PVG Asset Management Corporation
LOSS AVERSE INVESTING

DYNAMIC CORE STRATEGY

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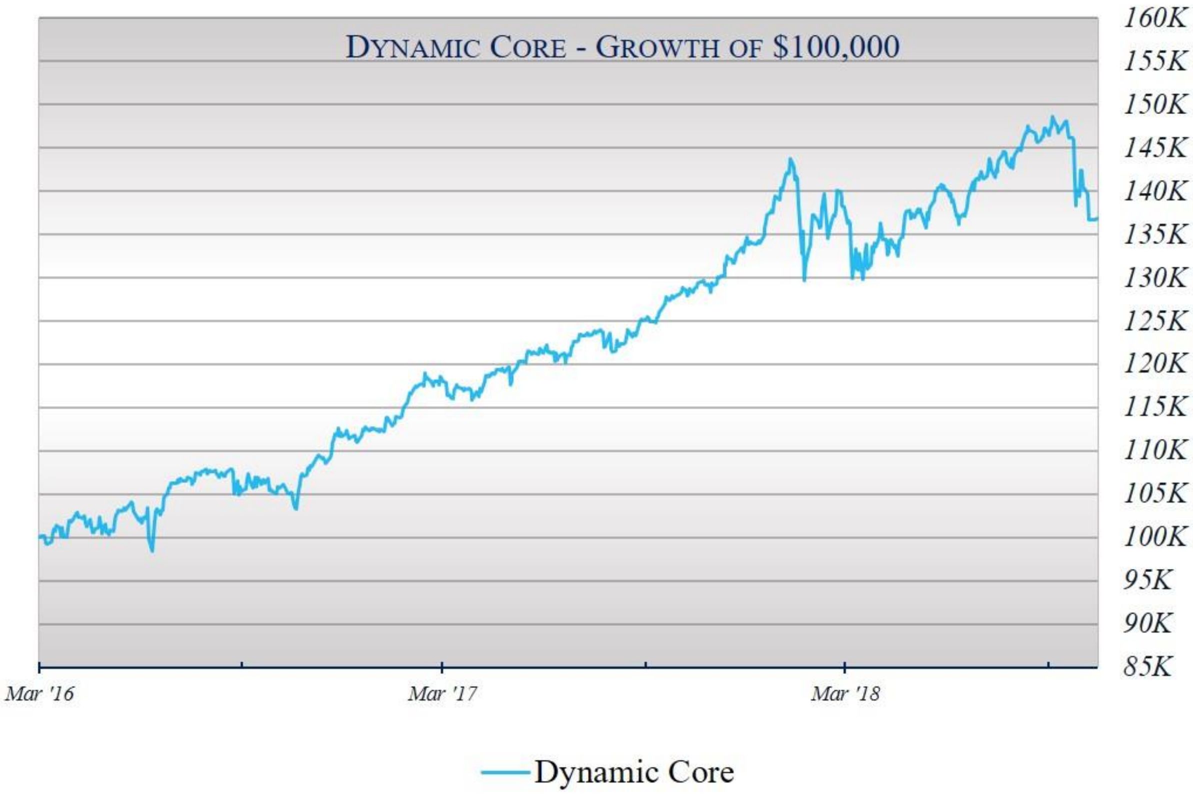
MONTHLY UPDATE
OCTOBER 2018

We recently captured over a 37% gain, please see the chart. Our proprietary technical model turned negative on October 23rd as the technical model indicated the trend of the S&P 500 turned negative. This past buy signal has lasted just over 2 years and 7 months producing a return of 37.35%. As a result of staying invested during this period it has produced returns putting the Dynamic Core strategy as one of the top performing tactical strategies.

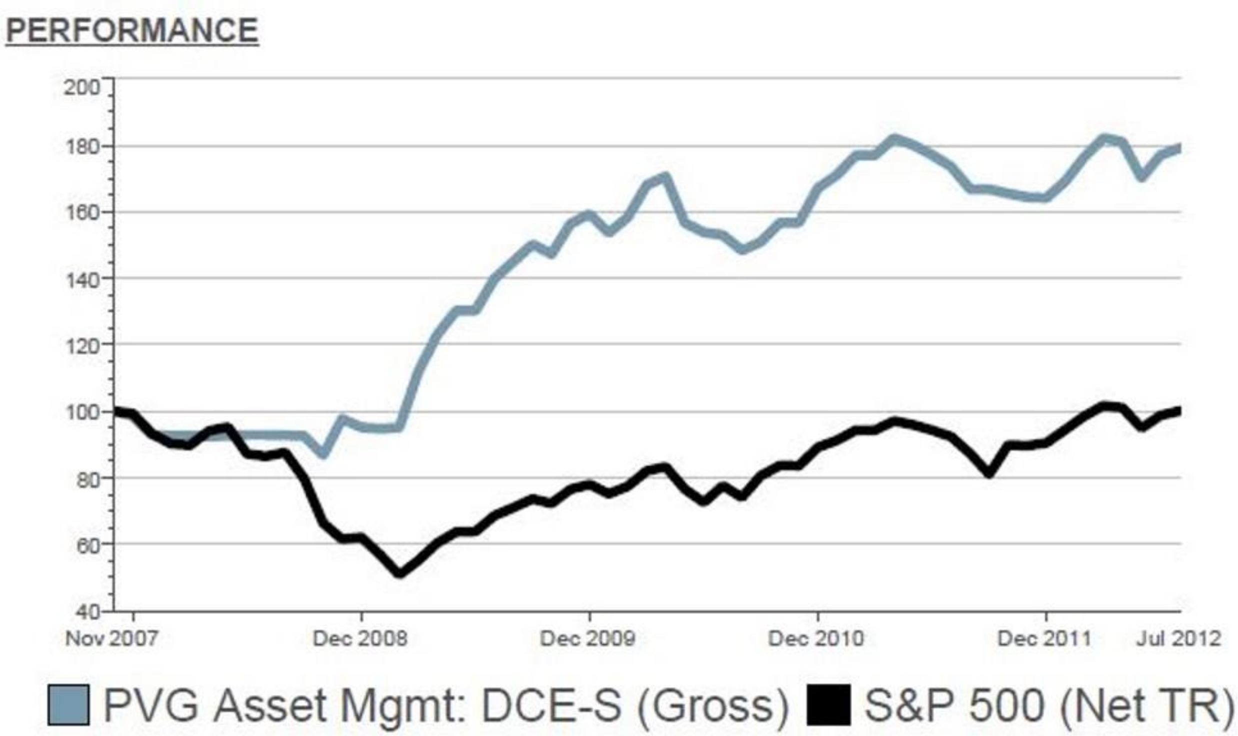


We view the Dynamic Core strategy as a low risk equity strategy as it protects the downside during major corrections or during bear markets. **The strategy is now positioned in a zero beta, or no market exposure.** We would expect the market to move sideways to down until the trend of the market improves. The market may turn up quickly or it may turn into a prolonged bear market. The model will change to positive when the trend actually turns up or if the market falls significantly; we could get a capitulation sell off like during March of 2009 which would generate a buy signal.

The strategy is designed to capture the significant upside moves of the S&P 500 and avoid the major declines. By getting a significant amount of the upside and minimizing the negative declines over time, the strategy can compound returns at a much higher rate than simply a buy and hold approach and do it with significantly lower risk and volatility.

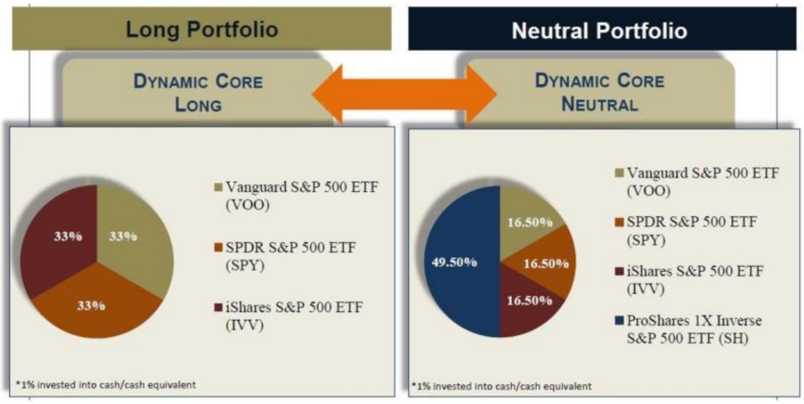
The technical model that drives the strategy has no human judgment, it is simply driven off what the market is actually doing, not what we think it will do. The benefit of this, is it takes out any bias or human emotion. Granted, there is plenty to be concerned about and it is now starting to be reflected in the market. The market is very long in the tooth, this is the longest bull market in history, which means a bear market is well overdue. On a fundamental basis, which again does not impact our model, we are concerned about the Federal Reserve raising interest rates beyond what the stock market and the economy can support. Additionally, the Federal Reserve is shrinking their balance sheet by $50 billion per month, which lowers the amount of money in the system to purchase financial assets. Next year we will likely see a significant slowing in earnings and GDP growth, and we believe the sector driving earnings, which has been technology, will slow significantly. The last two bear markets have fallen by more than -50% from high to low.

This is the ideal way to have exposure to the market, particularly where we are in this cycle, if the market continues to rise. The strategy performed beautifully during the previous bear markets and took advantage of the major sell off when it occurred. If you have a $100,000 portfolio invested in an S&P 500 ETF like the SPY, or other market dependent strategy like a growth fund, and the market goes into a bear market with your portfolio dropping -50% to $50,000 it would be wise to replace it with the Dynamic Core which has historically had very little downside during a bear market. If the market then rallies up 100% over many years and Dynamic Core matches the performance your SPY investment which would then be worth $100,000 again, yet your Dynamic Core allocation might be worth around $200,000 (this is a hypothetical example, but consistent with the 2008/2009 bear market and then subsequent rally). The result is you have taken far less risk, but your returns can be significantly higher by avoiding unnecessary negative volatility.



If you're an advisor looking to market new solutions, this is the type of product to go after new money. In our opinion, a strategy like Dynamic Core is a must have core holding if clients are investing in the massive domestic equity ETF market, especially if there is any exposure to the S&P 500 or long only managers or funds that track the index.

If you would like a copy of the Zephyr Analysis or if you would like to discuss how the Dynamic Core fits into your portfolios, please call us at 303.874.7471 or email us at rgarcia@pvgasset.com to schedule an introductory call. ******Minimum Investment is $25,000******



DYNAMIC CORE PERFORMANCE NOVEMBER 2, 2018 (NET OF FEES)

	DYNAMIC CORE
YTD	1.03%
	S&P 500
YTD	3.45%

Risk Considerations:

Past performance is not a guarantee of future results.

*Performance results are presented in U.S. dollars and are Net of any actual fees and reflect the reinvestment of dividends and capital gains. Actual fees may vary based on, among other factors, account size and custodial relationship. Model results are before the deduction of advisory fees, brokerage or other commissions, and any other expenses that a client would have paid or actually paid. *Annual returns are compounded over the specified period. No current or prospective client should assume future performance of any specific investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Changes in investment strategies, contributions or withdrawals may cause the performance results of your portfolio to differ materially from the reported composite performance. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will either be suitable or profitable for a client's investment portfolio. Historical performance results for market indices generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment-management fee, the incurrence of which would have the effect of decreasing historical performance results. Economic factors, market conditions, and investment strategies will affect the performance of any portfolio and there are no assurances that it will match or outperform any particular benchmark or index. The model portfolio will have materially different volatility than the given index. Portfolios in the composite utilize inverse index products. Inverse ETFs are considered risky. The use of inverse strategies by a fund increases the risk to the fund and magnifies gains or losses on the investment. You could incur significant losses even if the long-term performance of the underlying index showed a gain or loss. Most inverse ETFs "reset" daily. Due to the effect of compounding, their performance over longer periods of time can differ significantly from the performance of their underlying index or benchmark during the same period of time. Exchange traded funds (ETFs) are offered by prospectus only. Investors should consider a fund's investment objective, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other important information, is available from your Financial Advisor and should be read carefully before investing. The investment return and principal value of an investment will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost. ETFs trade like stocks and may trade for less than their net asset value. The S&P500 Total Return Index is the total return version of the S&P 500 Index which includes the effects of reinvested dividends. The S&P 500 Index is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. Inception of the strategy is 12/31/2014. Previous results of the composite are accrued from a back tested model utilizing PVG's proprietary technical algorithm overlay which began on 12/31/1998. Back tested performance was derived from the retroactive application of a model with the benefit of hindsight. Prior to 6/21/2006, the U.S. Treasury 2-year rate is used as the cash representative. Since 6/21/2006, the model utilizes ProShares Short S&P500 ETF (SH) to neutralize the portfolio. Performance results do not represent actual trading and they may not reflect the impact that material economic and market factors might have had on the adviser's decision-making if the adviser were actually managing clients' money. PVG Asset Management ("PVG") is a registered investment advisor with the United States Securities Exchange Commission (the "SEC"). SEC registration does not constitute an endorsement of the firm by the Commission nor does it indicate that the advisor has attained a particular level of skill or ability. Additional information is available upon request.*