

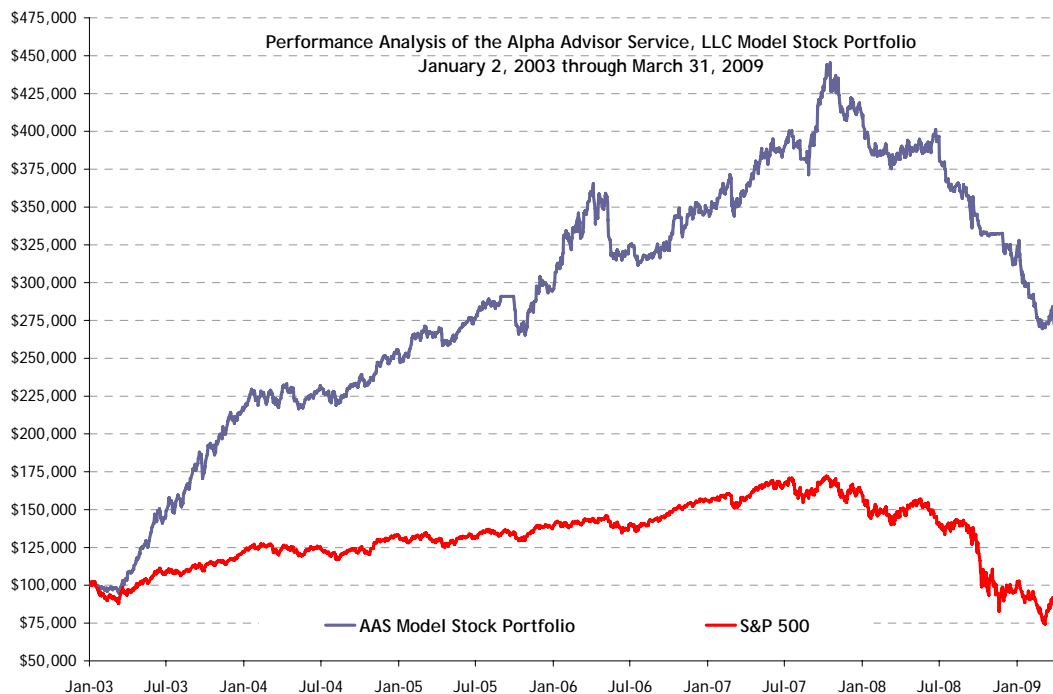
The AAS Model Stock Portfolio consists of up to thirty equally weighted positions; each security is selected from a master list of stocks utilizing both the AAS Rating Scores and the Buy Recommendation. Annual rebalancing of the positions is recommended.

The underlying analytics used to construct the AAS Model Stock portfolio are a combination of fundamental filters and quantitative algorithms. Initially the S&P 1500 is narrowed down based on closing price, volume, EPS, gross revenue, weighted relative strength and historic market data available. This normally produces a universe of between 200 and 300 securities, which is then analyzed using credit and liquidity metrics such as debt-to-equity, PEG, PE, and institutional holding percentage. Any outliers after this process are removed from the universe. The remaining list is then scored and ranked using seven proprietary algorithms based on trend, relative strength and momentum analysis. A proprietary risk-adjusted return algorithm is then applied which is a time-weighted adoption of the Sharpe Ratio. Finally, two independent technical indicators, which compare short and long-term moving average and closing price values, must support the equity selection.

This model portfolio is best categorized as All-Cap and All-Style since the selections are not limited by either market capitalization or investment style. This long only portfolio is designed to be used either in conjunction with the AAS Model Fund portfolio or to be used as the tactical portion of an overall portfolio.

Platinum subscribers utilizing the AAS Model Stock Portfolio can be exposed to a variety of sectors and segments at any given time. When a market segment turns negative, the AAS Model Stock portfolio has the ability of reducing exposure in that segment by moving the assets either into another sector, or into cash. The result is an agile portfolio that is quick to find winners, and even quicker to remove losers.

The AAS Model Stock Portfolio is reviewed daily at the close of trading. Any transaction which is recommended for either purchase or sale is effected on the next trading day with all trades priced at the average of the High and Low of the security on the day of the trade.



Return Analysis	Model Stock Portfolio	S&P 500	Russell 2000	Wilshire 5000	NASDAQ 100	DJ World Stock
YTD Return	-14.32%	-11.67%	-15.36%	-10.72%	2.09%	-11.43%
One Month Return	-0.72%	8.54%	8.67%	8.55%	10.74%	7.78%
Three Month Return	-14.32%	-11.67%	-15.36%	-10.72%	2.09%	-11.43%
Six Month Return	-19.99%	-31.59%	-37.79%	-31.68%	-22.43%	-31.39%
One Year Return	-28.38%	-39.68%	-38.55%	-39.15%	-30.58%	-44.23%
Three Year Return	-24.19%	-38.38%	-44.75%	-38.33%	-27.39%	-39.09%
Five Year Return	20.72%	-29.15%	-28.39%	-26.51%	-14.00%	-21.35%
Inception Return* * 1/2/2003	173.18%	-12.23%	7.69%	-5.67%	20.35%	5.99%
Statistical Analysis	Model Stock Portfolio	S&P 500	Russell 2000	Wilshire 5000	NASDAQ 100	DJ World Stock
Maximum Drawdown	-39.45%	-56.78%	-59.89%	-56.61%	-53.71%	-59.33%
Ulcer Index	11.07	14.27	15.25	14.27	15.33	15.48
Beta to S&P 500	0.41	1.00	1.13	0.99	1.02	0.76
Non-Correlated Alpha	1.92	0.14	0.40	0.21	0.51	0.28
Sharpe Ratio	1.55	0.19	0.28	0.25	0.37	0.41
Correlation to S&P 500	57.70%	100.00%	92.52%	99.56%	88.48%	94.04%
Standard Deviation	4.43%	6.30%	7.73%	6.27%	7.28%	5.10%

The material provided by Alpha Advisor Service, LLC (AAS) is for general informational purposes only. This information is not intended as investment advice, as an offer or solicitation of an offer to sell or buy, or as an endorsement, recommendations or sponsorship of any company, security or fund. AAS does not receive any compensation from any of the issuers of the securities included in its newsletter. The contents of this report have been compiled from original and published sources believed to be reliable, but are not guaranteed as to accuracy or completeness. AAS advises all current and potential subscribers to recognize that they should not assume that recommendations made in the future will be profitable or will equal the performance of past recommendations. The subscriber accepts the responsibility of his or her own investment research and decisions, and should seek the advice of a qualified securities professional before making any investment. The subscriber understands that the results of this report are based on a hypothetical stock portfolio. Please refer to the disclaimer page on the website for further disclosure information. Officers, employees and individuals associated with AAS may also be employed by other firms and may from time to time make purchases or sales of securities mentioned herein. NC Alpha measures the excess return of an issue with respect to the S&P 500. Issues with more return per unit of volatility than the S&P 500 have positive NC Alpha values. Issues with less return per unit of volatility have negative NC Alpha values. The Ulcer Index is created by factoring in the depth and duration of draw downs from recent peaks. A large UI value indicates that the security represents undue risk and an investor who holds it will likely need to wait longer for the investment's price to climb back to its recent highs.