

# CMG Capital Management Group, Inc.

SEC File Number: 801-43455

## Brochure Dated 03/31/2018

Contact: Todd Silbergeld, Chief Compliance Officer  
1000 Continental Drive, Suite 570  
King of Prussia, PA 19406  
[www.cmgwealth.com](http://www.cmgwealth.com)

**This brochure provides information about the qualifications and business practices of CMG Capital Management Group, Inc. (the “Registrant”). If you have any questions about the contents of this brochure, please contact us at (610) 989-9090 or [todd@cmgwealth.com](mailto:todd@cmgwealth.com). The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (SEC) or by any state securities authority.**

**Additional information about CMG Capital Management Group, Inc. is also available on the SEC’s website at <https://adviserinfo.sec.gov/>.**

**References herein to CMG Capital Management Group, Inc. as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.**

## **Item 2           Material Changes**

- Investors are now able to access the CMG Large Cap Long/Flat Strategy on his/her own from another provider at a lower cost (through the VanEck Vectors® NDR CMG Long/Flat Allocation ETF), independent of the investor’s engagement of CMG. In such event, the Strategy would not be part of CMG’s ongoing investment advisory services to the investor.

## **Item 3           Table of Contents**

Item 1	Cover Page.....	1
Item 2	Material Changes.....	2
Item 3	Table of Contents.....	2
Item 4	Advisory Business.....	3
Item 5	Fees and Compensation.....	9
Item 6	Performance-Based Fees and Side-by-Side Management.....	12
Item 7	Types of Clients.....	12
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss.....	12
Item 9	Disciplinary Information.....	19
Item 10	Other Financial Industry Activities and Affiliations.....	20
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	20
Item 12	Brokerage Practices.....	21
Item 13	Review of Accounts.....	23
Item 14	Client Referrals and Other Compensation.....	24
Item 15	Custody.....	25
Item 16	Investment Discretion.....	25
Item 17	Voting Client Securities.....	25
Item 18	Financial Information.....	26

#### **Item 4 Advisory Business**

- A. The Registrant is a corporation formed on October 26, 1992 in the Commonwealth of Pennsylvania. The Registrant became registered as an Investment Adviser firm in March 1993. Stephen B. Blumenthal is the founder and majority owner of the Registrant. Mr. Blumenthal also serves as the Registrant's Chief Executive Officer.
- B. As discussed below, the Registrant offers to its clients (individuals, pension and profit sharing plans, trusts, estates and charitable organizations, etc.) investment advisory services relative to its proprietary mutual fund/exchange-traded fund allocation strategies and the investment sub-divisions that comprise variable annuity/life products. The Registrant **does not** hold itself out as providing financial planning, estate planning or accounting services.

#### **INVESTMENT ADVISORY SERVICES**

##### **CMG Mauldin Solutions Core Fund**

The Registrant provides investment management services through its affiliated mutual fund, the CMG Mauldin Solutions Core Fund (the "*Fund*"), a series of Northern Lights Fund Trust, an investment company registered under the Investment Company Act of 1940. The Registrant receives a management fee as the investment manager to the *Fund* in the amount of 1.05%. A complete description of the *Fund*, its strategy, objectives, and costs is set forth in the *Fund* prospectus, a copy of which is provided to all clients that engage the Registrant's services through the *Fund*. Disclosure relative to the Fund is also set forth in the *Investment Advisory Agreement*. Pursuant to the terms of the *Investment Advisory Agreement*, the Registrant shall have discretion to place client assets in the *Fund*. If client assets are invested in the Fund, the Registrant will only receive one investment advisory fee. The management fee payable to the Registrant from the Fund will be credited to the client's managed account.

##### **CMG Tactical Bond Fund**

The Registrant provides investment management services through its affiliated mutual fund, the CMG Tactical Bond Fund (the "*Fund*"), a series of Northern Lights Fund Trust, an investment company registered under the Investment Company Act of 1940. The Registrant receives a management fee as the investment manager to the *Fund* in the amount of 0.95%. The *Fund* offers two share classes. A complete description of the *Fund*, its strategy, objectives, and costs is set forth in the *Fund* prospectus, a copy of which is provided to all clients that engage the Registrant's services through the *Fund*. Disclosure relative to the Fund is also set forth in the *Investment Advisory Agreement*. Pursuant to the terms of the *Investment Advisory Agreement*, the Registrant shall have discretion to place client assets in the *Fund*. If client assets are invested in the *Fund*, the Registrant will only receive one investment advisory fee. The management fee payable to the Registrant from the *Fund* will be credited to the client's managed account.

##### **CMG Tactical All Asset Strategy Fund**

The Registrant provides investment management services through its affiliated mutual fund, the CMG Tactical All Asset Strategy Fund (the "*Fund*"), a series of Northern Lights Fund Trust, an investment company registered under the Investment Company Act of 1940.

The Registrant receives a management fee as the investment manager to the *Fund* in the amount of 0.75%. A complete description of the *Fund*, its strategy, objectives, and costs is set forth in the *Fund* prospectus, a copy of which is provided to all clients that engage the Registrant's services through the *Fund*. Disclosure relative to the Fund is also set forth in the *Investment Advisory Agreement*. Pursuant to the terms of the *Investment Advisory Agreement*, the Registrant shall have discretion to place client assets in the *Fund*. If client assets are invested in the *Fund*, the Registrant will only receive one investment advisory fee. The management fee payable to the Registrant from the *Fund* will be credited to the client's managed account.

### **CMG Investment Management Services**

The Registrant shall manage, on a discretionary fee basis: **(1)** individual accounts, pursuant to which the Registrant shall generally allocate the client's investment assets among different asset allocation strategies, including: (a) between certain equity mutual funds, exchange-traded funds ("ETFs") and money market accounts in accordance with the CMG Tactical Rotation Strategy, CMG Beta Rotation Strategy, CMG Tactical Equity Strategy, CMG Large Cap Long/Short Strategy, CMG Large Cap Long/Flat Strategy and Scotia Partners Dynamic Momentum Program, (b) between certain high-yield bond mutual funds, ETFs and money market funds in accordance with Registrant's CMG Managed High Yield Bond Program and CMG Managed High Yield ETF Program, (c) between certain equity, fixed income, ETFs and money market mutual fund accounts in accordance with the Registrant's CMG Opportunistic All Asset Strategy and Mauldin Solutions Smart Core Strategy, (d) between certain fixed income ETFs and money market mutual funds or cash positions in accordance with the Registrant's CMG Tactical Fixed Income Strategy; **(2)** the individual investment sub-divisions contained within a variable annuity/life product owned by an individual client (in so doing, the client acknowledges that the Registrant's investment choices shall be limited to the investment sub-divisions which comprise the variable product), CMG offers the following investment programs managed within variable annuity products: CMG Managed High Yield Bond Program, CMG Opportunistic All Asset Strategy, and CMG Tactical Rotation Strategy; and **(3)** individual accounts, pursuant to which the Registrant shall generally allocate the client's investment assets to the CMG Total Portfolios, an asset allocation program that utilizes a diversified set of Registrant's investment strategies, ETFs, equities and mutual funds, and range from Conservative to Aggressive.

**Management Fees:** For its CMG Managed High Yield Bond, CMG Managed High Yield ETF and Annuity High Yield Bond Programs, CMG Opportunistic All Asset Strategy and Annuity Opportunistic All Asset Strategy, CMG Opportunistic All Asset ETF Strategy, CMG Tactical Rotation Strategy, CMG Tactical Fixed Income Strategy, CMG Tactical Equity Strategy, CMG Beta Rotation Strategy, CMG Large Cap Long/Short Strategy, CMG Large Cap Long/Flat Strategy and Scotia Partners Dynamic Momentum Program, the Registrant shall charge an annual investment management fee based upon a percentage of the market value of the assets being managed by the Registrant. For accounts of assets with market values below \$250,000, the current annual investment management fee is 2.25%. For accounts of assets with market values in excess of \$250,000 but less than \$500,000, the current annual investment management fee is 1.95%. For accounts of assets with market values in excess of \$500,000 but less than \$1 million, the current annual investment management fee is 1.50%. For accounts of assets with market values in excess of \$1 million but less than \$2 million, the current annual investment management fee is 1.00%. For accounts of assets with market values in excess of \$2 million, the current

annual investment management fee is 0.75%. (The Registrant offers the ability to “household” accounts to aggregate assets to reach the fee breakpoint.) For the CMG Total Portfolio and Mauldin Solutions Smart Core Strategy (available via Trust Company of America’s Money Manager X-Change (“MMX”) platform), the Registrant has instituted a tiered annual investment management fee based on total assets consisting of 1.65% for accounts containing less than \$500,000; 1.25% for accounts containing between \$500,000 and \$1 million; 1.00% for accounts containing between \$1 million and \$2 million; and 0.75% for accounts containing total assets valued in excess of \$2 million.

If client assets are invested in an affiliated mutual fund, the Registrant will only receive one investment advisory fee. The management fee payable to the Registrant from the affiliated mutual fund will be credited to the client’s managed account.

## **MISCELLANEOUS**

**Limitations of Financial Planning and Non-Investment Consulting/Implementation Services.** Although the Registrant does not hold itself out as providing financial planning, estate planning or accounting services, to the extent specifically requested by a client, we may provide one-time limited advice regarding financial planning and non-investment related matters, such as estate planning, tax planning, insurance, etc., generally limited to issue spotting (the recommendation that the client seek advice/services from an unaffiliated attorney, CPA or insurance professional. **Please Note:** We **do not** serve as an attorney, accountant, or insurance agency, and no portion of our services should be construed as same. Accordingly, we **do not** prepare estate planning documents, tax returns or sell insurance products. To the extent requested by a client, we may recommend the services of other professionals for certain non-investment implementation purpose. You are under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation that we make. **Please Note:** If the client engages any unaffiliated recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

**Variable Annuity Products.** With respect to Registrant’s management of the investment subdivisions contained within a variable annuity product owned by the client, the Registrant does not offer or sell such products. These are products that were previously purchased by the client. The Registrant may recommend no-load variable annuities from Jefferson National. The Registrant is not compensated directly or indirectly by Jefferson National. In most cases, the Registrant is not involved in the decision-making process as to which variable annuity product that the client should purchase, such decision is generally made by the client in conjunction with the selling broker-dealer. In the event that the client purchased the variable annuity product from a registered representative of a broker-dealer that serves as a solicitor for the Registrant, the Registrant shall pay that solicitor a referral fee (*See* Disclosure at Item 14.B). Subsequent to the purchase, the Registrant is then engaged by the client to manage investment subdivisions contained within the previously purchased variable annuity product. The Registrant’s investment choices shall be limited to the investment sub-divisions which comprise the variable product.

**Private Investment Funds.** The Registrant may purchase or recommend certain private investment funds for its clients.

**Please Note:** Private investment funds generally involve various risk factors including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in the funds' offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

**Please Also Note: Valuation.** In the event that the Registrant references private investment funds owned by the client on any supplemental account reports prepared by the Registrant, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the fund sponsor. If no subsequent valuation post-purchase is provided by the Fund Sponsor, then the valuation shall reflect the initial purchase price (and/or a value as of a previous date), or the current value(s) (either the initial purchase price and/or the most recent valuation provided by the fund sponsor). If the valuation reflects initial purchase price (and/or a value as of a previous date), the current value(s) (to the extent ascertainable) could be significantly more or less than original purchase price. The client's advisory fee shall be based upon reflected fund value(s).

**Account Management Services.** The Registrant may provide separate account management services (which may involve various investment-related strategies, including separate account managers) for certain clients in accordance with the terms and conditions of the written agreement between the Registrant and the client. **PLEASE NOTE: Registrant's investment management services may be obtained on custodial platforms via an unaffiliated third-party solicitor, investment advisor or registered representative of a broker/dealer who will charge a separate fee from the Registrant. In some cases the total fee charged to the client (Registrant fee and solicitor/advisor/registered representative fee) may be less than a client would otherwise pay if they directly engaged Registrant's investment management services. The Registrant's Chief Compliance Officer, Todd Silbergeld, is available to address any questions concerning the Registrant's investment management services and fees.**

**Sub-Advisory Arrangements.** The Registrant maintains discretionary authority to allocate a portion of client assets to unaffiliated SEC registered investment advisers, pursuant to which the unaffiliated adviser, as a sub-adviser, maintains day-to-day discretionary management responsibility for the allocated assets. The Registrant monitors the client assets allocated to such advisers on an ongoing and continuous basis. The Registrant compensates these advisers with a portion of the advisory fee paid by the client to Registrant per the fee schedule at Item 5 below. The Registrant's client does not pay a higher advisory fee as result of the sub-advisory arrangement. The Registrant's Chief Compliance Officer, Todd Silbergeld, is available to address any questions concerning the Registrant's sub-advisory arrangements.

**Sub-Advisory Engagements.** The Registrant may also serve as a sub-adviser to unaffiliated registered investment advisers per the terms and conditions of a written Sub-

Advisory Agreement. With respect to its sub-advisory services, the unaffiliated investment advisers that engage Registrant's sub-advisory services maintain both the initial and ongoing day-to-day relationship with the underlying client, including initial and ongoing determination of client suitability for Registrant's designated investment strategies, and ongoing client communication. If the Registrant is directed to effect account transactions through a specific broker-dealer/custodian, the Registrant will be unable to negotiate commissions and/or transaction costs, and/or seek better execution. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case through alternative brokerage/custody arrangement. Higher transaction costs adversely impact account performance.

**Separate Managed Account/UMA Program/Platform Engagements:** In the event that Registrant is engaged to provide investment advisory services as part of an unaffiliated managed account/UMA program, Registrant will be unable to negotiate commissions and/or transaction costs. If the program is offered on a non-wrap basis, the program sponsor will determine the broker-dealer through which transactions must be effected, and the amount of transaction fees and/or commissions to be charged to the participant investor accounts. In the event that Registrant's asset allocation strategies are made available to unaffiliated investment advisers on an unaffiliated investment platform sponsored by an account custodian or platform provider, the unaffiliated investment advisers that engage Registrant's sub-advisory services maintain both the initial and ongoing day-to-day relationship with the underlying client, including initial and ongoing determination of client suitability for Registrant's designated investment strategies and ongoing client communication.

**Trust Company of America:** Clients that utilize Trust Company of America ("TCA") as custodian pay TCA a custody fee on a quarterly basis. The Registrant does not receive any portion of TCA's custody fee. Clients can also access third-party money managers' strategies via TCA's Money Manager X-Change ("MMX") platform. TCA charges the Registrant a 0.10% fee on the portion of account assets in a strategy on the MMX platform. In the event that the Registrant purchases a mutual fund for the client's account that pays TCA a 12b-1 fee (an annual marketing or distribution fee), the amount of the 12b-1 fee shall be used by TCA to offset custody fees. The Registrant does not receive any portion of the 12b-1 fee. **Registrant's Chief Compliance Officer, Todd Silbergeld, remains available to address any questions that a client or prospective client may have regarding 12b-1 fees.**

**Please Note: Retirement Rollovers-Potential for Conflict of Interest:** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Registrant recommends that a client roll over their retirement plan assets into an account to be managed by Registrant, such a recommendation creates a conflict of interest if Registrant will earn an advisory fee on the rolled over assets. **No client is under any obligation to rollover retirement plan assets to an account managed by Registrant. Registrant's Chief Compliance Officer, Todd Silbergeld, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.**

**Introduction from Primary Investment Professional/Solicitors.** The Registrant provides investment management services to clients who are introduced to the Registrant through the client's primary investment professional, including an adviser that serves as a solicitor to or co-advisor with the Registrant. In these type engagements, the client shall be requested to acknowledge and agree that: (1) at all times, the Investment Professional shall serve as the client's primary investment professional, and shall be responsible for: (a) assisting client in determining the initial and ongoing suitability for the Registrant's investment portfolios and/or strategies. The Registrant's only obligation shall be to manage the assets consistent with the designated investment strategy; and (b) for receiving/ascertaining client's directions, notices, and instructions. The Registrant shall be entitled to rely upon any such direction, notice, or instruction until it has been duly advised in writing of changes therein. The Registrant shall have no liability or legal responsibility to the client for the failure of the Investment Professional to timely receive/ascertain/forward/communicate any and all such directions, notices, and instructions; (2) the Registrant is permitted to share account-related information with Investment Professional until such time as client notifies the Registrant, in writing, to the contrary; and (3) if the Registrant is directed to effect account transactions through a specific broker-dealer/custodian, the Registrant will be unable to negotiate commissions and/or transaction costs, and/or seek better execution. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case through alternative brokerage/custody arrangement. Higher transaction costs adversely impact account performance. **Please Note:** In certain situations, the client may pay a higher advisory fee than that referenced in its fee schedule at Item 5 below. ***Please see*** additional disclosure at Item 14 below.

**Tradeaway/Prime Broker Fees.** When beneficial to the client, individual equity and/or fixed income transactions may be effected through broker-dealers other than the account custodian, in which event, the client generally will incur the fee (commission, mark-up/mark-down) charged by the executing broker-dealer and, potentially, a separate "tradeaway" and/or prime broker fee charged by the account custodian.

**Please Note: Inverse/Enhanced Market Strategies.** The Registrant may utilize long and short mutual funds and/or exchange-traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of one or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of one or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be **no assurance** that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct the Registrant, in writing, not to employ any or all such strategies for his/her/their/its accounts.

**Client Obligations.** In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial condition or situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

**Disclosure Statement.** A copy of the Registrant's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement*. Any client who has not received a copy

of Registrant's written Brochure at least 48 hours prior to executing the *Investment Advisory Agreement* shall have five business days subsequent to executing the agreement to terminate the Registrant's services without penalty.

- C. For Private Wealth Group clients, the Registrant shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will discuss specific investment objective(s) with each client, and also conduct a risk assessment. The Registrant shall allocate each client's investment assets consistent with their risk profile and designated investment objective(s). Clients may, at any time, impose restrictions, in writing, on the Registrant's services.
- D. The Registrant does not participate in a wrap fee program.

As of December 31, 2017, the Registrant had \$311.4 million in regulatory assets under management ("AUM") on a discretionary basis and provides investment consulting services for \$145.6 million in assets. In sum, the Registrant consults on investment management relationships consisting of approximately \$457 million in assets.

## **Item 5 Fees and Compensation**

- A. The client can determine to engage the Registrant to provide discretionary investment advisory services on a *fee-only* basis.

### **INVESTMENT ADVISORY SERVICES**

If a client determines to engage the Registrant to provide discretionary investment advisory services on a *fee-only* basis, the Registrant's annual investment advisory fee shall be as follows:

#### **CMG Mauldin Solutions Core Fund**

The Registrant provides investment management services through its affiliated mutual fund, CMG Mauldin Solutions Core Fund (the "*Fund*"), a series of Northern Lights Fund Trust, an investment company registered under the Investment Company Act of 1940. The Registrant will receive a management fee as the investment manager to the *Fund* in the amount of 1.05%. If client assets are invested in the *Fund*, the Registrant will only receive one investment advisory fee.

#### **CMG Tactical Bond Fund**

The Registrant provides investment management services through its affiliated mutual fund, the CMG Tactical Bond Fund (the "*Fund*"), a series of Northern Lights Fund Trust, an investment company registered under the Investment Company Act of 1940. The Registrant will receive a management fee as the investment manager to the *Fund* in the amount of 0.95%. If client assets are invested in the *Fund*, the Registrant will only receive one investment advisory fee. The management fee payable to the Registrant from the *Fund* will be credited to the client's managed account.

### **CMG Tactical All Asset Strategy Fund**

The Registrant provides investment management services through its affiliated mutual fund, the CMG Tactical All Asset Strategy Fund (the “*Fund*”), a series of Northern Lights Fund Trust, an investment company registered under the Investment Company Act of 1940. The Registrant will receive a management fee as the investment manager to the *Fund* in the amount of 0.75%. If client assets are invested in the *Fund*, the Registrant will only receive one investment advisory fee. The management fee payable to the Registrant from the *Fund* will be credited to the client’s managed account.

### **CMG Large Cap Long/Flat Strategy**

The CMG Large Cap Long/Flat Strategy is designed to provide relative outperformance to the S&P 500 Index over a complete market cycle. The Strategy is available through one of our qualified custodians, such as Trust Company of America (“TCA”). **Please note that an investor can access the Strategy on his/her own from other providers at a lower cost, independent of the investor’s engagement of CMG. In such event, the Strategy would not be part of CMG’s ongoing investment advisory services to the investor.** CMG and Ned Davis Research (“NDR”) have co-licensed the Ned Davis Research CMG US Large Cap Long/Flat Index to VanEck for use in an exchange-traded fund (“ETF”). The VanEck Vectors® NDR CMG Long/Flat Allocation ETF (NYSE: LFEQ) seeks to replicate as closely as possible, before fees and expenses, the price and yield performance of the Ned Davis Research CMG US Large Cap Long/Flat Index. Shares of LFEQ are listed on the New York Stock Exchange and may also be bought and sold on the secondary market through a broker. In most cases, investors will incur customary brokerage commissions and charges and may pay some or all of the spread between the bid and the offered price in the secondary market on each leg of a round trip (purchase and sale) transaction. VanEck Vectors ETF shares will trade at prices that may differ to varying degrees from the closing net asset values of the shares.

**CMG’s Chief Compliance Officer, Todd Silbergeld, remains available to address any questions regarding the above, including the ability to access the Strategy at a lower cost independent of the investor’s engagement of CMG.**

### **CMG Investment Management Services**

For the CMG Managed High Yield Bond, CMG Managed High Yield ETF and Annuity High Yield Bond Programs, CMG Opportunistic All Asset Strategy and Annuity Opportunistic All Asset Strategy, CMG Opportunistic All Asset ETF Strategy, CMG Tactical Rotation Strategy, CMG Tactical Fixed Income Strategy, CMG Tactical Equity Strategy, CMG Beta Rotation Strategy, CMG Large Cap Long/Short Strategy, CMG Large Cap Long/Flat Strategy and Scotia Partners Dynamic Momentum Program, the Registrant shall charge an annual investment management fee based upon a percentage of the market value of the assets being managed by the Registrant. For accounts of assets with market values not in excess of \$250,000, the current annual investment management fee is 2.25%. For accounts of assets with market values in excess of \$250,000 but less than \$500,000, the current annual investment management fee is 1.95%. For accounts of assets with market values in excess of \$500,000 but less than \$1 million, the current annual investment management fee is 1.50%. For accounts of assets with market values in excess of \$1 million but less than \$2 million, the current annual investment management fee is 1.00%. For accounts of assets with market values in excess of \$2 million, the current annual

investment management fee is 0.75%. (The Registrant offers the ability to “household” accounts to aggregate assets to reach the fee breakpoint.) For the CMG Total Portfolio and Mauldin Solutions Smart Core Strategy (available via Trust Company of America’s Money Manager X-Change (“MMX”) platform), the Registrant has instituted a tiered annual investment management fee based on total assets consisting of 1.65% for accounts containing less than \$500,000; 1.25% for accounts containing between \$500,000 and \$1 million; 1.00% for accounts containing between \$1 million and \$5 million; and 0.75% for accounts containing total assets valued in excess of \$5 million.

- B. Clients may elect to have the Registrant’s advisory fees deducted from their custodial account. Both Registrant’s *Investment Advisory Agreement* and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of the Registrant’s investment advisory fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant’s invoice. Unless otherwise indicated in the Investment Advisory Agreement between the Registrant and the client, the Registrant shall deduct fees and/or bill clients quarterly in arrears, based upon the average daily market value of the assets during the previous quarter.
- C. As discussed below, unless the client directs otherwise or an individual client’s circumstances require, the Registrant generally uses Trust Company of America, TD Ameritrade, Fidelity or Charles Schwab & Co., Inc. (“*Schwab*”), or the specific mutual fund or insurance company that issued the mutual fund or variable life/annuity product, as the broker-dealer/custodian for client investment management assets. Broker-dealers may charge broker-dealer/custodian custody fees, brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to Registrant’s investment management fee, broker-dealer/custodian custody fees, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange-traded fund purchases, charges imposed at the fund level (e.g., management fees and other fund expenses).
- D. Registrant’s annual investment advisory fee shall be prorated and paid quarterly, in arrears, based upon the average daily market value of the assets during the previous quarter for most custodial platforms. The Registrant generally requires a minimum investment of \$100,000 per investment program. Registrant, in its sole discretion, may charge a lower investment management fee and/or reduce or waive its minimum investment requirement based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

The *Investment Advisory Agreement* between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, Registrant’s investment management fee shall be pro-rated through the date of termination, and either debited from the client account or directly billed to the client or pro-rated and credited back to client if the fee was payable in advance. Fee refunds will be determined on a pro-rata basis and refunds calculated to be less than \$15 generally will not be processed.

- E. Neither the Registrant, nor its representatives accept compensation from the sale of securities or other investment products.

## Item 6 Performance-Based Fees and Side-by-Side Management

Rule 205-3 of the Investment Advisers Act of 1940 permits a registered investment adviser to enter into a performance fee agreement with certain sophisticated clients who have the capacity to bear the potential additional risks of such a fee arrangement. An adviser can rely on Rule 205-3 only if the performance fee agreement is with "eligible" clients. Eligible clients are defined in the Rule as natural persons and companies that have *either* at least \$1 million under management with the Registrant immediately after entering into a performance fee agreement *or* a net worth at the time the agreement is entered into in excess of \$2 million (i.e., a natural person's net worth may include assets held jointly with a spouse). On an extremely limited basis, Registrant may enter into performance fee compensation arrangements with *eligible clients* in accordance with the requirements of Rule 205-3 under the Investment Advisers Act of 1940. In such limited circumstances, the client is informed of a potential conflict of interest in that the performance fee arrangement *may* be an incentive for the Registrant to make investments that are riskier or more speculative than would be the case absent a performance fee arrangement.

Because Registrant and its representatives manage client accounts that charge both an asset-based fee and/or a performance-based fee, this arrangement creates a **conflict of interest**, as Registrant and its representatives have an incentive to favor investments where Registrant receives both an asset-based fee and a performance fee. **The Registrant's Chief Compliance Officer, Todd Silbergeld, is available to address any questions regarding this conflict of interest.**

## Item 7 Types of Clients

The Registrant's clients shall generally include individuals, pension and profit sharing plans, trusts, estates and charitable organizations. The Registrant generally requires a minimum investment of \$100,000 per investment program. Registrant, in its sole discretion, may charge a lower investment management fee and/or reduce or waive its minimum investment requirement based upon certain criteria (e.g., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

## Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

- A. The Registrant may utilize the following methods of security analysis:
- Charting - analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices
  - Fundamental - analysis performed on historical and present data, with the goal of making financial forecasts
  - Technical – analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices
  - Cyclical –analysis performed on historical relationships between price and market trends, to forecast the direction of prices

The Registrant may utilize the following investment strategies when implementing investment advice given to clients:

- Long-Term Purchases (securities held at least a year)
- Short-Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)
- Margin Transactions (use of borrowed assets to purchase financial instruments)
- Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time)
- Futures (A financial contract obligating the buyer to purchase an asset (or the seller to sell an asset), such as a physical commodity or a financial instrument/index at a predetermined future date and price.)

**Please Note: Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s).

- B. The Registrant's methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis, the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant's primary investment strategies – Long-Term Purchases, Short-Term Purchases, and Trading -- are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer-term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter-term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer-term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher transaction costs when compared to a short-term investment strategy and substantially higher transaction costs than a longer-term investment strategy.

In addition to the fundamental investment strategies discussed above, the Registrant may also implement and/or recommend the following: use of margin, hedging strategies, futures and/or options transactions, as well as invest in non-US securities. Each of these strategies has a high level of inherent risk. (*See* discussion below).

Margin is an investment strategy with a high level of inherent risk. A margin transaction occurs when an investor uses borrowed assets to purchase financial instruments. The investor generally obtains the borrowed assets by using other securities as collateral for the borrowed sum. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin. **Please Note:** To

the extent that a client authorizes the use of margin, and margin is thereafter employed by the Registrant in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to the Registrant may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential *conflict of interest* whereby the client's decision to employ margin *may* correspondingly increase the management fee payable to the Registrant. Accordingly, the decision as to whether to employ margin is left totally to the discretion of client.

The use of options transactions as an investment strategy involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by the Registrant shall be with the intent of offsetting or "hedging" a potential market risk in a client's portfolio. **Please Note:** Although the intent of the options-related transactions that may be implemented by the Registrant is to hedge against principal risk, certain of the options-related strategies (i.e., straddles, short positions, etc.), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct the Registrant, in writing, not to employ any or all such strategies for his/her/their/its accounts.

Futures (Derivatives). Investments in derivative instruments, such as futures contracts or forward contracts, require a high degree of leverage, meaning the overall contract value (and, accordingly, the potential for profits or losses in that value) is much greater than the modest deposit used to enter into the derivative contract. Derivative securities can also be highly volatile. The prices of derivative instruments and the investment underlying the derivative instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the client or the Registrant. Further, to the extent that transactions in derivative instruments are not undertaken on recognized exchanges, they will expose the client's account to greater risks than regulated exchange transactions that provide greater liquidity and more accurate valuation of securities.

Hedging. There can be no assurance that a particular hedge is appropriate, or that certain risk is measured properly. Further, while the Registrant may enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk for the underlying investment portfolios than if the Registrant did not engage in any such hedging transactions.

Non-U.S. Securities. Foreign securities, foreign currencies, and securities issued by U.S. entities with substantial foreign operations can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies, withholding or other taxes; trading, settlement, custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. All of these factors can make foreign investments, especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.

**The Registrant's Chief Compliance Officer, Todd Silbergeld, is available to address any questions regarding this conflict of interest.**

- C. Currently, the Registrant primarily allocates client investment assets among various mutual fund/exchange-traded funds ("ETFs"), equities and Variable Insurance Trusts ("VITs") (including inverse ETFs, mutual funds and/or VITs that are designed to perform in an inverse relationship to certain market indices) allocation strategies, on a discretionary basis in accordance with the client's designated investment objective(s).

As disclosed above, the Registrant may utilize long and short mutual funds, variable insurance trusts and/or ETFs that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of one or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of one or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be **no assurance**, however, that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct the Registrant, in writing, not to employ any or all such strategies for his/her/their/its accounts. (See Item 4B).

**Investment Strategies**

**CMG Managed High Yield Bond, Managed High Yield ETF and High Yield Annuity Bond Programs:**

The CMG Managed High Yield Bond program(s) ("CMG Managed HY") is an intermediate-term, trend-based trading strategy that seeks positive returns in both bull and bear markets. The strategy utilizes a disciplined quantitative methodology that factors in High Yield ("HY") bond price movement and may invest in High Yield bond market exposure via HY bond mutual funds, ETFs or variable insurance trusts ("VITs") in favorable trending periods, or invests in money market funds when the HY trend is unfavorable. The Registrant considers other factors such as in volume, current yields, yield spreads, and other considerations such as default rates, and Fed Policy to determine the strength of a given trend. The CMG Managed HY Bond program may at select times, when it deems appropriate upon its receipt of a sell signal, invest in inverse HY bond funds or ETFs (funds that profit when the HY market is declining) in portfolios where inverse funds are available that it manages for its clients. The strategy attempts to identify opportunities where the short term direction of US High Yield Bond funds, ETFs or VITs can be predicted with high probability and trade with those directional moves. However, there can be no assurance that the Registrant's signal or the short strategy will be correct or successful. Please carefully review the funds' prospectus for a more complete description of fees and risks.

**CMG Opportunistic All Asset Strategy, CMG Opportunistic All Asset ETF Strategy and Annuity Opportunistic All Asset Strategy:**

The CMG Opportunistic All Asset Strategy is a quantitative investment strategy that analyzes a broad universe of mutual funds, ETFs or variable insurance trusts ("VITs") contained within a variable annuity/life product to determine a portfolio allocation designed to generate positive returns over multiple market cycles. The mutual fund, ETF, VIT selection process utilizes proprietary mathematical and technical indicators to

identify mutual funds, ETFs or VITs with emerging price trends across asset classes and market sectors. The portfolio is typically comprised of up to 11 mutual fund, ETF or VIT allocations that are designed to serve as an active risk managed solution versus traditional buy-and-hold equity investing.

**CMG Tactical Rotation Strategy and CMG Tactical Rotation Strategy Annuity Program:**

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 model which allocates the portfolio to the top two asset classes from a universe of five asset classes: domestic equities, international equities, bonds, commodities and real estate investment trusts (“REITs”). If none of the five asset classes exhibit a positive uptrend, the strategy has the ability to allocate the portfolio entirely to cash. The strategy makes investment allocation decisions on a monthly basis. Once the portfolio is allocated, the positions are held and monitored for the entire month. The strategy will generally allocate to ETFs and VITs.

**CMG Tactical Fixed Income Strategy:**

The CMG Tactical Fixed Income Strategy enhances the foundational role of bonds in investment portfolios by employing a more diversified approach to fixed income investing. The Strategy works to achieve capital appreciation by investing in certain ETFs while simultaneously employing a risk management mechanism with the goal of protecting capital in down markets while participating in up markets. The unconstrained process attempts to capitalize on a wider opportunity set than traditional core fixed income investment approaches, seeking to meet the challenges of aligning allocations with investment objectives. The Strategy utilizes an unconstrained, rules-based, algorithmic investment process that evaluates a global universe of fixed income investment options. The Strategy dynamically adjusts allocations within the portfolio by utilizing CMG’s proprietary relative strength investment algorithm. The flexible approach strives to diversify risks across broad categories of the fixed income investment complex including, but not limited to, inflation protected, investment grade corporate, long duration government, high yield, convertible, municipal, international and emerging market government bonds.

**CMG Tactical Equity Strategy:**

The CMG Tactical Equity Strategy promotes exposure to global equities in investment portfolios by employing a dynamic approach to investing. Addressing the challenges of aligning portfolio allocations with investment objectives, the Strategy seeks to achieve relative outperformance of the MSCI All Country World Index (ACWI) by investing in certain 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. The Strategy dynamically adjusts allocations within the portfolio by utilizing CMG’s proprietary relative strength investment algorithm to capitalize on a wide range of equity opportunities. The portfolio typically holds 10 positions at any point in time. The Strategy strives to capitalize on opportunities across global equities as outlined below:

- Domestic Equities: Large-cap, Mid-cap, Small-cap, Value, Growth, Sector, Industry

- International Developed Equities: Various broad-based and country-specific indices
- Emerging Market Equities: Various broad-based and country-specific indices

### **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. Historically, the Utilities sector is defensive and has exhibited a low correlation to broad equity markets. During rare periods of broad-based negative price trends, the process may invest 100% in cash. The Strategy invests in the ETF demonstrating the strongest relative performance. Positions are measured and evaluated daily. The benchmark for the index is the CRSP U.S. Total Market Index, which is the index underlying the Vanguard Total Market ETF. The CMG Beta Rotation Strategy evaluates the price trend of a broad based equity market ETF and a sector ETF.

### **CMG Large Cap Long/Short Strategy:**

The CMG Long/Short Strategy utilizes a proprietary tactical investment model that produces trade signals to dictate an equity allocation ranging from 100% fully invested (i.e., “long”) to 100% short (i.e., “short”). The investment objective is to outperform broad equity markets while simultaneously reducing risk. When 100% fully invested, the strategy is invested in U.S. large cap market exposure. When the strategy is short, it is invested 100% in inverse U.S. large cap market exposure. Other times the index is invested either 80% or 40% in the S&P 500 with the remaining allocation portion invested in cash. The strategy makes investment allocation decisions on a daily basis and the positions are held and monitored daily. The strategy will allocate to ETFs and VITs and inverse ETFs and inverse VITs to gain short market exposure.

### **CMG Large Cap Long/Flat Strategy:**

The CMG Large Cap Long/Flat Strategy is designed to provide relative outperformance to the S&P 500 over a complete market cycle. The model’s signal is generated by combining GICS Industry Groups into an overall cap-weighted composite to determine the current state of the U.S. large cap equity market. This market breadth composite is used to shift portfolio allocations between long equity and short equity positions. When the composite score indicates a bullish state, the strategy allocates to a long U.S. equity ETF. Potential long portfolio allocations range from 40% to 100% with the remaining allocation (if any) to cash. When the composite score indicates a bearish state, the strategy allocates 100% to cash (or cash equivalents).

### **CMG Tactical Rotation Strategy and CMG Tactical Rotation Strategy Annuity Program:**

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 model which allocates the portfolio to the top two asset classes from a universe of five asset classes: domestic equities, international equities, bonds, commodities and real estate investment trusts (“REITs”). If none of the five asset classes exhibit a positive uptrend, the strategy has the ability to allocate the portfolio entirely to cash. The strategy makes investment allocation decisions on a monthly basis. Once the portfolio is allocated, the positions are held and monitored for the entire month. The strategy will generally allocate to ETFs and VITs.

**CMG Total Portfolio:**

The CMG Total Portfolio (“TP”) is an asset allocation portfolio comprised of allocations to traditional (long-only equity and fixed income investments), tactical (momentum-based trading strategies) and alternative asset classes. CMG shall manage a portfolio comprised of a diversified blend of the Registrant’s managed account strategies and mutual funds, ETFs and mutual funds (not advised by the Registrant). CMG monitors and manages the portfolio allocations and evaluates whether to add new strategies, replace existing strategies, rebalance, and change allocation weightings on a quarterly basis.

**Mauldin Solutions Smart Core Strategy:** The Mauldin Solutions Smart Core Strategy invests across various asset classes and sectors of the U.S., foreign and emerging markets equity and fixed income markets via ETFs. The principal investment objective is capital appreciation. The Registrant delegates the investment strategy to the sub-advisor, Mauldin Solutions, LLC (the “Sub-Advisor”). The Sub-Advisor evaluates market data and information from various research providers to invest the assets creating a flexible tactical asset allocation portfolio. The portfolio is typically comprised of 30 to 40 ETFs and is designed to serve as an active risk managed investment solution versus traditional buy-and-hold equity investing.

**Scotia Partners Dynamic Momentum Program:**

The Scotia Partners Dynamic Momentum Program is a long-only quantitative investment program that invests in Rydex and ProFunds equity-based US sector mutual funds. The program analyzes price data on nine sectors to determine which sectors are exhibiting strong momentum. The program has a multi-step process that incorporates momentum and volatility of each sector in its decision making process. In addition, the program utilizes several risk management parameters to modify portfolio exposures based on a number of factors such as market trend and a measurement of overbought market conditions. The program analyzes prices on a daily basis to determine portfolio exposures. Please carefully review the funds’ prospectuses for a more complete description of fees and risks.

Registrant’s asset allocation strategies and the CMG Total Portfolio have been designed to comply with the requirements of Rule 3a-4 of the Investment Company Act of 1940. Rule 3a-4 provides similarly managed investment programs, such as Registrant’s asset allocation programs, with a non-exclusive safe harbor from the definition of an investment company. In accordance with Rule 3a-4, the following disclosure is applicable to Registrant’s management of client assets:

1. Initial Interview – at the opening of the account, the Registrant, through its designated representatives, shall obtain from the client information sufficient to determine the client’s financial situation and investment objectives;

2. Individual Treatment – the account is managed on the basis of the client’s financial situation and investment objectives;
3. Consultation Available – the Registrant shall be reasonably available to consult with the client relative to the status of the account;
4. Quarterly Report – the broker-dealer/custodian shall provide the client with a quarterly report for the account for the preceding period;
5. Ability to Impose Restrictions – the client shall have the ability to impose reasonable restrictions on the management of the account, including the ability to instruct the Registrant not to purchase certain mutual funds;
6. No Pooling – the client’s beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the account;
7. Separate Account – a separate account is maintained for the client with the Custodian;
8. Ownership – each client retains indicia of ownership of the account (e. g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

The Registrant believes that its annual investment management fee is reasonable in relation to: (1) the advisory services provided under the *Investment Advisory Agreement*; and (2) the fees charged by other investment advisers offering similar services/programs. However, Registrant’s annual investment management fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to Registrant’s annual investment management fee, the client will also incur charges imposed directly at the mutual and exchange-traded fund level (e.g., management fees and other fund expenses). **Please Note:** Registrant’s investment programs may involve above-average portfolio turnover that could negatively impact upon the net after-tax gain experienced by an individual client in a taxable account.

If a client’s assets are invested in an affiliated mutual fund, the Registrant will only receive one investment advisory fee. The management fee payable to the Registrant from the affiliated mutual fund will be credited to the client’s CMG Total Portfolio account.

**Short Strategy:** Registrant’s CMG Managed High Yield Bond, CMG Managed High Yield ETF and Annuity High Yield Bond Programs, CMG Total Portfolio, and the CMG Opportunistic All Asset Strategy also enable the Registrant, when it deems appropriate upon its receipt of a sell signal, to invest in inverse mutual funds, ETFs, futures and Variable Insurance Trusts that effectively “short” the equity, treasury, and high-yield bond markets. However, there can be no assurance that the Registrant’s signals or the short strategy(ies) will be correct or successful.

## **Item 9            Disciplinary Information**

The Registrant does not have any reportable disciplinary information.

## **Item 10 Other Financial Industry Activities and Affiliations**

- A. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. The Registrant does not have any relationship or arrangement that is material to its advisory business or to its clients with any related person or affiliate.
- D. From time to time the Registrant may refer certain clients to Watkinson Capital Advisors (“WCA”). If a client engages WCA, the Registrant receives a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940. Any referral fee is paid solely from WCA’s investment management fee, and does not result in any additional charge to the client. The client will receive a copy of WCA’s Form ADV Part 2A prior to or at the time of engagement.

## **Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant’s overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant’s Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

- B. The Registrant and/or representatives of the Registrant *may* buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as “scalping” (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of the Registrant’s clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant’s “Access Persons.” The Registrant’s securities transaction policy requires that an Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person’s current securities holdings at

least once each twelve (12) month period thereafter on a date the Registrant selects; provided, however that at any time that the *Firm* has only one Access Person, he or she shall not be required to submit any securities report described above.

- C. The Registrant and/or representatives of the Registrant *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11 B, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

## **Item 12 Brokerage Practices**

- A. In the event the client requests that the Registrant recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the Registrant to use a specific broker-dealer/custodian), Registrant generally recommends that investment management accounts be maintained at *Trust Company* or *Schwab*. Prior to engaging Registrant to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that the Registrant considers in recommending *Trust Company* or *Schwab* (or any other broker-dealer/custodian to clients) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with the Registrant's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee. The Registrant's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

### **1. Soft Dollar Arrangement**

In return for effecting securities transactions through a designated broker-dealer/custodian, Registrant may receive certain investment research products or services that may assist the Registrant in its investment decision-making process for the client pursuant to Section 28(e) of the Securities Exchange Act of 1934 (generally referred to as a "soft-dollar" arrangement). Investment research products or services received by Registrant may include, but are not limited to, analyses pertaining to specific securities, companies or sectors; market, financial and economic studies and forecasts; financial publications, portfolio management systems, and statistical and

pricing services. Although the commissions paid by Registrant's clients shall comply with the Registrant's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. Although the investment research products or services that may be obtained by Registrant will generally be used to service all of Registrant's clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. With respect to investment research products or services obtained by the Registrant that have a mixed use of both a research and non-research (i.e., administrative, etc.) function, Registrant shall make a reasonable allocation of the cost of the product or service according to its use -- the percentage of the product or service that provides assistance to the Registrant's investment decision-making process will be paid for with soft dollars while that portion that provides administrative or other non-research assistance will be paid for by the Registrant with hard dollars. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee.

**The Registrant's Chief Compliance Officer, Todd Silbergeld, is available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest such arrangement may create.**

#### Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant may receive from certain broker-dealers/custodians without cost (and/or at a discount) support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the Registrant may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or *gratis* consulting services, discounted and/or *gratis* attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist the Registrant in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the Registrant to manage and further develop its business enterprise.

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at these broker-dealers/custodians as a result of this arrangement. There is no corresponding commitment made by the Registrant to these broker-dealers/custodians or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**The Registrant's Chief Compliance Officer, Todd Silbergeld, is available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.**

2. The Registrant does not receive referrals from broker-dealers.
3. The Registrant does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client-directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Registrant will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

**Please Note:** In the event the client directs Registrant to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Registrant.

**The Registrant's Chief Compliance Officer, Todd Silbergeld, is available to address any questions that a client or prospective client may have regarding the above arrangement.**

- B. To the extent that the Registrant provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless the Registrant decides to purchase or sell the same securities for several clients at approximately the same time. The Registrant may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Registrant's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. The Registrant shall not receive any additional compensation or remuneration as a result of such aggregation.

### **Item 13      Review of Accounts**

- A. For those clients to whom Registrant provides investment advisory services, account reviews are conducted on an ongoing basis by one of the Registrant's Investment Adviser Representatives. All investment advisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review investment objectives and account performance with the Registrant on an annual basis.

- B. The Registrant may conduct account reviews on another than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/trust company/mutual fund/custodian for the client accounts. Those clients to whom Registrant provides investment supervisory services may access account activity reports from the Registrant on a no less than quarterly basis.

#### **Item 14      Client Referrals and Other Compensation**

- A. As referenced in Item 12.A.1 above, the Registrant receives economic benefits from certain broker-dealer/custodians in the form of support services and/or products. Please see Item 10.D. above regarding a relationship the Registrant has with another unaffiliated investment adviser.
- B. **Solicitor Introductions/Referral Fees.** If a client is introduced to the Registrant by either an unaffiliated or an affiliated solicitor, the Registrant may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from the Registrant's investment management fee. If the client is introduced to the Registrant by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of the Registrant's written Brochure with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between the Registrant and the solicitor, including the compensation to be received by solicitor from the Registrant.

**Solicitor-Continued Obligations.** When indicated on the solicitor written disclosure statement to be provided by the solicitor to the prospective client, the solicitor shall be exclusively responsible for: (a) assisting the referred client in determining the initial and ongoing suitability for Registrant's investment portfolios and/or strategies; and (1) for receiving/ascertaining the referred client's directions, notices and instructions, and forwarding them to Registrant, in writing. Registrant shall be entitled to rely upon any such direction, notice, or instruction (including any information or documentation regarding the referred client's investment objectives, risk tolerances and/or investment restrictions) until it has been duly advised in writing of changes thereto; and (2) Registrant shall have no liability or responsibility for solicitor's failure to correctly, accurately and/or timely ascertain/forward/communicate any and all such directions, notices and instructions. The solicitor shall indemnify the Registrant in the event of a claim by a client relating to a solicitor's failure to correctly, accurately and/or timely ascertain/forward/communicate any and all such directions, notices and instructions to the Registrant.

The Registrant may receive client referrals from unaffiliated investment advisers, pursuant to which the Registrant shall compensate such referring advisers with a portion of the Registrant's investment advisory fee. With respect to client engagements that derive from such referrals, the Registrant may engage the services of an unaffiliated investment manager to assist the Registrant with the investment management process.

**The Registrant's Chief Compliance Officer, Todd Silbergeld, remains available to address any questions that a client or prospective client may have regarding the above arrangements and any corresponding conflicts of interest such arrangements may create.**

## **Item 15      Custody**

The Registrant shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/trust company/mutual fund/custodian for the client accounts. Those clients to whom Registrant provides investment supervisory services will also receive a report from the Registrant summarizing account activity no less than quarterly.

**Please Note:** To the extent that the Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of the Registrant's advisory fee calculation.

## **Item 16      Investment Discretion**

The client can determine to engage the Registrant to provide investment advisory services on a discretionary basis. Prior to the Registrant assuming discretionary authority over a client's account, the client shall be required to execute an *Investment Advisory Agreement*, naming the Registrant as the client's attorney and agent in fact, granting the Registrant full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage the Registrant on a discretionary basis may, at any time, impose restrictions, **in writing**, on the Registrant's discretionary authority (e.g., limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Registrant's use of margin, etc.).

## **Item 17      Voting Client Securities**

- A. Except for assets invested in the CMG Mauldin Solutions Core Fund, CMG Tactical Bond Fund and CMG Tactical All Asset Strategy Fund and accounts managed by sub-advisors (for which the sub-advisor will generally retain proxy voting responsibility), clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.

Registrant serves as an advisor to the CMG Mauldin Solutions Core Fund, CMG Tactical Bond Fund and CMG Tactical All Asset Strategy Fund. Registrant has adopted proxy

voting policies and procedures as required by Rule 206(4)-6 of the Investment Advisers Act of 1940. These policies and procedures are effective as of May 1, 2009. As a matter of policy and as a fiduciary, Registrant has responsibility for voting proxies for portfolio securities consistent with the best economic interests of the Fund, portfolios and clients. Registrant maintains written policies and procedures as to the handling, research, voting and reporting of proxy voting and makes appropriate disclosures about our firm's proxy policies and practices. Registrant's policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest, as well as making information available to clients about the voting of proxies for their portfolio securities and maintaining relevant and required records.

- B. Unless set forth in Item 17.A above to the contrary, clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

## **Item 18      Financial Information**

- A. The Registrant does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Registrant has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: Registrant's Chief Compliance Officer, Todd Silbergeld, remains available to address any questions regarding this Part 2A.**

**Item 1 Cover Page**

A.

**Stephen B. Blumenthal**

CMG Capital Management Group, Inc.

Brochure Supplement

Dated 03/31/2018

Contact: Todd Silbergeld, Chief Compliance Officer

1000 Continental Drive, Suite 570

King of Prussia, PA 19406

B.

**This brochure supplement provides information about Stephen B. Blumenthal that supplements the CMG Capital Management Group, Inc. brochure. You should have received a copy of that brochure. Please contact Todd Silbergeld, Chief Compliance Officer, if you did *not* receive CMG Capital Management Group, Inc.'s brochure or if you have any questions about the contents of this supplement.**

**Additional information about Stephen B. Blumenthal is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2 Education Background and Business Experience**

Stephen B. Blumenthal was born in 1961. Mr. Blumenthal graduated from Pennsylvania State University in 1983, with a Bachelor of Science degree in Accounting. Mr. Blumenthal has served as Chief Executive Officer and Chief Investment Officer of CMG Capital Management Group, Inc. since 2012.

**Item 3 Disciplinary Information**

None.

**Item 4 Other Business Activities**

A. The supervised person is not actively engaged in any other investment-related businesses or occupations.

- B. The supervised person is not actively engaged in any non-investment-related business or occupation for compensation.

### **Item 5 Additional Compensation**

None.

### **Item 6 Supervision**

The Registrant provides investment advisory and supervisory services in accordance with the Registrant's policies and procedures manual. The primary purpose of the Registrant's Rule 206(4)-7 policies and procedures is to comply with the requirements of supervision requirements of Section 203(e)(6) of the Investment Advisor's Act ("*Act*"). The Registrant's Chief Compliance Officer, Todd Silbergeld, is primarily responsible for the implementation of the Registrant's policies and procedures and overseeing the activities of the Registrant's supervised persons. Should an employee or investment adviser representative of the Registrant have any questions regarding the applicability/relevance of the *Act*, the Rules thereunder, any section thereof, or any section of the policies and procedures, he/she should address those questions with the Chief Compliance Officer. Should a client have any questions regarding the Registrant's supervision or compliance practices, Mr. Silbergeld can be reached at (610) 989-9090.

**Item 1 Cover Page**

A.

**Avi J. Rutstein**

CMG Capital Management Group, Inc.

Brochure Supplement  
Dated 03/31/2018

Contact: Todd Silbergeld, Chief Compliance Officer  
1000 Continental Drive, Suite 570  
King of Prussia, PA 19406

B.

**This brochure supplement provides information about Avi J. Rutstein that supplements the CMG Capital Management Group, Inc. brochure. You should have received a copy of that brochure. Please contact Todd Silbergeld, Chief Compliance Officer, if you did *not* receive CMG Capital Management Group, Inc.'s brochure or if you have any questions about the contents of this supplement.**

**Additional information about Avi J. Rutstein is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2 Education Background and Business Experience**

Avi J. Rutstein was born in 1975. Mr. Rutstein graduated from Pennsylvania State University in 1997, with a Bachelor of Science degree in Management. Mr. Rutstein served as Vice President of Business Development of CMG Capital Management Group, Inc. from 2006 to 2015. Mr. Rutstein has served as Managing Director, Sales since July 2015.

**Item 3 Disciplinary Information**

None.

**Item 4 Other Business Activities**

A. The supervised person is not actively engaged in any other investment-related businesses or occupations.

- B. The supervised person is not actively engaged in any non-investment-related business or occupation for compensation.

### **Item 5 Additional Compensation**

None.

### **Item 6 Supervision**

The Registrant provides investment advisory and supervisory services in accordance with the Registrant's policies and procedures manual. The primary purpose of the Registrant's Rule 206(4)-7 policies and procedures is to comply with the requirements of supervision requirements of Section 203(e)(6) of the Investment Advisor's Act ("*Act*"). The Registrant's Chief Compliance Officer, Todd Silbergeld, is primarily responsible for the implementation of the Registrant's policies and procedures and overseeing the activities of the Registrant's supervised persons. Should an employee or investment adviser representative of the Registrant have any questions regarding the applicability/relevance of the *Act*, the Rules thereunder, any section thereof, or any section of the policies and procedures, he/she should address those questions with the Chief Compliance Officer. Should a client have any questions regarding the Registrant's supervision or compliance practices, Mr. Silbergeld can be reached at (610) 989-9090.

## Item 1 Cover Page

A.

### **Brian Schreiner**

CMG Capital Management Group, Inc.

Brochure Supplement

Dated 03/31/2018

Contact: Todd Silbergeld, Chief Compliance Officer

1000 Continental Drive, Suite 570

King of Prussia, PA 19406

B.

**This brochure supplement provides information about Brian Schreiner that supplements the CMG Capital Management Group, Inc. brochure. You should have received a copy of that brochure. Please contact Todd Silbergeld, Chief Compliance Officer, if you did *not* receive CMG Capital Management Group, Inc.'s brochure or if you have any questions about the contents of this supplement.**

**Additional information about Brian Schreiner is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## Item 2 Education Background and Business Experience

Brian Schreiner was born in 1975. Mr. Schreiner has a Bachelor of Science degree in Business Administration from Widener University. He joined CMG Capital Management Group, Inc. in July 2015 as Senior Vice President of the Private Wealth Group. From August 1999 to June 2015, Mr. Schreiner was President and Chief Operations Officer of Schreiner Capital Management, Inc., a Registered Investment Adviser that specialized in managing tactical investments.

## Item 3 Disciplinary Information

None.

## Item 4 Other Business Activities

A. The supervised person is not actively engaged in any other investment-related businesses or occupations.

- B. The supervised person is not actively engaged in any non-investment-related business or occupation for compensation.

### **Item 5 Additional Compensation**

None.

### **Item 6 Supervision**

The Registrant provides investment advisory and supervisory services in accordance with the Registrant's policies and procedures manual. The primary purpose of the Registrant's Rule 206(4)-7 policies and procedures is to comply with the requirements of supervision requirements of Section 203(e)(6) of the Investment Advisor's Act ("Act"). The Registrant's Chief Compliance Officer, Todd Silbergeld, is primarily responsible for the implementation of the Registrant's policies and procedures and overseeing the activities of the Registrant's supervised persons. Should an employee or investment adviser representative of the Registrant have any questions regarding the applicability/relevance of the Act, the Rules thereunder, any section thereof, or any section of the policies and procedures, he/she should address those questions with the Chief Compliance Officer. Should a client have any questions regarding the Registrant's supervision or compliance practices, Mr. Silbergeld can be reached at (610) 989-9090.