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AlphaProfit™

Sector Investors' Newsletter

Service for Sophisticated Sector Investors

Monthly
Report

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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: IBM, MOS, SAP, STJ, TIBX

Market Review & Outlook

Dollar gains ground. The assumption that the Federal Reserve is more likely to raise interest rates than the European Central Bank prevailed through August. For good measure, economic data supported this assumption. U. S. industrial production increased 0.2% in July while the trade deficit decreased from over \$43 billion in May to nearly \$39 billion in June. Meanwhile, with both Germany and France in contraction, the 15-nation euro zone economy shrank 0.2% in the second quarter.

Gas prices decline. The rise in the U. S. dollar put downward pressure on dollar denominated commodities. Most notably, oil declined to close the month at \$115 a barrel, \$32 a barrel off its high set on July 11. Gasoline as well as natural gas prices followed suit to provide consumers relief from surging transportation and fuel costs.

Investors focus on positives. The financial sector continued to serve negative news. The possibility that Fannie Mae and Freddie Mac may need a government bailout did not appear far-fetched. The financial condition of Lehman Brothers was also called into question. Investors brushed aside these negatives and

focused more on benefit to consumers from falling energy costs. The major U. S. equity indexes finished August with a gain.

Sector Portfolio Indicator at 'Buy'. A combination of positive and negative factors is likely to influence the course of equity prices. Relief provided by falling energy prices is clearly a major plus for consumers fighting falling home prices and tight mortgage availability. Meanwhile, a rising dollar makes U. S. assets more attractive for foreigners.

Despite the above positives, we are cautious in our outlook for the U. S. equity market. Earnings for the S&P 500 members in aggregate declined from the year-ago level during the second quarter despite benefits resulting from rising exports and the one-time economic stimulus package. With overseas economies

Model Portfolio Repositioning

The model portfolios will be repositioned after the markets close on September 30. To help you closely track the model portfolios, we will publish the **Repositioning Alert** by 12:00 p.m. Central Time on **Tuesday, September 30** in the Subscriber Login area.

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 HOLDERS (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 HOLDERS (SWH, Good)+40% First Trust DJ Internet (FDN, Limited) First Trust DJ Internet (FDN, Limited) iShares S&P Software (IGV, Limited) Software HOLDERS (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	N	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 HOLDERS (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
HOLDERS	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.

starting to cool, the pace of exports is likely to slow going forward. As such, we expect this string of negative year-over-year earnings comparison to extend into the third quarter.

The Federal Reserve is concerned with inflation. On a year-over-year basis, the core-consumer price index that excludes food and energy prices is up 2.5%, exceeding the Federal Reserve's comfort zone. Even though falling energy prices can ameliorate the Federal Re-

serve's inflation concerns, comments from the central bank do not suggest a reduction in short-term interest rates is in the offing.

Against this backdrop, oil & gas shares have taken a beating and trade at pessimistic expectations versus their earnings potential. We believe exposure to the oil & gas group provides AlphaProfit model portfolios the possibility of faring better than the broad market in the period ahead. Based on this consideration, we rate the AlphaProfit

Sector Portfolio Indicator 'Buy'. We also encourage subscribers to maintain adequate cash reserves and have appropriate diversification in their overall portfolio.

Performance & Prospects

Both AlphaProfit model portfolios performed a tad worse than the Dow Jones Wilshire 5000 benchmark. The model portfolios benefited from exposure to medical equipment and telecom equipment groups and were impaired by expo-

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
Intl. Bus. Mach.	IBM	\$118.04	13.4	1.7%	\$120.50	\$134.90	\$108.60	Below Average
Mosaic	MOS	\$82.84	6.0	0.2%	\$86.20	\$99.10	\$76.20	Above Average
SAP AG	SAP	\$52.19	16.9	1.5%	\$54.30	\$61.20	\$48.00	Average
St. Jude Med.	STJ	\$44.51	19.2	-	\$44.60	\$49.90	\$40.90	Below Average
TIBCO Software	TIBX	\$8.06	18.7	-	\$8.10	\$9.00	\$7.40	Above Average

Earnings estimates from Reuters

IBM. The 5% decline in shares of International Business Machines in August has made the company's shares compelling and we are re-features IBM in this column. In mid-July, the technology-titan raised its fiscal 2008 earnings per share forecast by \$0.25 a share to at least \$8.75 a share. IBM is confident of its longer-term outlook and expects to earn over \$10 a share in fiscal 2010. The company's shares trade at modest valuation metrics in relation to these prospects.

MOS. Shares of fertilizer producer Mosaic Corp. have declined nearly 17% as part of the sell-off in agriculture-related names. We believe this decline has taken the froth off the company's shares. In end-July, Mosaic reported notably strong fourth quarter results with sales and profits nearly doubling and quadrupling from year-ago levels. Going into fiscal 2009, Mosaic has low level of phosphate inventories making volume growth harder to

come by. The company expects revenue and profit growth in fiscal 2009 to be driven by a 40% increase in product prices.

SAP. Germany-based business software maker SAP is executing well. The company reported \$4.6 billion in second quarter revenue, up nearly 20% from the year-ago period. Excluding acquisition-related items, the company earned 66 cents a share, up from 38 cents a share earned a year ago. As the world's largest business software provider, SAP is benefiting from customers' preference for large vendors in a weak economy. Having increased its market share lead over major competitor Oracle last year, SAP has increased its revenue and operating margin forecast to the higher end of the previously forecasted range.

STJ. Shares of St. Jude Medical have lagged the recent rally in medical equipment shares. Meanwhile, the company continues to execute well gaining approval in both U. S.

and Europe for its *Epicor LP* Cardiac Ablation System and *EonC* neurostimulator for chronic pain. The company is firing on all cylinders with strength notable in global sales of its implantable cardioverter-defibrillator devices. In mid-July, the company raised its fiscal 2008 EPS forecast to the \$2.28 to \$2.33 range, well-above analysts' prior forecast of \$2.19 a share.

TIBX. TIBCO Software is benefiting from its exposure to European markets. The infrastructure software provider reported a 15% increase in second quarter revenue to \$150 million offsetting weakness in the U. S. with strength in Europe. TIBCO products are enabling a growing number of clients in financial service, telecom, and health-care sectors to migrate their IT infrastructures to service-oriented architecture. Auguring well for the future, TIBCO's total deferred revenue increased 43% from a year ago to \$154 million while the number of license deals climbed 25%.

sure to chemicals and oil & gas.

Chemicals

Shares in the chemicals group underperformed the DJW 5000 benchmark in August. Fidelity Select Chemicals lost nearly 2% while the 70% iShares DJ Basic Materials+30% Market Vectors Agribusiness combo lost nearly 6%. The combo's performance was pressured by losses in metals as well as agriculture-related holdings. Reports of a higher than expected U. S. corn harvest as well as strikes in potash mining operations at Mosaic and Potash Corp. caused agricul-

ture-related names to sell-off.

The recent decline in agriculture product shares has brightened the prospects for out-performance in the period ahead. For one, the earnings outlook for such companies is relatively bright, thanks to a favorable macroeconomic backdrop of growing food consumption and tight fertilizer supplies. Monsanto expects to increase its gross profit in its corn seeds business by over 25% in fiscal 2008 and 2009. The world's largest fertilizer company Potash Corp. expects demand for potash fertilizer to exceed supply through 2009.

Second, valuation metrics for fertilizer producer shares are now quite compelling. Shares of fertilizer producers Agrium, CF Industries, Mosaic, and Potash on average trade at a forward P/E multiple of 8.0

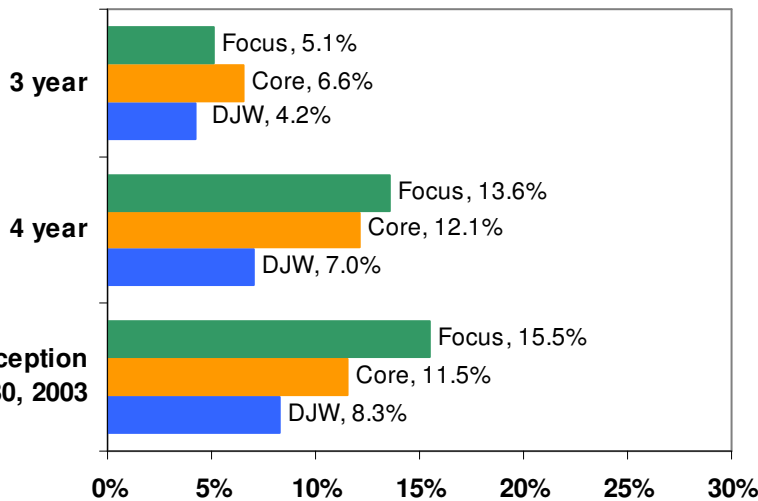
Computers

Preferred investments in the computer group showed a mixed performance in August with Fidelity Select Computers modestly outperforming, and Internet Architecture HOLDERS lagging the DJW 5000 index benchmark.

Dell's disappointing earnings report

Scorecard

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



like Dell and Sun Microsystems. Valuation metrics in the computer group are modest as supported by share buyback announcements and takeover chatter. Sun and NetApp have both increased their share buyback commitments by \$1 billion. NetApp and SanDisk are rumored to be takeover candidates.

Medical Equipment

Both Fidelity Select Medical Equipment & Systems and iShares DJ US Medical Devices with gains of 3.8% and 4.6%, respectively outperformed the DJW 5000 in August.

Medical equipment companies are executing well. Combination of higher sales and lower expenses enabled industry heavyweight Medtronic to post strong fiscal first quarter results. The company earned 72 cents a share, up from 62 cents earned in the year-ago period. Sales rose 19% to \$3.7 billion with revenue in the cardiovascular business increasing 30%. To improve operating margin, Medtronic has pruned 1,100 jobs.

Medical device maker Covidien earned 72 cents per share from continuing operations, 6 cents a share higher than analysts' forecast. The company's revenue rose 14% to around \$2.6 billion. Sales of medical devices and imaging solutions grew 15% and 18%, respectively.

	Aug 2008	Qtr-To-Date	Year-To-Date	1 Year
Focus	1.4%	-7.5%	-9.6%	-8.3%
Core	1.5%	-2.5%	-9.9%	-5.5%
DJW 5000	1.6%	0.7%	-10.3%	-9.9%

impaired the performance of computer shares on the last trading day of the month. Dell's aggressive pricing strategy pressured its gross margin and the company's 31 cents a share EPS tally trailed analysts' forecast even though the 11% revenue gain exceeded forecast.

guidance above analysts' forecast. International Business Machines continues to retain leadership in the server market with nearly one-third share of the worldwide market. Apple is aiming to sell over 40 million 3G iPhones next year and is widening its distribution by partnering with electronics retailer Best Buy to sell such phones.

Weathering a challenging economic environment, Hewlett-Packard reported a 14% gain in its fiscal third quarter profit and raised its fiscal fourth quarter revenue and earnings

A tough macroeconomic environment is however adding to the challenges of turnaround candidates

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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.

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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	
	Mosaic	Dow Chemical	Deere	
	Dow Chemical	Praxair	Monsanto	
	Air Products	Alcoa	Archer-Daniels	
	Albemarle	Newmont Mining	Wilmar Intl.	
	CF Industries	Peabody Energy	IOI Corp.	
	FMC	U. S. Steel	Yara Intl.	
	Ecolab	Mosaic	Agrium	
% Portfolio	69.8%	55.9%	68.7%	
% Foreign	5.7%	0.0%	55.9%	
Date	As of Jun. 30, 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	YES	
Manager/Index	J. McElligott	DJ US Oil & Gas E&P	S&P Oil & Gas E&S	
Category	Large Cap Growth	Large Cap Growth	Mid Cap Growth	
Risk Rating	Above Average	Above Average	Above Average	
Top 10 Holdings	Chesapeake Energy	Occidental Petro.	Weatherford Intl.	
	Plains Exp. & Pro.	Devon Energy	Diamond Offshore	
	Ultra Petroleum	Apache	Nabors Industries	
	Range Res.	Anadarko Petro.	Natl. Oilwell Varco	
	Denbury Res.	XTO Energy	Pride Intl.	
	Southwestern Energy	Chesapeake Energy	Halliburton	
	Quicksilver Res.	EOG Resources	Baker Hughes	
	Valero Energy	Valero Energy	Patterson-UTI Engy.	
	EOG Res.	Noble Energy	Rowan Companies	
	Can. Nat. Res.	Southwestern Energy	Transocean	
% Portfolio	47.9%	54.7%	42.7%	
% Foreign	15.4%	0.0%	0.0%	
Date	As of Jun. 30, 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	
	Oracle	Adobe Systems	Yahoo!	
	Cognizant Tech. Soln.	Oracle	Amazon.com	
	Visa	CA	Juniper Networks	
	MasterCard	Intuit	Verisign	
	Satyam Comp. Svcs.	BMC Software	Salesforce.com	
	Adobe Systems	Symantec	Akamai Tech.	
	Nintendo	Check Point Software	TD Ameritrade	
	Quest Software	TIBCO Software	Priceline.com	
% Portfolio	64.6%	99.2%	70.8%	
% Foreign	15.5%	20.7%	0.0%	
Date	As of Jun. 30, 2008	As of Jun. 27, 2008	As of Jun. 27, 2008	

Backed by positive news flow, we remain optimistic on the prospects for share price performance in the medical equipment group. Medtronic has repeated its fiscal-year earnings outlook of \$2.94 per share to \$3.02 per share on revenue of \$15 billion to \$15.5 billion. Medtronic's *Endeavor* drug-coated stent has been able to maintain share at nearly 20% of the U. S. market despite rising competition from Abbott and Boston Scientific.

Gen-Probe has raised its full year sales and EPS forecast by \$17 million and 11 cents a share, respectively and approved a \$250 million stock buyback program. The company has received U. S. Food and Drug Administration approval for its *PROCLEIX ULTRIO* assay to screen donated blood for the hepatitis B virus.

Oil & Gas E & P

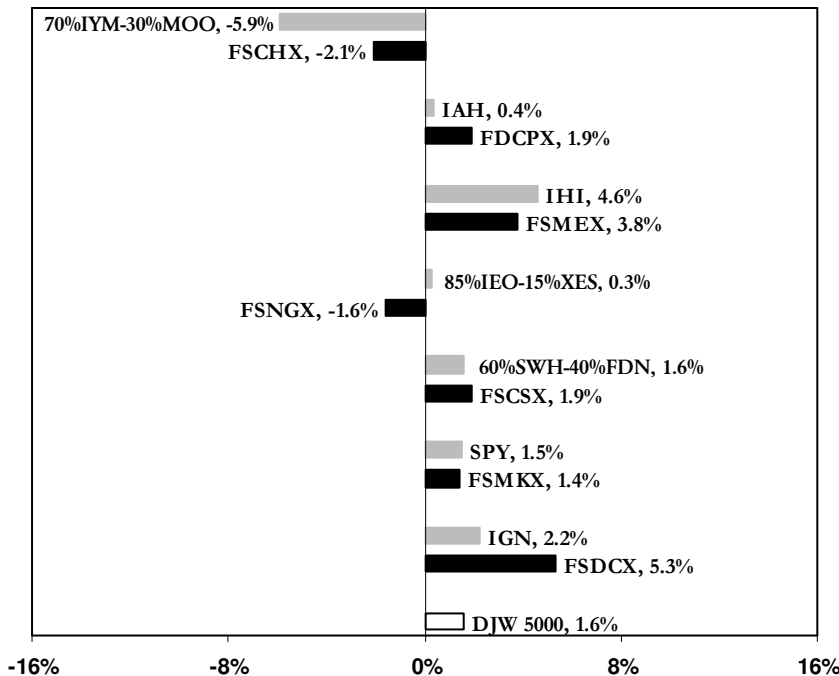
Preferred investments in the oil & gas exploration and production group underperformed the DJW 5000 benchmark. Fidelity Select Natural Gas with a higher concentration of growth-oriented names like Denbury Resources and Quicksilver Resources declined 1.6%. With value stocks in the energy space like Anadarko Petroleum and Devon Energy holding up better against the backdrop of falling commodity prices, the 85% iShares DJ US Oil & Gas E&P+15% SPDR S&P Oil & Gas E&S eked out a fractional gain.

The price of oil & gas declined nearly 7% and 14%, respectively in August. Against the backdrop of a strengthening dollar, the unwinding of speculative positions appear to be exacerbating the decline in commodity prices. Meanwhile, oil & gas companies came through with their earnings for good measure. Canadian Natural Resources, Plains Exploration and Production, and Ultra Petroleum exceeded analysts' earnings forecast by at least 12%.

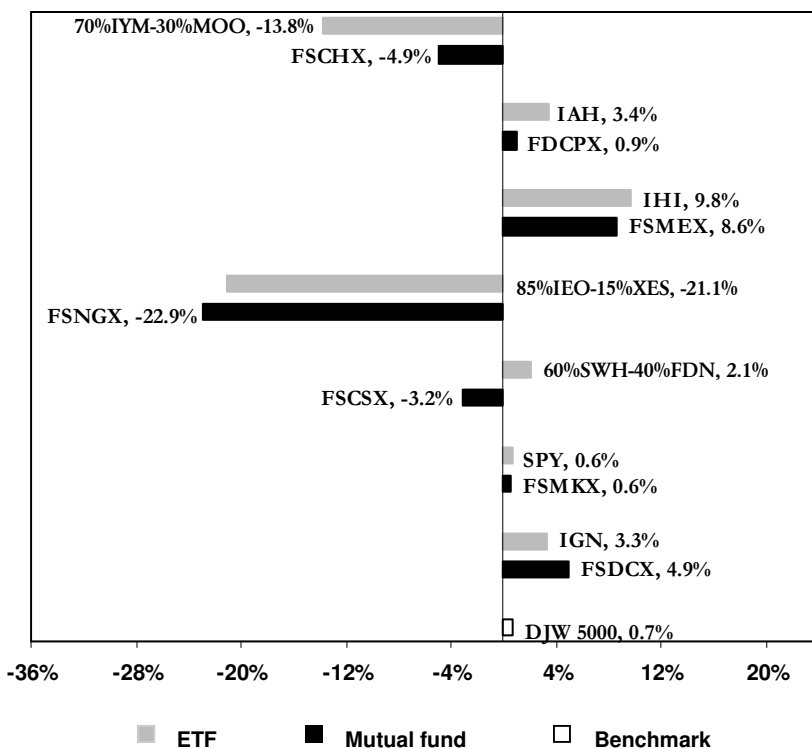
Oil & gas shares have underperformed the DJW 5000 benchmark by over 20% since the end of June.

Preferred ETF & Mutual Fund Returns

August 2008



3QTD2008



takeover appetite of seasoned acquirers like XTO Energy and integrated majors like Chevron. As for energy service companies, commodity prices are still high enough to encourage drilling activity to lend stability to their earning profiles.

Software

Both Fidelity Select Software & Computer Services and the 60% Software HOLDRS+40% First Trust DJ Internet combo gained nearly 2%, marginally outperforming the DJW 5000 benchmark.

Barring further deterioration in the U. S. economy, the software group will likely perform better than the broad market in the period ahead. First, an uncertain economy is providing opportunities for large, well-heeled enterprise software companies like SAP and Oracle to take market share from smaller players as customers seek vendor stability. Anecdotal evidence suggests that IT spending at most corporations will likely be inline with budgets prepared at the end of 2007.

Second, valuation metrics for software stocks are attractive. At month end, Microsoft shares traded at a forward P/E of 12.5, a discount to the 14.3% expected growth in EPS. There is speculation that Microsoft may buy back up to \$20 billion in stock over the next three months.

Third, the software space continues to consolidate as companies seek to enhance capabilities. IT service provider Infosys is acquiring U. K.-based SAP consultant Axon Group for \$753 million while Microsoft is buying Germany-based comparison-shopping site Ciao and its parent for nearly \$486 million.

Fourth, new products such as Amazon's electronic book reading de-

We do not see 'energy stocks down-other stocks up' as an enduring trend. We believe oil & gas shares have an above-average probability of modestly outperforming the broad market in the period ahead.

Several oil & gas companies like Chesapeake, Devon, and Southwestern are well positioned to exploit shale plays. Plains Exploration and Ultra Petroleum with attractive growth profiles and modest valuation metrics are likely to whet the

Featured Quote
'Proper allocation of capital is an investor's No. 1 job.'
Charlie Munger

Portfolio Composition

AlphaProfit Focus™ Model Portfolio

Fidelity Fund Holding (Ticker Symbol)	June 30, 2008		August 31, 2008	
	Amount Invested	Percent Portfolio	Value	Percent Portfolio
Medical Equip. (FSMEX)	\$789,820	48.89%	\$857,801	57.40%
Natural Gas (FSNGX)	\$825,613	51.11%	\$636,637	42.60%
Total (rounded to)	\$1,615,433	100.00%	\$1,494,437	100.00%

AlphaProfit Core™ Model Portfolio

Fidelity Fund Holding (Ticker Symbol)	June 30, 2008		August 31, 2008	
	Amount Invested	Percent Portfolio	Value	Percent Portfolio
Chemicals (FSCHX)	\$82,162	11.55%	\$78,122	11.27%
Comm. Equip. (FSDCX)	\$68,601	9.65%	\$71,992	10.38%
Computers (FDCPX)	\$64,816	9.11%	\$65,421	9.44%
Medical Equip. (FSMEX)	\$110,264	15.50%	\$119,755	17.27%
Natural Gas (FSNGX)	\$115,261	16.21%	\$88,879	12.82%
Soft. & Comp. (FSCSX)	\$66,924	9.41%	\$64,812	9.35%
Spartan 500 Idx. (FSMKX)	\$203,207	28.57%	\$204,399	29.48%
Total (rounded to)	\$711,236	100.00%	\$693,379	100.00%

The AlphaProfit model portfolios were last repositioned at the close of business on March 31, 2008. We are leaving both of the model portfolios unchanged at this time. At newsletter inception on September 30, 2003, the Focus and Core model portfolios had values of \$735,204 and \$406,160, respectively.

vice *Kindle* are gaining popularity. *Kindle* has the potential of becoming the best selling 'gadget gift' during the upcoming holiday season.

S&P 500 Index

Fidelity Spartan 500 Index and SPDR S&P 500 that seek to track the S&P 500 index gained nearly 1.5% in August, essentially inline with the DJW 5000 benchmark's 1.6% advance.

Against the backdrop of a rising dollar and falling commodity prices, shares in the consumer discretionary sector were strong while those in the materials sector lagged.

Second-quarter earnings for the S&P 500 member companies are down nearly 23% from the year-ago period. Most of this damage has come from the financial and consumer discretionary sectors. Even though nearly 70% of the S&P 500

member companies have exceeded earnings estimates, the misses have been relatively large in magnitude and aggregate earnings are almost 8% below forecasts.

In corporate news, consumer products giant Procter & Gamble reported a 33% increase in fiscal fourth quarter profit on a 10% increase in sales. P&G's 92 cents a share EPS tally exceeded analysts' forecast by nearly 18%. Looking ahead, P&G expects EPS to increase nearly 15% in fiscal 2009. In corporate developments, healthcare giant Johnson & Johnson is seeing delays in the approval of its schizophrenia, pneumonia, and psoriasis drugs.

We prefer exposure to the S&P 500 in the Core model portfolio for diversification purposes.

Telecom Equipment

Preferred investments in the telecom equipment group outperformed the DJW 5000 benchmark in August. Boosted likely by strong performance from August Searchlight feature Powerwave Technologies, Fidelity Select Communications Equipment gained 5.3%. A 21% decline in shares of Nortel Networks following the company's disappointing second quarter earnings report restricted iShares S&P North American Networking's gain to 2.2%.

Networking leader Cisco Systems, earned 40 cents a share during its

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.

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

Industry/Index	Computers		Telecom Equipment	
MF/ETF	Fidelity Sel. Computers	Internet Arch. HOLDERS	Fidelity Sel. Com. Eqpt.	iShares S&P Network
Ticker	FDCPX	IAH	FSDCX	IGN
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	Apple	Intl. Bus. Mach.	Cisco Systems	Qualcomm
	Hewlett-Packard	Hewlett-Packard	Qualcomm	Cisco Systems
	Intl. Bus. Mach.	Apple	Comverse Tech.	Research In Motion
	Dell	Cisco Systems	High Tech Computer	Corning
	EMC	Dell	Research In Motion	Nortel Networks
	Sandisk	EMC	Starent Networks	Motorola
	Micron Technology	Sun Microsystems	Juniper Networks	Juniper Networks
	High Tech Computer	Juniper Networks	Powerwave Tech.	Brocade Comm.
	Netapp	Network Appliance	Nokia	CommScope
	Seagate Technology	Symantec	ADC Telecomm.	JDS Uniphase
% Portfolio	72.6%	99.3%	64.9%	59.2%
% Foreign	7.3%	0.0%	19.3%	12.6%
Date	As of Jun. 30, 2008	As of Jun. 27, 2008	As of Jun. 30, 2008	As of Jun. 27, 2008
Industry/Index	Medical Equipment		S&P 500 Index	
MF/ETF	Fidelity Sel. Med. Eqpt.	iShares DJ US Med. Dev.	Fidelity Spartan 500 Idx	SPDR S&P 500
Ticker	FSMEX	IHI	FSMKX	SPY
Manager/Index	E. Yoon	DJ US Sel. Medical Eq.	Geode Cap. Mgmt.	S&P 500 Total Return
Category	Large Cap Growth	Mid Cap Growth	Large Cap Blend	Large Cap Blend
Risk Rating	Below Average	Below Average	Below Average	Below Average
Top 10 Holdings	Baxter International	Medtronic	Exxon Mobil	Exxon Mobil
	Medtronic	Covidien	General Electric	General Electric
	Covidien	Thermo Fisher Scientific	Microsoft	Microsoft
	Alcon	Stryker	Chevron	Chevron
	Becton Dickinson	Boston Scientific	AT&T	AT&T
	Allergan	Zimmer Holdings	Procter & Gamble	Procter & Gamble
	Boston Scientific	St. Jude Medical	Johnson & Johnson	Johnson & Johnson
	Amer. Med. Systems	Intuitive Surgical	Intl. Bus. Mach.	Intl. Bus. Mach.
	Stryker	Waters	Apple	Apple
	Gen-Probe	Varian Medical Systems	ConocoPhillips	ConocoPhillips
% Portfolio	70.9%	57.4%	19.2%	19.4%
% Foreign	19.6%	0.0%	0.0%	0.0%
Date	As of Jun. 30, 2008	As of Jun. 27, 2008	As of Jun. 30, 2008	As of Jun. 27, 2008

fiscal fourth quarter, beating analysts' forecast. Quarterly revenue increased 4% to exceed \$10 billion for the first time. Cisco is forecasting revenue growth to exceed 8% during the next two quarters.

The smartphone market continues to grow in the U. S. having increased nearly 5% during the second quarter. Research In Motion is

expected to launch *Blackberry Bold* soon with AT&T likely being the exclusive partner. RIM also has additional models including *KickStart*, *Thunder*, and *Javelin* in the works.

Apple is making vibes into emerging markets with its *iPhone*. Nokia the undisputed leader in market share in emerging markets is expected to introduce a lower priced

product to compete with the *iPhone*. Motorola has made key management changes to position for spinning off its handset division.

AlphaProfit Investments, LLC
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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.