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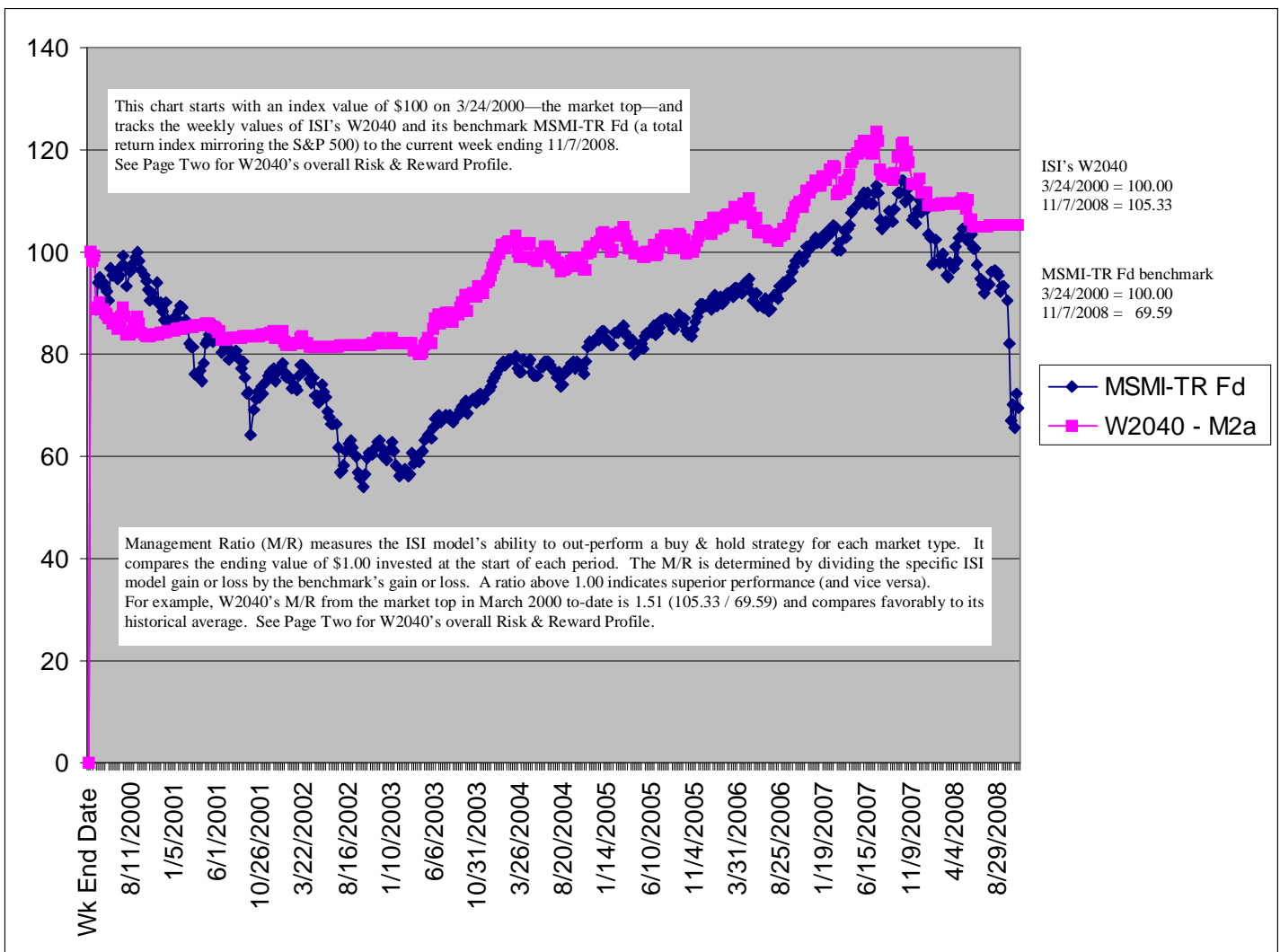
ISI's W2040 Performance from 3/24/2000 to 11/7/2008—CURRENT MARKET CYCLE PLUS . . .

The graph below tracks our W2040 Weekly Stock Market Model from the stock market peak in March 2000—a period marked by an historic stock market bubble top, a difficult bear market and a so-so recovery from the low in 2002. Since October 2007 stock prices have entered a new bear market in response to the global credit crisis and contracting world economy.

Tracking with our model's net cumulative return is its benchmark (Major Stock Market Index—Total Return Fund or MSMI-TR which is based upon the S&P 500 Index on a total return basis). See Page Two for explanations of total return methods employed in determining index values. While our W2040 fell 18% in the 2000-2002 down market, its loss was much less the benchmark's drop of 46% from the 3/24/00 market peak to the 10/4/02 bottom. During the rising bull market from October 2002 to the peak in October 2007, the W2040 lagged the benchmark's gain (49% vs. 112%) by an amount greater than the historical average. In the current declining bear market, our W2040 is once again proving its value to manage risk. While the benchmark has dropped nearly 40% from its October 2007 high, the W2040 is down just over 13%—thus avoiding 2/3rds of the benchmark's loss.

For the full period since March 2000, W2040 has gained 5.3% which compares favorably to the cumulative loss of 30.4% for the MSMI-TR fund benchmark, resulting in a superior 1.51 Management Ratio. See box inside chart for an explanation of Management Ratio.

See Page Two for W2040's overall Risk & Reward Profile from inception on December 30, 1899—over 108 years back.



RISK & REWARD PROFILE

for ISI's W2040 Weekly Stock Market Model (w2040)

1. Cyclical Comparison

Our approach to the stock market is founded on the premise that financial markets move in cyclical patterns with a full market encompassing both a rising (bull) and declining (bear) market. An excellent means to judge the merits of actual or model performance is to compare results to a stock market benchmark during both market types and the full cycle. The table below summarizes the average results for the 26 bull and 26 bear market periods from W2040's 12/30/1899 mathematical inception, as measured week-to-week and determined by a +/- 20% price change in the benchmark from any point, to 11/7/2008—over 108 years:

Type of Mkt	From	To	Weeks	Stk BM*	W2040	M/R‡	
Avg. 26 Up Markets >	6-16-1900	11-7-2008	155	168 %	103 %	0.79	
Avg. 26 Down Mkts >	6-29-1901	11-7-2008**	62	- 33 %	- 11 %	1.39	
		** in progress					
				\$100 Invested >	12/30/1899**	W2040	M/R‡
From Inception >	12-30-1899	11-7-2008**	5,660	\$2,079,460	\$9,956,162	4.79	

‡ Management Ratio (M/R) measures the ISI model's ability to out-perform a buy & hold strategy for each market type. It compares the ending value of \$1.00 invested at the start of each period. The MR is determined by dividing the specific ISI model gain or loss by the benchmark's gain or loss. A ratio above 1.00 indicates superior performance (and vice versa).

2. Weekly Comparison

The table below summarizes results according to the 5,660 weekly periods or +108 years from 12/30/1899 to 11/7/2008:

Breakdown by Week —		Stk BM*	W2040	vs. SBM
Profitable . . .	Number of Weekly Periods with Gains >	3,247	3,952	709
	% of Total Weeks from 12/30/1899 to 11/7/08**	57 %	70 %	13 %
	% Largest 1-Week Gain	18.5 %	13.5 %	- 5 %
Unprofitable . . .	Number of Weekly Periods with Losses >	2,413	1,702	- 711
	% of Total Weeks from 12/30/1899 to 11/7/08**	43 %	30 %	- 13 %
	% Largest 1-Week Loss	- 18.4 %	-18.4 %	0 %
	Cumulative % Loss from all losing weeks	- 4,520 %	- 2,213 %	2,307 %
Portfolio Strategy . . .	Number of Weeks with Position Changes >		829	
	% of Total Weeks from 12/30/1899 to 11/7/2008		14.6 %	

* The Major Stock Market Index Total Return Fund (or Stk BM) is determined from three components. Added to the daily price change of the S&P 500 Index is a factor for reported dividends. Last, an internal expense factor, annualized at 0.18%, is factored. Prior to 1930, the daily price change of the Dow Jones Industrial Average was used as a proxy for the S&P. Dividend yields reported by the Cowles Commission (annual averages) were employed from 1919 through 1929, thereafter the actual monthly and weekly reported for the S&P.

** W2040 Weekly Stock Market Model employs the same Stk BM fund (discussed above) for stock market allocation (ranging from 0-100% invested) . The money market component uses a created index based on 90-day treasury bill yields, and with an internal expense factor, annualized at 0.20%, which typifies government money market fund.

3. Modern Portfolio Theory (MPT) Risk Analysis . . .

MPT statistics measure diversification, volatility and risk-adjusted rate of return relative to a stock market benchmark, such as the S&P 500, and risk-free returns via U.S. Treasury Bills. The table below summarizes cumulative MPT results from the W2040 model inception on 12/30/1899 to 10/24/2008.

Risk Management for 1,414 4-week periods from 12/30/1899-10/24/08		Stk BM	W2040	vs. SBM
R-squared . . .	Diversification (relative to Stk BM) >	100 %	51 %	- 49 %
Beta . . .	Volatility (relative to Stk BM) >	1.00	0.47	- .53

R2 = R-squared is an indication of diversification, measured in terms of percentage from 0 to 100, compared to the 100 for the Stock Market Benchmark (see above). For example, if R2 is 85, it means that 85% of the measured risk is related to the overall market (the Stk BM) and 15% is attributable to other factors.

A beta of 1.00 means that the model is about as volatile as the stock market benchmark. If the benchmark gains 10% , the model will gain about 10% and vice-versa. A beta of 0.55 means that the volatility is reduced by 45%, a benchmark loss of 10% will mean the model will drop about 5.5% . A 10% gain would mean a 5.5% gain for a .55 beta.

Alpha . . .	Risk-Adjusted Return (relative to Stk BM) >	0.0 %	4.0 %	+ 4.0 %
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An alpha above zero means that the model has performed above expectations and vice-versa. Alpha is expressed in percentage terms compared to the benchmark, which has a zero alpha. It measures the difference between the model's actual performance and the performance anticipated relative to its volatility factor or beta. For more info on MPT see *Investment Manager's Handbook*, edited by Sumner N. Levine, published by Dow Jones Irwin, ISBN 0-87094-207-7.

This is a theoretical illustration only and not a projection or guarantee of future results with any stock market index or ISI mathematical model. One can expect actual results to vary. Investment Strategies, Inc. is an economics modeling firm and is not registered as an advisor with the SEC or any state. This model should not be considered individual investment advice and investors should seek such advice from their own advisors.