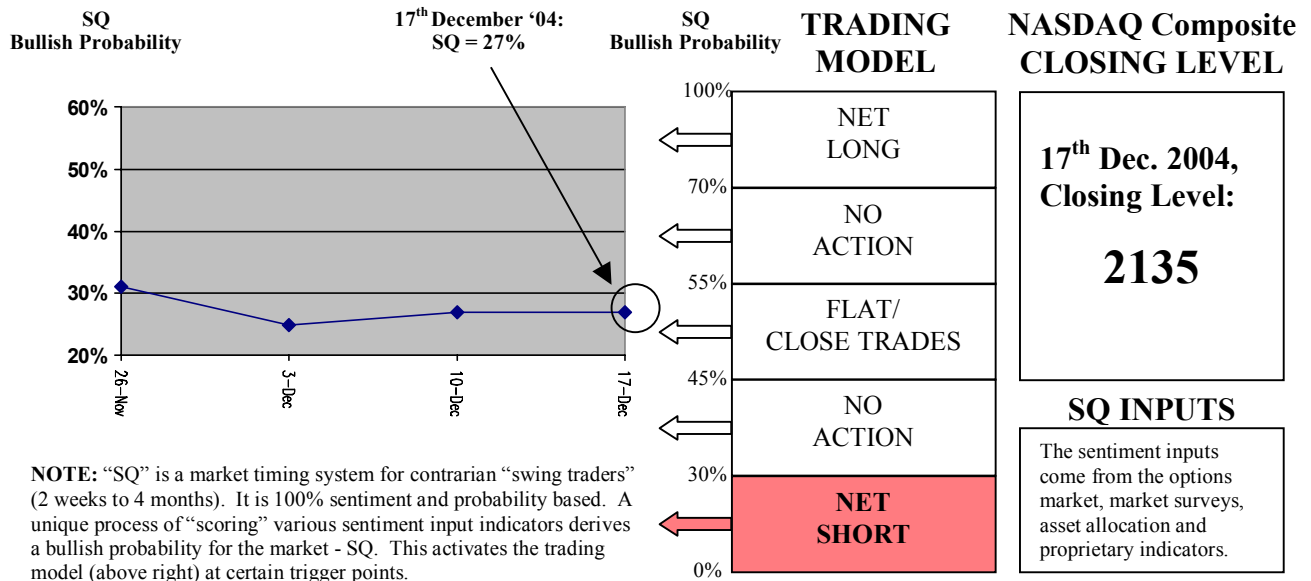


Swing Trading Bulletin

Issue 31,
Market Close,
17th Dec. 2004



Commentary

This was a week of falling volatility with a slight rise in the NASDAQ Composite as traders prepared themselves for the Christmas break. The overall level of bullish probability SQ remained at 27% and our open SHORT Limit orders at higher levels remain unfilled for now. With the expectations of a bullish 2005 almost unanimous there is ample scope for the market to disappoint bulls although there could still be a further short-term rally to confound those who are positioned aggressively short. We are currently happy to have under 50% of our capital SHORT.

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:

NONE.

Current Open Positions:

\$US500,000 SHORT at average level of 2144

(opened on 1st, 2nd and 3rd December 2004)

\$US619,963 in cash

Stop to Close all SHORT positions at 2480

Current Pending Orders:

Limit Orders as follows:

Open SHORT \$US100k @ 2195

Open SHORT \$US100k @ 2210

Open SHORT \$US100k @ 2225

New Trades:

NONE.

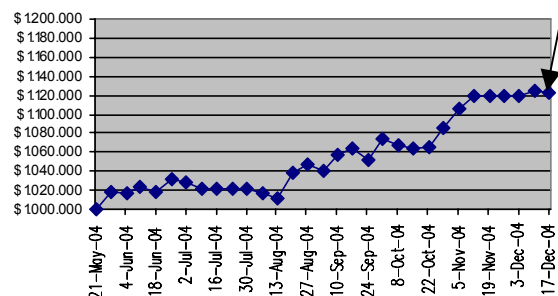
Weekly Performance Track (17th Dec. '04)

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

2 Winning Closed Trades, 0 Losing Closed Trades.

Change in NAV since 1 week: - 0.2%

Change in NAV since inception: **+12.2%**



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