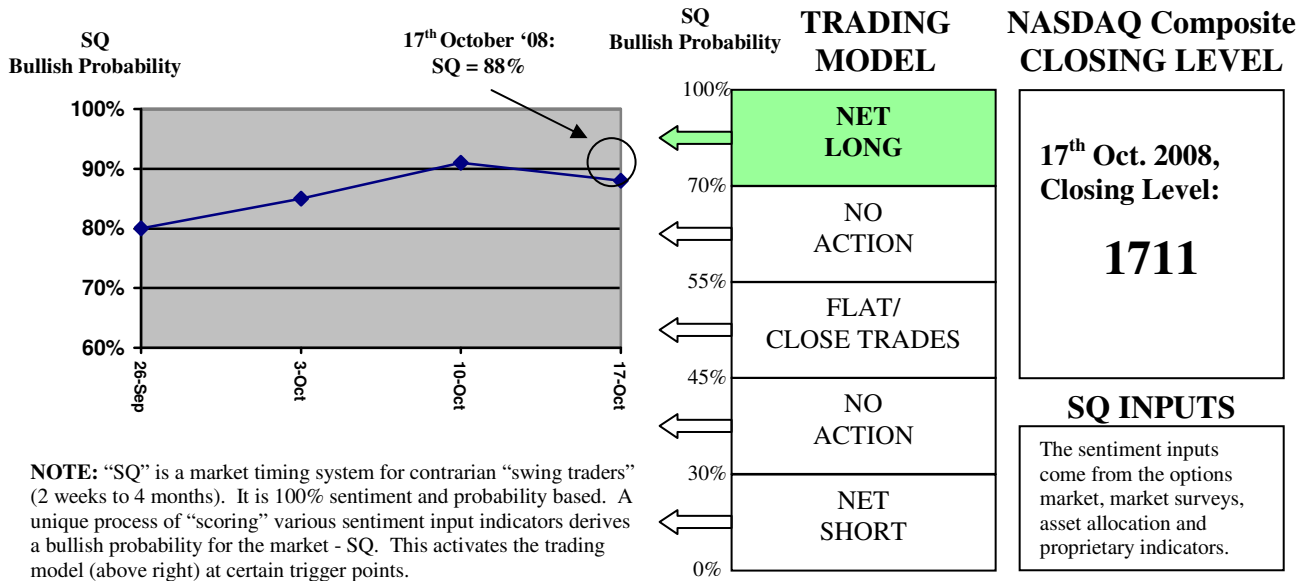


Swing Trading Bulletin

Week 231,
Market Close,
17th Oct. 2008



Commentary

A fresh LONG position was opened at the market open last Monday at a NASDAQ Composite level of 1735. From that point on, no further advance could be sustained. It may take a while for sentiment to recover its poise, but recover it certainly will as the model still reads an extraordinary 88%. Sentiment surveys and volatility are pretty much off the scale, while one of our proprietary measures suggests that the market is around 25% oversold (this indicator has never previously stretched beyond a 10% limit since tracking began in mid-2001). We remain very confident about being LONG and believe that any fund that stays in cash may have severe regrets in a few months time.

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:

\$US 1,562,070 LONG was opened at NASDAQ market opening level of 1735 on Monday 13th October, as signalled in last weekend's report.

Current Open Positions:

\$US 1,562,070 LONG at average level of 1735 (opened on 13th October 2008).

Current Pending Orders/New Trades:
NONE.

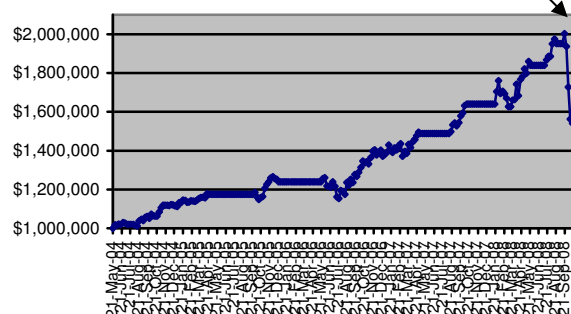
Weekly Performance Track (17th Oct. '08)

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

10 Winning Closed Trades, 1 Losing Closed Trade.

Change in NAV since 1 week ago: - 1.4%

Change in NAV since inception: **+54.0%**



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