



Wealth through ingenuity.

# CMG LARGE CAP LONG/SHORT STRATEGY

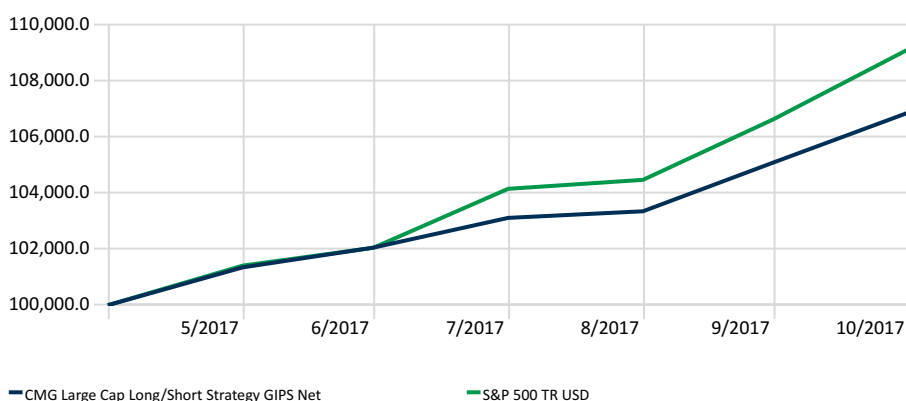
## Strategy Description

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 positions in inverse large cap equity ETF(s) when the technical evidence is bearish. 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.

## Strategy Strengths

- 1) Developed by CMG and Ned Davis Research<sup>TM</sup>
- 2) Broad equity exposure, seeks to outperform S&P 500 Index over a complete market cycle
- 3) Managing downside risk by tactically allocating long and short US equities
- 4) Robust methodology based on seven trend-following and counter-trend indicators
- 5) Long signal when indicators are positive (bullish), short signal when indicators are negative (bearish)

## Growth of \$100,000.00



## Strategy Information

<b>Strategy Inception:</b>	May 2017
<b>Return Date:</b>	October 2017
<b>Benchmark:</b>	S&P 500 TR USD

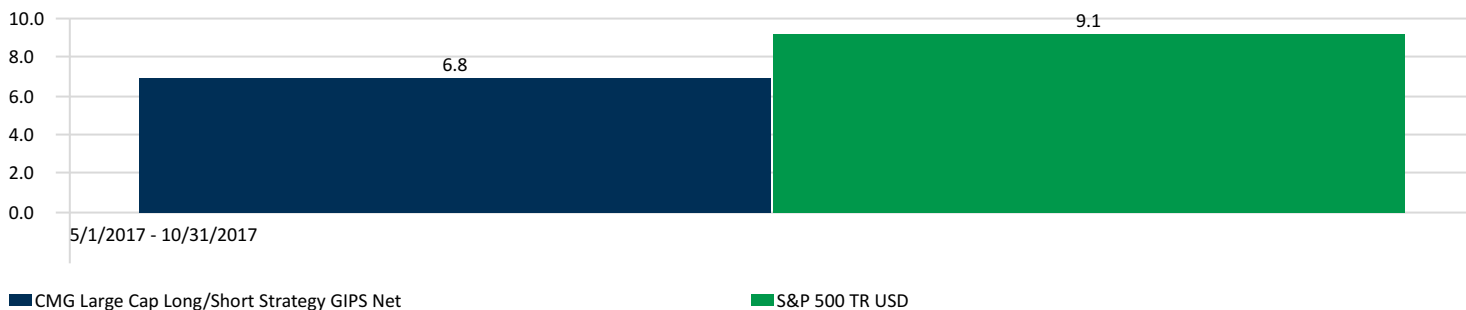
## Risk Statistics

	Strategy	Bench
<b>Std Dev</b>	2.00	3.73
<b>Max Drawdown</b>		-1.28
<b>Sharpe Ratio</b>	6.15	1.25
<b>Best Month</b>	1.69	1.68
<b>Worst Month</b>	0.23	-0.90
<b>Cumulative Return</b>	6.85	2.86
<b>Alpha</b>	13.35	0.00
<b>Beta</b>	-0.23	1.00
<b>Correlation</b>	-0.42	1.00
<b>R2</b>	18.06	100.00
<b>Up Capture Ratio</b>	61.81	100.00
<b>Down Capture Ratio</b>	-296.31	100.00

## Performance Summary (Net of Fees)

	Strategy	Bench
<b>1 Month</b>	1.69	2.33
<b>3 Month</b>	3.63	4.76
<b>YTD</b>	6.85	9.10
<b>1 Year</b>		23.63
<b>3 Years</b>		10.77
<b>5 Years</b>		15.18
<b>10 Years</b>		7.51
<b>Inception</b>	6.85	9.10

## Yearly Returns (Net of Fees)



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# CMG LARGE CAP LONG/SHORT STRATEGY - SUPPLEMENTAL PERFORMANCE

## Supplemental Performance Disclosure \*\*\*

The information provided on this page supplements the CMG Large Cap Long/Short Composite presentation on page 1. Please note that the performance represents results from a hypothetical back test of the strategy, which is historically representative of the trading signals for the strategy during the corresponding time period – December 1991 through April 2017. All supplemental performance is presented net of the highest advisor fee for the program, 2.25%, paid quarterly in arrears. No representation is being made that any client will or is likely to achieve results similar to those presented herein. Please Also Note: 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.

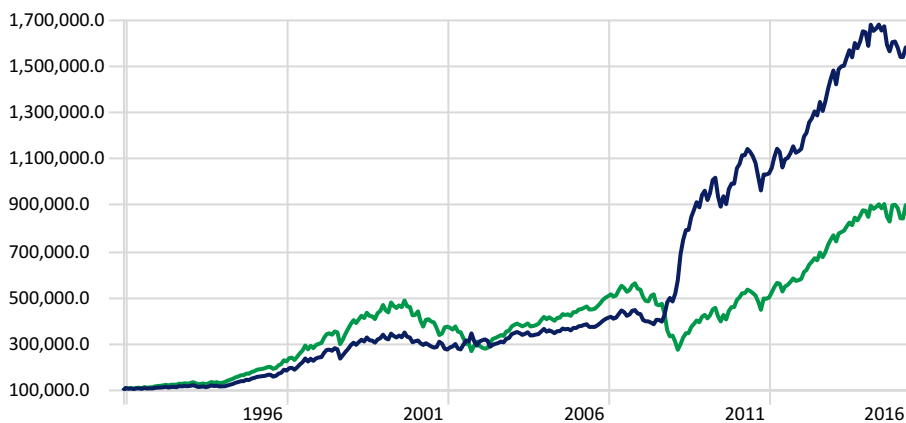
## Strategy Information

Strategy Inception:	December 1991
Return Date:	April 2017
Benchmark:	S&P 500 TR USD

## Risk Statistics \*\*\*

	Strategy	Bench
Std Dev	13.20	5.39
Max Drawdown	-20.94	-10.08
Sharpe Ratio	0.72	0.55
Best Month	19.39	6.21
Worst Month	-14.46	-3.81
Cumulative Return	1,485.59	283.70
Alpha	5.13	1.88
Beta	0.75	0.19
Correlation	0.50	0.30
R2	24.79	9.02
Up Capture Ratio	105.50	32.01
Down Capture Ratio	73.00	-2.12

## Growth of \$100,000.00 \*\*\*

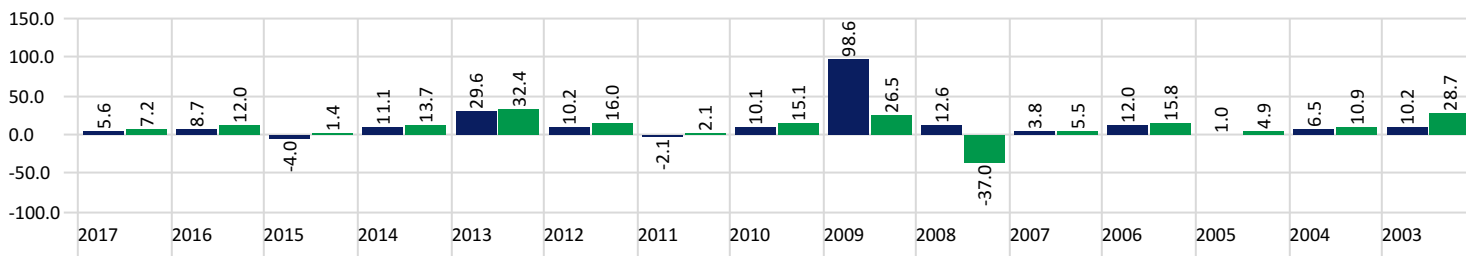


— CMG Large Cap Long/Short Strategy - Supplement — S&P 500 TR USD

## Performance Summary (Net of Fees) \*\*\*

	Strategy	Bench
1 Month	0.46	1.03
3 Month	4.58	5.16
YTD	5.60	7.16
1 Year	14.39	17.92
3 Year	6.49	10.47
5 Year	9.93	13.68
10 Year	15.45	7.15
Inception	12.08	9.76

## Yearly Returns (Net of Fees) \*\*\*



■ CMG Large Cap Long/Short Strategy - Supplement

■ S&P 500 TR USD

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# CMG LARGE CAP LONG/SHORT STRATEGY

## CMG Capital Management Group, Inc. Disclosure Statement

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®). 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.

The CMG Large Cap Long/Short Strategy composite creation date is May 2017 and inception date is May 2017. 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. From inception to present, the investment management fee schedule for the composite is 2.25%, the highest fee paid by a client. 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.

The benchmark for the composite is the S&P 500 Total Return Index. The S&P 500 Total Return Composite Index (the "S&P") is a market capitalization-weighted index of 500 widely held stocks often used as a proxy for the stock market. Standard & Poor's chooses the member companies for the S&P based on market size, liquidity, and industry group representation. Included are the common stocks of industrial, financial, utility, and transportation companies. Historical performance results for market 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 a CMG portfolio performance meets, or continues to meet, his/her investment objective(s). It should not be assumed that CMG program holdings will correspond directly to any such comparative index.

Past performance may not be indicative of future results. Therefore, no current or prospective client should assume that future performance will be profitable, or equal to the past performance results reflected or any corresponding historical index. 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. 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)).

The strategy invests primarily in exchange traded funds (ETFs) or mutual funds which are offered by prospectus only. Please carefully read each exchange traded fund (ETFs) or mutual fund prospectus(s) before investing. Investors should consider the underlying funds investment objectives, risk, charges and expenses carefully before investing. Past performance cannot predict or guarantee future success. This is not an offer to buy or sell any security and/or variable annuity contract. Due to the various minimum holding periods among these mutual funds, redemption penalties may be incurred.

### PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE

## Description of Technical Terms in this Report

**Standard Deviation:** A measure of the degree to which an individual probability value varies from the distribution mean. The higher the number, the greater the risk.

**Sharpe Ratio:** A reward of a portfolio's excess return relative to the total variability of the portfolio. The ratio is calculated using the 3 month US Treasury T-Bill auction average rate as a proxy for the risk-free rate

**Cumulative Return (since inception):** A rate of return that has been compounded for more than one year.

**Alpha:** The premium an investment portfolio earns above a certain benchmark. A positive alpha indicates that the investor earned a premium over that index.

**Beta:** A measurement of the investments sensitivity to market movements. Beta compares an investments excess return over treasury bills to the benchmarks return over treasury bills.

A beta of 1.10 shows that the investment has performed 10% better than its benchmark in up markets and 10% worse in down markets, assuming all other factors remain constant.

**Correlation:** The degree to which the fluctuations of one variable are similar to those of another.

**R<sup>2</sup>:** A correlation term describing the variance in the dependent variable that can be explained by the independent or explanatory variable. The coefficient of determination (R<sup>2</sup>) is a pure number ranging 0 to 100, with 100 giving perfect correlation and 0 giving perfect non-correlation. It is often used to describe the amount of investment risk in portfolios that can be associated with market risk.

**Up-Capture Ratio:** The ratio is the measure of an investment's compound return when the benchmark was up, divided by the benchmark's compound return when the benchmark was up. The greater the value, the better relative to the benchmark.

**Down-Capture Ratio:** The ratio is a measure of an investment's compound return when the benchmark was down, divided by the benchmark's compound return when the benchmark was down. The smaller the value, the better relative to the benchmark.