



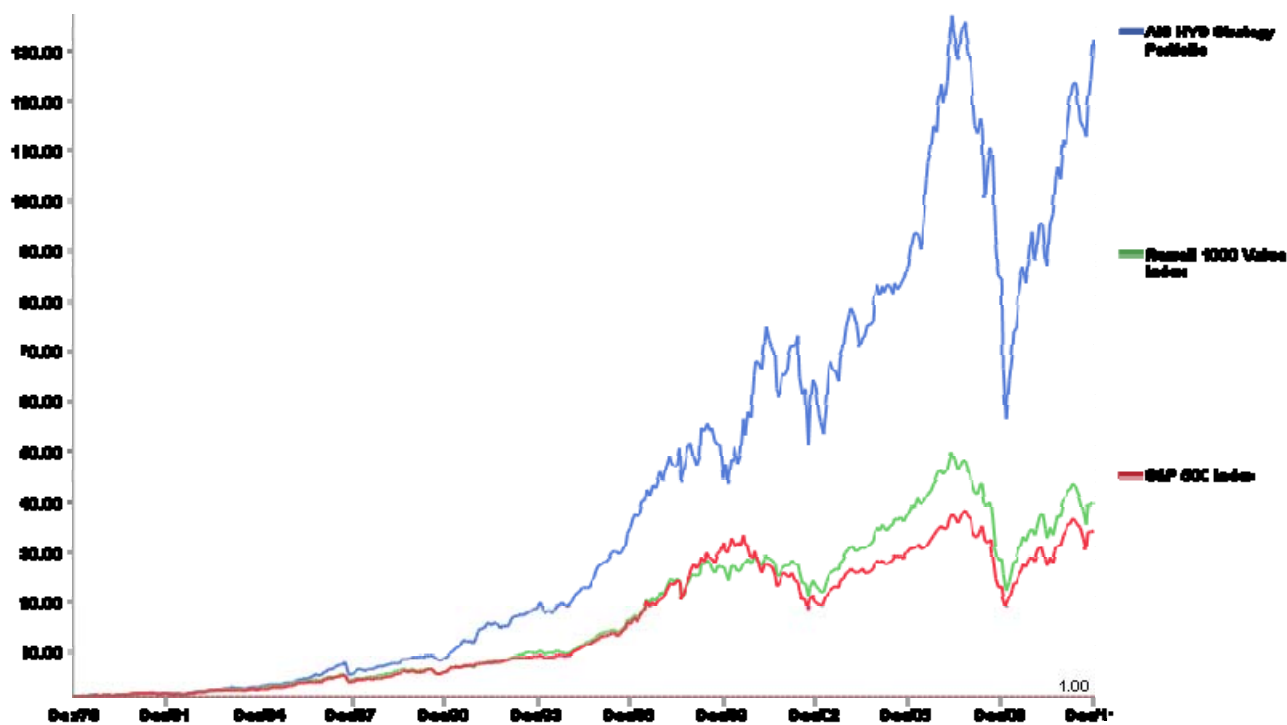
250 Division Street
 Great Barrington, MA 01230
 413-528-1216
 413-528-0103 Fax
 www.americaninvestment.com

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Hypothetical Growth of a Dollar (1/1/79 - 12/31/11)
 4-for-18 High-Yield Strategy versus the Russell 1000 Value Index and S&P 500 Index

Growth of Wealth

Monthly: 01/1979 - 12/2011; Default Currency: USD



See Standardized Performance Data & Disclosures.

Comparative Summary Statistics (1/1/79-12/31/11)			
	Hypothetical HYD Model	Russell 1000 Value Index	S&P 500 Index
Annualized Return	15.95%	11.80%	11.27%
Growth of \$1	\$132	\$40	\$34
Annualized Standard Deviation	18.00%	15.08%	15.55%
Comparative Returns for various time periods (ending 12/31/11)			
1 Year Return	17.87%	0.39%	2.11%
5 Year Return (annualized)	2.10%	-2.64%	-0.25%
10 Year Return (annualized)	7.35%	3.89%	2.92%
15 Year Return (annualized)	9.32%	6.25%	5.45%
20 Year Return (annualized)	12.42%	8.91%	7.81%

Selection of funds, indices and time periods presented chosen by client's advisor. Indices are not available for direct investment and performance does not reflect expenses of an actual portfolio. Past performance is not a guarantee of future results. Graph represents a hypothetical investment of \$1. Performance includes reinvestment of dividends and capital gains.

- The returns for the High Yield Dow strategy are based on a hypothetical model generated on monthly data for the periods shown, gross of AIS management fees. Total return figures therefore do not represent actual results, but the results that would have been achieved had an investor invested in accordance with the model during that period without AIS fees.
- Information presented is believed to be factual and up-to-date, but we do not guarantee its accuracy and it should not be regarded as a complete analysis of the subjects discussed. All expressions of opinion reflect the judgment of the authors as of the date of preparation and are subject to change.
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- Historical performance results for investment indexes and/or categories, generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment-management fee, the incurrence of which would have the effect of decreasing historical performance results.

The High Yield Dow Strategy

For most investors seeking exposure to U.S. large-capitalization value stocks, we recommend the three large-cap value mutual funds listed on the back page of our newsletter, *Investment Guide*. However, investors who have more than \$100,000 to dedicate to this asset class might instead consider our high-yield Dow (HYD) investment strategy (\$100,000 is the minimum we estimate that is necessary to ensure that trading costs are reasonable relative to the value of the portfolio).

The HYD strategy is especially well suited for certain trusts or other accounts that have an explicit interest in generating investment income, but which also seek capital appreciation. Unlike several popular but simplistic "Dogs of the Dow" methods, our HYD model is based on an exhaustive review of the monthly prices, dividends and capital changes pertaining to each of the stocks that have comprised the Dow Jones Industrial Average beginning in July 1962. Though the model follows an exacting stock-selection strategy, investors can easily establish and maintain a high-yield Dow portfolio; all that is required is discipline applied on a monthly basis.

Our HYD model began by incrementally "investing" a hypothetical sum of \$1 million over 18 months. Specifically, one eighteenth of \$1 million was invested equally each month in the four highest-yielding issues of the Dow Jones Industrial Average each month beginning in July 1962. Once fully invested (January 1964) the model began a regular monthly process of considering for sale only those shares purchased 18 months earlier, and replacing them with the shares of the four highest-yielding shares at that time. The model each month thus mechanically purchases shares that are relatively low in price (with a high dividend yield) and sells shares that are relatively high in price (with a low dividend yield), all the while garnering a relatively high level of dividend income. The model also makes monthly "re-balancing" trades, as required, in order to add to positions that have lagged the entire portfolio and sell positions that have done better.