

Market Timing Pty Ltd

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Active Strategy

Performance results to 31 December 2011

RETURN: as measured by Compound Annual Growth Rate**	Last 12 months	Last 2 years	Last 3 years	Last 5 years	Last 7 years	Last 10 years	Since 1 July 1984
MarketTiming strategy	-12.3%	-6.9%	5.1%	3.9%	6.5%	6.4%	10.2%
Buy & Hold (B&H)	-15.9%	-7.9%	4.0%	-6.1%	0.2%	2.0%	6.9%

**Compound Annual Growth Rate (CAGR) measures the average annual rate of return on an initial investment. The higher this annual growth rate the greater the return achieved by the relevant investor.

RISK: as measured by Average Daily Drawdown**	Last 12 months	Last 2 years	Last 3 years	Last 5 years	Last 7 years	Last 10 years	Since 1 July 1984
MarketTiming strategy	-8.5%	-7.0%	-6.1%	-6.1%	-5.3%	-5.6%	-4.8%
Buy & Hold (B&H)	-33.0%	-32.3%	-35.2%	-26.7%	-19.7%	-15.7%	-15.0%

** A drawdown is any retracement in an investment's value from its preceding peak value. The greater the negative value the greater the drawdown's severity and the more stress experience by the investor.

Strategy (since 1 July 1984)

average number of changes of signal **6.1** per year
maximum number of changes of signal **9** per year

while in the share market:

% of days in the share market **63%**
 winning trades **47** (57% of total entries)
 losing trades **36** (43% of total entries)
 average % gain per winning exit **7.8%**
 maximum % gain on a winning exit **29.1%**
 average % drawdown per losing exit **-2.4%**
 maximum % drawdown on a losing exit **-6.0%**
 maximum consecutive winning trades **6**
 maximum consecutive losing trades **5**

while out of the share market:

drawdowns avoided **28** (34% of total exits)
 gains missed **55** (66% of total exits)
 average % drawdown avoided **-6.1%**
 maximum % drawdown avoided **-40.0%**
 average % gain missed **2.1%**
 maximum % gain missed **6.0%**
 maximum consecutive drawdowns avoided **2**
 maximum consecutive gains missed **7**

MarketTiming issues general advice as to when it's opportune to be 'In' the share market (which is flagged with a 'BUY' signal) and when it's prudent to be 'Out' of the share market (which is flagged with a 'SELL' signal). MarketTiming applies trend following principles. It does not predict the market.

10 most recent signals

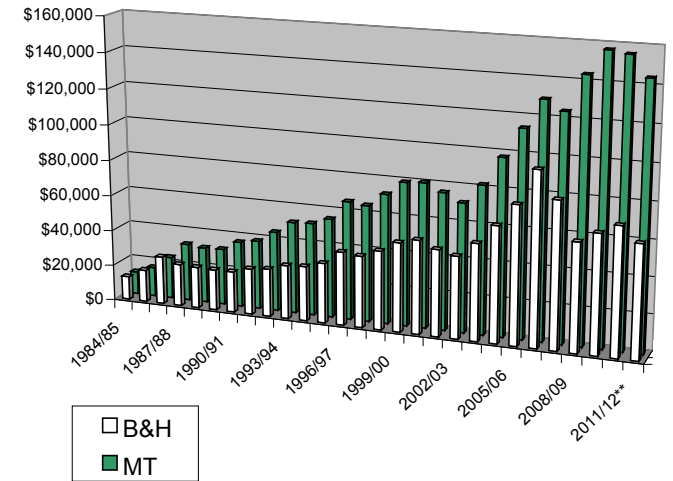
signal	date issued	while signal in place:	
		% increase/ (decrease) (a)	% gain missed/ (drawdown avoided) (b)
SELL	23/11/2011	...	-0.4% (to date)
BUY	13/10/2011	-3.7%	...
SELL	15/07/2011	...	-5.9%
BUY	30/06/2011	-2.4%	...
SELL	4/05/2011	...	-3.6%
BUY	31/03/2011	-2.7%	...
SELL	10/03/2011	...	4.8%
BUY	1/09/2010	3.6%	...
SELL	25/08/2010	...	4.1%
BUY	26/07/2010	-2.9%	...

(a) a positive % increase indicates a winning 'BUY' signal.

(b) a % decline (or drawdown avoided) indicates a winning 'SELL' signal.

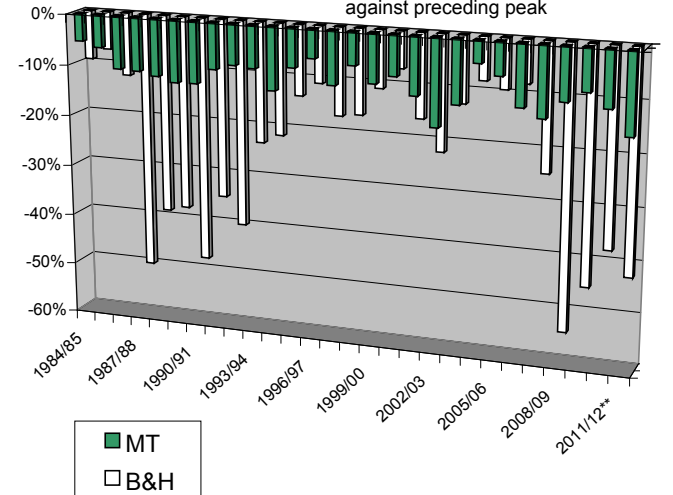
Equity Curve

based on an initial investment of \$10,000



Maximum % Drawdown

against preceding peak



All performance results shown in tables and charts published by Market Timing Pty Ltd are calculated excluding both dividends received while in the market and interest earned on cash balances when out of the market. The results are based on the ASX All Ordinaries Index, and assume that the Exchange Traded Fund (ETF) vehicle used while in the market precisely matches movements in this index. The buy and hold results assume investment is solely through such an ETF. The market timing strategy results are calculated using the closing price the day following a new trading signal (except for the Ultra-Conservative Strategy where four days following is used), and are after brokerage fees of the greater of \$30 or 0.12% per trade. All capital gains are assumed to be re-invested. All signals since December 2009 are as published, with signals prior to that being as determined by applying the current strategy model. The results shown are based upon data whose accuracy are deemed reliable but not guaranteed. Performance returns cited are derived from our best estimates but must be considered hypothetical in as much as we do not track the actual prices investors pay or receive when applying our signals. Past performance is not necessarily indicative of future performance.