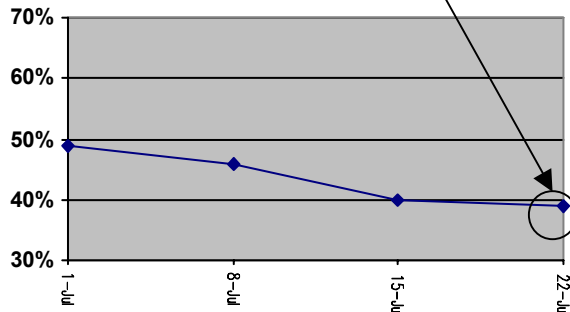


Swing Trading Bulletin

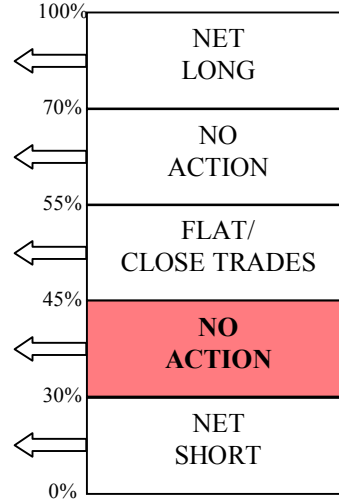
Week 62,
Market Close,
22nd July 2005

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

22nd July 2005,
Closing Level:

2180

SQ INPUTS

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

Commentary

This was a further positive week for the NASDAQ Composite with gains of 1.1% leading to a marginal drop in SQ to 39%. This is still too early to enter a SHORT trade although we could be tempted in coming weeks if the current trend continues. One advantage of our model is that it is sensitive enough to tell us when it is too early to fight the trend (as currently). This demands a great deal of patience in the short term – the payback is that we can then expect a trade to move in our favour much faster than with many other countertrend systems (that tend to enter too early). We remain alert and watchful.

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.

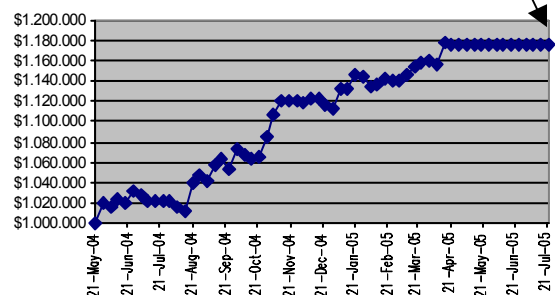
Weekly Performance Track (22nd July '05)

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.