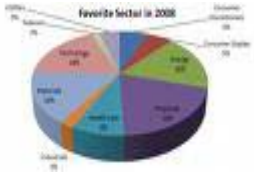




Strategic International Securities Research Inc.

An Independent Research Firm



The SISR Model Portfolio*

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United States Equity Markets

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Closing the S&P Short Cover Keeping the QQQQ

I. Introduction

The committee at SISR decided to remove the S&P short cover keeping the QQQQ long in the SISR Model Portfolio. The results from Dell and the indication from Intel are the primary reason for these actions. We want to have a bigger exposure in technology, and will use the S&P again in the future as a hedge.

II. Portfolio Changes

We have decided to make 6 changes to the portfolio:

- 1) **Buy to Cover** S&P Depository Receipts (SPY) \$104.10; Sell Price \$94.19, at 9:40 AM

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

Certification:

I, Philip L. Miller (or any research analysts at SISR Inc.) certify/certifies that the views expressed in this report accurately reflect my personal views about the subject companies and securities. In addition no part of my compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report.

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- 1 – Recommended List – The stock has our highest recommendation and is expected to outperform the average equal weighted expected total return of the overall Market irrespective of sector. Our investment horizon is 12 – 18 months except as specified by the reporting analyst.
- 2 – Overweight – The stock is expected to outperform the equal weighted expected total return of the sector coverage. Our investment horizon is 12 – 18 months except as specified by the reporting analyst.
- 3 – Neutral – The stock is expected to perform in line with the equal weighted expected total return of the sector coverage. Our investment horizon is 12 -18 months except as specified by the reporting analyst.
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- 5 – Rating Suspended – The rating and target price have been suspended temporarily to comply with applicable regulations and/or firm policies in certain circumstances including when SISR Inc. is acting in an advisory capacity in a merger or strategic transaction involving the company.

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- 2 – Positive – The sector fundamentals and valuations are improving with a positive second derivative.
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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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