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LOSS AVERSE INVESTING

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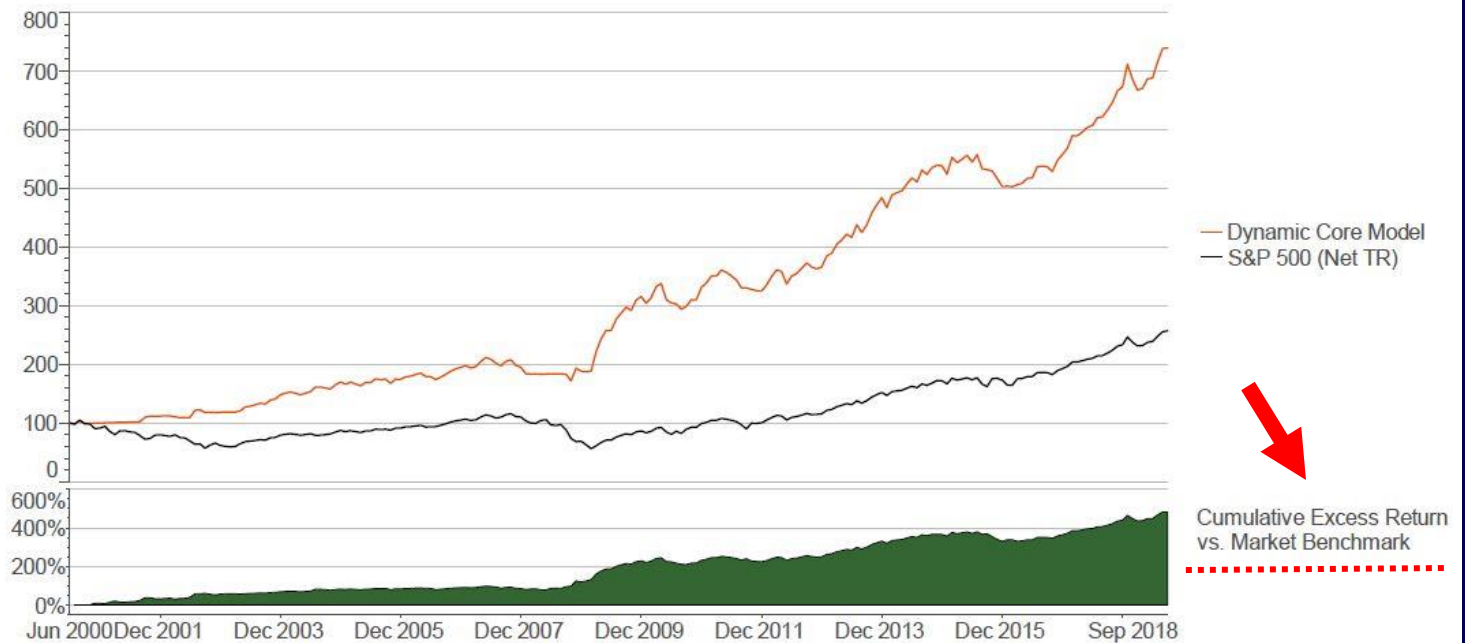
DYNAMIC CORE STRATEGY

**MONTHLY UPDATE
OCTOBER 2018**

The Dynamic Core strategy was designed to get the upside of the S&P 500 Index and limit the downside. During an up cycle we would expect the strategy to perform in line with the S&P 500, and historically that has been exactly the case. During protracted down markets the strategy does an excellent job of getting defensive and protecting the downside. What happens over the long-term is the performance compounds positive numbers and limits any negative returns. If you look at periods after bear markets the returns of the strategy looks dramatic. If you look back at the two prior bear markets when the market falls -50%, this strategy is off only modestly so it has a huge impact on compounding. As an example, a -50% decline needs to have a 100% return just to get back to even. However, conversely with this strategy, if you remain about flat and get a 100% return, then you are up 100%, not just flat. We know these concepts are very basic, but we thought it important to revisit this basic theme of compounding, particularly where we are in this stage of the market cycle. Below please see the performance from the market peak in 2000 as an example of compounding returns when you do not drop much. Hint: The excess returns are dramatic!

Manager Performance

July 2000 - September 2018 (Single Computation)

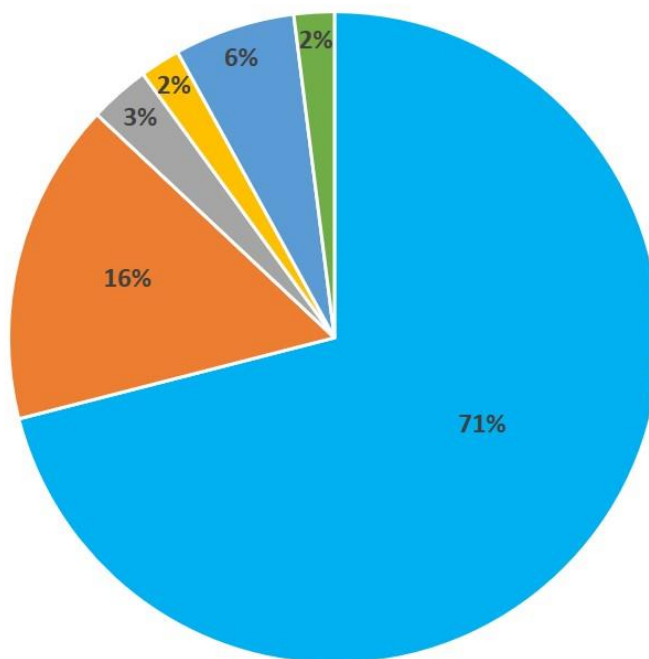


It's important to understand how important protecting against downside risk is, but just as important is the quickness to get your money put back to work. A good example is in 2007-2012. The Dynamic Core peaked in July 2007 while the market peaked in November 2007. Both had drawdowns of 17 months and 16 months respectively, but in 2008 the Dynamic Core was only down -3.42% while the Market was -37.00%, a significant difference. The recovery time from the bottom to get back to the peak for the Dynamic Core was only 6 months, yet the market took an amazing 42 months!

| | 2008 | Max Drawdown Begin Date | Max Drawdown End Date | Max Drawdown Recovery Date |
|--------------------|---------|-------------------------|-----------------------|----------------------------|
| Dynamic Core Model | -3.42% | June 2007 | October 2008 | Mar 2009 |
| S&P 500 TR | -37.00% | November 2007 | February 2009 | September 2012 |

The overall size of the US ETF market has swelled since 2008. The market has grown from less than \$700 Billion before the crisis to well over **\$3.7 Trillion dollars**. By our measure, the AUM of the 3 largest S&P 500 ETFs (SPY, VOO, IVV) combined is around \$520 Billion.

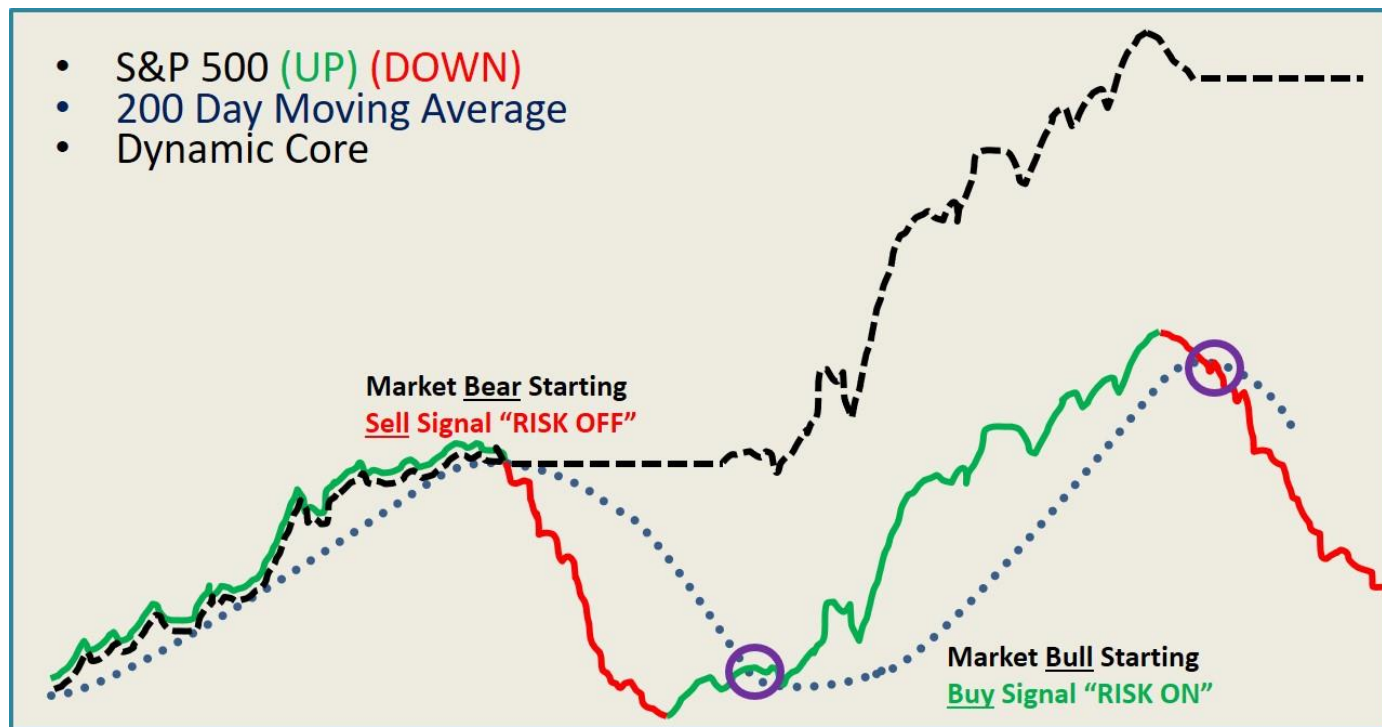
US ETF Market Breakdown



■ Equity \$2.23 Trillion
 ■ Fixed Income \$592 Billion
 ■ Alternatives \$111 Billion
■ Asset Allocation \$74 Billion
■ Commodities \$222 Billion
■ Currency \$74 Billion

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.

We have developed over many years of research a technical algorithm based on proprietary moving averages. The algorithm has no fundamental input or human emotion, it simply protects the portfolio when the trend of the market turns down and stays fully invested as long as the market is trending up. If the market breaks the momentum trend, then the strategy will get defensive. The strategy is designed to allow for some volatility, thus preventing it from selling at the bottom during a small pullback and then having the market bounce back up. Also, on a fundamental basis, many investors may get defensive much too early and fail to participate in an extended bull market. The strategy does not incorporate any fundamental input that can lead to underperforming in a bull market. A hypothetical representation of a couple market cycles showing the "Risk On" and "Risk Off" approach below:

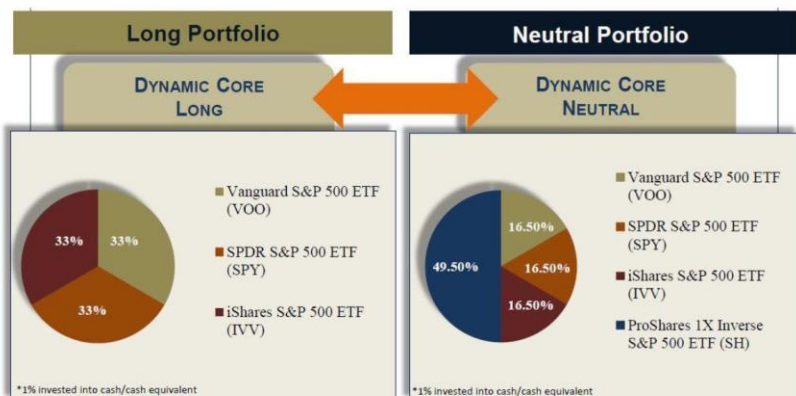


The algorithm has been in place for this strategy for over three years. The prior performance of the strategy was using human judgement with our technical tools. There has been a significant improvement. **Morningstar rates the strategy very highly at 5 Stars over the last 3 years and 4 Stars overall.**

The strategy has very strong performance like the past couple of years and performs very well when the market declines.

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 SEPTEMBER 30, 2018 (GROSS OF FEES) | |
|--|--------------|
| | DYNAMIC CORE |
| YTD | 9.81% |
| | S&P 500 |
| YTD | 10.09% |

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 incurrance 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.