

MARKET *TREND* Advisors' Strategy Descriptions

MARKET *TREND* Advisors applies trend-following approaches to managing investment portfolios. We believe that avoiding the damaging market downturns while participating in the upturns is the key to long-term investment success. Thus, our strategies actively seek to exit weakened market conditions with many of them shorting stocks during bear market periods. The result should be market-beating performance over time with some strategies remaining positive regardless of market environment. We invest almost entirely using exchange-traded funds (ETFs).

MTA Index and MTA World Index

Our MTA Index and MTA World Index Investment strategies attempt to profit from the stock market's overall trend. We are seeking the intermediate trend, a trend that lasts three months on average. However, we may also seek to profit from shorter or longer-term market trends. On occasion, we will hold securities such that we generate long-term gains or losses. But we are not driven by a 'tax-advantaged' strategy typically, meaning that our focus is not on achieving tax-favored long-term gains. When the market is determined to be in an uptrend, we buy ETFs and index funds. When the market is determined to be in a downtrend, we typically buy inverse ETFs or index funds. To improve returns, we may use 'enhanced' index funds.

We offer MTA Index in three flavors: conservative, moderate, and aggressive. The difference between the three is simply the amount of leverage we build into the portfolio. Conservative is completely unleveraged. Moderate carries 20-30% leverage. Aggressive targets 50-100% leverage. We use enhanced or leveraged ETFs to attain the target leverage in the account. A typical portfolio will hold the Nasdaq100, Russell2000, and Emerging Markets or other broad international index.

MTA World Index invests in the top five best-performing country ETFs, rebalancing monthly. There is only one flavor of this strategy implementation with no leverage employed.

MTA Sector

For our moderate MTA Sector Investment strategy we use industry and international exchange-traded funds (ETFs) and closed-end funds to provide focused investments in the best performing sectors across global equity markets. The funds are chosen based on their performance over multiple time periods ranging from one month to one year. The positions are reviewed monthly for potential changes and to identify sectors that are emerging as strong performers. The MTA Sector portfolio will typically include ten equal-weighted positions.

We select funds that already outperform the broader market and when they are still accelerating in performance relative to other industry and international sectors, early in their cyclical uptrends. On longer-term market downtrends (e.g. those of more than one quarter) our MTA Sector model will begin building positions in defensive sectors that are showing strong relative performance. Historically defensive sectors have been bonds, utilities, real estate, healthcare, and precious metals (i.e. gold).

MTA Alta Vista

The MTA Alta Vista investment strategy is a trend-following global tactical asset allocation strategy that incorporates timing mechanisms to target consistent 10%+ annual returns with less

than 10% maximum drawdowns. The portfolio consists of allocations to stocks, bonds, commodities, and real estate with an additional rotating “go-anywhere” allocation that dynamically adjusts to markets and sectors showing relative strength.

MTA Balanced Portfolio

Most financial planners would suggest a mixed stock-bond portfolio that is rebalanced on a regular basis. Doing so forces an investor to buy low and sell high, at least to some degree. Our MTA Balanced Portfolio takes this popular approach to investing and makes it even better. Recognizing that stock and bond markets move in cycles and are exposed to occasional crashes, we manage the portfolio to avoid losses, protect capital, and deliver steady returns with minimal risk. This is a conservative strategy targeted at investors who want to capture some of the upside delivered by stocks without the risk typically inherent in traditional buy-and-hold stock investing. As much as 50% of the portfolio is invested in bond/income ETFs to help steady the return and keep volatility low.

MTA Income

Our MTA Income investment strategy aims to deliver current income with low volatility. This is achieved by the use of a tactical asset allocation approach that invests in a variety of asset classes which may include investment-grade U.S. corporate bonds, high-yield U.S. corporate bonds, U.S. treasuries, mortgage-backed bonds, sovereign debt bonds (including emerging market bonds), real estate investment trusts, and oil and gas pipeline limited partnerships. The portfolio invests in these asset classes primarily through the use of ETFs and closed end funds (CEFs), and occasionally U.S.-listed large cap individual stocks that provide consistently high dividend yields. Portfolios are concentrated in 7-10 positions and are diversified across asset classes. The portfolio does not employ short positions, leverage, or margin and may be in cash at times.

MTA Turbo Trading

The MTA Turbo Trading strategy is an active trading system for aggressive investors based on the [TimingCube Turbo Model](#). Based on the Nasdaq 100 Index, the trading system toggles between long or short Nasdaq 100 ETF positions. Stock market volatility drives the frequency of the trading. Thus, when markets are unsettled and volatile, trades can come as often as every couple of days. When markets are in low volatility trending periods, relatively few trades occur. In over ten years of model testing, the Turbo Model has never delivered a losing year. It will perform most powerfully during weak bear market periods, while also offering solid performance during uptrending bull markets. To avoid issues inherent in active trading, we trade using approximately half of the account value, investing in 2x leveraged ETFs to provide a proxy for a full account position.

Important Disclosures

MTA Capital, Ltd., dba MARKET TREND Advisors, Ltd. is an independent, SEC-registered investment advisor. We are not registered as a broker or dealer, nor do we have any partners or employees who are affiliated with any broker or dealer. See our S.E.C. Form ADV, Part II for official declarations.

MTA portfolio strategies assume risk and no assurance is made that investors will avoid losses.

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