

STOCK|TRAK GROUP

GLOBAL PORTFOLIO SIMULATIONS



Fellow Shareholders,

As we near the end of 2008, what follows is an update on the continued expansion and growth of our various Stock-Trak Group businesses.

Although 2008 has been very difficult from a macro economic perspective, the fact is that this has actually been an advantage for us. The world wide economic crisis has created an unprecedented interest and focus on stock market education which is at the core of what we do.

The “melt-down” has brought the pain of financial loss to the mainstream who, more than ever, want to learn and understand stock markets as well as portfolio and financial management in an effort to “see behind the curtain” and empower themselves to take control of their financial future through learning and education. Our collection of web properties plays right into that sweet spot.

Wall Street Survivor

Consumer interest in our [Wall Street Survivor](#) contest portal continues to grow at a remarkable rate. Since launching Version 2.0 in early May, the total number of registered users has increased by more than 70%, to 200,000. Page views have increased dramatically, from 55,000 per day last summer to over 250,000 per day.

For the period of May 1 to October 20, 2008, Wall Street Survivor generated over 21,000,000 page views, compared to 8,800,000 for the same period last year. That represents an increase from an average of over 51,000 daily page views to almost 125,000, or growth of 140%. In the last 30 days, the daily average page views has improved to 180,000, with a record of 305,105 reached on October 13 (the day the DJIA climbed 936 points).

Also of great significance is the fact that from May 1, 2008 to date, over 2 million trades have been made on the platform. This compares to 1 million trades placed for the period February 2007 to April 2008. To put that in perspective, in the last 6 months we have more than doubled the number of trades made in the 15 months prior to May 1, 2008.

During this same period, we have been aggressively testing advertising messages, channels, and registration paths. We have become much more efficient at acquiring customers at significantly reduced cost. Prior to May 1st, the costs of acquisition and activation were \$5.00 and \$8.28, respectively. Since May 1st, these costs dropped to \$2.90 and \$5.35, respectively.

Before year-end, several new features will be launched to attract new users, increase page views, and further establish Wall Street Survivor as the Web's #1 Fantasy Stock Market Site. These include:

- Daily stock picking games that increase the excitement and “twitch” factor of the site, and increase page views when the real markets are closed;
- A targeted campaign to college professors, high school teachers and investment clubs / groups promoting Wall Street Survivor as the only free, real-time, fantasy stock game;
- An overhaul of our online store to include software and newsletters from 3rd parties, in order to increase conversions, revenue and profits;
- A new content management system to allow us to more easily expand the amount of content in our educational portal called “Survivor University,” reducing internal development costs while increasing retention and page views;
- The reorganization and enhancement of Survivor U with an ongoing series of new articles as well as more specifically focused, proprietary education content. This positions WSS as more than a simulation/ game site, but rather, a destination site focused on portfolio management, which in light of recent market turmoil, has become an extremely valuable niche.

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Stock-Trak Education Business

The academic market continues to be a tremendous area of growth, with our white-label and proprietary simulations now in use at over 80 percent of North America's top universities and business programs. StockTrak.com and our various SMS sites are now used by approximately 1,100 professors, hundreds of teachers, and 200,000 students worldwide each year, and we have seen page views increase from 100,000 per day in 2007 to a current rate of 250,000 per day. We have also expanded our relationships with college textbook publishers, and several new 2008 editions of college finance textbooks carry promotions for StockTrak.com. In addition, we have signed both the Florida and New Jersey Councils on Economic Education as white-label sites for high school students further reinforcing Stock-Trak as the leader in educational simulations.

Corporate & Co-Brand Business

In mid-September we teamed with **CanWest**, the largest integrated media company in Canada (the *National Post*, CanWest newspapers, BBC Canada and other cable properties), to launch the co-branded "Stock Star Challenge."

Available at www.StockStar.ca, the contest is aggressively promoted across CanWest's various media properties, highlighting the Stock-Trak platform technology. Based on the success of this program to-date, we have recently entered into negotiations to extend the partnership through 2009, and it is our intent to explore, develop and execute similar co-branded, revenue-sharing opportunities with other, similar media groups across the globe. Preliminary discussions with large international media outlets have been very promising, based in large part on the success of the *National Post* program.

Corporate clients such as **the Motley Fool, McGraw-Hill, Peak 6, eFinancialCareers, Alliance Investment Management, FIS Group, Sponsors for Educational Opportunity, Zions Bank, and Wellington Financial** all renewed their simulations using the legacy Stock-Trak platform.

Our development team is creating a new, modularized version of our Wall Street Survivor engine, to allow us to rapidly customize the look and feel of a 'standard' site, reducing delivery time from 10 to 3 weeks. Not only does this significantly reduce cost, but it also allows us to address more opportunities in the same time frame.

Sharebuilder / ING Direct and the **Las Vegas Traders' Expo** were the first to use our "white-label" Survivor engine, and **Scottrade** has agreed to a 2-year deal beginning in January 2009 to use our Survivor stock and options platform. **Barron's** Magazine and several other newspapers and websites are very interested in launching white-label stock challenges in early 2009, once the current financial crisis is over.

It must be mentioned, however, that our private-label segment has seen a decline in business from US banks and brokerage firms over the past six months, primarily as a result of the ongoing instability in the financial and banking markets.

In spite of the decline, we are on track to exceed our targeted cash position for 2008, and through continued cost management, expect to be cash flow neutral or positive by the close of fiscal year 2009. We believe, based on recent activities, that the dynamics of the business are solid; over the next several months, we will keep working to grow our significant consumer user base, further monetize our proprietary technology, and streamline operations and expenses.

In closing, here is a summary of highlights and key accomplishments so far in 2008:

- 1. Launched version 2.0 of the WallStreetSurvivor.com portal;**
- 2. Launched a joint venture contest with National Post called StockStar.ca;**
- 3. Have increased aggregated page views for our web properties from 150,000 per day to 700,000**

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- per day;
4. Wall Street Survivor's Alexa ranking has been consistently in the top fifty thousand web sites on the net, having recently achieved rankings in the top 20,000;
 5. Have increased the number of professors using the Stock-Trak education platform by over 20%;
 6. Have renewed all of our major clients including The Motley Fool, McGraw-Hill, Peak 6 Wellington Financial;
 7. Signed Scottrade and Traders Expo;
 8. Conserved and managed "cash on hand" ahead of projections by reducing headcount and monthly overhead.
 9. The simulated trading engine that we have spent the last 20 months developing has exceeded our expectations with 3,000,000+ trades made and continues to revalue 50,000+ accounts every minute—generating over 19,000,000 calculations per trading day.
 10. Have garnered significant media attention in terms of coverage by leading national newspaper publications such as the National Post in Canada, the Washington Post in the United States and NPR (National Public Radio) one of the largest Public Radio Networks in the United States.

For further details and a read of the actual articles and press releases, please go to http://www.stocktrak.com/about_news.php. You are also encouraged to visit our sites at www.StockTrak.com, www.WallStreetSurvivor.com and www.StockStar.ca to get a sense of the significance of the properties.

We believe that we have "set the table" and are poised to build off of these accomplishments and are positioned to emerge from this year having achieved full acceptance of our product set in the corporate, education and consumer market places.

Thank you again for your continued support and, as always, please feel free to contact me with any thoughts, concerns or additional insight.

Respectfully,

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