

HY Corp – The U.S. Corporate High-Yield Index measures the market of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds.

Securities are classified as high yield if the middle rating of Moody’s, Fitch, and S&P is Ba1 /BB+ /BB+ or below, excluding emerging market debt.

IG Corp – The U.S. Corporate Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate, taxable corporate bond market. It includes USD-denominated securities publicly issued by U.S. and non-U.S. industrial, utility, and financial issuers that meet specified maturity, liquidity, and quality requirements.

MUNI – The U.S. Municipal Index covers the USD-denominated long-term tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

TIPS – The US Treasury Inflation-Linked Bond Index measures the performance of the US Treasury Inflation Protected Securities (TIPS) market. Federal Reserve holdings of US TIPS are not index eligible and are excluded from the face amount outstanding of each bond in the index.

US Gov’t – The U.S. Government Index is comprised of the U.S. Treasury and U.S. Agency Indices. The U.S. Government Index includes Treasuries (public obligations of the U.S. Treasury that have remaining maturities of more than one year) and U.S. agency debentures (publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government). The U.S. Government Index is a component of the U.S. Government/Credit Index and the U.S. Aggregate Index.

Each of these asset classes has its own set of investment characteristics and risk and investors should consider these risks carefully prior to making any investment decisions.

The value of the fixed income securities will fluctuate with changes in interest rates. Defaults by fixed income issuers 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.

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FIXED INCOME SECTOR PERFORMANCE



About BTS Asset Management

Founded in 1979, BTS Asset Management is one of the oldest risk managers, managing traditional assets with a nontraditional approach. BTS has a multi-year track record in tactical fixed income and equity management. Our goal is to find opportunities with the potential to take advantage of rising markets while working to manage losses during downturns.

BTS:

- Seeks to preserve capital
- Aims to offer downside risk management and upside potential
- Strives to reduce volatility while delivering consistent long-term returns



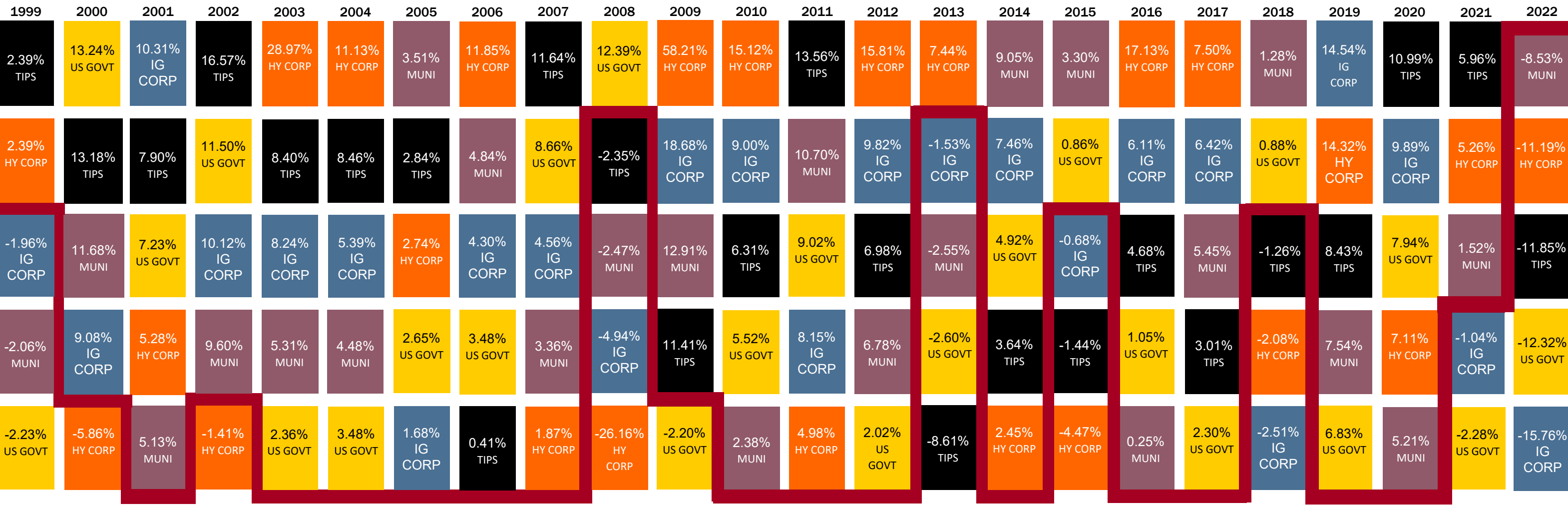
*Tactically Managing
Traditional Fixed Income
Since 1979*

FIND OPPORTUNITY



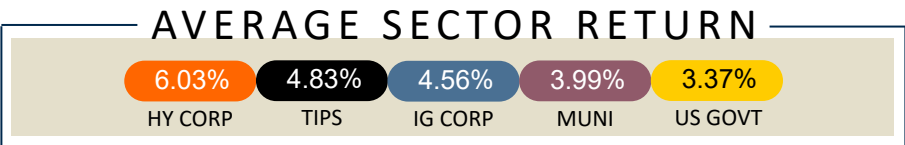
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Find Opportunity



All bonds are NOT created equal.

Fixed income sectors tend to get mistakenly lumped into one bond category. No matter what the general direction of the market is, many bond sectors perform differently from each other, exposing opportunities.



LEGEND

HY Corp

IG Corp

MUNI

TIPS

US Gov't

Bloomberg US Corporate High Yield TR USD

Bloomberg US Corp Bond TR USD

Bloomberg Municipal TR USD

Bloomberg Treasury US TIPS TR US

Bloomberg US Government TR USD

Demarcation between positive and negative returns

Source: Morningstar Direct

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS