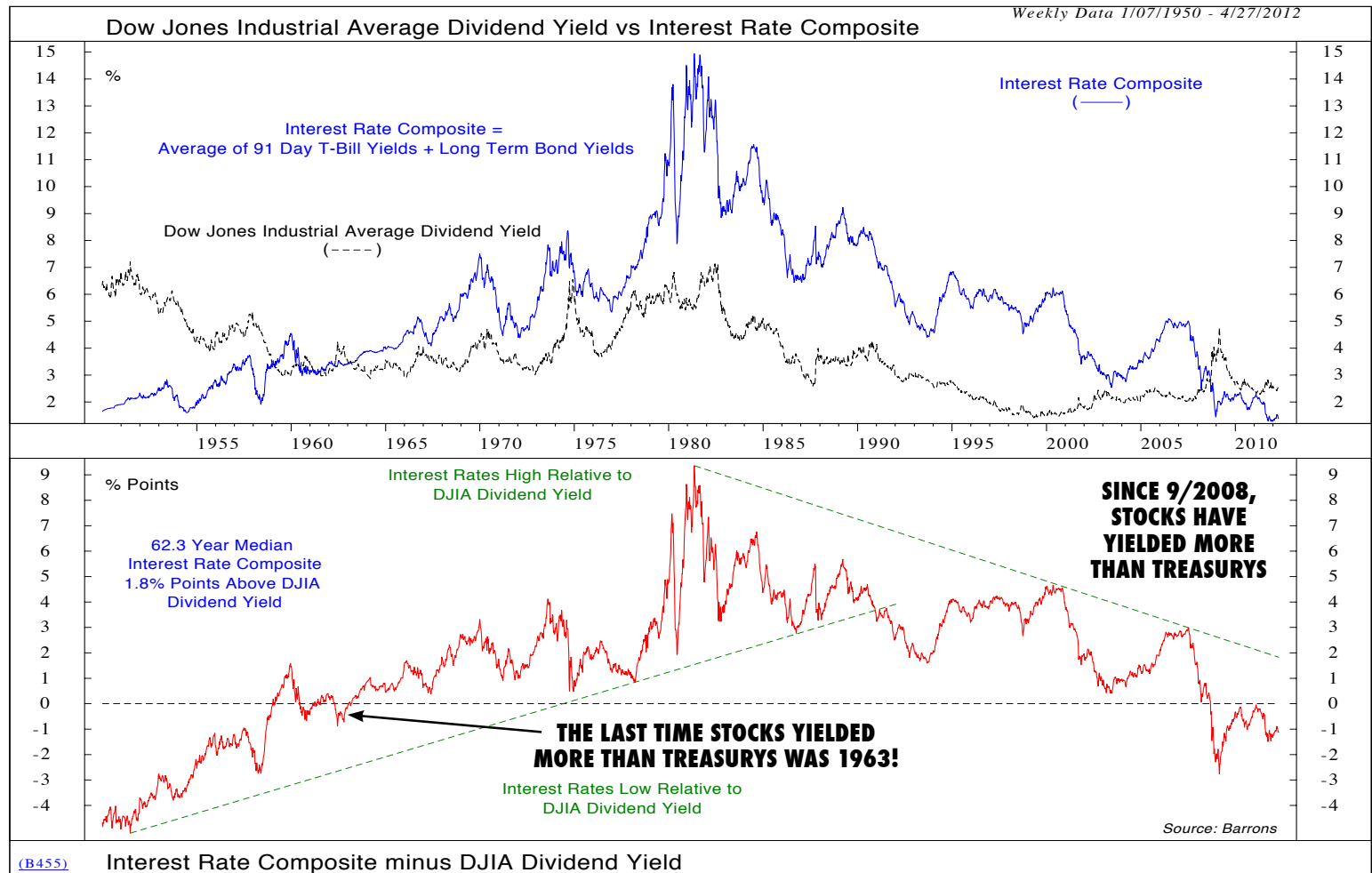


STOCKS OR BONDS FOR YIELD?

- In their quest for yield, many investors have been enticed by high dividend paying equities. In fact, the yield on the Dow Jones Industrial Average has been higher than our Interest Rate Composite since September 2008. Before that you have to go back to 1963 to find when stocks yielded more than bonds. Stocks currently yield 1.1 percentage points more than our Composite. That's also 2.9 points above the historical mean.
- With a 15% tax rate on qualified dividends, stocks currently enjoy an even nicer after-tax yield advantage of 1.3 percentage points. If the Bush tax cuts are allowed to expire, the equity advantage will be reduced, but not eliminated, based on current levels.



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