

Toews

Strategist Review

Strategy: Tactical Risk Management

Investment Vehicle: Mutual Funds

Models: Growth: Capital Preservation, Balanced Income, Balanced, Balanced Growth, Aggressive Growth; Fixed Income: Conservative Income, Moderate Income, High Income

About Toews

Toews has an 18 year history of tactical risk management in equities and fixed income. Toews' primary objective is to participate in market gains, but to avoid significant losses. Rather than attempting to predict the future, Toews deploys a strategy that reacts to market price movements.

Our research shows that virtually all market declines of significance are preceded by periods of negative, more moderate price decreases. Our strategy attempts to exit markets during the preliminary phase of the decline, before large losses are realized. When markets are rising, assets are fully invested and attempt to track the market indices. During significant long-term declines, Toews attempts to mimic the return of money market or fixed income instruments and avoid the majority of losses.

Philosophy & Strategy

Historically equity and high yield bond investments have offered investors the best opportunity to achieve long-term portfolio growth. However, they carry significant risk and are vulnerable to debilitating portfolio losses when exogenous shocks to the market occur. During market crises, correlations between asset classes rise, and traditional portfolio diversification fails to provide adequate protection as all assets fall together. Toews' goal is to help protect core assets from extreme losses without sacrificing participation in rising markets investors rely on to achieve long-term, above-inflation growth.

Models

Our models seek to capitalize on high return markets while mitigating risk, avoiding losses and realizing gains.

GIVEN THESE MARKET CONDITIONS...	OUR SYSTEM IS LIKELY TO...	RESULTING IN...
Falling market with significant declines	Exit markets and remain in cash instruments	Significant outperformance due to loss avoidance
Falling market with a longer term reversal (>3 weeks)	Exit, then re-enter at a lower price	Moderate outperformance, due to loss avoidance
Rising market with no downturns	Remain invested	Approximate Benchmark Returns
Declining market with short term reversal (<3 weeks)	Exit, then re-enter at a higher price	Slight underperformance, due to loss of a % of potential return

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All types of investing involve risks and is subject to market fluctuations. It is possible to lose money by investing in securities, fixed income and alternative investments.

Specific types of asset classes and sectors have different and specific risks. Examples include:

Foreign investments and emerging markets may be more volatile and involve additional expenses and special risks, including currency exchanges and political and economic uncertainties. Small-company stocks as compared to large-company stocks entail additional risks, and they can have greater price fluctuations. Bonds are exposed to credit and interest rate risk (when rates rise, bond fund prices generally fall). Lower-rated bonds are subject to greater fluctuations in value and are more at risk of default of income and principal. REITs, specialty & sector funds may invest in a limited number of issues or sectors, which can increase volatility and exposure affecting that sector.

Alternative investments, also known as Non-Market Correlated investments, may involve specific risks that are greater than those associated with traditional investments. These risks include: illiquidity, tax considerations, increased expenses, potentially speculative strategies, global economic uncertainties.

Asset allocation and diversification do not ensure a profit or protect against loss in a declining market.

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of the investment at \$1.00 per share, it is possible to lose money by investing in the Fund.

Investors should carefully consider the investment objectives, risks, charges and expenses of the mutual funds or ETFs in the referenced strategy. This and other important information is contained in the prospectus, which can be obtained from your Financial Advisor and should be read carefully before investing.
