LOSS AVERSE INVESTING

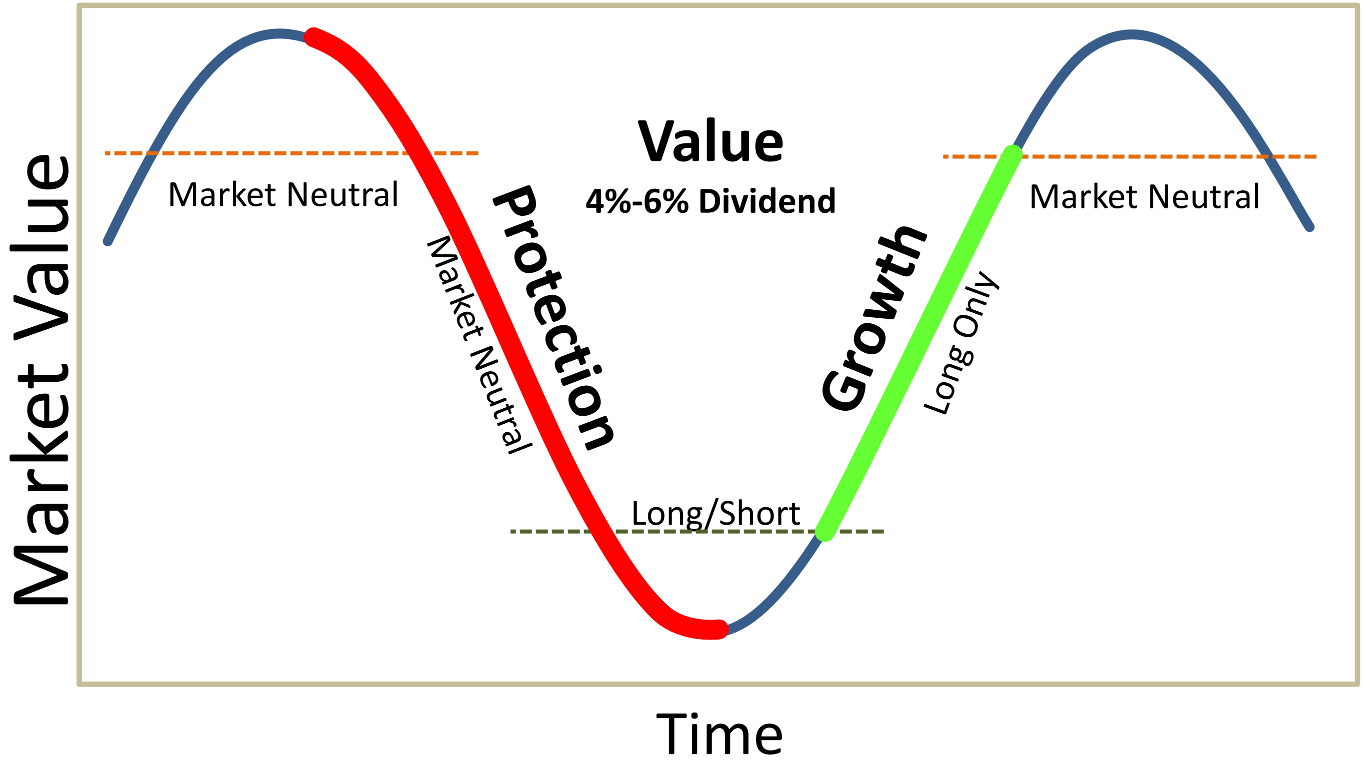
INVESTING WITH AN EMPHASIS ON CAPITAL PRESERVATION

PVG Loss Averse Equity Income
Market Cycle Analysis
2001 – 2007 and 2007 - 2015

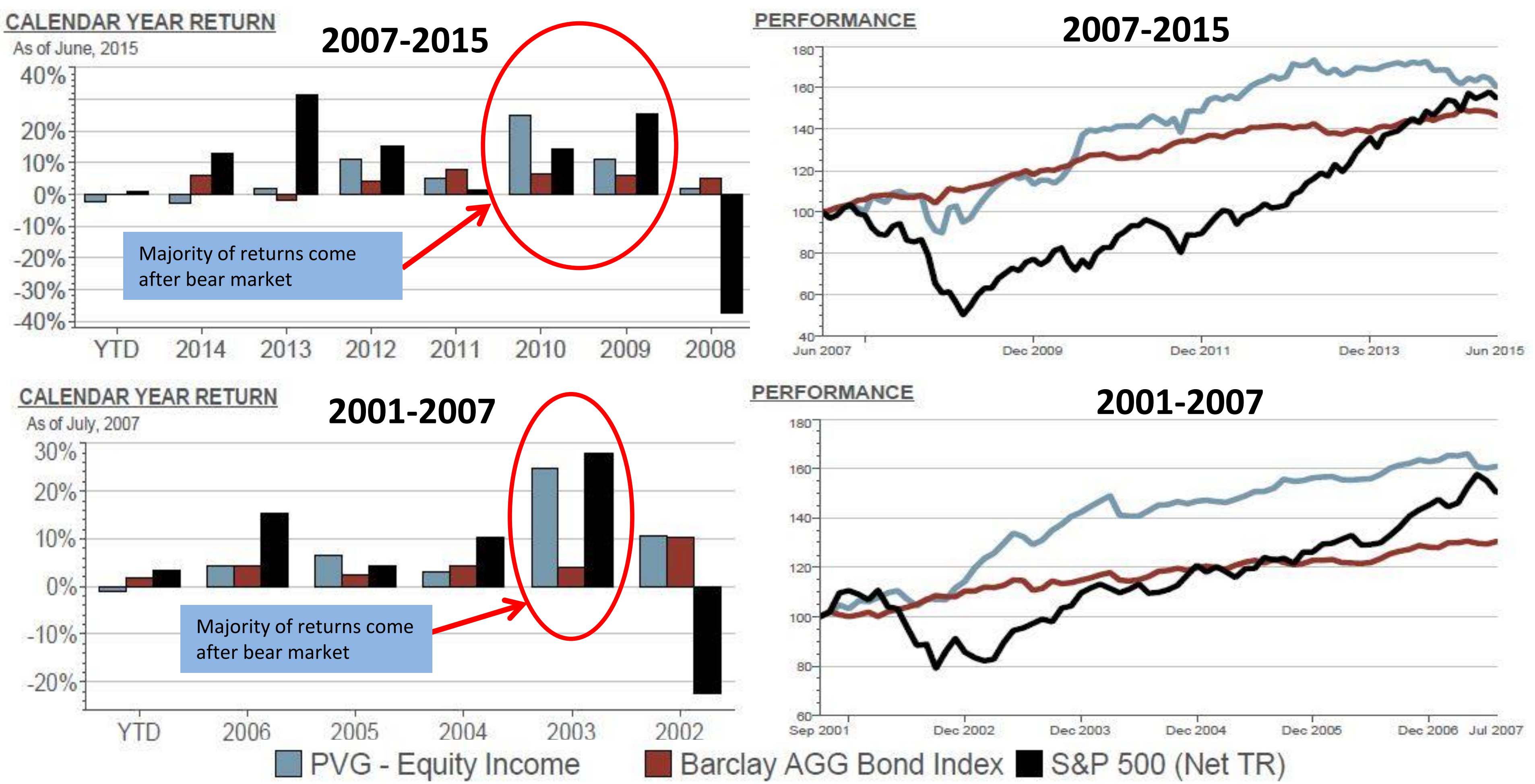
Full Market Cycle Analysis

The PVG Loss Averse Equity Income strategy historically has performed very well over a full market cycle. A full market cycle is defined as a peak in the market, followed by a bear market to the next market peak. It can also be defined as a trough to the next trough. The importance of analyzing strategies over a full cycle is to include both a bull market and a bear market. We believe that falling less in a bear market captures greater returns over the full cycle. We are a manager that likes to hold onto gains made during a bull market and don't let the bear side of the cycle take those gains away.

The hypothetical chart below shows how PVG establishes different hedging techniques depending on the current market cycle. During peaks of the market, PVG will become more cautious and take a market neutral approach to protect assets during sustained or unforeseen market pullbacks. At the bottom of the cycle PVG will become more of a long/short as we find a bottom in the market. As momentum in the market picks up, the strategy will become more like a long only strategy.



PVG Loss Averse Equity Income vs. Barclay Aggregate Bond Index vs. S&P 500 Total Return



Above we have included the two prior market cycles, our strategy versus the S&P 500 and the Barclays Aggregate Bond Index. During both cycles we have performed slightly better than the S&P 500, up 60.24% versus 54.93% and 46.66% for the Barclay Aggregate Bond Index from July 1st, 2007 to June 30th 2015. The performance was even more significant during the prior cycle, up 60.84%, 50.07%, and 30.37% respectively. It should be noted the risk in capturing these returns is only about 23% of the S&P 500 measured by Beta and more similar to the bond market.

PVG Loss Averse Equity Income vs. Barclay Aggregate Bond Index vs. S&P 500 Total Return

2007-2015

CALENDAR YEAR RETURNS

	2014	2013	2012	2011	2010	2009	2008
PVG - Equity Income	-2.91%	2.05%	11.31%	5.04%	24.82%	11.15%	1.79%
Barclay AGG Bond Index	5.97%	-2.02%	4.21%	7.84%	6.54%	5.93%	5.24%
S&P 500 (Net TR)	12.99%	31.55%	15.22%	1.47%	14.37%	25.55%	-37.45%

PERFORMANCE: ENDING JUNE, 2015 (not annualized if less than 1 year)

	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
PVG - Equity Income	-2.18%	-6.99%	0.55%	4.75%	N/A	7.09%
Barclay AGG Bond Index	-0.10%	1.86%	1.83%	3.35%	N/A	7.76%
S&P 500 (Net TR)	0.92%	6.77%	16.56%	16.60%	N/A	N/A

Lagged the market in last two and half years before peak

2001-2007

CALENDAR YEAR RETURNS

	2006	2005	2004	2003	2002
PVG - Equity Income	4.27%	6.39%	3.07%	24.55%	10.61%
Barclay AGG Bond Index	4.33%	2.43%	4.34%	4.10%	10.25%
S&P 500 (Net TR)	15.14%	4.33%	10.21%	27.99%	-22.48%

PERFORMANCE: ENDING JULY, 2007 (not annualized if less than 1 year)

	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
PVG - Equity Income	-1.18%	2.02%	4.03%	9.04%	N/A	8.49%
Barclay AGG Bond Index	1.82%	5.58%	3.93%	4.41%	N/A	8.50%
S&P 500 (Net TR)	3.33%	15.49%	11.11%	11.19%	N/A	N/A

Lagged the market in last two years before peak

Over a full cycle we have historically performed best on a relative basis during falling or bear markets, performing strongly on an absolute basis through most of the bull market, but the later stages of the bull market we have generally underperformed. The underperformance or bond like returns during the later stages of the bull cycle is due to two factors:

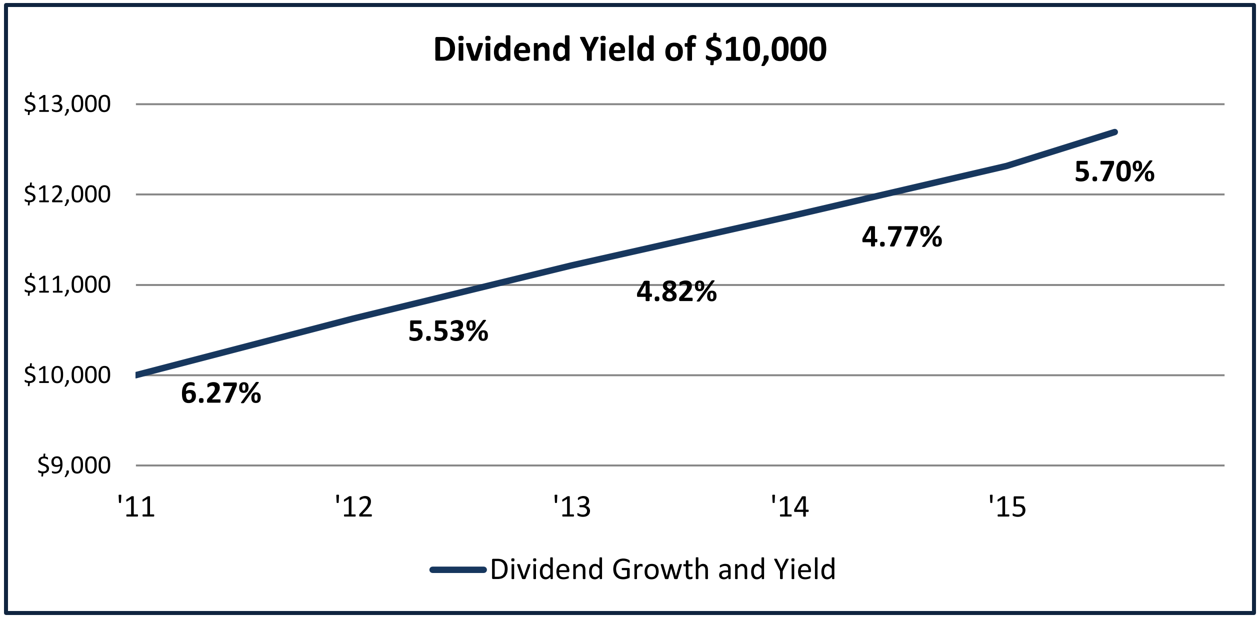
1) We find if necessary to protect the portfolio with hedges as the exact timing of the market decline is not possible to determine.

2) As we own conservative dividend paying stocks, these stocks tend to underperform the high flyers, especially as the market narrows.

We believe we are somewhere towards the very end of this market cycle, and likely have put in a top or will do so soon. If that's the case, we believe this strategy has become very timely and should be considered for an overweight position in your portfolios. During the first six years of this past cycle the strategy either outperformed the S&P 500 or the Barclays Aggregate Bond Index in 6 of the 7 years.

The Power of High Dividends

Another factor that points to this strategy being timely, is when the yield of the strategy is at the upper end of the 4%-6% range, the performance has generally been very good. We believe our income tranche of the portfolio is very attractively valued, and in time these stocks should outperform both the stock and bond market. If you compound the dividends at the current rate of 5.7% over 10 years you achieve a return of 74.08%. If you are able to incorporate an additional 1.5% of annual performance you can effectively double your money.



A final note, this is an absolute return strategy, as we are investing in only dividend paying stocks, and will hedge the portfolio with inverse ETFs, there can be periods like 2014 when income stocks underperform or have negative performance. These periods generally do not last long and have generally been contained to having declines of less than 10%.

6898 S. University Blvd. | Centennial, CO 80122 | **800-777-0818**

*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. 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 date and is the expected forward 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. PVG's Portfolio Risk Spectrum is based off a number of factors including portfolio structure, holdings, weighting and risk measures. It is not meant to define the client's risk profile or appetite when investing with PVG. The Portfolio Risk Spectrum may change from the current position at any time depending on the factors stated for measurement. 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.*

Investment Products:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value