



**PVG ASSET MANAGEMENT**

LOSS AVERSE INVESTING

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**DYNAMIC CORE STRATEGY**

# DYNAMIC CORE OVERVIEW

## CREATED FROM TECHNICAL ANALYSIS

- **Technical analysis is one of the tools our firm utilizes**
- **Positive Returns in 2001, 2002 and 2008 for Loss Averse Equity Income (REAL \$)**
- **Dynamic Core model more geared toward growth using index moving averages**

## DYNAMIC CORE BENEFITS

- **S&P 500 exposure using world's largest ETFs (Vanguard, SPDR, iShares)**
- **Extremely Low Cost**
- **Ability to avoid major bear markets using hedging (Inverse ETF – “SH”)**
- **Tax Efficient**
- ***Minimum Investment: \$25,000 (UMA Sleeve)***
- ***Minimum Investment: \$100,000 (SMA)***

\*See page 12 for more detail.

# PVG DYNAMIC CORE

## HOW DOES DYNAMIC CORE WORK?



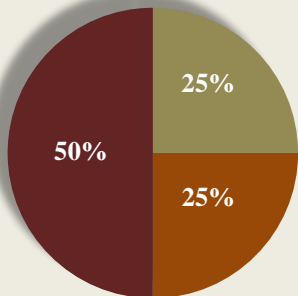
- The strategy follows the 200, 50 and 20 Day moving averages of the S&P 500 Index.
- When the market falls below the 200 Day Moving Average we move to a hedged or “Risk Off” position. If there is a bear market, PVG uses the 20-day moving average and 50-day moving average to try and find a market bottom. Otherwise it will move back to a long “Risk On” position when the market breaks back above the 200-day moving average.
- *Above is an example of a buy and sell signal using the 200-day moving average. The algorithm is a bit more complex; this is just a sample illustration.*

# DYNAMIC CORE

- PVG's Dynamic Core Strategy seeks to capture S&P 500 like returns and avoid significant market losses.
- The investments include 3 S&P 500 ETF's which will be equally weighted to an aggregate of 100% of the portfolio.
- The strategy employs technical indicators to generate trading signals which will attempt to create significant downside risk prevention.

## Long Portfolio

### DYNAMIC CORE LONG

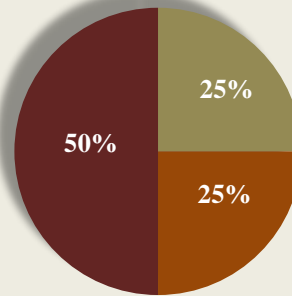


- Vanguard S&P 500 ETF (VOO)
- iShares S&P 500 ETF (IVV)
- SPDR S&P 500 ETF (SPY)

\*1% invested into cash/cash equivalent

## Neutral Portfolio

### DYNAMIC CORE NEUTRAL



- Vanguard S&P 500 ETF (VOO)
- iShares S&P 500 ETF (IVV)
- ProShares 1X Inverse S&P 500 ETF (SH)

\*1% invested into cash/cash equivalent

- When the trade signals are triggered the strategy moves to a neutral position.
- The equally weighted S&P 500 ETF's will reduce down to half (49.5%) of the portfolio and we shall purchase half (49.5%) of the portfolio into the ProShares Inverse S&P500 ETF 1X (SH).
- 1 % will remain invested in cash.

# DYNAMIC CORE COMPOSITE RETURNS

	Qtr 1		Qtr 2		Qtr 3		Qtr4		Annual		S&P 500
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	
<b>2021</b>	3.51	3.22	5.26	4.95	-0.17	-0.46			<b>8.77</b>	<b>7.83</b>	15.92
<b>2020</b>	-7.93	-8.21	3.83	3.52	7.16	6.87	5.54	5.24	<b>8.11</b>	<b>6.88</b>	18.40
<b>2019</b>	1.44	1.13	3.59	3.28	1.19	0.87	7.92	7.57	<b>14.74</b>	<b>13.33</b>	28.88
<b>2018</b>	-0.9	-1.16	3.1	2.78	7.48	7.17	-10.24	-10.53	<b>-1.44</b>	<b>-2.59</b>	17.79
<b>2017</b>	5.75	5.51	2.98	2.75	4.31	4.02	6.31	6.02	<b>20.75</b>	<b>19.56</b>	19.42
<b>2016</b>	0.58	0.33	2.3	2.05	3.7	3.46	1.83	1.81	<b>10.78</b>	<b>9.73</b>	9.53
<b>2015</b>	1.01	0.63	0.23	-0.09	-2.43	-2.73	-5.38	-5.59	<b>-6.53</b>	<b>-7.67</b>	-0.73

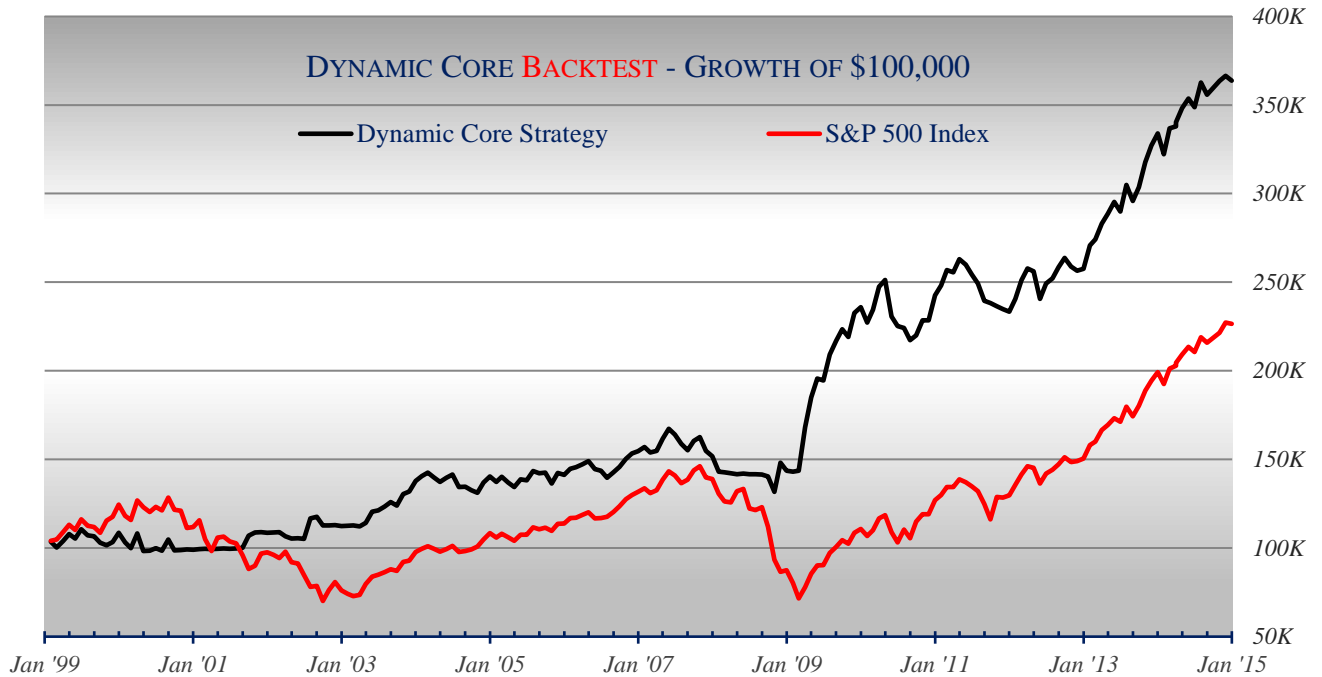
**\*\*\*Below is the Previous Track Record before change in strategy (See backtest on next page for Algorithm Results - 1999-2014)\*\*\***

<b>2014</b>	1.58	1.18	2.74	2.31	-1.65	-2.05	3.49	3.11	<b>6.22</b>	<b>4.55</b>	11.38
<b>2013</b>	4.02	3.56	-0.42	-0.88	2.44	1.98	3.53	3.09	<b>9.86</b>	<b>7.92</b>	29.61
<b>2012</b>	8.35	7.94	-2.27	-2.65	4.21	3.77	1.58	1.15	<b>12.1</b>	<b>10.28</b>	13.40
<b>2011</b>	3.18	2.75	-0.31	-0.7	-11.02	-11.38	6.4	5.98	<b>-2.62</b>	<b>-4.18</b>	2.11
<b>2010</b>	-1.9	-2.21	-3.57	-3.88	5.8	5.42	2.84	2.47	<b>2.92</b>	<b>1.53</b>	15.06
<b>2009</b>	-4.32	-4.57	11.95	11.69	-0.9	-1.12	0.43	0.15	<b>6.6</b>	<b>5.54</b>	26.46
<b>2008</b>	-0.81	-1.07	0.51	0.25	-0.57	-0.85	-4.32	-4.57	<b>-5.16</b>	<b>-6.16</b>	-37.0
<b>2007</b>	1.65	1.35	1.37	1.08	0.96	0.69	-1.48	-1.74	<b>2.48</b>	<b>1.35</b>	5.49
<b>2006</b>	2.18	1.85	-0.04	-0.33	7.41	7.06	4.82	4.5	<b>14.99</b>	<b>13.58</b>	15.79
<b>2005</b>	-4.09	-4.4	2.02	1.7	5.03	4.71	2.66	2.32	<b>5.5</b>	<b>4.17</b>	4.91
<b>2004</b>	2.81	2.45	-0.91	-1.27	-2.87	-3.21	8.78	8.41	<b>7.63</b>	<b>6.14</b>	10.88
<b>2003</b>	-2.4	-2.76	15.09	14.65	4.06	3.67	9.27	8.86	<b>27.72</b>	<b>25.81</b>	28.68
<b>2002</b>	-3.44	-3.83	-15.09	-15.41	-14.49	-14.82	8.19	7.78	<b>-24.15</b>	<b>-25.32</b>	-22.1
<b>2001</b>	-	-	-	-	-	-	20.16	19.66	<b>20.16</b>	<b>19.66</b>	-11.89

# DYNAMIC CORE BACKTEST RESULTS

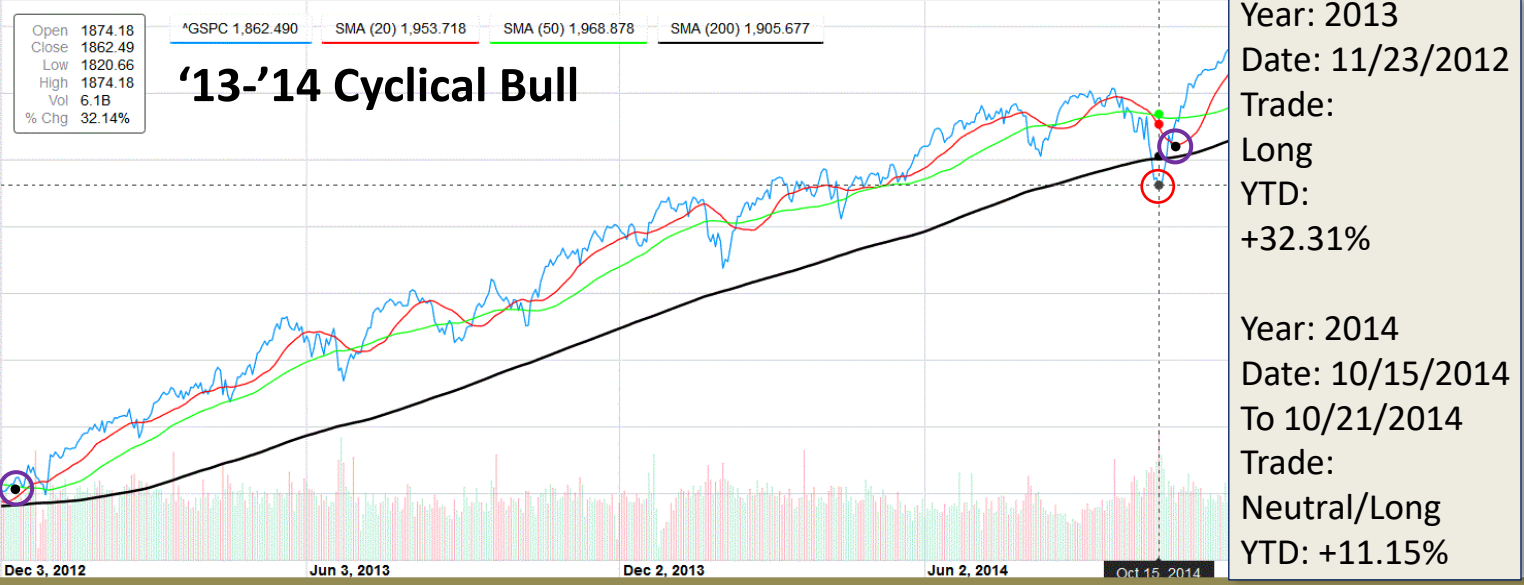
## BACKTEST AVERAGE ANNUAL RETURNS (NET OF FEES) DECEMBER 31, 1999 - DECEMBER 31, 2014

	1 YEAR	3 YEAR	5 YEAR	10 YEAR	INCEPTION
<b>DYNAMIC CORE</b>	8.94%	15.95%	9.05%	10.00%	8.54%
<b>S&amp;P 500 TR</b>	13.69%	20.41%	15.45%	7.67%	5.30%



Backtest Results	QTR 1		QTR 2		QTR 3		QTR4		ANNUAL		S&P 500
	GROSS	NET	GROSS	NET	GROSS	NET	GROSS	NET	GROSS	NET	
2014	1.70	1.19	5.16	4.63	1.13	0.63	2.76	2.25	11.15	8.94	13.70
2013	10.50	9.95	2.94	2.42	5.24	4.71	10.53	9.98	32.31	29.68	32.39
2012	11.02	10.46	-2.85	-3.33	6.35	5.82	-1.86	-2.35	12.57	10.34	16.00
2011	5.90	5.37	0.03	-0.47	-5.82	-6.29	-1.58	-2.08	-1.81	-3.76	2.11
2010	5.42	4.90	-8.48	-8.94	-1.84	-2.33	10.75	10.20	4.89	2.81	15.06
2009	17.63	17.04	16.28	15.70	15.38	14.81	6.11	5.58	67.47	64.14	26.46
2008	-5.91	-6.38	0.19	-0.31	-0.37	-0.87	2.84	2.33	-3.42	-5.33	-37.00
2007	0.66	0.16	6.39	5.86	-1.70	-2.19	-4.88	-5.35	0.15	-1.84	5.49
2006	4.69	4.17	-2.03	-2.52	2.07	1.56	6.61	6.08	11.62	9.40	15.79
2005	-2.02	-2.51	1.45	0.94	3.68	3.16	-0.35	-0.84	2.70	0.66	4.91
2004	1.98	1.47	1.64	1.13	-5.83	-6.30	6.46	5.93	3.92	1.85	10.88
2003	0.28	-0.22	8.50	7.96	2.77	2.25	11.86	11.30	25.08	22.60	28.68
2002	-1.26	-1.75	-0.89	-1.38	7.63	7.10	0.33	-0.18	5.68	3.59	-22.10
2001	0.79	0.29	0.74	0.23	7.99	7.45	1.99	1.48	11.82	9.60	-11.89
2000	0.18	-0.32	-7.20	-7.67	-0.89	-1.38	0.98	0.48	-6.95	-8.80	-9.10
1999	4.36	3.84	7.03	6.50	-6.43	-6.89	6.01	5.48	10.81	8.61	21.04

# DYNAMIC CORE **HYPOTHETICAL** TRADING SCENARIOS



○ = Long Signal      ○ = Neutral or Stop/Loss Signal



# Investing with an emphasis on Capital Preservation



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*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 9/30/2001. The Dynamic Core Strategy was redefined on 12/31/2014 to a technical algorithm overlay model. The Dynamic Core Strategy previously utilized subjective fundamental input and is now utilizing only algorithmic technical input. Additional information is available upon request.*

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