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Ashland Partners & Company LLP

Independent Verifier's Report

Board of Directors
Hanseatic Management Services, Inc.
5600 Wyoming NE, Suite 220
Albuquerque, NM 87109

We have examined the accompanying Schedule of Quarterly Returns and the Notes to Schedule of Quarterly Returns for the *US Equity Composite* for the period May 1, 1991 through December 31, 2001. This performance presentation is the responsibility of management. Our responsibility is to express an opinion on this performance presentation based on our examination.

Our examination was conducted in accordance with attestation standards generally accepted in the United States and, accordingly, included examining, on a test basis, evidence supporting the Notes to Schedule of Quarterly Returns for the *US Equity Composite* and performing such other procedures as we considered necessary in the circumstances. Our examination included procedures to examine the investment process and to obtain reasonable assurance that performance results were calculated using acceptable industry-standard methodologies. We believe our examination provides a reasonable basis for our opinion.

In our opinion, the accompanying Schedule of Quarterly Returns and Notes to Schedule of Quarterly Returns present fairly, in all material respects, the performance record of the *US Equity Composite* in conformity with generally accepted calculation methodologies and performance presentation standards of the industry.

Ashland Partners & Co. LLP
Ashland Partners & Company LLP
August 1, 2008

HANSEATIC MANAGEMENT SERVICES, INC.

US EQUITY COMPOSITE

SCHEDULE OF QUARTERLY RETURNS

Asset-Weighted Returns GROSS and NET of Management Fees

Results have been calculated in U.S. Dollars

		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Annual
2001	Gross	(16.38%)	5.59%	(27.53%)	10.23%	(29.47%)
	Net	(16.58%)	5.34%	(27.67%)	9.94%	(30.12%)
2000	Gross	23.74%	4.33%	1.48%	(18.45%)	6.84%
	Net	23.49%	4.12%	1.29%	(18.60%)	6.01%
1999	Gross	16.36%	4.06%	6.23%	44.36%	85.69%
	Net	14.99%	3.83%	6.04%	44.04%	82.36%
1998	Gross	10.70%	4.93%	(9.11%)	18.42%	25.02%
	Net	9.56%	3.49%	(9.36%)	17.58%	20.84%
1997	Gross	(3.97%)	18.78%	20.10%	(6.43%)	28.18%
	Net	(4.78%)	17.84%	17.50%	(6.66%)	23.06%
1996	Gross	5.18%	11.72%	1.49%	3.88%	23.89%
	Net	4.46%	7.54%	1.25%	3.64%	17.88%
1995	Gross	10.25%	15.32%	16.36%	(5.46%)	39.86%
	Net	10.25%	13.77%	13.17%	(5.70%)	33.86%
1994	Gross	8.42%	(15.20%)	20.19%	9.31%	20.79%
	Net	8.42%	(15.20%)	20.19%	9.31%	20.79%
1993	Gross	7.37%	13.41%	17.99%	(0.69%)	42.68%
	Net	7.37%	13.41%	17.99%	(0.69%)	42.68%
1992	Gross	(10.62%)	(9.11%)	(2.98%)	7.94%	(14.93%)
	Net	(10.62%)	(9.11%)	(2.98%)	7.94%	(14.93%)
1991	Gross			18.20%	21.96%	N.A.
	Net			18.20%	21.96%	N.A.

Past performance is not indicative of future results. The accompanying Notes to Schedule of Quarterly Returns are an integral part of this presentation.

HANSEATIC MANAGEMENT SERVICES, INC.

NOTES TO SCHEDULE OF QUARTERLY RETURNS – PAGE 1 OF 2

1. ORGANIZATION

Hanseatic Management Services, Inc. is a registered investment adviser. The firm maintains a complete list and description of composites, which is available upon request.

2. DESCRIPTION OF THE US EQUITY COMPOSITE

The US Equity Composite reflects the performance of fully discretionary equity accounts and for comparison purposes is measured against the S&P 500 Index and the Russell 2000 Index. The S&P 500 Index used is based on returns with dividends not reinvested. The inception of the composite is May 1, 1991. Leverage is not used in this composite. The U.S. Dollar is the currency used to express performance. Beginning January 1, 2000, the minimum account size for this composite is \$1 million.

3. ANNUAL PERFORMANCE RELATIVE TO STATED BENCHMARK

Year End	Composite Assets U.S. Dollars (millions)	Annual Performance Results		S&P 500 Index	Russell 2000 Index
		Gross	Net		
2001	1.9	(29.47%)	(30.12%)	(13.04%)	1.03%
2000	90	6.84%	6.01%	(10.14%)	(4.20%)
1999	68	85.96%	82.36%	19.53%	19.64%
1998	2.3	25.02%	20.84%	26.67%	(3.44%)
1997	1.9	28.18%	23.06%	31.01%	20.54%
1996	1.6	23.89%	17.88%	20.26%	14.78%
1995	<1	39.86%	33.86%	34.11%	26.21%
1994	<1	20.79%	20.79%	(1.54%)	(3.18%)
1993	<1	42.68%	42.68%	7.06%	17.01%
1992	<1	(14.93%)	(14.93%)	4.46%	16.33%
1991	<1				

4. METHODOLOGIES

The rates of return have been prepared in accordance with acceptable industry standard methodologies. These methodologies include, but are not limited to, the following:

- The composite returns reflect asset-weighted total returns, using beginning of period market values.

HANSEATIC MANAGEMENT SERVICES, INC.

NOTES TO SCHEDULE OF QUARTERLY RETURNS – PAGE 2 OF 2

4. METHODOLOGIES (CONTINUED)

- Monthly returns are calculated using the Modified Dietz Method. This methodology has been applied consistently for all periods. Other methods may produce different results.
- Quarterly and annual rates of return for the portfolio are computed by geometrically linking the monthly rates of return for the indicated number of months.
- Trade date accounting is used for all periods.
- Accrual accounting is used to record dividend and interest income.

5. FEES

Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using actual management fees. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. No non-fee-paying accounts are included in this composite from May 1995 through December 2001. Prior to that time, non-fee-paying accounts represented 100% of the composite assets. Firm policy requires booking contributions on the first day of the month and withdrawals on the last day of the month for performance purposes unless otherwise instructed. Composite performance is presented net of foreign withholding taxes on dividends, interest income, and capital gains. Withholding taxes may vary according to the investor's domicile. Composite returns represent investors domiciled primarily in the United States. The investment management fee schedule for the composite is 0.90% on the first \$10 million, 0.45% on the next \$15 million, and 0.40% on the remainder. Actual investment advisory fees incurred by clients may vary. Actual investment advisory fees incurred by clients may vary. Historical rates of return may not be indicative of future rates of return.

6. REPORTS

The Independent Verifier's Report and the Schedule of Quarterly Returns are an integral part of this presentation.