



# MWA Active ETF Portfolios

## MWA ACTIVE EQUITY PORTFOLIO

## MWA ACTIVE FIXED INCOME PORTFOLIO

[www.milladvisors.com](http://www.milladvisors.com)

### STRATEGY DESCRIPTION

The MWA Active Equity and the MWA Active Fixed Income ETF Portfolios are managed portfolios that invest only in exchange traded funds (ETF's). ETF's are a basket of securities or commodities that represent an index or market sector. They began trading in the early 1990's. The first commercially successful ETF was the Spyder product which tracks the performance of the Standard and Poor's 500 index. Since that time hundreds of ETF's which track the performance of virtually every stock index and market sector have been created. ETF's have many positive features including

- reduced exposure to the risks associated with trading individual company shares
- low annual management costs compared to other pooled investment vehicles (the costs are built into the fund pricing)
- daily continuous pricing mirrors the share price performance of the underlying investments
- flexibility in the timing of purchases and sales

The MWA Active ETF Portfolio strategy will actively manage ETF portfolios by adjusting the allocation of the components in the Equity or Fixed Income Portfolios. We employ both strategic and tactical asset management in an effort to achieve the best possible risk adjusted returns. Strategically, we begin with a well diversified portfolio of ETF's which give the investor a wide exposure to the Equity or Fixed Income asset classes. We then tactically manage those portfolios by adding or removing exposure among the portfolio components as our market and sector indicators dictate. Our primary concern is risk management and prevention of a substantial erosion of capital. Equity and Fixed Income market risk levels will be determined through the use of internal and outside independent research which employ the use of both technical and fundamental analysis. In the Equity portfolio, when equity market risk is deemed to be high we will allocate a portion or all of the equity exposure to cash (through the use of money market funds). Funds would be added back when our indicators determine risk has subsided. Tactical management of the Fixed Income Portfolio will be conducted to avoid credit market and overall interest rate risk. Fixed Income risks will be reduced by adjusting the structure of the fixed income ladder toward the shorter duration ETF products and also away from the corporate and high yield areas. The primary components of the Equity and Fixed Income portfolios are shown below. Subsector ETF's in the Equity or Fixed Income sector will also be employed to enhance returns.

#### MWA Equity ETF Primary Components

IVV	iShares S&P 500 Index
IJH	iShares S&P Midcap 400
IJR	iShares S&P Small Cap 600
EFA	iShares MSCI EAFE Index Fund
EEM	iShares MSCI Emerging Market

#### MWA Fixed Income ETF Primary Components

SHY	iShares Barclays 1-3 Year Treas Bond
IEF	iShares Barclays 7-10 Year Treas Bond
TLT	iShares Barclays 20+ Year Treas Bond
LQD	iShares iBoxx Invest. Grade Corp Bond
HYG	iShares iBoxx High Yield Corp Bond

<u>MANAGER</u>	<u>CUSTODIAN</u>	<u>MINIMUM INVESTMENT</u>	<u>ANNUAL MANAGEMENT FEE</u>
Donald Riley	TD Ameritrade	\$100,000	1%

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