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deep blue sea starts ... with a trickle



Research Update



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Healthy Extracts, Inc.

(OTC:HYEX)

Report Date: 11/06/25

12- 24 month Price Target: \$5.00

Allocation: 4

Closing Stock Price at Initiation (Closing Px: 09/29/20. Post Split): \$7.20

Closing Stock Price at This Update (Closing Px: 11/05/25): \$1.89

**Prepared By:
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Disclosure: Portions of this report are excerpted from Healthy Extract's filings, website(s), presentations or other public collateral. We have attempted to identify those excerpts by *italicizing* them in the text.

We initiated our coverage of Healthy Extracts in September 2020, and updated it a few months later, but we have not updated it regularly since that time for a variety of reasons, some of which is that it has been a bit uneventful since the initiation. To edify, when we initiated the coverage, we were in the relatively early innings of the pandemic. If we knew then what we know now about how all of that would roll out, we probably would have waited to initiate the name, but frankly that is true of others we initiated in and around that time as well.

All told the Company did not meet our expectations, but some of that was related to their inability to attract capital. Those who follow our research, or the microcap space in general, recognize that access to capital is paramount to the success of most early stage ventures, and Healthy Extracts is/was no exception. That said, all things considered, we think management actually did a good job of bootstrapping the business and moving it forward, albeit it modestly, with very limited resources. We will cover some of that below, but first, we think their efforts have gotten them to the following transaction that could be transformational.

Healthy Extracts recently completed what is perhaps its most consequential transaction in its history. An excerpt from that transaction follows:

LAS VEGAS, NV / ACCESS Newswire / July 29, 2025 / Healthy Extracts™ Inc. (OTCQB:HYEX), a leader in plant-based nutraceuticals targeting heart, brain, and gut health, has acquired Florida-based Gummy USA™, an advanced developer and manufacturer of precision-dosed nutraceutical gummies, in an all-stock transaction. The strategic acquisition further builds out Healthy Extracts' vertical integration of R&D, manufacturing, marketing and distribution with a new fully in-house HACCP, GMP-certified and FDA-registered manufacturing facility. Combined with the company's existing two exclusive delivery systems (gel-packs and functional drinking straws), the Gummy USA development and production platform unlocks a third specialized product marketing channel of precision-dosed nutraceutical gummies.

Based upon existing customer commitments and anticipated growth in order flow, the new Gummy USA unit is projected to generate up to \$3.5 million in revenue in the second half of 2025, with the facility having the potential to reach its \$20 million annual revenue production capacity in 2026. Health Extracts recently reiterated guidance of \$4.2 million in net revenues for 2025, up 34% year-over-year. Now combined with Gummy USA, the company sees ending the year at an overall annualized net revenue run rate exceeding \$11.5 million-or nearly four times net revenue of \$3.1 million in 2024.

The Gummy USA Florida manufacturing facility includes in-house R&D that is expected to further accelerate Healthy Extracts' overall product development, enhance already high margins, and substantially strengthen its IP portfolio. The facility's new state-of-the-art manufacturing equipment was certified over the past year and is operated by highly trained production staff. Healthy Extracts has committed substantial funding to the new Gummy USA unit to support an anticipated increase in production and order fulfillment...

The entirety of this release can be accessed here: [Healthy Extracts Acquires Precision-Dosed Nutraceutical Gummy Technology Innovator and Manufacturer, Gummy USA - Healthy Extracts](#)

In addition to the above, on October 23, 2025, the Company announced the following piece of business with respect to the aforementioned combination with Gummy USA:

LAS VEGAS, NV / ACCESS Newswire / October 23, 2025 / Healthy Extracts™ Inc. (OTCQB:HYEX), an industry leader in the acquisition, development, manufacturing and marketing of science-based nutraceuticals and oral delivery systems, announced that its new Gummy USA™ subsidiary has received a 6 million gummy follow-on order featuring a proprietary Gummy USA

formulation for women. Created in collaboration with Gummy USA's R&D team, the specially formulated gummies are designed to help support a woman's hormonal balance and overall health and well-being. It is formulated for women experiencing missed or irregular menstrual periods, excess hair growth, acne, infertility, and weight gain. The flavorful gummy enables easy and enjoyable consumption anytime, anywhere. The gummy was formulated under the guidance of the client's team of top-rated doctors, clinical professors and healthcare professionals, including board-certified internists, best-selling authors and leaders in family medicine.

The entirety of this release can be accessed here: [Healthy Extracts' Gummy USA Secures 6 Million Gummy Follow-On Order from Woman's Health Nutraceutical Leader - Healthy Extracts](#)

This transaction provides a handful of openings that require some analysis.

First, the Company issued roughly 13.1 million shares or 77.5% of the entire outstanding shares, post transaction. Obviously, this represents a change in control of Healthy Extracts, as the owner of Gummy USA, Don Swanson now owns that majority position. In that regard, along with being its largest shareholder, Mr. Swanson is now the CEO and Chairman of the Board of Healthy Extracts. Below is Mr. Swanson's bio from the aforementioned release:

Don Swanson brings to Healthy Extracts nearly a decade of experience in pharmaceutical-grade manufacturing and gummy innovation. He has successfully designed and implemented state-of-the-art production facilities across multiple international regions where his proprietary processes have delivered unmatched manufacturing precision.

Under his visionary leadership, Gummy USA has secured multiple major customer orders while setting new industry standards for quality, regulatory compliance, and supply chain efficiency.

A recognized innovator in the nutraceutical and pharmaceutical gummy sectors, Swanson has developed extensive IP, including a patent portfolio related to the industry, and has managed global pharmaceutical enhancements for more than 500 clients.

His expertise spans automated controls, advanced fluid dynamics, and blockchain-enabled product authentication which have solved critical production inefficiencies while protecting brand integrity.

Second, recognize that historically, Healthy Extracts has largely been an online marketer of (its) proprietary formularies. (We have recapped some of that history further in this update). While we think it is safe to say that they intend to continue (and expand) that legacy business, this transaction clearly puts them in the nutraceutical manufacturing business, which we will also revisit further in this update.

Third, there were two additional announcements prior to the Gummy USA acquisition that are also topical to what we see as the Company's new direction. Excerpts from these two announcements are below:

(1). NEW YORK, June 10, 2025 (GLOBE NEWSWIRE) -- Gelteq Limited (NASDAQ: GELS) ("Gelteq" or the "Company"), a clinical and science-based company focused on developing and commercializing white label gel-based delivery solutions for prescription drugs, nutraceuticals, pet care, sports and other products, today announced a major expansion of its U.S. commercial strategy through an exclusive logistics and distribution agreement with Healthy Extracts Inc. ("Healthy Extracts")(OTCQB: HYEX), a publicly traded company focused on plant-based health supplements.

The agreement names Healthy Extracts as Gelteq's exclusive North American storage, shipping, and fulfillment partner, further building on the earlier purchase order placed by Healthy Extracts for Gelteq

products. By partnering with Healthy Extracts, Gelteq expects to rapidly scale distribution of its proprietary delivery technologies across the United States and Canada while significantly reducing costs and boosting revenue potential.

“This fulfillment partnership with Healthy Extracts creates a powerful springboard for our North American expansion,” said Nathan Givoni, CEO of Gelteq. “We believe Healthy Extracts’ infrastructure and capabilities will allow us to execute with greater speed, precision, and efficiency - getting our products into more hands, faster.”

Under the new agreement, Healthy Extracts will manage all product receiving, secure warehousing, inventory, and order fulfillment from its Henderson, Nevada facility, which is optimized for high-volume distribution...

Headquartered in Melbourne, Australia, Gelteq (NASDAQ: GELS) is a clinical and science-based company focused on developing and commercializing white label gel-based delivery solutions for prescription drugs, nutraceuticals, pet care, sports and other products. Gelteq advances and commercializes its delivery solutions within five core verticals: pharmaceuticals, over-the-counter medications, nutraceuticals, animal medications, and sports nutrition.

The Company’s unique formulation directly addresses the issues associated with traditional drug delivery methods such as difficulty swallowing, taste of unpalatable ingredients, and dosage control. For more information, visit www.gelteq.com and our SportsGel brand website www.sportsgel.com.

The entirety of this release can be accessed here: [Gelteq Expands U.S. Operations with Healthy Extracts Inc. as North American Fulfillment Partner - Healthy Extracts](#)

(2). LAS VEGAS, NV / ACCESS Newswire / May 8, 2025 / Healthy Extracts Inc. (OTCQB:HYEX), a leader in plant-based nutraceutical innovations, has entered an exclusive joint product development agreement with Lelantos Fibre, pioneers in the formulation and manufacturing of fiber drinking straws.

The deal expands Healthy Extracts' portfolio of unique nutritional supplement delivery systems. It enables the development and sale of exclusive nutrient-infused straw formulations produced by Lelantos' specialized manufacturing technologies. The innovative straw provides a convenient and enjoyable consumer experience that fits seamlessly into any busy lifestyle.

The formation of the new partnership follows the official launch last week of the WHITNEY JOHNS™ Gut Health Straw, the world's first fiber pre- and probiotic delivery straw which has already generated strong market interest and initial customer purchases.

Encouraged by the positive response, Healthy Extracts and Lelantos will now co-develop a full range of functional straws that target other high-demand areas of health and wellness, including hydration, workout recovery, and metabolic health-such as straws infused with GLP-1 for regulating blood sugar levels and appetite. The straws will be compatible with popular tumblers, including the Stanley Quencher® and Yeti Rambler®.

"This innovative, patent-pending oral delivery system will take our already great nutraceutical formulations to the next level," stated Healthy Extracts president, Duke Pitts. "The technology can conveniently provide up to four grams of prebiotic fiber while delivering other key ingredients that optimize a healthy lifestyle."

"Lelantos Fiber has already developed multiple natural flavors that taste fantastic, with zero added sugar or chemical sweeteners," added Pitts. "The straw turns a daily nutritional regime into a more enjoyable experience." The agreement provides Healthy Extracts exclusive rights to all co-developed products as well as advancements to the underlying next-generation manufacturing technology.

The entirety of this release can be accessed here: [Healthy Extracts Secures Exclusive Rights to Revolutionary Oral Delivery Technology for Nutritional Supplements - Healthy Extracts](#)

To summarize the new pieces outlined above from a high level, over the past *6 months or so*, Healthy Extracts has seen its posture as a marketer of a handful of proprietary and largely related nutraceutical products expand to that of a developer, manufacturer, distributor and marketer of *several* nutraceutical delivery systems. In our view, this new posture clearly provides them with a much better base from which to grow the business. We will expand on that.

We think unique delivery systems can be favorable differentiators for many nutraceutical and/or OTC products, and we say that because we have seen past coverage companies benefit significantly from the approach. For example, in May 2003 we initiated a company called Matrixx Initiatives, Inc. At the time, the shares were trading at \$6.89, and the market cap of the stock was \$65 million. Matrixx Initiatives, Inc. developed and marketed the Zicam® brand of cough, cold and allergy products. Zicam® was (is) a zinc-based formula that scientific studies indicated could reduce the duration of the common cold by up to 75% when used within a day or two of initial infection. In addition to its zinc-based formulary, Matrixx also developed several unique delivery formats including a dripless gel based nasal spray, nasal swabs, chewable and meltaway tablets, an oral mist and others they introduced subsequent to our initiation. More specifically, when we first started covering the company (May 2003) they had 7 sku's, but by the end of 2004, we believe they had something closer to 16. Further, their revenues grew from \$23.5 million in 2002 to \$60 million in 2004, with pretax earning increasing from \$.11 to \$.88. We terminated our coverage of Matrixx on 10/27/03, after it traded through our price target to \$14.62. (The market cap was \$138 million at that time). As we recall, it traded higher subsequent to our termination as well.

Our point in providing the above reference, is that Matrixx's launch of new products, largely through the introduction of new delivery systems that included similar proprietary formularies, played a marked role in the company's rapid and associated success. Per the announcements above, aside from adding manufacturing and distribution opportunities, Healthy Extracts has also added three new delivery systems that we think will encompass both established (Bergamet for instance) as well as new formularies. Much like Matrixx, we think these new initiatives could provide a basis for markedly improved results.

In our view, these new pieces provide Healthy Extracts with a handful of advantages that we think could be additive going forward. For instance, logistically, Healthy Extract's ability to control a larger portion of their product supply chain should help streamline both costs and product development/introduction. For instance, the Company believes that this new posture will allow them to create and test market new products at a fraction of the costs of their prior approaches. More specifically, whereas before these arrangements, they may have had to spend \$150,000 to \$200,00 to develop a new product to test in the marketplace, they now believe they can likely achieve that at perhaps 1/10th that same cost. On the face, we think it is reasonable to assume they may have a greater likelihood of success developing and testing 10 products as opposed to 1.

Most notably, the Gummy USA transaction dramatically changes the game here. We submit, this is all new and we need to see it evolve before we get good clarity (first) and visibility (thereafter) around the direction of the business. However, in our view, this transaction provides some welcome layers to the business, which include

manufacturing assets/capabilities and the associated legacy gummy business, a more integrated approach to the nutraceutical business in general, ostensibly greater access to capital and added management. That said, we need to provide some color around that last item.

As we noted above, we think management “*did a good job of bootstrapping the business and moving it forward, albeit it modestly, with very limited resources*”. In our view part of that result was due to management’s commitment to the business and part of it was due to what we believe is a good product. To briefly revisit, the Company’s flagship product line is branded “Bergamet” and currently includes six legacy formulations as well as two new formulations. Six of these products include a proprietary blend of an extract from a citrus fruit called “bergamot”. Briefly, the Company sites several scientific studies that indicate bergamot may provide a variety of health benefits, including but not solely, the mitigation of LDL (“bad”) cholesterol. From the Company’s collateral:

Bergamot, or citrus bergamia, is a rare citrus fruit native to the Calabrian region of Southern Italy. Due to sensitivity to the weather and soil conditions, this region accounts for 80 percent of the worldwide production of bergamot. This superfruit has been used for decades in the Calabrian regions for its beneficial effects in promoting overall health - particularly, in support of cholesterol, cardiovascular, and metabolic health. Citrus bergamot contains five unique antioxidant polyphenols in unusually concentrated amounts, which help protect your body’s trillions of cells from free radical damage. The juice and albedo of bergamot has a unique profile of flavanoid and glycosides, such as neoeriocitrin, neohesperidin, naringin, rutin, neodesmin, rhoifolin, and poncirin. Naringin has been shown to be beneficial in animal models of atherosclerosis, while neoeriocitrin and rutin have been found to exhibit a strong capacity to prevent LDL from oxidation. Importantly, bergamot juice is rich in brutieridine and melitidine with an ability to inhibit HMG-CoA reductase, which inhibits the liver’s ability to produce LDL, resulting in reduced cholesterol levels in liver cells.

More specifically, the Company sources its bergamot from a Calabria (Italy) based company called Herbal & Antioxidant Derivatives (“H&AD”). H&AD is a fully integrated producer of bergamot extracts, and they indicate that they are the leader in the space. H&AD produces many natural extracts which it sells in 20 countries around the world, and 4 of those products are bergamot based. These 4 products differ in terms of form (powders, oils etc.) as well as in terms of processing and other additives one to the next. One of those 4 products is referred to as “BPF”® or more technically, bergamot polyphenolic fraction 100%. This is the specific product that Healthy Extracts purchases from H&AD. As we understand it, the Company has a long-term agreement with H&AD, which includes the exclusive North American rights to a high concentration version of BPF® that is 47% pure versus the standard 38%. For reference, H&AD refers to this iteration as “BPF Gold”. This is an important distinction because there are other companies that sell bergamot based nutraceuticals in the U.S., but according to H&AD, BPF Gold is sold *exclusively* to Healthy Extracts in North America.

Our point in revisiting the Company’s Bergamet line is to reiterate the notion that prior to the addition of the new delivery form factors the Company is now rolling out, they *were able* to move the Company to modest profitability with very little marketing, which in the online nutraceutical business is a difficult task. Recognize, the supplement/nutraceutical space often involves some metrics that provide guidelines around what companies in the industry should be experiencing in order to be successful. For instance, Customer Acquisition Cost (“CAC”) and Customer Lifetime Value (“CLV” or “LTV”) are two metrics used in this and other B2C businesses. Essentially, how much money does the enterprise spend on marketing to gain a customer, and how much money does that customer spend over time, until they stop being a customer. Specifically, according to Harvard Business School Online ([LTV/CAC Ratio: What It Is & How to Calculate It](#)) :

“...In most industries, the benchmark for a healthy LTV/CAC ratio is generally considered at least three... A good rule of thumb is that an LTV-to-CAC ratio of three or higher is attractive and indicates a scalable business where you’ll be able to cover your marketing costs, overhead, and still make a profit...”

Again, the Company *has managed* to grow revenues and achieve profitability despite limited (shrinking) working capital. To put that into the LTV/CAC ratio terms addressed above, it is very difficult to acquire customers when the marketing budget is considerably constrained. We believe the Company's new posture may allow them to develop new Bergamet based products with new delivery forms (gummies, gels, straws), but more importantly, it may provide them more favorable options with respect to access and cost of capital, and in our view, additional marketing resources alone could significantly increase the sales of their established/profitable legacy Bergamet line.

To recap, Healthy Extracts spent the first 4½ years of our coverage struggling to grow the business, but we remain of the view that much of that was related to their inability to access capital. While we submit, in the early innings of our coverage, *there were* some fundamental milestones that we, they, and ostensibly the street anticipated but did not come to pass. That did not help their efforts to attract capital. On the other hand, the past six months have seen them add one huge, and two lesser but we think significant pieces to the story, that will almost certainly be additive, likely synergistic and potentially transformative for Healthy Extracts. While we reiterate or comment from above that *“this is all new and we need to see it evolve before we get good clarity (first) and visibility (thereafter) around the direction of the business”*, we believe they are poised for increasingly favorable YoY comps, and for the next several quarters likely sequential revenue improvement as well. More specifically, the Company's current guidance includes the following:

*Given the strong revenue performance in the first half of 2025, combined with the expected additional contribution of Gummy USA in the second half of the year, the company has increased its outlook for total net revenue in 2025 by 50%, from more than \$4.2 million to now **more than \$6.3 million**. This would represent annual net revenue growth of more than 102%.*

*Based upon existing customer commitments and anticipated growth in order flow, the new **Gummy USA unit is projected to generate up to \$3.5 million in revenue in the second half of 2025**, with the facility having the potential to reach its **\$20 million annual revenue production capacity in 2026**... Now combined with Gummy USA, the company sees ending the year at an overall **annualized net revenue run rate exceeding \$11.5 million**—or nearly four times net revenue of \$3.1 million in 2024.*

We have recast our model to reflect 2025 results around this guidance. In addition, we have cast our 2026 numbers around what we believe will be new revenue contributions from new straw and gel launches, increased traction from their Bergamet line and more predominantly, full year consolidated results from Gummy USA. We are not modeling the full capacity potential from Gummy USA noted above (\$20 million annually), as we need to see supportive data points along the way before we can go there. Further, our model requires some caveats around operating expenses, which given the new layers to the business will most certainly be higher, but we suspect that to be a moving target until the integration of the new parts normalize. We will make adjustments where appropriate. Again, we are encouraged by the new direction here, but we also reiterate the lack of visibility that we are hoping to see improve as we move forward. In conjunction with our new model and the assessments therein, we are reiterating our allocation of 4 and establishing a new 12-24 month price target for Healthy Extracts of \$5.00. We would add, we have applied some risk discounts to our DCF assessments (and corresponding target assumptions), which we will revisit as visibility improves.

Projected Operating Model

Healthy Extracts, Inc.						
Projected Operating Model						
By Trickle Research						
	(Actual)	(Actual)	(Estimate)	(Estimate)	(Estimate)	(Estimate)
	3/31/2025	6/30/2025	9/30/2025	12/31/2025	Fiscal 2025	Fiscal 2026
REVENUE						
Gross Revenues	\$ 933,962	\$ 971,526	\$ 919,896	\$ 2,259,831	\$ 5,085,215	\$ 14,119,091
Less Selling Fees					\$ -	
Net Revenues	\$ 933,962	\$ 971,526	\$ 919,896	\$ 2,259,831	\$ 5,085,215	\$ 14,119,091
COST OF REVENUE	\$ 518,805	\$ 377,263	\$ 341,141	\$ 1,283,178	\$ 2,520,388	\$ 7,766,230
Cost of Goods Sold						
GROSS PROFIT	\$ 415,156	\$ 594,263	\$ 578,754	\$ 976,653	\$ 2,564,827	\$ 6,352,860
OPERATING EXPENSES						
General and administrative	\$ 425,968	\$ 698,611	\$ 699,848	\$ 869,219	\$ 2,693,646	\$ 4,137,246
Total operating expenses	\$ 425,968	\$ 698,611	\$ 699,848	\$ 869,219	\$ 2,693,646	\$ 4,137,246
OTHER INCOME						
Interest expense, net of interest income	\$ (34,558)	\$ (29,259)	\$ (33,750)	\$ (31,875)	\$ (129,442)	\$ (99,375)
Change in fair value of derivative	\$ (255,454)	\$ 201,986	\$ -	\$ -	\$ (53,468)	\$ -
Loss on extinguishment of debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Impairment of Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other						
Total other income (expense)	\$ (290,012)	\$ 172,727	\$ (33,750)	\$ (31,875)	\$ (182,910)	\$ (99,375)
Net gain/(loss) before income tax provision	\$ (300,824)	\$ 68,379	\$ (154,843)	\$ 75,559	\$ (311,729)	\$ 2,116,239
Income Tax Provision	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET INCOME/(LOSS)	\$ (300,824)	\$ 68,379	\$ (154,843)	\$ 75,559	\$ (311,729)	\$ 2,116,239
Loss per share - basic and diluted	\$ (0.10)	\$ 0.02	\$ (0.01)	\$ 0.00	\$ (0.03)	\$ 0.13
Weighted average number of shares outstanding - basic and diluted	2,980,080	3,050,879	16,217,410	16,282,280	9,632,662	16,445,755

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Healthy Extracts has paid fees to present at investor conferences co-sponsored by Trickle Research.

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Rating System Overview:

There are no letters in the rating system (Buy, Sell Hold), only numbers. The numbers range from 1 to 10, with 1 representing 1 "investment unit" (for my performance purposes, 1 "investment unit" equals \$250) and 10 representing 10 investment units or \$2,500. Obviously, a rating of 10 would suggest that I favor the stock (at respective/current levels) more than a stock with a rating of 1. As a guideline, here is a suggestion on how to use the allocation system.

Our belief at Trickle is that the best way to participate in the micro-cap/small cap space is by employing a diversified strategy. In simple terms, that means you are generally best off owning a number of issues rather than just two or three. To that point, our goal is to have at least 20 companies under coverage at any point in time, so let's use that as a guideline. Hypothetically, if you think you would like to commit \$25,000 to buying micro-cap stocks, that would assume an investment of \$1000 per stock (using the diversification approach we just mentioned, and the 20-stock coverage list we suggested and leaving some room to add to positions around allocation upgrades. We generally start initial coverage stocks with an allocation of 4. Thus, at \$1000 invested per stock and a typical starting allocation of 4, your "investment unit" would be the same \$250 we used in the example above. Thus, if we initiate a stock at a 4, you might consider putting \$1000 into the position ($\$250 * 4$). If we later raise the allocation to 6, you might consider adding two additional units or \$500 to the position. If we then reduce the allocation from 6 to 4 you might consider selling whatever number of shares you purchased with 2 of the original 4 investment units. Again, this is just a suggestion as to how you might be able to use the allocation system to manage your portfolio.

For those attached to more traditional rating systems (Buy, Sell, Hold) we would submit the following guidelines.

A Trickle rating of 1 thru 3 would best correspond to a "Speculative Buy" although we would caution that a rating in that range should not assume that the stock is necessarily riskier than a stock with a higher rating. It may carry a lower rating because the stock is trading closer to a price target we are unwilling to raise at that point. This by the way applies to all of our ratings.

A Trickle rating of 4 thru 6 might best (although not perfectly) correspond to a standard "Buy" rating.

A Trickle rating of 7 thru 10 would best correspond to a "Strong Buy" however, ratings at the higher end of that range would indicate something that we deem as quite extraordinary..... an "Extreme Buy" if you will. You will not see a lot of these.