PVG Asset Management
LOSS AVERSE INVESTING

Market in a Minute

March 22, 2022

Index Performance: As of March 18, 2022			
Index	**Price**	**Last Week**	**YTD**
S&P 500	$ 4,463.12	6.16%	-6.36%
Dow Jones	$ 34,754.93	5.50%	-4.36%
NASDAQ	$ 13,893.84	8.18%	-11.19%
Russell 2000	$ 10,824.46	5.43%	-6.86%
Russell 2000 Growth	$ 9,472.86	7.71%	-11.63%
Russell 2000 Value	$ 16,239.86	3.42%	-2.08%
Russell 1000 Value	$ 2,751.34	8.36%	-11.03%
SPDR Gold Shares	$ 179.30	-3.13%	4.88%
GS Crude Oil Total Return	$ 250.00	-3.85%	77.03%
Powershares US $ Index	$ 26.25	-0.98%	2.42%
Ishares EAFE Index	$ 73.77	7.46%	-6.24%
Barcleys Aggragate Bond Index	$ 108.10	-0.29%	-5.24%
iShares Barclays 20+ Yr Treasury Bond	$ 133.44	-1.09%	-9.95%
Utilities Select Sector ETF	$ 70.34	-0.13%	-1.73%
Vanguard REIT ETF	$ 106.40	2.63%	-8.28%
iShares Mortgage Real Estate	$ 32.40	1.69%	-6.11%
Alerian MLP ETF	$ 36.23	-2.92%	10.66%
iShares Global Telecom	$ 74.06	6.39%	-9.94%
ETFMG Alternative Harvest ETF	$ 9.74	12.08%	-12.09%
Grayscale Bitcoin Trust	$ 28.70	12.50%	-16.20%
Shanghai SE Index	$ 3,251.07	-1.77%	-10.17%

A Word on the Market

By: Patrick Adams, CFA

March Madness: It is not just the college basketball tournament, the financial markets are experiencing their own madness. You can see from the performance column the indices that performed the worse generally performed the best last week. So, what changed? A 6% move in the S&P 500 is unusual but these big bounces do occur in bear markets. It keeps the short-sellers honest. Perhaps the market discounted too much negativity related to the war. The Federal Reserve announcement last Wednesday about future rate increases was much more negative than the market expected, but it did not spook the market except for the first hour after the announcement. Generally, we believe there is an underlying theme that stocks are better than bonds given the inflationary pressures and Federal Reserve actions so if they deviate too much then stocks will rally. The S&P 500 Index and the Barclays Aggregate Bond Index (or Bloomberg) have declined about the same this year. You cannot hide in bonds unless it is very short in maturity. We believe if stocks sell off too much they will revert back to the performance of bonds for now. This may continue until the outlook for the economy turns toward recession. We theorize, if bonds continue to decline in price (yields go higher) stocks will decline as well but not as bad as history dictates, which could create these trading moves.

Source: Bloomberg & Yahoo.com, Returns are appreciation only.

S&P Sector Performance: As of March 18, 2022

Index	Price	Last Week	YTD
Information Technology	$ 2,722.71	7.87%	-10.89%
Consumer Disc.	$ 1,437.52	9.27%	-10.76%
Consumer Staples	$ 773.04	3.82%	-3.92%
Health Care	$ 1,593.48	6.24%	-3.07%
Financials	$ 647.02	7.14%	-0.46%
Industrials	$ 102.50	4.66%	-3.13%
Energy	$ 559.78	-3.58%	32.42%
Communications Services	$ 232.31	5.79%	-13.15%
Utilities	$ 357.55	0.52%	-1.69%
Materials	$ 539.10	5.18%	-5.36%
Real Estate	$ 2,722.71	7.87%	-10.89%

Source: Bloomberg website, Returns are appreciation only.

PVG Strategies

Tactical Strategies	YTD
Tactical Total Return	-5.3%
Dynamic Core	-4.7%
Tactical Core	-8.3%
Loss Averse	
Loss Averse Equity Income	.6%
Navigator Growth	-2.8%
Specialty	
Emerging Healthcare	-8.3%
Value	
U.S. Large Cap	1.7%
Income	
High Income	0.2%
U.S. Corporate Bond	-3.1%

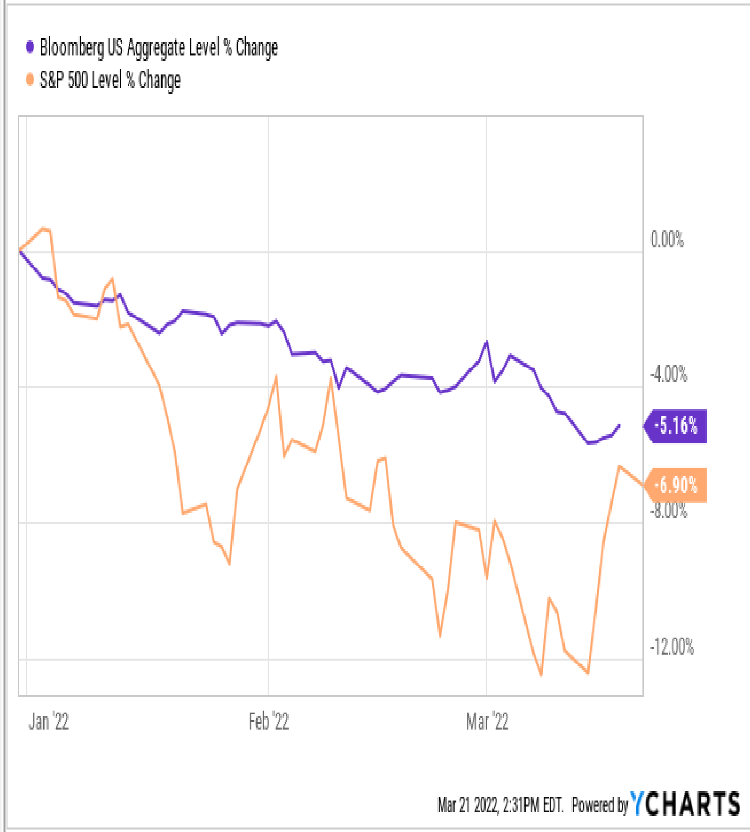
Interest Rates

Fed Fund	.33 %	5-Year	2.17 %
3-Month	0.40 %	10-Year	2.20 %
6-Month	0.81 %	30-Year	2.50 %
2-Year	1.94 %		

Source: Bloomberg.com

Economic Events This Week

Bond Market Year to Return Versus Stock Market



Federal Reserve Announcement: From the Fed meeting last Wednesday, the Fed really racketed up their expectations in interest rate increases moving to 1.9% by 2022 from .9% and up to 2.8% by 2023 and brought down GDP growth to 2.8% from 4.0%. The markets do not seem to believe Powell will be this aggressive. As we enter the second half of the year and move into next year, if the Fed remains on track, the stock market will likely begin falling faster than the bond market. In the short-term, the Federal Reserve's policy shift is negative, to say the least, but is a good start to bring down inflation. The Fed's policy is bearish!

PVG Strategies: Our strategies are performing well. Our Tactical Total Return Strategy and Dynamic Core are our more conservative strategies, as an example in 2008, both were down less than -6% gross of fees, while the S&P 500 was down close to -40%. Our Tactical Core strategy performs extremely well in rising markets, up 36.9% in 2021, 29.5% in 2020, and 39.6% in 2019, gross of fees. Our Loss Averse Equity Income strategy is positive for the year and this strategy had positive returns in 2008, (High Income is similar but with a higher yield than Loss Averse Equity Income). Our Value strategy is a concentrated portfolio and has positive returns this year. U.S. Corporate Bond is performing better than the overall bond market due to a position in gold. Lastly, our Emerging Healthcare strategy is very unique, investing in mostly companies developing drugs rather than having significant revenues. These stocks tend to be volatile, and some drugs don't work. The risk should

Date	Report	Forecast	Previous
23-Mar	Crude Oil Inventories		4.3M
23-Mar	CPI y/y	6.0%	5.5%
24-Mar	German Flash Manufacturing PMI	55.9	58.4
24-Mar	German Flash Services PMI	54.3	55.8
24-Mar	Unemployment Claims	210K	214K

Source: Briefing.com

Economic Events Last Week

15-Mar	Empire State survey shows New York manufacturing activity slowed in March
15-Mar	U.S. wholesale inflation surges to 10%
16-Mar	Import prices jump 10.9% in the past year
17-Mar	Pushing through inflation, labor shortages and rising rates, new-home construction starts to improve
18-Mar	Leading index shows the economy speeds up, but it could still run into some issues

provide very significant returns overtime to compensate investors for the risk.

Technicals: With the significant rally last week the technical are better. Still below the 200-day for the S&P 500, but has broken above the shorter-term moving averages, now above the 50 and 20, pushing some of our strategies from zero market exposure to 50% invested. The market is very overbought in the short-term, so we are watching this big up move cautiously.

Phone:(303)874-7477
Email: jholt@pvgasset.com
Website: www.pvgassetmanagement.com