

Blue Chip Strategy

Investment Goal: NAFA's Blue Chip Portfolio seeks to provide performance similar to the Dow Jones Industrials. The Dow has consistently produced the best returns among major market indices. This strategy has very low turnover and low transaction costs.

Investor Profile: The Blue Chip Portfolio is for the investor that is seeking returns consistent with the long-term historical average of large capitalization stocks. This passively managed strategy should provide higher after tax returns than an actively managed growth and income fund due to low turnover and low transaction costs.

Advantages:

1. *Competitive Returns* - the Dow has outperformed the S&P 500 by approximately 1.00% annually in the last fifteen years
2. *Safety* - diversified portfolio of the dominant companies in their respective industries
3. *Global Exposure* - these Blue Chips receive more than 40% of their revenues from foreign operations
4. *Low Cost* - management fees are lower than the average growth and income mutual fund



Portfolio Strategy: NAFA's Blue Chip Portfolio is structured to provide performance similar to the Dow Industrials. It is a passively managed strategy in which turnover is expected to average less than 5% annually. Historical analysis has shown that less than 15% of actively managed diversified stock funds have outperformed the S&P 500 Index over the last fifteen years. The Dow has outperformed the S&P by about 1.00% for the same period. The low turnover allows capital gains to compound for a longer time period, resulting in higher after tax returns.

Management Fee: 0.50% (one-half percent) annually of the market value of assets in the portfolio. The average growth and income mutual fund expense ratio is 0.95%.

Performance for the Period Ending 12/31/2011

Ending Values:	
Blue Chip Strategy	\$ 31,280
Standard & Poor's 500 Index	\$ 26,227

Portfolio	Last 12 Months	01/96-12/11	Annualized
Blue Chip	8.69%	212.80%	7.43%
Net of Fees	8.20%	193.80%	7.01%
Standard & Poor's 500 Index	2.23%	162.27%	6.25%

Past performance is no guarantee of future results. Please see our performance disclosure statement for more information.