



Ideas. Insights. Results.

AlphaProfit™

Sector Investors' Newsletter

Service for Sophisticated Sector Investors



WHAT'S INSIDE

At A Glance	1
Economy & Markets	1
Recommendations	1
ETF & Mutual Fund Selections ..	2
Performance & Prospects	2
Stock Searchlight	3
Scorecard	4
ETF & Mutual Fund Facts	5
Preferred ETF & Mutual Fund Returns	6
Portfolio Composition	7

AlphaProfit Sector Investors' Newsletter (ISSN: 1547-9668) is published monthly by AlphaProfit Investments, LLC.

The Subscription Price Schedule for the AlphaProfit Sector Investors' Newsletter is posted at <http://www.alphaprofit.com>. To subscribe or to learn more about AlphaProfit Investments, visit www.alphaprofit.com.

Copyright © 2008 AlphaProfit Investments, LLC. All rights reserved. No part of this document may be reproduced in any manner without written permission of AlphaProfit Investments, LLC.

AlphaProfit Investments, LLC neither is associated with nor receives any compensation from any of the mutual fund and other companies, brokers, or entities connected with the exchange-traded funds mentioned in the newsletter.

Please review our Terms & Conditions of Use and Subscriber Agreement which is available on our website at www.alphaprofit.com, which governs your relationship with AlphaProfit Investments, LLC, including, but not by way of limitation, use of this newsletter.

For definitions of terms used in this report, please see Glossary available at www.alphaprofit.com.

At A Glance

Portfolios	
Focus: Medical Equipment, Oil & Gas E&P	Sector Portfolio Indicator: Buy
Core: Chemicals, Computers, Medical Equipment, Oil & Gas E&P, Software, S&P 500 Index, and Telecom Equipment	Favored Buy: None
	Stocks: ADBE, CTV, IBM

Economy & Markets

Financials in disarray. Fears of additional damage from sub-prime mortgage losses gripped the financial sector in June. Regional banks became a troubled lot after Ohio-based Fifth Third Bank slashed its dividend and raised capital. Goldman Sachs warned that U. S. banks may need \$65 billion in fresh capital to cope with sub-prime loan losses and added Citigroup to its Conviction Sell list. Meanwhile, Moody's cut its credit rating on leading bond insurers Ambac and MBIA.

Fed shifts focus. Economic indicators did not give much hope for a quick rebound. The unemployment rate jumped from 5.0% in April to 5.5% in May. In an attempt to support the sagging dollar, the Federal Reserve shifted its focus from stimulating growth to fighting inflation. The central bank left its benchmark short-term interest rate unchanged on June 23, citing increased risks to inflation and diminished risks to growth.

Energy prices rise. With interest rates rising in most parts of Asia and the European Central Bank hinting a rate increase in July, the Federal Reserve's tough talk on inflation provided little support to the U. S. dollar. As the dollar drifted to-

wards its May lows, investors gravitated towards energy assets as a hedge against inflation.

Investors spooked. The backdrop of sagging confidence in the financial sector, an inflation-focused Federal Reserve, and rising energy prices weighed on investor sentiment. The Dow Jones Industrial Average lost over 10% to record its worst June since 1930 while the broader Standard & Poor's 500 index lost over 8%. The popular U. S. equity indexes are now nearly 20% lower than their highs set in 2007.

Recommendations

The combination of slowing economic growth and rising inflation increases the near-term odds of stagflation. The Federal Reserve's recent emphasis on inflation imposes strain on an already fragile economy.

To reduce economic sensitivity and increase inflationary resilience, we

Featured Quote

'Good entrepreneurship plus good financiership equals dynamism.'

Edmund S. Phelps

AlphaProfit ETF & Mutual Fund Selections

Mutual fund and exchange-traded fund recommendations for playing the investment thesis discussed in the Newsletter. Preferred mutual funds and ETFs in **bold**.

Sector, Industry Group, or Index	Mutual Funds					ETFs
	Recommendation (Ticker)	Availability, Trans. Fees, and Min. Holding Period				Recommendation (Ticker, Liquidity)
		E*Trade	Fidelity	Schwab	Ameritrade	
Chemicals	Fidelity Sel Chemicals (FSCHX)	A, F	A, NTF, 30	R, F	A, F	70% iShares DJ US Basic Mat (IYM, Good) +30% Market Vectors Agribus (MOO, Good) iShares DJ US Basic Mat (IYM, Good) Materials Select SPDR (XLB, Good) Vanguard Materials (VAW, Limited)
Computers	Fidelity Sel Computers (FDCPX)	A, F	A, NTF, 30	R, F	A, F	Internet Arch HOLDRS (IAH, Limited) PowerShares Dyn Hard (PHW, Limited)
Medical Equip	Fidelity Sel Med Equip (FSMEX)	A, F	A, NTF, 30	R, F	A, F	iShares DJ US Med Device (IHI, Limited)
Oil & Gas E&P	AIM Energy (FSTEX)	C, NTF, 90	A, NTF, 180	C, NTF, 90	C, F	85% iShares DJ US O&G (IEO, Limited) +15% SPDR S&P O&G Equip (XES, Limited) iShares DJ US O&G Exp & Prd (IEO, Limited) SPDR S&P O&G Exp & Prd (XOP, Good)
	Fidelity Sel Natural Gas (FSNGX)	A, F	A, NTF, 30	R, F	A, F	
Software	Fidelity Sel Software (FSCSX)	A, F	A, NTF, 30	R, F	A, F	60% Software HOLDRS (SWH, Good)+40% First Trust DJ Internet (FDN, Limited) First Trust DJ Internet (FDN, Limited) iShares S&P Software (IGV, Limited) Software HOLDRS (SWH, Good)
S&P 500	Dreyfus S&P 500 Index (PEOPX)	A, NTF, 90	A, NTF, 180	A, NTF, 90	A, NTF, 90	iShares S&P 500 (IVV, Good) SPDR S&P 500 (SPY, Good)
	E*TRADE S&P 500 Index (ETSPX)	A, NTF, 4m	N	A, F	A, F	
	Fidelity Spartan 500 Idx (FSMKX)	A, F	A, NTF, No	A, F	A, F	
	Schwab S&P 500 Index (SWPIX)	A, F	A, F	A, NTF, 30	A, F	
Telecom Equip	Fidelity Sel Com Equip (FSDCX)	A, F	A, NTF, 30	R, F	A, F	Broadband HOLDRS (BDH, Limited) iShares S&P Network (IGN, Good) PowerShares Dyn Network (PXQ, Limited)

Minimum Purchase Requirements

ETF/Fidelity Fund	Regular Accounts	Retirement Accounts
Fidelity Select	\$2,500	\$500*
Fidelity Spartan 500 Index Inv	\$10,000	\$10,000
ETFs	1 share	1 share
HOLDRS	100 shares	100 shares

* \$500 for SEP-IRA, Keogh, and prototype retirement accounts. \$2,500 for traditional, Roth, and rollover IRA accounts.

Availability: A-Available, C-Limited to current shareholders, I-Limited to Institutional investors, N-Not available, R-Limited to retail investors. **Trans. Fees:** F-Transaction fee applies, NTF-No transaction fee subject to holding period. **Min. Holding Period:** For no transaction fee (NTF) funds, minimum number of days or months a fund needs to be held to avoid both fund's short-term redemption fee and broker's transaction fee. Minimum holding period not provided for transaction fee (F) funds. **Liquidity:** Investors should consider limit orders when trading ETFs with limited liquidity. **Note:** The above table is for information purposes only. Before buying any mutual fund or exchange-traded fund, read its prospectus carefully. For securities held in brokerage accounts, read the broker's specific terms and conditions which apply to trading of the securities.

recommend increasing exposure to medical equipment as well as oil & gas exploration and production investments while cutting back on software.

Following repositioning, we rate the AlphaProfit Sector Portfolio Indicator 'Buy'. U. S. stocks trade at modest valuation metrics. Catalysts in the form of better-than-expected second quarter earnings reports or a change in Federal Reserve's policy to emphasize growth can trigger sharp rallies in equity prices.

That said, we do not believe the worst is over either for housing or the financial sector. With little help from the Federal Reserve, such factors can combine with unfavorable seasonality and elevate risks of new yearly lows in equity prices being set in the period ahead. As such, we encourage subscribers to maintain adequate cash reserves in their overall portfolio.

Performance & Prospects

The AlphaProfit model portfolios

outperformed the Dow Jones Wilshire 5000 benchmark in June. The model portfolios benefited from exposure to oil & gas exploration and production as well as medical equipment groups. Exposure to the technology sector detracted model portfolio performance.

Chemicals

Share prices in chemicals group suffered modest losses and outperformed the DJW 5000 benchmark by a sizeable margin. The

Stock Searchlight

Stocks with appealing earnings trends and relatively attractive valuation characteristics are highlighted.

Company	Ticker	Price	Est. P/E	Div. Yield	Buy Below	Sell Above	Stop-Loss	Risk Rating
Adobe Systems	ADBE	\$39.24	20.1	-	\$38.18	\$45.70	\$35.10	Average
CommScope	CTV	\$50.55	15.0	-	\$46.87	\$56.00	\$43.10	Above Average
Intl. Bus. Mach.	IBM	\$122.12	14.3	1.6%	\$123.50	\$133.90	\$110.00	Below Average

Earnings estimates from Reuters

ADBE. Adobe Systems is benefiting from a favorable product cycle and strong international demand for its products. The software company launched its Acrobat 9 product earlier than expected and its Creative Suite 3 products are selling well. During its fiscal second quarter, Adobe earned 50 cents a share, beating analysts' 46 cents a share estimate. Revenue increased 19% from the year-ago level. Nearly half of Adobe's sales originate abroad. The company is well positioned to benefit from the growing use of video on the Web.

CTV. Shares of CommScope were down nearly 4% in June while the earnings outlook for the telecom equipment company appears relatively robust. CommScope is realizing cost savings from the Andrew Corp. acquisition at a faster-than-expected pace. Global wireless growth remains strong and the introduction of new smartphones will likely boost bandwidth needs, a trend CommScope stands to benefit from. Excluding acquisition costs, CommScope earned 59 cents a share in the first quarter, exceeding analysts' forecast by nearly 37%.

IBM. Shares of International Business Machines declined over 8% in June while there were no negative developments. In April, IBM posted a strong first quarter report card, earning \$1.65 a share, up 36% from the year-ago period. Not long ago, the company raised its 2008 earnings forecast to \$8.50 a share and hiked its quarterly dividend by 25%. With revenue backed by strong order backlog as well as recurring contracts and EPS shored up by share buybacks, IBM expects to earn between \$10 and \$11 a share in 2010.

70% iShares DJ Basic Materials+30% Market Vectors Agribusiness combo benefited from higher exposure to the stronger performing agriculture chemicals subgroup and lost less ground compared to Fidelity Select Chemicals.

We continue to like the intermediate-term prospects for the chemicals group. Agriculture chemical companies are benefiting from soaring grain prices as farmers seek to raise more crops from limited land. Strong demand for agriculture chemicals and genetically-engineered seeds enabled Monsanto and Agrium to post strong earnings reports and increase their full-year earnings forecasts.

Diversified chemical companies are hiking product prices to combat the rise in costs of feedstock and fuels. Dow Chemical, a large consumer of natural gas, will raise product prices by as much as 25% in July following increases of up to 20% recently on June 1.

As for risks, grain prices can scale back once supply concerns associated with flooding in the Midwest

ameliorate and this can conceivably set the stage for a correction in share prices here. Persistent slackness in demand for plastics and construction materials from weakness in the U. S. housing and auto markets can present headwinds for diversified chemical companies.

Computers

Preferred investments in the computer group lagged the DJW 5000 benchmark with both Internet Architecture HOLDRS and Fidelity Select Computers losing over 9%.

Consumer electronics companies are increasingly targeting the smartphone market. Apple unveiled the new 3G version of its *iPhone* in June. The company surprised observers by putting a \$199 price tag for the lower-end version of the smartphone. Evidently, Apple is looking to take share from Nokia and Research In Motion. The 3G *iPhone* will be available in several developed countries starting July 11. Meanwhile, Samsung Electronics has launched its latest phone *Instinct* in partnership with

Sprint to compete with *iPhone*.

Elsewhere, Hewlett-Packard has launched a new generation of PCs that uses its touch technology. The *TouchSmart PC* responds when users tap or stroke the screen. To reduce its dependence on the U. S. economy, Dell is looking to increase its services business in emerging markets.

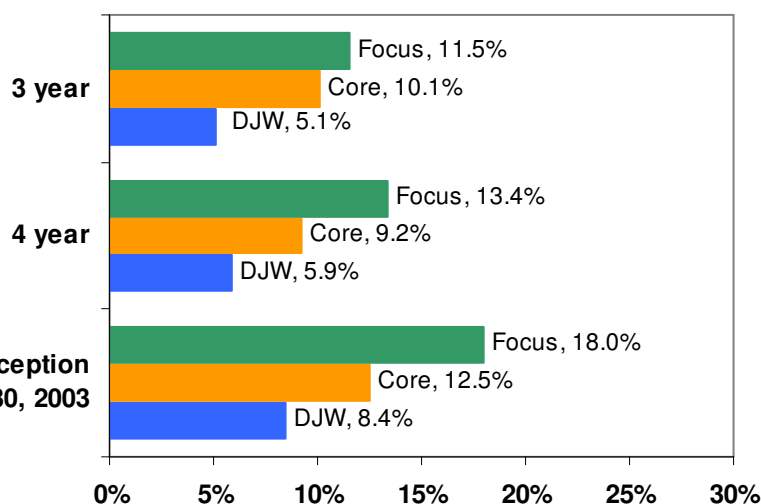
Stocks of computer companies trade at relatively low valuation metrics, reflecting to a degree the possibility of slackening hardware demand in the U. S. We do not believe computer company shares currently reflect the risk of a possible global slowdown. As such, slowing growth in emerging markets represents a key risk for shares here.

Medical Equipment

Investment recommendations in the medical equipment group held up fairly well in June and outperformed the DJW 5000 benchmark by a sizeable margin. Exposure to the resilient medical supplies subgroup enabled Fidelity Select Medical Equipment & Systems to

Scorecard

Model portfolio returns are compared with that of the Dow Jones Wilshire 5000 benchmark. Returns for periods longer than 1 year are annualized.



gaining wider acceptance have improved. Congressional lawmakers have passed the Genetic Information Nondiscrimination Act that outlaws discrimination based on genetic information. This legislation removes a major impediment towards using genetic tests for assessing the likelihood of serious illnesses.

A frenzy of deal activity has ensued in the genetic diagnosis space. Invitrogen has offered \$6.7 billion to buy Applied Biosystems while Hologic plans to buy Third Wave Technologies for \$580 million. California-based Gen-Probe is competing against Belgium's Solvay to buy Belgium-based Innogenetics.

We like the prospects for the economically-insulated medical equipment group and have increased its weighting in both model portfolios. Aging populations in developed countries and rising living standards in emerging economies are driving demand for medical devices. Most medical equipment companies are geographically well diversified to benefit from these trends. This healthcare group is also relatively insulated from U. S. election rhetoric and outcome.

Oil & Gas E & P

Investments in the oil & gas exploration and production group bucked the broad market decline and man-

	Jun 2008	Qtr-To-Date	Year-To-Date	1 Year
Focus	-2.1%	9.6%	-2.3%	-6.2%
Core	-6.6%	4.5%	-7.5%	-5.6%
DJW 5000	-8.2%	-1.5%	-11.0%	-12.5%

The Focus and Core model portfolio look-alikes constructed with preferred ETFs gained 9.5% and 4.6%, respectively during 2Q2008.

fare better than iShares DJ US Medical Devices.

Medical equipment companies are executing well. Group heavyweight Medtronic expects to increase revenue at a 9% to 11% annual clip through 2013 with EPS rising 11% to 14% per year. Medtronic has upped its quarterly dividend payment by 50%. Varian Medical Sys-

tems is gaining traction in sales of its new *RapidArc* radiotherapy system. The company has also entered into an agreement with Toshiba to supply diagnostic imaging parts. Allergan has received U. S. Food and Drug Administration approval for *Trivaris*, an injectable eye drug to treat retinal diseases.

The prospects of genetic testing

Disclosure

AlphaProfit Sector Investors' Newsletter is for information purposes only. The Information is provided with the understanding that AlphaProfit Investments, LLC is not acting in a fiduciary capacity. Nothing herein should be construed as an offer to buy or sell securities or to give individual advice on investing. The newsletter does not have regard to the specific investment objectives, financial situation, and particular needs of any specific person who may receive this report. The products mentioned in the document may not be eligible for sale in some states or countries, and they may not be suitable for all types of investors. Before buying or selling any mutual fund, exchange-traded fund, security, or investment, read the prospectus carefully. For securities held in brokerage accounts, read the broker's specific terms and conditions which apply to trading of the securities.

Owners and employees of AlphaProfit Investments, LLC do invest in Fidelity mutual funds to track the model portfolios mentioned in the newsletter. Any one or more of their positions may not necessarily be the same as that of a Subscriber. Owners and employees of AlphaProfit Investments, LLC may also for their own accounts buy, sell or hold long or short positions in mutual funds, exchange-traded funds, common stocks or other securities of companies mentioned in the newsletter.

Investments in mutual funds and exchange-traded funds mentioned herein carry an inherent element of risk, including the potential for loss of principal. Past performance is no guarantee of future results.

The model portfolios presented in this newsletter are the products of AlphaProfit Investments, LLC. The proprietary ValuM™ Investment Process is used to select sectors for investment in the AlphaProfit Sector Investors' Newsletter model portfolios. This process evaluates sectors based on their valuation, momentum, and news flow quality.

continued on page 7

ETF & Mutual Fund Facts				
Industry/Index		Chemicals		
MF/ETF	Fidelity Sel. Chem.	iShares Bas. Mtls.	Mkt. Vectors Agri.	
Ticker	FSCHX	IYM	MOO	
Manager/Index	M. Schuldt	DJ US Basic Materials	DAX Agribusiness	
Category	Large Cap Growth	Large Cap Growth	Large Cap Growth	
Risk Rating	Average	Average	Above Average	
Top 10 Holdings	Monsanto	Monsanto	Potash Corp.	
	DuPont	Freeport McMoRan	Syngenta	
	Praxair	DuPont	Mosaic	
	Dow Chemical	Dow Chemical	Deere	
	Mosaic	Praxair	Monsanto	
	Albemarle	Alcoa	Archer-Daniels	
	Air Products	Newmont Mining	Wilmar Intl.	
	Ecolab	Peabody Energy	IOI Corp.	
	Potash Corp.	U. S. Steel	Yara Intl.	
	CF Industries	Mosaic	Agrium	
% Portfolio	66.3%	55.9%	68.7%	
% Foreign	6.8%	0.0%	55.9%	
Date	As of Mar. 31, 2008	As of Jun. 27, 2008	As of Jun. 27, 2008	
Industry/Index		Natural Gas		
MF/ETF	Fidelity Sel. Nat. Gas	iShares O&G E&P	SPDR O&G E&S	
Ticker	FSNGX	IEO	XES	
Manager/Index	J. McElligott	DJ US Oil & Gas E&P	S&P Oil & Gas E&S	
Category	Mid Cap Growth	Large Cap Growth	Mid Cap Growth	
Risk Rating	Above Average	Above Average	Above Average	
Top 10 Holdings	Quicksilver Res.	Occidental Petro.	Weatherford Intl.	
	Range Res.	Devon Energy	Diamond Offshore	
	Chesapeake Energy	Apache	Nabors Industries	
	Ultra Petroleum	Anadarko Petro.	Natl. Oilwell Varco	
	Valero Energy	XTO Energy	Pride Intl.	
	EOG Res.	Chesapeake Energy	Halliburton	
	Southwestern Energy	EOG Resources	Baker Hughes	
	Plains Exp. & Pro.	Valero Energy	Patterson-UTI Engy.	
	XTO Energy	Noble Energy	Rowan Companies	
	Transocean	Southwestern Energy	Transocean	
% Portfolio	59.9%	54.7%	42.7%	
% Foreign	11.5%	0.0%	0.0%	
Date	As of Mar. 31, 2008	As of Jun. 27, 2008	As of Jun. 27, 2008	
Industry/Index		Software		
MF/ETF	Fidelity Sel. Software	Software HOLDRS	First Tr. DJ Internet	
Ticker	FSCSX	SWH	FDN	
Manager/Index	M.Tandon	Merrill Lynch	Dow Jones Internet	
Category	Large Cap Growth	Large Cap Growth	Mid Cap Growth	
Risk Rating	Average	Average	Above Average	
Top 10 Holdings	Microsoft	SAP	eBay	
	Google	Microsoft	Google	
	Cognizant Tech. Soln.	Adobe Systems	Yahoo!	
	Oracle	Oracle	Amazon.com	
	Yahoo!	CA	Juniper Networks	
	Visa	Intuit	Verisign	
	Nintendo	BMC Software	Salesforce.com	
	MasterCard	Symantec	Akamai Tech.	
	Satyam Comp. Svcs.	Check Point Software	TD Ameritrade	
	Ubisoft Entertainment	TIBCO Software	Priceline.com	
% Portfolio	65.8%	99.2%	70.8%	
% Foreign	17.8%	20.7%	0.0%	
Date	As of Mar. 31, 2008	As of Jun. 27, 2008	As of Jun. 27, 2008	

aged to record a gain in June. Oil and gas stocks rallied as the price of oil and natural gas increased 10.3% and 13.6%, respectively. The 85% iShares DJ US Oil & Gas E&P+15% SPDR S&P Oil & Gas E&S combo outperformed Fidelity Select Natural Gas. The combo benefited from exposure to the stronger performing energy service group while a sub-par performance by shares of Range Resources likely limited the Fidelity fund's advance.

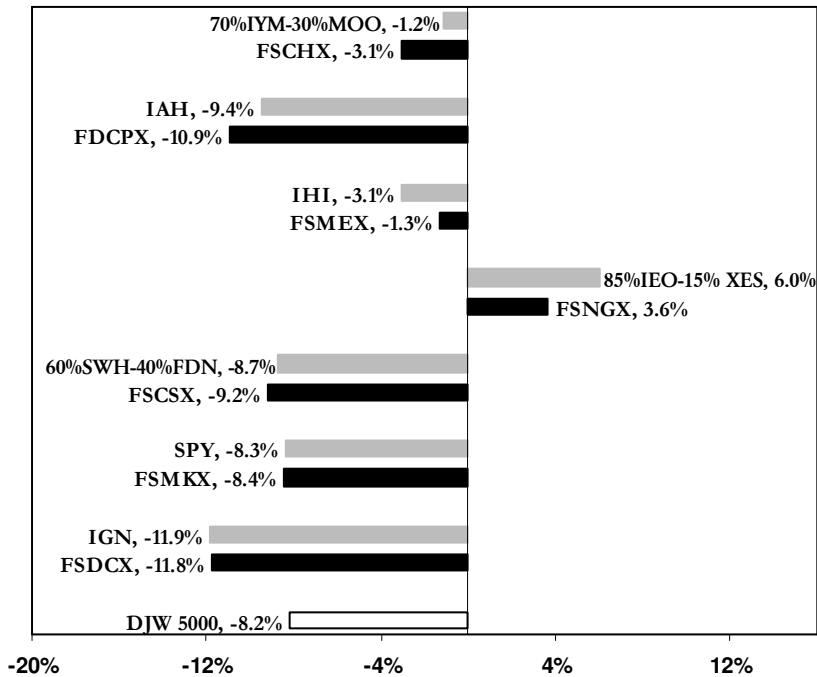
The supply-demand picture for the oil & gas exploration and production business is favorable as energy supplies in recent years have not kept up with rapidly growing global demand. Independent oil and gas producers are prospering from strong commodity prices. To increase production, they are deploying advanced drilling technology in unconventional fields that were previously considered uneconomical. Chesapeake Energy, for example, is positioning itself to become the largest producer of natural gas in the U. S. The company has most recently completed two horizontal wells in the Haynesville Shale in Louisiana, estimated to hold 20 trillion cubic feet of natural gas.

The relentless rise in the price of oil has off late attracted the attention of governments and regulators worldwide, raising the risks for a correction. Several Asian nations including China and India have raised petroleum product prices significantly, a factor that can dampen near-term demand growth. In the U. S., oil prices have attracted the attention of Congressional lawmakers and the Commodity Futures Trading Commission. U. S. consumers are economizing on gasoline use and demand has declined 1.8% from the year-ago level.

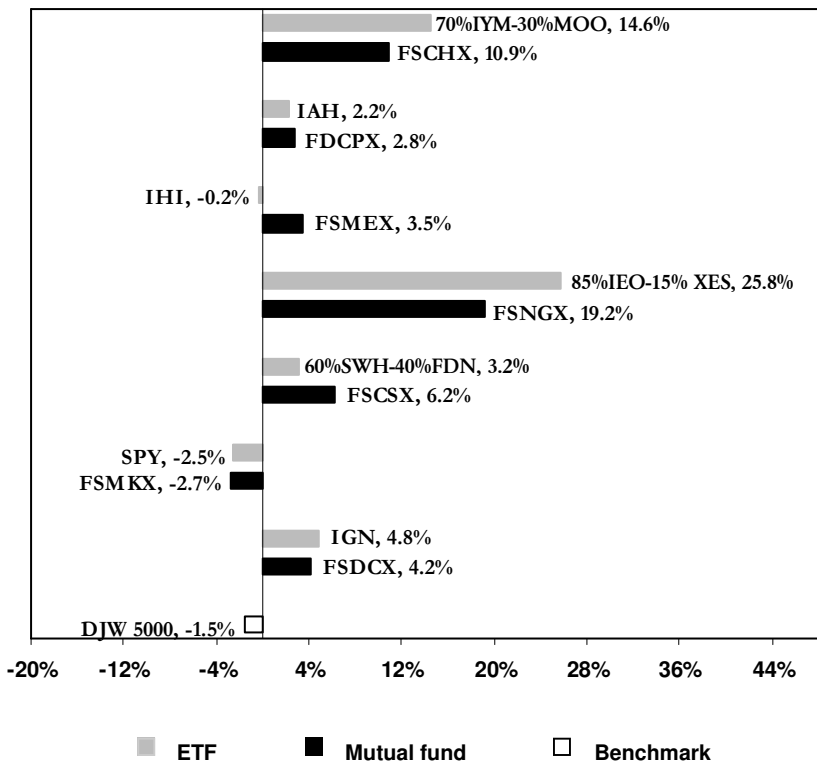
Notwithstanding the possibility of a volatile ride resulting from the afore-mentioned risks, we believe growing global demand for petroleum products will support commodity prices. We believe oil & gas investments have an above-average probability of faring better than the broad market in the period

Preferred ETF & Mutual Fund Returns

June 2008



2Q2008



Trust DJ Internet combo and Fidelity Select Software & Computer Services losing nearly 9% each. Shares of Internet companies were particularly hit hard.

The failed takeover of Yahoo! by Microsoft continued to occupy the headlines. The two companies appear to have 'concluded' discussions after exploring some alternatives.

In earnings-related developments, Oracle and Adobe Systems reported relatively strong results. Oracle earned 47 cents a share during its fiscal fourth quarter, exceeding analysts' 45 cents a share forecast. Oracle's sales of new software licenses rose 27% from the year-ago quarter. The company is upbeat on its prospects and expects new licenses to grow between 10% and 20% during the next quarter. Adobe's results are discussed on page 3.

While software companies are executing well for the most part and valuation metrics are attractive, the macroeconomic environment particularly in the U. S. is challenging. Additionally, downside risk to earnings of software and Internet companies will increase if the global economy starts to slow. We have therefore removed software representation in the Focus model portfolio and pruned exposure to this group in the Core model portfolio.

S&P 500 Index

The S&P 500 index declined nearly 8.4%, faring a tad worse than the DJW 5000 benchmark. The S&P 500 was dragged lower by the relative underperformance of large-cap stocks compared to mid-cap and small-cap stocks.

With the Federal Reserve adopting a less accommodative monetary stance, investors surmised that troubled financial institutions would receive little relief from the central bank by way of reduction in short-term interest rates and bid down shares in the financial sector by

ahead. They also offer a hedge against inflation, a characteristic we value at this time. We have accordingly increased the weighting provided to this group in both model portfolios.

Software & Computer Services

Shares in the software group lagged the DJW 5000 with the 60% Software HOLDRS+40% First

Portfolio Composition

The AlphaProfit model portfolios were last repositioned at the close of trading on June 30, 2008.

AlphaProfit Focus™ Model Portfolio

Fidelity Fund Holding (Ticker Symbol)	Before Repositioning		After Repositioning	
	Amount Invested	Percent Portfolio	Value	Percent Portfolio
Medical Equip. (FSMEX)	\$550,134	34.05%	\$789,820	48.89%
Natural Gas (FSNGX)	\$585,927	36.27%	\$825,613	51.11%
Software (FSCSX)	\$479,373	29.67%		0.00%
Total (rounded to)	\$1,615,433	100.00%	\$1,615,433	100.00%

FSCSX was removed. FSMEX and FSNGX were increased.

AlphaProfit Core™ Model Portfolio

Fidelity Fund Holding (Ticker Symbol)	Before Repositioning		After Repositioning	
	Amount Invested	Percent Portfolio	Value	Percent Portfolio
Chemicals (FSCHX)	\$82,162	11.55%	\$82,162	11.55%
Comm. Equip. (FSDCX)	\$68,601	9.65%	\$68,601	9.65%
Computers (FDCPX)	\$64,816	9.11%	\$64,816	9.11%
Medical Equip. (FSMEX)	\$76,802	10.80%	\$110,264	15.50%
Natural Gas (FSNGX)	\$81,799	11.50%	\$115,261	16.21%
Software (FSCSX)	\$133,847	18.82%	\$66,924	9.41%
Spartan 500 Idx. (FSMKX)	\$203,207	28.57%	\$203,207	28.57%
Total (rounded to)	\$711,236	100.00%	\$711,236	100.00%

FSCSX was reduced. FSMEX and FSNGX were increased.

At newsletter inception on September 30, 2003, the Focus and Core model portfolios had values of \$735,204 and \$406,160, respectively.

over 18%. Supported by higher commodity prices, energy was the only sector to post a gain. Even here the advance was spotty as shares of petroleum refiners lost ground while those of oil & gas production and energy service companies gained.

In corporate developments, the

Federal Reserve has approved Bank of America's \$4 billion purchase of distressed mortgage lender Countrywide Financial. BofA will eliminate 7,500 jobs as part of this acquisition. Johnson & Johnson said it expects strong growth from its medical device units during the next few years. The company expects its orthopedic products and

surgical care units to grow revenue at 9% and 6% annual rates, respectively. Exxon Mobil announced that it would exit the U. S. retail gasoline marketing business during the next few years, shedding nearly 2,200 service stations.

We continue to include exposure to the S&P 500 index in the Core model portfolio for diversification purposes. We believe multinational members of the large-cap S&P 500 index are in general well positioned to benefit from a lower dollar.

Telecom Equipment

Preferred investments in the telecom equipment group lost nearly 12% in June and underperformed the DJW 5000 benchmark. Nearly all of the top 10 holdings in Fidelity Select Communications Equipment and iShares S&P North American Networking lost ground. Harris Corp. took itself off the auction block after it did not muster satisfactory bids and the company's shares lost 23%.

Smartphone maker Research In Motion reported 84 cents a share in fiscal first quarter profits, more than double the 39 cents a share tally reported in the year-ago period. The company's shares however sold off as EPS fell shy of analysts' forecast and the company's guidance failed to motivate buyers.

With Motorola in disarray and Apple increasingly staking claim, the market share distribution in the handset

Disclosure continued from page 4

We calculate total pre-tax returns based on price changes, assuming reinvestment of all distributions in the funds in which they were paid.

Several of the companies discussed herein were held by the mutual funds or the exchange-traded entities, per the reporting date mentioned and may not be currently held by them. The information contained in this newsletter is obtained from various sources believed to be accurate and is provided without warranties of any kind. Opinions expressed herein reflect the thought of AlphaProfit Investments, LLC and are subject to change without notice.

AlphaProfit Investments, LLC does not represent that this information, including any third-party information, is accurate or complete and it should not be relied upon as such. AlphaProfit Investments, LLC is not responsible for any errors or omissions herein. AlphaProfit Investments, LLC disclaims any liability for any direct or incidental loss incurred by applying any of the information in this publication.

The third-party trademarks or service marks appearing within this newsletter are the property of their respective owners. All other trademarks appearing herein are the property of AlphaProfit Investments, LLC.

Please review our Terms & Conditions of Use and Subscriber Agreement which is available on our website at www.alphaprofit.com, which governs your relationship with AlphaProfit Investments, LLC, including, but not by way of limitation, use of this newsletter.

ETF & Mutual Fund Facts (cont'd from pg. 5)

Industry/Index	Computers		Telecom Equipment	
	Fidelity Sel. Computers FDCPX	Internet Arch. HOLDERS IAH	Fidelity Sel. Com. Eqpt. FSDCX	iShares S&P Network IGN
MF/ETF				
Ticker				
Manager/Index	H. Lawrence	Merrill Lynch	C. Chai	S&P N.A. Tech Network
Category	Large Cap Growth	Large Cap Growth	Large Cap Growth	Mid Cap Growth
Risk Rating	Above Average	Above Average	Above Average	Above Average
Top 10 Holdings	Hewlett-Packard Intl. Bus. Mach. Apple Dell Nokia EMC Samsung Electronics Spansion High Tech Computer Juniper Networks	Intl. Bus. Mach. Hewlett-Packard Apple Cisco Systems Dell EMC Sun Microsystems Juniper Networks Network Appliance Symantec	Research In Motion Cisco Systems Corning Comverse Tech. High Tech Computer Qualcomm Juniper Networks Nokia Starent Networks Powerwave Tech.	Qualcomm Cisco Systems Research In Motion Corning Nortel Networks Motorola Juniper Networks Brocade Comm. CommScope JDS Uniphase
% Portfolio	68.3%	99.3%	69.3%	59.2%
% Foreign	12.3%	0.0%	31.7%	12.6%
Date	As of Mar. 31, 2008	As of Jun. 27, 2008	As of Mar. 31, 2008	As of Jun. 27, 2008
Industry/Index	Medical Equipment		S&P 500 Index	
	Fidelity Sel. Med. Eqpt. FSMEX	iShares DJ US Med. Dev. IHI	Fidelity Spartan 500 Idx FSMKX	SPDR S&P 500 SPY
MF/ETF				
Ticker				
Manager/Index	E. Yoon	DJ US Sel. Medical Eq.	Geode Cap. Mgmt.	S&P 500 Total Return
Category	Mid Cap Growth	Mid Cap Growth	Large Cap Blend	Large Cap Blend
Risk Rating	Below Average	Below Average	Below Average	Below Average
Top 10 Holdings	Medtronic Baxter International Covidien Becton Dickinson Boston Scientific Stryker Allergan Alcon Bard C. R. Gen-Probe	Medtronic Covidien Thermo Fisher Scientific Stryker Boston Scientific Zimmer Holdings St. Jude Medical Intuitive Surgical Waters Varian Medical Systems	Exxon Mobil General Electric AT&T Microsoft Procter & Gamble Johnson & Johnson Chevron Bank of America Intl. Bus. Mach. JP Morgan Chase	Exxon Mobil General Electric Microsoft Chevron AT&T Procter & Gamble Johnson & Johnson Intl. Bus. Mach. Apple ConocoPhillips
% Portfolio	68.3%	57.4%	19.9%	19.4%
% Foreign	17.6%	0.0%	0.0%	0.0%
Date	As of Mar. 31, 2008	As of Jun. 27, 2008	As of Mar. 31, 2008	As of Jun. 27, 2008

market is shifting. Apple, Research In Motion, and Samsung Electronics appear to be gaining market share while Motorola and Nokia are losing ground. Chipset manufacturer Qualcomm is benefiting from this shift as its large customers, Samsung and LG, gain market share. Qualcomm has upped its fis-

cal third quarter and full-year earnings forecast.

Shares in the telecom equipment group trade at a modest P/E multiple and are appealing from an intermediate-term perspective. The near-term outlook is clouded by risks that telecom service providers

like AT&T and Verizon may cut their capital spending if macroeconomic conditions in the U. S. deteriorate further.

AlphaProfit Investments, LLC
Date: June 30, 2008



The AlphaProfit Sector Investors' Newsletter™ is edited and published by Dr. Sam Subramanian, Managing Principal and Chief Investment Officer of AlphaProfit Investments, LLC. Sam is an avid stock market investor and has tracked Fidelity Select Funds for several years. With a strong quantitative and analytical bent, Sam has honed his skills in security research and analysis. Sam developed the ValuM Investment Process™ for managing investments. The ValuM Investment Process has helped Sam build a successful track record in managing his investments since 1985. Prior to founding AlphaProfit Investments, LLC, Sam worked in positions of increasing responsibility in Finance and Corporate Strategy advising in Acquisitions and Divestitures, Asset Valuation, Trading, Bankruptcies, and Risk Management. Sam graduated with honors from the MBA program at the University of Michigan and has a Doctorate Degree in Chemical Engineering from Syracuse University. Sam also holds 16 U. S. patents.