



Form ADV Part II

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This brochure provides information about the qualifications and business practices of Global Trends Investments. If you have any questions about the contents of this brochure, please contact us at 949-794-0070 and/or tlydon@globaltrend.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration as a registered investment advisor does not imply a certain level of skill or training.

Material changes include requirements for California State Registration.

Table of Contents

Item #	Item Description	Page
<i>Item 1</i>	<i>Cover Page.....</i>	<i>Cover Page</i>
<i>Item 2</i>	<i>Material Changes</i>	<i>Cover Page</i>
<i>Item 3</i>	<i>Table of Contents</i>	<i>1</i>
<i>Item 4</i>	<i>Advisory Business</i>	<i>2</i>
<i>Item 5</i>	<i>Fees and Compensation.....</i>	<i>3</i>
<i>Item 6</i>	<i>Performance-Based Fees and Side-By-Side Management.....</i>	<i>4</i>
<i>Item 7</i>	<i>Types of Clients</i>	<i>4</i>
<i>Item 8</i>	<i>Methods of Analysis, Investment Strategies and Risk of Loss</i>	<i>4</i>
<i>Item 9</i>	<i>Disciplinary Information</i>	<i>5</i>
<i>Item 10</i>	<i>Other Financial Industry Activities and Affiliations.....</i>	<i>5</i>
<i>Item 11</i>	<i>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....</i>	<i>6</i>
<i>Item 12</i>	<i>Brokerage Practices</i>	<i>6</i>
<i>Item 13</i>	<i>Review of Accounts</i>	<i>7</i>
<i>Item 14</i>	<i>Client Referrals and Other Compensation.....</i>	<i>8</i>
<i>Item 15</i>	<i>Custody</i>	<i>8</i>
<i>Item 16</i>	<i>Investment Discretion</i>	<i>8</i>
<i>Item 17</i>	<i>Voting Client Securities</i>	<i>8</i>
<i>Item 18</i>	<i>Financial Information</i>	<i>9</i>
<i>Item 19</i>	<i>Requirements for State-Registered Advisors.....</i>	<i>9</i>

Item 4 Advisory Business

Global Trends Investments (GTI) began business in April 1996 by the principal owner, Thomas F. Lydon, Jr.

Name: Thomas F. Lydon Jr.

Year of Birth: 1960

Education: Babson College; Bachelor of Science 1982

Licenses: 6, 63, 65, 24

Business Background:

4/96 - Present Lydon Asset Management, Inc. dba Global Trends Investments

Chairman of the Board, President, CEO

4/84 - 3/96 Fabian Financial Services, Inc.

President, Vice-President, Account Manager

For individuals in the firm that determine or provide investment advice to clients, the applicant requires a college degree from an accredited university/college and/or at least three years of business/management experience with a financial investment firm, as well as having successfully passed the NASD Series examinations to satisfy any relevant state registration requirements.

Investment Management services are provided on a continuing basis. Client services consist primarily of the selection, purchase and sale of exchange traded funds, mutual funds, equities, and fixed income securities.

Client objectives are reviewed annually with each client. Program and investment selections are based on the needs and financial objectives of the client. Investments are purchased or sold when program and general market conditions change, or when client investment objectives change.

Client accounts are managed based on their investment objectives, risk tolerance and income needs. From time to time there may be specific requests from clients to alter the investment plan for their account for individual reasons. We work with the client to accommodate their goals and situation. This includes restrictions clients may place on investing in a certain type of security or investment.

Global Trends Investments does not participate in any wrap fee programs.

As of December 31, 2011, 100% of the \$67 million assets under management are managed on a discretionary basis.

GTI operates ETFtrends.com, a weblog offering news and commentary about the changing trends in the exchange traded fund (ETF) marketplace.

President, Tom Lydon, spends about 10% of time researching ETF industry and making story recommendations to writers for ETF Trends.

Advertising is offered on ETF Trends openly (without preference) to all potential advertisers. Editorial content is made independent of advertising partners. Global Trends selects ETFs for clients based on their individual merits and choices are not influenced by paid advertising. Proceeds from ad sales cover costs for the site staffing and operations.

ETF Trends offers membership levels to subscribers at a monthly rate of - Premium \$14.99; Ultra \$29.99; Pro \$99.99. Fees are set on a recurring basis for each member on the credit card they provide. No credit card or login information is given directly to GTI. We use a third party credit card processing center.

Membership includes: model portfolios, created by Tom Lydon; the ability to create their own portfolio; track performance of portfolios; receive email alerts for rebalancing or based on parameters the member sets; set criteria to search and analyze ETFs.

Members can cancel their subscription at any time via their account page. Their membership continues until the last day of membership (based on when their last payment was made and their billing date).

In addition to ETF Trends, we work with Virtual Summits to provide educational seminars to financial advisors. These are online conferences and webcasts for financial advisor education, thought leadership and networking. The events are free for advisors and sponsors of the conference pay to cover the costs of production. The summits feature speakers, live webinars, exhibitor hall, networking lounge and hot topic forums.

Item 5 Fees and Compensation

FEE SCHEDULE:

\$ 500,000	and below	2.00%
500,000 -	1,000,000	1.75%
1,000,000 -	2,500,000	1.50%
2,500,000 -	5,000,000	1.25%
5,000,000 -	10,000,000	1.00%
10,000,000 -	and above	0.75%

Client minimum is \$500,000, but the Company may accept smaller accounts if the client and applicant expect the account balance to be above the minimum within a reasonable period of time. Fees are based on the assets under management per individual client. Fees are billed quarterly, one quarter in advance, during the first month of the quarter and are based on the value of assets under management at the inception of the quarter. The quarterly fee is computed at one-fourth the annual percentage rate. Fees are refundable on a pro-rata basis, on day's remaining in the current quarter beyond the date a client or applicant gives written termination notification.

The client may elect to have the management fee debited directly from their account and forwarded to the company at the time of billing with prior written authorization to the brokerage or company of custody. Fees are deducted from client accounts after the

quarterly invoice has been mailed to the client and custodian. The custodian will also show the fee disbursements from the account on the quarterly statement. Client should verify the accuracy of the fee calculation on the invoice, as the custodian will not do so. Clients may pay fees directly without having their fees deducted from their investment account. Advisory fees are negotiable. Lower fees for comparable services may be available from other sources.

The investment management contract remains in effect until terminated by either party upon written notice to the other party. Unless otherwise requested, termination is effective on the day of receipt of written notice by either party and the client will be refunded; on a pro-rata basis, any prepaid fees. No fee is charged if the account is terminated within thirty days of contract date.

Clients whose assets are invested in exchange traded funds and mutual funds pay their proportionate share of the fund's management fees, administration fees, and sales charges in addition to the advisory fee.

Clients will incur brokerage and other transaction costs by the brokerage firm. Please see the brokerage section of the brochure, Item 12.

Global Trends principals or supervised persons are not compensated for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

See Item 4, Advisory Business, for more information regarding fees for advertising and subscription service.

Item 6 Performance-Based Fees and Side-By-Side Management

Global Trends Investment principals or supervised persons do not accept performance-based fees.

Item 7 Types of Clients

Global Trends Investments provides investment services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, as well as to corporations or other business entities.

Client minimum is \$500,000, but applicant may accept smaller accounts if the client and applicant expect the account balance to be above the minimum within a reasonable period of time.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

Client accounts are invested in exchange traded funds (ETFs). ETFs are a basket of stocks, like a mutual fund, but trade like a stock throughout the day. ETFs:

- provide diversification, they are transparent (you know what is in them at any time),
- cost less than mutual funds on average,
- have intraday liquidity (you can trade them at any time during market hours like a stock, as opposed to once a day like a mutual fund),
- cover all major asset classes, sectors and global regions.

There are risks with investing in ETFs, just like with any investment tool. Their value can go up or down. When positions are sold there is the possibility that there is a gain from the original purchase date, but also a risk that there is a loss from the original purchase date.

There are some ETFs that can be small or have low volume, which could translate into a large bid/ask spread at the time of sale. We look to purchase ETFs that have over \$50 million in assets and have volume, also known as liquidity, to minimize risk.

Each client's portfolio is managed with their individual risk appetite in mind. Both equity and fixed income securities offer risk and reward and that is taken into account when allocating client portfolios.

ETFs represent all asset classes, including fixed income, global regions, sectors, currencies and commodities. We identify the general trends of all asset classes on a regular basis by monitoring the 200-day moving average of ETFs representing each major asset class. We only invest in ETFs when they are above their current 200-day average and sell those positions when they decline below their 200-day average.

This investment strategy provides an exit if markets begin a downward trend. It can mean more trades than a typical asset allocation strategy. If the markets are in a long-term up or down trend, then trading is minimal. If the markets are volatile and securities move above and below their trend line frequently, then there could be more trading involved.

Item 9 Disciplinary Information

There are no legal or disciplinary events related to GTI, its principals, supervised persons or employees.

Item 10 Other Financial Industry Activities and Affiliations

Principals or supervised persons at Global Trends Investments are not, nor have applications pending to register as a broker-dealer or a registered representative of a broker-dealer; nor as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities. GTI does not recommend or select other investment advisers for clients.

Thomas F. Lydon Jr., president of GTI, serves as a member of the following:

The Board of Directors with U.S. Global Investors, a publicly traded investment advisor currently managing several mutual funds in San Antonio, TX. This firm will not be used as a third party investment adviser for Global Trends clients.

The Board of Trustees of Guggenheim Investments Mutual Funds and ETFs, part of Securities Investors, Inc., based in New York, NY. If Guggenheim mutual funds or ETFs are used in client accounts, we will contact clients and disclose Mr. Lydon's relationship.

Mr. Lydon spends 5-10 hours a month on board related issues and attends quarterly board meetings. He is compensated for his time commensurate with industry standards.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Global Trends employees may take positions in equities, exchange-traded funds and mutual funds at the same time as clients. Since prices for purchase or sale are the same for all buyers of mutual funds (net asset value at close of market daily), there is no conflict of interest. When ETFs are purchased for client accounts, employee accounts are submitted at the same time in a block trade and executed at the same price as the clients. Each employee is required to adhere to company policies which prohibit insider trading. All employees are required to keep copies of all personal account transactions at the corporate office. When an employee comes to the conclusion or becomes aware that GTI comes to the conclusion that a security should be bought or sold for a client or clients, the employee and the employees' immediate family shall not act on such conclusion before action is taken on behalf of GTI clients.

All employees must sign the code of ethics when they are hired and annually. Clients and prospective clients may receive a copy upon request.

Item 12 Brokerage Practices

An annual broker-dealer assessment performed by Global Trends Investments, includes an examination of the firm's practices with regard to:

- selection of custodians;
- best execution reports from these custodians;
- selection of trade away firms for bonds and other securities;
- best execution reports from these trade away firms;
- service quality received from these firms;
- trade prices received;
- liquidity;
- as well as alternative means of execution.

An information evaluation includes both qualitative and quantitative factors, as well as technological developments. Consideration is given to: speed of execution; reliability of execution; commission or spread; and experience of vendor. Conflicts of interest are

explored. Correction of trading errors and paperwork mistakes at custodians are evaluated. Considerations given to selection of custodians are reviewed.

GTI may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab and Company Inc. (Schwab), a FINRA-registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although GTI may recommend that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. GTI is independently owned and operated and not affiliated with Schwab.

Schwab provides GTI with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Institutional. These services are not contingent upon GTI committing to Schwab any specific amount of business (assets in custody or trading). Schwab's brokerage services include the execution of securities transactions, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For GTI client accounts maintained in its custody, Schwab generally does not charge separately for custody but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to GTI other products and services that benefit GTI but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of GTI accounts, including accounts not maintained at Schwab. Schwab's products and services that assist GTI in managing and administering clients' accounts include:

- software and other technology that provide access to client account data (such as trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide research, pricing and other market data;
- facilitate payment of GTI's fees from its clients' accounts;
- and assist with back-office functions, record keeping and client reporting.

Schwab Institutional also offers other services intended to help GTI manage and further develop its business enterprise. These services may include:

- compliance, legal and business consulting;
- publications and conferences on practice management and business succession;
- access to employee benefits providers, human capital consultants and insurance providers.

Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to GTI. Schwab may discount or waive fees it would otherwise charge

for some of these services or pay all or a part of the fees of a third-party providing these services to GTI. Schwab may also provide other benefits such as educational events or occasional business entertainment of GTI personnel. In evaluating whether to recommend that clients custody their assets at Schwab, GTI may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Item 13 Review of Accounts

Reviews of client accounts are weekly or when there are transactions to compare performance and safety in relation to investment objectives of clients and market conditions. There is one reviewer: Thomas F. Lydon Jr., President. Reviewer targets to communicate with clients via phone, e-mail or in person at least twice a year. Clients are mailed quarterly statements on status of accounts and periodic letters and emails commenting on investment strategy and market conditions.

Item 14 Client Referrals and Other Compensation

Global Trends Investments does not retain or compensate outside vendors to provide investment advice or services to clients. In addition, GTI does not compensate any person for client referrals.

Item 15 Custody

Global Trends Investments can, with client authorization, deduct management fees from client accounts. The client's brokerage firm holds their assets and provides the client with regular statements. GTI sends quarterly statements to clients and they are encouraged to compare them with their brokerage statements.

Item 16 Investment Discretion

Global Trends Investments has authority to determine, without obtaining specific client consent, the securities and the amount to be bought or sold in a client's account. The securities and the amount bought or sold are in accordance with the investment objectives of the client and the investment philosophy of the applicant.

We have authority to determine without obtaining specific client consent the securities to be bought or sold; amount of securities to be bought or sold; or the broker or dealer to be used.

Clients provide the discretionary authority via limited power of attorney through their custodian. This authority can be revoked by the client at any time.

Item 17 Voting Client Securities

Global Trends Investments does not provide services for proxy voting to its clients. All proxies are sent directly to clients from the custodian. GTI periodically reviews client options at each custodian to ensure proper coding is maintained on all client accounts. If any client receives material contrary to Global Trends Investment's proxy voting statement, they should contact our office immediately. Questions concerning proxy voting can be directed to our office.

Item 18 Financial Information

Global Trends does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance.

There is no financial condition that is reasonable likely to impair the firm's ability to meet contractual commitments to clients.

Item 19 Requirements for State-Registered Advisors

See Item 4, Advisory Business, for executive officers and for describing our business other than giving investment advice.

Global Trends does not receive compensation for advisory services tied to performance-based fees.

No management person has been involved in an award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:

- an investment or an investment-related business or activity;
- fraud, false statement(s), or omissions;
- theft, embezzlement, or other wrongful taking of property;
- bribery, forgery, counterfeiting, or extortion; or
- dishonest, unfair, or unethical practices.

No management person has been involved in an award or otherwise being found liable in a civil, self-regulatory organization or administrative proceeding involving any of the following:

- an investment or an investment-related business or activity;
- fraud, false statement(s), or omissions;
- theft, embezzlement, or other wrongful taking of property;
- bribery, forgery, counterfeiting, or extortion; or
- dishonest, unfair, or unethical practices

There are no relationships or arrangements, other than what is listed in Item 10, with any issuer of securities.