

Firm Overview

The Toews Corporation is one among a unique new breed of asset managers that focuses on engineering and providing investor-friendly products. Rather than start with available financial instruments and hobbling them together to meet investor needs, Toews begins by defining distinct investor needs, and constructs financial products to meet those needs.

Our Approach

Our models employ an algorithm (which we refer to as “dynamic hedging”). The algorithm looks at price movements of specific indices for each asset class and attempts to exit assets during the preliminary phase of declines, before large declines occur.

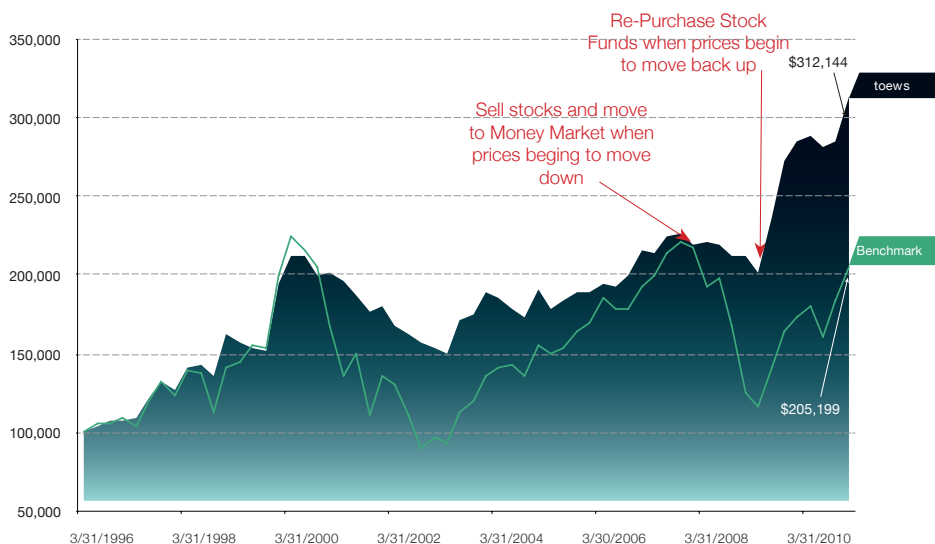
Our research shows that virtually all stock market declines of significance are preceded by periods of negative, more moderate price decreases. This preliminary period can allow Our Dynamic Hedging System to exit markets prior to bigger moves lower.

Declining Markets

Once the system exits the market, it remains out of that asset class as long as it is declining. When out of the market, our point of re-entry into the markets adjusts lower as markets move lower. The longer that declines last, the more likely it is that we will re-enter the market at a lower point than we exited. By avoiding significant declines, we are in a position to re-enter at bargain stock prices and participate in market recoveries.

Rising Markets

Conversely, during rising markets our exit level slowly increases along with the markets. When we are invested in the market, and prices are rising, our system maintains a sell price below the price of the asset class. During this period we attempt to mimic the returns of the indices and are fully invested. Each day that the market moves higher, our sell price increases. When the market finally plateaus and turns lower, our system will generate a sell. This means that our system will potentially lock in gains during long term rising markets.



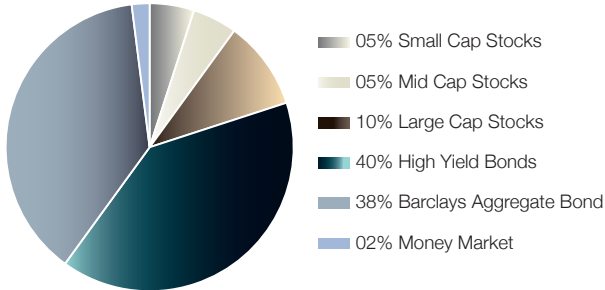
History of Implementing Dynamic Hedging in Rising and Falling Markets

Our company began implementing this system to attempt to limit losses in domestic and international developed country equities in 1996. Prior to that, the CEO of the Toews Corp., Phil Toews, employed the same system from 1990 through 1995 at another asset management company. Together we've had over 19 years of history with this system. This experience, combined with our research into the history of price movements dating back to 1925, has given us a robust understanding of the benefits, as well as the limits of dynamic hedging, and allows us to help set expectations for the performance of this system during different market environments.

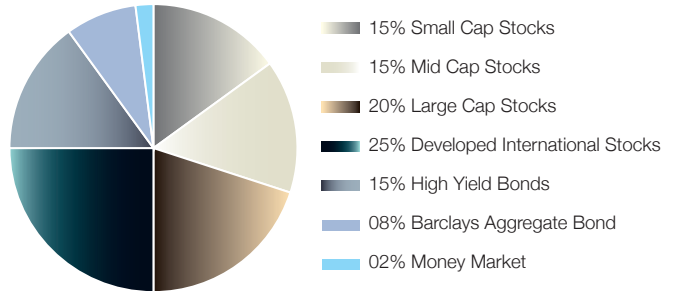
There can be no assurance that our objectives will be met
Charts are for illustrative purposes only, and do not reflect actual, model, or hypothetical performance.

TOEWS CORPORATION

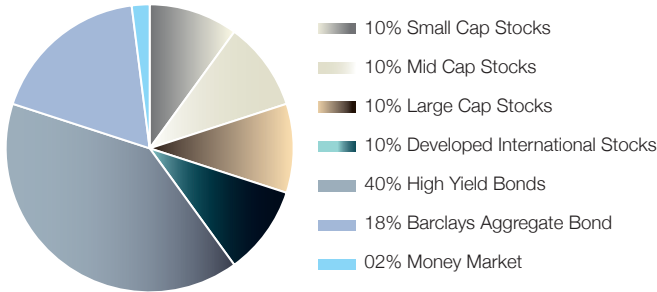
CAPITAL PRESERVATION



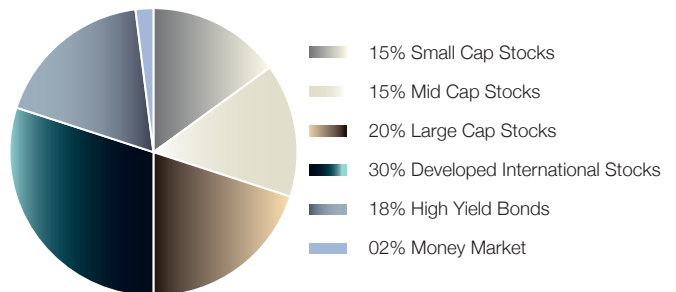
BALANCED GROWTH



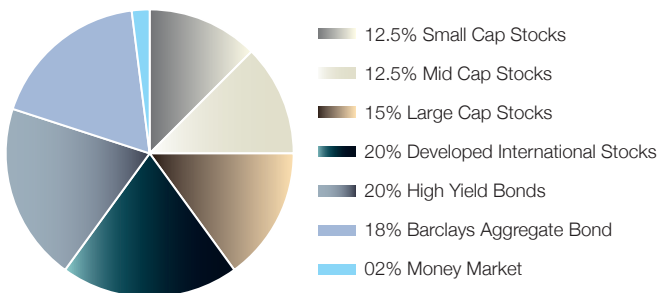
BALANCED INCOME



GROWTH



BALANCED



AGGRESSIVE GROWTH

