



PVG Asset Management Corporation
LOSS AVERSE INVESTING

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LOSS AVERSE EQUITY INCOME STRATEGY

Monthly Update September 2016

The PVG Loss Averse Equity Income Strategy is up 10.0% for the year, as of the end of August. The current yield of the portfolio is 3.62%. This has been a very strong eight-month period. We have been positioned in the right stocks. We are beating both the stock and bond market by a wide margin. Additionally, we have had a significant hedge in the portfolio, so the risk adjusted returns are very strong. The long term beta of the portfolio is just .24 relative to the S&P 500.

We have two tranches in our portfolio, the “Blue Chip” tranche and the Income tranche, and all of our stocks pay dividends. Our income tranche has been very strong. This tranche is the big driver of the recent performance. Our return is driven from diligently doing research and focusing on the most attractive sectors and stocks, and selecting quality companies that are valued at significant discounts to their intrinsic value. This is a very conservative strategy and our goal is to have a fraction of the volatility of the stock market. Our securities have performed nicely year to date so we do not want to risk losing our gains and have slowly positioned the portfolio very conservatively.

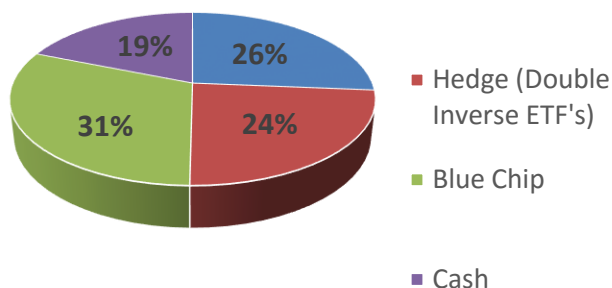
The Income tranche has benefited greatly by our weighting and security selection within the equity REIT, mortgage REIT, and business development companies. These stocks have performed very well and we have slowly reduced our overweight position. We are now slowly building positions in other sectors, which we believe will be the next strong performer.

We are likely entering some market turbulence in the next several months. The markets are well over due for a bear market, but the timing of these events is obviously very difficult to determine exactly when. We are concerned a correction, at a minimum, is coming soon. This strategy is an excellent way to diversify a broader portfolio, or is a core holding for a conservative investor.

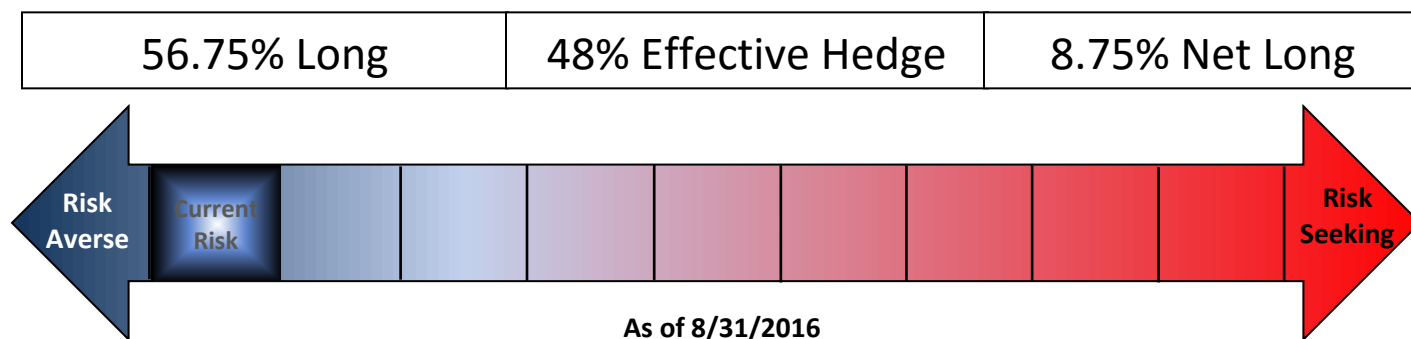
PERFORMANCE, ALLOCATION AND RISK SCALE

Loss Averse Equity Income

PERFORMANCE*	
AS OF 8/31/2016	EQUITY INCOME (NET OF FEES)
YEAR-TO-DATE	+10.00%
YIELD	3.62%



Equity Income Risk Spectrum



Blue Chip Tranche

Income Tranche

Health Care	4.6%	Equity REITs	8.2%
Consumer Discretionary	8.4%	BDCs	8.3%
Financials	5.1%	Mortgage REITs	4.9%
Technology	7.4%	Preferred	3.0%
Telecom	2.5%	MLP (ETF's)	1.0%
Industrial	1.7%	Utilities	-
Basic Materials	1.1%		
Consumer Staples	-		
Energy	0.6%		

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.