PVG Asset Management Corporation

LOSS AVERSE INVESTING

ALL TACTICAL ALLOCATION

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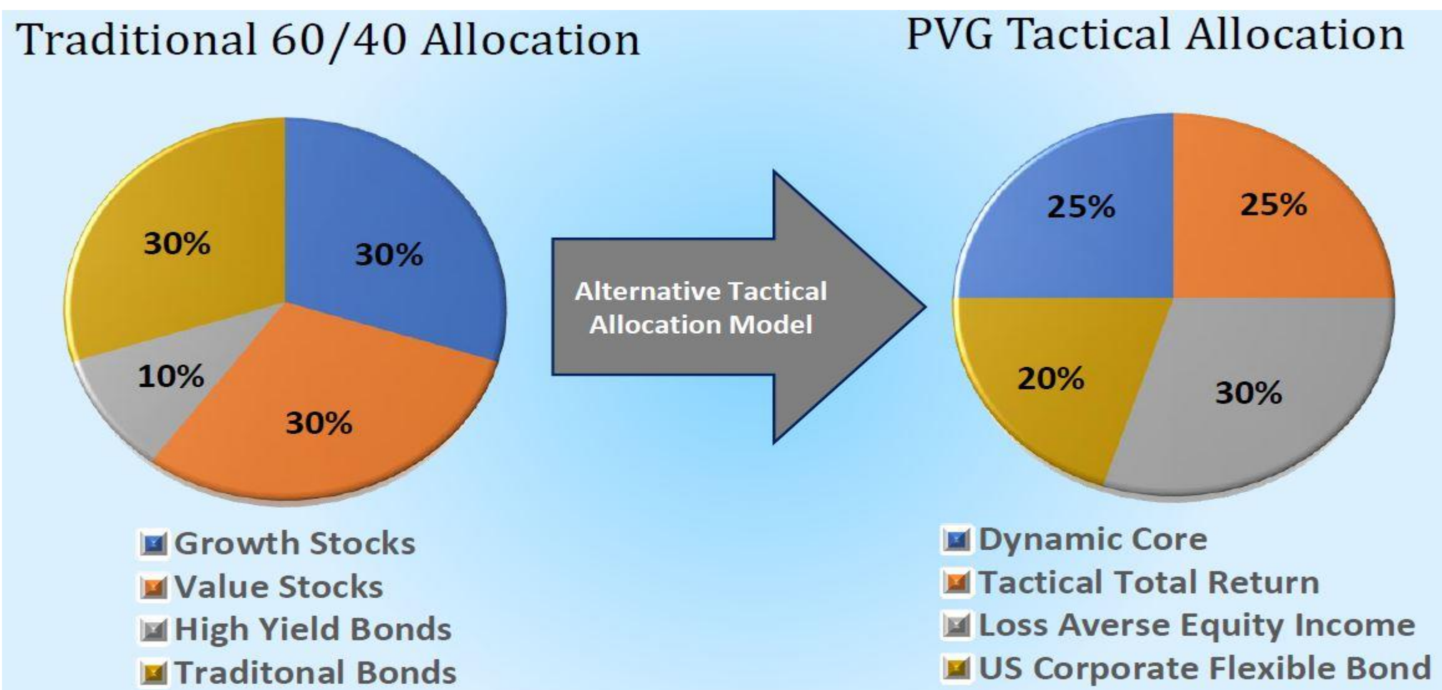
Monthly Update
August 2017

PVG has a full suite of Tactical or Loss Averse strategies that can be used for a diversified portfolio for either very conservative investors or very aggressive investors. We are providing a monthly update on each strategy on the next page which you can access by clicking the tab. Also, please find a description of each strategy below.

As markets continue to rise to all-time highs, the market cycle is now stretching to well over 8 years in duration, the second longest in history. Now would be an opportunistic time to rotate to an active/tactical approach as the easy growth cycle may be coming to an end. The stock market has a very high valuation, the bond market's yield globally is near historical lows, below the Depressionary period of the 1930s and 1940s. There is a great deal of speculation in the financial markets, which has been driven by the extremely accommodative policies of the central banks around the globe. The Federal Reserve is expected to begin to reduce its balance sheet starting in September, the result will be to drain liquidity from the financial system. All of our portfolios are geared toward wealth preservation even our most aggressive portfolios. Although some of our strategies are focused on income and conservative investing, we also have strategies that are more aggressive and perform very well during bull markets.

During the month on a gross basis the Loss Averse Equity Income strategy was up +.97%, Dynamic Core +2.16%, TTR +2.34%, and Flexible Bond +.97%. An example of the downside protection, the four PVG Tactical Allocation was down just -4.93% in 2008, with one of the strategies having positive returns.



The **Loss Averse Equity Income** strategy is a portfolio of high quality dividend paying stocks, with a very attract dividend yield, inflation protection, and we protect against falling or bear markets when we think it is appropriate with inverse ETFs on the market indices. This portfolio has a low correlation with the major stock and bond indices, and has very attractive returns over a full market cycle, adding both return and diversification to an overall portfolio.

The **Dynamic Core** strategy is a tactical portfolio that is designed to mirror the S&P 500 Index in rising markets, yet in bear markets maintain a defensive posture and preserve capital. It uses only technical input based around the moving averages of the S&P 500 Index.

The **Tactical Total Return** strategy is a tactical portfolio that is designed to mirror four indices in rising markets, yet in bear markets maintain a defensive posture and preserve capital. The strategy also has a very unique, “Alpha Sleeve” which allows us to utilize the best ideas of the firm in a 10% sleeve of the portfolio. The “Alpha Sleeve” is currently positioned into Gold (GLD). The “Alpha Sleeve” can invest in individual securities as well.

The **US Corporate Bond** strategy is a tactical bond portfolio that invests in fixed income securities (80%) comprised primarily of a combination of investment grade and higher rated non-investment grade corporate bonds (A, BBB, and BB) by Standard & Poor's. These bonds generally outperform Treasury bonds over market cycles. The strategy may utilize positions that increase in value as interest rates rise and/or U.S. dollar movements. The strategy may employ long-term Treasury securities to enhance return in periods of falling interest rates.

TACTICAL ALLOCATION STRATEGIES

LOSS AVERSE EQUITY INCOME STRATEGY
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DYNAMIC CORE STRATEGY
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TACTICAL TOTAL RETURN STRATEGY
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US CORPORATE FLEXIBLE BOND STRATEGY
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CLICK HERE

Risk Considerations:

Past performance is not a guarantee of future results.

*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. 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. Inception for the U.S. Corporate Flexible Bond strategy is 03/31/2006. Inception for the Dynamic Core strategy is 09/30/2001. The strategy was redefined on 12/31/2014 to a technical algorithm overlay model. The Dynamic Core Strategy previously utilized subjective fundamental input and is now utilizing only algorithmic technical input. 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*