



DIVIDEND *PLUS* PORTFOLIO

RISING INCOME

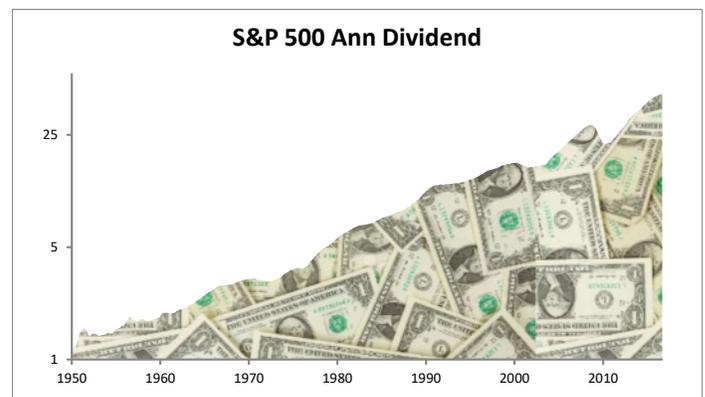
A Retired Investor's Best Friend

Inflation is the enemy of anyone on a fixed income. While your income stays flat each year, Inflation relentlessly marches higher and higher. This erodes the value of the Dollars in your pocket, and the value of your fixed income. The chart below shows the impact of inflation on your purchasing power. Each year, the Dollar becomes worth less and less.



DIVIDEND INCOME

Dividend tends to rise over the years, regardless of what the stock market does. The chart below shows the dividends of the S&P 500. As you can see, they have had a steady history of rising. Interest income can't do this. CDs can't do this. Fixed income investments can't do this. If you want to break out of the spiral of declining purchasing power, you should consider using dividend income.



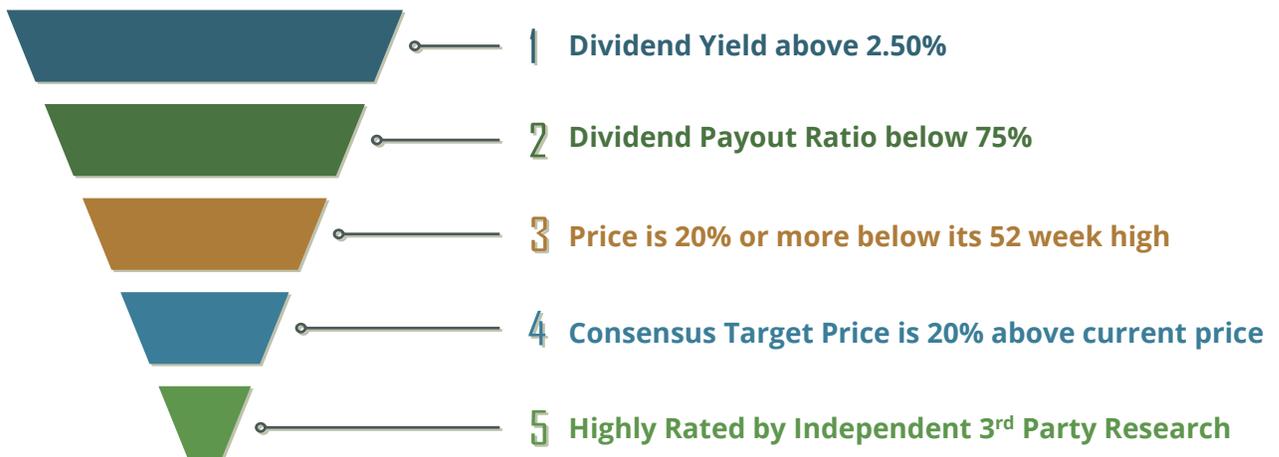
Source: S&P; Format: CIS

What is the solution for investors on a fixed income?

Find investments with RISING income.

OUR DISCIPLINED STRATEGY

Finding reliable income



1 DIVIDEND YIELD ABOVE 2.50%

This is a good starting point in today's low interest rate environment. This doesn't mean the portfolio will only yield 2.50%. Our objective is to get the high, yet safe dividend.

2 DIVIDEND PAYOUT RATIO BELOW 75%

This is one way of seeking safe dividends. Making sure the company is not paying out all of its earnings. We look at the current year and the trailing 5 years to make sure the company's dividend has good coverage.

3 CURRENT PRICE IS 20% BELOW THE 52 WEEK HIGH

This seems obvious, we do not want to be buying at the top.

4 CONSENSUS TARGET IS 20% ABOVE CURRENT PRICE

However, we do want some growth. The consensus is calculated by various services including Zacks. We want to make sure there is upside to the stock.

5 HIGHLY RATED BY INDEPENDENT 3RD PARTY RESEARCH (ie. Zacks or Morningstar)

While we are qualified to do our own research, we recognize that 3rd Party opinions can give us a new perspective. It is a belt and suspenders approach.

Cornerstone's Dividend Plus Portfolio will also search out special situations that do not fit into the strategy above. This is the "Plus" part of the the portfolio. Some industries, such as oil or real estate, do not fit into the criteria above. Other times a stocks's earnings may have a short term decline, but the dividend is safe, so we are able to pick up a value for the portfolio. We look at these on a case by case basis and if the dividend is high enough we will add them to the strategy.

If you are looking for rising income and want to break free of the declining purchasing power of the Dollar, you may want to consider the **Cornerstone Dividend Plus Portfolio**.

Past performance is no guarantee of future results.

Fee based money management and Financial Planning offered through Cornerstone Investment Services, LLC's RIA
Diversification does not ensure a profit or guarantee against a loss. There is no assurance that any investment strategy will be successful.