



PVG Asset Management Corporation
LOSS AVERSE INVESTING

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LOSS AVERSE EQUITY INCOME STRATEGY

Monthly Update March 2016

We are writing this update after the close on March 7th, we are happy to report the PVG Loss Averse Equity Income strategy is up on the year. The year to date performance for the strategy is up 1.35% net of fees. In this volatile market environment, we are very happy with this performance, as most stock indices are down on the year, at one point, down very significantly.

The strategy went down less than the market, and we caught a good part of the up move off the bottom, so far this quarter. Our portfolio has a high dividend yield, which helps cushion most declines, in addition, we did protect the portfolio with inverse market ETFs. Oddly enough, the income tranche has been the most volatile part of the portfolio. We believe this volatility is diminishing as insiders have been buying these stocks and the market has a better understanding of the actual fundamentals. We believe income funds had been under pressure due to investor's liquidating due to poor energy stock performance. It appears oil has likely hit a bottom for this cycle. Many securities got grossly oversold and reflected recessionary type of valuations.

Now that the market has rallied considerably off the bottom, still below the 200 day moving average, and is in an overbought condition, we are being more defensive. We have sold our long Dow Jones Industrial and Russell 2000 Small Cap ETFs that we bought opportunistically, and increased our allocation to our hedge or inverse S&P 500 ETF. When the market declined again in February we added to and picked up some new very attractively valued and quality securities.

We believe we may be in a multiple year period when value and income oriented securities outperform growth or momentum stocks. Generally, what performs best, after a large decline, is the new leadership. This would greatly favor our strategy.

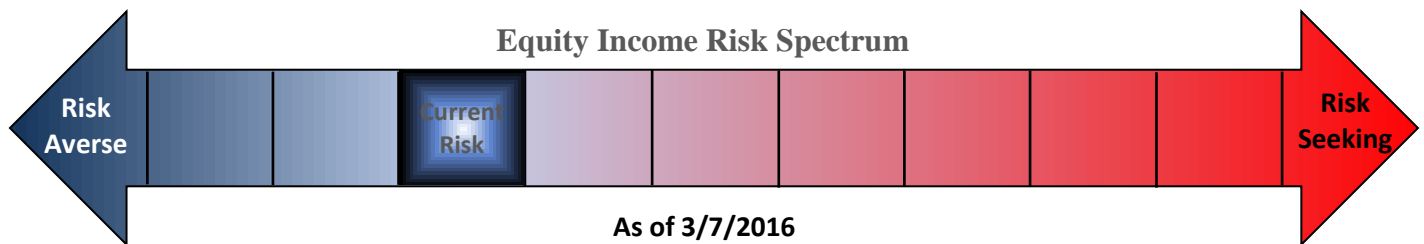
Currently, we have 60% long exposure and 30% net, after the hedge or inverse is accounted for.

We are focused on the support levels of 1940 and 1900 on the S&P 500, or if the market can hold above the 200 day moving average of 2022 to be more exposed to the market.

PERFORMANCE, ALLOCATION AND RISK SCALE

HISTORICAL PERFORMANCE	
	EQUITY INCOME (NET OF FEES)
BEST YEAR	23.99%
WORST YEAR	-6.09%
AVERAGE ANNUAL COMPOUND RETURN	5.33%
CURRENT DIVIDEND YIELD	5.20%

CURRENT ASSET ALLOCATION*	
COMMON STOCKS	21.20%
INCOME STOCKS	39.00%
INVERSE ETFs	15.00%
CASH & EQUIVALENTS	24.80%
NET LONG POSITION	30.20%



Performance results are presented in U.S. dollars and are gross-of-actual-management fees and trading expenses of the composite and reflect the reinvestment of dividends and capital gains unless otherwise denoted. Actual fees may vary based on, among other factors, account size and custodial relationship. *Annual returns are compounded over the specified period. The current dividend yield is calculated gross of fees as of quarter end or month end date and is an expected dividend yield. 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. Portfolios in the composite utilize leveraged index products. Leveraged ETFs are considered risky. The use of leverage 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. Most leveraged 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. The U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS. The U.S. Aggregate rolls up into other Barclay's flagship indices, such as the multi-currency Global Aggregate Index and the U.S. Universal Index, which includes high yield and emerging markets debt. The U.S. Aggregate Index was created in 1986, with index history backfilled to January 1, 1976. The investment strategy and types of securities held by the comparison indices may be substantially different from the investment strategy and the types of securities held by the PVG Equity Income strategy. 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. Inception for the Equity Income strategy is 10/1/2010; prior performance represents the Income portion of the Balanced Strategy Composite, which PVG believes was managed with the same investment goals. Composite performance represents the results of the PVG management team, which has changed over time due to retirements and new staff. Additional information is available upon request.