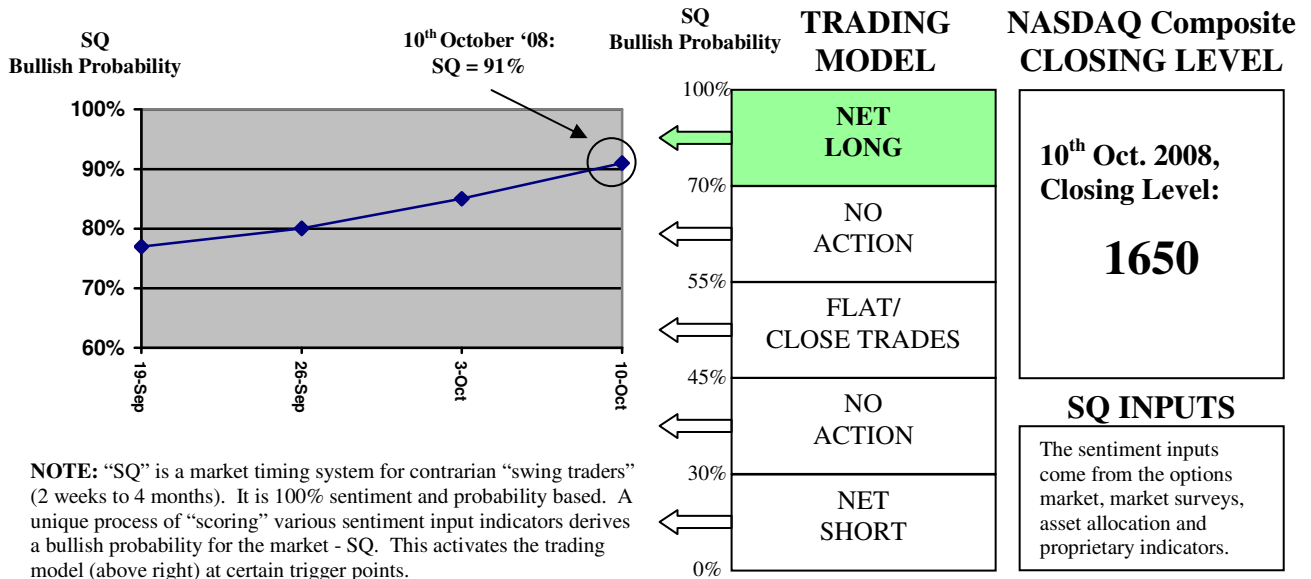


Swing Trading Bulletin

Week 230,
Market Close,
10th Oct. 2008



Commentary

Though the market stopped us out of our LONG trade at 1760 last week, it ended an extraordinary week even lower. While we took a 20% loss on the trade, our model's first-ever loser, performance is only a little below flat for the year so far. This seems acceptable given that the model has just undergone its "perfect storm" scenario. Moreover, bullish probability is now at an unprecedented 91%. So we'll enter a fresh LONG at the NASDAQ open on Monday, deploying all our capital (we'd even consider a geared instrument like the ProShares Ultra QQQ ETF which replicates twice the NASDAQ if our model rules permitted it, which sadly they don't). We're confident that the bounce from this level will be very sharp indeed and within our model's usual timeframe (2 weeks to 4 months). So no stop is used for now, given the extreme rarity of this 91% signal.

Trading Model Rules

All trades are against the NASDAQ Composite and executed either:

- Against the coming week's opening level of the Composite index.
- Via limit/stop orders at a specified level as described in the prior week's report.

Zero transaction/trading costs assumed and no spread. No interest on cash balances. All stop and limit orders entered at the next market open on a "good until cancelled" basis; specified order levels correspond to the NASDAQ Composite. Cancellation can take place only within a report such as this. All trades executed at closest exact level (no fractions).

Current Trades and Open Positions

Trades Executed Last Week:

Stop Order was moved from 1870 to 1760 on Monday 6th October as signalled last weekend. \$US 1,952,588 LONG (opened at average level of 2200) was closed at 1760 (stops activated) on Tuesday 7th October taking a 20% loss on the trade.

Current Open Positions:

\$US 1,562,070 in cash.

Current Pending Orders/New Trades:

Market Order to Open \$US 1,562,070 LONG at NASDAQ opening level on Monday 13th Oct.

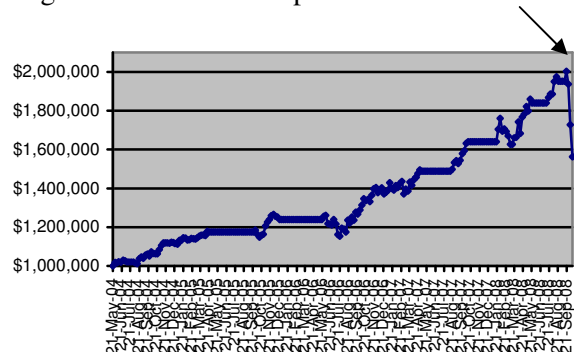
Weekly Performance Track (10th Oct. '08)

Starting Capital: US\$1,000,000 (21st May 2004).

10 Winning Closed Trades, 1 Losing Closed Trade.

Change in NAV since 1 week ago: - 9.6%

Change in NAV since inception: **+56.2%**



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