



PRESS RELEASE

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BTS UNCONSTRAINED BOND APPROACH PROVIDES INVESTORS WITH FLEXIBILITY IN UNCERTAIN TIMES

Tactical Bond Approach the Key to Bond Investing for 2013 - 2014
According to BTS CEO

LEXINGTON, MA October 1, 2013 – In a recent semi-annual letter to shareholders, [BTS Asset Management](#) CEO Matthew Pasts shared the firm’s vision for the bond market for the remainder of 2013, 2014 and beyond as well as the strategies they will employ on behalf of their investors given the current challenging market in bonds.

Pasts notes that in a rising rate environment, “passive” bond funds may suffer losses this year and next. While some funds can move a portion of their assets into short durations or cash, others are constrained by prospectus limitations.

Says Matt Pasts, “In an uncertain market, a ‘buy and hold’ philosophy doesn’t work because it ignores the fact that investors may have to sell during down markets. We take an unconstrained tactical approach which tries to avoid major drawdowns and seeks to provide total return.” However, there is no assurance that the Fund will achieve its investment objective.

Unlike most unconstrained funds, the BTS Tactical Fixed Income Fund ([BTFAX](#)) ([BTFCX](#)) is able to go 100% to cash if needed or take a limited short position. The shareholder letter also discussed how their approach is designed to gauge market volatility and invest on confirmation of strong price trends. This allows movements in and out of different investments based on the strength of solid underpinnings, but also allows them to move defensively, managing risk trade-offs.

BTS Asset Management has used an unconstrained approach in most of its portfolios for more than 34 years. Says Pasts, “Investors need the flexibility an unconstrained bond approach gives

them to help meet their income needs while seeking to maintain capital, especially in a bear market.”

To read BTS’ commentary on the outlook for the bond market and their intended investment strategy, [click here](#).

About BTS Asset Management

Founded by [Vilis Pasts](#) in 1979, [BTS Asset Management](#) is one of the nation’s oldest third party money managers, providing quantitative risk management and portfolio solutions for mutual fund and variable annuity clients looking for income and/or total returns. BTS has multi-year track records in tactical fixed income and equity management dating as far back as 34 years, providing advisors and clients alike with the experience and service of an established money manager.

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Mutual Funds involve risk, including possible loss of principal.

Taking a short position involves the sale of a borrowed security, commodity or currency with the expectation that the asset will fall in value.

The use of Credit Default Swaps involves investment techniques and risks different from those associated with ordinary portfolio security transactions, such as potentially heightened counterparty, concentration and exposure risks. There is a risk that issuers and counterparties will not make payments on securities and other investments held by the Fund, resulting in losses to the Fund. The Fund may invest in derivatives. Even a small investment in options may give rise to leverage risk, and can have a significant impact on the Fund’s performance. Derivatives are subject to credit risk and liquidity risk. The values of foreign investments may be affected by changes in exchange control regulations, application of foreign tax laws changes in governmental administration or economic or monetary policy or changed circumstances in dealings between nations. In addition to the risks generally associated with investing in securities of foreign companies, countries with emerging markets also may have relatively unstable governments, social and legal systems that do not protect shareholders, economies based on only a few industries, and securities markets that trade a small number of issues. The Fund invests in fixed income securities, derivatives on fixed income securities or Underlying Funds that invest in fixed income securities. The value of the Fund will fluctuate with changes in interest rates. Defaults by fixed income issuers in which the Fund invests could also harm performance. Lower-quality bonds known as “high yield” or “junk” bonds, present greater risk than bonds of higher quality, including an increased risk of default. An economic downturn or period of rising interest rates could adversely affect the market for these bonds and reduce the Fund’s ability to sell its bonds. The lack of a liquid market for these bonds could decrease the Fund’s share price. The use of leverage by the Fund or an Underlying Fund will indirectly cause the Fund to incur additional expenses and magnify the Fund’s gains or losses. The Fund may engage in short selling activities which are significantly different from the investment activities commonly associated with conservative

fixed income funds. Underlying Funds are subject to investment advisory and other expenses, which will be indirectly paid by the Fund. As a result, your cost of investing in the Fund will be higher than the cost of investing directly in the Underlying Funds.

Investors should carefully consider the investment objectives, risks, charges, and expenses of the BTS Tactical Fixed Income Fund. This and other information about the Fund is contained in the prospectus and should be read carefully before investing. The prospectus can be obtained on our web site, www.btsfunds.com, by calling toll free 1-877-287-9820 (1-877-BTS-9820), or by calling your financial representative. The BTS Tactical Fixed Income Fund is distributed by Northern Lights Distributors, LLC, Member FINRA. BTS Asset Management, Inc. is not affiliated with Northern Lights Distributors, LLC.

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