



FRIED
ASSET
MANAGEMENT, INC.
Registered Investment Advisor

“Creating Wealth through Disciplined Investing”

**Schedule of Investment Performance
Statistics for the Income Composite**
For the Period January 1, 1998 through December 31, 2014

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CONTENTS

Schedule of Investment Performance Statistics for the Income Composite	3
Notes to Schedule of Investment Performance Statistics for the Income Composite	4 - 7



"Creating Wealth through Disciplined Investing"

Schedule of Investment Performance Statistics For the Income Composite

Year	The Income Composite				Russell 3000 Value Index		3Yr Ex-post annualized standard deviation %	Number of Portfolios	Internal Dispersion % Gross of Fees
	<u>Gross of Fee Return %</u>	<u>Net of Fee Return %</u>	<u>Cumulative Total Return % (net of fees)</u>	<u>3Yr Ex-post annualized standard deviation %</u>	<u>Benchmark Return % Russell 3000 Value Index</u>	<u>Cumulative Total Return %</u>			
2014	6.12	5.20	126.94	11.43	12.69	228.22	9.36	11	3.84
2013	18.32	17.37	115.73	12.81	32.69	191.26	12.90	14	2.83
2012	(5.28)	(6.05)	83.81	12.36	17.56	119.52	15.81	13	0.79
2011	(14.90)	(15.63)	95.65	15.50	(0.09)	86.73	21.04	17	1.83
2010	17.05	16.14	131.89		16.24	86.90		13	4.22
2009	39.59	38.58	99.66		19.76	60.79		14	16.74
2008	(44.43)	(44.88)	44.07		(36.25)	34.26		16	5.75
2007	(6.68)	(7.42)	161.37		(1.01)	110.61		14	3.90
2006	23.54	22.62	182.32		22.34	112.76		11	1.68
2005	2.07	1.32	130.24		6.85	73.91		12	1.49
2004	16.18	15.28	127.24		16.94	62.76		11	4.03
2003	39.43	38.35	97.12		31.14	39.18		10	2.14
2002	12.22	11.40	42.48		(15.18)	6.13		8	2.70
2001	9.34	9.24	27.90		(4.33)	25.12		7	5.18
2000	3.52	3.52	17.08		8.04	30.78		5 or less	5.29
1999	0.03	(0.35)	13.10		6.65	21.05		5 or less	11.46

Composite creation date: Feb. 2009

The Income Composite Composite Summary and Non-Fee paying Portfolios

* # of Non-Fee Paying Portfolios in the composite is provided as supplemental information

Year ending Dec. 31 (a)	Total Assets in the Composite (000's)	Percent of Firm Assets Under Management	# of Portfolios in the Composite	* # of Non- Fee Paying Portfolios in the Composite	% of Total Value of Non - Fee Paying Portfolios in the Income Composite
2014	\$3,643	12.08%	11	*3	22.78%
2013	\$5,335	12.37%	14	*3	17.57%
2012	\$3,315	8.75%	13	* 3	21.93%
2011	\$4,891	10.51%	17	* 3	16.73%
2010	\$5,428	10.67%	13	* 4	23.66%
2009	\$4,804	6.96%	14	* 4	22.59%
2008	\$4,114	9.26%	16	* 4	19.08%
2007	\$5,892	9.04%	14	* 4	24.30%
2006	\$2,483	4.31%	11	* 4	33.89%
2005	\$2,652	4.81%	12	* 4	33.50%
2004	\$2,328	4.66%	11	* 4	39.80%
2003	\$1,962	5.22%	10	*4	44.20%
2002	\$1,022	4.53%	8	*2	55.40%
2001	\$603	3.79%	7	*2	64.30%
2000	\$564	7.32%	5 or less	5 or less	86.10%
1999	\$756	6.18%	5 or less	5 or less	85.30%
1998	\$363	6.47%	5 or less	5 or less	82.20%

1. Organization and General

Fried Asset Management, Inc. (the "Company") was organized in January 1997. The Company operates as an investment advisor registered with the Securities and Exchange Commission. The portfolios in the composite managed by the Company are invested primarily in growth equity securities.

Fried Asset Management Inc. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. Fried Asset management Inc. has been independently verified for the periods 1998 through 2013 The verification report(s) is/are available upon request.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with GIPS® standards. Verification does not ensure the accuracy of any specific composite presentation.

- (a) Time Weighted Return (TWR) is calculated using the linked Internal Rate of Return (IRR) method. This method requires monthly valuations of the portfolios and precise dating (with end of the day prices) of all external cash flows. The portfolio will be revalued if there is a cash flow on a daily basis. The contributions and the withdrawals are not weighted.
- (b) The rate of return reflects realized and unrealized gains and losses and includes portfolio income.
- (c) The net of fees calculations reflect the deduction of investment management fees and all trading costs. Gross of fees return calculations reflects the deduction of all trading costs.
- (d) Time Weighted Return (TWR) is calculated using the daily valuation method. Valuations of portfolios and precise dating

of all capital flows are valued for each external cash flow at the start of the day. There may be multiple intervals within a month for a given account which receives external cash flow(s), contributions or withdrawals. New intervals are created with each date that an external cash flow occurs on accounts. We do not have a threshold on the cash flows. All intervals are geometrically linked to obtain portfolio returns for each month. TWR is computed by linking the monthly returns within each requested period.

Valuations are computed and performance results are reported in United States dollars.

2. Portfolios Managed

The performance statistics disclosed in the accompanying schedules are calculated based on the rate of return from accounts managed by the Company, as defined below. These accounts (“Portfolio Accounts”) consist of fee paying and non-fee paying discretionary accounts managed by the Company.

The Portfolio Accounts do not have restrictions which affect investment strategies and achieve their objective of capital appreciation through the use of equity securities, cash and cash equivalents. The Income securities are selected according to the Company’s Income Composite Strategy. A Portfolio Account is excluded from the composite return if it has not been under management for a full month.

3. Fair Value

Fair value of the composite is the sum of the portfolios’ total assets, including cash, cash equivalents, short-term investments and securities valued at current market prices in the United States of America on a close of trading date basis.

4. Leverage

Immaterial leverage may be used from time to time if there is not enough cash in an account to cover management fees.

5. Annual Dispersion

Composite dispersion measures represent the consistency of the Company’s composite performance results with respect to the individual portfolio returns within the composite. Annual composite dispersion is calculated through the use of an asset weighted standard deviation for portfolios included in the composite for the entire year. Only portfolios that have been managed for the full year are included in the dispersion calculation.

<i>Years Ended December 31,</i>	<i>Annual Dispersion (net of fees)</i>
2014	3.50%
2013	2.67%
2012	0.85%
2011	1.65%
2010	4.27%
2009	16.68%
2008	5.67%
2007	3.91%
2006	1.46%
2005	1.43%
2004	4.04%
2003	2.20%
2002	2.40%
2001	5.18%
2000	5.29%
1999	11.46%
1998	0.00%

6. Investment Management Fees

The rates of return in the Schedules listed in the Contents reflect the deduction of investment management fees, which decrease the rates of return. Therefore, our net of fees returns are based on actual management fees.

Management fees vary depending on the size of the portfolio and are calculated as a percentage of assets based on the market value on the last business day of each calendar quarter, generally as follows:

<i>Account Value</i>	<i>Annual Fee Rate</i>
Accounts up to \$5,000,000	2.00%
On assets over \$5,000,000	negotiable

The following table shows the effect a 2.00% management fee could have on the total value of the portfolio:

<i>Years</i>	<i>Cumulative Total Return</i>		<i>Basis Points Differential</i>
	<i>Net of Fees</i>	<i>Gross of Fees</i>	
1	7.86%	10.02%	216

3	24.94%	32.59%	765
5	112.53%	134.66%	2,213
<i>Average Annual Return</i>			
<i>Years</i>	<i>Net of Fees</i>	<i>Gross of Fees</i>	<i>Basis Points Differential</i>
1	7.86%	10.02%	216
3	7.70%	9.86%	216
5	16.27%	18.60%	233

The Company has an additional composites under management, which follow a different investment strategy than the Portfolio Accounts in the Income Composite. A complete list of composites is listed on page 8.

7. Comparison with Market Indices (Unaudited)

The indices are used for comparison purposes to illustrate the investment environment existing during the time periods shown. For comparison purposes, the indices are fully invested (i.e., includes reinvestment of dividends) and have been time-linked in the manner described in Note 1 for the composite's rates of return. The rates of return for the indices do not include any transaction costs, management fees or other costs.

8. Future Performance

Past performance is not indicative of future results. Investment results will vary from time to time depending upon market conditions, the composition of the composite portfolios, and trading expenses, so that any investment results reported should not be considered representative of what an investment may earn in any future period. Investment results will vary among the individual portfolios in the composite. These factors and possible differences in calculation methods should be considered when comparing the composite results with those published by other investment advisors, other investment vehicles and unmanaged indices. Also, the rates of return should be considered relative to the risks associated with the investment objectives of the portfolios in the composite.

9. Additional Statements

List of firm policies and additional information regarding policies for calculating and reporting returns are available upon request.

A complete list and description of all of the firm's composites are available upon request.

List of firms composites:

- 1) The Income Composite
- 2) The Buyback Composite

Composite Definitions:

The Income Composite: In these accounts we purchase securities that pay dividends. The general rule is to be 100% invested in the aforementioned stocks. However, manager reserves the right to allocate funds to cash and other securities as deemed appropriate. We have selected Russell 3000 Value Index as the benchmark for this composite

Benchmark Description:

The Russell 3000 Value Index measures the performance of the broad value segment of the U.S. equity universe. It includes those Russell 3000 companies with lower price-to-book ratios and lower forecasted growth values.

The Russell 3000 Value Index is constructed to provide a comprehensive, unbiased, and stable barometer of the broad value market. The Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics.

Other Firm Composites:

The Buyback Composite: In these accounts we purchase companies that buy back their own shares decreasing the number of shares outstanding. The general rule is to be 100% invested in the aforementioned stocks. However, manager reserves the right to allocate funds to cash and other securities as deemed appropriate. We have selected S & P 500 as the benchmark for this composite.

Disclosure: - Prior to 2008, discretionary non-fee paying accounts that were not included in the composite were added as of 1/1/2008.

The composite, BDO Audit was renamed to The Buyback Composite as of 1/1/2008.

Clients will be placed in either or on both composite depending on their individual need and their desires. Accounts are placed into a composite or strategy based on the clients need or desire for either growth or income.

Composite Disclosures:

When an account becomes non-discretionary, it will be removed from the composite and will re-enter the composite with a new start date if and when the discretion is re-instated.



May 8, 2015

Mr. David Fried
Fried Asset Management
1504 4th Street, Suite 203
Santa Monica, CA
90401

Report of Independent Verifications

Dear David:

We are pleased to report that we have separately examined whether Fried Asset Management (FAM) has complied with all the composite construction requirements of the Global Investment Performance Standards (GIPS®) on a firm-wide basis for the periods January 1, 2008 through December 31, 2014, and designed its processes and procedures to calculate and present performance results in compliance with GIPS as of December 31, 2014. FAM's management is responsible for compliance with GIPS, the design of its processes and procedures, and for the performance presentations. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with the guidelines provided by GIPS, including the *Guidance Statement for Verification*. The verification included examining, on a sampling basis, evidence about FAM's compliance with the GIPS requirements, evaluating the design of FAM's processes and procedures, and performing the procedures for a verification set forth by GIPS as well as other procedures we considered necessary. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, Fried Asset Management has, in all material respects:

- Complied with all composite construction requirements of the Global Investment Performance Standards on a firm-wide basis for the calendar annual years from 2008 through 2014, and
- Designed its processes and procedures to calculate and present performance results in compliance with the Global Investment Performance Standards as of December 31, 2014.

We greatly appreciate the opportunity to conduct these verifications for you.

Sincerely,

John D. Simpson, CIPM
Senior Vice President

The Spaulding Group, Inc.

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