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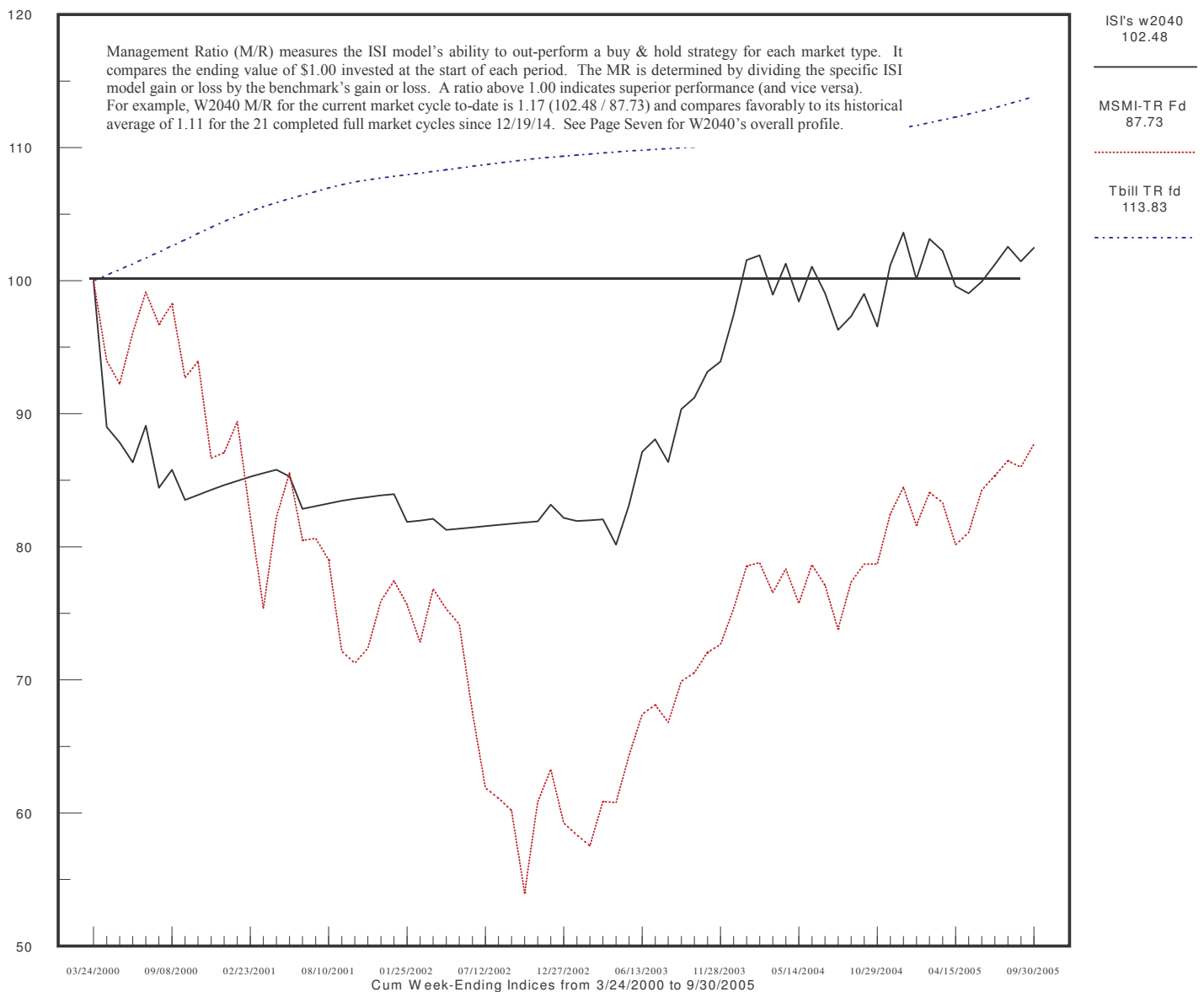


## ISI's W2040 Performance from 3/24/2000 to 9/30/2005—CURRENT MARKET CYCLE . . .

The graph below tracks our W2040 Weekly Stock Market Model during the current market cycle—a period marked by an historic stock market bubble top, a difficult bear market and a recovery from the low in 2002. Tracking with our model's net cumulative return is its benchmark (our Major Stock Market Index—Total Return Fund or MSMI-TR which is based upon the S&P 500 Index). See Page Seven for explanations of total return methods employed in determining index values. While our W2040 fell 14.84% in the down market, its loss was much less than the benchmark's drop of 45.78% from the 3/24/00 market peak to the 10/4/02 bottom. Typical of rising markets, W2040's 0.77 Management Ratio is exactly in line with the historical average. For the all-important full market cycle, W2040 Mgt Ratio is 1.17 and compares favorably to its average of 1.11 for the 21 completed full market cycles since 12/19/14. See box inside chart for an explanation of Management Ratio.

See Pages Two—Six for a complete weekly breakdown of the current market cycle. The five pages of tables include W2040's allocations and the returns for the benchmark and risk-free treasury bills. Page Seven provides W2040's overall Risk & Reward Profile from inception.

### Performance Comparison for Current Market Cycle



ISI's w2040 = ISI's W 2040 Mathematical Market Model  
MSMI-TR Fd = Major Stock Market Index-Total Return Fd, benchmark  
Tbill fd = Risk-free Treasury Bill Money Market Fund

Past Performance Is Not A  
Guarantee For Future Results  
See Page Seven for notes & explanations.

Wk End Date	S&P 500 Idx % Price Chg	Weekly Total Rtn Price Chg & Divd	MSMI-TR Fd Cum Indx w Exp	Wkly Tb Trtn w Exp Factor	W2040 Model % Stock Alloc.	W2040 Model % TBill Alloc.	Wkly Total Rtn W2040 Model	W2040 Model Cum Indx w Exp	Management Ratio w2040 / MSMI-TR
03/24/2000			<b>100.00</b>		100	0		<b>100.00</b>	<b>1.00</b>
03/31/2000	-1.89	-1.8727	<b>98.13</b>	0.1058	100	0	-1.8761	<b>98.12</b>	<b>1.00</b>
04/07/2000	1.19	1.2073	<b>99.31</b>	0.1056	100	0	1.2038	<b>99.31</b>	<b>1.00</b>
04/14/2000	-10.48	-10.4548	<b>88.93</b>	0.1043	0	100	-10.4583	<b>88.92</b>	<b>1.00</b>
04/20/2000	5.68	5.6989	<b>94.00</b>	0.1039	100	0	0.1039	<b>89.01</b>	<b>0.95</b>
04/28/2000	1.25	1.2682	<b>95.19</b>	0.1044	100	0	1.2648	<b>90.14</b>	<b>0.95</b>
05/05/2000	-1.36	-1.3402	<b>93.91</b>	0.1071	100	0	-1.3437	<b>88.93</b>	<b>0.95</b>
05/12/2000	-0.81	-0.7927	<b>93.17</b>	0.1104	50	50	-0.7962	<b>88.22</b>	<b>0.95</b>
05/19/2000	-0.99	-0.9633	<b>92.27</b>	0.1054	50	50	-0.4307	<b>87.84</b>	<b>0.95</b>
05/26/2000	-2.06	-2.0338	<b>90.39</b>	0.1044	0	100	-0.9664	<b>86.99</b>	<b>0.96</b>
06/02/2000	7.20	7.2241	<b>96.92</b>	0.1054	100	0	0.1054	<b>87.08</b>	<b>0.90</b>
06/09/2000	-1.37	-1.3534	<b>95.61</b>	0.1064	100	0	-1.3568	<b>85.90</b>	<b>0.90</b>
06/16/2000	0.52	0.5369	<b>96.13</b>	0.1043	100	0	0.5335	<b>86.36</b>	<b>0.90</b>
06/23/2000	-1.57	-1.5472	<b>94.64</b>	0.1052	100	0	-1.5507	<b>85.02</b>	<b>0.90</b>
06/30/2000	0.91	0.9311	<b>95.52</b>	0.1054	100	0	0.9277	<b>85.81</b>	<b>0.90</b>
07/07/2000	1.67	1.6922	<b>97.14</b>	0.1083	100	0	1.6888	<b>87.26</b>	<b>0.90</b>
07/14/2000	2.10	2.1229	<b>99.20</b>	0.1106	100	0	2.1195	<b>89.11</b>	<b>0.90</b>
07/21/2000	-1.98	-1.9593	<b>97.26</b>	0.1100	100	0	-1.9627	<b>87.36</b>	<b>0.90</b>
07/28/2000	-4.07	-4.0460	<b>93.32</b>	0.1112	0	100	-4.0495	<b>83.82</b>	<b>0.90</b>
08/04/2000	3.03	3.0525	<b>96.17</b>	0.1119	100	0	0.1119	<b>83.91</b>	<b>0.87</b>
08/11/2000	0.61	0.6301	<b>96.78</b>	0.1129	100	0	0.6267	<b>84.44</b>	<b>0.87</b>
08/18/2000	1.35	1.3702	<b>98.10</b>	0.1125	100	0	1.3668	<b>85.59</b>	<b>0.87</b>
08/25/2000	0.99	1.0100	<b>99.09</b>	0.1133	100	0	1.0065	<b>86.46</b>	<b>0.87</b>
09/01/2000	0.95	0.9706	<b>100.05</b>	0.1127	100	0	0.9672	<b>87.29</b>	<b>0.87</b>
09/08/2000	-1.73	-1.7067	<b>98.35</b>	0.1104	100	0	-1.7102	<b>85.80</b>	<b>0.87</b>
09/15/2000	-1.92	-1.8990	<b>96.48</b>	0.1104	50	50	-1.9025	<b>84.17</b>	<b>0.87</b>
09/22/2000	-1.17	-1.1448	<b>95.37</b>	0.1106	50	50	-0.5188	<b>83.73</b>	<b>0.88</b>
09/29/2000	-0.84	-0.8213	<b>94.59</b>	0.1117	0	100	-0.3565	<b>83.43</b>	<b>0.88</b>
10/06/2000	-1.92	-1.8945	<b>92.80</b>	0.1121	0	100	0.1121	<b>83.52</b>	<b>0.90</b>
10/13/2000	-2.47	-2.4519	<b>90.52</b>	0.1112	0	100	0.1112	<b>83.62</b>	<b>0.92</b>
10/20/2000	1.66	1.6811	<b>92.05</b>	0.1135	0	100	0.1135	<b>83.71</b>	<b>0.91</b>
10/27/2000	-1.24	-1.2205	<b>90.92</b>	0.1140	0	100	0.1140	<b>83.81</b>	<b>0.92</b>
11/03/2000	3.42	3.4378	<b>94.05</b>	0.1148	0	100	0.1148	<b>83.90</b>	<b>0.89</b>
11/10/2000	-4.26	-4.2343	<b>90.07</b>	0.1144	0	100	0.1144	<b>84.00</b>	<b>0.93</b>
11/17/2000	0.13	0.1502	<b>90.20</b>	0.1140	0	100	0.1140	<b>84.10</b>	<b>0.93</b>
11/24/2000	-1.90	-1.8743	<b>88.51</b>	0.1144	0	100	0.1144	<b>84.19</b>	<b>0.95</b>
12/01/2000	-1.98	-1.9595	<b>86.78</b>	0.1119	0	100	0.1119	<b>84.29</b>	<b>0.97</b>
12/08/2000	4.15	4.1701	<b>90.39</b>	0.1092	0	100	0.1092	<b>84.38</b>	<b>0.93</b>
12/15/2000	-4.19	-4.1713	<b>86.62</b>	0.1079	0	100	0.1079	<b>84.47</b>	<b>0.98</b>
12/22/2000	-0.48	-0.4582	<b>86.23</b>	0.0943	0	100	0.0943	<b>84.55</b>	<b>0.98</b>
12/29/2000	1.11	1.1291	<b>87.20</b>	0.1060	0	100	0.1060	<b>84.64</b>	<b>0.97</b>
01/05/2001	-1.67	-1.6447	<b>85.77</b>	0.0914	0	100	0.0914	<b>84.72</b>	<b>0.99</b>
01/12/2001	1.55	1.5747	<b>87.12</b>	0.0945	0	100	0.0945	<b>84.80</b>	<b>0.97</b>
01/19/2001	1.82	1.8426	<b>88.72</b>	0.0937	0	100	0.0937	<b>84.88</b>	<b>0.96</b>
01/26/2001	0.92	0.9449	<b>89.56</b>	0.0926	0	100	0.0926	<b>84.95</b>	<b>0.95</b>
02/02/2001	-0.40	-0.3813	<b>89.22</b>	0.0905	0	100	0.0905	<b>85.03</b>	<b>0.95</b>
02/09/2001	-2.57	-2.5493	<b>86.94</b>	0.0903	0	100	0.0903	<b>85.11</b>	<b>0.98</b>
02/16/2001	-1.01	-0.9823	<b>86.09</b>	0.0897	0	100	0.0897	<b>85.18</b>	<b>0.99</b>
02/23/2001	-4.31	-4.2831	<b>82.40</b>	0.0872	0	100	0.0872	<b>85.26</b>	<b>1.03</b>
03/02/2001	-0.90	-0.8811	<b>81.68</b>	0.0864	0	100	0.0864	<b>85.33</b>	<b>1.04</b>
03/09/2001	-0.06	-0.0375	<b>81.65</b>	0.0843	0	100	0.0843	<b>85.40</b>	<b>1.05</b>
03/16/2001	-6.72	-6.6913	<b>76.18</b>	0.0807	0	100	0.0807	<b>85.47</b>	<b>1.12</b>
03/23/2001	-0.93	-0.9006	<b>75.50</b>	0.0761	0	100	0.0761	<b>85.54</b>	<b>1.13</b>
03/30/2001	1.79	1.8181	<b>76.87</b>	0.0761	0	100	0.0761	<b>85.60</b>	<b>1.11</b>
04/06/2001	-2.75	-2.7222	<b>74.78</b>	0.0726	0	100	0.0726	<b>85.66</b>	<b>1.15</b>
04/12/2001	4.88	4.9057	<b>78.45</b>	0.0726	0	100	0.0726	<b>85.73</b>	<b>1.09</b>
04/20/2001	5.02	5.0457	<b>82.40</b>	0.0703	0	100	0.0703	<b>85.79</b>	<b>1.04</b>
04/27/2001	0.82	0.8402	<b>83.10</b>	0.0675	0	100	0.0675	<b>85.85</b>	<b>1.03</b>
05/04/2001	1.08	1.1041	<b>84.01</b>	0.0686	50	50	0.0686	<b>85.90</b>	<b>1.02</b>
05/11/2001	-1.65	-1.6312	<b>82.64</b>	0.0661	0	100	-0.7843	<b>85.23</b>	<b>1.03</b>
05/18/2001	3.72	3.7403	<b>85.73</b>	0.0644	50	50	0.0644	<b>85.29</b>	<b>0.99</b>

Wk End Date	S&P 500 Idx % Price Chg	Weekly Total Rtn Price Chg & Divd	MSMI-TR Fd Cum Indx w Exp	Wkly Tb Trtn w Exp Factor	W2040 Model % Stock Alloc.	W2040 Model % TBill Alloc.	Wkly Total Rtn W2040 Model	W2040 Model Cum Indx w Exp	Management Ratio w2040 / MSMI-TR
05/25/2001	-1.09	-1.0649	<b>84.82</b>	0.0644	50	50	-0.5020	<b>84.86</b>	<b>1.00</b>
06/01/2001	-1.35	-1.3234	<b>83.70</b>	0.0655	50	50	-0.6306	<b>84.32</b>	<b>1.01</b>
06/08/2001	0.34	0.3647	<b>84.00</b>	0.0644	50	50	0.2128	<b>84.50</b>	<b>1.01</b>
06/15/2001	-4.00	-3.9764	<b>80.66</b>	0.0629	0	100	-1.9585	<b>82.85</b>	<b>1.03</b>
06/22/2001	0.91	0.9295	<b>81.41</b>	0.0617	0	100	0.0617	<b>82.90</b>	<b>1.02</b>
06/29/2001	-0.08	-0.0544	<b>81.37</b>	0.0627	0	100	0.0627	<b>82.95</b>	<b>1.02</b>
07/06/2001	-2.76	-2.7354	<b>79.14</b>	0.0646	0	100	0.0646	<b>83.00</b>	<b>1.05</b>
07/13/2001	2.10	2.1293	<b>80.83</b>	0.0640	0	100	0.0640	<b>83.06</b>	<b>1.03</b>
07/20/2001	-0.39	-0.3691	<b>80.53</b>	0.0631	0	100	0.0631	<b>83.11</b>	<b>1.03</b>
07/27/2001	-0.41	-0.3810	<b>80.22</b>	0.0629	0	100	0.0629	<b>83.16</b>	<b>1.04</b>
08/03/2001	0.70	0.7238	<b>80.80</b>	0.0625	0	100	0.0625	<b>83.21</b>	<b>1.03</b>
08/10/2001	-1.99	-1.9665	<b>79.21</b>	0.0615	0	100	0.0615	<b>83.26</b>	<b>1.05</b>
08/17/2001	-2.37	-2.3437	<b>77.36</b>	0.0606	0	100	0.0606	<b>83.31</b>	<b>1.08</b>
08/24/2001	1.98	2.0010	<b>78.91</b>	0.0598	0	100	0.0598	<b>83.36</b>	<b>1.06</b>
08/31/2001	-4.33	-4.3065	<b>75.51</b>	0.0604	0	100	0.0604	<b>83.41</b>	<b>1.10</b>
09/07/2001	-4.22	-4.1901	<b>72.34</b>	0.0604	0	100	0.0604	<b>83.47</b>	<b>1.15</b>
09/14/2001	0.62	0.6500	<b>72.81</b>	0.0604	0	100	0.0604	<b>83.52</b>	<b>1.15</b>
09/21/2001	-11.60	-11.5710	<b>64.39</b>	0.0416	0	100	0.0416	<b>83.55</b>	<b>1.30</b>
09/28/2001	7.78	7.8058	<b>69.41</b>	0.0410	0	100	0.0410	<b>83.58</b>	<b>1.20</b>
10/05/2001	2.93	2.9562	<b>71.47</b>	0.0391	0	100	0.0391	<b>83.62</b>	<b>1.17</b>
10/12/2001	1.89	1.9173	<b>72.84</b>	0.0379	0	100	0.0379	<b>83.65</b>	<b>1.15</b>
10/19/2001	-1.66	-1.6349	<b>71.65</b>	0.0381	0	100	0.0381	<b>83.68</b>	<b>1.17</b>
10/26/2001	2.90	2.9273	<b>73.74</b>	0.0376	0	100	0.0376	<b>83.71</b>	<b>1.14</b>
11/02/2001	-1.58	-1.5487	<b>72.60</b>	0.0349	0	100	0.0349	<b>83.74</b>	<b>1.15</b>
11/09/2001	3.05	3.0734	<b>74.83</b>	0.0316	0	100	0.0316	<b>83.77</b>	<b>1.12</b>
11/16/2001	1.64	1.6643	<b>76.08</b>	0.0312	50	50	0.0312	<b>83.79</b>	<b>1.10</b>
11/23/2001	1.02	1.0518	<b>76.88</b>	0.0328	50	50	0.5406	<b>84.25</b>	<b>1.10</b>
11/30/2001	-0.94	-0.9167	<b>76.17</b>	0.0314	50	50	-0.4444	<b>83.87</b>	<b>1.10</b>
12/07/2001	1.65	1.6794	<b>77.45</b>	0.0291	50	50	0.8525	<b>84.59</b>	<b>1.09</b>
12/14/2001	-3.04	-3.0136	<b>75.12</b>	0.0280	0	100	-1.4945	<b>83.32</b>	<b>1.11</b>
12/21/2001	1.94	1.9691	<b>76.60</b>	0.0284	50	50	0.0284	<b>83.35</b>	<b>1.09</b>
12/28/2001	1.41	1.4353	<b>77.70</b>	0.0287	50	50	0.7303	<b>83.96</b>	<b>1.08</b>
01/04/2002	0.99	1.0157	<b>78.49</b>	0.0287	100	0	0.5205	<b>84.39</b>	<b>1.08</b>
01/11/2002	-2.30	-2.2690	<b>76.71</b>	0.0274	50	50	-2.2725	<b>82.48</b>	<b>1.08</b>
01/18/2002	-1.57	-1.5463	<b>75.52</b>	0.0263	0	100	-0.7618	<b>81.85</b>	<b>1.08</b>
01/25/2002	0.51	0.5321	<b>75.92</b>	0.0284	0	100	0.0284	<b>81.87</b>	<b>1.08</b>
02/01/2002	-0.98	-0.9507	<b>75.20</b>	0.0289	0	100	0.0289	<b>81.89</b>	<b>1.09</b>
02/08/2002	-2.32	-2.2873	<b>73.48</b>	0.0291	0	100	0.0291	<b>81.92</b>	<b>1.11</b>
02/15/2002	0.73	0.7532	<b>74.03</b>	0.0291	0	100	0.0291	<b>81.94</b>	<b>1.11</b>
02/22/2002	-1.30	-1.2711	<b>73.09</b>	0.0293	0	100	0.0293	<b>81.97</b>	<b>1.12</b>
03/01/2002	3.85	3.8755	<b>75.92</b>	0.0295	50	50	0.0295	<b>81.99</b>	<b>1.08</b>
03/08/2002	2.87	2.9003	<b>78.13</b>	0.0299	100	0	1.4634	<b>83.19</b>	<b>1.06</b>
03/15/2002	0.16	0.1851	<b>78.27</b>	0.0309	100	0	0.1817	<b>83.34</b>	<b>1.06</b>
03/22/2002	-1.50	-1.4710	<b>77.12</b>	0.0310	50	50	-1.4744	<b>82.11</b>	<b>1.06</b>
03/28/2002	-0.13	-0.1033	<b>77.04</b>	0.0305	50	50	-0.0381	<b>82.08</b>	<b>1.07</b>
04/05/2002	-2.13	-2.1069	<b>75.42</b>	0.0297	0	100	-1.0403	<b>81.23</b>	<b>1.08</b>
04/12/2002	-1.04	-1.0171	<b>74.65</b>	0.0286	0	100	0.0286	<b>81.25</b>	<b>1.09</b>
04/19/2002	1.27	1.3015	<b>75.62</b>	0.0287	0	100	0.0287	<b>81.27</b>	<b>1.07</b>
04/26/2002	-4.34	-4.3138	<b>72.36</b>	0.0287	0	100	0.0287	<b>81.30</b>	<b>1.12</b>
05/03/2002	-0.27	-0.2403	<b>72.19</b>	0.0295	0	100	0.0295	<b>81.32</b>	<b>1.13</b>
05/10/2002	-1.72	-1.6897	<b>70.97</b>	0.0295	0	100	0.0295	<b>81.34</b>	<b>1.15</b>
05/17/2002	4.89	4.9190	<b>74.46</b>	0.0295	0	100	0.0295	<b>81.37</b>	<b>1.09</b>
05/24/2002	-2.06	-2.0295	<b>72.95</b>	0.0291	0	100	0.0291	<b>81.39</b>	<b>1.12</b>
05/31/2002	-1.54	-1.5121	<b>71.84</b>	0.0291	0	100	0.0291	<b>81.42</b>	<b>1.13</b>
06/07/2002	-3.71	-3.6816	<b>69.20</b>	0.0291	0	100	0.0291	<b>81.44</b>	<b>1.18</b>
06/14/2002	-1.97	-1.9426	<b>67.85</b>	0.0289	0	100	0.0289	<b>81.46</b>	<b>1.20</b>
06/21/2002	-1.80	-1.7698	<b>66.65</b>	0.0287	0	100	0.0287	<b>81.49</b>	<b>1.22</b>
06/28/2002	0.07	0.1014	<b>66.72</b>	0.0284	0	100	0.0284	<b>81.51</b>	<b>1.22</b>
07/05/2002	-0.08	-0.0476	<b>66.69</b>	0.0286	0	100	0.0286	<b>81.53</b>	<b>1.22</b>
07/12/2002	-6.84	-6.8045	<b>62.15</b>	0.0286	0	100	0.0286	<b>81.56</b>	<b>1.31</b>
07/19/2002	-7.99	-7.9592	<b>57.20</b>	0.0286	0	100	0.0286	<b>81.58</b>	<b>1.43</b>

Wk End Date	S&P 500 Idx % Price Chg	Weekly Total Rtn Price Chg & Divd	MSMI-TR Fd Cum Indx w Exp	Wkly Tb Trtn w Exp Factor	W2040 Model % Stock Alloc.	W2040 Model % TBill Alloc.	Wkly Total Rtn W2040 Model	W2040 Model Cum Indx w Exp	Management Ratio w2040 / MSMI-TR
07/26/2002	0.60	0.6364	57.57	0.0282	0	100	0.0282	81.60	1.42
08/02/2002	1.34	1.3697	58.36	0.0280	0	100	0.0280	81.63	1.40
08/09/2002	5.14	5.1718	61.37	0.0266	0	100	0.0266	81.65	1.33
08/16/2002	2.22	2.2482	62.75	0.0270	0	100	0.0270	81.67	1.30
08/23/2002	1.30	1.3333	63.59	0.0270	0	100	0.0270	81.69	1.28
08/30/2002	-2.63	-2.6021	61.94	0.0278	0	100	0.0278	81.71	1.32
09/06/2002	-2.42	-2.3840	60.46	0.0270	0	100	0.0270	81.74	1.35
09/13/2002	-0.46	-0.4266	60.20	0.0280	0	100	0.0280	81.76	1.36
09/20/2002	-4.99	-4.9572	57.22	0.0278	0	100	0.0278	81.78	1.43
09/27/2002	-2.13	-2.0965	56.02	0.0272	0	100	0.0272	81.80	1.46
10/04/2002	-3.24	-3.2013	54.22	0.0259	0	100	0.0259	81.83	1.51
10/11/2002	4.34	4.3785	56.60	0.0258	0	100	0.0258	81.85	1.45
10/18/2002	5.87	5.9097	59.94	0.0274	0	100	0.0274	81.87	1.37
10/25/2002	1.50	1.5331	60.86	0.0269	0	100	0.0269	81.89	1.35
11/01/2002	0.37	0.4027	61.11	0.0229	0	100	0.0229	81.91	1.34
11/08/2002	-0.69	-0.6576	60.71	0.0191	0	100	0.0191	81.93	1.35
11/15/2002	1.69	1.7208	61.75	0.0191	50	50	0.0191	81.94	1.33
11/22/2002	2.28	2.3105	63.18	0.0191	50	50	1.1631	82.89	1.31
11/29/2002	0.62	0.6514	63.59	0.0192	50	50	0.3336	83.17	1.31
12/06/2002	-2.57	-2.5386	61.97	0.0188	0	100	-1.2616	82.12	1.33
12/13/2002	-2.49	-2.4582	60.45	0.0189	0	100	0.0189	82.14	1.36
12/20/2002	0.70	0.7313	60.89	0.0187	0	100	0.0187	82.15	1.35
12/27/2002	-2.27	-2.2321	59.53	0.0179	0	100	0.0179	82.17	1.38
01/03/2003	3.79	3.8261	61.81	0.0190	50	50	0.0190	82.18	1.33
01/10/2003	2.09	2.1225	63.12	0.0186	50	50	1.0688	83.06	1.32
01/17/2003	-2.78	-2.7470	61.39	0.0182	0	100	-1.3661	81.93	1.33
01/24/2003	-4.48	-4.4427	58.66	0.0178	0	100	0.0178	81.94	1.40
01/31/2003	-0.66	-0.6259	58.30	0.0182	0	100	0.0182	81.96	1.41
02/07/2003	-3.04	-3.0028	56.54	0.0180	0	100	0.0180	81.97	1.45
02/14/2003	0.63	0.6647	56.92	0.0182	0	100	0.0182	81.99	1.44
02/21/2003	1.59	1.6274	57.85	0.0185	0	100	0.0185	82.00	1.42
02/28/2003	-0.83	-0.7901	57.39	0.0187	0	100	0.0187	82.02	1.43
03/07/2003	-1.46	-1.4200	56.58	0.0172	0	100	0.0172	82.03	1.45
03/14/2003	0.53	0.5661	56.90	0.0173	0	100	0.0173	82.04	1.44
03/21/2003	7.52	7.5521	61.19	0.0183	50	50	0.0183	82.06	1.34
03/28/2003	-3.62	-3.5796	59.00	0.0175	0	100	-1.7828	80.60	1.37
04/04/2003	1.78	1.8131	60.07	0.0175	50	50	0.0175	80.61	1.34
04/11/2003	-1.20	-1.1644	59.37	0.0181	0	100	-0.5749	80.15	1.35
04/17/2003	2.91	2.9469	61.12	0.0181	50	50	0.0181	80.16	1.31
04/25/2003	0.59	0.6194	61.50	0.0176	50	50	0.3168	80.42	1.31
05/02/2003	3.48	3.5132	63.66	0.0172	100	0	1.7634	81.83	1.29
05/09/2003	0.36	0.3918	63.91	0.0169	100	0	0.3883	82.15	1.29
05/16/2003	1.17	1.2002	64.68	0.0158	100	0	1.1968	83.13	1.29
05/23/2003	-1.17	-1.1392	63.94	0.0164	100	0	-1.1427	82.18	1.29
05/30/2003	3.25	3.2873	66.04	0.0170	100	0	3.2838	84.88	1.29
06/06/2003	2.51	2.5403	67.72	0.0158	100	0	2.5369	87.04	1.29
06/13/2003	0.09	0.1177	67.80	0.0121	100	0	0.1142	87.14	1.29
06/20/2003	0.72	0.7474	68.31	0.0116	100	0	0.7439	87.78	1.29
06/27/2003	-1.96	-1.9230	66.99	0.0123	100	0	-1.9265	86.09	1.29
07/03/2003	0.97	1.0033	67.67	0.0123	100	0	0.9998	86.95	1.29
07/11/2003	1.26	1.2939	68.54	0.0128	100	0	1.2904	88.08	1.29
07/18/2003	-0.48	-0.4499	68.23	0.0130	100	0	-0.4534	87.68	1.28
07/25/2003	0.54	0.5730	68.62	0.0135	100	0	0.5695	88.18	1.28
08/01/2003	-1.86	-1.8215	67.37	0.0138	100	0	-1.8250	86.57	1.28
08/08/2003	-0.26	-0.2265	67.22	0.0139	100	0	-0.2299	86.37	1.28
08/15/2003	1.34	1.3723	68.14	0.0139	100	0	1.3688	87.55	1.28
08/22/2003	0.24	0.2750	68.33	0.0144	100	0	0.2715	87.79	1.28
08/29/2003	1.51	1.5394	69.38	0.0146	100	0	1.5359	89.14	1.28
09/05/2003	1.33	1.3601	70.33	0.0139	100	0	1.3567	90.35	1.28
09/12/2003	-0.27	-0.2369	70.16	0.0140	100	0	-0.2403	90.13	1.28
09/19/2003	1.73	1.7678	71.40	0.0139	100	0	1.7644	91.72	1.28

Wk End Date	S&P 500 Idx % Price Chg	Weekly Total Rtn Price Chg & Divd	MSMI-TR Fd Cum Indx w Exp	Wkly Tb Trtn w Exp Factor	W2040 Model % Stock Alloc.	W2040 Model % TBill Alloc.	Wkly Total Rtn W2040 Model	W2040 Model Cum Indx w Exp	Management Ratio w2040 / MSMI-TR
09/26/2003	-3.81	-3.7733	68.71	0.0137	100	0	-3.7767	88.25	1.28
10/03/2003	3.31	3.3438	71.00	0.0136	100	0	3.3403	91.20	1.28
10/10/2003	0.80	0.8300	71.59	0.0132	100	0	0.8265	91.96	1.28
10/17/2003	0.12	0.1538	71.70	0.0135	100	0	0.1503	92.09	1.28
10/24/2003	-1.00	-0.9687	71.01	0.0139	100	0	-0.9721	91.20	1.28
10/31/2003	2.12	2.1513	72.54	0.0140	100	0	2.1479	93.16	1.28
11/07/2003	0.24	0.2703	72.73	0.0140	100	0	0.2669	93.41	1.28
11/14/2003	-0.27	-0.2394	72.56	0.0139	100	0	-0.2428	93.18	1.28
11/21/2003	-1.43	-1.4020	71.54	0.0136	100	0	-1.4054	91.87	1.28
11/28/2003	2.21	2.2463	73.15	0.0136	100	0	2.2428	93.93	1.28
12/05/2003	0.31	0.3442	73.40	0.0133	100	0	0.3408	94.25	1.28
12/12/2003	1.19	1.2228	74.30	0.0130	100	0	1.2193	95.40	1.28
12/19/2003	1.35	1.3838	75.32	0.0126	100	0	1.3803	96.72	1.28
12/26/2003	0.66	0.6959	75.85	0.0124	100	0	0.6925	97.39	1.28
01/02/2004	1.15	1.1803	76.74	0.0135	100	0	1.1768	98.53	1.28
01/09/2004	1.21	1.2381	77.69	0.0123	100	0	1.2347	99.75	1.28
01/16/2004	1.60	1.6323	78.96	0.0127	100	0	1.6288	101.37	1.28
01/23/2004	0.15	0.1818	79.11	0.0128	100	0	0.1783	101.55	1.28
01/30/2004	-0.91	-0.8816	78.41	0.0134	100	0	-0.8850	100.66	1.28
02/06/2004	1.03	1.0592	79.24	0.0135	100	0	1.0558	101.72	1.28
02/13/2004	0.27	0.2979	79.48	0.0134	100	0	0.2945	102.02	1.28
02/20/2004	-0.15	-0.1171	79.38	0.0137	100	0	-0.1206	101.90	1.28
02/27/2004	0.07	0.1038	79.46	0.0139	100	0	0.1003	102.00	1.28
03/05/2004	1.04	1.0721	80.32	0.0140	100	0	1.0687	103.09	1.28
03/12/2004	-3.14	-3.1047	77.82	0.0140	100	0	-3.1082	99.88	1.28
03/19/2004	-0.96	-0.9303	77.10	0.0137	100	0	-0.9338	98.95	1.28
03/26/2004	-0.15	-0.1224	77.00	0.0138	100	0	-0.1259	98.83	1.28
04/02/2004	3.05	3.0777	79.37	0.0139	100	0	3.0742	101.86	1.28
04/08/2004	-0.22	-0.1863	79.23	0.0137	100	0	-0.1897	101.67	1.28
04/16/2004	-0.41	-0.3814	78.92	0.0137	100	0	-0.3848	101.28	1.28
04/23/2004	0.53	0.5601	79.37	0.0144	100	0	0.5567	101.84	1.28
04/30/2004	-2.92	-2.8864	77.08	0.0144	50	50	-2.8898	98.90	1.28
05/07/2004	-0.78	-0.7431	76.50	0.0160	50	50	-0.3653	98.54	1.29
05/14/2004	-0.27	-0.2395	76.32	0.0147	50	50	-0.1141	98.43	1.29
05/21/2004	-0.20	-0.1616	76.20	0.0154	50	50	-0.0748	98.35	1.29
05/28/2004	2.48	2.5129	78.11	0.0163	100	0	1.2629	99.60	1.28
06/04/2004	0.16	0.1954	78.26	0.0187	100	0	0.1919	99.79	1.27
06/10/2004	1.24	1.2771	79.26	0.0204	100	0	1.2737	101.06	1.27
06/18/2004	-0.13	-0.0950	79.19	0.0201	100	0	-0.0985	100.96	1.27
06/25/2004	-0.05	-0.0194	79.17	0.0205	100	0	-0.0229	100.93	1.27
07/02/2004	-0.80	-0.7648	78.57	0.0204	100	0	-0.7682	100.16	1.27
07/09/2004	-1.12	-1.0834	77.72	0.0201	50	50	-1.0869	99.07	1.27
07/16/2004	-1.03	-0.9923	76.94	0.0213	50	50	-0.4872	98.59	1.28
07/23/2004	-1.38	-1.3449	75.91	0.0218	0	100	-0.6633	97.93	1.29
07/30/2004	1.43	1.4631	77.02	0.0232	50	50	0.0232	97.96	1.27
08/06/2004	-3.43	-3.3908	74.41	0.0231	0	100	-1.6856	96.31	1.29
08/13/2004	0.08	0.1137	74.49	0.0230	0	100	0.0230	96.33	1.29
08/20/2004	3.15	3.1853	76.87	0.0240	50	50	0.0240	96.35	1.25
08/27/2004	0.86	0.8920	77.55	0.0253	100	0	0.4569	96.79	1.25
09/03/2004	0.53	0.5604	77.99	0.0271	100	0	0.5569	97.33	1.25
09/10/2004	0.92	0.9575	78.73	0.0273	100	0	0.9541	98.26	1.25

Wk End Date	S&P 500 Idx % Price Chg	Weekly Total Rtn Price Chg & Divd	MSMI-TR Fd Cum Indx w Exp	Wkly Tb Trtn w Exp Factor	W2040 Model % Stock Alloc.	W2040 Model % TBill Alloc.	Wkly Total Rtn W2040 Model	W2040 Model Cum Indx w Exp	Management Ratio w2040 / MSMI-TR
09/17/2004	0.41	0.4475	79.09	0.0281	100	0	0.4440	98.70	1.25
09/24/2004	-1.63	-1.5996	77.82	0.0286	100	0	-1.6031	97.11	1.25
10/01/2004	1.93	1.9606	79.35	0.0279	100	0	1.9571	99.01	1.25
10/08/2004	-0.83	-0.7931	78.72	0.0279	100	0	-0.7966	98.22	1.25
10/15/2004	-1.24	-1.2078	77.77	0.0290	50	50	-1.2112	97.04	1.25
10/22/2004	-1.12	-1.0898	76.92	0.0308	0	100	-0.5313	96.52	1.25
10/29/2004	3.14	3.1790	79.36	0.0319	100	0	0.0319	96.55	1.22
11/05/2004	3.18	3.2158	81.92	0.0342	100	0	3.2123	99.65	1.22
11/12/2004	1.54	1.5763	83.21	0.0352	100	0	1.5728	101.22	1.22
11/19/2004	-1.17	-1.1346	82.26	0.0363	100	0	-1.1380	100.07	1.22
11/26/2004	1.05	1.0850	83.16	0.0374	100	0	1.0815	101.15	1.22
12/03/2004	0.72	0.7534	83.78	0.0377	100	0	0.7499	101.91	1.22
12/10/2004	-0.27	-0.2332	83.59	0.0383	100	0	-0.2366	101.67	1.22
12/17/2004	0.52	0.5552	84.05	0.0374	100	0	0.5518	102.23	1.22
12/23/2004	1.33	1.3667	85.20	0.0373	100	0	1.3633	103.62	1.22
12/31/2004	0.15	0.1809	85.35	0.0380	100	0	0.1774	103.81	1.22
01/07/2005	-2.12	-2.0895	83.57	0.0398	100	0	-2.0930	101.63	1.22
01/14/2005	-0.14	-0.1071	83.48	0.0406	100	0	-0.1105	101.52	1.22
01/21/2005	-1.41	-1.3713	82.34	0.0403	100	0	-1.3748	100.12	1.22
01/28/2005	0.30	0.3329	82.61	0.0423	100	0	0.3295	100.45	1.22
02/04/2005	2.70	2.7370	84.87	0.0426	100	0	2.7336	103.20	1.22
02/11/2005	0.19	0.2220	85.06	0.0440	100	0	0.2186	103.43	1.22
02/18/2005	-0.31	-0.2741	84.83	0.0451	100	0	-0.2775	103.14	1.22
02/25/2005	0.81	0.8475	85.55	0.0474	100	0	0.8440	104.01	1.22
03/04/2005	0.89	0.9208	86.33	0.0478	100	0	0.9173	104.96	1.22
03/11/2005	-1.80	-1.7693	84.81	0.0478	100	0	-1.7728	103.10	1.22
03/18/2005	-0.87	-0.8346	84.10	0.0487	100	0	-0.8381	102.24	1.22
03/24/2005	-1.53	-1.4967	82.84	0.0493	50	50	-1.5002	100.71	1.22
04/01/2005	0.13	0.1637	82.97	0.0484	50	50	0.1043	100.81	1.21
04/08/2005	0.71	0.7412	83.59	0.0481	50	50	0.3929	101.21	1.21
04/15/2005	-3.27	-3.2299	80.89	0.0484	0	100	-1.5925	99.59	1.23
04/22/2005	0.83	0.8675	81.59	0.0509	0	100	0.0509	99.65	1.22
04/29/2005	0.41	0.4464	81.96	0.0505	0	100	0.0505	99.70	1.22
05/06/2005	1.25	1.2892	83.01	0.0499	50	50	0.0499	99.75	1.20
05/13/2005	-1.48	-1.4411	81.82	0.0490	0	100	-0.6978	99.05	1.21
05/20/2005	3.05	3.0880	84.34	0.0503	100	0	0.0503	99.10	1.17
05/27/2005	0.80	0.8339	85.05	0.0515	100	0	0.8304	99.92	1.17
06/03/2005	-0.23	-0.1950	84.88	0.0523	100	0	-0.1984	99.72	1.17
06/10/2005	0.17	0.2100	85.06	0.0525	100	0	0.2066	99.93	1.17
06/17/2005	1.57	1.6080	86.43	0.0520	100	0	1.6046	101.53	1.17
06/24/2005	-2.09	-2.0509	84.65	0.0537	100	0	-2.0543	99.45	1.17
07/01/2005	0.24	0.2765	84.89	0.0554	100	0	0.2731	99.72	1.17
07/08/2005	1.46	1.4935	86.16	0.0555	100	0	1.4900	101.21	1.17
07/15/2005	1.33	1.3599	87.33	0.0571	100	0	1.3565	102.58	1.17
07/22/2005	0.47	0.5036	87.77	0.0593	100	0	0.5001	103.09	1.17
07/29/2005	0.04	0.0750	87.83	0.0600	100	0	0.0716	103.16	1.17
08/05/2005	-0.63	-0.5939	87.31	0.0620	100	0	-0.5973	102.55	1.17
08/12/2005	0.32	0.3584	87.62	0.0620	100	0	0.3549	102.91	1.17
08/19/2005	-0.87	-0.8329	86.89	0.0619	100	0	-0.8364	102.05	1.17
08/26/2005	-1.20	-1.1622	85.88	0.0626	50	50	-1.1656	100.86	1.17
09/02/2005	1.07	1.1072	86.84	0.0609	100	0	0.5823	101.45	1.17
09/09/2005	1.93	1.9606	88.54	0.0613	100	0	1.9571	103.44	1.17
09/16/2005	-0.29	-0.2529	88.31	0.0615	100	0	-0.2563	103.17	1.17
09/23/2005	-1.83	-1.7918	86.73	0.0611	100	0	-1.7953	101.32	1.17
09/30/2005	1.11	1.1478	87.73	0.0627	100	0	1.1443	102.48	1.17

# 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 22 bull and 21 bear market periods from W2040's 12/19/1914 inception, as measured week-to-week and determined by a +/- 20% price change in the benchmark from any point, to 9/30/2005 or 90.8 years:

Type of Mkt	From	To	Weeks	Stk BM*	W2040	M/R‡
Avg. 22 Up Markets >	12-19-14	9-30-05**	164	180 %	109 %	0.78
Avg. 21 Down Mkts >	11-18-16	10-04-02	54	- 33 %	- 11 %	1.41
		** in progress				
			\$100 Invested >	12/19/14*	W2040	M/R‡
Sum 21.5 Full Cycles >	12-19-14	9-30-05**	4,736	\$1,052,727	\$2,266,055	2.15

‡ 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 monthly periods for the 4,736 weekly periods (one unchanged) or 90.8 years from 12/19/1914 to 9/30/2005:

Breakdown by Week —		Stk BM*	W2040	vs. SBM
Profitable . . .	Number of Weekly Periods with Gains >	2,744	3,264	520
	% of Total Weeks from 12/19/14 to 9/30/05**	58 %	69 %	11 %
	% Largest 1-Week Gain	18.5 %	13.5 %	- 5 %
Unprofitable . . .	Number of Weekly Periods with Losses >	1,992	1,466	- 526
	% of Total Weeks from 12/19/14 to 9/30/05**	42 %	31 %	- 11 %
	% Largest 1-Week Loss	- 18.4 %	-18.4 %	0 %
	Cumulative % Loss from all losing weeks	- 3,753 %	- 1,881 %	1,872 %
Portfolio Strategy . . .	Number of Weeks with Position Changes >		694	
	% of Total Weeks from 12/19/14 to 9/30/2005		14.7 %	

\* 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 model's inception on 12/19/1914 to 9/30/2005.

Risk Management for 1,915 4-week periods from 12/19/14 to 9/30/05		Stk BM	W2040	vs. SBM
R-squared . . .	Diversification (relative to Stk BM) >	100 %	52 %	- 48 %
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 %	3.9 %	+ 3.9 %
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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.

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