



Wealth through ingenuity.

# CMG CORRELATION MATRIX

## Correlation Matrix - Rolling 1 Year

Time Period: 2/1/2019 to 1/31/2020

	1	2	3	4	5	6	7	8	9	10	11	12	13
1 CMG Managed HY Bond Program	1.00												
2 CMG Tactical Rotation Strategy	0.55	1.00											
3 CMG Tactical All Asset Variable Annuity Strategy	0.44	0.70	1.00										
4 CMG Tactical All Asset Strategy	0.41	0.73	0.92	1.00									
5 CMG Tactical Equity Strategy	0.60	0.57	-0.01	0.03	1.00								
6 CMG Beta Rotation Strategy	0.42	0.25	0.73	0.58	-0.32	1.00							
7 CMG Tactical Fixed Income Strategy	0.15	-0.06	0.30	0.39	-0.28	0.50	1.00						
8 CMG Large Cap Long/Flat Strategy	0.59	0.74	0.71	0.74	0.22	0.58	0.03	1.00					
9 CMG Mauldin Smart Core Strategy	0.51	0.69	0.86	0.85	0.17	0.62	0.27	0.83	1.00				
10 CMG Large Cap Long/Short Strategy	0.53	0.74	0.67	0.73	0.22	0.50	-0.05	0.99	0.80	1.00			
11 Global Allocation Benchmark	0.65	0.71	0.66	0.70	0.38	0.46	-0.05	0.94	0.86	0.94	1.00		
12 S&P 500 TR USD	0.65	0.71	0.72	0.72	0.21	0.61	0.01	0.99	0.83	0.97	0.94	1.00	
13 BBgBarc US Agg Bond TR USD	-0.50	-0.52	-0.09	-0.07	-0.48	-0.04	0.49	-0.49	-0.02	-0.50	-0.42	-0.50	1.00

## Correlation Matrix (Excess Returns vs. S&P 500 TR USD) - Rolling 1 Year

Time Period: 2/1/2019 to 1/31/2020

	1	2	3	4	5	6	7	8	9	10	11	12	13
1 CMG Managed HY Bond Program	1.00												
2 CMG Tactical Rotation Strategy	0.71	1.00											
3 CMG Tactical All Asset Variable Annuity Strategy	0.95	0.75	1.00										
4 CMG Tactical All Asset Strategy	0.96	0.75	0.99	1.00									
5 CMG Tactical Equity Strategy	0.85	0.82	0.74	0.76	1.00								
6 CMG Tactical Fixed Income Strategy	0.94	0.65	0.96	0.97	0.69	1.00							
7 CMG Beta Rotation Strategy	0.60	0.24	0.68	0.63	0.19	0.73	1.00						
8 CMG Mauldin Smart Core Strategy	0.94	0.73	0.98	0.98	0.76	0.95	0.64	1.00					
9 CMG Large Cap Long/Flat Strategy	0.43	0.58	0.50	0.54	0.44	0.52	0.19	0.52	1.00				
10 CMG Large Cap Long/Short Strategy	0.19	0.41	0.28	0.34	0.29	0.22	-0.19	0.30	0.79	1.00			
11 Global Allocation Benchmark	0.91	0.69	0.90	0.91	0.86	0.85	0.42	0.93	0.52	0.42	1.00		
12 S&P 500 TR USD												1.00	
13 BBgBarc US Agg Bond TR USD	0.94	0.64	0.97	0.98	0.70	0.97	0.66	0.99	0.51	0.29	0.91		1.00

## INVESTING INVOLVES RISK. PAST PERFORMANCE DOES NOT GUARANTEE OR INDICATE FUTURE RESULTS.

CMG Capital Management Group, Inc. ("CMG" or the "Advisor") is an SEC registered investment adviser located in the Commonwealth of Pennsylvania. CMG claims compliance with the Global Investment Performance Standards (GIPS®). CMG has been independently verified for the periods January 2007-December 2018. The verification report, annual disclosure presentation, and list of composite descriptions are available upon request by contacting CMG at [info@cmgwealth.com](mailto:info@cmgwealth.com) or by calling 610-989-9090.

Net performance composite results are presented in US dollars, reflect the deduction of investment advisory fees, transaction costs, custodial fees, administrative fees and reflect the reinvestment of dividends and capital gains. Actual fees may vary based on, among other factors, account size and custodial relationship. Individual returns may vary substantially from those presented due to differences in the timing of contributions and withdrawals, account start dates and actual fees paid.

### CMG Tactical All Asset Strategy

The CMG Tactical All Asset Strategy is a rules based, tactical investment strategy that analyzes a global universe of investment options to determine an optimal portfolio allocation. The portfolio construction process utilizes a proprietary relative strength ranking system to capitalize on opportunities across US equity, International Equity, Fixed Income and Commodity markets. The portfolio is typically comprised of up to 10 exchange traded funds (ETFs) or mutual funds exhibiting the strongest relative strength leadership. The investment objective is moderate growth with downside protection.

### CMG Tactical Rotation Strategy

The CMG Tactical Rotation Strategy seeks to generate returns in all market conditions based on the concept that various asset classes and sectors experience bull and bear markets at different times. The strategy utilizes a proprietary tactical investment model that analyzes various technical indicators to determine which asset classes are in a bullish environment and likely to achieve a positive return. The strategy employs an equally weighted strategic rotation process which allocates the portfolio to the top two asset classes from a universe of six: Domestic Equities, International Equities, Bonds, Commodities, REITs, and Cash. The investment objective is moderate growth with downside protection.

### CMG Managed High Yield Bond Program

The CMG Managed High Yield Bond Program trades high yield mutual funds and/or ETFs using a proprietary quantitative buy/sell/hold investment process. The model identifies opportunities where the short-term and intermediate-term direction of the U.S. high yield market can be predicted with high probability. The strategy looks at daily data such as price, volume, yield spreads and default rates to identify trends. This composite only contains data derived from separately managed accounts. The investment objective is growth and income with downside protection.

### CMG Large Cap Long/Flat Strategy

The CMG Large Cap Long/Flat Strategy utilizes trend and mean reversion indicators across a broad set of the S&P 500 sector industry groups to determine the overall state of technical health, as measured by the breadth and momentum, of the large cap equity market. The strategy invests in large cap equity ETF(s) when the weight of technical evidence is bullish and will scale the allocation up and down (100% or 50% long) based on the strength of the technical evidence. When the technical evidence is fully bearish, the portfolio moves to short-term Treasury Bill ETF(s). The strategy offers a systematic way to raise or lower a portion of a portfolio's overall total equity exposure. The investment objective is aggressive growth with downside protection.

### CMG Large Cap Long/Short Strategy

The CMG Large Cap Long/Short Strategy utilizes trend and mean reversion indicators across a broad set of the S&P 500 sector industry groups to determine the overall state of technical health, as measured by the breadth and momentum, of the large cap equity market. The strategy positions in large-cap equity ETF(s) when the weight of technical evidence is bullish and will scale the allocation up and down (100% or 50% long) based on the strength of the technical evidence. When the technical evidence is fully bearish, it positions in inverse large-cap equity ETF(s). The strategy offers a systematic way to raise or lower a portion of a portfolio's overall total equity exposure. The investment objective is aggressive growth with downside protection.

### CMG Tactical Equity Strategy

The CMG Tactical Equity Strategy promotes exposure to global equities in investment portfolios by employing a dynamic approach to investing. The strategy seeks to achieve relative outperformance of the MSCI All Country World Index (ACWI) by investing in certain exchange-traded funds (ETFs) while simultaneously employing a risk management approach within the process. The strategy utilizes a rule-based, algorithmic investment process that evaluates a global universe of equity investment options.

### CMG Tactical Fixed Income Strategy

The CMG Tactical Fixed Income Strategy enhances the foundational role of bonds in investment portfolios by employing a disciplined trend following investment approach to fixed income investing. The strategy follows a rules-based investment process that evaluates a universe of nine fixed income investment options. The following fixed income categories are considered: U.S. Treasury Bills, Investment Grade Corporate bonds, U.S. Treasury bonds, Convertible bonds, High Yield bonds, Emerging Market bonds, International Sovereign bonds, Municipal Bonds and U.S. Treasury Inflation Protected Securities. The process compares daily prices of each constituent and selects the top two fixed income ETFs demonstrating the strongest price trends. The process is a flexible approach to fixed income investing that seeks to maximize income and minimize the risk of loss. The unconstrained process attempts to capitalize on a wider opportunity set than traditional buy-and-hold core fixed income investment approaches and has the ability to position defensively in short-term Treasury Bills.

### CMG Beta Rotation Strategy

The CMG Beta Rotation Strategy seeks to enhance the role of equities in a client portfolio by employing a disciplined process to measure market price trends. The investment objective is to outperform broad equity markets while simultaneously reducing risk. The process invests in the U.S. equity market when the market is demonstrating strong price trend. Otherwise the process invests in the utility sector when utility stocks are demonstrating strong price trend. The Utilities sector is defensive and has exhibited low correlation to broad equity markets. During rare periods of broad based negative price trends, the process may invest 100% in cash.

### CMG Mauldin Smart Core Strategy

The CMG Mauldin Smart Core Strategy (MSC) is an opportunistic, multi-asset, multi-manager, investment strategy. MSC combines several independent active investment strategies into one portfolio. The investment objective is to seek global growth opportunities while maintaining a level of protection in down markets. Strategies are carefully selected and monitored through a combination of operational, qualitative and quantitative perspectives.

**Past performance does not guarantee or indicate future results.** Therefore, no current or prospective client should assume that future performance will be profitable, or equal to any corresponding historical index. For example, the S&P 500 Composite Total Return Index (the "S&P") is a market capitalization-weighted index of 500 widely held stocks often used as a proxy for the stock market. S&P Dow Jones Indices chooses the member companies for the S&P based on market size, liquidity, and industry group representation. The historical performance results of the S&P (and those of all indices) do not reflect the deduction of transaction and custodial charges, nor the deduction of an investment management fee, the incurrence of which would have the effect of decreasing indicated historical performance results. For example, the deduction of the combined annual advisory and transaction fees of 1.00% over a 10-year period would decrease a 10% gross return to an 8.9% net return. The S&P is not an index into which an investor can directly invest. The historical S&P performance results (and those of all other indices) are provided exclusively for comparison purposes only, so as to provide general comparative information to assist an individual client or prospective client in determining whether the performance of CMG's portfolio meets, or continues to meet, his/her investment objective(s). It should not be assumed that any CMG holdings will correspond directly to any such comparative index. The CMG performance results do not reflect the impact of taxes.

Global Allocation Benchmark: The underlying components of the benchmark and their respective static allocation are: 32% S&P 500 Total Return, 21.6% FTSE World Ex US Total Return, 21.6% ICE BofA Current 5 Year US Treasury, 14.4% FTSE World Government Bond Index Non USD, and 10% Bloomberg Commodity Total Return.

The Barclays US Aggregate Bond Index is a broad base, market capitalization-weighted bond market index representing intermediate-term investment grade bonds traded in the United States.

In the event that there has been a change in a client's investment objectives or financial situation, he/she/it is encouraged to advise CMG immediately. Different types of investments and/or investment strategies involve varying levels of risk, and there can be no assurance that any specific investment or investment strategy (including the investment strategies devised or undertaken by CMG) will be profitable for a client's or prospective client's portfolio. All performance results have been compiled solely by CMG and have not been independently verified. This report contains estimated performance results that may be subject to change. Information pertaining to CMG's advisory operations, services, and fees is set forth in CMG's current disclosure statement, a copy of which is available from CMG upon request (or on CMG's website, [www.cmgwealth.com/disclosures/advs](http://www.cmgwealth.com/disclosures/advs)).

Source: Morningstar Direct