



The SISR Model Portfolio*

Philip L. Miller – 646-415-9141

Chief Strategist

pmiller@sisresearch.com

www.sisresearch.com

United States Equity Markets

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Deleting XOM, PBR, HOC from Model Portfolio

I. Introduction

The committee at SISR decided to remove Exxon Mobil (XOM), Petroleo Brasileiro (PBR) and Holly Corp (HOC) from the model portfolio. There are various factors that have led us to this decision. First crude oil is at an intermediate high having traded as high as \$75 per barrel. Today, crude has dropped to \$71.90 down \$2.44 on the day. We believe that it may go down to the \$60 range. Second we are entering some seasonal factors that traditionally have seen the price of crude decline going into the driving season. Third, this is the first time this year where wholesale gasoline has not kept up with the increase in crude. Fourth, fundamentally there was no reason for crude to be trading as high as it has been, and to a significant extent it has been trading with the markets. Finally, crude was up on the large drawdown which was most likely a result of limited deliveries, because of some recent hurricane activity. Our expectation is that crude will over the next several months' trade down back to the \$60 range.

II. Portfolio Changes

We have decided to make 6 changes to the portfolio:

- 1) **Sell** Exxon Mobil (XOM) \$70.68; Purchase price \$70.80
- 2) **Sell** Petroleo Brasileiro (PBR) \$43.32; Purchase price \$40.00
- 3) **Sell** Holly Corporation (HOC) \$24.02; Purchase price \$20.72

Figure I: Performance Table of Performance of the SISR Recommended List Based on the (July 31, 2009) Close

Companies, Initiation Date and Price and Percentage Change												
#	Company	Initiation Date	Initiation Price	Initial Purchase	Initial Purchase Sold	# of Shares	Date of Sale	Sale Price	Closing Price July 24	Percent Change	Current Value	Profit/ Loss
1	The Mosaic Company (MOS)	Oct. 18, 2008	\$33.66		\$50,000.00	1485.44	April 8, 2009	\$45.61		35.50%	\$0.00	\$17,751.04
2	Holly Corporation (HOC)	Oct. 23, 2008	\$16.75		\$50,000.00	2985.07	May 7, 2009	\$25.25		50.75%	\$0.00	\$25,373.13
3	Abercrombie (ANF)	Nov. 3, 2008	\$28.96	\$50,000.00		1726.52			\$28.59	-1.28%	\$49,361.19	
4	Aeropostale (ARO)	Nov. 3, 2008	\$24.18		\$50,000.00	2067.82	May 5, 2009	\$37.22		53.93%	\$0.00	\$26,964.43
5	Harris (HRS)	Jan. 25, 2009	\$42.80		\$50,000.00	1168.22	May 7, 2009	\$28.58		-33.22%	\$0.00	-\$16,612.15
6	Caterpillar (CAT)	Jan. 28, 2009	\$32.32	\$50,000.00		1547.03			\$44.06	36.32%	\$68,162.13	\$0.00
7	Accenture (ACN)	Feb. 4, 2009	\$33.11	\$50,000.00		1510.12			\$35.07	5.92%	\$52,959.83	
8	Polo Ralph Lauren (RL)	Feb. 18, 2009	\$36.97		\$50,000.00	1352.45	May 7, 2009	\$52.00		40.65%	\$0.00	\$20,327.29
9	Darden Restaurants (DRI)	Mar. 16, 2009	\$28.78	\$50,000.00		1737.32			\$32.39	12.54%	\$56,271.72	\$0.00
10	Cheesecake Factory Inc. (CAKE)	Mar. 16, 2009	\$9.48		\$50,000.00	5274.26	April 30, 2009	\$17.37		83.23%	\$0.00	\$41,613.92
11	Applied Materials (AMAT)	Mar. 16, 2009	\$10.43	\$50,000.00		4793.86			\$13.80	32.31%	\$66,155.32	\$0.00
12	L-3 Communication Holdings (LLL)	Mar. 16, 2009	\$61.29		\$50,000.00	815.79	May 7, 2009	\$77.04		25.70%	\$0.00	\$12,848.75
13	Wells Fargo & Co. New (WFC)	Mar. 16, 2009	\$13.70		\$50,000.00	3649.64	May 7, 2009	\$24.76		80.73%	\$0.00	\$40,364.96
14	Bank of America (BAC)	Mar. 16, 2009	\$6.18		\$50,000.00	8090.61	April 30, 2009	\$8.93		44.50%	\$0.00	\$22,249.19
15	Lowes Companies Inc. (LOW)	Mar. 19, 2009	\$17.19	\$50,000.00		2908.67			\$22.46	30.66%	\$65,328.68	\$0.00
16	J.B. Hunt Transport (JBHT)	Mar. 31, 2009	\$23.61	\$50,000.00		2117.75			\$27.95	18.38%	\$59,191.02	\$0.00
17	Infosys Technologies (INFY)	Apr. 17, 2009	\$27.98		\$50,000.00	1786.99	July 22, 2009	\$40.50		44.75%	\$0.00	\$22,373.12
18	China Life Insurance (LFC)	Apr. 17, 2009	\$54.72	\$50,000.00		913.74			\$66.56	21.64%	\$60,818.71	
19	Granite Construction Inc. (GVA)	Apr. 17, 2009	\$40.12	\$50,000.00		1246.26			\$33.88	-15.55%	\$42,223.33	
20	Texas Industries Inc. (TXI)	Apr. 17, 2009	\$31.81	\$50,000.00		1571.83			\$45.50	43.04%	\$71,518.39	
21	China Medical Technology (CMED)	Apr. 20, 2009	\$19.28		\$50,000.00	2593.36	July 17, 2009	\$18.83		-2.33%	\$0.00	-\$1,167.01
22	Nokia (NOK)	Apr. 30, 2009	\$14.14		\$50,000.00	3536.07	July 22, 2009	\$13.00		-8.06%	\$0.00	-\$4,031.09
23	Hewlett Packard (HPQ)	Apr. 30, 2009	\$35.98		\$50,000.00	1389.66	July 27, 2009	\$41.72		15.95%	\$0.00	\$7,976.62
24	Coach Inc. (COH)	May 5, 2009	\$25.42	\$50,000.00		1966.96			\$29.59	16.40%	\$58,202.20	
25	Nordstrom Inc. (JWN)	May 5, 2009	\$23.90	\$50,000.00		2092.05			\$26.44	10.63%	\$55,313.81	
26	Jacob Engineering (JEC)	May 5, 2009	\$41.57	\$50,000.00		1202.79			\$40.98	-1.42%	\$49,290.35	
27	S&P Dep Receipts (SPY) - Short	May 7, 2009	\$90.86		-\$600,000.00	-6603.57	June 5, 2009	\$94.02		3.48%	\$0.00	-\$20,867.27
28	Exxon Mobil Corp (XOM)	May 11, 2009	\$70.80	\$50,000.00		706.21			\$70.39	-0.58%	\$49,710.45	
29	Petroleo Brasileiro (PBR)	May 11, 2009	\$40.00	\$50,000.00		1250.00			\$41.32	3.31%	\$51,655.00	
30	Schlumberger Limited (SLB)	May 11, 2009	\$56.53		\$50,000.00	884.49	July 27, 2009	\$57.34		1.43%	\$0.00	\$716.66

#	Company	Initiation Date	Initiation Price	Initial Purchase	Initial Purchase Sold	# of Shares	Date of Sale	Sale Price	Closing Price July 24	Percent Change	Current Value	Profit/ Loss
31	Baker Hughes Inc. (BHI)	May 11, 2009	\$39.20		\$50,000.00	1275.51	July 27, 2009	\$41.46		5.77%	\$0.00	\$2,882.64
32	Occidental Petroleum Corp (OXY)	June 6, 2009	\$68.56		\$50,000.00	765.46	June 12, 2009	\$68.97		0.60%	\$0.00	\$2,793.78
33	FPL Group Inc. (FPL)	June 6, 2009	\$55.22	\$50,000.00		905.47			\$56.67	3.93%	\$51,312.93	
34	Woodward Governor Co. (WGOV)	June 6, 2009	\$23.12	\$50,000.00		2162.63			\$19.64	-15.05%	\$42,474.05	
35	Vulcan Materials Company (VMC)	June 6, 2009	\$46.09	\$50,000.00		1084.83			\$47.48	3.02%	\$51,507.92	
36	Holly Corporation	June 14, 2009	\$20.72	\$50,000.00		2413.13			\$21.27	2.65%	\$51,327.22	
37	WellPoint (WLP)	June 22, 2009	\$48.82	\$50,000.00		1024.17			\$52.64	7.82%	\$53,912.33	
38	United Health (UNH)	June 22, 2009	\$24.56	\$50,000.00		2035.83			\$28.06	14.25%	\$57,125.41	
39	S&P Dep Receipts (SPY) - Short	July 17, 2009	\$94.13	-\$500,000.00		-5311.80			\$98.81	4.97%	-\$524,859.24	
40	QQQQ	July 17, 2009	\$37.56	\$500,000.00		13312.03			\$39.45	5.03%	\$525,159.74	
41	BEBE	July 22, 2009	\$6.50	\$50,000.00		7692.31			\$7.27	11.85%	\$55,923.08	
42	AECOM Technology Group	July 27, 2009	\$32.99	\$50,000.00		1515.61			\$32.40	-1.79%	\$49,105.79	
43	Louisiana Pacific Corp	July 27, 2009	\$3.78	\$50,000.00		13227.51			\$4.22	11.64%	\$55,820.11	
	Total Equity			\$1,200,000.00							\$1,324,971.47	
	Cash			\$1,558.03							\$1,558.03	
	Total Realized Gain/Loss											\$201,558.03
	Total Value of Account										\$1,326,529.50	
	Original Asset Value					07/31/09					\$1,000,000.00	
	Total Return Since Inception Oct 2008			S&P Oct 18 08	940.55	987.48	S&P	4.99	SISR	32.65%	\$326,529.50	
	Return 2009			S&P Jan 1, 09	903.25	987.48	S&P	9.33	SISR	34.21%		

Source: Reuters, SISR

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Price Chart:

A price chart, with changes of ratings and price targets in prior periods, is included above, for all securities covered in this report.

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