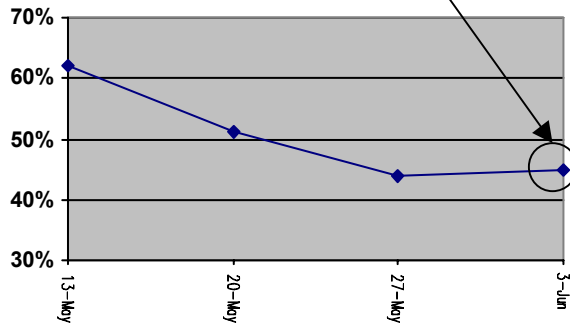


Swing Trading Bulletin

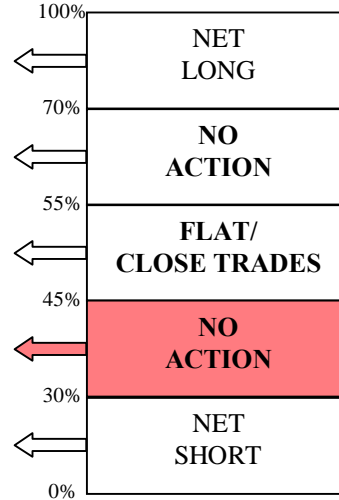
Week 55,
Market Close,
3rd June 2005

SQ
Bullish Probability



3rd June '05:
SQ = 45%

SQ
Bullish Probability



TRADING
MODEL

NASDAQ Composite
CLOSING LEVEL

3rd June 2005,
Closing Level:

2071

SQ INPUTS

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

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

This was a week of little net movement with the market remaining quite finely poised and SQ little changed at 45%. Although complacency continues to dominate we are not opening SHORTs because this investor optimism has not yet been strongly reflected in actual asset allocation. We want to see significantly more money positioned in bullish funds – something that could well begin to happen in the coming weeks – before we take any action on the bearish side. Thus we continue to monitor our sentiment database closely.

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.

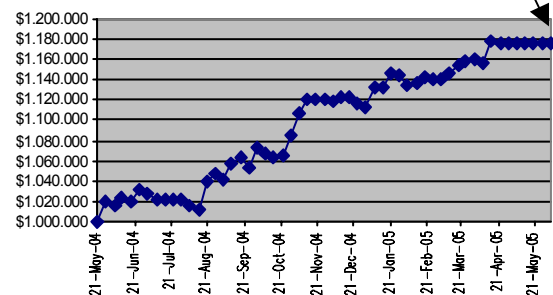
Weekly Performance Track (3rd June '05)

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.