

## Objective

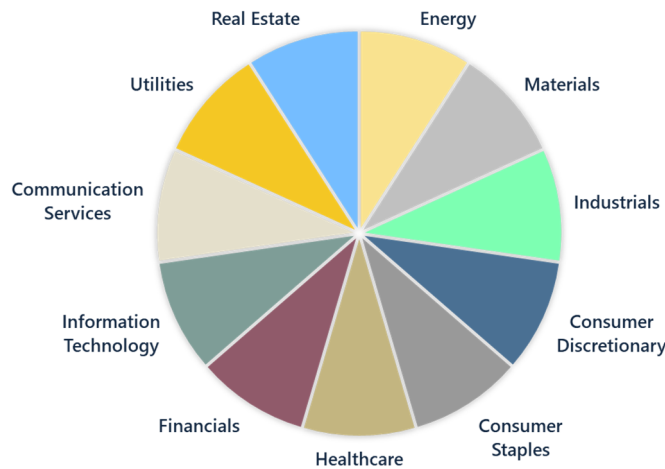
The Fund seeks growth and income.

## Description

- A fully invested, risk managed equity income Fund that aims to focus on, what we believe, are high quality mid-to-large-cap companies.
- Applies optimized fundamental ratio analysis which seeks to select top stocks and sectors using the following sub-strategies:
  - ◆ Dividend Aristocrats
  - ◆ Equity Fortress
  - ◆ Highest Yielding Equity
- With a 10% Covered Call sub-strategy that seeks to enrich income.

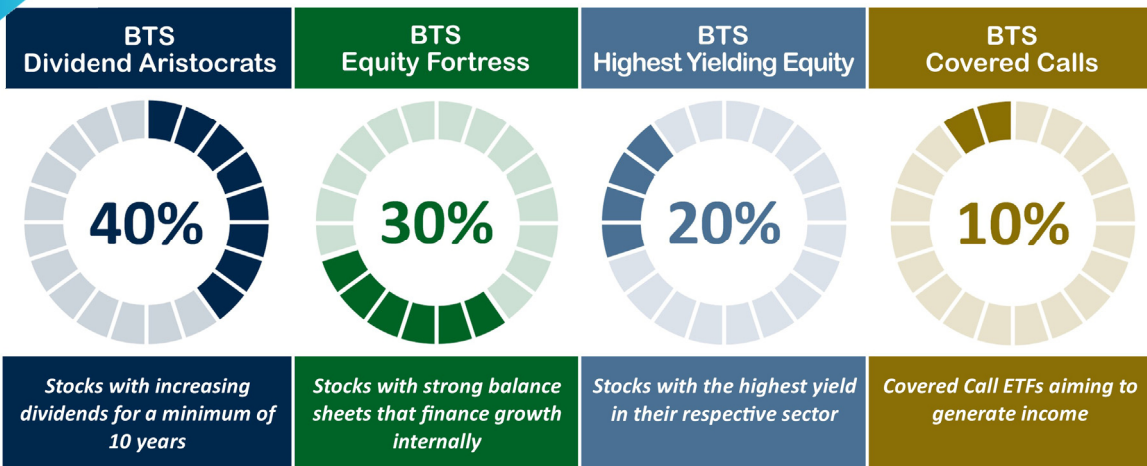
## Investment Universe<sup>1</sup>

- Break the 1,500 largest and mid-cap-stocks into 11 Industry Sectors
- Aims to eliminate small-cap-stocks that make up the bottom 6.33% of the cumulative market capitalization of the largest 1,500 U.S. issued stocks by market capitalization.



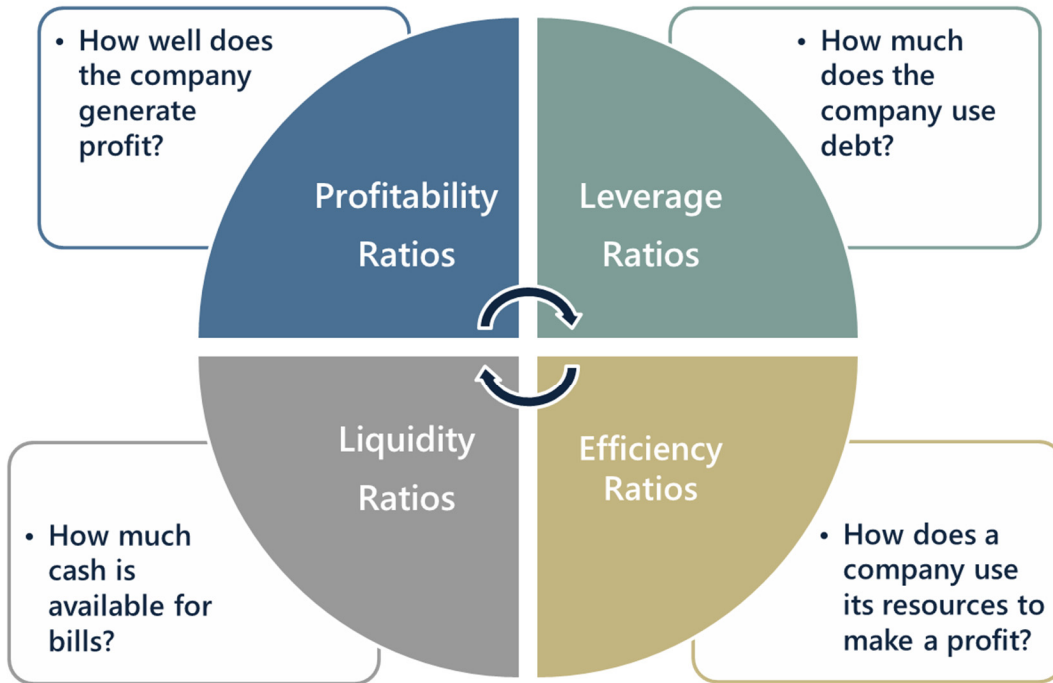
## Sub-Strategy Approach

- Apply Sub-Strategy Filter to Each Approach to Select Holdings for the Fund



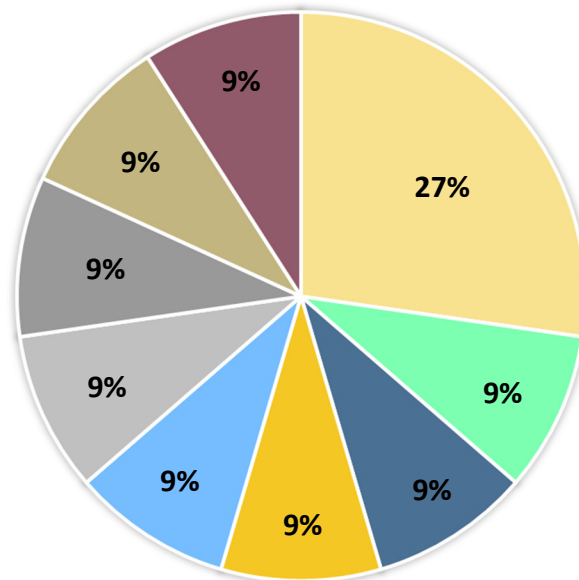
## Fundamental Ratio Analysis

- Various Sets of Optimized Ratios are Used Seeking Determine Top Stocks in Each Sector Within the Dividend Aristocrats, Equity Fortress, and High Yield Equity Sub-Strategies
- Optimized Ratios Aim to Determine True Intrinsic Value and Financial Health



## Sector Analysis

- Aims to Optimize a New Set of Fundamental Ratios that are Consistent Across Sectors to Make Over or Underweight Decisions
- Seeks to Eliminate the Weakest Two Sectors and Overweight the Top Sector in Each Strategy
- Result = Eight Equal Weight Sectors and One Triple Weight Sector



Final Allocation

→ The Potential for Up To 56 Holdings

Dividend Aristocrats



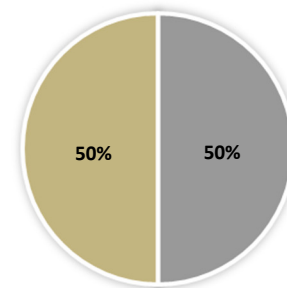
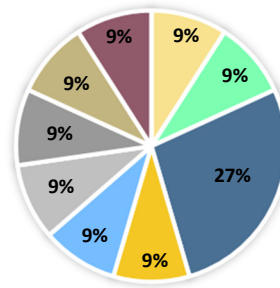
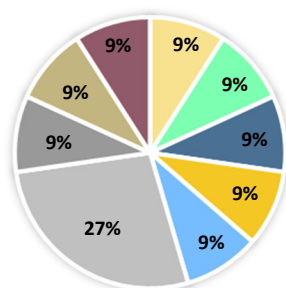
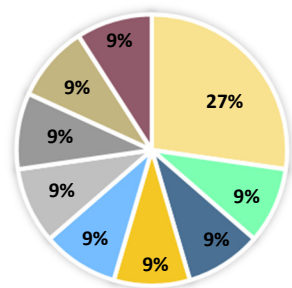
Equity Fortress



Highest Yielding Equity



Covered Call ETFs



Under normal market conditions, the Advisor will initially allocate the Fund's assets across the Fund's four sub-strategies, as shown above.

The Fund's allocation to a particular sub-strategy at any one time may vary due to market movements. In seeking to fulfill the Fund's investment objective, the Advisor may engage in frequent trading of the Fund's portfolio securities.

### Quarterly Reallocation & Rebalancing

- The Fund Portfolio is Rebalanced Quarterly Based on the Sub-Strategies to Select Underlying Investments
- The Four Sub-Strategies are Utilized to Reallocate the Fund's Holdings Back to the Base Weightings in Order to Keep the Diversification Rules in Place

#### Footnote:

<sup>1</sup>The Advisor seeks to achieve the Fund's investment objective by investing at least 80% of the Fund's net assets (plus any amounts for borrowing) in large-cap and mid-cap U.S. issued stocks. Stocks are considered U.S. issued if they are incorporated in the United States. The Fund invests in large-cap and mid-cap issuers by removing stocks that the Advisor considers to be small-cap at the time of purchase. The Advisor identifies small-cap stocks dynamically during each quarterly reallocation by calculating which stocks make up the bottom 6.33% of the cumulative market capitalization of the largest 1500 U.S. issued stocks by market capitalization. This is done using a specific calculation that sorts the stocks by their market capitalization in ascending order, computes the cumulative market capitalization, and determines the threshold below which stocks are considered small-cap. The Advisor identifies mid-cap stocks in a similar manner by calculating which stocks make up the

cumulative market capitalization between the bottom 6.33% and bottom 20% of the largest 1500 U.S. issued stocks. The Adviser identifies large-cap stocks as those that make up the remaining 80% of cumulative market capitalization. This dynamic approach may differ from other industry definitions of small, mid, and large-cap stocks.

#### **Definitions:**

Large-Cap refers to the adviser's definition and are those companies with a market capitalization value of more than \$45.55 billion.

Mid-Cap refers to the adviser's definition and are those companies with a market capitalization value between \$10.45 billion and \$45.55 billion.

Small-Cap refers to the adviser's definition and are those companies with a market capitalization less than \$10.45 billion.

BTS Dividend Aristocrats selects two stocks from each of nine of the eleven Global Industry Classification Standard (GICS) sectors from the 1500 largest domestic equities for a total of 18 security selections. Equities are considered based on their ability to have increased year-over-year dividend payments for the past 10-15 years or longer. Equities that meet this filter are run through a proprietary securities selection algorithm, utilizing fundamental ratios and proprietary return-based quantitative metrics, to determine the two equity selections for each sector. Then, the Adviser's proprietary model analyzes the fundamental ratios and proprietary return-based quantitative metrics of each sector to determine the sector's outperformance. The sector with the highest outperformance is over-weighted, and the bottom two sectors are eliminated. The allocation weight that would have gone to the bottom two sectors is allocated to the top sector. The Adviser may increase the number of holdings or change the weightings within any of the selected sectors in the BTS Dividend Aristocrats strategy in light of a particular stock's liquidity and trading volume. Stocks selected may overlap with those selected in the "BTS Equity Fortress" and "BTS Highest Yielding Equity" sub-strategies.

BTS Equity Fortress selects two stocks from each of nine of the eleven Global Industry Classification Standard (GICS) sectors from the 1500 largest domestic equities for a total of 18 stocks. Equities are considered based on the ability to finance internal revenue and asset growth without taking on excess debt as determined by the Adviser's proprietary model. Equities that meet this filter are run through a proprietary securities selection algorithm, utilizing fundamental ratios and proprietary return-based quantitative metrics, to determine the two equity selections for each sector. Then, the Adviser's proprietary model analyzes the fundamental ratios and proprietary return-based quantitative metrics of each sector to determine the sector's outperformance. The sector with the highest outperformance is over-weighted, and the bottom two sectors are eliminated. The allocation weight that would have gone to the bottom two sectors on an equal weight basis is allocated to the top sector. The Adviser may increase the number of holdings or change the weightings within any of the selected sectors in the BTS Equity Fortress strategy in light of a particular stock's liquidity and trading volume.

BTS Highest Yielding Equity selects two stocks from each of nine of the eleven Global Industry Classification Standard (GICS) sectors from the 1500 largest domestic equities for a total of 18 stocks. Equities are considered based on having the highest dividend yield in their respective sector. Equities that meet this filter are run through a proprietary securities selection algorithm, utilizing fundamental ratios and proprietary return-based quantitative metrics, to determine the two equity selections for each sector. Then, the Adviser's proprietary model analyzes the fundamental ratios and proprietary return-based quantitative metrics of each sector to determine the sector's outperformance. The sector with the highest outperformance is over-weighted, and the bottom two sectors are eliminated. The allocation weight that would have gone to the bottom two sectors on an equal weight basis is allocated to the top sector. The Adviser may increase the number of holdings or change the weightings within any of the selected sectors in the BTS Highest Yielding Equity strategy in light of a particular stock's liquidity and trading volume. Stocks selected may overlap with those selected in the "BTS Dividend Aristocrats" and "BTS Equity Fortress" sub-strategies.

BTS Covered Calls The Fund will invest up to 10% of its assets in exchange traded funds (ETFs) that pursue a covered call strategy. Covered call ETFs invest in a portfolio of equity securities and also write, or sell, call options on their equity exposure in order to generate income from the premiums received from writing call options.

The Global Industry Classification Standard (GICS) is an industry taxonomy developed in 1999 by MSCI and Standard & Poor's (S&P) for use by the global financial community. The GICS structure consists of 11 sectors, 25 industry groups, 74 industries and 163 sub-industries into which S&P has categorized all major public companies.

Energy Sector The Energy Sector comprises companies engaged in exploration & production, refining & marketing, and storage & transportation of oil & gas and coal & consumable fuels. It also includes companies that offer oil & gas equipment and services

Materials Sector The Materials Sector includes companies that manufacture chemicals, construction materials, forest products, glass, paper and related packaging products, and metals, minerals and mining companies, including producers of steel.

Industrials Sector The Industrials Sector includes manufacturers and distributors of capital goods such as aerospace & defense, building products, electrical equipment and machinery and companies that offer construction & engineering services. It also includes providers of commercial & professional services including printing, environmental and facilities services, office services & supplies, security & alarm services, human resource & employment services, research & consulting services. It also includes companies that provide transportation services.

Consumer Discretionary Sector The Consumer Discretionary Sector encompasses those businesses that tend to be the most sensitive to economic cycles. Its manufacturing segment includes automobiles & components, household durable goods, leisure products and textiles & apparel. The services segment includes hotels, restaurants, and other leisure facilities. It also includes distributors and retailers of consumer discretionary products.

Consumer Staples Sector The Consumer Staples Sector comprises companies whose businesses are less sensitive to

economic cycles. It includes manufacturers and distributors of food, beverages and tobacco and producers of non-durable household goods and personal products. It also includes distributors and retailers of consumer staples products including food & drug retailing companies.

Health Care Sector The Health Care Sector includes health care providers & services, companies that manufacture and distribute health care equipment & supplies, and health care technology companies. It also includes companies involved in the research, development, production and marketing of pharmaceuticals and biotechnology products.

Financials Sector The Financials Sector contains companies engaged in banking, financial services, consumer finance, capital markets and insurance activities. It also includes Financial Exchanges & Data and Mortgage REITs.

Information Technology Sector The Information Technology Sector comprises companies that offer software and information technology services, manufacturers and distributors of technology hardware & equipment such as communications equipment, cellular phones, computers & peripherals, electronic equipment and related instruments, and semiconductors and related equipment & materials.

Communication Services Sector The Communication Services Sector includes companies that facilitate communication and offer related content and information through various mediums. It includes telecom and media & entertainment companies including producers of interactive gaming products and companies engaged in content and information creation or distribution through proprietary platforms.

Utilities Sector The Utilities Sector comprises utility companies such as electric, gas and water utilities. It also includes independent power producers & energy traders and companies that engage in generation and distribution of electricity using renewable sources.

Real Estate Sector The Real Estate Sector contains companies engaged in real estate development and operation. It also includes companies offering real estate related services and Equity Real Estate Investment Trusts (REITs).

Fundamental Ratios are quantitative measures that are used to assess businesses.

Profitability Ratio are financial metrics used by analysts and investors to measure and evaluate the ability of a company to generate income (profit) relative to revenue, balance sheet assets, operating costs, and shareholders' equity during a specific period of time. They show how well a company utilizes its assets to produce profit and value to shareholders.

Liquidity Ratios are used by financial analysts to evaluate the financial soundness of a company. These ratios measure a company's ability to repay both short-term and long-term debt obligations. Liquidity ratios are often used to determine the riskiness of a firm to decide whether to extend credit to the firm.

Leverage Ratios are any kind of financial ratio that indicates the level of debt incurred by a business entity against several other accounts in its balance sheet, income statement, or cash flow statement. These ratios provide an indication of how the company's assets and business operations are financed (using debt or equity).

Efficiency Ratios are used to measure how well a company is utilizing its assets and resources. These ratios generally examine how many times a business can accomplish a metric within a certain period of time, or how long it takes for a business to fulfill segments of its operations.

True Intrinsic Value is a measure of what an asset is worth. This measure is arrived at by means of an objective calculation or complex financial model. Intrinsic value is different from the current market price of an asset.

Financial Health refers to the overall well-being of a company's financial position. It takes into account various aspects, such as the company's profitability, liquidity, debt levels, and cash flow. By evaluating these factors, you can get a comprehensive picture of the company's financial strength and stability.

### **Important Risks**

Diversification does not ensure a profit or guarantee against loss. The Fund is newly formed and has a limited history of operations.

### **Equity Risk**

Equity securities are susceptible to general stock market fluctuations and to volatile increases and decreases in value. The equity securities held by the Fund may experience sudden, unpredictable drops in value or long periods of decline in value. This may occur because of factors affecting securities markets generally, the equity securities of a specific sector, or a specific company.

### **ETF Risk**

ETFs are subject to investment advisory fees 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 ETFs and may be higher than other mutual funds that invest directly in fixed income securities. Certain restrictions of the 1940 Act may limit the Fund's assets that can be invested in any one ETF. This limit may prevent the Fund from allocating its investments in the manner the Adviser considers optimal or cause the Adviser to select an investment other than that which the Adviser considers optimal. The strategy of investing in ETFs could affect the timing, amount and character of distributions and may increase the amount of taxes paid.

- **Covered Call Strategy Risk**

Covered call ETFs receive premiums from the call options they sell but limit their opportunity to profit from an increase in the value of the underlying stock. If the underlying stock declines more than the option premium received by the ETF, there will be a loss on the overall position. Covered call ETFs are also subject to the risks of investing in equity securities.



### **Large Capitalization Company Risk**

Large-cap companies may be unable to respond quickly to new competitive challenges, such as changes in technology and consumer tastes, and also may not be able to attain the high growth rate of successful smaller companies, especially during extended periods of economic expansion.

### **Issuer-Specific Risk**

The value of a specific security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.

### **Management Risk**

The Adviser's judgments about the attractiveness, value and potential appreciation of particular security in which the Fund invests or sells short may prove to be incorrect and may not produce the desired results.

### **Market and Geopolitical Risk**

The increasing interconnectivity between global economies and financial markets increases the likelihood that events or conditions in one region or financial market may adversely impact issuers in a different country, region or financial market. Securities in the Fund may underperform due to inflation (or expectations for inflation), interest rates, global demand for particular products or resources, natural disasters, pandemics, epidemics, terrorism, international conflicts, regulatory events and governmental or quasi-governmental actions. The occurrence of global events similar to those in recent years, such as terrorist attacks around the world, natural disasters, social and political discord or debt crises and downgrades, among others, may result in market volatility and may have long term effects on both the U.S. and global financial markets. It is difficult to predict when similar events affecting the U.S. or global financial markets may occur, the effects that such events may have and the duration of those effects. Any such event(s) could have a significant adverse impact on the value and risk profile of the Fund.

### **Turnover Risk**

A higher portfolio turnover may result in higher transactional and brokerage costs and taxes.

Mutual funds involve risk, including possible loss of principal. There is no assurance that the Fund will achieve its investment objective.

### **Disclosure:**

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

### **Past performance is no guarantee of future results.**

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