Dynamic Core Strategy

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MONTHLY UPDATE

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TINA, which stands for, “There is no alternative” has been a popular theme over the last few months as bonds have continued to rally and yields have become more and more depressed. Multiple sovereign debt structures are now yielding negative rates. Why not invest in the stock market when the yield on the S&P500 index is currently 2.03% vs. 1.55% on the 10 Year Treasury? It seems that this trade is forcing the stock market much higher because of the yield premium vs. bonds, in general.

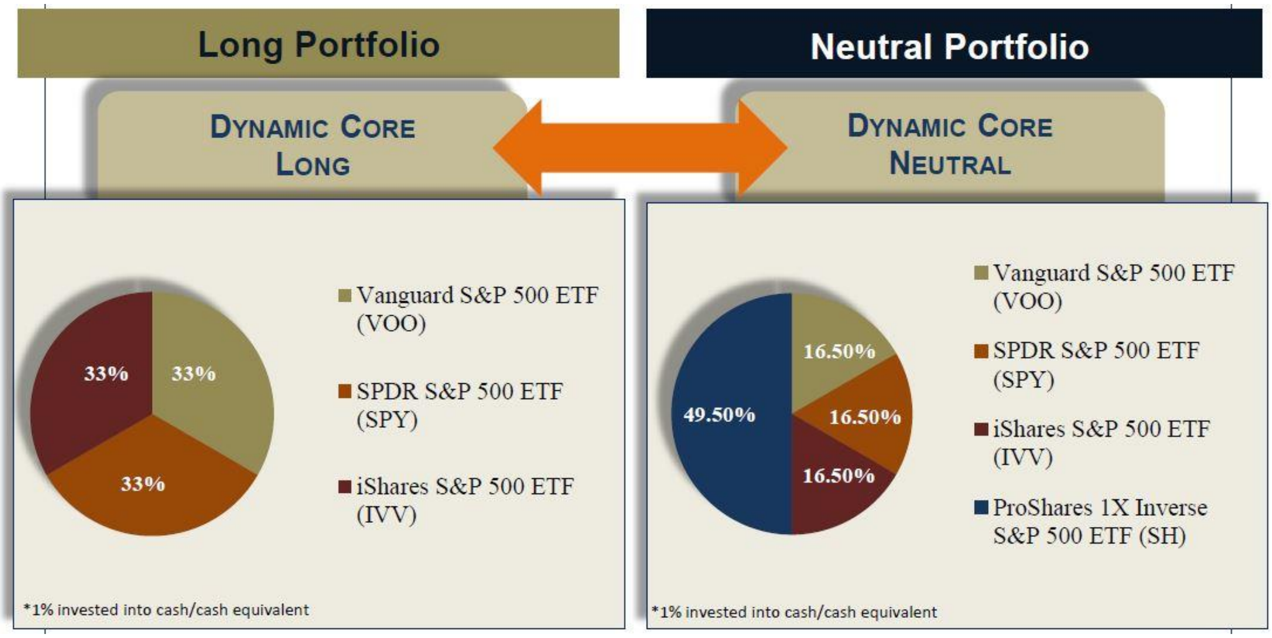
But let’s keep things in perspective before we get ahead of ourselves. You can’t forget why this trade is taking much more risk than available reward. The historical standard deviation of the stock market vs. the bond market since 1999 is roughly 14.94% vs. 7.40% respectively. Not to mention that the beta of each investment is 1.00 vs. -0.15. That is a much more volatile journey when looking at things historically. Does it mean that bonds aren’t in a bubble or that the stock market is frothy? Maybe that’s a topic for another discussion.

The point is we have a product that allows you to take advantage of the run up in the equity markets and get a bit more yield than the treasury markets by investing in the S&P500 ETF’s. Most importantly, the Dynamic Core strategy has a provision to get you out of the market when the technical signal is triggered. The historical beta for the strategy since 1999 is .43 and the Standard Deviation is 11.55%. The strategy was out of the market during the first quarter of this year when volatility was at its worst and has been recently keeping up with the stock market over that last 6 months. Current Year to date performance is up +6.23% net of fees.

The Dynamic Core invests in the 3 S&P500 ETF’s (VOO, IVV, and SPY) when the technical signal is in a long position. When the sell signal is triggered it moves to a market neutral position utilizing the ProShares Short S&P500 ETF (SH) as half of the portfolio. (See chart below)

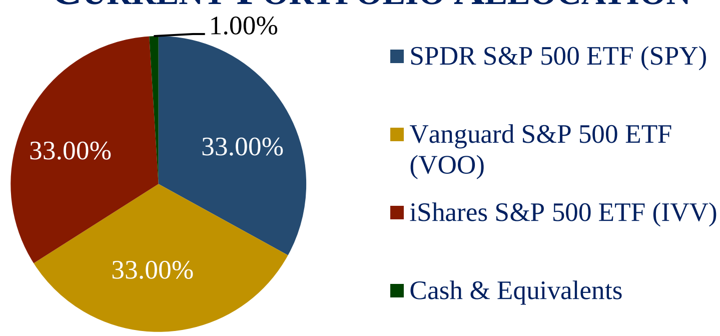
In our opinion there is <u>always</u> another alternative and Dynamic Core is a good core strategy that will help investors get the returns of the S&P 500 when the trend is up and avoid bear markets when the trend is down.

If you would like to more information please call, 1.800.777.0818.



PERFORMANCE* AUGUST 10, 2016	
	DYNAMIC CORE
YTD	6.23%
	S&P 500
YTD	7.88%

CURRENT PORTFOLIO ALLOCATION



*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.*