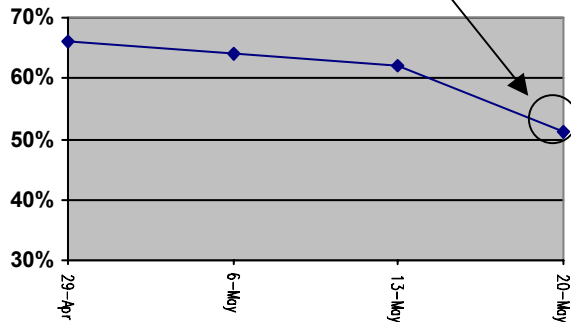


Swing Trading Bulletin

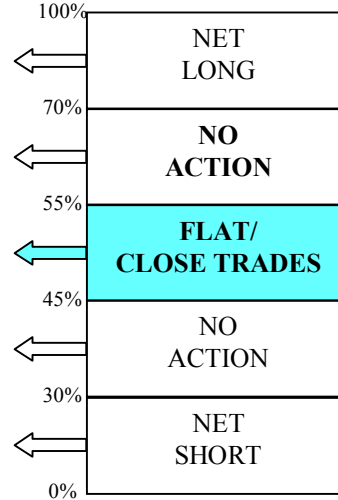
Week 53,
Market Close,
20th May 2005

SQ
Bullish Probability



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.

SQ
Bullish Probability



TRADING
MODEL

NASDAQ Composite
CLOSING LEVEL

20th May 2005,
Closing Level:

2046

SQ INPUTS

The sentiment inputs come from the options market, market surveys, asset allocation and proprietary indicators.

Commentary

With SQ at 51% there is perfect balance in the enhanced model launched exactly 12 months ago. The 4 completed trades so far:

Type	Open	Close	Held...
LONG	1925	1995	6 weeks
LONG	1787	2079	12 weeks
SHORT	2144	2078	8 weeks
SHORT	2090	1918	10 weeks

These were all profitable, though we were unable to scale in our full capital. Hence in the coming 12 months we will be more aggressive in deploying our capital so as to fully exploit the excellent timing so far demonstrated by the model. We will thus aim to better the 17.7% return of the last year – irrespective of market conditions.

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:

\$US 1,176,547 in cash.

Current Pending Orders/New Trades:

NONE.

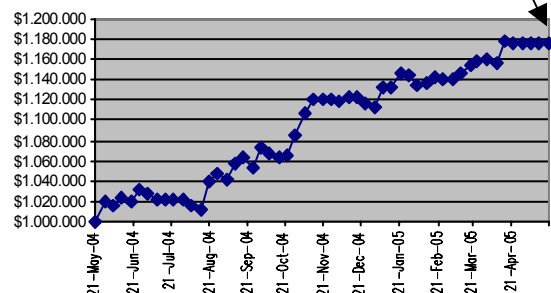
Weekly Performance Track (20th May '05)

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

4 Winning Closed Trades, 0 Losing Closed Trades.

Change in NAV since 1 week ago: + 0.0%

Change in NAV since inception: +17.7%



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.