PVG Asset Management

LOSS AVERSE INVESTING

Market in a Minute

March 3, 2026

Index Performance: As of February 27, 2026			
Index	**Price**	**Last Week**	**YTD**
S&P 500	6,878.88	-0.44%	0.49%
Dow Jones	48,977.92	-1.31%	1.90%
NASDAQ	22,668.21	-0.95%	-2.47%
Russell 2000	14,447.91	-1.15%	6.20%
Russell 2000 Growth	12,644.37	-0.58%	3.23%
Russell 2000 Value	21,546.49	-1.75%	7.82%
Russell 1000 Growth Total Return	4,705.01	-0.79%	-5.47%
SPDR Gold Shares	483.75	3.23%	22.06%
Powershares US $ Index	27.08	-0.04%	0.18%
Ishares EAFE Index	105.38	0.46%	9.74%
Barclays Aggregate Bond Index	101.08	0.18%	1.20%
iShares Barclays 20+ Yr Treasury Bond	90.52	1.24%	3.85%
Utilities Select Sector ETF	47.73	3.02%	11.81%
Vanguard REIT ETF	95.69	0.85%	8.14%
iShares Mortgage Real Estate	22.62	-0.09%	1.98%
Alerian MLP ETF	52.04	0.48%	10.68%
iShares Global Telecom	122.26	0.52%	0.86%
ETFMG Alternative Harvest ETF	25.96	0.50%	-12.86%
Grayscale Bitcoin Trust	51.13	-3.18%	-25.20%
Shanghai SE Index	4,162.88	0.70%	4.89%

A Word on the Market

By: Patrick Adams, CFA

Middle East

- So far things are playing out very much as we expected, with age or experience comes wisdom. When we had these types of military conflicts in the past, some were much worse; the market discounts the fear of what will happen prior to military action, which is then followed by a rapid recovery.
- The market did not have much of a pullback prior to the conflict, but has had a significant rotation inside the market; some sectors have declined meaningfully.
- Oil prices historically rise prior to when the action occurs, can spike, but then recede. Oil rose about 18% year-to-date as of Friday and is up on Monday as we write this update another roughly 6%.
- Some of our research sources thought the military action would start on Thursday, we expected Friday after the stock market closed. Without question, the market did anticipate it would occur.
- Energy stocks are up with many of the defense and related stocks. We would be

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

S&P Sector Performance: As of February 27, 2026			
Index	**Price**	**Last Week**	**YTD**
Information Technology	5,365.45	-2.17%	-5.60%
Consumer Disc.	1,854.79	-0.48%	-3.82%
Consumer Staples	1,003.08	2.71%	15.98%
Health Care	1,864.30	2.14%	3.23%
Financials	853.79	-1.96%	-6.34%
Industrials	177.14	-0.05%	14.20%
Energy	855.1	2.01%	24.41%
Communications Services	453.56	0.49%	0.26%
Utilities	482.91	2.89%	11.32%
Materials	675.69	1.26%	17.63%
Real Estate	278.35	0.70%	9.14%

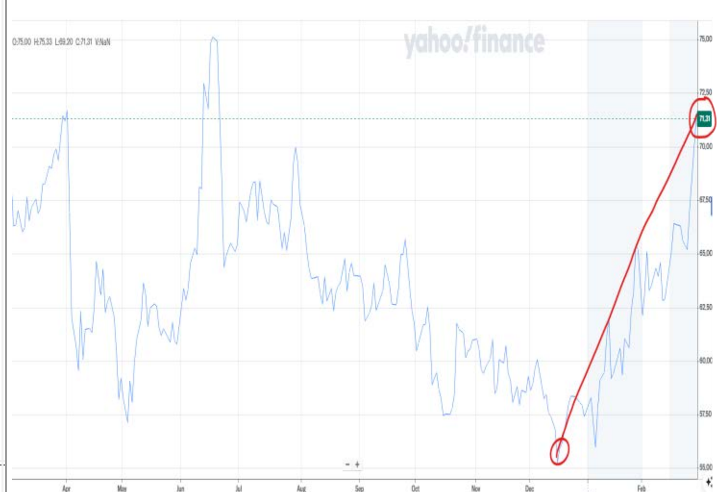
Source: Bloomberg website, Returns are appreciation only

PVG Strategies			
Tactical Strategies	**QTD**	**YTD**	**Average Annual Return as of 12/31/25**
Tactical Total Return	0.58%	0.58%	9.27%
Dynamic Core	-0.09%	-0.09%	9.18%
Tactical Growth	-6.70%	-6.70%	23.96%
Loss Averse			
Loss Averse Equity Income	3.05%	3.05%	4.24%
Specialty			
Emerging Healthcare	-12.26%	-12.26%	78.79%
Focus			
High Income Focus 10	3.04%	3.04%	7.44%
Growth Focus 10	0.34%	0.34%	14.74%

surprised if the active part of the conflict lasts more than a few weeks.

- The Strait of Hormuz is not blocked by Iran, but ships are not moving through it as it is not safe to pass, which supplies about 20% of global oil consumption, oil prices could rise the longer the Strait is not passable.
- What has surprised us, Iran has fired on their neighbors, the most significant is the natural gas facilities in Qatar, which produce about 5% of the world's total natural gas. The U.S has plenty of natural gas to fill the shortage should it need to.
- What happens next, we think it may take longer than expected to change the leadership in Iran as perhaps the citizens may need to exert action. The bottom line, as we see it, energy prices may stay elevated for a short period and then potentially decline meaningfully. The issue is Iran will likely be cut off exporting oil until the U.S. feels comfortable with the new government. The amount of oil that Iran exports is about 2% of global consumption and is something that can be made up by OPEC.

Oil



Emerging Healthcare Focus 10	-18.70%	-18.70%	25.59%
Strategic			
Tactical Aggressive	0.01%	0.01%	15.87%
Tactical Moderate	-1.89%	-1.89%	11.39%
Tactical Conservative	2.10%	2.10%	8.46%
Tactical Income	2.70%	2.70%	7.50%

Interest Rates			
Fed Fund	3.64 %	**5-Year**	3.57%
3-Month	3.68%	**10-Year**	4.02%
6-Month	3.61%	**30-Year**	4.67%
2-Year	3.42%		

Source: Bloomberg.com

Economic Events This Week

Date	Report	Forecast	Previous
Mar 02	ADP Employment Change	42K	22K
Mar 04	ISM Non-Manufacturing Index	53.9%	53.8%
Mar 05	Productivity-Prel	4.0%	4.9%
Mar 05	Unit Labor Costs-Prel	0.2%	-1.9%
Mar 06	Nonfarm Payrolls	60k	130K
Mar 06	Unemployment Rate	4.3%	4.3%
Mar 06	Average Hourly Earnings	0.3%	0.4%
Mar 06	Average Workweek	34.3	34.3
Mar 06	Retail Sales	-0.1%	0.0%

Stock Market Update:

- We think the issues for the market continue to be the same.
- Inflation may remain a little higher as energy prices stay high, but we believe it will turn into a positive. This should allow rotation to continue into economically sensitive sectors of the stock market, but there may be a delay until oil prices fall (ONON, FND, many other retailers, housing, and potentially auto stocks).
- Technology stocks continue to be a concern for the market, but many stocks have declined meaningfully, particularly the software stocks and AI stocks. We think the expectations and ownership in technology have gotten too elevated. There are interesting stocks with the pullback (MRVL, NOW, CRM, AMZN, UBER). Anthropic picked a fight with the wrong guy! Big win for OpenAI.
- Credit concerns are also running through the market but are not actually showing up to any significant degree in terms of loan losses. It is not an issue currently for the bond market, but it is for the stock market. The focus has been on the private debt market relating more to liquidity issues for retail investors and not credit issues. This has created some opportunities for us in public equities (OTF, RWAY, COF).
- We continue to believe the markets will be volatile this year and we could have a significant correction.
- Druckenmiller scenario, 10-Year yield up significantly, Regional Banks down significantly KRE, spreads widening

Mar 06	Retail Sales, ex-auto	0.2%	0.0%
Mar 06	Consumer Credit	$9.9B	$24.0B

Economic Events Last Week	
Feb 24	U.S. economy has eased. Consumer confidence is positive for first time in 6 months.
Feb 27	Wholesale prices rise sharply and point to persistent inflation

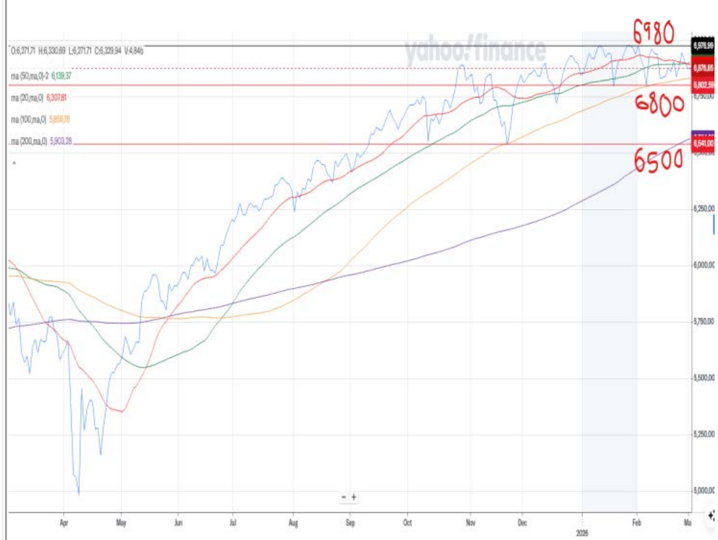
significantly for low quality bonds, so far no signs occurring. Watch the technicals!

- Our goal is to be well positioned for this volatility and when there are dislocations in the market, we can be opportunistic, keep some dry powder, or have some inverses.

Technicals:

- The S&P 500 has been stuck in a very tight range between 6800 on the low end of the range and up to 6980 on the high end for about 3 months, with 6 breaks of the 50-day.
- If not for the rotation and looking at what has occurred in the technology sector implies about a -10% decline.
- The longer the market holds the odds of a meaningful rally goes up as long as the 2027 outlook remains positive.

S&P 500 Index



Biotechnology:

- A quick update from the OPCO Healthcare conference. The story that really stood out for us was Immuneering (IMRX) this is a Pancreatic Cancer drug that will start phase 3 later this year, but may take a couple of years to complete.
- They did a head-to-head comparison with Revolution Medicines (RVMD) drug which is wrapping up phase 3, the two drugs are somewhat similar, but it appears IMRX is better.
- Market cap of RVMD is $19.6 billion and IMRX is $320 million, but RVMD is a couple of years ahead. Sounded like there was a lot of interest from big Pharm on IMRX. They could not possibly sell now at this low valuation!