



PVG Asset Management Corporation
LOSS AVERSE INVESTING

PORTFOLIO MANAGERS:

PATRICK S. ADAMS, CFA
RICK GARCIA

PHONE:

800-777-0818

EMAIL:

INFORMATION@PVGASSET.COM

WEBSITE:

WWW.PVGASSETMANAGEMENT.COM

ADDRESS:

6898 S. UNIVERSITY BLVD. SUITE 100
CENTENNIAL, CO 80126

DYNAMIC CORE STRATEGY

MONTHLY UPDATE

JUNE 2017

We would like to update you on the PVG Dynamic Core strategy, which 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. The strategy has done just that. During the past twelve months, the strategy is up +15.72% net of fees as of 5/31/17. The strategy will maintain a fully invested posture in S&P 500 Index ETFs as long as the market is rising. In periods such as the most recent correction that bottomed during February 2016 and falling over 14%, the strategy avoided this negative performance altogether.

Dynamic Core is very simply based on the technicals using moving averages, rather than any fundamental input. Although fundamentals are very important in analysis it can be a poor tool in controlling risk in the short term or may limit the upside performance. We would strongly agree, on a fundamental basis, that investors should be cautious given the high valuations of the stock market, and the fact the Federal Reserve is naturally raising interest rates late in an economic cycle. However, our technical model is positive, and the trend channel has been strong since 2009 and still remains today. Keep in mind, the last two times the lower channel was broken, the markets fell roughly 19% from high to low in 2011, and 15% from high to low in 2015/2016. Until the trend of the market changes, the strategy will remain fully invested. The strategy gets the full upside of the market until the market actually starts to correct and then the strategy gets defensive. A chart of the S&P Trend Channel over that last 8 years is below.



We believe this strategy is very timely, and in the not too distant future, the market is likely to deteriorate or perhaps turn into a bear trend like in 2008/2009, or 2000 through 2002, where serious capital was destroyed. If such an event were to occur, then the strategy is designed to become defensive and preserve capital.

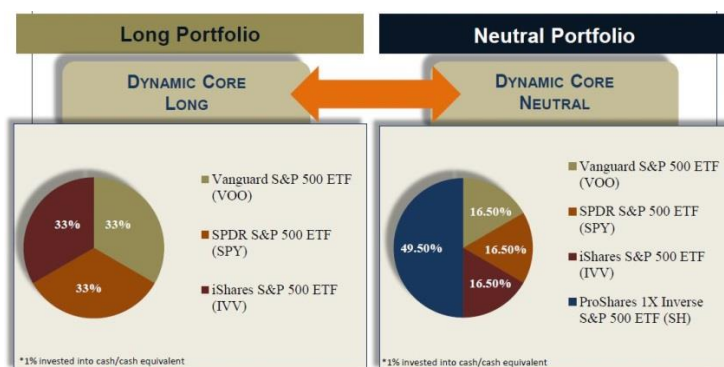
We believe the Dynamic Core strategy is ideal to replace the equity position of a portfolio for an investor concerned about the potential for volatility in the markets, and to avoid the negative roller coaster ride that may be ahead of us. If such an event were to not occur, then Dynamic Core is designed to get the positive returns of the market.

Additionally, PVG [has a full set of products](#) that are designed to protect the principle of an entire portfolio in a bear market, yet still achieve very attractive returns. As an example, an investor with a balanced approach could invest 50% of their portfolio with Dynamic Core, 30% in the PVG Loss Averse Equity Income strategy as a substitute for fixed income and value stocks, and 20% in the PVG US Corporate Flexible Bond strategy, a tactical bond portfolio that uses individual bonds and protects the downside.

Dynamic Core is a good core strategy that will help investors get similar returns of the S&P 500 when the trend is up and help avoid bear markets when the trend is down.

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

PERFORMANCE* JUNE 19, 2017	
	DYNAMIC CORE
YTD	9.64%
	S&P 500
YTD	10.65%



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.