



The value CMG brings to institutions and financial advisors is our extensive, rigorous third party due diligence process. We review hundreds of money managers each year and are very selective as to which firms we partner with. We bring the best of the best investment strategies to market as efficient and liquid investment solutions for our clients and partners.

The following steps describe the details of our third party manager due diligence process:

Initial Screening- Filters:

Sources: Databases & Publications, Solicitations, Advisor Referrals, Networking, Conferences, Industry Affiliations, Third Party Service Providers

Quantitative Filters: Risk vs. Return, Max DD, Alpha

Qualitative Filters: AUM - \$50 MM firm-wide, \$25 MM Strategy, Minimum Track Record, Performance Evaluation, Regulation/Registration, High Integrity/Clean Background Check, Annualized Return > 5.0%

Introductory Meeting/Call – Preliminary Document Review:

Marketing Materials, Organizational Chart, Due Diligence Questionnaire, Performance Track Record, ADV Part I, 2A and 2B

Review DDQ & Requested Documents:

CMG's Due Diligence Questionnaire, AUM of Funds and Managed Accounts, Review of regulatory audit and response letters, Code of Ethics, Compliance Manual and Annual Compliance Review, Disaster Recovery Plan, Backup Systems

Reference Checks – Key Relationships:

Full Background Checks, Principal/Portfolio Manager Professional References, Service Providers contact information

On-Site Due Diligence:

Trading, Risk Management, Performance, Compliance, Legal, Back-Office, Investor Base

Performance Evaluation & Verification:

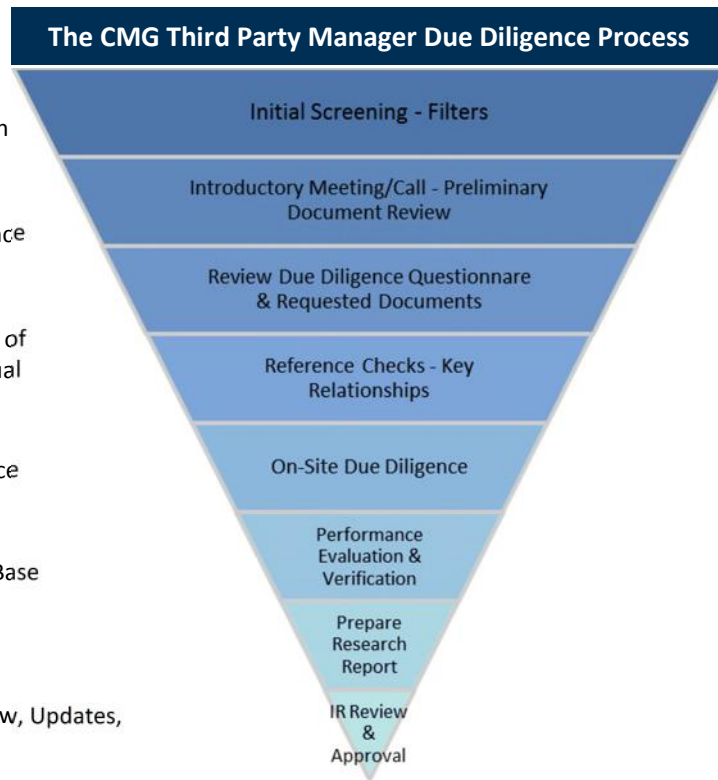
Performance Verification, Audited financial statements

Prepare Research Report:

Strategy Description, Portfolio Overview, Risk Management, Organizational Overview, Updates, Manager Dossiers

IR Review & Approval:

Investment Decision, Investment Funding



CMG Manager Risk Management

Managers on the CMG Investment platform are subject to ongoing review and analysis:

Risk Monitoring / Manager Review: Daily Performance Tracking, Signal Monitoring, Trend Analysis, Manager Review (Quarterly Calls, On-site Visits).

Manager Platform Changes:

Investment strategy experiences significant “headwinds” which are detrimental to generating acceptable returns

Excessive capital growth creates an inability to generate acceptable returns in stated investment strategy (i.e. micro/small cap manager with capital of \$1 billion)

Manager fails to deliver expected returns or significantly underperforms their benchmark and/or peer group

Significant style drift - Manager deviates from stated investment strategy or violates risk control disciplines

Manager experiences significant organizational or personal changes that could adversely impact their ability to manage day-to-day operations