



PVG ASSET MANAGEMENT

LOSS AVERSE INVESTING



U.S. LARGE CAP VALUE

RISK MANAGED - QUALITY - VALUE AND INCOME

PVG PORTFOLIO MANAGEMENT TEAM



Patrick Adams – CEO/CIO

Mr. Patrick Adams, CFA, has over 30 years of investment experience with an intense, bottom-up research process to invest both long and short in the U.S. equity markets. Mr. Adams is also the Chief Executive Officer and Lead Portfolio Manager of PVG Asset Management. He is the chair of the investment committee. He has been managing hedge funds since 1999 and private equity funds since 2005. Prior funds managed at Berger Funds, Kemper, Founders, and Parkstone were all sizable funds and some over \$3 billion in size. Mr. Adams has an outstanding long term track record significantly outperforming the S&P 500. Barron's recognized Mr. Adams as having "All the Right Moves" and "Perfect Timing- because he knows when to get into a stock and when to exit." Mr. Adams received his MBA from Xavier University and graduated B.S. from the Ohio State University. He has passed rigorous requirements to earn his international professional certification as a Chartered Financial Analyst issued by the CFA Institute.



Joseph Pecoraro – CCO/Portfolio Manager

Mr. Joe Pecoraro, CFA, has been managing money since 1969. Mr. Pecoraro's career includes experience as a securities analyst with Security Pacific National Bank and the British brokerage firm, Joseph Sebags, in Los Angeles and London. Mr. Pecoraro was a top performing fund manager with the Oppenheimer Funds Group from 1974 through 1981, after which he helped form an investment advisory firm, Alpine Capital Management, which he sold in 1988 to form PVG Asset Management. Mr. Pecoraro developed the Loss Averse Investing approach during 1998/1999 when he became concerned about the possibility of unfavorable future market conditions and the impact of such conditions on clients. He earned MS and BA Economics degrees from California State University, Fullerton. He has passed rigorous requirement to earn his international professional certification as a Chartered Financial Analyst issued by the CFA Institute.



Timothy McIntosh – Portfolio Manager

Mr. Timothy J. McIntosh serves as an Investment Officer for PVG. He oversees all aspects of major client accounts and serves as the lead portfolio manager for the firm's Value Leaders Long/Short and US Corporate Flexible Bond portfolios. Tim serves on the firm's investment committee. He also serves as Compliance Officer. He served as a Professor of Finance at Eckerd College from 1998 to 2008. Mr. McIntosh's is the author of The Snowball Effect, The Bear Market Survival Guide, The Sector Strategist, and a contributor to the Comprehensive Financial Planning Strategies for Doctors and Advisors. Tim has a Bachelor of Science Degree in Economics from Florida State University and Masters of Business Administration (M.B.A) degree from the University of Sarasota-Argosy and a Master of Public Health Degree (M.P.H) from the University of South Florida. Tim is a CERTIFIED FINANCIAL PLANNER™. Tim is an Army veteran, having served active duty in the Army Military Intelligence Unit.



Paul MacNamara – Portfolio Manager

Mr. Paul MacNamara is a senior market strategist and also provides equity/bond analysis for the firm. He is a member of the firm's investment committee. Paul is the portfolio manager for the Global Macro Strategy. Paul is a CERTIFIED FINANCIAL PLANNER™. Prior to joining PVG, Paul was CEO for SIPCO Investment Management Company. He also owned and operated an independent investment advisory firm. He retired from the U.S. Army as a disabled-veteran Lt. Colonel in the Special Forces. He and his wife currently reside in Mechanicsburg, PA.

Large Cap Value - Contrarian Style

- Pure large cap value
- Attractively priced
- High conviction
 - Sector focused
 - High Dividend
 - Low Volatility
 - Low Portfolio Turnover

Structured to Serve

- 100% employee owned
- PVG has been serving individual and institutional investors since 1989

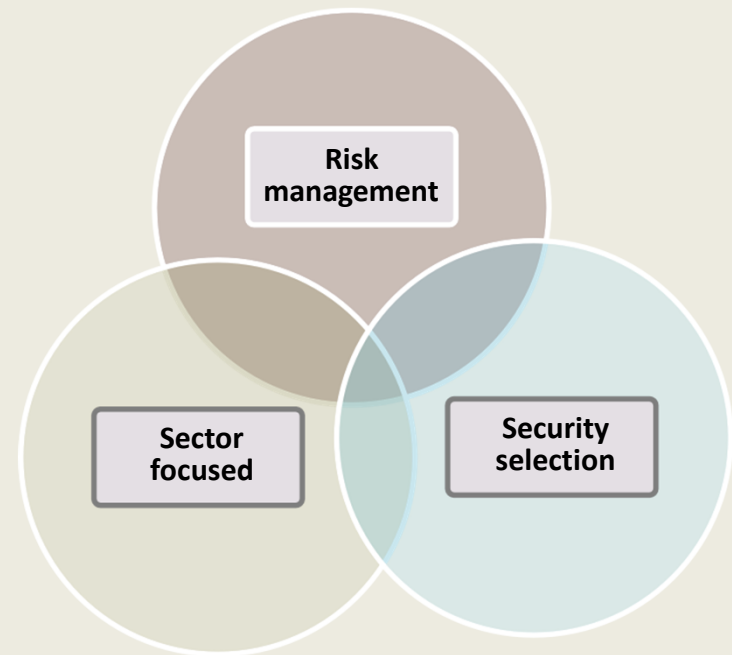
PVG LARGE CAP VALUE STRATEGY

Superior equity performance results from healthy fundamentals, attractive valuations and a focus on the sectors that have historically delivered the best results

“We look to buy great companies at attractive prices with a very patient investment approach.”

Timothy McIntosh, Portfolio Manager

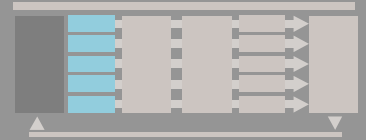
Active style of growth and valuation



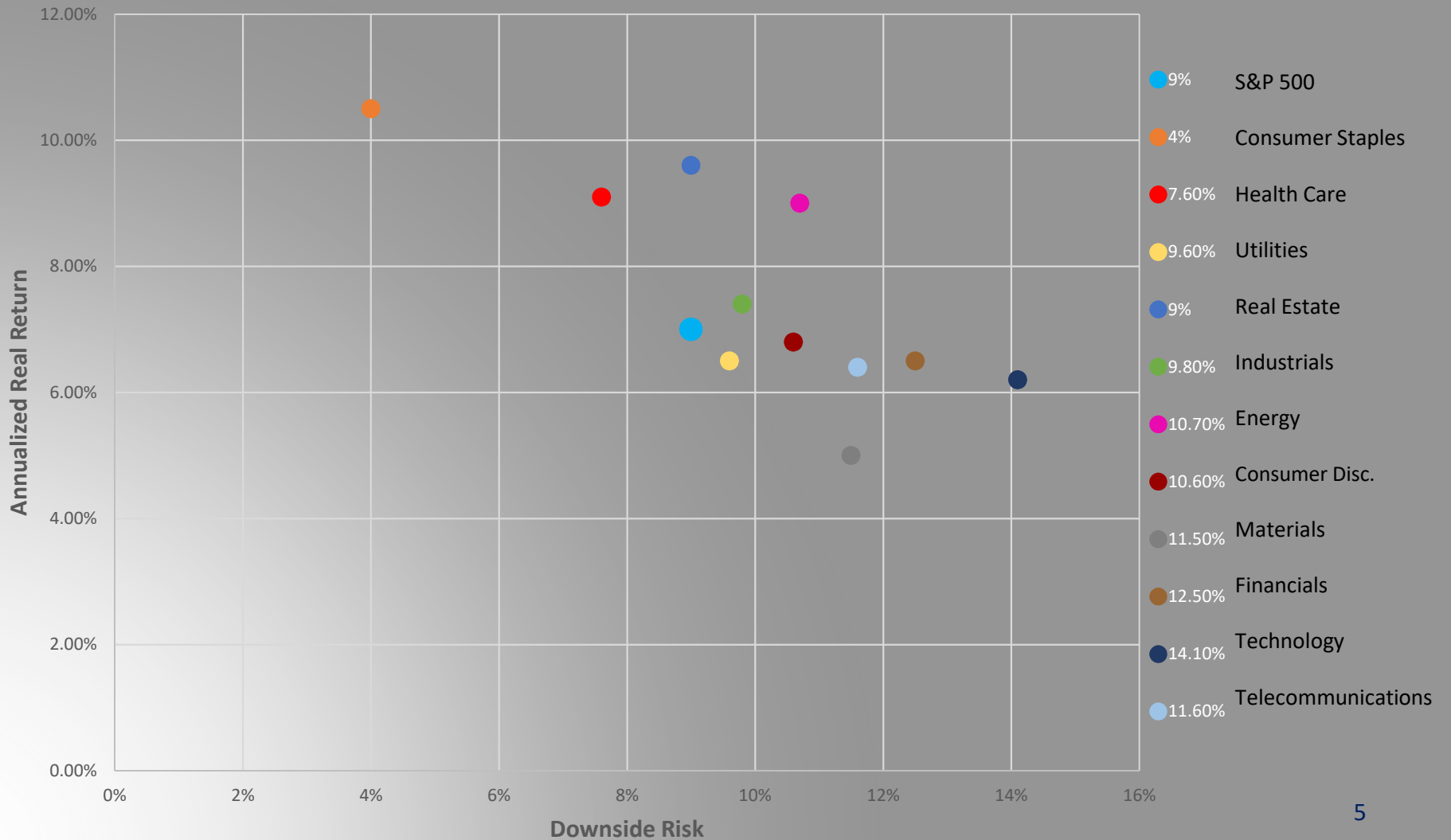
PVG LARGE CAP VALUE STRATEGY – SECTOR FOCUSED

Persistence

A handful of sectors have outperformed the US large cap universe over the last quarter century. Source: Lipper Data



US Equity Sector Performance 1976 to 2018

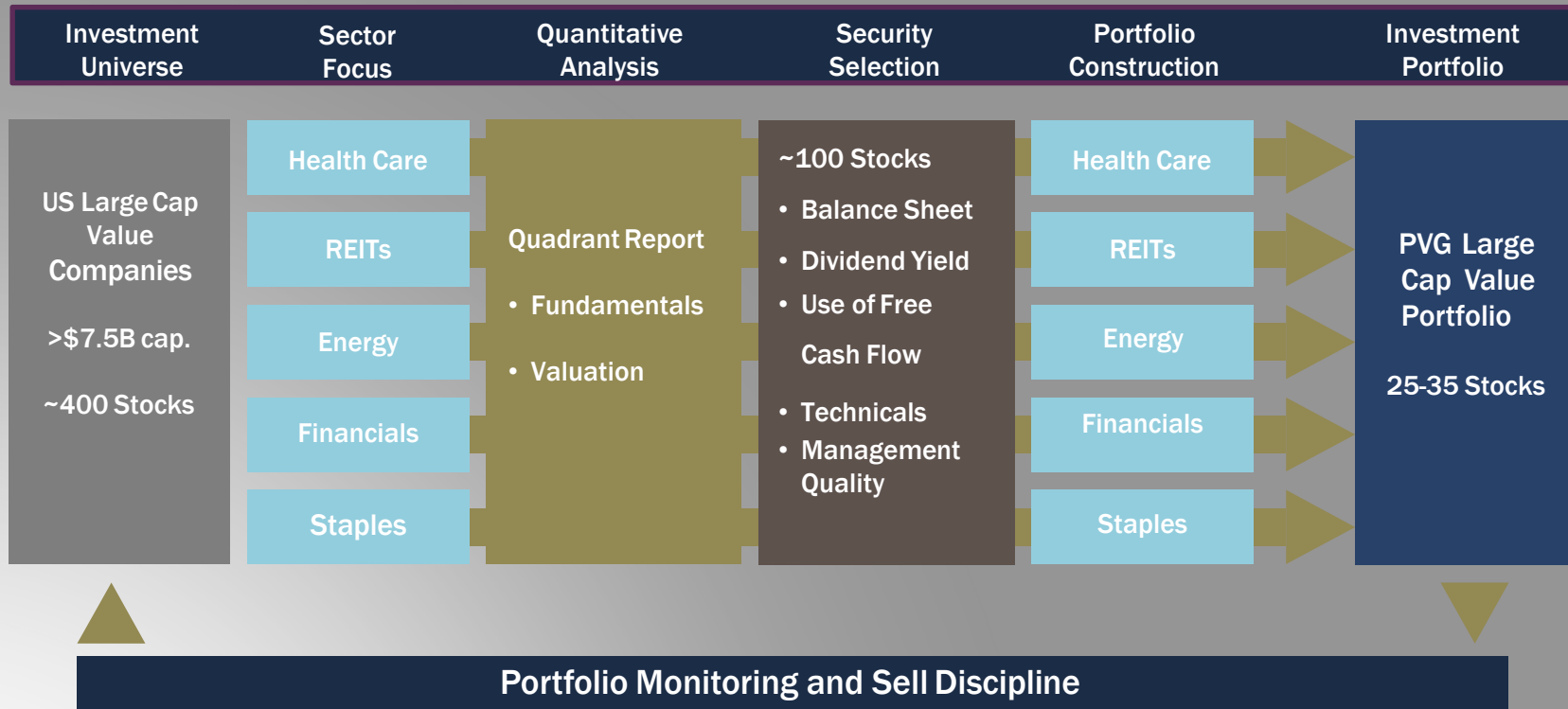


PVG LARGE CAP VALUE STRATEGY – PROCESS DISCIPLINE

▪ Consistent

▪ Repeatable

▪ Proven

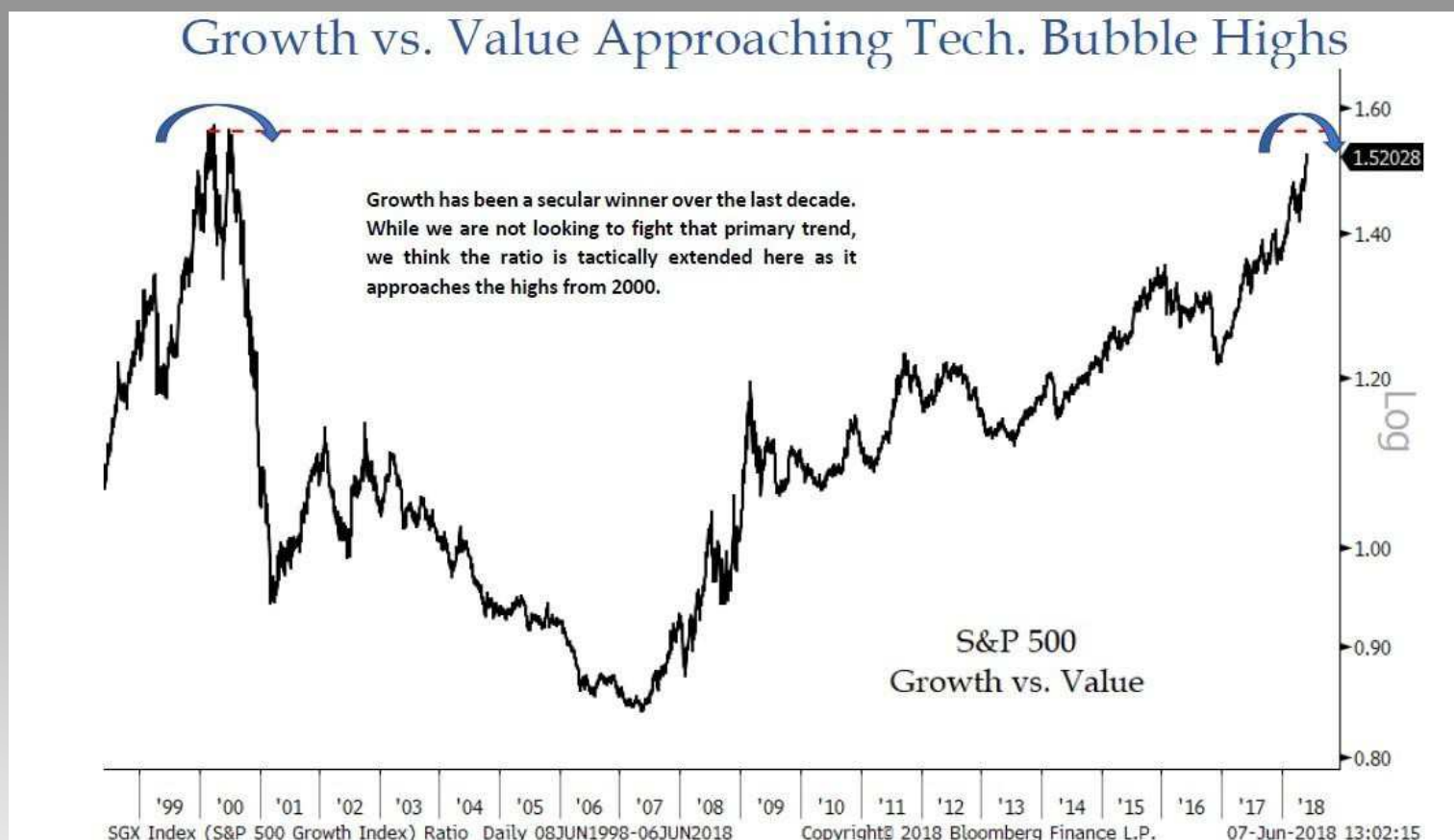


This is a conservative LCV strategy

- **Beta of .82 versus the S&P 500 Index**
- ***Best Returns are in extremely tough markets, such as: 2008, 2011, and 2018.***
- ***Dividend Yield between 3.25% and 3.75% annually.***
- ***Remarkable risk-adjusted returns over a full market cycles.***

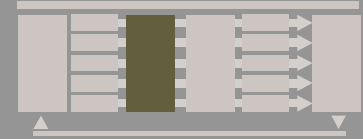
PVG LARGE CAP VALUE STRATEGY – GROWTH VS. VALUE

Technicals



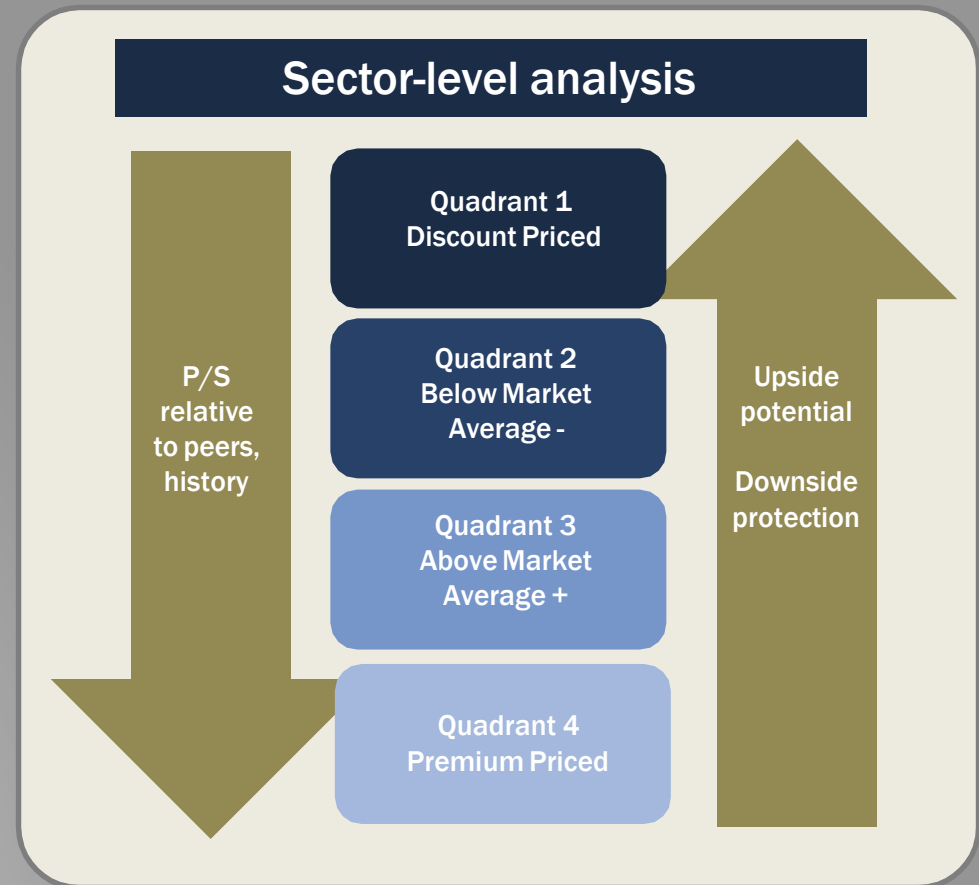
- Since 2007, value stocks have dramatically underperformed growth stocks.
- Value stocks are generally much more dependent on the economy, and this underperformance disparity tends to happen at the end of a bull market.
- The value stocks we choose provide high dividends as well.

FINDING GROWING COMPANIES WITH COMPELLING VALUATIONS

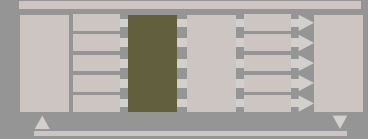


A Focus on Fundamentals

- Sector-by-sector screening – broad range of metrics
 - Fundamentals
 - A+ Balance sheet
 - High Yield
 - Low Valuation
 - Technicals
 - Low Beta
 - Correlation
 - Relative strength
- Identifies healthy companies with stocks selling at significant discounts to peers and historical levels
- Narrow universe to a short list of about 100 stocks



QUADRANT REPORT ILLUSTRATION - PHARMACEUTICALS



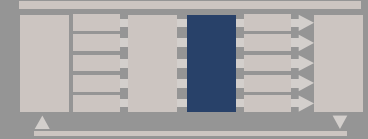
Screening supports our key goals:

Buy great companies at attractive prices with a very patient investment approach.

Metrics

- Relative and historic values vs. sector & market.
- P/D, P/E, P/S, P/CF & P/B

Quadrant	Stock/ Price relative to market and history	Comments
Quadrant 1 Discount Priced	GlaxoSmithKline 25% Discount	Buy
Quadrant 2 Market Average -	Pfizer 10% Discount	Hold
Quadrant 3 Market Average +	Merck 10% Premium	Hold or Sell
Quadrant 4 Premium Priced	Eli Lilly 45% Premium	Sell



In selecting stocks for inclusion in the portfolio, we seek:

Fundamental strengths

- High relative dividend
- Balance sheet strength
- Earnings consistency
- Culture of stability and achievement
- Quality management
- Focus on creating shareholder value

+

Technical strengths

- Stock price support levels
- Relative strength to peers
- Relative strength to moving averages
- Stochastic indicators of oversold conditions

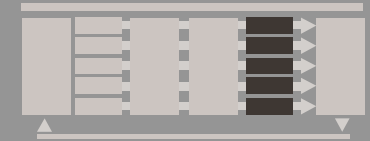
PVG LARGE CAP VALUE STRATEGY – PORTFOLIO CONSTRUCTION



Top Down Positioning	Macro Indications	Typical Allocations
Constructive	<p>Positive sloping yield curve</p> <p>Strong GDP growth</p> <p>Solid fwd earnings growth</p>	<ul style="list-style-type: none"> • + Energy • + Financials • + REITs • + Industrials/Mat • + Cons. Discretionary • - Utilities/Staples • - Healthcare
Neutral	<p>Slightly upward sloping or flat yield curve</p> <p>Moderate GDP growth</p> <p>Mixed earnings growth</p>	<ul style="list-style-type: none"> • Quantitative screen • Stock-by-stock analysis
Defensive	<p>Flat to inverted yield curve</p> <p>Weak GDP growth</p> <p>Mixed earnings growth</p>	<ul style="list-style-type: none"> • - Energy • - Financials • - REITs • - Industrials/Mat • - Cons. Discretionary • + Utilities • + Cons. Staples • + Healthcare

Allocation decisions basis		
Bottom - up	80%-90%	<ul style="list-style-type: none"> • Quantitative screen • Stock-by-stock analysis
Top-down	10%-20%	<ul style="list-style-type: none"> • Inflation • Yield Curve • Currencies • Commodities • Monetary policy

Allocation rules	
Healthcare	10%-25%
Staples	10%-20%
Financials	5%-20%
Energy	5%-20%
REITs	5%-15%
All other sectors	10%-30%
Cash	1%-10%



Risk Objectives

- Achieve consistent rates of return – with a very low standard deviation & beta.
- Achieve high risk-adjusted rates of return based upon;
 - Information ratio
 - Sortino ratio

Watch List

- Higher valuations
- Slowing growth
- Weakening fundamentals

We will sell a stock if

- Valuation and price targets reached
- Relative value moves stock to most-overpriced quadrant
- Growth parameters slow
- Negative news flow occurs
- Technical analysis indicates weakness
- An investment with greater potential displaces the position

CURRENT PVG LARGE CAP VALUE PORTFOLIO

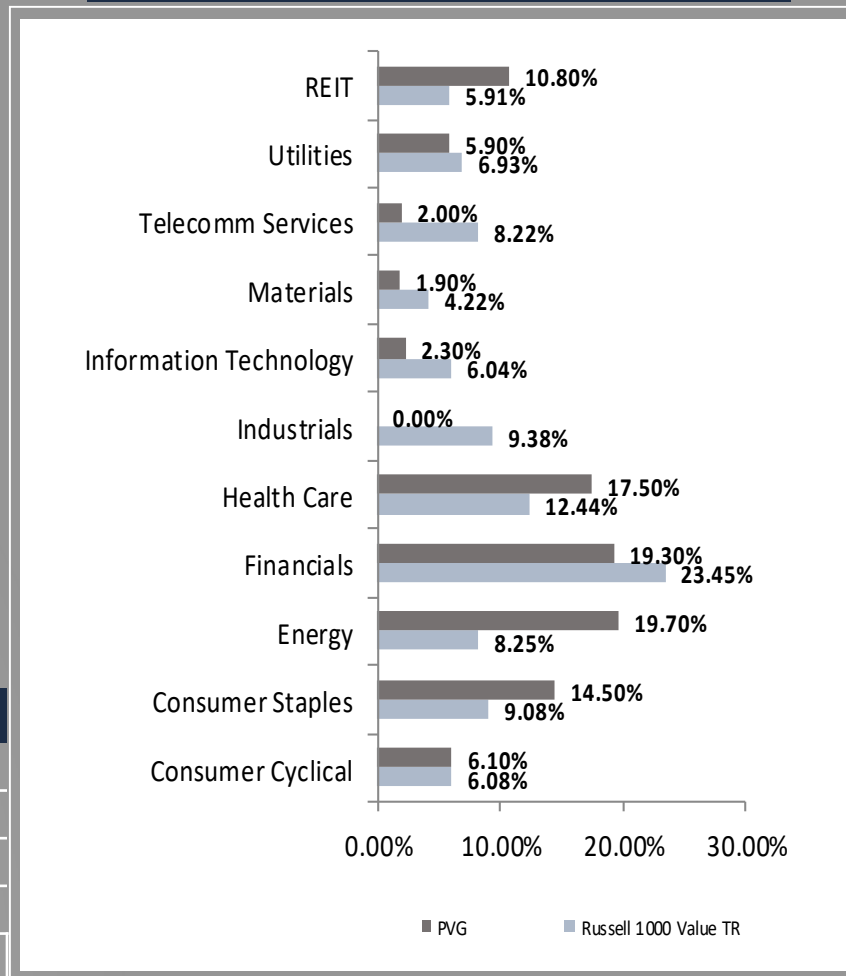
As of September 30, 2019



Characteristic (5 year)	PVG Large Cap Value	Russell 1000 Value Index
EPS Growth – 5 yr. fwd	7.50%	9.54%
P/E 2018	13.73	14.31
P/B 2018	2.03	1.87
Yield	3.97%	2.35%
Beta	0.84	1.0
r ²	0.91	1.0
Allocations		
Mega Cap – \$25B+	31.39%	44.63%
Large Cap – \$10B - \$25B	50.83%	34.03%
Mid Cap – \$1B - \$10B	15.70%	19.90%

Top Holdings - 9/30/2019			
BP PLC	6.6%	Pepsico	4.2%
PNC Financial	5.5%	Keycorp	4.1%
GlaxoSmithKline	5.1%	Wells Fargo	4.1%
Ventas	4.9%	Kohls	4.1%
Exxon Mobil	4.8%	Dominion Res.	3.9%

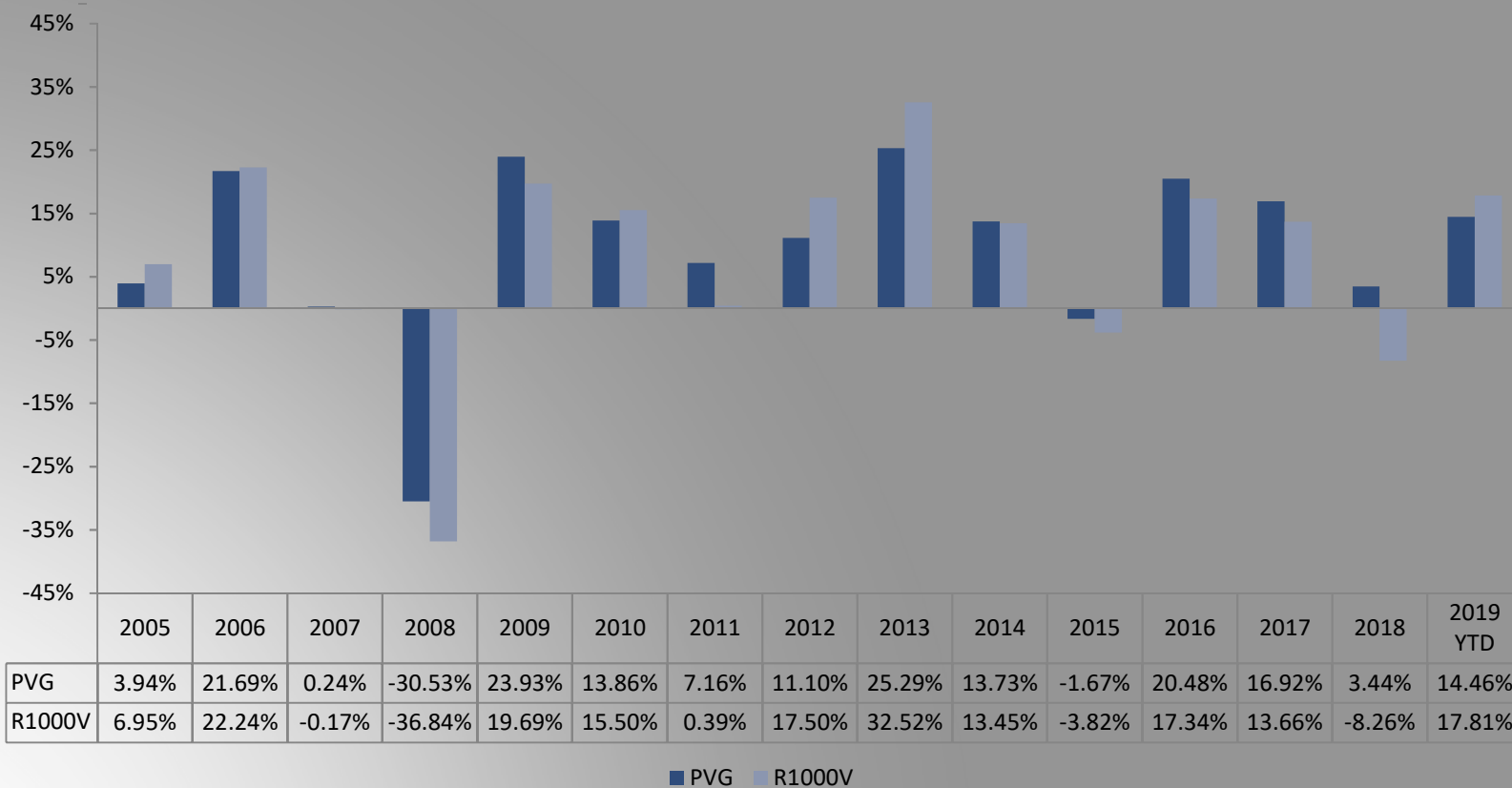
Sector Weights



PVG LARGE CAP VALUE STRATEGY – YEARLY RETURNS GROSS

As of September 30, 2019

- Outperformance of Russell 1000 Value Index since inception, 3/31/05



PVG LARGE CAP VALUE STRATEGY – ANNUALIZED RETURNS GROSS

As of September 30, 2019



	Annualized:	1 Year	3 Years	5 Years	10 Years
PVG U.S. LCV Portfolio		4.10	13.10	10.92	12.87
Russell 1000 Value Index		4.00	9.43	7.79	11.46



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*Performance results are presented in U.S. dollars and are net-of-actual-management fees and trading expenses of the composite and reflect the reinvestment of dividends and capital gains. 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 date and is the expected forward 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. PVG's Portfolio Risk Spectrum is based off a number of factors including portfolio structure, holdings, weighting and risk measures. It is not meant to define the client's risk profile or appetite when investing with PVG. The Portfolio Risk Spectrum may change from the current position at any time depending on the factors stated for measurement. 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. The Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected and historical growth rates. The Dow Jones Industrial Average is a stock market index that shows how 30 large, publicly owned companies based in the U.S. have traded during a standard trading session in the stock market. The value of the Dow is the sum of the price of one share for each component company. The sum is corrected by a factor which changes whenever one of the component stocks has a stock split or stock dividend so as to generate a consistent value for the index. 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 U.S. Large Cap Value Leaders 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 U.S. Large Cap Value strategy is 3/31/2005. Additional information is available upon request.*

Investment Products:

Are Not FDIC Insured

Are Not Bank Guaranteed

May Lose Value

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