

## We're Doing OK

By Walter S. Frank, Chief Investment Officer

As we enter March, the US economy is stabilizing, with supports and risks seemingly in balance.

On the plus side, manufacturing and consumer numbers are rebounding from a fourth quarter slump; there are positive messages coming from the Fed; and world financial leaders are discussing efforts to prevent global recession. Negatives include the risk of Britain leaving the European Union ("Brexit" in the parlance); difficulty coordinating fiscal and monetary policy for many countries; and the simple fact that monetary stimulus is mostly tapped out in many areas around the world.

### US economy: modest improvement

When last we looked, the domestic economy had slowed in the 4th Quarter, with the first estimate for Gross Domestic Product (GDP) coming in at 0.7%. Since last month's first reading, the number has been adjusted up to 1.0%. A major factor: Businesses were less aggressive in their efforts to reduce unwanted inventory. The inventory adjustment could serve to restrain 1st Quarter 2016 growth, which projects to 2.5%.

Durable Goods for January were up the most in 10 months, coming in at +4.9%, well above the 2.5% expectation. This was a stark turnaround from December's number, which was revised to -4.6%. Core capital goods also showed a solid gain. This suggests the worst for manufacturing may be over for now.

In January's issue we said that conditions were good for a much-needed pickup in consumer spending in 2016. Early returns are positive, with the January increase (0.5%) the biggest in eight months. Job growth, lower gas prices, and higher home values are contributing to consumer optimism. "Income growth is solid, so we

expect consumer spending to pick up this quarter," said Michael Gapen, Chief US Economist at Barclays. "The fear was that the consumer was slowing down at a more pronounced pace than people expected. Today's numbers show the consumer doesn't look to be rolling over by any means." Consumer spending accounts for nearly 70 percent of the US economy.

	Jan 2016	Expected	Dec 2015
Consumer Spending	0.5%	0.3%	0.1%
Durable Goods	4.9%	2.5%	-4.6%
Industrial Production	0.9%	0.3%	-0.7%

The "R" word has been popping up in the financial press recently. We'd like to reiterate our analysis from last month: Recession is not the call right now. The better numbers from manufacturing and the consumer in January, cited above, support that case.

### The Fed

There is no foreseeable increase in interest rates coming from the Fed. Risks to global growth, and market volatility, have put the Fed in a wait-and-see mode for now. No, they are not going to apologize for the December increase (see, we *can* do it!). But weaker economic conditions around the world and the current strength of the dollar have put further "normalization" on hold. The next FOMC meeting is scheduled for March 15-16.

In a speech on monetary policy last Friday, Fed Governor Lael Brainard said that market forces hitting the US over the last 18 months are the equivalent of three quarter-percentage-point hikes. The result will likely be a much shallower path of increase for interest rates here than many expected. Headwinds around the globe means that it will be more difficult for the US economy to "diverge" from the rest of the world. For more from the Fed, see "The Fed on Tour" on page 11 of this issue.

### G20

The Group of 20 nations met over the weekend in Shanghai, amidst pressure to create a coordinated stimulus program aimed at combating global economic weakness. Nobody wants a global recession, and an agreement would be an important step in the right direction. There is precedent for world powers coming together to do the right thing. The 1985 Plaza Accord was a pro-growth currency agreement signed by the US, Japan, UK, West Germany and France (the G-5). And in 2009, G20 officials agreed on a coordinated stimulus to prevent a worldwide depression during the global financial crisis.

(continued on page 2)

### Market Trends

	Trailing 12-Mo Trend	Forward 6-Mo Estimate
Economy	Higher	Higher
Interest Rates (10-yr Treas.)	Flat/Lower	Higher
Dollar	Higher	Flat/Higher
Inflation	Flat/Higher	Flat/Higher
Dow	Lower	Higher
NASDAQ	Lower	Higher
Europe	Lower	Higher
Japan (Nikkei)	Lower	Higher
Hong Kong (Hang Seng)	Lower	Higher

(continued from page 1)

Alas, there was no concrete action coming out of the meeting. There was a stated agreement to use “all policy tools—monetary, fiscal and structural—individually and collectively” to fight the risks to world growth. But the G20 consensus was that world economies are not as bad as current markets think.

Basically, everyone is frozen into position right now. Oil prices have settled down somewhat, and many markets have been recovering early 2016 losses. It would be extremely important if all the powers agreed to a joint stimulus policy, but the time is not quite right.

### Risks

Citigroup sees the risk of a global recession as rising (it defines a global recession as growth below 2%, not the standard two quarters of negative growth). “The most recent deterioration in the global outlook is due to moderate worsening in the prospects for the advanced economies, a large increase in the uncertainty about the advanced economies’ outlook (notably the US) and a tightening in financial conditions everywhere,” said the bank. Recession is not Citi’s base case (which is 2.2% - 2.5% growth), but its nervousness about conditions in the US is evident.

Another big story on the financial and political horizon is the danger of “Brexit.” With a referendum on Great Britain’s membership in the European Union set for June 23rd, there is a real chance that Britain will be leaving the EU. The case for Brexit is that Britain is held back by the rest of Europe. The Brits could benefit from an open economy which continues to trade with the EU and other countries around the world.

But it is likely the EU would impose a severe cost on Britain for its departure. Currently, according to The Economist, the EU takes more than half of Britain’s exports, but Britain only takes less than 10% of the EU’s. In addition, Brexit could break up the United Kingdom. Scotland just went through a tight vote on independence, and Brexit might just be the last straw. Ireland would be similarly unsettled.

### World Markets: 2016 Returns

Index	February	YTD 2/29
Brazil – Ibovespa	5.9%	-1.3%
China – Shanghai Comp	-1.8	-24.1
Europe – Euro STOXX 50	-3.3	-9.8
India – S&P BSE SENSEX	-7.5	-11.9
Japan – Nikkei 225	-8.5	-15.8
Mexico – Bolsa IPC	0.2	1.7
U.S. – S&P 500	-0.4	-5.5

Indexes do not include dividends.

Of course, China still looms, and questions about the veracity of economic reports were outlined in the New York Times. The government is taking steps to curb pessimism about its slowing economic growth and faltering markets. Data manipulation is nothing new in China,

although in recent years they’ve made efforts to improve the data by releasing more information more frequently.

The Shanghai Composite plunged 6.4% on February 25th after gaining for most of the month. Tighter liquidity, coupled with continuing concerns about the slowdown, shook Chinese stocks. But on Monday February 29th, the People’s Bank of China said that it is reducing the reserve ratio for the nation’s big banks. The move indicates that supporting growth is the government’s top priority even if doing so further weakens the yuan.

Finally, the financial health of oil-producing nations is an ongoing issue. Oppenheimer & Company’s senior oil and gas analyst Fadel Gheit estimated half of the US’s shale oil producers could go bankrupt before crude prices reach equilibrium. Saudi Arabia’s stock market has declined by 45% in the last 18 months. Gheit sees the equilibrium price around \$60 per barrel, but it could be two years before we get there.

### Steady as she goes

Given the volatility that we experienced coming out of the gate in 2016, things are reasonably stable as we go to press. The threat of the Fed’s four-hike projection for this year is now gone. And although better economic numbers may open the door for another hike sometime later this year, the pace of tightening is surely slower than originally expected. This positive message from the Fed has provided the conditions for a better-behaving stock market since February 11th.

Our risk management adjustments have been in place since January 20th. You are positioned to take advantage of upside opportunities, but remain protected from the full force of the market if a correction occurs. Stay the course and maintain your current asset allocations. There are no trades for the model portfolios this week. \$

**Brian W. Kelly** contributed to this article. Brian has been the publisher of *MONEYLETTER* since 1998.

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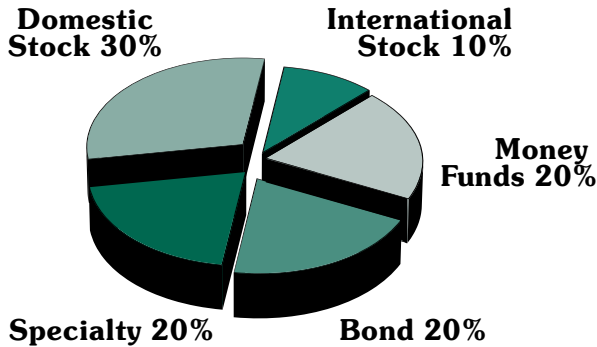
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The Conservative Model Portfolios seek steady long-term growth of capital with limited short-term volatility

No trades this month.



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Fund Name	Ticker Symbol	Purchase Date	Shares	NAV	Value	Portfolio Percent	Monthly Return
Schwab Investor MF	SWRXX	—	48,514	\$1.00	\$48,514	21%	0.0%
PowerShares QQQ	QQQ	10/30/14	323	102.50	33,107	15%	-1.6%
Parnassus Endeavor	PARWX	01/08/15	1,248	26.79	33,443	15%	3.1%
Oakmark Global Select	OAKWX	10/15/15	1,469	13.69	20,107	9%	-4.3%
DoubleLine Total Return Bond N	DLTNX	01/21/16	4,066	10.88	44,238	19%	0.2%
Berwyn Income	BERIX	12/13/13	1,608	12.87	20,693	9%	0.6%
Fidelity Balanced	FBALX	04/24/08	1,330	20.24	26,922	12%	-0.4%
<b>TOTAL (as of 02/29/16)</b>					<b>\$227,024</b>		<b>-0.1%</b>
<b>2016 YTD Performance (as of 02/29/16): -5.1%</b>							

2006: 8.6% 2007: 2.6% 2008: -29.7% 2009: 23.3% 2010: 14.5% 2011: 0.1% 2012: 7.9% 2013: 20.2% 2014: 3.9% 2015: 1.0%

Fidelity

Fidelity Cash Reserves	FDRXX	—	38,389	\$1.00	\$38,389	21%	0.0%
Fidelity Growth Discovery	FDSVX	12/31/15	691	23.02	15,899	9%	-2.4%
Fidelity Contrafund	FCNTX	10/01/15	221	91.54	20,202	11%	-1.2%
Fidelity Blue Chip Growth	FBGRX	03/26/15	314	61.91	19,463	11%	-2.1%
Fidelity Int'l Small Cap	FISMX	06/11/15	742	20.83	15,453	9%	0.2%
Fidelity Mortgage Securities	FMSFX	01/21/16	2,665	11.38	30,325	17%	0.3%
Fidelity Puritan	FPURX	12/13/13	921	19.31	17,776	10%	-1.1%
Fidelity Balanced	FBALX	11/27/02	1,198	20.24	24,251	13%	-0.4%
<b>TOTAL (as of 02/29/16)</b>					<b>\$181,758</b>		<b>-0.7%</b>
<b>2016 YTD Performance (as of 02/29/16): -5.3%</b>							

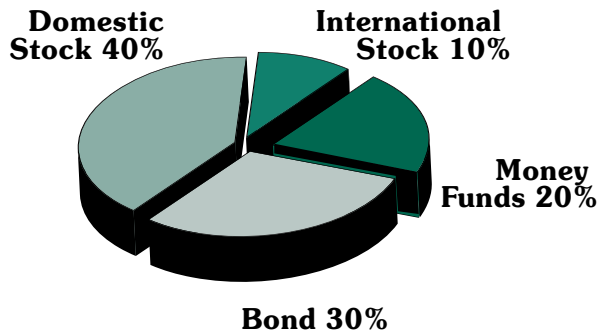
2006: 10.1% 2007: 13.3% 2008: -28.8% 2009: 24.6% 2010: 9.9% 2011: -1.3% 2012: 11.1% 2013: 16.7% 2014: 5.3% 2015: -0.1%

Vanguard

Vanguard Prime MMF/Inv	VMMXX	—	38,003	\$1.00	\$38,003	21%	0.0%
Vanguard Mega Cap Growth ETF	MGK	11/12/15	274	77.95	21,370	12%	-0.6%
Vanguard Morgan Growth Inv	VMRGX	08/13/15	805	23.02	18,540	10%	-1.0%
Vanguard U.S. Growth	VWUSX	02/13/14	851	27.41	23,323	13%	-1.4%
Vanguard Global Equity	VHGEX	02/05/15	579	21.92	12,685	7%	-1.2%
Vanguard Mortgage-Backed Securities	VMBS	01/21/16	284	53.45	15,201	8%	0.3%
Vanguard S-T Investment Grade	VFSTX	12/13/13	1,332	10.60	14,122	8%	0.2%
Vanguard Wellington	VWELX	12/13/13	414	35.68	14,772	8%	-0.3%
Vanguard Balanced Index	VBINX	11/27/02	760	28.48	21,640	12%	0.3%
<b>TOTAL (as of 02/29/16)</b>					<b>\$179,656</b>		<b>-0.4%</b>
<b>2016 YTD Performance (as of 02/29/16): -4.6%</b>							

2006: 10.0% 2007: 9.1% 2008: -23.2% 2009: 15.8% 2010: 13.8% 2011: 1.3% 2012: 6.4% 2013: 18.0% 2014: 5.7% 2015: 0.4%

The Moderate Model Portfolios seek greater long-term growth than the Conservative Portfolio by taking prudent risks



## New Advice

Feb 11	Sell	Buy
MONEYLETTER Moderate	Fidelity OTC Portfolio FOCPX	PowerShares High-Yield Equity Div Achievers PEY
	492 shares @ \$64.60	2,503 shares @ \$12.70

## Total Returns—February 29, 2016

	1-mo	6-mo	1-yr	3-yr	YTD
S&P 500	-0.1%	-0.9%	-6.5%	35.5%	-5.1%
Asset Allocation	0.3	-3.0	-8.4	13.2	-2.2
Funds (Avg) 1,422 Funds					

## MONEYLETTER

Fund Name	Ticker Symbol	Purchase Date	Shares	NAV	Value	Portfolio Percent	Monthly Return
Schwab Investor MMF	SWRXX	—	53,165	\$1.00	\$53,165	21%	0.0%
Parnassus Endeavor	PARWX	10/02/14	1,841	26.79	49,315	19%	3.1%
TCW Select Equities N	TGCNX	10/01/15	1,004	22.51	22,603	9%	-3.0%
PowerShares Hi-Yield Eq Div Achievers	PEY	02/11/16	2,503	13.21	33,065	13%	1.3%
Oakmark Global Select	OAKWX	10/15/15	1,471	13.69	20,134	8%	-4.3%
DoubleLine Total Return Bond N	DLTNX	04/07/15	4,758	10.88	51,762	20%	0.2%
Fidelity Floating Rate High Inc	FFRHX	07/15/10	3,054	8.95	27,332	11%	-0.3%
<b>TOTAL (as of 02/29/16)</b>					<b>\$257,376</b>		<b>-1.1%</b>
<b>2016 YTD Performance (as of 02/29/16): -8.3%</b>							

2006:15.7% 2007:23.2% 2008:-35.7% 2009:30.2% 2010:19.4% 2011:-5.8% 2012:10.0% 2013:21.8% 2014:4.1% 2015:-1.2%

## Fidelity

Fidelity Cash Reserves	FDRXX	—	56,224	\$1.00	\$56,224	21%	0.0%
Fidelity Contrafund	FCNTX	10/01/15	428	91.54	39,166	15%	-1.2%
Fidelity Growth Discovery	FDSVX	12/31/15	1,627	23.02	37,448	14%	-2.4%
Fidelity Trend	FTRNX	12/24/15	365	77.30	28,216	10%	-1.7%
Fidelity Int'l Small Cap	FISMX	06/11/15	1,109	20.83	23,110	9%	0.2%
Fidelity Mortgage Securities	FMSFX	04/02/15	5,055	11.38	57,527	21%	0.3%
Fidelity Floating Rate High Inc	FFRHX	07/15/10	3,079	8.95	27,557	10%	-0.3%
<b>TOTAL (as of 02/29/16)</b>					<b>\$269,248</b>		<b>-0.7%</b>
<b>2016 YTD Performance (as of 02/29/16): -6.0%</b>							

2006:10.5% 2007:22.1% 2008:-30.4% 2009:32.3% 2010:17.0% 2011:-5.0% 2012:12.7% 2013:19.2% 2014:5.8% 2015:-0.1%

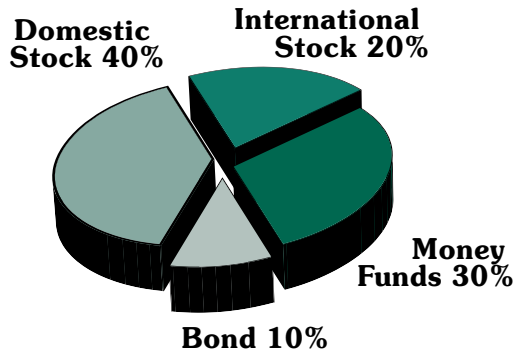
## Vanguard

Vanguard Prime MMF/Inv	VMMXX	—	45,097	\$1.00	\$45,097	20%	0.0%
Vanguard Morgan Growth Inv	VMRGX	08/13/15	1,388	23.02	31,945	14%	-1.0%
Vanguard U.S. Growth	VWUSX	02/13/14	1,182	27.41	32,396	15%	-1.4%
Vanguard Mega Cap Growth ETF	MGK	11/12/15	376	77.95	29,304	13%	-0.6%
Vanguard Int'l Explorer	VINEX	06/11/15	1,085	15.44	16,759	8%	-2.4%
Vanguard Mortgage-Backed Securities	VMBS	04/02/15	726	53.45	38,795	18%	0.3%
Vanguard S-T Investment Grade	VFSTX	12/13/13	2,492	10.60	26,415	12%	0.2%
<b>TOTAL (as of 02/29/16)</b>					<b>\$220,711</b>		<b>-0.5%</b>
<b>2016 YTD Performance (as of 02/29/16): -5.4%</b>							

2006:11.0% 2007:12.2% 2008:-31.5% 2009:27.5% 2010:15.6% 2011:-1.1% 2012:10.9% 2013:21.3% 2014:5.8% 2015:0.6%

The Venturesome Model Portfolios seek maximum long-term growth by accepting greater short-term volatility

No trades this month.



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Fund Name	Ticker Symbol	Purchase Date	Shares	NAV	Value	Portfolio Percent	Monthly Return
Schwab Investor MF	SWRXX	—	75,741	\$1.00	\$75,741	27%	0.0%
PowerShares QQQ	QQQ	10/30/14	262	102.50	26,854	10%	-1.6%
Parnassus Endeavor	PARWX	10/02/14	1,330	26.79	35,635	13%	3.1%
TCW Select Equities N	TGCNX	10/15/15	923	22.51	20,774	7%	-3.0%
T. Rowe Price Blue Chip Growth	TRBCX	01/07/16	472	64.90	30,649	11%	-1.8%
DoubleLine Total Return Bond N	DLTNX	01/21/16	2,834	10.88	30,829	11%	0.2%
WisdomTree Europe SC Dividend	DFE	06/04/15	514	52.08	26,745	10%	-1.5%
Hennessey Japan Investor	HJPNX	12/04/14	1,322	23.01	30,421	11%	1.0%
<b>TOTAL (as of 02/29/16)</b>					<b>\$277,648</b>		<b>-0.2%</b>
<b>2016 YTD Performance (as of 02/29/16): -7.8%</b>							

2006: 17.0% 2007: 25.6% 2008: -36.3% 2009: 31.0% 2010: 15.7% 2011: -10.3% 2012: 9.7% 2013: 32.0% 2014: 7.5% 2015: 2.9%

Fidelity

Fidelity Cash Reserves	FDRXX	—	76,561	\$1.00	\$76,561	26%	0.0%
Fidelity Contrafund	FCNTX	10/01/15	510	91.54	46,653	16%	-1.2%
Fidelity NASDAQ Composite	FNCMX	11/13/14	506	59.79	30,246	10%	-1.0%
Fidelity Growth Discovery	FDSVX	12/31/15	1,129	23.02	25,998	9%	-2.4%
Fidelity Trend	FTRNX	12/24/15	411	77.30	31,756	11%	-1.7%
Fidelity Europe	FIEUX	06/04/15	779	33.11	25,808	9%	-0.2%
Fidelity Japan Smaller Companies	FJSCX	12/04/14	2,539	13.39	33,992	11%	-0.3%
Fidelity Mortgage Securities	FMSFX	01/21/16	2,348	11.38	26,715	9%	0.3%
<b>TOTAL (as of 02/29/16)</b>					<b>\$297,729</b>		<b>-0.7%</b>
<b>2016 YTD Performance (as of 02/29/16): -7.3%</b>							

2006: 13.2% 2007: 29.6% 2008: -38.4% 2009: 38.3% 2010: 18.7% 2011: -9.7% 2012: 13.6% 2013: 26.2% 2014: 6.2% 2015: 1.7%

Vanguard

Vanguard Prime MMF/Inv	VMMXX	—	59,304	\$1.00	\$59,304	28%	0.0%
Vanguard Morgan Growth Inv	VMRGX	08/13/15	876	23.02	20,161	10%	-1.0%
Vanguard U.S. Growth	VWUSX	02/13/14	745	27.41	20,430	10%	-1.4%
Vanguard Dividend Growth Inv	VDIGX	12/17/15	1,434	21.84	31,319	15%	0.3%
Vanguard Mega Cap Growth ETF	MGK	11/12/15	266	77.95	20,709	10%	-0.6%
Vanguard Int'l Explorer	VINEX	06/04/15	1,339	15.44	20,674	10%	-2.4%
Vanguard Pacific Stock Index	VPACX	12/04/14	2,052	9.82	20,155	10%	-3.5%
Vanguard Mortgage-Backed Securities	VMBS	01/21/16	322	53.45	17,235	8%	0.3%
<b>TOTAL (as of 02/29/16)</b>					<b>\$209,987</b>		<b>-0.8%</b>
<b>2016 YTD Performance (as of 02/29/16): -7.0%</b>							

2006: 12.6% 2007: 15.6% 2008: -37.7% 2009: 26.9% 2010: 18.0% 2011: -6.1% 2012: 10.7% 2013: 29.9% 2014: 6.1% 2015: -2.4%

## Domestic Stock Funds

RANK	02/29 2016	1 Mo Ago	6 Mo Ago	Ticker Symbol	FUND NAME	Fund Type	<i>Conservative</i> <i>Moderate</i> <i>Venturesome</i>			TOTAL RETURN			PRICE PER SHARE	RISK		NTF/ w/f
										1 mo.	6 mo.	12 mo.		Std. Dev.	Beta	
1	6	196	DVY	iShares Select Dividend	MCVal	B	B	B	2.9%	6.2%	-0.2%	\$76.61	8.9	0.79	—	
2	1	252	HDV	iShares Core High Dividend	LCVal	B	B	B	1.0	6.6	-0.6	74.20	9.1	0.80	—	
3	3	211	TWEIX	American Century Equity Income Inv	LCVal	B	B	B	1.5	5.5	0.2	8.00	6.5	0.70	FSA	
4	5	314	DHS	WisdomTree Equity Income ETF	LCVal	B	B	B	1.5	6.0	-1.9	59.06	8.3	0.63	—	
<b>5</b>	<b>2</b>	<b>88</b>	<b>PEY</b>	<b>PowerShares Hi-Yield Eq Div Achievers</b>	<b>MCVal</b>	<b>B</b>	<b>B</b>	<b>B</b>	<b>1.0</b>	<b>4.3</b>	<b>1.3</b>	<b>13.21</b>	<b>9.3</b>	<b>0.88</b>	—	
6	4	291	SCHD	Schwab U.S. Dividend Equity ETF	LC	B	B	B	0.7	5.6	-3.8	37.96	8.7	0.97	—	
<b>7</b>	<b>7</b>	<b>139</b>	<b>VDIGX</b>	<b>Vanguard Dividend Growth Inv</b>	<b>LC</b>	<b>B</b>	<b>B</b>	<b>B</b>	<b>0.3</b>	<b>3.5</b>	<b>-2.1</b>	<b>21.84</b>	<b>8.0</b>	<b>0.92</b>	<b>fsa</b>	
8	9	256	VHDYX	Vanguard High Dividend Yield Index Inv	LCVal	B	B	B	0.5	3.5	-3.9	25.84	8.6	0.96	fsa	
9	10	259	YVM	Vanguard High Dividend Yield ETF	LCVal	B	B	B	0.5	3.4	-3.9	65.20	8.6	0.96	—	
10	28	267	MPGFX	Mairs & Power Growth Inv	LC	B	B	B	2.5	2.3	-4.7	104.20	10.0	1.09	fsa	
11	15	258	VDAIX	Vanguard Dividend Appreciation Idx Inv	LC	B	B	B	1.2	2.9	-5.1	30.75	9.1	1.04	fsa	
12	12	228	VEIPX	Vanguard Equity-Income Inv	LCVal	B	B	B	0.2	2.6	-3.6	28.69	8.3	0.94	fsa	
13	11	338	YAFFX	AMG Yacktman Focus Svc (closed, 2%r<60d)	LC	B	B	B	-0.1	3.9	-6.6	19.34	7.9	0.66	FSA	
14	142	365	NESGX	Needham Small Cap Growth (2%r<60d)	SC	H	H	H	6.2	2.5	-12.7	12.70	12.5	0.93	FSA	
15	16	257	VIG	Vanguard Dividend Appreciation ETF	LC	B	B	B	1.1	2.3	-5.6	76.84	9.1	1.04	—	
16	8	24	PRWCX	T. Rowe Price Cap Appreciation (closed)	LCGro	B	B	B	0.3	0.3	-0.4	24.41	5.3	—	fsa	
17	13	313	YACKX	AMG Yacktman Fund Svc (closed, 2%r<60d)	LC	B	B	B	-0.1	2.6	-6.6	20.50	7.9	0.69	fsa	
18	14	186	XLG	Guggenheim Russell Top 50 Mega Cap ETF	LC	B	B	B	-0.8	1.8	-3.8	137.40	8.9	1.01	—	
19	17	155	PRDGX	T. Rowe Price Dividend Growth	LC	B	B	B	0.3	1.2	-4.2	33.06	8.2	0.95	fsa	
20	29	278	JAGIX	Janus Growth & Income T	LC	B	B	B	0.6	1.8	-6.4	42.23	8.5	0.97	FSA	
21	82	274	IYJ	iShares US Industrial	LC	H	H	H	2.9	1.0	-8.1	99.70	10.1	—	—	
22	20	103	PRGIX	T. Rowe Price Growth & Income	LCGro	B	B	B	0.0	0.7	-3.3	27.05	8.4	0.97	fsa	
23	26	119	JAVLX	Janus Twenty T (closed)	LCGro	H	H	H	-0.2	0.9	-3.8	51.43	9.6	1.01	FSA	
24	22	277	DLN	WisdomTree LargeCap Dividend ETF	LCVal	B	B	B	0.3	1.5	-6.0	68.88	8.3	0.94	—	
25	21	213	NOIEX	Northern Income Equity	LCVal	*	B	B	0.6	1.4	-6.2	11.60	7.9	0.89	FSA	
26	39	162	PARMX	Parnassus Mid-Cap	MC	B	B	B	2.3	-0.1	-5.9	24.88	8.5	0.99	FSA	
27	19	299	JKF	iShares Morningstar Large Cap Value	LCVal	B	B	B	0.2	0.8	-5.3	79.03	9.1	0.99	—	
28	37	102	PRBLX	Parnassus Core Equity Inv	LC	H	H	H	1.3	-0.4	-4.1	35.84	8.7	—	FSA	
29	137	244	JKI	iShares Morningstar Mid Cap Value	MCVal	H	H	H	4.1	-1.0	-7.1	115.80	9.7	1.05	—	
30	23	275	SCHV	Schwab U.S. Large-Cap Value ETF	LCVal	H	H	H	-0.2	0.8	-5.8	40.68	8.9	1.02	—	
31	27	242	MGV	Vanguard Mega Cap Value ETF	LCVal	H	H	H	-0.1	0.5	-5.4	56.36	8.7	0.98	—	
<b>32</b>	<b>132</b>	<b>69</b>	<b>PARWX</b>	<b>Parnassus Endeavor</b>	<b>LCGro</b>	<b>H</b>	<b>H</b>	<b>H</b>	<b>3.1</b>	<b>-1.7</b>	<b>-4.7</b>	<b>26.79</b>	<b>9.8</b>	<b>0.95</b>	<b>FSA</b>	
33	24	225	FSDIX	Fidelity Strategic Dividend & Income	LCVal	B	B	B	0.1	0.2	-6.0	13.26	6.2	—	Fsa	
34	51	268	DIA	SPDR Dow Jones Industrial Average ETF	LCVal	H	H	H	0.4	0.6	-7.6	165.00	9.1	1.03	—	
35	30	177	OEF	iShares S&P 100	LC	H	H	H	-0.6	0.1	-5.1	86.32	8.7	1.01	—	
36	64	208	JKD	iShares Morningstar Large Cap	LC	H	H	H	0.5	-0.5	-6.9	113.10	8.9	1.10	—	
37	40	185	MGC	Vanguard Mega Cap ETF	LC	H	H	H	-0.1	-0.5	-6.0	66.20	8.4	0.99	—	
38	25	36	VLIIX	Value Line Mid Cap Focused	MCGro	B	B	B	0.4	-1.8	-3.4	14.44	9.0	0.94	FSA	
39	55	129	FEXPX	Fidelity Export & Multinatl (.75%r<30d)	LCGro	H	H	H	1.0	-1.5	-5.4	19.58	8.3	0.95	Fsa	
40	18	14	PWB	PowerShares Dynamic Large Cap Growth ETF	LCGro	H	H	H	-1.3	-1.2	-2.8	29.37	9.9	0.93	—	
41	41	240	VTV	Vanguard Value ETF	LCVal	H	H	H	0.1	-0.6	-6.5	77.72	8.7	0.99	—	
42	42	249	VIVAX	Vanguard Value Index Inv	LCVal	H	H	H	0.1	-0.6	-6.6	30.34	8.7	0.99	fsa	
43	32	72	IYW	iShares S&P 500 Growth	LCGro	H	H	H	-0.7	-0.8	-4.8	109.00	8.6	0.98	—	
44	31	81	SPYG	SPDR S&P 500 Growth ETF	LCGro	H	H	H	-0.8	-0.8	-4.8	94.28	8.6	0.98	—	
45	47	127	VQNPX	Vanguard Growth & Income Inv	LC	H	H	H	0.1	-1.0	-6.0	37.55	8.4	0.99	fsa	
46	50	52	IWF	iShares Russell 1000 Growth	LCGro	H	H	H	0.0	-1.4	-5.3	93.83	8.7	0.98	—	
47	48	166	IVV	iShares Core S&P 500	LC	H	H	H	-0.1	-0.9	-6.3	194.50	8.5	1.00	—	
48	46	165	SPY	SPDR S&P 500 ETF	LC	H	H	H	-0.1	-1.0	-6.2	193.60	8.5	1.00	—	
49	108	232	KLD	iShares MSCI USA ESG Select	LC	H	H	H	1.1	-1.2	-8.2	79.23	8.5	0.96	—	
50	52	138	PRCOX	T. Rowe Price Capital Opportunity	LC	H	H	H	-0.1	-1.4	-6.1	20.60	8.6	1.01	fsa	
<b>51</b>	<b>35</b>	<b>18</b>	<b>QQQ</b>	<b>PowerShares QQQ ETF</b>	<b>LCGro</b>	<b>H</b>	<b>H</b>	<b>H</b>	<b>-1.6</b>	<b>-1.2</b>	<b>-4.5</b>	<b>102.50</b>	<b>11.5</b>	<b>1.06</b>	<b>—</b>	
52	44	70	USAAX	USAA Growth	LCGro	H	H	H	-0.7	-1.4	-5.5	22.44	10.6	1.06	fsa	
53	36	55	SNIGX	SIT Large Cap Growth (2%r<30d)	LCGro	H	H	H	-0.4	-1.6	-5.4	34.70	9.2	1.04	FSA	
54	83	279	SPYV	SPDR S&P 500 Value ETF	LCVal	H	H	H	0.8	-1.4	-8.2	91.74	8.9	1.01	—	
55	157	307	DES	WisdomTree SmallCap Dividend ETF	SCVal	*	H	H	2.9	-2.2	-9.5	63.06	11.8	1.09	—	
56	53	164	FUSEX	Fidelity Spartan 500 Index Inv	LC	H	H	H	-0.2	-1.5	-6.7	68.13	8.5	1.00	Fsa	
57	72	167	VPCCX	Vanguard PRIMECAP Core Inv (closed)	LCGro	H	H	H	0.1	-1.3	-7.9	19.54	8.1	0.88	fa	
58	54	168	VFINX	Vanguard 500 Index Inv	LC	H	H	H	-0.2	-1.6	-6.8	178.80	8.5	1.00	fsa	
59	79	280	IVE	iShares S&P 500 Value	LCVal	H	H	H	0.6	-1.5	-8.2	84.65	8.9	1.01	—	
60	102	82	JAENX	Janus Enterprise T	MCGro	H	H	H	1.8	-2.9	-6.8	81.99	9.4	0.84	FSA	
61	86	333	HOVLX	Homestead Value	LCVal	H	H	H	0.7	-0.9	-10.2	44.09	9.5	1.06	fsa	
62	43	98	GABGX	GAMCO Growth AAA (2%r<7d)	LCGro	H	H	H	-1.3	-1.4	-6.3	44.28	9.0	1.00	FSA	
63	65	169	VV	Vanguard Large Cap ETF	LC	H	H	H	-0.1	-1.9	-7.0	88.36	8.4	0.99	—	
64	34	215	ICMAX	Intrepid Endurance Inv (2%r<30d)	SCVal	H	H	H	1.3	-2.7	-7.1	13.34	4.6	0.37	FSA	
65	118	273	TRVLX	T. Rowe Price Value	LCVal	H	H	H	0.8	-2.0	-8.4	29.55	8.8	1.00	fsa	
66	67	172	SCHX	Schwab U.S. Large-Cap ETF	LC	H	H	H	-0.2	-2.0	-7.1	45.89	8.4	1.00	—	
67	76	61	IUSG	iShares Core U.S. Growth	LCGro	H	H	H	-0.1	-2.3	-6.4	76.17	8.8	0.99	—	
68	33	135	POGSX	Pin Oak Equity	LC	H	H	H	-1.6	-2.3	-4.6	45.84	10.1	1.07	FSA	
69	56	321	DGAGX	Dreyfus Appreciation Inv	LC	H	H	H	-0.6	-0.9	-9.7	38.26	9.5	1.06	FSA	
70	77	170	IWB	iShares Russell 1000	LC	H	H	H	0.0	-2.2	-7.4	107.20	8.5	1.00	—	

**Bold funds** are currently held in model portfolios.

**Advice:** B=Buy, H=Hold, S=Sell. \* =not for this portfolio.

**Std. Dev.:** Standard Deviation based on trailing 3-yr. returns.

**Beta:** fund's correlation to the market (S&P 500 = 1.0). A fund with a beta greater than 1.0 is more volatile than the S&P 500.

**NTF/w/f:** NO TRANSACTION FEE/with transaction fee. (F/f) for Fidelity, (S/s) for Schwab and (A/a) for TD Ameritrade.



## International Stock Funds

RANK	02/29 2016	1Mo Ago	6Mo Ago	Ticker Symbol	FUND NAME	Fund Type	Conservative	Moderate	Venturesome	TOTAL RETURN			PRICE PER SHARE	RISK		NTF/ wff
										1 mo.	6 mo.	12 mo.		Std. Dev.	Beta	
1	21	127	PGJ	PowerShares Golden Dragon China ETF	Pacific	*	*	B	-3.1%	6.8%	0.1%	\$27.95	21.1	—	—	
2	2	17	FJSCX	Fidelity Japan Smaller Cos (1.5%r<90d)	Japan	*	B	B	-0.3	0.8	3.8	13.39	18.4	—	Fsa	
3	9	35	HJPNX	Hennessy Japan Inv	Japan	*	B	B	1.0	-1.6	0.5	23.01	10.0	—	FSA	
4	3	26	PRJPX	T. Rowe Price Japan (2%r<90d)	Japan	*	B	B	-0.3	-1.8	0.9	10.04	12.5	—	fsA	
5	6	34	WAIOX	Wasatch Intl Opportunities (2%r<60d)	Int'l	*	B	B	-2.2	0.2	-2.3	2.62	8.8	—	FSA	
6	156	108	ECNS	iShares MSCI China Small Cap	Pacific	*	H	H	3.1	-0.3	-10.3	39.19	21.3	—	—	
7	5	28	MJFOX	Matthews Japan Inv	Japan	*	B	B	-1.8	-2.5	1.8	17.70	13.3	—	FSA	
8	76	94	MCSMX	Matthews China Small Companies (2%r<90d)	Pacific	*	B	B	-1.8	0.9	-7.3	7.79	15.8	—	FSA	
9	43	107	WTIFX	Westcore Intl Small Cap Retail (closed)	Int'l	*	B	B	0.2	0.5	-11.4	14.61	12.6	—	FSA	
10	84	38	MCDFX	Matthews China Dividend Inv	Pacific	*	H	H	0.0	-1.5	-6.5	12.27	13.1	—	FSA	
11	12	100	WGRNX	Wintergreen Inv (\$10k,2%r<60d)	Global	B	B	B	-0.3	0.0	-10.4	15.20	10.8	—	FSA	
12	17	82	FPBFX	Fidelity Pacific Basin (1.5%r<90d)	Pacific	*	B	B	-1.8	-1.0	-6.3	24.57	10.8	—	Fsa	
13	8	10	WAIGX	Wasatch Intl Growth (closed,2%r<60d)	Int'l	B	B	B	-1.9	-3.2	-1.4	27.48	10.9	—	FSA	
14	20	21	FGBLX	Fidelity Global Balanced (1%r<30d)	Global	B	B	B	0.4	-2.8	-6.8	21.21	6.6	—	Fsa	
15	10	11	PRIDX	T. Rowe Price Intl Discovery (2%r<90d)	Int'l	*	B	B	-2.0	-3.3	-2.6	49.62	8.7	—	fsA	
16	16	7	FSCOX	Fidelity Intl Small Cap Opp (2%r<90d)	Int'l	*	B	B	-0.4	-4.4	-2.5	14.00	9.3	—	Fsa	
17	40	121	MPACX	Matthews Asia Growth Inv	Pacific	H	H	H	-0.1	-1.9	-10.4	19.81	10.4	—	FSA	
18	4	8	HJPSX	Hennessy Japan Small Cap Inv	Japan	*	H	H	-3.4	-4.5	0.4	9.50	11.4	—	FSA	
19	32	80	MACSX	Matthews Asian Growth & Income Inv	Pacific	B	B	B	-0.7	-2.6	-9.7	15.47	9.4	—	FSA	
20	1	14	DFJ	WisdomTree Japan SmallCap Dividend ETF	Japan	*	H	H	-4.0	-4.6	-0.6	52.02	11.0	—	—	
21	29	9	FISMX	Fidelity Intl Small Cap (2%r<90d)	Int'l	H	H	H	0.2	-5.6	-4.6	20.83	10.6	—	Fsa	
22	24	71	MEASX	Matthews Emerging Asia Inv	Pacific	*	B	B	-1.4	-3.1	-8.6	10.77	—	—	FSA	
23	19	24	DLS	WisdomTree Intl SmallCap Dividend ETF	Int'l	*	B	B	-1.1	-4.0	-6.8	54.25	11.3	—	—	
24	28	68	MAPIX	Matthews Asia Dividend Inv (closed)	Pacific	H	H	H	-1.2	-3.8	-7.5	14.55	9.5	—	FSA	
25	11	12	WISNX	William Blair Intl SC Growth N (closed)	Int'l	*	B	B	-2.6	-4.6	-4.6	12.26	9.5	—	FSA	
26	33	44	USAWX	USAA World Growth	Global	H	H	H	-0.5	-3.9	-9.8	24.92	9.5	—	fsA	
27	42	57	ARTGX	Artisan Global Val Inv (closed,2%r<90d)	Global	H	H	H	0.5	-4.5	-10.2	13.46	8.5	—	FSA	
28	7	5	ARTJX	Artisan Intl SC Inv (closed,2%r<90d)	Int'l	*	B	B	-3.9	-4.4	-4.0	21.57	12.8	—	FSA	
29	27	30	FIVFX	Fidelity Intl Cap Appreciation (1%r<30d)	Int'l	H	H	H	-1.3	-4.2	-8.8	15.55	9.8	—	Fsa	
30	22	1	RISCX	Royce European Small Cap Svc (2%r<30d)	Europe	*	B	B	-0.9	-7.0	-3.4	10.50	12.6	—	FSA	
31	110	155	EWX	SPDR S&P Emerging Markets Small Cap ETF	EmerMkt	*	*	H	1.0	-1.9	-19.2	35.60	11.7	—	—	
32	14	6	PISRX	Forward Intl Small Companies Inv	Int'l	*	H	H	-2.0	-5.8	-5.0	16.20	10.0	—	FSA	
33	55	29	PRGSX	T. Rowe Price Global Stock (2%r<90d)	Global	H	H	H	-0.8	-5.1	-9.1	24.54	9.9	—	fsA	
34	54	109	EXWAX	Manning & Napier World Opportunities A	Int'l	H	H	H	0.0	-3.8	-13.8	6.50	11.1	—	FSA	
35	105	163	AUSE	WisdomTree Australia Dividend ETF	Pacific	*	H	H	1.9	-2.5	-19.8	42.60	17.8	—	—	
36	75	69	GAADX	Guinness Atkinson Asia Pac Div (2%r<30d)	Pacific	*	H	H	0.1	-4.9	-11.9	12.17	9.9	—	FSA	
37	18	2	DFE	WisdomTree Europe SmallCap Dividend ETF	Europe	*	H	H	-1.5	-6.5	-5.6	52.08	14.0	—	—	
38	37	49	VHGEX	Vanguard Global Equity Inv	Global	H	H	H	-1.2	-5.1	-11.1	21.92	8.8	—	fsa	
39	31	70	IOO	iShares Global 100	Global	H	H	H	-2.2	-4.2	-11.9	67.41	9.5	—	—	
40	13	4	DRIOX	Driehaus Intl SC Gr (closed,\$10k,2%r<60d)	Int'l	H	H	H	-3.5	-7.3	-2.8	9.11	9.8	—	FSA	
41	144	84	EWX	iShares MSCI Hong Kong	Pacific	*	H	H	0.7	-5.2	-14.7	18.09	13.5	—	—	
42	35	50	TBGVX	Tweedy, Browne Global Value (2%r<60d)	Int'l	H	H	H	-0.9	-6.3	-10.2	23.19	6.9	—	fsa	
43	38	55	RYGSX	Royce Intl Small-Cap Svc (2%r<30d)	Int'l	*	S	S	-1.5	-5.7	-11.2	8.73	9.8	—	FSA	
44	112	137	MSMLX	Matthews Asia Small Cos Inv	Pacific	*	S	S	-0.6	-3.8	-17.3	18.05	10.8	—	FSA	
45	48	37	DIM	WisdomTree Intl MidCap Dividend ETF	Int'l	H	H	H	-1.3	-5.8	-11.3	51.58	10.5	—	—	
46	45	126	MPTX	Matthews Pacific Tiger Inv (closed)	Pacific	*	H	H	-4.0	-2.4	-15.9	21.39	10.6	—	FSA	
47	46	81	TWEBX	Tweedy, Browne Value	Global	H	H	H	-0.9	-5.7	-12.4	18.70	7.7	—	fsa	
48	41	46	ARTKX	Artisan Intl Value Inv (closed,2%r<90d)	Int'l	*	H	H	-0.9	-6.0	-11.7	29.83	9.0	—	FSA	
49	129	134	DGS	WisdomTree Emrg Mkts SmallCap Div ETF	EmerMkt	*	H	H	3.0	-4.7	-21.2	34.18	12.1	—	—	
50	52	31	SCHC	Schwab Intl Small-Cap Equity ETF	Int'l	*	S	S	-0.5	-7.0	-10.2	26.73	11.4	—	—	
51	25	15	VINEX	Vanguard International Explorer Inv	Int'l	*	H	H	-2.4	-7.0	-7.3	15.44	9.5	—	fsa	
52	49	23	FWWFY	Fidelity Worldwide (1%r<30d)	Global	S	S	S	-1.7	-6.5	-10.0	20.37	9.6	—	Fsa	
53	34	13	FOSFX	Fidelity Overseas (1%r<30d)	Int'l	H	H	H	-1.8	-7.2	-8.2	37.55	9.9	—	Fsa	
54	36	27	FIGFX	Fidelity International Growth	Int'l	S	S	S	-2.2	-6.7	-10.2	10.29	9.5	—	Fsa	
55	39	96	USPAX	Columbia Pacific/Asia Z	Pacific	*	S	S	-3.2	-5.3	-12.4	8.51	10.6	—	S	
56	124	147	OBCHX	Oberweis China Opportunities (2%r<90d)	Pacific	*	S	S	-4.0	-4.0	-15.1	10.44	18.8	—	FSA	
57	149	162	FRN	Guggenheim Frontier Markets ETF	EmerMkt	*	S	S	5.2	-6.6	-22.5	10.40	14.8	—	—	
58	158	105	HAO	Guggenheim China Small Cap ETF	Pacific	*	S	S	0.2	-6.0	-16.8	20.73	20.0	—	—	
59	59	36	RIVFX	Royce Global Value Svc (2%r<30d)	Global	*	S	S	-1.6	-7.6	-10.1	11.69	10.7	—	FSA	
60	51	146	TREMX	T. Rowe Price Emerging Europe (2%r<90d)	EmerMkt	*	S	S	-0.4	-6.1	-15.9	10.68	20.7	—	fsA	
61	97	115	FICDX	Fidelity Canada (1.5%r<90d)	Int'l	H	H	H	3.5	-8.1	-17.1	41.64	11.6	—	Fsa	
62	30	45	EFG	iShares MSCI EAFE Growth	Int'l	S	S	S	-3.6	-6.3	-11.1	61.67	9.7	—	—	
63	77	19	FIEXU	Fidelity Europe (1%r<30d)	Europe	H	H	H	-0.2	-8.3	-11.4	33.11	11.6	—	Fsa	
64	93	95	GIGRX	GAMCO Intl Growth AAA (2%r<7d)	Int'l	*	S	S	0.1	-7.1	-15.0	19.19	9.9	—	FSA	
65	122	149	EPP	iShares MSCI Pacific ex-Japan	Pacific	*	S	S	-0.7	-4.8	-20.7	35.15	14.3	—	—	
66	94	77	DGT	SPDR Global Dow ETF	Global	S	S	S	0.1	-7.6	-14.7	59.90	9.6	—	—	
67	15	3	AIOIX	Amer Century Intl Opp Inv (\$10k,2%r<60d)	Int'l	*	S	S	-4.5	-8.7	-5.4	8.05	10.9	—	FSA	
68	82	92	VWIGX	Vanguard International Growth Inv	Int'l	S	S	S	-1.7	-6.8	-15.1	19.15	11.2	—	fsa	
69	116	130	GMF	SPDR S&P Emerging Asia Pacific ETF	Pacific	*	S	S	-0.7	-5.2	-20.5	67.52	10.9	—	—	
70	23	59	FJPNX	Fidelity Japan (1.5%r<90d)	Japan	*	H	H	-4.1	-8.0	-9.1	10.73	12.6	—	Fsa	
71	53	32	SNGRX	SIT International Growth (2%r<30d)	Int'l	*	S	S	-2.1	-8.6	-10.9	13.86	9.9	—	FSA	
83	44	91	VPACX	Vanguard Pacific Stock Index Inv	Pacific	*	H	H	-3.5	-7.0	-13.6	9.82	11.2	—	fsa	
100	56	52	OAKWX	Oakmark Global Select I	Global	H	H	H	-4.3	-9.1	-13.3	13.69	10.2	—	FSA	
									EAFE	-1.9%	-10.3%	-17.2%				



Specialty Funds

RANK	02/29 2016	1Mo Ago	6Mo Ago	Ticker Symbol	FUND NAME	Fund Type	Conservative	Moderate	Venturesome	TOTAL RETURN			PRICE PER SHARE	RISK		NTF/ wff
										1 mo.	6 mo.	12 mo.		Std. Dev.	Beta	
1	16	139	USERX	US Global Investors Gold (.05%r<7d)	PrecMet	*	*	*	27.1%	33.3%	10.9%	\$6.38	33.7	—	fSA	
2	79	167	RYPMX	Rydex Precious Metals Inv	PrecMet	*	*	*	37.2	32.8	-13.6	25.39	33.8	—	FSA	
3	58	165	BGEIX	American Cent Global Gold Inv (1%r<60d)	PrecMet	*	*	*	32.1	33.0	-7.4	7.82	35.6	—	FSA	
4	32	159	FSAGX	Fidelity Select Gold (.75%r<30d)	PrecMet	*	*	*	29.5	30.8	-2.1	18.12	35.6	—	Fsa	
5	22	90	IAU	iShares Gold Trust	PrecMet	*	*	*	11.2	9.2	2.4	11.99	16.6	—	—	
6	21	91	GLD	SPDR Gold Shares	PrecMet	*	*	*	10.9	9.0	2.1	118.60	16.6	—	—	
7	2	80	IDU	iShares US Utilities	Utility	*	*	*	1.8	11.6	5.7	115.20	13.8	—	—	
8	4	75	XLU	SPDR Utilities Select Sector ETF	Utility	*	*	*	1.9	11.2	6.2	46.30	14.0	—	—	
9	3	83	VPU	Vanguard Utilities ETF	Utility	*	*	*	1.8	11.6	5.5	100.10	13.8	—	—	
10	11	73	BULIX	American Century Utilities Inv	Utility	*	*	*	3.9	10.6	4.4	17.25	11.5	—	FSA	
11	139	160	VGPMX	Vanguard Precious Metals & Mining Inv	PrecMet	*	*	*	23.5	7.6	-19.6	7.68	22.6	—	fsa	
12	10	69	VOX	Vanguard Telecom Service ETF	Comm	*	*	*	4.0	9.4	3.3	88.31	11.5	—	—	
13	8	101	ICTUX	ICON Utilities S	Utility	*	*	*	3.0	10.5	1.1	8.58	13.8	—	FSA	
14	6	50	XLP	SPDR Consumer Staples Select Sector ETF	Consmr	*	*	*	0.3	9.2	4.5	50.92	10.0	—	—	
15	13	107	RYUIX	Rydex Utilities Inv	Utility	*	*	*	1.6	9.0	1.1	36.99	13.6	—	FSA	
16	9	32	ICLEX	ICON Consumer Staples S	Consmr	*	*	*	0.7	7.7	3.2	7.61	9.2	—	FSA	
17	12	49	VDC	Vanguard Consumer Staples ETF	Consmr	*	*	*	0.4	7.6	3.4	129.60	9.9	—	—	
18	18	84	FSTCX	Fidelity Select Telecomm (.75%r<30d)	Comm	*	*	*	3.3	6.9	0.5	62.58	10.4	—	Fsa	
19	15	43	RYCIX	Rydex Consumer Products Inv	Consmr	*	*	*	1.0	6.1	2.9	59.85	9.7	—	FSA	
20	42	94	IZV	iShares US Telecommunications	Comm	*	*	*	6.5	4.5	-2.1	29.59	13.3	—	—	
21	23	92	FRESX	Fidelity Real Estate Invest (.75%r<90d)	RealEs	*	*	*	-0.6	7.8	-1.2	39.00	13.5	—	Fsa	
22	19	52	IYK	iShares US Consumer Goods	Consmr	*	*	*	0.7	5.1	1.3	107.00	9.6	—	—	
23	26	111	FDFAF	Fidelity Sel Consumer Staples (.75%r<30d)	Consmr	*	*	*	0.0	7.2	-3.3	90.48	10.6	—	Fsa	
24	27	98	ICF	iShares Cohen & Steers REIT	RealEs	*	*	*	-1.2	7.0	-2.2	94.38	14.3	—	—	
25	51	106	FSCGX	Fidelity Sel Industrial Eq (.75%r<30d)	Cycls	*	*	*	2.7	4.6	-4.2	35.25	11.6	—	Fsa	
26	39	123	STMDX	Stratton Real Estate (1.5%r<120d)	RealEs	*	*	*	0.0	6.1	-4.1	34.93	12.7	—	fsc	
27	37	93	TRREX	T. Rowe Price Real Estate (1%r<90d)	RealEs	*	*	*	-0.3	5.8	-3.2	26.28	12.7	—	fsA	
28	40	115	VGSIK	Vanguard REIT Index Inv	RealEs	*	*	*	-0.4	6.1	-4.4	25.48	13.6	—	fsc	
29	25	74	CSEIX	Cohen & Steers Real Estate A (NL@Schwab)	RealEs	*	*	*	-1.6	5.4	-1.7	13.16	13.0	—	FSA	
30	38	96	RWR	SPDR Dow Jones REIT ETF	RealEs	*	*	*	-0.9	5.7	-3.5	87.16	13.7	—	—	
31	36	95	SCHH	Schwab U.S. REIT ETF	RealEs	*	*	*	-1.0	5.6	-3.8	37.69	13.8	—	—	
32	20	55	VWINX	Vanguard Wellesley Income Inv	Hybrid	*	*	*	0.5	3.0	0.2	24.58	4.0	—	fsc	
33	31	30	ICTEX	ICON Information Technology S	Tech	*	*	*	0.9	2.7	-0.1	15.33	11.6	—	FSA	
34	35	130	FSTUX	Fidelity Sel Utilities Port (.75%r<30d)	Utility	*	*	*	1.3	3.8	-4.2	66.88	12.5	—	Fsa	
35	46	108	VNQ	Vanguard REIT Index ETF	RealEs	*	*	*	-0.4	5.0	-5.2	76.70	13.7	—	—	
36	1	46	BEARX	Federated Prudent Bear A (NL@Schwab)	BearMkt	*	*	*	-2.0	2.1	4.0	22.35	7.7	—	FSA	
37	71	113	XLI	SPDR Industrial Select Sector ETF	Cycls	*	*	*	4.3	2.8	-7.4	52.12	10.2	—	—	
38	17	3	FSRPX	Fidelity Select Retailing (.75%r<30d)	Consmr	*	*	*	-0.7	0.1	5.1	98.80	12.6	—	Fsa	
39	52	131	RYSIX	Rydex Electronics Inv	Tech	*	*	*	1.2	4.5	-9.6	75.69	15.5	—	FSA	
40	28	59	XLK	SPDR Technology Select Sector ETF	Tech	*	*	*	-0.7	2.9	-3.2	40.97	10.3	—	—	
41	33	14	PBJ	PowerShares Dynamic Food & Beverage ETF	Consmr	*	*	*	0.2	0.2	2.0	31.62	11.0	—	—	
42	53	117	IYR	iShares US Real Estate	RealEs	*	*	*	-0.8	3.6	-6.1	71.45	12.4	—	—	
43	85	116	FCYIX	Fidelity Select Industrials (.75%r<30d)	Cycls	*	*	*	3.4	1.6	-8.3	28.10	10.7	—	Fsa	
44	49	18	XLY	SPDR Consumer Discret Select Sector ETF	Consmr	*	*	*	0.5	0.1	-0.6	74.44	11.0	—	—	
45	77	103	VIS	Vanguard Industrials ETF	Cycls	*	*	*	3.9	0.9	-8.1	98.18	10.7	—	—	
46	73	48	ICCCX	ICON Consumer Discretionary S	Consmr	*	*	*	3.1	-1.3	-1.8	13.21	10.9	—	FSA	
47	5	22	RYURX	Rydex Inverse S&P 500 Strategy Inv	BearMkt	*	*	*	-0.2	-1.2	2.9	14.80	8.4	—	FSA	
48	41	47	IGM	iShares North American Technology	Tech	*	*	*	-0.7	1.0	-2.9	102.50	10.8	—	—	
49	103	71	FSAIX	Fidelity Sel Air Transport (.75%r<30d)	Cycls	*	*	*	6.6	-0.8	-9.2	60.60	12.8	—	Fsa	
50	7	28	BRPIX	ProFunds Bear Inv (\$15k)	BearMkt	*	*	*	-0.2	-1.3	2.3	9.55	8.3	—	FSA	
51	30	81	IXP	iShares Global Telecommunications	Comm	*	*	*	0.3	0.6	-4.0	59.00	10.9	—	—	
52	44	54	GATEX	Gateway Fund A (5.75%)	Altern	*	*	*	0.6	-0.8	-2.5	28.96	3.2	—	FSA	
53	72	109	FSELX	Fidelity Select Electronics (.75%r<30d)	Tech	*	*	*	2.4	1.2	-10.4	69.87	13.9	—	Fsa	
54	24	39	FSCSX	Fidelity Sel Software & Comp (.75%r<30d)	Tech	*	*	*	-2.7	0.7	-1.8	111.10	12.0	—	Fsa	
55	65	23	IYC	iShares US Consumer Services	Cycls	*	*	*	0.9	-0.8	-3.4	138.20	10.5	—	—	
56	29	62	MERFX	Merger Fund Inv	Altern	*	*	*	0.4	-0.8	-2.9	15.21	2.6	—	FSA	
57	101	25	PEJ	PowerShares Dyn Leisure & Entertain ETF	Consmr	*	*	*	4.7	-1.5	-7.6	34.86	12.3	—	—	
58	34	65	BERIX	Berwyn Income (1%r<60d)	Hybrid	B	*	*	0.6	-0.4	-4.4	12.87	4.3	—	fsc	
59	45	70	VWELX	Vanguard Wellington Inv (closed)	Hybrid	B	*	*	-0.3	0.0	-4.2	35.68	5.6	—	fsc	
60	55	134	CSRSX	Cohen & Steers Realty Shares (\$10k)	RealEs	*	*	*	-2.1	4.1	-12.4	66.52	13.3	—	FSA	
61	50	60	VBINX	Vanguard Balanced Index Inv	Hybrid	B	*	*	0.3	-0.7	-4.2	28.48	5.3	—	fsc	
62	14	41	HSGFX	Hussman Strategic Growth (1.50%r<60d)	LngShrt	*	*	*	0.9	-1.9	-2.5	8.67	4.4	—	fsA	
63	43	38	PRMTX	T. Rowe Price Media & Telecommunications	Comm	*	*	*	-1.5	-1.1	-1.1	65.40	10.7	—	fsA	
64	70	58	RYLIX	Rydex Leisure Inv	Consmr	*	*	*	1.1	-0.8	-5.8	57.64	10.0	—	FSA	
65	74	13	FDLSX	Fidelity Select Leisure (.75%r<30d)	Consmr	*	*	*	2.1	-2.4	-3.5	128.30	11.5	—	Fsa	
66	48	78	IXN	iShares Global Technology	Tech	*	*	*	-1.2	0.8	-6.6	91.39	9.8	—	—	
67	105	141	FSCHX	Fidelity Select Chemicals (.75%r<30d)	Cycls	*	*	*	4.4	0.5	-14.5	123.20	10.8	—	Fsa	
68	86	16	PSJ	PowerShares Dynamic Software ETF	Tech	*	*	*	2.1	-2.2	-5.0	39.75	11.8	—	—	
69	67	21	VCR	Vanguard Consumer Discr ETF	Consmr	*	*	*	1.0	-2.3	-3.6	116.60	11.1	—	—	
70	54	61	VGT	Vanguard Information Technology ETF	Tech	*	*	*	-1.0	0.0	-6.3	100.90	10.9	—	—	
71	76	104	FSDAX	Fidelity Sel Defense & Aero (.75%r<30d)	Cycls	*	*	*	1.8	-0.1	-11.1	108.10	11.0	—	Fsa	
72	121	72	IGN	iShares N Amer Tech - Multimedia Ntwk	Tech	*	*	*	6.9	-4.3	-8.7	35.11	14.7	—	—	
73	56	68	IYW	iShares US Technology	Tech	*	*	*	-1.3	-0.3	-7.3	99.74	11.3	—	—	
87	59	63	FPURX	Fidelity Puritan	Hybrid	B	*	*	-1.1	-2.5	-6.1	19.31	6.1	—	Fsa	
89	64	67	FBALX	Fidelity Balanced	Hybrid	B	*	*	-0.4	-3.1	-6.8	20.24	6.0	—	Fsa	

## Bond Funds

02/29/2016

Ticker Symbol	FUND NAME	Fund Type	Conservative Moderate Venturesome			TOTAL RETURN			PRICE PER SHARE	Std. Dev.	Yield	NTF/wff
						1 mo.	6 mo.	12 mo.				
EVBLX	Eaton Vance Floating Rate A	BnkLoan	B	B	*	-0.8%	-4.7%	-4.9%	\$8.52	2.1	4.20%	FSA
<b>FFRHX</b>	<b>Fidelity Floating Rate High Inc (1%r&lt;60d)</b>	<b>BnkLoan</b>	<b>B</b>	<b>B</b>	*	<b>-0.3</b>	<b>-3.8</b>	<b>-4.2</b>	<b>8.95</b>	<b>2.4</b>	<b>4.35</b>	<b>Fsa</b>
BKLN	PowerShares Senior Loan	BnkLoan	B	B	*	-0.3	-3.7	-5.1	22.12	2.4	4.19	—
PRFRX	T. Rowe Price Floating Rate (2%r<90d)	BnkLoan	B	B	*	-0.4	-2.0	-1.0	9.50	1.8	4.06	fsA
VAGIX	Value Line Core Bond Fund	HighYld	*	*	*	0.5	1.9	0.9	14.94	3.1	1.72	FSA
BEGBX	American Century International Bond Inv	Int'l	*	*	*	3.2	2.0	-0.9	12.36	5.9	0.05	FSA
FNMIX	Fidelity New Markets Income (1%r<90d)	Int'l	*	*	*	1.9	-0.3	0.2	14.46	7.7	5.53	Fsa
EMB	iShares JPM USD Emerging Markets Bond	Int'l	*	*	*	1.8	1.9	0.0	107.25	7.2	4.86	—
PYGFX	Payden Global Fixed Income	Int'l	*	H	*	0.2	1.7	0.7	8.80	3.3	1.84	FsA
PCY	PowerShares Emerg Mkts Sovereign Debt	Int'l	*	*	*	1.3	1.8	1.2	27.51	8.3	5.54	—
PREMX	T. Rowe Price Emerging Mkts (2%r<90d)	Int'l	*	*	*	1.8	0.9	-0.4	11.40	7.5	6.46	fsA
RPIBX	T. Rowe Price Intl Bond (2%r<90d)	Int'l	*	*	*	2.9	2.2	-1.1	8.53	5.9	1.82	fsA
VGOVX	Vanguard Emerging Mkts Govt Bd Index	Int'l	*	*	*	1.7	1.5	1.3	9.35	—	4.70	a
VWOB	Vanguard Emerg Mkts Govt Bd Index ETF	Int'l	*	*	*	1.9	1.6	1.1	74.88	—	4.95	—
BNDX	Vanguard Total Intl Bd Index ETF	Int'l	*	H	*	1.3	4.1	2.2	54.19	—	1.61	—
VTIBX	Vanguard Total Intl Bd Index Inv	Int'l	*	H	*	1.0	3.7	2.2	10.81	—	1.54	fsa
BGNMX	American Century Ginnie Mae	IntTerm	*	*	*	0.4	1.8	1.7	10.80	2.5	2.15	FSA
CPTNX	American Century Government Bond Inv	IntTerm	*	*	*	0.7	2.4	2.2	11.31	2.6	1.53	FSA
<b>DLTNX</b>	<b>DoubleLine Total Return Bond N</b>	<b>IntTerm</b>	<b>B</b>	<b>B</b>	<b>B</b>	<b>0.2</b>	<b>1.7</b>	<b>2.6</b>	<b>10.88</b>	<b>2.7</b>	<b>3.77</b>	<b>FSA</b>
FTRGX	Federated Total Return Govt Bond Inst	IntTerm	*	*	*	0.5	2.2	2.0	11.10	2.8	1.63	fsa
FGMNX	Fidelity GNMA	IntTerm	*	*	*	0.3	1.8	2.1	11.63	2.8	1.94	Fsa
FINPX	Fidelity Inflation-Protected Bond	IntTerm	*	*	*	1.0	1.2	-1.3	11.94	5.4	0.23	Fsa
FTHRX	Fidelity Intermediate Bond	IntTerm	*	*	*	0.5	1.2	1.0	10.83	2.3	2.57	Fsa
FSTGX	Fidelity Intermediate Government Income	IntTerm	*	*	*	0.6	1.7	2.0	10.76	2.2	1.24	Fsa
<b>FMSFX</b>	<b>Fidelity Mortgage Securities</b>	<b>IntTerm</b>	<b>B</b>	<b>B</b>	<b>B</b>	<b>0.3</b>	<b>2.0</b>	<b>2.3</b>	<b>11.38</b>	<b>2.6</b>	<b>2.31</b>	<b>Fsa</b>
IEF	iShares Barclays 7-10 Year Treasury	IntTerm	*	*	*	1.5	4.9	4.7	110.57	5.5	1.84	—
AGG	iShares Barclays Aggregate Bond	IntTerm	*	*	*	0.9	2.4	1.5	110.09	3.0	2.27	—
TIP	iShares Barclays TIPS Bond	IntTerm	*	*	*	1.2	1.1	-1.2	112.76	5.2	0.33	—
MBDFX	Managers PIMCO Bond	IntTerm	*	*	*	0.9	2.3	-0.2	10.08	3.6	1.89	fsa
MWTRX	Metropolitan West Total Return Bond M	IntTerm	*	*	*	0.4	1.4	0.5	10.77	2.9	1.45	FSA
PRFIX	Parnassus Fixed-Income	IntTerm	*	*	*	0.4	1.8	1.2	16.63	2.6	1.95	FSA
PTMDX	PIMCO Mortgage-Backed Securities D	IntTerm	*	*	*	0.3	1.5	2.0	10.55	2.4	2.11	FSA
SCHR	Schwab Intermediate-Term U.S. Treasury	IntTerm	*	*	*	0.8	3.2	3.6	55.18	3.5	1.53	—
SCHZ	Schwab U.S. Aggregate Bond ETF	IntTerm	*	*	*	0.8	2.3	1.4	52.46	3.0	2.08	—
SCHP	Schwab U.S. TIPS ETF	IntTerm	*	*	*	1.1	1.5	-0.9	54.54	5.2	0.27	—
PRGMX	T. Rowe Price GNMA	IntTerm	B	B	B	-0.1	1.2	1.4	9.49	2.6	3.04	fsA
PRCIX	T. Rowe Price New Income	IntTerm	*	B	*	0.5	1.5	0.2	9.46	3.1	2.54	fsA
TGMNX	TCW Total Return Bond N	IntTerm	*	*	*	0.5	1.8	2.0	10.61	2.6	1.90	FSA
VFIIX	Vanguard GNMA Inv	IntTerm	*	*	*	0.3	2.2	2.1	10.78	2.9	2.31	sa
VIPSX	Vanguard Inflation Protected Securities	IntTerm	*	*	*	1.1	1.3	-0.9	13.18	5.3	0.74	fsa
VFICX	Vanguard Inter-Term Investment-Grade	IntTerm	*	*	*	0.6	2.5	1.5	9.76	3.5	3.02	fsa
VFITX	Vanguard Intermediate Term Treasury Inv	IntTerm	*	*	*	0.8	3.1	3.6	11.59	3.7	1.60	fsa
VBIIIX	Vanguard Intermediate-Term Bond Index	IntTerm	*	*	*	1.0	3.1	2.4	11.54	4.5	2.60	fsa
<b>VBMS</b>	<b>Vanguard Mortgage-Backed Secs ETF</b>	<b>IntTerm</b>	<b>B</b>	<b>B</b>	<b>B</b>	<b>0.3</b>	<b>2.1</b>	<b>2.4</b>	<b>53.45</b>	<b>2.3</b>	<b>1.52</b>	<b>—</b>
BND	Vanguard Total Bond Market ETF	IntTerm	*	*	*	0.9	2.3	1.5	82.25	3.1	2.45	—
VBVMX	Vanguard Total Bond Market Index Inv	IntTerm	*	*	*	0.7	2.2	1.2	10.82	3.1	2.36	fsa
SGVDX	Wells Fargo Adv Gov Securities A	IntTerm	*	*	*	0.5	1.6	1.3	11.36	2.8	0.78	FSA
WTIBX	Westcore Plus Bond	IntTerm	*	*	*	0.6	1.4	0.4	10.67	3.0	3.31	FSA
DRGBX	Dreyfus U.S.Treasury Long-Term	LngTerm	*	*	*	2.9	7.4	2.9	20.59	10.3	2.28	FSA
FGOVX	Fidelity Government Income	LngTerm	*	*	*	0.7	2.4	2.2	10.53	3.0	1.61	Fsa
TLT	iShares Barclays 20+ Year Treasury Bond	LngTerm	*	*	*	3.1	9.2	3.7	130.97	11.6	2.48	—
LQD	iShares iBoxx \$ Invest Grade Corp Bond	LngTerm	*	*	*	1.1	1.7	-2.3	115.01	5.0	3.48	—
PRULX	T. Rowe Price U.S. Treasury Long-Term	LngTerm	*	*	*	2.7	8.0	3.0	13.55	10.9	2.34	fsA
VBLTX	Vanguard Long-Term Bond Index Inv	LngTerm	*	*	*	2.0	4.5	-2.0	13.68	9.0	3.98	fsa
VWESX	Vanguard Long-Term Investment-Grade Inv	LngTerm	*	*	*	1.5	4.4	-2.1	10.11	8.3	4.34	fsa
VUSTX	Vanguard Long-Term Treasury Inv	LngTerm	*	*	*	2.9	8.5	3.7	13.14	11.3	2.60	fsa
JAFIX	Janus Flexible Bond T	Multi	*	*	*	0.4	0.9	0.1	10.40	2.7	2.53	FSA
SHY	iShares Barclays 1-3 Year Treasury Bond	ShtTerm	*	*	*	0.1	0.5	0.9	84.96	0.7	0.53	—
MGIDX	Managers Intermediate Duration Govt	ShtTerm	*	*	*	0.1	1.4	1.8	10.93	2.4	0.96	FSA
SWBDX	Schwab Short Term Bond Market	ShtTerm	*	*	*	0.2	0.9	1.2	9.31	1.3	1.07	fsa
SCHO	Schwab Short-Term U.S. Treasury ETF	ShtTerm	*	*	*	0.1	0.5	0.9	50.76	0.7	0.67	—
VSGBX	Vanguard Short-Term Federal Inv	ShtTerm	*	*	*	0.2	0.9	1.4	10.80	1.1	0.88	fsa
BSV	Vanguard Short-Term Bond ETF	ShtTerm	H	H	*	0.3	1.1	1.6	80.36	1.3	1.29	—
VBISX	Vanguard Short-Term Bond Index Inv	ShtTerm	H	H	*	0.2	0.9	1.4	10.52	1.3	1.26	fsa
VCSH	Vanguard Short-Term Corporate Bond ETF	ShtTerm	H	H	*	0.2	0.9	1.0	79.22	1.5	2.00	—
VGSH	Vanguard Short-Term Government ETF	ShtTerm	H	H	*	0.1	0.5	0.9	61.14	0.7	0.66	—
<b>VFSTX</b>	<b>Vanguard Short-Term Inv Grade Inv</b>	<b>ShtTerm</b>	<b>H</b>	<b>H</b>	<b>*</b>	<b>0.2</b>	<b>0.9</b>	<b>1.1</b>	<b>10.60</b>	<b>1.3</b>	<b>1.99</b>	<b>fsa</b>
VFISX	Vanguard Short-Term Treasury Inv	ShtTerm	*	*	*	0.2	0.8	1.2	10.74	1.0	0.70	fsa
BTITX	American Century Zero Coupon 2020 Inv	ZeroCpn	*	*	*	0.6	2.3	3.3	103.61	4.7	3.08	FSA
BTTRX	American Century Zero Coupon 2025 Inv	ZeroCpn	*	*	*	2.0	5.8	4.5	99.03	8.2	2.59	FSA

## The Fed on Tour

Many members of the Federal Reserve's Open Market Committee have been on the lecture tour. Lael Brainard (Fed Governor), Jerome Powell (Governor), James Bullard (President, St. Louis Fed) and Stanley Fischer (Vice Chairman, Board of Governors)—among others—have delivered remarks recently. *MONEYLETTER* checked in with John C. Williams, President and CEO of the Federal Reserve Bank of San Francisco. Mr. Williams spoke of the “Rules of Engagement” to the New York University Stern School of Business last Thursday February 25, 2016.

Below are some excerpts which provide context to the FOMC's December decision to raise rates for the first time since 2006, and insight into an important member's current mindset.

“We've had our first rise in rates, but it's been a long time since they were above zero,” said Williams. “How do we look at things now and what does the future look like as we make decisions that affect the contours of the American economy? ... I get asked a lot why the Fed raised rates when inflation was not just low, but when it had been persistently low for some time. The decision is actually a good illustration of the use of various approaches to thinking about monetary policy.

“[Two of our approaches] would call for an immediate increase in rates, mostly because we're so close to our maximum employment goal. On the other hand, some people would call for waiting to act until we see the whites of inflation's eyes ... My own view is that it was time. The economy has been showing solid momentum, the recovery was well into its seventh year, and I'm someone who takes forecasts into account. I expect to see U.S. GDP growth of about 2¼ percent for 2016, unemployment edging down further below my estimate of the natural rate, to about 4½ percent by late in the year, and inflation—despite the stubbornness it's shown—to move back up to our 2 percent goal within the next two years. All of which argue for getting on the normalization track.

“I also expect this to be a gradual process. This reflects that the economy still needs a gentle shove forward from monetary policy, as we continue to navigate some headwinds—like weakness abroad—and their effects, particularly on the dollar and commodity prices. It also reflects my wish to take things slowly, to be able to adjust to circumstances and data as they come in.

“Again, this highlights that I give importance to forecasts, but am perfectly aware of their fallibility. And that the three things I'm most driven by are data, data, and data.” \$

*John C. Williams took office March 1, 2011, as the twelfth president and chief executive officer of the Twelfth District Federal Reserve Bank, at San Francisco. Dr. Williams, a native of Sacramento, focuses on topics including: monetary policy under uncertainty and with imperfect information; learning; research and development; innovation; productivity, and business cycles.*

### 100% U.S. TREASURY FUNDS

	7-Day	30-Day	1-Year
Gabelli US Treasury MMF/CI AAA	0.20%	0.18%	0.02%
PNC Treasury MMF/CI A	0.03	0.02	0.01
Amer Century Capital Presv Fund/Inv	0.01	0.01	0.01
Fidelity Treasury Only MMF	0.01	0.01	0.01
Western Asset US Treas Res/CI N	0.01	0.01	0.01

### GENERAL PURPOSE TAXABLE FUNDS

	7-Day	30-Day	1-Year
Vanguard Prime MMF/Investor	0.40%	0.38%	0.08%
BlackRock MMP/Inv A	0.28	0.26	0.03
Meeder MMF/Retail	0.27	0.25	0.08
Fidelity Money Market Fund	0.25	0.22	0.03
Northern MMF	0.18	0.16	0.02
SSgA MMF/CI N	0.16	0.13	0.01
Morgan Stanley ActiveAssets MT	0.14	0.12	0.02
Schwab Value Adv MF/Inv	0.13	0.13	0.02
Wilmington Prime MMF/Admin	0.13	0.11	0.03
PNC Money Market Fund/CI A	0.10	0.11	0.04

### TAX-FREE GENERAL PURPOSE FUNDS

	7-Day	30-Day	1-Year
Western Asset T-F Reserves/CI N	0.02%	0.02%	0.02%
Fidelity Municipal MMF	0.01	0.01	0.01
Fidelity Tax-Exempt MMF	0.01	0.01	0.01
Vanguard Tax-Exempt MMF	0.01	0.01	0.01

### TAX-FREE STATE-SPECIFIC FUNDS

	7-Day	30-Day	1-Year
Fidelity AZ Municipal MMF	0.01%	0.01%	0.01%
Fidelity CA AMT T-F MMF	0.01	0.01	0.01
Fidelity CA Municipal MMF	0.01	0.01	0.01
Fidelity CT Municipal MMF	0.01	0.01	0.01
Fidelity MA AMT T-F MMF	0.01	0.01	0.11
Fidelity MA Municipal MMF	0.01	0.01	0.02
Fidelity MI Municipal MMF	0.01	0.01	0.01
Fidelity NJ AMT T-F MMF	0.01	0.01	0.01
Fidelity NJ Municipal MMF	0.01	0.01	0.01
Fidelity NY AMT T-F MMF	0.01	0.01	0.04
Fidelity NY Municipal MMF	0.01	0.01	0.01
Fidelity OH Municipal MMF	0.01	0.01	0.01
Fidelity PA Municipal MMF	0.01	0.01	0.01
Vanguard CA Tax-Exempt MMF	0.01	0.01	0.01
Vanguard NJ Tax-Exempt MMF	0.01	0.01	0.01
Vanguard NY Tax-Exempt MMF	0.01	0.01	0.01
Vanguard OH Tax-Exempt MMF	0.01	0.01	0.01
Vanguard PA Tax-Exempt MMF	0.01	0.01	0.01

**Taxable equivalent yield = yield / (1-total effective tax bracket).** 7-day and 30-day yields are compound yields as of 02/22/16. Third column refers to 1-year total return. Criteria for inclusion include: top-yielding unrestricted retail funds only, with minimum initial investment < \$25,000 and assets > \$50 million.

Source: iMoneynet's Money Fund Report (800) 343-5413

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## Two Vanguard Dividend Funds Take Different Approaches

The volatile stock market of early 2016 has had an impact on *MONEYLETTER*'s fund ranking system, sending many equity-income and dividend funds to the top of the domestic stock funds list. Two Vanguard dividend-oriented funds are within the top ranked: Vanguard Dividend Growth and Vanguard High Dividend Yield Index (both investor shares and the ETF version). The funds share a similar yet different focus on dividends, and also share the same top holding—Microsoft. But within the top ten holdings in each fund, only one other stock shows up in both—Johnson & Johnson. Here is a look at both funds.

### Vanguard Dividend Growth (VDIGX)

Manager Donald Kilbride (since 2006) focuses on high-quality companies that have the ability and commitment to grow dividends over time. He does not look solely for the highest-yielding stocks. These firms should be able to grow dividends, trade at reasonable prices, and have sustainable competitive advantages. Over time, Kilbride has focused on large-cap stocks, often buying when individual issues are out of favor. The goal is to find firms that can grow dividends at three percent above the rate of inflation.

The resulting portfolio is fully invested in large-cap stocks, with portfolio overweights in industrials, financial services, consumer defensive, and health care, and underweights in technology, communications, and utilities, compared to the large blend category. With only 48 individual stock holdings, the portfolio is slightly concentrated, with 28 percent of assets in the top ten. Still, Kilbride emphasizes low portfolio turnover. Most recently, it was 26 percent compared to a 63 percent category average. The fund recently yielded 2.0 percent.

#### Top Five Sectors and Holdings (% of Total Net Assets)

Industrials	18.2	Microsoft	3.1
Consumer Staples	17.0	United Parcel Service	2.9
Health Care	16.8	TJX	2.8
Financials	14.5	Honeywell International	2.8
Consumer Disc.	12.1	Colgate-Palmolive	2.8

Sectors as of January 31, 2016, holdings as of December 31, 2015.

While the fund has had time periods when its strategy was not in vogue, and hence performance dragged (including strong market years of 2010 and 2012), over the long term, the fund has performed admirably. While the fund is

down (-2.6 percent) this year through February 29, it still outpaces 93 percent of its peer group. Similarly, trailing one-, three-, five-, and ten-year returns place it well within the top decile of the large blend category.

### Vanguard High Dividend Yield Index (VHDYX)

In contrast to the actively managed fund above, High Dividend Yield Index, as its name suggests, tracks the FTSE High Dividend Yield Index—focusing solely on stocks with, yes, high dividend yields. The underlying index starts by looking at all US stocks (with some exceptions), and removes those that do not pay a dividend. The remaining stocks are ranked by dividend yield and added to the index weighted by market capitalization.

The result is an index that is predominately large-cap (85 percent), but also has some exposure to medium-sized shares (11 percent) with a smattering of small stocks. However, the number of stocks held in the fund is large—representing the index—at 433 individual issues. You might think that with this number of holdings, the fund would be more diversified than its sibling above. And the answer is generally yes. However, the top ten stocks here command 33 percent of assets, slightly more than VDIGX. It is most overweight in consumer defensive and utilities, and underweight in financials and health care. The current yield is 3.3 percent.

#### Top Five Sectors and Holdings (% of Total Net Assets)

Consumer Goods	16.0	Microsoft	5.0
Financials	14.0	Exxon Mobil	4.1
Technology	13.1	Johnson & Johnson	3.6
Health Care	12.0	General Electric	3.4
Oil & Gas	10.0	Wells Fargo	3.2

As of January 31, 2016.

The focus on dividends, here again, will tend to have the fund lag its category when investors focus more on growth. Still, the fund has exhibited solid long-term performance. A year-to-date return of -2.3 percent places it above 88% of its large value peer group. Trailing one-, three-, and five-year returns top 90 percent of its peers. Strong contributors to results thus far in 2016 include AT&T and Verizon Communications, while detractors include banks JPMorgan Chase and Wells Fargo.

Vanguard Group

(800) 662-7447 • Minimum investment \$3,000/\$3,000 IRA  
ETF shares VYM are traded on the NYSE Arca.

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