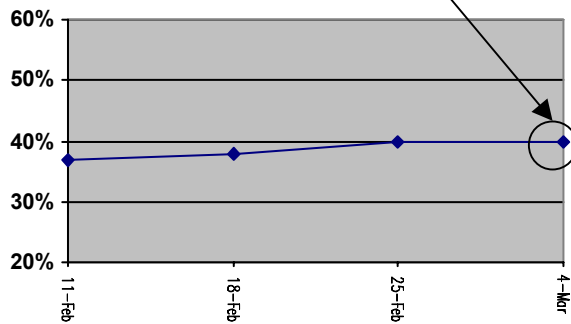


Swing Trading Bulletin

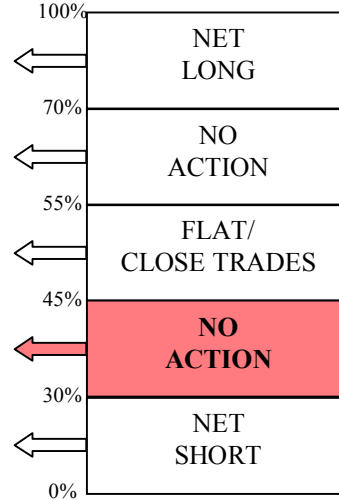
Week 42,
Market Close,
4th Mar. 2005

SQ
Bullish Probability



4th March '05:
SQ = 40%

SQ
Bullish Probability



TRADING
MODEL

NASDAQ Composite
CLOSING LEVEL

4th Mar. 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

There was a relatively small rise in the NASDAQ Composite on the week, despite much stronger upward momentum in the broader market. This now leaves open two short-term possibilities. One scenario is that the NASDAQ Composite will play catch-up with the DJIA and rise strongly. If this occurs we would be very happy for our SHORT Limit Orders to be filled above 2100, which would increase our overall SHORT position and its average entry level. Alternatively, the complacency of market participants will be punctured and turn into a broad sell-off. While optimistic sentiment is not at its most extreme we do feel that the probabilities firmly favour our medium term bearish posture.

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 500,000 SHORT at average level of 2090 (opened on 7th, 14th and 15th February).

\$US 635,355 in cash.

Current Pending Orders/New Trades:

Limit Order to Open SHORT \$US 100,000 at 2110.

Limit Order to Open SHORT \$US 100,000 at 2120.

Stop Order to Close all SHORT positions at 2450.

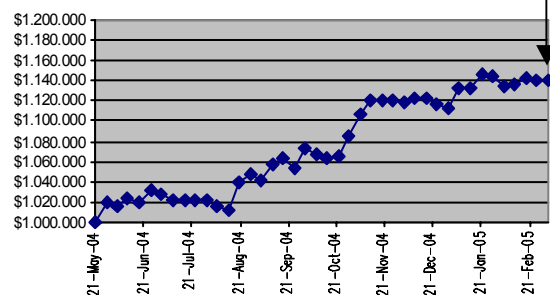
Weekly Performance Track (4th Mar. '05)

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

3 Winning Closed Trades, 0 Losing Closed Trades.

Change in NAV since 1 week: - 0.1%

Change in NAV since inception: **+14.0%**



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.