BTS Bond Asset Allocation Program

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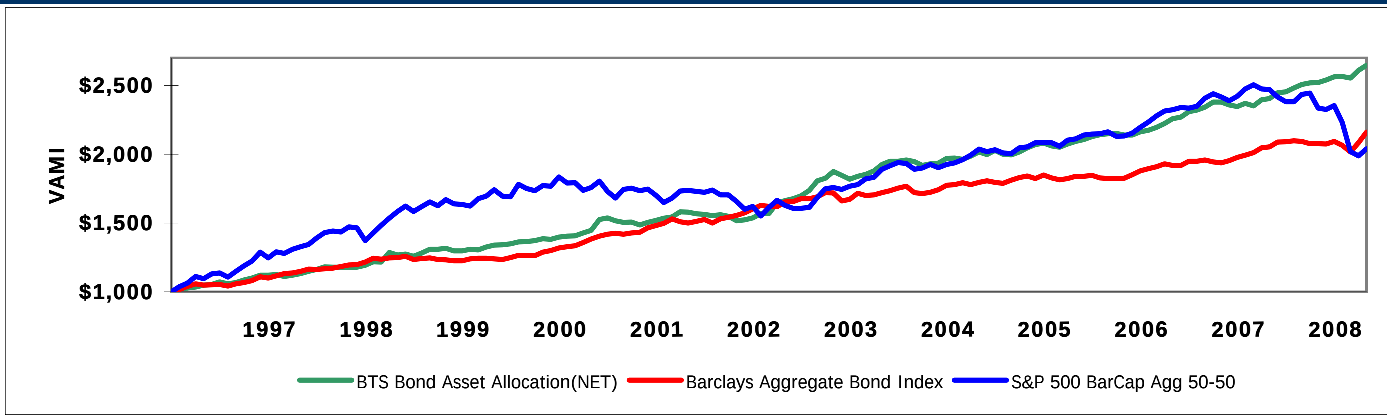
Analysis Period:	**Start:** September 11, 1996	**End:** December 31, 2008	
Comparison 1:	Barclays Aggregate Bond Index	**Comparison 2:**	S&P 500 BarCap Agg 50-50

Portfolio Description

The goal of the Bond Asset Allocation Program (BAA) is to achieve equity-like returns with bond-like risk. The program moves assets among high yield bond, government bond, and money market mutual funds. BTS uses a broad range of market trend data, technical analysis, and economic factors to choose the sector that BTS believes will perform best in the current market environment. The appropriate time horizon for this investment is three years or more. This illustration compares the portfolio to two benchmarks: one is the Barclays Aggregate Bond Index and the other is a weighted benchmark consisting of 50% of the S&P 500 and 50% of the Barclays Capital Aggregate Bond Index, rebalanced quarterly. BAA can be compared to a wide range of benchmarks between the risk levels represented by these two benchmarks based on comparisons in both risk and return. You should consider carefully BAA's investment goals and horizons, risks, charges and expenses before investing. Returns are shown net of a 2.75% maximum annual fee charged quarterly, in advance.

Cumulative Return Chart



(All returns longer than 1 year are annualized)

Performance Analysis	1 Month	3 Month	6 Month	YTD	1 Year	2 Year	3 Year	5 Year	7 Year	10 Year	Since Inception of BAA
BTS Bond Asset Allocation	1.42%	3.09%	4.95%	9.97%	9.97%	8.25%	8.12%	6.55%	7.66%	7.63%	8.21%
Comparison 1	3.73%	4.57%	4.07%	5.24%	5.24%	6.10%	5.51%	4.65%	5.36%	5.63%	6.44%
Comparison 2	2.57%	(8.68)%	(12.73)%	(17.48)%	(17.48)%	(6.32)%	(1.17)%	1.51%	2.32%	2.56%	5.94%

	1996*	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
BTS Bond Asset Allocation	4.78%	8.08%	11.99%	5.66%	7.88%	9.17%	5.33%	15.90%	4.60%	3.88%	7.84%	6.56%	9.97%
Comparison 1	4.79%	9.68%	8.67%	(0.83)%	11.63%	8.42%	10.27%	4.11%	4.34%	2.43%	4.33%	6.96%	5.24%
Comparison 2	9.54%	21.22%	19.26%	10.02%	0.96%	(1.29)%	(6.25)%	16.17%	7.70%	3.70%	9.99%	6.34%	(17.48)%

Annualized Statistical Analysis	Compound ROR	Standard Deviation	Sharpe	Alpha*	Beta*	Correlation* R	R^2	Information Ratio*	Treynor Ratio*
BTS Bond Asset Allocation	8.21%	4.25%	1.19						
Comparison 1	6.44%	3.77%	0.89	5.94%	0.35	0.31	0.10	0.37	14.85%
Comparison 2	5.94%	8.18%	0.39	0.58%	0.18	0.34	0.12	0.29	29.23%

See additional information on the bottom of page 2.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS

Risk	BTS Bond Asset Allocation	Barclays Aggregate Bond Index	S&P 500 BarCap Agg 50-50
3-yr Standard Deviation	2.63%	4.03%	8.28%
5-yr Standard Deviation	2.97%	3.82%	6.93%
Sortino Ratio (6%)	0.86	0.16	-0.01
Downside Deviation (below 6%)	2.42%	2.70%	6.17%
Maximum Drawdown	(4.08%)	(3.82%)	(20.67%)
Months In Maximum Drawdown	7	7	13
Months To Recover	5	2	N/A

Historical Data	BTS Bond Asset Allocation	Barclays Aggregate Bond Index	S&P 500 BarCap Agg 50-50
Compound ROR	8.21%	6.44%	5.94%
Cumulative Return	164.54%	116.04%	103.84%
Cumulative VAMI	$2,645	$2,160	$2,038
Largest Month Gain	5.78%	3.73%	5.38%
Largest Month Loss	(2.14)%	(3.36)%	(9.58)%
% Positive Months	75.00%	68.92%	62.16%

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The illustration uses returns of BAA from its inception on 9/11/96 through 6/30/06 using a high yield bond composite, a government bond composite, and T-bill. The high yield composite consists of 5 high yield mutual funds that have been in existence since the program's inception and have been used with BTS programs, and the government composite consists of the 5 largest government bond mutual funds by total assets as of 12/31/07. In Select BAA, BTS selects the funds. The inception date of Select BAA is 7/1/06. For performance since 7/1/06, Select BAA returns were used. 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 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 2.75%. Results include the reinvestment of dividends and capital gains, but do not include possible sales charges, transaction fees, or custodial fees. 1996 returns are for partial year only, beginning September 11, 1996 and ending December 31, 1996.

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.
You should carefully consider the investment objectives, risks, and charges and expenses of each investment company included as part of the Bond 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.
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.
Treynor Ratio is a measurement of the returns earned in excess of that which could have been earned on a riskless investment per each unit of market risk assumed, where risk is defined by beta.
Information Ratio is a risk-adjusted performance measure (the incremental average return over a benchmark divided by tracking error), where risk is defined by 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.