



**PVG Asset Management Corporation**  
LOSS AVERSE INVESTING

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## TACTICAL CORE STRATEGY

### UPDATE JUNE 2021

The Tactical Core Strategy (TCS) continued to significantly outperform the S&P 500 at quarter's end. June proved to be another volatile month with the S&P 500 dropping 2.09% mid-month taking it negative for the month before rebounding into months end. The TCS entered June in a slightly defensive stance holding its core position before adding one satellite position. For the month, the TCS was up 2.48%. For Q2 it was up 11.02% and year-to-date up 20.30%. TCS outperformed the S&P500 for all three timeframes and has produced **5.05% of Alpha** thus far in 2021. The inherent tactical nature and flexibility of the TCS was demonstrated once again in June. We began the month with the Core position SSO, (a leveraged long ETF that is two times the S&P 500) unchanged from the previous month at 45% providing a slightly defensive stance at 90% of market value. We maintained this slightly defensive stance anticipating volatility going into the June 15<sup>th</sup> Federal Reserve FOMC meeting. The market declined 2.09% and was riled by St. Louis Fed Chairman Bullard's hawkish comments. The TCS took advantage of the decline and added a Satellite position. We bought a 15% position in the Invesco QQQ on the 18<sup>th</sup> which proved to be the S&P 500's low for the month. The QQQ satellite purchase increased our allocation from slightly defensive to a slightly offensive bringing the strategy to 105% of market value. We maintained this slightly offensive stance into the quarter's end.

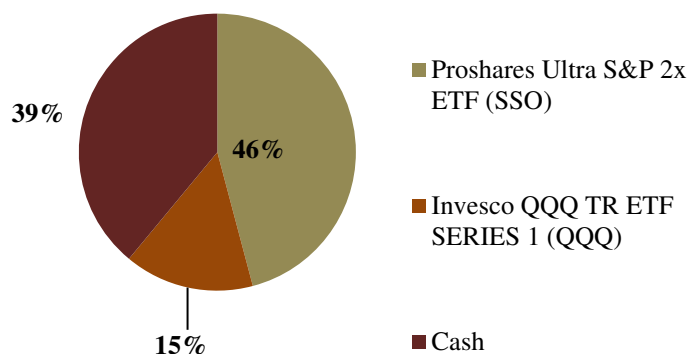
With the market hitting new all-time highs this year we have maintained a slightly defensive stance in the Core position at 90% of market value this entire year. Using tactical satellite trades we continue to extend our significant and consistent outperformance over the S&P 500 for the YTD as well as the past 1-3-5-year time periods (see annualized Gross returns below). This year it has **outperformed all three major indices**, the S&P 500 by 5.72%, Nasdaq by 8.05%, and the DOW by 7.18%. Every satellite trade executed for the past nine months running has provided positive gains adding Alpha to our strategy.

The TCS offers the ability to diversify away from traditional asset allocations models and obtain an actively managed strategy designed for volatile markets. The TCS is an aggressive yet extremely flexible strategy and can react quickly to market movements by maintaining a defensive or offensive Core position, initiating Satellite trades as well as Hedging. Our goal is to achieve positive annual returns and mitigate risk thereby adding **Protection, Value and Growth** for our clients.

#### PERFORMANCE AS OF 06/30/2021 (NET OF FEES)

	TACTICAL CORE	S&P 500	+/-
YTD	20.30%	15.25%	+5.05
1 YEAR	46.02%	40.79%	+5.23
3 YEAR ANNUALIZED	23.44%	18.67%	+4.77
5 YEAR ANNUALIZED	21.40%	17.65%	+3.75
SINCE INCEPTION (11/28/08)	15.60%	15.63%	-0.03

## Current Allocation



YTD Trades Security Symbol	Buy Date	Sell Date	Gain/Loss
Etsy Inc. (etsy)	01/28/21	02/08/21	+13.16%
Square Inc. (sq)	01/28/21	02/09/21	+16.58%
iShares ETF Russell 2000 (iwm)	02/22/21	03/16/21	+2.84%
Sector SPDR Financial (xlf)	02/22/21	03/16/21	+4.65%
Deere & Co. (de)	03/05/21	03/23/21	+6.04%
Nucor Corp. (NUE)	04/30/21	05/20/21	+20.79%
Caterpillar Inc. (CAT)	04/30/21	05/20/21	+2.44%
Invesco QQQ TR ETF (QQQ)	05/19/21	05/19/21	+0.31%
Invesco QQQ TR ETF (QQQ)	06/18/21		+3.39%

### Risk Considerations:

#### Past performance is not a guarantee of future results.

Performance results except as noted below are a "composite" of all Tactical Core Strategy accounts managed by PVG and are presented before the deduction of management fees but reflect the reinvestment of dividends and capital gains. Management fees may vary based on, among other factors, account size and custodial relationship. Annual returns are compounded over the specified period and are GIPs compliant. The "composite" was created 10/31/2016 and was previously known as the Global Macro portfolio strategy prior to 06/30/2020. Additional information is available upon request.

Presented historical S&P performance results do not reflect the deduction of transaction and/or custodial charges or an investment management fee, the incurrence of which would reduce historical S&P results.

No current or prospective client should assume future performance of any investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Contributions or withdrawals and other factors may cause the performance results of an individual portfolio to differ materially from reported composite performance. Different types of investments involve varying degrees of risk, and we make no claim that this investment strategy will either be suitable or profitable for a client's investment portfolio. Economic factors, market conditions, will affect the performance of any portfolio and we make no claim that this strategy will match or outperform any particular benchmark or index. This portfolio strategy will have materially different volatility than the presented index. The Tactical Core Strategy utilizes inverse and leveraged index products. Inverse and leveraged ETFs are considered risky. The use of inverse strategies in a portfolio magnifies gains or losses of the portfolio, but also increases risk. 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 this reset and compounding, inverse fund performance over longer periods of time can differ significantly from the performance of their underlying index or benchmark during the same period of time.