



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:

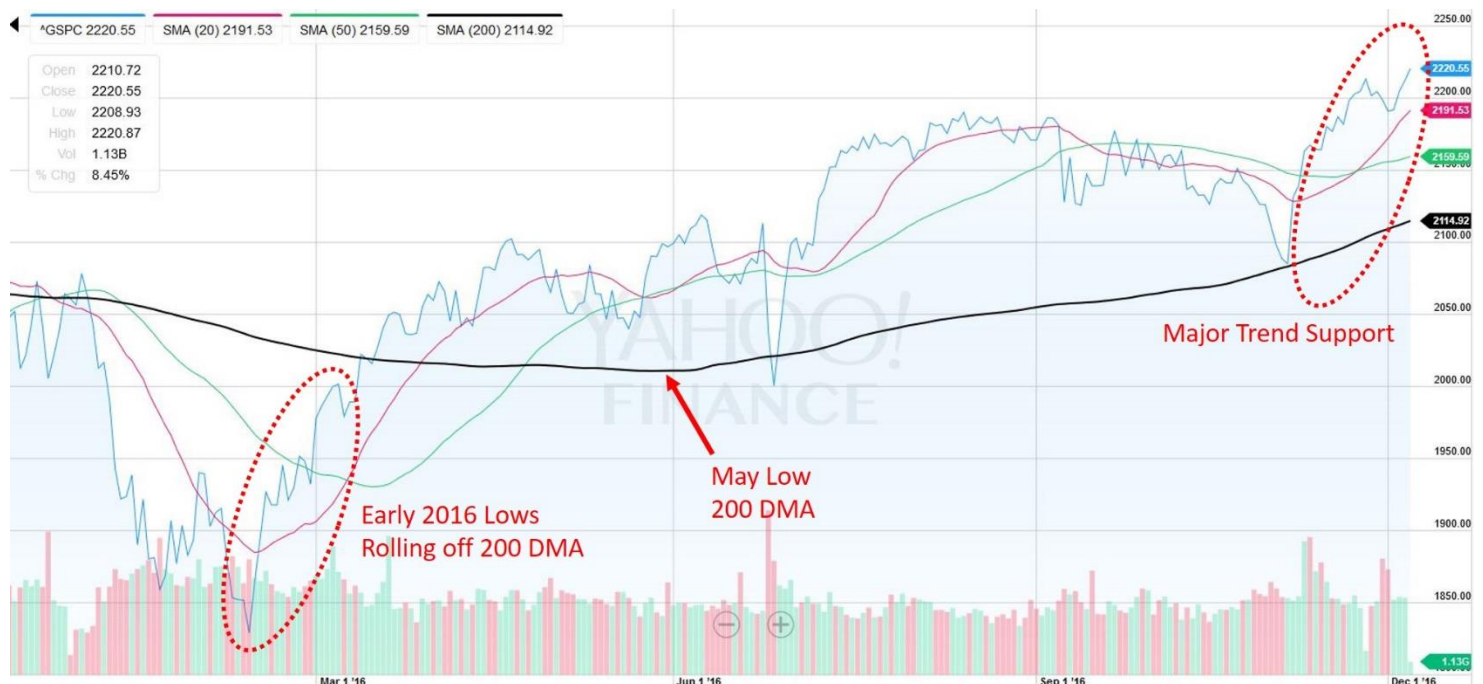
6898 S. UNIVERSITY BLVD. SUITE 100
CENTENNIAL, CO 80126

DYNAMIC CORE STRATEGY

QUARTERLY UPDATE

DECEMBER 2016

Now that the election is over, the market has seemed to breathe a sigh of relief. This is a historical trend that follows most newly elected Presidents. We think domestic markets will benefit from the “Trump Trade”, but we are also keeping our eye on the technicals. We follow the 200-day moving average quite closely as this represents a long-term trend in the market. The low on the 200 Day MA was back in May and has trended up through quite a few events, including the Brexit vote and U.S. Elections. The trend seems to be in one of the strongest conditions (See chart below). The market is above the 20 Day MA, while the 20 Day MA and 50 Day MA are above the 200 Day MA. One thing that did concern us was that the performance lows of the market back in January and February were going to be rolling off the 200 Day MA average, causing a compression between the average and the S&P 500 index, but instead this created a huge jump in the trend of the moving average along with a breakout of the index. As of December 7th, 2016, the 200 Day MA has jumped 100 points from the lows in May.



Where we get concerned about a pullback is when the market starts to run too hot, which in our analysis occurs when the market is at about 7% to 8% above the 200 Day MA. We continue to monitor this trend, but right now the 200 Day MA is moving in unison with the market on a day to day basis as the trend is very strong. The index range above the 200 Day MA post-election has been between +3.5% to 5.5%.

The Dynamic Core strategy allows you to take advantage of the run up in the equity markets by investing in S&P500 ETF's. Most importantly, the Dynamic Core strategy has a provision to get you out of the market when a 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 9 months. Current year to date performance is up +8.43% net of fees.

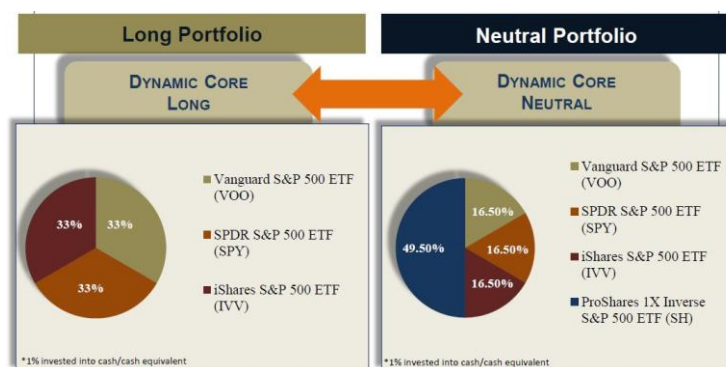
The Dynamic Core invests in the 3 S&P500 ETF's (VOO, IVV, and SPY) when the technical signal is in a long position. When the sell signal is triggered it moves to a market neutral position utilizing the ProShares Short S&P500 ETF (SH) as half of the portfolio. (See chart below)

The strategy has been in a long position since March.

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* DECEMBER 7, 2016	
	DYNAMIC CORE
YTD	8.43%
	S&P 500
YTD	9.04%



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.