

Objective, compelling stock advice for those that want to invest with the best

When is the best time to buy a stock? Before you decide, wouldn't you want to know what the best investors are doing? Marketocracy is the only research company that delivers stock alerts based on the comparative trading activity between the best investors and the rest.

STRONG BUYS

When the best investors are buying and the rest are selling

Ticker	Company	Best Buying	Rest Selling	Recent Price
AMD	Advanced Micro Devices Inc, Inc.	+7%	-1%	\$11.89
ZRAN	Zoran Corp.	+7%	-2%	\$20.94
EPIX	Epix Medical, Inc.	+40%	-38%	\$17.22

Notes: For more details on each Strong Buy go to [page 2 or click here](#)

Best Buying represents the increase in holdings by the best investors through October 3, 2003

Rest Selling represents the increase in holdings by the rest of investors through October 3, 2003

For an explanation of who the *Best* and *Rest* are go to [page 3 or click here](#)

For information on how to obtain *Marketocracy Stock Alerts* [click here for page 4](#)

What is a Strong Buy?

When the best investors are buying a stock and the rest are selling, that is a Strong Buy. A Strong Buy indicates that the best investors see fundamentals the rest of the market has yet to identify, but will. We believe these trading differences account for the superior returns of the best investors over the rest. Don't expect an immediate jump. Strong Buy stocks often continue to fall in price until the rest of the market catches on. Once the market does catch on, prices take off.

How good are Strong Buys?

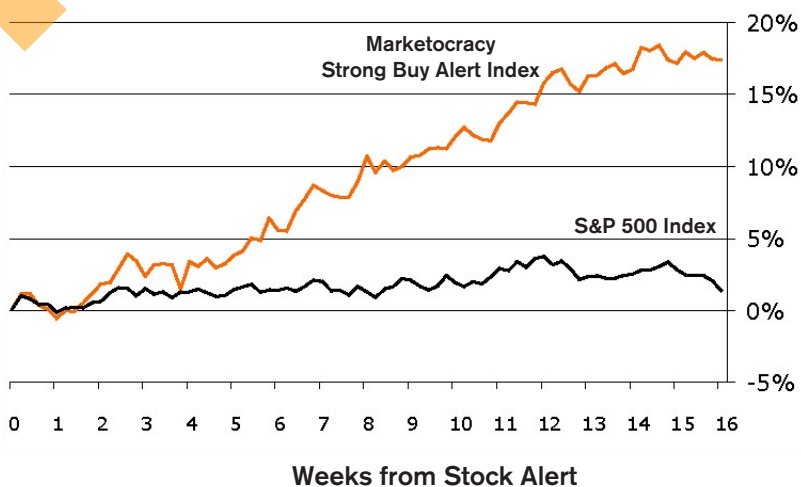
The chart (to right) summarizes the average total return of 38 Strong Buy Alerts over the weeks following each alert, compared to the average return of the S&P 500 Index during those same periods.

Who is Marketocracy?

Marketocracy Data Services, publisher of *Marketocracy Stock Alerts*, is a research company whose mission is to find the best investors in the world and then track, analyze, and evaluate their trading activity.

The company's affiliate, Marketocracy Capital Management, is the investment advisor for the Marketocracy family of mutual funds and uses the research generated by Marketocracy Data Services.

Stock Alert Performance



STRONG BUYS

When the best investors are buying and the rest are selling

Advanced Micro Devices, Inc. (AMD)

Recent Price \$11.89

AMD is a semiconductor manufacturer with manufacturing facilities in the U.S., Europe and Asia. AMD designs, manufactures and markets digital integrated circuits (ICs), e.g., AMD Athlon and Duron microprocessors, that are used in PCs, workstations, servers, communications equipment and automotive and consumer electronics.

Best increased holdings by +7% Rest decreased holdings by -1%

The best investors have been holding a large position in AMD since April. When AMD rose 55% in August, the best let the price increase grow the position from the 31st largest holding in the best portfolio (out 6,103 positions) on August 8 to the No. 19th on August 29. There was a little profit taking in the beginning of September. Then, when the price dropped by 17% the best investors increased their holdings in AMD by 15%, with most of the increase happening last week. The rest have been selling a little and the consensus analyst rating is below the industry mean at hold 2.8 (1= Strong Buy and 5= Strong Sell).

Zoran Corp. (ZRAN)

Recent Price \$20.94

ZRAN provides digital solutions-on-a-chip for applications in the growing consumer electronics markets, e.g., high-performance digital audio, video and imaging applications. Zoran-based DVD products and digital cameras are in millions of homes worldwide. HQ in Sunnyvale, CA, with operations in Canada, China, Germany, Hong Kong, Israel, Japan, Korea, Taiwan and the United Kingdom.

Best increased holdings by +7% Rest decreased holdings by -2%

The best investors have been holding a relatively large position in ZRAN, a mid-cap stock, since April, buying more when the price dips. When the price dropped by 14% in the first half of August, the best investors increased their position by 69% and 2 weeks ago, as the price was dropping 25% the best increased their position by 7% putting ZRAN in the top 3% of all holdings in the best portfolio.

Epix Medical Inc (EPIX)

Recent Price \$17.22

EPIX is a medical products company whose principal product, MS-325, is being developed to provide targeted contrast agents that improve the diagnostic quality of visual imaging of the body's arteries and veins through a type of MRI specific to imaging the vascular system known as magnetic resonance angiography (MRA). HQ Cambridge, MA.

Best increased holdings by +40% Rest decreased holdings by -38%

Not as widely followed or understood, this small-cap stock has been primarily followed by our very best investors, the m100. EPIX is currently the 63rd largest position in the m100 portfolio but only in the top 17% of the best (top Quartile) portfolio. Buying on the dips and selling on the upswings, the best investors increased their position by 40% in mid-August when the price dropped by 20%. Profit taking in early September, then a 40% increase in holdings when then price dropped by 25%. Meanwhile, the rest have dumped 38% of their holdings in EPIX.

METHODOLOGY and FREQUENTLY ASKED QUESTIONS

Who are the “Best Investors?”

Marketocracy has recruited over 50,000 people from every state and 75 countries to manage 60,000 model portfolios. For more than 3 years we’ve been tracking their virtual trading activity at www.marketocracy.com and have accumulated a massive database; monitoring 12,000 stock positions and 4 million trades. It is a realistic and level “playing field” upon which anyone can compete.

Marketocracy constantly analyzes and ranks the stock picking ability of our investors incorporating long and short-term performance, as well as an attribution analysis that accounts for market, sector, style, and trading contribution. This process allows us to identify the truly best and skilled investors. Then we segment them, calling the top quartile the “best investors” and the bottom 3 quartiles “the rest.”

How does Marketocracy find “Strong Buys?”

Marketocracy analyzes the comparative trading activity between the best investors and the rest. These differentials account for much of the difference in performance between the best and worst investors.

We compare the trading activity of the top quartile with the 3 bottom quartiles for over 10,000 stocks to identify around 300 with strong investment indicators and categorize them into one of four boxes in the Marketocracy Investment Framework (see box to right). Then, we identify the top 3 “Strong Buys” for the Marketocracy Stock Alerts.

Marketocracy Investment Framework

Best	Buying	<i>Strong Buy</i>	<i>Momentum</i>
	Selling	<i>Basement</i>	<i>Hype</i>
		Selling	Buying
		Rest	

WHY are the best investors buying a stock and WHEN are they selling?

The m100 Journal provides insight into what our best investors are doing and why. It is a subscription service that gives you access to the Top Buys, Top Sells, Top Holdings and Trading Activity by rank. Read their views on industries, stocks, and investment topics and gain insight into their investment decision making approach through weekly journals as well as more detailed company and industry reports.

To subscribe to the m100 Journal go to: <http://www.marketocracy.com/m100offer>

The free phase for Marketocracy Stock Alerts has ended

This is the last report during the free phase (brand new subscribers will continue to receive free stock alerts for 30-days). Then, the latest Stock Alerts will be available to paid subscribers. The good news is we have a terrific one-time offer for you to continue receiving Stock Alerts at our lowest prices and a free 30-Day Trial for those who are new to *Marketocracy Stock Alerts*.

Free 30-Day Trial

Receive an email notification as soon as we post our latest Stock Alerts and try them out for 30 days. If you are new to Marketocracy Stock Alerts, receive a

Free 30-Day Trial, visit our website at: <http://www.marketocracy.com> and sign up.

Stock Alerts for as little as \$6.25 a month! Buy now, before prices double in late October

For a limited time, we're offering *Marketocracy Stock Alerts* TOGETHER with the m100 Journal. The m100 Journal is a Marketocracy Premium Membership which gives you timely insight into what our very best investors - the m100 - are doing and why.

Subscription Plan	Current Price	Current Monthly Average Cost	New Prices Starting in October	New Monthly Average Cost in October
3 Months	\$29.95	\$9.98	\$60	\$20.00
1 Year (25% Savings)	\$90	\$7.50	\$180	\$15.00
2 Year (37.5% Savings)	\$150	\$6.25	\$300	\$12.50

How to Subscribe

Already a Marketocracy member? [Click here](#) and sign up for the m100 Journal

Not yet a Marketocracy member? [Click here](#) and sign up for free membership and the m100 Journal

Important Notice

Marketocracy, Inc. and its affiliated companies, employees, officers, and directors may have positions involving the securities referred to in this publication (or other related instruments), including positions and transactions contrary to any recommendations.

Any recommendations speaks only as of the publication date and are subject to change without notice. Marketocracy and its affiliated companies and employees shall have no obligation to update or amend any information contained herein.

This publication is for informational purposes only. It should not form a primary basis for any investment decision. Investors must make their own determination of the appropriateness of an investment, based on the legal, tax, and accounting considerations applicable to such investors and their own investment strategy. By virtue of this publication, neither Marketocracy and its affiliated companies, nor any of its employees shall be responsible for any investment decision.