

## 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

This tactical asset allocation strategy combines the **FPResearch** Equity-Income model portfolio with the TimingCube Turbo Model to create a dynamic, signal-driven long/short portfolio that carries allocations to a wide variety of bond funds, domestic equity ETFs, and emerging market equity ETFs. This is a moderate strategy with a high degree of stock market exposure but the ability to go almost entirely short during market weakness.

### 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, this 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.

### MTA All-Equity and MTA Equity-Income Investment Services

Utilizing the **FPResearch** model portfolios, these tactical asset allocation strategies mix low-volatility bond and/or defensive sectors with higher-risk emerging market and domestic equity ETFs, all managed for sub-10% drawdowns seeking above-market returns. They are conservative-to-moderate strategies.

### **Important Disclosures**

MTA Capital, Ltd., dba MARKET TREND Advisors, Ltd. is an independent investment advisor registered in the states of California, Florida, New York and Texas. 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 Form ADV, Part II for official declarations.

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

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