

*A risk managed investment program designed to produce enhanced returns without higher market risk ...*

**This BTS program invests in high yield bonds or large cap stocks ... whichever sector BTS believes will produce the best returns!**

# **BTS High Yield/Large Cap Asset Allocation Program**

**A Mutual Fund Program  
With the Objective of Investing in the Sectors  
Producing the Highest Current Return**

- Reduce portfolio volatility
  - Enhance returns
- Preserve capital during market downturns
- Manage investment risk

**BTS ASSET MANAGEMENT**



Registered Investment Advisor since 1979

*An alternative for potentially achieving high returns in today's rapidly changing market environment*

## The BTS High Yield/Large Cap Asset Allocation Program

A risk managed program that seeks to place assets in the sector delivering the best returns:

- High Yield Corporate Bonds
- Large Cap Stocks
- Money Market Funds

### A strategy for today's investment environment

Today, perhaps more than ever before, investors are aware that various stock and bond mutual fund sectors move in and out of favor year-to-year ... even month to month!

Obviously, being invested in the sector producing better returns — such as high yield bonds or occasionally large cap stocks — or out of the market entirely if neither sector is producing positive returns, can increase total returns substantially over time.

**That's why you're invited to evaluate the BTS High Yield/Large Cap Asset Allocation Program**

This BTS mutual fund program adds an equity investment element to BTS's popular risk-managed high yield bond fund program ... taking advantage of opportunities for higher returns from large cap stocks during advancing markets.

The program's main focus is high yield bond funds. But when the relative strength of large cap stocks is on the "fast track" in a rising equity market, the program may seize the opportunity for better gains by moving into large cap stock funds.

However, **preservation of capital**, especially in view of today's market volatility, underlines the BTS High Yield/Large Cap Asset Allocation Program's goal to enhance returns ... while preserving capital in market declines ... limiting volatility and investment risk.

The BTS investment models and timing strategy — seeking to preserve capital during market declines and capture gains during market advances — has achieved a positive track record over the years, one you can examine for yourself.

While no investment strategy can guarantee the results desired, a balanced, preservation of capital approach — taking advantage of opportunities for growth and income or out of the market entirely — has the potential to achieve enhanced returns over the long haul.

### How the BTS High Yield/Large Cap Asset Allocation Program Works

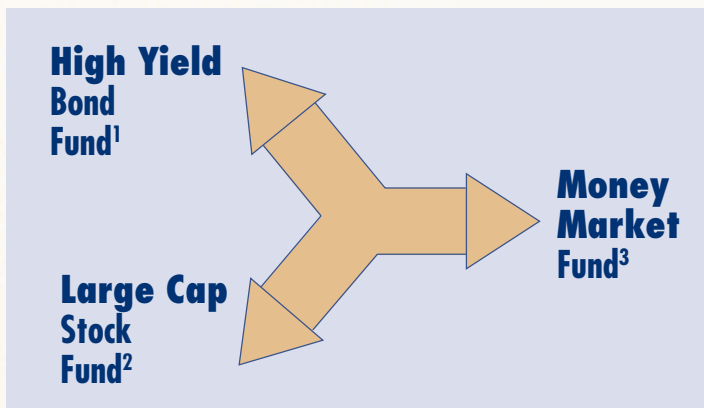
The program consists of three funds: A high yield bond mutual fund, a large cap growth mutual fund and a money market fund.

You select these funds with the assistance of your financial advisor.

**BTS then allocates assets to the high yield bond fund or large cap stock fund when BTS's price trend models indicate which fund offers the best opportunity for higher returns.**

**Capital is preserved by moving all assets to the money market fund when BTS projects high yield bonds or large cap stocks will decline.**

To accomplish this, BTS uses a wide range of market data and proprietary investment models to assign assets to the fund (high yield bond, large cap stock or money market) which BTS believes will produce the best total return.



Profiles of typical BTS High Yield/Large Cap Asset Allocation Program investors include:

- Mutual fund investors who are looking for better ways to capitalize on today's changing market environment.
- Individuals seeking higher returns than those offered by investing in individual stocks and bonds without taking on more investment risk.
- Investors wanting the advantages of both bond and equity funds that offer the opportunity for capital appreciation in a risk-managed setting.
- Retired investors who want the opportunity for enhanced investment returns to keep pace with inflation, but are not in a position to accept a substantial loss of capital possible by investing solely in stock mutual funds.

1. When BTS projects high yield bonds will appreciate, 100% of assets are invested in the high yield bond fund to obtain maximum price per share appreciation.
2. When BTS projects that large cap stocks will deliver better returns than high yield bonds, 100% of assets are invested in the large cap stock fund.
3. When BTS trend models indicate that high yield bonds and large cap stocks will decline, 100% of assets are placed in the money market account to preserve capital and earn interest.

This strategy also seeks to take advantage of opportunities when the market moves up — by investing in more shares of the high yield or large cap mutual fund at a lower price.

## Can this program help you achieve your goals?

The BTS High Yield/Large Cap Asset Allocation Program is designed for investors who practice patience — with the aim of achieving their goals without the volatility of more aggressive investment strategies.

The program appeals to individuals who have three underlying investment objectives.

They include, 1) Preservation of capital during market downturns, 2) Obtaining higher rates of return from investments in bond and equity mutual funds, and 3) A strong emphasis on managing risk.

## Five simple steps make starting the BTS program easy

1. You select a high yield bond mutual fund, large cap growth fund and a money market fund ... with the assistance and counseling of your financial advisor.
2. BTS is assigned a limited privilege to transfer assets among the three funds. Your account is in your name, and you retain control over your assets at all times.
3. BTS makes the timing decision to be currently invested in either the high yield bond, large cap stock component or the money market fund.
4. You receive a complete record of each transaction and periodic reports on your progress from your mutual fund company.
5. Management fees may be paid by check or deducted from your investment account.

## About the BTS investment models and timing techniques

BTS monitors the bond markets and equity markets with a wide range of current and historical market data with the aid of proprietary computer modeling systems to make investment allocations.

Although over 23 years has gone into developing the BTS timing models, the refinement process continues on a daily basis.

The result are “dynamic investment models” for the various market sectors that have changed and continue to change with BTS analytical expertise and technology. Under constant review, the BTS models are always current.

*Past performance cannot guarantee future results. The design and implementation of technical models is subject to uncertainties. Periodic grading and evaluation of all indicators is vital to the reliability of the models in making investment decisions. BTS will be pleased to furnish actual illustrations of all funds timed in the past.*

## A look at BTS Asset Management

A Registered Investment Advisor since 1979, BTS Asset Management is one of the oldest and largest investment risk-management firms in the country. BTS manages approximately \$750 million of client assets through 9,000 individual, corporate and pension fund accounts.

To fulfill the varied financial objectives of its clients, BTS offers a wide range of investment programs encompassing equity and bond mutual funds.

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