



**SOUTHPORT CAPITAL**

ADDRESSING THE NEEDS OF INVESTORS & PLANTING THE SEEDS FOR A SECURE FUTURE

# Market TIMING Strategy

Alternative to BUY and HOLD

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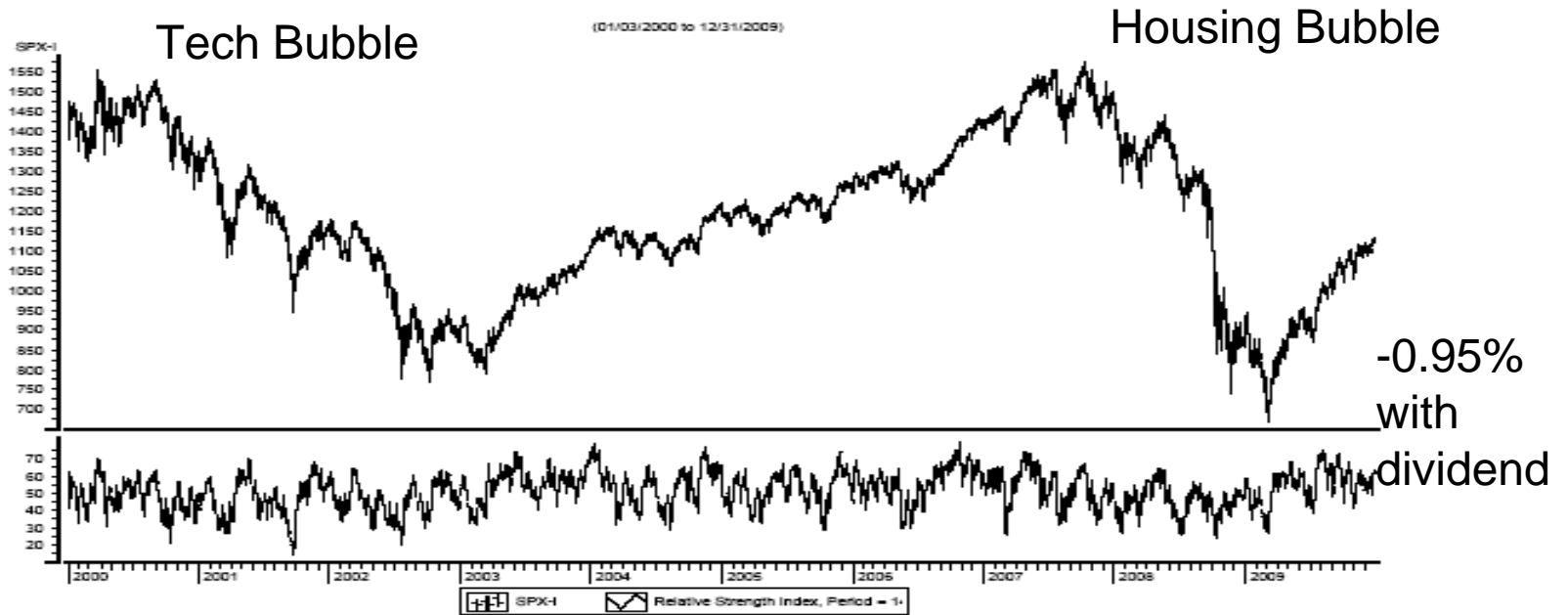
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## S & P 500 10 Years Lost Decade in Stocks





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## **Market Timing Strategy Alternative to “Buy & Hold” Opportunity to Participate in UP and DOWN markets**

- **MARKET FOCUS:** Three **Index** Exchange Traded Funds
- **GEOGRAPHY:** U.S. Domestic Market Only
- **STRATEGY:** Trend Following Technical Model  
Based on Price and Volume Movements of the Nasdaq Composite(3500 Domestic Stocks) – Provides Market Directional “Signals”
- **MARKET SIDE** 100% Long – 100% Short – 100% Cash
- **INVESTMENT VEHICLES:** Three (3) Index ETF’s Long or Short  
**S&P 500 – Russell 2000 – Nasdaq 100**
- **TRADING FREQUENCY:** 3 – 5 X Per Year (normal rotation) Expect Short Term Capital Gains
- **100% MECHANICAL and UNEMOTIONAL**
- Simple Alternative to Long Only “**BUY & HOLD**” Strategies



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## Long – Short – Cash Operational Strategy “SIGNALS”

### BUY = 100% LONG

SPY	= S&P 500:	1/3 of assets
QQQQ	= Nasdaq 100:	1/3 of assets
IWM	= Russell 2000:	1/3 of assets

### SELL = 100% SHORT

SH	= S&P 500 “short”:	1/3 of assets
PSQ	= Nasdaq 100 “short”:	1/3 of assets
RWM	= Russell 2000 “short”:	1/3 of assets

**CASH = Cash:** = 100% Money Market Fund



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## MODEL SIGNALS

- **Model based on price and volume action of the NASDAQ Composite (3500 Domestic Stocks) -- Focused on market intermediate trends those typically lasting 3-4 months. (Nasdaq Composite has a high correlation to other broad market indexes)**
- **Model is run daily after the market close**
- **Model “signal” confirmed or changed at 9 PM daily**
- **“Signal” changes are e-mailed to Managers and posted to Trend Market Advisors web-site**
- **Model Goal: Keep any losses at reasonable minimum from entry point –9% Stop Loss**
- **Maximum draw-down is ratcheted up after advance to adjust for upward moves. CASH signal becomes a trailing Stop Loss**

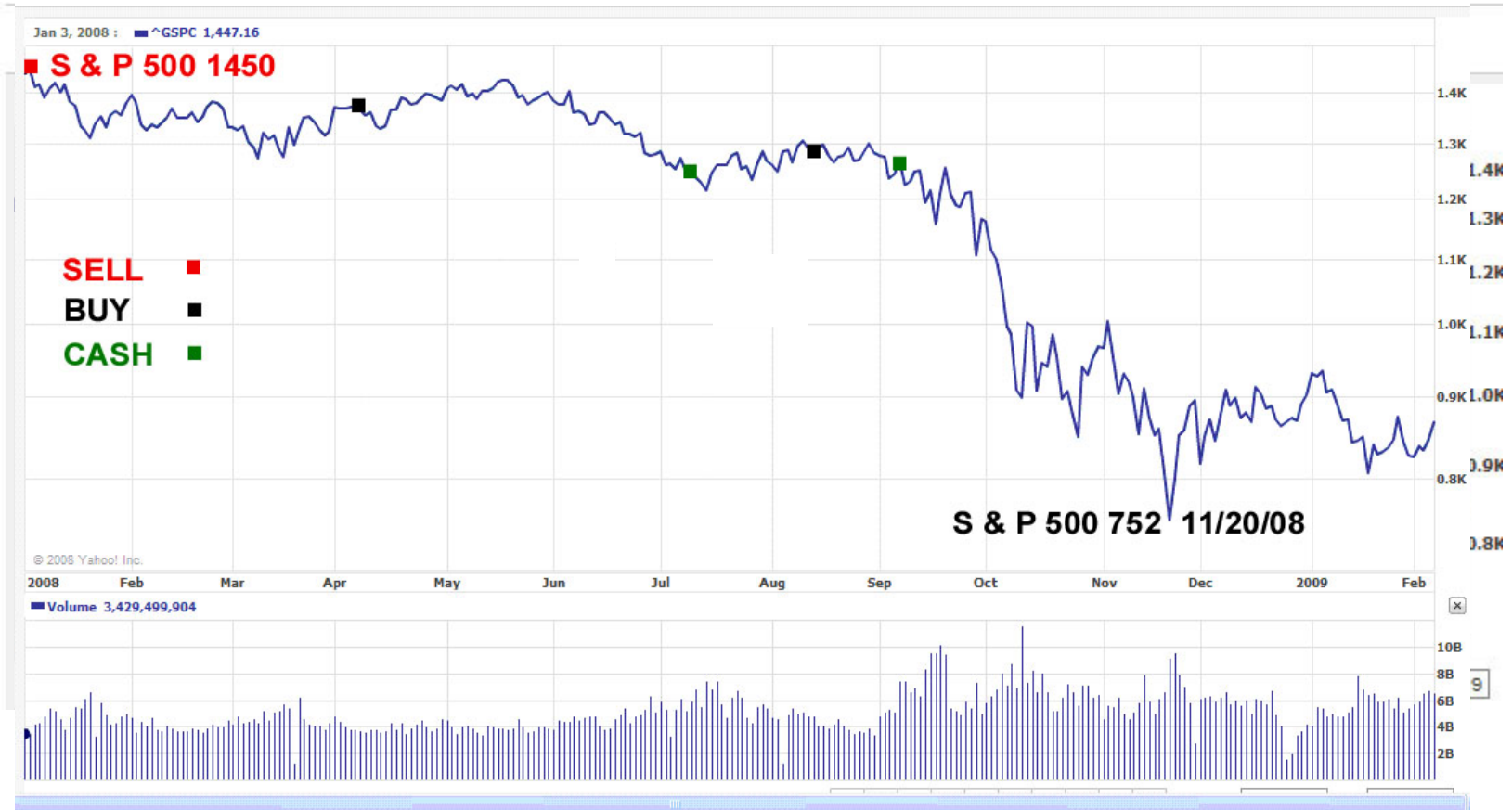
**Example: Nasdaq moves up 7% from entry –the maximum draw-down is 15% CASH signal automatically issued**



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## S & P 500 2008 Alternative Investment Strategy Timing 'SIGNALS'

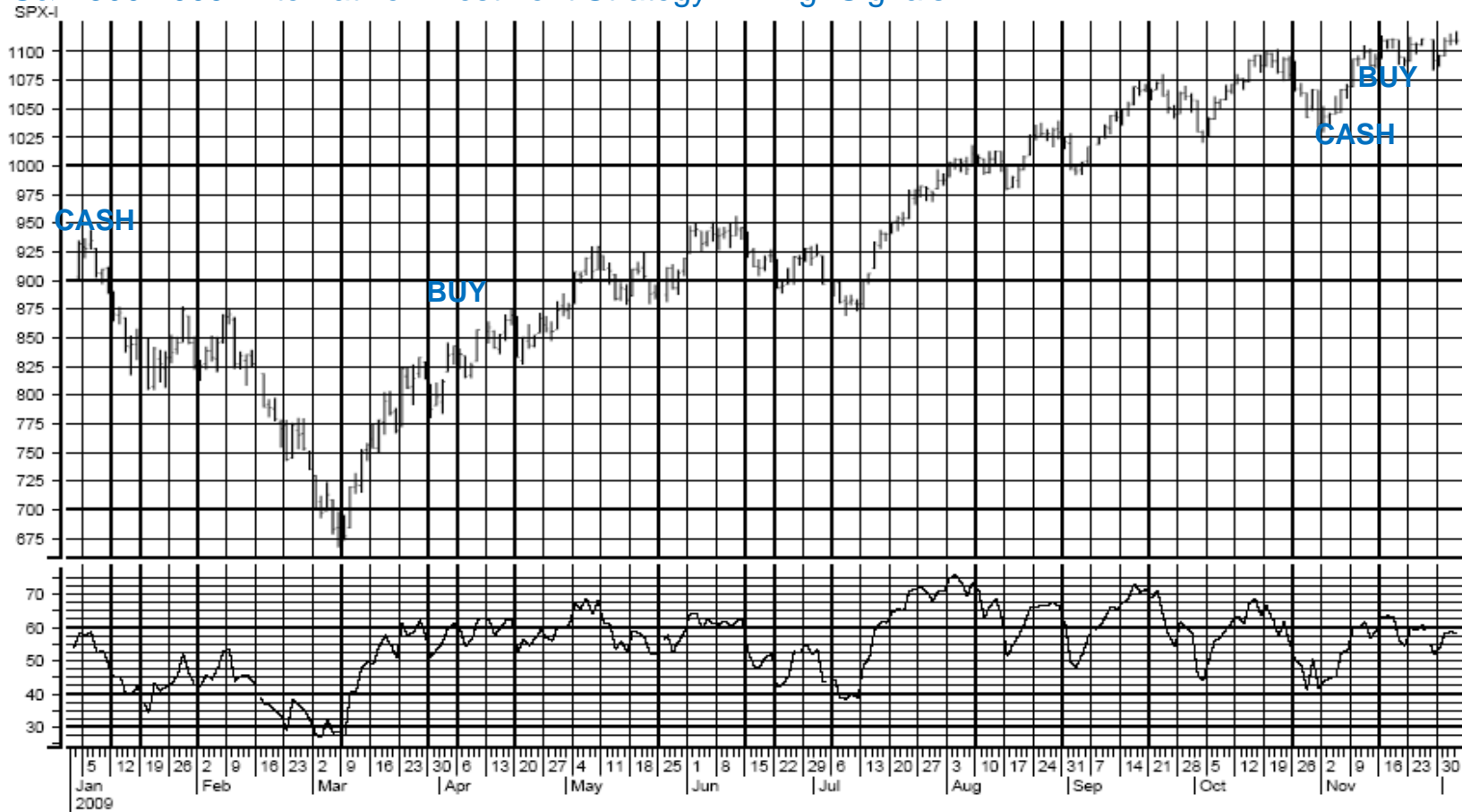




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## S&P 500 2009 Alternative Investment Strategy Timing "Signals"





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## TIMING Strategy Long – Short – Cash “Results”

**2009**

**Timing Strategy: +27.47%**

**Comparable Composite: +35.08%**

BUY and HOLD (S&P 500-NASDAQ 100 – Russell 200 ETF's)

**2000 – 2009**

**Annualized Results from Inception**

**Timing Strategy: +24.57%**

**Comparable Composite: +0.52%**

BUY and HOLD (S&P 500 – Nasdaq 100 – Russell 2000 ETF's)

NOTE: Data sources: Southport Capital Composite data, Market Trend Advisors, Ltd. And Greenhill ,Inc.  
Past performance is not indicative of future returns. Composite data is available upon request



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## SUPPLEMENTAL PERFORMANCE DATA

<u>As of 12/31/2009</u>	<u>TIMING</u>	<u>BUY &amp; HOLD (note2)</u>
1 Year	<b>27.47%</b>	<b>35.08%</b>
3 Years	<b>1.37%</b>	<b>-5.15%</b>
5 Years	<b>9.25%</b>	<b>0.59%</b>
Inception 1/2/01 – 12/31/09	<b>24.57%</b>	<b>0.52%</b>

NOTES: 1. Presented as **Supplemental Data** to Market Trend Advisors, Ltd. Historic Performance  
2. Blended Benchmark is 33.3% S&P 500; 33.3% Nasdaq Composite; 33.3% Russell 2000



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<u>YEAR</u>	<u>TIMING STRATEGY</u>	<u>S&amp;P 500</u>
2009	27.47%	26.45%
2008	-7.24%	-37.10%
2007	-12.26%	5.49%
2006	27.41%	15.80%
2005	17.29%	4.90%
2004	24.76%	10.97%
2003	57.65%	28.69%
2002	35.98%	-22.11%
2001	73.50%	-11.88%

ANNUAL TIMING Strategy Returns

Presented as **Supplemental Data** to Southport Capital 2009 TIMING Strategy Composite  
 2000 – 2009 data provided by Market Trend Advisors (Timing Strategy proprietary owner)



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## **Long – Short – Cash TIMING STRATEGY SUMMARY**

- **Timing Strategy eliminates the emotions from market decisions.**
- **Timing Strategy is a radical departure from traditional “BUY & HOLD” strategies that tend to “RIDE” markets “UP” and then “DOWN” – giving back much, if not all, appreciation.**
- **Timing Strategy Fee: 1.25% annual investment management fee (including periods when in cash). Minimum Investment \$50,000**
- **Timing Strategy historically correctly identifies market trends 72% of the time.**