LOSS AVERSE EQUITY INCOME STRATEGY

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Monthly Update
October 2019

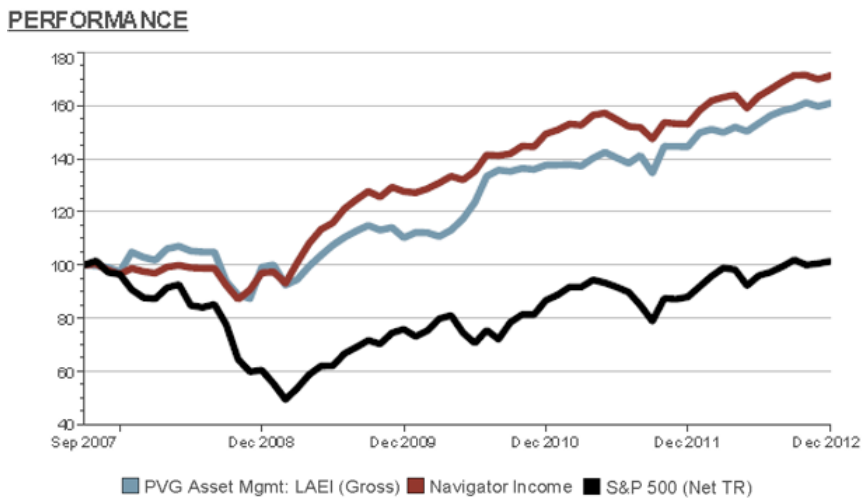
The stock indices are about flat over the past 12 months but with some severe volatility as the market fell almost 20% from high to low last year, then to make that up in early 2019. However, the result is a flat 12-month period virtually no appreciation. The Loss Averse Equity Income strategy was also about flat over the 12-month period, but without the huge volatility. Our performance in the latest quarter was solid up 2.44% gross versus 1.2% for the S&P 500. Our dividend yield is a very attractive 5.5%.

We are seeing money moving into our universe that we focus, the value stocks, growth-at-a-reasonable-price, and the deep value stocks. Generally, for us to get that attractive yield we need to focus on the value sectors of the market, which can mean there is not a high correlation with the market. Our strategy started in 2001, it has an outstanding record with a cumulative performance similar to the S&P 500, but with a Beta (a measurement of volatility versus the S&P 500) of just .24. The risk measurements are more consistent with the bond market volatility.

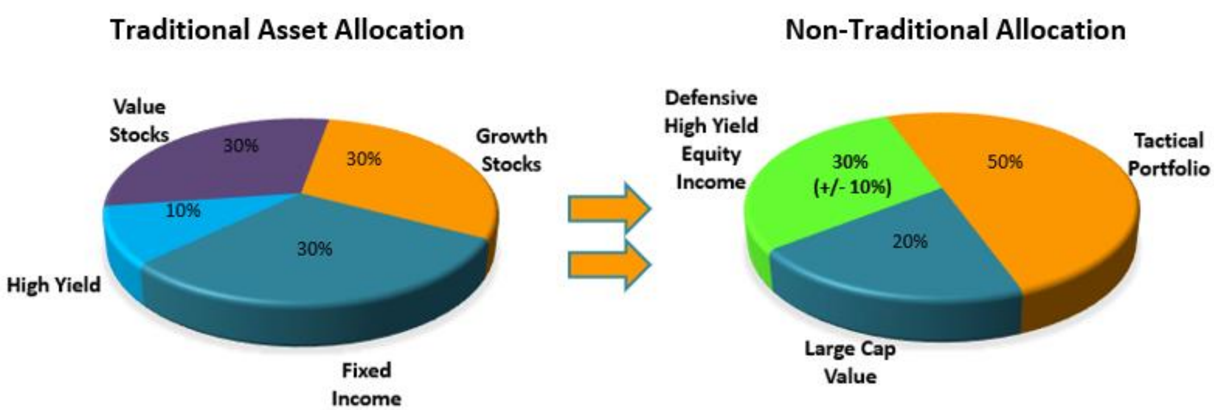
The strategy historically has performed well from the peak of the market cycle through the bear market, like in 2001-2002 and 2007-2008, and then through about two-thirds of the bull phase. In the later part of the bull phase, the strategy typically underperforms as the value sectors give way to the more momentum growth stocks. To improve our strategy, we have developed a technical algorithm after years of research, back-testing and with live money for almost 5 years now. Our other dividend strategy, Navigator Equity Income has been using our technical model rather than having our fundamental views incorporated in the “risk-on” and “risk-off” decision making, and this strategy was up 2.99% during the quarter or .55% better, and up 8.6% year to date.

As a result of always wanting to improve our strategy over time we are making this subtle change using the technicals to drive the risk management.

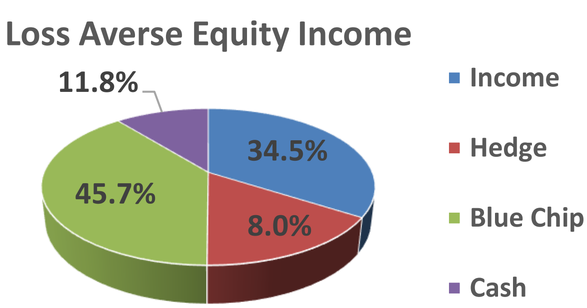
Below is a chart we have used before showing the Loss Averse Equity Income strategy from the last market peak in 2007 until the market finally got back to even 5 years later. We have added the Navigator Equity Income strategy to the chart.



As the bond market has very little return with quality long-term bonds yielding in the 1% range, we believe using this strategy as a substitute for traditional fixed income. As the market is 10.5 years into this bull market and the longest bull market in history with incredible performance, we believe strongly that investors should be using tactical strategies or strategies that can become defensive during bear markets.



PERFORMANCE, ALLOCATION AND RISK SCALE



PERFORMANCE	
AS OF 09/30/2019	EQUITY INCOME (GROSS OF FEES)
YTD	4.8%
YIELD	5.5%

*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 levered 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.*