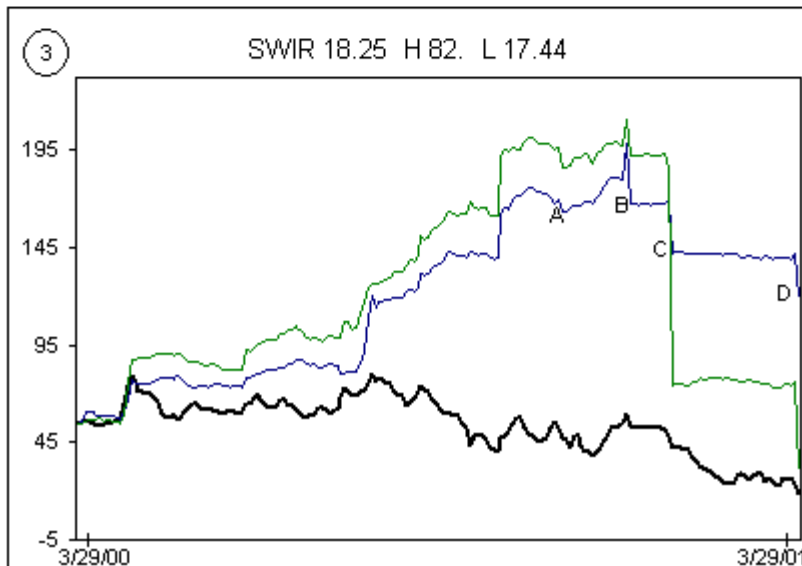
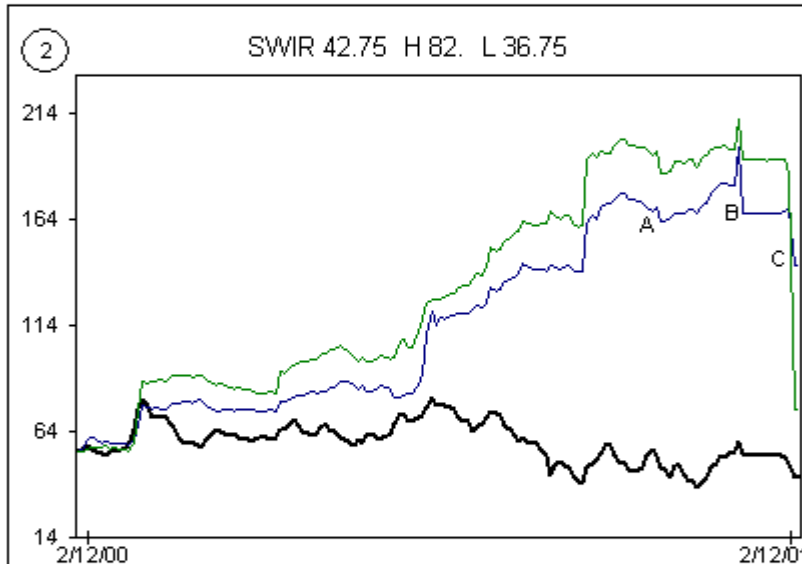
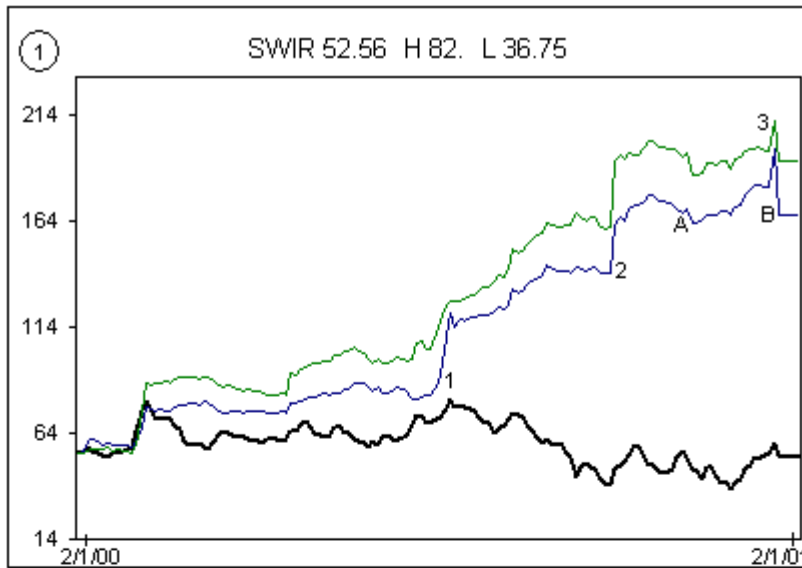


## II. SWIR: A CASE STUDY ON BUYING AND SELLING USING LEEDOM CHARTS



### Using Leedom Charts

The following series of Leedom Charts covers Sierra Wireless (SWIR) over a three and half year period from February 1, 2000 to December 9, 2003. During this period, we present 21 charts highlighting clear buy and sell patterns as they develop using Leedom Charts.

To guide you, positive spikes are represented by numbers 1,2,3, etc. and negative spikes by letters A,B,C...

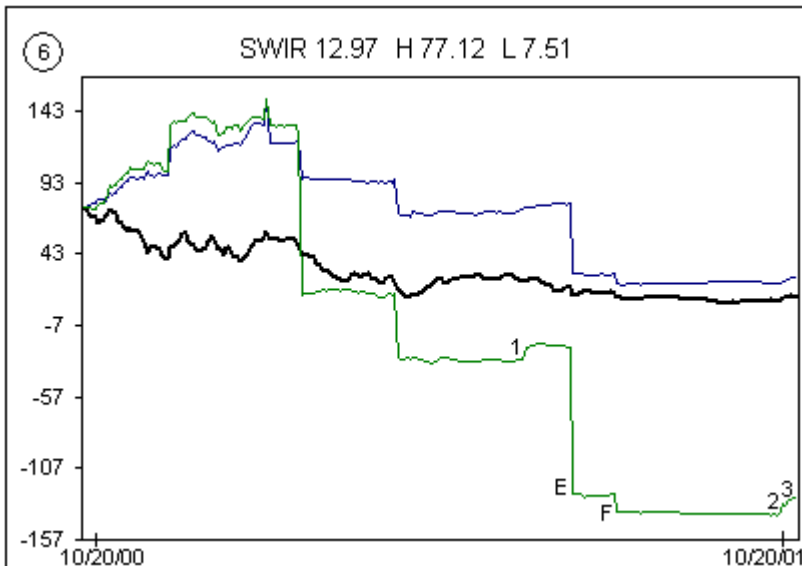
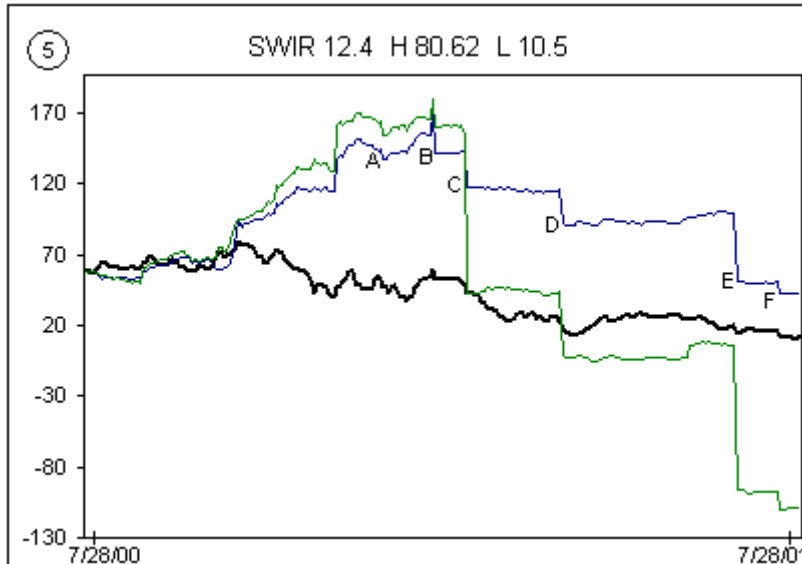
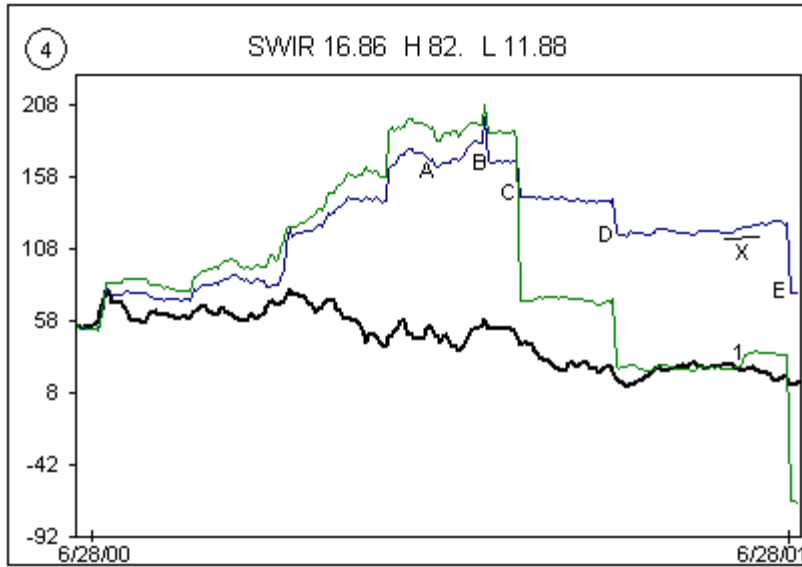
### Leedom Chart Analysis of SWIR

Leedom Chart #1 of SWIR exhibits a choppy, non-trending pattern with positive spikes (1 & 2) and negative spikes (A & B). The sharp negative spike at B has turned the bias of overall pattern negative.

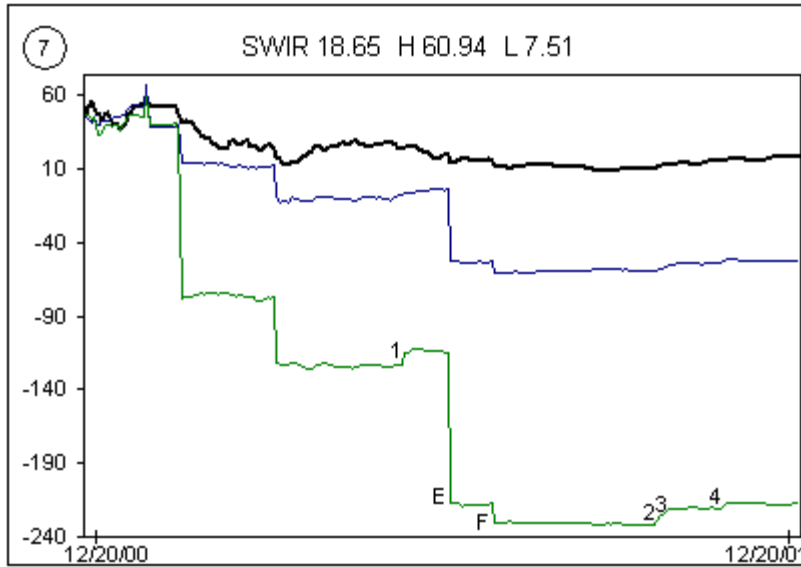
Leedom Chart #2 shows a decidedly negative pattern developing with the negative spike at "C." The key to trend identification using Leedom Charts is consistent spike patterns. Here the negative spikes (A-C) are confirming a trend of institutional selling.

Leedom Chart #3 highlights significant deterioration of the institutional ownership in SWIR with the fourth consecutive negative spike at D.

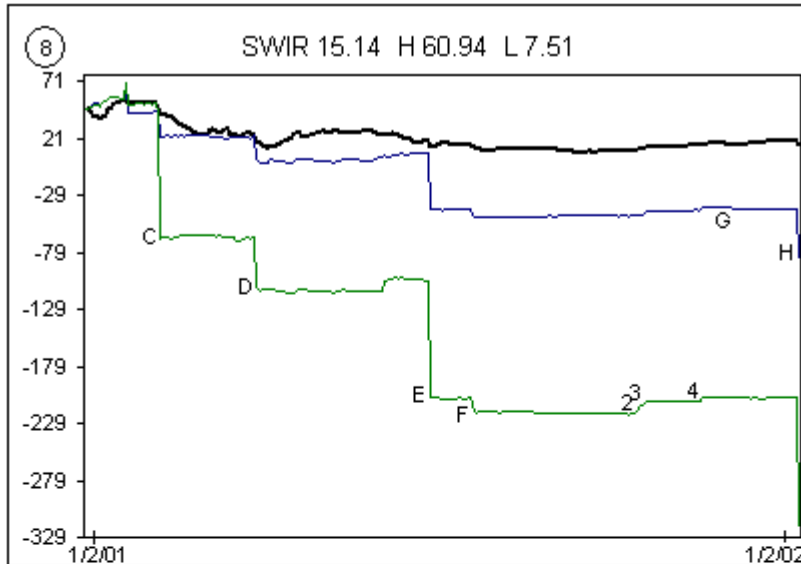
## II. SWIR: A CASE STUDY ON BUYING AND SELLING USING LEEDOM CHARTS



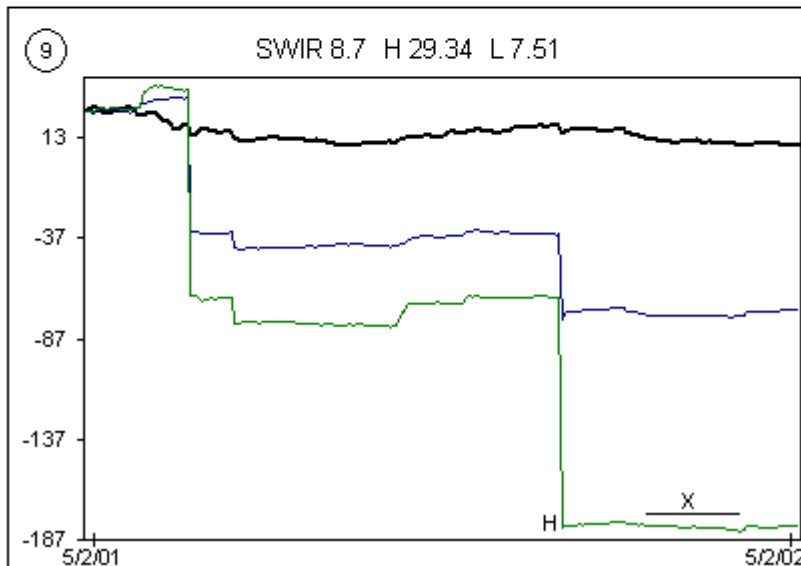
## II. SWIR: A CASE STUDY ON BUYING AND SELLING USING LEEDOM CHARTS



Leedom Chart #7 shows further signs of light institutional buying on the near-term accumulation line but still no confirmation on the blue line. Institutional activity is still considered to be negative overall.

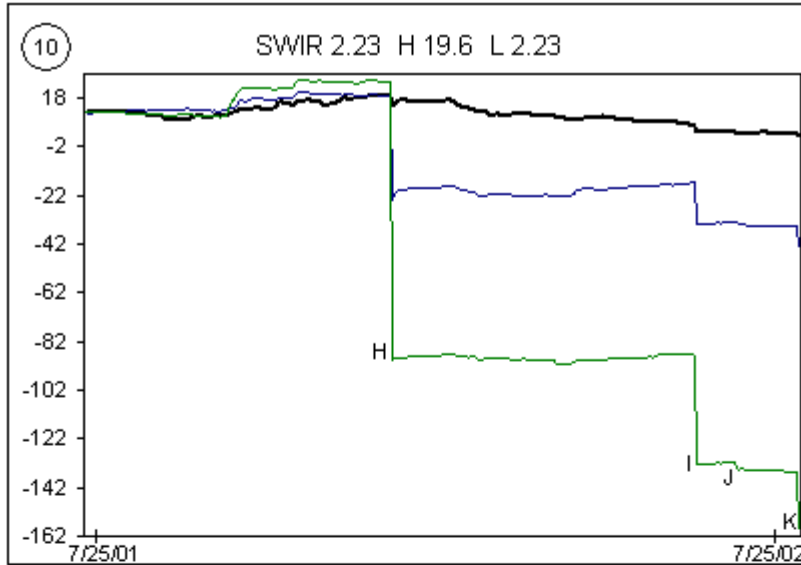


Leedom Chart #8 exhibits another strong negative spike at "H." Until we see a positive institutional spike confirmed on both the green and blue lines SWIR shares should be avoided.

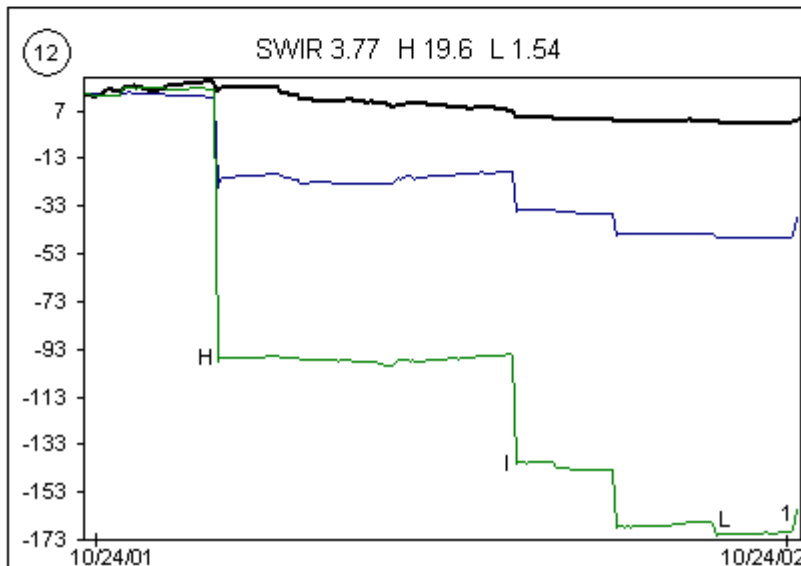
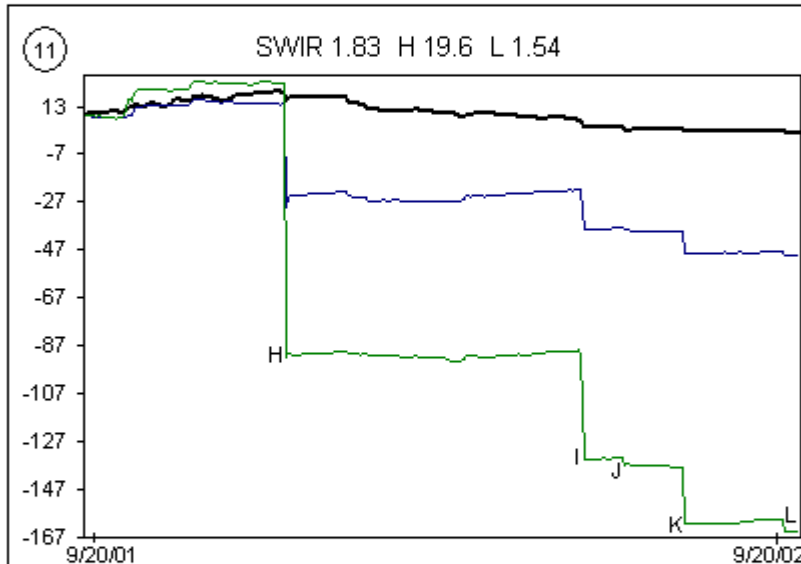


Leedom Chart #9 shows little institutional activity in the five months since "H." These shares remain negatively biased institutionally.

## II. SWIR: A CASE STUDY ON BUYING AND SELLING USING LEEDOM CHARTS

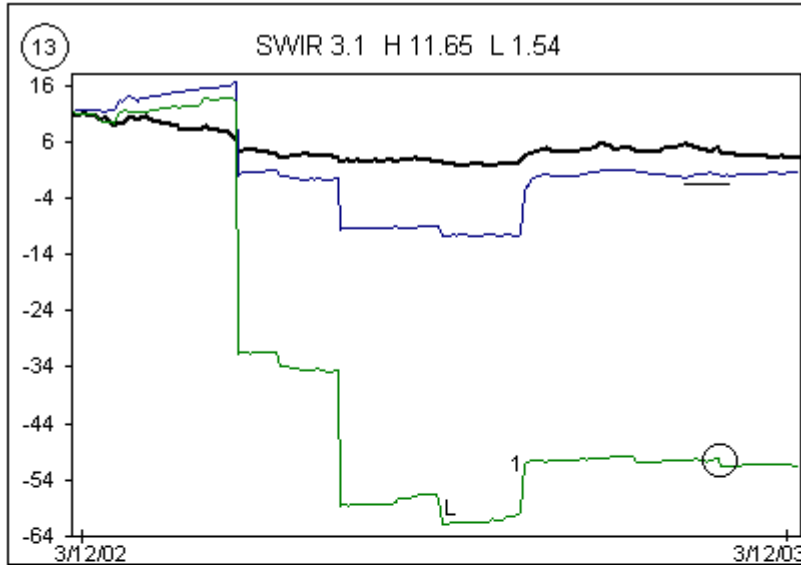


Leedom Charts #10 and #11 show a continuing trend of institutional selling.

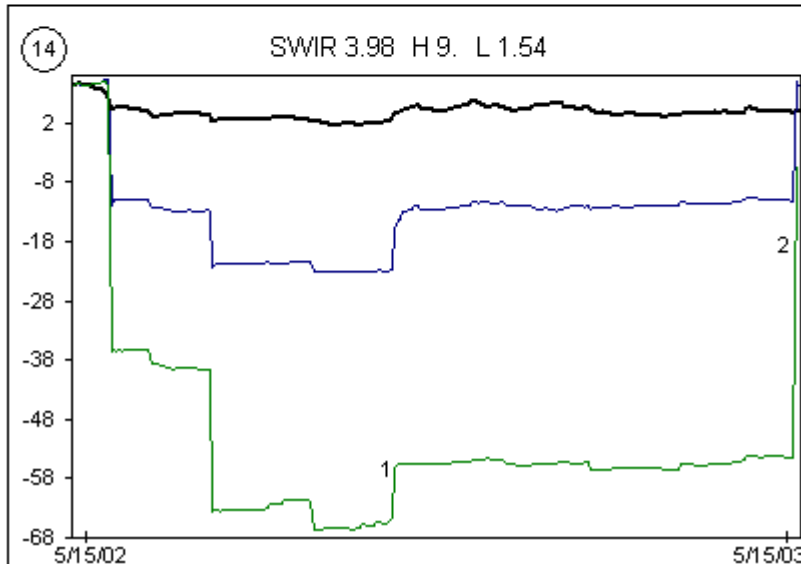


Finally! Leedom Chart #12 shows the first positive spike in institutional activity confirmed by both lines since Leedom Chart #1. The positive spike at "1" clearly shows institutional buying in SWIR for the first time in almost two and half years. While this spike is a strong positive for SWIR we would now wait for a second confirmatory spike to declare an institutional trend change from negative to positive.

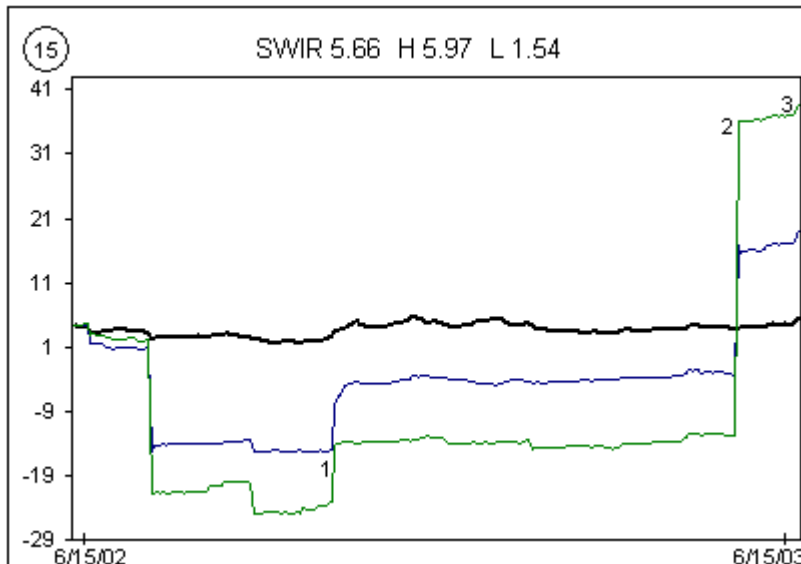
## II. SWIR: A CASE STUDY ON BUYING AND SELLING USING LEEDOM CHARTS



Leedom Chart #13 still shows just the one positive spike in accumulation. Despite a lack of activity for almost six months following the spike at "1," there have been no signs of negative activity.

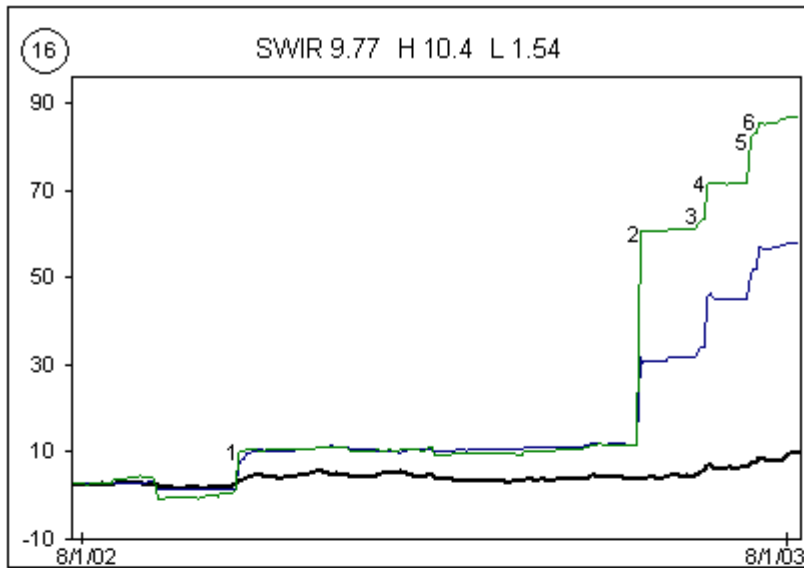


A buy confirmation is signaled! Leedom Chart #14 rewards patient investors waiting for confirmation of the positive activity at "1." Long investors should begin taking positions.

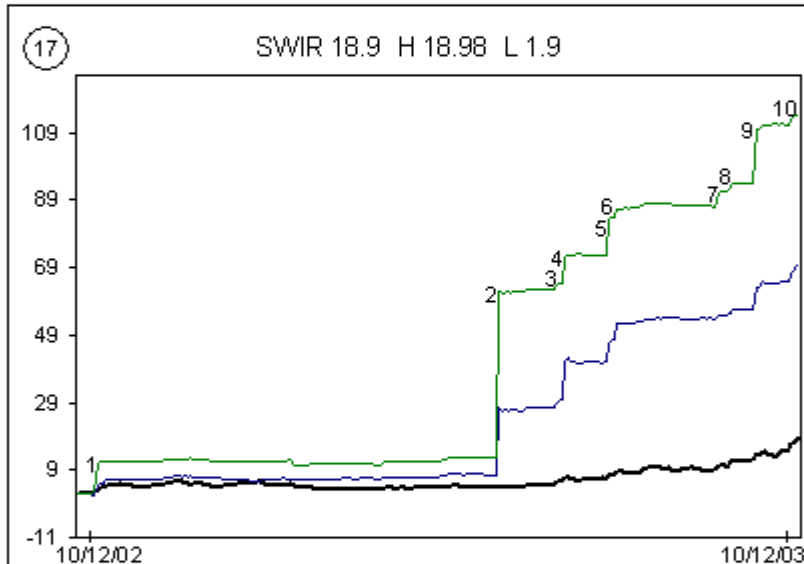


Leedom Chart #15 shows a clear trend of institutional accumulation underway with the small positive spike at "3."

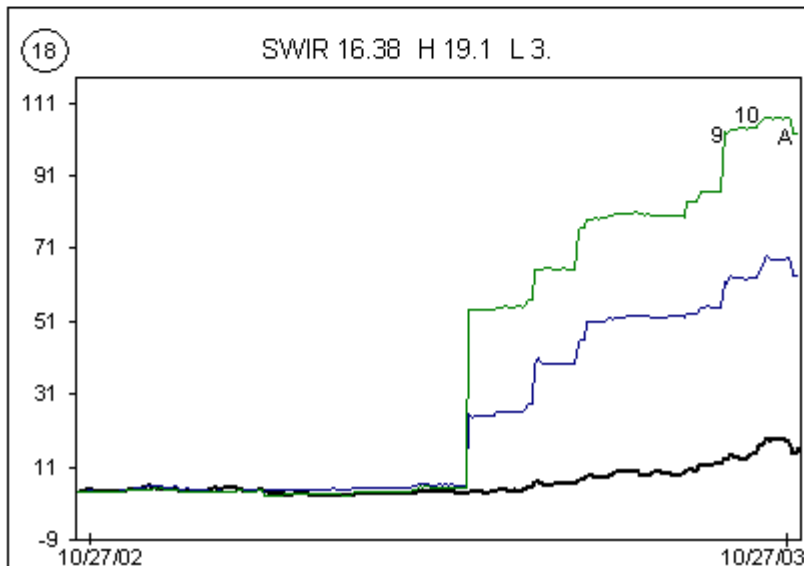
## II. SWIR: A CASE STUDY ON BUYING AND SELLING USING LEEDOM CHARTS



Leedom Chart #16 adds three more positive spikes to the institutional uptrend (4-6).

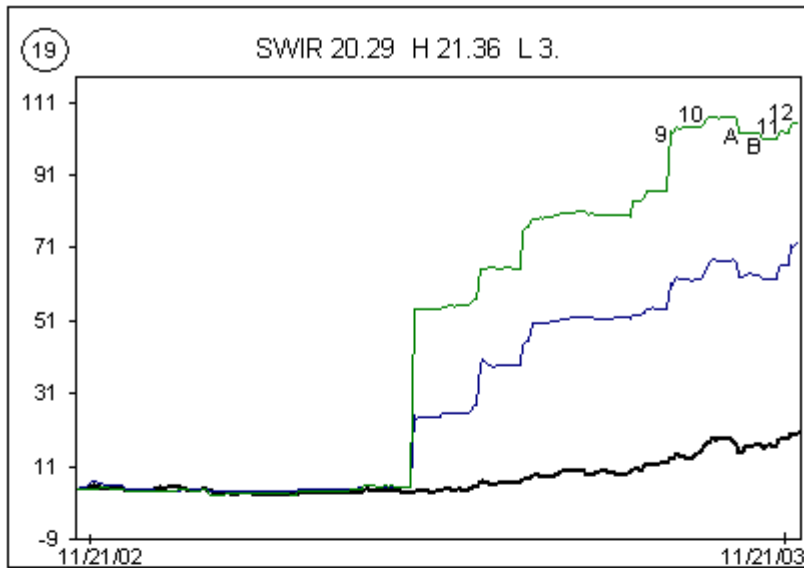


Leedom Chart #17 shows a classic “stair step” accumulation pattern that is indicative of heavy institutional buying pressure. Note the absolute lack of any negative spike activity during this period of buying.

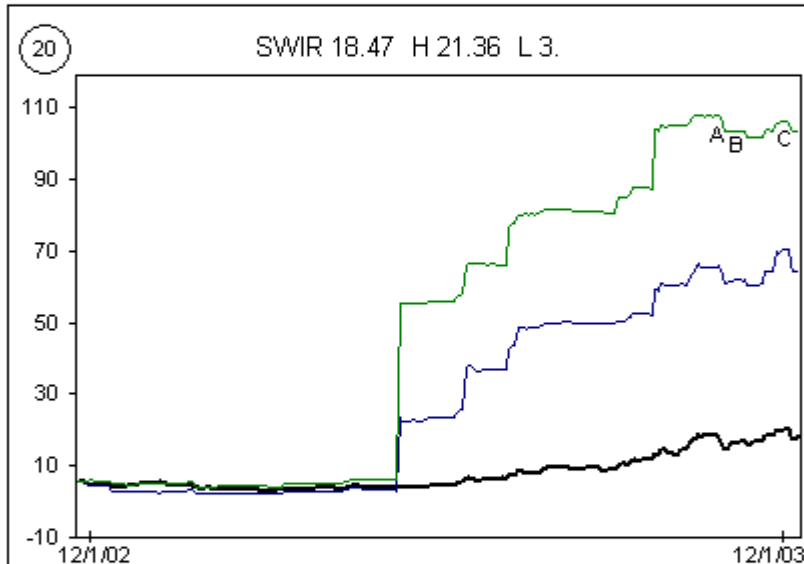


Leedom Chart #18 shows the first negative spike in more than one year following the initial spike at “1.” While not a sell signal, the negative spike should alert investors that SWIR shares may be close to a peak near-term.

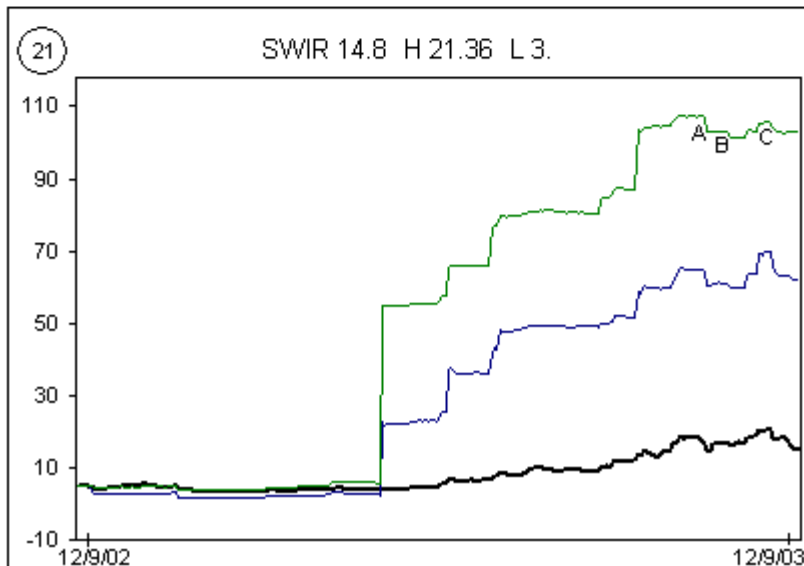
## II. SWIR: A CASE STUDY ON BUYING AND SELLING USING LEEDOM CHARTS



Leedom Chart #19 indicates some minor institutional buying (11-12). However, the increasing choppiness (up and down spike activity) in activity is typically a sign of growing institutional ambivalence.



Leedom Chart #20 shows another small negative spike at "C." SWIR is beginning to grow increasing choppy and investors should take some profits.



Leedom Chart #21 shows the share price of SWIR faltering on inconsistent institutional activity. Investors should now wait for a clearer institutional trend to develop.

### Conclusion

The chart examples of SWIR present two key rules when using Leedom Charts to make investment decisions:

- 1) Always follow the direction of spike activity.
- 2) Look for confirmation of the institutional trend before committing positions.

If clear institutional patterns do not present themselves it is prudent to consider other investment candidates.