



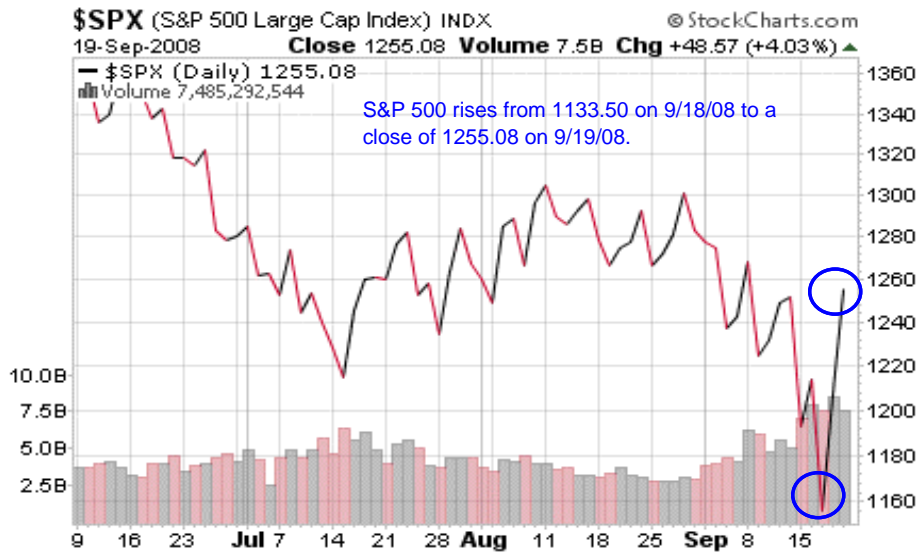
**YieldSafe INVESTMENTS LLC**

## OUTLOOK

"S&P 500 Posts Biggest Two-Day Rally Since 1987"  
9/19/2008

On 9/18/08, we forecasted that the S&P 500 would rally above 1250 by this November. One day later, the S&P 500 rallied above 1250, closing at 1255.08 on 9/19/08. From its low of 1133.50 on 9/18/08, the S&P 500 rallied over 10% in 2 days, the biggest two-day rally since 1987.

**Graph 1**



As mentioned in our Outlook on 9/18/08, we saw signs of capitulation with the 3-Month Treasury Bill yielding close to zero from the massive flight to safety and the VIX surging to its highest level in 6 years. The government plan to purge banks of their bad debt boosted investor confidence and sparked a reversal of flight to safety in which investors moved their money out of Treasury Bills and into the stock market.

Graph 2



We believe the easy money has been made in this rally. The S&P 500 may appreciate further but we don't see the risk/reward prospects as favorable at these levels. Since the S&P 500 reached our target of 1250, we have exited our position and have taken profits. We will await other trading opportunities that put the odds strongly in our favor.

Mark Yuan, CFA

