AIS INVESTMENT GUIDE

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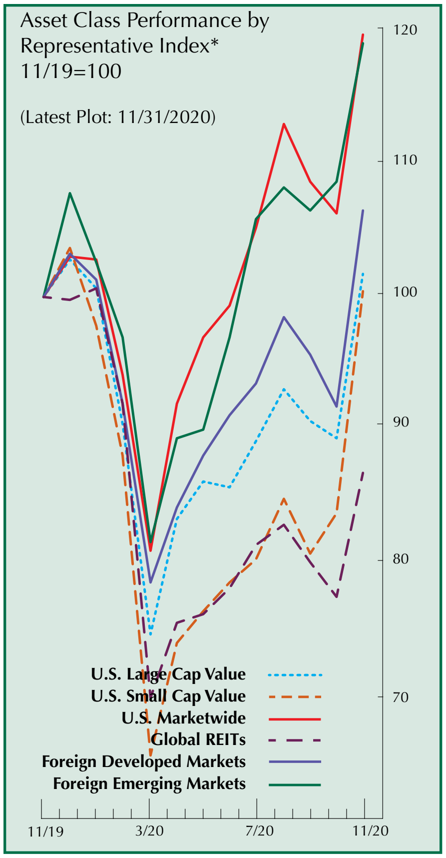


*See box, page 102, for representative indexes.

Rates of Interest

As of December 21, 2020

Government Obligations[1]	
Fed Funds Rate	0.09%
3-Month Treas. Bill	0.08%
10-Yr. Treas. Note	0.94%
30-Yr. Treas. Bond	1.68%
10-Yr. TIPS	-1.00%
Muni Bonds - Nat'l 10-Yr.	0.65%
Mortgage Rates[2]	
15-Yr Fixed	2.21%
30-Yr Fixed	2.67%
Banking[3]	
Savings	0.05%
Money Market	0.07%
12-month CD	0.16%

[1] Federal Reserve, fmsbonds.com. Annualized Rates. Notes, bonds, TIPS reflect yield to maturity.
[2] Freddie Mac. Average (National average mortgages with 0.6 points).
[3] FDIC. Average national rates, non-jumbo deposits (<$100k).

2020: Markets and Mayhem

What a year! It's "one for the books" – 2020 served up a host of trials and tribulations, including the impeachment and acquittal of the President, a deadly global pandemic, mandatory shutdowns and a comatose global economy, riots that destroyed large swaths of U.S. cities, a return of communist expansion in Hong Kong, a projected $3.3 *trillion* federal deficit, and a national election that revealed a bitterly divided electorate.

Oh, and lest we forget, as of this writing the S&P 500 is up by 14 percent since the year began, or four percentage points higher than its 94-year average calendar-year return.

What is an investor to make of this? Is the stock market disconnected from world events? Or is this just another weird 2020 anomaly? (We note that this was also a year in which the national ice hockey championship playoffs began in August – in which a team from Florida ultimately triumphed over a team from Texas).

Rest assured capital markets are functioning properly. A stock's price represents investors' collective estimate of the firm's expected future earnings discounted to the present. In other words, market indexes change with earnings expectations. The ride to 14 percent has hardly been smooth, as expectations were jolted repeatedly. To wit, in mid-March, the market fell by 18 percent in just 10 trading days following declaration of a national emergency -- but recovered those losses only twelve days later, after the CARES Act promised support for businesses.

Markets also reflect good news that the media ignores. Prior to the pandemic, economic growth was robust and personal income was rising at all income levels. Amidst quarantine and closures technology ensured delivery of goods to our doorstep on a massive scale. Pharmaceutical firms and governments collaborated efficiently to research and deliver vaccines. SpaceX has achieved remarkable feats. These and many other developments offer hope for future prosperity.

THE PRE-RETIREMENT CHECKLIST: ESTATE PLANNING BASICS

This is the sixth article in our series on planning for retirement. We discuss the objectives and fundamental legal concepts of estate planning, and the essential documents necessary for a sound estate plan.

The paragraphs that follow are meant only to serve as a very basic guide for understanding the complex legal framework that governs estate planning. A financial planner can help create a sound overall plan and ensure that the estate plan is integrated with other objectives such as retirement income or college funding. But investors who need to create or revise estate planning documents should consult an attorney. Young people or people with very simple estate planning objectives may be able to create simple legal documents through a low-cost online provider.

The Goal of Estate Planning

In 2017 the federal exemption for estate taxes was raised to $11 million per person. But investors should not assume that estate planning is a concern for only very wealthy people.

There are states estate taxes with far lower exemptions amounts. For instance, in Massachusetts only gross estates below $1 million are exempt from the state's estate tax. Residents of a state with an estate or inheritance tax should become familiar with its provisions (see the May 2021 Investment Guide for a summary of state requirements).

But many estate concerns are unrelated to taxes. For most people, estate planning is less about tax avoidance and more about ensuring that their assets pass to their heirs as intended. It is also about ensuring that their heirs will not have to sort out messy affairs following one's death or incapacitation.

Estate planning can be especially important if you have had multiple marriages, children from previous marriages, if you want to leave assets to charity, or if you want to leave certain family members specific items.

Transfer of Assets at Death

The first estate planning action item is to start thinking about how you would like your assets to eventually pass to your spouse and/or heirs.

There are three ways that assets can pass at death: by contract, by law (a trust), or through the probate process, which includes any assets that pass via your will. Probate is the complex, and sometimes expensive, legal process for settling estates. For many, avoiding probate is a primary goal.

By Contract

Many assets will pass to your heirs by way of contract. These assets will automatically pass to the specified person with few legal complications.

For example, if a husband dies who was the co-owner of a joint bank account with his wife, the bank account automatically passes to the wife. Titling accounts as joint accounts with rights of survivorship is one of the easiest ways to ensure that your spouse will be able to continue to access the funds in the account with no interruption.

Other assets that pass by contract outside of probate include IRAs, life insurance, pensions, and annuities. Now is a good time to check the beneficiaries on these accounts to make sure they are correct.

Trusts

The second way to pass assets to your heirs outside of probate is through a trust. There are many different types of trusts, but the most common are testamentary trusts, living trusts, and irrevocable trusts. Consult your attorney to determine which type of trust is best for your situation.

The trust is its own entity. Irrevocable trusts have their own tax ID and will incur taxes based on investment income generated in the trust. If you create a trust, you work with an attorney to ensure that a named trustee follows specific instructions. When you pass away, assets in the trust will be provided to heirs as per the instructions specified in the trust document.

Consider the example of a living trust. A living trust is established by a grantor during his or her lifetime. The grantor retains control over the trust and can act as trustee while alive. Once the grantor dies, a successor trustee takes over. The successor trustee then transfers the assets in the trust to the beneficiaries as the grantor specified. These assets avoid probate and can be apportioned exactly according to the wishes of the grantor. This can be helpful if, for instance, the decedent would like to leave the house to her daughter and the brokerage account to her son. She could put both assets in the trust and specify to a successor trustee how and to whom those assets are to be distributed upon her death.

Whether you need a trust depends on your objectives and circumstances. Although a will can be just as effective as a trust in distributing assets, assets left via a will still must go through probate. However, establishing a trust can be expensive since you will need to hire an attorney.

As you approach retirement, it may be a good time to determine whether a trust is right for your situation and start working with an attorney to draft one.

Probate

Any asset that does not pass by contract or through a trust will be subject to probate. Probate is the legal process of authenticating the decedent's will. If the decedent died without a will (intestate) the property and assets will pass to relatives according to state law.

The primary advantage of probate is that the will is validated through a legal process and a dispute resolution forum is established for any issues that arise. The drawbacks are that the distribution of assets can take a long time, and costs often arise from court supervision, executor commissions, or attorney fees.

Many investors will have assets pass through probate via a will. Pre-retirement is an optimal time to draft or update your will to ensure it meets your objectives.

Advance Medical Directives

In addition to drafting and updating wills and trusts, it is also prudent to draft documents to address the need for any health care decisions that must be made on your behalf should you become mentally or physically incapacitated.

The two primary advance medical directives are a living will and a durable power of attorney for health care.

A living will specifies patient wishes in the event that she becomes unable to make her own health care decisions. An example of the type of statement in a living will is, "If I suffer an incurable, irreversible illness, disease, or condition and my attending physician determines that my condition is terminal, I direct that life-sustaining measures that would serve only to prolong my dying be withheld or discontinued."

A living will concerns the patient and physician only, and usually has limited breadth and flexibility. In some cases, it may be necessary to have a third party available to make decisions on your behalf. In those cases, a durable power of attorney (also called a health care proxy) is called for. This document legally grants someone the authority to make decisions for a patient who is unable to make his or her own decisions. This allows for a broader range of health care contingencies.

As you are preparing estate planning documents and working with an attorney, now is a good time to establish a living will and durable power of attorney.

I Want to Leave a Bequest

If you develop a sustainable retirement plan, there is usually something left over at the end – a house, some financial assets, and personal property.

There are also retirees who have a strong desire to leave specific assets to heirs. This requires that specific assets be set aside for that purpose rather than spent. This is fine, provided it allows the retiree with a standard of living he desires.

At this stage of planning, we encourage our clients to think about what is most important to them. This goes back to thinking about your dreams and what is going to be most fulfilling in retirement, as we described in the first article of this series. Very often, when investors talk to their children, they come to understand that their kids are financially independent and are actually more concerned that mom and dad can enjoy a fulfilling retirement without reducing their standard of living.

Checklist: Estate Planning

✓ If you have substantial assets that put you at risk of breaching estate tax thresholds at the state or federal level, consider hiring an estate planning attorney or financial planner with expertise in estate taxation.

✓ Start to think about whether you have specific wishes for how your money will be distributed to your heirs.

✓ Re-title individual accounts as joint accounts if you would like them to pass directly to someone, especially if you are married.

✓ Check beneficiary information on IRAs, life insurance, pension plans, and annuities to ensure it is up-to-date and accurate.

✓ Determine whether a trust is right for your needs, and work with an estate planning attorney to determine what type of trust is optimal, draft a trust document, and title assets in the name of the trust.

✓ Draft or update your will if it has been several years since you last reviewed it.

✓ Establish a living will and durable power of attorney for health care.

✓ Think about whether you have specific bequest objectives and talk to your family about them. Plan on reducing those bequest objectives if your plan does not look as sustainable as you had hoped.

OPTIMIZING COLLEGE FINANCIAL AID

This is the third article in our series on financial planning for college. The previous article reviewed the financial aid methodologies employed by the federal government and by colleges and universities. Here we take the next step, by delving into strategies and techniques for optimizing the aid families might receive under these methodologies.

The college financial aid process may feel completely out of your control. Calculations often differ based on the methodology, and the Expected Family Contribution depends on a number of factors that are out of your hands. The reality is that the financial aid system is not easily "gamed". There is no secret hack, and if there were one, everyone would likely already know about it. However, certain techniques can ensure that you maximize the aid for which you are eligible.

The inputs are generally similar under each methodology, presenting several important rules-of-thumb. All families can benefit from advice specific to the FAFSA form, as every family needs to fill one out when applying for aid. Moreover, anyone can utilize tax-advantaged savings vehicles such as 529 plans.

First and foremost, parents should avoid mistakes that will surely compromise financial aid – such as saving in the wrong type of account or increasing income during the critical financial assessment years. While the financial aid system is not easily gamed, it can be easily lost.

Income and non-retirement assets most directly impact financial aid calculations. There are ways that families can leverage savings and income to maximize financial aid eligibility. Prudent income planning and asset structuring can make a big difference in how much you pay toward college. Some strategies only apply to certain circumstances. We encourage all families to conduct their own research or consult with a trusted financial planner as needed.

Income

Our clients sometimes ask whether they earns *too much* to qualify for financial aid. Like most financial planning inquiries, the answer depends on

(continued next page)

your circumstances. There is no official "cut-off" figure for federal aid eligibility, though high-earners may encounter difficulty receiving aid.

Under the federal methodology, aid eligibility varies by the cost of each college. Recall that federal aid eligibility is determined by subtracting a family's EFC from the college's total cost of attendance. This means that middle to high income families may be ineligible for federal aid at certain state universities, where tuition is lower, but eligible for aid at more expensive private colleges. Your assets, family size, and the number of household members attending college also affect financial aid outputs.

Both federal and institutional aid are calculated using adjusted gross income, rather than taxable income. This means that annual 401(k) and IRA contributions will still be included as income in financial aid calculations. Moreover, the institutional methodology does not allow certain losses and adjustments that are allowed under the federal method. Paper depreciation and business, rental, or capital losses cannot be subtracted from family income under the institutional methodology.

The federal and institutional methodologies dictate that families must contribute between 22 percent and 47 percent of their annual income toward yearly costs. The actual rate will depend upon your "aid bracket", which takes into account a family's entire financial picture. Student income is calculated at a flat 50 percent rate under both methodologies. The bottom line is fairly simple. More income means less financial aid.

Optimizing Income

How might a family optimize income during the financial assessment years? There are several, narrowly applicable strategies. If you are divorced, eligibility will be boosted if the lower income spouse is listed as custodial parent on the FAFSA form. This is because only the custodial spouse's income and assets are assessed for federal aid purposes. Note that custodial-parent status on the FAFSA form differs from legal custody – as determined through divorce proceedings. Under the FAFSA, the custodial parent represents whomever the child lived with more during the past twelve months. If a child split time equally with both divorced parents, custodial-status is conferred upon the parent who provided more financial support during the previous twelve months. In turn, it is imperative that divorced families plan ahead if they wish to take advantage of this approach.[1] Divorced spouses may also consider delaying alimony payments to minimize income during financial aid assessment years.

Divorced couples should be mindful of the stepparent's financial status if one or both remarries. FAFSA disregards prenuptial agreements. This means that a stepparent's assets and income are reportable on the FAFSA form even if there is an agreement that the stepparent will not be responsible for college costs. Be sure to consider the *combined* financial situation, if applicable, when assigning the custodial parent.

There are also opportunities for reducing assessable income. FAFSA offers an income protection allowance for qualifying parents and students. Depending on family size and the number of students in college, families can insulate up to $40,490 in income from FAFSA assessment in any given year. Dependent students are granted a flat income protection allowance of $6,840, which is higher than most summer job earnings.[2]

Families should seek out further deductions wherever possible. On the FAFSA form, families may receive deductions for outstanding student loan interest, tuition and fees, and health savings account contributions. The institutional methodology affords fewer opportunities for income deductions, but families may be able to subtract qualifying medical, employment, and educational expenses from their income in institutional aid calculations.

Review any anticipated income increases carefully. FAFSA and CSS each use your "prior-prior" year's adjusted gross income to calculate financial aid. This means that your 2019 income will be used to calculate aid for the 2021-2022 school year. You may wish to delay foreseeable increases in income (pension, job change, etc.) until the student is a senior in college.

You should also avoid "one-off" income spikes to the extent possible. Capital gains distributions are included in your adjusted gross income (AGI) for the purposes of the FAFSA. Minimize turnover in brokerage accounts and other non-IRA assets. Low-cost mutual funds and ETFs are typically most efficient in this regard.

Lastly, if you have significant IRA and 401(k) savings, you may consider retiring early or transitioning to part-time work in order to reduce your employment income. Any reduction in income will result in more financial aid. Of course, a comprehensive analysis is necessary to determine whether early retirement is prudent. Parents with significant taxable savings, for example, may only see a marginal increase in financial aid if one or both individuals stop working.

Unless the above strategies apply to you, it might be very difficult to adjust family income in order to enhance your financial aid eligibility. However, there are several simple ways to optimize your assets for financial aid eligibility.

Assets

Asset positioning may be the most important factor in maximizing financial aid. A proper understanding of how asset ownership and account type impact financial aid calculations is critical. This allows families to optimize savings and placement strategies ahead of the important financial aid assessment years.

Retirement assets, such as IRAs and 401(k)s, are excluded from financial aid calculations. Non-retirement assets might include checking accounts, savings accounts, CDs, money market funds, brokerage accounts, and 529 plans. These assets impact the EFC calculation at different rates depending on the type of account and who owns it. Asset positioning strategies may present the best opportunity to manage the financial aid process.

Optimizing Assets

Recall that financial aid calculations are typically most generous to parent-owned assets. While student assets are counted at rates of 20 percent (federal methodology) and 25 percent (institutional methodology), parent assets are included at much lower rates. The federal methodology considers 5.6 percent of parent assets and the institutional methodology considers 5 percent of parent assets to be available for college costs every year. A third methodology, the consensus method, used by only two-dozen colleges, is the exception. Under the consensus approach both student and parent assets are counted at a rate of 5 percent. Furthermore, students are not afforded a savings allowance, meaning that the entirety of student-owned assets count against financial aid.

Both methodologies include savings allowances that reduce assets that are included in financial aid calculations. The 2021 FAFSA asset protection allowance permits parents to shelter up to $10,500 of their assets from federal aid calculations. The exact FAFSA allowance varies based on the number of parents in the household and the age of the oldest parent. The institutional methodology offers two major allowances that effectively shelter assets from the portion of a family's net worth considered to be available for college expenses. The Emergency Reserve Allowance is based on family size and represents six months of average family expenses. The Cumulative Education Savings Allowance reduces assets by a yearly percentage of family income. The CESA is intended to protect a portion of assets for families who actively save for college each year.

There are key differences in which assets are counted under the institutional and federal methodologies. Small businesses with fewer than 100 full-time employees, home equity, and non-qualified annuities are not counted in the federal methodology. These assets, however, are included in the institutional and consensus methodologies.

Families should therefore be wary of "sheltering" assets in annuities or life insurance contracts to avoid financial aid assessment. Salesmen often peddle these products to families approaching financial aid assessment. While insurance undoubtedly serves a vital role in financial planning, these contracts serve little benefit to families preparing for college. Annuities are most aptly used to protect against "longevity risk", or the risk that one outlives his or her savings. Life insurance, on the other hand, guards against premature death.

Individuals should avoid converting assets into annuities or life insurance contracts for financial aid purposes. While annuities and cash-value life insurance policies escape FAFSA consideration, these contracts are typically plagued by high investment-related expenses and lackluster returns. The purchase of an annuity or insurance contract could therefore cost you more in fees and uncaptured returns than any additional aid you might receive from placing funds in it.

Families should minimize assets held under the student's name during financial assessment years. If your son or daughter has funds in a savings or brokerage account, you may want to spend from these assets to fund necessities such as computers or SAT tutoring prior to the FAFSA assessment years. Similarly, students should consider redirecting any savings to retirement accounts such as a traditional or Roth IRA, which escape financial aid assessment.

Families might also consider paying off debt to reduce parent assets in financial aid calculations. By doing so, you can reduce your current assets for financial aid consideration. When it comes to a home mortgage, however, the methodologies differ. Home equity is included as an asset under the institutional methodology, but not under the federal methodology. Therefore, paying down a mortgage will boost eligibility under the federal methodology, but not under the institutional methodology. Still, be careful not to compromise institutional aid eligibility by overestimating your home value on the CSS Profile

Conclusion

While there is clearly no one-size-fits-all way to optimize the financial aid process, the aforementioned strategies can help maximize your eligibility. A fundamental understanding of the financial aid methodologies can help to address the rising costs of a college education.

These strategies should help to ensure you get all the financial aid for which you are eligible. But for most families a comprehensive strategy will be centered on a disciplined saving strategy and solid understanding of various college savings accounts available, including Uniform Gift to Minors Act Accounts, Coverdell Education Savings Accounts, 529 College Savings Plans, and taxable brokerage accounts. While we described these accounts in the first article of this series, we will delve into them more deeply in the next issue.

1. This strategy applies only to federal aid. The CSS Profile considers the income of both the custodial and non-custodial parents in institutional aid calculations.
2. https://ifap.ed.gov/sites/default/files/attachments/2019-10/2021EFCFormulaGuideOct2019UpdateAttach.pdf

PROTECT YOUR RECORDS BEFORE DISASTER STRIKES

It's always a good idea to plan for what to do in case of a disaster. Here are some simple steps you can take right now to prepare:

1. Backup Records Electronically. Many people receive bank statements by email. This is a good way to secure your records. You can also scan tax records and insurance policies onto an electronic format. You can use an external hard drive, CD, or DVD to store important records. Be sure you back up your files and keep them in a safe place. If a disaster strikes your home, it may also affect a wide area. If that happens you may not be able to retrieve your records.

2. Document Valuables. Take photos or videos of the contents of your home or business. These visual records can help you prove the value of your lost items. They may help with insurance claims or casualty loss deductions on your tax return. You should store them with a friend or relative who lives out of the area. The IRS has a disaster loss workbook, Publication 584, *Casualty, Disaster, and Theft Loss Workbook (Personal-Use Property)*, which can help taxpayers compile a room-by-room list of belongings.

3. Update Emergency Plans. Review your emergency plans every year. Personal and business situations change over time as do preparedness needs, so update them when your situation changes. Make sure you have a way to get severe weather information and have a plan for what to do if threatening weather approaches.

4. Get Copies of Tax Returns or Transcripts. Use Form 4506, *Request for Copy of Tax Return*, to replace lost or destroyed tax returns or need information from your return. You can also file Form 4506T-EZ, *Short Form Request for Individual Tax Return* Transcript or Form 4506-T, *Request for Transcript of Tax Return*. If you need assistance filling this form out, please call.

If you are an AIS client and you fall victim to a disaster, help is just a phone call away. We will work with you, your financial asset custodian, your accountant and other professionals to help ensure your financial records are accessible and accurate.

THE HIGH-YIELD DOW INVESTMENT STRATEGY

HYD Model Portfolio

As of December 15, 2020

	Rank	Yield (%)	Price ($)	Status	Percent of Portfolio: Value (%)	Percent of Portfolio: No. Shares (%)[1]
Chevron	1	5.77	89.37	Buying	16.23	11.64
IBM	2	5.18	125.93	Holding**	24.25	12.34
Dow, Inc.	3	5.17	54.13	Holding**	29.79	35.26
Walgreen Boots	4	4.52	41.33	Buying	5.98	9.27
Verizon	5	4.14	60.55	Selling	8.96	9.48
Exxon Mobil	NA	8.24	43.04	Selling	14.79	22.02
Cash (6-mo. T-Bill)	N/A	N/A			0.01	N/A
Totals					100.00	100.00

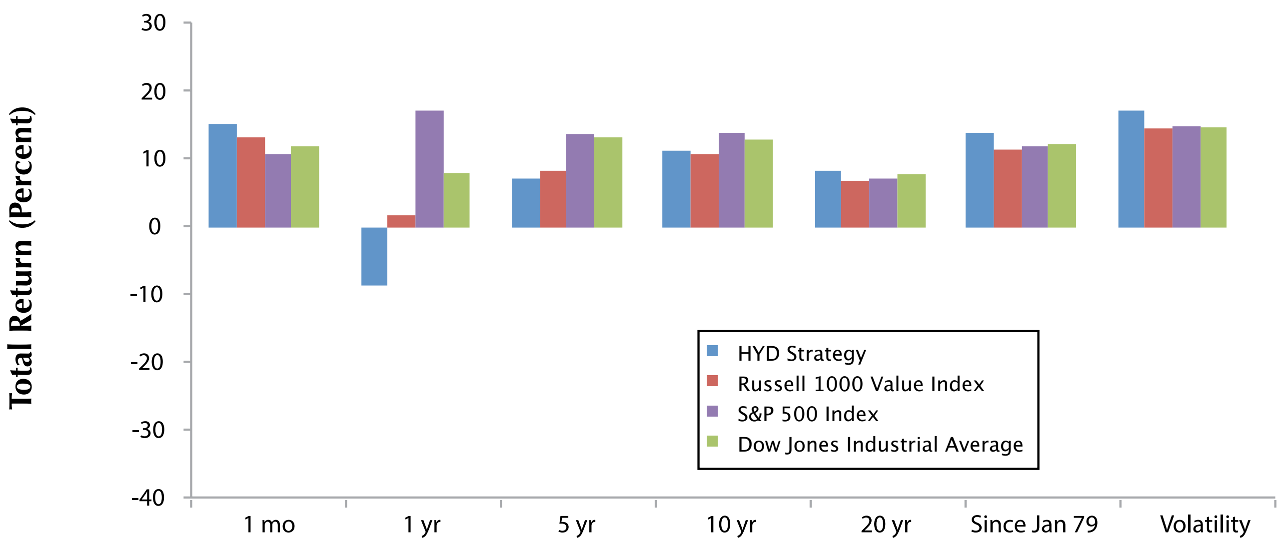
**Currently indicated purchases approximately equal to indicated purchases 18 months ago. [1]Because the percentage of each issue in the portfolio by value reflects the prices shown in the table (closing prices on the date indicated), we are also showing the number of shares of each stock as a percentage of the total number of shares in the entire portfolio.

Subscribers can find a full description of the strategy and methodology in the "Subscribers Only" (Log in required) section of our website: www.americaninvestment.com.

Comparative Hypothetical Total Returns (%) and Volatility

The data presented in the table and chart below represent total returns generated by a hypothetical HYD portfolio and by benchmark indexes for periods ending November 30, 2020*. Returns for the 5-,10- and 20-year periods and since 1979 are annualized, as is the volatility (standard deviation) of returns.

	1 mo.	1 yr.	5 yrs.	10 yrs.	20 yrs.	since Jan 79	Volatility since 1979
HYD Strategy	15.41	-8.75	7.35	11.46	8.47	14.10	17.45
Russell 1000 Value Index	13.45	1.72	8.44	10.93	6.88	11.70	14.84
S&P 500 Index	10.95	17.46	13.99	14.19	7.29	12.04	15.09
Dow Jones Industrial Average	12.14	8.09	13.54	13.17	7.94	12.44	14.97



*Data assume all purchases and sales at mid-month prices (+/–$0.125 per share commissions), reinvestment of all dividends and interest, and no taxes. Model HYD calculations are based on hypothetical trades following a very exacting stock-selection strategy. They do not reflect returns on actual investments or previous recommendations of AIS. Past performance may differ from future results. Historical performance results for the Russell 1000 Value Index, the Dow Jones Industrial Average and the S&P 500 Index do not reflect the deduction of transaction and/or custodial charges, or the deduction of an investment-management fee, the incurrence of which would have the effect of decreasing historical performance results. HYD Strategy results reflect the deduction of 0.725% management fee, the annual rate assessed to a $500,000 account managed through our Professional Asset Management service.

Unless otherwise specified returns and data cited within this publication are derived from the following sources: U.S. stock benchmarks: U.S. Marketwide - Russell 3000 Index; U.S. Large Cap Stocks - Russell 1000 Index; U.S. Large Cap Value - Russell 1000 Value Index; U.S. Large Cap Growth - Russell 1000 Growth Index; U.S. Midcap Stocks - Russell Midcap Index; U.S. Small Cap Stocks - Russell 2000 Index; U.S. Small Cap Value - Russell 2000 Value Index; U.S. Small Cap Growth - Russell 2000 Growth Index; U.S. Microcaps - Russell Microcap Index. Fixed income benchmarks: Cash & Equivalents - ICE BofAML US 3-Month Treasury Bill Index; U.S. Short-Term Investment Grade - Bloomberg Barclays US Government/Credit Bonds Index 1-5 Years; U.S. Bonds - Bloomberg Barclays US Aggregate Bond Index; U.S. Government Bonds - Bloomberg Barclays US Government Bond Index; TIPS - Bloomberg Barclays US TIPS Index; Municipal Bonds - Bloomberg Barclays Municipal Bond Index 5 Years; Foreign Bonds (hedged) - FTSE Non-USD World Government Bond Index 1-5 Years (hedged to USD). Foreign stock benchmarks: All returns in U.S. dollars. Developed Markets - MSCI World ex USA Index (net div.); Developed Markets Value - MSCI World ex USA Value Index (net div.); Developed Markets Growth - MSCI World ex USA Growth Index (net div.); Developed Markets Small Cap - MSCI World ex USA Small Cap Index (net div.); Developed Markets Small Cap Value - MSCI World ex USA Small Value Index (net div.); Developed Markets Small Cap Growth - MSCI World ex USA Small Growth Index (net div.); Emerging Markets - MSCI Emerging Markets Index (net div.); Emerging Markets Value - MSCI Emerging Markets Value Index (net div.). Real estate benchmarks: Global REITs - S&P Global REIT Index (net div.); U.S. REITs - S&P United States REIT Index (gross div.); International REITs - S&P Global ex US REIT Index (net div.). Gold benchmark: Gold London PM Fix Price. All data from DFA Returns 2.0 program, except Gold data from World Gold Council and Currency data from St. Louis Federal Reserve. Country performance provided by Dimensional Fund Advisors, based on respective indexes in the MSCI All Country World ex USA IMI Index (for developed markets) and MSCI Emerging Markets IMI Index. Sector returns represented by S&P 500 sectors.

RECENT MARKET STATISTICS

Precious Metals & Commodity Prices ($)

	12/15/20	*Mo. Earlier*	*Yr. Earlier*	*Prem. (%)*
Gold, London p.m. fixing	**1,850.65**	1,890.90	1,466.90	
Silver, London Spot Price	**24.21**	24.25	16.87	
Crude Oil, W. Texas Int. Spot	**47.02**	39.93	57.54	
Coin Prices ($)[1]				
American Eagle (1.00)	**1,929**	1,971	1,482	4.25
Austrian 100-Corona (0.9802)	**1,814**	1,853	1,432	0.00
British Sovereign (0.2354)	**436**	445	345	0.00
Canadian Maple Leaf (1.00)	**1,896**	1,936	1,477	2.43
Mexican 50-Peso (1.2057)	**2,231**	2,280	1,761	0.00
Mexican Ounce (1.00)	**1,869**	1,909	1,485	0.97
S. African Krugerrand (1.00)	**1,896**	1,936	1,474	2.43
U.S. Double Eagle-$20 (0.9675)				
St. Gaudens (MS-60)	**1,831**	1,907	1,457	2.26
Liberty (Type II-AU50)	**1,863**	1,918	1,467	4.05
Liberty (Type III-AU50)	**1,838**	1,893	1,442	2.65
U.S. Silver Coins ($1,000 face value, circulated)				
90% Silver Circ. (715 oz.)	**16,656**	16,946	12,529	n/a
40% Silver Circ. (295 oz.)	**6,722**	6,842	5,121	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 Market Returns

Data through November 30, 2020

	U.S. Stocks (Mktwd)	Foreign Dev. Stocks	Foreign Emerg. Stocks	Global REITs	U.S. Bonds	Foreign Bonds (hedged)	Gold
1-month	12.17%	15.34%	9.25%	11.73%	0.98%	0.03%	-5.42%
	↑	↑	↑	↑	↑	↑	↓
3-month	5.75%	7.69%	9.71%	4.68%	0.48%	0.45%	-9.70%
	↑	↑	↑	↑	↑	↑	↓
1 year	19.02%	6.19%	18.43%	-12.78%	7.28%	1.90%	21.38%
	↑	↑	↑	↓	↑	↑	↑
5 year (annualized)	13.95%	6.30%	10.72%	3.03%	4.34%	2.25%	10.79%
	↑	↑	↑	↑	↑	↑	↑
15 year (annualized)	9.67%	4.47%	6.50%	4.25%	4.54%	2.73%	8.89%
	↑	↑	↑	↑	↑	↑	↑
Best and worst one-year returns, Jan. 2001 - Nov. 2020							
Best	**56.0%**	**57.2%**	**91.6%**	**85.7%**	**13.8%**	**7.1%**	**54.6%**
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%**	**-28.0%**
During:	03/2008-02/2009	03/2008-02/2009	12/2007-11/2008	03/2008-02/2009	09/2012-08/2013	04/2010-03/2011	12/2012-11/2013

THE DOW JONES INDUSTRIALS RANKED BY YIELD*

	Ticker Symbol	*Market Prices ($) 12/15/20*	*11/15/20*	*12/15/19*	*12-Month ($) High*	*Low*	*Latest Dividend Amount ($)*	*Record Date*	*Payable Date*	*Indicated Annual Dividend ($)*	*Yield† (%)*
Chevron	CVX	89.37	83.03	117.96	122.72	51.60	1.290	11/18/20	12/10/20	5.160	5.77
IBM	IBM	125.93	116.85	134.21	158.75	90.56	1.630	11/10/20	12/10/20	6.520	5.18
Dow Chemical	DOW	54.13	51.97	53.28	58.18	21.95	0.700	11/30/20	12/11/20	2.800	5.17
Walgreen's	WBA	41.33	42.71	57.88	59.78	33.36	0.468	11/19/20	12/11/20	1.870	4.52
Verizon	VZ	60.55	61.06	60.81	62.15	48.84	0.627	1/8/21	2/1/21	2.508	4.14
3M Company	MMM	174.68	169.79	168.79	182.55	114.04	1.470	11/20/20	12/12/20	5.880	3.37
Merck	MRK	80.48	81.09	89.19	92.14	65.25	0.650	12/15/20	1/8/21	2.600	3.23
Cisco	CSCO	44.72	41.40	45.30	50.28	32.40	0.360	1/5/21	1/20/21	1.440	3.22
Coca-Cola	KO	53.84	53.45	54.42	60.13	36.27	0.410	12/1/20	12/15/20	1.640	3.05
J P Morgan	JPM	120.32	114.08	136.81	141.10	76.91	0.900	1/6/21	1/31/21	3.600	2.99
Amgen	AMGN	230.53	237.36	236.74	264.97	177.05	1.600	2/15/21	3/8/21	6.400	2.78
Johnson & Johnson	JNJ	150.57	149.90	141.38	157.00	109.16	1.010	11/24/20	12/8/20	4.040	2.68
Intel Corp	INTC	50.67	45.46	57.79	69.29	43.61	0.330	11/7/20	12/1/20	1.320	2.61
Travelers	TRV	137.26	134.63	135.66	141.87	76.99	0.850	12/10/20	12/31/20	3.400	2.48
McDonald's	MCD	214.86	213.28	197.12	231.91	124.23	1.290	12/1/20	12/15/20	5.160	2.40
Proctor and Gamble	PG	136.65	144.28	125.47	146.92	94.34	0.791	10/23/20	11/16/20	3.164	2.32
Caterpillar	CAT	181.74	171.71	145.53	183.81	87.50	1.030	1/20/21	2/19/21	4.120	2.27
Home Depot, Inc.	HD	267.98	277.17	214.08	292.95	140.63	1.500	12/3/20	12/17/20	6.000	2.24
Goldman Sachs	GS	242.43	219.08	225.00	260.85	130.85	1.250	12/2/20	12/30/20	5.000	2.06
Honeywell	HON	214.17	201.54	176.98	216.70	101.08	0.930	11/13/20	12/4/20	3.720	1.74
Wal-Mart Stores	WMT	145.58	150.54	120.29	153.66	102.00	0.540	12/11/20	1/4/21	2.160	1.48
Unitedhealth Group	UNH	339.67	355.67	285.48	367.95	187.72	1.250	12/7/20	12/15/20	5.000	1.47
American Express	AXP	119.10	114.99	124.72	138.13	67.00	0.430	1/8/21	2/10/21	1.720	1.44
Microsoft Corp.	MSFT	214.13	216.51	154.53	232.86	132.52	0.560	2/18/21	3/11/21	2.240	1.05
Nike	NKE	139.39	128.28	97.77	147.95	60.00	0.275	12/7/20	12/29/20	1.100	0.79
Apple	AAPL	127.88	119.26	275.15	137.98	53.15	0.205	11/9/20	11/12/20	0.820	0.64
Visa Inc.	V	208.36	210.48	185.14	217.65	133.93	0.320	11/13/20	12/1/20	1.280	0.61
Walt Disney	DIS	173.94	138.36	146.38	179.45	79.07	0.880	12/16/19	1/16/20	0.880	0.51
Salesforce	CRM	220.15	249.51	161.13	284.50	115.29	0.000	No dividend		0.000	0.00
Boeing	BA	229.50	187.11	341.67	349.95	89.00	0.000	Dividend suspended		0.000	0.00

† Based on indicated dividends and market price as of 12/15/20. Extra dividends are not included in annual yields.
All data adjusted for splits and spin-offs. 12-month data begins 12/15/19.

ASSET CLASS INVESTMENT VEHICLES

Data as of November 31, 2020		Security Symbol(s) (1)		Avg. Market Cap / Avg. Maturity	Number of Holdings	Expense Ratio (%)	Turnover (%)	Price-to-Book Ratio	Trailing 12-Mo. Yield (%)	Annualized Returns (%)			Tax Cost Ratio - 3 Years (%) (3)
		Mutual Fund	ETF							1-Year	3-Year	5-Year	
Fixed Income													
Short-Term Bonds	Vanguard Short-Term Bond Adm	VBIRX	BSV	2.90 yrs	2651	0.07	44		1.84	4.66	3.59	2.61	0.82
Short-Term Bonds	SPDR Portfolio Short Term Corp Bd ETF		SPSB	1.92 yrs	1086	0.07	54		2.12	4.06	3.47	2.72	0.99
Short-Term Bonds	iShares 1-3 Year Treasury Bond ETF		SHY	1.92 yrs	79	0.15	56		1.18	3.15	2.60	1.75	0.67
Interm-Term	Vanguard Total Bond Market Adm	VBTLX	BND	8.50 yrs	18443	0.05	31		2.27	7.40	5.50	4.35	1.07
Interm-Term	iShares Core US Aggregate Bond ETF		AGG	8.00 yrs	8304	0.04	108		2.23	7.33	5.41	4.29	1.03
Tax-Exempt	Vanguard Ltd-Term Tax-Exempt Inv	VMLTX		2.90 yrs	7212	0.17	21		1.65	3.24	2.94	2.09	0.00
Tax-Exempt	SPDR Nuveen Blmbg Barclays ST MunBd ETF		SHM	3.10 yrs	1048	0.20	23		1.23	2.92	2.62	1.64	0.00
Tax-Exempt	Vanguard Interm-Term Tx-Ex Inv	VWITX		5.20 yrs	10804	0.17	8		2.34	4.88	4.46	3.54	0.00
Inflation-Protected	iShares TIPS Bond ETF		TIP	8.36 yrs	47	0.19	17		1.23	10.01	5.73	4.54	0.83
Inflation-Protected	Vanguard Inflation-Protected Securities Inv	VIPSX		8.40 yrs	47	0.20	26		1.28	10.09	5.60	4.44	0.94
International	Vanguard Total International Bond Adm	VTABX	BNDX	10.00 yrs	6342	0.11	26		3.17	3.72	4.98	4.32	1.15
Real Estate (REITs)													
U.S. REITs	Vanguard REIT Adm	VGSLX	VNQ	16.90 B	183	0.12	6	2.12	3.52	-6.48	3.93	5.45	1.41
U.S. REITs	SPDR Dow Jones REIT		RWR	11.08 B	116	0.25	17	1.65	3.62	-14.90	0.31	2.57	1.47
Int'l REITs	Vanguard Global ex-US Real Estate Adm (2)	VGRLX	VNQI	5.32 B	720	0.12	7	0.76	6.87	-6.62	0.65	5.03	1.85
Int'l REITs	iShares International Developed Property		WPS	5.48 B	403	0.48	8	0.76	6.99	-6.90	0.86	4.47	1.92
Global (incl. U.S.)	SPDR Dow Jones Global Real Estate ETF		RWO	8.40 B	280	0.50	7	1.14	4.27	-14.22	-0.33	1.92	1.50
U.S. Stocks													
Large Cap (blend)	Vanguard S&P 500 Adm	VFIAX	VOO	153.88 B	513	0.04	4	3.15	1.60	17.41	13.13	13.95	0.46
Large Cap (blend)	iShares Core S&P 500		IVV	150.03 B	509	0.03	4	3.05	1.74	17.42	13.13	13.93	0.58
Large Cap (blend)	iShares Russell 1000 ETF		IWB	113.92 B	1017	0.15	5	3.02	1.44	19.23	13.54	14.07	0.54
Large Cap Value	Vanguard Value Adm	VVIAX	VTV	80.74 B	333	0.05	12	1.96	2.72	1.44	6.04	9.75	0.65
Large Cap Value	iShares Russell 1000 Value		IWD	54.69 B	854	0.19	16	1.75	2.54	1.66	5.13	8.28	0.81
Small Cap (blend)	iShares Core S&P Small-Cap ETF		IJR	1.54 B	605	0.06	16	1.45	1.40	5.89	4.75	9.54	0.48
Small Cap (blend)	Schwab US Small-Cap ETF		SCHA	2.58 B	1748	0.04	12	1.65	1.22	13.03	7.10	10.05	0.53
Small Cap Value	Vanguard Small Cap Value Adm	VSIAX	VBR	3.79 B	912	0.07	19	1.35	1.89	2.00	2.42	7.24	0.59
Small Cap Value	iShares Russell 2000 Value		IWN	1.44 B	1457	0.24	25	1.08	1.84	0.22	0.63	6.70	0.66
Small Cap Value	iShares Micro-Cap		IWC	0.44 B	1264	0.60	24	1.30	1.04	18.55	5.87	9.06	0.39
Marketwide	Vanguard Total Stock Market Adm	VTSAX	VTI	90.57 B	3590	0.04	4	2.96	1.53	19.14	13.21	13.95	0.53
Marketwide	Fidelity Total Market Index	FSKAX		90.42 B	3451	0.02	11	2.96	1.55	18.93	13.14	13.91	0.85
Foreign Stocks													
Developed Markets	Vanguard FTSE Developed Markets Adm	VTMGX	VEA	22.66 B	3984	0.07	2	1.34	2.18	7.84	3.42	6.71	0.78
Developed Markets	iShares Core MSCI EAFE ETF		IEFA	23.43 B	2567	0.07	2	1.37	2.37	6.48	3.19	6.44	0.82
Emerging Markets	Vanguard Emerging Markets Stock Adm	VEMAX	VWO	31.60 B	4120	0.14	9	1.63	2.51	16.36	4.99	9.87	0.87
Emerging Markets	Schwab Emerging Markets Equity ETF		SCHE	41.82 B	1538	0.11	15	1.66	2.86	15.61	5.28	10.15	1.02
Gold-Related Funds													
Gold ETFs	SPDR Gold Minishares		GLDM			0.18			0.00	21.15	n/a	n/a	0.00
Gold ETFs	GraniteShares Gold Trust		BAR			0.17			0.00	21.20	n/a	n/a	0.00

Data provided by the funds and Morningstar. (1) Some funds are available as mutual funds and ETFs, in which case both symbols are shown. In these cases, data represent the mutual fund. The ETF may offer a lower expense ratio and returns may deviate. For Vanguard funds, Adm indicates the Admiral share class is shown; Inv indicates the Investor share class is shown. (2) VGRLX includes a 0.25% fee on purchases and redemptions, which are paid directly to the fund. (3) This represents the percentage-point reduction in an annualized return that results from income taxes. The calculation assumes investors pay the maximum federal rate on capital gains and ordinary income. The calculation comes directly from Morningstar.