

# SEASONALITY PORTFOLIOS

**H**istory contains examples of human behavior possibly influencing various patterns in financial markets. General market sentiment and investor emotion may create opportunities on a broader scale.

Driven by our Stock Timer launched in 1985, the **BTS Seasonality Portfolios** are tactically managed to seek these trends in the overall equity market between approximately November and April of each calendar year. Numerous historical examples illustrate the equity market's frequent outperformance during these months versus the May to October time period. From corporate activity to ensuing investor habits, all sorts of reasons for this pattern may exist. The BTS model is equipped to seek out the emergence of such patterns and aims to participate in them. There is no guarantee the strategy will succeed and past performance is no guarantee of future results.

As the table below indicates, the historical return differences between the two six-month periods can be significant.



**Comparative Performance (%) of Dow Jones Industrial Average During Seasonally Favorable Months vs. Unfavorable Months Using November 1<sup>st</sup> Entry and April 30<sup>th</sup> Exit**  
 May 1, 2000 through April 30, 2015

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Favorable Months Return</b> Nov. 1 - Apr. 30	-2.2%	<b>+9.6</b>	<b>+1.0</b>	+4.3	<b>+1.6</b>	<b>+8.9</b>	<b>+8.1</b>	-8.0	<b>-12.4</b>	+13.3	<b>+15.2</b>	<b>+10.5</b>	<b>+13.3</b>	<b>+6.7</b>	+2.6%
<b>Unfavorable Months Return</b> May 1 - Oct. 31	<b>+2.2%</b>	-15.5	-15.6	<b>+15.6</b>	-1.9	+2.4	+6.3	<b>+6.6</b>	-27.3	<b>+18.9</b>	+1.0	-6.7	-0.9	+4.8	<b>+4.9%</b>

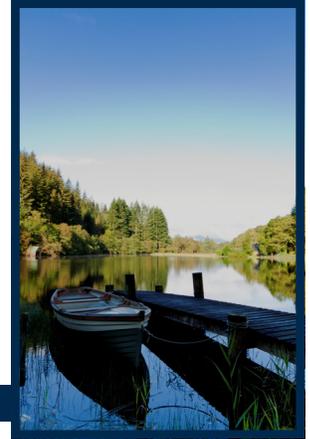
The performance included is index performance and does not represent any BTS portfolios. This table is for illustrative purposes. Past performance is no guarantee of future results. Returns do not reflect management fees. BTS clients will pay management fees, may pay custodial fees and brokerage commissions and which vary depending on the custodian chosen. The Dow Jones Industrial Average is a price-weighted average of 30 major stocks traded on the New York Stock Exchange and the NASDAQ.

## NUTS & BOLTS

Between approximately November and April of each calendar year, the **BTS Seasonality Portfolios** seek to participate in the historical pattern in the U.S. equity market. If prices are rising near this period, BTS will allocate your assets to U.S. equities. Upon entering equities, the strategy attempts to preserve capital by exiting the U.S. equity market if prices are declining. To accomplish this, the BTS model uses a broad range of market trend data, technical analysis and economic factors.

The BTS model helps to identify potential entry and exit points during the life cycle of a trend. The Moving Average Convergence/Divergence (MACD) tool used in this strategy tracks current market trends and may help determine the most productive time for a move into, or out of, the market. In practice, the MACD is brought into play to fine-tune Seasonality buy and sell decisions, which may be up to several weeks before or after the Seasonality trigger dates of November 1st and April 30th.

BTS portfolio strategies can be implemented with your investments held either at Trust Company of America or invested directly with mutual fund or variable annuity companies. Variable annuities are meant for long-term investing, have additional fees and expenses, and possible surrender charges.



### Risk Considerations:

The design and implementation of seasonality technical models is subject to uncertainties. Periodic grading and evaluation of all indicators is vital to the reliability of the risk management systems and models in making investment decisions. The choice in equity funds utilized in the Seasonality Portfolios will directly impact investment returns. Equity funds may not have the same or similar investment risks including volatility, capitalization and liquidity. Loss of capital is possible.

WHERE YOU MAY USE BTS SEASONALITY PORTFOLIOS	
TRUST COMPANY OF AMERICA	✓
SECURITY BENEFIT	✓
NATIONWIDE	✓
PRUDENTIAL	✓
JEFFERSON NATIONAL	✓
RYDEX FUNDS	✓
MUTUAL FUND & VARIABLE ANNUITY COMPANIES	✓

*You should carefully consider the investment objectives, risks, and charges and expenses of each investment company included as part of the Seasonality Portfolios 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.*

*Investments in funds are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although money market funds seek to preserve their value at \$1.00 per share, it is possible to lose money by investing in money market funds.*

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.



PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. The allocation of assets and implementation of portfolio management is subject to uncertainties. Loss of capital is possible. BTS advisory fees are described in detail in Part 2 of BTS' ADV and Client Agreement. There is no guarantee that BTS advisory programs will achieve the stated or investor goals.