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DYNAMIC CORE STRATEGY

MONTHLY UPDATE
JANUARY 2018

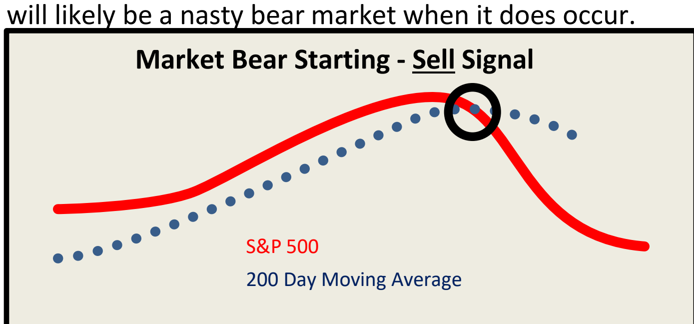
The PVG Dynamic Core strategy is managed by a proprietary technical algorithm, designed from years of work and testing by our investment team. The strategy focuses on the S&P 500. When the market is in an uptrend the strategy is fully invested in S&P 500 ETFs, when the market is in a downtrend the strategy becomes defensive and protects the portfolio from falling. This provides the upside of the market, yet dampens or eliminates the downside risk during bear markets. The result is a much lower long-term Beta than the S&P 500, a lower standard deviation, and significantly higher long-term returns by avoiding bear markets. The strategy was one of the top performers in 2017 in the Tactical Allocation universe (top 15%).

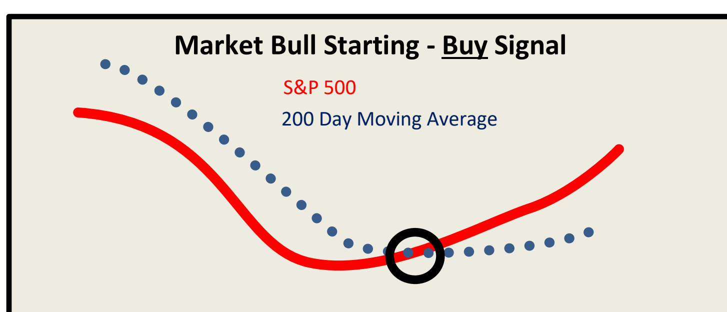
The strategy started in 2001, PVG was managing the portfolio in a very similar manner as other tactical managers. We had a very good year in 2008 versus other tactical managers, declining a fraction of the 38% of the S&P 500, down just -5.2% gross of fees. Just over three years ago we modified how we were managing the strategy to focus solely on technical analysis rather than having any fundamental input into the decision process. We use a combination of the 20, 50, and 200 day moving averages in the trend analysis. The strategy stays invested in an uptrend, out in a down, and hunts for sell signals and buy points at extreme levels. (Below is an example of a buy and sell signal using the 200-day moving average. The algorithm is a bit more complex; this is just a sample illustration)

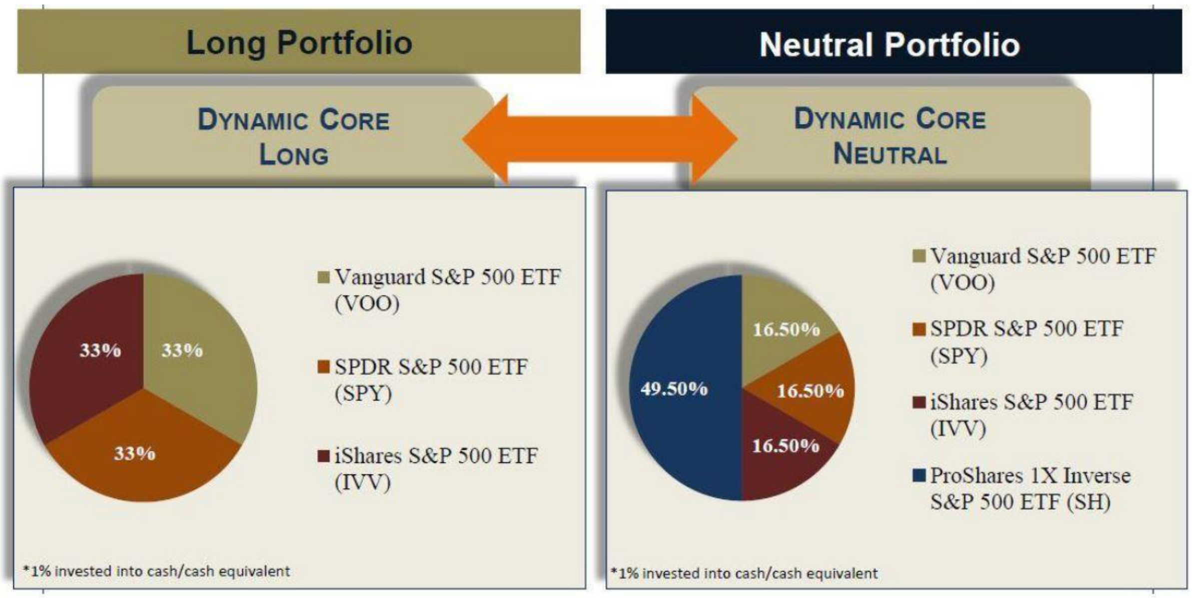
We have tested the strategy over a 50-year period and had a GIPs audit over a 15-year period through 2014, prior to modifying our approach. During the 15-year backtest, the result was a cumulative return of 401.35% for the strategy vs. 126.56% for the S&P 500.

The strategy has a long-term record and has excellent downside protection. We improved the strategy by capturing more of the upside of the market, but kept the downside protection.

We believe the strategy is particularly timely as the market continues to rise heading into its tenth year, with very high market valuations and rising interest rates. At some point a bear market will occur. This strategy has the ability to continue to generate market returns as the market continues to ascend higher, but is designed to protect against what will likely be a nasty bear market when it does occur.







If PVG's products may be a fit for your clients, please call us at 303.874.7471 or email us at rgarcia@pvgasset.com to schedule an introductory call.

DYNAMIC CORE PERFORMANCE JANUARY 17, 2018 (NET OF FEES)	
	DYNAMIC CORE
YTD	4.44%
	S&P 500
YTD	4.89%

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 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.*