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Loss Averse Equity Income Strategy

Monthly Update
November 2018

Last month we did a very thorough update on the Loss Averse Equity Income strategy, so if you need more detail, please let us know. A quick update on what is going on with the strategy in this very volatile market, the performance has been very good this quarter to date through November 6th, the strategy is up about .5% for the 4th quarter, whereas the S&P 500 is down -5.3%, the Barclays Aggregate Bond Index is down -1.0%, and the more aggressive NASDAQ Index, down -8.4%. The strategy performed well in this environment and has historically performed well in other very tough markets.

We have a very low weighting of technology and stocks like the FANG stocks that do not fit our criteria. As an example, Amazon fell about -27.5% from its recent high to its recent low.

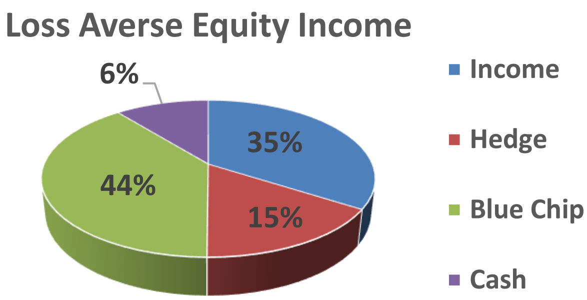
We do like the companies that are focused on 5G, both the equipment suppliers but also the content and service providers, NOK, ADTN, INTC, T, DIS, and CTL.

Recent stocks we picked off during the decline were, OXY, CVX, STT, CAT, IBM, KHC, AINV, and CCT.

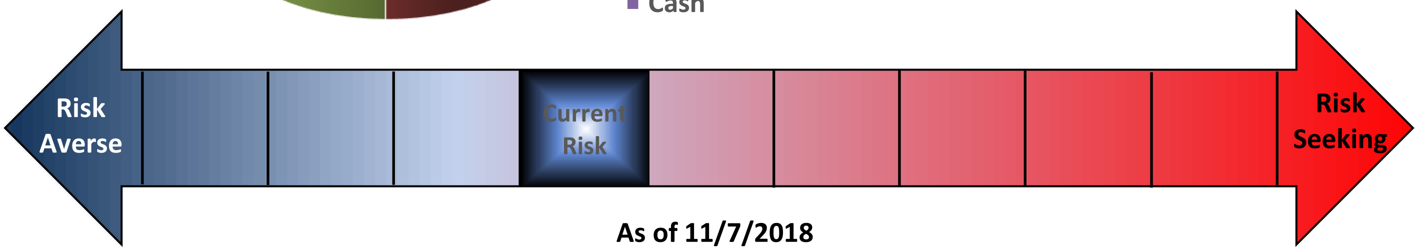
We have a focus on very high-quality dividend paying stocks, a few examples we have not already mentioned are CVS Health, Glaxo, Bank of America, Pepsico, General Mills, and Johnson & Johnson.

Our technical model turned negative in October and back to positive today. We did reduce our hedge last month and did deploy some of our cash in buying very attractively priced quality companies.

Our view is focused on Federal Reserve policy, do not fight the Fed, which is to continue raising rates and taking liquidity out of the financial system. Historically the market has struggled during rising interest rate cycles. We believe next year will be a tough year for the market and perhaps we will see more of the recent volatility. We welcome this environment and believe we are well positioned.



PERFORMANCE	
AS OF 9/30/2018	EQUITY INCOME (NET OF FEES)
YTD	1.80%
YIELD	4.92%



Blue Chip Tranche		Income Tranche	
Health Care	4.0%	Equity REITs	3.2%
Consumer Discretionary	2.9%	BDCs	17.3%
Financials	8.0%	Mortgage REITs	2.7%
Technology	7.2%	Telecom	9.0%
Industrial	2.0%	MLP (ETF's)	3.0%
Basic Materials	3.5%	Utilities	-
Consumer Staples	9.5%	Preferred	-
Energy	5.0%	Commodities	-
Index	-	Cash	7%
		Hedge	15.0%

*Performance results are presented in U.S. dollars and are gross-of-actual-management fees and trading expenses of the composite and reflect the reinvestment of dividends and capital gains unless otherwise denoted. Actual fees may vary based on, among other factors, account size and custodial relationship. *Annual returns are compounded over the specified period. The current dividend yield is calculated gross of fees as of quarter end or month end date and is an expected dividend yield. 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. Portfolios in the composite utilize levered index products. Leveraged ETFs are considered risky. The use of leverage 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. Most leveraged 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. The U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS. The U.S. Aggregate rolls up into other Barclay's flagship indices, such as the multi-currency Global Aggregate Index and the U.S. Universal Index, which includes high yield and emerging markets debt. The U.S. Aggregate Index was created in 1986, with index history backfilled to January 1, 1976.The investment strategy and types of securities held by the comparison indices may be substantially different from the investment strategy and the types of securities held by the PVG Equity Income strategy. 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. Inception for the Equity Income strategy is 10/1/2010; prior performance represents the Income portion of the Balanced Strategy Composite, which PVG believes was managed with the same investment goals. Composite performance represents the results of the PVG management team, which has changed over time due to retirements and new staff. Additional information is available upon request.*