PVG Asset Management
LOSS AVERSE INVESTING

Market in a Minute

November 4, 2025

Index Performance: As of October 31, 2025			
Index	**Price**	**Last Week**	**YTD**
S&P 500	6,840.20	0.71%	16.30%
Dow Jones	47,562.87	0.75%	11.80%
NASDAQ	23,724.96	2.24%	22.86%
Russell 2000	13,553.78	-1.35%	12.39%
Russell 2000 Growth	12,433.49	-0.36%	15.27%
Russell 2000 Value	19,206.72	-2.43%	9.32%
Russell 1000 Growth Total Return	5,065.85	1.80%	21.50%
SPDR Gold Shares	368.12	-2.49%	52.03%
Powershares US $ Index	28.21	1.07%	-4.11%
Ishares EAFE Index	94.49	-0.58%	24.97%
Barclays Aggregate Bond Index	100.21	-0.92%	3.42%
iShares Barclays 20+ Yr Treasury Bond	89.96	-1.65%	3.01%
Utilities Select Sector ETF	89.1	-2.51%	17.72%
Vanguard REIT ETF	89.18	-3.52%	0.11%
iShares Mortgage Real Estate	21.86	-2.10%	2.39%
Alerian MLP ETF	46.64	-0.21%	-3.16%
iShares Global Telecom	122.74	-0.83%	26.97%
ETFMG Alternative Harvest ETF	32.41	-6.65%	20.57%
Grayscale Bitcoin Trust	86.02	-0.77%	16.21%
Shanghai SE Index	3,954.79	0.11%	17.99%

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

A Word on the Market

By: Patrick Adams, CFA

Federal Reserve/Treasury Department:

- Powell indicates that another rate cut in December is **"Far from a foregone conclusion."** This statement is understandable but could have been phrased much more eloquently! With no government data we how they see things, but the Fed relied on **the flawed employment data and kept rates too high**. The ADP data and Beige Book give plenty of insight into the economy.
- Now the upper end of the range is 4% on the Federal Funds rate. We believe it should be another .50% lower to get in line with the market, or 2-Treasury.
- We would like to see rates down at 3% to get the rest (non-AI build out) of the economy growing.
- **Quantitative tightening is finally over**, as we had hoped. This money will now flow into buying T-Bills, which will help the plumbing of the financial system.
- **Bessett, the Treasury Secretary, has made it clear that he wants to bring down rates on the important 10-Year Treasury and expect more borrowing in the short end of the curve to allow longer term rates to fall.**
- **Inflation,** the key to bringing down inflation**, is to lower energy prices and this is happening.** Gasoline prices appear to be trying to break $3.00 per gallon.
- **Trump's policies of bringing back production to the U.S. is inflationary as manufacturing in the**

S&P Sector Performance: As of October 31, 2025			
Index	**Price**	**Last Week**	**YTD**
Information Technology	5,960.13	2.98%	29.30%
Consumer Disc.	1,963.14	2.77%	7.21%
Consumer Staples	848.7	-3.67%	-0.58%
Health Care	1,680.03	-1.24%	4.69%
Financials	870.44	-1.48%	8.20%
Industrials	155.06	0.10%	17.68%
Energy	674.74	0.00%	3.04%
Communications Services	429.97	0.57%	25.85%
Utilities	452.13	-2.56%	17.45%
Materials	541.6	-3.72%	2.23%
Real Estate	257.6	-3.91%	0.66%

Source: Bloomberg website, Returns are appreciation only

PVG Strategies			
Tactical Strategies	**QTD**	**YTD**	**Average Annual Return as of 9/30/25**
Tactical Total Return	-0.33%	4.48%	8.42%
Dynamic Core	0.71%	7.25%	9.05%
Tactical Growth	2.05%	4.89%	19.92%
Loss Averse			
Loss Averse Equity Income	-0.57%	3.17%	3.82%
Specialty			
Emerging Healthcare	2.38%	14.84%	67.64%
Focus			
High Income Focus 10	-0.33%	6.87%	7.06%
Growth Focus 10	0.90%	8.11%	9.90%
Emerging Healthcare Focus 10	3.47%	20.64%	15.83%
Strategic			

U.S. is more costly than in China as an example, but much better for GDP growth.

- **Bessett would be a solid Fed Chairman!**

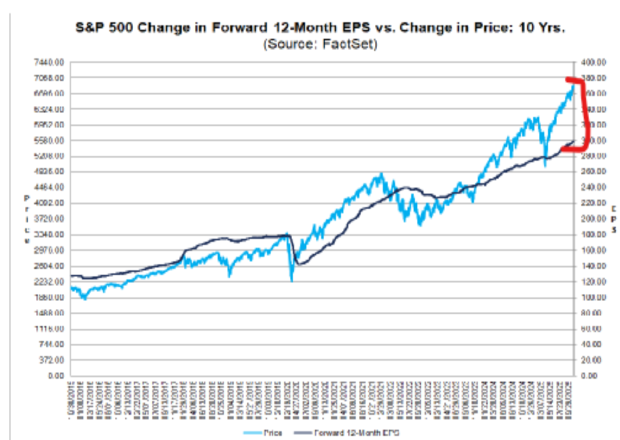
Regular Gasoline Prices

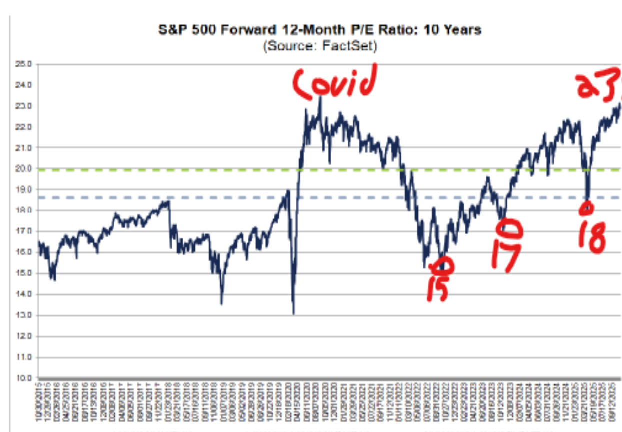
Market Valuations:

- **S&P 500 is 23x next 12 months' earnings, clearly now overvalued. Very vulnerable to a significant pullback.**
- **Without AI stocks the market would be 17x, or down 26%. The AI buzz better not wear off.**

EARNINGS INSIGHT FACTSET

Forward 12M P/E Ratio: 10-Years





Tactical Aggressive	2.64%	10.33%	15.55%
Tactical Moderate	1.31%	5.33%	11.02%
Tactical Conservative	-0.14%	4.94%	8.08%
Tactical Income	-0.54%	6.45%	7.37%

Interest Rates			
Fed Fund	3.87 %	**5-Year**	3.72%
3-Month	3.92%	**10-Year**	4.11%
6-Month	3.79%	**30-Year**	4.65%
2-Year	3.61%		

Source: Bloomberg.com

Economic Events This Week

Date	Report	Forecast	Previous
Nov 04	Trade Balance	-$61.7B	NA
Nov 05	ADP Employment Change	26K	-32K
Nov 05	ISM Services	50.9%	50.0%
Nov 06	Productivity-Prel	2.5%	3.3%
Nov 06	Unit Labor Costs-Prel	0.8%	1.0%
Nov 07	Univ. of Michigan Consumer Sentiment – Prelim	54.0	53.6

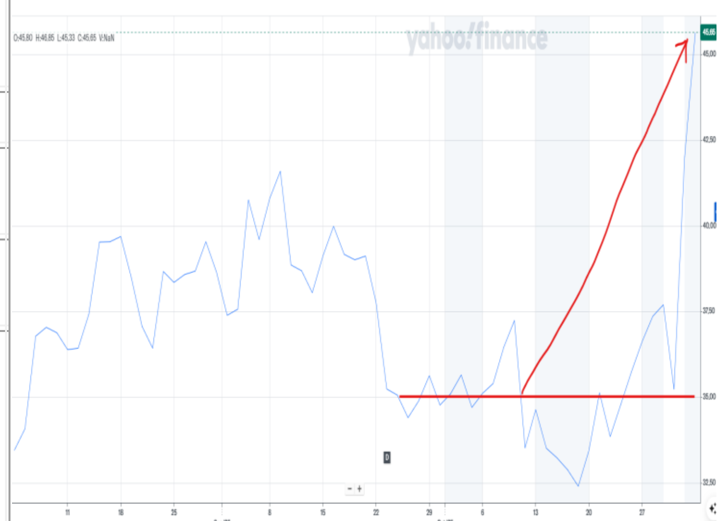
Economic Events Last Week

Oct 28	A positive surprise as consumers' assessment of labor-market conditions adds to sense of economy is surviving

Mag 7:

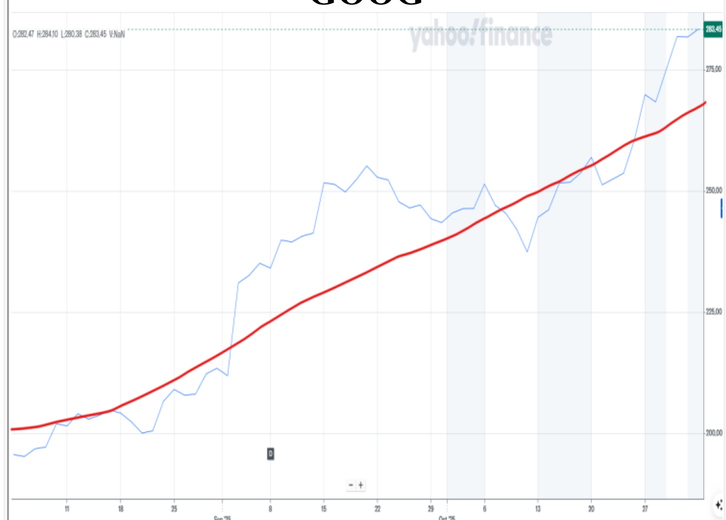
- The beauty of this group was that they had high margin and very low capital intensity, producing great high cash flow, but for now that margin has moved to NVDA.
- **META** is seeing what we have feared, is the build out of AI is very costly and is lower margin business. Revenues grew a strong 26% in the third quarter and pretax income went up 21.6%, down from 35.9% in the second quarter.
- **GOOG** revenues increased 15.9% and pretax up 38.7%.
- **MSFT** revenues increased 18.4% and pretax up 13.3%.
- **AMZN** revenues increased 13.4% and pretax up 56.2%.
- **Our call on AMZN to buy AMZU, the 2x ETF of AMZN, worked out very well.**
- **AMZN is still undervalued, GOOG is okay, very well positioned but the stock has had a big run, MSFT is not exciting and META is in the weakest position.**

AMZU



META

GOOG



Other Stocks

- **GRAL**- the market has finally figured this company out.
- **BAX- is a value trap,** they continue to cut their forecast due to their IV business, which will get fixed…some day!
- **KMB- we are surprised by KMB announcing the merger with KVUE…**bad move in the short term but very positive long term.
- **VERU- very dilutive stock offering.**
- **DERM- stock trading on strong Rosacea prescriptions. Here are the numbers, last quarter was 6435 and the third quarter was 17356, up nearly 3x, we were expecting up 2x!!!!**
- **AVXL-down due to a short report pointing out the obvious, assuming trading below cash if the drug is not approved by the EU. This assumption is about a 10% likelihood of trading below cash. The company has a nice pipeline and had very good phase 2b/3 clinical results. There is clearly a drug**

here and a nice pipeline. Expect an FDA update soon. At a $600 million market cap there is not a lot of risk and very large upside! We think the stock is going to be recommended by new Wall Street firms, the stock at $7.75 is compelling, we see most analyst that understand the company with targets above $40. This could be a $20 billion AD drug.

GRAL

BAX $80 to $18 Over Three Years

DERM

AVXL

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