AIS INVESTMENT GUIDE

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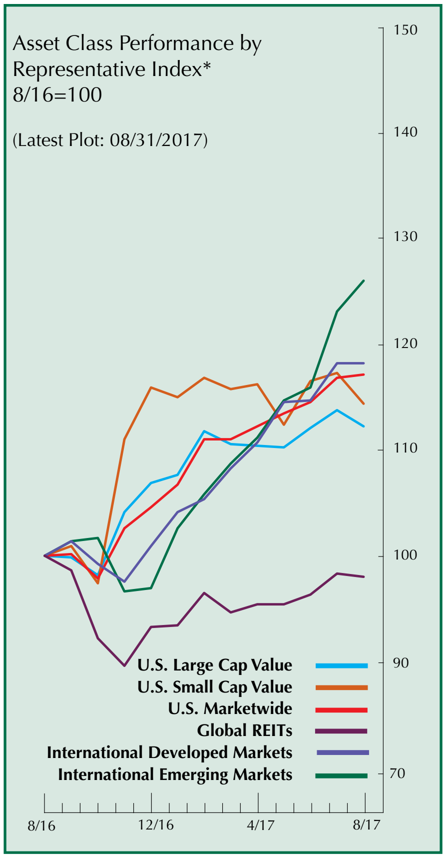


* See box, page 69, for representative indexes.

Rates of Interest

As of September 20, 2017

Government Obligations[1]	
Fed Funds Rate	1.16%
3-Month Treas. Bill	1.04%
10-Yr. Treas. Note	2.23%
30-Yr. Treas. Bond	2.80%
10-Yr. TIPS	0.36%
Muni Bonds - Nat'l 10-Yr.	1.90%
Mortgage Rates[2]	
15-Yr Fixed	3.08%
30-Yr Fixed	3.78%
Banking[3]	
Savings	0.06%
Money Market	0.09%
12-month CD	0.27%

[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).

Omaha and Chicago versus New York

Ten years ago legendary investor Warren Buffett made a $1 million bet with a hedge fund manager, Ted Seides of New York based Protégé Partners. Mr. Buffett wagered that a group of Mr. Seides' hedge funds would underperform a low-cost S&P 500 index fund over the next 10 years.

Though the term of the bet does not end until December 31, Mr. Seides has already conceded. As of mid-year the hedge funds had turned in an average return of 2.2 percent per year since 2008 while the S&P 500 fund returned 7 percent per year. To put that in perspective, on $1 million invested in the two alternatives, the index fund would have earned roughly $634,000 more than the hedge fund. Mr. Seides realized that this is a virtually insurmountable lead, and paid the $1 million, which went to charity.

This outcome reinforces our recommendation that investors embrace the efficacy of free markets. Rather than second guess market prices, investors should accept them as the best estimate of value. We do not deny that Wall Street is stocked with brilliant people, nor do we rule out the possibility that some active managers could possess the ability to outperform. But as economists we also realize that anyone who possessed such talent would not give it away for free. It is common for hedge funds to charge their investors annual fees of 2 percent in addition to 20 percent of trading profits -- all for the privilege of gambling that *they* are among the elite few with the magic touch. Meanwhile investors can find S&P 500 funds that charge as little as 0.04 percent or *50 times less* than the annual hedge fund levy alone.

Readers might be puzzled that Mr. Buffett would be one to help demonstrate the wisdom of pursuing a simple rules-based approach. After all, his firm, Berkshire Hathaway is hardly well-diversified compared with the overall stock market and Mr. Buffett makes no secret of the fact that his team carefully picks investments that appear to be bargains.

But Berkshire Hathaway is not a mutual fund or an ETF, it is a holding company. As such it often purchases firms outright or takes major positions in them. His success in doing so perhaps speaks more to his skill as a manager rather than as a stock picker. When a firm is identified and added to its holdings, Berkshire Hathaway has authority not afforded mutual fund managers when it comes to making strategic changes intended to add value.

(continued next page)

Nobel Laureate economist Eugene Fama, who teaches at the University of Chicago, has pondered Mr. Buffett's success. In a recent interview he made it clear that the apparent failure of active management to pick stocks or time the market does not by any means deny the value of human capital – that is, nobody says managers cannot add value. Furthermore, even among hundreds of thousands of managers seeking to add value, how can one be confident that Mr. Buffett is not simply among the very few that we would expect to be successful just due to chance? He went on to suggest it would be interesting to study the relative success of the companies after they have become part of the Berkshire Hathaway portfolio.

JUST THE "EQUI-FACTS"

IMPORTANT NOTICE to AIS Clients

It is critically important that you immediately notify AIS if you know or believe that you are a victim of identity theft to ensure that we take proper steps to safeguard your information and your assets, which will include heightened protocols for communications and execution of any transactions within your account(s).

What happened?

On September 7, 2017, Equifax Inc. announced that their customer information had been hacked. They reported the cybersecurity incident potentially impacted 143 million U.S. consumers.

The company reported that the information obtained by the cybercriminals between mid-May and July "primarily includes names, Social Security numbers, birth dates, addresses and, in some instances, driver's license numbers. In addition, credit card numbers for approximately 209,000 U.S. consumers, and certain dispute documents with personal identifying information for approximately 182,000 U.S. consumers, were accessed."

Equifax's Shaky Response

In response to the breach, the firm established a dedicated website, www.equifaxsecurity2017.com, "to help consumers determine if their information has been potentially impacted and to sign up for credit file monitoring and identity theft protection."

On the surface, this seemed like a step in the right direction. However, shortly thereafter news spread that the Terms of Service governing Equifax's proprietary offering, called TrustedID Premier, included a provision that waived the ability to "bring or participate in" a class action lawsuit for those who signed up. Responses to this information were intense and immediate, not only from consumers but also from several State Attorney Generals.

To make matters worse, Bloomberg News reported that three Equifax executives sold almost $2 million worth of their Equifax stock within days of the company's July 29th discovery of the breach and five days before the breach was announced.

Equifax has since posted a series of incident updates (many of them in direct response to public outrage and frustration, as well as political and regulatory communiques and public announcements) on a newly created website: https://www.equifaxsecurity2017.com/2017/09/08/progress-update-consumers/.

The first update posted on September 8th "clarified" the original class action waiver language and stated, "In response to consumer inquiries, we have made it clear that the arbitration clause and class action waiver included in the Equifax and TrustedID Premier terms of use does not apply to this cybersecurity incident."

Unfortunately, serious problems continue to surface with respect to Equifax's response to the breach. Consumers seeking to 'freeze' their credit reports with Equifax were issued 10-digit PIN numbers that were automatically generated based on the date and time (down to the minute) that the individual initiated the freeze. Tony Webster, a web engineer and public records researcher, tweeted on September 8th: "OMG, Equifax security freeze PINs are worse than I thought. If you froze your credit today 2:15pm ET for example, you'd get PIN 0908171415."

He further noted that a PIN he obtained from Equifax in 2007 was created in the same way. Equifax's Progress Update for Consumers posted on September 11th responded to this concern by "adjusting" the process and stating that going forward, "All consumers placing a security freeze will be provided a randomly generated PIN."

Additional information contained in that update provided clarification concerning changes to Equifax's automatic renewal process to its TrustedID Premier service, noting that affected consumers would not be required to provide their credit card information when registering for the service, thereby preventing automatic renewal and payment of the annual subscription fee.

Fake Breach Site

The September 11th update also reported that Equifax had posted a link on the firm's main website "To make it easier for consumers to find the website dedicated to providing information about this incident…"

This item may have been a discreet response to reports that some consumers had been misdirected by Equifax's customer support team and via tweets sent at least four times from Equifax's Twitter account to "securityequifax2017," a fake breach notification site created by a programmer to mimic the real site, instead of the company's actual breach response page – equifaxsecurity2017.com.

Importantly, the page was not actually malicious (good news for around 200,000 who hit the site). The programmer created the site to spoof the actual site and to evidence the lack of security resulting from Equifax not hosting the breach site on its main corporate domain.

What Can You Do?

For people who are concerned about the Equifax breach and interested in taking proactive steps toward protecting their identities, there are some viable options. The high-level options include:

1. Setting up fraud alerts. You can set these alerts with the major credit re-

porting agencies (Equifax, Experian, and TransUnion). You can also set up fraud alerts for most debit and credit cards.

2. Credit freeze. You can actually "lock up" your credit with such a freeze, which can be undone in the future if you need to apply for credit.

3. Keep checking your credit reports. You can check credit reports once per year for free at annualcreditreport.com.

4. Credit monitoring. You can use a reputable credit monitoring service for an added layer of protection.

A great place to continue your research is the Federal Trade Commission ("FTC") website, https://identitytheft.gov, which is dedicated to providing a comprehensive set of tools and guides to enable individuals to prevent, detect and, if necessary, respond to identity theft.

Unfortunately, the massive number of individuals impacted by the Equifax breach means that about half the U.S. adult population have had some degree of their personally identifiable information compromised. If that information includes Social Security numbers and dates of birth, protecting your identity and assets is going to be an ongoing challenge. As is often said with respect to identity theft, having one's Social Security number stolen is like a gift that keeps on giving as the process for obtaining a new one is extremely arduous, made all the more so by the fact that victims' date of birth was also obtained, providing the criminals with the fundamentals to steal their identity and plunder their assets.

FTC Resources

To assist you in responding to these risks we're providing links to resources which we believe are the most valuable in understanding, assessing and responding to the potential impact of the Equifax breach:

Warning Signs of Identity Theft: https://www.consumer.ftc.gov/articles/0271-warning-signs-identity-theft

Identity Theft Protection Services: https://www.consumer.ftc.gov/articles/0235-identity-theft-protection-services

Place a Fraud Alert: https://www.consumer.ftc.gov/articles/0275-place-fraud-alert

Credit Freeze FAQs: https://www.consumer.ftc.gov/articles/0497-credit-freeze-faqs

Extended Fraud Alerts and Credit Freezes: https://www.consumer.ftc.gov/articles/0279-extended-fraud-alerts-and-credit-freezes

Identity Theft-A Recovery Plan: https://www.consumer.ftc.gov/articles/pdf-0009_identitytheft_a_recovery_plan.pdf

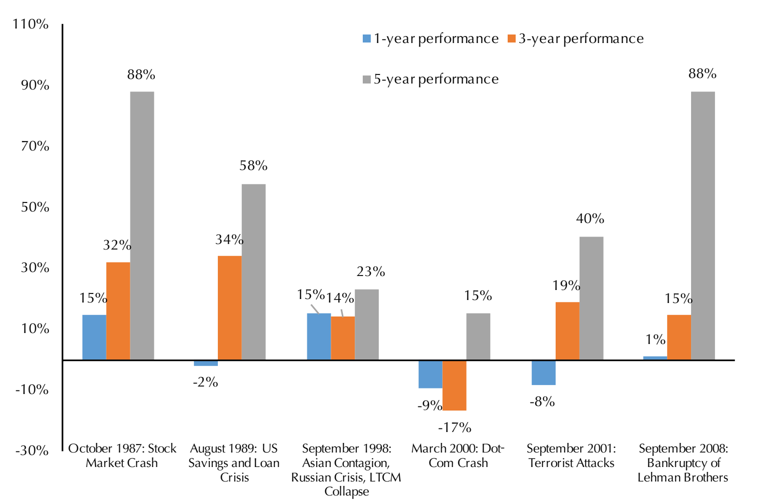
Note that this link will connect to a copy of a comprehensive guide you can download. This resource, prepared by the FTC, enables victims of identity theft to report the incident and take the necessary steps to protect their identity and assets.

LESSONS FOR THE NEXT CRISIS

It will soon be the 10-year anniversary of when, in early October 2007, the S&P 500 Index hit what was its highest point before losing more than half its value over the next year and a half during the global financial crisis.

Over the coming weeks and months, as other anniversaries of major crisis-related events pass (for example, 10 years since the bank run on Northern Rock or 10 years since the collapse of Lehman Brothers), there will likely be a steady stream of retrospectives on what happened as well as opinions on how the environment today may be similar or different from the period leading up to the crisis. It is difficult to draw useful conclusions based on such observations; financial markets have a habit of behaving unpredictably in the short run. There are, however, important lessons that investors might be well-served to remember: Capital markets have rewarded investors over the long term, and having an investment approach you can stick with—especially during tough times—may better prepare you for the next crisis and its aftermath.

The Market's Response to Crisis
Performance of a Balanced Strategy: 60% Stocks, 40% Bonds
(Cumulative Total Return)



For illustrative purposes only. Cumulative total returns of a hypothetical portfolio comprised of 60% Russell 3000 Index and 40% Bloomberg Barclays U.S. Aggregate Bond Index, rebalanced monthly. **Performance was achieved by means of retroactive application of a model designed with the benefit of hindsight.** Statistical returns are hypothetical and do not reflect recommendations of AIS. Past performance may not be indicative of future results. Therefore, no current or prospective investor should assume that the future performance of any specific investment, investment strategy (including the investments and/or investment strategies recommended by AIS), or product made reference to directly or indirectly, will be profitable or equal to past performance levels. Historical performance results for investment indexes and/or categories generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment-management fee, the incurrence of which would have the effect of decreasing historical performance results. The results portrayed in this portfolio reflect the reinvestment of dividends and capital gains.

Benefits of Hindsight

In 2008, the stock market dropped in value by almost half. Being a decade removed from the crisis may make it easier to take the past in stride. The

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1. wsj.com/articles/SB122169431617549947.
2. washingtonpost.com/wp-dyn/content/article/2008/09/17/AR2008091700707.html.
3. nytimes.com/2008/09/30/business/30markets.html.

eventual rebound and subsequent years of double-digit gains have also likely helped in this regard. While the events of the crisis were unfolding, however, a future of this sort looked anything but certain. Headlines such as "Worst Crisis Since '30s, With No End Yet in Sight,"[1] "Markets in Disarray as Lending Locks Up,"[2] and "For Stocks, Worst Single-Day Drop in Two Decades"[3] were common front page news. Reading the news, opening up quarterly statements, or going online to check an account balance were, for many, stomach-churning experiences.

While being an investor today (or during any period, for that matter), is by no means a worry-free experience, the feelings of panic and dread felt by many during the financial crisis were distinctly acute. Many investors reacted emotionally to these developments. In the heat of the moment, some decided it was more than they could stomach, so they sold out of stocks. On the other hand, many who were able to stay the course and stick to their approach recovered from the crisis and benefited from the subsequent rebound in markets.

It is important to remember that this crisis and the subsequent recovery in financial markets was not the first time in history that periods of substantial volatility have occurred. The table nearby helps illustrate this point. The exhibit shows the performance of a balanced investment strategy following several crises, including the bankruptcy of Lehman Brothers in September of 2008, which took place in the middle of the financial crisis. Each event is labeled with the month and year that it occurred or peaked.

Although a globally diversified balanced investment strategy invested at the time of each event would have suffered losses immediately following most of these events, financial markets did recover, as can be seen by the three- and five-year cumulative returns shown in the exhibit. In advance of such periods of discomfort, having a long-term perspective, appropriate diversification, and an asset allocation that aligns with their risk tolerance and goals can help investors remain disciplined enough to ride out the storm. A financial advisor can play a critical role in helping to work through these issues and in counseling investors when things look their darkest.

Conclusion

In the mind of some investors, there is always a "crisis of the day" or potential major event looming that could mean the beginning of the next drop in markets. As we know, predicting future events correctly, or how the market will react to future events, is a difficult exercise. It is important to understand, however, that market volatility is a part of investing. To enjoy the benefit of higher potential returns, investors must be willing to accept increased uncertainty. A key part of a good long-term investment experience is being able to stay with your investment philosophy, even during tough times. A well-thought-out, transparent investment approach can help people be better prepared to face uncertainty and may improve their ability to stick with their plan and ultimately capture the long-term returns of capital markets.

BACK TO SCHOOL

With school back in session in most of the country, many parents are likely thinking about how best to prepare for their children's future college expenses.

Now is a good time to sharpen one's pencil for a few important lessons before heading back into the investing classroom to tackle the issue.

Math Class: College Costs

According to recent data published by The College Board, the annual cost of attending college in 2015–2016 averaged $19,548 at public schools, plus an additional $14,483 if one is attending from out of state. At private schools, tuition and fees averaged $43,921.

It is important to note that these figures are averages, meaning actual costs will be higher at certain schools and lower at others. Additionally, these figures do not include the separate cost of books and supplies or the potential benefit of scholarships and other types of financial aid. As a result, actual education costs can vary considerably from family to family.

To complicate matters further, the amount of goods and services $1 can purchase tends to decline over time. This is called inflation. One measure of inflation looks at changes in the price level of a basket of goods and services purchased by households, known as the Consumer Price Index (CPI). Tuition, fees, books, food, and rent are among the goods and services included in the CPI basket. In the US over the past 50 years, inflation measured by this index has averaged 4.1% per year. With 4% inflation over 18 years, the purchasing power of $1 would decline by about 50%. If inflation were lower, say 3%, the purchasing power of $1 would decline by about 40%. If it were higher, say 5%, it would decline by around 60%.

Published Annual Cost of Attending College

	Public Four-Year In-State	Public Four-Year Out-of-State	Private Nonprofit Four-Year
Published Cost of Attending College			
Tuition and Fees	$9,410	$23,893	$32,405
Room and Board	$10,138	$10,138	$11,516
Total Cost of Attendance	$19,548	$34,031	$43,921

Source: The College Board "Trends in College Pricing 2015"

While we do not know what inflation will be in the future, we should expect that the amount of goods and services $1 can purchase will decline over time. Going forward, we also do not know what the cost of attending college will be. But again, we should expect that education costs will likely be higher in the future than they are today. So what can parents do to prepare for the costs of a college education? How can they plan for and make progress toward affording those costs?

Doing Your Homework

To help reduce the expected costs of funding future college expenses, parents can invest in assets that are expected to grow their savings at a rate of return that outpaces inflation. By doing this, college expenses may ultimately be funded with fewer dollars saved. Because these higher rates of return come with the risk of capital loss, this approach should make use of a robust risk management framework. Additionally, by using a tax-deferred savings vehicle, such as a 529 plan, parents may not pay taxes on the growth of their savings, which can help lower the cost of funding future college expenses.

While inflation has averaged about 4% annually over the past 50 years, stocks (as measured by the S&P 500) have returned over 9% annually during the same period. Therefore, the “real” (inflation-adjusted) growth rate for stocks has been around 5% per annum. Looked at another way, $10,000 of purchasing power invested at this rate for 18 years would result in around $24,000 of purchasing power later on. Thus, we can expect the real rate of return on stocks to grow the purchasing power of an investor’s savings over time. We can also expect that the longer the horizon, the greater the expected growth. By investing in stocks, and by starting to save many years before children are college age, parents can expect to afford more college expenses with fewer savings.

It is important to recognize, however, that investing in stocks also comes with investment risks. Like teenage students, investing can be volatile, full of surprises, and, if one is not careful, expensive. While sometimes easy to forget during periods of increased uncertainty in capital markets, volatility is a normal part of investing. Tuning out short-term noise is often difficult to do, but historically, investors who have maintained a disciplined approach over time have been rewarded for doing so.

Risk Control and Diversification

Working with an advisor who has a transparent approach based on sound investment principles, consistency, and trust can help investors identify an appropriate risk management strategy. Such an approach can limit unpleasant (and often costly) surprises and ultimately contribute to better investment outcomes.

A key part of maintaining this discipline throughout the investing process is starting with a well-defined investment goal. This allows for investment instruments to be selected that can reduce uncertainty with respect to that goal. When saving for college, risk management assets (e.g., bonds) can help reduce the uncertainty of the level of college expenses a portfolio can support by enrollment time. These types of investments can help one tune out short-term noise and bring more clarity to the overall investment process. As kids get closer to college age, the right balance of assets is likely to shift from high expected return growth assets to risk management assets.

Diversification is also a key part of an overall risk management strategy for education planning. Nobel laureate Merton Miller used to say, “Diversification is your buddy.” Combined with a long-term approach, broad diversification is essential for risk management. By diversifying an investment portfolio, investors can help reduce the impact of any one company or market segment negatively impacting their wealth. Additionally, diversification helps take the guesswork out of investing. Trying to pick the best performing investment every year is a guessing game. We believe that by holding a broadly diversified portfolio, investors are better positioned to capture returns wherever those returns occur.

Conclusion

Higher education may come with a high and increasing price tag, so it makes sense to plan well in advance. There are many unknowns involved in education planning, and there is no “one size fits all” approach to solving the problem. By having a disciplined approach toward saving and investing, however, parents can remove some of the uncertainty from the process.

A trusted advisor can help parents craft a plan to address their family’s higher education goals. We offer such assistance through our Professional Asset Management (PAM) service. To learn more contact us at 413-528-1216 ext. 3127.

All expressions of opinion are subject to change. This information is intended for educational purposes, and it is not to be construed as an offer, solicitation, recommendation, or endorsement of any particular security, products, or services. Diversification does not eliminate the risk of market loss. Investment risks include loss of principal and fluctuating value. There is no guarantee an investing strategy will be successful. Past performance is not a guarantee of future results. Indices are not available for direct investment; therefore, their performance does not reflect the expenses associated with the management of an actual portfolio. The S&P data is provided by Standard & Poor’s Index Services Group.

SHORTER SETTLEMENTS

In September the settlement cycle for most transactions affecting stocks, bonds and exchange traded funds (ETFs) fell from three business days after the trade date (“T+3”) to two business days after the trade date (“T+2”).

The bottom line for investors is that they will gain quicker access to the proceeds of sales and earlier delivery of shares purchased.

The *settlement cycle* entails the exchange of securities for money. Upon trade execution the seller is obligated to transfer ownership of the shares to the buyer, and the buyer must pay for the securities within a certain allowable time frame. This process may involve several intermediaries.

The shorter settlement cycle is a positive change for all parties. It reduces the time frame during which an intermediary might not be able to fulfill its obligation due to financial distress. This risk might seem remote, and a reduction of one day might seem insignificant, but applied to thousands of transactions in the world’s largest capital market, it marks a notable reduction in one form of risk.

Investors should be aware that while they will receive the proceeds of a sale more quickly, they will also be required to pay for their purchases more promptly.

THE HIGH-YIELD DOW INVESTMENT STRATEGY

Recommended HYD Portfolio

As of September 15, 2017

	Rank	Yield (%)	Price ($)	Status	—Percent of Portfolio— Value (%)	No. Shares (%)[1]
Verizon	1	4.93	47.86	Holding**	22.52	31.16
IBM	2	4.14	144.82	Buying	13.57	6.21
General Electric	3	4.01	23.93	Buying	1.52	4.21
Exxon Mobil	4	3.85	80.07	Buying	7.05	5.83
Chevron	5	3.77	114.63	Selling	23.51	13.58
Pfizer	6	3.62	35.36	Selling	14.32	26.81
Cisco	7	3.58	32.44	Holding	2.58	5.27
Caterpillar	12	2.57	121.37	Selling	10.63	5.80
Boeing	18	2.28	249.00	Holding	4.29	1.14
Cash (6-mo. T-Bill)	N/A	N/A			0.00	N/A
Totals					100.00	100.00

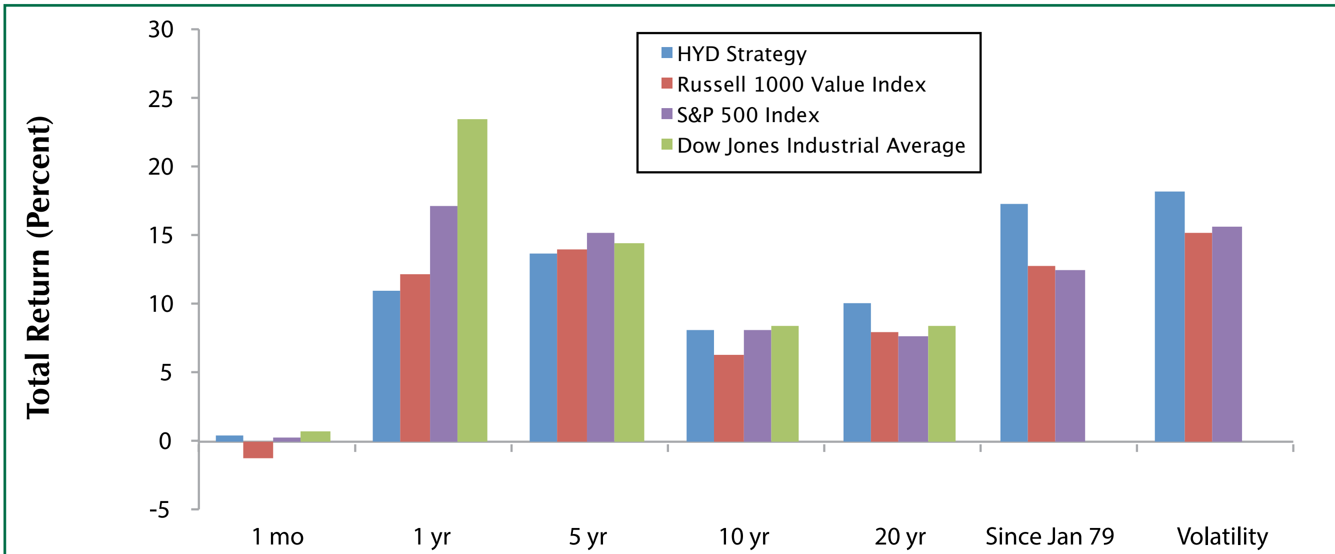
**Currently indicated purchases approximately equal to indicated purchases 18 months ago. [1] Because the percentage of each issue in the portfolio by value reflects the prices shown in the table, we are also showing the number of *shares* of each stock as a percentage of the total number of shares in 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 August 31, 2017*. Returns for the 5-,10- and 20-year periods are annualized, as is the volatility (standard deviation) of returns. (January 1979 is the earliest date for which data was available for both the HYD model and relevant benchmark indexes).

	1 mo.	1 yr.	5 yrs.	10 yrs.	20 yrs.	Since Jan 79	Volatility (Std. Dev.) since 1979
HYD Strategy	0.33	10.35	12.90	7.66	9.56	16.45	17.18
Russell 1000 Value Index	-1.16	11.58	13.25	5.96	7.51	12.11	14.45
S&P 500 Index	0.31	16.23	14.34	7.61	7.18	11.82	14.84
Dow Jones Industrial Average	0.65	22.29	13.70	7.93	7.90	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 Index 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 0.73% management fee, the annual rate assessed to a $500,000 account managed through our High Yield Dow investment service.

Representative asset class indexes: U.S. large cap value - Russell 1000 Value Index; U.S. small cap value - Russell 2000 Value Index; U.S. Marketwide - Russell 3000 Index; Global REITs - S&P Global REIT Index; foreign developed markets - MSCI world ex-U.S.(net div.)Index; emerging markets - MSCI Emerging Markets Index(net div.); U.S. Bonds - Barclays U.S. Aggregate Bond Index; Global Bonds - Citi World Government Bond Index; Gold - London PM Fixed Price. Past performance may not be indicative of future results. Therefore, no current or prospective investor should assume that the future performance of any specific investment, investment strategy (including the investments and/or investment strategies recommended by AIS), or product made reference to directly or indirectly, will be profitable or equal to past performance levels. Historical performance results for individual investment indexes and/or categories generally do not reflect the deduction of transaction and/or custodial charges, the deduction of mutual fund fees, or the deduction of advisory fees, the incurrence of which would have the effect of decreasing historical performance. The results portrayed above reflect the reinvestment of dividends and capital gains.

RECENT MARKET STATISTICS

Precious Metals & Commodity Prices ($)

	9/15/17	*Mo. Earlier*	*Yr. Earlier*	*Prem. (%)*
Gold, London p.m. fixing	**1,322.85**	1,270.30	1,310.80	
Silver, London Spot Price	**17.70**	16.89	18.96	
Crude Oil, W. Texas Int. Spot	**49.90**	47.55	43.91	
Coin Prices ($)[1]				
American Eagle (1.00)	**1,347.85**	1,304.00	1,346.80	1.89
Austrian 100-Corona (0.9803)	**1,290.79**	1,247.42	1,286.58	-0.46
British Sovereign (0.2354)	**311.40**	301.08	319.56	0.00
Canadian Maple Leaf (1.00)	**1,332.85**	1,289.00	1,330.80	0.76
Mexican 50-Peso (1.2056)	**1,586.83**	1,533.96	1,572.30	-0.50
Mexican Ounce (1.00)	**1,340.85**	1,297.00	1,360.80	1.36
S. African Krugerrand (1.00)	**1,329.85**	1,286.00	1,331.80	0.53
U.S. Double Eagle-$20 (0.9675)				
St. Gaudens (MS-60)	**1,320.00**	1,250.00	1,325.00	3.14
Liberty (Type I-AU50)	**2,000.00**	2,000.00	2,150.00	56.27
Liberty (Type II-AU50)	**1,325.00**	1,325.00	1,375.00	3.53
Liberty (Type III-AU50)	**1,305.00**	1,235.00	1,320.00	1.96
U.S. Silver Coins ($1,000 face value, circulated)				
90% Silver Circ. (715 oz.)	**13,172.00**	12,410.00	14,188.00	4.08
40% Silver Circ. (292 oz.)	**5,180.50**	4,866.00	5,674.00	0.23
Silver Dollars Circ.	**22,875.00**	21,750.00	21,750.00	67.10

[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.

Recent Market Returns[2]

Data through August 31, 2017

	U.S. Stocks (Mktwd)	Foreign Dev. Stocks	Foreign Emerg. Stocks	Global REITs	U.S. Bonds	Foreign Bonds (hedged)	Gold
1-month	0.19%	-0.02%	2.23%	-0.25%	0.90%	0.33%	3.49%
	↑	↓	↑	↓	↑	↑	↑
3-month	3.00%	3.05%	9.42%	2.49%	1.23%	0.43%	3.60%
	↑	↑	↑	↑	↑	↑	↑
1 year	16.06%	17.14%	24.53%	-1.92%	0.49%	1.37%	0.21%
	↑	↑	↑	↓	↑	↑	↑
5 year (annualized)	14.27%	7.90%	5.30%	7.16%	2.19%	1.70%	-4.47%
	↑	↑	↑	↑	↑	↑	↓
15 year (annualized)	9.38%	7.38%	11.67%	8.57%	4.37%	2.84%	10.03%
	↑	↑	↑	↑	↑	↑	↑
Best and worst one-year returns, Jan. 2001 - Aug. 2017							
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

[2]For representative asset class indexes see box on page 69.

THE DOW JONES INDUSTRIALS RANKED BY YIELD*

	Ticker Symbol	*Market Prices ($) 9/15/17*	*8/15/17*	*9/15/16*	*12-Month ($) High*	*Low*	*Latest Dividend Amount ($)*	*Record Date*	*Payable Date*	*Indicated Annual Dividend ($)*	*Yield† (%)*
Verizon	VZ	47.86	48.48	51.98	54.83	42.80	0.590	10/10/17	11/1/17	2.360	4.93
IBM	IBM	144.82	142.07	155.66	182.79	139.13	1.500	8/10/17	9/9/17	6.000	4.14
General Electric	GE	23.93	25.14	29.75	32.38	23.58	0.240	9/18/17	10/25/17	0.960	4.01
Exxon Mobil	XOM	80.07	78.04	85.08	93.22	76.05	0.770	8/14/17	9/11/17	3.080	3.85
Chevron	CVX	114.63	107.49	99.50	119.00	97.68	1.080	8/18/17	9/11/17	4.320	3.77
Pfizer	PFE	35.36	33.38	34.14	35.84	29.83	0.320	8/4/17	9/1/17	1.280	3.62
Cisco	CSCO	32.44	32.09	31.31	34.60	29.12	0.290	10/5/17	10/25/17	1.160	3.58
Coca-Cola	KO	46.18	46.19	42.36	46.98	39.88	0.370	9/15/17	10/2/17	1.480	3.20
Procter and Gamble	PG	93.27	92.20	88.06	94.19	81.18	0.6896	7/21/17	8/15/17	2.758	2.96
Intel Corp	INTC	37.00	36.00	36.56	38.45	33.23	0.2725	11/7/17	12/1/17	1.090	2.95
Merck	MRK	66.16	62.50	62.38	66.80	58.29	0.470	9/15/17	10/6/17	1.880	2.84
Caterpillar	CAT	121.37	113.65	82.03	121.57	80.33	0.780	7/20/17	8/19/17	3.120	2.57
Wal-Mart Stores	WMT	80.38	80.77	72.40	81.99	65.28	0.510	12/8/17	1/2/18	2.040	2.54
Johnson & Johnson	JNJ	134.45	133.38	118.63	137.08	109.32	0.840	8/29/17	9/12/17	3.360	2.50
United Tech.	UTX	113.08	115.26	102.71	124.79	97.62	0.700	8/18/17	9/10/17	2.800	2.48
McDonald's	MCD	156.92	157.62	116.14	161.72	110.33	0.940	9/1/17	9/18/17	3.760	2.40
Travelers	TRV	120.70	129.05	114.94	130.37	103.45	0.720	9/8/17	9/29/17	2.880	2.39
Boeing	BA	249.00	239.17	127.77	249.95	127.27	1.420	8/11/17	9/1/17	5.680	2.28
Home Depot, Inc.	HD	158.40	150.17	126.96	161.38	119.20	0.890	8/31/17	9/14/17	3.560	2.25
3M Company	MMM	213.35	207.18	176.59	214.57	163.85	1.175	8/25/17	9/12/17	4.700	2.20
J P Morgan	JPM	91.62	92.73	66.64	95.22	65.11	0.500	7/6/17	7/31/17	2.000	2.18
Microsoft Corp.	MSFT	75.31	73.22	57.19	75.49	56.32	0.390	8/17/17	9/14/17	1.560	2.07
Walt Disney	DIS	98.52	101.51	92.50	116.10	90.32	0.780	7/10/17	7/27/17	1.560	1.58
Apple	AAPL	159.88	161.60	115.57	164.94	104.08	0.630	8/14/17	8/17/17	2.520	1.58
Unitedhealth Group	UNH	198.18	194.50	135.61	200.76	133.03	0.750	9/8/17	9/19/17	3.000	1.51
American Express	AXP	86.99	86.79	63.83	87.78	59.50	0.320	7/7/17	8/10/17	1.280	1.47
Nike	NKE	53.87	58.56	55.47	60.53	49.01	0.180	9/5/17	10/2/17	0.720	1.34
Goldman Sachs	GS	225.22	227.59	168.08	255.15	157.77	0.750	8/31/17	9/28/17	3.000	1.33
Visa Inc.	V	105.30	102.47	82.01	106.84	75.17	0.165	8/18/17	9/5/17	0.660	0.63
DowDupont	DWDP	69.86	recent merger -- no indicated dividend data for new company								

* See the Recommended HYD Portfolio table on page 69 for current recommendations. † Based on indicated dividends and market price as of 9/15/17. Extra dividends are not included in annual yields. All data adjusted for splits and spin-offs. 12-month data begins 9/16/16.

RECOMMENDED INVESTMENT VEHICLES

Data as of August 31, 2017	Security Symbol(s) (1) Mut. Fund	ETF	Avg. Market Cap / Avg. Maturity	Number of Holdings	Expense Ratio (%)	Turnover (%)	Price-to-Book Ratio	Trailing 12-Mo. Yield (%)	Annualized Returns (%) 1-Year	3-Year	5-Year	Tax Cost Ratio - 3 Years (%) (3)
Short/Intermediate Term Fixed Income												
Vanguard Short-Term Bond	VBISX	BSV	2.90 yrs.	2453	0.15	51		1.36	0.76	1.37	1.10	0.63
SPDR Blmbg Barclays ST Corp Bd ETF		SCPB	2.00 yrs.	967	0.12	56		1.74	1.62	1.52	1.47	0.67
iShares 1-3 Year Treasury Bond ETF		SHY	1.97 yrs.	69	0.15	66		0.81	0.46	0.68	0.54	0.28
Vanguard Ltd-Term Tax-Exempt	VMLTX		2.70 yrs.	4105	0.19	13		1.37	1.06	1.33	1.32	0.04
SPDR Nuveen Blmbg Barclays ST MunBd ETF		SHM	3.11 yrs.	1013	0.20	23		1.00	0.63	0.98	1.00	0.00
Inflation-Protected Fixed Income												
iShares TIPS Bond ETF		TIP	8.46 yrs.	38	0.20	24		1.63	0.40	0.84	0.13	0.44
Vanguard Inflation-Protected Securities	VIPSX		8.60 yrs.	40	0.20	27		2.18	0.32	0.84	0.08	0.62
International Fixed Income												
Vanguard Total International Bond	VTIBX	BNDX	9.20 yrs.	4531	0.15	20		1.74	-0.42	3.27	n/a	0.68
Real Estate (REITs)												
Vanguard REIT	VGSIX	VNQ	9.49 B	159	0.26	7	2.25	3.14	-1.43	7.21	8.95	1.33
SPDR Dow Jones REIT		RWR	10.34 B	107	0.25	10	2.41	3.98	-3.41	6.72	8.38	1.57
Vanguard Global ex-US Real Estate (2)	VGXRX	VNQI	6.10 B	667	0.35	7	1.08	3.74	10.32	3.97	7.90	1.51
iShares International Developed Property		WPS	6.37 B	414	0.48	8	1.04	5.03	8.06	3.61	8.03	1.51
SPDR Dow Jones Global Real Estate ETF		RWO	8.77 B	232	0.50	9	1.61	3.49	-1.65	3.74	7.01	1.36
U.S. Large Cap Value												
Vanguard Value	VIVAX	VTV	84.26 B	331	0.18	7	2.19	2.31	13.65	8.22	13.88	0.76
iShares Russell 1000 Value		IWD	57.26 B	721	0.20	13	1.86	2.24	11.38	6.56	13.02	0.70
U.S. Mid Cap												
Vanguard Mid-Cap ETF		VO	13.24 B	347	0.06	15	2.50	1.45	13.17	7.72	14.32	0.49
iShares Russell Mid-Cap		IWR	11.65 B	789	0.20	11	2.52	1.55	12.28	7.16	13.91	0.52
U.S. Small Cap Value												
Vanguard Small Cap Value	VISVX	VBR	3.31 B	849	0.19	18	1.81	1.80	12.30	7.13	14.16	0.71
iShares Russell 2000 Value		IWN	1.49 B	1391	0.24	24	1.37	1.85	13.43	7.02	12.35	0.69
iShares Micro-Cap		IWC	0.43 B	1398	0.60	21	1.66	1.07	16.19	7.13	13.14	0.44
U.S. Marketwide												
Vanguard Total Stock Market	VTSMX	VTI	51.61 B	3620	0.15	4	2.76	1.78	15.85	8.90	14.08	0.60
Fidelity Total Market Index	FSTMX		51.69 B	3399	0.09	4	2.75	1.58	15.99	8.98	14.12	0.86
Foreign - Developed Markets												
iShares MSCI EAFE Growth ETF		EFG	31.42 B	577	0.40	26	2.65	1.69	15.23	4.48	8.82	0.49
iShares MSCI EAFE Value ETF		EFV	40.66 B	504	0.40	26	1.21	3.15	20.06	1.00	7.55	0.91
Vanguard Developed Markets	VDVIX	VEA	23.76 B	3809	0.17	11	1.64	2.52	17.95	3.43	n/a	0.80
SPDR S&P International Small Cap ETF		GWX	1.11 B	2253	0.40	20	1.36	2.27	18.32	5.97	10.88	2.02
Foreign - Emerging Markets												
Vanguard Emerging Markets Stock	VEIEX	VWO	15.76 B	4116	0.32	13	1.68	1.98	21.09	1.57	4.66	0.87
Schwab Emerging Markets Equity ETF		SCHE	25.98 B	853	0.13	10	1.70	1.81	22.48	2.03	5.09	0.83
Gold-Related Funds												
iShares Gold Trust		IAU			0.25			0.00	0.95	0.69	-5.05	0.00
SPDR Gold Shares		GLD			0.40			0.00	0.83	0.52	-5.19	0.00

Data provided by the funds and Morningstar. (1) Some funds are available as mutual funds and ETFs, in which case both symbols are shown. In these cases, data represent the mutual fund. The ETF may offer a lower expense ratio and returns may deviate. For Vanguard funds, the Investor share class is shown. The Admiral share class, which has a higher minimum investment, may offer lower expenses. (2) VGXRX includes a 0.25% fee on purchases and redemptions, which are paid directly to the fund. (3) This represents the percentage-point reduction in an annualized return that results from income taxes. 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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