



Wealth through ingenuity.

# CMG BETA ROTATION STRATEGY

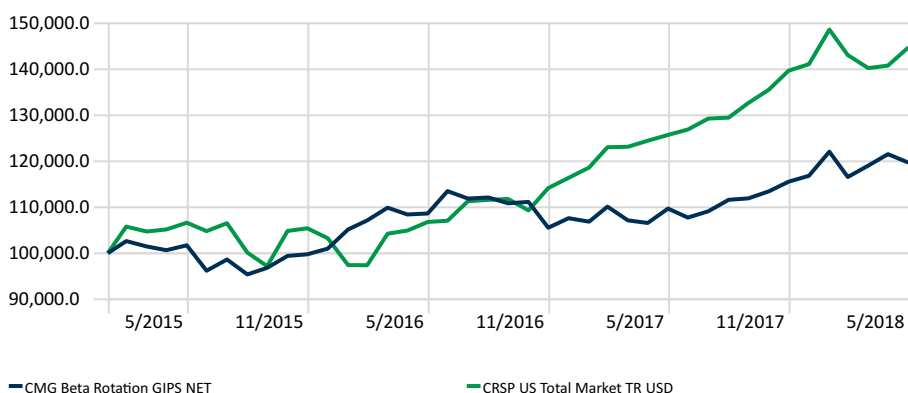
## Strategy Description

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

## Strategy Strengths

- 1) Rules-based approach driven by a proprietary relative strength scoring system
- 2) Defined tactical BUY and SELL discipline to proactively manage risk
- 3) Aims to capture broad bull market gains and reduce risk in bear markets
- 4) Fully transparent, managed account structure with daily liquidity
- 5) Defensive cash position in extreme market declines

## Growth of \$100,000.00



## Strategy Information

<b>Strategy Inception:</b>	October 2014
<b>Return Date:</b>	May 2018
<b>Benchmark:</b>	CRSP US Total Market Index TR USD

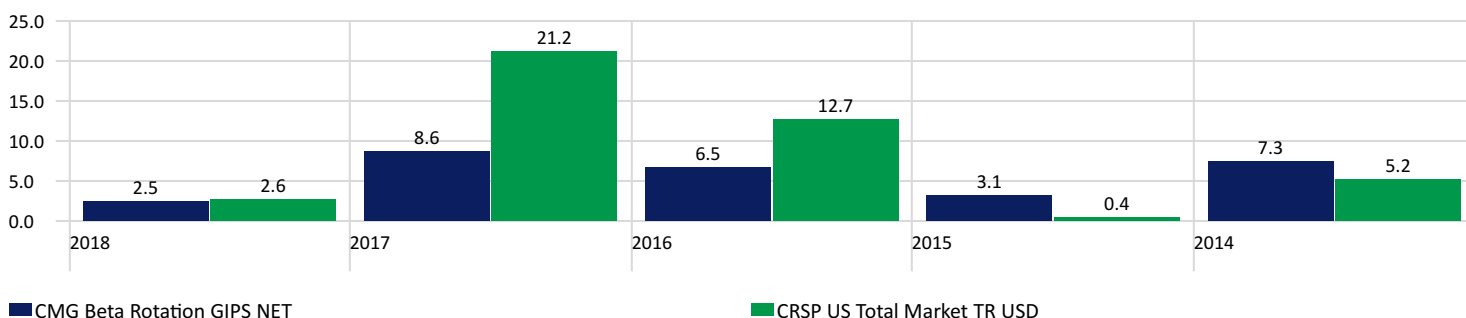
## Risk Statistics

	Strategy	Bench
<b>Std Dev</b>	8.75	10.08
<b>Max Drawdown</b>	-7.06	-8.84
<b>Sharpe Ratio</b>	0.83	1.06
<b>Best Month</b>	6.66	7.86
<b>Worst Month</b>	-5.42	-5.99
<b>Cumulative Return</b>	31.17	48.01
<b>Alpha</b>	4.89	0.00
<b>Beta</b>	0.22	1.00
<b>Correlation</b>	0.25	1.00
<b>R2</b>	6.35	100.00
<b>Up Capture Ratio</b>	40.91	100.00
<b>Down Capture Ratio</b>	5.37	100.00

## Performance Summary (Net of Fees)

	Strategy	Bench
<b>1 Month</b>	-1.50	2.81
<b>3 Month</b>	2.69	1.16
<b>YTD</b>	2.45	2.58
<b>1 Year</b>	9.10	15.11
<b>Inception</b>	7.68	11.29

## Yearly Returns (Net of Fees)



TO BE USED FOR ONE-ON-ONE PRESENTATION ONLY IN CONJUNCTION WITH A REGISTERED INVESTMENT PROFESSIONAL

1000 Continental Drive, Suite 570, King of Prussia, PA 19406  
Phone 610.989.9090 | Fax 610.989.9092 | www.cmgwealth.com



Wealth through ingenuity.

# CMG BETA ROTATION STRATEGY - SUPPLEMENTAL PERFORMANCE

## Supplemental Disclosure Information \*\*\*

The supplemental information provided supplements the CMG Beta Rotation Strategy Composite presentation on page 1. Please note that the performance represents results from the CMG Beta Rotation Index, a hypothetical back-test compiled by Solactive AG. All supplemental performance is presented net of the highest advisor fee for the program, 2.25%, paid quarterly in arrears. The CMG Beta Rotation Index returns represented in this material do not reflect the actual trading of any client account. No representation is being made that any client will or is likely to achieve results similar to those presented herein. Any financial product based on the CMG Beta Rotation Index or any index derived therefrom that is offered by CMG Capital Management Group, Inc. is not sponsored, endorsed, sold or promoted by Solactive AG and Solactive AG makes no representation regarding the advisability of investing in the product.

## Strategy Information

<b>Strategy Inception:</b>	April 2004
<b>Return Date:</b>	September 2014
<b>Benchmark:</b>	CRSP US Total Market Index TR USD

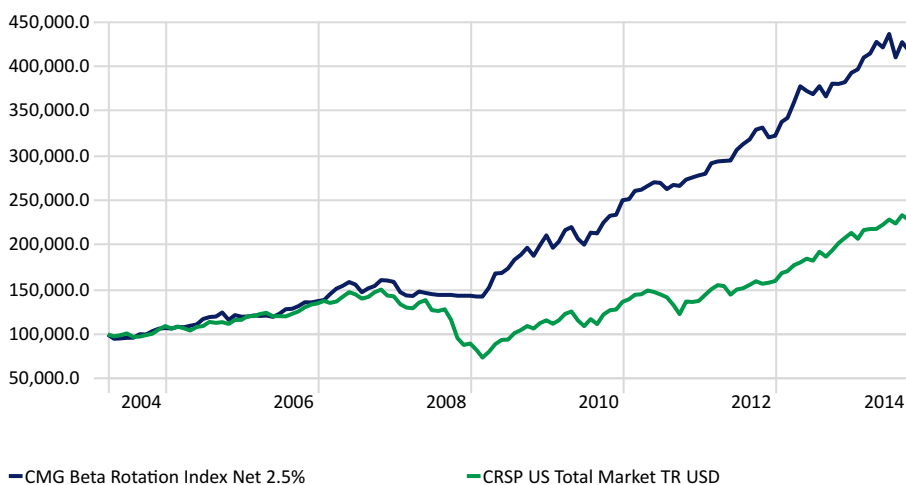
## Risk Statistics \*\*\* Hypothetical \*\*\*

	Strategy	Bench
<b>Std Dev</b>	10.54	14.97
<b>Max Drawdown</b>	-11.44	-50.63
<b>Sharpe Ratio</b>	1.20	0.50
<b>Best Month</b>	10.37	11.44
<b>Worst Month</b>	-7.27	-17.65
<b>Cumulative Return</b>	318.15	128.57
<b>Alpha</b>	9.46	0.00
<b>Beta</b>	0.43	1.00
<b>Correlation</b>	0.62	1.00
<b>R2</b>	37.87	100.00
<b>Up Capture Ratio</b>	77.51	100.00
<b>Down Capture Ratio</b>	32.24	100.00

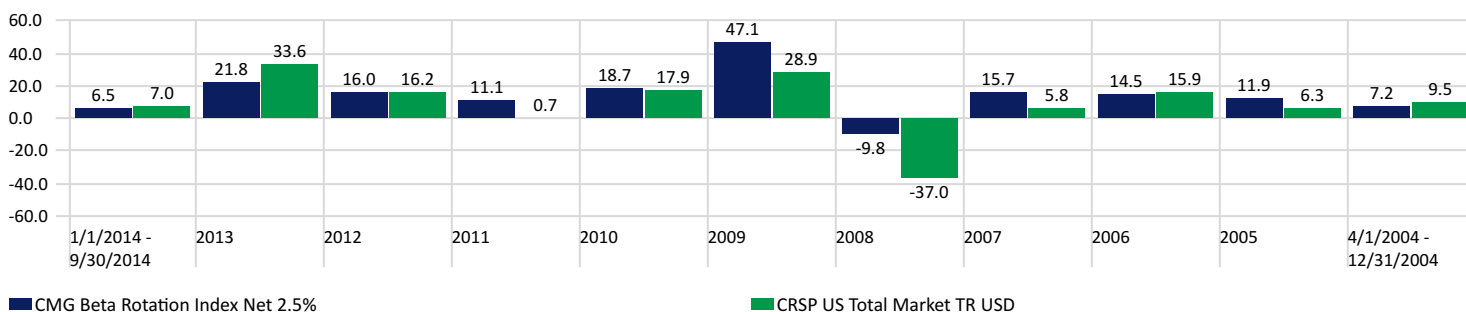
## Performance Summary (Net of Fees) \*\*\*Hypothetical\*\*\*

	Strategy	Bench
<b>1 Year</b>	9.85	17.77
<b>3 Years</b>	16.23	23.00
<b>5 Years</b>	16.24	15.86
<b>10 Years</b>	15.38	8.69
<b>Inception</b>	14.60	8.19

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



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



TO BE USED FOR ONE-ON-ONE PRESENTATION ONLY IN CONJUNCTION WITH A REGISTERED INVESTMENT PROFESSIONAL

1000 Continental Drive, Suite 570, King of Prussia, PA 19406  
Phone 610.989.9090 | Fax 610.989.9092 | www.cmgwealth.com



Wealth through ingenuity.

# CMG BETA ROTATION STRATEGY

## CMG Capital Management Group, Inc. Disclosure Statement

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

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

The CMG Beta Rotation Strategy composite creation date is October 2014 and inception date is October 2014. Net performance composite results are presented in US dollars, reflect the deduction of investment advisory fees, transaction costs, custodial fees, administrative fees and reflect the reinvestment of dividends and capital gains. From inception to January 2017, the investment management fee for the composite was 2.50%. From February 2017 to present, the investment management fee for the composite is 2.25%, the highest fee paid by a client. Actual fees may vary based on, among other factors, account size and custodial relationship. Individual returns may vary substantially from those presented due to differences in the timing of contributions and withdrawals, account start dates and actual fees paid.

The benchmark for the composite is the CRSP US Total Market Index. The CRSP US Total Market Index is an unmanaged index considered representative of the U.S. investable equity markets ranging from mega to micro capitalizations. Historical performance results for market indices do not reflect the deduction of transaction and custodial charges, or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing indicated historical performance results. **For example**, the deduction of the combined annual advisory and transaction fees of 1.00% over a 10-year period would decrease a 10% gross return to an 8.9% net return. The CRSP US Total Market Index is not an index into which an investor can directly invest. The historical performance results (and those of all other indices) are provided exclusively for comparison purposes only, so as to provide general comparative information to assist an individual client or prospective client in determining whether the performance of a CMG portfolio performance meets, or continues to meet, his/her investment objective(s). It should not be assumed that CMG program holdings will correspond directly to any such comparative index.

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

**Supplemental Performance Disclosure:** Performance results reflect **hypothetical results** that were achieved by means of the retroactive allocation, and as such, the corresponding results have inherent limitations, including: (1) the model results do not reflect the results of actual trading using client assets, but were achieved by means of the retroactive application of each of the investment models, certain aspects of which may have been designed with the benefit of hindsight; (2) back-tested performance may not reflect the impact that any material market or economic factors might have had on the adviser's use of the model if the model had been used during the period to actually manage client assets; (3) for various reasons (including the reasons indicated above), clients may have experienced investment results during the corresponding time periods that were materially different from those portrayed in the model. The investment time horizon is intended to be at least five years. At any specific point in time, the account value may experience positive and/or negative returns in excess of the return objective. Unless otherwise noted, the hypothetical performance results reflect the deduction of a 225-basis point maximum management fee.

In the event that there has been a change in a client's investment objectives or financial situation, he/she/it is encouraged to advise CMG immediately. Different types of investments and/or investment strategies involve varying levels of risk, and there can be no assurance that any specific investment or investment strategy (including the investment strategies devised or undertaken by CMG) will be profitable for a client's or prospective client's portfolio. Information pertaining to CMG's advisory operations, services, and fees is set forth in CMG's current disclosure statement, a copy of which is available from CMG upon request (or on CMG's website, [www.cmgwealth.com/disclosures/adv](http://www.cmgwealth.com/disclosures/adv)).

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

## Description of Technical Terms in this Report

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

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

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

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

**Beta:** A measurement of the investments sensitivity to market movements. Beta compares an investments excess return over treasury bills to the benchmarks return over treasury bills. A beta of 1.10 shows that the investment has performed 10% better than its benchmark in up markets and 10% worse in down markets, assuming all other factors remain constant.

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

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

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

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