Dynamic Core Strategy

PORTFOLIO MANAGERS:
PATRICK S. ADAMS, CFA
RICK GARCIA

PHONE:
800-777-0818

EMAIL:
INFORMATION@PVGASSET.COM

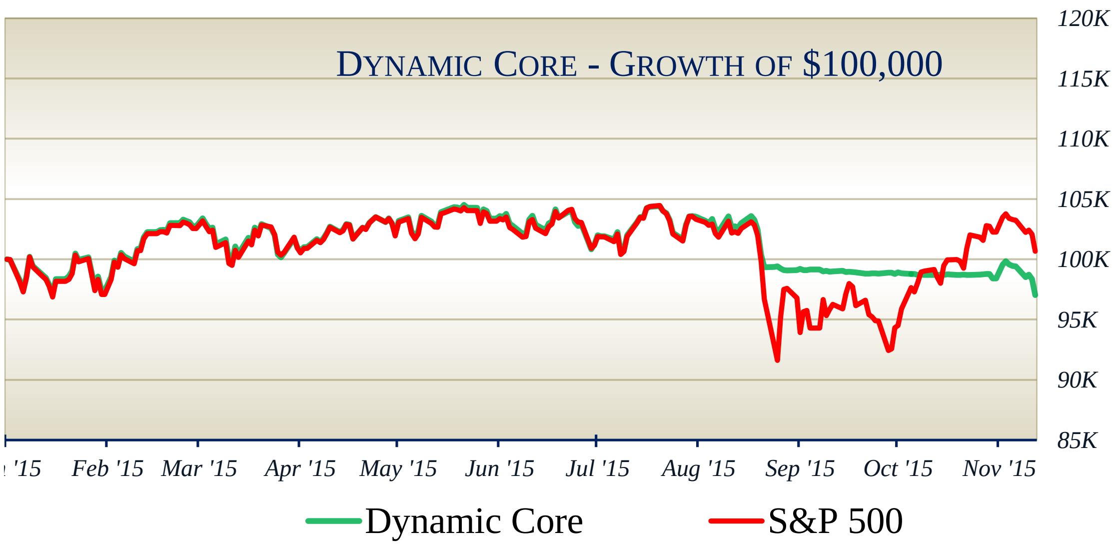
WEBSITE:
WWW.PVGASSETMANAGEMENT.COM

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

MONTHLY UPDATE
DYNAMIC CORE

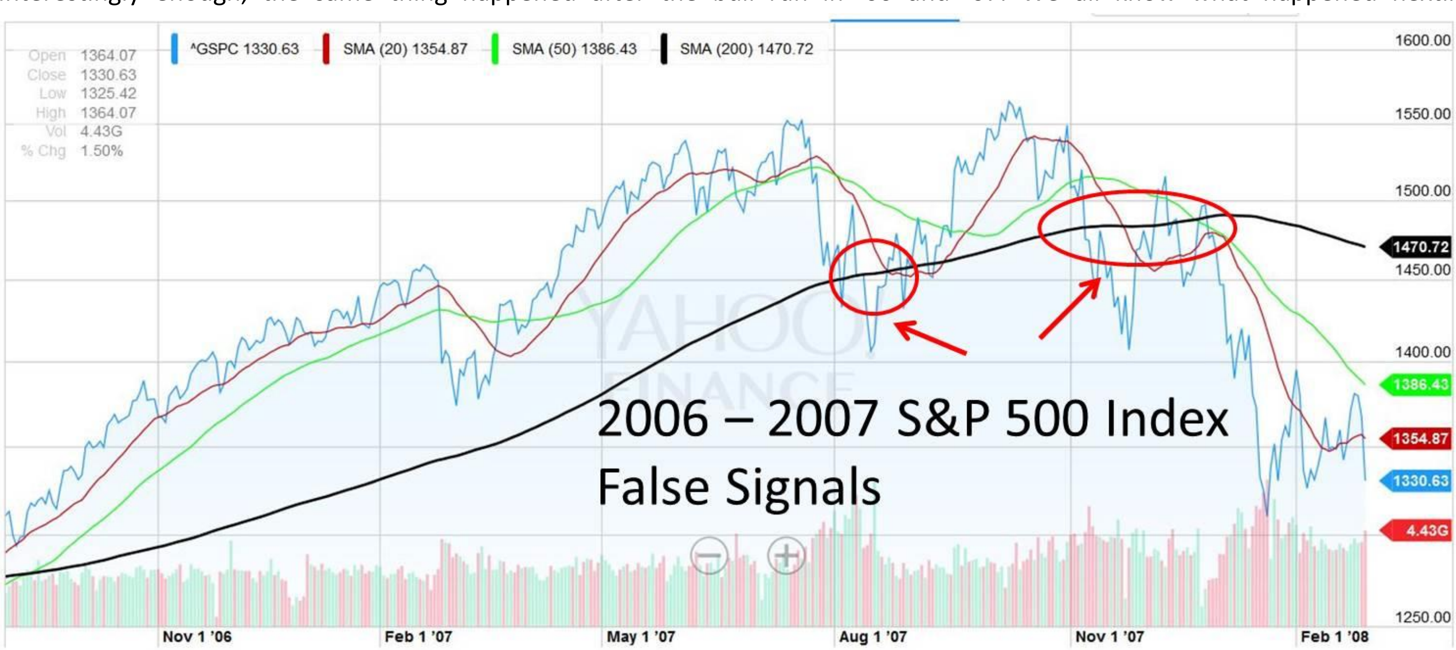
Our Dynamic Core Strategy works off of moving averages, or technical analysis, and has no fundamental input. As a result, if the trend is down, we are defensive, and if the market trend is up, we are invested. It's easier to look at it like Index investing with some bear market protection. Typically when the market is in an uptrend, we will keep pace with the S&P 500 Index and if there is a false signal for a bear market, the trading that occurs around the 200 Day Moving Average, will cost roughly 3%-4% to the performance. In our opinion, a very small price to pay to avoid a major bear market. Either way, the strategy will get back into the market and continue to track the index if a false signal occurs or go to a market neutral and avoid a major bear market if the trend breaks.

This is precisely what transpired over that last three months. The S&P 500 Index crossed below the 200 Day Moving Average back on August 19th and our strategy traded into a market neutral position shortly thereafter. The market fell roughly -13% from High to Low while the Dynamic Core strategy was only down -4.62%. Subsequently the market rallied back nicely over the next two months taking out many short sellers. The index recently moved back above the 200 Day Moving Average on October 23rd and our strategy followed suit to start matching the index again. This was a bear market false signal. However, in November the market rally failed, and we traded back to a more cautious stance on November 13th. See the performance chart below:



Historically these false signals start to occur more often and last longer before a bear market starts to occur. Keep in mind we have had 2 in the last 13 months. See the graph below:

Interestingly enough, the same thing happened after the bull run in '06 and '07. We all know what happened next…

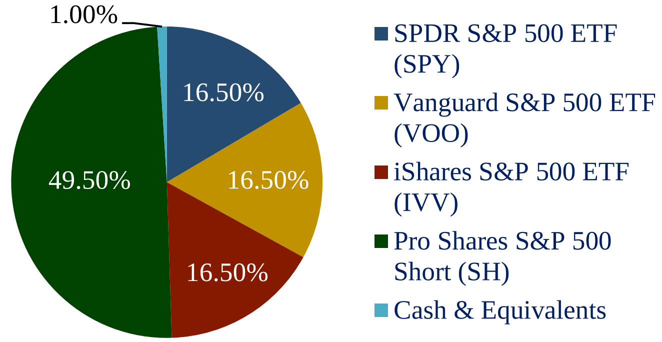


The Dynamic Core has operated consistent with its backtest. We tracked very nicely with the S&P 500 through the first 2 quarters and in the 3rd quarter our sell signal occurred on August 21st. We recently got back into the market in October. In November the market continued to track down below the 200 Day Moving Average and we got another market neutral trade signal. The performance year to date through November 12th is down -4.15% Net of Fees.

The goal of Dynamic Core is to get the return of the S&P 500 when the market is rising, but to protect the portfolio when the market is in a down trend. Given the heightened market risk, as we are late in the bull market that began in 2009, there is vulnerability for a bear market. Our strategy also hunts for bottoms, currently we are a ways from that occurring. Until the market breaks back above the 200 Day Moving Average, or we get a significant sell off from current levels, we will stay in a defensive position and look to participate on the upside. Until the next trade signal comes, the portfolio will remain market neutral, roughly invested in SPY, IVV, and VOO equally at 49.5% with 49.5% in SH and 1% cash.

Performance* November 16, 2015	
	Dynamic Core
YTD	-5.15%

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.*