacco or fossil fuel related stocks from their portfolios. Their goal is to force share prices lower, and thereby increase the firms' cost of capital, in hopes of prompting management to alter or even abandon certain activities.

However, the link between investor actions and firms' practices is not strong. Capital markets are highly liquid and provide many options for raising capital. Moreover, ESG investors have diverse motivations that encompass religious, environmental, and other value-based concerns. To effectively impact a firm's cost of capital at the margin through "investor boycotts," investors would need to unite around a central theme and act collectively.

Consider Exxon Mobil stock, which trades at roughly 15 million shares per day. A household investor who owns 500 shares of XOM cannot realistically hope to impact the firm's share price by divesting her portfolio of her shares, or by refraining from future purchases.

Personal Values

While ESG investing may raise questions regarding its potential for generating additional return, managing risk, and having social impact, it can be a perfectly rational strategy for investors who hold strong personal convictions. AIER and AIS have long championed individual autonomy, and we recognize that your investment portfolio represents your life savings and the accumulated value of your productivity. Therefore, it is essential that it aligns with your values.

We all want the firms we invest in to succeed and grow, so it makes sense to screen stocks based in part on our personal values. For instance, investors may choose to avoid certain pharmaceutical companies that produce drugs that conflict with their religious beliefs. Their intention is not to witness the failure of these firms, they just do not want to participate in their success.

Building a robust portfolio based on sound portfolio theory does not preclude us from incorporating considerations that align with our personal convictions. However, investors who opt for this approach should understand the trade-offs involved, and methodically structure a portfolio that seeks to achieve optimal risk-adjusted returns while remaining in harmony with their values.

A Rational Alternative

It is indeed possible to develop an investment strategy that incorporates your values without compromising exposure to the established drivers of equity return. These factors compensate investors with additional return for bearing the risk associated with holding the overall stock market, as well as for tilting their stock portfolio toward small cap stocks and value stocks.

ESG investors can therefore take heart. Though trade-offs are inevitable, a well-designed strategy can exclude personally objectionable stocks while still delivering an investment experience comparable to that of non-ESG investors.

Consider an example of a fund with a mandate to provide exposure to US small-cap value stocks while screening out companies identified as significant emitters of greenhouse gases. The fund manager can refrain from purchasing such stocks while maintaining his desired risk-factor exposure by redirecting that allocation towards "clean" small-cap value stocks.

Investors in such a fund would still confront trade-offs. The portfolio would be under diversified relative to its non ESG benchmark, thereby exposing

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1. *Source: Investment Company Institute, 2022 Investment Company Factbook*
2. *While the notion of investing on moral grounds is hardly new, ESG's popularity has surged only in recent years, so data is limited.*
3. *CI is a company's reported greenhouse gas emissions in tons carbon dioxide equivalents (CO2e) divided by its sales. PER is an estimate of carbon dioxide produced if a company's reported fossil fuel reserves were used.*

	US Sustainability Core 1 portfolio (DFSIX)	US Core Equity portfolio 1 (DFEOX)	Russell 3000 Index
Number of Holdings May 31, 2023	2,006	2,704	3,000
Annualized total return1	10.03%	9.89%	9.89%
Volatility2	17.66%	17.52%	16.71%
Tracking error 3 vs Russell 3000	2.03%	2.04%	0

Return, Volatility and tracking data April 2008 - May 2023 (longest period of common data)
Volatiliy is measured by standard deviation of monthly returns, annualized.
Tracking3 error is calculated as the standard deviation of the difference between the returns of the fund and its benchmark.

investors to tracking risk. Consequently, the fund's performance may lag its US small-cap value benchmark when oil prices rise but outperform during periods of falling prices. We would also expect the fund's returns to be more volatile than those of it benchmark considering its reduced exposure to a major industry.

However, a fund driven by the rules-based approach we described can help to minimize these deficiencies. Consider, for example, Dimensional Fund Advisors' US Sustainability Core 1 portfolio (DFSIX). This fund targets the entire US stock market, while overweighting the drivers of returns we have described. But it is further adjusted to reduce its carbon footprint across and within industries, thereby addressing ESG concerns within a comprehensive investment framework.

DFA management assesses a companies' reported Carbon Intensity (CI) as well as their Potential Emissions from Reserves (PER)[3]. Those stocks deemed to be highly carbon intensive are excluded or underweighted, while sector leaders are overweighted.

For comparison, consider the DFA US Core Equity portfolio 1 (DFEOX), which aims to cover the entire US equity market. It also emphasizes the drivers of equity returns but makes no further adjustments regarding companies' carbon footprint or other ESG considerations.

Both funds are broadly diversified. DFSIX holds 1,969 stocks, while DFEOX holds 2704. But the table and chart below illustrate that these funds have thus far produced similar outcomes.

Unless our clients inform us that they are sensitive to ESG concerns, we do not integrate these strategies in our recommended portfolios. We can, however, accommodate certain preferences in the manner we have described.

SCHWAB TDA MERGER

In 2019, The Charles Schwab Corporation acquired TD Ameritrade (TDA) Holding Corporation in an all-stock transaction valued at roughly $26 billion. Account holders new to Charles Schwab should be pleased with the results in the Fed's recently released "stress test" report which found the company to be very well capitalized.

The majority of TDA retail client accounts successfully transitioned to the Schwab custody platform last month. Schwab plans to complete the transition of TDA accounts managed by AIS clients (and other Registered Investment Advisors) by September 5.

TDA clients can rest assured that this transition will not affect our services. Your current AIS advisor will continue to serve as "quarterback" of your AIS wealth management team. The advisor will maintain the authorizations he currently has at TDA throughout the transition and thereafter, including trading, fee deduction and payment, and first-party money transfers.

Any FDIC insured cash balances will remain as such upon transfer. Your account will be enrolled in Schwab's Cash Features Program, and the cash feature assigned to your account will be changed from the TD Ameritrade FDIC Insured Deposit Account (IDA) to the Schwab Bank Sweep.

Additional information will follow in the weeks ahead. More information is available on line, and your advisor is available to answer any questions.

NEW TO OUR FUND LINE UP

We have added the Vanguard Short-Term Inflation Protected Securities Index fund (VTAPS) to our asset class investment vehicles on the back page.

Last December we explained why, despite several months of rising inflation, many funds that invest exclusively in TIPS (Treasury Inflation Protected Securities) had produced negative returns in recent months.

We decomposed TIPS total returns to remind investors that TIPS provide a real return component as well as a component tied directly to trailing twelve-month inflation.

While investors received the cash flows tied to rising price inflation, they remained vulnerable to changes in real interest rates. During this period real rates increased sharply. Since bond prices move inversely to interest rate changes this increase negatively impacted returns; in this case the drop was enough to more than offset the positive returns from the inflation-adjusted component.

Long term bonds are more sensitive to changes in interest rates than short term bonds; this is true of all fixed income securities, including TIPS.

We have added VTAPX for those investors especially concerned with protecting their purchasing power over the short term. TIPS offer protection against unexpected inflation. So, the fund for example might be useful for someone saving for a downpayment on the purchase of a home over the next two years. Inflation-averse investors with a longer-term horizon may prefer the longer-term TIP Vanguard Inflation-Protected Securities fund (VIPSX), or the iShares TIPS bond fund ETF (TIP).

YOUR HOME AS AN INVESTMENT

A recent Wall Street Journal headline on May 31 highlighted a remarkable surge in home prices, with a year-over-year increase of over 20 percent—the largest jump in 35 years. This spike coincides with the release of a Gallup poll conducted every year since 2014, which found that real estate is the preferred long-term investment among Americans, surpassing gold, stocks, bonds, and cash.

It is common to hear people say that their home is the "best investment they ever made." Given the recent nationwide leap in home prices, and a turbulent year in stocks and bonds, it is easy to understand why residential real estate is considered a fantastic investment opportunity.

Over the long term, home values have generally appreciated across the United States, although the rate of appreciation varies by location. According to data from the Federal Housing Finance Agency, the average home price in the U.S. has increased more than six times since 1980 (all data cited as of the end 2022). The data also show a remarkable price increase of nearly 30 percent in just the last two years.

If you bought a house for $100,000 in 1980 and experienced a gain consistent with the national average, it would be worth over $620,000 today. There is a lot of variation depending on location and other factors, but home prices have generally increased. However, it is essential to consider several factors and alternatives before concluding that real estate is the ultimate long-term investment strategy.

Home Prices vs Common Stocks

Many homeowners are doubtless content to live in their home while its value grows. Everyone needs a place to live, and experiencing an investment gain along the way is an added benefit. Moreover, homes are often purchased with a mortgage, so one's initial investment is less than the full value of the home. All these factors make homeownership attractive as an investment.

However, in the past few decades, overall common stock returns have surpassed the appreciation in home prices.

Since 1980, the value of an average home has witnessed a remarkable sixfold increase. However, during the same period, the S&P 500 index, including dividends, has outperformed it by a wide margin. While home values on average increase by 4 to 5 percent annually, the stock market provided an annualized return of over 10 percent.

This outperformance makes a substantial difference over the course of several decades. Table 1 shows home price appreciation versus returns from the S&P 500 and growth in the Consumer Price Index (inflation) over several long-term periods.

Why Homes are Favored

Homeownership offers a unique economic benefit that financial assets, such as stocks, simply cannot provide - you get to live in your house rent free, and without incurring income taxes on this implicit income. Additionally, homeowners who itemize deductions on their income tax returns can deduct mortgage interest expenses, reducing the cost of leveraging homeownership compared to other leveraged investments. This often-overlooked financial attraction of home ownership explains why many individuals consider it the best long-term investment.

Personal experience also contributes to the high regard homeowners have for their homes as investments, as they have witnessed substantial and steady unrealized gains in their property's market values over time.

The illiquid nature of residential real estate plays a role in encouraging long-term home ownership. Buying a home is quite different from buying an index of common stocks. Whereas stocks are bought and sold easily, investors cannot as readily buy and sell homes because there are "frictional costs" involved in home transactions, including broker commissions and other fees, as well as the time spent searching for new accommodations.

These obstacles deter frequent trading. Rather than sell, most homeowners choose to hold onto their properties, contentedly appreciating the slow but steady growth in value.

Conversely, the stock market is highly liquid and presents few impediments to trading. Frictional costs, moreover, have been falling for decades as brokerage fees have tumbled and index fund investing has surged. Stock investors face price volatility every trading day and constant media speculation; this can tempt investors to time the market.

The biggest obstacle for investors in stocks is their own behavior. Though the average annual return for U.S. stocks exceeded 10 percent since 1980, many investors have done far worse than average. Many succumb to innate behavioral tendencies by selling when markets are falling and then waiting to buy only after a rebound. In this respect stock market liquidity is both a blessing and a curse -- the next impulsive trade is just a mouse-click away.

Studies have shown that successful investors tend to check their account balances infrequently. Consistently investing at regular intervals, regardless of short-term fluctuations or consecutive years of a "down" market, is a key attribute of successful investors. Investors benefit from having savings deducted from every paycheck and by adhering to a diversified portfolio and allocation plan. The study pointed out that the best outcomes were found among accounts held by the recently deceased, who, after all, are unable to make any changes!

Key Takeaway

Rest assured; death is not a precondition for investment success, but an understanding of the factors at play is of critical importance. We can look to homeowners who have seen their home values grow over the long term as a source of inspiration.

It is not necessarily the investment vehicle that makes a great investor. Rather, it is the ability to invest regularly and maintain a long-term perspective in the face of ongoing volatility and inevitable bear markets.

Year-to-date, capital markets have delivered yet another lesson in investment follies. As the year began many pundits were bearish on stocks. With rising rates available on competing alternatives such as money market funds, many forecast losses or meager gains for 2023. The year is only halfway through, but so far, the US stock market is up 13 percent.

Stick to your investment plan, disregard short-term predictions from pundits, and if you own a home, enjoy its many benefits.

THE HIGH-YIELD DOW INVESTMENT STRATEGY

HYD Model Portfolio

As of June 15, 2023	Rank	Yield (%)	Price ($)	Status	Percent of Portfolio Value (%)	Percent of Portfolio No. Shares (%)[1]
Verizon	1	7.16	36.44	Holding**	22.16	29.64
Walgreen Boots	2	6.00	32.02	Buying	17.82	27.12
3M Company	3	5.78	103.81	Buying	9.63	4.52
Dow, Inc.	4	5.24	53.48	Holding**	21.06	19.19
IBM	5	4.80	138.40	Selling	16.78	5.91
Chevron	6	3.82	158.28	Selling	3.26	1.00
Intel	22	1.40	35.82	Holding	9.27	12.62
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. [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.

Over the long-term large cap value stocks have generated annualized returns above those of the overall stock market. This is explained by the inherent trade-off between risk and return. Value companies are in a distressed state and have a higher cost of capital relative to financially sound growth companies. A firm's cost of capital is also the investor's expected return; in order to invest in these shares, potential investors insist upon a lower stock price.

One way to identify lower priced shares is by ranking stocks based on their dividend yield. High-yielding stocks have higher expected returns versus lower yielding stocks because they bear greater risk. For larger accounts, especially those with an explicit need for investment income (such as certain trust accounts), we can incorporate our High Yield Dow (HYD) "4-for-18" strategy as part of a broader overall allocation strategy.

The HYD model is similar to an index approach because it relies on a "rules-based" selection strategy rather than subjective analysis. We began the strategy by incrementally "investing" a hypothetical sum of $1 million over 18 months. Specifically, one eighteenth of $1 million ($55,000) was invested equally in each of the 4 highest-yielding issues in the Dow Jones Industrial Average each month, beginning in July 1962. Once fully invested (January 1964) the model began a regular monthly process of considering for sale only those shares purchased 18 months earlier and replacing them with the shares of the four highest-yielding shares at that time. The model each month "purchases" shares that are relatively low in price (with a high dividend yield) and sells shares that are relatively high in price (with a low dividend yield), all the while garnering a relatively high level of dividend income.

This approach provides highly volatile returns that warrant only a limited allocation for most investors. In many situations it is prudent to further diversify this large cap value allocation by also investing in a large cap value index fund.

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 ($)

	6/15/23	*Mo. Earlier*	*Yr. Earlier*	*Prem. (%)*
Gold, London p.m. fixing	**1,952.35**	2,015.30	1,823.75	
Silver, London Spot Price	**23.41**	23.89	21.46	
Crude Oil, W. Texas Int. Spot	**67.08**	71.07	120.92	
Coin Prices ($)[1]				
American Eagle (1.00)	**2,035**	2,101	1,901	4.25
Austrian 100-Corona (0.9802)	**1,914**	1,975	1,788	0.00
British Sovereign (0.2354)	**460**	474	429	0.00
Canadian Maple Leaf (1.00)	**1,997**	2,060	1,869	2.30
Mexican 50-Peso (1.2057)	**2,354**	2,430	2,199	0.00
Mexican Ounce (1.00)	**1,970**	2,033	1,842	0.92
S. African Krugerrand (1.00)	**1,997**	2,060	1,869	2.30
U.S. Double Eagle-$20 (0.9675)				
St. Gaudens (MS-60)	**2,200**	2,080	1,890	n/a
Liberty (Type II-AU50)	**2,056**	2,028	1,870	n/a
Liberty (Type III-AU50)	**2,035**	2,007	1,874	n/a
U.S. Silver Coins ($1,000 face value, circulated)				
90% Silver Circ. (715 oz.)	**22,201**	20,914	19,806	n/a
40% Silver Circ. (295 oz.)	**7,231**	6,692	6,213	n/a

[1]Note: 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.

Recent Benchmark Returns
Data through May 31, 2023

	U.S. Stocks (Russell 3000 Index)	Developed Markets ex-US (MSCI World ex USA Index, net div.)	Emerging Markets (MSCI EM Index, net div.)	Global REITs (S&P Global REIT Index, net div.)	U.S. Bonds (Bloomberg U.S. Aggregate Bond Index)	Global Bonds ex-US (FTSE Non-USD World Government Bond Index 1-5 Years (hedged to USD))	Gold (Gold Spot Price)
1-month	0.39%	-4.36%	-1.68%	-3.71%	-1.09%	0.37%	-1.37%
	↑	↓	↓	↓	↓	↑	↓
3-month	4.17%	0.54%	0.15%	-5.25%	2.04%	1.98%	7.43%
	↑	↑	↑	↓	↑	↑	↑
1 year	2.03%	1.54%	-8.49%	-13.91%	-2.14%	1.07%	6.82%
	↑	↑	↓	↓	↓	↑	↑
5 year (annualized)	10.07%	3.38%	-0.67%	1.19%	0.81%	1.16%	8.61%
	↑	↑	↓	↑	↑	↑	↑
15 year (annualized)	9.50%	2.40%	0.85%	3.02%	2.74%	1.90%	5.41%
	↑	↑	↑	↑	↑	↑	↑
Best and worst one-year returns, Jan. 2001 - May 2023							
Best	**62.5%**	**57.2%**	**91.6%**	**85.7%**	**13.8%**	**7.1%**	**54.6%**
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
Worst	**-43.5%**	**-50.3%**	**-56.6%**	**-59.5%**	**-15.7%**	**-4.0%**	**-28.0%**
During:	03/2008-02/2009	03/2008-02/2009	12/2007-11/2008	03/2008-02/2009	11/2021-10/2022	10/2021-09/2022	12/2012-11/2013

THE DOW JONES INDUSTRIALS RANKED BY YIELD*

	Ticker Symbol	*Market Prices ($) 6/15/23*	*5/15/23*	*6/15/22*	*12-Month ($) High*	*Low*	*Latest Dividend Amount ($)*	*Record Date*	*Payable Date*	*Indicated Annual Dividend ($)*	*Yield† (%)*
Verizon	VZ	36.44	36.77	49.15	52.18	33.72	0.6525	7/10/23	8/1/23	2.610	7.16
Walgreen's	WBA	32.02	31.50	40.73	42.74	29.48	0.480	5/19/23	6/12/23	1.920	6.00
3M Company	MMM	103.81	100.49	134.33	152.30	92.38	1.500	5/19/23	6/12/23	6.000	5.78
Dow Chemical	DOW	53.48	52.26	57.41	60.88	42.91	0.700	5/31/23	6/9/23	2.800	5.24
IBM	IBM	138.40	123.36	137.06	153.21	115.55	1.660	5/10/23	6/10/23	6.640	4.80
Chevron	CVX	158.28	157.20	164.26	189.68	132.54	1.510	5/19/23	6/12/23	6.040	3.82
Amgen	AMGN	228.44	233.53	235.58	296.67	211.71	2.130	5/18/23	6/8/23	8.520	3.73
Coca-Cola	KO	61.23	63.94	59.67	65.47	54.02	0.460	6/16/23	7/3/23	1.840	3.01
Cisco	CSCO	51.93	47.10	43.80	52.56	38.60	0.390	7/6/23	7/26/23	1.560	3.00
Goldman Sachs	GS	339.74	322.07	290.07	389.58	277.84	2.500	6/1/23	6/29/23	10.000	2.94
Johnson & Johnson	JNJ	163.73	159.55	169.99	183.35	150.11	1.190	5/23/23	6/6/23	4.760	2.91
J P Morgan	JPM	143.09	135.23	115.41	144.34	101.28	1.000	7/6/23	7/31/23	4.000	2.80
Home Depot, Inc.	HD	302.02	288.54	279.73	347.25	264.51	2.090	6/1/23	6/15/23	8.360	2.77
Merck	MRK	109.40	116.37	84.63	119.65	83.05	0.730	6/15/23	7/10/23	2.920	2.67
Proctor and Gamble	PG	148.45	156.01	132.51	158.11	122.18	0.941	4/21/23	5/15/23	3.763	2.53
Travelers	TRV	175.97	182.81	165.54	194.51	149.65	1.000	6/9/23	6/30/23	4.000	2.27
Caterpillar	CAT	247.67	211.29	206.00	266.04	160.60	1.300	7/20/23	8/18/23	5.200	2.10
McDonald's	MCD	292.61	295.90	238.90	298.86	230.58	1.520	6/5/23	6/20/23	6.080	2.08
Honeywell	HON	203.73	194.31	184.97	220.96	166.63	1.030	5/12/23	6/2/23	4.120	2.02
Unitedhealth Group	UNH	465.89	486.86	464.33	558.10	445.68	1.880	6/19/23	6/27/23	7.520	1.61
Wal-Mart Stores	WMT	157.73	151.88	119.38	158.23	117.97	0.570	12/8/23	1/2/24	2.280	1.45
Intel Corp	INTC	35.82	29.80	38.65	40.73	24.59	0.125	5/7/23	6/1/23	0.500	1.40
American Express	AXP	173.81	150.00	146.16	182.15	130.65	0.600	7/7/23	8/10/23	2.400	1.38
Nike	NKE	112.41	119.83	113.44	131.31	82.22	0.340	6/5/23	7/5/23	1.360	1.21
Visa Inc.	V	226.17	232.81	196.16	235.57	174.60	0.450	5/12/23	6/1/23	1.800	0.80
Microsoft Corp.	MSFT	348.10	309.46	251.76	349.84	213.43	0.680	8/17/23	9/14/23	2.720	0.78
Apple	AAPL	186.01	172.07	135.43	186.51	124.17	0.240	5/15/23	5/18/23	0.960	0.52
Walt Disney	DIS	92.94	92.86	95.88	126.48	84.07	0.000	No dividend		0.000	0.00
Salesforce	CRM	211.92	203.33	168.55	225.00	126.34	0.000	No dividend		0.000	0.00
Boeing	BA	219.41	202.77	133.72	223.91	120.99	0.000	No dividend		0.000	0.00

† Based on indicated dividends and market price as of 6/15/23. Extra dividends are not included in annual yields.
All data adjusted for splits and spin-offs. 12-month data begins 6/15/22.

ASSET CLASS INVESTMENT VEHICLES

Data as of June 20, 2023		Security Symbol(s) (1) Mutual Fund	Security Symbol(s) (1) ETF	Avg. Market Cap / Duration	Number of Holdings	Expense Ratio (%)	Turnover (%)	Price-to-Book Ratio	Trailing 12-Mo. Yield (%)	Annualized Returns (%) 1-Year	3-Year	5-Year	10-Year	Tax Cost Ratio - 3 Years (%) (3)
Fixed Income														
Short-Term Bonds	Vanguard Short-Term Bond Adm	VBIRX	BSV	2.66 yrs	2667	0.07	41		1.81	1.17	-1.50	1.20	1.09	0.62
Short-Term Bonds	SPDR Portfolio Short Term Corp Bd ETF		SPSB	1.81 yrs	1352	0.04	56		2.70	2.23	-0.21	1.72	1.51	0.73
Short-Term Bonds	iShares 1-3 Year Treasury Bond ETF		SHY	1.89 yrs	73	0.15	73		1.98	0.75	-1.12	0.88	0.65	0.38
Core Bonds	Vanguard Total Bond Market Adm	VBTLX	BND	6.56 yrs	17718	0.05	40		2.75	0.61	-3.87	0.93	1.49	0.94
Core Bonds	iShares Core US Aggregate Bond ETF		AGG	6.30 yrs	10406	0.03	104		2.67	0.70	-3.81	0.89	1.52	0.86
Core Bonds	DFA Core Fixed Income	DFAPX	DFCF	5.59 yrs	941	0.19	25		2.65	1.78	-3.65	1.47	1.83	0.97
Tax-Exempt	Vanguard Ltd-Term Tax-Exempt Inv	VMLTX		2.55 yrs	8109	0.17	65		1.95	2.30	0.13	1.39	1.32	0.00
Tax-Exempt	Vanguard Interm-Term Tx-Ex Inv	VWITX		4.62 yrs	12581	0.17	35		2.59	4.03	-0.32	1.89	2.41	0.01
Inflation-Protected	iShares TIPS Bond ETF		TIP	6.75 yrs	51	0.19	20		5.27	-1.91	-0.12	2.53	2.00	1.61
Inflation-Protected	Vanguard Inflation-Protected Securities Inv	VIPSX		6.85 yrs	49	0.20	28		7.18	-2.03	-0.05	2.51	1.94	1.93
Inflation-Protected	Vanguard Shrt-Term Infl-Prot Sec Idx Adm	VTAPX	VTIP	2.44 yrs	25	0.06	26		5.74	0.20	2.38	2.79	1.67	1.67
International	Vanguard Total International Bond Adm	VTABX	BNDX	7.49 yrs	7022	0.11	27		1.71	1.37	-3.37	0.24	n/a	0.82
Real Estate (REITs)														
U.S. REITs	Vanguard REIT Adm	VGSLX	VNQ	20.38 B	168	0.12	7	1.99	4.27	-1.52	4.86	4.41	6.52	1.46
U.S. REITs	SPDR Dow Jones REIT		RWR	19.04 B	114	0.25	10	1.79	3.94	1.35	8.23	3.16	5.94	1.44
Int'l REITs	Vanguard Global ex-US Real Estate Adm (2)	VGRLX	VNQI	4.49 B	718	0.12	10	0.70	0.59	-5.63	-2.71	-3.58	1.57	0.99
Int'l REITs	iShares International Developed Property		WPS	4.76 B	425	0.48	6	0.72	2.13	-6.14	-2.28	-3.38	1.74	1.04
Global (incl. U.S.)	SPDR Dow Jones Global Real Estate ETF		RWO	12.76 B	264	0.50	11	1.32	3.90	-1.26	4.63	0.56	3.71	1.35
U.S. Stocks														
Large Cap (blend)	Vanguard S&P 500 Adm	VFIAX	VOO	210.21 B	508	0.04	2	3.45	1.57	21.44	14.06	11.56	12.79	0.38
Large Cap (blend)	DFA US Equity ETF	DUSQX	DFUS	129.76 B	669	0.13	7	3.23	1.46	20.08	13.93	10.72	n/a	0.99
Large Cap Value	Vanguard Value Adm	VVIAX	VTV	100.68 B	343	0.05	5	2.20	2.63	13.22	14.47	8.76	10.48	0.61
Large Cap Value	DFA US Marketwide Value	DFLVX	DFUV	68.97 B	358	0.21	10	1.79	2.14	11.82	14.77	6.18	9.37	1.09
Small Cap (blend)	iShares Core S&P Small-Cap ETF		IJR	1.98 B	608	0.06	19	1.40	1.62	11.51	15.19	4.16	9.80	0.49
Small Cap (blend)	DFA US Small Cap	DFSTX	DFAS	2.64 B	2036	0.27	13	1.64	1.24	15.80	17.42	5.21	9.20	1.12
Small Cap Value	Vanguard Small Cap Value Adm	VSIAX	VBR	4.64 B	851	0.07	13	1.39	2.30	12.97	17.22	5.27	9.27	0.53
Small Cap Value	iShares Micro-Cap		IWC	0.57 B	1700	0.60	35	1.28	1.39	7.17	10.04	1.31	7.42	0.39
Small Cap Value	DFA U.S. Small Cap Value	DFSVX	DFSV	2.42 B	976	0.30	23	1.03	1.57	14.19	23.77	5.39	8.54	1.68
Marketwide	Vanguard Total Stock Market Adm	VTSAX	VTI	126.96 B	3886	0.04	3	3.12	1.56	20.69	13.27	10.53	12.26	0.37
Marketwide	DFA US Core Equity Market ETF	DFEOX	DFAU	69.42 B	2697	0.14	5	2.70	1.47	19.56	15.06	9.85	11.83	0.90
Foreign Stocks														
Developed Markets	Vanguard FTSE Developed Markets Adm	VTMGX	VEA	28.59 B	4057	0.07	4	1.43	2.89	17.86	9.00	4.28	5.77	0.73
Developed Markets	DFA International Core Equity	DFIEX	DFIC	12.76 B	5225	0.24	11	1.25	2.76	15.89	10.60	3.59	5.96	1.00
Emerging Markets	Vanguard Emerging Markets Stock Adm	VEMAX	VWO	19.63 B	4759	0.14	7	1.50	3.77	3.19	3.90	1.83	3.72	0.95
Emerging Markets	DFA Emerging Markets Core Equity	DFCEX	DFAE	9.78 B	6800	0.40	14	1.13	3.63	8.17	8.62	3.01	4.53	1.06
Gold-Related Funds														
Gold ETFs	SPDR Gold Minishares		GLDM			0.10			0.00	5.26	3.37	n/a	n/a	0.00
Gold ETFs	GraniteShares Gold Trust		BAR			0.17			0.00	5.16	3.32	8.61	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.