

# BTS Strategic Asset Allocation Program

Alpha Moderate at Trust Company of America

**Analysis Period:** Start: October 1, 2001

**End:** December 31, 2009

**Benchmark 1:** S&P 500 BarCap Agg 60-40

**S&P 500:** S&P 500 TR

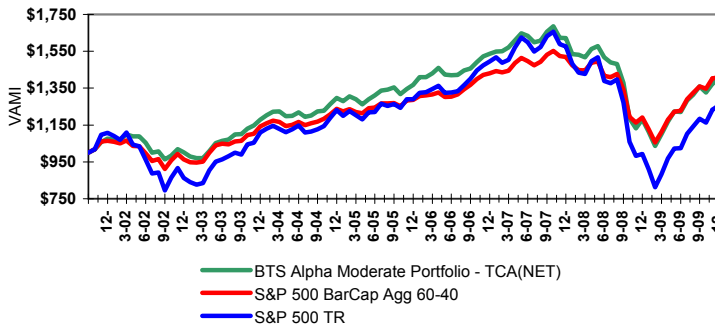
**Portfolio Weighted Avg**

**Internal Expense:** 0.78

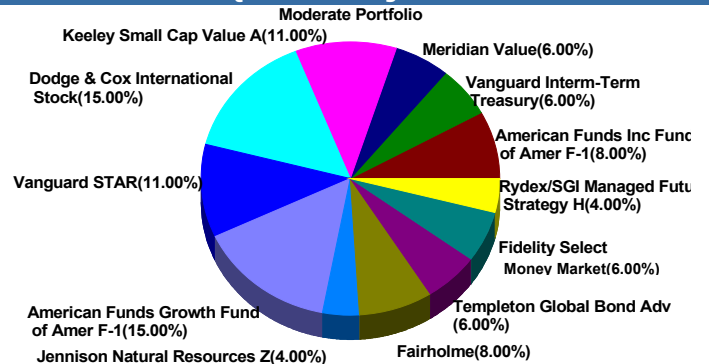
## Portfolio Description

The Alpha Moderate Portfolio is intended for the investor willing to accept more risk than the conservative investor, but still not willing to accept the short-term downside risk associated with portfolios seeking dramatic gains. BTS will select funds we believe meet these criteria. The appropriate time horizon for this investment is five years or more. The Moderate benchmark is 60% of the S&P 500 and 40% of the Barclays Capital Aggregate Bond Index, rebalanced quarterly. You should consider carefully the Alpha Moderate Portfolio's investment goals and horizons, risks, charges and expenses before investing. Returns are shown net of a 2.1% maximum annual fee charged quarterly, in advance.

## Value Added Monthly Index (Growth of \$1,000)\*



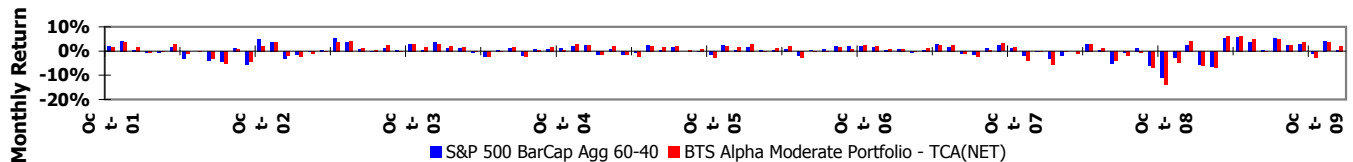
## Q4 2009 Holdings



## Performance Analysis

	1 Month	3 Month	6 Month	YTD	1 Year	3 Year	5 Year	Compound ROR	
BTS Alpha Moderate Portfolio - TCA	2.21%	3.18%	15.00%	18.95%	18.95%	(2.96)%	1.60%	4.19%	
S&P 500 BarCap Agg 60-40	0.55%	3.70%	14.97%	18.46%	18.46%	(0.47)%	2.63%	4.26%	
S&P 500 TR	1.93%	6.04%	22.59%	26.46%	26.46%	(5.63)%	0.42%	2.80%	
	2001*	2002	2003	2004	2005	2006	2007	2008	2009
BTS Alpha Moderate Portfolio - TCA	7.64%	(6.89)%	17.69%	9.88%	5.49%	12.33%	5.54%	(27.21)%	18.95%
S&P 500 BarCap Agg 60-40	6.43%	(9.48)%	18.64%	8.35%	3.94%	11.14%	6.19%	(21.63)%	18.46%
S&P 500 TR	10.69%	(22.10)%	28.68%	10.88%	4.91%	15.79%	5.49%	(37.00)%	26.46%
Year End VAMI (from \$1,000)	\$1,076.36	\$1,002.22	\$1,179.54	\$1,296.09	\$1,367.26	\$1,535.80	\$1,620.82	\$1,179.79	\$1,403.39

## Monthly Return



## Historical Data

## Risk

	BTS Alpha Moderate Portfolio - TCA	S&P 500 BarCap Agg 60-40	S&P 500 TR	BTS Alpha Moderate Portfolio - TCA	S&P 500 BarCap Agg 60-40	S&P 500 TR
Cumulative Return	40.34%	41.04%	25.63%	Standard Deviation	10.50%	9.43%
Cumulative VAMI	\$1,403.39	\$1,410.38	\$1,256.29	3 Year Standard Deviation	14.71%	12.50%
Largest Month Gain	6.27%	5.93%	9.57%	5 Year Standard Deviation	11.96%	10.04%
Largest Month Loss	(13.99)%	(11.02)%	(16.80)%	Sharpe Ratio (3%)	0.16	0.18
% Positive Months	66.67%	63.64%	63.64%	Sortino Ratio (6%)	-0.20	-0.22
Maximum Drawdown	(38.53)%	(32.02)%	(50.95)%	Downside Deviation (6%)	8.61%	7.52%
Months In Maximum Drawdown	16	16	16			
Months To Recover	N/A	N/A	N/A			

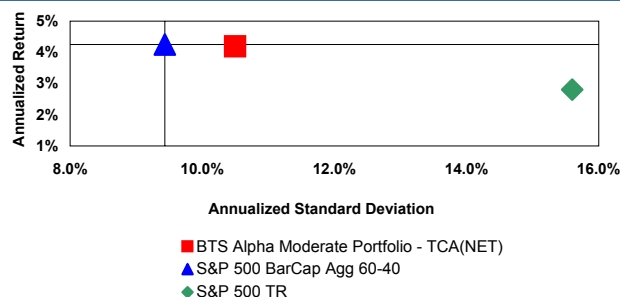
\* See additional information on the bottom of page 2.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS

## Portfolio Statistics Compared To Benchmarks

	S&P 500 BarCap Agg 60-40	S&P 500 TR
Alpha (Annualized)*	-0.18%	2.18%
Beta*	1.05	0.63
Correlation*	0.94	0.93
R-Squared*	0.89	0.87

### Risk vs. Return



### BTS Asset Management

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**THIS MATERIAL IS NOT AN OFFER OF ANY FUND SHARES.**

**BTS Asset Management is affiliated with BTS Securities Corporation. Securities are offered through BTS Securities Corporation and other FINRA member firms. Advisory services are offered through BTS Asset Management.**

The BTS Strategic Portfolios show quarterly rebalancing to previously determined allocation percentages. Asset allocation recommendations are likely to change. It should not be assumed that investment decisions made in the future will be profitable or will equal the performance shown above. Results assume that all exchanges were timely. Delays in implementing exchanges may affect performance. The above illustration reflects a generally rising securities market. Investing directly in the S&P 500 or Barclays Capital Aggregate Bond Index is not possible. The volatility of the index is materially different from that of the portfolio. Performance will vary depending on the particular funds selected and there is no guarantee that funds used in the program will closely match the above indexes. Mutual funds have their own fund expenses, which costs are borne by Client. Performance results are net of the maximum possible fee of 2.1%. Results include the reinvestment of dividends and capital gains, but do not include possible sales charges, transaction fees, or custodial fees. 2001 returns are for partial year only, beginning October 1, 2001 and ending December 31, 2001.

#### Risks

Investments are subject to risk; loss of capital is possible. Investing in bonds and high yield securities involves additional risks, including interest rate risk, credit risk, and reinvestment rate risk. Investing in small cap stocks involves additional risks, including operating risk and liquidity risk. Investing in international and emerging markets stocks involves additional risks, including political risk and currency risk. *You should carefully consider the investment objectives, risks, and charges and expenses of each investment company included as part of the Strategic Asset Allocation Program before investing. The prospectuses contain this and other information. You should carefully read the prospectus of each investment company, which are available from your financial representative upon request.*

#### Definitions

The S&P 500 includes 500 leading companies in leading industries of the U.S. economy and is a proxy for the total stock market. The Barclays Capital Aggregate Bond Index is comprised of government securities, mortgage-backed securities, asset-backed securities and corporate securities with maturities of one year or more to simulate the universe of bonds in the market.

*Portfolio Weighted Avg Internal Expense* is the weighted average of the internal expenses of the mutual funds used.

*VAMI* reflects the growth of a hypothetical \$1,000 in a given investment over time. The value is equal to \$1,000 at inception. Subsequent month-end values are calculated by multiplying the previous month's VAMI index by 1 plus the current month rate of return.

*Compound ROR* stands for Compound Rate of Return, and measures the compounded growth rate (annualized) since inception.

*Standard Deviation* measures the degree of variation of returns around the average return; the higher the volatility, the higher the standard deviation.

*Sharpe Ratio* is a risk-adjusted performance measure (the incremental average return over the risk-free rate - represented as 3% - divided by risk), where risk is defined by standard deviation. A higher Sharpe ratio may indicate higher risk-adjusted returns.

*Sortino Ratio* is a risk-adjusted performance measure (the incremental average return over the minimum acceptable return - represented as 6% - divided by risk), where risk is defined by downside deviation. A higher Sortino ratio may indicate higher risk-adjusted returns.

*Downside Deviation* considers returns that fall below the minimum acceptable return.

*Maximum Drawdown* is the largest percentage drawdown that the investment has experienced.

*Alpha* measures a manager's value-added return over a benchmark index by comparing its actual return to the return expected based on the risk level.

*Beta* measures sensitivity to market movements relative to a benchmark index.

*Correlation* and *R-Squared* (Correlation Coefficient) measure how two securities move in relation to one another.

\* Alpha, Beta, Correlation, and R-Squared show the value for the BTS portfolio versus the listed benchmark.