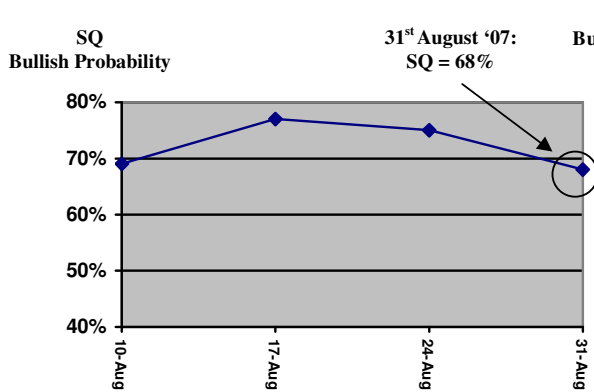
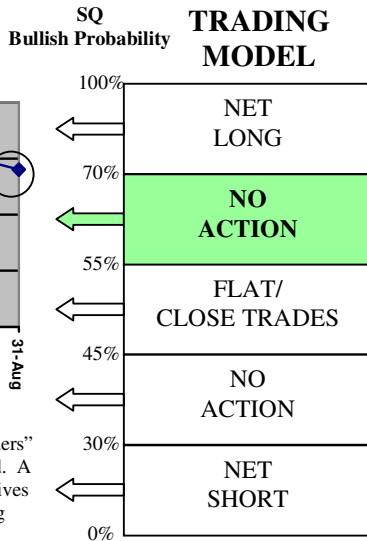


Swing Trading Bulletin

Week 172,
Market Close,
31st August 2007



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.



NASDAQ Composite CLOSING LEVEL

31st Aug. 2007,
Closing Level:

2596

SQ INPUTS

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

Commentary

The air of pessimism continues as many market participants continue to sit baffled at the market's steady recovery. This is ideal for our contrarian LONG position which was filled on the days of maximum market turmoil a few weeks ago. Indeed, while August was a poor month for most hedge fund strategies, our capital increased by a useful 3.6% on the month, adding an extra 5.4% to performance on our initial \$1m capital base. We remain LONG.

Current Trades and Open Positions

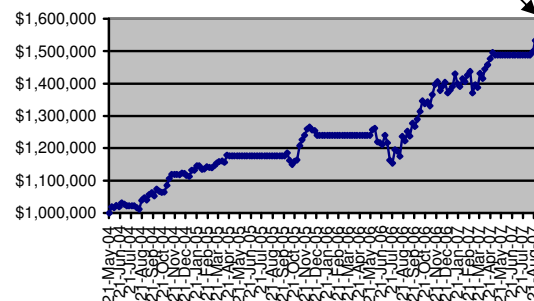
Trades Executed Last Week:
NONE.

Current Open Positions:
\$1,200,000 LONG opened at average level of 2484 (filled 14th and 15th Aug. at 2508, 2486 and 2458).
\$US 287,738 in cash.

Current Pending Orders/New Trades:
Limit Order to Open US\$287,738 LONG at 2484.
Stop Order to Close all positions at 2120.

Weekly Performance Track (31st Aug. '07)

Starting Capital: US\$1,000,000 (21st May 2004).
7 Winning Closed Trades, 0 Losing Closed Trades.
Change in NAV since 1 week ago: + 0.6%
Change in NAV since inception: **+54.2%**



Trading Model Rules

All trades are against the NASDAQ Composite and executed either:
(i) Against the coming week's opening level of the Composite index.
(ii) 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).

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.