

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 12/31/1899 mathematical inception, as measured week-to-week and determined by a +/- 20% price change in the benchmark from any point, to 11/21/2008 or 108.25 years:

Type of Mkt	From	To	Weeks	Stk BM*	W2040	M/R‡
Avg. 26 Up Markets >	6-23-1900	10-12-2007	155	169 %	103 %	0.79
Avg. 26 Down Mkts >	6-29-1901	11-21-2008**	62	- 33 %	- 11 %	1.40
		** in progress				
		\$100 Invested >	12/31/1899*	W2040	M/R‡	
Cum from Inception >	12-31-1899	11-21-2008**	5,663	\$1,989,141	\$9,327,332	4.69

‡ 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 5,663 weekly periods or 108.85 years from 12/31/1899 to 11/21/2008:

Breakdown by Week —	Stk BM*	W2040	vs. SBM
Profitable . . .			
Number of Weekly Periods with Gains >	3,248	3,942	694
% of Total Weeks from 12/31/1899 to 11/21/08	57 %	70 %	13 %
% Largest 1-Week Gain	18.5 %	13.5 %	- 5 %
Unprofitable . . .			
Number of Weekly Periods with Losses >	2,415	1,563	- 852
% of Total Weeks from 12/31/1899 to 11/21/08	43 %	28 %	- 15 %
% Largest 1-Week Loss	- 18.4 %	- 18.4 %	0 %
Cumulative % Loss from all losing weeks	- 4,536 %	- 2,213 %	2,323 %
Portfolio Strategy . . .			
Number of Weeks with Position Changes >		829	
% of Total Weeks—12/31/1899 to 11/21/2008		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 1900 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 (in 4-week periods) from model's inception on 12/31/1899 to 11/21/2008.

Risk Management for 1,415 4-week periods—12/31/1899 to 11/21/2008	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
Alpha . . .	Risk-Adjusted Return (relative to Stk BM) >	0.0 %	4.0 %	+ 4.0 %

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.

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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ISI's W2040 Weekly Stock Market Model



A graphic and narrative introduction of W2040 from its mathematical inception on December 31, 1899

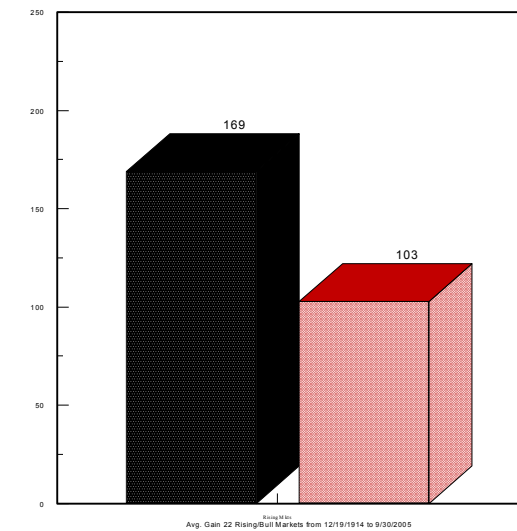
SUMMARY INTRODUCTION . . .

W2040's objective is to beat its stock market benchmark, both in absolute and risk-adjusted terms, over a full market cycle. This mathematical model is provided free—offered as a community service to investors—weekly. Pages Two/Three graphically track each rising and falling market (defined as a 20% price change from any point) from 12/31/1899 to 11/21/2008. We are currently in the 26th full market cycle, which is the combination of a rising & falling period. The cumulative results clearly illustrate the value added by W2040. See Page Four (opposite) for the Risk & Reward Profile for W2040 and the charts below for summary results.

ISI's W2040 Performance Summary . . .

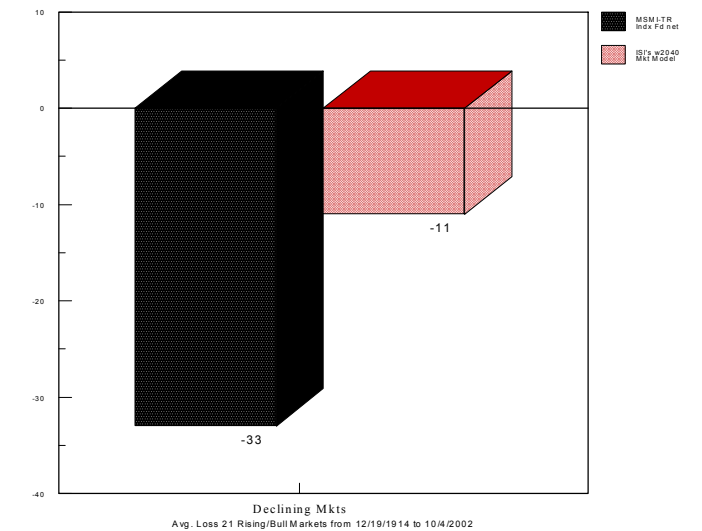
The graphs below match up with key data provided on Page Four (opposite). The top left chart shows the average gain for the Stock Market Benchmark (Stk BM) vs. W2040 over the 26 rising or bull markets from 1900. To the right, the comparison focus on the average loss during the 26 declining or bear markets. The bottom chart tracks the cumulative values at market cycle turn points from the March 2000 peak to 11/21/2008. These charts sum up the essence of W2040's success—managing risk in down markets.

Performance Comparison for Avg. Rising/Bull Market



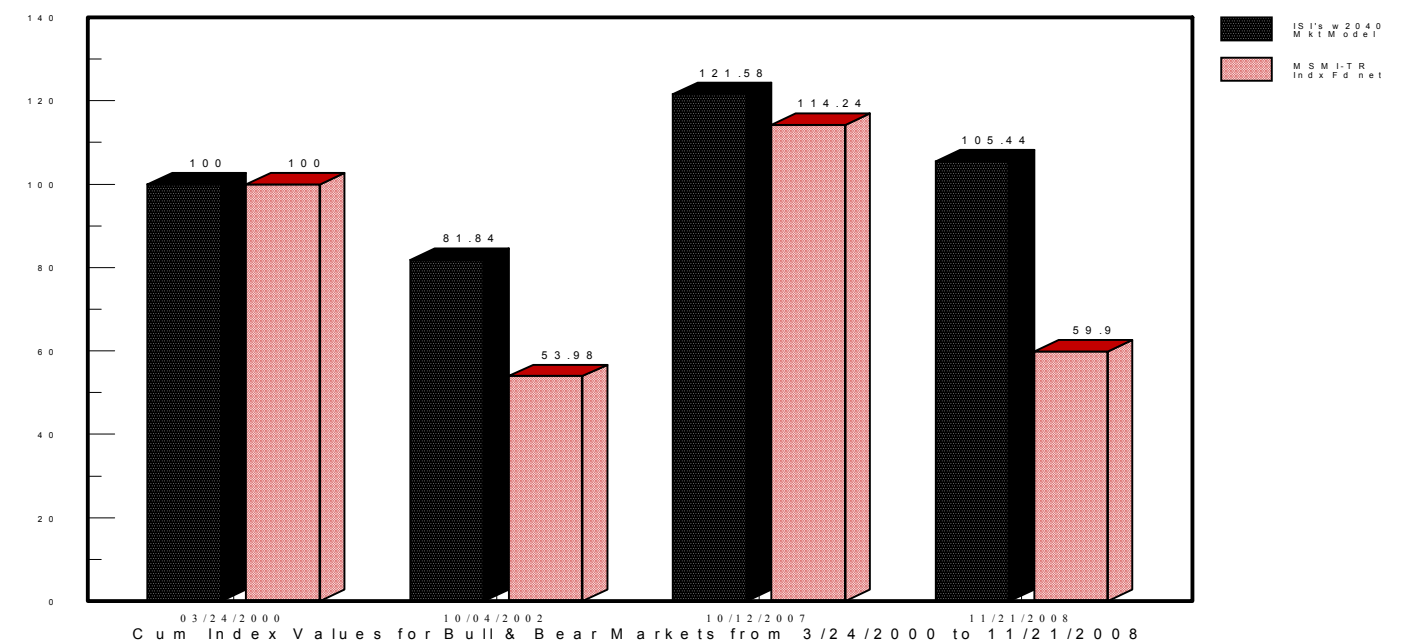
ISI's w2040 = ISI's W2040 Mathematical Market Model
S&P500 TR Idx Fd = S&P 500 Total Return Fund (benchmark)
Past Performance Is Not A Guarantee For Future Results
See Page Four for notes & explanations.

Performance Comparison for Avg. Declining/Bear Market



ISI's w2040 = ISI's W2040 Mathematical Market Model
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ISI's W 2040 Stock Market Model vs. Benchmark



ISI's w2040 = ISI's W 2040 Mathematical Market Model
S & P 500 TR Idx Fd = S & P 500 Total Return Fund (benchmark)
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100,000,000

10,000,000

1,000,000

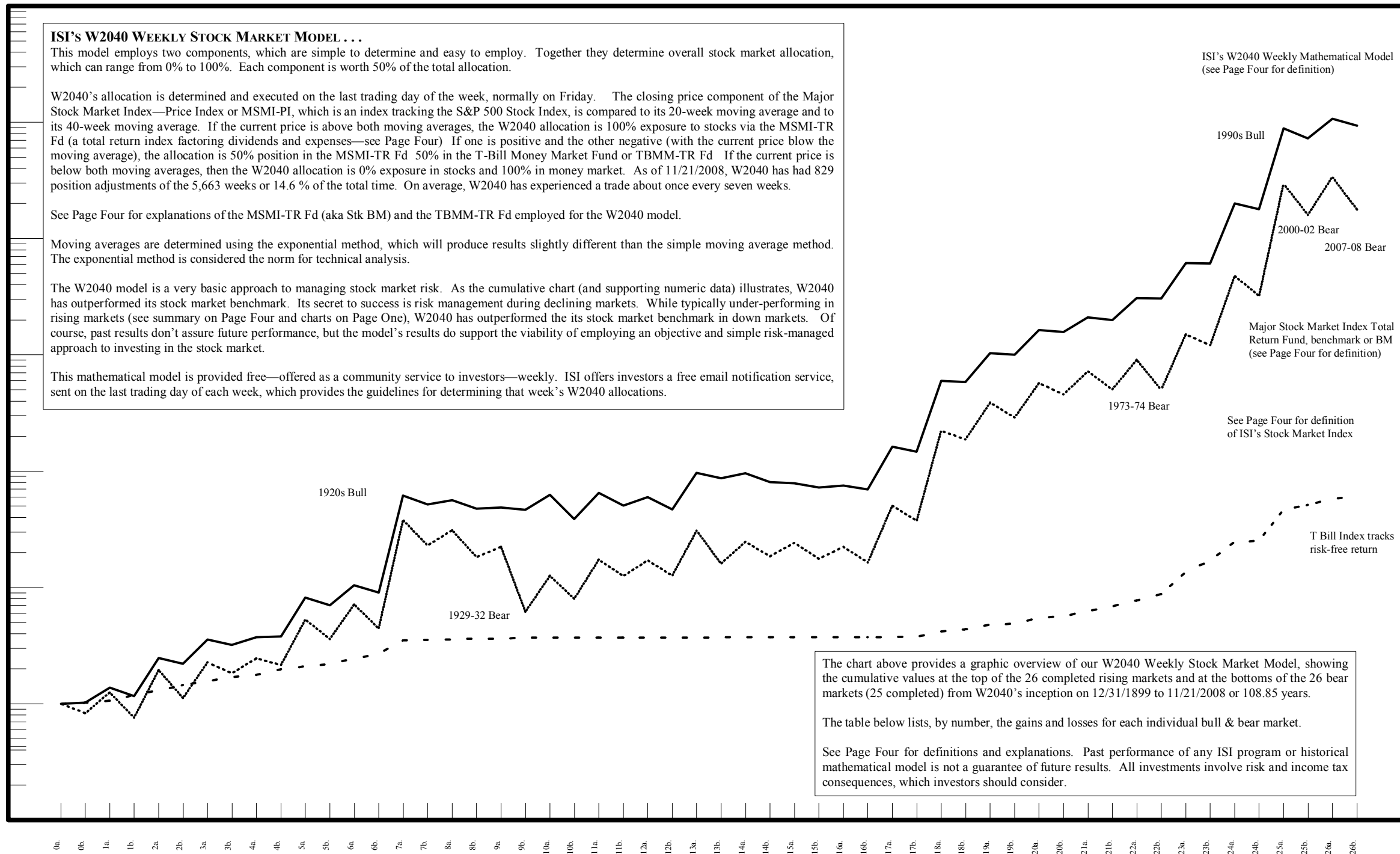
100,000

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1,000

100

10



ISI's W2040 WEEKLY STOCK MARKET MODEL . . .
 This model employs two components, which are simple to determine and easy to employ. Together they determine overall stock market allocation, which can range from 0% to 100%. Each component is worth 50% of the total allocation.

W2040's allocation is determined and executed on the last trading day of the week, normally on Friday. The closing price component of the Major Stock Market Index—Price Index or MSMI-PI, which is an index tracking the S&P 500 Stock Index, is compared to its 20-week moving average and to its 40-week moving average. If the current price is above both moving averages, the W2040 allocation is 100% exposure to stocks via the MSMI-TR Fd (a total return index factoring dividends and expenses—see Page Four). If one is positive and the other negative (with the current price below the moving average), the allocation is 50% position in the MSMI-TR Fd, 50% in the T-Bill Money Market Fund or TBMM-TR Fd. If the current price is below both moving averages, then the W2040 allocation is 0% exposure in stocks and 100% in money market. As of 11/21/2008, W2040 has had 829 position adjustments of the 5,663 weeks or 14.6% of the total time. On average, W2040 has experienced a trade about once every seven weeks.

See Page Four for explanations of the MSMI-TR Fd (aka Stk BM) and the TBMM-TR Fd employed for the W2040 model.

Moving averages are determined using the exponential method, which will produce results slightly different than the simple moving average method. The exponential method is considered the norm for technical analysis.

The W2040 model is a very basic approach to managing stock market risk. As the cumulative chart (and supporting numeric data) illustrates, W2040 has outperformed its stock market benchmark. Its secret to success is risk management during declining markets. While typically under-performing in rising markets (see summary on Page Four and charts on Page One), W2040 has outperformed its stock market benchmark in down markets. Of course, past results don't assure future performance, but the model's results do support the viability of employing an objective and simple risk-managed approach to investing in the stock market.

This mathematical model is provided free—offered as a community service to investors—weekly. ISI offers investors a free email notification service, sent on the last trading day of each week, which provides the guidelines for determining that week's W2040 allocations.

ISI's w2040
9,327,332

MSMI-TR Fd
1,774,733

Tbill MM Fd
5,958

The chart above provides a graphic overview of our W2040 Weekly Stock Market Model, showing the cumulative values at the top of the 26 completed rising markets and at the bottoms of the 26 bear markets (25 completed) from W2040's inception on 12/31/1899 to 11/21/2008 or 108.85 years.

The table below lists, by number, the gains and losses for each individual bull & bear market.

See Page Four for definitions and explanations. Past performance of any ISI program or historical mathematical model is not a guarantee of future results. All investments involve risk and income tax consequences, which investors should consider.

LMM-RAnet = Leveraged Momentum Model-Risk Adjusted net
 MSMI-TR Fd = Major Stock Market Index-Total Return Fund
 Tbill MM Fd = Treasury Bill Money Market Fd (risk-free return)

Past Performance Is Not A
 Guarantee For Future Results
 See enclosed for notes and explanations.

Start Date	06/23/00																									
Wk End Date	06/29/01	11/14/03	01/20/06	11/16/07	10/02/09	09/23/11	09/28/12	12/26/14	11/18/16	12/15/17	11/01/19	08/20/21	08/30/29	11/15/29	04/12/30	12/27/30	02/21/31	07/01/32	09/03/32	02/25/33	07/08/33	10/21/33	02/17/34	03/16/35	03/06/37	03/26/38
MC no.	1a.	1b.	2a.	2b.	3a.	3b.	4a.	4b.	5a.	5b.	6a.	6b.	7a.	7b.	8a.	8b.	9a.	9b.	10a.	10b.	11a.	11b.	12a.	12b.	13a.	13b.
MSMI-TR Fd % Chg	51.22	-39.62	157.18	-42.31	102.20	-19.27	34.25	-12.79	146.90	-32.03	98.50	-37.96	756.30	-39.48	34.92	-41.11	22.43	-72.31	103.54	-36.62	117.19	-27.75	36.67	-26.16	143.00	-47.84
ISI's w2040 % Chg	35.70	-16.16	113.91	-11.10	61.91	-10.42	16.17	1.67	116.80	-14.52	49.19	-13.41	579.29	-15.60	8.16	-15.02	2.41	-4.67	34.51	-38.20	68.64	-22.49	17.88	-21.60	107.38	-10.32
Tbill-TR Fd % Chg	4.23	12.09	9.39	11.22	7.81	8.49	4.50	11.62	6.05	4.85	10.91	9.69	31.07	0.90	1.09	1.48	0.13	1.77	0.04	0.02	0.22	0.01	0.12	0.02	0.00	0.10
Wk End Date	11/12/38																									
MC no.	14a.	14b.	15a.	15b.	16a.	16b.	17a.	17b.	18a.	18b.	19a.	19b.	20a.	20b.	21a.	21b.	22a.	22b.	23a.	23b.	24a.	24b.	25a.	25b.	26a.	26b.
MSMI-TR Fd % Chg	54.10	-25.07	30.65	-27.07	26.74	-26.60	207.32	-25.63	493.42	-15.81	107.52	-25.69	98.27	-20.30	57.95	-30.10	79.57	-44.78	199.58	-19.21	294.95	-32.73	821.89	-46.02	111.63	-47.57
ISI's w2040 % Chg	10.03	-15.59	-2.42	-8.52	4.33	-7.76	133.94	-9.21	305.10	-2.52	78.36	-3.33	62.48	-3.60	33.69	-5.53	54.71	-0.66	102.44	-1.41	229.21	-10.55	393.46	-18.16	48.57	-13.28
Tbill-TR Fd % Chg	0.00	0.00	0.00	0.00	0.00	0.04	0.74	0.17	11.87	4.14	10.00	1.35	12.69	3.03	10.41	10.09	12.32	13.50	55.08	25.10	45.29	1.70	86.81	9.10	14.11	1.88