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**PERFORMANCE TRACKING REPORT**  
Previous 20 recommendations through January 27<sup>th</sup>, 2006

<u>Date</u>	<u>Company</u>	<u>Rec</u>	<u>Previous Day's Closing Price</u>	<u>Stop Price</u>	<u>Opening Price</u>	<u>Exit Price</u>	<u>Exit Date</u>	<u>Profit/Loss</u>	<u>Adjusted P&amp;L</u>
14-Dec-05	Vertex Pharm. 'VRTX'	Buy	\$27.26	\$26.41	\$27.97	\$29.24	23-Dec-05	\$1.27	\$1.12
19-Dec-05	Capital One 'COF'	Buy	\$85.74	\$85.03	\$85.25	\$88.56	20-Dec-05	\$3.31	\$3.16
28-Dec-05	BEA Systems 'BEAS'	Buy	\$9.63	\$9.13	\$9.60	\$10.85	9-Jan-06	\$1.25	\$1.10
29-Dec-05	Goldcorp 'GG'	Buy	\$21.72	\$18.98	\$21.81	\$25.64	<b>Open.</b>	\$3.83	\$3.68
30-Dec-05	Temple Inland 'TIN'	Buy	\$44.78	\$43.51	\$44.74	\$45.01	30-Dec-05	\$0.27	\$0.12
4-Jan-06	Amer Int'l Grp. 'AIG'	Buy	\$69.62	\$68.66	\$69.79	\$70.35	4-Jan-05	\$0.56	\$0.41
5-Jan-06	ATI Technologies 'ATYT'	Buy	\$17.21	\$15.39	\$17.34	\$18.17	6-Jan-06	\$0.83	\$0.68
6-Jan-06	Elect. For Imaging 'EFII'	Buy	\$28.76	\$27.89	\$28.90	\$29.36	6-Jan-06	\$0.46	\$0.31
9-Jan-06	Qualcomm, Inc. 'QCOM'	Buy	\$47.36	\$45.82	\$46.94	\$49.45	11-Jan-06	\$2.51	\$2.36
10-Jan-06	Archer Daniels 'ADM'	Buy	\$26.37	\$24.64	\$26.20	\$28.44	<b>Open</b>	\$2.24	\$2.09
11-Jan-06	Murphy Oil 'MUR'	Buy	\$56.12	\$55.38	\$56.12	\$60.18	20-Jan-06	\$4.06	\$3.91
12-Jan-06	Ultra Petroluem 'UPL'	Buy	\$60.90	\$59.48	\$62.25	\$69.70	23-Jan-06	\$7.45	\$7.30
17-Jan-06	Valero Energy 'VLO'	Buy	\$58.24	\$57.65	\$60.21	\$61.84	20-Jan-06	\$1.63	\$1.48
18-Jan-06	Amazon.com, 'AMZN'	<b>Short</b>	\$44.00	\$44.85	\$43.19	\$44.85	19-Jan-06	<b>(\$1.66)</b>	<b>(\$1.66)</b>
19-Jan-06	JP Morgan 'JPM'	<b>Short</b>	\$39.35	\$40.03	\$39.34	\$37.88	20-Jan-06	\$1.46	\$1.31
20-Jan-06	Devon Energy Corp. 'DVN'	Buy	\$68.26	\$67.44	\$69.68	\$69.97	20-Jan-06	\$0.29	\$0.14
23-Jan-06	Amgen, Inc. 'AMGN'	<b>Short</b>	\$75.68	\$77.19	\$75.97	\$71.90	<b>Open</b>	\$4.07	\$3.92
24-Jan-06	XTO Energy 'XTO'	Buy	\$48.35	\$46.54	\$47.95	\$49.39	24-Jan-06	\$1.44	\$1.29
25-Jan-06	Norfolk Southern 'NSC'	Buy	\$45.80	\$44.79	\$47.75	\$49.82	<b>Open</b>	\$2.07	\$1.92
27-Jan-06	Dell, Inc. 'DELL'	<b>Short</b>	\$29.31	\$30.55	\$29.52	\$29.31	<b>Open</b>	\$0.21	<b>(\$1.03)</b>

**This report is meant to be read with the summary report and notes on the accompanying page.**



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**Report Summary:** We are very pleased to announce that 19 of our last 20 trading recommendation have resulted in profitable stock movements, resulting in an average movement of \$1.88/share. This is a 95% success ratio. Adjusting for our criteria that each stock recommendation return a minimum profitable movement of \$0.25/share or be accounted for as one in which we would have been stopped out at a loss, we had profitable movement on 18 of 20 trading recommendation for an average gain of \$1.68/share. This is a success ratio of 90%.

### **Column Heading Definitions and Explanations**

**Previous Day's Closing Price:** The price the shares of the recommendation closed as recorded by the official close for the appropriate exchange or market.

**Stop Price:** At what price we set our trading stops, or basically when we would cut our losses.

**Opening Price:** The price the shares of our recommendation started trading at the day of the recommendation. This is important because this is the price you can enter your trade at, there is never any guarantee that a stock will open that day at the previous day's price or that it will ever trade there. Sterling Investment Services uses the opening price as our entry point for the trade, and it is from this price that we calculate our gains and losses. Sometimes this price is advantageous to our recommendations, and sometimes it is not. But you have to have a price from which the theoretical gains and losses can be calculated and this seems to be a much more fair and realistic price than the previous day's close. It is our personally trading philosophy to attempt to enter our trades at a price between the previous day's closing price and the opening price.

**Exit Price:** This is the theoretical exit price for the position. For a long position it will be the daily high that day, and for a short position it will be the daily low for that day. If have the position indicated as still being open, then it is the closing price for the last trading day prior to the publication of this report.

**Exit Date:** This is the day we would have exited, closed out, our position; or if we are still maintaining the position, then it will be indicated as an open position.

**Profit / Loss:** Real Simple. The gain or loss between our opening price and exit price.

**Adjusted Profit & Loss:** This is where are our trading philosophy comes into play. If a position does not generate at least a \$0.25/share profit, then we record the position as one in which we got stopped out at a loss. If it is a profitable position, then we subtract \$0.15/share from the profits in an attempt to account for commissions, trade execution issues, ect.

**Publisher's Comments:** This report has been prepared in an attempt to show the performance of our trading recommendations. Actual trading results will vary. We have attempted to establish criteria to reflect real world trading. While we are the 1<sup>st</sup> to acknowledge that performance tracking will ever be perfectly replicated in real life, we have attempted to do the best we can at presenting the data fairly for your evaluation.