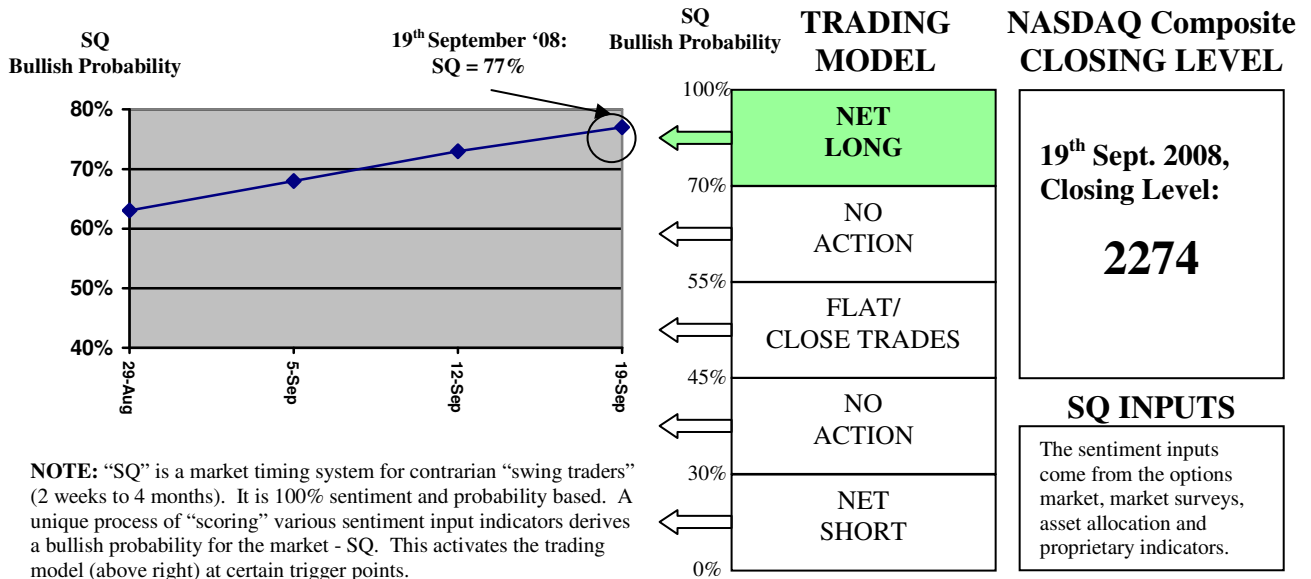


Swing Trading Bulletin

Week 227,
Market Close,
19th Sept. 2008



NOTE: "SQ" is a market timing system for contrarian "swing traders" (2 weeks to 4 months). It is 100% sentiment and probability based. A unique process of "scoring" various sentiment input indicators derives a bullish probability for the market - SQ. This activates the trading model (above right) at certain trigger points.

Commentary

The market opened under two Limit Orders set up in last weekend's report, so they were filled along with our opening Market Order LONG at 2202 on Monday. The last LONG Limit Order at 2186 was also hit on Monday. The near-panic conditions of last week are a perfect backdrop for our new LONG trade. The only regret is that we still have \$US 452,588 in cash, which we hereby assign to a new LONG Limit Order, to be activated if the market falls back to 2200. "Emergency stops" are also now set up as usual at 1870. Although it may not occur immediately, with our model now showing a 77% bullish probability, we fully expect the NASDAQ to move significantly higher from current levels.

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 1,300,000 LONG filled at NASDAQ open of 2202 on 15th September – this filled our Market Order plus a further two Limit Orders which were set up at higher levels in last weekend's report. A further \$US 200,000 LONG was filled at our final Limit Order level (2186) on the same day.

Current Open Positions:

\$US 1,500,000 LONG at average level of 2200 (15th September) and \$US 452,588 in cash.

Current Pending Orders/New Trades:

Limit Order to Open \$US 452,588 LONG at 2200. Stop Order to Close all LONGs at 1870.

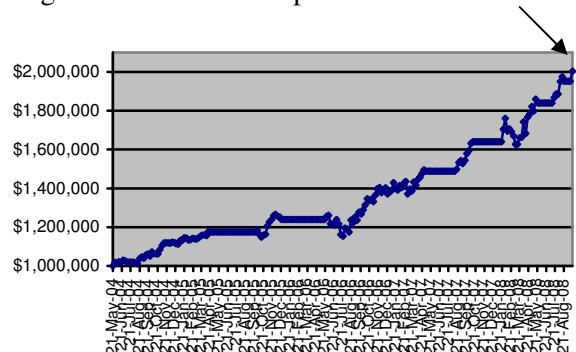
Weekly Performance Track (19th Sep. '08)

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

10 Winning Closed Trades, 0 Losing Closed Trades.

Change in NAV since 1 week ago: + 2.6%

Change in NAV since inception: **+100.3%**



Disclaimer: The timing signals and comments provided by ContraQuant Limited are for research and information purposes only, and should not be considered as investment advice. Descriptions of trading posture and trades simulate our own investment activity, and do not in any way infer that such actions are likely to be profitable. Reliance upon information provided by ContraQuant Limited is at your own risk, and we shall not be held liable for any loss due to posted timing signals and comments. Further, ContraQuant Limited is not registered with any association in any capacity to give investment advice. This document may not be reproduced nor copies circulated without prior authority.