OVERCOME THE CURSE OF MEDIOCRITY
WITH YOUR BLUEPRINT TO LIBERATING WEALTH

THE OXFORD WEALTH PYRAMID

BY THE OXFORD CLUB RESEARCH TEAM

OVERCOME THE CURSE OF MEDIOCRITY
WITH YOUR BLUEPRINT TO LIBERATING WEALTH

The Oxford Wealth Pyramid

BY THE OXFORD CLUB RESEARCH TEAM

THE OXFORD CLUB

If you have any questions about your Oxford Club Membership or subscription status, or would like to change your email settings, please contact us at 866.237.0436, Monday through Friday between 8 a.m. and 8 p.m. ET. Or, if calling internationally, please contact us at 443.353.4540.

The Oxford Club | 105 West Monument Street | Baltimore, MD 21201
North America: 866.237.0436
International: 443.353.4540
Question? Comment? Go to www.OxfordClub.com/contact-us

TABLE OF CONTENTS

YOUR BLUEPRINT FOR FINANCIAL INDEPENDENCE

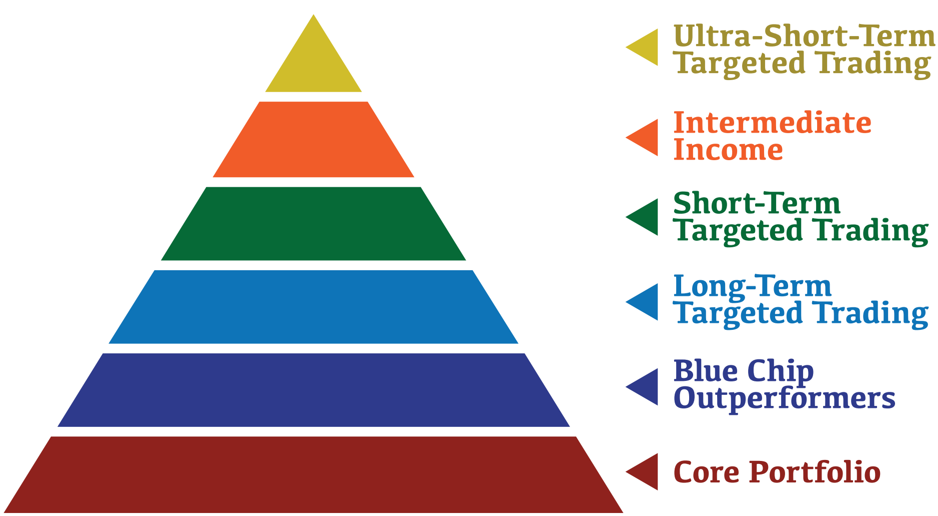
Investors' Needs Are Not Static. Your Portfolio Shouldn't Be, Either.

Building a robust portfolio means diversifying your investments. But there's much more to diversification than buying an arbitrary mix of stocks and bonds.

Luckily, you don't need an advanced degree in economics to figure out what's right for you. Instead, our first Pillar of Wealth – the Oxford Wealth Pyramid – can help you customize your investing strategy based on your particular risk tolerance. Once you understand the Pyramid, you'll be ready to find the right balance of risk and reward, allowing you to take advantage of unique market circumstances without worrying about bearing unnecessary risk.

Even more importantly, the Pyramid can free you from the traditional time constraints of investing. You'll soon be ready to exploit short-term opportunities without risking your core wealth.

Here's what the Pyramid looks like:



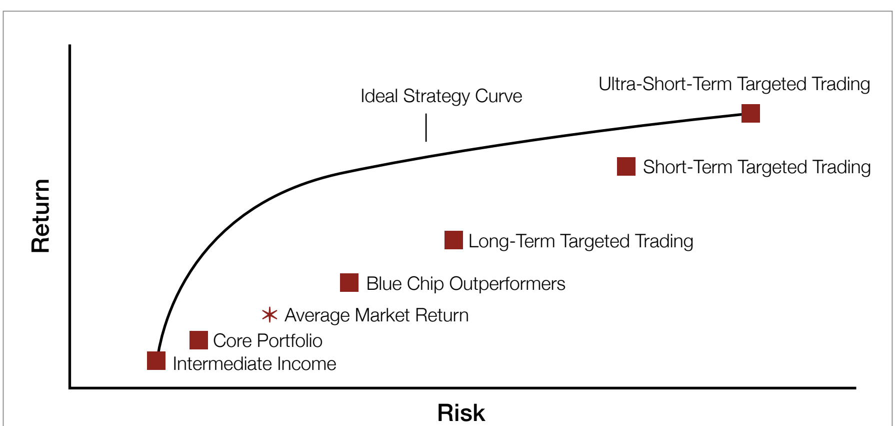
A comprehensive, well-managed portfolio takes into account many factors. That's why we based our Pyramid on research by Nobel Prize-winning economist Harry Markowitz. He is considered the father of modern portfolio management.

Markowitz knew that it was futile to measure an investment entirely on its own. After all, it's how your assets interact with one another that determines your overall investing success. By introducing guidelines for how to optimally balance positions, Markowitz's theory was able to create a portfolio with significantly higher reward and drastically reduced risk.

Markowitz focused primarily on security selection, but our model takes it further. Building on Markowitz's model, we've found the ideal mix of investment strategies and timelines for investors of every stripe. You can find your ideal mix by pinpointing where you are on the Ideal Strategy Curve. This tool employs a key component absent from conventional Wall Street guidance: time horizon.

YOUR IDEAL STRATEGY CURVE

The chart that follows may look familiar. It's a visualization of the role that time plays in a truly diversified portfolio. But we've added a very important line to it. We call it the Ideal Strategy Curve. It denotes what Markowitz would call "the efficient frontier" – the absolute best mix of long-term, short-term, high-risk and low-risk strategies.



Depending on your unique risk tolerance, you can use the Pyramid to select a mix of strategies and assets that will put your portfolio anywhere along the Ideal Strategy Curve.

The key, just as in the groundbreaking Markowitz model, is to understand that the ideal mix (the highest return per "unit" of risk) requires at least some exposure to each asset class. Again, the idea underpinning all of this is to go beyond asset diversification and embrace *strategy* diversification.

No matter your age or risk profile, you can adjust your "investment strategy allocation" to find the ultimate balance of risk and return.

The Ideal Strategy Curve is proof that when you implement a variety of strategies with staggered timelines, not only does your overall risk decline significantly (you're balancing high-risk strategies with low-risk strategies), but your gains also rise proportionately higher.

A VITAL FACTOR: TIME HORIZON

Time horizon is a straightforward concept – it's how long your money will work for you. Traditional financial literature often touts simple age-based formulas, but there should be a different equation for every investor, no matter their age group.

Consider an individual near retirement who hasn't saved as much as they'd hoped. They may need to supercharge their wealth generation. Or a person of the same age who started saving early and has a significant portfolio. Their best strategy may be to preserve what they have and simply maintain the current course.

If you're younger, traditional logic tells us that you can take on some added risk. But with time on your side, it may pay to simply focus on a conservative strategy and let the power of time do the heavy lifting.

Our research proves that the length of time you invest is one of the most important factors in successful investing. It's even more important than how well you invest.

For example...

If a person invests $3,000 in the stock market each year for 40 years and achieves a 6% annual return (still underperforming most asset classes), they will wind up with $495,143.

A similar investor who invests for only 30 years will need to achieve a 9.5% annual return to reach that amount. That required return is more than 50% higher than the 40-year investor's return.

Cut the time down to 25 years, and the investor needs to earn about 12.5% per year, which is now exceeding the return on all but the strongest asset classes.

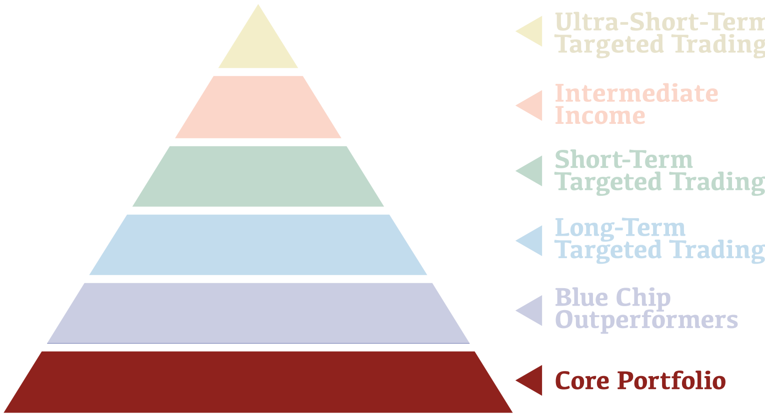
And if the investor has only 20 years in the market, that person needs to earn 17.5% per year... a very difficult feat without help. Thus, time (and the strategies you use to overcome a lack of it) are a vital factor.

On the other hand, most Oxford Club Members are nearing retirement, semi-retired or retired.

Most folks reach retirement and are told to stick to an ultra-conservative strategy. But that doesn't make sense in all cases. Often, it's just the opposite: You built your nest egg... now it's time to tap some riskier strategies while you can enjoy the rewards.

As a financial publisher, The Oxford Club certainly can't address your personal circumstances. But we know – thanks to our Wealth Pyramid – that we don't have to. We've designed a system to help you maximize your investments based on your unique time horizon... without worrying about taking on undue risk.

START WITH YOUR CORE



A strong structure needs a sturdy foundation. The Wealth Pyramid is no different. Before moving to a higher level, you need a solid Core Portfolio. This should be a traditional long-term and well-diversified portfolio that will allow you to start taking advantage of other strategies.

Our model of the ideal Core Portfolio is the Club's Gone Fishin' Portfolio from Chief Investment Strategist Alexander Green. This low-maintenance, asset-allocated portfolio is tracked within *The Oxford Communiqué*. And it is the best investment foundation we've ever seen – a simple "set it and forget it" collection of Vanguard funds to hold for the long term. These funds represent a proven asset diversification model. Alex's Fortress Portfolio – with holdings designed to reduce your risk and boost your profits in any market – is also in this block.

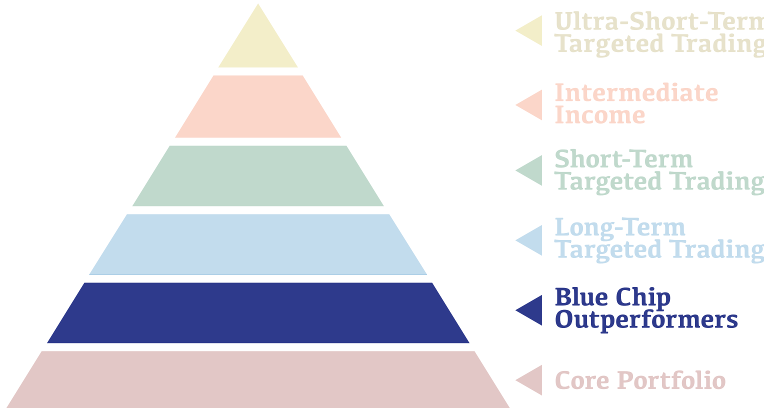
The Oxford Income Letter's Instant Income, Compound Income and Fixed Income portfolios also belong in this piece of the Pyramid, due to their diversity, long holding periods, outperformance and dependable income.

The strategy of the Core Portfolio is designed to help you conserve your assets, build your wealth and reach your long-term financial goals by beating inflation and generating above-average returns with below-average risk.

Typical Holding Period: Indefinite

Annualized Return Goal: 7% to 12%

BLUE CHIP OUTPERFORMERS



When your Core Portfolio is in place and you're ready to move to the next level, it's time to focus on Blue Chip Outperformers. Note that moving toward the Pyramid's pinnacle has more to do with focus and strength than risk. You must build from the ground up.

The Pyramid represents a hierarchy of where you should focus your assets for overall portfolio performance. But exactly where you are on the Pyramid depends on several factors, most notably your time horizon, your risk tolerance and the size of your portfolio.

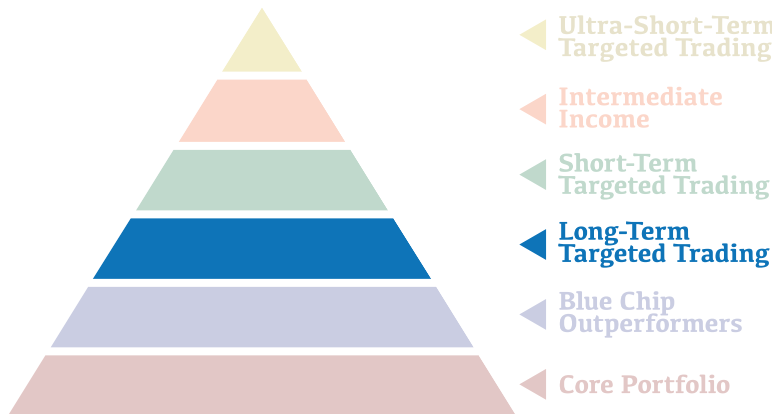
Blue Chip Outperformers are stocks and bonds that are still quite conservative, but with them, we're able to take advantage of unique market circumstances. With this strategy, we're looking to take advantage of large, relatively safe assets that are likely to outperform their peers. For example, why buy Ford when Toyota is stronger?

The Oxford Trading and Oxford All-Star portfolios within *The Oxford Communiqué* and the High Yield Portfolio within *The Oxford Income Letter* are designed to fulfill this important piece of the Pyramid.

Typical Holding Period: One to five years

Annualized Return Goal: 12% to 50%

LONG-TERM TARGETED TRADING



The first two layers of the Wealth Pyramid are proven risk reducers. With those in place, it's time to focus on returns. This is where we start to dig into unique market circumstances. The Long-Term Targeted Trading portion of the Pyramid allows us to take advantage of profit opportunities with a holding time of a year or more. And this is where the opportunities start to broaden.

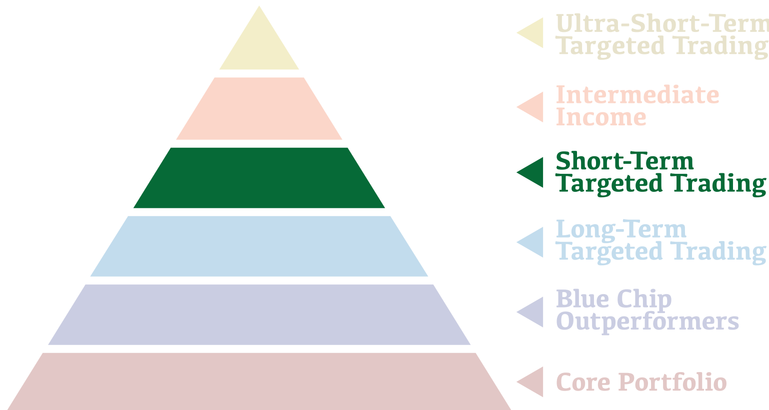
Chief Investment Strategist Alexander Green's Ten-Baggers of Tomorrow Portfolio epitomizes this tier of the Pyramid. This portfolio is made up of stocks that experience more volatility than average but have the potential for tenfold gains.

Holdings are typically small cap to midcap companies that are relatively unknown. They tend to be tremendous innovators with terrific sales growth and strong patents, brands or trademarks that protect their margins. And all present significant upside. Another example for this tier of the Wealth Pyramid is the new Profit Accelerator Portfolio, which is part of *The Oxford Communiqué Pro*.

Typical Holding Period: One year or more

Annualized Return Goal: 20% to 200%

SHORT-TERM TARGETED TRADING



As your portfolio of strategies matures, the unique market circumstances you target become more and more focused.

That's why the next level of our Pyramid is aimed at increasingly shorter hold times. Because this is the part of the Pyramid where our research shows diversification is most critical, The Oxford Club has numerous VIP Trading Research Services that offer exposure to many different types of unique market circumstances.

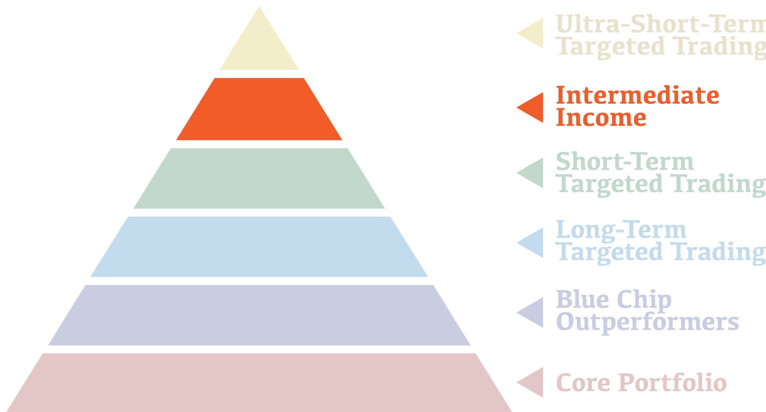
Here's the list of portfolios and services, plus the specific opportunities they target:

- ***The Insider Alert:*** Nobody knows more about a company than the corporate insiders who run it. That's why Chief Investment Strategist Alexander Green's *Insider Alert* has been so successful. It uses the market's most honest indicator to uncover unique market circumstances.
- ***Oxford Centurion:*** This is the ultimate recession-resistant trading service. Exclusive to Chairman's Circle Members, it is built on a system developed by Research Director Kristin Orman that uses a specific mix of parameters to identify plays with the potential to outperform in down markets and soar in up markets. Over the last 20 years, the stocks picked by this system would've produced a stunning 4,048% gain!

- ***Oxford Microcap Trader:*** This service focuses on microcap stocks with 10X profit potential that are completely ignored by Wall Street. Based on growth and value indicators, Chief Investment Strategist Alexander Green identifies companies with fast-growing sales that are destined to become midcaps, then large caps, or to be bought out along the way.

Typical Holding Period: Four months to one year
Annualized Return Goal: 50% to 1,000%-plus

INTERMEDIATE INCOME



Next, we get to what is perhaps the most controversial and certainly the least understood level of the Wealth Pyramid. Most investors are taught that income-producing assets are long-term propositions.

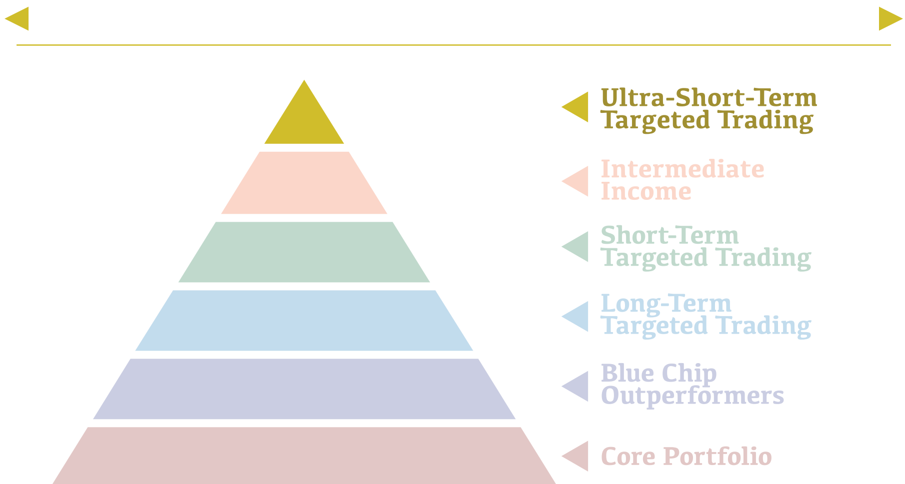
That's simply not true.

We currently have one service that can hand you big income in an intermediate time frame with a straightforward bond strategy.

- ***Oxford Bond Advantage:*** This service targets the vital interest rate sector. But it does so in a unique way. In the current ultra-low interest rate environment, it debunks the myth that corporate bonds are solely for long-term traders looking to preserve wealth. This service takes a traditional bond strategy and turns it on its head. It focuses almost exclusively on short-term opportunities in the bond market that often produce annualized yields of more than 20%.

The Income Accelerator Portfolio, part of *Oxford Income Pro*, also primarily focuses on an intermediate time frame – but not for all trades.

Typical Holding Period: One to five years
Annualized Return Goal: 12% to 30%



ULTRA-SHORT-TERM TARGETED TRADING

With a firm foundation established, this segment of the Pyramid is where investing can become life-altering very quickly.

To reiterate the importance of diversification, this isn't where you want to bet the farm. But it is the tier where unique market circumstances can make the biggest impact.

Here's the list of portfolios and services in the Wealth Pyramid's highest tier and the specific opportunities they target:

- ***The Momentum Alert:*** Newton's first law is simple... something in motion stays in motion. It's true both in the science lab and on Wall Street. Stocks that are moving higher tend to keep moving higher. Chief Investment Strategist Alexander Green's popular fundamentals-focused trading service is an effective way to target low-volatility stocks that are in the midst of a strong run higher.

- ***Technical Pattern Profits:*** Chief Income Strategist Marc Lichtenfeld has pinpointed a common chart pattern that, when combined with an uncommon indicator, produces fast and predictable profits. This unusual indicator was created by a Wall Street legend, who shared his secrets with Marc shortly before his death nearly 20 years ago.

- ***Penny Options Trader:*** In the 15 years Marc has been with The Oxford Club, the majority of his triple-digit gains came from options that were trading for less than $5. So he's dedicated an entire trading service to finding low-priced options plays. Volatility plays a big role here. So when Marc is looking for options to recommend, he focuses on companies with upcoming catalysts that will cause volatility to spike in the near future.

Typical Holding Period: Less than four months
Annualized Return Goal: 20%-plus

STRATEGIC EXAMPLES OF THE IDEAL STRATEGY CURVE

Have you figured out where your portfolio is on the Ideal Strategy Curve? It's a vital question. Remember, your ideal mix of strategies depends on two criteria – your time horizon and your unique financial goals. Since we can't address every Member's unique situation, we've put together three scenarios that offer an enlightening view of the Pyramid at work.

Each of the scenarios below represents a categorical extreme. It's quite likely none will exactly match your financial situation. But hopefully they offer enough perspective for you to decide which mix of strategies works best for your particular circumstances.

Investor A (Bob)

Investor Age: 55

Income Status: Working – $75,000 annual income

Current Investable Assets: $175,000

Financial Goal: Retire at age 65 with $1 million in investable assets

** Does not qualify as an accredited investor*

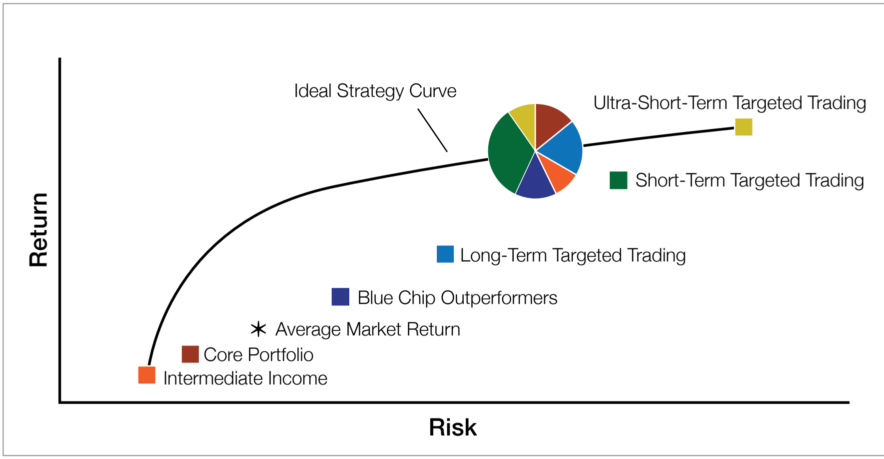
Bob is a typical investor. He works hard and has a steady job. But as a result of investing primarily in his 401(k) program, he's struggling to meet his goal.

Over the last 20 years, his portfolio has grown an average of just 4% annually (only slightly better than the average American's portfolio).

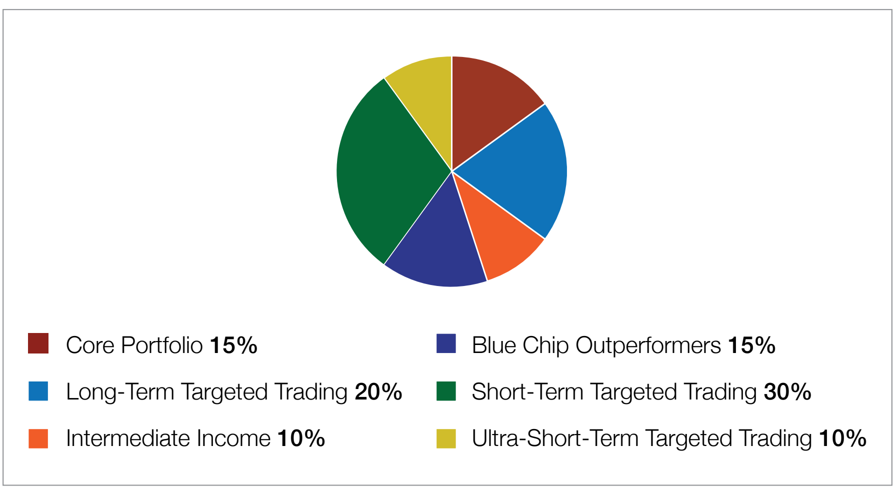
But Bob wants to retire in 10 years with a million-dollar portfolio. It's an aggressive goal, but with the right mix of strategies, it's quite obtainable without taking on undue risk.

To reach his goal without investing another penny of his annual income, he needs to earn 19.4% annually.

That means he needs to target more aggressive strategies. Visually, here's where his portfolio of strategies sits on the Ideal Strategy Curve.



Zooming in on his strategy allocation, we see this breakdown...



Expected Annual Return: 19.4%
Risk Profile: Moderate to high

*__Note:__ Again, these are extreme cases. By investing a portion of his annual income, this investor could significantly lower his annual return requirements and reduce his risk.

Investor B (John)

Investor Age: 55

Income Status: Retired – no employment income

Current Investable Assets: $2 million

Financial Goal: $100,000 in annual income for life, leaving $1 million to each of his two children

John is in an enviable position.

He worked hard to start a small business (employing just himself and his wife) nearly two decades ago.

He made plenty of profits along the way but was too timid to invest in the stock market.

Instead, he owns a considerable amount of real estate near his home.

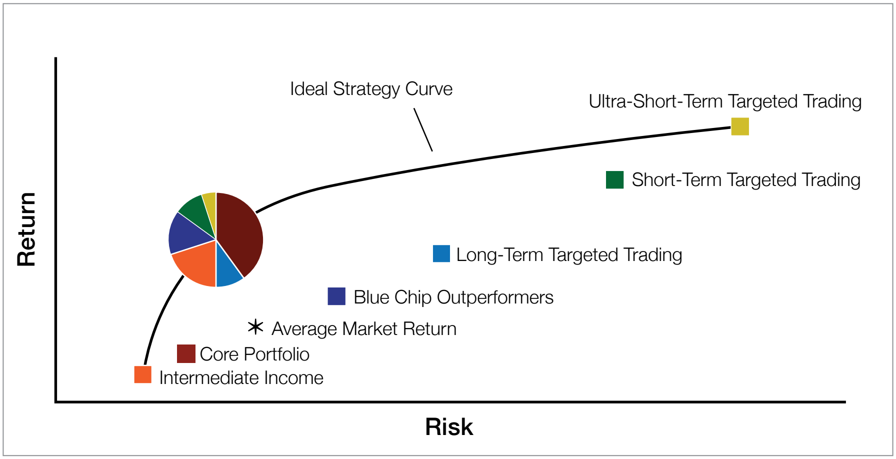
He's not willing to sell the land (he hunts on it with his two sons), but he does want to invest the proceeds from selling his business last year ($2 million).

His goal is to live well in retirement ($100,000 annual income) and hand at least $1 million to each of his children when he dies... the more, the better.

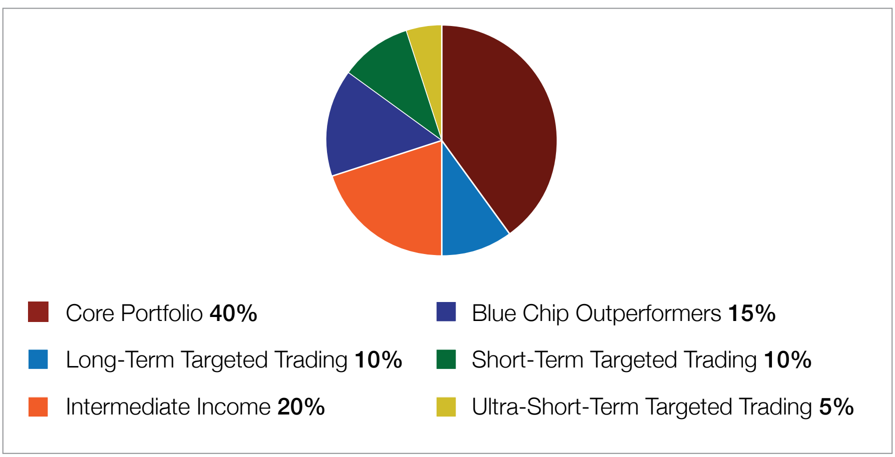
Of our three examples, John – an accredited investor – has the most conservative strategy allocation.

In order to reach his goal of a minimum of $100,000 in investment income and a stable portfolio, his investments need to yield an average of at least 5% per year.

You can see where his portfolio of strategies lies on the Ideal Strategy Curve...



And here's his ideal strategy allocation...



Expected Annual Return: 5%
Risk Profile: Low

Investor C (Sharon)

Investor Age: 40

Income Status: Working – $70,000 annual income

Current Investable Assets: $25,000

Financial Goal: Retire at age 65 with $1 million in investable assets

** Does not qualify as an accredited investor*

Sharon is getting serious about making money.

She just reentered the working world after her youngest daughter started elementary school.

She and her husband, Leonard, have a modest income (he's a pastor; she has a clerical job), but they are eager to retire as millionaires.

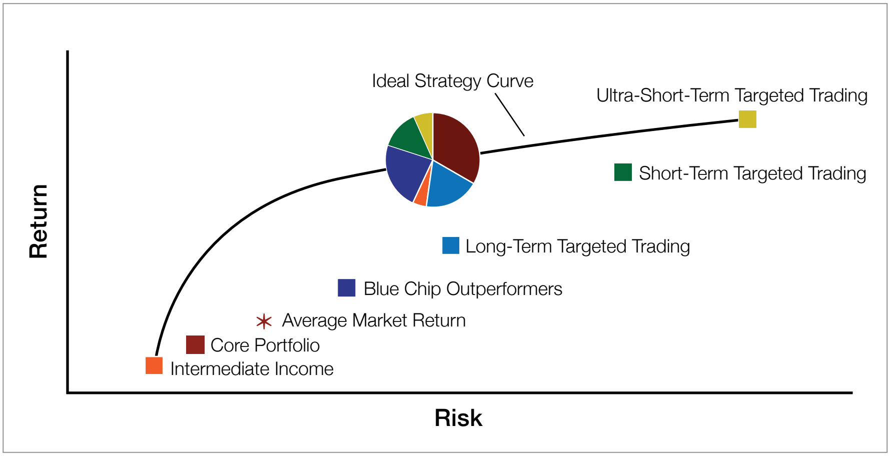
Leonard admits he doesn't know much about investing and doesn't have the will or the time to learn. Sharon, on the other hand, is quite enthusiastic. She knows the basics and is eager to apply her knowledge.

With the value of time on their side, their ideal strategy allocation is more conservative than many would expect.

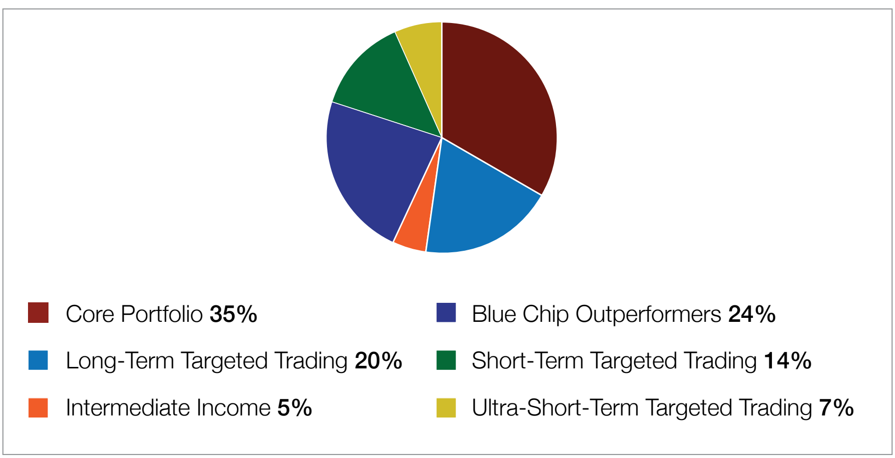
After all, if they invest merely $4,000 (or 5%) of their annual income and earn an average of 14% per year, their $25,000 will grow to more than $1 million by the time they retire.

By taking advantage of the Oxford Wealth Pyramid, their goal is quite obtainable. They will crush the average American's return.

Here's where their portfolio of strategies lies on the Ideal Strategy Curve...



Zooming in, here's their ideal strategy allocation...



Expected Annual Return: 14%
Risk Profile: Moderate

STRATEGY ALLOCATION AND THE OXFORD CLUB

Want to know exactly how to use the Club's products and services to fulfill your strategy diversification model? Here's a quick, simple list.

- **Core Portfolio**
  The Oxford Communiqué's Gone Fishin' Portfolio
  The Oxford Communiqué's Fortress Portfolio
  The Oxford Income Letter's Instant Income Portfolio
  The Oxford Income Letter's Compound Income Portfolio
  The Oxford Income Letter's Fixed Income Portfolio

- **Blue Chip Outperformers**
  The Oxford Communiqué's Oxford Trading Portfolio
  The Oxford Communiqué's Oxford All-Star Portfolio
  The Oxford Income Letter's High Yield Portfolio

- **Long-Term Targeted Trading**
  The Oxford Communiqué's Ten-Baggers of Tomorrow Portfolio
  The Oxford Communiqué Pro's Profit Accelerator Portfolio

- **Short-Term Targeted Trading**
  The Insider Alert
  Oxford Centurion
  Oxford Microcap Trader

- **Intermediate Income**
  Oxford Bond Advantage
  Oxford Income Pro's Income Accelerator Portfolio

- **Ultra-Short-Term Targeted Trading**
  The Momentum Alert
  Technical Pattern Profits
  Penny Options Trader

For the most current listing of our newsletters and trading services, please visit "Our Products and Services" section of OxfordClub.com.

NOTES

NOTES

NOTES

NOTES

THE OXFORD CLUB