

Sharemarket challenge

Profit through bull and bear market condition

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Corporate Information Package

Objective

1. The Cure Our Kids Sharemarket Challenge aims to establish a \$10 million Capital Fund which will be invested to provide a stable, secure, and re-occurring income stream in perpetuity. Cure Our Kids receives no government funding.

Operation

2. Monies held in the Cure Our Kids Capital Fund (Capital Fund) will be invested in the Australian equities market, and specifically the ASX20. The current list of ASX20 stocks is displayed adjacent.

3. Stocks will be bought and sold in accordance a trading strategy developed by Aussie Shareguide. Page 3 provides a Power Point snapshot presentation of this process including performance statistics for the period 2005-2010, including a separate analysis of its performance during the Global Financial Crisis.

4. Profits from each trade will be distributed between Cure Our Kids and the Capital Fund. The first beneficiary will be Cure Our Kids, which will enable them to continue to fund their ongoing projects. The second beneficiary will be the reinvestment of profits into the Capital Fund to ensure its growth and thereby in return increase the future distributed income to Cure Our Kids.

List of ASX20 Stocks

AMP, ANZ Bank, BHP, Brambles, Commonwealth Bank, CSL, Fosters, Macquarie Bank, NAB Bank, Newcrest Mining, Origin Energy, QBE Insurance, RIO Tinto, Suncorp, Telstra, Wesfarmers, Westfield, Westpac Bank, Woodside Petroleum, Woolworths

Participation Options

5. There are a number of options for corporations to participate in the Cure Our Kids Sharemarket Challenge. The following options do not provide the limit of these options and Cure Our Kids welcomes any other ideas and suggestions on how corporations can participate in the Cure Our Kids Sharemarket Challenge.

Loan Finance

- A. Provide an interest free loan to the Cure Our Kids Capital Fund.
- B. Funds to be invested in accordance with Aussie Shareguide Investment Strategy.
- C. Lender determines conditions of the continuation of loan eg
 - (1) Loss limit. Say a loan of \$100k is provided. Lender sets a loss limit on that loan of say \$20k, at which time any stocks associated with that loan would be sold, and the balance of the funds returned to the lender. This process provides the lender with a protection level of their choosing, while at the same time providing Cure Our Kids with a substantially higher level of support then a donation of the same value of the loss limit would provide.
 - (2) Close loan. The lender can call in the loan at a time of their choosing.
- D. All trading profits, once realised, are transferred to the Capital Fund
- E. All other income eg interest & dividends, derived from the loan is transferred to the Capital Fund
- F. All stocks bought will be allocated against each specific lender's loan ensuring the lender will know specifically which stocks have been bought and allocated against the loan eg 1000 Commonwealth Bank shares
- G. Cost Benefit Analysis Example:
 - (1) A loan of \$100,000 has an opportunity cost of say \$8000 based on foregone interest of say 8%
 - (2) The cost of providing the loan, assuming all funds are returned to the lender is just \$8000, yet the benefit to Cure Our Kids, through the Sharemarket Challenge, could be as high as \$25,000 to \$40,000, a multiplication factor of 3 or more times the opportunity cost lost.

Participation Options (cont)

H. Cost Benefit Analysis if Corporation has Trading Platform

- (1) A loan of \$100,000 has an opportunity cost of say \$8000 based on foregone interest of say 8%
- (2) Say, 100 of the corporations trading customers took a 12 month subscription to the Cure Our Kids Daily Report which details the same trading strategy used by the Cure Our Kids Sharemarket Challenge
- (3) If each customer undertook just one buy/sell trade for the entire 12 months at a trading fee of say \$40 per buy & sell, the return would be \$8000 (100 trades x \$80), offsetting the \$8000 lost opportunity cost on the \$100,000 loan. If each customer undertook 2 trades over the 12 months the trading fees would net \$16,000, a net gain of \$8000 to the corporation. If each customer undertook one trade per month the trading fees would net \$96,000, a gain of \$88,000 to the corporation.

Donation

A. Make a cash donation which will go straight to the Cure Our Kids Capital Fund, which will be subsequently invested and provide an income stream to Cure Our Kids for prosperity. The donation may in affect provide many times its value over the following years, providing a lasting legacy for Cure Our Kids and to those corporations who make a donation.

Advertising

- (1) **Paid Advertising.** A corporation can take a paid advertisement in the Cure Our Kids Daily Report. An advertisement would cost \$1000 but be published for 20 trading days. In the start up days of “the challenge”, the 20 trading day countdown would not commence until there are at least 1000 members receiving the Daily Report. This in fact may provide advertising exposure for many many months.
- (2) **Lenders and Donors.** Corporations who provide loan funds, or make a donation, would also receive complimentary advertising to the value of the loan or donation.

Enquiries

All enquiries to Malcolm Knowles, Cure Our Kids Business Development Manager on 0411 265 603.



Example 1 of an ASG Trade

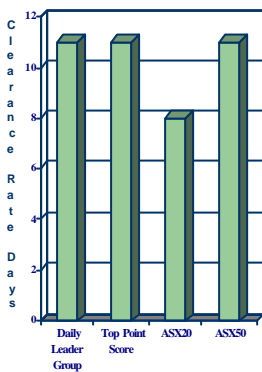
ASX 20 stock within ASG Daily Leaders Group

- Mar 2 QBE was the top Daily Leaders Group stock
- Mar 2 closing price of \$21.10
- Mar 2 order placed for \$20.57
- Mar 3 purchased for \$20.57
- Mar 3 sell order placed for \$20.78
- Mar 6/7 Saturday/Sunday (market closed)
- Mar 9 sold for \$20.78
- Profit 1% in 4 trading days

ASG Statistics> QBE has been the ASG top ranked stock 19 times, being cleared 100% of the time, with an average holding time of 1.7 days

Example of a Trade

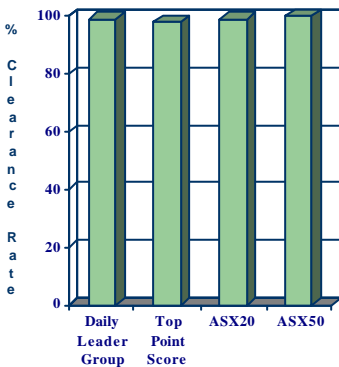
Performance Stats 2005-2010 For ASG ASX 20 Stocks Only Clearance Rate by Trading Days



- Daily Leader Group
11 trading days
- Top Point Score
11 trading days
- ASX20 Category
8 trading days
- ASX50 Category
11 trading days

Performance Stats 2005-2010 ASX 20 Stocks

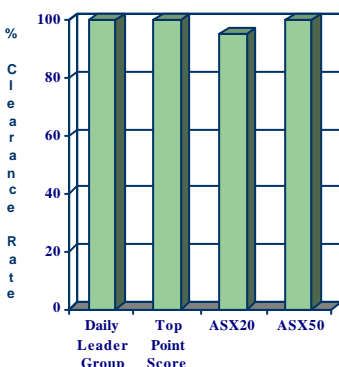
Global Financial Crisis Performance Statistics 2008-2009 For ASG ASX 20 Stocks Only by Clearance Rate %



- Daily Leader Group
 1. 99% clearance rate
 2. 13 trading days
 3. 43.6% annualised return
- Top Point Score
 1. 98% clearance rate
 2. 16 trading days
 3. 29.8% annualised return
- ASX 20 category
 1. 99% clearance rate
 2. 10 trading days
 3. 50.0% annualised return
- ASX 50 category
 1. 100% clearance rate
 2. 12 trading days
 3. 40.1% annualised return

Performance Stats 2008-2009 Global Financial Crisis ASX 20 Stocks

Pre-Global Financial Crisis Performance July 2007 – Dec 2007 For ASG ASX 20 Stocks Only by Clearance Rate %



- Daily Leader Group
 1. 100% clearance rate
 2. 2 trading days
- Top Point Score
 1. 100% clearance rate
 2. 3 trading days
- ASX 20 Category
 1. 95% clearance rate
 2. 2 trading days

[Only 1 stock not cleared, NAB purchased on the 13 Dec 2007 at \$38.40, with around \$3.40 in dividend income]
- ASX 50 Category
 1. 100% clearance rate
 2. 5 trading days

Performance Stats Jul 2007 – Dec 2007 Pre-Global Financial Crisis ASX 20 Stocks